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Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Saturday, July 21, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, we know not what a day may bring; but we know who rules supreme, unchangeable, ever present. We pray for all people in the service of our country—the President, the Congress, our diplomats, judges, and persons in the military forces. By Thy strength and in Thy spirit help each one to do his best. Keep us temperate and truthful in speech, faithful and diligent in work, honorable and generous in dealing with others, loyal to every hallowed memory, and mindful of our eternal destiny. We pray in the name of Him who went about doing good. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 21, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEAHY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader (Mr. CRANSTON) is recognized.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I reserve the remainder of the leader's time at this point.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader (Mr. STEVENS) is recognized.

THE SENATE PARLIAMENTARIAN

Mr. STEVENS. Mr. President, I think the Senate should thank the Parliamentarian for lighting up the Senate Chamber so well this morning.

It is difficult to come to work this early on Saturday morning. Some of us had a little difficulty opening our eyes. I certainly did not have any difficulty after I looked twice in his direction.

Mr. President, I reserve the remainder of my time.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. STEVENS. I am happy to.

Mr. PROXMIRE. I would like to point out the Parliamentarian seems to be a beneficiary of Gale McGee's generosity.

Gale was here the other day. It is good to see that at least his clothing is still lighting up the Senate.

Mr. STEVENS. Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Chair in its capacity as Senator from Vermont remarks that it is easier proceeding at this hour with the bright beacon represented by the Parliamentarian's multicolored attire. It makes it easier to look beyond the table to my distinguished colleagues who blend into somewhat of uniformity by comparison.

The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I am glad to give such time as the Senator from Wisconsin may need of the majority leader's time.

Mr. PROXMIRE. I thank my friend.

INTENT, NOT NUMBERS, IS THE CRUCIAL FACTOR

Mr. PROXMIRE. Mr. President, the Convention on the Prevention and Punishment of the Crime of Genocide is a noble effort on an international scale that warns unambiguously that crimes of genocide will not be overlooked. The Genocide Treaty seeks to clarify the very difficult problem of what actually constitutes an act of genocide. It also addresses the issue of how to handle those accused of committing genocide.

As would be expected, there has been a great deal of discussion concerning the provisions of the treaty and in particular article II. The particular point in question I will address today is the question of whether or not the phrase "in whole or in part" of article II is ambiguous to the point of being meaningless as has been charged by critics of the treaty.

In discussing this issue, the problem seems to stem from taking the phrase out of context.

The question is not really a question of what percentage of the group must be killed before a crime of genocide is committed. Rather, the "in whole or in part" clause is an explanatory phrase.

Its purpose is to make it clear that the entire group does not have to be killed for a crime of genocide to have been committed. Not "how many" but "intent" is the critical element.

If there was intent on the part of the accused to destroy the whole group but in fact he killed only a few members, he would be guilty of genocide.

There is no ambiguity here.

Of course if intent to destroy the whole group could not be proven, it is also clear under article II that no crime of genocide would have been committed.

The focus is clearly not on how many are killed, but whether or not "intent" can be proven.

Mr. President, I think it is important the Senate ratify this treaty and ratify it now. The treaty has been discussed, explained, and clarified time and again. Ratification by the Senate remains the only action consistent with the merits and provisions of the Genocide Treaty.

I thank the distinguished Senator from California for so graciously yielding me time.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. CRANSTON. Mr. President, I reserve the remainder of the majority leader's time.

Mr. STEVENS. Mr. President, I believe there is a request for the minority

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

leader's time, and I would like to reserve the remainder of my time until the completion of the standing order of the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR WEICKER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized for not to exceed 15 minutes.

PRESIDENT CARTER'S ADDRESS

Mr. WEICKER. Mr. President, I listened to Mr. Carter's address last Sunday night, as I am sure most of you did, and I think I have discovered the secret of his public philosophy. He has gone around Lincoln's observation that you can fool all of the people some of the time and some of the people all of the time, but not all of the people all of the time, to the conclusion that it is only necessary to fool a plurality every 4 years. He did it in 1976, and we are being set up for a replay next year.

Jimmy Carter, we have to believe, took his best shot last Sunday night. And typically, he did not aim at the problem, he did not shoot for an energy program that makes sense, he did not target the overall problems of a gravely mismanaged economy—no, he drew a bead on another scapegoat. In the campaign in 1976, it was the Congress, and it was the bureaucracy, and it was the professional politicians. After he got in office, it was the special interest groups, and the oil companies, and then it was the press, then the doctors, then the lawyers, and then the American people and finally, his own Cabinet. Scapegoating helped him into office, but it could not help him govern, and the more he sought to destroy confidence in legitimate public institutions, the more he destroyed confidence in himself until, finally, he had sqandered the power of his office and had, for all practical purposes, ceased to be President.

This left him with the choice of resigning, as some have suggested he do—including John Roche, the former head of Americans for Democratic Action—or launch one more Rafshoon balloon to see if the public's tolerance could be taken just a little more advantage of.

His aides suggested that OPEC should be the scapegoat this time out, but Jimmy had bigger ideas. This time he chose nothing less than the American people themselves. And the choice has a kind of predictable perverse logic to it: Three years ago Mr. Carter traveled the country promising a government as good as the American people. Having failed miserably, he came last week to tell us that the American people are not good enough. They lacked confidence in themselves. After telling us that we are losing our grip as a people, he then paused, gave us his pious little smile, and asked us all to say something nice about America.

Just to be evenhanded, he followed up by throwing in his Cabinet. Disloyal, he said. Well, he picked them. And I think what bothers him is that some of them are being loyal to the taxpayers who pay their salary and not worrying about covering Carter's mistakes.

So there it all was last Sunday, with a handy list of endorsements to quote—Ms. R. J. from Bayonne writes "* * * The way they used to advertise Carter's Little Liver Pills, except now it was Carter's Little Presidency." There it all was, sly little formulations which appeared to be self-criticism and turned out to be upside down compliments: "You're not leading the country, Mr. President, you're only managing the Government."

Wrong! Wrong! Managing the Government is leading the country. And Mr. Carter is by no stretch of anybody's imagination managing the Government. He cannot even manage the White House, much less the whole Government.

If any single thing needed to be done last Sunday once and for all, it was to announce an energy program, not to announce the latest excuse for failure. And we did not get an energy program.

With a look of grim determination, pounding his little fist on the desk, he declared that we would never import more oil than we did in 1977. Well, hell, we know that 1977 was the peak year, and our imports have been declining since then; they were down in 1978, and the projection is that they will be further down this year. That is just playing on what he thinks is the Nation's ignorance.

We are not where we are because people do not have confidence in themselves; the problem is that they do not have confidence in Mr. Carter. And it is compounded by the fact that Mr. Carter does not have confidence in the American people or the basic institutions of either the private or the public sector.

Jimmy Carter represents the one soft spot in our Presidential system, and that is that we have no way of removing a President who lacks the capacity for the job unless he is at the point where he has to be chased down with a net. If this were a parliamentary system, with the Nation's lack of confidence in him and his party's lack of confidence in him, he would have been removed long ago. If he were the chief executive of a corporation, he would have been retired long ago. Neither option is available to us, and we are suffering for it as we suffered in 1974.

There is an alternative, however, and it relies not on institutional means, but on the man himself. I do not suggest that Mr. Carter resign. His ego would not permit it. But there is a middle ground between resignation and running for office again, and that is to take himself out of consideration for the Democratic nomination so that he can put the Nation's energy and economic problems ahead of his own political problems.

I think if he took that step, and gave that evidence of good faith and selflessness, then he could gather the guidance and support necessary to restore the Nation, to solve the difficulties he has created, and to get started on dealing with the intrinsic difficulties which he inherited.

Lyndon Johnson took this step in 1968 in a vain but noble effort to end the controversy surrounding himself and to devote himself full time to ending the Vietnam war. He set a precedent for selflessness in troubled times, and proved that even a strong President may be overwhelmed by difficulties. How much more essential is it that a weak President have the courage to confront reality and make an accommodation with it. I see no alternative to it.

The results of the President's last and best effort to restore his authority are in, and they confirm that the only course left to him is to reduce the extent to which he is a national liability. His speech and his actions produced an insignificant increase in his popularity in the polls. The dollar dropped and gold went over $300 an ounce. Foreign governments are holding their breath, waiting for the last act. The stock market dropped. And we got a little bread-and-butter note from the Saudi's as a way of telling Jimmy they are the only real friends he has left, for which he is foolishly grateful.

In short, the world and the Nation are underwhelmed. And Mr. Carter's response to it all has been to make his campaign chief his Chief of Staff. It will not do. It just will not do at all.

QUORUM CALL

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the time for the quorum call be charged equally to both leaders.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I yield back the remaining time of the majority.

Mr. HEINZ. Mr. President, I yield back the remaining time of the minority.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of routine morning business for not to extend beyond the hour of 9:40 a.m. with statements therein limited to 2 minutes each.

Mr. CRANSTON. Mr. President, if there be no further morning business I suggest we end that period and go to the bill.

IF WE CAN GO TO THE MOON * * *

Mr. BAKER. Mr. President, yesterday the American people celebrated the 10th anniversary of our Nation's greatest technological triumph—the landing of American astronauts on the Moon.

That surpassing achievement—that combination of organizational and technical genius with the courage of the human spirit—has led us in our time to believe that "if we can go to the Moon," we can do anything.

I believe that to be true Mr. President. I believe the capacity of the American people to set goals for themselves and then to reach them—no matter what the odds against them—is what sets this Nation apart from all others.

It is this capacity which has won us our independence, which helped us conquer a wilderness continent, which helped us to go to the Moon. This capacity in our people is undiminished by time or circumstance, and waits only for the inspiration and the new goal.

Space exploration itself has reserved for our generation a special place in the history of mankind. It may well define our most important and enduring contribution to that history. Having set the Nation on course to a new and endless frontier, we have laid a foundation on which a hundred generations can build.

The distinguished gentleman from New Mexico, Mr. SCHMITT, is one of the handful of men who have walked the barren plains of the Moon and into the history of our country and our human race.

On the 10th anniversary of man's first landing on the Moon, Senator SCHMITT has proposed exciting new objectives for space exploration, through the end of this century.

I believe each of my colleagues will find Mr. SCHMITT's vision compelling and his timetable invigorating. I ask unanimous consent that his article entitled "Space Is Our Destiny," which appeared in Friday's Washington Star, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPACE IS OUR DESTINY

(By HARRISON SCHMITT)

I would like to tell you about a place I have seen: a valley on the moon known as the Valley of Taurus-Littrow. Taurus-Littrow is a name not chosen with poetry in mind; but, as with many names, the mind's poetry is created by events. Events surrounding not only three days in the lives of three men, but also the close of an unparalleled era in human history.

The Valley of Taurus-Littrow is confined by one of the most majestic panoramas within the view and experience of mankind. The roll of dark hills across the valley floor blends with bright slopes that sweep evenly upwards, tracked like snow, to the rocky tops of the massifs. The valley does not have the jagged youthful majesty of the Himalayas or the glacially symmetrical fjords of the north countries or even the now intriguing rifts of Mars. Rather, it has the subdued and ancient majesty of a valley whose origins appear as one with the sun.

The valley has watched the unfolding of thousands of millions of years of time. Now it has dimly and impermanently noted man's homage and footprints. Man's return is not the concern of the valley . . . only the concern of man.

Those words, spoken before the House of Representatives in 1973, expressed my thoughts after returning from the moon. They set part of the stage for my views on future space policy.

The main thrust of what must be this nation's space policy can be summarized in one phrase: Our destiny is space.

The expansion of human activities in space is of fundamental significance to the history of our civilization. We are lucky that it is our destiny to be the vanguard for the movement of both routine and unimaginable activities into outer space; to be the first truly spacefaring nation.

Can anyone imagine what awaits us in space? Did the Europeans really know how the "New World" would benefit them? Did Jefferson do a cost/benefit analysis of the Louisiana territory? In these instances the leaders realized that there were opportunities for social and economic benefits in the new territories, even though they could not quantify those benefits or even perceive most of them. We need an aggressive space policy to expand our opportunities for such benefits in space.

My proposed policy entails a number of goals. The first involves the development of a world information system. The second is the establishment of orbital enterprise facilities and the third is a second period of solar system exploration by man.

A world information system can be seen within the context of our private enterprise system. We must find ways to provide incentives to expand private enterprise in outer space, to smooth the way so that government space and aeronautics research can be integrated into the private sector.

My second goal is by the year 2000 to create the basic facilities necessary for orbital enterprise activities, such as education, health care, manufacturing and solar power utilization. Permanent facilities in orbit will help alleviate many problems facing this nation and provide many new opportunities. For example, the creation of new export commodities and the supply of inexhaustible energy are needs that cannot be ignored by this generation nor denied to future generations.

Many in this country, particularly young Americans, have an increasing awareness of outer-space activities and how they can be exciting and how they can benefit society. They accept the vision.

This leads me to my third goal which is, by the year 2010, for the United States to undertake further solar system exploration, which includes a base for research and test activities on the moon. A lunar base would permit us to develop and test the systems necessary to sustain a permanent mining, agricultural and research settlement. And other exploratory missions may be more economically staged from the moon.

These directions are part of an aggressive space policy which reflects our destiny in space. What is needed is a space policy of support for such activities.

The greatest of all accomplishments that we can achieve in our lifetime is to assure our children of their destiny in space.

BROCK ADAMS—SECRETARY OF TRANSPORTATION

Mr. BAYH. Mr. President, I have always felt that it was the responsibility of a President of the United States to run the executive branch of our Government. As impossible as that job is, it is critically important for the legislative branch to give great leeway to the President in the choice of those Cabinet and other executive officials that he gathers around him and on whom he must rely to run the Government.

I frankly believe at this particular time, when changes are being made, I have no desire to comment on the wisdom of these particular changes, trusting that if the President feels a greater degree of confidence in those he chooses he should be given this leeway and we should support him and hope the decisions are right.

I would like to say, however, Mr. President, that, having had the opportunity over the past few years to have the privilege of chairing the Senate Subcommittee on Transportation, I have considered it a real privilege to have the opportunity to serve with and work with a former colleague from the House of Representatives, who was chosen by President Carter to serve as Secretary of Transportation. I am speaking, of course, of Secretary Brock Adams.

In my judgment, he has done a remarkable job over the past 2½ years in addressing the many complex transportation issues facing this Nation in an aggressive and forthright way. He has demonstrated outstanding leadership in championing the accessibility needs of our elderly and handicapped citizens, the merits of a modern and fully functional public transportation system, the need to stick by and improve upon our previous commitments to make automobiles as fuel efficient and nonpolluting as possible, enhanced safety in all modes of transportation, and regulatory reforms which make sense for a major portion of our country's transportation system.

Mr. President, I have not always agreed with the Secretary of Transportation, my friend, Brock Adams, on every issue. But I must say, as chairman of the Appropriations Subcommittee on Transportation, I always found Secretary Adams to be a strong and eloquent spokesman for the President's policy.

When he found his personal views on funding levels and policy matters overridden by the President's need to balance our transportation spending with the overall Federal budget, Brock was insistent that we should keep the

DOT budget at or near the President's request. We have done that each year that I have chaired the subcommittee and I hope to be able to do so this year.

Brock Adams will be sorely missed in the coming months, and I hope he will keep in close touch with those of us who have responsibilities on transportation issues as legislation is moving through the Senate. The President will not easily find a successor to Brock Adams who is dedicated, enthusiastic and able to do the job. It is important that the momentum that Secretary Adams and the administration have obtained on many important transportation issues not be lost at this very critical time in our Nation's struggle to become more energy independent and as we attempt to help control inflation through wiser transportation priorities and less burdensome regulatory policies.

In the Congress and the Cabinet, Brock Adams has been a man of conscience, a dedicated American who has served his country with distinction. I am proud to call him my friend.

CONCLUSION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXPORT ADMINISTRATION ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume consideration of S. 737 which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 737) to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

The Senate resumed consideration of the bill.

The ACTING PRESIDENT pro tempore. The pending question is amendment No. 340.

Who yields time?

Mr. STEVENSON. Mr. President, I ask that this statement be taken from the time on the bill and not on the amendment that is now pending.

The ACTING PRESIDENT pro tempore. The Senate has that right. It will be.

Mr. STEVENSON. Mr. President, S. 737 is necessary to extend and revise authority to control U.S. exports and to authorize appropriations to meet the expenses of administering export controls. The existing authority which is provided in the Export Administration Act of 1969 expires September 30.

S. 737 would establish a new export control statute, the Export Administration Act of 1979, superseding the 1969 act. S. 737 incorporates many provisions of the 1969 act, but also makes extensive improvements to insure that export control authority is exercised with maximum efficiency and controls confined to those necessary to achieve important national purposes.

Mr. President, this legislation is one product of a year long study of U.S. export policy by the Subcommittee on International Finance. The subcommittee report based on that study concluded that:

Delays in export licensing decisions * * * are a significant cause of U.S. export loss. * * * Because U.S. licensing policy is often unclear, foreign purchasers come to regard the U.S. as an unreliable supplier. In areas of rapidly expanding technology, the control levels should be revised more frequently. Too often the Commerce Department responds to a rapidly evolving state of the art around the world only when deluged by license applications which should not have been required in the first place. If the Executive departments will not devise a more efficient way to provide essential monitoring and control without excessive disruption of U.S. exports, Congress must.

Mr. President, the U.S. trade deficit continues to set records. The United States has now run a trade deficit each month for the past 36 months. There is no end in sight, and imported oil is only part of the problem.

The United States is becoming less competitive at home and abroad. In 1975 the Nation had a $20 billion trade surplus in manufactured goods; last year it ran a $5.8 billion defict. Other nations more dependent on imported oil run trade surpluses. They go all out to beat us, and they win.

A factor in declining U.S. competitiveness is Government restriction of U.S. exports. U.S. exporters face export license controls, antitrust, antibribery, antiboycott, antinuclear proliferation, human rights, environmental reviews and other restrictions not faced by foreign competitors. We are the only nation in the world which treats exports as a favor to bestow upon worthy foreigners rather than an essential contribution to our economic well-being.

S. 737 is an important step in the development of a national export policy. It can become a symbol of our willingness to revamp our laws to meet the competitive challenge without sacrificing other major objectives.

Mr. President, S. 737 would establish an export control policy which protects vital security and foreign policy interests without unnecessarily restricting U. S. exports. It would reduce the number of controlled items and focus national security controls on technologies and related products critical to military systems. It would set criteria which the President must consider before imposing export controls for foreign policy purposes. It would reduce paperwork by establishing licenses under which multiple shipments could be made to a specified purchaser for a stated end use. It would expedite interagency review by requiring agreement in writing on types and categories of applications requiring interagency referral and setting a 30-day deadline for returning comments to the Commerce Department. It would insure final decisions on all applications within a maximum of 180 days.

The bill is lengthy. I will not take up the time of the Senate to go through each provision. Senate Report 96-169 contains a thorough description of the provisions of S. 737. I will mention only a few key provisions.

S. 737 requires that export controls maintained for national security purposes be reviewed by the President every 3 years in the case of controls maintained cooperatively with other nations and every year in the case of unilaterally maintained controls. Priority in administering such controls is to be given to preventing exports of militarily critical goods and technology, and the Secretaries of Commerce and Defense are required to review and revise such controls to insure they are focused upon and limited, to the maximum extent possible consistent with the purposes of the bill, to militarily critical goods and technology and the mechanisms through which they may be effectively transferred.

As the committee noted in its report on S. 737:

The number of license applications received by the Department of Commerce is expanding rapidly, nearing an annual level of 80,000 applications per year. The increased applications reflect a failure to prune the control lists and to concentrate licensing requirements where they can be most effective. The Defense Science Board Task Force on Export of U.S. Technology recommended, in a report released February 27, 1976, that export controls for national security purposes be focused upon retarding transfers of technology which could significantly enhance the military capacity of potential adversaries. The Task Force report suggested that other controls, particularly on end products, could be reduced once effective controls on the transfer of militarily critical technology were in place. Three years after the Task Force report, a critical technology approach has still to be devised and implemented. Failure to implement the Task Force report could result in controls which limit some exports unnecessarily while controlling insufficiently other exports which could be seriously detrimental to national security.

Mr. President, S. 737 provides the statutory basis for implementing the critical technologies approach recommended in the report of the Defense Science Board Task Force.

S. 737 also sets forth criteria to be considered by the President when imposing export controls for foreign policy purposes, including:

First. Alternative means to further the foreign policy purposes in question;

Second. The likelihood that foreign competitors will join the United States in effectively controlling the exports in question;

Third. The probability that such controls will achieve the intended foreign policy purpose;

Fourth. The effect of such controls on U.S. exports, employment and production and on the international reputation of the United States as a supplier of goods and technology;

Fifth. The reaction of other countries to the imposition or enlargement of such export controls by the United States; and

Sixth. The foreign policy consequences of not imposing controls. The bill provdies that the President shall report to Congress his reasons for imposing such controls, and that such controls must be reconsidered annually.

No aspect of U.S. export controls policy received sharper criticism during committee and subcommittee hearings than controls maintained for foreign policy purposes. Former Under Secretary of State George Ball testified that "such controls should be used very sparingly."

Former Under Secretary of Defense David Packard testified:

I do not believe these unilateral constraints are effective in changing the policies or the behavior of the targeted countries. In fact, I think the only thing such policies do is to guarantee the loss of business for the United States.

Former Secretary of State Dean Rusk testified that the United States should reconsider its attitude toward the use of export controls for foreign policy purposes:

We should begin by reminding ourselves that trade occurs when it is of benefit to both parties. When we refuse to trade for security or political reasons, we should recall that we are depriving ourselves of the benefits of that trade, whether in the form of convertible currencies or goods and services which we ourselves need for our own national life. I would strongly advise against a drift into self-imposed economic isolationism by weighing trade in terms of approval or disapproval of the institutions of other trading nations.

Uncertainty over U.S. policy toward the use of export controls for foreign policy purposes has discouraged potential exports and tarnished the reputation of U.S. exporters as reliable suppliers to foreign countries. Controls applied for foreign policy reasons often restrict the export of goods and technology freely available from foreign suppliers, often from our allies. Yet there is no evidence that the effects of such controls are receiving due consideration, nor that efforts are being made to obtain agreement by our allies to adopt similar restrictions on their exports.

S. 737 requires that foreign availability of goods and technology subject to export controls be determined both with respect to controls maintained for foreign policy purposes and those maintained for national security purposes. If the goods or technology are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, the President shall not impose export controls unless he determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the foreign policy or national security of the United States. If the President decides to maintain export controls despite foreign availability, he is required to initiate negotiations with other governments to try to remove such foreign availability.

S. 737 would not interfere with the President's ability to respond immediately to foreign policy crises. The President could decide that one, several, or all of the factors listed in section 4(a)(2)(C) and referred to in section 4(a)(2)(D) were not relevant to imposing export controls in a given situation. He could also impose export controls before it is known whether foreign availability, as referred to in section 4(a)(2)(E), exists.

Moreover, controls could be continued if they were inconsistent with these factors or if it later became apparent that foreign availability does exist. These factors are to be taken into consideration, but they are not conditions which must be met. Controls may be continued notwithstanding foreign availability if the President determines that failure to do so would be detrimental to U.S. foreign policy.

S. 737 assigns clear responsibility for assessing the foreign availability of goods and technology subject to U.S. export controls. A report by the General Accounting Office notes that no one in the executive branch is given responsibility to determine whether products or technology are freely available to controlled countries from our foreign competitors. Each agency makes its own assessment, leading to needless duplication of effort and delays in license reviews.

The GAO recommended that foreign availability be assessed by a single office drawing as necessary on expertise and information from other Federal agencies. Our bill requires establishment of an Office of Foreign Product and Technology Assessment in the Department of Commerce. This office could call upon any Federal agency for assistance in assessing foreign availability, and would also receive information from the business sector. Centralizing responsibility for foreign availability assessments should yield substantial savings in administrative expense and license processing time.

S. 737 authorizes the President to delegate authority under the act to such departments, agencies, or officials as he chooses, but not to any official of any department or agency whose head is not appointed by and with the consent of the Senate. The committee intends the provision to apply in particular to the National Security Council which is reported to have been assigned a role in formulating export control policy and in reviewing particular export license applications. The expanded role of the NSC staff in export licensing and export control policy has frustrated effective congressional oversight and diffused responsibility for export controls in the executive branch.

Mr. President, former Secretary of State Dean Rusk made the following comments before the Banking Committee last year:

Mr. Chairman, as far as the National Security Council staff is concerned, I think it's of the utmost importance they remain in the staff capacity and they not be injected into the line responsibility of command . . .

The National Security staff does not carry major statutory responsibilities as do Cabinet officers. They do not appear regularly down here before committees and subcommittees of the Congress. They do not hold press conferences in which they can be interrogated regularly by the press. Theirs is a staff responsibility.

S. 737 is intended to discourage the assignment of export licensing responsibilities to the NSC.

S. 737 contains all the antiboycott provisions of the Export Administration Act of 1969, as amended, and makes no changes in those provisions. The committee received letters from major business organizations and Jewish groups recommending that no change be made in the boycott provisions this year. This bill does not amend the antiboycott provisions of the act as implemented by regulations issued by the Commerce Department.

S. 737 provides a 4-year extension of export control authority from September 30, 1979, to September 30, 1983. Congress will have an opportunity each year to exercise effective oversight of export control policy and to make statutory changes, because S. 737 requires that appropriations for administering the act be authorized annually.

Mr. President, S. 737 would streamline U.S. exports control, eliminating unnecessary restrictions on U.S. exports while providing more effective control over exports which truly threaten our national security. The approach adopted in the bill is realistic; it recognizes that the United States is no longer the world's only producer of advanced technology; it recognizes the intensity of foreign competition and the impossibility of preventing the spread of technology; it recognizes that truly effective export controls must be multilateral controls. The United States must continue to work in cooperation with NATO allies and Japan to design and implement an export control policy which effectively serves our mutual security interests, without needlessly sacrificing our economic well-being. S. 737 provides the foundation for an export control policy to serve all our principal interests, neglecting none.

Mr. HEINZ. Mr. President, I yield myself such time as I may consume from the bill.

Mr. President, I join my distinguished colleague, the senior Senator from Illinois, in urging passage of the Export Administration Act of 1979, S. 737. This bill is a significant improvement over its predecessor, the 1969 act. It incorporates many of the recommendations for improvements made by the General Accounting Office's two extensive reports on the export licensing process, the National Governors' Association's special task force report on this subject, and numerous expert private witnesses, who detailed the defects of the current system

during the four hearings we held on this subject.

Mr. President, when the original Export Control Act legislation was enacted after World War II, America was the technological leader in the world and could maintain unilateral controls on much of its technology. This is no longer the case. We are now in a highly competitive international trading arena. During the past decade alone, for example, U.S. exports as a percentage of gross national product increased from approximately 4 percent to 7 percent, while our share of total world trade nonetheless declined.

We still have the greatest absolute volume of exports with $143 billion in 1978, but increasingly our trading takes on the pattern of a less developed country, with agricultural raw materials acounting for an ever greater percentage of the volume. Our defeated enemies, Germany and Japan, have surpassed our share of the world market in manufactured goods. Our once substantial lead in technology has been overtaken in many significant areas of medium and high technology—machine tools, power turbines, reactors, jet aircraft, naval vessels. Foreign competitors from Europe and Japan export goods that approach or surpass the best American designs. Thus, in a good many cases, countries denied American goods, or countries which experience inordinate delays in obtaining those goods, can easily find them elsewhere. They will not pay a double price—both economic and political—for U.S. exports.

Mr. President, in recent years there has been a dangerous decline in the ability of U.S. industry to compete in the world marketplace. We had a trade deficit which totaled $31 million in 1977, $34 billion last year, and which could reach the same abysmal level in 1979 despite the significant devaluation of the dollar which has taken place in the meantime. S. 737 is a crucial step in the development of a national export policy. Our national security depends not only on our military hardware and our men under arms but also on the strength and the vitality of our economy.

S. 737 strikes a delicate balance between controlling the transfer of technologies which might convey some military advantage to potential enemies while at the same time attempting to enhance the export of U.S. manufactured products to provide jobs for American workers and to assist the U.S. balance of payments. The bill, as reported, offers a rational basis for a positive export program, with adequate safeguards for national security.

Mr. President, I urge my colleagues to reject any attempts to attach crippling amendments to S. 737. One such amendment which has been proposed would create a cumbersome validated licensing procedure for trade with even our closest allies, such as Britain and West Germany, where none existed before. The case for such controls is obscure at best, and through this action we may very well undermine whatever hope we have for strengthening the collective efforts to control technology transfer. This type of arbitrary, unilateral control at this time is both unnecessary and unwise. Moreover, it is likely to cost U.S. exporters billions of dollars in lost business in their strongest product area, high technology, with no palpable increase in security resulting from this futile exercise in self-denial.

Adding more countries and goods to the validated licensing process is likely to be counterproductive to the goal of preventing technology transfer, an objective which I share with authors of such amendments. But the consequence would be an additional licensing burden of undefined dimension, with no assurance that our allies would apply equivalent controls. For example, while Japanese semiconductor manufacturers are seizing Asian and European markets, U.S. companies will be waiting months for validated licenses to be approved. Moreover, it is likely that more dual use technology and equipment will slip through the bureaucratic cracks if we increase the paperwork burden.

Mr. President, I urge my colleagues to consider the fact that our Nation's edge in high technology—and many other industrial goods—is a precious resource for jobs and capital growth which we must aggressively promote in foreign markets. Each time a license is denied for insufficient cause, or delayed to the point where customers are discouraged and begin to look elsewhere, that precious resource is squandered. Worse still, there is a multiplier effect, in which potential exporters lose patience with the export licensing process and potential importers of U.S. goods turn to other, more reliable sources for their needs, in some cases despite the U.S. edge in quality, technology, or price.

I believe U.S. citizens have a right to engage in international as well as domestic commerce unfettered by government restriction unless the Nation's vital interests are affected. Present controls on U.S. exports are more stringent than is consistent with the right of citizens, the national interest, or commonsense.

S. 737 mandates annual review of export controls and requires consideration of foreign availability—which applies at present only to national security controls. Before imposing new controls for foreign policy reasons the President would have to consider the economic costs, the reaction of other countries, and alternative ways to further U.S. foreign policy. The President would be required to report his conclusions to the Congress and the public.

Mr. President the message I have received from exporters is not that they are asking for a removal of restraints. Rather, what they want—and what this S. 737 provides—is a streamlined and predictable export control policy, which can be used as a reliable guide to marketing and long-term commitments.

I urge my colleagues to reject crippling support.

The ACTING PRESIDENT pro tempore. Time continues running equally against both sides.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Charged to the Senator's time on the bill?

Mr. HEINZ. I withdraw the request.

The ACTING PRESIDENT pro tempore. Time continues to run equally against both sides.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum and that the time be charged equally to both sides, if that is all right with the majority manager.

The ACTING PRESIDENT pro tempore. Does the Senator wish time to run against the bill or against the amendment?

Mr. HEINZ. Against the bill.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEWART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEWART. Mr. President, I ask unanimous consent that the Jackson amendment be temporarily laid aside.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 422

(Purpose: To revise the petitioning process in section 7)

Mr. STEWART. I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. STEWART) proposes an unprinted amendment numbered 422.

Mr. STEWART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 73, lines 24 and 25, strike out ", any sector thereof, or any industry or substantial segment" and insert in lieu thereof "or any sector".

Beginning with page 92, line 24, strike out all through page 95, line 5, and insert in lieu thereof the following:

SEC. 7. (a)(1) Any entity, including a trade association, firm, or certified or recognized union group of workers, which is representative of an industry or a substantial segment of an industry which processes any material or commodity for which an increase in domestic prices or a domestic shortage has or may have a significant adverse effect on the national economy or any sector thereof may transmit a written petition to the Secretary of Commerce requesting the imposition of export controls, or the monitoring of exports, or both, with respect to such material or commodity.

(2) Each petition shall be in such form as the Secretary of Commerce shall prescribe and shall contain information in support of the action requested. The petition shall include information reasonably available to

the petitioner indicating (A) that there has been a significant increase over a representative period in exports of such material or commodity in relation to domestic supply, and (B) that there has been a significant increase in the price of such material or commodity under circumstances indicating that the price increase may be related to exports.

(b) Within 15 days after receipt of any petition described in subsection (a), the Secretary of Commerce shall cause to be published a notice in the Federal Register. The notice shall include (1) the name of the material or commodity which is the subject of the petition, (2) the Schedule B number of the material or commodity as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported from the United States, (3) notice of whether the petitioner is requesting that controls or monitoring, or both, be imposed with respect to the exportation of such material or commodity, and (4) notice that interested persons shall have a period of 30 days commencing with the date of publication of such notice to submit to the Secretary of Commerce written data, views, or arguments, with or without opportunity for oral presentation. At the request of the petitioner or any other entity described in subsection (a)(1) with respect to the material or commodity which is the subject of the petition or at the request of any entity representative of the producers or exporters of such material or commodity, the Secretary shall conduct public hearings with respect to the subject of the petition, in which event the 30-day period shall be extended to 45 days.

(c) Within 45 days after the end of the 30-day or 45-day period described in subsection (b) or within 75 days of publication of the petition in the Federal Register, whichever is the later, the Secretary of Commerce shall—

(1) determine whether to impose monitoring or controls or both on the exportation of such material or commodity; and

(2) publish in the Federal Register a detailed statement of the reasons for such determination.

(d) Within 15 days following a decision under subsection (c) to impose monitoring or controls on the exportation of a material or commodity, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within 30 days following the publication of such notice, and after considering any public comments, the Secretary shall publish and implement final regulations.

(e) For the purposes of publishing notices in the Federal Register and the scheduling of public hearings, the Secretary shall have the authority to consolidate petitions and responses thereto with respect to the same or related commodities.

(f) If a petition has been fully considered under this section and a notice has been published with respect to a particular commodity or group of commodities and in the absence of significantly changed circumstances, the Secretary shall have authority to determine that a petition for monitoring or control of such commodity or commodities does not merit the full consideration mandated under this section.

(g) The procedures and time limits set forth in this section shall take precedence over any review undertaken at the initiative of the Secretary.

(h) The Secretary shall have the authority to impose monitoring or controls on a temporary basis during the period following the filing of a petition under subsection (a)(1) and the Secretary's determination under subsection (c) if the Secretary deems such action to be necessary to effectuate the policy set forth in section 3(2)(C) of this Act. If such authority is used the Secretary shall afford interested persons an opportunity to submit written comments thereon and such comments shall be considered by the Secretary in making the determination required under subsection (c) and in the development of any final regulations.

(i) The authority under this section shall not be construed to affect the authority of the Secretary of Commerce under section 4 (e)(1) or any other provision of this Act.

(j) The provisions of this section shall not apply to any agricultural commodity.

Mr. STEWART. Mr. President, I will speak very briefly to the amendment.

This amendment, which would be known as section 7 of the bill, was originally offered by Senator HEINZ and myself during the Banking Committee markup of this legislation. It establishes a petitioning process in the procedure in the Department of Commerce for the filing of petitions seeking the monitoring or control of certain materials or commodities. It provides for interested parties from both sides to present their views in a public hearing and it lays out a specified time frame for a final decision from the Department of Commerce to be published in the Federal Register. In short, it is a sunshine amendment which attempts to bring a measure of fairness and openness to a process, which for too long has been made behind closed-doors without the benefit of free and open public debate.

The amendment I am offering today represents a balanced revision of the original section 7. We have sought to tighten the requirements a petitioner must meet and have included a more specific outline of what information the petition itself must include.

An important addition to the section is a new subsection which specifically excludes agricultural commodities from participation in the petitioning process. The reason for this addition is that regardless of the petitioning process an agricultural commodity might have gone through under the provisions of this section, the final decision of whether to implement monitoring or controls on such commodities would still remain with the Secretary of Agriculture under existing law. Because the petitioning process in section 7 applies only to the Department of Commerce, it is only fair to eliminate Agricultural commodities from the petitioning process altogether.

The amendment I am offering today has incorporated certain recommendations of the Department of Commerce as well as suggestions of Senator STEVENSON, and I am pleased that they have removed their objections to the amendment.

It is my understanding that the distinguished floor managers of the bill have agreed to accept the provisions of this amendment, and with that I yield to the Senator from Illinois and the Senator from Pennsylvania.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. STEVENSON. Mr. President, I thank the distinguished Senator from Alabama for his cooperation and for the contribution he has made to this bill.

The amendment which he now offers will make it clear that new procedures which permit petitions for export controls do not include agricultural commodities, and those procedures are clarified by this amendment. I think it is a good amendment, and I am happy to accept it.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, if the Senator will yield, I have examined the amendment and find it consistent with the spirit of the bill. Indeed, I think it improves the bill, and I think the Senator from Alabama is making a very good contribution, and I would like to see the committee accept it.

Mr. STEWART. Mr. President, before I yield back my time I want to thank the Senator from Illinois for his contribution to the amendment and for his consideration for me and those I represent in proposing this amendment.

I thank the Senator from Pennsylvania for his consideration.

I yield back the remainder of my time on the amendment.

The ACTING PRESIDENT pro tempore. Is all time yielded back? The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. STEWART. I thank the distinguished floor managers.

AMENDMENT NO. 340

The ACTING PRESIDENT pro tempore. The question recurs on the amendment of the Senator from the State of Washington. Who yields time?

Mr. JACKSON. Mr. President, I ask unanimous consent that the name of my distinguished colleague from Indiana (Mr. BAYH) be added as a cosponsor to amendments 340 through 352 to S. 737.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, amendment No. 340 would amend the bill to give the Secretary of Defense primary responsibility for identifying the list of goods and technologies subject to national security controls. Under present law the Secretary of Commerce has this responsibility, and the Secretary of Defense has a role as consultant. The bill would confirm the status quo, despite the fact that the Department of Commerce is unqualified to carry out this important task. Under its administration, the export control process is in total shambles, as acknowledged by Larry Brady, the Deputy Director of the Office of Export Administration, in testimony before a House subcommittee. As a result of its mismanagement and failure to develop a coherent export control policy, the Department of Commerce is too overburdened with paperwork involved in processing well over 70,000 license applications per year. Commerce is too preoccupied with the movement of paper within the statutory deadlines to make the necessary reappraisal of our export controls.

Mr. Brady also acknowledged in his

House testimony what has long been known by persons familiar with the export control system—that the Department of Commerce's judgments on license applications are not reliable because of Commerce's very strong trade promotion focus. Despite its trade promotion bias, however, the Department of Commerce has failed to take any initiatives to effect a comprehensive relaxation of controls on noncritical end products.

Recent events further seriously call into question the judgment of the Department of Commerce. There are confirmed reports that the Kama River truck plant in the Soviet Union, built with hundreds of millions of dolars of American technology and equipment, is turning out diesel engines for military vehicles. Deputy Director of OEA, Larry Brady, told a House subcommittee that this evidence demonstrated the ineffectiveness of safeguards and end-use restrictions in preventing diversion of U.S. technologies and goods to military use by the Soviet Union.

In the past few days I received an unsolicited letter from the Secretary of Commerce making the preposterous suggestion that the military use of the Kama plant by the Soviets did not constitute a "diversion" of the plant to military use and, therefore, no violation of U.S. export controls had occurred and the Department of Commerce was not guilty of lack of vigilance. This letter reads like a legal brief in defense of the Russian's gross misconduct, especially when it asserts that there is no evidence that the Russians specifically agreed not to divert the plant to military use. The Secretary also makes inappropriate use of a memorandum by Mr. Brady to support her assertion that there was no such evidence. Mr. Brady has so noted in a letter to the Secretary of Commerce. His letter points out that it was the clear understanding of the U.S. Government, including the Department of Defense, that the plant would produce general purpose trucks for industrial and agricultural use. Mr. Brady correctly points out that the issue facing the Commerce Department is not whether diversion has occurred—that is indisputable—but whether Commerce will deny future licenses to further support the Kama plant and cancel outstanding licenses. The Secretary of Commerce is clearly creating legalistic and sophistical obstacles to rationalize its past nonfeasance and reluctance to take present action which would cut off further exports to the Kama plant—an action which it apparently perceives to be incompatible with its trade promotion function.

The extent to which the Department of Commerce is willing to go to prevent taking remedial action against the Soviet Union is best illustrated by the fact that the new Acting Director of OEA asked Mr. Brady to consider changing his testimony to the House subcommittee because it was causing the administration problems in dealing with the amendments that I and several of my colleagues have sponsored.

Mr. President, these actions by the Department of Commerce underscore its inability to grasp the realities of protecting national security and do little to commend it for the leading role in implementing an export control approach upon which the future security of our Nation so vitally depends.

Mr. President, I ask unanimous consent that the letter to me from Secretary of Commerce and Mr. Brady's letter to the Secretary be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., June 18, 1979.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: In the course of testimony before the Subcommittee on Research and Development of the House Committee on Armed Services, the Deputy Director of the Office of Export Administration, Lawrence J. Brady, testified that trucks produced at the Kama River truck factory in the Soviet Union were being "diverted" to military use in violation of U.S. export control restrictions.

That testimony has led to newspaper stories implying that Soviet military capability has been helped as a result of an apparent lack of vigilance by this Department. This is in error.

As you know, our nation no longer enjoys a favorable balance of trade, and thus the promotion of exports is more important than ever before. Even so, the national security is paramount, and we must be careful that we do not export materials and technology that would advance at our own expense the military capabilities of other nations. To walk this line is a difficult and delicate job. That is why it is essential that issues which may arise be discussed on the basis of accurate information.

First, there was no "diversion" in connection with the Kama River truck factory and, therefore, no violation of U.S. export controls.

A diversion occurs only when end-use restrictions pertaining to a license are violated. The Kama River truck plant licenses were issued during the Nixon Administration and contained no restrictions which we can identify limiting the use of the trucks and engines produced at the factory. Accordingly, military use of the trucks or engines produced at Kama River would not constitute a diversion or violation of the law because the licenses contained no restrictions pertaining to the use of those trucks or engines. Nor would any military use of Kama River trucks or engines entail diversion of the foundry's computer, because limitations on the use of the computer pertained to use of its computing capacity, not to use of products manufactured at the foundry. Several of the licenses contain technical conditions which have nothing to do with limitations on the use of the factory output.

This view is confirmed by the attached memorandum from Mr. Brady which concludes that a thorough review, which was requested by Senior Deputy Assistant Secretary Stanley J. Marcuss, has failed to disclose the existence of any document which could be construed as a limitation on the use of the factory output for civilian as contrasted with military purposes. Two exceptions mentioned in the memorandum are not relevant to the Kama River plant.

Second, at the time the licenses were issued, the Nixon Administration knew of the possibility that Kama trucks or engines could be used by the Soviet military. This factor apparently was fully considered before the decision was made. Thus it cannot be said that this matter was overlooked or that the export control system failed to ensure that all relevant factors were considered.

Finally, contrary to some press reports, Mr. Brady has not been "demoted" nor has any action been taken against him. He retains his position as Deputy Director of the Office of Export Administration, a position he has held for the last five years. Because of his position as Deputy Director, Mr. Brady served as Acting Director of the Office of Export Administration in the period between the retirement of the previous director and the appointment of the new one.

I hope this will lay to rest the misinformation which has recently surrounded this subject.

Sincerely,

JUANITA M. KREPS,
Secretary of Commerce.

Enclosure.

[From the U.S. Department of Commerce]

Memorandum for Robin B. Schwartzman, Deputy Director, Bureau of Trade Regulation.

From: Lawrence J. Brady, Deputy Director, Office of Export Administration.

Subject: Kama River Case File.

On June 22, 1979, pursuant to your request, I thoroughly reviewed the relevant export license applications and supporting documents submitted by various U.S. firms seeking Department of Commerce authorization to export commodities to the USSR's Kama River Project. The results of this examination, with two exceptions, failed to disclose the existence of any document which could be construed to represent an agreement between parties or assurances as to the specific application of products, i.e., military vs. civilian, in the truck manufacturing process.

The exceptions are found in license applications case numbers 813124 and 849801. Case number 849801 contains a "letter of protocol" between Mack Trucks, Inc., and a Soviet trade delegation indicating that the trucks assembled at Kama River would be used for agricultural and industrial purposes.

A copy of the protocol is attached.

With regard to the protocol, I am concerned that because Mack Truck pulled out of the deal after signing the protocol, which you will note also included other parties, including SATRA, it may not be considered relevant to subsequent licensing actions. I intend to go through all of the license applications to see whether or not we referenced the protocol in subsequent license actions. I think we did. I am also sending you separately a copy of the entire "front office" file on KAMA.

Also attached is a June 14 memorandum Dick Isadore prepared on the basis of a quick review of all license applications for the Kama River plant.

Attachments.

Memorandum for Juanita M. Kreps, Secretary, Department of Commerce.

Subject: Your letter to Chairman Ichord of July 18, 1979.

In your letter to members of Congress on the subject of diversion from the Kama River Truck plant, you have indicated that my testimony to the effect that trucks produced at Kama were being diverted to military use was in error. You also indicate that stories implying that Soviet military capabilities have been helped as a result of an apparent lack of vigilence by the Commerce Department are in error.

You base this statement on your definition of diversion as an activity which only occurs when end-use restrictions pertaining to a patricular license are violated. You further state that the Kama River licenses contained no restrictions on the use of the trucks and engines produced at the factory. Therefore, you conclude, military use of the trucks is not diversion.

I believe this definition of diversion is excessively narrow. Diversion occurs when the product exported, or the product manufactured from the technology exported, is used in a manner contrary to the end-use representation made to the U.S. Government at the time of licensing. We know this has occurred at the Kama River Truck plant.

The issue before the Department is not one of prosecuting a "violator" as in a situation when an exporter illegally exports, but rather the issue is what position the Commerce Department will take on pending and future license applications for the Kama River plant.

Now, exactly what kind of end-use representations were made to the U.S. Government at the time the licenses were granted? Basically, there were three kinds. First, the files reveal that in high-level government to government discussions the Kama project was discussed. Second, the U.S. Government received many end-use statements attached to license applications to the effect that the end use was to manufacture "trucks." Third, a protocol had been signed in May of 1971 between the USSR and Mack Truck, Satra Consultant Corp., and the Greg Gary Intl. Corp. stating that the Kama River Truck plant was to produce eight-to-eleven-ton trucks for agricultural and industrial use in the USSR.

How reliable are these representations of end use? Taken as a whole, there is no doubt that the U.S. Government was led to believe that these trucks were general-purpose to be used for agricultural-industrial use.

You refer to my June 22 memorandum to support the position that no distinction was made between military and civilian use in the licenses. My memorandum is quoted out of context to support a much broader conclusion than I intended. I was asked specifically to search the files to determine whether the words "civilian" or "military" appeared in any document. I had this done and made a preliminary report.

The Government issued licenses on the basis that general purpose trucks would be produced at Kama. We would not have wanted to build a plant for military products. The Mack Truck protocol terms, which apparently became null and void in September, 1971 after Mack Truck pulled out of the project, specifically stated that the trucks to be built were for agricultural and industrial uses. That protocol helped form the context in which the U.S. Government made its decision to approve licenses for the Kama River plant in 1971 and became void only after the government had already made some licensing determinations.

Even if there is a question about what end-use conditions or restrictions were applied in this case, we would not want such a situation to be repeated again. Commerce, therefore, now has the responsiblity to assure that no future licenses are issued which further support the plant.

With regard to the conclusion that no diversion of the Foundry computer has occurred, I believe this is open to serious question. As I have said before, the wealth of evidence presented to the Government was that the entire facility was to produce civilian trucks. The Foundry is the heart of the facility, and the computer essentially controls the Foundry. According to your definition, computer time is only being diverted if it were to be programmed to guide an ICBM.

Next, I would like to address the matter of my demotion. I was not replaced by a new permanent Director but by a new Acting Director. Mr. Kent Knowles had to assume active military duty when appointed as Acting Director and was absent from the office for two weeks. There was a real question as to who was in command and by whom official documents should be signed. I was informed the next day to continue to sign everything and deal with all office matters, but as Deputy instead of Acting Director.

Furthermore, I had been repeatedly promised by the Personnel Office that the Director's job would go through normal personnel procedures and be open to competition, and that I would have an opportunity to compete for it. This procedure was not carried out.

In summary, I believe your letter confirms my testimony on the export control system. It is in essence, a "shambles". We have before us the fact that the Soviets are diverting trucks to military use, when end-use representations made to the U.S. Government signified that they were to build civilian, general-purpose trucks. We do not deny that the Kama Factory is engaging in military activity, but through a legalistic and bureaucratic definition of diversion, we take the position that this is not diversion. We do not even indicate what position we will take in the future.

This all points up what I said in my testimony, namely that:

(1) The Soviets are diverting U.S. equipment and technology whenever they have the ability or the need to do so;

(2) There are no adequate safeguards against diversion;

(3) The end-use certification basis upon which the export control system functions presently is meaningless.

If your letter indicates that the good faith reached between the U.S. and the U.S.S.R. on this project was meaningless, this will not bode well for the SALT II Treaty in which we are told that verification rests partly on good faith between the parties and the "spirit" of the agreement.

Lastly, I was not asked to participate in the meetings which resulted in preparation of the letter which you signed. I wished I had been asked.

Mr. Knowles did approach me yesterday afternoon however, and asked me whether I would consider reviewing my testimony and perhaps changing my statement on diversion, because he said my statement was causing the Administration problems. He was referring, he said, to the amendments Senator Jackson intends to propose to the Stevenson Bill. I told him that trucks were going to the military at Kama and that regardless of the semantics one used, I believed that was diversion because it was contrary to the intended end-use.

Because your letter and a copy of my June 22 memorandum (taken out of context) has been sent to the Hill, I am making this memorandum, along with the final report I was preparing in answer to the Deputy Bureau Director available as well.

Sincerely,

LAWRENCE J. BRADY,
Deputy Director,
Office of Export Administration.

JULY 19, 1979.

Memorandum for: Robin Schwartzman, Deputy Director, Bureau of Trade Regulation.

From: Lawrence J. Brady, Deputy Director, Office of Export Administration.

Subject: Kama River.

This statement constitutes my final report on my review of the Kama River Truck Factory export licenses and is my response to your July 12th note to me. I feel bound to write this statement because I have been omitted from all meetings discussing this case. I strongly disagree with your draft memorandum which concludes that no conditions whatever were attached to the Kama export licenses, and that no diversion of U.S. equipment to Soviet military use has occurred. I strongly object to the use of a memorandum of mine to support these conclusions.

I feel this case clearly involves the Commerce Department's responsibility to protect U.S. national security as required by the Export Administration Act of 1969, as amended. Resolution of the diversion issue calls for a judgment based on the U.S. Government's commitment to enforce that Act.

In connection with the Act, as a part of its export control policy, the Government conceived the end-use/end user system including consignee statements and "safeguard conditions" as a warning signal to go off if U.S. exports were being used to contribute significantly to the military activity of its potential adversaries. Presumably, the U.S. Government was sincere in its commitment to take action if this "warning signal" were sounded, and to apply sanctions if improper use were made of its exports of equipment and technology to controlled designations.

The first test of such a safeguard system is verification or confirmation of the use of U.S. exports to significantly contribute to the military activity of a potential adversary. I have testified that such verification is almost impossible, and therefore the first test of the system always fails, not only due to secrecy, but because of the conflict of interest for businessmen expected to report on such use. Nevertheless, in the Kama case, the use of U.S. equipment and technology to perpetuate a Soviet military program was reported and confirmed by U.S. intelligence sources. So, in this rare instance, the first test was passed.

The second test of the system is whether it can be enforced. That judgment should carry out the Government's responsibility to enforce the Export Administration Act as the law of the land.

End-use statement, protocols, political understandings and written conditions attached to computer licenses are all part of the imput into the judgment of whether diversion has or is taking place. In the case of Kama, the Government must make a decision. Either it will take some sanction against the consignee, the Kama River plant, (the only real sanction available is to cease further support of the plant by denying pending and future licenses) or it will avoid action by rationalizing the control process.

In the case of Kama, it is clear from the evidence surrounding the granting of licenses that the Government should exercise its judgment to enforce the Foundry Safeguards attached to the IBM computer used to run the foundry. These conditions clearly state that:

The reason for taking such action would be to clearly demonstrate that the United States no longer wishes to contribute to the on-going military function of the world's largest truck and engine manufacturing plant.

SPECIFIC FACTS ABOUT THE CASE

Having thus expressed my general assessment of the Kama case, I'd like to address your draft memorandum of July 10, 1979 to Stanley Marcuss. (See Attachment A) In your first paragraph, you misquote and misinterpret the content of my report of June 22, 1979, on Kama. You state that:

The Office of Export Administration has reviewed the files of over 175 cases identified as part of the Kama River Truck Plant complex (KAMAZ). Its reports and additional personal review support the conclusion that dedication to military use of trucks or engines produced by KAMAZ would not violate the terms of U.S. export licenses issued to companies which supplied technology and equipment for the plant.

According to this logic, if the Kama River facility were to tomorrow shift into full-scale production of tanks or armored personnel carriers, this would not constitute a

violation of the licensing conditions attached to the IBM computer. The only condition which you would have us believe is attached to the computer is that in which it is programmed for direct use in a military activity, such as guiding an ICBM.

The Office of Export Administration's review did not support that conclusion: In my June 22 memorandum (See Attachment B), I reported that our review of the applications had produced two documents which could be construed as agreements between parties as to the specific application of the products of the truck manufacturing process. These were two copies of a protocol signed in 1971, which had been attached to two license applications.

I clearly stated in my fourth paragraph that, "I intend to go through all the license applications to see whether or not we referenced the protocol in subsequent license actions." This was obviously not my final report on safeguard conditions in the Kama case, and it did not support the conclusion you drew in the first paragraph of your memorandum to Mr. Marcuss, stated above. My report, in fact, implied that certain terms of our licensing policy (which included any protocol which may have applied), had been violated.

THE PROTOCOL

The May protocol formed the control context in which the U.S. Government made its decision to approve licenses for the Kama River Plant. Before Henry A. Kissinger, Nixon's National Security Advisor, ordered approval for further Kama licenses, with stipulation for White House review, a series of discussions took place between Soviet and U.S. policy makers. In addition, a protocol was signed which applied to MACK Trucks, Inc., Greg Gary Int'l. Corp., Satra Consulting Corp., and the Soviet Union. The protocol was signed on about May 11, 1971 and the first licenses for Kama were approved in August. It was not until September 16 that MACK Trucks withdrew from the transaction and by the terms of the protocol, apparently became void. The protocol understanding, was a viable instrument at the time license applications were being reviewed in the interagency system.

The protocol stated that:

Mack Trucks, Inc. later did not fulfill its contract with the Soviet trade delegation, but some of the other parties to the protocol went on to receive licenses for the sale of equipment to the Kama River Truck factory.

In your memorandum, you quote Dr. Maurice Mountain as saying in a report on the computer safeguards that the United States Government never required the Soviet Union to promise not to use trucks or engines produced at Kamaz for military purposes. However, you also quote Dr. Mountain as saying that he predicated his report on the fact that the civil nature of the end-user was assumed to have been established presumably by Commerce. Dr. Mountain presumably assumed that the suitability of the plant's end product was made in 1971 when the President ordered the issuance of the first KAMAZ license. I suggest that this assumption could be made largely on the basis of the protocol and its context in U.S.-Soviet discussions on Kama.

According to your logic, however, Dr. Mountain's report assumed that the Commerce Department had already established peaceful use of the end-products, whereas in fact you say it had not. If your argument is correct the licenses were ordered approved without peaceful end-use requirements. Furthermore, just to argue in the same logic, it was certainly never stated in any understanding between parties or any document that military use of the trucks or engines was to be acceptable.

No one ever realized, either, how high the value of U.S. equipment and technology going to Kama actually was. A current tabulation shows that the U.S. licensed about 1.5 billion dollars worth of equipment and technology for the Kama factory. The actual extent of U.S. involvement in this factory's present activity must be part of the context in which decision is made.

END-USE STATEMENTS

In addition to the protocol, some of the licenses also contained end-use statements, which makes the second paragraph of your memorandum of July 10 incorrect when it states:

On the contrary, the licenses for equipment for the KAMAZ production line for which President Nixon acting through his National Security Advisor, ordered approved over a period of years beginning in 1971 contained no end-use conditions whatever.

This is incorrect. In addition to the computer conditions the end-use statements which we found attached to some licenses in the files usually stipulated that the U.S. equipment was to produce "trucks." This ordinarily leaves room for interpretation but there is no doubt that at the time the general understanding was that these statements referred to "general-purpose" trucks.

I gather also that it was this understanding that "general-purpose" trucks were to be produced at KAMAZ that led to the formulation of the licensing conditions for the computer by Dr. Maury Mountain, who according to your memorandum assumed the civil use of the factory's end-products when he wrote the conditions.

When I stated in my June 22 memorandum that no document (except the May protocol) could be found which could be construed to assure an agreement as to the "specific application of products," (Exhibit B), I did not go into the complex matter of the general-purpose trucks. Further I told you orally that my statement did not apply to the end-use consignee statements. I fully intended to amplify that report at a future date, after searching for further references to the May protocol, as clearly implied in my memorandum.

I therefore consider your memorandum to be misrepresentation of the facts pertaining to end-use statements, while I was merely stating the literal findings of my investigation to that point.

This is not a "compliance" case. Let me make that clear. The Export Administration Regulations were not written to include the "enforcement" of a controlled consignee's end-use representation under the safeguard system.

The definition of diversion is therefore different from the one which refers to a U.S. firm's unlawful shipment of an export to a consignee not stated on the consignee statement.

Rather, this is a case calling for a decision based on the enforcement of the Export Administration Act of 1969, as amended.

In sum on the basis of all the above, I suggest that your analysis and conclusions do not apply in this case. Peaceful use of the end-products produced at KAMAZ were assumed by Dr. Maury Mountain when he wrote the computer conditions. Peaceful use was also part of the understanding that end-use statements referred to "general-purpose" trucks. Peaceful use was also stipulated in the May Protocol as "agricultural and industrial use." Whether or not some officials at the time who opposed the licenses questioned the extent to which the Soviets could be held to those conditions, this Department relied on all these factors, involving end-use statements and safeguards.

Mr. JACKSON. Mr. President, the implementation of the critical technologies approach endorsed by the bill will not be realized unless independent judgments are made of the national security risks of exporting America's most sophisticated technology. The Department of Defense has expertise to carry out these reforms. The Department of Commerce—which has proven itself institutionally and philosophically incapable of developing a coherent export policy which protects national security without impairing legitimate trade—cannot be entrusted a lead role in this important undertaking.

Mr. President, I wish to say further that the amendment that is pending is a product of bipartisan effort, as reflected by the cosponsorship of the amendment by our distinguished colleagues Mr. NUNN, Mr. HOLLINGS, Mr. COHEN, Mr. HATCH, Mr. HARRY F. BYRD, JR., Mr. CANNON, Mr. MOYNIHAN, Mr. THURMOND, and Mr. BAYH. I hope that the Senate will agree to this amendment.

Mr. President, an amendment such as the one we have proposed is necessary if we are to turn an approach that everyone agrees is sensible into an effective instrument for balancing the requirements of national security against the requirements of international trade.

Mr. President, I suggest the absence of a quorum.

Mr. BAYH. Mr. President, will the Senator withhold that, and yield to me?

Mr. JACKSON. Yes; I yield to the Senator from Indiana.

Mr. BAYH. Mr. President, I compliment the Senator from Washington for his initiative in introducing this amendment. I appreciate the opportunity to cosponsor it with him.

I think the trade relationships which exist between the Soviet Union and the United States offer a good deal of benefit for the citizens of the United States, if those trade relationships are handled properly. But for the life of me I do not see why some of our corporations and some of our businessmen and women in this country should insist that we give their companies the opportunity to trade technology to the Soviet Union that, in the event of a major difference of opinion between ourselves and the Soviets, could accrue to the detriment of the United States.

The Senator from Washington has pointed out that some of this very trade has occurred; and this amendment is designed to make impossible the repetition of that practice in the future.

As chairman of the Senate Intelligence Committee, it has been my good fortune, together with the Senator from Illinois (Mr. STEVENSON), who is managing this bill, the Senator from Washington (Mr. JACKSON), who is the sponsor of the amendment, and several of our colleagues, to have had the opportunity, indeed the privilege, to examine carefully what we have had the capacity to do in intelligence.

All of us have had the opportunity and the responsibility to carefully monitor the overall defensive capability of the United States of America; and, although there are things about our defensive posture that I suppose all of us would like to see strengthened a bit, and hopefully as

time goes by in this session we can take steps to do that very thing, I have been extremely proud of the kind of work that many of our intelligence people have been doing in collecting information all over the world.

One of the major elements is that available to our military and to our intelligence is sophisticated space age technology. Yet we have a handful of people in this country who would like to open the doors and sell for profit this very critical technology, which could be all that would save this country in the event of a major confrontation.

So it is a privilege to join with the Senator from Washington to help our colleagues understand, recognizing the benefits we can have from trade with the Soviet Union—certainly many of our farmers are getting tremendous benefits from that trade—and at the same time, the Senator from Washington would put on a "safety valve" and say, "Wait just a minute; let us make sure we are not giving the Soviet Union or some other country the critical technology which is the real basis of the military strength of this country."

It seems to me utterly reasonable that we finally place the responsibility for the determination of what items and products can be effectively utilized by the military of a potential adversary with the Secretary of Defense and that is what amendment No. 340 does. In addition, this amendment makes it clear that a list will be prepared by the Secretary of Commerce subject to the authority of the Secretary of Defense to provide a full record of those critical items and technologies which will be prohibited under the act. Finally the amendment places the Secretary of Defense in a position to make a determination of foreign availability of an item or technology which might be put to military use by a potential adversary.

By making these important changes in existing law, we are recognizing the dangers which might result in an unbridled and uncontrolled transfer of technologies to the Soviet Union. At a time when we depend more than ever before on the vast technological capability of our Nation's military to sustain our security in an age of essential equivalence, we simply must be sure that no door is left ajar in protecting our Nation's security. This is one prudent step which is probably long overdue. I certainly hope that the Senate will take that step today.

Mr. President, one of the events which prompted this amendment was the revelation that the U.S. technology provided at the Kama River truck plant is turning out diesel engines for military vehicles. This was disturbing. But what was even more disturbing was to learn that in fact, during the Nixon administration, no provision was made against end-use diversion to military purposes.

As the Department of Commerce indicated, "* * * military use of the trucks or engines produced at Kama River would not constitute a diversion or violation of the law because the licenses contained no restrictions pertaining to the use of those trucks or engines." This being the case, it is theoretically possible that if a means could be found to utilize the Kama foundry American computer to make engines for a BMP infantry fighting vehicle or other type of troop transport, there is nothing we could do because it is already too late to insist on restrictions once the technology is transferred.

This example of what can be done through the utilization of technology transfer for military purposes is, however, of much greater concern in the area of computer technology used in look-down/shoot-down radars, target discrimination and sonar capability in antisubmarine warfare, flight control technology for V/STOL aircraft, precision guidance systems in antitank guided weapons and the list goes on and on.

The late Hubert Humphrey said that he was in favor of selling to those Communist bloc countries who would be our adversary "anything they can't shoot back." It is pretty clear that the critical items and technologies which we are talking about today are things that can be shot back at us with deadly precision and destabilizing accuracies. I would hope, therefore, that the Senate overwhelmingly adopts the amendment now being considered and hope that it will put us on the road to a more coherent and rational process whereby the technologies critical to our national security are accordingly controlled by those in a position to correctly assess their military potential.

At an appropriate time during the debate on this amendment I would like to propose to the Senator from Washington an amendment that has been suggested by the intelligence community, which would protect the sources and methods that are utilized in the collection of intelligence.

I again compliment the Senator from Washington, and yield the floor.

Mr. HAYAKAWA. Mr. President, will the Senator from Washington yield me a couple of minutes? I would like to speak in support of his amendment.

Mr. JACKSON. I yield the Senator from California 3 minutes.

Mr. HAYAKAWA. Mr. President, I wish to speak in support of this amendment.

Mr. President, one of the most important things about the Soviet system is the complete suppression of freedom and personal liberty. Therefore, technological breakthroughs are most likely to occur in free countries where researchers and scientists can proceed with their own experiments, experiments of their choice.

I do not see why, when we have something of great value which is beyond the capacity of Soviet technicians and scientists to produce, we should let them have free access to it at our own cost and at our own peril, especially in the case of all of that equipment which the Senator from Indiana has mentioned which has to do with the procuring of intelligence and military information, and which also has to do with the development of further armaments.

I am very, very much in support of our not giving our technology away to others.

I am happy to support the amendment of the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I thank the distinguished Senator from California for a very fine statement.

Mr. President, I have received letters from both the AFL-CIO and the Industrial Union Department of the AFL-CIO, expressing full support for this amendment and the other amendments that I will be proposing.

I ask unanimous consent that the letters of support from the two labor organizations be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AFL-CIO,
Washington, D.C., July 19, 1979.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: The AFL-CIO fully supports the amendments which you and seven of your colleagues have proposed to S. 737, the Export Administration Act of 1979.

As Larry Brady, the Acting Director of the Office of Export Administration, indicated in his testimony, controls on exports of security-sensitive technologies are seriously defective. The Commerce Department is so overburdened with export license applications that it cannot effectively enforce the existing weak provisions in the law. More fundamentally, the responsibility for protecting national security should not rest with an agency whose primary concern is to increase exports. We agree with you that the chief responsibility for formulating a list of goods and technologies to be controlled for national security purposes should be shifted to the Secretary of Defense.

Your amendment designed to produce a "reliable evidence test" with regard to determining the foreign availability of advance technology would provide the assurance a sound policy requires that foreign availability is not merely an excuse for otherwise improvident licensing.

The current SALT debate has focused on the presumed U.S. technological advantage in the strategic competition. Every step must be taken to prevent the Soviets from closing that gap. Your amendments are an important step in that direction.

Sincerely,

LANE KIRKLAND,
Secretary-Treasurer.

AFL-CIO,
INDUSTRIAL UNION DEPARTMENT,
Washington, D.C., July 17, 1979.

DEAR SENATOR:

The Senate is expected to vote this week on S. 737, the Export Administration Act of 1979. There are two issues which will be raised during the debate that are of critical importance to the Industrial Union Department, AFL-CIO.

Senator Jackson will offer a series of amendments designed to restrict the flow of critical technologies to controlled nations. These amendments would not impose any additional burdens on trade. They would, however, provide a more effective framework for the identification and effective control of security related technologies and for the relaxation and elimination of unnecessary controls.

The Acting Director of the Office of Export Administration (OEA) at the Commerce Department recently testified to a House Subcommittee that the export controls process is "a shambles." It is clear that a loose and inefficient export control system threatens

to undermine the narrowing technology gap on which our security increasingly depends. What we need to create is an effective sieve through which our technology will flow, and the Jackson amendments seek to do that.

One series of proposed amendments would give the Secretary of Defense primary responsibility for formulating a list of technologies and goods that would be subject to national security controls. The Commerce Department is presently overburdened with some 70,000 license applications each year, and lacks the expertise to formulate the list of critical technologies.

Another series of amendments would address the important area of foreign availability. Too often a mere assertion of "foreign availability" on export license applications is used by the Commerce Department to justify license approval when close investigation might have revealed that U.S. suppliers exercised effective control over the goods ar technologies involved. The proposed amendments set down a more serious evidentiary test before concluding that advanced technologies or goods are available from sources other than the U.S. This "reliable evidence test" is clearly the only logical way to go.

At the present time, licenses may be granted on the basis that the recipient nation makes a representation that the "end-use" of the technology will be non-military; or on the basis that there are effective safeguards against diversions to military use. Past experience tells us that such safeguards cannot be devised. A proposed amendment would direct that, to the maximum practicable extent consistent with the provisions of the act, export of critical items shall be prohibited to nations threatening U.S. security. This would also have the benefit of obviating many unnecessary license proceedings. A related amendment would provide that exports to non-communist nations be subject to validating controls which are reasonably designed to prevent the re-export of such critical items to communist nations, as present export regulations generally do not control such exports of technologies.

These amendments dealing with the transfer of technology are the only amendments to the Export Administration Act which we support.

The bill also contains language which would extend and strengthen current restrictions on the export of Alaska oil. *We urge your support.* This is no time to ship millions of barrels of oil to foreign lands while Americans are sitting in gas lines. Only if all Alaska oil remains in the U.S. will the oil companies have any incentive to build the west to east pipelines our country so badly needs, and to rebuild the west coast refineries. An efficient energy transportation system is an essential element of national energy self reliance. There is already more than enough profit incentive in Alaska oil's decontrolled price to encourage increased production. Alaska oil belongs at home where it can be used by the American people.

The Industrial Union Department, AFL-CIO urges your support of the restriction on Alaska oil contained in S. 737 and of the amendments which would provide restrictions on the transfer of technology to controlled nations.

Sincerely,

JACOB CLAYMAN,
President-Secretary-Treasurer.

The ACTING PRESIDENT pro tempore. Who yields time?

Time will be charged equally on the amendment.

Mr. HEINZ. Mr. President, I yield not to exceed 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise as a cosponsor of the amendments proposed by the junior Senator from Washington (Mr. JACKSON) and others, to tighten controls on the export of technology with military application to the Soviet Union and other Communist states.

When the war machine of the Soviet Union becomes stronger, our own security and the security of the entire free world is adversely affected. Obviously, we have no way of imposing an absolute prohibition on the Soviet military buildup—a buildup which already far eclipses the Nazi military power growth which preceded World War II.

However, at a time when we are spending $130 billion a year for the defense of the United States, it simply makes no sense that we should be aiding the Soviets in improving the mobility and the deadliness of their enormous war machine by permitting, and even encouraging, the export to the Soviets of high technology equipment, including entire industrial plants.

As a member of the Senate Armed Services Committee, I believe the repeated reports that the administration intends to further relax the already sadly inadequate limitations on the control of exports to the Soviet Union is a challenge Congress must meet headon.

The amendments proposed by Senator JACKSON and his cosponsors will result in realistic and effective controls on this most serious situation. The need for these amendments is obvious and I would like to relate to the Senate why I believe these changes are necessary.

In one of his statements before a congressional committee, Dr. Malcolm R. Currie, then director of Defense Research and Engineering stated:

American security . . . stands on a foundation of technological superiority. We need superiority in defense technology. First, because the openness of our society tells our adversaries what we are planning in military technology, while their secrecy forces us to provide for many possibilities. Second, in military operations, we traditionally depend on superior quality to compensate for inferior numbers. Third, in order to interpret vital but fragmentary intelligence information, we must have extensive prior experience in the area.

But, instead of attempting to retain and expand our technological lead in order to compensate for the numerical inferiority of our Armed Forces, we appear to be determined on helping the Soviets to catch up with us by providing them with access to our most sophisticated technologies and equipment.

Mr. President, the able Senator from Washington (Mr. JACKSON) wrote to President Carter on July 25, 1977:

. . . I am persuaded that the effect of our past and current policies in this area has been to enable the Soviets and their allies to acquire technology that bears importantly on the military balance between East and West. . . . In my judgment, our current condition can best be described as acute hemorrhaging.

The situation has, if anything, become worse since this statement was made.

In the paragraphs that follow, I intend to examine several case histories, from a much longer list of such histories, dealing with the export of technology and equipment that have dramatically augmented the Soviet military threat to the United States.

THE CASE OF THE BRYANT GRINDERS

Back in 1960–61 the Soviet Union sought to purchase from the United States 45 Bryant Centalign-B grinders, which are machines used in the mass production of ultra-high precision miniature ball bearings. Our ability to produce these miniature ball bearings and the Soviet inability to do so, gave us at that time a substantial lead in the fields of miniaturization, missile accuracy, and the precision control of our firing systems. The sale of the Bryant grinders at that time was approved first by the Eisenhower administration and then by the Kennedy administration. Fortunately, the Senate Subcommittee on Internal Security held hearings on the proposed export of the Byrant machines to the Soviet Union. After taking testimony from 13 of the top ball bearing engineers in the country, it wrote a report so persuasive that President Kennedy, when he read it, overruled the CIA, the Advisory Committee on Export Control, and his own Cabinet, and ordered the cancellation of the shipment.

I should like to quote just two brief paragraphs from the report which changed President Kennedy's mind, because these paragraphs have an across-the-board application to the entire problem of technology transfer.

One of the ball bearing engineers who testified, Mr. Henry Konet, told the subcommittee that—

It is necessary to distinguish between giving away secrets, and know-how and capability. Our manufacture of these small devices is no secret—even the manner is not difficult to determine—but the capability to do it well and economically has taken years to develop and should not be sold to a potential adversary. . . . The situation is not one of selling our adversary a club—but machines which help to produce better clubs faster and cheaper.

After summarizing the testimony, the subcommittee's report offered this basic conclusion:

. . . our national security obviously demands that we stop helping Soviet industry, especially the Soviet defense industry, to overcome its weaknesses. It demands, on the contrary, that we inflict delays on them whenever this is within our power, that we make things more difficult for them rather than easier.

. . . the Senate Subcommittee on Internal Security is strongly of the opinion that the machines in question should not be shipped to the Soviet Union.

Unfortunately, the Nixon administration in 1972 approved the export of 164 Bryant Centalign grinders to the Soviet Union. In the 12 years that had elapsed since they had first attempted to buy the Bryant machines, the Soviets had desperately been seeking to duplicate their technology. Left to their own resources, the Soviets were unable to do so. That is one of the chief reasons why we were able to retain our technological lead in inertial navigation controls and missile accuracy throughout the 1960's

and into the early 1970's. Conversely, our sale of the Bryant grinders to the Soviet Union, according to members of our intelligence community, has played a major role in the dramatic rate at which the Soviets have been able to improve the precision of their own missiles and to catch up with us in the field of MIRVing.

The improved accuracy of the Soviet missiles has made our own Minuteman system increasingly vulnerable to the threat of a Soviet first strike—as a result of which we may now have to spend as much as $40 to $45 billion to replace the Minuteman system with a mobile missile system.

THE KAMA RIVER TRUCK PLANT

In the early 1970's, the administration approved a project under which an American engineering combine, headed by the Swindell-Dressler Co., contracted to build a giant truck plant for the Soviet Union on the Kama River in Siberia. This plant is now nearing completion. When it is completed, it will, reportedly, have an annual production capacity of 250,000 multiple axle trucks, which, according to the noted expert, Dr. Miles Costick, is "more than the capacity of the entire U.S. heavy truck industry."

It is not just the size of the project that is disturbing. In testifying before a congressional committee on April 23, 1974, Donald E. Stingel, president of the Swindell-Dressler Co., stated that the technology that was being built into the Kama River plant was in advance of that in any plant in the United States.

The export of the Kama River plant to the Soviet Union was approved by the Commerce and State Departments on the ground that the equipment involved was "nonstrategic." In addition, the Soviets had to sign a statement in this case, as they do in importing other high technology equipment, pledging not to use the technology for military purposes. All this, in my opinion, is nonsense because we have absolutely no way of enforcing such a pledge. In fact, it should have been obvious from the beginning that the Kama River plant was going to be used to service the Soviet military establishment rather than to service the non-military sector of the Soviet economy.

Mr. President, it came as no surprise to me—and it should not have come as a surprise to anyone who knows anything about the Soviet Union—that Moscow has been using the Kama River plant not only to build conventional transport and scout vehicles for the Soviet Armed Forces, but also for the purpose of producing armored personnel carriers and assault vehicles, including the T–72 battle tank—the most advanced tank in the Soviet military inventory. This information was developed in the course of a hearing of the House Armed Services Committee in May 1979.

In this hearing, Representative RICHARD ICHORD, quoted from a classified intelligence report and from the testimony of Hans Heymann, the CIA's national intelligence officer for political and economic affairs. Mr. ICHORD noted that, according to Heymann, the Kama River plant, although not in full production, has been turning out some 50,000 diesel engines a year for installation in military vehicles.

When the Senator from the State of Washington (Mr. JACKSON) spoke of "acute hemorrhaging" the export of the Kama River truck plant was one of the things he had in mind.

In the case of the Bryant grinders, we were selling Moscow technology that has helped it to enormously upgrade the quality of its strategic missile arsenal. In the case of the Kama River plant, we have sold them technology which greatly enhances the Red Army's capability to launch a blitzkrieg attack against Western Europe.

THE SALE OF DEEP-WELL PETROLEUM TECHNOLOGY

Only last year, the Carter administration approved a total of 74 applications for the export of oil technology to the Soviet Union. One of these applications involved the sale by Dresser Industries of a $144 million plant designed to produce the highly specialized bits used in deep-well petroleum drilling. Writing about this transaction in the April 1979 issue of Commentary, Mr. Carl Gershman said:

This particular deep-well technology is needed by the Soviet Union if it is to develop major new oil reserves, an urgent priority since it is now expected to become a net importer of oil by the mid-1980s. Lacking adequate energy sources, the Soviet economic growth rate could slow to about 3 percent, which would make it exceedingly difficult to increase military spending by 4 or 5 percent every year, or to finance a Cuban expedition to Africa. Hence the Soviet interest in American oil technology.

I want to call to the attention of the Senators the fact that the Dresser Industries application to export deep-well technology to the Soviet Union was strongly opposed by Energy Secretary James Schlesinger, by members of the National Security Council and by a special task force set up by the Defense Science Board. The report of the task force stated that the petroleum drill bit technology we have now sold to the Soviet Union was "wholly concentrated in the United States," that it "has strong strategic value in the 1980's," and that the construction of the plant by Dresser Industries would make it possible for the Soviets "to enter world markets with advanced drilling capabilities," thus giving them access to enhanced influence in the oil producing areas. The report also noted that, as a by-product of the new technology which we are helping them to acquire, the Russians would also be enabled to manufacture more sophisticated armor piercing projectiles.

These are only three examples of a much longer list of technology transfers that have had the effect of enhancing—dangerously enhancing in my opinion—the military capabilities of our only serious adversary. Dr. Miles Costik, director of the Institute on Strategic Trade, has compiled a much longer list of such technology transfers in a recent paper entitled "The Soviet Military Power as a Function of Technology Transfer from the West." Among the other items in Mr. Costick's compendium are "American wide-body jet aircraft technology (critical in deployment of air-launch cruise missiles; numerous space technologies also relevant for military effort in space (space capsules coupling technology, astronaut's space-suit technology, relevant computer technology, etc.);" and highly advanced computers that have obvious military applications and which the Soviets could not possibly have produced left to their own technological resources.

Summing up this entire situation, Mr. Costick stated:

The success of the continuing Soviet raids on Western technology, but most importantly U.S. technology, that can be used in systems for ICBM guidance, anti-submarine warfare, automatic fire control and other military applications has clearly demonstrated a critical need for an intensified reexamination of what, how and why it is being sold to the Soviet Union, its satellites around the globe and Communist China.

Mr. President, so that the Senators will have available the documentation on which I have based my statement, I ask unanimous consent to have printed in the RECORD at this point the following items:

An article by Dr. Miles Costick, published March 22, 1979 by the Institute on Strategic Trade entitled "The Soviet Military Power as a Function of Technology Transfer from the West;" an article by Carl Gershman published in the April 1979 issue of the Commentary magazine entitled "Selling Them The Rope;" an article published in Human Events on May 26, 1979 entitled "Carter Begins Drive to Step Up Soviet Trade;" a report by the Senate Subcommittee on Internal Security printed in March 1961 entitled "Proposed Export of Ball Bearing Machines to the Soviet Union;" and another article in Human Events published June 2, 1979 entitled "Will House Beef Up USSR Military Capability?"

Mr. President, in conclusion, I wish to state that these amendments which I am cosponsoring are of great importance to the national security of our country. I urge the Senate to consider them carefully and I believe in so doing each member will find that by adopting these amendments, we will be enhancing our own security and helping to protect the free world.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SOVIET MILITARY POWER AS A FUNCTION OF TECHNOLOGY TRANSFER FROM THE WEST

(By Dr. Miles Costick)

Due to its implications for national and international security, the trade between the industrialized democracies of the West and communist governments cannot be treated as a strictly economic proposition. The perennial protracted conflict between two socio-economic systems, which prevail in the world today, clearly demonstrates that in international commerce, economic and strategic elements are inextricably intertwined. In recent years, more than ever, the strategic elements in commerce have come to outweigh the economic as far as the so called "superpowers" are concerned. One thing that must be understood is the need for consistency between a nation's

strategic objectives and its foreign economic policies.

DETENTE AND TRADE

On February 10, 1922, British Prime Minister Lloyd George made a statement:

"I believe we can save her (Russia) by trade. Commerce has a sobering influence . . . trade, in my opinion, will bring an end to ferocity, the rapine, and the crudity of Bolshevism surer than any other method."

Since the early days of Soviet Bolshevism, the Western world has been trying to coax the communists into not being communists with periodic injections of credits and technology. The hoped-for result echoed in British Prime Minister Lloyd George's statement—now more than 57 years past—has failed to materialize. Yet leaders of the capitalist world continue to charge ahead like so many modern-day Don Quixotes in search of their impossible dream: The merger of totalitarian dictatorship with capitalism.

NOTE.—Nothing written here is to be construed as an attempt to aid or hinder the passage of any bill before Congress.

It is not a common perception that the industrialized democracies and the Soviet Union—with its surrogates around the globe are currently engaged in World War III, and the battlefields are economic. The economic warfare conducted by the Soviet Union is an intrinsic part of its ideology and the world wide revolutionary process. On the free world side of the equation, this is not perceived for what it is, and the result is "economic detente" which facilitates transfer of wealth from the West to the East. By providing critical technology, governments and entrepreneurs of the industrialized democracies strengthen Soviet strategic capabilities and enhance Soviet self-assurance, which translates itself in the international arena into more and more daring actions. The United States and its allies do not have a clear commercial policy tailored to their strategic and economic interests vis-a-vis the communists. Instead they conduct commerce with the totalitarians based on a vulgar assumption that "one can tame them or buy them through commerce".

Current U.S. policy on trade with the communists was the brainchild of Henry Kissinger. However, the same policy has continued unabated under the Carter administration. Kissinger's concept of "economic detente" was based on an attempt to link the Soviet geostrategic behavior with availability or denial of economic benefits from the United States and its allies. Kissinger envisioned that "through a set of strategic and economic agreements, the U.S. could spin a web of vested interests thereby encouraging the Soviet Union to temper its international behavior."

This, of course, has not happened. The U.S.S.R. continues to pursue its strategic and ideological objectives and through that process seriously threatens U.S. national interests.

After the infusion of $64 billion worth of credits from the Western world and Japan, and about 1,000 joint manufacturing ventures with Western and Japanese firms, as well as about 1,200 contracts on industrial cooperation signed between COMECON governments and Western firms, the Soviet Union using proxy Cuban troops and its Eastern European satellites threatens the free world's access to the critical resources of Africa and the Middle East.

The massive transfer of technology and capital from the West to the East instead of enhancing Soviet interest in peace and tranquility has accomplished exactly the opposite. It made a tremendous contribution to the Soviet strategic capabilities and in consequences encouraged its belligerency.

The aforementioned development is absolutely in accordance with the plans laid down by Leonid Breshnev to Warsaw Pact communist parties' leaders in Prague in June 1973. In a secret meeting Breshnev spoke very frankly about using "economic detente" to consolidate the strength of Soviet bloc economies and to advance their standing strategic objectives.

Breshnev told the Soviet bloc party leaders that by 1985 they will have achieved most of their objectives in Western Europe, that they will have consolidated the Warsaw Pact position, improved the economy, and achieved a decisive shift in the correlation of forces, and that they will be able to exert their will wherever they need to.

In his famous treatise on Soviet military strategy, Soviet Marshal V. D. Sokolovskiy commented,

"In the present epoch, the struggle for peace and the fight to gain time depends above all on an unremitting increase in Soviet military power and that of the entire socialist camp based on the development of productive forces and the continuous growth of its material and technological base."

TECHNOLOGICAL COMPETITION

With respect to national security, the term "technological competition" refers to the efforts of competing political-economic systems to maintain, or to achieve, superiority in high-technological areas that are important in effective military systems. In this era of unprecedented change, our technological strength is the key to our long-range survival as a nation.

In one of his statements before a Congressional committee, Dr. Malcolm R. Currie, then Director of Defense Research and Engineering, stated:

"American security . . . stands on a foundation of technological superiority. We need superiority in defense technology. First, because the openness of our society tells our adversaries what we are planning in military technology while their secrecy forces us to provide for many possibilities. Second, in military operations, we traditionally depend on superior quality to compensate for inferior numbers. Third, in order to interpret vital but fragmentary intelligence information, we must have extensive prior experience in the area."

In some very important areas our technological lead over the Soviet Union is gone; in others the Soviets are ahead—(i.e.— directed energy weapons based on laser beams or charged particle beams, surface-effect vehicles, anti-personnel pressure weapons, application of certain technologies including computers in entirely new military systems and operations, etc.).

The technology balance is dynamic. In evaluating the current technology balance and its dynamics, the experts agree that the Soviet Union has a very substantial and determined effort. According to a recent statement by Defense Secretary Harold Brown, the Soviet R. & D. expenditures are three times greater than that which the U.S. spends on its R. & D. Moreover, the Soviets are inexorably increasing their level of technology relative to ours and are, in fact, seizing the initiative in numerous important areas.

The technology development is molding future Soviet strategy. From all indications, the future Soviet strategy will be world dominance, with technology as a central factor.

TRANSFER OF TECHNOLOGY

Design and manufacturing know-how lie at the foundation of America's world position—both economic and military. Until relatively recently, the United States had out-distanced the rest of the world through its particular genius to turn laboratory dreams into realities.

"Yet today that mastery of design and manufacturing is being rapidly transferred to friendly nations, to non-aligned nations and to Warsaw Pact nations." So wrote, not too long ago, J. Fred Bucy of Texas Instruments. Bucy wrote, "Exporting design and manufacturing know-how to potential enemies strengthens them militarily. And exporting that same know-how to potential economic competitors—friends or foes—strengthens them to compete against us for world markets. Yet we continue to transfer know-how by many means."

Over the past 10 years, the outflow of technology to the Communist dominated countries has dramatically increased. The amount of significant technology that has been transferred and its impact on the military capability of the Communist countries, particularly the Soviet Union, is not exactly known.

Some will argue that its impact has been minimal. Our concern is that the transfer of militarily significant technology has been of major proportions, and that the Soviet Union has narrowed the gap in its relative weapons capability with the United States to our detriment. The change will become evident over the next five years. Unfortunately, by the time it becomes apparent, it will be too late to act.

The Soviet Union and Eastern Europe have consistently lagged behind the West in industrial technology and have used detente as a means to pursue access to the latest technology from the United States and other industrialized nations. Increasingly, they are insisting that continued updating of the technology be a part of all new contracts. They are not interested in pure science, which they can get free through scientific publications and exchanges or for the price of tuition at major graduate schools and technical institutes. They are highly skilled in scientific theory. They also don't want to purchase products over an extended period of time, but only to fill in the gaps that they cannot currently make themselves.

Technology acquisition is their objective because, once acquired, it provides them a capability to produce their own goods and services to satisfy both present and future needs. And technology provides a base to support subsequent advances in the performances of products.

The Soviet Union and Eastern European governments have used a variety of mechanisms to acquire Western technology. They include the purchase of turnkey factories from the United States and other free industrialized nations; protocol and technical exchange agreements with Western and Japanese firms; government-to-government science and technology exchange agreements; visitations and consultations with U.S. technical experts in industry and universities; enrollment at the best technical universities; unauthorized transfers from third countries; and outright espionage.

Concern, for this threat to the United States security, has led Senator Henry Jackson to write President Carter on July 25, 1977: ". . . I am persuaded that the effect of our past and current policies in this area has been to enable the Soviets and their allies to acquire technology that bears importantly on the military balance between East and West." ". . . In my judgment, our current conditions can best be described as acute hemorrhaging."

DUAL PURPOSE TECHNOLOGIES

Many of the technologies of greatest interest to the COMECON governments have important military as well as commercial applications. In recent years, the leading edge of these technologies have increasingly been developed by the private sector for commercial applications and only later for military applications.

As a consequence, increased commercial contacts with the U.S.S.R. and its COMECON

partners may result in the outflow of significant technologies, before the application of these technologies to advanced weapon systems in the United States.

Soviet intelligence agencies have a long tradition of focusing heavily on acquiring industrial know-how. The Soviets have made major covert efforts to acquire key components of high technology, particularly in the computer field. They often focus on very small firms which can supply particular critical components or facilities.

The Soviet agency which actually uses a product may be different from the agency that comes to purchase it. End use controls are, therefore, often ineffective; particularly with sales to a completely state owned economies of the Soviet bloc. This problem of multiple end uses is, if anything, more acute with the most modern technology. Reprocessing plants may produce plutonium for bombs as well as for fuel. Technology for the production of wide-body aircraft can contribute to military airlift capabilities as easily as to civilian transportation. The equipment for producing circuits used in pocket calculators may also be used for guidance computers of missiles. New technology used in medicine may have highly important military or intelligence applications. Computers for processing seismic signals in geological exploration might also be used to process sonar signals in antisubmarine warfare. Capabilities for launching communications satellites may be used for military missiles. The technology for high-bypass turbofan engines and high inlet temperature turbines can be used in military as well as civilian aircraft. And NASA's "joint ventures" in space exploration will inevitably help Soviet experts to run their military space program.

MILITARY DIMENSION OF TRADE

It is important to realize that what the Soviet Union needs to improve its strategic tactical and conventional forces is not purely military in character. What the Soviet Union needs is certain key applied technology to improve its guidance systems, avionics, missile technology, and key bomb components. Such technology is now available in commercial applications from the U.S., France, Germany, Japan, and the United Kingdom. The acquisition of such "non-military" technology should enable the Soviet Union to quickly upgrade its bomber force; and allow it to make almost instant improvements in its targeting and warning technologies.

As a consequence of the lack of coherent national policy—controlling the transfer of technology to communist dominated countries—numerous critical technologies have been transferred to the Soviet's either directly or through "the back door". Here are some of the major technological transfers that took place:

The Soviets succeeded in obtaining American wide-bodied jet aircraft technology (critical in deployment of air-launched cruise missiles).

The Soviets obtained RB-211 high-bypass ratio turbo fan jet engine technology, developed on $300 million in U.S. government R. & D. grants to the Lockheed Corp. (The engine powers wide-bodied jet aircraft, and is suitable for long-range bombers.)

The Soviets succeeded in obtaining U.S. semi-conductor technology of critical importance in guidance systems for ICBM's and other missiles as well as in miniaturized military computers.

The key technology for the Soviet KAMA River heavy duty truck plant came from the United States. This is the largest truck factory in the world with an annual production capacity of 250,000 10-ton multiple-axle trucks and 350,000 diesel engines, which can be used to power tanks. In addition, KAMAZ, will have the capacity to produce tanks, tank turrets, tank engine blocks, scout cars and rocket launchers.

The Soviet Union obtained from the U.S. numerous space technologies also relevant for military effort in space (space capsules coupling technology, astronaut's space-suit technology, relevant computer technology, etc.).

The U.S.S.R. used the U.S. heat-seeking shoulder-launched "Redeye" missile for development of its own SA-7 Grail missile.

The Soviets purchased 164 Centalign-B machines, and accompanying technology, to produce precision miniature ball-bearings without which ICBM's guidance mechanism could not be built. This technology is also an imperative for MIRVing and MARVing mechanisms. As a result of this deal the Soviets were able to close up the critical MIRV gap.

The most modern and only effective air traffic control center in the U.S.S.R. at Moscow's Vnukovo Airport (the contract is valued at $74 million) is being constructed with integrated circuits from the U.S. This computerized air traffic control system has a direct military spillover.

Soviet dissident Anatoly Sharansky was sentenced to a long jail term for informing Western reporters that the Soviets have violated agreements signed with the U.S. Department of Commerce regarding the use of U.S. purchased computers. According to Sharansky, in his capacity as computer expert within the Soviet military establishment, he worked on American computers sold to the U.S.S.R. for civilian purposes only.

The Soviet Union is making every attempt to obtain a critical military technology from the U.S.—the small high-efficiency aircraft gas turbine engine of the type currently used in the U.S. Air Force/Boeing ALCM-B—and the Navy/General Dynamics Tomahawk cruise missiles. The manufacturer in the U.S. is Detroit Diesel Allison, the engine, ironically, is classified as "commercial" and consequently easy to obtain by any communist government. The export application is pending for engines and manufacturing technology to Poland and Rumania. The amazing aspect of the potential sale is in fact that the Carter administration denied this technology to U.S. NATO allies and is considering the sale of the same to the Soviet Warsaw Pact allies.

The success of the continuing Soviet raids on Western technology, but most importantly U.S. technology, that can be used in systems for ICBM guidance, anti-submarine warfare, automatic fire-control and other military applications has clearly demonstrated a critical need for an intensified reexamination of what, how, and why it is being sold to the Soviet Union, its satellites around the globe and Communist China.

Just how fast and how far the Soviets have moved in overcoming what was believed to be a major disadvantage in miniaturized electronics and precision guidance systems was made clear last year. The Soviets then tested prototypes of two new intercontinental ballistic missile systems and demonstrated they could deliver nuclear warheads within 600 ft. of a designated target.

The tests sent a "shock wave" through high-level defense planning sanctums because it had been believed the Soviets would not achieve such accuracy with their ICBM's until the mid-1980's or later.

The test results have led Secretary of Defense Harold Brown to revise the Pentagon's latest military posture statement to show that the Soviets may deploy the more-accurate ICBM system in the "early to mid-1980's," giving them the ability to destroy a large percentage of the U.S. ICBM force by direct hits.

The mass production of the Soviet MIRV's and the accuracy of the new, so called "5th generation" Soviet ICBM's also is a major reason and argument for deployment of the new, $35-40 billion MX missile system that Secretary Brown insists the United States must have to counter the rapid Soviet advances in missile technology.

Just how much US-derived technology is represented in the new Soviet ICBM system is not totally known. This analyst as well as a number of policy makers of the past and present believe that the US export and policy moves during the last 10 years have given the Soviets the know-how and equipment needed for increased ICBM accuracy.

One case, which was already mentioned, involves a 1972 deal by the Bryant Chucking Grinder Co. of Vermont, to sell the Soviets 164 precision ball-bearing grinding machines capable of producing pin head-size ball bearings (size roughly 0.04 inch in diameter), having tolerances of less than one-twenty-five millionth of an inch. The $20 million sale approved by the Nixon administration, at the peak of detente euphoria, is to a great extent responsible for the $40 billion MX missile system program. In 1976, Edwin E. Speaker, a weapons expert for the Defense Intelligence Agency, testified before a Congressional subcommittee.

"It is a certainty that the products of these grinders could and will be found in a wide variety of current and future ground, air, sea, and space military hardware that require precision guidance equipment, optical recording devices as well as associated scientific test equipment.

Another sale that caused "a broad concensus of concern" among specialists at the CIA and Defense Department was a 1974 sale of a turn-key plant for manufacture of integrated circuits. The plant, which was based on technology licensed by US semi-conductor firm—Fairchild, was sold by a French consortium to Poland after the deal was approved by the Nixon administration.

Large-scale integrated circuits, are listed among nine key categories in which defense and intelligence officials, as well as U.S. industry are trying to clarify export controls. However, while the intelligence community and Department of Defense believe that it is an imperative to tighten technology export controls, the business community, Commerce Department, and State Department are working in the opposite direction.

The devices in question are complex electronic circuits that are reduced photographically and etched on tiny silicon chips. They can be used, for example in missile-guidance and aircraft-fighter fire-control systems, giving computer-like control while contributing miniscule weight, bulk, and electrical drain. They are typical dual-purpose technology end-products also used in the non-military items such as pocket calculators, digital wrist watches, microwave-oven controls, and television and high fidelity sets.

The Soviet Union has also acquired by clandestine means the integrated circuits technology and manufacturing capabilities from Japan in one of the most daring undertakings of their industrial espionage.

The Soviet acquisition of sophisticated U.S. ICBM technology goes beyond integrated circuits and precision ball bearing technologies without which they could not build the gyroscopes for ICBM's and for the individual MIRVs. Major General George J. Keegan Jr., former head of Air Force Intelligence has stated:

"The Soviet Union has acquired all of our inertial guidance technology for ballistic missiles."

Many other technologies which protect the current U.S. military lead in certain areas are also little-known, dual-purpose items. Small array transform processors, called ATP's, are used, for instance, in seismic oil exploration equipment. ATP's are electronic devices which enhance the computer speed so computers can interpret millions of tiny variations in the sounds of geologic formations below the earth.

Attached to shipboard computers, ATP's

efforts have failed. Also, due to political-

Attached to shipboard computers, ATP's perform one of the central functions of anti-submarine warfare: They assist the computer in digital signal processing and signal analysis which enables the computer to identify tiny differences in the sounds under the ocean's surface, a process that yields the location of enemy submarines.

It is known that Geo Space Corp. of Houston, Texas, has sold 36 ATP systems, critical for submarine detection systems, to the Soviet Union and Communist China.

Litton Industries is another business enterprise which has also been involved in the sale of similar anti-sub warfare systems.

The sale of the submarine detection system and technology, especially to the Soviet Union, has created an entirely new problem. We have already observed that the transfer of precision miniature ball bearings technology and integrated circuits technology to the Soviet Union have resulted in a direct threat to the survivability of our Minuteman ICBM's. And to offset this we must have a new ICBM system which involves not only time to develop and deploy after prolonged and tedious debates, defense policy disputes, and political maneuvering but it also imposes an additional cost of $35–40 billion.

Our latest submarine class—Trident, enormously expensive, has been developed on the basis that the Soviets had no submarine detection technology. However, a Soviet breakthrough in submarine detection technology would make our latest generation of submarines vulnerable. At the time of the development of the Trident class submarines the US military experts saw no evidence that the Soviets were close to a breakthrough in submarine detection technology. In the absence of a breakthrough a given number of missiles in 10 Trident class size and weight submarines (the sub due to its big and heavy reactor had required a huge hull, and that huge hull, in turn, had to be fitted with an unprecedently large number of missiles to justify its size and cost) would clearly be cheaper than the same number of missiles in 20 subs, even though the smaller subs would be individually cheaper. As a result we have been building large subs. On the other hand, if we were to assume a highly effective Soviet detection capability, the 20 subs would permit many more of the missiles to survive to arrive at Soviet targets. However, we are stuck with expensive large submarines vulnerable due to the transferred sub detection technology and due to transferred guidance technology for the Soviet ICBM's.

The vulnerability of our Trident class subs clearly requires a remedy. That remedy spells time consuming, frustrating defense policy debates and disputes, tedious political and congressional processes, again time consuming development and deployment of new class subs, and billions upon billions of dollars for the development and deployment of the new subs.

THE CAUSE OF THE PROBLEM

U.S. policy on international trade consists of two elements that are not always reconcilable: 1) to promote trade and commerce with other nations, and 2) to control exports of goods and technology which could make a significant contribution to the military potential of any other government or governments when this would prove detrimental to the national security of the United States.

Our chief concern is with the second of these goals. Our concern, however, must be discharged without restricting free trade flow with the free nations around the globe.

The given empirical evidence proves that, since the onset of "economic detente"—that has resulted in the liberalization of trade legislation pertaining to commerce with the communist governments—the export control efforts have failed. Also, due to political detente with the U.S.S.R. and its satellites, there was a flood of communist agents to the U.S. Numerous government-to-government scientific, technological, and cultural exchanges have created tremendous opportunities for stealing U.S. scientific and technological secrets. All these, as we have demonstrated, has had and is having a detrimental impact on U.S. national security.

SOLUTION

The U.S. government's objective in the control of exports of U.S. technology should be to protect the United State's lead time relative to its principal adversaries in the application of technology to military capabilities. In addition, it is in the national interest not to make it easy for any country to advance its technology in ways that could be detrimental to U.S. interests. These controls, however, are to be applied so as to result in minimum interference in the conduct of commerce between free trading partners.

For the purpose of effective export controls we perceive a need for new definitions and for new administrative procedures. First, one has to define what is to be understood under the term "critical technology." The term "critical technology" should refer to the classified and unclassified nuclear and non-nuclear unpublished technical data, whose acquisition by Warsaw Pact members, or any other potential adversary, could make a significant contribution, which would prove detrimental to the national security of the U.S., to the military potential of such country—irrespective of whether such technology is acquired directly from the United States or indirectly through another recipient, or whether the declared intended end-use by the recipient is of military or non-military use.

"Technical data" means information of any kind that can be used, or adopted for use, in the design, production, manufacture, utilization, testing, maintenance or reconstruction of articles or materials. The data may take a tangible form such as a model, prototype, blueprint, or an operational manual, or they may take an intangible form such as technical service or scientific and technological exchanges.

Control of such critical technology also requires the control of certain associated critical end products defined as "keystone" that can contribute significantly in and of themselves to the transfer of critical technology because they 1) embody extractable critical technology and/or 2) are equipment that completes a process line and allows it to be fully utilized.

Second, it is our conclusion that the key role in definition of what constitutes critical technology should be assigned to the Defense Department. Also, the Defense Department should be responsible to designate those items which shall be considered as defense articles and defense services so that they can be properly placed on the United States Munitions List administered by the State Department. In its present form the Security Assistance Act and Arms Export Control Act of 1976 does not require this procedure. At this time, there is no specific provision under any of the individual classifications of the Act for the identification of any design, production or test data as "significant combat equipment." The criteria for the selection of categories to be designated "significant combat equipment" does not necessarily involve judgment as to strategic or advanced technology. For example, while category "significant combat equipment" includes M1 rifles and bayonetts, it excludes CDC's Cyber-76 computer, and certain technologies and equipment necessary for the production of nuclear warheads.

In order to protect and strengthen U.S. defense production capabilities, procedures need to be established to separate the military articles required by most foreign countries from the design and manufacturing know-how essential to the production of the articles. Under existing agreements with our NATO Allies, a number of projects involving coproduction and standardization require the transfer of such information in both directions, but this flow of technology with other friendly countries requires more control than is presently possible. Similarly, while the export of some commercial, technological products could be more readily available to even the Soviet Union, it is essential to restrict the export of the associated design and manufacturing of those products which are also on the U.S. Munitions List.

The present Commerce Department's Commodity Control List is derived from the Munitions List by way of the Battle Act and the Mutual Security Assistance Act, which are administered by the State Department. Because the role of the Defense Department has not yet been specified in any legislation as the basic source for the definition of "defense articles" or "strategic technology", there continues to be uncertainty and delay in the processing of Commerce Department and Munitions Department license applications. The present reports required by the Arms Export Control Act and the studies to be required when the Export Administration Act comes for deliberation before U.S. Congress, should provide the Administration with the unique opportunity, now, to restructure the entire Arms and Export Control process.

NOTE: This Current Analysis No. 2 is part one dealing with the titled subject matter. Forthcoming part two will be based on the results of the interviews conducted with former Soviet scientists, engineers, military officers, and intelligence officials.

SELLING THEM THE ROPE—BUSINESS AND THE SOVIETS

(By Carl Gershman)

I must say that Lenin foretold this whole process. Lenin, who spent most of his life in the West and not in Russia, who knew the West much better than Russia, always wrote and said that the Western Capitalists would do anything to strengthen the economy of the USSR. They will compete with each other to sell us goods cheaper and sell them quicker, so that the Soviets will buy from one rather than from the other. He said: they will bring it themselves without thinking about their future. And, in a difficult moment, at a party meeting in Moscow, he said: "Comrades, don't panic, when things go very hard for us, we will give a rope to the bourgeoisie, and the bourgeoisie will hang itself."

Then, Karl Radek, . . . who was a very resourceful wit, said: "Vladimir Ilyich, but where are we going to get enough rope to hang the whole bourgeoisie?" Lenin effortlessly replied: "They'll supply us with it."—ALEKSANDR SOLSHENITSYN, June 30, 1975, in a speech to the AFL–CIO

The issue of trade has figured prominently in relations between the United States and the Soviet Union ever since the Nixon administration initiated the policy of détente almost a decade ago. Already in 1969, even before détente had become the central theme of the Nixon administration's foreign policy, the President signed into law the Export Administration Act, replacing the Export Control Act which had been adopted two decades earlier. The new act greatly liberalized restrictions on the export of goods and technology to the Soviet Union. While continuing to prohibit exports that would "make a significant contribution to the military potential" of the Soviet Union, it lifted the ban against those that would strengthen the

Soviet Union's "economic potential." The change grew out of pressure from American corporations anxious to do business with Moscow and fearful of losing contracts to competitors in Europe and Japan. But to President Nixon and his principal foreign-policy adviser, Henry Kissinger, the change had chiefly political, not economic, significance. They saw increased U.S.-Soviet trade as an essential component of détente.

The idea of using trade to promote détente with the Soviet Union did not originate with the Nixon administration. President Johnson too had expressed the desire to "build bridges" to the Communist world through trade. A special committee he appointed to look into the matter had concluded that trade could be "one of our most powerful tools of national policy," since it would enable us to "influence the internal development and the external policies of European Communist societies along paths favorable to our purpose and to world peace." Kissinger's version of this general view was the concept of linkage, according to which increased U.S.-Soviet trade would help to establish "a web of constructive relationships" that would give the Soviet Union a stake in peace by making it "more conscious of what it would lose by a return to confrontation." Finally, increased trade might also, in Kissinger's words, "leaven the autarchic tendencies of the Soviet system" and eventually lead to the integration of the Soviet Union into the world economic system and thus to the gradual liberalization of Soviet society.

The Nixon administration's eagerness to embark on this new course was evident in the terms of the trade agreement reached with Moscow on October 18, 1972. It provided both for the financing of Soviet purchases with long-term loans through the Export-Import Bank, and for a request to Congress to grant most-favored-nation tariffs for Soviet imports. Congress, however, reacting to the Yom Kippur War and the continuing harassment of Sakharov, Solzhenitsyn, and other Soviet dissidents, was in no mood to grant Moscow such generous terms. It added the Jackson amendment to the Trade Reform Act, making freer immigration from the Soviet Union the condition for lowering tariffs and qualifying for Export-Import Bank loans. Subsequently, Congress adopted the Stevenson amendment limiting Export-Import Bank credits to $300 million without further congressional approval. The Russians objected to these amendments—especially the credit ceiling, for they had been willing to compromise on the emigration issue—and in early 1975 canceled the whole agreement.

The issue of U.S.-Soviet trade became a point of controversy once again last summer when President Carter, in reponse to the trials of Soviet dissidents Anatoly Shcharansky and Aleksandr Ginsburg, blocked the sale of a Sperry-Univac computer system to the USSR and placed the export of oil and gas technology to the Soviet Union under government control. Moscow immediately charged that the President was taking a "path of confrontation," and a U.S. Commerce Department official warned that the trade curbs would have "a substantial chilling effect on exports." The Carter administration quickly backed off, and approved all 74 of the applications submitted for the export of oil technology to the Soviet Union. Last December, the President dispatched Commerce Secretary Juanita M. Kreps and Treasury Secretary Michael Blumenthal to Moscow with the message that the administration wanted more trade between the two countries and was in favor of removing some of the obstacles standing in its way—presumably the Stevenson and Jackson amendments.

It appears, then, that another round is looming in the ongoing battle over the trade issue. Once again it is being argued that the United States, with its balance-of-payments deficit running at record levels, has a vital economic stake in trade with the Soviet Union and a vital political stake as well, since closer economic ties will promote the liberalizing tendencies inside the Soviet Union and establish a foundation for improved U.S.-Soviet relations. William Verity, the chairman of Armco Steel Corporation and co-chairman of the U.S.-USSR Trade and Economic Council, said recently that "a policy of holding trade hostage for political reasons is self-defeating." And Averell Harriman, at a luncheon meeting of U.S. business leaders in Moscow, blamed U.S. congressional leaders for the "outrage that for all these years we cannot have normal trade relations with the second greatest nation in the world." In Harriman's view, which is shared by many businessmen, U.S.-Soviet trade would blossom were it not for anti-Soviet forces in this country.

And yet from a strictly economic point of view, trade with the Soviet Union hardly merits the attention that has been lavished upon it by U.S. businessmen and trade officials. In 1978, for example, the volume of trade with the USSR was $2.8 billion, an all-time high, but just over one-third the amount of trade that was carried on with Taiwan last year. One would hardly know this from comparing the sheer volume of congressional studies, books, conferences, and news articles devoted to the two subjects; and yet in a sense it is beside the point. It is not the present level of trade with the Soviet Union that excites U.S. businessmen, but the possibility of exploiting the vast, hitherto forbidden Soviet market. "Otherwise cautious executives," Marshall I. Goldman has written, "all but trample over one another in their effort to establish a foothold on this new frontier."[1]

But how new is this frontier? When the question of trade is debated, it is frequently forgotten that there are many historical precedents for the current efforts to expand trade with the Soviet Union, and while they explain why Russia is so interested in trade, they do little to justify business's continuing optimism.

There was substantial Western investment in Russia during the half-century preceding the Bolshevik revolution. The coal, iron, and steel-producing region of southern Russia was developed with capital and technical assistance from British, French, and Belgian companies, and German and Dutch firms helped develop these industries in the north. The "iron king" of Russia was an Englishman, John Hughes, who built the mining and metallurgical factories of Yusovka—named in his honor—in the Donets Basin. The Swedish Nobel brothers developed the oil fields of Baku on the shores of the Caspian Sea, which helped make Russia the world's leading oil producer by 1901. The Trans-Siberian railway was built with Western (principally French) capital and technology, and the parallel telegraph line was built and operated by the Danes. Many American firms, too, participated in Russia's industrial development during this period. International Harvester was the largest manufacturer of agricultural equipment in pre-war Russia and Singer Sewing Machine had holdings worth over $100 million and employed a sales force in Russia of over 27,000 people in 1914.

When the Bolsheviks seized power in 1917, all this came to an end, as the new regime expropriated all Western capital investment and financial assets. But even this unprecedented act of industrial theft did not discourage Western business interests, eager to regain access to the alluring Russian market. the opportunity came soon enough. Just three years after the revolution, with the Russian economy in a state of total wreckage, Lenin invited Western firms back to Moscow and asked them to set up concessions. In the West this new policy was welcomed as a sign of moderation and a move toward "peaceful coexistence," but Lenin, as it turned out, had not ceased to be a Bolshevik. "Concessions—," he told a meeting of the Soviet Communist party in 1920, "these do not mean peace with capitalism, but war on a new plane." Lenin's sole objective was to revive Soviet industry, and, as subsequent events revealed, he had every intention of expropriating the concessions after production had been organised and sufficient capital, equipment, and skills had been brought into the country.

Nevertheless, Western firms, oblivious to the risks involved, flocked to the Soviet Union once more, bringing with them technicians, machinery, technology, and capital. From Germany came such major companies as Krupp, Thyssens, Otto Wolff, Siemens, the AEG, Junkers, Telefunken, and I. G. Farben; from the United States, General Electric, Westinghouse, International Harvester, RCA, Alcoa, Singer, Du Pont, Ford, and Standard Oil of New York. Concessions were also established by important English, French, Swedish, Danish, and Austrian companies. All told, the government granted about 350 concessions, and their impact on the Soviet economy was extraordinary. A recent study, which analyzes in painstaking detail the impact of the concessions on each sector of the Soviet economy, concluded that by 1930 there was not a single important industrial process—from mining, oil production, metallurgy, chemicals, transportation, communications, textiles, and forestry to the production of industrial and agricultural equipment and the generation of electrical power—which did not derive from transferred Western technology.[2]

If the advantages to the Soviets from all this are obvious, one is hard-pressed to identify any benefits accruing to the Western firms involved. By 1933, there were no foreign manufacturing concessions left in the Soviet Union, even though many firms had signed contracts covering periods of thirty and even fifty years. Some of the concessions were closed down by force, but the more common methods were punitive taxation, breach of contract, legal harassment, and disruptions by workers. The largest concession of all, the British mining company Lena Goldfields Ltd., had assembled its technicians, invested almost $80 million in equipment, and completed its surveys when it was attacked as a "weed in the socialist system." The OGPU raided its units, threw out many of its personnel, and jailed several of its leading technicians on charges of "industrial espionage."

In only a handful of special cases was compensation granted. Armand Hammer, who represented 38 large American firms in their dealings with Moscow and was a political sympathizer (his father had been a member of the steering committee that founded the U.S. Communist party in 1919), was compensated for the liquidation of his asbestos and pencil-manufacturing concessions. (Interestingly, these were also the only concessions to earn significant profits.) The Soviet authorities also agreed to compensate Averell Harriman for the liquidation of his manganese concession in Chiaturi in 1928, but only after Harriman had agreed to arrange a long-term loan for them in the United States (aimed both at demonstrating Soviet credit-worthiness and undermining official U.S. policy against such loans). Most firms were not so lucky, however, and those which had lost their holdings once before in 1917 had the dubious distinction of being expropriated twice.

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Far from signaling the end of Western business involvement in the Soviet Union, the liquidation of foreign concessions marked the beginning of the most massive transfer of Western technical resources yet undertaken in the form of American assistance to the first Five-Year Plan (1928–33). The plan, still thought by many to have been a remarkable Soviet achievement, turns out to have been largely the work of American management and engineering, as Stalin acknowledged in 1944, when he told Eric Johnston, the president of the U.S. Chamber of Commerce, that two-thirds of the large industrial projects in the Soviet Union had been built with American assistance.

America's leading industrial-architecture firm, the Albert Kahn Company, was contracted to design and supervise the major units of the plan, as well as to organize Gosproektstroi, the Soviet Design Bureau. Kahn's engineer, G.K. Scrymgeour, directed Gosproektstroi and also chaired the Building Commission of the Supreme Council of the National Economy, while various other American companies got individual contracts to build the mammoth separate projects outlined in the plan.[2] Du Pont built two nitric-acid plants at Kalinin and Shostka; the Arthur G. McKee Company of Cleveland managed the construction of the steelworks at Magnitogorsk, a replica of U.S. Steel's Gary Indiana plant and the largest steel complex in the world; Colonel Hugh Cooper, the builder of the great Wilson Dam at Muscle Shoals, supervised the construction of the even larger Dniepr Dam, for which he received the Order of the Toilers of the Red Banner. In addition, General Electric built and installed the massive generators at the Dniepr and also designed the Kharkov turbine works which had a manufacturing capacity two-and-a-half times greater than its own central plant in Schenectady. The Austin Company, builder of Ford's River Rouge factory, constructed the great auto plant at Gorki (known as "the Detroit of Russia"), while the U.S.S.R.'s other auto plants, at Moscow and Yaroslavl, were built respectively by the A.J. Brandt Company of Detroit and the Hercules Motor Corporation of Canton, Ohio. Austin's John Calden (whom Maurice Hindus called "Russia's miracle man" at the time) managed the construction of the Stalingrad Tractor Plant, Europe's largest, which was first built in the United States then dismantled and shipped to Russia, where it was put together again. For this achievement (and for salvaging the construction of another plant at Chelyabinsk after an abortive effort by a Russian team of engineers) Calder received the Order of Lenin, as did his colleague, Leon A. Swajlian, who was chief engineer for the construction of an identical tract or plant at Kharkov.

In 1930, Business Week proclaimed that Russia, though unrecognized politically, had "come to the aid of depressed American industry." American businessmen, delighted with these Russian contracts, looked forward to a period of expanding U.S.-Soviet trade. Unfortunately, the benefits that American business actually derived from this unprecedented burst of commercial activity proved to be meager and short-lived—as well as absurdly disproportionate to what the Russians gained. In 1930, U.S. exports to Russia reached the all-time high of $230 million, but it was still only a small fraction of total U.S. exports. By 1932, exports had dropped to less than $28 million, and the following year they dropped still further to $14 million. The Soviet government (which had sold grain to finance imports while millions of Russians starved) had simply run out of money.

But even after the Export-Import Bank had been set up in 1934, primarily to finance Soviet purchases, exports still did not increase significantly. The main reason for this was that Russia had by then attained a considerable degree of industrial self-sufficiency, made possible by the willingness of American companies to construct finished plants and assist in their duplication, and to transfer essential technology to the USSR. To its $30-million sale of auto parts, for example, the Ford Motor Company threw in an extra bonus in the form of an agreement to send its technicians to Gorki to introduce Ford production methods[4] and to bring Soviet engineers to its River Rouge plant for training. (Of the 1,039 Soviet nationals arriving in the U.S. between January 1, 1929 and June 15, 1930, 81 per cent came for industrial-training programs.)

America's wartime alliance with the Soviet Union produced still another wave of euphoria at the prospects of trade with the USSR. In 1944, soon after his meeting with Stalin, Eric Johnston wrote in Nation's Business that "Russia will be, if not our biggest, at least our most eager customer when the war ends." The following year Fortune published a poll showing business leaders to be the "most friendly" toward the USSR of all American groups and also the most hopeful about postwar relations—annual exports to Russia, the magazine predicted, would be between $1 billion and $2 billion. Alas, in 1946 annual U.S. exports to Russia, though still financed by Lend-Lease credits, totalled only $236 million, and even that level would not be reached again for more than a quarter of a century.

While the export controls imposed by the U.S. in 1949 played a part in delaying a new round of Soviet purchases, they had nothing to do with the initial drop in exports after 1946. What happened to cause this drop was precisely what had happened fifteen years earlier when Russia reverted to autarchy immediately after having absorbed an enormous amount of Western technology and equipment. Under Lend-Lease, Russia had received $2.6 billion worth of nonmilitary goods from the U.S. (in addition to $8.5 billion in military hardware), including $1.25 billion of the latest American industrial equipment. Even more significant, however, was the more than $10 billion worth of industrial and military equipment dismantled in Germany and shipped to Russia in the greatest and most systematic looting of a defeated country in the history of war.[5] From the Soviet Zone the Russians acquired several thousands plants representing 41 per cent of Germany's 1943 industrial capacity, and still more was removed from the Western Allied zones under an agreement allocating 25 per cent of the plants there to the Russians. The booty included such plants as the famous Karl Zeiss factory at Jena which manufactured optical precision instruments, and the Opel autoworks at Brandenburg. (Small wonder that the 1947 Moskvich 401 was a replica of the 1939 Opel Kadett!) Berlin's entire electrical-equipment industry was removed, as was two-thirds of Germany's aircraft and rocket industry, including the enormous underground V–2 rocket plant at Nordhausen which provided the foundation for the Soviet Union's Sputnik program.

Since specialists were needed to bring this new industrial capacity into operation and to develop it further, technicians were also shipped off to Russia. On a single night—October 22, 1946—6,000 German scientists, engineers, and aviation experts, along with 20,000 dependents, were placed on trains and transported to various points throughout the Soviet Union where German industry had been reassembled. Once again Russia had become "self-sufficient."

Contemporary champions of U.S.-Soviet trade[6] view this historical background as relevant only to the extent that it helps to explain why psychological barriers to the unrestricted expansion of commercial relations with the USSR still exist in the United States. Fears based on past experience are groundless, they argue, since the Soviet Union is a vastly different country today—less oppressive, more stable, and more committed to consumerism—than it was after the devastations of World War II, not to mention during the periods of revolutionary consolidation and forced industrialization. Samuel Pisar, for example, a leading trade advocate, is confident that the American and Soviet economic systems, at one time diametric opposites, are now "actually creeping toward convergence," a process that will accelerate if there is increased trade.[7]

But how different is the Soviet Union today? Like every other country in the world, the USSR has of course changed over the past thirty years, but nothing has happened to alter the nature of its economic relations with the West in any fundamental way. The Soviet Union's chief priority is still the procurement from the West of advanced technology for its heavy industry (machine-building, metalworking, chemicals, and so forth). Though the new emphasis on consumer needs in the ninth Five-Year Plan (1971–75) raised hopes that the Soviet Union would enter the market for consumer goods, this emphasis was dropped when the plan was actually implemented, and the current Five-Year Plan restores producer goods to their traditional preeminence.

The continuing Soviet need for Western technology results directly from the weaknesses of its centralized, state-run, command economy. Much has been written about the inefficiencies of the Soviet economy which produces about half the American GNP using a larger workforce (and which now suffers from a labor shortage). What is not sufficiently appreciated is the degree to which the system, because of its stifling rigidity, is structurally resistant to technological innovation. This problem became acute in the 1960's with the slowdown in the Soviet growth rate and with the realization by Soviet leaders that the country could not keep pace with the West, let alone catch up with it, if it did not obtain access to revolutionary Western innovations in computers and electronics. There is no question that the need for such access was a critical factor in the Soviet conversion to détente.

Indeed, the one change that can be detected in the pattern of Soviet trade relations with the West involves the absorption of Western technology, which no longer occurs at fitful intervals, as it did in the 30's and 40's, but appears, at the moment at least, to have become an uninterrupted process.

Still, the importance of this development should not be exaggerated. It is not the result of changes that have taken place inside the Soviet Union, nor is it evidence that Russia has been drawn into "the disciplines of international economic life," as the original linkage policy had hoped. It merely means that Soviet leaders are satisfied with an economic relationship in which, according to the Soviet journal Foreign Trade (1977), the USSR "efficiently uses the benefits of the international division of labor and constantly imports technically advanced plant and the latest licenses and know-how."

And why indeed should they not be satisfied with an arrangement which virtually guarantees greater advantages to the USSR than to its Western partners? If for no other reason, the Soviet Union stands to benefit simply by virtue of its technical backwardness. During the early years of détente, for example, the Nixon administration encouraged top American firms to sign "technological-exchange" agreements with Moscow. The firms had nothing to gain technologically from such agreements, but went along with them in the hope that "exchanges" of this

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sort might eventually lead to large contracts. The contracts rarely materialized, but the Russians received valuable technology in the meantime. A spokesman for Control Data Corporation, which signed a ten-year agreement with the Soviet Ministry of Science and Technology that included a plan for the joint development of a new super computer, admitted not long ago that the Russians gained fifteen years in research and development by spending just $3 million over three years. And government-to-government exchange agreements, another by-product of the early euphoria over détente, have had the same result. The Apollo-Soyuz space program, one of the better known examples, has been called by Zbigniew Brzezinski "a vehicle for the one-sided transfer from the United States to the USSR of a technology that has obvious military applications."

The asymmetry of the technological "exchange" relationship is reinforced by the Soviet Union's obsession with secrecy and by its unabashedly predatory approach. While American firms are expected to be forthcoming with technical information, especially if they hope to win contracts, the Russians have been extremely reluctant to divulge information on plant operations, let alone to allow American technicians to visit the plants for which they have been asked to design systems.

At the same time, American firms have trained hundreds of Soviet technicians in the U.S., and teams of Soviet specialists—ostensibly looking into possible purchases—have been allowed to tour defense-related American plants. A member of one such group, which closely inspected the Boeing, Lockheed, and McDonnell Douglas factories in 1973 and 1974, admitted privately to a Boeing official that purchases had never been contemplated—meaning, of course, that the group's real purpose had been industrial espionage. Within the FBI, concern has been expressed that Moscow's espionage efforts have expanded in recent years owing to the sharp increase in the number of Soviet citizen's here on official business and to the treaty arrangement allowing Soviet ships to call at 40 American ports.

Still another factor that works to the USSR's advantage is that Soviet foreign trade is a state monopoly. As the sole buyer in a situation where there are many sellers—competing American firms as well as firms from Europe and Japan—it has unequal bargaining leverage which it uses not only to bring down prices but also to secure maximum technological benefits that include the provision of technical data and licenses, extensive training of Soviet personnel, and, increasingly, longterm arrangements for the continuous supply of new technology. American firms in high-technology fields like computers, aerospace, and automotives are willing to agree to such arrangements in order to compensate for the high cost of research and development. But the end results favor the Russians, as exemplified in the Soviet purchase not too long ago of space suits for $150,000 which had cost the Americans $20 million apiece to develop.

There have even been some instances where American firms have provided valuable technology in the hope of landing a major contract, only to lose the contract to a competitor. In 1973 the Raytheon Corporation, seeking direct contract with the USSR's Ministry of Civil Aviation to promote the sale of an advanced air-traffic control system (ATC), mounted an elaborate exhibition in Moscow in cooperation with the U.S. Federal Aviation Administration. After Raytheon had invested $220,000 in the exhibition and presented plans for an ATC system more advanced than the one in the United States, the Russians asked for competing bids from four other American and two European companies. They also indicated in the course of the negotiations that an American bid would receive more favorable attention if it were accompanied by an offset purchase of Soviet-made YAK-40 jet aircraft, and if the U.S. granted increased landing rights to Aeroflot. In all, the U.S. companies spent over $500,000 and provided the Russians with quite a lot of valuable technical work before the contract was awarded to a Swedish-Italian consortium.

Not all the American firms dealing with Moscow have been quite so unsuccessful as Raytheon, but according to a prominent U.S. businessman quoted in a recent report in the Wall Street Journal, "Nobody is doing the business he expected." (Even the modest U.S. export figures—$2.26 billion in 1978—overstate the amount of trade carried on by high-technology firms, since agricultural products account for more than 75 per cent of U.S. exports to the Soviet Union.) In addition, U.S. businessmen stationed in Moscow have had to work under extremely trying conditions: the enormous, impenetrable Soviet bureaucracy; the bugging of their offices, conference rooms, and private residences by what the Journal report called "the omnipresent official eavesdroppers"; the fear for their personal safety, as pointed up by the arrest last June of International Harvester's F. Jay Crawford.

Still, it is all worth it in the opinion of Harold B. Scott, the former president of the U.S.-USSR Trade and Economic Council, for the Soviet Union "will one day be the largest market in the world. The systems put in place there now will determine the patterns of trade. Now is the time when it is crucially important to put our technology there."

With all due respect to Mr. Scott, it is hard to believe that this perpetually alluring Russian market really exists, or if it does exist, that it will one day be ours, especially if we continue to "put our technology there," as he urges. Why should such a market come into being when by selling whole factories (called "turnkey" plants) and training Soviet personnel, we help Russia produce by itself what it might otherwise have to buy from us or from other Western countries? Ironically enough, the way trade has been conducted with the Soviet Union not only does not discourage those autarchic tendencies Kissinger was talking about, but actually reinforces them, even as Soviet purchases of Western technology continue.

Many businessmen claim that the chief obstacle to more U.S.-Soviet trade is the Jackson amendment tying lower tariffs to freer emigration. But even if the USSR were granted most-favored-nation tariffs, Soviet exports to the U.S. would still not increase significantly (which means that its ability to import American goods would also not increase by very much). Even now, the great bulk of Soviet exports consists of raw materials and semi-manufactured goods which are not subject to discriminatory tariffs. The only exports which would be affected if the Jackson amendment were withdrawn are manufactured goods, and there just is not very much of a market in the U.S. for Soviet products.

The congressional limitation on Export-Import Bank credits is far more important in this connection since the Soviet Union simply does not have the hard currency to finance its purchases. The amendment limiting credits, adopted in 1974 in the climate of growing disillusionment with détente, resulted in the U.S. government's withdrawal from a reckless economic venture, the financing of the huge Soviet-bloc debt. This debt was about $8 billion at the end of 1970. By the end of 1975, it had mushroomed to $38 billion, according to an estimate by the Chase Manhattan Bank, and by 1976, it had increased still further to $48 billion. Today it has reached $55 billion and is still growing. At a ministerial meeting of the OECD in June 1976, Henry Kissinger described the debt surge as "sudden" and "striking" and went on to raise questions about its economic and political implications. Kissinger also voiced concern that the debtor countries had acquired substantial leverage over the creditor countries through the latter's fear of default.

The Soviet Union's lack of hard currency has led to another practice which also skews the trade relationship in its favor. This is the so-called compensation agreement whereby a Western firm builds a plant in a Communist country and supplies equipment and know-how in return for part of the plant's eventual output. Once again, the advantages of this arrangement to the Soviet Union and its satellites are considerable. They not only increase their production with Western financing and advanced machinery and technology, but are also given access to Western markets in the course of "repayment"—and all this without spending any hard currency. The advantages to Western firms are cheap, strike-free labor (which, however, means a loss of jobs in the West) and access to untapped sources of raw materials. At the same time, however, they risk substantial losses if the market is glutted at the time of repayment, which is what happened to Armand Hammer's Occidental Petroleum, for instance, in its $20-billion fertilizer deal with the USSR.

Furthermore, they have no protection against repayment in substandard products, or against market disruption if the Communists, seeking hard currency or market penetration, choose to dump goods in the West. Fiat, for example, had no idea that it was creating a trade rival when it built the Volga Auto Plant at Togliatti (since it was assumed that Soviet domestic needs would easily absorb the plant's production). But the Fiat-like Lada is being sold right now in Europe and Canada at well below the cost of production. Similarly, unions throughout Europe's depressed chemical industry have expressed alarm that the products of the massive petrochemical plants to be built with Western support at Tomsk and Tobolsk will one day flood the European market.

In addition to the problems of market disruption and job displacement, Western firms run the added risk—always present when dealing with Communist countries—that political relations may deteriorate before compensation has been received. In some agreements the payback period is twenty years, a longer time than "détente" (by any prudent estimate) can be expected to hold up. If the Russians, for whatever reasons, should decide to cancel the compensation agreement at any time during that period, it will not do a Western firm much good to know that its collateral consists of oil pipelines buried beneath the Siberian steppes, or industrial machinery installed in Tobolsk. The knowledge that their investments have made them hostages to political circumstances could well turn Western businessmen into fervent defenders of appeasement.

Among votaries of U.S.-Soviet trade, however, the idea that political relations might deteriorate even in the face of expanded trade is virtually ruled out, since it is taken as axiomatic that trade will strengthen the liberalizing, peaceful tendencies in the Soviet Union. This is an old notion. In 1922, British Prime Minister Lloyd George said that trade "will bring an end to the ferocity, rapine, and the crudity of Bolshevism surer than any other method." In our own time it is widely believed that trade, in Daniel Yergin's words, "draws the Soviet Union into the community of advanced industrial nations." From this point of view, of course, trade with the Soviet Union is valuable even if it does entail certain economic disadvantages. But is there any evidence so far of this happy outcome?

The view that trade will lead to liberalize-

tion in Russia is partly based on the not illogical belief that exposure to the West will encourage the development of Western norms and values in the USSR. Unfortunately, the present Soviet leaders, like the Czars before them, are as mindful of this possibility as anyone else, which is why they take great care to shut out Western cultural influences even while helping themselves to Western products and technology. To realize how far the Soviet authorities are willing to go to prevent any contacts from taking place outside of very tightly controlled official channels, one need only think of the confiscation of follow-up cards passed out at a seminar in Moscow conducted by Singer personnel, or the removal of subscription forms from all copies of *Aviation Week and Space Technology* distributed at the Raytheon exhibition, or the totally self-contained office, hotel, and apartment complex for foreigners that is being constructed in Moscow—the modern equivalent of the *Nyemetskaya Sloboda*, or "foreigners' quarter" (literally, "German Quarter") built by Vassily III almost 500 years ago.

But the Soviet regime not only isolates Westerners, it also tightens internal controls to prevent Western influences from seeping through. Particularly during periods of détente—the last decade is a good example—there seems to be an increased tendency for the regime to step up repression and ideological vigilance. All of this would seem to suggest that trade does not promote liberalization, and may actually have the opposite effect.

The fact, too, that trade is used as a way to obtain the technology needed for rapid modernization means, in the context of a command economy, that it is frequently associated with forced industrialization and the use of slave labor. The program of Westernization under Peter the Great was achieved at the cost of immense sacrifice and suffering imposed on the Russian people. Two centuries later, Stalin's first Five-Year Plan, which marked another period of intense absorption of Western technology, took an even greater toll in freedom and human life.[8]

The argument is also made—again to show the link between trade and freedom—that the Soviet Union must liberalize its system in order to solve its economic problems, and that increased exposure to our superior economic methods will encourage Soviet leaders to take this course. This argument might be valid if the Soviet leaders were interested in nothing more than promoting economic efficiency and technological innovation. But they also have a stake in maintaining their totalitarian system which is inherently inefficient and uncreative. If this fundamental contradiction were allowed to work itself out, it might conceivably lead to real reforms inside Russia, but Soviet leaders have been able to avoid the choice between reform and stagnation precisely by turning to the West for totalitarianism's "missing dynamic." (It is instructive to recall that Brezhnev's decision to import Western technology on a large scale followed a brief but politically costly experiment in the 60's with economic decentralization.)

Thus trade, by injecting into the Communist system the technological innovations without which it could not survive but which it cannot achieve on its own, actually helps to sustain totalitarianism.

The strategic as well as the moral implications of this fact have thus far been ignored. The idea that trade promotes East-West peace, central to the thinking of those who shaped the policy of détente, remains basically unchallenged among U.S. policymakers today, despite evidence that the increase in trade since 1970 has not been accompanied by reduced Soviet military spending or greater moderation in the Middle East, Africa, or elsewhere. In fact, increased trade (or, more specifically, the increased pace of technology transfers) has been accompanied by the continuing build-up of Soviet military forces and by a greater Soviet readiness to intervene in local conflicts.

Pre-revolutionary Russian history offers numerous examples of the rulers of Russia importing technology from the West to strengthen their country's military capacity. And far from ending the practice of importing Western technology for military use, the Bolshevik rulers have simply recast its revolutionary terms. Occasionally these acquisitions have been accomplished by theft—as in the case of the atomic espionage of the 40's—but more often the same result has been achieved through political and trade agreements, in accordance with Lenin's famous statement that the capitalists "will supply us with the materials and technology which . . . we need for our future victorious attacks upon our supplier."

In the 20's Germany was the main foreign source of military assistance. Thereafter, the United States took over, becoming the main supplier of military-related technology, along with Germany and Britain, until the cold war. Fertilizer plants supplied by the West were used to produce explosives, machine plants turned out gun barrels, and—most important—the automotive industry which had been set up by U.S. firms produced tanks and armored trucks.[9] For years after World War II, Lend-Lease transfers and the dismantling of German industry were providing the Soviet Union with the foundation for military production.

This process is still going on today. Indeed, there is now a growing concern in the United States that the technology we have already supplied to the Soviet Union, particularly in the computer field, has contributed to Soviet advances in strategic weaponry and strengthened the USSR's overall economic and military capability. The president of Texas Instruments, J. Fred Bucy, who chaired the Defense Science Board Task Force on the Export of U.S. Technology, told a Senate panel in 1977 that "the transfer of militarily significant technology has been of major proportions," and the full consequences of this development "will become evident over the next five years."

Presumably the U.S. government approves only technology transfers which have no military significance, but the problem is that most modern technologies have both civilian and military uses. The air-traffic control system, for example, can also be used for air defense and vectoring fighter aircraft; the semiconductor technology used in computers has numerous military applications, including missile-guidance systems; technology for the manufacture of wide-body aircraft and high-bypass turbofan jet engines can be used in the production of military aircraft. And while precision ball bearings certainly have many industrial uses, they are also essential for the production of the guidance mechanism in MIRV warheads.

The problem is further complicated by the fact that the technologies of greatest interest to the Soviet Union are first developed by the private sector in the U.S. for commercial use, and are only later adapted to military programs. As Bucy pointed out, this means that "increased pressures for commercial trade with the USSR and its Comecon partners may result in the flow of significant technologies before similar technologies are applied to advanced weapon systems in the U.S."

To add to the problem, many Soviet factories have both civilian and military lines of production. It would be most surprising, for example, if the Western-built Kama River truck factory, which is slated to be the largest industrial complex in the world, did not produce military vehicles upon its completion, in addition to diesel trucks and engines. This has been standard procedure in Soviet motor plants for some time, and, given the regime's obsessive secrecy—which is not, after all, a psychological aberration but has a rational purpose—it will be impossible to verify whether or not the Kama plant is producing for the military. Indeed, when one considers for a moment that military production is the first priority of the centralized Soviet economy, and that it is the sector in which the best available technological and human resources are concentrated, the notion that imported Western technology will not be used for military purposes seems rather farfetched.

Nor need this technology be directly used by the military in order for it to be "militarily significant." Even if applied to industry, it serves the purpose of freeing scarce research talent for military work. It seems perfectly obvious that if foreign technology relieves the labor shortage by modernizing Soviet industry, it makes it easier for Moscow to maintain a standing army of 4 million men. And if this modernization is financed with Western credits, it reduces the burden of a military budget that now consumes somewhere between 11 and 15 per cent of the Soviet GNP.

An example of how technological transfers to Russia of great strategic importance can take place with the approval of the U.S. government is provided by the recent controversial sale by Dresser Industries of a $144-million turnkey plant for the manufacture of deep-well drilling equipment. This particular deep-well technology is needed by the Soviet Union if it is to develop major new oil reserves, an urgent priority since it is now expected to become a net importer of oil by the mid-1980's. Lacking adequate energy sources, the Soviet economy's growth rate could slow to about 3 per cent, which would make it exceedingly difficult for Moscow to continue to increase military spending by 4 to 5 per cent every year, or to finance Cuban expeditions to Africa. Hence the Soviet interest in American oil technology.

Nevertheless, last summer, only weeks after President Carter announced that the government would assume control over all sales of oil technology and equipment to the Soviet Union, the administration approved the Dresser sale. Its reasoning, summed up by the Washington Post in an approving editorial, was that "the technology is widely available" outside the U.S., and that in view of the energy shortage "it serves American interests to get the maximum number of explorers "into operation as soon as possible."

The administration appears to have given no consideration at all to the strategic significance of this sale, which greatly enhances the USSR's oil-production capabilities by giving it the capacity to manufacture premium rock-drill bits equal to the entire U.S. output, and greater than the Soviet Union's anticipated deep-well drilling requirements for the 1980's!

In the controversy surrounding the sale, attention was focused on only two items of the manufacturing equipment which were thought to have possible military application. These two items were subsequently approved by the Defense Department, despite expert opinion which held that one of them could produce armor-piercing projectiles. Senator Jackson, chairman of the Senate subcommittee which investigated the sale, cited pressure by both the Commerce Department and Dresser Industries as a factor that "may have contributed to what appears to have been a less than thorough assessment of national-security questions."

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Following protests by Energy Secretary Schlesinger and members of the National Security Council, approval of the sale was suspended pending a review by a special task force of the Defense Science Board. The task-force report concluded that the deep-well technology in question "has strong strategic value in its application to Soviet energy needs of the 1980's" and that it is "wholly concentrated in the U.S.," thus giving this country effective control over its export to the Soviet Union. The report also pointed out that the transfer of this technology to the Soviets would allow them "to enter world markets with advanced drilling capabilities," thereby enabling them to increase their presence and influence in the Middle East and other oil-producing areas of the world. On the question of the two supporting technologies which the Defense Department had previously approved, the report concluded that both would contribute significantly to the Soviet Union's military potential.

Despite these warnings, the President approved the Dresser sale a second time. Subsequently, he told a news conference that the administration takes adequate precautions "to be sure that we are not deliberately or inadvertently giving to [Communist] countries a means by which their military capability would be greatly escalated. This would be contrary to the existing law."

But what exactly did the President mean when he used the words "greatly escalated" here? The ambiguity of the formulation cannot be attributed only to the informal conditions prevailing at a news conference. It also serves to point up the fact that the United States does not at present have an effective or even coherent policy governing the export through commercial trade of strategic technology to the Soviet Union. The agency authorized to control commercial exports affecting national security is the Commerce Department, and since this department is interested primarily in promoting trade and reducing the U.S. balance-of-payments deficit, these considerations play a great part in influencing judgments on what is "militarily significant."

But the fundamental reason for the absence of a sound policy in this area is political. As long as it is assumed that trade promotes peace, no matter what is being traded, the problem of the flow of strategic technology to our principal adversary is not likely to be given serious consideration.

The argument heard most often—that controls cannot work since other nations will export what we embargo—is a rationalization for having no policy at all. In the Dresser case, for instance, there was no foreign producer the Russians could have turned to if we had denied the sale, but we approved it nonetheless. It is hard to see how the U.S. can expect to gain the cooperation of its allies in denying strategic technology to the Soviet Union if we ourselves continue to supply it in abundance. In fact, the relaxation of U.S. controls over the last decade is a major reason for the diminishing effectiveness of CoCom, the international body established in 1950 to regulate the export of strategic items to Communist nations.[10]

Only a rigorous control policy can be expected to shore up the faltering CoCom arrangement and win broad support in the U.S. The objective of such a policy need not be to restrict trade with the Soviet Union, but only to shut off the flow of strategic technology in accordance with the Defense Science Board's crucial distinction between products and technology—that is, between the item produced and the know-how required to produce it.

This distinction did not matter so much thirty years ago, when the U.S. and its CoCom allies first attempted to work out a control policy for trading with the Soviet Union. At that time a favorite Soviet method of acquiring technology was to copy Western prototypes which had been procured through single-item purchases. But as technology became more complex and the pace of technological change increased, this kind of "reverse engineering" became less feasible—by the time a process had been mastered and brought to production the product would have become obsolete. So the Russians naturally dropped their interest in individual products, and turned instead to the direct acquisition of critical technologies and production capability.

Control policies, however, have been oblivious to these changes and are still focused on the regulation of product transfers, so that items of secondary importance to the Soviet Union are now regulated while the U.S. and other Western countries actually encourage the transfer of what the Russians want most. We now have a policy, in other words, which allows Western firms to build whole production facilities in the Soviet Union, transfer vital manufacturing information, and train Soviet personnel, while withholding one particular item in the sale because it is on the CoCom list of embargoed goods. Small wonder that our allies are cynical about it.

It seems clear that this must change. While controls on selected critical products should be maintained, policy must be revised to take account of the central importance of technology transfers which contribute in any way at all to the Soviet Union's military and industrial strength. To be sure, in a world where technology is widely diffused, a policy aimed at denying the Soviet Union access to such technologies cannot be airtight. But as Fred Charles Iklé, the former director of the Arms Control and Disarmament Agency, has observed, "gradual seepage is one thing. It is quite another matter to expedite the spillage of some of the most advanced and complex technologies." And even if Soviet acquisition of such technologies cannot be prevented, it can at least be delayed, which may serve to maintain and perhaps extend what is called "the strategic lead time" of the United States over the Soviet Union. Our present lead in strategic technologies, estimated at three to ten years, is smaller than it was before "détente," but it is still a factor that restores some stability to the growing imbalance between U.S. and Soviet military forces.

Despite the current avidity for trade, it should be possible to win at least a measure of business support for a policy of stricter controls on technology transfers to the Soviet Union. In his new book, A Time for Truth, former Treasury Secretary William E. Simon traces the history of U.S. business aid to the Soviet Union by way of demonstrating the economic superiority of capitalism over Communism. But except in a footnoted afterthought in which he calls the whole enterprise "desperately unwise," Simon never comes to grips with the basic question of who stands to benefit most from current U.S.-Soviet trade ventures. Lenin put it rather succinctly in his famous question, "kto kogo?" ("Who [will defeat] whom?"), and perhaps it is time this question was asked by more than a small handful of business leaders. Capitalism is indeed more efficient than Communism, but if this very efficiency is used to sustain and fortify the enemies of free society, does this not, in the words of Seymour Martin Lipset, constitute "the ultimate failure of capitalism"?

But business need not even bother about such ultimate conclusions in order to support a policy of controls on the transfer of technology to the Soviet Union—it need only recognize its own economic self-interest. The transfer of production capability will dry up markets and create competitors far sooner than it will enhance trade or profits. All it takes is one firm—poorly managed, perhaps, and needing a Soviet deal to balance its books—to transfer the technology of an entire industry; surely this consideration should provide sufficient incentive for business to demand an effective policy of controls. Then, too, there is the question of the competitive disadvantage individual firms now face in negotiating with the Soviet state trading monopoly. Should not businessmen see the need for a central clearing house for U.S.-Soviet trade to offset this disadvantage?

A policy of control on technology transfers differs significantly from the so-called policy of "economic diplomacy" which has stirred up so much pointless controversy in recent months. The former would shut off technology transfers to the Soviet Union while the latter would offer technology as an incentive to moderation and deny it as punishment for hostile acts. But "economic diplomacy" is no substitute for a policy of military deterrence, and common sense should dictate that anything the Russians might want badly enough to forgo opportunities for expansion is probably something they should not have in the first place. A policy of controls, on the other hand, would not be tied to politics, but for reasons that should already be clear, it could in the long run limit the Soviet Union's ability to threaten the security of the West.

The denial of foreign technology might very well succeed—where the present policy has failed—in bringing about a greater degree of decentralization and liberalization within the Soviet Union, but such a policy should not be aimed at changing the Soviet system. Nor should controls be loosened in response to favorable Soviet gestures on human rights. Technology is too valuable to be turned into a pawn in a game which the Soviet Union could easily manipulate in its favor. (This criticism, incidentally, does not bear upon the Jackson amendment, which in any case does not offer technology in exchange for freer emigration but only a modest amount of hard currency in the form of credits and lower tariffs on Soviet imports. There is nothing wrong with buying people's freedom, which is what the Jackson amendment amounts to. On the contrary, it is an objective worthy of a democratic society.)

It is difficult to speculate on future trends inside the Soviet Union and more difficult to influence them from the outside. If we have learned anything at this late date in our relations with the USSR it is that interaction with the West does not necessarily yield helpful results, and that the rich creations of a free system become distorted when absorbed by a system that is not free. Those who wish to build bridges to the East through trade might recall that Brezhnev, on the eve of détente, observed that "scientific-technical progress has now become one of the main bridgeheads of the historical struggle of the two systems."

It would be ironic if the one system able to generate such progress lost the struggle because it lacked the wisdom to understand its advantage and the will to protect it.

FOOTNOTES

[1] *Détente and Dollars: Doing Business with the Soviets*, Basic Books, 1975, p. 5.

[2] See Anthony C. Sutton's *Western Technology and Soviet Economic Development 1917-1930*, Hoover Institution Publications, 1968. Two subsequent volumes by Sutton describe the transfer process and assess its contribution to Soviet economic development for the periods 1930–45 and 1945–65.

[3] Anthony C. Sutton, in this context, defines the phrase "built by Western companies" to mean not just the management of construction and equipment installation, but also the supply of technology, patents, engine-test results, and operator training, as well as supervision of the plant during its

initial period of operation. The Russians supplied labor, semi-fabricated materials, and middle-level engineers whose chief job was to learn from the Americans.

[6] One of these Americans, Victor Herman, has just published an extraordinary memoir of his experiences in Russia (*Coming Out of the Ice*, Harcourt Brace Jovanovich, 369 pp., $12.95). At the age of sixteen, Herman accompanied his family from their home in Detroit to Gorki, where they were planning to stay for three years working in the auto plants. He ended up spending forty-five years in Russia, eighteen of them in the Gulag, where he encountered many Americans. Herman describes his ordeal with an austerity that makes it all the more horrifying. He claims to be the only survivor of all the men, women, and children from the American village at Gorki who were sent to the Siberian camps—forgotten victims of an earlier period of Soviet-American "cooperation."

[8] Germany was not the only country looted by Russia. A U.S. mission headed by Ambassador Edwin Pauley in the spring of 1946 concluded that Russia had dismantled and removed $895 million worth of industrial equipment from Manchuria. In addition, $400 million worth of equipment was taken from the Soviet Zone in Austria, while peace treaties with Finland and Rumania resulted in the transfer of $600 million of equipment.

[9] See, for example, *The Psychology of East-West Trade*, by Zygmunt Nagorski, Jr., Mason & Lipscomb, 1974.

[7] *Coexistence and Commerce: Guidelines for Transactions Between East and West*, McGraw Hill, 1970, p. 8.

[8] The American-Russian Chamber of Commerce, whose board included representatives of the top American corporations doing business in Moscow, did what it could to whitewash the Soviet Union on charges of forced labor during this period. In a speech at the Bankers Club in New York in 1932, Colonel Hugh Cooper said that "The Chamber has made a real study of these charges. It has obtained signed statements from many leading American businessmen, who have actually been to Russia and have personally observed labor conditions there, and I am glad to say that not one of these men think labor in Russia is forced." Since American firms instructed their engineers not to discuss conditions in the USSR, only the apologists were heard from. Alcan Hirsch, who supervisted the construction of the Du Pont nitric acid plant at Chernorechenski, claimed in his book, *Industrialized Russia* (1934), that while the Soviet Union had "not as yet reached unprecedented eminence in the arts, science, or industry, . . . sociologically it is far ahead of the rest of the world." With all the attention paid to intellectual fellow-traveling with Stalinism in the 30's, it appears that the subject of business complicity has been sorely overlooked.

[9] Much of this was known to American officials. In 1933, for example, the American engineer, Zara Witkin, who supervised construction of some of the "secret industry" plants in Russia (Eugene Lyons called this task "the most important given to any single foreign specialist"), told a U.S. Consul in Poland that every tractor plant "is of course a tank factory and an automobile plant [is] a factory which may at any time produce mobile artillery."

[10] CoCom's full name is the Coordinating Committee of the Consultative Group of Nations, and its membership consists of NATO nations (except Iceland) and Japan. It maintains a common list of embargoed strategic items.

Carter Begins Drive To Step Up Soviet Trade

The Administration will move quickly in coming weeks to step up exports to the Soviet Union. Eager to increase trade with the Peoples Republic of China, the Departments of State, Treasury and Commerce have convinced the White House it must also take positive steps to reassure the Soviets that we are not tilting in favor of Peking.

Thus, as the Washington Post reported last week, the Administration has launched a "diplomatic initiative" to press for the resumption of U.S. trade and tariff benefits for the Soviet Union—all before President Carter meets with Soviet chief Leonid I. Brezhnev to sign the SALT II agreement June 15 in Vienna.

To this end, Secretary of State Cyrus Vance and Secretary of the Treasury Michael Blumenthal met with Soviet Ambassador Anatoly F. Dobrynin April 27 to stress the Administration's commitment to increased trade. And they discussed, frankly, ways to circumvent the Jackson-Vanik amendment of 1974 which has limited East-West trade.

That amendment, adopted at a time the Soviets were engaged in brutal persecution of their dissidents, makes freer emigration from the USSR the price for lowering U.S. tariffs and qualifying for Export-Import Bank loans. Asserting that the Congress had no right to interfere in their "internal affairs," the Soviets cancelled the 1972 trade agreement designed to increase commerce between the two nations.

Under the terms of the 1974 law, the President can grant trade benefits for one year if he receives "assurances" that Soviet policies will in the future "lead substantially" to freer emigration. Some State Department lawyers argue that the "assurances" must be in writing. Others—aware that the Soviets are unlikely to provide written guarantees about their "internal" affairs—have suggested that the assurances can take some other form.

Thus the April 27 meeting. According to the Post, Vance and Blumenthal stated it was the Administration's understanding that the recent liberalization of Soviet emigration policies has become the norm and is expected to continue. If Moscow will accept this, Washington will consider the transaction to be the necessary assurances under the Jackson-Vanik amendment.

How Jackson will react to the Administration interpretation of his statute was not known at press time. He is known, however, to be gravely concerned that in pushing detente the Administration has completely disregarded the strategic consequences of its technological exports.

Last summer, for instance, in the wake of the trials of Soviet dissidents Anatoly Shcharansky and Alexander Ginzburg, President Carter announced that he was placing the export of oil and gas technology to the Soviet Union under government control.

When Moscow issued a blustery attack on Carter's decision, the Administration backed away. All 74 of the applications for export of the oil technology were quietly issued. As Carl Gershman notes in a brilliant article in the April Commentary, the $144-million Dresser industries deal approved by Carter conferred enormous strategic benefits:

"This particular deep-well technology is needed by the Soviet Union if it is to develop major new oil reserves, an urgent priority since it is now expected to become a net importer of oil by the mid-1980s. Lacking adequate energy sources, the Soviet economic growth rate could slow to about 3 per cent, which would make it exceedingly difficult to increase military spending by 4 or 5 percent every year, or to finance a Cuban expedition to Africa. Hence the Soviet interest in American oil technology."

Energy Secretary James Schlesinger and members of the National Security Council raised similar objections, and a special task force of the Defense Science Board was set up to study the deal. The task force concluded that the deep-well technology "has strong strategic value in the 1960s" and that it is "wholly concentrated in the United States," thus giving us the power to deny critical oil technology to the Soviets.

The report also noted that the transfer of the technology would enable the Kremlin "to enter world markets with advance drilling capabilities," thereby permitting them to increase their presence and influence in the Middle East and other oil producing areas. Finally, the report concluded that two of the items involved in the deal could enable the Russians to manufacture armor-piercing projectiles, clearly increasing their military potential.

Nevertheless, the President himself approved the sale. It was only the latest in a long line of strategic items which profit-hungry businessmen have funneled to the enemy. As a former Polish intelligence officer, Michael Checinski, has reported, "every machine, device, or instrument imported from the West is sent to a special analytic group. Their job is not only to copy technical solutions, but to adapt them to the specifications of the Soviet military."

Consider the 1972 approval of the sale of 164 Centaign-B machines, and accompanying technology, to produce miniature ball bearings. This windfall drastically reduced the time required by the Soviets to improve the accuracy of their missile warheads. As a result, says former CIA official Cord Meyer, "the U.S. must spend $30 billion on new mobile missiles because of the vulnerability of our fixed silos."

Meyer also cites a recent Soviet defector still under security wraps who has spelled out just how the export of technology for peaceful purposes can backfire. Equipment sold to the Soviets to modernize their weather forecasting has been secretly diverted to improve the efficiency of their spy satellites.

There is a sense of *deja vu* in all of this as the Administration moves to remove the few remaining curbs on Soviet bloc exports in an effort to build the profits of American business and somehow improve East-West relations. Solshenitsyn referred to it in his June 1975 speech to the AFL–CIO:

"I must say that Lenin foretold this whole process. Lenin, who spent most of his life in the West and not in Russia, who knew the West much better than Russia, always wrote and said that the Western capitalists would do anything to strengthen the economy of the USSR. They will compete with each other to sell us goods cheaper and sell them quicker, so that the Soviets will buy from one rather than from the other. He said: 'They will bring it themselves without thinking about their future.' And, in a difficult moment, at a Party meeting in Moscow, he said: 'Comrades, don't panic, when things go very hard for us, we will give a rope to the bourgeoisie and the bourgeoisie will hang itself.'

"Then, Karl Radek . . . who was a very resourceful wit said: 'Vladimir Ilyich, but where are we going to get enough rope to hang the whole bourgeoisie?' Lenin effortlessly replied: 'They'll supply us with it.'"

Will House Beef Up USSR Military Capability?

At the precise moment the Administration has begun a determined drive to expand U.S.-Soviet trade, the intelligence community has informed Rep. Richard Ichord (D.-Mo.) that the Russians have illegally diverted for military usage American technology poured into the Soviet Kama River truck plant.

Ichord is chairman of the Research and Development subcommittee of the House Armed Services panel. In hearings on May 23, Ichord, basing his information on a classified intelligence document and testimony on Hans Heymann, the CIA's national intelligence officer for political and economic affairs, told witness Stanley Marcuss, a senior Department of Commerce official, "We know for a fact that the Kama River project was diverted to military use." Heymann confirmed to Ichord that some 50,000 diesel engines annually produced by the plant were being installed in military vehicles.

Ichord later informed a Human Events reporter that the Soviets were using U.S. technology furnished for the Kama River plant to produce "armored personnel carriers and assault vehicles," the latter a euphemism for tanks and heavy assault guns. Kama River technology, in fact, has reportedly been incorporated into the most advanced Soviet battle tank, the T–72, now being introduced into Central Europe.

Started in the early 1970s, the Soviet plant, supposedly designed for the production of civilian vehicles, has been largely constructed with advanced American technology. Donald E. Stingel, president of Swindell-Dressler Co., which was the principal engineering contractor for this huge project, testified before Congress on April 23, 1974, that his firm was providing the Soviets with a technology that had not even been realized in the United States.

The plant is scheduled to have an annual production capacity of 250,000 10-ton multiple-axle trucks, "more than the capacity of the entire U.S. heavy-duty truck industry," noted Miles Costick in his study, "The Strategic Dimensions of East-West Trade." The Kama River project's foundry, the largest and most modern in the world, is completely automated and equipped with one of the biggest industrial computer systems extant, courtesy of IBM. The foundry will be capable of manufacturing no fewer than 350,000 diesel engines annually.

The irony, wrote Costick, is that the project will have the "capacity to produce tanks, military scout cars, rocket launchers and trucks for military transport, but it was approved by the Commerce and State Departments as 'non-strategic'!"

The Kama River diversion was not the only explosive news to come out of the hearings, though it may have the most significant impact on the Congress in terms of dealing with the East-West trade issue.

Rep. Larry McDonald (D.-Ga.), a member of the Ichord panel, also brought out another critical point: that the United States, not our European allies, has taken the lead in undermining the CoCom strategic trade list. All the member nations that comprise NATO (save Iceland) and Japan have drawn up a common list of items—the CoCom list—that they agree will not be sold to the Soviet bloc because of their potential military value. Over the years, the U.S. government has alleged that the Europeans have been taking the lead in trying to make the list less restrictive.

But McDonald's questioning prompted Administration officials to admit, at least indirectly, that the U.S. has taken the lead. McDonald, for instance, asked Marcuss if some of our allies didn't think we were being hypocritical about the list because of the number of times this country has sought waivers of various items. Marcuss initially replied: "From time to time we hear that argument, but it's not credible in our view."

But Larry Brady, acting director of the Export Administration, who accompanied Marcuss, later released figures showing that in 1978 the U.S. sold 1,050 restricted CoCom items to the bloc, receiving more than 62 per cent of the waivers granted.

Brady also acknowledged what Commerce has denied in the past—that it is extremely difficult to find out if the Soviets divert our technology for military use. Although the Soviets must sign a statement pledging not to use American technology for such purposes, Brady admitted that U.S. safeguards "have only marginal utility." Thus, despite the "safeguards"—which largely consist of U.S. company executives informing Commerce if their supplies are being misused—the Soviets could easily be engaged in a massive effort to divert U.S. technology for military purposes. And judging from those Kama River intelligence reports, they are.

While this information was tumbling out of the Ichord hearings, however, the House moved a step closer to passing a new bill (HR 4034) which will actually expand trade with the Soviets and even loosen restrictions on items of trade with military potential.

Reported out of the Foreign Affairs Committee on May 15 and expected to come to the House floor in the next week or two, the bill has as its primary sponsor Rep. Jonathan Bingham (D.-N.Y.). The chairman of the panel, Rep. Clement Zablocki (D.-Wis.), is also a sponsor, as, surprisingly, is Rep. Robert Lagomarsino (R.-Calif.), a conservative. Indeed it is clear that even conservative members of the Foreign Affairs Committee who are not sponsors, such as Representatives Ed Derwinski (R.-Ill.) and Dan Quayle (R.-Ind.), appear unconcerned about the measure insofar as it would vastly increase Soviet opportunities to receive the most advanced American technology.

Yet the Bingham bill is considered "disastrous" for the U.S., according to such Red trade experts as Costick. The Pentagon's role in determining what goods should be sold to the Soviet Union, for instance, has been considerably reduced. Under the Jackson amendment as it applies to present law, the President, if he overrules the Defense Department's objection to the sale of a certain item, must submit a report to Congress telling why. But this requirement for a report has been eliminated, thus clearly making it easier for this soft-on-Red trade President to veto the Pentagon.

Of even greater consequence is the so-called "indexing" provision, which comes close to mandating that the secretary of commerce make important U.S. technology available to the Soviets on a steady basis. Indeed, this provision calls for the secretary of commerce to annually remove U.S. technology from the restricted list.

"In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed," this section says, the secretary may "provide for annual increases in the performance levels of goods of technology subject to any such licensing requirements." In sum, the secretary of commerce can unilaterally remove huge quantities of computers and machine tools from our restricted list by simply claiming that the newest technology makes even advanced but less new technology out of date.

Still another gigantic loophole eliminates any right on our part to block Western Europe or Japan from reselling our technology to the Soviet bloc or other enemy or adversary nations. That section reads that "no condition shall be imposed by the United States" on such reselling ventures.

While this bill is marching through the House (with a similar version being readied by Senators Proxmire and Stevenson in the upper chamber), conservatives, moderates and liberals who oppose expansion of Soviet trade are rallying around H.R. 3216, a bill mainly sponsored by Representatives Clarence Miller (R.-Ohio), Richard Ichord (D.-Mo.), Lester Wolff (D.-N.Y.) and Robert Dornan (R.-Calif.).

That measure would drastically change the method by which export licenses for the Soviet Union are approved, shifting the major responsibility from Commerce and the State Department to the Pentagon. Many think it will be offered in whole or in part as an amendment to the Bingham measure when it reaches the floor. And if it fails to win, the Soviets are almost certain to be the beneficiaries of even more advanced U.S. technology.

As Rep. Miller testified before Ichord on May 15, there is already considerable evidence that U.S. technological sales to the Soviets in recent years have enabled them to perfect the guidance systems and MIRV capabilities for their monster SS–18 intercontinental missiles which so threaten our nation. And Congress, it seems, may end up fortifying our enemies even more.

Proposed Shipment of Ball Bearing Machines to the U.S.S.R.

The Senate Subcommittee on Internal Security has undertaken its investigation of this matter not in any desire to find scapegoats, but because we felt that the larger issue involved in the Bryant case was, potentially, of life-or-death importance to America and the free world. We are now convinced, for reasons that are set forth below, that the decision to grant the license was a grave error—an error in judgment which stems from a more basic error in procedure.

In justifying the decision to grant the license for the export of the Bryant machines to the Soviet Union, Secretary Mueller wrote to Senator Dodd on January 18:

"We had originally issued the licenses on evidence which satisfied us that: first, denial of the licenses would not be effective in preventing or significantly delaying procurement of substantially comparable machines (our emphasis) by the U.S.S.R. from other sources than the United States; and second, the potential output and utilization of the machines is not such as to represent a significant strategic hazard to the United States. And because our denial action would not be substantially effective from a national security standpoint, its only result would be to withhold a business opportunity from a member of a particular American industry * * *."

With minor modification, this, in essence, has been the position of the Commerce Department in its testimony to the subcommittee and in subsequent correspondence.

This position was restated by Secretary Hodges in his letter of February 9 to Senator Dodd. The letter reads in its concluding paragraph:

"May I emphasize, in closing, I made the decision to release the Bryant machines for shipment to the Soviet Union on the basis of the best technical information and evaluation that was available to me. This technical information was to the effect that the national interest would not be prejudiced by the export of these machines by an American company, but on the contrary our national interest would be served. In my own judgment of the matter I have paramounted considerations of security and have given only secondary consideration to the commercial or trade aspects."

Any Secretary of Commerce, by the nature of things, must rely on the reports of his experts for guidance in such matters. One of the serious questions raised by this investigation is whether the Secretary of Commerce has had at his disposal the highly specialized expert opinion which is essential in making determinations about highly specialized machinery.

The conflict of testimony between the Commerce Department and Defense Department revolved around the following points:

(1) The Defense Department and Miniature Precision Ball Bearing Co. (hereafter referred to as MPB) held the Bryant Model B Centalign machine to be unique. The Commerce Department said that equal, or approximately equal machines could be obtained from European firms or built by the Soviets themselves.

(2) MPB emphasized that the function performed by the Bryant Model B machine is of critical importance in facilitating the mass production of high precision miniature bearings. The Department of Commerce and

the Bryant Co. contended that it is simply one among many equally important functions in the production of precision bearings.

(3) The Defense Department and MPB contended that the possession of these machines would enable the Soviet Union to produce smaller and better missile guidance systems, gyros, and other military items. The Bryant Co. held it probable that the Kremlin plans to use these machines for the manufacture of bearings of lower quality, largely destined for conventional uses.

The subcommittee was greatly impressed by the testimony of the Miniature Precision Ball Bearing Co. and of others who opposed the shipment. But to help throw some independent light on the matter, Senator Thomas J. Dodd, on behalf of the subcommittee, asked for the opinions of 12 private experts in the ball bearing field.

So that they would be familiar with arguments on both sides, the experts we retained as consultants were provided with transcripts of the hearings on the proposed export of the Bryant machines plus the briefs submitted by the Bryant Co. and MPB. They were encouraged to contact the Bryant Co. and the Miniature Precision Ball Bearing Co., and other companies in the field.

All told, we have now received opinions from 12 men recognized as experts in the ball bearing field. Eleven of them are Americans, one is an Englishman. A list of our consultants, stating their present positions and their qualifications, is appended to this report. We have also taken testimony, in a staff interview, from a Russian expert employed by the Library of Congress, who has made an intensive study of the literature relating to the Soviet ball bearing industry.

The list of our consultants is attached to this report. Their statements are printed in the hearing record.

We believe that this testimony gives overwhelming support to the stand taken by the Department of Defense in this matter, and to the arguments presented by MPB in opposing the shipment. This testimony establishes conclusively (1) that the miniature bearings produced with the help of the Bryant machine are used primarily for defense purposes; (2) that the function performed by the Bryant machine is of critical importance; (3) that no comparable machines can at present be obtained from other sources; (4) that Soviet industry has not been able to master the problems involved in mass producing high precision miniature bearings; that the industry is in fact plagued by poor quality and obsolete equipment; that, with its own resources, it would probably take a number of years to develop the capability; (5) that the possession of these machines would greatly accelerate Soviet mastery of the art of miniaturization.

Before proceeding to the recommendations which we wish to submit, we think it would be helpful if we briefly summarized some of the high points of this testimony, and recapitulated some of the essential facts.

1. At least 85 percent of the bearings manufactured with the help of the Bryant machine are used by defense industries:

Subject machine is a key factor in the economical production of the highest quality ball bearing parts. It enables us to produce a bearing assembly of the highest precision for many important Department of Defense applications, such as the latest guidance systems, navigation, fire control, computer, synchro and servo mechanisms used for aircraft, ordnance, ships, missiles and other space vehicles (statement of Mr. J. R. Tomlinson, president, and Mr. B. L. Mims, vice president in charge of engineering, the Barden Corp., Danbury, Conn.).

2. The function performed by the Bryant machine is of critical importance:

The outer ball track grinding operation is one of the last and most vital of those performed on the bearing outer ring. It is the operation which, until the advent of this machine, could probably be called the bottleneck opposing the precision performance of miniature bearings. The necessary perfection of other operations has been achieved 5 to 20 years ago (statement by Mr. H. B. Van Doren, vice president in charge of engineering, Fafnir Bearing Co., New Britain, Conn.).

3. The Bryant machine is unique in its field: Secretary Mueller in his letter of January 18, 1961, to Senator Dodd, said that "substantially comparable" machines could be obtained from other sources. Mr. Bradley Fisk, Assistant Secretary of Commerce for International Affairs, in his testimony before the subcommittee on January 24 said that there are "five factories outside of Russia that could make similar machines" (p. 156, transcript). It was not clear from his statement whether the companies he named do, in fact, make such machines, or whether they are theoretically capable of making them. A careful check has revealed that none of the companies named by Mr. Fisk produce machines that can be considered equal or "substantially comparable" to the Bryant machine.

(i) The Manganti Co. of Italy was one of the five listed by Mr. Fisk. Miniature Precision Ball Bearing, in its memorandum to the subcommittee, pointed out that it—

"Was consulted as to the capabilities of the Italian machine when it was in the final stage of development and obtained samples of bearings in late July (1960), tests upon which were completed in August. It was found that on "concentricity of bore" 90 percent of the bearings were not within the allowed tolerance and 30 percent had to be rejected because the bore roundness was not within the specified tolerance."

Such a machine cannot be considered "substantially comparable."

(ii) UVA of Sweden was another company named by Mr. Fisk. Mr. Stanley Hensby, technical director of the EMO Instrumentation Co. of Bracknell, England (an affiliate of the Barden Corp.), cabled this information on the UVA "machine" in response to a query from the subcommittee.

UVA: No equipment machine available. Work is now progressing in field and machine will probably be shown at Brussels show on September 2–12. Feel that it would take several years before production of this machine would become surplus to SKF requirements and available to world market.

A machine that will not be commercially available for several years cannot, again, be considered "substantially comparable."

(iii) The Studer Co. of Germany was also included in the list submitted by Mr. Fisk. Studer machines are in operation, under the same roof as Bryant machines, in both the Barden Corp. of Danbury, Conn., and in the EMO Co. of England. Eyewitness testimony on the relative working capabilities of the Studer machine is therefore available.

Mr. Hensby of TMO said in his cable:

"Studer: No equivalent available. Studer approach is for universal application rather (than) mass production. We have several of these machines in use. Only suitable for small-scale production."

Mr. Tomlinson and Mr. Mims of the Barden Corp., reported:

"* * * the Studer grinder, manufactured in Germany, is a machine which the Barden Corp. has recently purchased and is using in its experimental laboratory in Danbury. This machine is basically a very accurate toolroom machine, but it is not capable of producing accurate bearing races in large quantities with great efficiency."

Such a machine can also not be considered "substantially comparable."

(iv) The Voumard Co. of Switzerland was the fourth company named by Mr. Fisk. The Voumard machine was examined at the Swiss Industries Fair in Basel in the spring of 1960 by Mr. Donald Williams, chief process engineer of the New Departure Ball Bearing Co. Mr. Williams reported that—"these machines were presumably capable of relatively accurate work. However, these machines do not incorporate features such as fully automatic cycles, including loading and unloading, centerless chucking, and automatic wheel dress and compensation, which are considered prerequisites for production equipment. The Bryant Model B Centalign machine incorporates all of these features."

So much for the fourth "substantially comparable" machine.

Why has American industry been able to produce a machine that the European machine tool industry, with all its capabilities, has thus far not approached? The answer to this was stated by Mr. Tomlinson and Mr. Mims.

"It seems quite logical that, since the large market for highly precise bearings in the United States is supported almost entirely by the Department of Defense, there would be no reason for anyone in Europe to have manufactured a machine tool specifically for highly precise miniature bearings, since the quantities of these bearings used in Europe have been infinitely small compared to the quantities used in the United States."

4. Soviet industry, left to its own resources, is years removed from the production of a machine comparable to the Bryant model B.

Mr. Fisk in his testimony gave some credence to reports that the Soviets were on the verge of producing a comparable or even superior machine.

Mr. Joseph Gwyer, senior research specialist of the Library of Congress had this to say on the subject of the capabilities of the Soviet ball bearing industry and of that portion of the machine tool industry that supplies it:

"During the last year, the Soviets published a terrific amount of data on the ball bearing industry, the difficulties the Soviet ball bearing industry is facing today, and the availability of modern technologically advanced equipment suitable for the manufacture of ball bearings."

Mr. Gwyer quoted an article in the Soviet "Economic Gazette" (Aug. 27, 1960) as stating that the ball bearing industry had received little of the equipment planned for it, that the production of centerless grinders was entrusted to the Vitebsk Plant, which is not in a position to cope with this task, that the Saratov Machine Tool Plant and the Voronezh Plant had not yet produced internal grinders that satisfy the needs of the industry.

The articles published during the fall period of 1960—said Mr. Gwyer—"have created great concern. As a result of the reports showing the great deficiencies in precision machine tools specifically used by the bearing industry, the Council for Automation and Mechanization, with the Council of Ministers, initiated a field survey during which the machine tool plants responsible for manufacturing equipment for the ball bearing industry were visited. The findings of this special group, or this special investigating body, showed that the complaints were justified, and consequently, the Committee for Automation and Mechanization set a number of points, clarification points and recommendations, in order to improve the condition or actually remedy this situation."

Gwyer quoted a report in the Economic Gazette of October 20, 1960, as stating that "production problems of automatic size control equipment have not been solved for

centerless grinders." In the same issue of the Economic Gazette, it was pointed out that it had taken 5 years to build the prototype of a semiautomatic internal grinder, after the machine had first been designed, that this prototype was only half as fast as the machine it was designed to replace, and that it did not produce a cylindrical surface.

Bryant Co., in defending the shipment, argued that, if the Soviet Union could not buy the machines, it would copy them, and little would be gained from a national security standpoint. In support of this, it is pointed out that the Soviet Government is already in possession of certain assembly plans for the Bryant machine.

Addressing himself to this point, Mr. Henry Konet, consulting engineer in the field of instrumentation, said:

"It is necessary to distinguish between giving away secrets, know-how and capability. Our manufacture of these small devices is no secret—even the manner is not difficult to determine—but the capability to do it well and economically has taken years to develop and should not be sold to a potential adversary. * * * The situation is not one of selling our adversary a 'club'—but machines which help to produce better 'clubs,' faster and cheaper."

When queried about this matter, several of the committee's consultants estimated that, if the Soviets had to build the machines on their own, it would take at least another year to manufacture 45 machines. Mr. Gwyer's estimate was even more pessimistic.

He said that the—"copying of equipment of the nature of precision machine tools enters into a new realm, where the Russians have demonstrated inability and consistent failures * * *."

He pointed out that the Bryant machine was much more complex than the internal grinder which had taken 5 years to move from design to prototype. On the basis of their past record, Mr. Gwyer estimated that it might take the Soviets as long as 5 years to build a prototype of the Bryant machine, iron out the bugs, and then build 45 machines of high quality.

Whether it would take 5 years or 2 years, or 1 year, our national security obviously demands that we stop helping Soviet industry, especially the Soviet defense industry, to overcome its weaknesses. It demands, on the contrary, that we inflict delays on them whenever this is in our power, that we make things more difficult for them rather than easier.

Based on the testimony given at our hearings and on the additional statements which we herewith transmit, the Senate Subcommittee on Internal Security is strongly of the opinion that the machines in question should not be shipped to the Soviet Union.

The Soviets have a considerable edge over us in the thrust of their rockets. We have compensated, or more than compensated for this disadvantage by our own very considerable lead in miniaturization and high-precision instrumentation. If the Soviets could ever achieve near equality with us in these areas, their lead in missile thrust would become a very serious matter.

Before they can close the miniaturization and precision gaps, the Soviets will have to develop an ability similar to our own to mass produce quality miniature bearings. Their press indicates that they are intent on doing this; and this is confirmed again by their eagerness to acquire the Bryant machines. They can obtain, or have already obtained from European sources, machine tools used at other points in the process of manufacturing precision miniature bearings. What they cannot obtain in Europe is a machine equivalent to the Bryant machine in the critical process of grinding the races.

There are 72 Bryant model B machines installed in the United States. We have been informed that on these 72 machines, all of the precision miniature bearings used by the Department of Defense are, at one point, processed. The 45 machines that will be shipped to the Soviet Union, unless the Bryant license is revoked, include 35 of this model, thus will give them a capability half as large as our own.

If we ship these machines, therefore, we will endow them with a readymade ability to produce precision miniature bearings in quantity. If we withhold these machines, it will almost certainly take them another several years to achieve this capability.

There can be no doubt about the course we should follow.

The subcommittee believes that the Bryant Chucking Grinder Co. acted in good faith and followed all the established procedures in arranging for the export of the Bryant grinders to the Soviet Union. Is it to be noted in this connection that it waited until the Department of Commerce had approved the sale before it concluded the contract.

The subcommittee also recognizes that in delivering plans, or partial plans, for the assembly of the Bryant grinder to the Soviet purchasing agency, the Bryant Co., was following an accepted and unavoidable procedure which is the natural concomitant of the sale of equipment. The subcommittee believes, however, that in future, companies which obtain Department of Commerce approval for shipments of machines tools or other complex equipment to the Communist bloc, should be instructed to wait until their equipment has been shipped before transmitting assembly plans or other technical diagrams.

LIST OF INDEPENDENT EXPERTS RETAINED AS CONSULTANTS BY THE SENATE SUBCOMMITTEE ON INTERNAL SECURITY IN THE MATTER OF THE BRYANT EXPORT LICENSE

Mr. Richard H. Valentine, director of research and development, New Departure Co., Bristol, Conn.

Mr. Seth H. Stoner, general manager, New Departure Co., Bristol, Conn.

Mr. D. L. Williams, chief process engineer, New Departure Co., Bristol, Conn.

Mr. Kenneth V. Knebel, general works manager, New Departure Co., Bristol, Conn.

Mr. J. R. Tomlinson, president, Barden Corp., Danbury, Conn.

Mr. Bruce L. Mims, vice president in charge of engineering, Barden Corp., Danbury, Conn.

Mr. E. J. Karkut, vice president in charge of manufacturing, Barden Corp., Danbury, Conn.

Mr. H. B. Van Dorn, vice president in charge of engineering, Fafnir Bearing Co., New Britain, Conn.

Dr. Charles Stark Draper, professor and head of the Department of Aeronautics and Astronautics and director of the Instrumentation Laboratory, Massachusetts Institute of Technology.

Mr. William G. Denhard, assistant director, instrumentation laboratory, Department of Aeronautics and Astronautics, Massachusetts Institute of Technology, Cambridge 39, Mass.

Mr. Henry Konet, consulting engineer in instrumentation, Konet Co., Hohokus, N.J.

Mr. John S. Towresey, consulting engineer (in ball-bearing field), the Franklin Institute, Philadelphia, Pa.

Mr. Stanley Hensby, technical director, EMO Instrumentation Co., Bracknell, England.

Mr. STEVENSON. Mr. President, I ask unanimous consent that Robert Russell, Andrew Carothers, and Bruce Hubbard of my staff and the Banking Committee staff, and Ellen Lessard of Senator EAGLETON's staff be given the privilege of the floor during consideration of this bill and all amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, will the Senator be kind enough to add Chris Aldrich and Eve Lubalin to that list, please?

Mr. STEVENSON. Yes, Mr. President.

Mr. DOMENICI. Mr President, will the Senator yield for a unanimous-consent request?

Mr. STEVENSON. Of course.

Mr. DOMENICI. I ask unanimous consent that Bruce Barr and George Ramonas of my staff be granted the privilege of the floor also.

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, the objectives of the proponents and opponents of this amendment and others which may be offered by the distinguished Senator from Washington are the same. Our objective is to strike a fair balance between the necessity of national security on the one hand and a strong, competitive economy on the other. The risk is that the balance will not be struck and that the United States will, once again and in the name of national security, shoot itself in the foot, depriving itself of national security.

Technology tends to float in the winds, and the United States no longer is the dominant resource of technology in the world.

More technology is now created outside of the United States than within. Often a control on technology by the United States simply gives the business to some other nation, a foreign competitor of the United States, with the result that our economy is hurt, that the technology is transferred, and without the safeguards that are frequently associated with transfers of U.S. technology.

So the result is not only injury to our economy, but also to our national security.

This argument so far implies there are no controls on technology. Well, that is nonsense. There are controls and there are effective controls.

In fact, the Defense Department has never been turned down by the Department of Commerce. In every instance in which it has sought controls on exports of technology, it has been granted the controls by the Department of Commerce.

I suggest to the Senate that the administration of export controls will not be improved, as this amendment intends, by spreading and dividing the authority for the imposition of controls.

The lead agency for that purpose is now the Department of Commerce. But in exercising that authority, it is required by law to consult with the Department of Defense. During those consultations, the Department has adequate

opportunity to identify critical technologies, to urge controls where they are necessary for purposes of national security, and, in all such instances, they are granted and will continue to be granted.

I do not mean to suggest the administration of export controls cannot be improved. It can be. The recommendations of the Defense Science Board Task Force for improving controls are being implemented now and they are being implemented within the existing framework. We do not need to change it in order to improve it.

But some of the statements about the inadequacy of the present procedures for the imposition of export controls on technology are very misleading, and in certain respects they are not true.

The Kama River truck factory has been cited. Well, there were no diversions in that case because there were no controls in that case.

The decision was made by the Nixon administration to permit the exports to go forward without safeguards or end use controls. So there were no such controls to have been violated in that instance.

Why the administration at that time took that position, I cannot say. But the reason may have been the obvious one, that, had the United States not got the business, it would have gone to Italy, and how would the authority of the United States be enhanced in this world, or its economy strengthened, by simply giving the business to the Italians?

The Italians supply the factories for the manufacture of automobiles. They could do so for trucks. And if not the Italians, the West Germans or the Japanese could supply them.

Engines are engines, and trucks are trucks, and it is naive to think nations, especially a great superpower, is not going to get them by one means or another.

The main point is that there were no controls and, therefore, there could not have been any diversions.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter to me dated June 18, from the Secretary of Commerce setting forth the facts in this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *June 18, 1979.*

Hon. ADLAI E. STEVENSON, III,
Chairman, Subcommittee on International Finance, Committee on Housing, Banking and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: In the course of testimony before the Subcommittee on Research and Development of the House Committee on Armed Services, the Deputy Director of the Office of Export Administration, Lawrence J. Brady, testified that trucks produced at the Kama River truck factory in the Soviet Union were being "diverted" to military use in violation of U.S. export control restrictions.

That testimony has led to newspaper stories implying that Soviet military capability has been helped as a result of an apparent lack of vigilance by this Department. This is in error.

As you know, our nation no longer enjoys a favorable balance of trade, and thus the promotion of exports is more important than ever before. Even so, the national security is paramount, and we must be careful that we do not export materials and technology that would advance at our own expense the military capabilities of other nations. To walk this line is a difficult and delicate job. That is why it is essential that issues which may arise be discussed on the basis of accurate information.

First, there was no "diversion" in connection with the Kama River truck factory and, therefore, no violation of U.S. export controls.

A diversion occurs only when end-use restrictions pertaining to a license are violated. The Kama River truck plant licenses were issued during the Nixon Administration and contained no restrictions which we can identify limiting the use of the trucks and engines produced at the factory. Accordingly, military use of the trucks or engines produced at Kama River would not constitute a diversion or violation of the law because the licenses contained no restrictions pertaining to the use of those trucks or engines. Nor would any military use of Kama River trucks or engines entail diversion of the foundry's computer, because limitations on the use of the computer pertained to use of its computing capacity, not to use of products manufactured at the foundry. Several of the licenses contain technical conditions which have nothing to do with limitations on the use of the factory output.

This view is confirmed by the attached memorandum from Mr. Brady which concludes that a thorough review, which was requested by Senior Deputy Assistant Secretary Stanley J. Marcuss, has failed to disclose the existence of any document which could be construed as a limitation on the use of the factory output for civilian as contrasted with military purposes. Two exceptions mentioned in the memorandum are not relevant to the Kama River plant.

Second, at the time the licenses were issued, the Nixon Administration knew of the possibility that Kama trucks or engines could be used by the Soviet military. This factor apparently was fully considered before the decision was made. Thus it cannot be said that this matter was overlooked or that the export control system failed to ensure that all revelant factors were considered.

Finally, contrary to some press reports, Mr. Brady has not been "demoted" nor has any action been taken against him. He retains his position as Deputy Director of the Office of Export Administration, a position he has held for the last five years. Because of his position as Deputy Director, Mr. Brady served as Acting Director of the Office of Export Administration in the period between the retirement of the previous director and the appointment of the new one.

I hope this will lay to rest the misinformation which has recently surrounded this subject.

Sincerely,

JUANITA M. KREPS,
Secretary of Commerce.

WASHINGTON, D.C., *June 22, 1979.*

Memorandum for: Robin B. Schwartzman, Deputy Director, Bureau of Trade Regulation.

From: Lawrence J. Brady, Deputy Director, Office of Export Administration.

Subject: Kama River Case File.

On June 22, 1979, pursuant to your request, I thoroughly reviewed the relevant export license applications and supporting documents submitted by various U.S. firms seeking Department of Commerce authorization to export commodities to the USSR's Kama River Project. The results of this examination, with two exceptions, failed to disclose the existence of any document which could be construed to represent an agreement between parties or assurances as to the specific application of products, i.e.; military versus civilian, in the truck manufacturing process.

The exceptions are found in license applications case numbers 813124 and 849801. Case number 849801 contains a "letter of protocol" between Mack Trucks, Inc., and a Soviet trade delegation indicating that the trucks assembled at Kama River would be used for agricultural and industrial purposes.

A copy of the protocol is attached.

With regard to the protocol, I am concerned that because Mack Truck pulled out of the deal after signing the protocol, which you will note also included other parties, including SATRA, it may not be considered relevant to subsequent licensing actions. I intend to go through all of the license applications to see whether or not we referenced the protocol in subsequent license actions. I think we did. I am also sending you separately a copy of the entire "front office" file on KAMA.

Also attached is a June 14 memorandum Dick Isadore prepared on the basis of a quick review of all license applications for the KAMA River plant.

WASHINGTON, D.C. *June 14, 1979.*

Memorandum for: Lawrence Brady.

Subject: Kama River Truck Plant Licenses.

At your request all case files which could be identified as part of the Kama River Truck complex have been retrieved from Archives.

Staff members reviewed each case file, examining all documents including actual applications, supporting documents, Single Transaction Statements, internal memoranda and chron sheets for any indication which would show:

1. Limitation on the truck usage for civilian versus military applications.
2. Conditions attached to individual licenses.
3. Letters of conditions attached to licenses.

Over 175 case files were reviewed and there was no indication of limitation of use for the trucks to be produced at Kama River. The computer equipment licenses issued to IBM have the visitation conditions which are a part of all major computer sales to Bloc countries.

At the time these licenses were issued, they were microfilmed and sent to Archives. The procedure did not include microfilming letters or supporting documents accompanying licenses as is done now in our microfiching processes. We are retrieving these microfilm files and will review the face of all licenses issued to insure that conditions were not typed on the license itself.

All cases and the Capital Goods & Production Materials Kama River file have been given to Paige Bryan.

RICHARD ISADORE.

Mr. STEVENSON. Mr. President, I also have a letter from Mr. Charles Duncan in his capacity as the Deputy Secretary of Defense, dated July 20, 1979, in which he expresses the views of the Department of Defense on this amendment.

Let me read from the letter:

The Department of Defense supports the Administration's position on the amendments which are expected to be offered to S. 737, the Export Administration Act of 1979.

Most of these proposals do not impact directly on the Department of Defense. Two, however, do and we are opposed to both of

them. One would tend to reverse the relative roles of the Secretary of Defense and Secretary of Commerce in reviewing and revising export controls maintained for national security purposes. While the intent appears to be to insure that the Department of Defense has an adequate role in the export control system, it is our judgment that the Secretary of Defense already has and exercises adequate authority in this area.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C. July 20, 1979.

Senator ADLAI E. STEVENSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENSON: In response to your letter of July 19, 1979, the Department of Defense supports the Administration's position on the amendments which are expected to be offered to S. 737, the Export Administration Act of 1979.

Most of these proposals do not impact directly on the Department of Defense. Two, however, do and we are opposed to both of them. One would tend to reverse the relative roles of the Secretary of Defense and Secretary of Commerce in reviewing and revising export controls maintained for national security purposes. While the intent appears to be to insure that the Department of Defense has an adequate role in the export control system, it is our judgment that the Secretary of Defense already has and exercises adequate authority in this area.

The other amendment would authorize inclusion in the Defense budget of funds especially appropriated for export control functions. Our opposition to this proposal is that such an authorization is not currently needed.

By means of a separate letter, I plan to answer the other questions you raised about the adequacy of U.S. export controls maintained for national security purposes. In the meantime, I thought it might be helpful to let you know at once where we stand on the amendments issue.

Sincerely,

C. W. DUNCAN, Jr.

Mr. STEVENSON. Mr. President, I have another letter from the Assistant Secretary of Defense for International Security Affairs addressed to me and dated July 20, 1979, which says, in reference to the Kama River truck plant, as follows:

The Kama River Truck Plant licenses for the foundry and production machinery were issued during the Nixon Administration and contained no restrictions so far as we know limiting the use of the trucks and engines produced in the factory. Accordingly, use by the Soviet military of the trucks produced at Kama or inclusion of the engines in military vehicles would not constitute a violation of U.S. export control restrictions. Whether and if so to what extent Kama River engines are being used in Soviet military vehicles has not been verified. Accordingly, there is no basis on which a judgment can be made about the contribution such use might make to the Soviet military potential.

In other words, not only could there have been no diversions, because there was no safeguard or end use restriction, it cannot even be verified that there has been any use of engines or trucks from this plant for military purposes.

Now, this letter, Mr. President, goes on to address other amendments which may be offered.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 20, 1979.

Hon. ADLAI E. STEVENSON III,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENSON: We have reviewed your 19 July 1979 letter in which you requested Department of Defense views on several amendments which are expected to be offered to S. 37. Our views on the questions raised in your numbered paragraphs are as follows:

1. The Kama River Truck Plant licenses for the foundry and production machinery were issued during the Nixon Administration and contained no restrictions so far as we know limiting the use of the trucks and engines produced in the factory. Accordingly, use by the Soviet military of the trucks produced at Kama or inclusion of the engines in military vehicles would not constitute a violation of U.S. export control restrictions. Whether and if so to what extent Kama River engines are being used in Soviet military vehicles has not been verified. Accordingly, there is no basis on which a judgment can be made about the contribution such use might make to the Soviet military potential.

2. A number of technologies employed in the Cruise Missile System can be exported to most non-Communist countries without a validated export license. None of them, however, are either sensitive or "critical" because they are not unique to cruise missile design, development or production and are readily available in a number of countries in the West. Those few technologies which are both unique to cruise missiles and available only in the U.S. require validated licenses from either the Departments of State or Commerce. An example is the technology associated with the small jet engine which is currently under development for the cruise missile. This technology can only be exported under a Munitions license.

3. The existing allocation of responsibility under the Export Administration Act for export controls does not hinder the Department of Defense's efforts to formulate a list of critical military technologies or otherwise interfere with the implementation of an effective and fully adequate system of export controls for national security purposes. In particular, the Department of Defense would oppose any amendment which would tend to reverse the relative roles of the Secretary of Defense and the Secretary of Commerce in reviewing and revising export controls maintained for national security purposes. It is our judgment that the Secretary of Defense already has and exercises adequate authority in this area.

4. Statutory authority is already available to embargo exports of "critical" goods and technologies to all controlled country destinations. We would oppose any amendment which would make this a mandatory requirement because, on the one hand, the items to be covered are not presently fully determined, and, on the other hand, there may be occasions, even though rare, on which such action would be, ill-advised.

With regard to end use statements and safeguard provisions, we do not regard them as applicable to transactions in which technology, either in the form of technical data or equipment from which technology may be extracted, is involved. It is our judgment that technology once transferred can be neither controlled nor recalled. We consider the usefulness of safeguards as limited to hardware items whose diversion to other than their stated purpose we wish to deter. We do not count end use statements as a safeguard.

As for computers, there are some applications for which we have unable to devise technically and economically feasible safeguards. These are automatically recommended for denial. For others, experienced USG technical and intelligence experts have determined that safeguard provisions, judiciously applied, provide a reasonable assurance of detecting and thus deterring significant diversion of the system from its stated end use.

5. The Department of Defense has no evidence that Moscow has used American seismic equipment to enhance its anti-submarine warfare potential or that American machine tools for producing precision ball-bearings have probably helped Soviet engineers to develop multiple warheads for new intercontinental missiles.

I trust this is the information you desire.

Sincerely,

DAVID E. MCGIFFERT.

Mr. STEVENSON. Mr. President, in sum, I commend the Senator from Washington for his concern about the transfer of technology which could have adverse national security implications for the United States. I share that concern, but existing procedures are adequate. Existing procedures are being improved. The danger of this amendment is that by transferring this authority and changing a procedure which is adequate and is functioning adequately, we will end up harming ourselves economically, and with no improvement in our national security.

So I hope the Senate will reject this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HEINZ. I yield myself such time as I may require.

Mr. President, I ask unanimous consent that Peter Clark and Jacques Gorlin, of Senator JAVITS' staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I associate myself with the comments of the Senator from Illinois (Mr. STEVENSON), regarding Senator JACKSON's amendment.

I say to my good friend the Senator from Washington that I do share his many concerns, and I compliment him on being a very consistent and a very thoughtful advocate of maintaining a strong national defense and making sure that our defense is in no way dissipated through thoughtless moves by any administration.

Nonetheless, Mr. President, I oppose this amendment because I really do not think it accomplishes the goal the Senator from Washington wishes to achieve. Also, it would create a terribly complicated and counterproductive situation for those seeking to export, those who do not export, and those who do not seek to export critical technology.

I suspect—this is hypothesis, but it is hypothesis based on the Senator from Washington's discussion of the Kama River Truck Plant—that what he really seeks to do is to try to constrain the President. In the case of the Kama River

Truck Plant, it was President Nixon and Secretary Kissinger who simply, I suspect, told the Defense Department to lie low, and that they would impose, for foreign policy reasons, a decision to go ahead and build the Kama River Truck Plant.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HEINZ. I yield.

Mr. JACKSON. I think the Senator might be interested to know that then Secretary of Defense Melvin Laird took a very strong position against the position taken by the Commerce Department and the State Department. He believed that there was a significant risk that the Kama River Plant would turn out military vehicles. It is rather interesting, and I want to give Melvin Laird credit for his foresight. They went ahead, nevertheless, and overruled Melvin Laird in that situation.

Mr. HEINZ. Mr. President, I am glad that the Senator from Washington put that on the record, because I think it illustrates exactly the problem, the problem with which this amendment does not deal.

The real objective of the Senator from Washington is to find a way to constrain a President's foreign policy. I must say that I share the concern of the Senator from Washington about this President's foreign policy. I wish I knew what to do about it.

However, the fact is that I do not think that legislating a procedure, as this amendment would do, which attempts by a cumbersome legislative process, after the fact, to second guess a Presidential decision in foreign policy by indirect means, is the way to do this.

The Senator from Washington has a very interesting amendment that I think he intends to bring up later today, which would require the President, when he seeks to override the advice of the Defense Department, to put that on the record. The Senator from Pennsylvania has no objection to that.

I say to the Senator from Washington that it is problematical whether a very loyal Secretary of Defense, loyal to the President, will handle the business of the Defense Department in such a way that that record will be necessary, but in some instances it may. I have no objection to that approach. It deals with the problem. This amendment, I fear, does not.

What it does, Mr. President, is to change the whole thrust of our Export Administration Act. It really will give—for the first time—very significant authority to the Defense Department over the Secretary of Commerce on these critical technology issues.

So far as we have been able to tell on the record, the Secretary of Commerce never has overruled—in any administration that we have been able to research—the recommendations of the Defense Department on the commodity control list. Obviously, there have been instances in which Presidents, as is their due in foreign policy under our Constitution, have overridden the Defense Department. But I think the amendment of the Senator from Washington seeks to impose a brandnew bureaucratic maze that does not deal with the problem and will only slow down our ability to export those items we need to export.

Let me give the Senate one example. One of the items on the commodity control list right now—or at least it was until recently—is a microprocessing unit. That microprocessing unit is available currently at the low bargain price of $12.95 from Radio Shack anywhere in the United States.

We cannot export—or at least until recently, we have not been able to export—that microprocessing unit because the Secretary of Commerce, being true to the Department of Defense, which listed this microprocessing unit as critical technology, has been restrained from exporting it, despite the fact that the Soviets or the Chinese or the Albanians or Idi Amin, if he were still with us today, could walk into Radio Shack and buy a dozen or several thousand.

So I say to the Senator from Washington that I understand his goal. But what his amendment seeks to do would not in any way achieve that goal.

To the contrary, it would change the system and would make it even more complicated for us to consider questions of foreign availability, because the Secretary of Defense would be publishing this list and the Secretary of Commerce could only consult. If the Secretary of Commerce found that there was broad availability of microprocessing units at Radio Shack for $12.95, for example, he would have to seek an appointment with the Secretary of Defense to try to convince him. But we do not need that extra layer of bureaucracy.

I urge my colleagues to bear this in mind and to reject the amendment of the Senator from Washington.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I ask unanimous consent that the name of the Senator from New Mexico (Mr. DOMENICI) be added as a cosponsor of amendments 340 through 352.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 423

(Purpose: To clarify the responsibility of the Secretary of Defense to prepare lists of critical goods and technology)

Mr. STEVENSON. Mr. President, I send to the desk an amendment to the amendment.

The PRESIDING OFFICER. The Chair informs the Senator that the amendment to the amendment is not in order until the time has been used or yielded back on the first amendment.

Mr. STEVENSON. I ask unanimous consent that the amendment be in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 423 to amendment No. 340.

Mr. STEVENSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike lines 1 through 4 on page 1 and lines 1 and 2 on page 2 and insert in lieu thereof the following:

"On page 60 at line 25, strike the word "The" following the period and insert in lieu thereof the following:

"The Secretary of Defense shall bear primary responsibility for indentifying such militarily critical goods and technologies. Taking this fully into account, the Secretary of", ".

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator from Illinois add me as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois.

Mr. STEVENSON. Mr. President, as I indicated earlier and as has the distinguished Senator from Pennsylvania, we have the same objective as the distinguished Senator from Washington.

Mr. JACKSON. There is no question about that.

Mr. STEVENSON. And we have, as the Senator from Washington indicated, been working to try to resolve our differences on this subject.

This amendment, I hope, does so. It leaves the responsibility in the law for the imposition of export controls where it is, in the Secretary of Commerce. But it also recognizes, as does the amendment offered by the Senator from Washington and his distinguished cosponsor, that the primary responsibility for identifying such militarily critical goods and technologies should rest with the Secretary of Defense.

I think with this clarification we can accomplish our purposes, that is to say, protect the national security against improvident exports of technology without unnecessarily injuring our economy and hence our national security.

So I am hopeful that the distinguished Senator from Washington will accept this as an amendment to his amendment.

Mr. JACKSON. Mr. President, I commend the Senator from Illinois (Mr. STEVENSON) for his cooperation as well as the understanding and support of the Senator from Pennsylvania (Mr. HEINZ).

I am pleased to accept it.

I understood, and I understand that is the situation, that the goods and technologies identified by the Department of Defense will go on the critical list and that in that connection, in connection with this amendment, the Department of Defense will consult with other departments, agencies, advisory committees, and others within the executive branch so that there is some coordination in the administration of the program. But, as the amendment states, the Secretary of Defense shall have "primary responsibility."

I take it that the authors of the amendment have that same understanding as to how it shall be administered.

Mr. STEVENSON. Mr. President, we have no misunderstanding. It is our purpose to require such consultation and indeed the bill does require such consultation as a matter of law. As I indicated earlier, requests that critical technologies be placed on the control lists have always been honored by the Secretary of Commerce, and it is certainly our hope and expectation that they continue to be.

Mr. JACKSON. Mr. President, I believe the yeas and nays have been ordered previously, and I ask unanimous consent that that request be withdrawn. There is no point in going through with it.

The PRESIDING OFFICER. The yeas and nays have been ordered on the amendment in the first degree.

Mr. JACKSON. On the original amendment.

The PRESIDING OFFICER. But not on the amendment in the second degree.

Does the Senator yield back his time?

Mr. JACKSON. I yield back my time on the amendment.

Mr. STEVENSON. I did not realize the yeas and nays had been ordered.

I ask unanimous consent that the yeas and nays on the second amendment be withdrawn.

The PRESIDING OFFICER. No yeas and nays were ordered on the second degree amendment.

Mr. JACKSON. On the original amendment.

Mr. STEVENSON. On the original amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Now we shall vote.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. JACKSON. I yield back my time.

Mr. STEVENSON. I yield back my time.

Mr. HEINZ. I yield back my time.

The PRESIDING OFFICER. All time is yielded back.

Therefore, the question now is on agreeing to the second degree amendment offered by the Senator from Illinois.

(Putting the question.)

The amendment was agreed to.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. JACKSON. I yield back my time on amendment. No. 340.

Mr. STEVENSON. I yield back my time, Mr. President.

Mr. HEINZ. I yield back my time.

The PRESIDING OFFICER. The question then is on agreeing to the amendment of the Senator from Washington, as amended.

(Putting the question.)

The amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 341

(Purpose: To clarify the meaning of critical technology)

Mr. JACKSON. Mr. President, I call up amendment No. 341 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself, Mr. NUNN, Mr. HOLLINGS, Mr. COHEN, Mr. HATCH, Mr. HARRY F. BYRD, JR., Mr. TOWER, Mr. MOYNIHAN, Mr. BAYH, and Mr. DOMENICI proposes amendment numbered 341.

Mr. JACKSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 60, line 22, strike out "military systems" and insert in lieu thereof "capabilities".

On page 61, lines 6 through 10, strike out "for the purpose of insuring that such controls are limited, to the maximum extent possible consistent with the purposes of this Act, to such militarily critical goods and technologies and the mechanisms through which they may be effectively transferred" and insert in lieu thereof "for the purpose of insuring that such controls cover and (to the maximum extent consistent with the purposes of this Act) are limited to such critical goods and technologies and the mechanisms through which they may be effectively transferred".

Mr. JACKSON. Mr. President, amendment No. 341 would amend the bill to clarify the meaning of "critical technologies." The bill declares that it is important that the administration of export controls imposed for national security purposes give special emphasis to controlling exports of technology and goods which contribute significantly to the transfer of such technology which could make a significant contribution to the military potential of any nation which threatens U.S. national security. (Section 2(a).) The bill further provides that priority should be given to preventing the effective transfer to such nations of goods and technology— and I quote— "critical to the design, development, production or use of military systems which would make a significant contribution to the military potential of any nation or nations which could prove detrimental to the national security of the United States"—end quote. (Section 4(a)(2)(B).) These provisions constituted an endorsement of a "critical technologies" approach. However, the reference to "military systems" may be read incorrectly to imply that the particular goods and technologies must be used in "military systems," a term which is not defined nor is it used in the present law.

The amendment would substitute the word "capabilities" for the words "military systems" in order to remove this ambiguity and avoid possible misapplications of the critical technology concept.

The concept of critical technologies and goods is not limited to items which are critical to the design, production, and use of military systems, but applies to any "capabilities" which would make a significant contribution to the military potential of an adversary nation. These technologies may not have any present use in U.S. military systems because they may be obsolete by United States, but not by Soviet standards. Also, these technologies may enhance the capability of the Soviet Union to develop counter measures against U.S. weapons systems, as distinguished from manufacturing a specific military product. The technologies may be crucial to civilian communications networks, but could be adapted to military use by the Soviets.

The reference to military systems also ignores an important change that has occurred in U.S. military and commercial technology. For many years the military provided the cutting edge of the development of new technologies. Funds for military research and development were used extensively to push outwards the frontiers of commercial scientific technological innovation. However, all of that has been significantly reversed. Now new technology is developed with commercial applications in mind. Indeed the integration of sophisticated technology into military systems now lags behind the use of high technology in consumer goods and industrial products. One result of this radical change is that military research and development is no longer a reliable guide as to whether advanced technology has military implications.

It is important that the statutory framework for our modern export control policy makes it crystal clear the dual civilian/military uses of critical technologies.

The other amendment would merely conform other language in section 4(a)(2)(B) of the bill to the foregoing amendment and would make it clear that the purpose of the review of export controls is to insure that controls cover critical goods and technologies, as well as to insure that they are limited to such critical items.

Mr. President, I reserve my time.

The PRESIDING OFFICER: The Senator from Illinois is recognized.

Mr. STEVENSON. Mr. President, once again our objectives are similar if not identical. The bill states:

In administering export controls for national security purposes, priority shall be given to preventing the effective transfer to countries to which exports are controlled for national security purposes of goods and technology critical to the design, development, production, or use of military systems which would make a significant contribution to the military potential of any nation or nations which could prove detrimental to the national security of the United States.

Now, I can see reason why some might feel that that use of the expression "military systems" was too narrow. It is possible that advanced technology, lasers, for example, might be transferred with no known present use in military systems, but with a potential for such use as rapidly changing technology evolves and new application for technology are developed.

On the other hand, the substitution of the expression "capabilities for military systems" strikes me as being entirely too broad. Most anything contributes to the capability of a foreign nation, and most any articles, even including wheat or corn, could make a significant contribution to the military potential of a nation. Food is essential, shoes are essential. I

cannot offhand think of anything that is not essential to the military potential of a foreign nation that could not be used in conjunction with, and to enhance, its capabilities.

So while I am sympathetic to the purpose of this amendment, I think it goes too far and, perhaps, farther than the Senator really intends to go.

So, Mr. President, once again I am hopeful we can agree on some language which will express what I believe to be a common concern, and without running the risk of writing into law something that goes far beyond anything we intend, and could have adverse consequences for our economy, an economy which, I add, is much in need of increased exports.

The trade deficit was about $34 billion last year. There is very little relief in sight. The dollar is weak, and the results include inflation, recession and rising unemployment. Here we are at some risk of shooting ourselves in the foot again, and with no or very little chance of enhancing our national security, because every time we impose controls that do not enhance our national security, why other countries come along and get the business.

The word "capabilities" could lead to a broadening of the critical technologies approach to cover nonmilitary critical goods and technologies, and transform that critical word "critical" into a euphemism for what contributes to the Soviet economy, in other words, any export. Then the door would be opened to a vast expansion of controls to cover nondual use items as well as those which do have military and dual uses.

So unless the Senator from Indiana or another Member wants some time, I propose to——

Mr. BAYH. Mr. President, I would like to make an observation or two, but I apologize for interrupting the Senator.

Mr. STEVENSON. I am happy to yield to the Senator.

Mr. BAYH. Mr. President, I guess what I want to do is to make an observation, and I appreciate the courtesy of my friend from Illinois, and to point out the concern I have, and to raise a couple of questions either to him or to the Senator from Washington.

I said earlier that I thought there were great advantages to be gained by opening the doors of trade, and I think really we are after the same goal, or trying to refine the language so that we can take advantage of trade opportunities and not damage the country. None of us wants to do that, even though we might disagree on the final craftsmanship of the language.

The truck factory has been used as an example. As the Senator from Illinois pointed out, that was an example where there were no restrictions placed on it, so what might happen really would not violate any restrictions. That is unfortunate, but that is the case.

However, I think that truck factory also points out one of the important elements of this whole effort to try to perfect what we are doing here. We naturally are concerned about taking a computer or a machine that is designed to make civilian trucks and not permitting it to be used in such a way so that it can be used in the manufacture of military vehicles. But I understand that there is another element of technology that was not immediately available in the case we are discussing, and that is one of the reasons why this particular plant is valuable in making trucks. It has a rather sophisticated computer system that is intricately involved in the casting of the motor blocks.

So, it seems to me, it is important for us to be absolutely certain that this kind of computer technology, which can be taken away and separated from the mission it now has in perfecting the casting of engine blocks, will not enhance Soviet capabilities in this area that I mentioned earlier of intelligence collection and in compilation and analysis, with which the Senator from Illinois is very familiar, both in his capacity as a member of the intelligence committee and in his significant role in another committee dealing with advanced space age technology. So that concern is the major concern the Senator from Indiana has.

As far as the redtape and the dragging out interminably which has been the case in the past is concerned, is the Senator from Indiana accurate—I realize I am transgressing on the Senator from Illinois' time, and if he would rather I will find some other way to handle it, but I was of the opinion that the same time there will be for resolving this problem could be imposed upon whoever might seek to make an objection or suggestion that there needs to be a broader decision or that the defense position has to be taken into consideration; all of this would have to be resolved in the same time frame, would it not?

Mr. STEVENSON. We may be talking about two subjects. There is a time frame for action on license applications, but there is none for preparation of the control list, the list which identifies the technologies that are critical and for which export license applications must be obtained.

There are no time restrains on technology lists except as to the processing of those lists, the preparation of which, as a matter of fact, is an ongoing process. The preparation of critical technology lists has been going on for about 3 years now.

Once a technology goes on the list and is proposed for export to a controlled country, then a license has to be applied for, and within that framework there is a time limitation for action on the application.

Mr. BAYH. I would think that would help alleviate the problem where it shows the existence of some military or advanced technology in question which might drag it on, to where we could speed it up to conform to the limits.

Correct me if I am not right on this, but do we not have a provision where foreign achievements in technology would be taken into account, so that the issue raised by our distinguished colleague from Pennsylvania would be clarified by the bill? In other words, if the Germans are going to do it and the Japanese are going to do it, then we are not going to permit our business people to suffer as a consequence?

Mr. STEVENSON. The role of the Department of Defense includes the assessment of foreign availability and involves agencies over which the Senator from Indiana has some important oversight responsibilities. Intelligence comes into play at that point.

We are attempting by this legislation to expedite all these procedures; and the procedures involving the marketing of advanced technology and the problems associated therewith are troubling.

The Senator mentioned computer technology with respect to the Kama River Truck Factory. This year, the Japanese come onstream with fourth generation computer technology. There is very little American technology that is unique anymore. That is why it seems to this Senator extremely important to rely on cooperative efforts with other nations to jointly control exports of military significance, and why we have for that purpose COCOM.

Unilateral efforts to control technology simply undermine COCOM and risk giving advantage to foreign competitors. We end up diminishing our authority in the world.

The bottom line, it seems to this Senator, is that the United States must maintain its preeminence in the development of science and technology. Technology itself is increasingly difficult to control. It is also increasingly of importance to our economy, especially facing, as we do, the foreign oil bill, the shrinking dollar, and the trade deficits.

I believe the way to maintain the economic strength of our country, as well as our national security, is by staying ahead of everybody. They are getting ahead of us. There is a larger investment in technology outside the United States than in the United States. In fact, there is evidence of a larger investment in commercial technology in Japan alone, now, than in this country. If we continue to concentrate simply on perfecting the technology we already have, we will end up producing the best toilet paper in the world, and Japan will end up producing the best computers for truck factories and every other application.

I think this is a useful debate. It underscores the importance of export controls, but above all, the importance of maintaining our investment in basic research and enhancing our capacity for technological innovation, the lack of which is the real threat to our national security.

Mr. SCHMITT. Mr. President, will the Senator from Illinois yield? If the Senator will yield briefly, I underscore and italicize everything I have heard the Senator from Illinois say, that the real danger is that we do not keep up and that we allow, through a variety of means, regulatory taxes and just lack of commonsense, our research and innovation capability in this country to further decay and not increase, as it must, both in the public and private sectors. It is

that reservoir of new ideas and innovation coming from those new ideas and the practical applications that result, that is running dry relative to other countries.

I suggest that controls of any kind will not solve our particular problems. I hope that the Senate does hear this debate. It is going to continue. It will come up in many different avenues, that this country has for the past decade or so allowed itself to think that it was investing in new technologies, to think it was keeping ahead of the world in basic research, when in fact it was not.

Until we fully recognize that in the budget process, in the authorization process, and in the country as a whole, and in our tax policies in particular, we are going to see increasing pressure from other nations on our export economy, and increasing adverse impacts to our economy.

So the Senator from Illinois is exactly right on that score.

Mr. MOYNIHAN. Mr. President, will the Senator from Illinois yield to me?

Mr. HEINZ. Mr. President, I yield to the Senator from New York.

Mr. MOYNIHAN. I thank my friend from Pennsylvania. Before the Senator from New Mexico leaves the floor, if that is his purpose——

Mr. SCHMITT. It is not my purpose.

Mr. MOYNIHAN. I am happy to hear that. I wonder if I might call attention to several distinctions which are compounded in the remarks he has just made.

Mr. President, we have heard some wise remarks and observations from the first natural scientist to serve in the U.S. Senate, if my understanding is correct, since Thomas Jefferson presided as Vice President. It is a happy commentary on the American political system. Among other things, it may suggest that ours is the greatest political system. In the main, it is true that scientists have had better things to do, and did them, and were left free for such purposes. But the arrival of the Senator from New Hampshire in this body means we are at least entering the 19th century, if not attaining as yet to a contemporaneous condition.

I take the occasion to make these remarks in that yesterday was, of necessity, a special day for him. He is not only the first scientist in this body in the modern period, but he is one of those blessed and historic men who have walked on the moon.

He made some observations about that in a superbly concise and intelligent—well, we would note the intelligence; it need not be concise—article in the Washington Evening Star yesterday, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, July 20, 1979]

SPACE IS OUR DESTINY

(By HARRISON SCHMITT)

I would like to tell you about a place I have seen: a valley on the moon known as the Valley of Taurus-Littrow. Taurus-Littrow is a name not chosen with poetry in mind; but, as with many names, the mind's poetry is created by events. Events surrounding not only three days in the lives of three men, but also the close of an unparalleled era in human history.

The Valley of Taurus-Littrow is confined by one of the most majestic panoramas within the view and experience of mankind. The roll of dark hills across the valley floor blends with bright slopes that sweep evenly upwards, tracked like snow, to the rocky tops of the massifs. The valley does not have the jagged youthful majesty of the Himalayas or the glacially symmetrical fjords of the north countries or even the now intriguing rifts of Mars. Rather, it has the subdued and ancient majesty of a valley whose origins appear as one with the sun.

The valley has watched the unfolding of thousands of millions of years of time. Now it has dimly and impermanently noted man's homage and footprints. Man's return is not the concern of the valley . . . only the concern of man.

Those words, spoken before the House of Representatives in 1973, expressed my thoughts after returning from the moon. They set part of the stage for my views on future space policy.

The main thrust of what must be this nation's space policy can be summarized in one phrase: Our destiny is space.

The expansion of human activities in space is of fundamental significance to the history of our civilization. We are lucky that it is our destiny to be the vanguard for the movement of both routine and unimaginable activities into outer space; to be the first truly spacefaring nation.

Can anyone imagine what awaits us in space? Did the Europeans really know how the "New World" would benefit them? Did Jefferson do a cost/benefit analysis of the Louisiana territory? In these instances the leaders realized that there were opportunities for social and economic benefits in the new territories, even though they could not quantify those benefits or even perceive most of them. We need an aggressive space policy to expand our opportunities for such benefits in space.

My proposed policy entails a number of goals. The first involves the development of a world information system. The second is the establishment of orbital enterprise facilities and the third is a second period of solar system exploration by man.

A world information system can be seen within the context of our private enterprise system. We must find ways to provide incentives to expand private enterprise in outer space, to smooth the way so that government space and aeronautics research can be integrated into the private sector.

My second goal is by the year 2000 to create the basic facilities necessary for orbital enterprise activities, such as education, health care, manufacturing and solar power utilization. Permanent facilities in orbit will help alleviate many problems facing this nation and provide many new opportunities. For example, the creation of new export commodities and the supply of inexhaustible energy are needs that cannot be ignored by this generation nor denied to future generations.

Many in this country, particularly young Americans, have an increasing awareness of outer-space activities and how they can be exciting and how they can benefit society. They accept the vision.

This leads me to my third goal which is, by the year 2010, for the United States to undertake further solar system exploration, which includes a base for research and test activities on the moon. A lunar base would permit us to develop and test the systems necessary to sustain a permanent mining, agricultural and research settlement. And other exploratory missions may be more economically staged from the moon.

These directions are part of an aggressive space policy which reflects our destiny in space. What is needed is a space policy of support for such activities.

The greatest of all accomplishments that we can achieve in our lifetime is to assure our children of their destiny in space.

Mr. MOYNIHAN. I rise simply to join with what I am sure would be all of my colleagues in congratulating our astronaut colleague on that wild and incomparable adventure in which he participated.

Mr. SCHMITT. If the Senator from Pennsylvania will yield further, I thank my distinguished colleague from New York. It is said that the only thing New Mexico and New York have in common is the word "New." I would hope that they have a great deal more in common. I think over the last 2½ years we are finding, as a consequence of the interaction of the delegations from those two States, that there is a great deal we have in common and a great deal of interaction between our two States. I would make a slight correction to the remarks of the Senator, or maybe two. One is they were overgenerous, but appreciated. The other is that my roots are in New Hampshire, but my life is in New Mexico.

I would add, apropos of this subject, that I find it extremely unfortunate that scientists, technologists, engineers, too many business people, too many people from all professions, have felt that the business of making law, the business of politics, the people's business, was something to be left to someone else, that they had no interaction, no concern about what was done within the halls of Congress, within the halls of the State houses, of the State legislatures.

I hope that is changing because, if we are going to meet the challenges of our third century of national existence, we are going to need as broad a breadth of understanding of human existence as did our Founding Fathers, as did the writers of the Declaration of Independence, the framers of the Constitution, the Congress in which Jefferson served.

If we do not develop that breadth and understanding, that aggregation of all of the pertinent aspects of human knowledge, and knowledge of the human condition, then we run a great risk of failure in framing the pathway and framing the roadmaps for our future in our third century. It is probably the greatest political challenge over all that faces this country, to develop within this body and other legislative bodies, and within the administration as a whole, the capability to view these problems in all their complexities but view them with understanding and not just an awareness of their complexities.

We must view them with an understanding of what those complexities are and how we interweave the solutions to affect such complexities.

I am glad that my friend from New York pointed this out in the way he did. I appreciated his remarks and I am sure the country will appreciate his remarks.

Mr. HEINZ. Mr. President, first of all, I commend the Senator from New Mexico and the Senator from New York for adding to the quality of this already highly elevated debate. I also rise with Senator STEVENSON to oppose this amendment by my good friend from Washington, Senator JACKSON.

I believe we both understand his goals and his goals, indeed as always, are quite sensible. His goals, I think, recognize the fact that there are certain uses of militarily related equipment that may not necessarily be subsumed in the words military systems.

For example, certain kinds of electronic countermeasures equipment may in fact not fall within the term "military systems." But there is a real danger with the Senator's amendment as drawn because I fear that the word "capabilities" is a bit too broad. There is practically no technology I can think of that does not have some indirect bearing on military capability. It would not be too farfetched to characterize the word "capabilities" as the buttons, belts, and boots approach. Every military force is suitably attired in a way that requires buttons, belts, and boots, and without those clothes I do not know of any Army which would be able to fulfill its military capabilities.

I know the Senator from Washington did not intend to put restraints on buttons, belts, and boots, and I would hope, therefore, that we would be able to find a way to tighten up this language so that we address the real problem the Senator from Washington has identified for us.

I have one final word, Mr. President. Senator STEVENSON and Senator SCHMITT have stated that the real danger to the United States is that we are not keeping up the kind of pace we have relied upon in the past for the development of new technology. Indeed, last year some 63 percent of the patents filed in this country were filed by and granted to foreign nationals, not to Americans. The Department of Defense, therefore, has a tremendous stake in the health of U.S. industry.

Only a U.S. industry that has appropriate access to foreign markets as well as domestic markets will be healthy. Therefore, it seems to me that the Department of Defense, having the great stake that it does in technology, must have an equally great interest in having our technological base continue to be premised upon a strong, healthy, financially sound American enterprise system and the companies that comprise it so that they can make the investments in research and development leading to new technology, which is the base, as the Senator from New Mexico eloquently pointed out, of the real strength of this country.

Mr. TSONGAS. Will the Senator yield?

Mr. HEINZ. I am happy to yield.

Mr. TSONGAS. I would like to comment concerning the remarks of the Senator from New Mexico about the reason we do not have many scientists in Government. If you look at scientists, with many of them located in Massachusetts, and then talk to them about Government redtape and about the problems about expanding the export market, many of them face frustration. Here we are legislating in very broad terms. When we get down to the various technologies involved, they are much more complicated, with great distinctions. This time of developing language, although making sense to us, is met in the technical community with great dismay. I would hope as the day goes on that we consider that there is indeed a community out there involved with high technology, which wants to expand foreign trade and wants to try to compete with the renewed vigor displayed by the Japanese and others. It seems to me that given our balance-of-payments problem we would be encouraging that and not discouraging it. I think today will be a critical day in the long-term outlook for this country. I thank the Senator from Pennsylvania for yielding.

Mr. SCHMITT. Will the Senator yield me some time?

Mr. HEINZ. I am happy to yield time to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, the only additional remarks I have are that, in geology, which is my profession, we often say that the past is the key to the present. That is a fairly good remark so long as you do not go too far back in the past, where you find that things may have been much different on our planet than they are today. I think it is clear that, in the area of political technology, if you will, and technology in general, the past is no longer the key to the present or the future; because, as Toffler pointed out in his book, "Future Shock," and as many others have pointed out in other ways, the rate of change in our society, particularly the rate of our technological society, is accelerated. That is basically a new condition for human beings on this planet.

Another example, since the distinguished Senator from New York has mentioned Thomas Jefferson. I say what I think can clearly be demonstrated, that when he was in this body and was looking into the future, he would be able to predict the kind of life that his children and the children around him would live 50 years ahead with some considerable degree of accuracy. You cannot do that any longer. We cannot even predict what our situation is going to be personally 10 years ahead, much less what kind of life our children will lead.

That may be the simplest way to illustrate what I mean and what we mean when we say the rate of change of society and of technology in particular, is increasing. It is increasing at a rate that is going to get larger and larger. So, every time we try to protect ourselves, every time we forget that we are a maritime nation in the historic sense, every time we draw barriers between ourselves and the rest of the world or between ourselves and each other in technological ways and economical ways, all we are doing is acting to our own disservice. We are restricting the rate at which we can grow, whereas the rest of the world is growing at this ever-increasing rate.

I am afraid that aspects of the proposals of the Senator from Washington do exactly that. They fly in the face of something we cannot control. We cannot control this changing rate of change of our society, this ever-increasing availability of new technologies, of new ideas, not only to our own people, but to all of the people of the world.

UP AMENDMENT NO. 424

(Purpose: To clarify the scope of critical goods and technology)

Mr. STEVENSON. Mr. President, I send an amendment to the amendment to the desk and ask unanimous consent that it be considered and that Senator HEINZ be added as a cosponsor.

The PRESIDING OFFICER. (Mr. CHURCH). The Chair advises the Senator that until the time on this amendment has either expired or been yielded back on both sides, the amendment of the Senator is not in order.

Mr. JACKSON. Mr. President, I yield back my time.

Mr. STEVENSON. Mr. President, I ask unanimous consent that it be in order.

The PRESIDING OFFICER. Very well. Is there objection?

There being no objection, it is so ordered.

Mr. STEVENSON. I also asked unanimous consent that Mr. HEINZ be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) for himself and Mr. HEINZ, proposes an unprinted amendment numbered 424 to amendment 341.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike lines 1 and 2, and insert in lieu thereof the following:

"On page 60, line 22, strike the words 'military systems' and insert in lieu thereof the following: 'existing or potential military systems including weapons, command, control, communications, intelligence systems and other military capabilities, such as countermeasures.'"

Mr. STEVENSON. Mr. President, I have discussed this amendment with the distinguished Senator from Washington and I am hopeful that it clarifies the intent of this amendment in a way that makes it acceptable to myself and to the Senator from Pennsylvania. As he and I have already indicated, the use of the expression, "capabilities," may have consequences not fully intended.

This amendment would strike the phrase, "military systems," and instead of inserting "capabilities," would insert the following: "existing or potential military systems, including weapons, command, control, communications, intelligence systems, and other military capabilities such as countermeasures."

I believe and hope, Mr. President, that with this change, the amended amendment will carry out the Senator's purposes, and they are purposes that I share, without going beyond them at some risk of unnecessarily interfering with exports from the United States. I am hopeful, therefore, that he will accept it.

Mr. JACKSON. Mr. President, I am in accord with the proposal of the two Senators. I think it does reach the result that both sides seek. In all of these situations, we are simply trying to find a solution that will address properly and effectively the national security area and, at the same time, not create an impasse in trade and commerce.

I commend the Senator from Illinois and the Senator from Pennsylvania for having offered this amendment to the amendment.

Mr. STEVENSON. Mr. President, I thank the Senator. I believe that neither of us intends, by the use of the word "communications," to include ordinary commercial communications.

Mr. JACKSON. Ordinary civilian or commercial communication; only if it has military, specific military application.

Mr. STEVENSON. I thank the Senator for that clarification.

Mr. HEINZ. Mr. President, I, too, thank the Senator from Washington for his cooperation in this. I am prepared to yield back our time.

Mr. JACKSON. I yield my time.

The PRESIDING OFFICER. All time is yielded back on the amendment.

The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. JACKSON. I yield back my time on the amendment itself.

Mr. HEINZ. Mr. President, I yield back the minority's time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 344

(Purpose: To modify foreign availability criteria)

AMENDMENT NO. 345

(Purpose: To provide for the elimination of foreign availability through negotiations and trade of commercial sanctions to secure cooperation)

Mr. MOYNIHAN. Mr. President, I call up amendment No. 344 and amendment No. 345 and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is there objection?

Without objection, the two amendments will be considered en bloc.

The clerk will state the amendments.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) for himself, Mr. NUNN, Mr. HOLLINGS, Mr. COHEN, Mr. HATCH, Mr. HARRY F. BYRD, Jr., Mr. TOWER, and Mr. MOYNIHAN, proposes an amendment numbered 344.

On page 63, line 6, after the period insert "With respect to controls imposed for national security purposes, a finding of foreign availability which is the basis of a decision to grant a license for, or to remove a control on the export of a good or technology, shall be made in writing and be supported by reliable evidence, such as a scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability, no weight may be accorded representations as to foreign availability by an applicant for an export license, unless sworn to in writing by the chief executive officer of the applicant. Such sworn representations without adequate independent corroboration shall not constitute reliable evidence.".

The Senator from Washington (Mr. JACKSON), for himself, Mr. NUNN, Mr. HOLLINGS, Mr. COHEN, Mr. HATCH, Mr. HARRY F. BYRD, Jr., Mr. TOWER, and Mr. MOYNIHAN, proposes an amendment numbered 345.

On page 63, line 11, after the period insert the following: "A technology or good which is proposed for, or subject to, export control for national security purposes and which is not possessed in comparable quality or quantity by a nation or combination of nations threatening the national security of the United States shall not be deemed to be available to such nation or nations from foreign sources until the Secretary of State certifies in writing that negotiations with the appropriate foreign governments for the purpose of eliminating foreign availability have not been successful. In order to secure cooperation of foreign governments in eliminating availability of critical goods and technologies, the President is authorized, except as otherwise prohibited by law, to impose trade or other commercial sanctions, including but not limited to prohibiting exports of all or certain technology or goods to such a nation, or prohibiting imports of all or certain technology or goods from such a nation. Within one year after the date of enactment of this Act, the President shall submit a report to Congress on the specific limitations other provisions of law impose on the exercise of his authority under this subparagraph, together with his recommendations.".

Mr. MOYNIHAN. Mr. President, I shall take the time of the Chamber very briefly to make the general observation about the concerns we are dealing with this morning. It seems to me the public ought to know something of the larger understandings behind the specific actions attempting to control and limit the amount of technology transferred to the totalitarian states of this age, which, for practical purposes, are the Marxist totalitarian states.

Mr. President, because we use, sometimes, such different words and there is almost a proposition that there are different cultures involved in the culture of science and technology on the one hand and of the liberal, humane arts on the other, it is easy to miss the essential continuum of all these activities of the human mind and of society. Particularly, it is easy to miss that freedom of inquiry, freedom of association, freedom of dissent is as essential to science as ever it is to any of the liberal professions—more so.

Indeed, if we were to look for the basis of the ideas of freedom and independence and the autonomy of individual opinion in the West today, we would find their origins as much in scientific inquiry as we would ever do in theological or legal thought.

When science first confronted the traditional doctrines with contrary evidence, that it became necessary to seek the question of society, is there a place for dissent, is there a place for orthodox opinion, having accepted that, answered that question in the affirmative, we have entered into the most extraordinary creative period of technological advance, such as the Senator from New Mexico has described, somewhat Faustian, almost, in the degree to which it challenges us to deal with the consequences of our wishes.

But the fact that free inquiry is at the base of this phenomenon is nowhere more dramatically shown than in the totalitarian societies where the absence of freedom of inquiry and of dissent in the basic political realms has inevitably contaminated the same processes in the scientific realms. We see them coming directly, one from the other.

Perhaps it is no accident, as the Marxists would say, that there have been scientists who have been the leading dissenters of the Soviet Union at this point, that Nobel prize winner Sakharov is the symbol of dissent.

And what we say when we ask to limit export of technology to these nations is that we wish to limit the degree to which those regimes do not suffer because of their very obscenity. I put it in this way, these regimes know that repressing political freedoms involves them with a repression of scientific and technological innovation, as well, and they hope that if they can import the science, which is the result of our free inquiring, they need not free up their own societies that might otherwise produce this freedom.

Remember that we have a bad habit of thinking of the Soviets in terms of the primitive standards of their political life. But the Soviet Union of the 19th century was among the most creative scientific societies in the world. I see the Senator from New Mexico is agreeing. In mathematics, physics, chemistry, and certain basic forms of metallurgy, they were among the leading nations on Earth. It is totalitarianism that destroyed their science and it is the totalitarians who wish to use our science in order to preserve their totalitarianism.

Mr. SCHMITT. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to the Senator.

Mr. SCHMITT. There are so many examples that prove the point the Senator from New York is making that I will not pose the whole litany at this point.

However, I just happen to recall, because we are 1 day after the 10th anniversary of Apollo landings, looking at the panorama of craters as we circled the Moon, and others have also circled the Moon, and looking at the maps and seeing the names of those craters. So many of them are commemorating the advances of human knowledge that occurred within the minds of Russian citizens, or citizens of that vast land, whatever name might have been applied to the politics.

Mr. MOYNIHAN. The astronomers.

Mr. SCHMITT. The names go on and on.

Of course, many other nationalities are

represented. Copernicus, Galileo, it goes on through.

I think about this, as the Senator obviously has, the totalitarian regime has generally been completely unsuccessful in tying up the imagination and the fruits that come from that imagination of the human mind.

But they have been extraordinarily successful in preventing the translation of the fruits of the human mind into practical applications for the benefit of people, or the benefit of mankind, or whatever one may want to define.

That is exactly the point I believe the Senator is trying to make.

Mr. MOYNIHAN. It is, indeed.

Mr. SCHMITT. The intellectual capacity of the Russian people, all the people under Soviet domination, is no different today than it ever was.

It is an intellectual capacity based, as everywhere else in this world, on freedom of inquiry, the basic scientific principles that relate to freedom of inquiry. That is what science is all about.

If it is done right, it is fruitful. If it is not done right, then it is so much garbage.

With Copernicus and others before and after him, we saw a great revolution in this freedom of inquiry, an inquiry that went against the established policies and dogma of their times.

Also, if we look back in history, those persons persecuted throughout recorded history, more often than not because they were practicing science in some form or another, have been practicing the freedom of inquiry in its broadest definition, relative to the human mind.

I would agree completely with the Senator that we have to be extraordinarily careful that we do not allow our freedom to be exported, and to substitute, and, therefore, shore up this deficiency——

Mr. MOYNIHAN. Precisely.

Mr. SCHMITT (continuing). That exists within totalitarian regimes.

On the other hand, we have to be realistic about what we do and make sure, in preventing that transfer and that shoring up, that we do not also prevent ourselves from benefiting from the fruits of our own freedom.

Mr. MOYNIHAN. It seems to me the Senator, our only scientific source in this body, has made the case explicitly and incomparably well.

I simply note that American science, as well as the science of some other countries, has incomparably benefited from the mass exodus of scientists from Nazi Germany. Indeed, I put the Senator's point, who resists totalitarian societies, who flees them? The first persons almost, after the very thin veneer of political opposition is overcome, the first culture that has to resist is science, and it does.

Mr. SCHMITT. The Senator is entirely correct. I guess he has in mind Albert Einstein in modern times. If we go back to our own times we can see the scientific imprint of inquiry on the creation of our basic foundations of political life, Jefferson and Franklin being two that come to mind immediately, having that basic discipline and freedom of inquiry in their minds, and they were some of the leaders—obviously, the leader—not only of the Revolution, but the beautiful documents and foundations that came from that Revolution.

Mr. MOYNIHAN. In a happy age, when the political and natural sciences were thought to be part of a single continuum.

Mr. SCHMITT. If the Senator will yield again, the reaction to that, that is, that they still are. We tend to forget that.

Mr. MOYNIHAN. I will not disagree.

Mr. President, the purpose of these two amendments is to advance the general understandings that the Senator from New Mexico and I have just spoken about.

Amendment No. 344 has the simple declaratory purpose of stating that when the Department of Commerce produces a finding of foreign availability—a matter now under discussion—that it document that finding, not a large proposition, and one would have thought one not necessary, but, alas, it turns out to be.

The operating sentences state:

> In assessing foreign availability, no weight may be accorded representations as to foreign availability by an applicant for an export license, unless sworn to in writing by the chief executive officer of the applicant. Such sworn representations without adequate independent corroboration shall not constitute reliable evidence.

One must think that that would be a normal procedural standard. It has not been followed. This amendment would require that it be.

Amendment No. 345, in fact, would constitute an extension of our efforts and a deepening of our commitment in this field. It simply states, with respect to this whole question of availability elsewhere, that in order to secure cooperation of foreign governments in eliminating the availability of critical goods and technologies, the President is authorized, except as otherwise provided by law, to impose trade or other commercial sanctions, including but not limited to prohibiting exports of all or certain technology or goods to such a nation, or prohibiting imports of all or certain technology or goods from such a nation.

Within a year after the enactment of this legislation, if it is enacted, the President will report to Congress on the specific limitations other provisions of law impose on the exercise of his authority under this paragraph, together with his recommendations.

So it is a limited measure, but an important one. What it says is that we mean it when we ask other nations not to join in a competitive export of technology to the totalitarian states.

What it says, in effect, is that the Secretary of State, who will make these representations, has some sanctions, has some potential influence, can speak from a government whose Congress has made its intention clear that it takes this seriously, that these are not just gestures, that we are prepared to act in ways which are not agreeable to us but which we feel to be necessary.

Mr. President, the most difficult of all political undertakings is to maintain an alliance in concert. We perhaps underestimate the extraordinary duration of the NATO alliance. In the history of the world, no such political alinement has endured into now its second generation. Yet, there are constant efforts to weaken it that are dynamics internal to any such arrangement.

The Senator from New Mexico has mentioned one of the dynamics at the present time, which is the very great expansion of technological rates of change in countries with which the United States is allied and which are fellow members of COCOM.

At a time when technological initiatives were overwhelmingly to be located in the United States and in Britain, it was easier to maintain these standards. Today, it is harder. The societies that are producing the technology pay for it.

The Senator from New Mexico and the Senator from Pennsylvania observed the higher rates of investment in technology in these other nations. Those nations necessarily will hope to see a return on that investment.

These markets present such opportunities for return that if the United States is to dissuade them, it has to have some sanctions—economic sanctions, obviously—to provide the economic incentives that are involved.

Accordingly, Mr. President, we submit these modest but we feel not unimportant amendments and wonder what is to be the reaction to them by the Senator from Illinois and the Senator from Pennsylvania.

Mr. PERCY. Mr. President, will the distinguished Senator yield a couple of minutes?

Mr. STEVENSON. I am happy to yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I commend Senator STEVENSON and Senator HEINZ. As they know, the Senator from Illinois served on the Banking Committee at the time the 1969 so-called Export Control Act was up.

I have had many years of industrial experience and have seen, time after time, a policy that was shortsighted, that was not realistic, that was not adapted to the real world in which we live. We worked mightily at that time to change this from a control act to an administration act, whereby we had an even-handed approach to it.

In the experience I had in industry, we were faced with a very ludicrous situation. Bell & Howell Co. manufactured, in this country, film printers and perforators, a quarter of a million dollars apiece, ordered by the Soviet Union for their film industry. We were restricted from shipping it from the United States, using American labor. But there was no problem in the Soviet Union buying it from J. Arthur Rank Organization, the licensee of Bell & Howell, who made identical equipment. This was a piece of machinery that cost a quarter of a million dollars and was used in the printing and perforation of motion picture film. The only change in the thousands of parts was a nameplate. It was

just a nameplate. It was "Bell and Howell-Rank" instead of "Bell and Howell." But it was made in England instead of in the United States.

Back in the 1960's, the restrictive laws of the United States were such that, time after time, we were dealing ourselves out of business.

In visiting the Soviet Union with Hubert Humphrey, on our last trip there, we met with the business community and found many times that they were absolutely frustrated. Here was a huge growing market.

So, instead of trying to make it as tough as possible to earn extra dollars, we tried to find an even-handed way to do it and to protect our national security—this is paramount—but not to go in the direction of making it more and more onerous and difficult for American companies to compete against Germany, the United Kingdom, Italy, and many other countries that were doing business successfully.

Here I hope that some compromise can be worked out on the pending amendment. I cannot imagine any of our competitors abroad—Japan, Italy, Germany, Great Britain—adopting an amendment which would require the chief executive officer, who is not the most competent person, to sit there and sign the certificate, certifying something that would take research on his part. He is not necessarily the best person to do it. But it adds to him as a paperwork signer rather than a policy director dealing with the immediately urgent, rather than a chief executive who should be dealing with long-range plans and programs. It assigns to him a clerical function that he should not be designated to do.

I think, also, that some compromise should be worked out so that if the statement of a company is the only evidence you have, I would say it is not sufficient evidence. But it should be looked at as a part of the evidence.

I hope something can be worked out on this point between the manager of the bill and the distinguished Senator from New York, who represents a very large business community, who would be interested in working out something special.

Mr. MOYNIHAN. Mr. President, I believe that the senior Senator from Illinois has made some wise observations based upon real experience.

I understand that the distinguished manager of this legislation has some thoughts as to how, in fact, his specific concerns might be accommodated.

UP AMENDMENT NO. 425

(Purpose: To prevent undue reliance on self-serving representations as to foreign availability)

Mr. STEVENSON. Mr. President, I send an amendment to the amendment to the desk. I do so on behalf of myself and the Senator from Pennsylvania.

Mr. PERCY. Mr. President, I ask unanimous consent that I be added as a cosponsor to the amendment. Having looked at the wording of the amendment, I agree.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that it be in order to consider the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Illinois (Mr. STEVENSON) for himself, Mr. HEINZ, and Mr. PERCY proposes an unprinted amendment numbered 425 as an amendment to amendment No. 344.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> Strike the second sentence and substitute in lieu the following:
>
> "In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability."

Mr. STEVENSON. Mr. President, as my good friend from Illinois has pointed out, amendment No. 344 offered by the Senator from New York requires the executive officers of exporters when applying for export licenses in effect to certify as to point of availability under oath.

This amendment, which I offer to that amendment, simply strikes that language, the last sentence of the amendment that starts on page 2 of the amendment, and substitutes the following language:

> In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability.

In other words, the statements of applicants can only be taken into consideration on foreign availability if they are corroborated by other evidence.

I believe this is just what the other Senator, my distinguished colleague from Illinois, was suggesting, and I think it is a reasonable means of accomplishing the objective of the Senator from New York and hope, therefore, that it is acceptable on both sides.

Mr. MOYNIHAN. Mr. President, if I may respond, this is indeed a reasonable accommodation to the real concern addressed by the senior Senator from Illinois, and on behalf of the sponsors of the amendment, I am happy to accept the substitution of my friend from Illinois and the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I think we have a reasonable arrangement that will seek to accommodate the concerns and objectives here of the Senator from New York and the Senator from Washington. I am very strongly in support of Senator STEVENSON's amendment, and I am grateful to the Senator from New York for accepting it.

Mr. MOYNIHAN. Those are very generous remarks.

Mr. STEVENSON. I am prepared to yield back my time.

Mr. HEINZ. I am prepared to yield back my time.

Mr. TSONGAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TSONGAS. This referred to the first of the amendments to be considered en bloc.

Mr. MOYNIHAN. That is right. These amendments are being considered en bloc although if the Senator wishes just to dispose of this one and move to amendment No. 345, that would be agreeable to the Senator from New York.

Mr. STEVENSON. Mr. President, the pending amendment is an amendment to amendment No. 344. After the Senate acts on this amendment, it would be my intention to offer another amendment. That one would be to amendment No. 345, which I hope will become a basis for it in that event.

Mr. MOYNIHAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MOYNIHAN. May the Senator from New York ask to vitiate his request that amendments 344 and 345 be considered en bloc and substitute a request that we have before us simply amendment No. 344?

The PRESIDING OFFICER. The Senator may do so.

Mr. MOYNIHAN. In that case, I so request, Mr. President.

The PRESIDING OFFICER. Very well.

If there be no objection, the amendments will now be considered separately.

Mr. MOYNIHAN. Mr. President, I yield back the remainder of my time on amendment No. 344.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois, unprinted amendment No. 425.

The amendment was agreed to.

AMENDMENT NO. 344, AS AMENDED

The PRESIDING OFFICER. Is all time yielded back on amendment No. 344?

Mr. HEINZ. Yes, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 344, as amended.

The amendment, as amended, was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 345

Mr. MOYNIHAN. I thank the Chair.

Mr. President, I understand that the distinguished manager of the legislation and his not-less-distinguished colleague from Pennsylvania have a proposal that would modify amendment No. 345 without in any way losing sight of these objectives nor of the desire that the executive be given greater powers with which to pursue those objectives.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Does the Senator from Massachusetts request time?

Mr. TSONGAS. Yes.

Mr. STEVENSON. I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. TSONGAS. Mr. President, I wish to speak to the practical implications of amendment No. 426 which is now before the body, and let me try to take out the relevant parts of the amendment. So the suggestion that we are indeed in the real world will take place.

The amendment speaks to, if you will, suppress the exported technology not by the United States but by another country, to nations that are not friendly to the United States.

Indeed, if that attempt is unsuccessful to the negotiations process, the President, "in order to secure the cooperation of foreign governments" is authorized to impose trade or other commercial sanctions of all goods and imports and exports from and to such a nation. What does that mean? The only countries we are really concerned with that export technology are countries like France.

So what we are saying here is that: If we do not like what France is doing vis-a-vis the Soviets, we will ask them to cease and desist. In order to improve the changes of negotiations we may impose economic sanctions against France, including prohibiting all exports of American goods to France and all French imports into the United States.

Does anyone believe that prohibiting France from importing American blue jeans and exporting French wine is going to make the French any more amenable to negotiations with the United States?

Anyone who has had experience in dealing with foreign governments—and certainly the distinguished Senator from New York is probably preeminent in this body in terms of that qualifications—knows that the one way to insure France would not cooperate would be to impose these kinds of sanctions.

We are not talking about less-developed countries. We are not talking about an Iran, for example. We are talking about very sophisticated countries which view the United States as an equal. There is no way you can possibly assume that in negotiations where hanging over them is the specter of a U.S. trade embargo that that is going to be anything but counterproductive.

I think this amendment has serious long-term implications that could only hurt the very ends that the proponents of the legislation are seeking, and I would ask that the amendment be defeated.

I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I would like to thank the distinguished Senator from Massachusetts for his observations, which are serious and deserve to be considered.

I would say two things: First, in the actual dynamics of government negotiations in areas such as this no government would ever, the United States would ever, in fact, be threatening some large proposition such as the embargoing of the French wine industry. You do not negotiate that way. But the U.S. Government would be saying to the French Government, "Look, we are under pressures from the Congress, which you understand. These are, in effect, our instructions."

The French Government, in dealing with its own private sector, would be in a position—why use France? But why not—to say that while the government itself did not necessarily agree with the United States, the United States was in a situation where the government was under pressure and legitimate legislative actions in this country such that, in fact, the weight of the American representation is greater than otherwise it would be. This is a judgment you always have to make.

But, Mr. President, the United States can just go on providing the military defense of the industrial democracies of the world so long whilst they undermine our efforts, when they do, by enhancing the defense, the military aggressive capacity, of the totalitarians we are defending them against.

We have to give our Secretary of State at least an opportunity to make the case which this Congress expects of him.

I will say to the Senator from Massachusetts that I understand we have alternative language which will meet some of his concerns. I think they do—I will not speak for the Senator from Illinois—but I wonder if the Senator from Illinois would address this matter.

UP AMENDMENT NO. 426

(Purpose: To require negotiations to prevent foreign availability from undermining U.S. export controls)

Mr. STEVENSON. Mr. President, I send an amendment to amendment 345 to the desk on behalf of myself and Mr. HEINZ and ask unanimous consent that it be in order.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be in order. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 426.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language to be inserted, insert the following: "Whenever the President has reason to believe goods or technology subject to export control for national security purposes by the United States may become available to controlled countries from other countries, the President shall promptly initiate negotiations with the governments of such countries to prevent such foreign availability. In any instance in which such negotiations fail to prevent or secure the removal of such foreign availability and the President requires additional authority to take effective action toward that end, the President shall report fully to the Congress and where appropriate recommend measures to secure the removal of such foreign availability."

Mr. STEVENSON. Mr. President, as the distinguished Senator from Massachusetts indicated, amendment 345 appeared to threaten sanctions against foreign competitors of the United States who did not impose controls on exports to controlled countries which the United States felt should be controlled.

The amendment, it seemed to me, threatened delays in action on license applications to the advantage of foreign competitors, and by threatening sanctions, it implied we might again hurt ourselves in order to advantage our foreign competitors.

I think this amendment accomplishes the purpose of the distinguished Senator from New York without any danger of adverse consequences. It simply says:

Whenever the President has reason to believe goods or technology subject to export control for national security purposes by the United States may become available to controlled countries from other countries, the President shall promptly initiate negotiation with the governments of such countries to prevent such foreign availability. In any instance in which such negotiations fail to prevent or secure the removal of such foreign availability and the President requires additional authority to take effective action toward that end, the President shall report fully to the Congress and where appropriate recommend measures to secure the removal of such availability.

Mr. President, of course such measures could include sanctions. This is not intended to eliminate that possibility, but it does make it a little less explicit. It does, as does the distinguished Senator from New York, recognize that in such cases where technology is available from foreign sources to controlled countries which the United States feels should be controlled, the President will initiate negotiations, and I agree completely he certainly should.

So I think it retains the purpose and eliminates one troublesome feature, and I am hopeful, therefore, that it will meet with the approval of the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, will the Senator from Illinois yield for a question?

Mr. STEVENSON. Of course.

Mr. MOYNIHAN. On the examples of appropriate measures he mentioned sanctions, if the President thinks of it.

There is a whole armamentarium here that might be useful to note, to see if the Senator from Illinois agrees, that the President could speak of the procurement policies of the U.S. Government, of the position of the U.S. Government in trade and commercial negotiations, and similar measures in addition to more conventional approaches.

Mr. STEVENSON. Yes, of course he could. His arsenal is large, and my own feeling is that procurement policies of the United States might be more appropriate

than some of the other sanctions contemplated.

To suggest that another nation will be deprived of the right to buy goods from us——

Mr. MOYNIHAN. To sell.

Mr. STEVENSON (continuing). Implies to me that we may harm ourselves more in this highly competitive world than another country. But procurement is the other side of the situation.

But procurement is the other side.

Mr. MOYNIHAN. Yes. The Senator will agree with me that it entirely is up to the U.S. Government to give to other countries a percentage of the market; if they wish to concentrate on the Bulgarian market, as it were, well, that would leave the U.S. market to others, and that is a legitimate point we might make.

Mr. STEVENSON. I agree completely with the Senator. It is certainly the intention of the authors of the amendment to his amendment to encourage the President to use whatever assertions of authority are available to him, including those that have been mentioned by the Senator.

Mr. HEINZ. Mr. President, first let me concur with the remarks of the Senator from Illinois and in the understanding that he and the Senator from New York have developed in their colloquy.

Let me also commend the Senator from Massachusetts (Mr. TSONGAS) for having, I think, put his finger on the particular problem with the amendment as originally drafted. I share his concerns in that regard.

Thirdly, I wish to commend and thank the Senator from New York for his willingness to understand the concerns expressed and to appropriately modify the amendment; and I hope, Mr. President, that we do now have an agreement.

Mr. MOYNIHAN. Mr. President, the Senator from Pennsylvania is characteristically gracious on behalf of the sponsorship of this amendment. We do accept the substitute, which I believe is jointly proposed by the Senator from Illinois and the Senator from Pennsylvania; and I, too, would like to thank our colleague from Massachusetts for his timely and fructifying intervension.

I yield back my time.

Mr. TSONGAS. Mr. President, I would like to indicate my concurrence in the compromise language, which gives the President a weapon which, while in the nonmegaton range, may be more useful.

The PRESIDING OFFICER. Is the remaining time yielded back?

Mr. MOYNIHAN. I yield back the remainder of my time.

Mr. STEVENSON. I yield back the remainder of my time. The amendment is offered as a substitute.

The PRESIDING OFFICER. Yes. The question is on agreeing to the substitute amendment.

The amendment was agreed to.

Mr. JACKSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from New York, as amended. Do the Senators yield back their time?

Mr. MOYNIHAN. I yield back the remainder of my time.

Mr. HEINZ. I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JACKSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 353

(Purpose: To limit exports of animal hides and skins until the President determines that there are adequate domestic supplies)

Mr. MUSKIE. Mr. President, I call up amendment No. 353, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE), for himself, Mr. BAKER, Mr. DURKIN, Mr. ROTH, Mr. COHEN, Mr. TSONGAS, Mr. HUMPHREY, Mr. FORD, Mr. HEINZ, Mr. HELMS, Mr. LEAHY, Mr. NELSON, and Mr. KENNEDY, proposes an amendment numbered 353.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 78, line 11, after the period insert the following: "Notwithstanding any other provision of this paragraph, in order to carry out the policies set forth in section 3(2)(C) and 3(7) of this Act with respect to animal hides or skins, until the President, after receiving the advice of the Secretaries of Commerce and Agriculture, determines that (A) hide producing countries which have enacted skin and hide export restrictions over the past ten years have resumed reasonable levels of skin and hide exports, or (B) the supply of animal hides or skins, after deducting export demand, is sufficient to meet the requirements of the domestic economy; animal hide and skin exports shall be limited to a total volume, per year, equivalent to the most recent period which the President determines is representative of exports of such products. Before providing their advice to the President under the foregoing sentence, the Secretaries of Commerce and Agriculture shall, after reasonable notice, hold public hearings and shall afford interested parties an opportunity to be present, to present evidence, and to be heard at such hearings.".

Mr. MUSKIE. Mr. President, I ask unanimous consent that Anita Jensen and Jim Case be granted privileges of the floor during Senate consideration of S. 737, Export Administration Act, including all votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I ask unanimous consent, if their names are not already listed, that the names of Senators MOYNIHAN, ROBERT C. BYRD, RANDOLPH, and SASSER be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, unless they are already listed, the named Senators will be added as cosponsors of the amendment.

Mr. MUSKIE. Mr. President, the threat facing the American leather industry is the worst in its history.

The situation is critical.

The facts are simple: A reduction in cattle slaughter has reduced the supply of cattle hides on the world market. The American supply has come under increased pressure from the major importing countries. Prices have skyrocketed.

The tanning and leather industries depend almost exclusively on cattle hides for their existence. These industries need the raw material. Tanneries cannot turn to alternative raw materials—there are no alternatives. And shoe factories cannot retool to make some other product. No adequate substitute for leather exists. Canvas shoes cannot replace leather shoes. And plastic saddles cannot replace leather saddles.

The shortage is worldwide. It is part of the cyclical downturn in the cattle industry. But this cyclical shortage has been artificially aggravated by embargoes on hide exports by major producing countries. So America, which produces 15 percent of the total world skin and hide supply, now supplies 75 percent of the cattlehides being traded worldwide.

The U.S. supply dropped 6.8 percent last year. Twenty-four and one-half million hides were exported, from a total supply of 39.5 million. This year's domestic supply will be 34.2 million hides, but exports are not expected to decline.

If we sell 24 million hides from a supply of 34 million, we will be left with 10 million for domestic needs.

Yet the domestic industry needs a minimum of 18 million hides to operate at current levels. Industry withdrew 2.4 million hides from inventory last year. This year, there is no inventory left to fall back on.

I do not know of any industry that could survive such a drastic curtailment of its basic raw materials without virtual collapse.

Four hundred thousand workers depend directly on the tanning and leather industries. The implications for these 400,000 jobs—and for the $8 billion in retail sales of leather products—are clear.

The inflationary impact of foreign demand is evident in the doubling of hide prices since last year. Footwear prices have already risen 17 percent, and are being forced higher, since the price inflation in the basic commodity has not yet been fully reflected in the prices of finished goods. When the inflated price of those hides has worked its way through the production pipeline, $30 leather shoes may well be a fond memory—just as U.S.-made baseball gloves are today.

If this situation arose from a supply shortage aggravated by increased demand, operating in a free international market, the results would be serious for the domestic tanning and leather industries. The outlook for their workers would be bleak. And the inflationary ef-

fects would be just as severe. But the case for Government intervention in the market would be less strong.

The fact is that this situation does not result from a free international market. The shortfall in hide production has been aggravated and sustained by Government actions in major hide-producing countries to protect their domestic leather industries by embargoes on hide exports. The leather industries of countries like Brazil are being protected—

Against threats of shortages;

Against high world prices; and

Against the competition of a free world market.

Foreign buyers are bidding up the price of our hides and taking advantage of the dollar's weakness because other sources of supply have been closed off. And it has long been the case that those countries which import our hides are among the most protective against imports of U.S.-finished leather goods.

Brazil's Government embargoes hide exports to protect its domestic leather industry, while our tanneries and shoe factories close down. And Brazil is manufacturing for the U.S. market. Brazil's shoe sales to the United States are up 40 per cent from last year's levels.

Uruguay embargoed exports in 1974. Argentina quickly followed suit. Since 1975, Brazil has exported no hides whatever. South African hides are available only under a Government licensing system and exports are limited to 1.5 million hides a year.

The fact is that the United States is the only nation which remains totally committed to a free market philosophy.

The American tanning industry, the American leather industry, and the hundreds of thousands of Americans they employ are being asked to bear the entire burden of a shortage that is worldwide. Importers of our hides are unwilling to reduce their imports and share the shortage—they want to protect their industries and workers. I think American workers and American industries warrant that kind of consideration from their own Government.

The Senate will soon be asked to review the implementing legislation for the multilateral trade agreements. One of the principal results of that agreement, we are told, is to increase freedom and reciprocity in world trade. Nontariff barriers to trade are to be reduced and eliminated. The market is to provide the means by which supply and demand of world goods is adjusted.

In theory, it sounds ideal.

But when I look at the situation facing us today in connection with hides, I am compelled to ask at what point can we expect some of that reciprocity?

We have made our supplies available to the world. Other hide-producing countries do not do so. The hide shortfall is worldwide, but the United States' domestic industry is being asked to absorb the entire world shortfall—not merely that portion attributable to our own production decline.

Our Government's efforts to make more supplies available to the international market have failed. Special Trade Representative Strauss stated in a letter to me:

> One approach to the problem is to encourage beef-producing countries with export controls on hides to ease their controls . . . We made a major effort in the multilateral trade negotiations to get these countries to take such action. Unfortunately, most countries responded unfavorably to our request.

The fact is, all countries did.

Clearly, when our Nation, which produces 15 percent of the world's skins and hides, simultaneously provides 75 percent of the total hides traded internationally, price inflation and domestic shortages are inevitable.

It is for that reason I seek an amendment to the Export Administration Act.

The policy outlined by this act—and I had something to do with writing the current version of the act when I was a member of the Banking Committee—in section 3(2)(C) specifies that Congress finds a need for export restrictions "to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand."

Mr. President, either that language in the act has meaning or it does not, and if it does not have meaning in this case I cannot imagine a case in which it would have meaning.

No clearer case for export restrictions exists today than the hide situation.

This amendment is moderate and carefully targeted. It recognizes the temporary nature of this shortfall. It will have effect only for the duration of the shortage. It conditions unlimited hide exports on one of two factors:

Reasonable export levels from other hide-producing countries; or

An adequate domestic supply, taking into account export demands.

If neither condition is met, the President could limit the export of U.S. hides to guarantee an adequate domestic supply. No quotas are specified in the law. No rigid limits are demanded. There is no attempt to stifle world trade.

The amendment is simply a recognition that as long as other countries are unwilling to share the worldwide shortage, the United States must look to its own resources to meet demand here at home.

If the amendment results in improved and more successful negotiations with the countries which now restrict their exports, no one will be more pleased than the leather industry.

Our domestic industry does not ask for special treatment to protect itself against fair competition in a free international market.

It requests legitimate and limited Government intervention where free market economics are inoperative. Our amendment would give the industry the limited and temporary help it must have to survive.

Mr. President, I will yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I yield to the Senator from Tennessee.

Mr. SASSER. Mr. President, I rise today to address an issue which is critically important to 40,000 Tennesseans and almost 400,000 other Americans. I join in urging the Senate to take action to secure the jobs of the workers in one of the most labor intensive industries in the United States.

Today, thousands of Tennesseans and hundreds of thousands of Americans are in danger because we have for too long failed to put adequate restraints on the export of cattlehides.

This amendment to the Export Administration Act of 1979 is an attempt to correct that failure. Currently, the leathergoods industry is faced with the possibility of not being able to purchase its most basic raw material—cowhides.

Three-fourths of all cowhides on the world market are produced by the United States. Seventy percent of the American supply is exported. During the last quarter of this year, the United States exported 83 percent of the cowhide supply. We are not just selling cowhides—we are sending American jobs overseas.

As a result of these massive and unrestrained exports, the cost of cowhides has become almost prohibitive for American producers—and the cost of leather products has become almost prohibitive for the American consumer.

The cost of cowhides has risen faster than the price of gasoline. A cowhide that cost 37 cents a pound in 1977 now costs a dollar.

In the shoeshops and department stores of America, our constitutents are paying $10 more for a pair of shoes and $12 more for the price of a handbag. In all, our failure to restrain the export of cowhides could cost Americans $2 billion.

The primary buyer of our cattlehides is Japan. Japan will take our cowhides, but it will not allow us to send her our finished leather products—we cannot sell her the products made by American workers. This allows Japan to buy as much leather as she can with no consideration for cost. The increased costs can be passed on to the buyer in Japan because there is no competition.

Of course, the American producer must also raise the price of finished products because the price of raw materials has gone up. This can be seen in the price of shoes. A pair of leather shoes that costs $20 2 years ago now costs $30.

In the meantime, those people who have traditionally earned their living in the leathergoods industry find it harder to buy shoes and food. They are losing their jobs.

In Tennessee alone, there are 43 shoe manufacturing plants which employ over 12,000 men and women. The shoe industry in my State supports 25,000 other people whose jobs are indirectly related. Thousands of others work in other leather related industries, the furniture, luggage, and handbag industries.

Those people know what exports of cowhides are doing to their industry and their jobs. In the last 2 years, they have seen thousands of their friends go unemployed because we have put no

restraint on the export of cowhides. And they are afraid that they will be next.

Mr. President, other major cattlehide exporting nations such as Argentina, Brazil, and Uruguay, have stopped exporting cattlehides altogether. We do not seek to do that today. We simply ask that exports be limited to a reasonable level.

We seek to limit the export of cowhides to a level at which the leather industries of the United States can survive. We seek to limit exports to a level at which the jobs of 400,000 hard working Americans can be secure. We seek to keep the cost of a pair of shoes at a reasonable and affordable level.

Mr. President, we cannot allow the continuation of massive, unrestrained, and dangerous exports of American cowhides. I strongly urge the passage of this amendment.

(Mr. SASSER assumed the chair.)

Mr. MOYNIHAN. Mr. President, the Senator from Maine has spoken with great clarity and forceful fact with respect to the situation we address in the amendment before us. I would like to supplement his remarks only to the point of stressing the compatibility of what we are doing here with the Multilateral Trade Negotiations (MTN) that have now been concluded by Ambassador Strauss.

I am a member of the Subcommittee on International Trade of the Committee on Finance, and one of those who introduced the implementing legislation to the MTN some 3 weeks ago.

The Senator from Maine is absolutely correct. In these negotiations which have extended over 7 years and which are now completed, Ambassador Strauss on behalf of the United States raised the question of the restrictions on exports from the other hide-producing countries, and pointed out that these restrictions are altogether incompatible with the General Agreements on Tariffs and Trade (GATT). He properly pointed out that other countries' restrictions on exports are incompatible with the principles and thrust of American trade policy since the time of the reciprocal trade agreements of Cordell Hull. Accordingly, the Ambassador asked for a general lowering of these kinds of restrictive activities and that the particular one on hides be given up. The reaction was "No." Not a single exporter would agree to do that.

Their reaction in this instance is part of a pattern of world trade which, in the end, eventually became the focus of the MTN itself. The MTN began as tariff negotiations, as they traditionally had been. But it was realized that it is the actions by government to prohibit exports or imports in one form or another, to impede and effectively to prohibit trade, and not tariffs, that have become the principle inhibiting element in international trade.

Accordingly, the whole focus of the MTN changed to a regime of non-tariff-barrier codes. The purpose of these codes is to prevent such trade restrictive activities or, when they do take place, to authorize governments to respond appropriately when their own economies have been injured.

Now, in the matter before us our economy has been injured in a way that seems altogether inappropriate. And the injury comes from the refusal of other countries to export. We continue to export our hides, following the rules of the game, and our hides are sucked up by nations which ironically are the ones notorious for the nontariff barriers they put on our goods. It is fascinating, for example, that the country most anxious to get our hides is least anxious to get the beef that is under those hides. But try to find the beef that goes with the hide in that country. We cannot. That country uses the hides to make products and export them back here and we lose even more jobs.

What we are doing in this proposal is to give the Government direct authority from the Congress to go out and negotiate further reductions of nontariff barriers—in this case the export restrictions that result in injury to our domestic shoe and leather apparel industries. If they will not do away with those restrictions, the world should know that we will exercise our right under the MTN to act in a similar manner—restrict our own exports to save the industries that would otherwise suffer.

We are asking for equity here. We are supporting the MTN; but we are supporting American workers. We are supporting principles of international trade which, unless our trading partners begin to abide by them, are going to break down a system which has been a half century in construction and has brought incomparable economic benefits to all involved. It is being lost because of the shortsightedness of our trading partners.

I am happy to be a cosponsor with the Senator from Maine. I hope I made clear that, in this Senator's view, this action is wholly consistent with the MTN and, indeed, addresses the central question of the MTN at this time.

Mr. MELCHER. Will the Senator yield?

Mr. MUSKIE. Mr. President, may I ask what time I have? I have only one-half hour and I know several Senators wish to speak.

The PRESIDING OFFICER. The Senator has just under 12 minutes.

Mr. MUSKIE. Then I do not think I should yield to any Senator for more than 2 minutes.

Mr. JAVITS. Mr. President, if I may have 30 seconds.

Mr. MUSKIE. I yield to the Senator from New York 30 seconds; then to the Senator from Massachusetts 2 minutes. Then I shall be happy to yield for a question to the senior Senator from Montana (Mr. MELCHER).

Mr. JAVITS. Mr. President, I have two points. One, I should like to join as a cosponsor of this amendment. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, second, may I say I do not think any Senator on the floor, for a longer time, has advocated an open trading policy for our country as essential not only to our country's interest but to the peace of the world. But I deeply believe that this is a situation in which we are being imposed upon and that, therefore, unless we take action against such imposition, I think we make ourselves impotent in terms of world trade.

May I just give the Senate this fact, which supplements what my beloved friend, PAT MOYNIHAN, has said. I have a letter from the Special Trade Representative dated July 17, in which he says:

> We made a major effort in the Multilateral Trade Negotiations to get those countries to take such action—to wit, export controls on hides—thereby increasing worldwide availability. Unfortunately, most countries responded unfavorably to our request.

Mr. President, I hope this amendment will get their attention. It is for that reason that I join it.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Senator GLENN be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I yield to my friend and cosponsor (Mr. BAKER).

Mr. BAKER. Mr. President, I thank the Senator from Maine, my good friend (Mr. MUSKIE) who is continuing a fight he has pursued before and which I have been privileged to join him in on other occasions. I shall not detain the Senate long except to say I believe in this amendment. I think it is appropriate, I think it is fair, and I think it is essential to preserve industry in this country. It is not only important to my State, where approximately 30,000 jobs are in jeopardy unless something is done to provide against the excesses that burden the industry at this time, but also because there are 400,000 American citizens who are directly involved in industries affected by this concept.

Mr. President, I have joined 10 of my colleagues in support of this amendment to S. 737, to allow restrictions on the U.S. exportation of cattle hides.

The leather manufacturing industry in this country is in trouble. It is a difficulty not of their own making and not due to any failure of ability to compete effectively. The problem is that the foreign competition in this extremely important industry, that employs over 400,000 Americans (approximately 30,000 in the State of Tennessee) is absorbing between 70 and 80 percent of the raw materials available in this country.

At the same time, American access to the raw material market in cattle hides is severely restricted by embargoes on exports in the major hide-producing countries. The leather industry is facing not only reduced availability, but also a doubled price of its basic raw material. Jobs are jeopardized, and the costs of leather goods are escalating.

The United States is the only "free-trader" in the world hide market. We are simply asking that the President, after receiving the advice of the Secretaries of Commerce and Agriculture be empowered to keep available for sale to American leather goods manufacturers a sup-

ply of hides ample to meet domestic demand. In an equitable, fully reciprocable market environment, the leather industry in the United States can compete with anyone. It is our task either to restore fairness to the competition or follow suit and begin protecting our own raw materials.

Mr. MUSKIE. Mr. President, I reserve the remainder of my time at this point because I have used up the bulk of it and have not given the opposition an opportunity to speak. Later, I shall yield to Senator KENNEDY, Senator TSONGAS and other Senators.

Mr. MELCHER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. HEINZ. Mr. President, I want to take a minute on Senator STEVENSON's time. He has been called away from the floor temporarily. I ask those who are in opposition to the amendment to let me know approximately how much time they want, because there are 30 minutes allocated to Senator STEVENSON, which is the time for the opponents. Senator MUSKIE and others have used up most of the time, I understand, except 6 or 7 minutes, of the proponents.

There are seven Senators. Then we shall try to make it about 4 minutes each, if that is fair.

Mr. MELCHER. Will the Senator yield?

Mr. HEINZ. I ask unanimous consent that I be allowed to yield 4 minutes from Senator STEVENSON's time to the Senator from Montana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I thank the Senator.

I oppose the amendent of the Senator from Maine. Has there been any CBO study on the inflationary impact if the price of hides is reduced and what result would that have on the cost of hamburger, beef roasts or steaks, in the supermarket? It is a rhetorical question, because if you take it out of the hides, you increase the beef price in the supermarket.

Mr. MUSKIE. I shall be glad to answer that.

Mr. MELCHER. If I had more than 4 minutes, I would be delighted to have the response.

The fact is that there is only a price for a fat steer or for a cow and if you decrease the price of the hide, the price of the meat from the steer or cow is going to be higher.

When considering somebody else's business, perhaps it is good to turn for information to a reliable source of that information from that business. I think every Member of the Senate has in his office or in his possession a telegram from the American Association of Hides, Skins, & Leather Merchants. It says:

> The American Association of Hides, Skins and Leather Merchants suggests that the recent alarm about a purported shortage of hides is a result of a misunderstanding of the basic supply and demand factors that affect cattle hides.

The supply and demand situation is such that hides that, earlier this year, were selling as high as 94 cents a pound for Midwest native unbranded premium hides, but has dropped to an average of 78 cents last week for those same premium hides.

It is continuing to drop, and we can probably expect, when we total up what the average price is for this current week, we shall find it is about 70 cents per pound.

That is the situation as it exists now. The telegram goes on to say:

> You have recently received information from a U.S. tanner and shoe manufacturing group operating under the name of "Hide Action Program" that there exists a need for export controls of U.S. "animal hides and skins" because the domestic users of these raw materials are unable to buy sufficient quantities to run their factories, and that the reason for their inability to buy the needed quantities is the export of these cattle hides.
>
> The arguments put forth to you are distortions of the fact and the truth. Many statements have been made by the hide action program which are insinuations of malpractice in the export of cattle hides supposedly causing higher hide prices.
>
> By admission of those making these accusations, there is no substantiation of these charges as they are not rue.
>
> The true facts are:
>
> 1) U.S. tanners have free and total access to every U.S. hide produced, if they are willing to pay the market price, and if they would make use of hides of all origins within the United States.
>
> Naturally, they are competing with foreign buyers and this is part of the free enterprise system.
>
> 2) Hide prices have risen in the United States and world-wide because the U.S. cattle herds are in the process of rebuilding and so are the herds in other countries.
>
> The production of cattle hides in the first five months of this year, due to a reduced kill of animals, was about 14½% lower than last year. Traditionally the kill in the second half of the year, especially after September, increases.
>
> The demand for leather world-wide is large, and consequently the prices for hides, the by-products of the meat packing industry, are influenced greatly under the "old rule of supply and demand".
>
> 3) The return meat packers receive for their hides is an important source of revenue. By retaining more hides in this country than the domestic tanning industry can possible use, again, because of supply and demand, hide prices would decline. This would lead to lower prices for cattle which would hurt farmers, cattle ranchers and cattle feeders and which would result in higher prices for meat at supermarkets and the biggest losers will be the consumers.
>
> 4) The price of hides represents only 5 to 15% of the total cost of producing a pair of shoes in the U.S. Over the past twenty years, hide prices have risen and fallen reacting to supply and demand, but shoe prices being administered have never declined. In fact, in recent weeks hide prices have declined 15 to 20% from their highs. If, when lower prices prevail, shoe prices remain at their high levels, then it cannot be claimed that only hide prices are to be blamed for higher shoe prices. It should be noted that even with hide prices as they are now, they have not kept up with the inflation rate of the last twenty years due to hides being a surplus commodity.
>
> 5) U.S. tanners are working on a reduced scale (approximately 14–15 million hides/yr) because of a lack of orders for their leathers, not because they cannot obtain the hides to tan.
>
> The United States is importing large amounts of shoes and other leather goods and also domestic tanners are buying large amounts of semi-finished leather produced in South America which augments their tanning supplies.
>
> 6) Export controls of hides could hurt the United States' balance of payments, especially at a time when we are attempting to increase our exports.
>
> 7) From past experience, we know that export controls are extremely difficult and costly to administrate on a fair basis.
>
> Many U.S. shoe manufacturers are also involved in the import of shoes, and the facts indicate that many shoe manufacturers have a good and profitable business.
>
> The U.S. leather industry does need assistance in the form of equitable access for their leather to other countries the same as the other countries can sell to the U.S.A., but not in the reduction in export of cattle hides, a surplus commodity. We support the recent action taken by the U.S. Government special trade group which is trying to rectify the inequities of other countries in permitting access of U.S. leather goods into their markets. We do not support any restriction of exports of cattle hides, a surplus commodity.
>
> We respectfully request you to look into all the facts, past and present, concerned with this industry before voting on any changes in the existing Export Administration Act of 1969 as amended, and to leave this act as it concerns "animal hides and skins" unchanged. We feel that after you have gathered all the true facts from all sides, and after you have disseminated and analyzed the deliberate distorted information which you have received from the "hide action program", that you will agree with us.
>
> Please do not allow jurisdiction for animal hides and skins to be shifted from the Department of Agriculture to the Department of Commerce and please do not pass any legislation which would lead to the unnecessary and dangerous imposition of export controls on animal hides and skins.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. MELCHER. Mr. President, they cannot have it both ways. When hide prices go down, the price of beef in the supermarket has to rise. The whole animal, hide, beef, and byproducts are sold. When fat steers on the hoof have been selling for 65 cents–70 cents per pound, the total cost of a 1,000-pound steer is $650–$700. If the hide weighs 60 pounds at 75 cents per pound, that means $45 of the total cost of the steer, the slaughtering cost, the transportation and handling costs of the beef going to the supermarket, the cutting, wrapping and retail costs are offset by that amount received for the value of the hide. If the hide value decreases $20, the consumer at the supermarket is going to pay that much more for the beef from that steer. And the cattle producer receives either less for the steer or the consumer pays more.

You cannot have less value for the hide without adding price to the meat. The effect of the amendment would lower hide prices, cause beef retail prices to be higher, or give a lower return to the cattle producer.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN addressed the Chair.

Mr. HEINZ. Mr. President, I ask unanimous consent that 4 minutes be yielded to the Senator from Texas on Senator STEVENSON's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I thank

the distinguished Senator from Pennsylvania.

I can understand the concern of the Senator from Maine. I have shoe manufacturers in the State of Texas, and have them in substantial numbers.

I sympathize with their plight and want to be responsive. But when we talk about export controls, we are looking for a short-term fix that will not work.

We saw what happened several years ago on soybeans. What did the Japanese do when they found they were an uncertain source of products? They invested over $1 billion in Brazil to develop soybeans, and now the Brazilians are our principal competitors in the soybean business.

When we talk about placing export controls on hides, the point is made that the consumer will benefit. But if the price of hides dropped by 40 to 50 percent, that would result in a 2-percent saving on a pair of shoes. You could buy $20 shoes for $19.60; that is, if the retailer did not take the markup for himself.

That is not the sort of price break that will restore the competitive position of our domestic producers. It will not rout our foreign competition. And it will not save the consumer much money.

We have been working, and we did work, with the STR trying to develop quotas and some protection for our shoe-producing industry in this country. We have made some progress, but the basic problem still remains.

One of the reasons we have a problem with hide prices today is that we have artificial controls on the price of beef, which has resulted in liquidation of herds and increasing prices.

If we get into beef production and talk about butchering and packaging, that is a high volume, low profit business.

The Senator from Iowa has one of the major producing plants in the entire country in that business.

Our meatpackers operate on a high volume, thin margin basis. They sell the whole cow after they buy it and, if we reduce the selling of the hide, or depress the price that can be paid, it only means the price of beef goes up.

We have artificial controls working. We do not have supply and demand working in that situation. In effect, we have hurt the consumer.

We would increase the price of beef, a price the housewife already thinks is too high, by this kind of action. We are looking for a very short-term fix that will not work and will not solve the problems of shoe production in this country.

The problems are more basic than that. They require tax incentives that bring about the renovation of the manufacturing—of shoe production in this country so we can be competitive with foreign production.

That is the kind of approaches we should make, trying to do things to modify and strengthen the supply side of our economy instead of saying we will put artificial restrictions on the export of American products.

We are in tough enough shape today with the dollar, but if we take away the surplus we have in exports of agricultural products and begin to depress them, then we will find the dollar is in even worse shape than it is now.

I know the prices of hides are high, and that the price of hide is only a small component of the price paid for a steer or a beef. Buy if we take artificial measures to drive down hide prices, we must consider the psychological impact on the rancher, who is just now getting back off his knees and is finally able to meet the payments at the bank so he can stay in business. Just when this is happening, along comes the big arm of the American Government putting artificial controls on, to see that we do not get the free market price. Such action can only discourage the rancher and put more of them out of business.

I think that is the wrong way to approach the problem of shoe production in this country.

I urge my colleagues to defeat this amendment. I say that we need to do something more substantive that will have a long-term positive effect on the domestic leather industry. We've got to increase productivity in that industry and make it more competitive. We should work to see that our trading partners eliminate their controls on hide exports, and their barriers to our products. I want to help our leather industry, but we're not going to accomplish that objective by taking it out of the hide of the cattle industry.

Thank you, Mr. President.

Mr. CULVER addressed the Chair.

Mr. STEVENSON. I yield to the distinguished Senator from Iowa.

Mr. CULVER. I thank the distinguished Senator.

Mr. President, I rise in opposition to the amendment by the Senator from Maine to impose export controls on cattle hides.

The situation we face here on the floor today is, in my opinion, most unfortunate. I can certainly sympathize with the Senator from Maine's position. The high price of hides, though a temporary phenomenon, is placing in jeopardy several thousand jobs in his State and in other States. These are jobs of relatively low paid workers with few, if any, employment alternatives.

But I hope the Senator can also understand the position in which his amendment places me, and the over 70,000 cattle producers in my State of Iowa. I am sure he will recall that prior to this year, cattle producers in this country lost money for almost 4 consecutive years. As a result, many individuals in Iowa and other cattle producing States, either lost their farms—their jobs—or had to severely reduce their standard of living.

These are not easy circumstances for those of us who have a responsibility to our constituents. Nor am I asking the Senator from Maine to stand by and do nothing for the dedicated, hard working people of his State whose livelihoods are threatened by current economic conditions.

I must, however, voice my opposition to this attempt to assist the leather goods industry at the direct expense of Iowa's and the Nation's cattlemen. And that is precisely what the Senator's amendment proposes to do.

I think we are all aware of the fact that the cattle cycle is now at a point where fewer animals are being slaughtered. This means that fewer cattle hides are being produced. Those of us from cattle States have been watching this situation develop for several years. We all knew it was coming and we have a pretty good idea when supplies will increase: That is, if the Government keeps its hands out of the market and does not destroy the incentives that are necessary for cattlemen to rebuild their herds.

If we have learned anything about consumer protection and agricultural policy over the past 4 years it should have been that interference in the livestock market to the detriment of producers will have the effect opposite to that intended. Every barrier raised to reduce prices will only further reduce supplies available to the American consumer. Without sufficient supplies, neither the consumer nor the leather goods industry can enjoy the economic health we seek for all Americans.

The case against this amendment was well stated in the December 1976, report on the national commission on supplies and shortages which said:

> It is short-sighted to use export controls for the prevention of domestic price increases, no matter how unpopular these price increases may be. Not only are export controls harmful to the income of exporters and to the credibility of the United States as a reliable source of supply, but they are not in the long-run interest of consumers either.

Earlier this week the U.S. Department of Agriculture released a task force report entitled, "The Structure, Pricing Characteristics, and Trade Policy of the Hides, Skins, Leather, and Leather Products Industry."

The report concluded:

> There is serious question about the legality of export controls for hides. Moreover, analysis indicates that they probably would provide no long-term benefits to either the industry or consumers.

Mr. President, the American cattleman persevered through 4 years of negative income. They depleted their savings and mortgaged their land in the hope that the lives and the work they knew and loved would be rescued by better times. Finally those better times arrived, only a few short months ago, Cattle prices have been at record levels this year, at least, for those producers who survived.

Yet already consumer resistance to high prices has led to a 15 percent decline in cattle prices since mid-May. This situation appears to be stabilizing now with prices at a profitable, but certainly not an unrealistically high level. Any action by the Congress that would upset the delicate balance that for the first time in years has restored some confidence, some stability in the often volatile cattle market, would be totally unfair to producers and unwise public policy.

Export controls on cattle hides would

have ramifications that reach far beyond the impact intended by this amendment's sponsors. In 1978, the United States exported $686 million worth of cattle hides. Due to improved prices, the total will be substantially higher this year. These export dollars will make a significant contribution to balance of payments problems caused by energy and other imports.

In addition, other agricultural exports could be adversely affected by such action. We are still experiencing the repercussions of the 1973 embargo on soybean exports. In the recent Tokyo round of the multilateral trade negotiations, significant gains were made in gaining access for our high quality beef to the Japanese market. Japan is one of the biggest customers for U.S. hides as well as our largest customer for all agricultural commodities. Any limitation on hide exports to Japan could jeopardize trade in beef and other areas.

In conclusion, the policy advocated by the proponents of this amendment is a dangerous means of providing short term relief to a narrow segment of the U.S. economy. It is an attempt to take from the half-full pockets of American cattlemen to fill the half-empty pockets of the leather goods industry. I oppose this amendment and urge my colleagues to defeat it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I will need 3 minutes.

Mr. President, I am in sympathy with the statements of the distinguished Senator from Maine and others who are attempting to help tanners and footwear producers, and other industries, in this country.

They are undergoing some hardship because of the hide supply situation. But I just do not believe that what they pursue today by this amendment will accomplish what they might like to do.

Mr. President, no one can deny that the tanners, footwear producers, and other industries in this country are undergoing some hardships as a result of the hides supply situation. However, the method by which this amendment would seek to remedy the problem contradicts the spirit of the bill we are now considering, runs afoul of congressional precedent on this subject, would not really remedy the situation, and would, in the long run, have a broader and more devastating impact on the cost of living in this country than the current state of affairs.

As I have recognized, Mr. President, such industries as the tanners and footwear producers have a legitimate argument in stating that they are undergoing hard times. We have repeatedly been made aware of their plight. For over 10 years, the hide processing industry in this country has been on decline. This year, Congress will be asked to approve the reduction of duties on dye-stuffs so that the tanners can reduce their cost of production—that will be a plus for them. For the past few years, a massive trade adjustment assistance program has been focused on the footwear industry to help it with trade problems which it has been suffering for practically a decade.

So there is no question about the need for special attention to these industries.

I agree that these industries need special attention and innovative ideas to help them out of their quandary. But limiting exports of a product which is in great demand on the international market and which is supplied almost entirely by the United States is not sound economic policy. Right now, the United States supplies about 75 percent of the hides traded on the international market—which is a seller's market currently. Our livestock and meatpacking industries are receiving top dollar for these exports—which is a happy note for our livestock producers, who are just beginning to recover financially from a 6-year economic drought due to the cattle cycle. The hide exports are also a happy note for our entire country, because they are one of the few pluses in an otherwise disastrous trade balance picture.

The bill before us clearly intends to ease up on export restrictions. This amendment flies in the face of this general policy objective. Past attempts to limit hide exports have run afoul of congressional objectives. In 1966 and 1972 attempts to limit hide exports were opposed by Congress. Probably the most convincing argument in opposition to the mechanism proposed in the amendment is that it would have more of an adverse impact on consumers of beef and producers of livestock than it would help the consumers of hides and the consumers of the products they sell. The result of export limitations, and a consequent reduction in hide prices, would be that the meatpackers would raise the cost of retail beef and lower the price they pay for livestock in order to cover their extremely narrow profit margin. Thus, it seems to me that the impact of the proposed amendment will have a greater adverse effect on our livestock sector and consumers of beef—and therefore inflation—than it would have in helping the tanning and footwear industries.

In effect, if we approve this amendment, we will not be robbing Peter to pay Paul, we will be robbing Peter and Paul to pay Simon. It appears that what we will be giving Simon will not buy him much more than a cup of coffee. What I mean is that livestock producers and beef consumers will be adversely affected while the positive effect for tanners and footwear manufacturers will be minimal. For example, estimates are that hides represent only 5 to 15 percent of the total cost of producing shoes domestically. Export controls probably would reduce hide prices, but it is unlikely that shoe prices would be substantially lower because of lower hide prices.

Mr. President, I would like to suggest to my colleagues an alternative to this ill-advised amendment. My alternative pays Peter, pays Paul, and pays Simon—among others. We can take an affirmative step toward solving the hides problem by adopting a program which provides a relatively predictable and steady volume of domestic hides. This will help even out the drastic price swings which the tanners and others encounter and will also give them some predictability in their business planning. At the same time, this program can help the livestock producers by giving them a mechanism whereby they can make more accurate herd management plans and avoid the drastic price swings attendant to the cattle cycle. Of course, such a mechanism would benefit the consumer by stabilizing beef and leather prices and would promote greater job security in the trade-impacted industries. The program I am suggesting is embodied in the countercyclical formula of the proposed meat import law of 1979. That legislation, if enacted into law, would set up a mechanism which would take a positive approach to solving the problems of all the parties of interest in this matter. Of course, the results of the countercyclical formula may not provide an absolute fix for all the problems we are discussing here today, but it certainly would be a more positive and sound economic method of dealing with the matter than that dangerous precedent the proposed amendment would establish.

Mr. President, I urge my colleagues to defeat the proposed amendment. Instead, I suggest they take advantage of a rare opportunity in which we can help each one of the domestic interests involved by supporting the meat import law of 1979.

Mr. President, I ask unanimous consent to have printed in the RECORD some questions and answers raised by those who support and those who oppose this amendment, together with a letter from the Special Trade Representative, Ambassador Strauss, dated June 26, 1979, along with a statement by the administration opposing the proposed legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ON HIDE EXPORT CONTROLS

1. Why are hide export controls being advocated?

The cattle cycle is now at the point where less animals are being slaughtered. This, coupled with a continued strong demand for leather and leather products, has increased the price for hides. Tanners, leather users and shoe manufacturers argue that these higher prices are very burdensome to their industry. They want controls on hide exports to drive down the price, thus allowing them to hold down the price of shoes.

2. Do they have a point?

It is doubtful. First, hides represent only 5–15% of the total cost of producing shoes domestically. Export controls probably would reduce hide prices to some degree, but it is unlikely that shoe prices would be substantially lower because of lower hide prices.

3. Have hides been embargoed before?

Yes. Attempts were made to control hide exports in 1966 and 1972, but both times Congress objected.

4. What if export controls were imposed on hides?

Meat packers operate on an extremely narrow profit margin, earning approximately 1¢ per sales dollar. Without being able to sell hides—the single most valuable animal byproduct—at a fair price, packers would be forced simultaneously to (1) lower what

they pay for live cattle and (2) seek higher wholesale beef prices.

5. You mean export controls would lead to still higher meat prices?

Yes. Higher wholesale beef prices would be passed through to the retail level, thus further pushing up the cost of meat to consumers.

6. Would export controls on hides cause other problems?

Yes. Controls would damage the nation's balance of payments. Farm exports now total nearly $30 billion annually (including over $600 million in cattle hides), which helps to offset the large trade deficits we have been incurring in recent years. Any attempt to restrict exports will once again cause our trading partners to question whether they can continue to depend on America for much of their food and fiber supply. If the U.S. restricts trade in one farm commodity, other nations may conclude that we will do so with others, thus making their reliance on our farm exports seem risky.

7. You are saying that imposing controls would set a dangerous precedent?

Yes. If the U.S. blocks exports every time domestic prices rise rapidly in a certain sector of the economy, other nations will be increasingly unwilling to trade with us—and that will hurt all Americans.

Take Japan, for example. As our number one customer for U.S. hides, Japan has already agreed to limit its purchase of them. For us to limit hide exports now, according to Special Trade Representative Robert Strauss, would simply reinforce the Japanese fear that the U.S. is an unreliable supplier, a fear they have harbored since we embargoed soybeans several years ago.

8. Should anything be done about the current high price of hides?

No. It is a cyclical occurrence, and the forces of the world market place will eventually provide the best solution.

9. Shouldn't the government do anything then to help the shoe and leather industries?

Maybe so. But we should not help one industry by penalizing others, especially with a shortsighted policy which will damage our balance of trade. If these industries are legitimately suffering, the government could establish some kind of economic assistance plan. Another approach is to adopt a countercyclical meat import law which would even out the supply-demand imbalance.

THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS,
Washington, D.C., June 26, 1979.

Hon. RUSSELL B. LONG,
Chairman, U.S. Senate, Committee on Finance, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to your May 24 request for the views of this Office concerning Senate Resolution 168, which calls upon the President and this Office to take action to protect the American leather and tanning industry.

I agree fully with the concerns that have led to the introduction of Senate Resolution 168. The price increases we have experienced in raw cattlehides and in leather have resulted in serious economic pressures for our tanning industry, as well as the leather products industry and American consumers. As a result of these concerns, I recently organized a meeting between Members of Congress representing the tanning, shoe, and cattle industries and Administration officials, including Secretary Bergland and Assistant Secretary Weil from the Department of Commerce, to discuss this problem and to explore remedial measures that might be taken. Several of your colleagues from the Finance Committee attended this meeting.

During the meeting, general agreement was reached that the rapid increase in hide and leather prices is due primarily to a reduction in cattlehide supplies resulting from the decrease in U.S. domestic cattle slaughter. In fact, this has occurred previously in four to six year cycles, most recently in 1966 and 1972. It was also apparent that the alternatives for bringing the supply of cattlehides into closer balance with demand are limited.

One approach to the problem is to encourage beef-producing countries with export controls on hides to ease their controls, thereby increasing the worldwide availability of hides. We made a major effort in the Multilateral Trade Negotiations to get these countries to take such action. Unfortunately, most countries responded unfavorably to our request. Nevertheless, we will continue to press hard for results with those countries with whom we are still negotiating, especially Argentina.

Another approach which has been suggested by some is the imposition of controls on U.S. cattlehide exports. However, this approach does not appear feasible for several reasons. First, the Executive does not have clear authority to impose controls on hide exports. When controls were imposed in 1966 and in 1972 as a remedy to high and rising cattlehide prices, the Congress acted quickly in response to strong opposition from the domestic cattle industry to terminate the controls. Given this experience, there is a real question whether controls could again be imposed and remain in place for long without being contested in the Courts or removed by Congressional action.

Secondly, any benefit in terms of reduced hide prices from export controls could be offset by increased prices in the longer term. The cattle industry is now undergoing the process of rebuilding its inventory of cattle. This rebuilding process could be slowed or stopped by action which reduces hide prices significantly. This would aggravate the supply problem in the longer term as cattleherds fail to increase sufficiently to provide a greater supply of hides in the future.

Since there are no good solutions to the supply side of the problem, it was concluded that other alternatives should be explored, including the possibility of a program to provide financial assistance for the industry until such time as the domestic supply of cattlehides increases and prices begin to decline. We expect supplies to increase in 1981. The Departments of Commerce and Agriculture will be working with interested Congressmen to see whether such a program can be developed.

Thank you for giving this Office the opportunity to comment on Senate Resolution 168, and please be assured of my concern regarding this important matter. I believe that we are now on the right track toward finding a solution to this problem.

Sincerely,

ROBERT S. STRAUSS.

ADMINISTRATION POSITION ON PROPOSED EXPORT ADMINISTRATION ACT AMENDMENTS

CATTLEHIDE AMENDMENT

1. This amendment is contrary to the spirit of the recently concluded Multilateral Trade Agreements.

It would severely inhibit our efforts to induce other countries to remove their tariff and nontariff impediments to free trade, including those which restrict the export of cattlehides.

It could encourage other countries to impose restrictions on their exports of basic materials for which the United States is heavily dependent on imports.

2. The amendment is too inflexible.

It would make export controls and quotas on cattlehides mandatory unless the President determines that other hide producing countries which have enacted hide export controls during the past ten years have resumed reasonable levels of hide exports (this would appear to mean that all or nearly all of such countries must have already resumed reasonable levels of exports) or that the domestic supply of hides less exports is sufficient to meet the requirements of the domestic economy. (This would appear to mean that they are now sufficient, not that they are forecast to be sufficient to meet domestic needs during the forthcoming marketing year.)

3. The amendment would appear to require a new Presidential determination each marketing year, failing which export quotas would automatically be imposed. The President is already so overburdened with findings and determinations that he has scant time left for addressing major foreign and domestic issues. It is an unreasonable burden to expect him to act as an individual commodity licensing officer as well.

4. Under this amendment, the determinations which the President would be required to make would not in and of themselves assure the adequacy of domestic supply to meet domestic demand.

The mere fact that other major hide producers have or have not resumed current exports, or that the current domestic supply of hides less export demand is or is not sufficient to meet current domestic demand, would not assure the adequacy (or lack thereof) of the domestic supply during the forthcoming marketing year.

To determine this, other factors would also have to be taken into consideration.

Even if both the determinations in the amendment could be made they would not necessarily constitute adequate criteria on which to base a decision that export controls were not warranted.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. PERCY. Mr. President, I rise to discuss the amendment offered by my distinguished colleague, the senior Senator from Maine, and to state my position on it.

In Illinois, 101 firms are engaged in the manufacture of leather products and they have, without question, been adversely affected by the recent rapid rise in the price of cattlehides. The Commerce Department tells us that, through their monitoring, they have observed a steady increase in the export of hides. Exports have jumped from just over 50 percent of U.S. production in 1973 to well over 74 percent in the first 5 months of this year.

What is more, the price of cattlehides has climbed from about 33 cents per pound in 1973 to a record high of 96 cents a pound in May of this year.

This cannot but pinch domestic users of leather and it is a situation that deserves our serious attention. Imposition of export controls is one way to attack this problem. But it is not the only way nor is it necessarily the best. I believe the adoption of the amendment would actually be counterproductive to both consumers, cattlemen, and leather manufacturers in the long run. Export controls, just like price controls in meat a few years ago, are purely a short-run solution that will not help us with a long-run solution to the export drain. In fact, they often backfire soon after being imposed, harming the very interests they were meant to protect.

Let us just take a minute to look at the origin of this export drain. It stems from export controls imposed by other

major cattlehide exporters—Argentina, Brazil, and Uruguay. The shutoff of these supplies have meant that the U.S. market is the only large supply of hides available to other leather-using countries.

And yet, U.S. cattlehide production is in the downward side of a cycle. As the Commerce Department has reported:

Because cattle hides are a by-product of meat slaughtering operations, the demand for hides has no effect on the supply. Beginning in 1974, high feed costs and low returns on investment forced cattle growers to send more calves and cows to market. This liquidation of breeding stock resulted in a decline in herd population which subsequently led to annual declines in cattle slaughter beginning in 1977. Cattle slaughter is expected to decline further through 1980.

In other words, supplies of hides are tight in this country because of the condition of the overall cattle industry. If we had a buoyant and growing cattle industry, we could accommodate more of the demand from abroad.

Mr. President, I might digress a moment at this point to remind my colleagues that one reason for the low number of cattle hides produced in recent years is the volume of imported meat that has been entering the country, deterring the rebuilding of cattle stocks. If we had a more comprehensive policy, recognizing the link between hides and beef production, we might not be in this situation today. That is the type of long-run solution that will help both industries, and it is the type of solution we should pursue.

Our Special Trade Representative acknowledged the importance of a long-run solution in a July 17 letter to my colleague from New York, Senator JAVITS.

In that letter, he said:

One approach to the problem is to encourage beef-producing countries with export controls on hides to ease their controls, thereby increasing the worldwide availability of hides. We made a major effort in the Multinational Trade Negotiations to get these countries to take such action. Unfortunately, most countries responded unfavorably to our request. Nevertheless, we will continue to press hard for results in this area during future bilateral negotiations. We are now working closely with Argentina in search of a mutual satisfactory means for that country to liberalize its embargo on hides.

He continued by noting that:

It was, therefore, concluded at the recent meeting between several Congressmen and Administration officials that we should examine the possibility of a program to provide financial assistance for the industry until such time as the domestic supply of cattlehides increases and prices begin to decline. We expect supplies to increase in 1981. The Departments of Commerce and Agriculture will be working with interested Congressmen to develop such a program.

Mr. President, let me conclude by pointing out that the Council on Wage and Price Stability (COWPS) and the Department of Agriculture (USDA) joined together this year to study the hides situation and issued a report earlier this month. They came out against export controls on hides as not in the long-term interest of either the industry or consumers. The report also made these points:

Productivity in the U.S. leather manufacturing industry has not kept pace with other industries and "although many factors contribute to this stagnant productivity, it remains a major cause of the current problems";

The most feasible long-run approach to the hide shortage is for the United States to continue pressing for freer trade. "In terms of liberalizing trade, freeing up hide supplies for the world market from countries such as Argentina, Brazil and Uruguay probably offers the most relief"; and

Increased assistance should be offered to the domestic industry for R. & D. so they can improve their productivity.

The USDA report also quoted the National Commission on Supplies and Shortages of 1976 on the subject of export controls, which said:

It is shortsighted to use export controls for the prevention of domestic price increases, no matter how unpopular these price increases may be. Not only are export controls harmful to the income of exporters and to the credibility of the United States as a reliable source of supply, but they are not in the long-run interest of consumers either.

This is the kind, an issue when you are damned if you do and damned if you do not. On balance, I feel the weight of evidence would be to protect the overall national interest in both the short- and long-run by defeating the pending amendment.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. WALLOP. Mr. President, I rarely feel paranoid. It just is not one of the characteristics that God laid on my personality. But the issue of limiting hide exports, in fact, does get down to that point.

The Senator from Maine has suggested that his amendment is important and fair, and guess it all depends on whose ox—if you will forgive the phrase—is being flayed here.

In this instance the amendment has an immoral characteristic which I think needs to be pointed out. I do not say this is the actual intent of the cosponsors. But, I do say that you cannot take an industry in which, on the one hand, you consistently allow imports into this country, which creates a lush level of competition and then, on the other hand, tell cattle and hide producers that they cannot export the only product that remains of their domestic industry. It is an almost unbelievable set of circumstances.

Mr. President, I used to be in the packing plant business. I had my own packing plant, and I worked all phases of it. The last year I was in that business, I got an average of about $6.18 a hide. I understand that now they are getting closer to $23 a hide, and this is a small packer's market. You will find different figures if you look at the national packer's market. The small packers always have a discount as opposed to big ones.

I did not see a soul coming and saying, "You need a little support in your industry to raise the prices." Nobody from the shoe industry approached anybody in the small packing or large packing industry at that time. But at that time they were resisting any attempt to limit imports, and we today have the imports of beef products into this country at higher than the legal limit.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. WALLOP. Mr. President, the Senator has his own time and he can answer me at that moment. I have only 3 minutes.

What is happening is that you are exercising your right at the expense of somebody else's right, and it is not a fair approach.

I point out that in 1972, we had a limited supply, and we had a hide export prohibition. It has been concluded that why we do not limit hide exports today is because the 1972 law did not function.

I quote:

The present version of section 4(f)1 resulted directly from the Commerce Department's imposition of short supply in this case on cattle hide exports in 1972.

Can we not learn from the experience of the past?

I wish the Senate, in the interest of fair play, would use the multilateral trade negotiations, use the other means of countercyclical imports, to adjust some fairness of supply and demand on hide prices, and not, take it out on the cattle industry who already bears the brunt of massive imports.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. DANFORTH. Mr. President, I find that this amendment puts me in an almost intolerable position.

Back in the 1940's, at the time the St. Louis Browns were still in existence, it was said that St. Louis was first in shoes, first in booze, and last in the American League. Shoe production was a major industry there.

In fact, the State of Missouri is the third largest employer in leather and leather products—third only behind the States of New York and Massachusetts.

Clearly, this amendment would be of benefit to a number—thousands—of my constituents who are in a very hard-pressed industry right now.

However, at the same time that Missouri is third in employment of people who work in the leather industry, we are second to Texas in calf production. So, clearly, the amendment, which would be helpful to some of my constituents, would be most injurious to many others.

Therefore, I fall back on a basic philosophical question to try to resolve this conflict, and it is this: Is the future of America, is the direction we are going to take as a country, going to be one of restrictions on trade policy; or, instead, is our future and the opportunity for growth of our economy going to be in the direction not of restrictions but of expansion of trade.

It is my hope that the plight of leather workers can be helped by the Tokyo round of GATT which was just completed. I have written to Ambassador Strauss, asking him to do everything he

can to put pressure on other governments to lift the embargoes that exist in their countries so that more hides would be available for export into our market. It is my hope that as a result of the completion of the Tokyo round, the use of an embargo by other countries to depress their domestic prices of hides will be viewed as a subsidy which is subject to countervailing duty.

Therefore, it is my hope that as a result of GATT, and as a result of the freer trade policy arising from it, some assistance will be on the way for leather workers.

I do not believe that embargoes work. I believe that the history of embargoes has been disastrous, particularly for the agricultural sector of our economy. For that reason, Mr. President, I oppose this amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Senator MUSKIE has yielded me 2 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, as Senator MUSKIE has stated, I believe this amendment offers a reasonable and moderate solution to what is truly an extraordinary problem for over 400,000 leathergoods workers and every American consumer.

This measure is a last resort. Numerous attempts have been made to negotiate a solution with other hide producing countries. The fact is that our special trade representative, in trying to deal with the two countries which refuse to export hides—Argentina and Brazil—was essentially rebuffed. When this issue was raised at the multilateral trade negotiations, he effectively reached a stone wall.

The amendment of the distinguished Senator from Maine, of which I am a cosponsor, is a measured response. It is an interim response which attempts to deal with a matter of enormous importance not just to an industry, not just to leather and footwear employees, but also to the consumers of this Nation.

The fact is that from 20 percent to 40 percent of the wholesale price of shoes is attributable to the price of hides. This translates into a price increase of between 9 and 10 dollars at retail for a pair of leather shoes. Consumers, already hard hit by skyrocketing prices in most other sectors of the economy, deserve some measure of relief.

I have listened with interest to those Senators from agricultural States who have spoken. I share their deep concern for the interests of the American cattle industry. I share their concern over past mistakes which have jeopardized the interests of this vital industry. I would not support this amendment if I thought those interests would be jeopardized. But the fact remains that when we have had stability in beef prices, we effectively had stability in the hide prices. And the price of hides, which account for only 7–10 percent of the value of a steer, is not a significant factor in the decision to rebuild stocks. Beef and grain prices have much more to do with these decisions.

This amendment offers a reasonable and interim solution to the serious problem of artificially high hide prices. It says: Let us try to work this out through negotiation. Let us be sensitive to the unique problems posed by the lack of free and fair trade. Let us take this approach until we are able to build up the beef herds in this Nation, which have diminished and which were the result of adverse policy decisions. But at least let us have the opportunity to assure that the consumers of this country are not going to once again find that as a direct result of foreign government restrictions, they are paying outrageous prices for one of the essential commodities of their lives.

Mr. President, I strongly support this amendment. It will correct a trade imbalance which both jeopardizes the future of our footwear and leather industries, and strikes at the pocketbooks of all Americans.

Since 1978, cattlehide prices have risen an astounding 126 percent. Hides that cost 37 cents a pound in 1977 now cost over one dollar a pound. One shoe manufacturer told me that a family of five can expect a total shoe bill of at least $500 in 1980—about $100 more than the bill for last year's shoes. Of course, all leather products are affected by this dramatic rise in the price of hides. And if we don't act now to moderate these price increases, all Americans will be forced to pay $2 billion more for leather products. Two recent articles, in Forbes and Retailweek magazines, provide excellent summaries of the consumer impact of these price increases. I ask unanimous consent that these articles be inserted in the RECORD at the conclusion of my remarks.

The severity of the problem stems primarily from the fact that foreign purchases of U.S. hides have reached unprecedented levels. Historically, export demand has taken about half of U.S. hide production. In the last few years, however, exports have skyrocketed. From March through May of this year, 83 percent of U.S. hides were exported.

This extremely high level of exports is not the result of substantially increased world demand for hides. If hide prices were only the result of worldwide demand that the free international market could not satisfy, I would not be recommending this government response.

The fact is that the world market in hides is not free. As I mentioned earlier, major hide-producing nations—Argentina and Brazil—are now protecting their own domestic industries by embargoing the export of their hides. As a result, the United States has become the primary source of supply for hides in the world market. Even though we produce only 15 percent of the world supply, U.S. hides account for 75 percent of those traded in the world market.

This huge demand for cattle hides overseas, particularly in Japan and Korea—coupled with hide export restrictions in other countries—now threatens the jobs of 400,000 employees in the footwear and leather industries. And it threatens every American consumer who has been forced to bear high prices for all leather goods.

To say that we should simply wait for substantial increases in cattle production ignores the imediate problem. I met with Secretary Bergland last month to discuss this issue, and he advised me that herds would not be substantially increased for at least 2 years. Production is not expected to return to 1978 levels until sometime between 1983 and 1985. We simply cannot afford to wait that long.

This amendment provides a reasonable form of relief, and is designed to be effective only for the duration of the hide shortfall. Most importantly, it is designed to promote the free trade of hides. Under this amendment, any U.S. export controls would be lifted as soon as other hide producing countries resume reasonable levels of exports.

This is a reasonable amendment which takes into account the legitimate interests of both the leather industry and the cattle industry. It provides the consumer with badly needed relief from rising prices. It provides a fair share of cattle hides to allow our industries to keep producing, and the more than 400,000 employees in the leathergoods industry to keep working.

I urge my colleagues to join me in supporting this measure.

Mr. President, I ask unanimous consent that the articles written by Richard Greene be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE LAST ROUNDUP FOR LEATHER?

(By Richard Greene)

The signs are there, like vultures flying over a diseased, but still breathing, man. It's been years since you could easily find a leather baseball glove made in the U.S. The pair of leather shoes that cost $20 two years ago goes for over $30 today, and it's difficult to find them at *that* price. All-leather attache cases are out of sight, many selling in the hundreds of dollars.

At the same time, the fashionable gent in Tokyo is wearing all-leather shoes, carrying a leather attache case, and probably playing baseball with a Japanese-made leather glove. Which wouldn't be so ironic if it weren't for the fact that the Japanese raise virtually no cattle—the raw material for leather. No, it's the U.S. that raises all those cattle.

Says Lawrence McGourty, president of Melville's Thom McAn shoe division, "The Japanese wear leather because they know Americans wear leather and they want to be like Americans. But if they keep it up, they'll be the *only* ones wearing leather."

So, naturally, with skyrocketing prices and high international demand, the tanners are cleaning up, right? Wrong. Dead wrong. The tanning industry, which has been dismal for years, may be on its last legs. Take Newark, for example. Pre-World War II, there were some 60 tanneries in that New Jersey city. Now there are three. Just ten years ago some 30 million hides were processed domestically for leather; now it's half that.

The problem, basically, is that there is a leather shortage. Last year 40 million head of cattle were slaughtered in the U.S. and this year it will probably be down to 34 million. So, the supply of hides is down. Meanwhile, the demand remains high. It is hardly surprising, then, the prices in Decem-

ber 1978 were 52 percent higher than a year earlier, and by last April they had risen 147 percent since December 1977, to 94.2 cents a pound.

The pressure driving these prices up is not only the decreasing number of hides—a phenomenon of the cattle cycle—but also the huge demand overseas, particularly in Japan and Korea, for those hides. Since 1976 the U.S. has been exporting a larger and larger percentage of its hides; 71 percent of U.S. output is now being exported, to supply about 75 percent of the hides traded on world markets.

According to Eugene Kilik, president of the Tanners' Council of America, domestic tanners just don't have much of a chance at getting to the hides. There are arrangements, he claims, in which the Japanese offer to pay 10 cents a pound more than the best bid made by American firms. That's the kind of offer you just can't beat. Especially as the Japanese restrict U.S. incursions into their profitable market.

To add to the problem, the U.S. is virtually the only nation supplying Japan's lust for hides. The other major cattle-producing countries, like Brazil, Argentina and Uruguay, ban export of hides, preferring to compete with finished leather goods. That's a good idea for developing nations because it means jobs; shoes, handbags and the like are labor intensive. Unfortunately, this leaves the U.S. as virtually the only free-market nation in an unfree market.

Since there is little that can be done to persuade the Brazilians and others to sell their raw hides, the U.S. leather industry is in a quandary. The shortage doesn't hurt only the tanners, it hurts manufacturers of shoes, handbags and garments as well as retailers who find it difficult to sell a pair of $25 shoes for toddlers.

Says McGourty, "This is the first time I can remember in the shoe business that everybody—the tanners, the high price shoe retailers, the popular price shoe retailers and the manufacturers—is working together to persuade the government to do something."

Last year they had some success. The government negotiated some concessions from the Japanese. Said the leather industry: Too little, too late.

Essentially, the leather industry wants a limited embargo on the hides being exported. This will ease the market here and provide blessed price relief. And Congress listens—at least a little—to an industry that employs about 300,000.

There is even precedent for this kind of limited embargo in the 1969 Export Administration Act, which President Nixon tried to use in July 1972 to put some restrictions on hide exports. By August the cattle lobby had pushed in an amendment and the restriction disappeared.

The fact is, not everybody thinks the leather industry needs—or deserves—help from the government. The producers of hides—cattlemen and meat packers—would be hurt in the pocketbook by any form of restriction on their exporting hides. They argue that they should be able to get the highest price possible for their goods. Listen to Bill Delph, vice president of Iowa Beef Processors, one of the largest U.S. hide producers: "The tanners are not being shut out. They can buy hides. They can get all the hides they want. But they're going to have to pay for them." The cattlemen mirror that sentiment—perhaps even more strongly.

Funny, isn't it? These are the same people who scream bloody murder if the U.S. lets in foreign meat to hold prices down. They are about as protectionist as they can be then. But when it comes to their precious hides—why, there's nobody here but us free-traders.

ON THE TRAIL FOR CATTLEHIDES

The recently launched Hide Action Program may turn out to be the domestic leather industry's last stand. Unless export controls are imposed, the U.S. leather industry won't be able to afford the price of U.S. cattlehides.

Time was, the leather industry—from tanning to turning out the finished product—was a major U.S. industry ranking right up there along with the likes of the steel industry. Today, those who are still left in the U.S. leather industry are finding it necessary to band together and attempt to impress upon Washington that this industry is in danger of becoming as extinct as the buggy whip.

Yes, everyone in Washington already knows that the shoe people in particular have been living with a knife in the back known as imports. But what the entire leather industry is trying to explain to Washington is that as difficult as it is to compete with imports of finished goods, the manufacturers of footwear as well as handbags, luggage, outerwear, sportswear, et al., might as well throw in the sponge if they cannot buy the U.S. hides needed to make U.S. products because the majority of them are being sold to those same countries which produce the finished products, which come back to the U.S. to haunt the industry for the second time around.

The irony of the situation is that the United States is the major supplier of cattle hides to the world, representing about 15 percent of the world supply. But the majority are sold abroad with these exports representing about 75 percent to 80 percent of the world supply. This world-wide demand for U.S. cattlehides is exacerbated by the fact that other countries with substantial herds—such as all the South American countries—totally prohibit the export of hides; preferring to keep them at home to develop and protect their own leather industries. These restrictions create an inordinately high demand for U.S. cattlehides that has been abetted by the cattlemen's restrictions in the size of the cattle slaughter.

This combination of foreign demand, South America's refusal to sell hides, and a reduced U.S. cattle slaughter have caused the price of U.S. hides to skyrocket. The domestic industry's dilemma began in 1972 when Argentina cut off its sale of hides, eliminating about 12-million hides from the world market. Hide prices then jumped from 14 cents to 32 cents a pound, then stabilized in the area of 38 cents a pound. At that time the U.S. exported about 48 percent of its hide supply.

But between 1975 and 1977 U.S. cattlemen began to reduce the size of their herds. Cattle slaughter peaked in 1976 when 43.2-million hides were available, but it is estimated that the number of hides available in 1979 will be down to 34.2 million. While supply has been dwindling, however, world demand for U.S. hides has been escalating; exports are expected to take 24.5-million of the 34.2-million in 1979. This means that the U.S. in 1979 will be exporting 71.6 percent of its hide supply and supplying 75 percent to 80 percent of the world hide trade. This export level also means only about 10-million hides will be left for U.S. producers when domestic requirements for hides are between 18- and 20-million a year.

the industry cannot afford to pay, even if enough hides were available. The jump from 14 cents to 38 cents in the early 1970s looks

This shortage has created price levels that like the good old days. By December 1978 prices reached 58 cents a pound; but between December 1978 and May 1979 prices zoomed to more than $1 a pound.

Neither declining supply nor higher prices have dampened the foreign appetite for U.S. hides. Where else are the Far Eastern and Eastern Bloc countries—anxious to build a business in finished leather goods but without a cattle supply of their own—to go for hides? The U.S. is virtually the only country left with both a large cattle supply and free-buying access to this supply.

The country taking the greatest advantage of U.S. policy is Japan. Though it closes its doors to U.S. finished leather products, Japan, nevertheless, has an insatiable appetite for U.S. hides; buying 35.9 percent of U.S. hide exports in 1978. The purchases of Japan and Korea combined account for more than 50 percent of exports with 30 other countries accounting for the rest. Due to an exchange rate advantageous for Japan, the price of U.S. hides has not deterred Japanese purchases. On the contrary, the Japanese have been buying more.

The upshot is that neither Brazil, Argentina, Uruguay, Mexico, India nor Pakistan—countries with substantial herds—will sell hides in the open market. They want to protect their domestic industries. Japan, Korea and the Eastern Bloc will buy almost all the hides the U.S. has to sell, but they will not take finished leather goods. They want to protect their domestic industries. That leaves countries such as Canada, Australia, New Zeland and those in western Europe as world markets for the sale of hides; but it is the U.S. that has the greatest supply. Now the U.S. leather industry is saying—enough is enough. It is saying it doesn't object to operating within the traditional laws of supply and demand; but it cannot survive when, in reality, this means only the U.S. has the supply and every other country makes the demand.

That is why several trade associations in the industry have banded together to launch what is called the Hide Action Program (HAP). This program is an attempt to bring the plight of the industry to the forefront through demonstrations in cities hosting leather-using industries and by blitzing members of Congress and President Carter with letters and personal visits. The program's goal is to convince Washington that action is needed now in the form of export controls on U.S. hides that would both bring down the price of hides and make more of them available to U.S. producers.

HAP's message is that the alternative to action from Washington is the ultimate extinction of the domestic leather industry with the resulting loss of thousands of jobs or, at best, price increases in leather products that the industry estimates could cost customers over $1-billion a year. Given the high U.S. hide prices and the fact that foreign countries are dependent on these hides, customers switching to imported leather products is no longer a viable alternative in an effort to economize. Neither U.S. nor imported leather goods may be affordable by U.S. consumers.

Unfortunately, this recent mobilization by the industry has only a slim chance of producing results. Though it has been aware of the hide situation since 1972, Washington has never displayed any great sense of urgency in alleviating the problem. In 1972, following Argentina's action, the concept of export controls was entertained and then quickly dropped. Since then, despite preferential tariff treatment for the so-called developing countries, these same countries have ignored Washington's efforts to persuade them to sell their hides on the open market. And, negotiations with Japan have extracted only an unofficial promise that it will reduce purchases of U.S. hides by 10 percent. But, even if Japan were to honor this "promise"—which it hasn't—this 10 percent figure is meaningless since U.S. cattlehide supplies have decreased by much more than this 10 percent figure.

Leather industry members claim that it is only their current desperate plight and past failures in attempting to resolve the problem through negotiations with foreign countries that have left no choice but to push for export controls. If this means that the U.S. leather industry is going to have to explain this "protectionist" move—so be it. The industry prefers free trade in hides but has been unable to achieve it. Understandably, the industry is now tired of being "the unwitting patsy in the international free trade game". So it is shooting for export controls because all else has failed.

Unfortunately, there is another and more powerful lobby in Washington; they know how to use a sixshooter, too. This lobby consists of the cattlemen, or as the leather industry prefers to call them, the cowboys. They have already made it clear to Congress and the Administration that they don't hanker for hide controls. They like things just the way they are. Evidently their message has been heard, for the Administration has already also declared itself against export control of hides.

But, never fear, Washington will concoct a solution, even if it is the wrong one. Right now Washington has suggested that it might be willing to provide subsidized loans to enable U.S. industry members to afford U.S. hides. Unfortunately, Washington has overlooked the fact that loaning money to U.S. manufacturers for the purpose of buying hides at already inflated prices will merely drive the price of hides even higher, insuring that more and more of the domestic leather industry will surely go down the drain.

It is now high noon for the domestic leather industry. The HAP program is, at least, a sure sign that it intends to go down fighting.

Mr. MUSKIE. Mr. President, I yield 1 minute to Senator TSONGAS, 1 minute to Senator DURKIN, and 1 minute to Senator HUMPHREY out of, I think, 6 minutes remaining.

Mr. TSONGAS. Mr. President, I thank the Senator for yielding.

Mr. President, I ask unanimous consent that a resolution passed by the legislature of the Commonwealth of Massachusetts adopted June 26, 1979, 4 weeks ago, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

"Whereas, American shoe manufacturers, who recently began to rebound from the flood of cheap imported footwear, now find themselves shod with a potentially more crippling problem, the steadily increasing prices for a shrinking supply of domestic cattlehides; and

"Whereas, the price of American cattlehides has more than tripled in the past 17 months, and hide prices have risen by more than 68 per cent since January, from 59.3 cents per pound to one dollar per pound as of last month; and

"Whereas, the impact of such increases on consumers will probably be felt next year, and at least two of New England's major shoe firms fear continued higher prices could lead to layoffs and possibly shutdowns in leather-related industries; and

"Whereas, primarily because of Taiwanese and Korean imports, the footwear industry currently employs about 14,000 workers in Massachusetts as opposed to an employment figure of more than 20,000 eight years ago, but the hide market situation may prove a more serious aggravation, hitting the industry from the inside; and

"Whereas, as the United States provides 75 per cent of the world's commerce in hides yet accounts for only 15 percent of the supply, the main reason for the bleak outlook is that most of the domestic hides are being exported to nations which capitalize on the devalued dollar, where they fetch a higher price than if they were sold to American tanneries and leather processors; and

"Whereas, the high amount of exports combined with a steadily declining slaughter rate have resulted in scarce supplies at inflated prices of raw materials needed by producers of shoes, handbags, belts and other leather goods, so that increased hide prices could cost consumers from 1 to 2 billion dollars; therefore be it

"Resolved, that the Massachusetts House of Representatives hereby urges the President and the Congress of the United States to pass legislation whereby a limit shall be placed on the number of hides which may be exported from the United States; and be it further

"Resolved, that the President's special trade advisor, Robert Strauss, be exhorted to convince Brazil and Argentina to cease and desist from restricting the export of their own hide supplies, which would relieve some of the demand in foreign quarters on the purchase of material from the United States; and be it further

"Resolved, that copies of these resolutions be forwarded by the clerk of the House of Representatives to the President of the United States, special trade advisor Robert Strauss, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

Mr. TSONGAS. Mr. President, I rise in support of the amendment introduced by my distinguished colleagues, Senators MUSKIE and BAKER.

It is not necessary for me to repeat the overwhelming supply/price statistics that have dominated the debate this afternoon. All of my colleagues in the Chamber today are aware of the conditions that have led to this amendment.

The situation that confronts us is not one of narrow parochial interests. Rather, the action that the amendment proposes is remedial. The United States is the world's only major producer of hides that does not restrict exports. I believe in free trade. But a free market does not exist. While the United States produces a scant 15 percent of the world's hides, it supplies over 75 percent of the world market. If we could convince other hide producers to follow our lead, there would be no problem. But that is not our current situation. Argentina and Brazil have effectively imposed export controls for over a decade, resulting in a tightening of world supplies. The United States has singlehandedly assumed this burden.

Next week the Senate will consider the implementing legislation for the multilateral trade agreements. These agreements constitute a major achievement of Special Trade Representative Robert Strauss and the Carter administration.

A number of tariff and nontariff barriers that have traditionally obstructed world trade have been effectively removed. Impressive inroads have been made for the export of a wide range of American goods, particularly agricultural and technological goods. Negotiations were undertaken and successfully completed protecting a number of particularly sensitive domestic industries. But little action was taken to alleviate the very real crisis facing our Nation's leather and tanning industry. As long as several of our key trading partners persist in controlling the free flow of trade in hides, to the direct detriment of U.S. consumers and leather producers, we do not have an atmosphere of free trade.

The Muskie-Baker amendment is a moderate, reasonable solution to a critical problem. The amendment as proposed gives the administration the preferable option of bargaining with the principal hide-producing countries. Only if the United States fails to put an end to the protectionist measures of trading partners, and at the same time domestic supplies are not adequate to meet domestic needs, would some sort of limit be placed on the quantity of U.S. exports. This amendment carries no quantitative restrictions. Exports would be limited to a level that the President determines is representative of hide export levels.

Mr. President, I ask the Senate to remedy this grossly inequitable and inflationary condition. Consider the American consumer, and the future health of our Nation's economy.

Mr. President, I think it is quite true that there is a certain regional conflict here, and that is unfortunate. But the conflict is really between one section of the country that has an industry that is on the ropes and another section of the country that has an industry that is experiencing a bonanza.

If you look at the prices of cattle hides over the last 6 years going from 33 cents to 85 cents, that certainly outstrips any definition of the rate of inflation.

What we are seeking is simply the capacity of our industry to survive, not necessarily to prosper, and it is in that direction that I commend the Senator from Maine.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

The Senator from New Hampshire is recognized.

Mr. DURKIN. I thank the Chair.

Mr. President, I am pleased to be a cosponsor of this amendment being offered by the distinguished Senator from Maine, Mr. MUSKIE, to amend S. 737, the Export Administration Act. I commend the Senator from Maine for his leadership on a very important issue not just to our area of the country but to many areas of the country.

The purpose of this amendment is to insure domestic users of leather of adequate supplies of their basic raw material. And let us face it. Today there is no free world market in hides. Although the United States produces only 15 percent of the total world supply of cattle hides, we provide over 75 percent of the world market. Many foreign hide-producing nations have placed embargoes on the extent of their own hide supplies and refuse to import U.S.-finished leather goods.

I think we have seen the failure of the trade negotiations. Countries are not willing to cooperate. Japan is not willing to cooperate. Japan takes almost 24

percent of U.S. hide exports, but refuses to permit sales of U.S. leather goods in Japan. Free trade must mean fair trade.

In my area of the country we have seen thousands and thousands of shoe workers who witness the factory door swinging shut for the last time. It is at least once a month that we see that some shoe company has closed its door for the last time.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. DURKIN. Mr. President, I ask unanimous consent to revise and extend my remarks.

Mr. President, only immediate and forceful action can reverse the dire plight that the American Tanning and Leather Industry presently faces.

The world-wide situation is this: At a time when cattle hide supply is in the course of a cyclical downturn, as a result of a slide introduction by the beef industry, the United States with only 15 percent of the total supply is in the unenviable position of providing over 75 percent of the world market. Last year 39.5 million cattle skins were produced. This year production levels will drop to 34.5 million. The leather industry anticipates there will be a shortfall in domestic supply requirements of almost 10 million cattle hides. As late as May of this year we were exporting 83 percent of our hide supply. The logic of this situation completely escapes me.

Massive foreign purchases of our cattle hides resulted in prices going through the roof. No industry can sustain a 900-percent increase in its basic raw material over a 4-year period, and expect to survive. With a question of inflation preying on everybody's mind we ought to recognize that the estimated cost to American consumers of increased leather goods prices is $2 billion in the next year. In an $8-billion industry, an increase of that magnitude is too significant to be ignored by a country waging a war on inflation.

It is unconscionable that we could continue to allow a drain of our own natural resources to the detriment of an American industry so as to provide for free trade of this commodity. We are not talking about free trade here. There is no free trade when the other major hide producing countries have placed embargoes on the exports of their own cattle hide supplies, creating an artificial world marketplace. The very viability of an entire industry is being called into question as we fiddle here with talk of "free trade."

In testimony before the U.S. Senate Agricultural Committee a member of the board of directors of the Montana Cattlemen's Association stated:

> The senseless policy of exporting hides and skins—raw leather—has all but phased out the American tanning industry and therefore the American leather goods industry.

She concluded in stating that:

> We are Americans. We live by American standards, pay American taxes and believe that as Americans we have the first right to provide goods and services for our fellow Americans.

I could not have better stated the situation myself.

I cannot continue to stand by and watch as 400,000 American jobs are threatened in the tanning and leather industry. At least once a month the doors of a New Hampshire footwear manufacturer are slammed shut; in direct response to the adverse impact of shoe imports upon domestic industry.

The amendment we are submitting today is tailored to the exigencies of the immediate situation, stipulating that until foreign governments move their own export controls or adequate supplies are available to domestic users, the United States will limit our cattle hide exports to reasonable historical levels. The amendment is both reasonable and flexible.

All other avenues of action have failed to produce a solution, however valiant our negotiated attempts. At the Office of the Special Trade Representative's own admission, they have failed to arrive at an acceptable conclusion in bilateral or multilateral negotiations. We are then left with the unavoidable choice of implementing export controls or witnessing the total demise of the American tanning and leather industry.

I believe the choice is clear. I urge you to join me in supporting the Muskie amendment to S. 737.

FREE TRADE

There is no free world market in hides. The United States produces 15 percent of world supply—provides 75 percent of trade in cattle hides.

Argentina and Brazil produce 10 percent, but export none. India and Pakistan export none.

Italy asked for export controls at Brussels meeting, EEC. Purchased 1.2 million hides last year. Already in this first quarter of the year—Italy has purchased over half a million—524,000.

Italy has sold us 11.6 million more shoes this year than last—a 70-percent increase.

Mexico embargos all hide exports. Mexico bought 1.9 million hides last year and had purchased 863,000 by end of May 1979. Mexican exports shoes to United States—up 61 percent from 1978.

Romania is the fifth largest purchaser of U.S. hides—bought 1.9 million last year. Value of Romanian exports to United States up 7.8 percent from last year.

We are importing inflation—not just shoes.

TRADE RECIPROCITY AND FAIRNESS

Eastern Europe purchasing decisions are not based on economic determinations as we understand them. They buy as a matter of government policy.

Eastern Europe buys 13 percent of U.S. hides, but does not buy U.S. finished leather goods. Romanian exports to the United States are up seven-eighths percent in value over 1978.

Brazil exports to United States are up 41 percent from 1978. Their value is up 13 percent.

Brazil is building up and protecting her leather industries and using United States as a market. Brazil argues that it is a developing nation and should be treated differently. I disagree.

This is not free trade. The U.S. leather worker is being asked to help subsidize and protect Brazilian leather workers, at our expense.

Japan buys from behind a protected market. It can pay these prices because Japanese leather products do not have to compete in price with others, such as ours.

Japan takes almost 24 percent of U.S. exports, but refuses to permit sales of U.S.-finished leather goods in Japan.

The recent modest agreement to sell leather to Japan is not being implemented.

Korea and Taiwan took 4.7 million hides between them and sold the shoes to the United States. We were forced to undertake orderly marketing agreements because of the flood of imports. Our overseas competitors have tried to circumvent these by selling quasi-finished products instead.

Let us look at the balance of payments in leather.

[In millions]

1978 figures:	
U.S. sold $687 million in hides abroad	+$687
U.S. sold $194 million in leather and shoes	+194
Total	881
U.S. imported $222 million in leather	−222
U.S. imported $2.22 billion in leather products	−2,220
Total deficit	2,424

Our adverse balance of payments in leather accounts for 8 percent of the total U.S. trade deficit. Selling hides when we import finished products at this rate does not help the balance of trade. Other agricultural products are exported, but do not come back as finished food for resale in the United States at the expense of our workers.

INFLATION

Lower hide prices domestically will not result in higher meat prices. Export prices would not drop—the contrary would occur in fact. Evidence that domestic hide prices would drop is nonexistent. They would stabilize. Why should that increase beef prices?

If we care about inflation, look at inflation in hides: Barry Bosworth; last October, when hides were bringing 58 cents a pound—up 100 percent from 1977—said:

> Prices of hides and skins have exploded during 1978.

What would he say now, when hides are bringing $1 per pound?

This inflationary pressure has a delayed-action impact that will hurt us all.

Hide prices are up 162 percent over the last 18 months, the largest increase has occurred in the last 5 months. Leather prices are also up—111.7 percent from the first quarter of 1978. Finished leather goods prices have shown relatively little of this explosion yet. In fact, the industry has a good inflation record.

But it cannot keep it up at this rate. Shoe prices rose 6.3 percent from 1978 in

the first quarter—compared to a 9.8-percent CPI for the same period.

At wholesale, shoe prices are now rising 17 percent over last year—and that price will be reflected in our retail stores. Leather goods constitute $8 billion annually in consumer purchases. Price increases already in the pipeline may add $2 billion to that. Hide price increases in 1979, which have been much worse, will aggravate inflation in 1980 and 1981.

Bosworth said last October: "Footwear prices could move up sharply later this year." He was right.

As prices go up, competitive restraint on imported items is lessened.

Brazil's exports to the United States are up 13 percent in value from 1978. Romania's are up 7 percent. Korean sales to the United States are up 30 percent. Taiwan's unit value for imports is up 40 percent. Imported shoes have gone up well over 16 percent in value on average.

When our domestic shoe prices go through the roof, what restraint will exist against massive price increases from overseas? None.

Expenditures on shoes in the United States rose 13.7 percent from 1978 and will continue to rise.

Footwear increased its total share of expenditures on the joint clothing/shoes index from 14.96 cents on the dollar to 15.07 cents. This is a foretaste of what will come. Shoe industry records show that when prices skyrocket, for example, people buy fewer shoes. They do not switch to nonleather shoes.

Let us look at the employment figures in the United States; 400,000 jobs in tanning and leather industries directly.

Retail sales—105,000 retail stores, depending in part or wholly on leather goods sales.

Layoffs are up over 7.7 percent from last year. Thousands of New Hampshire shoes workers have seen the factory doors swing shut for the last time. Productivity in the footwear industry is good. The industry is trying to recover its vitality. It has registered a productivity gain of 3 percent over last year—at a time when productivity was declining elsewhere in our economy. We should not let an efficient industry collapse at this time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, it is U.S. trade policy to promote exports of agricultural products when supplies are greater than what the American consumer needs or wants, not to deprive him of basic commodities he desires and should be able to buy.

We are not exporting a surplus of hides, but rather the bulk of the hides in this country, over 70 percent, as a matter of fact.

Our domestic industry needs 10 to 20 million hides and they have to get by on 10 million.

Mr. President, no other agricultural commodity is exported as the same high rate, 83 percent in March, April and May of this year. Last fiscal year, 54 percent of soybeans, 55 percent of wheat, 73 percent of rice, 40 percent of cotton, 40 percent of almonds, 35 percent of tobacco, 30 percent of corn; other cattle byproducts—40 percent of tallow, 16 percent of edible offal.

Mr. President, immediate action is needed to alleviate the crisis that now exists in our leather products industry. I rise to support the Muskie-Baker amendment in an effort to insure that adequate supplies of cattlehides will be available for domestic leather users.

Cattlehides are the principal raw material for the production of leather products. Foreign governments, such as Brazil and Argentina, have refused to export their own cattlehides which in turn has caused a disproportionately high demand for reduced U.S. supplies. In March through May of this year, 83 percent of our U.S. hides were exported, resulting in a price increase of over 150 percent in just over a year. Although the United States has only 15 percent of the world's hide supply, it presently accounts for 75 percent of the hides traded on the world market.

This is not a free market situation. Export restrictions are maintained by the other major cattlehide-producing countries. The U.S. Department of Commerce has stated, that approaches recently made by the Office of the Special Representative for Trade Negotiations to the government of these countries to encourage them to relax their restrictions on hide exports, have proven unsuccessful.

These anticompetitive practices of foreign trading partners are injuring our manufacturers, tanners, retailers, workers, and consumers. Some 400,000 U.S. jobs are threatened by such practices. Without the raw material of cattlehides, factories are going to close up.

In New Hampshire, over 11,000 people are employed in leather products industry. Tanneries are closing. Factories are extending vacations and consolidating plants. Jobs are being lost.

The Muskie-Baker amendment to S. 737 is a fair and equitable way of assuring our domestic industry their fair share of an American raw material. I support this amendment which helps assure U.S. jobs, helps keep down inflation in leather good prices and helps assure the continuation of a viable leather goods industry in the United States.

This is not just a shoe problem. The leather crisis affects over 400,000 workers and every industry using leather—gloves, sportswear, handbags, belts, and furniture.

As long as the rest of the world continues to embargo hide exports and prohibits import of our leather products, the United States must take steps to protect its own workers and consumers.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I reserve the remainder of my time, and ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, I reserve the remainder of my time. I do not have much remaining.

The PRESIDING OFFICER. Who yields time?

Mr. HEINZ. Mr. President, is one of the Senators seeking recognition

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized? Who yields time to the Senator from Iowa?

Mr. HEINZ. I yield to the Senator from Iowa 1 minute on the bill.

Mr. JEPSEN. Mr. President, I join my colleagues, Senators CULVER, PERCY, DOLE, WALLOP, BENTSEN, and others, in opposing this amendment.

I point out that if our Nation seriously wants to reduce our trade deficit, if our Nation truly wants to live up to the years and years of work and the thrust and the goals that will soon be presented in the form of a treaty called the Multilateral Trade Negotiations. In light of all of our efforts, with this new trade agreement and other efforts to develop world trade, I believe we should and must oppose this kind of action that is proposed in this amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. I yield to the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I rise to ask unanimous consent that a letter originated by the National Cattlemen's Association, with great concern about the result of lowering the price of cattle hides, initially by restricting exports, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *June 19, 1979.*

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PRESSLER: We are concerned about an effort to lower the price of cattle hides artificially by restricting exports. We oppose such government interference in the free market which would directly raise beef prices for consumers and would be damaging to the nation's balance of payments.

The full Senate will soon be considering S. 737, the Export Administration Act of 1979. At that time, a floor amendment may be offered to treat the exporting of animal hides differently from the exporting of other agricultural commodities. In its present form, Section 4(1) of S. 737—consistent with current law—prohibits export controls on any agricultural commodity, including animal hides, unless the Secretary of Agriculture approves such controls. The Secretary could not approve controls during any period he determined the supply to exceed the requirements of the domestic economy.

The real purpose of such an amendment to treat hides differently—thus removing the Secretary's veto power—would be to make it easier for the government to impose export controls on them. We think such an amendment is unwise and urge you to oppose it. We also urge you to oppose other legislative or administrative efforts to limit hide exports. Enclosed is a brief Question and Answer paper which exolains the issue in more detail and why we oppose export controls on hides.

C. W. McMillan, Vice President, Government Affairs, National Cattlemen's

Association; John G. Mobay, Presi-

ing industries which use leather. Many industry is in deep trouble and it is

Association; John G. Mobay, President, National Independent Meat Packers Association; John W. Scott, Master, the National Grange; Richard Lyng, President, American Meat Institute; Roy W. Lennartson, Washington Representative, Western States Meat Packers Association; Charles L. Frazier, Director, Washington Staff, National Farmers Organization.

Mr. PRESSLER. Mr. President, I think the letter speaks for itself. It is also signed by the American Meat Institute representative, the National Independent Meatpackers Association, the National Grange, the Western States Meatpacker Association, the National Farmers Organization, and others.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HEINZ. Mr. President, I yield myself 30 seconds on the bill.

Mr. President, I rise in strong support of the amendment to the Export Administration Act of 1979, S. 737, offered by the distinguished Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Tennessee (Mr. BAKER) to limit U.S. exports of animal hides and skins to their traditional level until either foreign governments remove their own export controls or adequate supplies are available to domestic users.

My reasons for supporting this amendment are many and varied. The amendment addresses an urgent problem facing the domestic leather industry. It is needed in order to assure domestic users of leather adequate supplies of hides, and American consumers of fair prices for finished leather products.

Although the United States has only 15 percent of the world's supply of cattle hides, it accounts for 75 percent of the hides freely traded in the world. From March through May 1979, 83 percent of our hides were exported, leaving our domestic leather industries with just over half their necessary supply. During this same time period, foreign governments have imposed export restrictions on their own hides, causing export demand to shift to the U.S. market. The United States has now become the only supplier of hides to the world.

The cattle hide export problem affects every consumer in this country. Excessive foreign demand for domestic hides, particularly in Japan and Korea, has caused prices to increase as much as 150 percent in just over a year. If action is not taken immediately, consumers could be forced to pay an additional $2 billion for leather goods within the next year. Even worse, it is possible that leather products may not be available at any price unless American industry is allowed to buy more domestically produced hides.

The price of American hides has more than tripled in the past 17 months. Cattle hide for shoe leather that cost 37 cents a pound in 1977 costs as much as $1 a pound today. This is the largest inflationary increase of any primary raw material produced in our economy. American consumers cannot afford price increases of this magnitude.

More than 500,000 workers are affected by the current leather crisis. Indirectly, an additional 600,000 work in jobs serving industries which use leather. Many of these jobs will be lost if an adequate supply of hides is not readily available for domestic users, or if price increases make these U.S. industries uncompetitive.

I believe it is important to emphasize that export controls on hides will not damage our balance of payments. Hide exports account for only one two-hundredth of the total value of U.S. exports. The balance-of-payments problems result from the fact that the United States is not permitted to export its finished leather goods to foreign markets. Hide exports frequently return to the United States as higher value, finished products. In 1978, the deficit in the leather and leather products industry was almost $2.5 billion, 10 percent of the total U.S. trade deficit.

In addition, Mr. President, I think we ought to keep in mind the international implications of this situation.

Far from being a protectionist action, export controls are not designed to keep anything out; and if applied equitably, are not violative of the GATT. As I indicated we have 15 percent of the world's supply but are supplying 75 percent of the freely traded hides. This is not an equitable marketing situation, and it cannot truthfully be said we have a free market in hides.

Under these circumstances, it is imperative that we take the action necessary to insure adequate domestic supplies while at the same time are trying to rectify this situation internationally by persuading the hide producers to export.

It is a travesty that American consumers may soon be unable to afford or even obtain leather products, despite the fact that the United States is the world's major producer of cattle hides. As long as the rest of the world continues to embargo hide exports and prohibit importation of our leather goods, the United States must take action to protect its own workers and consumers. It is my hope that my fellow Senators will join me in supporting this much needed amendment to moderate the number of exported hides, and I urge its immediate adoption.

Mr. MUSKIE. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Maine has 59 seconds remaining.

Mr. MUSKIE. Mr. President, I simply wish to make two brief points.

No. 1, hides constitute, according to the best information that I have, 7 to 8 percent of the profit or price of beef cattle. Leather constitutes from 20 to 45 percent of finished product value.

What we are asking for here is a reasonable and equitable sharing of the economic prospects of this country.

The beef industry is not in trouble at the present time. If it is, then I do not know what prices have to soar to. I do not buy beef as often as I used to because of the price.

And here these representatives from beef States tell me that this amendment is going to damage the beef industry. The fact is, Mr. President, that the shoe industry is in deep trouble and it is in deep trouble on two fronts. One, because the shortage of raw material is closing down tanneries and closing down shoe industries. Two, because our leather hides are being converted by competition abroad into manufactured leather goods that come into this country at lower prices than our own, and undercutting our own people.

For Heaven's sake, I am for a healthy beef industry. But does that require that we deal a death blow to another important American industry? How greedy can you get? Beef prices are up, profits are up. My good friend from Oklahoma, Senator BELLMON, tells me constantly in the Budget Committee that farmers are making money this year. And here we have New England losing jobs because of this. We have a modest amendment, and I urge my colleagues to vote for it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. Time is up.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I oppose this amendment. It is apparent from this debate that what is good for the leather industry is not good for the livestock producers.

I opt for exports, against Government regulation and for efforts to enhance the productivity and the competitiveness of the leather industry.

Mr. MUSKIE. Mr. President, will the Senator yield on that point? How can you get more productivity if you cannot get the raw material? Has the Senator got an answer for that?

Mr. STEVENSON. The raw material in this case, Mr. President, is substantially in excess of domestic supply. There is no shortage of raw material. It is the price.

Mr. MUSKIE. Price is no problem. There is a shortage of hides in this country that is less than half of the domestic requirements. The facts speak for themselves.

The Senator can choose to ignore those facts. The price has gone up, and our people are paying for it, but they are shipping abroad and the Japanese are speculating the price upward, and that speculation is attracting the hides and taking them away from our market.

Mr. STEVENSON. Mr. President, if what the Senator says is a fact—and I deny that it is a fact—then controls are available under existing authority and without this amendment.

With that I am prepared to yield back our time.

Mr. ROBERT C. BYRD. Mr. President, I am pleased to cosponsor the pending amendment introduced by my distinguished colleague, Mr. MUSKIE.

The American leather goods industry is facing a monumental crisis. It is faced by a rapid rise in the price of domestic leather hides—over 160 percent since December 1977—which threatens its very ability to compete with exports.

The leather goods and tanning industries in West Virginia and the other

States are hard-pressed to pay the higher prices for hides which, I might add, will eventually be passed on to the American consumer in the form of higher prices for shoes and other leather products.

What is the cause of these higher prices? There is an artifically created shortage of hides on the international market because major hides producers, including Uruguay, Brazil, and Argentina, are embargoing the shipment of hides produced in their countries in order to protect their own leather goods industries.

The net result is that U.S. hides, which represent only 15 percent of world production, account for 75 percent of the world hides trade. And the prices of U.S. hides are going sky high.

This is clear and simply an unfair trade situation. The amendment before us is the appropriate remedy.

It conditions free exports of U.S. hides on one of two factors:

First. Reasonable export levels from hide producing countries, and

Second. An adequate domestic supply, taking into account export demands.

Mr. President, I support the expansion of international trade—international trade that is fair. This amendment confronts a trade situation that is blatantly unfair.

● Mr. NELSON. Mr. President, I rise in support of the Muskie-Baker amendment to S. 737, the Export Administration Act.

In the United States today there is a trade deficit in the hide, leather, and leather products sector of our economy of $2.5 billion. This dollar figure is even more startling when we consider that this $2.5 billion represents nearly 9 percent of the total U.S. trade deficit for 1978. With the exception of textiles, it is the largest trade deficit for any industry sector.

The trade deficit is only a small part of the story. Hidden behind this deficit are about 300,000 jobs nationwide as well as the possible demise of many tanning and leather manufacturing companies. In the last 10 years, the number of tanners nationwide has decreased from nearly 500 to approximately 250 today.

The problem that confronts the Senate today is whether our leather products industry needs to be protected from unfair foreign export restrictions. I believe it does.

In 1971, the Governments of Argentina and Brazil and, subsequently, most of the countries of South America, Africa, and Asia banned the export of hides. As a result, the United States has become the only country that has a large supply of cattlehides and calfskins and allows unlimited foreign access to this supply. At the same time, major foreign markets for leather and leather products are closed to U.S. producers because of high, restrictive quotas on imports of leather products or, as in the case of Korea, Mexico, and Spain, total restrictions on leather imports.

The United States has only 15 percent of the world's hide supply, yet it accounts for almost 75 percent of the hides freely traded on the world market. Clearly, the interests of U.S. consumers, workers, and industries should not be sacrificed to the anticompetitive practices of our foreign trading partners.

The restrictions on access to foreign raw materials and foreign markets has led to the existing crisis for the U.S. tanning and leather industries:

In 1975, hide exports were less than 50 percent of total commercial slaughter in the United States;

In 1977, hide exports were over 56 percent of commercial slaughter;

In 1978, hide exports were 62 percent; and

In 1979, indications are that with slaughter declining to 37 million head or less, exports will amount to 68 percent or more of commercial slaughter.

If our leather products industry is to remain strong, competitive, and a viable sector of our economy, domestic exports of cattlehides and calfskins must be limited to 50 percent of total U.S. hide supply.

The Muskie-Baker amendment to S. 737 could accomplish this goal by limiting U.S. exports to reasonable historical levels until adequate supplies are available to domestic users or foreign governments remove their own export controls.

I urge Senate passage of this amendment.●

COWHIDES

● Mr. BAUCUS. Mr. President, I rise to oppose an amendment that may result in an export embargo on cowhides.

Leather industry representatives have lobbied hard for this amendment. I don't deny that the leather industry has problems. Nevertheless, an export embargo is not the way to deal with these problems.

Wednesday, I submitted for the record a statement explaining my opposition to the cowhide embargo. I would like to make just a few additional comments at this time.

First, there is not a shortage of American cowhides. The United States will produce 34 million hides this year. The domestic demand is 18 million hides.

So there is not a shortage—the domestic industry is just unwilling or unable to pay world prices.

Second, cowhide prices have been going down. They reached a peak of $94 per hundred pounds on April 19. Thus, the price of $1 per pound that leather industry representatives quoted was only temporary.

Representatives from agricultural regions will remember disruptions caused by President Nixon's embargoes on wheat and soybean exports in 1974. These embargoes not only drove down farm prices and income, but they did lasting damage to our trade relationships.

It would be just as serious a mistake to impose an embargo on cowhide exports. I would strongly urge my colleagues to oppose this amendment.●

● Mr. ROTH. Mr. President, I am cosponsoring the proposed Baker-Muskie amendment to the Export Administration Act, because it is fair in terms of other countries' practices in world trade in hides and because it will help deal with some of the real problems of the 400,000 men and women employed in the leather goods industry.

The United States is the producer of just 15 percent of the world's hides, yet is the supplier of some 75 percent of all hides involved in world trade. This is largely because other major producing countries, such as Brazil and Argentina, restrict export of their hides, thus putting an undue burden on American supplies.

The United States attempted to get international agreement on the principles that ought to be followed in access to supplies during the recent Geneva trade negotiations. Other countries, however, were unwilling to agree to reasonable principles. Consequently, we should feel free to take reasonable steps, such as proposed here, to protect the interests of our Nation. Forceful U.S. action to protect our interests, in fact, can only help in continuing U.S. efforts to negotiate general international principles governing supply access.

In addition to the fact that other cattlehide producing countries restrict export of their hides, Japan, a major buyer of hides, will not allow the United States to sell them finished leather products. This double whammy in the trade areas causes our industry major economic problems.

Others will describe the economic effects of this unfortunate situation in terms of employment and increased prices for the consumer. Our only recourse, however, is to hold a sufficient supply of hides in the United States so we can produce some finished goods, also. This will not only help our industry economically, but will aid in dealing with the fair trade practices now faced by our industry.

For these reasons, I support this amendment.●

Mr. LEAHY. Mr. President, I rise today to speak in support of the amendment sponsored by the Senators from Maine and Tennessee, and to say that I am happy to be a cosponsor of this most critical amendment.

I had planned to be in Vermont today, but I canceled those plans so that I could be here to promote this amendment.

The current crisis facing the leather products industry in this country not only threatens the jobs of some 400,000 American workers, but also stands to add upward of $2 billion to the prices Americans will pay for leather goods next year.

Mr. President, I am a strong proponent of free world trade, but trade relationships must be based on reciprocity, and the current trade patterns in hides are far from reciprocal.

At a time when world hide production is at a low, other hide producing nations have not responded by limiting their hide imports or increasing their exports. In fact, they have done just the opposite.

The world's major hide-producing nations, Argentina and Brazil, have embargoed all hide exports to protect their domestic industries. As a result, U.S. hides, which constitute 15 percent of world hide production, comprise a full 75 percent of world trade in hides.

To meet the increased world demand for hides, the share of U.S. hide production devoted to exports has risen from a historical level of 50 percent to an alarming 83 percent. Domestic users are getting just 17 percent of U.S. production. They need more than twice that amount. They are literally being chocked out of business.

This Government cannot sit back and do nothing about this outrageous situation.

We cannot turn our backs on 400,000 domestic leather manufacturers and retailers.

We cannot acquiesce to 25-percent increases in the prices of leather goods to consumers.

We cannot allow a clearly unjust trade relationship to continue unchallenged.

I am, therefore, pleased to support this amendment which will appropriately restrict U.S. exports of hides unless domestic supplies are adequate, or the export levels from other hide producing nations are more reasonable.

I urge my colleagues to support this amendment, and thus afford our domestic leather products industry and the American consumers the protection which they deserve.

Mr. MUSKIE. I do not have any more time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

Mr. STEVENSON. The yeas and nays have been ordered, Mr. President.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NUNN (when his name was called). Present.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Alabama (Mr. HEFLIN), the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) would vote "nay."

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER (Mr. CHILES). The Senate will be in order. The clerk will suspend the call of the roll until order is restored.

The clerk may proceed.

The call of the roll was resumed.

Mr. DOLE. Regular order, Mr. President. Regular order.

The PRESIDING OFFICER. Have all Senators who wish to be recorded voted?

The result was announced—yeas 38, nays 46, as follows:

[Rollcall Vote No. 205 Leg.]

YEAS—38

Baker	Humphrey	Pryor
Bradley	Javits	Randolph
Bumpers	Kennedy	Riegle
Byrd, Robert C.	Leahy	Roth
Chafee	Levin	Sarbanes
Cranston	Magnuson	Sasser
Durkin	Mathias	Schweiker
Eagleton	Metzenbaum	Stafford
Glenn	Moynihan	Thurmond
Heinz	Muskie	Tsongas
Helms	Nelson	Warner
Hollings	Pell	Williams
Huddleston	Proxmire	

NAYS—46

Armstrong	Dole	McClure
Baucus	Domenici	McGovern
Bayh	Garn	Meicher
Bellmon	Goldwater	Packwood
Bentsen	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hayakawa	Schmitt
Byrd, Harry F., Jr.	Inouye	Simpson
Cannon	Jackson	Stennis
Chiles	Jepsen	Stevens
Church	Johnston	Stevenson
Cochran	Kassebaum	Stewart
Culver	Lavalt	Stone
Danforth	Long	Wallop
DeConcini	Lugar	Zorinsky
	Matsunaga	

ANSWERED "PRESENT"—1

Nunn

NOT VOTING—15

Biden	Ford	Ribicoff
Burdick	Gravel	Talmadge
Cohen	Hart	Tower
Durenberger	Heflin	Weicker
Exon	Morgan	Young

So Mr. MUSKIE's amendment (No. 353) was rejected.

(Later the following occurred:)

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that my vote on the last amendment be changed from "yea" to "nay." I do not believe it will change the result of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 427

(Purpose: To permit the export of defense articles and services which have a nonlethal design and which are to be used in furtherance of the safety and well-being of the civilian population)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 427.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 62, between lines 20 and 21, insert the following:

"(q) Notwithstanding any other provision of law, the export to a country, other than a country referred to in section 620(f) of the Foreign Assistance Act of 1961, of defense articles or defense services which have no direct lethal mission design and which are to be used in furtherance of the safety and well-being of the civilian population of the country to which the items are being exported, shall not be prohibited unless the President determines and reports promptly to the Congress that such criteria of nonlethality and usage are not met.".

Mr. HELMS. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. Will Senators please take their conversations to the cloakroom? Maybe the Chair should observe that the Sergeant at Arms is sitting at the right hand of the Chair and ready to go into action if necessary. [Laughter.]

Will the Senate please be in order?

Mr. HELMS. Mr. President, I will be relatively brief.

This amendment will modify current legislative restrictions on the sale to non-Communist countries of so-called defense articles and services so as to allow the sale of those articles which are now on the U.S. munitions list but which have no direct lethal mission design, which have a nonlethal application and which are to be used in furtherance of the safety and well-being of the civilian population.

All industries and unions in the United States who are involved in the production and export of medium and high technology products—particularly the electronics, general aviation, commercial aviation, heavy electrical, and specialized computer industries, will be positively affected by this amendment. It will provide additional jobs and the U.S. balance of trade will benefit, thus reducing inflation and strengthening the dollar in the international marketplace.

Currently, section 38, Arms Export Control Act (AECA), authorizes the President to control the export of "defense articles and defense services," and to designate those items which are to be controlled. The items so designated constitute the U.S. munitions list.

However, the U.S. munitions list controls many items other than weapons and implements of war. These include such items as trucks, transport, and general purpose aircraft and helicopters, oxygen masks, propulsion units and engines, parachutes, navigational systems, training equipment, cameras, and protective clothing. Thus, the sale of these articles is strictly controlled and, in some cases, prohibited.

Congress has previously acted to remove many of these articles from such stringent control. Section 27 of the International Security Assistance Act of 1977 directed the President to "undertake a review of all regulations relating to arms control for the purpose of defining and categorizing lethal and nonlethal

products and establishing the appropriate level of control for each category."

However, the administration failed to comply. In the absence of any indication that such a review had been accomplished, section 25 of the International Security Assistance Act of 1978 further directed the President, within 120 days after enactment, to report in writing to the Congress the results of the review which was supposed to have been conducted the previous year.

The administration report was presented to the Congress on January 26, 1978. After this lengthy review, the administration concluded:

It would be extremely difficult to formulate a useful definition of "lethality" or "lethal impact" for control purposes. Such a definition would offer no basis for any substantial revision in the level or type of export control currently accorded defense articles and defense services on the U.S. Munitions List.

A recent Library of Congress study reached conclusions somewhat different from that of the Administration. The CRS study concluded:

The use of the concept of lethality as a key ingredient in export regulations is reasonable * * *.

This amendment, therefore, is needed in order to move a reluctant executive branch down a road that the Congress has previously laid out. Most U.S. sales of "defense articles and defense services" do not involve weapons, ammunition, implements of war, lethal, or wound-inflicting articles. Of stated sales agreements for U.S. defense articles and equipment, only some 40 percent in recent years has consisted of arms and ammunition; the remaining 60 percent was comprised of spare parts, supporting equipment, and supporting services.

Supporting equipment includes training and cargo aircraft, tankers, tugs, barges, trucks, trailers, radar, communications equipment, and other equipment and supplies. Supporting services include construction, supply operations, training, technical, and administrative services. It seems obvious that most U.S. foreign military sales have not actually involved "arms" in the strictest sense, although the ancillary supplies and services may contribute to the military capabilities of buyers.

These nonweapons articles whose sale is controlled or prohibited by the United States are easily obtainable elsewhere.

Thus, these U.S. restrictions on the sale of "defense articles and defense services" lead to ludicrous decisions.

For example, cargo helicopters and general purpose aircraft are on the U.S. munitions list and are thus controlled or even prohibited from export to certain countries. These articles, to include spare parts and maintenance service for previously sold systems, often cannot be exported.

But these products are easily obtained from other countries. When the United States controls or denies these exports, other nations in their own self-interest must seek other sources of supply or must develop their own indigenous industries to assure future supplies.

These controls accomplish little except that U.S. business loses important export markets, and American labor loses jobs. America can no longer influence the behavior of other nations by economic retaliation. Our preeminent position in the world economy has eroded. Our once substantial lead in technology has been overtaken in many significant areas. In many areas of medium and high technology, foreign competitors from Europe, Japan, and even some developing countries export goods that approach or surpass the best American designs.

In this climate, using export embargoes to achieve political goals is a policy that can boomerang. In most cases, countries denied U.S. goods can easily find them elsewhere. If we use economic boycotts as a political tool, we cannot complain when others use this action against us or our close friends.

Thus, our restriction of nonarms exports damages only American workers and the American balance of payments. Increasingly, the other side of the trade coin becomes important. America needs the benefits of trade, the exports needed to sustain U.S. employment and to pay for our imports of machinery, manufactured goods, and oil. The only way open to us to influence other nations through trade without harming American workers is to ban imports to the United States, the world's largest consumer market, of offending nations.

By voluntarily limiting or eliminating our own nonmilitary export markets, America's overseas economic and political power is weakened. In the short run, the U.S. trade balance suffers, and the value of the dollar drops; this undermines confidence abroad in America's economic vitality. In the long run, the U.S. competitive position permanently deteriorates from a willful sacrifice of markets. Paradoxically, the more the United States seeks to use the levers of trade to achieve political results, the more it may weaken its economic and political power.

This unnecessary restriction on American nonmilitary exports should be removed and that is the purpose of this amendment. I urge its adoption.

I reserve the remainder of my time.

Mr. JACKSON. Will the Senator yield?

Mr. HELMS. Gladly.

Mr. JACKSON. Mr. President, I have not had an opportunity to read the Senator's amendment, but he refers to nonlethal systems. I make a point of caution here that nonlethal systems would include, for example, sending sophisticated commercial guidance systems on a commercial basis. That would be a matter of great concern.

I do not disagree with what the Senator is trying to do, but I think it might be helpful if we could take a look at the amendment to make sure that we are not sending out highly sophisticated technology.

Mr. HELMS. I agree with the Senator absolutely. Why do we not consult for a few moments? I agree with him, I say again, about the export of sophisticated technology.

Mr. JACKSON. I know that, and I appreciate that fact. I am wondering if I can suggest the absence of a quorum while we take a look at the matter.

Mr. HELMS. Let's do that.

Mr. JACKSON. Mr President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HELMS. Mr. President, I ask unanimous consent that we have a brief quorum, with the time to be charged to nobody. I assure Senators we shall not take much time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that I be permitted to lay aside this amendment temporarily so the distinguished Senator from Colorado may call up his amendment, at the conclusion of which another quorum call will be instituted on the basis that the Senator from North Carolina suggested a while ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 428

(Purpose: To assure the submission on a confidential basis of information relevant to the authority under section 7)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 428.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 95, between lines 5 and 6, insert the following:

"(h) Nothing contained in this section shall be construed to preclude submission on a confidential basis to the Secretary of Commerce of information relevant to a decision to impose or remove monitoring or controls under the authority of this Act, nor consideration of such information by the Secretary in reaching decisions required under this section. The provisions of this subsection are not intended to change the applicability of section 552(b) of title 5, United States Code.".

Mr. ARMSTRONG. Mr. President, under section 7 of the bill—

Any entity, including a trade association, firm, or certified or recognised union or group of workers, which is representative of an industry or a substantial segment of an industry which processes any material or com-

modity may transmit a written petition to the Secretary of Commerce requesting the imposition of export controls, or the monitoring of exports, or both, with respect to such material or commodity.

And a procedure is established for doing so. The purpose of my amendment is to make it clear that, in addition to the hearings and other public submissions, it would be in order for such a person or firm or organization to provide such information on a confidential basis to the Secretary, for the Secretary to receive that information and take it into account, and, nonetheless, to keep it on a confidential basis.

Obviously, what we are addressing here are those things which are proprietary in nature and which ought to be, in fairness, protected for the individuals and firms concerned. I urge the approval of the amendment.

Mr. STEVENSON. Mr. President, I have discussed this with the cosponsors. This amendment clarifies the intent of the law. It is a useful amendment. We are happy to accept it.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back? All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 427

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Kansas such time as she may require.

Mrs. KASSEBAUM. Mr. President, I have been very supportive of what Senator HELMS was trying to address in exempting nonlethal systems. After discussing this with the distinguished Senator from Washington, I think we do feel that, in the version that has been passed by the House, this has been sufficiently taken care of. It is my concern—and I hate to speak from parochial interests, but Beech and Cessna and Boeing and Gates and General are all in Kansas and have recently suffered some setbacks in sales because they have not been able to do the proper negotiating. I think if there can be these exemptions made for small aircraft which is used for training purposes and so forth, I would feel this has been taken care of.

Mr. HELMS. I thank the distinguished Senator. This is the point I wanted to clear up with my friend from Washington.

Mr. JACKSON. Mr. President, I concur in the comments made by the distinguished Senator from Kansas. I should say that the language in the bill reported by the House committee dealing with this matter addresses the subject properly. It is my understanding that the House committee language permits export of what the Senator has in mind to friendly countries so that there is not any problem.

The problem here is the danger of highly sophisticated systems, inertial navigation systems, for example, going to the Soviet Union. The language in the House bill, I do believe, takes care of the point that the Senator from North Carolina has endeavored to make as sponsor of the amendment and the point made by the distinguished Senator from Kansas. So I hope that the Senator will see fit to withdraw the amendment in light of this colloquy.

Mr. HELMS. I intend to do so in just a moment, Mr. President. I want to underscore that I agree with my friend from Washington with reference to the export of sophisticated computer technology directly or indirectly to the Soviet Union. A couple of years ago, I voted against this piece of legislation—I was the only Senator who did so—because I saw in that bill some loopholes which alarmed me considerably concerning the potential export of sophisticated technology to the Soviet Union. I know that the Senator from Washington has long-held similar apprehensions.

Let me be sure that I understand not only the Senator from Washington but the professional staff members who have worked on this legislation. The provisions already in the House bill will permit the export of nonlethal items to such Latin American countries such as Chile, who wants to be our friends, is that right?

Mr. JACKSON. I am sorry. I did not hear the Senator's question.

Mr. HELMS. The House provision to which the Senator alluded a moment ago would permit nonlethal exports to, say, Latin American countries such as Chile, who want friendly relations with the United States?

Mr. JACKSON. That is correct, friendly countries.

Mr. HELMS. Chile is one of those. Chile is trying to move in a direction to pacify her critics in this country, some of whom are highly selective, to say the least, in their human rights assessments. This Senator has seen no point in our failing to encourage Chile in that regard. In fact, there is an element of folly in it.

So with the assurance that there is agreement in the Senate that we will have an open mind about all friendly countries in terms of nonlethal exports, and with the opinion of the able Senator from Washington, which I share, that the House bill provision does, indeed, make that clear, if properly interpreted by the executive branch, I am inclined to withdraw the amendment.

Mr. JACKSON. Just for the record, so we complete it, the House bill, on page 47, section 111, covers this. The title is "Civil Aircraft Equipment." And I think we can print that at this point in the RECORD.

Mr. HELMS. I ask unanimous consent that it be printed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CIVIL AIRCRAFT EQUIPMENT

SEC. 111. Notwithstanding any other provision of law, any product (1) which is standard equipment, certified by the Federal Aviation Administration, in civil aircraft and is an integral part of such aircraft, and (2) which is to be exported to a country other than a controlled country, shall be subject to export controls exclusively under the Export Administration Act of 1969. Any such product shall not be subject to controls under section 38(b)(2) of the Arms Export Control Act. For purposes of this section, the term "controlled country" means any country described in section 620(f) of the Foreign Assistance Act of 1961.

Mr. JACKSON. I thank the Senator.

Mr. HELMS. I thank my friend from Washington.

With those assurances and with that understanding, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 348, AS MODIFIED

(Purpose: To specify the obligation of government departments and agencies to share foreign availability information)

Mr. JACKSON. Mr. President, I call up my amendment No. 348.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Messrs. NUNN, HOLLINGS, COHEN, HATCH, HARRY F. BYRD, JR., TOWER, MOYNIHAN, THURMOND, BAYH and DOMENICI, proposes an amendment No. 348.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, line 7, after the period, insert the following: "Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration and such Office shall furnish the information it gathers and receives to such departments and agencies.".

Mr. JACKSON. Mr. President, I have conferred with the majority and minority on this and wish to modify the amendment, which I send to the desk and ask the clerk to state the modification.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

The amendment, as modified, is as follows:

On page 64, line 7, after the period, insert the following: "Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, consistent with the protection of intelligence sources and methods, shall furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration and such Office when requested or where appropriate shall furnish the information it gathers and receives to such departments and agencies.".

Mr. JACKSON. Mr. President, this is the Bayh amendment to the amendment that I proposed and, to avoid voting on each one, we made my amendment conform to his.

But it is the amendment that the Senator recommended and it is really his amendment.

Mr. BAYH. Mr. President, I just want to say to my colleagues, I compliment the Senator from Washington for introducing this amendment.

I had intended to have a similar amendment myself and I think the way he has handled it is consistent with trying to move the legislation along.

Mr. President, I ask: Was the word "protection" or "protector"? It should be "protection."

Mr. JACKSON. This is "protection."

Mr. BAYH. Good. I thought it came out "protector," and "protection" is the word.

I thank the Senator from Washington.

Mr. JACKSON. I want to thank the distinguished Senator from Indiana for his most helpful suggestion.

He is chairman of the Senate Intelligence Committee and, in that capacity, of course, is keenly aware of the importance of his responsibilities, and the Bayh amendment makes the amendment that much more effective.

Mr. President, this amendment is intended to make it clear that the various departments and agencies involved in the export control process have an obligation to furnish foreign availability information to the Office of Export Administration and that OEA, in turn, is obligated to make it available to those departments and agencies. OEA's role should be viewed primarily as one of coordination of the existing efforts by departments and agencies to avoid duplication and to assure that information is shared. The provisions of the bill and amendment relative to OEA's foreign availability functions should not be considered as an authorization by departments and agencies to reduce present efforts, unless they are determined to be duplicative.

Indeed, the GAO found there is too frequently inadequate foreign availability information and that foreign availability determinations go unattended. Thus, there is a need for more, not less, of an effort to obtain foreign availability information, especially by our intelligence agencies. Obviously, OEA is not capable of performing intelligence gathering functions. Also, other departments and agencies, including DOD, which have important export control functions must continue to make independent assessments of foreign availability and to marshall foreign availability data that they obtain in their research and development, intelligence, and other activities.

Thus, the intent of the Senate should be clear that the foreign availability functions of OEA shall be deemed to be primarily those of a coordinator and should not be deemed to authorize reduced functions by other agencies except to the extent to avoid unnecessary duplication.

● Mr. KENNEDY. Mr. President, I rise in opposition to the amendments offered by my dear friend and colleague from the State of Washington. These amendments could in fact undermine U.S. security by imposing unnecessary controls on critical goods and technologies to the detriment of U.S. exports.

Adoption of these amendments will be a step back from the progress this bill has made in removing unnecessary restrictions on U.S. exports. These amendments will not only reduce the competitiveness of U.S. high technology exports, but could also have a negative impact on U.S. employment and technological innovation.

One amendment seeks to transfer primary responsibility for identifying goods and technologies controlled for national security purposes from the Department of Commerce to the Department of Defense. Such action is unnecessary and could serve to weaken the export control system. The current system, in which the Commerce Department holds coordinating authority, is much more effective. The Commerce Department is in a superior position to possess knowledge on the products U.S. industry produces and, more importantly, what the technical capabilities of those products are.

Another proposed amendment could lead to the disintegration of COCOM. Threatening our allies with trade boycotts if they refuse to adopt U.S. export control standards is clearly not the course which responsible U.S. diplomacy should follow. The breakdown of COCOM would lead to decreased control over critical goods and technologies, create unnecessary friction in U.S. relations with our closest allies and friends, place U.S. technology exports at a disadvantage, and certainly damage United States security interests.

The fact is that in today's international economy the United States is no longer in a position to unilaterally impose effective controls on technology exports. I therefore believe we must rely on close coordination with our allies to maintain effective export controls in those areas where they continue to be needed. Only when effective multilateral coordination takes place can both the security and the legitimate export interests of the United States and our allies be productive.

Mr. President, this bill accomplishes the difficult task of assuring that effective controls of goods and technologies important to U.S. security are maintained while, at the same time, streamlining the bureaucratic process which U.S. firms must undergo before they can export abroad. The bottom line is an increase in U.S. exports, employment, and technological innovation while assuring that U.S. national security interests are not sacrificed. The Jackson amendments would greatly undermine these benefits. I urge my colleagues to join me in opposing these amendments and in supporting the bill as reported by the committee.●

Mr. HATCH. Mr. President, I was pleased to sponsor the package of amendments with the distinguished Senator from Washington. As we debated each one, we see the many-faceted issue of technology transfer. This problem is one that I myself have been following for quite some time and one that concerns me a great deal. I compliment the committee for their work on the bill, but I would like to point up during the course of this debate some of the major flaws in our system which would continue to exist even after its enactment.

DEFENSE DEPARTMENT IDENTIFICATION

Mr. President, the bill provides us with the start of a "critical technologies approach" to controlling exports to certain nations for national security purposes. It does not, however, fully outline the plan or the processes involved in this approach, nor does it make us aware of the advantages to adopting it.

The measure presently vests the responsibility to determine critical technologies with the Commerce Department and the Defense Department with an advisory role. It would seem to me that the effectiveness of a critical technologies approach would be greatly enhanced if the Defense Department was delegated the duty to identify those technologies which were critical to our national security in the first instance.

The Defense Department currently has the capacity for making these determinations both in terms of interpreting the sophistication of various technologies, and knowing the impact of exportation of critical technology on United States and foreign military systems. Valuable time could be saved were DOD given the authority to identify these technologies in the first place instead of having their input on a secondary referral basis. We would recognize the identifications process as a technical function rather than an administrative one. Further, exporters would have the advantage of knowing precisely which technologies were listed in the militarily critical category prior to making a license application to the Commerce Department. This seems to me to be a key ingredient in streamlining our export licensing procedure.

EMBARGO OF CRITICAL TECHNOLOGIES

Mr. President, for the small percentage of applications which propose a transfer of critical military technology to a controlled nation, S. 737 makes no clear policy statement. All of these applications are reviewed individually as to their national security implications, a process which leaves the door wide open for inconsistency and political favoritism. One amendment rightfully recommends a general embargo of critical technologies to controlled nations, and I support this policy as a means to guarantee both our security and our fairness in granting licenses. It makes good sense that we should grant licenses based on policy, not have policy made on a case-by-case basis.

FOREIGN AVAILABILITY

Mr. President, from what we have heard, the core of the argument in favor of a liberalized export policy is the assumption that our goods and technologies are available in the same quantities and qualities from foreign countries. We assume that if the United States does not permit the export of a technology or good that another nation will, causing

American business a loss of sales and credibility in the foreign marketplace. This is a situation with which we are all concerned, and I am most sympathetic to the objective here, that is, to enhance the ability of American suppliers to compete in foreign markets. However, many sources have testified that there is no accurate data on the foreign availability of critical technologies. We simply do not know for sure that a controlled nation could buy comparable technologies elsewhere.

I maintain that our undocumented assumptions are insufficient on which to base export policy affecting our national security. Another amendment which I feel is fair, calls for the establishment of an evidentiary test of foreign availability on a given critical technology to assist in the decisionmaking process. To export or not to export is a question which demands all the information possible to render a correct answer.

INDEXING

Mr. President, I join my colleagues in opposing the present provision of technology indexing. I believe that this provision would have two adverse effects. What the present language suggests is automatic export decontrol for any technology or good which cannot keep pace with accelerated performance standards established by the Department of Commerce.

First, we must guard against the false assumption that because American technology has advanced that our old technology is expendable. In many cases, our outdated knowhow is still superior to that of a controlled nation, and we should not permit the automatic export of such a technology or good without a reapplication for licensing. Such a proposed technology transfer should be reevaluated with the new information taken into account.

Second, I am concerned about the effect such a provision would have on U.S. industry incentives to develop new technologies. If this system of performance levels is implemented, I am afraid that it could retard our industrial research and innovation activity since under this new aspect of export policy, it may be to industry's advantage in some circumstances to allow technologies to become outmoded in terms in our potential technological capability in order to avoid the export administration process. We should be careful not to overlook the inherent effects export policy will have on our own domestic R. & D. policies.

CONCLUSION

Our export process can be improved to incorporate maximum trade opportunity for American business, efficient procedures for the monitoring of licenses and controls, and protection for our critical technologies. We recognize all of these needs, but I believe greater emphasis should be given to the defense and national security ramifications of technology transfer. Once technology has been sold it can never be returned. It is the knowhow which will assist foreign nations in producing their own goods and limit the markets for U.S. product exports in the future, the knowhow which will fill in the gaps in our enemies' defense systems.

I have enthusiastically supported these amendments and feel they are constructive to achieving these objectives.

Mr. STEVENSON. Mr. President, this is a sound amendment. I am prepared to accept it and yield back our time.

Mr. HEINZ. The minority is prepared to accept the amendment and yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 348, as modified) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 349

(Purpose: To provide specific authorization for appropriations to the Department of Defense to carry out functions under the Act)

Mr. JACKSON. Mr. President, I call up amendment No. 349.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Messrs. NUNN, HOLLINGS, COHEN, HATCH, HARRY F. BYRD, JR., TOWER, MOYNIHAN, THURMOND, BAYH, and DOMENICI, proposes an amendment numbered 349.

Mr. JACKSON. Mr. President, I ask unanimous consent that further readings of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 111, between lines 11 and 12, insert the following:

(c) There are authorized to be appropriated to the Department of Defense for fiscal years commencing on or after October 1, 1979, such sums as may be necessary for the Secretary of Defense to carry out his functions under this Act.

Mr. JACKSON. Mr. President, this amendment would provide a specific authorization for appropriations to the Department of Defense to carry out its functions under the act. At present DOD's export control activities are not adequately funded. A major part of the problem is that DOD does not have a specific line item in its budget for this activity. Thus, personnel and funds must be borrowed from other activities. As a consequence, the manpower and financial resources devoted to DOD's export control efforts are grossly inadequate given the importance of this work. This is one important reason for the fact that DOD's undertaking to identify critical goods and technologies is far from completed even though it has been over 3 years since the Defense Science Board recommended this concept.

UP AMENDMENT NO. 429

(Purpose: To authorize an appropriation to the Defense Department for the purpose of identifying militarily critical goods and technology)

Mr. STEVENSON. Mr. President, I send an amendment in the nature of a substitute to the desk and ask for its consideration.

The PRESIDING OFFICER. Is the Senator asking unanimous consent that this be in order in spite of the fact that time has not been yielded back?

Mr. STEVENSON. I so request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 429.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment follows:

On page 111, line 11, insert after subsection (b), the following new subsection (c):

"There are authorized to be appropriated to the Department of Defense $2,500,000 for fiscal year 1980 to carry out its functions under subsection 4(a) of this Act."

Mr. STEVENSON. Mr. President, the amendment offered by the Senator and this substitute both recognize that the Department of Defense's duties under this bill will require an expenditure of funds.

This amendment would, therefore, authorize appropriations to the Department for purposes of carrying out its duties under the Export Administration Act for fiscal year 1980 in the amount of $2.5 million.

I think that is a reasonable amount. I am hopeful the Senator from Washington will accept the amendment.

Mr. JACKSON. Mr. President, I am pleased to accept the amendment and prepared to yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the second degree.

The amendment (UP No. 429) was agreed to.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENSON. Yes.

Mr. JACKSON. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 349) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 350

(Purpose: To provide for the maintenance of records of license and control)

Mr. JACKSON. Mr. President, I call up amendment No. 350.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Messrs. NUNN, HOLLINGS, COHEN, HATCH, HARRY F. BYRD, JR., TOWER, and MOYNIHAN, proposes an amendment numbered 350:

On page 73, strike out lines 12 through 15 and insert in lieu thereof the following:

(9) The Secretary of Commerce, the Secretary of Defense, and any department or agency consulted in connection with a license application or a revision of a list of controlled goods and technologies and applicable controls shall make and keep accurate records of their respective advice, recommendations, or decisions, including the factual and analytical basis of such advice, recommendations, and decisions.

Mr. STEVENSON. Mr. President, I have discussed this with my comanager. We believe it is a sound amendment. We believe we are prepared to accept it.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JACKSON. Wait a minute. There is the modification. I did not modify it.

UP AMENDMENT NO. 430

(Purpose: To provide for adequate recordkeeping with respect to license decisions and control list revisions)

Mr. JACKSON. Mr. President, I ask unanimous consent that the amendment which is now at the clerk's desk, be modified.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment is as follows:

On page 73, line 15, change the period to a comma, and insert the following: "including the factual and analytical basis for the decision, together with any dissenting recommendations received from any agency." and on page 63, line 23, after the period add the following:

"The Secretary and any agency rendering advice with respect to export controls shall keep adequate records of all decisions made with respect to revision of the list of controlled goods and technology, including the factual and analytical basis for the decision, together with the dissenting recommendations received from any agency."

Mr. JACKSON. Mr. President, the language of the recordkeeping provision of the bill applies only to license applications. However, of equal, if not greater importance are the more basic decisions as to what and how to control goods and technologies. The amendment thus makes it clear that the recordkeeping requirement extends to the control process. The amendment also specifies that the factual and analytical basis be recorded. These records should facilitate consistency in control and license decisions as well as permit responsible executive branch officials and congressional committees with export oversight duties to ascertain whether decisions are factually supported and consistent with the policies and provisions of the act.

The PRESIDING OFFICER. The amendment is so modified.

Is all time yielded back?

Mr. STEVENSON. Mr. President, it is the amendment, as modified, that we accept. I thought it had been modified.

I am prepared to yield back the remainder of my time.

Mr. HEINZ. I yield back our time.

Mr. JACKSON. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified.

The amendment (No. 430), the modified version of amendment No. 350, was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 351

(Purpose: To provide for a report to Congress if the President overrules the Secretary of Defense)

Mr. JACKSON. Mr. President, I call up amendment No. 351.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Messrs. NUNN, HOLLINGS, COHEN, HATCH, HARRY F. BYRD, JR., TOWER, and MOYNIHAN, proposes amendment No. 351:

At the bottom of page 72, add the following:

(D) Whenever the President exercises his authority under this paragraph to modify or overrule a recommendation made by the Secretary of Defense or exercises his authority to modify or overrule any determination made by the Secretary of Defense pursuant to section 4(a)(2)(B) or 4(b)(1) of this Act with respect to list of goods and technologies controlled for national security purposes, the President shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense.

Mr. JACKSON. Mr. President, this amendment requires the President to report to Congress if he overrules any recommendation or determination by the Secretary of Defense. As it pertains to the requirement for a report if the President overrules or modifies a licensing recommendation by the Secretary of Defense—the amendment merely provides what is now a part of section 4(h) of the act. This provision is not in the bill. In this connection, the Banking Committee report (page 10) states that the bill makes "no substantive changes from those contained in [existing] section 4 (h)" of the act. By deleting this reporting provision, the bill would effect a substantive change with no apparent justification for doing so. In addition, the amendment would extend the reporting requirement to situations in which the President overrules any determination made by the Secretary of Defense pursuant to the Secretary's authority to formulate a list of goods and technologies to be controlled for national security purposes.

Mr. President, it is my understanding that this amendment is acceptable.

Mr. STEVENSON. Mr. President, this amendment continues the existing law. It is acceptable.

I am prepared to yield back the remainder of my time.

Mr. HEINZ. Mr. President, I am prepared to accept the amendment, and I yield back the remainder of my time.

Mr. JACKSON. I yield back my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 352, AS MODIFIED

(Purpose: To clarify that the President cannot delegate his authority to overrule the Secretary of Defense)

Mr. JACKSON. Mr. President, I call up amendment No. 352, as modified.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself, Mr. NUNN, Mr. HOLLINGS, Mr. COHEN, Mr. HATCH, Mr. HARRY F. BYRD, JR., Mr. TOWERS, and Mr. MOYNIHAN, proposes an amendment numbered 352, as modified:

On page 79, line 17, after the period, add the following new sentence: "The President may not delegate or transfer his power, authority, and discretion to overrule or modify any recommendation or decision made by the Secretary of Commerce, the Secretary of Defense and the Secretary of State, pursuant to the provisions of this Act.".

Mr. JACKSON. Mr. President, this amendment would clarify that the President cannot delegate this authority to overrule the Secretary of Defense. This merely makes explicit what is already implicit in the present act and the bill.

It is my understanding that we have an accord on this amendment with the majority and the minority sides.

Mr. STEVENSON. I have no objection to this amendment.

Mr. HEINZ. I have no objection.

Mr. JACKSON. I yield back my time.

Mr. STEVENSON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 431

(Purpose: To clarify provisions restricting export of Alaskan oil)

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for himself and others, proposes an unprinted amendment numbered 431.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, line 22, insert new section (g) as follows:

(g)(1) Notwithstanding any other provision of this Act, no domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to the requirements of either subsection (u) of section 28 of the Mineral Leasing Act of 1920 as amended (30

U.S.C. 185), or section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653), (except any such crude oil which (A) is exported, for the purpose of effectuating an exchange in which the crude oil is exported to an adjacent foreign state in exchange for the same quantity of crude oil being exported from that state to the United States; such exchange must meet the price standard of paragraph 2(A)(ii) of this subsection, or (B) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions, unless the requirements of paragraph (2) of this subsection are met.

(2) Crude oil subject to the prohibition contained in paragraph (1) may be exported only if—

(A) The President makes and publishes an express finding that exports of such crude oil, including exchanges—

(i) will not diminish the total quantity of petroleum refined within, stored within, or legally committed to be transported to and sold within the United States;

(ii) except for minor impacts due to quality or gravity adjustments, will have no adverse impact on wholesale or retail prices of products refined from such imported crude oil;

(iii) will be made only pursuant to contract which may be terminated if the crude oil supplies of the United States are interrupted, threatened, or diminished;

(iv) are in the national interest;

(v) are in accordance with the provisions of this Act; and

(vi) in the case of crude oil which is transported by pipeline over right-of-way granted pursuant to the requirements of section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653), the oil to be exported consists of volumes in excess of that which was so transported on an average daily basis during the 30 days preceding July 1, 1979; and

(B) The President submits reports to the Congress containing findings made under this subsection and after date of receipt of such report, the Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's findings concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

(C) Paragraphs 1 and 2 shall remain in effect only until July 1, 1980.

3. Notwithstanding the foregoing provisions of this subsection or any other provision of law including subsection (u) of section 28 of the Mineral Leasing Act of 1920, the President may export oil otherwise subject to this subsection to any foreign nation with whom the United States has entered into a bilateral international oil supply agreement prior to June 25, 1979, or to any foreign nation with whom the United States has entered into a multilateral supply arrangement pursuant to section 251 (d) of the Energy Policy and Conservation Act (42 U.S.C. 6271): *Provided further*, That the President promptly notifies Congress of each such agreement.

Mr. STEVENS. Mr. President, we have a time agreement on a series of amendments that I had considered offering to deal with the question in the bill of the treatment of Alaskan oil. It is obvious that because of the hour, the day, and the situation in which we are involved, this is not the time to offer a package of amendments merely to make a record, and therefore, I am not going to offer some of those amendments.

A copy of my principal amendment, together with an accompanying "Dear Colleague" letter, is on the deck of each Senator. It is submitted on behalf of Senators STEVENSON, KASSEBAUM, DOLE, TOWER, DOMENICI, WALLOP, and myself, as well as my colleague, Senator GRAVEL.

This amendment deletes the entire section (g) of the bill and replaces it with a new section (g).

The new section begins by making it clear that the restrictions apply to oil shipped through pipelines which have rights-of-way granted under section 28(u) of the Mineral Leasing Act of 1920 and section 203 of the Trans-Alaska Pipeline Authorization Act. Most pipelines in this Nation, which cross Federal land, have section 28(u) rights-of-way. The only exception is the trans-Alaska pipeline, which was granted a right-of-way under special congressional action. This amendment is intended to apply to all pipelines in the Nation, which have rights-of-ways granted under either of these two laws.

The amendment in subsection 1, provides for a general prohibition on exports of oil unless they meet the conditions allowing a swap in subsection 2.

However, oil which is exported to an adjacent foreign state: that is, Canada or Mexico, falls into two possible special exemptions from the general prohibition on export of oil.

Any oil sent to either Canada or Mexico in exchange for the same amount of oil being exported from that nation to the United States, and which does not result in any increase in prices to U.S. consumers, may be exported.

At the present time, such swaps are common with Canada and refiners in the Northern Tier of States. Large amounts of petroleum (28.7 million barrels last year) were swapped, and we do not intend to interfere with those ongoing exchanges.

A second general exception occurs in subsection 1, which permits the export of oil which is temporarily transported across parts of an adjacent foreign nation, like Canada or Mexico, and which is returned to the United States. We do not intend to stop those exports and so have incorporated this exemption.

Section 2 of this amendment requires that the President make several findings before any crude oil can be exported. The effect is to eliminate straight exports. We are dealing with exchange, not sale of oil. Section 2 of this amendment, as I stated, specifically requires the President to make these findings.

First, he must find that the proposed swap would not diminish the total quantity of petroleum available to the United States. We must find that the quantity, or volume, of oil to be refined within, or stored within, or legally committed to the United States will not be diminished. It is not necessary that he find there is no decrease in oil available for each of these categories, but only that he find that the total amount available for all of these categories is not diminished.

This criterion is different from the Riegle amendment, which requires that there be no decrease in quality of oil as well. Because of the different chemical makeup of oil this requirement is impossible to meet. Alaska oil is low in sulphur but high in specific gravity. It is heavy and many refineries cannot handle it. But, since it is low in sulphur content, it is valuable to some refineries in areas of higher air pollution.

The second criterion in the amendment provides that, except for minor adjustments due to quality and gravity adjustments, any swap or exchange must have no adverse impact on wholesale or consumer prices of the products refined from such crude.

The Riegle amendment provides that at least 75 percent of the savings of any swap be passed on to the consumers. This finding is impossible to make without price controls on refined products, and without massive auditing.

It is our intention that any swap not increase consumer or wholesale prices. Conducted properly swaps should have no impact and, hopefully, would reduce prices somewhat. They would result in transportation savings and I hope that the savings will benefit consumers. But there is no way to require that and no way to force that. It is much better merely to prohibit any increase in prices from such swaps.

In any swap, because of the difference of the oils available, some minor adjustments in prices will be necessary. Early this year, when Mexican oil was selling at about $14 a barrel, it was estimated that the adjustment would be 38 cents. This is the magnitude of the "minor adjustments." They will be small and limited strictly to the normal kinds of adjustments used by the oil industry to compensate for differences in oil quality.

The third condition the President must find before any swap is perhaps the most important. It requires that any contract be terminated if the crude oil supplies of the United States are interrupted, threatened, or diminished. Any swap must be completely contingent upon delivery of the foreign oil to this Nation. Any interruption of the delivery of foreign oil must terminate the contract and all our obligations to provide oil. Without these protections and absolute certainty of delivery of the foreign oil no swap can be permitted.

The fifth criterion requires any export to meet the provisions of the other sections of the Export Administration Act. This condition was in the Riegle amendment and in the former restrictions in the Export Administration Act.

The sixth condition in our amendment is that if oil, which passed through the Trans-Alaska pipeline is exported, it must be oil in excess of the amount transported on an average daily basis during the month of June 1979. It is our intention that the only Alaska oil that is exported be that which is new production. This will insure that the current level

of maritime activity will be preserved. No jobs will be lost, no ships will have to be drydocked. This will also insure that any exported oil comes from increased production. Not from current production.

This condition is not in the Riegle amendment.

This amendment revises the congressional review process of the current bill. As reported, the bill requires that the Congress pass a concurrent resolution of approval within 60 days before any swap or exchange can proceed. It is a cumbersome and unwieldly process, which greatly diminishes the chances of a swap. No provision is made for recess periods, or days when Congress is not in session.

This amendment substitutes a provision allowing the Congress to reject any swap. The swap can proceed while the congressional review is underway. We require that of the 60 days in which Congress must act, we must have been in session 30 days, thereby insuring that Congress will have a chance to review the swap. This language is the procedure in the Mineral Leasing Act, which was originally agreed upon during the debate of the Trans-Alaska Pipeline Authorization Act. It is a good flexible procedure which guarantees congressional oversight.

Our amendment places a time limit on the restrictions. They will remain in effect only until July 1, 1980. The previous restrictions in the Export Administration Act contained a 2-year limit. It is our strong belief that with the speed with which the world oil situation changes, we should not tie the hands of the administration for too long a period. A reexamination of this subject on a regular basis is valuable and needed.

The final section of the amendment is taken verbatim from the Riegle amendment and provides that the restrictions on exports do not apply to exports needed to meet our international obligations. The agreement with Israel, we entered into as a result of the peace treaty with Egypt, must be honored, as well as our obligations under the international energy agreement, when it is implemented and oil sharing is required.

In sum, I feel this is a good balanced amendment. It is not what I would like. I would like to eliminate entirely the discrimination that some people are waging against Alaskan oil. But this amendment will revise the requirements of the Riegle amendment in a reasonable and careful fashion. Swaps or exchanges will be permitted, but only when they are in the national interest, only when our consumers are protected against any drastic price increase, and only with the guarantee of receiving an equal or greater amount of oil. The amendment gives the President the flexibility he needs.

I hope that we will support it.

Let me state, Mr. President, that there are other problems with the Riegle amendment. One of these is that it does not recognize that some swaps take place between gas and oil. We are in the process of trying to get the gas pipeline constructed. If it is constructed, I envision the swap of gas to northern Canada in exchange for the delivery of oil to the eastern part of the United States. Yet the Riegle amendment would preclude that from happening.

I cannot understand, in the first place, why Alaskan oil should be restricted by Congress. It is clear that with the bill before us, as passed the House of Representatives, most of its provisions will survive, therefore I think this is the best we can do at the present time.

I hope that the time will come when some Members of Congress will understand that 40 percent of the potential oil production for the United States in the future will be from my State.

The Riegle amendment will deter the industry from making the investments that are necessary to expand production because the Riegle amendment will commit us to a process of not utilizing an exchange process to increase production in Alaska in order to assure that the transportation will be to the benefit of the Nation as a whole.

I supported at the time of the Alaska Pipeline Act the amendment that was offered by Senator Pastore. We sought to bring about an equitable distribution of the crude oil supplies, particularly those from Alaska, to regions throughout the Nation.

With the completion of the gas pipeline and the adoption of this amendment, I can assure the Senate that we will, in fact, increase our production in Alaska by at least 800,000 barrels a day.

There is no incentive today to increase that production because of what some call the glut on the west coast. It really is a surplus of Alaskan oil over the ability of the western refineries to run Alaskan oil, and that oil currently has to go through the Panama Canal at an increased price to the consumers. It is taken into the gulf coast or to the Virgin Islands for refining.

If we are to increase our production up to at least the capacity of the trans-Alaska pipeline's 2 million barrels a day, we need to know that there is an ability to transport that oil; that our transportation system will work, and that that oil can be transported by virtue of exchanges that will inure to the benefit of the country as a whole and increase the quality of oil available to the United States.

As I said, I had a series of amendments, and this might be literally called the last trench in which to fall back if we failed on the other two. In the interest of time, and because it is Saturday, I have not even put those in the RECORD. I am hopeful that the Senate and my Alaskan constituents will understand that.

But I do believe the current provision in the bill is discriminatory, is contrary to the best interests of the United States, ties the hands of the President, and will not allow us to increase our production in Alaska.

If we are to increase our production, the Members of Congress must stop discriminating against my State's oil. I firmly believe that passage of the Riegle amendment will result in this scenario. There is no prohibition on the export of products, and I do not think Congress would ever legislate one because almost every oil-producing State and every refinery exports some kind of product. If the Riegle amendment stays in this bill, the net result will be that my State will have to adopt a policy of assuring that Alaskan oil which is owned by the State and refined in Alaska, and those products resulting from it will be exported.

The net long-term effect of the Riegle amendment is contrary to the best interest of the United States and it is contrary to the continuation of the refineries that exist throughout the country that are already constructed. It will lead to construction of new refineries in my State and, incidentally, that would not be too bad from an economic point of view for us over the long run, but in the short run it would not give us the incentive to increase production.

We are committed to increasing production. We have the capability of increasing production.

And I hope that the Members of the Senate will understand that if we are forced to delay increased production in order to get time to build refineries, it is just totally contrary to the best interest of the United States.

I feel strongly that this amendment should be adopted and I hope it will be.

I thank those who have supported me in offering it.

Mr. President, I reserve the remainder of my time.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER (Mr. MCGOVERN). Who yields time?

Mr. RIEGLE. Mr. President, I have heard some interesting things from the Senator from Alaska, and I always thought that——

The PRESIDING OFFICER. The Senator from Michigan will withhold. I do not believe he has time. Will someone yield to the Senator from Michigan?

Mr. RIEGLE. Mr. President, I will say to the Chair under the time agreement there were 4 hours evenly divided, and I was in charge of 2 of those 4 hours.

The PRESIDING OFFICER. The Senator is correct.

The Chair stands corrected.

Mr. RIEGLE. I yield myself whatever time I may use at this point.

I have always thought that Alaska was part of the United States. I thought it was one of the 50 States and we were all tied together. Frankly, I detect what I gather is something of a threatening tone there that if Alaska is not satisfied with the arrangements in terms of oil, it is going to take this step and that step and another step and find ways to export that oil abroad. I hope that that will not happen. I think that that would be an exceedingly shortsighted thing to do and even that suggestion is based on a set of assertions that I have just heard that are just not correct.

Alaska is not having any trouble selling the oil today that it has. In fact, it is selling it very readily, and there are a lot of people who want to buy it, and they are prepared to buy more of it if it is available.

We have a crude oil shortage in the United States, and I am speaking now of all the 50 States, and not just 1 of them.

We have a shortage in the other 49 States, and the oil is badly needed. The notion that somehow or another we are in a situation where we should start exporting Alaskan crude abroad just does not make any sense at all. Yes, it may make sense to the Japanese because Japan would like to be in a position where it can get oil from the United States for less than it is presently paying Mexico or other suppliers. But it hardly seems that it makes sense from a point of view of our trade situation with Japan to facilitate them getting oil at less money than they presently have to pay and particularly because we gain nothing, if we make it easier for Japan to acquire Mexican oil under some kind of a swap arrangement.

One of the advantages we have with respect to the supply of oil in Mexico today is proximity, and the fact that the cost of transporting Mexican oil into Houston is a relatively minor cost, about 45 cents per barrel, whereas, on the other hand, the Japanese, if they are going to buy Mexican crude, have to end up spending $1.80 a barrel.

So it is clear to the extent we make it easier and actually subsidize through these kinds of swap arrangements the movement of scarce American oil to Japan at a lower price than they otherwise would have to pay, makes absolutely no sense at all.

Frankly, I think it in some respects is even an insulting notion in terms of what it means to the rest of the United States.

If there is one thing that is obvious, and was obvious before the President spoke, to most people, and certainly ought to have been obvious to all people after he spoke the other evening, it was that we have an energy problem in the United States, and that we need oil.

What is being proposed by this amendment, and what previously was defeated in the Banking Committee, is the proposition that says that scarce American crude oil can leave this country and go to foreign buyers.

Of course, my friend from Alaska skips over the point that Alaskan oil is some of the best in the world in terms of its quality. It is not just the issue of quantity, as serious as that issue is, but it is also the fact that oil from Alaska can yield more unleaded gas. It has other beneficial qualities to it that have to be considered. So the notion that somehow, through some sort of an arrangement, we should be unloading short-supply high-quality American crude oil on foreign buyers is basically absurd right on its face.

In terms of the notion that there is a need here to provide additional markets, foreign markets, in order to bring Alaskan crude on line, I find not a scrap of evidence to support that assertion. I know of no document, no statement by any of the major oil companies that are participating in Alaska today and who own the leases there, I know of no statement in writing by any chief executive of those firms saying that they need the export market for oil in order to increase production in Alaska.

If anybody here can produce that in the course of the debate, I would like to see it. But, frankly, it does not exist. It does not exist because they know they can sell this oil quite readily.

We desperately need not only to have that oil available in the lower States but we need the pipeline facilities to be able to use it. I will tell you this: If the Stevens amendment passes so that this oil starts leaving the United States and goes to Japan and to other buyers, we are never going to get the pipeline built that we need. In fact, the Northern Tier pipeline, which is now ready to go, cannot possibly succeed or be viable unless we can depend upon that additional production from Alaska to be available to come through that pipeline to serve all of these States in the lower 48 States of the United States.

The Senator from Alaska knows that but he is prepared to see that oil go to foreign countries and, as a matter of fact, it does absolutely nothing to provide any benefit to American consumers or do anything to improve our balance-of-payments situation. In fact, if one traces through all the transactions here it is obvious in virtually every instance that it would hurt our balance-of-payments situation. How that makes sense is absolutely beyond me.

The only people who stand to gain from the Stevens proposition are the State of Alaska, at the expense of the other 49 States, and the oil producers who will make a little more money. In fact, they will make a lot more money if you multiply it by the number of barrels.

So basically, to have that kind of special legislation—and that is clearly what it is—coming in in the midst of an energy crisis that everybody understands really, I think, stretches what we ought to be trying to accomplish around here.

Frankly, I am not happy to see us have to debate on a Saturday afternoon this matter because this issue is a strategic issue in terms of the security of the United States.

We are sitting in the United States with about a 5- or 6-day supply of oil, and if there should be another foreign interruption, and we should have some other problem arise, the notion we should take this dwindling resource and start sending it abroad ought to be something we should be debating and voting on it when there are 100 Senators present, and not in the waning and, presumably, fading hours of a Saturday afternoon. This is an absolutely vital national strategic issue.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, I yield without losing my right to the floor.

WHY THE SENATE IS IN SESSION TODAY

Mr. ROBERT C. BYRD. Lest there be any misunderstanding as to why we are doing this on a Saturday afternoon, before the Independence holiday on two occasions I took the floor and explained the situation. I stated that from the day that Congress convened until the Independence Day holiday the Senate had been in for only two Fridays, and no Saturdays, and that following the Independence Day holiday, in order to get our work done, we would have to be in every Saturday through July.

Fortunately, we were able to avoid a session last Saturday because of time agreements and the waiver of the 3-day rule, et cetera. We made more progress by getting those concessions than we would have made had we come in.

All Senators were on notice that there would be Saturday sessions, that notice was given before the Independence Day break; only moments ago 85 Senators cast their votes on the last rollcall.

I do not think anyone should be under the impression that this was a sudden move to have a Saturday session.

We are here on Saturday and we are discussing an important matter. But Senators have a full-time job, and it is very difficult for the leadership to keep the legislative process moving if we are only going to come in an Saturday for a few hours and then go out.

Those Senators who do come in—and there are 85 of them,—deserve consideration, too. They are here, they are ready to do business, and they are willing to see this bill disposed of before they go home.

Some Members may be out, but they left knowing there was going to be a session and knowing there were going to be rollcall votes.

I would hesitate to see us put this bill over until Monday if it can be disposed of today. This bill could not be brought up before now. The distinguished manager was chairing the Ethics Committee hearings, and he was unable to give his attention to this bill. But he is here today, and I say let us dispose of the bill today.

I understand the strong feelings of the distinguished Senator from Michigan. He may win. I hope we will not put this vote over until Monday. I may vote with him, but let us have a vote. Who knows, on Monday there may be more than 85 here or there may be fewer.

I hope we will not put a vote over until Monday on the basis that two or three of our colleagues are away. I will be happy to pair. Maybe we can get pairs from the opposite side of the issue to make up for any votes that the Senator feels are lost to him due to absences today. But let us try to get a vote and dispose of the matter today.

I thank the Senator for being so patient and for yielding.

Mr. RIEGLE. I am delighted to yield to the majority leader. Let me just say I think everyone appreciates, and certainly I appreciate, the fact that you put everybody certainly on notice about Saturday sessions, and we need to work on Saturdays, and I do not think there is any question about that, and I do not want my remarks earlier to sound as if that is not clearly understood in terms of where we begin from.

But I think it is also important to note, and I think the majority leader knows, that we were ready to go with this bill

as of the 1st of June, and the sponsor o the amendment had a hold on this bill for many weeks, and we were not able to get that resolved. So an awful lot of time has gone by.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIEGLE. Sure.

Mr. ROBERT C. BYRD. The delay was solely because the sponsor of this amendment had a hold. There were holds on both sides, and some of my colleagues on this side of the aisle had holds on this bill. Let us not say that it was only because the author of the amendment had a hold on it.

I guess my point, Mr. Leader, is this: We have been ready to go on this matter, and, from a legislative point of view, the action of the committee has been taken, and for whatever the reasons, a month and a half has now passed without our being able to bring the matter up.

I think I and those on my side have been ready to deal with it for that entire month and a half. We are ready to deal with it today, and we will deal with it today. But my concern is this: This is a vital issue. What the President said the other night was correct, as you and I know, and it is a vital matter.

I want to vote with the Senator.

Mr. RIEGLE. I understand. But the problem is that this bill has to be debated. There may be other amendments. I have no way of knowing how many other amendments may come up. My concern is that we are starting very late in the afternoon. This is a Saturday, I am prepared to stay here, and will stay all night long, but I do not know whether everyone else is in the same situation. That is also a factor.

I do not understand why, when we have waited a month and a half, it must be debated and voted on today. Why not debate it today and let a vote take place on Monday, when everyone will have the opportunity to vote?

Mr. ROBERT C. BYRD. That may be the only way the matter can be disposed of, in the interest of fairness to all and in the interest of trying to accommodate Senators on both sides of the issue.

I would say one quick way to find out where the votes are is to call up the amendment and quickly move to table it. That would bring the votes in in a hurry. I would not try to influence the Senator to do that; he feels strongly about the matter, and wants it debated.

But is it not a reasonable suggestion that while the Senator is debating the issue and holding the floor, that some of those who are with him on the question might explore the possibility of reducing the time and voting on the amendment today?

I am told that the Senator's side will win if he will bring it to a vote today.

Mr. RIEGLE. I hope that is right.

Mr. MELCHER. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. RIEGLE. Yes, I yield without relinquishing my right to the floor.

Mr. MELCHER. I think without a doubt we ought to win overwhelmingly in defeating the amendment. What is the advantage to the Stevens amendment? Who gets help?

First, the oil companies get help, because they can get their crude sold in a better way. I do not question that. There has not been one moment since we started talking about clearing the way for the Alaskan pipeline bill that the owners of the crude on the North Slope have not made it abundantly clear that the best place for them to sell that oil was in Japan.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. MELCHER. I am delighted to yield.

Mr. STEVENS. I hope the Senator does not talk about sale, because he knows that is what got us all the headlines before and that this solely involves the question of exchanges.

Mr. MELCHER. Let us talk about exchange, then.

Mr. STEVENS. Nobody is talking about selling oil to Japan. There is a specific prohibition against selling the oil to Japan.

Mr. MELCHER. I want to get to that point, because that is the biggest turkey of all. The exchange of oil, with whom? Canada or Mexico? Canada is not going to do it. Mexico will sell us all the oil we want to buy from them that they have available to sell, except for what they need, and some other pressing commitments they might have. We are getting 500,000 barrels a day out of Mexico now. If they get their production up to a million, I suppose we will purchase about 750,000 barrels a day from Mexico.

We do not need the amendment for crude exchange, sending Alaskan crude to Japan, to buy Mexican oil. The fact is that the effect of the Stevens amendment is to decrease the amount of oil that will be coming to the United States. We cannot gain from Mexico in that way; they have got it for sale, all we have to do is offer them the money. As their production increases, our opportunity to purchase more from Mexico will be there. So we do not gain from the exchange.

I do not begrudge the State of Alaska wanting to get the biggest price they can for Alaskan crude. An exchange arrangement would give them a better return. I do not begrudge the Alaskan Natives getting the best return they can from Alaskan crude from the North Slope. An exchange with Japan would give them a better price. But I do begrudge decreasing the stable supply that is near and available for the entire United States. I do not want to do that at all.

One of the tough agreements that we had with the trans-Alaska pipeline bill, on is passage, insisted upon by the New England coalition, was the equitable distribution clause, which is cited here as clause U.

Mr. STEVENS. Mr. President——

Mr. RIEGLE. Mr. President, I have not yielded the floor. I yield to the Senator from Montana (Mr. MELCHER).

Mr. MELCHER. I would like to make one further point, then, if the Senator from Michigan will yield to the Senator from Alaska, perhaps the Senator from Alaska will want to address this point, too.

We are about ready, I hope, in this country, to develop an energy policy, including the transportation of oil within the lower 48 States. The Northern Tier pipeline has been mentioned, a pipeline that would go from Port Angeles, Wash., across Idaho, through my State, through North Dakota, and then to Clearbrook Minn., to hook up with existing pipelines. It is a big proposal. It would have the capacity of 90,000 barrels a day.

The hope is we are going to be able to clear up the environmental impact statement by late August, and by October 15 the Secretary of the Interior is to make a recommendation to the President for selection of a route.

Hopefully, from my point of view and I hope from that of most people in the Northwest, that route will be the Northern Tier pipeline system. When that happens, Federal permits are issued, and if State permits are issued, the first thing Northern Tier will have to do is go to the bonding market and try to sell some bonds. Without an assured supply, a great deal of which must be Alaskan crude, those people will have a very tough time. The Northern Tier officials would have a very tough time in the bonding market selling their bonds without available Alaskan crude supplies. With Alaskan crude being available, it will be a fairly easy job selling the bonds.

The Senator from Alaska says this is an exchange which could be interrupted. I want to tell you, if there is anything that queers the money markets in this country today, it is the doubt or uncertainty about decisions of executive branches of government to change market supply conditions that exist. And once this exchange goes into place, what is the hope, or even the opportunity, for Northern Tier going into the bonding market and selling its bonds? It would put their AAA rating down to A—, or maybe B+; but it would be a tough job.

So we are tampering here with the opportunity of a very key part of satisfying our energy needs. We are tampering here with the problem of distribution of crude from Alaska by the proper construction of pipelines to the refineries that need the crude. I thank the Senator for yielding.

Mr. RIEGLE. Mr. President, let me make it clear—on my time, now; I still have the floor—what my intention is. That is to yield briefly to the Senator from Indiana. There are other Senators who have asked to speak, and who want to insert statements in the RECORD. I am going to ask unanimous consent that they have the opportunity to do that, and then I want to yield a couple of

minutes to the Senator from Alaska, so that he can say whatever in addition he wants to in response to these points, and then I intend to move to table the amendment.

In any event, that is what I will very shortly do. So let me yield to the Senator from Indiana.

Mr. STEVENS. Mr. President, will the Senator yield to me for a parliamentary inquiry?

Mr. RIEGLE. I yield.

Mr. STEVENS. The Senator has no right to do what he has just said he plans to do. We are under controlled time, and a motion to table is not in order until time is yielded back.

Mr. BAYH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. If the mover of the motion to table yields back his time, then a motion to table is in order, is it not?

The PRESIDING OFFICER. The time of the proponents of the amendment must be yielded back before a tabling motion can be in order.

Mr. STEVENS. I will be happy to work out a time agreement to shorten the time allotted for the consideration of this amendment, Mr. President. If the Senator from Michigan wants to discuss that time limitation now, I am sure he can be accommodated.

Mr. RIEGLE. Let me say I thought the Senator had yielded back his time earlier.

Mr. STEVENS. I had reserved the remainder of my time.

Mr. DURKIN. Will the Senator yield?

Mr. RIEGLE. I will yield to the Senator shortly, but I agreed to yield first to the Senator from Indiana. I will yield 3 minutes to the Senator without losing my right to the floor.

Mr. BAYH. Mr. President, I rise to join with my colleague from Michigan to state my strong opposition to unbridled exports of Alaskan oil, and urge my colleagues to support the restrictions on exporting Alaskan oil contained in the Export Administration Act amendments now before the Senate. The limits on Alaskan oil swaps or exports in the bill, which were sponsored by Senator RIEGLE, and adopted by a majority of the Banking Committee, will insure that no oil will leave our shores unless it can be demonstrated, beyond a doubt, to both Houses of Congress, as well as the President, that such action is clearly in the national interest. These provisions, it seems to me, set only minimum standards for permitting exports or swaps of Alaskan oil:

That exports will not diminish the quality or quantity of oil in the United States;

That exports will result in lower acquisition costs to our refiners;

That these lower costs will be passed on to consumers; and

That contracts for exports can be terminated by the United States if our oil supplies are interrupted.

Exports to meet our bilateral commitments to Israel, in the event of Israeli supply problems, are exempt from these restrictions, as are any exports that might be necessary to meet our commitments to the International Energy Agency in the event of sudden worldwide shortages.

Finally, any Presidential recommendation for swaps will have to be approved by both Houses of Congress, a reasonable review process given the importance of the issue before us.

Mr. President, I consider these provisions minimum requirements. If I had my druthers, I would permit no exports of Alaskan oil except for the most extraordinary circumstances. The question before the Senate today is whether Alaskan oil should be consumed in this country or sent abroad. I submit that it should stay here, that it must stay here, and that it is our responsibility to do everything in our power to end one of the most glaring ironies of our times—the presence of a surplus of oil on the west coast coincident with hour-long gas lines and shortages at service stations all over the Nation.

Mr. President, there is a great skepticism among the people of my State and the rest of this Nation about the causes for recent oil shortages and soaring prices. In the face of this skepticism, and the sacrifices that are going to be asked of the American people, I do not see how we can permit exports of Alaskan oil and still expect the public to contribute to our conservation efforts or have any confidence that we are making real efforts to equitably resolve our energy problems.

The Alaska pipeline has been operating for almost 2 years now, and approximately 1.2 million barrels of oil flow daily through the line from Alaska's North Slope to Valdez for tanker shipment to California and east coast refiners. By the end of this year, production will increase to 1.4 or 1.5 barrels per day. The pipeline could handle a throughput of 2 million barrels per day. But this additional oil is not being produced, and the pipeline has not been modified to handle it, because west coast refineries are incapable of absorbing all of this oil. Therefore, approximately 350,000 to 400,000 barrels per day must be shipped through the Panama Canal to the eastern part of the country, and Alaskan producers have chosen not to increase production by another 500,000 barrels because of the expense of shipping oil through the canal. Conservative estimates place the cost of this transshipment at $3 per barrel which comes out of the producer's pockets. According to a General Accounting Office study released last July, the west coast surplus could reach up to 2 million barrels per day by 1985, at the same time that large sections of the country—the Midwest and East especially—will become more dependent on imported oil and petroleum products.

Mr. President, the discovery of oil on the North Slope of Alaska has been a godsend to this Nation. Oil production during the first year of the pipeline's operation was responsible for keeping $1.3 billion in this country and reducing oil imports by 13 percent. North Slope oil and reserves off the east and west coasts, and the Alaskan coast, represent the only new major sources of domestic petroleum we are likely to have. Proven reserves on Alaska's North Slope have been estimated at 10 billion barrels, and in all likelihood these reserves are probably closer to 50 billion barrels. At a rate of 2 million barrels per day, this oil supply will continue to serve America's needs for liquid energy for decades—if we preserve it for our own use.

Mr. President, the oil companies want to export this oil, which they ironically dub "surplus" oil. And, if they are given the freedom to export domestic oil, you can be sure that as production increases in Alaska this oil will end up in Tokyo and not in Butte or Des Moines, or Milwaukee or Indianapolis.

Mr. President, at a time when we are lifting price controls on domestic oil, at a cost of untold billions of dollars to our constituents, in the hopes of maybe producing a couple of hundred thousand additional barrels of domestic oil, it is incredible to me that we would permit what is likely to be considerably more oil than this to leave our shores so that the Alaskan oil producers can enlarge their coffers even further.

We are going to need that Alaskan oil down the road for ourselves, make no mistake about it. Despite our best efforts at conservation, and at conversion to alternative fuels, we are going to start running out of liquid fuels in this country sooner than we would like to admit. It would be the height of folly and shortsightedness to construct a situation which rewards those who export our rapidly diminishing and increasingly precious supplies of petroleum, rather than fashioning a long-term, durable and equitable solution to our oil distribution problems.

I would like to see us produce every drop of Alaskan oil we can, Mr. President and I am sure my colleagues who support exports of Alaskan oil feel the same way. However, I part company from them in that I believe we should reserve Alaskan oil solely for our own needs and not set up a situation where it will be more attractive for American oil producers to sell our fossil fuels abroad than it is for them to sell them at home. This is exactly what will happen without strong and permanent legislative restrictions which reduce the likelihood of Alaskan oil exports.

EXPORTS ARE NOT NECESSARY FOR INCREASED ALASKAN PRODUCTION

The argument has been made, Mr. President, that we must permit exports in order to provide increased incentives—that is, profits—for the major Alaskan oil producers to step up their production on the North Slope. By providing the President with greater leeway to authorize exports, the argument goes and by allowing the producers to export even greater amounts of Alaskan oil to Japan, they will have the necessary in-

centive to go out and find and produce more Alaskan oil.

I, for one, simply cannot buy this argument, Mr. President. I do not think extra profits are the necessary key to increased production in Alaska. Instead, it seems clear to me that a transportation system that can efficiently move that oil to domestic markets is the key to increased production. And permitting exports of Alaskan oil is the surest way I know of guaranteeing that that system is never put in place.

Mr. President, I can certainly understand the desire of the major Alaskan oil producers—Exxon, Sohio, and Arco—to sell domestic oil abroad. Right now, Alaskan producers receive OPEC prices, minus transportation costs, for their product. Thus, they have been absorbing the $3-per-barrel cost of shipping their oil to gulf coast ports. The desire of the producers to export Alaskan oil stems from their hope of capturing the savings in transportation costs that would accrue to them by shipping Alaskan oil to Japan, which is cheaper than shipping it to American refiners through the Panama Canal.

Frankly, Mr. President, I am getting tired of being told that ever larger oil company profits is the only sure fire method of decreasing our dependence on foreign oil. The question before us is as clear a refutation of that argument as I have seen. It is clear to this Senator that the oil companies are already making a healthy profit on Alaskan oil, especially in light of producers' original expectations and recent OPEC price increases.

The return of Alaskan producers at the wellhead was about $7 per barrel before the most recent round of OPEC price increases. In the first 6 months of this year, producer wellhead profits have increased by more than 70 percent, according to the Petroleum Intelligence Weekly. If Alaskan producers were not making enough to increase exploration activities before 1979, it seems to me they have plenty of incentive for increased exploration and production in Alaska now. On the average, prices for Alaskan oil are up as much as 40 percent over 1978 end of the year prices on the west coast. Alaskan oil is also going for much higher prices on the gulf coast, because of Mexican price increases. Mr. President, I ask unanimous consent that this article, which appeared on June 18, be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. A clear indication that producers have sufficient incentive to further develop Alaskan resources is the announcement made by North Slope producers that production will increase by up to 300,000 barrels a day by the end of 1979. It does not seem, therefore, that the limitations contained in the expiring provisions of the Export Administration Act have been much of a disincentive to increased production. Nor do I think the restrictions placed in this bill will be either. The plain fact is that we can expect higher production in Alaska because the oil companies are sitting on a gold mine up there and it is already profitable for them now to develop Alaskan resources. Further evidence of this fact is Arco's intention to actively develop the Kuparuk field, which should yield 60,000 barrels of oil per day by 1982. Mr. President, those producers just want to squeeze every penny they can from that oil. That is their responsibility to their shareholders and I do not fault them for it. But our responsibility is to safeguard the public's interest by keeping that oil here in America.

CONSUMERS WILL NOT BENEFIT FROM EXPORTS

Who can expect to benefit from arrangements to swap Alaskan oil with Japan? Certainly the oil companies will benefit. And the State of Alaska will benefit. But the American people will not benefit. Even the proponents of Alaskan oil swaps do not argue that the transportation savings that would result from such swaps will go to American consumers. If such were the case, the proponents of swaps would have a stronger case. And the language in this bill permits swaps that will reduce costs to American citizens if they are substantial. I urge the Senate not to backtrack on these provisions. While I believe exports may be a bad idea under any but the most extraordinary conditions, they certainly must not even be considered unless they will benefit American consumers through lower prices.

EXPORTS WILL HEIGHTEN OUR VULNERABILITY TO FOREIGN SUPPLIES

Mr. President, the trans-Alaskan pipeline was sold to the Congress and the American people as a means of reducing our dependence on imported oil. Our reliance on unstable foreign oil is universally perceived to be one of our most pressing national problems. Therefore, it is essential that we consider the impact of permitting swaps on our efforts to minimize disruptions stemming from interruptions in the flow of foreign oil to the United States.

Our dependence on foreign oil has actually increased in the 2 years since production in Alaska began. I think it is central to our understanding of this issue to observe that the exchange of Alaskan oil for Mexican or Indonesian crude oil will not reduce in any way our reliance on imported oil. Simply put, oil swaps will at best leave us just as vulnerable to oil supply disruptions as we currently are, and at worst, increase our dependence on foreign oil.

Mr. President, although we cannot address the specifics of an oil swap arrangement, since none has yet been negotiated, the general outlines of such a plan are clear. In all likelihood, the United States would agree to send an amount of Alaskan oil to Japan in exchange for receiving oil purchased by Japan fom Mexico or Indonesia in the United States.

I think it is a very telling reminder of the degree to which such an arrangement would place U.S. energy supplies at the mercy of foreign producers to recall that only recently it was assumed that a swap proposal would involve Iranian oil. We need no more graphic illustration of the foolishness of continuing to rely on foreign suppliers for our crude oil needs than the Iranian oil cutoff earlier this year. We cannot afford to overlook the possibility that events in Mexico or Indonesia sometime down the road could result in disruption of oil shipments from these countries. Where would the United States be left then? We would still have a commitment to ship U.S. oil to Japan. Even if we were able to break such an obligation, we would find ourselves in precisely the same situation we face now with a glut of oil on the west coast and no transportation system in place to move supplies to the eastern part of the country. In addition to subjecting ourselves to these uncertainties, I believe that swaps would retard progress on our real problem; the inability to get Alaskan oil where it is needed and where it can be refined. It is clear to me, that encouraging even greater dependence on foreign suppliers is irresponsible and shortsighted. Instead, we must look toward a long-term solution to our Alaskan oil distribution problem.

NEED TO BUILD WEST-EAST PIPELINES

Mr. President, I want to see oil imports decline and not increase. Rather than sending our Alaskan oil to Japan in exchange for foreign oil, I want to see it going to Indiana, Ohio, Montana, and Wisconsin and Michigan and Minnesota and other States along the Northern Tier and in the Midwest. And I would like to see New England rely less on imported oil and refined petroleum products, and more on domestic oil.

Right now, our only alternative to shutting Alaskan oil in the ground, or exporting it, is to ship it through the Panama Canal all the way from Alaska to Puerto Rico and the gulf coast. We all agree that this process is cumbersome, expensive and wasteful. But rather than throw up our hands and give in to the longstanding desire of the Alaskan oil producers to export American oil, we must take decisive action to establish an oil distribution system that can efficiently move Alaskan energy resources to the lower 48.

Mr. President, permitting exportation of Alaskan oil is the worst possible step we can take right now if we are truly interested in stimulating construction of new pipelines to move this vast natural resource to factories and farms and homeowners all around this country.

What is so very frustrating about this debate, Mr. President, is that it is not a new issue. This is a fight many of us have been waging for over 6 years now. Back in 1973 I, along with our distinguished Vice President, opposed the Alaskan oil pipeline route, as opposed to a trans-Canadian route, because it was obvious to us, even at that time, that an Alaskan route rather than a trans-Canadian route would not provide oil to the sections of the country that needed it most, but

would likely result in a surplus of oil on the west coast instead. How ironic it is that the route touted as superior because it was "all-American" should now be the stimulus for exports of American oil, and increased dependence on foreign suppliers.

Mr. President, I certainly take no satisfaction in noting that our most dire predictions in 1973 have come true. When we lost the fight for a trans-Canadian route 6 years ago, by a hair-splitting vote, we tried to flat out prohibit the export of North Slope oil to make sure that it would be equitably distributed within our country. We lost that fight too and the problem is still with us. However, back in 1973, we did at least manage to get language restricting the conditions under which Alaskan oil could be exported. Under the terms of that 1973 legislation, any exports of Alaskan oil, with the exception of those to Mexico or Canada, would have required a Presidential finding, subject to a two-House congressional veto, that such exports would not diminish the quality or quantity of petroleum available in the United States and that such exports would be in the national interest.

In 1976, the Alaskan oil problem was addressed once again when the Congress passed the Alaskan Natural Gas Act. A provision in that bill, sponsored, I believe, by my colleague from Montana (Mr. MELCHER), required the old Federal Energy Administration to recommend a means of expediting the construction of new pipelines designed to distribute Alaskan oil in an equitable manner around the country. Early in 1977, I joined with Senator MELCHER and 14 other colleagues in urging the FEA to live up to its statutory responsibilities. Unfortunately, decisive recommendations were not forthcoming, although FEA did acknowledge that several suggested pipeline proposals were technically feasible and could be made operational within a few years.

Impatient with the clear desire of the oil companies to export Alaskan oil, and the foot dragging on this issue downtown, and, in the face of rumors that possible oil swaps with Japan were in the offing, in May of 1977 I joined with many of my colleagues, who are today supporting the tough provisions in this bill, to prohibit, outright, any export of domestic oil. While our amendment failed to pass the Senate, it carried in the House, with the result that restrictions on Alaskan oil imports placed in the 1973 trans-Alaskan pipeline authorization bill were strengthened.

These new provisions required a finding beyond that in the 1973 bill—that any swaps or exports of Alaskan oil would not result in increases in consumer prices as a consequence of their implementation. Further, it provided that one House of Congress could override any Presidential decision to export or swap Alaskan oil.

Finally, Mr. President, almost 2 years ago, I joined with Senator MELCHER of Montana in introducing legislation designed to stimulate constructon of pipelines to carry surplus Alaskan oil from the west coast to the interior of our country. This bill was meant to expedite Federal permitting processes, better coordinate Federal and State permitting, make these projects a top priority in Federal agencies with jurisdiction over interstate pipelines, and provide adequate, but not protracted, opportunities to challenge these projects in the courts. In other words, our legislation was an attempt to free ourselves from bureaucratic redtape and delay.

Last fall, a modified version of this bill was incorporated into the National Energy Act. The studies that bill required are now in preparation. In fact, the Department of Energy has just released its findings, and was expect the President to recommend one or more pipelines for expedited Federal procedures by the year's end. Loosening export restrictions now, when the administration is ready to act, would be exactly the wrong signal at the wrong time.

Mr. President, permitting Alaskan oil exports now is the best way I know to make sure that these proposed pipelines to carry oil east will never be built. The more we procrastinate in providing for the redistribution of Alaskan oil, the heavier the pressure from the oil companies will be to export it. Let us not forget that back in 1973, the oil companies denied that there would be an oil glut on the west coast, or even that they had any intention of exporting any oil. But, clearly, this has been their preferred option all along. This lingering hope has slowed investments in increased refining capacity on the west coast, and made investors leery of backing proposed west-east pipeline projects.

Mr. President, the most sensible way for us as a nation to take advantage of Alaska's mammoth hydrocarbon reserves is through increased refining capacity on the west coast and constructiton of west-east pipelines. Rather than viewing swaps, as the administration does, as an acceptabale option in the event that these goals are not accomplished, it is high time that we here in Congress make it clear, once and for all, that exports will not be permitted. A clear signal on this issue will do more to remove uncertainty in the private sector about the wisdom of investing in these projects, than hours of moral exhortation. To my mind, we have already wasted 6 years on this. I say it is time to send a message loud and clear to all those watching these deliberations: "There will be no exporting of Alaskan oil so get on with the job."

BALANCE OF TRADE

I think it is also important, Mr. President, that we look very closely at one additional argument made by those who would allow for oil exports—the supposed positive impact that they would have on our overall balance of trade. I have a great deal of trouble accepting the argument that exporting a scarce and precious commodity is the best way to deal with our admittedly troublesome trade deficit with Japan. As a Senator from a State that is desirous of exporting both agricultural and manufactured products, I have spent a good deal of my time recently pondering this situation. I would suggest that exporting Alaskan oil offers more a seductive remedy or "quick fix" for our present trade problems with Japan than a well thought out proposal for addressing this legitimate concern. This problem must be addressed in a more efficient and effective way than by shipping American oil to Tokyo that will be desperately needed in Northern Tier States when the Canadians cut off their oil exports to us in 1982 and which could be used in Indianapolis, where the major oil supplier for that metropolitan area almost had to shut down this winter because of the disruptions in the world oil market. Events in the past 4 months have demonstrated that we can reduce our trade deficit through enforcement of fair trade laws and an aggressive trade negotiating strategy to open more of the Japanese public and prvate market to U.S. exports.

With the perseverence of our trade negotiators, Mr. President, we have seen the dollar recover against the yen, sharp reductions in steel imports from Japan and at least some promise through multilateral trade negotiations that Indiana farmers will be able to export more soybeans and other agricultural products to Japan.

Mr. President, this is certainly not to suggest that our trade problems with Japan have been solved—far from it. It is, however, to recognize that progress can be made on these issues in a way that can have a beneficial long-term impact on strengthening the dollar abroad and defeating inflation here at home without mortgaging our energy security. We can do this without shedding a drop of U.S. oil, which should be used to fuel our own steel mills, and the tractors on our family farms, and not in Japan.

In closing, Mr. President, I again strongly urge my colleagues to support the language the Banking Committee has put in the bill. As I said earlier, it is hard for me to conjure up any circumstances under which I think we should be exporting Alaskan oil. To my mind, the conditions set in this bill regarding exports—that they will not diminish the quality or quantity of oil in the United States, that they will result in lower costs to American refiners within 3 months, at least 75 percent of which will be passed on to American consumers, and that they could be terminated in the event of an interruption of U.S. oil supplies—are absolute minimums necessary to even consider exports. Should the President find that exports would meet these conditions, the Congress would still have an opportunity to evaluate this judgment and both Houses would have to concur in this decision.

It seems to me this is an entirely appropriate exercise of congressional oversight—something we should be doing more of.

Mr. President, at a time when we are asking the American people to recognize our serious energy problems, and asking them to dig down deeper into their pockets and pay more for energy, and asking them to turn down their thermostats and drive their cars less, I do not believe we should give American oil producers the opportunity to export nearly half a million barrels of oil per day to Japan so they can make even greater profits. And I believe that is what this fight boils down to. Such an action would remove all incentive for the construction of pipelines that can efficiently and equitably distribute Alaskan oil throughout the Nation. It would remove all incentive for increased refinery capacity. It can only deepen our dependence on other nations for our energy supplies, increase our susceptibility to economic disruption and political blackmail and deplete a precious and shrinking national resource that we desperately need for ourselves. Further, it will only serve to increase the confusion and skepticism of the American people about the nature of our energy problems and our ability to deal with them equitably.

Mr. President, I hope the Senate will decisively defeat any attempts to delete or weaken the language in this bill restricting exports of Alaskan oil and put this issue behind us once and for all. By so doing, we will send a clear message to all concerned that this Congress wants to see Alaskan oil used at home. This is essential for stimulating investment in new refining capacity and pipelines. I suggest that it is the simplest, most direct and fairest way to make headway on the need to move the vast energy sources of Alaska to the lower 48 so that they will truly serve as a replacement for imported oil, and not as a stimulus to increased imports.

Mr. President, I have just a few additional remarks so we can move on to try to get a vote on this issue. I am hopeful that the Senator from Alaska and the Senator from Michigan can resolve this so we can get about voting on this and move to other items.

It seems to me that at this particular time we are being asked again to decide whether the energy policy of this country is going to be based on what is in the national interest or whether it will be based on what is good for a small vested interest. Some of us stood on this floor when the pipeline issue in Alaska was being debated. We did not say, "Do not build a pipeline," or that we were more concerned about the environment, but what we said was that when the corporations of this country moved to make a major investment to get Alaskan oil to the lower 48, it ought to be distributed in a way to meet the needs of all of our citizens. The pipeline should have ended in the center part of the country, so that States east and west could benefit from it. It does not do any good to say, "I told you so," about the glut. I do not like people who say that. But right now it is time to reinforce what we said then; that if we are short of energy it does not make any sense to take Alaskan oil and ship it to Japan in exchange for Iranian, Indonesian, Kuwaitian, Mexican, or Nigerian oil that we can get anyhow; or buy foreign oil to put into the strategic petroleum reserve in Louisiana. That makes about as little sense as anything we have been asked to do.

We need to have a permanent way to distribute this petroleum. We need to be utilizing that pipeline 100 percent. The price Alaskan oil producers are getting, thanks to OPEC, has increased significantly, providing more than enough incentive to go out and produce more oil on the North Slope.

We need to do what the Senator from Montana, the Senator from Michigan, the Senator from Indiana, and others have been trying to do, get a pipeline built so that Alaskan oil can efficiently get to our part of the country, and the eastern part of the country, instead of being confined to the west coast.

Permitting Alaskan oil exports is the wrong signal to send to the people of this country right now. They do not believe we have an energy problem. They think they are being ripped off by the oil companies. What do we do? We confirm that by doing what the oil companies want us to do with Alaskan oil.

EXHIBIT 1

ALASKA PROFITS BOOM AS OIL PRICES TRACK OPEC'S UPPER TIER

Oil companies producing Alaskan North Slope crude have increased their profits by more than 70% thus far this year by tracking the leading edge of OPEC price increases. After-tax profits on Alaskan sales to the United States West Coast and Gulf Coast markets have soared past $3 a barrel and could reach as much as $4.10 (an 85% jump) when the latest boost is fully applied, according to a Petroleum Intelligence Weekly analysis. Alaskan crude oil prices are effectively free of U.S. price controls and can be sold at world market levels, delivered to West or Gulf Coast markets. The price of Alaskan oil at the wellhead is now between $9.50 and $10.50 a barrel and could move as high as $12.93 under present price control rules.

Alaskan crude oil prices have traditionally been linked with Saudi Arabian Light crude (with some adjustments for quality). But producers are clearly not following Saudi price "moderation" this year. In fact, one company openly endorses a higher $17 a barrel "de facto" price for marker crude, rather than the official $14.55. The higher de facto marker price was first proposed by Algerian Sonatrach's Nordine Ait-Laoussine (PIW May 28, p. 3) and other African OPEC nations and North Sea producers have raised their prices accordingly. North Slope producers are following suit, and one key seller (ironically, a Sonatrach customer) says "Ait-Laoussine's view of the world isn't all that crasy."

Higher Alaskan prices are emerging from a rough-and-tumble of hectic price moves in recent weeks. While the specifics vary depending on buyer and seller, prices are up as much as 40 percent over end-1978, an increase of more than $5 a barrel on both the West and Gulf Coasts. Buyers say Sohio has been the most aggressive in seeking price increases (it has 52.6 percent of the North Slope's 1.22-million b/d, while Exxon and Arco (with 20.6 percent each) are said to be more "moderate." Last year when crude oil was in surplus, Alaskan crude buyers put producers in a squeeze, forcing substantial price reductions. "Those that squeezed hardest then are probably regretting it most now," a supplier notes.

The target price on North Slope contract sales to West Coast buyers is now about $17.80 a barrel. That's $2.00 a barrel higher than the theoretical delivered price of "cheap" Arabian light crude, but a real bargain compared with alternative imported crude supplies. By comparison, North Slope crude, last December, was selling for $1.30 less than the landed price of Saudi Arabian Light. "Even if you could get extra Iranian or Kuwait or Abu Dhabi crude at official prices—and you can't—Alaskan looks good. Compared to $35 spot crude, North Slope is a steal at $17.80," according to a West Coast refiner.

At a $17.80 selling price on the West Coast, producers would reap an overall profit of $4.11 a barrel after tax, PIW estimates. That's at least 40% more than the profit possible on sales to the more distant Gulf Coast markets and explains why producers are moving to boost West Coast sales. Volumes are already up to 875,000 b/d, more than anyone originally expected, and the companies now talk confidently of selling 950,000 b/d in that market as total North Slope production rises to 1.4-million b/d later this year. The limitation is the ability of California refiners to handle relatively high sulfur Alaskan, though this has not proved a major obstacle in recent times. Demand is strong for the crude's larger fuel oil fraction, and refiners are a lot less picky now that crude is short.

Alaskan suppliers are clearly not interested in selling to Gulf Coast buyers at the moment and have cancelled many deals as soon as contract terms allowed. Some have even refused offers to "fully match" West Coast prices, PIW understands. The nominal Gulf Coast selling price sought by some suppliers is now about $18.55 a barrel, leaving producers a very substantial $3.71 after-tax profit. This price is basically connected with Mexico's pricing. One buyer tells PIW: "The Saudi price isn't the basis for the Gulf Coast any more; we're watching Mexico." The big $3 jump in Mexican prices April 1 (to $17.10) was largely the basis for the $2 May jump in Alaskan prices at the Gulf. Much of the Alaskan crude moving to the Gulf is part of exchange deals involving higher quality imported crudes. A large volume also moves to the Virgin Islands refinery of Amerada Hess.

The following tabulation shows PIW's analysis of costs and profits on North Slope oil production based on prices asked and paid in early June. But it doesn't reflect the latest $1 a barrel that North Slope sellers are seeking and West Coast buyers will probably pay. Profits are shown on both crude oil production and the Alaskan pipeline operation, with overall margins presuming an equal share in both sectors (though shares vary among the companies). PIW has selected "typical" prices for each time period, though there are substantial differences due to the confused nature of the market (prices were changed in mid-quarter and even mid-month). The "June" price was typically asked by sellers early this month, though some are still selling for much less. In May, for example, the prices under Gulf Coast contracts varied between $16.38 and $17.10 a barrel.

ESTIMATED TYPICAL TAX-PAID COST AND PROFIT AND ALASKAN NORTH SLOPE CRUDE OIL

[In dollars per barrel]

	Delivered to west coast					Delivered to gulf coast				
	4th quarter, 1978	1st quarter, 1979	April	May	June	4th quarter, 1978	1st quarter, 1979	April	May	June
Delivered price	$12.65	$13.76	$14.41	$15.44	$16.80	$13.30	$14.25	$14.75	$16.75	$17.55
Less: Shipping cost [1]	.90	.95	.95	.95	.95	3.05	2.90	2.95	2.90	2.85
Valdez f.o.b. price	11.75	12.81	13.46	14.49	15.85	10.25	11.35	11.80	13.85	14.70
Less:										
Liability fund	.05	.05	.05	.05	.05	.05	.05	.05	.05	.05
Pipeline loss	.05	.05	.05	.05	.05	.05	.05	.05	.05	.05
Pipeline tariff	6.20	6.22	6.22	6.22	6.22	6.20	6.22	6.22	6.22	6.22
Wellhead price	5.45	6.49	7.14	8.17	9.53	3.35	5.03	5.48	7.53	8.38
Less:										
Royalty (12.5 percent [2])	.60	.73	.81	.94	1.11	.41	.55	.60	.86	.97
Severance tax [3]	.67	.75	.82	.94	1.10	.67	.67	.67	.87	.97
Property tax	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17
Field operating cost	.44	.44	.44	.44	.44	.44	.44	.44	.44	.44
Field financing cost	.22	.24	.24	.24	.24	.22	.24	.24	.24	.24
Depreciation [4]	.85	.85	.85	.85	.85	.85	.85	.85	.85	.85
Oil profit before income tax	2.50	3.31	3.81	4.59	5.62	1.1	2.11	2.51	4.10	4.74
Less:										
State income tax (9.4 percent)	.24	.31	.36	.43	.53	.11	.20	.24	.39	.45
U.S. income tax [5]	1.20	1.52	1.75	2.11	2.59	.57	.97	1.16	1.89	2.18
Oil profit after tax	1.06	1.48	1.70	2.05	2.50	.51	.94	1.11	1.82	2.11
Pipeline profit [6]	1.20	1.30	1.30	1.30	1.30	1.20	1.30	1.30	1.30	1.30
Overall post-tax profit	2.26	2.78	3.00	3.35	3.80	1.71	2.24	2.41	3.12	3.41

[1] Shipping costs to the Gulf of Mexico often involve producers' internal charges and are estimates.
[2] Assumes average 6.5 cents deduction f om wellhead price to cover collection and transport to Pump Station 1 before calculation of royalty. This deduction has been challenged successfully in the courts by the State of Alaska but companies are continuing to take deduction on tax returns pending appeal.
[3] 11.7 percent in 1978 and 11.54 percent in 1979, with a minimum 66.5 cents per barrel.
[4] Includes depreciation and amortization.
[5] 48 percent in 1978 and 46 percent in 1979.
[6] After tax. Estimate based on average 1,100,000 bbl/d throughput in 1978 and 1,200,000 currently

Mr. RIEGLE. I yield 1 minute to the Senator from New Hampshire without losing my right to the floor.

Mr. DURKIN. I thank the Senator from Michigan and rise in support of the provisions my distinguished colleague has placed in the S. 737, Export Administration Act of 1979. I appreciate his efforts in opposing the transfer of Alaskan oil to our Pacific competitors under any sort of arrangement. Alaskan oil and Alaskan resources must be preserved for Americans. We must move Alaska's oil east to the New England market now. It is as simple as the rules in cards. I lost a lot of money in playing cards as a young gentleman, in the process of learning that you do not bet on the next card.

The President stood in Portsmouth High School and promised 240 million barrels of home heating oil would be reserved by the 1st of October. They are 20 million barrels behind at this time. Notwithstanding all the assurances of the Department of Energy, the President, and whoever is in the Cabinet today, we are running short of home heating oil this winter in the Northeast.

We have the Alaskan pipeline. If it had not been for the Department of Energy we would have had a pipeline now, or it would have been under construction, to bring that oil east, to the midwestern refineries and to the east coast. To send the oil overseas in the hopes of making up a replacement somewhere else is the height of folly.

I need remind no one in this Chamber that toughening the export restrictions on this valuable commodity—Alaskan oil—is clearly in the national interests. At a time when Americans are suffering from long gasoline lines and reduced stocks of home heating oil, it would be totally unreasonable to export Alaskan oil.

There now exists only a very weak restriction on the export of Alaskan oil. The strong check on the export of Alaskan oil contained within the Export Administration Act expired on June 22. Unless the Congress moves to restore and strengthen these restrictions, it is likely that the President will seek ways to send Alaskan oil to Japan. Permitting such exports, which are being disguised as a "swap" of oil, would be contrary to a sound energy policy and particularly harmful to New Hampshire and New England.

Alaskan oil must be saved for Americans and not shipped to some distant shore to deplete further our declining domestic supplies of energy. I realize that there is a problem in getting the Alaskan oil to the east coast, the area of the country that is perhaps most in need of this oil, but exporting the oil is not the way to solve this problem.

We could be receiving much more of this oil on the east coast if we had a pipeline from the Pacific Northwest to the East. However, ever since the oil started to flow through the trans-Alaska pipeline system, the major oil companies have resisted efforts to build this pipeline so that they might export this oil to the Far East and increase their profits. Passage of this bill will halt this campaign in its tracks and aid considerably in getting this pipeline and other needed facilities built. We must convince the President that the Congress is resolute in its conviction that Alaskan oil not be exported.

Unfortunately for my constituents in New Hampshire and the people of the Northeast, the trans-Alaska oil pipeline has become a monument to the lack of energy planning that existed in this country for so long. The Congress allowed the pipeline to be built in the wrong place at the insistence of the oil companies who naturally assumed that they would be able to ship their product to distant countries. The oil companies stand to make billions of dollars in excess profits by selling the oil to Japan, getting the world price for their product and avoiding the costly transportation charges to send the oil to those areas of the United States where it is really needed. We cannot allow the majors to blackmail the Federal Government into allowing the export of oil because of the shortsightedness of our energy policy in the past. We must not become the captive of those who seek to profit from the crisis rather than solve it.

Mr. President, I would urge all of my colleagues to refuse steadfastly to send American oil out of this country. We must undertake a national commitment of building the necessary refineries and pipelines on the west coast so that this oil can be used for our own internal needs, not the needs of a foreign country. We spend almost $50 billion annually to purchase costly imported oil. Does it make any sense whatsoever to export this oil so that we can increase our dependency on the OPEC nations.

My home State of New Hampshire is at the empty and expensive end of the energy pipeline. The export of Alaskan oil will make a bad situation worse. I urge you to retain this provision in the export bill.

Mr. RIEGLE. I wonder if we can reach a time agreement that everyone could understand.

UP AMENDMENT NO. 431, AS MODIFIED

(Purpose: To clarify provisions restricting export of Alaskan Oil)

Mr. STEVENS. Mr. President, on my time, and I think the Senator yielded to me on that basis, I wish to modify my amendment in section 3, line 4, to delete the words "otherwise subject to this subsection." That is on the last page.

The modification of this amendment is being made at the request of the State Department to insure that there is no impinging upon the agreement with

Israel as far as that provision is concerned.

Subsection 4g(3) of S. 737—the Export Administration Act of 1979—provides that:

Notwithstanding the foregoing provisions of this subsection or any other provisions of law including subsection (u) of section 28 of the Mineral Leasing Act of 1920, the President may export oil otherwise subject to this subsection to any foreign nation with whom the United States has entered into a bilateral international oil supply agreement prior to June 25, 1979, or to any foreign nation with whom the United States has entered into a multilateral supply arrangement pursuant to section 251(d) of the Energy Policy and Conservation Act, provided, that the President promptly notifies Congress of each such agreement.

This language exempts from the restrictions on the export of Alaskan oil contained in subsections 4(g)(1) and (2), exports to Israel under our bilateral agreement and exports to fulfill our obligations under the emergency sharing plan of the International Energy Agency.

The phrase "otherwise subject to this subsection" 4(g)(3) limits the exemption of exports to Israel to oil. Covered by this section—presently there is an exemption for Israel in the OCS Act but that applies only to agreements existing in February 1977. At present, if our commitment were activated and we had to make U.S. oil available to Israel, we believe that providing Alaskan oil would best suit United States and Israeli interests. However, this may change over the course of our 15-year commitment. The President may decide that providing oil from another source would cause less disruption to the U.S. economy or the U.S. energy market. If the phrase "otherwise subject to this subsection" were removed from 106(3), the United States would be able to export the oil which best meets our interests.

I would like to delete the phrase "otherwise subject to this subsection." The effect of this amendment will be to allow the export of U.S. oil from any source to Israel under our bilateral oil supply agreement of March 26 and its implementing arrangements. Presently, the bill exempts just the export of Alaskan oil to Israel from the restrictions of this and previous legislation. If our commitment to Israel were activated now and we had to make U.S. oil available to Israel, providing oil from Alaska might well be the best way of fulfilling our commitment. However, over the course of this 15-year agreement, the President should have as well the authority to allow the export of oil from a non-Alaskan source if that would be most easily absorbed by the U.S. energy market and better suit the interests of the United States and Israel.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. JAVITS. Reserving the right to object, Mr. President, and I will not object——

Mr. STEVENS. This is just a modification.

Mr. JAVITS. I would like to ask Senator RIEGLE if he will do the same thing respecting any part of what is contained in the bill which relates to the same problem.

Mr. RIEGLE. I am sorry, I do not believe I understood the question.

Mr. JAVITS. The problem that Senator STEVENS is now dealing with enables the United States to fulfill its contract with Israel which runs for 15 years, even though the oil may not be Alaskan oil. That is quite a proper amendment. The question I ask is this: Is the Senator prepared to do the same thing as to the bill?

Mr. RIEGLE. It is certainly my intent to accomplish the same objective.

Mr. JAVITS. That is all I need to know. I have no objection.

Mr. STEVENS. I ask that my amendment be so modified.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

On page 74, line 22, insert new section (g) as follows:

(g) (1) Notwithstanding any other provision of this Act, no domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to the requirements of either subsection (u) of section 28 of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 185), or section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653), (except any such crude oil which (A) is exported, for the purpose of effectuating an exchange in which the crude oil is exported to an adjacent foreign state in exchange for the same quantity of crude oil being exported from that state to the United States; such exchange must meet the price standard of paragraph 2(A)(ii) of this subsection, or (B) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions, unless the requirements of paragraph (2) of this subsection are met.

(2) Crude oil subject to the prohibition contained in paragraph (1) may be exported only if—

(A) The President makes and publishes an express finding that exports of such crude oil, including exchanges—

(i) will not diminish the total quantity of petroleum refined within, stored within, or legally committed to be transported to and sold within the United States;

(ii) except for minor impacts due to quality or gravity adjustments, will have no adverse impact on wholesale or retail prices of products refined from such imported crude oil;

(iii) will be made only pursuant to contract which may be terminated if the crude oil supplies of the United States are interrupted, threatened, or diminished;

(iv) are in the national interest;

(v) are in accordance with the provisions of this Act; and

(vi) in the case of crude oil which is transported by pipeline over right-of-way granted pursuant to the requirements of section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653), the oil to be exported consists of volumes in excess of that which was so transported on an average daily basis during the thirty days preceding July 1, 1979; and

(B) The President submits reports to the Congress containing findings made under this subsection and after date of receipt of such report, the Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's findings concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

(C) Paragraphs 1 and 2 shall remain in effect only until July 1, 1980.

3. Notwithstanding the foregoing provisions of this subsection or any other provision of law including subsection (u) of section 28 of the Mineral Leasing Act of 1920, the President may export oil to any foreign nation with whom the United States has entered into a bilateral international oil supply agreement prior to June 25, 1979, or to any foreign nation with whom the United States has entered into a multilateral supply arrangement pursuant to section 251(d) of the Energy Policy and Conservation Act (42 U.S.C. 6271): *Provided further*, That, the President promptly notifies Congress of each such agreement.

Mr. STEVENS. Mr. President, I just want to make a brief statement and then yield to two of my friends who wish time.

In answer to the Senator from Montana, I call attention to the provisions which state categorically that the President must make and publish an expressed finding that such an exchange will not diminish the total quantity of petroleum refined within, stored within, or legally committed to be transported to, or sold within the United States.

The charge that this would in any way reduce the supply of oil is fallacious. As a matter of fact, until we are certain that we can transport this oil once it is produced, the 800,000 barrels a day that could be increased in this next calendar year will not be available in the United States.

I support the Northern Tier line. I am surprised at my friend from Montana. The production must be there before it can be financed.

Mr. MELCHER. Will the Senator yield?

Mr. STEVENS. I am delighted to yield to my friend from North Carolina for 1 minute or whatever time he needs, 2 minutes, and to the Senator from Illinois after that. Again, we are doing so without the Senator from Michigan losing his right to the floor. I am prepared, following their comments, to agree that we would vote on the tabling motion of the Senator from Michigan at 5 minutes of 3 with neither of us yielding back the remainder of our time, if that is agreeable.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. I yield.

Mr. ROBERT C. BYRD. I have discussed this with Senator BAYH, who indicates it would be agreeable with the Senator from Michigan (Mr. RIEGLE).

I ask unanimous consent that a vote occur on the motion to table at 5 minutes to 3.

Mr. STEVENS. If it is on the condition that we evenly divide this time, because I have commitments to Senators STEVENSON, PERCY, and HELMS. I shall take no more time myself.

Mr. ROBERT C. BYRD. Yes, with the understanding that the 15 minutes be equally divided and controlled in the

usual form, and that the tabling motion be in order even though the time has not been yielded back.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, it is so ordered.

Who yields time?

Mr. STEVENS. I yield to the Senator from North Carolina first, then to the senior Senator from Illinois, and then to the junior Senator from Illinois.

Mr. HELMS. Mr. President, I thank the Senator from Alaska for yielding to me.

Recently I learned the details relating to a lack of refining facilities and transportation pipelines that has resulted in Alaskan oil not being produced or developed as rapidly as would otherwise be the case.

Specifically, I am informed that production capacity of the North Slope field is presently at a 1.5-million-barrel per-day level, but actual production is only 1.2 million barrels per day.

The stated reason for this was the lack of facilities to refine the oil on the west coast and the lack of pipelines on the west coast to carry the heavy Alaskan oil to refineries in the interior of the United States.

After assessing Senator STEVENS' proposal, I view it as only a temporary situation to be in effect only until we can build additional refining capacity on the west coast or a pipeline to carry this oil to America's inland refineries.

Having said that, I should emphasize that I do not believe that it is in America's long-term or broader interests to permit a long-term oil sales program to Japan, although there may be some temporary and short-term benefits. And I believe that it would be a great misfortune if Alaskan exports of oil to Japan result in a failure to build the pipelines and refining facilities which are so necessary to process Alaskan oil in the United States.

Let me explain why I feel so strongly about this:

In my view, the superficial economies and short-term benefits which appear to be offered by a long-term oil sales program to Japan are completely overridden by broader and longer term considerations. I am convinced that the so-called swap arrangements with Japan on a long-term basis would not be America's best interests.

In the past we have seen a certain amount of erratic behavior on the part of this administration concerning energy policy. And while I hope the administration eventually does the right thing as far as energy is concerned, I believe that it is important for the Congress to make its own views on important parts of America's energy policy crystal clear.

One of the most important aspects of today's energy policy is the whole question of Alaskan oil. Some have advocated a permanent sales program to Japan, and to other countries, because of the difficulty in transporting Alaskan oil to midcontinent refineries where it could be converted into gasoline, heating oil, and other products urgently needed by the American people.

This may be justified on a temporary basis but, I believe the Senate should make it clear that it believes that our Nation's interests would not be best served by a long-term program of sales of Alaskan oil to foreign countries.

No one knows for sure what the production potential of Alaska might be. But there is one thing upon which there is virtually unanimous agreement: Alaska has significant promise for future oil discoveries and expanded production. If America is ever to achieve a greater degree of energy independence, clearly, Alaskan oil must play a prominent role.

At present, many experts appear to believe that Alaskan oil is not being developed as rapidly as might be the case. And there are a number of bottlenecks, according to these experts. Until recently, leasing in some areas has been held up. In California, a pipeline proposed by the Sohio Co. to transport Alaskan oil to the large midcontinent oil refineries was delayed for years by the requirement for literally hundreds of permits and environmental procedures. Eventually the entire project was scrapped. And today, it appears that the full capacity of California's refineries is being used to process the limited quantities of oil now coming from Alaska and elsewhere.

It would seem to me to be prudent for the United States to be taking steps to increase its capacity to transport and process oil on the west coast.

Part of President Carter's energy program calls for the rapid exploitation of the massive deposits of very heavy grade California petroleum. Assuming this project actually happens—and I have reason to believe it may—the resulting crude oil will swamp suitable existing refining capacity on the west coast.

Rather than exporting Californian and Alaskan oil to Japan or elsewhere, I urge, as part of the President's new energy initiatives, that Governor Brown, in the interests of the Nation and in the interest of Californians, be encouraged to facilitate the construction of a pipeline to the Texas and Oklahoma refineries so that greatly increased amounts of Alaskan and heavy Californian oil can be refined and used directly by the people of the United States.

This project should be near the very top of the list of projects to be handled by the President's proposed new Energy Mobilization Board—whose very purpose is to cut through redtape on projects exactly like this one.

There are a number of reasons why I urge we follow this course of action—and refine our own crude oil rather than selling it to Japan or other nations.

In the first place, the entire rationale behind the construction of the Alaskan oil pipeline was to permit Americans to use this oil. At the time the pipeline was under consideration, environmentalists claimed that the whole pipeline was unnecessary because the oil companies planned to sell most of the Alaskan oil to Japan anyway. This was denied in the strongest terms by the American oil companies at the time, and after some delays, the pipeline, with a potential capacity of 2 million barrels per day, was actually constructed, at great cost.

Sadly, the pipeline has never to this day been used to its full capacity. Because of a lack of suitably equipped refineries on the west coast to process this oil, and the unfortunate delays which blocked early attempts to build unloading facilities and pipelines to carry the oil to the huge inland refineries, Americans have not been able to take advantage of the Alaskan oil to the extent that had been earlier envisioned.

Instead, we are importing extra oil from the Middle East, and putting added strains upon our balance of payments.

Now, what is wrong with selling Alaskan oil to Japanese?

Well, in the first place, these fields will then be rapidly exploited. Japan, like the United States, has a vast appetite for oil. So with Japan's unlimited requirements, Alaskan oil fields can become rapidly depleted. And, given the unsettled state of the world, I am not sure that this is really in American interests.

More importantly, however, it is becoming increasingly clear that oil on the international market is beginning to carry not only a heavy and direct purchase price, but also heavy additional indirect costs and political price tags. Take three recent cases:

First. The nations in the Middle East have made it quite clear that unless there is progress on the West Bank, the United States may find it difficult to obtain oil supplies in required amounts from that quarter.

Second. Nigeria recently threatened to reconsider its oil sales to the United States if we were to drop sanctions and recognize Zimbabwe-Rhodesia.

Third. Mexico has made it abundantly clear that increased access to Mexican oil by the United States will probably require the United States to permit large-scale immigration of unemployed Mexicans into the United States, and equally important, much more open access to the American market by Mexican manufactured and agricultural goods. Thus, in the case of Mexico, the United States will not only have to pay to Mexico $7 billion per year for every million barrels per day of oil that we import, but we will also have to shoulder the additional billions of dollars of balance of payments that will come from imported Mexican manufactured and agricultural goods.

Here, there is also an indirect price tag. Increased Mexican export of manufactured goods to the United States means fewer jobs for Americans, and unless the process is carefully controlled, it also means increased unemployment and labor unrest. Finally, increased Mexican immigration in the United States also means higher demands for energy in the United States. Although every additional million immigrants from Mexico contributes in some measure to the American economy, they also obviously require additional millions of barrels of oil for the gasoline which they use to run their cars, the fuel to heat their homes, and for the energy requirements of their jobs, schooling, and so forth.

Thus, increased access to Mexican oil, with its potential double-whammy extra price tag on balance of payments, increased immigration, and import of manufactured goods, is also no simple or cheap solution to our oil requirements.

What I am suggesting here is that there are big liabilities, both political and economic, to our continued dependence on imported oil. And, because of the long leadtimes required to change this situation, we are very foolish to mortgage our future to an increased extent by selling U.S. oil to Japan, and thus increasing our own future dependence on imported oil with the political price tags and indirect costs associated with it. I urge instead that we move rapidly to increase our ability to use our own oil.

There is, however, a second problem associated with the selling of our Alaskan oil to Japan.

For years now, U.S. trade negotiators have been unhappy about the fact that the trading relationship between the United States and Japan is not only grossly out of proportion from a balance-of-payments point of view, but more importantly, they have become increasingly concerned about the structure of this trading relationship, which has increasingly taken the form of the classic colony—motherland trading relationship.

That is, cheap raw materials from the colony are traded in return for expensive processed manufactured goods from the mother country.

At the same time, the mother country prevents manufactured goods from being imported from the colony by a combination of tariffs and nontariff barriers of various kinds.

Except for specialized super high technology items, this is exactly the economic relationship which Japan has increasingly developed with the United States. And from the Japanese point of view, this is just great. Japan buys from us logs, raw grain and cereals, soy beans, cotton, coal, metal ores and scrap metal, raw skins and hides, pulp wood, et cetera. Japan runs these raw materials through her manufacturing plant, and then exports the resulting goods to the United States in the form of finished steel, television sets, textiles, et cetera.

Now, a certain amount of this is acceptable, even desirable. But when major American industries—such as the electronics and television industries—are pushed to the point where serious unemployment and structural harm is beginning to occur, then it becomes important to change the situation.

Right now, Japan is under the gun to make major changes in her own economy to permit American manufactured goods and farm products to be sold at a fair price on the Japanese market.

Our negotiators can now point to the enormous gap in our balance of payments, and rightly demand that Japan take corrective action to prevent discrimination against American manufactured goods and agricultural products in Japan.

But, if we permit Japan to purchase our oil, then although the bilateral balance of payments problems with Japan will be eased, our overall balance of payments will be worsened.

And our trade negotiators' efforts to get the Japanese economy opened up to American manufactured goods and other products will be undercut.

We will then have the worst of both worlds: A balance-of-payments problem that is worsened—but the trading partner which is causing much of our problem with its aggressive export programs and domestic protectionist measures—will be able to point to our bilateral trade accounts and say that it is not their fault, that our balance of payments problems are with the Persian Gulf, Mexico, et cetera.

Then, more American industries will be weakened, our unemployment problems will worsen, and only the Japanese will have gained.

In my own view, Japan already profits more than she should by her relationship with the United States. The U.S. taxpayers are shouldering much of the burden of the defense of the free world, including Japan.

But our ability to continue to defend the free world depends to a large degree on the health of the American dollar.

Balance-of-payments problems are undermining this dollar, and it is a combination of energy payments and Japanese protectionism which contributes massively to the dollar's present woes.

It is, therefore, essential in my view that we prohibit the export of crude American petroleum, except under very special and controlled circumstances. We have a commitment to our allies to sell oil in the event that certain disasters should strike. We should keep these commitments, under most circumstances.

But an open-ended oil export program, in my view, is a classic case of being pennywise and pound foolish. For the sake of small economies in transport, and for the sake of slightly increased profits for the oil companies which the immediate sale of Alaskan oil to Japan would facilitate, we are endangering broader and vastly important long-term American interests.

In summary, then, I urge the Senate to exert its leadership in pushing for every possible means to keep American oil in America for Americans. Let us rapidly build the pipeline and loading facilities which are necessary to transport the Alaskan and west coast oil to the inland refineries for subsequent use by the American people. Then the question raised by this amendment will be moot, and the best interest of the American people will be served.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I know that this issue is filled with emotion. We have seen evidence of that right on the floor. It is subject to great misunderstanding in the country.

There is no misunderstanding, any longer, I believe, that we have an energy crisis. There is no misunderstanding that we need now to cut through an awful lot of things to have maximum flexibility. The problem with the bill as it now stands is that the process involving swaps would make them almost impossible. I think the administration supports this Stevens amendment because maximum flexibility is required. The Senator from Illinois supports it because I think we need maximum flexibility.

This amendment is good for the consumer, and good for the producer and, I think, is an amendment supportive of the national interest to provide the maximum flexibility that we need to face the crisis we have today. For that reason, Mr. President, I support the Stevens amendment and urge its adoption.

Mr. STEVENSON. Mr. President, I opposed the location of the pipeline in Alaska. I oppose decontrol of oil. I do not come from Alaska. And I support this amendment.

It is the policy of the United States to increase exports. It is also the policy of the United States to increase oil production. This amendment serves both of those objectives.

It only applies to increases in production from Alaska. It would only permit transfers of volumes in excess of those now flowing through the pipeline. So it cannot decrease production. By creating a market for additional production, it will increase oil production. In doing so, it will increase world oil supplies. That has the effect of putting pressure downward on the world oil price, with benefits for everybody, including the American consumer, including all the people of the United States, not just those in Alaska.

If necessary, of course, the swaps that are authorized by this amendment could be terminated. If there were ever an emergency situation or any event which interrupted the supplies or threatened shortages in the United States or any region of the United States, the swaps could be interrupted and the Alaskan oil made available.

The fact of the matter is that there is no way of absorbing the increased production that is possible from Alaska. Unless this amendment is adopted, the oil is going to stay in the ground. In the ground, it benefits no one, least of all the people of the United States. This amendment, Mr. President, is also, for those reasons, supported by the administration.

Mr. STEVENS. Mr. President, will my friend allow me to find out how much time I have left?

Mr. RIEGLE. Yes.

Mr. STEVENS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 3½ minutes remaining.

Mr. STEVENS. At such time as is convenient to the Senator from Michigan, I yield to the Senator from New Mexico.

Mr. RIEGLE. I yield 1 minute to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank my friend from Michigan. I support him enthusiastically.

Mr. President, we ought to ask ourseves, what is the reaction of our own constituents? Can you imagine going out on the streets in Oshkosh and Milwaukee and saying you favor our export of oil to Japan? They would laugh you right off

the street. This is one issue that is very clear in my State, no question about it.

I think the Senator from Michigan has answered all the real problems here. The real beneficiaries from this are going to be (a), the oil companies; and (b), the State of Alaska. Americans are going to have to pay more, we are going to have less gas, less reliable and high-quality gasoline, no question about that, and oil.

I hope that the position taken by my friend from Michigan and others will be supported and the amendment will be defeated.

Mr. RIEGLE. Mr. President, I yield 2 minutes to the Senator from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. President, certain provisions of S. 737, the Export Administration Act, prohibit an export or exchange of Alaskan oil unless several stringent findings affecting oil supply security and consumer interest are made by the President and the proposal is submitted for congressional approval.

I support this committee language because it is necessary to reduce our dependence on foreign oil by encouraging domestic means of efficiency handling Alaskan oil.

There is a Northern Tier pipeline proposal now moving forward that is of real significance to my area of the United States. Its completion will mean a great deal to the long-range benefit of the Midwest States, specifically, and to the United States, generally.

I am concerned, Mr. President, that this area not be impacted adversely. That is one of the reasons why I think the committee language should be maintained.

How did we reach this sad state of affairs where we even consider an export of this vital natural resource?

How is it that, in the face of a severe crude shortage and skyrocketing prices, there are those who advocate exporting Alaskan oil through some convoluted exchange mechanism?

The basic reason, I submit, is that—early on—we failed to differentiate between the national interest and the interest of several major oil companies.

Specifically, Congress was mistakenly led to believe that a Trans-Alaskan pipeline was preferable to a plan that would have brought Alaskan oil to where it is needed—the Midwest and East. And, I might add, many of the same voices that urged us to build Trans-Alaskan are now equally supportive of an export.

The National Journal was correct when it described as a "great irony" the fact that, 10 years after discovering America's biggest reserve of oil and gas under Alaska's North Slope, neither the companies nor the Government have figured out where or how to sell it all. Incredibly, after spending billions of dollars to construct a pipeline in Alaska that was supposed to help meet California's needs, we find that California is unable to use all of that crude. What California cannot use—the so-called glut which currently amounts to about 300,000 barrels per day—is shipped through the Panama Canal to eager buyers on the gulf and east coasts.

Lest I be misunderstood, Mr. President, I emphasize, all available Alaskan crude is being used in the United States; the problem is the oil is not going directly to where it is needed, the Midwest and East. The additional transportation costs resulting from the longer, more costly ocean route must be absorbed by the producer. These costs cannot be passed along to the consumer because the producers already receive top dollar for every barrel of oil. This is because ANS crude is effectively free of any control, and its price mirrors OPEC prices.

In the case of Alaskan oil, the main producers are Standard Oil of Ohio (Sohio)—the same corporation that recently abandoned the plan to retrofit the pipeline from California to Texas—Exxon and Arco.

To relieve the oil companies of the burden of transporting ANS crude to the gulf coast, the administration has proposed sending the oil to Japan in an exchange arrangement where the United States would receive oil that otherwise would have gone to Japan. Producer profits will rise to still greater levels and, so goes the argument, production will increase. The economics of the situation are intriguing. In order of profitability, an export ranks first then a west-to-east pipeline and lastly shipping the oil through the Panama Canal.

An export, as opposed to the canal route, would increase producer profits by about $2 per barrel. What is more unsettling is that an export is also more profitable than transporting the oil through a pipeline. According to a recent Department of Energy study, Sohio stands to make 70 to 90 cents more per barrel by exporting than by building and using a pipeline. In short, exports will always be favored by the oil companies to the exclusion of finding more efficient means of handling Alaskan oil domestically.

And, at the same time that oil company proponents of Trans-Alaska pipeline system were assuring us or California's ability to absorb full Alaskan North Slope production, they were also denying any intention of exporting ANS crude to Japan. Yet, a close examination of the record shows that early on oil companies recognized the attraction of the Japanese markets and took steps in that direction. For example, in 1970, Edward L. Patton, president of Alyeska Pipeline Service Co., submitted confidential estimates to the Interior Department targeting 25 percent of North Slope crude for sale beyond the west coast of the United States, including direct sale to Japan by 1980.

In that same year, Phillips Petroleum president, John H. Houchin, proposed that Alaska oil be exported to Japan in exchange for that country's share of Persian Gulf oil. Similarly, Atlantic Richfield quickly detected the attraction of oil sales to Japan. Rollin Eckins, Arco's vice chairman, in a 1970 presentation to the Alaskan science conference said that Japan would be willing to pay a premium for a secure supply of Alaskan oil.

In view of this history, Mr. President, some observers of oil company behavior were not at all surprised when, contrary to earlier public estimates by the oil companies, a surplus of Alaskan North Slope crude appeared on the west coast and the idea of an export was revived.

We are now told to ignore this tortuous history and instead to concentrate on the future, specifically, the need to export and to increase producer profits.

While I agree wholeheartedly that we should not make policy on the basis of exacting a pound of flesh for past transgressions, it would be equally foolhardy to disregard the clear lessons of recent history.

There are times when what is good for the oil companies is not good for the great majority of America. The legislation before us presents such an occasion.

Restricting exports, while contrary to the interest of the oil companies, is absolutely imperative if we are to stimulate those developments that will put us on the road to energy independence.

Mr. President, I urge my colleagues to support the provisions affecting Alaskan oil in S. 737—as reported by the committee—and to oppose any weakening amendments.

Mr. JAVITS. Will the Senator yield time to me?

Mr. RIEGLE. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, at the bottom of page 76 of the bill, line 25, the words appear, "otherwise subject to this subsection." For the same reason that Senator STEVENS struck them from his amendment, because it does interfere with something nobody intended to interfere with, I ask unanimous consent that they may be stricken from the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I reserve the remainder of my time. I know the Senator from Alaska wanted to use the remainder of his time.

Mr. STEVENS. Let me yield briefly to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Alaska has 3½ minutes remaining.

Mr. STEVENS. I yield such time as he may need to the Senator from New Mexico.

Mr. DOMENICI. I shall try to be brief.

Mr. President, let me say to my good friends on the Senate floor, many of whom have argued against the Stevens amendment, that in this Senator's opinion, so long as the discussion about the energy situation in the United States continues to receive attention in the way it is receiving attention here today, we are not going to solve the energy problem. That is because most of the positions being taken have nothing whatsoever to do with American energy independence, but have to do with picking on somebody or blaming somebody or being really concerned that somebody is going to make a profit.

Let me tell you, this amendment says that we will not swap—and I call to your attention that swapping means at least a barrel for a barrel. So in the swap itself, how can you lose?

Second, it cannot occur if you are cutting America's oil imports. That is in it. So it must be for more oil rather than less.

Now, let us sit here today and talk about those obscene oil companies and do the ridiculous: Let us add $3 or $4 a barrel in transportation costs just because we want to be sure, positively sure, that we do not let a couple of steamers cross the ocean and we bring one to us that is closer, started out closer to us, so it ought ultimately to be cheaper for the cutting of costs of transportation. Do not do that because some oil company might make some money. So you ought to support Senator RIEGLE.

Mr. STONE. Will the Senator yield?

Mr. DOMENICI. Yes, I only have 30 seconds remaining.

Mr. STONE. I shall be brief.

Is it not true, if this amendment passes, we would have an increased leverage to work something out for increased Mexican production?

Mr. DOMENICI. Precisely.

Mr. STONE. Not only oil, gas?

Mr. DOMENICI. Precisely.

Tie the hands of the President so it will be harder to make any deal with Mexico. But in 2 or 3 years, we can come back and say, however, that we did not let anybody make an extra penny on this because we needed to bring every bit into America, whether it was economically right, or the thing to do to our President.

I close by saying that I am certain President Carter really wants this authority to let American oil companies get rich.

Mr. STEVENS. Mr. President, I have committed a minute to my good friend, Senator JEPSEN.

Mr. JEPSEN. Mr. President, the problem is that there is a "glut" of oil on the west coast of the United States. This is due to environmental restrictions which effectively prohibit the building of new refineries or pipelines to the central part of the country. Thus we are presently unable to effectively use Alaskan oil. It is believed that if the oil could be efficiently transported and refined that the Alaskan oil fields could substantially increase their output.

From this situation the idea of a swap arrangement has arisen. We would swap Alaskan oil to the Mexicans or Japanese in return for Mexican oil or oil the Japanese had previously contracted for. The result would be a much more efficient use of available oil resources and the United States would not lose one drop of oil.

It is unfortunately not feasible to transport the oil from Alaska to the gulf coast, where it could be used, because only small freighters can fit through the Panama Canal, rather than the more efficient supertankers which bring oil from the Middle East. It is possible that a pipeline may still be built through Canada to bring Alaskan oil to the Lower 48, but this is not certain and is many years away anyhow.

In conclusion, I think you should support amendments to the Export Administration Act to allow for swap arrangements for Alaskan oil.

Let us do something in this Senate for a change that is commonsense.

Mr. STEVENS. Mr. President, if I have 1 minute remaining, let me again state that this amendment is necessary to allow my State to increase production of oil by 800,000 barrels a day.

Today we are producing 1.1 million barrels a day. We have a pipeline designed to carry 2 million barrels.

Unless we are assured there would be a way to transport and effectively use that oil in the United States, and by agreeing to this amendment we will increase the availability of oil in the United States, then I do not believe the investment will be made to increase the pumping capacity or increase the production of the wells required to make certain we use the pipeline to full capacity.

Mr. RIEGLE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. RIEGLE. I yield a minute-and-a-half to the Senator from Louisiana.

Mr. JOHNSTON. I thank the Senator.

Mr. President, the question of production is a red herring. With the world oil prices at $20 a barrel and moving upward, we are going to produce all the oil we can find in Alaska and ship it.

What this fight is all about is a fight between big oil and American seamen. It is not even big American oil. It is BP, which is British Petroleum, which owns over half of that Alaskan oil.

The question is, do we give BP more profit or put it in the hands of American seamen, because American seamen, under the Jones Act, of course, have to go in American flagships. That is what the question is all about.

It is a tough question because it is a question of economic efficiency.

I come down on the side of American seamen because American jobs are involved.

We are not going to do anything for the American consumers by leasing them to Japan.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RIEGLE. Mr. President, I want to say, in addition to the comments of the Senator from Louisiana, it is currently U.S. policy to keep U.S. crude in the United States, and it is by reason of the fact that we need it.

There is no gain to consumers in the proposition put forward by Senator STEVENS. Yet, he says this is needed to increase production.

The oil companies already announced, without any export action being taken, they plan to increase production this year to 1.6 million barrels. As stated by the Senator from Louisiana, with the price levels being what they are, and rising, every drop that can be produced from Alaska will be, and it will be used.

So I find the situation is that all we can do, if we adopt the Stevens amendment, is to hurt the United States because we do not have any oil for export today that we can afford to let go.

It would benefit Japan. I grant it would. It would make it easier for Japan to receive oil at lower prices than otherwise.

But I do not for the life of me see how that creates any advantage for the United States.

I would like Mexico to view us as their principal market and not the Japanese.

Finally, if we are going to have a pipeline in the Northern Tier, we will have to count on all the Alaskan oil.

Several Senators addressed the Chair.

Mr. RIEGLE. Mr. President, due to a longstanding speaking engagement of great importance to his State, the junior Senator from Alaska (Mr. GRAVEL) was unable to be present for this Saturday session. However, those provisions of S. 737 relating to the export of Alaskan oil are of serious concern to him, and he has asked that I submit on his behalf prepared remarks on this subject. I therefore ask unanimous consent that there be printed at this point in the RECORD a statement by the Senator from Alaska.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

STATEMENT OF SENATOR MIKE GRAVEL OPPOSING S. 737 AND THE BAN ON EXPORTATION OF ALASKAN OIL

In 1973 the proven oil reserves of this country totalled over 36 billion barrels with domestic production of 9.2 million barrels per day. Today our reserves have fallen to less than 29 billion barrels while domestic production has declined by 800,000 barrels to 8.4 million barrels per day. During this same period, we have seen the President shift his emphasis from an energy crisis to a crisis of confidence. However, Presidential misdirection of energy policy is not the only reason for declining reserves. With the one exception of approval of the trans-Alaska pipeline, legislation by the Congress has done nothing to improve the concoction of regulations which has passed for energy policy in this country.

S. 737 is a continuing example of the energy menu which has been served to the American people. I have long opposed the prejudicial treatment of Alaska's North Slope resources which has surfaced from Congress to Congress since 1973. This bill, like its predecessor, restricts the ability of Alaska to export its surplus oil production. Unlike its predecessor, S. 737, with its series of criteria and one-house veto provision, results in an outright prohibition on any export, regardless of the net advantage to the United States.

The arguments supporting export are persuasive. Export could ultimately improve our balance of trade by billions of dollars, with the dollar-yen exchange rate showing favorable activity immediately.

Export would also mean that more North Slope oil would be produced. The TAPS line today is operating at less than its design capacity, flowing at a rate of 1.2 million barrels per day with a potential of 2.0 million barrels. Even at this rate there is a glut of oil on the West Coast of over 200,000 barrels per day. The glut is now transshipped through the Panama Canal at much higher transportation costs than it would obetain were an exchange with Japan initiated. The only existing plan for a West-East pipeline can accommodate only the existing West Coast glut. Therefore, if the domestic production capacity of the country is to be increased, export of excess Alaskan oil is the only reasonable course. Not only would domestic production be returned to its 1973 high, but the 800,000 barrels per day which are not being produced represent a potential of $6.336 billion per year to offset our deficit with Japan.

From my State's standpoint, export could mean new pipeline construction spending, as well as additional oil revenues, on the order of $500 million per year. The expansion

would also allow increased production from proven reserves, as well as expanded programs of exploration.

Many months ago I wrote President Carter expressing my concern about the energy policy and urging export. I pointed out that North Slope oil is of no use to the United States, either in trade, in domestic consumption, or in an embargo emergency, if the infrastructure to bring it to market does not exist. That domestic infrastructure does not exist today, and it will not until its cost can be justified. The West Coast oil glut makes it impracticable now to expand the pipeline to full capacity. Export to Japan would make the expansion possible.

I continue in those sentiments and strongly oppose the export prohibition contained in S. 737.

● Mr. INOUYE. Mr. President, in your committee report on S. 737, specifically on page 14, within the section of the report pertaining to the export of Alaskan crude oil, we are told that the committee feels that there should be increased refinery capacity on the west coast, especially capacity which will be able to utilize Alaskan crude oil and produce unleaded gasoline and other light transportation fuels. We are told on that same page 14 that the committee believes that—

The Department of Commerce, should in carrying out its responsibilities under Section 4(g), review and revise, as necessary, those regulations concerning the export of petrochemical feedstocks, including naptha (sic), refined in new or reconfigured refineries. For example, the Department should not interpret any provision of S. 737 in a manner that would preclude the export of petrochemical feedstocks, including naptha (sic), if such export would facilitate the construction of a new refinery designed to produce unleaded gasoline or other light fuels, and if domestic markets for such products are not readily available or economically feasible. The Department should further take into account the need for such projects to receive commitments regarding the future issuance of export licenses.

In my State of Hawaii, a refining company which has historically processed 100 percent imported crude oil has been seeking Alaskan crude oil to use in a projected expansion of its refinery capacity. The use of Alaskan crude oil in the expanded portion of this refinery would stimulate the use of domestic oil in Hawaii, which has been almost 90 percent dependent upon foreign sources for its crude oil.

Hawaii has a heavy demand for transportation fuels—jet fuel, gasoline and diesel fuel—for its tourist-oriented economy and has minimal needs for residual fuel oil. The fuel balance situation in Hawaii is further compounded by the military needs for the same fuels. The refineries in Hawaii are unable to make a sufficient quantity of required transportation fuels without producing an excess of other products especially residual oil.

Due to the composition of available Alaskan North Slope crude oil its use in Hawaii's refineries would result in the production of high sulphur residual fuel oil as a byproduct of the refining process. United States environmental restrictions preclude the marketing of high sulfur residual oil on the west coast, therefore, the only market available for residual fuel oil of such a sulphur content—1.74 percent sulphur by weight—would be in the export market.

I believe that we can help to stimulate production of domestic crude oils, provide products which meet stringent environmental regulations to U.S. firms and provide additional fuels of the types required to meet both civilian and U.S. military defense needs in Hawaii. This can be accomplished by utilizing Alaskan crude oil in incrementally increased refinery capacity.

I, therefore, submit that the intent of the committee as outlined in the report language on page 14 would be enhanced by the addition of "refinery byproducts including high sulphur residual fuel oil," to the provision instructing the Department of Commerce in carrying out its responsibilities under section 4(g) to review and revise, as necessary, those regulations concerning the export of petrochemical feedstocks, including naphtha refined in new. or reconfigured refineries and that this provision should be applied to expanded as well as new or reconfigured refineries. Is that consistent with your view?

Mr. STEVENSON. The senior Senator from Hawaii is correct. We want to encourage the utilization and refining of Alaskan crude in west coast and Hawaii refineries and the export of certain byproducts in surplus in our western domestic markets should be assured. For example, the Department should not interpret any provisions in S. 737 in a manner that would preclude the export of refinery byproducts including high sulphur residual oil, petrochemical feedstocks, including naphtha, if such export would facilitate the construction of a new or expanded refinery designed to produce unleaded gasoline or other light fuels, and if domestic markets for such products are not readily available or economically feasible. The Department should further take into account the need for such projects to receive commitments regarding the future issuance of export licenses.●

PRESERVING ALASKAN OIL FOR THE UNITED STATES

● Mr. MCGOVERN. Mr. President, I rise in support of maintaining the existing language of the Export Administration Act amendments as reported by the Committee on Banking, Housing, and Urban Affairs.

In light of the enormous implications which Alaska oil exports would have on our precarious petroleum supply picture, we cannot condone either exports at this time or give the President complete authority to authorize such exports.

Congressional control is essential.

The basic underlying premise of the Export Administration Act is to protect the domestic economy from an excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal demand. This policy has become more important today than at any other time since this act was first implemented 10 years ago.

Clearly, the intent of Congress when we passed legislation to provide for the transportation of Alaskan oil, was to mandate that Alaskan crude would be used domestically—to ease our shortages, reduce our dependence on foreign imports, and to assist in restoring our devastating balance-of-payments problem.

Both the congressional intent of this legislation and U.S. policy under the Export Administration Act, as well as our energy security objectives would be dangerously jeopardized by any attempt to export Alaska North Slope oil at this time.

In point of fact, the administration, in 1977, rejected the option to exchange surplus North Slope crude with Japan, despite the anticipated transportation savings. The administration cited very convincing reasons for their decision—including the fact the consumers would probably not realize any benefit from the anticipated transportation savings.

A recent GAO report stated that,

Given the uncertainty and concerns associated with the exchange agreement as outlined above, in the interim, continued shipment of oil through the Panama Canal to the Gulf and East Coasts would appear to be the most sound course of action.

I urge my colleagues to support the existing policy and language contained in the Export Administration Act.●

ALASKAN OIL AND ENERGY INDEPENDENCE

● Mr. CHURCH. Mr. President, with this bill we have the opportunity to help place our country on the road to energy independence. Alaskan oil is a vital part of our Nation's energy strategy because it represents over 13 percent of our domestic reserves. Congress has played a part in each stage of the development of Alaskan oil. Congress approved the route for the Trans-Alaska pipeline; Congress provided the necessary right-of-ways; Congress lifted price controls to stimulate production and now Congress must decide if we are to keep the oil for domestic use or export it overseas. It would be tragic to have gone to such enormous effort to develop this vital resource only to have it slip through our fingers.

Recent OPEC price increases have spurred another round of inflation. Each new economic forecast projects a recession. I am concerned that very soon the Senate will be confronted with inflation and rising unemployment as our people are thrown out of work as business feels the shock of the latest OPEC price squeeze. We need an energy strategy before it is too late; a strategy that protects our citizens from reliance on the instability of the world oil market; a strategy that provides workers with job security not affected by Iranian revolutions or Middle East hostilities. A central part of any such strategy is the full development of our own domestic energy supplies, including Alaskan North Slope oil.

Three steps should be taken to fully utilize North Slope oil supplies. First, we should bar the export of Alaskan oil. Second, we should encourage west coast refineries to retrofit their facilities to handle Alaskan heavy crude. Third, we should improve and secure our delivery of Alaskan crude through the development of pipelines to carry it to inland refineries that need it.

By acting to ban the export option we

will create an incentive for producers to invest domestically in pipelines, and also to retrofit their refineries to handle larger volumes of North Slope oil. When the Trans-Alaska pipeline was built, the oil companies were promising to make the investment required to retrofit west coast refineries to handle Alaska crude. Those investments have not been made, because the oil companies have never abandoned their desire to export North Slope oil at OPEC cartel prices to foreign purchasers.

The combination of increased refinery capacity for Alaskan crude and the development of a pipeline would provide us with the maximum energy security obtainable from Alaskan oil. The proposed Northern Tier pipeline would cross over our oil-starved Northern States making connections to deliver Alaskan crude to 66 refineries in 14 States with a total capacity for more than 4 million barrels of oil per day.

The United States relies on imported oil for nearly half of its petroleum needs. Our vulnerability in the event of an embargo, an international crisis, or a prolonged cutoff by one of our major suppliers has increased daily. Despite this serious predicament, the multinational oil companies are advocating the export of Alaska oil on the grounds it would yield greater profit for them if they could sell it abroad.

When the Senate Banking, Housing, and Urban Affairs Committee reported this bill, it clearly indicated that energy security was more important.

The American people fully expected that production of oil from Alaskan fields would relieve some of our dependence on imported crude oil. The hazards of that dependence, which has actually increased since production began in Alaska, are vividly evident today in the shortages suffered in California and other areas. Proposals to export Alaskan oil, in exchange for Mexican or Persian Gulf crude oil, will not serve to reduce our need for imported oil . . . Once West Coast refining capacity is increased, the East-West pipelines are built, the United States will have a little more protection from the vagaries of international oil price increases and the attendant political and economic consequences. In view of this, the Committee feels that this amendment serves a national purpose and will have a positive effect on efforts to rebuild our domestic petroleum infrastructure.

The need for us to develop a stable Alaskan oil supply and delivery system is evident. We must reduce our dependence on foreign oil. We cannot accomplish this goal if we export American oil. I urge my colleagues to join me in supporting the oil export restrictions contained in this bill.

The amendment offered by the Senator from Alaska (Mr. STEVENS) should be rejected.●

● Mr. DOLE. Mr. President, as we all know, recently the President determined that the United States must establish a positive energy program, based on responsible programs and strong leadership. The key in his decision to activate such a policy was to seek a cut in the level of imported oil, and at the same time insure that significant incentives for domestic production be provided.

In Alaska, however, the search for domestic oil was successful in the early 1970's and as many of my colleagues here in the Senate may recall, the Federal Lands Right-of-Way Act of 1973 provided for construction of a Trans-Alaska pipeline to bring the massive amounts of crude from the North Slope to the Lower 48 States. Unfortunately, this crude must be shipped to refineries of the east coast due to the shortage of refining capability of the west coast. This is one reason for the "glut" of oil on the west coast, and also for the high cost which consumers now pay.

SWAPPING OF ALASKAN OIL

The export bill reported by the Banking Committee makes it impossible for the United States to effectively deal with this "glut." Under the amendment offered by the Senator from Alaska, reasonable restrictions on the exportation of Alaskan crude through swapping could occur. This could only be done, however, in the national interest and prove to be of no adverse effect on the American consumer.

This amendment will not allow foreign sale, but permit exchanges or swaps of oil which would effectively and efficiently reduce our oil costs, and at the same time minimize the current inefficient and wasteful system of shipping Alaskan oil through the Panama Canal where it is shipped to the gulf coast and on east.

IMPACT OF THE PANAMA CANAL

The Senator from Kansas believes that serious consideration should be given to this amendment if only for the cost factors alone. The passage of the Panama Canal Treaty last year by this body not only alters our international position with the South American nations, but also alters our domestic affairs, particularly in regards to its impact on our energy supplies.

The Senate will soon be taking up the implementing legislation for the Panama Canal Treaty, and what will be raised in this measure will be costs and who will bear them. One issue that has already been made very clear has been the sharp increase in toll rates for the United States in use of the canal for transit. This is of enormous concern to this country's energy problem—due to the passage of tankers carrying North Slope Alaskan crude.

Up to 500,000 barrels per day of Alaskan crude oil is shipped through the canal to gulf coast refineries. These refineries supply the east coast with half its requirements for refined petroleum, and the proposed toll increases of 30 percent will drastically affect prices of heating oil and other products just prior to this 1979–80 winter season. This Alaskan crude is necessary to keep the refineries operating at a more economical capacity, and supplies 7 percent of the petroleum supply itself; therefore any price increase will immediately be felt by the American consumer.

In light of the ramification of this administration's foreign policy, it is my hope that we will realize this past mistake and prevent ourselves from continuing to be locked in by decisions that time has proved to be unwise and uneconomical. We must have the flexibility to swap our Alaskan oil to Japan and avoid the pitfall of our past Panama Canal strategy. Our west coast refineries unable to handle the heavy North Slope oil, can make use of the lighter oil to be swapped with Japan, and at considerable energy savings for all Americans.

SOLVING OUR TRADE IMBALANCE

Our trade imbalance with Japan is responsible for about $12 billion of our $30 billion annual deficit, nearly as much as our oil deficit. Obviously, it is an area on which we must focus immediate attention—perhaps as much as we are now on the oil situation. Oil imports do not put Americans out of work, but Japanese imports do. Through the passage of this amendment, perhaps we can help solve these problems and reflect the concern that we are acting for what is best for our national interest, rather than what is convenient or consistent with failed policies of the past. Time has shown we made a mistake in our assumptions with the Panama Canal Treaty. This Senator believes that our policy in allowing for the swap of Alaskan oil would be wiser and beneficial for the American people.

DECISION TO SWAP

In the future, should a swap be proposed, that decision would be a matter for the Executive and Congress. Some swaps would be useful, others not. However, this amendment would provide flexibility for the Executive to propose swaps which may become necessitated by future events.

The increasing production from the North Slope will not only reduce this Nation's dependency on the OPEC cartel, but also increase the world's available supplies. Our net oil imports would be reduced and higher Federal tax revenues result.

In emergency, a swap would be terminated and the security of the Nation would not be threatened.

BENEFIT THE NATION

Undoubtedly, Mr. President, passage of this amendment will benefit this Nation at a time when relief is desperately needed. The costs of drilling in Alaska would be reduced, transportation costs would be minimized, and of particular importance, such swaps would bring the nations of Japan and Mexico closer in relationship with the United States. The Senator from Kansas is pleased to join in cosponsoring this amendment by the distinguished Senator of Alaska, and urges the Senate to act affirmatively on this measure.●

● Mr. HAYAKAWA. I am very concerned with the provision in this bill which would tighten existing restrictions on exports and thus preclude any type of oil exchange with Mexico and Japan.

Currently, California is suffering from a glut of sour heavy oil because it does not have the refining capacity to handle the high sulphur Alaska crude. There is no room for storage on the west coast and no pipeline to send the excess to needy refineries in the Midwest. Therefore, in many instances, producers are leaving

oil in the ground instead of paying the exhorbitant cost of shipping excess supplies through the Panama Canal. Certainly, construction of a pipeline or refinery retrofitting would be the ideal solution. However, both of these are long-range solutions and continue to face innumerable regulatory and environmental barriers.

The quickest, most effective way to solve this problem is to allow the excess oil to be shipped directly to Japan in exchange for the sweet, light Mexican crude which would be shipped to our Atlantic and gulf coast ports. The United States would not lose one drop of oil, and it would result in transportation savings of approximately $2 per barrel. It would help diminish our trade deficit with Japan and strengthen ties with Japan and Mexico. We must not deny the administration the flexibility of allowing such a swap which would end the disruption of the California oil industry, and benefit the Nation.●

Mr. LEVIN. Mr. President, I oppose the Stevens amendment and support the position taken by the committee for many reasons. One basic reason is that I believe that only when the present destination of Alaskan crude is retained will we as a nation face up to the need to build the new refining capacity we require and construct the pipelines that we need. Those requirements and that need are beyond debate—and only when we have stated clearly and definitively that there is no way to evade our responsibilities in that area, will we finally have the compelling motive to do what needs to be done.

We may argue, Mr. President, about the impact of this proposal on prices, balance of payments, jobs, and energy supply—but we cannot debate the fact that only by preventing the sorts of swaps suggested by the Stevens amendments will we take the first steps toward making the transportation and refining decisions we need to make in order to face up to the needs of the Nation.

Mr. RIEGLE. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. Under the previous order, a motion to table is in order at this time.

Mr. STEVENS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. CULVER), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Alabama (Mr. HEFLIN), the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. HATFIELD), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) would vote "yea."

The PRESIDING OFFICER (Mr. LEVIN). Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 52, nays 30, as follows:

[Rollcall Vote No. 206 Leg.]

YEAS—52

Baucus	Huddleston	Nunn
Bayh	Humphrey	Packwood
Bentsen	Inouye	Pell
Boren	Jackson	Pressler
Bradley	Javits	Proxmire
Bumpers	Johnston	Pryor
Byrd, Harry F., Jr.	Kennedy	Randolph
	Leahy	Riegle
Cannon	Levin	Sarbanes
Chiles	Magnuson	Sasser
Church	Mathias	Schweiker
Cranston	Matsunaga	Stafford
Danforth	McGovern	Stewart
DeConcini	Melcher	Tsongas
Durkin	Metzenbaum	Warner
Eagleton	Moynihan	Williams
Glenn	Muskie	Zorinsky
Hollings	Nelson	

NAYS—30

Armstrong	Hatch	Percy
Baker	Hayakawa	Roth
Bellmon	Heinz	Schmitt
Boschwitz	Helms	Simpson
Byrd, Robert C.	Jepsen	Stennis
Chafee	Kassebaum	Stevens
Dole	Lavalt	Stevenson
Domenici	Long	Stone
Garn	Lugar	Thurmond
Goldwater	McClure	Wallop

NOT VOTING—18

Biden	Exon	Morgan
Burdick	Ford	Ribicoff
Cochran	Gravel	Talmadge
Cohen	Hart	Tower
Culver	Hatfield	Weicker
Durenberger	Heflin	Young

So the motion to table the amendment of Mr. STEVENS (UP No. 431) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table the amendment of the Senator from Alaska was agreed to.

Mr. DURKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENSON. Mr. President, will the manager of the bill yield me 4 minutes?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

UP AMENDMENT NO. 432

(Purpose: To modify method of approval with regard to certain crude oil exports)

Mr. EAGLETON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 432.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 76, strike lines 19 through 21 and substitute the following:

(B) the President reports such finding to the Congress and the report is approved in accordance with paragraph (3).

(3) The report of the findings of the President required by paragraph (2) shall be considered approved, and shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after such report is submitted, unless the House of Representatives and the Senate adopt a resolution during such period stating that it does not favor such findings. For the purposes of this paragraph—

(A) continuity of a session of the Congress is broken only by an adjournment sine die; and

(B) the days on which either House is not in session because of an adjournment for more than 3 days to a day certain are excluded in computing the 60-day period.

(4) A resolution under paragraph (3) shall be considered in accordance with the procedures established by section 551 of the Energy Policy and Conservation Act.

On page 76, line 22, strike out "(3)" and insert in lieu thereof "(5)".

Mr. EAGLETON. Mr. President, I yield 4 minutes to the Senator from Pennsylvania and the Senator from Alaska.

Mr. STEVENS. Mr. President, the amendment has been tabled and in so doing the most restrictive provision against a producing State that Congress has ever leveled has just been, in effect, approved by the Senate.

I can understand what the Senator from New Mexico said when he stated that we have provincial differences here. But we will not solve the problem of increasing production of oil in this country if these differences persist. I just wanted to state to the Senate that in some ways the people of Alaska will be very pleased by this vote. I was urged by some not to press this amendment because the net result of the Riegle amendment is to prohibit entirely any exchange. It will deter any future expansion of our production capacity until we put refineries in Alaska.

So what Senators really have done now is, they have deferred the production cycle for Alaska until the refineries are built. I hope that as they see plans for these refineries as announced, and as the result of this vote I predict that one will be announced in the next month, they will understand that with the refinery capacity we have now become associated with OPEC whether we like it or not.

The Senator from South Carolina was there when we were told OPEC was saying, "In the future, if you want our oil, you are going to have to refine it here."

Now what Senators have told Alaska is, if Alaska is to get a fair price for its oil, if Alaska is to work out incentives for increased production, it must have refineries in the State of Alaska.

I have never seen a decision, which in the long-term best interests of the people from the Midwest and the east coast, in particular, will do more harm.

I just want people to understand that we tried today to make the record that we were willing to work with the Nation, that we in Alaska tried not to become associated with OPEC. We will be producing within the next decade at least 3.5 million barrels of oil. There is no transportation mechanism for that oil, and it will be refined, I believe, in Alaska, and the products will be sent where the people who manage the refineries in Alaska will decide they will be sent.

And the Senator from Michigan may say that this is a threat. It is not a threat. It is a statement of sheer economics. Senators have transformed Alaska into an OPEC producer rather than making it a part of the productive capacity of the United States, a decision I sincerely regret and one that I think the Nation will regret in the not too distant future.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, the amendment before us is a very narrow and targeted one dealing solely with the issue of whether there should be a one-House veto or a two-House veto. I do not think the debate on this amendment will consume any great length. It deals with the question of whether with respect to this bill there should be a one-House veto of Presidential action—that is what the committee bill calls for—or in my opinion a two-House veto.

Section 4(g) of the committee bill sets out certain restrictions on any exchange of Alaskan oil for a like quantity of foreign-produced crude oil. I support those restrictions especially the requirement that the President certify that at least 75 percent of the transportation costs saved by the exchange be passed on to consumers.

My only objection to the provision as reported is the requirement that, in addition to meeting the conditions written into law, the final exchange plan also be approved by concurrent resolution of the two Houses. That means either the Senate or the House can block the plan by disapproving the resolution or simply not bringing it to a vote. In short the language in the bill would allow a one-House legislative veto.

Mr. President, the Senate soon will be debating in a broader context the wisdom of the legislative veto. I will oppose any such authority. I am convinced that it would lead to chaotic congressional intervention in the day-to-day activities of executive departments and agencies and further deflect Congress from its policy-setting responsibilities.

I am particularly opposed to a legislative veto in energy matters where we already suffer from fragmented leadership, indecision, and confusion. Somebody has to lead this country. I think it is essential that Congress invest some measure of trust and confidence in the President who is the only person in a position to provide that leadership. That is the issue here.

My amendment simply substitutes for the one-House veto now in the bill a provision for disapproval of any final plan by both Houses within 60 days. The amendment incorporates the expedited procedures of section 551 of the Energy Policy and Conservation Act, which assures that resolutions of disapproval will not be bottled up in committee or filibustered on the floor.

Mr. President, in no way would my amendment alter the purposes of this section which is to assure that any exchange of Alaskan oil meet the tests of national and consumer interest spelled out. The amendment merely eliminates the unnecessary and divisive provision for a legislative veto. I hope the amendment will be accepted by the floor manager.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? Does the Senator from Illinois yield time?

Mr. HEINZ. I will yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. First, let me say that I have a great regard for my friend from Missouri and, therefore, never happily find myself on the other side of an issue from him.

But I think his amendment here will substantially weaken what the committee has done in terms of drafting this legislation that is before us.

The committee approved a provision here which the Senator from Missouri would replace, which requires that the President would have to report a finding to the Congress if he wants to engage in the export of American oil abroad, and after he had reported the findings to the Congress, Congress would then have 60 days in which to pass a resolution approving and affirming that transaction that he was proposing to us. That requires an active and an affirmative act by Congress.

The reason, in my view, why the committee chose to go with that affirmative requirement by Congress is because this is such a vital issue. As the President said to us the other night,

> We are into a war, in effect, with our fight on the energy problem, and we are going to respond to it in wartime fashion.

So the notion of taking the commodity that is in the shortest supply and that strikes right at the heart of our ability to function as a country, namely our oil reserves, and to start sending those abroad, is a matter of such importance in terms of its economic effect, in terms of its strategic military effect, that that is the kind of an issue that Congress should have to join the President in making an affirmative judgment about it.

What the Senator from Missouri is proposing is something very different, and it takes away that requirement of affirmative action by Congress and substitutes in its place what I would characterize as a very passive kind of involvement by Congress. It simply says that if Congress fails to act within a 60-day period then the action of the President would therefore go forward.

I think that is quite a different requirement. That, in my mind, puts quite a different burden on Congress than what the committee has chosen to insert in the language of the bill, which is that we address the question directly and make an affirmative judgment on it.

So I hope we will not accept the language of the Senator from Missouri, although I must say that, generally speaking, I support the proposition that we ought not to be involved in legislative vetoes on each and every item. We have got plenty of work to do. Also I think as a general proposition we ought not to move further in that direction.

But, quite frankly, I do not see this as a legislative veto. I think this crosses the line into the kind of national policy and foreign policy questions of a size and of an import where it requires the President and Congress, I think, to act together, if we are going to go ahead and engage in the export of American oil to foreign customers.

Therefore, I hope we will stay with the committee language as adopted and defeat the amendment of the Senator from Missouri.

I thank the Senator from Pennsylvania for yielding the time.

Mr. EAGLETON. Mr. President, if nobody else desires to speak on the amendment, I am about at the point where I will yield my time.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. HEINZ. We are prepared to yield back the remainder of our time on this side.

Mr. EAGLETON. Mr. President, I have just a few more words and then I will yield back the remainder of my time if no one else decides to speak on the amendment.

I think Senator RIEGLE has espoused his views very ably, as he always does. It is a choice of what is being presented here, a question of a one-House veto or a two-House veto.

I do not under any circumstances think that a one-House veto is the appropriate remedy. Senator RIEGLE has pointed out from his point of view why he thinks it is proper under the circumstances.

The issue is joined.

I yield back the remainder of my time.

Mr. RIEGLE. Mr. President, I wonder if the Senator from Pennsylvania will yield 1 more minute to me?

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, will the Senator from Pennsylvania yield an additional minute—reluctantly?

[Laughter.]

Mr. HEINZ. With joy in my heart.

Mr. RIEGLE. Mr. President, I just want to say one other thing, and that is we do have precedents that exist today for the exact language that is in the committee bill. In the Public Utility Regulatory Policies Act of 1978 we had virtually identical language to what has been proposed in the bill here. Also in the Alaska National Gas Transportation Act of 1976. We again would make the same requirement we have written into the legislation before the Senate and which the Senator from Missouri would strike.

So, having already in two other important measures related to energy taken this step, I hope we will, consistent with those precedents, stick with the committee language here.

When all time is yielded back, it will be my intention to make a motion to table the amendment.

Mr. EAGLETON. I yield back my time.

The PRESIDING OFFICER. Is all time yielded back? Does the Senator from Pennsylvania yield back his time?

Mr. HEINZ. I am prepared to yield back the time.

The PRESIDING OFFICER. All time is yielded back.

Mr. RIEGLE. Mr. President, I move to table the amendment of the Senator from Missouri.

Mr. EAGLETON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to lay on the table the amendment of the Senator from Missouri. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. CULVER), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Alabama (Mr. HEFLIN), the Senator from North Carolina (Mr. MORGAN), the Senator from Georgia (Mr. TALMADGE), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Carolina (Mr. HELMS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators wishing to vote?

The result was announced—yeas 34, nays 48, as follows:

[Rollcall Vote No. 207 Leg.]

YEAS—34

Baker	Kennedy	Riegle
Baucus	Leahy	Sarbanes
Bayh	Levin	Sasser
Bentsen	Mathias	Schweiker
Bonen	McGovern	Stafford
Byrd, Robert C.	Melcher	Stewart
Church	Metzenbaum	Tsongas
DeConcini	Moynihan	Warner
Durkin	Nelson	Williams
Goldwater	Packwood	Zorinsky
Humphrey	Pressler	
Javits	Proxmire	

NAYS—48

Armstrong	Cannon	Eagleton
Bellmon	Chafee	Garn
Boschwitz	Chiles	Glenn
Bradley	Cranston	Hatch
Bumpers	Danforth	Hatfield
Byrd, Harry F., Jr.	Dole	Hayakawa
	Domenici	Heinz
Hollings	Magnuson	Schmitt
Huddleston	Matsunaga	Simpson
Inouye	McClure	Stennis
Jackson	Muskie	Stevens
Jepsen	Nunn	Stevenson
Johnston	Pell	Stone
Kassebaum	Percy	Thurmond
Laxalt	Pryor	Wallop
Long	Randolph	
Lugar	Roth	

NOT VOTING—18

Biden	Exon	Morgan
Burdick	Ford	Ribicoff
Cochran	Gravel	Talmadge
Cohen	Hart	Tower
Culver	Heflin	Weicker
Durenberger	Helms	Young

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Missouri. Does the Senator from New Mexico wish to be recognized?

Mr. SCHMITT. Will the Senate yield me 1 minute?

The PRESIDING OFFICER. All time has been yielded back on the amendment, unless the Senator gets time from the bill.

Mr. STEVENSON. Mr. President, I yield 1 minute on the bill.

Mr. SCHMITT. Mr. President, I just want to be sure my colleagues who are interested in the legislative veto as applied to rulemaking activities in the rulemaking agencies in the executive branch draw a sharp distinction concerning the discussion which has gone on here, which is the executive veto applied to legislative action. The legislative veto as applied to rulemaking activities is another subject which will be coming up in the next few months.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Missouri, UP amendment No. 432.

(Putting the question.)

The amendment was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 343, AS MODIFIED

(Purpose: To remove automatic decontrol through "indexing")

Mr. JACKSON. Mr. President, I call up my amendment No. 343, as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself, Mr. NUNN, Mr. HOLLINGS, Mr. COHEN, Mr. HATCH, Mr. HARRY F. BYRD, Jr., Mr. TOWER, Mr. MOYNIHAN, Mr. BAYH, Mr. DOMENICI, and Mr. THURMOND, proposes a printed amendment numbered 343, as modified.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

Beginning with "In" on page 81, line 14, strike out through the period on page 82, line 4, and in lieu thereof add the following:

In order to assure that requirements for national security controls are removed when no longer necessary, the Secretary of Commerce shall adopt regulations which eliminate unnecessary delay in implementing decisions reached, according to law, to remove or relax such controls.

Mr. JACKSON. Mr. President, this amendment would delete a provision of the bill which would permit the automatic decontrol of goods and technologies based upon projections of obsolescence. This decontrol provision is predicated upon the erroneous assumption that the extent to which goods and technologies become "obsolete with respect to the national security of the United States" is a predictable and measurable phenomenon. The provision does not define "obsolescence." The ordinary dictionary meaning is "no longer used." It is extremely difficult to predict with any reasonable degree of accuracy when goods and technologies will become obsolete by U.S. standards. However, it is impossible to predict the rate of obsolescence by the standards of the Soviet Union or other adversary nations. In any event, an item which is obsolete by U.S. standards may nevertheless make a significant contribution to the military potential of such an adversary nation.

The thrust of the provision—which this amendment would delete—is to substitute factual investigation and technical analysis with a simple-minded litmus paper test. To suggest by law that the relative rates of obsolescence of United States and Soviet technology is predictable and measurable is dangerous folly.

Mr. President, the amendment that I have offered has been modified after consultation with the distinguished Senator from Massachusetts (Mr. TSONGAS). In place of the current language, the following language would be substituted: "In order to assure that requirements for national security controls are removed when no longer necessary"—and that, I think, is what the Senator from Massachusetts has in mind; I support that—"the Secretary of Commerce shall adopt regulations which eliminate unnecessary delay in implementing decisions reached according to law to remove or relax such controls."

I yield to the distinguished junior Senator from Massachusetts.

Mr. TSONGAS. Mr. President, the Export Administration Act of 1979 creates a climate for export expansion to reverse the enormous trade deficits of recent years. We were very careful to retain export controls for security and foreign policy purposes. In fact, section 4(o) of the bill encourages the development of a process that will allow more time to review controlled items by removing items which no longer present a risk to our security. The administration supports the provision.

During the current round of COCOM negotiations on control lists, the United States proposed a limited system for automatically increasing the performance levels of goods and technology. This has been partially adopted.

High-technology products advance at a rapid rate, but performance levels are reviewed infrequently—only every 3 to 4 years when COCOM reviews take place. Maufacturers are forced to continue product lines for export that have been superseded by more cost-effective items with a slightly higher level of technology. The licensing process becomes bogged down with products that should no longer be controlled because it has no systematic approach for their removal.

It is estimated that the Commerce Department handled more than 77,000 applications for validated licenses last year, and the number is growing by nearly 20 percent each year. We must institute procedures to trim obsolete items from the lists. If we do not, the staffs at Commerce and Defense will remain mired in a blacklog of applications, and exporters will continue to be frustrated by delays.

For example, the U.S. computer industry has reached the end of the 100 megabyte disk drive life cycle. Most, if not all, U.S. companies have terminated production of this drive in favor of more cost-effective products. The artificial extension of a product's life not only ties down valuable resources which could be better utilized on other projects, but increases the unit cost on current products due to lower production volumes.

Performance guidelines indexing could enable U.S. industry to:

Offer competitive equipment at competitive prices;

Avoid the burdensome marketing and production expense of selling and installing obsolete products; and

Proceed on a planned basis to install and upgrade systems.

This is a very technical issue, Mr. President, and I shall not take the Senate's time, but there are two tables here which so much simplify the issue that I should like to have them printed in the RECORD at this point.

(The charts submitted are not reproducible in the RECORD.)

Mr. TSONGAS. Mr. President, the issue, very briefly, is that in high technology industries, the process of review, which is a function of the so-called COCOM—which is the United States-NATO minus Japan—includes Japan without Iceland. The review of high technology equipment takes place every 4 years where, indeed, the increase in the technology is simply much more expansive. I have worked with the distinguished Senator from Washington State. If I could ask him just two questions, I think we may resolve this issue.

One, is there not agreement that this amendment would not preclude indexing if it were found to be appropriate within the national security terms as defined?

Mr. JACKSON. The Senator is correct.

Mr. TSONGAS. Second, would he agree that we would not jeopardize our efforts to implement indexing in COCOM, based on the same assurances that we had previously?

Mr. JACKSON. The Senator again is correct. The amendment would not jeopardize on-going efforts within COCOM.

Mr. TSONGAS. Within those constraints, Mr. President, I am prepared to support the amendment.

Mr. STEVENSON. Mr. President, I understand this would, in no way, affect the administration's authority to index.

Mr. JACKSON. The Senator is correct, it would not affect it. We were both in agreement as to the need to get rid of some of the regulations and controls. The question here was some ambiguities which I think we have resolved and the objectives that the Senator from Massachusetts had in mind—he, I believe, was the author of the amendment in committee—will be achieved.

Mr. STEVENSON. Mr. President, with that assurance, I have no objection to the amendment.

Mr. HEINZ. Mr. President, we have no objection on this side. I am prepared to yield back the remainder of our time.

The PRESIDING OFFICER. Is all time yielded back? Does the Senator from Washington yield back his time?

Mr. JACKSON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 433

(Purpose: To provide a legislative veto)

Mr. McCLURE. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE), for himself, Mr. JEPSEN, and Mr. BELLMON, proposes an unprinted amendment numbered 433.

Mr. McCLURE. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 79, insert the following between lines 6 and 7:

(3)(A) The Secretary of Commerce shall transmit to the House of Representatives and the Senate a summary of any proposed exercise of the authority conferred by this section with regard to agricultural commodities.

(B)(i) Except as provided in subparagraph (ii), such proposal shall not become effective if within sixty calendar days of continuous session of the Congress after the date of transmittal of the proposal to the Congress, one House agrees to a resolution of disapproval and at the end of thirty additional such calendar days after the date of transmittal of the resolution of disapproval to the other House of Congress, such other House has not passed a resolution disapproving such resolution.

(ii) Notwithstanding subparagraph (i), if at the end of sixty calendar days of continuous session of the Congress after the date of transmittal of the proposal to the Congress, neither House has agreed to a resolution of disapproval concerning such proposal, and the committee to which a resolution of disapproval concerning such proposal has been referred has not reported and has not been discharged from further consideration of such a resolution, such proposal shall be effective at the end of such sixty-day period or such later date as may be prescribed by such proposal.

(C) For the purposes of this chapter—

(i) continuity of session is broken only by an adjournment sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of calendar days of continuous session.

(D) The provisions of this section are enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this paragraph; and they supersede other rules only to the extent that they are inconsistent therewith;

(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House; and

(iii)(I) resolutions of disapproval, and resolutions disapproving a resolution of disapproval in the other House shall, upon introduction, be immediately referred by the Presiding officer of the Senate or of the House of Representatives to the appropriate standing committee of the Senate or the House of Representatives;

(II) if the committee to which a resolution has been referred does not report a resolution within forty-five * * *

* * * * *

days thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order.

(III) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not in order. An amendment to, or motion to recommit the resolution is not in order.

Mr. McCLURE. Mr. President, I ask unanimous consent to yield to the Senator from New York to handle an amendment which he has without losing my right to the floor.

Mr. JAVITS. Mr. President, if my amendment is contested, I shall withdraw it.

The PRESIDING OFFICER. Is there any objection to the amendment of the Senator from Idaho being temporarily laid aside? Without objection, it is so ordered.

The Senator from New York is recognized.

UP AMENDMENT 434

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and Mr. RIBICOFF, proposes unprinted amendment numbered 434.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Section 4 (page 62 after line 20) insert the following new Section:

Sec. (a) The Secretary of Commerce shall approve no license for the export of goods or technology to any country with respect to which the Secretary of State has made the following determinations:

(1) that such country has demonstrated a pattern of support for acts of international terrorism, and 2) that the exports in question would make a significant contribution to the military potential of such country or would otherwise enhance its ability to support acts of international terrorism.

(b) The President may suspend the applicability of paragraph (a) of this Section with respect to any particular country or any particular transaction if he finds that the national interest so require.

Mr. JAVITS. Mr. President, this is an amendment directed at international terrorism and provides that the Secretary of Commerce shall approve no license for the export of goods or technology to any country with respect to which the Secretary of State has determined that such country has demonstrated a pattern of support for acts of international terrorism, and that the exports in question would make a significant contribution to the military potential of such country or would otherwise enhance its ability to support acts of international terrorism.

The amendment also contains a provision allowing the President to suspend it if, in his judgment, the national interest so requires.

It is a fact, Mr. President, that three countries are now named by the Department as aiding and abetting international terrorism. Those countries are Iraq, South Yemen, and Libya. There may be others, or some of them may be delisted. As, for example, Somalia, which was originally listed, is now delisted.

Mr. President, all this does is erect a signpost for the President. I have discussed this matter with the managers of the bill and I have advised them that I have talked with the Secretary of State and he would like to provide for this particular matter by letter to Senator RIBICOFF and myself. That is satisfactory to us. The difficulty is that we may finish this bill today and there will be no vestige of anything that we propose to do.

Under those circumstances, if agreeable to the managers, I hope they can take the amendment and if we can arrive at a suitable letter, then we shall ask them to drop it in conference. If not, we shall ask them to negotiate it in conference under whatever conditions they think are wise.

Mr. STEVENSON. Mr. President, with the understanding just stated by the distinguished Senator from New York, I support this amendment. The understanding is that we shall have a chance to reconsider the matter in conference and with the benefit of views that will be received from the Department of State.

Mr. JAVITS. Of course, and I hope to agree with them on a suitable letter in this instance.

Mr. STEVENSON. I am assured of that.

Mr. JAVITS. Mr. President, I ask unanimous consent that the occupant of the chair (Mr. LEVIN) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is all time yielded back?

The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I compliment the Senator from New York on this amendment. It is quite consistent with some things he and I and Senator RIBICOFF have worked on for some time. I think the majority will accept it.

I am prepared to yield back my time.

Mr. JAVITS. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the motion by which the amendment was agreed to

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 433

Mr. McCLURE. Mr. President, the amendment I am offering seeks to strike a middle ground with respect to the positions taken by the Congress on the legislative veto with a Presidential veto or with a two-House veto. The law as presently written, with the amendment offered by the Senator from Kansas, has a two-House veto on the Presidential embargo of the export of agricultural commodities. As I understand it, this bill, if passed, will wipe out that provision. My amendment would provide that either House could veto the action taken by the President in embargoing such export but would give the other House the opportunity to override that veto, thus siding with the President and reinstating the embargo.

Mr. President, without belaboring the subject of whether or not an agricultural embargo ought to be subject to this action specifically, let me address just that question of the legislative veto. It has been a very difficult thing for both the executive and the legislative branch to deal with.

It seems to me this middle ground, which seems to be emerging from the deliberations in the other body, and as I understand it the deliberations on the Federal Trade Commission legislation amendment which may be offered, is to try to find a way around the arguments that the one-House veto is too arbitrary and involves only one House and does not have in it any element of action by the other body.

This permits both Houses of the Congress to be involved, if they desire to be involved, permits one to veto the action of the Executive in such an embargo, but does not leave it there if the other body desires to be involved.

Mr. President, I think it is a reasonable compromise between what is existing law and wiping out the legislative veto provision altogether.

Mr. President, I do not want to belabor the subject if, as a matter of fact, the managers will accept the amendment. I know that they are both puzzled and intrigued, and I hope favorably so, by this attempt to compromise that issue.

If, on the other hand, they are not prepared to accept the amendment, I would like to discuss for a moment the reasons for my concern about the embargo of the export of agricultural commodities.

Mr. HEINZ. The Senator may go ahead.

Mr. McCLURE. Mr. President, without belaboring that subject, and because I have been invited by the manager of the bill to do so, let me indicate that a number of years ago, when we had been for a number of years pushing the export of soybeans and urging on our friends in Japan that they should accept more and more soybeans, they had done so to the point that 43 percent of the protein in their diet was then in soybeans in one form or another.

Suddenly, without any notice to the Japanese at all, there was an embargo imposed on the export of soybeans.

I remember that incident particularly because I was in Japan at the time, sitting down talking with a number of the members on the Japanese Diet, and one young man who was involved in those discussions seemed extremely exercised by the action that had been taken by the President of the United States in that precipitate embargo.

It turned out that I understood, when I became informed that he was the Deputy Minister of Agriculture in that country and, therefore, was responsible for the Government action that had allowed themselves to be so dependent upon U.S. soybeans as the source of basic nutrition in their diet.

It was a very damaging blow, not only to the Japanese-American relations, but it was also a very damaging blow to the soybean industry in the United States, because we have never been able to recover the credibility we had before that time as a supplier, as a secure source of supply, for the dietary requirements of that specific ally of ours, and a very important trading partner.

Mr. President, I do not have to underscore the importance of soybean exports to the agricultural markets in this country. They have been the salvation for agriculture over a number of years, and far too many farmers in the United States, to have to demonstrate that any action that destroys foreign markets for soybeans has a tremendously crippling effect on the economic being of agriculture in the United States.

I mention this incident, Mr. President—because I am not from a State that produces any soybeans, I cannot be accused of any direct parochial interest because of my interest in soybean export—because I am interested in the health of the agricultural economy.

Mr. President, it seems to me that there needs to be some kind of a congressional involvement in a sudden change of direction with respect to the agricultural commodity exports. This amendment which I have offered would provide that mechanism by which the Congress could, if it desired, exercise some influence upon the negative effects of a suddenly imposed embargo which

can be and sometimes, as has been demonstrated, is invoked by the legislative branch.

Mr. President, I would hope that the managers of the bill, knowing of the importance of this subject, as so many Members of this body and the other body, recognizing the sincere effort to try to find a compromise between the various proposals that have been made, would see fit to accept this proposal as a compromise and take it to conference with the hope we can get the Members of the other body to agree with us with regard to this provision.

Mr. President, I bring before the Senate today an amendment designed to minimize the Government's ability to grossly interfere with the export of agricultural commodities..

Back in 1972, we saw for the first time in many, many years a prosperous domestic wheat industry. U.S. wheat yields were good while world stocks were down, thus giving the American farmer the brief, unusual possibility to market his wheat for premium prices. For many producers, this meant paid-up mortgages, new and better equipment, or maybe the opportunity to finally buy up—after so many years of waiting—that adjoining quarter section wanted so badly.

For all too many, these dreams were literally shuttered by the administration's sudden, harsh, and unnecessary embargo of all export wheat stocks. And the farmers were not the only parties injured in the move. Grain companies and farm cooperatives found themselves unable to fulfill export contracts. Dockworkers and ship companies had to find work elsewhere. And, perhaps worst of all, those foreign nations we would like to call our trading partners, suddenly learned what kind of risk it took to do business with the United States. Some are only now getting over those wounds.

Mr. President, this amendment I offer today will minimize—if not eliminate—the chances that such capricious embargoes can ever again be imposed by the executive branch. My amendment provides a 60-day buffer zone between the time any such embargo action on agricultural commodities is proposed and the time it can go into effect; and within that time period, either House can stop the action by adoption of a resolution of disapproval. There is a further safeguard here, however, in that if one House approves a resolution of disapproval the other House may, within 30 days, vote to agree with the Executive's proposed embargo action rather than that of the other House. In such cases, the Executive's action would go into effect as planned.

The net result of this amendment is not merely a shift of power away from the executive to the legislative branch. On the contrary, the Executive's action may in the end prevail, however, in the meantime, the Congress would be given the opportunity they fully should by law have to oversee all aspects of commerce. Moreover, my amendment, at the very least, will provide an adequate time period in which current export contracts could be completed, new jobs could be found, and, for the foreign nations, new—and perhaps more reliable—sources for their so badly needed foodstuffs can be located.

It is my feeling this is the very least we can and must do to protect our farmers, our export cooperatives and companies, and, indeed, our reputation as a reliable and trustworthy trading partner.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. WILLIAMS). The Senator from Illinois.

Mr. STEVENSON. Mr. President, I share the Senator's feelings about embargoes on exports of agricultural commodities. I am against them. But I believe there are adequate safeguards in existing law to make us all confident that there will not be such embargoes.

For one thing, they cannot even be imposed unless agricultural commodities are insufficient to meet domestic requirements.

For another thing, if embargoes were to be imposed on exports of any commodity, the effect would be to immediately peg the loan level at 90 percent.

That would put the rate up for corn to $3.75; $1.94 for oats.

There is no chance that the administration would do that.

But, Mr. President, my main objection to this amendment is based on the veto provision which it contains.

This measure provides for a one-House veto of any embargo and, as I understand it, it establishes a new procerure which would give one House a veto over the other House.

It is a 1½-House veto.

I can appreciate that the Senator is trying to strike a compromise on this issue of one-House vetoes. But I think it is of doubtful wisdom and constitutionality.

For that reason, mainly, not because I do not share his concern about embargoes against agricultural commodities, I have to oppose this amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I associate myself with the comments of the Senator from Illinois.

I say to my good friend from Idaho that I, too, remember well the case he cites. Obviously, it was a question of being very shortsighted. We not only upset the Japanese diet, but we upset their appetite and their parliamentary diet, as well.

Yet, I really do believe that the provisions we have will protect us in the future much better than we have been protected in the past and will protect us from the kinds of very arbitrary actions that have been taken.

Second, I think even the Senator from Idaho will admit his procedure is innovative and unique. I have some grave reluctance about trying out such a new procedure in this situation.

I am not a particular fan of one-House vetoes. Because there is a one-House veto and a one-House override of the veto, I find that that does not double my pleasure or double my fun.

Mr. McCLURE. Does it double the Senator's displeasure with the one-House veto?

Mr. HEINZ. In moves in that direction. So I must reluctantly oppose the Senator's amendment.

Mr. McCLURE. Mr. President, I am sorry that the floor managers of the bill have seen fit to oppose the amendment.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I will not belabor the subject, except to say that this device of trying to strike a balance between the arguments of a one-house veto versus a two-house veto, I predict, will be adopted. If not in this amendment, it will be adopted as we go forward, not just on this particular subject but also on the broad array of areas in which Congress legitimately desires to give the Executive some discretion and legitimately desires to restrain that discretion by saying, "We want to see how you use it," without having to come in and pass a law, which then must be accepted by the Executive to overcome what the Executive has just done.

We must find some way, or we are going to find more and more developing a resistance to the delegation of authority to the executive branch of Government and the retention of that authority in the hands of the legislative body.

Mr. President, I think this is a constructive effort. I hope the Senate will agree with me and adopt this amendment.

If the managers of the bill are prepared to yield back the remainder of my time, I am prepared to do so.

Before doing that, Mr. President, I ask unanimous consent that the names of the Senator from Iowa (Mr. JEPSEN) and the Senator from Oklahoma (Mr. BELLMON be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I submit a statement by the senior Senator from Georgia (Mr. TALMADGE) and ask unanimous consent that it may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR TALMADGE

I would like to take this opportunity to express my support for S. 737 the Export Administration Act of 1979. This legislation provides long overdue revisions to the existing U.S. export licensing procedures to cut through the myriad of redtape and paper shuffling which has needlessly burdened and delayed American businessmen and exports.

Increased export of American products is vitally needed as an important component in strengthening our American economy and the value of the American dollar worldwide. Certainly, the enhancement of American exports and increased trade should be given a very high priority in all U.S. policy planning now and in the future.

I would like to join my colleagues in expressing appreciation for the fine job which the Subcommittee on International Finance,

so ably chaired by the Senator from Illinois, Mr. Stevenson, has done in pulling together this desparately needed legislation. In addition, I would like to pay particular tribute to the voluntary contributions to this effort that have been made by the distinguished Governor of my state, the Honorable George Busbee. As Chairman of the International Trade and Foreign Relations Committee of the National Governor's Association, Governor Busbee has generously given of his time and effort in directing the initiatives of our nation's governors towards improving the opportunities for the export of American goods and commodities. His committee has conducted seminars and met with thousands of businessmen nationwide in order to make available to the Congress and the American public the kind of information which will enable us to devise effective legislative remedies to the complex obstacles that have plagued U.S. export policies and procedures in recent years.

I would also like to commend and recognize the efforts of the students and staff of the Rusk Center of International Law of the University of Georgia Law School for the research and technical support and advise it has provided to the Governor's Association and to the Congress during the development of this legislation. Under the able guidance of my warm friend Dean Rusk, the Rusk Center has been a tremendous success during its two years of existence and is making significant contributions in the area of international trade and U.S. foreign policy.

The state of Georgia is most fortunate to be able to claim the talents of our outstanding Governor and the Rusk Center of International Law, and I am happy on behalf of the people of Georgia to have had this opportunity to recognize the contributions to this legislation made by our Governor and the Rusk Center.

Mr. STEVENSON. Mr. President, if no other Members wish to be heard on this matter, it is my intention to move to table the amendment.

Mr. McCLURE. Before doing that, I ask the Senator from Illinois, since he plainly is intrigued by the idea, and the Senator from Pennsylvania says he is half-pleased by the idea, whether we might have an up and down vote on the merits, rather than a motion to table.

Mr. HEINZ. I would not go that far.

Mr. STEVENSON. I am not pleased with this amendment.

Mr. HEINZ. I did not say I was half-pleased with the amendment.

Mr. McCLURE. I thought the Senator from Pennsylvania said he was half-pleased.

Mr. HEINZ. No. I said it did not double my pleasure or double my fun.

Mr. McCLURE. But the Senator from Pennsylvania admitted that it cut in half his displeasure over the single-House veto.

Mr. HEINZ. No, it tended to double it. [Laughter.]

Mr. STEVENSON. Mr. President, I sense that the happy hour is approaching. [Laughter.] We had better get moving.

Is such motion in order?

The PRESIDING OFFICER. If all time has been yielded back.

Mr. STEVENSON. I yield back the remainder of my time.

Mr. McCLURE. I yield back the remainder of my time.

Mr. STEVENSON. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Idaho. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. CULVER), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Alabama (Mr. HEFLIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Carolina (Mr. HELMS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 33, nays 46, as follows:

[Rollcall Vote No. 208 Leg.]

YEAS—33

Bentsen	Hatfield	Nelson
Bradley	Heinz	Pell
Bumpers	Hollings	Pryor
Byrd, Robert C.	Huddleston	Randolph
Cannon	Inouye	Riegle
Chafee	Javits	Sarbanes
Chiles	Mathias	Stafford
Cranston	Matsunaga	Stevenson
Durkin	Metzenbaum	Stone
Eagleton	Moynihan	Tsongas
Glenn	Muskie	Williams

NAYS—46

Armstrong	Hayakawa	Percy
Baker	Humphrey	Pressler
Baucus	Jackson	Proxmire
Bellmon	Jepsen	Roth
Boren	Johnston	Sasser
Boschwitz	Kassebaum	Schmitt
Byrd, Harry F., Jr.	Laxalt	Schweiker
Church	Levin	Simpson
Danforth	Long	Stennis
DeConcini	Lugar	Stevens
Dole	Magnuson	Stewart
Domenici	McClure	Thurmond
Garn	McGovern	Wallop
Goldwater	Melcher	Warner
Hatch	Nunn	Zorinsky
	Packwood	

NOT VOTING—21

Bayh	Exon	Leahy
Biden	Ford	Morgan
Burdick	Gravel	Ribicoff
Cochran	Hart	Talmadge
Cohen	Heflin	Tower
Culver	Helms	Weicker
Durenberger	Kennedy	Young

So the motion to lay on the table Mr. McCLURE's amendment (UP No. 433) was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Idaho. The yeas and nays have been ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent to vitiate the order for the yeas and nays.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

UP AMENDMENT NO. 435

(Purpose: To exempt from disclosure information collected from exporters under a pledge of confidentiality until June 30, 1980, but thereafter exempt only license applications. 96th Congress, 1st Session)

Mr. HATCH. Mr. President, I call up an unprinted amendment, send it to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 435.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 104 beginning on line 16, strike out all through the last complete sentence on line 25, and insert in lieu thereof the following:

"(c) Except as otherwise provided by the third sentence of section 5(b)(2) and by section 9(c)(2)(C) of this Act, information obtained prior to June 30, 1980, under this Act, which is deemed confidential, including Shippers' Export Declarations, or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552 (b)(3)(B) of title 5, United States Code, and such information shall not be published or disclosed unless the Secretary of Commerce determines that the withholding thereof is contrary to the national interest. Information obtained after June 30, 1980, under this Act may be withheld only to the extent permitted by statute, except that information obtained for the purpose of consideration of, or concerning, license applications under this Act shall be withheld from public disclosure unless the release of such information is determined by the Secretary of Commerce to be in the national interest. Enactment of this subsection shall not affect any judicial proceeding commenced under section 552 of title 5, United States Code, to obtain access to boycott reports submitted prior to October 31, 1976, which was pending on May 15, 1979; but such proceeding shall be continued as if this Act had not been enacted."

Mr. HATCH. Mr. President, I am introducing an amendment to delete the indefinite blanket exemption to Freedom of Information Act requests and replace

it with an exemption until June 30, 1980. This will give exporters almost a year's time to prepare for a change in the law at that time, which would result in all export control information being subject to the Freedom of Information Act except for license applications. These license applications are the items that exporters are most concerned about becoming available to their competitors, plus they contain sensitive national security information. I have been informed that this issue of access to export control information will be coming up again next year, so we will have an opportunity to more fully explore this issue at that time.

It is my understanding that the managers of the bill will accept this amendment and, therefore, I reserve the remainder of my time.

Mr. STEVENSON. Mr. President, I think this is a sound amendment and I am prepared to accept it.

Mr. HEINZ. Mr. President, I want to compliment the Senator from Utah for offering this amendment. I think it is a well-balanced amendment and is deserving of support.

Mr. HATCH. I am prepared to yield back the remainder of my time.

Mr. STEVENSON. I yield back my time.

Mr. HATCH. I move the adoption of the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 436

(Purpose: to revise the time periods and procedures for reviewing export licenses)

Mr. CHAFEE. Mr. President, I send to the desk on behalf of myself and Senator NUNN a printed amendment.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE), for himself and Mr. NUNN, proposes an unprinted amendment numbered 436.

Mr. CHAFEE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 63, lines 13 through 15, strike out ", unless additional time is required and the applicant specifically requests an extension".

On page 70, lines 5 through 7, strike out ", unless additional time is required and the applicant specifically requests an extension".

On page 70, line 7, after the period insert "All agency reviews of preliminary decisions and appeals to the appropriate authorities set forth in this Act shall be accomplished within that ninety-day period.".

On page 71, between lines 3 and 4, insert the following:

"(D) If the Secretary determines that a particular application or set of applications is of exceptional importance and complexity, and that additional time is required for negotiations to modify the application or applications, or otherwise to arrive at a decision, the Secretary may extend any time period prescribed in this subsection. The Secretary shall notify the Congress and the applicant of such extension and the reasons therefor.".

Mr. CHAFEE. Mr. President, what this amendment does is to remove a provision that permits the Secretary to say to the applicant that she, the Secretary, requests an extension of time, which the applicant therefore goes along with, because of the fear that if the applicant does not there will be further delay or that the application will be denied.

It is my understanding that the managers of the bill agree with this provision, and in lieu of that particular provision it provides that the Secretary, in cases of exceptional importance or complexity, can request additional time. But if she does she must notify Congress and the applicant of such extension and the reasons therefor.

I reserve the remainder of my time, Mr. President.

Mr. HEINZ. Mr. President, I earlier examined this amendment and I think it is quite consistent with what we are trying to do, with the spirit of the law, and I compliment the Senator from Rhode Island in offering the amendment. On this side we are prepared to accept it.

Mr. CHAFEE. I thank the Senator.

Mr. STEVENSON. Mr. President, I am prepared to accept the amendment.

Mr. CHAFEE. Mr. President, I yield back the remainder of my time.

Mr. HEINZ. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

UP AMENDMENT NO. 437

Mr. JACKSON. Mr. President, I call up my unprinted amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an unprinted amendment numbered 437.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 61, line 10, after the period add the following:

"Rules and Regulations shall reflect the difficulty of devising effective safeguards which would prevent a nation which poses a threat to the United States from diverting critical technologies to military use, the difficulty in devising effective safeguards to protect critical goods, and the need to take effective measures to prevent the re-export of critical technologies from non-controlled countries to nations that pose a threat to the security of the United States. Such rules and regulations shall not assume that effective safeguards can be devised.".

Mr. JACKSON. Mr. President, amendment No. 437 is being offered as an alternative for printed amendment No. 342. Effective implementation of the critical technologies approach endorsed by the bill requires far more than the creation of a list of goods and technologies. Unfortunately, the bill would accomplish little more than the formulation of such a new list by its failure to remedy important loopholes in the existing system.

Indeed, the bill would make it U.S. policy to subject critical technologies to traditional validated license controls only to the extent that multilateral control agreements could be secured. Instead of establishing effective control of critical technologies and goods as our highest national priority, the bill would lay the groundwork for a lowest common denominator approach whereby one noncooperating nation could undermine controls.

Amendment No. 342 would correct this deficiency, but in a manner consistent with the highly desirable objective of achieving multilateral control agreements. Amendment No. 342 would do this by specifying the policy that should generally be followed with respect to exports of critical technologies and goods. As to nations threatening U.S. national security, exports of critical items should be prohibited. As to free world nations, effective safeguards against reexports should be provided by validated export license. Both of these control policies are to be implemented "to the maximum extent consistent with the other provisions of the act." Thus, if efforts to eliminate foreign availability of any critical item by multilateral agreement or otherwise are not successful, then the provisions removal or relaxation of the control would be operative, unless the President invoked a special exception in the bill.

If a critical technologies approach to national security export controls is to achieve its purpose, there must be a clear policy directive from Congress as to how these technologies and related goods should be controlled. Experience has shown that the Soviet Union and other Warsaw Pact nations have acquired and will continue to seek advanced American technologies in order to enhance their military power. Even where multilateral controls are obtained, the bill would merely continue the status quo in which determinations of whether to permit export of an item to a Communist nation are made on an ad hoc basis in the licensing process.

Licenses may be granted on the basis that the recipient nation makes a representation that the "end-use" will be non-military or on the basis that there are safeguards against diversions to military use. However, end-use statements and safeguards provide no protection against the diversion of "critical" technology or goods. By definition,

they consist of know-how or products which transfer know-how for which safeguards against diversion cannot be devised. Amendment No. 342 would direct that, to the maximum practicable extent consistent with the provisions of the act, exports of critical items shall be prohibited or embargoed to nations threatening U.S. security. This would also have the benefit of obviating many unnecessary license proceedings.

Amendment No. 342 would also direct that, to the maximum possible extent consistent with the provision of the act, export of critical goods and technologies to non-Communist nations be subject to validated license controls which are reasonably designed to prevent the re-export of such critical items to Communist nations. Present export regulations generally do not control exports of technologies to most non-Communist nations. As a consequence, many sensitive technologies—including those employed in the cruise missile system—can be exported to most non-Communist nations without having to obtain advance clearance from the Government. Given this loophole, the opportunities for Soviet acquisition of U.S. technologies are most disturbing.

Amendment No. 342 would not—as some critics have asserted—increase controls on exports of goods to non-Communist nations. Most high technology products are subject to controls even to Co-Com member nations. Of course, the danger of re-export of items subject to Co-Com controls is significantly less than the danger present by exports to non-Co-Com member nations. It is the purpose of this amendment No. 342 that the risk of re-export of critical goods in these situations be carefully considered—which is not the case under the present system of cursory review of such license cases.

The most important objective of this policy on free-world controls is to close the glaring loopholes whereby exports of many critical technologies are completely unregulated.

Amendment No. 342 provides sufficient flexibility to take into account our traditional special relationship with Canada. Most items the export of which are controlled to other nations do not require validated licenses for export to Canada. The policy with respect to exports to free-world destinations is designed to prevent re-exports. Amendment No. 342 provides that to "the maximum extent consistent with the provisions of the act" that the re-exports of critical technologies are to be prevented by validated license controls.

One section of the bill—which is the same as current law—provides that U.S. policy toward individual countries shall take into account all factors, including its relationship to countries friendly and hostile to the United States and its ability and willingness to control retransfers of U.S. exports in accordance with U.S. policy. Given the special relationship between the United States and Canada and its reliable export controls, there would be no reason to disturb the present open borders policy.

Mr. President as I previously indicated, amendment No. 437 is being offered as an alternative for amendment No. 342. I have conferred with the managers of the bill, and I believe it represents a fair compromise in trying to deal with this problem of diversions of U.S. exports to military use by hostile nations and diversions of U.S. exports by nonhostile countries to hostile countries. In the case of critical technologies and goods this problem is of special importance.

It is my understanding that the amendment is acceptable to both sides.

Mr. MATHIAS. Mr. President, will the Senator yield for an inquiry?

Mr. JACKSON. Yes.

Mr. MATHIAS. Do I understand it is an unprinted amendment?

Mr. JACKSON. We have amended my original amendment No. 342, and this is really an alternative for that. We have stricken everything out of my amendment 342 which involved some problems that the administration felt would not be workable.

Mr. MATHIAS. Is the text available?

Mr. JACKSON. I will give you a copy.

Mr. MATHIAS. Committee counsel has just handed me a copy.

Mr. CHAFEE. Mr. President, will the proponent of the amendment yield for a question?

Mr. JACKSON. Yes.

Mr. CHAFEE. Is this amendment acceptable to the administration?

Mr. JACKSON. Yes. We worked it out with the representative of the Department of Commerce, who is off the floor.

Mr CHAFEE. I thank the Senator.

Mr. HEINZ. Mr. President, the minority has examined the amendment and, at this time, I know of no objection to it. My staff and I have worked with Senator STEVENSON's staff, with the administration and, of course, with my good friend from Washington, Senator JACKSON.

We believe it is a realistic approach to a very difficult question which is nothing less than how do you approach the question of making sure that critical technologies do not somehow drift into the wrong hands. I think it is fair to say this is about the best we can do.

Mr. JACKSON. Mr. President, I think we have made a real effort to at least make a beginning in dealing with this problem of diversion as it affects critical technologies, and I am prepared to yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENSON. I yield back my time.

Mr. HEINZ. We yield back our time if everybody else does.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 438

(Purpose: (1) To provide an opportunity for license applicants to petition for consideration of licenses in conformity with the Act. (2) To require the Secretary of Commerce to issue regulations providing for export control list reviews. (3) To provide an opportunity for interested Government agencies and other affected parties to submit views on export control list revisions. (4) To require reports on the domestic economic impact of export controls. (5) To require that applicants be informed of the reasons for license denials or deferrals and to establish appeals procedures)

Mr. STEVENSON. Mr. President, I have five amendments at the desk. They are all procedural amendments. I believe no one objects to them. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes five unprinted amendments, en bloc, numbered 438:

Mr. STEVENSON. I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 73, after line 15 insert a new paragraph as follows:

"(10) The Secretary shall establish appropriate procedures for applicants to appeal denials of export licenses. In any case where the absence of a license approval exists because of agency action or inaction that clearly conflicts with the procedures, standards, or policies of this Act, the applicant may file a petition with the Secretary requesting that such action or inaction be brought in conformity with the appropriate provisions of this Act. When such petition is filed, the Secretary shall determine the validity of the petition and, if valid, shall take appropriate corrective action."

On page 63, line 18, strike out the phrase "The Secretary shall review" and insert in lieu thereof:

"The Secretary shall issue regulations providing for review of."

On page 63, strike out the last word of line 21 and strike out all of lines 22, 23, and 24 and insert in lieu thereof: "carry out the policies of this Act, and for the prompt issuance of such revisions of the list as may be necessary. Such regulations shall provide interested Government agencies and other affected or potentially affected parties with an opportunity, during such review, to submit written data, views, or arguments with or without oral presentation. Such regulations shall further provide that as part of such review, there shall be an assessment of".

On page 66, line 7, insert the following immediately after "controls": "and the estimated domestic economic impact on the various industries affected by such controls". trols".

On page 71, strike out the phrase, "to the maximum" on line 1 and strike out all of lines 2 and 3 and insert in lieu thereof: "in writing within five days of such decision of the statutory basis for denial, the policies set forth in section 3 of the Act which would be furthered by denial, and, to the extent consistent with national security and foreign policy, the specific considerations which led to the denial, and of the availability of appeal procedures. In the event decisions on license applications are deferred inconsistent with the provisions of this subsection, the applicant shall be informed in writing within five days of such deferral. The Secretary

shall establish appropriate procedures for applicants to appeal such deferrals or denials."

Mr. STEVENSON. I offer these amendments on behalf of myself, Mr. HEINZ, and Mr. JEPSEN. These amendments all originated with the Governors' Committee on Exports, chaired by the Governor of Georgia, Mr. Busby. They provide opportunities for the public to comment on proposed provisions for export control; they provide an appeals process for license applications which are delayed beyond the time limits set forth in the act, or are denied; they provide that license applicants be notified promptly if their license applications are delayed more than 5 days beyond the deadlines in the act; they require the Secretary of Commerce to require reports on the domestic impact of export controls; and they also permit applicants to petition to have their applications considered in accordance with the provisions of the act.

These amendments are designed to expedite procedures to carry out the provisions of the act and to improve congressional oversight.

The administration has no objections to them.

Mr. HEINZ. We have no objection.

Mr. STEVENSON. So, Mr. President, I am prepared to yield back the remainder of my time.

Mr. HEINZ. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments of the Senator from Illinois (Mr. STEVENSON) (No. 438).

The amendments, en bloc, were agreed to.

UP AMENDMENT NO. 439

(Purpose: To provide validated license control for crime equipment exports)

Mr. STEVENSON. Mr. President, I send another amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment numbered 439:

On page 82, after line 20, add a new subsection as follows:

Mr. STEVENSON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, after line 20, add a new subsection as follows:

"(q)(1) Crime control and detection instruments and equipment shall be approved for export by the Secretary of Commerce only pursuant to a validated export license.

(2) The provisions of this subsection shall not apply with respect to exports to countries which are members of the North Atlantic Treaty Organization or to Japan, Australia, or New Zealand, and such other countries as the President shall designate consistent with the purposes of this subsection 502(b) of the Foreign Assistance Act of 1961, as amended.".

Mr. STEVENSON. Mr. President, this amendment would carry over the existing provisions of law with respect to exports of crime control and detection equipment, with one minor modification: It requires that the primary law with relation to crime control and detection equipments be approved by the Secretary of Commerce to validate a license, except for export to countries which are members of the North Atlantic Treaty Organization, Japan, Australia, and New Zealand.

The modification simply adds to that list of countries such other countries as the President shall designate consistent with the purposes of the Foreign Assistance Act of 1961.

I know of no objection to this amendment.

Mr. HEINZ. Mr. President, I have examined the amendment. I know of no objection to it, or reason why it should not be adopted. I am prepared to accept the amendment, and yield back the remainder of our time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (UP No. 439) of the Senator from Illinois (Mr. STEVENSON).

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. HEINZ. Mr. President, if there are no further amendments, I am prepared to yield back all time on the bill.

UP AMENDMENT NO. 440

(Purpose: To insure that the Commodity Credit Corporation does not act as a National Grain Marketing Board)

Mr. BELLMON. Mr. President, I have an amendment at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as folows:

The Senator from Oklahoma (Mr. BELLMON), for himself and Mr. BOSCHWITZ, proposes an unprinted amendment numbered 440.

On page 78, strike out all after the period in line 1 down through line 11.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. The remainder of the material is simply explanation, not a part of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, this provision of the bill would seem to give the Government, through the Commodity Credit Corporation, authority to go back in the business of buying and owning agricultural commodities. Some Members may remember the time when the Commodity Credit Corporation owned enormous quantities of various kinds of agricultural commodities, and the great difficulties that were experienced when the Government tried to dispose of those commodities, and also the fact that a great many producers of agricultural commodities felt that the Secretary of Agriculture was using his power in the marketplace to control the prices of various kinds of agricultural commodities.

I can see no reason for this bill to get us back in the business of buying or giving the Secretary of Agriculture or the Commodity Credit Corporation authority to buy agricultural commodities. I believe the bill would be greatly improved if this section were simply stricken.

Mr. STEVENSON. Mr. President, this provision in the bill gives no authority to the Secretary of Agriculture, to the CCC, or to anybody else for export controls. It does absolutely nothing to enlarge on any existing authority in the law for control of the exports of agricultural commodities.

I am against controls on exports of agricultural commodities. There are more of them now than we need.

What the bill does is suggest that, if there is a short supply situation, we would have some alternatives to another across-the-board embargo, such as the soybean embargo. One of the alternatives suggested in the bill is to license exports. It is not only in this bill; it is in the law.

The situation that the authors of this provision had in mind would be a case though it is hard to conceive, of a soybean embargo, far enough. That requires a short supply situation to begin with, and then, instead of an across-the-board embargo, this provision would have the President consider the alternative of using the CCC as the exclusive sales agent for sales to foreign governments. The bill is just permissive; it does not provide any new authority.

The countries that we have in mind are nonmarket countries, the PRC and the U.S.S.R. Any sales to those countries could be channeled through the CCC in order to obtain for the United States maximum economic advantage, instead of leaving ourselves to the choice of either embargoes across the board or the multinational corporations.

But I point out to the Senator again that this does not add any additional authority. The President is controlling the volume of grain sales to the U.S.S.R. right now under current law.

Mr. BELLMON. Mr. President, if the language gives no additional authority, it seems to me to be superfluous. But the language of the section seems to me, say very plainly—I will read beginning on page 78, beginning on line 3:

Given full consideration to the alternative of using the Commodity Credit Corporation to purchase such commodity and arrange sales to foreign governments in accordance with the provisions of the Commodity Credit Corporation Charter Act so as to stabilize markets and maximize returns to agricultural producers.

Mr. President, that is precisely what the Commodity Credit Corporation did for 20 years, and almost bankrupted the agricultural sector. I can see no reason for putting the Commodity Credit Corporation back in the grain business with this kind of bill. If that is to be done, let it be done by an agricultural bill, where we will know what the circumstances are.

This business of putting the Commodity Credit Corporation into the business of stabilizing markets and maximizing returns to agricultural producers is not a proper function of a trade bill.

Mr. STEVENSON. Mr. President, the Commodity Credit Corporation already has this authority. All we are saying in this bill is: instead of soybean embargoes

across the board, which I want to get away from, you can use the CCC under its existing authority. You do not give it any additional authority to control your sales to the Peoples Republic of China or to the U.S.S.R. We do not even go that far really. The bill just says you have to give attention to the authority you already have before you impose an embargo on soybeans, corn, wheat, or any other agricultural commodity. What, Mr. Prsident, is wrong with giving attention to that kind of a possibility?

I suggest that it not only would enhance our competitive position in the world, but it might begin to signify to the world that the United States is getting its act together, instead of giving, as we do now, all the advantage in the marketplace to the People's Republic of China and the U.S.S.R.

This would mean that if those countries need exports and we have to embargo, they are going to have to come to any agency of the U.S. Government, as they would with any other exporting country in the world. They would have to bargain instead of sneaking into our markets quietly as they do over and over again with prices of commodities skyrocketing as the word gets out, to the disadvantage of American farmers and the advantage of the Soviet Union, which can then turn around and sell food at a profit and at our expense.

As I say, it does nothing to change existing authority. It just points out that there are some alternatives under existing authority by which the United States can enlarge its power, its economic power and its political power, in the world by using an instrumentality that already exists, and only as an alternative to an across-the-board soybean embargo or wheat embargo.

Mr. BELLMON. Mr. President, in the first place, it does do something else. If the Members will look at page 15 of the committee report, the top of the page, under the subtitle Agricultural Commodities, it says:

> S. 737 revises provisions concerning the export of agricultural commodities which are contained in the present Act. S. 737 adds a requirement that the President, before resorting to export controls, consider using the Commodity Credit Corporation as the exclusive sales agent for sales to foreign governments in order to stabilize markets and maximize returns to agricultural producers. The Committee believes that in circumstances in which purchases by foreign governments are the principal cause of a tight supply situation for a particular agricultural commodity, it may be preferable to have the CCC take over sales to that country than to apply comprehensive export controls on sales of the commodity in question.

What we are talking about here is putting the CCC in the business of buying and hopefully exporting agricultural commodities. It is a very large, new authority that the CCC has not used in the past and, in my opinion, is not in the national interest.

I would remind the Senator from Illinois that agriculture generally has fought for years to keep the CCC out of the marketplcae, that we have even opposed establishing a so-called strategic reserve for the reason that we do not want the Secretary of Agriculture to have commodities he can dump on the market and control prices in that way. This, no matter what good intentions the manager of the bill may have, is exactly what we are doing here. If we let the Commodity Credit Corporation start buying commodities for one purpose we have no way of knowing that they will not use them for market control.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, the Senator from Minnesota is to be added as a cosponosr of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I have no desire to prolong this. I will reiterate that this is no authority that is not already in the law. All it does is require that the President, before resorting to export controls, consider using the Commodity Credit Corporation as the exclusive sales agent for sales to foreign governments. The only governments that I have in mind, or that the authors of this provision have in mind, are the People's Republic of China and the Soviet Union, and only then in circumstances that authorize across-the-board embargoes.

Under those circumstances, Mr. President, if embargoes would be imposed, it would behoove us as an alternative not to impose them except with respect to those countries and then give ourselves all the leverage and all the power we can get in the marketplace. The way to do that is through the CCC and it requires no additional authority. They can do it right now.

With that, Mr. President, unless there are further comments, I intend to move to table the amendment.

Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. STONE). Do Senators yield back their time?

Mr. STEVENSON. I yield back the remainder of my time.

Mr. BELLMON. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to lay on the table UP Amendment No. 440. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. CULVER), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Alabama (Mr. HEFLIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), and the Senator from Texas (Mr. BENTSEN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Carolina (Mr. HELMS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator wishing to vote in the Chamber?

The result was announced—yeas 20, nays 57, as follows:

[Rollcall Vote No. 209 Leg.]

YEAS—20

Bradley	Levin	Riegle
Byrd, Robert C.	Matsunaga	Sarbanes
Cannon	Metzenbaum	Sasser
Cranston	Moynihan	Stevenson
Durkin	Muskie	Tsongas
Glenn	Nelson	Williams
Inouye	Pell	

NAYS—57

Armstrong	Hatfield	Percy
Baker	Hayakawa	Pressler
Baucus	Heinz	Proxmire
Bellmon	Hollings	Pryor
Boren	Huddleston	Randolph
Boschwitz	Humphrey	Roth
Bumpers	Jackson	Schmitt
Byrd, Harry F., Jr.	Javits	Schweiker
	Jepsen	Simpson
Chafee	Johnston	Stafford
Chiles	Kassebaum	Stennis
Church	Laxalt	Stevens
Danforth	Long	Stewart
DeConcini	Lugar	Stone
Dole	Magnuson	Thurmond
Domenici	Mathias	Wallop
Eagleton	McClure	Warner
Garn	McGovern	Zorinsky
Goldwater	Nunn	
Hatch	Packwood	

NOT VOTING—23

Bayh	Exon	Melcher
Bentsen	Ford	Morgan
Biden	Gravel	Ribicoff
Burdick	Hart	Talmadge
Cochran	Heflin	Tower
Cohen	Helms	Weicker
Culver	Kennedy	Young
Durenberger	Leahy	

So the motion to lay on the table UP amendment No. 440 was rejected.

Mr. HEINZ. Mr. President, I ask unanimous consent that the yeas and nays on the Bellmon amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment (UP No. 440) was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENSON. Mr. President, I do not know if there are any more amendments.

Mr. President, we have today adopted a number of amendments which strengthen and improve the bill. Taken together, they leave the existing array of responsibilities for the administration of export controls within the executive branch unchanged and impose no new constraints on export licensing. The Secretary of Commerce retains the responsibility for maintaining the export control list, and the responsibility of the Secretary of Defense to identify critical goods and technologies for possible inclusion on that list is made clear.

I note in particular the provision in amendment No. 340 which states that the Secretary of Commerce shall prepare and maintain the control list "subject to the authority of the Secretary of Defense under subsection [4](a)(2)(B)." The cross reference in this provision refers to the authority of the Secretary of Defense, newly recognized by the amendment, to develop a list of militarily critical goods and technologies for possible inclusion on the commodity control list. The present procedure whereby the Secretary of Commerce prepares and maintains the actual commodity control list would not be altered.

I urge the Senate to approve this bill.

SEVERAL SENATORS. Third reading!

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PERCY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wish to thank all Senators who remained here today for their services in disposing of this important piece of legislation.

ORDER TO CONSIDER S. 1309—THE FOOD STAMP BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of this measure the Senate proceed, with the understanding there will be no action thereon tonight, to the consideration of S. 1309, the food stamp bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall it pass? All time has been yielded back. The yeas and nays have been ordered and the clerk will call the roll on final passage.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Iowa (Mr. CULVER), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Alabama (Mr. HEFLIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), and the Senator from Vermont (Mr. LEAHY) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Carolina (Mr. HELMS), the Senator from Texas (Mr. TOWER), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 74, nays 3, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—74

Armstrong	Hayakawa	Packwood
Baker	Heinz	Pell
Baucus	Hollings	Percy
Bellmon	Huddleston	Pressler
Boren	Humphrey	Proxmire
Boschwitz	Inouye	Pryor
Bradley	Jackson	Randolph
Bumpers	Javits	Riegle
Byrd, Harry F., Jr.	Jepsen	Roth
	Johnston	Sarbanes
Byrd, Robert C.	Kassebaum	Sasser
Cannon	Laxalt	Schmitt
Chafee	Levin	Schweiker
Chiles	Long	Simpson
Church	Lugar	Stafford
Cranston	Magnuson	Stennis
Danforth	Mathias	Stevenson
DeConcini	Matsunaga	Stewart
Dole	McClure	Stone
Domenici	McGovern	Thurmond
Durkin	Metzenbaum	Tsongas
Eagleton	Moynihan	Wallop
Garn	Muskie	Warner
Glenn	Nelson	Williams
Hatfield	Nunn	Zorinsky

NAYS—3

Goldwater	Hatch	Stevens

NOT VOTING—23

Bayh	Exon	Melcher
Bentsen	Ford	Morgan
Biden	Gravel	Ribicoff
Burdick	Hart	Talmadge
Cochran	Heflin	Tower
Cohen	Helms	Weicker
Culver	Kennedy	Young
Durenberger	Leahy	

So the bill (S. 737) was passed, as follows:

S. 737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Administration Act of 1979".

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) The ability of United States citizens to engage in international commerce is a fundamental concern of United States policy.

(2) Exports contribute significantly to the balance of trade, employment, and production of the United States.

(3) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

(4) Exports of goods or technology without regard to whether they make a significant contribution to the military potential of individual countries or combinations of countries may adversely affect the national security of the United States.

(5) The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

(6) Uncertainty of export control policy can curtail the efforts of American business to the detriment of the overall attempt to improve the trade balance of the United States and to decrease domestic unemployment.

(7) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

(8) It is important that the administration of export controls imposed for national security purposes give special emphasis to the needs to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States.

DECLARATION OF POLICY

SEC. 3. The Congress makes following declarations:

(1) It is the policy of the United States to minimize uncertainties in export control policy and to encourage trade with all countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest.

(2) It is the policy of the United States to restrict the ability to export only after full consideration of the impact on the economy of the United States and only to the extent necessary—

(A) to prevent the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States;

(B) to further significantly the foreign policy of the United States or to fulfill its declared international obligations; and

(C) to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.

(3) It is the policy of the United States (A) to apply any necessary controls to the maximum extent possible in cooperation with all nations, and (B) to encourage observance

of a uniform export control policy by all nations with which the United States has defense, treaty commitments.

(4) It is the policy of the United States to use its economic resources and trade potential to further the sound growth and stability of its economy as well as to further its national security and foreign policy objectives.

(5) It is the policy of the United States—

(A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person;

(B) to encourage and, in specified cases, require United States persons engaged in the export of goods and technology or other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person; and

(C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular goods or technology or other information to United States export controls should be subjected to review by and consultation with representatives of appropriate United States Government agencies and private industry.

(7) It is the policy of the United States to use export controls, including license fees, to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies, or actions through international cooperation and agreement before resorting to the imposition of controls on exports from the United States. No action taken in fulfillment of the policy set forth in this paragraph shall apply to the export of medicine or medical supplies.

(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.

(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the security of the United States or to the security of those countries with which the United States has defense treaty commitments.

AUTHORITY

SEC. 4. (a)(1) To the extent necessary to carry out the policies set forth in section 3 of this Act, the President, by rule or regulation, may prohibit or curtail the export of any goods or technology, or for the purpose of section 6 information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. To the extent necessary to achieve effective enforcement of this Act, these rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation thereof by any person. In curtailing exports to carry out the policy set forth in section 3(2)(C) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation.

(2)(A) In administering export controls for national security purposes as prescribed in section 3(2)(A) of this Act, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors the President may deem appropriate. The President shall review not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, United States policy toward individual countries to determine whether such policy is appropriate in light of the factors specified in the preceding sentence.

(B) Rules and regulations under this subsection to carry out the policy set forth in section 3(2)(A) of this Act may provide for denial of any request of application for authority to export goods or technology from the United States, its territories and possessions, which would make a significant contribution to the military potential of any nation or combination of nations threatening the national security of the United States if the President determines that their export could prove detrimental to the national security of the United States. In administering export controls for national security purposes as prescribed in section 3(2)(A) of this Act, priority shall be given to preventing the effective transfer to countries to which exports are controlled for national security purposes of goods and technology critical to the design, development, production, or use of existing or potential military systems, including weapons, command, control, communications, intelligence systems, and other military capabilities, such as countermeasures, which would make a significant contribution to the military potential of any nation or nations which could prove detrimental to the national security of the United States. The Secretary of Defense shall bear primary responsibility for identifying such militarily critical goods and technologies. Taking this fully into account, the Secretary of Commerce, in consultation with the Secretary of Defense, shall review and revise not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, export controls maintained for national security purposes pursuant to this Act for the purpose of insuring that such controls cover and (to the maximum extent consistent with the purposes of this Act) are limited to such critical goods and technologies and the mechanisms through which they may be effectively transferred. Rules and Regulations shall reflect the difficulty of devising effective safeguards which would prevent a nation which poses a threat to the United States from diverting critical technologies to military use, the difficulty in devising effective safeguards to protect critical goods, and the need to take effective measures to prevent the re-export of critical technologies from noncontrolled countries to nations that pose a threat to the security of the United States. Such rules and regulations shall not assume that effective safeguards can be devised.

(C) Export controls maintained for foreign policy purposes shall expire on December 31, 1979, or one year after imposition, whichever is later, unless extended by the President in accordance with this subparagraph and subparagraph (D). Any such extension and any subsequent extension shall not be for a period of more than one year. When imposing, increasing, or extending export controls for foreign policy purposes pursuant to the authority provided by this Act, the President shall consider—

(i) alternative means to further the foreign policy purposes in question;

(ii) the likelihood that foreign competitors will join the United States in effectively controlling such exports;

(iii) the probability that such controls will achieve the intended foreign policy purpose;

(iv) the effect of such controls on United States exports, employment, and production, and on the international reputation of the United States as a supplier of goods and technology;

(v) the reaction of other countries to the imposition or enlargement of such export controls by the United States; and

(vi) the foreign policy consequences of not imposing controls.

(D) Whenever the President imposes, increases, or extends export controls for foreign policy purposes pursuant to authority provided by this Act, he shall inform the Congress of his action within thirty days and, to the extent consistent with the national interest, make public a report specifying his conclusions with respect to each of the matters considered as provided in subparagraph (C) of this paragraph and indicating how such export controls will further significantly the foreign policy of the United States or fulfill its declared international obligations.

(E) The President shall not impose export controls for foreign policy or national security purposes on the export from the United States of goods or technology which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, unless the President determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the foreign policy or national security of the United States. With respect to controls imposed for national security purposes, a finding of foreign availability which is the basis of a decision to grant a license for, or to remove a control on the export of a good or technology, shall be made in writing and be supported by reliable evidence, such as a scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability. Such sworn representations without adequate independent corroboration shall not constitute reliable evidence. Where, in accordance with this paragraph, export controls are imposed for foreign policy or national security purposes notwithstanding foreign availability, the President shall take steps to initiate negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability. Whenever the President has reason to believe goods or technology subject to export control for national security purposes by the United States may become available to controlled countries from other countries, the President shall promptly initiate negotiations with the governments of such countries to prevent

such foreign availability. In any instance in which such negotiations fail to prevent or secure the removal of such foreign availability and the President requires additional authority to take effective action toward that end, the President shall report fully to the Congress and where appropriate recommend measures to secure the removal of such foreign availability.

(b)(1) Except as otherwise provided in this Act, the Secretary of Commerce shall reorganize the Department of Commerce as necessary to effectuate the policies set forth in this Act. Subject to the authority of the Secretary of Defense under subsection (a)(2)(B) of this section, the Secretary of Commerce shall prepare and maintain a list of goods and technology the export of which from the United States, its territories and possessions, is prohibited or regulated pursuant to this Act. The Secretary shall issue regulations providing for review of such list not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, in order to carry out the policies of this Act, and for the prompt issuance of such revisions of the list as may be necessary. Such regulations shall provide interested Government agencies and other affected or potentially affected parties with an opportunity, during such review, to submit written data, views, or arguments with or without oral presentation. Such regulations shall further provide that as part of such review, there shall be an assessment of the availability from sources outside the United States, its territories and possessions, of goods and technology in significant quantities and comparable in quality to those items included on such list. The provisions of this paragraph relating to revisions and changes in such list and assessment of foreign availability apply also to the functions of the Secretary of Defense under subsection (a)(2)(B) of this section. In order to further effectuate the policies set forth in this Act, the Secretary shall establish within the Office of Export Administration a capability for monitoring and gathering information on the foreign availability of goods and technology subject to export control.

Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, consistent with the protection of intelligence sources and methods, shall furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration and such Office upon request or where appropriate shall furnish the information it gathers and receives to such departments and agencies.

(2) The Secretary of Commerce shall keep the public fully apprised of changes in export control policy and procedures instituted in conformity with this Act with a view to encouraging trade. The Secretary shall meet regularly with representatives of the business sector in order to obtain their views on export control policy and the foreign availability of goods and technology.

(c)(1)(A) To effectuate the policies set forth in this Act, the Secretary of Commerce shall establish at least the following three types of licenses in addition to such other types as the Secretary may deem appropriate:

(i) A validated license.

(ii) A qualified general license.

(iii) A general license.

(B) As used in this subsection—

(i) a "validated license" is a license authorizing the export of goods or technology pursuant to an application by an exporter in accordance with rules and regulations issued pursuant to this Act. A validated license may be required for the export of goods and technology subject to multilateral controls in which the United States participates or as determined pursuant to paragraph (2) of this subsection;

(ii) a "qualified general license" is a license authorizing the export to any destination of goods or technology, or a class of goods or technology, subject to the conditions contained in rules and regulations issued pursuant to this Act, including conditions pertaining to approval of the particular consignee and end-use of the goods or technology. The goods and technology subject to control by qualified general license shall be determined pursuant to paragraph (2) of this subsection; and

(iii) a "general license" is a license authorizing the export of a class of goods or technology without specific approval if the export is effected in accordance with the conditions contained in rules and regulations issued pursuant to this Act.

(2) To effectuate the policies set forth in section 3 of this Act, it is the intent of Congress that the use of validated licenses be limited to the greatest extent possible to the control of the export of goods and technology which are subject to multilateral controls in which the United States participates. To the extent that the President determines that the policies set forth in section 3 of this Act require the control of the export of other goods and technology, or more stringent controls than the multilateral controls, he will report to the Congress not later than six months after the date of enactment of this Act, and thereafter in each annual report, the reasons for the need to impose, or to continue to impose, such controls and the estimated domestic economic impact on the various industries affected by such control. It is further the intent of Congress that export controls which exceed the multilateral controls shall be effected to the greatest extent possible consistent with the purposes of this Act by means of qualified general licenses.

(3) Not later than sixty days after the date of enactment of this Act, the Secretary of Commerce shall establish procedures for the approval of goods and technology that may be exported pursuant to a qualified general license.

(d)(1)(A) All export license applications required under this Act shall be submitted by the applicant to the Secretary. All determinations with respect to any such application shall be made by the Secretary, subject to the procedures provided in this subsection.

(B) It is the intent of Congress that a determination with respect to any export license application be made to the maximum extent possible by the Secretary without referral of such application to any other Government agency.

(C) To the extent necessary, the Secretary shall seek information and recommendations from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. These departments and agencies shall cooperate fully in rendering such information and recommendations.

(2) Within ten days after the date on which any export license application is received, the Secretary shall—

(A) send the applicant an acknowledgement of the receipt of the application and the date of the receipt;

(B) submit to the applicant a written description of the procedures required by this subsection, the responsibilities of the Secretary and of other agencies with respect to the application, and the rights of the applicant;

(C) return the application without action if the application is improperly completed or if additional information is required, with sufficient information to permit the application to be properly resubmitted, in which case if such application is resubmitted, it shall be treated as a new application for the purpose of calculating the time periods prescribed in this subsection;

(D) determine whether it is necessary to submit the application to any other agency and, if such submission is determined to be necessary, inform the applicant of the agency or agencies to which the application will be referred; and

(E) determine whether it is necessary to submit the application to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, if so, inform the applicant of this requirement.

(3) In each case in which the Secretary determines that it is not necessary to submit an application to any other agency for its information and recommendations, a license shall be formally issued or denied within ninety days of the receipt of a properly completed application.

(4) In each case in which the Secretary determines that it is necessary to submit an application to any other agency for its information and recommendations, the Secretary shall, within thirty days of the receipt of a properly completed application—

(A) submit the application together with all necessary analysis and recommendations of the Department of Commerce concurrently to other appropriate agencies; and

(B) if the applicant so requests, provide the applicant with an opportunity to review for accuracy any documentation to be submitted to such other agencies with respect to such application for the purpose of describing the export in question in order to determine whether such documentation accurately describes the proposed export.

(5)(A) Any agency to which an application is submitted pursuant to paragraph (4) shall submit to the Secretary, within thirty days after its receipt of the application, the information or recommendations requested with respect to such application. Except as provided in subparagraph (B), any such agency which does not submit its recommendations within the time period prescribed in the preceding sentence shall be deemed by the Secretary to have no objection to the approval of such application.

(B) If the head or acting head of any such agency notifies the Secretary before the expiration of the time period provided in subparagraph (A) for submission of its recommendations that more time is required for review by such agency, such agency shall have an additional thirty-day period to submit its recommendations to the Secretary. If such agency does not so submit its recommendations within the time period prescribed by the preceding sentence, it shall be deemed by the Secretary to have no objection to the approval of such application.

(6)(A) Within ninety days after receipt of other agency recommendations, as provided for in paragraph (5), the Secretary shall formally issue or deny a license. All agency reviews of preliminary decisions and appeals to the appropriate authorities set forth in this Act shall be accomplished within that ninety-day period. In deciding whether to issue or deny a license, the Secretary shall take into account any recommendations of an agency advising on the application in question. In cases where the Secretary receives conflicting recommendations, the Secretary shall, within the ninety days provided for in this subsection, take such action as may be necessary to resolve such conflicting recommendations.

(B) In cases where the Secretary receives questions or negative considerations or recommendations from other agencies advising on an application, the Secretary shall, to the maximum extent consistent with the national security or foreign policy of the United States, inform the applicant of the specific

questions raised and any negative considerations or recommendations made by an agency, and shall accord the applicant an opportunity, before the final determination with respect to the application is made, to respond in writing to such questions, considerations, or recommendations.

(C) In cases where the Secretary has determined that an application should be denied, at the time of the formal denial, the applicant shall be informed, in writing within five days of such decision of the statutory basis for denial, the policies set forth in section 3 of the Act which would be furthered by denial, and, to the extent consistent with national security and foreign policy, the specific considerations which led to the denial, and of the availability of appeal procedures. In the event decisions on license applications are deferred inconsistent with the provisions of this subsection, the applicant shall be informed in writing within five days of such deferral. The Secretary shall establish appropriate procedures for applicants to appeal such deferrals or denials.

(D) If the Secretary determines that a particular application or set of applications is of exceptional importance in complexity, and that additional time is required for negotiations to modify the application or applications, or otherwise to arrive at a decision, the Secretary may extend any time period prescribed in this subsection. The Secretary shall notify the Congress and the applicant of such extension and the reasons therefor.

(7)(A) Notwithstanding any other provision of this subsection, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes and, whenever he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of any such country, to recommend to the President that such export be disapproved.

(B) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the Secretary, and confirm in writing the types and categories of transactions which should be reviewed by him in order to make a determination referred to in subparagraph (A). Whenever a license or other authority is requested for the export to any country to which exports are controlled for national security purposes of goods or technology within any such type or category, the Secretary shall notify the Secretary of Defense of such request, and the Secretary may not issue any license or other authority pursuant to such request before the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subparagraph and, not later than thirty days after notification of the request, shall—

(i) recommend to the President that he disapprove any request for the export of any goods or technology to any such country if he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country;

(ii) notify the Secretary that he would recommend approval subject to specified conditions; or

(iii) recommend to the Secretary that the export of goods or technology be approved.

If the President notifies the Secretary, within thirty days after receiving a recommendation from the Secretary of Defense, that he disapproves such export, no license or other authority may be issued for the export of such goods or technology to such country.

(C) The Secretary shall approve or disapprove a license application, and issue or deny a license, in accordance with the provisions of this paragraph, and, to the extent applicable, in accordance with the time periods and procedures otherwise set forth in this subsection.

(D) Whenever the President exercises his authority under this paragraph to modify or overrule a recommendation made by the Secretary of Defense or exercises his authority to modify or overrule any determination made by the Secretary of Defense pursuant to section 4(a)(2)(B) or 4(b)(1) of this Act with respect to list of goods and technologies controlled for national security purposes, the President shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense.

(8) In any case in which an application, which has been finally approved under paragraph (4), (7), or (8) of this subsection, is required to be submitted to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the license shall not be issued as prescribed in such paragraphs, but the Secretary shall notify the applicant of the approval (and the date of such approval) of the application by the Secretary subject to such multilateral review. The license shall be issued upon approval of the application under such multilateral review.

(9) The Secretary and any agency to which any application is referred under this subsection shall keep accurate records with respect to all applications considered by the Secretary or by any such agency, including the factual and analytical basis for the decision, together with any dissenting recommendations received from any agency.

(10) The Secretary shall establish appropriate procedures for applicants to appeal denials of export licenses. In any case where the absence of a license approval exists because of agency action or inaction that clearly conflicts with the procedures, standards, or policies of this Act, the applicant may file a petition with the Secretary requesting that such action or inaction be brought in conformity with the appropriate provisions of this Act. When such petition is filed, the Secretary shall determine the validity of the petition and, if valid, shall take appropriate corrective action.

(e)(1) To effectuate the policy set forth in section 3(2)(C) of this Act, the Secretary of Commerce shall monitor exports, and contracts for exports, of any goods (other than a commodity which is subject to the reporting requirements of section 812 of the Agricultural Act of 1970) when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy, or any sector thereof. Such monitoring shall commence at a time adequate to insure that data will be available which is sufficient to permit achievement of the policies of this Act, and shall include the gathering of data concerning the volume of exports indicated under all contracts providing for the export of such goods following the date of the filing of the petition under section 8(a)(1). Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2) of this subsection and in the last two sentences of section 11(c) of this Act.

(2) The results of such monitoring shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each item monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports.

(f) In imposing export controls to effectuate the policy stated in section 3(2)(C) of this Act, the President's authority shall include but not be limited to, the imposition of export license fees.

(g)(1) Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185), no domestically produced crude oil transported by pipeline over right-of-way granted pursuant to the requirements of section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653) (except any such crude oil which (A) is exported, for the purpose of effectuating an exchange in which the crude oil is exported to an adjacent foreign state to be refined and consumed therein, in exchange for the same quantity of crude oil being exported from that state to the United States; such exchange must result through convenience or increased efficiency of transportation in lower prices for consumers of petroleum products in the United States as described in paragraph (2)(A)(ii) of this subsection, or (B) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions, unless the requirements of paragraph (2) of this subsection are met.

(2) Crude oil subject to the prohibition contained in paragraph (1) may be exported only if—

(A) the President makes and publishes an express finding that exports of such crude oil, including exchanges—

(i) will not diminish the total quantity or quality of petroleum refined within, stored within, or legally committed to be transported to and sold within the United States;

(ii) will, within three months following the initiation of such exports or exchanges, result in (a) acquisition costs to the refiners being lower than the acquisition costs such refiners would have to pay for the domestically produced crude oil in the absence of such an export of exchange and (b) that not less than 75 per centum of the savings shall be reflected in reduced wholesale and retail prices of products refined from such imported crude oil;

(iii) will be made only pursuant to contract which may be terminated if the crude oil supplies of the United States are interrupted, threatened, or diminished;

(iv) are clearly necessary to protect the national interest; and

(v) are in accordance with the provisions of this Act; and

(B) the President reports such finding to the Congress and the report is approved in accordance with paragraph (3).

(3) The report of the findings of the President required by paragraph (2) shall be considered approved, and shall take effect at the end of the first period of sixty calendar days of continuous session of the Congress after such report is submitted, unless the House of Representatives and the Senate adopt a resolution during such period stating that it does not favor such findings. For the purposes of this paragraph—

(A) continuity of a session of the Congress is broken only by an adjournment sine die; and

(B) the days on which either House is not in session because of an adjournment for more than three days to a day certain are excluded in computing the sixty-day period.

(4) A resolution under paragraph (3) shall be considered in accordance with the procedures established by section 551 of the Energy Policy and Conservation Act.

(5) Notwithstanding the foregoing provisions of this subsection or any other provision of law including subsection (u) of section 28 of the Mineral Leasing Act of 1920, the President may export oil to any foreign nation with whom the United States has entered into a bilateral international oil supply agreement prior to June 25, 1979, or to any foreign nation with whom the United States has entered into a multilateral supply arrangement pursuant to section 251(d) of the Energy Policy and Conservation Act; *Provided*, That the President promptly notifies Congress of each such agreement.

(h) Petroleum products refined in United States Foreign Trade Zones, or in the United States Territory of Guam, from foreign crude oil shall be excluded from any quantitative restrictions imposed pursuant to section 3(2)(C) of this Act, except that, if the Secretary of Commerce finds that a product is in short supply, the Secretary of Commerce may issue such rules and regulations as may be necessary to limit exports.

(i)(1) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by him to be in excess of the requirements of the domestic economy, except to the extent the President determines that such exercise of authority is required to effectuate the policies set forth in sections 3(2)(A) or (B) of this Act.

(2) Upon approval of the Secretary of Commerce, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed pursuant to section 3(2)(C) of this Act subsequent to such approval. The Secretary of Commerce may not grant approval hereunder unless he receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds (A) that such commodities will eventually be exported, (B) that neither the sale nor export thereof will result in an excessive drain of scarce materials and have a serious domestic inflationary impact, (C) that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities, and (D) that the purpose of such storage is to establish a reserve of such commodities for later use, not including resale to or use by another country. The Secretary of Commerce is authorized to issue such rules and regulations as may be necessary to implement this paragraph.

(3)(A) The Secretary of Commerce shall transmit to the House of Representatives and the Senate a summary of any proposed exercise of the authority conferred by this section with regard to agricultural commodities.

(B)(i) Except as provided in subparagraph (ii), such proposal shall not become effective if within sixty calendar days of continuous session of the Congress after the date of transmittal of the proposal to the Congress, one House agrees to a resolution of disapproval and at the end of thirty additional such calendar days after the date of transmittal of the resolution of disapproval to the other House of Congress, such other House has not passed a resolution disapproving such resolution.

(ii) Notwithstanding subparagraph (i), if at the end of sixty calendar days of continuous session of the Congress after the date of transmittal of the proposal to the Congress, neither House has agreed to a resolution of disapproval concerning such proposal, and the committee to which a resolution of disapproval concerning such proposal has been referred has not reported and has not been discharged from further consideration of such a resolution, such proposal shall be effective at the end of such sixty-day period or such later date as may be prescribed by such proposal.

(C) For the purposes of this chapter—

(i) continuity of session is broken only by an adjournment sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of calendar days of continuous session.

(D) The provisions of this section are enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this paragraph; and they supersede other rules only to the extent that they are inconsistent therewith;

(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House; and

(iii)(I) resolutions of disapproval, and resolutions disapproving a resolution of disapproval in the other House shall, upon introduction, be immediately referred by the presiding officer of the Senate or of the House of Representatives to the appropriate standing committee of the Senate or the House of Representatives;

(II) if the committee to which a resolution has been referred does not report a resolution within forty-five calendar days of continuous session of Congress after the date of transmittal of the proposal to which such resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution; and

(III) such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a resolution of disapproval has been reported with respect to the same proposal); and debate thereon shall be limited to not more than one hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees.

An amendment to the motion is not in order.

(E)(i) Except as provided in subparagraphs (ii) and (iii) of this paragraph, consideration of a resolution of disapproval shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

(ii) When the committee has reported or has been discharged from further consideration of a resolution with respect to a proposal, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order.

(iii) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not in order. An amendment to, or motion to recommit the resolution is not in order.

(j) Nothing in this Act or the rules or regulations thereunder shall be construed to require authority or permission to export, except where required by the President to effect the policies set forth in section 3 of this Act.

(k) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate, except that no authority under this Act may be delegated to, or exercised by, any official of any department or agency the head of which is not appointed by and with the advice and consent of the Senate. The President may not delegate or transfer his power, authority, and discretion to overrule or modify any recommendation or decision made by the Secretary of Commerce, the Secretary of Defense, and Secretary of State pursuant to the provisions of this Act.

(l)(1) Any United States firm, enterprise, or other nongovernmental entity which, for commercial purposes, enters into an agreement with an agency of a government in another country to which exports are restricted for national security purposes, which agreement cites an intergovernmental agreement calling for the encouragement of technical cooperation and is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report such agreement to the Secretary of Commerce.

(2) The provisions of this subsection shall not apply to colleges, universities, or other educational institutions.

(3) The Secretary of Commerce is authorized to issue such rules and regulations as are necessary to implement the provisions of this subsection.

(m) The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for negotiations with other countries regarding their cooperation in restricting the export of goods and technologies whose export should be restricted pursuant to section 3(9) of this Act, as authorized under section 4(a)(1) of this Act, including negotiations on the basis of approved administration positions as to which goods and technologies should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.

(n) The President shall enter into negotiations with the governments participating in the group known as the Coordinating Committee (hereinafter in this subsection referred to as the "Committee") with a view toward reaching—

(A) an agreement to publish the list of items controlled for export by agreement of the Committee, together with all notes, understandings, and other aspects of such list, and all changes thereto;

(B) an agreement to hold periodic meetings of such governments with high-level representation from such governments, for the purpose of providing guidance on export control policy issues to the Committee;

(C) an agreement to modify the scope of the export controls imposed by agreement of the Committee to a level accepted and enforced by all governments participating in the Committee; and

(D) an agreement on more effective procedures for enforcing the export controls agreed to pursuant to subparagraph (C).

(o) In order to assure that requirements for national security controls are removed when no longer necessary, the Secretary of

Commerce shall adopt regulations which eliminate unnecessary delay in implementing decisions reached, according to law, to remove or relax such controls. Consideration shall also be given by the Secretary, where appropriate, to removing site visitation requirements for goods and technology which are removed from the above-mentioned list unless objections described in this subsection are raised.

DISAPPROVAL OF LICENSE FOR THE EXPORT OF GOODS OR TECHNOLOGY TO COUNTRY WHICH SUPPORT ACTS OF INTERNATIONAL TERRORISM

SEC. 5. (a) The Secretary of Commerce shall approve no license for the export of goods or technology to any country with respect to which the Secretary of State has made the following determinations:

(1) that such country has demonstrated a pattern of support for acts of international terrorism, and

(2) that the exports in question would make a significant contribution to the military potential of such country or would otherwise enhance its ability to support acts of international terrorism.

(b) The President may suspend the applicability of paragraph (a) of this section with respect to any particular country or any particular transaction if he finds that the national interest so require.

(p)(1) Notwithstanding any other provision of this Act, no horse may be exported by sea from the United States, its territories and possessions, unless such horse is part of a consignment of horses with respect to which a waiver has been granted under paragraph (2) of this subsection.

(2) The Secretary of Commerce, in consultation with the Secretary of Agriculture, may issue rules and regulations providing for the granting of waivers permitting the export by sea of a specified consignment of horses, if the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.

(q)(1) Crime control and detection instruments and equipment shall be approved for export by the Secretary of Commerce only pursuant to a validated export license.

(2) The provisions of this subsection shall not apply with respect to exports to countries which are members of the North Atlantic Treaty Organization or to Japan, Australia, or New Zealand, and such other countries as the President shall designate consistent with the purposes of this subsection 502(b) of the Foreign Assistance Act of 1961, as amended.

FOREIGN BOYCOTTS

SEC. 6. (a)(1) For the purpose of implementing the policies set forth in section 3 (5), (A) and (B), the President shall issue rules and regulations prohibiting any United States person, with respect to his activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the following actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of rules and regulations issued to carry out this subparagraph.

(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

(C) Furnishing information with respect to the race, religion, sex, or national origin of any United States person or of any owner, officer, director, or employee of such person.

(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotting country. Nothing in this paragraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary of Commerce.

(E) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by rules and regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

(2) Rules and regulations issued pursuant to paragraph (1) shall provide exceptions for—

(A) complying or agreeing to comply with requirements (i) prohibiting the import of goods or services from the boycotted country or goods produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country, or (ii) prohibiting the shipment of goods to the boycotting country on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms on or after June 22, 1978, other than with respect to carriers or route of shipment as may be permitted by such rules and regulations in order to comply with precautionary requirements protecting against war risks and confiscation;

(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country, or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family or with requests for information regarding requirements of employment of such individual within the boycotting country; and

(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such rules and regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade named, or similarly specifically identifiable products, or components of products for his own use, including the performance of contractual services within that country, as may be defined by such rules and regulations.

(3) Rules and regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

(4) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

(5) Rules and regulations pursuant to this subsection shall be issued not later than ninety days after the date of enactment of this section and shall be issued in final form and become effective not later than one hundred and twenty days after they are first issued, except that (A) rules and regulations prohibiting negative certification may take effect not later than one year after the date of enactment of this section, and (B) a grace period shall be provided for the application of the rules and regulations issued pursuant to this subsection to actions taken pursuant to a written contract or other agreement entered into on or before May 16, 1977. Such grace period shall end on December 31, 1978, except that the Secretary of Commerce may extend the grace period for not to exceed one additional year in any case in which the Secretary finds that good faith efforts are being made to renegotiate the contract or agreement in order to eliminate the provisions which are inconsistent with the rules and regulations issued pursuant to paragraph (1).

(6) This Act shall apply to any transaction or activity undertaken, by or through a United States or other person, with intent to evade the provisions of this Act as implemented by the rules and regulations issued pursuant to this subsection, and such rules and regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.

(b)(1) In addition to the rules and regulations issued pursuant to subsection (a) of this section, rules and regulations issued under section 4(a) of this Act shall implement the policies set forth in section 3(5).

(2) Such rules and regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in section 3(5) shall report that fact to the Secretary of Commerce, together with such other information concerning such request as the Secretary may require for such action as he may deem appropriate for carrying out the policies of that

section. Such person shall also report to the Secretary of Commerce whether he intends to comply and whether he has complied with such request. Any report filed pursuant to this paragraph after the date of enactment of this section shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any goods or technology to which such report relates may be kept confidential if the Secretary determines, that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary of Commerce shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary of Commerce, may deem appropriate for carrying out the policies set forth in section 3(5) of this Act.

(c) The provisions of this section and the rules and regulations issued pursuant thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, and any of the territories or possessions of the United States, or of any governmental subdivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS

SEC. 7. (a) Any person who, in his domestic manufacturing process or other domestic business operation, utilizes a product produced abroad in whole or in part from a commodity historically obtained from the United States but which has been made subject to export controls, or any person who historically has exported such a commodity, may transmit a petition of hardship to the Secretary of Commerce requesting an exemption from such controls in order to alleviate any unique hardship resulting from the imposition of such controls. A petition under this section shall be in such form as the Secretary of Commerce shall prescribe and shall contain information demonstrating the need for the relief requested.

(b) Not later than thirty days after receipt of any petition under subsection (a), the Secretary of Commerce shall transmit a written decision to the petitioner granting or denying the requested relief. Such decision shall contain a statement setting forth the Secretary's basis for the grant or denial. Any exemption granted may be subject to such conditions as the Secretary deems appropriate.

(c) For purposes of this section, the Secretary's decision with respect to the grant or denial of relief from unique hardship resulting directly or indirectly from the imposition of controls shall reflect the Secretary's consideration of such factors as—

(1) whether denial would cause a unique hardship to the petitioner which can be alleviated only by granting an exception to the applicable regulations. In determining whether relief shall be granted, the Secretary will take into account:

(A) ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;

(B) potential serious financial loss to the applicant if not granted an exception;

(C) inability to obtain, except through import, an item essential for domestic use which is produced abroad from the commodity under control;

(D) the extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;

(E) possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and

(F) other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular commodity; and (2) the effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits will not be considered as evidence of a unique hardship, nor will circumstances where the hardship is due to imprudent acts or failure to act on the part of the petitioner.

PETITIONS FOR MONITORING OR CONTROLS

SEC. 8. (a)(1) Any entity, including a trade association, firm, or certified or recognized union or group of workers, which is representative of an industry or a substantial segment of an industry which processes any material or commodity for which an increase in domestic prices or a domestic shortage has or may have a significant adverse effect on the national economy or any sector thereof may transmit a written petition to the Secretary of Commerce requesting the imposition of export controls, or the monitoring of exports, or both, with respect to such material or commodity.

(2) Each petition shall be in such form as the Secretary of Commerce shall prescribe and shall contain information in support of the action requested. The petition shall include information reasonably available to the petitioner indicating (A) that there has been a significant increase over a representative period in exports of such material or commodity in relation to domestic supply, and (B) that there has been a significant increase in the price of such material or commodity under circumstances indicating that the price increase may be related to exports.

(b) Within fifteen days after receipt of any petition described in subsection (a), the Secretary of Commerce shall cause to be published a notice in the Federal Register. The notice shall include (1) the name of the material or commodity which is the subject of the petition, (2) the Schedule B number of the material or commodity as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported From the United States, (3) notice of whether the petitioner is requesting that controls or monitoring, or both, be imposed with respect to the exportation of such material or commodity, and (4) notice that interested persons shall have a period of thirty days commencing with the date of publication of such notice to submit to the Secretary of Commerce written data, views, or arguments, with or without opportunity for oral presentation. At the request of the petitioner or any other entity described in subsection (a)(1) with respect to the material or commodity which is the subject of the petition or at the request of any entity representative of the producers or exporters of such material or commodity, the Secretary shall conduct public hearings with respect to the subject of the petition, in which event the thirty-day period shall be extended to forty-five days.

(c) Within forty-five days after the end of the thirty-day or forty-five-day period described in subsection (b) or within seventy-five days of publication of the petition in the Federal Register, whichever is the later, the Secretary of Commerce shall—

(1) determine whether to impose monitoring or controls or both on the exportation of such material or commodity; and

(2) publish in the Federal Register a detailed statement of the reasons for such determination.

(d) Within fifteen days following a decision under subsection (c) to impose monitoring or controls on the exportation of a material or commodity, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within thirty days following the publication of such notice, and after considering any public comments, the Secretary shall publish and implement final regulations.

(e) For the purposes of publishing notices in the Federal Register and the scheduling of public hearings, the Secretary shall have the authority to consolidate petitions and responses thereto with respect to the same or related commodities.

(f) If a petition has been fully considered under this section and a notice has been published with respect to a particular commodity or group of commodities and in the absence of significantly changed circumstances, the Secretary shall have authority to determine that a petition for monitoring or control of such commodity or commodities does not merit the full consideration mandated under this section.

(g) The procedures and time limits set forth in this section shall take precedence over any review undertaken at the initiative of the Secretary.

(h) The Secretary shall have the authority to impose monitoring or controls on a temporary basis during the period following the filing of a petition under subsection (a)(1) and the Secretary's determination under subsection (c) if the Secretary deems such action to be necessary to effectuate the policy set forth in section 3(2)(C) of this Act. If such authority is used the Secretary shall afford interested persons an opportunity to submit written comments thereon and such comments shall be considered by the Secretary in making the determination required under subsection (c) and in the development of any final regulations.

(i) The authority under this section shall not be construed to affect the authority of the Secretary of Commerce under section 4(e)(1) or any other provision of this Act.

(j) The provisions of this section shall not apply to any agricultural commodity.

(k) Nothing contained in this section shall be construed to preclude submission on a confidential basis to the Secretary of Commerce of information relevant to a decision to impose or remove monitoring or controls under the authority of this Act, nor consideration of such information by the Secretary in reaching decisions required under this section. The provisions of this subsection are not intended to change the applicability of section 552(b) of title 5, United States Code.

CONSULTATION AND STANDARDS

SEC. 9 (a) In determining what shall be controlled or monitored under this Act, and in determining the extent to which exports shall be limited, and department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. Such departments and agencies shall fully cooperate in rendering such advice and information. Consistent with considerations of national security, the President shall seek information and advice from various segments of private industry in connection with the making of these determinations. In addition, the Secretary of Commerce shall consult with the Secretary of Energy to determine whether, in order to effectuate the policy stated in section 3(2)(C) of this Act,

monitoring or controls are necessary with respect to exports of facilities, machinery, or equipment normally and principally used, or intended to be used, in the production, conversion, or transportation of fuels and energy (except nuclear energy), including but not limited to, drilling rigs, platforms, and equipment; petroleum refineries, natural gas processing, liquefaction, and gasification plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations, and associated equipment; and vessels for transporting oil, gas, coal, and other fuels.

(b)(1) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department, or agency, or official to carry out the policies of this Act.

(2) Upon imposing quantitative restrictions on exports of any goods to carry out the policy stated in section 3(2)(C) of this Act, the Secretary of Commerce shall include in the notice published in the Federal Register an invitation to all interested parties to submit written comments within fifteen days from the date of publication of the impact of such restrictions and the method of licensing used to implement them.

(c)(1) Upon written request by representatives of a substantial segment of any industry which produces goods or technology which are subject to export controls or are being considered for such controls because of their significance to the national security of the United States, or whenever he deems appropriate to further the purposes of this Act, the Secretary of Commerce shall appoint a technical advisory committee for any grouping of such goods or technology which he determines is difficult to evaluate because of questions concerning technical matters, worldwide availability and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and government, including the Departments of Commerce, Defense, and State, and, when appropriate, after Government departments and agencies. No person serving on any such committee who is representative of indsutry shall serve on such committee for more than four consecutive years.

(2) It shall be the duty and function of the technical advisory committees established under paragraph (1) to advise and assist the Secretary of Commerce and any other department, agency, or official of the Government of the United States to which the President has delegated power, authority, and discretion under section 4(e) with respect to actions designed to carry out the policy set forth in section 3 of this Act. Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any goods or technology, and (D) exports subject to multilateral controls in which the United States participates including proposed revisions of any such multilateral controls. Nothing in this subsection shall prevent the Secretary from consulting, at any time, with any person representing industry or the general public regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribes by the Secretary of Commerce, to present evidence to such committees.

(3) Upon request of any member of any such committee, the Secretary may, if he determines it appropriate, reimburse such member for travel, subsistence, and other necessary expenses incurred by him in connection with his duties as a member.

(4) Each such committee shall elect a chairman, and shall meet at least every three months at the call of the Chairman, unless the Chairman determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this Act. Each such committee shall be terminated after a period of two years, unless extended by the Secretary for additional periods of two years. The Secretary shall consult each such committee with regard to such termination or extension of that committee.

(5) To facilitate the work of the technical advisory committees, the Secretary of Commerce, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each committee adequate information, consistent with national security and foreign policy, pertaining to the reasons for the export controls which are in effect or contemplated for the grouping of goods or technology with respect to which that committee furnishes advice.

(6) Whenever a technical advisory committee certifies to the Secretary of Commerce that goods or technology are available in fact from sources outside the United States in sufficient quantity and of comparable quality so as to render United States export controls ineffective in achieving the purposes of this Act, and provides adequate documentation for such certification, the Secretary of Commerce shall investigate and report to the technical advisory committee on whether the Secretary concurs with the certification. If the Secretary concurs, the Secretary shall submit a recommendation to the President who shall act in accordance with section 4(a)(2)(E) of this Act.

(d) The Secretary of Defense shall have the same authorities and responsibilities as the Secretary of Commerce under paragraphs (1) through (5) of subsection (c) in order to carry out his responsibilities under this Act.

VIOLATIONS

SEC. 10. (a) Except as provided in subsection (b) of this section, whoever knowingly violates any provision of this Act or any regulation, order, or license issued thereunder shall be fined not more than five times the value of the exports involved or $50,000, whichever is greater, or imprisoned not more than five years, or both.

(b) Whoever willfully exports anything contrary to any provision of this Act or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any country to which exports are restricted for national security or foreign policy purposes, shall be fined not more than five times the value of the exports involved or $100,000, whichever is greater, or imprisoned not more than ten years, or both.

(c)(1) The head of any department or agency exercising any functions under this Act, or any officer or employee of such department or agency specifically designated by the head thereof, may impose a civil penalty not to exceed $10,000 for each violation of this Act or any regulation, order, or license issued under this Act, either in addition to or in lieu of any other liability or penalty which may be imposed.

(2)(A) The authority under this Act to suspend or revoke the authority of any United States person to export goods or technology may be used with respect to any violation of the rules and regulations issued pursuant to section 5(a) of this Act.

(B) Any administrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this Act for a violation of the rules and regulations issued pursuant to section 6(a) of this Act may be imposed only after notice and opoportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

(C) Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violations of the rules and regulations issued pursuant to section 6(a) of this Act shall be made available for public inspection and copying.

(d) The payment of any penalty imposed pursuant to subsection (c) may be made a condition, for a period not exceeding one year after the imposition of such penalty, to the granting, restoration, or continuing validity of any export license, permission, or privilege granted or to be granted to the person upon whom such penalty is imposed. In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.

(e) Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c) shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his discretion, refund any such penalty, within two years after payment, on the ground of a material error of fact or law in the imposition. Notwithstanding section 1346(a) of title 28, United States Code, no action for the refund of any such penalty may be maintained in any court.

(f) In the event of the failure of any person to pay a penalty imposed pursuant to subsection (c), a civil action for the recovery thereof may, in the discretion of the head of the department or agency concerned, be brought in the name of the United States. In any such action, the court shall determine de novo all issues necessary to the establishment of liability. Except as provided in this subsection and in subsection (d), no such liability shall be asserted, claimed, or recovered upon by the United States in any way unless it has previously been reduced to judgment.

(g) Nothing in subsection (c), (d), or (f) limits—

(1) the availability of other administrative or judicial remedies with respect to violations of this Act, or any regulation, order, or license issued under this Act;

(2) the authority to compromise and settle administrative proceedings brought with respect to violations of this Act, or any regulation, order, or license issued under this Act; or

(3) the authority to compromise, remit or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

ENFORCEMENT

SEC. 11. (a) To the extent necessary or appropriate to the enforcement of this Act or to the imposition of any penalty, forfeiture, or liability arising under the Export Control Act of 1949, the head of any department or agency exercising any function thereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the

books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443; 49 U.S.C. 46) shall apply with respect to any individual who specifically claims such privilege.

(c) Except as otherwise provided by the third sentence of section 6(b)(2) and by section 10(c)(2)(C) of this Act, information obtained prior to June 30, 1980, under this Act, which is deemed confidential, including Shippers' Expert Declarations, or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552(b)(3)(B) of title 5, United States Code, and such information shall not be published or disclosed unless the Secretary of Commerce determines that the withholding thereof is contrary to the national interest. Information obtained after June 30, 1980, under this Act may be withheld only to the extent permitted by statute, except that information obtained for the purpose of consideration of, or concerning, license applications under this Act shall be withheld from public disclosure unless the release of such information is determined by the Secretary of Commerce to be in the national interest. Enactment of this subsection shall not affect any judicial proceeding commenced under section 552 of title 5, United States Code, to obtain access to boycott reports submitted prior to October 31, 1976, which was pending on May 15, 1979; but such proceeding shall be continued as if this Act had not been enacted.

Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under section 4(b), shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.

(d) In the administration of this Act, reporting requirements shall be so designed as to reduce the cost of reporting, recordkeeping, and export documentation required under this Act to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and export documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology.

EXEMPTION FROM CERTAIN PROVISIONS RELATING TO ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 12. (a) Except as provided in section 10(c)(2), the functions exercised under this Act are excluded from the operation of sections 551, 553 through 559, and 701 through 706 of title 5, United States Code.

(b) It is the intent of Congress that, to the extent practicable, all regulations imposing controls on exports under this Act be issued in proposed form with meaningful opportunity for public comment before taking effect. In cases where a regulation imposing controls under this Act is issued with immediate effect, it is the intent of Congress that meaningful opportunity for public comment also be provided and that the regulation be reissued in final form after public comments have been fully considered. The Secretary shall include in the annual report required by this Act a detailed accounting of the issuance of regulations under the authority of this Act, including an explanation of each case in which regulations were not issued in accordance with the first sentence of this subsection.

ANNUAL REPORT

SEC. 13. (a) The Secretary of Commerce shall make an annual report to the President and to the Congress on the implementation of this Act.

(b) Each annual report shall include an accounting of—

(1) actions taken by the President and the Secretary of Commerce to effect the anti-boycott policies set forth in section 3(5) of this Act;

(2) organizational and procedural changes instituted and any reviews undertaken in furtherance of the policies set forth in this Act;

(3) efforts to keep the business sector of the Nation informed about policies and procedures adopted under this Act;

(4) any changes in the exercise of the authorities of section 4(a) of this Act;

(5) the results of review of United States policy toward individual countries called for in section 4(a)(2)(A);

(6) the results, in as much detail as may be included consistent with the national security and the need to maintain the confidentiality of proprietary information, of the actions, including reviews and revisions of export controls maintained for national security purposes, required by section 4(a)(2)(B);

(7) actions taken pursuant to section 4(b)(1), including changes made in control lists and assessments of foreign availability;

(8) evidence demonstrating a need to impose export controls for national security or foreign policy purposes in the face of foreign availability as set forth in section 4(a)(2)(E);

(9) the information contained in the reports required by section 4(e)(2) of this Act, together with an analysis of—

(A) the impact on the economy and world trade of shortages or increased prices for commodities subject to monitoring under this Act or section 812 of the Agricultural Act of 1970;

(B) the worldwide supply of such commodities; and

(C) actions being taken by other nations in response to such shortages or increased prices;

(10) delegations of authority by the President as provided for under section 4(k) of this Act;

(11) the progress of negotiations under section 4(n) of this Act;

(12) the number and disposition of export license applications taking more than ninety days to process pursuant to section 4(d) of this Act;

(13) consultations undertaken with technical advisory committees pursuant to section 9(c) of this Act, the use made of advice given, and the contribution such committees made in carrying out the policies of this Act;

(14) violations of the provisions of this Act and penalties imposed pursuant to this Act; and

(15) any revisions to reporting requirements prescribed in section 11(d).

(c) The heads of other involved departments and agencies shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce to complete the annual reports.

DEFINITIONS

SEC. 14. As used in this Act—

(1) the term "person" includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof;

(2) the term "United States person" means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President;

(3) the term "goods" means any article, material, supply or manufactured product, including inspection and test equipment, and excluding technical data; and

(4) the term "technology" means the information and know-how that can be used to design, produce, manufacture, utilize, or reconstruct goods, including computer software and technical data, but not the goods themselves.

EFFECTS ON OTHER ACTS

SEC. 15. (a) The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tinplate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

(b) The authority granted to the President under this Act shall be exercised in such manner as to achieve effective coordination with the authority exercised under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(c) On October 1, 1979, the Mutual Defense Assistance Control Act of 1951, as amended (22 U.S.C. 1611–1613d), is superseded.

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. (a) Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act for any fiscal year commencing on or after October 1, 1980, unless previously and specifically authorized by legislation.

(b) There are authorized to be appropriated to the Department of Commerce $8,000,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs) for fiscal year 1980 to carry out the purposes of this Act, of which $1,250,000 shall be available only for purposes of establishing and maintaining the capability to make foreign availability assessments called for by section 4(b)(1).

(c) There are authorized to be appropriated to the Department of Defense $2,500,000 for fiscal year 1980 to carry out its functions under subsection 4(a) of this Act.

EFFECTIVE DATE

SEC. 17. (a) This Act takes effect upon the expiration of the Export Administration Act of 1969.

(b) All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under the Export Control Act of 1949 or section 6 of the Act of July 2, 1940 (54 Stat. 714), or the Export Administration Act of 1969 shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 18. The authority granted by this Act terminates on September 30, 1983, or upon any prior date which the President by proclamation may designate.

The title was amended so as to read: "A bill to provide authority to regulate exports, improve the efficiency of export regulation, and to minimize interference with the ability to engage in commerce."

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the distinguished chairman of the Subcommittee on International Finance of the Banking Committee, Mr. STEVENSON, for his leadership and extensive work on the Export Administration Act of 1979. He has guided the Senate in its consideration of a matter of the most vital importance for our Nation.

The U.S. Government needs the authority to impose export controls for the purpose of pursuing national security, foreign policy, and domestic economic goals. Particularly in the area of critical technology, we require controls on exports which could make a significant contribution to the military potential of adversary nations. At the same time, recognizing that restrictions on U.S. exports from the United States can have serious adverse effects on our balance of payments and on the availability of jobs for American workers, we must strive to limit restrictions on exports to those absolutely necessary.

The Senator from Illinois, together with the ranking minority member of the subcommittee, Mr. HEINZ, and the other members of the Banking Committee, have carefully evaluated these issues. In developing the Export Administration Act of 1979, they sought to maintain the balance between our need to protect critical technology from our adversaries with the need to allow and encourage U.S. foreign trade.

Mr. President, the task before the drafters of S. 737 was no easy one. They are to be congratulated for a job well done.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield to the Senator from Washington.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. MAGNUSON. Mr. President, as much as I hate to revive the Labor-HEW appropriations bill, I must.

This will correct a printing error in the bill.

It conforms with the action taken by the subcommittee, approved by the full committee, and explained fully on page 27 of the report.

Senator MATHIAS had moved this deletion of bill language in the committee. I believe Senator KASSEBAUM also had an interest in this matter.

While the committee was supportive of the "intent" of the House action, such a broad, all-inclusive prohibition went too far. The Department of HEW was offbase in their interpretation of existing law and corrective action is taking place.

This technical amendment will merely bring the Senate-passed bill into conformation with the action taken by the committee and adopted Thursday and Friday during consideration of H.R. 4389.

There is a printer's error in the Labor-HEW appropriations bill, H.R. 4380, which the Senate passed last night and I move the following technical amendment.

On page 53, strike out lines 8 through 11.

This was the intent of the Senate.

The amendment was agreed to.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 263.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, my reservation was for the purpose of advising the majority leader that the calendar item is cleared on this side and we have no objection to consideration and passage.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. 195) waiving section 402 (a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1309.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. 195) was agreed to as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of that Act are waived with respect to the consideration of S. 1309, a bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program. Such waiver is necessary because S. 1309 authorizes the enactment of new budget authority that would first become available in fiscal year 1979, and the bill was reported after May 15, 1978.

S. 1309 is emergency legislation that would authorize increased appropriations for the 1979 food stamp program. The amount of appropriations currently authorized for the 1979 program will not be sufficient to provide participants in the food stamp program with full program benefits through the end of the 1979 fiscal year.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes and that Senators may speak therein up to 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York.

FORMER SECRETARY OF TRANSPORTATION BROCK ADAMS

Mr. MOYNIHAN. Mr. President, I rise to call attention and to pay tribute to an extraordinary act of political integrity and of constitutional insight that occurred yesterday when Mr. Brock Adams, formerly a member of the House of Representatives and until yesterday a member of the President's Cabinet as Secretary of Transportation, chose to leave the Cabinet rather than to submit to conditions which in his view were incompatible with the institution as we have known it and in which he has served with such distinction as Secretary of Transportation.

This morning, Mr. President, there was an editorial in The Washington Post praising the Transportation Secretary for his courage under pressure and the clarity of his understanding of his role.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

. . . AND A CLASS ACT AT DOT

Transportation Secretary Brock Adams acted with class. He was a good team player for two and a half years. But the president misjudged the man if he assumed that Mr. Adams would react gratefully or compliantly to the declaration that he could stay at DOT only if he would just jettison some of his top staff. Mr. Adams's reply was that he, too, had a few points to get settled before he made up his mind.

The most refreshing aspect of his rejoinder was that it reached beyond conflicts of personnel and personalities to the issues on which Mr. Adams has felt most frustrated: promotion of mass transit and development of a more efficient automobile.

On both questions, Mr. Adams has been very strong—and very right. He drove this region's Metro system through the most searching reexamination that it has ever received—because he wanted to ensure its success. For three years, too, he has been arguing for a larger federal investment in mass transit nationwide. Just last weekend it seemed that energy problems had finally

brought Mr. Carter around to that view. Then on Monday, officials from the White House and the Office of Management and Budget made frantic last-minute efforts to get the $1.7-billion Metro financing bill deferred in the House. And by Wednesday, Mr. Adams had been told that the president's commitment to a new, $10-billion mass-transit program did not mean a $10-billion increase in transit aid after all. So once again the secretary had to go up to Capitol Hill and defend the administration's backing-off.

It is no wonder that Mr. Adams got fed up with White House bungling and the OMB's penny-wise approach. By spelling out the causes of his discontent, he has left Mr. Carter doubly on the spot. Apparently DOT, an increasingly vital and visible department, is now to be managed largely from the White House; the new acting secretary, W. Graham Claytor, is serving only in an interim role. So the burden is now on Mr. Carter to clarify not only how that arrangement is going to work—but also what kinds of transportation policies are going to be pursued.

Mr. MOYNIHAN. Mr. President, the essence of the position that Mr. Adams took was that it was inappropriate for a Cabinet officer to be asked to report to a member of the White House staff rather than directly to the President. The specific situation arose when a member of the White House staff had instructed him that while he could remain in his recent Cabinet arrangement he would have to dismiss certain of the Presidential appointees who were in his Cabinet.

He took the position that he reported to the President and would abide by the President's wishes in any matter but that it was inappropriate to receive such instructions secondhand when this was to be institutionalized. Any such ordinary occasion such as messages can be transmitted. But the question is what is a Cabinet officer's position?

I believe Mr. Adams was right in this, and I think the American political institutions owe him a debt, if it may be said institutions owe debts. We who depend on such institutions owe him a debt.

Mr. President, perhaps it is not generally recognized, but the Cabinet is not an informal institution of American Government wholly malleable to the purposes of any particular President.

A Cabinet was very carefully foreseen in the constitutional convention. At one point a Council of Ministers of the executive department was envisaged to advise the President.

It finally was not done because it was felt the President should not have an inhibition on his power.

But article II, section 2, of the Constitution specifically provides the President:

May require the opinion in writing of the principal officer in each of the executive departments upon any subject relating to the duties of their respective offices.

A head of an executive department is an officer and holds an office under the Constitution.

It was from the first assumed that they would meet in council with the President, although totally subject to his direction.

It is perhaps worth noting that Prof. Richard F. Fenno, Jr., in his fine work, a standard book, the book on the subject, The President's Cabinet, notes that in 1781 when we were still at war the Continental Congress established four executive departments, a Secretary of Foreign Affairs, a Superintendent of Finance, a Secretary of War, and a Secretary of Maine. This in itself was a departure.

In Britain at that time and under colonial governments, departments of this kind would be run by committees. The Prime Minister in England is merely the first Lord of the Treasury. The Lord of the Admiralty was a multiple leadership.

We chose to have single department heads and to have the President make such appointments.

This is a system that has endured for two centuries and has acquired traditions of which the most important, I think, is that a President may call any citizen of these United States and ask him to serve in the Cabinet with a high order of assumption that he will do so; that a Cabinet office is of such importance that no one capable of serving ought to reasonably decline and, with some exceptions, that has been our experience, I believe.

But it is no accident that within the very same week that these new arrangements appeared in the White House with respect to one of the senior departments, a department that was in the original Cabinet, two men of impeccable qualifications and demonstrated capacity and patriotism were offered that position by the President and declined, the new arrangements being such that while no one might decline to serve a President, anyone might feel free to decline to serve a Presidential aide, and the capacity of this Nation for governance is diminished when the range of persons who can be called upon to govern is so narrow.

I think this was the point which Mr. Adams made, and I rise simply to pay my respect to his unconcern for his personal position in face of the question of the integrity of so important an institution of Government.

I know if there were more persons on hand at this very late hour, they would wish to join me in expressing their admiration for the way in which a former Member of this Congress, Brock Adams, acquitted himself under circumstances of great personal difficulty.

I thank the Chair.

GROWTH IN THE PRESIDENTIAL STAFF

Mr. MOYNIHAN. Mr. President, in some supplementary remarks on the first budget resolution I drew attention to the observations of Arthur S. Link, the biographer of Woodrow Wilson, on the way the Presidency has been hampered by the extraordinary growth in Presidential staff.

This is not something about which one wishes to and would normally speak, but contrasting the experience of Wilson with the experience of our present President, two men with very similar interests and formations, Link describes Wilson's greater success and flexibility due to the fact that he did his own work, wrote his own speeches, made his own telephone calls to Congress with much greater success than, perhaps, so far agreed, with the institutionalized Presidency which becomes increasingly introverted and cut off from both the executive department and Congress itself.

Mr. President, I ask unanimous consent, in closing, that the passages in my remarks on the institutionalization of the White House be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Our objective, like the President's, was to carry out responsibilities more effectively; to get more work done. Any who question this need only consider in the exceptional talents and often heroic exertions of the staffs of the White House and the Congress. No two cadres in American society work harder. In the case of Congressional staff the exertions are compounded by no less incredible crowding.

Yet it is necessary to ask just how effective these changes have been. Memories of the earlier era have quite vanished in the White House, and are fast fading on Capitol Hill. In such circumstances, historians are of help. To those interested, I would call attention to some recent observations of Arthur S. Link, the distinguished biographer of Woodrow Wilson. Professor Link notes that Wilson "had a very warm working relationship with Congress." Asked why such a relationship seems to elude President Carter—and, one might add, so many recent Presidents—Link replied:

"The answer is complicated, but one main reason is the enormous White House staff, which has been a buffer in recent years between the President and Congress, and the people, too, and the heads of governmental departments. The President now has so many assistants of one kind and another that he spends his time running the staff, and the staff runs the country, or tries to. That was definitely not true in Wilson's time. . . .

"A President with a staff of 400 has to spend most of his time dealing with that staff. You have to take the position that you are the leader. Truman put it very well: 'The buck stops here.' FDR had only two or three assistants in the White House before 1938."

The common assumption, Link continues, that it "has to be this way" is simply wrong: "If we had a Wilson in the White House we'd see a dramatic change."

This was not intended as personal criticism but was simply the observation of a wise and practiced historian concerning the effect institutions have on those who preside over them. Link concludes:

"It's axiomatic today that the President has to have a battery of speechwriters. This began with FDR, and it's been assumed ever since that a President hasn't the time—or the capacity!—to write his own speeches. The whole office of the Presidency has become so bureaucratized and overstaffed that there isn't time for the President to perform a leadership role."

"There isn't time." This is the heart of it. After a point—reached sooner, perhaps, than generally realized—increased assistance begins to defeat its purpose by consuming the very time and energy it was supposed to free up. The small group takes on a life of its own: it becomes an organization in its own right, and commences to behave like organizations behave.

FLEECE OF THE MONTH AWARD FOR JULY

Mr. PROXMIRE. Mr. President, yesterday I gave my Fleece of the Month Award for July—the first since the June 26 Supreme Court decision on this issue—to the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) for spending at least $6,000 to determine if pot smoking has a bad effect on scuba divers. While the amount may be relatively small, the taxpayers should get high over this one. One might seriously ask, "Were these trips really necessary?"

I intend to continue to issue the Fleece of the Month, to criticize vigorously the wasteful spending of public money, and to strive to be just as emphatic, vivid and, if possible, as humorous in the denunciation of waste as I can be.

The experiment was a minor part of an otherwise useful appearing $726,000 Federal grant, matched by $625,000 from the University of Hawaii, into human performance in the sea.

Ten pot-smoking men students aged 21 to 28 were recruited from a large class at the University of Hawaii. According to the published results entitled "Marijuana Smoking and Cold Tolerance in Man," appearing in the Journal of Aviation, Space, and Environmental Medicine:

> Specifically we were interested in cold stress similar to that encountered by scuba divers off Hawaii.

The effects of marihuana smoking after 1- or 2-hour exposures to both mildly cold water and cold air were undertaken.

After a preliminary hour's rest, the 10 were subjected to 1 hour immersions with only their heads above the 28°C (82.4°F) water. This was done three times, each on a separate day with a day in between, after smoking pot, after smoking a placebo, and after no smoking at all.

Similar cold air experiments were performed on the subjects lasting 2 hours in a chamber with the air temperature at 20° Centrigrade (68° Fahrenheit). Dressed only in bathing suits, they were hooked up to temperature gauges attached to nine parts of the body. In addition, breath holding tests taking from 15 to 30 minutes were involved.

While the body core temperatures were essentially unaffected, there were significant losses of body heat, elevated heart action, and shivering after smoking pot.

The diving aspects of the study were summarized as follows:

> Marijuana did not produce simple hypothermia[1] during cold exposure at rest, but it did increase heat production, probably due to more rapid and intensive shivering. Thus, it would appear hypothermia during diving is not anticipated. However, the consequences of tachycardia[2] due to marijuana interacting with diving bradycardia[3] may be consequential. Similarly, the observed increase in oxygen uptake might conflict with the normally higher vo, during swimming. In either case, caution should be suggested until cannabis action on swimmers can be determined. (Emphasis in italics.)

[1] Subnormal temperature of the body.
[2] Swift action of the heart.
[3] Slow action of the heart.

In my view, the Government was at sea on this one. What the study tells us is that if you smoke pot, do not go swimming, scuba diving, or mountain climbing.

If there were an unlimited budget, perhaps it might be undertaken. But on the scale of national needs, this experiment seems to have a very low priority.

Mr. President, I think many Americans might be amused by this, but I think when we recognize the fact that two families, two typical American families, pay all of their taxes, $6,000, for an activity of this kind, I think it is an outrage, and I would hope that the agency would be more careful in the future in spending the taxpayers' dollar.

Finally, a word about costs. While no detailed figures for this specific part of the overall project were available, the Commerce Department estimated the cost at $6,000, which seems misleadingly low. Here is why.

Some seven professional researchers signed the academic article.

The 10 students were involved for more than 200 hours.

A similar amount of time was involved with the lab, breathing equipment, smoking equipment—spirometer techniques were used—et cetera.

The routine charges by universities for lab time, professional salaries, equipment costs, and overhead, apparently not available for this study, are not routinely insignificant.

All this, plus the cost of the pot itself—I am told $40 to $45 an ounce is not an unusual price—would indicate that, at best, the Department's estimate is based on the marginal rather than the total costs.

DR. A. AUSTIN PEARRE OF MARYLAND

Mr. MATHIAS. Mr. President, Mrs. Mathias and I were saddened today to learn of the death of Dr. A. Austin Pearre of Frederick, Md. Dr. Pearre died peacefully in his sleep last night after a lifetime of service to his friends and neighbors in the community in which he was born and spent his whole life.

"Success" is a word that can be applied to almost every aspect of Dr. Pearre's career. He was chosen by his colleagues as president of the Frederick County Medical Association and later elected president of the medical and chirurgical faculty of Maryland. He was never satisfied with his current level of knowledge and constantly enrolled in courses and programs that advanced his professional skill. "Success" to a physician does not, however, depend on such material factors, but rather upon the relief he brings to people who suffer the pain and fear of illness.

By this test, Dr. Pearre would be acclaimed an outstanding success by the thousands he helped restore to health, not only by treating their bodies but by calming their fears and raising their confidence.

Dr. Pearre took a long view of his profession. Many years ago he commented to me that the previous century of medical research had been devoted to the fight against infection, but that the next century would concentrate on body chemistry. As the miracles of medical science have continued to unfold they have underscored his insight and his accuracy.

But with all the recognition that Dr. Pearre received in his profession and for all the advanced training he disciplined himself to absorb, I personally think nothing better can be said of him than that he was the ideal "family doctor."

Our own family experience in benefiting from his skill and kindness is merely an example of many such relationships that made the community so dependent on him.

When I was a child my parents took me to see him for the usual variety of childhood complaints. He was my grandmother's doctor. He helped my father through his last illness and came to his beside at the time of his death. He continued to be my mother's doctor until his recent retirement and ever since has been on call for her when she needed him. He responded to the crises in our own lives whenever Mrs. Mathias and I called upon him whether the occasion was childbirth or bee stings.

And so I take this moment to bid farewell to Dr. Pearre and to express my appreciation not only for his work, but also for his example. His colleagues in the healing arts will do well to remember the standard of humane service rendered by Dr. A. Austin Pearre to the men, women, and children with whom he shared his life.

Mrs. Mathias and I want to express our sympathy to Mrs. Pearre and to the children and grandchildren who were Dr. Pearre's special pride and joy.

RESIGNATION OF SECRETARY CALIFANO

Mr. BAYH. Mr. President, it is with great regret that I note the resignation of the Secretary of Health, Education, and Welfare, Joseph A. Califano, Jr. As a member of the Labor-Health, Education, and Welfare Appropriations Subcommittee, I have had the opportunity to work closely with Joe Califano over the past 2½ years. There are few jobs in Washington more difficult or more often the subject of criticism than the job of Secretary of the Department of HEW. I feel that few have performed the duties of that office with greater skill or dedication than Secretary Califano.

He developed bold strategies for combating disease and serious illness. I applaud his efforts in calling for a national antismoking campaign. His program to educate young people, particularly teenage girls, to the potential health hazards associated with smoking is an important step toward ending our citizens' addiction to smoking and will eventually lead to a reduction of the large number of deaths annually linked to cancer. This program is not popular in many parts of the country, but Joe Califano had the courage to fight a serious health hazard affecting the people of the Nation. We can ask no more of a dedicated public servant than to have him stand up for his beliefs, act on them, and then be prepared to accept any adverse reaction. None was more adamant than Joe Califano in pointing out the needless suffering from diseases such as lung cancer, heart disease and respiratory ailments linked to smoking.

Secretary Califano also worked diligently to control and reduce the rising costs of hospital care and was instrumental in the development of the administration's national health care plan. I strongly supported his program to reduce the high number of adolescent pregnancies. He was an experienced and professional administrator as illustrated by his efforts to reduce fraud in HEW and streamline many procedures within the Department. Joe Califano fulfilled his duties as Secretary for the administration with great energy and enthusiasm. He created new programs with bold brush strokes and always had a grasp of the diverse nature of the tasks ahead. He is an individual with a great sense of compassion and a strong commitment to improving the quality of human life in this country.

I wish Joe Califano the best in his future endeavors and am sure he will be successful in whatever he undertakes. Congress will miss his presence in the Government. We are all better off for having worked with him and known him. He has served his country as a dedicated American and future generations will live a better life because of his efforts. I am proud to know him as a friend.

JACOBO TIMERMAN

Mr. SARBANES. Mr. President, in April 1977, Jacobo Timerman, editor and publisher of the widely respected Argentine newspaper La Opinion, was kidnaped from his home in Buenos Aires and imprisoned. Although he was never formally accused of any crime, his case was heard, first by a military tribunal and eventually by the highest civilian court in Argentina, the supreme court. In both instances he was exonerated, ironically of charges never officially filed against him. Released from prison in April 1978, he has been held since that time under house arrest. Recently La Opinion, seized at the time of his arrest, was definitively confiscated by the Argentine Government. His children have emigrated to Israel. Jacobo Timerman, in poor health, separated from his family, and deprived of the right to speak through the newspaper which he established in 1969, is seeking to emigrate to Israel. Thus far his efforts have been callously rejected by the Argentine regime.

On June 17 of this year the Anti-Defamation League of the B'nai B'rith presented its third annual Hubert Humphrey Freedom Prize to Jacobo Timerman. The honesty and courage which have characterized Mr. Timerman's distinguished career as a journalist certainly made him a clear choice to receive the prize, which was established in Senator Humphrey's memory "to give public recognition and honor to individuals and institutions who have made significant and lasting contributions to the protection and advancement of freedom of the press." Because the house arrest of Mr. Timerman obviously precluded him from making the trip to New York to receive the award in person, it was accepted on his behalf by his son Hector Timerman.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement made by Benjamin R. Epstein, executive vice president of the Anti-Defamation League Foundation and for many years the extraordinarily able executive director of the ADL, in presenting the Hubert H. Humphrey Freedom Prize in abstentia to Jacobo Timerman, along with Hector Timerman's moving response in accepting this award on behalf of his father.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PRESENTATION TO HECTOR TIMERMAN

(By Benjamin R. Epstein)

I am here representing the family of Dwayne Andreas whose foundation has endowed the Hubert H. Humphrey Freedom Award.

Someone is missing from this luncheon.

He was supposed to be here. He was invited. He just couldn't make it. Not because he didn't want to. He would have loved to be with us.

He's not here because he has been prevented from attending.

Instead, he is in prison. The fact that the prison is his own home does not make it any less a prison because it has become a place of confinement. It is a jail just as if its doors were iron gates and its windows barred.

That man who should be here is named Jacobo Timerman.

Although his person is incarcerated in Argentina, his name and fame have crossed international borders. He has come to symbolize the world wide struggle for freedom of the press. Of more than 600 journalists and writers who at this very moment are victims of repressive government action in some 55 countries, he is the most prominent and his case the most outstanding. He is one of 119 Argentinian journalists—the best and brightest of the country's newspapermen—who have been either imprisoned, placed under house arrest, or forced into exile.

Why did it happen to him? Why was he, the founder of two weekly magazines and the independent newspaper La Opinion, dragged from his home by a group of armed men on the morning of April 15, 1977? Why, if no charge was brought against him then or since, did he spend the next year in prison? Why was he tortured and stripped of his civil rights? Why is he under house arrest if the military tribunal which tried him found no evidence linking him to subversion?

The answer to these questions? There has been no answer. So far as anyone can determine he is an Argentinian Jew who has been a conscientious newspaperman doing an exemplary journalistic job which managed to shock and offend the powers that be in Buenos Aires.

I have searched my mind for a parallel in history. Is his case like that of the American, Peter Zenger? Not quite, Zenger was permitted to plead his case and defend his right to press freedom! Timerman did not get his day in court.

Is there a closer parallel to the French Dreyfus case? The unspoken charge against Captain Dreyfus was that he was a Jew. Is it thus with Timerman? But Dreyfus was brought to trial, and though falsely convicted was able to defend himself, to bring the anti-Semitic charges out into the open, and ultimately win his freedom.

Not so with Timerman! He has had no day in court. In fact, the Supreme Court of the Argentine has decreed that there is no basis in law, no charges have been presented, and there are no grounds for detaining him. The anti-Semitism has not come out into the open, but it lurks in the shadow behind the official silence.

Because he is forcibly detained, he cannot be with us to accept the Hubert H. Humphrey Award for his devotion and dedication to a free press. He is absent even though permission for his presence was requested from President Jorge Rafael Videla of Argentina. Regrettably, there has been no answer to this request either.

Therefore, as we did with Anatoly Scharansky who is held in a Soviet Gulag, this presentation must be made in absentia.

Fittingly, a son will stand in for his father.

This is not the first time Hector Timerman, who flew here from Israel, has substituted for his father. He took over the editorship of La Opinion when Jacobo Timerman was arrested, a most courageous act under the circumstances.

He remained in that post until the military junta expropriated the paper and it became apparent that he, too, might be marked for imprisonment.

Fortunately, he was able to leave for Israel, where he now lives.

I hope that soon he and his father will be reunited so that he can pass on to him this very richly merited award that we are now presenting.

STATEMENT OF HECTOR TIMMERMAN, UPON ACCEPTING THE HUBERT HUMPHREY FREEDOM PRIZE

For reasons which are publicly known, I've come in behalf of my father to receive and thank you for the Hubert Humphrey award bestowed upon him.

When I told him about his having been awarded such honor, his remark was "Once again Hubert Humphrey comes out to defend a man persecuted for his struggle for freedom".

Political instability and ideological confrontations have always been one of the features in most Latin American countries. Fear and prejudice, passion and vested interest, economic inequality and social frustration have contributed to build up in this continent's countries, which lacking a democratic tradition, a climate of violence which, in the last few years, has grown into terrifying proportions.

And it is in such climate wherein a journalist in Argentina has to cope with the hard, thankless and dangerous task of bringing back a sane attitude, an attitude of peaceful coexistence among citizens, of respect for human rights and of denunciation of violence.

And because, for painful reasons, I have the honor of receiving the award in my father's name, allow me to—modestly but justly—point out that Jacobo Timerman fulfilled this aim fervently and passionately, without letting himself be discouraged by threats both from the right and the left wings.

I know for certain that he had the opportunity to safeguard his own interest, and avoid a painful imprisonment; however, he chose to fight for his principles and the values advocated by him. No other way for someone who decided "to your own self be true" as well as true to the world he believed in.

Jacobo Timerman was imprisoned by the Argentine authorities, charged with numerous and terrible crimes. None, however, could be proved in any way whatsoever by the Military Court which tried him. The military courts said he should be released.

My father has been imprisoned for over two years, and up to this day the authorities in Argentina have been unable to explain the reasons for his arrest. I can tell you he is a

political prisoner. But there were not only political reasons which caused my father's arrest and the fact that the same authorities ignored the order for his release, issued by the Supreme Court of Justice, the highest judicial power in Argentina.

There is another conspicuous reason, a well-known one, and one which arose during the frightful questioning he was subject to. Jacobo Timerman is a Jew. Among the absurd humbugs woven about him and the arbitrary, never-proven charges, my father was questioned about his links with the Elders of Zion and his activity in behalf of projects for world dominance by the jews.

To defend democratic principles was already a serious crime; but for a jew to do so caused an impact exceeding the acceptance capabilities of some military leaders of Argentina. Only in a country wherein antisemitism is well-rooted, where it is attempted to deny to the jews the right to take part, as any other citizen, in the political activities, can official enquirers pose such unheard of questions.

As a member of the Argentine Jewish Community, my father's activity is open and well-known. The newspaper "La Opinion", which he founded and managed up to the time of his arrest, did at all times defend the interests of the country's jewish community and resolutely waged war against manifestations of antisemitism as well as the restriction of political rights of jews and their status as a national minority.

In the climate of prejudice and antijewish hostility endured in Argentina, such attitude requires unique daring. According to the criteria of the rulers, his daring could not be left unpunished.

Jacobo Timerman is paying the high, the painful price for such attitude, both as a man and as a jew.

A contemporary thinker stated that "violence is unlearned"; and my father had chosen the dangerous road of letters.

I thank the antidefamation league of the B'nai Brith authorities, consistent fighters for human rights and against discrimination, for having decided to bestow the Hubert Humphrey award upon my father as a symbol of persecuted and discriminated men, and as a protest against the conspicuous violation of human rights in Argentna.

OIL IMPORTS QUOTAS

Mr. THURMOND. Mr. President, the American people have, once again, had the opportunity to hear President Carter's comments about this Nation's energy problems. He correctly identified the energy crisis as real and as a clear and present danger to our Nation. He further emphasized that our dependence on foreign oil threatens our economic independence and the very security of the United States.

Mr. President, while the administration's emphasis seemed correctly placed, we still heard only generalities with respect to positive programs. Hopefully, the much needed specifics of these general program suggestions will be provided soon.

Mr. President, I rise today to comment briefly regarding two points of President Carter's remarks. One, that this Nation will never again use more foreign oil than we did in 1977 and, second, that he will set import quotas to insure a reduction in imports of foreign oil. Certainly these are important and meaningful goals and we of the Congress will be watching very carefully the implementation of these import quotas and restrictions.

One decade ago, following extensive hearings in several committees of the Senate, there was a forceful, but unsuccessful warning given by several distinguished Senators—and I refer most particularly to the efforts led by Senators Hruska and Dirksen—that the removal or relaxation of oil import quotas would be severely detrimental to this Nation's economy, to the national security, and to the consuming public. This warning went unheeded by the Democratic and liberal Members of the Congress. Thus, for 10 years, we have experienced this continually worsening energy situation that could, and should, have been avoided.

Mr. President, we face today an energy crisis that is several orders of magnitude greater than that of a decade ago. We must meet resolutely the hard decisions that will move this Nation toward economic independence with respect to energy. It is most regrettable that the lack of appropriate action over the past decade has been so costly to this Nation and its effects will continue to plague us for many years in the future. We must, however, no longer delay the development and implementation of effective energy measures that will once again provide our American citizens with their rightful rewards in terms of energy supplies for their everyday needs and the needs for our Nation's security and economic independence.

Mr. President, in order that my colleagues might have the opportunity to review the pertinent and still relevant comments made on this issue by Senator Hruska nearly a decade ago, I ask unanimous consent that this opening statement to the March 3, 1970, hearings before the Senate Subcommittee on Antitrust and Monopoly be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, I look forward to joining with my fellow Senators in the development of positive and effective programs that will meet this Nation's energy needs.

EXHIBIT 1

OPENING STATEMENT OF SENATOR ROMAN HRUSKA

President Richard M. Nixon, on February 9, received the task force report on oil import control from Secretary George Shultz, whom he appointed last March as the chairman of a seven-Cabinet-member task force. This task force was the first Cabinet-level study on the subject since its inception in 1959. The report was not unanimously agreed to by the seven members and no one expected such agreement. I quote from the President's message of February 20, 1970:

"Reasonable men can and will differ about the information, premises, and conclusions contained in the report. None, however, can fail to be impressed by the depth and breadth of this study . . .

"It is not surprising that the members of the task force did not reach unanimous agreement on a set of recommendations. The conclusions reached by the Secretary of Commerce and the Secretary of the Interior differ sharply from those reached by the remaining five members of the task force.

"Among the majority there is also divergence of views with the Secretaries of State and Defense expressing particular concern over the implications of the report's conclusions for the Nation's security and our international relations."

As I view the above quotes and the general message of the President, I conclude that a plan was not submitted to the President which he could put into immediate operation. But, the report did refer to several items and he acted immediately as I will note later. However, a report was submitted to the President, though not complete, but one that raises pertinent issues requiring further study and attention.

I shall briefly refer to some of these issues that I consider pertinent:

(1) The issue of the advantages in substituting tariffs for the present quota system. Discussions with our neighbors and our allies as recommended by the report could have a significant impact on the issue. So could a further study of the issue by the new management system that has been recommended and immediately put into effect by the President.

(2) The question of national security in its fullest application under existing law.

(3) The issue of pollution and the alternative products needed, such as no-lead gasoline, to reach future goals for lessening pollution.

(4) What impact has the Tax Reform Act passed by the 91st Congress on domestic oil production, exploration, reserves, and their appropriate place in the national security issue. This issue is significant because at page 166 of the appendix of the report, reference is made to "tax incentives" as point 6 of report on energy supplies and resources policy issued on February 26, 1955, at the White House.

The President responded immediately to the areas of agreement that a new management system be inaugurated to set policy for an oil import program. He ordered the director of the Office of Emergency Preparedness to chair an interdepartmental panel which will initially include the Secretaries of State, Treasury, Defense, Interior, and Commerce, the Attorney General, and the Chairman of the Economic Advisers.

The President noted further that while the day-to-day administrative functions will continue to be performed by the Oil Import Administration of the Department of Interior, the policy direction, coordination and surveillance of the program will be provided by the Director of OEP, acting with the advice of this permanent oil policy committee.

I read with interest the press conference on the task force report where Presidential Assistant Peter Flanigan spoke for the administration. Several of the questions by reporters referred to why do you need to study the whole thing.

The answer was clear that "we are not going to restudy the whole thing," and "the study suggested, one, that there be created this management system, and two, the results of this study is the recommendation that before anything is done, we have discussions with Canada regarding the common energy policy, and Mexico, and that we have discussions with our allies and other affected nations."

I ask unanimous consent that the President's statement, the press conference statement and the summary guide to task force report on oil import control be placed at the conclusion of my statement.

We all recall that President Nixon, about 1 year ago, reinvested in the President the responsibility to make the decisions in dealing with the mandatory oil import program, which responsibility President Johnson had placed in the hands of the Secretary of Interior.

Hence, the President has the sole responsibility of making the decisions under existing law. He has been and is aware of the many public hearings by the Interior committees of both Houses and by the Finance and Ways and Means Committees in the past few years pertaining to the changes in the

mandatory oil import quota program created by Presidential proclamations in the Johnson administration. President Nixon acted promptly to appoint that task force on March 23, 1969, and he acted quickly on February 20 of this year, 11 days after receiving the report. He has made his decision.

The President also stated:

"The Congress properly has a vital interest in this program which affects every area of our country and many facets of our economy. Committees of both the House of Representatives and the Senate have indicated interest in holding hearings on the oil import program and any recommended changes in it. I expect much additional valuable information will result from these Congressional hearings, and I direct the Oil Policy Committee to carefully review all such information."

Thus, we of the Congress must devote our efforts toward legislative action, if any is needed. This subcommittee held 19 days of hearings in 1969 on the oil import quota program. At times the subcommittee went far afield in areas which belong, under our rules, to other committees which live regularly with the specific problems discussed in our subcommittee. As I noted earlier, those committees held hearings of the dangers created by opening up the oil import quotas from the established figure of 12.2 percent of U.S. crude production to approximately 20 percent of U.S. crude production. Predictions were that the percentage would go higher.

Reports of those committees sustained the fears of the dangerous impact of the removal of import quotas on the all-inclusive national security issue.

Among us today is Secretary Shultz, the task force chairman. He has with him some of his advisers during the study. The report speaks for itself. The divergent views of the various members speak for themselves. This raises the question of why then does the Senate Antitrust Subcommittee call Secretary Shultz when the report speaks for itself and he has many other things of significance for his immediate attention.

Certainly, the subcommittee has no legislative jurisdiction over the Senate bill S. 3477, introduced by Senators Stevens and Bellmon. This bill will impose statutory quotas on imports of petroleum, et cetera, and has been referred to the Finance Committee under our rules.

It is my understanding that the Senate Finance Committee will conduct hearings on these issues this month.

With the members of the Senate being pressed with daily and Saturday sessions, and with many committee and subcommittee hearings so early in this session, I was hoping that the antitrust subcommittee would leave the oil import control issue to the appropriate legislative Senate committee. However, I reluctantly agreed not to oppose this 1-day hearing from being held, but that is as far as my agreement shall go, because I believe this subcommittee is setting a bad precedent to continue to inject itself in this area for the reasons noted above.

MARSHALL SPACE FLIGHT CENTER

Mr. STEWART. Mr. President, 10 years ago today this Nation watched with wonder, anxiety and pride as an American citizen planted a flag on the surface of the moon. That was an accomplishment of such scientific and technological genius that I sincerely doubt its impact will be equaled in our generation.

I am rising today to recognize not only American ingenuity. I don't think too many folks will argue with the fact that it really takes a total national commitment to land a man on the moon. I am also rising to remind my colleagues of the invaluable role Alabama played in the Apollo 11 mission. For it was the Marshall Space Flight Center, which is located in Huntsville, Ala., that literally catapulted mankind into its greatest space adventure.

The Saturn V rocket—which stands 363 feet tall and weighs 6.5 million pounds at full load—was developed by the National Aeronautic and Space Administration at the Marshall Center, under the leadership of the internationally recognized rocket pioneer, Dr. Wernher von Braun.

While Marshall itself played a number of key roles in the drama that unfolded around the Saturn V program, it was the center's program-management philosophy that was perhaps the prime element in the successful development of the launch vehicle. For Marshall personnel were involved in virtually every phase of the development process, from qualification testing to systems engineering to program control and budgeting to actual flight operations.

But, Mr. President, it did not stop there. The center took an active role in the design and development, the checkout and tests and the fabrication and transportation of all stages, engines and instrument units for the Saturn V. The first four stages of the vehicle, two designed for testing and two designed for flight, were manufactured at Marshall.

And, as if all that were not enough, the Marshall Center was responsible for managing the transportation of the Saturn V hardware. This proved to be a massive understanding, requiring a fleet of cargo airplanes and a fleet of ocean-going barges to transport the stages, engines, instrument units and other hardware among manufacturing sites, test facilities and launch facilities.

Mr. President, Marshall rose to the occasion with resounding success. The launch vehicle that the center produced was tested five times before the Appollo 11 mission, and from its very first flight, the Saturn V performed successfully. The first two of these tests were unmanned, followed by three manned flights, one in near-Earth orbit and two to the vicinity of the moon.

Then, of course, came the launch of Apollo 11 and, as they say, the rest is history.

But Marshall's role in American scientific genius did not end with the Apollo program. And while the center has played a key role in the Space Shuttle program, the benefits it affords for the future should not be underestimated. During a recent tour of the installation, I saw some significant projects that could have an important role on our energy planning for the future.

So, Mr. President, the Marshall Space Flight Center and the people of Alabama have cause to be proud today. For the support and faith of the folks of Huntsville, Madison County and the entire State contributed to an endeavor so incredible that its impact will be felt forever.

THIRD PARTY PRIVACY ACT: A BILL WHOSE TIME HAS COME

Mr. PERCY. Mr. President, recently, lawyers' offices in Los Angeles, Calif., and St. Paul, Minn., were visited unannounced by law enforcement officials representing State or local prosecutors. The officers brought warrants to search the lawyers' offices. These attorneys had no warning. They were not suspected of committing any crime. The law enforcement officials did not know that the attorneys would withhold the evidence of alleged crimes being sought.

To the attorneys whose private offices were searched, it may well appear that their constitutional rights to protection against unreasonable search and seizure were violated. However, under a recent Supreme Court decision, Zurcher against Stanford Daily, law enforcement officials can search and seize, as long as they have a warrant, virtually anywhere they wish—from an attorney's office to that of a psychiatrist.

It is for these reasons that I enthusiastically join my distinguished colleague, Senator MATHIAS, in cosponsoring S. 115, the Third Party Privacy Act of 1979.

This bill is urgently needed to protect the rights of all Americans, for a gaping hole in the protection against unreasonable searches has been opened by the Supreme Court in the Zurcher case. In that case, the Court held that police, as long as they had a warrant, could conduct surprise searches of a newsroom for evidence of a crime even though no one in the office to be searched was suspected of any complicity in the crime.

These police raids, increasing in frequency since the Zurcher decision, conjure up an America we never knew before, where the press is no longer free and the sacred privileges of privacy are sacrificed without probable cause to limit such rights.

The Third Party Privacy Act would protect all citizens—journalists as well as accountants, physicians, lawyers and social workers, to name a few—from a Zurcher-type raid. Law-abiding citizens who are not susoected of a crime should be able to challenge the Government's demands for evidence and should be permitted to provide such evidence without being searched. This is simple due process. It is our obligation in the Congress to insure that those who enforce the law respect the dignity of those who abide by it.

This bill requires Federal, State, and local law enforcement officials to first obtain a subpena for evidence of a crime when it is believed to be in the possession of someone not connected with the crime. The measure would still allow police to obtain a search warrant if probable cause can be established that the evidence is contraband or that it would be destroyed, hidden or removed.

A subpena would provide prior notice to the individual or organization, enabling a legal challenge if the subject of the search chooses to do so. At the same time, this due process guarantee would permit the subject of the subpena to voluntarily produce the evidence requested without suffering the indignity

of a legally warranted but procedurally unnecessary search.

I believe that the Zurcher decision has diluted the protection of private citizens against unreasonable searches. Restoration of this protection is up to the Congress. As Justice Byron White said in his majority opinion, nothing in the Constitution prevents Congress from providing more protection than the Court found for innocent third parties in the first and fourth amendments. Clearly, Congress has an obligation to close the doors to our homes, offices, and newsrooms thrown open by the Court.

The gradual erosion of our rights to privacy must be stopped now.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEVIN, from the Committee on Armed Services, without amendment:

S. Res. 202. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 111. Referred to the Committee on the Budget.

By Mr. LEVIN, from the Committee on Armed Services, with an amendment and an amendment to the title:

H.R. 111. An act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977 (Rept. No. 96-255).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WILLIAMS (for himself, Mr. BAKER, Mr. BRADLEY, Mr. CRANSTON, Mr. JAVITS, Mr. METZENBAUM, and Mr. SARBANES):

S. 1552. A bill to amend the copyright law, title 17 of the United States Code, to create public performance rights with respect to sound recordings, and for other purposes; to the Committee on the Judiciary.

By Mr. EAGLETON (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. INOUYE, Mr. HUDDLESTON, Mr. JOHNSTON, Mr. LUGAR, Mr. RIEGLE, and Mr. TSONGAS):

S. 1553. A bill to amend the Higher Education Act of 1965 to establish a system of grants or urban universities; to the Committee on Labor and Human Resources.

By Mr. DURKIN:

S. 1554. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Finance;

S. 1555. A bill to provide a program for the rehabilitation of the Nation's railroads; to the Committee on Commerce, Science, and Transportation;

S. 1556. A bill to provide for grants to the States to employ State foresters, to provide for a current determination of the number of woodlot owners in each State, to provide for the availability of forest fuel utilization training, and to increase the assistance and information provided by the Department of Energy to the Forest Service and by the Small Business Administration to small woodlot owners and wood fuel distributors and marketers; to the Committee on Agriculture, Nutrition, and Forestry;

S. 1557. A bill to authorize construction of a turnaround basin on the Piscataqua River, Portsmouth, N.H.; to the Committee on Environment and Public Works;

S. 1558. A bill to amend the Federal Power Act to permit the Federal Energy Regulatory Commission to enter into agreements with States under which State authorities may exercise the licensing authority of the Commission with respect to small hydroelectric projects at existing dams, and for other purposes; to the Committee on Energy and Natural Resources; and

S. 1559. A bill authorizing a study to develop small hydroelectric projects for rural areas or communities; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILLIAMS (for himself, Mr. BAKER, Mr. BRADLEY, Mr. CRANSTON, Mr. JAVITS, Mr. METZENBAUM, and Mr. SARBANES):

S. 1552. A bill to amend the copyright law, title 17 of the United States Code, to create public performance rights with respect to sound recordings, and for other purposes; to the Committee on the Judiciary.

SOUND RECORDING PERFORMANCE RIGHTS AMENDMENT

● Mr. WILLIAMS. Mr. President, I am pleased to introduce legislation today to remedy a long-standing inequity in the copyright laws of this Nation. My bill, S. 1552 would create a performance right in sound recordings.

The sound recording is the only copyrighted product that does not now have a performance right.

This measure would, for the first time, require broadcasters and others who use sound recordings for their profit to compensate performers, musicians and record companies for the exploitation of their creative efforts. Seventy-five percent of all radio broadcast time sold to advertisers is devoted to playing sound recordings. As it is, broadcasters already pay for all their other types of programing—sports, news, disc jockeys, even the publishers and composers of the musical compositions underlying the records they play. It is only appropriate that broadcasters likewise pay for the prime programing material they use to secure their audiences, advertising revenues and equity values.

At one time, broadcasters did pay for "live" performers. Many radio stations employed musicians and vocalists as "staff." These artists have now been replaced by their own recordings.

Who knows what kind of "technological unemployment" we will see in the future if we do not enact a performance right. Who knows what developments technology will bring. Imagine what would have happened to the movie industry if motion pictures had not had a performance right, and television stations were free to broadcast movies at will, without compensation to the creators.

The Register of Copyrights said it exceptionally well when she explained why Congress should create a performance right in sound recordings:

> The lack of copyright protection for performers since the commercial development of phonograph records has had a drastic and destructive effect on both the performing and the recording arts. . . . It is too late to repair past wrongs, but this does not mean they should be allowed to continue. Congress should now do whatever it can to protect and encourage a vital artistic profession under the statute Constitutionally intended for this purpose: the copyright law.
>
> Broadcasters and other commercial users of recordings have performed them without permission or payment for generations. Users today look upon any requirement that they pay royalties as an unfair imposition in the nature of a "tax." However, any economic burden on the users of recordings for public performance is heavily outweighed, not only by the commercial benefits accruing directly from the use of copyrighted sound recordings, but also by the direct and indirect damage done to performers whenever recordings are used as a substitute for live performances. In all other areas the unauthorized use of a creative work is considered a copyright infringement if it results either in damage to the creator or in profits to the user. Sound recordings are creative works, and their unauthorized performance results in both damage and profits. To leave the creators of sound recordings without any protection or compensation for their widespread commercial use can no longer be justified.

It is for these reasons and others that the performance rights principle has received the strong endorsement of such diverse groups as the AFL/CIO, the American Federation of Musicians, the American Federation of Television and Radio Artists, the Consumer Federation of America, the Recording Industry Association of America, Actors' Equity, the Screen Actors Guild, the National Endowment for the Arts, the American Council for the Arts, the Department of Commerce, the copyright section of the American Bar Association, the National Citizens Communications Lobby, and the Copyright Office.

The royalty rate in S. 1552 is fair and easily affordable. The National Radio Broadcasters' Association admitted as much in a congressional hearing last year. The maximum royalty provided for in the bill is 1 percent of the advertising receipts for a station with revenues of more than $200,000 a year. For the great number of stations with lesser revenues—61 percent of the stations nationwide—only a token royalty fee is required: Stations with revenues between $100,000 and $200,000 pay only $750 a year. Stations

with revenues under $100,000 pay only $250. Stations with revenues under $25,000 are totally exempt from the royalty payment.

In any event, these added expenses properly would be passed along to advertisers who benefit from the enormous audiences that recorded music draws to radio. Thus, the minimal fee should have little, if any, impact on broadcasters' profit picture. The Copyright Office so concluded in a study of the performance rights issue commissioned by Congress.

In addition to the royalties earned from radio stations, American performing artists and copyright owners would, for the first time, be eligible to receive performance royalties from abroad. Virtually every other nation in the Western world recognizes a performance right in sound recordings, yet the nation whose music dominates the world has no equivalent right. Enactment of this legislation would put the United States back in step with the rest of the world.

The time has come for the enactment of this legislation. It has already been the subject of intensive study and extensive debate. The scholarly report prepared by the Copyright Office analyzing the subject in comprehensive detail emphatically endorses the creation of a performance right in sound recordings.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1552

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Sound Recording Performance Rights Amendment".

SEC. 2. Section 101 of title 17 of the United States Code is hereby amended by deleting the definition of "perform" and inserting the following:

"To 'perform' a work means to recite, render, play, dance, or act it, either directly or by means of any device or process. In the case of a motion picture or other audiovisual work, to 'perform' the work means to show its images in any sequence or to make the sounds accompanying it audible. In the case of a sound recording, to 'perform' the work means to make audible the sounds of which it consists.".

SEC. 3. Section 106 of title 17 of the United States Code is hereby amended by deleting clause (4) and inserting the following:

"(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, motion pictures, and other audiovisual works, and sound recordings, to perform the copyright work publicly; and"

SEC. 4. Section 110 of title 17 of the United States Code is hereby amended as follows:

(a) in clause (2) insert the words ", or of a sound recording," between the words "performance of a non-dramatic literary or musical work" and "or display of a work,";

(b) in clause (3), insert the words "or of a sound recording," between the words "of a religious nature," and the words "or display of a work,";

(c) in clause (4), insert the words "or of a sound recording," between the words "literary or musical work" and "otherwise than in a transmission";

(d) in clause (6), insert the words "or of a sound recording" between the words "nondramatic musical work" and "by a governmental body";

(e) in clause (7), insert the words "or of a sound recording" between the words "nondramatic musical work" and "by a vending establishment";

(f) in clause (8), insert the words "or of a sound recording embodying a performance of a nondramatic literary work," between the words "nondramatic literary work," and "by or in the course of a transmission"; and

(g) in clause (9), insert the words "or of a sound recording embodying a performance of a dramatic literary work that has been so published," between the words "date of the performance," and the words "by or in the course of a transmission".

SEC. 5. Section 111 of title 17 of the United States Code is hereby amended by inserting, in the second sentence of subsection (d)(5)(A), between the words "provisions of the antitrust laws," and "for purposes of this clause" the words "and subject to the provisions of section 114(c),".

SEC. 6. Section 112 of title 17 of the United States Code is hereby amended as follows:

(a) in subsection (a), delete the words "or under the limitations on exclusive rights in sound recordings specified by section 114 (a)," and insert in their place "or under a compulsory license obtained in accordance with the provisions of section 114(c)," and

(b) in subsection (b), delete the reference to "section 114(a)" and insert "section 114 (a)(5)".

SEC. 7. Section 114 of title 17 of the United States Code is hereby amended in its entirety to read as follows:

"§ 114. Scope of exclusive rights in sound recordings

"(a) LIMITATIONS ON EXCLUSIVE RIGHTS.—In addition to the limitations on exclusive rights provided by sections 107 through 112 and sections 116 through 118, and in addition to the compulsory licensing provisions of subsection (c) and the exemptions of subsection (d) of this section, the exclusive rights of the owner of copyright in a sound recording under clauses (1) through (4) of section 106 are further limited as follows:

"(1) the exclusive right under clause (1) of section 106 is limited to the right to duplicate the sound recording in the form of phonorecords, or of copies of motion pictures and other audiovisual works, that directly or indirectly recapture the actual sounds fixed in the recording;

"(2) the exclusive right under clause (2) of section 106 is limited to the right to prepare a derivative work in which the actual sounds fixed in the sound recording are rearranged, remixed, or otherwise altered in sequence or quality;

"(3) the exclusive right under clause (4) of section 106 is limited to the right to perform publicly the actual sounds fixed in the recording.

"(4) the exclusive rights under clauses (1) through (4) of section 106 do not extend to the making, duplication, reproduction, distribution, or performance of another sound recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording; and

"(5) the exclusive rights under clauses (1) through (4) of section 106 do not apply to sound recordings included in educational television and radio programs (as defined in section 397 of title 47) distributed or transmitted by or through public broadcasting entities (as defined by section 118(g)): *Provided*, That copies or phonorecords of said programs are not commercially distributed by or through public broadcasting entities to the general public.

"(b) RIGHTS IN SOUND RECORDING DISTINCT FROM RIGHTS IN UNDERLYING WORKS EMBODIED IN RECORDING.—The exclusive rights specified in clauses (1) through (4) of section 106 with respect to a copyrighted literary, musical, or dramatic work, and such rights with respect to a sound recording in which such literary, musical, or dramatic work is embodied, are separate and independent rights under this title.

"(c) COMPULSORY LICENSE FOR PUBLIC PERFORMANCE OF SOUND RECORDINGS.—

"(1) Subject to the limitations on exclusive rights provided by sections 107 through 112 and sections 116 through 118, and in addition to the other limitations on exclusive rights provided by this section, the exclusive right provided by clause (4) of section 106, to perform a sound recording publicly, is subject to compulsory licensing under the conditions specified by this subsection.

"(2) When phonorecords of a sound recording have been distributed to the public in the United States or elsewhere under the authority of a copyright owner, any other person may, by complying with the provisions of this subsection, obtain a compulsory license to perform that sound recording publicly.

"(3) Any person who wishes to obtain a compulsory license under this subsection shall fulfill the following requirements:

"(A) On or before January 1, 1981, or at least thirty days before the public performance, if it occurs later, such person shall record in the Copyright Office a notice stating an intention to obtain a compulsory license under this subsection. Such notice shall be filed in accordance with requirements that the Register of Copyright, after consultation with the Copyright Royalty Tribunal, shall prescribe by regulation, and shall contain the name and address of the compulsory licensee and any other information that such regulations may require. Such regulations shall also prescribe requirements for bringing the information in the statement up to date at regular intervals.

"(B) The compulsory licensee shall deposit with the Register of Copyrights, at annual intervals, a statement of account covering the preceding calendar year, and a total royalty fee for all public performances during that calendar year, based on the royalty provisions of clause (7) or (8) of this subsection. After consultation with the Copyright Royalty Tribunal, the Register of Copyrights shall prescribe regulations prescribing the time limits and requirements for the filing and contents of the statement of account and royalty payment.

"(4) Failure to record the notice, file the statement, or deposit the royalty fee as required by clause (3) of this subsection renders the public performance of a sound recording actionable as an act of infringement under section 501 and fully subject to the remedies provided by section 502 through 506 and 509.

"(5) Royalties under this subsection shall be payable only for performances of copyrighted sound recordings fixed on or after February 15, 1972.

"(6) The compulsory licensee shall have the option of computing the royalty fees payable under this subsection on either a prorated basis, as provided in clause (7), or on a blanket basis, as provided in clause (8), and the annual statement of account filed by the compulsory licensee shall state the basis used for computing the fee.

"(7) If computed on a prorated basis, the annual royalty fees payable under this subsection shall be calculated in accordance with standard formulas that the Copyright Royalty Tribunal shall prescribe by regulation, taking into account such factors as the proportion of commercial time, if any, devoted to the use of copyrighted sound recordings by the compulsory licensee during the applicable calendar year, the extent to which the compulsory licensee is also the owner of copyright in the sound recordings

performed during said year, and, if considered relevant by the Tribunal, the actual number of performances of copyrighted sound recordings during said year. The Tribunal shall prescribe separate formulas in accordance with the following:

"(A) for radio or television stations licensed by the Federal Communications Commission, the fee shall be a specified fraction of the 1 per centum of the station's net receipts from advertising sponsors during the applicable calendar year;

"(B) for other transmitters of performances of copyrighted sound recordings, including background music services, the fee shall be a specified fraction of 2 per centum of the compulsory licensee's gross receipts from subscribers or others who pay to receive the transmission during the applicable calendar year; and

"(C) for other users not otherwise exempted, the fee shall be based on the number of days during the applicable calendar year on which performances of recordings took place, and shall not exceed $5 per day of use.

"(8). If computed on a blanket basis, the annual royalty fees payable under this section shall be calculated in accordance with the following:

"(A) for a radio broadcast station licensed by the Federal Communications Commission, the blanket royalty shall depend upon the total amount of the station's gross receipts from advertising sponsors during the applicable calendar year:

"(i) receipts of at least $1,000,000 but less than $100,000: $250;

"(ii) receipts of at least $100,000 but less than $200,000: $750;

"(iii) receipts of $200,000 or more: 1 per centum of the station's net receipts from advertising sponsors during the applicable calendar year;

"(B) for a television broadcast station licensed by the Federal Communications Commission, the blanket royalty shall depend on the total amount of the station's gross receipts from advertising sponsors during the applicable calendar year:

"(i) receipts of at least $1,000,000 but less than $4,000,000: $750;

"(i) receipts of $4,000,000 or more: $1,500;

"(C) for other transmitters of performances of copyrighted sound recordings, including background music services, the blanket royalty shall be 2 per centum of the compulsory licensee's gross receipts from subscribers or others who pay to receive the transmission during the applicable calendar year;

"(D) for commercial establishments such as discotheques, nightclubs, cafes, and bars at which the principal form of entertainment is dancing to the accompaniment of sound recordings, the blanket royalty shall be $100 per calendar year for each location at which copyrighted sound recordings are performed. This royalty fee shall not be applicable to establishments at which the performance of sound recordings is solely by means of coin-operated phonorecord players as defined in section 116(e)(1);

"(E) for other users not otherwise exempted, the blanket royalty shall be $25 per calendar year for each location at which copyrighted sound recordings are performed.

"(9) Public performances of copyrighted sound recordings by operators of coin-operated machines, as that term is defined by section 116, and by cable systems, as that term is defined by section 111, are subject to compulsory licensing under those respective sections, and not under this section. However, in distributing royalties to the owners of copyright in sound recordings under sections 116 and 111, the Copyright Royalty Tribunal shall be governed by clause (14) of this subsection. Nothing in this section excuses an operator of a coin-operated machine or a cable system from full liability for copyright infringement under this title for the performance of a copyrighted sound recording in case of failure to comply with the requirements of section 116 or 111, respectively.

"(10) The Register of Copyrights shall receive all fees deposited under this section and, after deducting the reasonable costs incurred by the Copyright Office under this section, shall deposit the balance in the Treasury of the United States, in such manner as the Secretary of the Treasury directs. All funds held by the Secretary of the Treasury shall be invested in interest-bearing United States securities for later distribution with interest by the Copyright Royalty Tribunal, as provided by this title. The Register shall submit to the Copyright Royalty Tribunal, on an annual basis, a compilation of all statements of account covering the relevant calendar year provided by subsection (c)(3) of this section.

"(11) During the month of May in each year, every person claiming to be entitled to compulsory license fees under this section for performances during the preceding calendar year shall file a claim with the Copyright Royalty Tribunal, in accordance with requirements that the Tribunal shall prescribe by regulation. Such claim shall include an agreement to accept as final, except as provided in section 810 of this title, the determination of the Copyright Royalty Tribunal in any controversy concerning the distribution of royalty fees deposited under subclause (B) of subsection (c)(3) of this section to which the claimant is a party. Notwithstanding any provisions of the antitrust laws, for purposes of this subsection any claimants may, subject to the provisions of clause (14) of this subsection, agree among themselves as to the proportionate division of compulsory licensing fees among them, may lump their claims together and file them jointly or as a single claim, or may designate a common agent to receive payment on their behalf.

"(12) After the first day of June of each year, the Copyright Royalty Tribunal shall determine whether there exists a controversy concerning the distribution of royalty fees for which claims have been filed under clause (11) of this section. If the Tribunal determines that no such controversy exists, it shall, after deducting its reasonable administrative costs under this section, distribute such fees to the copyright owners and performers entitled, or to their designated agents. If it finds that such a controversy exists, it shall, pursuant to chapter 8 of this title, conduct a proceeding to determine the distribution of royalty fees.

"(13) During the pendency of any proceeding under this subsection, the Copyright Royalty Tribunal shall withhold from distribution an amount sufficient to satisfy all claims with respect to which a controversy exists, but shall have discretion to proceed to distribute any amounts that are not in controversy.

"(14) One-half of the royalties available for distribution by the Copyright Royalty Tribunal shall be paid to the copyright owners, as defined in subsection (e), and the other half shall be paid to the performers, as also defined in subsection (e). With respect to the various performers who contributed to the sounds fixed in a particular sound recording, the performers' share of royalties payable with respect to that sound recording shall be divided among them on a per capita basis, without regard to the nature, value, or length of their respective contributions. With respect to a particular sound recording, neither a performer nor a copyright owner shall be entitled to transfer his or her right to the royalties provided in this subsection to the copyright owner of the performer, respectively.

"(d) EXEMPTIONS FROM LIABILITY AND COMPULSORY LICENSING.—In addition to users exempted from liability by other sections of this title or by other provisions of this section, any person who publicly performs a copyrighted sound recording and who would otherwise be subject to liability for such performance or to the compulsory licensing requirements of this section, is exempted from liability for infringement and from the compulsory licensing requirements of this section, during the applicable calendar year, if during such year—

"(1) in the case of a radio broadcast station licensed by the Federal Communications Commission, its gross receipts from advertising sponsors were less than $25,000; or

"(2) in the case of a television broadcast station licensed by the Federal Communications Commission, its gross receipts from advertising sponsors were less than $1,000,000; or

"(3) in the case of other transmitters of performances of copyrighted sound recordings, including background music services, its gross receipt from subscribers or others who pay to receive transmissions were less than $10,000.

"(e) DEFINITIONS.—As used in this section, the following terms and their variant forms mean the following:

"(1) 'Commercial time' is any transmission program, the time for which is paid for by a commercial sponsor, or any transmission program that is interrupted by or includes commercial matter.

"(2) 'Performers' are instrumental musicians, singers, conductors, actors, narrators, and others whose performance of a literary, musical, or dramatic work is embodied in a sound recording, and, in the case of a sound recording embodying a musical work, the arrangers, orchestrators, and copyists who prepared or adapted the musical work for the particular performance of the sounds fixed in the sound recording. For puposes of this section, a person coming within this definition is regarded as a 'performer' with respect to a particular sound recording whether or not that person's contribution to the sound recording was a 'work made for hire' within the meaning of section 101.

"(3) A 'copyright owner' is the owner of the right to perform a copyrighted sound recording publicly.

"(4) 'Net receipts from advertising sponsors' consist of gross receipts from advertising sponsors less any commissions paid by a radio station to advertising agencies.

"(f) SOUNDS ACCOMPANYING A MOTION PICTURE OR OTHER AUDIOVISUAL WORK.—The sounds accompanying a motion picture or other audiovisual work are considered an integral part of the work that they accompany, and any person who uses the sounds accompanying a motion picture or other audiovisual work in violation of any of the exclusive rights of the owner of copyright in such work under clauses (1) through (4) of section 106 is an infringer of that owner's copyright. However, if such owner authorizes the public distribution of material objects that reproduce such sounds but do not include any accompanying motion picture or other audiovisual work, a compulsory licensee under sections 116 or 111 or under section (c) of this section shall be freed from further liability for the public performance of the sounds by means of such material objects.".

SEC. 8. Section 116 of title 17 of the United States Code is hereby amended as follows:

(a) in the title of the section insert the words "and sound recordings" after the words "nondramatic musical works" and before the colon;

(b) in subsection (a), between the words "nondramatic musical work embodied in a phonorecord," and the words "the exclusive right" insert the words "or of a sound recording of a performance of a nondramatic musical work,";

(c) in the first sentence of subclause (A) of clause (1) of subsection (b), delete the

word "$8" and insert in lieu thereof the word "$9". In the second sentance of the same provision, delete the word "$4" and insert in lieu thereof the word "$4.50";

(d) in the second sentence of clause (2) of subsection (c), between the words "provisions of the antitrust laws," and "for purposes of this subsection," insert the words "and subject to the provisions of section 114(c),";

(e)(1) in clause (4) of subsection (c), redesignate subclauses (A), (B), and (C) as (B), (C), and (D), respectively, and insert a new subclause (A) as follows:

"(A) to performers and owners of copyright in sound recordings, or their authorized agents, one-ninth of the total distributable royalties under this section, to be distributed as provided by section 114(c)(14);" and

(2) in the newly designated subclause (B), between the words "every copyright owner" and the words "not affiliated with" insert the words "of a non-dramatic musical work".

SEC. 9. In section 801 of title 17 of the United States Code, amend subsection (b)(1) as follows: In the first sentence, between the words "as provided in sections" and "115 and 116, and" insert "114,"; and in the second sentence, between the words "applicable under sections" and "115 and 116 shall be calculated" insert "114,". Amend subsection (b)(3) by inserting, between the words "Copyrights under sections 111" and "116, and to determine" the following: ", 114,".

SEC. 10. In section 803 of title 17 of the United States Code, insert at the end of that section a new subsection (c) as follows:

"(c) with respect to the distribution of royalties under section 114, the Tribunal shall retain the services of one or more private, nongovernmental entities to perform the functions necessary to monitor the performance of sound recordings, to value said performances, to distribute royalty funds to recipients, and to perform such other functions as the Tribunal shall deem necessary, unless the Tribunal shall detremine that it is inappropriate to do so. The performance of said functions by private entities shall not relieve the Tribunal of the responsibility to insure the fair and equitable distribution of royalty fees in accordance with section 801(b)(3).".

SEC. 11. In subsection (a) of section 804 of title 17 of the United States Code, insert "114," following the words "as provided in sections" and "115 and 116, and with", and at the end of clause (2) of subsection (a) add a new subclause (D), as follows:

"(D) In proceedings under section 801 (b)(1) concerning the adjustment of royalty rates under section 114, such petition may be filed five years after the effective date of this Act and in each subsequent fifth calendar year.".

In subsection (d) of section 804, insert ", 114," between the words "circumstances under sections 111" and "or 116, the Chairman".

SEC. 12. Amend section 809 of title 17 of the United States Code by inserting ", 114," between the words "royalty fees under sections 111" and "or 116, the Tribunal".

SEC. 13. (a) Except as provided in subsection (b) of this section, this Act becomes effective on January 1, 1981.

(b) The provisions of section 114(c)(3)(A) of title 17 of the United States Code, as amended by section 7 of this Act, become effective upon the enactment of this Act.●

By Mr. EAGLETON (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. INOUYE, Mr. HUDDLESTON, Mr. JOHNSTON, Mr. LUGAR, Mr. RIEGLE, and Mr. TSONGAS):

S. 1553. A bill to amend the Higher Education Act of 1965 to establish a system of grants or urban universities; to the Committee on Labor and Human Resources.

URBAN GRANT UNIVERSITY ACT OF 1980

● Mr. EAGLETON. Mr. President, during the past 40 years, higher education in America has undergone what can only be described as a major upheaval. Before World War II, higher education in this country was much the same as it had been in this country for hundreds of years, and in Europe for hundreds more. It was the province of the rich and the privileged. Of course, there were no laws which kept the sons and daughters of working class men and women out of college. But as a matter of social custom, it usually was the children of the upper classes who went to college, while the children of the working classes went to work.

Following World War II, things changed rapidly. Our young men by the millions were marching back from war, and a grateful Nation wanted to give them all a boost toward a better life. To show our gratitude, we passed the GI bill with the aim of making college affordable for every American.

The impact of the GI bill was overwhelming. Anyone who attended college in the decade after the war remembers the crowded classrooms as American colleges struggled to catch up with the exploding student population.

The temporary swell of college students was only the beginning. For what the GI bill did in the long run was to take an entire generation of young men and women who had perceived higher education as a privilege, and teach them that higher education is a right. By instilling that belief in the GI generation, the shape and purpose of higher education was forever altered.

One outgrowth of this change has been the emergence of urban universities located in major metropolitan areas. This was partly in response to the population migration to the cities. But a larger factor in the emergence of these institutions is the changing character of today's students. Today, not only are Americans routinely staying in school into their twenties, but they are coming back to school in their thirties, forties, fifties, and beyond. Some are picking up where they left off, some are starting anew. Some are seeking the traditional liberal arts curricula, but many are looking for programs designed to foster professional and personal development. Whereas in the 1950s, only seven percent of the adult population was engaged in formal academic activity, today about 15 percent of adults are in school, and that percentage continues to grow.

Mr. President, the bill I am introducing today seeks to strengthen these new urban universities and encourage their new thrust of responding to concerns within the metropolitan environment by establishing a competitive grant program for project assistance to join their research efforts with the planning efforts of local government agencies.

My view of the Federal Government's role in urban higher education is to act as a catalyst to stimulate local cooperative efforts to alleviate the problems plaguing our cities. That is precisely what this legislation will do.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Grant University Act of 1980".

SEC. 2. The Higher Education Act of 1965 is amended—

(1) by redesignating title XII as title XIII, by redesignating 1201 through 1208 as sections 1301 through 1308, respectively, and by redesignating any reference to such title or such sections accordingly; and

(2) by inserting immediately after title XI the following new title:

"TITLE XII—URBAN GRANT UNIVERSITY PROGRAM

"FINDINGS AND PURPOSE

"SEC. 1201. (a) The Congress finds and declares—

"(1) that there exists within the Nation's urban universities an underutilized reservoir of skills, talents, and knowledge applicable toward the amelioration of the multitude of problems that face the Nation's urban centers;

"(2) that these skills, talents, and knowledge must be applied in a systematic and sustained manner to impact successfully upon these problems;

"(3) that the application of these skills, talents, and knowledge is impeded due to the limited funds available to sustain their commitment; and

"(4) that it is the public policy of the United States to encourage and facilitate the application of these skills, talents, and knowledge toward serving the needs of the Nation's urban centers.

"(b) The Commissioner shall carry out programs in accordance with the provisions of this title, for the purpose of aiding urban universities to help find answers to urban problems, and aiding such universities to make their resources more readily and effectively available to the urban communities in which they are located.

"APPROPRIATIONS AUTHORIZED

"SEC. 1202. (a) For the purpose of carrying out the provisions of this title there is authorized to be appropriated $25,000,000 for the fiscal year 1981, $50,000,000 for the fiscal year 1982, $70,000,000 for the fiscal year 1983, and $90,000,000 for the fiscal year 1984.

"(b) Funds appropriated under this section shall remain available to the Commissioner for the duration of the period for which funds are authorized to be appropriated under subsection (a), in order to permit multiple-year funding of projects under this title.

"PROJECT ASSISTANCE

"SEC. 1203. (a) The Commissioner may make grants to urban universities to assist them in carrying out urban-oriented projects consistent with the purposes of this title.

"(b) An application submitted under this section must show that the chief executive of the local agency or agencies of general government within whose jurisdiction fall the needs to be addressed by the project or projects described has been afforded a reasonable opportunity to review and comment upon the proposed project or projects. In making grants, the Commissioner shall consider the degree to which there is evidence in the application of: (1) the participation of such local agency or agencies of general government in the development of the project or projects for which assistance is requested under this section; (2) local government and community participation in the implementation of the proposed project or projects; and

(3) a commitment by such local agency or agencies of general government to pay the portion of the non-Federal share of the cost of such project or projects required by subsection (d) of this section.

"(c) The Commissioner may request the advice of any Federal agency he considers appropriate before approving an application for project assistance under this section.

"(d) No grant under this section shall exceed 90 per centum of the cost of the project for which assistance is granted.

"(e) An institution which receives a grant under this section shall be designated by the Commissioner as an 'urban grant university'. The Commissioner shall annually publish a list of the institutions of higher education which have been so designated.

"LIMITATION

"SEC. 1204. (a) The total amount of payments in any fiscal year under section 1203 to institutions within any one State shall not exceed 15 per centum of the total amount paid.

"(b) In allocating assistance under section 1203 of this title, the Commissioner shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"DEFINITIONS

"SEC. 1205. As used in this title—

"(1) 'urban area' means a standard metropolitan statistical area having a population of not less than five hundred thousand persons; or, in any State which has no standard metropolitan statistical area within its borders which has such a population, the Commissioner may designate one urban area for the purposes of this part.

"(2) 'urban university' means an institution of higher education which (A) is located in an urban area, (B) draws a substantial portion of its undergraduate students from the urban area in which it is located or contiguous urban areas, (C) carries out programs to make postsecondary education opportunities more accessible to residents of such urban area or contiguous areas, (D) has the present capacity to provide resources responsible to the needs and priorities of such urban area and contiguous areas, (E) offers a range of professional or graduate programs sufficient to sustain its capacity to provide such resources, and (F) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and its people;

"(3) for the purposes of paragraphs (2) and (4) of this section, 'institution of higher education' includes any combination of such institutions, any one of which meets all the qualifications of paragraph (2);

"(4) 'resources' are programs of institutions of higher education including specialized training, research, services and technical assistance responsible to the needs and priorities of the urban area and contiguous areas.".

SEC. 3. Reference in any provision of law (other than the Higher Education Act of 1965) to title XII of that Act, or to any provision of title XII, shall be deemed to refer to title XIII or to the appropriate provision thereof as redesignated by section 2(1) of this Act.

By Mr. DURKIN:

S. 1554. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Finance.

● Mr. DURKIN. Mr. President, today I am introducing legislation to insure fair treatment under the social security retirement test. My bill is deliberately aimed at helping self-employed insurance agents who currently face unjust benefit denial for receiving renewal commissions on policies previously written, before their retirement.

As a result of the 1977 Social Security Act amendments, which changed the test of retirement from a monthly exemption to an annual limit, the independent underwriter stands to lose hard-earned benefits even though he or she may be completely retired. Unlike an insurance agent employed by a firm, "the independent" is forced to allow his or her renewal premium to be counted as employment income under the new retirement standard. In my view, this is a gross injustice, to be explained but not excused as a technical, legislative oversight.

Legislation similar to the needed social security reform I propose today is before the House of Representatives with two bills pending in the Ways and Means Committee. Under my bill, so long as a self-employed insurance agent is 65 years of age and retired, the renewal commissions he or she receives on policies sold before quitting work will no longer wrongly be considered self-employment income. In keeping with congressional intent of current law, this measure realizes that the social security earnings limitation is a test of retirement, not need. It recognizes an individual's employment activity, and respects the rewards of one's earlier labors.

Mr. President, the issue of social security reform is a matter of on-going concern to me. Modifying the social security retirement test as I now propose will rid the system of a major inequity. Rather than allowing problems which plague this complex program to mount, I urge favorable Senate action be taken on my bill. It is narrowly drawn in an effort to ensure much needed enactment. Like every American, self-employed insurance agents who retire expect and deserve a fair return on their investment in the social security system. The reform I am recommending meets this critical challenge.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1554

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(f)(5)(D) of the Social Security Act is amended to read as follows:

"(D) In the case of an individual who has attained the age of 65 on or before the last day of the taxable year, and who shows to the satisfaction of the Secretary—

"(i) that he is receiving royalties attributable to a copyright or patent obtained before the taxable year in which he attained the age of 65, and that the property to which the copyright or patent relates was created by his own personal efforts, or

"(ii) that he is receiving renewal commissions from insurance policies which were sold, in whole or in part, by his own personal efforts before the taxable year in which he attained the age of 65,

there shall be excluded from gross income any such royalties or commissions."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to taxable years beginning January 1, 1978.●

By Mr. DURKIN:

S. 1555. A bill to provide a program for the rehabilitation of the Nation's railroads; to the Committee on Commerce, Science, and Transportation.

NEW ENGLAND RAILROAD IMPROVEMENT ACT OF 1979

● Mr. DURKIN. Mr. President, today I am introducing legislation that will move us one step closer toward a faster, less costly, more energy-efficient railroad system. This bill, the New England Railroad Improvement Act (NERIA), creates a Federal administration to acquire, maintain, and modernize the railbeds of New England as the basis of a pilot project designed to revitalize the Nation's railroads, long the forgotten stepchild of this country's transportation system. The bill would give the railroads the benefits of full Federal support long enjoyed by the automotive, trucking, airline, and river-users industries.

The railroads have historically played an important role in the economic development and industrial expansion of this country. The New England economy and the region's rail system have evolved over the course of time in a mutual relationship, serving the needs of commerce, national defense, and long-range goals of energy-efficient transportation and environmental preservation. In promulgating the Regional Rail Reorganization Act of 1973, popularly known as the 3R Act, the Congress recognized the fundamental dependency characterizing the relationship between the Northeast and its rail lines. The vitality of the railroad industry is critical to the economic health of the Northeast.

Just as importantly, an unsound rail system adds to the fires of inflation by pushing up transportation costs, which in turn raise the price of all the goods coming into New Hampshire and New England. To fight inflation we need good railroads.

The railroads are caught in a classic "Catch 22" of deteriorating track and equipment, subsequent decline in service, and resultant loss of revenues. The declining profit picture of the railroads has forced deferred capital maintenance to a point where trains are now traveling slower than they did 20 years ago. This vicious cycle must be brought to a halt.

The legislation I am proposing provides for the rehabilitation and maintenance of the railroads' roadbeds and rights-of-way. My bill establishes a Federal Rail Property Administration (FRPA) to acquire and upgrade to modern standards the railroads' rights-of-way. The acquisition process will be achieved through the voluntary transfer of rail properties by those rails seeking to participate. The FRPA will enter into long-term lease agreements with the railroads' carriers, allowing them exclusive use of the line. The Federal Government would contract to pay the cost of rehabilitation, with the leaseholding

railroads performing the task. In turn railroads would be charged an annual "rail user's fee."

The burdensome costs to railroads of maintaining their rights-of-way has often been cited as the estimated 6 to 10 percent difference in expenditures which determine whether a railroad operates in the red, or in the black. Total outlays by the industry in 1977 for maintenance costs on rights-of-way and structures amounted to close to $3.5 billion. The attraction of having the Government assume the cost of improving the roadbeds and providing upkeep should serve as sufficient fiscal encouragement to railroads, profitable as well as bankrupt, to participate voluntarily.

By assuming these costs, the Federal Government would be creating the rail's counterpart to the Federal Highway Administration, the outlays for rails roughly comparable to the level of public investment in competing modes of transportation, with user charges levied as a partial source of income recovery. Let me add, the legislation is constructed so as to safeguard the public investment, establishing that schedules will be adhered to and modern standards achieved in capital improvements—it is not a blank check written in blind faith to the private rail carriers.

I have worked for similar legislation during the past two Congresses. Since the drafting of the original bill, circumstances for the rail industry have only worsened. The task of rebuilding our railroads has always been desirable; now it has become an absolute necessity. The northeast rail crisis only signifies the most glaring example of the national financial and physical deterioration of the railroads. The gravity of the situation requires an immediate response, with many railroads running literally in, or on the borderline of, bankruptcy. The failure of previous efforts to date requires an urgent and immediate response.

In simple and stark terms the industrial base of the New England region is dependent upon the Northeast Corridor. The area cannot continue to be economically viable without improvement of the railbeds and rail service. For example, in my home State more than 12 percent of the entire New Hampshire work force, some 38,000 employees, work in jobs which are touched by the rails in some direct way, shipping either finished products or raw materials.

The present set of circumstances, coupled with the impending consideration of the President's railroad deregulation proposal, mandates that accelerated measures be taken to address the specifics of New England's transportation needs.

Many would prefer to cast New England adrift from the rest of the Nation, preferring to ignore the particular problems the region faces. That sort of mindset reveals a parochialism of the lowest order. It ignores the basic fact that as one country we reap benefits and share losses together. What is good for New England, is good for America. We, here in Congress, have a collective responsibility to assure that New England, and all regions of this country, have a viable transportation system.

The irony of the present uncompetitive status of the railroads in relation to the trucking, airline, and the domestic shipping industries, is that it is the responsibility of the Federal Government, more than any other single entity. In the words of the Department of Transportation's "Study of Federal Aid to Rail Transportation."

> The Federal aid provided to the competing modes (of transport) vastly accelerated and increased the adjustment problems which the railroads had to face with the new technologies.

Federal spending for highways in the postwar period has been 19 times greater than railroads, with airways enjoying 5 times the level of funding offered rail transportation. Yet the inequities in Federal aid to transportation continue.

It seems to me inconceivable in a time when we are declaring "the moral equivalent of war" on our impending energy crisis, talking about gas rationing, and asking all Americans to make greater use of mass transit alternatives, that the Secretary of Transportation can simultaneously, and quite consciously, recommend a rail transportation policy which fails to promote the use of this fuel-efficient mode of transportation.

DOT has estimated that on long-haul routes, railroads can move four times the tonnage of freight per gallon of fuel used than trucks. The Secretary of Transportation pretends to be able to justify a 43-percent cutback in Amtrak passenger services as "cost-saving measures." The farcical nature of those savings becomes all the more apparent when seen in the context of our total transportation outlays. We are spending $30 billion annually on highways and $50 billion on foreign oil, most of which goes into our cars and trucks. This meat-ax assault on railroad passenger service subsidies contradicts Secretary Adams' assurances that future transportation decisions would be studied for their impact on energy usage.

There are no easy answers to America's transportation problems. A blanket policy will not serve to achieve those ends. Congress must attempt a variety of approaches. The solution to our energy, economic, and environmental problems must be predicated upon a balanced transportation system. This is exactly what the legislation that I am introducing today will do.

I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "New England Railroad Improvement Act of 1979".

TITLE I—FINDINGS, PURPOSE, AND DEFINITIONS

FINDINGS AND PURPOSE

SEC. 101. (a) The Congress finds and declares that—

(1) essential rail service in the northeast region of the United States is provided by railroads which are not meeting essential needs;

(2) essential rail service is threatened with cessation or significant curtailment because of the inability of such railroads to formulate acceptable plans for service;

(3) such rail service is operated over rail properties which were acquired for a public use, but which have been permitted to deteriorate and now require extensive rehabilitation and modernization;

(4) the public convenience and necessity require adequate and efficient rail service in this region and throughout the Nation to meet the needs of commerce, the national defense, the environment, and the service requirements of passengers, United States mail, shippers, States and their political subdivisions, and consumers;

(5) continuation and improvement of essential rail service in this region is also necessary to preserve and maintain adequate national rail services and an efficient national rail transportation system;

(6) rail service and rail transportation offer economic and environmental advantages with respect to land use, air pollution, noise levels, energy efficiency and conservation, resource allocation, safety, and cost per ton-mile of movement to such extent that the preservation and maintenance of adequate and efficient rail service is in the national interest; and

(7) such needs cannot be met without substantial action by the Federal Government.

(b) The purpose of this Act is to—

(1) designate an Interstate Railroad System to serve the New England States;

(2) organize an Administration of the Department of Transportation to acquire, rehabilitate, maintain, modernize, and to restructure the rail lines included within such System;

(3) require minimum standards of maintenance for all such rail lines;

(4) establish rights of access by rail carriers to rail lines they do not own; and

(5) provide Federal funding to the Administration and to the States for rehabilitation of rail lines.

DEFINITIONS

Sec. 132. For the purpose of this Act, the term—

(1) "Administration" means the Federal Rail Property Administration created by this Act;

(2) "Administrator" means the Administrator of the Federal Rail Property Administration as established by this Act;

(3) "Association" means the United States Railway Association established by the Regional Rail Reorganization Act of 1973;

(4) "bridge traffic" means any traffic carried by a railroad which neither originates nor terminates on the railroad, but is received from and delivered to another carrier for further movement;

(5) "Commission" means the Interstate Commerce Commission;

(6) "Conrail" means the Consolidated Rail Corporation established by the Regional Rail Reorganization Act of 1973;

(7) "Governor" means the Governor of any State and includes the Mayor of the District of Columbia;

(8) "Office" means the Rail Services Planning Office of the Interstate Commerce Commission established by the Regional Rail Reorganization Act of 1973;

(9) "overhead traffic" means any freight traffic carried over a rail line but which neither originates nor terminates on the line, nor is halted in its movement over the line for any purpose other than those incidental to freight transportation operations;

(10) "rail carrier" has the same meaning as in section 10102 (17) of title 49, United States Code;

(11) "railroad" has the same meaning as in section 10102 (18) of title 49, United States Code;

(12) "rail line" includes any main rail track (or tracks), side track, and yard track

adjacent to such main track; the roadbed supporting such track, any signaling, communication, and power transmission structure and device as is permanently installed on or adjacent to such track and roadbed; any bridge, culvert, fill, tunnel, and other structure occupied by such track and roadbed; any real estate occupied by such track and roadbed; real estate adjacent to such track and roadbed which is used for drainage of, maintenance of, access to, and protection of such track and roadbed; any rail yard; any station and terminal track and facility, including air rights over, and mineral rights under, such track and roadbed and other property as acquired;

(13) "railroad company" means any railroad or rail carrier, including the Consolidated Rail Corporation and switching and terminal companies, as designated by the Interstate Commerce Commission and subject to subtitle IV, title 49, United States Code, together with all subsidiaries, affiliates, and leased lines of such railroads;

(14) "Secretary" means the Secretary of Transportation;

(15) "State" includes the several States and the District of Columbia;

(16) "System" means the Interstate Railroad System established by this Act; and

(17) "transportation property other than rail lines", includes any facility or equipment used for the repair and maintenance of rolling stock, track, signals, power transmission, facilities or any moveable property specifically designed for primary operation on rails; but shall not include any vehicle used or designed for personal transportation use primarily on highways, air or water.

TITLE II—INTERSTATE RAILROAD SYSTEM

ESTABLISHMENT OF SYSTEM

SEC. 201. (a) Within ninety days after the date of enactment of this Act, each railroad company shall provide the Secretary with the following items:

(1) A map showing each rail line owned, controlled, operated, or any combination thereof by the rail carrier including any leased line, rail property operated for the account of another, and rail line out of service but not abandoned or taken out of service pursuant to subchapter I of chapter 109 of title 49, United States Code.

(2) One copy of the latest edition of each employee operating timetable of such carrier with related special instructions; all temporary and semipermanent "slow orders" on such track in effect on the date of transmittal to the Secretary; all other restrictions on train operations on such date not included in the preceding items.

(3) A statement verified by the chief operating officer of such railroad, identifying each rail line or portion of rail line which is out of service on date of transmittal to the Secretary, but which has not been abandoned, or taken out of service pursuant to subchapter I of chapter 109 of title 49, United States Code.

(4) A statement verified by the chief operating officer of such railroad identifying the reasons why each rail line identified, pursuant to paragraph (3) of this subsection is out of service together with an estimate, if available, of the cost of restoring each of such rail lines to operation.

(5) Track charts, or other documents sufficient to identify all parameters of track geometry, including but not limited to radius of curvature, which preclude improving the track to Federal Railroad Administration class VI for each main line and Federal Railroad Administrator class IV for all other lines.

(6) A statement verified by the chief operating officer of such railroad identifying the maximum speed authorized on each rail line identified pursuant to paragraph (1) of this subsection at any time since January 1, 1935, including the dates between which such speed was authorized.

(7) A statement verified by the chief operating officer of such railroad concerning each rail line where the present authorized speed for such line, identified pursuant to paragraph (2) of this subsection, is less than the highest maximum authorized speed authorized on such line since January 1, 1935, identified pursuant to paragraph (6) of this subsection; and identifying for each such rail line the reasons why the present authorized speed is less than previously authorized highest maximum speed.

(8) A statement verified by the chief operating officer of such railroad identifying the location, type, and condition of all signals, interlockings, and controls.

(9) Such data as is deemed by the Secretary as adequate to determine all rail lines owned or used by such rail carrier, which consist of more than one track, and identification of the information required pursuant to paragraphs (1) through (8), inclusive, of this subsection for each track in such rail lines containing more than one track.

(b) Upon request by the railroad company, the Secretary may modify or waive any of the provisions specified in subsection (a) for any railroad company provided that alternative information is offered by the railroad company which the Secretary finds adequate to satisfy the intent of this section.

(c) Additions, deletions, and changes in the information required pursuant to subsection (a) shall be forwarded by the railroad company to the Secretary within seven days of any event which causes such additions, deletions, and changes to be made. The provisions of this subsection shall apply during the period of time beginning with the submission required in subection (a) and ending with conveyance of any such rail line to the Administration pursuant to the provisions of this Act. Notwithstanding any other provisions of this subsection, no notice is required to be given of temporary show order which are expected to be removed within fifteen days.

(d) Within one hundred and twenty days after the date of enactment of this Act, each rail carrier shall provide to the Secretary a verified statement identifying all rail lines of such carrier, or segments of such rail lines upon which have originated and terminated a total average of less than fifty loaded carloads of revenue traffic per mile during the three hundred and sixty-five days preceding the date of enactment of this Act. Such statement shall identify the stations on such rail lines where revenue traffic originated or terminated along with the number of carloads which originated or terminated at each station during the three hundred and sixty-five days preceding the date of enactment of this Act. Such statement shall also identify the amount of overhead traffic carried on each such rail line during the three hundred and sixty-five days preceding date of enactment of this Act, the points of each such rail line between which such overhead traffic was carried, and the number of days that each such rail line was out of service during the three hundred and sixty-five days preceding the date of enactment of this Act.

(e) Information supplied by the rail carrier to the Secretary pursuant to this section shall be, when practicable, on magnetic tape or other machine-readable form determined by the Secretary to be acceptable.

(f) The Secretary may waive or modify any of the provisions of subsections (a) and (d) of this section for any individual track within terminal and yard areas provided that such waiver or modification is deemed by the Secretary to be consistent with the intent of this Act.

INITIAL DESIGNATION OF THE SYSTEM

SEC. 202. (a) Except as provided in subsection (b) of this section, the Initial Interstate Railroad System (hereinafter called the "Initial System") shall consist of:

(1) all rail lines operated within the United States by railroad companies on the date of enactment of this Act;

(2) all rail lines within the United States owned, leased or otherwise controlled by domestic railroad companies which are out of service on the date of enactment of the Act, but which have not been abandoned or taken out of service pursuant to subchapter I, chapter 109 of title 49, United States Code; and

(3) such rail lines outside the United States which are operated by a railroad company which primarily operates within the United States and which are deemed essential to the System by the Secretary.

(b) Notwithstanding the provisions of subsection (a) of this section, the Initial System shall not include any rail line which meets any of the following criteria:

(1) A rail line which has carried no overhead traffic during the three-hundred-and-sixty-five-day period preceding date of enactment of this Act, except overhead traffic to and from other rail lines not in the Initial System, provided that such a rail line has been designated as unnecessary by the Governor of each State in which the rail line is located.

(2) A rail line ten miles or less in length which—

(A) has been in service for not less than three hundred and fifty of the three hundred and sixty-five days preceding the date of enactment of this Act:

(B) which has carried no overhead traffic in the three hundred and sixty-five days preceding the date of enactment of this Act, except overhead traffic to and from other rail lines not in the Initial System;

(C) which has carried no passenger service in the three hundred and sixty-five days preceding the date of enactment of this Act;

(D) upon which service has been offered at least one hundred times in the preceding three hundred and sixty-five days; and

(E) upon which has originated and terminated a total average of less than twenty-five loaded carloads of revenue traffic per mile in the three hundred and sixty-five days preceding the date of enactment of this Act.

(3) Rail lines between ten and fifty miles in length which have been maintained during the three hundred and sixty-five days prior to the date of enactment of this Act to, or better than the Federal Railroad Administration class II track standard, and which otherwise satisfy all of the conditions specified in subsection (b)(2).

(4) Rail lines fifty miles or more in length which have been maintained during the three hundred and sixty-five days prior to enactment of this Act to, or better than, the Federal Railroad Administration class III track standard and which otherwise satisfy all of the conditions specified in subsection (b)(2).

(c) Within one hundred and eighty days of the date of enactment of this Act, the Secretary shall prepare a report containing a concise description or summary, together with a map, of all rail lines included within the Initial System. Copies of the report shall be transmitted by the Secretary to the Association, the Office, the Governor of each State, the Public Utilities Commission of each State, the Congress, each court having jurisdiction over a railroad in reorganization, and interested persons. The Secretary shall further cause a copy of the report to be published in the Federal Register.

(d) Within one hundred and eighty days of the date of enactment of this Act, the Secretary shall prepare a statement identifying all rail lines excluded from the Initial

System pursuant to subsection (b), along with a statement of the reason for each such exclusion, and along with the data upon which each such exclusion is based. Copies of the statement shall be transmitted by the Secretary to the Association, the Office, the Governor of each State, the Public Utilities Commission of each State, the Congress, each court having jurisdiction over a railroad in reorganization, and interested persons. The Secretary shall further cause a copy of the statement to be published in the Federal Register.

HEARING BY THE OFFICE

SEC. 203. (a) Thirty days after release of the Initial System, pursuant to section 202 of this Act, the Office shall hold public hearings to solicit comments on the Initial System. Notice of date, time, and place of each such hearing shall be given in a manner as to assure a full and fair opportunity to be heard for consumers, shippers, rail carriers, rail passengers, industry, labor, State and local governments, and other interested persons.

(b) The Office shall employ and utilize the services of attorneys and such other personnel as may be required in order properly to protect the interests of those communities and users of rail service which, for whatever reason, such as their size or location, might not otherwise be adequately represented in the course of the hearings and evaluations which the Office is required to conduct and perform under other provisions of this Act.

RECOMMENDATIONS OF THE OFFICE

SEC. 204. (a) Within one hundred and fifty days after release of the Initial System by the Secretary under sections 202 (c) and (d), the Office shall release and report to the Secretary its recommendations for additions to and deletions from such System.

(b)(1) Such recommendations shall include, whenever possible, proposals for rerouting of through-train operations of one or more railroad companies onto a single rail line as long as adequate capacity appears to exist on such rail line for all present traffic and for all rerouted traffic and so long as such a rerouting will not seriously harm the quality or cost of rail services presently available, and so long as such a rerouting shall not constitute the granting of access to additional markets to the railroad companies whose traffic is to be rerouted, and so long as such reroutings do not create unreasonable circuitry to require the use of connections with significant operational problems for any rail carrier so rerouted.

(2) Recommendations made under paragraph (1) shall be reviewed by an independent panel established by the Secretary and such panel shall provide the Secretary with an impact analysis of such recommendations.

(c) Each recommended rerouting of through-train traffic operations shall be accompanied by a recommendation by the Office as to how adequate local rail service is to be maintained on the rail line from which through-train operations are recommended to be rerouted.

(d) The Office may recommend inclusion of any individual rail line into the System that was excluded by the Secretary pursuant to section 202(b). Each such recommended inclusion shall be accompanied by a report of findings by the Office that continued rail service on such line recommended for inclusion appears to be necessary to provide adequate rail service, to avoid significant violation of the Clean Air Act, to prevent excessive unemployment, to provide efficient transportation of fossil fuels resources from their source to their user, or to provide for the continued transportation of hazardous materials that should for reasons of safety, be transported via rail rather than via alternative modes.

(e) The Office may recommend exclusion from the System of rail lines designated by the Secretary as part of the Initial System. Each such recommended exclusion shall be accompanied by a report of findings by the Office that continued rail service on each such line recommended for exclusion appears to be not necessary to provide adequate rail services, to prevent excessive unemployment, to provide efficient transportation of fossil fuel resources from their source to their user, or to provide for the continued transportation of hazardous materials that should, for reasons of safety, be transported via rail rather than via an alternative mode.

(f) The Office may, as it deems necessary, publish addenda to the recommendations released pursuant to this section.

INTERMEDIATE DESIGNATION OF THE SYSTEM

SEC. 205. (a) Upon receiving the recommendations of the Office, the Secretary shall within ninety days, after giving full consideration to such recommendations and after giving consideration to such other pertinent information that is available to the Secretary, prepare and release a concise descriptive summary, along with map and other description adequate to enable specific identification of the rail properties involved, of an Intermediate Interstate Railroad System (hereafter called the Intermediate System).

(b) The report of the Secretary shall include findings in support of each addition to or deletion from the Initial System.

(c) The Intermediate System shall reflect to the extent possible, the result of potential rerouted through-train operations recommended by the Office pursuant to section 204(b).

(d) The report of the Secretary shall include a detailed description of revisions to the System which would be necessary if rerouted through-train operations were not implemented due to failure of a railroad company to convey its rail facilities to the Administration pursuant to section 304.

(e) The Intermediate System shall designate the future maintenance standards of each rail line in the System according to the following criteria:

(1) On all rail lines, ten miles or less in length, on which the Secretary anticipates no overhead traffic: FRA class I.

(2) Or all rail lines, between ten miles and fifty miles in length, on which the Secretary anticipates no overhead traffic: FRA class II.

(3) On all rail lines, fifty miles or greater in length on which the Secretary anticipates no overhead traffic: FRA class III.

(4) On all rail lines on which the Secretary anticipates overhead traffic: FRA standards allowing the highest speeds operated at any previous time since January 1, 1935, on each given rail line.

(5) On all rail lines greater than ten miles on which the Secretary anticipates more than ten million gross ton miles per mile per year: FRA class IV.

(6) Or all rail lines on which the Secretary anticipates a total of more than twenty intercity passenger trains in all directions, daily: FRA class IV.

(7) For the passenger corridor between Boston, Massachusetts, and Washington, D.C.: Standards allowing one hundred and fifty miles per hour operation.

(8) For all lines upon which the Secretary anticipates a total of more than two intercity passenger trains in all directions daily: FRA class III.

(f) When more than one standard applies to a given rail line pursuant to subsection (e), the higher standard shall apply.

(g) Notwithstanding the provisions of subsection (f), the Secretary may designate the maximum track standards allowed by the geometry of the right-of-way of a given right-of-way where such standards are lower than the standard prescribed pursuant to subsection (e). Such lower track standards shall apply only to portions of the rail line where such limited right-of-way geometry exists.

(h) The Secretary may set standards for any rail line higher than those specified in subsection (e).

(i) The Secretary may upon publication of findings that passenger service or service to freight shippers will not be adversely affected, reduce the standards otherwise specified in this section for a given rail line by not more than one FRA class, provided that no reduction of standards below FRA class I shall be made.

HEARINGS BY OFFICE

SEC. 206. (a) Not later than thirty days after release of the Intermediate System, the Office shall hold public hearings to solicit comments on the Intermediate System. Notice of date, time, and places of such hearing shall be given in a manner as to assure a full and fair opportunity to be heard for consumers, shippers, rail carriers, rail passengers, industry, labor, State, and local governments, and other interested persons.

(b) The Office may employ and utilize the services of attorneys and such other personnel as may be required in order properly to protect the interests of those communities and users of rail service which, for whatever reason, such as their size or location, might not otherwise be adequately represented in the course of the hearings and evaluations which the Office is required to conduct and perform under other provisions of this Act.

RECOMMENDATIONS BY THE OFFICE

SEC. 207. Within ninety days after release of the Intermediate System by the Secretary, pursuant to section 205, the Office shall release and report to the Secretary its recommendations for additions to and deletions from and changes to the System along with the reasons for such recommendations. A copy of the recommendations shall be published in the Federal Register.

FINAL DESIGNATION OF THE SYSTEM

SEC. 208. (a) Upon receiving the recommendations of the Office, the Secretary shall within sixty days, after giving full consideration to such recommendations, and with the cooperation and assistance of the Office, prepare and transmit to the Congress the Final Interstate Railroad System (hereinafter called the "Final System"). The Final System shall be designed to promote and enhance the ability of rail carriers to provide modern, efficient, and economical interstate rail freight and passenger service responsive to present and future needs and demands. The report of the Secretary shall include findings in support of each addition to or deletion from the Intermediate System and findings with regard to recommendations of the Office which were not included.

(b) The Final System shall contain no deletions from the Intermediate System other than deletions which were recommended by the Office pursuant to section 207 or deletions which were approved by the Governor of the State in which the rail lines to be deleted are located. The Secretary may choose to designate as part of the Final System any rail line designated as part of the Intermediate System notwithstanding recommendations by the Office or approval of deletion by the Governor of the State in which the rail line is located.

(c) The Final System shall contain future maintenance standards for each rail line which are no lower than those contained in the Intermediate System unless:

(1) a lower standard for any individual rail line was recommended by the Office pursuant to section 207,

(2) such lower standard was approved by the Governor of the State in which such rail line is located,

(3) the individual rail line was recommended for deletion from the Final System by the Office pursuant to section 207, and

(4) deletion of the individual rail line from the System was approved by the Governor of the State in which the rail line is located.

(d) The Final System shall be deemed approved at the end of the first period of sixty calendar days of continuous session of Congress after transmittal thereto unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not favor the System. If either such body passes a resolution of disapproval, the Secretary with the cooperation and assistance of the Office shall prepare and transmit to Congress a revised System within sixty days of the date of passage of such resolution. Each such revised System shall be submitted to Congress for review pursuant to this subsection. Each such revised System shall be deemed approved at the end of the first period of sixty calendar days of continuous session of Congress after transmittal thereto unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not favor the System. For purposes of this subsection, continuity of session of Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period. Upon becoming effective after review by Congress, the System shall not be subject to review by any court.

REHABILITATION, CAPITAL IMPROVEMENT, AND MAINTENANCE PROGRAM

SEC. 209. (a) Upon receiving the recommendations of the Office made pursuant to section 207, the Secretary shall within ninety days determine and publish a rehabilitation, capital improvement, and maintenance program for the restoration of all rail lines in the System to the future maintenance standards set forth in the Final System. Within such program projects scheduled to take place during the four years following enactment of this Act shall be individually scheduled. Each project within such program scheduled to take place more than four years after the enactment of this Act shall be identified as to approximate year of expected completion. If either body of Congress passes a resolution of disapproval of such program pursuant to subsection 208(d), the Secretary shall, within ninety days of passage of such resolution, publish a revised rehabilitation, capital improvement and maintenance program to correspond with the revised system prepared pursuant to subsection 208(d).

(b) The entire program shall be scheduled by the Secretary for completion within twelve years following enactment of this Act.

(c)(1) Not later than three years after the date of enactment of this Act, the Secretary and the Secretary of the Army shall jointly undertake and carry out a study of the long-term capital needs for modernization of signal systems, line relocation, tunneling, highway grade crossing elimination, electrification, and other major upgrading to the Final System as revised. The study shall include recommendations for investment priorities among the various upgrading projects.

(2) Upon completion of such study, the Secretary and the Secretary of the Army shall submit to the President and to the Congress, and shall release to the public, a full report thereon together with their recommendations for such legislative, administrative, and other actions as they deem appropriate for implementing the report.

(3) Not later than ninety days after completion of such study, the Administrator shall determine and release a revised rehabilitation, capital improvement and maintenance program showing the schedule for completion of each element of the program. All elements of the program shall be scheduled for completion within twelve years following the date of enactment of this Act. Provision shall be made for revision of such schedule should one or more railroad companies fail to transfer railroad facilities to the Administration pursuant to section 305.

(4) The Administrator may revise the program as necessary because of failure of one or more railroad companies to transfer in a timely fashion, railroad facilities to the Administration pursuant to section 305.

RAIL PROPERTIES REORGANIZED UNDER THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 210. Notwithstanding the contrary provisions in sections 201 through 208 of this title, all rail lines designated to be transferred to Conrail or to be offered for sale to a profitable railroad or to be purchased, leased or otherwise acquired by the National Railroad Passenger Corporation pursuant to the Final System Plan of the Association developed under section 206(c) of the Regional Rail Reorganization Act of 1973, shall be part of the Final System.

REVISION OF FUTURE MAINTENANCE STANDARDS

SEC. 211. The Administrator shall revise the future maintenance standards designated pursuant to subsection (e) of section 205 and pursuant to subsection (c) of section 208 so long as such revision shall reflect changes in the anticipated use of the individual rail lines. The Administrator may at any time specify future maintenance standards higher than those required to be specified pursuant to sections 205 and 208.

VERIFICATION OF DATA SUPPLIED BY RAILROADS

SEC. 212. (a) Not later than two hundred and ten days of the date of enactment of this Act, the Secretary shall publish an inventory of all rail lines in the United States. Such inventory shall include a listing of the maximum allowable speed for freight and passenger trains on July 1, 1979, on each portion of each rail line.

(b) Not later than one hundred and twenty days after the date of enactment of this Act, all rail carriers shall supply the Secretary with a verified statement describing each slow order, speed restriction, and change in employee operating timetable that became effective on or after July 1, 1979. Such verified statement shall also give the reason for each such slow order, speed restriction, and timetable revision.

(c) The Secretary may make whatever physical inspections or other investigations necessary to insure that the inventory is correct.

(d) Upon receipt of satisfactory evidence that the inventory is incorrect, the Secretary shall correct such inventory.

TITLE III—FEDERAL RAIL PROPERTY ADMINISTRATION

ESTABLISHMENT OF ADMINISTRATION

SEC. 301. (a) There is established an Administration of the Department of Transportation to be known as the Federal Rail Property Administration. The Administration shall be deemed not to be a railroad for purposes of subtitle IV of title 49, United States Code.

(b) The management, powers, and duties of the Administration shall be vested in an Administrator to be appointed by the President, by and with the advice and consent of the Senate.

(c) To assist the Administrator there shall be a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate.

(d) To further assist the Administrator, there shall be four Assistant Administrators who shall be appointed by the Administrator. The Assistant Administrators shall perform such duties as the Administrator may designate.

(e) The Administrator shall prepare a budget and staffing plan within sixty days from his appointment, and shall submit the proposed budget and plan to Congress for review. Congress shall have sixty legislative days in which to revise this budget or failing, shall allow the budget to stand as if approved. The staffing plan shall make provision for the employment of sufficient personnel at all levels to carry out the purpose of this Act.

GENERAL POWERS OF THE ADMINISTRATION

SEC. 302. (a) The Administration may acquire rail lines and transportation property other than rail lines from any railroad company operating in the United States or whose principal place of business is in the United States. Such property may include properties of United States railroads outside the United States in contiguous portions of Canada and Mexico where such properties are part of and necessary to the functioning and operational integrity of the Interstate Rail System established pursuant to this Act.

(b) The Secretary shall promulgate regulations establishing the basis for determinations of fit, willing, and able with regard to operators under this Act. Such regulations may include the establishment of requirements that an applicant—

(1) register with the Secretary;

(2) demonstrate knowledge of, agree to, and provide evidence, including accident and compliance histories and out of service ratios, of his ability to operate in compliance with all applicable standards promulgated by the Secretary, pursuant to this Act, the Department of Transportation Act, the Hazardous Materials Transportation Act, and sections 831–835 of title 18 of the United States Code;

(3) carry such documentation as the Secretary may require;

(4) carry adequate liability insurance or enter into comparable bonding arrangements; and

(5) designate an agent for service of process.

The Secretary may also promulgate such regulations as the Secretary may determine appropriate to assist in the implementation of this section, including rules to require that applications filed with the Commission include such information as the Secretary may require to assist the Secretary in making determinations as to whether a person is fit, willing, and able.

(c) The Administration may, pursuant to section 303, enter into leases with a railroad company which deeds rail lines to the Administration. Any such lease shall be for the purpose of providing common carriage rail service over rail lines previously owned by the railroad, and shall be granted for a term of not more than ten years and shall be renewable upon certification by the Interstate Commerce Commission that the carrier is fit, willing and able to perform common carriage services in the territory and over the tracks covered by the lease. The Commission shall, not later than ninety days before the expiration of the lease, make a determination as to whether the carrier is fit, willing and able to perform common carriage services in the territory and over the tracks covered by the lease. In the event that the Commission fails to make such a timely determination, the Administrator shall grant an extension in time of the lease for a period of one year from the date of termination of the lease. No further extension or renewal shall be granted until the Commission has issued such certificate. Each such lease shall provide, at a minimum, the following—

(1) that during the term of the initial lease, the railroad company shall have exclusive rights to use the rail facilities, except as provided in paragraphs (7) and (9);

(2) that the carrier shall provide common carriage freight service to all stations, shippers and receivers located along or adjacent to the properties leased in the manner normally prescribed in law;

(3) that the rail carrier shall agree to pay the Administration a user charge pursuant to section 402;

(4) that the maintenance of the rail properties shall be as determined pursuant to section 305;

(5) that rehabilitation and capital improvement projects on the rail properties determined pursuant to section 304 in accordance with the program and schedule established pursuant to section 209 or pursuant to section 303(d) or 304(g);

(6) that in the event that the Commission finds that a carrier is not fit, willing, and able to provide services as required under the provision of the lease, the Commission shall order the termination of the lease and shall evoke the provisions of paragraphs (15) and (16) of section 1 of the Interstate Commerce Act;

(7) for the exclusive use of the property previously owned or controlled by the carrier, except that—

(A) the terms and conditions of existing agreements for joint usage of rail properties shall remain in force unless terminated by mutual consent of the parties to the agreement and with the concurrence of the Administrator;

(B) the Administrator may grant bridge trackage rights to another railroad (hereinafter referred to as the "bridge railroad"), if the Administrator finds that:

(i) sufficient capacity exists on the rail property of the leaseholding railroad so that the bridge traffic does not materially impair the operations of the leaseholding railroad company;

(ii) said bridge trackage rights do not permit diversion of traffic to the bridge railroad from the leaseholding railroad;

(iii) the bridge trackage rights do not permit the bridge railroad to serve markets previously not served by the bridge railroad; and

(iv) the bridge railroad shall pay to the leaseholding railroad $0.10 per thousand gross ton-miles carried as bridge traffic;

(C) the Administrator may grant operating rights to the National Railroad Passenger Corporation or to a State, local, or regional rail passenger authority for the operation of a passenger service over the former property of the leaseholding railroad company if—

(i) the operation of such passenger service does not materially impair the operations of the leaseholding railroad;

(ii) the leaseholding railroad is fully compensated by the operator of the passenger service for all costs resulting from the operation of said passenger service including the costs resulting from the operation of such passenger service and including the cost of delays to freight trains because of the passenger train operations; and

(iii) the Administrator specifies operating rules to give passenger trains priority over freight trains when appropriate;

(D) the lease may allow other operating rights to railroads other than the leaseholding railroad; *Provided*, That the granting of such operations rights to another carrier be for the purposes of system rationalization and shall not constitute a penetration of the market served by the leaseholding carrier unless such a penetration shall have been agreed to by the leaseholding carrier;

(8) for modification to exclude service over properties over which discontinuance of service has been ordered by the Commission whenever such orders are issued;

(9) not later than one year from the enactment of this Act, the Administrator shall establish regulations for the planning and implementation of plans for projects to coordinate, consolidate, and rationalize operations of railroads, which shall specify—

(A) the parties to the planning process, including States;

(B) goals, standards and criteria for such planning;

(C) social, economic, and environmental impact standards to be met under the process;

(D) the times and places for public hearings and methods for public participation; and

(E) such other criteria as may be required by the Administrator;

(10) that the Administrator shall under no circumstances grant any operating rights for private or contract carriage on properties owned by the Administration;

(11) that upon application by the leaseholding carrier, the Commission may grant permission for the lease or a portion of the lease to be assigned to another carrier so long as such assignment is consistent with the standards which the Commission normally uses in allowing the voluntary transfer of operating rights from one carrier to another, and the Commission shall not later than one hundred and eighty days from receipt of such an application either grant permission to assign or shall refuse such permission for specific reasons; and

(12) that such other necessary provisions to ensure reasonable reuse of materials removed from existing track or other properties owned by the Administration during maintenance and rehabilitation of such properties, and shall further apply such conditions as shall ensure that materials provided by the Administration shall not be used in a wasteful manner.

(d) The Administrator shall specify operating rules for bridge traffic under paragraph (7)(B) of subsection (C) to ensure that the operations of the leaseholding railroad are not materially affected by the bridge operations. The Administrator shall suspend or revoke such bridge trackage rights if he finds that traffic normally carried by the leaseholding railroad is being diverted to the bridge railroad because of such bridge trackage rights.

TRANSFER OF RAIL FACILITIES

SEC. 303. (a) At any time after the Final System as designated by the Secretary is approved pursuant to section 208, any railroad company may offer to transfer all of its rail facilities which are included in the System to the Administration. For purposes of this subsection, the term "railroad company" shall include all and not less than all railroad subsidiaries of the company and railroad subsidiaries of its parent company.

(b) Not later than one hundred and twenty days of receipt of an offer to transfer rail properties of a railroad company pursuant to subsection (a), the Administration shall enter into a lease described in section 302, and shall accept title of the rail facilities so offered.

(c) At any time after one hundred and twenty days after the date of enactment of this Act, Conrail may offer to transfer to the Administration all of its rail facilities, as designated by the Association in the Association's Final System Plan pursuant to section 206(a)(1) of the Regional Rail Reorganization Act of 1973: *Provided, however*, That the Corporation has not previously disposed of such rail facilities so designated in the Final System plan.

(d) Not later than thirty days of receipt of notification of an offer pursuant to subsection (c), the Association shall submit to the Corporation and to the Administration a detailed program plan for the rehabilitation, modernization, and maintenance of the rail lines to be transferred by Conrail.

(e) Not later than one hundred and twenty days of receipt of an offer from Conrail to transfer its rail facilities pursuant to subsection (c), the Administration shall enter into a lease as described in section 303, and shall accept title of the rail facilities so offered. For purposes of such lease, the program plan submitted by the Association pursuant to subsection (d) shall be used rather than the program plan to be published pursuant to section 209, until such program plan published pursuant to section 209 becomes available.

(f) At any time after one hundred and twenty days after the date of enactment of this Act, but prior to the date that the Final System is approved pursuant to section 208, any railroad company other than Conrail may offer to transfer to the Administration of all its rail facilities, except that (1) such rail facilities shall include all rail facilities owned or operated by the railroad company on July 1, 1979, (2) the railroad company agrees to accept a return transfer of any such rail property which is not included in the Final System and which the Administrator wishes to return to the railroad company within thirty days of the date that the Final System is deemed approved pursuant to section 208.

(g) Not later than one hundred and twenty days of receipt of an offer of transfer of rail facilities pursuant to subsection (f), the Administration shall enter into a lease as described in section 302 and shall accept title to rail facilities so offered if there exists an interim program plan for rehabilitation, modernization, and maintenance agreeable to both the Administration and the railroad company and which shall be applicable until the date that the Final System is deemed acceptable pursuant to section 208. The Administration shall set forth as a term of the lease an interim maintenance program specifying track standards not lower than those existing on the rail facilities on the date of transfer, and not higher than standards which the Administrator anticipates will be specified in the Final System, the interim standard offered shall be equal to the standard existing on the date of transfer. Any lease entered into pursuant to this subsection shall contain a provision under which the Administrator may, within thirty days of the date that the Final System is accepted pursuant to section 208, transfer any such rail property not included in the Final System to the railroad company and under which the railroad company shall accept any rail facility so transferred. Upon the date that the Final System is accepted, the interim standards specified pursuant to this subsection shall be superseded by the program plan published pursuant to section 209.

(h) At any time after the date that the Final System is accepted pursuant to section 208, a railroad company may offer to transfer to the Administration any portion of the rail facilities owned or operated by the railroad company on July 1, 1979, and included in the Final System, as revised pursuant to section 208.

(i) The Administrator may enter into a lease and accept title to rail facilities offered for transfer pursuant to subsection (h) where—

(1) the Administrator finds that the rail facilities offered for transfer will represent a lower cost per mile to the Administration for rehabilitation, modernization, and maintenance less any user fees that would exist if all of the rail facilities owned or operated by the railroad company on July 1, 1979, and included in the Final System as revised were transferred to the Administration; and

(2) the Administrator finds the transfer of rail facilities so offered to be more consistent with the intent of this Act than would be the transfer of all rail facilities owned or operated by the railroad company on July 1, 1979, and included in the Final System as revised.

For purposes of this subsection, the Administrator may set user charges greater than those specified in section 402, and may specify the conditions of lease agreements more favorable to the Administration than the conditions specified in section 302.

(j) Notwithstanding any other provision of this Act, the Administrator shall not enter a lease agreement, or accept title to rail facilities pursuant to subsection (b), (e), (g), or (i) where any of such rail facilities are restricted to maximum speeds lower than those existing on July 1, 1979, unless payment is made to the Administration by the railroad company to fully compensate the Administration for the costs of restoration of the rail facilities to either the condition existing on July 1, 1979, or the condition specified in the future maintenance standards in the Final System as revised, whichever condition is lower.

(k) At any time after the Final System is deemed approved pursuant to section 208, any State which has acquired railroad properties excluded from the Final System plan pursuant to the Regional Rail Reorganization Act of 1973, may offer to the Administration transfer of all properties which are included in the Final System. Not later than one hundred and twenty days of such an offer of conveyance, the Administration shall accept title to such properties and shall make payment to the State for any State funds expended in the acquisition and modernization of such rail properties.

REHABILITATION OF RAIL FACILITIES

SEC. 304. (a) The Secretary shall develop programs of rehabilitation and capital improvements for rail properties owned by the Administration and such programs shall be incorporated into and be made terms of the lease of such property. Programs developed under this section shall be consistent with the provisions of sections 209, 303 (d) and (g).

(b) The Administrator shall pay the costs of implementation of such programs. The Administrator shall contract with the leaseholding railroad to implement such programs unless, in the determination of the Administrator the railroad does not possess forces sufficiently large or skilled to perform the work, or unless in the determination of the Administrator, the terms and conditions of such a contract make it a cost to the Administration sufficiently greater than the cost of having the project performed by some other responsible party.

(c) The Administrator shall, within 30 days of completion of any program or project for rehabilitation of a line or facility, or of the completion of a capital project on any line or facility make an inspection of the property, and shall make a determination of compliance of the work with the standards set forth in the contract and the program covering such work. If, in the determination of the Administrator, work has been performed in a fully satisfactory manner, he shall issue a certificate of rehabilitation or a certificate of completion as the case may be.

MAINTENANCE OF RAIL PROPERTIES

SEC. 305. (a) The Administrator and any rail carrier leasing property from the Administration shall establish within thirty days after the date of certification by the Administrator that the property has been rehabilitated to the standard set by the Secretary under section 208(c), a schedule of maintenance whereby such leased property shall be maintained at a standard not less than that established under section 208(c).

(b) Maintenance of facilities of the Administration used exclusively by one carrier shall be the responsibility of that carrier. Where more than one carrier utilizes a facility of the Administration, responsibility for maintenance shall be shared as provided in the respective leases. In all cases maintenance shall be to standards set by the Secretary in designating the System, which standards shall be incorporated in the lease. The Administrator shall make all materials and equipment necessary for maintenance available to the responsible carrier or carriers.

(c) Failure to maintain to standards shall be a violation of the lease and shall require the payment by the carrier to the Administration of $1,000 per day per mile of track not meeting standards as specified in the lease unless in the determination of the Administrator, such failure shall have been for causes beyond the control of the carrier.

ANNUAL REPORT

SEC. 306. The Administrator shall report annually on the first of January of each year to the President and to Congress on the extent and condition of all properties owned by the Administration, and on the condition of all other rail properties in the Nation.

TITLE IV—FUNDING

AUTHORIZATIONS FOR REHABILITATION AND MAINTENANCE

SEC. 401. There are authorized to be appropriated each year beginning with the year in which this Act is enacted and continuing for a period of ten years such sums as are necessary for (1) rehabilitation of lines as required under section 209, and (2) to provide the materials used in maintenance as required under section 200.

RAIL USER CHARGE AND OTHER REVENUES

SEC. 402. There shall be a Rail User Charge (hereinafter referred to as "User Charge"), imposed on all railroads operating on facilities of the Administration. The User Charge shall be $0.20 annually per thousand gross ton-miles of freight, passengers, and rail equipment moved on the facilities of the Administration. The User Charge shall be collected from the railroad by the Administration at the end of each calendar quarter for the period of the preceding quarter, and shall be deposited in the Treasury as miscellaneous receipts together with such revenues as the Administration shall earn from the sale or lease of property, or interests or uses thereof or from all other sources.

ADDITIONAL AUTHORIZATIONS

SEC. 403. (a) There are authorized to be appropriated to carry out the provisions of this Act such sums as are necessary, not to exceed $20,000,000 to remain available until expended.

(b) There are authorized to be appropriated to the Commission for the use of the Office in carrying out its functions under this Act such sums as are necessary, not to exceed $5,000,000 to remain available until expended. The budget for the Office shall be submitted by the Commission directly to the Congress and shall not be subject to review of any kind by any other agency or official of the United States or used by the Commission for any purpose other than the use of the Office. No part of any other moneys appropriated to the Commission shall be withheld by any other agency or official of the United States to offset any money appropriated pursuant to this subsection.

(c) There are authorized to be appropriated for purposes of carrying out its administrative expenses under this Act such sums as are necessary, not to exceed $50,000,000 to remain available until expended.

(d) Sums authorized under this section may be adjusted in accordance with the Consumer Price Index as determined under appropriation Acts.

MAINTENANCE MATERIALS

SEC. 404. (a) The Administrator is authorized to make necessary expenditures for purchase of materials to be used in maintenance, modernization or improvement of facilities owned by the Administration.

(b) There are authorized to be appropriated such amounts as are necessary for the purpose of this section.●

By Mr. DURKIN:

S. 1556. A bill to provide for grants to the States to employ State foresters, to provide for a current determination of the number of woodlot owners in each State, to provide for the availability of forest fuel utilization training, and to increase the assistance and information provided by the Department of Energy to the Forest Service and by the Small Business Administration to small woodlot owners and wood fuel distributors and marketers; to the Committee on Agriculture, Nutrition, and Forestry.

FOREST FUEL UTILIZATION ACT OF 1979

● Mr. DURKIN. Mr. President, the bill I introduce today is designed to increase the availability of wood fuel in New Hampshire and throughout the United States.

I need tell no one in this Chamber that this Nation is moving into an era of severe oil shortages. In my home State of New Hampshire, our predicament is particularly serious because we rely so heavily on the automobile for transportation and oil for heating our homes. Indeed, it appears likely that New Hampshire will not have sufficient stocks of home heating oil to see us through the coming winter.

The energy situation in New Hampshire would be even graver were it not for the abundance of unused natural resources which have the potential of lessening our dependency on costly imported foreign oil. Small-scale hydroelectric, wood, wind, and solar power all hold significant promise for making New Hampshire more energy independent. Of these energy sources, wood may hold the most promise.

New Hampshire is almost 90 percent forested, and the wood harvested from my home State on a sustained yield basis has the ability to save hundreds of millions of gallons of home heating oil.

The thrust of my bill is a simple one: It lists the woodlot owners in an individual State, establishes training programs for those owners, and provides for increased assistance from the Department of Energy, the U.S. Forest Service, and the Small Business Administration to those owners and wood fuel distributors. It also provides grants to the States to employ foresters.

Because of anticipated shortages of home heating oil this winter, the woods in my home State and throughout the Nation will be subjected to heavy cutting pressures. It is absolutely essential that we meet this demand for firewood with a sound program of forest management and public education on proper cutting techniques. It is also vital that we aid the small woodlot owner and wood distributor—who will play a pivotal role in keeping people warm in New Hampshire—in their business endeavors so that they will be able to harvest and deliver their product efficiently and reliably, and at a reasonable cost.

Mr. President, wood will undoubtedly play an increasingly important role in the energy picture of New England. This bill helps wood to fill that role.

I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Forest Fuel Utilization Act of 1979".

SEC. 2. (a) The Secretary of Agriculture (hereafter in this Act referred to as the "Secretary") is authorized to make grants through the rural forestry assistance program of the Forest Service to the States for the employment by the States of additional State foresters or equivalent State officials.

(b) In determining the amount of financial assistance to be provided to a State under subsection (a) the Secretary shall consider the underutilization of forest growth in the State and the potential utilization in the State of wood as a fuel in place of oil.

(c) In addition to any sums otherwise authorized to be appropriated, there is authorized to be appropriated to the Secretary to carry out subsection (a) the sum of $6,500,000 for the fiscal year ending on September 30, 1980, and the sum of $6,500,000 for the fiscal year ending on September 30, 1981.

SEC. 3. (a) The Secretary shall determine not later than one year after the date of the enactment of this Act the number of woodlot owners in each State (as of the date the determination with respect to such State is made).

(b) The determination with respect to each State made pursuant to subsection (a) shall be used after that determination is made whenever the number of woodlot owners in such State is a factor in any law, regulation, custom, or usage or is a factor in the application of any law, regulation, custom, or usage.

SEC. 4. (a) The Secretary is authorized to take such actions as the Secretary deems are necessary to make forest fuel utilization training programs available to State foresters, or equivalent State officials, in States in which forest growth is underutilized and in which there is a potential for the utilization of wood as a fuel in place of oil.

(b) The Secretary shall submit to the House of Representatives and the Senate not later than one year after the date of the enactment of this Act a report on the actions taken by the Secretary under subsection (a).

SEC. 5. Not later than one year after the date of the enactment of this Act, the Secretary of Energy shall—

(1) after consulting with the Secretary, develop a plan to increase the assistance and information provided to the Forest Service by the Department of Energy; and

(2) submit to the House of Representatives and the Senate a report (including a copy of the plan developed pursuant to paragraph (1)) on the progress made since the date of the enactment of this Act in increasing the assistance and information provided to the Forest Service by the Department of Energy.

SEC. 6. Not later than one year after the date of the enactment of this Act, the Administrator of the Small Business Administration shall—

(1) after consulting with the Secretary, develop a plan to increase the managerial assistance and information provided to small woodlot owners and wood fuel distributors and marketers by the Small Business Administration; and

(2) submit to the House of Representatives and the Senate a report (including a copy of the plan developed pursuant to paragraph (1)) on the progress made since the date of the enactment of this Act in increasing the managerial assistance and information provided to small woodlot owners and wood fuel distributors and marketers by the Small Business Administration.●

By Mr. DURKIN:

S. 1557. A bill to authorize construction of a turnaround basin on the Piscataqua River, Portsmouth, N.H.; to the Committee on Environment and Public Works.

● Mr. DURKIN. Mr. President, the bill I offer today is designed to correct a very serious situation regarding the safety of navigation along the Piscataqua River in Portsmouth, N.H.

The safe passage of large ships is something that all of us take for granted. Unfortunately, we often lose sight of the fact that it takes more than just good fortune and skillful navigating to guide a ship from the open sea to a dock for unloading. It takes safe waterways—well-dredged channels that are deep and wide enough—to insure that these ships can pass through congested areas without incident.

In the Portsmouth area, there is a critical need for improvement in the river channel to alleviate a very serious safety problem. My bill authorizes that these improvements be done now, not after a tragic accident occurs. Portsmouth and the neighboring town of Newington are a major terminus for energy supplies, especially heating oil, liquid propane and jet fuel, and it is a rare day when loaded tankers are not negotiating the tricky waters of the Piscataqua to deliver their products.

The implications of a tanker accident to Portsmouth are devastating. An explosion on a gas-carrying tanker has the potential to do tremendous damage to lives and property. A major oil spill could seriously harm the beauty and ecological integrity of the seacoast. And even a relatively minor accident in the channel could disrupt the traffic flow along the river and with it the vital delivery of energy supplies. Indeed, it is a testament to the exceptional skill of our river pilots that there has never been a serious accident involving tankers in the Portsmouth area.

Against this backdrop of extremely hazardous cargoes and an oftentimes unpredictable river current, one would think that the Federal Government would do everything possible to see that the hazards of navigating tankers in the rivers are minimized. That, unfortunately, has not been the case. In 1970 the Senate Environment and Public Works Committee authorized a study to investigate the possibility of making navigation improvements along the river. Although 9 years have elapsed since that initial authorization, I am sorry to report that the study is still not complete and the much-needed improvements are no closer to reality than they were when the study began.

I believe there is near-unanimous agreement that what the Piscataqua needs most is a turnaround basin between the first and second lift bridges. This basin will allow ships that have been disabled or damaged near the center of population to turn around and head back for the open sea, out of harm's way.

Because of the pressing need for this turning basin, this legislation will direct the Army Corps of Engineers to proceed with the dredging of this much-needed safety improvement. While I am not deaf to other study-meaning studies, I think that we have an unfortunate tendency in government to study everything to death. From my investigation of this issue, it is clear that a pressing safety issue exists here. The time to perform this work is now, not 10 years in the future.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to undertake construction, in such a manner as he may deem necessary, of a turnaround basin between the first and second lift-bridges on the Piscataqua River at Portsmouth, New Hampshire.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. DURKIN:

S. 1558. A bill to amend the Federal Power Act to permit the Federal Energy Regulatory Commission to enter into agreements with States under which State authorities may exercise the licensing authority of the Commission with respect to small hydroelectric projects at existing dams, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. DURKIN. Mr. President, the bill that I offer today is designed to halt bureaucratic redtape involved in getting small-scale hydroelectric power back into operation in New Hampshire and New England. This bill amends the Federal Power Act to allow the Federal Energy Regulatory Commission (FERC) to enter into agreements with States under which State authorities may exercise FERC's licensing authority for small-scale hydro projects at existing dams.

Small hydropower facilities played a prominent role in the early growth and development of New Hampshire and New England. The numerous rivers and streams provided a ready source of power which could be harnessed quickly, easily and cheaply and made the region the center of commerce and industry in the early days of our Nation. In modern times, however, these small powerplants were abandoned in favor of huge centralized plants fired by oil that used to be cheap and abundant, but now is neither.

The days of cheap oil are long gone now, and it has become an absolute necessity to get small-scale hydropower back into operation. The white water in New Hampshire that tumbles unused down our rivers and streams to the sea has the capability of saving us millions of barrels of costly imported oil each year. We cannot allow in good conscience such waste to continue.

One of the real problems associated in putting small hydro facilities back on line has been the Government redtape, the requirements that various agencies place on the developer. This bill will allow FERC—which has the prime responsibility for licensing projects—to surrender that responsibility to the ap-

propriate State agency, such as the State Public Utilities Commission.

During a recent Senate hearing I held in New Hampshire on small-scale hydroelectric power, numerous witnesses testified that the FERC licensing requirements were cumbersome, time-consuming and costly. In fact, these requirements are sometimes so burdensome that the individual developer without corporate money is unable to proceed with the project. Because most of the small-scale hydro projects also need State approval before they can move forward, this change in the law will speed up the process and permit the developer to bypass unnecessary redtape.

I need to remind no one in this Chamber that this Nation is in the throes of a grave energy crisis. The development of small-scale hydro power is one small way to promote energy independence. We have a responsibility to explore every avenue which furthers that aim, and that is the purpose of the bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of the Federal Power Act is amended by adding the following new section at the end thereof:

"SEC. 31. (a) The Commission may enter into cooperative agreements with the States for purposes of avoiding duplication and delay in the licensing of small hydroelectric power projects at existing dams. Such agreements may provide that, with respect to any small hydroelectric power project at an existing dam, the licensing authority of the Commission under this part may be exercised, in accordance with the requirements of this Act and other applicable law, by an appropriate authority of the State.

"(b) As used in this section, the terms 'small hydroelectric power project' and 'existing dam' have the meanings prescribed for such terms in title IV of the Public Utility Regulatory Policies Act of 1978."●

By Mr. DURKIN:

S. 1559. A bill authorizing a study to develop small hydroelectric projects for rural areas or communities; to the Committee on Environment and Public Works.

● Mr. DURKIN. Mr. President, today I offer a bill which is designed to get more small-scale hydroelectric plants back into operation. This bill authorizes the U.S. Army Corps of Engineers to study ways to develop small hydroelectric facilities for rural communities.

Residents of New Hampshire and New England are very familiar with the vital part that waterpower played in the growth and development of the region. In the early days of our Nation, the moving waters of our rivers and streams fueled the industrial revolution and made the area into the commercial and manufacturing hub of the Nation.

Despite a record of long and efficient service, waterpower was gradually phased out as a source of energy in favor of huge centralized powerplants fired by cheap oil and nuclear fuel. The Department of Energy has estimated that in the past 30 years hundreds of small hydro facilities throughout New England have been abandoned, causing us to consume hundreds of millions of barrels of oil that would otherwise have been conserved.

The time is long overdue for us to bring these dams back into service, especially in New England where we are at the end of the energy pipeline. We must now stop relying on costly imported oil to take care of our future energy needs. In the rural areas of New Hampshire and New England—areas that have probably suffered the most at the hands of rising energy costs—there is, quite literally a gold mine of power flowing downstream to the sea every day. We have an absolute responsibility to harness that power and bring it to the persons who need it the most. I am convinced that this study will begin to lead us in that direction.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to make a study of the possible rehabilitation of the hydroelectric potential at former industrial sites, millraces, or other types of facilities constructed in the past, and the possible conversion of such sites for use as new, small hydroelectric projects that will serve rural areas or communities. For the New England area, sites with a potential capacity of twenty-five kilowatts and up will be considered. Studies should stress systematic hydroelectric development and operation on a regional and individual project basis fully considering potential benefits from water storage, conservation, flow regulation, and integrated operation of multiproject systems. The Secretary of the Army, acting through the Chief of Engineers, is further authorized and directed to provide technical assistance to local public agencies or cooperatives in any such rehabilitations at sites identified under this section, or that would qualify under the terms of this section.●

ADDITIONAL COSPONSORS

S. 23

At the request of Mr. CHURCH, the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 23, a bill to amend the Plant Variety Protection Act.

S. 246

At the request of Mr. BENTSEN, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 246, a bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

S. 391

At the request of Mr. ROTH, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 391, the Federal Administrative Improvements in Reports Act.

S. 535

At the request of Mr. SCHMITT, the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 535, the Nuclear Waste Transportation Safety Act.

S. 1446

At the request of Mr. DURKIN, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 1446, a bill to reserve funds for small, medium, and nonhub airports.

S. 1532

At the request of Mr. MOYNIHAN, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1532, the Kennedy Center Act Amendments of 1979.

SENATE JOINT RESOLUTION 43

At the request of Mr. DURKIN, the Senator from Florida (Mr. STONE) was added as a cosponsor of Senate Joint Resolution 43, to proclaim March 21, 1980, as "National Energy Education Day."

SENATE RESOLUTION 194

At the request of Mr. DURKIN, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of Senate Resolution 194, entitled "Wheat for Oil."

AMENDMENTS NOS. 340 THROUGH 352

At the request of Mr. JACKSON, the Senator from Indiana (Mr. BAYH) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of amendments Nos. 340 through 352 intended to be proposed to S. 737, the Export Administration Act of 1979.

SENATE RESOLUTION 202—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. LEVIN, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on the Budget.:

S. RES. 202

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 111, the Panama Canal implementing legislation. Such waiver is necessary to permit the consideration of legislation authorizing new budget authority for fiscal year 1980 for programs relating to the implementation of the Panama Canal Treaty. The Committee on Armed Services was unable to consider and dispose of the proposed legislation prior to May 15, 1979, because it was deemed prudent to await House passage of the legislation before marking up the Senate version.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to H.R. 111 as reported by the Committee on Armed Services.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED APPROPRIATIONS, 1980—H.R. 4392

AMENDMENT NO. —

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to H.R. 4392, an act making appropriations

for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

● Mr. PELL. Mr. President, as chairman of the Committee on Rules and Administration I announce that on Tuesday, July 24, at 2:30 p.m., the committee will meet in room 301 of the Russell Senate Office Building to consider and mark up proposed amendments to the Federal Election Campaign Act, along with other legislative and administrative business.●

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup session on pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

GOVERNMENT HARASSMENT OF A CIVIL SERVANT—LAWRENCE BRADY

● Mr. HUMPHREY. Mr. President, I wish to bring to the attention of the Senate a matter of serious concern to me and I am sure to all of my colleagues.

Apparently a deception was perpetrated on the Congress recently with testimony presented in executive session by Mr. Stanley Marcuss, Deputy Assistant Secretary of Commerce for Industry and Trade before the House Armed Services Committee.

In his testimony, he portrayed the U.S. export control laws in glowing terms. When the chairman of the committee, Representative RICHARD ICHORD, called upon Marcuss' assistant, Lawrence Brady, Acting Director of the Office of Export Administration, to comment on the state of our export control system, he characterized them as "in a complete shambles."

In his testimony, he revealed that the Soviet Union was using the Kama River Truck Factory—a factory built with some $500 million in American designs, tools and computers—to make military vehicles and parts.

Under the agreement with the Soviet Union to help construct that factory, the United States was led to believe that such a diversion was not to have taken place. But it did.

Now, trucks produced at the factory reportedly are being used for military purposes.

Shortly thereafter, Mr. Brady, a New Hampshire constituent, made this information available to Congress, he was demoted to the lesser post of Deputy Director of the Export Control Unit.

He was demoted because he had the courage and, yes, the responsibility, to come before Congress and, as a responsible public servant, report this serious violation of U.S. export control laws.

Because his testimony was at variance with that of Mr. Marcuss, however, Mr. Brady was immediately demoted.

To add insult to injury, although he no longer held the post of Acting Director, Mr. Brady was asked to continue to carry out the responsibilities of that position until a replacement could report to duty.

And now, Mr. President, I understand that Mr. Brady may be eased out of the export control office altogether.

He has now become the victim of harassment by his superiors.

For example, I understand that a letter recently was sent under the signature of Commerce Secretary Juanita Kreps to Representative ICHORD and to Senator HENRY JACKSON, saying that Mr. Brady's testimony on the diversion of trucks from the Soviet Kama River factory for military purposes was not true.

Mr. Brady attempted to draft a memorandum to respond to that letter, a letter which I am now informed was not approved either by the Office of Management and Budget or the National Security Agency.

I was informed yesterday that as Mr. Brady's secretary was typing the memorandum to respond to Kreps' letter to the Members of Congress, Mr. Brady's immediate boss attempted to tear the memorandum from the typewriter of Mr. Brady's secretary.

In addition, when my staff called Mr. Brady on the telephone to discuss this matter with him, Mr. Brady had to request permission to accept the phone call from my staff and to be left alone in the room to do so.

Mr. President, such inexcusable action by the superiors of Mr. Brady is nothing less than harassment. It is this kind of harassment which even President Carter publicly condemned on the occasion of pushing his Civil Service reform legislation which passed Congress last session.

Mr. President, for a person in the position of Mr. Brady to perform responsibly, it is necessary for him to alert Congress to gaps in our export control laws. That is what Mr. Brady did. Certainly, he should not be penalized for his diligence.

Mr. Brady's opinion on the state of U.S. export control laws was sought by a congressional committee charged with the responsibility of insuring their effectiveness.

For Mr. Brady to receive this kind of treatment of immediate demotion and now threat of dismissal at the hands of his bosses is inexcusable and Congress has an obligation to protect such individuals.

As a consequence, I have written a strong letter of protest to Secretary Kreps. In that letter, I called upon her to consider dismissing Mr. Marcuss for his deceptive testimony before a congressional committee and to immediately reinstate Mr. Brady.

If that was not forthcoming, I also said that I would vigorously seek a congressional investigation into the treatment of Mr. Brady. I view such harassment as so serious, Mr. President, that such an occasion warrants a strong response.

Mr. President, I ask that my letter to Secretary Kreps be printed in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., July 19, 1979.

Hon. JUANITA M. KREPS,
Secretary of Commerce,
Washington, D.C.

DEAR SECRETARY KREPS: I strongly protest the treatment accorded a New Hampshire constituent, Lawrence Brady, who was recently demoted as Acting Director of the Export Administration.

In addition to the demotion, apparently because of his recent testimony before a Congressional Committee, Mr. Brady reportedly is being eased out of his job altogether.

For a person in his position to perform responsibly, it is necessary for him to alert Congress to gaps in our export laws. That is what he has done. Certainly, he should not be penalized for his diligence.

Mr. Brady's opinion on the state of U.S. export control laws was sought by a Congressional Committee charged with the responsibility of insuring their effectiveness.

His testimony followed that of Mr. Stanley Marcuss, Mr. Brady's boss, which portrayed U.S. export laws in glowing terms.

Mr. Brady's testimony, however, told a different story—a story which pointed directly to a clear and present danger that such laws were posing to U.S. national security, particularly with respect to the sale of highly sophisticated U.S technology to East Europe.

Mr. Brady bolstered his testimony with the revelation that the Soviet Union was using the Kama River truck factory—a factory built with some $500 million in U.S. designs, tools and computers—to make military vehicles and parts.

While this is only the most recent example of how our export control laws are like sieves, there are other confirmed instances of U.S. sophisticated technology either unwittingly arriving in Soviet hands or being diverted for military purposes.

In the attempt by Mr. Marcuss to present Congress with a glowing report on the state of U.S. export control laws, it is now apparent that Congress was, in fact, deceived by his testimony.

By the action of Mr. Brady's superior to purposely deceive Congress, a very serious breach of trust has resulted between Congress and your Department.

As a result of Mr. Brady's testimony, and the fact that he came forward to inform Congress of the serious nature of U.S. export control laws, I intend to offer a series of amendments designed to strengthen them once and for all.

Because Mr. Brady, one American concerned for the security of his country, had the courage to step forward and alert Congress to these serious problems, I am now calling on you to dismiss Mr. Stanley Marcuss, whose testimony before Congress was a laundry list of deception.

In addition, I ask for Mr. Brady's immediate reinstatement, and I further request to be kept informed of your actions in regard to this serious matter.

I want to hear from you at the earliest possible date on this matter of importance to me and my constituent. If I do not, I shall be compelled to ask Senator William Proxmire, Chairman of the Banking, Housing and Urban Affairs Committee, which has jurisdiction over U.S. export control laws, to im-

mediately investigate the treatment of Mr. Brady by your Department.

Sincerely,

GORDON J. HUMPHREY,
U.S. Senator.

THE ELECTORAL COLLEGE

● Mr. MOYNIHAN. Mr. President, I rise to speak briefly and for the first time in what I believe will be an extended debate on the matter before us, Senate Joint Resolution 28. I wish to address this subject in the context, as I see it, of the historical experience of the American Constitution and the American political system.

There is no fact more singular about our Constitution than its durability. As a written constitution, it is the oldest in the world save for the medieval Constitution of Iceland, which still persists in that small nation. No other large industrial, and certainly no continental, nation has anything like our experience of a sustained and stable government under a written constitution basically unchanged from its original construction.

We, perhaps, do not understand how singular this history is. If I may make a personal comment, I recall that one afternoon in the General Assembly Hall of the United Nations, in the course of a long debate on a not altogether absorbing subject, I found myself looking at the two large scoreboards, as one might say, located in the front of the Assembly Hall, on which the member nations are listed and where their votes are recorded.

I found myself asking how many of the 143—now 151—nation members of the U.N. both had existed in 1914 and had not had their governments changed by force since 1914. It was not a great exercise to determine that in that great universe of nations exactly seven met both criteria: that they both existed in 1914 and had not had their form of government changed since.

There are some who might ascribe our good fortune to the insularity of the Nation in its early years, and the size and strength of the Nation in its later years. But I would say that in no small measure it has also been the result of the genius of the American Constitution and the way it has served this political community for almost two centuries.

I would not disguise, at the outset, my sense of the measure before the Senate today, proposing the abolition of the electoral college. In the guise of perfecting an alleged weakness in the Constitution, it in fact proposes the most radical transformation in our political system that has ever been considered, a transformation so radical and so ominous, in my view, as to require of this body the most solemn, prolonged and prayerful consideration. In particular, it requires a consideration that will reach back to our beginning, to learn how we built and how it came about that we built better than we knew.

Mr. President, at the base of Capitol Hill, just a few feet outside this Chamber to the west, looking west past Shrady's great equestrian statue of Grant, past the Washington Monument, and on to French's seated Lincoln, is a bronze statue of John Marshall, also seated. It cannot be altogether by chance that these four men, defining the unity and the tension of the active and the contemplative in American public life, should be the only persons so honored on the central axis of the mall. Nor is it chance at all that a marble tableau on the northeast face of the plinth of the Marshall statue depicts, in the allusive but plain language of the time, the scene "Minerva Dictating the Constitution to Young America."

This statue, erected in 1884, suggests that a century into our constitutional experience we had a live and vibrant sense that our Constitution was constructed by persons who had studied history and had come to what they viewed as a new and better understanding of what they thought might be judged the most elevated principles of government.

I begin at the beginning with the Declaration of Independence and the "self-evident truths," as they were termed, by which the new Nation sought to justify its revolution and its new form of government.

As the late Martin Diamond has reminded us, the political credo of the Founding Fathers, encapsulated in the words of Jefferson, was based upon the scientific and philosophic advances of the 17th and 18th centuries. The respect for human rights, which constituted liberty as they understood it, was not in their view an idiosyncratic value of a remote group of Anglo-Saxons with no claim on any other political culture. It was not a tribal aspect of our inheritance. Rather, it was seen as the primary political good, of whose goodness any intelligent man would convince himself if he knew enough science. In Diamond's words:

> They regarded liberty as a modern idea, as the extraordinary achievement of 17th and 18th century political thought. With that achievement in mind, George Washington, for example, said that Americans lived in "an epoch when the rights of mankind are better understood and more clearly defined, than at any former period."

This understanding and clarity were all part of the new "science of politics" to which Hamilton referred in the Ninth Federalist Paper. I would cite that passage of Hamilton and his sense of how relevant it was.

He noted that previous republics had had such stormy histories that republicanism had admittedly fallen somewhat into disrepute. This tendency, however, could be overcome, thanks to progress in political science. He went on to say:

> The science of politics, . . . like most other sciences, has received great improvement. The efficacy of various principles is now well understood, which were either not known at all or imperfectly known to the ancients.

Hamilton went on to cite as examples of "new discoveries" the various constitutional institutions with which we are now familiar: separation of powers, the system of checks and balances, representation of the people in the legislature, the independent judiciary, and so on.

I would stress once again the idea the Founding Fathers had learned from history. They had studied its principles and judged that liberty was not just a quality characteristic of the ancient peoples from which the American peoples sprang, but was a principle of government of which any person who would learn enough natural science would persuade himself.

They recognized that republics in the past had been turbulent. They had all studied with great attention the history of Greece and of Rome. There had been democracies in both places—or republics if they were not democracies—which at certain times witnessed the appeal of one man or of one issue which came along and swept away the judgment of the people. And in the aftermath, what did they find but a ruined and defunct republic and a tyranny in its place?

So the Americans developed these new discoveries—as they saw them—separation of powers, the independent judiciary, the representation directly and indirectly of people and States in the Congress, a principle that involved not just one majority, but in the most important sense, many majorities.

Dr. Judith Best, the distinguished professor of political science at the State University of New York in Cortland, N.Y., and one of the foremost authorities on the electoral college, has spoken at length and with special clarity on the principle of concurrent majorities. In her testimony earlier this year before the Subcommittee on the Constitution, she put it quite luculently when she said:

> • • • the principle of concurrent majority, is, has been, and was intended to be the American idea of democracy because the size of the popular vote is not sufficient to maintain liberty.

All through our system we find majorities at work, but they have to be at work simultaneously. John C. Calhoun referred to them as concurrent majorities, and while he often spoke only of the States and the Federal Government, he perceived a self-evident property of our constitutional arrangements to be found everywhere. A concurrent majority is required between the House of Representatives, based upon the direct election of the people, and a majority in the U.S. Senate, Members of which at that time were indirectly elected through the State legislatures and which to this day represents the States and the people of the several States, regardless of their actual numbers. It is a majority of the States which counts in this body, not the majority of the population, per se.

Concurrent majorities are also required between sufficient majorities in both Houses of this Congress and the Presidency to enact a law, while the President himself comes to office by having achieved a majority of the electoral votes cast. The power subsequently evolved, but clearly anticipated by the framers—and I think this is settled—that the Supreme Court may review the acts of the Congress and the President in their concurrent majorities, and the majority of the court could judge upon constitutionality.

This pervasive and understood principle of the Constitution was thought to be—and who would argue that history has not supported that expectation—learned from history. And of all these

majorities, none was more subtle or more central to their thinking than the majorities required to elect a President.

Again there would be several majorities, not in any rigid, absolute sense but in the sense that a clear preponderance of choice would emerge. The President would be elected by a majority of the popular vote and by a majority of the States. That has been our principle ever since. It is the principle enshrined in the electoral college, and it has been the basic institution which has given structure to American politics, and the politics of our Presidency.

At an early time in our history the electoral college changed its nature from a deliberative body which followed its own will, to a body which simply reflected the majority of the electors as they voted in their several States.

While we are a people very much given to the principle of written constitutional arrangements, I believe we have shown a capacity in our Government to adopt through practice matters which attain to the condition of principle. As an example, early in the Republic it became understood that a President would only serve two terms. George Washington established that. It was a century and a half before it was written into the Constitution. Yet it had the effect of a constitutional principle for all but the administration of one President in a wartime situation, and that was very special indeed. Even so, that experience led to its being written down as an amendment to the Constitution itself. When, in fact, an informal constitutional principle was violated it soon became a formal one.

That tradition served us well for a very long period. It served us with respect to the single great problem which republics have always dealt with, which is how to persuade persons in power to leave power. It is a problem which, for example, the republics founded in Latin America in the early 19th century never successfully coped with, or rarely did. This led, in the Mexican Republic, for example, to an eventual recognition that no one ever left power of his own accord, resulting in a constitutional provision for only one term and one term only.

Our election of 1800 marked the most remarkable and most enduring of all political events in our history the party out of power won an election and the party in power voluntarily left office. It was John Adams who was defeated when the votes finally came in from the South, and he went back to Quincy, Mass., thinking himself a failure, having turned over the Treasury, the Great Seal, and the Army of the United States to Thomas Jefferson. Far from being a failure, he began democracy in the modern world.

He proved that it could work. It does not work everywhere. We are reduced, to this day, to some 35 democratic societies in the world, about the same number there were in 1914. But the oldest constitutional democracy is ours, and it lives under the Constitution established with great sensitivity for the need to see that power is never installed, save when it is consented to by more than one majority. That was the principle of the electoral college.

There is another aspect of our Constitution, one, I think, perhaps not always recognized that assume conflict in political systems. This is not ordinary; this is unusual.

There is no prior constitution anywhere, even in the ancient constitutions of the Greeks, which recognized that conflict is normal to a political system and needs to be organized and channeled. A much more common assumption was that of monarchy, in which the king is assumed to represent the interests of all, and what the king does, is by definition, harmonious with the interests of all; or, consider the curious doctrine of the Soviets, which they acquire from Marx, that such are the basic harmonies of communist society that, after a period of socialism, that state will wither away, the state being coercive by nature and there being no need to coerce in a society where natural harmonies had been allowed to evolve.

James Madison knew better. He knew conflict is normal and perpetual. He also believed it could be controlled. And, of course, again, an extraconstitutional institution emerged, one which, interestingly, the founders had feared, but to which they very clearly lent their formidable energies and enterprise. The political party emerged. And from the beginning of the Republic, or to be more precise, from 1796, our third Presidential election, political parties developed for the purpose of organizing conflict and limiting conflict.

Only once have we seen them disappear in that brief period, in the 1820's. In the election of 1820, with the first appearance of the so-called faithless elector, Mr. Plumer of New Hampshire decided that only George Washington should be entitled to the honor of having been unanimously elected by the electoral college, and so cast his vote for John Quincy Adams. Even there, we see the electoral college being used as an institution to define majorities, and the parties that emerged had as their single most characteristic quality—again different from anything else in the experience of republics—that they were not ideological, that they were not sectional nor confessional, and rarely, in the two great parties, extremist.

It has been a source of frustration in the youth of as many generations as this Republic can measure that our parties have not been extremist. And if we look to the question, why have they not been this way, the answer is that the electoral college makes it impossible for them to be extremist if they are to continue effectively to be parties. Indeed, when some have begun to do so, they have ceased to exist.

The electoral college requires the assembly of consent—again, concurrent majorities—in one part of the country and another part of the country, and yet another part, all defined in terms of several States. It has as its extraordinary ability the formation of consensus as between widely differing regions, political purposes and styles, and political agendas. It has as its purpose and function the narrowing of differeces, a narrowing which is repeatedly to be encountered in the narrow range of votes as between the parties in Presidential elections. There are few landslides as we call them.

And these landslides are really nothing of the sort. They rarely attain to 60 percent of the vote. When, in fact, one party momentarily belongs to an extreme faction it almost instantly is hugely rebuffed. It has been the experience of two centuries that just as instantly, they resort to a traditional practice of obtaining consensus, retaining a structure or concurrent majorities around the Nation that makes it possible to win a majority of the votes and electoral college, and thereafter, to govern with the legitimacy that has come of attaining to such diverse majorities.

Mr. President, I recapitulate, to state my judgment—and it can only be mine—that the proposal before us, in the guise of perfecting an alleged weakness in the Constitution, proposes the most radical transformation in our constitutional system that has ever been considered.

I remarked that the Founders devised our system with the idea of a network of concurrent majorities which would be required to exercise power. The fundamental thrust of this measure, however unintended—nonetheless it seems to be ineluctably clear—would be to abolish that principle of concurrent majority.

If there is once introduced into the Constitution the proposition that a President may routinely be elected by 40 percent of the vote, you have the most ironic of all outcomes, that in the name of majoritarianism we have abolished even that single majority which the Founders so feared.

Mr. President, politics is an argument about the future, and no one knows that future. However, as Hamilton and his colleagues argued, the study of history can give you some sense of probabilities. If we would study the modern history of Europe as they studied the ancient history of Greece, what would we repeatedly encounter but a democratic republican society succumbing to a plebiscitary majority, to one man, and to the end of the republic?

It happened in France; it happened in Italy; it happened in Germany. Almost the only places it has not happened in Europe on one occasion or another—I dare to suggest that it is an interesting point—are the constitutional monarchies.

Indeed, there was a moment, recently, when the only democracies left in Europe were constitutional monarchies. Having a hereditary chief of state, they never had to elect one with real power, and they could govern from their legislatures, where members were elected in individual constituencies as is the case in Britain today. They never succumbed to the ever-present threat of an overwhelming issue, an overpowering person, and the end of liberty. That is precisely what we invite if we adopt this radical measure.

Consider the situation: We shall have introduced the runoff, the very symbol of splintered European political systems, where no majority ever can be ac-

cumulated by the political process of one party presenting itself to the country and asking for a majority.

Why? Because it maintains its internal cohesion by the narrowness of its agenda, which is always and repeatedly reflected in the narrowness of its votes.

There are two ways to maintain a political party. Roughly speaking, there are two models.

On the one hand, one can assemble a narrow agenda of issues and find a constituency that cares strongly about those issues and will vote for one's party regardless, as long as it maintains that narrow agenda, that purity of doctrine, for that constituency will begin to dissolve when that purity begins to be diluted. That is the fate of democracies where it is not necessary to win a majority of the vote the first time out, and where it becomes possible to take the chance on winning a majority in the runoff.

The nature of the American political party which, as I said, has been the despair of every generation of college youth since John Quincy Adams, is that it seeks a majority to begin with. It is broad. It tends to dull conflict that is inspiring to youth and to seek much that is consoling to age, to wit, a not always pristine consensus.

What will we see if this resolution should come into law? To repeat, Mr. President, we do not know what we will see, but we know what others have encountered. We will see a situation in which at the very least we will have four parties because both of the major parties incorporates within themselves two parties.

One of the great influences of the electoral college is that after the party convention takes place the party that loses stays in the party, so to speak. Otherwise, there would be no prospect, even for the minimal rewards that go to the losing faction. But under this amendment, why not go off and run on your own?

Conceivably, at least four people will run. It will become normal. It would not be abnormal for 14. And you get a kind of randomness in outcome that is characteristic of a purposeless system. Anyone feeling strongly, as people will, and legitimately, about issues, will say:

> What if I run and get 19 percent of the vote, and the next highest person gets 24 or 39, and together we go into the runoff, and who knows but that I will emerge?

It will be a normal and legitimate calculation, and it will be a calculation that will have as its most distinguishing characteristic that no one would any longer think of those units of Government, the States, which more and more, as we progress into the 20th century, become indispensible to the management of a governmental system which is increasingly loaded with tasks.

Theodore H. White, in a graphic description of events on election night as he would foresee them, suggests all the drama we know so well—as the early returns from Massachusetts, South Carolina, and Florida come in and then the great progression across the continent to California, Alaska, and Hawaii begins—would dissipate. To the contrary, as the undifferentiated votes mounted up, the pressures would be on the mountain States and then the coastal States and the island State, to get out votes to change outcomes. There would be genuine pressures to fraud and abuse. It would be an election no one understood until the next day or the day after, with recounts that go on forever, and in any event, with no conclusion, and a runoff to come. The drama, the dignity, the decisiveness and finality of the American political system would be drained away in an endless sequence of contests, disputed outcomes, and more contests to resolve outcomes already disputed.

That is how legitimacy is lost. That is how a nation trivializes those solemn events that make for the single most important ingredient of a civil society, which is trust.

There was once, Mr. President, an acquaintance of mine who served as a diplomatic officer in Southeast Asia during the period of American aid who had a poignant conversation with a friend he had made in that country. The friend was a native to that country. As he was leaving, the friend said to him:

> You know, you come here and you give us this technical assistance and that material assistance but we know that you never give us the one secret you have and we do not and makes all the difference, which is that you trust one another.

And that is what we have to show for two centuries of a Constitution that has made trust possible, partly because it has made conflict visible and manageable.

Mr. President, the present craze for amending the Constitution to cure every imperfection from the common cold to the cold war is not new. But I can suggest that it should be looked at with great care.

There is an experience in my own State. I think how frequently each of us in this Chamber thinks of his own State because that is what he represents and he is unique in that representation. No other State is alike and no two Senators from one State come from quite the same constituency.

In 1858, on March 3, the New York Times reported from Albany that 86 State senators had presented a petition so brief and so explicit to the times that they gave it lines in the Times, and I read the petition. It said:

> The undersigned citizens of the State respectfully represent that owing to the great falling off of the Canal revenue as well as the increasing drafts upon the State Treasury and the large expenses of carrying on the several departments of the State Government thereby swelling up the taxes, therefore, with the view of relieving the people from the large amount now unnecessarily expended to sustain the executive and legislative departments and to secure the honest and better administration thereof, your petitioners respectfully ask that your honorable body pass an act calling a convention so to alter the Constitution as to abolish both the executive and legislative departments as they now exist and to vest the powers and duties thereof in the President, Vice President, and directors of the New York Central Railroad Company.

The Times reported that this was intended as a joke. But in no time at all it passed the senate. It thereupon passed the assembly and the following autumn failed of adoption on the ballot by 6,360 votes.

I mean no immediate parallel, Mr. President, but we have before us an amendment designed to abolish the Democratic and Republican Parties and vest their present powers in the President, Vice President, and the directors of the National Broadcasting Corporation.

The reign of television would be Orwellian and the Republic would decline. Have we not had enough of this? Do we not realize that we are on the edge of being required by the States to call a constitutional convention, for the purpose of putting algebra into the Constitution? But once the constitutional convention convenes they need no more stop than when they gathered in Philadelphia for the same purpose in 1787.

Mr. President, there is a solemn obligation of persons who have been blessed, as we have been blessed by a stable political system to look to that stability as the most precious inheritance anyone can have. Look about the world and think of the experience of mankind in this generation. Ask what society has lived from 1813 without foreign invasion. Ask what society has never known a break in its congressional or Presidential or judicial successions. Ask what society so accepts the principles of the Constitution as to enable the Supreme Court, appointed for life, to strike down laws of this very legislature, and to do so with heightened respect when it fulfills its constitutional mandate.

Ask what the legitimacy of justice is once we tinker with the balancing phenomenon of the electoral college.

We have a republic. It has endured. We trifle with its arrangement at a risk not only to the future of that republic, but, most assuredly, to the reputation of this generation of political men and women.

It is one thing to be, as often we must feel we are, outthought and outperformed by our predecessors, but are we so to undervalue our own worth as to fall into an almost destructive and adversarial relation to their work?

I would hope not, Mr. President. I respect altogether the purposes that prompt this amendment. I suggest they may easily be remedied by an arrangement which abolishes the individual office of the elector. Indeed 19 States already require that electors vote as their majority dictates. But the remedies are simple, and surely the experience of a people long accustomed to successful government, in a given arrangement, ought not to tamper with that arrangement owing to hypothetical problems, emergencies that do not arise, and which have never in our time arisen.

Mr. President, there was a time in the 19th century when on patriotic occasions, and almost any occasion that gave the opportunity, Americans would rise and offer the toast: "To the President and the Constitution of the United States," so intimately did they associate those institutions.

I hope the day does not come when tearing the Constitution asunder we effectively diminish the role of the President of the United States that as men or women are elected with so narrow a base that in order to continue in office—given the intensity of factions there that brought the person there in the first place, and the narrowness of base that threatens that incumbency—they commence to consider the most unpresidential and antirepublican temptations.

We have prospered and endured. Let us hope that we shall continue to do so. There is work aplenty before this Congress. Let us get on with that work and leave the Constitution be. If the time comes when the true experience of an emergency arises because of the extraconstitutional practices that obtain as to the condition of principle, as was the case when the two-term practice was broken and Congress and the State legislatures therein did react, then the time to consider a measure such as this will be upon us. But let us wait until its necessity is plain.●

JOSEPH SOBRAN'S SYNDICATED COLUMN

● Mr. GARN. Mr. President, it gives me a great deal of pleasure to bring to the attention of our colleagues the latest success of a remarkable young writer and critic, M. J. Sobran. Joe Sobran has begun writing a syndicated column that is distributed by the Los Angeles Times Syndicate. The column appears in the Washington Post.

Mr. Sobran has distinguished himself as one of the bright new talents recruited by William F. Buckley, Jr. for National Review. Now, after several years with National Review, Joe Sobran is a senior editor. His work for National Review encompasses such diverse topics as constitutional law and history, sociology, theology, and book and movie reviews. Almost always, he has something to say which places him among the Nation's best analysts and writers. I am happy to see that through his syndication he will be read by a larger and more politically varied audience. His new readers will be well rewarded, and soon come to regard his work as highly as I do.

The Sobran brain and pen have also been turned toward longer essays in the excellent quarterly, the Human Life Review. Human Life Review is the foremost American publication dealing with the important issues of life and death, birth and abortion, euthanasia, and other aspects of human dignity that are central to our traditional ideals. The Human Life Review and its creator and editor, J. P. McFadden, are performing one of the most important services in American publishing, and, when the Nation regards its senses about the value of human life, it will have a debt of gratitude to pay to Jim McFadden and his journal. And McFadden—himself just falling short of being able to do the whole job alone—has recruited people like Joe Sobran—who has contributed to nearly every issue of Human Life Review.

The Op Ed pages in this country will be better written now that Joe Sobran is writing a syndicated column. I request that the following example of his work be printed in the RECORD to prove my point.

The article follows:

WHOSE CHILD IS THIS, ANYWAY?

(By Joseph Sobran)

Why is it that every time somebody asserts a new right, all of us wind up less free than we were before?

The Supreme Court has now ruled unconstitutional a Massachusetts law requiring minors to get parental approval before obtaining an abortion. Though divided, the majority seems to think a girl should be able to get the necessary permission from a judge who deems her "mature." And if the judge deems her immature, he himself should be the one to decide whether the abortion is in her best interest.

Leave aside the ethics of abortion. Leave aside the question how these minutia are quarried from the Constitution. Let us simply consider what the court's ruling implies about the rights of parents, the relations of parents and children, and the scope of state power.

In the first place, the court holds that the girl who wants an abortion owes no obedience to her own father and mother. In the second place, it holds that she does owe obedience to the court, which has the discretionary power of deciding whether she may or may not make the abortion decision for herself.

To put it another way: The court assumes the right to act in loco parentis—while denying parents themselves that right.

The girl herself has no new freedom. She has, it is true, a right to defy her parents, but not to defy the court. She has merely exchanged submission to her father and mother for submission to some judge who barely knows her.

Justice Byron White, the lone dissenter, asked how on earth the Constitution can be construed to deprive parents of the right to decide whether their minor child shall have surgery. It is a question that should give pause even to those who regard abortion as a valid freedom.

So-called children's rights mean, in practice, increased state power over parents. In Sweden, it is now illegal to spank your own children. Whether this makes children freer in any real sense is very doubtful. What is certain is that the state has a new jurisdiction over the home and the family. In effect, Swedish parents are being whittled down into minor-grade civil servants. That is the shape of things to come in the totally bureaucratized society our social reformers aspire to.

Every right requires some agency to enforce it. The perennial political problem is how to establish a power to protect our real rights, while ensuring that such power won't itself be used to violate our rights.

A peculiarly modern problem is this: that many of the so-called "rights" we enjoy—or are about to have inflicted on us—are not protections against power, but claims against the freedom of our fellow citizens for the discretionary use of their own property.

They do more. They create a power in the state to set explicit standards for what was formerly private behavior. Every citizen becomes answerable to some public authority, usually a federal bureaucrat, for an ever-broader range of personal decisions.

The last stronghold of private freedom is the family. A few weeks ago, the court recognized this when it held that parents have the right to commit their children to mental hospitals. In so ruling, it acknowledged that this is a decision better made by parents than by public officials. It would be unfair, therefore, to characterize the court simply as an enemy of the family as an institution.

Nevertheless, the court is afflicted by the general confusion about the public and private spheres. In limiting the range of private discretion—even in the name of "rights"—it limits our freedom. This is nowhere more obvious than in its increasing tendency to treat the family as nothing but the lowest administrative level of the state.

By conferring on children so-called "rights," the state actually alters the structure of the family. Some think this a fine thing: Reform should know no bounds. But we have come a long way from the days when it was assumed that there were some things no man could put asunder. And what has been the result of all our tampering with the traditional family? Soaring rates of divorce and abortion; a tripling of the number of children who grow up with a single parent. If there is any evidence of a corresponding increase in human happiness, I have yet to hear of it.●

SPORT FISHING

○ Mr. DURKIN. Mr. President, if any recreation speaks a universal language, then that recreation must be sport fishing. It is done by millions of Americans, young and old, rich and poor, famous and not so famous. There is a real bond between fishermen, no matter where they are: the Floridian who seeks the feisty bonefish off the Florida Keys feels the same excitement and anticipation as the New Hampshirite in search of brook trout on a gently flowing stream.

I can think of no better pastime than fishing in my home State of New Hampshire. There is a real pleasure in loading a boat with live bait and heading off New Hampshire's seacoast to pursue bluefish. Inland, in New Hampshire's rivers, streams, and lakes, the bass, trout, and salmon lurk beneath the surface, ready to bite at the lure or fly the fisherman throws at them. As an ardent fisherman, I know firsthand the tremendous value this sport has for an individual. It is relaxing, healthy and a wonderful form of recreation for the family. More important, it develops a concern and appreciation for the scenic beauty and natural resources found throughout this great Nation. When I am fishing for trout on a remote stream in northern New Hampshire, I realize how lucky I am to experience this peaceful and beautiful landscape.

Mr. President, Nelson Bryant, the outdoor writer for the New York Times and a former resident of New Hampshire, has written two excellent articles on fishing for bass and trout in New Hampshire.

I ask that these articles be printed in the RECORD.

The articles are as follows:

OUTDOORS: SOME BIG SMALLMOUTH FISHING

(By Nelson Bryant)

CORNISH, N.H.—A passion for trout and landlocked salmon on the part of most New Hampshire freshwater anglers has resulted in a sublime neglect of the smallmouth bass, one of the country's most exciting game fishes.

Scattered throughout the state are dozens of warm-water lakes and ponds with excellent populations of smallmouths, and some rivers, including the Connecticut and the Merrimack, are similarly blessed. But these bass are so seldom sought in the state that there is no closed season for them and

no length or weight limit. The daily creel limit, with certain exceptions, is five.

More than a quarter of a century ago, when I served as managing editor of The Claremont (N.H.) Daily Eagle, I discovered the Connecticut's bass and pursued them diligently from a two-man kayak with my young son, Steve. After some prospecting, we found that the most productive spots in our area were over the rocky shoals at the heads of three islands, one upstream (Jarvis) and two downstream (Woolcott and Hubbard) of the old ferry landing—still a public access with considerable space for parking and launching—in West Claremont.

At that time, I too was most interested in trout, and many of our bass were taken with fly-rod popping bugs, the bass man's equivalent of the dry flies.

Others were caught on bait, usually live crickets, also fished with a fly rod. On a few occasions, we used worms. And once in a while we set a little wire pop for crayfish, and they, if I recall correctly, usually resulted in the largest fish.

Since then, I have never lost my interest in smallmouth angling, but except in special circumstances—as when I can fish a fly-rod popping bug over bass spawning beds—I've gone to conventional (revolving spool reel) gear and the myriad plug, spoons, jigs and artificial worms designed for such outfits.

A year ago a Claremont hunting and fishing companion, Victor Pomiecko, told me that he and another angler had experienced incredibly good smallmouth fishing on the Connecticut River north of Claremont in Cornish. In 1978, they visited the spot half a dozen times in mid and late summer and often hooked and released 20 or 30 bass in an afternoon's angling. (Vic has learned to enjoy fishing for bass but has not taken the next step, which is eating them. He should, The bass has firm, white, sweet meat and few onerous small bones.)

So titillated, I waited impatiently for the time when we could fish the area together. And a few days ago, we launched his car-top boat from the public landing in Cornish, about a quarter of a mile upstream from the covered bridge that spans the river and links Cornish to Windsor, Vt.

In three hours, we fished both shores for about a mile upstream of the landing and caught eight bass, the largest about a pound and a half.

Vic was disappointed.

"That's the slowest fishing I've had here," he said.

He thought that our success had been limited by high water. The river was running strong enough (though it was not muddy), so strong that our three-horsepower outboard could barely shove us upstream.

"When the water is low," Vic said, "I never seem to have any trouble finding fish. It's really high today—I guess three and one half feet above the usual level."

(The Connecticut in this area is affected by the hydroelectric dam about 10 miles upstream, a few miles south of Hanover. This New England Power Company plant is usually generating from 9 until noon, from 1 P.M. until 3:30 or 4 P.M. and for a few hours in the evening. There are also three major streams entering the Connecticut below the main stem dam: the Mascoma, from the New Hampshire side, and the White and Ottauquechee, from Vermont. Under stable conditions—that is, no heavy rainfall in the areas drained by these rivers—one may expect the Connecticut in the Cornish area to be at its lowest in early morning.)

I was eminently pleased with our angling, but Vic suggested that we try again. The next morning we were on the river at 8 and were delighted to see that it had dropped nearly four feet.

The day was brilliantly clear and crisp. A plover stilted along the shore where we launched our boat, and, a few hundred yards upstream, cliff swallows were busily rallying forth for insects from myriad holes in a bluff. An osprey screamed overhead, and a muskrat plowed a furrow in a quiet eddy.

Vic, who was running the boat, chose to troll a small swimming plug, while I cast a popping plug to the shore as we moved slowly upstream.

On my fifth or sixth cast, a bass of about two pounds hit two feet from shore. A moment later my companion was also fast to a fish.

In about an hour and a half, always using the popper, I had my limit of five fish, and Vic had done equally well.

All my bass had struck the lure within four feet of shore, and I surmised that they were over their spawning beds. When guarding thier nests, bass will savagely attack anything that moves close by.

Upon cleaning my fish, I discovered that several were roe-laden females. And in most of these the eggs were full and firm, indicating that spawning was at least a week away.

IF YOU'RE GOING

Smallmouth bass were introduced into New Hampshire about a century ago. The less common largemouths arrived much later and were quite rare until two decades ago.

Smallmouths are in perhaps 150 New Hampshire lakes and ponds. Three-thousand-acre Lake Wentworth in Wolfeboro is probably the best smallmouth lake in the state, but there is first-class bassing in dozens of other places as well.

Knights Pond in Alton, Northwood Lake in Northwood, Pawtuckaway Lake in Nottingham and Onway Lake in Raymond hold good populations of largemouths.

Upon request, the New Hampshire Fish and Game Department—34 Bridge Street, Concord, N.H. 03301—will mail a pamphlet listing, county by county, warmwater lakes and streams (for bass, perch, pickerel, etc.) as well as trout and salmon waters.

In general, top-water lures are best for New Hampshire bass fishing in May, June and the first week of July. After that, subsurface plugs, the plastic worms often favored by Southern largemouth anglers and bait are usually more productive.

Bass will take minnows, worms, grasshoppers and crickets readily. Crayfish are also excellent, though of course you must have a means of procuring them.

On some of the larger lakes, only single-hook lures or flies may be used from May 1 through June 30, and on these lakes in this period the daily bag limit is two. This regulation is designed to afford some protection to the fish during their spawning period.

REMOTE TROUT POND FRUSTRATES 2 ANGLERS

(By Nelson Bryant)

ALSTEAD, N.H.—There are times—more than I care to acknowledge—when anglers with decades of experience fail miserably.

Such was the case a few days ago when a fly-fishing companion and I, who together have nearly 80 years of tossing flies at trout, visited Caldwell Pond here.

Caldwell is one of New Hampshire's so-called remote trout ponds: those places far from the beaten track, accessible only by four-wheel drive vehicle and, sometimes, only on foot.

On the eastern slope of an unnamed mountain about three miles south of Lake Warren in East Alstead, Caldwell covers 28 acres and is one of the state's best brook trout ponds. Fish of two pounds are not uncommon.

SOME LOCAL ADVICE HELPS

I had never been to Caldwell, so some time was wasted trying to locate the woods access road to it. My topographic map—such maps are essential when visiting remote ponds—showed two possible approaches, but a conversation with a young man working with a highway crew revealed that one might be better than the other. We found the access road off the dirt-surface town road that links Roundys Corner with East Alstead.

A mile up the woods road to the pond—it is perhaps 2½ miles long—I realized that the vehicle I was driving, a four-wheel drive truck with a fold-top camper, was too high and too wide for the terrain, but there was no room to turn around even if I had so desired.

There was one truly difficult moment in negotiating a crumbling log bridge that crosses the stream that drains the lake, but we eventually reached the spot and launched our boat.

No trout were rising, but that did not trouble us for the sun was high and one does not usually see surface activity at midday in June on such waters.

I rigged up one flyrod with a fast-sinking line and another with a floater in anticipation of evening topwater activity. My companion chose to go all the way with the first-named.

Except in May or during the fall, one cannot expect much action with dry flies on New Hampshire's trout ponds. The exceptions to this would be early in the morning or at dusk or thereafter. A sinking line is a necessity most of the time. Because lakes and ponds warm in the summer, one must let a fly down to the cold depths the trout prefer, and the quicker it gets there, the more water one can prospect.

After rowing to the western shore, where a little shade was provided by the mountain, we cast for 45 minutes with no success.

I decided to row and troll my fly while my friend cast to the shore. Over the years we often have located trout in this manner, and have taken our limits by anchoring and casting to the spot.

WHEN PATIENCE DIDN'T PAY

An hour later a fish hit my Muddler Minnow. Brought aboard, it proved to be a fat, 10-inch brookie, its stomach crammed with three still-alive dragon-fly nymphs and a host of other tiny nymphal aquatic insects I could not identify.

We worked that area for two more hours. My companion got one follow and I two strikes, but that was all.

At one point our spirits soared when we saw splashing on the water's edge 50 yards ahead. For all the world it looked like several surface-feeding trout, but it proved to be a flotilla of seven baby wood ducks, their tiny wings flailing the water as they raced along. Their mother was nowhere to be seen (although she undoubtedly was watching us from the woods), quite unlike the mother grouse who, as we drove up the mountain, had staged a broken wing ritual for us to call attention from her brood of chicks.

Toward sundown, a few hatching mayflies joined the dozens of dragon-flies that were sooming across the water, but we saw only two fish rise.

FLOTATION DEVICES ARE NECESSARY

The breeze died, the water became glass-smooth and we could look down through it 25 feet or more to sunken trees and boulders. The lake's deepest spot is 51 feet and its average depth 18 feet. It is a classic brook trout pond, and each year the state's Fish and Game Department stocks it with fingerling, yearling and two-year-old fish. There is little or no natural reproduction by these pond trout because the species needs water flowing over (or welling up through) gravel for spawning, conditions that do not exist to any appreciable degree in any of New Hampshire's remote ponds.

On nearly all such waters, fly fishermen must have a boat, canoe or some flotation

device to get out on the water. The forest usually grows to the pond's edge leaving no room for a backcast, and the pond bottom is usually too mucky for wading.

The sun slid behind the mountain, the chill of dusk descended, and, even then, no trout were feeding on top.

ARRIVAL OF THE BUG SEASON

Conceding defeat, we rowed to shore where hordes of mosquitoes went to work on us. As we were loading, two lads in a new Jeep drove up, chatted awhile, then drove off, saying they were going to explore an old woods road in the area.

Less than a quarter of a mile from the pond on the way out, we had some mechanical trouble. The truck could not be driven, so, as the mosquitoes harassed and the light failed, I searched through my tool kit until I found a clamp to repair the truck.

As we were driving off one of the aforementioned youths arrived, redfaced, panting and frantically slapping mosquitoes from his body. He was wearing shorts and a short-sleeved shirt, scarcely suitable woods garb in prime bug time.

"We hung up our Jeep on a rock about a mile back in the woods," he said. "We heard you start up and I ran like hell. I didn't want to have to walk down the mountain dressed like this. We'll get my dad to bring his skidder in tomorrow and pull us out."

Four of us crowded into the truck's cab and jounced our way back out, finding the downhill negotiation of the log bridge less onerous.

"That's the first time I ever hitched a ride in the woods, and I hope it's the last," one of the lads said as we let him out at his trailer park home.

A list of New Hampshire's remote trout ponds may be had by writing the Fish and Game Department at 34 Bridge Street, Concord, N.H. 03301.●

GASOLINE CONSUMPTION PATTERNS

● Mr. BUMPERS. Mr. President, I asked the Library of Congress to prepare information comparing the gasoline consumption patterns and the cost of gasoline in certain Western European countries and Japan with the United States.

These statistics are most revealing. As costs have increased in each country, consumption has continued to increase. We have been told that raising the price of gasoline will have a dampening effect on consumption patterns in this country. This has not been true where prices have risen even more dramatically than in the United States. I am convinced that rising prices will only make life more difficult for those who are least able to afford increased prices, and will result in very little increased production.

For many Americans, the energy crisis is just an annoyance, but energy costs are rising far faster than the ability of the poor to pay for them. There are approximately 25 million Americans living below the Federal poverty level—$3,140 a year for a single person living in a city. In many parts of the country, these people spend 20 to 30 percent of monthly income on heating and utility bills during the winter.

The attached statistics dramatically reveal the amount of gasoline consumed in the United States as compared to other nations. It is also interesting to note the amount of taxes included in the pump price of gasoline in foreign countries as compared to the United States.

Mr. President, I ask that the report prepared by the Congressional Research Service of the Library of Congress be printed at the conclusion of my remarks.

The report follows:

LIBRARY OF CONGRESS, CONGRESSIONAL RESEARCH SERVICE

A COMPARISON OF ANNUAL GASOLINE CONSUMPTION, REPRESENTATIVE SUMMER PRICES, AND GASOLINE TAXES IN SELECTED COUNTRIES, 1975–79 [1]

[Consumption in billion gallons, price and tax data in U.S. dollars per U.S. gallon equivalent]

	1975	1976	1977	1978	1979
United States:[2]					
(a) Motor gasoline consumed	102.45	107.68	110.48	114.03	NA
(b) Pump price of regular gasoline (New York)	0.64	0.64	0.66	0.68	[3] 0.90
(c) Taxes included in the pump price	0.13	0.13	0.13	0.13	0.13
(d) Oil industry cost/price factor [4]	0.51	0.51	0.53	0.55	0.77
France:[5]					
(a) Motor gasoline consumed	5.86	5.97	6.08	6.28	NA
(b) Pump price of regular gasoline (Paris)	1.56	1.40	1.70	2.15	[6] 2.22
(c) Taxes included in the pump price	0.88	0.77	1.03	1.22	1.53
(d) Oil industry cost/price factor [4]	0.68	0.63	0.67	0.93	0.69
Great Britain:[7]					
(a) Motor gasoline consumed	NA	6.03	6.20	6.56	NA
(b) Pump price of regular gasoline (London)	1.27	1.25	1.18	1.40	[6] 2.10
(c) Taxes included in the pump price	0.50	0.53	0.64	0.72	0.96
(d) Oil industry cost/price factor [4]	0.77	0.72	0.54	0.68	1.14
Italy:[5]					
(a) Motor gasoline consumed	NA	3.87	3.79	3.96	NA
(b) Pump price of regular gasoline (Rome)	1.67	1.70	2.06	2.15	[6] 2.25
(c) Taxes included in the pump price	1.26	1.22	1.48	1.59	1.60
(d) Oil industry cost/price factor [4]	0.41	0.48	0.58	0.56	0.65
West Germany:[7]					
(a) Motor gasoline consumed	NA	7.56	8.06	8.38	NA
(b) Pump price of regular gasoline (Bonn)	1.25	1.39	1.44	1.68	[6] 1.80
(c) Taxes included in the pump price	0.82	0.84	0.92	1.05	1.09
(d) Oil industry cost/price factor [4]	0.43	0.55	0.52	0.63	0.71
Japan:[7]					
(a) Motor gasoline consumed	NA	7.96	8.27	8.86	NA
(b) Pump price of regular gasoline (Tokyo)	1.36	1.36	1.62	2.07	[6] 2.24
(c) Taxes included in the pump price	0.48	0.59	0.64	0.98	0.92
(d) Oil industry cost/price factor [4]	0.88	0.77	0.98	1.09	1.32

[1] Original information has been obtained from various sources and reconciled for inconsistencies and different methods of computing taxes. Figures shown are best estimates for regular gasoline pump prices during summer in key cities (unless noted otherwise) computed from local currencies and either metric or British measurements.

[2] Government price controls in effect.

[3] Last week of June 1979.

[4] The oil industry price/cost factor as considered here is the difference between the price the consumer pays and the revenue the consuming government collects. It naturally includes the cost of crude oil whether domestic or imported. Its significance derives from the fact that this amount, although heavily influenced by the actual cost of delivered crude oil is also largely dependent on how much income retention the industry is allowed in the various economic systems and at various times within the same economic system.

[5] Government price ceilings in effect.

[6] May/June 1979.

[7] Free market for oil products has been traditional in West Germany and Japan; the new British Conservative Government inaugurated a free market in June 1979.

[8] This estimate is an average of varying prices in a recently freed market which reflects imported oil acquired at substantially different prices in addition to a new amount of the gasoline excise tax and a new higher VAT rate. If the Government keeps its total tax amount at present levels as the market works off the large fluctuations of the international spot market the pump price is expected to decline from the present highs.

Note: All figures have been rounded to full cents.

General note: Because of the fluctuating value of the U.S. dollar in foreign exchange markets some price changes shown in this table may be due more to changes in the relative value of the dollar with local currencies than actual changes in local prices.

Sources: OECD, Quarterly Oil Statistics; OPEC, Annual Statistical Bulletins; Energy Week; DOE, International Petroleum Annuals; direct communications with embassies; CRS estimates and computations.●

THE PRESIDENT'S SPEECH ON ENERGY

● Mr. GOLDWATER. Mr. President, when I was asked by my local press in Arizona to state my thoughts relative to the President's speech on Sunday night, I stated, in a general way, as follows: I will give him "A" for effort. He recited campaign speeches that he made before his election. He brought to the attention of the American people those things that many of us have long observed; namely, a growing interest in material things, a lessening of morals, a lessening of a desire to really produce and no real desire to participate in anything that would mean personal sacrifice. I think we are indebted to him for that, but when we get into the meat of what he had to say, particularly on energy, I had to declare that after his speaking so highly of what America had practiced to get where we are, he failed to mention the free market anywhere in his points on energy.

I think that was a mistake because without deregulating the oil industry, regardless of what happens to the price of fuel, this country will be dragged further and further down on shortages. Why he cannot understand the free market is beyond me; why he has a fear of it is beyond me and why he should place the average American in a line to buy gasoline when sufficient gasoline and synthetic fuel could be had very readily is also beyond me. In trying to put together my total thoughts on the speech, I suddenly came across the Wall Street Journal of Tuesday, July 17, and in it there are two articles, one an editorial and the other a story by Mr. Lindley H. Clark, Jr., which I think sum up the general feeling about the President's speech as well as anything I have seen, and I ask that they be printed in the RECORD.

The material follows:

[From the Wall Street Journal, July 17, 1979]

THE REAL JIMMY CARTER

Out of all the sermonic and confusing rhetoric President Carter has showered on

the American public these last two days, at least one thing is clear. The President has weighed the merits of either getting the government out of the energy business or getting it more deeply in. He has chosen to get it further in, on a massive, almost unbelievable scale. The real Jimmy Carter has finally stood up, on the far left of the Democratic Party.

There'll be a new government "Energy Security Corp." to siphon $140 billion in "windfall profits" from the oil companies over the next 10 years. That would pretty much eliminate oil profits of any kind. While the oil companies quietly pass out of business, the ESC would squander this money on expensive and technologically risky forms of energy.

There'll be an Energy Mobilization Board to ride roughshod over normal legal processes, except maybe those that are mainly responsible for retarding energy development, the environmental laws, for example.

There'll be a new army of government inspectors scouring the country, levying $10,000 fines on any hapless building operator whose thermostats are showing something less than 78 degrees. Electric utilities will be "made" to switch out of oil—as if they themselves, and not the government, are to blame for their not doing that.

There'll be a federal "Solar Bank" finally to capture the elusive riches of solar power. The President will set conservation goals for states, import quotas for the nation, etc.

In short, Mr. Carter has reacted to the public's low opinion of his administration by "getting tough" and proposing a further suspension of private freedoms. He justifies this on grounds that it is the American people, not his administration and the Congress, who deserve the blame for our economic problems. He summons up the memory of Franklin Roosevelt as he casts himself in the role of a President leading the country out of awful crisis; except where FDR confronted Depression and poverty, Mr. Carter seems to find his crisis in excessive affluence:

"Too many of us now tend to worship self-indulgence and consumption . . . we have learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose . . . the symptoms of this crisis of the American spirit are all around us: two-thirds of our people do not even vote, the productivity of American workers is actually dropping and the willingness of Americans to save for the future has fallen below that of all other people in the Western world . . . there is a growing disrespect for government and for churches and for schools, the news media and other institutions. . . ."

Quite an indictment. It is the kind of indictment clergymen use to lash their congregations with on Sunday mornings and it is appropriate in that setting of spiritual redemption. But it is highly inappropriate coming from the man who is supposed to be managing the affairs of the United States government. The two key problems that provoked this rhetorical outburst—inflation and gasoline lines—are clearly and directly attributable to the policies of the Carter administration.

The gasoline lines are caused by the government's refusal to remove price controls, and hence supply allocations. Given the enormous economic inefficiencies that have resulted from this refusal, it now seems clear that prices of gasoline would fall, not rise further, after decontrol. Other forms of government intervention—energy use regulation and draconian environmental rules, in particular—have added to the dislocations and inefficiencies. It doesn't take a $140 billion government program to solve the energy problem; the problem would evaporate if the government would simply get out of energy.

As to those other problems of the American "spirit," low savings and productivity and low confidence in institutions—the main cause is inflation. Why should anyone have confidence in a government that can't balance its budget or run a stable monetary policy? Or why should they save the money it prints?

Now, it seems, it will be necessary to print still more money, and generate still more inflation, to finance the latest grandiose schemes dreamed up by the statists who hold the President in their grip. They are in the saddle and they are exultant about the President's vigorous showmanship Sunday night and Monday. The only trouble is that the policies he has proposed will only get the country into a deeper tangle. And next year, the voters will have a chance to decide which side they're on—or at least so we hope.

FROM HOMILY TO DEMAGOGY

For about five minutes Sunday night, President Carter's rhetorical offensive struck the right note. The appeal to American confidence and the attack on the isolation of the federal governmental recalled the best of the grass-roots campaign that brought this political unknown to the White House. But just 12 hours later, in his Kansas City speech to the National Association of Counties, the President reverted to the dark side of grass-roots rhetoric. Instead of providing "honest answers" and "clear leadership," he sought to obscure the true causes of the current energy debacle with some old-fashioned populist scape-goating.

This tactic was signaled Sunday in the untrue statement that our excessive dependence on OPEC "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline." OPEC can be attacked for high prices, but the one thing this cartel has not been able to enforce are production cutbacks by its members. The current shortfall in world oil production comes directly from a revolution in Iran, in which U.S. foreign policy played a considerably larger role than OPEC decisions. But even this shortfall wouldn't have caused the gas lines, as it didn't in most of Europe, were it not for the massive market distortions of the federal price control and allocation systems. But it's far easier to attack dark-skinned foreigners, along the lines of the famous Eizenstat memo, than to admit that one's own policies and administrators have failed.

The Kansas City speech broadened the rhetorical offensive. "The oil companies must cooperate!" Mr. Carter declared. "We will bring the full force of the law to bear on those who profiteer . . . or who try to cheat the American public." Six hundred auditors will be deployed to keep refiners and oil dealers in line. Energy statistics will be checked and rechecked.

The President must know that auditors dont' drill oil wells and that collecting figures on energy reserves doesn't create energy reserves. But government policies can depress production and keep drilling rigs idle. When these policies go wrong, as they have to an awesome extent, it's easy and popular to shift the blame to the refiner unwilling to produce unleaded gasoline at a loss or the wildcatter so confused by new natural gas legislation that he suspends drilling.

But even these scapegoats may not be enough. Say President Carter raises $140 billion to develop uneconomic fuels through a "strong permanent windfall profits tax" on the supposed bonanza from a price decontrol which now seems indefinitely postponed. And suppose that through his "shuffling allocations," the gas lines and disruptions broaden. Then who will he blame for the grumbling and dissatisfaction?

Since Americans are not at all demoralized and corrupt, they will respond to President Carter's challenge with more enthusiasm than his policies deserve. Throughout history, the call to war has been the easy way to gain public support. But the public has the right to demand that the war strategy be sound, that the generals know their business, and that they are fighting the right enemies. When the first flush of support dies down, it will become clear that President Carter's strategy for energy war will produce disasters that no amount of demagogy conceal.

THE CARTER SPEECH: NOTHING NEW . . .

(By Lindley H. Clark, Jr.)

Jimmy Carter was clear and forceful. There were none of those odd pauses in the middle of sentences, none of the hesitancy that has marred other presentations. It was, without doubt, his best television performance.

It's too bad he found nothing worthwhile to say.

On Sunday night he told the nation that its economic and energy problems were the fault of the Organization of Petroleum Exporting Countries. "This," he said, with a perfectly straight face, "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline. It's a cause of the increased inflation and unemployment that we now face."

He didn't explain how OPEC could so neatly have arranged for gasoline lines in New York and Washington and none in the Midwest. There was no hint that a congressionally mandated allocations system could have played a part in the mess. Nor did Mr. Carter suggest that big budget deficits and expansive monetary policy could have had something to do with the inflation.

Instead he urged more government to attack the problems fundamentally caused by too much government. It was ever thus.

Last week I talked with William E. Simon, who served as Treasury Secretary from 1974 to 1977 and before that spent several uneasy months in the midst of Energy Crisis I.

Mr. Simon set down his thoughts on energy in his best-selling book, "A Time for Truth" (Reader's Digest Press). He feels that matters were badly mishandled under a Republican administration and that things haven't gotten any better under Mr. Carter.

LOSS OF CONFIDENCE

"This fellow in the White House is a bigger disaster than even his worst detractors said," Mr. Simon commented. "He has lost confidence in himself. Traveling around the world, talking with former colleagues, government officials and businessmen, it's embarrassing. This man is held in contempt."

Mr. Simon's energy plan is simple enough: "The U.S. is blessed with a superabundance of natural resources and technology. We should use that technology to achieve energy self-sufficiency. We should exercise the leadership that would persuade OPEC to moderate its prices. All the pieces are there; the only reason the right things aren't done is politics."

The former Treasury Secretary would like to see the Energy Department abolished, but he isn't optimistic. In his book he recalls the time when the Federal Energy Administration, the ancestor of the Energy Department, was scheduled to go out of existence. A newspaper reporter called him at the Treasury and asked what he thought of extending the life of the FEA:

"I exclaimed, 'Extend its life! That place is a menace. It's strangling the energy industry at the very time when we need production. It should be wiped out of existence.' . . . But that day I learned that President Ford had already decided to extend the life of this bureaucratic abortion."

Republicans tend to oppose regulation

firmly—unless they're doing the regulating. What they forget, Mr. Simon warns, is that Republicans go out of office and their sins sometimes linger on behind them.

One Republican sin that didn't get anywhere, fortunately, was Nelson Rockefeller's $100 billion energy corporation that would have lent money to private industry to develop new fuel technologies. Mr. Carter's energy subsidy scheme differs from the Rockefeller-Ford boondoggle in detail but not in substance, so Mr. Simon's comments on the earlier incarnation are appropriate:

"Even with taxation and inflation set aside," he wrote, "there is no conceivable justification for the government to subsidize a massive construction program for an industry that the same government has actively prevented from functioning. If the energy industries are simply freed from their regulatory bondage and are allowed to function sanely, they will pay for their own expansion out of their own profits.

"That is free enterprise, and in the entire history of mankind nothing has ever served better as a 'catalyst and stiumlant' to invention and innovation than the profit system. That system will quickly bring about the increase production necessary for self-sufficiency. There is time, using fossil fuels alone, the resources yet to be discovered . . . and nuclear energy for the energy industries to devise synthetic fuels and new technologies like solar, geothermal and tidal energy."

Ralph Nader, the self-appointed consumer spokesman, found only one flaw in Mr. Carter's speech: no specific attack on nuclear energy. Nuclear power does entail risks, as the accident at Pennsylvania's Three Mile Island plant has emphasized.

"Three Mile Island hasn't changed the need for nuclear energy," Mr. Simon says. "Some people talk as though we should have a government that removes all risks. Nothing is risk-free, but we should minimize the risk." He calls for frequent inspections and safety checks.

ENERGY MOBILIZATION BOARD

One of the more touching aspects of Mr. Carter's speech was the proposal to create an energy mobilization board which "like the War Production Board in World War II," would have the responsibility and authority to "cut through red tape, the delay and the endless roadblocks to completing key energy projects."

The first question that sparks is whether Mr. Carter (or his writers) bothered to read the history of World War II and WPB. War production got rolling in spite of the WPB and its competing agencies, not because of them.

Donald Nelson, the Sears executive who headed WPB, tried hard to gear the nation for war. But for some time he was still surrounded by conflicting agencies. He found it impossible to strictly control priorities or to prevent expansion of production in unneeded directions.

The second question is whether Mr. Carter or anyone else considered the fact that the best way to deal with the red tape and delays would be to eliminate or drastically cut the governmental regulations that are the root of the problem. That would free a few regulators (and an entire energy mobilization board) for more productive tasks.

In Washington, of course, things don't work that way. As Mr. Simon says, "People spend hours down there figuring out the best way for the government to do things that it shouldn't be doing in the first place. The regulatory system has gotten completely out of control. No matter how well-intentioned the administration may be, it won't be able to persuade the regulators to behave any differently."

All in all, it seems that 10 days on the mountain at Camp David did not produce much. The New York Times noted that one of the television programs canceled for the Sunday night speech was an episode of "Moses the Lawgiver" in which Moses comes down from the mountain with the Ten Commandments.

Mr. Carter is out of his league.

ANNIVERSARY OF THE BIRTH OF THE SLOVAK PATRIOT GEN. MILAN RASTISLAV STEFANIK

● Mr. PELL. Mr. President, today, July 21, marks the anniversary of the birth of the Slovak patriot, Gen. Milan Rastislav Stefanik, a cofounder of the Czechoslovak Republic. A scientists, soldier, diplomat, and statesman, General Stefanik made an enormous contribution to the liberation of the Slovak people when the Austro-Hungarian Empire collapsed at the end of World War I. He was a close collaborator of Thomas G. Masaryk—who was to become the first President of an independent Czechoslovakia—when he served as Deputy Prime Minister and Minister of War in the first Czechoslovak Government which was constituted in exile in Paris prior to independence. Tragically, Stefanik died a short time after the founding of Czechoslovakia.

Stefanik was a man of enormous energy and of great determination. In all his undertakings, he was guided by his personal motto: "To believe, to love, to work." Stefanik deeply loved his native Slovakia and his affection for the Slovak people was a constant inspiration to him as he worked to bring them freedom. Stefanik strongly believed in the justice of history, confident that it would fulfill the destiny of the Slovak people. General Stefanik shared with Masaryk the conviction and hope that Slovaks and Czechs form a single national community and he worked tirelessly toward this goal. His contribution to the liberation of the Slovak people and to the foundation of a common state with the Czechs stand as great monuments in the history of the Czechoslovak Republic.

Stefanik shared Masaryk's rejection of communism. He expressed it with great eloquence in February 1919 while addressing the 1st Czechoslovak Regiment in Russia:

> Our nation has through its history, with steadfastness and determination, defended the idea of justice for all humanity, being well aware of the fact that this ideal will be realized only through ardent and disciplined effort and nobility of spirit. The idea of freedom, of resistance to brutal force twines as a golden thread through all our national history. * * * Communism is the very negation of democracy. Democracy is productive, it is a foundation of normal life and well-being. Communism is not a philosophic orientation but an expression of sickness, and apocalyptic chaos in which occasionally the basic human instincts find expression. I tell you from the depth of my soul: the struggle against communism, in all its forms and expressions, must permeate all our political life. Let us pursue this guideline with all our energy while there is still time; if we relent in our efforts, communism will subvert small nations and transform them into weak nations and eventually into decaying nations.

In his love for his native country, his persistent efforts on behalf of freedom for his people and, finally, his unequivocal opposition to an alien ideology, General Stefanik is a shining example and a lasting source of inspiration to all of us.

The present regime in Czechoslovakia forbids its citizens to honor Stefanik's memory and to remember his legacy. His name was removed from institutions and streets, his statutes from town and village squares. However, the events of 1968 clearly demonstrated the failure of this regime's efforts. A spontaneous pilgrimage, attended by huge masses of young people, proceeded to the symbolic grave mound at Bradlo to show that Stefanik's memory remains deeply ingrained in the soul of his grateful nation and all Czechoslovak people.

As one who lived in Czechoslovakia, both in Prague and Bratislava, in the late 1940's, as an American diplomat, I came to admire greatly the indomitable love of freedom and justice of the Czechoslovak people; a spirit symbolized so well by the life and ideals of Gen. Milan Stefanik. It is, therefore, particularly fitting that we pause on the anniversary of his birth to pay tribute to the legacy of this great patriot.●

TRUTH-IN-LENDING REFORM MUST BE ENACTED

● Mr. GARN. Mr. President, on May 1, 1979, the Senate passed and forwarded to the House an extremely important reform measure known as the Truth in Lending Simplification and Reform Act. This legislation has been urgently needed for a number of years, and the Senate Banking Committee has spent a considerable amount of time in the past few years developing this very comprehensive and equitable bill.

Now I regret to say that 2½ months after the Senate acted—and I might add, without a dissenting vote—the House Banking Committee gives no indication of even considering similar reform legislation. This is particularly disappointing and troublesome in view of the virtually unanimous acknowledgement of the need for such legislation, the time and energy that has been expended on this issue, and the promise that was made at the close of the last Congress.

The movement to simplify the Truth in Lending Act really began in April of 1976 when I introduced S. 3302. Subsequent to that a series of reform bills were introduced, and in the 95th Congress the Senate Banking Committee set about the long and difficult process of developing a comprehensive reform bill. After hearings and a total of seven markup sessions, S. 2802 was reported out of the committee and passed the Senate on May 10, 1978.

No action was ever taken in the House on that bill. However, in the waning days of the 95th Congress the Honorable FRANK ANNUNZIO, chairman of the Consumer Affairs Subcommittee of the House Banking Committee, made a pledge to hold hearings on truth-in-lending legislation early in this Congress and to hopefully have a bill through the House by "early summer." (CONGRESSIONAL RECORD, Oct. 14, 1978, 38324).

Because of our commitment to truth-in-lending reform and our expectation of

similar legislation in the House, the Senate Banking Committee moved expeditiously to get its own bill through the Senate again and on to the House early in this Congress.

"Early summer" has come and gone and no hearings have been scheduled by Mr. ANNUNZIO. Concerned with this evidence of inactivity, I wrote a letter to my colleague in the House urging him to act promptly on truth-in-lending legislation. His response was anything but reassuring. It seems that not only have hearings not been scheduled, but none are contemplated either. I find this response very troubling in light of the dire need by consumers and creditors alike for relief from the complexities of the present Truth in Lending Act.

Mr. President, for illustrative purposes, I would like to mention two items respecting the Truth in Lending Act which have recently come to my attention. Both of these points are interesting since they demonstrate through two very different examples the awful complexity of the Truth in Lending Act.

The first item I would like to bring to the attention of the Senate is the fact that the Supreme Court of the United States has just granted certiorari in the case of *Milhollin* v. *Ford Motor Credit Company*, 588 F.2d 753 (9th Cir. 1978), cert. granted, 47 U.S.L.W. 3813 (U.S. June 18, 1979) (78-1487). This case is significant because it provides a graphic illustration of the complexity of the Truth in Lending Act and the utter chaos that has been created through efforts by the judicial system to make sense out of the present law.

The Milhollin case involves the question of the proper disclosure under the act of an acceleration clause. To date, six different Circuit Courts of Appeals have ruled upon this issue, resulting in a different rule for compliance in practically each circuit. The confusion for consumers and creditors which is caused by so many divergent interpretations is shocking in light of the fact that the purpose of truth in lending is to provide for uniform disclosure practices which enable consumers to comparison shop for credit.

Milhollin is also significant since it is the first truth-in-lending case to be accepted by the Supreme Court since 1973. With even the Supreme Court now acknowledging the need to address the complexity of the Truth in Lending Act, how can the House Banking Committee sit back and allow this chaos to continue?

The second item which I find extremely illustrative of the great regulatory burden that has developed from the Truth in Lending Act, is a recent announcement which appeared in a CCH publication.

Mr. President, I request that the following portion of that announcement be printed in the RECORD.

The material follows:

"TRUTH-IN-LENDING SPECIAL RELEASES—CORRESPONDENCE"

(NOW Available in New CCH Book)

In the almost eleven years since the May 1968 enactment of the Truth in Lending Act, the federal agencies charged with enforcing this landmark legislation have issued voluminous materials characterized as Truth-in-Lending Special Releases — Correspondence. These have included staff interpretations, staff correspondence, policy statements, advisory opinions and other materials helpful in understanding and complying with the federal consumer credit disclosure rules.

A new CCH book, "Truth-in-Lending Special Releases—Correspondence April 1969 to October 1978", reproduces the federal agency Truth-in-Lending releases and correspondence as they appeared in the CCH Consumer Credit Guide from April 1969 to October 1978. In addition to the texts of the federal agency items, the CCH editorial staff has included in the book a topical index, a correspondence index to law and regulation sections and a table of Federal Reserve Board numbered letters and official staff interpretations.

In all, 1,080 pages, 6" x 9", heavy paper cover. Price, $17.50 a copy. (Pub. April 1979)

Mr. GARN. Does this say something about the state of the present Truth in Lending Act? If it takes 1,080 pages of agency releases and correspondence to help understand and comply with the law—and in fact, this volume does not include the law or the regulation—how are creditors and consumers expected to understand it?

As these examples demonstrate, there is a need on the part of both consumers and creditors for relief from this great regulatory burden. I urge Chairman REUSS and Mr. ANNUNZIO of the House Banking Committee to address this most important matter and act promptly to simplify the Truth in Lending Act.

SYNTHETIC FUELS

● Mr. GLENN. Mr. President, I have maintained ever since coming to the Senate that our energy problems are not going to be resolved until we adopt reasonable national goals regarding energy production and conservation, and follow that up with an aggressive program of research, development, demonstration, and commercialization to achieve those goals. When I was a member of the Interior Committee in the Senate before it became the Senate Energy Committee, I did all that I could to increase the amount of money available for R. & D. in the area of synfuels and by that I mean the production of hydrocarbon fuels from coal, oil shale, tar sands, biomass, and methanol.

We need commercial-size demonstration plants in all these areas if we are to understand how to deal not only with the technological problems associated with these processes, but the environmental and regulatory problems as well. I do not believe, Mr. President, that there is anyone in the U.S. Congress who does not believe at this time that we need to take bold action in dealing with our energy problems. The statistics speak for themselves. The United States consumed about 18.7 million barrels of oil a day in 1978, with 8.1 million barrels a day being imported.

Just 5 years earlier the United States consumed 17.3 million barrels a day of which only 6.3 million barrels was imported. The domestic output of oil and gas liquids slipped from 11 million barrels a day in 1973 to 10.6 million last year, even though the oil industry drilled almost twice as many wells in 1978 as it did in 1973. And finally, our bill for imported oil this year is going to be well over $50 billion.

Having said all this, Mr. President, and having recently listened to the President of the United States issue a warning to the American people about the direction in which our society seems to be heading, I wish to issue my own warning about the manner in which the Congress, in order to show the American people that it is willing to take positive action, is presently dealing with energy policy. The cost of a large-scale commercialized synthetic fuels program to produce up to 5 million barrels a day by 1990 is likely to be something in the neighborhood of $200 billion.

We must ask ourselves whether such an investment would not produce even more dividends if it were more balanced with respect to production and conservation, through more efficient automobiles and industrial machinery, more efficient appliances, better insulation of buildings, and the encouragement of the use of mass transit facilities. In the very long term, it is renewable resuorces that we will have to depend on as our society evolves. That suggests that investments should be geared at least in part to developing those renewable resources that will be the mainstay of our future.

This week, Mr. President, the Governmental Affairs Committee, in hearings on S. 1377, the Synthetic Fuels Production Act of 1979, was fortunate to receive the testimony of Mr. Raymond Scheppach, Assistant Director of the Congressional Budget Office, Natural Resources and Commerce Division. In this testimony, a number of important points are made that I wish to emphasize as the Senate considers the President's proposals.

First, I support the proposition that if the United States sets a goal to reduce projected oil import levels, then the first programs chosen to meet this objective should be those that will give us the highest oil import savings per dollar.

With this as a premise, it behooves us to compare synthetic fuel production to alternatives in terms of oil import savings per dollar between now and 1990. To quote the CBO testimony:

Some alternatives appear to rank higher than additional synthetic fuel production in terms of oil import savings per dollar; these include aggressive residential and even commercial insulation programs, accelerated retirement of oil and gas boilers in both utilities and the industrial sector, production of tight gas and heavy oils, and expanded solar hot water and space heating and cooling. Synthetic fuel production above the level of 200,000–400,000 barrels per day becomes attractive only if the United States desires to reduce the oil import levels by 1990 below the 8 million barrels a day.

This suggests, Mr. President, that the Senate should be giving high priority to legislation containing provisions for incentives to use the quoted methods to produce oil import savings, and I intend to produce such legislation myself.

There is an additional point made in the CBO testimony that also demands our scrutiny. Allow me to quote again:

A production goal of 3 million barrels per day would require a capital investment of more than $120 billion over a ten-year period, which could create shortages in a number of materials as well as skilled labor. Such shortages would undoubtedly be inflationary and may in fact be more inflationary than the impact of significant increases in future OPEC prices.

The message of this testimony is clear. The U.S. Congress should not allow itself to be stampeded into adopting synthetic fuel energy goals and programs that are likely to be capital exhausting, inflationary excessively environmentally damaging, and inefficient from the viewpoint of reducing our dependence on imported oil.

I wish to emphasize that I am not arguing against synthetic fuel demonstration projects; quite the contrary. I believe that they are important, indeed even critical, and that we should learn as much as we can as quickly as we can about these technologies. But that is not the same as plunging ahead blindly to turn ourselves into a synthetic fuels society with long-range consequences that may, in fact, turn out to be adverse.

I ask to have the entire CBO testimony printed in the RECORD.

The statement follows:

STATEMENT OF RAYMOND C. SCHEPPACH

Mr. Chairman, I am pleased to appear before this Committee to discuss the development of a synthetic fuel industry in the United States. In my remarks, I will address four major issues:

The costs and benefits of developing a domestic capacity to produce synthetic feuls;

The appropriate production goal for synthetic fuels;

The advantages and disadvantages of alternative financing mechanisms.

Technical issues regarding fuel type and mix of resources and technologies.

BENEFITS AND COSTS

Benefits

The benefits attributable to synthetic fuel production are essentially the same as those of any program intended to reduce oil imports. First, it would provide protection against future shortages or interruptions in the supply of oil. As both the current and the 1973–1974 experience indicate, oil shortages do have a negative effect on the economy and, in extreme cases, could even affect national security. Second, synthetic fuel production might reduce the rate of future OPEC price increases. This would improve the U.S. balance-of-payments position and would provide some relief from inflationary pressures. Finally, a unique advantage of synthetic fuel production is that it would provide information about the feasibility and costs of alternative technologies that would be helpful in designing our long-term transition to alternative energy resources.

Costs

Synthetic fuel production involves two potential costs. First, it would likely cause additional environmental degradation, especially from intensive surface mining. Second, synthetic fuels will probably be more expensive than conventional fuels, at least in the intermediate term, and thus they will likely entail higher consumer prices or government subsidies. It must be stressed, however, that there is great uncertainty about the future price of synthetic fuels relative to conventional oil. The price of conventional oil is determined largely by a cartel and reflects political as well as economic factors; the price of synfuels, on the other hand, will depend on scale economies, environmental and technological unknowns, and the effects of future inflation on the construction of large plants. Consequently, if a synthetic fuel program is developed, it should be viewed as insurance against future supply shortages and OPEC price increases, and not necessarily as an economically efficient investment.

APPROPRIATE PRODUCTION GOALS

Most of the synthetic fuels bills that are under active consideration by the Congress have production goals between 500,000 and 5 million barrels a day for various points in time between 1985 and 1990. These goals, however, need to be considered relative to time constraints and alternative ways to reduce oil imports.

With respect to construction time, synthetic fuel plants can be compared with new nuclear power plants because both have high costs and similar siting and environmental concerns. At present, nuclear power plants are taking over 11 years to bring online. Even under accelerated siting procedures, it will most likely take a minimum of 8 years to bring into production commercial-scale synthetic fuel plants that produce the equivalent of 50,000 barrels of oil per day, which is the size needed to achieve the appropriate economies of scale.

With respect to the level of production, it should be noted that a certain threshold is necessary in order to develop the critical technical, environmental, and economic information that is required to choose the most efficient technologies and resources that should be developed over the long run; any goal above that threshold is essentially to reduce oil imports. This threshold is obviously difficult to estimate, but it is most likely between 200,000 and 400,000 barrels per day. This represents four to eight commercial-size plants of alternative technologies and resources. A strong case can be made to set a program at this level on the grounds that the United States will eventually have to change to alternative fuels and that such a base of knowledge will help in choosing those resources and technologies that would allow an efficient transition.

Whether or not a synthetic fuel production goal will be set above this threshold depends on the level of dependence on imported oil that the United States desires to maintain; this decision depends on economic and defense risks, as well as on how additional synthetic fuel production ranks in relation to other oil import reduction programs. For example, if the United States is going to lower its 1990 oil import level from the projected 12 million barrels a day to 8 million, then the first programs chosen to meet this objective should be those that rank highest in terms of oil import savings per dollar. While the Congressional Budget Office (CBO) has not performed a comprehensive analysis of this issue, some alternatives appear to rank higher than additional synthetic fuel production in terms of oil import savings per dollar; these include aggressive residential and even commercial insulation programs, accelerated retirement of oil and gas boilers in both utilities and the industrial sector, production of tight gas and heavy oils, and expanded solar hot water and space heating and cooling. Synthetic fuel production above the level of 200,000–400,000 barrels per day becomes attractive only if the United States desires to reduce the oil import levels by 1990 below the 8 million barrels a day.

A synthetic fuel program on the order of several million barrels per day of oil equivalent could, of course, provide the United States with considerably increased economic and defense security, but could pose substantial economic and possible environmental strains. For example, a production goal of 3 million barrels per day would require a capital investment of more than $120 billion over a ten-year period, which could create shortages in a number of materials as well as skilled labor. Such shortages would undoubtedly be inflationary and may in fact be more inflationary than the impact of significant increases in future OPEC prices. The primary potential environmental problem is that we do not have sufficient information to know how to develop future environmental regulations.

THE ADVANTAGES AND DISADVANTAGES OF ALTERNATIVE FINANCING MECHANISMS

The private sector has not yet been willing to invest the approximately $2 billion necessary to build a synfuel plant of sufficient size to take advantage of the economies of scale common to such processes. The various risks are just too high. First, while it is almost certain that synthetic fuels can be produced, specific processes have not been demonstrated on a sufficiently large scale to offer businessmen the level of certainty that they traditionally desire regarding cost and technology. Second, regulatory uncertainties complicate both the cost and technological problems. For example, synfuel plants quite commonly require 25,000 tons per day of coal for feedstock; consequently, a change in surface mining regulations or in Interstate Commerce Commission transportation rates could create havoc with the financial viability of a synthetic fuel project. Finally, it is possible that future world oil prices will not increase as rapidly as they have in the last few years and that they may in fact fall in real terms, thus increasing the relative cost of synfuels.

In developing a synfuels program, the federal government should choose the financing mechanism that will allow the government to absorb the risk that future OPEC prices will not decrease in real terms or even increase as fast as expected. The nation as a whole benefits from lower OPEC prices and, therefore, government should be willing to absorb that risk. On the other hand, the technological and cost risks should be absorbed by the private sector, which traditionally accepts these risks in making investment decisions. Such a separation of risks should maintain the incentives within the private sector to construct and operate synthetic fuel plants efficiently. In addition to the goal of efficiency, the financing mechanism chosen should have a predictable impact on the budget and should be considered in the normal budget process.

The financing mechanisms available to the federal government include loans, loan guarantees, purchase agreements, and actual government construction of the plants.

Given the size of the investment required for these plants, as well as the overall risk, it is very doubtful that federal government loans, even at subsidized rates, would be sufficient stimulus for the private sector to construct the plants. Alternatively, if the federal government were to build these plants directly, it would then absorb all the risks—that is, the technological and cost risks, as well as the risk associated with any future changes in OPEC prices. This would give contractors less incentive to build the most cost-effective plants, since no private sector money would be at risk. Overall efficiency would, therefore, be reduced.

Loan guarantees have a similar problem in that much of the cost and technological risk of building plants would be shifted from the private sector to the government sector, and this would reduce the incentives for efficiency. Furthermore, from a budgetary standpoint, loan guarantees for large-scale projects are undesirable since they tend to obligate the federal government to a possible future outlay that does not have sufficient appropriations and is not included in the normal budget resolutions. Loan guarantees

are more appropriately used for programs such as housing, in which the individual projects are small and the default rates can be predicted with a reasonable degree of accuracy. Extremely large loan guarantees could also tend to reallocate capital within the normal capital markets.

Purchase agreements, whereby the federal government contracts to buy a given amount of synthetic fuel production, have a distinct advantage over alternative funding mechanisms in that the private sector absorbs the technological and cost risk and, therefore, maintains a strong incentive to build cost-effective plants. The federal government, on the other hand, absorbs the risk that OPEC prices will fall in real terms or not increase as fast as expected. From a budgetary standpoint, they also have the advantage of being included in the budget resolutions and are predictable outlays over time.

FUEL TYPE, RESOURCES, AND TECHNOLOGIES

Fuel type

Since the United States has an abundant supply of solid coal and the potential for domestic, Alaskan, and Mexican gas, and since low- and medium-Btu gas production processes are economically and technologically viable, the most probable future shortages will occur in liquid fuels. Consequently, any synfuel program would most profitably be oriented toward producing either liquid fuels or fuels that can free up liquids for alternative uses.

The Federal Government should probably ensure that diverse resources and technologies are developed so that ample technological, cost, and environmental information is obtained. Therefore, certain minimum levels of synfuel production by resources should be established. For example, levels could be set at 100,000 barrels per day of shale oil and coal liquids, and at 50,000 barrels per day for biomass. Failure to set minimum levels would run the risk that all synfuel production would be produced via one technology with little information gain. Other than requiring that several alternative technologies be utilized, however, the Federal Government should leave the specific technology choices to the private sector, where the technological expertise currently resides.

CONCLUSION

In conclusion, Mr. Chairman, a member of benefits—such as economic and defense security and lower future OPEC prices—would occur from synthetic fuel production; most of these benefits, however, would be similar to those flowing from any federal program that reduces oil imports. The unique benefit of a synfuels program is that it would develop a critical information base to assist in the eventual conversion to alternative fuels. Synfuels programs producing more barrels per day than this information threshold, however, should be implemented only if the United States wishes to reduce its 1990 import levels below 8 million barrels per day, since a number of alternatives are most likely more cost-effective than synfuels in reducing oil imports to about that level. Finally, with respect to financing mechanisms, purchase agreements appear to be more desirable than loan guarantees in stimulating an efficient synfuels industry.

Mr. Chairman, I would be happy to answer any questions.●

THE ENERGY SUPPLY ACT

● Mr. DURKIN. Mr. President, I am pleased to be an original cosponsor of one of the most important pieces of energy legislation the Congress will consider this session—the Energy Supply Act, S. 1308, introduced by the distinguished chairman of the Senate Committee on Energy and Natural Resources, Senator JACKSON, and several other of my Senate colleagues.

America is in the throes of a deepening energy crisis—a crisis that threatens the very foundation of this Nation. Our absolute dependence on costly imported oil has grave consequences for this and future generations of Americans. It promises to erode the dollar at an accelerated pace and push us toward a harmful recession.

The Federal Government has a responsibility to halt the uncontrolled flow of oil dollars to the Middle East. We must go to extraordinary lengths to develop domestic supplies of energy and rid ourselves of the addiction we have for costly imported oil. The American people are frustrated and angry about the energy situation. They expect and deserve action from us.

The Energy Supply Act addresses this situation head on and meets the tremendous challenge of producing adequate domestic energy supplies for this country.

The bill covers three basic areas. First, it allows all energy projects other than nuclear plants to undergo an expedited and accelerated review process. All too often energy projects which have the capacity to make this country more energy independent face endless bureaucratic delays that sometimes put the entire project into peril.

Second, this bill provides Federal officials with the necessary authority to alleviate temporary shortages. And finally, it gives the necessary incentives to produce synthetic fuels—the products which will ultimately reduce our need for imported oil.

I am pleased to have authored several provisions in the Energy Supply Act. One provision sets a national goal of producing 20 quads of energy through solar technology by the year 2000. Twenty quads is equal to 10 million barrels of oil per day, which is more than we import from the OPEC countries each day. In other words, if the goal of 20 quads is met, we could be virtually free from the OPEC stranglehold.

This bill also provides long-term, low-interest loans for persons wishing to install solar energy systems. For too long there has not been sufficient incentive for homeowners to make this transition to solar energy. Because of the large initial investment required for installation of this equipment, consumers may well find the finance costs exceed the savings made from using less fuel. We have a responsibility to reverse this situation and give people a reason for making this change.

Another provision establishes an expanded wind demonstration program. This authorizes the Federal Government to purchase wind-generating equipment at an accelerated rate and use it at Federal installations where it is economically feasible.

Another title makes such alternative forms of energy like wood and small-scale hydro higher priorities for assistance from the Department of Energy. These technologies thus become eligible for priority treatment under the Jackson-Durkin bill.

While energy has occupied a great deal of the Congress time in recent years, we have made little progress in solving this overwhelming problem. When we should have been reducing our use of imported oil and moving toward energy independence, we have actually been increasing our use. The recent shortfall of oil supplies that we have been experiencing has affected all of us in uncounted ways.

In my home State of New Hampshire, short supplies of gasoline are having an extremely serious impact on the tourist industry this summer, a major source of revenue for the State. Even more important, however, is the real likelihood that New Hampshire and New England will be without sufficient stocks of home heating oil to get through next winter. With all of this, it is not surprising that the American people are on the verge of outright revolt.

Mr. President, we face a tremendous challenge in finding workable solutions to the energy crisis. This great Nation of ours has dealt with adversity many times and can do it again. Working together, I am convinced that we can mount a program which will insure a safe, secure and adequate energy supply, a healthy economy and a sound environment.●

EVALUATION OF GASOHOL AT PURDUE UNIVERSITY

Mr. BAYH. Mr. President, I would like to share with my colleagues results of a laboratory study on gasohol recently conducted by students and faculty in the Department of Mechanical Engineering Technology at Purdue University in Indiana. These tests indicate that the 90 percent gasoline-10 percent alcohol fuel blend outperforms leaded regular and unleaded premium gasoline, while at the same time, burns cleaner than these more conventional fuels.

Mr. President, I commend Prof. D. N. McNally of Purdue University for his ingenuity and resourcefuless in conducting these tests. By training young engineers how to evaluate alternative fuels, Dr. McNally is serving our Nation by sensitizing young Americans to our need to reduce dependence on OPEC oil supplies and rely more heavily on domestic sources of energy.

I ask that the Purdue report be printed in the RECORD.

The report follows:

THE PURDUE REPORT

WEST LAFAYETTE, IND.—Gasohol outperforms leaded regular and unleaded premium gasolines and is cleaner, laboratory tests at Purdue University have revealed.

"The tests are the first objective performance tests on gasohol that we know of. Gasohol clearly comes out the winner," Prof. Daniel N. McNally in the School of Technology reported Thursday (5/31).

"If you can buy gasohol for no more than 10 cents a gallon more than the cheapest gas your car will take, gasohol will save you money and your car will run better," he said.

"If your car uses super-premium, and if you can get gasohol for five cents a gallon more, it would pay you to try it. You still might save in the long run."

McNally, who teaches a course in internal-combustion engines in the Department of Mechanical Engineering Technology, used three different engines similar to those found in standard lawn and garden tractors. His students conducted more than 20 fully instrumented bench tests on engine performance from mid-March to mid-May.

They compared gasohol available from the Indiana Farm Bureau Co-op with commonly available unleaded premium and leaded regular gasolines.

Each student wrote his own report, plotted data and reached conclusions. McNally gathered the reports together, applied statistical analysis on about 700 data points, discarded the data which fell way off the performance curves and statistically averaged the remaining data.

"In terms of performance (called specific torque), all engines indicated gasohol was 8 percent better than leaded regular. In two engines, gasohol developed 5 percent more power than unleaded premium, which itself was 3 percent more powerful than leaded regular," he said. "The third engine showed unleaded premium to be just as good as gasohol."

In terms of fuel economy, or pounds of fuel consumed per hour for each horsepower produced by the engine, two engines showed gasohol to be 13 percent better than leaded regular and 7 percent better than unleaded premium which, in turn, was 6 percent better than leaded regular.

The average for all three engines tested indicated gasohol to be 14 percent more efficient than leaded regular and 4 percent more efficient than the unleaded premium.

McNally's students also were interested in how the fuels compared in exhaust emissions.

Parts-per-million of unburned hydrocarbons using unleaded premium were reduced 55 percent from those emitted when burning leaded regular, the data showed. The parts-per-million emissions from gasohol were 60 percent less, "showing that gasohol burned 5 percent cleaner than unleaded premium," McNally said.

The reduction in percent of carbon monoxide given off was the same for both gasohol and unleaded premium, he found. Both fuels reduced the percentage of carbon monoxide emissions by more than 71 percent.

McNally said there were two problems associated with gasohol which users should keep in mind.

"In summer and in warm climates, gasohol should not be stored in tanks above ground," he said. "Alcohol will evaporate, leaving the unleaded regular gasoline. That is all right to use, but you will have lost the premium price you paid for gasohol."

He said that for the same reason one should not keep a lot of it in a vehicle's fuel tank unless it is an automobile produced after 1973 when the no-vent fuel systems were adopted.

Gasohol works better than gasoline in the winter, he added, since "the engine will start quicker."

The second problem, he said, is the natural affinity alcohol has for water. Alcohol prefer water to gasoline, so if there is water in the storage tank or in the car's gas tank, it will "grab" the water and pull it to the bottom.

"Those who are blending gasohol must use alcohol which is at least 98 percent pure," McNally declared. "It should have as little water in it as possible and be stored in a dry tank with minimum condensation."

Students conducting the tests were uniformly positive about gasohol, ranging from "slight advantage" in power to "greatly improved" in emissions. One report noted that "for approximately the same performance, if gasohol is used, 10 percent less of a scarce resource is consumed."

That figure is about 240 million barrels of gasoline per year if all gasoline-engine operators were to use the mixture, McNally observed.

PURDUE TECHNOLOGY STUDENTS EVALUATE GASOHOL

The first known objective performance test on gasohol was completed at Purdue University just five weeks ago. Some twenty students in Purdue's School of Technology made twenty different runs on three different engines similar to those used in lawn and garden tractors. Each engine was mounted on its own calibrated test stand, and a total of over 700 data points were determined.

Professor D. N. McNally, who teaches the course in Internal Combustion Engines for the Department of Mechanical Engineering Technology, says he decided that since he was teaching the students engine performance testing, they might as well explore some new areas while doing it. Professor McNally chose to have the students compare gasohol which is available now from the Indiana Farm Bureau Co-op with the new no-lead super-premium distributed by Standard Oil of Indiana and available from the "gold pump" at the local Amoco stations. The reference fuel these were evaluated against was Standard Oil's leaded regular as available from the "red pump" at their service stations.

Each student wrote his own report, plotted his own data which was corrected to standard atmospheric conditions, and reached his own conclusions. In a teaching laboratory, there is bound to be some experimental error in the data, and the students did not all agree as to their results. Generally their conclusions did agree, however.

During the past few weeks, Professor McNally has been applying statistical analysis to the students' data to arrive at an overall conclusion. Those data points which fell way off the performance curves were cast aside, and the remaining majority of data were statistically averaged. The results should be of interest to many citizens.

In terms of performance or "specific torque" (BMEP to the engineer), all engines indicated gasohol was 8 percent better than leaded regular. In two engines, gasohol developed 5 percent more power than the no-lead premium which was 3 percent better than leaded regular. The third engine showed no-lead premium to be just as good as gasohol.

In terms of fuel economy or pounds of fuel consumed per hour for each horsepower produced by the engine (BSFC to the engineer), the two engines noted above showed gasohol to be 13 percent better than leaded regular and 7 percent better than no-lead premium which in turn was 6 percent better than leaded regular. The average for all the engines tested indicated gasohol to be 14 percent more efficient than leaded regular and 4 percent more efficient than the no-lead super premium.

From these results, we can conclude that if you can buy gasohol for no more than 10 cents a gallon more than what you have to pay for the cheapest gas your car will take, gasohol will save you money and your car will run better. Even if you are running your car on super premium, if you can get gasohol for 5 cents a gallon more, it would pay you to try it. You might still save in the long run.

Professor McNally's students also were interested in how the fuels compared in the area of exhaust pollution. When this data for all engines was averaged, all the engines were in agreement. The parts per million of unburned hydrocarbons (PPMHC) from burning the super premium no-lead were reduced 55 percent for those emitted when burning leaded regular. The PPM of HC emissions from gasohol were 60 percent less, so that gasohol burned 5 percent cleaner than the super premium.

The reduction in percent CO (carbon monoxide) given off was the same for both gasohol and the no-lead super premium. Both fuels reduced the percent CO emission by over 71 percent.

The following are some of the students' conclusions regarding gasohol: "Although gasohol showed a slight advantage over the other two fuels the emissions of the engine improved greatly."

"Although gasohol improves the performance of an engine less than 10 percent, its clean burning qualities make it a good candidate for a fuel of the future. Since this fuel appears to burn so clean, some of the emission controls on car engines, which reduce fuel mileage, could possibly be eliminated. Research should continue to find quicker and more efficient ways to produce this fuel."

"Gasohol showed a small increase in HP and torque in all ranges of use. Gasohol also showed better fuel economy over the other fuels. The most important graphs are the emissions. The gasohol and no-lead fuels show a marked decrease in exhaust emissions."

"The really significant differences appear in the area of emissions. Gasohol and the unleaded premium had emissions that were significantly less than those of regular gasoline. The gasohol held a slight performance edge over the unleaded premium."

"The most striking results of this lab are the low (exhaust) emissions using the gasohol fuel. The (unburned) hydrocarbons emitted with gasohol were less than half of those emitted by the leaded regular at any given speed. The percent CO emitted using the gasohol was so low at times that the meter hardly registered any at all! Gasohol was by far the cleanest burning feul."

"The gasohol used in run No. 3 produced both a higher horsepower and torque. The peak BMEP was also highest with the gasohol. Overall, the regular gasoline produced the largest amount of emissions and the gasohol produced the least amount of (unburned) hydrocarbons, but (gasohol) shared the stage with (the unleaded) premium for the lower amount of carbon monoxide."

"Gasohol appears to give the best performance of the three types (of fuel) while rivaling unleaded premium in emissions. In spite of the fact that sweeping generalizations are dangerous at this point, one fact is clear. Gasohol does provide a very acceptable alternative in terms of performance and emissions."

"It appears that gasohol outperforms both the leaded regular and (the) unleaded premium in almost every category. It burns cleaner than the other two. Gasohol has fewer (unburned) hydrocarbons and (gives off) far less carbon monoxide than the other fuels. The gasohol's fuel consumption is less than either of the other fuels. It takes less gasohol to produce the same brake horsepower while producing less emissions."

"Gasohol is a fuel of the future. Not only does it decrease demand for regular fuels, but it also has some very favorable higher quality characteristics. Gasohol gives identical or better mileage than gasolines without necessary engine adjustments. Our experiments showed that gasohol yields higher horsepower, torque and BMEP at all speeds. It has a low BSFC and gives off less emissions than regular gasolines. I believe that gasohol is useful as a replacement fuel, even though it will only reduce the U.S.'s gasoline consumption by 9–10 percent or 240 million barrels per year."

"For approximately the same performance, if gasohol is used, 10 percent less of a scarce resource is consumed."

Professor McNally hastened to add that there are two problems associated with gasohol which everyone connected with it should keep in mind. In the summertime and in warm climates gasohol should not be stored in above ground tanks. If it is, the alcohol will evaporate off, and eventually you will be left with simply a no-lead regular fuel. It is all right to use this "residue,"

but you will have lost the premium you paid for gasohol. For the same reason, you should not keep a lot of it in the fuel tank of your vehicle unless it is an automobile produced after 1973 when the no-vent fuel systems were adopted.

The same property that works against gasohol in the summer makes it better than any gasoline in the winter. Due to the volatility of alcohol, gasohol will start your engine quicker than any gasoline will. It is like adding a can of "dry gas" to every gallon of gasoline in your fuel tank.

The second problem results from the natural affinity alcohol has for water. Alcohol will mix with gasoline, but it still prefers water, and water will not mix with gasoline. If more than a few per-cent of water gets into gasohol, it grabs the alcohol and drags it to the bottom. If all the alcohol is dragged to the bottom, again, what you have left is simply a no-lead regular fuel.

Professor McNally attempted to show this characteristic of gasohol to his students. The first sample of gasohol he obtained was supposedly a week or so old, but he was able to add about 2% water to it before the alcohol started to separate. However, the supply of gasohol he obtained for the students to evaluate did not work so well. When the students added 0.2% water to a sample, it mixed with the alcohol and then settled on the bottom. The students' sample already had all the water it would hold.

Professor McNally says that those who are blending gasohol must use alcohol which is at least 98% pure. It should have as little water in it as possible. And it must be kept in dry tanks with minimum condensation. ●

UNDERGROUND NURSERY GROWS SEEDLINGS

● Mr. CHURCH. Mr. President, in northern Idaho abandoned mines belonging to the Bunker Hill Co. are being used as greenhouses to reforest much of the above-ground landscape. In an article printed in this month's issue of American Forests magazine, Karen Caddis describes how 84,000 trees a year are being started in the Bunker Hill underground nursery. Because of this unique advancement in two industries important to my State, and the promise it offers to the Nation's forests. I ask that the article "Subterranean Seedlings: New Forests From Old Mines" be printed in the RECORD.

The article follows:

SUBTERRANEAN SEEDLINGS: NEW FORESTS FROM OLD MINES

(By Karen Caddis)

When fires swept through northern Idaho's Silver Valley in 1910 and again in the 1930s, destroying the stands of Douglas-fir and ponderosa pine that covered the hillsides, no one envisioned that in half a century, trees grown beneath these burned hillsides would be used to reforest them.

The area is one of the richest mining belts in the country. After the fires, natural regeneration was prevented by high concentrations of sulfur dioxide gas discharged by the lead smelter and electrolytic zinc plant of Idaho's Bunker Hill mine, one of the world's largest producers of lead, zinc, and silver. The sulfur dioxide gas was trapped in the narrow valley containing the mine and the adjoining town of Kellogg. Over the years the gas precipitated into the topsoil of the hillsides, making the soil too acidic for most plant growth.

The Silver Valley's hillsides remained brown and bare until the 1970s, when Bunker Hill Company began a 10-year revegetation program aimed at greening 18,000 acres of the valley.

The planting of bare-root Douglas-fir and ponderosa pine seedlings was begun. Pollution-control facilities, installed several years earlier, had been anticipated to reduce sulfur dioxide to levels that plant growth would tolerate. In spite of these efforts, the seedlings planted nearest the smelter had a zero survival rate; the numbers of deaths decreased the farther the trees were planted from the smelter.

Soil studies showed that the sulfur dioxide had affected the pH balance of the soil to a much greater extent than anyone had ever suspected. Over the years, the first 14 inches of topsoil had acquired a pH of 3.7— far too acid to support the growth of tree seedlings. Below this level, soil pH returned to a normal 6.0 to 6.5 balance.

To overcome the problem, consideration was given to the use of containerized seedlings. When removed from the reusable plastic containers, the seedlings had a root system protected by the attached soil. This gave the tree a chance to survive until primary roots could reach below the acidic level.

Preliminary studies showed that container-grown seedlings had an 80-to-100-percent survival rate the first year, compared to zero percent for bare-root trees on harsh sites and 60 percent on good sites.

The problem was, however, that few nurseries could provide the number of container-grown seedlings that Bunker Hill needed annually for its reforestation program. Production of containerized seedlings involves high operating and capital costs, making them expensive and hard to obtain. Priority for container-grown seedlings raised in local federal nurseries was given to federal and state programs, which usually exhausted the supply. The high cost made shipping from nurseries in other areas uneconomical.

The idea of constructing a large surface greenhouse was considered, but was discarded as being next to impossible. A greenhouse would have required a large, level area on which to build—a limited commodity in this region, with its narrow valleys and steep hillsides.

Surface greenhouses were made unfeasible also by the high cost of heating and air-conditioning to ease the severe winters and hot summers, lights to compensate for the short days in the narrow valleys, plus generators to produce carbon dioxide needed by plants for growth.

In the end, it was the hobbies of a few Bunker Hill miners that provided the solution to the problem that had stumped the experts. For over 40 years, miners had been growing tomatoes, peppers, house plants, even orange trees in abandoned tunnels of the mine. With bare, 100-watt growlite fluorescent bulbs and an appreciation for the greenhouselike conditions that exist in the tunnels, the miners had built themselves small gardening areas underground. Some grew house plants; others had fresh vegetables growing all year.

Stories about the underground gardens of the miners circulated, eventually reaching Edward Pommerening, reforestation engineer for Bunker Hill Company. Pommerening, a University of Idaho graduate, had done soil studies for the company, using growth chambers with artificial light and heat. Recognizing the potential of the mine tunnels as a large-growth chamber and greenhouse, Pommerening formulated a containerized-seedling growth program for the underground.

An abandoned tunnel, to be used as the greenhouse area, was found in the mine's main ventilation area. The tunnel, which extends 700 horizontal feet into the mountain and is covered by 3,000 ft. of hillside, has conditions that are ideal for growing seedlings.

In the eight-by-eight-foot tunnel, temperatures never vary more than a few degrees from 75°F. Humidity remains at a constant 50 percent, and the carbon-dioxide level is steady at 0.3 percent, a concentration considered perfect for seedling growth.

The only problem that remained was the question of light. This was solved by installing eight high-intensity mercury-vapor and sodium lamps along the 210 feet of tunnel now in use. The 1,000-watt bulbs give out 80,000 to 132,000 lumens in the wavelengths needed by plants for good production. Each light is capable of lighting 200 plants. Cost of the lights ran $260 apiece, plus $70 for new bulbs every three years. This is a large savings when compared with the $500 per month alone that would have been spent to heat a surface greenhouse.

A plastic roof, held up by wooden beams, was constructed to support the large dome-shaped lights and to protect seedlings from the acidic water that drips constantly from the tunnel roof and walls. Wooden benches and walkways were built along the tunnel; three feet of space between the container benches serves as an aisle.

A first experimental planting of 4,000 ponderosa-pine seeds was taken underground in September 1975. Crown vetch, an herb, was planted with the pine to test for the presence of sulfuric-acid mist from the mine water. The vetch would develop spots on its leaves or die if acid was present. After four months the vetch gave no such signs.

The pine seeds germinated in 10 days; elongation of the stems began within the next seven days. By the end of 18 weeks the seedlings stood seven inches tall and had filled the 30-cubic-inch plastic cylinder container with an excellent root system. Within six months the seedlings were ready for surface planting. This compares favorably to the two to three years needed to raise surface-grown seedlings to the comparable strength and size needed to survive planting in the local area.

In the time just before planting, the seedlings are watered less, fertilizing ceases, and a day-and-night pattern is established with the lights, in order to prepare the seedlings for the harsher conditions found on the surface. The containers are then carried out of the mine on carts along a half-mile-long horizontal passage to the surface. Once on top, the seedlings are bedded for three to six weeks in sawdust piles to adjust them to surface temperatures and the ultraviolet rays of the sun.

The first batch of seedlings was field-planted in the spring of 1976 and to date has shown an excellent rate of survival, comparable to surface-grown containerized seedlings. Subsequent plantings also showed a favorable survival rate of about 80 to 90 for every 100 planted.

After this first successful planting, the greenhouse was expanded to accommodate its current output of 42,000 Douglas-fir, ponderosa, red cedar, and native-shrub seedlings every six months. The company is still using some surface-grown container trees from local nurseries, but it hopes to expand the underground greenhouse to 450 feet and 320,000 seedlings per year, thus eventually making Bunker Hill's reforestation operation completely self-sufficient.

Because the mine had few precedents to go on, many factors of underground seedling growth were pleasant surprises. One major discovery was the low rate of loss of seedlings. Normally fungus, rodents, and insects create appreciable mortality in a surface nursery. The mine tunnel was found to have no insects, rodents, or diseases. Before entering the greenhouse tunnel, air that circulates throughout the mine has traveled to the mine's hottest levels, killing any organisms that the air might have carried in. As a precautionary measure, seeds are still dusted with a fungicide to prevent such seed-borne diseases as damping-off. Also, the container soil—60 percent peat moss and 40 percent vermiculite—is sterilized.

The pH balance in this container soil posed a problem initially. Container soil needs a pH of about 5.5 to maintain nutrient uptake and good seedling growth. Surface greenhouses usually are required to acidify their irrigation water in order to maintain this pH balance. Pommerening, recalling that mine water contains acid naturally, tested various springs throughout the mine until he found one that registered a pH of 5.5. Water from this spring is now pumped directly to the underground growing area. This mine water, a constant 60 to 65°F, maintains the pH balance of the container soil.

The underground nursery was found to have many other advantages over surface greenhouses. The high-intensity lights can be left on 24 hours a day, stimulating faster growth. Little manual labor is required. One girl plus Pommerening are all the labor force currently being used to thin, water, and maintain the seedlings.

The proximity of the underground nursery to the planting areas—between one and 10 miles—allows a minimum of handling. Seedlings can also be planted at the best time rather than only when surface nurseries are able to make seedlings available.

Costs are relatively small. There is no heating or air-conditioning expense since the air remains at a constant temperature—this saves an enormous amount of energy. Upkeep of the greenhouse area is already part of routine mine-tunnel maintenance. The only expenses after the capital investment of approximately $15 per foot are container soil, containers, labor, and light bulbs. Because of the low operating expense, the cost of raising the seedlings is about $75 per 1,000, compared with $130 to $250 per 1,000 for comparable two-year-old surface-grown transplants. Cost also tends to be reduced because of the seedlings' higher survival rate.

Basically the only problem involved in the growing of seedlings underground is the question of access to and from Bunker Hill's tunnel greenhouse, limited to a small open-car mine train that runs only on set schedules. Foot traffic is restricted to a half-mile long horizontal tunnel, the opening of which can be closed by snow during the winter. Once the problem of access is solved, the potential for underground greenhouses will be virtually unlimited.

Local studies estimate that out of the hundreds of miles of tunnels in the north Idaho Panhandle, at least 10 miles have conditions favorable for growing seedlings. At 100 seedlings per square foot, including working areas, 42 million containerized seedlings a year could be grown in the area. This is equivalent to 200 surface greenhouses, or slightly less than half of all the containerized seedlings now being grown in the Pacific Northwest.

This high output of seedlings could foreseeably provide another major industry to the area and could revolutionize regional reforestation programs. Significant savings could be made in energy, construction, and maintenance, and surface land would be released to other uses. Tunnels could also be developed to produce vegetables and fruit, and provide scientific study areas and storage facilities.

Other mining firms, such as Anaconda Mine near Butte, Montana, are already beginning underground seedling nurseries. Benefits to the mining companies could be three-fold: restored scenic value, income from seedling sales, and, in later years, timber sales.

If these potentials of mine tunnels are utilized, mines, long considered destroyers of the environment, will soon be helping to create a better one. And seedlings grown underground may one day become the future's harvest of "green gold." ●

PROPOSALS TO CORRECT INEQUITIES SUFFERED BY RETIREES

● Mr. DURKIN. Mr. President, American public employees—Federal, State county, and municipal government workers, policemen, firemen, teachers, and postal workers—represent one of the most important and, yet, underappreciated groups in our Nation. While many of them labor faithfully and honorably for wages not commensurate with salaries they might be able to obtain in the private sector, security in old age is of as much concern to the dedicated public servant as it is to any working American man or woman.

I have introduced and am cosponsoring legislation which is aimed at providing greater financial assistance to elderly Americans who are retired public employees and who are not eligible for social security or who have only partial coverage. These measures include needed tax reform to protect public servants' retirement savings, and the repeal of certain social security offsets that cause this same group unjust annuity reduction.

Even though the Tax Reform Act of 1976 improved the retirement income credit, I believe current inflationary conditions of our economy make it too low. Moreover, it does nothing to bridge the gap between those who receive social security benefits, that are tax-free, and those who do not.

Legislation I am cosponsoring would raise the maximum base figures in computing the credit and substantially increase the current phaseout provision. I believe equity argues for such action to be taken. Both the National Association of Retired Federal Employees (NARFE) and the National Association of Retired Persons share my feeling as they give this measure their strong support.

In addition, I have introduced the Savings Incentive Act of 1979. Because older Americans are usually the most dependent upon savings, and because they are the most exposed to inflation, my bill allows them a significantly higher exclusion on their interest earnings when paying their Federal taxes. Under this measure, taxpayers who are over the age of 60 will be able to exclude $2,500 in interest. If they file a joint return, the limit will be $5,000.

Mr. President, during the last Congress I worked hard to insure pension improvement as a member of the Senate Committee on Veterans' Affairs. Not once, but twice the Senate overwhelmingly agreed to allow a social security pass-through for Veterans Administration pensioners. In addition to assuring our veterans who receive a VA pension that they would no longer suffer reductions in benefits attributable to social security cost-of-living increases, Congress finally guaranteed their aggregate incomes—pension plus social security—would rise in accordance with the Consumer Price Index.

I am proud to have been an active proponent of this long overdue change. However, experience tells me we have far more to do. I am determined to lift the burden of unjust annuity reductions, especially those which affect our loyal American public service employees.

At the start of this Congress, Senator THURMOND introduced two legislative measures that have my strong support—to end an inequity that discriminates against Federal employees who have served in the uniformed services since 1956, and to remove remaining unfair provisions of the military survivor benefit plan (SBP).

Under present law, SBP payments are reduced at age 62 by an amount equal to 100 percent of the social security entitlement due to the deceased's social security covered military service. The Thurmond-Durkin bill, S. 91, would reduce this social security offset from 100 to 560 percent. Other significant provisions of this measure include:

First. Elimination of the social security offset entirely when there is a dependent child and when social security benefits are based on the widow's or widower's own earnings;

Second. Cost-of-living adjustments to be applied in the same manner for both military and civil service retirees, so both pay the same amount for the same SBP coverage;

Third. Elimination of the social security offset for reservists in cases where social security payments were refunded;

Fourth. Authorize an open enrollment period of 270 days for retirees who declined to participate in the plan because of existing inequities; and

Fifth. Authorize SBP benefits for pre-1972 "forgotten widows" whose husbands had no opportunity to participate in the SBP before their death.

As a member of the Senate Committee on Veterans' Affairs, I strongly urge favorable action also be taken on S. 92. This second Thurmond-Durkin bill provides credit for all military service when a civil service retiree's annuity is recalculated at age 62. The measure is simple, but it promises far-reaching justice to current military retirees and Vietnam-era veterans who pursue a career of public service.

For 22 years, civil service employees who are veterans have been forced to accept a recomputation of their annuities, omitting all military service after 1956. Congress intended when writing this legislation to provide veterans with a portable social security benefit increase to their retirement income.

However, those who went into Government service have not experienced the reward of this effort. Rather, some veterans retiring in 1979 will be subject to a 54 pecent loss of annuity. It is safe to say that annuity reduction increases approximately 3 percent for each year of military service after 1956. This "Catch 62" is totally unfair. It has to be changed, and it should be done now.

Another pension improvement I believe this Congress must accomplish is recognized by Senator MATHIAS, in his bill, S. 294, which I am cosponsoring. It guarantees full entitlement to social security survivors' benefits.

Under present law, persons who retire on a civil service pension are not able to collect any social security dependent of survivor benefits which they have

earned, unless the social security benefit is larger than the civil service pension. In that case, the dependent or survivor may only be able to collect from social security the difference in amount between the social security benefit and civil service pension.

In my view, this practice is wrong. Participation in our social security system is supposed to help American workers plan for the future. The fact is, social security is failing Federal, State, and local government workers by denying their dependents cash benefit payments which have been earned, and are designed to reflect contribution amounts.

No wonder there is such a roar of opposition to the idea of enacting a universal social security coverage mandate. I want to say right here and now that I am prepared to fight any legislative move to eliminate the public service pension upon which retired workers and current employees depend.

Mr. President, my efforts in the Senate are devoted to bringing Government spending under control. However, I do not believe this can or should be accomplished at the expense of those who can least afford it. While no American household has escaped the wrath of inflation, the fight to make ends meet is taking its greatest toll in our senior citizens. Today I urge favorable Senate floor action on legislation which is designed to help a very special group, our dedicated public service employees. These measures promise needed fiscal relief. Collectively, their enactment will insure change that is long overdue, needed and deserved.●

EUROPEAN PARLIAMENT CONVENES

● Mr. KENNEDY. Mr. President, this week the European Parliament convenes in Strasbourg, France. It is an historic occasion since this is the first international political body to ever be democratically elected. The vision of Jean Monnet and other European statesmen of a united Europe is now being taken a step further. A democratically elected European Parliament as first provided for in the 1958 Treaty of Rome has at last become a reality.

The convening of the first directly elected Parliament is a welcome example of the increasing role the European Community (EC) is playing in the affairs of our greatest allies. Since the Community's first endeavor with the Common Market, its sphere of activity has expanded to include the new European monetary system (EMS) and a progressive policy on the developing world as expressed through the Lome I and II conventions.

The European Parliament, then, is a continuation of the noble effort to create a community not only of states but of peoples. A recent editorial in the Christian Science Monitor noted:

> The important thing is that a people's Parliament can look beyond merely economic issues and begin to deal more thoughtfully with the evolution of a European political structure.

The Parliament is the only forum in the EC where debate occurs among representatives directly elected by the 180 million people of Europe. I am heartened by the 65 percent turnout of European voters, selecting 410 Euro-MP's from a slate of 3,000 candidates. By way of comparison, the United States has not experienced such a turnout since the 1960 Presidential election.

Moreover, the Europeans elected to serve as Euro-MP's represent a wide variety of political perspectives. Over a third have served previously in their national governments while nearly a sixth are women. Some of the brightest names in European politics now sit in Strasbourg, including former West German Chancellor Willi Brandt, Italian Communist leader Enrico Berlinguer, former Belgian Premier Leo Tindemans and French Socialist leader Francois Mitterand. The Christian Science Monitor has said:

> These are the men and women who can give wing to the idea of political as well as economic cooperation among Europe's maturing nations.

Complementing the election of such a promising group of leaders was Tuesday's election of France's former Minister of Health, Simone Veil, to serve as President of the European Parliament. During her campaign, Mme. Veil said, "Europe really won't progress if it tries to impose supranational rules outside of the national contexts." The countries of the EC, she continued, will "have to move closer before they can think together."

Mme. Veil is an astute leader and a woman of strong character having survived the terror of Auschwitz and the deaths of her parents and brother during World War II. A recent article in the Boston Globe noted that Madame Veil's election as President is "a measure of how far Europe has evolved democratically from the Hitler years. Never was Veil's sex, religion, or tragic past a factor in her election."

The convening of the first democratically elected European Parliament is an important step in the development of a politically dynamic and interdependent European Community. Our European friends deserve praise and support for their latest efforts to that end.

Mr. President, I ask that the recent Christian Science Monitor editorial on the European Parliament be printed in the RECORD. I also request that the article on the election of Simone Veil in the Boston Globe be printed in the RECORD.

The articles follow:

[From the Christian Science Monitor, June 13, 1979]

CITIZENS OF EUROPE

We have heard and read all the pessimistic putdowns of the first popularly elected European Parliament. It will not have any legislative power. It will be only a dull debating club. Europeans yawned over the lackluster election campaigns. The assembly will have more symbolism than substance.

True, perhaps.

But.

Let the world, so in need today of moral and spiritual vision, not shortchange what could prove to be one of the most visionary developments of the 20th century. Someday we may all look back on these direct elections as the first momentous step on the long, difficult road toward a politically united Europe. The vision of a United States of Europe may seem dim when the European states become embroiled in nationalistic and often petty squabbles. But, from the first moment 26 years ago when the idea of European unity was born, that vision has never died. It now has new and, in our view, exciting impetus.

To be sure, only 53 percent of Europe's eligible voters turned out to vote, and many of these were required to vote by their domestic laws. But 53 percent is in many respects an astonishing beginning. Consider that something like 40 percent of eligible American voters voted in the last national election (for a legislative body that does have power). Consider that people of Northern Ireland voted in spite of threats and a bombed polling station. Consider that the Dutch voted despite phony letters stating the election had been postponed. Consider that Britons, not exactly a continentally oriented people, posted a 30 percent participation even after an exhausting national election of their own. No, the voting results were respectable.

Nor should the possible impact of the new European Parliament be underestimated. It will be largely a political forum that can only recommend, but, elected for the first time by universal suffrage instead of named by national legislatures, it is likely to speak out more forcefully than in the past. The Parliament does, moreover, have some powers in drafting the European Community's budget, and by two-thirds vote it can oust the EC Commission. The representatives therefore will probably watch the Common Market bureaucracy in Brussels with a keener eye.

The important thing, however, is that a people's Parliament can look beyond merely economic issues and begin to deal more thoughtfully with the evolution of a European political structure. As French Foreign Minister Jean Francois-Poncet comments, "This is a step toward the peoples' Europe that should satisfy all those who up until now have criticized Europe for being the concern of businessmen, industrialists, or technocrats." It will take vision of the highest order, of course, to transcend the nationalisms of the nine states. Nor does anyone suggest that national prerogatives must not be maintained. But with such thoughtful, able leaders as Willy Brandt, Simone Veil, Leo Tindemans, Gaston Thorn and others serving in the assembly, the scope and opportunity for creative approaches are vast. These are the men and women who can help give wing to the idea of political as well as economic cooperation among Europe's maturing nations.

One other point might be made. The results of the elections showed a general move away from the left toward the center right. Socialists will have the largest single bloc of seats but the center-right parties are the largest combined group. This swing toward conservatism appears to reflect less a political resurgence of the right than what one commentator calls "an intellectual and philosophical reaction against the old left, centering particularly in France, brought on by the discovery, partly from the revelations of Solzhenitsyn, that there is no true romance and certainly no liberté in communism." Many intellectuals, especially in France, today warn of Europe's tendencies toward statist systems and flirtations with idealistic brands of Marxism.

The challenge for the Parliament deputies, then—as for such conservative leaders as Margaret Thatcher of Great Britain—will be to strengthen the European Community's strong foundations and to begin to build on them a politically federated Europe based on strong individual freedom combined with a deep concern for social and economic justice. Such a Europe will stand as a bulwark of peace in the world, as a model of democracy, and as an example of harmonious coexistence of nations and peoples.

A utopian dream? What great idea did not start out as such?

[From the Boston Globe, July 13, 1979]

WOMAN WILL LEAD EUROPE CONGRESS

STRASBOURG, France.—The European Parliament, history's first directly elected multinational assembly, opened its inaugural session yesterday and elected as its first president Simone Veil, a Jewish Frenchwoman who survived the Auschwitz death camp.

Veil, a 52-year-old grandmother, narrowly missed election on the first ballot by the deputies, but emerged victorious in the second round, receiving 192 votes, three more than the required majority of 189.

Veteran Italian Socialist Mario Zagari, 65, received 138 votes, and Giorgio Amendola, an Italian Communist, received 47.

All but six of the 410 deputies attended the session, 400 voted, and 23 ballots were invalid or blank.

After 45 seconds of applause from the conservative and liberal bloc, Veil took the chair and thanked the house "for the great display of trust you have shown in me."

She quickly attended to housekeeping chores and adjourned the session until today, when a vice president will be elected.

Her election provided a poignant moment in Europe's 34-year-old quest to bury the Hitler horror and become united.

She was supported by the dominant center-right bloc in the parliament, but had a strong rival in Zagari, 65, a former anti-Nazi resistance fighter from Italy, backed by the 112-strong Socialist bloc.

It was a measure of how far Europe has evolved democratically from the Hitler years. Never was Veils sex, religion or tragic past a factor in her election.

Veil, a mother of three, served as health minister in France until being elected to the parliament of the nine Common Market nations June 10.

She is a soft-spoken woman and a champion of liberal abortion laws and rights for Frenchwomen. She was deported to Auschwitz in 1944, saw her mother die there and lost her father and brother in the Holocaust.

The delegates, plus a large audience of dignitaries, packed the assembly's horse-shoe shaped chamber to hear a speech by Louise Weiss, 86, dean of the outgoing nonelected parliament.

In her hour-long discourse on Europe, Weiss evoked Charlemagne and Charles de Gaulle in appealing to the delegates to fight for pan-Europeanism.

She denounced the United Nations—to applause from much of the chamber but silence from the Communists—for failing to help Vietnam's boat people.

Before the vote, Veil, dressed as usual in a long-sleeved dress that covers the number 78651 tatooed on her arm by the Nazis, sat almost unnoticed in a back row.

The parliament's first major quarrel broke out over a proposal by the Christian Democrat group for a 2½-year presidency instead of a one-year term.

After heated debate with the leftists opposing the idea, the issue was shelved for later discussion.

Outside the parliament, a modernistic building that from the front looks like an ocean liner, several hundred demonstrators, mostly Italian, protested Veil's record on abortion. Other groups urged federalism, pan-European currency and the admission of tiny minority groups to the parliament.●

TRIBUTE TO JOSEPH CALIFANO

● Mr. MOYNIHAN. Mr. President, Joe Califano and I have been friends and colleagues for many years and in many circumstances. We were together at the White House the night of President Johnson's dramatic announcement of the Kerner Commission, and went out to dinner together following the President's address. We worked together then and we have worked together since, most recently during the 32 months that I have served in the Senate and he has held the most difficult position in the Cabinet.

His stewardship of HEW commands our admiration. No one in public life today is more vigorous, more adept at the management of complex issues, more able to absorb the punishing pace and endless demands of executive responsibility in the National Government, or more insistent on high standards and hard work. We have not always agreed on policy, but that is hardly surprising in view of our different responsibilities. He is a distinguished public servant and has my lasting affection and regard.●

HYDROELECTRIC POWER

● Mr. DURKIN. Mr. President, one of the greatest unused sources of energy in this Nation today is hydroelectric power.

In New Hampshire, New England, and throughout the United States, there are literally thousands of dams which could be producing electric power and reducing our crippling addiction to OPEC oil.

In past years these facilities were the cornerstone of power production in this country. After World War II, however, many of the small dams were abandoned in favor of much larger, more centralized powerplants as America's energy needs grew dramatically. Now, with the price of oil at an all-time high, these small-scale hydroelectric dams have become attractive sources of clean and efficient energy. Hydroelectric stations can be returned to service at a tiny fraction of the cost of constructing a nuclear or conventional powerplant and start moving us toward energy independence.

Because of my interest in developing small-scale hydroelectric projects, I was delighted to see a paper that outlines the methods of financing such projects. The paper, written by Hugh W. McLeod of the New England Merchants National Bank, gives an excellent overview of the various ways to raise the necessary funds for such a project.

I ask that excerpts from Mr. McLeod's speech be printed in the RECORD.

The excerpts follow:

FINANCING LOW-HEAD HYDROELECTRIC PROJECTS

I. 2 BASIC TYPES OF PROJECTS THAT ARE FINANCED

A. Small ones that can be financed based on net worth of developer and his track record. An example of this might be a small project or a larger project developed by a utility or a municipality. This is the easier type of project to finance.

B. Larger ones where the size of the project is large enough so it cannot be financed on the net worth of the developer, i.e. credit decision must be made based primarily on the cash flow of the project (usually called project financing).

C. Talk will concentrate on financing the second—or project financing.

II. WHAT ARE THE KEY COMPONENTS OF A SUCCESSFUL LHH PROJECT FINANCING?

A. A good purchase contract that will provide sufficient revenue to service the principal and interest with an adequate safety margin and provide the developer with an adequate return.

B. The necessary license and permits.

C. A good construction contract (preferably turnkey) that will insure that the project will be completed on time and within budget.

D. A qualified management—development team (probably most important).

E. Financing.

F. If any one of these key components is not available or sufficiently strong, the project's chance for success is lessened.

III. PROJECT FINANCING OF L.H.H.—HOW DOES IT DIFFER FROM REGULAR LOANS?

A. $ needed for project are usually large in relation to the developer's assets—means you cannot rely on developer's net worth—said another way, there is little fall back position outside of the project. The emphasis is on the project's cash flow.

B. Deals are much more leveraged than a normal utility—so much less room for error.

C. Unlike a real estate deal, the major dollars spent do not generate much loan collateral value as in the case of an apartment house.

D. Under a project financing each financing party must commit before all of the documents are finalized so each party must do some adjusting as details become known.

IV. WHAT TYPES OF FINANCING ARE REQUIRED?

A. Front End Money.

(1) Acquire site.

(2) Feasibility studies, environmental impact studies.

(3) F.E.R.C. licenses.

(4) Legal & Accounting fees.

B. Construction loan—while building.

C. Long-term debt—after construction is done.

D. Junior money or equity to complete long-term financing.

E. All are interrelated.

V. SOURCES

A. Government Grant—front end dollars, feasibility studies.

B. Commercial banks—front end, construction, 5–10 year junior money loans.

C. Leasing companies—medium-term financing.

D. Financial subsidiary of turbine manufacturer—medium-term financing.

E. Insurance company—long-term debt financing.

F. Savings Banks—long-term debt financing.

VI. PROJECT FINANCING—CAN IT BE DONE? YES! IS IT EASY? NO!

A. Requires a lot of work by all concerned.

B. Lenders must have experience and expertise in the utility industry, the hydroelectric industry, and in project financing because there is little outside collateral and because they must mesh with the other parties. If any one fails the project, a lot of time and money may be lost.

C. However, it can be done! LHA project shows it!

VII. NEW ENGLAND MERCHANTS AND LAWRENCE HYDROELECTRIC ASSOCIATES—A CASE STUDY

A. Front Money loan—New England Merchants.

B. Construction Loan—a New York bank.

C. Long-term debt—an insurance company.

D. Junior money loan—New England Merchants.

E. Equity investment—Essex Company and a limited partner.

VIII. SHOULD BANKERS GET INTO LOW HEAD HYDRO DEALS AND HOW?

A. You cannot do project financing on a part-time basis because of the need for experienced lenders since all forms of financing must mesh and if a bank caused the project to fail because it did not understand

the nature of the risk, it would get a lot of bad publicity and possibly law suits.

B. Three basic ways to go into project financing:

(1) Develop your own in-house expertise by spending the time and money to build up expertise in project financing and low head hydro. Reason—meshing of gears problem—if a deal fails after parties work six months—ill will.

(2) Form a loaning group or consortium of banks—savings and commercial—that will work together to hire in "experts" or "experienced people" to assist the group in evaluating and making low head hydro loans. This group could consist of commercial banks to do the front money loan, construction loans, and equity loans and savings banks and/or insurance companies for the long-term financing.

(3) Bring a deal to a bank that is experienced in project financing of low head hydro projects and have them do a participation with you until you have enough expertise to do it yourself.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER THAT NO ROLLCALL VOTES BEGIN BEFORE THE HOUR OF 2:30 P.M. ON MONDAY, JULY 23, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if any rollcall votes are ordered on Monday, except for any rollcall votes that may be procedurally necessary in getting a quorum, or some such, that such rollcall votes not begin before the hour of 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL MONDAY, JULY 23, 1979

Mr. CRANSTON. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in recess until 12 noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED AUTHORIZATIONS FOR 1979 FOOD STAMP PROGRAM

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1309, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment.

ORDER FOR THE RECOGNITION OF MR. EXON ON MONDAY

Mr. CRANSTON. Mr. President, I ask unanimous consent that after the two leaders have been recognized under the standing order and have used their time on Monday morning, Senator EXON be recognized for not more than 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF S. 1309 ON MONDAY

Mr. CRANSTON. Mr. President, I ask unanimous consent that upon completion of the standing order and the order for the recognition of Mr. EXON that the Senate resume consideration of Calendar Order 247, S. 1309.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JULY 23, 1979

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until 12 noon, Monday.

The motion was agreed to; and at 5:48 p.m., the Senate recessed until Monday, July 23, 1979, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate on July 21, 1979:

DEPARTMENT OF ENERGY

Charles William Duncan, Jr., of Texas, to be Secretary of Energy.

DEPARTMENT OF DEFENSE

W. Graham Claytor, of the District of Columbia, to be Deputy Secretary of Defense, vice Charles William Duncan, Jr.

THE JUDICIARY

Barbara B. Crabb, of Wisconsin, to be U.S. district judge for the western district of Wisconsin, vice a new position created by Public Law 95-486, approved October 20, 1978.

Terence T. Evans, of Wisconsin, to be U.S. district judge for the eastern district of Wisconsin, vice a new position created by Public Law 95-486, approved October 20, 1978.

Eugene P. Spellman, of Florida, to be U.S. district judge for the southern district of Florida, vice a new position created by Public Law 95-486, approved October 20, 1978.

EXTENSIONS OF REMARKS

EXECUTIVE COMMUNICATION NO. 1627

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. MURPHY of New York. Mr. Speaker, following is a copy of Executive Communication No. 1627 from the Department of the Interior in explanation of a draft bill which was introduced in the form of H.R. 4887, to authorize appropriations for the San Francisco Bay National Wildlife Refuge:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 14, 1979.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith is proposed legislation to increase and extend the authorization of appropriations for the San Francisco Bay National Wildlife Refuge. We recommend that this legislation be referred to the appropriate Committee and that it be enacted.

The Secretary of the Interior was directed to establish and administer the San Francisco Bay National Wildlife Refuge by Public Law 92-330, June 30, 1972 (86 Stat. 399; 16 U.S.C. 668dd). The purpose of this 23,000 acre refuge is to protect the wildlife resources of the South San Francisco Bay area, provide wildlife-oriented recreation and preserve a natural area in close proximity to a large urban center.

The marshes, mudflats, open water and saltponds of the refuge form an ecosystem that supports a rich diversity of fish and wildlife. It is a major nesting and feeding area for the waterfowl and shorebirds of the Pacific flyway. The refuge also preserves a hauling ground for the wary harbor seal and habitat for several endangered and threatened species, including the California least tern, the California clapper rail and the salt marsh harvest mouse.

In addition to preserving important wildlife habitat, the refuge establishes a sorely needed wildlife-oriented public use area for the burgeoning San Francisco Bay region. Once acquisition and development is complete we expect that more than one million visitors a year will take advantage of the opportunities for fishing, animal and bird observation, and research and environmental education which will be provided by the refuge.

Public Law 92-330 contained an authorization of appropriations of $9 million for land acquisition and $11.3 million for development. These authorizations expired at the end of fiscal year 1977 and were extended through fiscal year 1980 by Public Law 95-299 (92 Stat. 3411).

Our proposal would increase the authorization for land acquisition at San Francisco Bay National Wildlife Refuge to $13.2 million, to be available until September 30, 1983. Land acquisition has been restricted pending settlement with a major property owner and the conclusion of litigation between the State of California and other landowners. The $4.2 million increase, available through fiscal year 1983, will allow us to complete acquisition.

Development of the refuge is proceeding but cannot be concluded until acquisition problems are resolved. We therefore also recommend that funds authorized for this purpose remain available until expended.

The Office of Management and Budget has advised that there is no objection to presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

ROBERT HERBST,
Secretary.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ASSASSINATIONS CONSPIRACY THEORIES

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

Mr. BEDELL. Mr. Speaker, in recent days we have seen numerous press accounts of the newly released findings of the House Assassinations Committee that raise the possibility of an organized conspiracy being responsible for the murders of President Kennedy and Martin Luther King, Jr. It is a subject which stirs deep emotions in all of us and which, for that reason, demands that we avail ourselves of all of the best information so that hasty conclusions are not drawn.

The New York Times Sunday Magazine of July 15 carried a thought-provoking article on this question with respect to the Kennedy assassination that I believe deserves the attention of everyone. It was written by David W. Belin, a lawyer who served as counsel to the Warren Commission in 1964 in its investigation of the Kennedy assassination and who later served as executive director of the Commission CIA Activities Within the United States in 1975.

I recommend this extremely well-done article to my colleagues by having it printed in full in the RECORD following these remarks:

(By David W. Belin)

In early December 1978, the members of the House Select Committee on Assassinations were reviewing copies of a preliminary draft final report. After nearly two years of work and the expenditures of $5.8 million, they had concluded that Lee Harvey Oswald was the lone gunman who had killed President Kennedy, wounded Texas Governor John Connally and killed Dallas Police Office J. D. Tippit. There was no conspiracy.

It was a report based on an investigation conducted in almost total secrecy, except for a few weeks of public hearings carefully orchestrated by G. Robert Blakey, chief counsel of the committee staff.

Less than three weeks later, one the biggest flip-flops in recent Congressional history occurred. The 600-plus-page report was rejected and on Friday, December 29, 1978, the committee approved a nine-page Summary of Findings and Recommendations, which concluded that although Oswald was the assassin, there was a conspiracy involving an unseen second gunman. This invisible person supposedly fire a single shot from an elevated portion of land known as the grassy knoll, located to the right front of the Presidential limousine. According to the committee summary, this shot missed President Kennedy.

Although the location of the claimed second gunman was barely 100 feet from the Presidential limousine, the invisible shot also missed Governor Connally and everyone else in the Presidential limousine; it even missed the limousine.

Who was this second gunman? Why would he fire only once? Why were no cartridge cases found? The committee reverted to its cloak of secrecy, merely promising a final report around the first of April. That deadline was not met because Blakey and the remaining members of the staff were having trouble with their second-gunman theory.

Three members of the committee did not agree with the second-gunman theory, which was predicated almost solely on the testimony of acoustical experts. Earlier an expert had asserted a 50 percent degree of certainty in his conclusions. In the middle of December, two new experts came forward and declared, along with the original expert, that they were 95 percent certain. Despite the continuing doubts of three members of the committee, the change in the experts' opinion from 50 percent certainly to 95 percent was the cause of the flip-flop. Having served as counsel to the Warren Commission, I know that regardless of whether the accoustical experts say they were 50 percent certain or 95 percent certain, they are nevertheless wrong: There was no second gunman.

In the first place, all of the physical evidence points to a single gunman. Only one gunman was seen at the time of the assassination, and witnesses saw him fire from the sixth-floor window of the Texas School Book Depository. Three cartridge cases were found by that window; a nearly whole bullet was found at Parkland Memorial Hospital on Governor Connally's stretcher; and two ballistically identifiable portions of the bullet that struck President Kennedy's head were found inside the Presidential limousine. Ballistic evidence proved those cartridge cases, the bullet and the bullet fragments all came from Oswald's rifle, which was found by the back stairway of the sixth floor of the Book Depository. His palmprint was on the rifle, his fingerprints were on the paper bag used to carry the rifle into the building, and he matched the physical description given by a witness who had seen the gunman take aim and fire the last shot.

Oswald had ordered the rifle through the mail and had had it shipped to his post-office box in Dallas—the same place his pistol had been shipped to. He was apprehended with the pistol in his possession. This was the weapon he used to kill Dallas Police Officer J. D. Tippit on November 22, 1963, approximately 45 minutes after the assassination of President Kennedy. Six eye witnesses conclusively identified Oswald as the gunman at the Tippit murder scene, or the man running away from the Tippit murder scene with gun in hand.

In contrast, the acoustical evidence rests on a number of implausible assumptions. For instance, if the Dallas police tape is a genuine tape of the assassination, why did it not pick up the sound of motorcycle engines revving up as the motorcade sped toward Parkland Hospital? Why are police sirens not immediately heard? Why does one hear the faint sound of chimes, although no chimes were found to be in use at or near the scene of the assassination?

But even assuming the tape is genuine, the theory of the acoustical experts rests upon false assumptions made when the initial acoustical data were taken, including the location of the motorcycle at the time the first shot was fired.

However, I believe there is an issue of far greater importance than the technicalities of the acoustical evidence. That issue concerns the ramifications of a secret Congressional investigation coupled with excessive delegation of powers to the committee staff. The House Select Committee on Assassinations is a microcosm of this compound problem. The committee's erroneous conclusion concerning Jack Ruby is the most vivid example of the pitfalls of this process.

In The New York Times of Sunday, June 3, Wendell Rawls Jr. reported that, according to a "committee source," the final report "will contend" that Jack Ruby "stalked Lee Harvey Oswald from the hours immediately after the assassination until he killed Oswald on the Sunday morning following the assassination, and that both Ruby and Oswald had contacts among organized crime figures. According to the source, "There is a substantial body of evidence, a web of circumstantial evidence, to connect the death of the President to elements of organized crime and the efforts of organized crime to retaliate against President Kennedy and his brother Robert Kennedy who was Attorney General and who was undertaking substantial law-enforcement efforts against organized crime.

Rawls also reported that "the committee discounts Ruby's statement before his own death that he had killed Oswald so that the President's widow would be spared a return to Dallas, where she might be forced to relive the shattering moments of the assassination as a witness at Oswald's trial." The committee asserts that the story was "concocted by his lawyer."

It seemed the perfect end for the investigation. Who would defend organized crime? And, more particularly, who would defend Jack Ruby, now that he is dead?

If there had been a full series of public hearings, the allegations of Ruby's involvement in a conspiracy could never have been seriously sustained because of the testimony of one person—a rabbi who was living in Dallas at the time of the assassination and who is the most important living witness on the issue of possible involvement of Jack Ruby in a conspiracy.

His name is Rabbi Hillel Silverman. Rabbi Silverman did not know Jack Ruby very well before the assassination, but after Ruby shot Oswald he visited Ruby in the Dallas County Jail on an average of once or twice a week and became extremely close to him.

During the investigation of the Warren Commission, while Ruby was alive, Rabbi Silverman could not be called upon to testify because the intimate conversations between a minister, priest or rabbi and his congregant are privileged. However, that prohibition did not necessarily bind the House Select Committee on Assassinations, now that Ruby is dead. Yet—and this is hard to believe, but it is nevertheless true—the committee staff, during the entire multi-million-dollar, two-year investigation, did not even try to take Rabbi Silverman's testimony. He would have testified had he been called.

Let us go back to Monday, Nov. 25, 1963, after a weekend of national bereavement following the assassination of President Kennedy. The place was the Dallas County Jail, a relatively unfamiliar location for Rabbi Hillel Silverman to be calling upon a member of his Conservative congregation. The bronzed, handsome rabbi of Congregation Shearith Israel in Dallas did not relish the task. Nevertheless, he felt an obligation to call upon Jack Ruby, who, the day before, had committed a murder witnessed by millions of Americans on their television screens.

The name of Jack Ruby's victim, of course, was Lee Harvey Oswald, who on the previous Friday, Nov. 22, had murdered both President John F. Kennedy and Dallas Police Officer J. D. Tippit.

Police had started to grill Ruby before he was able to reach a lawyer. Ruby told Rabbi Silverman that he remembered telling one of the policemen on Sunday, "I was afraid that Mrs. Kennedy would be asked to return to Dallas for the trial." That single statement contradicts the claim of the House committee staff that Ruby's story was "concocted" by his lawyer.

There are many other facts which also contradict the conclusions of the House committee. For instance, late on Friday night after the assassination, Ruby went to the Dallas police station and walked into a press conference where Oswald was being interviewed. "Had I intended to kill him," Ruby said, "I could have pulled my trigger on the spot, because the gun was in my pocket."

The next day, Ruby viewed a telecast from New York City on which a Rabbi Seliegson was preaching on Kennedy and the assassination. Ruby found this very moving—so much

so that he dressed, went to his car, and drove to the site of the assassination, where he walked by the wreaths that had already been placed there.

Ruby told Rabbi Silverman about reading in the Sunday newspaper that Jacqueline Kennedy might have to come back for the trial of Lee Harvey Oswald.

Shortly before 11 A.M. on that Sunday morning, Jack Ruby left his apartment building to go to the downtown Western Union office to wire some money to one of his employees, "Little Lynn," who lived in Fort Worth. According to Rabbi Silverman, Ruby was under the impression that Oswald had already been transferred from the city jail to the county jail, but when he saw people and policemen standing around the police station he decided to return after he wired the money at Western Union.

The time stamp at the Western Union office was 11:17 A.M. The ramp from the street leading down to the basement where Oswald was to get into a vehicle for transfer was barely a half block away.

Ruby left the Western Union office, was able to gain access to the ramp when a policeman's back was turned, and walked down the ramp into the basement area where members of the press were congregated waiting to see Oswald appear. Within a minute or two—at 11:21 A.M.—Oswald, flanked by police officers, stepped out of the basement elevator and walked through the dark corridor toward the area where Ruby and members of the press were standing.

It all happened very quickly. Flash bulbs and strobe lights temporarily blinded the police escort. Ruby generally carried a gun, and when he saw Oswald, he took out his gun and pulled the trigger. The police wrestled Ruby to the floor and he cried out, "I am Jack Ruby."

From that first visit on Nov. 25, Rabbi Silverman tried to see Ruby once or twice a week, until Silverman left Dallas to accept a pulpit in Los Angeles in July 1964. Whenever Rabbi Silverman discussed with Jack Ruby why he had shot Oswald, the answer in essence was the same: in order to save Mrs. Kennedy from having to come back for the trial of Lee Harvey Oswald.

There were many in Dallas—undoubtedly a majority—who believed that the murder of Oswald was part of an overall conspiracy to assassinate President Kennedy. Frankly, when I first came to Washington in early January 1964 to serve as assistant counsel to the Warren Commission, I was anxious to investigate such a possibility. It was not very farfetched to assume that Ruby had killed Oswald in order to silence him, particularly since Ruby was a person who had contacts with organized crime. The possibility was enhanced because Robert Kennedy as Attorney General had declared war on the underworld.

Therefore, on one of my first trips to Dallas, I visited Rabbi Silverman on an informal basis. We had become friends the previous summer on a study mission to Israel. As one friend to another, I told Rabbi Silverman that I recognized that what was said in the intimacy of his conversations with his congregant was privileged, but I wondered whether or not he had any question about the existence of a possible conspiracy. Silverman was unequivocal in his response: "Jack Ruby is absolutely innocent of any conspiracy."

I asked Rabbi Silverman if he was certain of this. "Without a doubt," he replied. Although the tone of his voice was most convincing, and although I realized that Rabbi Silverman had probably become closer to Jack Ruby than any other person in the world, I nevertheless wanted some additional corroboration beyond the investigation by the Warren Commission. The most obvious possibility was a polygraph, or lie-detector, examination.

Inside the Warren Commission, we had already had a major debate about the use of a polygraph. I had expressed to my colleagues my own suspicions that there might have been a conspiracy. For instance, the "single-bullet theory"—which has been corroborated by the House Assassination Committee—grew out of an attempt on my part to prove that there was more than one gunman. Eventually, after analyzing all of the evidence, I determined that indeed there was only one gunman and that that gunman was Lee Harvey Oswald. The medical experts of the House Assassination Committee, as well as an independent panel of medical experts selected by Attorney General Ramsey Clark in 1968 and an independent panel selected by the Rockefeller Commission in 1975, corroborated the fact that all of the shots that struck President Kennedy and Governor Connally came from behind. The House committee corroborated the conclusion of the Warren Commission that the bullet that struck Governor Connally first passed through President Kennedy's neck.

Another area I was concerned about was possible knowledge of conspiracy or involvement in a conspiracy of Marina Oswald, the assassin's widow, and Jack Ruby. I wanted both to undergo polygraph tests, and I started with Marina.

In a written memorandum, I pointed out some inconsistencies in interviews of Marina with the F.B.I. and I also stated that a substantial portion of her testimony was not subject to ordinary tests of credibility because it concerned their life together in Russia. I also said that if under a polygraph examination it was to be shown that "Marina had not been truthful in her testimony, it could throw an entirely new light on aspects of the investigation."

A majority of the staff lined up against me. One member undertook research to prove the limitations of the test and to prove that one could not blindly rely upon test results. In rebuttal, I admitted that the polygraph test had limitations, but I argued that in large part those depended upon the qualifications and competency of the polygraph examiner. Although a lie-detector test may not be admissible in a court of law, we were not in a legal proceeding but rather we were undertaking an investigation, and I urged that we use the polygraph as an investigative aid. Chief Justice Warren sided with the majority of the staff, and my request was denied.

Once the commission had decided against using a polygraph for Marina Oswald, I knew there was no possibility that the commission would consider asking that Jack Ruby undergo a lie-detector test. Therefore, I decided to take matters into my own hands.

Without the knowledge of Chief Justice Warren or anyone else connected with the Warren Commission, I approached Rabbi Silverman directly. I told him that even though he was convinced that Ruby was not involved in a conspiracy in the assassination, the world would never be convinced unless Ruby took a polygraph examination. I also told him that the Warren Commission would never ask Ruby to submit to one and that the only way this could be accomplished would be to have Ruby himself make that request to the Warren Commission.

Rabbi Silverman, of course, had a major dilemma. On the one hand, Ruby was represented by legal counsel and it was up to the lawyers to decide whether or not Jack Ruby would submit to the test. The test could undermine the legal defense of temporary insanity. On the other hand, Rabbi Silverman was absolutely convinced that Ruby was innocent of any conspiracy, and he recognized that a polygraph examination would be a major step in convincing the people of Dallas.

In April 1964, Rabbi Silverman discussed his dilemma with me. My position was very simple: Ruby had already been convicted of murder. The situation could not be much worse. Surely, if he was innocent of any conspiracy, he should come forward and volunteer to take the test.

Finally, Rabbi Silverman agreed to try to persuade Jack Ruby to ask for the test to coincide with his testimony before the Warren Commission.

On June 7, 1964, Earl Warren and Gerald Ford went to the Dallas County Jail to interrogate Jack Ruby. At the beginning of Ruby's testimony, he said, "Without a lie-detector test on my testimony, my verbal statements to you, how do you know if I am telling the truth?"

His attorney interrupted him and said, "Don't worry about that, Jack." But Ruby was not to be denied, and he continued, "I would like to be able to get a lie-detector test or truth serum of what motivated me to do what I did at that particular time. . . . Now, Mr. Warren, I don't know if you got any confidence in the lie-detector test and the truth serum and so on."

Chief Justice Warren replied, "I can't tell you just how much confidence I have in it, because it depends so much on who is taking it, and so forth. But I will say this to you, that if you and your counsel want any kind of test, I will arrange it for you, I would be glad to do that, if you want it. I wouldn't suggest a lie-detector test to testify the truth. We will treat you just the same as we do any other witness, but if you want such a test, I will arrange for it."

And Ruby replied, "I do want it."

Ruby then described to Chief Justice Warren his actions during the weekend of the assassination, which culminated in his killing Lee Harvey Oswald. Just as he had told Rabbi Hillel Silverman about watching the eulogy by a rabbi on television on Saturday morning, Nov. 23, Ruby told Chief Justice Warren:

"He went ahead and eulogized that here is a man that fought in every battle, went to every country, and had to come back to his own country to be shot in the back," and Ruby started crying. After regaining his composure, he continued and told about reading a letter to Caroline on Sunday morning in the newspaper: "And along side that letter on the same sheet of paper was a small comment in the newspaper that, I don't know how it was stated, that Mrs. Kennedy may have to come back for the trial of Lee Harvey Oswald. That caused me to go like I did. I don't know, Chief Justice, but I got so carried away. And I remember prior to that thought that there has never been another thought in my mind; I was never malicious toward this person. No one else requested me to do anything. I never spoke to anyone about attempting to do anything. No subversive organization gave me any idea. No underworld person made any effort to contact me. It all happened that Sunday morning.

"The last thing I read was that Mrs. Kennedy may have to come back to Dallas for trial for Lee Harvey Oswald, and I don't know what bug got ahold of me. I don't know what it is, but I'm going to tell the truth word for word."

Ruby then went into some detail about how he happened to be at the scene. After telling about how he had gone down the ramp into the police-station basement, Ruby said, "You wouldn't have enough time to have any conspiracy. . . . I realize it is a terrible thing I have done, and it was a stupid thing, but I just was carried away emotionally, do you follow that?"

Chief Justice Warren replied, "Yes; I do indeed, every word."

Ruby then continued, "I had the gun in my right hip pocket, and impulsively, if that is a correct word here, I saw him, and that is all I can say. I didn't care what happened to me. I think I used the words 'You killed my President, you rat.' The next thing, I was down on the floor".

In the words of Ruby, "I wanted to show my love for our faith, being of the Jewish faith, and I never used the term, and I don't want to go into that—suddenly the feeling, the emotional feeling came within me that someone owed this debt to our beloved President to save her the ordeal of coming back. I don't know why that came through my mind."

As a matter of fact, although Ruby told Chief Justice Warren that he didn't "want to go into that," and although Ruby was not particularly religious, Rabbi Silverman in a conversation with me recently said that when he first asked Ruby to tell him what happened, Ruby replied, "I did it for the Jews of America."

In his testimony before Chief Justice Warren and Gerald Ford, Ruby added one more facet to his story: "A fellow whom I sort of idolized is of the Catholic faith and a gambler. Naturally, in my business you meet people of various backgrounds.

"And the thought came, we were very close, and I always thought a lot of him, and I knew that Kennedy, being Catholic, I knew how heartbroken he was, and even his picture—of this Mr. McWillie—flashed across me, because I have a great fondness for him.

"All that blended into the thing that, like a screwball, the way it turned out, that I thought I would sacrifice myself for the few moments of saving Mrs. Kennedy the discomfiture of coming back to trial."

Warren asked Ruby whether or not he knew Oswald. Ruby replied, "No."

Ruby was asked whether or not he knew Dallas Police Officer J. D. Tippit, who was murdered 45 minutes after the assassination by Oswald. Ruby said there were three Tippits on the force, but the one he knew was not the one who was murdered on Nov. 22. Ruby maintained, "I am as innocent regarding any conspiracy as any of you gentlemen in the room, and I don't want anything to be run over lightly."

Six weeks later, on July 18, 1964, the Warren Commission made arrangements to have Ruby's testimony taken before a court reporter while Ruby was undergoing a lie-detector test. The man administering the test was one of the ablest in the field, F.B.I. polygraph operator Bell P. Herndon.

At the very last minute, Ruby's chief counsel, Clayton Fowler, tried to stop the test. He told Arlen Specter, the representative from the Warren Commission, that Ruby had changed his mind. But Specter was not to be denied and had the court reporter start transcribing what was taking place. Reluctantly, Fowler admitted, "He says he's going to take this test regardless of his lawyers, and he says, 'By God, I'm going to take the test.' "

What did the test show? According to the test results, Ruby's testimony before the Warren Commission was the truth. Also, according to the test results, Ruby answered the following questions truthfully:

Q. Did you know Oswald before Nov. 22, 1963?

A. No.

Q. Did you assist Oswald in the assassination?

A. No.

Q. Between the assassination and the shooting, did anybody you know tell you they knew Oswald?

A. No.

Q. Did you shoot Oswald in order to silence him?

A. No.

Q. Is everything you told the Warren Comcission the entire truth?

A. Yes.

Q. Did any foreign influence cause you to shoot Oswald?

A. No.

Q. Did you shoot Oswald because of any influence of the underworld?

A. No.

Q. Did you shoot Oswald in order to save Mrs. Kennedy the ordeal of a trial?

A. Yes.

Q. Did you know the Tippit that was killed?

A. No.

In 1975 there was a rebirth of interest in the whole question of President Kennedy's assassination. A majority of the American people, it appeared, did not believe in the conclusions of the Warren Commission, and in November of that year I called for Congress to reopen the investigation of the assassination. I said that any thorough, objective investigation would reach the same conclusion as the Warren Commission, that Lee Harvey Oswald was the lone gunman who killed President Kennedy and Officer Tippit. I believed that a confirmation of this finding would contribute to renewed confidence and trust in government, and I also believed that it would illustrate the processes by which the American public at times can be misled by sensationalism, demagogy and deliberate misrepresentation of the overall record. Virtually all of the Warren Commission critics have used such techniques, and I thought exposing them to the public could be one of the most important results of the Congressional reopening of the Warren Commission investigation.

At that time, I also said that an objective, thorough investigation would disclose that Jack Ruby was innocent of any conspiracy. I believed that because of my discussions with Rabbi Silverman, coupled with Ruby's testimony, the absence of any direct evidence linking Ruby with a conspiracy, the results of the polygraph examination, and because of one other factor, a happenstance, that changed the course of history.

Oswald was scheduled to be transferred from the city jail at the police station to the county jail several blocks down the street at approximately 10 A.M. on Sunday, Nov. 24. Before the scheduled transfer, he was to undergo the third of a series of interrogations by Capt. Will Fritz, the head of the homicide section of the Dallas Police Department, and representatives of the Secret Service and the F.B.I.

If no one else had joined the group, Oswald would have been transferred on schedule, long before Jack Ruby ever got downtown. However, another person entered the interrogation room Sunday morning. He was Postal Inspector Harry D. Holmes, and he had helped the F.B.I. trace the money order that Oswald used to purchase the rifle with which he killed President Kennedy. Holmes had also helped the F.B.I. trace the ownership of the post-office box that the rifle (and the pistol that Oswald used to kill Officer Tipoit) was shipped to.

When I took Inspector Holmes's testimony, I asked him: "Just what was the occasion of your joining this interrogation? How did you happen to be there?"

Holmes replied: "I had been in and out of Captain Fritz's office on numerous occasions during this two-and-a-half-day period.

"On this morning I had no appointment. I actually started to church with my wife. I got to church and I said, 'You get out. I am going down and see if I can do something for Captain Fritz. I imagine he is as sleepy as I am.'

"So I drove directly cn down to the police station and walked in, and as I did, Captain Fritz motioned to me and said, "We are getting ready to have a last interrogation with Oswald before we transfer him to the county jail. Would you like to join us?"

"I said, 'I would.' "

After Captain Fritz, the representative of the Secret Service, and also an F.B.I. agent who was present, finished their interrogation of Oswald, Captain Fritz turned to his friend, Postal Inspector Holmes, and asked whether or not Holmes wanted to interrogate Oswald. While the invitation from Captain Fritz was highly unusual, Holmes jumped at the opportunity, and the interrogation continued for another half hour or more.

Ruby shot Oswald approximately five minutes after he, Ruby, left the Western Union office. Had Inspector Holmes continued on to church with his wife that morning and not at the last minute joined the interrogation session with Oswald, the length of interrogation would have been shortened by more than half an hour. Jack Ruby would never have had the opportunity to kill Oswald.

In early June 1979, when I read for the first time that the House Committee staff was asserting that Ruby may have been involved in a conspiracy and that Ruby's lawyers "concocted" his claim that he shot Oswald in order to save Mrs. Kennedy the ordeal of coming back to Dallas, I immediately wrote Chairman Louis Stokes of the House Select Committee on Assassinations. As I had done on previous occasions going back to March 9, 1977, I asked for an opportunity to appear before the House Select Committee in a public session. Chairman Stokes never replied to my initial letter. I wrote him and the other members of the committee on Nov. 22, 1977, and I received a reply from Representative Richardson Preyer, chairman of the subcommittee dealing with the assassination of President Kennedy. Congressman Preyer wrote: "Bob Blakey and I have discussed your appearance before the committee and he assures me that he plans to invite you."

Finally, in July 1978, a committee staff member requested that I come to Washington to appear, not before the committee but before members of the staff in a closed hearing. I have had long experience with closed hearings, going back to my service as counsel to the Warren Commission in 1964 and in 1975 as executive director of the Rockefeller Commission investigating the C.I.A. I felt it was a mistake for the Warren Commission to hold all of its hearings in secret, and I specifically requested that the Rockefeller Commission hold open meetings when classified matters were not under discussion. Unfortunately, my request was turned down by a majority of the members of that commission. Like the members of the Warren Commission, they wanted everything to be contained in one final report rather than released piecemeal.

I reviewed this by telephone with the staff of the House committee and then wrote a letter, with copies to each member of the committee, in which I declined to appear in a secret session. In that letter, I concluded: "I happen to have a deep philosophical conviction of the need for more openness in government and particularly the opportunity for a free press to report on the activities of government wherever possible.

"I do not necessarily believe that every single one of your hearings should have been open to the public, but I believe there is much over the past year and a half that could have been. For me now to appear in a secret hearing would be to give support to a course of action that I believe to be unsound and against the best interests of the people in a free society.

"Therefore, I must respectfully decline your request to appear at a secret meeting where neither the press nor members of the committee are present. However, I would be very happy to come to Washington to appear in an open public hearing before your entire committee. I believe that there is a major contribution that I can make because of my background and experience (although I am naturally disappointed that I was not called earlier when I believe I could have made an even greater impact before your investigation was substantially completed)."

The committee staff was adamant in its position. They said there was not enough time for me to appear before the commit-

tee, and they also refused to have any public hearings other than those that were personally orchestrated by the staff. Finally, in an effort to break the logjam, I agreed to appear before the staff, rather than the committee itself, as long as it was an open hearing. However, from firsthand experience with the Warren Commission and Rockefeller Commission, I know (and advised the members of the committee) that the depositions or testimony of witnesses where committee members are not present does not have nearly the impact that testimony before the committee itself does. Blakey refused to allow members of the press to be present at a staff meeting; therefore, I did not appear.

Assassination sensationalists were permitted to testify before the committee and were included in the limited public hearings, where they made their many false claims. But the committee never gave me a corresponding opportunity, although in recent years I have been called the leading defender of the Warren Commission Report. I know that there were many areas where I could have made a major contribution to the committee, if I had had the opportunity to appear, particularly because of my unique position as the only person in the world who served with the Warren Commission who also served with the Rockefeller Commission and saw everything in the files of the C.I.A. concerning the assassination of President Kennedy.

Based upon my experience in two of the most widely publicized commissions of this century, it is my firm conviction that one of the greatest dangers to our freedom is excessive secrecy and the harm it does to the vital check-and-balance system of a democratic society. The way Congressional staffs work today compounds the problem. These staffs, in the words of James Reston, have become like "hidden legislatures," operating beneath the surface, conducting investigations in the name of, and on behalf of, elected representatives who themselves do not have enough time to perform the work. The staff members feed questions to the representatives, write reports in the name of the representatives, and lead the elected representatives of the people down a primrose path until it is too late for the representatives to do anything.

The House Select Committee on Assassinations is a microcosm of Capitol Hill. I know that the report of the House Select Committee on Assassinations will not stand the test of history. When people examine such failures as the absence of any testimony from Rabbi Silverman, the failure to consider the happenstance of Postal Inspector Holmes's missing church that fateful Sunday morning, and all of the other inadequacies that will come to light, the folly of the multimillion-dollar supersecret investigation will become clear to all.

This report should stand as a perpetual monument to the tinderbox combination of excessive powers of Congressional staffs, combined with the excesive dangers of ultrasecret investigations.

Only through a vibrant free press can these dangers be overcome. And they must be overcome if this country is to be able to deal effectively with the national problems facing our society over the next 20 years and beyond.●

FEDERAL AID WILDLIFE RESTORATION ACT

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. MURPHY of New York. Mr. Speaker, following is a copy of the executive communication No. 1660 from the Department of Interior in explanation of a draft bill which was introduced in the form of H.R. 4888, to amend the Federal Aid Wildlife Restoration Act.

The communication follows:

UNITED STATES DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 21, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith is proposed legislation to amend the Federal Aid in Wildlife Restoration Act of September 2, 1937 (50 Stat. 917) as amended (16 U.S.C. 669–669i) to require the use of the most current and complete population data. We urge that this proposal be referred to the appropriate committee and that it be enacted.

The Federal Aid in Wildlife Restoration Act (16 U.S.C. 669–669i; 50 Stat. 917), as amended several times provides funds to States for wildlife restoration and hunter safety programs. Under the Act, commonly referred to as the "Pittman-Robertson Act", funds from an 11 percent excise tax on sporting arms and ammunition (Internal Revenue Code of 1954, section 4161(b) and 4181) are appropriated to the Secretary of the Interior annually and apportioned to States on a formula basis for paying up to 75 percent of the cost of approved land acquisition, research, development and management projects.

Public Law 91–503, approved October 23, 1970 (84 Stat. 1097), added a 10 percent tax on pistols and revolvers to the Pittman-Robertson Fund one-half of which may be used by the States for hunter safety programs. This amendment also provided for development of comprehensive fish and wildlife management plans as an optional means for participating in the program. On October 25, 1972, the Act was further amended by Public Law 92–558 (86 Stat. 1172) to add an 11 percent excise tax on bows, arrows, parts and accessories for use in wildlife projects and hunter safety programs and amended June 8, 1974, by Public Law 93–313 (88 Stat. 238) to provide for a six month delay, until January 1, 1975, in the initiation of the collection of the excise tax on bows, arrows, parts and accessories. As of 1977, the fortieth year of the program, $800 million had been apportioned to the States for wildlife restoration and hunter safety projects.

Under the provisions of section 4(b) of the Act (16 U.S.C. 669c(b)), one-half of the revenue from the excise tax on pistols, revolvers, bows, and arrows is apportioned to the States based on population of each State. The States may use the funds apportioned under this section for hunter safety programs. Apportionments are adjusted so that no State receives more than three percent or less than one percent of the total apportioned. Population is determined by the latest decennial census. Since the apportionments are based on decennial census figures, population changes occurring during the interval between each census are not reflected in the amount each State receives. The proposed legislation would remove this requirement, and in lieu thereof, and in accord with the Office of Management and Budget Circular A-46, "Standard Data of Total Population Used in Distributing Federal Benefits" required use of the most current and complete national series of population data published by the Buearu of the Census.

Under this approach, approximately $48,000 or less than one percent of total program appropriations would have been reallocated among 19 States in fiscal year 1978. A summary of these adjustments is enclosed.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

ROBERT HERBST,
Assistant Secretary.

State	1970 population	1976 population[1]	Actual 1978 apportionment	Rev. 1978 apportionment	Amount of change
Alabama	3,444,165	3,665,000	915,397	913,862	−1,535
Alaska	302,173	387,000	89,000	89,000	0
Arizona	1,772,482	2,270,000	110,851	132,460	+21,609
Arkansas	1,923,295	2,109,000	120,282	123,065	+2,783
California	19,953,134	21,520,000	264,000	264,000	0
Colorado	2,207,259	2,583,000	138,041	150,724	+12,683
Connecticut	3,032,217	3,117,000	189,634	181,884	−7,750
Delaware	548,104	587,000	89,000	89,000	0
Florida	6,789,443	8,421,000	264,000	264,000	0
Georgia	4,589,575	4,970,000	264,000	264,000	0
Hawaii	769,913	887,000	88,000	88,000	0
Idaho	713,008	831,000	88,000	88,000	0
Illinois	11,113,976	11,229,000	264,000	264,000	0
Indiana	5,193,669	5,307,000	264,000	264,000	0
Iowa	2,825,041	2,870,000	176,677	167,472	−9,205
Kansas	2,249,071	2,310,000	140,656	131,794	−5,862
Kentucky	3,219,311	3,428,000	201,335	200,032	−1,303
Louisiana	3,643,180	3,841,000	227,843	224,132	−3,711
Maine	993,663	1,070,000	88,000	88,000	0
Maryland	3,922,399	4,144,000	245,306	241,812	−3,494
Massachusetts	5,689,170	5,809,000	264,000	264,000	0
Michigan	8,875,083	9,104,000	264,000	264,000	0
Minnesota	3,805,069	3,965,000	237,968	231,366	−6,602
Mississippi	2,216,912	2,354,000	138,645	137,362	−1,283
Missouri	4,677,399	4,777,000	264,000	264,000	0
Montana	694,409	753,000	88,000	88,000	0
Nebraska	1,483,791	1,553,000	72,736	70,631	2,175
Nevada	488,738	610,000	88,000	88,000	0
New Hampshire	737,681	822,000	88,000	88,000	0
New Jersey	7,168,164	7,336,000	264,000	264,000	0
New Mexico	1,016,000	1,168,000	88,000	88,000	0
New York	18,190,740	18,084,000	264,000	264,000	0
North Carolina	5,082,059	5,469,000	264,000	264,000	0
North Dakota	617,761	643,000	88,000	88,000	0
Ohio	10,652,017	10,690,000	264,000	264,000	0
Oklahoma	2,559,253	2,766,000	160,055	161,402	+1,347
Oregon	2,091,385	2,329,000	130,795	135,902	+5,107
Pennsylvania	11,793,909	11,862,000	264,000	264,000	0
Rhode Island	949,723	927,000	88,000	88,000	0
South Carolina	2,590,516	2,838,000	162,010	166,187	+4,177
South Dakota	666,257	686,000	88,000	88,000	0
Tennessee	3,924,164	4,214,000	245,416	245,896	+408
Texas	11,196,730	12,487,000	264,000	264,000	0
Utah	1,059,273	1,228,000	88,000	88,000	0
Vermont	444,732	476,000	88,000	88,000	0
Virginia	4,648,494	5,032,000	264,000	264,000	0
Washington	3,409,169	3,612,000	213,209	210,768	−2,441
West Virginia	1,744,237	1,821,000	109,084	106,259	−2,825
Wisconsin	4,417,933	4,609,000	264,000	264,000	0
Wyoming	332,416	390,000	88,000	88,000	0

DYING MAN AWAITS JOY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. VENTO. Mr. Speaker, there are times in the course of human events when crushing despair is lifted as if by Divine Will, when the hope of one's hopes is realized.

One such experience was realized days ago in St. Paul when, Jan Puszkarz, a Polish immigrant who is dying of cancer, was given the word that members of his family were granted exit visas by the Warsaw government after a protracted delay.

The "miracle" for Jan Puszkarz happened because of the most effective intervention of our colleague, Chairman CLEMENT J. ZABLOCKI, and able staff members of the House Committee on Foreign Affairs.

Their intercession at the highest levels with His Excellency Romuald Spasowski, the Ambassador of Poland, and Foreign Minister Wojtaszek quickly produced the visas needed by Jan Puszkarz's family and relatives. Their gratitude, and mine, for this wonderful deed are offered to CLEM and the Polish officials who were so warmly responsive to a dying man's request.

Thanks are also due to the St. Paul Dispatch writer Don Del Fiacco who first alerted my administrative assistant, Bob Hess, to the plight of Mr. Puszkarz and continued to cover his story.

I insert Mr. Del Fiacco's very touching account of the happy ending to this saga:

DYING MAN AWAITS JOY

(By Don Del Fiacco)

The good news arrived here spectacularly on Friday the 13th, that dreaded day of misfortune and evil.

Dispatched joyously from the District of Columbia, it hummed under ladders, stilled the whine of blackcats and soared the steps of St. Casimir Catholic Church, where bells sing of Polish pride and contempt of the devil.

At a small, modest East Side home, men and women spoke reverently of a "miracle" awarded a 68-year-old retired janitor who is suffering from terminal bone cancer.

Jan Puszkarz, they rejoiced, perhaps soon will receive his daughter and son-in-law and their two children from Poland. He will be allowed to embrace grandchildren he has never seen.

"Thanks to God!" sobbed a Puszkarz daughter, Mrs. Anna Naplorkowski, of 1076 E. Rose Ave. "I feel like a miracle is happening."

But Puszkarz, who returned home July 6 after a long stay at St. Joseph's Hospital, remains unconvinced that his desperate loneliness will end. "Don't dance until you see them," he told his family.

Puszkarz' doubt is understandable. The report that the Polish government finally has agreed to release his family was unexpected. He has viewed bureaucrats with cynicism and fear. He has been unaware that 4th District Congressman Bruce Vento and Robert Hess, Vento's administrative assistant in St. Paul, have been working vigorously in his behalf.

The ordeal actually began five years ago when Mrs. Naplorkowski initiated proceedings to bring Wiktor Daszczyszak family to Minnesota. The attempts were frustrated, but her sister, Janina, was permitted to visit her ailing father for a month last fall.

As her father's condition worsened, Mrs. Naplorkowski, who is married and the mother of two, heightened her efforts to bring over the family, which includes Katyrzyna, a 5-year-old girl, and Krzyaziof, a 20-month-old boy.

She contacted Vento and Hess and corresponded with the office of Vice President Walter Mondale. The congressman and his aide then lobbied the U.S. State Department, the Polish Embassy in Washington and the American Embassy in Warsaw.

Nevertheless, the Polish government on April 9 denied the Daszczyszaks an exit visa on the grounds that Wiktor, a former bus driver who now operates a truck, was considered a "necessary worker" in the communist nation.

Vento and Hess declined to accept the rejection and instead made the case a top priority.

I wrote a column on the issue which was published in the June 12 Dispatch. The next day, Vento read the column into the Congressional Record, pointing out the "cruel vindictiveness of totalitarian regimes toward vulnerable, little people."

"This has been one of the most frustrating matters my staff has been involved with in a long time," Vento continued in the chambers of the House of Representatives. "The complete absence of compassion is without parallel in our experience."

On the recommendation of Donald Wozniak, a St. Paul attorney, copies of the Congressional Record message and the Puszkarz case file were sent to Rep. Clement Zablocki of Milwaukee, who is of Polish ancestry. Vento then visited Zablocki, who moved the Puszkarz material to Polish Ambassador Romalda Spasowski. Last week Zablocki, who is chairman of the House Foreign Affairs Committee, lunched with Emil Wojtaszek, Polish foreign minister in Washington.

The Polish diplomat assured Zablocki that the Daszczyszaks would be granted permanent visas allowing them to live permanently in the United States. Vento and Hess are providing relentless follow-up and have urged speedy processing of the case by the State Department.

"The response from the department has been very positive," Vento said.

Puszkarz, of 991 E. Rose Ave., speaks little English and communicates well only with his wife, Eugenia, Mrs. Naplorkowski and a third daughter here, Julia Rahn. He farmed in Poland until coming here about seven years ago.

Crippled by cancer, Puszkarz has pledged to repulse death until after the arrival of the Daszczyszaks. "I cannot die. I have to see them," he often tells his wife and children.

"I just hope they make it on time," said Mrs. Naplorkowski.●

WARNING ABOUT ADVERSE IMPACT OF ENERGY CRISIS ON ELDERLY, DISABLED SOUNDED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. BIAGGI. Mr. Speaker, as Congress prepares to deliberate on important energy legislation prompted by President Carter's new energy proposals. I wanted to bring to the attention of my colleagues two very important statements detailing the impact of the energy crisis in this Nation's 45 million elderly and disabled citizens.

The statements were delivered this morning at a press conference called by the American Coalition of Citizens With Disabilities and the National Council of Senior Citizens. A somber message was conveyed in the first line of the statement of Dr. Frank Bowe, Director of ACCD:

The nation's energy crisis is now beginning to institutionalize disabled and elderly people.

The NCSC statement delivered by their Executive Director William Hutton made one dramatic point:

We will not sit by and allow our 5.5 million members to be left out in the cold.

The President is to be commended for the initiatives he has already announced. However the ultimate success of the plan will be measured to some extent on the input and support he receives from the elderly and disabled community.

I have several particular concerns which must be addressed as we proceed in the development of new energy legislation.

With respect to gasoline rationing—I consider it imperative that exemptions from rationing be provided to those vehicles which deliver public or private meals to the homebound elderly and disabled.

With respect to the President's call for a new commitment of billions of dollars into mass transportation. I applaud this initiative but feel that the dual issues of accessibility and availability must be addressed as they pertain to the elderly and disabled community.

Finally, the prospect of a long cold winter looms over millions of Americans most especially low-income elderly and disabled. Whether the issue be the supply of energy or the prohibitive costs—we must prepare some legislation soon to avert a tragedy.

I serve as chairman of the Subcommittee on Human Services of the House Select Committee on Aging. It is my intention to conduct a series of field hearings during August to assess the impact of the President's energy on the elderly. I hope to share my findings with my colleagues.

At this point in the RECORD I wish to insert these two important statements:

REMARKS BY WILLIAM R. HUTTON, EXECUTIVE DIRECTOR, NATIONAL COUNCIL OF SENIOR CITIZENS

As the prices of the home heating oil and gasoline continue to rise, as supplies—both domestic and international—steadily decline, Americans are rapidly becoming aware of the serious, potentially devastating effects of the "energy crisis." We as a nation are turning to our leaders for a solution to this intractable problem.

The National Council of Senior Citizens and the other groups represented at this press conference are helping in this search for solution, but we know that there are no easy answers and that none will come quickly. The costs of energy will continue to rise over the next several years, of this we are sure, and we are fearful that many Americans—the poor, the disabled, and the aged—will suffer undue hardships as a result.

We have called this press conference today to announce that our organizations will not

sit by and allow over 5.5 million members to be left out in the cold. We are here to announce that we will undertake a major program of sensitizing the American people to the serious problems facing elderly and handicapped Americans in coming to grips with the energy problem.

The other night President Carter went on TV to make a major address on the subject of energy. Contained in that speech was the statement that he intends to support a $10 billion program to fund mass transportation over the next ten years.

We applaud this action and we agree that mass transit offers a cost and energy efficient alternative for meeting America's transportation needs. Unfortunately, there are some who think of mass transit as something only able-bodied people should use. There are some who say let the elderly and the handicapped stay home or ride on separate buses. There are some who say the President's transportation policy is fine as long as we don't have to change our ways!

I am talking specifically about the American Public Transit Association, the people who have the responsibility of moving Americans around our cities and towns. APTA doesn't like being told that they have a responsibility to the elderly and the handicapped, so they are suing DOT and HEW for telling them that they do.

NCSC believes that APTA is wrong in instituting this lawsuit, and further we believe that if they devoted half as much attention to implementing the accessibility regulations as they have to trying to stop them, our nation as a whole would be better off.

NCSC, along with the other groups represented here today, will intervene in this lawsuit on behalf of HEW and DOT and we will fight APTA right down the line.

We believe that a comprehensive mass transit program available to all Americans is the best possible energy conservation program we could enact. Cities that continue to pour millions of dollars into separate transportation for the elderly and handicapped are wasting money and energy.

Of course, the type of mass transit program we envision will not come to pass in the very near future and we must adopt short-term measures to deal with the energy crisis. In doing so, let us not forget that the most vulnerable members of society, the poor, have been conserving energy simply because they cannot afford not to.

Whether America adopts a system of gas rationing or not, valuable energy supplies are being rationed right now. The rich continue to buy their cadillacs and their central air-conditioners, and the poor ride on buses and save pennies to pay for home heating oil. This must not be allowed to continue. A gas rationing plan based on the principle of need is far better and far more equitable than one based on the ability to pay.

Clearly, the aged poor and the disabled must be assured sufficient supplies of gasoline and home heating oil in order for them to survive and we will do what we can to see that these people are protected.

To that end, the National Council of Senior Citizens and the American Coalition of Citizens with Disabilities are going to work together to develop a joint energy program to accomplish three overall purposes:

(1) to insure that mass transit becomes a focal point in the government energy policy;

(2) to work with the Congress and the Administration in developing an equitable system of distributing scarce energy resources; and

(3) to make the energy needs of the poor, the elderly and the disabled a major issue to be addressed by candidates for national office in 1980.

We feel that this coalition will be extremely effective and that our success in the past will continue in the future. In fact, the alliance of elderly and disabled groups has worked together on many issues of mutual concern. One, the Disability Insurance Amendments, will come up for a vote tomorrow in the House of Representatives. Our organizations have worked tirelessly over the past months to kill this bill because it would force great hardships upon an already overburdened group of Americans.

STATEMENT OF ACCD DIRECTOR BOWE, DIRECTOR, AMERICAN COALITION OF CITIZENS WITH DISABILITIES INC.

The nation's energy crisis is now beginning to institutionalize disabled and elderly people. With prices rising, supplies falling, and alternatives available to other Americans inaccessible to millions of disabled and elderly citizens, we now expect that as many as two million of these people will be forced into institutions in the next few years unless firm steps are taken now.

These tragedies are avoidable. Today, we want to outline what we expect our government to do and what we, the American Coalition of Citizens with Disabilities (ACCD), the National Council of Senior Citizens (NCSC), and other organizations, including Paralyzed Veterans of America (PVA) and the Grey Panthers are doing in response to the energy crisis.

First, however, let me explain why the concerns of disabled and elderly people are deeper and more desperate than those of most other Americans. For years, ACCD and NCSC have been seeking accessible mass transportation as a civil right and as a prudent economic and political policy. Opposition from public transit authorities and bus manufacturers has been strident, heated, and sustained. As a result, little progress has been made. Today, public transportation is accessible only in a few rare instances. Thus, while most Americans are turning to public transit in an effort to conserve energy, as many as 13 million disabled and elderly individuals are denied access to this tax-supported system. These people cannot follow President Carter's request to "park your car one extra day per week." The automobile, often specially adapted for access, is the only choice these people have.

Disabled and elderly people are among America's poorest citizens. Almost half of all disabled adults in this country are at or near the poverty level; among senior citizens, more than half are. These people seldom can obtain higher-paying positions, second jobs, and other sources of extra income. As it is, they are just barely able to meet the most minimal standards of living. The soaring fuel prices have made even these levels unreachable for many.

For many disabled and elderly people, especially those with heart, lung, and related conditions, the long waits at odd hours of the day, together with the attendant anxiety, are actually health- and even life-threatening.

ACCD's nationwide survey of disabled and elderly Americans has revealed that many are despairing of being able to leave their homes to work and live independently in the community. Looking to the coming winter, with home heating oil prices expected to be upwards of $1 a gallon, they tell us they will not be able to continue to live in apartments and private homes. Hundreds have already told us they are resigned to having to enter institutions, nursing homes, and hostels.

These problems are urgent national issues. The population alone—45 million people—is sufficient reason for the nation to be concerned about these problems. The economic costs of institutionalization, which averages in excess of $10,000 per person per year in many areas of the country, are huge.

Disabled and elderly people we have surveyed are almost unanimously in support of the President's energy program—if some critical modifications are made. This should not be surprising. Disabled and elderly people have been conserving fuel for years, for the simple reason that they could not afford not to. They have always been willing to use public transportation, but public transportation has never been willing to have them. Disabled and elderly people, living as they do on low and fixed incomes, hurt more from inflation, rising fuel costs, and related problems than do most Americans, and so have the most to lose if the program is not successful. Yes, disabled and elderly people are ready to follow the President's lead. Cooperation is not the problem. Rather, the problem is that the President, the Department of Energy, and the Federal Government as a whole have failed to understand the problems disabled and elderly people face and to find ways these people can cooperate with and participate in the program. And the problem is that city and county transit authorities and private bus manufacturers persist in fighting access in a continuing effort to keep us out of their subways and off their buses.

ACCD, NCSC, and other cooperating groups believe that the top priority of this nation must be to make public transportation available to all Americans at a price they can afford. Public transit systems use less energy per passenger, and entry of disabled and elderly passengers once the system is made more accessible will not raise these costs. By contrast, forcing these people to use private autos, expensive "special services," and taxis will require hundreds of thousands of barrels of oil daily.

Making public bus and subway systems accessible, as the Department of Transportation has proposed in its regulations which became effective this month, will cost less over the coming decade than "special services" would cost each and every year. Clearly, it is in the nation's best interest, as well as that of disabled and elderly people, to make buses and subways accessible.

We also believe that fair energy regulations, including gasoline rationing systems, must allow for exemptions for severely disabled persons unable to use other modes of transportation and for needed services such as Meals-on-Wheels. We propose that persons with "handicapped" parking plates, stickers indicating disability, or appropriate medical certificates be allowed to purchase gasoline without restrictions and with price subsidies, until mass transportation becomes accessible. If the DOT regulations are implemented fully, this would be prior to 1990. Similarly, subsidies for home heating oil, such as those proposed by Senators Javits and Jackson, are essential if disabled and elderly people are to be able to afford to live independently.

Finally, and most important, the special needs of disabled and elderly people require recognition and attention from elected officials. We have inaugurated a program of educating candidates for the Presidency, especially prior to the New Hampshire and Florida primaries, about these needs and extracting from them formal pledges to respect these needs and concerns. Concurrently, we will be attempting to heighten the awareness of these issues among the general public through various media, in yet another effort to sensitize elected officials in federal, state, and local government.

ACCD, NCSC, PVA, the Grey Panthers, and other organizations are committed to advising their members about measures to conserve energy. We will help them comply with the President's program.

Disabled and elderly people do not consider themselves "special" and deserving of "special" treatment. Rather, they see themselves as full citizens, equally important with others in this country. These people seek, not

a way out of the President's program, but a way in. They want to be able to benefit only as much as others do—to obtain equally effective services. Because of their special needs, of course, provisions are required for this equal effectiveness to become reality. Because alternative transportation is not now available, they ask to be able to use what is available. And, because they know that public transportation is energy-efficient, they ask the opportunity of using it as soon as possible. As national organizations, we will help them obtain these objectives.

The President has made a good beginning by proposing a program to provide loans for conservation improvements in private homes, by offering assistance in converting home heating equipment, by earmarking $10 billion over the next ten years for mass transit, and by proposing an increase in his program of assistance for poor individuals. He has not, however, satisfied our desire to ensure that these measures will be equally available to disabled and elderly people. We will be working with the President and the Congress to see that the final program contains these provisions.

And we will continue to resist the regressive lobbying of public transit authorities and bus manufacturers. The transit officials are even now trying to declare our hard-won transportation access rights null and void. They are even now lobbying in the Congress to stop mandated accessibility measures. The bus companies—there are only two in this country—are continuing to frustrate the will of the Congress, the desire of the Administration, the needs of disabled and elderly Americans, and the public need for affordable transportation by refusing to build even one Transbus, the only standard-size bus everybody can use safely, comfortably, and reliably.

Next Wednesday, we will file a motion in the U.S. District Court for the District of Columbia against the petition for an injunction halting implementation of section 504 in transportation. The petition, filed by the American Public Transit Association (APTA), would cost this country untold millions of dollars in wasted energy and would deny millions of disabled and elderly people an opportunity to join in the President's energy program. We will be joined in filing by organizations of disabled and elderly people in the same twelve cities that joined APTA in its petition; these people are outraged by the insensitivity of their own transit authorities.

We will follow this action with vigorous and sustained efforts to mobilize this country's 45 million disabled and elderly citizens for a major united impact in the 1980 elections. While ACCD will not endorse a candidate, we will publicise statements of all candidates concerning the issues we believe important. And we will follow up to ensure that never again will disabled and elderly people be brought to the brink of institutionalization by insensitive public and private officials.

One year ago, I wrote a book called "Handicapping America." In this book, I said that America was handicapping disabled people, erecting unnecessary barriers in their paths by continuing overt discrimination, designing inaccessible buildings and programs, denying these people an appropriate education and excluding them from employment commensurate with their abilities and talents. Because we were doing these things, I said, we were handicapping America itself—we were turning tax-payers into tax-users, independent citizens into dependent people, integrated members of our community into segregated outsiders.

Today, millions of Americans have begun to experience, in an intensely personal way, what it means not to be able to move about freely, not to be able to control their environment, not to be able to live independently. The energy crisis is handicapping America. The frustration, the anger, the pain, the feeling of hopelessness and despair—what the President has called a "malaise"—are intimately familiar to disabled and elderly people. We know how you feel—and we care.

Let us work together, not to further handicap America, but to rehabilitate America.

BACKGROUNDER: ABOUT THE ACCD SURVEY ON ENERGY

ACCD's national convention, meeting in Houston, Texas, 17-20 May 1979, passed as its first resolution the following:

"Now therefore, be it resolved that the American Coalition of Citizens with Disabilities actively encourage legislative and regulatory changes to offset the disproportionate effect that inflation, gasoline shortages and current governmental policies concerning transportation needs has on mobility impaired individuals, and that efforts should include, but not be limited to, ensuring that mobility impaired individuals are exempted from gas rationing and that tax credits are enacted to ameliorate the disproportionate economic effect on the disabled."

Our first step in implementing this resolution was to design and conduct a nationwide survey of organizations and individuals in an effort to ascertain the extent of this "disproportionate effect" and to obtain guidance on what "efforts" were needed.

We contacted 200 organizations and more than 100 individuals in the Northeast, South, Midwest, and West. An additional 110 disabled and elderly persons called us independently, fully 58% of whom sought economic relief from high gas and oil prices. We found that gasoline-related problems were especially intense in the South and the Midwest, and worries about oil particularly acute in the Northeast.

Almost half of our respondents were black or Spanish-background individuals. While high, this is not unexpected insofar as disability is markedly more prevalent among racial minorities in this country than among the white majority. About 75% of those who called us were elderly as well as disabled; they knew about our alliance with elderly Americans and looked to us for assistance.

Almost all of the people we contacted, both in the survey and in the unsolicited calls, had experienced intense problems with energy. We were told about health conditions being exacerbated by long waits and anxiety on the gas lines, with several reporting that they had to visit doctors as a result.

But the most poignant comment was also the most frequent: they could not see how they could continue to live independently in the coming months and years. The prices were too high; the lines were too long; the hours were too taxing; the prospects this winter were frightening.

Following our survey, we re-examined publicly available statistics about income, employment status, residence, age, and disability among the disabled and elderly populations. We reluctantly reached the conclusion that as many as two million disabled and elderly persons were potentially susceptible to institutionalization in some form or another, including nursing homes, hostels, and other facilities because of very low income, severe mobility impairments, poor or nonexistent job prospects, and low likelihood of sufficient public assistance needed for independent living.

ANNOUNCING: NATIONAL DISABLED AND ELDERLY COALITIONS HOLDING EMERGENCY ENERGY PRESS CONFERENCE

WASHINGTON, D.C.—The nation's energy crisis will literally institutionalize several million disabled and elderly Americans unless specific steps are taken now, spokesmen for disabled people and senior citizens will warn tomorrow.

Dr. Frank Bowe, director of the American Coalition of Citizens with Disabilities (ACCD), Inc. and William Hutton, executive director of the National Council of Senior Citizens (NCSC) will make this statement at a press conference on Thursday, July 19, 11:30 a.m. in the Senate Room of the Capitol Hilton Hotel on 16th and K Streets, N.W., Washington, D.C.

Dr. Bowe and Mr. Hutton will emphasize 5 areas of major concern between America's disabled and elderly:

(1) The devastating effects the energy crisis has had and will have on America's elderly and disabled citizens.

(2) The urgent need for accessible mass transit. ACCD and NCSC will announce legal action and other steps to secure this vital objective, which is a central energy concern of the nation.

(3) Fair energy rules. Support of President Carter's energy program will be expressed, provided specifications on how the program will be implemented are offered.

(4) Attention to needs. A political union between the disabled and elderly coalitions is being strengthened as the two populations seek national recognition of their urgent problems in an "era of limits."

A news release, economic fact sheets, and opening remarks will be distributed at the press conference.

FACT SHEET: WHY DISABLED AND ELDERLY PEOPLE ARE UNITING

Common Concerns: Both disabled and elderly people need:

Accessibility in buildings, vehicles, facilities.

Nondiscrimination in employment and service delivery.

Reform of social security regulations and legislation to permit those who can work to attempt employment.

Greater public recognition of abilities and talents as independent, self-sufficient, citizens.

Enhanced vocational training or retraining programs, including continuing and adult education, vocational rehabilitation, and technical education.

New technology, including space-age spinoffs.

Overlap in Populations: Elderly people tend to become disabled, while disabled people eventually become old.

Thirty percent of all disabled people are over 65 years of age.

Twenty-five percent of all persons aged 65 or older have one or more disabilities.

Successful Cooperation: Recent joint efforts by disabled and elderly people have produced marked improvements in transportation regulations for accessibility, enhanced enforcement of age- and disability-related nondiscrimination laws, and better social security programming. This evidence of progress on the national level is now spurring state and local cooperation.

Likelihood of Impact: With both populations having a history of voting more frequently than the national average (elderly people vote at a 65% rate v. 45% overall; statistics on disability voting are sketchy because of definition problems, but available evidence is that it is strong). Working together on shared goals, the 45 million elderly and/or disabled population is certain to have a major impact on public policy in the years to come. This is especially true when cutbacks in federal funding for vital programs politicizes the population, as is now happening in New Hampshire, Massachusetts, Florida, and other early-primary states.

FACT SHEET: ENERGY AND DISABLED AND ELDERLY PEOPLE

Size of the Populations: 36 million disabled; 23 million aged 65 or over; 20 million aged 55–65; and 45 million disabled and/or aged 65 or over (eliminating overlaps in population).

Geographical Location: 70% of both populations (disabled, over 65) are urban residents; 25% of both populations are rural residents; about 5% are suburban; and both populations tend to live in the South or the Northeast.

Transportation Modes: Private automobiles (many specially adapted) are overwhelmingly used. About 13 million cannot now use public transportation because buses and subways are not accessible. Some use special van or taxi services, which average in cost about $7/one-way trip/person.

Housing: Most disabled persons rent in older buildings with comparatively inefficient heating equipment; most elderly persons own or rent in such buildings. Replacement of equipment with more energy-saving devices is often financially out of reach because tax rebates are delayed and partial. Moving to newer quarters is very difficult because few buildings are accessible and affordable.

Income: Both populations tend to be poor. Among disabled people, almost half are at or near the poverty level; among elderly persons, more than half are. And these are usually fixed incomes: better-paying jobs, second jobs, and other avenues to higher income are often closed.●

H.R. 4889—DISMAL SWAMP

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. MURPHY of New York. Mr. Speaker, following is a copy of Executive Communication No. 1626 from the Department of the Interior in explanation of a draft bill which was introduced in the form of H.R. 4889, to extend the authorization period for the Great Dismal Swamp National Wildlife Refuge:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 16, 1979.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Enclosed is a draft bill which would extend the authorization for the Great Dismal Swamp National Wildlife Refuge for an additional three years. We recommend that this proposed legislation be forwarded to the appropriate Committee and that it be enacted.

The Great Dismal Swamp National Wildlife Refuge, located in North Carolina and Virginia, was established in 1974 by Public Law 93-403. The Refuge was to consist of approximately 50,000 acres donated to the Service by the Union Camp Corporation through the offices of The Nature Conservancy plus any additional lands the Service would acquire after completing a study of the Swamp. As a result of the study, the Service now plans that the Refuge will consist of approximately 114,000 acres in total, of which more than 85,000 acres already have been acquired by purchase and donation. An additional 14,000 acres of adjacent land is administered in conjunction with the Refuge by the State of North Carolina.

Land acquisition has been slow due to the fact that most of the land yet to be acquired is divided among 80 owners. Thus, we are requesting an extension of the authorization period in order to complete the purchase of the lands for the Refuge.

Great Dismal Swamp has a remarkable diverse collection of fish and wildlife. It supports the only breeding population of black bears in eastern Virginia, in addition to a sizable deer population, bobcat and numerous smaller mammals. A large number of migratory songbirds use the swamp as well as some waterfowl and a variety of resident species. The red-cockaded woodpecker, an endangered species, nests in the mature pines within the area. The area also includes some unique floral association, among them are some of the largest stands of the relatively scarce Atlantic white cedar.

The area is also rich in historical significance. In 1763 George Washington visited the area and later surveyed much of it. He was impressed by both the beauty of the swamp and the commercial possibilities of its timber resources. He formed a company in 1764, called the "Adventurers for Draining the Great Dismal Swamp," which dug many ditches and drainage canals in the area to facilitate the timber harvest. The first such ditch, probably dug in the late 1760's now called the Washington Ditch, was five miles long and twelve feet wide. It was one of the first canals dug in the colonies and may well be the oldest canal still in useable condition in the country.

The value of the area, from both a natural and historical viewpoint, is enhanced by its relative proximity to a number of urban areas, thus providing the public with a rare opportunity for public environmental education and recreation.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

ROBERT HERBST,
Assistant Secretary.●

ROUSSELOT COMMENTS ON FREE PRESS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. ROUSSELOT. Mr. Speaker, much has been said in the last decade about the power of the press in our country. A lot of criticism, if I might be candid, has come from my own party. Some of the criticism has perhaps been too harsh.

We must not forget a central truth: A free press is one of the great strengths of a free society. It keeps our Government and other major institutions honest. If there is occasional excess, it must be tolerated as a "necessary evil" accompanying the great benefits which flow from a society which is free to express itself.

Recently an essay appeared in Time magazine which examined "the press, the courts and the country" in a particularly thoughtful and evenhanded manner. The essay addresses the strengths and weaknesses of the press, and provides some valuable comments which should be kept in mind as courts and Congress wrestle with the scope of limits on the fourth estate.

Mr. Speaker, I would like to share this article with my colleagues.

[From Time Magazine, July 16, 1979]

THE PRESS, THE COURTS AND THE COUNTRY

(By Henry Grunwald)

(NOTE.—This essay is based on an address delivered recently to the annual conference of the Second Judicial Circuit in Buck Hill Falls, Pa.)

Are courts going too far in what is beginning to look like a campaign to curb the press?

Most journalists would not yet agree with Allen Neuharth, head of the Gannett newspaper chain, that in this respect, the Supreme Court has moved "above the law." But the trend is clear and alarming, from the denial of confidentiality of sources to surprise newsroom searches (see LAW). Not only the press is affected. The search decision can send the cops into psychiatrists' or lawyers' offices as well. The latest court ruling that pretrial hearings and possibly trials themselves may be closed to press and public is reprehensible, among other reasons because it could lead to collusion—behind closed courtroom doors—between judges, prosecutors and defendants. This ruling more than any other shows that the conflict is not just between the courts and the press but the courts and society.

Tension between power centers is useful in America. But the judiciary ought to reflect about what it is doing. In important respects, judges really are in the same boat as journalists, and ultimately in the service of the same ideals. People who cheer the courts' moves against the press are quite ready to condemn the courts in other areas. If the press is seen as having too much power, so are the courts, and then some.

The monstrous regiment of lawyers has rarely been more resented. In a recent Harris poll about public confidence in various institutions, law firms ranked eleventh on a list of 13. Even when lawyers are miraculously transformed into judges, they do not regain total trust. In the same poll, the Supreme Court came in sixth, while TV news (somewhat surprisingly) ranked first and the press in general ranked fifth, thus nosing ahead of the august court.

Distrust of the judiciary is nothing new in American history. Thomas Jefferson in 1820 thought that the notion of judges as "the ultimate arbiters of all constitutional questions" was "very dangerous" and threatened the "despotism of an oligarchy." At times, the press helped fan suspicion of judges; more recently it has functioned as an ally of the bench, as when the courts virtually administered school desegregation, and during Watergate.

Some historical perspective is necessary. The proud judiciary traces its origins back far beyond the beginning of the printed word to times when the judge was king, and vice versa. Journalists, on the other had, are relative newcomers, the spiritual descendants of itinerant printers, scribblers and (let's face it) rebels. Indeed, one of the reasons that journalists are so worried, even perhaps slightly paranoid, about the loss of their freedoms is that these rights have never been very secure, here or abroad.

In 16th century England, editors and "newswriters" were constantly in danger of imprisonment or torture, even of beheading, hanging and burning at the stake, sometimes for refusal to reveal the source of confidential information. Until nearly the end of the 18th century, libel in Britain was readily used to jail journalists and others. John Walter, publisher of the young London *Times*, was confined for nearly a year and a half to Newgate Prison, from which he managed to run his newspaper.

Journalists fared somewhat better in America. Here, the press played an essential part in bringing off the American Revolution. But that did not assure popularity. George

Washington came to believe that the press should be firmly "managed" and kept in its place. Jefferson, kinder to the press than to the courts, disagreed and declared grandiosely that "nature has given to man no other means [than the press] of sifting out the truth either in religion, law, or politics." (In fairness, it should be noted that later he declared himself "infinitely happier" once he had stopped all his newspaper subscriptions.)

Still, journalism in America was a high-risk trade. Editors were always in danger of being challenged to duels or horsewhipped or beaten up by gangs. During the War of 1812, one antiwar newspaper was actually blasted by a mob with a cannon. On the frontier, tarring and feathering editors was a popular pastime. Symbolically, of course, it still is. The press, its reach almost infinitely expanded by electronics, has come a long way since those days. Yet, the public, despite its daily if not hourly intimacy with the press, does not really understand it very well. That lack of understanding is reflected in the courts, although it goes far beyond matters of the law. In part, this is inevitable because the press is indeed a peculiar institution, full of paradoxes. To understand and judge—even to criticize it for the right reasons—a few broad points might be kept in mind.

The American press is better than ever. Yellow journalism persists, but largely on the fringes of the press and is pale compared with what it was in the heyday of William Randolph Hearst. One episode: Drumming the U.S. to war against Spain, Hearst sent Artist Frederic Remington to Cuba. When Remington cabled that all was quiet, with no war in sight, Hearst fired back: "You supply the pictures, I'll supply the war." Arrogance of such magnitude is unheard of today. The sensationalist Joseph Pulitzer declared that accuracy is to a newspaper what virtue is to a lady, but the fact is that journalism today takes that maxim far more seriously than did the paper of Pulitzer's time.

True, the press still features triviality, gossip, scandal. It always will. Charles Anderson Dana of the New York *Sun*—like Hearst and Pulitzer quite a phrasemaker and an example of the era—declared that the *Sun* could not be blamed for reporting what God had permitted to happen. That was only partly a copout. While the press should not pander to base or grisly appetities, or merely "give the people what they want," neither should it be expected to change human nature (if that concept is still admissible). America's mainstream publications today, for all their faults, are far more broad-gauged, responsible, accurate and self-critical—than ever before, or than any other in the world.

The press should not be expected to be what it is not. Literary critics chide journalism for not being literary enough, historians for lacking historical accuracy, lawyers for not marshaling facts by the rules of evidence. But journalism is not literature, not history, not law. Most of the time it cannot possibly offer anything but a fleeting record of events compiled in great haste. Many news stories are, at bottom, hypotheses about what happened. Science, of course, works by hypotheses, discarding them when errors are discovered, and it does so, on the whole, without blame, even when a mistake costs lives. The press, which lays no claim to scientific accuracy, is not easily forgiven its errors. Admittedly, the press often rushes into print with insufficient information, responding to (and perhaps creating) an occassionally mindless hunger for news. A utopian society might demand that the press print nothing until it had reached absolute certainty. But such a society, while waiting for some ultimate version of events, would be so rife with rumor, alarm and lies that the errors of our journalism would by comparison seem models of truth.

The press was not invented by and for journalists. It is a result of mass literacy and the instrument of a political system in which, for better or worse, all literate people—indeed even the illiterate—are considered qualified voters. So the hunger for news is a hunger for power—not power by journalists, as is often suggested, but by the public. The press is a child of the Enlightenment and those who inveigh against it also attack, sometimes unconsciously, the values of the Enlightenment. It is no accident that the press grew as the concept of revealed truth declined. The press as we know it could not (does not) exist in societies that in all things accept the voice of authority.

Profits should not make the press suspect. Many people (including journalists and judges) are troubled by the fact that the press performs a public service and yet makes profits. But this is nothing the press should apologize for; on the contrary. The press as a business is the only alternative to a subsidized press, which by every conceivable measurement would be worse. True, there are serious risks in the commercial aspects of the press, but these are relatively minor compared with the situation a few generations ago, when weak and insecure newspapers all too easily succumbed to the checkbooks of political or business pressure groups. Henry Luce argued that the press was not really taken seriously and, in a sense, did not really become free until it became a big business. Enterprising journalism is expensive. (It costs more than $100,000 to keep a correspondent in Washington, D.C., for one year. Paper, printing and distribution cost TIME magazine $120 million. The newspaper industry spends $3 billion each year on newsprint alone.)

Questions about profits lead to questions about size. The spread of newspaper chains and one-newspaper cities is, to be sure, a cause for concern. Yet smallness as such is not necessarily good: it guarantees neither quality nor independence. Bigness as such is not necessarily bad: in most cases, large resources improve a publication. Nor does the size of some enterprises keep new publications out. The number of small publications is growing and their diversity is dazzling. The really remarkable phenonmenon of recent years is not so much the growth of communications companies, but the spread of highly organized special interest groups that have had considerable success in making themselves heard and seen.

The press is not too powerful; if anything, it is not powerful enough. Those who want to curb the press point out that it is no longer the "fragile" thing it was when the First Amendment was written. But neither is the Government. When Franklin Roosevelt took office, the federal budget, in 1979 dollars, amounted to about $38 billion. In fiscal 1980, it will be around $530 billion. When Roosevelt took office, the federal bureaucracy consisted of 600,000 people. Today it adds up to 2,858,344. Such figures can only suggest that the growth of Government has been far more dramatic than the growth of the press that attempts to cover and monitor it. With innumerable Xerox machines and printing presses, through tons of publications, reports, tapes and films, countless Government flacks churn out enough information, and disinformation, to overwhelm an army of reporters. To a lesser extent this is true of other large institutions: corporations, unions, foundations, all of which try to manage the news and use the press for their ends.

The fact that the press is not accountable to any other power except the marketplace clearly agitates a lot of people. This often takes the form of the hostile question to editors: Who elected you anyway? But some institutions in our society simply should not be subject to the usual political processes. As for the courts, whatever their intentions may be, they are not the place to cure the undeniable failings of the press.

Do recent court actions really make much of a difference to journalists in practice? Many judges doubt it, but let them try an experiment and take on a tough reporting assignment. Let them try to get complicated and controversial information from resisting sources and amid conflicting claims—without the judicial power to subpoena documents or witnesses—and have to testify under the disciplines of contempt or perjury. Let these judges then see how far they will get with their assignment if they are unable to promise an informant, who may be risking his job, assured confidentiality, or if they are hit by subpoenas, now said to be running at the rate of 100-plus a year, many of these mere "fishing expeditions."

To say this is not to claim an absolute privilege for journalists. Newsmen should not ask the same standing that a lawyer or doctor has in dealing with clients or patients; lawyers and doctors after all are licensed, which is precisely what journalists will not and must not be. Obviously the American journalist enjoys unusual latitude and he must, therefore, bear unusual responsibility. He must expect a certain rough-and-tumble in his trade, and not wrap himself in the Constitution at every setback. By no means were all recent court rulings unmitigated disasters. The court in effect allows the press to print anything it can get its hands on. When the Supreme Court held that a newsman's state of mind and his preparations for a story were legitimate subjects of inquiry, this evoked visions of thought police; and yet it was only a consequence of an earlier pro-press ruling that a public figure, in order to be able to sue for libel, must prove "actual" malice and gross neglect on the part of the journalist. Most newsmen do not demand confidentiality of sources automatically, but only when naming sources or delivering notes is not strictly necessary to meet the specific needs of a defendant. (Many judges in fact agree with this view.)

No serious journalist questions the need to balance the rights of a free press against other rights in society, including the rights of defendants. But the degree of balance is what counts, and the balance is tilting against the press. As a result, a backlash against the courts has begun in Congress, with the introduction of many bills designed to shore up the rights of journalists. That is a mixed blessing.

Spelling out rights that were assumed to exist under the general protection of the First Amendment may very well result in limiting those rights. Most of the press would much rather not run to Congress for protection against the courts. Yet if the courts continue on their present course, journalists will have little alternative.

Perhaps it is not too late for judges to restore some balance and to discover that they do share with the press certain common interests, if not a common fate. As New York's Irving R. Kaufman, Chief Judge of the Second Judicial Circuit, has written: "Different as the press and the federal judiciary are, they share one distinctive characteristic: both sustain democracy, not because they are responsible to any branch of Government, but precisely because, except in the most extreme cases, they are not accountable at all. Thus they are able to check the irresponsibility of those in power . . ."

Ultimately the question of freedom of the press comes down to the question of freedom, period. Freedom exists both for good and bad, for the responsible and the irresponsible. Freedom only for the good, only for the right, would not be freedom for all. Freedom that hurts no one is impossible

and a free press will sometimes hurt. The fact must be balanced against the larger fact that this freedom does not exist for the benefit of the press but for the benefit of all. In the majority of countries, judges are in effect only executioners and journalists are only Government press agents. This reality should be kept in mind as the courts deal with the American press and its rare and fragile rights.

DON'T TIE DOT'S HANDS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. RICHMOND. Mr. Speaker, during debate on H.R. 4440, the Transportation appropriations for fiscal year 1980, we can anticipate an amendment to limit the ability of DOT to implement or enforce the automatic restraint standard. I urge my colleagues to oppose any such amendment, so we can assure the continuation of DOT activities which will result in prompt and effective implementation of automatic auto crash protection for the American people.

On May 25, the Nation witnessed a major catastrophe with the crash of American Airlines Flight 191. Within hours after the crash, a small army of investigators were on their way to Chicago to begin the investigation of this tragedy which claimed 273 lives. Countless hours were expended by both the private and governmental sectors to determine the cause of this tragedy. Drastic action was called for and, in fact, drastic action took place. Hearings were held, testimony received, and DC-10's were grounded, causing a major disruption in our Nation's travel system—all to determine why 273 people were killed.

Mr. Speaker, every 2 days on the highways of America the equivalent of that DC-10 tragedy reenacts itself. Yet, no armies of investigators are sent out to determine why this situation occurs. There is little testimony offered why every 2 days 280 people are killed on our highways. This constant national health problem does not result in massive disruption to our transportation system. From time to time public outrage surfaces and then disperses, yet the slaughter continues.

For the first time we have the capacity to take a decisive step toward reducing these consequences. The proposed amendment asks us not to take that step. We are being asked to ignore what has already proven to be a lifesaving device. Why is it the crash of an airplane and its attendant tragedy can rivet attention, compel a massive Government investigation and the promises that it cannot happen again? What can we say to the families of those who have lost loved ones on our highways? We now have the capacity to say, in some instances, "It can't happen again"—if we defeat the amendment that would tie DOT's hands.

Mr. Speaker, I wonder what would happen if we voted not to appropriate the funds to investigate airplane crashes; if we crippled the capacity of the Federal Government to be able to say "It can't happen again"? The public outcry would be thunderous. The proposed amendment would cripple the National Highway Transportation Safety Administration's ability to monitor and investigate airbag usage in highway accidents. It is the equivalent of paralyzing the FAA's ability to determine the efficiency of their attempts to save lives. Without the knowledge to be gained from monitoring and investigation of highway crashes involving airbags, NHTSA will be unable to say "It can't happen again."

The proposed amendment must be defeated so we can demonstrate our concern about those who have, in the past, been killed or seriously injured in automobile accidents. We must take that one step which will save lives, prevent serious injury and reduce the pain and suffering of future accident victims. They, their relatives and friends have every right to expect us to take that step on their behalf. I therefore urge my colleagues to resist any effort to limit or undercut DOT's ability to protect our fellow Americans on the highways.●

TRIBUTE TO JACKIE BEARD

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to pay special tribute to the accomplishments of a young man in my district, Jackie Beard, who has won for the United States a gold medal in boxing in the recently completed Pan-American Games.

Jackie is 17 years old and recently graduated from Jackson-Central Merry High School in Jackson, Tenn. He has performed admirably in boxing competition for the last several years. In 1978, he was a national Golden Gloves champion and followed that in 1979 as runner-up to the national champion in the annual Golden Gloves competition.

Since he won his first national championship, he has represented the United States in various international matches. His training and experience in those matches aided him greatly in winning the gold medal in the Pan-Am Games. He is continuing to train, I understand, and compete in boxing matches throughout our country in preparation for next year's Golden Gloves, Amateur Athletic Union Competition, and Olympic trials. His ultimate goal is to win a gold medal for the United States in next year's Olympics.

Jackie's accomplishments in amateur boxing attest to his athletic abilities, but development of his skills has resulted from long years of total dedication to excellence. His achievements of the past are a genuine credit to himself, his family, and his community. I am confident that Members of this House will become familiar with the name of Jackie Beard in the next 12 months as he progresses along the difficult road to an Olympic Gold Medal. Regardless of the outcome of that journey, we, as Americans, will have great reason to be proud of this fine, young man whose boxing skills have given the Jackson Boxing Club the title of the "Biggest Little Boxing Club in America."●

DELETE SECTION 4 FROM H.R. 3920

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. THOMPSON. Mr. Speaker, consideration of H.R. 3920 is currently scheduled for next week. Because I will probably not be present during the consideration of the bill, I wish to make the following statement about an amendment that will be offered to delete section 4 of the bill. I strongly support the amendment.

Section 4 of H.R. 3920 allows for the continued exemption of agricultural employers from paying unemployment insurance taxes on wages paid to alien workers who are imported into this country under a temporary alien worker program—known as the H-2 progam. Unfortunately, financial savings created by this exemption serve to motivate employers to hire alien rather than U.S. workers.

The ultimate result of employers' preferences for foreign laborers is the increasing unemployment of workers in this country. Already, the unemployment rate of U.S. farmworkers ranges from a low of 9 percent in summer months to more than 18 percent in winter. The average annual income for migrant workers, including income from both farm and nonfarm work, is only $3,761 according to USDA data.

Maintaining the jobs and wages of U.S. workers without the depressant effect created by an influx of large numbers of temporary aliens is vital to the health and survival of farmworker families existing on these marginal incomes.

However, unfortunately employers prefer to hire temporary alien workers because it provides them with a guaranteed, cheap, intimidated labor force. If a foreign worker complains, he may be sent back home and black-listed, never to return to the United States again. If a U.S. worker asks for one penny more than the "prevailing wage," he will not be considered available for work, and a foreign worker may be hired in his place. In addition to the financial savings created by depressed wages, employers need not pay into the social security or unemployment insurance funds on the wages paid to temporary foreign workers. Thus, the agricultural employer who hires temporary alien workers is insulated from many of the natural demands of the free marketplace and the employment-related responsibilities incurred by all other employers.

Just yesterday, we heard testimony before the Subcommittee on Management Relations on a matter related to this issue. In this case, aliens had been imported temporarily under the H-2 program by the North American Soccer League to play soccer for the league.

In 1977 the players in the league, both United States and alien players, had formed a legitimate union recognized by the NLRB. Because the soccer league refused to recognize the union, the union went out on strike. However, we heard testimony yesterday from the soccer players that the management told some of the alien H-2 players that they would be deported if they went out on strike and would not be brought back to play in the league next year. Furthermore, the players went on to say that the management offered to guarantee the contracts of H-2 aliens who would break the strike.

Thus, we can see that the importation of temporary nonimmigrant alien workers into this country affords employers an enormous amount of power over these workers, which makes them more desirable as employees than U.S. workers.

Furthermore, the soccer players testified that by importing large numbers of alien players, the league is able to keep down the wages for all players. However, few American players can afford to live on the low seasonal wages which players from Africa, Portugal, Yugoslavia, the Caribbean, and so forth find attractive.

I mentioned the case of the soccer players because it highlights the powerlessness of individuals brought into this country as temporary workers, and it also highlights the depressant effect which is created for U.S. workers in the same industry.

These conditions hold especially true in agriculture, according to Secretary of Labor, Ray Marshall:

> For many foreign workers U.S. minimum wages would be considered high wages in their native countries. A Jamaican worker, for example, can earn more in 6 weeks picking apples in the U.S. than can be earned during the rest of the year in Jamaica. While not conceding the claimed greater productivity, foreign workers do provide the employer with a worker who is more compliant. The worker may only remain in this country so long as he is employed by the employer who sponsored his admission. A worker who is fired for any reason is subject to deportation and not likely to be invited back. Further, once certified by the Department, a grower may recruit a foreign work force that is all male and or prime working age. Such criteria may not, of course, be legally applied with respect to domestic workers.

And thus, we can see why some employers might prefer to hire temporary alien workers rather than U.S. workers. By allowing for an exemption from unemployment insurance taxes, section 4 of H.R. 3920 creates an additional incentive for employers to hire alien workers, an incentive which we can easily eliminate.

While the Immigration and Nationality Act allows for the importation of temporary alien workers only if U.S. workers are unavailable for work, employers motivated to hire aliens may easily circumvent the law by failing to make good faith efforts to recruit U.S. workers. That is why the Department of Labor opposes section 4. According to Secretary Marshall:

> The Department is concerned over the growing interest of agricultural employers in the importation of foreign workers. In the past 2 years, in addition to requests for foreign workers from the relatively few growers who have used them before, we have received first-time requests from growers in 9 states for a variety of crop activities and serious inquiries from many more.
>
> The Department believes it is important that employers not be given any further incentives to hire foreign workers. When employers try to avoid hiring American workers, unemployment is perpetuated. The cost of unemployment in this country bears heavily not only on the unemployed, but on taxpayers who support the welfare system and on employers who support the unemployment compensation program.
>
> The unemployment tax exemption tends to make foreign labor more attractive and reduces the incentive of employers to recruit and hire domestic labor. The Department is therefore opposed to its continuation.

Under section 4 of H.R. 3920, an increasing number of U.S. workers will be displaced from jobs by temporary alien workers, placing an increasing burden on the unemployment insurance fund. Yet the same employers responsible for this job displacement will not even be paying into the U.I. fund.

While the exemption of employers of alien workers from the unemployment insurance tax is not the only factor motivating employers to increasingly request temporary alien workers, it cannot be denied that it is a significant financial inducement.

I urge, therefore, to support this amendment to delete section 4 of H.R. 3920.●

ON OPPOSITION TO ANTI-BUSING AMENDMENT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. STOKES. Mr. Speaker, I rise today to share with my colleagues a letter concerning Representative MOTTL's amendment from a resident in the Cleveland area. It has been said in the course of argument over that measure, that the majority of Americans are against busing. It has been said by proponents of the amendment that this opposition to busing is not based on race but on educational quality, local choice, financial strain, and even the energy situation. It has been said that, in signing the discharge petition, Members are responding to overwhelming constituent pressure.

Mr. Speaker, this letter from a resident of Representative MOTTL's district is one of the finest which I have received on the subject. In just a few, short, paragraphs, it manages to demonstrate the fallacy of some of those justifications and, more importantly, portrays the essence of what is behind this constitutional effort:

> JULY 15, 1979.
>
> DEAR REPRESENTATIVE STOKES: I am a voter from Ron Mottl's district and I thought it would cheer you to know that not everyone here agrees with him about his anti-busing amendment.
>
> I agree that the Constitution should not contain such specific language based on emotional and prejudiced thinking.
>
> Good luck to you in dissuading other representatives from voting for the amendment!
>
> Very truly yours,
>
> RUTH A. STADLER.●

FEDERAL HABEAS CORPUS REVIEW

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. GONZALEZ. Mr. Speaker, I am reintroducing a measure which to me is one of the most important rights guaranteed under our Constitution, article I, section 9, which states that the writ of habeas corpus shall not be suspended unless when in cases of rebellion or invasion the public safety may require it. And to quote Dr. Samuel Johnson in his conversations with Boswell,

> The Habeas Corpus is the single advantage our government has over that of other countries.

The citizens of our Nation have always taken this right for granted and throughout our brief 200-year history it has not been abused, but I am very disturbed with a Supreme Court decision in 1976, Stone against Powell which has resulted in restricting the availability of Federal habeas corpus review and I am proposing legislation today that will reverse the effect of this decision.

In Stone against Powell, Powell was convicted of murder in a California court on evidence obtained when he was picked up on a local vagrancy ordinance. At both his trial and on direct appeal the State courts rejected Powell's arguments that the vagrancy order was unconstitutional. Powell applied for a writ of Federal habeas corpus review on the grounds that he was being held in violation of the Constitution. The district court denied his plea, but the U.S. Court of Appeals reversed that decision holding the vagrancy ordinance was unconstitutionally vague, the arrest and search were unlawful and thus the evidence gathered should be excluded at trial based on the fourth amendment which guarantees against unlawful search and seizure and is applicable to the State courts through due process granted by the 14th amendment.

But the Supreme Court reversed the appeals court decision holding that "a Federal court need not apply the exclusionary rule on habeas review of a 4th amendment claim absent a showing that the State prisoner was denied an opportunity for full and fair litigation of that claim at trial or on direct review." It appears that the Court is more concerned with limiting the avenues of relief than insuring that Powell, or anyone else in similar circumstances be guaranteed their rights under the Constitution.

The Court did not say that it lacked jurisdiction, nor that a violation of the fourth amendment did not occur nor did it rest its decision on construction of the Federal habeas statute. Instead, the

Court rested its decision in this case on its own balancing of the relative State and Federal interest involved. The Court states that the State courts protect fourth amendment rights as competently as the Federal district courts, but it appears that in Stone against Powell the Court has redrawn, based on its own policy judgments, the limits of Federal jurisdiction more narrowly than the statutory limits prescribed by Congress. And to quote Justice Brennan who dissented in Stone:

> The interest balancing approach used to justify the majority decision is nothing less than an obvious usurpation of Congress' Article III power to deliniate the jurisdiction of federal courts.

Mr. Speaker, the bill I am reintroducing today will insure that a request for habeas corpus review by a Federal court may not be denied on the ground that such State or Federal Government provided an opportunity for a full and fair litigation of constitutional claim, and for other purposes. I believe my bill will reassert the power of Congress it is granted under the Constitution by guaranteeing that Federal courts are open to claims which I feel have been closed by the Supreme Court decision in Stone against Powell.

The Court issued a number of policies which led to its decision in this case to limit the eligibility of Federal habeas corpus relief and one calls for the most effective utilization of limited judicial resources. It appears that the Court is obviously asserting that by restricting the right of habeas corpus review the Federal courts will not be inundated with frivolous petitions. But can justice truly be served if the Court is more concerned with expediting court proceedings and administrative convenience rather than insuring that each party be guaranteed their constitutional rights.

And furthermore, based on the information I have obtained, habeas corpus petitions are only a small fraction of total civil filings and consume on the average less than 1 percent of the Federal judges time. It should also be noted that Congress has responded to any overloading causes by habeas corpus petitions by enacting the Federal Magistrates Act which provides for the preliminary screening by Federal magistrates of applications for post-trial relief and the submission of a report and recommendation to the district judge to facilitate decisionmaking.

Mr. Speaker, Congress has the power and the authority to define the jurisdiction of the Federal courts and I hope that my colleagues agree that we must do just that in order to preserve the personal liberty by making clear that State or Federal prisoners who are otherwise eligible for Federal habeas corpus relief may not be denied such relief on the ground that such State or Federal Government provided an opportunity previously. To quote Zechariah Chafee, Jr. from Documents on Fundamental Human Rights,

> Such great liberties as worship and speech will go somehow despite laws, but not liberty or person. Censorship can be evaded; prosecutions against ideas may break down; a prison wall is there. Only habeas corpus can penetrate it. When imprisonment is possible without explanation or redress, every form of liberty is impaired. A man in jail cannot go to church or discuss or publish or assemble or enjoy property or go to the polls.

Mr. Speaker, the Court's decision in Stone against Powell is just one of a number of decisions made by the Burger Court that reduces access to the Federal courts and I hope that the Judiciary Committee will consider my bill as well as look into other areas where the Court has used comity and federalism to essentially close the Federal courts to all cases where the State courts can hear the Federal claims. The legislative branch must exercise its power to define the jurisdiction of Federal courts and I believe the time to start is now.●

EXECUTIVE COMMUNICATION NO. 1109

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. MURPHY of New York. Mr. Speaker, following is a copy of Executive Communication No. 1109 from the Department of Commerce in explanation of a draft bill which was introduced in the form of H.R. 4890, to extend the appropriation authorization for the Commercial Fisheries Research and Development Act of 1964, as amended:

SECRETARY OF COMMERCE,
Washington, D.C., March 26, 1979.

Hon. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Enclosed are six copies of a bill.

"To extend the appropriation authorization for the Commercial Fisheries Research and Development Act of 1964, as amended." together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this legislation to the Congress and further that its enactment would be in accord with the program of the President.

Sincerely,

JUANITA M. KREPS,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

The Commercial Fisheries Research and Development Act of 1964 (P.L. 88-309) contains three separate authorizations for appropriations to carry out the purposes of the Act. These authorizations, contained in section 4(a), 4(b), and 4(c) of the Act (16 U.S.C. 779b(a), (b), and (c)), all expire on September 30, 1980. Public Law 95-53 extended all three authorizations through fiscal year 1980 at the following levels—$10,000,000 annually for section 4(a) for apportionment to the states to carry out the purposes of the Act; $3,000,000 annually for section 4(b) to be made available to the states for the purposes of restoring fisheries affected by failures due to disasters from natural or undetermined causes; and $500,000 annually for section 4(c) to be made available to the states for developing new commercial fisheries. The proposed amendment to the Act would extend all three authorizations for three years through fiscal year 1983 for such sums as may be necessary.

The Act has proven to be useful in encouraging the development of the commercial fisheries resources of the nation. The states, through the matching fund program of the Act conduct programs for the conservation of fish and wildlife resources.●

THE MOON, ENERGY, AND BEYOND

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. GILMAN. Mr. Speaker, I would like to take the opportunity to note this 10th anniversary of the first landing on the Moon by Man, by our American astronauts on July 20, 1969.

Mr. Speaker, this anniversary comes at an appropriate time. When we put our minds to the apparently physical impossibility of landing a man on the Moon, the American people took on a common goal to "reach for the stars" and with great ambition, dedication, and optimism, it was achieved. Today, as then, we are not in short supply of those noble aspirations. However, something has gone astray. We could launch a man and vehicle on a round trip to the Moon 10 years ago. Today, we find it difficult to move gasoline from one part of a State to the other.

The Appollo program is a striking example of our Nation's capability for achieving worthwhile goals by working together. In doing so, we broadened and expanded our technology to cope with the problems of today. This milestone in the history of mankind was an event in a sequence of events which brought together the good will, genius, and sacrifices of our people in an indomitable spirit. Our will and capability to succeed were tested daily. Yet, on this day in July, 1969, Neil Armstrong was able to take a small step for himself, and "a giant step for mankind."

In the decade following Neil Armstrong's moonwalk, we have seemed to have lost that same sense of hope, dedication, cooperation, confidence and social obligation. The desire to advance in the fields of science and technology, with the objective of affording a more relative insight into human condition, has been severely stalled by multidimensional economic problems and shortages of natural resources. We have wasted many opportunities to explore new avenues of energy by relying on "safe bets," and "quick-fix" policies. A good example of this is, of course, our inability to increase our refining capacity since the 1973 Arab oil embargo.

We have consistently avoided becoming the master of our destiny. Nowhere is this clearer than in the spheres of decisions for national energy policy. Decisions are being made by the administration and the Department of Energy without having the full investigation of alternative sources of energy, and with out a complete understanding of their implications. As a result of this lack of dedication, leadership and positive action, we have become woefully dependent upon a cluster of politically unreliable oil exporting countries. To date, we readily

note that our standard of living, indeed, our national security, pivots upon the whims and fancies of a mere handful of men, who have no vested interest whatsoever in either our political, cultural, or socioeconomic existence. The world stood in awe and admiration of not only our technological prowess 10 years ago; but also our commitment and obligation to help the rest of mankind to enjoy the fruits of our labor, be it in the form of economic assistance or vocational opportunities. Today, we must sadly note that our servicemen have become the beneficiaries of either friendly voluntary foreign "subsistence funds" or the targets of cowardly assassinations.

It is time we recaptured that pioneering spirit of the Moon project and put it to work once again; however, this time in the field of developing and implementing alternative sources of energy. I am convinced that this can be done only with renewed vigor and hope on the part of the American public, and policy cohesiveness between the Government and the entire industry. No scientific breakthroughs are needed to embark on an ambitious national program to examine the environmental and technological feasibility of both landbased and spacebased solar power units. We have the knowledge in hand to fully exploit the energy sources available in synthetic fuels, and the chemical processing of coal. The opportunities to harness biomass, the sun, and matchless list of sources not yet developed are a new challenge to the American will and creativeness.

To neglect to acknowledge this challenge implies a lost spirit, and ultimately, a Nation that has willfully given up its place and responsibility as a source of progress and vanguard of freedom. Let us remember the difficult times of those pioneers who initially stood alone in their belief that what was impossible is now possible and practical.

Accordingly, I urge my colleagues to join in an endeavor to step beyond the cynicism of mankind's present state of inaction, which has us entrapped in the mud of sluggish thinking and mounting problems. Let us enter a new era of exploration of the energy possibilities just as we reached out from the confines of this planet to touch the Moon and beyond.●

CARTER'S REPORT CARD—WHAT'S GOOD FOR THE GOOSE . . .

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. ROTH. Mr. Speaker, President Carter's new chief of staff has ordered the senior White House staff and the members of the Cabinet—at least those who are still around after the purge—to fill out "report cards" on their staff people.

While I do not pretend to know how those grades will be determined, I think the idea has some merit, and I propose to go the President one better. I think we should ask everyone in America to fill out a report card on the President. I believe such an action is only fair.

If the President can require report cards on his employees, I believe the American people should require report cards on their employees, and after all, the President does work for all of us.

Furthermore, Mr. Speaker, if the report cards indicate failing grades, we might consider asking the President to take remedial courses to correct his deficiencies.

We might, for instance, enroll Mr. Carter in such classes as "Remedial Leadership 101," "Elementary Principles of Congressional Relations 12-B" or even "Fundamentals of Cabinet Selection 210."

Mr. Speaker, I am joking, of course. But there is something to consider. We require no test of competence for the Presidency—we demand no formal training. But we do demand the highest performance from those who seek the office.

And while we may not fill out report cards now, the President should bear in mind that he will be graded by the American people nonetheless.●

WILLIAM JENNINGS BRYAN DORN VETERANS' HOSPITAL

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. MONTGOMERY. Mr. Speaker, on June 14, 1979, a new veterans' hospital was dedicated in Columbia, S.C. The dedication ceremony was attended by several thousand people who came not only to express their appreciation for a splendid new medical facility to serve veterans throughout the State of South Carolina, but to honor one of the best friends our Nation's veterans have ever had, our former colleague and the former chairman of our Committee on Veterans' Affairs, the Honorable William Jennings Bryan Dorn of Greenwood, S.C.

The new VA hospital in Columbia will forever bear the name of Bryan Dorn. This great tribute to Bryan resulted from the enactment of Public Law 95-353. Mr. Speaker, few people have worked harder for veterans than our friend Bryan Dorn. The dedication of this facility honoring his name is a most deserving tribute to a great American. I join his many friends who wish for him and his dear wife, Millie, the very best always.

There follows remarks by Mr. Frank T. Galardi of Aiken, S.C., one of Bryan's closest friends, concerning the dedication ceremony:

DEDICATION CEREMONY JUNE 14, 1979—WILLIAM JENNINGS BRYAN DORN VETERANS' ADMINISTRATION MEDICAL CENTER, COLUMBIA, S.C.

(By Frank T. Galardi)

Dedication ceremonies normally are fashioned in a stereotyped and mundane category, usually attended by a few interested spectators or curiosity seekers. Not so Flag Day June 14, 1979, in Columbia, the Capital City of South Carolina, where hundreds upon hundreds of people gathered to pay tribute to a former United States Congressman, the beloved William Jennings Bryan Dorn of South Carolina.

The dais, which adorned the main entrance to the newly constructed addition to the Columbia Veterans Administration Medical Center, was vibrant with teeming activity as final plans were put into action for the program commemorating the official renaming of this great healing institution—the William Jennings Bryan Dorn Veterans Hospital—as decreed by Public law 95-353 signed by President Jimmy Carter.

It seemed most appropriate that Flag Day was selected as the day for this unusual dedication. Unusual because Americans from every walk of life and station flocked in by the hundreds to share in paying tribute to Mr. William Jennings Bryan Dorn: Governors, Congressmen, Generals, Local, State and Federal officials, State and National Commanders of Veterans Organizations, and political figures came from many states. As the crowd increased, it was apparent this special day took on new meaning for these times of unrest and uncertainty. People were excited to a high patriotic pitch as the program commenced and, as the Master of Ceremonies called for the presentation of Colors, one could sense Flag Day, June 14th, was going to become alive with a reality that America was blessed and the Stars and Stripes were most alive.

The weather for the day was hot and sultry, almost uncomfortable. However, when the National colors were presented and the state flags were advanced, it seemed that God added His touch to send a balmy breeze and an overcast sky to comfort the thousands who came to honor Mr. Dorn and the Veterans of our great country. A steady breeze persisted, to the delight of all, as each of the fifty state flags flew at full mast. Stirring indeed was the dramatic narrative by a U.S. Army Sergeant who described each of the Stars and Stripes, from the first created in 1777; while the U.S. Army Band of Fort Jackson provided thrilling, patriotic and stirring music of the eras covering the birth of each of the stars and stripes, until Old Glory with its fifty stars climaxed the flag presentation.

The Honorable Governor of South Carolina, Richard Riley, led the parade of dignitaries to echo the many Dorn admirers present. He was followed by General Westmoreland, the Honorable Max Cleland, U.S. Congressman Butler Derrick and a host of other officials.

The Honorable Mr. Dorn, in his remarks as Special Guest, lived up to his generous reputation as he heaped words of gratitude upon the Veterans for whom the hospital was erected and he brought special depth and excitement as he quoted the late President Eisenhower who once said: "he would rather have been a congressional Medal of Honor recipient than be President because of the great honor attached to this very coveted award." Mr. Dorn further informed the great gathering that this day took on a very special meaning for him, as seated before him were five Congressional Medal of Honor friends—a most unusual happening! Mr. Dorn concluded by saying that the dedication of the Veterans Hospital is a tribute not only to him but to all Veterans who have served and fought to protect and preserve our freedom.

The wonderful dedication program was a tribute to a great American who served unselfishly and with honor for over a quarter of a century in the U.S. Congress. Mr. Dorn has left an indelible mark in history as his deeds in caring for the Veterans of this wonderful country is unsurpassed. He has been a model Congressman for all members of Congress to emulate. He is a great politician, statesman and American whose distinction in history will record him as the champion for the common man whose life reads,

"I care." South Carolina and the Nation can well be proud of his service to our state and country.

As the last strain of our National Anthem sounded and Old Glory reached the final height of the tall flag pole, with all standing at respectful attention, one could say that this dedication was hardly a stereotype event but rather God in His special way was with us this day to honor our friend William Jennings Bryan Dorn, a true American; and a Disciple; humble, as he sees his name adorn the healing center which will care for those he loves so much, the United States Veteran.

Ending this eventual Dedication and Flag Day, one could hear the elderly gray-haired ladies and men of the American Legion and other Veteran Organizations saying, "God Bless America."●

STORMING THE CENTENNIAL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mrs. SCHROEDER. Mr. Speaker, the 1876 Centennial was a grand celebration of America and democracy. Women contributed greatly to the success of that celebration. The Women's Executive Committee had been assigned the tasks of raising subscriptions to finance the fair's activities, as well as installing a women's exhibit. Despite their work, however, the women had no say in the decisionmaking which went into the Centennial extravaganza.

Susan B. Anthony and other women's rights leaders protested that women's role in the celebration was merely auxilliary. The Women's Executive Committee were not even invited to participate on the platform in the official ceremonies. Rather than grouse, the women took action.

At the Fourth of July celebration in Independence Hall, marking the official opening of the Centennial, in the presence of national and foreign dignitaries, Susan B. Anthony and her colleagues, made a surprise guest appearance. Without official sanction, the women mounted the speakers platform, interrupted the Emperor of Brazil, and read the "Declaration of the Rights of Women."

Having made their point quite clearly, the women then turned and marched off the platform to peacefully conduct their meeting outside the pavilion, scattering copies of the declaration to those around them.●

THE PENSKE RACING TEAM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. YATRON. Mr. Speaker, on July 26, the city of Reading, Pa., is honoring the Reading-based Roger Penske Racing Team.

Roger S. Penske is the founder and chief executive officer of the Penske Corp. This corporation includes three types of business groups: energy and engines, transportation, and automotive performance.

The Penske Racing Team includes: Roger Penske, president of Penske Corp.; Mario Andretti, World Driving Champion in 1978; Bobby Unser, a two-time national champion and twice winner of the Indianapolis 500; Rick Mears, winner of this year's Indianapolis 500; Jim McGee, crew chief of the Penske Racing Team, and a resident of Reading, and Darrell Soppe, assistant crew chief.

The Penske Racing Team has done much to promote the city of Reading, Berks County, the Commonwealth of Pennsylvania and the United States of America. They have given us many exciting moments of watching them on the racetrack as well as making outstanding contributions to this country's automobile industry.

I know my colleagues will join me in paying tribute to these great Americans—The Penske Racing Team.●

RACING ACHIEVEMENT

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. YATRON. Mr. Speaker, Rick Mears is truly a great driving champion. In 1978, behind the wheel of the "Gould Charge," he made an impressive debut with three championship victories, three seconds, and a startling front-row qualification at the Indianapolis 500.

This year, Mr. Mears began the 1979 season with a second place finish in the Phoenix 150 CART race. He also had a third place finish in the 24 hours of Daytona and a fourth in the 12 hours of Sebring.

At the 63d running of the Indianapolis 500 this year, Mr. Mears not only won the pole position, but he was victorious in the race. He was only the 10th driver in history to win both.

On July 26, the city of Reading, Pa., is honoring Rick Mears for his outstanding contributions to the city as a member of the Reading-based Roger Penske racing team.

I join with the citizens of my community and my colleagues in the House in commending Rick Mears for his meritorious achievement in the field of racing.●

HOUSE OF REPRESENTATIVES—*Monday, July 23, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, who has created all peoples to dwell on the face of the Earth, we pray that You will lead our hearts in the spirit of conciliation and respect for one another.

We recognize, O Lord, the customs and traditions that testify to our cultures, the fashions and practices that make us unique. Even as we praise You for our uncommon selves, we pray that we may better learn from each other and exult in our common creation and responsibility. Remind us, O God, that You have freely given talent and ability and awareness to all peoples and nations, and so help us to rejoice in those gifts that are our universal heritages.

In the Lord's name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BAUMAN. Mr. Speaker, under clause 1, rule I, I ask that the question on the approval of the Journal be put.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, would the Chair at some point entertain a call of the House today before the consideration of business?

The SPEAKER. The Chair will state that we can arrange that without any problem.

Mr. BAUMAN. I thank the Chair.

The SPEAKER. The Journal stands approved.

So the Journal was approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4289) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes."

The message also announced that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 1, 7, 9, 50, 56, 58, 94, 103, 129, 180, and 182 and that the Senate receded from its amendment numbered 82, to the foregoing bill.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3875) entitled "An act to

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. WILLIAMS, Mr. CRANSTON, Mr. GARN, and Mr. TOWER to be the conferees on the part of the Senate.

A TRIBUTE TO HENRY H. WILSON

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, it was with profound sadness that I learned this morning of the death yesterday of Henry Hall Wilson, Jr., of North Carolina.

Those of us who have had the privilege of serving in the House of Representatives during the administration of Presidents Kennedy and Johnson will remember Henry Wilson well.

He came to Washington in 1961 to serve as an assistant to Larry O'Brien, who at that time was Special Assistant to President Kennedy in charge of congressional relations.

Henry Wilson was charged with the responsibility of working with Members of the House of Representatives.

In 1967, Henry Wilson was an assistant to President Johnson and left that position to become president of the Chicago Board of Trade.

Henry Wilson, Mr. Speaker, was a man of first-class judgment, a splendid sense of humor, and a deep devotion to public service.

Those of us in the House of Representatives who knew him have lost a friend.

To Henry Hall Wilson's wife and family I extend my deepest sympathy.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I want to join fully in the gentleman's remarks on the passing of Henry Hall Wilson. I know all of us who knew his service to his country and his years of public service here, especially here in Washington, join in the sentiments expressed by the gentleman from Indiana and mourn his passing.

Mr. BRADEMAS. Mr. Speaker, I yield to the distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, I should like to join with my colleague, the gentleman from Indiana, in mourning the passing of this fine and lilting spirit, Henry Hall Wilson. He was what some referred to as the resident southerner in what was affectionately called John F. Kennedy's Irish mafia.

He was a person of great humility, warm, tender, sincere, and of an understanding heart. Henry Wilson was a great human being, a person whom many of us will always remember vividly. I know that all would want to join with us in wishing to his wife Mary, and his children, the blessings of a benign spirit.

● Mr. FOUNTAIN. Mr. Speaker, it is with a great deal of personal sadness and regret that I join our distinguished majority whip, the Honorable JOHN BRADEMAS, in noting the passing yesterday of Henry Hall Wilson, Jr., of Monroe, N.C. I want to associate myself with his fine tribute. I am certain that many of the more senior Members of this House well remember Henry Hall's service in Washington during the John F. Kennedy and Lyndon B. Johnson administrations and were friends of his.

Henry Hall Wilson ably served three terms in the North Carolina House of Representatives from his home area before coming to Washington in 1961 as a congressional liaison officer and special administrative assistant of Presidents Kennedy and Johnson. His chief role was liaison for the House of Representatives and he worked particularly with the southern delegations. He did an excellent job for both Presidents.

In 1967, Henry Hall left Washington to serve as president and chief executive officer of the Chicago Board of Trade. In 1973, he returned to North Carolina where he ran unsuccessfully for the 1974 Democratic nomination for the U.S. Senate. Following the 1974 primary, he returned to his hometown of Monroe where he worked as a business consultant until his untimely death.

Mr. Speaker, Henry Hall had the many qualities of a skilled liaison man—helpful, cooperative, persuasive, understanding, and always available both voluntarily and when contacted. He was a good negotiator—he knew how to advovate, when not to advocate, and how to listen. Henry Hall was an organizer who knew the ropes in Washington and could effectively coordinate efforts between the legislative branch and executive agencies. Many essential public projects and facilities in my own district in North Carolina were greatly expedited and aided by his efforts. While he and I were not always philosophically in accord, he never used that as an excuse or reason for any position he took on matters where he could be helpful. I have missed his presence very much.

A graveside service is scheduled for today and a memorial service for tomorrow in Monroe. Henry Hall leaves his wife Mary, one son, and two daughters. As dean of the North Carolina delegation in Congress, I extend our sympathy and our prayers to the family at this difficult time ●

● Mr. O'NEILL. Mr. Speaker, it is with much regret and a deep sense of personal loss that I rise on this occasion to salute the passing of Henry Hall Wilson.

Henry's accomplishments were many and varied. Following graduation from Duke University Henry Wilson distinguished himself and his country in World War II and then returned to his alma mater to study law. Although Henry planned to practice law in his native city of Monroe, N.C., public life presented too great a challenge for him to ignore. The next 6 years were spent in the North Carolina State Legislature.

Shortly thereafter, Henry Wilson's talents and industry brought him to Washington and earned him a Presidential appointment by our esteemed late President, John F. Kennedy. He served two Presidents, John Kennedy, and Lyndon Johnson, with loyalty and dedication.

It was in this capacity as a liaison between the House of Representatives and the White House that I first had the pleasure of knowing and working with Henry.

His integrity and professional manner were much appreciated by all of us who worked closely with the Kennedy and Johnson administrations, and the passing years have not dimmed that beautiful memory of cooperation and commitment.

I extend my sincere condolences to his lovely wife, Mary, and to his children.●

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in tribute to Henry Hall Wilson.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MARY HARRIS JONES ("MOTHER JONES") 1830–1930

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Mary Harris Jones captured public attention for the plight of people who were politically powerless. Wherever workers struck for their rights "Mother" Jones was there. "I reside wherever there is a good fight against wrong," she said. She acted out of total conviction—helping copper miners in Colorado, coal miners in Pennsylvania, and once marched 145 miles with a band of factory children to confront Theodore Roosevelt with the evils of child labor.

She saw in the miners' stark forms the human cost of America's progress. "Mother" Jones believed that there was no way for the condition of working people in America to improve until they faced the difficult task of organizing. Her life was devoted to making that possible.

Clarence Darrow wrote, "Wherever the fight was the fiercest, 'Mother' Jones was present to aid and cheer. Both day and night, in poor villages and at lonely cabins on the mountain side, 'Mother' Jones always appeared in time of need."

THE FIRING OF W. MICHAEL BLUMENTHAL

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, 30 months ago W. Michael Blumenthal left an extraordinarily successful business career to become Secretary of the Treasury. His good judgment and enormous abilities quickly made him a standout in President Carter's Cabinet.

First and foremost, Secretary Blumenthal was an absolutely first-class public

servant. He brought tremendous knowledge, devotion and enthusiasm to one of the most thankless, toughest jobs in Government. He treated the Congress not as an obstacle but as an ally in the struggle against some of the most complex and intractable economic problems the country has faced. In his every appearance before the Budget Committee, he spoke with a combination of candor, wit, and precision. His answers were not the sugar-coated nonresponses we have come to expect of many witnesses. His insistence on giving the Congress straight answers was no doubt seen by some in the White House as a political liability, but to me listening to Secretary Blumenthal was always a refreshing and valuable experience. I particularly recall some advice he gave the Congress—and indirectly the Carter administration—when appearing before the Budget Committee he was asked about the possibility of lowering the deficit by allowing taxes to increase:

> It's the wrong way to balance the budget. We need to balance the budget by keeping spending under control and getting it down and not by effectively raising taxes on the average American.

Sadly, that message has gotten through to neither the administration nor the Congress.

While I have only the highest regard for Chairman G. William Miller, the loss of his leadership at the Federal Reserve merely shifts the gaping hole President Carter has created from the area of fiscal to monetary policy. We need to keep both of these able, distinguished men on board and attract more individuals like them.

In short, Mr. Speaker, in Michael Blumenthal we have lost unnecessarily an invaluable public servant, a man who has been a credit to the Government and the American people.

THE DOLLAR, GREATEST CASUALTY OF THE WEEK

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, all of us have been suprised and somewhat perplexed by the decision of the President to reshape his Cabinet. My personal feeling is that the best and the brightest have been given their walking papers in favor of the ultraloyal and pronouncedly political.

Unfortunately, however, it is the dollar rather than certain Cabinet heads which may have been the greatest casualty of the week. Since July 6 when President Carter went to Camp David the value of the dollar has dropped 1¼ percent in relationship to other currencies, and a full 5 percent since May.

Last week the Federal Reserve Board had to raise the discount rate to a punishing 10-percent level and intervene in international money markets to protect the image of the President and the dollar in international trade.

Clearly international confidence in American leadership has been shaken by the events of the past 2 weeks and we could be seeing the greatest short-term challenge to the stability of the dollar in our lifetime. Instead of averting a leadership crisis, the White House appears to have underscored it. Instead of avoiding a recession, administration actions have contributed to its momentum.

The ultimate report card for the Carter administration will not be based on the juvenile categorization of Hamilton Jordan, but will be defined by inflation at home and the strength of the dollar abroad.

CALL OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 368]

Abdnor	Gephardt	Natcher
Akaka	Gibbons	Neal
Ambro	Ginn	Nedzi
Annunzio	Gore	Nichols
Ashley	Gradison	O'Neill
AuCoin	Gramm	Oberstar
Bafalis	Grassley	Obey
Bailey	Guarini	Paul
Barnard	Gudger	Perkins
Barnes	Guyer	Peyser
Bauman	Hall, Ohio	Pickle
Beard, R.I.	Hamilton	Preyer
Bedell	Hammer-schmidt	Price
Beilenson	Hance	Pritchard
Benjamin	Hansen	Quillen
Bennett	Harkin	Ratchford
Bereuter	Harris	Regula
Bethune	Hinson	Reuss
Biaggi	Hollenbeck	Rhodes
Bingham	Holt	Rinaldo
Blanchard	Horton	Roberts
Boggs	Hubbard	Robinson
Bonior	Hyde	Rostenkowski
Bonker	Ichord	Roth
Bouquard	Jacobs	Roybal
Bowen	Jeffords	Runnels
Brademas	Jeffries	Sabo
Brodhead	Jenrette	Santini
Brooks	Johnson, Calif.	Satterfield
Brown, Calif.	Jones, Okla.	Schroeder
Brown, Ohio	Jones, Tenn.	Seiberling
Carter	Kazen	Sensenbrenner
Cavanaugh	Kelly	Sharp
Chappell	Kemp	Shelby
Coelho	Kildee	Shumway
Collins, Ill.	Kindness	Simon
Collins, Tex.	Kogovsek	Slack
Conable	Kostmayer	Smith, Iowa
Corcoran	Kramer	Smith, Nebr.
Corman	Lagomarsino	Solarz
Courter	Leach, Iowa	Spellman
D'Amours	Lehman	Spence
Daniel, R. W.	Levitas	St Germain
Dannemeyer	Livingston	Stack
Daschle	Loeffler	Stenholm
de la Garza	Long, La.	Stokes
Deckard	Lowry	Stratton
Derwinski	Lujan	Swift
Dingell	Lungren	Tauke
Dixon	McClory	Taylor
Donnelly	McCloskey	Thomas
Drinan	McCormack	Trible
Duncan, Oreg.	McHugh	Ullman
Duncan, Tenn.	Madigan	Van Deerlin
Edgar	Maguire	Vento
English	Markey	Volkmer
Erdahl	Marlenee	Walgren
Erlenborn	Mathis	Wampler
Ertel	Mica	Watkins
Evans, Ind.	Mikulski	Waxman
Fascell	Miller, Calif.	Weaver
Fenwick	Miller, Ohio	Weiss
Findley	Mineta	White
Fish	Mitchell, Md.	Whitehurst
Fisher	Mitchell, N.Y.	Whittaker
Fithian	Moakley	Williams, Mont.
Flippo	Moffett	Wolff
Florio	Mollohan	Wolpe
Foley	Moorhead, Calif.	Wright
Fountain	Murphy, N.Y.	Wyatt
Fowler	Murtha	Yatron
Frenzel	Myers, Ind.	Young, Mo.
Fuqua		Zablocki
Gaydos		

□ 1230

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. ROBERTS). The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, under rule XV, clause 2, would a motion be in order to compel the attendance of Members, since we have now run 10 minutes or so beyond the usual time of the quorum call?

The SPEAKER pro tempore. The Chair would advise the gentleman that he would prefer to wait a little longer until we get the members from the committee. There is a large committee meeting. They are trying to get over here. We ought to have a quorum soon.

I understand the gentleman's frustration. I share it with him.

Mr. BAUMAN. Is that the "Entertainment Committee" that is meeting.

The SPEAKER pro tempore. No.

Mr. BAUMAN. I thank the Chair.

□ 1250

The SPEAKER pro tempore. On this rollcall 219 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call will be dispensed with.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATION BILL

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980.

Mr. REGULA reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DELAYING EFFECTIVE DATE OF CERTAIN RULES OF PROCEDURE AND EVIDENCE PROPOSED BY U.S. SUPREME COURT

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill (H.R. 4712) to delay conditionally the effective date of certain rules of procedure and evidence proposed by the U.S. Supreme Court, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. KINDNESS. Mr. Speaker, reserving the right to object, I would ask the gentleman from Massachusetts to explain the content of the bill, H.R. 4712.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Speaker, I rise in support of H.R. 4712, a bill to delay certain of the recently promulgated amendments to Federal procedural and evidentiary rules. The purpose of the legislation is simple—to provide the Congress with adequate time to review and make any necessary changes in those amendments.

BACKGROUND

Statutes known as the Rules Enabling Acts empower the Supreme Court to promulgate amendments to various procedural and evidentiary rules. The Court is required to transmit any proposed amendments to Congress by May 1, and the proposed amendments take effect 90 days after they have been so transmitted—180 days in the case of amendments to the evidence rules. The purpose of this delay is to allow Congress the opportunity to review the amendments and enact appropriate changes in them before they take effect.

The Supreme Court, pursuant to these statutes, transmitted several proposed amendments to Congress last April 30 (H. Doc. No. 96–112). The proposed amendments make changes in the Federal Rules of Criminal Procedure, Federal Rules of Appellate Procedure, habeas corpus rules, and the Federal Rules of Evidence. Unless there is legislation to the contrary, these proposed amendments will take effect August 1 (November 1 in the case of the proposed amendment to the evidence rules).

The proposed amendments, which are printed together with explanatory comments of a committee of the Judicial Conference of the United States in House Document No. 96–112, were referred to the Subcommittee on Criminal Justice, which I chair. The Criminal Justice Subcommittee is presently engaged in a major effort to draft legislation to recodify Federal criminal laws. This project has our highest priority, and we have been meeting four and five times per week in order to complete our draft in time to take a bill to the full Judiciary Committee this fall. In fact, we have to date held some 70 markup meetings, as well as four hearings, on the recodification project.

As a result, the subcommittee has been unable to study in detail the proposed amendments promulgated by the Supreme Court last April 30. Even under the best of circumstances, the time allowed for congressional review and the enactment of necessary legislation is not adequate. Given the subcommittee's schedule on the recodification legislation, the time allowed is completely unrealistic.

One possible course of action would be to postpone the effective date of all of the proposed amendments so that there would be enough time to conduct a careful review of them. That course, however, would delay the implementation of proposed amendments about which there is no disagreement or controversy. The subcommittee decided that the better course of action would be to determine which of the proposed amendments are controversial and to postpone the effective date of only those proposed amendments. Therefore, comments on the proposed amendments were solicited, and on the basis of those comments the subcommittee agreed that the effective date of several proposed amendments should be postponed. H.R. 4712 was introduced to accomplish that postponement.

Postponing the effective date is not a novel procedure. Congress has done so several times in recent years. In the 93d Congress, the effective date of the proposed Federal Rules of Evidence was postponed indefinitely (Public Law 93–12), and the effective date of some proposed amendments to the Federal Rules of Criminal Procedure was postponed for 1 year (Public Law 93–361). In the 94th Congress, the Supreme Court transmitted additional proposed amendments to the Federal Rules of Criminal Procedure and established rules of procedure for habeas corpus proceedings. The effective date of some of the proposed amendments to the Federal Rules of Criminal Procedure was postponed for 1 year, and the effective date of the habeas corpus rules was postponed until the adjournment sine die of the 94th Congress (Public Law 94–426).

In each instance where the effective date of proposed amendments was postponed, the Congress acted in a timely fashion to approve, reject or modify the proposed amendments. The Federal Rules of Evidence were enacted into law during the 93d Congress (Public Law 93–595). The proposed amendments to the Federal Rules of Criminal Procedure which were promulgated during the 93d and 94th Congresses were likewise acted upon in a timely fashion. During the additional time provided by the postponement in the effective date, Congress enacted legislation approving, rejecting, or modifying the proposed amendments (Public Law 94–64; Public Law 95–78). Finally, Congress acted upon the proposed habeas corpus rules before the sine die adjournment of the 94th Congress (Public Law 94–426).

SYNOPSIS OF H.R. 4712

H.R. 4712, as reported by the Judiciary Committee, postpones the effective date of some of the recently promulgated amendments until December 1, 1980. This delay will give us the remainder of the 96th Congress to study the proposed amendments and process any necessary legislation.

The proposed amendments to the following rules are affected:

First. Rule 11(e)(6) of the Federal Rules of Criminal Procedure and rule 410 of the Federal Rules of Evidence, identical rules dealing with the admissibility of statements made during plea negotiations. These rules were amended by Congress in 1975 after extensive discussion and consideration (Public Law 94–64).

Second. Proposed new Rule 26.2 and rule 17(h) of the Federal Rules of Criminal Procedure. The Jencks Act (18 U.S.C. § 3500) provides that statements of Government witnesses be disclosed to the defendant after the Government has completed the direct examination of those witnesses. Proposed Rule 26.2 would, in essence, amend the Jencks Act by providing that statements of defense witnesses similarly be disclosed to the Government. The proposed amendment to rule 17(h) makes a cross-reference to proposed rule 26.2.

Third. Proposed rule 32.1 and rule 32(f) of the Federal Rules of Criminal Procedure. Proposed rule 32.1 is a new rule that will deal with revocation of probation that will replace rule 32(f), which the proposed amendments would abrogate. The Subcommittee on Criminal Justice is dealing with probation revocation policy and procedure during its work on the recodification legislation. Thus, if proposed rule 32.1 takes effect next August 1, it would be superseded by a procedure that in all likelihood will be different from that in proposed rule 32.1. To avoid any confusion which that chain of events could generate, the better course of action would seem to be to postpone the effective date of proposed rule 32.1 and of the proposed amendment that abrogates rule 32(f).

Fourth. Rule 44(c) of the Federal Rules of Criminal Procedure, which deals with the assignment of counsel. The proposed amendment adds a new subdivision to the rule dealing with the situation where several defendants are represented by a single attorney.

Fifth. Rule 40 of the Federal Rules of Criminal Procedure. The proposed amendments would, inter alia, add to rule 40(d) a cross-reference to proposed rule 32.1. Rather than postpone all of the amendments to rule 40, it was determined that the best course of action would be to let the proposed amendments to rule 40 take effect on August 1 with an amendment deleting the cross-reference to proposed rule 32.1.

Because of the need to enact this legislation by August 1, 1979, Representative THOMAS N. KINDNESS, the ranking Republican on the Subcommittee on Criminal Justice, and I have been in touch with Members of the other body interested in and involved with the proposed amendments. H.R. 4712 as reported by the Committee on the Judiciary is completely acceptable to them. If passed, the bill will be taken up promptly by the other body.

Mr. Speaker, H.R. 4712 has bipartisan endorsement and has not been a controversial apiece of legislation. The bill is intended to give the Congress sufficient time in which to carry out its function with regard to proposed amendments to procedural and evidentiary rules. I urge my colleagues to support it.

Mr. KINDNESS. Mr. Speaker, further reserving the right to object, I urge support of H.R. 4712, as amended. The Supreme Court of the United States, on April 30 of this year, promulgated several amendments to the Federal rules of criminal and appellate procedure and the rules of evidence. Under the applicable enabling acts, the amendments will become effective on August 1, 1979—in the case of the criminal and appellate rules—

and on November 1, 1979, with respect to the evidence rules unless Congress takes action in contravention.

H.R. 4712 as amended merely postpones until December 1, 1980, those proposed amendments which have generated controversy so that the Judiciary Committee can hold hearings and resolve this controversy. The bill, as amended, was approved without dissent both by the Subcommittee on Criminal Justice and the Judiciary Committee.

If Congress is to exercise a meaningful role in overseeing the development of the rules of Federal procedure, it must thoroughly scrutinize those changes generating criticism from sectors of the practicing bar. A delay of the type proposed in this bill merely provides an adequate opportunity for Congress to fulfill its duties in this regard.

By and large, the amendments proposed by the Supreme Court on April 30 are being left to take effect as provided by the respective enabling acts. This bill very carefully selects only three major amendments that merit further legislative study. The major Supreme Court amendments delayed are:

Rule 11(e)(6) (FRCrimP)—Making inadmissible in court those negotiations with "an attorney for the Government" that do not result in guilty pleas. Defense bar representatives have criticized this proposed amendment arguing that considerable plea bargaining is done with nonattorneys such as police officers and investigators, and thus any proposed amendment should take this into account. This should be considered by the Congress.

Rule 26.2 (FRCrimP)—A new rule making the requirements of the Jencks Act applicable to the defense as well as to the prosecution in a criminal trial. Although the advisory committee notes assert that this proposal merely codifies the Supreme Court's decision in *U.S.* v. *Nobles*, 422 U.S. 225 (1975), the American Bar Association and others have suggested there has been insufficient appellate explication of that decision. This should be considered by the Congress.

Rule 32.1 (FRCrimP)—A new rule setting a procedure for the modification or revocation of probation. The bill delays this rule because of work currently being conducted by the Subcommittee on Criminal Justice to recodify the entire Federal criminal code including probation revocation procedure. Thus to delay the effective date of this rule avoids the confusion that may ensue from having one procedure in force for 2 years only to have it supplanted by another procedure contained in subsequent comprehensive criminal legislation.

Rule 44(c) (FRCrimP)—Provides that judges scrutinize carefully cases in which two or more defendants are jointly represented by the same counsel. Criticism has been directed at this amendment on the grounds that it unnecessarily inhibits two or more defendants from employing the same counsel. This should be considered by the Congress.

Mr. Speaker, in conclusion, let me assert that the Supreme Court performs invaluable service in promulgating procedure changes. However, Congress ought not to abdicate its legislative responsibilities. We have, on several occasions, considered and improved amendments promulgated by the Supreme Court, most notably the Federal rules of evidence.

Therefore, Mr. Speaker, I urge adoption of H.R. 4712 as amended.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill as follows:

H.R. 4712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any provision of section 3771 or 3772 of title 18 of the United States Code or of section 2072, 2075, or 2076 of title 28 of the United States Code to the contrary—

(1) the amendments proposed by the United States Supreme Court and transmitted by the Chief Justice on April 30, 1979, to the Federal Rules of Criminal Procedure affecting rules 11(e)(6), 17(h), 41 (a), (b), and (c), and 44(c), and adding a new rule 26.2, the amendment so proposed and transmitted to the Federal Rules of Evidence affecting rule 410, and the amendment so proposed and transmitted to the Federal Rules of Appellate Procedure affecting rule 34, shall not take effect until December 1, 1980, or until and then only to the extent approved by Act of Congress, whichever is earlier;

(2) the amendments proposed by the United States Supreme Court and transmitted by the Chief Justice on April 30, 1979, to the Federal Rules of Criminal Procedure adding a new rule 32.1 and affecting rule 32(f) shall not take effect until and then only to the extent approved by Act of Congress; and

(3) the amendment proposed by the United States Supreme Court and transmitted by the Chief Justice on April 30, 1979, affecting rule 40 of the Federal Rules of Criminal Procedure shall take effect on August 1, 1979, with the following amendments:

(A) In the matter designated as paragraph (1) of subdivision (d), strike out "in accordance with Rule 32.1(a)".

(B) In the matter designated as paragraph (2) of subdivision (d), strike out "in accordance with Rule 32.1(a)(1)".

With the following committee amendment:

Strike out all after the enacting clause and insert:

That notwithstanding any provision of section 3771 or 3772 of title 18 of the United States Code or of section 2072, 2075, or 2076 of title 28 of the United States Code to the contrary—

(1) the amendments proposed by the United States Supreme Court and transmitted by the Chief Justice on April 30, 1979, to the Federal Rules of Criminal Procedure affecting rules 11(e)(6), 17(h), 32(f), and 44(c), and adding new rules 26.2 and 32.1, and the amendment so proposed and transmitted to the Federal Rules of Evidence affecting rule 410, shall not take effect until December 1, 1980, or until and then only to the extent approved by Act of Congress, whichever is earlier; and

(2) the amendment proposed by the United States Supreme Court and transmitted by the Chief Justice on April 30, 1979, affecting rule 40 of the Federal Rules of Criminal Procedure shall take effect on August 1, 1979, with the following amendments:

(A) In the matter designated as paragraph (1) of subdivision (d), strike out "in accordance with Rule 32.1(a)".

(B) In the matter designated as paragraph (2) of subdivision (d), strike out "in accordance with Rule 32.1(a)(1)".

Mr. DRINAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the committee amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

Such rollcall votes to be postponed will be taken Tuesday, July 24, 1979.

RELEASE OF CONTINGENT INTEREST IN LAND OWNED BY BELL COUNTY, KY.

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 41) to require the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky., as amended.

The Clerk read as follows:

S. 41

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey, without consideration, to the Bell County Board of Education, Bell County, Kentucky, all right, title, and interest in and to 47.04 acres of land, more or less, a portion of the

real property described as tract numbered 1101b in the quitclaim deed made by the United States, as grantor, to the Commonwealth of Kentucky, for the use and benefit of the Department of Conservation, dated April 15, 1954, recorded in Bell County, Kentucky, in deed book numbered 159, page 550, which the United States may hold as a result of covenants contained in said quitclaim deed; *Provided*, That this conveyanace in no way affects the undivided interest of the United States in coal, oil, gas, and other minerals (not outstanding or reserved in third parties) reserved by the United States in said deed: *And provided further*, That any proceeds from the sale, lease, exchange, or other use or disposition of the lands shall be used exclusively for educational purposes by the Bell County Board of Education.

SEC. 2. The 47.04-acre tract described in section 1 lies on the east side of United States Highway 25E on Log Mountain in the Kentucky Ridge State Forest, and is more particularly described as follows: Beginning at a point in the west line of a 150-foot Kentucky Utilities Transmission Line easement and the east right-of-way line of United States 25E; thence, running with said easement south 01 degrees 46 minutes west, 2286.00 feet to a concrete monument (set); thence, leaving said easement and running south 86 degrees 34 minutes west, 1581.52 feet to a concrete monument (set) in the east right-of-way line of United States 25E; thence, with said right-of-way the following courses: north 28 degrees 36 minutes east, 500.00 feet; north 28 degrees 22 minutes east, 349.03 feet to a concrete right-of-way monument (found); north 37 degrees 36 minutes east, 456.59 feet to a concrete right-of-way monument (found); north 11 degrees 25 minutes west, 128.82 feet to a concrete right-of-way monument (found); north 38 degrees 11 minutes east, 497.55 feet to a concrete right-of-way monument (found); north 38 degrees 11 minutes east, 679.00 feet to a concrete right-of-way monument (found); north 50 degrees 02 minutes east, 343.70 feet to the point of beginning.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas (Mr. DE LA GARZA) will be recognized for 20 minutes, and the gentleman from Virginia (Mr. WAMPLER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill (S. 41) is a companion measure to H.R. 1573, sponsored in the House by our colleague, the gentleman from Kentucky, Dr. TIM LEE CARTER. It was passed by the Senate on April 4.

Twenty-five years ago, in 1954, the Secretary of Agriculture conveyed a large parcel of land in Bell County, Ky., to the Commonwealth of Kentucky to be used for public purposes. In accordance with the Bankhead-Jones Act, which was the statutory authority for that conveyance, the Secretary included in the deed a covenant that the land would revert to the United States if it is ever used for other than public purposes.

In 1977, the Commonwealth of Kentucky transferred ownership of a 47-acre portion of this parcel to Bell County as the site for a new consolidated high school. The school is urgently needed to replace two existing school facilities which sustained $1.3 million damage in the April 1977 flood which devastated that area.

In order to get the funds to construct the new school, Bell County must sell bonds. However, the bonds cannot be sold unless the United States releases its reversionary interest in this 47 acres.

As I have said, the land is already owned by Bell County. The Congressional Budget Office and the Department of Agriculture agree that passage of the bill will result in no cost to the Government. S. 41 merely directs the Secretary of Agriculture to release the reversionary interest of the Government. In order to preserve the spirit of the original transfer, this bill requires that the proceeds be used for public purposes in the unlikely event that this 47 acres is ever sold by Bell County.

The Committee on Agriculture has made two technical amendments which: First, protect the interest of the United States in mineral rights reserved at the time of the original transfer; and second, correctly identify the deed book in which that transfer is recorded. We have been advised that these amendments are acceptable to the sponsors of this legislation both in the House and in the Senate.

Mr. Speaker, this is a small matter by comparison to the cosmic concerns to which we in Washington have become accustomed. But in rural Bell County it is a matter of vital concern. This is a good bill and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. WAMPLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 41.

This is a simple bill. Yet it is an urgent bill. It will entail no cost to the Federal Government.

This bill directs the Secretary of Agriculture to release a reversionary interest of the United States in a 47.04-acre parcel of land owned by the Bell County, Ky., Board of Education in order to permit the Board to construct an urgently needed high school.

The land in question is part of a much larger tract which was conveyed to the Commonwealth of Kentucky in 1954 by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act. As required by that act the conveyance subjected the entire tract to a covenant which requires that the land revert to the United States if it is ever used for other than a public purpose. The Commonwealth of Kentucky conveyed the 47.04-acre parcel to the Bell County Board of Education—subject of course to this covenant—for the purpose of constructing a consolidated high school. The two high schools which would be replaced are both located in a flood plain and both have suffered recurrent flood damage.

Because of the reversionary interest, Bell County has been unable to issue the revenue bonds needed to finance construction which has been delayed for over a year due to this obstacle. Prospective bond purchasers will not accept as security land which is subject to such a reversionary interest. S. 41 would direct the release of this reversion, and I urge its adoption so that the Bell County Board of Education may begin construction of their new high school as soon as possible.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to the distinguished gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, since the devastating flood of April 1977 in southeastern Kentucky, the Bell County Board of Education has sought wisely to construct new school facilities on land located outside of the flood plain. After much preparation and planning, they are now ready to proceed with construction, and this bill would remove the remaining obstacle to their plans.

S. 41 directs the Secretary of Agriculture to release a reversionary interest of the United States in the 47.04 acres of land owned by the Bell County Board of Education so that they may—under the laws of the Commonwealth of Kentucky—sell the necessary school construction bonds.

This land was deeded to the Commonwealth of Kentucky in 1954, and the Commonwealth conveyed it to Bell County to enable them to have a flood-free site on which to construct their new school.

Neither the Department of Agriculture nor the Commonwealth objects to the legislation. In fact, they support it fully and would like for Bell County to be able to go ahead with construction before the winter and before renewed flooding again threatens the existing educational facilities.

There is no cost involved in this release, and, actually, favorable action on this bill will save the United States from the likelihood of having to provide flood disaster assistance to the school system as has been the case within the past few years.

It is essential that the Bell County Board of Education be permitted to move ahead on this important project as soon as possible, and I urge that this measure be approved.

Mr. WAMPLER. Mr. Speaker, I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. DE LA GARZA) that the House suspend the rules and pass the Senate bill, S. 41, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title was amended so as to read: "An Act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Kentucky, to the Board of Education, Bell County, Kentucky.".

A motion to reconsider was laid on the table.

□ 1300

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

COAST GUARD DRUG LAW ENFORCEMENT

Mr. BIAGGI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2538) to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) it is unlawful for any person on board a vessel of the United States, or on board a vessel subject to the jurisdiction of the United States on the high seas, to manufacture or distribute, or to possess with intent to manufacture or distribute, a controlled substance.

(b) It is unlawful for a citizen of the United States on board any vessel to manufacture or distribute, or to possess with intent to manufacture or distribute, a controlled substance.

(c) It is unlawful for any person on board any vessel within the customs waters of the United States to manufacture or distribute, or to possess with intent to manufacture or distribute, a controlled substance.

(d) It is unlawful for any person to possess, manufacture, or distribute a controlled substance—

(1) intending that it be unlawfully imported into the United States; or

(2) knowing that it will be unlawfully imported into the United States.

(e) Subsections (a), (b), and (c) do not apply to a common or contract carrier, or an employee thereof, who possesses or distributes a controlled substance in the lawful and usual course of the carrier's business if the controlled substance is a part of the cargo entered in the vessel's manifest and is intended to be lawfully imported into the country of destination for scientific, medical, or other legitimate purposes. It shall not be necessary for the United States to negative the exception set forth in this subsection in any complaint, information, indictment, or other pleading or in any trial or other proceeding. The burden of going forward with the evidence with respect to this exception is upon the person claiming its benefit.

(f) Any person who violates this section shall be tried in the United States district court at the point of entry where that person enters the United States, or in the United States District Court for the District of Columbia.

(g) Any person who violates subsection (a), (b), (c), or (d) of this section shall be punished in accordance with section 1010 of the Comprehensive Act, or, for a second or subsequent offense, in accordance with section 1012 of that Act, in the same manner as a person who manufactures or distributes a controlled substance contrary to section 1009 of that Act would be punished.

SEC. 2. As used in this Act—

(a) "Customs waters" means those waters as defined in section 401(j) of the Tariff Act of 1930 (19 U.S.C. 1401(j)).

(b) "High seas" means all waters beyond the territorial seas of the United States and beyond the territorial seas of any foreign nation.

(c) "Vessel of the United States" means any vessel documented under the laws of the United States, or numbered as provided by the Federal Boat Safety Act of 1971, as amended, or owned in whole or in part by the United States or a citizen of the United States, or a corporation created under the laws of the United States, or any State, Territory, District, Commonwealth, or possession thereof, unless the vessel has been granted nationality by a foreign nation in accordance with article 5 of the Convention on the High Seas, 1958.

(d) "Vessel subject to the jurisdiction of the United States" includes a vessel without nationality or a vessel assimilated to a vessel without nationality, in accordance with paragraph (2) of article 6 of the Convention on the High Seas, 1958.

(e) "Comprehensive Act" means the Comprehensive Drug Abuse Control and Prevention Act of 1970 (21 U.S.C. 801–966). All terms used in this Act that are defined in the Comprehensive Act have the meanings assigned to them by that Act.

SEC. 3. Any person who attempts or conspires to commit any offense defined in this Act is punishable by imprisonment or fine or both which may not exceed the maximum punishment prescribed for the offense, the commission of which was the object of the attempt or conspiracy.

SEC. 4. (a) The following shall be subject to forfeiture, and no property right shall exist in them:

(1) Any vessel or other conveyance used or intended for use in any manner to facilitate the commission of an offense under this Act, except that no vessel or other conveyance shall be forfeited under this section:

(A) if it is used by any person as a common carrier in the transaction of business as a common carrier, unless it shall appear that the owner or master or other person in charge of such vessel or other conveyance was at the time of the alleged unlawful act a consenting party or privy thereto; or

(B) if the owner thereof establishes that the alleged unlawful act was committed by a person other than the owner while such vessel or other conveyance was unlawfully in the possession of a person other than the owner in violation of the criminal laws of the United States or of a State.

(2) Any controlled substance manufactured, distributed, or possessed in violation of this Act.

(3) Any other property used or intended for use in any manner to facilitate the commission of an offense under this Act.

(b) Property described in subsection (a) shall be subject to seizure without a warrant whenever there is probable cause to believe that it has been used or is intended to be used in any manner to commit, or to facilitate the commission of, an offense under this Act.

(c) Property seized or forfeited under this section shall be processed in the same manner as similar property seized or forfeited under section 511 of the Comprehensive Act.

(d) Once the United States has shown probable cause for the seizure of property under this section, the burden of going forward with the evidence to establish that such property is not subject to forfeiture under this Act is upon the party opposing the forfeiture.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. BIAGGI) will be recognized for 20 minutes, and the gentleman from California (Mr. MCCLOSKEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I yield myself as much time as I may consume.

GENERAL LEAVE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. BIAGGI. Mr. Speaker, I thank my friend and colleague from New York, Chairman MURPHY, for his support and efforts in bringing H.R. 2538, Coast Guard high seas drug enforcement legislation, to the floor for consideration.

It has been 4 years since I chaired subcommittee hearings in Puerto Rico, which revealed what has emerged as a glaring loophole in our domestic drug law that severely hampers Coast Guard drug interdiction efforts to this day. In response, I introduced legislation to close that loophole. The bill before us today has the support of the administration and law enforcement agencies across the country.

I have just returned from chairing field hearings on Coast Guard drug enforcement efforts in the Caribbean and Gulf of Mexico. During that time, I was present when the 95-foot Coast Guard patrol boat *Cape Current*—commanded by Lt. (j.g.) Susan Moritz—escorted the pleasure vessel *David* to the Coast Guard base at Miami Beach. The *David* had been seized on the high seas when it was found to contain over 2,500 pounds of marihuana. Six crewmen were on board.

In a case like this, the marihuana is burned or shredded and the vessel is impounded. The fate of the crew is more speculative. In the absence of evidence to prove conspiracy to import—which is the usual case—they will go free. If they are of foreign nationality, they are sent home at the expense of the U.S. Government. In either case, they will be able to return to the drug trade within a short time. The present law is thus no deterrent to repeat offenders.

The fact that the six young men I saw marched ashore under guard that night in Miami will probably soon be free to do the same thing again—none the worse for wear—made me realize again the importance of this legislation.

The legislation we take up today—in which I am joined by over 60 of my colleagues—will cure this serious defect in present law. This bill will make it unlawful:

For U.S. citizens to manufacture, distribute, or possess with intent to distribute, any controlled substance on any vessel;

For any person on board a U.S. vessel anywhere or on board a stateless vessel on the high seas—or

For any person—on any vessel within our customs waters—to commit the same offenses; and

For any person to possess, manufacture, or distribute a controlled substance—knowing or intending that it be unlawfully imported into the United States.

Intent can be inferred from possession of a large quantity of a drug.

This latter provision is targeted directly at the foreign drug smugglers now operating with virtual impunity on the high seas, beyond the reach of present law.

I am a realist. We will not rid the high seas of drug smugglers with legislation alone. However, we will remove the high seas as a safe haven for their smuggling operations. My experience in law enforcement is that you confront an outbreak in street crime with additional "presence." You put your patrol cars and uniformed policemen on the street—and give them the authority they need to arrest and successfully prosecute criminal offenders—putting them in jail and off the streets.

In similar fashion, the Coast Guard is now doing a good job of maritime drug patrol. All told, its 6-year drug campaign has resulted in the seizure of over 300 vessels—1,600 arrests—and the confiscation of over 5.5 million pounds of contraband, with a street value of over $2.4 billion—almost twice the service's annual budget.

My investigations have convinced me, however, that the largest single contribution we can make in irrevocably shifting the balance of power in this modern-day drug war is through the passage of the legislation before us. And it would not cost the taxpayer 1 penny. It will, though, help to stop the economic hemorrhaging caused by the annual outpouring of over $45 billion from the U.S. economy into the hands of international drug financiers and traffickers—money spent to support our imported drug habit.

Therefore, I urge my colleagues, by their vote on this bill, to send a signal to the smugglers that the "free ride" is over—many of them will now go to jail—if not here, then abroad—and to the other body, a mandate that we need this vital legislation now to put real teeth in our domestic drug enforcement effort.

Mr. Speaker, there is a minor technical matter I would like to mention. On page 10 of the report on this bill, it is stated that the offense of unlawful importation encompasses all narcotics and dangerous drugs included in schedules I through IV of the Comprehensive Drug Abuse and Control Act. The report is in error. The offense, as defined in H.R. 2538, includes schedules I through V of the act.

Mr. MCCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill. I join with the unanimous support of my committee colleagues in urging passage of H.R. 2538, the principal thrust of which is to prohibit illicit trafficking in controlled substances on the high seas to and from the coasts of the United States.

The Federal authorities charged with control of illegal drug traffic allege frustration due in large part to an inadvertent omission from the Comprehensive Drug Abuse Control and Prevention Act of 1970 that limited possession of controlled substances as a punishable crime to only U.S. territorial or customs waters and then only when able to establish an intent to import or export such substances as an element of the offense.

Though authorities do exercise jurisdiction over U.S. citizens and U.S. vessels on the high seas, where controlled substances have been concerned it has been necessary to show a conspiracy to import such material into the United States for successful prosecution. This has proven difficult. Nevertheless, the Coast Guard has continued to put pressure on traffickers in drugs by setting up interdiction patrols concentrating on the so-called choke points or constricted passages that vessels generally have. The Coast Guard has acted under its broad authority to enforce all applicable Federal laws on or under the high seas an waters subject to the jurisdiction of the United States.

In the Southern District of Florida, jurisdiction was hesitantly exercised over hovering non-U.S. vessels with limited success, but then only where the officers felt clearly able to establish an intent or conspiracy to import. In most cases, involving many repeat traffickers, the persons involved were repatriated at U.S. taxpayer expense.

Traffickers or smugglers were said to be well aware of these impediments to prosecution—and their assault on our shores has increased accordingly and dramatically. For example, the assistant U.S. attorney in Miami dealt with pound quantities of marihuana in 1971—which he would now ignore—whereas he was faced with multiton quantities in 1979.

With these difficulties and the gradual spread of smuggling along the east coast, and after several years of congressional inquiry by Chairman BIAGGI and others, his subcommittee with the assistance of an interagency working group has developed H.R. 2538, a bill that no one will claim is a panacea for all the evils that drug smuggling poses for our country but which will provide law enforcement teams with an essential tool in their efforts to thwart illicit trafficking in drugs.

Essentially H.R. 2538 provides a sound basis for the prosecution of every person and vessel that the Coast Guard or other authorized law enforcement officer finds engaged in international traffic in drugs and to the broadest extent possible under international law—something that was heretofore impossible. Where current law requires an intent to import a controlled substance into the United States as a necessary element of the crime this bill essentially requires only knowledge or intent to distribute with no need to establish a U.S. destination. Such intent may be inferred from the presence of controlled substances that exceed normal consumption—and that are not entered as cargo on a vessel's manifest.

More specifically with respect to the high seas the area of greatest difficulty for enforcement authorities this bill would exert jurisdiction over—

Any person, foreign or U.S. citizen, on board a U.S. vessel or one subject to U.S. jurisdiction such as a stateless vessel; and

A citizen of the United States on any vessel—

Who has possession of a controlled substance with intent to distribute same, other than for lawful medicinal uses or is legitimate trade.

Jurisdiction can also be exerted over any person who possesses or distributes a proscribed substance with the intention or knowledge of importation.

In the customs zone or waters of the United States, possession with intent to distribute, rather than the previous element of importation, will now be sufficient to justify prosecution.

For foreign citizens on foreign flag vessels, not specifically addressed in this bill, jurisdiction will exist only where an intent to import a proscribed substance can be shown as in cases of conspiracy. It should be noted that with respect to foreign flag vessels in the high seas, although the United States may have jurisdiction over a person on board, it generally may not exercise jurisdiction over the vessel without flag state concurrence.

This bill also makes it criminal to attempt or conspire to commit the defined offenses, provides for seizure and forfeitures of property involved in facilitating the commission of an offense, makes exceptions for vessels used as common carriers or without an owner's knowledge of its use in committing a proscribed act, and provides for recidivist or repeat offenders.

I commend the subcommittee chairman for pursuing this matter so diligently and urge support for the passage of this bill.

Mr. BIAGGI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. I thank the gentleman for yielding.

Mr. Speaker, I join the gentleman from New York (Mr. BIAGGI) in this excellent piece of legislation. As a member of the Coast Guard Subcommittee I have had the privilege of serving with the gentleman from New York, and I want to commend him for his insight and perception as to the needs of the Coast Guard in this very important matter of drug trafficking on the high seas. The gentleman was able to see that there was a lack of another tool needed for the Coast Guard, and certainly this legislation will enhance the capability to deal with this very serious matter. I want to emphasize to my colleagues that this is worthwhile legislation that we should support. Again, I commend the gentleman from New York for the leadership which he has taken in this endeavor.

● Mr. EVANS of the Virgin Islands. Mr. Speaker, I rise in support of passage of H.R. 2538, a bill which will close existing loopholes in the drug enforcement

law as it relates to the importation of narcotics into the United States of America.

By participating in a recently concluded Coast Guard interdiction mission, headed by Chairman MARIO BIAGGI, I have garnered valuable firsthand knowledge into the deplorable drug enforcement situation faced by our U.S. Coastal Guard. Through numerous discussions held with Coast Guard personnel and through hearings involving the U.S. Customs Service, the Drug Enforcement Agency, and other Federal and State agencies in both Florida and the Virgin Islands, I have come to the inescapable conclusion that present Federal drug laws do not represent a serious deterrent to drug smugglers seeking to enter U.S. waters.

I feel strongly that this bill will eliminate the revolving door treatment given drug smugglers by enlarging the scope of what constitutes prosecutable drug activity and by enabling drug prosecutors to obtain more narcotics convictions.●

● Mr. MURPHY of New York. Mr. Speaker, H.R. 2538 is a bill to facilitate enforcement by the Coast Guard of laws relating to the smuggling of illegal drugs into the United States. The bill reinstates criminal penalties for maritime drug smuggling on the high seas involving persons and vessels subject to the jurisdiction of the United States. It thus closes a loophole in the law that was inadvertently created in 1970.

For the past several years, the Coast Guard, along with several other Government agencies, has been fighting a drug war at sea, attempting to stem the massive flow of illegal drugs into our country. An indication of the size of this flow is that, in 1978, the Coast Guard participated in the seizure of 167 vessels, made 867 arrests, and confiscated 3.5 million pounds of contraband, worth $1.3 billion. But these figures, large as they are, apparently represent only the tip of the iceberg, since the Coast Guard estimates that it is interdicting only about 10 percent of the drugs being transported by vessel.

Intelligence estimates anticipate no projected decline in maritime smuggling activity in the foreseeable future. In fact, recent data suggests that an expansion of maritime smuggling to the west coast is presently occurring, which indicates growth in smuggling operations.

In order to mount an effective domestic drug enforcement campaign, adequate material support and sufficient criminal sanctions are necessary to neutralize smugglers and provide a credible deterrent to smuggling through uniformly high conviction rates in the criminal justice system. There is presently no potent legal weapon in our antismuggling arsenal with which to combat drug offenses committed on the high seas.

This is because, under present law, the only prosecutable offense in many cases of arrest of U.S. vessels on the high seas for possession of narcotics is the offense of conspiracy to import. This is a difficult crime to prove, especially since the smugglers are adept at destroying any evidence that would show the intended destination of their vessel or the drugs aboard it.

As a result of this state of the law, over 80 percent of U.S. citizens arrested by the Coast Guard for drug smuggling on the high seas are not being successfully prosecuted, and virtually all foreign smugglers arrested in this manner are sent back to their home country at U.S. taxpayer expense since they cannot be prosecuted under the present law.

Maritime drug smuggling today is a massive, highly sophisticated operation using the latest electronic equipment to outwit law enforcement efforts. Such an operation can only be successfully countered from an effective statutory base. This bill will provide that base by remedying the deficiencies in existing law. Under it, seaborne drug traffickers will no longer be able to escape prosecution.

Mr. Speaker, H.R. 2538 is the result of careful development by the Committee on Merchant Marine and Fisheries in cooperation with the Select Committee on Narcotics Abuse and Control. Extensive input was also received from the various law enforcement agencies—Federal, State, and local.

H.R. 2538, as amended, was unanimously reported by the Committee on Merchant Marine and Fisheries, and it has the support of the administration. It involves no additional cost to the Government. I urge its adoption.●

● Mr. CORRADA. Mr. Speaker, the magnitude of maritime drug smuggling is staggering and we should do our utmost to stop it. This bill is one of the many measures needed to close existing loopholes in the law which are being used by the traffickers to continue with their deleterious business. I rise in support of this bill and urge you to vote for it.

I have a particular interest and concern in this legislation. Puerto Rico, being an island in the Caribbean and a natural path for the traffickers, is more vulnerable to maritime drug smuggling than other States. In Puerto Rico we have been fighting drug smuggling for years, but have to depend and sometimes rely completely on the patrol assistance provided by the Coast Guard if we want to continue counteracting and neutralizing this kind of criminal activity. H.R. 2538 is a much needed piece of legislation which would serve as an additional tool to stop this grave problem.

The efforts placed so far by the government of Puerto Rico in fighting the drug smuggling can be classified as outstanding. To understand the problem, all you have to do is take a look at a world map and you will see the location of Puerto Rico and our proximity to the main sources of illegal drugs in the Caribbean. We want to avoid any involvement of Puerto Rico in the web of illegal trafficking of narcotics whether it be for sale and use in our island or whether it be to utilize our island as a station for transferring narcotics to any other areas.

I welcome this bill. Without any doubt, H.R. 2538 will facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances. We are closing a loophole in the law and at the same time erecting another barrier to stop this malaise.

I commend Chairman BIAGGI as well as the members of the committee for the initiative taken in bringing this bill to the consideration of the House at an earlier date.

I welcome the members of the Subcommittee on Coast Guard, House Committee on Merchant Marine and Fisheries, or any other Member of Congress interested in visiting Puerto Rico within a reasonable period of time after the enactment of this bill to see for themselves the difference that this legislation will make in our fight against drug smuggling. However, I have to point out that this bill will mean nothing if the Coast Guard do not come forward with their resources to implement it.●

● Mr. LAFALCE. Mr. Speaker, drug trafficking in the United States is a multibillion-dollar industry. One of the ways this industry is fed is through smuggling on the high seas; one of the ways this industry is perpetuated is through a loophole in the criminal law whereby possession of narcotics and dangerous drugs on U.S. territory and within the territorial sea is a Federal crime, while the same conduct on the high seas is not prohibited.

It takes little imagination to see ships loaded to the gills with thousands of pounds of marihuana or other narcotics, making their way from the Guajira Peninsula in Colombia, and unloading their cargo, outside territorial limits, onto lighter vessels which can then seek the security of a secluded cove along our shoreline.

While the Coast Guard has an impressive record of arrests and confiscations, the number of vessels which successfully avoid Coast Guard detection by taking advantage of this loophole is staggering.

We are actively working with the Turbay government in Colombia, and their drug interdiction efforts have been made in earnest. Now it is time to clean up our shop on the homefront, and enable the Coast Guard—our primary maritime law enforcement agency—to do all in its power to mount an even more effective domestic drug enforcement campaign. As I mentioned before, through an anomaly in the law, we do not have a potent weapon to combat drug offenses committed on the high seas. To consolidate our efforts on the international as well as the national fronts, we have to rectify this mistake now.

More potent Coast Guard drug law enforcement on the high seas is one of the foremost ways in which we can begin to limit the incidence of drug abuse, particularly among our youth. The traumatic and deleterious effects of drug abuse on our youth are staggering. But, we can insure right now that the statistics concerning drug use, and the ruinous effects of drug abuse, are not indiscriminately and criminally perpetuated by

the gleam of the dollar sign in a smuggler's eye.

While I am vitally interested in all drug interdiction efforts, I am also personally involved in taking action to quell the growing pattern of drug use in this country. I have introduced three bills which would impose stricter curbs on the movement of drug-related currency into and out of this country, and thus make it more difficult for drug dealers to ship drugs into this country. I feel that the coordinated attack against drug trafficking posed by H.R. 2538 and my bills are essential efforts in pulling the bottom out of the drug market.

I urge my colleagues to vote in favor of H.R. 2538 when we act on this bill today.●

Mr. BIAGGI. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BIAGGI) that the House suspend the rules and pass the bill, H.R. 2538, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TECHNICAL AMENDMENTS RELATED TO THE EDUCATION AMENDMENTS OF 1978

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4591) to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, as amended.

The Clerk read as follows:

H.R. 4591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Elementary and Secondary Education Act of 1965 is amended—

(1) by striking out "subsection (o)" in section 116(b)(2) and inserting in lieu thereof "subsection (c)";

(2) by striking out "but did not meet" in section 123(b) and inserting in lieu thereof "but did meet";

(3) by striking out "section 183(g)" in section 124(g)(1) and inserting in lieu thereof "section 183(b)";

(4) by striking out subparagraphs (A), (B), and (C) of section 125(a)(1) and inserting in lieu thereof the following:

"(A) has a majority of members who are parents of children to be served by projects assisted under this title, who shall either be (i) elected by the project area or school advisory councils required to be established by paragraph (2)(A) of this subsection, or (ii) elected by the parents in such areas;

"(B) includes such additional members as may be (i) elected by the project area or school advisory councils required to be established by paragraph (2)(A) of this subsection, or (ii) elected by the parents in such areas;

"(C) includes representatives of children and schools eligible to be served by, but not currently participating in, programs assisted with funds provided under this title, who shall be elected by the parents in such areas; and

"(D) is established in accordance with regulations to be issued by the Commissioner which provide alternative models to carry out subparagraphs (A) through (C) of this paragraph.";

(5) by amending the matter preceeding clause (A) of section 125(c)(1) to read as follows:

"(c) ACCESS TO INFORMATION.—(1) Each local educational agency shall provide without charge to each advisory council established by such an agency under subsection (a) of this section, and, upon request, to each member of such advisory council—";

(6) by striking out "and (l)" in section 130(a) and inserting in lieu thereof "and (m)";

(7) by striking out "126(d), and 130" in section 142(a)(3) and by inserting in lieu thereof "and 126 (d)";

(8) by striking out "subsection" in section 142(b) and inserting in lieu thereof "section";

(9) by amending section 143(b) to read as follows:

"(b) AVAILABILITY OF FUNDS.—The Commissioner shall, from the funds appropriated for carrying out this subpart, reserve for purposes of this section for any fiscal year an amount which shall not be less than $6,000,000 nor more than 5 per centum of the amount so appropriated.";

(10) by striking out "126(e), and 130" in section 147 and inserting in lieu thereof "and 126(e)";

(11) by striking out "126(e), and 130" in section 152(a) and inserting in lieu thereof "and 126(e)";

(12) by striking out "130(a)(1)" in section 222(c) and inserting in lieu thereof "130(a)";

(13) by striking "part B" in section 404 (a)(7) and by inserting in lieu thereof "part B, section 521,";

(14) by striking out "section 431(a)" in section 404(a)(8) and inserting in lieu thereof "section 521";

(15) by striking out "421" in section 404 (a)(9) and inserting in lieu thereof "521";

(16)(A) by striking out "(A)" and "(B)" in section 523(b) and inserting in lieu thereof "(1)" and "(2)", respectively;

(B) by inserting "(A)" in section 523(b)(1) (as redesignated) before "15 percent"; and

(C) by inserting before the comma in section 523(b)(1) (as designated) the following: "or (B) the amount made available to all States for fiscal year 1973 for title V as in effect in such year, whichever is greater";

(17) by inserting after section 523 the following new section:

"ALLOTMENTS TO STATES

"SEC. 524. (a) From the amount appropriated under this part to meet the requirement of section 523(b)(1) for any fiscal year, the Commissioner shall allot to each State an amount equal to the allotment of the State for strengthening activities in the fiscal year 1973 pursuant to title V as in effect in such year to be available to carry out this part.

"(b) From the amounts appropriated in excess of the amount appropriated to meet the requirement of subsection (a), the Commissioner shall award grants to States on a discretionary basis to be available to carry out this part.";

(18) by inserting "(1)" in section 610(f) after the subsection designation and by adding at the end of such subsection the following new paragraph:

"(2) The Assistant Secretary shall not finally disapprove in whole or in part any application for funds submitted by a State or local educational agency without first notifying the agency of the specific reasons for his disapproval and without affording the agency an appropriate opportunity to modify its application.";

(19) by inserting "(1)" in section 809(b) after the subsection designation and by adding at the end of such subsection the following new paragraph:

"(2) No grant may be made to a local education agency to plan, direct, or operate any program or activity that is being conducted by another public agency unless the Commissioner determines that there is collaboration between the local education agency and the public agency conducting such program or activity.";

(20) by striking out the section designation "SEC. 1004." (as amended by section 901 (b) of the Education Amendments of 1978), and inserting in lieu thereof "SEC. 1003."; and

(21) by adding at the end of section 1005 (e) the following new paragraph:

"(3) From the funds appropriated pursuant to subsection (g)(1) of this section, the Commissioner is also authorized to make grants to and contracts with Indian tribes, Indian institutions, and Indian organizations, and public agencies and institutions for—

"(A) the national dissemination of information concerning education programs, services, and resources available to Indian children, including evaluations thereof; and

"(B) the evaluation of the effectiveness of federally assisted programs in which Indian children may participate in achieving the purposes of such programs with respect to such children.".

SEC. 2. (a) The Education Amendments of 1978 are amended—

(1) by striking out "IX" in section 801(1) and inserting in lieu thereof "X";

(2) by striking out "XIII" in section 802 and inserting in lieu thereof "VIII";

(3) by striking out "1004" in section 901(b) and inserting in lieu thereof "1003";

(4) by striking out "December 31, 1979, and December 31, 1980, and shall make a final report thereto no later than December 31, 1981" in section 1203(f) and by inserting in lieu thereof "December 31, 1980, and December 31, 1981, and shall make a final report thereto no later than December 31, 1982";

(5) by striking out "1979" in section 1015 (d) and inserting in lieu thereof "1980";

(6)(A) by striking out "314" in section 1311(a)(1) and inserting in lieu thereof "316";

(B) by striking out "314" in section 1311 (a)(2) and inserting in lieu thereof "316";

(C) by striking out in section 1311(b) "redesignating subsections (b), (c), and (d) as subsections" and inserting in lieu thereof "striking out 'July 1, 1978' and inserting in lieu thereof";

(7) by striking out "section 201(a)(3)" in section 1331(b) and inserting in lieu thereof "section 201(b)(3)";

(8) by striking out "one year" in section 1412(a)(2) and inserting in lieu thereof "two years";

(9) by striking out "one year" in section 1526 and by inserting in lieu thereof "eighteen months";

(10) by inserting "(a)" before "Except" in section 1530 and by adding at the end thereof the following new subsection:

"(b) The provisions of section 412(b)(2) of the General Education Provisions Act, as added by section 1245 of this Act, shall not take effect with respect to the use of funds under section 421 of the Elementary and Secondary Education Act of 1965 until October 1, 1980, except at the option of local educational agencies."; and

(11)(A) by inserting at the end of title I the following new section:

"EXPERIMENTAL PROJECT WAIVER AUTHORITY CONTINUED

"SEC. 103. Notwithstanding any other provision of title I of the Elementary and Secondary Education Act of 1965, the Commissioner shall approve for fiscal year 1979 the

use of funds provided under that title under the same terms and conditions as such uses were permitted during the preceding fiscal year in local educational agencies which participated in the study conducted under section 821(a)(5) of the Education Amendments of 1974 when such agency requests such approval."; and

(B) by adding in the table of contents after item "Sec. 102." the following new item: "Sec. 103. Experimental project waiver authority continued.".

(b) Title XI of the Education Amendments of 1978 is amended—

(1) by striking out "the Secretary of the Interior shall" and everything that follows through the end of the first sentence of section 1103(a)(1) and inserting in lieu thereof the following: "the Secretary of the Interior shall make payments of all funds appropriated under the authority of the Act of November 2, 1921, for fiscal year 1978 (including any fiscal year 1978 funds subsequently obligated in fiscal year 1979 from such appropriation) for basic support contracts or grants to any school that had a deficit in its operating budget for fiscal year 1978 as a consequence of the lack of complete payment from the Department of the Interior for such contract or grant.";

(2) by striking out "fifteen months" in the first sentence of section 1121(b)(1) and inserting in lieu thereof "eighteen months";

(3) by striking out "eighteen months" in the second sentence of section 1121(b)(1) and inserting in lieu thereof "twenty-one months";

(4) by striking out "Within one year of such date," in section 1121(f) and inserting in lieu thereof "No later than January 1, 1981,";

(5) by striking out "Within one year of such date," in section 1122(c) and inserting in lieu thereof "No later than January 1, 1981,";

(6) by inserting immediately before the period at the end of the first sentence of section 1126(b) a comma and the following: "including (but not limited to) school or institution custodial or maintenance personnel";

(7) by striking out paragraph (4) of section 1128(a), by redesignating paragraph (5) of such section as paragraph (4), and by adding at the end of such section the following new sentence:

"Upon the establishment of the standards required by sections 1121 and 1122 of this Act, the Secretary shall revise the formula established under this subsection to reflect the cost and funding standards so established.";

(8) by redesignating subsection (c) of section 1128 as subsection (d) and by inserting immediately after subsection (b) of such section the following new subsection:

"(c) The formula established under subsection (a) of this section shall be implemented for fiscal year 1980 and each succeeding fiscal year, except that—

"(1) for fiscal year 1980, no school shall as a consequence of such formula receive less than 90 per centum, nor more than 120 per centum, of the funds it received from Bureau education funds for fiscal year 1979;

"(2) for fiscal year 1981, no school shall as a consequence of such formula receive less than 70 per centum, nor more than 170 per centum of the funds it received from Bureau education funds for fiscal year 1979; and

"(3) for fiscal year 1982 and any succeeding fiscal year the formula shall be fully implemented."; and

(9) by striking out "and" at the end of paragraph (5) of section 1132, by striking out the period at the end of paragraph (6) of such section and inserting in lieu thereof "; and", and by adding after such paragraph the following new paragraph:

"(7) information on the administrative and program costs attributable to each Bureau program, divided into discreet elements.".

SEC. 3. (a) Section 7(a)(1) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "October 1, 1978" each place it appears in subparagraphs (A) and (B) and inserting in lieu thereof "October 1, 1983".

(b)(1) Section 5(b)(3)(C)(i) of such Act is amended by striking out "may file" and inserting in lieu thereof "may, in its discretion and without regard to the requirements of any other provision of law, file".

(2) Section 5(b)(3) of such Act is further amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

"(E) If the local educational agency rejects the determination of the Commissioner and a tribe exercises the option under section 1101(d) of the Education Amendments of 1978, to have education services provided either directly by the Bureau of Indian Affairs or by contract with that Agency, any Indian students affiliated with that tribe who wish to remain in attendance at the local educational agency against whom the complaint which led to the tribal action (under such subsection (d)) was lodged may be counted with respect to that local educational agency for the purpose of receiving funds under section 3(d)(2)(D) of this Act. In such event, funds under such section shall not be withheld pursuant to subparagraph (D) and no further complaints with respect to such students may be filed under subparagraph (C)(i).".

(3) Section 5(c)(2)(A)(v) of such Act is amended by striking out "clause (A)(ii) of this paragraph" and inserting in lieu thereof "clause (i)(II) of this subparagraph".

SEC. 4. (a) Section 400A of the General Education Provisions Act is amended—

(1) by striking out the subsection designation "(f)" the first time it appears in such section and inserting in lieu thereof "(3)"; and

(2) by striking out "paragraph (6)" in subsection (g)(2) and inserting in lieu thereof "subsection (f) (1) and (2)".

(b) Section 417(a) of the General Education Provisions Act is amended by striking out the paragraph designation "(1)" and by repealing paragraph (2).

(c) Section 438(b) of the General Education Provisions Act is amended by adding at the end thereof the following new paragraph:

"(5) Nothing in this section shall be construed to prohibit State and local education officials from having access to student or other records which may be necessary in connection with the audit and evaluation of any federally or State supported education program or in connection with the enforcement of the Federal legal requirements which relate to any such program, subject to the conditions specified in the proviso in paragraph (3).".

SEC. 5. (a) Section 108(b)(2)(B) of the Vocational Education Act of 1963 is amended by inserting before the semicolon a comma and the following: "except that the Commissioner may modify this requirement pursuant to regulations in order to avoid any duplication of data-collection occurring under section 161 or under section 437 of the General Education Provisions Act".

(b) Section 110 of the Vocational Education Act of 1963 is amended by adding at the end thereof the following new subsection:

"(e) Pursuant to regulations established by the Commissioner, a State may exceed the 50 per centum Federal share specified in subsections (a) and (b) of the percentages set aside in subsections (a) and (b) by making larger payments with such funds to local educational agencies and other eligible recipients which are otherwise financially unable to provide such programs.".

SEC. 6. Section 4 of the Career Education Incentive Act is amended—

(1) by striking out "(a) Subject to the provisions of subsections (b) and (c), there" and inserting in lieu thereof "There", and

(2) by repealing subsections (b) and (c).

SEC. 7. Section 453(c) of the Indian Education Act is amended—

(1) by striking out "In establishing" and inserting in lieu thereof "On the form establishing"; and

(2) by adding at the end thereof the following new sentence:

"Nothing in the requirements of paragraphs (1) through (5) of this subsection shall be construed as changing or restricting the applicable eligibility definition set forth in subsection (a) of this section.".

SEC. 8. The amendments made by this Act shall take effect October 1, 1978.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky (Mr. PERKINS) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. ERDAHL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, the bill before the House today would make technical corrections and miscellaneous amendments to the Education Amendments of 1978 and other education laws.

Most of the amendments in H.R. 4591 correct printing, clerical, and drafting errors. Some amendments change the dates for submitting reports mandated by Congress.

The remaining miscellaneous amendments address minor problems which have arisen since the passage of the 1978 Education Amendments and other laws. As my colleagues may recall, the Education Amendments of 1978, Public Law 95-561, is a very massive and important piece of legislation. It extends and amends all the major programs of Federal aid to elementary and secondary schools. Therefore, it is crucial that we deal with any problems that we can foresee right now, before implementation of this law is too far along.

For the information of the Members, I would like to go over some of these minor substantive amendments included in the bill.

H.R. 4591 contains two amendments to the parental advisory council requirements under title I of the Elementary and Secondary Education Act. One such amendment would clarify the means for determining representatives to the districtwide advisory councils. There has been some confusion in the field about how to implement these new provisions, and this amendment would make clear that a districtwide election of all parents is not mandatory.

Another amendment would reduce the amount of materials that must be distributed to title I parental advisory councils and council members.

H.R. 4591 also amends the Vocational

Education Act to give States more flexibility in meeting matching requirements for special vocational programs for disadvantaged and handicapped students. This amendment would allow States to exceed the Federal share for these programs and to make larger payments to school districts which are otherwise financially unable to mount these programs.

Another amendment in the bill would guarantee each State a certain minimum amount for the program for strengthening State educational agencies in title V of the Elementary and Secondary Education Act.

The bill also includes an amendment permitting school districts to use carryover funds under title IV-B of the Elementary and Secondary Education Act for guidance and counseling for 1 year only.

Finally, I would like to mention an amendment which rectifies an oversight in the Family Educational Rights and Privacy Act. The Department of HEW is presently interpreting that statute as precluding State auditors from requesting records on students to conduct State audits of local and State-supported programs. H.R. 4591 contains an amendment to correct this anomaly, as recommended by HEW.

Mr. Speaker, I hope my colleagues will agree with me that our education laws should be as clear and understandable as possible to those who must administer and operate these programs. Toward this end, I urge passage of H.R. 4592 under suspension of the rules.

□ 1310

Mr. ERDAHL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill, H.R. 4591, which corrects certain technical errors inadvertantly overlooked in the passage of the Education Amendments of 1978 (Public Law 95-561). I believe it is appropriate that the chairman of the committee (Mr. PERKINS) requested suspension of the rules for consideration of this noncontroversial and bipartisan bill. The amendments are technical and clarifying in nature, and have the unanimous consent of members of the Education and Labor Committee.

Important to note, the bill makes clarifying changes in regard to the method by which Members are elected to serve on the parent advisory councils under title I of the Elementary and Secondary Education Act, and reduces under the same title, the volume of materials distributed to these councils and their members by requiring that the members first request the materials.

The bill also clarifies the intent of the Congress under title XI of the Education Amendments of 1978, by requiring that the Secretary of the Interior make payments under the Johnson-O'Malley basic support program to any school which had a deficit in their operating budget for fiscal year 1978. It is also the intent of the Congress that the Secretary make payments to any tribal contractor which loaned funds to the school in the absence of adequate Johnson-O'Malley basic support moneys, to avoid a cut-off of educational services to Indian children. The amount of the payment to any school or tribe in this case should be equal to the amount of the deficit or the loan.

I urge support for the passage of H.R. 4591.

Mr. Speaker, I now yield 3 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, I thank the gentleman for yielding, and I rise in support of H.R. 4591.

Mr. Speaker, the gentleman from Minnesota and the gentleman from Kentucky have adequately described this legislation. I particularly ask for this time because my colleague the gentleman from Pennsylvania (Mr. GOODLING), a member of the committee, who is unable to be here today, had remarks that he wanted read in the RECORD, and on behalf of the gentleman from Pennsylvania (Mr. GOODLING), Mr. Speaker, I read these remarks, as follows:

Mr. GOODLING. Mr. Speaker, I rise in support of H.R. 4591. This legislation makes technical corrections and miscellaneous amendments in certain education laws. Our committee has found it necessary to take this action to accomplish the smooth administration of the various Federal education programs.

In particular, I have been personally concerned with one unintended consequence of the Education Amendments of 1978. During a late evening session of the House-Senate Conference Meeting on this legislation last year, an unintentionally harmful provision was overlooked. In an attempt to ensure meaningful parental involvement in the Compensatory Education program (ESEA Title I), the conferees agreed to a provision which requires that every Parent Advisory Council (PAC) member must be supplied" . . . a copy of the text of this title; a copy of any Federal regulations and guidelines issued under this title; and a copy of appropriate State regulations and guidelines issued under such title . . ."

In Pennsylvania, we have 504 advisory councils and there are approximately 5,000 council members, total. The Pennsylvania Department of Education has indicated that this provision will mean that $87,000 of their Title I funds must be used to satisfy this part of the law.

If this is true for Pennsylvania, the cost in New York, for example, where, I am told, there are 4,500 advisory councils and approximately 14,000 PAC members, could easily total in excess of $225,000. Senator Sasser has indicated that his state of Tennessee will be forced to spend approximately $75,000 in Title I funds to comply.

It was not the intention of Congress to take such sums from each state's entitlement in order to provide these copies. I have noted that Senator Sasser has recently called attention to the need to eliminate the requirement that school districts supply all members of Title I PACs with copies of the Title I law and federal and state regulations. Earlier this year I introduced a bill, H.R. 4206, which would require that copies of the law and regulations be made available to PAC members on request. Clearly our intent is that this information be provided to each Advisory Council without cost. In addition, any member of a PAC who requests such information shall be provided this information without cost. Also, the bill would require that each PAC have one copy of the law and regulations on file. This surely would fulfill the intent of Congress (access to information by PAC members) without wasting Title I funds. I had introduced my legislation to remedy this particular situation prior to the drafting of these technical amendments we are considering here today, and I am pleased that my legislation is incorporated in H.R. 4591. For this reason, and for the reasons outlined for you by our distinguished Chairman, I urge the Members to pass H.R. 4591.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from New York.

Mr. CONABLE. How is this particular error corrected? Was it by saying it should be supplied on request or something of that sort?

Mr. ERLENBORN. That is correct. The information must be available and must be given to these various members on their request rather than spending excessive amounts of money sending individual copies to every member of every advisory council whether they want them or not.

Mr. CONABLE. I take it while there are some subsequent changes made in the law in this technical corrections act, whatever it is called, they are not controversial and that the members of the committee are in full support of the changes that have been made.

Mr. ERLENBORN. They are technical corrections. The gentleman is correct. They are not controversial. None are more meaningful than this change that I have described.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for yielding.

Mr. ERLENBORN. Mr. Speaker, I yield back the balance of my time.

Mr. PERKINS. Mr. Speaker, we have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the bill, H.R. 4591, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other purposes.".

A motion to reconsider was laid on the table.

TECHNICAL AMENDMENTS TO TITLE 49, UNITED STATES CODE, "TRANSPORTATION"

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3807) to amend subtitle IV of title 49, United States Code, to codify recent law and improve the code without substantive change.

The Clerk read as follows:

H.R. 3807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENTS TO SUBTITLE IV OF TITLE 49

SECTION 1. Title 49, United States Code, is amended as follows:

(1) Section 10324(c) is amended to read as follows:

"(c)(1) An action of the Commission is enforceable unless the Commission stays or postpones the action.

"(2) The Commission shall stay or postpone an initial decision made by a division, an individual Commissioner, a board, or an employee if an application for rehearing, reargument, or reconsideration is made under section 10323 of this title before the initial decision becomes an action of the Commission. The stay or postponement is effective until the Commission or appellate division disposes of the matter.".

(2) Section 10327(k)(1) is amended by striking out "at least 7" and substituting "a majority of the".

(3) Section 10382(a) is amended—

(A) by redesignating clauses (5) and (6) as (6) and (7), respectively;

(B) by inserting the following new clause immediately below clause (4):

"(5) shall present the views of users, the general public, affected communities, and, when appropriate, providers of rail transportation in proceedings of departments, agencies, and instrumentalities of the United States Government related to—

"(A) the impact of energy proposals and actions on rail transportation; and

"(B) whether transportation policy is consistent with the energy policies of the United States Government;"; and

(C) by striking out "clauses (1)–(4)" in clause (6), as redesignated, and substituting "clauses (1)–(5)".

(4) The first sentence of section 10525(d) is amended by striking out "is, or is likely" and substituting "affects or impairs, or is likely".

(5) Section 10526(a) is amended—

(A) by striking out "is" in clause (2);

(B) by striking out "or" in clause (8);

(C) by striking out the period in clause (9) and substituting a semicolon and "or"; and

(D) by inserting the following new clause immediately below clause (9):

"(10) a motor vehicle carrying not more than 15 individuals in a single, daily round-trip to commute to and from work.".

(6) Section 10544(d)(1) is amended by inserting "or the District of Columbia," immediately after "States".

(7) Section 10706(c)(2) is amended by striking out the period after "section" and substituting a dash.

(8) Section 10784(a) is amended—

(A) by striking out "thereafter correct, revise, and supplement that valuation, including previous inventories and classifications, by keeping" and substituting "keep"; and

(B) by adding at the end thereof the following new sentence: "When necessary, the Commission may correct, revise, and supplement an inventory or valuation of property it has made.".

(9) Section 10923(b)(2) is amended—

(A) by striking out "and" in clause (C);

(B) by striking out ", and the changing character of the requirements of those shippers." in clause (D) and substituting a semicolon and "and"; and

(C) by inserting the following new clause immediately below clause (D):

"(E) the changing character of the requirements of those shippers.".

(10) Section 11101(c) is amended—

(A) in clause (1)(A) by inserting "(i)" before "a farmer", and by striking out "or a motor private carrier," and substituting a comma and "or (ii)";

(B) in clause (1)(B) by striking out "(B)" and substituting "a motor private carrier and it" as a flush phrase after "or (ii)" in clause (1)(A), and by striking out "(i)" and "(ii)";

(C) in clause (1)(C) by striking out "(C)" and substituting "(B)"; and

(D) in clause (2) by striking out "(1)(C)" and substituting "(1)(B)".

(11) Section 11121(a) is amended to read as follows:

"(a)(1) A rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title shall furnish safe and adequate car service and establish, observe, and enforce reasonable rules and practices on car service. The Commission may require a rail carrier to provide facilities and equipment that are reasonably necessary to furnish safe and adequate car service if the Commission decides that the rail carrier has materially failed to furnish that service. The Commission may begin a proceeding under this paragraph when an interested person files an application with it. The Commission may act only after a hearing on the record and an affirmative finding, based on the evidence presented, that—

"(A) providing the facilities or equipment will not materially and adversely affect the ability of the carrier to provide safe and adequate transportation;

"(B) the amount spent for the facilities or equipment, including a return equal to the carrier's current cost of capital, will be recovered; and

"(C) providing the facilities or equipment will not impair the ability of the carrier to attract adequate capital.

"(2) The Commission may require a rail carrier to—

"(A) file its car service rules with the Commission; and

"(B) incorporate those rules in its tariffs."

(12) Section 11304(a)(2) is amended—

(A) by striking out "bankruptcy from" and substituting "a case under title 11 from"; and

(B) by striking out "bankruptcy," and substituting that case," (13)(A) Subchapter III of chapter 113 is amended by adding at the end thereof the following new section:

"§ 11351. Supplemental orders

"When cause exists, the Interstate Commerce Commission may make appropriate orders supplemental to an order made in a proceeding under sections 11342–11345 and 11347 of this title.".

(B) The analysis of chapter 113 is amended by inserting immediately below item 11350 the following new item:

"11351. Supplemental orders.".

(C) Section 11912 is amended by striking out "or 11347" and substituting "11347, or 11351".

(14) Section 11707(e) is amended by striking out "that person receives written notice from the carrier that it" and substituting "the carrier gives a person written notice that the carrier".

(15) Section 11909(a) is amended by striking out "multilates" and substituting "mutilates".

(16) The last sentence of section 11914(c) is amended by striking out "Venue" and "was" and substituting "Trial" and "is", respectively.

LEGISLATIVE PURPOSE AND CONSTRUCTION

SEC. 2 (a) Section 1 of this Act restates, without substantive change, laws enacted before April 24, 1979, that were replaced by those sections. Those sections may not be construed as making a substantive change in the laws replaced. Laws enacted after April 23, 1979, that are inconsistent with this Act are considered as superseding it to the extent of the inconsistency.

(b) A reference to a law replaced by section 1 of this Act, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding provision enacted by this Act.

(c) An order, rule, or regulation in effect under a law replaced by section 1 of this Act continues in effect under the corresponding provision enacted by this Act until repealed, amended, or superseded.

(d) An action taken or an offense committed under a law replaced by section 1 of this Act is deemed to have been taken or committed under the corresponding provision enacted by this Act.

(e) An inference of a legislative construction is not to be drawn by reasons of the location in the United States Code of a provision enacted by this Act or by reason of the caption or catchline thereof.

(f) If a provision enacted by this Act is held invalid, all valid provisions that are severable from the invalid provision remain in effect. If a provision of this Act is held invalid in any of its applications, the provision remains valid for all valid applications that are severable from any of the invalid applications.

REPEALS

SEC. 3. (a) The repeal of a law by this Act may not be construed as a legislative inference that the provision was or was not in effect before its repeal.

(b) The laws specified in the following schedule are repealed except for rights and duties that matured, penalties that were incurred, and proceedings that were begun before the date of enactment of this Act:

STATUTES AT LARGE

Date	Chapter or Public Law	Section	Statutes at Large Volume	Statutes at Large Page
1887 Feb. 4	104	1(14)(b), 15(8)(c), (d), 20c, 27(4)(f), 203(b)(7b).	24	------
1976 Feb. 5	94–210	202(e)(2) "Sec. 15(8)(c), (d)".	90	37
1978 Nov. 6	95–598	337	92	2680
	95–599	126(c)	92	2706
8	95–607	401–402	92	3067
	95–611	5	92	3090
9	95–620	804	92	3348

(c) The repeals, by subsection (b) of this section, of section 15(8) (c) and (d) of the Act of February 4, 1887 (ch. 104, 24 Stat. 379), and section 401 of the Act of November 6, 1978 (Public Law 95–607, 92 Stat. 3067), are effective July 1, 1980.

(d) The amendments made by section 1 (4), (5)(A), (6), (7), (8), (9), (10), (13), (14), (15), and (16) of this Act are effective October 17, 1978.

(e) The amendment made by section 1(12) of this Act and the repeal, by subsection (b) of this section, of section 337 of the Act of November 6, 1978 (Public Law 95–598, 92 Stat. 2680), are effective on the date of enactment of this Act or on October 1, 1979, whichever is later.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. MCCLORY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3807 incorporates in title 49 of the United States Code laws that became effective after May 15, 1978. That date was the cut-off for inclusion of a law in the original codification bill that enacted subtitle IV of title 49 into positive law. Because subtitle IV of title 49 is now law—rather than merely prima facie evidence of the law—it can be changed only by direct amendment.

The bill was drafted by the staff of the Office of the Law Revision Counsel. The bill does not make any substantive change in the law.

Mr. MCCLORY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my colleague in supporting enactment of H.R. 3807, a bill to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change.

This bill was prepared by the Office of the Law Revision Counsel of the House of Representatives. The Law Revision Counsel is satisfied the bill is an accurate restatement of existing law without substantive change. There are no objections to any part of this bill from sources public or private.

I urge my colleagues to support H.R. 3807.

Mr. SEIBERLING. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 3807.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1320

SACCHARIN EXTENSION

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4453) to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin.

The Clerk read as follows:

H.R. 4453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Saccharin Study and Labeling Act (21 U.S.C. 348 note) is amended by striking out "During the 18-month period beginning on the date of the enactment of this Act" and inserting in lieu thereof "During the period beginning on the date of the enactment of this Act and ending June 30, 1981".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. WAXMAN) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering H.R. 4453, a 2-year extension to June 30, 1981, of the Saccharin Study and Labeling Act which expired as of May 23, 1979.

The committee has recommended a 2-year extension of the moratorium on agency actions with respect to saccharin not because we are unconcerned about the dangers from saccharin. The National Academy of Sciences review of saccharin indicates that, at the least, saccharin is a low-level carcinogen. And, we know that exposure to a number of carcinogens may have a combined impact much greater than that for any individual substance.

However, we are also not unaware of the concerns of diabetics and others on a sugar-restricted diet who feel that without this substitute they will face a known health hazard from sugar. In proposing this 2-year extension, the committee recognizes that many Americans want and other Americans believe they must have a non-caloric or low-caloric substitute for sugar.

I hope that during the moratorium period, the industry will be working diligently to develop a substitute for saccharin which will be both safe and low-caloric. I think it is important that the industry intensify its efforts in this regard with the understanding that we expect their full cooperation.

By June 30, 1981, the proposed end of the moratorium, I also expect that the Health and Environment Subcommittee which I chair, followed by the full Interstate and Commerce Committee and the House, will have had a chance to review the food safety laws. As part of this review, we will want to consider the recommendation of the National Academy of Science which would change the present law under which saccharin would be banned.

With the thought in mind that H.R. 4453 is not the final solution, but rather an interim step, I urge that you support the 2-year extension of the saccharin moratorium under suspension of the rules.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this legislation, H.R. 4453, that would extend the moratorium on the proposed saccharin ban from May 23, 1979, until June 30, 1981.

This measure has strong support from Members on both sides of the aisle—from the Subcommittee on Health and Environment—and from the full Commerce Committee.

I believe this measure offers a reasonable approach to address the continuing controversy over the proposed saccharin ban.

In my view the primary purpose of extending the moratorium is to allow Congress time to conduct a comprehensive review—and necessary revision of our food safety laws. Then we can consider the issue of saccharin within that new regulatory framework.

This position was supported by many witnesses who testified before our subcommittee.

We also heard from members of the National Academy of Sciences' Committee—who had undertaken a major study on saccharin and current food policies—in response to the congressional mandate in Public Law 95–203.

Stressing the need for a comprehensive regulatory system—the National Academy of Sciences' panel recommended revision of our food safety laws to create a more rational framework for food safety regulation. For example, it was suggested that food laws be revised to allow food substances to be assigned to three categories of risk and to allow consideration of benefits and risks in the regulatory decisionmaking process.

And although there was a broad spectrum of views—among the Academy's panel regarding the proper action to take on saccharin—most members of the N–A–S panel did not believe a total ban on saccharin would be a sound regulatory step at this time. Nor did they favor the unrestricted use of saccharin—particularly in view of the fact that the Academy's study did conclude that saccharin should be viewed as a weak—but potential—carcinogen for humans.

However, as the Members of this Congress who were here last year know, part of the dilemma regarding action on saccharin arises from the fact that it is the sole nonnutritive sweetener available to diabetics and others in this country who use it to control their consumption of sugar.

And although other nonnutritive sweeteners are being researched, testimony before our subcommittee indicated that a complete substitute for saccharin is not likely to be available in the near future.

Therefore, in my view, extending the moratorium on the saccharin ban until June 30, 1981, is a reasonable position to take. Within the additional time period I believe we should give priority to a major review of our food safety laws. I believe we can complete the necessary legislative action in this period and I am committed to doing all I can to meet that deadline.

Mr. Speaker, I urge favorable consideration of this legislation. Thank you.

Mr. MCCLORY. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Illinois.

Mr. MCCLORY. Mr. Speaker, I rise in support of the Saccharin Study and Labeling Act extension.

When the original law passed this House during the 95th Congress, it appeared that a deadline of May 23, 1979, would provide ample time for the completion of additional studies to ascertain the dangers if any, from the continued use of saccharin and for industry to develop some other alternate sugar substitute should the studies establish saccharin as a carcinogenic agent.

There still appears to be a great deal of doubt as to whether saccharin actually does cause cancer in humans, and I cannot agree to allowing the Food and Drug Administration to restrict the use of this substance on the basis of such sketchy evidence—thereby depriving many diabetics who must rely so heavily on the use of saccharin in their diets.

We must also consider the impact on industry itself should this ban be invoked. I happen to represent the district

which includes Abbott Laboratories, the principal manufacturer of cyclamate. As we know, several years ago the FDA applied the Delaney amendment to cyclamate and banned the substance from the market. Yet, subsequent tests and clinical evaluations have demonstrated that the results of earlier clinical studies using rats were wrong and that over a period of some years now it has been demonstrated that there is no danger of cancer even to animals from these tremendous overdoses of cyclamate. Both Abbott Laboratories and the American public have suffered a great loss through the cyclamate ban and I would not like to see this situation repeated.

Before banning saccharin from human use, we must provide adquate time for tests to be conducted to determine whether saccharin's benefits are far outweighed by the danger of cancer.

I concur with the view of several of my colleagues who serve on the Interstate and Foreign Commerce Committee regarding the Delaney amendment. Although Congress was well-intentioned when it passed the original Delaney amendment, I feel that frequent use of this device by the FDA in banning more and more food additives which are vital to the safety and availability of the food supply, points to a need to reevaluate and possibly alter or give better definition as to the use of this law.

Both the American public and industry stand to lose should we not allow additional time for a study to determine the safety risks involved in the consumption of saccharin. An extension of time would allow for that study and also permit Congress to address the problems involved in the application of the Delaney amendment in the past few years.

At the same time, I urge industry to take immediate action and increase their efforts to find an acceptable substitute for saccharin should additional tests indicate that it poses any danger to human health.

Mr. Speaker, I urge the Members of this House to vote to extend the Saccharin Study and Labeling Act to June 30, 1981. We have too much at stake not to.

Mr. CARTER. Mr. Speaker, I thank the distinguished gentleman from Illinois, and I will say, the Food and Drug Administration is now reconsidering the use of cyclamates and may within the year, and I trust if they find it worthy, reexamine cyclamates and put them again on the "G.R.A.S." list, which stands for "generally recognized as safe" additives.

Mr. Speaker, I strongly support this legislation. I urge its passage.

Mr. Speaker, I reserve the balance of my time.

● Mr. FOLEY. Mr. Speaker, I rise in support of H.R. 4453, the bill to extend the moratorium on the proposed ban on saccharin until June 30, 1981. The overwhelming support that H.R. 4453 received in the Health and Environment Subcommittee and the full Interstate and Foreign Commerce Committee reflects, I believe, the strong support this measure has throughout this body.

On October 17, 1977, the House passed, by an overwhelming majority of 375 to 23, the orginal Saccharin Study and Labeling Act of 1977 calling for a moratorium on the proposed FDA ban; and the conference report on that measure was approved by both Houses by voice vote in November of that same year. As the enactment of Public Law 95-203 attests, the Congress clearly perceived the need for a moratorium so that in-depth research into the problem could be undertaken and the need for its presence has not diminished.

In conjunction with the 1977 moratorium, Congress directed the National Academy of Sciences to conduct studies on a number of subjects, including the state of Federal food regulatory policy and the existing technical capability to determine the carcinogenicity of food additives. In the National Academy of Sciences report released in March of this year, most of the NAS Committee rejected the notion and advisability of a total, immediate ban on saccharin. Moreover, even the minority report of the committee called for a 3-year phaseout of saccharin, not an immediate ban.

The opposition of the NAS Committee to an immediate ban stems from, among other factors, the need for Congress to overhaul current food safety regulatory policy and the need for more extensive research on saccharin.

The committee recommended the creation of a new food safety regulatory system that discerns the various risk levels of food substances and allows a wide variety of regulatory aproaches rather than requiring a complete and absolute ban on a product. They strongly endorse the institution of this new system instead of trying to deal with each food additive, like saccharin, on a case-by-case basis.

In my view, the Congress should carefully explore the NAS Committee's recommendations on changes in food safety policy before acting definitely on saccharin. H.R. 4453 would provide the time necessary to conduct such a full-scale review and to determine saccharin's place in any new system.

Additionally, the Congress needs to consider carefully the committee's recommendations for further research on saccharin itself. The NAS report indicated that more research assessing the benefits of saccharin was needed while recognizing that such studies would require an extended period of time to complete. They also encouraged greater research on saccharin consumption patterns, more prospective epidemiological studies, and expanded research into the development of alternatives to saccharin.

The time provided by the moratorium in H.R. 4453 would also allow the industry more time to develop alternative nonnutritive sweeteners that can conclusively be proven safe. An extension of the current moratorium would provide badly needed breathing space for the development of an alternative while at the same time providing industry with the incentive to develop these alternatives.

Finally, and no less importantly, the extension of the moratorium would offer protection to the millions of Americans whose health, in the absence of saccharin or an alternative product, might be seriously affected. Overweight and diabetic Americans would be especially endangered by an immediate ban. As we are all too well aware, being overweight can bring on or aggravate hypertension, premature heart attacks, gall bladder and liver disease, osteoarthritis, and latent diabetes.

The figures themselves speak compellingly in this regard. The staggering number of deaths related to cardiovascular disease (988,073 in 1975 alone) and diabetes (37,000 deaths in 1976 out of an estimated 10 million Americans afflicted by the disease) are, indeed, serious consequences to be considered. To abandon these millions to the far more certain health risks inherent in these diseases in the name of protecting them from a product whose possible hazards have yet to be substantiated or until a safe alternative has been found, to me, is unconscionable.

The previous chairman of the health and Environment Subcommittee, Paul Rogers, stated when the original moratorium was approved in 1977, that it was a "balanced compromise" that "insures that each individual will have an opportunity to evaluate pertinent information and make an informed decision."

To allow people that choice, to allow for congressional study of food regulatory policy, to all for further scientific research, and to protect the health of many vulnerable Americans, I urge your support of H.R. 4453.●

● Mr. BIAGGI. Mr. Speaker, I rise today in support of H.R. 4453, legislation to extend the moratorium on a proposed ban on saccharin from May 23, 1979, to June 30, 1981.

Certainly, effective measures to safeguard Americans from exposure to possible cancer-causing agents are vital to the welfare of our country. The high incidence of cancer is a horrifying reality for all.

However, I must seriously question a ban on saccharin at this particular time. For over 80 years, saccharin has been very helpful, and in some cases essential, to a large segment of our population without any harmful effects.

Saccharin has proven to be a crucial sugar substitute for many persons, including diabetics, and the obese. Also, as New York's ranking member on the House Select Committee on Aging, I am especially concerned about the serious and adverse effects such a ban would have on our Nation's elderly, many of whom cannot use sugar as a result of the medication they must take, or who have long-term, low-calorie requirements.

Currently, saccharin is the only noncaloric substance available for use. I strongly believe that it would be a serious and unfortunate mistake to ban saccharin from the marketplace until an effective substitute can be found.

I was strongly opposed to the ban on saccharin when it was first proposed in 1977 because I did not believe evidence supported such a drastic step.

In November 1978, the National Academy of Sciences (NAS) stated in a report to Congress that saccharin must be

viewed as a potential carcinogen in humans, but one of low potency compared to other carcinogens. The report cautioned that over carcinogens of low risk, when applied to a large number of exposed persons, might lead to public health concerns.

While I am still not convinced of the need for an immediate ban on saccharin, I do feel that sufficient questions have been raised to warrant a deliberate and determined effort to develop a safe noncaloric or low-caloric substitute for saccharin. Such an effort is called for in the Commerce Committee's report, and I believe that the 2-year moratorium extension provided for in this bill will enable our Nation to come up with a suitable alternative to saccharin.

Mr. Chairman, I believe that it is in the best interest of our Nation to extend the moratorium on the saccharin ban for an additional 2 years. In this regard, I urge my colleagues to join me in supporting the passage of this responsible and necessary legislation.●

● Mr. STAGGERS. Mr. Speaker, I rise in support of this legislation. I want to commend the subcommittee chairman, Mr. WAXMAN, its ranking minority member, Dr. CARTER, and all the members of the Health and Environment Subcommittee for their diligent work on this difficult and controversial issue.

H.R. 4453 is a reasonable way of dealing with the saccharin issue on an interim basis. I do not believe we should deal with subjects such as this in a piecemeal fashion; rather, they should be seen as part of the large picture of the Nation's policy on food safety.

I know that there have been other proposals as to how to deal with the issue of saccharin. Some would lengthen the moratorium; some would shorten it. Some would allow FDA to ban saccharin for all purposes other than as a tabletop sweetener.

The subcommittee chairman has committed the Health and Environment Subcommittee to a thorough examination of the laws which determine our food policy. I believe our most responsible course is to let the very able members of that subcommittee undertake that task before we make sweeping changes in the Food, Drug, and Cosmetic Act. Therefore, I urge my colleagues to support the 2-year extension of the Saccharin Study and Labeling Act, H.R. 4453, as reported by the Committee on Interstate and Foreign Commerce.●

● Mr. LEE. Mr. Speaker, I rise in support of H.R. 4453, legislation which would extend for 25 months the prohibition on actions by the Secretary of Health, Education, and Welfare with respect to saccharin.

The paramount reason for legislation to extend the moratorium on a ban of saccharin is the lack of conclusive evidence that the threat of saccharin as a carcinogen outweighs the benefit of saccharin as an effective substitute for sugar.

A secondary reason the legislation should be passed is that we have yet to find a viable substitute sweetener product to replace saccharin.

Hopefully the 36-month moratorium on a ban of saccharin will give the Federal Government an adequate period of time to investigate in greater depth the trade-off between saccharin's contribution to physical malady in the form of a carcinogen and the contribution a ban on the use of saccharin would make to death and disease. It should be recognized that both diabetics and diatetics depend on a sugar substitute to regulate their diets. In the case of a diabetic, excess sugar can lead to exacerbation of the disease causing blindness, kidney failure, coma, and in the extreme, death.

It is well known that obesity is a leading contributor to heart disease. Surely, the removal of an acceptable substitute sweetener will make it more difficult for those on a weight reduction diet mandated by a physician to follow their diet plan.

I submit, Mr. Speaker, that until we have irrefutable proof that cancer caused by saccharin will exact a greater toll on human life, both by death and impairment, than will its continued use—or until a substitute for saccharin is found—that substitute shall, incidentally, have undergone extensive testing to certify that the substitute has no carcinogenic potential—we in the Congress have an obligation to prevent any arbitrary action by the Secretary of Health, Education, and Welfare to prohibit the use of saccharin as an artificial sweetener.

I would respectfully urge my colleagues to join me in support of the bill now before us.●

● Mr. GOLDWATER. Mr. Speaker, I rise in support of H.R. 4453, the bill which would impose a moritorium on the banning of saccharin by the Secretary of Health, Education, and Welfare.

In May I testified before Mr. WAXMAN'S Health Subcommittee expressing my view that an administrative action removing saccharin from the marketplace would pose serious problems for the millions of consumers who necessarily depend on this product.

While I believe we must acknowledge the possibility of a carcinogenic risk associated with the consumption of saccharin, I am also aware that there is a lack of scientific unanimity on the conclusions reached from studies conducted on the subject. Then, too, there is the issue of medical freedom of choice—what right does the Government have to tell people what they can and cannot purchase at the supermarket? Is it the role of the Federal regulatory process to tell a diabetic that he or she must forsake saccharin, because of its possible cancer risk, when the certainty exists that blindness will occur, that the prospect of kidney disease or heart disease will be enhanced? The risk a diabetic must incur of having to undergo an amputation is increased unless this sugar substitute is available. There are also the concerns of millions of people with a weight control problem who rely on saccharin to deter the danger of coronary disease and stroke.

As I pointed out in my testimony before the Commerce Subcommittee, I am bewildered by the lack of consistent public policy in the area of denying to the public certain products which clearly pose a health hazard, and allowing others to remain on the grocer's or pharmacist's shelf. How is it that we allow alcoholic beverages to be purchased, with all the dangers associated with them, yet place a mere warning label on cigarettes, a known killer in many instances? How are we, as Members of this body, supposed to justify these differing standards? I do not think it speaks well of our Food and Drug Administration.

In concluding I think it is important to consider that while there may definitely be health risks in the use of saccharin, there are significant benefits to a large segment of the population in its use. Instead of an outright ban, why not a warning label? Why not let the individual consumer decide for himself or herself whether or not they think it wise to use saccharin? Until we do settle on a firm public policy, passage of this legislation is a must.●

● Mr. OTTINGER. Mr. Speaker, I rise in strong opposition to H.R. 4453 to extend the moratorium on FDA action relating to saccharin for 2 more years without permitting the FDA to require a safe substitute at the end of this period.

Two years ago Congress enacted the Saccharin Study and Labeling Act (Public Law 95-203) to prohibit the Food and Drug Administration from restricting the use of saccharin and to direct the National Academy of Sciences (NAS) to review all available information and report back to Congress regarding the carcinogenicity of saccharin.

At that time, I felt that with proper safeguards this 18-month moratorium made sense. In view of the lack of political and scientific concensus, the moratorium allowed continued marketing for the millions of Americans who felt the need for saccharin, while it gave industry time to develop a safe substitute for saccharin and the NAS time to evaluate the validity of the tests which had indicated saccharin was a carcinogen.

Unfortunately, 2 years have passed and we are no closer to these objectives than we were when we enacted the moratorium in 1977. In spite of this, the Congress now is considering extending the moratorium for 2 more years. I do not think this makes sense. It is time to take some positive steps to encourage the development of alternative sweeteners and to prevent the continuation of a known cancer-causing substance in our food.

Furthermore, I object to the consideration of this bill under suspension of the rules which prohibits amendments. I had hoped to offer an amendment to the bill which would end the moratorium if a substitute for saccharin were certified as safe and satisfactory in any product. There would be no reason to require FDA to allow continued use of saccharin, which unquestionably presents some health risk to the public, if a satisfactory substitute were available. Unfortunately, consideration of this bill under suspension precludes consideration of this amendment.

H.R. 4453 as reported by the committee not only leaves the final disposition of

saccharin up in the air, it delays the day when industry will introduce a safe substitute. In addition, it does nothing to protect millions of Americans from the continued consumption of a substance which the National Academy of Sciences confirmed is a carcinogen. For these reasons, I strongly oppose this bill.●

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 4453.

The question was taken.

Mr. VENTO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

The point of order is considered withdrawn.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4453.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TRANSPORTATION APPROPRIATIONS, 1980

Mr. DUNCAN of Oregon. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania (Mr. COUGHLIN) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. DUNCAN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CARNEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 214, nays 4, not voting 216, as follows:

[Roll No. 369]

YEAS—214

Abdnor
Alexander
Amoro
Andrews, N.C.
Annunzio
AuCoin
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Carter
Chappell
Coelho
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Corman
Coughlin
Courter
D'Amours
Daniel, R. W.
Dannemeyer
Daschle
de la Garza
Deckard
Dixon
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
English
Erdahl
Erlenborn
Ertel
Evans, Ind.
Fenwick
Findley
Fisher
Fithian
Flippo
Florio
Foley
Fountain
Fowler
Frenzel
Gaydos
Gephardt
Gibbons
Ginn
Gonzalez
Gore
Gradison
Gramm
Grassley
Guarini
Gudger
Guyer
Hall, Ohio
Hamilton
Hammer-schmidt
Hance
Hansen
Harkin
Harris
Hawkins
Heckler
Hightower
Holt
Hopkins
Hubbard
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kramer
Lagomarsino
Leach, Iowa
Lehman
Leland
Lewis
Livingston
Loeffler
Long, La.
Lowry
Lujan
Lungren
McClory
McCloskey
McCormack
McHugh
Maguire
Markey
Marlenee
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moffett
Mollohan
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Oakar
Oberstar
Obey
Paul
Perkins
Peyser
Pickle
Price
Pritchard
Quillen
Rangel
Rauchford
Regula
Reuss
Rinaldo
Roberts
Robinson
Roth
Roybal
Runnels
Sabo
Santini
Satterfield
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
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Taylor
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Trible
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Whittaker
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Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wyatt
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Zeferetti

□ 1350

Mr. CARNEY changed his vote from "present" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4440, with Mr. STUDDS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. By unanimous consent, the first reading of the bill was dispensed with.

Under the unanimous-consent agreement, the gentleman from Oregon (Mr. DUNCAN) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. COUGHLIN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we submit for your consideration today the bill, H.R. 4440, making appropriations for the Department of Transportation and related agencies for fiscal year 1980.

Before discussing the specifics of the bill, I should say that after 9 years in the Congress, I am today managing my first bill and that, although I have served 4 years on this subcommittee, I could always and did rely on our former colleague John McFall, with his skill and knowledge and experience, to take the major responsibility—permitting me to spend the lion's share of my time on Interior,

helping—or as he thought sometimes hindering—Chairman YATES.

So, in the fashion of the day, may I too confess my inadequacies and ask for your indulgence, if not your help.

If those inadequacies are at any point obscured, it is because of the contributions made by the three other subcommittee chairmen who also serve on Transportation—Mr. STEED who yielded this chairmanship to me; Mr. BOLAND who was its first chairman; and Mr. BENJAMIN who chairs the legislative subcommittee;

By the experience and patience of SYL CONTE, for whose help and counsel I will always be grateful;

By the fresh approach of Mr. LEHMAN—always the voice of Miami; Mr. SABO who remembers the problems of States and rural areas; and Mr. STEWART whose study and interrogation kept witnesses alert;

By the quiet judgment of Mr. EDWARDS; the often expressed taxpayers view of Mr. MILLER; and the advocacy of transit of Mr. COUGHLIN;

And, finally, by the knowledge, background, long hours, patience, and loyalty of Tom Kingfield, Larry Johnson, and Jeni Leasor of the committee staff, and Terry Scannell of my own staff.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman for yielding.

As I take it, this is the gentleman's maiden voyage. After all, I served with him for many years. I want to congratulate him and wish him well. I want to say I think he is an extremely capable gentleman and I happen to have known him, lo these many years, and know that he usually wears a tartan, but I do not see that—I am not sure of that today—and also has other habits that are helpful to the State of Kentucky, for which I am thankful.

Mr. DUNCAN of Oregon. We have the Navy wings of gold. I will be glad to yield to the gentleman further for a continuation of his encomiums, if the gentleman wishes.

Mr. CARTER. I thank the gentleman.

Mr. DUNCAN of Oregon. Mr. Chairman, the committee developed a hearing record contained in 7 volumes containing nearly 7,000 pages. Testimony was received from 19 Members of Congress, more than 140 officials from the executive branch, and about 85 other interested parties. We also requested and considered a number of special studies from the General Accounting Office, Congressional Budget Office, Office of Technology Assessment, and our own committee's investigative staff.

SUMMARY OF THE BILL

The committee, I believe, worked very hard to bring out a bill which was both under the budget and responsive to our Nation's transportation needs. However, we are faced with a somewhat different environment today than we were 5 months ago when we began our hearings or 2 months ago when the subcommittee marked up this bill. The need to hold down Federal spending still exists, but this problem has been overshadowed to some degree by the present energy situation, particularly as this energy problem relates to transportation. Special regulations regarding the purchase of gasoline have been implemented in a number of States and it appears as if other States will follow. Recent figures indicate that on some trains Amtrak ridership has increased significantly as has the ridership on many of our Nation's urban mass transportation systems. The President has announced a plan to substantially increase mass transit funding.

I still believe, as mentioned on pages 7 and 8 of our committee report, that the single most effective measure to reduce gasoline demand is the development of a more energy efficient automobile. Approximately 88 percent of the passenger miles traveled in this country are in the automobile. Given the dominance of the automobile in American travel, it is self-evident that the largest payoff in energy conservation can be gained by making that travel mode more efficient.

It is also apparent, however, that this objective, as essential as it is, will not be accomplished this year or, perhaps, in the next few years. To cope with our immediate fuel problems, other actions are necessary. In recognition of this fact, I intend to offer a number of amendments to this bill to increase the funding for programs such as mass transit, Amtrak, 55-mile-per-hour enforcement, carpools, and vanpools. These amendments will add $282.5 million to the bill. This will result in a bill which is slightly over the President's budget, but only because it includes 6 months financing for the Panama Canal under the terms of the Murphy bill which this House passed and which the Office of Management and Budget has assured me they will request if and when H.R. 111 becomes law. It is still well within the new budget authority targets established by the first concurrent budget resolution and slightly within the outlay target.

The bill provides funds for approximately 126,000 positions, including over 39,000 military personnel for the Coast Guard. The total number of positions recommended is 5,000 below the current level.

SELECTED MAJOR RECOMMENDATIONS

I would call the attention of the Members of the Committee to the summary on pages 4 and 5 of the report.

The major recommendations are as follows:

First, the appropriation of $2,090,520,000 for the operations activities of the Federal Aviation Administration, $6,596,000 less than the budget request;

Second, an increase of $35,000,000 over the budget for the safer off-system roads program; if the amendment which I will offer is accepted this will be $75 million over the budget.

Third, the appropriations of $772,300,000 for Federal grants to Amtrak; under the amendment this will be $812,300,000.

Fourth, approval of the full fiscal year 1980 budget request of $550,000,000 for the purchase of securities of the Consolidated Rail Corporation;

Fifth, an increase of $50,000,000 over the budget for "second tier" operating assistance for urban mass transportation, under the amendment this will be $65 million plus $15 million for tier 3.

Sixth, a general provision providing for obligations of not to exceed $8,500,000,000 for Federal-aid highways;

Seventh, an increase of $5,410,000 and 429 positions over the budget for operating expenses of the Coast Guard;

Eighth, approval of the budget request of $481,000,000 for the Northeast corridor improvement project;

Ninth, the appropriation of $1,280,000,000 for the urban discretionary grant program of the Urban Mass Transportation Administration; under the amendment we will go to $1.410 billion, the full authorization;

Tenth, a general provision limiting aircraft loan guarantees during fiscal year 1980 to $500,000,000;

Eleventh, net reductions in the Department of Transportation's research and development programs amounting to $10,570,000; and

Twelfth, a general provision providing for obligations of not to exceed $620,000,000 for airport development grants.

OFFICE OF THE SECRETARY OF TRANSPORTATION

Mr. Chairman, the bill provides appropriations of $43.8 million for the Office of the Secretary of Transportation. This is approximately $3.2 million less than the budget request and is also slightly below the 1979 appropriations. We are hopeful that the efforts of this office will result in a safer, more efficient and more economical national transportation system.

Clearly, we were headed in this direction under the leadership of the recently departed Secretary of Transportation, Brock Adams. Secretary Adams was a leader in the field of transportation both in the Congress and as Secretary. While in the Congress, he served on the Committee on Interstate and Foreign Commerce. In this capacity he was deeply involved in a number of existing aviation and railroad statutes. The establishment of the airport and airway trust fund and the Regional Rail Reorganization Act are only two of these bills. During his term as Secretary he continued his efforts to develop legislation to improve our Nation's transportation system. Mr. Chairman, I believe Brock Adams was a dedicated public servant and a fine Secretary of Transportation and I, for one, regret his departure from the Department.

COAST GUARD

The Coast Guard is one of the oldest and finest organizations in our Government. It has a reputation for operating a trim ship and for being cost conscious. This year we felt that the personnel levels requested under the budget would not have permitted the Coast Guard to properly execute its missions. This was particularly true in the areas of search and rescue, engineering maintenance, Outer Continental Shelf inspections, training, and merchant marine technical plan reviews.

Under our recommendations operating expenses for the Coast Guard would be increased by $5.4 million. This would provide for an increase of 429 positions over the budget.

For acquisition, construction, and improvements we recommend $286 million. Most of this amount is for the purchase of medium endurance cutters, MRS aircraft and short-range recovery helicopters. In addition, funds are included for search and rescue boats, 12 shore stations, aids to navigation and other essential procurements and improvements.

For the Federal Government's share for bridge alterations, we are recommending $6.9 million to continue three projects. We have listed these on page 14 of the report.

We have approved the full budget requests for retired pay, reserve training, and the offshore oil pollution fund, and have added $175,000 over the budget for the Coast Guard's research program.

FEDERAL AVIATION ADMINISTRATION

Mr. Chairman, we recommend the sum of $2,090,520,000 for operations of the Federal Aviation Administration. This provides for the personnel engaged in the operation and maintenance of the air traffic control systems, as well as all supporting services and administrative costs and most of the regulatory personnel in FAA.

Our recommendation is $109 million over the amount appropriated for similar activities in fiscal year 1979. We have approved 132 new air traffic controller positions, but have made personnel reductions in other areas, such as administrative support, so that there is a net reduction of 189 positions below fiscal year 1979.

As a result of a study conducted by our investigative staff, FAA has adopted new staffing standards for its centers and towers. While we are in general agreement with these standards, we also believe that some adjustments are necessary as they are being phased in. Our recommendation would provide for 426 positions over the level proposed by FAA in its new standards.

The bill includes a total of $290.8 million for facilities and equipment for the Federal airway system. The major programs funded under this heading include VORTAC replacement, additional computer storage capacity for the enroute traffic control system, relocation of control towers and the installation of new instrument landing systems.

For R. & D. to improve the air traffic control system and increase the system's capacity to meet the projected demands of the future we have recommended $75 million. The bill also includes $20.5 million for the facilities, engineering and development needed to establish or modify Federal air regulations.

We have approved obligation levels of $620 million for airport development grants and $10 million for airport planning grants. This is an increase of $70 million over the budget request.

With respect to the Metropolitan Washington airports, the committee recommends $25,465,000 for operation and maintenance and $6,785,000 for major capital improvements. It is estimated that the combined net profit for these two airports will be nearly $4.5 million in fiscal year 1980.

The bill includes language limiting Government guarantees of private aircraft loans to $500 million. We believe that some limitation needs to be placed on the Government's virtually unrestrained involvement in the financial credit market—$150 million of this we believe should be for the commuter airlines.

FEDERAL HIGHWAY ADMINISTRATION

Mr. Chairman, highways provide by far the largest portion of transportation services used in this country. About 86 percent of all intercity travel and 98 percent of all urban passenger trips are by the highway mode. This mode of transportation provides our citizens with a mobility which is unequalled anywhere else and which, perhaps more than any other single factor, is characteristic of the American way of life.

For the Federal-aid highways program, we are recommending a program level of $8.5 billion. This is the same as the budget request and the fiscal year 1979 level and in excess of any amount obligated in any one year to date. To liquidate the obligations incurred under contract authority for Federal-aid highways, the bill includes a cash appropriation of $6.8 billion. The bill also includes liquidating cash appropriations of $91,751,000 for five other highway programs financed with contract authority.

For those highway programs financed with direct appropriations, we are recommending a total of $106.8 million. This is an increase of approximately $63 million over the budget. Under the amendments which I will offer, this amount will be increased by an additional $72.5 million for a total of $179.3. Most of this increase is for the safer off-system roads program. We believe that a $75 million increase over the budget should enable the States to proceed with the most urgently needed safety improvements on these off-system roads.

For administrative expenses of the Federal Highway Administration, the bill includes a limitation of $188.2 million. This is a reduction of about $4.8 million below the budget.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

In the field of highway safety, we recommend $80,286,000 for operations and research activities. This is slightly below the current year's level. The recommended includes the full budget request for the national accident sampling system. We are hopeful that with the additional accident data this system will produce, NHTSA will be better able to concentrate its efforts on those programs which have the greatest potential for saving lives.

The other activity under this administration is a grant-in-aid program for State and community highway safety. For this program we have approved the full budget request.

FEDERAL RAILROAD ADMINISTRATION

For DOT's rail programs, we are recommending more than $1.5 billion. The largest rail appropriation involves $772.3 million in Federal grants to Amtrak. If the Florio authorization bill passes tomorrow with the Duncan amendment, Mr. CONTE will offer an amendment to increase this amount by $40 million. I believe this will provide for a balanced national railroad passenger system and one which can operate more efficiently with the available equipment than at present.

We have approved the full budget request for the Northeast Corridor improvement program and have provided increases over the budget of $2 million and $8 million for grants to the States for railroad safety and local rail service. We received considerable testimony on the State railroad safety program and believe that with proper administration by the Federal Railroad Administration the effectiveness of this program can be substantially increased.

We did not approve the $250 million request for a new railroad restructuring assistance program, since there is little likelihood that this new program will be authorized this year. We did, however, add $100 million to the budget to enable the Department to continue the existing railroad rehabilitation program. We expect these funds to be used to stimulate higher density operations and to reduce or eliminate excess capacity.

URBAN MASS TRANSPORTATION ADMINISTRATION

Mr. Chairman, the bill, as reported, recommended a total funding level of $3,572,760,000 for the Urban Mass Transportation Administration. This included nearly $2.8 billion in direct appropriations and $775 million in contract authority. Under my amendment this funding level will be increased by $170 million.

For capital and operating assistance for urban areas, the bill, as reported, included a total of $2.705 billion. This includes $1.28 billion for urban discretionary, section 3 grants and $1.425 billion for urban formula, section 5 grants. My amendment would add $130 million for section 3 and $30 million for section 5 grants.

With respect to urban discretionary grants, we have reallocated $120 million of so-called urban initiatives funds to the basic section 3 rail and bus capital programs. We believe that these programs which involve moving people should be given a higher priority than joint development projects.

In addition, we are recommending $700 million for 1980 and $425 million for 1981 for transit or highway projects which are substituted for interstate system segments. We have not included any fiscal year 1981 funding for the Washington, D.C., Metro system, pending the demonstration by the local jurisdictions that they have in place a dedicated source of revenue to operate the system.

For capital and operating assistance to rural and small urban areas, we are proposing a $10 million increase to a level of $85 million. With a $65 million carryover this makes available $150 million. We have also funded UMTA's administrative expenses and research activities at or very close to the current levels.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

As a result of the Department's reorganization, a new administration was established during the past year. This component includes the Materials Transportation Bureau, Transportation Systems Center, and Transportation Programs Bureau. The bill includes an appropriation of about $24.4 million for

this administration, including $12 million for operations, $9.6 million for research and $2.82 million for grants-in-aid for natural gas pipeline safety.

RELATED AGENCIES

Title II of the bill provides slightly over $1.1 billion for six transportation related agencies. This includes the full budget requests for the National Transportation Safety Board and CAB payments to air carriers. We have made a slight reduction in CAB's administrative costs.

For the Interstate Commerce Commission, we are recommending $76.1 million. We have included funds for 30 additional railroad service agents in an attempt to improve the level of service ConRail provides for small shippers.

As we indicate on pages 55 through 57 of the report, we are recommending funds to continue the operation of the Panama Canal after September 30, 1979. Our bill would provide appropriations out of tolls for the Panama Canal Commission for the first 6 months of fiscal year 1980. We think it vital to this Nation's interest that the canal not shut down even briefly for want of financing.

The bill includes the full budget requests for the U.S. Railway Association for administrative expenses and the purchase of ConRail securities. The Association is responsible for representing the Government's position in a multibillion-dollar lawsuit arising from the reorganization of the Penn Central and certain other bankrupt railroads. The $550 million for purchase of ConRail securities is essential for the continued operation and necessary capital improvements of this railroad which serves a large part of the Northeast and Midwest sections of the country.

Finally, we have approved a total of $65,774,000 for Federal assistance for interest payments on the bonded indebtedness of the Washington Metropolitan Area Transit Authority.

Mr. Chairman, I believe we are bringing a balanced and carefully considered bill to the committee and I urge its adoption.

□ 1410

Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the distinguished chairman of the subcommittee, the gentleman from Oregon (Mr. DUNCAN) has summarized the bill very well. I want to compliment him as he brings this bill to the floor for the first time. He has done an outstanding job. He is the most hardworking chairman that I have seen. He is knowledgable, he is fair, and he has done an outstanding job with this legislation. Let me also compliment the members of the subcommittee, who have been diligent and thorough in their approach to a very difficult question, because determining priorities in transportation is indeed a difficult proposition.

My compliments also go to the staff on the minority side, Martina Pearson, Kenny Kraft, Kathy Lyon; and on the majority side, Tom Kingfield, Larry Johnson, and Jeni Leasor. They have been cooperative, diligent, hardworking, and we appreciate what they did to help bring this bill to the floor.

An old quotation on the subject of transportation has it that, "The true history of the United States is the history of transportation * * *." I think I can safely say the reverse is true. The future of transportation is the future of the United States. We are here today to determine the future of our transportation system and our country.

In this light, one of the most significant portions of this bill is the Urban Mass Transportation Administration funding. We have all been reading and hearing lately of the dramatic increases in ridership of our mass transit systems. Latest figures seem to indicate that many of those "gasoline crunch" riders are going back to their automobiles now that they are more easily able to get the gas they need. However, the Washington Metro system has demonstrated that these mass transit systems keep many of the new riders they acquire during situations such as we have had recently.

Of the ridership statistics we have seen—many systems claiming upward of 10 and 20 percent increased ridership—I doubt that there will be a significant change down again. True, many individuals return to driving as soon as they are conveniently able, without the disadvantages of long gas lines and early morning hours. However, many will not be able to afford to drive as they have in the past. Gas prices will continue to increase even as gas lines decrease. And many have discovered the convenience of mass transit, probably for the first time, and will stay with it.

I know the system that serves my constituents, the Southeastern Pennsylvania Transit Authority, was largely unprepared to cope with the increase in passengers in recent weeks. We saw reports of the Los Angeles system's inability to adjust to the increase—commuters left standing while buses and trains pass them by—and I am sure that this was the case with most systems throughout the country. SEPTA had to handle the increase with antiquated equipment, often inadequately maintained, which officials would preferred to have retired, but rather had to depend upon to transport many new commuters.

The President has stated that he feels mass transit should be an important part of our total energy picture. He feels, and I agree, that it is essential to energy conservation. It is also essential to environmental conservation. We have made a commitment to improved systems and conservation in this bill.

I hope the President's commitment in fact and in time is equal to the strength of his country, because we have seen on many occasions where that has not been the case. I hope the President's is equal to that of the former Secretary of Transportation, our former colleague, Brock Adams. I join the distinguished chairman of the subcommittee in regretting that the Nation has lost the services of one of its most distinguished experts in the field of transportation.

The committee has recommended an appropriation of $1 billion, $280 million for the discretionary part of UMTA's capital grant and technical planning assistance activities. This includes $225 million for grants for bus procurements, $630 million for existing fixed guideways modernization and extensions, $330 million for new systems construction, $10 million for downtown people movers and $55 million for planning and technical studies.

The committee has recommended a direct appropriation of $650 million for urban formula grants. We have included in the report, language covering fixed guideways, the third tier of section 5. The committee feels that for the purposes of allocating commuter rail/fixed guideway funds, the term "fixed guideway" was meant to include trolley cars, which operate on city streets as well as those operating on separate rights-of-way. We have included an increase of $10 million over the budget for a waterborne demonstration project authorized by section 320 of the Surface Transportation Assistance Act and for interstate transfer grants program, the committee approved the entire $700 million to be provided in direct appropriation.

For the Office of the Secretary, the committee recommendation included a reduction of $350,000 from the contractual services request for a total of $43,843,000.

The Coast Guard appropriation of $1,037,157,000 reflects an increase of $5,410,000 over the administration request, to account for the Coast Guard's new responsibilities under the Outer Continental Shelf Land Act amendments.

The sum of $2,090,520,000 is recommended for the Federal Aviation Administration, a reduction of $6,596,000 from the budget request. The committee has approved the full request of $610,000,000 in liquidating cash for airport development grants—this is $60,000,000 more than appropriated in fiscal year 1979.

For the Federal Highway Administration, the committee recommended $168,000,000, an increase of $62,962,000 over the budget request. This increase is reflected in a $35 million recommendation for reconstruction, construction, and improvement of public highways not on the Federal aid system, for which the Administration made no request. The bill also includes an increase of $4 million over the budget for the bicycle program authorized in the Surface Transportation Assistance Act.

For the National Highway Traffic Safety Administration, the committee has included a total of $80,286,000 for the operations and research account. This is a reduction of $4,883,000 to the budget request.

The committee recommended $1,537,771,000 for the Federal Railroad Administration. This includes an increase of $2,060,000 over the Administration budget for the railroad safety program. The total for FRA also includes $73,000,000 for the local rail service assistance program.

The committee recommended $24,396,000 and 251 positions for the Research and Special Programs Administration.

TITLE II—RELATED AGENCIES

The National Transportation Safety Board funding level is the budget request of $16,730,000.

The Civil Aeronautics Board recommendation was $104,387,000—$28,287,100 of which is for salaries and expenses, and $76,100,000 of which is for payments to air carriers.

The committee recommended $76,099,000 for the Interstate Commerce Commission, in which no funding or positions were provided for the Office of Rail Public Counsel.

The committee recommended $297,588,000 for the Panama Canal Commission for a 6-month period; this includes $254,529,000 for operating expenses and $25,059,000 for capital outlay. Although there was no budget request, the committee makes this appropriations recommendation.

The committee recommends approval of the budget request of $23,900,000 for administrative expenses of the U.S. Railway Association, and $500,000,000 for the purchase of Conrail securities.

For the Washington Metropolitan Area Transit Authority, the committee recommends an appropriation of $65,774,000, including $14,187,000 to be derived by transfer, to provide for Federal support of the interest payments on the bonded indebtedness of WMATA. The amount requested is an increase of $14,187,000 over the budget request.

Mr. Speaker, I am satisfied with what we have accomplished with this bill. Chairman DUNCAN and the subcommittee members had a difficult task in trying to work within an austere budget, demanded by a very aware taxpaying public, and still meet the many diverse transportation needs of the country. The bill is well considered and fair. I think it will be improved by the addition of an amendment to be offered by the chairman—which has the support of the subcommittee membership—which will add $40 million for Amtrak and $242.5 million for mass transit and highways. I hope the amendment and the bill will have the support of all my colleagues. It is a good measure and I urge its adoption.

□ 1420

Mr. DUNCAN of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I rise in strong support of H.R. 4440, the Department of Transportation and Related Agencies Appropriation Act, 1980.

As a member of the Transportation Subcommittee, I have been pleased to work with our chairman, BOB DUNCAN, who has done a superior job in bringing this bill to the floor. He has worked long hours on the bill; he has been thorough in studying all the programs and modes of transportation which compete for Federal funds; and he has been very fair in working with the members of the subcommittee. I would also like to mention and commend, for their diligent efforts, our ranking minority member, SILVIO CONTE, the other members of our subcommittee, and our very competent staff.

Mr. Chairman, this is a reasonable bill, which provides for the pressing needs of our country's transportation systems but shows restraint appropriate to a tight budget year. Committee amendments will be offered to respond to the changes in our energy situation which have occurred since the bill was reported—specifically, to reflect both an increased commitment to mass transit and House action on Amtrak's route system.

Although the chairman has already explained the bill, I would like to talk briefly about the urban mass transit program, which is and will continue to be such a vital part of our efforts to achieve energy independence. While mass transit must and should compete with other transportation programs in the budget, I can think of few transportation investments as important for us to make. I was pleased, then, with the committee's decision to set a level of funding for mass transit programs above the level requested by the administration, and, most recently, to provide still more funding through the committee amendment our chairman will offer in response to the current gasoline shortage. Very simply, it is in the cities that the people are and the gas lines have been most visible and most harmful; it is in the cities that mass transit can provide an alternative to automobile use, gasoline consumption, and gas lines.

Mr. Chairman, this is a good bill, and one our country needs. I would urge all my colleagues to support the committee amendments and vote for the bill.

Mr. COUGHLIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I wish to commend the chairman of the subcommittee, the gentleman from Oregon (Mr. DUNCAN) for his very excellent work on this bill, and also the ranking member, the gentleman from Pennsylvania (Mr. COUGHLIN) in particular for their work and willingness to work in depth on the Amtrak situation. I also will speak in favor of the Conte amendment when it comes up.

Mr. Chairman, I wish to commend the chairman of the Transportation Subcommittee of Appropriations, Mr. DUNCAN of Oregon, for his very able work in arriving at a spending program that will maximize the effectiveness of intercity passenger rail travel.

Mr. DUNCAN of Oregon, the new chairman of the subcommittee, has taken a personal interest in dealing with the very controversial and intricate issues involved in trying to rebuild a more rational Amtrak system. Our staffs have worked closely on some of these issues. His efforts in behalf of the Commerce Committee's Amtrak Reorganization Act of 1979, as well as his amendment to that bill, serve the entire Nation well.

I also appreciate very much the active roles played by Mr. COUGHLIN in the subcommittee deliberations on transportation issues and by Mr. CONTE. Mr. CONTE took aim almost from the start at the illogical and unfair treatment that the Department of Transportation gave to our constituents in northern New England when it tried to eliminate the Montrealer Amtrak train route between Washington and Montreal. He challenged DOT officials to make sense of the final report on Amtrak. He insisted from the beginning that the Department was acting in a shortsighted manner in seeking to abandon the stronger Amtrak routes, such as the Montrealer, at a time when the energy picture facing our Nation required leadership in the exact opposite direction.

It is fitting that Mr. CONTE should make the amendment to this appropriations bill for transportation agencies that saves the well utilized, relatively cost-effective long distance trains from the chopping block. His amendment will assure that funding is provided for all short and long distance trains that, by objective and identifiable standard, attract large numbers of paying riders and produce minimal losses.

The criteria that are included in the commerce committee bill are reasonable, for they serve to maintain long distance trains, such as the Montrealer, that are strong and consistent performers, that are well used by an increasing number of people. The Amtrak system that is working efficiently should be expanded and the service provided to its users improved. Under this bill available resources will be applied to those trains that are well used. The bill requires that Amtrak use fiscal 1980 projections of both ridership and losses in determining which routes are well utilized and cost effective and therefore should be retained as part of the nationwide Amtrak system.

The bill makes important contributions to Amtrak's prospects for greater cost efficiency in its train operations. First, by specifying that the short term avoidable loss projected for fiscal 1980 on additional qualifying routes must be no more than 7 cents per passenger-mile, the bill assures survival of trains that attract riders and revenues in substantial quantities.

The Montrealer's avoidable loss has been between 5 and 6 cents in recent years and Amtrak has projected it will be about 6 cents in fiscal 1980.

Even the DOT admits that specifying additional qualifying long distance trains must also attain a ridership of at least 150 passenger miles per train mile, the committee is building in an average energy efficiency that well surpasses use of a hypothetical passenger car that gets 22.5 miles to the gallon, with more than two people, along its intercity trip.

The most recent figures show the Montrealer's ridership is running at about 166 passenger miles per train mile, during the first 7 months of the current fiscal year. Amtrak projects this will increase to an average of 170 for the next fiscal year.

Significantly section 117 also requires that "(w)here reductions in operating expenses can be obtained" Amtrak shall, by applying the performance criteria, maintain long distance routes. This language I strongly endorse because it demands that passenger rail productivity be increased where possible. We can and will substantially reduce costs of operating the Montrealer.

Already the Canadian National Railroad has agreed to lower payments by

Amtrak for use of CN track and terminal facilities in Canada.

In addition, the labor unions and railroads serving Amtrak between Springfield, Mass., and St. Albans, Vt., have agreed tentatively to make even more substantial cost reductions by modernizing some work rules so they are more logical, and by eliminating one of the three crews that work on this train north of Springfield, Mass.

I, and other Members of Congress, believe a good example can and should be set on the Montrealer. I hope that Conrail, whose three crews operate the train between Washington and Springfield, Mass., can work out a more efficient contractual arrangement with Amtrak. This bill certainly provides the incentive for Amtrak to closely examine these costs as well as improve train performance.

The Conte amendment will fund a bill that fairly settles the claims and counter claims concerning ridership on various routes. It will fund those routes that are, based on the most recent ridership data Amtrak has developed, most likely to be fuel and cost effective during the next few years. The money so spent makes a realistic commitment to intercity passenger rail services, given the present mood to reduce Government spending, the current difficulities caused by petroleum shortages, and the size of the job that Amtrak can not only bite off but chew.

Mr. CONTE's amendment will also fund the Duncan amendment to the Commerce Commitee bill, an amendment that has the support of Mr. FLORIO, the chairman of the Transportation and Commerce Subcommittee. The Duncan amendment will assure that the strong short distance trains recommended for elimination by the Department of Transportation will continue in operation, serving ever larger numbers of riders who are discovering there are feasible options to car and airplane transportation. In so doing, the Congress preserves an option that is more fuel efficient than the single motorist driving on often congested highways, and much more energy efficient than air travel. In addition the Duncan amendment will assure that Western and Southwest areas of the Nation will be served by long distance train service that is viable and growing, according to the measures of passenger-miles per train-mile and avoidable loss per passenger-mile. And if these long distance trains that are saved cannot develop markets sufficient to maintain them using the Commerce Committee criteria, they will be phased out after October 1, 1981.

The combined effects of Mr. CONTE's amendment and the Duncan amendment to the Commerce Committee bill does something very important: it removes from the political arena decisions on Amtrak routes, as much as possible. The objective criteria of 150 PM/TM and 7 cents losses per passenger-mile, in the case of long distance trains, and 80 PM/TM and 9 cents loss per passenger-mile, for short distance trains, sets a manageable standard for future development and growth of the American passenger rail network.

Mr. DUNCAN of Oregon. Mr. Chairman, I yield 4 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Chairman, throughout my years of service in the Congress I have found that a big city urban bias permeates Federal policies. When setting priorities most Federal agencies, including the Department of Transportation, have consistently disregarded the needs of the people in the countryside unless they deal with farm programs.

While some progress has been made recently toward correcting this misunderstanding, many policymakers continue to classify the 88 million people living outside high density urbanized areas as interested only in agriculture, despite the fact that there are only about 3 million farmers in the Nation.

This general debate today on the fiscal year 1980 appropriations bill for the U.S. Department of Transportation presents a compelling opportunity to discuss some of the issues in Federal policy responses to transportation problems of midsized cities, small towns and rural communities in the countryside.

It is argued by many persons who work on transportation issues that the major transportation problems are urban. They are found in the big cities. This is the crux of the problem.

It is true that the 59 percent of our people living in the highest density areas have transportation needs. And, I have consistently supported programs to aid them. But, transportation problems of the 88 million people living outside those areas, in midsized cities, small towns and rural communities of the countryside, cannot be solved by ignoring them. That is why I have campaigned with the Congress, with the executive branch and with the public to bring fairness and equity into the Federal responses to transportation needs wherever they exist.

It is becoming less and less popular to urge solutions to highway problems. I find that particularly ironic in this time of rising prices, decreasing energy supplies, and searches for ways to end both.

We talk of urging, even of forcing, greater use of carpools, vanpools or bus systems. All of these have the potential of helping relieve our energy problems. All are more energy efficient than single occupancy autos. And, all of them must have good, safe roadways to use if they are to achieve their potential economies in energy use.

It is because of this need that I have worked for increased funding for the safer off-system roads program to improve local roads systems that carpools, vanpools, and bus systems must use. The SOS program can help improve the 65,500 unsafe bridges that help cause rises in food prices because the trucks carrying the food must find detours or cross bridges with less than legal loads because the bridges are inadequate.

In other aspects of public transit issues we also find the bias favoring helping the big cities with little awareness or concern for the problems of midsized cities, small towns and rural communities in countryside areas.

Since the middle 1960's the Federal Government has been willing to spend tax revenues on mass transportation programs. This has generally meant local bus or rail service. It has also meant hundreds of millions of Federal taxpayer dollars subsidizing private airlines and Amtrak passenger rail service.

Concern with public transit has basically been concentrated on mass transit needs of our biggest cities. This has been true even in times like these when energy shortages create problems even in the least densely populated areas.

For instance, in the years 1974 through 1977 the Urban Mass Transportation Administration spent $7.5 billion for capital investments to improve public transit. Of this amount only $35.3 million went to places with populations of less than 50,000, despite the fact that Congress had authorized spending $500 million in such areas. There are 18,635 midsized cities, small towns and rural communities in the Nation with populations of less than 50,000. Only 69 of them got any of the $7.5 billion.

There are 14,000 midsized cities, small towns and rural communities throughout the Nation which have no public transit other than that provided by the intercity bus industry. Because of economic problems, including those generated by competition from the heavily federally subsidized Amtrak rail passenger system, the intercity bus industry had to abandon service to 1,765 places between 1968 and 1977. They had to reduce service to many others. We are now in danger of having this abandonment history spread to at least 1,000 other places in the short-term future unless action is taken to aid the intercity bus industry.

I share the concern of many of my colleagues about providing operating subsidies for public transportation modes. But, we are doing that, and have been doing it for our most densely populated areas for years. The bill we are debating today has $1.4 billion in it for public transit operating subsidies for the Nation's biggest cities. It has $574.3 million in it for "operating grants" for Amtrak. It has $76.1 million in it for subsidizing private airline routes operating at a deficit.

Amtrak only serves 500 stops in the Nation. Airlines serve only 700 points.

If taxpayers from all across the Nation are going to be expected to underwrite that cost then the millions living in midsized cities, small towns and rural communities in countryside areas certainly ought to be getting a fair share of the benefits and assistance.

That simply has not been happening.

Even in this time when we art talking about spending some of the income from the "windfall profits tax" on transportation problems the term used in "mass transportation." And, in virtually everyone's mind that translates to big city transit. It translates to the billions of dollars that have been spent, are being spent or are being committed to bus and rail systems in places like New York, Chicago, Los Angeles, Miami, Atlanta, and Washington.

Little thought appears to be given to the public transit needs of the 88 million persons living in midsized cities, small towns and rural communities. But,

when we start talking about energy conservation and reducing use of private autos we do not exempt these areas that for the most part do not have public transportation in any form other than intercity bus systems.

The $75 million this bill carries for the section 18 program for public transit in midsized cities, small towns and rural communities is not adequate. It must be used for both capital investment and operating assistance. There is nothing in the bill for the section 21 and section 22 terminal development and intercity bus service programs that could help strengthen the service midsized cities, small towns and rural communities get from the intercity bus system.

It is time to make the 88 million people of the midsized cities, small towns, and rural communities full benefiting partners in Federal public transit policies, not just full paying partners.

Mr. Chairman, I wish to express my appreciation to the chairman and the ranking member of this committee for considering the two amendments which I have offered to this bill and on which we have reached a compromise, which I consider to be another giant step forward in providing equity to the transportation needs of the people living in the midsized cities, small towns, and rural communities.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time, and I reserve the remainder of my time.

Mr. DUNCAN of Oregon. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, Congressman JIM BROYHILL and I, along with several of our colleagues, will offer an amendment to the Department of Transportation fiscal year 1980 appropriations bill, H.R. 4440, in which we ask our colleagues to support the elimination of funding for the implementation and enforcement of the National Highway Traffic Safety Administration's mandate for airbags to be installed in any motor vehicle. This will stop DOT and the National Highway Traffic Safety Administration from implementation and enforcement of the standard for airbags for 1 fiscal year—1980.

A major point of the amendment and the key, consumer-oriented reason the House should adopt this amendment—again this year—is as follows: More research, testing, and development is needed, especially on the airbag before it is mandated for installation on millions of model year 1982 passenger automobiles.

I insert the amendment at this point:

Page 33, after line 21, insert the following new section:

SEC. 317. (a) None of the funds provided in this Act may be used to implement or enforce any standard or regulation which requires any motor vehicle to be equipped with an occupant restraint system (other than a belt system).

(b) Nothing in this section shall be construed to prohibit the use of funds provided in this Act for any research and development activity relating to occupant restraint systems.

LIST OF COSPONSORS

James T. Broyhill, Thomas L. Ashley, William M. Brodhead, Carl D. Pursell, John B. Anderson, James J. Blanchard, Clarence J. Brown, John D. Dingell, Lucien N. Nedzi, Bob Traxler, Bob Carr, Phil Gramm, Carlos J. Moorhead, Tim Lee Carter, William D. Ford, James M. Collins, David E. Satterfield, Dave Stockman, Samuel L. Devine, Matthew J. Rinaldo.

We have a high regard for the need to continue to improve motorist and automobile safety in the United States. The Government safety standard, however, that continues to be of great concern to us regards the question of the efficacy of airbags, or occupant restraint cushions, to be installed in motor vehicles beginning in model year 1982.

This will be the same amendment the House, June 12, 1978, and later the House-Senate conference, adopted on the fiscal year 1979 DOT appropriations bill. Our colleagues will recall that House vote, 237 to 143, which removed NHTSA's authority at DOT on the airbag standard regarding implementation and enforcement of Motor Vehicle Safety Standard 208. A subsequent action on that same amendment last year involved our support with the majority of the House Members for permitting the use of funds for research and development.

And, importantly, our amendment does not eliminate the appropriation for continued research and development on what has become known as the controversial occupant restraint system, the airbag. We support more research and that is a major conclusion drawn from the General Accounting Office's draft report, "Passive Restraints for Automobile Occupants—A Closer Look," dated May 1979. This document, to be released by GAO, the congressional investigative arm for the House and Senate, has been completed. It is final and the National Highway Traffic Safety Administration, the Environmental Protection Agency, and the Department of Labor Occupational Safety and Health Administration have commented on the GAO report. The GAO, in a July 17, 1979, special report to me states that the GAO report and its "findings, conclusions and recommendations will not be materially altered in our final report." That means the GAO audit of passive restraints, full of its several criticisms and even warnings of more airbag research and testing, will stand.

I insert at this point the July 17 special report which releases the details of the GAO audit on passive restraints from the GAO's Comptroller General, the Honorable Elmer Staats, as sent to me.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., July 17, 1979.

Hon. JOHN D. DINGELL,
House of Representatives

DEAR MR. DINGELL: Pursuant to your letter of July 16, 1979, we are providing the following information concerning our review of the Department of Transportation's passive restraints standard.

As of this date, we have not completed our evaluation of the agencies' views and comments on our draft report; consequently, we are unable to provide you a final report on our audit. Therefore, as you requested, we are providing a summary of our findings and recommendations and our preliminary assessment of the agencies' comments.

Passive restraints for front-seat occupants will be required in all cars after September 1, 1983. Either an air bag or an automatic seat belt, the two prominent systems being considered, will serve this function. A solid chemical, sodium azide, will be used to generate the gas to inflate the air bag.

The basic findings and recommendations contained in our draft report are:

1. Passive restraint systems offer life-saving and injury-prevention potential; however, the Department of Transportation's specific quantification of the benefits lends a degree of certainty not fully supported by the test data. Thus, the extent of the systems' effectiveness needs to be evaluated in real world situations.

2. Industry's testing indicates a potential danger from a deploying air bag for out-of-position occupants. We believe the Department of Transportation needs to perform additional testing to see if modifications are required in the Federal performance requirements to address this specific problem.

3. We believe the Environmental Protection Agency and the Department of Labor need to assign high priority to sodium azide research to assure that additional work is performed to measure the health and safety risks associated with the production and disposal of this chemical.

We also found that the Department was optimistic in estimating air bag cost at $112. The estimate was based on full production and excluded certain industry design and manufacturing costs. The manufacturers' current estimate for air bag systems are substantially higher ($581 for General Motors and $825 for Ford) based on lower volume projections for the number of cars to be equipped with air bags. The Department is currently evaluating industries' estimates.

Our preliminary assessment of the agencies' comments indicates that these findings, conclusions and recommendations will not be materially altered in our final report.

In its comments, the Department of Transportation indicates it has serious concerns with the manner in which we presented the issues in the report and believes our discussion of the issues was not done within the context of the larger issue of motor vehicle safety.

We believe we have presented the issues objectively considering the unresolved concerns and unanswered questions surrounding the passive restraint mandate. We are still of the opinion that the Department needs to fully address and act upon these concerns and questions.

The Department agrees with us on the need for a program to evaluate passive restraint performance in the real world and, in fact, has already taken some initial steps to implement such a program. The Department states it presently is developing a plan for the evaluation of the effectiveness of automatic crash protection systems which it intends to publish this fall. In addition, the Department intends to use its Advisory Committee for the National Accident Sampling System to assess its evaluation plan.

The Department disagrees, however, with us on the need for the National Highway Traffic Safety Administration to perform additional testing on the out-of-position occupant problem. It believes the appropriate way to handle this problem is to monitor the industry's development and testing programs and to test the production systems when they become available.

In establishing performance requirements for Federal standards, the Department points out that it has the responsibility to develop accurate, reproducible and relevant test methods. It is within the context of this responsibility that we believe the Department should perform additional testing specifically on the out-of-position occupant problem which has surfaced since the passive restraint standard was promulgated. The Department has established performance criteria for the driver and front seat occupant seated in normal positions. Recent industry tests indicate the substantial problem for the out-of-position occupant may warrant a modification to the existing performance criteria.

In its comments, the Environmental Protection Agency did not address the need for high priority on sodium azide research but indicated it will follow all developments concerning the use of sodium azide in air bags. The Agency stated that industry has the responsibility for developing safe disposal methods and believed that adequate time exists for them to do so. The Department of Labor stated it does not have its own research capabilities but would convey our recommendations to the National Institute for Occupational Safety and Health, Department of Health, Education, and Welfare.

We believe these agencies need to assign high priority to research on this chemical and maintain close surveillance over the various research activities to assure that the appropriate research is done in a timely manner to prevent undue risks in the production and disposal of sodium azide.

The full text of the agencies' responses along with our comments will be included as appendices in our final report.

You also requested that we provide you with information concerning our request for and receipt of comments from the cognizant agencies. On May 7, 1979, we sent our draft report to the three cognizant agencies for their review and comment and requested their response within 30 days. On June 4, 1979, the Department of Transportation formally told us they were unable to meet the 30-day deadline but would furnish their comments by June 22, 1979. We received these comments on June 25, 1979. Likewise, the other two agencies orally told us they were also unable to meet the 30-day deadline. We received comments from the Environmental Protection Agency on June 29, 1979, and from the Department of Labor on June 13, 1979.

We are available to meet with you or your staff to discuss any questions regarding these matters.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

It points out that the DOT/NHTSA test data does not support DOT's claimed benefits of airbags and that more research and testing of bags and other passive restraint devices is necessary along with a high priority study and report by the Environmental Protection Agency and the Occupational Safety and Health Administration as to the potential hazards of sodium azide, a possible cancer-causing agent. Sodium azide is the chemical used to detonate and deploy the airbag when it explodes from the steering wheel and dashboard of the car into the head and upper torsos of front seat occupants in frontal car collisions.

It is this same special report that points out the GAO concern and call for more testing of bags as they may seriously affect the out-of-position, front seat occupant, especially children who could suffer harm.

One airbag-equipped car crash on record resulted in the death of a less-than-1-year-old child for whom the airbag offered no protection.

GAO also says "testing indicates a potential danger from a deploying airbag for out-of-position occupants."

GAO's recommendation to Congress for more testing is to see if "modifications" to the airbag—passive restraint standard, Motor Vehicle Safety Standard 208—"are required" to correct the performance standard "to address this specific problem" of out-of-position occupants, especially children.

The GAO states in its July 17 report that DOT only plans at this point to "monitor the industry's development and testing programs—on airbags—and to test the production systems when they become available."

DOT says the out-of-position occupant problem has been solved by General Motors. That is not true. General Motors informed me that it is still trying to solve this problem and that the company has months of research and testing to do.

This same special report by GAO also sets the record straight on another consumer concern. The airbag, which is truly the controversial and troublesome part of MVSS 208, will cost the consumer at least $400. But GAO's report of July 17 states other high retail costs reported by General Motors of $500 the first year in 1982—up to $581 the third year when the standard is applied to small compact and subcompact cars.

Now, the GAO, July 17, says that the new estimate by Ford Motor Co. is $825 for airbags beginning in model year 1982.

NHTSA's estimates of $112 to $200 are "unrealistic" according to GAO.

And, the cost of replacing airbags has to be considered, too. The GAO estimates that the cost to replace bags will be 2½ times the original equipment manufacturer's cost. Thus, it is estimated, and GAO confirms this, that if the airbag cost to consumers is a retail price of $500 to the high estimate by Ford of $825, then replacing the bag systems will be at least $1,000 to $1,650 per automobile, and with inflation raging, that replacement cost could go as high as $2,000 to consumers.

Not many consumers will ever replace their airbags and if they do not, the protection will only be an active lap belt as NHTSA has said that airbags in cars would only need the additional lap belt for protection to prevent "submarining," which is when the occupant's body could slide under the airbag, suffering serious injury or death.

I repeat, not many consumers are going to pay to have airbags reinstalled in their cars at those costs. And, only a little over half of the States have a State law mandating safety inspections of automobiles (27). It would only be through a mandatory safety inspection program that consumers would have to replace the airbags and we are informed that NHTSA has not planned a strong program to encourage States to require replacement of airbags as a point on safety check lists. If NHTSA has such plans, they have not been related to Congress recently and must be a part of what GAO and the National Transportation Safety Board terms as NHTSA's evaluation program being "in disarray" and "unorganized."

It should likewise be pointed out that the cost of the new passive restraint known as the automatic shoulder and lap belt would have a retail cost to consumers of under $100 and as low as $65 to $85 per car.

NHTSA has previously stated that it is expected that the passive or automatic shoulder belt will protect occupants as well as airbags. I have previously noted in this Chamber on previous such debates that the CALSPAN tests of 1977 comparing the effectiveness of airbag-equipped cars to lap and shoulder belt cars, showed that the safety belt systems protected as well as and even better than the airbag.

I insert the analysis of those tests which was prepared by my staff investigators on this issue in 1977. There is no evidence of any subsequent such comparative tests of airbag cars with safety belt-equipped cars that shows any advantage the airbag has over the less expensive safety belts.

COMMENTS ON CALSPAN TESTS

The most recent tests were run to compare the effectiveness of airbags compared to seatbelts for both drivers and right front seat passengers. Dummies and cadavers were used. These offset front end collisions are more like the real world auto crash accidents that occur than the DOT, NHTSA required tests that auto manufacturers must pass before their occupant restraint systems can be marketed. The CALSPAN tests were offset, essentially right front to right front and left front to left front. The DOT tests that auto manufacturers must pass have the vehicle crashing head on into an immovable wall. The DOT test therefore, does not seem to be as representative of the real world crashes as does the type of crashes conducted by CALSPAN for DOT.

This is some of the newest data that I understand has been developed on tests of occupant restraint devices.

In all of the tests, with both dummies and cadavers seated as drivers and passengers, the seatbelt restraint systems did a better job in protecting the test subjects than did the airbag.

Out of the five offset crash tests, two of the cadavers and one of the dummies, all in airbag-equipped cars, exceeded the injury criteria of Motor Vehicle Safety Standard 208, the final rule for airbags.

In one test, No. 344, on July 1, 1977, a cadaver seated in the driver position of an airbag-equipped vehicle experienced a "g" force chest load of 74 g's, which is above the limit of 60 g's deemed as permissible by NHTSA in its injury criteria. The cadaver experienced an abbreviated injury scale (AIS) rating of 3 with an X-ray finding three broken ribs following the test. The AIS used by NHTSA is an injury range of from 1 to 6 with 6 termed fatal. The cadaver in this test, assigned an injury rating of 3, was termed as experiencing severe, but not life threatening, injuries.

The belted driver, a dummy, of the opposing test car experienced roughly half of the accelerated "g" force as did the airbag-protected driver in the other car.

In another test, No. 346, on July 13,

1977, utilizing an airbag-protected cadaver in the right front passenger seat, the cadaver experienced "g" forces on the chest in excess of the motor vehicle standard. This test subject experienced 70 g's, 10 higher than the permissible standard. The cadaver received a broken rib, three severe leg fractures and an AIS rating of 3.

As a comparison of right front seat passengers, in another test, No. 347, a belted cadaver experienced only a "g" force rating of 39, almost half the "g" force experienced by the airbag-protected cadaver. In comparing these two tests of cadavers in right front passenger seat positions, the belted cadaver experienced less impact. The belted cadaver experienced an AIS of only 1, or minor injury with a bruise on the knee and collarbone—no break or fracture.

Because of the severe injuries to the lower extremities of the cadaver in test No. 346, an airbag-equipped vehicle, CALSPAN was directed by DOT to repeat the test. On August 11, 1977, test No. 353 was conducted using a cadaver and an airbag system in the right front passenger seat. Again, the cadaver received a broken leg and an AIS (injury) rating of 2.

Based on these tests it is clear that both airbags and seatbelts can save lives and reduce injuries but the degree of potential safety on the test subjects in seatbelts in these CALSPAN tests seem to lean in favor of seatbelts.

DOT states that this is raw data in the CALSPAN tests and that the five tests have not been thoroughly analyzed. Inasmuch as I am not aware of the CALSPAN tests having been scrutinized in any testimony before this subcommittee during its hearings, it would seem that a full explanation by NHTSA is necessary.

We must have solid proof of improved and safer airbags before the mandate for these passive restraints goes into effect with such high consumer costs. There must be more development to determine more accurately the benefits of airbags.

Mr. Speaker, let me stress some points on the GAO listed potential dangers to occupants with airbags. There are few issues that come before the Congress that are as emotionally charged as this one on airbags. There is little doubt that airbags are effective in saving lives in frontal crashes—when the occupant is in the correct position. Frontal crashes, however, comprise less than 50 percent of fatal crashes—but the key is that the occupant has to be in the correct position for the airbag to be fully effective.

I want to remind my colleagues that the airbag affords no protection to front seat occupants when the crash involves a side collision, sideswipe, rear-end collision, or the rollover crash. Safety belts, I point out, protect occupants in all crash modes and offer continued security in second or third impacts after the airbag has deflated.

Crash test experts have raised serious questions about the effectiveness of airbags if the occupant is out of position and particularly children who, from my experience, are never in the correct position unless they are in the back seat and buckled in with the belts. Few children are in the safe position and belted in. Not only do airbags not protect out-of-position occupants and children, but the GAO investigation found that they could actually be life threatening, especially to children.

The GAO draft report contains some very disturbing results of tests run by General Motors using young pigs as surrogates for children in airbag tests. The pigs were strapped in various positions that children are likely to be in. Apparently, a significant number (about 30 percent) of these pigs were killed due to internal injuries caused by the airbags hitting the abdomen of these animals—causing severe liver damage.

Again, according to the GAO report, "Volvo had experienced similar adverse results in testing for out-of-position children." I believe that the most telling phrase in the GAO report is that despite the life-threatening aspects of the airbag on children, the GAO found that, "However, as of February 1979, they (NHTSA) are not planning to perform any out-of-position occupant testing in any attempt to define the magnitude of the problem."

Not only should the House pass the Dingell-Broyhill amendment, but, there should be a full-scale investigation of what is going down on down there at NHTSA.

Meanwhile, I have asked NHTSA to provide all documents on these out-of-position occupant tests and the company and NHTSA's analysis of these tests. General Motors has provided me with a report on their tests involving pigs as surrogates.

I insert it at this point:

GENERAL MOTORS CORP.,
Washington, D.C., July 20, 1979.

Hon. JOHN DINGELL,
U.S. House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. DINGELL: In response to your request of July 19, I am attaching a statement which describes the status of General Motors inflatable restraint tests using pig surrogates to simulate conditions that can occur with unrestrained children in the front seat.

I trust that this response will be satisfactory.

Sincerely,

WILLIAM C. CHAPMAN,
Manager-Technical Liaison Group.

G.M. STATEMENT ON INFLATION FORCE INJURIES TO PIGS—USED TO REPRESENT OUT-OF-POSITION CHILDREN

A number of questions have been raised regarding General Motors inflatable restraint tests using pig surrogates to simulate small children. The surrogates were placed near to the inflatable restraint module to simulate conditions that can occur with unrestrained children in the front seat. This statement provides for a common understanding of the test results.

An inflatable restraint must be designed to inflate fast enough to provide good restraint for adults but not so fast as to produce an inflation force risk to out-of-position children. It is necessary to employ anesthetized live animals in assessing the inflation force risk to small children because child dummies have not been sufficiently developed to measure the injury potentials to children. The fatal injuries occurred during an initial series of exploratory tests. This series was designed to provide design guidance and to obtain needed biomechanics data regarding potential injury mechanisms. The fatal injuries included liver, neck and brain stem trauma.

These exploratory tests did indicate the need for significant system modifications. Subsequent tests with systems designed to comprehend the initial findings have not produced fatal injuries, but they have induced significant injuries to the liver and neck.

We are continuing the normal process of modifying the design, then testing it. The number of significant injuries is declining.

We are continuing our development efforts.

What the GM statement is clear on is that DOT and NHTSA have not developed a test dummy resembling a child and there is no truly complete testing mechanism to ascertain the potential danger or benefits of airbags to protect our children.

Second, contrary to what NHTSA has advised me, these GM and even the Volvo tests, we are informed, resulted in "fatal injuries" which involved injuries to the "liver, neck and brain stem trauma."

Further GM tests, as their statement to me points out, have resulted in continued "significant injuries to the liver and neck."

GM is committed to further testing and has announced that it will not install these airbags in automobiles in model year 1981 as previously planned and that there will be a delay in that model year of installation of airbags in any vehicle.

GM, and other companies, had planned to install air bags in some cars in the model year 1981, preceding the effective date of the MVSS 208, but due to the out-of-position occupant problems, a delay will occur pending further tests of such problems.

The GAO also criticizes DOT and NHTSA that most of the government testing to date has been in the laboratory and there is not enough real world test data from the field. GAO confirms this.

GAO recommends that DOT establish a passive restraint evaluation plan and that more information be collected by NHTSA to facilitate such planning. GAO urges formation of an evaluation task force of objective participants to study and analyze all data, new and old, and to confer on possible modifications that the DOT could implement in connection with the standard, MVSS 208.

I also point out that the National Transportation Safety Board just recently commented that the evaluation program at DOT and NHTSA regarding passive occupant restraint systems is "unorganized." It is recommended that DOT take action promptly due to the effective date of the standard in model year 1982.

GAO calls for EPA and the Occupational Safety and Health Administration to conduct further study into the possible health effects of sodium azide, the chemical used to detonate and deploy the airbag into the torsos of front seat occupants in the event of a frontal collision. The concerns have been that the chemical may cause carcinogenic and mutagenic health problems. This would concern auto workers at assembly plants and supplier plants. It would also concern the service repair industry and the auto salvage industry.

GAO's audit points out in several instances the nagging question regarding reliability of data on airbags as to their effectiveness in reducing injuries and fatalities.

Most testing by DOT has been on the airbags, which are the most expensive in consumer costs, while little testing was done on the passive safety belts, which are least expensive.

GAO also notices the claim by NHTSA that there would be insurance savings on automobile premiums, but what the figures in savings would be, remains unknown.

I am not only concerned about the questions that have been raised about the effectiveness of airbags and especially the hazards that are present for out-of-position children, but, I would like to address for a moment claims by the insurance lobby concerning the alleged significant savings that will be realized on auto insurance premiums by those with airbag-equipped cars. Although the airbag lobby claims that the auto insurance industry is solidly in favor of airbags and will offer substantially lower premiums, the GAO found that these savings were illusory.

The GAO found that many of the major companies that they queried during their investigation have not committed themselves to offering premium discounts. The Wall Street Journal also raised serious questions about the "self-righteous" claims of the auto insurers. Although Allstate claims they offer a 30-percent discount on medical and personal injury premiums, according to Road & Track magazine (May 1979), when Allstate agents were contacted for a quote on an airbag-equipped car, the discount turned out to be a whopping $3.44 on a $281.00 policy—not 30 percent, but closer to 2 percent.

They found a similar experience with Geico and Nationwide, the other major proponents of airbags. Some argue that the insurance lobby is far from self-righteous on this issue. They see in an airbag mandate a more expensive automobile and a more costly automobile to repair and as a result, larger insurance premiums, more interest earned and higher profits for the companies. The House should be aware that the claims of the insurance savings by the insurance lobby are as effervescent as the clouds over San Clemente.

Many emotional statements have been made that the Dingell-Broyhill amendment will eliminate a freedom of choice for the consumer if the amendment is passed. This is nonsense.

Let me point out that the 208 standard does not give manufacturers and consumers a freedom of choice in over 50 percent of the cars produced in this country. The majority of mid-sized and large cars produced have bench seats in the front. The only way to meet the 208 standard with bench seats is with airbags.

It has been pointed out in this debate many times in both the GAO and National Transportation Safety Board which found serious problems with the effectiveness of airbags and in fact have found the airbags could be a hazard to children.

In the face of these serious uncertainties, it seems irresponsible that airbags should be forced on at least 50 percent of auto purchasers. This is not to say that more research and testing cannot be done first to overcome these problems. But, adequate testing has not been done today. It appears that NHTSA has steadfastly refused to do this testing—we should find out why.

The question of product liability must be mentioned but there is little information on this subject as it relates to passive restraints. Product liability is expensive for firms to purchase. The small, independent garage service centers probably cannot afford it and so would not accept work to be done on airbag-equipped cars and even larger service repair centers such as authorized automobile dealerships are greatly concerned on the liability question if an automobile that the agency has worked on should be involved in a subsequent crash and the airbag not deploy in a frontal collision.

This matter of product liability needs research and analysis as well as the passive device, the bag, itself.

□ 1430

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, as a member of the subcommittee I would like to express my appreciation to the gentleman from Oregon (Mr. DUNCAN) who has worked very hard to put together a bill that will be acceptable to most of the Members. It is not easy with his subcommittee because he has people from many parts of the Nation pulling in opposite directions, and with different interests, such as trucking, waterways, airlines, and railroads. Mass transit people attempt to have mass transit within the cities, while the rural people hope perhaps those same dollars will be used in the rural areas for highways and improvements of the roadways there.

The gentleman seems to have everybody pulling at him in opposite directions.

By the same token, Mr. Chairman, the gentleman from Oregon (Mr. DUNCAN) has been able to bring forth a bill to the House, where it has often been said that if you satisfy everyone perhaps you are not doing your job. The gentleman has done as good a job as he possible could. He has presented us with a good bill which should help our transportation problems for the near future.

● Mr. CORRADA. Mr. Chairman, I rise in support of the amendments offered to H.R. 4440 by the gentleman from Arkansas, to wit:

First, an increase to the intercity bus subsidy from the zero the committee recommends to $15 million;

Second, an increase to the bus terminal development program from the zero the committee recommends to $20 million;

Third, to increase the funding for the safer off-system road program—better known as SOS—from the $35 million the committee recommends to $120 million.

These amendments, as our colleague states, undoubtedly attempt at least a redress of injustices proposed for those living in midsized cities, small towns, and rural communities in countryside areas. These amendments, if adopted, would maintain the bill still below the President's budget request and the first concurrent resolution level for transportation.

In particular, I have a great concern and interest in the SOS program, which was designed to make existing mileage safer, not to expand the road system.

This program should be preserved and properly funded. Austerity, which is the prevailing mood in Congress and one of the concerns of the administration, has led us to believe that a reduction of expenditures and the elimination of some Federal programs is the best approach to solve the economic problems faced by this Nation. I do not have any objection to reductions or elimination of Federal programs where it becomes necessary.

However, during the hearings held by the committee, considerable testimony was received on the importance of this particular program. There is a clear indication that the need for Federal assistance is present and necessary and that the SOS program should be preserved. When the committee says that $35 million will enable the States to proceed with the most urgently needed high priority safety improvements of system roads in our Nation, it is saying that a drop in the bucket will fill it to the rim. We are talking of a program that provides assistance to three-quarters of our Nation's highway network at a time when many safety improvements are urgently needed.

The amendments offered by Mr. ALEXANDER are realistic and meaningful. Local road safety is essentially a local responsibility. I am not quarreling with the fact nor saying that the Federal Government should assume the total responsibility for the safety of those roads. What I am saying is that we have a responsibility in giving meaningful assistance to the States in order to supplement their efforts in keeping their local roads safe which in last resort are the backbone of our main road system.

I urge you to support and vote for these amendments.

Mr. Chairman, I rise in support of the amendments offered by my colleague JAMES J. HOWARD, chairman of the House Subcommittee on Surface Transportation, House Committee on Public Works and Transportation, to H.R. 4440.

I want to commend the Committee on Appropriations for the efforts placed in appropriating adequate sums to finance the most urgently needed, highest priority requirements of the Department of Transportation and related agencies during fiscal year 1980. In fact the committee has responded in a responsible manner to our transportation needs in a period of inflation. However, there are still some programs that are considered important and that need adequate appropriations of funds. Among them is the

one known as the carpool/vanpool program. The modest amount of $4 million proposed by the gentleman from New Jersey for this program is necessary to save energy by reducing excess capacity in normal automobile travel. I support it.

Another important program is the 55-mile per hour enforcement effort. The amendment proposed by the gentleman is also intended to address both energy conservation and safety. The amount of $20 million may sound high but in fact it is not. The impact that this program intends to have is not measurable immediately but with proper enforcement this is a simple and effective energy conservation tool and we will be able to realize that this amount was worth its investment. The enforcement of the 55 miles-per-hour limit so far has proved to be a necessary and important program and I support it.

In relation to the amendments proposed by my colleague for the safer off system roads, I am inclined to support it but I will prefer that the amount of money appropriated for it be at the level recommended by our colleague BILL ALEXANDER. That is, instead of appropriating $40 million, we should appropriate $120 million. This is a more realistic figure having in mind the importance of this program. I also believe that the intercity bus subsidy as well as the bus terminal programs should be funded at the levels that Mr. ALEXANDER has in mind. That is, $15 and $20 million accordingly, not the $10 and $15 million that Mr. HOWARD believes should be appropriated.

I also support and endorse the amendments of Mr. HOWARD regarding the highway beautification program, the safety and information program, the innovative safety grants program and the transportation research centers. These are all important programs and I do not believe that by appropriating the modest amounts recommended by Mr. HOWARD we will be helping to increase the rate inflation.

To conclude, I also support and endorse the mass transit capital and the mass transit operating assistance programs. The funding of these programs will be helpful in supplying the capital necessary for increased mass transit ridership and to offset the new demand for public transit ridership, respectively.

All of the programs intended to be benefited by Mr. HOWARD's amendments could be classified by some as desirable rather than essential. I am of the opinion that they are essential since they are all an integral part of our national effort to improve our transportation system.

I urge you to vote for it.

Mr. Chairman, the arguments propounded by the gentleman from California (Mr. PANETTA) are well taken and I rise in support of his amendment.

Once more we have to deal with the divisive and to some extent emotional issue of the draft. Naturally, we are not talking here of the draft per se, but of the registration of males turning 18 in 1981. We have to deal with this issue and the latent possibilities of a draft by reason of the questions that have been raised about the All Volunteer Force. We are faced with the need of providing for the shortcomings of the required manpower of the services. Let me point out that we are here not to complain or to pass judgment on the failure of the system. We are here to find a solution to a problem. The security of America and our ability to protect the Nation must not be dealt on an emotional level. Let reason prevail.

Some voices have expressed their fears that compulsory registration may turn out to be the first step to resume a mandatory draft in time of peace.

I share some of these fears and concerns. We do not want our youngsters to give up their freedom of action and movement which in fact contradicts the basic values of our democratic society for light reasons or unnecessarily. However, we have to address this problem. The best approach at this time is the amendment of my colleague Mr. PANETTA to strike section 812 of H.R. 4040. This amendment does not preclude the House from eventually deciding during 1980 that some form of registration in 1981 is in the national interest. The gentleman is proposing in his amendment to add this registration plan to a list of committee recommended options in H.R. 4040, which the President is to study and then report to the Congress by January 15, 1980. With all the facts before us we will then be in a much better position to decide on the question of registration and on the issue of the draft.

I urge the House to adopt this amendment which in no way affects the original intention of the House Armed Services Committee to put into effect a plan within the next 2 years. This is a practical approach to the problem and a wise alternative.

I urge you to vote for it.

Mr. Chairman, time has come to give our civil defense program proper direction, clearly defined goals and multiyear authorizations to allow for long-range planning. Our civil defense program is inadequate and will remain far behind in serving its true purposes if we do not take the positive and corrective measures proposed by the gentleman from Missouri.

I rise in support of this amendment. I am convinced that this is the right approach. Not too long ago, we faced the Three Mile Island disaster; thanks to God nothing serious happened to the surrounding population. It was with great dismay that I watched how erratic the Federal Government acted and how the various Federal agencies fumbled and improvised all along the crisis. This should never happen again. One way of preventing chaos is precisely by having an effective civil defense program like the one described in this amendment.

I urge you to support and vote for it.●

Mr. ANDERSON of Illinois. Mr. Chairman, I must speak out in favor of the amendment to prevent the premature implementation of airbags in our Nation's cars. This amendment, introduced by Mr. DINGELL and Mr. BROYHILL, is critical to highway safety.

I stand in favor of highway safety and of improved safety for consumers. But, this question of airbags raises many questions of safety, and whether airbags really are an improvement, especially when bags cost at least $500 to $581 and as high as $825 according to Ford Motor Co.

The amendment calls for additional testing of airbags and other systems because they simply have not been proven in the laboratory.

Some people claim airbags are better than safety belts. Both systems meet, by the way, the safety standard No. 208. But the fact is that there has been little testing of crash situations except head-on. And even in these head-on tests both safety belts and airbags met the standards.

I would like to know how airbags perform in a full range of crash situations before I put my life on the line. I think we need to see the results of tests to compare airbags and safety belts before we can endorse any passive restraint system for our constituents.

The National Highway Traffic Safety Administration of the Department of Transportation is responsible for supervising such tests. But just recently, the General Accounting Office (GAO) severly criticized that agency for not adequately testing restraint systems.

The GAO reported potential dangers to children and people in "out-of-position" postures when airbags go off. GAO raised serious questions about the safety of sodium azide in airbag systems. This chemical may have cancer-causing agents. GAO reported it to have been shown to be a mutagen in animals.

GAO recommended additional testing and research because decisions affecting the real world have been made based on conflicting laboratory test data and engineering judgments. GAO reported that much uncertainty has been introduced because of limited testing.

There is no question that improved highway safety is a good thing. But we must be sure of what we are doing.

The test data has shown that safety belts are proven in a full range of crashes. The airbags have only been tested in frontal crashes. What about testing side crashes, rollover crashes, and collisions with poles, trees, and other objects besides a laboratory wall.

The objectives of the new safety standard are to provide safety systems requiring no action by the occupants of the car. Safety belts do in fact provide this level of safety, but require buckling up, an active process. I see no danger to the American public by passing this amendment.

The safety of America's travelers is still maintained if they only buckle up while the Government tests the passive systems a little longer. I think more damage could be done by requiring airbags that do not afford any protection in rear-end crashes, or rollovers, or side crashes, than by delaying implementation of this standard until the test results clearly support the best system.

After sufficient testing we would hope to then know which is the better way to go and we can follow that path. I urge

my fellow colleagues to support this amendment which calls for additional testing of passive restraints and puts a halt on the mandatory requirements for such devices.

Too many questions remain unanswered and the cost and risk is simply too great. This amendment should be passed.

● Mr. WALGREN. Mr. Chairman, I want to voice my support for the amendment offered by the gentleman from Oregon. Congressman DUNCAN, to increase the apropriations for public transportation programs by $160 million.

With severe gasoline dislocations and shortages coupled with unnerving and never-ending gas lines, the importance of this amendment is clear. Public transportation is a vital component of a mobile society, a necessity to many Americans, yet is being treated as the stepchild of our national transportation system.

Earlier this year I wrote to Secretary Brock Adams expressing my concern over the unconscionable shortchanging of our public transportation system by the administration. Despite the clear congressional intent for an increased commitment to public transportation through last year's passage of the Surface Transportation Assistance Act, the administration's 1980 budget request for public transit assistance was at the same level as the 1979 request, an incredible $672 million shortfall from amounts authorized by the Congress for section 3 and section 5 public transit assistance.

Last Sunday's energy speech by President Carter gave us the first sign that this administration now intends to make an important commitment to public transportation as a battle to win in the energy war. But the $1 billion per year that the President wants to add to our public transportation budget over the next 10 years awaits final approval of the windfall profits tax. But we simply cannot wait the months necessary for those dollars to help our public transportation system.

The Duncan amendment provides a very modest $76 million in additional funding for public transportation, less than one-tenth of what the President hopes to eventually add each year to this effort. But the Duncan amendment commits the money now.

And now is when we need it. In my district in Pittsburgh, bus and streetcar ridership has shown the dramatic increases evident throughout the major metropolitan centers of America. June 1979 ridership in our countywide area was up over 15 percent over ridership 1 year ago. Specific bus and streetcar routes in my district have risen phenomenally to the point where our system is under severe strain. The Greentree-Carnegie bus is up 18 percent; the McKnight Road bus is up 20 percent; the Perry Highway bus is up 28 percent; and the Mount Lebanon-Oakland bus is up 31 percent.

Mr. Chairman, no public transportation system can be expected to absorb such massive increases in ridership without help. If we care about saving energy by encouraging our citizens to shift from one-passenger cars to buses, streetcars, and subways, we must help our public transit system to meet the demands of this higher ridership.

This Monday, the House of Representatives approved a $1.7 billion appropriations bill to complete construction of the Metro system in the Greater Washington, D.C., area. The funds provided by the Duncan amendment pale in comparison. But until the President's commitment of $10.5 billion for public transportation can be implemented through final approval of the windfall profits tax, the $160 million which this amendment provides is desperately needed.

Mr. Chairman, I respectfully urge my colleagues to join with me in this positive step toward meeting our energy goals.●

● Mr. GONZALEZ. Mr. Chairman, the Committee on Appropriations has a difficult and significant task in addressing the question of transportation appropriations.

In a very large sense, the committee has had to contend with an energy policy—for transportation consumes no less than a third of all the energy this country uses. I know that the committee realizes this, and has endeavored to bring forward recommendations that will improve and enhance our transportation systems and at the same time address the need for greater fuel efficiency.

With that in mind, I note that the committee reduced the appropriation for paratransit programs administered by the Urban Mass Transit Administration—I refer to page 45 of the report. This is for research. This would be a $2 million cut from current research levels. I know that the committee—and I suppose everyone else—is unhappy with the so-called transbus project. But at the same time I am interested in research efforts that will make urban transit more flexible and more efficient. Not long ago I suggested, for instance, that the San Antonio Metropolitan Transit Authority provide vans to lease to employers who wish to set up van pool programs. It seemed to me that the transit agency could thereby enable even small employers to get into van pool operations. At the same time, this kind of approach would show that transit can be innovative and flexible.

I also think that there ought to be a fair amount of research into the design and construction of smaller transit vehicles. There are many places even within large cities that cannot be well or efficiently served by heavy duty buses. Yet there is hardly any type of light bus available that is comfortable or durable enough to provide neighborhood bus service. I would hope that the committee does not intend by its reduction to reduce the type of research that is needed to make our urban transit systems as flexible and effective as they need to be.

I have a specific question with respect to Amtrak.

My understanding is that a general agreement has been reached between the Department of Transportation, the authorizing committee, and the Appropriations Committee, to increase the number of trains that would be left on the Amtrak system for 1980. The authorizing committee has provided a bill with a formula to be used for determining which trains would be added to the system and which would not.

Is it correct that the committee will support an amendment that would add funds to this bill for the purpose of saving certain Amtrak routes that are now set for abandonment? Would the committee accept an amendment to keep a modest number of long distance trains in service—particularly, those trains that serve the Midwest and Southwest? It would be unacceptable, to me at least, to accept the plan put forward earlier this year, which would have had no regional balance whatever.

Second, and also with respect to Amtrak, the committee report refers to a Congressional Budget Office study that says Amtrak is not likely to be a good bet for energy savings, either now or in the future. But my understanding is that this study was based on 1977 ridership figures, whereas today Amtrak is in a different situation entirely. Fuel costs more today, we are all being asked to conserve, and Amtrak has customers literally breaking the doors down. Would it not be possible, even likely, that all the basic assumptions of that report are now open to question, if they are not already completely discredited? ●

● Mr. STEWART. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I rise in support of H.R. 4440, a bill making appropriations for the Department of Transportation and related agencies for fiscal year 1980.

Mr. Chairman, I commend the distinguished chairman of the subcommittee, the gentleman from Oregon. He has conducted the hearings in a very thorough and fair manner. The taxpayer can be assured that the gentleman from Oregon is going to make certain that every dollar appropriated will be used in the manner that the Congress intended that it be used.

Mr. Chairman, I think that the bill before us meets the transportation needs of rural and urban America.

I am most concerned that the Urban Mass Transportation Administration respond to the transportation needs of our large urban areas. The subcommittee has been most responsive to the needs of large urban areas by increasing the tier II appropriations by $50 million over the President's fiscal year 1980 budget request. The subcommittee appropriated $200 million for tier II funding.

The committee has appropriated $630,000,000 for the modernization and extension of existing fixed guideway systems. The report to accompany the bill gives some very positive directions to Urban Mass Transportation Administration. To quote from the report:

> As stated last year, the committee believes that Urban Mass Transportation Administration should direct increased attention to the maintenance, rehabilitation and modernization of these existing rail transit systems.

And the committee report specifically enumerates the rail transit systems to

which it refers. I can assure the Urban Mass Transportation Administration that I am looking forward to discussing with officials from this agency during the hearings next year, their responsiveness to this directive of the committee.

Another cause of concern to me is the compliance of the Federal Railroad Administration with section 905 of Public Law 94–210, the Railroad Revitalization and Regulatory Reform Act. Section 905 states:

No person in the United States shall on on the ground of race, color, national origin, or sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under, any project, program, or activity funded in whole or in part through financial assistance under this Act.

And under section 905(f) financial assistance is defined so as to include "obligation guaranties."

I raised this issue with the Federal Railroad Administration representatives when they testified before the subcommittee. I am not convinced the Administration is complying with this section and I am not satisfied with their answers. This is a matter which I intend to pursue further.

In another section, the committee report directs that the Federal Aviation Administration, "In administering the newly reenacted program, the committee expects FAA to follow past practices in promulgating regulations to carry out the program and directs FAA not to use regulations or administrative procedures to exclude any class of eligible carrier from the program or to reduce the program level contained in the accompanying bill." It is my understanding that this language may obviate some of the difficulties to the further revitalization of Midway Airport on the south side of Chicago.

Further, I strongly support the amendment which the chairman will offer in the Committee of the Whole to H.R. 4440 which will increase the appropriation level for urban and rural transportation systems. I think this amendment, the committee amendment, is balanced and responsible. I urge its adoption.

Mr. Chairman, this is a good bill. The committee amendment will make it a better bill. Both respond to the transportation needs of our country. I urge adoption of the bill with the committee amendment.●

● Mr. BROYHILL. Mr. Chairman, later this week Congressman JOHN DINGELL will be offering an amendment to H.R. 4440 which will prohibit the use of funds for the implementation or enforcement of the airbag portion of the National Highway Traffic Safety Administration's motor vehicle safety standard 208. The amendment will also clearly exempt the use of funds for any research and development activity relating to the airbag and other occupant restraint systems—for example, passive belts. I support this amendment because I strongly believe that we need more research on the airbag. Many of the questions which were part of the public debate which surrounded the passive restraint standard at the time of its promulgation remain unanswered. Since that time new questions have arisen as well. Briefly, these questions include the following:

Are the National Highway Traffic Safety Administration's estimates of the airbag's life-saving potential well founded?

The NHTSA has estimated that passive restraints, when installed in all cars, will prevent about 9,000 traffic fatalities and 65,000 serious injuries each year. These figures are uncertain according to the GAO in their draft report on passive restraints. They are uncertain because they are based primarily on laboratory test data—for example, crash tests and sled simulations performed in various crash modes—and NHTSA engineering judgment.

Laboratory crash conditions are, at best, a limited and simplified simulation of real world crash conditions. While these tests do confirm that passive restraints offer some potential for benefits in frontal collisions, they cannot confirm the NHTSA estimates with the degree of certainty which the agency attributes to them. Furthermore, the greatest concentration of laboratory testing was conducted in the 90-degree full frontal crash mode. Frontal oblique or off-set crash modes, as well as side, rollover, and rear crash modes were not conducted as extensively, thus failing to make the testing representative of the full spectrum of real world crashes. These factors, along with the extensive reliance on engineering judgment in the absence of real-world data, seriously concerned the GAO and formed the basis in part of their recommendation calling for more real world experience with passive restraints.

Are out-of-position occupants, particularly small children, safe when the airbag deploys?

If an auto occupant is sitting in such a position that he or she does not strike the center of the airbag, some test results indicate not only reduced performance of the airbag but also some dangers to such occupants. NHTSA asserts that newer airbag technology has eliminated these dangers. No tests have been run to confirm this. In January of this year, GM reported to the NHTSA that their tests on out-of-position occupants indicated a potential danger to out-of-position children from its passenger-side airbag system. Because of these test results, GM may not be able to continue to plan production of the present passenger-side systems; GM had planned to introduce airbags into its 1981 model year production, 1 year before the mandate becomes effective. Volvo has had similar adverse results on their tests for out-of-position children. There does not appear to be any agency plans to conduct out-of-position occupant testing at this time. Such testing is obviously needed and should be undertaken as soon as possible to define this problem and amend the standard if necessary.

Do we have enough field experience to prove the airbag's effectiveness and reliability?

Actual field experience with airbags is limited to a little over 12,000 cars, more than 200 of which have actually been involved in deployment crashes. It is the GAO's position that the "field data is still too limited to either support or refute the Safety Administration's estimates." Everyone, including the NHTSA, has agreed that the injury data from these crashes, particularly the number of fatalities, has been too limited to provide statistically significant results with respect to the airbag's effectiveness and reliability. Field experience with passive belts is far more extensive; over 75,000 Volkswagen Rabbits equipped with passive belts have been sold. The GAO recommends that more field experience is necessary to measure the effectiveness of airbags in the real world; and that it must be done in cooperation with all affected parties.

The National Transportation Safety Board has made similar recommendations in its safety effectiveness evaluation on the National Highway Traffic Safety Administration's passive restraint evaluation program dated March 16, 1979. The Board found that, while the agency is committed to evaluating the real-world effectiveness of the passive restraint standard, their "current evaluation program is unorganized." The Board found that—

[C]onflicting information was provided by different elements within the NHTSA.

With respect to its evaluation planning efforts, and that—

[T]here is no apparent sense of urgency within the NHTSA to develop more detailed plans.

While the NHTSA has indicated that they place a high priority on this activity and that their plan should meet the criteria spelled out by the NTSB's report, time moves on and critical questions remain unanswered, all of which should be addressed before millions of airbags appear on our Nation's highways.

Is sodium azide safe for: First, auto occupants; second, airbag-production workers; third, auto-scrap industry workers; and fourth, the environment?

Numerous questions remain as to whether or not the use of sodium azide as a solid propellant in millions of airbag systems poses health and safety risks. Sodium azide is highly toxic. Sodium azide is a known mutagen in plantlife and some animal cells. It may also be a carcinogen since most mutagens are also carcinogens. There has not as yet been sufficient testing to determine whether or not it is a mutagen and/or a carcinogen in humans. While admittedly the use of sodium azide is the choice made by the auto manufactuers and their suppliers—a design choice—it seems risky to proceed with a standard that calls for the use of 2 to 3 million pounds of sodium azide each year by the agency's calculation and not know the answers to these questions. With respect to auto occupants and their exposure to sodium azide, the NHTSA argues that the amounts are so minute that there is no risk to auto occupants. I do not believe this is a satisfactory answer because we do not even know if sodium azide is a mutagen and/or a carcinogen to humans. If it is, should humans be exposed to any amount as the airbag deploys?

With respect to airbag-production workers, the one company with extensive

sodium azide production experience has reported about 50 cases of acute intoxication of production workers from sodium azide. No study on the long-term effects of sodium azide on production workers has ever been done, although one such study is underway now but will not be completed for some time. With respect to auto-scrap industry workers and the environment, the whole question of the disposal of cars with unfired airbags arises. While the agency indicates that they are "looking in great depth with the industry at the best means of insuring the safe disposal of cars equipped with airbags," they do not believe immediate action is necessary because the number of cars with unfired airbags would not become significant until mid to late 1990's. It would seem prudent, in light of the extensive use of sodium azide which the standard will necessitate and the various hazards related to its use, that the agencies; that is NHTSA, OSHA, and EPA who have a statutory responsibility to protect us against these hazards, should conduct additional research and develop a coordinated and responsible Federal policy on the use of sodium azide in airbags before it becomes a serious problem to the motoring public and the environment.●

● Mr. CONTE. Mr. Chairman, we submit for your consideration today the bill, H.R. 4440, making appropriations for the Department of Transportation and related agencies.

As ranking minority member of the Subcommittee on Transportation Appropriations, I want to express my appreciation to the members of committee for their cooperation during the hearings on this bill. I especially want to thank the distinguished chairman from Oregon, Mr. DUNCAN, for his active leadership in developing this legislation. We have worked as a team on this bill rather than on a partisan basis.

The committee, I believe, has carefully reviewed the programs of the Department of Transportation and related agencies, and is recommending what we consider to be sufficient funds to enable these agencies to adequately meet the requirements of our Nation's transportation system. The committee in its deliberation has achieved the above stated goal in a fiscally responsive manner.

SUMMARY OF THE BILL

The bill includes a total of $18,685,491,000, of which $9,522,515,782 is new budget authority and $9,172,751,000 is liquidating cash. The total amount of new budget authority is $152,453,000 below the administration's budget request of $9,674,968,782. It is also well within the target established by the first concurrent budget resolution.

The total amount of appropriations to liquidate contract authorizations is $115,000,000 less than the $9,287,751,000 requested and $452,749,000 less than the $9,625,500,000 appropriated for fiscal year 1979.

The recommended amount is $710,599,686 more than the $8,801,916,096 appropriated to date for the current fiscal year. Of the $9,512,515,782 recommended, $9,087,515,782 is for fiscal year 1980 and $425,000,000 is an advance appropriation for fiscal year 1981. The committee has deferred consideration of two fiscal year 1981 requests amounting to $1,535,000,000.

In analyzing the committee's reductions it is important to keep in mind that fiscal year 1980 reduction involves two major technical changes from the budget which have virtually no impact on fiscal year 1980 Federal spending. The committee recommends rescission of certain contract authority for interstate transfer grants. However, sufficient direct appropriations have been recommended to maintain the $700,000,000 program level requested in the budget for fiscal year 1980.

The second change involves the new Panama Canal Commission. Since no budget request has been submitted to operate the Commission as an appropriated fund agency, the $279,588,000 included in the bill for the first 6 months of operation is shown as an increase over the President's budget. The committee still expects to receive a budget request for the balance of the fiscal year.

If these two appropriations were excluded from the computations, the new budget authority in the bill for fiscal year 1980 would be $58,941,500 less than the comparable budget figures.

SELECTED MAJOR RECOMMENDATIONS

I call the attention of the members of of the committee to the summary on page 4 of the report. The major recommendations are as follows:

First, the appropriation of $2,090,520,000 for the operations and activities of the Federal Aviation Administration, $6,596,000 less than the budget request;

Second, an increase of $35,000,000 over the budget for the safer off-system roads program;

Third, the appropriation of $772,300,000 for Federal grants to Amtrak;

Fourth, approval of the full fiscal year 1980 request of $550,000,000 for the purchase of securities of the Consolidated Rail Corporation (ConRail);

Fifth, an increase of $50,000,000 over the budget for "second tier" operating assistance for urban mass transportation;

Sixth, a general provision providing for obligations of not to exceed $8,500,000,000 for Federal-aid highways;

Seventh, an increase of $5,410,000 and 429 positions over the budget for operating expenses of the Coast Guard;

Eighth, approval of the budget request of $481,000,000 for the Northeast corridor improvement project;

Ninth, the appropriation of $1,280,000,000 for the urban discretionary grant program of the Urban Mass Transportation Administration;

Tenth, a general provision limiting aircraft loan guarantees during fiscal year 1980 to $500,000,000;

Eleventh, net reductions in the Department of Transportation's research and development programs amounting to $10,570,000; and

Twelfth, a general provision providing for obligations of not to exceed $620,000,000 for airport development grants.

The chairman has already mentioned many of the major items in this bill. I will discuss a few areas that I believe are of major interest and concern.

OFFICE OF THE SECRETARY

For the Office of the Secretary we have provided $43.8 million for fiscal year 1980. This is $3.2 million under the budget estimate and $657,000 under last year's budget figure. The committee's recommendation includes a reduction of $350,000 from the amount requested for contractual services in connection with the Department's responsibility in the litigation arising from the creation of Con-Rail. The committee feels that the principal responsibility for litigating this case rests with the U.S. Railway Association (USRA).

Secretary Adams, in his appearance before the committee, discussed his challenge to the automobile industry to "reinvent" the automobile. In doing so he advocated the development of a car which is extraordinarily energy efficient, safe and acceptable to the consumer. The committee agrees with the Secretary that it is wise to encourage the rapid generation of new ideas and the stimulation of innovative thinking with respect to technological breakthroughs in the automobile industry.

COAST GUARD

We have included $1.6 billion for the Coast Guard, of which $765,000 is under the administration's budget, and $110 million is over last year's. The appropriation will enable the Coast Guard to be adequately supplied in both personnel and equipment.

This is my 21st year of serving in an oversight capacity in regards to the Coast Guard by virtue of my appropriations assignment. The Coast Guard has always presented us with a tight budget and this year is no exception. I think it is one of the finest military outfits we have in this country.

For fiscal year 1980 the subcommittee made increases in several accounts including operating expenses, and acquisition, construction, and improvements. These increases are offset by a reduction of $8 million in the alteration of bridges account, which nonetheless allows for the continuation of three projects. Other reductions include the safe boating assistance program and the elimination of shipping commissioners, whose primary duty is to represent the Coast Guard at the time of hiring and discharge of crews on U.S. merchant ships.

The $110 million increase over last year's budget is to a large part attributable to the fact that the Coast Guard has new responsibilities under the Outer Continental Shelf Land Act Amendments of 1978 which were signed into law on September 18, 1978.

Titles II and III of this legislation authorized significant increases in the Coast Guard's regulatory and response missions to protect life and property at sea, and to protect the marine environment.

Until recent years almost all of Outer Continental Shelf petroleum as gas development was concentrated in the Gulf of Mexico; but oil lease sales have now also taken place in Alaskan winters, as

well as along the California and Atlantic coasts.

Pursuant to title II, the Coast Guard must conduct annual, as well as periodic, unannounced inspections of all Outer Continental Shelf facilities. Current estimates are that it will be about 2 years before all of these facilities have been inspected for the first time. Although no budget request has been submitted to implement this title, the committee believes that funding should be provided in this bill, and has recommended $2.3 million to permit the Coast Guard to respond to these increased responsibilities in a timely manner.

The addition of this fund and the probable passage of the more comprehensive super fund clearly project the Coast Guard into a new arena of responsibility.

FEDERAL AVIATION ADMINISTRATION

For the Federal Aviation Administration we have included over $2.5 billion which is nearly $17 million below the budget request, but $58.7 million more than last year's budget. We have also placed limits of $500 million on Federal Government guarantees of private aircraft loans. This is an increase of $400 million over the level proposed in the budget. In recommending the $500 million level the committee believes that $150 million should be earmarked for commuter carriers serving local communities. This should insure the continued or improved air service to these localities that were contemplated by the Airline Deregulation Act. The bill also includes a limitation of $620 million for development grants financed under contract authority. This is an increase of $70 million over the budget request.

The major increase over fiscal year 1979 is contained in the airport development grants account. The committee has approved the full request of $610 million in liquidating cash which is $60 million more than the amount appropriated for fiscal year 1979.

One of the major budget reductions was achieved in the air traffic control staffing account. Total program reductions amount to $6.6 million. In response to an investigative staff review of the program, on March 15, 1979, FAA provided the committee with a progress report on the actions taken on the recommendations contained in the investigative report. This progress report is contained on pages 428 through 431 of part 6 of the hearings. FAA in its response indicated that these new standards, which will generate a lower staffing requirement, namely 23,714 positions, than the old standard, will be applied to the fiscal year 1981 budget, and to adjusting fiscal year 1980 budget needs. Nevertheless, the committee, impressed with the testimony of the professional air traffic controllers increase by 218, the position level which would be required under FAA's new staffing standards.

And finally, the same as last year, the committee recommends language limiting funds for the second career training program to the personnel who were in the program prior to October 1, 1978.

FEDERAL HIGHWAY ADMINISTRATION

For the general budget of the Federal Highway Administration we have provided nearly $107 million. Despite the fact that this is approximately $6.3 million over the budget, it represents a decrease of $144 million below the fiscal year 1979 level.

The increase over the budget is largely due to the committee's recommendation of an appropriation of $35 million for the construction, reconstruction and improvement of public highways, not on the Federal aid system. The Administration recommended zero funding for this program. The committee received considerable testimony on the importance of this program to local communities. Other programs in this account include motor carrier safety, $13.7 million; highway safety, research, and development, $9.5 million; railroad highway crossing demonstration projects, $20 million; and territorial highways, $6.6 million. In addition to these programs, the bill includes an increase of $4 million over the budget for the bicycle program which was authorized by section 141 of the newly enacted Surface Transportation Assistance Act.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

We have provided $82.6 million for the National Highway Traffic Safety Administration, which is $4.9 million below the administration's request and $752,000 below the fiscal year 1979. In recommending a reduction of $4.9 million, the committee expressed its belief that sufficient resources will be available for the significant automobile saftey and fuel economy programs proposed by the National Highway Traffic Safety Administration. The reductions are comprised as follows:

Rulemaking programs, $900,000;

Enforcement, $250,000;

Highway safety, $1.6 million;

Research and analysis, $1.8 million; and

General administration, $294,000.

The committee's recommendation includes neither the program to develop crashworthiness ratings for automobiles, nor funds for the public participation program.

The committee directs the National Highway Traffic Safety Administration to determine to what extent duplication or potential for duplication exists among its many data collection systems. As part of this exercise, the National Highway Traffic Administration is to implement a plan to eliminate duplication of effort and unnecessary costs, and to report to the committee before January 1, 1980, the results and justifications for each data system retained.

FEDERAL RAILROAD ADMINISTRATION

For the Federal Railroad Administration, we have provided nearly $1.538 billion which is nearly $133 million less than the administration's request, but $65 million above the fiscal year 1979 budget. The amount includes $25.9 million for railroad safety. Nearly $54.7 million for railroad research and development, and $92.2 million for rail service assistance. This amount includes $75 million for local rail assistance, which is an increase of $8 million over the budget request. This is a good program which I believe deserves this additional funding. The budget request included $250 million for a new railroad restructuring assistance program to replace the existing title V preference share program. Such restructuring assistance legislation has not been considered by the Congress during this session, therefore, the committee has not approved any of the funds requested for this program.

The committee recommends the full budget request for $481 million for the reconstruction and improvement of the railroad plant and right-of-way between Boston, Massachusetts, and Washington, D.C. As the report language indicates we were concerned about serious slippage in meeting the project's construction goals. As a result of the goals established in the redirection study, the committee believes that the steps that have been taken are in the right direction. Testimony indicates that the performance during the 1978 construction season was substantially better than during the previous season.

URBAN MASS TRANSPORTATION ADMINISTRATION

The recommended funding for UMTA for 1980 amounts to $3.5 billion, including $2.78 in direct appropriations, and $775 million in contract authority. With respect to the administrative expenses the bill includes an appropriation of $19.3 million. This amount, plus the use of $1.6 million of unrestricted authorities, should provide sufficient funds for UMTA's personnel and support requirements. This is $56.4 million more than the budget request and $62.2 million more than the fiscal year 1979 level.

A summary of the committee's recommendations by account are as follows:

Administration and research, $82.8 million;

Urban discretionary grants, $1.28 billion;

Rural and small urban grants, $75 million;

Urban formula grants, $1.425 million;

Waterborne demonstration, $10 million; and

Interstate transfer grants, $700 million.

With respect to the urban initiatives program, the committee is recommending a level of $80 million, of which $17 million is to be provided for the continued development of South Station in Boston, Mass. It is important to note that the funding level for urban initiatives has been reduced by $120 million because we do not believe that more than $80 million should be diverted from the basic section 3 programs which are essential if public transportation is going to survive in our Nation's cities.

With respect to implementation of the regulations issued pursuant to section 504 of the Rehabilitation Act of 1973, the committee is concerned that it might require the expenditure of vast sums with only minimal benefits to handicapped persons. Transit people estimate a cost of $8 million to implement the section 504 regulations. One study the committee read indicates that 90 percent of the cost of implementation, section 504,

would benefit as few as 4,000 people. If these statistics are right, that means a cost of $1.8 million per person.

Section 321 of the Surface Transportation Assistance Act requires a study of this issue. Pending the completion of that study, the committee is recommending language which would prohibit the use of funds to retrofit any existing rail transit system to comply with the section 504 regulations.

NATIONAL TRANSPORTATION SAFETY BOARD

The National Transportation Safety Board has received $16.7 million, its full budget request. This is $1.13 million more than the amount appropriated for fiscal year 1979. This increase is primarily to cover pay costs, inflation, and additional accident investigations. NTSB serves a vital function to the public by investigating the causes and developing recommendations to prevent accidents, such as the recent airplane crashes at San Diego and Chicago. This expertise is a vital component of securing public confidence in our national transportation system.

CIVIL AERONAUTICS BOARD

We provided the CAB with $28.3 million, a reduction of $24 million below the administration's request for salaries and expenses. The committee also recommends the full budget request of $76.1 million for payments to air carriers. This includes $69.1 million for existing 406 subsidy program, and $7 million for a new section 419 program that requires the Board to guarantee with a subsidy if necessary, a minimum level of air transportation to eligible communities.

The committee is pleased to report that the Deregulation Act has increased competition, as well as reduced the price of airfare to the public.

ICC

For the ICC, we included an appropriation of $76.1 million, a reduction of approximately $5 million from the administration's request. Part of this reduction is attributable to the elimination of the rail public counsel. It is the view of our committee that the Commission has the capability of insisting that the public interest be represented within the Commission's existing resources.

Last year, Congress mandated that the Commission hire 30 additional qualified rail service agents. At the time of our hearings, The ICC had not completed that mandate and many rail service agents which were hired were not qualified. It is our recommendation that the ICC finish the hiring of 30 rail service agents, and that they all be qualified to assist the railroads in improving their freight service.

PANAMA CANAL

The funding recommendation for the Panama Canal is $255 million for operating expenses and $25.1 million for capital outlay. This appropriation is for the 6-month period from October 1, 1979, through March 31, 1980. It is essential that this appropriation be made, notwithstanding the fact that the Panama Canal implementing legislation has not been signed into law. This will provide for the continual operation of the canal while the final financial arrangements are being resolved.

UNITED STATES RAILWAY ASSOCIATION

The bill allocates $23.9 million for the administrative expenses of USRA and $550 million for the purchase of ConRail securities. The committee is conscious of the need to hold down litigation costs and feels that the recommended amount is sufficient to effectively litigate the issue of valuation of the assets transferred from the bankrupt railroads to ConRail.

The committee is concerned about the windfall which has inured to many ConRail employees as a result of title V employee protection payments. Consequently, we have placed a limitation in the bill which prevents payments from passing under title V after December 31, 1979, unless an employee has been actually deprived of employment, or if one's employment has been materially diminished.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Finally, our bill provides for an increase of $14,187,000 over the budget estimate for fiscal year 1980 for WMATA. Prior to the distribution of these funds, the Secretary is permitted to establish terms and conditions that the local government must meet in order to obtain these funds. This is consistent with the need to exercise close control over the financing of the necessary capital and operating costs of the system.

THE SAINT LAWRENCE SEAWAY

The Saint Lawrence is recommended to receive the full Presidential budget request of $1,372,000 to pay for the operation and maintenance of the Saint Lawrence Seaway between Montreal and Lake Erie.

CONCLUSION

Due to the recent upsurge in mass transit ridership, and the ever constricting energy supply and hints of a future recession, the subcommittee has felt it necessary to alter its original recommendation and urge the increased funding of this labor intensive enterprise; therefore, the subcommittee is requesting an additional funding of $242.5 million. Likewise, Amtrak has also felt these same pressures, and the subcommittee is urging additional funding of $40 million. The cumulative impact of these major amendments is an increase of $282.5 million over the committee's original request.

I say to my colleagues this represents, in my judgment, a well balanced budget for fiscal year 1980 for the Department of Transportation and related agencies.

Before yielding the floor, let me express my gratitude for the manner in which the distinguished chairman of the Appropriations Committee (Mr. WHITTEN) has carried out his responsibilities this year. He has done a remarkable job in seeing that the hearings, markups and so-forth of appropriations bills are conducted in a manner that enables the appropriations process to meet the many deadlines and schedules that are set for us.●

● Mr. OBERSTAR. Mr. Chairman, during the markup of the Coast Guard fiscal year 1980 authorization, I offered an amendment in the Merchant Marine and Fisheries Committee to authorize $500,000 for a fixed aid-to-navigation in the St. Mary's River in Michigan.

The Subcommittee on Transportation Appropriations met to consider the fiscal year 1980 appropriations bill prior to enactment of this authorization. The legislation before the House today does not appropriate any funds specifically for the fixed aid-to-navigation.

The committee report does, however, note the authorization and state that sufficient unobligated funds exist in the Coast Guard appropriation to install the fixed aid-to-navigation. I will be working in the new fiscal year to encourage the Coast Guard to act to install the fixed aid. The Coast Guard itself has identified the need for 10 fixed aids in conjunction with the extended shipping season program on the Great Lakes.

In authorizing one fixed aid, the Merchant Marine and Fisheries Committee recognized the critical importance of the Pt. aux Frenes site. In recent years, two ore boats have grounded in late season with estimated damages in excess of $3 million. The weather conditions of late fall and winter require the fixed aid at Pt. aux Frenes.

The Coast Guard has a suitable design for the fixed aid.

While the initial cost of the aid is, of course, higher than the buoys, the maintenance costs are far less. The fixed aids are not removed in late fall and returned in the spring as the buoys are. The buoys also suffer considerable damage from ice at the end of the navigation season.

The fixed aid would be a wise use of unobligated funds.●

Mr. DUNCAN of Oregon. Mr. Chairman, I have no further requests for time.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. DUNCAN of Oregon. I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 4440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes, namely:

Mr. DUNCAN of Oregon. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. STUDDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. DUNCAN of Oregon. Mr. Speaker, I ask unanimous consent that all Mem-

bers may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4440.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CARNEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 217, nays 5, not voting 212, as follows:

[Roll No. 370]

YEAS—217

Abdnor
Akaka
Ambro
Anderson, Ill.
Annunzio
Atkinson
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Carter
Cavanaugh
Chappell
Coelho
Collins, Tex.
Conable
Corcoran
Corman
Coughlin
Courter
Daniel, R. W.
Dannemeyer
Daschle
de la Garza
Deckard
Dingell
Dixon
Donnelly
Drinan
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Calif.
English
Erdahl
Ertel
Evans, Ind.
Fenwick
Findley
Fisher
Fithian
Flippo
Florio
Foley
Fountain
Fowler
Frenzel
Fuqua
Gaydos
Gephardt
Ginn
Gonzalez
Gore
Gradison
Gramm
Grassley
Guarini
Guyer
Hall, Ohio
Hamilton
Hance
Hansen
Harkin
Harris
Hawkins
Hightower
Hinson
Hopkins
Horton
Hubbard
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
Lagomarsino
Leach, Iowa
Lehman
Leland
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lowry
Lujan
Lungren
McClory
McCloskey
McCormack
McHugh
McKinney
Maguire
Markey
Marlenee
Mathis
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Oakar
Oberstar
Obey
Paul
Pease
Perkins
Peyser
Pickle
Price
Pritchard
Rancel
Ratchford
Reuss
Rinaldo
Roberts
Robinson
Roth
Roybal
Runnels
Sabo
Santini
Satterfield
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Solars
Spellman
Spence
St Germain
Stack
Staggers
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Trible
Van Deerlin
Vento
Volkmer
Walgren
Wampler
Watkins
Weaver
White
Whitehurst
Williams, Mont.
Wilson, Tex.
Wolff
Wolpe
Wright
Wyatt
Yatron
Young, Mo.
Zablocki

NAYS—5

Carney
Derwinski
Holt
McDonald
Mitchell, Md.

NOT VOTING—212

Addabbo
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badham
Baldus
Beard, Tenn.
Bellenson
Boland
Boiling
Boner
Breaux
Brinkley
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Conte
Conyers
Cotter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Danielson
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Devine
Dickinson
Dicks
Diggs
Dodd
Dornan
Dougherty
Downey
Early
Eckhardt
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Frost
Garcia
Giaimo
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gray
Green
Grisham
Gudger
Hagedorn
Hall, Tex.
Hammer-schmidt
Hanley
Harsha
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Howard
Huckaby
Hughes
Hutto
Jenkins
Johnson, Colo.
Kindness
LaFalce
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Lloyd
Long, Md.
Lott
Luken
Lundine
McDade
McEwen
McKay
Madigan
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Michel
Mikva
Minish
Moakley
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nedzi
Nelson
Nolan
Nowak
O'Brien
Ottinger
Panetta
Pashayan
Patten
Patterson
Pepper
Petri
Preyer
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Richmond
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Royer
Rudd
Russo
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Shannon
Shuster
Snowe
Snyder
Solomon
Stangeland
Stanton
Stark
Stokes
Stump
Symms
Thompson
Traxler
Treen
Udall
Ullman
Vander Jagt
Vanik
Walker
Waxman
Weiss
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Zeferetti

□ 1450

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4034, with Mr. SEIBERLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. BINGHAM) will be recognized for 30 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I yield myself 9 minutes.

Mr. Chairman, H.R. 4034 is the product of a great deal of consultation and mutual accommodation with the executive branch and among various individuals and groups within the Congress.

I want to express my appreciation for the support of the chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI), and the other members of the committee, particularly the members of the subcommittee who worked very hard on this legislation. I would particularly like to express my appreciation to the ranking minority member, my friend and colleague, the gentleman from California (Mr. LAGOMARSINO), who offered many constructive amendments to this legislation and who devoted a great deal of time and attention to it. We have a better bill before the House today because of his efforts and willingness to resolve problems constructively.

The subcommittee received suggestions and useful comments from many public groups, and the subcommittee appreciates the work of each of those organizations. In particular, however, I would like to mention the helpful suggestions and support we received from the National Governors Association, which took a very active interest in this legislation. The association, I am happy to say, strongly supports this legislation, as do other groups which I will mention later.

Mr. Chairman, this bill would accomplish the first major reform of the export control system in 10 years—a reform more of procedures than of policies. It would extend the export control authority, which would otherwise expire September 30 of this year, to September 30, 1983. The bill extends, without any change whatsoever, the legislation approved by the Congress in 1977 restricting American participation in foreign boycotts against countries friendly to the United States. It also retains congressional veto over any action by the executive branch to restrict the export of agricultural commodities. It contains an even tighter restriction than existing law upon any export of Alaskan oil. Finally, in title II, it authorizes funds for the collection of foreign investment data under the Foreign Investment Survey Act.

Perhaps the most important reform in this bill is that for the first time a clear distinction or separation is made be-

tween controls on U.S. exports for national security reasons and controls for foreign policy reasons. The current statute, which evolved over the past 30 years, tended to confuse those two very different kinds of controls. This has resulted in frustrations and misunderstandings in the American business community and has tended to discredit and weaken the entire export control process.

Under this legislation, exporters will know when they are dealing with foreign policy controls and when they are facing possible controls for national security reasons. With the exception of export of nuclear items, procedures for which are contained in the Nuclear Non-Proliferation Act, controls exercised under this act will be clearly for foreign policy or for national security purposes, with greater constraints on the executive branch in restricting exports for foreign policy than for national security reasons.

The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has been studying export administration since 1976. The first result of that study was the Export Administration Amendments of 1977, passed overwhelmingly by the House. H.R. 4034 seeks to carry forward the reforms begun with the 1977 amendments. The bill is the product of 15 days of hearings, at which witnesses of all persuasions and opinions were heard, and 8 days of markup in both the subcommittee and the full Committee on Foreign Affairs. It now carries the sponsorship, I am proud to say, of 15 of the committee's 22 Democrats and 6 of the committee's 12 Republicans.

Section 104 of the bill, which runs from page 6 to page 40, is the heart of it. While appearing complex, its two purposes are simple. The first is to increase the effectiveness of exports controls by: clarifying the statutory authority of the Defense Department; requiring the development of a list of "military critical technologies" for export control purposes; strengthening the 15-nation export control coordinating system known as COCOM; improving the monitoring of technology transfers through technology cooperation agreements; and requiring accountability in the exercise of foreign policy controls.

The second is to remove obsolete controls and to increase the efficiency of the licensing procedures by: establishing procedures for multiple exports of routinely approved items with just one application; requiring greater attention to foreign availability; encouraging periodic removal of controls as goods and technology become obsolete from a national security point of view; requiring more frequent and more open list reviews; and imposing procedural requirements and time limits for processing export license applications in order to reduce the long delays which frequently occur under current practice.

□ 1500

In the world in which we live, we cannot afford to relax our controls on technology exports which our adversaries could use to reduce the military technology gap which is the key to the superior performance of U.S. weapons systems. At the same time, considering the unprecedented trade deficit which is sapping our economic strength and vitality, we cannot afford to continue controlling products which are being exported by other advanced free-world countries. Nor can we afford inefficiencies and delays in the licensing system which act as needless barriers to exports. I believe H.R. 4034 makes the necessary trade-offs between these considerations. I believe it is a balanced bill.

Mr. Chairman, I will include a summary of the bill at the end of my remarks, and will not go into further detail at this time. In conclusion, let me touch on an important point at issue in this bill. Recently there have been charges that U.S. technology is flowing freely to the Soviet Union and being diverted to the Soviet military. If you listen carefully, you will not hear much evidence to back up these charges, because they are wrong. The well-known fact is that the United States has the most restrictive East-West technology transfer policies of any Western nation, with the result that the Soviets get most of their imported technology from our allies. But as the debate proceeds, I would ask you to keep the following points in mind:

First, the law is very clear: exports "which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States" are not permitted. All agencies involved seek faithfully to implement that provision. It happens to be a fact that no technology export to a Communist country has taken or can take place without the concurrence of DOD.

Second, technology—the knowledge of how to produce things—exists in people's minds. There is no way you can stop its transfer forever. Other countries have it, too. The Soviets can develop their own, or get it from other sources. Just because the Soviets possess a capability does not mean we gave it to them. Beware of allegations on this floor that because the Soviets know how to do something, they must have learned it from us.

Third, we will be talking here about export controls on so-called dual-use items—that is, items which are civilian in character but, by their nature, can be used to support military activities. Beware of the proposition that because an item could conceivably be used for military purposes, it should be banned from export. Everything exported under this act probably could be put to military use for example—common tools, boots, and so forth. The whole reason we have a licensing system is to distinguish between those that can be safely exported and those that cannot.

The licensing process is run by human beings. They are required by the law to make excruciatingly difficult judgments. I am not going to stand before you and say they have never made a mistake in the 30 years that the licensing system has been in operation. But what I want to impress upon you is that the only way to avoid mistakes is to remove discretion by banning all exports. Since no other country is prepared to do this, it would solve nothing. There is no way to get around the necessity for judgment. In this situation, we have a licensing system that errs on the side of caution, as it should. But those who will suggest to you that with organizational tinkering they can remove all risk are claiming the impossible.

Mr. Chairman, the United States exports only 8 percent of its gross national product—compared with 27 percent for Germany and 14 percent for Japan. We have only 13 percent of the West's technology exports to the Soviets; last year, we had only 1 percent of the machine tool exports. We are not exporting our technology to the East; we are exporting our jobs to our competitors. We bring before you a bill which responds responsibility to this problem, fully protecting the national security while increasing U.S. competitiveness in the international marketplace.

I am proud that the bill is endorsed by the National Governors Association, the U.S. Chamber of Commerce, the National Association of Manufacturers, the Emergency Committee for American Trade, the American League for Exports and Security Assistance—chaired by our former colleague, Joe Karth—and by six major advanced technology industry associations. I am honored that the bill is supported in a recent "Dear Colleague" by the ranking member of the Appropriations Committee (Mr. CONTE), the minority whip (Mr. MICHEL), the chairman of the Congressional Campaign Committee (Mr. VANDER JAGT), the chief deputy majority whip (Mr. ROSTENKOWSKI), and the chairman of the Export Task Force (Mr. ALEXANDER), and in another "Dear Colleague" by Northeast-Midwest Coalition chaired by the gentleman from Pennsylvania (Mr. EDGAR). The bill is also consistent with the recommendations of two major GAO reports. I believe it is a good bill, and worthy of your support. I urge you to vote for the bill and against any restrictive amendments.

In closing, let me address some particular issues that have arisen. Much has been made recently of the fact that some end products of the Kama River truck factory in the Soviet Union, which includes some of our technology, are being used by the Soviet military. Those end products are common diesel engines and general purpose trucks.

What Kama River illustrates is that U.S. export control policy tolerates some military use of commonly available end products produced from U.S.-origin technology. That was our policy in 1971 when the Kama River decisions were made. It has been our policy since President Nixon implemented détente and the Congress accordingly amended the Export Administration Act in 1969. It is our policy today. This legislation (H.R. 4034) does not change that policy.

Now the Members who are making an issue of Kama River disagree with that policy. That is certainly their right and privilege. But it is unfair, however, to portray Kama River as evidence that the export licensing system does not work. The system worked perfectly well.

We knew precisely what we were doing—we took into account all the risks and factors. In short, Kama River is a policy disagreement, not an indictment of the export licensing mechanism.

While it is our policy to tolerate some military use of easily available end products—such as general purpose trucks, which the Soviet Union has long produced itself or could get from any COCOM country—we, of course, do not tolerate direct military use of advanced technology. We weigh the risk of such direct military use for every export of advanced technology, and deny many where the risk is simly too great, regardless of any end-use or safeguard agreements we might be able to get from the Soviets. We do not ship anything under safeguard agreements where the consequences would be great if the safeguards were violated and diversion occurred.

About the only alternative to this kind of policy, Mr. Chairman is to go back to the total embargo we had during the cold war and up until 1969. If we did not tolerate some military use of common end products we would not sell wheat, or shoes, or even buttons to the Soviets—some of which can be, and probably are, used directly or indirectly by the Soviet military. That, in essence, is what the critics of our decision of Kama River, would like to do—go back to the total embargo of the cold war. The Congress and a Republican President abandoned that approach in 1969. I urge my colleagues not to revert to the cold war now—to reject amendments based upon allegations that our export control mechanism does not work and purporting to fix up the system by putting it in DOD or increasing the scope of the controls.

Another issue which has been the subject of much discussion lately is the so-called critical technology issue. Technology is defined as the know-how used to design and manufacture products. Since 1976, DOD has been engaged in an effort to develop a list of military critical technologies which we want to take special care to control because they are the keys to the technological superiority of U S. weapons systems. If these critical technologies can be identified, it should be possible to decontrol a significant number of end products whose export—in the absence of the knowledge of how to make them—would not pose a national security threat. This would permit our export control personnel to focus their attention better on the more significant items. and would facilitate exports on noncritical items. H.R. 4034 encourages this outcome.

The critical technology exercise is frequently misinterpreted in popular discussion as indicating that critical technologies are not now controlled—that they are flowing freely to the Soviets until the exercise is completed and they are brought under control. This is not the case. Critical technology is controlled and always has been. But it has been controlled on a case-by-case basis, along with non-critical technology and end products. Judgments are made on each individual application, without reference to a list of what is most critical. It is desirable for this situation to change, and H.R. 4034 encourages a change. But we should not proceed in a panic, on the assumption that critical technology will be exported until controlled.

This panic is the basis for proposals that we require in the law that the critical technologies list be published immediately and that items on the list be absolutely banned for export to communist countries. Such action would be grossly premature. We do not yet know whether it will prove possible to elaborate a list of technologies we never want to export to the Soviets, let alone what such a list would look like. The current case-by-case method must continue in operation until our knowledge advances far enough to adopt a better system. Meanwhile, we can rest assured that critical technologies are being controlled.

A final issue that has arisen concerns the role of the Department of Defense in determining what is to be controlled on national security grounds and in reaching licensing determinations on those items. Some would have us believe that an export-oriented Commerce Department is shipping our technology to the communists by the boatload over the objections of the Department of Defense. These people want to put DOD in charge of export controls, on the assumption that DOD would be more conservative than Commerce and many exports would be halted.

That assumption would be correct except for one minor detail: DOD already exercises primary influence over the national security control list, and already has a veto over exports to Communist countries. In 1974 the so-called Jackson amendment was inserted into the Export Administration Act, enabling DOD to review any license application and to recommend denial directly to the President. Since that time, DOD has never been overruled.

It is true, as a general rule, DOD takes a more conservative view of exports to the East than does the Commerce Department. Export licensing is deliberately an interagency process, so a variety of viewpoints will be brought to bear on the applications. But DOD's role—both by statute and because of the natural deference accorded it by the other agencies in national security matters—is such that whenever DOD voices a national security objection to a proposed export, that export is halted unless and until DOD is satisfied.

Mr. Chairman, DOD has testified on numerous occasions that it is fully satisfied with its current role in the export control process. I append to my statement letters from Secretary of Commerce Kreps and Under Secretary of Defense Duncan stating that they favor the current division of responsibilities between the two agencies and do not seek any changes.

Mr. Chairman, I am proud that the bill is endorsed by the National Governors' Association, the U.S. Chamber of Commerce, the National Association of Manufacturers, the Emergency Committee for American Trade, the American League for Exports and Security Assistance, chaired by our former colleague, Joe Karth, and by six major advanced technology industry associations. I am honored that the bill is supported in a recent "Dear Colleague" letter by: the ranking minority member of the Appropriations Committee, the gentleman from Massachusetts (Mr. CONTE); the minority whip, the gentleman from Illinois (Mr. MICHEL); the chairman of the Congressional Campaign Committee, the gentleman from Michigan (Mr. VANDER JAGT); the chief deputy majority whip, the gentleman from Illinois (Mr. ROSTENKOWSKI); and the chairman of the Export Task Force, the gentleman from Arkansas (Mr. ALEXANDER); and in another "Dear Colleague" letter by Northeast-Midwest Coalition, chaired by the gentleman from Pennsylvania (Mr. EDGAR). The bill is also consistent with the recommendation of two major GAO reports. I believe it is a good bill and worthy of your support. I urge you to vote for the bill against any restrictive amendments.

SUMMARY OF MAJOR PROVISIONS OF THE EXPORT ADMINISTRATION AMENDMENTS OF 1979

Section 102 revises the findings of the Export Administration Act to emphasize the importance of exports for the U.S. economy and the effect on the U.S. trading position of the availability of competing goods and technology from foreign sources, while maintaining the finding in the Act of the continuing need to restrict exports for national security and other purposes.

Section 103 restates the three basic purposes of the Act in order of their importance, and adds two new policy statements to section 3 of the Act: that it is U.S. policy to apply export controls in cooperation with U.S. allies; and that exports are a high priority and should not be controlled except when the controls are essential, will clearly achieve their objectives, are administered according to basic standards of due process, and are justified annually to Congress and the public.

Section 104 adds four new sections to the Act, numbered 4, 5, 6, and 10.

New section 4 establishes validated and general export licenses, currently in use, in the law, and establishes a new kind of export license, a "qualified general license," which would authorize multiple exports of certain goods and technology, subject to appropriate end-use controls and other conditions, without individual application for each transaction. The purpose of this provision is to provide administratively simpler licensing procedures for routinely approved exports, thereby reducing the paperwork and delays associated with validated license applications.

New section 5 consolidates the existing national security control authorities of the Act into a single section and makes several reforms in the exercise of those controls, among them the following. The Secretary of Defense is specifically authorized to identify goods and technology to be controlled for national security purposes. There is to be continuous review of the list of items controlled for national security purposes, prompt issuance of revisions to the list, and opportunity for interested parties to submit their views. The Secretary of Defense is required to develop a list of military critical technologies for use for export control purposes. The Secretary of Commerce is to limit validated license controls insofar as practicable to certain stated situations. and to employ qualified general license procedures to the maximum extent practicable. The Secretary of Commerce is required to establish a capability within the Commerce Department for the continuous review of foreign availability,

and to remove validated license controls on, and approve applications for the export of, goods and technology with respect to which foreign availability has been established, unless the President determines that such action would be detrimental to the national security, in which case the Secretary must publish that determination along with a statement of its basic and estimated economic impact. The Secretary is encouraged to establish an "indexing" system providing for periodic removal of controls as goods and technology become obsolete from a national security point of view. The Secretary of Commerce is required to investigate certifications of foreign availability made by the industry-government Technical Advisory Committees established under the Act, and to remove controls where such availability is determined to exist. The President is required to enter into negotiations with a view toward improving the effectiveness of the 15-nation export control Coordinating Committee (COCOM). U.S. organizations (except educational institutions) entering into certain technical cooperation agreements with government agencies in controlled countries are required to report those agreements to the Secretary of Commerce, in order to facilitate monitoring of technology transfers which might take place under such agreements.

New section 6 consolidates the existing foreign policy control authorities of the Act into a single section and makes several reforms in the exercise of those controls, among them the following. Before imposing such controls, the President is required to consider their likely effectiveness, their compatability with U.S. foreign policy objectives and with overall U.S. policy toward the country which is the target of the controls, their likely effects on U.S. export performance and international competitiveness and on U.S. companies and their employees and communities, and the government's ability to enforce the controls effectively. Before imposing such controls, the Secretary of Commerce is required to consult with affected U.S. industries, and the President is required to determine that reasonable efforts have been made to achieve the purpose of the controls through negotiation or other means. The President is required to consult with Congress before imposing foreign policy controls and to report the imposition of any new control to Congress, and Congress can disapprove the control by Concurrent Resolution. Controls imposed pursuant to treaties or other international obligations are exempted from several of the requirements of this section.

New section 10 provides procedural requirements for processing export license applications, in order to reduce the long delays which frequently occur under current practice. Although the intent of Congress is stated that licensing determinations should be made to the maximum extent possible by the Secretary of Commerce without interagency review, it is provided that any agency may review any license application if it so requests.

An overall maximum of 180 days is provided for U.S. government review of applications, as follows. Within 30 days, the Commerce Department is to either approve or deny an application, or refer it to other agencies for review. The other agencies are to submit their recommendations to the Commerce Department within 30 days or be deemed to have no objection to approval, unless the head of any such agency requests more time, in which case a further 30 days is provided. The Commerce Department then has 30 days to consider the agency recommendations, reach a decision, and issue or deny the license. Any agency which submitted recommendations to the Commerce Department may appeal the Department's decision to the Secretary of Commerce, in which case the Secretary has 30 days to consider the appeal, reach a decision, and issue or deny the license. Any agency which appealed to the Secretary may appeal the Secretary's decision to the President, in which case the President has 30 days to consider the appeal and reach a decision, or else the decision of the Secretary is final.

Apart from these procedures, special national security procedures, currently provided in the Act and retained in the bill, provide that the Secretary of Defense may, within 30 days, recommend denial of any application directly to the President, in which case the President has 30 days to sustain or overrule the recommendation.

After U.S. government review is completed, 60 days are provided for COCOM review if necessary; in the absence of COCOM action within the 60-day limit, the license is required to be issued. A comparable 60-day period is provided for U.S. review of export requests by other COCOM members.

With notification to Congress and the applicant, any time period prescribed by this section may be extended in order to permit negotiations on possible modification of an application to meet national security objections.

An applicant may appeal any license denial to the Secretary of Commerce. In any case where any time limit is violated, the applicant may petition the Secretary of Commerce to correct the situation and, if the processing of the application has not been brought into conformity with the requirements of this section within 30 days, may bring an action in United States district court to require compliance with such requirements. At all stages of the process, the applicant is to be kept fully informed to the status of his application. The applicant is to be accorded an opportunity to respond to objections to his application, and is to be informed of the reasons for any denial.

Section 105 provides that one of the factors on the basis of which export licenses are to be allocated in the case of export controls for short supply purposes is the extent to which a country engages in equitable trade practices with respect to United States goods and treats the United States equitably in times of short supply.

Section 106 strengthens the short supply monitoring provisions of the Act.

Section 107 strengthens the prohibitions of the Act on the export of Alaskan oil, and provides an exemption from these prohibitions in order to fulfill a bilateral international oil supply agreement entered into by the U.S. prior to May 1, 1979. The only such agreement in effect on that date was between the U.S. and Israel.

Section 108 repeals the prohibition in the Act on exports to Uganda.

Section 109 facilitates barter arrangements whereby goods in excess supply in the domestic economy are exchanged for goods in short supply.

Section 110 phases out exports of unprocessed western red cedar logs, a vanishing species, over a four-year period.

Section 111 provides that any product which is standard FAA-certified equipment in civil aircraft and is an integral part of such aircraft, and which is to be exported to a noncommunist country, shall be subject to controls under the Export Administration Act rather than the Arms Export Control Act.

Section 112 exempts certain export controls for nuclear nonproliferation purposes from certain of the requirements of the bill. In essence, controls and procedures currently in effect are "grandfathered" in order to avoid any possible disruption of the controls.

Section 113 increases the penalties for violations of the Act.

Section 114 amends the confidentiality provisions in section 7(c) of the Act to require the Secretary, with certain exceptions, to maintain the confidentiality of information which would reveal the parties to a transaction, the type of good or technology being exported, or the destination, end use, quantity, value, or price of the good or technology.

Section 119 authorizes the appropriation of $7,070,000 for fiscal year 1980 and $7,777,000 for fiscal year 1981 to the Department of Commerce to carry out the Act.

Section 120 extends the authority granted by the Act to September 30, 1983.

Section 201 authorizes $4,400,000 for fiscal year 1980, and $4,500,000 for fiscal year 1981, to carry out the International Survey Act.

Other sections are more or less technical in nature.

THE SECRETARY OF COMMERCE,
Washington, D.C., July 23, 1979.

Hon. JONATHAN B. BINGHAM,
Chairman, Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: When H.R. 4034 is considered on the House floor, it is anticipated that a number of amendments may be offered. I am authorized to say that the Administration is opposed to any amendment which would alter the existing array of responsibilities within the Executive Branch with respect to the administration of export controls, and we prefer that there be no additional restrictions on export controls.

Sincerely,

JUANITA M. KREPS,
Secretary of Commerce.

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., July 20, 1979.

Sen. ADLAI E. STEVENSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENSON: In response to your letter of July 19, 1979, the Department of Defense supports the administration's position on the amendments which are expected to be offered to S. 737, the Export Administration Act of 1979.

Most of these proposals do not impact directly on the Department of Defense. Two, however, do and we are opposed to both of them. One would tend to reverse the relative roles of the Secretary of Defense and Secretary of Commerce in reviewing and revising export controls maintained for national security purposes. While the intent appears to be to insure that the Department of Defense has an adequate role in the export control system, it is our judgment that the Secretary of Defense already has and exercises adequate authority in this area.

The other amendment would authorize inclusion in the Defense budget of funds especially appropriated for export control functions. Our opposition to this proposal is that such an authorization is not currently needed

By means of a separate letter, I plan to answer the other questions you raised about the adequacy of U.S. export controls maintained for national security purposes. In the meantime, I thought it might be helpful to let you know at once where we stand on the amendments issue.

Sincerely,

C. W. DUNCAN, Jr.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 20, 1979.

Hon. ADLAI E. STEVENSON III,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENSON: We have reviewed your 19 July 1979 letter in which you

requested Department of Defense views on several amendments which are expected to be offered to S. 37. Our views on the questions raised in your numbered paragraphs are as follows:

1. The Kama River Truck Plant licenses for the foundry and production machinery were issued during the Nixon Administration and contained no restrictions so far as we know limiting the use of the trucks and engines produced in the factory. Accordingly, use by the Soviet military of the trucks produced at Kama or inclusion of the engines in military vehicles would not constitute a violation of U.S. export control restrictions. Whether and if so to what extent Kama River engines are being used in Soviet military vehicles has not been verified. Accordingly, there is no basis on which a judgment can be made about the contribution such use might make to the Soviet military potential.

2. A number of technologies employed in the Cruise Missile System can be exported to most non-Communist countries without a validated export license. None of them, however, are either sensitive or "critical" because they are not unique to cruise missile design, development or production and are readily available in a number of countries in the West. Those few technologies which are both unique to cruise missiles and available only in the U.S. require validated licenses from either the Departments of State or Commerce. An example is the technology associated with the small jet engine which is currently under development for the cruise missile. This technology can only be exported under a Munitions license.

3. The existing allocation of responsibility under the Export Administration Act for export controls does not hinder the Department of Defense's efforts to formulate a list of critical military technologies or otherwise interfere with the implementation of an effective and fully adequate system of export controls for national security purposes. In particular, the Department of Defense would oppose any amendment which tend to reverse the relative roles of the Secretary of Defense and the Secretary of Commerce in reviewing and revising export controls maintained for national security purposes. It is our judgment that the Secretary of Defense already has and exercises adequate authority in this area.

4. Statutory authority is already available to embargo exports of "critical" goods and technologies to all controlled country destinations. We would oppose any amendment which would make this a mandatory requirement because, on the one hand, the items to be covered are not presently fully determined, and, on the other hand, there may be occasions, even though rare, on which such action would be ill-advised.

With regard to end use statements and safeguard provisions, we do not regard them as applicable to transactions in which technology, either in the form of technical data or equipment from which technology may be extracted, is involved. It is our judgment that technology once transferred can be neither controlled or recalled. We consider the usefulness of safeguards as limited to hardware items whose diversion to other than their stated purpose we wish to deter. We do not count end use statements as a safeguard.

As for computers, there are some applications for which we have been unable to devise technically and economically feasible safeguards. These are automatically recommended for denial. For others, experienced USG technical and intelligence experts have determined that safeguard provisions, judiciously applied, provide a reasonable assurance of detecting and thus deterring significant diversion of the system from its stated end use.

5. The Department of Defense has no evidence that Moscow has used American seismic equipment to enhance its anti-submarine warfare potential or that American machine tools for producing precision ball-bearings have probably helped Soviet engineers to develop multiple warheads for new intercontinental missiles.

I trust this is the information you desire.

Sincerely,

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THE SECRETARY OF COMMERCE,
Washington, D.C., June 18, 1979.

Hon. JONATHAN B. BINGHAM,
Chairman, Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In the course of testimony before the Subcommittee on Research and Development of the House Committee on Armed Services, the Deputy Director of the Office of Export Administration, Lawrence J. Brady, testified that trucks produced at the Kama River truck factory in the Soviet Union were being "diverted" to military use in violation of U.S. export control restrictions.

That testimony has led to newspaper stories implying that Soviet military capability has been helped as a result of an apparent lack of vigilance by this Department. This is in error.

As you know, our nation no longer enjoys a favorable balance of trade, and thus the promotion of exports is more important than ever before. Even so, the national security is paramount, and we must be careful that we do not export materials and technology that would advance at our own expense the military capabilities of other nations. To walk this line is a difficult and delicate job. That is why it is essential that issues which may arise be discussed on the basis of accurate information.

First, there was no "diversion" in connection with the Kama River truck factory and, therefore, no violation of U.S. export controls.

A diversion occurs only when end-use restrictions pertaining to a license are violated. The Kama River truck plant licenses were issued during the Nixon Administration and contained no restrictions which we can identify limiting the use of the trucks and engines produced at the factory. Accordingly, military use of the trucks or engines produced at Kama River would not constitute a diversion or violation of the law because the licenses contained no restrictions pertaining to the use of those trucks or engines. Nor would any military use of Kama River trucks or engines entail diversion of the foundry's computer, because limitations on the use of the computer pertained to use of its computing capacity, not to use of products manufactured at the foundry. Several of the licenses contain technical conditions which have nothing to do with limitations on the use of the factory output.

This view is confirmed by the attached memorandum from Mr. Brady which concludes that a thorough review, which was requested by Senior Deputy Assistant Secretary Stanley J. Marcuss, has failed to disclose the existence of any document which could be construed as a limitation on the use of the factory output for civilian as contrasted with military purposes. Two exceptions mentioned in the memorandum are not relevant to the Kama River plant.

Second, at the time the licenses were issued, the Nixon Administration knew of the possibility that Kama trucks or engines could be used by the Soviet military. This factor apparently was fully considered before the decision was made. Thus it cannot be said that this matter was overlooked or that the export control system failed to ensure that all relevant factors were considered.

Finally, contrary to some press reports, Mr. Brady has not been "demoted" nor has any action been taken against him. He retains his position as Deputy Director of the Office of Export Administration, a position he has held for the last five years. Because of his position as Deputy Director, Mr. Brady served as Acting Director of the Office of Export Administration in the period between the retirement of the previous director and the appointment of the new one.

I hope this will lay to rest the misinformation which has recently surrounded this subject.

Sincerely,

JUANITA M. KREPS,
Secretary of Commerce.

Enclosure.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., June 22, 1979.

Memorandum for Robin B. Schwartzman, Deputy Director, Bureau of Trade Regulation.

From: Lawrence J. Brady, Deputy Director, Office of Export Administration.

Subject: Kama River Case File.

On June 22, 1979, pursuant to your request, I thoroughly reviewed the relevant export license applications and supporting documents submitted by various U.S. firms seeking Department of Commerce authorization to export commodities to the USSR's Kama River Project". The results of this examination, with *two exceptions*, failed to disclose the existence of any document which could be construed to represent an agreement between parties or assurances as to the specific application of products, i.e., military vs. civilian, in the truck manufacturing process.

The exceptions are found in license applications case numbers 813124 and 849801. Case number 849801 contains a "letter of protocol" between Mack Trucks, Inc., and a Soviet trade delegation indicating that the trucks assembled at Kama River would be used for agricultural and industrial purposes.

A copy of the protocol is attached.

With regard to the protocol, I am concerned that because Mack Truck pulled out of the deal after signing the protocol, which you will note also included other parties, including SATRA, it may not be considered relevant to subsequent licensing actions. I intend to go through all of the license applications to see whether or not we referenced the protocol in subsequent license actions. I think we did. I am also sending you separately a copy of the entire "front office" file on KAMA.

Also attached is a June 14 memorandum Dick Isadore prepared on the basis of a quick review of all license applications for the KAMA River plant.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., June 14, 1979.

Memorandum for Lawrence Brady.

Subject: Kama River Truck Plant Licenses.

At your request all case files which could be identified as part of the Kama River Truck complex have been retrieved from Archives.

Staff members reviewed each case file, examining all documents including actual applications, supporting documents, Single Transaction Statements, internal memoranda and chron sheets for any indication which would show:

1. Limitation on the truck usage for civilian versus military applications.

2. Conditions attached to individual licenses.

3. Letters of conditions attached to licenses.

Over 175 case files were reviewed and there was no indication of limitation of use for the trucks to be produced at Kama River. The computer equipment licenses issued to IBM have the visitation conditions which are a part of all major computer sales to Bloc countries.

At the time these licenses were issued, they were microfilmed and sent to Archives. The procedure did not include microfiming letters or supporting documents accompanying licenses as is done now in our microfiching process. We are retrieving these microfilm

files and will review the face of all licenses issued to insure that conditions were not typed on the license itself.

All cases and the Capital Goods & Production Materials Kama River file have been given to Paige Bryan.

RICHARD ISADORE.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman from New York (Mr. BINGHAM) and also the ranking minority member, the gentleman from California (Mr. LAGOMARSINO). I think there is no question that this subcommittee has, since it has had jurisdiction of this particular subject matter, been very diligent and worked very hard on this subject matter.

I happen to have been one of those who helped to reorganize the rules of the House so that the gentleman's subcommittee would get it rather than the subcommittee that used to have it.

I happen to have very strong opinions, mostly against export controls; but I recognize that in certain circumstances there must be some kind of limitations, especially as to certain strategic materials. But I especially want to thank the gentleman and the ranking minority member for looking favorably at a provision in here with regard to bartering.

Under existing law, it is not possible to enter into a long-term barter agreement with another country because it would be subject to an export control mechanism, and under this provision it is permitted if it can be done to barter. I think we have to recognize that we have to do some of the things that Japan, West Germany, and some of the other countries do with regard to bartering.

I appreciate the gentleman putting this into the bill.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman from Iowa (Mr. SMITH) for his comments and for his role in giving our committee jurisdiction of this subject matter. I also want to thank him for his suggestion of this amendment, which I think was a constructive addition to the bill.

Mr. LAGOMARSINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 4034, I also wish to call attention to several minor concerns I have with the bill which I hope can be worked out during floor consideration of this measure.

First I want to commend Congressman BINGHAM, Chairman of the Subcommittee on International Economic Policy and Trade, and his staff and the other members of the committee for holding long, extensive, and very comprehensive hearings, and also for being very patient throughout the markup process in subcommittee, when I offered some 25 amendments. Some of the amendments were accepted then and others were accepted later in full committee. We may even see again here in the House a few of those not accepted earlier. I want to also commend the minority staff, Jake Dunman for his outstanding work on this measure.

I share the chairman's concern about trying to enact legislation that will provide a proper balance between the interests of business and the interests of national security. The business sector needs to know what it must deal with in getting an export license and in having some way of knowing when a license will be acted upon. On the other hand, we have to balance that against the proper role of national security and the need to prevent technological information from falling into the hands of our adversaries that could be harmful to our national interest.

These days in the Foreign Affairs Committee we hear a lot about signals. Somebody talks about sending a signal to someone. I have been concerned that if we are not very careful about how we finally draft this bill, we might send a signal, to whomever, is receiving it, that would indicate that perhaps we are not as interested in preventing substantial and important technological information from falling into the hands of our adversaries as we should be. This could not only help those adversaries by the resulting situation here but also by giving to our allies the impression that we are not as concerned about what they permit to be exported.

There was an article recently in the Washington Post by George Will—I would like to read a little to you. I do not subscribe to everything he says, but I think some of the points he makes are worth considering.

He says:

> Trade, especially the transfer of U.S. technology, is vital to the Soviet economy, which must support a ravenous military machine. The Soviet workforce is larger than that of the United States, but produces about half the GNP. It would be even less productive without technology supplied by capitalist countries.
>
> As Carl Gershman writes in commentary, it is hard to find any important Soviet industrial process that has not benefited significantly from western technology. Soviet gains from such transfers are immediate and economic—which, in a garrison state, means military, too. U.S. gains are hypothetical.
>
> A U.S. computer firm admits that the Soviets gained 15 years in research by spending just $3 million. The Soviets bought for just $150,000 space suits that American taxpayers spend $20 million apiece to develop.
>
> After a Soviet "trade" delegation, ostensibly considering purchases, toured Boeing, Lockheed and McDonnell Douglas plants, a member of the delegation admitted privately that no purchase had ever been contemplated. The aim was industrial espionage. Some members' shoes had heels and soles made of a substance that picked up metal filings which could be returned to Moscow for metallurgical analysis to reveal the alloys used in U.S. aircraft.

I think that just having the hearings we did—especially the way the hearings were held over a substantial period of time—allowed everyone plenty of time to know what other witnesses were saying and to respond. That has been helpful in and of itself.

I think all of the executive agencies that were involved with this process—Departments of Commerce and Defense particularly—are much more aware now of the interests of members of our committee and of Congress as a whole and are going to be more responsive. I think our interest is shown by those hearings and it will be shown by the work that we finally produce here on the floor.

Of the changes I would like to see in H.R. 4034, there are three of primary concern to me: First, the provision eliminating U.S. re-export licensing requirements; second, mandatory suspense dates for export license applications within the administration review; and third, mandatory dates for Cocom review.

I would like to say that with regard to the foreign policy provisions in the bill, I find very little to criticize. I think the bill makes a substantial improvement in the existing law in that area and will really get rid of some of the uncertainty in the business community. Specifically, the provision for congressional review of Presidential decisions will provide a role for Congress in this important subject.

In the area of national security controls, I would like to summarize the emphasis we have given to this issue in H.R. 4034.

The "findings" and "policy" sections clarify the necessity of export controls for national security purposes.

Included in the section on national security controls is the provision for the Secretary of Defense and other appropriate agencies to identify goods and technology to be included on the commodity control list. The Secretaries of Commerce and Defense must concur on items to be included on the list, and in case of a dispute between the two, the matter shall be referred to the President for resolution.

This section of the bill also provides for the Secretary of Defense to develop a list of military critical technologies and finds that the national interest requires that export controls for national security purposes be focused primarily on military critical technologies. In developing such a list, the Secretary of Defense is to give primary attention to the elements DOD cites as essential to preserving the U.S. technological lead. The technologies are to be controlled when they are not possessed by countries to which exports are controlled and which, if exported, would permit a major advance in a weapons system of any such country. The list of military critical technologies developed by the Secretary of Defense is to become part of the commodity control list according to the procedures set forth in the bill. This is an essential provision.

The provisions of the bill for a validated license and a new category—the qualified general license—were revised to make more explicit that national security concerns must be considered in requiring such licenses.

As a result of my amendment in subcommittee, the bill now provides for the President to require a validated license, even in the case of foreign availability, if he determines that the absence of such controls would be detrimental to the national security of the United States. Another provision was added in full com-

mittee requiring the President to publish the reason and the estimated economic impact of such a decision.

The role of technical advisory committees is made more explicit with respect to their functions in assisting the Secretary of Defense in decisions related to national security controls.

The section on national security controls also provides for the Secretary of State, in consultation with the Secretaries of Defense and Commerce, to be responsible for conducting negotiations with other countries to seek their cooperation in restricting the export of goods and technology for national security purposes.

Another amendment, which I sponsored in subcommittee, was accepted in the bill providing for special procedures for the Secretary of Defense. By this section, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes. Whenever he determines that the export of such goods or technology will make a significant contribution to the military potential of any such country, which would prove detrimental to the national security of the United States, the Secretary of Defense is authorized to recommend to the President that such export be disapproved. If the President confirms that recommendation, no license may be issued for the export of such goods or technology.

The bill also meets a major concern of industry through an amendment I offered by providing for confidentiality of information required to be furnished under this act. It also provides for access by Congress to any information required at any time under this or any previous act pertaining to export controls. Thus our right to know and ability to perform the required oversight is preserved while essential confidentiality is retained.

I would also like to call to the attention of my colleagues the pressing need for increased gasoline supplies for California and the west coast. I raised the issue of the shortage in domestic refinery capacity on the west coast in the Foreign Affairs Committee. My concern was noted in the committee report, which indicates consideration should be given to exports of petrochemical feedstocks, including naphtha, if such export would facilitate the construction of new refineries designed to produce unleaded gasoline or other light fuels. Such a policy would promote increased domestic production and supply at a time when we are facing a critical shortage. Such consideration could help to provide for the construction of a new refinery in Alaska.

While there is still room for improvement on some of the issues in H.R. 4034, as I mentioned earlier, I believe the national security principles of export controls have been essentially preserved. I also believe the proposed legislation meets the concerns of business in clarifying licensing procedures and providing better access to the decisionmaking process.

I want to state for the record that, for many reasons, I support the provisions in the bill concerning export of Alaskan oil—the McKinney and Wolpe amendments.

With those changes I have suggested, I urge my colleagues to support H.R. 4034.

□ 1510

Mr. BINGHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Chairman, over 2 years ago, under the leadership of my distinguished colleague from Connecticut, Mr. MCKINNEY, the Congress adopted an amendment to the Export Administration Act to significantly strengthen the broad, easily circumvented, oil export limitation in the TAPS Act. When the amendment was adopted, Congress thought a 2-year restriction on exports would be sufficient time to encourage the investments necessary to insure that Alaskan oil would be marketed exclusively within the United States. Unfortunately, none of the anticipated investments, such as the Sohio pipeline, have been made, and the export of Alaskan oil overseas continues to be contemplated by the oil companies and the administration.

The bill before us today provides for the necessary extension and strengthening of the current restrictions on the export of Alaskan oil. It extends the restrictions through 1983, at which time, the Export Administration Act expires. The limitations placed on the export of Alaskan oil, as adopted by an overwhelming majority of the members of the House Foreign Affairs Committee, will guarantee that no Alaskan oil leaves this country unless it can be demonstrated, beyond a doubt, to both Houses of Congress, that such exports will directly benefit the American consumer and that such action is clearly in the national interest. I would like to note that nothing within the language of this provision flatly prohibits the export of Alaskan North Slope crude oil. The bill simply states that the only acceptable criteria for Alaskan oil exports are a showing of direct consumer benefit and a showing that such exports would not adversely affect America's oil supply.

The provision before us requires the President to make certain findings before any exports may occur. It must be determined that—

Exports will not diminish the quality and quantity of oil in the United States;

That exports will result in lower acquisition costs to refiners;

That these lower costs will be passed on to the consumer; and

That contracts for exports can be terminated by the United States if our oil supplies are terminated.

The bill permits, as a single exception, the use of Alaskan oil to meet bilateral oil supply agreements entered into by the United States prior to May 1, 1979. The only such agreement in effect on that date was the agreement between the United States and Israel originally secured on September 1, 1975 and extended on March 26, 1979. This bill does nothing to restrict other domestic sources of oil from being used to fulfill our oil supply commitment to Israel.

Finally, this bill requires that any Presidential proposal to export Alaskan oil be approved by both Houses of Congress, a reasonable review process given the importance of this question.

The key issue we are presented with today is whether or not we are serious about reducing American dependence on foreign oil and fulfilling the original intent of the Trans-Alaskan Pipeline Authorization Act to deliver Alaskan oil to domestic markets. If we are serious about this, I would argue that we should be doing everything in our power to realize within the United States the full potential of domestic oil production. This means developing a new pipeline and increasing our refining capacity to handle the North Slope oil. But to permit the export of Alaskan oil to proceed without restriction would only reduce the incentive to get the essential pipeline and refining capacity in place and would extend our dependence on insecure foreign oil supplies.

When Alaska North Slope oil was discovered 10 years ago, it was correctly viewed as a major step toward American energy independence. In the wage of the Arab oil embargo of 1973, Congress enacted legislation authorizing the construction of the $10 billion trans-Alaskan pipeline so that Alaskan oil could be transported to domestic markets. Financed by American tax dollars, it was the American people who were promised exclusive use of Alaskan oil. And it was the American oil companies that provided clear assurances that Alaskan North Slope oil would be marketed in the United States, and that denied any intention of exporting Alaskan oil. Now, the administration requests the authority to approve the exports of Alaskan oil as it sees fit, possibly as a part of a three way swap or exchange involving Mexico and Japan. I maintain, that if Alaska North Slope oil is exported, it will be the oil companies that stand to gain and the American people, our economy, and our national security that stand to suffer. We must ask ourselves today to decide whether the energy policy of this country is going to be based on what is in the national interest or whether it will be based on what is most profitable for a powerful vested interest.

It should be said that there is no question but that the oil companies would realize substantial savings and increased profits if Alaskan oil were sent to Japan—approximately $2 per barrel would be saved in transportation costs. But the American consumer would not receive 1 penny of the reduction in oil company costs. This is because the price of Alaskan oil is already decontrolled; Alaskan oil sells for whatever price the market will bear, regardless of how much—or little—it costs to get that oil to its destination.

Indeed, the proponents of Alaskan oil exports have readily acknowledged that it will be the oil companies, and not the consumers, who will be the beneficiaries of reduced transportation costs. Their argument—echoed—by the administration—has been that the oil producers require higher profit margins as an incentive to realize the full production potential in the Alaskan North Slope.

So, let us look for a moment, at the question of profits and incentives. Comparing the first quarter of 1979 with the first quarter of 1978, SOHIO, the North Slope's largest producer, enjoyed an incredible 302 percent profit increase. Profits for the second quarter will be at least 70 percent above first quarter profits. According to a recent article which appeared in Petroleum Intelligence Weekly, every barrel of Alaska crude sold on the west coast brings the oil company producers $4.11 profit after taxes. That is 85 percent more than the oil companies were making on Alaskan oil last December. At some point, I submit, we must begin to ask ourselves, "When is enough, enough?"

Contrary to claims made by the administration, the current restrictions on Alaska oil exports have not held down production. Directly contradicting these claims is the recent announcement made by the Alaska North Slope oil producers of their plans to increase production by 25 percent, to 1.5 million barrels a day by the end of next year. It does not seem, therefore, that the existing limitations on the export of Alaskan oil have been much of a disincentive to increased production. The plain fact is that we can expect increased production in Alaska because Alaskan North Slope oil is enormously profitable, and has been made all the more so by the recent OPEC increases.

Much of the debate, in recent months, has been focused on the notion of a "glut" of crude oil on the west coast. Despite all the publicity about a "glut" of oil on the west coast due to Alaskan oil, all Alaskan North Slope production is currently being utilized by U.S. refineries. Even SOHIO has recently conceded this point, making statements to the effect that the need for their proposed pipeline extending from California to Texas has diminished because the west coast surplus is proving less than expected. (New York Times, May 23, 1979). In fact, every one of the 1.2 million barrels of Alaska crude sent through the Trans-Alaska pipeline each day is handled by U.S. refineries without delay. West coast refineries take 850,000 to 900,000 barrels of that total; 75,000 is shipped by foreign-flag tanker to the Hess refinery in the U.S. Virgin Islands; and about 225,000 barrels a day is sent by U.S.-flag tankers to ports on the gulf and east coasts, as well as Puerto Rico and the U.S. Virgin Islands. Moreover, over the last few months, west coast refineries have increased their "take" of Alaska oil from 600,000 barrels a day to almost 900,000 barrels a day. Without adding new refinery capacity or retrofitting existing refineries in any way, west coast refineries can handle from 1 to 1.3 million barrels of Alaska crude per day.

Mr. Chairman, I am convinced that exporting Alaskan oil is the worst possible step we could take right now if we are serious about achieving the goal of energy self-sufficiency. As long as the major oil producers are able to extract much higher profits by the sale of Alaskan oil to Japan, they simply will not have the incentive to develop the refining and pipeline capacity that this Nation so desperately needs and that was the initial promise held out at the time of the approval of the Trans-Alaskan Pipeline Act. Attempts to establish a national energy transportation system will suffer a serious setback if Alaska oil is exported exchanged.

Permitting Alaskan oil exports is precisely the wrong signal to be sending the American people. At a time when we are asking our people to recognize our serious energy problems, at a time when we are asking the American people to dig deeper into their pockets and pay more for energy, and at a time that we are faced with short gas supplies and the prospect of shortages in home heating oil this winter, the spectre of ships transporting American oil to any foreign nation is unthinkable—especially when the only real beneficiaries of such oil exports will be the oil companies themselves. The bill before us today gives us the opportunity to cast a vote which will move us closer to our Nation's stated goal of energy independence. I urge your support of this legislation designed to insure that American oil be reserved for American use.

Mr. Chairman, the provisions in this legislation extending and strengthening the restrictions on the export of Alaskan oil are strongly supported by a broad range of organizations that represent a cross section of America. These include consumer, environmental, labor and industry groups. At this time, Mr. Chairman, I would like to insert in the RECORD various statements of support for the language contained in the committee bill from some of these organizations.

The statements follow:

CONSUMER FEDERATION OF AMERICA—POLICY STATEMENT ON ENERGY AND NATURAL RESOURCES

Foreign dependence

"The United States' gross dependence on OPEC oil forces consumers to pay artificially high prices for energy, fuels inflation and the decline of the dollar by contributing to a massive, persistent trade deficit, and leaves the nation vulnerable to supply disruptions instigated by the OPEC nations for political or economic purposes. Yet national energy policy has neither been as forceful nor as expeditious as possible in reducing this dependence; indeed many policies reinforce our dependence. United States policy should be directed toward increasing domestic supplies of energy for domestic use. The national energy transportation system should be improved to make possible a more efficient and equitable distribution of domestic fuel supplies. The Consumer Federation of America opposes the export or swap of Alaskan oil unless it can be shown that such an export or swap would be in the consumers' interest and would not jeopardize national security. In addition to the creation and development of national alternatives to foreign oil, the following immediate initiatives should be taken:

A. Creation of a Federal oil importing agency which would purchase the nation's import needs by securing sealed bids from all oil producing nations . . .

C. Encouragement of greater productions of oil from non-OPEC oil producing nations . . .

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON ALASKAN OIL EXPORTS

BAL HARBOR, FLA.,
February 22, 1979.

Administrative consideration of the possible export of Alaskan oil raises the gravest dangers for the nation's economic and defense security. The export of this oil would be a consumer rip-off engineered by the nation's oil companies to obtain greater profits. The American consumer would gain nothing and would suffer the loss of some of America's secure oil supply.

At a time when the nation faces oil cutbacks at U.S. refineries, declining imports from Iran, and the prospect of gasoline rationing, exports of U.S. oil supplies would be a national energy policy disaster.

The Administration is considering sending Alaskan oil to Japan in exchange for oil from foreign countries, including Mexico. The nation's oil companies, viewing the world from the selfish position of multinational corporations, want such nation-to-nation swaps. Such swaps would obtain no additional oil supplies for the U.S.

Swapping U.S. oil for foreign oil makes no sense—in terms of economics or national security. It is nothing more than a gimmick devised by the oil companies to circumvent U.S. law and boost their profits.

In 1973 and again in 1977 the Congress placed explicit limits on Alaskan oil exports as a result of national concern over energy shortages. The McKinney Amendment to the Export Administration Act provides for a congressional veto of any Alaskan oil export plans.

Oil exports from Alaska or other U.S. sources would leave the U.S. more dependent on the OPEC cartel or on unstable developing countries.

Oil exports do not aid the nation's trade balance, as exports would be nullified by equivalent oil imports.

The consumer would gain no benefit, being forced to pay the international price for oil wherever it may come from. The U.S. economy would suffer the loss of tanker employment, shoreside and shipyard jobs, and the tax and wage benefits they produce.

The AFL–CIO has consistently opposed Alaskan oil exports. We now believe the existing legislation restricting Alaskan oil exports should be extended and strengthened to prevent yet another oil company rip-off of the American people.

It is perfectly feasible to transport this oil directly from Alaska to the East and Gulf Coast ports by tanker or rail. Furthermore, the construction of a Northern Tier pipeline would serve the national interest. Using the U.S. transportation system would protect this vital oil supply from cartels and unstable foreign markets.

CONSUMER ENERGY COUNCIL OF AMERICA,
Washington, D.C.

Re: H.R. 3301, Amendment to the Export Administration Act to restrict exports of Alaskan oil.

DEAR REPRESENTATIVE: The Consumer Energy Council of America, a broad-based coalition of consumer, labor, farm, public power, rural electric cooperative, urban, and senior citizen organizations, urges you to support H.R. 3301, the bill to extend and strengthen the McKinney amendment to the Export Administration Act, which restricts exports of Alaskan North Slope oil.

The Consumer Energy Council supports H.R. 3301 because of the detrimental consequences—to consumers and the nation—of exporting Alaskan oil. Among these are the following:

Exporting or swapping Alaskan oil would increase our dependence on foreign oil by removing incentives to do the work needed to enable us to use all of potential Alaskan

production within the U.S.: retrofitting existing refineries to accommodate Alaskan crude, building new refineries, and adding to our internal oil transportation network. If we allow Alaskan oil to be exported and our foreign supplies of oil are later cut off, we would not be in a position to divert Alaskan oil to our own use because the infrastructure necessary to using that oil would not be in place.

Exports of Alaskan oil will hurt our balance of payments, because the U.S. will receive less from sales of Alaskan oil to foreign customers than will be needed to import a comparable amount of oil into the lower 48 states.

Exporting Alaskan oil will reduce plentiful supplies that last year resulted in discounts of up to 75¢ per barrel on Alaskan crude, a clear benefit to American consumers.

Exporting Alaskan oil will be a powerful negative symbol in the eyes of the public, making the government appear disingenuous when it calls for conservation so that imports of oil can be reduced, while simultaneously exporting oil from Alaska. Support for voluntary conservation efforts will diminish and—since exports benefit only the companies producing the oil—the popular suspicions that U.S. energy policy consistently favors the oil companies will increase.

If exporting Alaskan oil is clearly in the national interest or if it would demonstrably reduce petroleum product prices for consumers, H.R. 3301 would allow such exports. At present, however, such exports are in the interests of neither the nation or consumers. We therefore ask your support of H.R. 3301 which will prevent these exports unless appropriate findings of its benefits can be made.

Sincerely,

ELLEN BERMAN,
Executive Director.

ENVIRONMENTAL POLICY CENTER,
Washington, D.C.

To: Members of Congress.
From: Hope Robertson, Environmental Policy Center; Brock Evans, Sierra Club; Rafe Pomerance, Friends of the Earth.
Re: Export Administration Act—Exporting Alaskan Crude Oil.

The Export Administration Act will be coming before Congress for reauthorization in the near future. One of the most important provisions of this act deals with exports of Alaskan oil, a provision we strongly urge you to support. This provision requires the President to demonstrate to Congress that exporting Alaskan oil will not have a detrimental effect on important factors such as the cost of oil to the consumer, or the availability and quality of petroleum for domestic refineries. It is not a prohibition on Alaskan oil exports. This amendment will insure that the Congress, as well as the Administration, plays a major role in deciding whether or not Alaskan oil should be exported. Unless Congress renews the language, Congressional involvement in the development of an export policy for Alaskan oil, will end when the provision expires in June of this year.

Background

When the Trans-Alaskan Pipeline System (TAPS) was approved by Congress in late 1973, the environmental community and others accurately predicted that the west coast would not be able to handle all of the Alaskan production without major changes in the refineries. We advocated the construction of a Trans-Canadian route which would have delivered the oil to the Northern Tier states and mid-west, sections of the country now in need of petroleum. However, the oil companies assured Congress and the nation that the TAPS route was the best one and that handling Alaskan production on the west coast would be no problem.

Fortunately, some members of Congress were farsighted enough to suspect that a major motive behind the oil companies' preference for the "All-American" TAPS route was not to get better access to American markets but rather better access to Japanese markets. To insure that the oil industry kept their promise about producing Alaskan crude for the benefit of domestic markets, an amendment was added to the Export Administration Act more than two years ago, which allowed exports of Alaskan oil if such a policy would not have a detrimental impact on other facets of our domestic petroleum picture. When the amendment was adopted in 1977, Congress thought a two year restriction on exports would be sufficient time to encourage the investments needed to handle Alaskan oil on the west coast. Once these investments were made, it was felt that there would be major financial incentives to market Alaskan crude domestically.

Unfortunately, none of the necessary investments, such as retrofitting refineries, have been made. The combination of relatively low production levels during the first two years of the pipeline's operation and the knowledge that the language in the Export Administration Act would expire in June 1979, raises some doubt as to whether the North Slope producers had any intention of making the large capital commitments in domestic refineries or pipelines during this two year period. The interest of the oil industry in making investments domestically is particularly suspicious considering that the prospects of exporting Alaskan oil promised to be far more lucrative with relatively little additional investments required.

Current status of Alaskan production and use

Despite all of the publicity about a so-called "glut" of oil on the west coast, all Alaskan production (1.2 million barrels/day) is currently being utilized in west coast and Gulf refineries. There is speculation that this surplus publicity was intended to put pressure on the Administration and Congress to approve exports of Alaskan oil. But the industry's complaints about the west coast oil surplus seem to have backfired on them recently. When Sohio announced they were thinking of cancelling their pipeline project from California to Texas, there was an uproar in the Administration and Congress to save the project. Reducing the west coast surplus was viewed as a major reason to construct the Sohio pipeline by the Administration and Congress to the point where they have taken steps to insure that Sohio can build the pipeline.

This unexpected reaction to Sohio's announcement to cancel the project seems to have placed Sohio in an awkward position. They are no longer saying that the west coast is swimming in oil and instead, are making statements that the need for the pipeline was diminishing because the west coast surplus was proving less than expected. (N.Y. Times 5/23) This places the North Slope producers in delicate position as it is hard to lobby for approval of Alaskan oil exports in order to alleviate the west coast surplus when simultaneously the companies are saying the surplus is not bad enough to justify construction of a pipeline to transport the oil off the west coast. Obviously, the real status of a "glut" of oil on the west coast needs to be determined before we approve exports of Alaskan oil to alleviate a potentially non-existent problem.

Language is still needed to control Alaskan oil exports

The language in the Export Administration Act will insure that any decision made by the Administration to export Alaskan oil must be reviewed and accepted by Congress. In light of the enormous implications exporting Alaskan oil will have on many facets of our petroleum supply picture, Congressional involvement is vital.

For example, Congress must advocate policies which will encourage retrofitting of refineries on the west coast and elsewhere in the nation, so that they can handle heavier crudes, such as Alaskan. The availability of large quantities of Alaskan oil, coupled with changes in U.S. refinery policies cannot help but be an incentive to retrofit these refineries. Any exports of Alaskan oil must not discourage these important changes in our domestic refining capabilities.

Another area affected by Alaskan oil exports, is pipeline construction. The cost and environmental risks of tankers make the use of some pipeline network from the west coast inland, important to consider. If it turns out that construction of pipelines is economically efficient and environmentally preferable, exporting Alaskan oil may undermine the viability of the projects unless the exports are carefully controlled.

These issues and many others need careful analysis before a decision regarding exports of Alaskan oil is made. To insure that the Administration develops a policy which will maximize the benefits to the public and our long term petroleum supply picture, we urge you to vote for the renewal of language controlling Alaskan exports.

□ 1520

Mr. LAGOMARSINO. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, my understanding is that the administration, despite its public statements in support of authority to barter or sell Alaskan oil to Japan, does not intend to fight on the issue.

Therefore, I wish to reemphasize my views for the record. The McKinney-Wolpe amendment absolutely prohibits the sale or barter of Alaskan oil to Japan. I believe that the executive branch should have flexibility to be able to swap that Alaskan oil, which we are unable to refine on our west coast, for oil from other areas to be delivered to our east coast refineries. If such a swap should become advantageous because it is cheaper, the executive branch should have the authority to carry out the swap—in our national interests. I believe that our real security interests should include that option.

We have a $12 billion annual trade deficit with Japan. With this option to swap Alaskan oil, we could reduce our trade imbalance, increase our economic leverage with Japan, maximize production of Alaskan oil, and by the offsetting agreements, help meet the energy needs of American consumers.

Also, I am looking forward to the amendments to this bill suggested by my colleagues, Mr. ICHORD and Mr. DICKINSON. There may well be some sections of this bill regarding the protection of U.S. security interests which can be improved by amendment. I naturally support increased trade, but we must carefully weigh our national security needs.

I would like to make two very brief points. One is that I voted against going into the Committee on this measure since I felt that it was far too important a subject to be debated on an afternoon when there was barely minimum attendance. I regret the fact that a bill of this magnitude has been scheduled when most of our Members are not in town.

The other point is I for one am a

champion of the right of the administration to swap Alaskan oil. I realize that because of the palace coup that took place last week the administration seems to be in total disarray. It is my understanding they are not going to try to knock out the McKinney-Wolpe amendment, so I am not going to be doing their work for them. But let me point out it would be good administrative policy to have the option to swap. It would reduce our balance-of-payments deficit with Japan. The real beneficiaries would be the consumers on the east coast, and that is ironic because the environmentalists on the east coast have done more to mess up our energy situation than any segment of society. Yet now they do not have enough commonsense to appreciate the fact that a swap of Alaskan oil would be to their benefit.

With those words of wisdom, I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I yield 4 minutes to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Chairman, I rise in support of the provisions to maintain the prohibition on exporting Alaskan crude oil as contained in the Export Administration Act of 1979, H.R. 4034.

This Nation must vigorously pursue the goal, of increased domestic production of oil and the maximum utilization of our own reserves. The recent problems, so clearly illustrated by the shutdown of Iranian oil production, from where we received only 10 percent of our oil imports, have all too sadly pointed out just how little we learned about the consequences of increased dependence on foreign nations for our crude oil supplies. This dependence has now reached a point where approximately 48 percent of our oil needs come from foreign nations.

This level of dependence is dangerous, and indeed could bring this Nation to a standstill should the unstable picture in the Middle-East worsen. Furthermore, this dependence is absolutely unnecessary. Our country has a wealth of oil in Alaska that can decrease our energy dependence and at the same time do much to increase our level of energy independence.

The United States must utilize its Alaskan reserves to the fullest extent possible here in this country and not in Japan or any other nation. These reserves are, however, being underutilized because of the failure to construct a pipeline to transport this crude oil from Alaska to the lower 48 States. This failure is, to a large degree, due to massive Federal regulations. These requirements have been partly to blame for the withdrawal of the Sohio Company's proposed pipeline from California to Texas.

Nonetheless, we do have another chance to bring this crude oil to the lower 48. This chance is the Northern Tier pipeline. If we put our energies into the construction of the pipeline rather than into the obstruction of the pipeline, we will take a major step toward maximizing the use of our Alaskan reserves. This pipeline, as many of you know, will be capable of bringing Alaskan oil to all of the Northern Tier States and refineries from Washington to Minnesota. It also has the potential of supplying Alaskan oil to secondary markets as far south as Kansas City. These benefits do not even include the obvious ones of savings to our balance-of-payments problem and increased jobs that will result.

Construction of the pipeline can only be accomplished, however, by maintaining the prohibition against exporting Alaskan oil. To allow the export of Alaskan oil, will leave this Nation without a pipeline for efficiently transporting the oil to the lower 48 States. The Nation is facing a termination, by 1982, of all Canadian crude oil imports not on an exchange basis. The refineries in the Northern Tier have been heavily dependent on these Canadian supplies and to allow this to happen would subject these States to the same oil shortage problems now plaguing the Northeastern section of this Nation.

Because of this situation Montana is now in danger of not having sufficient diesel fuel to harvest the crops now standing. The crops will not wait, hungry, cold people will not wait and we should not wait on using our own oil in our own pipeline.

One other point needs to be made about the need to keep our Alaskan oil reserves in this Nation. The President, in his recent energy speech, emphatically stated his intentions to import not one more drop of oil into the United States than what was imported in 1977. If he intends to hold to this goal then there is no question but that Alaskan oil must not be exported.

I urge my colleagues to vote in favor of H.R. 4034 and in favor of increased energy independence.

Mr. BINGHAM. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I want first of all to congratulate the gentleman from New York (Mr. BINGHAM), the ranking minority member and the members of the committee for their work in bringing this legislation to the floor. The amendment to the Export Administration Act, which we have under consideration today, I think will go far to bring rationality to the export licensing, which at times seems to defy explanation.

The fact of the matter is I think the review of various products and commodities leaving this country is, of course, an extremely important task in a time when we are concerned about our national security, when we are concerned about the balance-of-trade problem that this country faces. I believe that the balance-of-trade problem probably eclipses any other economic problems that our country has to deal with and, indeed, the resources and the amendments to Export Administration are modest considering the magnitude of the balance-of-trade problem. When we look at the authorization in the bill for $7 million and $8 million for fiscal years 1980 and 1981, respectively, the authorization level, indeed, is a modest effort to try and facilitate what should really be a centerpiece, a keystone of our trade program.

The other resources and tools available through the Export-Import Bank are again modest, when compared to the magnitude of the need. This country in the past fiscal year exported in excess of $175 billion worth of goods and commodities.

On the opposite side of that we imported something in the neighborhood of $200 billion-plus which, of course, results in our balance-of-trade deficit, largely from the importation of foreign oil that has so plagued our economy and will continue to do so until we diminish the use of it, and until we can increase the commodities that we trade abroad.

This bill, I think, provides for some major initiatives to accomplish that increase in trade. I think these are modest provisions, and I think the provisions for bartering are good. As an example I think that it provides the opportunity to reduce costly overregulation that has been superimposed on our businesses, multinational corporations in this country which really, in essence, has resulted in the loss of the business, the loss of the jobs, the loss of some markets to the American products and to this country in general, only to have those other countries in which the multinational companies are located pick up those same business contracts.

□ 1530

So, I hope that this sets a demarcation no matter what the structure of our Government trade administration, and I know that there have been major reforms suggested for structuring or restructuring our administration, the amendments to the Export Administration Act will help facilitate trade. Unless we put into the administrations' hands a clear policy, which the gentleman and the subcommittee have attempted to do in this case, we will not fare well in terms of our trade initiatives. I think this is a commendable effort along those lines. We have a long way to go before the realization of our improved trade goals and curbing the limits we have self-imposed, trade restrictions which operate to an American disadvantage, in the world marketplace and beyond the actual needs of national security and our responsibilities to set a policy for the free world.

Let me point out an example of the problems we hopefully will avert in our future trade activities.

I recall specifically a recent instance when Univac, a major employer in my district, lost a $6.8 million computer contract because of misguided foreign policy consideration and prolonged delays. Tass, the Soviet news service, in an effort to upgrade its news handling facilities in preparation for the Moscow Olympic games contracted for a down-rated computer similar to one previously licensed for export to Aeroflot, the Russian airline.

The computer was ready to be shipped in July 1978 but the stalling game by our Government continued until early April 1979 when finally the license was cleared. By that time, Tass decided to terminate its agreement with Univac and place an order with a French computer consortium for a more sophisticated and expensive system—$17.5 million—and

one presumably usable in defense applications.

As a consequence of the Government's maladroit handling of this export license application, the country lost a sizable contract, many man-years of work, and, of course, profits, and opened the opportunity for the Soviets to purchase a computer system with possible defense-related capabilities.

A further result of forcing the Soviets into the arms of the French computer consortium is a new and more ominous development for the U.S. national security. A few days ago it was announced that as the fruit of the Tass computer sale the Soviet Union and France have reached a basic understanding to develop jointly a generation of computers and related equipment for the use in the decade after 1985. What the Soviets could not get if they were to rely on U.S. computer suppliers they will now quickly receive through their acquiescent French connection, CII-Honeywell-Bull.

I believe it is essential if we are serious about international trade, about reducing the adverse balance of trade and about coping with domestic inflation that we do a better job of organizing our export licensing process.

The bill H.R. 4034 should be passed.

Mr. LAGOMARSINO. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. Mr. Chairman, since I first became involved in the effort to restrict the export of Alaskan oil, I have witnessed a number of attempts to justify the export of one-half million barrels of that oil each day. One of the most enduring of these arguments has been the need for Presidential "flexibility" in utilizing the 2 million barrels of oil from Alaska's North Slope. Armed with the "flexibility" argument, this administration and other proponents of Alaskan oil exports have unabashedly pursued the simultaneous and contradictory goals of decreasing our reliance on imports and exporting Alaskan crude. I think it is high time that the Presidential "flexibility" argument be put to rest—for good. Such flexibility may be needed in managing the Department of Energy but it has no place in efforts to free ourselves from the stronghold of the OPEC nations. There is only one clear path to achieve that goal—the use of every available source of domestically produced energy in domestic markets.

This Congress has taken a great deal of criticism from the American people, the American business community and the administration for its failure to pass necessary energy initiatives. Some of that criticism is justified. But the record should be set straight. It was this body passed the first synthetic fuels bill 1 month ago. It was in this body that the first solar energy development bank was proposed. Two years ago this body enacted an amendment to commit the nation's offshore oil to domestic use. And, it was in this body that the only legislation committing Alaskan oil for domestic use was passed, 240-to-166. I know this, Mr. Chairman, because I have been directly involved in each of these efforts.

Today, the House of Representatives again has the opportunity to demonstrate its commitment to a future of energy independence by extending the restriction on the export of Alaskan oil. Justification for the extension of the export ban goes far beyond the most obvious arguments for committing domestically produced oil to domestic use. The justifications are more substantial than the need to hold the North Slope producers accountable to their promises, made in 1973 when the Trans-Alaska Pipeline Authorization Act was passed, of foregoing the financial attraction of exports and reserving Alaskan crude for use in domestic markets. The arguments for extending the export restriction on Alaskan oil—which expired on June 22—go beyond even the debilitating effect which an export or exchange would have on the already crippled U.S. maritime industry. There are sound economic reasons which dictate the need to insure that Alaskan oil is delivered, refined and consumed in U.S. markets. These reasons, Mr. Chairman, cannot be overcome by some inappropriate fixation upon Presidential "flexibility" in decisionmaking.

Reduced transportation costs, which work to increase producer profits, is another durable argument of questionable reasoning that proponents have used to justify the export of Alaskan crude. It is true that the Alaskan North Slope producers stand to gain an additional $2 per barrel—averaging delivery costs to both the west and the gulf coasts—by exporting that oil rather than delivering it to domestic markets. However, in making the transportation savings, that $2 per barrel would not be realized by the consumer. The total savings would instead be added to a steadily increasing profit margin resulting from the production of North Slope crude.

Proponents of an export or exchange claim that the transportation savings are necessary in order to insure profitability in producing Alaskan oil. The facts show otherwise. Consider that in the first quarter of this year, Standard Oil of Ohio, the North Slope's largest producer with 52 percent of the oil, increased its profits over the first quarter of the previous year by 302 percent. That increase was attributed by the chairman of Sohio to production on Alaska's North Slope. Profits for the second quarter of this year, due to be reported this week, should show an additional 70-percent increase above the first quarter. And, after tax profits for Alaskan oil delivered on the west coast are an incredible $4 per barrel. That figure represents an 85-percent increase in after-tax profits reported in December.

In light of this very lucrative venture, arguments for increasing producer profits by saving in transportation costs cannot compare with the need to commit that oil to our domestic markets. Not only do the figures indicate that the Alaskan oil producers are presently enjoying a tremendous return on investment; they further refute the arguments posed that increased profits are necessary for meeting additional production. Without an export option, and therefore without the additional transportation savings of an export, the North Slope producers have already scheduled a 25-percent increase in production by the end of this year. Furthermore, Atlantic Richfield Co., another North Slope producer, has announced plans to begin commercial development of Alaska's Kuparuk field at 60,000 barrels per day by 1982. Clearly, these production plans argue persuasively against the need to open Alaskan oil production to the world markets.

Proponents of an export or exchange of Alaskan oil have made further arguments that insufficient markets for Alaskan oil in the United States necessitate an exchange. If there was any validity to these arguments in 1975, there is certainly none today. Unlike a few years ago when I first became involved in this issue, there are more than adequate markets, in fact, growing demands, for Alaskan crude. Its heavier gravity makes it most suitable for distillation into home heating oil and when compared to $30 to $35 a barrel spot market crude, it is no wonder that U.S. refiners in the Caribbean are eager to receive $18 Alaskan crude.

On the west coast, where the infamous Alaskan oil "glut" became the rallying cry for export proponents, refiners have increased their take of Alaskan crude from 600,000 barrels per day to almost 990,000 barrels per day in the last few months. This new-found refining capacity and the elimination of the "glut" are most likely attributable to both the increasing profitability of producing Alaskan oil and the sharp rise in the price of imported crudes.

Officially, however, west coast refiners claim the 300,000 barrel per day increase in ANS crude refining is a result of: First, experience with handling the oil, second, the ripple effect of the shutdown of Iranian production, and third, the failure to bring San Joaquin Valley production on line as expected. Interestingly enough, the increased refining of Alaskan crude on the west coast has occurred without the expensive refinery retrofits that were earlier alleged to have been necessary in order to profitably market Alaskan oil in the lower 48.

This increasing demand for Alaskan crude in the domestic markets is all very good and understandable but can be no substitute for the continuing need to develop an effective transportation system to distribute the oil eastward. Producers of Alaskan oil, most notably Sohio, assured this House on several occasions that any export or exchange of Alaskan oil would be a temporary one because their plans for the construction of a pipeline to deliver that oil would be fulfilled in a few years.

Short of saying "I told you so," I have long contended that Sohio's Pactex Pipeline Project, which was to deliver Alaskan crude from Long Beach, Calif., to Midland, Tex., was a convenient argument to delay the enactment of an Alaskan oil export restriction. Despite the success of legislation in the House Interior Committee, which would have effectively eliminated any further environmental obstruction to the Pactex project, and despite the administration's commitment to the same, the board of Sohio chose to scrap the project. I would suggest that the increasing marketability of Alaskan crude on the gulf and west coast played a role in that decision.

The need to develop a transportation infrastructure to deliver Alaskan crude east still remains. Despite Sohio's decision, the Government has a responsibility to revitalize that project and to grant all the regulatory and financial assistance necessary to complete the Northern Tier Pipeline project. Without a clear mandate from this Congress, committing all of the North Slope's production to U.S. markets, the incentive to proceed with these projects will quickly fade away.

Questions have been raised, Mr. Chairman, about the effects on the U.S. balance of trade in the event of an export or exchange. Let me make this clear. Alaskan oil is now and, unless regulatory action is taken, will in the near future be priced lower than either Mexican or OPEC crude Therefore, in the event of an exchange of Alaskan oil for foreign crude, this country would incur a balance-of-trade loss. In a study by Robert R. Nathan Associates the question of an Alaskan oil exchange was analysed. That study found that even reducing annual costs to this country by 0.37, which represents the net amount of total outlays to foreign sources returning to the United States in the form of demand for domestically produced goods and services, under a best-case scenerio—wherein half of the Alaskan oil is transported on American bottom tankers and exchanged with Japan for Mexican crude—the United States would incur a $182 million deficit annually.

Finally, Mr. Chairman, let me emphasize that the legislation which I introduced and which was subsequently included in this bill, H.R. 4034, is intended to apply solely to oil that is transported pursuant to rights of way granted under the Trans-Alaska Pipeline Authorization Act of 1973. Nor does this legislation in any way attempt to preclude the fulfillment of our treaty obligations with Israel either pursuant to the 1975 Sinai Treaty nor the most recent agreement resulting from the Egyptian-Israeli peace agreement.

Mr. Chairman, we need to commit every available domestic energy resource to our battle for political and economic independence. Alaskan oil is among the most readily available of those resources. I was heartened by the action of the recent Senate in passing an export restriction that is simiar to one before us today. It was pleasing to learn that so many Members of that body, who just 2 years ago had voted against an export ban, have realized the importance of insuring the domestic distribution of that oil. I commend the Senate for its action and I urge all of my colleagues in the House to support this legislation.

Mr. BINGHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman and members of the committee, I thank the distinguished gentleman from New York for yielding me this time. But, I must agree, Mr. Chairman, with the gentleman from Illinois (Mr. DERWINSKI). I think it is unfortunate that a bill of this magnitude is being debated today when so many Members are not here to hear this very important matter being debated.

I also agree with the gentleman from California (Mr. LAGOMARSINO), that the provisions regarding reexport conditions must be deleted from this bill. H.R. 4034 has been reported out of the Committee on Foreign Affairs as a result of considering eight bills. One of those bills H.R. 3216 was referred to the House Armed Services Committee. In fact, this bill covers one subject which is also under the jurisdiction of the House Armed Services Committee, and that is the transfer of military technology.

The House Armed Services Committee has held long and extensive hearings on this particular aspect, and in fact the hearings are still being conducted on H.R. 3216, one of the bills that was considered in making up H.R. 4034. I have hearings scheduled for tomorrow morning, and the House Armed Services Research and Development Subcommittee has voted to offer several amendments to this bill which I think must be adopted in the interest of national security.

Mr. Chairman, the reason why I say this—and I think perhaps the gentleman from New York will agree, although he may disagree as to the effects of the particular provisions of this bill—is that on May 24 Mr. Larry Brady, the Acting Director of the Office of Export Administration, testified before the Subcommittee on Research and Development that, and I quote: "The export control system as it is today is a total shambles."

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After extensive review, I would say with respect to the transfer of military technology, that any inaccuracies in that evaluation by Mr. Brady as far as national security is concerned lie only in its understatement of the current situation. For example, last Wednesday I received a letter from Secretary Kreps advising me that contrary to testimony received and to news accounts, there was in fact no diversion in connection with the Kama River truck factory. I would advise the members of the committee that we have not only transferred according to some sources about $1.5 billion worth of machinery but also sophisticated computers that make up the Kama River truck factory, the largest truck factory in the world. This statement by Mrs. Kreps, made in the face of credible and verified reports that hundreds of trucks from Kama River have been seen in military units in eastern Europe, caused me to schedule this hearing tomorrow morning to get to the truth in this matter. If in fact there is no violation of U.S. export controls as alleged by Secretary Kreps, then I would question the wisdom of our entire export policy.

In any event, Mr. Chairman, on behalf of the Research and Development Subcommittee, I will offer one amendment affecting the transfer of critical military technology. The amendment which will be offered to the House will bring about a clarification of the Secretary of Defense's responsibility for identifying critical technology, and the amendment will also mandate that a list of critical technology be established by October 1, 1980. I believe the critical technology approach is ready to fly and is the only safe and sane way of protecting our perishable technological lead over our potential adversaries.

The second amendment which I will offer seeks to delete the authority for the establishment of a procedure to identify technology thresholds below which goods and technologies would be exempted from special licensing requirements. This procedure titled "indexing" defies effective administration and would be an exercise in dangerous speculation from a national security perspective.

My final amendment deletes the aforementioned provision eliminating requirements for reexport permits. This provision should be of great concern to the proponents of trade for in the absence of re-export controls a substantial number of license applications are likely to be denied. Likewise this provision would significantly effect controls for national security purposes.

Mr. Chairman, there are three considerations which must be made in administering export controls: Protection of our domestic economy; regulation of trade for consistency of foreign policy, and restriction of export of goods and technologies to protect our national security.

It is this last consideration, national security which is our concern.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BINGHAM. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, I appreciate the gentleman from New York's yielding me time. I was just checking the monitor when the gentleman from Michigan was talking about prohibition of any shipment of Alaskan oil to other countries. That obviously is based on the assumption that a barrel of oil is a barrel of oil, and that simply is not so.

My district has in it the largest producing oil field in the world. East Texas oil field has been producing now for 50 years. It had 26,000 producing wells at one time. They produce a high-gravity oil. The oil from Alaska is not only low-gravity, it is high-sulfur, which means in the refining process it makes a lot of sulfuric acid, and for that reason only three or four of the California refineries can handle it and it has to be shipped to Texas where all the coast oil is high sulfur.

So let me put it this way. With Alaska oil, a barrel, of course, is 42 gallons. You get maybe 14 to 18 gallons of gasoline or distillate. With Indonesian crude you get about 24 to 26 gallons of middle distillate or gasoline. The value of the Alaskan crude is primarily in the feedstocks because you can make four or five times as many plastics and other products out of Alaskan crude as you can out of Texas crude, or 10 times as much maybe as Indonesian crude.

I hope the committee will look into it thoroughly and not put a prohibition on it, because if we can trade one barrel of Alaskan crude for one barrel of Indonesian crude, we are going to get a lot more gasoline and distillate than we would otherwise. It is true we would lose the feedstocks, but we have all the feedstocks we can possibly use. I am sure if the committee will check into it, they

will find that a prohibition will not be to our best interest. If we can trade for Mexican crude, we would average 50 percent more gasoline or distillate from Mexican crude, if we could trade on a barrel-for-barrel basis. I hope we would not prohibit the transfer before we get Mexican crude or Indonesian crude in return.

I thank the gentleman very much.

Mr. LAGOMARSINO. Mr. Chairman, I have no further requests for time at this time, and I will reserve the remainder of my time.

Mr. BINGHAM. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, I would like to comment very briefly on two of the points raised by the gentleman from Missouri (Mr. ICHORD), who has been conducting extensive hearings on this problem. First of all, with respect to the comment made in testimony by Mr. Brady that the administration of the export control system is a total shambles, I have talked to Mr. Brady. I know that he was very dissatisfied with the way the system was being operated, but that is not to say that he is critical from the point of view that items of critical technology have been exported to the Communist countries. His criticism had much more to do with the way in which the program was being administered, and I think many of his criticisms would be shared by industry.

The witnesses who came before us from industry complained that they were being subjected to inordinate delays in the processing of their applications, frequently being held up for a year or 18 months, long enough to lose their business to a competitor in Western Europe, and then finally having their licenses granted. This was enough to drive many of these exporters right up the wall. They would agree that the administration of the program was in a total shambles.

The effort of this bill is to tighten up on that administration, to improve it without in any way endangering the national security.

Now as to the Kama River plant, I have inserted in my remarks the letter from the Secretary of Commerce with respect to that plant. The fact of the matter is, and I think it is of interest to the Members because there has been a great deal of discussion on this, this is a huge truck plant that makes trucks and motors, but they are standard trucks, and the only confirmed information that we have about the use of the products of that plant for military purposes is that some of these standard trucks have been seen in military motor pools. When these export licenses were granted, and they were granted in the administration of President Nixon with the explicit approval of Secretary Kissinger, there were no restrictions put on the use of the trucks being produced at the plant. That was a deliberate decision because these were of a general nature. When you sell anything, when you sell common tools, a hammer or screwdriver, to the Soviet Union, it can find its way to the military. It can be put to military use. But it is not correct to say that there has been diversion or violation of an agreement, because there was no condition put on the export licenses of that machinery.

Mr. ICHORD. Mr. Chairman, will the gentleman yield for a question on that point?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding. Is the distinguished gentleman from New York telling this House that the Kama River truck plant is not being used to produce military trucks for the Soviet Armed Forces?

Mr. BINGHAM. The information that we have is that they are producing standard trucks, which are the same for military as for civilian use, and that some of those trucks have been seen in military motor pools. I am also saying that there was no diversion because there was no restraint in the licenses that were granted. There was no restraint on the end use of the products. The only item that was sold to the Kama River plant that was subject to the restraint was the computer that the gentleman referred to, and there is no evidence that that computer has been used contrary to the agreements that were connected with it, which had to do with the quantity of work to be produced by the computer, not with the end use of the products of the plant.

The CHAIRMAN. The time of the gentleman has expired.

□ 1550

Mr. LAGOMARSINO. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I thank the gentleman for yielding, Mr. Chairman.

If I could have the attention of the chairman of the subcommittee, I do not know whether the gentleman answered the question or not. I respectfully submit that the gentleman did not answer the question asked.

Is the gentleman telling this House that the Kama River truck plant is not manufacturing Soviet military trucks? Yes or no.

Mr. BINGHAM. I cannot answer the question as put. They are standard trucks which have been used for military purposes. We knew that all along. There was no surprise here. We knew all along these trucks could be so used.

Mr. ICHORD. If I could reclaim my time, I might say to the Members of the House there is some question as to whether they are strictly military trucks. I do have intelligence information, and will probably pursue this in hearings with the Commerce Department tomorrow morning.

The gentleman uses the term "standard trucks." Those standard trucks are being supplied to the Soviet and Warsaw Pact military forces.

With all due respect to the gentleman from New York, I think you are dealing simply in rhetoric when you say there was no diversion. It may well have been that the Department of Commerce did not put the proper end-use restrictions on the computers and all of the machinery in the Kama River truck factory, but the absence of adequate safeguards is the reason why the acting director, Mr. Brady, stated that the export program is in a total shambles. I would say to the gentleman from New York that Mr. Brady testified specifically on the control of military technology and the ineffectiveness of end-use statements.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LAGOMARSINO. Mr. Chairman, I yield 1 additional minute to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I would yield to the gentleman from New York for a comment on the remarks I made.

Mr. BINGHAM. One comment I would make is that the licenses in question were issued in the early 1970's. I do not know whether Mr. Brady was even there at that time but he certainly did not make his comments about the inadequacy of the present administration in terms of something that happened back in 1970 under the Nixon administration.

Mr. ICHORD. Let me say to the gentleman from New York, Mr. Brady was not confining his assessment to this administration. His remarks were made with regard to this administration, the preceding administration and the administration before that. He was not singling out the Carter administration. I think the administration of export controls has been in a shambles for a long period of time and I agree with the gentleman from New York we have to reach a proper balance.

I do not think you can stop the export of all technology to the Soviet Union but I think you can delay, Mr. Chairman, the export of technology. That is the only lead we have, technology. We certainly have no lead in conventional military capability.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LAGOMARSINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to respond briefly to some of the comments that were made by the gentleman from Illinois (Mr. DERWINSKI) and the gentleman from Texas (Mr. ROBERTS) about the McKinney-Wolpe amendments regarding the export of Alaskan oil.

Although the McKinney-Wolpe amendments in the bill make it very, very difficult, there is no doubt about that, to export Alaskan oil, they do not make it impossible. They set up a standard and a test that must be followed to do that. One of the things the gentleman from Illinois said was that consumers would suffer if the amendments prevailed. If it can be proven that consumers will come out ahead then the provisions of the bill, and of the amendments, would allow the swap to be made providing, of course, Congress can be persuaded to go along with that idea.

This is a hard test to follow, I will grant you that, but it is not impossible.

Also, Mr. Chairman, the gentleman from Illinois (Mr. DERWINSKI) said if we make a swap with Mexico, between Mexico and Japan, that it would help our balance of trade with Mexico. It certainly would. We would show a plus on the oil export sales to them, we would show a corresponding decrease, though, in the oil we bought from somebody else, whether it is Mexico, Indonesia or

whoever. I must also say I believe it would set back our efforts to reach real trade adjustments with Japan by quite a bit because the pressure would be taken off of them to buy others of our imports, such things as agricultural products and other things that we have been trying to get them to buy more of.

I am sure there will be a debate about this particular matter when we get into the 5-minute rule but I did want to make plain what were my thoughts about this comment.

Mr. Chairman, I yield back the balance of my time.

● Mr. HEFTEL. Mr. Chairman, at a time when we are encouraging use of domestic oil—to reduce our dependence on foreign imports, ease our shortages, and to assist in restoring our outrageous balance-of-payments problem, a refining company in Hawaii is unable to efficiently utilize domestic crude oil since a byproduct of the refining process results in high sulphur residual fuel oil, a product for which no readily available market exists.

The refining company, which has historically processed 100 percent imported crude oil, has been seeking Alaskan crude oil to use in a projected expansion of its refinery capacity. The use of Alaskan crude oil in the expanded portion of this refinery would stimulate the use of domestic oil in Hawaii, which has been almost 90 percent dependent upon foreign sources for its crude oil.

Hawaii has a heavy demand for transportation fuels (jet fuel, gasoline, and diesel fuel) for its tourist-oriented economy and has minimal needs for residual fuel oil. The fuel balance situation in Hawaii is further compounded by the military needs for the same light-end transportation fuels. The refineries in Hawaii are unable to make a sufficient quantity of required transportation fuels without producing an excess of other products—especially residual oil.

Due to the composition of available Alaskan North Slope crude oil, its use in Hawaii's refineries would result in the production of high sulphur residual fuel oil as a by-product of the refining process. U.S. environmental restrictions preclude the marketing of high sulphur residual oil on the west coast, therefore, the only market available for residual fuel oil of such a sulphur content (1.74 percent sulphur by weight) would be in the export market.

It is important that we successfully stimulate production of domestic crude oils, provide products which meet stringent environmental regulations to U.S. firms and provide additional fuels of the types required to meet both civilian and U.S. military defense needs in Hawaii. This can be accomplished by utilizing Alaskan crude oil in incrementally increased refinery capacity.

In view of this, I strongly urge that the Department of Commerce include the addition of "refinery by-products including high sulphur residual fuel oil," to the provision instructing the Department in carrying out its responsibilities.

This would allow my State to utilize ANS crude oil, to manufacture more of the fuels needed in Hawaii and to dispose of, through export, the high sulphur residual fuel which would be a byproduct of the refining process.●

● Mr. FOLEY. Mr. Chairman, I want to commend the distinguished chairman of the Committee on Foreign Affairs and the other members of his committee for their work in bringing this legislation to the floor.

I am concerned, however, over the implications of section 110 of the bill as reported. The language of that section provides that the Secretary shall require a valid license under redesignated section 7 of the act for the export of unprocessed western red cedar logs harvested from public lands and requires phaseout of export of such logs over a 3-year period.

I want to assure the House that I share the concern of my colleague from Washington (Mr. BONKER), the author of the amendment, over the plight of the small timber mill operator in our State. Section 110 is, however, only one approach to the extraordinarily complex and highly controversial problems associated with maintaining an adequate timber supply to support the mill operations that are the backbone of the economy in many of the small communities in the State of Washington and the Pacific Northwest.

I am concerned that the approach suggested in section 110 may have certain consequences that could prove to be damaging to the Nation as a whole. I am particularly disturbed over the possibility that this language will be used as a precedent to place absolute prohibitions in statutory language on other commodities. This seems to run contrary to this administration's overall efforts to develop foreign markets for our agricultural and forestry resources. History indicates that once a foreign market is lost it is extremely difficult to regain.

I want to indicate to the House that I am perfectly willing to go along with the committee on this section of the bill as reported. I do not feel, however, that this approach should be extended beyond the narrow scope of section 110.

It is important, as I see it, that Congress proceed very cautiously in this area so that the markets for our agricultural and forest products can be maintained and enhanced as a means of addressing the serious trade deficit resulting from the importation of foreign oil.●

The CHAIRMAN. All time has expired.

Mr. BINGHAM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. SKIBERLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just considered, H.R. 4034.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NURSE TRAINING AMENDMENTS OF 1979

Mr. WAXMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3633) to amend title VIII of the Public Health Service Act to extend for 1 fiscal year the program of assistance for nurse training, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3633, with Mr. SKIBERLING in the chair.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. WAXMAN) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation before us today, H.R. 3633, the Nurse Training Amendments of 1979, as reported by the Committee on Interstate and Foreign Commerce, would amend: First, title VIII of the Public Health Service Act to extend for 1 fiscal year the programs of assistance for nurse training; second, title VII of the Public Health Service Act relating to program requirements for the training of other health professions; and third, title II of the Public Health Service Act to provide for more efficient administration of the Commissioned Corps of the Public Health Service.

The Nurse Training Amendments of 1979 is an important measure with bipartisan support indicated by the fact that the bill is cosponsored by 12 members of the Subcommittee on Health and the Environment and has the overwhelming support of both the Subcommittee and the Committee on Interstate and Foreign Commerce.

The President vetoed the Nurse Training Amendments of 1978, which passed the House by a vote of 393 to 12. The President, in his memorandum of disapproval, cited budget restraints as a major reason for vetoing the bill. In response to the current economic situation, the Subcommittee on Health and the Environment reported a bill which authorizes less than 50 percent of the amount authorized in last year's bill for fiscal year 1980. This sharp reduction in authority accommodates budgetary con-

straints, without jeopardizing the nursing profession.

In general, the bill is a 1-year extension of the Nurse Training Act authorizing appropriations at levels similar to the current fiscal year's appropriations, finalized by adoption of the Budget Authority Rescission Act of 1979.

Among its other provisions, the bill establishes new authority for the training of nurse anesthetists, as did the Nurse Training Amendments of 1978; authorizes the Secretary to increase the loan insurance limit for students in schools of medicine, dentistry, and osteopathy; authorizes the Secretary to permit a National Health Service Corps scholarship funds recipient to defer obligated service for more than 3 years, if necessary to complete advanced clinical training; deletes the requirement that 90 percent of the National Health Service Corps scholarship funds go to students of medicine, osteopathy, or dentistry; provides that area health education centers funded prior to October 12, 1976, would continue to be eligible for Federal support through fiscal year 1981 without meeting certain requirements for new centers; provides that if one medical or osteopathic school participating in an area health education center conducts a program for training nurse practitioners or physician assistants, other participating schools would not be required to do so; increases the limit on appropriated funds which may be obligated or expended for financial distress assistance to the health professions schools and repeals the 75-percent limitation on second and subsequent financial distress grants to such schools; includes maternal and child health among those programs in schools of public health eligible to receive traineeship and special project grant support; establishes a chief nurse officer, a chief pharmacy officer, and authorizes the appointment of warrant officers to the Commissioned Corps of the Public Health Service; and requires that a study be conducted to determine if there is need for continued Federal financial support for nursing education, and, if such need is established, in what form that support should be provided.

Enactment of H.R. 3633 will continue the program of Federal support for nursing education through fiscal year 1980, at which time the authority for Federal support for other health manpower training programs also expires. This will allow Congress to examine in detail the continued necessity for and form in which Federal support for health professions education activities should be provided, and to develop a consistent Federal policy in this regard.

I commend this legislation to my colleagues and urge its adoption.

□ 1600

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly support H.R. 3633, the Nurse Training Amendments of 1979.

This legislation extends programs of assistance for nurse training for 1 year, through fiscal 1980, and makes other minor and noncontroversial changes in the public health service act.

The bill authorizes a total of $103 million for fiscal year 1980 for various nurse training programs.

And I would like to emphasize the reasonableness of the $103 million authorization. This amount is one-half the comparable authorization approved by the House last year—but later pocket-vetoed by the President.

Mr. Chairman, as you know the nursing profession has made and continues to make, an invaluable contribution to the health and well-being of the people of this country. The skills and expertise of our Nation's nurses depend on the quality of their training programs, and over the years nurse training legislation has been responsible for improving both the quality and availability of nurses in this country.

Included in the legislation we are considering today are authorizations for the following categories of nurse training: Nurse practitioner programs; advanced nurse training; special projects; loans; scholarships; capitation; and construction.

In addition the bill provides authorization for traineeships to cover the costs of training nurse anesthetists—who provide about 50 percent of the anesthesia services in this country, particularly in underserved areas and in small hospitals.

Mr. Chairman, as you know, there has been a great deal of debate about whether we have enough nurses to meet our Nation's needs and what the role of the Federal Government should be in supporting nursing education.

The subcommittee examined these issues and others very carefully during hearings on this legislation. And we found there is still a significant range of opinion on these issues.

Therefore, to provide a definitive study of these questions we included a provision in the bill requiring a major study of our Nation's nursing needs to help guide our decisionmaking in the future.

Based on my own experience—I would submit that we have yet to find a surplus of nurses in this country. Particularly in rural and inner-city areas, the demand for nurses far exceeds the supply. We must do all we can to insure that people who live in medically underserved areas have access to the health services they need at reasonable costs.

Mr. Chairman, I would like to point out that the authorization level of $103 million for nurse training is the same total figure adopted by the Senate in their nurse-training bill, and this figure closely parallels 1979 appropriations.

We have deliberately limited these authorizations to 1 year so that the nurse-training programs will expire at the same time as all other health professions programs.

In this way the subcommittee and the Congress should be able to develop a comprehensive policy for health professions' training by considering all categories of health personnel at the same time.

Mr. Chairman, this is a modest and reasonable proposal and I urge that it be favorably considered.

● Mr. STAGGERS. Mr. Chairman, I rise in support of this important piece of health legislation.

As you will recall, the Nurse Training Amendments of 1978 were vetoed by the President following the adjournment of the 95th Congress. Early in this Congress, I was joined by many of you in introducing H.R. 1143, the predecessor bill to H.R. 3633, legislation designed to address the continuing needs of nurse training.

Few, if any, of the health care resources available to the citizens of our great Nation command the importance and respect of the nursing profession. It is incumbent upon the Congress of the United States to assure that well-trained, qualified members of this critical health care profession continue to be available to us all. I believe the bill before us today will assure just that. At the same time, it will also meet the budgetary concerns expressed by the President in his veto message.

I am proud to be the sponsor of this bill and commend the members of both the subcommittee and the full committee for their diligent work on this important legislation.

I urge my colleagues to join me in voting for passage of this measure.●

● Mr. LEE. Mr. Chairman, I rise in support of H.R. 3633 which extends the authorization for the Nurse Training Act 1 additional year at a cost of $103 million, one-fourth the cost of the Nurse Training Act of 1978 vetoed by the President. The President's stated basis for the disapproval of the legislation was that "the outlook is good for adequate, sustained growth in the supply of nurses," so "there is no reason for the Government to provide special support to increase the total supply of professional nurses."

A study commissioned by the Department of Health, Education, and Welfare under the mandate of the 1975 Nurse Training Act projects an increased need for nurses for 1982 ranging from a low of 40 percent to a high of 92 percent. The Bureau of Labor Statistics, though setting forth a more modest prediction, nevertheless foresees a 28-percent increase in the number of nursing jobs available in 1985. Those who remain unconvinced need only glance at the classified section of any Sunday edition of the Washington Post where the number of advertisements for nursing positions is outstripped only by those for engineers.

Though a high percentage of registered nurses are employed in the nursing field, only 1.9 percent of new graduates in 1978 reported they were seeking employment—this in contrast to a national unemployment rate during that same period of time of 6 percent. Data collected by the American Hospital Association shows that during the 5-year period 1972–77, R.N. employment by hospitals increased 33.9 percent. The recent emphasis by health care institutions on

substantially reducing the average length of stay means that patient care will be concentrated over a shorter period of time and, thus, be more intense. Registered nurses must possess a high degree of skill, and this increase in employment among their number is viewed as reflecting the intensity and sophistication of nursing care required. Additionally, home health agencies are experiencing increased demands for nursing staff. As patients go home sooner, they require more extensive care and more frequent visits.

Apart from the question of total nurse supply is the need to recognize the expanding scope and variety of nursing functions. For instance, one objective of the Nurse Training Act has been to help increase the number of nurses prepared at the graduate level to fill positions in nursing service administrative and supervision, research and education and gerentological and other clinical specialties.

Yet another goal of the act is to improve distribution of registered nurses in underserved areas. For instance, schools of nursing can meet the capitation requirement by providing for their students a significant amount of their clinical training in community health centers, long-term care facilities and ambulatory care centers geographically remote from the school. Many schools have developed training programs for nurse practitioners who can work in underserved areas.

There has been ample evidence supplied to us by schools of nursing and by nurses that serious hardships will result should funds available under the Nurse Training Act be cut off. Tuition costs are escalating and even middle-class parents are having trouble financing their children's education. Nursing loans and scholarships really are an essential part to this legislation in order for us to get not only the number of nurses we need, but the kind of nurses we need.

As health care becomes increasingly complex, so does the knowledge required by nurse professionals. In addition to increased complexity, Government-mandated health coverage for more and more individuals necessarily signals an increased need for nursing personnel.

In the light of these trends, any move to immediately cut off Federal support of nursing education would be a grave mistake. H.R. 3633 mandates further study of the nursing supply with respect to future need and continues Federal support during the time the study is to be conducted. I think we in the Congress can also well use this year to carefully evaluate the question of future need for Federal support of nursing education.

I urge my colleagues to join me in support of this bill.●

Mr. WAXMAN. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. CARTER. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. WAXMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. SEIBERLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3633) to amend title VIII of the Public Health Service Act to extend for one fiscal year the program of assistance for nurse training, and for other purposes, had come to no resolution thereon.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT PAST 10 A.M. ON TOMORROW

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs may be permitted to sit past 10 a.m. tomorrow, July 24, 1979, in order to complete markup on H.R. 4100, the Domestic Economic Development Amendments of 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

U.N. CONFERENCE ON REFUGEES RAISES HOPES FOR SOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MCCLORY) is recognized for 10 minutes.

● Mr. MCCLORY. Mr. Speaker, I have just returned from the United Nations Conference on Refugees held July 20 and 21 in Geneva, Switzerland.

Our delegation, made up of nine Members of Congress, State Department officials, and civic leaders, was led by Vice President WALTER F. MONDALE. The Vice President in his statement to the Conference, eloquently set forth the gravity of the Indochinese refugee problem, and stated the U.S. intention of resettling 14,000 refugees per month during the next year, representing a doubling of our current rate of resettlement.

I applaud the Vice President's statement, particularly his comparison of the present situation with that faced by the conferees at Evian 41 years ago. That conference failed to provide for the resettlement of Jews, then threatened by Hitler, and this failure was followed by the holocaust.

I am most pleased to report that the United Nations Conference did not end in failure, but rather had the positive result of accumulating new pledges—made since June 1—of resettlement for 135,000 refugees and $190 million more for the United Nations High Commission on Refugees.

This Conference was attended by representatives of 65 nations—as contrasted with 34 nations which were represented at an earlier similar conference in December. From my talks with representatives of several nations, I am encouraged that the world community is becoming aware that the current refugee problem is one which must be dealt with by many nations, and not only by the United States, France, Canada, and Australia—the countries which have accepted over 90 percent of refugees resettled to date.

I also spoke with the delegate from Vietnam, Phan Hein, and emphasized the need for normalizing the flow of people out of Vietnam, and the immediate critical need for food deliveries to refugees in Cambodia.

The Vice President, in his statement and later at his press conference, rejected the notion that the present refugees are the direct result of the war in Vietnam. He accurately pointed out that the refugees now leaving are doing so to escape from severe racial and religious discrimination, and not as a result of U.S. actions which ended over 4 years ago. He repeated the thought, heard here on the floor only last week, that the root cause of the present refugee problem is the direct result of action by the Government of Vietnam against some of its citizens. Many other speakers noted this fact as well, and called on the Vietnamese to impose a moratorium on this forced expulsion of people from that country.

The Secretary General, Kurt Waldheim, in his closing statement, announced that the Vietnam Government would make efforts to stop "illegal departures." We must wait to see what effect this action has on the arrival rate of new refugees in first asylum countries.

Mr. Speaker, we did not solve the refugee problem in Geneva. However, I believe that we are in the midst of a process whereby the world community, acting through the United Nations, will join together to provide resettlement for these brave people.●

JACK BRICKHOUSE TO BROADCAST HIS 5,000TH BASEBALL GAME FOR CHICAGO'S WGN RADIO AND TV

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues that John B. (Jack) Brickhouse, Chicago's popular sportscaster for almost 40 years, will broadcast his 5,000th major league baseball game on August 5 for WGN Continental Broadcasting Co., which is located in the 11th District I am honored to represent.

Jack Brickhouse began baseball broadcasting with WGN radio in 1940, and in 1948, he did his first televised broadcasts for the station. He started his career at the age of 18 when he became the youngest sports announcer in the country for radio station WMBD in Peoria, Ill. Also serving as vice president and manager of sports for WGN, Jack's trademark is an enthusiastic "hey-hey" whenever the home team hits a home run out of the ball park.

Of his broadcasting style he has said:

I've always tried to keep in mind that I'm in grass roots country and I'm grass roots born and reared. I don't use the so-

called "sophisticated" approach to broadcasting that is used in other parts of the country. I regard sports first and foremost as entertainment, so the dry documentary narration is not for me. I like the "Let's forget our troubles and have some excitement" approach. I'm convinced you can combine this with reporting integrity and accuracy.

No other baseball broadcaster has televised the number of games achieved by Jack Brickhouse, but his record of accomplishment does not stop there. He has also covered many network assignments of national sports events, reported several national political conventions, covered the Roosevelt inauguration in 1945, and also broadcast a papal audience with Pope Paul VI. He has also received awards for outstanding accomplishments and meritorious service in his profession throughout his career, which are too numerous to mention here, and has served twice as the president of the Chicago chapter of the National Academy of Television Arts and Sciences.

Jack has long been a civic leader in our city of Chicago, and serves as a member of the board of directors of the Northwestern Memorial Hospital and a trustee of Bradley University, a member of the board of directors of the Chicago Boys' Clubs, and was named "Man of the Year" by the city of Hope in 1966.

Mr. Speaker, I extend my warmest congratulations to Jack Brickhouse on his splendid record of achievement, and for the strong and constructive impact he has made on our community. I send him my best wishes for many more years of success.

ROAD TO DEMOCRACY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. DE LA GARZA) is recognized for 10 minutes.

● Mr. DE LA GARZA. Mr. Speaker, his Excellency, the Honorable Jaime Roldos, President-elect of our sister Republic of Ecuador visited Washington for several days last week.

This is a historic moment for the people of Ecuador, and certainly for us as their friends as they continue on their road to democracy.

I would share with my colleagues the following, which is a brief biography of President-elect Jaime Roldos.

He was born November 5, 1940, in the city of Guayaquil, Ecuador's major port and industrial center. Throughout his high school and university days Mr. Roldos was known for a combination of academic excellence and political leadership. For 7 years of undergraduate studies and law school at the University of Guayaquil, Mr. Roldos was ranked first in his class. At the same time he served as president of the Federation of Ecuadorean University Students. Previously, he had been elected president of the Secondary Students' Federation.

Mr. Roldos began a legal practice in 1966. He was elected both vice president and president of Guayaquil's Bar Association, and served as executive secretary of the Andean Pact Lawyer's Association.

Mr. Roldos entered electoral politics in 1968 as a Congressman for the province of Guayas and was reelected in 1970. In Congress he served on two important committees. The Committee on Constitutional Reform and the Permanent Legislative Committee, which enacted legislation year-round when the full Congress is not in session.

Mr. Roldos is a member of "Concentración de Fuerzas Populares" (CFP), the largest political party in Ecuador, which nominated him as their candidate for the Presidency. He has served for many years as CFP's director of political action.

Also active in academia, Mr. Roldos has been a professor at the Catholic University of Guayaquil and the lay university "Vicente Rocafuerte." He has been deputy dean of the Catholic University's Law School.

In 1962 Mr. Roldos married Martha Bucaram Ortiz, a law school classmate. Mrs. Roldos continues to practice law. They have three children: Martha, 15; Diana, 14; and Santiago, 8 years old.

This is not the time nor the place to delve into the reasons why our friends in Ecuador have reached this moment in the history of their Nation. Suffice it to say that the road has not been easy, but to the credit of the Armed Forces, the various responsible political parties and the people of this great country, it has been achieved. We wish them well. I think it might be of interest to list some of the events along the way so that we might more appreciate the significance of the moment:

January 1976: The Supreme Council of Government announced the decision to return to the Constitutional form of Government, in accordance with the wishes of the people.

June 1976: A basic plan for the return to Constitutional Government was announced.

October 1976: Political parties, non-governmental organizations and associations were invited by the Government for a dialogue to find ways to implement the democratic process.

November 1976: New voter identification cards were issued to all Ecuadoreans old enough to vote, and new computerized electoral registers were made.

January 1977: Three Legislative Commissions were organized by the Supreme Council of Government to draw up:

(a) A draft project for a new Constitution

(b) Reforms to the 1945 Constitution; and

(c) New legislation on the election process and on political parties' structure

March 1977: The Electoral Tribunal was appointed.

June 1977: The text for the proposed new Constitution and the reforms to the 1945 Constitution were approved by the Legislative Commission and given national coverage for public debate.

January 1978: On January 15, a national Constitutional referendum took place. The new Constitution was selected by a large majority of the popular vote. Over 90% of the registered voters went to the polls.

June 1978: 2,086,701 citizens were registered to vote for the six candidates for President and Vice president.

July 1978: In the first round of Presidential elections the results were as follows:

Mr. Jaime Roldos (C.F. Party-Popular Democracy), 452,600 votes.

Mr. Sixto Duran (Social-Christian-Conservative), 340,477 votes.

Mr. Raul C. Huerta (Liberal Party), 321,327 votes.

Mr. Rodrigo Borja (Democratic Left), 162,342 votes.

Mr. Abdon Calderon (Radical Front), 130,725 votes.

Mr. Rene Mauge (Popular Democratic Union), 75,277 votes.

April 1979: Mr. Jaime Roldos and Mr. Oswaldo Hurtado were elected by 1,025,148 votes—68.49 percent of the voters. A new Congress of 69 Members was also elected.

Mr. Speaker, we welcome President-elect Roldos to Washington and to our country. We wish him well, not only in his personal life in company with his distinguished family, but in his so important role in public life, as President of this great country.

I would like to share with my colleagues a quote from a public statement made by President-elect Roldos as it appeared in a local newspaper:

The government to be inaugurated on Aug. 10 will be a truly democratic one. I will not disappoint what the Ecuadorian people have seen in me and in the alliance that I represent. I have maintained that I wish to establish a government of change and economic development, a government of balance between economic growth and social justice. This we shall do.

I praise the attitude of the armed forces. They have defended their word of honor. They have not given in to the pressures of certain sectors which hoped for a coup in order to frustrate the judgment of the people.

Respect for human dignity has asserted itself anew in Ecuador, and my government will not be one of retaliation or hate. It is not in the name of hate or social revenge that we will govern. We are extending our hand to all Ecuadorians. My government will respect ideological pluralism. . . .

I want to prove that such values as order and security can exist under democracy. But besides security and order, democracy also grants freedom with social justice. I have fought and will continue to fight so that in Ecuador men feel themselves to be brothers of their fellow men.

I promise a more human, cohesive and just society, and I will not stop until I succeed in achieving this change. I promise the Ecuadorian people that I will not stop until I obtain the changes that I have proposed within a context of democracy and freedom—a change authentically Ecuadorian. . . .

Mr. Speaker, there is very little I can add, except to ask my colleagues to join with me in extending our sincere congratulations to President-elect Jaime Roldos. That our desire and fervent wish is that his term of office be a most productive one for his country and its people. Further, that the friendship which exists between our two countries and our two peoples, prosper and grow.

And finally Mr. Speaker, to respectfully request President-elect Roldos to carry our best wishes to the people of Ecuador and to our colleagues, the members of the new Parliament.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, due to a commitment at the White House in the

afternoon of Friday, July 20, I was unavoidably absent from the House of Representatives during consideration of House Resolution 359—a resolution providing for the more flexible use of clerk-hire allowances for part-time, shared, and temporary employees.

Had I been present for rollcall No. 376, a vote on approval of the resolution, I would have voted "aye."●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, I was absent due to official business during rollcall No. 365. Had I been present, I would have voted for the House Resolution 305, the rule providing for the consideration of H.R. 4040, the Department of Defense Authorization Act for the fiscal year 1980.●

SUPPORTING EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, I rise today in support of H.R. 4034, the Export Administration Act Amendments of 1979, because I believe this legislation is vital to establishing an aggressive, forward-looking U.S. export policy.

I want to compliment my colleague from New York (Mr. BINGHAM) for his constructive approach to removing or lessening burden some and unnecessary restrictions that impede U.S. exports. With our trade deficit at a staggering $30 billion last year, we must move forward on ways to streamline U.S. trade policy.

In particular, I want to commend provisions in H.R. 4034 that—

Establish firm deadlines for processing export license applications;

Provide separate control criteria for national security foreign policy and short supply concerns, recognizing that each set of controls has different purposes;

Require national security controls be removed and licenses granted when foreign availability of comparable items is established; and

Establish criteria which the President must consider before imposing foreign policy controls, the criteria including such things as effectiveness of the controls, compatability with U.S. foreign policy and impact on U.S. exports.

Steps like these are imperative if we are to regain competitiveness in fastly evolving world markets, markets which if tapped will generate important economic expansion and job creation here in the United States.

Our major trading partners are cashing in on markets now virtually closed to American businesses and their workers. In 1977, West Germany exported more than $2.5 billion worth of manufactured products to the Soviet Union—more than four times what the United States exported to the U.S.S.R. Japan exported $2 billion worth of manufactured goods the same year. France and Italy exported $1 billion and $1.5 billion worth of goods, respectively.

Even though the American trade position worldwide is slipping, 1 out of every 8 jobs in U.S. industry derives from international trade, while 1 out of every 3 acres, under cultivation produces commodities for export.

In my home State of Oregon, there has been a sharp rise in trade-related economic activity. In 1972, 5,600 jobs were directly attributable to trade. Just 4 years later, that figure had climbed to 13,000 jobs—or an increase from 3.1 percent of Oregon's work force to 6.9 percent. Today, 1 of every 9 manufacturing jobs in Oregon depends on trade. That means 20,800 Oregonians owe their livelihoods to flourishing imports and exports. Trade has a ripple effect. The port of Portland, Oreg.'s major ocean cargo shipping center, estimates its operations alone sustains 40,000 jobs and a payroll of $250 million.

The stakes are clear, and so are the problems.

Congress has sought previously to streamline export controls. Facts show our efforts have been unsuccessful. Export license applications have been rising 20 percent a year, from 54,000 in 1977 to a projected 77,000 this year. Logjams are forming, resulting in costly delays, delays that can last as long as 18 months. These delays, now all too routine, cost American businesses sales, especially when timely delivery is a selling point, which it surely is in a competitive marketplace.

The irony of all this paper shuffling is that less than one-half of 1 percent of all applications in 1978 were rejected.

H.R. 4034 seeks to deal constructively with problems such as these, problems that serve only to rob Americans of business and jobs.

There are points of controversy in this legislation, and I am certain they will be debated. But I hope we do not lose sight of the primary purpose of this legislation—to promote U.S. exports, as a means of bolstering our economy and strengthening the U.S. dollar.

It is coincidental that today in the House Banking Subcommittee on Trade, I am chairing hearings on H.R. 1908, a bill I introduced to modify other aspects of U.S. trade policy to clear away unnecessary impediments to an aggressive export policy.

In testimony today on H.R. 1908, Richard Cooper, Under Secretary of State for Economic Affairs, said:

The U.S. economy must now export if we are to maintain employment, strengthen the dollar and retain our technological leadership. Whether we like it or not, the United States must meet the competition. . . .

Under Secretary Cooper also said:

The United States can draw important economic benefits from our relations with communist countries. We seek valuable markets for our exports, sources of raw materials and other products, and an increasingly efficient international trading system.

Clearly, then, there is global strategic value in what we do today on H.R. 4034, as there will be tomorrow when we deal with H.R. 1908.

By trading with Communist countries, we do not confer agreement or approval of their governments or their policies. By trading with Communist countries, we bestow no generosity, for trade is the exchange of goods between equal partners—a willing seller and a willing buyer. By trading with Communist countries, we compete in an arena that pits our economic system against theirs—and if we would just let ourselves go, we may surprise ourselves how successful we can be.●

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows:)

To Mr. YOUNG of Alaska (at the request of Mr. RHODES), for today, on account of official business.

To Mr. BOLAND (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at request of Mr. DECKARD) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 15 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. MCCLORY, for 10 minutes, today.

Mr. MCKINNEY, for 5 minutes, today.

(The following Members (at the request of Mr. BLANCHARD) to revise and extend their remarks and include extraneous matter:)

Mr. WEAVER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. DE LA GARZA, for 10 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. NELSON, for 5 minutes, today.

Mr. WOLFF, for 15 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. RODINO, for 60 minutes, on July 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SEIBERLING, to revise and extend his remarks in general debate on H.R. 4040 and to include extraneous material.

(The following Members (at the request of Mr. DECKARD) and to include extraneous matter:)

Mr. LEWIS.

Mr. COLLINS of Texas in two instances.

Mr. ABDNOR.

Mr. KEMP in three instances.
Mr. WHITEHURST.
Mr. MCKINNEY.
Mr. LAGOMARSINO.
Mr. MCCLOSKEY.
Mr. DERWINSKI.
Mr. EVANS of the Virgin Islands.
(The following Members (at the request of Mr. BLANCHARD) and to include extraneous matter:)
Mr. MATSUI.
Mr. DODD in two instances.
Mr. HOWARD.
Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. GEPHARDT.
Mrs. BOGGS.
Mr. RATCHFORD.
Mr. NELSON.
Mr. WAXMAN.
Mr. SHANNON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 221. An act to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2729. An act to authorize appropriations for activities of the National Science Foundation for fiscal year 1980, and for other purposes, and

H.R. 4289. An act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

ADJOURNMENT

Mr. BLANCHARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 24, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2076. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1979 and amendments to the requests for appropriations for fiscal year 1980 (H. Doc. No. 96–164); to the Committee on Appropriations and ordered to be printed.

2077. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment, covering the quarter ended June 30, 1979, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

2078. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to various requests by the Government of the Republic of Korea for permission to transfer certain U.S.-origin military equipment to certain other governments, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

2079. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2080. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the December 1977 report of the Board of Visitors to the U.S. Air Force Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2081. A letter from the Assistant Secretary of Energy for Resource Applications, transmitting the annual report of the Alaska Power Administration for fiscal years 1977 and 1978; to the Committee on Interior and Insular Affairs.

2082. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 37093, Joint Rates Via the Ann Arbor Railroad System, December 1978, within the initially specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

2083. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 37105, Increased Rates on Coal, Colstrip and Kuehn, Montana to Minnesota, within the initially specified 7-month period, pursuant to 49 U.S.C. 10707(d); to the Committee on Interstate and Foreign Commerce.

2084. A letter from the executive director, Reserve Officers Association of the United States, transmitting the audit report of the organization for the year ended March 31, 1979, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

2085. A letter from the Comptroller General of the United States, transmitting notice of the beginning to his Office's study of congressional financial disclosure systems, required by section 109 of Public Law 95–521; to the Committee on Rules.

2086. A letter from the Administrator of Veterans' Affairs, transmitting his annual report for fiscal year 1978, pursuant to 38 U.S.C. 214; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. S. 1030. An act to authorize the President to create an emergency program to conserve energy, and for other purposes; with amendment (Rept. No. 96–373). Referred to the Committee of the Whole House on the State of the Union.

Mr. YATES: Committee on Appropriations. H.R. 4930. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96–374). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 4901. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $1,000 of interest received by an individual during any taxable year; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 4902. A bill to amend the Internal Revenue Code of 1954 to make permanent the provisions relating to the funding of employee stock ownership plans through the investment tax credit, to provide a credit against tax for contributions to an employee stock ownership plan based upon wages rather than investment in equipment, and for other purposes; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 4903. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. RANGEL, Mr. STARK, Mr. BROADHEAD, Mr. DOWNEY, and Mr. FOWLER):

H.R. 4904. A bill to amend the Social Security Act to reform the program of aid to families with dependent children, to make improvements in the standards for eligibility and benefits in the program of supplemental security income, and to provide for the improved administration of both programs, to make related amendments to the Internal Revenue Code of 1954, and for other purposes; to the Committee on Ways and Means.

By Mr. GEPHARDT:

H.R. 4905. A bill to establish a program of assistance to State governments in reforming real property tax laws, to provide education grants to States which adopt certain reforms with respect to real property taxation and the distribution of education funds derived from such taxation, and for other purposes; jointly, to the Committees on Government Operations and Ways and Means.

By Mr. MILLER of California (for himself, Mr. ROSENTHAL, Mr. BEILENSON, Mr. BONIOR of Michigan, Mr. JOHN L. BURTON, Mr. CLAY, Mr. CONYERS, Mr. DELLUMS, Mr. EDWARDS of California, Mr. FAZIO, Mr. MCCLOSKEY, Mr. OTTINGER, Mr. SCHEUER, Mr. SEIBERLING, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. WEISS, and Mr. WON PAT):

H.R. 4906. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE:

H.R. 4907. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

H.R. 4908. A bill to amend section 612(e) of title 38, United States Code, so as to provide that any disability of a veteran of World War I shall be, for the purposes of medical treatment, considered a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 4909. A bill to amend title 38 of the United States Code in order to authorize the Administrator of Veterans' Affairs to make scholarship grants to individuals attending medical schools on the condition that such individuals will serve in Veterans Administration facilities for a certain period of time upon completion of professional training, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 4910. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 4911. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

H.R. 4912. A bill to amend title 38, United States Code, to increase the specially adapted housing assistance grant for certain disabled veterans from $30,000 to $35,000; to the Committee on Veterans' Affairs.

H.R. 4913. A bill to amend title 38, United States Code, to provide that monthly annuity payments under the Railroad Retirement Act of 1974 shall not be included as income for the purpose of determining eligibility for or the amount of certain veterans' pension and dependency and indemnity compensation benefits; to the Committee on Veterans' Affairs.

H.R. 4914. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 4915. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

H.R. 4916. A bill to amend title 38, United States Code, to provide expanded readjustment benefits for Vietnam-era veterans by promoting employment of such veterans through job vouchers, by providing increased funding and improved programs for health and psychological care for such veterans, by improving education assistance under the GI bill for such veterans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 4917. A bill to amend title 38, United States Code, to provide for the payment of supplemental tuition allowances to certain veterans pursuing educational programs for the purposes of offsetting the differences in State educational costs, and to extend the delimiting period for veterans enrolled in educational programs; to the Committee on Veterans' Affairs.

H.R. 4918. A bill to amend section 618 of title 38, United States Code, in order to authorize the Administrator to expand the current program providing therapeutic and rehabilitation activities for certain veterans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 4919. A bill to amend title 38, United States Code, to provide dental services in Veterans' Administration facilities to any veteran who was a prisoner of war for more than 180 days; to the Committee on Veterans' Affairs.

H.R. 4920. A bill to amend title 38, United States Code, to provide that agricultural employment required for eligibility for educational assistance under the GI bill for a person enrolled in a farm cooperative program need not be full-time employment or the principal expected source of income of such person and may include employment in establishments engaged in the processing, distribution, or sale of agricultural products; to the Committee on Veterans' Affairs.

H.R. 4921. A bill to amend title 38, United States Code, to extend eligibility for medical care benefits under the Veterans' Administration CHAMPVA program to dependents and survivors of any veteran having a permanent service-connected disability rated at 80 percent or 90 percent; to the Committee on Veterans' Affairs.

H.R. 4922. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 4923. A bill to amend section 312(c) of title 38, United States Code, so as to provide for additional presumptions relating to certain diseases and disabilities of prisoners of war; to the Committee on Veterans' Affairs.

H.R. 4924. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 4925. A bill to amend title 38, United States Code, to provide that a member of a Reserve component of the Armed Forces shall not be denied certain employment because of membership in such Reserve component; to the Committee on Veterans' Affairs.

By Mrs. SCHROEDER (for herself, Mr. NEDZI, Mr. MITCHELL of Maryland, Mr. CORRADA, Mr. MONTGOMERY, Mr. HAWKINS, Mr. EDWARDS of California, Mr. CLAY, Mr. FORSYTHE, Mr. CONCORAN, Mr. MARKEY, Mr. MIKVA, Mr. GIBBONS, Mr. BONIOR of Michigan, Mr. LEHMAN, Mr. DIGGS, Mr. DOWNEY, Mrs. CHISHOLM, Mr. PEPPER, Mr. YATES, Mr. GUARINI, Mr. STACK, Mr. BINGHAM, Mr. MAGUIRE, Mr. EVANS of the Virgin Islands, Mr. DORNAN, Mr. RANGEL, Mr. GLICKMAN, Mr. BURGENER, Mr. WEISS, Mr. SCHEUER, Mr. MATSUI, Mr. CAVANAUGH, Mr. SIMON, Mr. SEIBERLING, Mr. DUNCAN of Oregon, Mr. LOTT, and Mr. GINGRICH):

H.R. 4926. A bill to amend the Federal Aviation Act of 1958 to provide a criminal penalty for placing, attempting to place, or attempting to have placed a loaded firearm aboard an aircraft; to the Committee on Public Works and Transportation.

By Mr. ROE:

H.R. 4927. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. THOMPSON (for himself and Mr. MURPHY of Pennsylvania):

H.R. 4928. A bill to amend the National Labor Relations Act, as amended, to include supervisors; to the Committee on Education and Labor.

By Mr. WON PAT:

H.R. 4929. A bill to authorize Federal agricultural assistance for the territories and possessions of the United States and the Trust Territory of the Pacific Islands and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. YATES:

H.R. 4930. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

By Mrs. COLLINS of Illinois:

H.J. Res. 379. Joint resolution to provide for the designation of August 31, 1980, as "Working Mothers' Day"; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H. Con. Res. 164. Concurrent resolution directing interment of an Unknown Soldier from the Vietnam war in Arlington Cemetery; to the Committee on Veterans' Affairs.

By Mr. ABDNOR:

H. Res. 383. Resolution expressing the sense of the House of Representatives that the United States should take certain actions to persuade or compel the European Economic Community to cease reimbursing exporters for subsidizing the production of wheat for export from the countries which are members of the European Economic Community; jointly, to the Committees on Ways and Means, and Agriculture.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2977: Mr. FAZIO, Mr. GUARINI, Mr. HARRIS, Mr. LOWRY, Mr. PATTERSON, Mr. RAHALL, Mr. STACK, Mr. STEWART, Mr. STOKES, and Mr. SWIFT.

H.R. 3245: Mr. ADDABBO, Mr. AKAKA, Mr. ANTHONY, Mr. ASHBROOK, Mr. BALDUS, Mr. BAUMAN, Mr. BEILENSON, Mr. BRINKLEY, Mr. BUCHANAN, Mr. CAMPBELL, Mr. CARTER, Mr. CHENEY, Mr. CLEVELAND, Mr. CONTE, Mr. PHILIP M. CRANE, Mr. D'AMOURS, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DERRICK, Mr. DERWINSKI, Mr. DICKINSON, Mr. DONNELLY, Mr. EVANS of Indiana, Mr. FAZIO, Mr. FISH, Mr. FORD of Tennessee, Mr. GUDGER, Mr. GUYER, Mrs. HECKLER, Mr. HOPKINS, Mr. HYDE, Mr. JEFFRIES, Mr. KOGOVSEK, Mr. KRAMER, Mr. LEACH of Louisiana, Mr. LEATH of Texas, Mr. LLOYD, Mr. LOEFFLER, Mr. LUJAN, Mr. LUKEN, Mr. LUNGREN, Mr. MARTIN, Mr. MARRIOTT, Mr. MAVROULES, Mr. NICHOLS, Mr. OTTINGER, Mr. PAUL, Mr. PETRI, Mr. PURSELL, Mr. ROYER, Mr. RUNNELS, Mr. SANTINI, Mr. SAWYER, Mr. SCHULZE, Mr. SEBELIUS, Mr. SENSENBRENNER, Mr. SHUMWAY, Mr. SKELTON, Mr. SPENCE, Mr. VANDER JAGT, Mr. VOLKMER, Mr. WHITTAKER, Mr. CHARLES H. WILSON of California, Mr. CHARLES WILSON of Texas, Mr. WIRTH, Mr. WYATT, and Mr. YOUNG of Alaska.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

177. By the SPEAKER: Petition of Kathleen Dodd, Roslindale, Mass., relative to the Navy's proposed Extremely Low Frequency communications system; to the Committee on Armed Services.

178. Also, Petition of the Board of Education, Youngstown, Ohio, relative to voluntary prayer in the public schools; to the Committee on Education and Labor.

179. Also, petition of the National Governor's Association, Louisville, Ky., relative to Indochinese refugees; jointly, to the Committees on Foreign Affairs, and the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2462

By Mr. MCCLOSKEY:

—On page 2, line 13, strike "$101,000,000" and insert in lieu thereof "$32,000,000".

—On page 2, line 23, after "series" insert ": *Provided further*, That no funds authorized by this paragraph may be used to construct any vessel which will have a subsidized manning level 50 percent above the minimum determined by the Coast Guard to be necessary for the safe operation of the vessel.".

—On page 3, line 4, after "Defense" insert ": *Provided further*, That no funds authorized by this paragraph may be paid for any item of wage costs that is paid to the Transportation Institute, the Joint Maritime Congress, the American Maritime Officers Service, or to any other organization which engages in lobbying activities.".

—On page 4, after line 5, add:

"SEC. 5. Notwithstanding any other provision of law, the Secretary of Commerce may, under the same terms and conditions applying to vessels built in the United States, make the operating-differential subsidy provided for in section 601 of the Merchant Marine Act, 1936 (46 U.S.C. 1171), and government-impelled cargoes provided for in section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241), available to any vessels that is contracted for or purchased by a United States citizen in fiscal year 1980 and subsequently documented under the laws of the United States.".

H.R. 3000

By Mr. GOLDWATER:

—Page 10, after line 10, insert the following:

(4) Intermediate Scale Technology Demonstration Project (site unspecified)—

(a) The Secretary shall promptly initiate and carry out a project, as provided in this section 107(B)(4), to construct a technology demonstration repository capable of receiving up to one thousand (1000) tons of solidified nuclear wastes. The Secretary shall take the steps necessary to insure that such repository shall be capable of operating by September 30, 1985.

(b)(1) As soon as practicable, but no later than six months after the date of enactment of this Act, the Secretary shall make a preliminary determination on (A) the location of one or more sites suitable to serve as a technology demonstration repository, and (B) suitable techniques and methods for the design, construction, and operation of a technology demonstration repository. In making such determination, the Secretary shall specifically consider candidate sites located on Federal Government lands in basalt media at Hanford, Washington, and in tuff or granite media within or immediately contiguous to the Nevada Test Site.

(2) The Secretary shall report his preliminary determination to both Houses of Congress by written communication within fifteen days after the date such determination is made.

(c)(1) Within six months after the preliminary determination required under subsection (b), the Secretary shall select a specific site for a Federal technology demonstration repository and suitable techniques and methods for the design, construction, and operation of such repository. Upon selecting such site, techniques, and methods, the Secretary shall (A) submit a report to both Houses of Congress specifying the reasons for making such selection and an estimate of the total cost of such repository, and (B) authorize the initiation of detailed design activity and completion of site—specific geology directed toward the ultimate construction and operation of such repository.

(2) Any actions taken under this subsection shall take into account, as fully as possible, the preliminary determination made by the Secretary under subsection (b).

(d) The Secretary shall authorize construction of the technology demonstration repository if he finds that there is reasonable assurance that the detailed design for the construction of the repository, including necessary structures related thereto, can be implemented in a manner compatible with the use of such site for such repository.

(e) The Secretary shall submit to both Houses of Congress a report, by no later than September 30, 1980, specifying the construction schedule for the technology demonstration repository; Provided, That such schedule shall insure that the repository is in operation by September 30, 1985. Such schedule shall, to the maximum extent possible, include specific dates for the commencement and completion of construction on such repository.

(f) As soon as he deems necessary, the Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, operate, and maintain such facilities, major items of equipment, and real property (including, where appropriate, any interest therein) as may be necessary to meet the objectives of this section. Free title to all such facilities, items of equipment, and real property shall be vested in the United States.

(g)(1) The Secretary shall provide funds, by contract (to the extent provided in appropriation Acts), to initiate, continue, supplement, and maintain research, development, and demonstration activities which are necessary to carry out his duties under this section. The Secretary may enter into such contracts with any person.

(2) Each contract under this section shall be entered into in accordance with such rules as the Secretary may prescribe under the provisions of this section. The Secretary may enter into contracts under this section without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(h) In carrying out the project, the Secretary shall consult with the heads of appropriate Federal agencies and other persons as he deems fit.

(i) For the purposes of this section 107(B)(4)—

(1) the term "nuclear wastes" means the high-level radioactive wastes, and transuranium contaminated wastes, resulting from civilian nuclear fuel reprocessing operations;

(2) the term "technology demonstration repository" means a federally owned and operated test facility in the form of a physical structure or earthwork capable of permanently disposing of nuclear wastes, and shall include underground and supporting facilities necessary to receive, prepare, conduct tests with, and permanently store such materials; and

(3) the term "operation" means testing carried out in the technology demonstration facility to insure that nuclear waste management technology is demonstrated in an integrated fashion.

(j) There is hereby authorized to be appropriated to the Secretary not to exceed $5,000,000 for the fiscal year ending September 30, 1980 to carry out the project. Any amount appropriated pursuant to this paragraph shall remain available until expended, and any amount authorized for any fiscal year prior to the fiscal year ending September 30, 1981, but not appropriated, may be appropriated for any succeeding fiscal year through the fiscal year ending September 30, 1983.

By Mr. MINETA:

—At Section 104, line 25, (D) Ocean systems, strike the authorization "$23,600,000" and substitute in lieu the amount of "$28,600,000".

H.R. 4040

By Mr. HARRIS:

—Page 33, after line 8, add the following new section:

EXTENSION OF PERIOD FOR CERTAIN RESERVISTS TO ELECT COVERAGE UNDER SURVIVOR BENEFIT PLAN

SEC. 818. Section 208 of the Uniformed Services Survivors' Benefits Amendments of 1978 (Public Law 95–397; 10 U.S.C. 1447 note) is amended—

(1) by striking out "the end of the nine-month period beginning on the effective date of this title" and inserting in lieu thereof "January 1, 1980"; and

(2) by striking out "at the end of the one-year period beginning on the effective date of this title" and inserting in lieu thereof "on March 31, 1980".

By Mr. KOSTMAYER:

—Page 24, line 8, strike "1981" and insert in lieu thereof "1982".

—page 24, line 3, strike "1981" and insert in lieu thereof "1983".

—Page 24, line 11, strike "(A) war reserve stocks;" and redesignate the following subsections accordingly.

—Page 24, beginning on line 12, strike "(B) command, control, and communications systems (including the susceptibility of such systems to degradation by potential overt activities of the Warsaw Pact);" and redesignate the following subsections accordingly.

—Page 24, line 16, strike "(C) electronic warfare capabilities;" and redesignate the following subsections accordingly.

—Page 24, beginning on line 17, strike "(D) offensive and defensive chemical warfare capabilities;)" and redesignate the following subsections accordingly.

—Page 24, beginning on line 19, strike "(E) air defense capabilities (including ground and air systems and the integration of ground systems with air systems);" and redesignate the following subsections accordingly.

—Page 24, line 22, strike "(F) armor and antiarmor capabilities;" and redesignate the following subsections accordingly.

—Page 24, line 23, strike "(G) firepower capabilities;" and redesignate the following subsections accordingly.

—Page 25, beginning on line 1, strike "(H) forward deployed units and the proximity of such units to assigned general defensive positions;" and redesignate the following subsections accordingly.

—Page 25, line 4, strike "(I) the availability of ammunition;" and redesignate the following subsections accordingly.

—Page 25, beginning on line 5, strike "(J) the availability, responsiveness, and overall effectiveness of reserve forces;" and redesignate the following subsections accordingly.

—Page 25, beginning on line 7, strike "(K) airlift capabilities to meet reinforcement and resupply requirements;" and redesignate the following subsections accordingly.

—Page 25, beginning on line 9, strike "(L) the ability to protect, cross-service, and stage air assets from allied air fields;" and redesignate the following subsections accordingly.

—Page 26, line 17, strike "1979" and insert in lieu thereof "1981".

—Page 26, line 17 strike "1979" and insert in lieu thereof "1980".

—Page 26, line 21, strike "$75,000,000" and insert in lieu thereof "$100,000,000".

—Page 26, line 22, strike "$300,000,000" and insert in lieu thereof "$500,000,000".

—Page 26, line 22, strike "$300,000,000" and insert in lieu thereof "$400,000,000".

—Page 26, line 24, strike "20 days" and insert in lieu thereof "60 days".

—Page 26, line 24, strike "20 days" and insert in lieu thereof "40 days".

—Page 27, line 1, strike "30 days" and insert in lieu thereof "60 days".

—Page 27, line 1, strike "30 days" and insert in lieu thereof "40 days".

H.R. 4839

By Mr. KRAMER:

—Page 40, after line 23, insert the following new section:

PROMULGATION OF REGULATIONS

SEC. 202. (a)(1) No regulation promulgated by the Secretary of Energy on or after the date of the enactment of this Act shall be effective after the expiration of the two-year period beginning on the effective date of such regulation unless the Congress expressly provides for the continuance of such regulation. In the case of any regulation promulgated by the Secretary of Energy before the date of the enactment of this Act, such regulation shall not be effective after the expiration of the two-year period beginning on the date of the enactment of this Act unless the Congress

expressly provides for the continuance of such regulation.

(2) If the Congress fails to provide for the continuance of any regulation during the applicable period specified under paragraph (1), the Secretary of Energy may not reinstate the regulation by promulgating any identical or substantially similar regulation which has the same effect as the regulation terminated as a result of the operation of paragraph (1).

—Page 40, after line 23, insert the following new section:

PROMULGATION OF REGULATIONS

SEC. 202. (a)(1) No regulation promulgated under the funding authority of this bill by the Secretary of Energy on or after the date of the enactment of this Act shall be effective after the expiration of the two-year period beginning on the effective date of such regulation unless the Congress expressly provides for the continuance of such regulation.

(2) If the Congress fails to provide for the continuance of any regulation during the applicable period specified under paragraph (1), the Secretary of Energy may not reinstate the regulation by promulgating any identical or substantially similar regulation which has the same effect as the regulation terminated as a result of the operation of paragraph (1).

H.J. RES. 74

By Mrs. HOLT:

—Strike all after the resolving clause and insert in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

Article —

SECTION 1. No student shall be compelled, on account of race, color or national origin, to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

SENATE—*Monday, July 23, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. DAVID H. PRYOR, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord our God, in the face of life's mysteries give us faith to believe that all things work together for good to them that love Thee. May we love Thee with our whole heart and mind and soul and strength that through us Thy purpose for the world may go forward. May this be a good day and the beginning of a good week, bright with the promise of constructive achievement and bright with some fulfillment of national purpose. When we cannot see the distant scene, help us to take one step at a time and trust Thee for the rest.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 23, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID H. PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SENATE PRODUCES

Mr. ROBERT C. BYRD. Mr. President, last week was a very productive week for the Senate, and I want to thank my colleagues for their cooperation and hard work in completing some very important measures which came up for consideration.

The Senate passed and sent to conference three appropriations bills: Agriculture, energy and water development, and Labor-HEW. I commend the distinguished chairman of the Appropriations Committee, Mr. MAGNUSON, and its ranking minority member, Mr. YOUNG, as well as the members of the committee and the chairmen and ranking Republican members of the subcommittees of the Appropriations Committee for the attention they have given to completing action on these bills in a timely manner.

The Senate also agreed to the conference report to H.R. 4289, supplemental appropriations for fiscal year 1979. That conference report will provide new budget authority for important Federal programs, including the food stamp program, child nutrition programs, the black lung disability trust fund, the Railroad Retirement Board, and others.

In addition to these appropriations bills, the Senate also passed S. 562, authorizing funds for fiscal year 1980 for the Nuclear Regulatory Commission. The funds authorized in this measure will assist the NRC in fulfilling its responsibilities in the important areas of nuclear energy safety, inspection of reactors, enforcement of its regulations, and action on State emergency plans. The distinguished Senator from Colorado (Mr. HART), chairman of the Nuclear Regulation Subcommittee of the Environment and Public Works Committee, and the distinguished Senator from Wyoming (Mr. SIMPSON), the ranking minority member of the subcommittee, did an excellent job of managing the bill, and their expertise in the field of nuclear energy policy was clearly demonstrated.

My distinguished senior colleague from West Virginia, JENNINGS RANDOLPH, chairman of the Committee on Environment and Public Works, played an integral part in reporting a measure which reflects our commitment to nuclear energy safety.

The Senate last week also disposed of H.R. 3661, Navajo-Hopi Relocation Commission; House Concurrent Resolution 10, Americans Missing in Southeast Asia; S. 221, Congressional Award program; Senate Resolution 196, National Jogging Day; Senate Resolution 188, Tax Exempt Mortgage Bonds; and S. 390, Antitrust Procedural Improvements, and other measures. I want to extend my sincere appreciation to every Senator for the work and cooperation each Senator has given to the expeditious consideration and disposal of these measures.

The Senate conducted its first Saturday session of this Congress last week, during which time the Senate completed action on S. 737, the Export Control Act. I know it is hard for Senators to come in on Saturday to conduct the Senate's floor business. After a long, arduous week, Senators would like to have time to spend with their families. Saturday workdays do not leave us very much time for that. But cognizant of our responsibility and the numerous measures on the Calendar, the Senate came in on Saturday to pick up where the Senate left off Friday evening at 8:48 p.m.

So, Mr. President, let me again thank my colleagues on both sides of the aisle for their cooperation and hard work. Especially I want to express my gratitude to the minority leader and the acting minority leader (Mr. STEVENS), and also to the majority whip and the Secretary of the Democratic conference, the committee chairmen, and the ranking minority members of the committees, all of whom had a major part in the accomplishments of this past week. It is my hope that we will continue to proceed in this manner so that we may dispose of measures on the Calendar in a timely fashion.

I reserve the remainder of my time.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, I thank the distinguished majority leader for his remarks recounting the progress of the Senate to date, and especially his laudatory remarks about the participation of the minority.

I think it has been a high point of this session that the majority leader has agreed to meet periodically with me and others to try to arrange the schedule of the Senate. We have had good success at those meetings so far, and I think it has been mutually beneficial. I know it has been helpful on this side of the aisle, in that it gives our Members a chance to gain some insight into the progress of the work, and give some suggestions and hopefully insight, as it were, into the matters to come before the Senate.

Since that is the special province of the majority and the majority leader handles it with such cooperation and grace, I want to take this opportunity to thank him for that cooperation, and say that I look forward to our continuing that practice for the remainder of the time before our August recess, and then even the balance of this legislative year.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished minority leader yield?

Mr. BAKER. I will be happy to yield, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, this has been my practice from the beginning. I think it is a matter that requires cooperation between the leaders on both sides of the aisle. I have found it productive, and intend to continue the practice.

Mr. BAKER. I thank the majority leader. We intend to try to continue to cooperate. I hope that soon we may have another meeting, so that we may explore further areas of cooperation.

Mr. ROBERT C. BYRD. As the distinguished minority leader knows, we discussed that this morning, and we agreed to meet today.

Mr. BAKER. I know. I wanted to let our friends know we were doing that.

Mr. ROBERT C. BYRD. I am not sure our friends care too much. They probably have their hands full.

Mr. BAKER. Perhaps they will care more after the time is over.

Mr. ROBERT C. BYRD. Perhaps.

Mr. BAKER. I thank the Senator.

Mr. President, I have no further need for my time, and no requests for time.

VITIATION OF ORDER FOR THE RECOGNITION OF SENATOR EXON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for recognition of Mr. EXON be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Is morning business ordered?

The ACTING PRESIDENT pro tempore. Morning business has not been provided for.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period of up to 15 minutes for the transaction of routine morning business, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HENRY HALL WILSON

Mr. HELMS. Mr. President, both Senator MORGAN and I lost a dear friend over the weekend—Henry Hall Wilson of Monroe, N.C., who died in a Charlotte hospital yesterday.

I grew up with Henry in Monroe. Indeed, he was one of my closest boyhood friends. My earliest recollection of him is that, even as a child, he possessed remarkable characteristics of intelligence, integrity, and honesty. He was a fine musician in high school and college. If memory serves me correctly, I believe he won the national championship as an oboe player. He led our church choir.

Then he went off to Duke University, where he was a top-flight student. After graduation, he began his career as an attorney, and became active in politics.

I shall not attempt to review his career in politics and government, Mr. President, but suffice it to say that he later served as administrative assistant to President Kennedy and President Lyndon B. Johnson. From Washington, he went to Chicago as president of the Chicago Board of Trade.

He was a fine American, Mr. President. He was a fine citizen. And he was a treasured friend. Mrs. Helms and I extend our deepest sympathy to his dear family.

I ask unanimous consent that an article from today's Greensboro, N.C., Daily News be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORMER AIDE TO KENNEDY, JOHNSON DIES

Henry Hall Wilson, Jr., former state legislator, U.S. Senate candidate and administrative assistant to President Kennedy and Johnson, died Sunday in Charlotte. He was 57.

Wilson had been in declining health for nearly a year, according to his family. He died in Charlotte's Presbyterian Hospital, where he had been a patient since July 3.

A native of Monroe, Wilson left North Carolina in 1960 to work as an administrative assistant for President John F. Kennedy, serving as a liaison between the executive branch and the House of Representatives. Wilson continued in the same position for President Lyndon B. Johnson, eventually becoming the senior White House staff member.

In 1967, Wilson left Washington to become president and chief executive officer for the Chicago Board of Trade, one of the country's major stock and commodity exchanges. In 1968, Johnson appointed him head of a commission to travel to Eastern Europe to promote international trade.

Wilson announced his candidacy in 1973 for the U.S. Senate seat now held by Robert Morgan but his 13-year absence from the state and his association with the Chicago Board of Trade plagued his campaign with charges of involvement with out-of-state interests. He placed third behind Morgan and Nick Galifianakis.

After the Senate campaign, Wilson served as a business consultant and was working on a book about relationships between presidents and congresses when he died.

U.S. Senator Jesse Helms, D-N.C., who was Wilson's high school classmate in Monroe, described him as one of his closest boyhood friends. "He had a great mind and had to be one of the most intelligent fellows I knew when we were growing up," Helms said. "It wasn't surprising that he went on to have a brilliant career."

Wilson was also a high school classmate to James Wilson "Bud" Nance, who went on to become rear admiral in the Navy and skipper of the aircraft carrier USS Forrestal. Retired from the Navy, Nance is a member of the staff of the Senate Foreign Relations Committee.

Other classmates included Bruce Snider Jr., a saxophonist in Tommy Dorsey's band. Former gubernatorial candidate Skipper Bowles graduated in Monroe one year ahead of Wilson.

"All of us were very close back in those days," Helms said.

Wilson is survived by his wife, Mary; daughters, Jean Wilson Mulvihill of Durham and Nancy Wilson of Cambridge, Mass.; a son, Henry Hall Wilson III of Charlotte; a brother and a sister.

Graveside services will be held at 11:30 a.m. in Monroe with memorial services following at 4 p.m. in Monroe's First Baptist Church.

Mr. MORGAN. Mr. President, I learned today of the death of a very distinguished citizen of my State, Henry Hall Wilson. He served ably and well in the administrations of John F. Kennedy and Lyndon Johnson.

During the last several days, Mr. President, the matter of leadership has been paramount in the minds of most of us. We have watched a President search his soul and make bold moves in order to seize the reins of leadership and provide new direction for our country. We have seen the Congress concerned about its relationship with the President and heard Members of the Senate and House call for a closer partnership between the legislative and executive branches.

In short, it has been an exciting time in Washington and I am sure that no one would have followed the events of the last couple of weeks with greater interest and could have analyzed them with greater insight than my fellow North Carolinian Henry Hall Wilson, Jr., of Monroe, who served with great distinction and effectiveness as Director of Liaison with the House of Representatives for President John F. Kennedy. Unfortunately, Henry Hall has been extremely ill in past weeks and just this morning, I received word that he died last night in a Charlotte hospital.

There are many here in the Senate

who remember the kind of leadership Henry Hall Wilson helped provide here in Washington and have long considered him their friend and adviser. He knew Washington, he knew the Congress, he knew the White House. And he knew how to bring people together to accomplish things here in the Nation's Capital. During the Kennedy years, he was a mainstay of the White House staff and a familiar and welcome figure in the Halls of the Congress. Doors were open to him and he opened doors for the President. He took the dreams of Camelot and, working with the Congress, helped make them reality.

Henry Hall stayed on with President Lyndon Johnson and served as an administrative assistant to him until 1967 when he left to head the Chicago Board of Trade. For 8 years he resided in Chicago, as deeply involved in the commercial life of our Nation as he had been its political life previously. But he wanted to come home to North Carolina, and in 1974, he returned to Monroe and, not surprisingly, politics.

He chose to run for the Democratic nomination for the U.S. Senate and he made that race at great personal and financial sacrifice. He and I, along with a number of other persons, competed for the seat I now hold and Henry Hall and I campaigned on the same platforms across North Carolina. He was a learned man, a student of government, and ever a gentleman. His campaign was conducted on the highest level and I enjoyed my close association with him. His campaign received invaluable aid from his wife Mary, and my wife and daughters, who traveled and campaigned with me, came to love Mary Wilson as well as Henry Hall.

North Carolinians have always been proud of Henry Hall Wilson. And they should have been. He served them in the State legislature for some 6 years and was a progressive and forceful legislator. Former Gov. Terry Sanford was a close political associate of his and relied heavily on his advice and assistance. Henry Hall Wilson carried the banner for Terry Sanford and helped elect him Governor of my State. And he carried the banner for John F. Kennedy in my State and helped elect him President of the United States. Neither forgot what Henry Hall had done for them and, as I mentioned, John Kennedy brought him to Washington as a member of the White House staff to head relations with the House of Representatives.

I am saddened today by the death of Henry Hall Wilson, Jr., my friend, and I thank the Chair for allowing me these few moments to reflect upon his distinguished career and his service to the U.S. Congress and to two Presidents, John F. Kennedy and Lyndon Baines Johnson. I extend my deepest sympathy to his wife, Mary, his daughters Jean and Nancy, his son Henry Hall Wilson, III, and the other members of the family. I hope they will be comforted by the fact that there are many persons throughout the State and Nation who share their loss and are thinking of them at this time.

I ask unanimous consent that an obituary from today's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HENRY H. WILSON, EX-LEGISLATIVE AIDE WITH KENNEDY AND JOHNSON

Henry Hall Wilson Jr., 57, a former legislative aide to presidents John F. Kennedy and Lyndon B. Johnson, died of a gastrointestinal ailment Sunday in a Charlotte, N.C., hospital.

He came to Washington in 1961 to serve under Lawrence F. O'Brien, who then was special assistant to the president for congressional relations. Mr. Wilson's responsibility was liaison work with the House of Representatives, especially the Southern delegations.

Mr. Wilson was an administrative assistant to President Johnson in 1967 when he left the government service to become president of the Chicago Board of Trade. He left the Board of Trade eight years later to run unsuccessfully for the Senate from North Carolina.

He was a native of Monroe, N.C., and a graduate of Duke University and its law school. He served in the North Carolina state legislature for six years before coming to Washington.

Survivors include his wife, Mary, of the home in Monroe; two daughters, Jean Mulvihill, of Durham, N.C., and Nancy E. Wilson, of Cambridge, Mass., a son, Henry Hall Wilson III, of Charlotte; a brother, John, of Toledo and a sister, Anne Yard, of Upper Montclair, N.J.

Mr. KENNEDY. Mr. President, I want to say this comes as sad and tragic news. I had the personal good fortune of knowing Henry Wilson. It is ironic that we would be considering trade legislation today, since he was one of the real leaders in the early day of trying to work out trade negotiations and a variety of other issues.

Henry H. Wilson Jr. served on the White House congressional relations staff during the administration of President Kennedy.

A native of Monroe, N.C., Henry Wilson was a graduate of Duke University and its law school. He had served in the North Carolina legislature for 6 years before coming to Washington in 1961 to work with Lawrence F. O'Brien, who was then special assistant to President Kennedy for congressional relations. Mr. Wilson's primary responsibilities included liaison work with the House of Representatives, but he was also well known to Members of the Senate.

I recall the high regard in which President Kennedy held Henry Wilson, and the extraordinarily valuable service he ably provided.

I would also like to take this opportunity to extend my sincere condolences to his wife and children. Henry Wilson was an outstanding public servant who made many worthwhile contributions to the Nation, and all of us who knew him mourn his passing.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business has expired. Morning business is closed.

INCREASED AUTHORIZATION FOR 1979 FOOD STAMP PROGRAM

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1309, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1309) to consider the fiscal year 1979 authorizations for appropriations for the food stamp program.

The Senate resumed consideration of the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike all after the enacting clause and insert the following:

INCREASE IN 1979 AUTHORIZATION FOR APPROPRIATIONS; REPEAL OF AUTHORITY FOR CARRY-OVER OF APPROPRIATIONS; METHOD OF REDUCING ALLOTMENTS IF APPROPRIATIONS ARE INSUFFICIENT

SECTION 1. Section 18 of the Food Stamp Act of 1977 is amended by—

(1) striking out "$6,158,900,000" in the first sentence of subsection (a) and inserting in lieu thereof "$6,778,900,000";

(2) striking out the third sentence of subsection (a) and inserting in lieu thereof two new sentences as follows: "The Secretary shall, on the fifteenth day of each month, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each monthly report, the Secretary shall also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section.";

(3) striking out "If" in the second sentence of subsection (b) and inserting in lieu thereof "Notwithstanding any other provision of this Act, if"; and

(4) adding at the end thereof new subsections (c) and (d) as follows:

"(c) In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under sections 5(d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions are otherwise determined under this section.

"(d) Not later than sixty days after the issuance of a report under subsection (a) of this section in which the Secretary expresses the belief that reductions in the value of allotments to be issued to households certified to participate in the food stamp program will be necessary, the Secretary shall take the requisite action to reduce allotments in accordance with the requirements of this section. Not later than seven days after the Secretary takes any action to re-

duce allotments under this section, the Secretary shall furnish the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.".

EXCESS MEDICAL EXPENSE AND EXCESS SHELTER EXPENSE DEDUCTIONS FOR ELDERLY PERSONS AND PERSONS RECEIVING SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 2. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) inserting in the fourth sentence after "Households" the following: ", other than those households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act,"; and

(2) adding at the end thereof a new sentence as follows: "Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act shall also be entitled to—

"(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by household members who are sixty years of age or older or who receive supplemental security income benefits under title XVI of the Social Security Act, exclusive of special diets, that exceed $35 a month, which shall, starting July 1, 1979, be adjusted every July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for items other than food for the six months ending the preceding March 31 and September 30, respectively;

"(B) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of the preceding sentence, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

"(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deduction have been allowed.".

DEFINITION OF ALLOWABLE MEDICAL EXPENSES

SEC. 3. Section 3 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (q) as follows:

"(q) 'Allowable medical expenses' means expenditures for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding the costs of health and accident or income maintenance policies), (5) medicare premiums related to coverage under title XVIII of the Social Security Act, (6) dentures, hearing aids, and prosthetics (including the costs of securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.".

EFFECTIVE DATE

SEC. 4. The provisions of this Act shall take effect on the date of enactment, except that the provisions of sections 2 and 3 shall take effect on the first day of the first month that begins after the date of enactment.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the amendment of the Committee on Agriculture, Nutrition, and Forestry to S. 1309 be agreed to and the bill, as amended be considered as original text for the purpose of further amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of and votes on S. 1309: Henry Casso, Carl Rose, Marshall Matz, Bill Lesher Steve Storch, George Dunlop, and John Bode.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I ask unanimous consent that Nancy Foster of Senator STONE's staff, Joe Richardson of the Congressional Research Service and John Siegel of Senator RIBICOFF's staff, be granted the privilege of the floor during consideration of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, S. 1309, the legislation that is now pending before the Senate, makes a number of urgently needed changes in the Food Stamp Act of 1977.

The Food Stamp Act of 1977 was a bipartisan piece of legislation that substantially restructured the food stamp program.

It attempted to restrict eligibility to only those who were in need of assistance, and, at the same time, make the program more accessible to those Congress wanted the program to serve.

I think it is fair to say that all members of the Committee on Agriculture, Nutrition, and Forestry, as well as other Senators, have been concerned about any indication that the food stamp program contained abuses or was being exploited unfairly by people who were not entitled to participate in the program. However small a percentage of the program those cases represented, any percentage is too large. For that reason, the 1977 act was passed, after many months of deliberation and care on the part of the committee, to correct what we perceived as either actual abuses or possible abuses in the program.

To this end, we eliminated the purchase requirement that had been the subject of a great deal of abuse and some fraud, as well as a provision that had excluded some of the poorest people from the program.

Second, we established a gross income ceiling for the first time, so that once a family got up to a certain level of income, no matter how many other considerations might exist, they were ineligible for participation in the program.

We adopted a strong work registration provision to get at the charge that was made that some people who were eligible to work were using food stamps rather than working. I believe we wrote a very stiff program in the law aimed at that problem.

We put limits on the assets that any food stamp participant could have and still qualify for the program, and we restricted student participation in the program, which was one area of abuse that disturbed a number of members of the committee.

By and large, I think we succeeded in correcting most of the abuses in the program; and I have no hesitancy in saying to my fellow Senators and my fellow Americans that the food stamp program works and it works very well.

It provides minimal benefits that come to about 33 cents per meal for each participant, on the average; 50 percent of all food stamp households have incomes under $3,600 a year, and some 75 percent of all the people receiving food stamps are in families with incomes of under $4,800 a year; 85 percent have incomes under $6,000.

So the notion that, somehow, the food stamp program is being given to people with comfortable incomes simply does not withstand the facts. Most of the people—nearly all the people—in the food stamp program can truthfully be classified as poor people.

When a team of medical experts sponsored by the Field Foundation went out into the country as a 10-year followup to President Nixon's 1969 Declaration of War on Hunger in America, they found:

> Our first and overwhelming impression is that there are far fewer grossly malnourished people in this country today than there were 10 years ago . . . the facts of life for Americans living in poverty remain as dark or darker than they were 10 years ago. But in the area of food there is a difference. The food stamp program, the nutritional component of Head Start, school lunch and breakfast programs, and to a lesser extent the women-infant-children (WIC) feeding programs have made the difference.

Mr. President, this foundation, the Field Foundation, is the same one that 10 years earlier had found widespread and obvious and painful malnutrition among millions of Americans. Now they are reporting a dramatic improvement in the nutritional health of the American people.

TWO EMERGENCIES

Notwithstanding this general overview, the food stamp program is now faced with two emergency situations that require congressional action:

Extraordinary food-price inflation and the entrance of new recipients earlier than had been expected due to elimination of the food stamp purchase requirement, have forced program funding needs above the 1979 appropriations ceiling set in 1977. This has created the prospect of drastic emergency reductions in food stamp benefits this summer and fall, unless Congress acts to increase the 1979 appropriations ceiling.

Changes in the food stamp eligibility and benefit rules legislated in 1977 are causing severe hardships among elderly and disabled recipients with high medical and shelter expenses. Their benefits will continue to be insufficient to insure

an adequate diet, unless Congress acts to allow their extraordinary medical and shelter expenses to be taken into account.

S. 1309 addresses both of these situations. It would raise the 1979 appropriations ceiling on the food stamp program to a point where current food stamp benefits may continue through this fiscal year. Further, it includes provisions that should help deal with this type of situation in the future. Under the committee bill, monthly reports on food stamp funding and any need for benefit reductions will forewarn Congress of any future funding shortfalls, as well as allow the Secretary to reduce benefits, if necessary, on other than a pro rata basis.

The emergency situation now being faced by elderly and disabled recipients with high medical and shelter costs—forcing them to choose between food and absolutely necessary medical or shelter expenses—is ameliorated by providing that these expenses can be deducted when they consume excessive amounts of recipients' income.

INCREASE IN THE 1979 APPROPRIATIONS CEILING

Food prices are one of the primary determinants of the cost of the food stamp program. The 1979 appropriations ceiling was formulated in 1977, based on the best available estimates. Those estimates have simply proven to be wrong. Using fiscal year 1976 as a base period, 1977 projections of food price rises indicated a 16.9-percent increase by 1980 and a 21.8-percent increase by 1981. However, using the same base period, food price rises are now expected to average more than double those rates, a 38.2-percent increase by 1980 and a 48.1-percent increase by fiscal 1981. The effect of these changes is enormous. A single percentage point change in food price inflation has the potential of adding $60 million in benefit costs.

There has been a great deal of discussion about the causes of the need for increased 1979 appropriations. The fact of the matter is that the primary cause is food price inflation. It seems ironic to penalize food stamp recipients by reducing their allotments at precisely the time that inflation is undercutting the value of their existing allotments. That is precisely what would happen if S. 1309 is not approved. Section 18(b) of the Food Stamp Act of 1977 would mandate that pro rata cuts in allotments be accomplished if the Secretary finds that insufficient program funding is available. Without increased funding there will be insufficient funding for a portion of this fiscal year and reductions will have to be made.

The Food Stamp Act of 1977 contained two major modifications in program operations, first, the purchase requirement was eliminated and second, the allowable deductions under the program were restructured to insure that program benefits went to the lowest-income households.

The absolute number of new program participants was reasonably, although not exactly, forecast in 1977. However, what was not anticipated was the speed with which these new participants have entered the program. Rather than a phased-in, even growth in participation, there has been an extremely rapid front-end load. This is evidence of the fact that there were many people who were eligible for program participation who were unable to participate because of the purchase requirement. The 1977 act reduced program eligibility, but increased participation among those eligible.

The five distinguished members of the committee who filed minority views think that the Food and Nutrition Service has "blackmail(ed) Congress" through "deliberately defective administrative judgments."

This is a serious charge. However; I have found nothing that would lead me to believe that there was intentional mismanagement.

Not every decision made by the Food and Nutrition Service may have been mine if I operated the program, but the same could be said for any program. However, I have the benefit of hindsight. That is a luxury that administrators who have to make a decision do not have.

In any event, forcing reductions in benefits to 19 million food stamp recipients hardly seems to be the right avenue for attacking perceived fiscal irresponsibility by Federal administrators.

Both of the Oklahoma and Louisiana officials referred to in the minority views supported increasing the authorization ceiling.

Time is of the essence. The need for the increase in the 1979 appropriations ceiling is real and pressing, the supplemental appropriation for the program contained in H.R. 4289 is contingent upon the enactment of the authorizing legislation before the Senate.

REPEAL OF CARRYOVER AUTHORITY

Chairman Talmadge, the author of S. 1309, introduced an amendment in committee that was adopted that would repeal the carryover authority for the food stamp program, I share the concerns of my colleagues that the presence of carryover authority distorts true program costs. It is my hope that the removal of this authority will facilitate more accurate determinations of actual program costs.

REPORTING REQUIREMENTS AND THE METHOD FOR REDUCING ALLOTMENTS IF INSUFFICIENT FUNDING IS AVAILABLE

S. 1309 also contains an amendment offered by Senator LUGAR that would require the Secretary to file monthly reports, by the 15th day of each month, on food stamp program costs for the second preceding month. In each report, the Secretary is to state whether there is reason to believe that reductions in food stamp benefits will be necessary due to any insufficiency of appropriated funds. This new reporting requirement will keep Congress abreast of the status of the program to a for greater extent than is currently the case. A greater dialog between the Department and Congress will hopefully be initiated so that reasoned evaluations of program performance will be possible and that speculation over the reasons for programmatic decisions can be allayed.

The Lugar amendment would also permit the Secretary to make reductions in the value of food stamp allotments on other than a pro rata basis (by weighing reductions toward higher-income recipients) if such action becomes necessary due to any insufficiency of appropriated funds. The Secretary would also be authorized to prescribe first, special provisions applicable to the elderly and disabled and second, minimum allotments, if reductions in the value of allotments become necessary. These provisions will provide the Secretary with flexibility in the manner in which reductions are accomplished, if such reductions become necessary. As stated in the committee's report on S. 1309, the Lugar amendment does not change the standard in existing law to be followed by the Secretary in making a finding that the requirements of participating States will exceed available appropriations.

EXCESS MEDICAL EXPENSE AND EXCESS SHELTER EXPENSE REDUCTIONS FOR ELDERLY AND DISABLED FOOD STAMP RECIPIENTS

Prior to the implementation of the eligibility and benefit provisions of the Food Stamp Act of 1977, all households participating in the food stamp program could deduct the amount of their actual shelter costs that exceeded 30 percent of their program income (after other deductions), without limit, and the amount of their actual medical expenses when they exceeded $10 per month. In effect, this allowed varying, sometimes substantial, portions of income to be disregarded in eligibility and benefit determinations.

Under the 1977 act, participating households can now deduct the amount of their actual shelter costs in excess of 50 percent of their program income (after other deductions), up to $90 per month if no dependent-care deduction is claimed. The new law incorporates the preexisting medical expense deduction into a $65 per month standard deduction ($70 per month effective July 1, 1979).

The increase from 30 to 50 percent in the trigger point for the excess shelter expense deduction coupled with the imposition of a ceiling on the amount allowable for that deduction and the elimination of a separate medical expense deduction have resulted in severe hardship for many participating households that contain an elderly or disabled person.

This situation has been further aggravated for these households by the establishment in the 1977 act of a uniform 30 percent benefit reduction rate. Under the 1964 act, the benefit reduction rates ("purchase requirements") were established so that they increased as household income and size increased. No participating household had a benefit reduction rate of 30 percent and the average was less than 25 percent. Due to the small size of elderly and disabled households, they had benefit reduction rates that were substantially below the 30 percent maximum, and even below the average.

During the consideration of the 1977 act, Congress recognized that some households would be rendered ineligible for program participation and that some households would lose benefits under the new provisions. However, the extreme severity of the benefit reductions now being experienced among the elderly and disabled was not foreseen.

In order to remedy this situation, S. 1309 reinstates an excess medical expense deduction for the actual medical expenses of food stamp recipients who are 60 years of age or older; or who receive SSI benefits, that exceed $35 per month. The ceiling on the excess shelter deduction for households containing these recipients would be removed. Senator STONE, a vocal proponent for the rights of the elderly and disabled, is largely responsible for the inclusion of this provision in the bill. He is to be commended for his fine efforts.

Mr. President, I yield the floor now to my colleague and friend, Senator HELMS.

Mr. HELMS. I thank the Senator from South Dakota.

Mr. President, S. 1309, as amended, was reported by the Senate Committee on Agriculture, Nutrition, and Forestry with the minority views of the Senator from North Carolina plus Senators HAYAKAWA, LUGAR, BOSCHWITZ, and JEPSEN.

While only Senator HAYAKAWA and I voted not to report the bill, we were joined by the others in the presentation of the minority views because of their realization of the need for stronger congressional control over the food stamp program in the face of mismanagement by the Federal food stamp officials.

The food stamp program is out of control. The very fact that we are considering this bill today is all the evidence we need to prove that assertion. This bill permits an increase in authorization for fiscal year 1979 by $999 million over the amount originally appropriated for this year. Mr. President, $1 billion is a big change of plans, and one that is immensely costly to the American taxpayers.

FUNDING OVERREACTION

Of course, this vast increase is an overreaction to the funding crisis experienced because of a combination of mismangement and inflation. The Congressional Budget Office has reported to me that the Food and Nutrition Service simply does not need that much money. In fact, CBO has reported that FNS would need only $666 million more to run the program.

I must say $666 million, Mr. President, is a lot of money down where I come from.

I am afraid Congress has become so accustomed to mismanagement of the food stamp program that Congress finds it necessary to add an extra $330 million for just a couple of months remaining in this fiscal year. The arithmetic of that speaks for itself. That is why this Senator feels obligated to continue to do what he can to cut back on the abuse of this program and the concurrent abuse of the American taxpayer.

Senators may recall the efforts Senator HAYAKAWA and I made to reduce the supplemental appropriations bill on June 25 and 26. We were not successful in those efforts.

The Senate voted, and I am convinced unwisely voted, to provide hundreds of millions of dollars more than the Congressional Budget Office said was necessary.

I note that events have proven the Senator from California (Mr. HAYAKAWA) and me correct because, after adopting its new economic assumptions, which were well publicized because of the increase that had been forecast in unemployment with continued high inflation, the Congressional Budget Office has made only a very moderate adjustment in its projection of program costs for the fiscal year 1979. In addition, CBO now refuses to provide range estimates of program costs because it is pointless to continue a program of cost estimates based upon economic assumptions that we clearly will not experience.

It is also of interest that the Conference Committee on the 1979 Supplemental Appropriations bill voted to reduce the level of funding for the food stamp program by some $88 million even before this latest CBO information was available. I am confident that the economy of the Congressional Budget Office estimates which the Senator from California and I have endorsed will be further supported by the light of experience.

MISMANAGEMENT

In any case, Mr. President, the minority views expressed in the report on this bill detail, specifically, the reasons the Food and Nutrition Service got itself into the situation of requiring any additional funds.

I believe we have effectively documented the mismanagement and blunders that caused the massive cost overruns. The upshot of our report is that Food and Nutrition Service officials have not given the slightest attention to the need for thrifty management of their budget, and have made decisions that anyone with common sense could have determined would have had adverse budgetary impact. And I call attention to the minority views to which I alluded earlier because these views outline that information in detail and Senators, or their aides, who may be listening to this debate by loudspeaker in their offices might well at this point obtain a copy of the minority views and look at them.

This Senator from North Carolina believes it is time for Congress to stop bailing out every Federal agency which acts in wanton disregard of the budgetary process and of sound fiscal management. The food stamp program, in particular, is crying out for a reassertion of congressional control.

FRAUD

The food stamp program is surely one of the most problem ridden of all Federal efforts of its kind. I can think of no other program in which there is so much potential for fraud and abuse.

There is not a Senator in this Chamber who does not hear constantly from his or her constituents regarding the food stamp program. Certainly this Senator does.

What distresses me most is the realization that future generations will have to pay for the funds now being borrowed to provide food stamps for people who cheat. Those are blunt words, Mr. President, but they fit the situation.

And as my colleagues probably realize, the public is thoroughly disenchanted with this program. My distinguished colleague from North Carolina, Mr. MORGAN, conducted a survey not long ago in which he found a majority of our constituents—Mr. MORGAN's and mine in North Carolina—feel that the food stamp program should be eliminated entirely. Those are the findings of Mr. MORGAN's constituent survey. Personally, I believe the reason this hostility is based on the fact that fraud in the food stamp program is so highly visible.

While the management of the program at the Federal level does little to inspire public confidence and the esteem of their associates in the State food stamp agencies, part of the blame for the extensive abuse in the program lies in the deficiencies in the Food Stamp Act itself. This act certainly needs tightening if the program is to be managed with any degree of fiscal responsibility.

ADMINISTRATIVE CHANGES

To help address some of the deficiencies in the act, I have worked closely with a bipartisan coalition of the members of the Agriculture Committee to develop four amendments to S. 1309. All of these amendments are very reasonable administrative changes directed toward the prevention of fraud in the program. I believe that any Senator who has concern for sound management and fiscal responsibility will support the amendments.

These amendments are an effort to strike at the problem of fraud and abuse in the program. They are designed to insure that ineligibles do not draw benefits and thereby sap the resources of the program. Simply put, these amendments strike at the greedy, but not the needy.

Now, let me make it clear that these amendments will not entirely solve the many problems that plague the program. Frankly, they will only scratch the surface in terms of saving the hundreds of millions of dollars that are wasted each year in this program. However, they are a step in the right direction.

They establish the basic principle that the regulations under which the program is managed ought to be drawn with an eye toward a frugal and fiscally responsible administration of the program. They reassert congressional control, and implement needed reforms intended to be effective at the earliest date possible.

The amendments that I alluded to earlier are simple administrative changes which will cause clear results. They are not complicated amendments requiring extensive study or sophisticated knowledge of the program. To be honest about it, Mr. President, I have withheld complicated amendments for the time being because this bill is not the proper vehicle for such changes. There will be ample opportunities for more thorough legislative initiatives later, and I will guarantee the Chair that this Senator is prepared to propose them at the proper time.

But there is no reason for delaying the implementation of simple program changes that can have immediate and effective results.

Mr. President, I ask unanimous consent that copies of correspondence that I have had with the Congressional Budget Office be printed in the RECORD.

There being no objection, the letters

were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 11, 1979.

Dr. ALICE M. RIVLIN,
Director, Congressional Budget Office, Washington, D.C.

DEAR DR. RIVLIN: In the past months you have been good enough to provide my colleagues and me continued updates of estimated food stamp program costs for fiscal year 1979, assuming the amendment of the program's authorization limit. I appreciate the efforts of you and your staff.

Would you please assist us further by providing me any available revised estimate of fiscal year 1979 food stamp program costs based upon your latest economic assumptions and more current program data? Also, since my colleagues have in the past obtained from you range estimates, please provide me the range in which you now estimate total program costs for fiscal 1979 will fall.

I would be most appreciative of a response to my request this week.

With kindest regards.

Sincerely,

JESSE HELMS.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 13, 1979.

Hon. JESSE HELMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR HELMS: This letter responds to your request of July 11, for the most current fiscal year 1979 food stamp program estimates given our latest economic assumptions.

The Congressional Budget Office recently released an update to its economic projections for 1979 and 1980. This report is enclosed. Inflation, especially in the fuel and food sectors, has been worse than projected earlier this year. CBO concludes that the most likely outcome for the remainder of 1979 is a mild recession with rising unemployment and high, but moderate rates of inflation.

The new economic assumptions coupled with preliminary food stamp program data through the month of April, results in a small upward adjustment to our estimate prepared in May. The latest April participation figures of 18.9 million persons show practically no increase over the previous months. This stabilization in program growth had previously been projected by the CBO.

Total food stamp obligations for fiscal year 1979 are now projected to be $6.817 million. This represents an upward adjustment of approximately $40 million from our previous estimate. Accounting for unobligated fiscal year 1978 appropriations, the revised estimate suggests a needed new appropriation of $6,478 million. This would be $320 million over the current law's authorization ceiling of $6,159 million.

My staff has already discussed with your staff the issue of providing range estimates for fiscal year 1979. While some variability in the estimate is to be expected, no further range estimates will be provided for fiscal year 1979.

I hope this information will be of assistance to you. If you have any further questions, please let us know.

With best wishes,

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. HELMS. Mr. President, I ask unanimous consent that Senator BOSCHWITZ be added as a cosponsor of printed amendments 317, 318, 319, and 320.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. President, Senator McGOVERN intends to offer substitute language for this bill as reported out of the committee. Since that substitute language includes the four amendments to which I alluded earlier, I think it would conserve the Senate's time for the distinguished Senator to move his substitute language now rather than for me to offer the amendments that I had planned to move at this time.

So if he is ready I will yield.

Mr. TALMADGE. Mr. President, will the Senator withhold that until I make a few brief remarks?

Mr. McGOVERN. Yes.

Mr. HELMS. I am delighted to do so and yield to my friend from Georgia.

Mr. TALMADGE. I appreciate that.

Mr. President, first, I desire to compliment the distinguished chairman of the subcommittee, the Senator from South Dakota, and the distinguished ranking minority member of our full committee, the distinguished senior Senator from North Carolina, for the outstanding work that they have done in this regard.

I was one of the original authors of the food stamp program. I share the view of the distinguished Senator from North Carolina that this program has gotten out of hand in many instances, and I have voted for amendments from time to time to try to correct some of the loopholes and reduce the number of people of substantial incomes who participated in the food stamp program.

I know of nothing that makes the average American madder than to see families whose incomes are greater than his own on food stamps and on welfare when they themselves are hard working and drawing no benefits whatever from the Government.

However, this particular bill is necessary legislation because the act is now on the statute books, and if that is to be funded, it is necessary that this bill pass today.

Some of the amendments that have been suggested by the distinguished Senator from North Carolina have been incorporated in a substitute amendment that will be offered by the distinguished chairman of the subcommittee, and I support those amendments.

INCREASE IN 1979 AUTHORIZATION FOR APPROPRIATIONS

S. 1309 would increase the fiscal year 1979 authorization for appropriations for the food stamp program by $620 million, from $6,158,900,000 to $6,778,900,000. The supplemental appropriation for the program contained in H.R. 4289 is contingent upon the enactment of the authorizing legislation.

The increase in the 1979 authorization ceiling is an emergency measure. If the current authorization ceiling for fiscal year 1979 remains in effect, adequate funds will not be available and allotments will have to be reduced under section 18(b) of the Food Stamp Act of 1977. This would be totally contrary to the purpose of the food stamp program. Poor people who are participating in the program because of insufficient purchasing power will have their food stamp benefits reduced because of higher food prices, thereby further reducing their food purchasing power. A period of sharply escalating food prices is precisely when recipients need adequate food stamp benefits the most. These are people who are powerless to alter the course of food price inflation and who, without this bill, will be heavily penalized for this same inflation.

The increase in the 1979 authorization ceiling is simply a recognition of the fact that food stamp program costs for fiscal year 1979 have increased significantly above those estimated in 1977 when the existing ceiling was set.

The Committee on Agriculture, Nutrition, and Forestry will continue to strive to make improvements in the food stamp program to insure that program benefits are channeled to the truly needy.

REPEAL OF AUTHORITY FOR CARRYOVER OF APPROPRIATIONS

S. 1309, while increasing the 1979 authorization ceiling, also tightens the funding of the food stamp program by deleting the provision in the 1977 act that provides that "sums appropriated under the provisions of this act shall, notwithstanding the provisions of any other law, continue to remain available until expended." The removal of this carryover requirement will allow Congress to get a better handle on yearly program costs. If the full amount of appropriated funds in any fiscal year is in excess of program demands for that year, the unused funds would be returned to the Treasury rather than being carried over to the next fiscal year and used as a "cushion." Although the Appropriations Committees could reinstate carryover authority in the yearly appropriation bills, it is my hope that they will not choose to follow that course.

METHOD FOR REDUCING ALLOTMENTS IF APPROPRIATIONS ARE INSUFFICIENT

The committee adopted an amendment offered by Senator LUGAR that would, among other things, allow the Secretary of Agriculture to reduce the value of allotments to households certified as eligible to participate in the food stamp program on other than a pro rata basis when such action is necessary because of any insufficiency of appropriated funds.

The Lugar amendment also requires the Secretary to file monthly reports with the congressional agriculture committees and to take requisite action to reduce benefits within 60 days of the issuance of a monthly report in which the Secretary expresses the belief that benefit reductions will be necessary.

This amendment will provide Congress with the facts and figures upon which to evaluate program performance in a timely manner. It should provide a greater interchange of information between the Department and Congress and give Congress sufficient time to avoid legislating in the shadow of an impending emergency.

It is expected that the rapid increase in program participation since January 1979, due to implementation of the 1977 Act, will abate and that long-range projections of anticipated program costs will be easier to make. When these factors are coupled with the new monthly reporting requirement, the likelihood of the need for emergency legislation should be substantially reduced.

EXCESS MEDICAL EXPENSE AND EXCESS SHELTER EXPENSE DEDUCTIONS FOR ELDERLY PERSONS AND PERSONS RECEIVING SSI BENEFITS

The implementation of the 1977 Act has resulted in extreme hardship for

some elderly and SSI recipient food stamp participants. These hardships are largely attributable to changes in the computation of the excess shelter expense deduction coupled with the imposition of a ceiling on the maximum allowable amount for that deduction and the elimination of a separate medical expense deduction. The committee adopted an amendment offered by Senator STONE that will ameliorate the unintended hardships caused by the 1977 act to the extent they are due to extraordinary shelter or medical expenses.

CONCLUSION

I would like to take a moment to express my appreciation to Senators LUGAR and STONE for their amendments. They have improved S. 1309. Senator MCGOVERN is to be commended for his thorough and expeditious handling of this bill in subcommittee. Senator HELMS, the ranking minority member of the committee, displayed his usual cooperative and courteous manner during consideration of S. 1309.

I recognize and share the concerns of many of my colleagues about the administration of the food stamp program, the implementation schedule of the 1977 Act, and the gross income ceilings for participants. I hear, with the same frequency as my colleagues, about the fraud, abuse, and mismanagement in the program. It seems at times as if each and every one of my constituents has a definite opinion on food stamps.

It is the national policy that no one in the United States go hungry or have an inadequate diet. The food stamp program helps carry out that national policy. But it is imperative that the program be properly managed and fraud and abuse be eliminated.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Georgia who, of course, is the chairman of the Agriculture Committee, and I want him to know it is a pleasure and a privilege to work with him on this committee.

Mr. TALMADGE. I thank my distinguished friend from North Carolina, and I can say that it is mutual.

Mr. MCGOVERN. Mr. President, let me also say to our chairman that I thank him for the kind words he had to say about Senator HELMS and me. I, too, have thoroughly enjoyed and profited from working with Senator TALMADGE over the years as a member of the Committee on Agriculture.

Mr. METZENBAUM. Mr. President, I want to express my strong support for the changes that the committee has made in the food stamp program.

In particular, I am pleased that the committee has seen fit to provide increased benefits to the elderly through the mechanism of broader deductions. Under the present medicare system, the elderly, who live on fixed incomes, continue to be burdened with heavy deductibles, coinsurance, and fees for physicians who refuse to accept assignment. This bill would reduce this burden by allowing the elderly to deduct these expenses, thereby making some needy individuals eligible for new or increased benefits.

Because medicare coverage still entails deductibles, coinsurance, and lifetime limits on benefits, some elderly have chosen to purchase special insurance policies, sometimes called medigap insurance, to cover the extra costs of becoming ill. Invariably, purchase of these policies is cost effective for both the aged person and the Government. Costs of the premiums are not likely to exceed potential out of pocket expenses for the elderly while at the same time, these policies obviate the need for the elderly to have medicaid cover their costs.

Payments for health insurance policies, however, are not always allowable for medical expense deductions. Therefore, I would like to ask the Senator from South Dakota if it is the intent of this legislation to include medigap insurance policy payments in the allowable medical deductions in the determination of eligibility for food stamps.

Mr. MCGOVERN. I am glad that the Senator from Ohio has raised this issue. Yes, it is the intent of this law to include medigap insurance policy premiums in the definition of medical expenses. I agree with Senator METZENBAUM that the elderly do experience an exceptional burden with the costs of health care. One purpose of this bill is to try and alleviate this burden by not making the elderly choose between food and medical care.

Mr. METZENBAUM. I thank the Senator.

AMENDMENT NO. 362

Mr. MCGOVERN. Mr. President, I call up amendment No. 362 which, as has already been said, is an amendment in the nature of a substitute, and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. LEVIN). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. MCGOVERN), for himself, Mr. DOLE, Mr. MAGNUSON, and Mr. EAGLETON, proposes an amendment numbered 362.

Mr. MCGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"INCREASE IN 1979 AUTHORIZATION FOR APPROPRIATION; REPEAL OF AUTHORITY FOR CARRY-OVER OF APPROPRIATIONS; METHOD OF REDUCING ALLOTMENTS IF APPROPRIATIONS ARE INSUFFICIENT

"SECTION 1. Section 18 of the Food Stamp Act of 1977 is amended by—

"(1) striking out '$6,158,900,000' in the first sentence of subsection (a) and inserting in lieu thereof '$6,778,900,000';

"(2) striking out the third sentence of subsection (a) and inserting in lieu thereof two new sentences as follows: 'The Secretary shall, on the fifteenth day of each month, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each monthly report, the Secretary shall also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section.";

"(3) striking out 'if' in the second sentence of subsection (b) and inserting in lieu thereof 'Notwithstanding any other provision of this Act, if'; and

"(4) adding at the end thereof new subsections (c) and (d) as follows:

"(c) In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under sections 5 (d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions are otherwise determined under this section.

"'(d) Not later than sixty days after the issuance of a report under subsection (a) of this section in which the Secretary expresses the belief that reductions in the value of allotments to be issued to households certified to participate in the food stamp program will be necessary, the Secretary shall take the requisite action to reduce allotments in accordance with the requirements of this section. Not later than seven days after the Secretary takes any action to reduce allotments under this section, the Secretary shall furnish the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.'.

"EXCESS MEDICAL EXPENSE AND EXCESS SHELTER EXPENSE DEDUCTIONS FOR ELDERLY PERSONS AND PERSONS RECEIVING SUPPLEMENTAL SECURITY INCOME BENEFITS

"SEC. 2. Section 5(e) of the Food Stamp Act of 1977 is amended by—

"(1) inserting in the fourth sentence after 'Households' the following: ', other than those households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act,'; and

"(2) adding at the end thereof a new sentence as follows: 'Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act shall also be entitled to—

"'(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by household members who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act, exclusive of special diets, that exceed $35 a month, which shall, starting July 1, 1979, be adjusted every July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for items other than food for the six months ending the preceding March 31 and September 30, respectively;

"'(B) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of the preceding sentence, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

"'(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.'.

"DEFINITION OF ALLOWABLE MEDICAL EXPENSES

"SEC. 3. Section 3 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (q) as follows:

"'(q) "Allowable medical expenses" means expenditures for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding the costs of health and accident or income maintenance policies), (5) medicare premiums related to coverage under title XVIII of the Social Security Act, (6) dentures, hearing aids, and prosthetics (including the cost of securing and maintaining a seeing eye dog), (1) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.'.

"PROVISION OF INFORMATION

"SEC. 4. Section 16 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (f) as follows:

"'(f) The Secretary and State agencies may require, obtain, and use social security account numbers assigned to members of households applying for or participating in the food stamp program under the same terms and conditions as the Secretary of Health, Education, and Welfare and State agencies under part A of title IV of the Social Security Act. The Secretary and State agencies shall also have access to data from other Federal programs for individual food stamp program applicants and participants who receive benefits under title XVI of the Social Security Act and may use such data under the same terms and conditions as the Secretary of Health, Education, and Welfare under title XVI of the Social Security Act.'.

"REPAYMENT FOR FRAUDULENT CONDUCT

"SEC. 5. Section 6(b) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: 'After any specified period of disqualification pursuant to findings under clauses (1) and (2) of this subsection, no disqualified individual shall be eligible to participate in the food stamp program unless such individual agrees to (A) a reduction in the allotment of the household of which such individual is a member or (B) to repayment in cash, in accordance with a reasonable schedule as determined by the Secretary that will be sufficient over time to reimburse the Federal Government for the value of the coupons obtained through the fraudulent conduct. If any disqualified individual elects repayment in cash under the provision of the preceding sentence and fails to make payments in accordance with the schedule determined by the Secretary, the household shall be subject to appropriate allotment reductions.'.

"STATE SHARE OF RECOVERIES

"SEC. 6. Section 16(a) of the Food Stamp Act of 1977 is amended by inserting before the period at the end thereof the following: 'as well as to permit each State to retain 50 per centum of the value of all funds or allotments recovered or collected through prosecutions or other State activities directed against individuals who fraudulantly obtain allotments as determined in accordance with this Act. The officials responsible for making determinations of fraud under this Act shall not receive or benefit from revenues retained by the State under the provisions of this subsection'.

"ELIGIBILITY VERIFICATION

"SEC. 7. Section 4(c) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: 'The Secretary shall not preclude State agencies from adopting verification standards that supplement the verification standards issued by the Secretary under this Act.'.

"REMOVAL OF AUTHORIZATION FOR APPROPRIATIONS CEILING FOR 1980 AND 1981

"SEC. 8. The first sentence of section 18(a) of the Food Stamp Act of 1977 is amended by striking out all after '1979' and inserting in lieu thereof the following: ': and such sums as may be necessary for the fiscal years ending September 30, 1980, and September 30, 1981.'.

"GROUP LIVING ARRANGEMENTS FOR THE DISABLED OR BLIND

"SEC. 9. Section 3 of the Food Stamp Act of 1977 is amended by—

"(1) striking out in subsection (g) 'and (5)' and inserting in lieu thereof '(5) and (7)';

"(2) striking out in subsection (g) 'and (6)' and inserting in lieu thereof '(6)';

"(3) inserting immediately before the period at the end of subsection (g) the following: ', and (7) in the case of disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that is certified by the appropriate State agency, or agencies under regulations issued under section 1616(e) of the Social Security Act, which serves no more than sixteen residents, meals prepared and served under such arrangement';

"(4) inserting in subsection (i) after 'elderly' the following: ', disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangements that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act, which serves no more than sixteen residents,';

"(5) inserting immediately before the period at the end of subsection (i) the following: 'and shall be considered individual households'; and

"(6) amending clause (2) of subsection (k) to read as follows: '(2) an establishment, organization, program, or group living arrangement referred to in subsections (g)(3), (4), (5), and (7) of this section,'.

"SEC. 10. Section 10 of the Food Stamp Act is amended by inserting after 'programs' the following: 'and public or private nonprofit group living arrangements that serve meals to disabled or blind residents'.

"EFFECTIVE DATE

"SEC. 11. (a) The provisions of this Act shall take effect on the date of enactment, except that the provisions of sections 2 and 3 shall take effect on the first day of the first month that begins after the date of enactment.

"(b) The provisions of sections 9 and 10 of this Act shall be implemented in all States by July 1, 1980, and shall not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.".

Amend the title so as to read: "A bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.".

Mr. MCGOVERN. Mr. President, the substitute amendment we just had reported contains 10 sections. It includes the four sections of S. 1309 as reported from the Committee on Agriculture, Nutrition, and Forestry. It includes the four amendments that Senator HELMS has already referred to here on the floor and which, I think, will strengthen the food stamp program.

It includes an amendment by Senator STAFFORD and Senator DOLE to allow handicapped persons living in community centers to participate; and it includes a section that would remove the specific dollar ceilings on the authorization for appropriations for the food stamp program for fiscal years 1980 and 1981.

As Senators know, at that time the present food stamp program expires, unless it is extended by Congress.

The food stamp program is a matter of great interest and, as we have already seen, the very mention of the program evokes strong emotions. These emotions sometimes result in misstatements or inaccuracies or exaggerations.

I would say without hesitation, Mr. President, that I do not believe this program is out of control. I would quickly add that it is not beyond improvement. But I think it goes too far to say it is out of control.

The program is growing primarily because of changes in the economy, and the fact that people who have always been eligible to participate have only recently been able to participate due to the elimination of the purchase requirement.

The food stamp program has been subjected to more rigorous oversight than, perhaps, any other program. It is true there has been a great deal of public criticism of the program, and criticism here in Congress, but that has not gone unobserved, and there have been actions by Congress steadily to strengthen the program, and these that are before us today, I think, will further tighten up and strengthen the program.

Congress has been very sensitive to needed modifications in the food stamp program. The Senate has labored long and hard on this program, and in recent months we approved the first concurrent budget resolution for fiscal year 1980 that provides program expenditures that are substantially in excess of the statutory ceiling.

When we considered the supplemental appropriations bill for fiscal year 1979, we voted to appropriate sums substantially in excess of the cap for this fiscal year after defeating soundly two amendments that would have reduced the amount recommended by the Committee on Appropriations.

We have included in the substitute amendment the amendments that were submitted by Senator HELMS because we believe they are acceptable. We feel it is

important, however, to remember that three of these four provisions are contained in S. 1310, the administration's bill that was introduced by Chairman TALMADGE by request. Senator HELMS has properly chosen the provisions of title I of S. 1310 that are most attractive. But if we are going to accept those provisions we should also adopt the funding provision that is contained in title II of S. 1310, because this bill is a part of a package.

There are several misconceptions about what the effect of removing the specific dollar ceiling for authorizations for appropriations will be. It will not return the program to the entitlement status it enjoyed prior to enactment of the Food Stamp Act of 1977. The language of sections 4(a) and 18(b) of the 1977 act, which conditions the amount of benefits to be received by food stamp households on the availability of appropriated funds, is untouched. Congress, through the appropriations process, will still determine what the level of program spending should be.

Adopting the substitute will not terminate consideration of cost-saving provisions or modifications in the food stamp program. Indeed adoption of the substitute can result in a more thorough investigation of all suggested proposals without the pressure of the need to attach these proposals to a bill dealing with the authorization ceilings. The subcommittee on nutrition is committed to holding hearings on these issues and bringing responsible legislation to the Senate floor.

Removal of the ceiling on the authorization for appropriations will not open "the floodgates" of the program. The existing income eligibility, assets requirements, and work registration provisions are left intact. These are the provisions, along with the cost of food, and the rate of unemployment, that determine the program's cost.

Questions may be raised as to why the substitute does not contain a sum certain for 1980 and 1981. The simple reason is that the food stamp program is deliberately designed to react quickly to changing economic conditions. We were not able to estimate a "right" number for this year until it was three-quarters over. In all likelihood that "right" number will not be known in the future until we are well into the respective fiscal year. The Senate has continuously shown its intent for full funding for the food stamp program. It should be remembered that the Food Stamp Act of 1977, as passed by the Senate, did not contain the "cap" or other provisions accepted in conference that altered the entitlement nature of the program.

The appropriations and budget processes are more than capable of determining what the level of funding should be.

This procedure works for other nonentitlement programs, and I think it will work for food stamps.

I urge my colleagues to join me in supporting this substitute.

I ask unanimous consent at this point in the RECORD to have printed a section-by-section analysis of the substitute.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF AMENDMENT NO. 362

Section 1(1).—Increase in the fiscal year 1979 authorization for appropriations for the food stamp program.

Section 1(1) amends the first sentence of section 18(a) of the Food Stamp Act of 1977 to increase the fiscal year 1979 authorization for appropriations by $620 million. The new appropriations ceiling for the 1977 program would be $6,778,900,000.

Section 1(2).—Removal of carryover authority; Secretary's reporting responsibilities.

Section 1(2) strikes the third sentence of section 18(a) of the Food Stamp Act of 1977 to remove the specific language, beginning with fiscal year 1980, providing for the carryover of unexpended appropriated funds from one fiscal year to the next, and inserts two new sentences. The Secretary of Agriculture would be required to file monthly reports, by the 15th day of each month, setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the current fiscal year. In each monthly report, the Secretary would also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the program will be necessary due to any insufficiency of appropriated funds. (It is anticipated by the committee that each monthly report will include the number of individuals participating in the program and the cost of administering the program at the State level and at the national level.)

Sections 1(3) and 1(4).—Manner in which allotments may be reduced when appropriated program funds are insufficient.

Section 1(3) amends the second sentence of section 18(b) of the Food Stamp Act of 1977 to remove the requirement that the only available method for reducing program benefits when insufficient funds are available is on a pro rata basis.

Section 1(4) would add new subsections (c), and (d) to section 18 of the Food Stamp Act of 1977. New subsection (c) would require the Secretary to ensure that reductions in the value of allotments, when required under section 18(b), will reflect, "to the maximum extent practicable," the ratio of household program income to the income standards of eligibility for households of the same size with higher-income households bearing more of the reductions. The Secretary may establish (1) special provisions for the elderly, handicapped, and disabled and (2) minimum allotments after any reductions are otherwise determined.

New subsection (d) requires the Secretary to take the requisite action to reduce the value of allotments issued to households certified to participate in the food stamp program within 60 days after the issuance of a report, under section 18(a) as amended by the bill, in which the Secretary expresses his belief that such reductions will be necessary.

New subsection (d) also requires the Secretary, within 7 days of any action to reduce the value of allotments issued to households certified to participate in the program, to furnish the congressional agriculture committees with a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the value of the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.

Section 2. Deductions for households containing an elderly person or a person receiving Supplemental Security Income Benefits.

Section 2 amends section 5(e) of the Food Stamp Act of 1977 to provide households that contain an elderly person (60 years of age or older) or a person receiving Supplemental Security Income benefits, including those who receive only State supplementary payments, under title XVI of the Social Security Act with an excess medical expense deduction and to remove the ceiling on the excess shelter expense deduction for these households.

In addition to the standard deduction and the dependent care deductions, these households would be entitled to (1) an excess medical expense deduction for the actual cost of allowable medical expenses incurred by the elderly or SSI recipient household member that exceed $35 per month and (2) an excess shelter expense deduction to the extent that the monthly amount expended by the household for shelter exceeds 50 percent of monthly household income after all other applicable deductions have been allowable. Currently, there is a ceiling of $80 per month on the amount of the excess shelter expenses deduction that may be claimed.

Section 2 further provides that the $35 threshold for the excess medical expense deduction will be adjusted each July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index for the items other than food for the 6 months ending the preceding March 31 and September 30, respectively. (The committee expects that the Secretary, in administering the excess medical expense deduction, would provide that deductions be allowed for medical expenses incurred or billed as soon as possible, so long as third-party reimbursements or insurance payments, whether to the recipient or care provider, are verified. In some cases, this could result in deductions not being granted until a bill had actually been paid, in order to ascertain the extent of a reimbursement or insurance payment. However, it would keep the treatment of excess medical expense deductions as consistent as possible with the prospective accounting system used throughout the food stamp program, while protecting against deductions for expenses not actually paid by the recipient.)

Section 3. Definition of "allowable medical expenses."

Section 3 adds a new subsection (q) to section 3 of the Food Stamp Act of 1977 to define "allowable medical expenses" as used to determine the excess medical expense deduction.

New subsection (q) defines "allowable medical expenses" as expenditures for (1) medical and dental care (this would include other remedial care recognized by State law), (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding costs of health and accident or income maintenance policies), (5) medicare coverage, (6) dentures, hearing aids, and prosthetics (including securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aid, housekeeper, or child care services due to age, infirmity, or illness.

Section 4. Provision of information.

Section 4 adds a new subsection (f) to section 16 of the Food Stamp Act of 1977.

New section 16(f) would authorize the Secretary and State agencies to require the submission of social security numbers as a condition of eligibility.

Section 4 would permit an individual to be barred from receiving food stamps if that individual has been assigned a social security number but refuses to provide it to the

State agency. Individuals not previously assigned a social security number could also be prevented from participating in the program unless the individuals apply for and subsequently furnish social security numbers. They would be eligible to participate while waiting for the numbers to be assigned.

The income and resources of the individual disqualified for failure to provide a social security number would be counted in the same way an individual's income and resources are counted when a person is disqualified for fraud or for failure to meet the student work registration requirement during the school year. New section 16(f) will facilitate the use of computer matching techniques that compare the earnings reported by food stamp households against available wage records and thus allow States to identify more readily those households that have unreported earnings or have reported their earnings incorrectly.

In addition, States will be able to match social security numbers to prevent duplicate participation. An individual entitled to emergency service under section 11(e)(9) of the Act would be permitted to furnish a social security number after receiving his first allotment. In this way, an individual who cannot furnish his social security number, or the numbers of all members of his household, before the timeliness standard elapses for providing expedited service will not have benefits delayed simply because a social security number cannot be immediately furnished.

Section 5. Repayment for fraudulent conduct.

Section 5 amends section 6(b) of the Food Stamp Act of 1977 to allow States to collect fraud claims through a reduction of the food stamp allotment. Allotment reductions would be imposed when a recipient who had been disqualified for fraud and had not paid a fraud claim re-entered the program after the disqualification period. If the individual who committed fraud does not agree to a reduction in the household's allotment or does not agree to pay the fraud claim in cash, this amendment would allow the State agency to disqualify the individual until the person agrees to repay in cash or agrees to the allotment reduction. The income and resources of the individual disqualified for failure to repay the fraud claim would be counted in the same way an individual's income and resources are currently counted when that person is disqualified for fraud or for failure to meet the student work registration requirement during the school year.

In order to collect fraud claims, States must currently rely on voluntary repayment by the household or incur the expense of inititating a civil court action to obtain repayment. Section 6 provides a simple and efficient mechanism for collecting fraud claims and provides a penalty if repayment is not made. As a result, it is anticipated that the percentage of fraud claims collected will substantially increase without increasing the administrative costs of collecting these claims. These collection procedures should also discourage persons from committing fraud.

Section 6. State share of recoveries.

States are currently required to return to the Federal Government all funds collected from households that have repaid the value of any food stamps overissued to them. Section 6 would amend section 16(a) of the Act to allow each State to retain 50 percent of the funds it recovers or collects from persons that have committed fraud as determined in accordance with the Act. This provision will provide an incentive for States to pursue collection of fraud claims, particularly in those cases where recoupment or disqualification is ineffective because the household is ineligible.

The amendment provides that persons involved in making fraud determinations are not to benefit from the amount of such recoupments or collections. This prohibition on the use of revenues collected in this manner will assure the impartiality of officials making fraud adjudications.

Section 7. Eligibility verification.

Section 7 adds a new sentence at the end of section 4(c) of the Food Stamp Act of 1977. The new sentence would prohibit the Secretary from precluding the State agencies from implementing verification procedures in addition to those issued by the Secretary under the Act.

Section 8. Removal of authorization for appropriations ceiling for 1980 and 1981.

Section 8 removes the specific dollar appropriations ceiling for the fiscal year 1980 and 1981 food stamp program contained in section 18(a) of the Act. The language of sections 4(a) and 18(b) of the Act that conditions the level of benefits received by participating households on the availability of appropriated funds are not affected by section 9. Therefore, Congress, through the appropriations process, will continue to decide what the funding level for the program will be.

Sections 9 and 10. Group living arrangements for the disabled or blind.

Sections 9(1), (2), and (3) amend section 3(g) of the Food Stamp Act of 1977 to include within the definition of "food" meals prepared and served to blind or disabled persons in public or private nonprofit group living arrangements that are certified under regulations issued under section 1616(e) of the Social Security Act.

Section 9(4) amends section 3(i) of the Food Stamp Act of 1977 to include, and thereby make eligible for food stamp program participation, within the definition of "household" disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement (which serves no more than sixteen residents) that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act.

Section 9(5) further amends section 3(i) to provide that residents of federally subsidized housing for the elderly, disabled or blind residents in public or private nonprofit groups living arrangements that are certified under regulations issued under section 1616(e) of the Social Security Act, and narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program, will be considered individual households. This amendment is in accord with current program practices for the elderly and narcotics addicts and alcoholics in treatment programs.

Section 9(6) amends section 3(k) of the Food Stamp Act of 1977 to include public or private nonprofit group living arrangements that serve meals to disabled or blind residents within the definition of "retail food store".

Section 10 amends section 10 of the Food Stamp Act of 1977 to provide that public or private nonprofit group living arrangements that serve meals to disabled or blind residents may not redeem those residents' food stamps through banks. This is the same prohibition that is currently applicable to drug addiction or alcoholic treatment and rehabilitation programs.

Section 11. Effective date.

Section 11(a) provides that the provisions of the bill will take effect on the date of enactment, except that sections 2 and 3 of the bill, dealing with excess medical and shelter expense deductions for the elderly and disabled, will take effect on the first day of the first month that begins after the date of enactment.

Section 11(b) provides that sections 9 and 10, dealing with group living arrangements for the disabled and blind, will be implemented by July 1, 1980 and shall not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

Mr. McGOVERN. Mr. President, I would like to add a few words about the supplemental verification provision that is incorporated in the substitute bill. It is a provision that is designed to assist States in establishing procedures that enhance USDA's nationwide verification requirements. I believe that this provision can serve as a useful tool in minimizing abuses in States that wish to improve program performance.

I commend Senator HELMS for addressing this issue.

As I envision it, States would submit its proposal for additional verification as part of the State plan of operation. The Secretary would review the procedures along with the rest of the plan for its consistency with the Food Stamp Act and the regulations.

Standards of reasonableness should apply to all proposed procedures. If a State wishes, for example, to make home visits it should be during normal working hours. They should not force applicants and recipients to make repeated trips to the food stamp office, since this would be relatively expensive for recipients and would interfere with their work or home obligations. Nor should such additional verification procedures delay the receipt of food stamps beyond the time periods specified in the statute and regulations.

I have included this amendment in the substitute because I do not believe that there is necessarily any particular magic in Washington prescriptions. The States are being held increasingly accountable for their error rates and that accountability will continue. They should therefore have some latitude and discretion in the operation of the program.

As we all know, in years gone by, there have been unfortunate occasions where verification procedures were used as a form of harassment, and as a barrier to participation. It is my sincere hope that those days are now behind us.

The Secretary is encouraged to actively monitor the implementation of this provision as part of his general oversight responsibilities. If this is done, I look forward to overall improvement in the program's operation and greater public support.

Mr. HELMS. Mr. President, I ask unanimous consent that Eddie Twilley and John Stier of Senator THURMOND's staff be accorded the privilege of the floor during the deliberations related to S. 1309, including any rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, the statements which follow are in connection with the four amendments as to which Senator McGOVERN and I are in agreement.

STATE SHARE OF RECOVERIES

Mr. President, the amendment is to permit States to retain 50 percent of the value of all funds or food stamp allotments the States recover from those who have fraudulently obtained food stamps.

As a cosponsor of the Food Stamp Reform Act of 1975, the Buckley-Michel bill, I supported monetary incentives for agencies aggressive in the prosecution and investigation of food stamp fraud. I am very glad the administration shares my views in this matter. With minor technical changes, the amendment is identical to section 104 of S. 1310, a bill Senator TALMADGE introduced at the request of the administration.

Testimony before the Agriculture Committee indicates that, at present, there is not sufficient incentive for States to pursue cases of food stamp fraud. Simply put, it is not worth the time of local and State officials to follow through on food stamp fraud cases. This amendment will ease the burden that is now borne by the States.

The amendment will improve the situation of both the Federal and State Governments. States will be rewarded for successfully closing food stamp fraud cases and the great expense of food stamps for undeserving recipients will be reduced.

There is no reason to delay the implementation of this incentive for good management. It could easily save the U.S. Treasury millions of dollars before any other food stamp bill can be enacted. I hope my colleagues will see the merits of this proposal that the administration recognizes.

REPAYMENT FOR FRAUDULENT CONDUCT

Mr. President, the amendment to provide for the repayment for food stamps obtained through fraudulent conduct is identical to section 104 of S. 1310, a bill Senator TALMADGE introduced at the request of the administration. I have long supported this concept and am glad the administration has proposed such a responsible program change.

The amendment is very simple. It provide a meaningful vehicle for the alternatives for repayment of the value of his wrongfully acquired food stamps. The first of these alternatives would be a moderate reduction in the food stamp allotment to the household of which the defrauding person is a member. The second alternative would be cash repayment of the value of the fraudulently obtained food stamps over a reasonable period of time. The manner in which the Food and Nutrition Service has administered this program in the past clearly indicates that there would be no hardship as a result of this amendment.

The purpose of this amendment is to provide a meaningful vehicle for the recovery of the value of food stamp allotments issued as a result of recipient fraud. Its effect will be to dampen the atmosphere that is now so conducive to fraud on the part of food stamp applicants. We must stop encouraging fraud.

As my colleagues well know, the food stamp program is infamous for its fraud. The General Accounting Office has reported that 12 percent of all food stamps delivered are overissuances. Though program regulations have changed since that study, it is doubtful there has been any significant improvement. One of the pricipal reasons for this problem is the program's lack of meaningful deterrents to fraud for program applicants. This amendment strikes at this problem with compassion toward the family of the defrauding person. Bearing in mind that the discretion of the Food and Nutrition Service has always taken great care to avoid hardships among recipients, the amendment specifically requires that the schedule for repayment be reasonable. I am confident the Food and Nutrition Service will not allow hardship to result from this provision.

Mr. President, the adoption of this amendment is the very minimum of what must be done to help rid this program of its problem with fraud. The administration has submitted this program change to us and I see no reason to delay its implementation.

PROVISION OF INFORMATION STATEMENT

Mr. President, as a cosponsor of both the Food Stamp Reform Act of 1975 (the Buckley-Michel bill) and the National Food Stamp Act (the Tower-Michel bill), my record of supporting the requirement of social security numbers of food stamp applicants is well documented. This year, the administration endorsed this concept and requested that Senator TALMADGE introduce a bill which included a provision authorizing USDA and State agencies to require this identification.

With only minor technical changes, this amendment is identical to part of section 103 of the administration's bill, S. 1309. Clearly, the merits of this proposal cause its support to transcend party lines.

Specifically, the amendment authorizes USDA and State agencies that administer the food stamp program to require social security numbers of program applicants in the same manner as is now employed by HEW in administering the aid for families with dependent children (AFDC) program. In addition, these administrators are granted access to data pertaining to supplemental security income (SSI) recipients, under the same terms and conditions as the Secretary of HEW.

To prevent any misunderstanding, I would like to further explain the intent of this amendment, particularly the terms and conditions under which the Secretary and State agencies are bound. The Social Security Act states that these numbers may be used only in determining or verifying the eligibility or benefit level of an applicant or participant. Also, rights of privacy, both constitutional and statutory, stand as unencumbered limitations upon the Secretary and State agencies.

However, it is not the intent of this amendment to force the Secretary of Agriculture to blanketly adopt existing regulations of the Department of Health, Education, and Welfare in regard to the provision of social security numbers as a precondition to program eligibility. While those regulations may be useful as a guide, the Secretary of Agriculture will be free to issue regulations that take the unique aspects of the food stamp program into account or otherwise better serve to meet food stamp program objectives.

Probably the most important benefit to be gained from this amendment is that it will enable State agencies to perform verification procedures they already have the authority to do. In some States, records in programs such as AFDC and State unemployment compensation are not checked against food stamp records even though these records are available for that purpose. This amendment will simply make feasible, in some States, the sort of eligibility verification State agencies already have the authority to perform.

State administrators have reported such important verification is not done because food stamp files do not list participant's social security numbers. When this amendment is enacted, and social security numbers become available, computerized food stamp programs may check information food stamp applicants provide against information in other program files.

In so doing, agencies may determine if the applicant is indeed eligible for the program. In other words, if the applicant says he is receiving x dollars income per month, but is actually receiving more than that, this cross checking will point out the inaccurate statement of income so the level of benefits may be adjusted to the proper level. This amendment simply makes it feasible for some State agencies to check to be sure program participants are not receiving more food stamps than they are entitled to by inaccurately reporting their income.

Mr. President, a vote against this amendment is a vote to deny Government officials administering the food stamp program the ability to verify the amount of income a food stamp household receives from the Federal Government. As the program now works, the left hand does not know what the right hand is doing. If a food stamp applicant does not tell his caseworker that his household receives income from another Federal program, it will probably not be accurately revealed.

It is no secret among food stamp recipients that verification of eligibility for the program is wholly inadequate. I believe the mere ability of administrators to perform the sort of verification that is proposed herein will reduce the amount of program fraud. This amendment is as basic to verification of eligibility for food stamps as auditing is to the collection of taxes. Utilizing this authority, as administrators are certainly intended to do, will vastly increase the antifraud activities of program administrators and surely save millions of tax dollars.

Mr. President, there is no reason why we should not implement this amendment. It will enable program administrators to prevent fraud by simply employing a technique similar or identical to that used in HEW programs.

The administration has proposed this simple but effective program change. It would be senseless for us to delay its implementation.

ELIGIBILITY VERIFICATION STATEMENT

Mr. President, this one sentence amendment will permit States to issue and implement verification procedures supplemental to those required by the Secretary. The amendments will allow

State administrators to develop and use methods of verifying household eligibility for food stamps that are consistent with local needs, customs, and practices.

In hearings on the food stamp program, the Agriculture Committee has heard repeatedly from State administrators that their hands are tied in operating this program. State and local administrators realize the food stamp program is experiencing serious problems with fraud, but they can do very little about the situation in which they are now immersed. The amendment now on the floor will simply free State administrators to do what they will, consistent with constitutional and statutory rights of privacy, to check whether or not a food stamp applicant is telling the truth. This amendment will not in any way infringe upon the rights of privacy enjoyed by those who apply for food stamps. Those rights are rooted deep in our Constitution and augmented by statute.

Permit me to share two examples of how this amendment may serve to prevent fraud in the food stamp program. Congress specifically set limits on the value of assets a food stamp participant may hold in the form of vehicles not used to earn wages, such as recreational boats, mobile homes used primarily for vacation purposes, and extra cars. This amendment will enable those States that so wish to check their vehicle registration files to verify food stamp recipients do not hold such assets.

Another, and probably more useful, verification technique is home visits. Those States that so wish may direct their caseworkers to visit the homes of food stamp participants in order to verify, consistent with rights of privacy, the residency and household composition of the participating family. Such home visits are also useful in determining if the household has any undeclared assets, such as an expensive automobile or recreational boat. Furthermore, home visits may reveal that a member of the household is self-employed and receiving income he may not be reporting. I should also note that these home visits have proven to be a great assistance to the truly needy, who are sometimes homebound.

Mr. President, another point my colleagues should bear in mind while considering this amendment is that the administration has proposed administrative changes in the program that put the liability for food stamp overissuances on the States. That proposal has wide support and will probably become part of the program within a year. It is only appropriate that in anticipation of this change we permit the States that so wish to undertake efforts to better verify the eligibility of program applicants and recipients.

Under the Food Stamp Act of 1977, the States are responsible for administering this program. Adopting this amendment will simply allow them tools to do a better job of preventing fraud wherever they can.

● Mr. TALMADGE. Mr. President, I support the amendment offered by Senators MCGOVERN, DOLE, MAGNUSON, and EAGLETON.

This amendment contains the provisions of S. 1309, as reported by the Committee on Agriculture, Nutrition, and Forestry, the four amendments submitted by Senator HELMS, provisions suggested by Senators STAFFORD and DOLE that would allow blind and disabled residents of State-approved group living arrangements to participate in the food stamp program, and a provision that would remove the authorization for appropriations ceilings for the program for fiscal years 1980 and 1981.

The amendments suggested by Senator HELMS will reduce the fraud and abuse in the program. They will provide the financial incentive for the States to pursue and prosecute program fraud zealously, and help improve the integrity of the program by showing the public that the Government is serious about attacking fraud and abuse.

Three of these four amendments are contained in S. 1310, the administration's request bill. While the Committee on Agriculture, Nutrition, and Forestry has not held hearings on S. 1310, I believe that the merit of the amendments is evident and that they should become a part of the Food Stamp Act as soon as possible. I see no valid purpose in delaying the adoption of these provisions.

The provisions making blind and disabled residents of State-approved group living arrangements eligible for program participation are also desirable and will not open the program to any potential abuse. These provisions will provide needed assistance to our blind and disabled citizens who are striving to become productive members of society and help bridge the gap between institutional care and self-sufficiency.

I have been an active participant in the food stamp debates in the Senate over the years and I have listened with interest to the debates of this session on the funding level for the program. We are now in July, three-quarters of the way through the fiscal year, and only recently have we been provided with a sound estimate of this fiscal year's program costs.

It is impossible to state what the right number should be for ceilings on the 1980 and 1981 programs. We simply do not know what the right economic assumptions are to build into our computations. We probably will not know that right number until we are well into the particular fiscal year.

The more significant question is: What purpose is served by establishing a ceiling on an authorization for appropriations? Such a provision can only be meaningful if it authorizes appropriations below a full funding level.

An authorization ceiling does not bind Congress unless Congress is predisposed to be bound by it. Congress has not shown a desire to reduce the cost of the food stamp program through the imposition of a ceiling that would force benefit reductions. Our recent experience with the 1979 supplemental appropriation bill attests to the Senate's commitment to full funding for the food stamp program.

The appropriations and budget processes are more than capable of determining what the level of funding should be. Under the Food Stamp Act of 1977, the program is no longer an entitlement for purposes of the Budget Act and it should be treated as any other nonentitlement program. No useful purpose is served by annually subjecting the determination of the level of funding for the food stamp program to the consideration of the Budget and Appropriations Committees and the Committee on Agriculture, Nutrition, and Forestry. We wind up voting on the same issue two, three, and conceivably four times a year. This is not the most productive use of our time and efforts.

Adoption of this amendment will promote the more thoughtful consideration of other cost-saving provisions that are currently before the committee. I commit myself and the committee to pursue vigorously these alternatives. My interest and commitment to sound program administration and insuring that only the truly needy receive food stamps have not diminished. Let us get on with consideration of substantive program changes that will serve these goals and not simply speculate on what the right number for a future year authorization ceiling should be.

The food stamp program should, of course, be subject to vigorous oversight by Congress. Under the 1977 act, the program must be reauthorized in 1981. The substitute would not change this requirement.

Moreover, the Subcommittee on Nutrition plans to continue its review of the food stamp program. The Committee on Agriculture, Nutrition, and Forestry will report to the Senate any additional needed changes in the program.●

● Mr. DOLE. Mr. President, I am pleased to join the Senator from Vermont (Mr. STAFFORD) in supporting an amendment to extend food stamp benefits to handicapped individuals living in small, public, nonprofit community living centers. Currently, these community centers fall under the definition of institutions, and because persons living in institutions are ineligible for food stamps, handicapped persons have been unable to apply for benefits, even when their income makes them eligible recipients.

Under the Stafford/Dole amendment, a disabled individual must receive either supplemental security income or social security disability income, live in a community home of 16 or fewer persons, and meet the food stamp eligibility requirements. Presently, drug addicts and alcoholics living in treatment centers are allowed to receive food stamps, even though handicapped persons in comparable living situations may not receive stamps. To my way of thinking, this inconsistency cannot be justified and should be corrected.

The major premise behind the law remains valid—I agree that residents of institutions should not be accorded food stamp benefits. However, I think some

consideration needs to be given to those situations which could not be defined as institutional living. Recently, the trend in caring for the handicapped has been to emphasize the benefits of small community living centers. These centers offer an alternative to institutionalization, and attempt to create to the fullest extent possible a normal home environment.

In these community homes, residents are expected to help with the housekeeping, gardening, shopping, and preparing of food. During the day, residents leave home for school or work, since many may hold jobs in sheltered workshops. These persons are not severely handicapped in that in many ways they can function independently or with minimal supervision and instruction, and do not require constant medical care or therapy. Handicapped persons in community homes seek medical, dental, and other health care outside of the home, and in no means do these centers resemble nursing homes or institutions. I am familiar with some community living centers in Kansas which if you did not know differently you would assume were being rented by several college students.

In every way possible, the houseparents or live-in staff try to create an average homelife, where members are given as much individual freedom and responsibility as one can manage. Before residents in a center could receive the benefits, it must be certified by the appropriate State agency or agencies under the SSI regulations. This provision will insure that a person living in a center which does not meet Federal standards will not be able to receive food stamps. In instances where the houseparent is the certified food stamp representative, that person—not the handicapped person—will be held responsible for seeing that the stamps are not misused.

Mr. President, this amendment has the support of various groups representing the disabled, and I hope it will receive the approval of the Senate. Although the Social Security Administration has no figures on how many persons live in small community centers, the National Association for Retarded Citizens and the National Association of State Mental Retardation program directors estimate that about 55,000 persons live in these types of homes. Given the information available, the congressional research services estimates that this amendment would cost in the neighborhood of $15 million. I think the cost is justified in that it will let handicapped persons receive food stamps to which they are entitled under the law, but for the definition of institution.

I hope that my colleagues will approve this measure, and extend more equitable food stamp benefits to the handicapped.●

UP AMENDMENT NO. 441

Mr. HELMS. Mr. President, I send to the desk an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 441.

Mr. HELMS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, beginning with line 4, strike out all down through line 10.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, the pending amendment to strike that provision of the McGovern substitute which eliminates the food stamp program cap for fiscal years 1980 and 1981 will prevent the delay of this emergency bill and simultaneously preserve a modicum of congressional control over the program.

The distinguished Senator from South Dakota proposes to eliminate the authorization ceiling on the food stamp program, and this Senator feels that is an unnecessary proposal that would surely diminish if not sacrifice congressional budgetary controls; and it may even delay this bill in conference with the House of Representatives.

Before discussing the merits of retaining an authorization limit on the food stamp program, I should like to point out some practical considerations that Senators ought to bear in mind in consideration of the pending amendment.

Unlike other provisions of this legislation, the elimination of the cap is not by any stretch of the imagination an emergency measure. There is no advantage to enacting this proposal as a part of S. 1309; that will give rise to no savings and it will not affect in any way the program's operation this year. I hope Senators will bear that in mind. Other provisions of this bill do have an immediate and practical effect. Of particular urgency is the amendment of the 1979 so-called cap. If the authorization for the 1979 supplemental appropriation is not soon adopted, benefit reductions may be initiated for all participants in the food stamp program, as Senator TALMADGE suggested in his remarks a little while ago.

Until now, S. 1309 has rightfully been referred to as "emergency legislation." I agree with that. However, the elimination of the so-called cap—which is the spending ceiling, in words all of us can understand—for 1980 and 1981, certainly changes the nature of this bill. That is something we ought to look at, and that is the purpose of my amendment. The "cap" is one of the basic elements of the Food Stamp Act of 1977; its elimination is a matter so weighty that the urgency of all other provisions is subordinated by its inclusion. I cannot overemphasize this point.

My friend from South Dakota (Mr. MCGOVERN) is a member of the Agriculture Committee. In fact, he is chairman of the Nutrition Subcommittee. He had every opportunity to raise this issue during committee considerations of the bill. There was a clear understanding in the committee as to how the 1979 supplemental authorization would be handled. The Senator did not raise the issue then for the same reason that I have not raised any substantive or controversial program changes now—this, I repeat, is emergency legislation that must be expeditiously considered.

I think my friend from South Dakota will acknowledge how uncontroversial the administrative program changes I have submitted really are. In fact, he included them as part of his substitute language for S. 1309. The amendments I had intended to offer are cosponsored by a majority of the committee. They are simple administrative changes that virtually everyone agrees are salutory and desirable improvements. There is no rationale for delaying the enactment of these consensus amendments; they are program changes which will allow State food stamp agencies to operate this program with less fraud and abuse. However, and I must emphasize this, the pending legislation is not the proper vehicle for any program change of the drastic nature Senator MCGOVERN has proposed. Certainly this is the wrong time to first raise such an important and controversial issue as elimination of the spending ceiling for the food stamp program.

I think the record will show that at every point along the way I have done the best I can to work toward expeditious consideration of this bill. Senator MCGOVERN and his staff are well aware of the full cooperative relationship between my staff and his staff, and the staffs of other members of the committee in preparing this legislation for consideration, and I believe he will attest to that fact. I have stated in the past, and will reiterate now, my commitment to work for constructive program changes. I will fully cooperate so that the Agriculture Committee will be able to report a bill in September amending the 1980 "cap," either as Senator MCGOVERN proposes here or by revising the authorization limit, if that is what the Senate chooses to do.

Frankly, however, this 11th hour effort to eliminate the cap, to eliminate the spending ceiling for the food stamp program, seems to me to be something that I had not expected in terms of the cooperative atmosphere that has prevailed.

Adding to S. 1309, the elimination of the cap for 1980 and 1981 is a move that I think most assuredly will delay this bill. The conferees who consider this matter will have to recognize that members of the House subcommittee which reported this bill considered but they rejected the proposal to eliminate the "cap," and it has not been raised again until now. Also, a proposal by the distinguished Senator from South Dakota would eliminate one of the program's basic management guidelines. Because of these two points, I anticipate that House conferees would be hard pressed to adopt Senator MCGOVERN's proposal. The resulting considerable delay in conference which will surely result from the adoption of the McGovern proposal and any benefit reductions which might result, is

a matter for which I cannot accept any responsibility.

A spending ceiling, a "cap," in the judgment of the Senator from North Carolina, is absolutely essential to prudent program management.

Mr. President, the "cap" is a key provision of the 1977 Food Stamp Act. I have said that before in these remarks and I repeat it now for the purpose of emphasis. Its presence demonstrates that the Agriculture Committee has the very clear intention of closely monitoring this program's cost. The "cap," the spending ceiling, is a reasonable sort of alarm system that would bring to our attention program costs that become inordinately high, whether it may be due to food inflation or program maladministration.

In addition, the cap stands as a clear statement of congressional intent as to what shall be the maximum spending for this program for a given fiscal year. This statement serves notice, in unmistakable terms, to Federal administrators of this program and tells them how much they can spend, in operating this program. Good administrators, faithful to the application and execution of the law, will take care to make decisions to avoid cost overruns. But what if we do not have administrators of that type? Then the responsibility rests with the Congress and specifically today with the Senate of the United States to oversee, to exercise the oversight which we are obliged to exercise, in making certain that the taxpayers' money is not spent unwisely.

Hundreds of cost affecting decisions are made in this program every year. For example, in a recent Agriculture Committee hearing, Senators learned for the first time that frequently local case workers are prohibited from accepting stamps which recipients attempt to return when they become ineligible for the program. In other words, a food stamp recipient who had been unemployed or underemployed in terms of income finally gets a job and finally achieves an income which no longer permits him to be eligible for food stamps.

So he goes down and tries to turn in the stamps. Under the existing statute, local food stamp agency cannot accept those stamps. That is an absurdity, Mr. President. Think of it: case workers cannot accept the stamps that ineligible recipients try to return.

The leverage of the cap helps compel the Food and Nutrition Service officials to close such loopholes in program regulations, thereby strengthening the Agricultural Committee's capability to conduct the oversight functions which it is obliged to do as responsible Members of the Senate and of that particular committee.

Maintaining a cap leaves as part of the 1977 Food Stamp Act and as part of the Agricultural Committee's jurisdiction a statement of how much the program shall cost in a fiscal year. It is a ceiling. I feel it is one of the best practices we have to leave in the jurisdiction of the committee the responsibility for determining maximum program costs. Do not leave it to a bunch of bureaucrats downtown. Dealing in the committee with this simple budgetary question squarely confronts all Senators with the ultimate issue: Is a certain program change worth the additional sum it would cost? That is our duty, Mr. President, to oversee this program, and to remove this "cap," to remove this spending ceiling, waves on the bureaucrats downtown and says to them, "Proceed as you wish."

The cap is an important tool in congressional control of the program. Voting it away would be a clear act of fiscal irresponsibility, in the judgment of this Senator, and would make the Senate budget process a hollow shell. Senators on the Budget Committee from Maine to Oklahoma have worked long and hard to minimize the number of so-called uncontrollable items in the Federal budget. Eliminating the food stamp cap—eliminating the spending ceiling—would be an act, it seems to me, to undermine the efforts of the Budget Committee, and it would move the Federal budget just that much farther away from the grasp of fiscal control, let alone the widespread hope of a balanced Federal budget.

As a practical matter, the so-called controls which remain after eliminating the cap would not prove meaningful at all. The supplemental appropriations for this program are all too often an after the fact sort of action. For example, this very year, through the delay of the Food and Nutrition Service, we are faced with the dubious choice of providing additional funds or closing the program in its final month of this fiscal year because the Food and Nutrition Service will have already spent all the money. The Lugar amendment, which was adopted in committee, addresses this problem but it does not solve it altogether. The cap, the spending ceiling, would reinforce the Lugar amendment in this regard and, therefore, the cap should not be abandoned.

Mr. President, I have outlined the control we would lose by eliminating the spending ceiling and the harms which would result. The "Dear Colleague" letter circulated by the distinguished Senator from South Dakota discusses at length what the elimination of the spending ceiling will not do, but I say in all respect to him that he does not hold out any advantages that would result by casting aside this bit of budgetary control.

I submit that there are none, unless one feels the funding level of this $7 billion program—and, in fact, it is more than $7 billion in cost—is not worth the attention of the Senate.

The elimination of the spending ceiling on the food stamp program is probably the clearest question of fiscal responsibility the Senate will face this year.

Certainly, it is one that the taxpayers back home will understand. There are no gray areas through which a negative vote—a vote against the pending amendment—may be excused. This amendment is to block a proposal to throw away a congressional budgetary control and essential program management tool—without even the benefit of a single hearing or a single mention of the matter in committee. The Helms amendment now pending, the amendment to the McGovern substitute, would stop this ill-conceived proposal from being attached to what is purely emergency legislation. I am told by the distinguished Senator from South Dakota that this legislation must be passed before the August recess.

I say again that unless this proposal to eliminate the cap is removed, the enactment of this legislation before the August recess is placed in jeopardy.

In short—and I say again that these remarks are made with all due respect for my friend from South Dakota—this is the wrong vehicle for the wrong proposal. The pending amendment to strike the elimination of the cap for 1980 and 1981 from the McGovern substitute should be adopted.

We cannot afford to push aside our responsibility for congressional budgetary control.

Mr. HAYAKAWA. Mr. President, my distinguished colleague from North Carolina has offered an amendment to preserve an instrument of congressional budgetary control. I endorse his amendment to strike from the McGovern substitute the language which would eliminate food stamp authorization limits for fiscal years 1980 and 1981.

When this body approved a cap on food stamp programs 2 years ago, we did so without malice for the recipients of the program. We adopted this integral part of the 1977 Food Stamp Act in the interest of efficiency and sound management and not as an instrument directed against the nutrition or the well-being of the recipients of the program. If there were a need for fiscal responsibility then, when the program cost much less than $6 billion annually, we certainly have an even greater need now as we face an annual cost of more than $8 billion next year.

The Senator from North Carolina has already detailed reasons for retaining a cap on this program. I can only implore the Senate not to disarm those of us charged with oversight of this program. There is no Federal program in greater need of congressional scrutiny and budgetary restraint.

I am compelled to ask: Why should we eliminate the cap—why should we cast aside this important congressional control? The only response I have been given is that it prevents Congress from being troubled with the funding level of this program. I hope my colleagues agree that the funding level of an $8 billion program is worthy of our attention.

It is really a depreciation of our functions to say that we should not be troubled with the funding level of this program. That is what we are here for, to be troubled with the funding levels of this and every program. When we are talking about an $8 billion program, it is certainly worthy of our attention.

I offer my complete support to this amendment being offered by the Senator from North Carolina. The funding level of this program is over one-third of the entire budget of the U.S. Department of Agriculture. To oppose this amendment is like saying that we consider this to be an issue too insignificant for us to trouble with.

In addition, Mr. President, the elimina-

tion of this integral part of the program is a hastily drawn proposal that has not even been considered in committee and has been flatly rejected in the House. It is not appropriate for the chair of the subcommittee of jurisdiction to raise this proposal now for the first time. There is no advantage in adopting this proposal now, particularly since all of the Agriculture Committee seems to be pledged to the expeditious consideration of the amendment of the 1980 "cap." The practical result of attaching to this bill language to eliminate the "cap" means delay of this emergency legislation in conference.

I ask that my colleagues join me in the fiscally responsible act of voting for this amendment.

The difficulty, Mr. President, is that the food stamp program is one of the hardest programs we have to cut back or to vote against and even to supervise. Free spending for food stamps can be worth many votes nowadays, especially for those of us facing an election. It takes courage to draw the line, to say, "No more money for this program." But I call attention to the fact that it does not take as much courage as it used to, because we in California have passed proposition 13, which is a very clear indication to all of us from all States that there is a limit to the endurance of the taxpayers. There is a limit to their patience, there is a limit to their pocketbooks. In the light of this proposition 13 and this slight sense of fiscal responsibility that has permeated this body since passage of that measure, I believe we have established as a fact that much of the public does demand some kind of fiscal responsibility now to a degree that they were not demanding it a couple of years ago.

We have established a very liberal budget, with billions of dollars for this program. I am asking, as the taxpayers are going to be asking, is this not enough? When are my colleagues going to begin to support the voters of this country, who are sick and tired of unlimited spending for welfare programs?

My distinguished colleague from South Dakota comes from an agrarian State, where, perhaps, he does not have the problems with food stamps that we have in California. I must recall to the Senators' minds that California is, in fact, the home of the flower children, the hippie counterculture, and the entire development of new kinds of lifestyles which are opposed to the work ethic, which are opposed to work itself, which is hedonistic in the extreme, which is financially irresponsible. In that counterculture situation, tens of thousands of young men and women, perhaps hundreds of thousands, from well-to-do families are dropping out. They have no career ambitions. They get allowances for families and they stretch out their allowances by getting food stamps. This is true of college students and also true of college dropouts.

Up in northern California, Mr. President, in Sonoma County, the Russian River area—these are areas that I am very, very well familiar with—the woods are thick with hippie communes, which exist on food stamps. These are young people from families of considerable affluence. If they had not had affluent families, they would not be in revolt against affluence itself. They are also in revolt against work. They drop out of the work market, they drop out of school, deliberately, because they have this whole food stamp program to subsist on. Why work, then, when food stamps are so easy to get and, therefore, it becomes so much easier to tune in, turn on, and drop out?

I say that it is a very difficult program to administer because, for example, aliens are not entitled to food stamps. But bureaucratic regulations hinder officials from ever making a serious inquiry into the citizenship status of applicants.

In our State, we have an extraordinary number of illegal aliens. How many of them are getting food stamps? We do not know. But we cannot even find out, or turn them down, because our officials are prevented from asking the kind of questions that will reveal whether or not they are truly entitled to them. We cannot even find out whether they are citizens. We are just sort of automatically issuing them.

Mr. President, this is a program so tremendously subject to abuse, so tremendously subject to supporting the voluntary indigent, and supporting even the well-to-do, so that I am told, for oxample, in Sebastopol, Calif., there is an enormous traffic in Perrier water paid for by food stamps.

Now, Perrier water may be classified as food in the categorization of a grocery store, and also in that of the food stamp programs, but it is not a life necessity, as bread, cheese, milk, and margarine. But here they are selling cases and cases of Perrier water for food stamps.

This is the sort of thing that happens constantly, and there is no check on it.

To put a cap on this program is to tell the administrators, "For goodness sake, be careful of whom you issue these to," to make some rules to inquire into the financial status, the family status, the connections, the work training, et cetera, and the background of these people who ask for them, instead of handing them out right and left with the greatest generosity.

We are confronted, Mr. President, with the fact that for many administrators of the food stamp program, they like to have more and more clients because that increases the importance of their jobs.

Is it certainly desirable for a food stamp office to say, "We have 10,000 clients," instead of only 5,000. It looks as if, given no cap, they will expand this program indefinitely in order that their office will have not 10,000. but 20,000 clients, so they can enlarge their office, ask for big quarters, high salaries, and go farther up in the Government service and increase their own sense of importance.

To put a cap then is an elementary step in the establishing of some kind of fiscal responsibility.

I deeply respect the humanitarianism and the concern for his fellow human beings of the distinguished Senator from South Dakota in asking the cap be removed. I must take issue with him, perhaps because we come from different States, different backgrounds, and different perceptions on this.

But I do say that we have in common a voting public, a taxpaying public, that has become increasingly impatient with our constantly expanding budget, and here is a place where we can at least draw a line.

I thank the Chair.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I have listened very carefully to my distinguished colleagues and, certainly, I think there is merit on each side of the argument.

But I am supporting the amendment in the nature of a substitute, which the Senator from South Dakota has proposed to S. 1309.

The substitute not only incorporates the provisions which the Senate Agriculture Committee agreed to, but it also includes four very important amendments offered by the Senator from North Carolina (Mr. HELMS) as well as an amendment which the Senator from Vermont (Mr. STAFFORD), and myself have worked on. And, not least of all, the substitute would repeal the food stamp cap beginning in fiscal year 1980.

I realize that taken altogether these are far reaching changes, and in my opinion would make for an improved food stamp program. Before joining as a cosponsor to the substitute. I gave the matter considerable attention, and decided that this approach would be the most sensible one to take at this time.

To be honest, I first said I would not join in this substitute which includes repeal of the food stamp cap beginning in fiscal year 1980. Following that decision, I reconsidered after focusing on what type of program this is, what kind of changes have been made, and what will be happening if we have field hearings across the country in the food stamp program. I decided finally that we should remove the cap.

THE CAP

I am not pleased nor proud of the fact that the food stamp program has grown so considerably in the last several years. It is not a comforting fact to realize that millions and millions of a nation's citizens are in need of food. Of all the basic necessities a person faces, the need for food is perhaps the most fundamental. However, after recognizing that America did have a considerable problem with malnutrition and hunger among its citizens, I am pleased that the Congress has acted to solve the problem. Having created the food stamp program in an attempt to solve or reduce the problem of hunger in America, I think we should take pride that it has worked as effectively as it has. A recent study by the Field Foundation shows that over the last 10 years the incidence of hunger has been greatly reduced, and in some pockets of poverty, even eliminated. We still have poor citizens and we still have many problems related to poverty to face, but we are seeing the results of the

huge sums of money we have spent on the war against hunger. I offer these remarks to assure my colleagues that our past efforts in the Congress have not been in vain.

I repeat, as I do quite frequently, that prior to the food stamp program we had what we called a commodity program in this country where commodities such as flour, peanut butter, and other commodities went directly to the poor.

It is my recollection that at one time commodities served about 9 million Americans. I say that so the record will reflect we did not start off with a vast new food program, that in many cases food stamps replaced the commodities—in fact, in all cases now food stamps have replaced commodities.

I think some Americans who look at the food stamp program and look at its cost have justifiable concern over what happened. There is a program and it has grown rapidly.

Reforms have been made by the Senator from South Dakota, by the Senator from California, the Senator from North Carolina, the Senator from Kansas, and others. But it is still a large program. It is a costly program. It addresses an important problem in this country, and that is a right to eat and a right to have food.

There are always going to be some exceptions to the rules some abuses and some horror stories. In any program that has a million participants, or 15 million, or 19 million, we will be able to find some people who have abused the program. We will find some cases where they should not have been participating at all in the program.

We have attempted to address those abuses and I believe in most cases we have done so.

But with the field hearings that will be conducted by the chairman and others on the Agriculture Committee, it is my hope that we can tighten up the program more. We should—it is costing the taxpayers of America billions of dollars.

So no one suggests that we should throw open the doors, take off the cap, and let the sky be the limit on the food stamp program. That is not what we want or what would happen.

Mr. President, at the time the spending cap was imposed on the authorization level, there was a realization that it did not allow much flexibility; that if inflation and unemployment were held down, the cap would be fine. But I believe everyone understands that has not been the case. Inflation has soared; it is now doubledigit. It affects the poor as well as the rich. The unemployment rate has not dropped, and there is some indication that it may start to increase.

So what we have here are victims of inflation and victims of a sagging economy—millions of people on food stamps who suddenly were faced with a reduction in benefits.

Through the proper process—the authorization process and the appropriations process—we are about to add $620 million in authority. But this, in essence, like an entitlement program in that Congress has determined what the benefits should be and how they should be distributed. We should make certain that the American people receive those benefits if they are qualified and eligible.

There is some criticism—I suppose a great deal of criticism—of the fact that we eliminated the purchase requirement, which, in my estimation, should have been done long, long ago. We are bringing into the program people who could not put up the front end money to buy stamps, people who have been eligible for stamps right down the line, but who did not have that money.

When we eliminated the purchase requirement, people were added to the food stamp rolls. A great portion of those who were added come from rural areas in this country, where they do not have the urban distribution centers or the outreach programs. Now we are finding that many rural poor, for the first time, are able to take advantage of the food stamp program.

I think it is well to put to rest another myth about the food stamp program, which is that rich people and middle-income Americans benefit from the food stamp program. I cannot vouch for all the figures coming from the U.S. Department of Agriculture, but according to their figures, 52 percent of the food stamp households have monthly incomes of less than $300. Eighty-five percent of the households have incomes less than $500 a month. Of the remainder, less than 4 percent of the households have monthly incomes above $750 a month. In those families, none contains fewer than four persons. At the top end of the scale, one-half of 1 percent have incomes above $1,000 a month, and these households consist of at least seven or more persons.

If anyone in this Chamber or anyone else who may be listening believes that he can live on that income—a family of four, a family of seven or more—I think he should tell us how to do it.

More than one-fifth of the food stamp households are headed by an elderly person. The largest group of participants is white, and 64 percent of the households have no liquid assets.

Furthermore, the majority of adult food stamp recipients are employed full time or unable to work because of disability or the responsibility to care for children or invalid family members.

To reiterate, three-fourths of the food stamp families have gross incomes below $4,800 a year.

The Bureau of Labor Statistics reported that in 1978, four-person urban families needed a yearly income of $11,546 to live on a low budget.

So the Senator from Kansas just wants to reinforce what has been said on this floor by many others, many times. We are talking about poor Americans—white, black, Hispanic, across-the-board—in my State of Kansas, in the State of New York, in the State of California.

It is not a perfect program. There always will be someone taking advantage of any program in the public sector or the private sector.

In the view of this Senator, there has been some lack of urgency on the part of the Food and Nutrition Service to implement some of the reforms. That has added to cost, as well as to the dissatisfaction of those who supported the program, such as the distinguished Senator from California (Mr. HAYAKAWA). It has added to the frustration of others who do not want to see waste in the program, such as the distinguished ranking minority member of the Committee on Agriculture, the Senator from North Carolina (Mr. HELMS).

It does not seem to this Senator that, on balance, the spending restraint will be removed. It does not mean Congress is going to abdicate responsibility. The Senator from South Dakota pointed that out very clearly in his statement about an hour ago. We still have the authorization process. We still have the budget process. We still have the appropriations process. We still have Congress. Now and then, Congress has some influence on what happens so far as policy is concerned.

The conference report of the Budget Committee stated the following, in the RECORD of May 23, 1979, on page 12404:

> The conference agreement would allow the current law spending ceiling on the food stamps program to be raised or eliminated to avoid a reduction in the level of benefits provided under current program guidelines.

So there is no conflict with the budget.

Mr. McGOVERN. Mr. President, will the Senator yield on that point?

Mr. DOLE. I yield.

Mr. McGOVERN. The Senator is absolutely right in the point he makes, that lifting the cap in no way violates the budget process at all. As the Senator knows, there is no such authorization cap on most Federal programs. The cap becomes the appropriations figure, which gives Congress ample authority to control the size of this program.

Beyond that is the budget process, as the Senator has said, that we have established here in the Senate and in Congress.

There came to my attention a memorandum from the Senate Budget Committee staff that Senator MUSKIE had written just a few days ago on July 19. Quoting from that, I read:

> Removal of the cap for fiscal year 1980 and fiscal year 1981 is consistent with the First Budget Resolution assumptions.

Then the Budget Committee staff memorandum goes on to say:

> Lifting the cap for fiscal year 1980 and fiscal year 1981 would not change the food stamp program into an entitlement program. The program would still be subject to the appropriations process and benefit amounts would still be subject to the level of appropriations.

So we really have a double check on the program in that we have the budget resolution process plus appropriations.

I think it is very important for Senators to understand that we are not, in a sense, removing any spending limits from this program that are not duly protected both by the budget process and by the Appropriations Committee process.

In a sense, we are simply proposing

that the food stamp program be treated the same as other Federal programs.

The Senator knows that the program expires in fiscal year 1981, so this action today would put this program on the same footing as other Federal programs.

Mr. DOLE. Mr. President, I appreciate the emphasis added by the distinguished Senator from South Dakota who unquestionably has done more in this area than all of us combined, and the results of which, I might indicate, were well illustrated in the Field Foundation report I referred to earlier.

We are not abdicating any responsibility.

I remember, I think 4 years ago, in this Chamber the distinguished Senator from Maine, the chairman of the Budget Committee, brought about for the first time, in my memory, a reduction in the school lunch program because it exceeded the budget.

So I just suggest there are plenty of checks and balances. This is not an effort to let a program get out of hand. In fact, all the efforts are in the other direction.

The amendments offered by the distinguished Senator from North Carolina are all sound. They should be enacted and probably should have been enacted years ago. They will be enacted today.

The amendment of the distinguished Senator from Vermont is an amendment that should be adopted and will be today.

I think there is enough pressure about the operation of the program coming from those who support it consistently, those who oppose it consistently, and from some who have mixed views about the program—all concerned about the administration. We want people who should be served to be served. We want those who should not be served to be eliminated.

And I think that is the thrust of the substitute. It does more than just eliminate the cap. It takes another step forward. In fact, it is another step forward by Congress.

Finally, I suggest that I have been asked, as maybe others have been asked, by the distinguished colleague in the other body, Congressman KELLY, to allow elderly recipients to claim as a food stamp deduction all medical expenses exceeding $10 monthly.

Prior to the 1977 amendments, all recipients could claim medical expenses as a deduction when figuring income. By allowing this deduction, some families with high incomes were able to receive food stamps.

But, of course, we changed all that. That was another reform. We brought about a standard deduction to avoid some of this.

The cost of the so-called Kelly amendment will add some $36 million in cost above the Stone amendment, which was adopted by the committee. The Stone amendment lets the elderly and disabled claim medical expenses above $35 monthly. The Kelly amendment by itself would cost in the neighborhood of $63 million.

The Budget Committee has not approved the additional money. But, the Kelly amendment will be in the conference. It seems to me that it is better to work it out in conference than to offer that amendment here knowing full well that it will probably be opposed by the Budget Committee.

So I appreciate the efforts of the distinguished Congressman calling this to our attention, and I hope he will have support in the conference committee.

I maintain that food stamp recipients are poor, hard working, and hit exceptionally hard by our faltering economy. For these reasons I feel that we should approve increasing the authorization level for the remainder of fiscal year 1979 by $620 million and remove the cap entirely for the following years.

We have seen the difficulty in accurately projecting the unemployment rate and cost of food, both of which have a direct impact on the cost of the food stamp program. By supporting the lifting of the cap, I still believe that the Congress should maintain close supervision over the program. I believe that this will be provided through our authorization, budget, and appropriation processes and think that this will give us adequate control over the cost, just as it does for other Government spending programs.

OTHER PROVISIONS

Also included in this substitute are four amendments proposed by Senators HELMS, COCHRAN, JEPSEN, HAYAKAWA, and myself. These amendments are designed to provide better administration of the program, and to give States more incentives for correcting fraud. Food stamp recipients who have fraudulently received food stamps will have to repay the Government for benefits wrongly received. All of the amendments proposed by the Senator from North Carolina are sound, and probably should have been enacted years ago.

Also included in the substitute is a Stafford/Dole amendment which is designed to allow more handicapped persons to participate in the program. Our amendment would expend food stamp benefits to handicapped persons who live in small, public, nonprofit community centers, and who receive either supplemental security income or social security disability insurance. In addition, these persons must meet all of the other income eligibility requirements. Under present food stamp law, drug addicts and alcoholics are allowed to receive benefits if they live in treatment centers. However, the disabled have no such provisions.

Our amendment would correct this inconsistency by recognizing that small community living centers of 16 persons or less should be defined as a home rather than an institution, and that residents should be allowed to apply for food stamps. I think that this is a reasonable amendment, and am glad that it is included in the substitute.

CONCLUSION

I realize that the issue under consideration today is a controversial one and one that has been discussed many times before. Depending on one's position, food stamp recipients are either decent, hard-working poor persons struggling to get ahead, but to no fault of theirs never made it, or recipients are lazy free-loaders milking the Government for all they can get. I am sure that in any State and in any county you can find both types of persons on the rolls, which I suppose would show that there is some truth in what we each say. However, I would say that the role of Congress would be to devise a fair, equitable program by which to distribute food benefits to those qualified to receive them. I feel that this substitute makes defensible changes in the program and is the best approach to take at this time. It will allow for food benefits to be continued to those who qualify for them; it will improve the administration of the program; and it will take action against those misusing the program. I hope this substitute will be agreed to.

Mr. STAFFORD. Mr. President, included in the McGovern/Dole substitute amendment to S. 1309 is section 9 entitled "Group Living Arrangements for the Disabled or Blind." I am grateful to my distinguished colleagues, Senators MCGOVERN, DOLE, MAGNUSON, and EAGLETON for including this section within their substitute.

This section of the amendment provides that recipients of SSI or SSDI, residing in group living arrangements, of 16 persons or less be eligible to receive food stamps.

Under existing food stamp rules, persons living in institutions are barred from participation, with the exception of the elderly in Federal housing projects and drug addicts and alcoholics in State-approved private nonprofit treatment programs. Community residences or group homes are classified as institutions for food stamp purposes because services other than room and board are provided and because residents often are not entirely responsible for purchasing and preparing their own food.

However, disabled persons living independently or as boarders or roomers are eligible for food stamps. In addition, drug addicts and alcoholics in treatment programs are eligible under special provisions of the Food Stamp Act.

For disabled recipients of SSI or SSDI, this section of the substitute amendment removes the words "group living arrangements" from the classification as institutions as long as they are small (16 persons or less) nonmedicaid institutions, and certified by States under standards required by sections 1616(e) of the Social Security Act. This means that a disabled person as defined by the Social Security Act who meets other food stamp eligibility tests such as income, assets and work registration would not be barred from the program simply because his or her disability had forced them into a State-approved, nonmedical living arrangement as part of the deinstitutionalization process. These are persons who have their own income sources and living independently would be eligible for food stamps except for their disability.

In addition, the Department of Agriculture and State agency(s) would be allowed to deal with these living arrangements in the same way they deal with treatment programs for drug addicts and alcoholics if the group residence actually operated as the meal provider rather than residents purchasing food and helping to prepare their own meals.

In group living arrangements, as with treatment programs, they would be prohibited from depositing food stamps in a bank and would have to use them in grocery stores for food to prevent possible misuse of food stamp aid.

Mr. President, I ask that my colleagues join with us in this effort to remove this discriminatory provision from the Food Stamp Act. I ask my fellow Senators to join with Senator DOLE and I to provide that qualified recipients of SSI and SSDI residing in group living arrangements be granted the same privileges of receiving food stamps as accorded drug addicts and alcoholics under the Food Stamp Act.

Mr. MCGOVERN. Mr. President, I commend the Senator from Vermont (Mr. STAFFORD) and Senator DOLE, who have offered this amendment to help the elderly deal with one of the most important nutritional problems in the country.

I believe it is a wise and constructive amendment, and I commend the Senator from Vermont for bringing it to the attention of the committee so that it could be included in the measure now pending before the Senate.

The PRESIDING OFFICER (Mr. BENTSEN). The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President. I rise today in support of the substitute amendment to S. 1309. The substitute contains all of the provisions of the bill reported by the Agriculture Committee; the four amendments offered by Senators HELMS, DOLE, COCHRAN, HAYAKAWA and JEPSEN; a Stafford-Dole amendment to extend benefits to handicapped persons living in community living centers and an amendment repealing the food stamp authorization ceiling for fiscal years 1980 and 1981. Mr. President, it is my understanding that the substitute amendment has the support of Chairman TALMADGE.

I would ask my colleagues to consider the importance and merits of the particular provisions in the bill sponsored by Senator STONE, which I was pleased to cosponsor. These provisions allow for greater medical and shelter deductions to the elderly and disabled in determining eligibility for and levels of food stamp benefits, and they are crucial in insuring adequate food stamp benefits to thousands of people who need them.

Mr. President, as you may recall, the 1977 Food Stamp Act which went into effect 4 months ago drastically reduced allowable deductions for housing and medical care costs. I believe the congressional intent in 1977 was that such changes would help direct benefits to the people who need them most. I do not believe that it was congressional intent to reduce benefits for the elderly and disabled to the extent we now find occurring. Many of our most needy citizens have reported that their food stamp benefits have been cut by 50 percent or more, and the hearings of the Senate Special Committee on Aging bear that out. At a time when medical care and shelter costs are enormous yet continue to skyrocket, the current limits on deductions for these expenses are clearly too low. Indeed, at a time when food prices are increasing at up to 20 percent annually, we should certainly not allow actual cuts in food stamp benefits for the elderly and disabled. The need for the Stone amendment is obvious and other provisions of the substitute amendment are clear and I urge my colleagues to join me in supporting it.

Mr. President, it has been brought to my attention that some retail bakeries are being denied authorization to accept food stamps under the authority of the 50-percent staple-food-sales rule enacted in the Food Stamp Act of 1977—despite the intent of the law that bakeries selling bread not be excluded.

Retail bakeries selling bread, but also offering other bakery products—are, in some cases, being denied authorization to accept food stamps or having their authorization withdrawn because over 50 percent of their sales are not bread alone.

After investigation, I have found that these denials appear to have been erroneous and contrary to the Department of Agriculture's rules for authorizing retail outlets for food stamp participation.

The Department's policy is, in fact, fair and evenhanded and carries out the intent of the law. The problem is that Food and Nutrition Service field officers are, in some cases, not carrying out the Department's policy correctly.

In order to illustrate the matter, I shall have printed in the RECORD a letter from the Retail Bakers of America and excerpts from the Department of Agriculture's regulations and instructions governing the authorization of retail outlets for food stamp participation.

As a result, I had intended to introduce an amendment that would have specified, in the act, that bakeries selling bread along with other bakery products should be authorized for food stamp participation. This amendment would not have changed current Department policies. Rather, it would have put them directly into the act in order to encourage the Department to insure that existing policies on authorizing retail bakeries are carried out.

The intent of the 50-percent staple-food-sales rule added in the 1977 act was not to exclude bakeries selling bread along with other bakery goods and my amendment would merely have made that intent clear. Donut and pastry shops that specialize in sweet baked goods and which do not do a substantial business in staple foods such as bread are excluded.

However, since this is a case of simply carrying out the clear intent of the existing law, I ask my friend, the distinguished Senator from South Dakota, if he concurs in my understanding of the intent of the law in this regard and the need to fully and consistently carry out the Department's rules.

Mr. President, I ask unanimous consent that there be printed in the RECORD a letter from the Retail Bakers of America and excerpts from the Department of Agriculture regulation and instructions governing the authorization of retail outlets for food stamp participation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RETAIL BAKERS OF AMERICA,
Hyattsville, Md., June 27, 1979.

Hon. CARL LEVIN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR LEVIN: One of the questions you asked was whether our members were having any particular problems with one or other of the federal agencies. We indicated that as a matter of fact a number of retail bakeries from different states were having trouble with the Food and Nutrition Service over food stamps. These bakeries had recently been denied authorization to participate in the Food Stamp Program on the ground that they did not sell enough bread, although the regulations had been amended to include bread and breadstuffs (i.e. any grain, flour or other cereal product) so as to make it clear that bakeries were not to be excluded from the program merely on the basis of how much bread alone they sold.

You asked me to send you details and supporting documentation of these denials, which I promised to do as soon as I could. This letter is in response to your request.

In brief, the enclosed material shows the following. Although the Food Stamp Act itself mentions only bread specifically as an example of staple food, the House Report mentions bread and breadstuffs and explicitly states that retail bakeries are a type of retail food store which will normally be considered eligible to participate in the program. Nevertheless, field officers of the Food and Nutrition Service routinely denied retail bakeries' request for authorization to accept food stamps or withdrew previously granted authorization, as the copies of letters to several bakers show. As a result, at the urging of our association, the definition of staple food contained in the FNS regulations governing the program was modified to include bread and breadstuffs and the accompanying explanatory material made it clear that bakeries which sold bread were to be authorized to participate in the program.

Again, despite these clear, explicit, final regulations that bakeries which sold bread are to be authorized, field officials of FNS continue to ignore them and to deny or withdraw authorization to accept food stamps from bakeries on the ground that at least half their annual volume of sales is not of bread and bread alone The copies of the letters from Daniel's Bakery and Dainty Bakery bear this out. In addition, I was informed by telephone that Diener's Bakery in North Carolina had again been denied authorization after the amended regulations had become final (although he later was granted authorization) by a Ms. Paula Kernin of the Greenville, North Carolina FNS office; and that Harvey's Bakery in Valdosta, Georgia had also had its application for continued authorization turned down. As a result, we have written to Representative Frederick Richmond asking him to sponsor an amendment to the Food Stamp Act (copy enclosed).

I emphasize that our people have had problems only with FNS officers in the field; the Washington office has been very coop-

erative. In fact, Mr. Dan Woodhead with the Retail Food Store Branch of FNS here in Washington, had gone out of his way to be helpful.

Senator Levin, we very much appreciate your interest in our problem and are grateful for any help you give us.

If there is any other information you need from us, please call me. Again, thank you for your help.

Respectfully,

GERARD P. PANARO,
Associate General Counsel.

TITLE 7—AGRICULTURE: CHAPTER II—FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE

FOOD STAMP PROGRAM

Agency: Food and Nutrition Service, USDA.

Action: Final rule.

Summary: This rule tightens the criteria for authorizing retailers and wholesalers to accept and redeem food stamps, sets forth criteria for determining periods of disqualification for retailers and wholesalers who have been found to have violated food stamp program regulations, allows the Food and Nutrition Service (FNS) to substitute a civil criteria for determining periods of disqualition for a retailer or wholesaler if a disqualification would cause hardship to participating households, details the method for assessing a civil money penalty and requires retailers to provide cash change in amounts less than $1 in food stamp transactions. These regulations implement the Food Stamp Act of 1977.

Effective date: The amendments to parts 270 and 271, and the new parts 278 and 279 take effect on January 1, 1979.

For further information contact: Nancy Snyder, Deputy Administrator, Family Nutrition Programs, Food and Nutrition Service, USDA, Washington, D.C. 20250, 202-447-8982.

Supplementary information: On May 2, 1978, the Department published a proposed rule (43 FR 18874-18958) to amend parts 271, 272, 273, and 274 of the food stamp program regulations and to add new parts 278, 279, and 282. As noted in the preamble to those proposed regulations the ". . . existing provisions (current regulations) regarding retailer/wholesaler activities have generally been considered successful (and therefore) major portions of this (proposed) section are a restatement of existing regulations, instructions of procedures." (43 FR at 18903.) Almost no comments were received on those existing regulations and provisions as republished in the proposal. Moreover, as compared to the other parts, relatively few comments were received regarding the retailer and wholesaler proposals. These comments led to few changes in the proposed retailer-wholesaler rules.

Rather than delay these final rules to combine them in a single massive publication likely to be issued later this month, and to allow firms sufficient time to plan for implementation of these regulations, the Department has decided to publish parts 278, 279, and those portions of part 271 related to parts 278 and 279, before publishing the remaining rules. A number of wording changes have been made to improve clarity. No specific mention of these changes will be made in this summary. The significant changes are discussed as follows:

Staple Foods. Three commenters were concerned that the list of staple foods found in section 3(k) of the Food Stamp Act of 1977 (Act) mentions no bakery product but bread and that few bakeries have more than 50 percent bread sales.[1] As pointed out in those comments,[2] the proposed regulations might be interpreted to exclude many bakeries despite the clear expression found in the House Report[3] that bakeries were to be authorized if they sold bread and breadstuffs which met the 50 percent staple foods test found in section 3(k) of the Act. The House Report stated that:

"To satisfy the 50 percent test, the store * * * should offer a variety of such staples, meaning a spectrum of * * * breadstuffs * * *, since the Committee has no reason to foreclose * * * bakeries * * * from being able to accept food stamps in trade."

Thus, to insure uniform administration of this requirement, in accord with the clear intent of the House Report, the Department has modified the list of staple foods to include "bread and breadstuffs." However, this change is not intended to permit the participation of pastry and donut shops that do not sell bread. The House Report noted that " * * * the intent of the Committee is * * * to eliminate without question certain stores, such as * * * specialty donut stores not selling other bakery or bread products * * *. This intent would be effectuated by authorizing pastry, donut or bakery shops only if a line of basic bread products (breads and rolls) is customarily sold in addition to the sales of other staple foods. This same rationale extends to, for example, shops which only sell ice cream. These shops would not be authorized unless they customarily sold other dairy products in addition to ice cream.[4]

Delegation of authority. Approval or denial of authorization of retail or wholesale stores to accept food stamps is currently delegated to the officers in charge—OIC's of FNS field offices. Although no comments were received on this point, the Department has decided, for the sake of clarity, to specify when this authority lies with the OIC. The final rule is not intended to represent a change in current policy.

Approval of retailers and wholesalers. A number of commenters expressed fear that the 50 percent staple foods requirement would exclude many small grocery stores, especially rural grocery stores and convenience stores, from participation in the program.[5] The Department believes that these fears arise largely from misunderstanding of that statutory requirement. According to sections 3 (g) and (k) of the Act, staple food sales must be more than 50 percent of the store's eligible food sales only—not of the store's gross sales (their total sales of food and nonfood items). Sales of nonfood items, alcoholic beverages, hot food prepared for immediate consumption, newspapers, sundries, and general merchandise are not to be counted in determining the total food sales volume which is to be compared to the amount of staple food sales. The Department intends to implement this statutory requirement by asking retailers to estimate what percentage of their total food sales are comprised of staple food items on a simple self-declaration form. As noted in the preamble to the proposal, "[t]he House Report explains that retailers should not be required to set up any elaborate system of recordkeeping to prove to FNS that sales of staple foods, warranted authorization." (43 FR at 18903). As provided in the Act, any retailer which has food sales that are 50 percent or less staple foods will not be eligible for participation in the program. The final regulatory language regarding this point is merely designed to clarify what was intended in the proposed language.

The section on authorization of wholesalers has been changed to allow income (SSI) recipients, and their spouses. It also includes senior citizens' centers, apartment buildings occupied primarily by elderly persons or SSI recipients, and their spouses, public or private nonprofit establishments (eating or otherwise) that feed elderly persons or SSI recipients, and their spouses, and federally subsidized housing for the elderly at which meals are prepared for and served to the residents. It also includes private establishments that contract with an appropriate State or local agency to offer meals at concessional prices to elderly persons or SSI recipients, and their spouses.

"Coupon" means any coupon, stamp, or type of certificate provided pursuant to the provisions of this subchapter for the purchase of eligible food.

"Drug addiction or alcoholic treatment and rehabilitation program" means any drug addiction or alcoholic treatment and rehabilitation program conducted by a private nonprofit organization or institution which is certified by the State agency or agencies designated by the Governor as responsible for the administration of the State's programs for alcoholics and drug addicts pursuant to Pub. L. 91-616, "Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act of 1970" and Pub. L. 92-255, "Drug Abuse Office and Treatment Act of 1972" as providing treatment that can lead to the rehabilitation of drug addicts or alcoholics.

"Elderly person" means a person 60 years of age or older.

"Eligible food" means: (1) Any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption; (2) seeds and plants to grow foods for the personal consumption of eligible households; (3) meals prepared and delivered by an authorized meal delivery service, or served by a communal dining facility for the elderly or SSI households, to households eligible to use coupons for delivered meals or communal dining; (4) meals prepared and served by an authorized drug addict or alcoholic treatment and rehabilitation center to households eligible to use coupons for those meals; and (5) in the case of certain eligible households living in areas of Alaska where access to food stores is extremely difficult and the households rely on hunting and fishing for subsistence, equipment for the purpose of procuring food for eligible households, including nets, lines, hooks, fishing rods, harpoons, knives, and other equipment necessary for subsistence hunting and fishing but not equipment for the purpose of transportation, clothing, or shelter nor firearms, ammunition, or other explosives.

"Meal delivery service" means a political subdivision, a private nonprofit organization, or a private establishment with which a State or local agency has contracted for the preparation and delivery of meals at concessional prices to elderly persons, and their spouses, and to the physically or mentally handicapped and persons otherwise disabled, and their spouses, such that they are unable to adequately prepare all of their meals.

"Nonprofit cooperative food purchasing venture" means any private nonprofit association of consumers whose members pool their resources to buy food.

"Retail foodstore" means: (1) An establishment or recognized department of an establishment, or a house-to-house trade route, whose eligible food sales volume is more than 50 percent staple food items for home preparation and consumption; (2) public or private communal dining facilities and meal delivery services and drug addict or alcoholic treatment and rehabilitation programs; (3) any store selling equipment for procuring food by hunting and fishing to eligible households in Alaska, as specified in the definition of eligible food; (4) any private nonprofit cooperative food purchasing venture, including those whose members pay for food prior to receipt of the food; and (5) a farmers' market.

"Staple food" means those food items intended for home preparation and consumption, which include meat, poultry, fish, bread and breadstuffs, cereals, vegetables, fruits,

Footnotes at end of article.

fruit and vegetable juices, and dairy products. Accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices are not staple foods for the purpose of qualifying a firm to participate in the program as a retail foodstore.

"Wholesale food concern" means an establishment which sells eligible food to retail food stores or to meal services for resale to households.

FOOTNOTES

[1] Sec. 3(k) of the Act defines a retail food store, in part, as "* * * an establishment or recognized department thereof or house-to-house trade route, over 50 percentum of whose food sales volume consists of staple food items for home preparation and consumption, such as meat, poultry, fish, bread, cereals, vegetables, fruits, dairy products, and the like, but not including accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments and spices * * *"

[2] The Associated Retail Bakers of America, letter of June 3, 1978, provided a detailed and useful analysis of the bakery product issue. All retailer/wholesaler comments are available for public inspection and copying at FNS Offices, Room 640, 500 12th Street SW., Washington, D.C. 20250.

[3] House Committee on Agriculture (H. Rept. 95-464; June 24, 1977).

[4] As noted in the preamble to the proposal, the statutory intention was "* * * to eliminate certain stores such as candy and ice cream stores, spice stores (and) donut shops which do not also sell bread products * * *" (43 FR at 18903.)

[5] The letter of June 14, 1978, from NARGUS (the National Association of Retail Grocers of the United States), is representative of the comments concerning the feared loss of authorization for convenience stores and small rural groceries.

PART 272—[REDESIGNATED]

Part 272 is redesignated as part 278 as set forth below.

Part 272 is redesignated as part 278 and is revised to read as follows:

PART 278—PARTICIPATION OF RETAIL FOOD STORES, WHOLESALE FOOD CONCERNS AND BANKS

Sec.
278.1. Approval of retail foodstores and wholesale food concerns.
278.2. Participation of retail food stores.
278.3. Participation of wholesale food concerns.
278.4. Procedures for redeeming coupons.
278.5. Participation of banks.
278.6. Disqualification of retail foodstores and wholesale food concerns, and imposition of civil money penalties in lieu of disqualifications.
278.7. Determination and disposition of claims—retail foodstores and wholesale food concerns.
278.8. Administrative reviews—Retail foodstores and wholesale food concerns.

Authority: 91 Stat. 958 (7 U.S.C. 2011-2027).

§ 278.1 Approval of retail food stores and wholesale food concerns.

(a) *Application.* Any firm desiring to participate in the program shall file an application as prescribed by FNS. The FNS officer in charge shall deny or approve authorization, or request more information, within 30 days of receipt of the application.

(b) *Determination of authorization.* An applicant shall provide sufficient data on the nature and scope of the firm's business for the FNS officer in charge to determine whether the applicant's participation will further the purposes of the program. In making this determination the FNS officer in charge shall consider all of the following:

(1) *The nature and extent of the food business conducted by the applicant.* (i) Retail food stores which sell primarily food for home preparation and consumption and in which one or more staple food items, as defined in § 271.2, make up more than 50 percent of eligible food sales shall normally be considered to have food business of a nature and extent which will further the purposes of the program. These stores shall include: Full-line grocery stores; convenience stores; stores which sell meat, poultry, or, fish; stands which sell agricultural commodities; farmers markets; milk routes; bread routes; day-old bread stores; bakeries which sell bread; and nonprofit cooperative food-purchasing ventures which are properly licensed to sell food in the state and locality in which they are operating.

(ii) Firms whose primary business is not the sale of food for home preparation and consumption, but who have recognized grocery departments in which stable foods make up more than 50 percent of eligible food sales, shall normally be considered to have food business of a nature and extent which will qualify the store for participation in the program. In determining whether a store's staple food business is sufficient for the store to qualify for participation in the program, the FNS officer in charge shall also consider:

(A) The volume of staple food business the store does;

FNS(FS) INSTRUCTION 741-2

12. Bakeries. For the purposes of this Instruction, bakeries are stores which carry a wide variety of baked foods including bread. They may stock milk and other dairy products. Such stores can reasonably be expected to do a substantial business in these staple foods and, therefore, may be authorized.

13. Donut and Pastry Shops. These shops, for the purposes of this Instruction, are firms which specialize in donuts and sweet baked goods either for carryout or to be eaten on the premises. Many such shops feature coffee bars. If firms of this type do not do a substantial business in the sale of staple foods such as bread, they do not effectuate the purpose of the program and, therefore, should not be authorized.

Mr. McGOVERN. Mr. President, if the Senator from Michigan will yield, I concur absolutely with his understanding of the law, and I urge the Department of Agriculture to take steps to see that the policies on authorizing retail bakeries selling bread along with other bakery products are carried out by the field offices and other officials in charge of making the necessary determinations.

I am convinced, I will say to the Senator, that the Department will do this.

I have a rather lengthy letter from them, under date of July 23, in which they outlined their policies on authorizing retail bakeries. They give the rationale behind them and the steps that they are taking to effectuate these policies.

But the Senator's concern is well taken.

It is simply a misunderstanding of the law at the local level that has resulted in the problem that he raises, but I think it is important that this legislative history be made.

I commend the Senator from Michigan for being alert to a problem that we want to correct.

Mr. LEVIN. I thank my friend from South Dakota.

Mr. President, I ask unanimous consent that the letter from the Department of Agriculture to which the Senator referred be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
FOOD AND NUTRITION SERVICE,
Washington, D.C., July 23, 1979.

Hon. GEORGE S. MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: This is to advise you of the Department of Agriculture's policy on authorizing bakeries to accept food stamps.

The 1977 Food Stamp Act requires firms to do more than 50 percent of their eligible food sales in staple foods before they can be authorized to accept food stamps. The only bakery product listed in the Act as a staple food is bread. In reviewing the legislative history on this issue, it was clear to us that Congress intended the Department to eliminate pastry and donut stores that do not sell bread from participation in the program while continuing the participation of bakeries that sold a variety of breadstuffs. Therefore, our regulations include "bread and breadstuffs" in the list of staple foods.

Unfortunately, it would appear that this policy of retaining bakeries that offer a spectrum of breadstuffs while eliminating those that sell only donuts or other sweets, has been misunderstood by some of our Field Offices. We have recently discovered that some authorizations have been withdrawn for bakeries whose food sales do not consist of more than 50 percent bread. These authorizations were withdrawn in error.

Enclosed are two pieces of correspondence that we have sent to our field staff through our regional offices in an effort to clarify the policy with the field staff. Also enclosed is a copy of the Food Stamp Program Regulations with the portion marked in the preamble that was intended to clarify the policy on this issue and the regulation dealing specifically with bakeries marked.

We will make a further effort to clarify the policy with the field staff, and will reevaluate the authorization of any bakeries that have been withdrawn from the program on the basis that they do not have an adequate portion of their food sales in staple foods.

ALBERTA C. FROST,
Acting Deputy Administrator
for Family Nutrition Programs.

Enclosures.

U.S. DEPARTMENT OF AGRICULTURE,
FOOD AND NUTRITION SERVICE,
Washington, D.C., June 7, 1979.

Subject FNP—Reevaluation of Retail Bakeries.

To All regional directors for family nutrition programs.

This is in reference to D. W. Moritz's memo dated May 15, 1979, to R. E. Mellinger concerning some questions that had been raised in that region on the authorization of bakiers. Copies of Mr. Moritz's memo were sent to all regions.

From the reaction in several regions to Mr. Moritz's memo, it appears that there is still some misunderstanding of the policy for authorization of bakeries. The confusion of this issue seems to be caused by the term "breadstuffs" which is used in the regulations and which was also used in the discussion of bakeries by the House Agriculture Committee in its report on the Food Stamp Act of 1977. Several regions had asked for a more specific definition of the term.

"Breadstuff" is defined in "Webster's Seventh New Collegiate Dictionary" as "1: grain, flour 2: bread." If we used the above definition for the purpose of determining whether a firm sells 50 percent or more staple food, virtually all bakeries would be eliminated because very few have over 50 percent of their food sales in bread. However, as indicated in the House Agriculture Committee Report, Congress did not plan to exclude bakeries, but they did intend to exclude the so-called pastry and donut shops.

The meaning of the last paragraph of Mr. Moritz's memo and the policy of this agency concerning the authorization of bakeries is as follows:

Bakeries which sell a variety of baked goods including bread may be authorized regardless of whether the bakery bakes the bread or buys it for resale. The field staff is not required to evaluate the volume of bread sales to determine whether it is sufficient to warrant authorization. If the bakery sells bread it may be authorized. A bakery that does not sell bread shall not be authorized.

It might be advisable to review Mr. Moritz's memo to have an understanding of how the policy as stated above evolved.

A. P. HORNSBY, Jr.,
Director, Federal Operations Division.

U.S. DEPARTMENT OF AGRICULTURE,
FOOD AND NUTRITION SERVICE,
Washington, D.C., May 15, 1979.

Subject FNP—Reevaluation of Retail Bakeries.

To Richard E. Mellinger, Regional Director for Family Nutrition Programs, Western Region, FNS, San Francisco, California.

Thomas C. Ahern, Chief of your Compliance Management Section, wrote to me on April 19, 1979. With his letter, he sent a request from Sacramento Officer In Charge Robert Delany for a clarification of FNS policy on staple foods in bakeries. Mr. Delany particularly asked for a more specific definition of breadstuffs. He also asked how the 50 percent staple foods criterion is to be applied.

The term "breadstuffs" was included in the list of staple foods in the regulations, and therefore has become significant in formulating policy on the authorization of bakeries, because the term was used in the House Agriculture Committee report in describing what a bakery must sell to be authorized to participate in the program.

The report states on page 336:

"To satisfy the 50 percent test the store . . . should offer a variety of staples, meaning a spectrum of . . . breadstuffs . . . since the Committee has no reason to foreclose . . . bakeries . . . from being able to accept food stamps in trade."

"The intent of the Committee is to eliminate without question certain stores, such as . . . donut shops not selling other bakery or bread products. . . ."

In order for the 50 percent staple foods provision in the Act to be implemented in conformance with the intent of the Committee, the term "breadstuffs" has be broad enough to include a wide variety of bakery products. However, because the Committee intended to exclude donut shops from participation, the policy on authorization of bakeries has to go beyond the simple 50 percent staple foods test. A bakery should sell a variety or a spectrum of baked staple foods which must include bread to qualify for authorization. Bakeries that do not sell bread in addition to other baked goods (breadstuffs) cannot be authorized. Consequently, donut shops that do not sell bread cannot be authorized even though more than 50 percent of their business is derived from the sale of breadstuffs.

D. W. MORITZ,
Acting Director,
Federal Operations Division.

Mr. McGOVERN. Mr. President, I thank the Senator.

Mr. LEVIN. I thank the Senator.

ORDER FOR VOTE TO OCCUR AT 2:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur on the amendment by Mr. HELMS at 2:30 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. LONG. Mr. President, it is my understanding that sometime fairly soon this afternoon, the majority leader will suggest that we temporarily lay aside the food stamp bill and that we proceed to the consideration of the trade bill.

I ask unanimous consent, therefore, that the following persons have the privilege of the floor:

Michael Stern, Bob Cassidy, and Dave Foster of the Finance Committee; Carl Bates of the Joint Committee on Taxation; Brian Walsh of the Governmental Affairs Committee; and Eric Lee of the Commerce Committee.

Mr. DOLE. Mr. President, I make the same request for Rick Johnson and Chip Roe of the Finance Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the food stamp bill be temporarily laid aside, that a call for the regular order not bring it back, and that the Senate proceed to the trade bill, which is a privileged matter.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank Mr. McGOVERN, Mr. HELMS, and all other Senators involved.

TRADE AGREEMENTS ACT OF 1979

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4537) to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes.

The Senate proceeded to consider the bill.

ORDER FOR YEAS AND NAYS ON PASSAGE OF TRADE AGREEMENTS ACT OF 1979, H.R. 4537

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on final passage of MTN, H.R. 4537.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President, it is usually customary in legislation of this type to pay tribute to the staff at the end of the debate. However, I would like to exercise my privilege today as floor manager of this bill to pay a special tribute to Mr. Bob Cassidy, the head of the professional staff of the International Trade Subcommittee, and a member of the staff of the Committee on Finance, for his outstanding work.

I do not believe that in my experience in this body I have seen a member of the staff give to a piece of legislation such leadership, understanding, intelligence, drive, and coordination. This has been a very, very difficult negotiation, unusual in the way this measure is presented. I am filled with admiration for Mr. Cassidy for the excellence of his performance. It is an example that will be followed for many years when members of the staff seek to explain and to understand the role of a staff member in the legislative process.

Assisting him from the Committee on Finance were Dave Foster, Bill Finan, and from the minority staff Charles Roh and Rick Johnston, all of whom gave greatly of their energies, their intelligence, and their constructive ideas.

Further, they were assisted by Mr. Carl Bates of the Joint Committee on Taxation; Mr. Eli Nobleman and Brian Walsh of the Governmental Affairs Committee; Mr. Eric Lee of the Commerce Committee; and Lloyd Ator of the Senate Legislative Council.

Mr. President, the Trade Agreement Act of 1979 marks the end of the most significant international trade negotiation in history. It may mark the beginning of a new era for U.S. international trade policy. Let me explain why.

As chairman of the Subcommittee on International Trade of the Committee on Finance, I have followed the Tokyo round of multilateral trade negotiations closely from beginning to end. The MTN has produced tangible results. It did not end in a whimper. This alone is a remarkable achievement.

The negotiations began in 1973 during a worldwide economic boom. Since then we have had the OPEC price increases, a global recession combined with inflation, and changes in the government administration of every major trading country.

The productive conclusion of the MTN is due largely to the leadership of the United States. Several Presidents and many Government officials have contributed to this effort. However, there is no doubt that the successful conclusion of the negotiations is due principally to the efforts of one man, Ambassador Robert S. Strauss.

Although the negotiations are over, the decision whether the United States will agree to the results has not been made. That decision is the constitutional responsibility of Congress. It is the decision which we will have to make.

The Committee on Finance recommends that the Senate agree to implement the results of the Tokyo round of multilateral trade negotiations for the United States. We believe that the new MTN agreements on subsidies, Government procurement, product standards, antidumping, customs valuation, and import licensing should result in more American exports and in more discipline on unfair practices in international trade.

The Trade Agreements Act establishes the legal basis for the United States to enforce these agreements. Among other things, it will provide domestic parties an opportunity to get relief when foreign governments violate the agreements. It will also completely revise the countervailing duty and antidumping

laws to provide quick and certain relief for domestic industries which are injured by dumped or subsidized imports.

With this bill as their legal foundation in the United States, the MTN agreements should promote increased trade and higher standards of living throughout the world. I say "should" because the MTN agreements and this bill merely establish rules. Rules mean nothing unless they are enforced.

If history is any indication, international enforcement of the new trade rules will depend on the United States. Our ability to enforce the MTN agreements and to promote the short- and long-term economic interests of the United States require that we make some fundamental changes. Furthermore, changes are necessary if we, the Congress, are to be certain that this bill is to be administered as we intend.

The first thing we must do is to continue the close cooperation between the President and Congress that resulted in this bill. The era of the trade agreements program, as it existed between 1934 and 1975, is over. U.S. negotiators should never again enter into trade agreements without close congressional review. The Trade Agreements Act is the product of a unique and successful constitutional experiment in coordination between the executive and legislative branches before, during, and after an international negotiation. We must apply the lessons we have learned from this experiment to future negotiations.

Second, the executive branch trade policy agencies must be recognized. We can no longer afford the luxury of dispersing political responsibility for international economic policymaking among many agencies. We can no longer afford limp enforcement of our unfair trade laws and uncoordinated attempts at export promotion. We must establish a strong trade policy agency.

The Committee on Governmental Affairs, intends to act very quickly on this matter. I hope the Congress will complete work on the trade policy reorganization within the next 2 or 3 months. If we do not, the benefits of the MTN for the United States will be minimal.

Finally, we must all realize that the world is a tough marketplace. The United States is now, and has been for many years, the greatest trading nation on Earth. But we must fight to keep the markets we have. And we must fight to gain new markets.

It is essential that the United States win this battle. Our economic welfare absolutely depends on international trade, both exports and imports. Furthermore, our national security depends on trade. Economics, not "geopolitics," determine foreign relations today. If anyone doubts this, they must not have noted the effect of OPEC price increases on this country.

In conclusion, Mr. President, if we agree to the Trade Agreements Act and make the changes I have mentioned, then our vote will mark the beginning of a new era for the U.S. international trade policy. If we do not approve this bill and do not make other fundamental changes then the world and this country will spend a generation trying to recover. I strongly recommend that the Senate approve H.R. 4537.

Mr. President, in this endeavor the entire Committee on Finance, not just the subcommittee, under the leadership of Chairman LONG and Senator DOLE of Kansas, the ranking minority member, have played a strong coordinating role.

It was not just the International Trade Subcommittee, but every member of the Finance Committee who took a special and deep interest in this bill, and who made his contribution to this measure. However, I do want to pay a special tribute to the ranking minority member of our subcommittee, the distinguished Senator from Delaware (Mr. ROTH). I do not know how any Member of this body could work more closely or with greater cooperation and greater empathy with any other Member than has been true of my work on this measure with the distinguished Senator from Delaware. He has been thoughtful, considerate, intelligent, and constructive throughout, which made the work on this complicated measure really a sheer joy.

Furthermore, we have been working very closely together to implement this legislation. We realize that no matter what the policy in this legislation is, in order for it to work we must reorganize the trade policy agencies of our Government.

We believe that the benefits of the MTN for the United States will not be realized unless we have a meaningful reorganization. We started hearings in the Governmental Affairs Committee today on reorganization proposals. The administration has sent up their proposal, and the distinguished Senator from Delaware and I believe them to be inadequate. It is our feeling that, during the next month, we can work out a much better proposal. It is our hope that we will supplement MTN with a reorganization proposal that will really implement this bill and the MTN. Finally, it is our hope that this body will adopt the proposal we will report out of the Governmental Affairs Committee.

My thanks to the distinguished Senator from Delaware for his many acts of kindness and cooperation. It has really been, as I say, a sheer joy and pleasure to work with him.

Mr. ROTH. Mr. President, it is difficult to follow the distinguished chairman of the Subcommittee on International Trade. I would like to echo what he has said so eloquently, that the entire Finance Committee—both Democratic and Republican members—has played a crucial role in these trade deliberations. There are many people we could mention by name for their outstanding contributions to this legislation. As I said in a hearing this morning, Mr. President, this country owes a great debt to the distinguished Ambassador, Mr. Strauss, who did an outstanding job in negotiating these trade agreements on behalf of the United States. In a large share, the success of those negotiations must go to him.

However, there is one other individual who, I think, equally deserves credit for the outstanding job that has been performed, and that is, of course, my distinguished chairman (Mr. RIBICOFF).

I know it is traditional on major legislation to discuss and applaud the work of other individuals, but this is a little something special. I have learned to know and admire Senator RIBICOFF in the many years I have served with him, both on the Finance Committee and the Committee on Governmental Affairs. I think he is one of the most creative, hard-working, and able men I have ever come in contact with, and it has indeed been a great pleasure to serve with him on trade matters. Together we have tried to reconcile the differing points of view that have been expressed throughout these negotiations.

I think the success has been due to the fact that Senator RIBICOFF has been willing to sit down and listen to all viewpoints, and then try to work out an approach that would accommodate diverse interests.

I would like to mention one further fact. That is that Senator RIBICOFF and I are working as one in the trade reorganization proposal. As he said a few minutes ago, neither of us is satisfied with the proposal of the administration, but both of us are eager to work with the administration in developing a stronger approach.

I would say to those who think that they might be able to divide Senator RIBICOFF and me to promote a weak bill that they might as well forget it, because we are going to continue to work together, and I think the whole committee will work together in insuring that we have a trade apparatus that will help make the United States the No. 1 trading nation of the world again.

Mr. President, as the ranking Republican on the International Trade Subcommittee, I support the passage of H.R. 4537, the Trade Agreements Act of 1979.

This bill implements the results of the Tokyo round of multilateral trade negotiations (MTN). In urging my colleagues to support the legislation, I want them to have a full understanding of the opportunities and the responsibilities presented by the MTN package.

The true test of this package lies in its implementation—domestically and internationally. Once this bill is approved, we cannot allow international trade issues to be placed once again on the back burner. To the contrary, approval of the package commits us to following through on enforcing our new rights and to fulfilling our obligations under the agreements. Approval signifies a greater commitment to multilateral and bilateral trade negotiations and international dispute settlement procedures. Approval requires us to be even more attentive to domestic programs, laws, and policies relating to international trade.

This is why it is essential to have in place the most effective possible Government trade apparatus to develop and coordinate our international trade policy and vigorously implement the international codes negotiated in the MTN.

Potentially, the MTN codes can be of great importance to American industries and workers. Each code establishes guidelines which, if followed, will restrict

the use of unfair or trade-disrupting practices in the area it addresses. The agreements also begin to exert discipline on the use of nontariff barriers to trade—which, as tariffs have been reduced in the past decade, have become the major obstacles to free trade. For example, under the subsidies code, we will have rights to protect and to require elimination of unfair subsidy practices of foreign governments, which adversely effect our export trade. The Government procurement code will work to open up foreign government purchasing markets which are now effectively closed to American exporters. The code requires our trading partners to move toward adopting our system of openness in drafting procedures to set standards. Through its dispute settlement procedures, the Standards code can help to reduce the use of standards as a means of blocking U.S. exports.

But these rights are only paper rights unless they are effectively and aggressively pursued. To make the most of our new opportunities, we must monitor closely foreign government practices. We must pursue, through the international dispute settlement procedures and available domestic remedies, any violations of code obligations by foreign governments.

The MTN package, of course, is a negotated agreement which involves concessions as well as gains. For the first time, the United States is adopting a material injury test for our countervailing duty law. This same test will be applied to the antidumping law. We have liberalized and restricted some Buy American preferences, and we are replacing the American selling price system of valuing certain imports.

In our drafting session with the executive branch, my colleagues on the various committees involved and I sought to insure that the changes in U.S. law embodied in this bill regard only fair and mutually beneficial trade.

In most cases, only those countries which sign the codes will benefit from their provisions embodied in U.S. law.

In reviewing antidumping and countervailing duty legislation, we made significant improvements to better protect American producers against unfair foreign competition. The time periods for Treasury and ITC determinations have been reduced. The use of discretionary "offsets" has been severely restricted. The verification of information submitted by foreign governments is required, and other important protections have been built in.

We argued long and hard over the exact phraseology of the material injury test. While I believe different language would have been more clear, there was no doubt about the congressional intent. The material injury criterion should be consistent with the criterion used by the ITC under existing law for antidumping cases in the period between January 3, 1975, and July 2, 1979. The Congress does not intend a tougher injury test.

Another area where we had a significant debate was the subject of future tariff negotiations. At the request of the administration, the interested committees of jurisdiction agreed to extend the tariff negotiating authority, subject to strict restrictions. I was opposed to such an extension, it being my belief that such authority must be closely reviewed and discussed with the administration before it is granted.

Tariff reductions can have far-reaching effects on industries in this country—and the authority to use it must be closely circumscribed with appropriate conditions applied. In the last hour, the administration saw fit to withdraw the tariff negotiating authority from the bill. I applaud this action, noting that tariff negotiations must be withheld until further authority is granted by Congress. I urge the Executive to come forward with a proposal for such authority when they have ascertained the need for such authority under projected world economic conditions and the ability of this country's economy to undergo further tariff reductions.

Most importantly, the codes have force and effect only as embodied in U.S. law. We can make any subsequent changes in domestic law by the legislative process, the codes notwithstanding. I would not hesitate to initiate and fight for appropriate future legislative changes if this act is not being interpreted properly by U.S. agencies or if foreign governments are not living up to their promises.

Summarily judging the package on its own merits, it is my feeling that it is marginally beneficial for our country. It may help to slow a dangerous trend toward mercantilism and government involvement in commercial transactions. But we must not delude ourselves by thinking that the MTN agreements, once given force and effect internationally, will erase our $30 billion trade deficit or help our trade sensitive industries survive the onslaught of import competition.

We must recognize that this package serves merely as an invitation to the United States to enter into a new era of trade policy, economic interdependence, and negotiation. If we accept the invitation, we must be willing to change old attitudes, old mechanisms, and outdated policies. We must begin to reassert our role as a major trading nation; supplanting our Marshal plan mentality with the approach of a Yankee trader. We must accept and accommodate the growing importance of international trade in our economy.

To press my point—consider that the value of our imports and exports in 1960 represented about 7 percent of our GNP in that year. Twelve years later, that figure had only grown by 2 percent. But in the span of the last 6 years, the value of imports and exports of this Nation have skyrocketed to over 14 percent of our GNP. It will continue to climb. We have not even come close to the positions which the other developed economies have reached. Compared to our 14 percent, Japan registers about 23 percent of its GNP in international trade. West Germany is around 43 percent. We must recognize these horizons and prepare now for the economic consequences they hold.

The MTN agreements provide us with the opportunity to divert an impending crisis for our economy. The new recession in which we are finding ourselves, on top of the trade deficits we are suffering, poses an economic crisis for this country, which portends higher unemployment and failing productive capacities which will be very difficult to reverse. Let us learn a lesson from our fumbling in the energy field. There we saw the growing problems but only took belated action—too little too late. Trade problems are now looming on the horizon. We can avoid much of their adverse impact if we begin to take aggressive action now to use the mechanisms and rules established in the MTN and continue to give our closest attention to trade issues.

If 1979 is the year of trade, let us resolve now to make the 1980's the decade of trade in which the United States begins to take a mature approach to international trade—for the betterment of this Nation's economy as well as the world trading system. A program of action and objectives with which to enter the decade of trade should consist of two levels. On the international level, the program must—

First. Pursue aggressive enforcement of the MTN codes of conduct and improvements in their substantive rules and format;

Second. Seek greater coordination between such international institutions as the IMF, World Bank, and the GATT when addressing trade and development issues;

Third. Actively seek to constrain and reduce the burgeoning use of trade preferences among groups of countries, or implement a policy which will effectively counteract their effect;

Fourth. Reevaluate the general most-favored-nation trade principle to see whether, in light of growing nontariff barriers, that principle should not be subject to certain exceptions;

Fifth. Negotiate and conclude meaningful agreements on the use of Government financed export credits, safeguard actions which restrict imports, and border tax adjustments which create unfair trade advantages; and

Sixth. Emphasize in all aspects of trade negotiations that services are to enjoy the same guarantees of free and fair trade as that provided to the transfer of goods.

The domestic aspect of our program for the decade of trade in many ways has already been launched. It is simply a matter of finishing the task.

A major decision with which we will soon be confronted is whether Government financing and MFN status shall be afforded China and perhaps the Soviet Union. In fact, the whole question of linking trade with other foreign policy considerations will be addressed.

In order to cope with the increasing imports which our free trade policy encourages, the trade adjustment assistance programs must be renovated to provide increased eligibility and more effective benefits. Revisions to the program have already been approved by the House and will soon be presented to this body for its consideration.

On the export side of the ledger, a number of proposals have been laid on the table. Just a few days ago, we approved the Export Administration Act

of 1979 which will help facilitate the exporting process. There are many other proposals yet to be voted on which provide tax incentives or antitrust exemptions which will help American business effectively compete for export markets. In recognition of the numerous proposals and the need to coordinate our activities to arrive at an effective legislative program for the stimulation of exports, Senator STEVENSON and I are establishing a Senate Export Caucus. I welcome my colleagues' participation in this effort.

I would recommend one other subject for us to include in our domestic international trade program. We must begin to pay closer attention to the special needs of small business as it is impacted by international trade. Too often we lose sight of this major segment of our economy in drafting trade legislation or implementing trade policy. Beginning now, we must recognize and promote the interests of small business in international trade.

Mr. President, I want to reiterate a most important point. All the programs, all the laws, all the MTN packages which we may put together will be futile unless we accomplish an effective reorganization of the trade functions in the executive branch. We have seen the White House proposal to create a new Department of Trade and Commerce. It is a classic example of bureaucratic box shuffling for cosmetic purposes. Few of the objectives we are seeking would be met.

In the weeks to come, we need to impress upon the administration that the reorganization must establish a lead trade agency with the primary responsibility of implementing the MTN codes and enforcing our unfair trade practices laws. It is of paramount importance that the consolidation of trade functions raise trade issues to a level of top priority in the executive branch. People's jobs, as well as the economic structure of this country, can no longer suffer the inadequacies of our international trade policies.

Mr. President, I would like to close by stating my great appreciation to my colleagues on the Finance Committee for the effective role they have played in monitoring and drafting the MTN package. The exercise has been a truly bipartisan effort exemplified by the work accomplished by Senators HEINZ, MOYNIHAN, DANFORTH, and BENTSEN. Of course, the effective leadership of Chairman LONG and Senator DOLE, our ranking Republican member, contributed to that success. The bipartisan spirit also pervaded our work with the administration. Bob Strauss and his staff can be proud of their accomplishments. Finally, Mr. President, I would like to pay tribute to my good friend and colleague, Senator RIBICOFF. We have spent many hours and days together working on these trade issues. I have a deep respect for his substantive abilities and a great appreciation for the cooperative and professional manner in which he conducts business. Because of this guidance and leadership, the MTN package contains many features which will benefit this country; it is for that reason that I support the bill.

INCREASED AUTHORIZATIONS FOR 1979 FOOD STAMP PROGRAM

The Senate continued with the consideration of S. 1309.

The PRESIDING OFFICER. The hour of 2:30 p.m. having arrived, under the previous order, we will now return to the consideration of S. 1309 for a vote on the Helms amendment.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

I further announce that the Senator from Montana (Mr. BAUCUS) is absent on official business.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 37, nays 57, as follows:

[Rollcall Vote No. 211 Leg.]

YEAS—37

Armstrong	Hatch	Roth
Baker	Hayakawa	Schmitt
Bellmon	Heflin	Simpson
Bentsen	Helms	Stennis
Boschwitz	Humphrey	Stevens
Byrd, Harry F., Jr.	Jepsen	Stewart
DeConcini	Kassebaum	Thurmond
Domenici	Long	Tower
Exon	Lugar	Wallop
Ford	McClure	Warner
Garn	Morgan	Young
Goldwater	Nunn	Zorinsky
	Proxmire	

NAYS—57

Bayh	Eagleton	Muskie
Biden	Glenn	Nelson
Boren	Hart	Packwood
Bradley	Hatfield	Pell
Bumpers	Heinz	Percy
Burdick	Hollings	Pryor
Byrd, Robert C.	Huddleston	Randolph
Cannon	Jackson	Ribicoff
Chafee	Javits	Riegle
Chiles	Johnston	Sarbanes
Church	Kennedy	Sasser
Cochran	Leahy	Schweiker
Cohen	Levin	Stafford
Cranston	Magnuson	Stevenson
Culver	Mathias	Stone
Danforth	Matsunaga	Talmadge
Dole	McGovern	Tsongas
Durenberger	Melcher	Weicker
Durkin	Moynihan	Williams

NOT VOTING—6

Baucus	Inouye	Metzenbaum
Gravel	Laxalt	Pressler

So Mr. HELMS' amendment (UP No. 441) was rejected.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRADE AGREEMENTS ACT OF 1979

The Senate continued with the consideration of H.R. 4537.

The PRESIDING OFFICER. The Senate will now return to the consideration of H.R. 4537.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana seeks recognition. The Senator from Connecticut is in charge as manager of the bill. Does the Senator yield to the Senator from Louisiana?

Mr. RIBICOFF. Yes.

Mr. LONG. Mr. President, the Trade Agreements Act of 1979 will implement the results of the Tokyo round of multilateral trade negotiations for the United States. The Committee on Finance and other Senate committees have worked on H.R. 4537 for many months.

The bill is a product of a unique experiment in cooperation between the Congress and the executive branch. For the first time, Congress was consulted before, during, and after a long and complex international negotiation. Although the committee is not 100 percent satisfied with the results of that negotiation, we do believe that the experiment in cooperation between the two branches of our Government worked.

Coordination between the Congress and the President during international trade negotiations is possible. Cooperation among numerous Senate and House committees is also possible. The Trade Agreements Act is the proof. The Finance Committee believes this cooperation must continue and that it must be the basis for U.S. trade policy in the future.

Mr. President, the Trade Agreements Act of 1979 is not a perfect bill. No bill that reflects the compromises reached in negotiations between the United States and 80 foreign countries and between numerous congressional committees and the President could be perfect. However, on balance, the Trade Agreements Act is in the best interests of the United States. It will permit the United States to attack foreign barriers to our exports and it will provide more efficient defenses to unfairly traded imports. The Committee on Finance recommends that the Senate approve the bill.

Mr. President, let me summarize the provisions of the bill for the Senate.

SECTION 2. APPROVAL OF TRADE AGREEMENTS

Section 2 of the bill would approve the trade agreements submitted to the Congress on June 19, 1979, and the statement of proposed administrative action to implement such agreements. The texts of the agreements approved would be the texts submitted. However, changes in those texts of a technical or clerical nature and changes to the annexes to the agreements which maintain the balance of U.S. rights and obligations under the agreements would not be permitted. The President would be permitted to accept each approved agreement for the United States unless, with certain exceptions, he determines that a major industrial country is not accepting the agreement. An agreement would apply between the United States and another country only when that country has accepted the agreement and the President determines it should not be denied the benefits of the agreement with respect to the United

States because it has not accorded the United States adequate benefits.

SECTION 3. RELATIONSHIP OF TRADE AGREEMENTS TO THE UNITED STATES LAW

Section 3 would provide that no provision of any trade agreement approved by the bill which is in conflict with any statute of the United States will be given effect under the laws of the United States. Any changes required in U.S. law in the future because of a requirement of, amendment to, or recommendation under such an agreement would have to be made by legislation considered under the provisions of the Trade Act of 1974 providing for rapid consideration of certain trade legislation.

TITLE I—COUNTERVAILING AND ANTIDUMPING DUTIES

COUNTERVAILING DUTIES

General rule.—Subtitle A of title VII of the Tariff Act of 1930, as added by section 101 of the bill, would apply a new countervailing duty law to imports from countries which have assumed the obligations (or substantially equivalent obligations) of the MTN agreement relating to subsidies and countervailing measures. Imports from seven developing countries could come under the new law under agreements in force on the day of the bill was submitted to Congress, June 19, 1979. The existing countervailing duty law would apply to all other imports.

Under the law, countervailing duties would we imposed when the administering authority (now the Secretary of the Treasury) determines that a country or person is providing a subsidy with respect to a class or kind of merchandise imported into the United States, and the U.S. International Trade Commission (ITC) determines that an industry in the United States is materially injured, threatened with material injury, or that the establishment of an industry is materially retarded, by reason of imports of that merchandise. Material injury in the countervailing duty and antidumpting statutes would be defined to be harm which is not inconsequential, immaterial, or unimportant.

Procedures.—Countervailing duty investigations could be self-initiated by the administering authority or initiated by petition. Within 20 days after a petition is filed, the administering authority would determine whether the petition alleges the elements necessary for relief (material injury to a domestic industry by reason of subsidized imports) and includes information reasonably available to the petitioner supporting the allegations. If the determination is affirmative, an investigation to determine whether subsidization exists would begin. If the determination is negative, the proceedings would end.

Within 45 days after a petition is filed or an investigation is self-initiated, the ITC would determine whether there is reasonable indication that injury to a domestic industry by reason of subsidized imports exists. If the determination is negative, the proceedings would end.

Within 85 days after a petition is filed or an investigation is self-initiated, the authority would make a preliminary determination, based on the best information available at the time, whether there is a reasonable basis to believe or suspect that a subsidy exists. In extraordinarily complicated cases, this determination would be made within 150 days.

If the preliminary determination is positive, the administering authority would require bonds or cash deposits to be imposed on allegedly subsidized imports in an amount equal to the estimated net subsidy, and continue its investigation. ITC would initiate an investigation to determine whether injury exists. If the authority's preliminary determination is negative, the administering authority would continue its investigation.

Within 75 days after its preliminary determination, the administering authority would make a final determination whether a subsidy exists. If the determination is negative, the proceedings would end.

Within 120 days after the administering authority makes an affirmative preliminary determination, the ITC would make a final determination whether a domestic industry is being materially injured by reason of subsidized imports. In a case where the administering agency makes a preliminary determination that a subsidy does not exist, the ITC final determination on material injury would be made within 75 days after the administering authority's affirmative final determination on subsidy.

If the final determination of the ITC is affirmative, a countervailing duty order requiring imposition of countervailing duties would be issued within 7 days of the ITC determination.

Suspension of investigation.—An investigation could be suspended, prior to a final determination by the administering authority on the issue of subsidization, if (1) the government of the subsidizing country, or exporters accounting for substantially all of the imports of the merchandise under investigation, agree to eliminate the subsidy, to offset completely the net subsidy, or to cease exports of the merchandise to the United States, within 6 months after suspension of the investigation; or (2) extraordinary circumstances are present and the government or exporters described in (1) agree to take action which will completely eliminate the injurious effect of the imports of the merchandise under investigation.

The ITC, upon petition, may review an agreement to completely eliminate the injurious effect to determine if that result is accomplished. If the ITC determines that the injurious effect is not eliminated, then the investigation must be completed.

If the administering authority determines an agreement which resulted in suspension of an investigation is being violated, then the investigation would be resumed. Unliquidated imports of the merchandise covered by the agreement would be liable for countervailing duties retroactively if entered on or before the later of (1) 90 days before the date of the affirmative preliminary determination which is issued on the day the investigation is suspended, or (2) the date of the violation.

Miscellaneous.—Deposit of estimated countervailing duties on imports entered on or after the date a countervailing duty order is published would be required at the same time deposit of estimated normal duties is required, that is, within 30 days after release of the goods from customs custody. Final settlement of accounts with customs on imports subject to countervailing duties would be required within 12 months after the end of an exporter's or manufacturer's fiscal year within which the imports are entered, or withdrawn from warehouse, for consumption.

Countervailing duties would be imposed retroactively from the date of a final finding of—(1) injury, or (2) threat of injury which, but for suspension of liquidation, would have been injury, to the date on which liquidation of entries of imports subject to investigation was suspended, usually the date of the preliminary determination. In "critical circumstances," countervailing duties would be imposed retroactively from the date of a final finding of inquiry to the date 90 days before the date on which liquidation was suspended. Critical circumstances would exist when the ITC determines there is injury which would be difficult to repair, caused by what the administering authority has determined to be massive imports over a relatively short period benefiting from export subsidies.

ANTIDUMPING DUTIES

General rule.—Subtitle B of title VII of the Tariff Act of 1930, as added by the bill, would repeal the Antidumping Act, 1921, and replace it with a comprehensive statute built upon the 1921 Act and consistent with the MTN antidumping code. Under the new law, antidumping duties would be imposed when the administering authority (now the Secretary of the Treasury) determines that a class or kind of merchandise is being or is likely to be sold in the United States at less than fair value and the U.S. International Trade Commission (ITC) determines that an industry in the United States is materially injured, threatened with material injury, or that the establishment of an industry is materially retarded, by reason of imports of that merchandise.

Procedures.—Antidumping investigations could be self-initiated by the administering authority or initiated by petition. Within 20 days after a petition is filed, the adminstering authority would determine whether the petition alleges the elements necessary for relief (material injury to a domestic industry by reason of dumped imports) and includes information reasonably available to the petitioner supporting the allegation. If the determination is affirmative, the authority would initiate an investigation to determine whether dumping exists. If the determination is negative, the proceedings would end.

Within 45 days after a petition is filed or an investigation is self-initiated, the ITC would determine whether there is a reasonable indication that injury to a domestic industry by reason of dumped imports exists. If the determination is negative, the proceedings would end.

Within 160 days after a petition is filed or an investigation is self-initiated, the authority would make a preliminary determination, based on the best information available at the time, whether there is a reasonable basis to believe or suspect that dumping exists. In extraordinarily complicated cases, this determination would be made within 210 days.

If the preliminary determination is positive, the administering authority would require bonds or cash deposits to be posted on allegedly dumped imports in an amount equal to the estimated margin of dumping, and continue its investigation. The ITC would initiate an investigation to determine whether injury exists. If the authority's preliminary determination is negative, the administering authority would continue its investigation.

Within 75 days (or 135 days upon request of exporters or petitioners) after its preliminary determination, the administering authority would make a final determination whether dumping exists. If the determination is negative, the proceedings would end.

Within 120 days after the administering authority makes an affirmative preliminary determination, the ITC would make a final determination whether a domestic industry is being materially injured by reason of dumped imports. In a case where the administering authority makes a preliminary determination that dumping does not exist, the ITC final determination on material injury would be made within 75 days after the administering authority's final affirmative determination on dumping. If the final determination of the ITC is affirmative, an antidumping duty order requiring imposition of antidumping duties would be issued within 7 days of the ITC determination.

Suspension of investigations.—An investigation could be suspended prior to a final determination by the administering authority on the issue of dumping if No. 1 exporters accounting for substantially all of the imports of the merchandise under investigation agree to eliminate the dumping, or to cease exports of the merchandise to the United States within 6 months after suspension of the investigation; or No. 2 extraordinary circumstances are present and the exporters described in No. 1 agree to revise prices so as to completely eliminate the injurious effect of the imports of the merchandise under investigation.

The ITC, upon petition, may review an agreement to completely eliminate the injurious effect to determine if that result is accomplished. If the ITC determines that the injurious effect is not eliminated, then the investigation must be completed.

If the administering authority determines an agreement which resulted in a suspension of an investigation is being violated, then the investigation would be resumed and unliquidated imports of the merchandise covered by the agreement would be liable for antidumping duties retroactively if entered on or after the later of 90 days before the date of the affirmative preliminary determination, or the date of the violation.

Miscellaneous.—Deposit of estimated antidumping duties on imports entered on or after the date of an antidumping duty order would be require at the same time deposit of estimated normal duties is required, that is, within 30 days after release of the goods from Customs custody. Final settlement of accounts with Customs on imports subject to antidumping duties would be required for most entries within 12 months after the end of an exporter's or manufacturer's fiscal year within which the imports are entered, or withdrawn from warehouse, for consumption.

Antidumping duties could be imposed retroactively from the date of a final finding of injury, or threat of injury which, but for suspension of liquidation, would have been injury, to the date on which liquidation of entries of imports subject to investigation was suspended, usually the date of the preliminary determination. In "critical circumstances," antidumping duties would be imposed retroactively from the date of a final finding of injury to the date 90 days before the date on which liquidation was suspended. Critical circumstances would exist when the authority determines that (1) (A) there is a history of dumping in the United States or elsewhere of the class or kind of merchandise under investigation, or (B) the importer of the merchandise knew or should have known that dumping was occurring, and (2) that there have been massive imports of the merchandise in a relatively short period, and the ITC determines that the material injury is by reason of the massive imports to an extent that, in order to prevent such material injury from recurring it is necessary to retroactively impose an antidumping duty.

REVIEW OF DETERMINATIONS

At least once during each 12-month period beginning on the anniversary of the date of publication of a countervailing duty or antidumping duty order, or a notice of the suspension of an investigation, the administering authority would review and determine the amount of any net subsidy, review and determine the account of any antidumping duty, an review the current status of, and compliance with, any agreement by reason of which an investigation was suspended.

Whenever, in both antidumping and countervailing duty cases, the administering authority or the ITC receives information concerning, or a request for the review of, an agreement which has resulted in suspension of an investigation or a final determination, which shows changed circumstances sufficient to warrant a review of the suspension or determination, it would conduct such a review. Absent good cause shown, such reviews will not be made before 24 months has elapsed since the notice of the determination or suspension was made.

All reviews, whether by petition, or self-initiated, must include a hearing. Following review, the administering authority could revoke, in whole or in part, a countervailing or antidumping duty order or terminate the suspension of an investigation.

DEFINITIONS; SPECIAL RULES

The following are some key definitions applicable to antidumping or countervailing cases, or both:

Injury.—The injury criteria in the countervailing duty and antidumping statutes would be material injury to, threat of material injury to, or material-retardation of the establishment of, a domestic injury. "Material injury" would be defined as harm which is not inconsequential, immaterial, or unimportant.

In determining whether injury exists, the ITC would consider the volume of, and relative or absolute increases in the volume of, subsidized or dumped imports and their effect in the undercutting, suppressing, or depressing of prices; and the consequent impact of dumped or subsidized imports on domestic producers.

With respect to impact, the ITC would evaluate all relevant factors, including: Actual and potential decline in output, sales, market share, profits, productivity, return on investments, or utilization of capacity; factors affecting domestic prices; and actual and potential negative effects on cash flow, inventories, employment, wages, growth, and ability to raise capital or investment.

With regard to the volume, effect on prices, and impact of dumped imports, no one or several of the factors listed would necessarily give decisive guidance.

Industry.—For purposes of determining material injury in antidumping and countervailing duty cases, the term "industry" would include domestic producers as a whole of a product like the imported articles under investigation, or those domestic producers whose collective output constitutes a major proportion of total domestic production. Producers related to exporters or importers of the dumped product, or which import it, could be excluded. An injury finding could be based on effects in a geographical market if first, producers in a market sell all or almost all their production there, second, demand in the market is not to any substantial degree supplied by producers located elsewhere, third, imports are concentrated in the market, and fourth, producers of all, or almost all, of the product in the market are injured.

Like product.—"Like product" would be defined as a product which is like, or in the absence of like, most similar in characteristics and uses with, the imported article.

Subsidy.—For purposes of the new countervailing duty law, the term "subsidy" would mean the same as "bounty or grant" under existing law, and would include, but not be limited to:

The export subsidies listed in annex A to the agreement relating to subsidies and countervailing measures; and

The domestic subsidies set forth below when provided or mandated by governmental action to a specific enterprise or industry or group of enterprises or industries, whether publicly or privately owned, and whether paid or bestowed directly or indirectly on the manufacture, production, or export of any class or kind of merchandise:

The provision of capital, loans or loan guarantees on terms inconsistent with commercial considerations;

The provision of goods or services at preferential rates;

The grant of funds or forgivement of debt to cover operating losses sustained by a specific industry; and

The assumption of any costs or expenses of manufacture, production, or distribution.

Net subsidy.—The amount of a countervailing duty would be equal to the net subsidy received by the producer, manufacturer, or exporter of the merchandise. The "net subsidy" received would be computed by subtracting from the gross subsidy the following:

Application fees, deposits, and similar payments paid in order to qualify for, or receive, the benefit of the subsidy;

The loss in the value of a subsidy resulting from its deferred receipt, if such deferral is mandated by Government order; or

Export taxes, duties, or other charges levied on the export of the merchandise to the United States specifically intended to offset the subsidy received.

MISCELLANEOUS

Hearings.—The administering authority and the ITC would be required to hold hearings during a countervailing duty or antidumping duty investigation. The hearings would not be subject to the administrative Procedures Act (5 U.S.C. 554, 555, 556, 557, and 702); however, a hearing record would be required.

Verification of information.—Verification of all information relied on by the administering authority in connection with a final determination in a countervailing or antidumping duty investigation would be required. If information submitted could not be verified, then decisions would be made on the basis of the best information available, which may include the information in the petition.

Access to information.—The administering authority and the ITC would keep parties to antidumping and countervailing duty investigations informed of the progress of the investigation. A record would be maintained by the agencies of exparte meetings held during the course of an investigation between interested parties or other persons providing factual information and the person in the respective agency charged with making the determination in the investigation or any person charged with making a final recommendation to that person in the investigation.

Information properly designated as confidential would be maintained in confidence during an investigation, except that the administering authority and the ITC could disclose confidential information received in a proceeding if it is disclosed in a form so that the information cannot be associated with, or otherwise be used to identify, the operation of a particular person. Certain confidential information submitted to the administering authority or the ITC could also be disclosed under an administrative protective order or pursuant to a court order.

Transitional rules for countervailing duty orders.—With respect to countervailing duty orders, in effect on the effective date of the new law, involving countries signing the subsidies agreement, and under which countervailing duties have been waived under section 303(d) of the Tariff Act of 1930, the ITC would determine whether material injury exists' within 180 days after being notified by the administering authority of such a case. The waiver in that case would continue until the determination by the ITC. If that determination is negative, the proceeding would terminate. If it is affirmative, countervailing duties would be imposed.

TITLE II—CUSTOMS VALUATION

METHODS OF VALUATION

The bill would revise section 402 of the Tariff Act of 1930, which specifies the methods for determining the value of an import for purposes of applying ad valorem duties, to make it consistent with the customs valuation agreement negotiated in the MTN. It would also repeal the final list and American selling price methods of customs valuation.

The amended version of section 402 would contain five methods—one primary method and four secondary methods—for determining customs value. The five methods would be arranged in a hierarchical fashion, with an order of priority governing the application of each method. The first, or primary, method, that is, the transaction value of the merchandise, is to be used whenever possible. In cases where it may not be used, the second method is to be used. If customs value cannot be found using the second method, the third method is to be used, and so on. The second, third, fourth, and fifth methods of valuation are, respectively: The transaction value of identical merchandise; the transaction value of similar merchandise; the deductive value; and the computed value. If a value can still not be determined, a residual method of valuation would provide for the value to be determined on a basis derived from one of the first five methods, with reasonable adjustments.

Transaction value.—The primary method of valuation under new section 402 would be the transaction value of the imported merchandise; that is, the price actually paid or payable for the merchandise when sold for exportation to the United States with specified adjustments. The price actually paid would be increased by the amounts attributable to various factors, including "assists", royalties and license fees the buyer is required to pay as a condition of the sale of the merchandise to him, and the proceeds of a subsequent resale, disposal, or use of the imported merchandise accruing to the seller, if those amounts are not otherwise included in the price actually paid or payable. Assists would be defined as items or services supplied directly or indirectly by the buyer of the imported merchandise free of charge or at reduced cost for use in connection with the production or the sale for export to the United States of the imported merchandise.

Transaction value could be used in related-party transactions in appropriate cases. Two alternative tests would be provided for determining whether the transaction value could be used in a related-party transaction. If an examination of the circumstances of sale of the merchandise indicates that the relationship did not influence the price, then the transaction value could be accepted. The second test would compare the transaction value with a set of "test values" to see if the transaction value closely approximates one of the test values.

Transaction value of identical merchandise and similar merchandise.—If the primary valuation method; i.e., the transaction value of the merchandise being appraised, could not be accepted by the Customs Service, then customs value would be determined by sequentially applying alternative methods. The first alternative would be the previously accepted and adjusted transaction value of identical merchandise sold for export to the United States and exported at or about the same time as the goods being valued. The second alternative would be the previously accepted and adjusted transaction value of similar merchandise sold for export to the United States and exported at or about the same time as the goods being valued.

Deductive value.—If the three previously mentioned value standards could not be accepted, the customs value would be determined on the basis of deductive value or computed value, in that order, unless the importer chooses to reverse the order of application of the two standards. The deductive value of imported goods would be determined by subtracting from their resale price in the United States specific elements of value that have been added to the goods; that is, customs duties, selling expenses, etc., to arrive at a value comparable to the transaction value.

Computed value.—The computed value of imported merchandise would be the sum of—

(1) The cost or value of the materials and the fabrication and other processing employed in the production of the imported merchandise;

(2) An amount for profit and general expenses equal to that usually reflected in sales of merchandise of the same class or kind as the imported merchandise that are made by producers in the country of exportation for export to the United States;

(3) Any assist, if not included in (1) or (2) above; and

(4) The packing costs.

Value if other values cannot be determined or used.—The final method of appraisement, to be used only when a value cannot be accepted under any of the previous valuation methods, would be based on a value that is derived from one of the previous methods, with reasonable adjustments to the extent necessary to arrive at a value.

PRESIDENTIAL REPORT

Section 203 of the bill would direct the President to submit a report to Congress as soon as practicable after the close of the 2-year period beginning on the date on which the amendments made by title II of the bill take effect, containing an evaluation of the operation of the customs valuation agreement, both domestically and internationally.

FINAL LIST AND AMERICAN SELLING PRICE RATE CONVERSIONS

The current U.S. valuation system is

composed of two separate cutoms valuation laws, sections 402 and 402a of the Tariff Act of 1930. The standards in section 402a are the valuation standards established in the original Tariff Act of 1930. The Customs Simplification Act of 1956 added a new section 402 to the Tariff Act of 1930 containing additional standards. The original standards are used to appraise only those articles for which dutiable value during fiscal year 1954 would have been 5 percent less under the section 402 standards added in 1956 as compared to under section 402a standards. These articles were determined by the Secretary of the Treasury and are listed in regulations. They are known as the "final list" articles.

The American selling price (ASP) method of customs valuation exists under both sections 402a and 402, and is virtually identical under both sections. The value of the import is based on the selling price of a U.S. manufactured article which is like or similar to the imported article. ASP is used only if required specifically by law. It must be used to value benzenoid chemicals, certain plastic- or rubber-soled footwear, canned clams, and certain gloves.

Sections 222 and 223 of the bill would convert the rate of duty applicable to each article in the tariff schedules of the United States which is on the final list of valued on an ASP basis to a rate providing duty receipts equal to those received under the final list or ASP. ASP and final list would be required.

TITLE III—GOVERNMENT PROCUREMENT

Title III would implement the agreement on Government procurement. The President would be permitted to waive certain "Buy American" restrictions in U.S. law or practice which discriminate against particular products of designated countries. Designated countries would be countries which are parties to the agreement or which provide reciprocal procurement benefits to the United States. This President would be permitted to prohibit Federal Government procurement of products from nondesignated countries. Furthermore, the President would be permitted to withdraw or to limit waivers granted, and, after consultation with the Congress and private sector, to grant new waivers.

The waiver authority would enable the President to waive those portions of U.S. law, most notably the Buy American Act (41 U.S.C. 10a et seq.), which discriminate against purchases of foreign goods by Federal Government agencies. A waiver could only apply to goods which are the products of designated countries. Least developed (poorest) countries could be designated without condition. All other countries would be required to provide reciprocal benefits for the United States in their Government procurement, and major industrial countries would be required to become parties to the agreement in order to be designated.

The annex to the agreement, while not yet finally concluded, indicates those U.S. agencies whose procurement could be subject to waiver of discrimination against foreign goods. Procurement by those agencies accounts for about 15 percent of Federal Government procurement. Contracts of under $190,000 are excepted from the agreement and from the President's waiver authority.

The President would be required to bar Federal procurement of products subject to a waiver from any country which is not "designated." However, he could delay this bar with respect to countries (other than major industrial countries) for up to 2 years; agency heads could waive the bar on a case-by-case basis; and procurement could continue with a country which is a party to a reciprocal procurement agreement with the Department of Defense.

The President would be permitted to reduce or expand the coverage of waivers. However, an expansion of the coverage of a waiver to additional Government procurement by an agency not listed in annex I of the agreement on the date of enactment of the bill would require prior consultations with the Congress and the private sector.

Title III would impose substantial monitoring and reporting requirements with respect to both United States and foreign government procurement practices, and encourage negotiations to expand the agreement to cover more foreign government procurement.

TITLE IV—TECHNICAL BARRIERS TO TRADE (STANDARDS)

Title IV of the bill would provide the statutory framework for United States' implementation of its obligations under the agreement on technical barriers to trade. Many of the practices covered by the agreement, such as notification of proposed standards-related activities and the provision of an opportunity for public comment, are already widely followed in the United States. However, certain of the agreement's provisions, while they are not a departure from current U.S. practice, require implementation through legislation.

Obligations of the United States.—The legislation would not prohibit standards-related activities which do not create unnecessary obstacles to the international trade of the United States. No standards-related activity would be deemed to constitute an unnecessary obstacle to the international trade of the United States if the demonstrable purpose of the standards-related activity is to achieve a legitimate domestic objective, including, but not limited to, the protection of health or safety, essential security, environmental, or consumer interests, and if such activity does not operate to exclude imported products which fully meet the objectives of such activity. United States' implementation of the agreement would not weaken the right of Federal agencies, State agencies, or private persons to engage in standards-related activities which are deemed appropriate and necessary for reasons which are deemed appropriate and necessary for reasons which are established in U.S. law.

Functions of Federal agencies.—The legislation would attempt to avoid the establishment of new Government offices by specifying, wherever possible, the use of existing offices and procedures. Current operations of the Departments of Commerce and Agriculture would be used to implement aspects of the agreement within their expertise. The Office of the Special Representative for Trade Negotiations (STR) would be given increased responsibilities on coordinating the standards-related activities of Federal agencies which affect international trade. STR, U.S. embassies, and, where appropriate, the Departments of Commerce and Agriculture would also monitor foreign implementation of the agreement. Finally, STR and the Departments of Commerce and Agriculture would be responsible for coordinating Federal Government encouragement of State agencies and private persons to observe practices consistent with the obligations in the agreement.

Federal agencies would be permitted to provide technical standards assistance to interested parties. It would also require those agencies to solicit technical and policy advice from the private sector advisory committees established under section 135 of the Trade Act of 1974.

Administrative and judicial proceedings regarding standards-related activities.—Section 421 of the bill would provide that, except as otherwise provided in title IV of the bill, the provisions of the subtitle would not create any right of action under the laws of the United States with respect to allegations that any standards-related activity engaged in within the United States violates the obligations of this country under the agreement. The STR would process representations alleging U.S. violations of the agreement and participate, as necessary, in the settlement of disputes between the United States and other parties to the agreement (parties).

Only parties or countries providing similar rights and privileges to U.S. interests could make representations to the STR alleging violations of U.S. obligations under the agreement. Federal agency proceedings on allegations against standards-related activities covered by the agreement would be permitted only if the STR makes a finding of reciprocity or finds that the agreement dispute-settlement procedures are inadequate.

Definitions and miscellaneous provisions.—Definitions of such key terms as "international standards organizations" and "standards" would be contained in title IV. Miscellaneous provisions would specify persons or intra-agency activities not subject to the subtitle; a provisional effective date for title IV of January 1, 1980; and the required future evaluation of the operation of the agreement by the STR.

TITLE V—IMPLEMENTATION OF CERTAIN TARIFF NEGOTIATIONS

Title V of the bill would provide for the implementation of certain tariff concessions negotiated in the MTN. Many of the tariff changes implemented under this title would involve reductions or increases in rates of duty which exceed the limitations on the President's authority to proclaim a reduction or increase in a rate of duty under sections 101 and 109 or the Trade Act of 1974. In other cases, changes in non-MFN duties or in head-

notes, nomenclature, and classification affecting non-MFN duties would be made. Non-MFN duties can only be changed by statute.

TITLE VI—CIVIL AIRCRAFT AGREEMENT

Title VI of the bill would implement tariff changes required under the agreement on trade in civil aircraft. The President would be permitted to eliminate duties on articles covered by the agreement, for example, airplanes and parts certified for use in civil aircraft. The 50-percent duty on repairs on U.S. civil aircraft performed in foreign countries would also be eliminated.

TITLE VII—CERTAIN AGRICULTURAL MEASURES

Title VII would implement concessions to foreign countries under bilateral agreements relating to cheese, chocolate crumb (a mixture of chocolate and milk solids), and meat. The title would: first, increase the amount of cheese imports permitted under U.S. quotas; second, establish procedures, in lieu of the countervailing duty law, to prevent subsidized cheese imports under quota from undercutting domestic cheese prices; third, increase the existing U.S. quotas on chocolate crumb; and fourth, establish a 1.2 billion pound floor on meat import quotas under the meat import law.

Cheese.—Section 701 of the bill would permit the President to proclaim import quotas, at an annual level up to 111,000 metric tons, on certain cheeses under the authority of section 22 of the Agricultural Adjustment Act, without following the procedures of section 22. The cheese import quotas could be increased above 111,000 metric tons only in accordance with the provisions and procedures of section 22, except that the President could not take emergency action under section 22, that is, without a prior investigation and report by the ITC, unless the Secretary of Agriculture finds that "extraordinary circumstances" exist.

About 85 percent of cheeses now imported would be subject to quotas. Certain specialty cheeses and soft-ripened cheeses (Brie, Camembert, and so on) would not be under quota, but imports of other cheeses would be limited, regardless of their price. Current quotas do not limit imports of several types of cheese, if they are priced above $1.23 per pound. The new quota of 111,000 tons would permit importation of about 15,000 more tons of cheese than was imported in 1978.

Section 702 would provide for imposition of additional import fees or quotas on cheese subject to quotas to the extent necessary to prevent imports from undercutting, through use of subsidies, the wholesale price of comparable domestic cheeses. Action against price undercutting would be required within a maximum of 68 days after a complaint.

Chocolate crumb.—Section 703 of the bill would provide for an increase of about 4,400,000 pounds over the current 21,680,000 pound quota on chocolate crumb. This would accommodate quota allotments to Australia (2,000 metric tons) and New Zealand (2 kilograms) negotiated in the MTN. The nominal allocation to New Zealand would permit that country to export to the United States the amount of quota unused by other countries having significant quota allocations.

Meat.—Section 704 of the bill would amend the meat import law to provide that no quota may be imposed under that law at a level less than 1.2 billion pounds. This would implement MTN commitments to Australia and New Zealand. Under current law, which sets import quotas at a level in direct proportion to domestic production, domestic production would need to decline below 1978 levels before a quota below 1.2 billion pounds could be established.

As a result of an agreement with Canada, the meat import law would also be amended to make certain high quality portion-controlled cuts of beef subject to the restrictions under that law. The total amount of meat imports permitted under the meat import law would not be increased thereby.

TITLE VIII—TREATMENT OF DISTILLED SPIRITS

Title VIII would implement an important concession to major trading partners by eliminating the current "wine-gallon" method of taxing and levying duties on foreign distilled spirits. The tax and duties would be assessed in proportion to alcoholic content (for example, a lower tax on 86 proof than on 100 proof). This title would also increase the duty on distilled spirits of countries not providing adequate reciprocal concessions to the United States and would permit reductions in import duties on distilled spirits from countries providing reciprocal concessions. In the latter case, duties could subsequently be increased to the level of protection prevailing under the tax and duty system in effect on January 1, 1979, if the President finds that trading partners are not implementing their concessions. Finally, title VIII would establish an "all-in-bond" administrative system for collecting excise taxes on domestic distilled spirits and would defer for an additional 15 days, phased in over 3 years, the period for collection of the excise taxes from domestic producers.

Tax treatment.—Title VIII would repeal the wine-gallon method for determining the $10.50 per gallon tax on distilled spirits. As a result, both domestic and imported distilled spirits will be taxed uniformly under the proof-gallon method, which is based upon alcohol content. Title VIII would also provide a one-half month extension in the time period for payment of excise taxes on domestically bottled distilled spirits, to be phased in over a 3-year period.

Other amendments would establish the "all-in-bond" system for controlling the production of distilled spirits and collecting the excise taxes. This would simplify the tax collection process and reduce the number of government employees currently required to collect liquor excise taxes, as well as reduce ancillary capital investment by domestic producers necessary to comply with the current administrative system.

Tariff treatment.—Title VIII would repeal the wine-gallon method of duty assessment and make imported distilled spirits dutiable on the basis of proof gallon, that is atual alcoholic content. Tariff rates on distilled spirits would be converted to rates which would yield the same revenues as are now provided by the wine-gallon method of duty assessment and taxation. For example, the rate of duty on bottled whiskey is currently 51 cents per wine-gallon. This rate would rise to $2.30 per proof-gallon. Of the increase, about $1.70 would reflect conversion to the proof-gallon method of taxation and about 8 cents would reflect the conversion to the proof-gallon of duty assessment.

The new tariff rates would apply to products of countries which fail to provide to United States reciprocal benefits for the wine-gallon repeal. For those countries affording reciprocal MTN benefits, the President would be permitted to reduce the new duty on a proof-gallon basis to the rate now prevailing on a wine-gallon basis, that is, the rate on bottled whiskey could drop from $2.30 to 51 cents per proof-gallon. Until January 3, 1980, the President would also be permitted to reduce the wine-gallon rate by up to an additional 60 percent, that is, from 51 cents to 20.2 cents per proof-gallon, under section 101 of the Trade Act of 1974.

The President would be permitted to raise the duty back to the full measure of protection, that is, $2.30 per proof-gallon on bottled whiskey, if a beneficiary country does not implement concessions granted to the United States. Furthermore, the President would be required to withdraw, suspend, or modify equivalent concessions (but not necessarily the wine-gallon concession) if a foreign country fails to implement concessions benefitting U.S. export interests in distilled spirits.

TITLE IX—ENFORCEMENT OF U.S. RIGHTS

Title IX of the bill would revise section 301 of the Trade Act of 1974 to permit enforcement of U.S. rights under the MTN agreements and to provide a procedure for private parties to request government action to remedy foreign violations of the agreements.

Section 301 of the Trade Act of 1974 permits private parties to complain of foreign violations of international trade rules. It permits the President to impose import restrictions as retaliatory action, if necessary, to enforce U.S. rights against "unjustifiable" or "unreasonable" foreign trade practices which burden, restrict, or discriminate against U.S. commerce.

Title IX would impose time limits on investigations and recommendations by the Special Representative for Trade Negotiations and on Presidential action under section 301. The revision of section 301 would continue the ability of the United States to take "all appropriate and feasible action" within the President's power to obtain the elimination of any acts, policies, or practices which are unjustifiable, unreasonable, or discriminatory and which burden or restrict U.S. commerce. This mandate would cover those actions which may not be specifically covered by international trade agreements or the GATT but

which, in fact, burden or restrict U.S. commerce.

TITLE X—JUDICIAL REVIEW

Title X of the bill would revise current law to provide increased opportunities for appeal of certain interlocutory and all final rulings by the administering authority or the U.S. International Trade Commission in antidumping and in countervailing duty cases. Title X would also expand opportunities for judicial review of determinations by the Customs Service of the appraised value, classification, or rate of duty of imported goods. Furthermore, title X would provide for judicial review of Customs Service decisions regarding the certification of the "country of orgin" of products covered by the Government Procurement Code.

Title X would amend the Tariff Act of 1930 by adding a new section 516A, which would provide the specific judicial review procedures for countervailing duty and antidumping proceedings. Existing section 516 would be amended to delete those provisions dealing with antidumping and countervailing duty determinations, and would solely include procedures for a domestic interested party's contest of appraised value, classification, or the rate of duty of imported merchandise.

Section 516A would establish the standards of review for those countervailing duty and antidumping duty determinations which are appealable. In general, the standard for interlocutory determinations would be whether they are arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. The standard for other determinations would be whether they are supported by substantial evidence on the record or are otherwise not in accordance with law. The bill would permit the Customs Court to enjoin, during the period of judicial review, liquidation of some or all entries of merchandise covered by a determination of the administering authority or the ITC during a countervailing or antidumping investigation.

The record before the court, unless otherwise stipulated by all interested parties participating, would consist of all information presented to, or obtained by, the administering authority or the ITC during the course of a countervailing or antidumping proceeding and all Government memorandums pertaining to the case on which the authority relied in making determinations. The record would also include a copy of the determinations sought to be reviewed, all transcripts or records of conferences or hearings, and all notices published in the Federal Register.

TITLE XI—MISCELLANEOUS PROVISIONS

Extension of nontariff barrier negotiating authority, (section 1101)—The President's authority under section 102 of the Trade Act of 1974 to enter into trade agreements to eliminate nontariff barriers and other distortions to trade adversely affecting U.S. commerce would be extended until January 3, 1988. Any agreement would be effective only after congressional consultation and enactment of an implementing bill under the legislative procedures in the Trade Act of 1974.

Auctioning of import licenses (section 1102).—The President would be permitted to auction licenses used to administer quantitative restrictions under the following laws:

Section 125, 203, 301, and 406 of the Trade Act of 1974;

Trading With the Enemy Act;

Section 204 of the Agricultural Act of 1956 (except relating to meat or meat products);

The International Emergency Economic Powers Act;

Authority under the headnotes of the U.S. tariff schedules (except for restrictions imposed under section 22 of the Agricultural Adjustment Act of 1933); and

Any legislation implementing an international agreement, including commodity agreements (except agreements relating to cheese or dairy products).

The auction authority would apply only to quantitative restrictions imposed or modified after the date of enactment.

Private advisory committees (section 1103).—Private advisory committees established under section 135 of the Trade Act of 1974 would be continued for the purposes of first, advising on trade negotiations and insuring effective implementation of the MTN codes; second, evaluating and refining those codes; third, managing problems in key trading sectors; and fourth, advising on overall trade policy objectives and priorities. The mandate of advisory committees would be broadened to include support of implementation of trade agreements and other trade policy activities. The President would be given discretion to establish advisory committees on an appropriate basis when trade policy activities of the U.S. Government warrant them, including committees on services.

The bill would repeal the requirement that existing advisory committees write summary reports of trade agreements entered into under the Trade Act of 1974 after January 3, 1980. The bill would continue exemptions of the advisory committees from provisions of the Federal Advisory Committee Act and would, in addition, exempt agriculture committees from the requirements of title XVIII of the Food and Agriculture Act of 1977.

Study of possible agreements with North American countries (section 1104).—A study by the executive branch of the desirability of entering into trade agreements to promote the mutual economic growth of the United States, Canada, Mexico, and other appropriate countries in the northern portion of the Western Hemisphere would be required. The study would examine the agricultural, energy, and other sectors, and would be submitted to the Committee on Ways and Means of the House and the Committee on Finance of the Senate within 2 years after enactment of the bill.

Section 337 of the Tariff Act of 1930 (section 1105).—A civil penalty would be provided for a violation of a cease and desist order issued by the U.S. International Trade Commission under section 337 of the Tariff Act of 1930. Section 337 permits the ITC to issue a cease and desist order with respect to unfair trade practices in the importation of a product. The penalty would be a maximum of the higher of either $10,000 or the market value of the goods in question for each day in which an importation or sale of goods occurs in violation of the order. The penalty would be recovered in a civil action brought by the ITC.

Section 337 would be further amended to make clear that the statute does not cover actions within the purview of the countervailing duty law or the antidumping law. The ITC could suspend that part of an investigation under section 337 which related to such actions.

Reporting statistics on a cost-insurance-freight (CIF) basis (section 1108).—Import and balance-of-trade statistics. Also, there would be required publication of all tariff rates showing the rates which would be in effect if customs valuation were on a CIF rather than the current basis.

Reorganizing and restructuring of international trade functions of the U.S. Government (section 1109).—The President would be required to submit proposed legislation restructuring the foreign trade policymaking and regulatory functions of the Federal Government by July 10, 1979. In order to insure that the 96th Congress takes final action on a comprehensive reorganization of trade functions as soon as possible, the appropriate committee of each House of Congress would give the legislation proposed by the President immediate consideration and would make its best efforts to take final action on a bill to reorganize and restructure the international trade functions of the Government by November 10, 1979.

Study of export trade policy (section 1110).—On or before July 15, 1980, the President would submit to the Congress a study of the factors bearing on the competitive posture of U.S. producers in world markets and the policies and programs required to strengthen the relative competitive position of the United States in world markets. This study would also include recommendations on the promotion of U.S. exports generally, and exports by small business particularly, and on the disincentives to exports created by the programs and activities of regulatory agencies.

Generalized system of preferences (section 1111).—The generalized system of preferences (GSP) under title V of the Trade Act of 1974 would be modified as follows:

The President would be permitted to continue GSP treatment for eligible articles, and to designate new eligible articles, from beneficiary developing countries which exceed the competitive need limitation; that is, no more than 50 percent of total annual U.S. imports of an article eligible for GSP may come from one country, if total imports of the article are less than $1 million (adjusted annually to reflect changes in the GNP).

The customs union rule which permits such entities to be considered a single country, for GSP, would be changed:

To permit associations of countries contributing to comprehensive regional economic integration among their members to be designated as a single beneficiary developing country;

To permit application of the competitive need ceilings on GSP treatment (total annual imports of an eligible article from any one country may not exceed about $37 million, or 50 percent of total U.S. imports of the article) for a specific article from an association of countries described above to the individual member countries of such an association rather than to the association as a whole; and

To reduce the minimum value-added requirement for GSP articles from such an association from 50 percent to 35 percent, the requirement applicable to individual countries.

The exclusion of OPEC member countries from GSP would be modified to allow extension of GSP treatment to eligible articles from OPEC countries otherwise qualifying as beneficiary developing countries if they:

Conclude bilateral product-specific trade agreements with the United States in the MTN, and

Continue to supply petroleum to the United States.

Concession-related revenue losses to U.S. possessions (section 1112).—If a concession is granted in the MTN with respect to a product upon which excise taxes are levied which produced in 1978 a major share (10 percent or greater) of the revenues for the government of a U.S. possession, then the Secretary of Commerce, with respect to fiscal year 1980 and the next 4 fiscal years, would determine within 3 months after the close of the fiscal year whether the concession contributed importantly to a loss of such revenues to the possession in the fiscal year concerned as a result of displaced sales of the product. In making this determination, the Secretary would examine the extent to which any other factors are contributing to a loss of such revenues.

If the Secretary determines a reduction in revenue exists, then the President could add to the budget amounts to be appropriated to the possessions concerned to offset in whole or in part the excise tax losses.

Mr. President, I urge the Senate to approve H.R. 4537.

ORDER OF PROCEDURE TODAY

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to urge that, if at all possible, we act on both trade bills today and complete the food stamp bill.

I have said early on that we would not be later than 6 or 6:30 on Mondays, but I think we also have to keep in mind that a holiday is coming up. We spent last Saturday in session because of the exigencies of the situation.

So it may be necessary to go later into the evening, even though it is Monday.

I would rather not carry the food stamp bill over. The bill we are on now, the trade bill, is not amendable. It cannot be recommitted. There is a 20-hour statutory time limit on it, but there is also built into the statute a nondebatable motion to reduce that time.

So a motion can be made to reduce the time, and it will be made, if necessary, to reduce the time; and it can be reduced to any point—1 hour, 2 hours, or whatever. I do not want to make that motion, because I want to cooperate as much as possible.

I thought I should take the floor at this time to state that my comment early on to get out at 6 or 6:30 on Mondays might have to be broken in this instance.

I hope we can vote on this trade bill no later than 4:30 p.m. today, if at all possible. Then we could finish the food stamp bill.

Mr. BAKER. Mr. President, will the Senator from Connecticut yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. BAKER. I thank the Senator from Connecticut.

Mr. President, I, too, hope we can dispose of this matter promptly. However, I point out that there are colloquies to be undertaken and statements yet to be made. We are not now in a position to offer, by unanimous consent, a shortened time on this measure.

Obviously the majority leader can make his motion, if he wishes, but I hope we will proceed for a while and see how the situation develops further. If we have to stay beyond 6:30, I suppose we will.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. HEINZ. Mr. President, I think the majority leader knows that there are at least two colloquies. One is mine, and the other is Senator DANFORTH's. He and I will try to keep them as brief as possible.

In fairness to Senator DANFORTH, I ask that the Senator from West Virginia not make such a unanimous-consent request at this time.

Mr. ROBERT C. BYRD. I will not make such a request.

Mr. RIBICOFF. I say to the majority leader that we have worked on these colloquies, and I think they are in good order. Once the distinguished Senator from Pennsylvania and the distinguished Senator from Missouri start with their colloquies, my feeling is that we can dispose of these matters in short order.

Mr. ROBERT C. BYRD. I thank the distinguished chairman.

Mr. RIBICOFF. Mr. President, I want to pay special tribute and give thanks to Arthur House and Harold Luks of my personal staff. From the beginning and throughout this entire bill, they have been deeply involved with me and the committee staff in working on all trade policy matters. Their research and input have been helpful and constructive not only to me but also to the entire Finance Committee and the subcommittee.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 45 minutes to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, at the outset, I commend the managers of the bill, Senator RIBICOFF and Senator ROTH, for their very creative and outstanding leadership in bringing this measure over an innumerable number of legislative hurdles to what I believe is a very successful conclusion.

It has been a long and occasionally difficult experience reaching the point where we are today; but the process has produced, in my judgment, an honorable compromise between those of us concerned about free and fair trade and those concerned only with free trade. Let me make it clear that I am in the former group. I support free trade principles and favor expansion of trade to the maximum extent possible. We have an international economy and cannot wall ourselves off from it. Nor should we want to—for trade inevitably means jobs and profits for Americans.

At the same time, however, in our pursuit of trade expansion, we should not abandon our free market principles and our reliance on competition and the law of comparative advantage as arbiters of the marketplace. Our allies and trading partners, some of them with a completely different economic heritage, are increasingly sacrificing those principles, to the extent they have ever honored them, to domestic social or political exigencies. The result is more subsidized and dumped goods coming into this country as our trading partners seek to maintain their own employment levels and take advantage of the relative openness of our economy.

It is precisely these unfair and, from the standpoint of classic economic theory, trade restricting practices I seek to control. That these practices exist is unquestioned. That they go on unhindered is easily demonstrated. Rather than go into this in detail now, as I have done on previous occasions, Mr. President, I ask unanimous consent that material prepared at my request by the Ad Hoc Subsidies Coalition be placed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADMINISTRATION OF THE COUNTERVAILING DUTY STATUTE BY THE TREASURY DEPARTMENT

In response to the request of Senator Heins at the International Trade Subcommittee's hearings on February 22, 1979, the Ad Hoc Subsidies Coalition of 33 organizations herewith submits the details of our charges regarding the Treasury Department's administration of the countervailing duty statute.

We find that the Treasury Department has been guilty of the following practices:

1. Treasury has missed statutory deadlines.

2. Treasury has reduced the calculated amount of a subsidy, and hence the countervailing duty, in questionable ways.

3. Treasury has accepted unverified information from foreign representatives as a basis for its determinations.

4. Treasury has changed rulings without adequate opportunity for interested parties to comment.

5. Treasury has stretched the authority of

the Trade Act of 1974 with regard to the granting of waivers. These charges are detailed in the following sections.

1. Treasury Has Missed Statutory Deadlines.

One of the important changes intended to strengthen the countervailing duty statute as incorporated in the Trade Act of 1974 was the 12 month time limit established for the Treasury Department's consideration of countervailing duty petitions.

This time limit was established as part of the legislative "deal" which gave the Secretary of the Treasury authority to waive countervailing duties under certain circumstances. Under the amendment, the Treasury Department has six months from the time of receipt of a valid petition to make a preliminary determination with respect to the existence of foreign countervailable practices and then it has an additional six months in which to make a final determination. Notwithstanding the statutory time limits, Treasury has missed deadlines, particularly for preliminary determinations which deadlines are consistently missed as in the case of Swedish rayon staple where the preliminary determination came three months after the six-month deadline.

Two cases in particular come to mind, one involving Argentine leather apparel where the statutory deadline for a final determination was January 21, 1978 and the other involving Argentine footwear, where the deadline was February 11, 1978. The decisions on both products were finally issued on January 17, 1979; that for leather apparel was negative and the decision on Argentine footwear was affirmative. Thus, Treasury took twelve months and eleven months longer, respectively, than mandated in the statute to make its determinations in these two cases.

The effect of failing to make determinations within the statutory deadline is to deny petitioners due process, particularly where considerable time has elapsed since the deadline. Thus, when an affirmative decision is finally made, petitioners have suffered from Treasury's failure to institute countervailing duties earlier. When a negative determination is finally made, a petitioner has been denied the opportunity to challenge such determinations at an earlier date, in accordance with Section 516 of the Tariff Act of 1930, as amended.

Even a simple publication in the Federal Register of a notice of appeal of Treasury's countervailing duty determinations encounters unnecessary delay despite the provision in Section 516(d) of the Tariff Act of 1930 that such publication be made upon receipt. On December 15, 1978 the Amalgamated Clothing & Textile Workers Union filed with Treasury notice of its intent to appeal six such determinations. Treasury did not publish notice to this effect in the Federal Register until February 27, 1979. The appeal process cannot move forward without such notice. Once again due process has been delayed by Treasury.

2. Treasury Has Reduced the Calculated Amount of a Subsidy, and Hence the Countervailing Duty, in Questionable Ways.

Treasury has pursued a policy which they justify as provided for in the countervailing duty statute of reducing the gross amount of subsidy by various offsets. Although in most cases the reductions are in the form of indirect taxes related to the product which receives the subsidy, Treasury has found some rather exotic items with which to reduce the subsidy. These include, in the case of the waiver on handbags from Colombia, the effects of the devaluation of the foreign currency on the grounds that the Colombian Government allows as much as nine months to elapse before subsidies are paid.

In this case Treasury even reduced the subsidy by the cost of the interest on the money not received by Colombian handbag producers and exporters during this nine-month period. Treasury describes this offset in the Federal Register of May 2, 1978 as "the present value effect of the (exporter's tax certificates) resulting from the inflationary impact on . . . delayed payment." Furthermore, since these exporter's tax certificates are sold in the Bogota Stock Exchange, Treasury also allowed a "discount paid by holders of (exporter's tax certificates) in the stock exchange, thus effectively not providing full value of the (exporter's tax certificates) once sold." It is interesting to note that several of these offsets were disallowed in a more recent case involving Colombian textiles and apparel, but Treasury has not bothered to go back to its earlier decision to recompute the countervailing duties on Colombian handbags. The Colombian handbag case is not untypical.

It is so important to recognize that the reductions which Treasury makes in the subsidy through subtracting the indirect taxes related to the products ignore completely the fact that in virtually all of the foreign countries concerned these indirect taxes would have been borne by the manufacturer even in the absence of the subsidy program, and that the subsidy program clearly is intended to give the foreign manufacturers an edge in selling to the U.S. This is exactly what the countervailing duty statute is aimed at offsetting, but Treasury nevertheless goes on deducting these indirect taxes to the point where many negative or de minimis determinations result or the countervailing duty is significantly smaller than it should be.

3. Treasury Has Accepted Unverified Information From Foreign Representatives as a Basis For Its Determinations.

Treasury makes most of its determinations with regard to the size of a countervailing duty or a waiver of a countervailing duty on the basis of data submitted by foreign governments and by foreign firms or associations of firms. In neither case are the data verified by Treasury. Admittedly, it is difficult for Treasury to verify data submitted by foreign interests, but at least an effort should be made to assure the American petitioner that, indeed, the data on which a determination is made by Treasury are reliable. Treasury says that it must take the word of a foreign government. Yet in a case involving Argentine footwear, the word of a foreign government was not good enough. It reneged on a commitment which had been made to Treasury. In that particular case, Treasury said "but they had a change of governments in Argentina." Unfortunately the new government in power did not bother to advise Treasury that it had reversed the commitment made by its predecessors, and Treasury did not reopen this case for a considerable period of time after the subsidies were reinstated. When Treasury finally acted five and a half years after the initial petition was filed, it imposed a countervailing duty of less than 1 percent.

As the result of a request through the Freedom of Information Act, it has been learned that although Treasury waived countervailing duties on Uruguayan handbags and footwear at the end of January 1978 based on certain assurances from the Uruguayan Government, the factual information on which to base the waiver was not available to Treasury at the time of the waiver action. On May 15, 1978 the Minister of the Uruguayan Embassy in Washington was told by Treasury that in October 1977 Treasury had requested of the Uruguayan Government "a detailed description . . . of the laws providing for the various offsets accepted by Treasury . . . as well as a detailed itemization of how the offsets were calculated for each of the product sectors." That had not yet been furnished by the Uruguayan Government as of mid-May 1978.

Treasury pointed out that the Uruguayan Government had promised in December 1977 to furnish by the following month "a detailed enumeration of the program to eliminate the entire 'reintegro' system by 1983. . . ." That, too, had not been furnished by the Uruguayan Government by mid-May 1978.

Apparently a copy of the December 28, 1977 decree of the Uruguayan Government reducing the "reintegro" was also not submitted in January 1978 before Treasury waived the countervailing duties. At least Treasury was still inquiring about it from the Uruguayan Government in mid-May 1978.

4. Treasury Has Changed Rulings Without Adequate Opportunity For Interested Parties to Comment.

Even when Treasury once announces a net subsidy, taking into account the reduction for indirect taxes, it continues to amend those calculations mostly on the downside based upon new information which it receives from the foreign government. For instance, in the case of Spain, Treasury announced a 4 percent countervailing duty on unwrought zinc in April 1977. In June 1978, Treasury reduced the existing countervailing duty on zinc and on several other Spanish products subject to U.S. countervailing duties by revising its method for calculating indirect tax subsidy offsets. This action was taken after consultation with Spanish authorities but without consultation with U.S. industries involved. Despite the controversy Treasury aroused over the basis for this reduction, Treasury reduced the countervailing duty but without suspending the liquidation of entries until all views could be heard.

Treasury later realized the views of the U.S. industries had merit and that it had made a mistake on its revised method for calculating the countervailing duties. Six months later Treasury reverted to the basis of calculations it used prior to June 1978 with the effect that the countervailing duty was now raised again, although not quite to the original levels.

In the interim, between June 15, 1978 and January 17, 1979, because Treasury had not suspended the liquidation of entries on Spanish zinc, nonrubber footwear, and bottled olives, importers benefitted from a lower rate of countervailing duty which gave them a windfall they certainly did not merit.

It is of interest to note that the American Footwear Industries Association had requested Treasury to reconsider and revise upward the 3 percent countervailing duty on Spanish footwear some four years ago. It has never received a reply to its request.

While Treasury acted speedily, without consultation with domestic industry, to reduce duties in the Spanish cases, and without suspension of liquidation, it took Treasury almost five months to revote a waiver and institute a countervailing duty in a case involving Uruguayan leather apparel and almost eleven months to revote waivers on Uruguayan footwear and handbags. (The waiver action on leather apparel is discussed more fully below.) But in these cases where Treasury was acting to impose duties, it suspended liquidation of entries to give the Uruguayan Government more time to protest Treasury's action.

Thus, on the downside, Treasury appears to act with haste, but on the upside, Treasury clearly takes its time.

5. Treasury Has Stretched the Authority of the Trade Act of 1974 With Regard to the Granting of Waivers.

The Trade Act and the temporary four-year waiver authority which expired January 3, 1979, provided the Secretary of the Treasury with authority to waive the imposition of countervailing duties when he determines that:

1. adequate steps have been taken to reduce substantially or eliminate the adverse

effect of the bounty or grant on domestic producers;

2. that there is a reasonable prospect that trade agreements to reduce or eliminate nontariff barriers will be entered into; and

3. the imposition of countervailing duties would be likely to seriously jeopardize the satisfactory completion of such negotiations.

Treasury Department officials have consistently interpreted these three criteria—all of which must exist before a waiver can be issued—so loosely as to permit them to justify any action administratively decided upon.

In one case, involving the imposition on January 12, 1976 of a 14 percent countervailing duty on Brazilian handbags, the Secretary of the Treasury undertook subsequently to waive this duty as part of a "package agreement" on trade issues which he personally negotiated during a visit to Brazil in May 1976. That waiver on Brazilian handbags was made effective July 1, 1976. Can it be said that at that time there was a "reasonable prospect" that successful trade agreements were to be entered into? Could it have been said in May 1976 that the imposition of the additional duty was "likely to seriously jeopardize the satisfactory completion of such negotiations? Hardly, on both counts.

A recent glaring example of a new horror story is that related to Treasury's finding that Uruguayan subsidies on leather wearing apparel were equivalent to 12 percent of the f.o.b. price for export to the United States.

In its final determination issued January 30, 1978, Treasury noted an intent to waive the imposition of countervailing duties on the basis that it had received assurances from Uruguay of a phase-down of only one subsidy—the "reintegro" program of cash rebates which alone amounted to 20 percent or more of the value of the goods exported. However, because leather wearing apparel from Uruguay entered the United States free of duty under the Generalized System of Preferences, the International Trade Commission was called upon (as required by Section 303(b) of the Trade Act) to determine whether Uruguayan subsidies on leather wearing apparel injured the United States industry. Following a comprehensive investigation, the ITC in April 1978, announced a unanimous injury finding. Nonetheless, even in the face of such a unanimous decision by the Commission with respect to the subsidized Uruguayan leather apparel, the Treasury Department carried out its planned waiver, which was duly announced in the Federal Register of June 30, 1978.

Treasury justified its waiver on the basis of Uruguayan assurances that it would phase out its major "reintegro" subsidy program by January 1, 1979. In agreeing to waive the countervailing duty on this basis, Treasury did not require the Government of Uruguay to reduce or eliminate other countervailable trade practices which the Treasury had determined to exist in Uruguay. Treasury's justification for permitting a waiver while the Uruguayans would leave these subsidies intact, was that they were very small, perhaps in the order of 2 percent, whereas the major subsidy program, which provided a subsidy of at least 20 percent, was netted down to around 12 percent.

The domestic industry argued with Treasury officials that they were ignoring an additional subsidy benefitting Uruguayan tanners equal to 8 percent of the value of the leather content in various products exported. Treasury decided differently. However, more recently, Treasury discovered that, indeed, it had made a mistake and that the 8 percent subsidy on the leather content of products exported to the United States was a countervailable duty. Thus, instead of a residual of 2 percent after the scaling down of the major subsidy, Treasury found that the remaining subsidy on Uruguayan leather apparel added up to a total of 13.3 percent. It decided to impose this subsidy effective November 13, 1978 and revoked its former waiver.

Even after Congress failed to extend the countervailing duty waiver authority last October, Treasury went ahead and waived the countervailing duty of almost 38 percent on Brazilian textiles and apparel on assurances that subsidies would be reduced by half by January 1, 1979 and by the remaining half by January 1, 1980. In the interim of one year, Brazil is being allowed to continue subsidies of a substantial amount without having countervailing duties applied, to the detriment of American firms and workers.

CONCLUSION

The foregoing documents what our group considers to have been a mismanagement of the countervailing duty program by the Treasury Department. This record does not support the assertion of the Secretary of the Treasury to the Joint Economic Committee on January 31, 1979 that Treasury does its "best to administer the statute fairly and efficiently." It is for these reasons that our group of 33 organizations believes that the administration of the countervailing duty statute should be removed from the Treasury Department.

THE RECORD OF ENFORCEMENT OF THE U.S. COUNTERVAILING DUTY LAW

The following examples of Treasury Department's inaction in the face of clear cut evidence of foreign export subsidy practices show that Treasury has failed to discharge its obligation under the countervailing duty law to protect the domestic economy and domestic industry from this form of unfair trade practice.

1. In the mid-1960's Treasury received detailed information on Japanese export subsidies from the American Embassy in Tokyo. In part, that information was contained in a lengthy airgram in 1966 entitled "Japanese Export Promotion Techniques" which were summarized as follows:

"The Japanese Government promotes exports by offering a comprehensive system of inducements entering on (1) favorable tax treatment, (2) special financial treatment, (3) a complete export insurance system, and (4) the supporting services of the Japan External Trade Organization (JETRO)."

The Table of Contents of that airgram is attached.

Although this document was unclassified Treasury and States sought to suppress it. Treasury failed to initiate countervailing duty action, yet it saw no obstacle to self-initiating countervailing duty action in 1966 against a wide variety of products, from France. The adverse consequences of Treasury's failure on the U.S. economy and on U.S. industries has been enormous, including the loss of large segments of the American consumer electronics industry and the industrial fastener industry.

Both Zenith and Magnavox brought countervailing duty actions against Japan's export aids in the early 1970's, but Treasury in effect said the complainants were "too late", inasmuch as the benefits had already been received and countervailing duties could not be retroactively assessed.

2. In 1969 Treasury Department countervailed a variety of steel products (including nuts and bolts) from Italy pursuant to a complaint filed by U.S. Steel. T.D. 69-118. In the course of its investigation, Treasury received documentation of the fact that Italian government was subsidizing the export of steel screws to the United States. Again, Treasury turned a blind eye, because U.S. Steel did not include that item in its complaint. The U.S. fastener industry learned about the Italian subsidy in 1975 and responded with a countervailing duty complaint, but most of the damage had already been done.

3. In February, 1978 Japan adopted the High Yen Measures Law designed to compensate exporters for any losses resulting from the appreciation of the yen. Medium-sized and smaller businesses are eligible within 150 designated industries. About 40 percent of Japan's exports come from medium-sized or smaller businesses. Treasury has known about this for some time but has taken no action even though the United States has a $12 billion trade deficit with Japan. A Citizen's Complaint was filed in February, 1979, with respect to ten product groupings. Treasury has refused to initiate an investigation even though it concedes that the complaint meets all of the requirements in the countervailing duty regulations.

AIRGRAM

To Department of State.

Info AmEmbassy Tokyo (4 copies); AmConGen KOBE/OSAKA/YOKOHAMA; AmConsul FUKUOKO/SAPPORO.

Pass From Department of Commerce (6 copies); AmConsul NAGOYA.

Date March 4, 1966.

Subject Japan's Export Promotion Techniques.

Ref Nagoya's A-2 of July 19, 1965.

SUMMARY

1. Favorable tax treatment.
   A. Reserve for Foreign Market Development.
   B. Small and Medium Enterprise Reserves for Foreign Market Development.
   C. Special Depreciation Allowances.
   D. Reserve for Overseas Investment Losses.
   E. Special Exemption for Technical Exports.
   F. Entertainment Expenses for Buyers.
   G. Tariff Refund for Exporters.
2. Special financial treatment.
   A. Export Financing System for Cooperatives.
   B. Export Bill Trade System.
   C. Foreign Exchange Fund Loan System.
   D. Japan Export-Import Bank.
   E. Overseas Economic Cooperation Fund.
   F. Japan Development Bank.
   G. Export Promotion Loan System for Designated Smaller Enterprises.
3. Export insurance systems.
   A. Ordinary Export Insurance.
   i. Individual Insurance:
      a. For the Exporter;
      b. For the Manufacturer; and
      c. Against Increased Costs.
   ii. Group Floater Insurance.
   B. Export Price Insurance.
   C. Export Bill Insurance.
   D. Export Loan Insurance.
   E. Consignment Sale Export Insurance.
   F. Overseas Advertisement Insurance.
   G. Insurance on Principal of Overseas Investments.
   H. Insurance on Interest from Overseas Investments.
   I. Distribution Pattern of Export Insurance.
4. Japan External Trade Organization (JETRO).
   A. Market Research.
   B. Advertising of Japanese Export Products.
   C. Design Improvement.
   D. Credit Investigation Services.
   E. Domestic Services.
   F. Budget.

Annex: Japanese Laws Relating to Trade Promotion Activities.

Mr. HEINZ. It is clearly the intent of the MTN agreements, the subsidies and antidumping codes in particular, to discourage these practices and to restore

free market principles to international commerce. To the extent the codes work, our Nation will be the major beneficiary, as other nations will have to conform their uncompetitive practices more closely with our present practices.

It is imperative, however, that we help the codes along through a careful drafting of our own implementing legislation that will insure our unfair trade laws are fully and fairly enforced. To that end, Senators MOYNIHAN, DANFORTH, BENTSEN, and myself have sought to build into S. 1376, which is identical to H.R. 4537, a number of fundamental principles:

First, a broad definition of subsidy, including both export and domestic subsidies, so that unfair practices will have to be investigated rather than defined out of existence;

Second, a clear and rigorous method of calculating a subsidy to insure the amount determined accurately reflects the full benefit to the producer;

Third, a standard of injury no more difficult to meet than the present one;

Fourth, strict limits on discontinuing or suspending investigations pursuant to deals with foreign governments or producers;

Fifth, significantly shorter investigatory timeframes to prevent delays and insure relief is timely;

Sixth, fair and transparent procedures so that the rights of all parties are clearly identified and fully protected;

Seventh, reorganization of the Government's trade functions to better consolidate authority and coordinate policy, including removal of enforcement authority for countervailing duty and antidumping cases from the Treasury Department.

Though we did not fully achieve our goals, as manifested in S. 538 and S. 223, introduced by Senator MOYNIHAN and myself, and Senators DANFORTH and BENTSEN, respectively, we achieved a significant part of what we sought, and as a result are in a position to support the bill.

I would, however, like to make some specific comments on a number of the key points of controversy in this bill, points which have occupied large portions of my time and the committee's time.

Although I support the bill and feel that Senator MOYNIHAN and I succeeded in putting into it language to adequately codify the principles I have mentioned, there are some aspects of the revised countervailing duty and antidumping laws, particularly the definitions, which would benefit from clarification and reinforcement.

INJURY

The injury test engendered as much controversy as any single issue in this bill. The U.S. agreement to accept an injury test for countervailing duty cases is the most significant concession we made in the MTN. It is a concession I disapprove of in principle, because a subsidy is inherently an unfair practice and should be treated as such, regardless of the injury issue. To countervail only in those cases of injury to the domestic industry is to permit subsidies and other unfair practices to exist untouched to the ultimate detriment of free market principles in general and our economy in particular.

Nonetheless, the concession was made, and the committee's task became that of constructing an appropriate and fair definition of injury, one which could be easily met by domestic industry but which truly reflected injury. This task was made more complicated by the fact that the relevant existing standard used in the Antidumping Act of 1921 is defined not in statutory language but through an extended legislative history and series of case decisions going back more than 50 years. To detail that history somewhat, Mr. President, I ask unanimous consent that excerpts of a memorandum prepared by Frederick L. Ikenson be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

It is clear from the relevant statutory language, legislative history, case law, and administrative precedents that the "injury" test in the Antidumping Act was not intended by Congress to be a rigorous one.

Prior to the enactment of the Trade Act of 1974, § 201(a) of the Antidumping Act, as codified in 19 U.S.C. § 160(a) (1970), provided:

"(a) Whenever the Secretary of the Treasury (hereinafter called the 'Secretary') determines that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, he shall so advise the United States Tariff Commission, and the said Commission shall determine within three months thereafter whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The said Commission, after such investigation as it deems necessary, shall notify the Secretary of its determination, and, if that determination is in the affirmative, the Secretary shall make public a notice (hereinafter in sections 160–173 of this title called a 'finding') of his determination and the determination of the said Commission. For the purposes of this subsection, the said Commission shall be deemed to have made an affirmative determination if the Commissioners of the said Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative. . . ."

The clear purpose of this legislation was "to protect the producers of the United States against actual or threatened demoralization of American markets . . ." *Ellis K. Orlowitz Co.* v. *United States*, 47 Cust. Ct. 583, 587, A.R.D. 136 (1961), *aff'd*, 50 C.C.P.A. 36, C.A.D. 816 (1963). *Accord, Timken Co.* v. *Simon*, 539 F.2d 221 (D.C. Cir. 1976); *J. C. Penney Co.* v. *United States Department of the Treasury*, 319 F. Supp. 1023, 1024 (S.D. N.Y. 1970), *aff'd*, 439 F.2d 63 (2d Cir.), *cert. denied*, 404 U.S. 869 (1971); *SCM Corporation* v. *United States (Brother International Corporation, Party-in-Interest)*. 80 Cust. Ct. 226, C.R.D. 78–02 (1978); *City Lumber Co.* v. *United States*, 64 Cust. Ct. 826, A.R.D. 269, 311 F. Supp. 340 (1970), *aff'd*, 59 C.C.P.A. 89, C.A.D. 1045, 457 F.2d 991 (1972).

That Congress did not intend the "injury" test in the statute to be a rigorous one is readily demonstrated by an examination of the statutory language itself. The Act has never contained a "substantial injury" standard. There is not even a requirement of actual injury, as the statute specifies that the mere likelihood of injury or prevention of establishment of an industry is sufficient. The causative factor need not be imported merchandise *sold* at less than fair value but could be imported merchandise *likely to be sold* at less than fair value. Further, in the event of a tie vote by the voting Commissioners, an affirmative determination will be deemed to have been made.

The legislative history is no less clear in revealing the Congressional intention that the threshold of injury required to trigger the Act is that quantum of injury (actual or threatened) which is merely more than *de minimis*. When the antidumping bill, H.R. 2435, 67th Cong., 1st Sess. (1921), first passed in the House of Representatives, there was no injury requirement. *To be susceptible to dumping duties, it was sufficient for imported dumped goods merely to be in competition with goods made or produced wholly or in part in the United States.*

At the Senate Finance Committee Hearings on H.R. 2435, the first witness, John E. Walker, Chief, Legislative Drafting Service, U.S. Senate, was critical of the House bill. He stated (*Hearings on H.R. 2435 Before the Senate Comm. on Finance*, 67th Cong., 1st Sess. 12 (1921)):

"The first question that arises is a question of policy as to whether or not the antidumping title should be applied to all merchandise. As the bill is drafted now it is the duty of the appraisers to look for dumping in the case of every importation of merchandise, whether there is dumping or not.

"In the case of all consignment sales—that is, sales in which the selling price is not agreed upon until after the article is entered in the United States—the importer must give bonds that in case an antidumping duty is imposed that he will later pay the additional duty. The question immediately arises whether or not some administrative officer like the Secretary of the Treasury should have authority to direct the appraising officer to apply the antidumping title when the Secretary finds that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation into the United States of foreign merchandise, and that such merchandise is being sold or is likely to be sold in the United States at less than its fair value.

"*To require the appraisers to look for dumping in the case of every importation is going to put a very heavy administrative burden upon the force of the customs service.*" [Emphasis added.]

Mr. Walker proposed a change in language and in concept which was ultimately accepted by the Committee and reflected in the Senate version of the bill. The investigatory responsibility was shifted from the local appraising officials to the Secretary of the Treasury.

In the report of the Committee on Finance, S. Rept. No. 16, 67th Cong., 1st Sess. 10 (1921), the following informative comment was made:

"The amendment proposed in Title II relating to antidumping is a substitute for Title II of the House bill with the exception of section 214.

"The House bill made it necessary for the appraising officers to look for dumping in the case of each importation of merchandise and in the case of merchandise procurred otherwise than by purchase required a bond of the importer that would obligate him to furnish the collector upon the sale of the merchandise the selling price of the merchandise and to pay any additional dumping duties that might be found due. It is the opinion of your committee that the House provision is too drastic and places too great a burden upon the administrative

officers of the customs service and upon the importer. It is also the opinion of your committee that it is unnecessary to make each appraising officer look for dumping in the case of every importation and that it is unreasonable to require the various appraising officers to determine the comparability of each class of merchandise together with the foreign market value and the purchase price in each case, regardless of whether or not an industry is being injured or is likely to be injured by such importation. It is believed that the dumping of merchandise into the United States can be prevented by imposing the dumping duties upon merchandise in cases in which the Secretary, after due investigation, has instructed the appraising officers to apply the antidumping provision.

"The antidumping title of the proposed amendment is so drafted that it will apply only in cases in which the Secretary of the Treasury, through such agency or agencies as he may designate, determines that the importation of dutiable or free foreign merchandise is injuring or is likely to injure an industry in the United States and that such foreign merchandise is being sold or is likely to be sold in the United States or elsewhere at less than its fair value. It is manifest that the determination of whether or not an industry is being injured or is likely to be injured should not be placed in the hands of the individual appraising officers at the various ports of entry. See section 201 of the proposed amendment."

This legislative history was cited and discussed by this Court in *Orlowitz, supra*, wherein the Court approved a very liberal construction of the term "industry" as it appears in the Antidumping Act. The Court there stated (47 Cust. Ct. at 590):

"* * * After prolonged consideration of a bill that would have authorized each appraiser to find, as to each importation before him for appraisement in his own district, whether the merchandise was being 'dumped,' in the statutory sense, and passage of that bill by the House, there came out of the Senate a bill designed to relieve the individual appraising officers of this administrative burden and vest authority to find the fact of 'dumping' and of resultant injury in the Secretary of the Treasury (now the Tariff Commission). *There was no suggestion, as we read the Senate proposal and proceedings, of intention either to limit or enlarge the concept of 'injury' intended in the House bill, where the mandate was to each individual appraising officer in his own district. Mere intention to improve administration is not persuasive of an intention to change the scope of the law. The clearly expressed intention was to facilitate administration, and no intention was expressed other than to do that. This is persuasive of a legislative intention that the basic objectives were not to be changed.*" [Emphasis added.] Subsequently, the Court observed that the intent in the House bill, "was for each appraiser to determine the fact of injury as to each separate importation." 47 Cust. Ct. at 590. Thus, it is significant to note that the Court viewed the proposed function of the appraisers to determine whether imported dumped goods were in competition with goods made or produced wholly or in part in the United States to be an injury-determining function, and that the criteria for determining injury were not changed by the Senate amendments.

In affirming, the Court of Customs and Patent Appeals found itself in substantial agreement with the lower court's analysis. *Ellis K. Orlowitz Co.* v. *United States*, 50 C.C.P.A. 36, 40, C.A.D. 816 (1963).

Similarly, in *City Lumber, supra*, this Court acknowledged that Congress intended a broad construction of the term "injury." Prior to quoting the passage from *Orlowitz*, quoted at length above, the Court proceeded to say (64 Cust. Ct. at 835-836):

"In determining the statutory authority of the Antidumping Act, the court's primary consideration must be the effectuation of the declared policy and purpose of the act. After such consideration the court cannot agree with appellants' limited or restrictive interpretation of the Antidumping Act. The act was drawn in broad terms and its purpose was clearly to protect a domestic industry from 'dumping'. Dumping, in a foreign-trade sense, implies that there are, or are likely to be, 'sales at less than fair value', of foreign merchandise in the United States, that cause, or are likely to cause, injury to a domestic industry. The broad sweep of the statute may also be noted from the fact that it embraces not only an 'injury' to a domestic industry, but also the *likelihood* of injury. See Ellis K. Orlowitz Co. v. United States, 50 C.C.P.A. at 41.

* * * * *

* * * To hold that the Antidumping Act of 1921 provided a limited and restrictive remedy would be violative of the language of the act itself and its legislative history. Since the crux of the matter revolves around the determination of injury it is well to remember that the 1921 Antidumping Act, as passed by the House of Representatives, would have assessed special dumping duties against any kind of dumping in competition with a domestic industry without requiring a determination of injury. *The injury requirement was incorporated into the bill by the Senate Finance Committee, but, as pointed out in that Committee's report, the purpose was to facilitate administration of the law, and not to restrict its operation.* See Senate Report 16, 67th Cong., 1st Sess. p. 10. The House conferees agreed to the amendment, and the act was thus passed with the injury determination requirement. Act of May 27, 1921, 42 Stat. 11, as amended, 19 U.S.C. §§ 160–173 (1964). [Emphasis added.]

The Treasury Department itself has reported that, when it had the responsibility for making the "injury" determination under the Act (1921–1954) it viewed the injury requirement as being satisfied by evidence of anything more than *de minimis* injury. This was and is certainly consistent with the legislative intention.

With the enactment of the Customs Simplification Act of 1954, 68 Stat. 1138, the responsibility for the injury determination shifted to the Commission. A subsequent amendment, 72 Stat. 583 (1958), provided that a tie vote among the voting Commissioners would result in an affirmative determination, thus presenting a further indication that Congress intended a broad application of the Act. In 1967, the Commission also expressed the proper view that the injury requirement of the Antidumping Act is satisfied by a showing of any injury which is more than *de minimis*, *Cast Iron Soil Pipe From Poland*, T. C. Public. 214, 32 Fed. Reg. 12925 (1967),[4] and on numerous subsequent occasions has made manifest its adoption of this more than *de minimis* rule. *See, e.g., Pig Iron From East Germany, Czechoslovakia, Romania, and the U.S.S.R.*, T. C. Public. 265, 33 Fed. Reg. 14664 (1968); *Plastic Mattress Handles From Canada*, T. C. Public. 296, 34 Fed. Reg. 17130 (1969); *Whole Dried Eggs From Holland*, T. C. Public. 332, 35 Fed. Reg. 12500 (1970); *Pig Iron From Canada, Finland, and West Germany*, T. C. Public. 398, 36 Fed. Reg. 11835 (1971); *Asbestos Cement Pipe From Japan*, T. C. Public. 483, 37 Fed. Reg. 9267 (1972).

Perhaps the most vigorous Congressional assertion of its intent to adhere to the more than *de minimis* standard came during the furor which followed the 1967 signing of the International Anti-dumping Code, 19 U.S.T.I.A. 4348, T.I.A.S. 6431 (1967). Article 3 of the Code sets forth the following criteria for a determination of injury:

"A determination of injury shall be made only when the authorities concerned are satisfied that the dumped imports are demonstrably the principal cause of material injury or of threat of material injury to a domestic industry or the principal cause of material retardation of the establishment of such an industry. In reaching their decision the authorities shall weigh, on the one hand, the effect of dumping and, on the other hand, all other factors taken together which may be adversely affecting the industry."

This provision was clearly more restrictive than the corresponding concept in United States law, and indeed, when the U.S. representative signed the Code on June 30, 1967, without having been delegated the authority to do so, the Senate was nothing less than irate with the Executive Branch's overreaching. A proposed resolution was introduced which would have provided that the sense of Congress was: (1) that the provisions of the Code conflict with the Act; (2) that the Code should be submitted to the Senate for approval as provided by Article II, section 2, clause 2, of the Constitution; and, (3) that the Code should come into effect in the United States only upon passage of implementing legislation by Congress. *S. Con. Res. 38*, 90th Cong., 1st Sess. (1967). When the resolution was referred to the Tariff Commission for comment, that agency replied that the Code and Act conflicted. *See Report of the U.S. Tariff Commission on S. Con. Res. 38, Regarding the International Antidumping Code Signed at Geneva on June 30, 1967* (1968) (Committee Reprint of Sen. Comm. on Finance, 90th Cong., 2d Sess. (1968)).

Although the resolution was never acted upon, a rider to a Renegotiation Amendments House bill, H.R. 17324, 90th Cong., 2d Sess. (1968), was added in the Senate which would have had the effect of totally nullifying the Code. Finally, a compromise was reached, in conference, which allowed the Administration to save face, and Public Law 90–634 (1968) was enacted and provided, in section 201, that nothing contained in the Code should be construed to restrict the discretion of the Commission in performing its duties and functions under the Act, and further, in performing their duties and functions under the Act, the Secretary and the Commission should resolve any conflict between the Code and the Act in favor of the Act as applied by the agency administering the Act, and take into account the provisions of the Code only insofar as they are consistent with the Act, as applied by the agency

[4] In *Cast Iron Soil Pipe From Poland*, Commissioner Clubb, after reviewing the legislative history and the *Orlowitz* decision, made the following apt observation of the legislative intent (32 Fed. Reg. at 12928):

"* * * In order to relieve the Customs Bureau of the necessity of examining every importation for possible violation, the injury test was included. Congress thus made clear that it did not intend that *every* import sold at less than fair value should be subjected to dumping duties. If a competitive article is not produced in the United States, or if the imported article competes only peripherally in the same geographic or product market, Congress has provided for the consumer to benefit from the lower prices, rather than the domestic producer from peripheral protection. *But where the competition is direct, and the price is unfair, Congress has insisted that the dumping duties be imposed.*" [Italics added.]

administering the Act.[5] In short, any effort to modify the Act was rejected. *See* Pintos and Murphy, *Congress Dumps the International Antidumping Code*, 18 Cath. L. Rev. (1968); *see also* Long, *United States Law and the International Anti-Dumping Code*, 3 Int'l Law. 464 (1969), cited with approval by this Court in *City Lumber, supra*.

The Congressional reaction to the Code is pertinent in the present context because one of the key criticisms voiced in the Senate related directly to the Code's treatment of the injury question (*S. Rep. No. 1385, Part 2*, 90th Con., 2d Sess. 11 (1968) *reprinted in* (1968) U.S. Code Cong. & Ad. News, 4548–49):

"[U]nder the statute, the question to be explored is whether the dumped imports cause (or threaten) injury, not the extent to which other factors unrelated to the dumped imports may discount the effects of dumping. *An industry which is prospering can be injured by dumped imports just as surely as one which is foundering although the same degree of dumping would have relatively different impacts depending upon the economic health of the industry.*

"*Applying the literal language of article 3 could lead to the absurd result that an industry which is suffering reverses for reasons unrelated to dumping could get no relief from dumping because other factors were causing its troubles; and that an industry which is prospering despite dumping could get no relief because it is not suffering.* Thus, under the code it would appear that relief from dumping would be available only in the rare instance where an industry is found to be in excellent economic health immediately before the dumping begins and to be suffering losses soon after the dumping begins, and no other reason can be found to account for the reversal. *Such a sharp change from the concept in present law of finding injury when it is more than de minimis cannot be effected without a change in the law.* [Emphasis added.]

Further evidence of the Congressional understanding that a low threshold of injury was contemplated by the Antidumping Act may be found in the Senate Finance Committee's Report on what was to become the Trade Act of 1974, *S. Rep. No. 93–1298*, 93d Cong., 2d Sess., 180 (1974). There, it was stated:

"* * * Under the Antidumping Act, the Commission determines whether a domestic industry 'is being or is likely to be injured, or is prevented from being established, by reason of the importation of' the less-than-fair-value imports. The term 'injury,' which is unqualified by adjectives such as 'material' or 'serious,' has been consistently interpreted by the Commission as being that degree of injury which the law will recognize and take into account. Obviously, the law will not recognize trifling, immaterial, insignificant or inconsequential injury. Immaterial injury connotes spiritual injury, which may exist inside of persons not industries. Injury must be a harm which is more than frivolous, inconsequential, insignificant, or immaterial.

"Moreover, the law does not contemplate that injury from less-than-fair value imports be weighed against other factors which may be contributing to injury to an industry. The words 'by reason of' express a causation link but do not mean that dumped imports must be a (or the) principal cause, a (or the) major cause, or a (or the) substantial cause of injury caused by all factors contributing to overall injury to an industry.

"In short, the Commission does not view injury caused by unfair competition, such as dumping, to require as strong a causation link to imports as would be required for determining the existence of injury under fair trade conditions."

In sum, it is clear from a review of the statutory language, judicial and administrative precedents, and relevant legislative comments that the "more than *de minimis*" injury standard was that which the Congress contemplated and that which the administrative bodies have repeatedly employed.

Mr. HEINZ. Mr. President, the committee and the administration quickly came to agreement that we wanted to continue the same test as presently applied by the International Trade Commission in antidumping cases. The controversy arose over our efforts to reduce that standard to writing.

The result is long and detailed, including an extensive definition of "industry," essential to determining injury, and a list of factors to be taken into account in determining injury, which I understand as follows:

In making a determination of injury, the Commission shall take into account all economic factors which it considers relevant and significant under the circumstances, including without limitation the following: The volume of subsidized imports, either in absolute terms or relative to production or consumption in the United States; the effect of subsidized imports on prices in the domestic market for like products; the impact of subsidized imports on the domestic industry in respect of actual or potential decline in output, sales, market share, profit, return on investment, and utilization of capacity; actual and potential negative effect on each flow, inventories, employment, wages, growth, ability to raise capital or investment; any past, present, or potential loss of business to subsidized imports, potential increase in the level of inventories of such products in the United States. No one or more factors shall be essential to a finding of injury.

In determining injury caused by subsidized imports, the Commission shall not weigh against the effects of the subsidized imports other factors which may, at the same time, also be injuring the domestic industry.

Subsidized imports need not be a principal cause, a major cause or a substantial cause of injury to an industry when other factors may also be contributing to injury to an industry.

At this point, Mr. President, I ask the distinguished chairman of the subcommittee, Senator RIBICOFF, whether his understanding of the injury test is the same as mine as I have outlined it here.

Mr. RIBICOFF. My response to the distinguished Senator from Pennsylvania is that I have not seen the Senator's insert so I cannot comment on it. However, I have followed the Senator's statement as to injury very carefully and will state that his statement as to injury is correct.

Mr. HEINZ. I thank the Senator from Connecticut.

Mr. President, the critical question of the threshold of material injury was resolved with the statement that injury is "a harm which is not inconsequential, immaterial, or unimportant."

It is my view, and the committee report confirms it, that this language is intended to create a test identical to and no more difficult to meet than the present standard of the Antidumping Act.

Further, it is important to note that the terms "inconsequential," "immaterial," or "unimportant" are disjunctive; that is, connected by the word "or." It was the committee's intention in drafting the phrase this way to make clear that a quantum of injury need meet only one of these tests to qualify as material injury. That is, injury which is not unimportant is material injury; as is injury which is not inconsequential or not immaterial.

Further, much of the committee's debate concerned whether injury was a harm which is more than inconsequential, immaterial, or unimportant, or a harm which is not inconsequential, immaterial, or unimportant. It was the conclusion of both the Finance and Ways and Means Committees, concurred in by Ambassador Strauss when he spoke to the committee on their final day of consultations, that there is no substantive difference between these terms and that both reflect the existing standard.

The Senator from Connecticut was deeply and constructively involved as was the Senator from Louisiana, the chairman of the committee, in the resolution of this particular matter. I ask him at this point whether my understanding of the intent of the committee and the administration on this threshold issue is correct.

Mr. RIBICOFF. I respond to the Senator that the Senator's understanding is correct. The committee intends that the decisions of the ITC, between 1975 and this year under the Anti-Dumping Act on the whole, represent the standard of injury to be applied under the new countervailing and antidumping laws.

Mr. HEINZ. I thank the Senator from Connecticut.

I would further mention, Mr. President, the language of the injury definition regarding volume of imports. This section is also carefully drafted to make clear that it is not just an increase in the volume of imports that can cause injury, but the absolute level of such imports as well. As a result, domestic industries do not need to show an increase in imports, though that itself is a relevant cause of injury, but instead can show that the level of imports at the time of the investigation or the filing of the petition by itself causes injury. In both cases, of course, the ITC will consider the other factors included in the statute.

Another factor relevant to the determination of injury is causation. Both the codes and the bill make clear that injury must be by reason of subsidized imports. At the same time, however, the committee has made clear that different causes or factors of injury are not to be weighed against each other in an attempt to determine the major or substantial cause of injury; and that a

[5] Clearly, the compromise reached by the Senate-House conferees was understood to carry out substantially the Senate amendment. *See* 114 Cong. Rec. 29888 (1968) (remarks of Sen. Long).

petitioner shall not be required to prove the negative; that is, that he is not being injured by other factors.

One paragraph of the committee report in the section on injury needs some further clarification. That paragraph is as follows:

In making a determination with respect to threat of material injury in countervailing duty investigations, the ITC may consider the nature of a subsidy practice and whether an adverse impact on a domestic industry is more likely to be associated with such a subsidy practice as opposed to what would be the case with another type of subsidy. This is particularly relevant with respect to export subsidies inconsistent with the Agreement on Subsidies and Countervailing Measures, which are inherently more likely to threaten injury than are other subsidies.

I certainly agree that export subsidies are more likely to cause injury than other subsidies and that they must be monitored with particular vigilance. I am concerned, however, that by doing so, we may necessarily be paying less attention to domestic subsidies or in some way taking them less seriously. This worries me, in part because if the codes work the way they are supposed to, we will see fewer export subsidies. I think it is a good idea to dispel any implication in the report that the latter are in any way less important than the former, namely, domestic subsidies, or that the injury test is in any way more difficult to meet in the latter cases. Can the managers reassure me on that point?

Mr. RIBICOFF. I can reassure the distinguished Senator from Pennsylvania that his interpretation and suppositions are correct.

Mr. HEINZ. I thank the Senator from Connecticut.

I am also concerned, Mr. President, over part of the paragraph immediately above the one I have just referred to. The sentence in question reads:

The ITC will continue to focus on the conditions of trade and competition and the nature of the particular industry in each case.

I am concerned that this statement implies the ITC can consider the state of competition within our industry in making its judgment about injury or the threat thereof; that is, the ITC might conclude that an industry is not sufficiently competitive, and that conclusion could then be applied to its injury finding. In my view judgments such as this are entirely within the purview of the Federal Trade Commission, and this bill does not include any such authority for the ITC. Is that correct?

Mr. RIBICOFF. Let me assure the Senator from Pennsylvania that if the ITC finds injury or threat of injury then the bill would in no way permit the Commission to disregard that finding because of any information relating to competition within the domestic industry.

Mr. HEINZ. I thank the Senator from Connecticut.

Another major area of controversy in our negotiations with the administration was the concept of subsidy, both its definition and method of calculation. The existing countervailing duty law does not contain a detailed definition of a subsidy or bounty or grant. Similarly, the concept of net subsidy is undefined, which has led to some serious abuses by the Treasury Department in its attempt to reduce the amount of subsidy to levels sufficiently low to mollify our trading partners.

In order to eliminate this unfortunate practice, the committee has sought to more clearly define the concept. First, we have provided a specific, though not inclusive, list of subsidies including all those listed in annex A of the Subsidies Code, which I ask unanimous consent be included in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ILLUSTRATIVE LIST OF EXPORT SUBSIDIES

(a) The provision by governments of direct subsidies to a firm or an industry contingent upon export performance.

(b) Currency retention schemes or any similar practices which involve a bonus on exports.

(c) Internal transport and freight charges on export shipments, provided or mandated by governments, on terms more favourable than for domestic shipments.

(d) The delivery by governments or their agencies of imported or domestic products or services for use in the production of exported goods, on terms or conditions more favourable than for delivery of like or directly competitive products or services for use on the production of goods for domestic consumption, if (in the case of products) such terms of conditions are more favourable than those commercially available on world markets to its exporters.

(e) The full or partial exemption, remission, or deferral specifically related to exports, of direct taxes[1] or social welfare charges pair or payable by industrial or commercial enterprises.[2]

(f) The allowance of special deductions directly related to exports or export performance, over and above those granted in respect to production for domestic consumption, in the calculation of the base on which direct taxes are charged.

(g) The exemption or remission in respect of the production and distribution of exported products, of indirect taxes[1] in excess of those levied in respect of the production and distribution of like products when sold for domestic consumption.

(h) The exemption, remission or deferral of prior stage cumulative indirect taxes[1] on goods or services used in the production of exported products in excess of the exemption, remission or deferral of like prior stage cumulative indirect taxes on goods or services used in the production of like products when sold for domestic consumption; provided, however, that prior stage cumulative indirect taxes may be exempted, remitted or deferred on exported products even when not exempted, remitted or deferred on like products when sold for domestic consumption, if the prior stage cumulative indirect taxes are levied on goods that are physically incorporated (making normal allowance for waste) in the exported product.[3]

(i) The remission or drawback of import charges[1] in excess of those levied on imported goods that are physically incorporated (making normal allowance for waste) in the exported product; provided, however, that in particular cases a firm may use a quantity of home market goods equal to, and having the same quality and characteristics as, the imported goods as a substitute for them in order to benefit from this provision if the import and the corresponding export operations both occur within a reasonable time period, normally not to exceed two years.

(j) The provision by governments (or special institutions controlled by governments) of export credit guarantee or insurance programmes, of insurance of guarantee programmes against increases in the costs of exported products[4] or of exchange risk programmes, at premium rates, which are manifestly inadequate to cover the long-term operating costs and losses of the programmes.[5]

(k) The grant by governments (or special institutions controlled by and/or acting under the authority of governments) of exports credits at rates below those which they actually have to pay for the funds so employed (or would have to pay if they borrowed on international capital markets in order to obtain funds of the same maturity and denominated in the same currency as the export credit), or the payment by them of all or part of the costs incurred by exporters or financial institutions in obtaining credits, in so far as they are used to secure a material advantage in the field of export credit terms.

Provided, however, that if a signatory is a party to an international undertaking on official export credits to which at least twelve original signatories[6] to this Agreement are parties as of January 1, 1979 (or a successor undertaking which has been adopted by those original signatories), or if in practice a signatory applies the interest rates provisions of the relevant undertaking, an export credit practice which is in conformity with those provisions shall not be considered an export subsidy prohibited by this Agreement.

(1) Any other charge on the public account constituting an export subsidy in the sense of Article XVI of the General Agreement.

FOOTNOTES

[1] For the purpose of this Agreement:

The term "direct taxes" shall mean taxes on wages, profits, interest, rents, royalties, and all other forms of income, and taxes on the ownership of real property.

The term "import charges" shall mean tariffs, duties, and other fiscal charges not elsewhere enumerated in this note that are levied on imports.

The term "indirect taxes" shall mean sales, excise, turnover, value added, franchise, stamp, transfer, inventory and equipment taxes, border taxes and all taxes other than direct taxes and import charges.

"Prior stage" indirect taxes are those levied on goods or services used directly or indirectly in making the product.

"Cumulative" indirect taxes are multi-staged taxes levied where there is no mechanism for subsequent crediting of the tax if the goods or services subject to tax at one stage of production are used in a succeeding stage of production.

"Remission" of taxes includes the refund or rebate of taxes.

[2] The signatories recognize that deferral need not amount to an export subsidy where, for example, appropriate interest charges are collected. The signatories further recognize that nothing in this text prejudges the disposition by the Contracting Parties of the specific issues raised in GATT document L/4422.

The signatories reaffirm the principle that prices for goods in transactions between exporting enterprises and foreign buyers under their or under the same control should for tax purposes be the prices which would be charged between independent enterprises acting at arm's length. Any signatory may draw the attention of another signatory to administrative or other practices which may contravene this principle and which result in a significant saving of direct taxes in export transactions. In such circumstances the signatories shall normally attempt to resolve their differences using the facilities of

existing bilateral tax treaties or other specific international mechanisms, without prejudice to the rights and obligations of signatories under the General Agreement, including the right of consultation created in the preceding sentence.

Paragraph (e) is not intended to limit a signatory from taking measures to avoid the double taxation of foreign source income earned by its enterprises or the enterprises of another signatory.

Where measures incompatible with the provisions of paragraph (e) exist, and where major practical difficulties stand in the way of the signatory concerned bringing such measures promptly into conformity with the Agreement, the signatory concerned shall, without prejudice to the rights of other signatories under the General Agreement or this Agreement, examine methods of bringing these measures into conformity within a reasonable period of time.

In this connection the European Economic Community has declared that Ireland intends to withdraw by 1 January 1981 its system of preferential tax measures related to exports, provided for under the Corporation Tax Act of 1976, whilst continuing nevertheless to honour legally binding commitments entered into during the lifetime of this system.

[3] Paragraph (h) does not apply to value-added tax systems, and border-tax adjustment in lieu thereof and the problem of the excessive remission of value-added taxes is exclusively covered by paragraph (g).

[4] The signatories agree that nothing in this paragraph shall prejudge or influence the deliberation of the panel established by the GATT Council on 6 June 1978 (C/M/126).

[5] In evaluating the long-term adequacy of premium rates, costs and losses of insurance programmes, in principle only such contracts shall be taken into account that were concluded after the date of entry into force of this Agreement.

[6] An original signatory to this Agreement shall mean any signatory which adheres ad referendum to the Agreement on or before 30 June 1979.

Mr. HEINZ. In addition, however, the committee included in its subsidy definition four types of domestic subsidies:

If provided or required by government action to a specific enterprise or industry, or a group of enterprises or industries, whether publicly or privately owned, and whether paid or bestowed directly or indirectly on the manufacture, production, or export of any class or kind of merchandise:

(i) The provision of capital, loans, or loan guarantees on terms inconsistent with commercial considerations.

(ii) The provision of goods or services at preferential rates.

(iii) The grant of funds of forgiveness of debt to cover operating losses sustained by a specific industry.

(iv) The assumption of any costs or expenses of manufacture, production or, distribution.

This list is intended to define as subsidies some of the more egregious practices of our trading partners and to include, among others, the practices and objectives listed in article 11 of the Subsidies Code.

The point of this language and these examples, Mr. President, is to define subsidy broadly so as to catch within the scope of our law as many unfair trading practices as we can. That, of course, does not mean we countervail, because injury must also be found. It was the committee's intent, however, that the Treasury Department, or whatever administering authority ends up with this new law, not resolve petitions by arbitrarily concluding that various practices are not subsidies. Better to define the term broadly, as it ought to be defined, and then use the injury test as it is intended to be used.

Can the managers of the bill confirm for me these comments on the definition of subsidy?

Mr. RIBICOFF. May I respond that I can confirm the Senator's comments, and the Senator is correct.

Mr. HEINZ. I thank the Senator from Connecticut.

While rebates of value added taxes are excluded from the list of subsidies in the code—an unfortunate decision in my view—a difficult issue arises in the case of certain kinds of VAT-like cascade taxes such as the Spanish system, rebates of which are not strictly like rebates of a VAT, because they are not calculated on the exact basis of value added but rather are determined on the basis of an aggregate calculation which is not necessarily an accurate reflection of the real value added of a particular product. When this kind of cascade tax is rebated, individual exporters may receive a bounty in excess of the exact amount of tax paid earlier at various stages of production.

The language of the Senate Finance Committee report on page 85 appears to open the door very slightly to treating this kind of rebated tax as a VAT rather than as a counteravailable subsidy. The language, however, is narrowly drawn by making clear that any payment excluded from the definition of subsidy must be reasonably calculated, specifically provided as on nonexcessive rebate of an indirect tax permissible under annex A of the code, and it must be directly related to the merchandise exported, as opposed to a more general rebate.

As in all cases in this statute, these terms are intended to be adhered to strictly, and the burden is on the recipient of the benefit or his government to show that the payment meets each of the above tests. I can assure the administering authority that many people in this country, including this Senator, will be closely watching any case that might fall in this category and will expect evidence to be thoroughly developed so that it is conclusively established that payment meet these tests. Personally, I am doubtful that the Spanish tax or any similar tax can meet these standards. As the Senator who offered the offset and subsidy definition language incorporated into the bill, I can say it was certainly not my intent that rebates of cascade taxes and the like be treated in this way. If they are, the administering authority had better have an airtight case.

SUBSIDY CALCULATION

Perhaps the issue which has vexed me the most throughout the Finance Committee's consideration of the MTN bill is the question of how a subsidy is calculated. By not clarifying the meaning of net subsidy, present law permits the Treasury Department to abuse the intent of the law by going out of its way to find ways to reduce the subsidy amount.

The new bill takes significant steps toward controlling this problem by clearly defining and limiting permissible deductions from a gross subsidy. The allowable deductions, called offsets, are strictly limited to:

First, any application fee, deposit, or similar payment paid in order to qualify for, or to receive, the benefit of the subsidy;

Second, any loss in the value of the subsidy resulting from its deferred receipt, if the deferral is mandated by government order; and,

Third, export taxes, duties, or other charges levied on the export of merchandise to the United States specifically intended to offset the subsidy received.

The basic concept of an offset is valid. The benefit to a foreign producer attributable to a subsidy ought to be the actual benefit received. For example, if a producer can receive a subsidy only after payment of an application fee, then the actual benefit received should be the gross amount of the subsidy minus the application fee.

Similarly, in the case of the second offset, a subsidy granted in the form of a certificate redeemable only at a future time by government order, the net subsidy would be the gross subsidy minus any loss in its value, for example due to inflation, before it can be redeemed.

To illustrate the limits of this concept, however, if such a certificate were sold before it could be redeemed, the amount of the net subsidy would be the face value of the certificate, not its sale or market value, since the sale was not mandated by the government.

I would ask the distinguished managers of the bill if that is also their understanding.

Mr. RIBICOFF. May I respond to the Senator from Pennsylvania that I have followed his explanation and analysis very carefully, and the Senator is correct.

Mr. HEINZ. I thank the Senator from Connecticut, the manager of the bill.

The third offset established another important principle by allowing offsets for taxes paid related directly to the subsidy in question.

Thus an across-the-board export tax not rebated, for example, could not be offset since the tax was not intended specifically to offset the subsidy. An across-the-board tax would have to be paid whether or not the subsidy existed, and thus is not directly related.

The offset language in the statute is also limited by what is omitted. In its deliberations on this issue the committee explicitly voted to reject two other offsets, and in doing so made clear its intent that these were not to be deducted from a gross subsidy.

First, the committee voted to exclude regional aids. Clearly, a payment for locating a plant in a particular region of a country is a subsidy. However, it has been Treasury's practice to offset such a subsidy with its estimate of any additional costs of locating in that region, inevitably a calculation of great inaccuracy.

The theory is that if the company has a choice of locating in either region A

or B of a country and would normally choose A because the cost to locate in B is greater, a subsidy to offset the cost of locating in B has no effect on exports from the territory of the subsidy-granting country. That is, the price of the product produced in B will be the cost less the subsidy that is equal to the additional location cost plus profit which is the same as the price (cost plus profit) of a product produced in A.

The difficulty with this theory is that this type of subsidy is functionally no different than any subsidy that has the purpose of eliminating a comparative disadvantage. It is also impossible to calculate with any precision the additional location costs with the result that the true effect of the subsidy can be masked. Finally, an offset of this nature would not take into account savings achieved by location decisions, such as labor rate differentials, raw material availability, and so forth.

The other explicit omission is that of indirect taxes not rebated. First, as I have indicated it has been traditional Treasury practice—upheld by the Supreme Court—and GATT procedure that the rebate or remission of indirect taxes (that is, a sales tax or a value added tax—on the export of a product is not a bounty or grant for purposes of the Countervailing Duty Law or article VI of GATT. Typically, a value added tax is a cascade tax: That is, if A produces an automobile axle and sells it to B, A collects a tax on the invoice price which is paid to the government. B further processes the axle and sells it to C collecting a tax again on the invoice price. B deducts from the tax collected from C the amount paid to A and remits the remainder to the government. C then exports the product to the United States. Because of the exportation, C does not collect a value added tax and is entitled to a rebate from the government of the tax paid at the time of the purchase from B. Ordinarily, of course, the tax obligations and remissions are calculated on a monthly gross basis rather than on individual items but the principle remains the same. In the example given, the remission to C of the excise or value added tax paid by C to B upon the export of the product by C would not be considered a countervailable duty or grant. This type of tax is called an indirect tax.

The bounty in lieu of unremitted indirect taxes issue arises under those tax systems where B would not receive credit for the tax paid to A upon the sale to C. Such indirect taxes cannot be rebated on export because they were not "cascaded" through the system. In some countries, which do not have the cascade system, an export rebate is granted equivalent to what is thought to be the indirect taxes that could have been rebated but are not because of the tax system. Treasury has asked for an offset for these types of taxes, but the committee rejected this proposal for a number of reasons. First and foremost, is the fact that the offset ordinarily is no more than a guess as to the amount of the taxes that could have been rebated but were not. Second, because of the lack of cascade effect, the exporter gets an undue amount of benefit from the rebate. Thus his price is likely to be even more affected than it would have been had there been a cascade system. Finally, Treasury should not base U.S. countervailing duty policy on the tax methodologies selected by varying countries.

Do the managers of the bill agree with this analysis as well?

Mr. RIBICOFF. The Senator is correct that the Finance Committee specifically rejected offsets for regional aids and offsets for indirect taxes which are not rebated. The bill reflects this decision of the Finance Committee.

(Mr. HUDDLESTON assumed the chair.)

Mr. HEINZ. I thank the distinguished Senator.

Another problem in the calculation of a net subsidy is the treatment of a nonrecurring subsidy, such as a capital grant for the construction of a plant. The problem is to find a fair method of allocating the subsidy over the products being exported. In the past Treasury has from time to time used unrealistically long-time periods, such as the useful life of the facility, for such allocation, leading to excessively low subsidy amounts. As the report makes clear, greater attention must be paid to the immediate competitive benefit the subsidy provides, and the calculation of the amount of subsidy should reflect that immediate benefit in the initial years of the facility's life.

Finally, with respect to the use of offsets, I want to emphasize the committee's determination that their use be narrowly circumscribed to the three listed in the statute. No others are permitted, and all which do not meet the letter of the statutory language are similarly excluded.

SUSPENSION OF INVESTIGATIONS

Another section of this bill that causes me great concern is the concept of suspension or discontinuance of a countervailing duty or antidumping investigation pursuant to an agreement, with a foreign government in the case of a subsidy investigation or foreign manufacturers in the case of an antidumping investigation.

When the committee discussed this concept there was some suggestion that it was analogous to settling a case out of court, a time-honored practice essential to the smooth and efficient running of the judicial process. In fact there is a major difference. In a suit any settlement is between plaintiff and defendant. In this bill any settlement is effectively between defendant and judge, a very different relationship, especially when the judge is not always neutral.

The original Heinz-Moynihan bill did not allow for any assurances or suspensions. Ultimately we agreed to permit them under certain narrowly constrained circumstances, which I would like the managers of the bill to confirm for me.

First, in almost all cases any assurance must involve the complete elimination or offset of the unfair practice. That is, in a countervailing duty case, the subsidy must be fully removed or offset or the imports stopped. In an antidumping case, the dumping margin must be eliminated or the imports stopped. Note that in a countervailing case, I said the subsidy must be fully eliminated or offset. If a subsidy, for example, were a capital grant to build a factory, a simple promise by the government providing the subsidy to eliminate the program in the future would hardly undo the damage done. In those cases the subsidy must be fully offset. In all such circumstances, any increase in imports during the 6-month period of phase-out of the subsidy or less than fair value sales would be prohibited.

Beyond this basic standard, the statute will permit some cases of a less than full assurance. It is the intent of the committee that such cases be rare and exceptional, and that each of the qualifying tests be demonstrably met. Those tests are that suspension of the investigation would benefit the domestic industry more than its continuation and that the case is complex, meaning that there are a large number of complicated subsidy practices or a large number of transactions of adjustments in dumping cases, a large number of exporters or novel issues presented. Needless to say, the domestic industry would be expected to have some input into the question of whether it would benefit by an assurance, and I would find it very difficult to believe a judgment that the domestic industry would benefit more from a suspension than a completed investigation if that industry had expressed its opposition to such an action.

If the administering authority can demonstrate extraordinary circumstances exist, then the standard for an assurance would be complete removal of the injurious effect of the subsidy or less than fair value sales. Additionally, an assurance would specifically have to offset at least 85 percent of the subsidy amount or be no greater than 15 percent of the weighted average amount by which the estimated foreign market value exceeded the U.S. price in antidumping cases, and could not suppress or undercut domestic price levels.

Further, any agreement, involving either complete elimination of the subsidy or dumping margin or something less than that, would have to be on behalf of foreign exporters of at least 85 percent of the volume of exports of the product in question.

There are also appropriate procedures and protections for the domestic petitioner which are described in the statute and the report. I also want to emphasize, however, that all these tests are not simply threshold issues which once met can be forgotten. They must continue to be met throughout the life of the agreement for it to remain operative. Thus, for example, if exporters not covered by such an agreement were to increase their exports to the point where the agreement no longer represented 85 percent of the volume of exports subject to the investigation, the investigation would be resumed and, upon appropriate findings, countervailing or antidumping duties, as the case may be, imposed. Similarly, if the domestic petitioner at some later point were able to establish the agreement no longer completely removed the injurious effect of the subsidy or dumping, then the agreement would be ended and duties imposed. It should also be pointed out in this regard that the standard required, complete removal of the injurious effect, is an explicitly lower standard than the material injury standard elsewhere in the bill.

Mr. President, I remain opposed in principle to the practice of suspensions and assurances, largely because it permits a continuation of practices which have, at least preliminarily, been found to be unfair and in violation of the MTN agreements and our law. Nonetheless, with the kind of safeguards and restraints built into this section and with the clear understanding that extraordinary circumstances are to be the rare exception rather than the rule, the provision is tolerable. I would ask the managers of the bill, however, if my understanding of the suspension procedure is accurate.

Mr. RIBICOFF. The Senator has correctly outlined the provisions of the bill dealing with suspensions of investigations. The provisions of the bill are intended to result in suspensions of investigations only when agreements are made with foreign governments or exporters. These agreements must effectively control the subsidized or dumped imports so that they no longer injure domestic industries.

May I comment that I have watched with great interest the dedication of the Senator from Pennsylvania to these very complex problems that impact on his constituency and the country as a whole. He has been most zealous in protecting labor and industry in his State and in the Nation. I compliment the distinguished Senator for his contribution to the overall MTN legislation.

Mr. HEINZ. I thank the Senator from Connecticut, who has chaired the committee for days, weeks, and months of hearings and markups. I do not know how we would have gotten through this bill in such a relatively rapid time without the persistence and patience of the manager of this bill. I thank Senator RIBICOFF particularly for his kind remarks. It has been a learning experience for me, and I appreciate his very kind and generous characterizations of the learning process.

Mr. ROTH. Mr. President, as the Republican manager of this bill, I concur in Senator RIBICOFF's response to each of the inquiries posed by Senator HEINZ. I would also like to acknowledge Senator HEINZ' invaluable contribution to the legislative endeavor. His energy and insight on a number of key issues, I believe, has resulted in many positive improvements in this legislation.

Mr. HEINZ. Mr. President, I would simply like to thank Senator ROTH for his fine and generous comments. This bill, of course, is the result of many, many very patient and painstaking hours of work by a number of members of the committee. I do not know of a single member of the committee, in fact, who did not put in more than his fair share of time. The Senator from Delaware and the Senator from Connecticut are certainly the most preeminent in that regard. I want to say, Mr. President, that without the work of all the members of the committee, I doubt that we would be in the position we are in today, which is having a piece of legislation which deserves the support of every Member of this body.

Thank you, Mr. President.

Mr. BENTSEN. Will the manager of the bill yield me 3 minutes?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from Texas.

Mr. BENTSEN. Mr. President, many words have been said by the people who have participated in this debate, and I am certainly in accord with them. I hear of all this unanimity which is taking place on the floor now, of the wonderful work of ABE RIBICOFF and of BILL ROTH, from Delaware. I am delighted with the support which is being shown for this bill.

My gregarious and very able friend Bob Strauss, the very fine ambassador from Texas, has done an excellent job as the President's Special Trade Representative. His tireless efforts have resulted in the successful conclusion of these landmark trade negotiations. We are all appreciative of that. But there is another man who has been in the day-to-day trade negotiations, slugging it out, a very intelligent and able man, Ambassador Alonzo McDonald, who gave up a highly compensated position to serve his country, and the country is certainly the beneficiary of his outstanding contribution.

Mr. President, I would like to ask the distinguished Senator from Connecticut a question.

As I understand it, under this bill, countervailing duties could be imposed when it is determined that a country is providing a subsidy for products imported into the United States which cause material injury or threat of material injury to a U.S. industry. Further, section 771(12) of the Tariff Act of 1930, as would be added by the bill, would provide that for the purposes of the countervailing duty law, merchandise is to be treated as the product of the country in which it is manufactured or produced without regard to whether it is imported into the United States in the same condition as when exported from that country, or in a changed condition by reason of remanufacture or otherwise.

Also under the bill, antidumping duties could be imposed whenever it is determined that foreign products are being sold in the United States at less than their fair value and such merchandise is causing material injury or threat of material injury to a U.S. industry. Under section 773(d) of the Tariff Act of 1930, as would be added by the bill, a provision in the present antidumping duty law would be continued. Under this provision, if a firm sells products produced in one country at a higher price in the markets of that country compared to the price of sales of the same product to the United States produced by a subsidiary located in a second country, the United States could in appropriate circumstances apply antidumping duties calculated by referring to the higher priced sales even though products from that firm in that country are not actually imported into the U.S. market.

With this background, I am concerned about the following situations. It is my understanding that many foreign companies or enterprises organized and based in one foreign country and receiving direct or indirect subsidies on a product produced in this home country have adopted the practice of manufacturing merchandise which uses the subsidized product in another foreign country and then exporting that subsidized merchandise to the United States. Further, some foreign multinational corporations use higher priced sales and profits in a protected home market to offset lower priced sales to the United States from a subsidiary located in another country so that they can increase their sales in the U.S. market. I do not believe that a foreign enterprise which receives the benefits of a subsidy from its home government, or high prices in its protected home market which permit it to dump from a subsidiary in another country, should escape the application of the U.S. unfair trade laws merely because the subsidized merchandise or the dumped merchandise is exported to the United States from another foreign country.

Is my understanding correct, that it is the legislative intention that the ITC or other administering authority will take account of these factors in administering the trade laws?

Mr. RIBICOFF. The Senator is correct. In the situations described, the merchandise coming to the U.S. market will be subject in appropriate cases to countervailing duties or antidumping duties.

Mr. BENTSEN. I thank the distinguished manager of the bill. I am told that the manager for the minority is in accord with that statement.

Mr. ROTH. Yes, I am happy to say that I am in accord with that statement.

Mr. BENTSEN. I thank the distinguished Senator from Delaware.

Mr. ROTH. I yield 5 minutes to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I rise today to join colleagues on both sides of the aisle in urging approval of H.R. 4537, the Trade Agreements of 1979 I was honored to be the designee of the minority leader in introducing this bill on June 19 with Senator LONG and many cosponsors from both sides of the aisle. Since then, the House has approved the bill by the overwhelming margin of 395 to 7. I believe we in the Senate should also act expeditiously and affirmatively.

Mr. President, H.R. 4537 embodies the results of more than 5 years of international trade negotiations by three administrations, and several months of detailed review of virtually every trade law of the United States. The trade negotiations involved more than countries, and produced the first significant revisions of international rules concerning nontariff barriers to trade since the adoption in 1947 of the General Agreement on Tariffs and Trade. This bill will approve

the new rules and implement their requirements in U.S. law.

But this bill, Mr. President, goes beyond mere implementation of new obligations of the United States. As a result of intensive, bipartisan consultations between the Finance Committee, other committees, and the administration, the bill contains several revisions in our law which, though not required by our international obligations, are consistent with the new agreements and achieve important benefits for our domestic interests.

It is appropriate at this point to reiterate the praise which many colleagues and I have voiced for the many people in both the executive and legislative branches who have worked so hard to produce this imposing trade package. Everybody's honor roll, of course, must begin with Bob Strauss, who showed great skill, imagination, and political acumen in bringing deadlocked international negotiations to a successful conclusion. At least as important, Bob Strauss showed great receptivity and accommodation to ideas from the private sector and Congress, including Republicans and Democrats. I would also extend my thanks to Ambassador Strauss' staff and the many, many support personnel in the executive branch.

There are many individuals in this body also who merit special thanks. Senators HEINZ and MOYNIHAN and Senators DANFORTH and BENTSEN introduced trade bills earlier this year which inspired many of the provisions of this bill relating to countervailing and antidumping duties. Chairman LONG, as well as Senators RIBICOFF and ROTH of the trade subcommittee, were invaluable. Many other Senators made major contributions on various points.

Mr. President, I think the results of all this effort merit our approval. I will not pretend that this trade package is a panacea for our trade deficit or basic economic problems, but I believe it is, on balance, a positive step forward. As a result of this package, our Government should move faster and more effectively against imports which harm our domestic industries through unfair foreign trade practices such as dumping and subsidization. Foreign countries should exert greater descipline on export subsidies which limit our export opportunities, and our Government should be more responsive to complaints of U.S. exporters. Our highly competitive aircraft industry will benefit from trade liberalization. Customs procedures should be fairer here and abroad. Codes on standards and import licensing should reduce trade barriers of those types. We have a foot in the door to some formerly closed export markets, such as foreign government purchases. And consumers should benefit generally from trade liberalization.

Mr. President, we must also acknowledge that there will be some costs to this trade package. Increased cheese imports create problems for our dairy industry, and I hope this body will be specially attentive to assure the continuing viability of this group.

Domestic producers of distilled imports will face greater competition from bottled imports. Other industries will also face increased competition as a result of the reduction of tariffs and other trade barriers.

We must remain vigilant to the needs of both those facing increased imports and those who stand to benefit from increased exports. I was careful to note that our export industries should benefit from the new trade rules. The United States will need to press vigorously for international and domestic enforcement of the new rules. Many potentially beneficial new rules contain qualifications or uncertainties. If the executive branch does not press our case, these rules could result in little benefit to our interests.

I urge, therefore, that we pass this bill, but that we not delude ourselves that trade issues can slip into the background after enactment of this bill and the Export Administration Act. The Congress must assure that the executive branch enforces the new domestic laws and international agreements. We must be prepared to take further action to help the private sector to take advantage of new export opportunities, we must be prepared to take decisive action if foreign competitors take unfair advantage of our more open markets or fail to deliver on their obligations to us. Our businesspeople, workers, and farmers are our biggest asset in rectifying our trade imbalance. We must build on the new opportunities in this trade package and the abilities of our private sector. That must be our continuing effort.

I thank the distinguished Senator from Delaware for yielding.

Mr. RIBICOFF. Mr. President, the Senator from Hawaii (Mr. INOUYE) has asked the following question:

> I notice in the enforcement section of the bill, Title IX, that Section 301 of the Trade Act of 1974 is amended and enlarged. I notice that it states that if the President determines that action by the United States is appropriate to enforce the rights of the United States under any trade agreement or to respond to any act, policy, or practice of a foreign country or instrumentality that is, among other things, and I quote, "unjustifiable, unreasonable or discriminatory or burdens or restricts United States commerce;" he may act under Section 301. Later in the same amendment I notice under the section dealing with special provisions that it is determined that an act or policy or practice by any country or instrumentality that burdens or restricts United States commerce may include the payment by a foreign country or instrumentality, directly or indirectly, of subsidies for the construction of vessels used in the commercial transportation by water of goods between foreign countries and the United States. Because the language I have just quoted adds a new dimension to Section 301 of the Trade Act, it can in effect give a complaining party, indeed the President if he takes such action, the ability to impose the burden *"expost facto."* There are vessels now both under foreign-flag and indeed under U.S.-flag that were built in foreign countries and built with subsidies. Indeed, there have been contracts let long before this bill became a reality for the construction of vessels in foreign countries both for American-flag and foreign-flag with subsidies. I would assume the Senator from Connecticut would agree that the imposition of this new expansion of Section 301 was not intended to place the potential of a retroactive penalty or duty on vessels that were already built or under contract at the date of enactment of this legislation. In other words, if there are vessels already in existence or contracts to build vessels already signed and effective, these existing vessels and the vessels to be built under the contracts were not intended to be covered by this language but that it would only apply to vessels and contracts involving vessels constructed subsequent to the date of enactment of this legislation.

The Senator from Hawaii is correct. This language is added to give a potential right to an aggrieved American shipyard if he can show that the foreign subsidies on shipping constitute a burden and restrict U.S. commerce. It is clearly not intended that this expansion of section 301 would affect existing vessels, or, as a matter of policy, to vessels that are already contracted for prior to the date of introduction of this legislation. Clearly, this could have a serious impact on our relations with certain countries. But, while as a matter of policy these vessels may be excluded, the existence of the language for its application in the future should constitute a warning to those countries that, while they may grant subsidies for construction of vessels, they cannot do so if the form of that grant constitutes a burden or restriction on U.S. commerce.

I am glad the Senator from Hawaii raised the point.

Mr. DANFORTH. Mr. President, will the Senator from Delaware yield me as much time as necessary to make some remarks and then to engage in a colloquy with the distinguished managers of the bill?

Mr. ROTH. Yes, Mr. President, I so yield.

Mr. DANFORTH. Mr. President, over the last few decades an increasing number of U.S. industries from every section of the country have faced growing and aggressive foreign competition. Much of this competition has been fair. It is welcomed. Some of the competition has been unfair, taking the form of subsidized or dumped imports. The latter is not welcomed and must be stopped.

Coping with unfair trade practices was a major focus of the recently concluded Tokyo round of the multilateral trade negotiations in Geneva. The reforms agreed to in Geneva are one step in the process of securing fairer trade practices. Another important step is embodied in H.R. 4537, the "Trade Agreements Act of 1979."

I am a cosponsor of H.R. 4537. The legislation contains many improved procedures for enforcing the laws now on our books—specifically, the 1921 Antidumping Act and the Tariff Act of 1930, the countervailing duty law. Many of the provisions against unfair foreign competition embodied in H.R. 4537 are similar to provisions and concepts embodied in S. 223, a bill which I introduced earlier this year along with 20 of my Senate colleagues.

That bill, and S. 3127, introduced in the 95th Congress, were based on the belief that such unfair trade practices

as dumping and sales of subsidized goods, although clearly proscribed under long existing law, were, until the passage of H.R. 4537, without timely and effective remedy because the enforcement procedures under existing law were inadequate. The concepts embodied in S. 223 and now found in H.R. 4537 would continue the process, begun in the Trade Act of 1974, of assuring a swift and certain response to illegal dumping and sales of subsidized goods by tightening enforcement procedures.

In the past, four principal problems stood in the way of fair, swift, and effective enforcement of our laws against unfair trade practices:

First. The Treasury Department's failure to initiate its own antidumping and countervailing duty investigations and, in fact, a general movement toward hindering the ability of domestic firms to instigate investigations by filing petitions;

Second. Periods for investigations and delays in obtaining relief that were unnecessarily lengthy;

Third. Lax enforcement after the investigation was completed, permitting lengthy postponement of antidumping duties, or an outright waiver of the duty in some countervailing duty cases;

Fourth. Judicial review provisions which were not sufficiently broad in their scope to check abuses of the wide discretion possessed by the Treasury and the International Trade Commission.

S. 223 addressed these and other problems. H.R. 4537, by embodying many of the provisions and concepts of S. 223, remedies these shortcomings in the enforcement of our country's unfair trade competition laws.

I would like to discuss with the floor manager and my other colleagues on the floor a number of the provisions of H.R. 4537, dealing with the procedural mechanisms and the enforcement responsibilities under our now amended international trade laws. Before I do, though, I would like to make a number of general observations:

First. H.R. 4537 rejects a protectionist approach. It embraces, rather than abandons, the goal of free trade. It will help foster free and fair competition by offering effective procedures for dealing with such marketplace distortions as discriminatory pricing and unfair subsidization by foreign governments.

Second. Any trade legislation should be dedicated to the principle that free trade must mean fair trade—that free competition must also mean fair competition. It is not free trade and it is not fair trade if Americans play by the rules and our competitors do not. It is not free and it is not fair if foreign manufacturers have ready access to our markets and we in turn are shut out from their home markets.

In the midst of growing cries for "protectionist" measures, we should not abandon our commitment to free competition until we first do a much better job of assuring that trade competition is fair. That was the simple and straightforward purpose of the legislation I introduced—and I believe it is the purpose of H.R. 4537.

Third. Some doctrinaire free trade advocates adopt the view that any restrictions on the market are inconsistent with free trade, and brand as "protectionist" those of us who advocate vigorous enforcement of existing antidumping and countervailing duty laws. I reject such arguments. As the Finance Committee report on the Trade Act of 1974 clearly states, the Antidumping Act "is not a 'protectionist' statute designed to bar or restrict U.S. imports, rather, it is a statute designed to free U.S. imports from unfair price discrimination practices."

The danger that Government subsidies and dumping will result in adverse distortions of free trade has been recognized for decades in our own law and in the laws of all our major trading partners. Our countervailing duty statute was originally enacted in 1897, and our antidumping statutes were enacted in 1916 and 1921. It has been recognized by the General Agreement on Tariffs and Trade since 1947, and by international conventions considerably before that date, that member nations have a right to take action against certain unfair trade practices such as dumping or export subsidization without fear of reprisal from the offending nation.

Fourth. Finally, the cornerstone of free trade theory is that consumers should be free to seek the cheapest and best products available anywhere in the world. Whereas some "free traders" argue that dumped products or subsidized imports should be permitted as a benefit to consumers, it is possible to demonstrate that the U.S. consumer's interests are not served by such practices. Whereas there may be lower prices in the short run, the long run impact is likely to be higher prices and greater profits for the foreign producers once the domestic competition has been crippled.

The provisions of H.R. 4537 which I would like to discuss are those dealing with:

First. Self-initiation of investigations by the administering authority in both antidumping and countervailing duty cases;

Second. Initiation of an investigation by petition and the test to be employed by the administering authority to determine the petition's sufficiency in both antidumping and countervailing duty cases;

Third. The process by which a preliminary determination is reached and the test to be used by the administering authority in rendering an affirmative preliminary determination in both antidumping and countervailing duty cases;

Fourth. The requirement that information relied upon by the administering authority in reaching its determinations be verified in both antidumping and countervailing duty cases;

Fifth. The establishment of fixed time periods for the assessment and collection of duties emphasizing that the process of assessment and collection by the Customs Service is ministerial in nature, without discretion, thereby subjecting the Customs Service to a Writ of Mandamus for failure to perform in both antidumping and countervailing duty cases;

Sixth. The requirement of hearings, upon request, before a final determination is issued by both the administering authority and the ITC in antidumping and countervailing duty cases; and

Seventh. The provision within the judicial review title of the bill providing for expedited interlocutory appeals from a negative preliminary determination or a request to extend the time for the preliminary determination in both antidumping and countervailing duty cases.

Mr. President, at this point, I want to make some further remarks and engage in a colloquy with the distinguished chairman of the Subcommittee on International Trade.

First. With respect to self-initiation of the countervailing duty or antidumping investigation by the administration authority, in the last decade, the Treasury Department has not conducted a single investigation on its own initiative under the countervailing duty or antidumping statutes. It is my understanding that Congress intends by this bill that the administering authority aggressively pursue investigations on its own initiative.

With respect to sections 702 and 732 of the bill, I ask the distinguished floor manager, is it not true that under section 702(a) and 732(a), a countervailing duty or antidumping investigation is to be commenced when the administering authority determines from any information before it that a formal investigation is warranted into the question of whether dumping or the importation of subsidized goods is occurring or threatens to occur?

Mr. RIBICOFF. The answer is, "yes."

Mr. DANFORTH. Would it not be fair to say that the legislation contemplates that if the information is present establishing the likelihood of the existence of the elements of a dumping or countervailing duty allegation then there is no discretion, but the administering authority must initiate a formal investigation?

Mr. RIBICOFF. Yes.

Mr. DANFORTH. Is it not the intent of Congress that the administering authority impose upon itself the same test to determine whether to self-initiate an investigation under sections 702(a) or 732(a) as it employs in determining the sufficiency of a petition under sections 702(b) or 732(b).

Mr. RIBICOFF. The Senator is correct.

Mr. DANFORTH. Now, with respect to initiation of countervailing duty or antidumping investigation by petition, in countervailing duty cases under present law, Treasury has almost total discretion in deciding whether to accept a petition for investigation. There is no time limit on the period during which Treasury reviews a petition before accepting it for filing and subsequent investigation. In antidumping cases, under present law Treasury has 30 days upon receipt of information to decide whether to initiate an investigation. There is no standard set in law. By regulation a petition is to be accepted if it contains information "sufficient to form the basis for an initia-

tion of an investigation." Under such a test, Treasury by regulation has total discretion.

Treasury, by regulation, has imposed burdensome informational requirements on petitioners. This has had a chilling effect on the filing of petitions, especially by small- to medium-size firms or industries.

Under section 702 (b) and (c)(1) (countervailing duty) and section 732 (b) and (c)(1) (antidumping), the administering authority must commence an investigation if it determines, from the face of the petition, that the petitioner has pleaded the elements necessary for the imposition of the applicable duty and the petition is accompanied by information reasonably available to the petitioner supporting those allegations. This determination must be made within 20 days.

My questions in this regard are as follows:

Is it not the intent of Congress that the administering authority use the same test in determining the sufficiency of a petition as our Federal courts, today, employ in determining whether a complaint states a claim upon which relief can be granted?

Mr. RIBICOFF. The answer is "yes."

Mr. DANFORTH. Should not the administering authority, like the courts, look only to the four corners of the petition—the pleading—and the information filed supporting the allegations and not elsewhere?

Mr. RIBICOFF. Definitely yes.

Mr. DANFORTH. Since, at this stage, it is not the intent of Congress to have ongoing an advocacy proceeding, petitions or information seeking to rebut the allegations should not be considered by the administering authority, is this not correct?

Mr. RIBICOFF. That is correct. This is not to say, however, that the administering authority, like a court, may not take "judicial notice" of facts within the public domain.

Mr. DANFORTH. How much supporting information should be required of the petition?

Mr. RIBICOFF. It is the intent of this legislation that the determination as to the information reasonably available to any petitioner be made in light of the circumstances of each petitioner.

Mr. DANFORTH. Should the "reasonably available" information requirement be the basis for the administering authority refusing to proceed with an investigation?

Mr. RIBICOFF. No.

Mr. DANFORTH. Mr. President, with respect to preliminary determinations under the countervailing duty and antidumping statutes, the preliminary determination is a crucial point in both an antidumping and countervailing duty investigation. That is because it is then that suspension of liquidation occurs—contingent liability attaches. It is like a yellow stoplight which signals that a red light is coming shortly.

Under this bill, with respect to countervailing duties, section 703 of the bill provides that within 85 days after a petition is filed or an investigation is self-initiated, the administering authority shall make a preliminary determination. The preliminary determination may be extended up to 150 days after the date on which a petition is filed. Under the antidumping provisions of the bill, section 733 provides that within 160 days after a petition is filed, the administering authority should make a preliminary determination. Expedited preliminary determinations may be made within 90 days after the commencement of the investigation.

The preliminary determination may be extended up to the 210th day after the date on which a petition is filed.

(Mr. HEFLIN assumed the chair.)

Mr. DANFORTH. My questions in this regard are as follows:

Under the legislation, when the shorter time periods for the preliminary determinations are not enough, more time is provided. However, in light of the importance of expeditious investigations, the statute narrowly circumscribes the administration's authority to extend the time period. Is it not the intent of Congress that extensions should be the rarest of exceptions?

Mr. RIBICOFF. The answer to the distinguished Senator from Missouri is, definitely, yes.

Mr. DANFORTH. Is it not the intent of Congress that the test the administering authority must use in reaching its preliminary determination is a low threshold test—a test based on the best information available at that time as to "whether there is a reasonable basis to believe or suspect"—statute. And, that this test envisions that, based upon this best available information, if on the face of the information sales at less than fair value exist or are likely to exist or a subsidy is being provided an affirmative preliminary determination must be issued.

Mr. RIBICOFF. The answer is, "Yes."

Mr. DANFORTH. When we talk about accepting a pleading or fact on its own face, it is not true, then, that the fact pleaded is presumed to be true unless disproved by information to the contrary?

Mr. RIBICOFF. The answer is, "Yes."

Mr. DANFORTH. Is not the language within both sections 703 and 733—"whether there is a reasonable basis to believe or suspect" the same as under current antidumping law?

Mr. RIBICOFF. Again, the response is, yes.

Mr. DANFORTH. But it is not the intent of Congress, by incorporating such language into H.R. 4537, to be an endorsement of past and current practices of Treasury in the making of preliminary determinations, is it?

Mr. RIBICOFF. The answer to the question is, "The Senator is correct."

Mr. DANFORTH. Under current practice, as was made clear by Treasury officials during the consultative meetings with the Finance Committee on this bill, for all practical purposes the preliminary determination was the final determination. It is the intent of Congress that such practice is no longer to be continued by the administering authority, is that not correct?

Mr. RIBICOFF. Yes, it is.

Mr. DANFORTH. Is it not true that the phrase "whether there is a reasonable basis to believe or suspect" envisions a low threshold test for the preliminary determination—a test that defines "reasonable" to mean within the bounds of commonsense and to "believe or suspect" to mean to surmise to be true or be probable?

Mr. RIBICOFF. Again, the response is, "Yes."

Mr. DANFORTH. Mr. President, with respect to the assessment and collection of duties, under current law, especially as it is applicable to antidumping cases, there are no time limits on the assessment and collection of duties.

According to a September 1978 GAO report of the administration of the Antidumping Act, the average delay in the collection of duties is 3 to 3½ years.

Sections 706 and 736 of this bill address these questions. It is to those sections that the following colloquy is addressed.

Is it not the intent of Congress to place an affirmative duty on the Customs Service to assess and collect special antidumping and countervailing duties?

Mr. RIBICOFF. Yes; and it is a duty in the nature of a ministerial task, a duty without discretion.

Mr. DANFORTH. By that the Senator means that any failure to perform would subject the Customs Service to the issuance of a writ of mandamus.

Mr. RIBICOFF. The Senator from Missouri is correct.

Mr. DANFORTH. With the exception of the provision for the 90-day period under the antidumping law, is it not true that during the interim between the publication of either an antidumping or countervailing duty order and the collection of the special duty, estimated duties are to be paid?

Mr. RIBICOFF. Yes; again, the collection of estimated duties is mandatory, subjecting any failure to collect to a writ of mandamus.

Mr. DANFORTH. While estimated duties are to be paid during the interim, the payment of estimated duties should not be reason for anything but an expeditious assessment of the final special duty, is this not correct?

Mr. RIBICOFF. The answer is "Yes."

Mr. DANFORTH. Now, with respect to verification of information.

There is no provision in current law requiring Treasury to verify information it relies upon in making decisions under either the antidumping or countervailing duty laws. Numerous complaints have been voiced concerning Treasury's practice on verification of information submitted to Treasury in countervailing and antidumping investigations, particularly information submitted by foreign governments.

For example, on January 1, 1977, a petition was filed with Treasury alleging that a number of programs instituted by the Government of Uruguay to its domestic leather wearing apparel manufacturers constituted the offering of a bounty or grant—subsidy. One of the offending practices was the use of export rebate certificates—known as a re-

integro tax—alleged to be at a rate of about 26 percent. An internal investigation by Treasury established that the use of reintegro tax may constitute an illegal subsidy practice. Throughout the spring, summer, and fall of 1977. Treasury investigated the allegations corresponding on numerous occasions with the Minister of the Uruguay Embassy in Washington to obtain information on the programs, specifically the reintegro tax.

In October 1977, Treasury and Uruguay officials met for 3 days. The result of those meetings was that Uruguay convinced Treasury as to the legality and fact of numerous offsets to the reintegro thereby reducing its rate from 26 to 11 percent. Uruguay further agreed to a plan whereby it would, over a period of time, eliminate its subsidy programs on leather products.

Once Treasury agreed to a significant reduction in the effective rate of the reintegro tax, then it could accept a gradual phase-out of the tax over a period of years, assuming that U.S. industry was not being significantly injured because of the reintegro program on Uruguayan leather exports.

At the culmination of the October 1977 meetings, Uruguay agreed to supply Treasury with the backup information justifying the rate reduction in the reintegro program.

In November 1977 Treasury met with representatives of the U.S. leather industry. The latter opposed the Treasury agreement with Uruguay on the ground that the reintegro was at a rate of 26 percent and offered facts and figures to disprove any reduction to 11 percent. Treasury refused to listen.

An internal Treasury memorandum of January 13, 1978 explains why Treasury refused to listen to U.S. industry arguments that the information given to Treasury by Uruguay was incorrect. This memorandum was written to Mr. Mundheim from a Mr. Self and was approved by Mr. Mundheim. To quote from page 5:

> Finally as to the allegation relating to Treasury's failure to verify the information it has received it is customary for the Department not to go through the standard verification process performed in antidumping investigations if the information is supplied by the government itself. So long as the government is willing to assure the accuracy of the data they present, it is not necessary that a verification be performed.

The memorandum went on to recommend that a final determination that bounties are being paid be issued for leather apparel but that a notice waving countervailing duties on certain products likewise be issued.

In early 1978, one of the petitioners in the Uruguay leather apparel investigation filed a Freedom of Information Act request seeking the supporting information as to the figures given Treasury by Uruguay at the October 1977 meetings justifying the reduction in the reintegro from 26 to 11 percent. A letter to that petitioner from Treasury dated May 10, 1978, said that such information was never received by Treasury.

In the new law, under section 776 of the bill, procedures for verification of information are provided, and it is to these provisions that my questions are now addressed.

Is it not true that under section 776 all information relied on by the administering authority in making a final determination in an investigation regarding either subsidized or less-then-fair-value imports must be verified unless in an antidumping investigation verification is waived under the procedure for a rapid preliminary determination?

Mr. RIBICOFF. The response to the Senator is "Yes."

Mr. DANFORTH. What if the administering authority is unable to verify the information submitted, say by a foreign government? Is it not true that the administering authority then must rely on the best information available, which may include the information submitted in the petition?

Mr. RIBICOFF. Yes. The bill also provides that whenever a party or any other person refuses or is unable to produce information in a timely manner and in the form required, or otherwise significantly impedes an investigation, both the administering authority and the ITC must use the best information otherwise available.

Mr. DANFORTH. With respect to hearings, under section 774 of the bill, hearings must be held by the administering authority before a final determination in either an antidumping or a countervailing duty case and by the ITC before its final injury determination under the same laws. There must be notice of the hearings published and a transcript prepared.

Are these hearings subject to the provisions of the Administrative Procedure Act?

Mr. RIBICOFF. No.

Mr. DANFORTH. However, in light of the changes embodied in the judicial review provisions of this bill (title X), specifically as relates to review under a substantial evidence test, is it not the intent of Congress that parties be afforded every reasonable opportunity to respond to information submitted by other parties?

Mr. RIBICOFF. Yes.

Mr. DANFORTH. With respect to judicial review and expedited appeals of interlocutory orders, my reference here is to section 1001 of the bill, which amends section 516 of the Tariff Act of 1930 by adding a new section 516A.

Is it not true that Congress decision in providing for appeals from either a negative preliminary determination or a decision to extend the time for such a determination—decisions which are interlocutory in nature—is because the preliminary determination is the crucial stage in either an antidumping or countervailing duty investigation? Further, it is crucial because an affirmative preliminary determination results in suspension of liquidation of the merchandise covered by the determination.

Mr. RIBICOFF. Yes.

Mr. DANFORTH. Would it be correct to say that Congress decided on an expedited appeal of these interlocutory orders so as to provide a check on any abuse by the administering authority in using the extended time for a preliminary determination, except in only the rarest of cases, or issuing negative preliminary determinations so as to get more time or employing something more than a low threshold test for its preliminary determination?

Mr. RIBICOFF. Yes.

Mr. President, before we complete this colloquy, I wish to state to the Members of this body that the Senator from Missouri, a member of the Finance Committee and its Subcommittee on International Trade, by his questions and his sharp intellect, has made a great contribution to all our work. I do not believe any other Member of this body has a broader grasp of this whole subject than does the Senator from Missouri. I compliment him and again state what a privilege it has been to work with Senator DANFORTH during this entire MTN.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. ROTH. Mr. President, as the Republican manager of the bill, I concur in each of Senator RIBICOFF's responses to the questions propounded by Senator DANFORTH.

I also think it is appropriate to recognize Senator DANFORTH's great contribution to the answer before us. Through his leadership, together with that of Senator BENTSEN, we now have effective and timely provisions by which the antidumping and countervailing duty laws shall be administered. This contribution, among the others he has made to our effort, is one of the telling reasons why the bill has such broad support. I appreciate his intelligence and contribution.

Mr. DANFORTH. Mr. President, I appreciate very much the forbearance of both managers of the bill in engaging in this colloquy, and I particularly appreciate the efforts of Senator RIBICOFF and Senator ROTH in connection with this bill.

Today, as a matter of fact, is the culmination of a very long, often somewhat tedious and dry effort, going back a couple of years, when, from my standpoint, I became interested in the question of trade procedures and the fact that the trade procedures we have had on the books have been basically unenforceable. It does not do very much good to have laws on the books if they are not enforceable.

So we undertook to get into the whole question of the procedural aspects of trade enforcement. In my office, we had the intrepid efforts of Kermit Almstedt, one of my legislative assistants, and other people, including Frank Melton, who is no longer in my office but who spent countless hours, days, and weeks going over the procedures involved. Throughout, we had great cooperation from Bob Cassidy of the Finance Committee staff and from the distinguished chairman and ranking minority member of the International Trade Subcommittee of the Finance Committee.

Also, the provisions which became S.

223 and then were incorporated largely into this bill, relating to procedures, were joined in by a number of cosponsors on both sides of the aisle, particularly and most actively by Senator BENTSEN, who, together with his staff, really proved to be invaluable in moving this effort forward.

The people with STR—the staff of the Special Trade Representative—and Ambassador Strauss, himself, were most cooperative in working out these exceptionally detailed, somewhat dry procedural aspects. I am convinced, as a result, that we have in this bill something which is going to be of real benefit to our economy in the United States and which will put international trade on a much more fair basis than it has been in the past.

Finally, it is almost unbelievable to me that here we are, about to vote on this implementing legislation of the MTN. It is a bill which is very, lengthy, very, complicated. It affects the economy of our country, and takes into account numbers of often competing and conflicting economic interests within the United States, while at the same time involving our relations with 80 or 90 countries around the world. This bill is going to have tremendous impact worldwide. And now we are about to vote on it with, as far as I know, no strong opposition whatever.

I think that this is a tremendous tribute to the great effort that was put in over a period of years by our Special Trade Representative and his staff. If anyone can work out a lasting peace in the Middle East, I am absolutely convinced it is Ambassador Bob Strauss. What a tremendous individual he is and what a remarkable team he was able to put together: Ambassador McDonald, Ambassador Wolff, Dick Rivers, and all the others who joined in this effort.

When it came to the Finance Committee, there were lengthy consultative hearings that were held and great involvement of members of the Finance Committee and members of the staff both within our committee and in the conference that was held with the members of the Ways and Means Committee. I think we have really done something which is a major step forward for the economy of our country and which will put us on a much better basis in competing in international markets than we have been to date.

We have a big step to take, as has been pointed out earlier by Senators RIBICOFF and ROTH, and we have to go forward with a new Cabinet-level Department of Trade. It is not enough to just have rules on the books and effective procedures on the books. We have to have an aggressive department which is able to implement and enforce the laws which we have.

I am most hopeful that the initiatives that have been taken by the distinguished managers of this bill will come to fruition when and if we have a Depart of International Trade.

I thank the floor managers for their effort.

Mr. BENTSEN. Mr. President, I was pleased to have joined with Senator DANFORTH earlier this year in sponsoring S. 223, the International Trade Laws Reform Act, which would provide timely and effective relief to American industries injured by unfair trade practices. Many of our original proposals are included in the MTN legislation now before the Senate. I know of his diligence and contribution to this piece of legislation and I enjoyed very much working with Senator DANFORTH. I believe we must now proceed with our other efforts such as the Export Trade Association Act which would encourage American firms, including smaller and medium-sized businesses, to participate in export activities on a joint basis enabling them to benefit from economies of scale and sharing of market information.

Mr. RIBICOFF. Mr. President, I am pleased to yield to the distinguished Senator from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. Mr. President, I thank our beloved colleague, if I can use that term.

Mr. President, I wish to follow from the remarks of my friend and colleague from Missouri in stressing the national debt to Ambassadors Strauss, Wolf, and McDonald, Mr. Rivers, Mr. Greenwald, and their colleagues.

I think the Senator from Missouri will agree that they were joined in this enterprise by two exceptionally dedicated, capable persons, the chairman of the Subcommittee of International Trade, the Senator from Connecticut, and his colleague Mr. ROTH, the Senator from Delaware.

That we are about to accept this momentous measure is a mark of the Senate's trust in these two men.

And if the Senator from Delaware will not mind my singling out our senior colleague I will do so. He will not again put a trade bill through the Senate, but there has never been one more noble in its purpose than the one we consider today. It is the singular fact of this bill that it does not repeat the patterns of the GATT negotiations of the last generation. It begins a new era, and it is a new era that has one specific purpose above all: To see that nontariff barriers to trade come down. It is an effort as momentous as that begun by Cordell Hull about a half century ago when he began the reciprocal trade agreements program of the U.S. Government. And when he did, it was clear in his mind, as in his pronouncements and those of President Roosevelt, that to speak about freedom of trade was also to speak about freedom in its larger sense. The relation between these two ideas—free trade, and broader principles of liberal democracy—persists.

What we have found is that the expansion of trade has been enormously successful. And this has been largely in response to American initiatives. But, the steady rise of state socialism and state capitalism has meant that more and more barriers are erected against American exports, and where subsidies result in more and more exports here. More than any other industrial nation in the world the United States has lost jobs through trade. And the region of the country I represent has suffered most. The purpose of this agreement is to stop that hemorrhage of American jobs and industries profits. I have worked to make that possible.

We have seen in the provisions for steel, textiles, leather, chemicals, and wearing apparel that the treaty is designed to meet those problems which are specifically before us. But it is also designed to deal with a new regime of dispute settlement in trade matters. We have never had that, partly because reduction of tariffs—the principal objective of previous trade negotiating rounds under the GATT left a kind of passive system. Tariffs enforce themselves. Now we have negotiated codes of behavior. For example the standard codes on American industry standards designed to protect such things as OSHA and the EPA regulations. We are not going to let other nations define what we believe and have written into law are sufficient health and safety standards for our society, just as we are not going to let them override and ruin one by one our industries through unfair competition.

But as to section 301 of the Trade Act, the international dispute settlement mechanism will only work if the executive branch makes it work, and there has been no one message more emphatic from first to last, from Senators RIBICOFF and ROTH and from their colleagues, than that we have not been satisfied with the performance of the executive branch in the past.

I recall the occasion of one of the hearings when I asked a Deputy Assistant Secretary of the Treasury responsible for the administration and enforcement of the antidumping and countervailing duty laws how much revenue had been collected in countervailing tariffs the previous year. Neither he nor anyone else in the room had the faintest idea. Such was their enthusiasm of application of existing law.

What we will have to have, if we are going to make a success of this dispute settlement mechanism, is a cadre of young men and women with fire in their belly brought to Government for the purpose of seeing that this works. They will have to know the high purpose of their responsibilities, knowing it to involve not only the question of freedom of trade but also questions of freedom of the world itself.

It is not going to be enough for people who are embarrassed to protect America and American jobs to have these responsibilities. It would have to be people who will know that this is a test of whether or not the world with real trade will deal fairly with us. If not, something of great value will be lost.

We are making the bet today that that will happen. We will have something to say about it as we deal with the President's proposed reorganization of trade policy. I know the Senators from Connecticut and Delaware have specific thoughts on that.

But I am here to say that I altogether support the bill before us, but I support it on the condition that the pledges made by the administration that American workers' jobs will be protected from unfair and often dishonest dealings will be

kept. They can be. But remember that the trust imposed upon us in recommending this bill to the Senate is a trust that extends past its passage this afternoon. It extends into a generation of trade practices ahead when Americans will train themselves and equip themselves to defend the rights which we obtain under this new treaty.

I ask unanimous consent that a statement by John Lyons, general president of the International Association of Bridge, Structural and Ornamental Ironworkers be printed in the RECORD. It is a statement which points to the kind of problems we must address in the implementation and enforcement of this bill.

I have received information about a small but vital industry, fabricated steel. Both union and management reflect concerns on the impact of MTN on these small businesses and workers, and I wish to present their concerns for the RECORD.

When the American Institute of Steel Construction in New York City traced imports of fabricated structural steel for a 6-month period in 1976, they found that the State of New York led all other States with 39,089 tons out of a total of about 99,000 tons imported to the United States.

For one State to absorb more than one-third of all imports of fabricated steel during the period studied means that New York bridges and buildings went up without American steel and without American fabrications, representing a loss of U.S. jobs as well as material.

We are all familiar with steel problems in Lackawanna, N.Y., and Youngstown, Ohio.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY JOHN H. LYONS

Attached is a brief outline of problems involving one group of American workers in one not untypical industry affected by the MTN negotiations.

For a number of years we have been deeply concerned by the increasing levels of imports of fabricated structural steel, observing that current federal law and trade policy are insufficient to stop this massive loss of jobs, industry and technology.

Unfortunately, the recently-negotiated MTN trade package does little to address recent problems in this area, and it is feared that the proposed international trade codes will have even more adverse effects.

In terms of this specialized group of workers, and perhaps countless other American workers in many small businesses, the MTN agreements should be studied and debated further, before any vote on implementing legislation takes place.

At this point in time, matters covered by this proposed legislation which affect the livelihood of our citizens as well as principles of fairness in International Trade are still being negotiated in Geneva. Accordingly, it is just not good logic to rush into the most extensive changes in trade law and policy ever proposed without knowing fully how American workers will be affected by these changes.

Thank you for your close attention to this matter at a time when the United States suffers the largest trade imbalance in history. No other nation has yet taken legislative action on the MTN agreements, and yet the U.S. Congress is somehow expected to endorse a trade agreement which is still in the negotiating stage. We do not know, for example, exactly what tariffs are being cut and whether these cuts are unilateral or reciprocal. Restraint, study and perhaps re-negotiation are in order instead of hasty legislative action.

MULTILATERAL TRADE NEGOTIATIONS AND FABRICATED STRUCTURAL STEEL

On April 12, the U.S. and 23 other nations initialed agreements on sweeping changes in international trade. While across-the-board tariff cuts averaging more than 30 percent, with few exceptions, do not require Congressional approval, agreements on seven non-tariff international codes do require implementing legislation.

Such legislation is expected to be taken up by both houses of Congress this summer with unusual swiftness. No amendments or change are permitted in this up-or-down vote. Few Members of Congress will have the time to study and absorb the full ramifications of the codes which will alter virtually every aspect of commerce in the next eight years, as tariff reductions are phased in and codes are implemented. No previous trade negotiations have ever involved so many issues and changes in existing law. Implementing legislation involves nearly 400 pages.

The United States is the first of the 24 nations to implement these changes, and no one is certain of when or how closely other nations will conform to the April 12 agreements. Nevertheless, imports of fabricated structural steel should give pause to any rush for full Congressional approval of the MTN implementing legislation. Serious problems remain unresolved, and there is considerable concern that these problems may only be aggravated and intensified by the Administration's trade concessions.

BACKGROUND

For the first time in this International Association's 75 years of history, imports of fabricated structural steel became a grave concern reflected in the General President's Report to the 1972 convention. While such imports were previously localized on the West Coast market, fabricated bridge steel penetrated into the heart of America, in Dallas, Little Rock and Omaha. Efforts to pass strong legislation, the Burke-Hartke bill, to eliminate unfair trading practices and predatory pricing failed in Congress.

Devaluation of the dollar during the next three years contributed to decreased imports of fabricated steel, but by 1975 such imports, mainly from Japan, surged once again, creating renewed concern, reflected again in the General President's Report to the 1976 convention.

A year later, the Carter Administration dealt a severe blow to an ailing U.S. fabricated steel industry when the Treasury Department developed the so-called "trigger-price mechanism" for basic steel mill products. After numerous representations from this International Association, the Treasury Steel Task Force did agree to "monitor" closely imports of steel fabrications and "top-of-the-line steel items" to prevent diversion of imports from basic steel to fabricated steel.

However, the pledge to monitor proved to be a "paper tiger" promise. Underfunding and undermanning of the Steel Task Force meant a TPM without any monitoring of fabricated steel for more than a year. An "early-warning" monitoring system is still on the drawing boards. Meanwhile, imports of fabricated structural steel rose from 22,161 tons in 1976 to 42,796 in 1978.

The 1974 Trade Act proved worthless to stop "dumping" of fabricated steel. In early 1978, the Customs Agency rejected outright an Anti-Dumping Petition filed by the International Association after the Japanese bid 50 percent lower than American fabricators for a massive cable-stayed bridge in Luling, Louisiana. The Trade Act does not cover custom-made imports such as bridges.

With general recognition that 30 percent of all U.S. bridges being fabricated overseas, mainly in Japan, the battle for fair trade was then carried on at the state level. The Cedar Avenue Bridge in St. Paul became a symbol of obviously unfair trade when the Japanese bid low, despite enormous transport costs. Ironworkers in Minnesota, Iowa, Illinois, New Jersey and Rhode Island pushed energetically for domestic preference or "Buy American" legislation. On the federal level, a number of newly-enacted laws include domestic preference to discourage unfair trade practices that threatened to cripple or kill the vital but fragile steel fabricating industry.

Bridges are not the only import-sensitive items. Buildings, structures and even 16,000-ton offshore drilling rigs are affected. In 1979, for example, a runaway U.S. firm, Brown & Root, Inc. of Houston, stands to gain duty-free treatment for offshore oil drilling platforms under inadequate U.S. trade law, simply because they own a fabrication yard in Malaysia, a developing nation.

ANALYSIS

The 1979 MTN implementing legislation does virtually nothing to prevent continued abuses such as those outlined above. Instead, the U.S. stands to face a new set of problems with imports of fabricated steel sold below cost and continued export of U.S. jobs, engineering and technology.

Tariff Cuts. Upon invitation from the Labor Sector Advisory Committee in 1978, this International Association submitted a properly-developed "Exceptions Nomination" to exempt fabricated structural steel from across-the-board tariff cuts, reasoning that unfair trade practices resulted in at least 139 fabricating shop closedowns and severe job losses for Shopmen Ironworkers in one calendar year, 1976. The Exceptions Nomination was rejected without explanation in closed deliberations.

The TPM, coupled with unfair trade practices that remain unmonitored and without anti-dumping recourse, have caused severe problems for the U.S. fabricating industry since 1976:

IMPORTS OF FABRICATED STEEL INTO THE UNITED STATES

	1976	1977	1978
Value (in thousands of dollars):			
Fabricated structural steel	16,698	23,970	28,435
Fabricated columns, pillars, posts, beams, girders	31,723	46,601	41,947
Structures (hangers, buildings, bridges, and towers)	41,070	31,393	39,642
Fabricated steel platework	3,166	8,020	7,468
Floating structures	580	19,504	12,026
Selected metal containers	43,279	58,350	101,616
Boilers	19,961	22,111	26,023
Quantity (in tons):			
Fabricated structural steel	26,161	30,208	42,796
Fabricated columns, pillars, posts, beams, girders	61,766	98,224	83,720
Structures (hangers, buildings, bridges, and towers)	26,622	26,322	38,230
Fabricated steel platework	7,025	18,949	10,025

That tariffs should be raised instead of lowered is clearly illustrated in the above figures compiled by the U.S. Department of Commerce. Besides hefty increases in the imports of fabricated structural steel, in the first columns, "dumping" is apparent over the two-year period, with tonnage about 12 percent higher than dollar value increases. In light of such data, a tariff cut for fabricated structural steel is unwise and unwarranted.

For the U.S. to reduce tariffs by one-third after five successive years of record-breaking trade deficits does not make good economic sense, particularly when Japan is expected to lower their tariff rates by only one-fourth

and the EEC by one-fifth. When U.S. exports cost more and imports cost less, we can expect increased export of U.S. jobs. Most so-called "developing countries," such as Malaysia, for example, were among the 75 countries which did not initial the April agreement and stand to gain most from jobs lost in the U.S. and Canada. Following are steel fabricating workers' wage/fringe comparisons compiled by the U.S. Bureau of Labor Statistics for 1977, the most recent figures available:

	U.S. dollars	Index	Fringes
United States	7.80	100	32.2
Canada	7.66	98	21.7
Brazil	1.49	19	25.0
Japan	3.87	50	13.8
Korea	.62	8	15.2
Taiwan	.69	9	15.2
Denmark	6.83	88	17.4
France	5.29	68	70.5
Germany	7.32	94	54.2
Greece	1.92	25	30.0
Italy	5.09	65	94.4
Netherlands	8.04	103	71.4
Norway	8.77	112	40.1
United Kingdom	3.31	62	24.7

It will be noted that workers fabricating steel in Japan earn half the rate of U.S. and Canadian workers doing the same work. We can expect a lowering of wages or conditions in advanced countries if U.S. tariffs are cut for fabricated structural steel, especially when the U.S. intends to help developing countries to expand their trade through the same Generalized System of Prefrences which enables a U.S. company to send two offshore platforms to California from Malaysia this year, duty-free, constituting a loss of more than a million manhours of work for U.S. workers, plus unemployment and lost tax revenues.

CODES

The seven non-tariff codes, designed to reduce trade barriers and increase international trade, are a boon to many multinational corporations. But few if any U.S. fabricating shops have foreign subsidiaries, most are small businesses and most bid on jobs within a 200-mile radius. Some have little or no bearing on fabricated structural steel, while others pose serious questions. Among the most directly related are the following:

Subsidies and Countervailing Duties. Under the code, the U.S. anti-dumping statutes are revised but still do not allow for custom-made products, such as bridges or buildings of fabricated structural steel. Another avenue of unfair trade relief, the U.S. Countervailing Duty Statute, is also revised, now requiring test of injury due to foreign subsidies. So-called "upstream and downstream" components are not protected, and a rebate of any dumping penalty will be available if the dumped steel is then exported. It is difficult for U.S. private firms to compete as it is with fabricated structural steel coming from government subsidized, owned or insured firms overseas.

Standards. The United States and Canada presently have the world's highest standards for safety and health. Yet, under this new code, almost all state, local and federal building codes could come under international scrutiny. If welding certifications, for example, were found to be a "barrier to trade," an international tribunal could attack them or allow foreign trade retaliation. In turn, the President could exert "reasonable" pressure on state or local agencies to rescind those building, plumbing or electrical codes. As we see with the Clean Air Act, a federal cut-off of public works money for bridges or sewage plants could be termed "reasonable." Thus, "double jeopardy" for local building tradesmen, and a "lowest common denominator" theory of health and safety.

Government Procurement. For a number of years the trade union movement has felt that tax dollars should be spent on domestic workers, products and services. To spend tax dollars on imports is self-defeating. Nevertheless, under this code, federal "Buy American" provisions could be waived. It is not clear that "Buy Japan" policies would be changed, and it is very unlikely that U.S. shops would ever fabricate bridges for Japan. State "Buy American" laws, we are told, would not be affected, but when trade officials urge the Governor of New York to veto that state's mild "Buy American" bill a few days ago, we get a pretty clear picture of what to expect from federal trade officials if such a code is passed.

SUMMARY

The White House Office of Special Trade Representative predicts a swift passage of the Multilateral Trade Negotiations' implementing legislation in Congress. In the coming days and weeks we can expect a strong push from the White House to pass the MTN legislation, to bolster the President's image as a world leader if for no other more compelling reason. We can expect a strong push from multinational corporations which stand to benefit most from increased world trade that is freer but not necessarily fair. And we can expect to hear one-sided rhetoric, such as: one out of seven U.S. jobs are related to exports, without hearing how many U.S. jobs are lost to imports.

The strong reservations, doubts, and potential problems of imports of fabricated structural steel should give pause for closer inspection of the MTN codes and their impact upon all American workers. A staggering trade deficit, the largest in history during the past year, should cause the United States to reconsider a cut in tariffs.

We have plenty of time. The MTN bill does not have to be stampeded through Congress this month; previous legislation calls for a decision in 90 legislative working days. In fact, the bill gives the President authority to continue negotiating well into the 1980's, and it is a well-known fact in collective bargaining that from time-to-time we are compelled to go back to negotiations for a better deal.

Mr. MOYNIHAN. Finally, Mr. President, I would like to express once again my awe of the performance of the chairman who, in a career of public life, one thinks of the thousands of small acts from which he has built up the trust of his colleagues and the Nation. That trust has never been more in evidence, than on the floor this afternoon. It has never been more deserved.

I thank the Chair.

Mr. RIBICOFF. Mr. President, I want to thank the Senator for his generous and kind comments. We on the Committee on Finance are indeed fortunate that the distinguished Senator from New York chose the Committee on Finance.

Coming to the Senate with his vast experience in so many fields, he could have been designated to membership on any of the great committees in this body. He chose, and I believe he chose wisely, the Committee on Finance because he realized the multitude of basic issues within that committee's jurisdiction that affect the interests of our country, both domestically and internationally.

He has been a remarkable addition to the committee. His mind, intellect, his experience, and his sense of humor have all stood us in good stead. I am pleased that he asked to be placed on the International Trade Subcommittee because not only did we need his advice and counsel but we needed his hard work and his positive contribution.

Again my thanks to the distinguished Senator for his many contributions to this bill.

Before closing, we have all remarked upon the contributions of Ambassador Strauss. But equally important was the ability of Ambassador Strauss to meld together a great team. Helping him ably were Ambassador McDonald, who held down the important post in Geneva day in and day out through these negotiations. He served with great and outstanding ability the best interests of our Nation in undertaking the various negotiations in Geneva.

Ambassador Wolff also, from his experience in this entire field, made great contributions, handling some of the most difficult issues in the negotiations with great skill to the benefit of our country.

General Counsel Dick Rivers, who was chief of staff of the International Trade Subcommittee of the Committee on Finance before becoming general counsel of the STR, used his ability, his judgment, his common sense, and his cooperation with the staff of the Committee on Finance to help Ambassador Strauss and our committee come finally to the conclusion of the successful MTN negotiation and to the legislation before us today.

My thanks to you, Senator MOYNIHAN, for your gracious comments.

Mr. ROTH. Mr. President, I yield 3 minutes to the Senator from California.

Mr. HAYAKAWA. Mr. President, I am happy to have the opportunity to make a few very brief remarks about the trade bill, the result of the Tokyo round of the multilateral trade negotiations.

I intend to vote in support of this trade bill, and I thank Ambassador Robert Strauss and all those involved in these delicate and lengthy negotiations for their hard work and dedication. I want to explain my vote as one in support of the overall package, even though I do have some reservations about some particular portions of this package. We only have one opportunity to vote on this trade bill—there is no opportunity for any amendments to specific portions of this bill. I do maintain some reservations, but overall I believe the trade package to be a good thing.

The trade package is not perfect. The United States did not get absolutely everything we wanted out of these negotiations. However, I believe the total package represents steps in the right direction for our agricultural community.

I represent an agricultural State. The greatest agriculture producing State in our entire country. The MTN's are extremely important to our producers in California.

Most of our California producers are reasonably satisfied with the final result of this package—our cling peach producers are especially satisfied with these results. However, certain reservations have been expressed by our producers of distilled spirits and especially by our wine producers. The California wine industry feels strongly that the package will bring them unfair competition from Italy. This trade agreement is not open for amendment, but I do want to be on record as expressing certain reservations as to how the package will affect some of our producers.

The success of the Trade Agreements Act of 1979 will largely depend on the effectiveness of procedures for the settlement of disputes concerning unfair practices.

I would hope that the Congress will insure, through implementing legislation, a fair application of the Trade Agreements Act of 1979. The United States must be supported and protected so that our producers of all products, including our agricultural producers, will be afforded a fair opportunity for domestic sales and production with relation to imports and for a fair market situation in terms of exports.

I thank the Chair.

Mr. PROXMIRE. Mr. President, I ask the distinguished Senator from Delaware if he would yield me 2 minutes.

Mr. ROTH. I yield 2 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I am going to vote against H.R. 4537, the Trade Agreements Act of 1979.

Before explaining why I will cast my vote against this measure, let me point out that there are many positive features of this legislation.

This bill will lower trade barriers. It will make our Nation more competitive in bidding for foreign goods and services.

And a number of Wisconsin firms have indicated to me that this bill will produce results that have a favorable impact on their businesses.

But, Mr. President, the dairy industry and the dairy farmers of Wisconsin and the Nation are the big losers in this legislation. For that reason, I must oppose and vote against H.R. 4537.

The increase in cheese quotas to 276 million pounds under the trade agreement is 34 million pounds over last year's imports of 242 million pounds.

But this increase amounts to a 14 percent increase in milk equivalent or 350 million pounds, according to Truman Graf of the University of Wisconsin, who has studied this issue in great detail.

Graf points out that every 500 million pounds of milk equivalent imports results in a 9-cent-per-hundredweight loss for each dairy producer, according to USDA calculations.

So the increase will cost each producer 6¼ cents per hundredweight, or about $402 annually.

Under last year's import quota, 111 million pounds of cheese were imported. Most of the 242 million pounds of cheese coming in last year was, therefore, price break cheese, which, if priced at least 7 cents per pound higher than the U.S. support price, was not subject to import quotas.

But under the new agreement, cheese import quotas are raised to 276 million pounds, which is 165 million more pounds than came in under quotas last year.

The administration claims the agreement puts a cap on the price break because price break imports will no longer be allowed.

But, Professor Graf calculates that the result will really be that quota imports of 1.67 billion more pounds of milk equivalent will be permitted, an increase of 127 percent.

In addition, cheese import quotas are raised 149 percent. To each farmer, that represents an import quota protection loss of 30 cents per hundredweight, or $1,816 annually.

Moreover, each dairy farmer lost 35 cents per hundredweight, or $2,111, because last year's imports exceeded exports by 1.94 billion pounds.

This means a total cost for each dairyman of $3,927 annually.

Finally, administration advocates of the agreement say that only about 3 perment of the permitted additional cheese imports will be cheddar so competition resulting from increased import quotas to our major cheese industry will be minimal.

But the problem with this argument is, as Professor Graf has emphasized in his analyses, that displacement of dairy product caused by imports means that surplus milk will largely go into cheddar cheese and will therefore adversely affect the entire U.S. cheese and dairy industry anyway.

Mr. President, I recognize the hard work and excellent job the Senator from Connecticut, the Senator from Delaware, and others have done on this bill, and it does have very strong support. But I must oppose it for the reasons I have given. I thank my good friend from Delaware.

Mr. ROTH. I yield 2 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I would just like to go back in history a little bit for the benefit of my distinguished colleagues, Senator RIBICOFF and Senator ROTH. I have had such absolute confidence in the way they have handled this matter that I have not interjected myself into it.

It is with tremendous nostalgia that I speak now on this bill because in the early years of the Eisenhower administration, when it looked as though protectionist trends might begin to develop in our country, President Eisenhower, recognized, as a man who perceived the world in a very global sense and who perceived our role in that world in a global sense, that political friendships tended to follow the course of international trade. He saw the need to encourage trade, not to discourage trade through protectionist measures.

He, therefore, asked me as a businessman to help create a committee for a National Trade Policy, a private organization, because he felt it was best to have the initiative of the private sector in this area. I well recall this event. I was on the board of Burroughs Corp. and I became the legislative chairman, and, therefore, the lobbyist in Washington for a freer trade policy.

It was rather unique, because if any industry was a protected industry, it was ours. We had very high tariffs, tariffs running 40 or 45 percent on some of the major products that we manufactured, but I felt that this was a subsidy which we did not deserve.

I testified continuously against our industry for freer trade on a balanced basis. If someone was injured and hurt, he ought to be provided assistance and help, but astronomically high tariffs are hidden subsidies that lead to inefficiency in the protected industry and do not benefit the Nation as a whole.

I felt that we must gradually work toward marketing our products on an economic basis, free from hidden protection. I always judged products by how they sold in Hong Kong, a free market, to see whether they could stand on their own feet.

So it is with a tremendous sense of satisfaction I see now, on the floor of the Senate, general agreement when ordinarily there is heated and impassioned debate when measures for freer trade are discussed. When I testified for freer trade before the Committee on Finance, the committee rooms were jammed and packed, and every time we would bring up these issues on the floor it was an intense matter.

Thank heavens we have matured to the point where we realize the necessity for having freer trade. We realize that the worst thing we can do to our own economy is to protect and shelter certain segments of it and not expose it to the free world and free competition.

In the late forties and early fifties, we helped create the Common Market and strengthen Europe by encouraging larger markets and bringing down the barriers of tariffs and parochialism rampant on that continent. It certainly is befitting that we now take that traditional stand, as we consider the Trade Agreements Act of 1979, that goes back 30 years to when we suddenly became a great economic power and had the strength, the purpose, and perspicacity to know we should lead the world into freer trade.

The purpose of the Trade Agreements Act of 1979 is to implement the trade agreements negotiated by the United States in the Tokyo Round of the Multilateral Trade Negotiations by amending American law to: First, include a material injury test in countervailing and antidumping duty law; second, establish a new import valuation system for duty purposes; third, eliminate the American Selling Price (ASP) standard, converting items to a tariff schedule; fourth, permit the President to waive certain "Buy American" restrictions; fifth, eliminate tariffs on civil aircraft and parts; sixth, make concessions to foreign countries relating to cheese, chocolate crumb and meat; seventh, eliminate the current wine-gallon method of levying duty, thereby setting the duty in proportion to the actual alcoholic content; and, eighth, increase opportunities for judicial review in countervailing and antidumping duty cases.

The Tokyo round is potentially the most significant development in world trade since the founding of the GATT

over 30 years ago. It consists of four mutually supportive elements. The first element, representing the keystone of the Tokyo round, is a series of codes of conduct governing government intervention in nontariff areas which will set the basic guidelines for international trade relations.

A subsidies code will limit the ability of foreign governments to subsidize their industries and their exports. American competitors have been increasingly affected by such practices in recent years.

A code on product standards will make it more difficult for governments to set and operate product standards and certification systems in ways that will keep products out of their markets.

A code on government purchases will open up new markets abroad. Governments are the world's largest purchasers of nonstrategic goods—everything from paper clips to computers, and their markets have been virtually closed to American producers in the past. This agreement will open some $20 million in new foreign markets to our exports.

Other codes cover areas such as import licensing, customs valuation, and civil aircraft.

The second element of the Tokyo round is a major agricultural package which will provide substantial new market opportunities for American agricultural producers and, for the first time, an effective international mechanism for consultations on problem areas to avoid and settle serious disputes. As the world's largest agricultural exporters, we have the most to gain from a more cooperative system.

The third elements of the Tokyo round is a series of substantial industrial tariff reductions providing many new export opportunities for American firms. Tariffs were a smaller part of the Tokyo round than in six previous negotiating rounds, but they are significant in many specific product categories.

The fourth element is a long overdue updating of the trading system itself to take into account fundamental economic changes since the GATT was first established. For example, many new developing countries have entered the trading system. As a result of the Tokyo round they will be able to assume more responsible roles in world trade than they have in the past.

Mr. President, international trade in the post-war period has been a powerful stimulus to jobs, profits, and consumer choice. Trade has served as an engine of economic growth. The Tokyo round continues the trend toward trade expansion. It is the most ambitious and comprehensive of all seven post-war rounds, and provides many direct benefits to American producers, consumers, and workers, including:

Greater cooperation and better rules for the conduct of trade and management of related disputes in an age of increasing trade conflict;

Greater access abroad for U. S. industrial and agricultural exports; and

Lower prices for consumers and new job opportunities for workers in higher paying industries.

Congressional approval is critically important. As real as the benefits are, the downside risks, should Congress fail to approve the package, are even starker. Pressures for a return to protectionism throughout the world would be severe.

Our chief trade negotiator, Ambassador Strauss, took great pains to take the special needs of import sensitive industries into account by making less than called for tariff reduction offers to other countries. U.S. tariff offers were made selectively and will be phased in gradually over 8 years.

Industrial productivity has been lagging in the United States. We now rank among the lowest of OECD countries. The Tokyo round result will give business leaders the certainty they need to make long-range capital investment decisions required to increase productivity.

Mr. President, we must reject negative, self-defeating protectionism as a way of correcting our trade deficit. Instead, we must continue our efforts to remove tariff and nontariff barriers that impair the ability of U.S. firms to export. I believe the Tokyo Round is a major step in the right direction, and I urge my colleagues to support it.

In closing I wish to pay tremendous tribute to Senator RIBICOFF and Senator ROTH for the leadership they have provided in the Senate of the United States, and to express great admiration for the work that Bob Strauss has done. Ambassador Strauss is a genius in this area. I hope he can now take that genius into the Middle East. He really has done an absolutely remarkable job for our country; and as a member of the minority party, I say without hesitation, "Stay out of politics, Bob Strauss. Stay on these substantive issues, and give our Nation a chance, by working on these mighty issues such as peace in the Middle East."

Mr. RIBICOFF. Mr. President, I think the Senator from Illinois should have a major impact in the trade area, where he could use his knowledge and ability in fashioning real trade reorganization.

I yield to the Senator from North Carolina.

Mr. HELMS. I join in cosponsoring H.R. 4537, the Trade Agreements Act of 1979.

This bill is designed to implement the multilateral trade agreements that have been reached after 5½ years of very complex and tedious negotiations with our trading partners. The trade agreements are comprised of: First, tariff reductions, second, commodity arrangements of a consultative nature, and third, a series of codes governing the use of nontariff barriers in international trade.

As ranking minority member of the Senate Committee on Agriculture, Nutrition, and Forestry, I am particularly interested in the effects of the trade package on the U.S. agricultural community.

The future of no other sector of our economy is more intimately tied to international trade than that of American agriculture. The production of one out of every three acres farmed today is shipped to foreign markets. Last fiscal year American farmers exported 56 percent of the soybeans, 61 percent of the wheat, 68 percent of the rice, 35 percent of the tobacco, and 30 percent of the corn produced in this country.

The estimated earnings from total agricultural exports during the current marketing year will be $32 billion. That $32 billion is expected to yield a net positive trade balance of $16 billion. Were it not for our efficient and productive agricultural sector, the United States would be faced with an international trade deficit almost 50 percent larger than the wrenching deficit we experienced last year. Clearly the well being of farmers and of the Nation as a whole is dependent upon our efforts to expand agricultural trade abroad.

As a result of trade concessions received by the United States, the American farmer should experience by 1987 an annual increase in agriculture exports of $500 million. At the same time, due in large part to increased quotas for imported cheese, the United States will realize an annual increase in agricultural imports of $175 million. The bottom line, thus, shows a net annual increase of $325 million in the value of U.S. agricultural trade.

While the net agricultural benefits received by the United States during the trade talks are rather modest given the time and effort spent on the negotiations, there is a general belief that the trade package will generate additional gains for agriculture in the future by helping to disarm protectionist sentiment.

The benefits of the agricultural components of the various codes, particularly the subsidies and countervailing duties code, are not easily measured. And yet if U.S. officials actively enforce U.S. rights under these codes the American farmer could be relieved of part of the burden imposed by the unfair trading practices of other countries.

I am also pleased to note that many of the trade concessions received by the United States will accrue to the direct benefit of North Carolina. Some of the more important benefits to my constituents are as follows:

TEXTILE AND APPAREL

After finally being forced to recognize the vital nature of the textile and apparel industry to the United States and North Carolina in particular, the administration has established a comprehensive program to help restore order to the industry.

Under this program, the future growth of imports should be more in line with domestic market growth. This program includes global import evaluation on a continuing basis, control of import surges through bilateral agreements, efforts to negotiate tighter import restraint levels, and improvement of Customs monitoring and enforcement.

The United States has taken numerous steps to implement this program including tightening the import restraints with Hong Kong, Korea, and Taiwan; developing a new export program; and restricting imports from China in sensitive product categories. Imports of textiles and apparel decreased 20 percent in quantity in the first quarter of 1979

over the same period of 1978. By comparison, textile exports increased 52 percent in value in the first 3 months of 1979 over the first 3 months of 1978.

U.S. textile tariff reductions, where made were carefully chosen so as not to have an undue adverse impact on the industry. As a result of these negotiations, the average U.S. textile tariff will be reduced approximately one-third of the duty reduction called for in the agreed tariff formula. The United States paid greatest attention to products particularly sensitive to imports, fully exempting a number of products from duty reductions. Overall, the average textile and apparel duty will be reduced approximately 21 percent.

In addition, U.S. textile and apparel duty reductions will not begin until 1982 and then phased in over a number of years. The average textile apparel duty will be reduced only approximately one-half of 1 percentage point per year.

A "snapback" clause will restore U.S. tariffs to their pre-MTN levels if the international multifiber agreement does not continue in effect or a suitable substitute arrangement is not put into place. At the same time, important tariff reductions will be made by our trading partners in mill products, in which the United States enjoys a traditional surplus trade balance. The European Economic Community reduced tariff rates 28 percent on U.S. weaving mill products of manmade fiber. Canada reduced tariffs an average of 20 percent; Japan reduced tariffs 17 percent on yarn and thread mill products. The textile and apparel sector should benefit from the subsidies code's new disciplines on foreign subsidies as well as the improved domestic antidumping and countervailing duty procedures.

North Carolina is the leading textile and apparel State in the country. One out of every six textile and apparel jobs in the United States is held by a North Carolinian. These jobs are dispersed throughout North Carolina in 89 of the State's 100 counties.

FURNITURE AND FIXTURES

This industry, one of the major employers in North Carolina, should benefit from the reductions in Canadian tariffs and the deeper-than-average cuts in developing-country tariffs. Canada, the largest export market for this industry, reduced tariffs 27 percent. The developing countries reduced tariffs 47 percent on the average. North Carolina furniture and fixture manufacturers should also benefit from the licensing code and the subsidies codes. Caldwell, Catawba, and Davidson Counties are important furniture and fixture manufacturing centers.

LUMBER AND WOOD PRODUCTS

This industry should benefit from the standards code and the subsidies code which are priority interests of the lumber and wood products industry. In addition, the MTN results in several specific benefits to this industry, including an expanded quota from the European Community (EC), revisions of the Japanese lumber standards a change in the EC definition of plywood thickness and a committment by the Japanese to harmonize plywood standards by 1982 on the basis of performance.

Lumber and wood products also will benefit from the tariff cuts negotiated in the MTN—Canada reduced tariffs 54 percent.

TOBACCO

The EC has agreed to an effective reduction of tariffs by combining tariff lines and applying a lower rate to the more expensive unmanufactured tobacco. The impact of this change will be to increase the competitive position of U.S. tobacco in the EC in the future. Other countries offering reductions on tobacco include Canada, Finland, Australia, and New Zealand. Tobacco concessions by other countries are expected to increase U.S. tobacco exports by $80 million. The leading county for tobacco manufacturers is Forsyth, employing the bulk of North Carolina's employment in this industry.

SOYBEANS

A major agricultural benefit for North Carolina is the binding of soybeans at zero by Japan and Mexico. Zero bindings require a country to pay substantial penalties in trade concessions if they ever choose to charge any tariff on the item. The European Community, for example, agreed to zero bindings on soybeans in the 1960's, requiring them to give up trade concessions valued at $2.5 billion in the event that they decide to increase their soybean duty.

Thus, bindings provide a form of insurance which allows private business to develop markets on the basis of competitive advantage without fear of sudden tariff increases. Additional concessions include a tentative Mexican offer to allow unlimited imports of soybean meal and tariff concessions by Canada on soybeans and soybean oil.

FEED GRAINS

Concessions on feed grains in developing countries will increase U.S. sales abroad by an estimated $26 million.

Peru and Ecuador have agreed to liberalize procedures for the licensing of imports of grain for feed. The values of these concessions is estimated to be $3.1 million in trade to Peru and $7.5 million in trade to Ecuador.

Taiwan will emphasize the sorghum and corn tariffs, increasing sorghum grain exports by $6 million.

DAIRY PRODUCTS

In the MTN the strong interests of dairy producers and consumers were balanced.

The United States will increase its overall quota levels for imports by about 15 percent, while at the same time putting a greater proportion of imports under quantitative limitations. In 1978, about half of all cheese imports were under quota. Once the newly negotiated agreement goes into effect, approximately 85 percent of total cheese imports will be under quota, assuming that the quotas are completely filled.

Cheese remaining outside quota will be limited to such specialty items as Stilton from England, Roqueford from France, sheep and goat's milk cheeses, and soft-cured cheese in retail packaging such as Brie and Camembert. The new import system will incorporate under quota the current price-break system which permitted unlimited imports of certain high-price cheeses. The new import system will also prevent subsidized cheese imports from undercutting the domestic wholesale price.

Cheese imports in 1977 totaled 95,015 metric tons (MT), in 1978, 109,878 MT, and are expected to continue to rise throughout 1979 because of strong demand and rising meat prices. Under the new quota system, imports in 1980 and beyond are estimated at about 111,000 MT quota cheese and about 14,000 MT of nonquota cheese. For the next few years, cheese imports as a percentage of total U.S. consumption will therefore remain close to their average of the last several years. (6.2 to 6.3 percent).

PEANUTS

The United States gained important concessions on peanuts and peanut products. The European Community agreed to bind its duty on peanuts at zero. Canada agreed to reduce its duties on both crude and refined peanut oil, and Korea agreed to both reduce its duty on peanut oil and grant automatic licensing for imports of that product.

POULTRY

The Japanese have reduced their duty on chicken legs from 20 percent to 10 percent. The European Community has offered to reduce the duty on drumsticks, thighs, and breasts of turkeys by using new coefficients in calculating gate prices and levies on turkey. Further, the European Community has agreed to continue to classify uncooked season turkey in a fixed tariff category, avoiding the variable levies of the common agricultural policy.

Unquestionably, this trade package offers great promise for the people of North Carolina and the rest of the United States. But that great promise could turn to bitter frustration if our leaders fail to actively assert our rights as a party to the trade agreements and are hesitant to take appropriate actions against those nations that violate the provisions of the trade codes.

I intend to keep a watchful eye on those charged with enforcing this trade legislation and I will press for countermeasures, where necessary, against those who seek to take advantage of us through the means of unsavory trading practices. Some of the tools needed to make significant progress toward eliminating our international trade deficit are in S. 1376. What we need now are the leaders to wield them.

Mr. ROTH. Mr. President, if I may make a brief statement, I would like to point out to my distinguished chairman that the Trade Agreements Act of 1979 is the result of a unique procedure of consultation between the executive and legislative branches.

One consequence of this procedure has been to place an unusually heavy burden on our committee staff. Over the past weeks, months, and several years, the staff has closely monitored the MTN negotiations and spent long hours on draft-

ing this legislation and the committee report.

I wish at this time to recognize and thank the trade staff of the Senate Finance Committee—Robert Cassidy, Bill Finan, David Foster, Rick Johnston, and Chip Roh, as well as Charles Morrison of my personal staff. These gentlemen have done an outstanding job in making this legislation possible. I congratulate and thank each of them.

● Mr. STEVENSON. Mr. President, I support the Trade Agreements Act of 1979. Expansion of international trade is one of the most important challenges this country faces. In particular we must increase out exports. Reduction of nontariff barriers is vital to this goal.

I commend Ambassador Strauss and those who worked with him for achieving notable reductions on nontariff barriers. Long and tedious negotiations were required to induce national governments to change important domestic policies affecting trade.

Approval of the trade agreements will mean reduced tariffs and nontariff barriers—and increased competition to promote exports.

Nations will remain heavily dependent on imports including increasingly expensive imports of fuel and will continue to have every incentive to fight for the world's markets with everything that they have available to them. More and more countries are coming onstream, including LDC's, combining high technology, low resource and labor costs, and aggressive marketing.

Taiwan is now exporting television sets and steel to Japan.

The agreements create a significant opportunity for American industry and agriculture. It is primarily up to the farmers, the businessmen, all the commercial enterprises of the country to take advantage of that opportunity.

The Government can help, and one of the most helpful steps is to reduce the barriers and disincentives this Government throws up against our own exporters. We took action in the Senate last Saturday on a measure, S. 737, the Export Administration Act of 1979, which will reduce export controls and increase the efficiency of export licensing. The International Finance Subcommittee has begun hearings on a bill, S. 339, sponsored by Senator HATFIELD and myself, which would put us on a more competitive footing in trade with Communist countries.

The Government's efforts to assist U.S. exporters are in serious disarray. Trade reorganization is needed to focus our efforts on strengthening U.S. trade competitiveness, especially in agriculture and high technology products. I have introduced a bill, S. 1493, to establish a Department of Commerce, Trade and Technology. Several other bills on trade reorganization have been introduced or are in the offing, and I trust the Senate will attach high priority to this matter.

American firms have relied too long on the large domestic market to provide sales and protection from foreign competition. Small and medium-sized companies are beginning to learn that a product which cannot compete abroad will soon face foreign competition at home. Exports offer both expanded sales opportunities and the lessons of international competition.

We must do more to encourage U.S. companies to compete abroad. U.S. trading companies could help smaller U.S. manufacturers establish overseas markets for their products. I will shortly introduce legislation to facilitate the formation of such trading companies. Two bills, S. 864 and S. 1499, with similar objectives have been introduced by my colleagues Senators DANFORTH and ROTH. The International Finance Subcommittee will hold hearings on all three bills in September.

Government-supported export credits are not covered by the trade agreements. Efforts to negotiate tighter restraints on export credits have broken down. The United States faces tougher foreign competition supported by subsidized credits in the next year, yet the limit placed on Eximbank credits to meet foreign competition are arbitrarily low. A new round of talks to halt subsidized export credit competition should be held at the first opportunity, but it is clear that other countries will not negotiate in good faith until we put some teeth in our export policy.

Nonetheless, the Trade Agreements Act is a notable achievement and I am pleased to give it my strong support.●

● Mr. KENNEDY. Mr. President, I want to express my support for these trade agreements which will have a major impact on world trading patterns for years to come.

For the first time, we have made significant progress toward the reduction of nontariff barriers to trade. These barriers—including foreign government subsidies, Government procurement codes and licensing and standards codes—have often prevented free and fair competition in the world marketplace. Following up on the progress made during the Kennedy round of negotiations, the latest Tokyo round of trade talks resulted in a major step forward toward reducing these barriers to trade. The result will be higher levels of U.S. exports and more jobs for all Americans.

The President's special trade representative, Robert Strauss, was handed a tough job when he took over as chief negotiator at the Tokyo round of the MTN. The task required that he be particularly sensitive to the needs of domestic industries which have been hurt most by rising imports. And nowhere are we more sensitive to this problem than in New England.

My region of the country has been plagued by high levels of imports and resulting massive job losses. Imports of products such as textiles and shoes have wiped out entire industries in New England. I have seen the empty textile mills in Lowell and Fall River, the empty footwear factories in Lawrence. These industries deserved special attention during the Tokyo round. I was pleased to have had the opportunity to discuss these issues with our negotiators in Geneva last year, and have subsequently had numerous talks with Ambassador Strauss in order to assure that the agreements represented a fair and balanced package.

I believe that the administration was responsive to our special concerns in New England and other regions of the country. A few years ago, we worked out bilateral agreements with Taiwan and South Korea calling for rollbacks of footwear imports. Working with the industry, a program was developed aimed at revitalizing American footwear manufacturing. Recently, we have been concerned that our bilateral agreements have not been properly enforced. We now must make a renewed effort to make them work.

After long negotiations, an import relief package was agreed upon by the administration which is aimed at strengthening bilateral agreements and designed to prevent "surges" of textile and apparel imports. Tariff concessions on textiles and apparel were minimized, and new negotiations began with the People's Republic of China in order to limit imports. These are all positive steps. The 73,000 textile and apparel workers in Massachusetts now expect the administration to follow through and assure that the promises are kept.

I believe that the MTN package represents a realistic trade policy, a policy which is both sensitive to the needs of our more vulnerable industries, yet designed to promote growth by permitting American industry to better compete in foreign and domestic markets. Our trade policy must reflect the twin goals of increased exports and more jobs for all Americans.

In the last few years, we have seen skyrocketing oil prices, worldwide recession, serious and prolonged inflation, international monetary instability, and the emergence of a number of developing countries as major exporters of manufactured products. All of these events have led to fundamental shifts in the patterns of trade between nations, and to major trade imbalances.

The lessons of history teach us that our trade policy mirrors the aims and aspirations of this Nation.

In protest against a tariff in the year 1773, the people of Massachusetts threw shipments of tea into the Boston Harbor, and took a major step toward the American Revolution. During the Great Depression, our Nation moved into isolation. We retreated into a virulent form of protectionism that reached its peak with the passage of the Smoot-Hawley tariff, a law which only served to prolong and deepen the depression.

Fortunately, in the post-war era, we succeeded in reversing this trend toward isolation and protectionism. We opened the doors of trade, and entered a period of unparalleled economic growth and prosperity. The early 1960's saw continued growth, and the Kennedy round of trade negotiations resulted in further reductions of trade barriers.

To retreat now would be disastrous. We know the importance of exports to the economy of my State of Massachusetts. Exports of manufactured goods produced

in the Commonwealth now total over $2.5 billion a year, and are rising four times as fast as overall production. Over 72,000 jobs are dependent on exports—about one out of every eight manufacturing jobs in the State.

While it is clear that we did not get everything we wanted in the Tokyo round, important progress was made in opening up new markets. While previous rounds of the multilateral trade negotiations centered on reductions in tariff barriers, the Tokyo round concentrated on the difficult job of reducing more insidious nontariff barriers, and developing international codes of fair conduct in trade between nations. New rules have been negotiated to reduce Government subsidies, to open up Government procurement, to rationalize product standards and custom valuation, and to crack down on commercial counterfeiting. These rules will help key industries in New England—machinery, electronic and medical equipment, instruments and others—compete in foreign markets. They will serve to expand exports and create more jobs for the American worker.

But the results of the Tokyo round alone will not be enough to promote exports and turn around our unfavorable balance of trade. A sound energy policy can begin to reduce our excessive reliance on imported oil. And much more needs to be done to increase U.S. exports of manufactured products. Inadequate financing mechanisms, lack of capital, lags in research and development, and poorly coordinated Government assistance programs all serve to thwart our efforts to boost exports.

In this regard, two recent developments will serve to help. Just last Saturday, the Senate passed the Export Administration Act in order to streamline export licensing procedures. Also last week, the administration proposed a reorganization of the Federal Government's international trade functions. I am hopeful that this proposal will encourage early congressional action on legislation designed to better coordinate Government trade policy and programs.

I look forward to a new era of international trade. I look forward to new partnerships forged by business, labor and Government to promote exports. This vital package of international trade agreements brings us closer to these goals. It is a fair and balanced package designed to spur growth and create jobs.

With its passage, we can seize new opportunities for orderly and fair trade, and bring further prosperity to all Americans.●

● Mr. MUSKIE. Mr. President, I would like to briefly outline the revenue impact of the Trade Agreements Act and its consistency with the first concurrent resolution on the budget for fiscal year 1980.

The Trade Agreements Act would reduce revenues by $83 million in fiscal year 1980 and $108 million in fiscal year 1984. This revenue loss is due primarily to the shift to the proof-gallon basis for assessing taxes and import duties on distilled spirits.

Additional tariff reductions totaling $247 million in fiscal year 1980 and $1,597 million in fiscal year 1984 were also negotiated during the multilateral trade negotiations. These tariff reductions can be made by the President under existing authority, and they are therefore not included in the bill now before us.

The Trade Agreements Act is consistent with the first budget resolution for fiscal year 1980. The first budget resolution revenue floor assumes that any legislation reducing receipts in fiscal year 1980 will be offset by other legislation raising revenues by an equivalent amount. The revenue loss associated with this bill now appears certain to be more than offset by revenue gains from a windfall profit tax or other revenue raising legislation.●

● Mr. TALMADGE. Mr. President, I support the Trade Agreements Act of 1979, H.R. 4537. This legislation implements the Tokyo round of the multilateral trade negotiations, which have been going on since the fall of 1973.

While the concessions were not all that I would have liked, the trade package should be helpful in increasing U.S. exports—particularly in agriculture.

I need hardly point out the rapid increase that has taken place in our agricultural exports in recent years. From $6.7 billion in 1970, our agricultural exports have expanded to over $32 billion this year.

This legislation—while expected to yield a further increase of only about $500 million in new agricultural exports—should be helpful in dealing with nontariff barriers and continuing the spectacular growth of the past decade.

The greatest agricultural concessions were received in the area of livestock and animal products, with an anticipated trade gain of about $250 million. Beef is the major beneficiary, but pork, poultry, and animal byproducts sales would also increase.

Our livestock groups felt that the trade barriers should be reduced even further, but our negotiators feel that they obtained the maximum benefits obtainable at this time. It is to be hoped that the livestock concessions gained, particularly in the case of Japan, will be the beginning of more open and freer trade with that country.

I would also like to point out that important concessions were received under the MTN in tobacco trade, which is anticipated to yield an additional $85 million. The bulk of this concession is accounted for by a concession from the European Economic Community, which is likely to result in about $75 million in increased tobacco exports. A significant concession by Australia is expected to yield further tobacco exports of nearly $8 million.

Important concessions were also received in fruits and vegetables, which are expected to yield additional exports of about $63 billion. The bulk of these concessions were made by Japan, and it is to be hoped that these modest gains will be but a start in obtaining improved access to the tightly controlled Japanese market.

I would also like to point out that important concessions were received with regard to our soybean exports. Japan agreed to fix or bind its present duty at zero, and this should be helpful in meeting future competition. Other soybean concessions were received that are anticipated to yield about $83 million in additional exports.

Mr. President, I should point out that our dairy producers are concerned over the revised cheese quotas, which will at least initially allow further cheese imports. The Department of Agriculture argues that the revision of quotas will bring increased protection by limiting the growth of cheese imports in future years.

Our Committee on Agriculture, Nutrition, and Forestry will follow this area carefully to assure that the needs of our dairy producers are not overlooked.

In conclusion. I should point out that we will need to use the MTN as the beginning of a national effort to expand our trade and strengthen the dollar. We must monitor the trade agreement carefully, and I know that the Congress will give careful attention to the administration's proposal to reorganize the Government's trade role.

Our Agricultural Trade Advisory Committee played an important role in providing the necessary expertise to carry out these negotiations. We should make every effort to continue to use this capability in implementing the MTN package.

I would like to congratulate Ambassador Strauss and his staff on their success in completing these negotiations. Also, I commend the Senators and staff for their diligent efforts on behalf of this legislation.●

● Mr. NELSON. Mr. President, H.R. 4537, the Trade Agreements Act of 1979, is the culmination of 5 years of negotiations among the United States and 98 other countries. This herculean effort has resulted in major revisions of international trading rules affecting tens of thousands of commodities.

Taken as a whole, the package of trade agreements reached at Geneva is an impressive monument to the skill and perserverence of our trade negotiators. Similarly, H.R. 4537, the implementing legislation hammered out over months of negotiations between the Congress and the administration, represents an exemplary piece of executive-legislative cooperation.

In large part, the trade pact has met the goal, established by Congress in the 1974 Trade Reform Act, of reducing and, where possible, eliminating tariff and nontariff barriers to international trade.

At the same time, H.R. 4537's promise of increased export opportunities for United States concerns, coupled with expedited administrative procedures to combat unfair foreign trade practices, has won its broad support from U.S. industry and agriculture alike.

As in any negotiation, in order to win concessions, one must make concessions. In terms of those the United States made, unfortunately, the burden fell much more heavily on some economic sectors than on others. The dairy industry is

among those most distressed over our negotiators' work in Geneva. It is for this reason that I regret I must vote against H.R. 4537.

A healthy, thriving dairy industry is extremely important to the Nation and to Wisconsin. Wisconsin produces far more cheese—almost 40 percent—and milk—17 percent—than any other State in the country. There are nearly 2 million dairy cows in farms across the State, producing more than $2.1 billion worth of milk.

In addition, Wisconsin ranks second in the production of butter in the United States, and is among the leaders in producing buttermilk, whey, lactose and nonfat and skim milk.

DAIRY-RELATED PROVISION IN THE MULTILATERAL TRADE AGREEMENTS

The following table, showing the dollar value of U.S. agricultural concessions made and received at the multilateral trade negotiations, demonstrates that dairy sacrificed the most for U.S. concessions won in other areas. The figures speak for themselves: Our negotiators gave concessions on a whopping $328 million worth of dairy-related trade in return for winning concessions on only $12 million worth.

Balance of MTN concessions granted and received by commodity group, all countries (based on 1976 trade)

[In millions of dollars]

	Concessions granted	Concessions received
Grains	$126	$592
Oilseeds	397	1,033
Livestock	1,297	916
Dairy	328	12
Poultry	39	52
Fruit and vegetables	272	398
Cotton	23	138
Tobacco	35	459
Other	583	109

Total concessions granted: $2.8 billion.
Total concessions received: $3.7 billion.

Specifically, the dairy industry objects to three changes in current law agreed to by U.S. negotiators:

First. The addition of an injury test to the U.S. countervailing duty statute.

The current countervailing duty statute, part of U.S. law since the 1880's, directs the Secretary of the Treasury to levy an extra duty on foreign exports to our market which are assisted by a subsidy. Under this law, use of the subsidy alone makes out a violation.

The statute was enacted to prevent foreign subsidized goods from competing unfairly with goods produced and sold in the United States. Many of our trading partners use export subsidies in order to protect domestic industries and employment, by enabling their less efficient producers to compete in the U.S. market on equal terms with their American counterparts.

In effect, then, subsidization enables countries to export their unemployment along with their goods. When subsidies accompany imports to the United States, private concerns here are forced into a competition heavily weighted against them, because they must compete not only with their foreign counterpart, but with its government's treasury as well. Imposition of a countervailing duty, then, is important to neutralize the unfair advantage the subsidy confers on the export.

In practice, however, U.S. authorities failed to enforce the law effectively. In 1973 alone, for instance, the Common Market paid more than $26 million in subsidies on dry milk, cheese, butter, and butter oil shipped into the United States. And yet, we did not countervail against this practice. In 1974, 100 million pounds of cheese and 150 million pounds of dry milk, much of it heavily subsidized by foreign countries, were imported into the United States, causing vast disruption in American dairy markets. And still we did not countervail.

The statute had atrophied from so little use. In an effort to insure its enforcement, I proposed several amendments to the 1974 Trade Reform Act, which Congress approved. These measures for the first time imposed specific time limits within which the Treasury Secretary must act on a charge of foreign export subsidization.

However, the 1974 Trade Act also contained authority for the President to waive the imposition of countervailing duties through January of 1979, if he could make specific showings that a given waiver would assist our efforts to reach a new subsidy/countervailing duty code with our trading parties at the trade negotiations. The President has liberally exercised this authority, especially with respect to dairy products.

Since passage of the 1974 Trade Act, the President has waived the imposition of countervailing duties 19 times. The amount of trade affected under these waivers has been about $600 million, translating into about $40 million worth of uncollected countervailing duties. The six waivers covering dairy products resulted in no countervailing duties being collected on $160 million worth of dairy trade, about one-fourth of the total.

Our negotiators in Geneva, however, have succeeded in making this bad situation even worse. They gave in to European demands that the United States make it even more difficult for domestic concerns to win relief under the countervailing duty law. Thus, once H.R. 4537 has passed, an American farmer or businessman will have to prove not only that a foreign government employs a subsidy, but also that he has been injured by it, before our Government will take steps to countervail the practice. Such proof of injury is a time-consuming, expensive, and extremely difficult task.

Second. The expansion of cheese import quotas.

The new agreement will (a) place all price-break cheese—foreign cheese which enters the U.S. market at a price 7 or more cents higher than the Government's buying price for American cheddar cheese—under quota, and (b) expand the newly-constituted quota by an additional 30,000 metric tons over the total volume of cheese imported into the United States in 1977.

Placing price-break cheeses under quota is a helpful and responsible step. These imports, many of which are subsidized, are currently restrained only by market forces. This action will increase the percentage of imported cheese under quota from 50 percent to 85 percent.

As the table below shows, imports of price-break cheese into the United States have sharply increased over the last dozen years. Putting such cheese under quota will help bring some much-needed stability and predictability into the marketplace.

UNITED STATES: IMPORTS OF CHEESE BY QUOTA STATUS 1966-77 AND UNOFFICIAL FORECASTS [1] FOR 1978-84

[1,000 Mt]

Year	Under Quota [2]	Above "Price-break"	Miscellaneous nonquota	Total
1966	45.4	7.4	8.6	61.4
1967	53.2	7.4	8.2	68.8
1968	58.4	9.8	9.1	77.3
1969	38.0	17.4	9.9	65.3
1970	36.5	25.5	11.0	73.0
1971	29.9	22.5	9.2	61.6
1972	36.4	32.7	12.3	81.4
1973	71.4	23.4	9.4	104.2
1974	90.5	43.6	9.0	143.1
1975	41.6	30.7	9.1	81.3
1976	44.1	40.7	9.2	94.0
1977	48.2	37.8	8.9	94.9
Unofficial forecasts:				
1978	50.0	42.8	9.2	[3] 102.0
1979	46.0	46.8	9.2	102.0
1980	50.0	49.8	9.2	109.0
1981	46.0	53.8	9.2	109.0
1982	50.0	56.8	9.2	116.0
1983	46.0	60.8	9.2	116.0
1984	50.0	62.8	9.2	122.0

[1] Assuming current quota system is maintained as is.
[2] Some quotas currently in force were established during the period covered. Figures show what would have been subject to quota if all current quotas had been in place.
[3] Actual 106.

Dairy farmers worry that, as in the past, this new quota will serve only as a springboard for additional increases a few years hence. The administration will make no commitment to the dairy industry not to raise the new quotas, even though the special trade representative has touted the new quota arrangement principally on the basis that it will put a "cap" on foreign cheese imports, implying some degree of permanence with respect to quota levels.

Moreover, even if quota levels remain constant, dairy farmers are concerned over the possible effects of the expansion of cheese quotas by 30,000 metric tons over total 1977 imports. While the administration projects that cheese imports as a percentage of domestic production will remain stable, at or about the 6.2 percent level for the next several years, this assumes that cheese quotas will not be increased and that the domestic cheese market will maintain its current strength. Independent dairy economists are not at all sure that those assumptions are realistic.

Third. Explicit U.S. permission to foreign governments to subsidize their cheese exports to the U.S. market.

Perhaps the most worrisome of the cheese deals struck at Geneva is the following: In return for agreeing to a U.S. quota on nearly all types of cheese, the foreign cheese-exporting nations will be allowed to subsidize their exports, as long as they do not undercut the U.S.

domestic wholesale market price of similar cheese produced here.

This provision on subsidies must be placed in its broader context, to show how disfavored cheese is in the MTN schema. The new trade agreements impose a flat ban on the use of export subsidies for industrial products. In addition, the signatories agreed to more restrictive rules governing the use of export subsidies on agricultural products generally. But, when it comes to cheese, the United States has literally blessed the practice.

THE IMPLEMENTING LEGISLATION

As a member of the Finance Committee, which has jurisdiction over international trade legislation, I worked very closely with other Senators and with the administration to make the trade agreement's dairy provisions as equitable as possible to the dairy farmer. Under the 1974 Trade Reform Act, the Congress was foreclosed from making any changes in the trade agreements themselves; only the implementing legislation was subject to revisions. H.R. 4537 reflects, in sections 701 and 702, the substantial improvements we were able to make in the administration's original legislative proposal.

In the main, these address two concerns: First, that the United States establish an effective mechanism to enforce the commitment by foreign cheese exporters not to undercut U.S. market prices for similar domestic cheese; and second, that the Government guarantee dairy farmers the opportunity to testify at full public hearings before any proposed increases in section 22 cheese quotes take effect.

With respect to the price-undercutting commitment, the administration's original implementing legislation contained no credible mechanism for enforcement.

Because of this, I pushed in committee for an effective price-monitoring and enforcing procedure totally under the control of the Secretary of Agriculture.

Under this plan, which has been accepted by the administration (sec. 701(a)-(d)), the Secretary will continuously monitor foreign subsidy practices and prices of imported cheese. Whenever any person affected charges a violation of the price-undercutting commitment, the Secretary will be required to conduct a "fast-track" investigation.

The plan requires the Secretary to complete his investigation in 30 days. If a violation is found, the exporting country would be required to end its illegal pricing practices within 15 days. If it refused, the United States would slap on countervailing duties or even ban the exporters' cheeses from entry into the U.S. market. The entire procedure may by law take on longer than 65 days. This is almost 5 months faster than the quickest relief possible under the countervailing duty law, by which subsidized dairy imports have been regulated in the past, and by which other commodities will continue to be regulated in the future.

This simple and readily-provable injury standard, together with the overall price-undercutting enforcement mechanism, of which it is a part, represent important protections for the dairy farmer which were not contained in the administration's original legislative proposal.

In addition, the administration agreed to include language in the implementing legislation which guarantees that, for the next 3 years, the Government may not expand cheese import quotas without prior public hearings, except in "extraordinary" circumstances. This provision (section 701(b)) insures that dairy farmers and their industry representatives will have a full opportunity to present their case before the administration makes any changes in cheese quotas.

Even given these substantial improvements in the implementing legislation, I am simply not confident enough that the changes made in the countervailing duty law, the sanctioning of foreign subsidies on their cheese exports, and the expansion of cheese import quotas will not have damaging effects on U.S. dairy farmers.

The findings of agricultural economists and other experts who have conducted extensive studies on the projected effects of the trade agreement on returns to U.S. dairymen are in serious disagreement. A study commissioned by the Senate Finance Committee, for example, predicts rather little impact on milk prices as a result of the trade agreement, about a 6.4-cent per hundredweight reduction in price in 1980, declining to no difference in 1986.

Another study, however, conducted by a well-respected agricultural economist at the University of Wisconsin, foresees a much more damaging impact on dairy farmers as a result of the trade agreements. Based on a recent Department of Agriculture report, this study predicts that the trade pact could mean a drop in milk prices of 13-cents per hundredweight or more.

The fact is, there is no reliable way to gage the future impact of the trade agreement on U.S. dairy farmers.

Our Nation's dairy farmers have been in a boom and bust cycle, a roller coaster economy, for the past few decades. The result has been chaos, with thousands of dairy farmers being forced out of business. The most recent statistics show that the Nation lost over 8,000 dairy farms from 1969 to 1974. Many of the remainder have only survived because they have been willing to forego an income equal even to the minimum wage, not to mention a fair return for their investment. We cannot continue to ask dairy farmers to make that sacrifice in order to provide the rest of us with a cheap and adequate supply of one of our most basic foods.

In order to offer some insurance to the dairy farmer that the chaos of recent years will not occur again, I introduced legislation in January which would maintain the minimum floor for dairy price supports at 80 percent of parity, with mandated semiannual adjustment by the Secretary of Agriculture, through September 30, 1981.

An extension of the 80 percent of parity price support level is absolutely essential to protect the dairy farmer against the potential harm caused by the trade pact.

Everyone recognizes that the sacrifice by the dairy industry was a vital part of the trade agreement in general and the commodities agreement in particular. Comparatively, every other agricultural commodity did very well indeed. Therefore, there is a compelling obligation on the part of the Congress and the country to assure that the dairy industry is not seriously damaged by the importation of dairy products subsidized by the general treasury of foreign governments. Our dairy farmers can beat the competition of European dairy farmers, but they cannot beat both the farmer and his government combined.

Both Trade Ambassador Strauss and Agriculture Secretary Bergland have endorsed an extension of 80 percent of parity but Congress has not yet acted. Therefore, I withhold my endorsement of this agreement until Congress extends the 80-percent support level.●

● Mr. GLENN. Mr. President, I rise in support of H.R. 4537, the Trade Agreements Act of 1979. I think it is especially appropriate on this occasion to review the historical significance of America's role in international trade and to survey the range of foreign trade challenges that demand our immediate attention.

Since World War II the United States has led the world in the expansion of international trade. By way of the Truman doctrine and the Marshall plan we aided the development and redevelopment of industiral economies throughout the free world. Through these polices we built a system of global economic cooperation that provides nations with fuel for their factories and markets for their goods.

The success of these economic missionary efforts is inspiring. For the last three decades the international economy has enjoyed unprecedented growth and prosperity. With our assistance the economies of Germany and Japan have risen from the ashes of war to positions of leadership in industrial production. South Korea, Taiwan, Mexico, and Brazil continue to make impressive strides on the road to economic development. The United States led the development of the free world market and is today the free world's best customer. We find proof of this in world trade figures compiled since the OPEC oil embargo and price escalation.

Since 1974, U.S. imports have grown 13½ percent per year.

Our trade with West Germany went from a virtual balance in 1976 to a $1.4 billion deficit in 1977 and $3 billion in 1978.

Our deficit with Canada grew from $2.7 billion in 1976 to $4 billion in 1977, and $5.2 billion in 1978.

Our deficit with Japan grew from $2.8 billion in 1976, to $8.4 billion in 1977, and $11.6 billion in 1978.—Figures from the Department of Commerce, Office of International Economic Research.

In short, America's strength as a customer of foreign industries has provided energy-hungry nations with the foreign exchange they need to purchase their fuel supplies and finance their industrial modernization programs. Our trading partners' confidence in the U.S. economy is underscored by the fact that in the last 3 years foreign investment in the United States has increased 66 percent.

Unfortunately, the economies of Canada, Japan, Brazil, Mexico, and India have all grown slowly since the OPEC oil crisis. These are all important traditional markets for U.S. goods. The slow growth of these markets has slowed growth of U.S. exports. Since 1974, U.S. exports have grown only 7 percent per year.

However, the slow growth of traditional markets for U.S. goods explains only part of our poor export performance in recent years. Since 1974, the United States has failed to expand its exports in faster growing markets at the same pace its competitors have. This fact highlights the historical irony of the foreign trade challenge confronting us today.

We changed the world with our response to the post-World War II economic challenge. The very success of that response, the development of competitive industrial economies throughout the world, has fostered a new challenge for us—the challenge of economic competition from abroad. The resources of this challenge are the very same as those described by J. J. Servan Schrieber, 10 years ago, in his book "the American Challenge." The foreign trade challenge confronting us today is based on careful planning and financing of commercial activities and the mobilization of research and development in industries with strong export potential.

In Asia and Europe, governments have targeted specific industries to receive the benefits of favorable investment climates and financial assistance.

In Japan, the steel, shipbuilding and computer industries have benefited from carefully planned investment and export promotion strategies. Taiwan, Hong Kong and Korea have followed this pattern in the development of their textile footwear industries. Similarly, research and development in Europe and Japan has been directly toward products with export possibilities. European governments have worked cooperatively to increase their share of the international commercial aircraft market. Similarly, the Japanese Government has coordinated research in semiconductor technology to gain access to that export market.

Most other countries also provide some form of official financing, through both tax and nontax incentives, for export activities. Whereas the United States spends only 1-100th of 1 percent of the Federal budget on export promotion, other countries average about six times that amount. Where stringent U.S. antitrust laws hamper cooperation among American firms, Japanese and European trading companies combine their resources for comparative advantages in project bids and freight rates.

The scope and nature of this global foreign trade challenge call for immediate response. The interdependence and competitiveness of the world market make it impossible for the United States to sustain its economic growth with policies based on out-dated notions of resource self-sufficiency and directed toward limited domestic markets. We can no longer afford to sit idly by while our trade deficits mount. We must direct our attention to the foreign trade challenge that confronts us.

This challenge calls for a substantive reorganization of trade responsibilities in the U.S. Government. The United States alone among the major trading countries has no single Government agency with authority and responsibility to advance its trading interests. Our current trade apparatus needlessly duplicates some trade functions, inadequately serves others and is in conflict with itself about whether or not to perform still others. We have too many people in our Government trade agencies running in too many different directions. We must streamline and strengthen our trade programs. U.S. business cannot remain competitive unless we increase U.S. Government effectiveness in dealing with trade matters.

Just as we must restructure our Government trade apparatus so must we expand U.S. export financing. In world markets for capital goods—and as recent trade agreements between China and other foreign countries demonstrate—contracts most often go to the exporter who is able to arrange the most attractive financing. Intense international competition and increasing similarity in the price, quality and availability of goods make financing arrangements a critical factor in foreign trade. We must expand the scope and freedom of export financing and we must provide more attractive terms and programs.

The expansion of these programs—Export-Import Bank and the Commodity Credit Corporation—is important to our domestic economy as well as to world commerce. With every additional 1 billion dollars in exports financed by such programs, 40,000 domestic jobs are created, $2 billion is added to our GNP and $400 million in additional Federal tax revenue is collected—Senate Banking Committee Export Policy Report.

We must free the adventurous spirit of private enterprise from the yoke of tax laws and Federal regulations that currently hamper our international competitiveness. We all realize that we need to monitor the foreign-source income of American firms, preserve our environment, and protect the health and safety of our workers. Our growing trade deficit dictates that we accomplish these objectives at the lowest possible cost to our economy.

This requires a thorough-going review of current regulatory standards and procedures:

A Washington—St. Louis, Mo.—University study of Federal regulatory activity concluded that the cost of Federal regulations to our economy is in excess of $100 billion a year.

It costs the Federal Government nearly $5 billion per year to carry out its regulatory activities.

In addition to unleashing the forces of productivity, we must nourish their growth. We must expand opportunities for capital formation and enhance incentives for industrial research and development so that our industries can invest in the modernization of their facilities.

Such investments in industrial productivity are lagging.

The proportion of gross national product invested in R. & D. has declined steadily in the United States for the past 10 years. During that period, Germany has increased its R. & D. expenditures 40 percent, and Japan has increased its R. & D. expenditures 74 percent.

U.S. investment in R. & D. as a percent of GNP has fallen from 3.0 percent in 1964 to 2.3 percent in 1978.

During the same time period investment in R. & D. in Japan increased from 1.5 percent to 2.0 percent; in Germany it increased from 1.5 percent to 2.3 percent—NSF.

These trends are important for several reasons. Whereas 51 percent of U.S. R. & D. investment is defense related, only 2 percent of Japan's R. & D. investment and 12 percent of West Germany's R. & D. investment are defense related. The United States spends a smaller share of its R. & D. investment on commercially oriented R. & D. than Japan and Germany do. This is significant because these and other countries have emerged as major alternative sources of industrial innovation in recent years. Increasing competition from developing nations in the areas of consumer goods and moderate technology products will push these nations into greater concentration on higher technology products—directly challenging the mainstay of U.S. exports.

Moreover, R. & D. investment has a special impact on U.S. productivity and competitiveness in the world market. During the time that U.S. investment in R. & D. has declined, U.S. productivity growth has fallen behind that of other nations, our market share has declined and the U.S. dollar has depreciated. Increased investment in R. & D. is a must if we are to reestablish our competitive position in foreign trade.

Just as we must nourish the forces of productivity so must we promote export activities across a broader range of U.S. firms. At present exports account for only 6½ of U.S. GNP. Approximately one-half of U.S. exports of manufactured goods are made by only 100 companies; 80 percent are made by only 250 companies; small and medium sized firms account for only 15 percent of our exports.

We cannot become competitive in foreign trade when thousands of our medium-sized and smaller firms are prevented from exporting by high start-up costs—foreign market surveys, changes in product design and packaging, provision of after sales servicing, travel expenses—and ignorance regarding the requirements and rewards of foreign markets. The Commerce Department estimates an additional 20,000 to 30,000 small companies could export successfully.

We must redirect our export promotion programs to these potential exporters in greatest need of assistance. At my suggestion, businessmen in my home State of Ohio are currently exploring the trading company concept as a means of increasing export sales. Although the concept of an Ohio Trade Co. is far from realization, its potential is considerable. It would allow medium-sized and small firms to pool products, management expertise, and economic strengths. The benefits of such an arrangement include: Increasing opportunities for finding markets, reducing the costs of sales, increasing access to credit, and spreading the risks of exporting over the member companies. The trading company concept is an example of an area where business and Government must cooperate if we are to respond successfully to the challenge of foreign trade.

We know the nature and source of this challenge. And we know that just as challenges are occasions for critical self-evaluation, so are they opportunities for creative action. We have faced challenges before and we have reshaped the world by our responses to them.

We cannot predict what future challenges will arise in international trade. Nor can we develop an international trade system that is free of potential conflicts and crises. The world is too complex and the interrelations of its economic and political sectors are too subtle. Yet, by launching the kind of mission I have outlined we can stimulate productivity at home and commerce abroad. To turn away from this challenge is to accept the finite limitations of our own natural resources and to silence the expression of our infinite American resourcefulness.●

● Mr. BIDEN. Mr. President, over the last 5 years, particularly these last few months, we have all heard and read a great deal about the multilateral trade negotiations which were conceived at the ministerial conference in Tokyo in 1973. In the aftermath of the OPEC quadrupling of oil prices, the world economies faced many of the same problems that we continue to face today—energy shortages, sluggish and erratic growth, inflation, and unemployment.

These recently concluded negotiations among 99 countries will not solve these problems overnight. However, they do represent a noteworthy attempt to deal with the very root of these economic problems—protectionism. To counter tariffs, the traditional method for providing protection to an economy, negotiations have been completed which would result in average global tariff reductions of 33 percent, with only 30 percent for the United States. To counter alternative methods of protection, such as product standards, licensing, and customs valuation, the Tokyo round has successfully negotiated five "Codes of Conduct" which provide for the first time, a discipline on the use of nontariff barriers. These nontariff barriers code can be seen as the greatest achievement of this round of negotiations. By providing "rules of the road" for the barriers which have been used increasingly by governments either to compensate for the loss of protection from foreign competition, these codes attempt to control some of the most detrimental barriers to trade—and thus barriers to economic growth.

Protectionism hinders the efficient allocation of often scarce global resources. Our experience from the "beggar thy neighbor" protectionist trade policies in the 1930's, and the oil shortages in the 1970's, has taught us that protectionism is in none of our interests. By raising the prices of available goods it hardly serves the needs of the consumer, and while beefing up a specific industry, it does not serve the American economy as a whole.

Most economists inform us that if Congress passes the implementing legislation, the results will be beneficial to the United States and the world economy in the long run. By shifting available resources into areas where a country enjoys a "comparative advantage"—in the case of the United States, high technology products—our economies will realize greater efficiency and productivity. The resulting increase in income and employment will act as an "engine of growth" in an expanding world economy.

When we consider the effects of the multilateral trade negotiations (MTN) in the short run, the benefits will most immediately effect the consumer. Reduced barriers to trade, both tariff and non-tariff, should increase the availability of goods and enhance price stability. Unfortunately, many sectors of the American economy have been conditioned into thinking that more foreign goods means higher prices. This, however, is simply not the case. The freer flow of goods and services as a result of these reduced barriers will tend to lower the price of imported goods and in turn encourage domestic and foreign producers to control their prices in order to be competitive. The consumer could expect to have a greater selection of goods such as watches, cheese and electronic products at reasonable prices.

Statistics show that the American consumer will, in fact, save as a result of the MTN. A report from the Office of the Special Trade Representative, found that estimated consumer benefits from the fully implemented tariff reductions alone would reach $10 billion annually. In simpler terms, Ambassador Robert Strauss estimated that savings to the average consumer, in both taxes and lower prices for goods purchased, will be $695 per year as a result of the Tokyo round negotiations.

Other short-term effects include export expansion. Estimates of the additional American exports as a result of tariff reductions alone, might be as little as $2.7 billion but could be as high as $4.5 billion. Of these exports a sizable percentage (41 percent) would go to Europe, Canada (26 percent), and Japan (14 percent). The American economy would significantly increase their exports in aircraft, automobile parts, computers and chemicals—to name a few.

With regard to the nontariff barrier Codes of Conduct, the Government Procurement Code would open up an estimated $25 billion in annual sales of goods and services to foreign governments, which previously had been closed to the United States. Other codes to counter such nontariff barriers as product standards, complicated requirements for licensing, and varying criteria for assessing the value of imported goods—would promote the free flow and fair trade of American goods.

At a first glance, the effect of the MTN on industry in the short run may not appear as beneficial. It is often said that with the lifting of protective trade barriers, it is the producer who pays and the consumer who gains. By changing the structure of the economy, the United States and other countries face the prospect of job displacement and in some industries increased unemployment. However, this is only at a quick glance. What we really need to do is to take a closer look to see if the jobs were lost as a result of Government trade concessions or whether the loss is, in fact, due to the inefficiency of an industry whose collapse has simply been delayed by the protective barriers we have previously erected. It is only in this way that we can single out and judge the effects of the MTN on the structure of the industrial sector of our economy.

It is unfortunate that any part of our society must bear the burden of the negative, short-term effects of the MTN. To this end, the Trade Adjustment Assistance Act, of which I am a cosponsor, would provide compensation to individuals who are displaced or dismissed due to the impact of imported goods.

It is important to note that the actual job loss will be minimal. In addition, the structural change brought about by the MTN, would result in the creation of new jobs in the areas of high technology—where we maintain a comparative advantage. I expect, therefore, the overall result will be less a case of "genuine unemployment" than a temporary job displacement: Fewer jobs in industries propped up by trade barriers but ultimately the creation of more jobs in more efficient areas.

The aggregate effects of the Tokyo round of the MTN on our economy will be beneficial. Although there were will be a short period of adjustment, current studies strongly suggest that in the long run, the MTN will have a salutatory effect on the United States and world economy. I think it is important for us to remember that we are not a country neatly divided into two groups—with the consumer on one side and industry on the other. Consumers are also involved in production, as is industry involved in consumption of goods and services. As a result, in the short term, the benefits to the consumer are not necessarily distinct from those realized by industry. In the long term, that which benefits the consumer should ultimately benefit the producer.

Mr. President, it is true that we did not get everything we wanted in Geneva. This, however, is the nature of negotia-

tions—"You have to give in order to take"—I do feel that in the overall, there was a net gain to all the 99 participating countries.

I believe that the United States will benefit in both a domestic and in an international context. Domestically, the benefits would include lower prices, a greater availability of certain goods, and a stable and more efficient economy. Internationally, in a broader sense, these negotiations represent a global awareness of the importance of cooperation in the context of common trade problems and mutual interests.

In addition, certain trading issues, including the use of import quotas and voluntary export restraints, remain outstanding. These issues must be dealt with in the future by the international trading community.

Mr. President, countering the growing trend toward protectionism, the Toyko round of the multilateral trade negotiations represents an investment in the future of all Americans. Voting favorably for this trade package will assure the improved economic welfare of both the American people and others in the international community.●

THE MULTILATERAL TRADE AGREEMENTS: AN ACT OF POLITICAL WILL

Mr. BRADLEY. Mr. President, today, the Senate will vote on a package of trade legislation which is the product of more than 4 long years of concerted efforts by the United States and nearly 100 of its trading partners to resist powerful pressures toward economic isolationism. The agreements are imperfect, they bear the imprint of compromise among nations, and among diverse interests within nations; they reflect economic bargains that are not in all respects completely balanced; nor do they, in all cases, adhere to the strictest standards of free trade. Accordingly, critics who wish to find fault with the trade package for doing too much, too little, or too careless a job, in preserving an open system of international trade, can find justification in one or another of the details of the agreements.

While their specific criticisms may be well found, they are wrong if their conclusion is that this massive effort to bring trade under stricter international discipline is a failure. For in every respect, the struggle was uphill, and in every respect, the trade agreements, and the accompanying implementing legislation, represent a hard-earned victory of political will over expedient economic choice and nationalist instinct. The package reflects votes deliberately cast by national leaders in favor of the future, and against capitulation to the political tides of the moment; it reflects votes for international cohesion, and against destabilizing fragmentation. Renewed affirmation of the postwar trend toward economic expansion through increasing interdependence clearly is the larger accomplishment of the Tokyo round.

That interdependence is not per se an antidote to friction among nations is amply illustrated by our postwar experiences with capital controls, import surcharges, export embargoes, currency destabilization, oil price spirals, contagious inflation and recession, and the disintegration of the fixed exchange rate system. But even a cursory examination of economic history drives home the lesson that there is a surplus of benefits to be derived from open borders and the integration of the world economy. We only have to remember the economic collapse and personal misery which the false remedies of protectionism wrought on the world during the years of the Great Depression.

Seeking to spare themselves the devastating effects of economic shock and to shift the pain of recession and unemployment abroad, nations erected higher and higher rounds of tariff walls and succumbed to competitive devaluations whose cumulative effect was not to afford isolated relief but, rather, to exacerbate the economic crisis, and ultimately, to destabilize political institutions. In contrast, postwar progress toward a multilateral system of open borders, despite periodic traumas, spurred the world economy first, toward massive recovery, and then toward higher and higher levels of growth, welfare, and political stability. The lessons of the past are clear and compelling: Open borders and interdependence cannot guarantee peace and prosperity, but they offer the best opportunity for modernization and progress that we have found.

Still, despite the dramatic lessons of history, as well as the lessons of economic theory, internal disorders every day tempt governments to provide quick palliatives at the expense of long-term welfare. Persistent problems of unemployment, slow growth, failing trade balances, and industrial dissipation tempt governments to offer preferences to products made at home, limit the access of foreign goods to domestic markets, and provide uncommercial incentives for national products to penetrate foreign markets. Protectionism is an easy answer, an answer within close reach. It requires an act of will by collective leadership to resist the strong and immediate pressures for a simple solution.

And it was by an act of political will that signatories to the trade treaties agreed to deny themselves full access to their national instruments of economic policy. A toolshed of tariff and nontariff barriers to trade have been laid aside in the effort to establish fair rules of international commerce.

The decision to accept international discipline in the realm of trade is significant beyond its economic effect. It offers evidence that modern leaders can rise above parochial perspectives and join to build institutions for the good of world society. The expression of will in the economic realm bodes well for future achievements in the political and the military realms. It fosters faith in the quality and depth of international commitments to cooperation.

Although the importance of preserving a liberal world trade structure is reason enough to be well disposed toward the agreements, fortunately, it is not the only reason. The specific accomplishments are far reaching. They promise to overcome stubborn obstacles to trade and increase world welfare. Tariffs will fall by an average of 33 percent and this should facilitate the flow of goods and services. But what truly distinguishes this seventh trade round since World War II is the success of the negotiators in eliciting commitments by governments to restrain their use of nontariff mechanisms to influence the course of trade. As tariff-cutting agreements eroded the utility of tariff instruments, nations accelerated their use of nontariff restrictions. Bouts with recession and unemployment in this decade increased incentives to resort to these nontariff measures.

As a result of the recent trade negotiations, codes will govern a broad range of government policies and practices that currently are employed to shift trade balances in the user's favor, policies and practices such as subsidizing exports, giving undue procurement preference to national products, imposing product performance standards that cannot be justified by legitimate domestic objectives, implementing licensing procedures that discourage imports, and employing unfair methods of customs valuation. One code will govern the practice by private and public enterprises of dumping abroad surplus product at less than its fair value. The codes provide for recourse to an international dispute settlement mechanism, and U.S. implementing legislation, if approved, will assure our own remedy under domestic initiative, should international efforts fail.

Thus the agreements and the accompanying U.S. legislation are designed to make international trade both more free and more fair. They go to great lengths to create a bias in favor of open borders, while retaining for each nation the right to modify its own compliance in response to violations by others. The structure established is a good one; the actual benefits to be derived depend on our own resolve and restraint.

Past experience instructs us in the possible benefits to be had. For example, today Americans receive direct savings of an estimated $2 billion yearly resulting from the availability of consumer imports, excluding automobiles and foods. Trade fights inflation, currently a chronic national problem, by increasing supply and encouraging domestic producers to keep their prices competitive. Though actual savings brought about by the MTN agreements will depend on market behavior, there are projections that by the time the new tariff cuts have been fully phased in, Americans will have saved $4 to $6 billion yearly because of imports. Alone this could produce a drop in inflation of 0.2 to 0.3 percentage points. Indirect effects, such as reducing pressure for wage increases, when added to the impact of nontariff barrier reductions, could make the drop much steeper.

Over the years, the United States has become more dependent on international trade. Today we export over 16 percent of our gross national product, compared

to less than 5 percent when the GATT was founded in 1947. Approximately 4.3 million American jobs rely on exports, and in 10 years American exports have more than quadrupled, reaching $143 billion in 1978. The fact that even this rate of expansion leaves us with trade deficits on the order of $30 billion a year is just proof of the need to provide greater stimulus to exports. For too long, our Government has neglected market opportunities abroad and permitted foreign competitors in Europe and Japan to enjoy special advantages in capturing these opportunities.

On July 21, 1979, the Senate approved a new Export Administration Act, the provisions of which create an assumption in favor of American exports and go some way toward relieving American industry of the export-chilling delays and paperwork burdens that are not truly necessary to protect our national security or uphold our foreign policy interests. In another excellent effort to improve our trade standing the Senators from Connecticut and from Delaware, as well as the distinguished majority leader, the Senator from West Virginia, have introduced proposals for the comprehensive reorganization of our trade functions, proposals aimed at improving our export performance and rationalizing our trade policies. Several other distinguished colleagues have offered their own designs for trade reorganization, and the administration has submitted its plan for an enhanced STR office.

All of these deserve our thoughtful and careful attention in the coming months, for while there must be lively debate about the best reorganization formulas, there should be no doubt that some realinement is needed. Our ability to take full advantage of the trade understandings recently reached will be impaired unless we take this opportunity to cohere trade programs in a strong, central trade institution, one prepared to advance U.S. interests abroad and to provide for the fair administration of our trade laws at home.

As a Senator from New Jersey, I note with satisfaction that early warnings that trade liberalization would have an adverse impact on the Northeast region were exaggerated. These predictions did not take into account the careful treatment that our trade negotiators gave to import sensitive sectors, sectors which are heavily concentrated in the region. As it turns out, at the same time that injury to industries such as textiles, steel, and shoes will be mitigated by the small size of tariff reductions and by special agreements, high technology industries, such as the computer, electrical equipment and instruments, industries, which are also heavily concentrated in the Northeast region and enjoy a strong advantage in the world markets, will be given an additional boost by trade liberalization. Last year, these last three industries alone yielded $9 billion in exports from the region.

Exporting continues to be important to the region's growth. Currently over 7 percent of the Northeast's manufactured products are exported. One in fifteen Northeast workers produce manufactured items for export. Further, including indirect exports and "invisible" exports, such as finance, insurance, shipping, and other services in the calculation would significantly raise the dollar volume of exports and the number of workers employed as a result. While exports from the Northeast have lagged behind the United States as a whole, the region continues to be an important export source. Also, six of these States enjoyed a growth in manufactured exports higher than the national average.

The area is fortunate enough to include many fine ports, including the great Port of New York—New Jersey in my own State. The value of this port's total foreign trade reached record levels in 1978, rising by 25 percent from 1977 to a high of $58.6. billion. Liberalized trade should spur further growth and inject new vitality to the port area. State, local, and Federal Government will all need to join forces to fully explore and exploit new opportunities.

I would like to take this opportunity to congratulate, and convey my special thanks to Special Trade Representative Robert Strauss and his superb staff for their tireless work in ushering a very complex and controversial set of agreements through international negotiations, and for consulting with the Senate Finance Committee in a frank open manner in the course of formulating sound legislation to implement these agreements.

I also would like to say that it has been a privilege to work with my distinguished colleagues on the Trade Subcommittee. Under the wise leadership of the Senator from Connecticut and the Senator from Delaware, the members sought to assure that the legislation we helped to develop will implement the agreement in a way that best serves American interests in free trade and in the fair treatment of its domestic producers. Subcommittee members, particularly the chairman and the senior minority members, have given unselfishly of their time, energies, and patience, and the unanimity with which the bill has been reported reflects their zeal and commitment to the welfare of the American people. Bearing in mind all the risks associated with, as well as the inevitable imperfections in, the agreement, I know my colleagues will join to receive these agreements with the resounding welcome they well deserve.

Mr. HOLLINGS. Mr. President, while I intend to vote in favor of the implementing legislation for the Multilateral Trade Negotiation Treaty, I want to take a few moments to explain my conviction that the larger dimensions of our trade problems are not going to be solved—indeed have not even been addressed—in this agreement. The treaty we are voting on can, vigorously implemented and enforced, improve the climate of trade. But it would be dangerous folly to assume that it will correct our more fundamental trade problems. It does not. What we will need just as sorely after this treaty is approved is what we need right now—a realistic trade policy for the United States of America.

Since the Second World War, we have been through half a dozen of these international trade conclaves. Each time we have liberalized the terms of trade, each time we have convinced ourselves that a better trade world has been achieved. Yet hard as I search, I cannot find any evidence that our American trade picture today is better than it was 35 years ago; and I can find a lot of evidence showing it to be many times worse than it was. All the red ink in our balances of trade and payments proves that.

I vote in favor of this legislation in hopes that it will accomplish the limited goal of reducing some of the irritants which poison the trade atmosphere. I do so under no illusion that the treaty or the implementing legislation will accomplish anything fundamental to rectify the serious trade problems which so endanger the national economy. The various technical codes covering subsidies, standards, customs valuation, licensing, commercial counterfeiting, and so on can make a difference, but certainly they portend no bright new trade picture for the United States.

I emphasize also that even these more modest goals will not be achieved without vigorous and determined followthrough. Our trading partners are nothing if not innovative, and as we move to close one loophole, they are fully capable of divising others not covered in the agreements.

When we stop to look at the implementing machinery set up to enforce the MTN Treaty, we see a lot of new committees and panels, as if adding bureaucracy on top of bureaucracy was going to solve our problems. Who composes these panels, what procedures they will use—many of the most vital questions are left to the future for answers. I would also note that even if these committees are fortunate enough to get so far as to recommend action against an offending country, they are not likely to get to the point of effective retaliation. Only once in the history of the GATT has the membership sanctioned retaliation. The feeling more usually is that going that far is a little bit nasty, somehow ungentlemanly, and potentially injurious to the independence of the countries involved, so the upshot is that effective retaliation is very, very rare. With action so infrequent, the old system of dispute settlement seems open to question. Now to pile new committee on top of old committee seems hardly the most effective way to proceed.

I could go into other ambiguities and uncertainties in the language of the codes, but I will refrain from that for now. Suffice it to say that there are too many instances where the language used is open to varying interpretations, and if those interpretations are not done any more effectively than they have been done in the past, then I would not look for any substantial diminution of trade discrimination practices against the trade of the United States.

The fact of the matter is that today,

in the summer of 1979, there are many more types of discriminatory trade practices and subsidies, and loopholes than there were when GATT was first adopted. Enforcement, as pointed out, remains a question mark, at best. And our trade imbalances and prospects get bleaker with almost each passing day. So in light of the safe conclusion that not all old problems have been solved and the equally safe prediction that new loopholes and problems will soon be devised, let us not congratulate ourselves excessively on what we are about to approve. We are in reality doing little more than tinkering, and in so saying I am not denigrating the hard work that went into the negotiating and writing of this treaty. The fact that it has been so difficult to achieve even this modest an agreement is less a measure of the substance of what we are accomplishing than it is evidence of the tenacity of other trading nations when their economic interests are in any way threatened.

So I hope that neither the administration nor the Congress will judge this exercise to represent an adequate discharging of their responsibilities to alter the American trade picture. I am afraid that too many people in Government take the attitude that the MTN represents the present effort on trade, and that once we have acted on the treaty we have done our duty. So we do a little grandstanding, indulge in some rhetoric, take a vote, and put out a release on what we have done for trade, when in fact we are not doing nearly enough. If we do not follow up to address the larger trade concerns facing us, we will have done a grave disservice to the people of this country. And we will have further indicted Government as the chief perpetrator of America's economic decline.

In point of fact, it is not so much what we do by way of international agreements with other countries that is going to set the course of our economic future—it is what we resolve to do on our own. And it is when we get to this point that I just do not see, in the administration or in the Congress as a body, the realization that something is fundamentally amiss—that we have not developed a policy based on our national self-interest.

All too rarely do I see the understanding that the erosion of U.S. power in the world is a product of our failure to appreciate the close tie-in between political, military, economic, and trade factors. What we do, or fail to do in any of these areas, inevitably affects our standing in the others. We lack a coherent approach for dealing with our problems. In the real world, things are related. In the Washington world, too often, we think we can have policies in one area that are in no way integrated with policies in another. The results have been devastating.

This is the time to tackle the tough questions. This is the time to grasp that our balance-of-payments deficit is not a cyclical, but a structural, problem. Certainly we are no more dependent, in fact not nearly as dependent, as Germany and Japan on imports of petroleum products, yet the mark and the yen continue to appreciate, while the dollar sinks daily lower. Our problems far transcend energy. We have given rise to an economic climate more and more stultified by inflation, stifled by regulatory overkill, crippled by inadequate research and development, hampered by poor productivity increases, and operated in an adversary environment between business and Government.

Look at the history since 1930's on international trade. Back in the early days of Franklin D. Roosevelt's Presidency, Secretary of State Cordell Hull launched his historic trade policy—the Reciprocal Trade Act of 1934. Over the years, this came to be known as Hull's free-trade policy, because it freed up the restrictions and barriers between trading nations. But the concept—and this is the central point—was reciprocity: give and take rather than all give or all take. But after World War II, the policy was given a new twist. With other economies distraught and destroyed, little injury could come from giving a trade advantage to countries trying to rebuild. This was well and fitting at the time, but the approach was abused. And now, long after the need is passed, the State Department continues trying to win friends by encouraging the export of America's technology and productive capacity, with an inevitably adverse effect upon American jobs. Giving a trade advantage became a part of foreign aid. We have been very generous with foreign aid, rebuilding the free world with the Marshall plan and contributing billions around the world. But trade was never intended as foreign aid, despite the efforts of the Federal bureaucracy plus the international banks and multinational giants to push for international welfare under the umbrella of free trade.

It has been said that the State Department has an Asian desk, a European desk, an African desk, a Latin-American desk—but there is no American desk to represent strongly the interests of the United States. When the Europeans and Japanese and others sit down to negotiate on trade, their governments back them to the hilt. More often than not, American business generally finds itself in an adversary relationship with the State Department. This has caused tremendous damage to many of our most basic industries. Here is the basic reason why Congress created the Office of the Special Trade Representative, and let me say that Ambassador Strauss has done yeoman work in trying to improve the relationship between Government and industry. And his achievement has been considerable. But the problem is basically structural and institutional; it goes beyond the ability of one man to change forever; and as Ambassador Strauss moves from the STR to the Middle East, it is an open question how long the new environment can last even in the STR's office.

One thing is certain—when we continue year in, year out on the binge of exporting our jobs and dollars and technology, the national interest is not being served. That is not free trade. It is not even trade. It is a giveaway. It has nothing to do with the theory of competitive advantage. You will recall the old free trade theory that our unskilled and semiskilled industries could be sacrificed, and instead we could focus here at home on what we do best—which was characterized as capital-intensive production. Meanwhile, the less-developed world would concentrate on what it does best—labor-intensive work. The way it turned out was that we exported it all, including our capital-intensive knowledge and skills as well as the jobs, putting ourselves ever farther behind other, more aggressive trading countries.

It has always been my conviction that no one else in the world is going to look after America's well-being. It is our job to do. And late in the day though it is, we still have the chance. Others are surely doing it. Europe and Japan are spurring exports and motivating exporters in every conceivable way. They have legislation on the books to encourage trade and to build business, while our stress continues to be on building domestic consumption, with little more than rhetorical attention given to building foreign markets.

To compete, our trading industries must have the same kind of encouragement that their counterparts in other countries enjoy. Exporters elsewhere are given just enormous motivation to export rather than simply sell to the domestic market. They enjoy remission of value-added taxes; special reserves for any losses incurred; a choice of whether to be taxed on a worldwide or consolidated basis; joint export programs; and more liberal write-offs for research, development, and depreciation. I am surely not saying that we need to approve each and every one of these things, but certainly if we do not do something along these lines to encourage our foreign trade, then we are going to be left with a permanent balance-of-payments, and balance-of-trade deficit—energy crisis or no energy crisis. That translates, as I tried to point out earlier, into not only economic decline, but also into political, diplomatic, and military decline.

We must also begin insisting upon fair trade. I know it is fashionable in some so-called sophisticated circles to equate the call for fair trade with the plea for protectionism. But fair is fair. We must demand, and expect, no less. We must be willing to retaliate where there is no fairness. We must not shrink from demanding from others the same kind of opportunities our negotiators are so quick to grant in your name and mine.

Trade policy must never be divorced from considerations of the national interest. A trade policy predicated on enhancing the well-being of the United States in no way portends a return to the shortsighted protectionism of Hawley-Smoot in 1930. But it does mean reciprocity; it does mean playing for keeps just like everyone else does; and it does involve reversing the disastrous policies of the last 35 years. In an equitable trade environment, we can reduce barriers, and trade can flow. American companies and the American people have a fundamental stake in international trade, and in the creation and enforcement of a fair trade environment.

I see in trade just what I see in arms limitation. Our trade policy has been

as blind as our national security policy. In both we see lack of realism. In both we see an American view of the world couched in the most idealistic of terms, whereas those with whom we negotiate see more clearly the facts of international life. In both we see the same failure to address the fundamentals, the same timid negotiating posture. In both we are told the process itself is of such value that we must keep it going, no matter if the terms are not really what we need and want. In both we see the shrinking back from using the leverage we have to extract the kind of concessions we need. I believe that the rest of the world would look far more kindly, and certainly more respectfully, on the United States if they thought that our American policies were somehow geared to an enlightened conception of national self-interest. After all, everybody else works from that starting point. Why should not we?

Mr. President, I did not intend to go on at quite such length, but this is a matter about which I feel very deeply. I cannot just stand by and watch this treaty and this debate billed as the trade highlight of our time, while in fact the basic questions go ignored. Unless we reverse these trends, unless we begin acting so as to benefit this country of ours, our status is going to rapidly slip from great power to permanent debtor. And that would be a sad ending for a country whose enterprise and innovation and productivity once eclipsed all that had gone before. It does not have to end that way. But if it is going to be otherwise, we need some policy, some realism, some leadership to rebuild and to get moving again.

Mr. COHEN. Mr. President, I support the legislation which will implement the agreements reached in Geneva as a result of the multilateral trade negotiations.

I recognize the potential benefits to this country from these agreements. The tariff reductions and, more importantly, the nontariff barrier improvements are a significant step forward in our Nation's trade policy. Many of the industries in my State are encouraged that these agreements represent a tremendous advance in procedures for countervailing duty and antidumping cases. The new procedures should provide a more satisfactory resolution to the trade problems facing Maine's shoe and fishing industries. These industries are hopeful that these agreements, together with some reorganization of trade functions within the executive branch, will enable them to compete more fairly with our trading partners, such as the European Economic Community.

I do, however, have some reservations on how the agreements may affect certain industries in my State that are vulnerable to imports. I appreciate the efforts of Ambassador Strauss in trying to protect sensitive industries such as textiles and footwear from severe damage from imports, such as those from countries with low labor costs. Nevertheless, over the 8 to 10 years during which the agreements will be passed into effect, some jobs in New England may be placed in jeopardy. The number of lost jobs is very few; however, this estimate only takes account of the tariff reductions. The employment and other benefits from nontariff barriers are not quantifiable and are expected to be significant.

I am also aware of the Maine industries which may have new opportunities for increased exports. These include paper, agriculture, industrial, and metalworking machinery, fabricated steel, lumber, and plywood.

I intend to carefully monitor how these agreements are implemented. I want to assure the administration that I will certainly pay close attention to any action taken during the implementation process that could be detrimental to my State, and I expect that the administration will make every effort to insure that the effects on Maine's sensitive industries will be minimized. I am confident, however, that the benefits to the country as a whole will demonstrate the importance of these trade agreements and that they will open up new markets for many Maine industries.

Mr. JAVITS. Mr. President, I had not been on the floor when H.R. 4537 was debated. I want to state to my colleagues that I wish I had been able to be here. I think this was one of the most admirable undertakings and one of the most admirable consumptions in all of our trade history by Bob Strauss, the President's negotiator, and a magnificent job by the leaders in the House who dealt with this matter and by Senator RIBICOFF and Senator ROTH.

Mr. THURMOND. Mr. President, I rise in support of H.R. 4537, The Trade Agreements Act of 1979. This legislation will implement the product of 5½ years of multilateral trade negotiations (MTN) initiated in 1973 among the world's major non-Communist economic powers. The agreement was approved by 99 nations in Geneva last April 12.

The Tokyo round of the MTN, the seventh since World War II, has produced the most comprehensive agreement since establishment of the International General Agreement on Tariffs and Trade in 1947. For the first time agreements have been concluded which deal with a broad range of so-called nontariff obstacles to trade. These nontariff agreements address trade problems inherent in government procurement, the use of subsidies and countervailing duties, "dumping" of goods in foreign markets, customs valuation, the setting of standards for imports, and the issuance of import licenses.

Mr. President, this legislation will have a favorable effect on our balance-of-trade deficit, our inflation rate, and the strength of our dollar. I believe that this legislation implementing these agreements is within the best interest of the Nation, and I urge my colleagues to join me in supporting it.

THE TRADE AGREEMENTS ACT: PASSAGE OF MTN LEGISLATION

● Mr. CHURCH. The President, today, the Senate considers perhaps the most significant piece of legislation in the area of U.S. international economic policy to come before it during this decade. The Trade Agreements Act of 1979 is the culmination of 6 years of protracted negotiations under the auspices of the General Agreement on Tariffs and Trade, GATT. In the so-called Kennedy round, which preceded the recently concluded multilateral trade negotiations, major gains were achieved in reducing the level of tariffs which had been, until then, impediments to the free flow of trade. But, as is often the case, the absence of prohibitive tariffs to shield domestic concerns from foreign competition did not lead to the totally free flow of trade one might have expected, because, in its place, a whole series of subtle, highly complex, nontariff barriers emerged. It was these barriers which were the focus of the MTN. These were the barriers to be eliminated in order to allow for the fullest expansion of world trade.

It is ironic that perhaps the most difficult trade negotiations in which a nation's domestic policies were so closely interwoven with its foreign trade practices took place at a time when the forces for protectionism were at levels reminiscent of those which existed during the decade of the Great Depression. Then, the Hawley-Smoot Tariff Act of 1930, which erected the highest tariff barriers in U.S. history, was the American response to those forces. The tariff war that ensued between nations resulted in a drastic contraction in world commerce. By 1932, world trade was reduced to one-third of its 1929 level. It is refreshing to note that the 1979 response to protectionist pressures has been more productive and enlightened.

In judging the success or failure of the negotiations which have led to the 1979 Trade Agreements Act, I have based my decision on two criteria: The first, will economic gains result from these negotiations, and second, had these negotiations not taken place would additional barriers to trade exist today? In my judgment, the 1979 Trade Agreements Act scores favorably in both these areas. The specific economic gains we can expect from these agreements have been outlined by the administration. As to what might have occurred had the MTN process not been underway, one can only speculate. I would say, however, that the signs were not promising. For the last 2½ years, the United States was in major disagreement with several of its traditional western industrial allies over their international trade practices. The MTN did provide a forum for discussion of these disagreements and for their mutually satisfactory resolution. Not only were the interests of American exporters served by this, but also American foreign policy interests, for I can think of nothing more detrimental to American interests than a major confrontation between the United States and its industrial allies.

The major achievements of the negotiations to my mind, are that tariff reductions have taken place which will result in significant progress in reducing tariff preference, disparities, and high industrial tariffs between the United States and its major trading partners. In the case of Japan, for example, the tariff

cuts which it has agreed to make will

cuts which it has agreed to make will actually result in lower average duties being charged on industrial imports there than is the case in the United States. In the case of nontariff barriers, I will not go into detail as to the importance of each one of the six codes which have been negotiated, but I will say that one of the major cornerstones to the success or failure of the entire MTN process will be whether or not the established procedures for the review of grievances is successful in enforcing fair and open trade practices.

The one area of the negotiations which was not as successful from the American point of view was in agriculture. The barriers to trade here are excessively high, and, therefore, any gains made toward liberalization are miniscule in comparison to other sectors. In addition, no where more so than in agriculture are domestic and international policies so intertwined. The European community and Japan will probably continue to subsidize their agricultural sectors. We should not depend solely on the subsidies countervailing duty code to eliminate this practice. While this code does prohibit export subsidies in agriculture, it does so only under the stipulation that such subsidies can be shown to result in the displacement of the exports of other nations which are signatories of the code or will result in prices materially below those of nonsubsidizing suppliers. The one bright spot in the subsidies code is that it provides a specific mechanism for the handling of dispute settlements and a timetable for the resolution of these disputes. It perhaps can be a steppingstone to further gains in this area.

When the Trade Agreements Act is assessed in total, it is, in my opinion, legislation deserving of favorable consideration by the Senate. Ambassador Robert Strauss, the President's Special Trade Representative, deserves special recognition for his crucial role in negotiating trade agreements which I can support and urge my colleagues to support.

Mr. BAYH. Mr. President, today the Senate is considering a very complex and unique piece of legislation that will touch the lives and economic well-being of every American. The bill before us will approve the trade agreements reached in the Tokyo round of the General Agreements on Trade and Tariffs and, at the same time, provide for changes in U.S. law to implement those agreements. The House has already approved this legislation. It now remains for the Senate to act and approve a bill which will reduce some tariffs on goods coming into this country over the next several years with the hope that more American goods will be sold overseas as the result of concessions which Ambassador Robert Strauss and his trade negotiators have achieved. On balance, I believe the agreements reached represent progress in opening trade doors in other countries wider than before and so enhancing the prospects for U.S. exports of agricultural and nonagricultural goods and commodities. In some areas, however, we do not have as much protection against unfair and predatory imports as I would have liked nor is there as great an opening of markets abroad for farm products. Therefore, it is imperative that subsequent to the Senate's approval of H.R. 4537 we make certain that the necessary export promotion efforts are mounted and the requisite vigilence by the Department of the Treasury maintained to make sure that "freer trade" is also "fairer trade." Based on this expectation, I will vote "yea" when the rollcall is taken.

Before I vote, I would like to outline some of my concerns about our past shortcomings on trade policy and indicate how I think the bill before us puts us in a better position to deal with imports sold in this country at less than fair market value. During the last Congress and again in this Congress, I cosponsored legislation to provide for a shortening of timeframes in the investigation of antidumping cases and for a more effective form of deterrence to provide as well for maximum disincentive against predatory pricing by foreign governments. I am also concerned about the matter of illegal rebates being provided to exporters by foreign governments with the express purpose of disrupting a domestic industry in this country. This concern also extends to situations where agreements are made between countries in order to divert exports in such a way to deprive our own businessmen of third country markets. Another issue which has disturbed me are "restraint" of trade situations. I believe that the incorporation of many provisions of the Trade Procedures Reform Act makes the implementing legislation we are considering here today a better bill. These provisions are a major reason why I will support H.R. 4537. I will attempt to summarize them briefly:

Section 101 of the legislation adds a new countervailing and antidumping duties title to the Tariff Act of 1930. Under the new law, countervailing duties would be imposed when the Secretary of the Treasury determines that a country or person is providing a subsidy with respect to a class of kind of merchandise and the United States International Trade Commission (USITC) then determines that an industry in the United States is materially injured, threatened with material injury, or that the establishment of an industry is materially retarded, by reason of such imports. It is important to note as the Finance Committee's report points out that "material injury" would be defined as "harm which is not inconsequential, immaterial or unimportant." In so doing, we have improved the injury test and forced the USITC Commissioners to demonstrate why a negative finding in the event that the petition would not meet these criteria. In the past it has been a matter of wide and varying interpretation as to exactly what injury is and each Secretary of the Treasury or Trade Commissioner has had his or her own interpretation in casting a vote on whether injury or threat of injury could occur. We have now narrowed the focus somewhat and bounded the basis of this finding which I hope will result in greater protection of our home industries against that practice.

The important procedural change of this section is found in the fact that countervailing duty investigation could be self-initiated and, as such, put the Government squarely behind our workers and firms when an unfair trade practice threatens. This has been the rare exception rather than the rule in the past and I do hope the Department of the Treasury will recognize the aggressive role which it should play in the future. The time frames stipulated for the investigations themselves are a marked improvement over the present process. To remove uncertainty for both the importer and the group alleging injury, a 20-day time limit is provided for the administering agency to decide whether evidence is sufficient to warrant an additional investigation. An important added deterrent would be the possibility of countervailing duties being imposed retroactively thus increasing the stakes if a country or person provides rebates in support of imports which result in injury to an American industry.

Section 101 also repeals the existing Antidumping Act of 1921 and replaces it with a new statute similar in terms of the material injury determinations associated with the countervailing duty revision with emphasis on the shortening of timeframes. Perhaps the most important change made in this regard, and one I have been seeking for a long time, would put real bite into this law intended to deter dumping. I refer here to the process whereby if a preliminary determination is made that dumping is occurring, the Treasury Department would at that point require bonds or cash deposits to be posted on allegedly dumped imports in an amount equal to the estimated margin of dumping. Doing this "up front" seems inestimatably more effective than waiting for a final determination which could drag on for months. Deterrence in this case would take place within 7 months rather than 13 under the old statute. This is a significant improvement and one important reason why I am supporting the bill. I also fully expect the Treasury Department to utilize this new authority to self-initiate investigations. All too often, it is the small and medium size businessman who must retain expensive assistance to begin the antidumping petition process. Again, it is time for the Federal Government to get involved and enforce the law vigorously and aggressively to prevent the dumping of color television sets, basic and specialty steel and other products in our country. We must no longer be afraid to enforce our fair trade laws.

Mr. President, other important aspects of this legislation implementing such agreements as the customs valuation and international government procurement code should help us gain access to markets heretofore closed to U.S. firms. On the matter of the procurement code, which has been a particular interest of mine, we are clear that only those signatories to the code will enjoy reciprocal access to our public procurement markets. Some major entities which seem ripe for foreign exploitation of our open Government procurement market—such as the transportation sector—can be protected. I hope that it will be, because I am tired of seeing the United States become dependent, with the help of Federal dollars, on items such as rail cars, which we hopefully will be building more of in the future.

Mr. President, the trade turnover of the United States is roughly one-quarter of a trillion dollars. That figure exceeds the gross national products of most nations in the world and indicates the paramount role of trade in our own economic well-being. That we should promote the free flow of fair trade in order to derive the benefits of variety and quality goods for our consumers from diverse sources is something I think we can all agree upon. However, as I indicated at the beginning of my discussion, our economic well-being also depends upon effectively deterring unfair trade practices, which in the end will only relinquish the power of pricing to a foreign source. I am accordingly encouraged that the bill before us will deal with this issue as well as many others which have been hammered out. I would be remiss if I did not add a word of appreciation for the extraordinarily able job performed by Ambassador Robert Strauss and his skilled staff in providing us with a trade agreement and legislation which has won such widespread support. If this is a measure of the future success of these agreements then the economy of the Nation and world has been well served.

Mr. LEVIN. Mr. President, trade has become an increasingly important element in our domestic economy and our international relations. The Tokyo round of the multilateral trade negotiations brought a substantially higher degree of fairness and discipline into the international trading system. The agreements support principles promoting the development of an open, nondiscriminatory and fair world economic system. In pursuit of these principles, the agreements sought to remove tariff and nontariff barriers. Significantly, the Tokyo round recognized that trade barriers are generally inefficient means of dealing with balance-of-payment problems and that trade-distorting subsidies are inappropriate trade tools.

The work of Special Representative Robert Strauss should be highly commended. The cooperation between the executive branch, Congress, and the private sector point to the importance of trade to our livelihood and our future. Indeed, the work has only begun.

The new framework implemented by the legislation before us should not be expected to take care of itself. We will need the authority and the means to implement effectively and swiftly protective antidumping measures and material injury tests. The trade agreements will encourage imports to the advantage of consumers and will spur competition. However, we need to continue and improve the trade adjustment assistance for workers and firms experiencing a decrease in sales or production due to increased imports. Adjustment assistance for American workers and firms suffering losses as a result of greater imports is critical. For instance, in the period from April 1975 through February 1979, over $200 million in these payments were made to steelworkers displaced by the increase in steel imports.

While protecting our workers and firms, we need to coordinate our trade efforts to insure an efficient system of overview and enforcement. The principles and agreements reached will be sustained not only with good faith but with the ability to enforce them. In order to enforce obligations with regard to the use of subsidies, the negotiations provide a framework for improved notifications, consultation, and dispute settlement, and where breach of obligation concerning the use of subsidies is found to exist, countermeasures are contemplated. In this connection, the dispute settlement process has been designed to produce results within 150 days. In addition to the availability of such countermeasures countries may take traditional countervailing duty action to offset subsidies upon showing of injury to a domestic industry. The code sets out fair and reasonable criteria for injury determination. In each instance, existing structures should be evaluated to determine the most effective means whereby to enforce the numerous requirements and safeguards of the multilateral trade negotiations.

The MTN negotiations and the implementing legislation might well mark a watershed in the construction of a viable international trade community. Our concern and efforts should not wane at this point, however. For the most part, these agreements are goals and statements of principles which require enforcement and a continued effort on our part to see them sustained and improved.

Mr. LEAHY. Mr. President, I wish to speak in support of S. 1376, the Trade Agreements Act of 1979.

The act, which implements into domestic law the results of the recently concluded multilateral trade negotiations, will be of tremendous benefit to the U.S. economy and to our world trading position.

The trade negotiation process is a very difficult one, and one based on reciprocity. In some areas we were forced to make concessions which were greater than I would have wished. But on balance, I feel our U.S. negotiators are to be commended for the fine job they did negotiating this complex, extremely sensitive package of trade agreements.

Mr. President, today we have the opportunity to approve a package of trade agreements that can help reverse our Nation's faltering trade performance. Last year's trade deficit of some $30 billion put into stark relief a fact which until recently had been ignored and overlooked by national policymakers—namely, the fact that the United States is in the midst of a dire, and seemingly worsening trade crisis.

In plain and simple terms, we are no longer exporting enough to pay for what we import.

Unfortunately, this situation will not be reversed easily, and it will not be reversed in the near future. While our imports continue to expand at a dizzying pace, exports in recent years have grown at a snail's pace if they have grown at all.

Our huge energy import bills can and must be reduced through conservation, and through domestic energy production. But aside from this one, admittedly large area, it will not be possible, nor would it be wise, to substantially reduce our import bills.

The benefits of free and liberal world trade—to Americans, and to people around the globe—cannot be disputed. With the successful conclusion of the Tokyo round of the multilateral trade negotiations, the world appears perched at the brink of a new explosion in world trade opportunities. The benefits will be immeasurable.

As a nation, we cannot afford to squander this great moment by turning inward in an attempt to fight the current tide of trade liberalization.

We face trade problems which are frightening in their magnitude. But we must not seek to restrict imports. We must reach out boldly to the markets of the world. American products have always been and always will be competitive in world markets, given a fighting chance.

We must act now to encourage free and liberal trade, and to aggressively pursue and promote the expansion of American exports.

Mr. President, our precarious trade position in recent years has shaken world and domestic confidence in the U.S. economy. It has fostered the continued decline of the dollar. It has fueled domestic inflation. And it has precipitated the loss of countless U.S. jobs and production opportunities. Today, by approving the trade agreements now before us for consideration, we can take a giant step toward reversing this faltering trade performance.

Mr. President, before I outline what I feel are the most significant positive results of the Geneva negotiations, I must express my serious concerns with the dairy agreements that were reached in Geneva.

Under those agreements, the United States will increase its overall quota levels for imported cheese by about 14 percent. This is no small concession.

In return, we did bring a significantly greater amount of imported cheese under quota. Assuming all quotas are filled, approximately 85 percent of imported cheeses will now be under quota—this compared to the 1978 level of about 50 percent.

I welcome this change, but I must admit to some reservations about our abilities to effectively enforce these quotas. Only the test of time will tell here.

Having expressed my concerns with the potential for increased levels of cheese imports, and for the resulting displacement of domestic milk production, I do wish to point out that those concerns were lessened to a degree by some changes Senator NELSON was able to make in this implementing legislation.

Senator NELSON, through his persistent efforts, was able to win approval for a simple and readily provable injury standard for the dairy industry, and for an expedited price-undercutting enforcement mechanism. I am confident that these changes will enable dairy farmers who are injured by subsidized foreign imports to receive the relief they deserve under the countervailing duty statute.

Mr. President, I must conclude that on balance I am not pleased with the dairy agreements negotiated in Geneva. But I recognize that the dairy industry cannot stand alone in a national community of agricultural commodities. I would hope that, in light of the somewhat less than favorable effect of these agreements on the dairy industry, the rest of the agricultural community will demonstrate a concern and a willingness to help out in other dairy industry related problems.

Mr. President, as I stated earlier, with the exception of the dairy agreements, I am extremely pleased with the results of the Geneva negotiations.

I am particularly pleased by a number of the changes which will be of benefit to the data processing industry. Specifically, I refer to the reductions in the Japanese and European Economic Community tariffs on computer processors, terminals, and components, and to the increased opportunities for U.S. computer firms to bid for foreign government procurement contracts.

The reductions in Japanese and EEC tariff schedules for computer processors, terminals, and components are long overdue. They will bring those tariffs into harmony with the already low U.S. rates on those items.

The favorable changes in the Government procurement code for computers are equally important to the data processing industry.

Presently, U.S. firms are entirely locked out of some 25 to 30 percent of government computer business in the EEC countries, and 15 percent of all Japanese business. A full 98.6 percent of computers used by the Japanese Government are Japanese-made.

This business will now be open to competitive bidding for U.S. firms. Since, in Vermont, it is estimated that 1 job in 7 in the data processing industry is related to international operations, this expanded opportunity will have a dramatic, positive impact on levels of income and employment in my State.

Mr. President, in closing I would like to speak briefly about the substantial opportunities these trade agreements will open up for small businesses.

Through improvements in methods of customs valuations, general tariff reductions, and changes in the Government procurement code, small businesses will be afforded unprecedented opportunities to engage in exporting.

In the past, the bulk of U.S. exports have been generated by the largest and most sophisticated U.S. and foreign based American firms. Export sales have been surrounded by an air of complexity and mystery. They have been obscured by an incomprehensible language of international financial and marketing terms. And they have been burdened by a litany of unnecessarily confusing forms, documents, and licensing requirements.

Exporting need not be this complex. As a nation, we can no longer afford to discourage and neglect the export capacity of the small business sector.

Mr. President, there is a vast and strong demand for the products of U.S. small businesses around the world. Experience has proven this time and time again. Every effort must be made to break down the technical and financial barriers which in the past have prevented small businesses from exploring these world markets. The recently concluded trade negotiations in Geneva have made tremendous progress on both of these fronts.

Mr. President, for all of these reasons I urge my colleagues to demonstrate their commitment to a strong and prosperous America, and to free and expanded world trade by approving the implementing legislation now before the Senate.

Mr. HATCH. Mr. President, I felt it an honor to be with my distinguished colleagues as we consider the monumental agreements arising out of the multilateral trade negotiations. These agreements are of unprecedented, historical significance. That nearly 100 countries of the modern world have bound together after weeks, months, and years of intense negotiation, and have agreed upon a basic document, which satisfies all, is an occurrence unknown previously in the history of mankind. Protectionism has been the guiding philosophy of the modern trading state, and the United States has not been exempt from protectionism. The Tokyo round of the MTN's differs from the preceding five rounds of negotiations in that an attempt has been made to curb the proliferation of nontariff barriers, which have multiplied in recent years. These NTB's have been aggressively scrutinized and, where possible, have been eliminated so that fair trade and free trade can supplant otherwise protection-oriented principles.

Mr. President, Ambassador Strauss has negotiated long and hard and is to be commended for the final product which he has produced. When he first eliminated the small business preference in Government procurement, I expressed grave concern for my Utah manufacturers and subcontractors who would lose future contracts in dealing with the Government. In response to this act, I cosponsored with Senator HEINZ of Pennsylvania, a bill which would restore that preference for our small businessmen. Nearly 1 million small businessmen were behind us. Ambassador Strauss got the message loud and clear. Within 4 days that small business preference was restored. The multilateral agreement was modified as the small business community again showed its collective clout.

I likewise had grave concerns over the current dumping practices of many of the steel-producing nations. Over recent years, as a result of our not enforcing our fair trade laws, we have lost a potential of 5,000 jobs in the Utah steel industry alone. Again, President Carter and Ambassador Strauss got the message. When, along with Senator DANFORTH I cosponsored legislation designed to mandate enforcement of dumping and countervailing duty laws, the administration's response was swift to insure that these measures were embodied in the multilateral trade agreement.

On the positive side, these agreements will be of great benefit to our Nation and my home State. We, in Utah, are proud of our growing export community. Nearly 1 out of 10 manufacturing jobs in Utah are dependent on the export of manufactured goods.

Mr. President, we must take full advantage of the potential benefits of this agreement. We must formulate and implement policies which will encourage our private sector to find profit in exportation. There is no other way we can eliminate our trade deficits. There is no other way we can strengthen our dollar.

I ask unanimous consent to have printed in the RECORD a report prepared by the Office of the Special Representative of Trade Negotiations about the benefits of the trade benefits to my great State of Utah.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UTAH—BENEFITS OF THE MTN

Utah's economic base is primarily industrially oriented. In 1976 approximately 67,000 persons were employed in manufacturing industries in Utah, about one-fifth of total employment in the state. Shipments from these industries in 1976 were over $4.5 billion. Steel and aerospace products were by far the largest.

Agricultural sales in 1976 were approximately $3.6 billion. The principal products were cattle and dairy products.

UTAH'S EXPORT INDUSTRIES

Utah's exports of manufactured goods totaled $224 million in 1976, 77 percent above the 1972 level. An estimated 3,700 jobs in Utah were directly related to producing manufactured exports. About 3,200 additional jobs were required to produce materials and parts for incorporation in products exported from other states. Thus about 1 out of every 10 manufacturing jobs in Utah were dependent on exports of manufactured goods.

Utah's share of U.S. agricultural exports totaled $55 million in FY 1977, almost three times the FY 1972 value. In Utah's farm sales, $1 out of every $6 came from exports.

SPECIFIC INDUSTRY RESULTS

The results of the MTN with respect to specific industries of Utah are summarized below.

ELECTRONICS AND COMMUNICATIONS EQUIPMENT

The U.S. obtained important tariff concessions from Japan, our principal competitor in electronics, which in key areas will provide roughly equivalent tariffs in the U.S. and Japan (including equal tariffs on highly competitive semiconductors). In the important communications equipment field the U.S. achieved a balanced outcome by withholding any significant concessions on tariffs or government procurement until other governments are willing to do likewise. The standards code will be a big plus for the electronics sector. In fact, work on this code was begun as a result of problems encountered by U.S. electronic firms exporting to Europe. The subsidies code is also of great potential interest to this industry because of foreign government efforts to develop high technology industries.

AIRCRAFT AND PARTS

Utah will be a beneficiary of the Aircraft Agreement, which will totally eliminate

tariffs on aircraft in major foreign markets and will subject foreign government purchasing and subsidy practices in this sector to new disciplines. The world aircraft market should experience rapid growth in the coming years and the Aircraft Agreement, along with the subsidies code, should ensure the U.S. producers will have a fair chance to compete.

FABRICATED STRUCTURAL METAL PRODUCTS

Structural metal producers should benefit from the subsidies code and improved domestic procedures to deal with foreign unfair trade practices. Significant tariff cuts by the EC, Canada, and Japan should help exporters. Exclusion of key U.S. construction agencies from the government procurement code should minimize any loss of U.S. Government business.

CONSTRUCTION AND RELATED MACHINERY

This large export industry stands to gain substantially from improved access to both developed country and developing country markets. Significant tariff reductions by the EC and Japan and liberalization of Canada's machinery program and "made in Canada" provisions are of considerable value. Canada reduced tariffs on nearly $800 million of U.S. exports of construction machinery. The EC cut tariffs 35 percent on nearly $500 million of imports from the U.S. Japan made a similar tariff reduction on nearly $100 million of imports from the U.S. Improved access to major developing country markets as a result of tariff reductions also is important. The valuation, standards, procurement, and licensing codes will all benefit U.S. exporters of this type of equipment.

MOTOR VEHICLES AND EQUIPMENT

The tariff negotiations will provide benefits with very little cost to the motor vehicles and body industry in Utah. Japan and some other developed countries, like Switzerland and Norway, have made significant cuts in their tariffs on trucks, buses, and cars. Japan reduced auto tariffs 61 percent to an average rate of less than three percent. On the other hand, U.S. tariff cuts on trucks and autos were minimal—less than 20 percent on the average so that U.S. and Japan average tariff rates will be nearly equal. In the area of non-tariff measures, benefits will be more substantial. The standards code provides an especially important mechanism for dealing with standards that have been a significant and growing barrier to international trade in motor vehicles, while the code's prohibition of discrimination against imported products in certification and testing should prove particularly helpful to vehicle exporters. The customs valuation and government procurement codes should help reduce the valuation problems in exporting and improve opportunities for producers to bid on government procurement contracts overseas.

STEEL

To deal with recurring cyclical problems in the steel industry, the U.S. and its major trading partners established an international steel committee as part of the Organization for Economic Cooperation and Development. The Committee will create an improved environment for the U.S. to act when conditions warrant and to influence other governments to act constructively. Steel producers should be primary beneficiaries from improved international disciplines under the subsidy code and more effective domestic procedures to deal with harmful unfair foreign trade practices that the industry has been concerned with for years. U.S. steel tariffs were cut less than average (26 percent overall) because of the import sensitivities in this area and cuts were deferred until 1982 in light of the current world overcapacity problem. Most steel tariffs were also converted to percentage terms to stop erosion of tariff protection due to inflation.

AGRICULTURE

The MTN will result in new export opportunities for American agriculture through the reduction of foreign barriers to trade and improvement in the rules governing trade in agricultural products. The benefits of this agreement go beyond the farm sector alone. Agriculture and its related enterprises—transportation, processing, distribution, retailing, and exporting—generate one-fifth of all of the jobs in the nation. Agriculture is the nation's biggest industry, and its growth over the last ten years has been based largely on exports.

As a result of these negotiations foreign countries will reduce barriers which affected almost $4 billion in 1976 trade, representing almost one-fourth of U.S. farm exports subject to foreign barriers. These concessions which cover some 450 different products are expected to increase U.S. agricultural exports by at least $500 million annually. Potentially even more important for the long term is negotiation of international codes of conduct in trade. These codes will establish clear guidelines and new disciplines on the use of practices such as product standards, import licensing, export subsidies, and other practices that lead to unfair competition in world markets. This should help create a positive climate for further growth in U.S. farm exports, which topped $30 billion in 1979.

Concessions gained in agricultural commodity sectors of particular importance to the State of Utah are listed below.

LIVESTOCK AND MEATS

The United States considered liberalization of world markets for high-quality beef one of its highest priorities in the Tokyo Round of Multilateral Trade Negotiations. As a result, significant trade liberalization was achieved in this sector. Japan agreed to increase its annual import quota for U.S. high-quality beef from 6,800 MT in 1977 to 30,800 MT by 1983. The European Community granted the United States an annual quota for high-quality beef of 10,000 MT. In the past the United States has been denied access for its high-quality beef into the EC. Austria agreed to grant the United States a quota of 300 MT for high-quality beef with the annual quota to increase to 600 MT in eight years. Switzerland granted the United States a 1,000 MT quota for high-quality beef with an additional international quota for high-quality beef of 1,000 MT which the United States will have an opportunity to supply. Concessions on beef were also received from Taiwan, Canada and the Philippines. Collectively, these concessions will likely result in U.S. beef export increasing by over $200 million annually by 1983.

Significant tariff reductions on variety meats were obtained from the EC and Japan. Japanese reductions include duty cuts for seven categories; the EC reduced duties on 12 variety meat categories; the value of these reductions is estimated at $9.8 million.

Japan agreed to reduce their duty on pork imports to 5 percent during periods in which there is no variable levy imposed on pork imports.

FEED GRAINS

Concessions on feed grains in developing countries will increase U.S. sales abroad by an estimated $26 million.

Peru and Ecuador have agreed to liberalize procedures for the licensing of imports of grain for feed. The value of these concessions is estimated to be $3.1 million trade in Peru and $7.5 million in trade to Ecuador.

Taiwan will equalize the sorghum and corn tariffs, increasing sorghum grain exports to $6 million.

DAIRY PRODUCTS

In the MTN the strong interest of dairy producers and consumers were balanced.

The United States will increase its overall quota levels for imported cheese by about 14 percent, while at the same time putting a greater proportion of imports under quantitative limitation. In 1978, about half of all cheese imports were under quota. Once the newly negotiated agreement goes into effect, approximately 85 percent of total cheese imports will be under quota, assuming that the quotas are completely filled. Cheese remaining outside quota will be limited to such specialty items as Stilton from England, Roquefort from France, sheep and goat's milk cheeses, and soft-cured cheese in retail packaging such as Brie and Camembert. The new import system will incorporate under quota the current price-break system, which permitted unlimited imports of certain high-priced cheeses.

Cheese imports in 1977 totalled 95,015 metric tons (MT), in 1978 109,678 MT, and are expected to continue to rise throughout 1979 because of strong demand and rising meat prices. Under the new quota system, imports in 1980 and beyond are estimated at about 111,000 MT quota cheese and about 14,000 MT of nonquota cheese. For the next few years, cheese imports as a percentage of total U.S. consumption will therefore remain close to their average of the last several years (6.2 to 6.3 percent).

Mr. MATSUNAGA. Mr. President, the multilateral trade negotiations mark a milestone in the history of international trade. The United States will greatly benefit from the provisions of the codes resulting from the negotiations. As a member of the Finance Committee and cosponsor of the bill, I wholeheartedly support the codes and encourage my colleagues to join me in guiding the United States into a new era of international trade relations.

Ambassador Robert Strauss and his deputies, Ambasssadors Alan Wolff and Alonzo McDonald deserve highest commendation for the superb manner in which they represented the United States, and the invaluable contributions they made to our country in negotiating these codes. Their deft handling of sensitive import and export problems has resulted in a package which commands near-universal support in this country—a rare accomplishment, indeed.

This achievement marks the first time that agreements have been concluded which deal with a broad range of nontariff obstacles to trade, such as export subsidies, Government purchasing requirements, import quotas, licensing procedures, product standard setting, and customs valuation methods. A mechanism is also established which will enable U.S. firms to contest unfair trade practices of our trading partners. Coupled with the significant tariff reductions agreed to by the United States and several other countries, most notably Japan, the multilateral trade negotiations will result in a great expansion of U.S. trade and an unprecedented freedom of international trade.

The agreements are not perfect, but overall they accomplish far more than anyone expected a few years ago. They receive the almost unanimous support of all sectors of the American economy. While individual codes may not go as far as some might wish they form a solid base to facilitate world trade. The agreements give us the tools to build a fair and open international trading system, to remove obstacles which prevent American products from penetrating foreign

markets, and to improve our international trading position. With these important implements, we shall be able to increase the U.S. world market and to modernize the international trading system for the benefit of all.

The benefits of these agreements to the United States are many. American firms will have the opportunity to compete on a nondiscriminatory basis for lucrative foreign government procurements contracts, opening a $30 billion market. They will enjoy a stronger competitive position through international rules limiting Government export subsidies. New procedures will minimize the effect of discriminatory health, safety, and technical standards. Foreign industrial tariffs will be reduced an average of 30 percent. And businesses will achieve greater access to foreign markets for farm products from reduced agricultural tariffs and increased quotas. In fact, if the provisions of the subsidy and other trading codes are aggressively and effectively implemented, the net annual gains for U.S. agriculture are estimated at $356 million.

The codes will also set up important administrative and judicial procedures by which the United States can take quick, meaningful action against the effect of foreign discriminatory practices on our domestic and export markets. Overall, U.S. rights will be better protected by the codes.

The most important of the codes is the custom valuation agreement, which, unlike most of the provisions which deal with specific industry segments, will apply to the vast majority of all transactions in dutiable goods. The establishment of uniform and less arbitrary customs valuation systems will result in greater certainty in exporting by prohibiting customs practices which prevent our products from entering foreign markets at fair prices. Day-to-day trade will be greatly facilitated by this code.

A particularly pleasing facet of the implementing legislation to me is that it does not stop with the passage of this bill. The prospective provisions of the legislation and of the agreements grant the President the authority to continue the system of private sector committee to advise the Government on trade policy, and instruct the administration to submit promptly a separate proposal to centralize the Government's trade functions. Through this aspect of the legislation, trade policy and relations will continue to progress as we enjoy the benefits of ever-improving trade conditions and international relations.

In conclusion, Mr. President, this legislation is as important to our national well-being as any we will consider in this session. Our Nation's economy will be significantly boosted by this unprecedented reform of the international trading system, which provides a single language and a single set of rules to govern world trade.

Our country needs the benefits which will flow from the multilateral trade negotiations, Mr. President. Failure to pass this implementing legislation would surely result in a far more serious disruption of world trade than that which we are witnessing today. I call on all of my colleagues to join me in putting the United States on a new road to increased trade and international understanding.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. ROTH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Montana (Mr. BAUCUS) is absent on official business.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER (Mr. DECONCINI). Have all Senators voted?

The result was announced—yeas 90, nays 4, as follows:

[Rollcall Vote No. 212 Leg.]

YEAS—90

Armstrong	Garn	Nunn
Baker	Glenn	Packwood
Bayh	Goldwater	Pell
Bellmon	Hart	Percy
Bentsen	Hatfield	Pryor
Biden	Hayakawa	Randolph
Boren	Heflin	Ribicoff
Boschwitz	Heinz	Riegle
Bradley	Helms	Roth
Bumpers	Hollings	Sarbanes
Burdick	Huddleston	Sasser
Byrd, Harry F., Jr.	Humphrey	Schmitt
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Simpson
Chafee	Jepsen	Stafford
Chiles	Johnston	Stevens
Church	Kassebaum	Stevenson
Cochran	Kennedy	Stewart
Cohen	Leahy	Stone
Cranston	Levin	Talmadge
Culver	Long	Thurmond
Danforth	Lugar	Tower
DeConcini	Magnuson	Tsongas
Dole	Mathias	Wallop
Domenici	Matsunaga	Warner
Durenberger	McClure	Weicker
Durkin	McGovern	Williams
Eagleton	Metzenbaum	Young
Exon	Morgan	Zorinsky
Ford	Moynihan	
	Muskie	

NAYS—4

Hatch	Nelson	Proxmire
Melcher		

NOT VOTING—6

Baucus	Inouye	Pressler
Gravel	Laxalt	Stennis

So the bill (H.R. 4537) was passed.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, the trade agreements which have been reached under the Tokyo round of the multilateral trade negotiations represent one of the most important economic matters—if not the most important economic matter—which will come before the 96th Congress. They will set the course for international economic relations for years to come, and I believe that the bill implementing them is deserving of our support.

The agreements reached in Geneva have as their aim the establishment of new international rules to insure that trade between nations proceeds fairly and equitably. They seek to reduce some of the many barriers that governments have erected against trade.

Tariff reductions agreed to are to be phased in over a period of 8 to 10 years. The agreements specifically reduce U.S. tariff rates an average of one-third. The tariff cuts average about one-quarter for the Common Market countries, and about one-half for Japan, which started with much higher tariffs than the others.

Most importantly, the agreements reduce the NTB's, or nontariff barriers, that governments have erected against trade. Codes on nontariff barriers which were agreed to seek, among other things, to:

Reform arbitrary practices in customs valuation, which have been used to keep out foreign products;

Open to competitive international bidding more of the market for supplying goods to governments; and

Eliminate the use of Government subsidies to encourage exports of manufactured goods.

The implementing bill for the agreement will shorten the time in which the executive branch must act to protect domestic industries from foreign dumping of products in U.S. markets. The often lengthy proceedings have understandably been a bone of contention with business and labor groups, and the new procedures devised should go a long way to resolving this difficult problem.

In addition, the implementing bill requires the President to report to Congress within 2 years after implementation on the effectiveness of the MTN in opening up foreign markets to U.S. products.

All of these provisions should be of distinct help to American exporters and, thereby, American workers and business.

Many American jobs and much of our production depend on exports. Indeed, it is estimated that one out of every nine American workers employed in manufacturing industries produces goods for export, and $1 out of every $4 of farms sales represents exports.

The State of West Virginia illustrates well these points. Some 3.8 percent of the State's manufacturing jobs depend directly on exports, and some 6.5 percent of the State's manufacturing jobs indirectly depend on exports. In other words, about 1 out of every 10 manufacturing jobs in the State of West Virginia is tied to export markets.

The agreements should also aid our Nation in its No. 1 economic objective—stemming inflation. Through the direct effect of lower tariffs on

prices and through numerous indirect effects, including smaller price increases for domestic products competing with imports, inflation should be reduced over the long term.

The broad-based support for the agreements which is in evidence derives in large part from earlier labors by the Congress. First, the 1974 Trade Act passed by Congress established the mandate for U.S. participation in the MTN. Second, it provided for congressional oversight of the negotiations themselves.

Specifically, the Trade Act authorized the President to:

Negotiate reductions of duties above 5 percent by a maximum of 60 percent and complete elimination of existing duties of 5 percent or less;

Enter agreements for the reduction, elimination, or harmonization of nontariff barriers, provided that implementing legislation is approved by both Houses of Congress;

Seek agreements to insure fair and equitable access, at reasonable prices, to supplies important to the U.S. economy;

Negotiate improvements in certain areas, including the development of a code of conduct on export subsidies; and

Implement a generalized system of tariff preferences for the benefit of developing countries.

Accomplishing these objectives set out in the Trade Act has been the responsibility of our distinguished Special Representative for Trade Negotiations, Ambassador Robert Strauss. He has labored long and hard to achieve them. His efforts will help to insure that we are able in future years to expand U.S. industrial and agricultural exports.

Mr. President, the MTN agreements negotiated under the Tokyo round are the antithesis of the "beggar-thy-neighbor" or protectionist policy of high tariffs that was followed in the 1930's and that helped propel the entire world economic system into an economic tailspin.

The MTN agreements should serve well our domestic economy—especially if we work to insure that other countries are following the new rules of international trade established under them. And the MTN agreements should serve well the world economy by reinforcing the economic basis for stable political relations among industrial countries, and by contributing to improved relations between industrial and developing countries.

On trade matters the stakes are high for the United States and other countries, and the implementing legislation is deserving of our support. The chairman of the International Trade Subcommittee of the Finance Committee, Mr. RIBICOFF, the ranking minority member (Mr. ROTH) many other Senators who have devoted long years of work to this important area of our economic life are to be commended for their contributions.

Mr. President, I yield to the Senator from Vermont.

NOTICE OF MEETING OF U.S. GROUP, INTERPARLIAMENTARY UNION

Mr. STAFFORD. Mr. President, this will serve to advise Members of the Senate of a meeting of the U.S. group, Interparliamentary Union, on Wednesday, July 25, at 3 p.m., in the Capitol, room H-236. I make this announcement for Senator WILLIAMS and myself.

One of the purposes of this meeting is to discuss arrangements for the fall conference to be held in Caracas September 13-21.

Would Senators please advise Mrs. Mary McLaughlin, on extension 4-7953 or 4-4615, whether or not they plan to attend?

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I merely take the floor to remind Senators that the Senate will now resume consideration of the food stamp bill. There will be other rollcall votes today and the Senate hopes and expects to complete action on that bill today, even if it goes beyond 6:30 p.m.

INCREASED AUTHORIZATION FOR 1979 FOOD STAMP PROGRAM

The PRESIDING OFFICER. The Senate will now proceed with the pending business, S. 1309, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1309) to increase the fiscal year 1979 authorization for appropriations for the food stamp program.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I rise in support of the Magnuson-McGovern substitute to S. 1309 as reported by the Senate Committee on Agriculture, Nutrition, and Forestry to amend the Food Stamp Act.

This legislation comes before the Senate today to meet two emergency conditions: First, food price inflation and a large number of new program participants have brought funding needs above the 1979 spending ceiling set in 1977; and, second, prior changes in eligibility and benefit provisions relating to excess shelter expense and medical expense deductions have brought substantial hardship to elderly and handicapped recipients.

The Food Stamp Act of 1977, which imposed spending ceilings on the food stamp program through fiscal 1981 and brought about these changes in eligibility requirements, did not anticipate the adverse economic conditions affecting both the price of food and fuel. At the time that law was enacted, the Congressional Budget Office projected a rise in food prices at between 3 and 4 percent per year. The reality is, however, that those prices may rise at least 22 percent in the 2 years since passage of the bill.

That law also did not foresee the substantial increases in the price of oil that have been imposed during the course of this year by the Organization of Petroleum Exporting Countries. Prices for home heating oil rose 25 percent in 1978 compared to the year before, and price estimates for this winter range upward from 80 cents per gallon.

In my State, this will mean substantial hardship, particularly for those most in need who are already having a difficult time making ends meet.

The increase in the trigger point for the excess shelter expense deduction, combined with the elimination of the separate medical expense deduction, enacted in the 1977 food stamp law, have been especially burdensome for those households participating in the food stamp program that contain an elderly or disabled person. Their shelter and medical expenses often consume the greater part of their small, fixed incomes. Reducing the level of food stamp benefits will force them to make an untenable choice between food and shelter and medical care.

Mr. President, as provisions of the Food Stamp Act of 1977 have been implemented during the course of this year, I have received a steady flow of complaints from the citizens in my State. In fact, my office has received literally hundreds of calls and letters from needy individuals and families in Maine who found this year's benefit reductions exasperating at a time when food and fuel costs are spiraling steadily upward.

If we do not pass this legislation today to increase the spending ceiling for the program, these people will be doubly hurt. The Department of Agriculture testified to the effect that lack of additional program funds will mean either a reduction in benefits by one-half in August and September, or a total shutdown of the program in September.

The amendment in the nature of a substitute which Senators MAGNUSON, MCGOVERN, and DOLE are sponsoring incorporates the provisions of the committee bill, S. 1309, lifting the fiscal 1979 spending cap and liberalizing the shelter and medical deductions for the aged and disabled; it includes four Helms amendments, three of which are similar to proposals made by the President, aimed at improving program administration and rooting out fraud and abuse; it extends benefits to handicapped persons living in community living centers; and finally, it would remove the spending ceiling for fiscal years 1980 and 1981.

I support this amendment. I believe it contains responsible provisions to enable the program to respond quickly to changing economic conditions while at the same time maintaining existing eligibility requirements and encouraging sound program management.

Passage of this amendment, Mr. President, is vital to alleviate hardship among the participants in the food stamp program, and I urge my colleagues in the Senate to support it.

I thank the Chair for recognizing me.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I would like to make a few comments and engage the distinguished floor manager in a short colloquy regarding an amendment. Could I inquire as to whether or not the floor manager will return to the floor shortly?

The PRESIDING OFFICER. The Chair observes the floor manager is not on the floor at this moment.

Mr. BUMPERS. Mr. President, I will go ahead and express my concern.

I had originally intended to offer an amendment to this bill, but in deference to the floor managers, who wanted to keep the bill as clean as possible in an effort to get it out and passed by August 1, I am not going to offer the amendment.

Not long ago, the Senate passed a resolution, Senate Resolution 90, which called on the Department of Agriculture to do a study of the National School Lunch Act and the child nutrition program of 1966 and report back to the Congress by the end of January 1980, about how well these programs were working.

There are 11 items specifically mentioned that the Department of Agriculture has been asked to report to the Senate on.

I hope that this report will take care of my concern. Let me preface my specific concern, by saying that, No. 1, the school breakfast program in my State, so far as I know, is working relatively well. We have 416 breakfast programs in 181 school districts; 48 percent of our school districts participate. The average daily number of participants is 41,736 children.

In each school breakfast, the Department of Agriculture mandates that there be three items given to the child. There must be a half pint of fluid milk as a beverage or over cereal. No. 2, there must be a half cup of fruit, or vegetable, or full strength juice. No. 3, a bread, or bread equivalent, rolls, cereals, biscuits, et cetera.

The problem I have did not come to me from my State. It came from a lunchroom manager in another State. She pointed out that approximately 50 percent of the food being given to the children in the breakfast program was winding up in the garbage cans after breakfast. The reason for this waste is that USDA requires that each child who goes through that breakfast line take all three items, in order for the school district to participate in the program.

They cannot just take the juice, or juice and bread, or the cereal and something else. They must take all three items; otherwise USDA will not reimburse that school district for the cost of that breakfast.

I understand, Mr. President, that it would be much more nutritious for those children if they took and consumed all three items. But the truth of the matter is that the whim or caprice of the child will dictate what he or she drinks or eats, not USDA. They will not be able to force it down them and make them consume it.

It occurs to me that there is considerable room for waste in this program. Simply because we have USDA trying to force the child to do something they may not want to do; and there is no way to force them to do it.

Senate Resolution 90, which was passed here a few months ago, instructed the Department of Agriculture, among other things, item 4, "Determine the effect of program participation by income category on the participant's nutrient intake and health."

That is just peripherally what I am talking about.

I would like to inquire of the floor manager as to whether or not he envisions the Department of Agriculture also analyzing in this study how much waste there is in the breakfast program as a result of the mandate by the Department of Agriculture that children take everything that is offered to them.

Mr. McGOVERN. Let me say to the Senator from Arkansas that I think his concerns are well placed as to the breakfast program.

I want to give him all the assurance I can that the Department will follow up on the kind of study he would like to see made.

We have checked with the Department since the Senator discussed this matter with me. Senate Resolution 90, which was agreed to approximately 30 days ago, does provide the kind of request to the Department that will accomplish what the Senator is interested in.

I think it is especially pertinent to point out that the legislative history we are making here today reinforces that Senate resolution.

I think it is wise the Senator brought this up and made it part of the RECORD here this afternoon. I will give the Senator my personal assurance as the subcommittee chairman with oversight on this program, that we will make certain that the Department includes in the study that they now have underway those concerns about the program the Senator mentioned here this afternoon.

Mr. BUMPERS. I thank the Senator very much.

I feel sure that after this colloquy between us here on the floor, that the USDA, will, indeed, respond.

I do not know what the total cost of the program is, but if we translate the 50-percent waste in the program approved today across the Nation, that translates into a tremendous saving we might effect.

As I say, it would be highly desirable to know that all of those children are, indeed, going to get and consume all three food components. It is designed to be a well-balanced breakfast, and I am sure it is. But in the real world they will not always consume those items.

It occurs to me that they can make some determination, with a great deal of precision, as to how much of the breakfast is going into the garbage can. I hope they will also tell us which of those items are most likely to be consumed.

I appreciate the Senator's cooperation on this matter.

As always, he is very magnanimous and generous in things like this.

I hope the report can come back with something we can look at seriously.

Mr. McGOVERN. I thank the Senator. I think this has been a helpful effort.

UP AMENDMENT NO. 442

(Purpose: To deny food stamps to households where head of such household is engaged in a labor strike)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND), for himself and Messrs. HELMS, MCCLURE, HOLLINGS, HAYAKAWA, DOLE, TOWER, HUMPHREY, and WALLOP, propose an unprinted amendment numbered 442:

Following section 10 of the MCGOVERN-DOLE substitute amendment No. 362, insert the following new section:

DENIAL OF FOOD STAMPS TO HOUSEHOLDS ENGAGED IN LABOR STRIKES

SEC. 11. Section 6 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection as follows:

"(i) Notwithstanding any other provision of this Act, no household shall be eligible to participate in the food stamp program if the head of the household is on strike against his employer as the result of a labor dispute, except where such household was eligible for participation in such program prior to the time the head of the household went on strike against his employer. The provisions of this subsection shall not apply in any case in which the head of a household is not working because of an employer lockout. As used in this subsection the term 'head of the household' means the member of any household who provides over one-half of the support for the household.".

Renumber "SEC. 11" as "SEC. 12".

Mr. THURMOND. Mr. President, the amendment I am now offering would deny food stamps to households whose head voluntarily engages in a labor strike.

Earlier this year, I introduced legislation, S. 84, which would amend the Food Stamp Act of 1977 to prohibit striking workers from receiving food stamps. This bill was referred to the Senate Committee on Agriculture, Nutrition, and Forestry, but unfortunately has not been reported to the full Senate.

Mr. President, I do not believe that a majority of our people are aware that striking workers can receive food stamps. When our taxpayers realize that fact, they are outraged because their tax dollars are being used to intervene in a labor dispute.

A strike is a tactic used by one side in a labor dispute. Those going on strike do so in the belief that it will strengthen their position at the negotiating table. By going on strike, they take the risk of loss of salary and other benefits which they receive while they are working. If the Federal Government provides food stamps to these people who voluntarily walk off their jobs, it injects itself into the dispute on the side of the union bosses. This is not fair. It is not fair to the other side of the bargaining table, and, most of all, it is not fair to the American taxpayer who must bear the cost of the food stamp program.

A Wharton School of Finance study has documented the massive use of food stamps by strikers in major steel, electrical, automotive, and other strikes in 1969–71 at a cost to the public at that time of $240 million. A General Motors strike in 1970 resulted in about half of the 170,000 strikers receiving food stamps, with the cost to the Federal Government and the State of Michigan between $10.7 million and $14.3 million.

The coal strike of the winter of 1977–78 is one of the most recent evidences that this amendment is needed. Nationwide, $39 million worth of food stamps went to striking coal miners over the 3-month duration of the strike. Finally, the situation became so serious that the President invoked the Taft-Hartley Act. Yet, food stamps still went to the strikers.

Mr. President, there has been much discussion in recent years of the need for "welfare reform." When this subject is debated, the findings and recommendations of Dr. Martin Anderson, in his book entitled, "Welfare, The Political Economy of Welfare Reform in the United States," are often cited. I would like to quote a paragraph from page 163 of Dr. Anderson's treatise. He says:

Point Four: Remove inappropriate beneficiaries from the welfare rolls. There are certain categories of welfare recipients whose eligibility, while legal, is questionable. With the needy-only principle as a guideline the welfare rolls should be examined carefully and the regulations changed to exclude any groups who fail to qualify. Two prime candidates for disqualification would be workers who strike and then apply for welfare benefits claiming loss of income, and college students who queue up for food stamps.

While Dr. Anderson has reference to welfare, the same principle is surely applicable to food stamps. Strikers should not be entitled to any form of taxpayer subsidy that aids their side in a collective bargaining situation.

Mr. President, I think it is most interesting to point out that when President Carter first sent to Congress his recommendations for welfare reform, he included a proposal to substitute cash assistance in lieu of food stamps. Labor leaders objected, however, to "cashing out" food stamps for all present food stamp recipients. They were obviously concerned that the taxpayers would never stand for giving cash to strikers. To accommodate their concerns, the President redrafted his proposals. Well, Mr. President, what is the difference? Whether the public assistance comes in the form of food stamps or cash, the same principle is violated. Either is simply bad public policy.

The time has come to reevaluate our priorities in regard to the food stamp program. Food stamps to strikers only result in more and longer strikes with consequently greater damage to the economy. The Federal Government should not feed those who voluntarily refuse to work. That is the responsibility of the striking union.

Mr. President, the USDA has stated that in the fourth quarter of fiscal year 1978, the average monthly food stamp participation rate decreased in the State of West Virginia by 21.3 percent, while the participation rate for the mid-Atlantic region decreased 2.8 percent. The USDA lists settlement of the coal strike as the reason for the 44,500 participant decrease.

A similar decrease occurred in Kentucky. The participation rate decreased 7.7 percent while the participation rate for the Southeast decreased 3.1 percent—a decrease of 27,082. USDA lists settlement of the coal strike as the reason for the large decrease.

Finally, Mr. President, I reiterate that strikers are different from other food stamp recipients and should be treated accordingly because:

First, ample notice is usually given when negotiations are impending which might lead to a strike, and a person of even ordinary prudence should be able to anticipate that income stops during a strike;

Second, the need of strikers is only temporary, lasting only as long as the strike itself; and

Third, this is most important, the striker creates his own need for food stamps by electing to go on strike.

I urge my colleagues to support this amendment.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from North Carolina.

Mr. HELMS. I thank the distinguished Senator from South Carolina.

Mr. President, I commend the Senator for this version of the amendment to prohibit food stamps to strikers. As the Senator knows, he and I have worked together closely for the past 6 years in this connection to eliminate what seems to me and other people in this country to be a perfect outrage.

I do not know how it is in the States of other Senators, but in North Carolina there is near unanimity on the question now before the Senate. The people of my State simply do not understand why workers who deliberately walk off their jobs should be entitled to food stamps and other welfare benefits. The citizens of my State would not avail themselves of that kind of opportunity.

The point the Senator from South Carolina has made is exactly right. By providing food stamps for strikers, it automatically involves the Federal Government in one side of a labor dispute. If there is anything the Federal Government should stay out of it is a labor dispute; and it should let the dispute be settled on the issues and not be subsidized by the taxpayers' money.

Mr. President, by prohibiting the distribution of food stamps to individuals eligible for food stamps only because the head of the household is on strike, this amendment will serve to correct a basic inequity in the laws: Unnecessary Federal intervention in labor disputes.

The food stamp program was established in 1964 to help provide an adequate diet for those Americans whose incomes are below the poverty level due to their inability to work. It has done a great deal for needy Americans, and I support its operation on behalf of the truly needy of our society—but only the truly needy who are unable to support themselves.

Congress included a work requirement in the Food Stamp Act which makes it plain that the congressional intent in designing the food stamp program was that it should not benefit those who refuse to work.

Congress has failed, however, specifically to prohibit employed workers, who qualify for the program only because of their participation in a strike, from receiving benefits under the program. The interests of the American consumer and taxpayer, and the maintenance of our system of free collective bargaining demand that such a prohibition be established.

Free collective bargaining has been chosen by Congress as the system of labor-management negotiation best able to promote economic stability and avoid industrial strife. This system protects the rights and interests of workers, companies, and consumers. The imperative fundamental premise of free collective bargaining is absolute Government neutrality in the labor-management contest. While the Government acts to oversee and referee the process, the results of the contest are determined by the independent bargaining strengths of the parties.

Public assistance to either side in a labor dispute violates the concept of free collective bargaining and violates the rights of the opposing party. Public assistance in the form of the distribution of food stamps to strikers' households has the undeniable effect of giving a distinct economic advantage to the union in the collective bargaining contest.

The duration of strikes has increased significantly since the advent of welfare payments to strikers. To continue to make these payments will only fuel this trend, thus bringing more pressures on our already troubled economy and further undermining the principles of free collective bargaining which is so vital to the American free enterprise system.

In this era of perilous inflation, constantly rising taxes, and public discontent with the state of the economy, we should be particularly sensitive to the needs of the working American, who is both taxpayer and consumer. I believe we should respond to any opportunity to lighten the burdens of inflation and taxes and especially when this can be done without hardship to any legitimate recipient of government services. Due to the average annual income of most union members and the strike benefits available from union funds, few strikers can plead that they are subjected to hardship through no fault of their own simply because they are denied food stamps to which they are not entitled.

The granting of welfare benefits to strikers deals a double blow to the taxpayer-consumer. Food stamp benefits allow workers to prolong strikes and drive up the costs of production, which are ultimately passed on to the consumer. Our current inflation has been made worse by subsidized, lengthy strikes, and the abnormally high settlements and decreased production of goods and services. By using tax dollars to subsidize strikers, the Government is increasing the consumer's tax burden while using

his money to drive up the cost of the very goods and services he must buy.

Now is the time to break the vicious circle which penalizes every American taxpayer and consumer. By prohibiting the distribution of food stamps to strikers, Congress can reduce the cost of the program to the taxpayer and reduce the rate of inflation.

Mr. THURMOND. I thank the Senator.

Mr. President, I believe the amendment shows the cosponsors, but for the record I state that this amendment is cosponsored by the following distinguished Senators: The Senator from North Carolina (Mr. HELMS), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Texas (Mr. TOWER), the Senator from California (Mr. HAYAKAWA), the Senator from Kansas (Mr. DOLE), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from Wyoming (Mr. WALLOP).

Mr. DOLE. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the able Senator from Kansas.

Mr. DOLE. Mr. President, the amendment offered by the Senator from South Carolina (Mr. THURMOND) to the pending food stamp legislation would make strikers ineligible to receive food stamp benefits. This is a matter which has been debated by the Congress in previous years, and is one which I think still merits our attention.

Mr. President, it goes without saying that I am a strong supporter of the food stamp program—in fact, too strong, in the eyes of some of my colleagues.

One of my concerns is that we should help those people who cannot work. The strikers' situation referred to here is contradictory to reasons why I support the food stamp program.

We introduce welfare programs, and we talk about workfare provisions. In fact, most people are not eligible unless they are willing to work. If you should strike, however, you are still eligible for food stamps.

As the Senator from North Carolina pointed out, this interferes with the collective-bargaining process, and may subsidize one side in a labor dispute. I am for collective bargaining and think it should be allowed to work. But I worry that this provision may give one side some advantage.

I understand that we are not talking about a great deal of money—less than 1 percent of the caseload. But, it still adds up to $30 to $40 million, which is a lot of money.

It seems to me that our effort today is more than symbolic. This is an important amendment, and I commend the distinguished Senator from South Carolina for offering it. I am pleased to join him as a cosponsor.

One of the reasons I have been such a strong supporter of the food stamp program is that Congress has earnestly tried to target benefits just to those persons who legitimately deserve some assistance. There are provisions in the act which prohibit persons from giving up jobs in order to qualify for food stamps. There are provisions which mandate that unemployed recipients must search for work. There are provisions which call for pilot projects to explore the feasibility of a workfare requirement, where all persons receiving benefits must accept employment to earn their benefits. It is obvious to me that the Congress is serious in its efforts to encourage recipients to work.

Given this fact, it seems inconsistent that we allow strikers to receive benefits. Strikers have a choice of working or not working, and they choose not to work. Most other recipients of food stamps do not have the luxury of deciding whether or not they should work. If they did, they would be declared ineligible recipients since they would not meet the work requirements.

It is hard for me to justify a policy which allows strikers to receive food stamps. I realize that less than 1 percent of the food stamp caseload is comprised of strikers, but this still means that several thousand strikers are receiving benefits, for when there are 18 million persons on food stamps, 1 percent of the caseload represents 180,000 individuals. The Department of Agriculture estimates that three-tenths of one percent of all households contain a striker. If strikers were deemed ineligible, the Department estimates a savings of $30 to $40 million in fiscal year 1980. It also reports that because the striker has no income, his household allotment is higher than the average household benefit.

In addition to the basic inequity that occurs when strikers are allowed benefits, I think we should also remind ourselves that we are here today because of problems stemming from insufficient funding for the program. Money is tight, and because of the cap there has simply not been enough money to give benefits to persons covered under the program.

I have continuously supported efforts to raise or lift the cap because I believe that we have an obligation to deliver the benefits we have promised the public. At the same time, I have argued that if we want to cut down the costs of the program, we should make programmatic changes which would target benefits directly to the most needy. I do not feel that strikers constitute the most needy recipients, and in an effort to hold down costs, I support this amendment eliminating benefits to this group of persons.

If the past record is any indication, there will be opposition to the amendment. But I think that we should all be looking for ways in which to reduce the spending in this area. My view is that it makes the most sense to cut benefits to those who have an opportunity to work, rather than to cut benefits to the elderly, the disabled, or other persons in dire need of assistance.

I urge my colleagues to give favorable consideration to this amendment.

Mr. McGOVERN. Mr. President, first of all, while the Senator from Kansas is in the Chamber, I agree with him that he has been a very strong supporter of the food stamp program, and I know sometimes it has been at some political cost to himself.

So I take advantage of this opportunity to commend him for standing up for the program and recognizing the merits that this program has. Over the years, it has been a privilege to work with him in trying to strengthen the program.

But I have to say, in all due respect about the present amendment offered by the Senator from South Carolina, that I do not think it strengthens the program. Quite the contrary, it deprives a certain category of Americans of rights that are available to all other citizens.

Let me make clear that going on strike does not qualify anyone for food stamps. They have to meet the same requirements that everyone else does, whether they are on strike or whether they are not.

There is nothing about being on strike that is going to qualify a single person for any benefit that he does not have when he is not on strike.

I make another point that strikers are being treated as though they are not taxpayers. We have had several phrases, several repetitions here this afternoon about the taxpayers being tired of paying for things for strikers. Well, strikers just happen to be taxpayers just the same as the rest of us and over the years their taxes have made possible the food stamp program and all these other social programs.

Most of these people, if they do go on strike, have long periods of time when they are working and having taxes withheld from their weekly or monthly checks that go to pay the cost of these social programs.

So we do not talk about strikers against taxpayers. They are one and the same.

If one wanted to achieve some purpose here today of punishing only those who are on strike, even this is not achieved by this amendment. You are not only eliminating the striker by this amendment, but you are eliminating all the children in that family. The amendment eliminates the household that includes a striker. That is the way the food stamp program works. It deals with the households so that even those Senators who wanted to manifest some kind of anti-strike bias here would be unfairly discriminating against the children in that family who have had nothing to do with the decision whether there is a strike or whether——

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. THURMOND. The amendment does not pertain to those households who are on food stamps prior to engaging in a strike. In other words, if they were on food stamps already, this amendment will not take them off.

Mr. McGOVERN. That is correct.

Mr. THURMOND. So I think the point the Senator made would be in error.

Mr. McGOVERN. But it does take the household off. According to the way this amendment reads, if there is a striker in that household the whole family goes off.

Now, beyond this the amendment applies, and here again I am taking——

Mr. THURMOND. Mr. President, not if the household was eligible for stamps.

Mr. McGOVERN. That is correct.

Mr. THURMOND [reading]:

Notwithstanding any other provision of this act, no household shall be eligible to participate in the food stamp program if the head of the household is on strike against his employer as a result of a labor dispute, except where such household was eligible for participation in such program prior to the time the head of the household went on strike against his employer.

Mr. McGOVERN. I understand the point the Senator is making.

But let me stress to the Senator that the crucial point to keep in mind is that the striker and his household or her household has to meet the same specifications with or without this amendment that other citizens have to meet to qualify for food stamps.

Those Senators who may be hostile to the whole concept of strikes need to keep in mind that under the terms of this amendment even a striker who voted against the strike once that strike is on and the plant is closed is covered by this amendment.

This amendment, if it were to pass, would single out one group of Americans who would become ineligible for the food stamp program. At the present time, no group is either automatically eligible or automatically ineligible. You have to meet very tough criteria that are laid down in the food stamp law.

Those criteria include income. If the income of that striking household is above a certain level, they are automatically excluded. If they have assets with or without income that are in excess of $1,750, they are excluded. If they refuse to register for work, they are excluded.

All of those criteria have to be met by a striker the same as other Americans.

Mr. President, almost every time we have food stamp legislation before the Senate an amendment like this is offered. I think it is important for us to lay this issue to rest, if that is possible, by making it clear to our colleagues in the Senate and to the country as a whole that striking families—the striker and any member of that family—are not given any benefits under the food stamp program that are not available to other citizens. They have no particular rights or privileges that are not available to other Americans, and that there is nothing about a strike that automatically entitles anyone to food stamp programs.

I am going to offer a substitute amendment which has the effect of making that clear.

UP AMENDMENT NO. 443

(Purpose: Substitute for Senator Thurmond's amendment to amendment No. 362)

Mr. McGOVERN. Mr. President, I send the amendment to the desk, and it is very short, so I ask the clerk to read it.

The PRESIDING OFFICER (Mr. BOREN). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes an unprinted amendment numbered 443 as a substitute to the Thurmond unprinted amendment numbered 442.

In lieu of the language proposed to be inserted by Mr. Thurmond, insert on page 10 between lines 22 and 23 a new section as follows:

"DENIAL OF BENEFITS TO CERTAIN HOUSEHOLDS

"SEC. 11. Section 6 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (i) as follows:

"'(i) No household that contains a person involved in a labor-management dispute shall be eligible to participate in the food stamp program unless the household meets the income guidelines, asset requirements, and work registration requirements of this Act.'".

On page 10, line 24, strike out "Sec. 11" and insert "Sec. 12" in lieu thereof.

Mr. McGOVERN. Mr. President, I think it is clear from the reading.

Mr. THURMOND. Mr. President, let me ask the Parliamentarian if this amendment will be in order.

The PRESIDING OFFICER. Does the Senator from South Dakota yield for that purpose?

Mr. McGOVERN. I yield to the Senator for a parliamentary inquiry.

The PRESIDING OFFICER. The amendment is in order as a second degree amendment.

Mr. THURMOND. Mr. President, I understand that the amendment that I am amending is offered as a substitute.

The PRESIDING OFFICER. The Chair understands that the substitute does not count. The first substitute for a bill does not count in terms of degree, that the Senator's amendment is an amendment in the first degree, and this one is an amendment in the second degree.

Mr. HELMS. Because it was treated as original text; is that correct?

The PRESIDING OFFICER. The first substitute for a bill from the floor does not kill a degree unless there is a committee substitute for the bill which it seeks to replace. The committee substitute was agreed to as original text. So, therefore, the first substitute for the bill from the floor does not kill a degree. So, therefore, the McGovern amendment to the Thurmond amendment to the McGovern substitute for the bill would be an amendment in the second degree.

Mr. McGOVERN. Mr. President, I think it is clear from the reading of the amendment what it attempts to do and perhaps this accomplishes much of what the Senator from South Carolina had in mind.

It does make very clear that the person on strike has to qualify the same as any other citizen for the benefits of this program. They have got to qualify on grounds of income, they have got to qualify on grounds of assets, they have got to qualify on the grounds of work registration.

I do not see any point in belaboring the argument any further. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, during the quorum call, the Senator from South Carolina (Mr. THURMOND), and the Senator from North Carolina (Mr. HELMS), and I have been talking about the anxiety that has developed over the question of food stamps for strikers and for households where there is a striker involved.

One of the concerns expressed by the Senators who offered the original amendment, the one for which I have offered a substitute, is that we get some better accounting procedure on the part of the Department of Agriculture as to how many persons participating in the food stamp program are involved in strikes, and not only the numbers of persons involved but the costs of that program to the Treasury.

As far as I am concerned, as one who is vitally interested in the success of this program and also in doing what I can to strengthen public confidence in the program, I would think that those suggestions should be carried out by the Department of Agriculture, and I will do everything I can as the floor manager of this bill and the chairman of the subcommittee that has jurisdiction over the program to see that that is done.

We can make it clear, I think, in the legislative history today, that this is the concern of the Senate. We will follow up in correspondence with the Department of Agriculture to see that the concern which has developed here is expressed by the procedures developed by the Department.

Mr. HELMS. Mr. President, I am greatly encouraged by the attitude of the distinguished Senator from South Dakota, and I commend him for it. Both he and I and the Senator from South Carolina, and other cosponsors of the Thurmond amendment, so-called, agree that there ought to be equity of treatment under all laws.

The concern that the Senator from North Carolina has about the food stamps for strikers issue is that heretofore the Agriculture Department has been totally unwilling to keep any statistics or do any investigative work on this matter. If the Senator from South Dakota is willing to work to press the Agriculture Department to make sure that proper monitoring of this sort of thing is conducted and full statistical information is made available to Congress, so that all will know precisely what is going on, then I am inclined to support the amendment wholeheartedly. All I want, as one Senator, is to stop the prac-

tice of hanky-panky in terms of some local administrator, in a labor union-management dispute situation, issuing food stamps to strikers on a helter-skelter basis without adequate verification of eligibility.

If the Agriculture Department can be persuaded to button down this situation and put an end to it, and to make strikers qualify on the basis of asset requirements, work registration requirements, and so forth, that is fine. But we have had, in my office alone, countless reports of strikers who have not made any effort whatsoever, I will say to my friend from South Carolina, to register for other employment during a strike. We have had countless reports of strikers with assets in the tens of thousands of dollars who were drawing food stamps simply because, as the Senator from South Carolina has put it, they are on strike.

If we can put an end to that sort of thing, fine. I will ask my friend from South Dakota if he will join the Senator from North Carolina and others in signing a letter to that effect to the Secretary of Agriculture.

Mr. McGOVERN. I have no problem with that at all. I will be glad to join in it.

Mr. HELMS. Mr. President, I think we are making great headway here. I will ask the Senator from South Carolina if he will join in that. Of course, it is his privilege to decide whether or not to do so, but I think we have made some headway.

Mr. THURMOND. Mr. President, the food stamps for strikers have been abused, there is no question about it. This is a very serious matter.

However, in view of the amendment offered by the distinguished Senator from South Dakota, and the colloquy that followed between him and the able Senator from North Carolina, I think the matter has been clarified to a great extent.

As I understand, both are going to sign a letter to the Secretary of Agriculture setting out this situation. Following that, the Secretary of Agriculture will be urged to keep the necessary records so we can tell exactly how many striking workers are receiving food stamps.

Then, at a later date, we will be able to take steps to correct the matter.

Mr. McGOVERN. I think we can give the Senator our full assurance on that matter.

Mr. HELMS. If the Senator will yield, with the further understanding that the acceptance of this amendment is an indication that this Senate means business about the recordkeeping and the supplying of information to the Government on this question.

Mr. McGOVERN. The Senator's point is well taken.

Mr. DOLE. Will the Senator yield for one moment?

Mr. THURMOND. I yield.

Mr. DOLE. Mr. President, I join with my colleages, the Senator from North Carolina, the Senator from South Carolina, and the Senator from South Dakota. It does seem to me that with this emphasis that we are providing, and I hope the Department of Agriculture officials will note that we are making legislative history, that the substitute means what it says so far as assets are concerned and so far as the other provisions are concerned.

I believe that, in addition to the letter which will be sent by the distinguished Senator from North Carolina and the distinguished Senator from South Dakota, will give us a clear picture on what may really be happening.

I go back to the same argument made at the outset. It is not that we want to deprive those in need of food stamps. It contradicts the present law which says you have to at least be working or applying for work. That is the present law and it is in the substitute offered by the distinguished Senator from South Dakota.

I believe that if we can have some focus on the comments made on the floor, the present law, as restated in the substitute, would be a step in the right direction.

I commend the distinguished Senators for working out the compromise.

Mr. THURMOND. Mr. President, in view of the colloquy which has taken place and the assurances which have been given, I am willing to accept the amendment of the Senator from South Dakota.

Mr. HELMS. Perhaps the Senator wants to vitiate the request for the yeas and nays.

Mr. McGOVERN. Mr. President, in view of what I determine to be the unanimity on this, I ask unanimous consent that the order for the yeas and nays be vitiated on the substitute amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McGOVERN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Mr. President, I believe we are nearing the end of the consideration of this bill.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from South Carolina, as amended by the Senator from South Dakota.

Mr. HELMS. Mr. President, I believe the Senator from South Carolina wants to vitiate the yeas and nays on his amendment.

Mr. THURMOND. Mr. President, I ask unanimous consent to vitiate the order for the yeas and nays on my amendment, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from South Carolina, as amended.

The amendment, as amended, was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VERIFICATION STANDARDS

Mr. HELMS. Mr. President, regarding the amendment that permits States to adopt additional verification standards and precludes the Secretary from prohibiting the States from doing so, I am very pleased that Senator McGOVERN has articulated a point that should not be misunderstood—home visits should be made during reasonable hours. Reasonableness is certainly the standard by which hours of home visits or anything else should be judged. Senator McGOVERN suggested that office hours would be a good rule to use as a guide in determining what times are reasonable. That standard is indeed a good guide, so long as it is not adhered to strictly.

I concur in using office hours as a guide, but feel obligated to elaborate upon this standard so that it may not be misunderstood. The context of the debate when Senator McGOVERN spoke was that of administrative procedures within the food stamp program. We all realize that office hours include that period of time during which food stamp offices sometimes are open. Most notably this would include the evening hours during which local custom and practice dictate that social visits are reasonable. Surely no one could better Judge local custom and practice than State administrators, which is precisely why discretion is given to the States in this matter.

UP AMENDMENT NO. 444

(Purpose: To require implementing regulations to be issued within 150 days after enactment of the bill)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 444.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 11, after line 7, insert a new subsection (c) as follows:

(c) Notwithstanding any other provision of law, the Secertary of Agriculture shall issue final regulations implementing the provisions of sections 4 through 8 of this Act within one hundred and fifty days after the date of enactment of this Act.

Mr. HELMS. Mr. President, inasmuch as any delay in the implementation of the provisions of this bill which address the administrative changes is not desirable, I offer an amendment to require that the Food and Nutrition Service issue final regulations within 150 days of the enactment of this legislation.

Senators may well recall that it took the Food and Nutrition Service almost 2 years to begin implementation of the features of the 1977 Food Stamp Act—a process which is not yet complete.

So that the Food and Nutrition Service may receive some indication of the Senate's intention that the Helms amendments be implemented in a timely fashion, my amendment requires just that.

It is my understanding that Mr. Robert Greenstein, the Administrator of the Food and Nutrition Service, has no objections to this amendment, and believes the time is sufficient to allow his agency to issue regulations for comment, allow 60 days for such comment, and almost 3 months for final drafting and implementation. This amendment is not intended to waive the right of any person to offer additional comment after the 60-day period under the rules and procedures established for such actions.

And, it should be noted that the other provisions of the legislation now under consideration have a time certain for implementation.

Mr. McGOVERN. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER (Mr. LEAHY). The question is on agreeing to the amendment of the Senator from North Carolina.

Without objection, the amendment is agreed to.

UP AMENDMENT NO. 445

(Purpose: To assure that any supplemental verification proposed by a State agency shall be reasonable and constitutional)

Mr. JAVITS. Mr. President, I send an amendment to the desk for myself, Senator KENNEDY, and Senator BAYH, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself, Senator KENNEDY, and Senator BAYH, proposes an unprinted amendment numbered 445.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 25, strike out "a new sentence" and insert, in lieu thereof, "three new sentences".

On page 9, line 3, insert after the first period two new sentences as follows:

"Supplemental verification standards proposed by any State agency shall be set forth in the State's plan of operation and be reasonably related to the Secretary's national verification standards. In addition, supplemental verification standards proposed by any State agency shall not: result in a violation of the standards for the timely provision of benefits established by the Secretary under paragraphs (2) through (4) and (9) of section 11(e) of this Act; subject households to home visits by State agency personnel in an unreasonable manner or during unreasonable hours; be implemented for persons whose eligibility for Federal or State public assistance benefits have already been, or will concurrently be, verified; result in a denial or reduction of benefits if a household cannot verify matters that are outside of its control to verify; or require applicant households to make unreasonable additional trips to the State agency's offices."

Mr. JAVITS. Mr. President, this amendment deals with section 7 of the substitute bill which appears at page 8, line 24, and deals with the authority which is given to the States to adopt verification standards which supplement the verification standards issued by the Secretary under the act.

The thing that concerns me and my cosponsors is whether or not, in promulgating regulations themselves for verification, there would be imposition upon those who are being verified. We have had experience with such matters. before and it became literally a case of horror stories where families were subjected to midnight raids and other abuses when their assistance applications were verified, when this thing was done on a State level.

I was confident that Senator HELMS no more than I wanted any such thing to occur. So we have agreed upon certain limitation in respect of such standards as the States set.

I think if I just read this to the Senate it will be adequate to show what we are doing:

Supplemental verification standards proposed by any State agency shall be set forth in the State's plan of operation, and be reasonably related to the Secretary's national verification standards. In addition, supplemental verification standards proposed by any State agency shall not: result in a violation of the standards for the timely provision of benefits established by the Secretary under paragraph (2) through (4) and (9) of section 11(e) of this Act; subject households to home visits by State agency personnel in an unreasonable manner or during unreasonable hours; be implemented for persons whose eligibility for Federal or State public assistance benefits have already been, or will concurrently be, verified; result in a denial or reduction of benefits if a household cannot verify matters that are outside of its control to verify; or require applicant households to make unreasonable additional trips to the State agency's offices.

Mr. President, this amendment is satisfactory to myself and my cosponsors, and I hope it may prove acceptable to the managers.

Mr. President, as I said, the amendment that I am offering to the substitute bill is intended to safeguard the basic rights of applicants to the food stamp program. It seeks to balance our important interest in preventing program abuse with the need to protect poor people's basic rights when they apply for food stamp aid.

Under the substitute bill, we authorize the States—for the first time since the revamping of the food stamp program in 1971—to undertake verification that supplements the verification requirements established by the Secretary of Agriculture. The clear purpose behind this provision is to reduce program errors and to minimize potential program abuse.

As important as it is for us to give such additional verification tools to the States, it is also important that we insure that those tools do not become a blanket license to deprive needy people of their basic rights. Nobody in this Chamber should want us to go back to the unfortunate times when public assistance recipients, in some localities, were subjected to midnight raids and other abuses when their assistance applications were being verified.

My amendment seeks to guarantee poor people's basic rights when States undertake supplemental verification procedures. In essence, these protections are intended to guard against overly-zealous bureaucrats who might unjustifiably seek to run roughshod over the rights of the poor. Neither the sponsors of the substitute nor the sponsors of the supplemental verification amendment should be willing to tolerate such bureaucratic abuse. To make sure that such abuse does not occur, however, it is prudent for us to set forth in the bill the fundamental rights that States should not abridge.

My amendment requires States to do two things in connection with their own verification procedures that are supplemental to the Secretary's. First, such supplemental verification standards must be specifically set forth in the State's plan of operation. Moreover, as the Secretary does with all facets of State plans of operations, he would review this portion of the plan to insure that it is approvable and does not violate the statute or the supporting regulations.

Second, the State must make sure that its supplemental verification standards are reasonably related to the Secretary's verification standards. In effect, this provision is intended to prevent States from establishing unreasonable verification requirements that violate any portion of the Food Stamp Act and regulations or that contradict—rather than supplement—USDA's verification procedures.

Finally, my amendment specifically prohibits several agency abuses that would nullify fundamental rights of indigent food stamp applicants. The amendment guarantees that the timeliness standards, for the provision of benefits to applicants, shall not be abridged as a result of the States' supplemental verification procedures. Hence, neither emergency nor regular applicants will receive assistance later than the times specified by the USDA regulations as a result of a State's supplemental verification requirements.

Additionally, no State will be allowed to make home searches in an unreasonable manner or during unreasonable hours—thereby avoiding the infamous midnight raids that I mentioned earlier.

Similarly, the supplemental verification requirements shall not harass households by forcing them to take additional—and frequently expensive and time-consuming—trips to the food stamp office if this is avoidable. Except under extraordinary circumstances, supplemental verification efforts should not require applicants to make additional trips to the food stamp office if this is avoidable.

To prevent repetitious governmental

intrusions into people's lives as well as unnecessary redtape, the supplemental verification standards shall not be applicable to any household whose eligibility for Federal or State public assistance has been, or is being, verified. Since these people are already obligated to fulfill certain verification requirements when they apply for AFDC, SSI, and general relief, there is no reason to subject them to duplicative and unnecessary supplemental verification requirements in the food stamp program.

Finally, my amendment prohibits States from disqualifying applicants for failing to verify matters that are outside of their control to verify. If, for example, an uncooperative employer failed to provide supplemental verification about an employee's income—either out of disdain for the food stamp program or laziness or recalcitrance—the employee-applicant should not be penalized. As long as the applicant cooperates with local administrators and appears to be eligible for assistance, no State agency should withhold food stamp aid.

I believe that this amendment achieves a delicate balance between the desire for additional verification and the need to safeguard fundamental rights. I, therefore, urge my colleagues to adopt it and to pass the substitute bill as modified.

● Mr. KENNEDY. Mr. President, I am pleased to cosponsor with Senator JAVITS, this amendment that seeks to protect the rights of needy people in the food stamp program. The provision authorizing States to establish supplemental verification procedures beyond USDA's verification requirements may be very helpful to insure the integrity of the program. This amendment, in turn, is designed to guarantee that this State authority is not implemented to curtail poor people's basic rights.

Our amendment prohibits States from harassing people to discourage them from applying for health-vital food stamp aid. For example, it prohibits States from undertaking home verification checks during unreasonable hours or in an unreasonable manner. It prohibits States from instituting additional verification procedures that require applicants or recipients to make repeated trips to the food stamp office. Under our amendment, a household could not be required to make additional trips to the food stamp office—which are frequently expensive, particularly in rural areas, and very time consuming—beyond the times necessary to achieve verification under USDA's regulations.

The supplemental verification authority, according to our amendment, could not be used to delay the provision of food stamp relief beyond the time periods specified in the Food Stamp Act and USDA's regulations. Those time periods were designed to insure that people would not go hungry for an undue period of time. No State would be allowed to implement its new verification authority in a manner that could violate those timeliness requirements.

To make sure that the State's supplemental verification procedures do not subject people to unnecessarily repetitive governmental intrusion, our amendment prohibits States from implementing this supplemental verification authority for applicants and recipients of other public assistance programs. Such persons are already required to satisfy various verification requirements whenever they apply for AFDC, SSI, or home relief. Consequently, it would not be useful, and would be unproductive harassing, to subject such individuals to supplemental verification procedures.

The amendment also prohibits States from denying food stamp aid as a result of a failure to verify something that is outside of the control of an applicant to verify. As an illustration of the operation of this provision, we frequently hear allegations that employers of migrant laborers refuse to provide check stubs or other evidence of an employee's wage status. Certainly it would be a gross injustice to deny aid to a migrant laborer and his family in such circumstances. We, therefore, prohibit States from denying food stamp relief when this occurs. Poor people should not be denied aid solely as a result of their inability to produce verification that is outside of their control.

To insure that the supplemental verification procedures are implemented properly, our amendment requires States to take certain steps before such supplemental verification procedures may be implemented. First, the supplemental verification procedures must be set forth in writing and submitted to USDA as part of the plan of operation. As such, USDA will have oversight approval of the procedures to guarantee that they are in conformity with the Food Stamp Act and regulations. This part of the annual plan of operation, like others, shall be subject to the oversight approval of USDA.

Second, the supplemental verification requirements must be of statewide applicability. This will insure statewide uniformity and will prevent State or local officials from implementing selective verification procedures out of an anti-urban or anti-minority bias. It means that State officials will have the responsibility for determining which, if any, supplemental verification standards are to be proposed.

Third, the supplemental verification requirements must be reasonably related to the Agriculture Secretary's nationwide verification procedures. As a result, these supplemental verification and other programmatic requirements established by legislation or regulations. This condition seeks to guarantee that the new authority granted to the States is not used to make a nullity of any portion of the Food Stamp Act or regulations.

Fourth, and finally, each State that wishes to implement supplemental verification requirements must first inform all program applicants, in writing, about those verification procedures. This will give people information that they otherwise would not have access to in the normal course of events. It will inform applicants and recipients of their supplemental rights and responsibilities—rights and responsibilities that they would not find in USDA's nationwide regulations.

As a result of this amendment, States will be enabled to undertake helpful supplemental verification procedures but will do so in a manner that comports with poor people's basic rights. I believe that this amendment should have the support of all of my colleagues, and I urge its adoption.●

Mr. McGOVERN. Mr. President, the Senator from New York did speak to me about this amendment earlier today, and I have looked it over very carefully. Also, I discussed it with Senator HELMS and others, and I think the language the Senator from New York is offering is perfectly acceptable and does address some of the concerns that he is worried about. I have no objection to accepting the language of the Senator's amendment.

Mr. HELMS. Mr. President, I find the amendment acceptable.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Mr. President, I ask unanimous consent that Melissa Bristow of Senator ZORINSKY's office may have the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 446

Mr. McGOVERN. Mr. President, on behalf of Senator STONE, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Dakota (Mr. McGOVERN) for the Senator from Florida (Mr. STONE) proposes an unprinted amendment numbered 446.

Mr. McGOVERN. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 19, insert after "Act" the following: "or disability payments under title II of the Social Security Act".

On page 4, line 24, insert after "Act" the following: "or disability payments under title II of the Social Security Act".

On page 4, line 15, strike out "forth" and insert "fourth" in lieu thereof.

On page 7, line 4, strike out "6" and insert "16" in lieu thereof.

On page 10, line 17, strike out "arrangements" and insert "arrangement" in lieu thereof.

Mr. McGOVERN. Mr. President, this amendment would make a technical change in the provisions allowing the elderly and disabled to claim excess medical expense deductions and uncapped shelter expense deductions. It would allow recipients of Social Security Act disability payments, under title II of the act, to claim excess medical expense deductions and uncapped shelter expense deductions. My amendment is consistent with the spirit of the committee's provisions. Disabled people who receive title II disability payments must pass the same disability test that supplemental security income recipients pass and it is only fair that they, like SSI recipients, be allowed to claim these deductions. They have the same high medical expenses and should not be discriminated against simply because they receive their disability benefits under a different title of the Social Security Act.

Mr. President, it is my understanding that Senator STONE has cleared this amendment with the other side of the aisle, but I yield to Senator HELMS.

Mr. HELMS. That is correct, Mr. President.

Mr. McGOVERN. Mr. President, under those circumstances, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. McGOVERN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. STONE. Mr. President, I would like to add my comments on S. 1309, a bill which includes amendments to help the elderly and disabled food stamp recipients.

Earlier this summer I chaired a field hearing of the Senate Agriculture Subcommittee on Nutrition in Miami Beach, Fla. As a result of that field hearing, I returned to Washington and introduced S. 1346, which the Agriculture Committee added as an amendment to S. 1309 on June 20. It became abundantly clear to me at the field hearing that elderly and disabled food stamp recipients in all parts of the country are suffering under the newly implemented food stamp program. The provisions of S. 1309 that are directed to relieve the elderly and disabled will insure a measure of relief for those most in need.

Elderly and disabled food stamp recipients in the United States today are facing a crisis situation. It is disastrous when the elderly and disabled recipients must make a daily decision between medicine or food. When elderly people have to survive on a few slices of bread, when these same people run out of food stamps by the third week of the month, and when elderly people are arrested for stealing needed food, it is a sad state of affairs in our Nation. These are not hypothetical examples that I mention, these are the situations that real people are currently confronted with. These intolerable situations must be remedied and they must be remedied now.

I am well aware of the need of fiscal responsibility that is sweeping the country. As my colleagues know, I am a charter member of the SOB's (Save Our Bucks). However, fiscal responsibility should not be equated with insensitivity to human suffering or need. The portion of the bill that deals directly with the elderly and disabled food stamps recipients is a modest proposal, and its cost is less than 1 percent of the cost of the entire food stamp program. This small expenditure will reap relief for those people who are least able to cope with the increasing demands on their ever-shrinking dollars.

I am hopeful that all of my distinguished colleagues will support quick passage of S. 1309, and its much needed amendments.

Thank you, Mr. President.●

Mr. THURMOND. Mr. President, I rise in opposition to S. 1309, legislation to increase the fiscal year 1979 authorization for appropriations for the food stamp program. This measure, if approved by the Senate today, would provide a $620 million increase in the ceiling for the food stamp program, which would bring the fiscal year 1979 cost level up to $6.8 billion.

This is a perfect example of a Federal program which has grown far beyond the original intention of Congress. In 1965, only 1 person in 440 received food stamps. Today 1 in 12 receive them. That is an astronomical growth rate when one considers our initial outlay for the program 14 years ago was a mere $60 million.

I fully recognize the importance of food stamps to the many economically disadvantaged, but Mr. President, things have gone too far. There are too many undeserving recipients, too many cases of fraud and abuse, and too many instances of mismanagement in the program. I think it is time for Congress to stop bailing out Federal agencies which act in wanton disregard of the bugetary process and sound fiscal management.

Mr. President, much reform is needed in the food stamp program to tighten eligibility requirements and eliminate fraud and abuse. Until such reforms are put into place, I cannot support an increase in the program. Therefore, I urge my colleagues to join me in opposition to S. 1309.

Mr. HELMS. Mr. President, this bill includes some very worthwhile program improvements that were adopted in committee. Senator LUGAR's amendment to the bill protects the truly needy in the event of benefit reductions. Also, it makes clear Congress intention of tolerating no more contortions on the part of the Food and Nutrition Service in order to delay benefit reductions until the point of crisis is reached, as Assistant Secretary Foreman and FNS officials did this year. Senator TALMADGE's amendment changed the program so that unused budget authority would revert at the end of each fiscal year.

Though I have some reservations because the food stamp program is probably not the proper vehicle for such a provision, I am pleased to note that relief for the high medical costs of our Nation's elderly is provided in this bill in the form of the STONE amendment. Of course, I am pleased that the four antifraud amendments that I had intended to move were adopted. So, it is clear that the Senate has produced a bill that has some provisions which should rightfully cause us pride. I certainly understand why many of my colleagues will vote for this bill.

However, I cannot vote for S. 1309. It authorizes the expenditure of funds that would not have been needed had it not been for the inept administration of the program. Secretary Foreman and food and nutrition officials have consistently disregarded fiscal responsibility in administering this program. Their decision to ignore congressional intent by eliminating the purchase requirement months before implementing participation-restricting provisions of the 1977 act—that is, not implementing those features simultaneously—cost in excess of $275 million, according to the Congressional Budget Office.

Then, there is the vast array of Federal regulations that State food stamp administrators have testified make it impossible for them to manage their programs well in a fiscally responsible fashion. Though the Senate addressed this problem today, we cannot realistically claim to have solved all the problems that exist throughout the program's regulations.

Finally, this bill takes away an important congressional budgetary control, the cap. That issue was thoroughly debated today and the Senate's decision to remove that control has been made. For that reason, more than any other, I cannot vote for this bill. In my view, a vote in favor of S. 1309 with the McGovern/Dole amendment eliminating the cap for 1980 and 1981 is not consistent with fiscal responsibility.

RESTORING FOOD STAMP BENEFITS FOR MANY SENIOR CITIZENS

● Mr. CULVER. Mr. President, I wish to voice my support for this legislation to increase the fiscal year 1979 authorization for the food stamp program, without which millions of poor and elderly people would suffer significantly reduced food stamp benefits. But I would like to express particular support for those provisions in this bill which will restore food stamp benefits to many senior citizens whose food stamps were either eliminated or reduced earlier this year.

When Congress enacted the Food Stamp Act of 1977, it changed the income eligibility requirements, including a major curtailment in the income deduction for shelter expenses and the elimination of the separate medical expense deduction. Unfortunately, the severe impact these revised income guidelines would have on senior citizens was not foreseen.

Prior to the 1977 food stamp revisions, shelter expenses which exceeded 30 percent of a participating household's income could be fully deducted from that income. And the amount of actual medical costs beyond $10 a month could be directly deducted. These deductions enabled people with high shelter or medical costs to participate in the food stamp program.

However, the 1977 Food Stamp Act, with provisions that became effective March 1, 1979, eliminated the separate

medical deduction by incorporating it into a standard deduction. It also significantly reduced the shelter expenses deduction by allowing deductions only for those costs exceeding 50 percent—rather than 30 percent—but only up to a ceiling of $90 per month—rather than no ceiling whatsoever. These curtailments have had the effect of reducing or terminating the food stamp allotments for many senior citizens who have borne heavy medical or shelter costs.

The provisions in this legislation would remedy most of these hardship situations by implementing two revisions in shelter and medical deductions for households containing an elderly person or SSI recipient. While the shelter deduction will continue to apply only to expenses over 50 percent of income, for the qualifying households there will be no ceiling imposed on the amount of the deduction. And, in addition to the standard deduction, these households could deduct the senior citizen's medical expenses in excess of $35 a month.

The elimination of a separate medical expense deduction has worked particular hardship on older Americans. Senior citizens' direct medical costs are actually some three times greater than those of younger people, despite medicare coverage. In 1977, according to figures compiled by the Social Security Administration, the average person aged 65 or older paid $463 directly out of their pocket, while the average person under age 65 paid $164 out of pocket. In 1977, medicare actually covered only 41 percent of the total health care expenditures of the elderly, often leaving them saddled with prohibitive medical bills.

The introduction of a ceiling on the amount of excess shelter costs which may be deducted from income has also hurt many low-income elderly, particularly given the spiraling utility costs we have been experiencing. Utility bills alone commonly amount to 20 or 30 percent of senior citizens' income, and that does not even consider the cost of rent or mortgage payments and property taxes. In the wintertime, the elderly's heating bills often consume over half their monthly social security check or other benefits.

Mr. President, I have received several dozen letters from elderly Iowans whose food stamps were cut or eliminated this past March, and who despaired about continuing to make financial ends meet. Many of these people are having to make the tragic choice between food and medical care, or food and heat. It is clear that the curtailment of the shelter deduction and the elimination of the medical deduction has had an unfair and disproportionate effect on our senior citizens. The much-needed changes in the legislation we are considering today will restore the lost or reduced food stamps to most of these deserving people, and I hope they can be properly enacted into law.●

Mr. LEAHY. Mr. President, I would like to voice my support for the bill, S. 1309, to raise the authorization level for fiscal year 1979. Without the infusion of the $620 million, the food stamp program will face drastic cutbacks and its participants will suffer severe reductions in their already reduced monthly benefits.

The distinguished chairman of the Senate Agriculture, Nutrition, and Forestry Committee, Mr. TALMADGE, described this bill as emergency legislation when he introduced it. I could not agree with him more. Since we eliminated the purchase requirement for food stamps in the 1977 Food Stamp Act, the program has swelled with participants. Program participation has increased from 16.1 million people in 1978 to over 19 million people by March of this year. More than 1 million people joined the program in February alone. The people participating in the food stamp program, primarily as a result of the purchase requirement elimination, are some of the poorest and the neediest in the Nation.

The dramatic increase in participation has put a strain on the administrative budget. Adding to these costs are the spiraling costs of food and the rising rate of inflation. Food costs were projected to rise 3 to 4 percent per year. The ceiling for annual authorizations was based upon those projections. However, food prices are now projected to increase an astronomical 22 percent over this year alone, with the prospect of a 30 to 40 percent increase by 1982. The food stamp allotments have had to be indexed to these higher than normal costs, but the program and its participants are faced with serious problems if we do not act now.

The emergency is even more imminent for our senior citizens and the handicapped. In an effort to streamline and simplify the food stamp program, the Food Stamp Act of 1977 eliminated the personal, itemized deductions for medical and shelter expenses in favor of a national, standard deduction. Unfortunately, the effect of the reforms enacted in the 1977 act has been to severely reduce the monthly benefits of the elderly and the supplemental security recipients. The reforms have failed to cover the excessive heatings costs Vermonters and others from severe climates must pay and also ignored the substantial medical expenses of many elderly participants.

My office in Vermont has been deluged with phone calls and letters from elderly and disabled Vermonters. Some of these people have had their monthly benefits cut to $10 a month. They must now decide to spend what little money they do have on either food or heating fuel, a choice I find unconscionable.

The bill before us will partially rectify this situation. It will provide for itemized deductions for the elderly and handicapped for their out of pocket medical expenses that exceed $35 a month and for their shelter costs that consume more than one-half their monthly income. The additional benefits that the elderly participants will receive will act as a buffer against the harsh effects of inflation.

Mr. President, when the Senate Agriculture Committee held hearings on S. 1309 last month, several of my colleagues on the committee expressed concerns about alleged fraud and abuse of the food stamp program. Their concerns may be very real. Certainly this program has had its abusers, the people who take advantage of the aid and do not really deserve it, but they are relatively few. The administration has proposed legislation to correct some administrative difficulties and to provide for tighter program oversight. Several of these proposals are contained in amendments to S. 1309 which Senator HELMS has offered. They are also incorporated within the substitute offered by Senator MCGOVERN with Senators DOLE, MAGNUSON, and EAGLETON. The substitute bill, which I support and which I urge my colleagues to support, will permit the States to require more information of program participants to insure that the applicants are actually eligible for the aid. It will also require that participants who obtain benefits fraudulently must repay the State and the State will be permitted to retain half of the value of the benefits recovered.

The McGovern substitute also contains two other important provisions. The bill will extend to handicapped residents of group homes the same consideration that residents of drug and alcoholic rehabilitation centers now enjoy. This addition, proposed by my distinguished colleague, the senior Senator from Vermont, Mr. STAFFORD, is an excellent one. It will provide that disabled and blind group home residents are treated as individuals for the purpose of receiving food stamp benefits.

The other provision repeals the authorization ceilings for fiscal years 1980 and 1981. This question, already the subject of a record vote, is essential if we are to avoid the funding problems encountered this year. I want to reiterate what Senator MCGOVERN has already stated. This provision will not remove the food stamp program beyond the control and oversight of Congress. It will not mean unlimited funding for the program. Congress will still determine the level of program spending. By repealing the ceilings, however, the program will be able to adjust to the rapidly fluctuating costs of food, changes in participation rates, and administrative costs.

Mr. President, I would like to add these thoughts in closing. The food stamp program has proven its ability to bolster the meager food buying power of our Nation's needy, particularly when so many Federal efforts to help the low income, the elderly and the disabled have failed. The food stamp program has been especially helpful in supplementing the incomes of Vermont's senior citizens who, with their limited incomes, must also cope with our harsh winters and expensive housing. By approving the substitute bill we in the Congress will insure that the program has sufficient funds to continue functioning and that the needy, our senior citizens and handicapped, will receive their needed monthly food benefits.

Finally, Mr. President, I noted that we are dealing with an emergency situation. It will be an emergency this September if we do not pass a bill lifting the authorization ceiling. It will be an emergency this winter if we do not pass a bill providing shelter cost deductions for the elderly. The House overwhelmingly approved a bill similar to S. 1309 and Senate action is imminent. Mr. President, the emergency nature of the elderly provisions will be lost if the Administration fails to act with utmost haste. Our calling these provisions an emergency will be a sham if, as directed by the House, the Department of Agriculture waits until next January to implement the elderly deductions. The effective date of the Senate bill is the first day of the first month after the date of enactment. We must adhere to this provision if this bill is to be, in reality, emergency legislation.

The PRESIDING OFFICER. Are there further amendments?

Mr. MCGOVERN. Mr. President, I am not aware of any further amendments on the legislation. I ask for the yeas and nays on the substitute amendment, as amended.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MCGOVERN. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute as amended. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Montana (Mr. BAUCUS) is absent on official business.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber still wishing to vote?

The result was announced—yeas 75, nays 20, as follows:

[Rollcall Vote No. 213 Leg.]

YEAS—75

Baker	Ford	Morgan
Bayh	Glenn	Moynihan
Bentsen	Gravel	Muskie
Biden	Hart	Nelson
Boren	Hatfield	Nunn
Boschwitz	Heflin	Packwood
Bradley	Heinz	Pell
Bumpers	Hollings	Percy
Burdick	Huddleston	Pryor
Byrd, Robert C.	Jackson	Randolph
Cannon	Javits	Ribicoff
Chafee	Jepsen	Riegle
Chiles	Johnston	Sarbanes
Church	Kassebaum	Sasser
Cochran	Kennedy	Schmitt
Cohen	Leahy	Stafford
Cranston	Levin	Stevens
Culver	Long	Stevenson
Danforth	Lugar	Stewart
DeConcini	Magnuson	Stone
Dole	Mathias	Talmadge
Durenberger	Matsunaga	Tsongas
Durkin	McGovern	Wallop
Eagleton	Melcher	Weicker
Exon	Metzenbaum	Williams

NAYS—20

Armstrong	Hatch	Schweiker
Bellmon	Hayakawa	Simpson
Byrd, Harry F., Jr.	Helms	Thurmond
Domenici	Humphrey	Tower
Garn	McClure	Warner
Goldwater	Proxmire	Young
	Roth	Zorinsky

NOT VOTING—5

Baucus	Laxalt	Stennis
Inouye	Pressler	

So the amendment in the nature of a substitute (362), as amended, was agreed to.

Mr. MCGOVERN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. My brief remarks today concern three amendments to S. 1309, as introduced, which I strongly support and with which I wish to associate myself.

The first of these amendments was offered in committee by Senator STONE. My colleague from Florida has shown remarkable sensitivity to the elderly in this country who were severely impacted by the enactment of the Food Stamp Act of 1977. The 1977 amendments made changes in the excess shelter expense deduction and medical expense deduction available to all households participating in the food stamp program. These changes in the law resulted in substantial benefit reductions to the elderly and disabled, many of whom are faced with disproportionately high medical and shelter costs.

The dire predicament of the elderly resulting from the 1977 amendments, especially those who are ill, was vividly brought to my attention by a number of concerned citizens in my State. The administrator of the Division of Public Assistance and Social Services in Wyoming has expressed the need for legislative relief for senior citizens with catastrophic medical or pharmaceutical bills trying to live on fixed incomes. My State staff forwarded a tape of a social service hearing on the food stamp program. The transcript paints a bleak picture of elderly food stamp recipients who, as a result of the 1977 amendments, have found themselves in the position of having to choose between buying medicine, shelter, and food.

Mr. President, this is an unacceptable choice for our elderly population to have to make. The amendment offered by Senator STONE offers a way out of this situation. It will bring much needed and warranted relief to the elderly. I commend him for bringing before the Agriculture Committee an amendment to S. 1309 which will go a long way toward mitigating the very real hardship the 1977 amendments have worked upon the aged.

The second amendment with which I wish to be associated is one offered by Senators STAFFORD and DOLE and incorporated into the Magnuson-McGovern-Dole substitute to S. 1309 as section 9. The provision they have fashioned will bring welcome relief to developmentally disabled persons who live in group homes. Under current law, such people are ineligible for food stamps even if they would otherwise be eligible if living in private residences; they are disqualified solely because they reside in group living facilities. This provision of law has caused problems for many disabled people who receive public assistance—Federal, State, or local—and who have very little money left for food after paying for their care and treatment.

This particular problem was brought to my attention by a caseworker with RENEW, the Rehabilitation Enterprises of Northern Wyoming. I have since learned that residents of group homes for the developmentally disabled in Wyoming and throughout the Nation would welcome the relief that this provision will bring. I commend my colleagues from Vermont and Kansas for their commitment to improving the plight of some of our less fortunate citizens and support their efforts toward enactment of this change in the law.

Finally, Mr. President, I am a cosponsor of the amendment offered by my colleague from South Carolina, Mr. THURMOND, which would prohibit the distribution of food stamps to households where the head of the household is involved in a labor strike. An exception would, however, be made where the household was eligible for food stamps prior to the strike. This will reserve food stamps for those households which are truly needy and will insure that the Federal Government is not subsidizing strikes through the food stamp program. While I prefer the language in the amendment offered by Senator THURMOND to the substitute presented by Senator MCGOVERN, I believe that the McGovern substitute will make some inroads into the intolerable situation of striking employees receiving food stamp benefits without seeking other employment.

Mr. MCGOVERN. Mr. President, in view of the overwhelming vote for the substitute amendment which has just been adopted, I do not think it will be necessary to have a rollcall vote on final passage, so I move the adoption of S. 1309, as amended.

Mr. HELMS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator from North Carolina is correct in asking for order.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1309) was passed, as follows:

S. 1309

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

INCREASE IN 1979 AUTHORIZATION FOR APPROPRIATION; REPEAL OF AUTHORITY FOR CARRY-OVER OF APPROPRIATIONS; METHOD OF REDUCING ALLOTMENTS IF APPROPRIATIONS ARE INSUFFICIENT

SECTION 1. Section 18 of the Food Stamp Act of 1977 is amended by—

(1) striking out "$6,158,900,000" in the first sentence of subsection (a) and inserting in lieu thereof "$6,778,900,000";

(2) striking out the third sentence of subsection (a) and inserting in lieu thereof two new sentences as follows: "The Secretary shall, on the fifteenth day of each month, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture,

Nutrition, and Forestry of the Senate setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each monthly report, the Secretary shall also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section.";

(3) striking out "If" in the second sentence of subsection (b) and inserting in lieu thereof "Notwithstanding any other provision of this Act, if"; and

(4) adding at the end thereof new subsections (c) and (d) as follows:

"(c) In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under sections 5(d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions are otherwise determined under this section.

"(d) Not later than sixty days after the issuance of a report under subsection (a) of this section in which the Secretary expresses the belief that reductions in the value of allotments to be issued to households certified to participate in the food stamp program will be necessary, the Secretary shall take the requisite action to reduce allotments in accordance with the requirements of this section. Not later than seven days after the Secretary takes any action to reduce allotments under this section, the Secretary shall furnish the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.".

EXCESS MEDICAL EXPENSE AND EXCESS SHELTER EXPENSE DEDUCTIONS FOR ELDERLY PERSONS AND PERSONS RECEIVING SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 2. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) inserting in the fourth sentence after "Households" the following: ", other than those households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act,"; and

(2) adding at the end thereof a new sentence as follows: "Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability under title II of the Social Security Act shall also be entitled to—

"(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by household members who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act, exclusive of special diets, that exceed $35 a month, which shall, starting July 1, 1979, be adjusted every July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for items other than food for the six months ending the preceding March 31 and September 30, respectively;

"(B) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of the preceding sentence, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

"(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.".

DEFINITION OF ALLOWABLE MEDICAL EXPENSES

SEC. 3. Section 3 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (q) as follows:

"(q) 'Allowable medical expenses' means expenditures for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding the costs of health and accident or income maintenance policies), (5) medicare premiums related to coverage under title XVIII of the Social Security Act, (6) dentures, hearing aids, and prosthetics (including the costs of securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.".

PROVISION OF INFORMATION

SEC. 4. Section 16 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (f) as follows:

"(f) The Secretary and State agencies may require, obtain, and use social security account numbers assigned to members of households applying for or participating in the food stamp program under the same terms and conditions as the Secretary of Health, Education, and Welfare and State agencies under part A of title IV of the Social Security Act. The Secretary and State agencies shall also have access to data from other Federal programs for individual food stamp program applicants and participants who receive benefits under title XVI of the Social Security Act and may use such data under the same terms and conditions as the Secretary of Health, Education, and Welfare under title XVI of the Social Security Act.".

REPAYMENT FOR FRAUDULENT CONDUCT

SEC. 5. Section 6(b) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: "After any specified period of disqualification pursuant to findings under clauses (1) and (2) of this subsection, no disqualified individual shall be eligible to participate in the food stamp program unless such individual agrees to (A) a reduction in the allotment of the household of which such individual is a member or (B) to repayment in cash, in accordance with a reasonable schedule as determined by the Secretary that will be sufficient over time to reimburse the Federal Government for the value of the coupons obtained through the fraudulent conduct. If any disqualified individual elects repayments in cash under the provisions of the preceding sentence and fails to make payments in accordance with the schedule determined by the Secretary, the household shall be subject to appropriate allotment reductions.".

STATE SHARE OF RECOVERIES

SEC. 6. Section 16(a) of the Food Stamp Act of 1977 is amended by inserting before the period at the end thereof the following: "as well as to permit each State to retain 50 per centum of the value of all funds or allotments recovered or collected through prosecutions or other State activities directed against individuals who fraudulently obtain allotments as determined in accordance with this Act. The officials responsible for making determinations of fraud under this Act shall not receive or benefit from revenues retained by the State under the provisions of this subsection".

ELIGIBILITY VERIFICATION

SEC. 7. Section 4(c) of the Food Stamp Act of 1977 is amended by adding at the end thereof three new sentences as follows: "The Secretary shall not preclude State agencies from adopting verification standards that supplement the verification standards issued by the Secretary under this Act. Supplemental verification standards proposed by any State agency shall be set forth in the State's plan of operation, and be reasonably related to the Secretary's national verification standards. In addition, supplemental verification standards proposed by any State agency shall not: result in a violation of the standards for the timely provision of benefits established by the Secretary under paragraphs (2) through (4) and (9) of section 11(e) of this Act; subject households to home visits by State agency personnel in an unreasonable manner or during unreasonable hours; be implemented for persons whose eligibility for Federal or State public assistance benefits have already been, or will concurrently be, verified; result in a denial or reduction of benefits if a household cannot verify matters that are outside of its control to verify; or require applicant households to make unreasonable additional trips to the State agency's offices.".

REMOVAL OF AUTHORIZATION FOR APPROPRIATIONS CEILING FOR 1980 AND 1981

SEC. 8. The first sentence of section 18(a) of the Food Stamp Act of 1977 is amended by striking out all after "1979" and inserting in lieu thereof the following: "; and such sums as may be necessary for the fiscal years ending September 30, 1980, and September 30, 1981.".

GROUP LIVING ARRANGEMENTS FOR THE DISABLED OR BLIND

SEC. 9. Section 3 of the Food Stamp Act of 1977 is amended by—

(1) striking out in subsection (g) "and (5)" and inserting in lieu thereof "(5), and (7)";

(2) striking out in subsection (g) "and (6)" and inserting in lieu thereof "(6)";

(3) inserting immediately before the period at the end of subsection (g) the following: ", and (7) in the case of disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act, which serves no more than sixteen residents, meals prepared and served under such arrangement";

(4) inserting in subsection (1) after "elderly" the following: ", disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act, which serves no more than sixteen residents,";

(5) inserting immediately before the period at the end of subsection (1) the following: "and shall be considered individual households"; and

(6) amending clause (2) of subsection (k) to read as follows: "(2) an establishment, organization, program, or group living arrangement referred to in subsections (g) (3), (4), (5), and (7) of this section,".

SEC. 10. Section 10 of the Food Stamp Act is amended by inserting after "programs" the following: "and public or private nonprofit group living arrangements that serve meals to disabled or blind residents".

DENIAL OF BENEFITS TO CERTAIN HOUSEHOLDS

SEC. 11. Section 6 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (l) as follows:

"(l) No household that contains a person involved in a labor-management dispute shall be eligible to participate in the food stamp program unless the household meets the income guidelines, asset requirements, and work registration requirements of this Act.".

EFFECTIVE DATE

SEC. 12. (a) The provisions of this Act shall take effect on the date of enactment, except that the provisions of sections 2 and 3 shall take effect on the first day of the first month that begins after the date of enactment.

(b) The provisions of sections 9 and 10 of this Act shall be implemented in all States by July 1, 1980, and shall not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

(c) Notwithstanding any other provision of law, the Secretary of Agriculture shall issue final regulations implementing the provisions of sections 4 through 8 of this Act within one hundred and fifty days after the date of enactment of this Act.

Amend the title so as to read: "An Act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.".

Mr. HELMS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, the managers of the food stamp reauthorization bill have done a very commendable job on this difficult piece of legislation.

The distinguished Senator from South Dakota, Mr. MCGOVERN, has brought to bear on this problem his years of experience as chairman of the Select Committee on Nutrition, and more recently, the Nutrition Subcommittee of the Agriculture, Nutrition, and Forestry Committee. His expertise in the field of food policy is well known.

An equally fine job has been done by the ranking minority member on the Nutrition Subcommittee, Senator DOLE, and by the distinguished Republican floor manager, Senator HELMS.

A program as far reaching as this food stamp measure needs to be constantly monitored, and careful adjustments made to it as they become necessary. That is what the Senate has been doing today, as we pursue the goal of providing for our poorest citizens with a well-managed and efficient program. This bill will help us accomplish those ends in two ways.

First, the bill will give Congress the flexibility it needs to respond to unforeseen food price inflation. Without any ability to counteract rapid inflationary increases in the cost of food, the Department of Agriculture would have been forced to cut benefits far below minimum human needs.

Second, tough antifraud and abuse provisions in the bill will further strengthen the integrity of the food stamp program. While it has not always operated perfectly in the past, the program deserves our best efforts to improve it.

Once again, I commend the chairman and ranking member of the Nutrition Subcommittee for their efforts. I would also like to extend my appreciation to the distinguished chairman of the full Agriculture Committee, Senator TALMADGE, and the ranking member of the full committee, Senator HELMS, for their active participation in the matter.

Mr. MCGOVERN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4057, Calendar No. 257.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MCGOVERN. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the language of S. 1309, as amended, be inserted in lieu thereof, and that the House bill be considered as having been read a third time and passed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MCGOVERN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCGOVERN. Mr. President, I ask unanimous consent that the title of H.R. 4057 be appropriately amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCGOVERN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. TALMADGE, Mr. MCGOVERN, Mr. STONE, Mr. LEAHY, Mr. MELCHER, Mr. HELMS, Mr. HAYAKAWA, and Mr. LUGAR conferees on the part of the Senate.

Mr. MCGOVERN. Mr. President, I will take just a minute to express the pleasure and the satisfaction I have experienced today in working with the distinguished minority comanager of the bill, the Senator from North Carolina (Mr. HELMS), the ranking minority member of the Committee on Agriculture, Nutrition and Forestry.

We sometimes have differing viewpoints and perspectives on the issues that was before us today, the question of the food stamp program, but I must say that he has been most cooperative at every stage of the consideration today in moving this measure ahead.

I think we can be very pleased and proud of the fact that the Senate has acted as expeditiously as it has on a very far-reaching and comprehensive program.

So I thank the Senator from North Carolina as well as the distinguished chairman of our committee, Senator TALMADGE, and Senator DOLE and others, who have played a key role in this legislation.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. MCGOVERN. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank my friend from South Dakota for his generous remarks. I assure him that it has been a great pleasure to work and cooperate with him, even if we differed on some aspects of this legislation. I thank him for his cooperation.

Mr. MCGOVERN. I thank the Senator.

Mr. President, I also thank the members of the staff who have been very helpful in putting together this legislative package which passed the Senate by an overwhelming vote today.

Any time a multibillion dollar program clears the Senate with the overwhelming margin that this bill did today, it indicates very solid, careful, and imaginative staff work.

I pay special tribute to Marshall Matz, Carl Rose, Steve Storch, and Bill Lesher of the committee staff, and also Joe Richardson, of the Library of Congress, all of whom have been most helpful in the work on this legislation.

Mr. HELMS. Mr. President, I want to add two names, at least, to the list of staff members who have worked diligently on this matter: Mr. George Dunlop, who is the chief of staff of the minority, and Mr. John Bode. They have done an excellent job on this, and I am personally grateful to them.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MCGOVERN. I yield.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to routine morning business for not to exceed 30 minutes and Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PARALYSIS IN A RISK-FREE SOCIETY

Mr. STEVENS. Mr. President, in yesterday's Washington Post, an excellent article by Henry Fairlie appeared. Mr. Fairlie is a regular contributor to the Post's Sunday Outlook section and has an interesting viewpoint on American society. He is an Englishman who has spent a number of years in the United States. He is able to view our society from a more detached and objective standpoint than most of us are. I commend this article to the Senate and hope it will be read closely.

In the article, Mr. Fairlie points out that the driving goal of American society is to produce a "risk-free society." It is not enough that our technology be the most advanced in the world but it must be without error. Such a drive interferes daily with our lives and has tremendous implications when such a goal threatens to terminate vital functions in our society.

As an example, Mr. Fairlie points that the current "faddishness of environmentalism" has become rampant in America in a way unmatched by any other country. In his words:

If some of the more extreme of the environmentalists had their way, there would have been no industrial revolution, no burst of industrial might in America at the last century, none of the brilliant inventiveness of its technology in the past generation—

Which has made America the great nation that it is today.

Mr. Fairlie goes on to say that with such an attitude—

Millions of Americans would still be living the confined lives of the past and many more millions in Europe would be enduring existences of mere serfdom, their lives bound within the narrowest possible compass.

What Mr. Fairlie has stated is right on point. The current malaise facing this country is one of self-realization. We must realize that all our endeavors involve risks. The mere exercise of life is one of taking risks. These risks are part of the joy and celebration of life. It is high time that the country thinks about how best to overcome their risks instead of dwelling on the fear of the risk as if they are unconquerable.

Mr. President, I ask unanimous consent that the article, "Paralysis in a Risk-Free Society," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PARALYSIS IN A RISK-FREE SOCIETY

(By Henry Fairlie)

When the President spoke of the decline in America's confidence in its future—which all of its anxious but hoping allies regard as a real and ominous phenomenon—my mind fixed immediately on one of its most obvious but almost unmentionable causes. The once rambunctious American spirit of innovation and adventurousness is today being paralyzed by the desire to build a risk-free society.

No other great industrialized society has reacted with what can only be described as such palsy to the accident on Three Mile Island. It is simply beyond the bounds of credulity that the French would halt or reduce their huge nuclear power program—would forego their own chance to be "energy-secure"—in response to the kind of misadventure that is naturally to be expected in any humanly inspired endeavor.

Yet in his television address, the president of the United States did not dare to mention nuclear power, and on the following day he corrected the omission only in a muted and almost strangled voice.

No other country took it into its head to ground the DC-10s for as long as did the United States, and I hope that Sir Freddie Laker and the operators of other airlines will succeed in their suits for damages. After the remarkable record for efficiency and safety that has been set by the American aircraft industry in its fleets of planes which today carry the traffic of the world, one engine falls off one aircraft in circumstances that are unlikely ever to be repeated and the American authorities seem almost to set out to destroy the reputation of as trustworthy a commercial aircraft as is now flying.

But these are only the two most recent and glaring examples. The desire to build a risk-free society runs through the whole of American life today. It is draining the spirit from America's inventiveness and from its hope for the future.

If the American people for the first time no longer believe that life will be better for their children, it is at least in part because they are beginning to think that there will be no food which their children will be able to eat without dying like rats of cancer, no form of transport that will be considered safe enough to get them from here to there and in fact nothing that their children may safely do except sit like Narcissus by a river bank and gaze at their wan and delicate forms as they throw the last speck of granola to the fish.

The desire to build a risk-free society has always been a sign of decadence. It has meant that the nation has given up, that it no longer believes in its destiny, that it has ceased to aspire to greatness, and has retired from history to pet itself.

If many more safety regulations are introduced in the United States, it might as well have men with red flags walking in front of the automobiles. Ralph Nader seems sometimes to be interested in designing not motor cars but baby carriages, and even then the baby probably would be suffocated by air bags. He appears not to be aware that one of the main uses to which cars are put is necking, and that this is very difficult if the yearning couple are held back by a harness of seat belts that would hold down even a unbroken stallion.

In no other country is the faddishness of environmentalism so rampant as in America today. If some of the more extreme of the environmentalists had their way, there would have been no industrial revolution, no burst of industrial might in America at the end of the last century, none of the brilliant inventiveness of its technology in the past generation, and, as a result, millions of Americans would still be living the confined lives of the past, and many more millions in Europe would be enduring existences of mere serfdom, their lives bound within (as Marx put it) the narrowest possible compass.

There is a way in which much of my writing about America as an outsider has turned on these questions. For although I am often cheerfully bemused by the more fanciful and extravagant displays of American technology and gadgetry, and although I think that they are sometimes carried too far, so that people may soon use a Cusinart to scramble an egg before they cook it, I have no doubt that in important ways it is here that lies the genius of the country; for what it all says is that things "ain't necessarily so." Do not Americans now distrust their future because they are being told that the things (including nature) are necessarily so?

Zero population growth is the purest expression of the risk-free society. Preciously and exquisitely "I" am here; there are enough wild berries for "me" at least to live on; let no one else come and spoil it.

Back to Eden: For what was Eden but a garden of zero population growth; and indeed what was it but a risk-free society of two? But whenever I try to imagine the life of Adam and Eve, before their fall, it seems to me that it must have been one of infinite boredom.

But the more one thinks seriously of their boredom, the more one realizes why mankind had to escape into risk. Part of the malaise of the American spirit at the moment seems to me simply an expression of boredom. It hangs like a pall, worse than any pollution, over the lives of the people. There is no ship to board; it has been laid up as unseaworthy. There is no carriage to the stars; it might fall like Skylab. It is dangerous to dream; one might feed in one's sleep on a carcinogen. Feverishly and fretfully, the unused energy is spilled out, into the frenzy of white water and the disco.

I turn from the notion of a risk-free society to the epic of Homer, to the magnificent testimony to a people's will in the Old Testament, to the sagas of the Vikings and the daring of the Elizabethans, and there is not a hint of a safety regulation in one of them. But turn nearer to hand. It was not just the wretched and oppressed who came to America, but the wretched and the oppressed who would risk. It was the strong, and not the weak, who came, and then still came. They did not ask if the Mayflower was seaworthy—it was a miserable hulk even for its times—and into our own century they still got into tubs that might break apart to cross an ocean. What I feel most in America now is the ever more constricted sinews of a country that was made by such people.

Soft and swaddling are the constraints—do not do this because it might hurt you; even worse, it might make you feel "uncomfortable"—but they are binding the spirit of a great people like a fetter.

This draining pusillanimity runs into personal as well as into social relationships. The American people are being cajoled into talking to each other as I used to think that only a few people talked to their indoor plants. To ask a president to reach so deep into a malaise is to ask too much. What is "wrong" with America can be put quite simply. With a Ralph Nader at the head of a wagon train, no one would have made it across the plains, none would have crossed the Rockies and no immigrant would have pushed noisomely out of the gutter.

Risk-free? Living is sweat, danger and death. From those come the laughter. And curiously, from those comes also the ease of heart.

STATEMENT OF SENATOR TOWER ON SALT II BEFORE COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, the Senate Foreign Relations Committee has already conducted extensive hearings on the SALT II treaty, and today the Senate Armed Services Committee began its own deliberations on this most critical issue. It is essential that the consideration of the many facets of the

entire matter of present and future U.S. security be pursed in the context of certain specific criteria. One of the most precise elaborations on those criteria was contained in opening remarks before the Armed Services Committee by my colleague, Senator JOHN TOWER.

I, ask unanimous consent that the text of my colleague's remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF SENATOR JOHN TOWER

Mr. Chairman, today, we begin consideration of the most important matter to come before the Senate during my tenure. The significance of these deliberations cannot be overstated for the outcome will determine the prospects for peace and the avoidance of nuclear war. The action taken by the Senate will have a determining influence on the course of U.S.-Soviet relations and will either enhance or inhibit the ability of the United States to exercise a position of leadership in world affairs for years to come.

No responsible human being can question the value—indeed, the imperative—of serious, balanced, equitable negotiations aimed at reducing the levels of nuclear armament. Still, it must be recorded that the history of arms control agreements reflects that too often the perceived gains have been ephemeral and have served to mask the determined pursuit of military advantage by our enemies. The risk inherent in any arms control negotiation is that agreement becomes a self-fulfilling objective. In recent years, the preoccupation with getting an arms control agreement as an end unto itself has undermined the vigorous pursuit of essential programs. Over the course of the past two years, we have witnessed the cancellation of the B-1 bomber, the closedown of the Minuteman production line, ambivalence on deployment of enhanced radiation warheads, delays in the Trident submarine program and the cruise missile program, and most importantly, the M-X missile program. This, in fact, is arms control—unilateral arms control—which has gained us no reciprocal reduction in Soviet arms and which has seriously eroded the foundation of our national defense. If there is no other lesson learned from this experience, let it be that unilateral restraint does not work.

The SALT II Treaty comes to us accompanied by conspicuous damage to our security—damage which I deeply believe derives from our zeal to get this agreement. The implications of this history are profoundly disturbing as a background to any future negotiations.

In the course of the next three months, the Senate must undertake a comprehensive analysis of this treaty. At the outset, I submit certain criteria which many thoughtful critics have established as a basis for evaluating the treaty and shaping decision on the proper course of action for its disposition.

EFFECT ON NATIONAL SECURITY

The first measure to be applied to the treaty must be:

Does it enhance or weaken our national security?

Does it enable us to implement a viable strategy designed to deter attack, and assure the flexibility essential to controlling crises and avoiding coercion?

Does it assure that the balance of forces that we have enjoyed over the past few years can be maintained during the life of the treaty and beyond?

Does it allow the unimpeded development of essential U.S. strategic systems?

These issues must and will be thoroughly explored during our hearings. However, I must say that on the basis of careful analysis of the treaty text, the unilateral entitlement to heavy missiles provided the Soviet Union, the acknowledged vulnerability of our own ICBM force commencing in 1982, the three-to-one imbalance it confirms in ICBM warheads (and greater imbalances in every other standard of measure), the exclusion of Soviet systems it allows and the unilateral restraint it imposes on the introduction of new cruise missile technology, the treaty appears to be grossly unequal and it may presage the emergence of Soviet nuclear superiority in the early 1980s.

SIGNIFICANCE AS A POLITICAL ACT WITHIN THE OVERALL CONTEXT OF U.S.-SOVIET RELATIONS

The next criterion to be applied deals with the significance of the treaty as a political act within the overall context of U.S.-Soviet relations. For the past ten years, arms control negotiations have been cast as the central element of the very broad-ranging efforts to achieve a relaxation of tensions between the United States and the Soviet Union. The fundamental premise which was to guide all of these efforts whether in trade, joint technical projects, or political dealings with third countries, was reciprocity. It was mutually agreed that efforts to gain unilateral advantage were inappropriate and would undermine any ultimate possibility of trust and lessened tension. While modest progress was made in the early years, as expressed for example in the conclusion of the Quadripartite Agreement on Berlin, Soviet activities in recent years represent a serious departure from the principle of reciprocity.

Since 1976, we have witnessed an accelerating pace of Soviet efforts to achieve unilateral benefit, notably in such areas as Southern Africa, Ethiopia, Yemen, and Southeast Asia. Further, their efforts to undermine the recent Camp David accords leading to Middle East settlement expressed anything but sincerity in trying to reduce tensions.

Concurrently, the Soviets have carried out a furious pace of military modernization and improvement—an effort which in no way reciprocated the U.S. expressions of restraint already cited. In sum, the principle of reciprocity has been cast aside. And so, against this history of unrelieved Soviet efforts to gain unilateral advantage, I believe we must seriously consider the significance of SALT II as a political act. Is the treaty equal and does it provide balanced reciprocal benefits to both sides?

In the end, the Senate will be sending a signal to the Soviet Union regarding the direction we wish our relations to follow. By our action, we will either ratify the trends so evident in recent years or signal a vigorous intention to return to strict reciprocity. Simple ratification of a treaty which confirms Soviet nuclear superiority would provide an expression of encouragement and approval of Soviet behavior and destroy any prospect of restoring the original basis of detente.

SALT AS ARMS CONTROL

The next measure to be applied to the treaty concerns its effectiveness as an arms control measure.

Does the treaty provide meaningful limits to the growth of nuclear arms?

Does it limit the right things?

Does it assure adequate verification as a basis for confidence on both sides?

Finally, does it establish an acceptable basis for the negotiation of SALT III?

Again, these issues will be explored, but based upon the enormous growth of warheads and destructive potential allowed by the treaty, its failure to limit missiles and throwweight, its failure to meet a reasonable standard of verification, and the precedential impact of a Protocol as it relates to SALT III render hardly credible any assertion that this is meaningful arms control.

IMPACT ON ALLIES

The next criterion to be applied concerns its impact on our relations with close allies in NATO and elsewhere. The treaty should meet the following tests.

Does it enhance or inhibit the establishment of a stable nuclear balance in Europe?

I have read with astonishment the assertion that the exclusion of European-based systems was a hard-won concession benefiting us. In view of the fact that the nuclear balance between theater delivery systems in Europe is almost three to one in favor of the Warsaw Pact, I find this statement grossly deceptive. But there are more fundamental issues to be addressed.

Does the treaty allow the United States sufficient latitude to make timely transfer of cruise missile technology to our NATO allies? Does it prevent them from developing and deploying a conventional variant immediately? In a broader sense, does it provide such a balance between the U.S. and the Soviet Union as to strengthen allied confidence in the linkage of U.S. strategic forces to their defense? Assurances provided thus far on these issues afford little basis for confidence.

CONSEQUENCES OF AMENDMENT

The fifth criterion to be applied in our deliberations concerns the consequences of amendment. As an a priori assumption, it must be accepted that where imbalances are allowed which impose unacceptable risks to United States security, they must be corrected. Within that context, the acknowledged vulnerability of the U.S. ICBM force which occurs in 1982 and the lack of crisis stability which derives from it are particularly worrisome.

There have been numerous assertions that amendments will destroy the treaty, shatter detente and lead to a dangerous period of increased Soviet adventurism. I find just the opposite to be true.

Surely, the approval of a treaty providing numerous major advantages to the Soviet Union could only provide encouragement for the continuation and even acceleration of recent trends. History reflects that the Soviet Union seeks to expand its influence by probing for weakness, advancing where it finds it, and stopping when opposed.

In my judgment, the best deterrent to continued Soviet efforts to gain influence in areas ever closer to vital U.S. interests—including petroleum resources—is a firm demonstration of U.S. will and determination to restore its strength and reassert its role as the leader of the free world.

In a related vein, we are told that without SALT II, Soviet strategic offensive forces will grow uncontrollably and we will face far greater risks. I have studied this question carefully. For the Soviets, such a course is both illogical and unnecessary. In view of the enormous measure of offensive superiority they already possess, it would seem far more likely to me that they will now concentrate on the enhancement of their defensive capabilities in such areas as anti-submarine warfare and air defense.

Regardless of the course they might choose, our first responsibility is to assure our own defense. Irresponsible forecasts of doom cannot escape this fundamental point.

There is a separate but related point which concerns what actions the U.S. might take if the Soviets refused to renegotiate SALT. The history since SALT I provides a useful precedent in this regard. The Senate, with the endorsement of the Joint Chiefs of Staff, approved SALT I after receiving assurances that vigorous programs would be pursued to assure the maintenance of the strategic balance. In point of fact, vigorous programs were pursued. Today, however—largely as a result of the SALT II syndrome—those programs either do not exist or have been seriously delayed. This shoddy history provides

anything but reason to repeat our mistakes by simple approval of SALT II. Nor do the limitations of future programs contained in the Protocol provide any basis for encouragement that our technological advantage—our last advantage—will not be bartered away.

CONCLUSION

These are the considerations which must be addressed in the coming weeks. I look forward to probing deeply into each area. Balanced arms control is the most vital policy issue of our generation—indeed, it is a moral imperative. But we must not permit our commitment to the objective to obscure honest recognition of facts. We are presented with an opportunity to either enhance the security of all mankind or to mortgage it for an illusory promise of peace.

SALT II—STATEMENTS OF WITNESSES IN SECOND WEEK OF HEARINGS BEFORE THE COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH. Mr. President, I ask that the statements of the witnesses appearing before the Committee on Foreign Relations during its second week on the SALT II Treaty be printed in the RECORD.

The second week of witnesses included: Monday, July 16, the Honorable Gerard C. Smith, Ambassador at Large and Special Representative of the President for Nonproliferation Matters; the Honorable U. Alexis Johnson, former Ambassador at Large, Chief, U.S. delegation, SALT Talks, 1973–77; the Honorable Paul C. Warnke, former Director, U.S. Arms Control and Disarmament Agency and former Chief, SALT Negotiations; Richard Barnett, Institute for Policy Studies; Jeremy Stone, director, Federation of American Scientists.

Tuesday, July 17, Adm. Elmo R. Zumwalt, retired, former Chief of Naval Operations; Adm. Thomas H. Moorer retired, former Chairman, Joint Chiefs of Staff; Gen. Russell Dougherty, retired, former Commander in Chief, Strategic Air Command; Adm. Isaac Kidd, retired, former Commander in Chief, U.S. Atlantic Fleet; Adm. Noel Gayler, retired, former Commander in Chief, U.S. Forces Pacific and former Director, National Security Agency.

Wednesday, July 18, the Honorable Harold Brown, Secretary of Defense; the Honorable George M. Seignious II, Director, U.S. Arms Control and Disarmament Agency.

Thursday, July 19, the Honorable W. Averell Harriman, former U.S. Ambassador to the Soviet Union; the Honorable Ralph Earle II, Chairman, U.S. delegation to the Strategic Arms Limitation Talks; the Honorable David McGiffert, Assistant Secretary for International Security Affairs, Department of Defense; the Honorable William J. Perry, Under Secretary for Research and Engineering, Department of Defense; the Honorable George Vest, Assistant Secretary, Bureau of European Affairs, Department of State; the Honorable George Ball, former Under Secretary of State; the Honorable Eugene Rostow, former Under Secretary of State. Some of the above listed witnesses did not have prepared statements.

The first 2 weeks of the Committee on Foreign Relations' hearings were devoted to an overview of the military, diplomatic, and political background to the SALT II Treaty. The next 2 weeks of the committee's hearings will be devoted to specific issues. Between July 23 and August 2, the committee will focus on the questions of verification, Backfire bomber, the ICBM question, United States-Soviet relations, and hear from former Secretary of State Kissinger, and Gen. Alexander Haig.

Mr. President, I ask unanimous consent that the witness statements be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SALT II—AMBASSADOR GERARD SMITH

I

Mr. Chairman, Members of the Committee: May I express the hope that in deliberations on this treaty some of the mood of earlier years of the nuclear era may be recaptured. What has happened to the awe and horror we felt in watching nuclear explosions from an atoll in the Pacific. Where is the horror we felt on looking at photos of Nagasaki and Hiroshima? All of us, I think, have become callous to the threat of nuclear war and the effects of nuclear weapons—of which Three Mile Island has given us a tiny taste. More and more we seem to adopt the numerical mental attitudes of systems analysts. Software and computer output replace personal appreciations of what nuclear war would really be. Remember when our youngsters told of civil defense drills at school involving their sheltering under desks. And newspapers often showed what 1 megaton would do to Washington and other cities. Most of that is gone—sublimated. If we are to get through this nuclear valley of death, I think it will take more than a cold balancing of kilopounds of throw-weight or megatons of yield and the rest.

It would stress that with or without SALT we are in for a continuation of a fateful competition with the Soviet Union in the field of strategic weapons. Since the time before SALT—almost a decade ago when the Soviets were catching up—they have been mounting large, broadly based missile programs. We have also been modernizing our forces but in the case of our land-based Intercontinental Missiles (ICBMs) with less dynamism. Despite this we are not in an inferior position. We have doubled the number of our strategic warheads since SALT I started. We have installed over 500 modern MIRV'd ICBMs, almost 500 modern MIRV'd SLBMs, and over 1,000 short range nuclear armed attack missiles on our heavy bombers. A new fleet of missile submarines, the Tridents, will soon be joining the strategic forces. Strategic cruise missiles will also soon be deployed. We lead the Soviets in a number of important areas. Our forces are more survivable and diverse. But even if the treaty is ratified, we will go in for extensive improvement measures to avoid in the future a perceived imbalance between the Soviet and American forces. The basic question is—can we improve our strategic position with less risk and cost with SALT II controls than in their absence.

II

Let us first look briefly at the experience under the SALT I agreements of 1972.

The main product there was the Anti-Ballistic Missile Treaty limiting ABM sites to two for each nation. Many of us think that that treaty avoided a risky, costly and perhaps absurd competition to try to build defensive ballistic missile systems. In the late 1960's there were outspoken proponents for deploying defensive missiles to reduce damage which attacking Soviet missiles could do to population centers and to our Intercontinental Ballistic Missiles. (Even in those days we worried about the ICBM vulnerability problem.) Then it was realized that any such defensive system could probably be neutralized by the other side's simply deploying more offensive missiles—and to the extent that an ABM system did promise to be effective, it could be destabilizing if it led a nation to believe it could attack while expecting the ABMs to deflect the brunt of the retaliation. The ABM Treaty enabled us to avoid a very expensive and futile arms race in defensive strategic systems.

I think it is generally recognized that this Treaty has worked. Secretary of Defense Brown recently said it had contributed greatly to stability. The ABM limit was later reduced from two to one site for each side and we later decommissioned the one site which we had built. The Soviets have not completed their one existing system around Moscow. The ABM Treaty was reviewed by the parties in 1977 and found to be effective. It is to be reviewed again in 1982.

The other SALT I agreement was called an "interim freeze". Its purpose, as we saw it, was to hold down the number of Soviet missile launchers while negotiations for treaty limitations continued. The aggregate number of land and sea based ballistic missile launchers was limited to approximately the number which were then deployed or under construction. Heavy bombers in which we had superiority were not affected. We also had significant leads in warheads and technology, but the Soviets had substantially more ICBM launchers and were permitted to keep most of them. In this respect the freeze had an appearance of inequality although such was not the case when our other strategic forces were taken into consideration. Psychologically, the freeze got off to a poor start. And for some reason there was an expectation in some quarters that the Soviets would not substantially modernize and improve their ICBMs as permitted under the freeze, an expectation which was disappointed. I think that is a major factor in the negative attitude which some people now have towards SALT II.

Also agreed upon during SALT I were two arrangements of special significance for the problems of accidents involving nuclear weapons—certain measures to reduce the risk of outbreak of nuclear war and for modernization of the Washington-Moscow hot line. They are largely forgotten, but the hot line has more than once proved its use in emergencies and the war risk reduction agreement could be of importance in the future.

As part of SALT I, it was agreed that fulfillment of the commitments could be verified by what were called "National Technical Means of Verification", a smooth term for some of the intelligence systems of the two sides, including satellite photography. This proviso, in effect, legitimized the use of intelligence systems for arms control, a development which seemed to me an extraordinary thing for the Soviets to agree to.

The two sides also took commitments not to interfere with the operation of these intelligence systems and not to conceal from them the weapons systems limited by the agreements. These constraints on counter-intelligence measures have been an important plus for U.S. intelligence systems. With or without SALT we need to keep track of Soviet strategic force development and deployments. But without SALT, the Soviets could take any concealment measures available, thus making our monitoring task far harder.

There was also established by SALT I a Standing Consultative Commission whose function is to consider ambiguities which might arise and clarify doubts as to possible violations. This group has met frequently and has operated successfully. A number of ambiguities have been clarified. On some occasions practices by both sides which were considered inconsistent with the agreements have ceased. Presidents Ford and Carter have certified that there have been no violations of the SALT I agreements. Although by its terms the "freeze" expired in 1977, the Soviets even now are decommissioning some ballistic missile submarines in order to stay under a ceiling called for by this freeze. This, I think, is good evidence that the Soviets take SALT seriously.

I would say that (largely because no added ABM systems have been deployed by the USSR) American security is better now, after almost 7 years of operating under SALT I, than if the ABM Treaty and the missile freeze had not been approved by the Congress in 1972 and an unlimited competition had continued. We have gained confidence that certain commitments taken by the Soviet Union in strategic arms limitation can be verified. We are approaching SALT II, not as something new and untried, but as a continuation of a process that we have learned to live under and to count on.

III

The SALT II negotiation has been going on since November of 1972. It is some measure of the difficulty of this work that it has taken almost 7 years to reach an agreement which will expire in some 7 years.

IV

What is the case against SALT II? It is said that SALT I didn't stop the Soviets' strategic programs which may become superior to our forces, so why agree to SALT II? And SALT I did not lead to the expected relaxation of Soviet-American tensions. During the past six years the Soviets have engaged in an adventurist foreign policy which has been destructive of a number of U.S. aims.

Here I would point out that useful arms control arrangements should not be limited to times of superpower good behavior. The treaty prohibiting nuclear tests in the atmosphere followed shortly after the Cuban missile crisis. SALT I was concluded only a few weeks after the U.S. started bombing Haiphong in Vietnam, a Communist ally of the USSR. In fact, if the USSR is to continue an adventurist foreign policy, it might be better if its strategic arms were under some agreed controls. Competition is inevitable between two societies having such fundamentally different goals and policies. But I would rather see that this competition take place, if it must take place, in an arena where the most dangerous aspect is subject to some regulation and control.

I think that underlying most of the opposition's arguments is a belief that in an open competition not limited by arms control, United States superior technology would give us some advantage. Claims are made that the existence of the arms control relationship tends to moderate our reaction to Soviet bad behavior abroad and that SALT II would be a psychological constraint on modernization of U.S. forces.

It is said that the SALT process has lulled us into inertia and has had no such effect on the Soviets and in the absence of agreed arms limitations we would be more keenly aware that we had to make a greater effort. To some critics rejection of the treaty by the Senate would mean reinvigoration of American programs. As for rejection's effect on Soviet programs, critics are either silent or apparently inclined to trust that the Soviets would not expand their strategic programs.

Critics of SALT are especially concerned about the predicted vulnerability of our land-based ballistic missiles, the ICBM vulnerability problem. It is now believed that the Soviets will have the capability to destroy almost all of our ICBM's using but a fraction of theirs, a threat which critics think will tend to make the United States reluctant to stand up to the Soviets in a crisis. I would inject here this thought—if ever the Soviets were tempted to such a desperate act as attacking our ICBMs, they would have to make the risky calculation that the Americans would never fire their missiles before Soviet missiles hit American targets, I wonder. I am not urging that the U.S. adopt a procedure of "launch on warning". But the possibility that we would is a not unreasonable contribution to Soviet uncertainties. The Soviets would also know that if they struck our ICBMs, the U.S. would still have thousands of warheads in the alert bomber force and on its missile submarines at sea. Nevertheless, this ICBM vulnerability question needs more attention. SALT would impose no constraints on our efforts to solve or mitigate this problem.

Critics also emphasize that the Soviets could keep some 300 fixed launchers for very large ballistic missiles now in their force while the United States could not deploy any. U.S. force planners have consistently chosen not to match the Soviets in heavy missiles and to emphasize more important characteristics. The main consideration has been "What are our requirements?", not "Let's copy the Soviet forces."

Admittedly, it would look better if the United States had the right to build the same number of such fixed launchers as the Soviets now have whether or not we ever wanted to exercise it. But this would have no practical effect on U.S. forces during the life of SALT II. The U.S. has no use for and does not plan to deploy this kind of missile. Why would we want to deploy a fixed missile system of any kind when such systems are becoming vulnerable?

The situation will be exactly the same or worse if the treaty is not ratified. On the Soviet side there will be some 300 such launchers, (if not more), while we would not deploy any. Nothing in the treaty would prevent the testing or deployment of the new missile, the M/X. It is important to know that the heavy Soviet ICBMs are not the proximate cause of our prospective ICBM vulnerability. That situation would exist even if the Soviets had no heavy ICBMs. Accurate and MIRV'd light ICBMs would offer a similar threat. I understand that the U.S. traded its right to fixed heavy ICBMs and permitted the Soviets to keep their heavy ICBMs while the Soviets abandoned their long-held position that American nuclear systems based in Western Europe and the Far East and the fact that U.S. allies deploy substantial strategic missile forces must be taken into consideration in setting SALT ceilings. That seems to me like good use of a right we had no intention of exercising—it was an arrangement that fully commended itself to our allies.

Critics also don't like the fact that effective limitations would not be placed on the Soviet bomber "Backfire" which, though not truly intercontinental, does have some capability to strike targets in the United States. But here the U.S. does have the right to build unlimited numbers of aircraft of this type. More numerous than Backfires are the nuclear capable NATO fighter bombers which can strike targets in the USSR and which also would not be SALT limited. Neither would the strategic missile forces of our allies, the UK and France, be limited. (I understand that the Soviets have agreed not to increase the present production rate of Backfires—some 30 a year.)

Certainly there are weaknesses in our strategic forces that need correction and certainly SALT does not solve all of our strategic problems. But I believe the treaty would make these problems more manageable. Secretary of Defense Brown recently said that SALT II would make the strategic balance more predictable and would place important limits on the threat we will face. I have been advised that the SALT constraints would not prohibit any U.S. programs designed to reduce or eliminate present weaknesses. What modernization measures are necessary involves important issues needing enlightened debate. But a judgment about SALT should not depend on whether one favors these improvements or not. SALT does not require or prevent any of them.

Critics believe that the Soviets do not hold to our doctrine that the main function of strategic arms is to deter the other side from using or threatening to use its strategic forces. They say that the Soviets are planning not only to deter but, if necessary, to fight a nuclear war to a successful conclusion with damage limited by their weapons systems and by a large scale civil defense program to protect their people. These critics feel that strategic arms control will not work to our interest in the absence of acceptance by the USSR and the US of a common strategic doctrine. But it is not apparent that SALT will have an effect one way or the other on Soviet decisions about doctrine, nor will it prevent our adopting a doctrine more like that imputed to the Soviets and forces appropriate to it. We can make decisions about whether we want a greater "war fighting" capability, including a civil defense program of the kind and scale of that of the Soviet Union, independently of SALT.

Looming behind much of the criticism of the SALT package is doubt on the part of critics as to verifiability of commitments to be taken. They fear that the Soviets will violate the agreements and steal a march on the United States. By the same token, in SALT I an anxiety of some Americans was that the Soviets would violate the ABM limits by using anti-aircraft systems for anti-ballistic missile purposes—the so-called Sam upgrade problem. They didn't.

In addition to SALT I—our intelligence has confirmed that the Soviets are living up to other arms control agreements, the Limited Test Ban Treaty which curbed the pollution of the atmosphere, the Antarctica Treaty, the Seabeds Treaty and the Outer Space Treaty. And now they know that their performance will be under closer scrutiny than ever.

In considering verification, keep in mind that it does not involve trusting the Soviets. It does involve confidence that our intelligence systems have already proved capable of monitoring performance of SALT I obligations and can check on Soviet performance under SALT II. In addition, SALT II (by a provision which is unique in modern arms control arrangements) the sides have disclosed the exact composition of their present strategic forces and have agreed to update this data base" to reflect future changes. Secretary of Defense Brown recently said, "We are confident that no significant violation of the treaty could take place without the U.S. detecting it." We would be able to respond with appropriate actions before any seriously adverse impact on the strategic balance could take place. The relatively short life of the treaty, which would end in 1985 and in addition could be terminated on 6 months' notice, is good insurance that the Soviets cannot gain any advantage from not living up to its provisions. Even such a tough SALT scrutinizer as my friend, Paul Nitze, takes a somewhat relaxed view of the matter. In an article in Foreign Affairs in 1976 he wrote, "I personally take the verification issue less seriously than most because the limits are so high that what could be gained by cheating against them would not appear to be strategically significant."

V

Intelligence about Soviet strategic arms is a combination of knowledge about present

capabilities and estimates about future developments. SALT helps in both respects. Present deployments can be more precisely determined since the Soviets are not permitted under the agreements to conceal weapons systems which are limited and they have agreed not to interfere with our National Technical Means of Verification (intelligence systems). As for estimating future deployments, the agreement spells out the maximum permitted levels of the limited systems, thus simplifying somewhat the problem of prediction of future force levels. The absence of this "predictability", which would result from a SALT rejection, would make the future strategic balance more uncertain and would thus be destabilizing.

VI

In the Soviet Union are there also critics of SALT? While we don't hear their voices, I suspect that there are. Here are a few points they may be making:

1. The USSR would have to reduce its forces while the Americans could increase theirs.

2. The Americans will have many highly accurate air-launched cruise missiles during the life of the treaty and the Soviets will have few or none at all.

3. Soviet submarines are noisier and Soviet access to the high seas is much more constrained than America's. And the Americans have a forward base for their missile submarines in Europe and the Soviets have none in this hemisphere.

4. The Soviets have four nuclear adversaries with strategic forces—the U.S., the UK, France and China—and the Americans have but one.

5. The Soviets have an inferior heavy bomber force. The United States has over 300 truly intercontinental bombers.

6. The Soviets have nearly three-quarters of its warheads in less vulnerable systems—the United States has nearly three-quarters of its warheads in less vulnerable systems—bombers and submarines.

7. The United States can count on many hundreds of nuclear capable fighter bombers deployed close to the Soviet Union which could destroy hundreds of targets in Russia. These systems are not limited by the agreement.

VII

There are several other important considerations—

My responsibilities are now in the field of non-proliferation—to try to control the spread of nuclear weapons around the world. This is called horizontal proliferation, as opposed to vertical, which refers to the build-up by the 2 superpowers of their nuclear forces.

To my mind the threat to American security from horizontal proliferation is substantially greater than that presented by the continuing improvement in Soviet forces. Imagine the instabilities that would be created if and when more nations have nuclear weapons or even a weapons potential. This is no empty anxiety. Pakistan is now headed in that direction. A key country for our non-proliferation efforts is India which exploded a nuclear device 5 years ago. One can hardly expect India formally to give up a weapons option until at least some further progress on SALT is registered and there is further prospect that the superpowers are putting their strategic weapons under constraints.

One of the main instruments to contain the spread of nuclear weapons is the Non-Proliferation Treaty which has been in force for almost ten years. Over 100 countries have taken commitments not to go for nuclear weapons. But there is a *basic bargain* embedded in this treaty. Those non-weapons countries' commitments are contingent on Soviet and American progress in controlling their nuclear arms. If efforts to this end of the last 7 years don't produce results, the integrity of this essential Non-Proliferation Treaty will be cast into doubt and our task of trying to control proliferation will be substantially increased. That, to my mind, is a very important reason for getting on with SALT II.

VIII

Without SALT II the continuance of the ABM Treaty could be in doubt and we could once again face a competition to deploy defensive missile systems. When, in 1972, the first SALT agreements were presented to the Congress, they included a statement which I had made to the Soviets at the direction of President Nixon that if a SALT II treaty limiting offensive forces to match the ABM Treaty was not reached, that could constitute a justifiable cause for abrogation of the ABM Treaty. Critics of SALT II already are calling for terminating the ABM Treaty. And the USSR could take the same position that we had reserved for ourselves in 1972. Then, whether the ABM Treaty survived or not would be entirely up to the Soviets—who face nuclear threats from three smaller nuclear powers for which ABMs might be effective.

If the ABM Treaty is lost, we would again be in an unlimited strategic competition in which the Soviets would no longer be committed not to interfere with our technical means of verification and not to conceal their launchers. Gone also would be the S.C.C. consulting mechanism which has worked well to clear up ambiguities. I think these would be substantial losses for our intelligence capabilities.

The Soviets have a large advantage—in their superior command of information. They have the ability to predict the size and quality of American strategic forces of the future merely by studying our defense budgets and other documents in the open literature. Before SALT I we had to depend solely on hard won intelligence. In SALT I we obtained a degree of predictability about what Soviet force levels would be during the ABM Treaty and at the end of the 5-year freeze. We also gained an advantage from the Soviet commitment not to interfere with our means of verification or to conceal limited arms from them. Without SALT ceilings for the future, our uncertainties would increase. This would hardly make for stability.

IX

It has been said that SALT will prejudice the interests of our allies, but the leaders of France, England and Germany have expressly, forcefully, and publicly endorsed the SALT package as has the Secretary General of NATO and the NATO defense ministers. Last month Chancellor Schmidt said that rejection of SALT would be a "catastrophe".

I couldn't put the case for SALT better than Schmidt did recently in the Bundestag. "SALT II can be concluded only in the form of a compromise . . . if everyone involved will accept something that is not fully in line with their own interests—it is necessary to differentiate between critical remarks involving individual aspects of this package . . . and the great world political significance of the whole treaty—otherwise the whole world will suffer a most serious confidence crisis." Later he said, "No people in Europe would be more seriously affected by the consequences of the failure of SALT II than the German people. For in our geopolitical situation we need to be able to trust in two things more than anybody else: Trust in the ability of the West to achieve and preserve a stable equilibrium, and trust in the continuation of the policy of detente on this sound foundation. The successful conclusion of SALT II will reinforce this trust. The success of SALT II will encourage the West and the East to find solutions—including arms control measures—for other potentials threatening the military balance of power."

X

At stake here is whether or not the U.S. Government is capable of conducting a coherent foreign policy.

In the current, uneasy state of relations with our allies, rejection would prejudice economic and political cooperation as well as defense policy coordination. U.S. prestige, influence and leadership around the world would suffer badly.

XI

What about possible Senate approval but with proposed amendments or reservations? If they were substantive and required that the negotiation be reopened and the bargaining resumed, it seems likely to me that the renegotiation would not succeed. Agreed Soviet-American arms limitations are reached only as a result of concessions and counter-concessions which in turn are the result of internal bargaining in Washington and I believe also in Moscow. Nothing is agreed until everything is agreed. To start afresh would mean to reopen the whole bargain—not just to negotiate for one or more additional provisions. I would urge that close attention be given to whether one judges any proposed amendment to be negotiable or not, and before any renegotiation was launched we cannot avoid the question, "What further concessions are we prepared to make?"

XII

Our choice, it seems to me, is to continue to modernize our forces for some 6 years under agreed SALT II ceilings with certain limitations on Soviet and American weapons systems or to go back to an unlimited contest. Is it in our interest to continue the deadly competition but with some ground rules to make it somewhat less costly, somewhat safer? On balance, I believe the United States will be in a relatively better position if we pursue force modernization programs under the SALT II package than if we go ahead in unlimited competition. But I think we should recognize that SALT II is no panacea, that it does not warrant the great expectations generated at the time of SALT I, and that it is a step, a necessary move toward more significant reductions and constraints which we should press for in the years ahead. The negotiations for major force reductions should start promptly.

STATEMENT OF AMBASSADOR U. ALEXIS JOHNSON BEFORE THE COMMITTEE ON FOREIGN RELATIONS, U.S. SENATE, JULY 16, 1979

Mr. Chairman and Members of the Committee: I am pleased to appear before this Committee to be of whatever assistance I can in your important deliberations on the Strategic Arms Limitation Treaty signed at Vienna, Austria, on June 18, 1979, by President Carter and General Secretary Brezhnev. At the outset I want to make it clear that I retired from the Foreign Service and resigned as Chief of the United States SALT Delegation on February 28, 1977. Thus, I can in no way speak for or on behalf of the present Administration. However, I thought it might be helpful if I would summarize some of the highlights of the negotiations during the four-year period I was Chief of our Delegation, from February 1973 until February 1977.

During this period I had literally hundreds of meetings over thousands of hours with my Soviet counterpart, Vladimir Semenov, then Soviet Deputy Foreign Minister. Those negotiations were divided into two quite distinct periods. The first period was from March 1973, which followed closely upon the conclusion of SALT I, until November 1974. As you well know, in November 1974

President Ford met with General Secretary Brezhnev at Vladivostok and reached an understanding on SALT. The translation of that Vladivostok Accord into detailed treaty form was the subject of the second period of our negotiations until my last meeting with the Soviet representative in November 1976.

The enormous complexities of the many proposals and counterproposals that were made over those years can, I feel, best be dealt with in a generally chronological fashion. Therefore, I will first deal with the period prior to the November 1974 Vladivostok meeting.

In late 1972 and early 1973, the Administration of President Nixon had formulated some basic concepts to be proposed to the Soviets for the SALT II agreement. These concepts included:

Equal aggregate ceilings on the central systems of the two sides, that is, on the aggregate number of ICBM launchers, SLBM launchers, and heavy bombers.

Eventual reductions in the number of such central systems.

No provisions to be included concerning or taking into account the so-called "forward-based systems" of the U.S. or the nuclear systems of our Allies, as insisted on by the Soviets.

The inclusion of qualitative limitations, including limitations on ICBMs, which were recognized as the most destabilizing of strategic offensive arms.

My initial negotiations with the Soviets were based on these concepts.

The Administration at that time was strongly committed to the policy that the strategic nuclear forces of the United States should be no less than equivalent in the overall sense to those of the Soviet Union. This was expressed by the concept which we called essential equivalence in central systems. In this the Administration was also taking account of the Jackson amendment associated with the ratification of the SALT I agreements in 1972, which called for the President to seek a future treaty that, inter alia, would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union.

It was on these bases that the U.S. SALT Delegation was instructed in the spring of 1973 to make a proposal for an equal aggregate ceiling of ICBM launchers, SLBM launchers, and heavy bombers for the two sides. The number that we proposed at that time was 2350 for each side. We also pushed the concept of reductions from that number, without, however, making specific numerical proposals. Our proposals contained no explicit provision to cover U.S. forward-based systems (FBS), nor did our proposals take into account directly or indirectly U.S. FBS or the nuclear forces of our Allies.

An important aspect of the proposals made by the U.S. Delegation in 1973 and 1974 were those aimed at qualitative limitations on strategic offensive arms. These included limitations on ICBM throw-weight and on MIRVs.

For their part, the Soviet Delegation pressed hard all through the period leading up to Vladivostok simply to extend to the new Treaty the asymmetric limits on ICBM and SLBM launchers which had been agreed in the Interim Agreement. They also made vague proposals to limit the number of heavy bombers, but we never could determine precisely what they had in mind. The Soviets tried to justify these asymmetric limitations on central systems as an offset for U.S. FBS and third country nuclear forces, namely, those of the United Kingdom, France, and even China!

At the same time the Soviets pressed for strict and detailed limitations on all U.S. FBS. The Soviets proposed that a strategic offensive arm be defined to be any nuclear system whose characteristics, including its geographic deployment, enabled it to strike the territory of the other side. This proposed definition included attack aircraft carriers with nuclear delivery aircraft, as well as U.S. nuclear delivery aircraft deployed on the territories of our Allies. Their detailed proposals concerning these systems included withdrawal of all ballistic missile submarines and aircraft carriers with nuclear delivery aircraft beyond some limits (which they did not specify), as well as a phased withdrawal of what in effect amounted to all U.S. FBS and U.S. bases for FBS from third countries. In addition, they proposed strict prohibitions on transfers to third states of strategic offensive arms and the technology related to such arms. The net effect of these one-sided proposals would have been essentially to ban all U.S. long-range theater nuclear forces and to disrupt military cooperation with our Allies.

The strategy of the U.S. SALT Delegation in this 1973–1974 period was to push hard for Soviet acceptance of the basic concepts we were proposing: equal aggregates, reductions, and qualitative limitations. At the same time, we vigorously rejected the Soviet proposals regarding FBS and non-transfer, as well as the concepts underlying them. However, the two Delegations were not able to come to agreement on these issues as of November 1974.

This is the background from the Delegation viewpoint of the period that led up to the summit conference between President Ford and General Secretary Brezhnev at Vladivostok in November 1974, at which they agreed upon on a set of principles for a SALT II Treaty. Some of the most important results of the Vladivostok Accord were:

A Treaty to cover the period up to the end of 1985.

An equal aggregate ceiling of 2400 systems.

An equal subceiling of 1320 MIRVed systems.

No limitations on, or account taken of, U.S. FBS or Allied nuclear forces.

Carry over to the new Treaty the Interim Agreement limitations freezing the maximum numbers of ICBM launchers and of modern heavy ICBM launchers.

Given the very strong emphasis that the Soviets had continued to place on asymmetric central system limitations to offset U.S. FBS and third country nuclear forces, I was frankly surprised and pleased at President Ford's success at Vladivostok in getting the Soviets to agree to equal aggregates with no limits on U.S. FBS.

When the two Delegations resumed in Geneva in late January 1975, we had the task of drafting precise Treaty language based on the general principles which had been agreed at Vladivostok. Within about a month, each of the two Delegations had tabled a draft text for the Treaty, and we began work which soon led to a Joint Draft Text.

The U.S. had some specific aims in drafting the Treaty. One aim was to draft precise and unambiguous definitions of the strategic offensive arms to be limited in the Treaty. This was vitally important in order to make clear the obligations of the two sides and to ensure that the two sides would have the same understanding of the limitations in the Treaty. Such agreed definitions would thus help to avoid misunderstandings during the life of the Treaty. At first the Soviets rejected the concept of putting definitions in the Joint Draft Text. For example, they professed to believe that the language in the Interim Agreement concerning "light" and "heavy" ICBMs would suffice as a "definition" of the term "heavy" ICBM for the new agreement. Of course, one of the problems that had emerged in the Interim Agreement was the lack of an adequate definition of this term. Similarly, they opposed definitions of MIRVs and of throw-weight and a specific limitation on heavy ICBMs. In the next stage, they agreed to the concept of putting definitions in the Joint Draft Text, but opposed the detailed and precise definitions which we were proposing. Finally, and all of this took the better part of a year, the U.S. Delegation got the Soviets to agree to the approach to Treaty definitions that we had been proposing all along.

When the two Delegations got down to the business of working out these detailed definitions, it turned out, as we had expected, that significant substantive questions arose which required many months or even several years to resolve. One of our major achievements was to get the Soviets to agree to a detailed definition of "heavy" ICBMs and to agree to put a cap on the capabilities of "heavy" ICBMs. Specifically, by November 1976 we had obtained Soviet agreement on language which in effect defines a "heavy" ICBM as any ICBM with a launch-weight or throw-weight greater than that of the Soviet SS–19 ICBM. This means that no "light" ICBM can have a launch-weight or throw-weight greater than that of the SS–19. The Soviets also agreed on language which in effect bans any ICBM with a launch-weight or throw-weight greater than that of the Soviet SS–18 ICBM. In connection with these provisions, we also had agreement on technical language defining the launch-weight and the throw-weight of an ICBM.

By November 1976 some of the definitions in the Joint Draft Text, such as the above definitions and also the definition of MIRVed missiles, were fully agreed. The remaining definitions were in an advanced stage of negotiation.

Another aim of the U.S. was to get Soviet agreement on type rules and counting rules which would make feasible verification of certain provisions which otherwise would be extremely difficult to verify. For example, the Soviet SS–17, SS–18, and SS–19 ICBM systems had all been flight-tested with both MIRVs and single RVs. It would be extremely difficult to tell whether a given missile contained MIRVs or a single RV. To solve this problem, the U.S. proposed early in 1975 a MIRVed missile type rule in which in effect any missile of a type which has been flight-tested with MIRVs would be considered to be a MIRVed missile. Thus, for example, all SS–17, SS–18, and SS–19 ICBMs would be considered to be MIRVed ICBMs, regardless of their actual payload. At first the Soviets rejected the concept of type rules and counting rules, saying that they would lead to overcounting, for example, by counting as MIRVed some systems which were in fact not MIRVed. However, the U.S. Delegation pressed the argument that the Treaty simply would not be verifiable without these rules, but would be verifiable with them. The Soviets eventually agreed to our approach. During the 1975–1976 period, the U.S. proposed type rules for ICBM launchers, heavy bombers, ASBMs, MIRVed ICBM and MIRVed SLBM missiles, and launchers of MIRVed ICBMs and MIRVed SLBMs. We made significant progress in this area during that period.

As you may know, the Soviets had not agreed at that time to the U.S. interpretation of the Vladivostok Accord with respect to the limitations on air-to-surface missiles. The U.S. held that these limitations would apply only to air-to-surface ballistic missiles, while the Soviets proposed that these limitations also apply to air-launched cruise missiles. This issue was at the time also under discussion at higher levels, but was not resolved by November 1976.

One of the important steps that the U.S. Delegation made in 1975 was to propose that the two sides establish a data base consisting

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of agreed numbers by category of the strategic offensive arms of each side limited by the Treaty. This was to be done at the beginning of the Treaty and twice annually in the Standing Consultative Commission. The rationale for such a data base was to ensure that the sides had the same understanding of the limitations in the Treaty and to help manage the aggregate limitations during the life of the Treaty. You will recall that the Soviets had never before given out such information on their own military systems, so that the negotiability of this proposal was not assured. Indeed, we made only a little progress toward gaining their acceptance of the concept of data base by November 1976, although we had pressed them vigorously on all aspects of this issue. I was pleased to see that subsequently the U.S. Delegation was successful in obtaining Soviet agreement to the data base, and that it has become an important component of the SALT II agreement.

I now want to summarize where the Joint Draft Text stood when the two Delegations recessed in November 1976. The principles agreed at Vladivostok had been incorporated into the Joint Draft Text, including those basic concepts which the U.S. had been pushing since the beginning of SALT II. However, the air-to-surface missile issue discussed above had not been resolved at that time. The Backfire issue had also not been resolved. The Soviets had accepted the U.S. approach with regard to detailed definitions and type rules and counting rules, although differences remained. The sides had agreed to extend to the SALT II Treaty the mandate of the bilateral U.S.-Soviet Standing Consultative Commission, which had been set up under the SALT I agreements to develop procedures to implement those agreements and also to consider possible compliance issues and ambiguous situations related to those agreements. In short I would estimate that at least eighty percent of the substance and language of the final text had been agreed by November 1976. The U.S. Delegation had conducted vigorous negotiations on the remaining issues which were still outstanding as of that date. Having been deeply involved in so much of the negotiation and drafting, I cannot refrain from noting how interrelated and intertwined each part of the text is with other parts, so that the whole is a single web.

Criticisms can readily be made of what has or has not been accomplished by three administrations in this very complicated field. The ideal would be an agreement so comprehensive, so perfectly balanced, and so well anticipating the future that we would never again have to concern ourselves with the omnious shadows that these beasts of nuclear weapons cast over our lives. However, we must deal with the world as it is, not as we would wish it to be.

In my own view SALT has nothing to do with what one's view may be with respect to detente, co-existence, or any other such terms. It has nothing to do with whether one likes the Soviets or does not like the Soviets, or whether one trusts the Soviets or does not trust them. I accept the statements of the Soviet leaders that they intend to remain our implacable foes, if not physically, then, as they say, ideologically. However, this should not prevent us from recognizing what is an obvious common interest in doing what can be done by agreement to reduce the danger of mutual suicide by the limitation of the strategic forces of the two sides in a way that will contribute to stability rather than to instability in time of crisis.

I feel that the SALT dialogue at all levels, Chiefs of State, Foreign Ministers, and Delegations, as well as Congressional and private debate, has been useful, even though it has not by any means led to a full meeting of minds, even among ourselves. This is understandable, as apart from differing ideologies between ourselves and the Soviet Union, and differing philosophies among ourselves, we are dealing with a fast moving and evolving technology which no agreement is going to freeze. However, as specific points of common interest emerge during the dialogue, we should seek to negotiate agreements on those points without judging the outcome against the impossible standard of such a comprehensive and definitive agreement that all of the problems for all time to come would be resolved. Rather each agreement should be judged as to whether it is a constructive and useful step forward.

In my view the SALT II agreement meets that test. Thus, I favor its ratification.

STATEMENT OF PAUL C. WARNKE BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE, JULY 16, 1979

Mr. Chairman and Members of the Committee: During the past week, the Committee has received a full briefing on the details of the SALT II treaty and, in the testimony of Secretary of State Vance, Secretary of Defense Brown, Arms Control and Disarmament Agency Director Seignious and Ambassador Ralph Earle, a detailed analysis of the reasons why it contributes to the security of the United States. It is, therefore, difficult for me to see that I would add anything by a largely repetitive statement. I will, of course, be happy to reply to any questions that the members of the Committee might raise.

In the way of prefatory comments, however, I would like to comment briefly on the SALT process itself, as I saw it during my months as Director of the Arms Control and Disarmament Agency and Chief SALT Negotiator. I would like also to address myself to a few lines of argument that have questioned the value of this treaty. With regard to the process, the Committee, of course, is familiar with the way in which the American negotiating position has been developed and implemented. From my observation, the decision-making process in SALT has been a careful, thorough one that takes into account the views of all of the agencies of government primarily concerned in arms control and other national security matters. The SALT working group and the Special Coordinating Committee that have functioned under the National Security Council are multi-agency in composition. In the development of our proposals, every effort has been made to try and accommodate varying views and reconcile them when there have been differences.

Quite naturally, such differences have arisen. It cannot be expected that in every instance the starting points of State, the Office of the Secretary of Defense, the Joint Chiefs, the National Security Council staff and the Arms Control and Disarmament Agency will be identical. Inevitably, and I think helpfully, there is a bargaining process that goes on within the United States Government itself proceeding in parallel with the bargaining between the United States and the Soviet Union. No agency can or should expect that its initial decision will automatically prevail. No one of us who has been involved with the process has won every battle. Compromise is inevitable if consensus is to be reached.

In evaluating the product, therefore, the test must be whether the treaty does in fact serve the interests of the United States. It is not, as I see it, constructive or even feasible for anyone to pose the test whether the treaty is in all respects what any individual or any agency of the United States Government would most like to have seen.

Speaking personally, I am frank to admit that there are provisions in the treaty that I would have preferred to see written differently and other provisions that I would have liked to have seen added. In several of these cases, I have some confidence that these changes and additions would have been negotiable with the Soviet Union. But these considerations are not, as I see it, relevant to the issue now before us. That issue is whether the entry into force of this treaty is in the national interest. If not, it should be rejected. If so, it should be approved promptly and any unsatisfied further aspirations be addressed in the continuing SALT negotiations.

Some critics of the SALT process have charged that those involved in developing our negotiating positions have become preoccupied with the need to secure an agreement rather than with the substance of that agreement. My experience shows that this charge and this apprehension are completely without foundation. There are, obviously, some ancillary advantages that can be anticipated from the successful completion of the treaty—making possible other useful arrangements with the Soviet Union, fostering allied confidence in American leadership and holding the way open for more substantial reduction in and controls over nuclear weapons. But, as I see it, these supplemental benefits can be anticipated if and only if this treaty itself is a sound and effective step forward in nuclear arms control. On that question, I am confident that an affirmative answer can be given.

With respect to some of the principal lines of argument presented in questioning the value of the treaty, I would like to address first the major criticisms that it does not do enough to restrict Soviet nuclear weapons systems. Principal among these is the argument that the SALT II treaty is unequal to the disadvantage of the United States, because it does not require the Soviets to get rid of their over 300 launchers of the so-called heavy intercontinental ballistic missiles.

Some of the more vigorous opponents point out that, for the term of the treaty, only the Soviet Union will have this largest type of intercontinental ballistic missile. This is true. But the reason is that the United States, several years ago, elected for military reasons to stop building the large liquid fueled ICBMs and to build instead the smaller solid fueled, more readily maintained, more reliable Minuteman missiles. We today have none of these heaviest-type missiles because our military planners see no military need for them. During the SALT I negotiations, the United States proposed that there be a freeze on launchers of these heavy missiles. Although the freeze affected only the Soviet Union because the United States had no heavy missile program, the Soviets agreed to limit such launchers to the number then existing.

In SALT II negotiations, the question of heavy ICBM launchers was again addressed. As part of the agreement reached at Vladivostok when President Ford met with Mr. Brezhnev in late 1974, the Soviets accepted our insistence that the SALT II limits apply only to intercontinental range nuclear delivery vehicles, and not to our forward based systems that could strike Soviet targets from European bases. The United States in turn accepted the fact that SALT II would not require reductions in Soviet heavy ICBM launchers.

Despite the Vladivostok understanding, the proposals we presented in Moscow in March of 1977 included a reduction of about one-half in the Soviet heavy missile launchers. This bargaining position was, not unexpectedly, unacceptable. The Soviets pointed out that this would require them to cut out about 150 of their newest missile launchers, while the United States would eliminate no

launchers and was proposing to go ahead with its own new programs including new and larger submarine launched ballistic missiles and long-range cruise missiles on strategic bombers.

The Soviets did, however, agree to continue the SALT I ban on any increase in the number of heavy missile launchers. In addition, the Soviets accepted an amended American proposal putting a subceiling of 820 on all types of MIRVed ICBMs. From the standpoint of the strategic balance, this is a more effective limit than if the SALT II agreement required a cut just in the Soviet SS-18s, but permitted them a total of 900 or 1,000 MIRVed ICBM launchers of all types.

In short, therefore, the SALT I freeze on heavy missile launchers—carried over into SALT II—represents a constraint on Soviet programs and none on our own. We have no heavy missiles because our military planners continue to see no U.S. military need for them. But the Soviets have to limit their program substantially below what it would be in the absence of SALT.

Those who argue that the SALT II treaty should be rejected because the Soviets wouldn't agree to give up all or most of their heavy missiles thus turn logic on its ear. Under the SALT limitations, the Soviets will have far fewer launchers of SS-18s and of all MIRVed ICBMs—18s, 19s and 17s—than if SALT were to be rejected. A vote against SALT therefore is a vote for more of these biggest Soviet nuclear weapons.

The fact that SALT limits Soviet heavy missiles and in no way interferes with planned American programs is dramatically shown by the SALT II negotiations about ICBMs on mobile launchers. The SALT I limits on size applied to the fixed launchers, not the missiles themselves. The Soviets were limited in SS-18 deployment because of the ban on building new ICBM silos or substantially enlarging existing silos. Accordingly, inasmuch as our MX would be deployed on mobile launchers, not in fixed silos, continuation of SALT I restraints would not limit its launch weight or throw-weight. The MX could have been designed to be as large as the heaviest Soviet missile.

Of course, the absence of size restrictions on ICBMs on mobile launchers would permit an increase in Soviet deployment of more SS-18 size ICBMs. After extensive study on the question, the Secretary of Defense and the Joint Chiefs concluded that the optimum size for the MX would be no greater than the Soviet SS-19, the heaviest light missile as defined in the SALT II treaty. In accordance with the decision of our military planners, therefore, the negotiators in Geneva proposed Article IX, subparagraph 1(d), which bars "mobile launchers of heavy ICBMs." The Soviet negotiators stoutly resisted this limitation, recognizing it as in effect a restraint only on a Soviet program. Eventually, however, they agreed to accept it.

The importance of the SALT II restrictions on the Soviet land-based ICBM force can best be seen by considering what the Soviets could do if the SALT II restrictions did not go into effect. Without SALT the Soviets would be free to build as many new ICBM launchers as they saw fit. Their ongoing programs include not just one, but a whole fifth generation of the new Soviet intercontinental ballistic missiles. There would be no limit on the size of such missiles and, most important, no limit on the number of MIRVs or separate nuclear bombs with which each missile could be equipped. The SS-18 in the absence of SALT could have as many as 30 or even 40 separate warheads.

The restrictions negotiated in SALT, therefore, improve the survivability of our own strategic force, and indeed the survivability of the United States, by preventing Soviet deployment of many thousand additional strategic nuclear warheads. We can, accordingly, have confidence that our retaliatory capability is not in jeopardy and that a nuclear attack is fully deterred.

Critics of the agreement, however, recently have argued that a collapse of SALT would not mean any appreciable increase in Soviet strategic nuclear forces. They maintain that the Soviet Union is already doing as much as it can afford to do. Their remarkable contention is that the Soviets have been pushed to the limits of their resources and, presumably, that without SALT they could do no more while we would have a free hand to increase our spending and actually could achieve some sort of strategic advantage.

This argument, in my opinion, sadly misconceives the real world. The facts are that the Soviets by merely continuing their existing programs unconstrained by SALT would have over 3000 strategic nuclear delivery vehicles by the end of the SALT II period and could have as many as 18,000 strategic nuclear warheads in their inventory. This would require no big increase in annual spending, but merely a continuation of their production lines. Production of the SS-16, with its potential for deployment on existing Soviet mobile ballistic missile launchers, also could easily be resumed.

Moreover, there is no basis for the suggestion that the Soviets are at the end of their tether and that they could not make substantial increases in expenditures on strategic nuclear weapons. Were this to be the case, the much-vaunted Soviet threat would loom less large.

As for myself, I am unable thus to discount the Soviet military potential. Admittedly, they spend a very large proportion of their resources on defense. Without this heavy drain, the average Soviet citizen's standard of living unquestionably would be higher. But the hard-come-by gains in that standard of living could readily be diverted by government that need not face an aggrieved electorate and further sacrifices could be demanded in the name of Soviet national security. Moreover, we could anticipate that a Soviet leadership would have considerable success in marshalling popular opinion to believe that American rejection of SALT portended a change away from any effort at detente, a decision for all-out confrontation and hence a grave risk to Soviet security.

For our own security, the risks of a substantial additional buildup in numbers of Soviet missiles and numbers of Soviet warheads, with a consequent decrease in the survivability of our own forces and the stability of the deterrent, cannot blithely be disregarded by predictions that economic constraints and domestic priorities can substitute for SALT limits on Soviet strategic forces.

Another major criticism, and indeed the focus of the most insistent complaints about SALT II, is the alleged impact on U.S. ability to improve its strategic forces. The fact is that, as explained by the President after SALT was signed: "The agreement constrains none of the reasonable programs we have planned to improve our defenses." Throughout the negotiations, care was taken to preserve the options that those responsible for our military force planning have defined as necessary to our security.

I have referred to our deterrent triad of intercontaintal ballistic missiles, submarine-launched ballistic missiles and strategic bombers. Each of these components can be modernized during the SALT II treaty period.

Our heavy bombers can be equipped with cruise missiles of unlimited range, assuring that this part of our nuclear deterrent could penetrate any conceivable Soviet air defense through 1985 and well into the future. Existing bombers can be equipped with as many as 20 such missiles, and when new bombers are produced, each one can carry an even greater number.

Our ballistic missile submarine force will remain invulnerable to any antisubmarine warfare developments because of new longer-range Trident missiles. As these come into the force, our submarines can operate in coastal waters of the United States for greater survivability and easier command and control.

The exception permitted each side for a new ICBM will permit us to develop the MX missile and deploy it after the period of the Protocol on whatever type of mobile launcher system is decided upon as best to improve the survivability of this part of our force.

As the Joint Chiefs of Staff informed the Committee last Wednesday, there are "a number of important restrictions in SALT II which operate primarily to our advantage." The Chiefs pointed out further: "On the other hand, the specific limits on U.S. are quite nominal." In short, SALT measurably adds to the security of the United States by improving the survivability of the U.S. strategic deterrent. It does so by limiting Soviet developments that would add many thousands of additional warheads to the Soviet threat and by leaving us free to make those changes that protect our retaliatory forces.

Ironically, it is the fact that some new nuclear weapons programs can continue under SALT II that create another type of concern with regard to the effects of arms control efforts. Sincere supporters of arms control decry the fact that SALT does not go further and even impose a moratorium on any and all new nuclear weapons programs.

I can sympathize with their view. I personally would have preferred to see an agreement with more drastic cuts and more inhibitions on nuclear weapons. I also feel that the dissatisfaction expressed by supporters of arms control can be constructive to the extent that it leads to prompt efforts to achieve more drastic cuts in and controls over nuclear arms. But I would ask them, as I would ask critics on the other end of the spectrum, to recognize that any negotiated agreement must be a compromise—both with the other side and within our own government.

We have had to recognize that the Soviets won't accept provisions that would trim the respective force structures to the taste and to the unilateral advantage of the United States. They won't scrap their big ICBMs while we insist on unlimited range cruise missiles on heavy bombers and on no controls on our nuclear forces in Europe that can destroy Soviet targets. Nor, given their heavy responsibility for our military strength, can the Secretary of Defense and the Joint Chiefs be expected to rely solely on arms control to preserve our deterrent forces.

In addition, the kinds of limits that can be written into a SALT agreement are only those that can be verified. As a matter of law, and as a matter of logic, controls can't be adopted, no matter how desirable they might be in theory, unless you can be sure you will know they are being met.

Any arms control treaty must recognize conflicting views and conflicting interests. The result cannot be expected to fit anyone's ideal. But I am convinced from hard experience that no more far-reaching treaty could, at this time, have been negotiated and that if this treaty is rejected or drastically altered, there is no realistic chance that a better treaty will be negotiated in the foreseeable future.

Through the Protocol and the Joint Statement of Principles, the road is cleared to

greater progress in future SALT negotiations. The Protocol buys us time to decide whether our security would be increased or diminished by deployment of mobile launchers of ICBMs and long-range cruise missiles on ground or ship launchers. The Joint Statement sets the terms of reference for SALT III. SALT II is thus the indispensable foundation for further measures of strategic arms control.

As I mentioned earlier in my statement, the SALT II treaty must initially be examined in terms of the effect of its detailed provisions on our national security. Its foreign policy implications, however, are also relevant to this Committee's deliberations.

Previously, witnesses critical of the treaty have suggested that the uniform support for its approval strongly voiced by the heads of government of our Western European allies does not reflect support of the specific terms but rather stems from their concern about the political repercussions of the treaty's rejection. Because of the continuing consultations with the North Atlantic Council during the course of the SALT II negotiations, I know personally that our allies are fully aware of and in favor of the treaty's detailed provisions. There is no basis for the contrary assertion made in a paper presented a few months ago by the group known as the Coalition for Peace Through Strength. The prediction in that paper that, because of SALT II, the countries of Western Europe may choose the option of "an accommodation with the Communist bloc" is both absurd and irresponsible. Other suggestions that NATO governments support the SALT treaty publicly but oppose it privately demean, I believe, both the independence and the integrity of alliance leadership.

The other countries of the world also have a stake in the control of military competition between the two nuclear superpowers. The spectre of nuclear war threatens their own existence. And they recognize the grave risk that nuclear weapons will proliferate if the arms race rages unabated. The countries of Eastern Europe would see any intensification of the U.S./Soviet confrontation as a cause for despair because of the certainty that the Soviet net would tighten.

The current Soviet leadership sees SALT and the SALT process as the cornerstone of the U.S./Soviet relationship. Success in SALT won't guarantee detente. Its collapse, however, would make detente impossible. If, after almost seven years of negotiations, the Soviet leadership should now see the U.S. turn away from an agreement that would limit nuclear weapons to the mutual security of both sides, they could be expected to see little chance for any improvement in relations or any future other than constant confrontation. Their stake in SALT, their interest in its continuation, today must be considered by them in decisions on Soviet international conduct.

The SALT II treaty won't solve all our foreign policy problems and meet all our security needs. It is, however, an indispensable component in a realistic foreign policy and a sound step toward greater national security.

RICHARD J. BARNET

Richard J. Barnet is a Senior Fellow of the Institute for Policy Studies, an independent center in Washington, D.C. devoted to research on public policy questions, which he helped to found in 1963. He served as co-director of the Institute until 1978. During the Kennedy Administration, he was an official of the State Department and the Arms Control and Disarmament Agency and a consultant to the Department of Defense. Since the late 1950's he has been a student of U.S.-Soviet arms negotiations and wrote a study of the early postwar negotiations entitled, *Who Wants Disarmament?* (Beacon Press, 1960).

Mr. Barnet is a graduate of Harvard College and Harvard Law School. He served in the Army as a specialist in international law and has been a Fellow of the Harvard Russian Research Center and the Princeton Center for International Studies, and a visiting professor at Yale and the University of Mexico.

Mr. Barnet's articles have appeared in *Harper's, The New York Times Magazine, The New Yorker, Science, Foreign Policy, The New Republic,* and *The New York Review of Books,* and in numerous scholarly publications. He is the author of several books, including *Intervention and Revolution* (New American Library, 1968), *The Economy of Death* (Atheneum, 1969), *Roots of War* (Atheneum, 1972), and co-author (with Ronald Müller) of *Global Reach: The Power of the Multinational Corporations* (Simon & Schuster, 1974); and *The Giants: Russia and America* (Simon & Schuster, 1977).

TESTIMONY OF RICHARD J. BARNET, SENIOR FELLOW, INSTITUTE FOR POLICY STUDIES, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE JULY 16, 1979

I am honored to be asked to present my views to the Committee at this critical point in your deliberations. The SALT II treaty is before you at an historic moment. The United States and the Soviet Union are about to take some major forward steps in the arms race—with or without SALT. The Congressional Research Service of the Library of Congress recently compiled an imposing list of strategic weapons that can be built lawfully under the SALT II agreement and which, in the present climate, no doubt will be built. The Trident, the M-X, and the other technological "improvements," as they are mistakenly called, are creating a much more dangerous military environment.

Not only is the military environment becoming much less stable but the political environment as well. The world is no longer held in check by the projection of American power in the way it was during the first postwar generation. American power has declined from that extraordinary moment when we were the only undamaged economy emerging from the Second World War, the only possessor of atomic weapons, and our dollars were better than gold. That decline was inevitable. No other power can now play that role, and there is no evidence that any other power believes that it can play that role or seeks it. But the consequence of the enormous shift of power in the world is instability and violence and increased dangers of confrontation between the United States and the Soviet Union. The war no one wants will come, in my view, only if two pre-conditions are met.

One is the development of hair-trigger counterforce technology that puts pressure on military planners on both sides to insure that their weapons are not caught on the ground. That means a world of more weapons rather than less and one in which weapons are fired sooner rather than later. It is a world in which the time for decisions about war and peace becomes dangerously compressed and the chances of fatal human error multiply. That world is now being created—with or without SALT II.

The other pre-condition for a nuclear war is a political confrontation in which nuclear weapons might credibly be involved. Such life and death struggles over which the shadow of nuclear weapons hangs face us across the world—the Middle East, despite great efforts still a danger point; southern Africa, Iran, and the Sino-Soviet dispute. The risk that the U.S. and the Soviet Union will be sucked into a fateful confrontation around one of these struggles is increasing. If neither the arms race nor U.S.-Soviet competitive interventions can be controlled, the outbreak of a nuclear war involving both is inevitable.

Judged by the magnitude of the crisis of national security we face the SALT II agreement is totally inadequate. It will not stop the arms race. It does not stop the dangerous development of "first-strike" counterforce technology; indeed the most destabilizing developments occurred during the long years in which the "SALT process" was unfolding. The SALT agreement does not call for the destruction of missile stockpiles, except for 250 obsolete Soviet missiles. There is evidence that the "SALT process" accelerates weapons stockpiling on both sides in anticipation of an agreement. To secure the acquiescence of the military in both countries and to secure ratification in the United States, weapons developments have been approved which increase the dangers of the arms race more than the minimal agreements reduce it. It is extraordinary that almost ten years of negotiation have produced so little.

The SALT agreement, in my view, raises two overriding questions. But the one that is now most often asked, "Will the treaty leave the U.S. number one?" is meaningless. Stockpiles are so high, destructive power so enormous, that the notion of "superiority" which had a real meaning in the days of U.S. nuclear monopoly and near-monopoly is an empty word today. There is no way a Soviet leader could confidently calculate victory in today's world with or without SALT II.

We need first to understand what the agreement is and what it isn't. It is not disarmament, certainly. It is not even arms control for it does not touch the most dangerous aspects of the arms race. It is an effort at joint arms planning by the U.S. and the Soviet Union. A highly complex document has been painstakingly negotiated over a very long time which represents a consensus on the new direction the arms race should take. It is, arguably, a better direction than that which would result from market forces and domestic politics.

The second question is the crucial question of conscience which on the day of the ratification vote every senator must answer for himself—and for his constituents and his children. Will the coming into effect of SALT II make war more likely or less likely? That is the fundamental issue. In my view the provisions of the SALT treaty themselves because they permit so much of the arms race to continue, would not substantially reduce the dangers of war. The managed arms race under SALT is a more dangerous race than the unmanaged arms race of the last ten years, although the chances are that without SALT the new arms race would proceed even faster.

Claims for what is called the "SALT process" have been much exaggerated. Indeed, a strong case can be made that in the last few years the SALT negotiations have exacerbated tensions the two superpowers. The unfavorable political climate for the development of better U.S.-Soviet relations that has developed in the United States is a predictable, perhaps inevitable, consequence of the process of negotiation. One reason why the opposition to SALT is more enthusiastic than the support is that the goals of SALT are not clear. The opponents can rightly note that any agreement, however minimal, raises the emotion-laden issue of whether we can trust the Russians. But the supporters cannot maintain that the arms race will be stopped or "capped," since the technological competition is intensifying. The military buildup of each adversary can be interpreted by the other in different ways—either as an effort to amass "bargaining chips" for future negotiations, or as an indication of lack of faith in the possibilities of negotiation, or as a strategy of increased reliance on military power to achieve political goals. The most important function of arms agreements is to reduce the element of ambiguity in U.S.-Soviet relations and to clarify intentions in such a way as to build confidence and political support in both societies. This the "SALT process" does not do.

Whether any agreement on arms is feasible depends upon the intentions of the two powers. Most Americans assume that U.S. intentions are clear, and they focus on Soviet intentions. Indeed, the debate over SALT really comes down to a disagreement about Soviet goals, a fact that tends to be masked by discussions of numbers, throw-weights, and other technical details. American opponents of an agreement believe that this country should not accept limitations on the right to acquire, test, deploy, and use weapons (unless the agreements are clearly one-sided) because Soviet leaders are bent on expanding their military power one way or another. Creating uncertainty, to their mind, is the best guarantee of security. They would argue that stabilization of the nuclear arms race decreases uncertainty, creates illusions for Soviet leaders that they might bring off a successful surprise attack and thus increases the risk that they may resort to war or the threat of war.

The other view, which I share, is that Soviet leaders have no such fixed intentions. There are already enough nuclear weapons in the world to make any rational leader sufficiently uncertain about the consequences to his own society of starting a nuclear war that he would never launch one as an instrument of national policy. But increasing the level of uncertainty increases the risk of preemptive war, because it creates a tense military environment in which Russian fears about what the United States is about to do may cause them to strike first. In the nuclear age no one chooses war over peace, but there are circumstances in which one might well choose war now over war later if those were believed to be the only choices.

The opponents of arms reduction believe that military power is assuming an ever greater importance in Soviet policy because the Soviet system has lost some of its attraction for other countries and military power is the best, perhaps the only, vehicle available for them for projecting their influence. This leads to a belief that the Soviets are uninterested in any significant arms reduction except under clearly one-sided agreements and that, accordingly, it would be unsafe for us to commit ourselves to that effort. But a surer guide for a national U.S. policy than such speculation are these considerations: the historic concern of the Russians with territorial security, their growing apprehension about the de facto NATO-Chinese alliance, and the fact that their weapons programs, military doctrines, and political uses of military power have been imitative of and responsive to U.S. programs, doctrines and operations. The role of military power in Soviet foreign policy will be determined, to a very great extent, by what other powers, principally the United States and China, do.

There is a third view of Soviet intentions, which says that since those intentions are unknowable they should be ignored. The classic military approach is to prepare against capabilities and assume the worst intentions. But that is a prescription for an unending race, and almost certainly for a war, since in that situation each side will consider itself secure only if it makes pessimistic assumptions and ensures that its capabilities exceed those of its adversary. What one side regards as a responsible "defensive" response to a threatening military posture looks to the other side like a preparation for aggressive war or political blackmail.

There is no way, then, of avoiding a serious assessment of Soviet intentions in developing a sensible arms policy. Such assessments are in fact always made, either explicitly or implicitly. To adopt either the view of the pessimists—that the U.S.S.R. will relentlessly project its power by military means until opposed by equal or greater power—or the view of the optimists—that it is a status quo power beset with internal problems—is unwise and unnecessary. A serious view of Soviet intentions must be dynamic, that is, it must try to understand the relationship between Soviet decisions and external pressures, particularly the impact of U.S. policies. Arms reduction agreements should be designed to create controlled situations for testing intentions. In order to do so, they must be sufficiently broad and unambiguous to provide a framework for a significant demilitarization of the relationship between the United States and the Soviet Union that is quite different from the regulated arms race provided by SALT II.

To create situations for testing intentions requires a hypothesis about Soviet behavior from which to start. What do the Soviets want? Their 62-year history suggests that, like the leaders of most nations, the managers of the Soviet state have a hierarchy of foreign policy objectives. The most basic is to safeguard the physical security of the czarist empire they inherited. The next is to maintain control over the ancient kingdoms of Eastern Europe and the half of Germany they occupied during the Second World War. The third is to project their political influence in the world on a scale equal to the United States, and some day to become the number one power. There is no clash between the first objective and American security. It is a long time since this country defined its security as requiring the return of capitalism to Russia. As for the second objective, the situation in Eastern Europe is not ideal from a human rights standpoint, to say the least, but it does not threaten the United States, nor is there any way that the intrusion of U.S. military power could change the status quo. That was shown long ago in the streets of Budapest, when it proved impossible to turn Captive Nations Day rhetoric into an effective American foreign policy. The real clash between Soviet and American objectives concerns the role the Soviet Union aspires to play on the world stage.

Ever since the end of World War II the Soviet Union has tried to establish its legitimacy as a world power. In the beginning the strategy was merely to assert the claim. "The Soviet Union should take the place that is due it and therefore should have bases in the Mediterranean for its merchant fleet," said Foreign Minister Vyaceslav Molotov at the London Foreign Ministers Conference in 1945. In the same period they also asked for a share in the occupation of Japan. When the claims were summarily rejected by the West, noting more was said about them. The early crises of the cold war—the Czechoslovak coup, the tightening of control over Eastern Europe, the Berlin Blockade—were attempts to consolidate power over the World War II conquests.

As the Soviet Union recovered from the war it became more active abroad. In the Khrushchev years (1957–63), a time Zbigniew Brzezinski has called the era of premature Soviet globalism," the Soviet Union gave aid to such farflung regimes as Sukarno's in Indonesia and Castro's in Cuba. At the same time, a general support for "wars of national liberation" was proclaimed, although actual support was selective and, except for Vietnam and Cuba, largely ineffective. The culmination of the era of "premature globalism" was the Cuban missile crisis, which had two objectives: first, to defend the communist regime 90 miles from Florida with the same sort of bold stroke the United States had used many times to protect Turkey, Iran, and Lebanon, its clients close to the Soviet Union; second, to proclaim that the era of U.S. nuclear superiority had come to an end. The Soviets could now directly threaten U.S. territory and bring their missiles to bear on political crises as the United States has done so many times. The move succeeded in its first purpose and failed in its second. Indeed, the confrontation dramatized the reality that the United States had a huge military superiority which, American officials immediately made clear, they intend to keep. Secretary of Defense Robert McNamara told a Senate Committee in 1964 that "any disarmament treaty or agreement . . . that we participate in must be one in which we maintain what I call our favorable differential balance of power." The theory remained that U.S. strategic power to threaten the Soviet homeland and the capacity to project conventional forces to every corner of the globe were necessary to contain Soviet expansion.

The Soviets immediately launched a military buildup that was designed to erase the American political advantage, and to make sure, as their diplomats kept saying, that future confrontations would never be resolved in the same humiliating way. In the intervening years the military buildup has continued at a steady pace; Soviet rhetoric is much more moderate than in Khrushchev's time, with the former chairman openly condemned as an adventurer; and as the Soviets have built up their missiles they have stopped rattling them. But they are exhibiting a greater willingness to project power at a distance where the opportunity presents itself, notably in Africa.

Just as in military hardware, the Soviet Union has been three to five years behind the United States in developing major new weapons systems, so in acquiring the political accoutrements of superpower status—"show the flag" naval power, proxy armies, military aid—the Soviets have been imitators. Compared with the far-flung network of bases, alliances, aid programs and covert operations maintained over the years by the United States, the Soviet effort is modest; but we should assume that in the present environment it will increase. Like their now impressive military forces, the increased propensity to take political risks in, say, Africa, are designed to make a statement: anything the United States can do, we can do—perhaps not on the same scale, but for the first time we are now in the same league.

As Soviet military power has increased, their political problems have multiplied. The Chinese enmity is an obsession and the U.S.-China rapprochement poses the nightmare of a two-front war. The splintering of the international communist movement has made it clear, if illusions ever existed, that the triumph of political movements in other countries calling themselves Marxist does not necessarily add to the power of the Soviet state. The record of Soviet expulsions from the Middle East and Africa—Egypt, Sudan, Somalia—suggest that even in areas of great political vulnerability for the United States, the Soviet Union finds it hard to triumph.

There is nothing to suggest from the history of the arms race so far that either a weapons buildup by the United States or the achievement of marginal arms control arrangements will cause the Soviet Union to downgrade the importance of military power in its foreign policy. Indeed, the contrary is true. It is vital to U.S. security and to its economic health to induce the Soviet Union to accept a significant demilitarization of super-power relationships, because such a step is crucial for reducing the growing risks of nuclear war. It is also a precondition for limiting the worldwide arms traffic and the proliferation of nuclear weapons.

A negotiating framework for demilitarizing the U.S.-Soviet relationship and for reversing the arms race would need to have clear goals and make explicit recognition of the interrelatedness of such crucial matters as strategic weapons, conventional forces in Europe and overseas bases. Such a framework would really represent a return to the ap-

proach embodied in the McCloy-Zorin Agreement of Principles of 1961 for staged comprehensive disarmament agreements leading to "general and complete disarmament." That approach was abandoned in the mid-1960s in favor of piecemeal negotiations on strategic weapons systems and later on conventional force reductions in Europe, because broad agreements were considered visionary or worse—cynical propaganda. Step-by-step negotiations were considered the "serious" way to confront the arms race. When the Soviets stopped talking about "general and complete disarmament" and entered negotiations for the control of ICBMs, they demonstrated, as Henry Kissinger and others used to say, that they were "serious." But for many reasons—the relentless pace of technological development, the volatility of political moods in the United States, the cumbersome Soviet bureaucracy—small agreements may turn out to be more visionary than substantial agreements, that is, agreements with benefits for both sides that clearly outweigh the risks, and with the ability to communicate unambiguous intentions.

Nevertheless, for all its inadequacies, I believe that rejection of SALT II by the Senate will increase the risk of war for reasons having nothing to do with the text of the treaty, and for that reason I recommend ratification. My reason is a simple one. In the present state of relations between the United States and the Soviet Union there is no way to arrive at a meaningful measure of arms control, let alone substantial arms reduction, which is now our only road to national security, without ratifying SALT. If it were politically possible to draft a new and better treaty in the Senate which the Soviets would sign, I would favor it. But it is not possible.

I am not reassured by the sudden conversion of long-time advocates of ever greater military spending into apostles of disarmament. Many of these national leaders who now oppose SALT because it does not go far enough had the opportunity for a generation to press for disarmament and genuine arms control and instead they pressed the futile policy of seeking security through terror and opposed every constructive step towards reversing the arms race. The sense of the Senate could be expressed in the strongest terms that the SALT II treaty should not be allowed to stand for more than a few months, that it should be immediately superceded by a negotiated moratorium on new weapons and a program of substantial reductions. But the tactic of defeating an inadequate treaty by writing a better one at this late date, knowing that the Russians will not sign it under these conditions, should not be permitted. The result will be a negotiating atmosphere in which the Soviet Union for reasons of pride and reasons of suspicion, will hesitate about all negotiation. When we meet again at the negotiating table, if we ever do, the problems will be far worse because of the new weapons and the political environment in which to negotiate will be worse.

Those of us who believe that the treaty does not go far enough have to judge what will take its place if it is rejected. The answer over the next two years at least is not a better agreement but no agreement. Major weapons programs will go forward in both countries. The Soviet Union will proceed to MIRV its remaining un-MIRV'd missiles. The U.S. will develop the dangerously destabilizing technologies, including the M-X missile which greatly complicates the problem of verification. Most important, leaders in both countries will lose hope in the possibility of controlling the arms race through agreements.

The only road to national security is to stop and to reverse the arms race. We have the technological capability to match any conceivable Soviet buildup. But we cannot continue to spend hundreds of billions on the military without risking mortal danger to our economy which is the foundation of our national strength. In a time of austerity, increasing the military budget while the domestic programs are being slashed raises the issue, not of guns versus butter, but of missiles versus the local police and firefighters. The distortion of priorities has become so acute that as the Administration counsels a three percent "real" increase in military spending each year, essential services in every major American city are being cut. To suggest that the threat of "Finlandization" in Europe is a greater threat to the people of Chicago, Cleveland, Los Angeles or Detroit than the loss of social services, the breakdown of the education system, the rise in crime, the alarming increase in infant mortality, the impending municipal bankruptcies, or the failure to invest in an alternative energy system is to distort national security strategy, and to misconstrue the meaning of "strength."

The same is also true of the Soviet Union. For both of us the return on investment in the military is declining. The heavy burden of the military preempts not just scarce capital, but political energy and managerial skill needed to address the real threats facing Soviet society. Because of the military burden, the Soviet Union is unable to develop its productive capacity. Instead of developing a domestic capacity to satisfy the sharply increased expectations of Soviet citizens for a better diet and a better standard of living, Soviet leaders find themselves importing grain to support the new meat-eating habits of the population and deferring critical investments in the engines of the economy.

We can spend almost two trillion dollars in the next ten years in pursuit of a "defense" that no longer exists and they can spend an equivalent sum, and in the end both will be poorer and more vulnerable because the level of destructive power in the world will have gone up. Neither will have a secure defense because there is no defense in the nuclear age.

The Soviet leaders, I believe, understand this fact of life. For the Soviet Union SALT is a political symbol. If this treaty cannot be ratified, as miminal and as hedged as it is, then no agreement with the U.S. on arms is possible. The whole history of U.S.-Soviet negotiations since 1974 has given the Soviets little reason for confidence. On crucial issues the Administration has changed positions, as in the March 1977 proposals, and the Senate has refused to approve credits and most-favored-nation status which the Soviets had been led to expect. These developments, it will be said, are inherent in our system of separation of powers and quadrennial elections. They were risks the Soviets took in negotiating with us. That is true, but whatever the merits of the new negotiating positions and Senate reservations, they make up a picture from the Soviet perspective of an unreliable negotiating partner. It is not in the American interest to have the Soviet leadership conclude that negotiations with the U.S. are hopeless. Were that to happen, we would face, in my opinion, an accelerated military buildup and the possibility of a more activist foreign policy designed to break out of the increasingly isolated position in which the Soviet Union finds itself. In a world without arms control the U.S.-West German-Japanese-Chinese relationship becomes more threatening in Soviet eyes. Every missile not in the Soviet Union is now assumed to be aimed at the Soviet Union. It is not in the interests of the U.S. that Soviet leaders feel isolated or cornered.

It is not hard to imagine a better agreement than SALT II. A simple agreement that would force the two sides to choose between continuing the arms race or stopping it would be far preferable. Both the U.S. and the Soviet Union can and should establish a realistic set of common goals for substantial disarmament and demilitarization that could significantly improve the political climate, reduce the risks of confrontation, and improve the security of both the American and Soviet peoples. To create a positive political climate in which it becomes possible to reverse the arms race, arms agreements should meet three criteria. First, the agreements should demonstrably increase perceptions of security on both sides. Second, a stable new arms relationship should have clear economic payoffs for both sides. Third, the primary purpose of the agreement should be to remove ambiguities about intentions. The greatest perceived threats are not the weapons already built, although they are more than adequate to destroy both societies, but the weapons about to be built. New weapons systems convey threatening intentions and raise unanswerable questions: Are the Soviets seeking "superiority"? If so, is it to neutralize the effects of 30 years of U.S. "superiority," or do they really expect to play a similar role themselves in the next 30 years? No one can provide definitive answers about these matters. To have the questions occupy center stage is already disturbing the political atmosphere, and introducing a note of hysteria into a set of issues on which the soberest judgements must be made.

The question of ultimate intentions cannot be answered, but it can be rendered irrelevant by an agreement which is sufficiently clear and comprehensive. Within a controlled but continuing nuclear arms race there is always room for arguing that the agreement favors one side or the other. However, a freeze on all new nuclear weapons systems would make it clear that both sides indeed intend to stop the arms race.

It is in the interest of the United States to press for a halt of nuclear weapons and missile production this year. A rough balance of nuclear forces now exists—a balance which, in the view of the Administration, still favors the United States. The next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world.

A more comprehensive agreement would have fewer exceptions and fewer technicalities. The simpler and more comprehensive the fairer it is likely to appear to both sides. It would be simpler to understand and verify. It would fulfill the primary purpose of arms agreements by removing ambiguities about intentions. I believe that a mutually agreed upon moratorium on the procurement, testing, and deployment of all bombers, missiles, and warheads for three years is in the interests of both the United States and the Soviet Union. During such a period the two sides could, I would hope, negotiate deep cuts in strategic nuclear weapons and delivery systems. Such agreements would require significant internal changes in the national security establishments of both societies, including a serious program for conversion of military industry. Such changes represent the most reliable form of verification for they require leaders in both countries to reverse major policies and to confront powerful domestic interests in order to commit the society to arms reduction. Real internal changes in the direction of peace are far more reassuring than professions of peace or agreements like SALT II that are compatible with either an intention to move to arms limitation or to a new stage in the arms race.

For those who believe that SALT II is inadequate because it does not go far enough the proper strategy seem clear. The goal should be to supercede SALT II as quickly as possible with a treaty that moves the world to real arms reduction. But the treaty

for all its inadequacies and all the exaggerated claims that have been made for it, cannot be avoided. We are limited by the history we have made. The road to arms reduction and increased security cannot bypass SALT II.

TESTIMONY OF JEREMY J. STONE, DIRECTOR, FEDERATION OF AMERICAN SCIENTISTS ON THE SALT II TREATY, JULY 12, 1979, BEFORE THE SENATE COMMITTEE ON FOREIGN RELATIONS

Mr. Chairman and Members of the Committee. It is a great privilege, indeed, to appear before this most distinguished Committee of Congress, on this historic occasion, to discuss this important matter. I propose to treat the Committee invitation to appear, as I believe it was meant, as a request for my personal views.[1]

In my opinion, the American people are tired of hearing that disarmament is either at hand or around the corner but that, just now, ceilings are being put on the arms race, after which the real progress will follow. Americans are becoming cynical about the failure of the superpowers to reverse the arms race. And they understand quite well that this treaty is not really providing disarmament.

In these circumstances, the Congress's job, in dealing with this treaty—and the treaty-making process—is to shape the future rather than to massage a fait accompli. And, in this testimony, I suggest one man's analysis of how a Senate (and wider) consensus might be achieved to prevent future treaties from suffering the weaknesses of this one.

The thesis of this testimony is that there are two roads which our Government might pursue to secure, and maintain, a national consensus for arms control treaties on offensive strategic weapons. One road leads to largely cosmetic treaties which, like this one, as President Carter told Congress, "constrains none of the reasonable programs we have planned."[1] Here pro-ratification doves support the treaty because it is a treaty, and pro-ratification hawks do so because it constrains nothing we were planning.

This is the easy path politically and bureaucratically. But it treats disarmament as a means mainly to détente, and secures few, if any, of the real potential security and economic advantages to disarmament. As progress in disarmament falls behind expectations and desires, public cynicism sets in, and the SALT process itself loses support.

There is another road upon which the Carter Administration sought to embark in March, 1977, and upon which it could, with Senate support, make a new effort with renewed determination and stiffened backbone. This is the road of major reductions in strategic weapons—reductions that would, as a by-product of lowering weapons levels, redress the asymmetries and imbalances seen by the hawks even as it made unnecessary new weapons systems opposed by the doves.

It is the thesis of this testimony that the Senate should make its mark upon this treaty, not by amending its substantive proposals, or by adopting declarations of minor significance, but by attempting to forge a new consensus about what should be done in SALT III—and then instructing the Administration and the Soviet Union, by Senate resolution, of the terms without which a subsequent treaty would not be acceptable.

TREATY IS "SOMETHING FOR NOTHING"

Let me say at the outset that this treaty is far, far more vulnerable to criticism from doves than from hawks. The strong Soviet interest in securing an agreement with the United States, for various political reasons, has led that country to agree to:

(a) greater U.S. ability to inspect and verify than would be the case in the absence of the treaty;

(b) limits on numbers of Soviet warheads per missile lower than might otherwise be maintained;

(c) lower limits on numbers of missiles than might otherwise be maintained and, indeed, reductions of 250 Soviet strategic delivery vehicles.

And this agreement has been reached without the U.S. giving up, to my knowledge, any programs which we might otherwise have desired. Thus the treaty is, from the U.S. point of view, something for nothing. The Russians have agreed to such a treaty, in my opinion, because they consider SALT to be the "spearpoint" of a detente policy. Further, they see detente as an imperative created by fear of China, and their desire to trade with the West. Moreover, the Soviets recognize that the basic momentum of their strategic program can be continued and maintained under the strictures of SALT II, notwithstanding the above limits, so their concessions are marginal in strategic terms.

I do not believe the treaty has any significant military flaw, as witness the support of the agreement by the Joint Chiefs of Staff before the Committee earlier this week.

True, the Soviet Union has permission to have 308 heavy missiles and we none—but we did not, and do not, want any;

True, the Backfire bomber is only included by letter rather than treaty, but this is a reasonable solution to a grey area of negotiation.

In these and other ways, the hawk dissenters have very little to complain about in the treaty; in my opinion, they are really concerned about the Soviet buildup of strategic weapons—not the treaty itself—and this is quite a different matter.

DOVES ARE THE ONES WITH THE RIGHT TO COMPLAIN

By contrast, the doves—though gagged by their fear of treaty rejection[2] have a great deal to complain about, in reflecting how the SALT process on offensive weapons is working out.

The SALT I (1972) and Vladivostok Agreement (1974) focused on numbers of bombers and missiles when, it was already clear, these numbers had saturated in favor of exploitation of the newest breakthrough: multiple warheads on each missile (MIRV). Now the SALT II Agreement puts an upper limit on numbers of warheads but, too late again, at a level that is basically one of saturation of the interests of either side.[3]

Meanwhile, the new breakthrough of cruise missiles has, at U.S. insistence, been embedded in the treaty rather than precluded. Just as failing to stop MIRV in earlier agreements represented a time bomb for SALT II and III, so also will the modern cruise missiles, with their verification problems, afflict future negotiations for decades hence.

There can be no doubt that both sides will be further from disarmament in 1985 when the treaty expires than they are today, just as we are worse off today than we were when negotiations for SALT II began in 1972.

The treaty permits each side to build an entirely new type of missile with up to ten warheads; this will take the United States more time than the six-year term of the treaty. Because the two sides could not agree on missile flight test bans, the treaty right to modernize existing missiles permits improvements in accuracy, and confidence in that accuracy, which are the critical strategic element of this time period. The Treaty Protocol limiting certain U.S. programs for a few years are negotiable because none of the programs in question were ready to be deployed during that period. And the Treaty Statement of Principles shows only too clearly, as does talk around Washington, that no concrete plans exist for what to do next in SALT II.

Arms control and disarmament is supposed to *do* something! It should help provide a solution to such problems as land-based-missile vulnerability. It should make weapons systems unnecessary and save money. Above all, it should reduce the risks of war and reduce the destruction if war occurs. This treaty is doing these things, at best, by saying that matters would otherwise be worse.

Arms control is not, as one Administration official suggested in a recent article, at bottom "an exercise in confidence building." High Administration officials are reduced to talking of the treaty providing "predictability"—which simply means that we have some idea of what, for the next six years, at least, the other side might do—as if this were an important arms control goal. And to saying, again, that things would otherwise be still worse. Meanwhile, other such officials talk of the permitted MX missile as providing stability—when by every ordinary meaning of the term in arms control, it provides just the opposite; what they have in mind is that it will, they think, "match the Russians." Thus even arms control language is being destroyed in the effort to paint this treaty as doing things which it patently does not.

Thus far, the SALT Agreements on offensive weapons have had little more provable effect on the course of the strategic arms race than scaffolding has on the shape of a building.[4]

In effect, thus far, the treaties on offensive weapons suggest a negotiation between two alcoholics. The addicts readily agree that they will not engage in binges which neither really had in mind—the better to persuade onlookers that they are indeed going on the wagon. But when the issue arises of putting significant restraints on their real drinking plans, they find it easy to define alcoholic content in such ways as to permit each to continue.

Thus the treaty permits the entire eight-point program of the Committee on the Present Danger, as witness Jan Lodal's article in the Winter, 1978–79 Foreign Affairs.

Still worse, as will be documented below, the effort to secure a two-thirds vote in the Senate in favor of the treaties has had, and is having, a tangible escalatory effect on our arms program. As Admiral Thomas Moorer has written about the period he was Chairman of the Joint Chiefs of Staff, the Joint Chiefs agreed to support SALT I only if:

Such things were undertaken as: "vigorous research and development programs designed to maintain technological superiority of our weapons systems; . . . [and] aggressive improvement and modernization of strategic forces . . . These improvement and modernization programs were to include acceleration of Trident construction; maintenance of the B-1 bomber program on schedule so as to provide an option to deploy the first aircraft in the late 1970's; a national command authority defense as permitted by the ABM treaty; a satellite basing program for strategic bombers; deployment of the submarine-launched cruise missile; and, finally, an improved re-entry vehicle for ballistic missiles." (National Review, June 22, 1979, p. 787)

And recently, with regard to SALT II, the Administration has been forced to commit itself to development of the MX missile without even knowing how it planned to base the missile—so strong are the pressures to reassure reluctant treaty supporters. Also, a new U.S. bomber is being encouraged by the flap over Backfire as a price for overlooking the way it enters into the agreement.

THE HAWK-DOVE CONTROVERSY

Now in order to avoid duplicating recent history, we must learn from it. What exactly do the contending "hawks" and "doves" want? Ironically, today, they are, at least on

Footnotes at end of article.

paper, in surprising agreement: Both want "real" arms control!

In fact, the SALT II debate is not so much about the SALT II Agreement itself as it is, instead, a now pointless echo of a generation-old struggle between two schools of American strategic thought. Following the invention of the atomic and hydrogen bombs, one school of thought, often characterized as "hawkish," took the traditional military view that the danger, as before, lay primarily in the adversary which, if he could not be defeated, would, at least, have to be deterred. Adversary attack was the dominant problem in surprise nuclear attacks, nuclear first strikes, nuclear shows of force, and/or nuclear aggression against allies.

A second school of thought, often characterized as "dovish," saw the major source of nuclear danger in the arms race itself. Considering that any sane person, or plausible Government, would be well deterred by the fear of nuclear response, it saw residual dangers of "wars nobody wanted" arising from uncontrolled escalation.

Thus, while the first school was predisposed just to buy more weapons so as to stay ahead of the Russians, the second school was disposed to "stop the arms race" itself. Naturally, the two schools apply quite different yardsticks to proposed treaties, and their dialogues are therefore often dialogues of the deaf—the hawks focusing first on the relative military balance implied by the treaty, while the doves focus on its effect in restraining the competition.

In past years, U.S. superiority in the arms competition led hawks to reject treaties as unnecessary mechanisms that might just constrain us in some kind of "unilateral disarmament," without constraining the Russians. Doves, for their part, saw treaties as useful vehicles for securing at least a modicum of detente, and were prepared to take pretty much any treaty that both sides could negotiate.

POTENTIAL NEW CONSENSUS EMERGING

In recent years, Soviet progress in matching U.S. weapons levels has provided hawks with a potential regard for treaties. Treaties could in principle at least, redress the very imbalances of concern to the hawks. It was with this in mind that Senator Jackson made a number of disarmament proposals.[6] Ironically, much recent complaint from Senate hawks about this treaty, such as that of Senator Jake Garn, is based upon the view that arms control has not done enough, and should do more.

At the same time, traditionally pro-arms control Senators, such as Senators McGovern, Hatfield, and Proxmire, have recognized that—especially in an age in which detente has gone about as far as it is going—treaties must be held to a higher standard than that of basically cosmetic agreement only. And they feel that this is especially so if hawkish support for treaties is purchased with commitments to weapons systems they consider wasteful. So they are also complaining that arms control is not doing enough to carry its freight.[6]

For all these reasons, our Nation ought to be ready, in logic and in politics, for an aggressive policy of hard-nosed bargaining for real disarmament subsequent to the ratification of the treaty. And this is what I propose

In 1977, to its credit, and to the credit of the United States, the Carter Administration proposed sharp cuts. It sought to forge precisely the kind of coalition here advocated—disarmament for the doves but disarmament of specific kinds desired by the hawks. The Russians objected violently, but there was one reason at least that does not now apply. The Russians rightly considered themselves near the end of negotiations on SALT II and were unwilling to start on new proposals in the midst of that negotiation.[7]

The Administration should try again with new far-reaching proposals and the Senate should pass resolutions of instruction that will give these proposals momentum and bargaining leverage.

Would it work, and could the Senate really help? Nothing is certain. But considering the current alternatives before the Senate reinforces the idea that this is the best course.

SENATE OPTIONS FAVOR A RESOLUTION OF INSTRUCTION

The Senate has before it three approaches. It can:

(a) Adopt amendments, reservations, interpretations, and resolutions concerning the treaty itself but which are of such a nature that they do not require Soviet concurrence or do so on noncontroversial issues;

(b) Adopt amendments to the treaty that would require renegotiations;

(c) Pass resolutions, in conjunction with ratification of the SALT II Agreement, that will attempt to shape the future course of negotiations in SALT III.

Option (a), restricting the Senate's action to noncontroversial issues, simply guarantees that nothing substantial will be secured.

Option (b), amending the treaty in such a way as to require renegotiation, is more likely to undermine our bargaining position than to enhance it, since it virtually requires the Soviet Union to complain bitterly for months before reentering negotiations. And there is no reason to believe that there is bargaining leverage left in this treaty yet to be exploited.

But, option (c) a resolution of instruction for the future, that captured the support of a majority of the Senate, including both hawks and doves, would provide a vehicle upon which the Administration might rely in hanging tough on far-reaching reductions that would, at the same time, redress instabilities.

A similar resolution of instruction was passed by the Senate on September 13, 1972 in conjunction with SALT I. The Jackson resolution (S.J. RES. 241, 92nd Cong., 2nd sess.) passed by 56–35. The resolution requested the President to seek a future treaty that, inter alia, would not limit the United States to "levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union."

What effect this resolution had on the subsequent negotiations is a subject of debate. Perhaps it only led the superpowers to seize upon the cosmetic fact that if numbers of bombers were added to the earlier limits on missiles in the 1972 Interim Agreement, the two sides would be close enough in overall numbers of missiles and bombers to reach agreement on a common bound of 2,400 strategic delivery vehicles.

But even if that resolution had, in retrospect, only limited significance, it does not mean that the Senate could not now have still more influence with some other, perhaps more precisely formulated, resolution. And it is obvious, anyway, to the Executive Branches of both superpowers that the U.S. Senate is becoming impatient with the present course of things. They know that something new must be added to get subsequent approval of a future treaty. Should not the Senate announce what this new element might be?

THE COMMON GROUND: SUSTAINED AND SHARP REDUCTIONS, IN PARTICULAR, OF MIRVED LAND-BASED MISSILES

But is there scope for agreement between hawks and doves upon what they would like next to do? I think there is.

MIRV (Multiple Independently Retargetable Reentry Vehicles) is a root cause of the concern of both hawks and doves. Introduced by the United States in 1970, and by the Soviet Union in 1975, MIRV makes it possible for a single missile to destroy several missiles on the other side. Soviet exploitation of this new technology puts it within reach, on paper at least, of the ability to destroy U.S. land-based missiles with only a fraction of its land-based force. That such an attack might be threatened, implicitly or explicitly, or even occur as a show of force, is a major current preoccupation of the hawks.

While denying the reality and political relevance of these attack scenarios, doves have their own reasons for concern about the same development. The current Administration planning is to replace the fixed Minuteman missiles with the MX missile in one deployment or another, probably a shell-game or trench deployment. Doves believe:

(a) That the missile will be too expensive, as well as unnecessary—a $35 billion down-payment on a new round of land-based missile arms race;

(b) That with increasing numbers the Soviet warheads MX will be, conceptually, no less vulnerable to Soviet attack than the existing land-based missile force, and will, therefore, tranquilize none of the fears thus far raised;

(c) That MX will be an offensive, as well as defensive, missile, thereby encouraging the Soviet Union to set its missiles on a lighter, rather than a heavier, "trigger," and/or to redeploy its land-based missile force, precluding for many future years, some agreed halt in the constant redeployment of land-based missiles;

(d) That, overall, two opposing missile forces, each capable of destroying the other's entire land-based force with a fraction of its own, will increase the chances of a war nobody wants.

In short, both hawks and doves would, today, prefer a return to the pre-MIRV period, at least insofar as land-based missiles are concerned. In such a pre-MIRV period, no one missile could destroy several and, hence, there would be no particular advantage in missiles firing first because, for each missile wasted in firing, at most one opposing missile would be destroyed.

Now a complete return to the pre-MIRV era is obviously going to be difficult. But sharp reductions in MIRVed land-based missiles are by no means impossible. The SALT II Agreement provides for each side to have 820 fixed land-based missiles with MIRV, and, in so doing, it confirms that we have the means by which we can verify which Soviet missiles are counted against that 820 total, and which need not. Thus SALT II provides, in particular, a method for verifying reductions of that number.

SALT III would go a long way toward satisfying the interests of hawks and doves if it would provide for sharp reductions in that 820 limit, with a view to the ultimate elimination of MIRVed land based missiles. Such a program would not give up the triad concept—since several hundred unMIRVed land-based missiles would remain on both sides. But it would moot the issue of having an entire land-based missile force vulnerable to a fraction of the other's land-based force. And it would thus make any concerns about reciprocal fear of attacks by land-based missiles upon each other transitional.

The reduction in land-based missiles, coming over about a decade, would be in the narrow military interests of both sides, as well since land-based missile forces are becoming increasingly unreliable as second-strike (survivable) weapons in any case. Each side should want to diminish its present degree of emphasis on such land-based weapons, while decreasing the other's ability to attack them.

Unfortunately, the Administration position, at present, is to try to use SALT to move in the opposite direction. In what is surely one of the poorest arguments ever made in the strategic arena by an Administration, the President told Congress:

Footnotes at end of article.

"Without the SALT II limits, the Soviet Union could build so many warheads that any land-based system, fixed or mobile could be jeopardized."

But, obviously, no multi-billion dollar strategic weapon system should be based on a piece of paper, certainly not a piece of paper that could be abrogated by the Russians. Most bizarre of all, this particular piece of paper expires in 1986, before the MX will be even initially deployed. No good can come of purchasing systems that will require our negotiators to seek unilateral Soviet concessions in subsequent negotiations, so as to keep our weapons system viable.

Thus, instead of rushing to deploy the MX missile, and then begging the Russians to keep it viable, we should make a major effort in SALT III to make MX deployment unnecessary. We would do this by negotiating a sustained and continuous process of reductions, in particular of land-based MIRVed missiles.

Whatever the concerns of hawks and doves, they can, in principle at least, be resolved by suitable disarmament agreements. Every wobbly table can be made stable by a round of cutting off of legs; we need not always buildup to seek stability.

If the SALT II Agreement has any advantage, it is precisely to provide a context of agreed definitions and background in which such subsequent negotiations take place. But unless a consensus of hawks and doves in the Senate pushes a major effort to secure such reductions, history suggests they will not take place.

Let me emphasize that, while we need a consensus of hawks and doves to get the SALT process moving, the road of progress in SALT reductions is not that difficult. We ought not despair at the present inability to make progress.

For example, using the SALT II treaty to provide agreed definitions and qualitative limitations, one could embark on SALT III by negotiating a single number. Each side would agree to reduce its agreed number of strategic delivery vehicles (2,250), and its MIRV limits also, by an agreed percentage each year, e.g., 10%, for a number of years until, for whatever reason, the agreement had to be modified. This method, called Percentage Annual Reduction (PAR) would, I believe, have various specific advantages besides simplicity commending it to: hawks, doves, strategists, Presidents, the Defense Department, the Senate, the Armed Services Committee, the Russians, and others. I attach a relevant article from the Washington Post Outlook section for those who want to pursue it. But perhaps Senators might want to look at the attached PAR chart for a second to see also why doves have a right to complain about the SALT II Agreement.

The post-World War II buildup in strategic delivery vehicles is compared with what would happen if a 5% reduction each year went on for a generation or more. What has happened in the last thirty years may take many more decades to reverse, even if we start now.

AND IF WE FAIL?

It is only to clear that reductions in strategic weapons cannot be secured by doves alone. Therefore, if it is impossible for hawks and doves to agree on a program of subsequent real reductions—as here proposed—these reductions, patently, will simply not occur.

In the wake of such a failure, I predict that SALT on offensive weapons will self-destruct by 1985. Doves would return to urging a unilateral policy of "buy only what you need." And since the U.S. already has so much nuclear fire power, squirreled away in so many ways, public support for constant additions to our stockpiles would wane. In this case, the hawkish concern for keeping up with those nuclear Joneses on the other side of the world would not be assuaged. Instead, the domestic debate would be increasingly polarized. A consensus would disappear, not only for SALT negotiations, but also for major additions to our strategic posture.

Worst of all, our Nation would then face the prospect of continued reliance on deterrence for its safety for generations hence. Hanging over us, for decades and decades, would be the possibility that—notwithstanding the highest quality deterrence achievable—a nuclear war that nobody wanted would nevertheless occur, through miscalculation and escalation. Our entire Republic could then disappear in 30 minutes. As I advised the Committee in hearings on March 16, 1977, this probability may be on the order of .5% to 1% a year.

We—and the Russians—are uniquely vulnerable to destruction. Unlike the Latin Americans, the Africans, and many Asians, we and the Russians (and the Europeans) are living dangerously on the edge of a nuclear abyss. While strategists argue the finer points of "who is ahead," the truth is that both sides are falling behind.

The Founding Fathers must be rotating in their graves at the diminution in our security that has occurred in the last thirty years. To maximize the likelihood that our Nation will reach its 300th and 400th birthdays, the disarmament process has got to be started. I would therefore hope that the Senate could rise to the occasion and formally announce in a suitable resolution the already existing latent consensus on pointing the negotiations in the direction of a disarmament that is both real and strategically meaningful. [Illustrations mentioned, not printed in the Record.]

FOOTNOTES

[1] This course is also indicated by time constraints precluding the circulation of the written document inside our group, but even more so by the fact that our Federation of American Scientists members—while largely agreed on the underlying strategic facts—are understandably divided on some tactical issues in the shifting political context in which the ratification debate is taking place. However, the major policy conclusion of what follows was, in fact, approved without dissent by our policy-formulating body, the elected National Council, in an editorial of our Public Interest Report of March, 1979, which I have appended to these remarks.

For the record also, these personal views are based on observing and studying the arms race since 1962, for one or two year stints at such institutions as the Hudson Institute, the Harvard Center for International Affairs and the Council on Foreign Relations, and, subsequently, for the last nine years, as Director of the Federation of American Scientists, a public interest civic organization of 5,000 scientists, founded in 1946 by atomic scientists in their efforts to control the bomb they had created. During this period, I have authored two books, various articles, and have functioned as the editorial writer of the FAS Public Interest Report in drafting and catalyzing what consensus exists among us on science and society issues such as this one. My Ph.D. is in mathematics.

[2] An example of this fear was a letter to the New York Times of April 3, 1979, in which eleven arms control specialists condemned "poormouthing" the SALT II Agreement and listed its advantages without significant qualification. (The signers were members of FAS, including seven Sponsors; ten other FAS officials, including eight elected Council Members, responded in a letter printed in the New York Times on April 29, 1979.)

[3] Against a Soviet Union with only about 100 significant cities, we have 10,000 warheads at the ready—or one hundred to one—and this number will rise to more than 12,000 during the period of the treaty. This simple "overkill" calculation may seem oversimplified, but a factor of one hundred provides a lot of room for error! Meanwhile, the Soviet Union has 5,000 warheads which could rise, under the treaty, to 10,000.

Under these circumstances, a kind of "saturation parity" exists in which warheads are ample for city attack and deterrence. (As soon as their accuracies improve, which is simply a question of time, the numbers of warheads already existing on each side will be ample also for attacks on the fixed land-based missile forces as they presently exist.)

[4] This situation is in marked contrast to the success of the Atmospheric Test Ban in preventing radioactive pollution of the atmosphere, and the success in the ABM treaty in cutting off a new (defensive) dimension in the arms race. But it resembles the Nixon Administration Threshold Test Ban Treaty which set the level of underground tests at 150 kilotons—a level high enough to prevent any significant complaints from either side's defense ministry—simply and solely to get agreement, and without any justification from verification considerations.

[5] For example, March 29, 1971 (S4035), a proposal that would have stopped MIRV deployments; April 23, 1974, a proposal that would have limited ICBMs to 800, submarine-launched missiles to 560, bombers to 400 and provided for equalization of throw-weight.

[6] Hawks who, heretofore, often assumed that defeat of the treaty would rouse the Nation to procure felt-to-be necessary weapons systems may be having second thoughts as to whether such a defeat would lead Americans to get mad at the Russians and buy more weapons, or just to get mad at each other. Meanwhile, those doves who assumed that MX would be easier to defeat in the context of the treaty, rather than in its absence, may also be uneasy following the President's speech tying MX to SALT. Thus a shared perception that ratification could lead to more weapons than defeat is providing a slight backlash in position for both hawks and doves.

[7] One example of this was Breshnev's responding speech in Tula when he said the U.S.S.R. "is prepared to go further in limiting strategic armaments, but first one should consolidate the gains already made, all the more so since the Interim Agreement expires in October this year. Then one could go directly into negotiations on more far-reaching measures."

[From the Washington Post. Dec. 31, 1978]

AN ARMS RACE IN REVERSE

(By Jeremy J. Stone)

The United States and the Soviet Union are now in the final throes of negotiating a second strategic arms limitation (SALT II) agreement. Soon the Senate will debate its ratification.

But SALT will not end with SALT II. And if it did, SALT II would not, by itself, be worth very much. Senators will be forced to ask—and all observers will want to know—to what kind of far-reaching agreement might SALT II lead.

As the SALT negotiations have amply proven thus far, it is no easy task to satisfy all the participants and institutions here and abroad. Ironically, the simplest conceivable treaty may satisfy all the actors best. Still more ironically, the approach underlying this simplest treaty might be described as running the arms race in reverse.

SALT is already structured around the fortuitous fact that—measured in a certain easily verifiable way—both sides have about the same number of weapons. Thus, if one adds the number of long-range bombers, the number of land-based intercontinental missiles and the number of submarine-based

strategic missiles, one gets a roughly similar number of so-called "strategic delivery vehicles" on each side. (Indeed, SALT II will bring the two sides into approximate equality by this measure with an overall limit of 2,250.)

Under these circumstances, one could set in motion a far-reaching disarmament program simply by bringing these overall limits steadily down. One would negotiate with the Russians nothing more than a single number reflecting the rate of reduction. The proposals, in short is this:

The superpowers would agree to dismantle a small percentage (somewhere between 5 and 15 percent) of their strategic delivery vehicles each year, with each side retaining the "freedom to choose" those weapons that it would dismantle in any given year. Retained weapons could be modernized or replaced (within the agreed restraints, perhaps, of SALT II). The duration of the agreement would be indefinite, with conferences each five years to review its progress and the possibility of its prolongation.

Let us call this simple underlying proposal PAR for "Percentage Annual Reduction." How would it suit the different participants?

The Senate would be faced with a simple, understandable, easily verifiable concept rather than a complicated agreement, and Senate ratification would be once and for all.

The Defense Department would confront something akin to a simple budget cut which it gets to implement. It would get a maximum of freedom, and a year-by-year opportunity to decide what to dismantle after it has seen the whites of the eyes of the then current technology and the exact form of the previous year's Soviet cutback.

For President Carter, PAR would provide the possibility of an announcement of eventual major disarmament without the otherwise insurmountable necessity for any major action in the short run. Even U.S.-Soviet agreement in principle to PAR, without agreement to a specific percentage, would be electrifying. In particular, PAR would fulfill Carter's desire to set in motion a sustainable trend toward zero nuclear weapons without requiring him to gain an administration consensus on precisely which weapons would be dismantled in any given year. Considering the uncertainties that perpetually cloud the future of weapons technology, there may well be no other responsible way to undertake to reduce weapons levels beyond the next several years.

For the hawks, who have lost confidence in the U.S. negotiating machinery, PAR would replace an untrustworthy network of doves and bureaucrats with the Joint Chiefs of Staff and the secretary of defense.

For the doves, PAR would give hope that SALT II will really lead to something by building, as a starting point, on the one equality thus far in sight—numbers of delivery vehicles.

For the strategists, PAR would offer strategic advantages because the U.S. force is, at its core, considerably more invulnerable, and less exposed, than that of the Soviet Union and can thus make more effective use of the freedom to choose what will be dismantled.

For the Russians, PAR would provide a continuing disarmament process assuring a modicum of detente—their major goal.

For Sen. Henry Jackson and his supporters, PAR would leave the supervision of U.S. SALT reductions primarily in the hands of the two congressional Armed Services committees, one of which he will soon chair. Furthermore, Sen. Jackson in 1975 proposed something quite similar to PAR: the dismantlement by each side of 700 of the most obsolescent nuclear delivery vehicles (the quota of a 5 percent PAR agreement for almost 10 years.)

One important advantage of PAR's simplicity is that Carter and Secretary General Breshnev could discuss it together and agree on it in principle. Both leaders are undoubtedly searching for some such announcement of future progress so as to enhance the attractiveness of SALT II. And both may be looking for a simple way of inducing their bureaucracies to take the possibility of true disarmament seriously.

What problems might this agreement have? In the first place, what about the fact that it does not control the number of bombs and of missile warheads—which are, after all, the implements that actually kill people? Indeed, if the PAR percentage negotiated were low—say, 2 percent—and if both sides were permitted to do so, each could for a time at least, actually increase its total number of bombs and warheads by loading up each retained plane and missile with still more weapons, or by buying new and bigger planes and missiles.

But if the percentage reduction negotiated were significant—say, 10 percent—both powers would have to increase the size or loadings of these planes and missiles dramatically every several years just to keep up. And this they would find difficult to do because of payload limitations, the cost of new systems, and the military ineffectiveness of overloading any one missile or bomber with extra warheads.

SALT II already has restraints on just such subdivision of missile payloads and on the numbers of cruise missiles permitted per bomber; these restraints would, if carried over to SALT III, go far to limit such offsetting increases, and to induce an eventual decline.

Precisely because PAR is so simple, it could be built upon with such side conditions. For example, those who are concerned with throw-weight imbalances, or gross missile size, of the two sides, could ask that larger missiles be eliminated as quickly as smaller ones. Similarly, it would be natural to require that multiple warhead (MIRVed) missiles be dismantled at least as rapidly as non-MIRVed missiles. Such conditions can, like the basic PAR percentage, be negotiated clearly once and for all.

Would PAR take one to zero nuclear weapons in an unrealistically short span of years? Not at all. Because the percentage applied is applied always to a smaller total, one does not ever reach nuclear abolition—for instance, at a 5 percent PAR one does not get to zero in 20 years. Instead, it would take 30 years to get even to one-quarter of the number of strategic deliver vehicles which we have today, ie., to about 400.

Obviously, at some point, a superpower PAR agreement would require the inclusion and cooperation of such evolving strategic forces as those of China. But one might be able to secure very large reductions before that time. And one might be able to get Chinese cooperation at, or before, that time to reduce its forces as well. The goal, of course, would be to move toward a world in which, if nuclear war somehow occurred, we would not lose our entire nation and most of our population. Meanwhile, these cooperative efforts would reduce the chance of the war itself.

What of the much-discussed problem of land-based missile vulnerability? There seems little, if anything, that the United States would want to do about this problem that we could not do under PAR. After all, PAR would permit each side to replace and modernize the missiles retained. And by setting in motion a process of reductions, the United States would gain the option of paring down the number of exposed land-based missiles, thereby reducing the percentage of the overall force that is vulnerable.

There are, of course, undiscussed complexities, for example, "gray area" systems based in Europe that are partly strategic weapons and partly tactical. These will surely be problems in SALT III. But there is nothing about PAR that would make these problems—which we already have—more difficult.

In his farewell press conference as U.S. SALT negotiator, Paul C. Warnke said one of his main problems was that arms control was, for humanity, "an unnatural act." No doubt it is. But PAR seems to come as close as one can to turning arms control into the more familiar and little feared "budget reduction." Melvin Laird and Charles E. Wilson may have shared nothing else, but each knew the wisdom of letting the Defense Department implement the financial cuts each was obliged to impose. Might we not have to do the same with weapons cuts?

In effect, PAR would be a way of running the arms race in reverse. In an arms race, each side builds weapons as it prefers. But the two sides are linked implicitly by a rate of growth of weaponry, because neither wants the other to get too far ahead. Under PAR, the rate would, of course, be negotiated and it would be a rate of reducing armament. But, as in the arms race, each side would maintain stability independently, as each did before. If the two sides are not willing to accept PAR as their underlying approach, one wonders if anything will ever work to achieve the disarmament that all participants declare is their goal.

[From the F.A.S. Public Interest Report, March 1979]

BOTH HAWKS AND DOVES SHOULD INSIST ON REDUCTIONS OF MIRVED ICBMS

The burning strategic issue of the day is the issue of land-based (Minuteman) missile vulnerability. Will the Soviet Union have—in fact or appearance—the ability to destroy the land-based ICBM component of the U.S. triad by the mid-1980s? If so, should America buy a new land-based missile with new basing? And should it equip its MX land-based missiles with the accuracy necessary to do the same to the Soviet force?

The first alternative is expensive (tens of billions of dollars). Nevertheless, last month, the Administration decided to move into full scale development of the MX missile without even knowing how it would be based. Why is it violating, at such potential expense, the most elemental "fly before you buy" rule—and doing so despite the discouraging recent experience of finding that 30 different basing methods have already been found wanting? The answer, of course, is the pressure to placate the hawkish-leaning undecided Senate votes on SALT.

PRECIPITOUS MX DECISIONS: A PRICE OF SALT

Individuals will have to decide for themselves how far this major price of SALT goes to negate its overall advantages. But the technological future impending is absolutely clear. Unless something intervenes, the period of the SALT II agreement, running to 1985, will see the vulnerability of U.S. land-based missiles to Soviet land-based missiles. And with the 1985 deployment of MX, undoubtedly armed with the requisite warheads and accuracy to do the same to the Soviets, the Soviet land-based force will be forced to redeployment. Thus the period of SALT III, as well as of SALT II, will be bedeviled by events set in motion right now.

Still worse, the alternative of counterforce is likely, should nuclear escalation begin, to encourage each side to fire first—in a reciprocating cycle of fear of otherwise firing last.

The one obvious solution to this new round of arms race that has, predictably, not reached public consciousness is: disarmament. The two sides could agree to phase out the MIRVed component of their land-based missile force. With only single-headed missiles left, the party firing first would succeed in destroying, at most, only one missile with each single-warheaded attacking missile. He would therefore lack positive incentive to strike first. And he would have no negative incentive to do so (no fear of waiting) because there would be no danger that the other side might have incentive to strike him first. The agreement would be verified by prohibiting all flight tests of MIRVed land-based missiles.

It is true that such disarmament would not return the superpowers to the pre-MIRV era because submarines would still have MIRVed missiles. But the size, accuracy and numbers of the sub-launched missiles are not such, in this era, as would threaten the land-based missile forces.

WHY NOT PHASE OUT THE MIRVED ICBMS

The two sides have agreed in SALT II to have at most 820 land-based MIRVed missiles. In fact, the United States now has 550 and the USSR about 570, but theirs are growing. If each side were to dismantle a sizable fraction each year, the mid-1980s would see the absence of land-based MIRVed missiles, rather than a dramatic threat to Minuteman.

But would the Russians agree? These MIRVed missiles are their newest ones and expensive. Nor are our own Minuteman III missiles obsolete. Would the two sides agree to dismantle usable equipment? This is, of course, like asking: Could disarmament be "for real"?

There is a live opportunity to make it so during the ratification of the SALT II treaty. Doves who want disarmament could, if they had the wit to do so, join with hawks concerned over the vulnerability of Minuteman, to instruct negotiators to resolve promptly the forthcoming concerns of Minuteman vulnerability through reductions of strategic weapons, in the subsequent negotiations.

This would be in analogy to the resolution passed after SALT I in which negotiators in SALT II were instructed to assure "equal aggregates" in any subsequent agreement. It would not amend the SALT II agreement, but simply give the sense of the Senate as to its desires for the future—a sense strengthened by being attached to the treaty document and subsequently signed by the President.

The Administration would, at the moment, surely oppose such an effort because it would fear an inability to strike the requisite bargain with the Russians. It really wants disarmament agreements to maintain detente even as do the Russians. Neither superpower administration now expects disarmament to matter except in a largely cosmetic fashion, if ever they did.

Thus, while agreements once touted as "better than nothing" are sold now as "maintaining the process," few believe the process is going anywhere on comprehensive offensive weapon agreements. Those who will still urge that it be taken seriously are normally called by the press "ardent" disarmers. On the contrary, smart money in the Administration, shaken by the prospect of a close SALT II vote, is already scaling down its ambitions for SALT III to a series of bite-size agreements or, alternatively, a grand (show up the Russians) proposal. The latter is unlikely to be agreed if only because it will be proposed in 1980 after the SALT II agreement has set back any Soviet incentive to agree to 1985 (when the SALT II agreement runs out and it needs a new SALT agreement to achieve its motivating political goals of maintaining a modicum of detente).

DETENTE OR DISARMAMENT?

The unity of the disarmament community is itself hampered by a feeling that detente rather than disarmament is the only achievable goal. But recognition is growing that the institutionalized misuse of disarmament to achieve only political goals will eventually wear thin and backfire.

There is, thus far, little second-guessing of the ABM treaty on defensive weapons. But the results of the effort, in SALT I, and SALT II, to limit offensive weapons have persuaded a segment of the defense community that the Russians have exploited the previous treaties to improve their defense situation vis a vis our own. Obviously a certain amount of jockeying is inevitable under treaties. If the treaties themselves give a good downward impulse to the arms situation, each side will still be advantaged, notwithstanding minor shifts in relative position. Unfortunately, if the treaties in question are not sufficiently substantive, the jockeying, or even the appearance of it, can dominate the terms of the agreements.

In any case, if this instance, the costs of not agreeing to rid oneself of the MIRVed missiles is going to be: tens of billions of dollars on our side in MX missile and new basing; tens of billions on the Soviet side in new basing—since our MX will threaten their existing land-based force; and a conceptually dangerous situation in which each side can, if it strikes first, rid the other of its land-based force with only a fraction of its own. All this plus a prolongation of arms race redeployment over a decade or two.

Here surely is a situation in which disarmament can represent a clear and immediate solution to a pressing strategic problem; can save tens of billions of dollars; and can avoid the arms control problem of temptations to fire first.

If such an effort is not made, the problem will not be traceable to the flaws in the plan but to flaws in the thinking of the superpower administrations. As Secretary of Defense Brown said in his recent posture statement, SALT agreements "can make the achievement of destabilizing future advantage even more difficult than is already the case, while allowing current vulnerabilities to be removed." This is such a case. This is a job for negotiated reductions. Can't one side or the other rise to the occasion and make a suitable proposal?

SUPPLEMENTAL TESTIMONY OF JEREMY J. STONE FOR JULY 16 APPEARANCE BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE ON THE SALT II TREATY RATIFICATION

On listening to the first week of testimony, these five observations came to mind that might usefully supplement my earlier prepared remarks:

(1) In assessing General Edward Rowney's relative enthusiasm for the March, 1977 proposal over the existing treaty, the Committee should ask the Defense Department to confirm that DOD studies show that even the entire March, 1977 proposal would not have changed the prospect of impending Minuteman vulnerability. In short, even the better proposal which General Rowney thinks we might have reached would not have been that different in its strategic implications.

(2) In assessing Paul Nitze's concern to protect the possibility of a multiple Protective Shelter System (MPS) in which the MX missile would be moved between vertical shelters, the Committee should investigate these allegations, which I would make:

(a) The U.S. would not find it desirable to run a race in which it built holes to match the Soviet capability to destroy holes (with additional warheads) unless it abrogated the ABM treaty and used ABM systems to selectively defend the holes in which the MX missiles would be hidden; the risks here of losing the best arms control treaty the United States has would be prohibitive.

(b) Were the Soviet Union to construct the same kind of MPS shelter system, the risks of rapid Soviet expansion of its missile force into those empty shelters (the problem of "break-out") would become a dominant concern of American strategists, as would be related problems of verification as to whether the holes had or had not already been filled with real missiles.

(3) In assessing Secretary of Defense Brown's support for the MX missile, the Committee should note that he defended it on the basis of the possible future need for a survivable land-based system in the light of the possibility that, in the nineties, our submarine based force might become vulnerable. The Committee should ask itself whether it seems plausible that a land-based MX system whose invulnerability, on paper, is already a subject of massive controversy (after 30 possible basing schemes have been examined) is likely to be a useful backup to the submarine-based force should the submarine ever appear to have become vulnerable. Further, the Committee should note Secretary Brown's remark that it was the President who assumed that some suitable basing scheme would be found and, therefore, announced the decision for MX in June. There is a real likelihood of enormous error in strategic planning in the rush to deploy MX. What will the U.S. do for an encore if this multibillion dollar scheme fails?

(4) In assessing the judgement of both General Rowney and Mr. Nitze that the strategic situation is becoming unbalanced against us, the Committee should observe that both witnesses denied the likelihood of Soviet attack based upon this imbalance because of the strength of our retaliatory forces; instead, both analyzed the problem as one of perceptions of superpower leaders or third parties. Thus the Committee is being provided with a political, not a military judgment; the Committee should therefore ask itself, as a body wholly qualified to make such political judgments, whether it believes, in this case, that military imbalances that are devoid of military significance would, or would not, have political significance.

(5) In determining whether the treaty is "equitable", the Committee should recognize that, by the nature of the U.S. political process, there is no advocate here for the Soviet view of what is equitable. These points might be made, however, were such advocate here.

(a) The U.S. Got Belated Permission for the Air-Launched Cruise Missile Which the Soviets Do Not Have and Got It At Unlimited Range:

The U.S. succeeded in winning post-Vladivostok permission to deploy the cruise missile on bombers, a weapon which the Soviet Union does not have and which adds thousands of warheads to our arsenal, a number comparable to those associated with the SS-18 heavy missile—which we do not have but did not and do not want.

Moreover, although the U.S. gets to trade bombers with cruise missiles off against missiles with MIRV under a 1320 total, the Soviet Union must stay below 1200 in MIRVed missiles and cannot fill the 120 additional slots with MIRV or cruise missiles on bombers (since it does not have them). In effect, we are permitted 10% higher MIRV limits!

(b) The U.S. Got Belated Limits on Backfire for Questionable Reasons:

The Soviets have every reason to believe that the Backfire concern was a "makeweight" argument to give the U.S. the bargaining leverage to get the cruise missile permitted (since by oversight, neither of these weapons systems were raised at Vladivostok) and to limit a Soviet weapon that is effective against our naval forces.

(c) The Soviet Force Continues to Be More Vulnerable than the U.S. Force:

Because a larger percentage of Soviet retaliatory power is in its land-based force (perhaps 70–80%) the U.S. ability to destroy 50% of that force, which we shall have in

the 80's, is more significant than the Soviet ability to destroy our entire land-based missile force representing, after all, only about 25% of our entire force. In short, the Soviet Union must have concern, even in the 80's, about its landbased force as do we, and it has our greater anti-submarine warfare capability to be concerned about as well.

(d) Above All, For the U.S., the Treaty Is Something for Nothing:

As the Joint Chiefs of Staff admitted, the Treaty has a "quite nominal" effect on our program, but it does restrain the Soviet program, as Secretary Brown testifies, in numbers of missiles and warheads per missiles in ways which the Soviets might otherwise have pursued.

PREPARED STATEMENT OF ADMIRAL ELMO R. ZUMWALT, JR., FOR PRESENTATION BEFORE THE COMMITTEE ON FOREIGN RELATIONS OF THE U.S. SENATE ON JULY 17, 1979

Mr. Chairman and members of the Committee; it is an honor to testify before you again.

Today I want to try to remind you where we have come from in arms control and to measure promise against performance.

As Director of Arms Control in the office of the Secretary of Defense in 1962–63, I participated in the formulation of strategic policy and programs. In the aftermath of the Cuban Missile Crisis, President Kennedy and Secretary McNamara made the bold and idealistic decision to begin a dialogue with the Soviet Union designed to achieve a fair and balanced strategic nuclear relationship. Their speeches, their policy statements to Congress, and their discussions with Soviet officials sought to put a new theory across. The essence of the message was as follows:

The U.S. recognizes that its strategic nuclear superiority is unacceptable to the Soviet Union. We understand that your attempt to install the missiles in Cuba was an effort to redress that imbalance. We propose now to let you catch up to us. We shall then have a situation of mutual assured destruction or mutual deterrence. We propose to stop at the 1,054 ICBMs and 656 SLBMs we are now building. You should do the same. We propose to keep our missiles with a combination of size and accuracy that you will know from your own calculations that we cannot destroy yours in a first strike so that you could always retaliate if we struck first. You should do the same with regard to size and accuracy. Both sides should reduce the continuing radiation produced by their warheads to minimize the will of innocents if military targets should be struck. Each side should forego civil defense so that cities of each would be hostage against their own government's first strike.

To show good faith, the U.S. gradually reduced its expenditures for strategic nuclear arms to one-third of the constant dollar budgets of the period 1956–62 over a decade and a half.

In retrospect it is clear that the Soviet Union and the U.S. reacted exactly oppositely in their policies and programs after the Cuban Missile Crisis. In essence, our proposed dialogue remained a monolog. The Soviets accelerated their strategic nuclear weapons expenditures, outspending us for many years, today by threefold. They proceeded to build asymmetrical advantages in each of the areas of suggested constraint.

In order to get them to sign the SALT I Interim Offensive Agreement a decade later, we had to grant them nearly a 55% advantage in ICBMs—1,618 to our earlier proposed 1,054. They had the option to reduce to a 35% advantage in ICBMs in order to exercise their option to build up a 35% advantage in SLBMs, which they have been doing. At the signing of SALT I, because they had disregarded the suggested constraint on size, they had about a 300% advantage in megatonnage and throw weight. While we have greatly reduced the fallout produced by our warheads, they have maintained full fallout lethality so that their weapons will kill innocents for hundreds of square miles around the targets they hit.

And while we halt truly foregone civil defense, the Soviets have made major expenditures to develop underground shelter, population evacuation and industrial survival procedures.

It was with this background of knowledge that I had to make my decision as a member of the Joint Chiefs of Staff as to whether or not to support SALT I. It was clear at that time that the U.S. would retain significant advantages during the five year period of the SALT I offensive agreement. Our advantages in MIRVs and in strategic bombers would offset during most of the five year period the huge Soviet advantages in numbers, megatonnage, throw weight, radioactivity, civil defense and terminal bomber defense. The thrust of my testimony in SALT I was to make it clear that the Soviets would have all the advantages in the post-SALT I era unless SALT II were to provide balance, and that such balance could only be negotiated if the U.S. maintained the recommended strategic programs, the necessary intelligence programs and vigorous research and development programs.

In other words, I considered SALT I to be the last best hope for achieving the mutual assured destruction or mutual deterrence that President Kennedy had sought and that during the period of SALT I, as the Soviets began to overtake our qualitative advantages, they would have to be required in negotiating SALT II to surrender their quantitative advantages. None of the assurances required by the Joint Chiefs of Staff in supporting SALT I were adequately carried out. Further, the present Administration, instead of maintaining strategic forces for negotiation leverage, unilaterally gave the leverage away. I have heard much talk about SALT II being the result of the negotiating effort of three presidents. I consider that to be a misleading claim. The cancellations and delays of strategic forces and the concessions of this Administration go beyond what those previous presidents were prepared to agree to.

With SALT II the whole theory of the strategic relationship which Presidents Kennedy, Johnson, Nixon and Ford visualized between the U.S. and U.S.S.R. has been revised. The Soviets have achieved a treaty structure which conforms to their strategic concept of attaining a war winning capability and denying equality to us. We have deluded ourselves that we have achieved a useful arms control outcome. Our Secretary of Defense and our Joint Chiefs of Staff have confirmed recently that during SALT II the U.S. will fall into strategic nuclear inferiority. My own work as a member of the Committee on the Present Danger confirms this grim forecast.[1] SALT II, rather than being a part of the continuum that would have led to mutual assured destruction or deterrence, has instead served as a device for juridical formalization of Soviet strategic nuclear superiority.

The result is a SALT II which:

1. On the legal side, grants juridical strategic nuclear superiority to the Soviet Union. It permits the Soviets 308 modern heavy ballistic missile launchers while we are denied any. The missiles in those silos have greater destructiveness than the entire strategic ICBM and SLBM force of the U.S. The Soviets are granted ten re-entry vehicles on their largest missiles, four or six on their other MIRVed ICBMs, and we are permitted no more than three.

2. In practical terms, permits continuing large increases in Soviet capability during the period of the treaty. By the time SALT II expires the Soviet Union will have about the same number of launchers and warheads as we will, but the greater size of their missiles and warheads and their rapidly improving accuracy will give them superiority in every other strategic nuclear measure. They will have five times our ICBM/SLBM hard target kill capability, two times our area destructive capability, three times our megatonnage, and two times our throw weight. If our aging B-52s and their cruise missiles can get airborne and survive massive Soviet air defenses, we will have a growing superiority in delayed counter military potential. However, if one credits, as one should, the contribution of Soviet Backfire bombers, this will not be an advantage. In any case, the delayed counter military potential does not offset the other factors.

3. Has designed limits so high that they put no effective limit on Soviet offensive strategic nuclear capability.

4. Does not permit adequate verification.

5. Nevertheless so favors the Soviet Union that the Soviets ought not to cheat.

6. So improves Soviet leverage and so reduces U.S. leverage that SALT III will be more favorable to the U.S.S.R. than is SALT II—just as, for the same reasons, SALT II is much more favorable to the Soviet Union than was SALT I.

7. Encourages the Soviet Union to accelerate its foreign policy adventurism around the globe in the face of our strategic inferiority and of the weakness of an Administration which has permitted itself to be driven to such terms.

In my judgment this dangerous treaty and this inadequate leadership have made it essential for the Senate to broaden its examination to include the entire strategic relationship with the U.S.S.R. Such a review would, I believe, lead to the conclusion that it is essential for the Senate:

1. To fulfill its constitutional advisory role by amending or rejecting SALT II in its present form;

2. To take action now to adjust the strategic context within which SALT II will be operative.

Rather than ratifying a Strategic Arms Limitation Treaty which permits the Soviet Union to achieve strategic nuclear superiority, the Senate ought to require from the President:

1. That he renegotiate the terms, providing the right to equality on both sides and at reduced levels so that strategic nuclear parity becomes feasible during the tenure of the treaty.

2. At the same time that he submits the revised treaty, he send forward to the Congress a program to acquire and maintain the specific strategic forces that would restore the balance under the renegotiated terms.

STATEMENT BY ADMIRAL THOMAS H. MOORER, U.S. NAVY (RET.), FORMER CHAIRMAN, JOINT CHIEFS OF STAFF, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE ON JULY 17, 1979

Mr. Chairman and Members of the Committee: I am honored and grateful for this opportunity to appear before your Committee to give my views on the vital subject now under consideration by you—SALT II.

My great interest in this matter is heavily influenced by my experience in the SALT I process. In my capacity as Chairman of the Joint Chiefs of Staff (1970–74), I participated in practically all of the National Security Council meetings and attended other meetings held by the Joints Chiefs of Staff with the Secretary of Defense, as well as Dr. Kissinger in his role as Advisor to the President on National Security Affairs. Subsequently, I have followed the SALT II negotiations as closely as possible without ready access to all details.

I unequivocally oppose SALT II as now presented to this Committee on two counts: firstly in substance, on which I will briefly comment, and secondly on the impact it is bound to have on the world political and military environment.

With respect to substance, let me say at the outset that since we have never had a nuclear exchange between two powerful nations, all conclusions as to the outcome can be nothing more than speculative estimates. I doubt that there are as many as a hundred people in the United States who understand the interplay of warning time, decision-making, command and control, response, yield, accuracy, damage effects, fallout, etc., which are so closely associated with the possible use of nuclear weapons. Consequently, I do not propose to deal in detail as to the specific numbers or characteristics and effects of various weapons systems which must be considered. No matter what one may say on any subject, there will always be someone else who holds a different opinion, whether based on fact or not. I would like, however, to highlight several concerns I have in regard to the proposed treaty.

First, the Backfire bomber. I fail to see why the United States can afford to exclude this weapon system from the SALT II treaty while at the same time count all of the strategic bombers of the United States, including those in storage. The Backfire bomber has a full capability of reaching the United States without refueling. It is inconceivable that in any major nuclear exchange with the United States the Soviets would be overly concerned with the capability of these aircraft to return to Russia after an attack on the United States. The facts are that they can reach the United States, deliver their weapons, and then recover as best they can by landing in Cuba, Mexico, or perhaps even at sea. Furthermore, the effectiveness of this aircraft is already in the process of being enhanced by tests with the cruise missile. I consider it most ill-advised for the Administration and other supporters of the treaty to simply pass over the Backfire bomber issue by informing us that they are in possession of a statement by Mr. Brezhnev which has assured the United States that the Soviet Union will not use the Backfire bomber as a strategic bomber, and that it intends to limit the production of this aircraft. Clearly Mr. Brezhnev will not be in power forever and the question then arises as to what action his successors might take on this matter. In fact, I think no chief of state should pay any serious attention to such assurances and anyone who really believes to the contrary, particularly in regard to the Soviet Union, is naive indeed. To add to this problem, I think that the American people should be aware that the United States has no air defense worthy of the name. While the Soviet Union has thousands of surface-to-air missiles and interceptors designed to defend against bomber attack, the United States in recent years has all but eliminated such capabilities. At best our air defense can be described as a peripheral warning system. For all practical purposes, once an enemy penetrates this system, it can cruise over the interior of the United States essentially unopposed. Hence, why ignore the threat of the Backfire bomber and thus give the Soviets a free ride in this area of strategic offensive capabilities?

Second, I have always been concerned about the SS-18 missile which the Soviets are allowed to have while the United States is denied such a weapons system. The argument that we have no program to build such a missile is a specious one. What possible basis can there be for permitting the Soviets to demand that the United States be denied a capability which they possess?

Third, I would refer to the SS-20 missile which, as you know, can be quickly modified by the addition of a third stage and thus be converted to an SS-16 missile, a missile easily capable of reaching the United States. Why should this missile not be counted in the aggregate inventory of weapons?

Finally, we come to verification. There is no question about the fact that the loss of Iran has very significantly degraded our verification capabilities. There is also little doubt that our political difficulties with our old ally, Turkey, due largely to what I would term ethnic politics, has made it double difficult to compensate for the loss of the facilities in Iran through operations from the bases in Turkey. In addition, one must never lose sight of the asymmetry existing between the closed society of the Communist world and the open society we enjoy here in the United States. I hope it is clear to the American people that when the Soviets are assessing U.S. defense policy, they can obtain through purchase of the *Congressional Record* and publications such as *Aviation Week* all the information they need for less than five dollars. The United States, on the other hand, must invest hundreds of millions of dollars to acquire the same kind of information insofar as the Soviet weapons procurement is concerned. Also, the Soviets have never been willing to discuss on-site inspection, and I for one am not willing in any sense to base the security of the United States on a matter of simple trust.

I now come to my second concern, Mr. Chairman, which has to do with the worldwide perception of the United States and its will, determination, and capability to protect its own interests and those of our allies. We already have portrayed an image which suggests full retrenchment functionally as well as strategically. One only has to talk to many of our allies to understand this point. The Vietnam war, the suggested withdrawal of troops from Korea, the failure to take action in Angola or Ethiopia, the loss of Iran, the proposal to demilitarize the Indian Ocean—all of these things have made the nations of the world ponder where we are headed. The timing of this treaty when considered against the non-military commitment and perceived retrenchment policies of the United States is very bad indeed.

I fear that the SALT II treaty as now proposed will freeze the United States into a position of inferiority and simply serve to augment and reinforce this growing perception which other countries—friend and foe alike—have of us. Once this happens, Mr. Chairman, one can be confident that we will feel far-reaching impact, not just in the military arena but in the international political and economic arenas as well. Most of the countries of the world do not enjoy the geographical and economic security with which the United States is blessed. Many of them are in a permanent state of insecurity, always looking for what appears to be the wave of the future and making their accommodation with it. It is for this reason—more than any other—that I am concerned about the substance of SALT II.

I also have another concern I would like to mention. There are, of course, those who say that all of the European leaders fully support SALT II and hence conclude that, this being the case, SALT II must be good. The facts are, Mr. Chairman, that the European nations are frightened. They are no longer certain that they can count on the United States to play the role it has played in the past and, as a consequence, they do not want to see any action taken which would encourage the Soviets to be even more aggressive in the pursuit of world paramountcy—the goal they have sought since World War II.

Also, I would like to comment in passing that it has been my observation that here in the United States we produce what I consider to be the world's worst negotiators. After having given much thought to this matter, I believe I can understand the basis for U.S. negotiatory behavior. The reason, I believe, is that Americans are goal oriented and if given a job to do such as negotiating a treaty, they will do just that and often are prone to reveal their fall-back position almost before they have heard the full opening position of the other side. In any event, I think history supports the point that generally speaking our negotiators feel that a bad treaty is always better than no treaty.

I would also like to mention at this time SALT III. There are those who justify SALT II on the grounds that "we must keep the process alive." If SALT II is an example of our negotiating effectiveness, I predict that SALT III will result in the dismemberment of NATO for all practical purposes. In the first place, we have already run out of concessions in the field of weaponry. The first action of the Soviets in SALT III will be to complain bitterly about our forward based systems in Western Europe as well as the location of the Sixth Fleet. We will hear proposals that the Sixth Fleet withdraw from the Mediterranean; that any nuclear delivery capable aircraft be withdrawn from Europe; that submarines remain beyond certain lines (ignoring, of course, the fact that the Soviet submarine missiles can reach the United States from areas off Murmansk). If the United States, in the interest of "continuing the process" ever accedes to all the parts of the Soviet proposals, that will be the end of NATO and the isolationists in this country will have achieved their objective—that is, all U.S. forces and influence overseas to withdraw behind a Fortress America. In sum, in the SALT II process we will have seriously bargained away our negotiating position for SALT III in 1985. Thus it is the future negotiating position itself which will have been seriously compromised if SALT II is ratified in its present form.

For those who would ridicule this idea and suggest that we will never let it happen, I can only say we should look at the record so far.

Finally, Mr. Chairman, you had inquired as to what actions I would recommend to correct any deficiencies in SALT II I have cited. As to tactics and procedures, I would certainly leave that up to the judgment of this prestigious Committee. However, I strongly recommend that we correct the deficiencies I have outlined with respect to the Backfire bomber, the SS-20 missile, the verification capabilities, encoding of telemetering, etc., but more importantly, I recommend that the United States conduct its foreign affairs in such a way that we convince the world that, henceforth, we intend to protect our interests worldwide and no longer intend, through action or inaction, to convey the message that we are engaged in an inexporable program of large scale retrenchment.

Thank you, Mr. Chairman.

STATEMENT OF GEN. RUSSELL E. DOUGHERTY, USAF (RETIRED), BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE ON SALT II AGREEMENTS; JULY 17, 1979

Mr. Chairman and Members of the Committee: By your letter of 5 July 1979 you have invited me to testify before your committee on 17 July 1979, and have solicited my views on (a) "the military significance of the SALT II agreements" and (b) my "assessment of whether the SALT II agreements enhance or diminish our national security." Additionally, you have indicated that you would welcome my thoughts on

[1] I have studied the analytical work submitted by Paul Nitze in his statement of July 12, 1979, before this Committee. It is the most professional and definitive work on the SALT II issues that has been done, inside or outside the government.

(c) "specific strengths and deficiencies of the SALT II agreements" and (d) "what actions I would recommend to address any of the deficiencies" that I identify in the agreements. I, of course, am honored by your invitation and pleased to respond to your questions. My comments will be in the limited context of a retired officer and from the perspective of a former strategic force commander, military planner and international staff officer in Allied Command Europe.

There is great military significance—for us and our Allies—in the overall strategic arms limitation process and in our hopes and expectations for the results of that process. For, in the final analysis, the success that can be achieved in mutual, balanced reductions and limitations in strategic weaponry (or, for that matter, any other type of military strength) offers the only reasonable way in which we can reduce the burden of maintaining: (a) as a minimum, an aggregate relative balance with the conventional and strategic military strengths of the Soviet Union (and, with three tours in Europe, I find both strengths absolutely related), or (b) as an optimum US and Allied posture, an actual balance in every aspect of Soviet military strength. And, of even more significance, success in this process offers humanity the only reasonable way in which the horrors of full scale nuclear conflict can be ameliorated.

I know of no senior military colleague—active or retired—who does not support our nation's efforts to achieve mutual, balanced reductions and limitations in both strategic and general purpose forces and weaponry, if such can be achieved without increasing the risk to our security and that of our Allies.

As I understand the basic objectives of our nation, they are not premised on any requirement to maintain military forces for conquest or aggression.

The required peacetime forces and posture flowing from our own national objectives is minimal—only that required to maintain internal order and to preclude any external interference with our Nation's peaceful pursuit of its legitimate national objectives—thus, our Nation has no inherent national requirement for standing military forces to deter or counter consequential external military threats to our security and our national objectives in the absence of such threats.

The post-World War II emergence of a requirement for consequential US standing forces, nuclear and conventional, did not result from any aggressive intent of our Nation, but from a recognition that such a threat existed:

The inimical political creed of the Soviet Union and its aggressive spread, coupled with the maintenance of a gross excess of Soviet military strengths—initially conventional, but now both conventional and nuclear—well in excess of any reasonable requirement for their own defense, and fully integrated into their overall objectives.

Given this basic rationale for the increasingly serious situation in which we and our Allies find ourselves, I am unable to accept or understand the use of misleading phrases, such as "arms race" to describe the dilemma we face in maintaining relevant strengths to deter or counter these Soviet forces. In the face of our inability to achieve a more equitable agreement that will suit everyone and make our job less complex and demanding, I think we should set aside such simplistic phrases as "arms race" and "over-kill" and see if the SALT II agreements enhance our security and make our job a bit easier—or diminishes our security and increases the burden on our Nation. I have tried my best to do just this—without the pressures of any external influences other than those inherent in my military experiences over the past forty years.

In my opinion the SALT II agreements, as they have been negotiated and signed by the President are, on balance, more in our security interests and those of our Allies than no agreements. They establish the principle of equal limits—this is basic to me, and I well remember the years of earlier work with the Joint Chiefs of Staff (in the 1960s and early 70s) when all were agreed that "equal aggregates of strategic forces with freedom to mix" was fundamental to an equal starting point in the arms limitation process. From such a starting point, it would be possible to proceed to "balanced" reductions; assuming, of course that we maintained such strength that we had a meaningful negotiating stance.

Obviously, the SALT II agreements have not really achieved the general objectives we all have for the overall process; these agreements are not (in the short term, at least) going to reduce the requirement for the essential modernization of our strategic forces, nor for building in diversity and flexibility (a tired, overused, but very important word to describe what is so very important to a military planner) in the capability of our strategic forces and in our theater nuclear forces. I do not like the exclusion of the Soviet's Backfire bombers; I do not like to see them permitted to continue the deployment of modern, large ballistic missiles; I cannot even disagree with my respected colleagues who are confident that we could (or might) have negotiated a better agreement—they may be right, but we didn't negotiate a better one, we negotiated this one. I hope it is not the last one we negotiate, and I hope and urge the Senate to help us be in a better, stronger position for the next negotiating round—certainly in our strategic nuclear forces; but, importantly, also stronger, more modern and relevant in our theater nuclear forces and our interrelated general purpose forces.

It has been of great significance in my review of this SALT II agreement to learn through two press reports that the Commander-in-Chief, The President, has said that he would do all he could to comply with the basic agreements he has signed, even if the Senate fails to ratify these agreements as a treaty. If these reports are accurate, this is an important point, for those of us in the military planning and programming process know that the actions of the Commander-in-Chief are critical to the military development and deployment process. I cannot imagine a meaningful military program proceeding through development, procurement and deployment in today's environment without the support and approval of the Commander-in-Chief. This was brought home to me very forcefully by the Senate's amendment and the President's action on the B-1 procurement legislation while I was serving at CINCSAC. Thus, the treaty status accorded or withheld on these SALT II agreements may be less of a consideration than an assessment of what we can do under the terms of the agreements, as signed. I have made such a personal assessment of the SALT II agreements and conclude that we have the options, if we elect to use them, to have a series of modernization programs that will reverse the downward trends of our relative force balance with the Soviets—and greatly improve the position of the United States in subsequent negotiations.

I am well aware of the problems of verification of the provisions of the SALT II agreements; these problems for our intelligence community and our sensor systems are certainly made no more difficult by the agreements. Fortunately, I do not think anyone approaches this as a matter of "trusting the Russians"—I find that irrelevant. Insofar as the issue of "cheating" is concerned, I suppose they could if they chose to do so. But, if we adhere to a continuing, aggressive modernization program for our intelligence community and take all reasonably available opportunities inherent in our various intelligence capabilities, we should be able to detect meaningful "cheating" by the Soviets. The test will come in deciding what to do about it once it is discovered. In my view we must not let any variation in practice go unchallenged. At best, adequate intelligence on Soviet activities is a very difficult, demanding and fragile thing. I think we will do ourselves a great disservice if we discuss the issue of verification too much, too publicly. In my judgment, we have already done too much of this.

In my analysis of the Agreements I find considerable military significance in the utility they will have in helping us "size the threat" posed by the Soviet's intercontinental nuclear forces in some important measures—agreed warhead limits is an illustration; numbers, of course, is another. Also, it could operate to buy us some critically needed time to get our own programs up on schedule. In the mid-1960s it was difficult (or impossible) for many of our key decision makers to accept the early indications of a major Soviet thrust to equal or surpass us in many measures of strategic weapons capability. It is still difficult for some to accept and assimilate the significance of the momentum and consequences of the Soviet military programs and deployments. Accurate, unobscured highlighting of the facts of this buildup throughout the Senate's hearings will be a belated but useful revelation for our nation; and, at last, we are dealing with their numbers now—not just our assigned numbers. It should be easier for all of us to understand and size the task that is before us.

I mentioned the element of time—time to understand to decide, to build a consensus for action, to develop, to produce, to deploy, to train . . . all the things that are so important to the operational commanders. On 1 July, writing in the Washington Star, Arthur T. Hadley explained why he was visiting one of our operational commands and, as he wrote, "I am in this car, heading for this (4:30AM) B-52 flight because I am always auspicious of Washington debates. They are so often about things that do not exist 'out there'." How true! We who have followed this hearing have been exposed to figures such as 3,000 Air Launched Cruise Missiles (ALCMs), ALCM carriers, M-X missiles, etc. . . . none of which exist today—some of which will not exist in operational units when the SALT II agreements are scheduled to expire. It is useful to remind ourselves that it takes years and years for these developments to become actual operational weapons in the hands of trained operational units "out there". It is only then that they figure realistically in the deterrent equation; and, unfortunately, most of the weapons figures we are discussing for the Soviets are years ahead of ours in becoming operational weapons systems.

I appreciate fully the national pride, the accuracy, the optimism of the repeated references I hear to the effect that military strength is the only area in which the Soviet Union seriously challenges us—that we have a far stronger economy, a more advanced technology, a more wholesome and democratic political system; that we far excel them in all the other trappings of an advanced society. All of this misses a very fundamental point: we must make timely use of these strengths if we expect them to protect us under immediate military threat, coercion or attack. We have these societal advantages, true; but if we fail to use them wisely and in good time, the potential advantages could be made meaningless by a very real, very operational, and very massive arsenal in being and in the hands of the Soviets.

One specific concern should be highlighted—and that refers to the Protocol to the SALT II Agreements and its present termination date of 31 December 1981. I think that termination date is critical for I am of the opinion that we must have uninhibited freedom to test and deploy the M-X—it is vital to our deterrent strength and to the future of the SALT progress. Also, we need to have the flexibility in deployment of sea and land-based cruise missiles, with ranges in excess of 600 kilometers, as soon as they are ready to deploy. We have some very important but antiquated theater nuclear forces that must be modernized; we have a capability in cruise missiles that, while still potential, is so important that we should not inhibit and hazard our flexibility in deployment and range beyond the date we expect to be ready to deploy it in multiple modes. In any event, the potential precedent that could result from any extension or drift in the positive termination of this Protocol would be seriously damaging. It's a danger point.

I would urge this Committee to again read the statement of the JCS on 11 July when they appeared before you; observing their careful analysis and rereading the reservations and concerns they expressed. This so-called SALT II "debate" (and I wish we could rid this town and this nation of that designation!) is having a divisive, corrosive effect on many of us in the senior officer ranks, active and retired. The JCS are not above this vicious schism among us with military backgrounds; nor, I suppose are Senators of the United States. If I am correct, this schism is the result of varied degrees of frustrating experiences in attempting to reconcile prudent military concerns for the security needs of our nation with the understandable yearning of our people and our political leaders to be free of the fear of nuclear war and of the consequential burdens of armament and readiness.

I think the statement of the JCS, through General Jones, the Chairman, is a brave statement, an accurate statement, a forthright statement and I associate myself with it, without reservation. I agree with their summary evaluation of the SALT II agreements as a "modest but useful step . . ." I would hope that more and more of my military colleagues who have now had time to reflect on the SALT II issues, options and alternative—and who will and can break out of the "type boxes" into which they are placed by circumstance, association, or pressures will be persuaded of the correctness of the position taken by the Joint Chiefs of Staff.

Independently, I have arrived at a "bottom line" not unlike that taken by the JCS when they advised you that:

". . . the danger to the United States does not arise from any specific limitations to the Agreement, but from potential consequences of unilateral actions or inactions in the past—and, if we are not careful—in the future . . . our ability to take the necessary programmatic actions to ensure essential equivalence is the ultimate test for SALT II . . . our options and flexibility are adequate, so long as we choose to exercise them." (undermining mine)

From my analysis, the SALT II agreements we have made with the Soviets are the focal point for the discussion, but the agreements we make with each other to rebuild our sagging strategic and theater nuclear forces are the real test for our future. These internal agreements are at the core of the controversy and will determine the danger and increased risks we will face throughout the life of SALT II. Our deterrence must not fail—the uncertainties of failure are too great to chance it. I would urge the Senate—the Congress, and the Administration—not to attempt to be too precise in their calculations, too clever in their proceedings, too dependent on critical assumptions. We must rapidly reverse the downward trend of our force capabilities vis-a-vis the Soviet Union—in our Strategic intercontinental forces and in our theater nuclear forces. Things may not happen in the way we assume they will and our military must have more flexibility than that precisely calculated in some sterile, remote analysis. If we err, it must be on the high side—on the side of strength, not imbalance and weakness; the stages are too great, the possibility of error too high.

Some say we need only a single mode strategic deterrent force, and that this force and our related theater nuclear forces do not require a war-fighting capability; they assert that a war-fighting capability is passe, irrelevant, outdated. They may be right—but they may be wrong! If they are, we will be left in an inflexible, inadquate, intolerable position from which we cannot hope to assure our allies, control escalation, defend our nation, or deny an enemy the fruits of his aggression.

Respectfully, I urge you and the Administration to take advantage of the time we have—while we have it.

Thank you—and I will do my best to answer your questions.

STATEMENT OF ADMIRAL ISAAC C. KIDD, JR., U.S. NAVY, RETIRED, BEFORE THE SENATE FOREIGN RELATIONS; JULY 17, 1979

Mr. Chairman, gentlemen. I am both flattered and humbled to have been invited before your Committee today on the subject of our Strategic Arms Limitation Treaty now under consideration. I am an authority on neither Strategic Arms Limitations nor on treaties. For the last eight years, however, I was responsible to our Commander in Chief and to you gentlemen for the development, design and production of Navy strategic weapons; the last four years being in command of three quarters of our Navy strategic Forces—the submarines and the weapons in them.

With this modest background, I support this Treaty for the following reasons:

We are a strong nation which has allowed itself to get behind—behind in both strategic and conventional forces. The Treaty offers a "Time-out" as it were, for us to catch up. I trust we will not blow this opportunity to catch up as it could well be our last chance.

It is so unusual for such "Times out" to occur in the conduct of international affairs that this is an opportunity I am almost ashamed to say we cannot afford to lose.

We as Americans have done this deed to ourselves. We have no one but ourselves to thank for it—the "deed" being the frittering away of our bargaining edge of military strength. I have confidence we have the wisdom in our government and in our people, the strength to acknowledge our mistakes and the determination to get on with correcting the deficiency.

The Treaty is a compromise. It is far from ideal. We would have preferred it different in many many ways. We were not able to bring it off. A compromise being the least unattractive of two poor alternatives, of course many are unenthused with the results—I among them. The alternative of having no ceiling at all, considering our position at this point in the so called race, I find totally unacceptable because I know how difficult it is to design and build such systems and how very long it takes to bring them into service.

From a technical point of view, I find the details on "Verification" acceptable—granted, marginally acceptable, but considering the state of the art, acceptable under the circumstances. The potential for cheating is present everywhere. It is certainly not unique to this Treaty. If one is determined to cheat, it must be expected. We too must be prepared for it to happen. Considering Ambassador Luce's assertion that the Soviet record is virtually unblemished when it comes to abrogations at times convenient to them, our preparations and sensors, in my view, will provide such evidence in time. The better question seems to me to be, are we quite ready to blow the whistle on them when the evidence comes to hand? To make this action effective, we must be strong enough to oblige compliance.

The Treaty was under negotiation for so long and under so many negotiators of varying persuasion, party, background and like differences, I find it quite remarkable we did as we did—recognizing that each one in the turbulence of personnel turnover felt undoubtedly compelled to leave his or her bit of body-english in the language of some particular part.

Considering the allegation, ". . . we were not tough enough, and could have gotten more, had we been," I regrettably find it necessary to reject this argument as an absolute value, because I fear the real reason was that we were not strong enough. There is indeed a vast difference. It is pointless to sit down at a high stakes poker table when everyone at the table knows you don't have any money. The Soviets have been busy building rapidly for many years. We have not. They had more that they could negotiate with than we did. Over the many years of negotiation, I've watched negotiators take pride in winning a point—but it cost something every time. We seemed simply to run out of things to give up to get what we wanted; so we ended up being dictated to, rather than being strong enough to dictate the terms as we would have preferred—a new and somewhat mortifying position for us. We must, therefore, get down to business and reverse this unsatisfactory trend.

Considering the option of rejecting the Treaty, it has been asserted this would confound the Soviets and draw greater respect, followed by their asking to reopen negotiations because they have more need for the Treaty than we. This may be so; but this entire philosophy is based upon the evaluation of Soviet intentions that, and I quote ". . . . I think the probability is that the Soviet Defense Program—and particularly that portion of it dealing with strategic nuclear weapons—will be about the same whether SALT II is ratified or not." This from one of the principal objectors to the Treaty in its present form. Now, gentlemen, I've been educated and trained for over forty years to deal with capabilities and limitations vice intentions, because intentions could change minute by minute—and probably will.

For myself, I do not find the Soviet track record of consistency in following stated intentions, implied intentions, or assumed intentions (as in this case) to be reassuring to the degree needed on which to base a national decision of this magnitude. We must keep reminding ourselves they are ahead. We allowed them to get there as we blissfully slid down the bannister of strength from "superiority" to "equivalence" to "rough equivalence." We have a Treaty offering a ceiling at the so-called "equivalence" level. If we reject it, so be it. But heaven forbid we be so naive as to assume, when we start building up to redress the imbalance, that they will be accommodating good chaps and allow this to occur with an ". . . about the same" building rate as today—no way, gentlemen, to borrow from the vernacular of the young.

The cost with the Treaty is viewed by some as staggering. The term "arms race" is often heard—referring, for example, to the numbers of new war heads needed to reach our limit. A race, to me, carries a traditional con-

notation of somewhere near an even start. This then is a new use of the term "race" when we use it to describe the effort needed to catch up. We seem to lose sight of the fact that with the Treaty, there is an end in sight. Without it, there is none clearly evident. Gentlemen, the cost to reacquire this so called level of "rough equivalence" will be the bargain of the history of the world if that is what is needed to deter nuclear war—nay any war for that matter. There was a time when it took roughly two generations to pay for a war. Now, with our more sophisticated methods for destruction, historians of economic matters report we have yet to pay one thin dime on the principal of the costs of WW II and onward to the present—a tidy bill of some $1,076.6 billions of dollars owed. The bill for the next one, if nuclear fought, promises to be quite a number indeed. It is thus rather clear those responsible for paying the premiums of prevention on our national insurance policies of the day did not do well. I have hopes our record will be more realistic, persuasive and underwritten by unmistakable tangible evidence of national resolve.

Finally, gentlemen, a plea to you to better help the American people understand what this subject of SALT is all about. My six children, their husbands and wives living from one end of the country to the other have called and told me they are quite confused. To listen to learned men of substance pillory each other, call each other liars, in a nice way of course, has created an atmosphere of wonderment as to whom to believe. This is not good. Public confidence must be restored in those of us who are and have been public servants. The nation needs and has every right to expect this confidence. Your efforts here are therefore terribly important and appreciated. As a retired public servant with no party, with three sons who have served in uniform, and a father killed in WW II who never voted—it was considered improper in those times—I am uneasy over the undercurrents of partisanship surging and rolling on the beaches. From my vantage point over the last many years, there is an abundance of blame to be spread about on just how we managed to slide this far. No one man, no one party, no one administration could possibly have done it alone. In retrospect, it was indeed an all-hands effort. It is too late for acrimony. It is too late for recriminations. I most respectfully urge we take Mr. Vinson's advice, acknowledge the ox is in the ditch, and muster all-hands to get it out. Thank you Mr. Chairman.

STATEMENT OF THE HONORABLE HAROLD BROWN, SECRETARY OF DEFENSE, ON THE VERIFICATION OF SALT II, BEFORE THE COMMITTEE ON FOREIGN RELATIONS OF THE U.S. SENATE; JULY 18, 1979

Mr. Chairman and members of the Committee,

I am here today to discuss one of the most important issues concerning the new SALT II agreement, the question of verification. I believe that verifiability is a necessary condition of any good arms control agreement. Without it, even the most attractive and advantageous agreement should be rejected. We are dealing in SALT with our principal military competitor, our chief political—and potential military—adversary. We expect compliance with the accord, but we cannot rely on trust or optimistic assumptions about Soviet behavior. The treaty must be adequately verifiable from the day it enters into force.

Let me begin my presentation by stating my conclusion: we can adequately verify Soviet compliance with the provisions of SALT II. We will be able, by our own intelligence efforts, to detect a Soviet violation in time to react so as to block or offset any substantive military advantage that could result from the violation. Put another way, any Soviet cheating which would pose a significant military risk or affect the strategic balance would be detected by our intelligence in time for the United States to respond effectively.

MONITORING AND VERIFICATION

To monitor Soviet compliance with the provisions of SALT II, we employ a set of intelligence capabilities known as "national technical means." This general terms covers a variety of methods for monitoring Soviet military activities, including photographic satellites and other technical collection means. These systems enable us to monitor, for example, Soviet telemetry—technical data transmitted by radio signals from the Soviet missiles during tests—from outside Soviet territory. Other examples of national technical means include the ships, aircraft, and land-based radars used to monitor Soviet missile testing.

This is not a complete list of the technical devices that constitute our national technical means. Still less is it a complete list of all US intelligence resources. Many of our intelligence resources are very sensitive, and public acknowledgement of their capabilities would make it far easier for the Soviets to negate them. For that reason, public information about the details of our intelligence facilities and capabilities is quite limited. Although there have been a number of discussions in the media about our intelligence sources, it would not be in the nation's best interest to comment publicly on the accuracy of reported capabilities. The details of our intelligence collection capabilities will be covered in considerable detail during closed testimony. All Senators will have access to this information before voting on the Treaty through procedures worked out with the leadership, and will be able to make their own judgments about the adequacy of our capability.

It is important to distinguish the nature of monitoring from the process of verification. Monitoring, in the SALT context, is the task of collecting and analyzing information about Soviet systems subject to SALT limits. Verification refers to the continuing process of assessing compliance with the provisions of arms control agreements. It is the process of judging whether a state is living up to its international obligations. It uses the results of monitoring as one key input, but relies on other assessments and judgments as well.

It is also important to remember that monitoring is simply a name for one type of strategic intelligence. Our need for such information did not begin with SALT. The United States spends billions of dollars every year to maintain the most sophisticated and capable intelligence-gathering system the world has ever seen. With or without SALT we have a vital interest in keeping track of Soviet strategic forces. Doing so is our highest intelligence priority.

The attached chart reflects the range of our monitoring and detection confidence. "High confidence" in detecting a prohibited activity means that we have a probability of detection greater than 90%. With respect to counting and measuring requirements, high confidence means that we have an uncertainty of less than 10%. "High moderate" confidence is a probability of detecting a prohibited activity of between 75 and 90%, or an uncertainty in counting and measurement of between 10 and 25%. Ranges for moderate, low, and very low confidence are shown on the chart.

The United States by necessity takes a conservative approach to monitoring an arms agreement. We cannot afford to do otherwise in a matter so fundamental to our national security. Anything less than a 50 percent chance of detection, for example, we consider as providing "low confidence" in our monitoring capability. At the same time, however, what we take to be "low confidence" may appear to the Soviets as a high risk. A somewhat less than even chance of US detection would probably appear as a prohibitively high risk to a Soviet planner contemplating cheating, particularly when he considered the likely US reaction to such a discovery. [Illustrations mentioned, not printed in the RECORD.]

THE ADEQUACY OF VERIFICATION

Our impressive monitoring capability does not mean that we can be certain of detecting every conceivable treaty violation—or every conceivable change in Soviet strategic forces—as soon at it occurs. That is an impossible and unnecessary standard to meet, either for verification or for intelligence generally. No arms limitation agreement can ever be absolutely verifiable. The relevant test is not an abstract ideal, but the practical standard of whether we can determine compliance adequately to safeguard our security—that is, whether we can identify attempted evasion if it occurs on a large enough scale to pose a significant risk, and whether we can do so in time to mount a sufficient response. Meeting this test is what I mean by the term "adequate verification."

I should note that "adequate verification" has been our objective throughout the entire ten years of SALT negotiations. As a member of the US Delegation to SALT I, I recall President Nixon's instruction in 1969 that "any agreed measures must be subject to adequate verification." That has been the consistent policy of our government ever since. It is also the standard embodied in the Arms Control and Disarmament Act.

Adequate verification depends on a number of factors. Among the most important are our capability to monitor Soviet activities related to compliance; our assessment of the risks to the United States (and benefits to the Soviet Union) of potential violations in light of the probability of detection; and our ability to carry out appropriate and timely responses if violations are discovered.

U.S. INTELLIGENCE RESOURCES

Any judgment about the adequacy of verification must begin with an examination of our own intelligence collection systems and techniques for analysis. Our national technical means enable us to monitor various key aspects of Soviet strategic programs, including the development, testing, production, deployment, training, and operation of Soviet strategic capabilities. We can perform these tasks despite the closed nature of Soviet society.

Our national technical means enable us to assemble a detailed picture of Soviet forces, including the characteristics of individual systems, by using information from a variety of sources. For example, our intelligence system has enabled us to build a comprehensive understanding of the Soviet ICBM system from design through deployment. We know that the Soviets have four design bureaus for the development of their ICBMs. We monitor the nature of the projects and the technologies pursued at these bureaus. We know which bureau is working on each of the new or significantly modified ICBMs known to be under development. We have a reasonably good idea of when they will begin flight-testing of these missiles.

Missile production takes place at several main assembly plants and at hundreds of subassembly plants, employing hundreds of thousands of workers. We monitor the Soviet ICBM deployment areas on a regular basis, observing construction activity, movement of people and materials, and training exercises. We have a good understanding of the organizational and support structure for deployed ICBM units.

We regularly monitor key areas at the Soviet ICBM test ranges. We monitor missile

test firings with a wide variety of sensors: cameras taking pictures of launch and impact areas; infrared detectors measuring heat from the engine; radars tracking ICBMs in flight; and radios receiving Soviet telemetry signals (the Soviets use telemetry signals to measure the performance of their test missiles in flight, and we use them to deduce technical characteristics of their missiles). The use of multiple sources complicates any effort to disguise or conceal a violation. In the course of 20 to 30 tests of a new ICBM, we collect thousands of reels of magnetic tape and spend tens of thousands of hours processing, analyzing and correlating this vast array of data to determine the characteristics of the new missile.

It is inconceivable to me that the Soviets could develop, produce, test, and deploy a new ICBM in a way that would evade this monitoring network. We have missed some data on some firings—and will in the future. But we have not erred significantly in our assessment of any Soviet ICBM.

The Soviets know that we have a large and sophisticated intelligence operation, and they know a certain amount about how it works. However, they do not know the full capabilities of our collection systems and analytical techniques, and this uncertainty would greatly complicate any Soviet attempt to conceal evasion of the SALT II limits. (It is also a reason for strictly limiting what we say in public about our systems.)

No one can pretend that our intelligence collection capability is perfect, or that there is no room for improvement. No sensor can be expected to catch every Soviet event of interest—but it is just as unlikely that a Soviet cheating program on a significant scale will evade every sensor. I expect the Soviets have a healthy respect for our intelligence capabilities, and that respect will influence their calculations about the costs and possible benefits of cheating.

It is possible for our intelligence system to suffer some gaps in its coverage from time to time. This occurred most recently with the loss of our collection sites in Iran. But these gaps can be filled, and the system's capability restored sufficiently to ensure that its job is done adequately. In recent months a great deal of attention has been given to the impact on verification of the loss of the Iranian sites, and it is useful to place that loss in perspective before turning to the details of specific provisions.

THE IRANIAN SITES AND THEIR REPLACEMENT

It has been suggested that our intelligence system has been fatally crippled by the loss of our stations in Iran. That view represents a misunderstanding of the full extent and capability of our system for assessing the Soviet missile program. In the past two decades, the United States has spent billions of dollars for sophisticated monitoring systems specifically targeted against the Soviet missile program. As a consequence, we have developed an extensive and effective collection network. In fact, all of the data used in the SALT debate—by supporters and opponents—are a product of this capable network.

The Iranian sites provided important information on some Soviet ICBM tests. Their loss reduced, but did not eliminate, our ability to make certain judgments about the tests. Reestablishing all of their capability, which we would want to do with or without a SALT II agreement, may take until 1983 or 1984. Regaining a substantial portion of the capability—the part most needed for SALT verification—is likely to be feasible within a year. During that time, we have a large number of other technical intelligence collection sources which will collect intelligence on Soviet strategic systems.

One interim measure we are considering is the use of U-2 reconnaissance aircraft to monitor Soviet missile tests. However, it is important to keep in mind that U-2 overflights are by no means the only way to replace the Iranian sites' contribution to SALT monitoring.

It is also important to keep in mind that a new strategic weapon takes several years to develop. A new missile, bomber, or submarine represents a major investment in time and money. It is not a simple process. We know from our own experience, and from observing the development of Soviet forces, that building a new strategic weapon system is an expensive and time-consuming enterprise. The weapon system first must be designed, developed, and tested; this phase alone generally takes several years. Eventually the system enters the operational force, and full operational capability may not occur until 10 or more years after development was begun. Throughout the system's operational life it is periodically tested and evaluated.

Each of these stages in the life cycle of a strategic weapon system is susceptible to a different mix of monitoring methods, and each presents a different opportunity for monitoring. Each stage poses a new problem for the side attempting to conceal such a program. A Soviet program to develop a new ICBM would require between 20 and 30 flight tests over a period of years. With existing (let alone with planned) additional collection systems, we would be able to monitor testing and detect violations well before the testing program could be completed.

In sum, I believe the SALT II agreement would be adquately verifiable if it came into effect today, even taking into account the loss of the Iran sites.

INCENTIVES FOR AND AGAINST CHEATING

As I mentioned earlier, in assessing the adequacy of verification we must also consider the likelihood that the Soviets would be tempted to run the gauntlet and cheat on the limits of SALT II. Theoretically, the incentive to cheat is a function of the value of the strategic gains which a side would expect to achieve from such a program, and the risks and consequences of being caught cheating.

In most areas, the chances of detection are so high that the issue of the utility of cheating would never arise. My own view is that the Soviets would find little advantage in exploiting those areas where our verification uncertainty is greater. This judgment is based on three factors: first, that the US-Soviet strategic balance will remain reasonably stable and durable, so that the Soviet Union will be unable to derive a significant strategic advantage by quantitative or qualitative improvements that might conceivably go undetected. Nothing which the Soviets are capable of doing secretly with their strategic forces would deny us the capability of responding with a retaliatory attack of devastating proportions. The United States has a credible nuclear deterrent today and we will have one in the future, even under the most pessimistic scenarios of Soviet cheating.

Second, SALT II does not halt Soviet strategic force modernization dead in its tracks. There will exist under the terms of the agreement a number of permitted opportunities for the Soviets to improve their strategic forces.

Third. The Soviets have their own—rather than our—uncertainties about our collection capabilities. They cannot be sure of our overall intelligence capability to monitor a SALT II agreement. For that reason, Soviet planners would be likely to make careful and conservative assumptions regarding US verification capabilities.

The Soviets would also have to face the possibility that a clandestine effort could be compromised by a defector, an intelligence source, or an accident which revealed the nature of the activity. The larger the scale of the effort and the longer it went on, the more people would be involved and the greater the possibility of compromise would become. This serves as a further disincentive to cheat.

U.S. "HEDGES"

We have a number of "hedges" available as responses to possible Soviet violation of the agreement. These are actions which we could take to increase the deterrent capability of our strategic forces and to offset any gain the Soviets might seek to achieve. Some would be permitted under SALT II. Others would require a US decision that the Soviets had violated and thereby voided the treaty.

But hedges, when they are real and credible options, not only give us the capability to react to Soviet cheating; they also serve to deter such activity by negating the benefit of any contemplated non-compliance. One quick reaction response would be to raise the alert level of our B-52s and ballistic-missile-carrying submarines. This, though expensive, would provide an immediate and significant increase in the number of weapons which would survive an attack.

There are a number of longer term responses available to us. The development and deployment of strategic offensive systems like the ALCM or the MX could be accelerated to provide their contributions to our force posture at an earlier date than is now programmed. We could adjust our planned MX deployment and basing (particularly by adding hard shelters) to offset increases in the RV force available to attack it. We could also expand the deployment of the MK-12A warhead on the Minuteman III force, or replace some of our Minuteman II missiles with Minuteman III's. Other actions could include steps which would extend the lifetime of the Polaris submarine, and an acceleration of the development of a cruise missile carrier aircraft.

These actions are illustrative examples of US strategic hedges. Some of them we may want to pursue in any event, even in the absence of Soviet violations. Our actual response to a Soviet violation would take into account the nature of the violation, the time available to respond, and the status of our various force improvement programs at the time.

OTHER CONSIDERATIONS

The process of determining the adequacy of verification must also weigh the benefits of a particular provision against the monitoring problem involved. The gains to the United States in some cases—either in permitting flexibility to pursue certain programs of our own or in imposing limitations on Soviet actions—are worth accepting some additional uncertainty in verification.

In several instances we had to consider a trade-off between verification considerations and the impact of the provision on US program flexibility. In some cases we negotiated a provision which allowed us to pursue strategic force options, even though doing so may have marginally increased our monitoring uncertainties. The provisions affecting cruise missiles and mobile ICBMs are the two most important examples of such a trade-off, and I will discuss them in detail later.

In determining how much monitoring uncertainty was acceptable, we also had to consider the importance—to the United States—of securing certain restrictions on Soviet forces. We felt it was desirable, for example, to restrict modifications to existing Soviet ICBMs as much as possible so that the limitation on "new types" of ICBMs would have maximum effect. Without a precise and narrow limitation on permitted modifications, the Soviets could claim that any new ICBM was simply a modification of an existing one. We determined that it was clearly in the US interest to accept some greater uncertainty in monitoring in order to secure

a far more meaningful limitation on "new" Soviet ICBMs.

TREATY PROVISIONS WHICH FACILITATE VERIFICATION

The SALT II agreement is designed to be adequately verifiable by national technical means. It is considerably more complex than the Interim Agreement it replaces. In addition to counting the number of launchers deployed, we must monitor the deployment of launchers for MIRVed systems. We must also monitor such characteristics as the launch-weight, throw-weight, and number of warheads for ballistic missiles, and the range and launch platforms for cruise missiles.

These are not new intelligence responsibilities; they are new only to arms control. We have monitored Soviet missile characteristics since the early days of missile flight history. What is new is the increased importance of such monitoring in light of the provisions of the SALT II agreement. For this reason, the United States successfully pressed for a number of provisions in the SALT II agreement designed to assist verification.

One provision, carried over from SALT I, bans interference with the national technical means used to verify compliance with the agreement. Another prohibits deliberate concealment measures which impede verification. Because many of the provisions of the agreement are verified by monitoring Soviet testing, the ban on deliberate concealment applies explicitly to testing practices as well as to construction and deployment activities. In particular, deliberate denial of telemetric information during testing is prohibited whenever such denial impedes verification. Neither party can unilaterally determine whether denial impedes verification. If questions arise on this issue they will be resolved in the Standing Consultative Commission.

A number of counting rules are included in the agreement to facilitate verification. For example, one rule resolves the difficulty of trying to distinguish launchers containing MIRVed missiles from launchers carrying non-MIRVed versions of the same missile. Another rule counts as a MIRVed launcher any launcher of a type which has ever contained or launched a MIRVed missile. Other counting rules have been worked out for bombers. These rules simplify verification tasks that would otherwise have been much more difficult.

Finally, the two sides have developed a common data base in which each party states the numbers of systems deployed in each of the principal categories limited by the agreement. While the US does not depend upon these numbers for verification, the data will provide an agreed baseline from which to measure compliance with the aggregate limits. The data base will be updated at each semiannual meeting of the Standing Consultative Commission.

AGGREGATE LIMIT

Let me now address our ability to verify compliance with the major provisions of the SALT II agreement. The first issue is our ability to verify compliance with the aggregate limit of strategic nuclear delivery vehicles. Here we have high confidence in our ability to monitor the numbers of fixed ICBM launchers, SLBM launchers, and heavy bombers. I want to stress that this simple sentence covers many of the most significant provisions of the treaty.

ICBM silos are readily identifiable during construction, and take a year or more to build. The missiles themselves require extensive support facilities, including missile handling equipment, checkout and maintenance facilities, survivable communications, and nuclear warhead handling, storage, and security facilities. Our intelligence collectors regularly examine the existing ICBM fields, but in addition they also conduct extensive surveys of the Soviet Union at periodic intervals for evidence of additional ICBM activity. The intelligence community judgment is that we would detect a Soviet effort to deploy a significant number of excess fixed ICBM launchers even if they departed substantially from their current deployment practices.

Facilities for the rapid reload of ICBM launchers are prohibited by the treaty, as are excess missiles at the launch site. A realistic capability to reload a silo launcher rapidly during nuclear conflict would require hardened facilities for missile storage, handling equipment, and crews. Construction of such facilities would be observable.

Turning to SLBMs, ballistic missile submarines are large and complex systems. They are currently constructed in only one shipyard in the Soviet Union. After launch they are fitted out in the open for a period of months before they begin sea trials. We monitor the launch, fitting out, and sea trials of each submarine. We also monitor Soviet ballistic missile submarines at operational bases, at sea, and at overhaul facilities. In addition, we search for evidence of SSBN-related activity at other facilities, and we monitor naval activities generally with a wide range of intelligence collection systems. We are confident we can monitor closely the number of Soviet SLBM launchers.

Heavy bombers are large in size, built at a small number of plants, and deployed at a limited number of operational bases which are closely monitored. The total inventory of heavy bomber type aircraft can be monitored with confidence.

A potential problem that is dealt with in the agreement concerns variants of heavy bomber type aircraft that are used for other purposes. Any future variants are required to have functionally related observable differences which indicate that they are not capable of performing a heavy bomber mission. Existing bomber variants are handled on a case-by-case basis—some will be modified within six months of entry into force; some which we have no problem distinguishing from bombers are exempted from this requirement.

MOBILE ICBMS

We would face somewhat greater uncertainty in our count of mobile ICBMs. The amount of uncertainly depends on the deployment pattern of the system.

The limitation on mobile ICBMs is one of the cases I mentioned earlier in which we faced a trade-off during the negotiations between monitorability and retaining force flexibility. We decided that it was very much in our interest to permit the deployment of a mobile ICBM as a way of dealing with the increasing vulnerability of the fixed-silo Minuteman force. As you know, we have decided to proceed with the MX missile, and to deploy it in a basing mode which will ensure that the number of deployed missile launchers can be monitored.

Taking into account the advantage to the United States of retaining a mobile ICBM option and the details of the monitoring problem, I believe that the verification of mobile ICBMs will be fully adequate. Determining the number of mobile ICBM launchers is more difficult than counting silos, but it is a manageable task. The uncertainty in monitoring the number of deployed mobile ICBMs depends on the deployment mode chosen. For example, the Soviets are now deploying the mobile SS-20 IRBM, and we can estimate the number of launchers deployed with reasonable confidence. If the Soviets made special efforts to conceal mobile ICBM launchers, of if they deployed a system without central support facilities, the uncertainties could be larger. But covert deployment of a force on a scale large enough to be militarily significant would be a formidable task, requiring successful concealment of a large number of deployed launchers, and of their production, support, and training exercises as well, and deployment without central support facilities would entail significant operational disadvantages. Also, concealment measures would themselves be violations if they impeded our ability to count launchers deployed. And we would detect the fact of such attempts at concealment even more easily than we could count the precise number of launchers.

The degree of uncertainty in verifying the number of mobile ICBMs deployed can be sharply reduced if a system is designed with verification in mind. In planning our own land-mobile ICBM, we have devoted considerable effort to devising deployment schemes which permit the other side to monitor the number of launchers deployed, even though not knowing exactly where they are at any one time. This same situation already exists for SLBM launchers and heavy bombers. We would insist that any Soviet mobile ICBM system permit adequate verification of the number of launchers deployed.

One specific concern about the clandestine deployment of mobile ICBMs is the possibility that the Soviet SS-16 ICBM could be deployed on SS-20 mobile IRBM launchers. To resolve this problem, the Soviets have agreed not to test, produce, or deploy the SS-16. We believe that we could detect over time any significant violation. Given their relatively small size and poor accuracy, deployment of SS-16s would not add significantly to the Soviet strategic forces in any case. Moreover, the diversion of SS-20 launchers to SS-16s would substantially reduce the capabilities of the Soviet theater nuclear forces.

In light of all these considerations, we believe that the advantages of keeping the mobile ICBM option open far outweigh the increased complexity of monitoring. The potential monitoring uncertainty is a small percentage of the total force capability on either side, and is acceptable.

MIRV LIMITATIONS

We have confidence that we can monitor the number of launchers of ICBMs and SLBMs equipped with MIRVs. Again I stress that this judgment covers several of the most significant provisions of the treaty.

The Soviets have always tested their missiles (both in R&D and training phases) from launchers that are identical to the operational launchers for that type. Any change from this practice would reduce both missile reliability and raise questions about concealing the association of missile and launcher a practice prohibited by the Treaty.

I have already mentioned the MIRV counting rules which substantially ease the task of monitoring such systems. One such rule requires counting as MIRVed missiles all those missiles of a type which has been tested with MIRVs. This is required even if that missile type has also been tested with a non-MIRV payload.

These rules also count as MIRV launchers all launchers of a given type once any one has contained or launched a MIRVed missile. The launchers associated with each of the Soviet MIRVed missiles are distinctive, and the MIRV launcher types can be readily distinguished from non-MIRV types. The agreement stipulates that future launchers not equipped for MIRVed missiles must be distinguishable from MIRVed missile launchers, and vice versa. If they are not, such launchers would count as MIRV launchers.

LAUNCH-WEIGHT, THROW-WEIGHT, AND NUMBER OF RE-ENTRY VEHICLES

At the present time, we can continue to monitor the launch-weight and throw-weight of ICBMs tested in the Soviet Union.

While the uncertainties are somewhat larger than they were when the Iranian sites were functioning, we are still able to detect significant changes in launch-weight and throw-weight over the course of a flight-test program. The uncertainties would be smaller for monitoring changes to existing ICBMs on which we have built up a considerable base of information than for the one new type ICBM permitted by the agreement.

The deployment of additional collection systems in the near term could enhance our ability to monitor launch-weight and throw-weight. A new or significantly modified missile requires a number of flight tests over a period of years before it is deployed. Significant evasion of the launch-weight and throw-weight limits would likely be detected during this test program. The Soviets would gain little militarily by exceeding the launch-weight and throw-weight limits by amounts that we may not be able to detect, and would risk challenge in the Standing Consultative Commission.

As for the number of reentry vehicles, we can determine accurately the number of RVs released from a missile during flight-testing. However, the Soviets might deploy ICBMs with a greater number of RVs than had ever been actually flight-tested on that missile. The SALT II agreement deals with this problem by limiting certain test practices which could be used to demonstrate procedures to release more RVs than were actually tested. We currently can monitor the maximum number of RVs tested on existing missiles, and planned future collection systems will allow us to continue to monitor the maximum number of RVs on future Soviet missiles. Furthermore, potential increases in the number of RVs on existing types of ICBMs are also restricted by a provision banning the flight-testing or deployment of an ICBM with an RV lighter than the highest RV which has been flight-tested on an ICBM of that type.

NEW TYPES OF ICBMS

The agreement limits each side to one new type of ICBM. New types of ICBMs are distinguished from existing types on the basis of launchweight, throw-weight, number of stages, propellant type (liquid or solid), length, and maximum diameter. Launch-weight and throw-weight are characteristics which I have already discussed. We have good monitoring capability for the remaining features: number of stages, propellant type, and dimensions.

In order to distinguish between new types and modifications to existing types, a line must be drawn between the two. The agreement does this by specifying the amount by which certain features of an existing missile may be changed before it becomes a new type. Any change in the number of stages or propellant type, or any difference of more than 5 percent in launch-weight, throw-weight, overall length or largest diameter qualifies an ICBM as a new type. Over the period of a test program for a new or modified ICBM we could detect significant deviations from these limits. Here again some small transgressions of the limits on missile modification fall within the area of our monitoring uncertainty. Such violations would not, however, affect missile capability in any significantly threatening way, particularly since increasing the maximum number of RVs is subject to a separate limitation, and is verifiable. In the absence of a SALT II agreement, the Soviets could modify existing missiles, develop new ones, and deploy both, all without limits.

The "new types" provision allows the US to test and deploy the MX, and, if we desired to do so, to make some modifications to the Minuteman III. This provision will, however, probably have a more significant impact on the Soviets. The rule will force them to choose between replacing the SS-11 with a new, larger (possibly solid-fueled) non-MIRVed missile, or replacing the SS-17 and SS-19 with a 10-RV MIRVed missile. They cannot do both. We will be able to determine with confidence that the Soviets are complying with this limitation.

CRUISE MISSILES

This is another area in which there are some monitoring uncertainties. It is also very definitely an area in which the US negotiating position emphasized preserving future force options.

We have a good understanding of the numbers, characteristics, and capabilities of current Soviet cruise missiles, even though cruise missile range is difficult to define and estimate precisely. If the Soviets continue their present practices for the development and deployment of cruise missiles, we expect to maintain our present level of understanding. If the Soviets altered this current practice, our estimates of cruise missile range capability could be subject to considerable uncertainty.

This uncertainty is acceptable because we believe the Soviets have little incentive for cheating on cruise missile range limits. The agreement provides both sides with enough flexibility to pursue long-range cruise missile programs without cheating.

Since all limits on SLCMs and GLCMs expire with the Protocol, and the range of cruise misses deployed on heavy bombers is unconstrained for the entire treaty period, the most important monitoring task for cruise missile ranges after the Protocol is to determine that ranges of cruise missiles deployed on aircraft not counted in the 1,320 limit have a range capability of less than 600 km.

Our confidence in verifying the limits on ALCM numbers is considerably higher than for cruise missile range limits. Bombers equipped for long-range cruise missiles are counted in the 1,320 limit. As the MIRVs, there are counting rules to distinguish aircraft equipped for ALCMs from those which are not. The association of an ALCM with its carrier aircraft is made as early as the flight-test phase.

BACKFIRE

We can estimate the number of Backfire aircraft produced with confidence in the same way we estimate the number of heavy bombers.

We could detect a significant upgrade in Backfire's capability either by a physical modification of the aircraft, or a reorientation of the Backfire force toward intercontinental missions. Careful observation of the testing of Backfire, its deployment patterns, and training and exercises with this aircraft indicate that Backfire is assigned a theater and anti-ship role. However, the aircraft does have an inherent capability to perform some intercontinental missions. Improving its capability for such a mission would probably require changes in the aircraft's deployment pattern or training activity which could be monitored. Moreover, the additional strategic capability which the Backfire could provide would be at the expense of a substantial loss of theater and anti-ship capability from such a change in the role of this aircraft.

I would also note that we were able to extract some important limitations on the Backfire from the Soviets. They have agreed to freeze its production rate at 30 per year; they have agreed to improve its intercontinental capability. Any more direct and restrictive limitation on Backfire would inevitably have brought into the negotiations on SALT II our forward-based systems which are marginally capable of reaching the Soviet Union. We have insisted throughout SALT that these systems are not for negotiation between the United States and Soviet Union alone. The acceptability of the verification uncertainties have to be considered in the light of these factors.

Given this negotiating history, and the factors that reduce the incentives tempting the Soviets to cheat on the Backfire assurances, I find our uncertainties in this area acceptable.

COVERT DEPLOYMENT IN PERSPECTIVE

Some observers have disputed the judgment that the provisions of SALT II can generally be monitored with high confidence. They suggest that it would be a fairly simple exercise for the Soviets clandestinely to deploy significant numbers of strategic forces. They imply that the U.S. intelligence community has developed a false confidence in its monitoring capabilities because "we have never found anything that the Soviets have successfully hidden."

This tautology, like all such statements is true on its face. But it is gravely undermined as a practical argument by our experience in the real world. The fact is that we have never found a strategic weapon system that the Soviets had successfully hidden for a period of time. If the Soviets had embarked on a significant clandestine deployment of strategic forces, we would expect to have discovered—at some point since the beginning of the missile age—a strategic weapon program which had been operational for some time, or an occasional example of attempted concealment which was not entirely successful. That has not been the case, and that fact does give us confidence in our collection capabilities and analytical techniques. We have had—and will continue to have—disputes over the meaning of the data we collect, but we have had remarkable success in monitoring Soviet strategic forces over the last 25 years. We have detected every ballistic missile and heavy bomber as soon as it entered the flight-test phase. Most of these systems were detected even earlier.

In short, throughout our years of monitoring Soviet forces we have observed no grain elevators being loaded with ICBMs, no SLBM launchers being installed on fishing trawlers. One theoretical explanation is that the Soviets are doing an extraordinary job of concealment—with absolutely no breaches of security or inadvertent disclosure of what would be a substantial effort. The other far more plausible interpretation is that Soviet clandestine deployment of strategic forces, if it exists at all, is at such a low level as to be strategically insignificant.

COMPLIANCE AND REACTION TO VIOLATION

In considering Soviet compliance with the provisions of SALT II, it is important to keep in mind that there is a difference between detection of a violation and enforcement, bringing a detected violation to an end. The SALT II Treaty will not be enforced in the courts; the mere existence of a provable violation does not bring it to an end. Conversely, the issue is not whether we could prove a case to a jury. We do not need proof beyond a reasonable doubt, nor even evidence we can discuss in detail, to challenge Soviet action.

Our initial course, if we were concerned about a possible violation, would be to discuss any ambiguous situation with the Soviets in the Standing Consultative Commission (SCC). In appropriate cases we could also raise the issue in higher level diplomatic channels. We come to SALT II with more than six years of experience with the SCC. Over the years both sides have raised questions concerning activities of the other side. On several occasions we observed activity which raised questions with respect to Soviet compliance with the agreements. We raised these issues promptly with the Soviets, and in every case the activity ceased, or subsequent information clarified the situation and allayed our concern. As a result of our record of raising questions in the SCC, the Soviets are well aware that we will call

them to account in SALT II for any questionable activities related to their strategic programs.

My own belief is that the Soviets are more likely to attempt to exploit the ambiguity of various provisions and understandings (and there has been a very considerable effort to make these substantially less in SALT II than in SALT I) than they are to try to find ways to test our verification capabilities by cheating. This was certainly our experience in SALT I. The ambiguities were greater in SALT I, and the limitations less detailed—but our monitoring capabilities are even better now than they were at the time.

We will expect satisfactory resolution of any problems encountered under SALT II. If we do encounter problems and present them to the Soviets, they may be able to explain satisfactorily the ambiguous activity. Or they may stop the activity in question.

It must be acknowledged, however, that in international agreements the only ultimate enforcement mechanism is our own actions, either to produce agreement by the other side to cease and correct the problem, or to offset the consequences by our own unilateral steps. If a problem is not resolved to our satisfaction, a number of courses are open to us. We could take actions permitted under SALT which would have the effect of offsetting the Soviet action. We could insist on taking certain actions ourselves outside the Treaty to compensate militarily and politically for the violation.

Our ultimate remedy would be termination of SALT II agreement. That is a step we would not take lightly. However, if a problem were not resolved or if we detected a violation which threatened our security, I would not hesitate to recommend to the President that we take whatever steps necessary to meet the threat—including, if need be, the ultimate step of Treaty abrogation.

OVERALL ASSESSMENT

In assessing the significance of our monitoring uncertainties, I have assumed (and believe) that we will recover from Soviet missile testing the telemetry that is relevant to SALT limitations. Given this assumption, I believe that all of the uncertainties we face are acceptable risks. The United States will maintain forces and programs capable of being accelerated so as to offset any potential Soviet violation. These US hedges mean that the Soviets must count on a low payoff—very likely a negative payoff—for any contemplated cheating. Finally, all of the uncertainties we face in SALT II would be far worse without an agreement because Soviet concealment practices would then be unconstrained. SALT actually serves to reduce our uncertainties about Soviet strategic forces.

In my judgment, we can adequately verify compliance with every provision of SALT II. In assessing the adequacy of verification, it is important to consider the total agreement rather than is particular provisions taken separately. To determine whether the agreement as a whole is adequately verifiable, we should also ask ourselves whether the Soviets could exploit the monitoring uncertainties of several individual provisions, even if each is judged as adequately verifiable, in a way that would affect our national security interests. This perspective asks, in effect, what would the Soviets have to do not just to cheat and (perhaps) to get away with it, but what they would have to do in order to gain an advantage in the strategic balance by cheating. In such a context, the probability of detecting the fact of cheating increases markedly as the number of provisions being violated increases. The high likelihood of detecting significant cheating on individual limitations and our ability to detect the fact of even small cheating of it is attempted over a period of time on a number of provisions enhances our monitoring confidence.

The Soviets would also have to take into account the possibility that any clandestine effort to violate the terms of SALT II could be comprised by a defector, an intelligence source, or accidents which reveal the nature of the activity. The larger the scale of the effort and the longer it went on, the more activity would be involved and the greater the possibility of compromise would become.

In short, there is a double bind which serves to deter Soviet cheating. To go undetected, any Soviet cheating would have to be on so small a scale that it would not be militarily significant. Cheating on such a level would hardly be worth the political risks involved. On the other hand, any cheating serious enough to affect the military balance would be detectable in sufficient time to take whatever action the situation required.

This testimony lays emphasis on the issue of verification; correspondingly I have emphasized my conviction that the Treaty now before the Senate meets the tests of adequate verifiability. But SALT II does more than this. It actually enhances our ability to gather intelligence on Soviet strategic forces. The treaty forbids interference with our SALT-related intelligence systems and prohibits deliberate concealment which would impede verification. Without SALT II, we could be faced with concealment, countermeasures, plus all the actions that would be considered "cheating" under the agreement. Without SALT all of these actions would be permitted; with SALT they are all prohibited. The SALT II agreement does not present a verification problem. On the contrary, it improves our ability to gather strategic intelligence and enhances our national security.

I believe that cheating on a scale large enough to affect the strategic balance would be discovered in time to make an appropriate response. For these reasons, and others noted in this testimony, I am confident that the SALT II agreement, taken as a whole, is adequately verifiable.

STATEMENT OF THE HONORABLE GEORGE M. SEIGNIOUS II, DIRECTOR, UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY, BEFORE THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, JULY 18, 1979

Mr. Chairman, I am honored to testify today before this Committee regarding the verifiability of the SALT II agreement. I fully recognize the gravity and seriousness of this subject.

I want to begin today by making five key points.

Point One: After careful study, I have concluded that SALT II as a whole, and in its parts, is adequately verifiable. As required by Section 37 of the Arms Control and Disarmament Act, I now formally certify this conclusion, and I have provided for you today a classified report that discusses the verifiability of SALT II. Furthermore, I believe that SALT II will be adequately verifiable from the day the agreement enters into force.

Point Two: SALT II does not depend on trust. No nation bases its national survival on trust, and I would not be here today before you if I thought that trust was an element of SALT II.

Point Three: Our national verification capabilities are impressive and mutually supportive today. We must have, and we do have, specific programs to enhance them even further.

Point Four: SALT II, and indeed the entire process of strategic arms negotiations, actually enhances the knowledge we have about Soviet strategic nuclear forces and other forces not constrained by SALT. It makes our intelligence task easier than would be the case without SALT.

Point Five: The record of SALT I shows that we have been vigilant in pursuing questions of Soviet compliance. This will continue to be the case under SALT II. Abrogation of the Treaty is, of course, the ultimate recourse, and we must have the national will to follow that path if we believe that Soviet actions grieviously threaten our security.

Verification is the process by which we determine whether the Soviet Union is living up to its obligations under SALT. SALT limitations, however, are not absolutely "verifiable" or "unverifiable." The relevant question is whether the SALT II Treaty is adequately verifiable: that is, are we confident that our verification capability is sufficient to ensure that any Soviet non-compliance will be detected before it can pose a significant military risk or adversely affect the strategic balance.

The criterion of "adequate verification" has been national policy since SALT I began:

In 1969, President Nixon approved instructions that said: "Any agreed measure must be subject to adequate verification;"

In 1973, in Washington, President Nixon and Soviet leader Brezhnev signed a document called "Basic Principles of Negotiations" for SALT that again required "adequate verification;"

In 1974, "adequate verification" remained the standard under President Ford when our SALT delegation received its instructions; and

In 1977, Congress established the standard of "adequate verification" in Section 37 of the Arms Control and Disarmament Act. This section states: "It is the sense of the Congress that adequate verification of compliance should be an indispensable part of any international arms control agreement."

SALT II has been designed and negotiated to be adequately verifiable. We never put a SALT proposal on the negotiating table without first considering our ability to verify that proposal. And we never accepted a Soviet proposal without giving it the same consideration. One of my strongest impressions as Director of the Joint Staff of the Joint Chiefs of Staff, as a member-at-large of the SALT Delegation, and in my present position has been the unanimity of the U.S. Government in eschewing any reliance on trust or faith in the Soviet Union as a substitute for verification.

No matter how excellent our intelligence capabilities, there will always be some uncertainties. In judging verification risks, we have taken many factors into account: (1) the capabilities of our existing and projected intelligence-collection systems and analytical techniques; (2) the measures the Soviets could take to evade detection; (3) the costs and risks to the Soviets of any attempt to evade the limits; (4) the military significance of potential violations; and (5) the capability of the United States to take appropriate and timely counter-measures to offset the effects of potential Soviet non-compliance.

With these factors in mind, I have reached the conclusion that SALT II is adequately verifiable. This is based on the judgment that we have high confidence in our ability to detect significant Soviet violations. In my opinion, any cheating which could affect the strategic balance would be discovered in time for the United States to make an appropriate response. In view of U.S. programs and our resolve to challenge any questionable Soviet activities, the areas of uncertainty are not such as to permit the Soviets to produce a threat to United States national security.

I said at the beginning that in SALT we do not rely on trust. The myth that SALT and trust go together is a myth and only a myth. We do not rely on faith, or hope, or the Soviets' signature. To put it bluntly, we are dealing with our principal adversary.

We rely on our own independent, national intelligence capabilities. We survey the Soviet Union regularly, thoroughly and accurately with a vast array of sophisticated and powerful intelligence-gathering systems, such as photo-reconnaissance satellites, radars, and other monitoring devices in space, on land, on sea, and in the air. The result is a network of collection systems, which provide us with redundancy and which complement each other in their coverage of the Soviet Union.

We have spent billions of dollars on these systems, and it has been money well spent. I find our intelligence capabilities truly astonishing in their technological capacity—especially to a soldier who began his career in World War II, when we seldom knew what was happening six hundred yards behind enemy lines, let alone six thousand miles away.

Although the exact nature and capabilities of these intelligence systems are highly classified, I can illustrate their effectiveness by outlining the kinds of information we receive from them.

For example, we know where the Soviets build their submarines. It takes several years to construct a ballistic missile submarine. We carefully observe it during this period. We count its missile tubes as they are being built, and we determine which types of missiles will be installed in those launchers. When the Soviets launched their latest Delta class strategic missile submarine, it was no surprise. We had been aware of its construction for years.

Similarly, we know where Soviet ICBM launchers are deployed and what types they are. We observe new missiles as they are flight-tested, and they are tested extensively. We know whether a missile is tested with one warhead or more than one. We can count the number of Soviet reentry vehicles as they reenter the atmosphere.

We monitor the conversion of older Soviet ICBM launchers so they can handle their new MIRVed missiles. Well before the conversion is finished and the launcher is again operational, we know not only whether it is a launcher for a MIRVed missile—but also the type of MIRVed missile it is designed to contain.

In the case of Soviet heavy bombers, we have an adequate count of how many bombers there are, where they are produced, and where they are based. We can observe important modifications that are made to these bombers.

A good measure of the overall capabilities of our intelligence collection system is the detailed information published each year in the Secretary of Defense's report to the Congress. Indeed, the numbers used by opponents and proponents of SALT alike are based on information acquired by our national intelligence collection systems. Not one bit of this information has been volunteered by the Soviet Union. It has been gathered entirely by ourselves.

Several factors help us in verifying the provisions of SALT II:

One factor is time. Many of the systems limited in SALT are very large and complex and cannot quickly be constructed. For example, it takes many months to construct an ICBM silo launcher and years to develop and deploy a new missile. This gives us time to monitor activities.

Another is reliability. New strategic systems have to be tested to have operational reliability. We can observe these Soviet tests.

And a third factor is support requirements. Strategic systems need personnel to run them and extensive logistic and security support. These requirements compound the task of keeping deployments hidden, and they increase the chance that we will detect them, especially if such activities were to take place in significant numbers. Some charge that the Soviets could stockpile extra missiles and then one night change the strategic balance. Let me say that it is one thing to produce a missile in a factory; it is quite another to have the trained personnel, the logistics, the large amounts of heavy equipment to handle the missiles and the launchers themselves—without our being able to spot them.

I might add that the Soviets, if they wanted to violate the provisions of SALT II, would face another difficulty—uncertainty. Our use of multiple intelligence sources complicates any Soviet effort to disguise or conceal important activities. The Soviets know that we have a large, sophisticated intelligence operation, and they know a certain amount about how it works. They do not, however, know the full capabilities of our collection systems and analysis techniques. This uncertainty will further complicate any Soviet attempt to conceal an evasion of the SALT II limits.

In assessing the capabilities of our network of collection systems, it is important to recognize that intelligence is a dynamic process in which our effort will need continual improvement. We must be prepared to take the necessary actions to exploit the new opportunities that advancing technology offers us, and to offset the loss of sources, as happens from time to time. The recent loss of important intelligence stations in Iran is a clear example. Because of our extensive capabilities, we continue to be able to monitor adequately the testing of Soviet ICBMs, although some uncertainties are temporarily larger than we would like.

As you know, we are aggressively pursuing a number of alternatives and specific programs to collect the information formerly gathered in Iran in order to reduce these uncertainties to their former level. We expect to do this before a test program for any new or modified Soviet strategic missile could be completed.

As intelligence is a dynamic process, so must be verification. As weapons systems become more and more sophisticated, we must negotiate verification provisions to keep pace with them. Good examples of how this has taken place in SALT II are the various counting rules, such as those for MIRVs, bombers, and cruise missiles.

Verification is, and must be, an evolving process. As we pursue arms control measures more difficult to verify by national technical means, our ability to reach agreement may well depend upon our ability to negotiate procedures which allow access to information unobtainable unilaterally, but which is essential to verification. I signal this today not as a requirement for the present but as a possible harbinger for the future.

The limits of SALT II, however, are adequately verifiable with our own national technical means. By restricting launchers and not missiles, by ingenious counting rules, we have no imperative need for more intrusive measures in SALT II. On-site inspection is not required for adequate verification of SALT II. The proponents of on-site inspection oversell the alleged advantages of such inspection. For example, the SALT II MIRV counting rules, which I will discuss in detail later, are a better device than on-site inspection for counting MIRVs. We are able to use these rules to count Soviet MIRVs on a total, national basis. We will not have to rely on inspectors who can be deceived and who cannot watch all of the launchers all of the time.

We would monitor the Soviets even if there were no SALT agreement. It is essential for us to have good, solid intelligence on Soviet strategic forces, totally apart from any arms control agreement. In fact, only a portion of the total intelligence we collect on Soviet strategic forces is related to SALT limits.

There are specific provisions in SALT II, proposed by us and accepted by the Soviets, that make the job of monitoring the Soviets easier than it would be without SALT.

Under SALT II, the Soviets will not be allowed to interfere with the intelligence systems we use to verify SALT.

Under SALT II, deliberate concealment, including encryption of telemetry, which impedes verification of compliance is banned. This ban applies not only to concealment of construction and deployment of systems limited by SALT but also to concealment of testing of those systems, because some provisions are verified by observing testing. Without this ban, the Soviets could use any and all means of concealment.

Under SALT II, the production, testing, and deployment of the Soviet SS-16 ICBM, and its unique components, are banned for the Treaty period. This ban precludes difficulties that would have arisen in distinguishing it from a Soviet shorter-range missile that is not limited by the Treaty. The SS-16, I want to stress, is the only ICBM that has been assessed to have been tested from a mobile launcher.

Under SALT II, neither side is allowed to conceal the association of a missile with its launcher. Without this provision, it would be much more difficult for us to assess which missile goes with each type of launcher.

These are just some of the SALT II verification provisions. Without them, it could be much more difficult to collect needed intelligence on Soviet strategic programs. Without the bans on concealment and interference, we could find it much harder to determine how many strategic missiles and bombers they are deploying, and what their military capabilities and characteristics are. The Soviets would be free to take steps to complicate our ability to predict accurately the size and capability of Soviet strategic forces.

No leader, military or civilian, wants to plan with less rather than more information about an adversary. I believe that in SALT we have used verification to good advantage—for our own security, for strategic stability, and to help turn uncertainty into confidence.

That is a clear, specific example of the contribution arms control can make to our national security.

We have over six years experience verifying Soviet compliance with SALT. The Soviet record during SALT I has been carefully reviewed and analyzed. In every case of questionable activity that we raised with the Soviets, the activity ceased or additional information has allayed our concern.

As an example of the seriousness with which the Soviets have taken ther responsibilities under SALT, they have dismantled ballistic missile submarines in order to place newer class submarines at sea and still stay within the limits set by SALT I in 1972. Peferectly good submarines, newer than some of our own ballistic missile submarines now in service, have been withdrawn from the Soviet strategic inventory to comply with SALT.

The question has been asked: "What do we do if we discover a Soviet violation or if we even suspect one?" As a result of the SALT I agreements in 1972, we established at Geneva a U.S./Soviet Standing Consultative Commission (SCC) where any compliance questions, any suspected activities, can be challenged at once. We thus have an established forum where even the slightest suspicion of a violation can be raised with the Soviets. This forum has worked well under SALT I.

Some also question whether we actually would challenge the Soviets if they appeared to be in violation of SALT II. I believe our record under SALT I is solid proof that we would. We have not been hesitant to challenge the Soviets about questions of concern to us—eight times. The fact is, however, that there is not one outstanding challenge that we have made against the Soviet Union that has not been resolved to our satisfaction. If a violation persisted

without correction or if a violation threatened our security, then we could abrogate the agreement and build the forces necessary to meet the threat. This would be a very serious development, and the Soviets know it.

Within the U.S. Government, procedures have been established for monitoring Soviet performance and for dealing with matters related to compliance. All intelligence information is carefully analyzed in the context to the provisions of SALT, and recommendations on questions which arise are developed by interagency intelligence and advisory groups within the National Security Council system. Currently, these are an intelligence community steering group on monitoring strategic arms limitations and the Standing Consultative Commission working group of the Special Coordination Committee of the National Security Council.

Should analysis of intelligence information indicate that there could be a question concerning compliance, this latter group reviews and analyses the available information and provides recommendations. The President decides whether a particular question or issue is to be raised with the U.S.S.R. based on the study and recommendations of the department and agency principals who comprise the Special Coordination Committee or the National Security Council itself. After the discussion of any question is opened with the U.S.S.R. in the Standing Consultative Commission, the positions and actions taken by the U.S. representatives are also guided in the same manner.

SALT II was constructed with verification in mind. Indeed, during more than six years of negotiations, verification issues have probably received more attention and more effort than any other single aspect of SALT policy. Every new idea was scrutinised in terms of our present and projected monitoring capabilities.

The SALT II agreement is adequately verifiable because we insisted that it be so. In several instances, provisions enhancing verification took months or years of hard bargaining before the Soviets agreed to them. I would like now to give several examples.

In SALT II, there will be rigorous counting rules to solve such problems as determining which missile launchers have missiles that carry multiple independently targetable warheads—or MIRVs—and which do not. While it is difficult to determine whether a particular Soviet missile is MIRVed, we can monitor the unique types of Soviet missile launchers with high confidence. In essence, the MIRV launcher counting rule states that if a launcher has ever contained or launched a MIRVed missile, all launchers of that type must be counted as MIRVed. This is coupled with a rule that any missile of a type that has ever been tested with MIRVs counts as a MIRVed missile. The practical result of these rules is that all potentially MIRVed Soviet missile launchers must be considered as MIRVed under SALT, even though these launchers may actually contain only missiles with one warhead. These counting rules exemplify how this Treaty has been constructed to allow us to utilize our monitoring capabilities most effectively.

We arrived at this solution to MIRV verification only after many years effort. When the United States entered into negotiations with the Soviets on this issue, we proposed limits on MIRV launchers as well as verification rules to enable an accurate and unambiguous count of these launchers. We insisted that such rules for MIRVed missiles and their launchers were essential. Although the Soviets resisted for several years, they eventually agreed to these rules. And they also agreed that the rules would cover missiles and launchers at two missile bases called Derazhnya and Pervomaysk, where some unMIRVed missiles were deployed in launchers which we could not distinguish from MIRV-type launchers. This was a significant Soviet concession which assured our ability to verify adequately the MIRV launcher limits. It meant for the Soviets that about 100 Soviet launchers at Derazhnya and Pervomaysk with unMIRVed missiles had to be counted as launchers of MIRVed missiles.

Another example of the important role played by verification considerations in the SALT II negotiations is the limitation on telemetry encryption. We sought Soviet agreement that encryption of telemetry which impedes verification would not be permitted under the prohibition on deliberate concealment measures. For a long time, the Soviets resisted. However, the United States insisted that the Treaty contain specific language making clear that deliberate telemetry denial, such as by encryption, would be prohibited whenever it impedes verification of compliance with the provisions of the agreement.

At the Geneva meeting between Secretary Vance and Soviet Foreign Minister Gromyko in December 1978, the Soviets finally agreed to a provision that deliberate denial of telemetric information is prohibited whenever such denial impedes verification of compliance. At the Summit in Vienna, we again received explicit confirmation, this time from President Brezhnev, who agreed that there must be no encryption of information involving parameters covered by the Treaty.

This most certainly does not mean that the Soviets are free to decide whether or not telemetry encryption impedes verification. We have established a clear basis for raising with the Soviets any instance of encryption which impedes our verification, while protecting sensitive U.S. intelligence sources and methods.

The agreement on this issue does not ban all telemetry encryption. We have monitored telemetry from Soviet missile tests for many years, and we have developed complex analytical tools for evaluating that telemetry. Accordingly, we know what types of data are important for verification, and if those data are denied, we can make that determination. We had a sound basis to demand that the Soviets agree not to conceal data related to the provisions of the agreement. We were successful. We have no basis in the Treaty for demanding data not related to the provisions of the agreement.

A third example concerns the limits on what we call missile "fractionation," or the number of warheads on ICBMs, SLBMs, and air-to-surface ballistic missiles. Fractionation limits promote a major U.S. SALT objective, which is to keep the Soviets from fully exploiting the potential of their land-based ICBMs. The Soviets could realize substantial benefits from their recent improvements in accuracy if they could add more warheads to their current and projected ICBMs.

The Treaty, however, will:

Freeze the number of warheads on existing types of ICBMs;

Establish limits on the number of warheads on the one permitted new type of ICBM and on SLBMs and air-to-surface ballistic missiles;

Ban testing and deployment of lighter warheads, which could be used to circumvent the fractionation limit; and

Require that future warhead release simulations must count toward the permitted number of warheads for each type.

The United States can adequately verify these provisions. The Soviets long resisted them and agreed only in the final period of negotiations. On some of the key verification provisions, we negotiated right down to the final days of the talks and got the Soviets to agree to our position. We didn't blink.

During the SALT II negotiations, we have also had to consider the tradeoff between verification considerations and the need to ensure that we would be able to take the necessary steps under SALT II to maintain strategic equality. For example, it would be easier to verify a total ban on all cruise missiles than it will be to verify some of the cruise missile provisions in the agreement, such as those which temporarily limit the range of deployed ground- and sea-launched cruise missiles to less than 600 kilometers. However, the United States decided that, on balance, it was in the interest of our national security to be allowed to pursue these programs, even though allowing the Soviets the same options may complicate verification in the future. Mobile ICBMs are an area where we made a similar choice, deliberately preferring to keep important military options open to us, at the price of a potentially more difficult verification job.

In my testimony today, I have touched on only a few examples of our ability to verify Soviet compliance with SALT II.

In the course of these hearings, additional information is being made available to the Committee in testimony by Secretary of Defense Brown and Director of Central Intelligence Turner and in other testimony and written reports. In making my certification of adequate verifiability, I have leaned heavily on the assessments of the Secretary of Defense, the Director of Central Intelligence, and the General Advisory Committee on Arms Control and Disarmament. Additionally, and importantly, I have taken into account the conclusion of the Joint Chiefs of Staff that SALT II is adequately verifiable.

As I look back over the course of SALT I and SALT II, I am impressed by how far we've come, as well as how far we still must go.

I am impressed by the degree to which the Soviet Union has conceptually and practically moved in our direction on verification.

I am impressed that, for the first time in the history of strategic arms negotiations, the Soviets will provide figures on their own offensive forces as part of an agreed data base, figures which we will be able to verify independently and figures which the Soviets must update on a regular basis. Acceptance of this data base overturns a tradition of centuries of Russian secrecy. It provides a clear, agreed baseline on which to judge treaty compliance and from which future negotiated reductions can be made. It will serve to assure that both Parties interpret the provisions of SALT II in the same way.

I am impressed that under SALT II the Soviet's SS-16 ICBM will be banned.

I am impressed that under SALT II the Soviets will not be able to interfere with our monitoring of their strategic forces.

I am impressed that under SALT II the Soviets will not be able to conceal their strategic forces—an action that, without SALT, would be in their favor considering their closed society and enormous land mass.

I am impressed that without SALT II, every one of these and many other advantages would be lost.

Thank you, Mr. Chairman.

STATEMENT OF W. AVERELL HARRIMAN ON THE SALT II TREATY, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE, JULY 19, 1979

Mr. Chairman and members of the Committee, I appreciate greatly the opportunity to testify before this Committee on a subject in which I have been involved for many years—the control of nuclear weapons.

In fact, I accompanied Prime Minister Churchill on his visit to Washington to see President Roosevelt shortly after Pearl Harbor in December 1941. Among the members of his staff, he brought with him his scien-

tific advisor, Frederick Lindemann (later Lord Cherwell). Churchill proposed to Roosevelt the urgent need to develop an atomic bomb before Hitler. Churchill offered to pool the British scientific knowledge with ours. Following these discussions, the Manhattan Project was launched. Fortunately, Germany was overrun before Hitler's scientists achieved a breakthrough on an atomic bomb.

I was with President Truman at Potsdam when he first learned of the success of the Los Alamos test in July 1945. Later I was involved in his efforts to control the atomic bomb in the United Nations through the Baruch Plan.

In July 1963 under President Kennedy, I headed the American team that negotiated the Limited Test Ban in Moscow with Premier Khrushchev.

I visited Moscow in 1965 for President Johnson, and Premier Kosygin raised the subject with me of the need for an agreement between the United States and the Soviet Union for the control of nuclear weapons. I recall Kosygin stating that we both had the capacity to kill each other many times over, and he remarked, "What difference does it make if one can do it 21 times and the other only 19 times?" President Johnson later discussed the need for an agreement with Premier Kosygin when the latter visited him at Glassboro in 1967.

I was in Paris in August 1968 when President Johnson had agreed to meet Kosygin at Leningrad to start nuclear negotiations. Our ambassadors to the NATO countries had received instructions to notify their host governments of the planned meeting. These instructions had to be cancelled that very morning because of the Soviet entry into Czechoslovakia. It is a tragedy that these talks did not begin in 1968, as it was before we had developed the MIRVs and our mutual capabilities were very much less than they later became.

You are, of course, fully familiar with the successful meetings which President Nixon had with General Secretary Brezhnev in 1972, leading to the important agreements on ABMs and on SALT I.

I want to emphasize that the delays in discussions have led to greater difficulties in subsequent talks because of the rapidity with which scientific development produced more deadly weapons.

I think it is significant to point out that Khrushchev was prepared in 1963 to agree to a complete Comprehensive Test Ban. Verification was the principal obstacle from our standpoint. With the state of our technology at that time, we could not determine for sure the difference between an underground nuclear explosion and an earthquake. We therefore asked for on-site inspection and the establishment of the so-called "black boxes" which would be strategically placed and available to us. We demanded seven on-site inspections and Khrushchev offered three. Jerome Weisner, now President of M.I.T., was at that time President Kennedy's scientific advisor. Weisner urged taking the risk of not being sure of verification, as he thought any cheating would be of relatively little value and that our technology could be developed rapidly in order to distinguish between the two types of explosions. Other scientists held the same view, but verification won the day; we had to be satisfied with a Limited Test Ban. If only we had followed the wisdom of Dr. Wiesner and the other scientists, think how greatly the whole development of nuclear weapons would have been restrained by the prohibition of testing. Our own lead in weapons technology would in all probability have held.

I have been convinced by the judgment of Secretary of Defense Harold Brown, as well as from information I have received from scientists at Harvard and M.I.T., that SALT II is adequately verifiable and there is no strategic danger from possible violations.

I have studied the testimony of Secretary of State Vance and Secretary of Defense Brown. They have given this Committee complete details of the restraints in quantity and quality of permitted Soviet buildup. They have also explained our modernization program, fully permitted under the Treaty, which is required to maintain our position of equivalence and the protection against the threat to our ICBMs. There is no need for me to repeat these points. I wish, however, to strongly endorse their statements and judgments.

I would like to comment that the Soviet government has undertaken during the last fifteen years to catch up with the United States in nuclear capability and is succeeding. We can no longer expect to stay way ahead of them. There is, however, a stability that comes from neither side feeling inferior. It gives greater opportunity for reaching agreements in other fields. There is in the Soviet Union a spectrum of opinion in the ruling group, from hardliners who are pressing for military strength to support their ideological objectives, to those who have a more reasonable attitude and who are concerned with the development of the Soviet Union for the benefit of the Soviet people. Our acceptance of equivalence as conceived by the SALT II Treaty will, I believe, tend to strengthen the more reasonable group, and it may well affect the succession to Brezhnev when he steps down. A rejection of the Treaty, I fear, might lead to a hardline succession. This could have a far-reaching effect on our relations for many years. It could mean a difference between greater progress both in the control of nuclear and conventional arms, as well as in political matters, as against a return to more of the cold war attitudes. It could affect the balance in the areas in which we find it possible to cooperate, or where we are faced with competition, if not confrontation.

I was in Moscow in May 1975, heading an American delegation appointed by President Ford, to participate in the Soviet celebration of the 30th Anniversary of VE Day. The emphasis of the celebration was not on the victory in war but on the maintenance of thirty years of peace. President Brezhnev emphasized this in his hour-long speech. He called for the same cooperation for peace as we had during the war. Yet when he came to the role of the Communist Party, he made the following statement: ". . . our high-principled support . . . of liberation movements throughout the world . . . adds to our influence and prestige." He has been quite open in statements of this kind, and we should recognize that the Soviet government will help communist subversion—called "liberation movements"—wherever the opportunity arises. Our nuclear weapons will not stop communism. The strength of our ideals and the way we adhere to them, as well as our assistance to others who are trying to protect their freedom, will, I believe, prevail over communism. We should also strengthen our conventional forces where needed.

The decision on SALT II can have such far-reaching effects on our security that I earnestly hope it can have bipartisan cooperation such as existed in the immediate post-WWII period, when Republican Senator Vandenberg of Michigan, Chairman of the Foreign Relations Committee, worked so closely with President Truman in the historic achievements of that time. I like to recall Senator Vandenberg saying that it was not "bipartisanship" but he called it "nonpartisanship." The avoidance of nuclear holocaust is so serious that it requires acceptance of Senator Vandenberg's wise precepts. After all, this Treaty has been negotiated under both Republican and Democratic administrations.

In 1948 there was a strong difference of opinion, both from the left and the right in this country, about whether we should join in a military alliance with Western Europe. Such a prominent Republican leader as Robert Taft opposed this alliance. Senator Vandenberg's nonpartisan leadership made possible agreement on the founding of NATO.

Today the governments of our European allies are strongly supporting this SALT II Treaty because they know it will add to their security. They also hope it will lead to agreement on European nuclear balance and the reduction of conventional forces under MBFR (Mutual and Balanced Force Reductions). There are many other fields in which we have a vital interest that would be favorably affected by the ratification of SALT II. In the nonproliferation treaty, the United States and the Soviet Union are committed to reduce nuclear weapons. SALT II would contribute to our working together to reduce and prevent nuclear proliferation. Without the Treaty, it will be far more difficult to prevent an increasing number of countries attaining nuclear capability, with all its attendant dangers.

Ratification of the SALT II Treaty would give promise to the success in other important areas, such as the anti-satellite negotiations, chemical weapons, the Law of the Sea, and the development of fusion power.

The attainment of our objectives of controlling nuclear weapons is a long process, as I pointed out, beginning under President Truman in 1945. Real progress is now being made, but it can only be achieved on a step-by-step basis—some modest and some more extensive.

I am sure this Committee is aware of the extent to which the views of the Senate have been sought and the attempt of the negotiators to attain as many of their suggestions as possible. Recent negotiations have, however, had to consider commitments taken in compromises which, though favorable to us, are not now renegotiable. I believe a balance has been finally agreed to that represents as close to a consensus as is achievable today.

Based on my years of negotiations with the Soviets, and my long talks with President Brezhnev, I am convinced that it would be unproductive to seek to reopen this Treaty following these lengthy negotiations by three Presidents.

In closing, I would like to state to those who feel that SALT II does not go far enough, that the way to make progress is to approve SALT II and move to achieve their objectives in SALT III. The Treaty, under Section XIV, commits us to prompt negotiations for further limitations and reductions in strategic arms. On the other hand, there are some who have been persuaded to oppose the Treaty because they believe the Soviet Union gains superiority under this Treaty. Nothing could be farther from the truth. As has been testified, the Treaty places important restrictions on Soviet developments in the numbers of warheads and in the numbers of MIRVs to be allowed, not to mention the ten percent reduction in total permitted launchers. There is no doubt that without the Treaty the Soviets would have a substantially greater nuclear capability in the coming years. It would be far more costly, as Secretary Brown has testified, to keep up with the Soviets. He has also explained how our modernization program maintains essential equivalence in addition to countering the growing vulnerability of our ICBMs.

I have explained that over the years we have always lost by delays. Agreements have become more difficult as both sides have attained a higher level of technological development.

All in all, I see much to gain and nothing

Visits by experts from Washington to the

control approach to theater nuclear forces

All in all, I see much to gain and nothing to lose in ratifying this Treaty in the interest of our national security and in our awesome objectives of controlling nuclear weapons. I have closely watched developments since Truman's days. We have always lost in failure to take advantage of offered opportunities and found a more difficult situation later. Therefore I unhesitatingly strongly recommend approval by this Committee of the SALT II Treaty.

TESTIMONY BY AMBASSADOR RALPH EARLE II BEFORE THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, JULY 19, 1979

Mr. Chairman, members of the Committee, it is an honor to appear before you again today—this time to address Allied attitudes toward SALT.

With me are Mr. George Vest, Assistant Secretary of State for European Affairs, and Mr. David McGiffert, Assistant Secretary of Defense for International Security Affairs.

Throughout the SALT TWO negotiations, which have spanned three Administrations and almost seven years, we have consulted closely, fully and directly with our Allies on the entire spectrum of SALT issues. In addressing the realities of Soviet military capabilities, the United States and its Allies share vital security interests. We understand this, our Allies understand this, and as we continue to pursue our common security interests, we make this clear to the Soviets. Thus, it was only to be expected that our mutual Allied interests would be reflected in close consultations throughout the SALT negotiations.

I have been privileged to have been intimately involved in this process. In December 1972 I attended the first SALT TWO consultations with our NATO Allies at the North Atlantic Council in Brussels. I was then serving as the Representative to NATO of the Office of the Secretary of Defense. Last month—in July 1979—as Chairman of the United States SALT Delegation, I participated in the last consultation on SALT TWO within NATO, when our NATO Allies formally endorsed the SALT Treaty.

Our discussions on SALT TWO have included some forty meetings in the North Atlantic Council, of which half occurred within the past two and one-half years. We have made the North Atlantic Council the focal point for these consultations because it provides a cohesive, high-level forum in which all of our NATO Allies participate.

For most of our consultations, the Chairman of the U.S. SALT Delegation, accompanied by some Delegation members and staff, visited the Council once every several weeks—or more frequently, if circumstances warranted—in order to discuss SALT developments and issues. Following the opening statement by the Chairman, Council members discussed current SALT questions in detail, including their relation to overall Alliance interests and objectives. Often these sessions were followed by "experts" meetings at which specialists from NATO capitals participated in even more detailed discussions of intricate SALT issues with United States representatives.

These meetings with the North Atlantic Council were only part of our extensive consultations with NATO. There were also:

Meetings with the Alliance at higher levels throughout the SALT II process. For example, our Secretaries of State and Defense discussed SALT with their counterparts at regularly scheduled ministerial meetings.

Specially scheduled sessions of the North Atlantic Council to discuss, for example, SALT meetings held with the Soviet Foreign Minister or at the Summit level;

Interim reports to the Council, between formal consultations, by our Ambassador to NATO;

Visits by experts from Washington to the Council to discuss SALT-related matters of particular Allied interest; and

Supplementary contacts through normal diplomatic channels, both with NATO countries and other Allies.

Throughout SALT TWO we have taken Allied interests fully into account. Let me cite a few examples.

At the beginning of SALT TWO, the Soviets sought extreme limitations on U.S. systems forward deployed in support of Alliance commitments, including at one point their complete withdrawal. The Soviets did not propose corresponding limits on Soviet systems which could strike Western Europe. We rejected these demands, with the strong support of our Allies. There are no limitations on United States systems which are forward deployed in SALT TWO.

Similarly, the Soviets sought limitations on the nuclear systems of our Allies. We rejected these demands as well, again with strong Allied support. There are no constraints on Allied systems in SALT TWO.

In addition, the Soviets proposed a strict non-transfer provision early in SALT TWO. The United States rejected this and subsequent Soviet proposals, with strong Allied support. There is no non-transfer provision in SALT TWO.

From the beginning of SALT TWO, the United States sought Soviet agreement to equal aggregate limits on central systems—ICBM launchers, SLBM launchers and heavy bombers—without limits on U.S. theater forces or Allied nuclear systems. Our Allies strongly supported this objective, and welcomed the agreement at Vladivostok to equal aggregate limits.

More recently, we have consulted closely on certain aspects of SALT of particular interest to our European partners.

Prior to negotiating the final formulation on the SALT non-circumvention provision, we discussed possible implications fully and at length with the Allies. We also consulted closely with them prior to making to the Council the formal statement Secretary Vance submitted to this committee on July 10 which makes clear our interpretation of the provision.

Following Allied consultations, we proposed and secured Soviet agreement to a Protocol expiration date of December 31, 1981, which is well before the anticipated date when deployment of ground- and sea-launched cruise missiles would begin. We also made clear to the Soviets that the Protocol limits do not establish a precedent for future negotiation.

The SALT TWO Treaty addresses intercontinental strategic systems. However, we and our Allies are also consulting closely about the expansion and modernization of Soviet theater nuclear forces facing Western Europe. Alliance consultations on this issue have addressed the impact of this trend upon NATO's deterrence strategy. In particular, the High Level Group (HLG) of NATO's Nuclear Planning Group (NPG) has been created in order to develop recommendations as the basis of future Alliance decisions. The High Level Group will prepare recommendations on NATO TNF modernization for consideration by the Alliance defense and foreign ministers.

In addition, we are consulting within NATO on the positive role which arms control efforts might play in contributing to a more stable military relationship between East and West. Alliance efforts in the field of arms control complement our collective endeavors on defense policy. In recent months the Alliance has carefully considered the implications of seeking constraints on theater nuclear systems through arms control negotiations. In April 1979, a Special Group (SG) was formed under the aegis of the North Atlantic Council to develop an arms control approach to theater nuclear forces in parallel with the work being done by the High Level Group.

In order to maintain all U.S. and Allied options with respect to possible future limits on TNF, the United States consulted closely with its Allies on a formal statement which we made to the North Atlantic Council on June 29.

As Secretary Vance indicated last week, we stated that "any future limitations on U.S. systems principally designed for theater missions should be accompanied by appropriate limits on Soviet theater systems." This statement preserves flexibility to pursue future limitations on theater systems or not, depending on what we and our Allies determine to be in NATO's best security interests. This approach will give the Alliance time to consider in depth its theater nuclear force requirements and to weigh the advantages and disadvantages of involving theater systems in arms control before any discussion takes place with the Soviets.

Mr. Chairman, throughout SALT TWO our interests have been served through consultations—not just briefings, but thorough discussions on all sides—with our Allies. I have been struck by the depth of detail with which our Allies have pursued these issues with us, and with the expertise which has so clearly emerged from our consultations. Our discussions have ranged from the broadest issues of defense policy to the most detailed consideration of such issues as MIRV launcher types rules. Our discussions have been thorough, candid, and mutually beneficial.

All of our NATO Allies, without exception, support SALT TWO. The same is true of the NATO Defense Ministers, the Secretary General of NATO, and the North Atlantic Council. All have publicly endorsed SALT TWO.

I believe, however, that no one can speak to the views of our Allies better than they themselves. For this reason, I am submitting with my statement a representative sample of Allied statements in support of SALT TWO, and I ask that they be included in the record. I would like to read one of them for you now. It is by Chancellor Helmut Schmidt:

"SALT II is, of course, not only a domestic matter for the Americans. For that reason the United States Government informed its allies on the progress of the talks and also consulted with them. This treaty is a piece of world history. It is also a piece of world security and a piece of my own country's security. For the present it is a climax of co-operative arms limitation. The Federal Republic of Germany supports the SALT II Treaty and hopes that it will soon be ratified by Washington and Moscow."

Mr. Chairman, I believe that this Allied support reflects, to some degree, the continuing and close consultation that the United States has had with its Allies throughout the period of the SALT TWO negotiations. More importantly, however, I believe it reflects their own assessment of the contribution the Treaty makes to their individual and collective defense, and their judgment that it safeguards U.S. and Allied strategic and security interests.

Attachments: Allied Statements.

STATEMENT BY SECRETARY-GENERAL LUNS ON BEHALF OF THE NORTH ATLANTIC COUNCIL, JUNE 29, 1979

After detailed review, against the background of regular exchanges of views which had taken place within the Alliance throughout the negotiations, the Allies have concluded that the new agreement is in harmony with the determination of the Alliance to pursue meaningful arms control measures in the search for a more stable relationship between the East and West. The Allies therefore hope that the agreement will soon enter into force.

"This treaty responds to the hope of the Allies for a reduction in nuclear arsenals and thus offers a broader prospect for détente. The Allies note that the Treaty fully maintains the U.S. strategic deterrent, an essential element for the security of Europe and North America. They have been given explicit assurances by the United States, which they welcome, that nuclear and conventional cooperation among the Allies can and will continue."

UNITED KINGDOM STATEMENT ON SALT II ISSUED BY THE FOREIGN OFFICE ON JUNE 27, 1979

"The British Government welcomes the strategic arms limitation agreement between the U.S. and the Soviet Union which was signed in Vienna on 18 June. Successive British Governments have strongly supported the efforts of the U.S. Administration to negotiate balanced and verifiable agreements limiting strategic arms. Throughout the negotiations leading to the new agreement the U.S. has kept its allies informed of progress and has consulted them, particularly on aspects of special concern to them. The Governments are satisfied that the agreement will not interfere with continued nuclear and conventional cooperation between the U.S. and its allies and that the essential security interests of the alliance are safeguarded. They hope that the treaty will be ratified."

The Foreign Office spokesman also said that day:

"SALT II must be seen as a carefully balanced compromise between the different interests and attitudes of the two sides. It breaks new ground in placing equal ceilings on the strategic arms of both sides which will involve the dismantling of some Soviet delivery systems and in applying qualitative limits. It is thus an important step in the continuing process of arms control which the Government sees as complimentary to the alliance's defence capability."

CHANCELLOR HELMUT SCHMIDT COMMENCEMENT ADDRESS, HARVARD UNIVERSITY JUNE 7, 1979

SALT II is, of course, not only a domestic matter for the Americans. For that reason the United States Government informed its allies on the progress of the talks and also consulted with them. This treaty is a piece of world history. It is also a piece of world security and a piece of my own country's security. For the present it is a climax of co-operative arms limitation. The Federal Republic of Germany supports the SALT II Treaty and hopes that it will soon be ratified by Washington and Moscow.

NATO DEFENSE PLANNING COMMITTEE COMMUNIQUE, MAY 16

Following the conclusion of the DPC meeting with Defense Secretary Harold Brown, May 16, the committee issued a communique which contained the following section devoted to the SALT II agreement:

"Ministers welcomed the Agreement in Principle reached between the United States and the Soviet Union in the Strategic Arms Limitation Talks. They agreed that equitable limitation of the nuclear weapons capabilities of the Soviet Union and the United States will improve the security of NATO. Ministers expressed their satisfaction with the past record of close and full consultations within the Alliance of issues arising from these talks, confirmed the importance of continuing close consultation, and looked forward to the opportunity to study in depth the official SALT II text once the Treaty is signed."

THATCHER-SCHMIDT PRESS CONFERENCE, LONDON, MAY 11

SCHMIDT (FRG): "We are in favor of a quick, swift ratification process, both in Moscow and in Washington, DC. We imagine that the world might change, might undergo a change not for the better, if new difficulties for the coming into force of SALT II would arise. The process has already lasted long—a little bit too long to my feeling—and so it is about time that this agreement should have been concluded and it is about time that it is getting into force. Otherwise, I would feel that there are many great disadvantages for the West and the East that would arise. . . . We would try to be helpful as regards President Carter's efforts to get ratification in the American Senate for SALT II. If we felt to have been hurt in our defense posture by that agreement, we would certainly not do so. As regards SALT III, it is a little bit premature to speculate about it, but certainly, the United States Administration will consult her Allies, whether it is United Kingdom, or Germany, or France or others, so we will have to wait for that consultation first before we speculate about it."

THATCHER (UK): "I thought Chancellor Schmidt's view was very much the view that we have taken, that the Treaty has taken a long time to come to a conclusion and we trust it will be ratified. . . . I think SALT III will be one which concerns Europe even more and perhaps we can concentrate rather more on that."

OFFICIAL FRENCH GOVERNMENT STATEMENT ON SALT II ISSUED JUNE 26 BY THE COUNCIL OF MINISTERS AFTER A MEETING CHAIRED BY PRESIDENT GISCARD

"Based on a presentation given by the Defense Minister (in the absence of the Foreign Minister), the government proceeded with a thorough examination of the text of the US-Soviet agreement on the limitation of strategic arms (SALT II).

"The government concluded after that examination that the agreement signed in Vienna constitutes, in its principal aspects, an event to be saluted for its range and positive character.

"From the political point of view, the agreement represents the conclusion of several years of difficult negotiations and marks an important step on the road to international detente.

"From the point of view of disarmament, the agreement signals only relative progress in that it barely provides for significant reductions in the size of the Soviet and American arsenals. On the other hand, the genuine limitations that the agreement imposes on quantitative and qualitative growth act to brake the accumulation of nuclear arms by the world's two principal military powers.

"From the point of view of security, the agreement can be considered balanced overall, taking into account the difference structures of the military apparatus to which it applies.

"The government notes in conclusion that the Soviet-American agreement does not jeopardize the vital security interests of third party states. In particular, the independence of the French nuclear deterrent force is not affected in any way.

"Consequently, the government considers that the Vienna agreement meets conditions which permit the government to express its approval.

"The government hopes that the agreement will come into effect soon, and thus open the way to a new series of negotiations which will not only prevent increases in the American and Soviet nuclear arsenals, but also reduce their size and power in a balanced and duly verifiable fashion."

THE NORWEGIAN FOREIGN MINISTRY ISSUED THE FOLLOWING STATEMENT ON JUNE 18, 1979

"The government wishes to express its great satisfaction with the signing of SALT II by the United States and the Soviet Union. The treaty is a milestone in the complicated efforts toward achieving control of the strategic arms race through limitations on long range means of delivery of nuclear weapons. The SALT negotiations are a basic element in the process of detente between the super powers and between East and West in general. It is our hope that the SALT treaty is ratified and that it will have positive effects on the efforts to promote Arms Control also in other forums, and that the SALT process can be continued with a view toward achieving, in the next round, real reductions in the strategic armaments."

BRITISH GOVERNMENT STATEMENT OF SALT II, MAY 10

"The Government is glad that progress on SALT II has gone far enough to permit the long-awaited summit meeting to take place and we welcome the settlement of major outstanding issues. The Government will study the final text of the Agreement when it is available and its implications. There will of course be an opportunity to discuss all aspects of the new Agreement with the Americans especially during the forthcoming visit of Secretary Vance to London."

BRITISH FOREIGN SECRETARY LORD CARRINGTON'S PRESS CONFERENCE MAY 14

". . . We are glad that the negotiations have progressed this far, and I think that has undoubtedly been the message which the US Government has got from Britain, and we welcome the settlement of outstanding issues. We very much hope that this Treaty will be ratified before long. We have all supported efforts to limit strategic arms . . . Of course I shall have an opportunity to speak to Mr. Vance about SALT and there are I think specific British interests in SALT, which I will seek to ask him about and be satisfied that they are, in our judgment, fully safeguarded. Of course, SALT III is of even more importance to Europe and it's early days about SALT III (sic) but we shall have to look very carefully at the terms of reference, which we don't know at the moment, and we shall have to consider very carefully the way in which we can and should participate."

FOREIGN MINISTER CHRISTOPHERSON'S MAY 9 PRESS STATEMENT (DENMARK)

"It must be greeted with the greatest satisfaction that the Foreign Ministers of the US and the USSR after so many years of negotiations have succeeded in reaching agreement on the so-called SALT II Agreement on a limitation of the strategic arms race. The Agreement not only opens up new perspectives for the disarmament talks in general, but is also an expression that the two superpowers recognize their common interests in vital areas and their responsibility for world peace. The Agreement is thus also an important contribution to further general relaxation between the East and the West. The Government hopes, therefore, that the Agreement will soon be followed up by the necessary approval by the two countries, and that it will be followed by new talks—the so-called SALT III—the aim of which is additional and considerable reductions of the nuclear arms."

PRIME MINISTER ULLSTEN'S MAY 10 STATEMENT (SWEDEN)

"That the negotiations between the United States and the Soviet Union on a SALT II Agreement now, on all essential parts, have been concluded must be greeted with satisfaction . . . The negotiations on strategic mass destruction weapons play a central role in disarmament efforts. The Agreement will not result in major limitations of the nuclear arms arsenals in the US and the Soviet Union. However, it is an important step towards more far-reaching disarmament measures in the nuclear arms field. It is my hope that

the process, which is required for the Agreement to take force, soon will be concluded. Therewith a good foundation would be created for the next round of negotiations, which we hope will lead to substantial reductions of both strategic arms and the so-called tactical nuclear arms."

SECRETARY GENERAL JOSEPH LUNS' MAY 11 STATEMENT (NATO)

"I welcome the announcement recently made by the government of the US and the USSR that they have reached agreement in principle on the terms of a second treaty to limit strategic armaments. This Agreement is obviously an important development in the process of achieving such a treaty and, as such, may constitute a significant milestone in the evolution of the East-West relations since World War II."

FOREIGN MINISTER GENSCHER'S MAY 10 STATEMENT (FRG)

"The Federal Government welcomes the fact that it was possible to bring the SALT II negotiations to an essentially positive conclusion. The Federal Government is of the opinion that SALT II constitutes a very important contribution toward the stabilization of world peace.

During the negotiations, the Government of the United States of America regularly informed the Federal Government and the governments of the other Allies about the status of the talks and gave regard in the negotiations to the proposals and ideas that were voiced in the course of these consultations by the Allies, including the Federal Republic of Germany.

The Federal Government has always considered the American-Soviet negotiations on a limitations of strategic armaments to be a central factor of stabilization in the field of security policy. The Federal Government has repeatedly expressed the hope that these negotiations be concluded at an early date.

The Federal Government welcomes the fact that the successful conclusion of the negotiations will make possible a signing of the Agreement in the foreseeable future."

FOREIGN MINISTER FORLANI'S MAY 10 STATEMENT (ITALY)

"The new pact . . . presents a unique occasion for the international community to bring about a decisive turning point that will break the spiral of rearmament and establish peace and security in the world for everyone on the basis of balanced military force and armaments at gradually decreasing levels."

CHANCELLOR HELMUT SCHMIDT, DINNER FOR THE DELEGATES OF THE 10TH GERMAN-AMERICAN CONFERENCE, HAMBURG, GERMANY, MARCH 17, 1979

"SALT II, as a whole, to my view, to the view of my government, or any other Western European government, is of enoromous importance for the continuity of West-East relations and for peace . . . just think of a situation where this agreement collapses. Think of the consequences not only in Europe but also in other theaters in order to understand the global importance of that undertaking, whatever you may think about this or that or the third detail of it."

KLAAS DE VRIES, MEMBER OF NETHERLANDS PARLIAMENT, NORTH ATLANTIC ASSEMBLY PLENARY DEBATE ON SALT AND ARMS CONTROL, NOVEMBER 30, 1978

Rejection of such a treaty would entail the consequences of a most serious nature and would raise the spectre of a totally unrestrained and destabilising arms race.

PRIME MINISTER CALLAGHAN AFTER GUADELOUPE SUMMIT, JANUARY 6, 1979

I would like to urge—speaking as someone who is on the other side of the Atlantic—I would like to urge the speedy ratification, the conclusion of the agreement and speedy ratification on both sides, that is, on the United States side and on the Soviet Union.

I think it would be a very sad day if this agreement were not ratified, and the administration will have our support in their efforts when they place it before the American people. And we look forward to the development of a SALT III negotiation, which we believe will be of benefit to us.

[U.S. Senate, 96th Congress, 1st session, Committee on Foreign Relations]

STATEMENT OF EUGENE V. ROSTOW, CHAIRMAN OF THE EXECUTIVE COMMITTEE, COMMITTEE ON THE PRESENT DANGER

(Prepared for delivery, afternoon session, July 19, 1979)

I appreciate your invitation to appear here today. I am testifying as Chairman of the Executive Committee of the Committee on the Present Danger. The Committee began to function on November 11, 1976, on the basis of two statements which I have submitted for the record, "Common Sense and the Common Danger" and "How the Committee on the Present Danger Will Operate—What It Will Do and What It Will Not Do." Since then, the Executive Committee has issued nine statements, including a position paper, "Where We Stand on SALT II," published on July 6, 1977, and approved by the Board of Directors at its 1977 Annual Meeting. The analysis of that paper was brought up to date in a series of nine follow-up statements prepared by Paul H. Nitze, our Chairman of Policy Studies, and released by the Executive Committee. The last of the series, Mr. Nitze's examination of the Treaty itself, is before you, along with our 1977 Statement, the Executive Committee's monograph, "Is America Becoming Number 2? Current Trends in the Military Balance," issued in 1978, and later approved by the Board of Directors, and a number of speeches, articles, and statements on the subject by the Executive Committee and some of its members.

The Committee on the Present Danger has been most reluctant to differ with the President on his SALT II Treaty. We strongly favor equitable and verifiable arms limitation agreements, and true arms reductions on both sides to the lowest possible level. And many of our members have had governmental experience. We have been in that famous kitchen, and our natural sympathies are with the cook. We much prefer to support than to oppose the foreign policy of the government of the United States. Since early in 1977 and, after August 1977, at the President's request, we have canvassed a wide range of foreign policy and defense questions with responsible officials of the Administration. While we failed to persuade them, and they have not persuaded us, the climate of opinion in the country on foreign policy problems has changed since 1976, and is changing rapidly. Many of the trends to which we called attention during this period are now accepted as facts, and the need for us to rebuild our defenses and our alliances is now generally conceded, in principle at least.

In view of the gravity of the issues raised by the Treaty now before you, and all that has happened since the SALT I package was approved in 1972, we recommend (1) that the Senate advise the President and the nation of the need to seek a more positive, forward looking and effective foreign and defense policy, and state the goals and principles on which that policy should be based; and (2) that the Senate withhold its consent to the ratification of the Treaty the President has submitted unless and until it is modified to meet its demonstrated deficiencies, and the President and the Congress are firmly committed to a specific program that will achieve and maintain essential equivalence and adequate deterrence.

The Committee on the Present Danger is the first to recognize that withholding the Senate's consent for the SALT II Treaty now before you is not in itself a foreign and defense policy. We have concluded, however, that the action I have just outlined is a necessary condition for developing a sound and prudent policy. And it is the only available way to convince the President that the SALT II Treaty he signed in Vienna fails both as a means for protecting our national security, and as an arms limitation measure.

It is our conviction that what the country needs above all else is to turn a sharp corner in our foreign and defense policy. To recall the language of President Carter's speech of July 15th, we believe the nation should start on a new course, based on a clear recognition of the truth. Such a course, in our view, should include these elements: (1) to shake off our post-Vietnam depression about foreign affairs and the yearning for isolation which is implicit in it; (2) to reach a bipartisan consensus on what our national interests in this turbulent world really are; (3) to rebuild conventional and nuclear force deterrence so that we can protect those interests by political means or by the use of conventional forces if we have to; (4) to cooperate closely and continuously with our allies and other nations whose interests in a peaceful and stable world political order and economic system are parallel to our own; and (5) on that basis to continue negotiating with the Soviet Union about the limitation of nuclear arms, including both intercontinental and intermediate range nuclear weapons like those threatening Europe and other areas of great importance to us.

There is still time for that great task to be accomplished in peace. As a group, the NATO allies, Japan, China and other like-minded nations have more than enough power and potential power to contain the Soviet drive for domination. But that power is dispersed and inchoate. It is not being mobilized into forms which can become political power—naval squadrons and armored divisions; planes, reserves and research formations. The potential power of the nations which favor a peaceful world order cannot be brought to bear on world politics unless the energy, optimism and intelligence of the American people are liberated and harnessed once again in considered programs designed to restore the peace and prosperity of the nation. In the bipolar world of nuclear weapons and nuclear blackmail, no coalition to guard the peace can act without the protection of the American nuclear umbrella and confidence that our nation is willing and able to meet its commitments.

In the early thirties, as Germany and Japan built up their armed forces, the British government clung to its faith in arms limitation agreements and disarmament conferences as an alternative to the politics of power. Our own government was even more foolish; we passed a Neutrality Act, and adopted the posture of the ostrich. At that time, prompt British and French rearmament, Anglo-French political unity and Anglo-French action if necessary to stop the German occupation of the Rhineland and of Czechoslovakia could have prevented World War II. But it did not happen that way.

The American people have learned a great deal from that terrible experience. We have learned that nineteenth century policies of isolation and neutrality can no longer protect our security. But some of us are hypnotized by SALT II and the SALT negotiating process as MacDonald, Baldwin, and Chamberlain were hypnotized by the myth of disarmament forty-five years ago. They view SALT II and what they call the SALT process as a kind of magic, a substitute for having a foreign policy, and a justification for not decisively restoring our deterrent military strength and the solidarity of our alliances. Only such action on our part, coordinated with like action by our allies and other nations whose interests parallel our own could reverse what could well become a slide toward war. We are not now following that clear and simple course. Instead, we debate the intricacies of the nuclear weapons problem, and wonder.

The Russians believe that what they call the "correlation of forces" determines world politics. SALT II is a case in point. It would reflect and ratify the changing balance of world power and the trends which lie behind it. That is exactly what one would expect. The Soviets bargain hard. They give nothing for nothing. If America wants to accept a permanent position of military and political inferiority to the Soviet Union, we should ratify SALT II. This is not, of course, what our people want. But we have allowed ourselves to fall behind, and we are becoming Number Two. We have been marking time to put it politely—for seven years now, while the Soviet Union has been forging methodically ahead. Unless we move quickly and decisively, we should be even worse off in 1985 than we are today.

I

President Kennedy once perfectly defined the problem we face in deciding whether to ratify SALT II. "If you are cheated once," President Kennedy said, "it is their fault. But if you are cheated a second time, it is your own." President Carter urges us to approve SALT II on the same grounds that were advanced in defense of the SALT I package in 1972: the Treaty will limit the Soviet arms buildup and even reduce the Soviet arsenal or at least keep it smaller than it would have been without the agreement; establish a stable military parity between the Soviet Union and the United States; preserve "detente" and prevent a return to "the cold war"; save us money; and, above all, further the process of negotiation with the Soviet Union, which, we are told, is the only alternative to open hostility, and perhaps war.

It was not unreasonable to accept these arguments in 1972, at least if one kept his fingers crossed. But it is unreasonable to accept them now. They have become the litany of an empty ritual. Both the political and the military expectations which determined our decision in 1972 have turned out to be false. And there is every reason to suppose that those expectations would be even more completely at variance with experience if we believed them now.

We should examine the arguments for SALT II with the skepticism of the small boy in the fairy story—the boy who noticed that the Emperor was naked, and then said so. There has been no "detente," save as an exercise in deception and in self-deception. The "cold war" has not been ended, or even suspended. Indeed, it has been more acute, and on a larger and more menacing scale since 1972 than ever before.

No American has to be reminded that the Soviet Union betrayed the agreements of January and March 1973, which promised peace for South Vietnam and all of Indo-China. At the time SALT I was ratified, it was legitimate to hope that those agreements would be made and carried out.

Equally, it was legitimate then to hope that we and the Soviet Union would agree on a reasonable peace for the Middle East. In May 1972, the Soviet Union had assured President Nixon that it would cooperate in bringing peace to the Middle East. That promise was betrayed in the War of October 1973, and many less dramatic episodes before that war, and since.

Far from cooperating with us in reducing the tensions of world politics, in accordance with their 1972 commitments to President Nixon, the Soviet leaders have been generating tensions throughout the world and exploiting them to expand their empire in a drive for power which, despite occasional setbacks, has been steadily gaining momentum.

The Soviet rush for hegemony is fueled by an extraordinary arms buildup in both conventional and nuclear forces. That buildup was not slowed or stabilized by the 1972 agreements. On the contrary, it has accelerated since 1972, especially in the sphere of nuclear arms. The greatest Soviet military gains in relation to the United States and the greatest increase in the Soviet threat to American security have occurred since we have been engaged in the SALT negotiations. The Soviet nuclear weapons program includes at least thirteen new major strategic weapons systems introduced since 1972, a period in which we have deployed none. While the generally accepted figure for the Soviet arms buildup as a whole is 4% to 5% a year in real terms, our official national estimate is that Soviet nuclear arms have been increasing at a rate of 8% a year in real terms. In view of the fact that our intelligence estimates have for many years consistently underestimated Soviet military activities and capabilities, we can take these figures as conservative. For years now, the Soviet military budget has been far greater than ours. The Soviet Union is now ahead of us by almost every index of military power and is manufacturing and modernizing arms at a pace far greater than that of the United States and its allies. I have brought along for you copies of our 1978 study of the Soviet-American Military Balance, called, "Is America Becoming Number 2?" to which I referred earlier. While it is now being updated in a 1979 version which should be available this fall, the basic picture it presents is sound and would, I believe, be generally accepted. Every other serious analysis of the subject reaches approximately the same conclusion—that we were ahead but have been resting on our oars and now face the necessity of moving quickly to restore our deterrent strength before we fall dangerously behind. The agreed response of the NATO allies to the Soviet threat—an increase of at least 3% a year in real terms—would be totally inadequate to redress the balance, even if it were being met. The 3% target is not now being met by the United States. And we are continuing to fall behind.

We are often told that SALT II would save money, although even Paul Warnke has said that the savings could not be quantified. We shall have to spend more money in order to make up for the neglect of the recent past. General Jones, Chairman of the Joint Chiefs of Staff, has said that the amount we have to spend to safeguard our security would be the same, whether SALT II is ratified or not. Actually, General Jones' conclusion is inadequate. Some of the military programs being considered are more expensive than they would other wise have been because of the provisions of SALT II. For example, the basing model for MX which seems to be favored by the Administration at the moment would cost half again as much as its most practicable alternative, the so-called "shell-game," and be only half as good a system.

The fact is that we are not taking the Soviet Union and its military buildup seriously. This is a fundamental mistake. The Soviet Union is governed by serious people who believe in what they are doing and pursue their goals with determination and conviction. We know the facts by now at the intellectual level. But we do not believe them. Emotionally, therefore, we are paralyzed—unable to act. We read the statistics about Soviet and American stocks and production of tanks, planes and missiles, and then hear President Carter claim proudly that we are superior to the Soviet Union in overall military strength. In effect, we procrastinate and hope that something will turn up, just as we have procrastinated for more than six years in facing up to the energy crisis. If we insist on deceiving ourselves about our own strength and that of the Soviet Union, we could easily stumble into a war we could not win.

I cannot explain or understand our prolonged resistance to reality, which parallels the Western failure to react to the rise of Hitler some forty years ago. I leave the explanation of the phenomenon to the psychologists. All I can say here is that we must somehow bring ourselves to act on the basis of what we know while there is still time to protect our national interests in peace.

George Kennan once said that it is an insult to the dedicated men who direct the Communist movements of the world to suppose that they can be diverted from their course by cajolery, flattery and the other devices through which our government is trying to propitiate the Soviet Union, above all through SALT II. For the ultimate argument of the Administration for ratifying the SALT Treaty is unworthy of our people and their history: It is an argument of fear. If we don't ratify the Treaty, we are told, the Soviet Union will be very angry. It will make even more military hardware than it is manufacturing now and behave even worse on every continent and on the seven seas. Secretary of State Vance told this Committee on July 9 that if SALT is not ratified "the entire fabric of East-West relations would be strained, and . . . the world could easily become a more hazardous place for us all." What could the Secretary have meant by this Delphic sentence? The world is already as hazardous to our interests as the Soviet Union dares to make it. As the Secretary knows from his daily confrontations with trouble, the Soviet Union is proceeding on its imperial course as rapidly and as vigorously as it thinks it can without stirring us to react. Does our Secretary of State believe that Soviet behavior since 1972 toward American interests in Asia, the Middle East, Africa, Southern Europe and the Caribbean have not been "hazardous to us all?"

Soviet spokesmen have openly threatened us with regard to the ratification of SALT II. The Soviet Union will go on "a war footing" if the Treaty is not ratified, they have said. It will never negotiate on nuclear arms again if the Senate changes a comma of the Treaty signed in Vienna. And President Brezhnev himself has commented that a failure to ratify the Treaty would have "grave consequences." In the language of diplomacy, that phrase used to be considered an ultimatum.

There is no objective reason for us to be afraid. In the future as in the past, the Soviet Union will negotiate with us when it is in its interest to do so. Displays of public anger by Soviet leaders are calculated episodes of political theater, and should always be understood as such. And it is most unlikely that the Soviet Union can significantly increase its defense effort above its extraordinarily high present level short of a general mobilization. Soviet programs of military procurement are laid down in their Five-Year Plans, and under their system are extremely difficult to change.

But even if the Soviet Union could increase its military procurement programs, the NATO allies, Japan, China and like-minded countries around the world have the economic capability, as I remarked earlier, to contain the Soviet drive for dominance. The Soviet imperial drive was not limited by the SALT I agreements, and would not be limited by the proposed SALT II Treaty if we did ratify it. Since World War II, the Soviet Union has been held back not by arms limitation agreements or by the Charter of the United Nations, but only by the confrontation of unacceptable risks. There will be no stability in the Soviet-American relation, no diminution of stress, and no restraint in the Soviet push for power, unless the United States and its allies and their associates, backed by adequate deterrent

forces, insist on respect for their rights and interests.

II

The focus of the Hearings planned for today is most important, Mr. Chairman. Administration spokesmen speak and write of SALT as if the only function of our nuclear arms were to deter a nuclear attack on the United States itself. This is most emphatically not the case. The United States cannot be defended as an island fortress. The risks we face go far beyond the possibility of a nuclear attack against the United States itself. The heart of the matter before you in SALT II is not Dr. Strangelove's war, important as it is, but whether Soviet nuclear superiority, which will surely be achieved in the early 1980s unless we act decisively now, will prevent us from using conventional and theatre nuclear forces to protect our interests in Europe, Japan and many other parts of the world. The state of the nuclear balance between the Soviet Union and the United States is the center of a network of relations between the military and the political components of influence. Without a clear and credible second strike nuclear capability, we should be unable to use political influence or conventional force to defend our stake in world politics.

The question haunting every statesman in the world is what the United States will do in the event of a Soviet or a Soviet proxy attack or attempt at takeover in Libya or the Persian Gulf, in Greece or Norway, in Germany, or Malta, or a dozen other neuralgic places. Could we in fact use conventional forces if we had to assure our oil supplies from Libya or the Persian Gulf? President Ford and Secretary of Defense Brown indicated that we might well do so if sufficiently provoked. But a recent study by Colonel Collins of the Library of Congress Research Service is dubious about the possibilities of military action in the Persian Gulf under present circumstances, because of uncertainty about what the Soviet Union might do.

How can we define our vital national interests in the turbulent realms of world politics? The starting point for such a definition, the Committee on the Present Danger has said, is the concept of the balance of power.

The balance of power is the oldest and most durable idea in political theory. It was as familiar to Thucydides as it was to Montesquieu and James Madison. The American Constitution, with its equipoise among the three branches of the government, and between the nation and the states, is a classic example of the balance of power at work. So was the European diplomatic system, the Concert of Europe, which kept the peace pretty well between 1815 and 1914. The hopes men invested in the Covenant of the League of Nations and in the Charter of the United Nations rest in the end on the same idea—that the peaceloving states would defend the general peace by maintaining a balance of power and insisting on the enforcement of agreed rules of public order. That is what the principle of collective security is all about.

Every responsible American understands that preventing Soviet control of the people, area, resources and skills of Western Europe, Japan and a few other critical areas of the world is a vital security interest of the United States. Soviet control of those areas would fatally alter the balance of power and expose us to intolerable pressures backed by overwhelming military force. In such an event, as the Committee on the Present Danger said in 1976, "we could find ourselves isolated in a hostile world. . . . Our national survival would be in peril, and we should face, one after another, bitter choices between war and acquiescence under pressure."

But our interests cannot be confined to the major centers of power. South Korea is vital to the defense of Japan, as the Middle East is to Europe. Other places may become important in the context of Soviet programs for expansion. For example, the United States moved recently to prevent the Soviet takeover of North Yemen as a step toward conquering Saudi Arabia. It is hard to imagine a more peripheral place in a static catalogue of our interests. Yet it has become important, and it is important. And our signal of intention seems to have been effective, for the moment at least. The moral of the episode is that no area of the world can be excluded a priori from the zone of our concern, if we view the world dynamically and as it is.

As the Committee on the Present Danger said in its basic declaration of principles on 11 November 1976:

"Soviet expansionism threatens to destroy the world balance of forces on which the survival of freedom depends. . . . Without a stable balance of forces in the world and policies of collective defense upon it, no other objective of our foreign policy is attainable. For the United States to be free, secure and influential, higher levels of spending are now required for our ready land, sea and air forces, our strategic deterrent and, above all, the continuing modernization of those forces through research and development. . . . From a strong foundation, we can pursue a positive and confident diplomacy, addressed to the full array of our economic, political and social interests in world politics. It is only on this basis that we can expect successfully to negotiate hardheaded and verifiable agreements to control and reduce armaments."

The relationship between the strategic nuclear balance and the capacity of the United States to protect its interests throughout the world by political means or by the use of conventional forces if necessary is the essential problem before you, we believe. This is the inescapable "linkage" between the nuclear weapons question and the rest of foreign policy. An editorial in the Economist of London for June 9, 1979 comments on linkage in these terms:

"It is the old puzzle of linkage, or how to discourage Russia from doing A or B by threatening to do Y or Z yourself. The lesson of experience seems to be that linkage works only when some specific thing you want the Russians to do, or not to do, is made dependent on some specific, usable, western carrot or stick. The Jackson-Vanik carrot is at least getting more Jews out of Russia. The fear of a senate rejection of Salt-2 may have deterred Soviet foreign policy from doing some things hurtful to western interests this year (in Iran? among Arabs angry about Camp David?). It is being suggested in Washington that the prophylactic value (Rhodesia?) of Salt-2 could be prolonged if the senate's ratification of it (assuming it does get ratified) had to be reconfirmed by an annual vote. It is an ingenious idea, perhaps overingenious: it would probably not have much real deterrent effect after the first couple of years of Salt-2's likely six-year span.

"But linkage in general—meaning the hope of discouraging some general Soviet course of action in the political or military field by some general threat of western displeasure in other matters—does not seem to work. The oblique approach to great-power politics rarely does. The problem is the will to power of a Soviet Union in the first youth of its imperial enthusiasm, and now equipped with an armory of global weapons. In the end, that has to be contained, so that matters do not slide to major crisis and war, by an equal and matching western will to resist and an equal and matching western armory. Accommodation, compromise and a shrewd avoidance of hopeless causes are in essential part of the process; but they must start from the premise of equal strength.

"Since 1961, the year of Vienna-1, the west has lost its old lead in intercontinental nuclear weapons; the Russians have taken the lead in the shorter-range Europe-based nuclear weapons; and they have have increased their lead in non-nuclear forces in Europe, and come up fast from behind outside Europe. The west has slowly begun to react. The Nato countries' attempt to increase their defence budgets by 3% a year starts this year. The Salt ratification debate in the American senate is almost certain to lead to more American spending on nuclear weapons. As Mr. Carter takes Mr. Brezhnev's measure in Vienna-2, he is unlikely to conclude that the need for counterarmament will diminish in the 1980s."

The record of our experience since 1945 demonstrates that we must have an unambiguously effective second-strike nuclear capability as well as adequate theatre forces in order to be able to back up our diplomacy with the possibility of using conventional force. During the years of our nuclear monopoly, and then of our great nuclear superiority, we could not prevent Soviet attempts at expansion in areas they thought we regarded as secondary or peripheral:—in Iran, Turkey and Greece, for example, and in Yugoslavia, Berlin, Korea and Cuba. But in the end, the shadow of our nuclear power helped to persuade the Soviet Union to back away from efforts of that kind when we had convincingly demonstrated that we were determined to insist on our interests and to use conventional force in their defense if necessary.

During the last decade, this pattern has changed as the Soviet nuclear programs, like the Soviet buildup in conventional arms, have moved forward with astonishing momentum while our own forces have been sharply reduced. The effect of the shift has been dramatic, both for conflicts in peripheral areas and for the security of Europe, Japan, China, South Korea, Israel, Egypt and other places in which we have important interests. We have hesitated to intervene in the long cycle of Soviet adventures in the Middle East, the Far East and Africa. Just a few months ago the Soviet Union publicly warned us not to help Iran in its agony; President Carter ordered our naval forces, which were then headed for Iran, to turn back. It was an ominous episode. The affair in Lebanon has been, and is, no less tragic. In 1958 the United States and Great Britain put forces into Lebanon and Jordan. Their presence ended a powerful threat to both nations. During the recent appalling struggle in Lebanon, we did not seriously consider following the same course. Obviously, if we had, the risks would have been much greater than they were in 1958.

These sad and disturbing trends are symptoms of a much deeper disease. As our nuclear position fades, and our Navy and other conventional forces decline in absolute and relative strength, we can see all too clearly the spector of political impotence not very far down the road. Because of the radical recent shift in the intercontinental strategic balance, we find it increasingly difficult to contemplate using either conventional or nuclear weapons in defense of our interests. And we discover, as so many nations have discovered before us, that diplomacy without power behind it is a weak reed.

III

There can be no question about the fact that unless we act very promptly indeed, the strategic nuclear balance will tip heavily against us. The experts identify the early eighties as the years of greatest danger—the danger, that is, that we shall be exposed to Soviet political demands backed by superior nuclear forces we dare not challenge. Under such circumstances, we shall be forced to back down, as the Soviet Union did in the Cuban Missile Crisis of 1962, and for the same reasons. If that should ever be

allowed to happen, the Soviets would exact a heavy, bitter price.

As Paul H. Nitze has written in one of our Committee's Occasional Papers:

"It is a copybook principle in strategy that, in actual war, advantage tends to go to the side in a better position to raise the stakes by expanding the scope, duration or destructive intensity of the conflict. By the same token, at junctures of high contention short of war, the side better able to cope with the potential consequences of raising the stakes has the advantage. The other side is the one under greater pressure to scramble for a peaceful way out. To have the advantage at the utmost level of violence helps at every lesser level. In the Korean war, the Berlin blockades and the Cuban Missile Crisis, the United States had the ultimate edge because of our superiority at the strategic nuclear level. That edge has slipped away.

"These circumstances form a background for understanding the stakes in SALT II. In broad terms the U.S. aim has been to arrange a standoff so as to neutralize the strategic nuclear threat overhanging superpower rivalry. The Soviet Union's contrasting aim has been and is to take over and nail down the advantage which the U.S. has appeared willing to relinquish."

The SALT II Treaty signed at Vienna does not provide for either equality or stability in the strategic nuclear balance. It cannot be verified by national means. It would prevent us from promptly undertaking programs to restore our second-strike capability in time to prevent the looming dangers of the early 1980s. And it would lock us into a position of strategic inferiority which would be fatal in all aspects of our foreign policy, and particularly in future arms negotiations.

The Treaty provides of course for cosmetic equality in the number of certain strategic launchers on both sides and of MIRVed vehicles. It says nothing about the number of missiles or the number of warheads that can be produced and stored. But people are killed by warheads, not by launchers. Under the Treaty, and during the period before 1985 covered by the Treaty, the Soviet Union will improve its present striking advantage in intercontinental ballistic missiles, which in itself will go far towards neutralizing our submarine force whose weapons are notably less accurate than Soviet and American ICBMs. The Soviet ICBMs carry 4, 6 and 10 warheads on the SS-17, SS-19 and SS-18 missiles. Our Minuteman IIIs carry three much smaller warheads each. And MX, if it is actually built, would not be available in significant numbers until 1989 on the present schedule.

It is often said that the SALT II Treaty leaves both sides "free to improve their strategic forces. The Soviet Union is surely pursuing such a course; but the corresponding American programs remain delayed, insufficiently funded or shrouded in uncertainty.

Both in numbers and in destructive power, the Soviet ICBM arsenal and current ICBM development program constitute a threat which will soon be formidable: a threat of destroying our ICBMs, and much of the rest of our strategic force, with only one-third or one-fifth of the Soviet force, leaving a superior Soviet force to inhibit any American reprisal. Under such circumstances the threat of retaliatory attack on Soviet cities from our submarines, on which we have relied in the past, would lose its credibility and deterrent effect. We could hardly expect the Soviets to believe that we would destroy their cities if the Soviet Union had enough strategic forces in reserve to destroy our cities in turn. That is, the Soviet Union is within striking distance of achieving a credible first-strike capability. The third leg of our strategic force triad, bombers,—and sometime during the 1980s, cruise missiles—also faces a doubtful future, both because of the cancellation of the B-1 program and because of the scale and scope of the Soviet programs of active and passive defenses. The Defense Department has recently conceded the vulnerability of cruise missiles to defensive weapons. Moreover, there are limitations on cruise missiles in SALT II.

It cannot be said too often that both SALT I and SALT II are based on a false premise which permeates the entire subject—the premise that both the United States and the Soviet Union have accepted the McNamara Doctrine. The McNamara Doctrine contends that nuclear war can be prevented if each side leaves its homeland exposed and unprotected, hostage to the nuclear forces of the other, and if neither side threatens the nuclear forces of the other. However plausible that view of the matter was in 1972, it cannot be advanced today. We still live by the McNamara Doctrine. But the Soviet Union does not. We have no air defenses; the Soviet Union bristles with fighter squadrons and antiaircraft batteries. It is generally believed that within a few years the Soviet Union will be able to "break out" of the ABM Treaty quickly and effectively. And the Soviet Union has invested heavily in civil defense, which would in turn further reduce the deterrent effect of our entire strategic force. As the Secretary of Defense has noted in the current Department of Defense Report (p. 80), the Soviet Union has put a massive effort into developing its capacity to destroy our retaliatory forces before they could be launched. Even more troublesome, the Secretary comments, "is the degree of emphasis in Soviet military doctrine on a war-wininng nuclear capability, and the extent to which current Soviet programs are related to the doctrine."

These are some of the fundamental flaws of SALT II—that it does not provide for equality and stability in the nuclear balance, and it would allow the continued development of a Soviet first-strike capability, while it would prevent us from restoring our second-strike capability by the only practicable means available between now and 1985—the deployment of Minuteman III missiles in multiple vertical protected shelters: the so-called "shell game." Such shelters would be considered additional "fixed launchers" under Article IV of the Treaty and are prohibited.

As for stability, how can a situation be described as stable if it can be altered in minutes or hours by the movement of missiles from warehouses to launchers; by the firing of missiles from warehouses or factories; or by the transformation of a mobile intermediate range missile into an intercontinental missile by adding another stage, by reducing its payload, or by moving it to the north?

SALT II is quite as unsatisfactory from the point of view of verification.

Verification is a most peculiar subject. Outside the circle of experts, few people realize the extraordinary fact that both the SALT I and the SALT II negotiations have been conducted until now on the basis of figures supplied by ourselves. The Soviet Union has not in the past put its own production figures on the table. We have provided our intelligence estimates for Soviet activities and our production figures for our own. That is, we have been negotiating with ourselves—a process which informs the Soviet Union fully about the accuracy of our intelligence. Since we have ourselves concluded, as I remarked earlier, that our intelligence estimates of Soviet capabilities have been consistently in error, this bizarre feature of the SALT negotiating process makes the stability of the nuclear relationship the Treaty is supposed to regulate altogether dubious.

But even if our national means of verification were fully reliable, they could not accurately monitor the most important indices of nuclear power—the number of warheads on a missile; the number of missiles and warheads in storage; the throw weight of missiles. The controversy over Soviet encoding of telemetry deals with a highly important aspect of modernization—the testing of new missiles. But even without taking advantage of the modernization provisions of the Treaty, the Soviet Union could transform the balance of power for years to come simply by making more and more old models.

IV

In making the case for SALT II, President Carter has put great emphasis on the public support of the Treaty announced during recent months by some of our European allies at the President's urgent request. What I get from European writings on the subject, and from conversations and correspondence with European friends and colleagues, is that we should take these statements with more than a grain of salt. I fully agree with that judgment. My European interlocutors are not suggesting that those responsible for governmental policy in Europe are hypocrites or cynics; nor do I. I know many of these men and women to be honorable, high-minded and responsible people. But they are realists.

The first reality with which they must live, twenty-four hours a day, is that they are totally dependent upon the United States, and especially on the nearly instinctive reactions of the President of the United States, for their security against the Soviet forces arrayed around Europe in growing strength from the East, the North and the South, and in the oceans. Because of the Soviet lead in nuclear weapons, that dependence is far greater today than it was thirty years ago, despite the prosperity of Europe, the formation of the European Community, and the success of Europe's political and social institutions.

The second reality with which these men and women must live is that they face complex political situations in their own countries and must move cautiously in relation to their public opinion. There are strong Communist parties in France and Italy. In all the Allied countries, including our own, there are pacifists, defeatists, neutralists, illusionists and people who invariably find excuses for anything the Soviet Union does or wants. For years now European leaders have had to hold to a steady course despite the fluctuations and occasional explosions of American politics and avoid the development in their own countries of a state of opinion which would conclude that it was hopeless to oppose the pressures of Soviet policy, and that it would be better to accept the status of Finland—or even of Poland—than the chance of war on unequal terms.

These two themes—Europe's dependence on the United States and the risks of despair and defeatism in European opinion—are interrelated. They both derive from the development of the Soviet Union's nuclear forces following the Soviet rejection of the Marshall Plan and the Baruch Plan in President Truman's time.

When President Truman made his proposals for Soviet-American postwar cooperation, and helped to found NATO when the Soviet Union turned him down, it was generally believed both in the United States and in Europe that we should stand guard for a few years while Europe recovered and became a united or federated political entity. Then, we thought, Europe—stronger, richer and more numerous than the Soviet Union—would be able to protect itself against any possible Soviet threat. And we could bring our troops home and return to normalcy. It would have seemed lunatic in 1949 to

suggest that we should have garrisons of 300,000 troops in Europe in 1979. But we do and we should. On this point all non-Communist Europeans are unanimous. They know that our military presence in Europe, backed by our nuclear second-strike capability, is the only counterweight that could contain the growing Soviet superiority in conventional forces and the extraordinary buildup of Soviet nuclear forces aimed at Europe and the United States.

Exactly the same constellation of events lies behind the risk of defeatism and neutralism in Europe. Soviet conventional forces facing Europe have always been stronger than those of the Allies. Until now they have been clearly balanced by our nuclear forces. Now that balance is challenged not only by strong modern Soviet conventional forces, but by formidable Soviet theater and intercontinental nuclear forces. The mobile MIRVed SS-20 missiles, various intermediate range Soviet nuclear weapons and the Backfire bomber have touched the European mind and generated a wave of fear which is causing great concern in Europe. This fear could easily become hopelessness and passivity, especially if we should allow the Soviets to develop a first-strike nuclear capability which could neutralize our intercontinental nuclear arsenal and create doubt about our capacity and willingness to provide conventional force support and a nuclear umbrella for Europe and our other allies.

The SS-20 is deployed in a mobile mode. One way it can be converted into an intercontinental missile is by adding a booster, which concerns us in the SALT context. What concerns Europe in the first instance is the threat these weapons imply for Europe itself, without the third stage booster. Similarly, the Backfire bomber can reach targets throughout the United States as well as in Europe, China, the Middle East and Japan. You will hear a good deal about Backfire in relation to SALT II during the next few months. But the Europeans are concerned first with the fact that Backfire could destroy European targets with nuclear weapons.

Many call these problems the "grey area"—the grey area between theater forces and strategic forces. This development brings out one of the most fundamental weaknesses of the SALT II Treaty, the fact that it purports to deal only with intercontinental weapons. Dean Rusk once commented that the SALT approach was like building a dam across half a river. It serves no purpose to regulate the intercontinental nuclear balance if Europe, Japan and our other allies and interests are exposed to more and more ominous threats, both conventional and nuclear. The danger to our vital national security interests is the same. In fact, of course, the Treaty is not confined to intercontinental weapons in any meaningful sense. For example, United States ground and sea-launched cruise missiles having ranges beyond 600 km. are counted as "strategic" weapons and limited in SALT, while Soviet SS-20s and Backfires having ranges in the thousands of kilometers are not considered "strategic" and are not covered by SALT. This feature of the agreement has grave implications. Our acceptance of the cruise missile limitations was a retreat from a position of principle on which we had held firm for a long time, namely, that limitations affecting systems for allied and theater use are inappropriate in a bilateral agreement, and particularly that asymmetrical limitations concerning Western alliance defenses are unacceptable.

In 1972, when the SALT I Interim Agreement came up for ratification, the grey area issue didn't make much difference. It was said then that our superiority in MIRVing and in accuracy compensated for the numerical imbalance in its terms.

But the military circumstances of 1972 have gone glimmering, as I remarked before. So far as Europe is concerned, Soviet nuclear development, and SALT II itself, have driven a gap between us and our allies, a gap we must not allow to become an abyss. That gap concerns Alliance defenses against the SS-20 and the Backfire and the across-the-board modernization of Soviet nuclear and conventional weapons. The adequacy of our defenses in these two areas, coupled with the maintenance of our second-strike strategic capability, determine the credibility of our commitment to the defense of Europe and therefore its deterrent influence. Anxiety in this area has, of course, been heightened by our decision on the neutron warhead which could significantly improve our capacity to defend Europe against a Soviet invasion. This is the subject the Allies, led in this regard by the German Chancellor, Helmut Schmidt, have been pressing on President Carter in the context of their discussions about SALT II. It is the necessary condition implied in European public support for SALT II. The urgency of this problem is one of the important factors which led our Committee to recommend that the present text of the SALT II Treaty should not be ratified, and that we should proceed forthwith to rebuild our alliances and our defenses and resume arms control negotiations with the Soviet Union on the basis of an agenda which includes "the grey area".

The European leaders still tend to speak in terms of a vocabulary which was more popular here seven years ago than it is today. The rejection of SALT II by the Senate, many of them have said, would "end détente, and revive the cold war." President Carter sometimes uses the same phrases.

The European leaders know as well as we do that this way of talking about our relations with the Soviet Union is meretricious. But what it means to European mass opinion is brutally simple—that Soviet wars of expansion are going on somewhere else. Responsible Europeans know that the control of Western Europe is the first and primary objective of Soviet strategic thought and of Soviet expansionist policy. And they know too that Soviet programs of expansion in Africa and the Middle East, and Soviet force deployments both in Europe and on the seas, are undertaken in order to outflank Europe and to reduce it without war. Such a step, the Soviet strategic planners believe, would have a profound impact in Japan and China and lead inevitably to the complete isolation of the United States.

We can all understand the response of the European leaders to the President's request for their support of SALT II; we can sympathize with their efforts to press the "Eurostrategic" issues to the forefront at this time and to take advantage of our SALT II ratification controversy as a lever in that effort; and we know that there are lots of people in our country who still talk about "the end of détente" and "reviving the Cold War."

Our reaction to this phenomenon is simple and clear-cut. We do not believe that democracy can survive unless its leaders trust the people and are willing, in public, to discuss the real problems they deal with in the exercise of their offices. That is the purpose of the entire effort we have undertaken through the Committee on the Present Danger—to encourage courteous, disciplined, factual discussion among us about the basic issues of national safety in a turbulent and changing world. The rule we propose applies first and primarily to the political leadership of the United States. Compared to our Allies, we are strong, and we have the inescapable responsibilities of leadership. Obviously, it is attractive for a politician to soothe his public with bland words about improving our relations with the Soviet Union. Every politician like to portray himself as a peacemaker. Few indeed would choose to offer their constituents nothing but "blood, sweat and tears."

This posture, as I remarked, is politically attractive. But, especially for American politicians, it is wrong.

Our thesis applies with particular force, I submit, to the issues raised by SALT II, which touch the raw nerves of our primitive safety. There is simply no place in our consideration of these problems for non-issues like "ending détente" and "reviving the Cold War." There has been no relaxation or improvement in our relations with the Soviet Union save in the travels of ballet companies and the sale of Pepsi-cola.

The President has suggested that a failure to ratify SALT II would have a bad effect on the solidarity of NATO and our other alliances. I disagree. It is my belief that if the Senate follows the course we have recommended in this statement—that is, if it advises a positive, active foreign policy, and withholds its consent to the ratification of the Treaty until its text is modified, and we are committed to a new course in our foreign and defense policy, the effect on our Alliances would be electric and most constructive.

Such action on our part would answer the question which has been put to me with increasing insistence and anxiety by friends all around the world since 1973, the key question on which the answer to every other question depends—where does the United States stand? Raymond Aron states it very well in the Preface to his new book, *In Defense of Decadent Europe:*

"Time and time again, European journalists, politicians, and intellectuals have asked themselves and their colleagues the question 'Is the United States also plagued with the "British disease"? Have the causes that have brought about the decline of the United Kingdom not become visible in America, as well? Faced with an increasingly powerful and militant Soviet Union, do the Americans still have the same resolution they did thirty years ago?' "

If the Senate pursues the course we recommended here, NATO and our other alliances will be strengthened, not weakened, and many forms of allied cooperation which are now nearly impossible should become possible again—monetary cooperation, for example; the implementation of the Harmel Resolution recommending concerted action by interested NATO allies outside the Treaty area; and many other forms of useful cooperation. Our European, American, Middle Eastern and Asian allies would conclude that the United States—their difficult, unpredictable, but indispensable partner since 1917—had entered into another of its periods of creative energy, and they would rejoice. For our allies, nothing has been better than the good periods of American foreign policy—that of the Marshall Plan, the Baruch Plan, the Point IV Program and NATO, for example; and nothing worse than the disastrous periods—Versailles and the isolation of the '20s and '30s; the Suez Affair of 1956; and others too sad, too recent and too numerous to mention.

In view of the position taken by President Carter, a special responsibility falls upon the Senate of the United States as it considers SALT II. In the aftermath of Vietnam, we have been sleepwalking now for several years, unable to believe the facts about Soviet policy and the Soviet military buildup although we know them to be true. We must wake up and act while there is still time to act in peace through diplomacy and deterrence, and not through war. We have faith that the Senate will act wisely, prudently and firmly, in the best interests of the nation. And we are sure that the nation will respond greatly to leadership in the grand manner.

MESSAGES FROM THE HOUSE

At 12:06 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to H.R. 4388, an act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BEVILL, Mr. BOLAND, Mr. SLACK, Mrs. BOGGS, Mr. CHAPPELL, Mr. JENRETTE, Mr. DIXON, Mr. WHITTEN, Mr. MYERS of Indiana, Mr. BURGENER, Mrs. SMITH of Nebraska, and Mr. CONTE were appointed managers of the conference on the part of the House.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 2729. An act to authorize appropriations for activities of the National Science Foundation for fiscal year 1980, and for other purposes; and

H.R. 4289. An act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 3:13 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 19. A joint resolution to provide for the designation of a week as "National Lupus Week".

At 4:13 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 7. An act to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were read twice by their titles and referred as indicated:

H.R. 7. An act to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

H.J. Res. 19. A joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. Kennedy, from the Committee on the Judiciary, with amendments:

S. 643. A bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes (Rept. No. 96-256).

GENEVA CONFERENCE ON REFUGEES

● Mr. KENNEDY. Mr. President, this past weekend the United Nations concluded an extraordinarily important international conference in Geneva called by Secretary General Kurt Waldheim—to focus international attention on the escalating refugee crisis in Southeast Asia.

After 2 days of intensive diplomatic activity, and after a great deal of preparatory work by the U.N. High Commissioner for Refugees, the meeting concluded on Saturday and, by all accounts, has been judged a major success. For the first time, all aspects of the Indochinese refugee problem have been considered, and important new steps have been taken to deal with it. In fact, the meeting served as the catalyst for redoubling the world's efforts to meet the urgent humanitarian needs of refugees throughout Southeast Asia.

Because the Judiciary Committee has favorably acted upon legislation relating to our country's ability to respond to such refugee crises—and because the bill (S. 643) will soon be before the Senate—the committee dispatched to Geneva staff members of both the majority and minority staff to observe the work of this important conference.

From the preliminary report I have received, it is clear that the Geneva meeting has gone a long way toward meeting the immediate relief and resettlement needs of Indochinese refugees, as well as setting the stage for new diplomatic efforts to provide alternatives to forcing tens of thousands of refugees to flee by leaky boats, with great loss of human life.

It appears that many of the 60 nations represented at the Geneva conference have responded to the call of the U.N. High Commissioner for Refugees (UNHCR) for countries to double the number of refugee resettlement opportunities over the coming year. In some cases, such as Canada, they more than doubled their resettlement offers, and countries that had never responded before came forward. Clearly, America's leadership in redoubling our efforts—as announced by President Carter at Tokyo—has had a significant impact upon other countries.

Also, financial contributions in support of the work of the UNHCR in Southeast Asia have also been doubled. Japan alone announced that it would increase its contribution from 25 percent of the UNHCR budget to 50 percent in the coming year.

Action was taken to support the establishment of island reception and processing centers in Southeast Asia, to help relieve the refugee burdens on the nations of first asylum. The Government of the Philippines, in particular, took the lead in offering an island in its territory to build a center for up to 50,000 refugees.

In addition, the countries of first asylum indicated that they would abide by internationally accepted principles granting temporary asylum to refugees, and to refrain from forcing refugee boats back out to sea.

Finally, in a major development, the Government of Vietnam—acting along the lines of proposals made by France and by the United States—announced a moratorium on the massive outflow of boat people to allow time for the international community to implement the orderly departure agreement negotiated in May by the UNHCR. If this agreement is energetically implemented—by our country and other receiving countries—there may yet be a humane alternative of allowing refugees to leave in an orderly manner, rather than fleeing by boat.

Mr. President, I believe there are all important and positive developments in the ongoing international effort to respond to the refugee crisis in Southeast Asia—and for meeting the urgent humanitarian needs of some 400,000 Indochinese refugees. Although much remains to be done, at least the stage is now set for renewed international action, sanctioned by the Nations participating in the conference in Geneva.

To review the results of the Geneva meeting, and to assess what actions our Government plans in support of the Geneva meeting, I have scheduled a Judiciary Committee hearing on Thursday, July 26, in the Judiciary Committee room, 2228 Dirksen Senate Office Building, at 11 a.m.

Mr. President, there are few greater tests of the democratic and humanitarian ideals for which we stand than how we respond to the need of refugees. And there is no more basic human rights issue than the protection of refugees. The meeting in Geneva was an important step in responding to both these questions.

Mr. President, I would like to share with my colleagues the text of the closing statement of the U.N. High Commissioner for Refugees, Mr. Poul Hartling, and the summation offered by Secretary General Kurt Waldheim. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HIGH COMMISSIONER'S CLOSING STATEMENT

Mr. Secretary-General, distinguished delegates: It is now apparent that, with this Meeting, the international community has moved into a new phase in its efforts to resolve the problem of the Indochinese refugees. It is a phase in which new hope is provided to all who have grappled with this problem. Above all, it is a phase in which the refugees themselves will know that the international community has not abandoned them.

We have heard a series of most remarkable statements that have emphatically reaffirmed the humanitarian commitment of the international community. This is of great consequence—to the Indochinese refugees, and to the millions of other refugees throughout the world. As the High Commissioner for Refugees, may I express my gratitude. May I also say how deeply thankful I am for the many kind words addressed to my staff and to me personally. You can count on our every effort.

Of course, the greater the commitment, the greater the responsibility to honour it.

In the weeks immediately prior to this Meeting, and in the course of it, we have been informed of a truly dramatic increase in the number of resettlement places available for the refugees. These have risen from 125,000 at the end of May, to 260,000 today. Many Governments have indicated their intention to act with the greatest possible speed to move the refugees to their new homes. This is exactly what we wished. We were moving over 10,000 persons a month from the area. As soon as possible, we shall now try to move 20–30,000 each month. That is some 1,000 persons a day should move to new lives. Such an action will give the reassurance that all concerned need.

I am particularly grateful to those Governments that have announced on-going commitments. Such indispensable commitments enable planning over the longer-term. I shall monitor resettlement needs for as long as the problem lasts. Governments will be kept informed, on a regular basis, of the requirements.

To make sure that we act with the utmost urgency, UNHCR is already preparing a technical plan to ensure co-ordination on all practical aspects relating to the onward movement. The purpose is to generate a rapid and systematic rate of departure and to utilize the new commitments to the maximum effect. To this end, I am calling an immediate working meeting at the technical level, of countries that have made resettlement offers. The opportunities must be used in a way that makes a clear impact on each of the areas where the refugees are presently located.

A major offer has been made in this Meeting for a Holding Centre that will accommodate a minimum of 50,000 persons. This is in addition to two earlier offers. A senior UNHCR team has been designated to follow-up on all aspects of such proposals. They are ready to work, with the Governments concerned, without delay.

A most significant proposal has been made in regard to a major Fund for achieving permanent solutions. This is a need that we had increasingly felt. It could be of great help to our efforts on behalf of refugees in all developing countries throughout the world. We have started examining the technical aspects relating to such a Fund and I shall present proposals to my Executive Committee early in October. I am grateful that, already, some US $25 million have been announced, in principle, for this purpose.

In regard to our financial needs for the Indochinese refugees, I am most heartened by the new announcements of pledges totaling some US $160 million in cash and kind. It should be clearly understood that this amount includes pledges, some of which are subject to parliamentary approval. It also includes certain funds earmarked for 1980. These announcements will considerably ease the financial situation and enable my Office not only to continue the basic programme, but also start meeting costs relating to Processing and Holding Centres. As soon as the precise costing elements are identified, I shall be further touch with Governments for any additional funds that are required.

There have been many interesting comments on the programme of orderly departures from Viet Nam. Such movements should in no way detract from the priority to those in the camps of South East Asia. However, this programme has the possibility of contributing significantly to an easing of the humanitarian problems in the region and must therefore, develop. Much will depend on the care and understanding with which this effort is conducted. We are ready to do our share.

On the grave problem of rescue at sea, many critically important commitments have been made, for which I am indeed grateful. I am in touch with the Secretary-General of the International Maritime Consultative Organization with whom in the past I have issued joint appeals concerning this matter. I propose to arrange a meeting of experts very shortly in order to concert certain practical steps that could be considered by Governments and interested organizations in a position to help.

Distinguished delegates,

In these brief comments I have summarised the status of commitments as these now stand. I have also indicated certain of the practical measures that we shall take in urgent followup of this meeting.

This vast effort will draw on the energies and ideals of thousands of persons—in Governments, within the U.N. system, and in the non-governmental sector. In this connection, I am deeply appreciative of the Governmental offers to place staff at our dipsosal to help in this immense task. I have already spoken of the technical meetings we propose to convene in relation to specific aspects of the problem. Further, a standing co-ordinating mechanism will group together our colleagues in the U.N. system, ICEM, the ICRC and League of Red Cross Societies and others in the non-governmental sector.

Distinguished delegates, our follow-up will be equal to the challenge. Within ten weeks, the thirtieth session of my Executive Committee will be held in Geneva. It will give us an opportunity to review thoroughly the progress made, and to pin-point what further needs to be done. Thereafter I report to the General Assembly in November. Within these four months, much must be achieved.

With these remarks, may I reiterate my gratitude to the Secretary-General, who will now sum-up our proceedings. May I, finally, convey to you and to all others engaged in this great humanitarian endeavor, the thanks of the refugees.

CLOSING REMARKS BY SECRETARY-GENERAL KURT WALDHEIM AT THE MEETING ON REFUGEES AND DISPLACED PERSONS IN SOUTH-EAST ASIA

Distinguished Delegates, Ladies and Gentlemen,

As we conclude our discussion, I wish to sum up and evaluate the results of our proceedings.

This meeting has been an occasion without precedent in the history of the United Nations. Sixty-five countries concerned with the grave crisis existing in South-East Asia have participated with a view to relieving the plight of hundreds of thousands of refugees and displaced persons.

When the idea of a conference was first launched, there were considerable doubts about its chances of achieving its purpose. There was even the fear that this gathering could stray into a sterile and acrimonious debate which would aggravate even further the political atmosphere surrounding the refugee crisis. I think we can say with gratification that this has not been the case. On the contrary, the very fact that the international community was about to focus its attention on the humanitarian issues in South-East Asia has created a momentum of its own. Before the Conference started, several countries increased substantially the number of resettlement places for refugees and their financial commitments. In addition, intensive contacts took place on a bilateral and multilateral basis to find ways and means of alleviating the suffering of the refugees in the area.

The response during our meeting has been significant. A remarkable spirit of co-operation has marked our deliberations. Many countries have put forward concrete and imaginative proposals. Generous offers of contribution in places of resettlement, in funds, and availabilities for holding centers have been made.

In my judgment, these developments have brought major strides in our efforts to cope with the problem. Indeed, such progress has been required because of the magnitude of suffering in Indo-China and because of the traumatic conditions in which the exodus is taking place. The consequences of this massive movement populations involve not only Indo-China alone, but much of Asia and indeed many countries around the world.

Our purpose at this meeting has been to try to reverse the course of this tragedy, and I believe we are now well on our way to doing so. The most tangible and immediate result of this meeting has been the commitments in regard to resettlement places and financial contributions, which the High Commissioner has just summarized. This will mean, in practical terms, that within the next months tens of thousands of refugees will move away from the present camps to begin new lives. But the scope of the problem is much larger. To resolve it will require humane policies by all concerned, respect for certain fundamental principles, and the carrying out of a plan of action which would be based on the various proposals advanced through our deliberations.

The principles to which I refer involve an inter-relationship of obligations and responsibilities on the part of the countries of origin, those of final resettlement, and those of first asylum. The countries of origin must respect the right of emigration and family reunification, while avoiding any action leading to their people departing the country under conditions which would put their lives in jeopardy. This obligation stems from the basic right of individuals to stay in their country or to leave as a matter of free will. The countries from which refugees come, have the responsibility to co-operate fully with the UNHCR and the other countries concerned to ensure an orderly outflow. What we mean by this is orderly arrangements for departure, the prospect of a safe journey and a destination which is assured.

Taking into account the fact that the countries of first asylum are developing countries confronted with economic and social constraints it is clear that others outside the area must assume the principle responsibility for resettling.

However, pending arrangements for resettling, it is essential that the countries of initial arrival should fully respect the principle of first asylum, both for land and sea refugees. There should be no refoulement.

Of course, each Government, depending on whether it is a country of origin, of first asylum, or final resettlement, puts the emphasis on different principles. Whereas, the countries of first asylum require a definite pledge that they should not be burdened with residual problems and the assurance that no refugees will stay in their country for more than a specific period, the resettlement countries have referred to the need for a degree of local settlements within the region and have offered significant financial contributions to facilitate this process.

I consider this meeting has served a very useful purpose in clarifying and underlining the interdependence between those elements and am confident that they can and will be reconciled within the framework of a comprehensive plan of action.

Certain important aspects of the plan as they have emerged may be highlighted.

First, we must work with the utmost speed to reduce the backlog. This can only be done by resettlement on a far greater scale and much faster than hitherto. It is clearly understood that this movement should cover land cases as well as boat cases. I feel greatly encouraged by the increase in commitments made during this meeting and feel confident

that our objective will be substantially achieved.

Second, another element closely related is the understanding reached between the Government of Viet Nam and the UNHCR for the orderly departure from Viet Nam of family reunions and other humanitarian cases. This should be expanded and I have noted that many governments wish this to be done. This expansion should not be at the expense of those in the camps of South-East Asia.

Third, a major breakthrough has been achieved in this meeting on the establishment of holding centers. The measure is one of the pillars of the action plan and as the High Commissioner for Refugees has said, we will follow through immediately. The availability of these facilities can make a direct and important contribution to reducing the dangers now surrounding the exodus of refugees. They will provide a greatly needed transit area pending resettlement. Coupled with assurances that residual cases would not be abandoned in these centers, they should offer a major reassurance to the countries of first asylum. Work will start shortly on the Galang Island offered by Indonesia. The Philippine Government, in a move which has won the appreciation and gratitude of all of us, has offered a new site for 50,000 refugees, to be funded by UNHCR.

Fourth, rescue at sea deserves special attention. I note with appreciation the noble and humane action undertaken by several countries which are sending ships to the area to rescue refugees in distress. As you have been informed by the High Commissioner, the United Nations is taking the leadership in organizing an international co-operative effort in this area.

In conjunction with the plan of action I have just outlined, there are certain situations which deserve special attention. I think, for example, of those suffering people along the border of Kampuchea and Thailand, exposed to the threat of famine, and to the ebb and flow of conflict. I have no doubt that the world community will wish the United Nations family to do whatever it can to alleviate the suffering which afflicts these people.

These, then, are the major elements of the plan of action.

During our deliberations, several additional or supporting proposals were put forward. All these proposals have been noted. Together with the High Commissioner for Refugees, I will study those proposals with utmost care and consult with the Governments concerned on their feasibility. I wish to thank all the Governments for their willingness to come forward with concrete ideas.

We need no reminder of the fact that, however substantial the resettlement programme we shall endeavour to implement, it cannot be successful over the long run without major reduction in the disorderly exodus of thousands of people from their homelands. This is the root cause which has been emphasized so much in the last two days. I am glad that, with infrequent exceptions, this analysis has been generally objective and non-polemical.

Distinguished delegates, as a result of my consultations the Government of the Socialist Republic of Viet Nam have authorized me to inform you that for a reasonable period of time it will make every effort to stop illegal departures. In the meantime the Government of Viet Nam will co-operate with the UNHCR in expanding the present seven-point programme designed to bring departures into orderly and safe channels.

I may also recall that a proposal was made here, supported by a number of countries, for a moratorium on unorganized departures from Viet Nam.

Distinguished delegates, ladies and gentlemen, I have noted with appreciation the many expressions of support for the UNHCR. I am sure that Mr. Hartling and his dedicated staff will draw from these words new encouragement in their untiring efforts to bring relief to the refugees.

I shall personally and through my Special Representative in the area, watch closely the developments following on this meeting. The role of the Special Representative will be, in particular, to maintain close and continuous contact with the Governments concerned and to liaise between them and me.

This meeting has greatly served to strengthen the efforts of UNHCR and I know other agencies of the United Nations system are also ready to intensify their activities as required by the plan of action. I can assure you that I shall do all I can to bring the best possible response from the entire United Nations system. The continued and devoted co-operation of many others, particularly the voluntary agencies, will be indispensable, and I should like to thank them most sincerely for all their efforts.

Distinguished delegates, evidently, the conclusions we have reached at this meeting cannot be the end of our efforts. We will now have to see to it that these conclusions are fully implemented through the United Nations machinery. And it is my intention to present to the next General Assembly a comprehensive report on the situation and the implementation of the action plan. May I again express my gratitude to you for your spirit of co-operation which enabled us to achieve this result. I am confident that we have laid the foundation for the solution of one of the most tragic experiences which the world has faced.

The meeting is hereby closed.●

Mr. THURMOND. Mr. President, I rise today to express my favorable reaction to the action taken by the United Nations Conference on World Refugees in Geneva, Switzerland, on July 20 and 21. This is the second Conference in regard to the World Refugee Problem which has arisen in Southeast Asia, an earlier one being held in Geneva, Switzerland in December, 1978. The Nations of the World have responded well to the plight of the "boat people" of Vietnam and the "land people" from Laos and Cambodia. Sadly, it appears that the problem will be an ongoing one which we must meet in the months and years ahead.

The United States of American and its people are no strangers to the problems of the refugees and their dependents. We are a Nation made up of refugees and their ancestors. The tired and homeless, and poor of the world have given to the greatness of our land and its people. But we and the other nations of the world cannot rest on our laurels. The nations of the world must continue to make even greater efforts in rising to the challenge which confronts them.

I was pleased to note that the Peoples Republic of Vietnam was present for this significant and moving meeting. The United States was well represented by the Vice President of the United States and Members of the U.S. House of Representatives, personnel of the Department of State, including the Honorable Dick Clark, Ambassador for Refugee Affairs, and various staff members of both Houses of the U.S. Congress. I am informed by the media and those who were present, that progress was made in all phases which will contribute to an ending of an exodus which has taken so many human lives. History will note that the nations of the world have risen to meet the challenge which faces each of us individually and as a people. I trust the verdict of history will not be adverse.

Further, I am happy to note that no disinterested nation contends that the exodus of the boat and land people in Southeast Asia is a result of the war in Vietnam which ended in 1975 in Vietnam. This contention was made only by the Peoples Republic of Vietnam in Asia. I concur in the verdict of world opinion that the said war is not the culprit which gives rise to the fateful exodus of the ethnic Chinese from Vietnam and other peoples from their homeland. The verdict is just and proper against Vietnam and its sponsor, the Soviet Union. It is my hope that these nations will cease to do those things which cause these people to make the fateful decision to risk their lives and the lives of their dependents as a refugee on the sea and the lands of their neighbors.

The nations of first asylum of these refugees are to be commended. The nations which extend resettlement in their homelands are to be commended in a like manner. Also, the voluntary private organizations, secular and otherwise, are to be commended for their untiring efforts in behalf of the refugees of Southeast Asia.

Mr. President, I would like to state at this time for the record that when the refugee bill, S. 643, came on for consideration on Tuesday last, before the Senate Judiciary, the bill, by agreement between the majority and the minority, was ordered favorably reported unanimously by the committee. Further, it was agreed that the refugee bill would not be considered by the Senate until after the United Nations Conference was concluded.

I am pleased that our Vice President reiterated that our armed forces were expanding their services to the helpless and drowning refugees at sea. The law of the sea is impartial and just; the only element required to set the law of the sea in motion is need. This standard has served us well. We will continue in the same manner our people have required in the past. This is rightfully so.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

John Mark Deutch, of Massachusetts, to be Under Secretary of Energy.

(The above nomination from the Committee on Energy and Natural Resources, was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly authorized committee of the Senate.)

Mr. JACKSON. Mr. President, on Saturday, July 21, 1979, the Committee on Energy and Natural Resources

ordered reported favorably the nomination of John Mark Deutch, of Massachusetts, to be Under Secretary of Energy.

I ask unanimous consent that his biography be printed in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

JOHN M. DEUTCH

Dr. John M. Deutch, was named Acting Under Secretary of Energy effective, June 1, 1979.

Dr. Deutch, who was nominated to the position May 25, 1979, by President Carter and is awaiting Senate confirmation, had been serving as Director of Energy Research and Acting Assistant Secretary for Energy Technology.

As Acting Assistant Secretary for Energy Technology since January 1979 he directed activities aimed primarily at developing new energy technologies to the point of commercial applications. This included research, development and demonstration program involving all emerging energy sources.

As Director of the Office of Energy Research, Dr. Deutch oversaw the basic research programs of the department. He held that position since the creation of DOE in October 1977.

Dr. Deutch became an assistant professor of chemistry at Princeton University in 1966, and remained at that institution until 1969. He joined the faculty at MIT in 1970 as associate professor and became chairman of the chemistry department in 1976.

From 1961 to 1965 Dr. Deutch worked on systems analysis in the Office of the Secretary of Defense. In 1965 and 1966 he was a consultant for program analysis in the Bureau of the Budget.

Dr. Deutch was born July 27, 1938, in Brussels, Belgium, and became an American citizen in 1946. He received a B.A. in history and economics from Amherst College and a B.S. in chemical engineering from MIT in 1961, and earned a Ph.D. in physical chemistry from MIT in 1965. He was a postdoctoral fellow at the National Bureau of Standards.

Dr. Deutch serves on the Defense Science Board and the Army Science Advisory Panel. He has also been an editorial board member of the "Annual Review of Physical Chemistry" and "Chemical Physics." He is the author of numerous publications.

EXTENSION FOR COMMITTEE ON GOVERNMENTAL AFFAIRS TO CONSIDER A NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs have an extension of time until July 26, 1979, to consider the nomination of Eldon D. Taylor to be inspector general of the National Aeronautics and Space Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JACKSON (by request):

S. 1560. A bill to amend the Helium Act (50 U.S.C. 167 et seq.) to delete requirements to repay notes, equity debt, and interest accrued and unpaid thereon; to authorize and direct the Secretary of the Treasury to cancel all notes and debits related to the Helium Fund together with interest accrued and unpaid thereon; to eliminate the Secretary's borrowing authority; and, to eliminate the Helium Fund; to the Committee on Energy and Natural Resources.

By Mr. TOWER:

S. 1561. A bill for the relief of Doctor Ricardo Mateo Rodriguez; to the Committee on the Judiciary.

By Mr. COHEN:

S. 1562. A bill to amend the Internal Revenue Code of 1954 to provide for the partial exclusion of interest from gross income; to the Committee on Finance.

By Mr. DURKIN (for himself, Mr. STAFFORD, Mr. LEAHY, and Mr. LAXALT):

S. 1533. A bill to terminate the Department of Energy; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (by request):

S. 1560. A bill to amend the Helium Act (50 U.S.C. 167 et seq.) to delete requirements to repay notes, equity debt, and interest accrued and unpaid thereon; to authorize and direct the Secretary of the Treasury to cancel all notes and debts related to the helium fund together with interest accrued and unpaid thereon; to eliminate the Secretary's borrowing authority; and, to eliminate the helium fund; to the Committee on Energy and Natural Resources.

HELIUM ACT AMENDMENTS OF 1979

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to amend the Helium Act (50 U.S.C. 167 et seq.) to delete requirements to repay notes, equity, debt, and interest accrued and unpaid thereon; to authorize and direct the Secretary of the Treasury to cancel all notes and debits related to the helium fund together with interest accrued and unpaid thereon; to eliminate the Secretary's borrowing authority; and, to eliminate the helium fund.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary of the Interior be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Helium Act Amendments of 1979."

SEC. 2. (a) Section 6 of the Helium Act (50 U.S.C. 167(d)) is amended:

(1) by striking subsection (c) and inserting in lieu thereof the following:

"(c) Sales of helium by the Secretary shall be at prices consistent with the purposes of this Act but not below current market value.

(2) by striking subsection (d) and redesignating subsection (e) as subsection (d).

(3) by striking subsection (f); and

(4) by adding the following new subsections at the end thereof:

"(e) The Secretary of the Treasury is authorized and directed to cancel the outstanding balance of all unpaid notes issued to the Secretary of the Interior pursuant to section 12 of the Helium Act (50 U.S.C. 167(j)), together with interest accrued and unpaid on such notes, and to cancel the outstanding balance on the net capital and retained earnings debt of the helium production fund established pursuant to section 6 of the Helium Act (50 U.S.C. 167(d)) together with interest accrued and unpaid thereon. Any unobligated cash balances remaining on the effective date of this Act and any monies received thereafter on transactions heretofore or hereafter entered into under the Act shall be covered into the Treasury as miscellaneous receipts."

(f) Any borrowing authority previously authorized by section 12 of the Helium Act (50 U.S.C. 167(j)) is hereby cancelled.

(b) Section 12 of the Helium Act (50 U.S.C. 167(j)) is amended to read as follows:

"There are authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act."

SEC. 3. Section 3 of the Helium Act (50 U.S.C. 167(a)(2)) is amended by deleting the words "except that the Secretary shall not make . . . in an appropriation Act, or . . ." and by inserting in lieu thereof "and".

SEC. 4. Public Law 87–122 (75 Stat. 246) is amended by deleting the section entitled "Development and Operation of Helium Properties".

SEC. 5. The amendments made by this title shall take effect on the date of enactment of the appropriation act associated with this Act, or October 1, 1980, whichever comes later.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., July 17, 1979.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: We are enclosing herewith a proposal "to amend the Helium Act (50 U.S.C. 165 et seq.) to delete requirements to repay notes, equity debt, and interest accrued and unpaid thereon; to authorize and direct the Secretary of the Treasury to cancel all notes and debits related to the Helium Fund together with interest accrued and unpaid thereon; to eliminate the Secretary's borrowing authority; and to repeal the authorization of the Helium Fund."

We recommend that the bill be referred to the appropriate committee for consideration and that it be enacted.

The financing of the Federal Helium Program is regulated by sections 6(c), (d), (f), and 12 of the Helium Act of 1960. The Helium Act established a "helium production fund," without fiscal year limitation, to receive proceeds from the Bureau of Mines' sales of helium and from borrowing from the Treasury, and from which to disperse these funds for program operations, including purchases of crude helium and repayment of borrowings.

A statement of the financial condition of the Federal Helium Program as of October 1, 1978, is shown in Attachment 1. The principal asset of the program is helium purchased from 1962 to 1973 and currently valued at $620 million. Approximately $250 million was originally borrowed from the Treasury of these purchases. The Helium Act of 1960 requires the Secretary of the Interior to repay this principal plus compound interest by 1985, although the Secretary may obtain a ten-year extension of this requirement if necessary. Repayment of these borrowings plus the compound interest constitute the major financial liability of the program. Recently repayments of $1 million per year have been made from operating income in 1976–1978. Compound interest is currently accruing at a rate of about $30 million per year. As of October 1, 1980, the total Helium debt is estimated to be $557 million.

With the growth of private helium production during the 1960's and the sharp reduction in demand for Federal uses, actual sales of the helium by the Bureau of Mines have differed significantly from the expectations on which the debt repayment schedule was based. Current demand projections indicate that it is unlikely that the helium debt can ever be paid off and the interest owed to the Treasury will simply continue to accumulate, as shown in Attachment 2. The continuing accounting burden it creates is expensive and wasteful. We believe, therefore, that the fund debt should be eliminated.

A precedent for this approach is contained in the Defense Production Act Amendments of 1974 (P.L. 93–426, dated September 30, 1974). The original borrowing authority for the Defense Production Act of 1950 was used to expand production capacity by various means, including purchases of materials for stockpiles. Anticipated future sales of stockpiled materials were to sustain the liquidity of the fund and repay the debt. For reasons beyond the control of the parties involved, these future sales did not materialize, and the debts continued to grow due to interest obligations. The 1974 Amendments, extending the Defense Production Act of 1950, cancelled the outstanding liability to the Treasury accumulated under this borrowing authority, and substituted conventional appropriations methods for supporting future programs. In the absence of this legislation, the Defense Production Act fund could have gone bankrupt.

This legislation also proposes to repeal authorization of the Helium Fund and to authorize direct appropriations for program operations. The recommendation to eliminate the fund debt recognizes the fact that the program cannot achieve self-financing status. Under these circumstances it is inappropriate to continue to fund the program through the mechanism of a public enterprize revolving fund.

The Department of the Interior and Related Agencies Appropriations Act of 1962 P.L. 87–122) authorized the Secretary to borrow $10 million from the Treasury to finance helium operations and it provided a permanent annual appropriation of $47.5 million in contract authority for the purchase of helium. The attached draft legislation cancels both the borrowing authority and the annual appropriation of contract authority. There has been no borrowing from the Treasury since the early 1970's and the $47 million appropriation of contract authority has either lapsed or been rescinded every year since that time. Any future program expansion should be financed by direct appropriations. Upon enactment of these provisions, revenues from the sale of helium will thereafter be deposited directly into miscellaneous receipts of the Treasury.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill and that its enactment would be consistent with the Administration's objective.

Sincerely,

JOAN M. DAVENPORT,
Assistant Secretary.

Enclosures.

BUREAU OF MINES—HELIUM FUND, STATEMENT OF FINANCIAL CONDITION

[In thousands of dollars]

	Financial condition			
	1977 actual	1978 actual	1979 estimate	1980 estimate
Assets:				
Fund balance with Treasury	7,709	7,282	4,870	3,547
Accounts receivable, net	2,936	1,115	1,000	1,000
Advances made	8	8	5	5
Inventories	590,816	619,822	651,661	686,413
Real property and equipment, net	21,586	21,691	23,851	26,838
Other assets, net	3,004	4,249	5,204	3,219
Total assets	626,059	654,167	686,591	721,022
Liabilities:				
Accounts payable and funded accrued liabilities	30,038	30,001	30,600	30,500
Advances received	599	606	800	900
Debt issued under borrowing authority:				
Borrowing from Treasury	251,650	251,650	251,650	251,650
Net worth	31,645	30,645	30,645	30,645
Interest due on net worth and borrowing	183,157	211,190	241,946	275,099
Total liabilities	497,089	524,092	555,641	588,794
Government equity:				
Unexpended budget authority:				
Authority to borrow	3,127	3,127	3,127	3,127
Fund balance	8,746	6,197	2,878	1,555
Undelivered orders	673	1,004	1,000	1,000
Unfinanced budget authority:				
Borrowing authority	−3,127	−3,127	−3,127	−3,127
Contract authority	−29,403	−29,403	−29,403	−29,403
Invested capital	148,954	152,277	156,475	159,076
Total Government equity	128,970	130,075	130,950	132,228

By Mr. COHEN:

S. 1562. A bill to amend the Internal Revenue Code of 1954 to provide for the partial exclusion of interest from gross income; to the Committee on Finance.

SMALL SAVERS INCENTIVE ACT OF 1979

Mr. COHEN. Mr. President, I am today introducing legislation to exclude from taxation the first $150 of interest earned on a savings account at a bank, savings and loan association, or credit union.

This legislation would accomplish two goals: First, it would provide modest tax relief for the small saver; and second, it would encourage a greater level of savings.

During his recent speech to the Nation, President Carter mentioned that Americans save a smaller percentage of their incomes than any other Western, industrialized nation. This is true. According to the Commerce Department figures based on a 5-year average between 1973 and 1977, consumers in the United States saved only 6.7 percent of their disposable incomes, compared to 14 percent for the citizens of Great Britain, 15.2 percent for the West Germans, and 25 percent for the Japanese. The President attributed this low level of savings to a lack of confidence in the future.

I believe, however, that Americans are simply reacting logically to the present very real disincentives to savings. Unrelenting inflation, low interest rates on passbook savings accounts, and the taxation of interest income have combined to discourage many individuals from trying to save.

The real rate of return on most savings, due to taxes and inflation, has actually been negative for several years. Former Secretary of the Treasury Blumenthal recently estimated that a person in the 30-percent Federal income tax bracket had the value of his savings in a passbook account decline by more than 5 percent last year after taxes and inflation. Many families rightfully believe that they are better off spending now than saving for the future as long as inflation continues unabated and their interest income is taxed.

A tax break for savers would also help our older citizens, many of whom are retired and living on their accumulated savings—savings that have been severely eroded by rampaging inflation.

Providing a tax incentive for savers would also generate greater levels of savings. Personal savings represent a principal source of investment capital in this country, and our low level of savings is one reason why capital formation in this country has lagged behind other industrialized nations. Without adequate savings, funds for construction of new homes and plants and for purchasing equipment are insufficient. As a consequence, productivity declines, inflation soars, and few new jobs are created. An increased level of savings would help cool the inflation rate, not only by providing more funds for investment, but also by reducing consumption levels.

In addition to my own, several other bills have been introduced in both the House and the Senate which would provide increased incentives to those individuals who have managed to save a portion of their incomes. All of these proposals, however, entail a significantly greater revenue loss than would my legislation. By establishing a $150 interest exemption ceiling for the individual taxpayer, the cost of my proposal would be held to approximately $1.4 billion in the first year. At a time when we are

moving toward a balanced budget. I think that it is important that the cost of new tax incentives—no matter how worthy—be restrained. When economic conditions improve, the interest exemption could be expanded to provide even greater tax relief and to encourage more investment. In this regard, this incentive would be a useful tool in fiscal policy.

Mr. President, the time has come for Congress to correct the bias in our tax laws which favors consumption over savings. I hope that Congress will act quickly to approve this legislation.

By Mr. DURKIN (for himself, Mr. STAFFORD, Mr. LEAHY, and Mr. LAXALT):

S. 1563. A bill to terminate the Department of Energy; to the Committee on Governmental Affairs.

DEPARTMENT OF ENERGY SUNSET ACT

● Mr. DURKIN. Mr. President, I am today introducing a bill which will sunset, put an expiration date on, the Department of Energy as of June 1, 1981. The Department of Energy is a disaster, and unless it can improve dramatically between now and the time specified in my amendment, it should be abolished with only the very useful programs within the Department saved and dispersed to more competent departments.

Since its creation in 1977, the Department of Energy has calmly presided over massive confusion and chaos, creating more energy problems for America than it solves.

Its incompetence and inaction has led to gasoline lines and home heating oil shortages for consumers, at the same time it has contributed to obscene profits for the major multinational oil companies.

DOE's bungled efforts to manage our energy supplies have disrupted the lives of nearly every American, and threaten to destroy major sectors of our economy. In New Hampshire, the gasoline shortages have virtually decimated the tourist, recreation, and sport industries which are dependent on heavy summer trade. Our hard pressed small independent gasoline stations owners have been forced against the wall by the misguided policies of DOE. Hard-working New Hampshire families have had to curtail their vacation plans, and in fact are even having difficulty getting to and from work because there are virtually no mass transit systems in my State.

The energy outlook for New Hampshire and New England is even grimmer this winter. Although we represent only 6 percent of the population, we use 25 percent of the home heating oil consumed in this Nation. The home heating oil stocks needed for a normally cold winter are not being built up fast enough. The most recent figures available show the primary stocks of home heating oil are 20 million barrels below the stockpile level at this same time last year and a careful study of secondary stocks in New Hampshire, those held by local distributors, shows a 50-percent drop in supplies from last summer. Instead of ordering the major oil companies to increase production of gasoline and home heating oil and their set-asides to meet the Nation's heating oil needs, the Department of Energy persists in sitting passively by, as New Hampshire's working families, small businesses, and senior citizens face the growing prospect of severe home heating oil shortages this winter.

The Department of Energy has further aggravated the energy plight of New Hampshire's consumers by obstructing efforts that would reduce our dependence on costly, foreign oil. Time and time again, it has blocked my efforts to promote the rapid development of alternative energy—solar, hydroelectric power, wind, wood—through either direct opposition during the appropriations process or through cumbersome, unnecessary redtape and Federal regulation.

I voted against the creation of the Department of Energy because I did not think that adequate consideration and preparation had been given to it. Unfortunately for the American people, events have proved my concerns to be all too valid. What we have now is a massive white elephant which, with a few notable exceptions, is doing more to worsen the energy problems our country faces than to solve them.

The Department of Energy was created in order to combat the energy problem, now and in the future. DOE was to accomplish this task by bringing together the varied and dispersed elements of Federal energy regulation and research into a comprehensive and centralized cabinet-level organization from which coherent energy decisions would emanate. But instead, since its inception the country's crisis in energy has deepened, and the DOE has failed to prove sufficient ability to deal effectively with the problem.

Because of this lack of a clearly demonstrated capacity to handle America's energy needs, this sunset amendment is necessary in order to determine whether or not the DOE, as presently constituted, is the most effective and efficient Federal governmental vehicle to face America's energy problems.

One of my major concerns is the very philosophy underlying the DOE. For instance, one of its official functions is the conducting and/or oversight of research into new energy technologies and the sponsoring of their subsequent commercialization. However, one must wonder if the DOE will ever be the proper medium for this commercialization of new energy technologies, since, conceivably, if these lead to a solution, partial or complete, of the energy problem, the DOE would put itself out of business. And, as we all know, one of the primary objectives of Federal bureaucracies is survival and constant expansion at the expense of the taxpayers.

I am also skeptical that the Department of Energy, a big, sprawling Federal bureaucracy, can handle problems as well as local or regional levels of Government. Indeed, many energy needs are of a distinctly State or local character, and it would be more effective to have these handled by a Government apparatus at the same level. Also, in many energy areas the tax code has shown itself to be a more efficient and popular means of empowering people to solve their own problems.

In addition to these concerns about the basic approach of our energy policy, there are important problems with the execution and operation of the Department's present programs. For example, a recent "management audit" by an independent consulting firm revealed DOE's management to be poorly organized, policy-planning to be haphazard at best, and the field units not to be integrated into the Washington office. Even Deputy Secretary John O'Leary has admitted that it will be 2 years before the Department achieves organizational coherence. An eye-opening article in the Washington Post recently pointed out, "it is impossible not to conclude that, far from hastening a national attack on the energy problem, the creation of the Department of Energy has postponed it by 3 to 5 years." Without prospects such as these, it is perhaps fortunate that the DOE was not in existence during the time of Thomas Edison, as he might not have bothered to invent the light bulb if he had to deal with the administrative hassles of the DOE.

By proposing the sunset of the DOE, I am aware of the many problems and inherent inadequacies of the DOE and its handling of America's energy needs. A thorough examination is needed to determine the correct path and method for effectively eliminating our energy problem. I believe the DOE is not the best way, and if it is not, we urgently need to find it, as this sunset proposal will help determine.

It is vital that the next Congress not take the existence of the Department of Energy as immutable. Perhaps the next Congress will decide to reauthorize the Department. But given the great inertia that bureaucracies of this size build up, the presumption of continued existence should not be granted. Public agencies such as DOE must be forced to perform better than they are today. I believe in periodic sunset reviews which place the burden of justification on the Department, rather than on the hard-pressed taxpayer.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy Sunset Act".

SEC. 2. Title X of the Department of Energy Organization Act is amended to read as follows:

"TITLE X—SUNSET PROVISIONS

"EXPIRATION

"SEC. 1001. The provisions of this Act shall expire on June 1, 1981."●

ADDITIONAL COSPONSORS

S. 18

At the request of Mr. MCCLURE, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 18, a bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings.

S. 25

At the request of Mr. BAYH, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 25, a bill to designate the birthdate of Dr. Martin Luther King, Jr., as a national holiday.

S. 30

At the request of Mr. HELMS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 30, a bill to repeal the standby power of the President to seize gold.

S. 35

At the request of Mr. HELMS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 35, a bill to repeal the Credit Control Act of 1969.

S. 115

At the request of Mr. MATHIAS, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 115, the Third Party Privacy Act.

S. 873

At the request of Mr. RIBICOFF, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 873, a bill to amend the Internal Revenue Code of 1954 to waive in certain cases the residency requirements for deductions or exclusions of individuals living abroad.

S. 955

At the request of Mr. HELMS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 955, the Taxpayers' Bill of Rights Act.

S. 1055

At the request of Mr. HELMS, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 1055, the Gold Coinage Act of 1979.

S. 1203

At the request of Mr. BAYH, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 1203, a bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness.

S. 1430

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1430, a bill to extend and improve title V of the Social Security Act.

S. 1435

At the request of Mr. PACKWOOD, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 1435, a bill to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 1530

At the request of Mr. RIBICOFF, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1530, a bill to change the method of medicare reimbursement for health maintenance organizations.

SENATE RESOLUTION 184

At the request of Mr. HELMS, the Senator from New York (Mr. JAVITS) was added as a cosponsor of Senate Resolution 184, a sense of the Senate resolution regarding the matter of Josef Mengele.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. DOLE, the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from Florida (Mr. STONE) were added as cosponsors of Senate Concurrent Resolution 27, calling for the establishment of a common economic bond between the United States, Canada, and Mexico.

AMENDMENT NO. 210

At the request of Mr. SASSER, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of amendment No. 210 intended to be proposed to S. 712, the rail passenger service authorization bill.

NOTICES OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Thursday, July 26, 1979 at 10 a.m. in room 4232 Dirksen Senate Office Building, on the nomination of Patricia Roberts Harris, of the District of Columbia, to be Secretary of Health, Education, and Welfare.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public a hearing scheduled by the Senate Committee on Energy and Natural Resources on the nomination of Mr. Charles W. Duncan, Jr. of Texas to be the Secretary of Energy.

The hearing will begin at 8 a.m. on Monday, July 30, 1979 in room 3110, Dirksen Office Building, with the full committee business meeting to resume at the conclusion of the hearing.

Questions concerning the nomination hearing should be directed to Daniel A. Dreyfus, Staff Director, Senate Committee on Energy and Natural Resources, Washington, D.C., 20510, telephone 202/224-4971.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. SASSER. Mr. President, I wish to announce that the Governmental Affairs Committee will hold a hearing at 9:30 a.m. on Wednesday, July 25, on the appointment of John W. Macy, Jr. of Virginia, to be Director of the Federal Emergency Management Agency. The hearing will be held in room 3302 of the Dirksen Building.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce a markup which my Subcommittee on Energy, Nuclear Proliferation, and Federal Services will be holding on Wednesday, July 25, 1979. The subcommittee will mark up two bills, S. 1096 and S. 1110—bills which relate to postage rates. The markup will begin at 1:15 in room S-206 in the Capitol.●

COMMITTEE ON RULES AND ADMINISTRATION

● Mr. PELL. Mr. President, as chairman of the Committee on Rules and Administration I announce that on Thursday, July 26, at 2:15 p.m. (instead of Tuesday, July 24, as previously announced), the committee will meet in room S-126 of the Capitol Building to consider and mark up proposed amendments to the Federal Election Campaign Act, along with other legislative and administrative business.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the hearings scheduled before the Subcommittee on the Constitution, Committee on the Judiciary for July 25, 1979 at 1 p.m. in room 6226 Dirksen Senate Office Building on legislation proposing a constitutional amendment for a balanced Federal budget, have been rescheduled for 2 p.m. on that same date and in that same hearing room.

Anyone wishing to submit testimony for the hearing record should send their statement to, or contact Kevin Faley or Linda Rogers-Kingsbury, 102-B Russell Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 24, 1979 to hold an executive session on the SALT II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the European Affairs Subcommittee of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 25, 1979 beginning at 2:00 p.m. to hold a hearing on the Salt II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the sessions of the Senate on today, July 23; Tuesday, July 24; Wednesday, July 25; Thursday, July 26; and Friday, July 27, 1979 to hold hearings on the military implications of the Salt II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, July 27, 1979 beginning at 2:30 p.m. to hold a hearing on certain Executive nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE HANDICAPPED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Handicapped Subcommittee of the Committee

on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, July 26, 1979, beginning at 1:00 p.m. to hold an oversight hearing on Public Law 94-142, Education for the Handicapped Children Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE COURSE OF ENERGY

● Mr. TOWER. Mr. President, as the Senate begins to tackle President Carter's more recent package of energy policy proposals, it is imperative that every effort be made to keep in perspective the past, present, and future course of energy policy in this country. The Wall Street Journal often provides that kind of needed perspective, and that newspaper's analysis of the President's July 15 address is no exception. The Wall Street Journal of July 17, 1979, correctly concludes:

Out of all the sermonic and confusing rhetoric President Carter has showered on the American public these last two days, at least one thing is clear. The President has weighed the merits of either getting the government out of the energy business or getting it more deeply in. He has chosen to get it further in, on a massive, almost unbelievable scale. The real Jimmy Carter has finally stood up, on the far left of the Democratic Party.

Because I believe this series of articles in the July 17 issue of the Wall Street Journal so clearly exposes the bankruptcy of Carter energy policy, I ask that the text of these commentaries be printed in the RECORD.

This material follows:

THE REAL JIMMY CARTER

Out of all the sermonic and confusing rhetoric President Carter has showered on the American public these last two days, at least one thing is clear. The President has weighed the merits of either getting the government out of the energy business or getting it more deeply in. He has chosen to get it further in, on a massive, almost unbelievable scale. The real Jimmy Carter has finally stood up, on the far left of the Democratic Party.

There'll be a new government "Energy Security Corp." to siphon $140 billion in "windfall profits" from the oil companies over the next 10 years. That would pretty much eliminate oil profits of any kind. While the oil companies quietly pass out of business, the ESC would squander this money on expensive and technologically risky forms of energy.

There'll be an Energy Mobilization Board to ride roughshod over normal legal processes, except maybe those that are mainly responsible for retarding energy development the environmental laws, for example.

There'll be a new army of government inspectors souring the country, levying $10,000 fines on any hapless building operator whose thermostats are showing something less than 78 degrees. Electric utilities will be "made" to switch out of oil—as if they themselves, and not the government, are to blame for their not doing that.

There'll be a federal "Solar Bank" finally to capture the elusive riches of solar power. The President will set conservation goals for states, import quotas for the nation, etc.

In short, Mr. Carter has reacted to the public's low opinion of his administration by "getting tough" and proposing a further suspension of private freedoms. He justifies this on grounds that it is the American people, not his administration and the Congress, who deserve the blame for our economic problems. He summons up the memory of Franklin Roosevelt as he casts himself in the role of a President leading the country out of awful crisis; except where FDR confronted Depression and poverty, Mr. Carter seems to find his crisis in excessive affluence:

"Too many of us now tend to worship self-indulgence and consumption . . . we have learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose . . . the symptoms of this crisis of the American spirit are all around us: two-thirds of our people do not even vote, the productivity of American workers is actually dropping and the willingness of Americans to save for the future has fallen below that of all other people in the Western world . . . there is a growing disrespect for government and for churches and for schools, the news media and other institutions. . . ."

Quite an indictment. It is the kind of indictment clergymen use to lash their congregations with on Sunday mornings and it is appropriate in that setting of spiritual redemption. But it is highly inappropriate coming from the man who is supposed to be managing the affairs of the United States government. The two key problems that provoked this rhetorical outburst—inflation and gasoline lines—are clearly and directly attributable to the policies of the Carter administration.

The gasoline lines are caused by the government's refusal to remove price controls, and hence supply allocations. Given the enormous economic inefficiencies that have resulted from this refusal, it now seems clear that prices of gasoline would fall, not rise further, after decontrol. Other forms of government intervention—energy use regulation and draconian environmental rules, in particular—have added to the dislocations and inefficiencies. It doesn't take a $140 billion government program to solve the energy problem; the problem would evaporate if the government would simply get out of energy.

As to those other problems of the American "spirit," low savings and productivity and low confidence in institutions—the main cause is inflation. Why should anyone have confidence in a government that can't balance its budget or run a stable monetary policy? Or why should they save the money it prints?

Now, it seems, it will be necessary to print still more money, and generate still more inflation, to finance the latest grandiose schemes dreamed up by the statists who hold the President in their grip. They are in the saddle and they are exultant about the President's vigorous showmanship Sunday night and Monday. The only trouble is that the policies he has proposed will only get the country into a deeper tangle. And next year, the voters will have a chance to decide which side they're on—or at least so we hope.

FROM HOMILY TO DEMAGOGY

For about five minutes Sunday night, President Carter's rhetorical offensive struck the right note. The appeal to American confidence and the attack on the isolation of the federal government recalled the best of the grass-roots campaign that brought this political unknown to the White House. But just 12 hours later, in his Kansas City speech to the National Association of Counties, the President reverted to the dark side of grass-roots rhetoric. Instead of providing "honest answers" and "clear leadership," he sought to obscure the true causes of the current energy debacle with some old-fashioned populist scape-goating.

This tactic was signaled Sunday in the untrue statement that our excessive dependence on OPEC "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline." OPEC can be attacked for high prices, but the one thing this cartel has not been able to enforce are production cutbacks by its members. The current shortfall in world oil production comes directly from a revolution in Iran, in which U.S. foreign policy played a considerably larger role than OPEC decisions. But even this shortfall wouldn't have caused the gas lines, as it didn't in most of Europe, were it not for the massive market distortions of the federal price control and allocation systems. But it's far easier to attack dark-skinned foreigners, along the lines of the famous Eizenstat memo, than to admit the one's own policies and administrators have failed.

The Kansas City speech broadened the rhetorical offensive. "The oil companies must cooperate!" Mr. Carter declared. "We will bring the full force of the law to bear on those who profiteer . . . or who try to cheat the American public." Six hundred auditors will be deployed to keep refiners and oil dealers in line. Energy statistics will be checked and rechecked.

The President must know that auditors don't drill oil wells and that collecting figures on energy reserves doesn't create energy reserves. But government policies can depress production and keep drilling rigs idle. When these policies go wrong, as they have to an awesome extent, it's easy and popular to shift the blame to the refiner unwilling to produce unleaded gasoline at a loss or the wildcatter so confused by new natural gas legislation that he suspends drilling.

But even these scapegoats may not be enough. Say President Carter raises $140 billion to develop uneconomic fuels through a "strong permanent windfall profits tax" on the supposed bonanza from a price decontrol which now seems indefinitely postponed. And suppose that through his "shuffling allocations," the gas lines and disruptions broaden. Then who will he blame for the grumbling and dissatisfaction?

Since Americans are not at all demoralized and corrupt, they will respond to President Carter's challenge with more enthusiasm than his policies deserve. Throughout history, the call to war has been the easy way to gain public support. But the public has the right to demand that the war strategy be sound, that the generals know their business, and that they are fighting the right enemies. When the first flush of support dies down, it will become clear that President Carter's strategy for energy war will produce disasters that no amount of demagogy can conceal.

THE CARTER SPEECH: NOTHING NEW . . .

(By Lindley H. Clark, Jr.)

Jimmy Carter was clear and forceful. There were none of those odd pauses in the middle of sentences, none of the hesitancy that has marred other presentations. It was, without doubt, his best television performance.

It's too bad he found nothing worthwhile to say.

On Sunday night he told the nation that its economic and energy problems were the fault of the Organization of Petroleum Exporting Countries. "This," he said, with a perfectly straight face, "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline. It's a cause of the increased inflation and unemployment that we now face."

He didn't explain how OPEC could so neatly have arranged for gasoline lines in New York and Washington and none in the Midwest. There was no hint that a congressionally mandated allocations system could have played a part in the mess. Nor did

Mr. Carter suggest that big budget deficits and expansive monetary policy could have had something to do with the inflation.

Instead he urged more government to attack the problems fundamentally caused by too much government. It was ever thus.

Last week I talked with William E. Simon, who served as Treasury Secretary from 1974 to 1977 and before that spent several uneasy months in the midst of Energy Crisis I.

Mr. Simon set down his thoughts on energy in his best-selling book "A Time for Truth" (Reader's Digest Press). He feels that matters were badly mishandled under a Republican administration and that things haven't gotten any better under Mr. Carter.

LOSS OF CONFIDENCE

"This fellow in the White House is a bigger disaster than even his worst detractors said," Mr. Simon commented. "He has lost confidence in himself. Travelling around the world, talking with former colleagues, government officials and businessmen, it's embarrassing. This man is held in contempt."

Mr. Simon's energy plan is simple enough: "The U.S. is blessed with a superabundance of natural resources and technology. We should use that technology to achieve energy self-sufficiency. We should exercise the leadership that would persuade OPEC to moderate its prices. All the pieces are there; the only reason the right things aren't done is politics."

The former Treasury Secretary would like to see the Energy Department abolished, but he isn't optimistic. In his book he recalls the time when the Federal Energy Administration, the ancestor of the Energy Department, was scheduled to go out of existence. A newspaper reporter called him at the Treasury and asked what he thought of extending the life of the FEA:

"I exclaimed, 'Extend its life! That place is a menace. It's strangling the energy industry at the very time when we need production. It should be wiped out of existence.' . . . But that day I learned that President Ford had already decided to extend the life of this bureaucratic abortion."

Republicans tend to oppose regulation firmly—unless they're doing the regulating. What they forget, Mr. Simon warns, is that Republicans go out of office and their sins sometimes linger on behind them.

One Republican sin that didn't get anywhere, fortunately, was Nelson Rockefeller's $100 billion energy corporation that would have lent money to private industry to develop new fuel technologies. Mr. Carter's energy subsidy scheme differs from the Rockefeller-Ford boondoggle in detail but not in substance, so Mr. Simon's comments on the earlier incarnation are appropriate:

"Even with taxation and inflation set aside," he wrote, "there is no conceivable justification for the government to subsidize a massive construction program for an industry that the same government has actively prevented from functioning. If the energy industries are simply freed from their regulatory bondage and are allowed to function sanely, they will pay for their own expansion out of their own profits.

"That is free enterprise, and in the entire history of mankind nothing has ever served better as a 'catalyst and stimulant' to invention and innovation than the profit system. That system will quickly bring about the increased production necessary for self-sufficiency. There is time, using fossil fuels alone, the resources yet to be discovered . . . and nuclear energy for the energy industries to devise synthetic fuels and new technologies like solar, geothermal and tidal energy."

Ralph Nader, the self-appointed consumer spokesman, found only one flaw in Mr. Carter's speech: no specific attack on nuclear energy. Nuclear power does entail risks, as the accident at Pennsylvania's Three Mile Island plant has emphasized.

"Three Mile Island hasn't changed the need for nuclear energy," Mr. Simon says. "Some people talk as though we should have a government that removes all risks. Nothing is risk-free, but we should minimize the risk." He calls for frequent inspections and safety checks.

ENERGY MOBILIZATION BOARD

One of the more touching aspects of Mr. Carter's speech was the proposal to create an energy mobilization board which "like the War Production Board in World War II," would have the responsibility and authority to "cut through red tape, the delay and the endless roadblocks to completing key energy projects."

The first question that sparks is whether Mr. Carter (or his writers) bothered to read the history of World War II and WPB. War production got rolling in spite of the WPB and its competing agencies, not because of them.

Donald Nelson, the Sears executive who headed WPB, tried hard to gear the nation for war. But for some time he was still surrounded by conflicting agencies. He found it impossible to strictly control priorities or to prevent expansion of production in unneeded directions.

The second question is whether Mr. Carter or anyone else considered the fact that the best way to deal with the red tape and delays would be to eliminate or drastically cut the governmental regulations that are the root of the problem. That would free a few regulators (and an entire energy mobilization board) for more productive tasks.

In Washington, of course, things don't work that way. As Mr. Simon says, "People spend hours down there figuring out the best way for the government to do things that it shouldn't be doing in the first place. The regulator system has gotten completely out of control. No matter how well-intentioned the administration may be, it won't be able to persuade the regulators to behave any differently."

All in all, it seems that 10 days on the mountain at Camp David did not produce much. The New York Times noted that one of the television programs canceled for the Sunday night speech was an episode of "Moses the Lawgiver" in which Moses comes down from the mountain with the Ten Commandments.

Mr. Carter is out of his league.

. . . AND A MISLEADING OF THE NATION'S 'SOUL'

(By Roger Ricklefs)

Dear President Carter:

That was a remarkable speech Sunday night, but I wonder if you're missing the point, Mr. President, we're not out of confidence, we're out of gas.

You have taken a hard and long look at a national problem and found exactly what one might expect of a man who doesn't actually sit in gas lines himself—a spiritual crisis. But it that what is really happening?

You say that the gap beween the citizens and Washington has never been so wide, and perhaps you are right. But now you have taken this a step further and defined the country's energy problem not merely in Washington's terms, but in your own.

You roam America in your Boeing 707 and helicopter seeking insight into the nation's soul. But all the while, the voter wanders America in his Chevrolet Impala seeking only a green flag and a little unleaded.

You asked in your speech, "Why have we not been able to get together as a nation to resolve our serious energy problem?" Perhaps the reason is that almost nobody sees this as quite the religious crusade that it seems to you. You may tie it all in with the decline of the family and self-indulgence, but to many of us, it has more to do with prosaic old supply and demand. Obviously, the energy crisis is a critical problem, but it's a problem to be solved, the stuff of normal life rather than a symptom of spiritual crisis. Perhaps we can say it is the moral equivalent of some wars, but it somehow doesn't measure up to Iwo Jima and Guadalcanal.

A Southern governor you quote told you, "Mr. President, you're not leading this nation, you're managing the government." The fact is, though, that an awfully big crowd of non-governors would happily settle for a little more effective managing of the government.

This isn't because people like to think small, but because they suspect your broader leadership might address problems that are a bit overblown in your mind and not quite central to their lives.

For instance, you worry that we are losing our confidence as a nation, and undoubtedly there is a fair bit of truth here. But perhaps what we've mainly lost is our *overconfidence*. The "confidence" of the 1960s that we have lost is what made smart people pay 40 times earnings for "concept" stocks and delude themselves that we could never lose a war.

Perhaps people today feel that the unusual combination of happy circumstances in the year after World War II, including ludicrously cheap energy, is ending. Today, people see that there are limits. They've learned that you never really solve your problems; at best, you only trade them in for problems you like better. Some goals you achieve, while others you don't quite meet. But is this a spiritual crisis or simply a rational adjustment to reality?

What is happening is that we increasingly realize we are in the same boat as other countries. For instance, much is made of our growing dependence on foreign oil as some sort of sign of national collapse. Certainly, most of us are willing to sacrifice to reduce this dependence, as well we should.

But let us keep this in perspective. These days, ironically, a degree of dependence goes hand in hand with a high standard of living. Before two car families came into vogue, this country exported oil. But everybody else is in the same situation. If Russians are willing to eat potatos and cabbage, they don't need us for grain. But if the Soviet leaders want to put meat on the dinner tables of Leningrad and Minsk, they will have to get the grain to feed the cattle from us, their most powerful adversary.

While we depend on Saudi Arabia for oil, that underpopulated vast nation, surrounded by hostile states, depends on us for military security. We must import some of our oil, but Japan must import it all. Without trade, Britain goes hungry. Yet people adjust. Britain may strive to improve its agriculture, but it doesn't feel a spiritual collapse just because oranges don't grow there.

But what seemed the most far-fetched was your effort to link the energy crisis to the decline of the "strong families, close-knit communities and faith in God" of yesteryear. Mr. President, in the real world, the main connection between declining gasoline supplies and rising divorce rates is that a divorced couple is more likely to own two cars. One person may spend the weekend in church while another spends it in a disco. It's hard to tell which contributes more to the energy crisis.

If millions of people aren't living the way you would like, perhaps it is because they don't want to. Grandma hasn't moved out of the family homestead because she is suffering from a spiritual collapse. She's done it because nowadays she can afford her own pad.

Mr. President, a great many of us respect your religious and social views even if we don't subscribe to them ourselves. Some peo-

ple may look to you for spiritual awakening. But more people look to you for heating oil.

One of the great joys of living in countries like ours is that people can live their lives as they see fit without taking their cues from the leader's social and religious views. Some people like to party, and some people like to teach Sunday school. What nobody likes is setting the thermostat at 78 degrees.●

THE DEVELOPMENT OF THE PORT OF PORTLAND

● Mr. HATFIELD. Mr. President I would like to call the attention of the Senate to the further development of the Port of Portland through the locally funded $84 million Swan Island Ship Repair Yard expansion program. This project is an excellent example of what can be accomplished when private and public enterprise, with support from public citizens, work together.

On May 19, 1979, 20,000 Portland area citizens helped the Port of Portland dedicate its $84 million ship repair yard expansion program. The event was billed as "People's Day" because the program was made possible by tri-county citizens without Federal assistance. The dedication was the featured attraction of Oregon's celebration of National Transportation Week.

In his dedicatory remarks, Mr. Ken Lewis, president of the Port Commission, said:

And we have the future with us today in all the boys and girls and young men and women who have joined us for the celebration. We're especially pleased you're here because we want you, your youth, to share our plans until the day when you can help this community shape them. You are the future of Oregon, and we want you to know what we're doing here.

Lewis announced that the $84 million bond issue which the greater Portland area citizens had approved in 1976 to fund the expansion would be off the tax rolls next November, 3 years ahead of schedule:

And let me tell you, that's a real cause for celebration. At a time when our people are skeptical of cost overruns—we are proud of our cost underrun.

Under the expansion project, the port's 932-foot floating dry dock 4 was constructed. Dry dock 4 is the largest floating dry dock on the west coast. This project also provides the port with six huge whirley cranes, a 3,000-foot finger pier and outfitting berths to serve the new dry dock. A $4.6 million ballast water treatment plant, capable of pumping 1,000 barrels an hour and storing 156,000 barrels, was constructed under the project. The treatment plant turns ships' oily waste into purified water, that is returned to the river, and reclaims oil which is sold.

These public facilities are rented by three ship repair companies:

Northwest Marine Iron Works; Dillingham Ship Repair; and Willamette Iron & Steel Co. The companies are aided by the Port of Portland with advertising and targeted direct mail marketing programs to ship owners and others in the trade. But the private companies must bid the ship repair jobs. It is anticipated that the new facilities will increase Portland's share of the west coast ship repair market from about 30 to 50 percent.

The public facilities were completed at a cost of $64 million, approximately $20 million under the proposed budget. The reasons attributed to the savings are threefold: low bids; bond monies had been wisely invested and had earned additional money; and ship repair business was following the port feasibility study. The $20 million dollars are placed in a debt service reserve fund composed of 30 year bonds which will be used to cover the facilities upkeep.●

PRESIDENTIAL STUDY OF THE MANPOWER NEEDS OF THE ARMED FORCES

● Mr. DOLE. Mr. President, on June 18 I introduced a bill, S. 1354, calling for a presidential study of the military manpower needs of the Armed Forces. This bill directs the President to report to the Congress within 120 days of its enactment the following:

First. The current ability of the Selective Service to provide the personnel needed by the Armed Forces in the event of a national emergency.

Second. The capability of the Armed Forces to provide the training, housing, equipment, and so forth, required in a national emergency.

Third. Recommendations on legislation deemed necessary to provide the United States with an adequate and effective mobilization capability.

Last Thursday the Washington Post contained an excellent piece by Martin Binkin, senior fellow in the foreign policy studies program at the Brookings Institution, advising that the Congress proceed with caution on the issue of draft registration.

Mr. President, I request that Mr. Binkin's remarks be printed in the RECORD following my own.

The remarks follow:

PEACETIME REGISTRATION: PROCEED WITH CAUTION

(By Martin Binkin)

The military registration debate is reaching the floors of Congress. On the House side, a proposal tacked onto the defense authorization bill would require the president to begin registration of 18-year-old males in January 1981. In the Senate, the Armed Services Committee proposes the registration of males 18 through 26 to begin no later than January 1980.

Thus far, the issue has been inappropriately linked to the question of whether or not the volunteer army is working. This has happened largely because the strongest advocates for peacetime registration and the sharpest critics of volunteer forces are one and the same. As a result, many oppose registration for fear that it is but a first step in a conspiracy to return to the draft. It is important the Congress move out of the line of this emotional cross fire and consider the issue on its merits.

Registration was terminated by President Ford in 1975, a decision taken largely in the interest of economy but no doubt influenced by the view that a conventional war would not last long enough for mobilization to matter and, even if it did, reservists could fill the breach until the Selective Service System could be reconstituted and begin to deliver fresh recruits.

But a recent reassessment of the demands of an intense conventional conflict coupled with problems in manning the reserve forces have raised fears that the U.S. Army would run short of combat troops should the forces of NATO and the Warsaw Pack square off in a replay of World War II. As matters stand, the nation's Selective Service machinery, which is now "deep standby," could not deliver the first inductees to Army boot camps until some 110 days after a decision to mobilize. Allowing for training and travel, this would mean that the first replacements would not reach the battlefield until at least 200 days after mobilization, which many now consider to be too late to make a difference.

The Carter administration wants to speed up the process; as a first step, it has proposed increased funding for fiscal year 1979 and 1980 to improve the computer capabilities of Selective Service and to increase the size of its full-time staff from about 100 to 150. The administration contends that its modernized system would ultimately be able to deliver the first recruits within 30 days, in which case combat replacements would be available as early as 115 days after mobilization—considered by the Pentagon to be soon enough to fill out new units and replace combat casualties. Moreover—and this is important—the administration claims that this schedule would be met *without* preregistration.

But not everyone agrees. Critics question the feasibility of meeting such a tight schedule, even by a streamlined system. They discount the prospects for registering up to 6 million youths, storing the data on computers at regional sites, notifying inductees to report, giving physical examinations and beginning actual inductions—all within 30 days. Instead, they argue, peacetime registration would give Selective Service a leg up, virtually ensuring that the 30-day timetable could be met, with some proponents claiming that inductions could start within 15 days.

To resolve the issue, Congress should address two questions: To what extent is an enhanced mobilization capability necessary to the nation's security? Is peacetime registration necessary to achieve it?

To answer the first, Congress will have to sort out conflicting testimony of expert witnesses who have expressed widely divergent views of the number of troops that would have to be mustered in an emergency, how soon they would be needed and how best to raise them. Much depends on the validity of assumptions regarding the amount of warning time before hostilities commence, the duration and intensity of conflict, casualty rates and other factors over which there is wide disagreement. Whether the military could train, equip and deploy large numbers of recruits even if they were available is also open to question.

Should analysis lead to the conclusion that an accelerated induction schedule is a good idea, it is still far from clear that peacetime registration is necessary to accomplish it. Claims that the administration's proposed improvements will be enough to revise the Selective Service System should invite a healthy measure of skepticism, but so too should the claims that a failure to endorse peace time registration would pose an undue risk to U.S. national security.

This is all to say that too many questions are unanswered and, until they are fully revolved, reinstituting peacetime registration—an act that would be sure to reopen old wounds—would be premature. Indeed, the debate should not proceed to a legislative conclusion on the basis of the incomplete, conflicting and often emotional arguments presented so far.

Rather, it would seem prudent for Congress to go along with proposals to beef up Selective Service, which needs to be done in any event, and give the administration some

time to iron out the technical problems that are bothering the skeptics. In the meantime, Congress should press the White House for a comprehensive, coordinated and coherent standby draft policy and legislative proposals to underpin it. This will also give all parties time to do their home work on other critical questions that have been left hanging: Should women register? What form should registration take? Face-to-face at draft boards? By postcard mail-in? Or passively, by tapping existing government files? How is compliance to be enforced and what penalties will be imposed for failure to comply?

Once answers are in hand, Congress will be in a better position to make the rational and careful analysis that an issue with such important social and national-security implications deserves.●

MUSKIE-BAKER AMENDMENT TO THE EXPORT ADMINISTRATION ACT

● Mr. COHEN. Mr. President, on Saturday, the Senate considered the Muskie-Baker amendment to the Export Administration Act of 1979. I want to express my regret that, as a cosponsor of the amendment, I was unable to be here to take part in the debate on this measure.

As it happened, I had an engagement of long-standing in my home State, a commitment I felt bound to honor. I had discussed this situation with my colleagues in the hope that the measure could be carried over until Monday. Indeed, when I left for Maine, I did so fully expecting that the Muskie-Baker amendment would be delayed until today. Apparently, however, the distinguished managers of the amendment felt that conditions warranted going forward with consideration of the amendment on Saturday. I certainly respect this judgment; my only regret is that I was unable to be here to vote in favor of this important measure.

This amendment was a reasonable solution to an otherwise intractable problem which threatens the entire American leather industry. The circumstances which prompted the amendment are familiar to us all. For more than a year, hide prices have been spiralling beyond reason. The dramatic rise in prices has been caused by many factors, but two are salient. The first is the unprecedented increase in world demands for hides. Foreign purchasers are buying hides in great numbers and consequently reducing the number of hides available for domestic consumption. So great has been the demand that it is estimated our native leather industry will be left with only half the hides it normally requires to operate.

Second, all other major hide producers, such as Brazil and Argentina, severely restrict the export of their hides. Those countries prefer to keep their hides at home and protect those industries which are dependent on them. These restrictions have resulted in the anomolous situation of the United States, which produces about 15 percent of the world's hides, accounting for more than 75 percent of the world's market. In March, April, and May of this year, an astonishing 63 percent of our domestic hides were sent abroad, leaving the American leather industry to make do with the meager remains.

Caught between rocketing hides prices and dwindling availability of hides, the American leather industry has been forced to cut back its operations drastically. In Maine alone hundreds of workers have been laid off, many more are working shortened hours, and all fear for their jobs.

The amendment which the Senate considered on Saturday was not, as was asserted, against free trade. It was, rather, a move to restore fair trade to the international hide market. It was not the blanket prohibition against hide exports that other hide-producing countries have enacted. It merely set a limit—a temporary limit on the number of hides which may be exported to insure that sufficient supplies are available to our domestic leather industry. The question which the amendment posed, then, was quite simple. It was whether we were willing to risk the permanent loss of an industry which provides over 400,000 jobs nationwide to preserve a passing condition of the international marketplace.

I intend to continue to work closely with the distinguished Senator from Maine and the distinguished Senator from Tennessee in the effort to secure passage of legislation to control the export of American hides to protect the industry and American jobs.●

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER TO BE THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, Herbert Hoover remained a controversial figure long after his Presidency ended in March 1933. He was active in party politics for several years and, in fact, sought the Republican Presidential nomination in 1936. His ambition to regain the Presidency and his harsh and outspoken criticism of President Roosevelt's domestic and foreign policies, made him an unpopular man in many circles. It was not until the United States entered World War II that he began to come within the public's good graces again, and his role began to be viewed as a constructive one.

Donald R. McCoy, distinguished professor of history at the University of Kansas, has written an essay entitled "Herbert Hoover and Foreign Policy, 1939–1945," which discusses Hoover's foreign policy views, recommendations, and influence in that period when he turned the corner to acceptability again. I submit the essay, Mr. President, as part of a series of essays I received, to commemorate the fiftieth anniversary of the inauguration of Hoover in 1929 as our 31st President.

In the 3 years preceding the attack on Pearl Harbor, Hoover assaulted the foreign policies of President Roosevelt, which in his view were leading the United States into the war, step by step. In 1939, he labeled that conflict in Europe a "senseless war," and argued that this country should stay out of it. He saw the United States, undamaged by war, as the only force which could "from our strength heal many wounds of war. We can aid the starving, succor the distressed and care for the innocent."

He continued his opposition to the U.S. involvement in the war through the June 1941 Nazi attack on Russia. He argued that if the United States entered the war "and we win, then we have won for Stalin the grip of communism on Russia and more opportunity for it to extend in the world." He also antagonized the British Government by pressing a plan to aid the 30,000,000 people in the conquered European nations who were threatened with famine. Churchill feared the Axis powers would only use the aid to their own advantage.

All of this changed with the entry of the United States into the war after the attack on Pearl Harbor. For the sake of national unity, Hoover adopted the high road in setting forth his proposals, and the resulting perception of him as an elder statesman was to remain with him throughout the rest of his lifetime. Nearing 70, Hoover continued to actively comment and propose, concentrating on the problems of a postwar world, and ideas which he felt could lead to a lasting peace. Professor McCoy details these ideas in his fine essay.

Mr. President, I request that Professor McCoy's essay, and a brief biographical sketch of the author, be printed in the RECORD at the conclusion of my remarks.

The material follows:

BIOGRAPHIC SKETCH OF DONALD R. MCCOY

EDUCATION

BA, University of Denver, 1949, MA, University of Chicago Ph. D. (Hist.), American University, 1954.

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Archivist, National Archives, 1951–52; Instructor to Associate Professor of History, State University of New York College, 1952–57; Assistant Professor to Professor, 1957–75, University Distinguished Professor of History, University of Kansas, 1974–.

PUBLICATIONS

Angry Voices: Left-of-Center Movements in the New Deal Era, University of Kansas, 1958; Co-author, Readings in 20th Century American History, Macmillan, 1963; Landon of Kansas, University of Nebraska, 1966; Calvin Coolidge: The Quiet President, Macmillan, 1967; Coming of Age: America During the 1920s and 1930s, Penguin, 1973; Co-author, Quest and Response: Minority Rights and the Truman Administration, University of Kansas, 1973.

HERBERT HOOVER AND FOREIGN POLICY, 1939–1945

(By Donald R. McCoy)

When Herbert Hoover left the White House in March 1933, he left as American's scapegoat for the coming of the greatest economic crisis in its history. Not only did Democrats and other opposition groups condemn him politically, but he was discredited even among large numbers of his fellow Republicans. Not until World War II would his name generally stand for anything except economic depression and political reaction. This situation stemmed only in part from his inability as President to turn the tide of depression and to provide adequate relief to needy Americans. It was aggravated by the eagerness of many Democrats to wage

oratorical battle against him and by the struggle by many Republicans to keep him from power in their party. Moreover, Hoover himself refused to let memories fade, as his outspokenness, often bitter, invited continued severe criticism. Repeatedly, the former President lashed out at the Franklin D. Roosevelt Administration. Constantly, he defended the record and ideas of his own administration. Hoover's manipulatory efforts to gain renomination for President in 1936 was taken as a proclamation that he alone was fully qualified to determine the Republican party's and the nation's policies. Then too, his extremist contributions to the Republican election campaign that year and his struggle during the next several years against the 1936 presidential nominee, Alfred M. Landon, for leadership of the party created new controversies among Republicans.

By 1939 Hoover seemed to have confirmed the worst that his vast range of adversaries said of him. There were few who called him "Chief," and many of them were hailing him as much out of fear of his tongue as from respect for his qualities. Yet, he would live to see himself often honored as an outstanding American by Democrats as well as Republicans. The beginning of this change was to come during World War II, and the bases for it then were his activities and developing thought in the area of foreign policy and the fact that, as a former President, Hoover could not be ignored.

His reaction to the start of the war in Europe was founded upon ideas he had long held. On September 1, 1939, Hoover told a national radio audience that this was a "senseless war" which would lead to the slaughter and starvation of millions of people. Because he thought that England and France could defend themselves and that the United States was unable to solve the problems of Europe, he declared that "America must keep out of this war." Thereby the nation could preserve its "vitality and strength" for the encouragement of democracy and freedom abroad after the war. In the weeks to come, the former President supplemented this basic message. He extended his heartfelt sympathy to Poland after its partition by German and Russian aggressors, saying "Poland will not die." On October 16, he told the press that the United States should permit the sale abroad of defensive weapons, such as anti-aircraft guns and pursuit planes.

Also by October Hoover had formulated a five-point program for the United States that could ensure it would not be dragged into the war and would be in a position to help mankind in the future. As he wrote in the Saturday Evening Post:

"First. We can strengthen our Army and Navy to a point where no soldier dare land on the Western Hemisphere. . . .

"Second. We can put our own house in order. We can demonstrate that self-governing, free people can solve the problems imposed by the industrial revolution. . . .

"Third. We can thus make a demonstration on this continent that true liberalism is not dead. . . . We can prove that the hope of humanity lies not in killing or regimenting men but in preserving them and in enlarging their lives.

"Fourth. We can from our strength again heal many wounds of war. We can aid the starving, succor the distressed, and care for the innocent.

"Fifth. We can aid those who sit at the peace table, not by entanglement but by counsel to mitigate malignance. We can, as President Wilson did in 1919, secure some justice, some freedom, some hope to the world."

The implications of this program for an understanding of Hoover are tremendous. Although Woodrow Wilson had obivously influenced him, it was also plain that Hoover had developed reservations that Americans had to learn to live with "obnoxious" ideologies elsewhere, even in Germany and Russia, and that the United States, for all its resources, could contribute only a "small portion to the salvation of mankind." Yet, if that was a reflection of what he considered realism, his idealism was unfettered that Americans could, within their own land, solve the problems brought by the industrial revolution. There was also the clear suggestion of what would a decade later be called "Fortress America" as a way to keep the nation from becoming an aggressor and from being invaded. Moreover, there was the reemergence of Hoover as a humanitarian. Altogether these ideas commanded a sympathetic audience in 1939 and 1940, for few Americans then wanted to go to war, while almost all of them wanted to be of some assistance to agonized Europe.

These themes dominated Hoover's thinking and action on foreign policy until the Japanese attack on Pearl Harbor. Yet, his rise to political respectability was limited. This was partly because he once more sought the Republican nomination for President. Again his ways were shadowy, and the very fact that he considered himself a candidate in 1940 was enough to raise old issues and fears against himself. Through Herbert W. Clark he worked to control the California delegation; he also hired Ross Lee Laird to campaign elsewhere in the West of uninstructed delegates. Hoover was not openly proclaimed as a candidate for the Republican nomination. The fact, however, that his aides mentioned all other contenders slightingly and that they often wrote of who favored Hoover, leaves the unescapable conclusion that he thirsted for the nomination and for reoccupancy of the White House. Of course, he was denied. If Hoover and his small band of loyalists could not understand that he was still anathema to the majority of Americans, the delegates to the 1940 Republican National Convention did.

Hoover's participation in the 1940 election campaign was not as jarring as it had been four years earlier. If he offended few Republicans, however, many independents and most Democrats saw him as being the same old Hoover. This was largely because of his harsh criticism of the New Deal. Among other things, he excoriated it for "stabilizing depression," "stirring class hate," "a sinister build-up of personal power in this Republic," and "a pronounced odor of totalitarian government." He had the right to say it, but for his own sake he was the wrong man to do so. His comments on foreign policy during most of the campaign were, however, another matter. Condemnation of the Soviet Union, especially for its invasions of Poland and Finland, and the calls to keep out of war and to intensify defense preparations were in fashion among Americans in 1940. Hoover's criticism of the Roosevelt Administration regarding foreign affairs did little to tarnish whatever respectability he had gained. Yet, he would soon again became a national ogre par excellence, even in his area of discussion.

Perhaps Hoover's recasting as one of America's prime political scapegoats was connected with the tactics he used in his fight to provide relief to war-stricken peoples. He had been, of course, the outstanding figure in war relief work during and immediately after World War I. Therefore, it is understandable that ravaged countries looked to him to perform similar services during the Second World War. The appeals arrived quickly, first from Poland, then from Finland, the Low Countries, and Norway. Hoover's first action was to ask the American Red Cross to assume the task of war relief, so that there would be a single coordinated management of it by an established organization. The Red Cross, however, decided to restrict itself to rendering medical aid, so Hoover and his comrades in the old American Relief Administration took up the burden of general assistance through a series of interrelated organizations. Using funds raised in the United States and those provided by governments in exile, they did a substantial job at first in providing food and clothing to those in need.

The tide turned, however, a few months after Winston Churchill was elevated to the prime ministership in Great Britain. Churchill announced on August 20, 1940, that his government could not risk the possibility the Axis powers would use relief materials to their own advantage in the war. Therefore, the British tightened their blockade of Europe, which brought war relief efforts almost to a standstill. This led to a series of negotiations between Hoover's relief forces and the British government and its supporters in the United States. Initially, Hoover and his associates refrained from answering Churchill's August 20 statement, for fear that their response would be taken as a part of American election campaign politics. The attacks on the war relief group, however, became so heavy that the former President decided he had to say something. On October 6 he stated that no one among the war relief advocates wanted to hurt the British cause or to deplete American resources. Their goal was to find a way acceptable to all concerned, including the British government, that would permit the provision of relief to the 30,000,000 people in conquered nations who were threatened with famine. This reasonable statement only led to increased vituperation against Hoover and his associates, who themselves occasionally became immoderate in return. This struggle continued until the Japanese attack on Pearl Harbor, when the war relief forces concluded that they stood no chance of success in changing the minds of officials who wanted a complete blockade of enemy and enemy-occupied lands.

If Herbert Hoover's comments on domestic matters in 1940 and possibly his work on behalf of war relief kept him from returning completely from the gray areas of American politics, his strident remarks between October 1940 and December 1941 on general foreign policy thrust him completely from the realm of respectability as far as many Americans were concerned. It was because of this that he would get the reputation of being a so-called isolationist. The kick-off for this was his speech in Lincoln, Nebraska, October 31, 1940. In his foreign policy statements over the years, he had rarely criticized Franklin D. Roosevelt publicly. Now that changed as Hoover assailed the President for inadequate national defense preparations, for engaging in power politics, and for "creating war psychosis and hysteria." He summarized Roosevelt's record as containing "hardly one act which has substantially contributed to our peace with the world. There are hundreds of acts which tend to drag us toward this war." He declared that the engagement of the United States in the war would not only impair the nation's ability later on to bind up wounds and to promote democracy abroad, but would result in creating a "dictatorship at home."

President Roosevelt's request to Congress in January for unlimited authority to lend or to lease materials to peoples resisting Nazi aggression triggered the intense foreign policy debate of 1941 in the United States. Hoover joined with men and women from a variety of political groups to oppose this proposition. He saw no reason for Congress to abdicate its powers to the President; this had not been done in 1917–1918, nor had anything like it happened in besieged Britain in either of the two world wars. Although he favored extending substantial aid to the British, he urged the lawmakers to respond to Roosevelt's plan by drafting "in to the bill

positive definitions of what [lend-lease] powers are and [to] specifically exclude what they are not." Such restrictions would permit effective assistance to Great Britain without risking the possibility that the President would undercut America's defense preparations, invite "much controversy and bitterness" at home, and even plunge the nation into war.

Congress did not heed Hoover and the other opponents of lend-lease, for in March 1941 it enacted legislation which included unprecedented powers for the chief executive. As the former President had predicted, one of the results was extreme controversy. The attacks of government officials on anti-interventionists as well as the refusal of authorities in some cities to permit critics of President Roosevelt to speak at public meetings were viewed by many as an attempt to gag freedom of speech. Republicans scored Roosevelt's foxiness in discussing foreign policy issues and his reluctance to act through Congress. They also charged that the administration was failing to develop adequate defenses for the country and was mismanaging whatever preparations were being made. Most important, however, was their belief that the administration was edging the nation into a position where it would have to fight.

Hoover was deeply involved in these bitter controversies, and while his activities raised the darkest suspicions of the President's supporters towards him, they did allow him to make or renew friendships with many who had drifted away from Roosevelt. Although Hoover usually acted by himself in opposing the administration, he spoke, quite vigorously, what the sizable number of Roosevelt's critics thought. In addition, the former President encouraged the America First Committee, one of the most extreme of Roosevelt's opponents. Although Hoover repeatedly endorsed giving aid to Britain, he condemned the folly of hysterically urging the need to go to war against ideological enemies. Wisdom indicated instead that every effort should be made to keep America out of war, for the nation was "the only remaining sanctuary of freedom, the last oasis of civilization and the last reserve of moral and economic strength."

Hoover, however, had no "expectation," as he told one associate, "of stopping the American people from going to war or to stop them from making a mess out of peace. . . . I am, however, going to die with my conscience alive." Indeed, as he wrote former Agriculture Secretary Arthur M. Hyde, he anticipated that America would be "into the shooting stage" by July. He added, "we are backing into this war through a series of intellectual dishonesties. But so long as the people like to be fooled . . . I do not see what an isolated voice in the wilderness can do."

His voice, however, was not stilled. After Russia came into the war in June 1941, he argued in an address that if America joined the Allies "and we win, then we have won for Stalin the grip of Communism on Russia and more opportunity for it to extend in the world. We should at least cease to tell our sons that they would be giving their lives to restore democracy and freedom to the world." Hoover soon went one step further, joining with his erstwhile intraparty foe, Alfred M. Landon, and educators Robert M. Hutchins and Felix Morley in drafting an anti-war statement to be issued by worthies from various walks of life. The statement, which was released August 5, called upon Congress to "put a stop to step-by-step projection of the United States into undeclared war." It was asserted that the administration of the Lend-Lease Act had exceeded legislative intent, having been "followed by naval action, by military occupation of bases outside the Western Hemisphere, by promise of unauthorized aid to Russia and by other belligerent moves." The statement added, "The hope of civilization now rests primarily upon the preservation of freedom and democracy in the United States. That will be lost for a generation if we join in this war." Hoover and Landon and their associates hoped that some prominent Democrats, specifically Raymond Moley, Joseph P. Kennedy, and Harry Woodring, would sign the document, but, although they were interested, they finally decided against it. Thus, while the end product was signed by politicians, educators, writers, a businessman, an opera singer, and labor leader John L. Lewis, they were all Republicans. It indicated to Hoover, however, that he was now persona grata among an increasingly wide circle of Republicans.

By late July Hoover's spirits were rising, perhaps partly because of his participation in the arrangements for the joint statement. Certainly, as he wrote former Undersecretary of State William R. Castle, he was "amazed at the way American public opinion stands steadfast at 80% to 90% against our going into war." He felt buoyed to continue with his work, believing that "if we can keep from the actual shooting stage until the end of the year . . . we may keep safely out of this mess." And on he went, emphasizing, for example in one address, that the only genuinely American policy was to stop "calling names," to develop the defenses of the Western Hemisphere, to furnish military materials to embattled democracies and to "reserve our strength that unexhausted we may give real aid to reconstruction and stabilizing of peace when Hitler collapses of his own overreaching." This was the former President's most fervent hope, but it was not to be achieved.

When war came for the United States on December 7, Hoover was not surprised that it originated in the Pacific. He had at least since October 1940 been worried about inviting attack from that quarter. In September 1941, he commented to William R. Castle that administration leaders "are doing everything they can to get us into war through the Japanese back door." Of course, the day following the attack on Pearl Harbor the former President joined other prominent Americans in calling for national unity in fighting the war. He was certain, however, that his foreign policy position had been correct. As he wrote Castle, "this continuous putting pins in rattlesnakes finally got this country bitten . . . if Japan had been allowed to go on without these trade restrictions and provocations, she would have collapsed from internal economic reasons alone within a couple of years." He added darkly, "We also know the processes by which this debacle has been brought about." There was little that could be done about it now, but he proposed that there should be a documentary account of this in the future, so that all would know how the United States was taken to war.

Nevertheless, Hoover quickly concluded that the coming of war changed the rules of domestic political discussion. He could no longer act as a sovereign entity in seeking his goals, nor could he afford to accentuate controversiality in his public statements. For the sake of effectiveness, his emphasis had to be on positive thinking and conciliatory expression. As he wrote to a friend on December 21, America would have to establish "a Fascist government with a few trimmings of lip service to liberty, if we are going to win the war. The real problem is how to organize it so that after the war we can have a chance to come back." Overstatement that this was, he recognized that victory was essential to salvaging the libertarian principles and peaceful humanitarianism that he identified with his country and its people. These were high stakes, and the former President was determined to act in a way that would allow him some influence in shaping the peace.

Other Republicans would fight on many political fronts during the war in order to secure the continuation of two-party elections, to wrest information from the administration, and to combat charges that they were "isolationists" and "reactionaries" and therefore responsible for everything that had gone wrong with America and the world. Hoover chose, for the most part, to stick to the high ground and let his fellow partisans handle the day-to-day politicking. It was this assumption of the role of elder statesman that was the big change in his life and ultimately in the country's perception of him. His initial venture in this direction, the book "America's First Crusade," had been launched before Pearl Harbor, but it was published in January 1942. This brief account of the nation's experience with peacemaking after World War I was a realistic and sympathetic appraisal of what Woodrow Wilson and American idealism had encountered. It was not overtly critical of either Roosevelt or Churchill or their stated war aims. Hoover's message was simply that the United States would have to act more wisely the next time it sought to transform its ideals "into concrete action at a peace table." Now was the time, he urged, to prepare for that and to draw on the "valuable experience" of President Wilson.

During the six months after Pearl Harbor, Hoover occasionally busied himself with delivering statements on national-unity and win-the-war themes. His chief endeavor, however, was to set forth his ideas about a foreign policy that could achieve an enduring, realistic peace. His collaborator in this as in so many other things was Hugh Gibson, the veteran diplomatist. The landmark result of their work was a volume running some 300 pages and entitled "The Problems of Lasting Peace." Working constantly through the winter and spring of 1942, Hoover and Gibson sent the last of the final draft to the publisher on May 1. The publication of the book received priority attention and the first printing was dated May 25.

"The Problems of Lasting Peace" set fifty policy goals for the United States, including international organization for peace, world economic freedom and cooperation, self-determination of nations, and minimization of reparations and intergovernmental debts. The book had considerable impact. It went through ten printings in eight months, and offprints from and condensations of it were widely distributed. The Hoover-Gibson volume must be given considerable credit for setting the Republican party on the road to devising a timely foreign policy. Their work particularly influenced the development of Republican agreement upon supporting some form of postwar world organization and widespread recognition in the party that each of the world's powers would have peace goals different from the others, which would have to be dealt with patiently and realistically. Clearly, another message of the book was that not only would Americans have to thrash out differences with other peoples but among themselves as well. This contributed to the increasing give-and-take among Republicans and Democrats during the war on questions of foreign policy.

One of the most ingenious ideas in The Problems of Lasting Peace was what Hoover and Gibson proposed to substitute for an armistice and a general peace conference. They asserted that the Allies should immediately agree upon machinery for peacemaking that would facilitate the resumption of normal political and economic life at the end of the war as well as encourage deliberate action and popular participation in solving the problems of peace. What they had in mind was, first, a "conditional" peace which would quickly orient the world toward reconstruction and, second, a "cooling off" period which would allow the nations to work

out their problems on realistic bases. In view of later developments, it is worth while listing what Hoover and Gibson thought should be the minimal goals of "conditional" peace. They were:

1. The instant surrender of arms and demobilization of all enemy military forces.

2. Repatriation of military prisoners and civil populations. . . .

3. The removal of all blockade measures against neutrals and liberated nations—and the removal of blockade against enemy areas the instant they have surrendered their arms and demobilized their forces.

4. Temporary restoration of pre-war commercial treaties pending general economic solution.

5. The designation of provisional boundaries of all states, liberated and enemy.

6. The immediate call of freely chosen elective constitutional assemblies or parliamentary bodies.

7. Immediate reduction of the armaments of the United Nations themselves to the minimum forces needed to maintain international order and to enforce ultimate peace provisions.

8. Acceptance by all liberated and enemy states of such future determinations as may affect these conditional arrangements.

9. Agreements by the liberated and enemy states to accept the machinery for the preservation of peace when it is settled.

In effect, a tenth point, one later formally added by Hoover, was to "Instantly provide credits for food and its transportation in order to stay famine and pestilence."

Although designed to be realistic, Hoover and Gibson's idea of an immediate "conditional" peace was not only idealistic in many particulars but was slanted toward settlements that many of the world's powers were wary of. Ironically, however, their path was trod in theory and often in practice of all points; time was also taken, despite the eventual happiness or bitterness with the consequences, to thrash out lasting settlements after the war. This is not to credit Hoover and Gibson with being the source of wisdom that led to that. Indeed, it came about largely because the Allies could not agree upon any other course and partly because American policy-makers were developing something akin to the Hoover-Gibson theory and were able to persuade their comrades-in-arms to accept some of it. Hoover did, of course, make a contribution to the public's thinking, but it must be emphasized that he drew on a common source—the Wilsonian ideals and experience—with President Roosevelt. Hoover especially sought to inject a measure of realism into Woodrow Wilson's idealism. The United States would learn, however, that its words would still be interpreted differently by other peoples, and thus Hoover's concept of finding "lasting peace" and freedom through multifarious and lengthy negotiations would prove far more difficult than he anticipated.

Of course, the former President had not abandoned his concern for feeding the peoples of war-stricken countries. In an article in Collier's magazine in late 1942 he declared: "A starving world must be fed after this war ends." The United States had to assume much of this burden, not only for humanitarian and religious reasons, but also because "Unless these masses of people in scores of nations can have food and be protected from pestilence there can be no social or political stability upon which peace can be built." He emphasized that the job, however immense, could not be confined to just allied and liberated nations in Europe, but would also have to include Russia and China and enemy countries as well. He urged that America give thought to organizing this now so that immediate action could be taken at the war's end.

By February 1943, Hoover and Hugh Gibson were arguing that since some food was being sent through the blockade to Nazi-occupied Greece, through a special Allied-German-Turkish arrangement, the time had to come to start relief activities elsewhere. They initially interpreted the appointment of former New York Governor Herbert Lehman, in November 1942, to organize American efforts for overseas reconstruction as a sign that this might be done. Yet, the Greek relief experience—for which Hoover and his associates could take some credit—was not to be repeated in any other occupied country even though the evidence indicated that it could succeed without jeopardizing anyone's war effort. The only positive result of the mounting pressure by Hoover and other advocates of large-scale war relief work was the provision of a small amount of assistance to the stricken in liberated Allied lands by the United Nations Relief and Rehabilitation Administration, which Lehman came to head.

The question of postwar international organization was meanwhile developing rapidly. In March 1943 the most internationalist Democrats and Republicans stepped up their campaign in that direction, aiming it at both their more conservative fellow partisans and the Roosevelt Administration. Harold Stassen of Minnesota led off with a renewal of his call for a world peace organization and an international army. That was soon followed, on March 16, by the introduction of a resolution by Senators Joseph Ball, Harold Burton, Carl Hatch, and Lister Hill asking for something similar and seeking the Senate's participation in peacemaking. This proposal by two Democratic and two Republican lawmakers disturbed equally the administration and the congressional leadership of both parties which did not want the issue forced so bluntly lest it lead to a struggle as bitter as that over the ratification of the Treaty of Versailles. To avoid this Representative J. William Fulbright, in June, offered a milder resolution, favoring international machinery to maintain a just peace. Out of this situation came the first serious form of consultation between Congress and the administration during the war. The result was that legislative leaders, Republicans included, now had access to previously restricted information and opportunities to make their views known to the administration. The impact was not monumental, but it did lead to Congress and Republicans having influence on America's postwar foreign policy.

Herbert Hoover played a key supporting role in all this, which was his intent, for he believed that "the problems of peace would be greater than [those of] war." To promote the formulation of "a real peace" he seldom publicly criticized the Roosevelt administration, the British, or even the Russians. Indeed, in March 1943, with Hugh Gibson, he went so far to praise Prime Minister Churchill's suggestion that there should be regional councils of nations to preserve the peace. The next month Hoover and Gibson incorporated the British leader's idea into their own proposed structure for enduring peace. The former President was also in touch with Senator Burton about planning for peace. Burton acknowledged Hoover's influence on him and asked for his reaction to the Ball-Burton-Hatch-Hill resolution. Hoover replied that the resolution's purpose was fine since the "Administration wishes to evade its responsibilities to the Congress and the Senate in making agreements with foreign nations." He then urged the Senator to strike a blow in the resolution for encouraging the formation of representative governments in other countries, the idea of a "conditional" peace, the restoration of sovereign rights to those lands that "have been forcibly deprived of them," and limiting membership in a peacekeeping organization to nations without territorial ambitions elsewhere. It was clear from this letter that although Hoover was an apostle of realism in foreign affairs, he also believed that the United States could not afford to be mute on its ideals. As he told Burton: "The purpose of these suggestions is to protect the Senate; to provide against such a debacle as we saw 24 years ago; and to make sure that these Resolutions are sufficiently explicit on certain American fundamentals."

However encouraging the former President was of Senator Burton's approach, he was worried as to what would happen as the United States became more interested in planning for peace. He wrote former Vice President Charles G. Dawes in April that "this country is about to go crazy on both the peace settlements and the post-war planning questions." Therefore, Hoover was declining most invitations to speak so he could devote himself almost wholly to promoting in other ways a sane approach to these issues. If some failed to hear him, it was not because he did not express himself. Indeed, he was highly active during 1943 in circulating his views through publications, radio talks, press statements, and widespread correspondence with prominent Republicans, some Democrats, and even Socialist leader Norman Thomas.

Hoover's stated ideas were generally reiterations and elaborations of what Hugh Gibson and he had written in "The Problems of Lasting Peace". The most important of these were that winning the peace would be more difficult than winning the war; that the prime goal should be lasting peace, not the wholesale transfer of the American way of life to other nations; that there should be no prior pledges on what the postwar settlements would be; that the United States must formulate specific goals for the postwar world; that, however, it must recognize that other nations would have aims different from America's; that therefore the postwar settlements would have to be thrashed out on a compromise basis, which would take time, knowledge, fortitude, and patience; and that the United States would have to assume great and long-range obligations to maintain the peace and foster reconstruction. Obviously, Hoover took a long view. He did not expect the lion to pull its teeth or the bear to pluck out its claws any more than he anticipated that the eagle would lose its beak. What he was trying to promote was a level of statesmanship and of public opinion that would permit the major powers quickly to recognize and implement the goals they had in common and then to sit down, for however long it took, to arrive at mutually acceptable compromises on other issues. He hoped this process would be conducted in such a way that none involved would believe its territorial, political, and economic security was threatened or that the advantages of war outweighed the rewards of peace. In all this he was willing to make conciliatory gestures, to Churchill regarding the regional councils, to Roosevelt regarding international conferences on food and monetary questions, and to even the Russians regarding postwar economic assistance. This attitude underscored his conviction that peacemaking and peacekeeping had to be cooperative, in the United States with all parties participating and without shortcutting the Constitution, in the world through the leadership of the three or four leading Allied nations and the participation of all nations in regional councils and ultimately in a world peace organization.

Again it should be stressed that Herbert Hoover was not America's guiding angel in the development of postwar foreign policy. His was, however, one of many influences that shaped that policy. As we have seen, by

spring and summer of 1943, Congress and the administration began giving serious consideration to the development of a postwar foreign policy. Congressional adoption of the Fulbright Resolution in September was accomplished in part because of the outspoken stands of Hoover, Landon, and the 1940 Republican presidential nominee, Wendell Willkie, in favor of postwar international organization. Indeed, their efforts helped smooth the way for support of a world peace organization by the Republican policy conference at Mackinac Island earlier in September, which in turn contributed to the adoption of the Fulbright Resolution by an overwhelming majority of representatives and senators. Although neither the conference nor the resolution was exactly what the former President wanted, he could take some pride that the United States was on record for postwar world organization with American participation charted to be according to "constitutional processes."

Hoover was aware, however, that the Fulbright Resolution was just the first step in the direction which he wanted the United States to travel. As he told his political associates, he felt more worried than triumphant. He saw the wartime difficulties among the major Allied powers as constituting "more of an international crisis than is generally known." He was bothered by what he considered the weaknesses of Franklin D. Roosevelt, writing that "If we do not watch out we will have some kind of white rabbit pulled out upon us that will jeopardize American life for at least half a century." And the former President was infuriated by the "great influence for evil" of Walter Lippman's recently published "United States Foreign Policy: Shield of the Republic." He viewed the book as supporting some form of political union with Great Britain, based as it was upon Lippman's "total distortion of American history," especially the idea that the British had been America's "friends and guardians over 120 years." Hoover also remained suspicious of the Soviet Union. He took some comfort, however, from the fact, as he saw it, that Joseph Stalin had speeded up the eventual return of Russia to nationalism and stability because the Soviet dictator had "telescoped the French Directory Period with Napoleon and is both of them."

Hoover's concern for converting nationalism into a positive force for world peace underlaid his public statements during the fall of 1943. Instead of a conditional peace, he now emphasized a "Transition Period" in which the major Allied powers would work out the bases for lasting peace and international organization. He thought that nationalism could be the guiding spirit in this, because enhancement of the possibility "that nations will maintain their full independence and their full sovereignty" should appeal as much to the Russians, for example, as to smaller nations. The Transition Period also had to be based upon an acceptance of "the fact that a period of disturbing years must inevitably elapse after * * * victory." In other words, he counseled, forget about an armistice, a quick general peace conference, military alliances, and the "premature formation" of a world peace organization. Instead, let America, Britain, Russia, and China issue a joint declaration of their peaceful purposes and continued cooperation during the initial postwar years—through negotiation and the recognition of legitimate national aims—for the purposes of organizing the world's peace. He considered this advice realistic in view of the dominating role of the major Allied powers toward the end of 1943.

During 1944 the former President's voice was not often heard. This was largely because of the death of his beloved wife, Lou Henry Hoover, early in January. When he did speak out, he continued travelling in the direction of being increasingly conciliatory. He viewed the U.S.S.R. as being more nationalistic than Communistic in the formulation of its foreign policy; he was not a candidate for nomination for President, nor did he try to influence the choice of the Republican nominee; and he took little participation in campaign politics. The result of this was that Hoover became a more creditable figure within the nation and especially his party. Therefore, while saying less, he was exercising more influence than he had since his years in the White House. None of this made him the "Grand Old Man" of American politics or even yet of the Republican party, but it was a step in that direction.

For Herbert Hoover, 1944 was a time of reflection for the further development of his ideas. When the fires stoked by the election campaigns had died down, he was ready for the last peace offensive. His public statements were aimed at avoiding partisan antagonism. For example, while other Republicans were beginning to criticize the Yalta agreement of 1945, Hoover told the press that "it comprises a strong foundation on which to rebuild the world." William R. Castle complained bitterly about this, but the former President wrote him that it was essential America's peace forces held together until after the war.

He used the winter to develop his final proposals for postwar foreign policy. They appeared in March and April 1945 in the form of newspaper articles, a very small volume, written with Hugh Gibson, and a speech in Philadelphia. They constituted Hoover's advice to the American government and people as to how the proposals that issued from the meeting of Allied representatives at Dumbarton Oaks could be turned into a genuine peace charter at the world organization conference at San Francisco that summer. His suggestions came to nine:

First: There are certain fundamental political rights of men and of nations that should be specified in the Charter. There are certain moral and spiritual standards of conduct among nations that should be proclaimed. . . . we should make them effective by the establishment of a World Committee to promote these political rights. . . .

Second: We should provide for peaceful revision of onerous treaties between nations, in order that political progress in the world should not be frozen.

Third: We should create regional subdivision of the organization for preservation of peace into three areas, Asia, Europe and the Western Hemisphere; the regional organizations must of course be in harmony with the Security Council.

Fourth: We should insist upon total disarmament of the enemy powers.

Fifth: We should provide prompt proportional postwar reduction in the armies of the United Nations and the establishment of a maximum limit of armies, navies and air power among them.

Sixth: Although it is not a part of the charter itself, I [suggest] a method by which the war powers of the Congress could be preserved without delay to action in a crisis.

Seventh: Take enough time in formulating the Charter of Peace to do it right. . . .

Eighth and Ninth: There should be a control of military alliances. There should be a definition of aggression. And Senator [Arthur] Vandenberg's proposal that the Assembly be given freedom of initiative should be adopted.

As a gesture of unity, made in his Philadelphia address after Franklin D. Roosevelt's death, Hoover also asked that the new President, Harry S. Truman, be given "every support . . . in his gigantic task."

In all this, Hoover had shown his intellectual resiliency. He quickly adapted his ideas to new situations, as indicated by his response to the Dumbarton Oaks proposals. Indeed, the points he (along with others) raised became key issues in public discussion and at the San Francisco conference, and many of these suggestions were adopted by either the major Allied powers, or the conference, or the United Nations Organization which grew out of it. Yet, Hoover's proposals of spring 1945 were not far different from what he and Hugh Gibson had discussed three years earlier in "The Problems of Lasting Peace." The goals remained the same: to avoid the failures of the Treaty of Versailles and the League of Nations, and to establish a workable permanent peace. Certainly, Hoover did his bit to lay the groundwork for a world charter of political rights, disarmament of the enemy, recognition of national interests, a definition of aggression, and freedom of initiative for the UN Assembly. This was also true in the development of regional councils, of treaty revisions, and of arms reductions. He failed to see control of military alliances in his lifetime, and he must have been irritated by the rush to decision in establishing an international peace organization, particularly since it was clear that no world power was willing to surrender part of its sovereignty to a world organization. By any standard, however, his batting average on the postwar peace issues was high. The world would discover the hard way that there were, as he repeatedly declared, no short cuts to peace. The world would also learn that nationalism and ideology were even bigger forces than Hoover had said.

Three weeks after the United Nations Charter had been formulated in San Francisco in June, the former President took to the radio, over a nation-wide network, to urge the Senate to ratify the charter. The document, he said, "is better than the Dumbarton Oaks version and is probably as good as could be obtained under the existing emotions, the present governments, the conflicting ideals and ambitions in the world." He asserted that world adoption of the charter could not assure permanent peace; that would depend upon the nature of postwar economic and political settlements and the success of efforts to strengthen the UN. In the days immediately ahead, therefore, it was essentital that the American, British, and Russian governments, as the "trustees" of the peace, continue their wartime cooperation. He wagged his Wilsonianism at the world by warning that all nations should adhere to the principles of "No annexations of territory; No territorial changes without the free consent of the people therein; Full sovereignty of people without domination; The right of all peoples to choose freely their own form of government and their own officials; Equality of trade and freedom of the seas; The right of minorities to protection; The right of fair trial before conviction; The prohibition of deportations, of slavery or compulsory labor . . . And finally the greatest rights of all, that is, free press and free worship." Hoover recognized that these were idealistic, but he pointed out that since people would always strive to attain these rights, there could be no enduring peace without their guarantee.

Between his output of early spring and his July 1945 statement on the San Francisco conference, Hoover had again become greatly involved in the war relief question, which was inseparable from foreign policy. With the impending collapse of the Nazi empire in Europe and the obviously inadequate efforts of the Allies in providing relief, he decided that it was time to mount a major campaign to take care of the needs of the war-stricken peoples. He and his associates held a war relief meeting on May 8 in New York's Carnegie Hall to mobilize public sentiment. In his talk there, he outlined the desperate plight of the hungry, especially the children, in Europe. He took care to note Harry S. Truman's sympathy toward relief efforts when he was a Senator. Hoover said that only the War Department had the organiza-

tion and resources to get surplus foodstuffs quickly to the starving people of the formerly occupied countries of Europe; he also recommended that an American agency be formed and join with other groups, including UNRRA, to establish a longer-term relief program of food, clothing, and medical supplies.

Eight days later, in a nationally broadcast talk, Hoover again called for the United States Army to "take over the whole job of food relief to the liberated countries of Western Europe." He called this "a problem of the next ninety days." The next day, May 17, Secretary of War Henry L. Stimson, asked the former President to discuss the matter with a group of War Department officials. Therefore, an eight-man delegation, headed by Assistant Secretary John J. McCloy, went to see him in New York City. Hoover believed that the "whole conference was staged to convince me that the Army would not take over the relief of the liberated countries during the next 90 day emergency." Nevertheless, he took the statements of McCloy and his colleagues as confirmation that there would be a food crisis of the highest order in Europe during the coming three months and that, if it really wanted to, the Army could resolve the crisis. Therefore, Hoover refused to back down. He urged upon McCloy the appointment of "an Eisenhower of economic life" in Western Europe to get the job done and of a deputy in Washington who could secure the necessary funds, transportation, and supplies from this side of the Atlantic. He warned the War Department delegation that "unless this is done, the liberated countries are likely to go Communist." He was understandably pessimistic about the results of this meeting, however, concluding: "a. The good idea of mine had been destroyed by the assaults of combined bureaucracy. b. That we can expect the worst."

The meeting with McCloy was not to end the matter, however, nor was it Hoover's only conference with high federal officials in the spring of 1945. Beginning April 21, Stimson tried to get in touch with the man under whom he had served as secretary of state. His first attempt was unsuccessful and in a second telephone call Stimson tried to arrange a meeting, but since the secretary gave no reason for it, Hoover said he had other plans. In a later telephone conversation, Stimson came to the point, asking his old chief to visit Washington to discuss the postwar situation with him. He reported, obviously as encouragement, that Harry Truman believed this would be valuable. Hoover replied that if the President thought that, the two of them could talk directly. Although the war secretary asked Hoover not to be stubborn, he stood his ground and ultimately arrangements were made for him to see first Stimson and then Truman.

The former President met with Stimson during the first part of May and later sent him a position paper on the world situation. He viewed Russia's wartime annexations and establishment of satellite states in Eastern Europe as being permanent; he predicted that other Stalinist satellites might be set up in Greece, Italy, part of Germany, Korea, Manchuria, and North China. The minimal result of this for America and Britain would be the exclusion of private enterprise in these areas and competition with gigantic Communist monopolies for the world market. That led Hoover to conclude that the two Western powers and China should try to negotiate peace with Japan not only to conserve their human and material resources but also to keep the Soviet Union from having a free hand in the Far East.

Hoover's audience with Truman occurred in the White House the morning of May 28. Their conversation encompassed three topics: war relief, domestic food administration, and the overall foreign situation. On relief, they agreed that Russia would assume responsibility for looking after Eastern Europe. Hoover told the President that action was urgently needed for the rest of Europe. He outlined his case for the Army to take over the immediate administration of war relief efforts in Western Europe in cooperation with national authorities there. Truman indicated that although Stimson had opposed this, he agreed with Hoover. He asked Hoover to take the issue up again with the secretary of war.

The pertinent remarks of the President and the former President on domestic food problems concerned methods of insuring that there would be sufficient supplies for needs both at home and abroad. As for the foreign situation, Hoover contended that because of the Asian characteristics of the Russians, they could not be expected to see or do things the Western way. He asserted that "we could not go to war with them and we should never bluff. Our position should be to persuade, hold up our banner of what we thought was right and let it go at that. A war with Russia meant the extinction of Western civilization or what there was left of it." Regarding Japan, he believed that America, Britain, and China should inform Japan they were willing to end the war—without Russian intervention—if Manchuria was returned to China, if the Japanese military forces surrendered unconditionally, if Japan was disarmed completely for thirty or forty years, and if certain Japanese were handed over for trial for war crimes. Thus could Japan escape military occupation, destruction of its form of government, and possible extermination; it might even retain Korea and Formosa. Hoover thought that the dividends of Japanese acceptance of such terms could be great: the avoidance of an awesome loss of life and resources, the strengthening of China, the exclusion of Russia from new areas for expansion in the Far East, and a sounder basis for world peace. Truman asked Hoover if he was optimistic that Japan would accept. He said no, but that since the installation of the relatively moderate Kantaro Suzuki ministry in Japan "there was a bare chance," and one worth taking. At the end of the conversation, the President returned to the Russian situation, and Hoover repeated what he had earlier said, emphasizing that "we were not going to war with them." Truman then asked him to submit memoranda covering his suggestions.

Hoover left the White House thinking that the President "was simply endeavoring to establish a feeling of good will in the country, that nothing more would come of it so far as I or my views were concerned." Nevertheless, he dutifully sent on his memoranda, which repeated and slightly elaborated upon the points he had made in his conference with Truman (for example, he suggested that Suzuki, with whom his government had dealt during the Manchurian crisis of 1931–1932, should remain as prime minister). The administration, obviously, did not take Hoover's advice about making a declaration that would offer Japan liberal terms for ending the war immediately. Although Under Secretary Joseph C. Grew and other experts on Japan in the State Department were arguing much along the lines of Hoover's thought throughout May, General Douglas MacArthur and the Joint Chiefs of Staff had recommended Russia's entry into the war against the island empire in order to reduce America's battle losses. Stimson went along with the men in uniform, and that was enough for President Truman, especially since there was doubt then whether the atomic bomb would work. Indeed, the same day that Truman was talking with Hoover, Harry Hopkins was conferring, as the President's representative, with Josef Stalin in Moscow.

At that May 28 meeting, Stalin assured him that Russia would fully respect Chinese sovereignty in Manchuria. Hopkins therefore recommended to Truman implementing the secret accord of Yalta that provided for Soviet entry in the war against Japan during the summer. Although the Russian dictator promised to respect the rights of China's Chiang Kai-shek government, he also indicated that the expected unconditional surrender would be the basis for an end to the war in the Pacific and that Russia would play a part in the peace settlement with and the occupation of Japan.

Plainly, Hoover's ideas regarding Japan had little chance of acceptance by May 28 in view of the secret Yalta accord and the eagerness of President Truman and the military chiefs to avoid further great American battle losses. Yet, even had the American government followed the path suggested by Hoover, there is no guarantee that the Russians would not have invaded Manchuria and Korea, a possibility that could not have escaped Truman and his advisers. The consequences of that, of course, could have been as bad or even worse than what actually happened. Using hindsight, however, one finds it irresistible to conclude that the odds are Hoover's proposed policy would have been superior to the one that was implemented. This is because logistical limitations might have kept the Soviet Union from forcing its way into the war with Japan. Even if Russia had entered the war unasked, it would probably have ended up with no more influence in the Far East than it had acquired by 1950, with the net gain that the atomic bomb would not have been used. Of course, this is only a historian's parlor game, for one can construct a plausible scenario of international events that could have been more dreadful for American interests than what occurred, for example, the emergence of Japan as a Communist state or even the outbreak of full-scale war between the United States and the Soviet Union.

If Herbert Hoover had no influence upon Truman on Russian and Japanese affairs during spring 1945, he did in the other areas they discussed. As the President had suggested, he met with Secretary of Agriculture Clinton Anderson and Secretary of War Stimson. The collaboration with Anderson on domestic food matters was highly rewarding, especially as it related to postwar reconstruction overseas. In Hoover's meeting with Stimson and Assistant Secretary McCloy, he repeated what he had told Truman. It was, of course, not news to them. The difference was that Hoover now had the President's endorsement.

That, along with continuing pressure from relief advocates within the War Department, was all that was needed for Secretary Stimson to do an about face on the Army taking over war relief for Western Europe during the critical months ahead. Thus, in the area dearest to Hoover, he scored a major victory. The results were not entirely adequate, but they allowed the United States and Western Europe to turn the tide against famine and pestilence and to combat the perceived threat of Communist expansion. Moreover, the emergency war relief program was one of the foundations for continued foreign aid developments, which were so massive and had such consequences for good and evil that even as sensitive a man as Hoover could not foresee them.

After Hoover helped to initiate an expanded American program of overseas relief, the war soon came to an end. Before then he made clearer his fear of what his country's foreign policy might lead to. On July 20 he joined several dozen other prominent Americans in urging President Truman to understand that the chances for peace and cooperation with Russia could not be enhanced by ignoring what appeared to be the enslavement of Poland. Hoover wrote a memorandum on August 8 indicating that the Potsdam Big Three conference confirmed Russian domination of Eastern Europe and the administration of Germany in such a way that

would prevent it from becoming the needed balance wheel for Europe's economy. He also took this opportunity to express his disgust with the atomic bomb, the use of which, "with its indiscriminate killing of women and children, revolts my soul." Three days later the former President publicly pointed with alarm to the gains being made by "Communism and Creeping Socialism" in Asia and Europe. The philosophical answer to this development was, he stated, to "proclaim again and again that the road to free men and to progress and prosperity is not to be found in the spread of governmental powers and bureaucracy, but in striving to set bounds to it." At the end of the war, Hoover was able to summon up brighter thoughts. He gave thanks to God, and rejoiced in the close of "a hideous era." The future could be glorious, he added, "if we have high statesmanship in the world and are willing to sweat for a few years during the transition period from war to peace. . . . In the long-view of the new era, the bright hope is enduring peace. With peace, we can have recovery; with peace, we can hope for a regeneration of civilization. With peace, the everlasting stir in the hearts of men and nations to be free will return to the world." This was his hope, even if he was pessimistic that it could be achieved.

Herbert Hoover's thoughts and activities regarding foreign policy during World War II are richly significant. They document a fact that too many scholars ignore, which is that former holders of high political position constitute an aristocracy, a kind of American House of Lords, if you will, that has considerable impact on society. That impact, as Hoover's post-presidential life shows, includes influencing the course of national and international policies and events as well as expressing and shaping public opinion. Despite various twists and turns, Hoover was able by December 1941 to become more creditable among his fellow Republicans and therefore more of a force, at least an intellectual force, to be reckoned with. He became more mellow and flexible after Pearl Harbor, with the result that his influence upon public opinion and Republican and even some Democratic leaders increased. Indeed, after the death of Franklin D. Roosevelt, his ideas and presence became welcome again in many high official circles, including the White House.

This did not mean that the results of his activities were always satisfactory, either to the nation or to Hoover himself. His imperfect grasp of rhetoric often left him misunderstood, and those whom he influenced usually reshaped his ideas to suit themselves, with consequences that Hoover had not wanted. Nevertheless, the former President courageously, if not always wisely, entered into the give-and-take of American politics, and on balance the country was the better for it. His espousal of peace and humanitarianism was a partial counterweight to the talk of those who believed that every incident was the occasion for war. His conception of the roles of realism and idealism in international relations helped to keep the truculent dialogs between the United States and its adversaries from getting completely out of perspective. Yet, it must also be recognized that his intense nationalism added support to high-paced American rearmament and programs of intrigue in the postwar era, which sometimes jeopardized world peace and the restraints on government for which he longed. In part, because of such overreaction, the world has had a more troubled and prolonged "transition period from war to peace" than Hoover had originally thought necessary. It is not going too far to say, however, that the United States followed to a considerable extent his and similar prescriptions of voicing its beliefs, of negotiating toughly for them, but of avoiding war with major adversary states. Even if the deviations from this program, for example, the Vietnam war and the excessive operations of the Central Intelligence Agency, jeopardized the maintenance of peace and threatened at times to scrap some of the most hallowed of traditional American ideals, it is significant that by the 1970's there was renewed interest in the foreign policy goals that Herbert Hoover and others pressed during World War II. His foreign policy activities, among other of Hoover's workers, make his career after 1939 a prime example of the importance of America's elder statesmen.●

NEWSPAPER TAX ACT

● Mr. MORGAN. Mr. President, not long ago I introduced S. 555, which would help the decreasing number of independent newspapers to remain locally controlled. I have since been joined in this effort by Senators BAKER, SASSER, PERCY, INOUYE, SCHMITT, MATHIAS, RIEGLE, MCGOVERN, FORD, COHEN, PELL, HELMS, PRESSLER, DURKIN, COCHRAN, LEVIN, STEWART, MAGNUSON, DECONCINI, BOREN, LEAHY, HATFIELD, CHURCH, STEVENS, BENTSEN, BOSCHWITZ, and GRAVEL. There has been a great deal of support for this bill from publishers and editors of independent newspapers from across the Nation, but I think this letter, which was printed in the Editor and Publisher of July 7, 1979, most accurately expresses their views regarding this problem. I request that it be printed in the RECORD.

The letter follows:

MERCER CONCERN

I'm getting more than just a little weary of reading news articles and slick magazine ads telling us what a great thing it is now that the Gannett conglomerate has gobbled up 80 daily newspapers, 7 television and 12 radio stations.

And that doesn't include outdoor advertising interests, weekly newspapers, Canadian newsprint interests, marketing, research and news service subsidiaries stretching from the U.S. Virgin Islands in the Atlantic to the U.S. Territory of Guam in the Pacific and including 33 states in between.

The merger of the Gannett Co. and Combined Communications Corporation was one of the worst things that has happened in America in recent years. The danger of Three Mile Island was mild by comparison. The merger should not have been allowed and the government antitrust division should break it up.

I am completely unimpressed by the high-sounding boast that Gannett is a "world of different voices" and how much better group ownership is for local communities. Hogwash.

Everybody knows who signs the checks, who gives the orders and who has the final authority. Make no mistake about that.

How stupid does Allen Neuharth think the people are?

If conglomerate ownership is such a great thing, why does Gannett feel it necessary to spend $1.5 million to polish and improve its image? Why does Allen Neuharth think it necessary for him to spend so much of his company's money flying around the country making speeches trying to allay the fears?

Let's face it. Gannett is a huge conglomerate interested primarily in the bottom profit line. Let anybody—be it the President of the United States or the lowliest citizen, threaten Gannett's bottom line and you'll quickly see how much authority its local editors have!

I understand Mr. Neuharth is a very fine, capable, personable gentleman and I have no quarrel with him personally. His company, Gannett, also has a fine reputation up to this point.

But what happens when Mobil Oil or the Arabs buy out Gannett? Who gets control then? What will the man be like who succeeds Mr. Neuharth on his retirement?

His successor could be money-hungry and power-mad. Why give him or anybody else possession of such power?

I understand American Financial owns seven per cent of Gannett already, which is a pretty sizeable hunk of a big corporation. What if American Financial keeps on until it gains control? (It reportedly is trying to do this.) American Financial has no interest in any of Gannett's newspapers, tv, radio or other operations except financial.

Out tax structure is partly to blame, if not almost wholly, for enabling Gannett to attain control of such a vast segment of our communications media.

Because of depreciation, deductions for interest payments and other loopholes, the big chains can grab off these newspapers at almost no cost. And if they're unprofitable, they can write it off their taxes.

U.S. Senator Robert Morgan, a resident of my own county and a neighbor of mine, and Congressman Morris Udall have introduced legislation to ease the estate tax burden on heirs when the owner of an independent family newspaper dies. The whole nation owes Sen. Morgan a debt of gratitude.

This legislation of Senator Morgan would prevent the growth of these conglomerates and keep them from continuing to buy up public opinion and from creating monopolistic financial empires at the expense of the public.

Mr. Neuharth should read the testimony given by James Hurley III of the *Salisbury Post*, reprinted in the May 24 issue of the *Congressional Record*. Jim Hurley tells what happens to local newspapers when the chain moves in.

In a speech in New York June 12 Mr. Neuharth said nobody is looking over the shoulders of his local editors and publishers—he should have said: No one looks until they violate corporate policy. Chain newspapers are like the government—they simply don't hand out checks without controls.

Just for example, what if a member of Mr. Neuharth's family should run for public office. How long would the local editor keep his job after opposing him?

We must accept the fact that Gannett now controls an empire. But we don't need Mr. Neuharth or its advertising agency, Young & Rubicam, to rub salt in the wound it has inflicted on the First Amendment and press freedom in America. Please, Gannett, don't talk to us about Freedom! ●

PATRICIA ROBERTS HARRIS

● Mr. RIEGLE. Mr. President, it was recently my privilege to participate in the NAACP 24th annual Fight for Freedom Dinner in Detroit. That evening, U.S. Circuit Court of Appeals Judge Damon Keith had the honor of introducing the keynote speaker, the Secretary of Housing and Urban Development, Patricia Roberts Harris. As is his custom, Judge Keith gave a forceful, entertaining, and illuminating presentation that accurately reflected the superb work that Secretary Harris has done since taking on the challenge of managing HUD. For those who are curious about the newly designated Secretary of Health, Education, and Welfare, I encourage you to read Judge Keith's revealing remarks which follow:

INTRODUCTION OF PATRICIA ROBERTS HARRIS, SECRETARY, THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AT THE NAACP 24TH ANNUAL FIGHT FOR FREEDOM DINNER

Ladies and gentlemen, friends and supporters of the Detroit NAACP Freedom Fund Dinner, and freedom lovers all, I hold in my hand a series of unique and serious charges made against our guest speaker. As one who tries to be fair-minded, I think these charges should be shared with you today.

Our speaker has been accused of being one of the toughest, most fearless and most forceful advocates of the needs of our cities, minorities and the poor to be found today.

Rep. Henry S. Reuss, the highly influential chairman of the House Banking, Finance and Urban Affairs Committee, has accused our speaker, in his words, of being the "best HUD secretary ever."

Columnist Chuck Stone, of the Philadelphia Daily News, accuses our speaker of being a woman wedded to equality, a black obsessed with excellence and a lawyer driven by justice. He further charges that she is motivated by a fiercely proud legacy handed down from Harriet Tubman, Sojourner Truth and Mary McLeod Bethune.

The conservative U.S. News & World Report, in ascertaining the 100 most influential people in government, accuses our speaker of being one of the President's most able cabinet officers.

Yes, my friends, the indictment returned against our speaker has been supported by accusations spread throughout the pages of various other national publications.

In count I, our speaker stands accused of having the highest number of housing starts since 1973.

In count II, our speaker stands accused of appointing more blacks and women to top positions at HUD than any other agency in Government.

In count III, our speaker stands accused of instituting the so-called "Harris Manifesto"—a doctrine reflecting her strong and unwavering commitment to move black people into areas that have been closed to them and to provide remedies for all people who are subjected to unfair discrimination.

Top officials from the real estate industry, who opposed the appointment of our speaker to her present position, now accuse her of bringing new management efficiency, badly needed new commitment to the cities, and a new, positive image to HUD.

Top aides at the White House, some of whom have delighted in leaking to the press that our speaker is in trouble with the Administration, now accuse her of being the chief architect of the President's urban policy, of being a combative but loyal team player.

Another Washington correspondent accuses our speaker of becoming a Joan of Arc for blacks, hispanics and the poor in her courageous fight against budget cutbacks of social programs. And our own beloved mayor, Coleman A. Young, who we all know does not hesitate to call them as he sees them, has made one of the most telling accusations of all, calling our speaker the blank blankest and best friend the cities of this country have ever had.

Lastly, our speaker has been accused of being disrespectful of male chauvinism and unintimidated by powerful members of the U.S. Congress. On this charge, ladies and gentlemen, I fear that our speaker's guilt is established beyond doubt by words uttered from her own lips. For instance, in responding to Senator William Proxmire's question concerning whether she was "sufficiently by, of, and for the people" to be attuned to the needs of the poor, our speaker's public and recorded response was, and I quote:

"Senator, I am one of them. You do not seem to understand who I am. I'm a black woman, the daughter of a dining car waiter. I'm a black woman who even eight years ago could not buy a house in some parts of the District of Columbia. Senator to say I'm not by and of and for the people is to show a lack of understanding of who I am and where I came from.

"I started, Senator, not as a lawyer in a prestigious law firm but as a woman who needed a scholarship to go to college. If you think I have forgotten that you're wrong.

"I started as an advocate for a civil rights agency, the American Council on Human Rights, that had to come before this body to ask for access to housing by members of minority groups. If you think I have forgotten that, Senator, you're wrong.

"I have been a defender of women and minorities, of those who are the outcasts of this society, throughout my life, and if my life has any meaning at all, it is that those who start as outcasts may end up being part of the system. And I hope it will mean one other thing, Senator, that being part of the system, one does not forget what it meant to be outside it, because I assure you that there may be others who forget what it meant to be excluded from the dining rooms of this very building, I shall never forget it."

Ladies and gentlemen, it is with great pleasure that I join the poor, the oppressed, the neglected, the down trodden and the handicapped in finding the accused guilty on all counts of being an outstanding American—of fighting the good fight—of giving hope to the hopeless—and of keeping the faith.

The record speaks for itself. Of being a remarkable leader, the accused is guilty beyond a reasonable doubt. Of being a tough and sensitive black woman, guilty beyond a reasonable doubt. And of being a highly capable and effective Secretary of the Department of Housing and Urban Development, the accused is guilty beyond a reasonable doubt.

Ladies and gentlemen, the culprit, and our speaker for today, the Honorable Patricia Roberts Harris.●

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 260 and 269.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, those items are cleared on our calendar. We have no objection to their consideration and passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

YAKIMA RIVER BASIN WATER ENHANCEMENT PROJECT FEASIBILITY STUDY

The legislative clerk read as follows:

A bill (S. 585) to authorize the Secretary of the Interior to engage in a feasibility study of the Yakima River Basin Water Enhancement Project,

The Senate proceeded to consider the bill.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Department of the Interior is authorized and directed to conduct a feasibility study of the Yakima River Basin Water Enhancement Project. The Secretary is authorized to accept moneys from the State of Washington or other persons or entities, public or private, to assist in the financing of the feasibility study. If moneys are so provided by the State of Washington, and Congress thereafter authorizes and appropriates funds for the construction of the Yakima River Basin Water Enhancement Project, the moneys so provided by the State shall be credited to the total amount of any costs required to be borne by the State as contributions toward or repayment for costs of the project.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ANNIVERSARIES OF THE WARSAW UPRISING AND THE POLISH RESISTANCE

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 373) recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

The Senate proceeded to consider the joint resolution.

● Mr. MUSKIE. Mr. President, I rise to speak on behalf of House Joint Resolution 373 commemorating the Warsaw uprising of 1944 and the Polish resistance to the German invasion of 1939.

It is valuable to remind ouselves from time to time just how precious a commodity freedom is. It is useful to remember the tremendous sacrifices the human spirit is willing to make to gain or preserve that freedom.

The Warsaw uprising and the Polish resistance during World War II are two such reminders.

On August 1, 1944, the Polish Home Army rose up against the Nazis in Warsaw. Led by Gen. Tedeusz "Bor" Komorowski, the Poles were able to seize control of two-thirds of their city of Warsaw. They battled against the formidable forces of the Nazi army for 63 days before surrendering the city. Some 250,000 Polish people lost their lives in this fighting. In retaliation, the Nazi army completely destroyed the city.

August 1 of this year will mark the 35th anniversary of the Warsaw uprising.

On September 1, 1939, the army of Hitler's Third Reich invaded Poland. With only a force of 800,000 to defend their country, the Poles met the massive Nazi onslaught of over a million troops and 3,000 tanks. Poland fell in 18 days. Two days before the Polish defeat, Stalin's army descended upon Poland from the east and occupied nearly one-half of the country. The occupation by these two powers encouraged an active and effective underground movement and a Polish government-in-exile. This historical invasion marked the beginning of World War II.

Today in the beautiful city of Warsaw, which I visited earlier this year, the numerous plaques and monuments commemorating Polish resistance are constant reminders of a people who have consistently resisted oppression against incredible odds.

These two events in Polish history are a lesson not only for the Poles and the 10 million Americans of Polish descent, but to all peoples of the world, for they represent the powerful spirit and passion of a people determined to gain their freedom. The fight for freedom has taken place in many parts of the world, and continues to take place as I stand here today.

Mr. President, I think the passage of this resolution will be a source of inspiration to those who value freedom and a warning for those who do not understand the true meaning of freedom.●

● Mr. DOLE. Mr. President, I rise in support of H.J. Res. 373. This resolution recognizes the great courage exhibited by the Polish people in their opposition to Nazi tyranny, which peaked with the Warsaw uprising of August 1, 1944.

Mr. President, the Polish people have continually fought bravely against the tyranny of Nazi Germany from the very beginning of the German invasion of Poland on September 1, 1939. Despite this fierce resistance, the force of the Nazi war machine, aided by the Soviet Union, was unstoppable. At month's end, Poland had been carved up by the twin powers of Germany and the U.S.S.R. The Polish nation was held together only by the faith and perseverance of its people.

During the ensuing years the Polish people were subjected to unconscionable horrors perpetrated by the Nazi. By the end of the war 6 million Poles had died, many of them in the infamous Auschwitz concentration camp. Facing adversity, in the midst of these horrors, the Polish people stood tall in their continued resistance to Nazi oppression. It is to the Pole's credit that no significant Polish leader aided the Nazi during their reign of terror. The determined Polish underground had its finest hour when, on August 1, 1949, the Polish Home Army rose up against the Nazi, and held major portions of Warsaw for over 2 months.

Mr. President, I call on the Congress to recognize the anniversaries of the Nazi invasion and the Warsaw uprising. There is much inspiration we can draw from the Pole's persistent quest for freedom. May we pursue freedom and justice with the same vigor exhibited by these brave people.●

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NASA AUTHORIZATIONS, 1980—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator STEVENSON, I submit a report of the committee of conference on H.R. 1786 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 20, 1979.)

● Mr. STEVENSON. Mr. President, the conference agreement authorizes $4,961,000,000 for the National Aeronautics and Space Administration for fiscal year 1980. This amount is identical with the Senate bill, $199 million above the House bill, and $16 million above the budget request as amended by the President on May 14, 1979. The budget amendment recommending an additional $220 million for the space shuttle development program was submitted subsequent to House passage of H.R. 1786 which accounted, in large measure, for the differences in authorization levels between the House and the Senate.

The increase of $16 million above the request provides funding for systems definition, more intensive technology advancement, and/or preparatory work on new initiatives in space applications, aeronautics and energy technology. These are relatively modest additions yet they represent those tasks that must be undertaken to support productive applications of advanced technologies.

Mr. President, I believe the conference agreement is one that contributes to a sound program in space and aeronautics. I know of no objection to this conference report.●

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President. I yield the floor for the moment.

Mr. PROXMIRE. Mr. President, are we in morning business?

Mr. BAKER. Yes.

The PRESIDING OFFICER. The Senator from Wisconsin.

THE THREAT OF FOREIGN BANKING

Mr. PROXMIRE. Mr. President, the distinguished junior Senator from Pennsylvania, Senator HEINZ, has written an excellent article for the New York Times which appeared yesterday in the Sunday Times called "The Threat of Foreign Banking." He calls the attention of the country to a situation that might become rather embarrassing for us.

We take pride in the fact that our banks are independent and strong. The fact is that 22 of the 25 biggest banks in the world are not American banks. Other countries, of course, have only few banks but they are very large, well capable of moving in and taking over our banks, and they have begun to do it in some areas.

The Commissioner of Banking in New York is particularly concerned and raised her voice against this.

Senator HEINZ and I both have introduced proposals for a moratorium on foreign bank takeovers until we can get a study made by the President and by the Treasury Department.

The explanation of this proposal is very well expressed by Senator HEINZ in his fine article in the New York Times.

Mr. President, I ask unanimous consent that it be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE THREAT OF FOREIGN BANKING

(By H. JOHN HEINZ 3d)

Banks wield enormous economic influence in our country. Their leveraging position and their allocation of credit play a pivotal role in our economic system. Yet the fact that foreign-owned banks have become a major new force in the New York banking system, indeed in all the major money centers of our nation, have elicited little attention or concern from Federal bank regulatory agencies.

The president of the Federal Reserve Bank of New York, Paul Voicker, said recently that the question about limits to the degree or manner of penetration of domestic markets by foreign banks "is nowhere addressed specifically in the International Banking Act or other Federal legislation." This serious omission should be of concern. I fear that the recent wave of foreign acquisitions of American banks may have profound implications for the American banking system. In fact, if present trends continue or accelerate we will lose a significant amount of control of our entire economic system.

Since 1972, when the Federal Reserve first started keeping track of the figures on foreign ownership, foreign bank assets in the United States have more than quadrupled, going from $16 billion to more than $100 billion, and if all of the currently proposed acquisitions are approved by the Fed, foreign-owned bank assets will increase by an additional 20 percent. This represents approximately 9 to 10 percent of the total bank assets in the United States. The problem is even more pointed because we are not really sure of the statistics. Even the Federal Reserve concedes that their figures are preliminary and possibly incomplete.

Foreign banks now make more than 15 percent of all big United States business loans. In California and New York, where foreign banks have the highest concentration, that proportion approaches 30 percent.

Foreign involvement in the United States banking market has been increasing steadily and substantially over the last six years. The number of foreign banks operating in the United States in 1972 was 66. By the end of 1978 this number had grown to 189, a nearly threefold growth in six years.

Until quite recently, the foreign banking presence in the United States came mainly as a result of the establishment of new offices of affiliates. Within the last two years, however, it has become clear that the pattern of foreign penetration of the American banking market has changed dramatically. Foreign interests have suddenly begun to achieve substantital positions in the market by means of acquisitions of large United States banks. It should be noted that laws governing United States banks abroad are stringent and would prevent what is happening in this country. For example, it would be impossible for a major United States bank to acquire a comparable "clearing house" size bank abroad.

Takeovers and attempted takeovers by foreign banks have been numerous in the last year—the Hongkong and Shanghai's bid for Marine Midland with $14 billion in assets, Standard Charter's acquisition of Union Bank of California's $4.7 billion in assets, National Westminister's purchase of the National Bank of North America with assets of $3.8 billion, Algemene Bank Nederland's purchase of the 1 billion La Salle National Bank of Chicago, which was approved by the Fed on July 13, and Midland Bank Ltd.'s offer for Walter E. Heller International, which owns the $2 billion National Bank and Trust in Chicago. In addition, it has been widely reported that there are a number of other foreign interests exploring, either directly or through investment bankers, possible acquisitions of large United States banks. Virtually every leading American investment banking firm has compiled an analysis of major American banks that might be acquisition targets for their foreign clients.

Foreign control of a substantial proportion of the domestic banking system would inevitably raise questions concerning the degree that such banks would carry out monetary or investment policies supportive of United States interests, especially when those interests happen to conflict with those of the owners' home country. Foreign-exchange operations and willingness to make loans to other large domestic banks are two areas where conflict of interests might arise. Willingness to make loans to large United States companies in competition with the home countries' state-owned business enterprises is another potential problem.

I am concerned that we have not fully considered the implications of a substantial proportion of our banking system falling under foreign control. I am concerned that our bank regulatory agencies have not fully worked out the criteria to judge what are acceptable foreign buyers. And with petrodollars piling up, foreign individual buyers may become a major new force. These buyers are essentially beyond our jurisdiction and beyond our control. It is likely that the prospect of both direct and indirect financial and political influence will convince wealthy Arab businessmen that United States banks are indeed a good investment.

Acquisitions by foreign banking institutions present problems no less serious. At hearings on foreign takeovers on July 16, I asked Henry C. Wallich of the Federal Reserve whether our bank regulators had the authority to examine the books of a foreign bank. He replied that they did not. All they could ask for would be specific information as proof of the affiliates' financial soundness. He went on to say that, theoretically at least, Federal regulators could demand an examination as the condition of approval. But when questioned further, he could not cite even one instance when this, in fact, had been demanded. Muriel Siebert, New York State's banking superintendent, has complained that her evaluatory task was made much more difficult by the fact that the Hongkong and Shanghai Bank could not even produce balance sheets based on the same accounting principles used in the United States.

I am concerned that foreign takeovers of United States banks may have a perverse "snowball" effect. With each additional acquisition by a foreign bank, other foreign banks may come to believe that they too must make a comparable acquisition in the United States in order to keep pace with their competitors. Similarly, United States banks may become irresistibly attracted to the advantages of foreign bank holding companies, which, unlike our domestic ones, are able to establish and retain affiliations with a broad variety of nonbanking businesses.

Finally, I am concerned that the current wave of foreign takeovers of American banks may place United States banks—and in the long run perhaps even American business—at a significant disadvantage. United States banks already have fallen behind the growth rates of the largest foreign banks. If foreign banks alone can acquire leading positions in both their home markets and in the United States, they will have significant advantages in many areas of international finance.

JANET L. NORWOOD, DIRECTOR OF THE BUREAU OF LABOR STATISTICS

Mr. PROXMIRE. Mr. President, we have a relatively new Director of the Bureau of Labor Statistics, a woman named Janet L. Norwood, who has done a marvelous job.

There is a fine article in yesterday's New York Times about Janet Norwood, about her hard work, her intelligence, her administrative ability. We have every reason to be proud of the fine job she has done.

She has appeared before the Joint Economic Committee many times over the years. She succeeded Julius Shiskin who died, as we all know, about 3 or 4 months ago.

She has done an outstandingly fine job. The New York Times indicates some of her strengths and her accomplishments.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHE TAKES HER COMPUTERS HOME

(By Philip Shabecoff)

WASHINGTON.—"The honest working woman is entitled to the respect of all honest-minded people," said the first Commissioner of Labor Statistics, Carrol Davidson Wright, back in the days of President Chester A. Arthur. "She should be welcomed into the churches of the cities and drawn into the best associations."

Mr. Wright would undoubtedly be delighted to know that the Bureau of Labor Statistics is now headed by the kind of working woman he championed. Janet L. Norwood is not only the first woman to head the 95-year-old bureau, she is the first employee to move up through the ranks to its top slot, succeeding Julius Shiskin, who died last October.

At the very least, Dr. Norwood is a person who is entirely comfortable probing the statistical black forest that harbors many of the secrets of an often troubled economy. Occasionally, she even lugs one of the bureau's computer consoles home with her and sits around, she says, "finding out what they can do."

Dr. Norwood, who was sworn in May 18, is beginning to make a noticeable mark as well in the running of the bureau. Among other things, she has taken pains to make its work more responsive to policy needs. Each month, for example, she issues special analyses on such issues as teen-age unemployment, which has been a political land mine of contradictory data. She has taken steps to improve the quality of such statistical series as state and local unemployment data, and she is seeking better communications with Congress.

Having come up through the ranks, the 55-year-old Dr. Norwood does not have any particular academic reputation beyond that of a competent economic statistician. But she is extremely respected within the Labor Department and was pushed strongly for the job by Secretary of Labor Ray Marshall. Members of her own staff speak highly of her, even when talking anonymously. "She is a brilliant person, very quick on her feet and a very effective speaker," said an aide. "She's a people person as well as a numbers person. She has a lot of empathy for people."

Dr. Norwood has taken over an agency that has been a center of controversy in the past even though its mission is to produce straightforward statistical reports on such things as employment and unemployment, consumer prices, wages, trade and a wide variety of other subjects.

Although the bureau and its leaders have managed to maintain a reputation for objectivity, it has been asserted by critics that past administrations, particularly the Nixon Administration, sought to use the agency for political purposes.

In his book, "An American Life," a former Nixon aide, Jeb Stuart Magruder, recalled how the White House had persuaded the bureau to stress good news about employment rather than bad news about unemployment. Mr. Magruder commented that the bureau had resisted the White House request for a time and that "it seemed outrageous that a bureau of the Labor Department should defy a reasonable request by the President."

Dr. Norwood expects no such problems from the Carter White House and has a very clear idea of how the bureau should operate in Washington's highly charged partisan climate.

"The best way to build good statistics," she hold an interviewer, "is to be completely open, be completely objective and stay out of politics."

But Dr. Norwood does not believe this means that the statistics agency should be uncommitted, "First and foremost," she said, "I believe that an agency like ours needs to be responsive to the country's social and economic needs."

To this end, she wants to review the concepts under which the agency operates to find what social and economic changes need to be reflected in the data accumulated and presented by the bureau. For example, data on income and earnings and prices need to reflect the changing status of the family, she said.

"The so-called typical family of four with a male head of the household as the sole income earner" hardly exists any more, she noted. So changes were required in the way family data were collected and reported, she said.

Dr. Norwood does not consider the statistics that are the daily product of her agency to be abstractions. "We find ourselves in the middle of many of the crucial issues facing the country today because most of our indicators have an impact on the real world," she said.

For example, the Consumer Price Index is watched carefully not only by government policy planners but by workers who may have a cost-of-living adjustment linked to the index, she said.

She is not unaware that her new job carries pressures with it. One of the pressures comes from members of Congress and from the Administration for data the bureau does not have and does not have the money or the personnel to collect.

There is also pressure to get reports out fast, she noted, and gave as an example a report on the impact of the recent strike of independent truckers that the bureau brought out in three days. "Sometimes we have to work night and day to get our work out on time," she said. "But it's important. If we are late in getting the Consumer Price Index out, people may lose a pay raise for a whole month."

Working night and day does not seem to faze Dr. Norwood. In fact, some civil servants who work for her have complained that she pushes them too hard, in contrast to her predecessor, who was more interested in doing his own analytical work. According to one economist outside government, Dr. Norwood is bringing a strong administrative sense to the bureau, which it has not always had in the past. She seems eager, as well, to encourage new ways of collecting and analyzing data.

Born Dec. 11, 1923, in Newark, she went through the New Jersey public school system, graduated from Douglass College and received her M.A. and Ph.D. from the Fletcher School of Tufts University.

She taught economics at Tufts and Wellesley and then "I was, shall I say, out of the labor market having two children." She lived abroad with her husband who was a Foreign Service officer, before returning to the United States and joining the statistics bureau 16 years ago as a specialist in international labor law. She later was put in charge of the bureau's Consumer Price Index division and presided over a major revamping of that index. Before succeeding Mr. Shiskin as head of the agency she was his chief deputy.

Dr. Norwood thinks that being a woman may make life on the job a bit harder. "It's always harder being a woman," she said. "A woman always has to work hard and be better." But she also thinks she has been fortunate in her career in the Labor Department. "This department has a social mission," she said, "and I think the men in it have been a lot more open in the way they treat women."

GENOCIDE CONVENTION HEADS LIST OF TREATIES NOT RATIFIED BY THE UNITED STATES

Mr. PROXMIRE. Mr. President, in 1974 the House Subcommittee on International Organizations and Movements issued a report entitled "Human Rights in the World Community: A Call for U.S. Leadership." The committee included in this report a listing of the 29 human rights conventions which the United States has yet to ratify.

Since the committee issued its report in 1974, the Senate has begun to make progress toward including the United States in international human rights treaties. In 1976, the United States joined the nations adhering to the Convention on Political Rights of Women. In the same year, we gave our support to the Inter-American Convention on the Granting of Political Rights to Women.

Mr. President, the Senate certainly acted properly on these two treaties and deserves praise for recognizing the need for protecting the rights of women throughout the world.

However, Mr. President, what about the other 27 treaties? Why is it that we have failed to act on many treaties dealing with simple human rights?

Heading this list of treaties is one which concerns the most basic of all human rights—the Genocide Convention.

To quote Congressman Donald Fraser's 1974 subcommittee report:

> The Senate's failure to ratify the Genocide Convention means that we have yet to accept international legal responsibility for the most heinous of human rights violations. It jeopardizes U.S. leadership and influence in the field of international human rights.

I ask my colleagues to begin anew our commitment to human rights by ratifying the Genocide Convention, and I ask unanimous consent that the list of human rights treaties that have not been ratified by the United States be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS CONVENTIONS

The human rights conventions which the United States has not ratified are listed below:

UNITED NATIONS CONVENTIONS

International Covenant on Economic, Social, and Cultural Rights.

International Covenant on Civil and Political Rights.

Optional Protocol to the International Covenant on Civil and Political Rights.

Convention on the Prevention and Punishment of the Crime of Genocide.

Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity.

International Convention on the Elimination of All Forms of Racial Discrimination.

Convention Relating to the Status of Stateless Persons.

Convention Relating to the Status of Refugees.

Convention on the Reduction of Statelessness.

Convention on the Nationality of Married Women.

Convention on Consent to Marriage, Minimum Age for Marriage, and Registration of Marriage.

Convention on the International Right of Correction.

Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others.

INTERNATIONAL LABOR ORGANIZATION CONVENTION

Freedom of Association and Protection of the Right to Organize Convention.

Abolition of Forced Labor Convention.

Employment Policy Convention.

Right to Organize and Collective Bargaining Convention.

Equal Remuneration Convention.

Discrimination (Employment and Occupation) Convention.

UNESCO CONVENTION

Convention against Discrimination in Education and Its Protocol.

CONVENTIONS OF THE ORGANIZATION OF AMERICAN STATES

Convention on Asylum.

Convention Relatives to the Rights of Aliens.

Convention on Nationality.

Convention on Political Asylum.

Inter-American Convention on the Granting of Civil Rights to Women.

Convention on Diplomatic Asylum.

Convention on Territorial Asylum.

American Convention on Human Rights.

Mr. PROXMIRE. I yield the floor.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean, Mr. President, that the Senate will proceed to the consideration of the State-Justice appropriation bill at around 10:30.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be recinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider the nominations on the calendar beginning with Calendar Order No. 253 and extending through Calendar Order No. 268.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable with the distinguished acting Republican leader, I ask unanimous consent that the nominations be considered and confirmed en bloc.

Mr. STEVENS. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

(The nominations confirmed en bloc are as follows:)

THE JUDICIARY

Marvin E. Aspin, of Illinois, to be U.S. district judge for the northern district of Illinois.

Susan H. Black, of Florida, to be U.S. district judge for the middle district of Florida.

James B. Moran, of Illinois, to be U.S. district judge for the northern district of Illinois.

Richard P. Conaboy, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania.

Sylvia H. Rambo, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania.

Lawrence K. Karlton, of California, to be U.S. district judge for the eastern district of California.

Warren W. Eginton, of Connecticut, to be U.S. district judge for the district of Connecticut.

William J. Castagna, of Florida, to be U.S. district judge for the middle district of Florida.

Orinda D. Evans, of Georgia, to be U.S. district judge for the northern district of Georgia.

Marvin H. Shoob, of Georgia, to be U.S. district judge for the northern district of Georgia.

G. Ernest Tidwell, of Georgia, to be U.S. district judge for the northern district of Georgia.

Robert L. Vining, Jr., of Georgia, to be U.S. district judge for the northern district of Georgia.

DEPARTMENT OF DEFENSE

John Howard Moxley III, of California, to be an Assistant Secretary of Defense.

Hans Michael Mark of Virginia, to be Secretary of the Air Force.

Antonia Handler Chayes, of Massachusetts, to be Under Secretary of the Air Force.

Robert Jay Hermann, of Maryland, to be an assistant Secretary of the Air Force.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. The Chair advises the Senator there are none.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR CONSIDERATION OF STATE-JUSTICE APPROPRIATIONS BILL (H.R. 4392) TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized under the standing order on tomorrow, the Senate proceed to the consideration of Calendar Order No. 265, H.R. 4392, the State-Justice appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 4392

Mr. ROBERT C. BYRD. Mr. President, on H.R. 4392 I ask unanimous consent that there be a time agreement as follows:

Two hours on the bill to be equally divided between Mr. HOLLINGS and Mr. WEICKER; 30 minutes on any amendment; 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; and that the agreement be in the usual form as to the division and control of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of HR. 4392 (Order No. 265), an act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending Sept. 30, 1980, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Ordered further, That on the question of the Final Passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Connecticut (Mr. WEICKER): *Provided*, That the said Senators or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The Senator from Vermont is recognized.

RECESS UNTIL 10 A.M. TOMORROW

Mr. LEAHY. Mr. President, I move that the Senate stand in recess under the previous order until 10 o'clock a.m. tomorrow.

The motion was agreed to; and at 7:01 p.m. the Senate recessed until tomorrow, Tuesday, July 24, 1979, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 23, 1979:

DEPARTMENT OF DEFENSE

John Howard Moxley III, of California, to be an Assistant Secretary of Defense.

Hans Michael Mark, of Virginia, to be Secretary of the Air Force.

Antonia Handler Chayes, of Massachusetts, to be Under Secretary of the Air Force.

Robert Jay Hermann, of Maryland, to be an Assistant Secretary of the Air Force.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Marvin E. Aspen, of Illinois, to be U.S. district judge for the northern district of Illinois.

Susan H. Black, of Florida, to be U.S. district judge for the middle district of Florida.

James B. Moran, of Illinois, to be U.S. district judge for the northern district of Illinois.

Richard P. Conaboy, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania.

Sylvia H. Rambo, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania.

Lawrence K. Karlton, of California, to be U.S. district judge for the eastern district of California.

Warren W. Eginton, of Connecticut, to be U.S. district judge for the district of Connecticut.

William J. Castagna, of Florida, to be U.S. district judge for the middle district of Florida.

Orinda D. Evans, of Georgia, to be U.S. district judge for the northern district of Georgia.

Marvin H. Shoob, of Georgia, to be U.S. district judge for the northern district of Georgia.

G. Ernest Tidwell, of Georgia, to be U.S. district judge for the northern district of Georgia.

Robert L. Vining, Jr., of Georgia, to be U.S. district judge for the northern district of Georgia.

EXTENSIONS OF REMARKS

PROTECT WHEAT EXPORTS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. ABDNOR. Mr. Speaker, wheat exports are vitally important to American wheat producers in order to receive a reasonable price for their product. For American agriculture to prosper, foreign wheat exports must be expanded even more than the near record 30.6 million metric tons that were shipped in the 1979 marketing year.

Today I want to address a matter that has not only not increased U.S. wheat exports, but has actually acted to decrease them.

The European Economic Community used export subsidies in the 1979 market, which increased their exports by approximately 4.4 million metric tons, of which 75 percent or 3.3 million metric tons would have been supplied by the United States.

Because of this unfair trade practice, Great Plains Wheat—which is a wheat market development and promotion organization supported by wheat producers through their State wheat commissions in South Dakota, Kansas, Colorado, Minnesota, Nebraska, North Dakota, Oklahoma, Texas, and Wyoming—filed a complaint under section 301(a)(3) of the Trade Act of 1974.

The following is an excerpt from a letter I received from Secretary Bergland about this matter:

In response to the formal complaint filed by Great Plains Wheat under section 301 of the 1974 Trade Act, an Interagency Committee was established to look at the facts per-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

taining to the complaint and determine if Great Plains Wheat had a legitimate case. This Committee was chaired by the Office of the Special Trade Representative and included representatives of the Departments of Treasury, Labor, Commerce, Agriculture, State, and Justice along with the Council of Economic Advisers.

In recognition of the problem, the Office of the Special Trade Representative has accepted the Committee's recommendation that discussions be undertaken with the European Community: (1) to express our concern about the impact of European Community export subsidies on wheat during the 1978/79 marketing season, and (2) to ensure the Community clearly understands that in the event subsidized European Community sales of wheat to third country markets create instability and loss of United States wheat sales in the coming market season, we will undertake all appropriate efforts to protect our trade interests.

The intention is to schedule these discussions as soon as possible but, in any event, prior to the beginning of the European Community's 1979/80 marketing season.

As you see the administration is planning to take steps to deal with this problem. It is unfortunate, though, that action could not have been taken sooner to prevent the loss of $885 million in wheat export earnings.

Mr. Speaker, I feel that this is a matter worthy of the attention of the House of Representatives. By passing this resolution we will be giving the U.S. negotiators an additional tool to use in their dealings with the European Economic Community. The intent is not to promote trade warfare, but to insist on fair international trade.

Now is the time for us to let our competitors in the international marketplace know we are serious and no longer will accept anything less than that which we deserve and have every right to expect; that is, basic fairness.

I urge my colleagues to support the rapid enactment of the following resolutions:

H. Res. 383

Resolution expressing the sense of the House of Representatives that the United States should take certain actions to persuade or compel the European Economic Community to cease reimbursing exporters for subsidizing the production of wheat for export from the countries which are members of the European Economic Community

Whereas 30,600,000 metric tons of wheat, comprising 60 percent of the wheat harvested in 1978 in the United States, was sold in the marketing year ending in May 1979 for export from the United States;

Whereas the European Economic Community reimburses exporters for paying subsidies to producers of wheat in the countries which are members of the European Economic Community, for the purpose of increasing the amount of wheat exported from such countries;

Whereas the reimbursement by the European Economic Community of exporters who pay such subsidies prevented the United States from selling for export an estimated 3,300,000 metric tons of wheat in 1979 marketing year;

Whereas this loss of sales of wheat for export from the United States reduced the export earnings of the United States by approximately $885,000,000 in the 1979 market year;

Whereas increasing the production of wheat in the United States depends on expanding markets for wheat exports;

Whereas the Ministers of Agriculture of the European Economic Community met on June 2, 1979, and took no action to eliminate or limit the reimbursement of exporters for subsidies to be paid to producers of wheat for export from the countries which are members of the European Economic Community;

Whereas the General Agreement on Tariffs and Trade Subsidies Code establishes procedures to resolve disputes regarding the fairness and justification of the reimbursement of exporters for such subsidies; and

Whereas the Secretary of Agriculture has the authority to provide subsidies for the production of wheat for export from the United States: Now, therefore, be it

Resolved, That it is sense of the House of Representatives that—

(1) the Special Representative for Trade Negotiations should consult with the Ministers of Agriculture of the European Economic Community to persuade them and, through them, the European Economic Community to cease reimbursing exporters for subsidizing the production of wheat for export from the countries which are members of the European Economic Community, and

(2) if the European Economic Community refuses to cease reimbursing exporters for subsidizing such production of wheat, then—

(A) the United States should take action in accordance with the General Agreement on Tariffs and Trade Subsidies Code to compel the European Economic Community to cease paying such reimbursements, and

(B) the Secretary of Agriculture should implement a program to pay any subsidies necessary to make the price of wheat for export from the United States competitive with the price of wheat for export from the countries which are members of the European Economic Community.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President and to the Special Representative for Trade Negotiations.●

OBSERVANCE OF RIVERVIEW HOSPITAL'S 50TH ANNIVERSARY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. HOWARD. Mr. Speaker, August 4, 1979, marks the 50th anniversary of Riverview Hospital, Red Bank, N.J.

Founded in 1929 as a voluntary, nonprofit organization, Riverview Hospital has grown both in size and in the scope of its services to become one of New Jersey's leading health care facilities, and the focal point of health care for over a quarter of a million residents.

Riverview Hospital has always been in the forefront of progressive medical science and programs, and was the first hospital in New Jersey to establish a specialized surgical-respiratory intensive care unit and to pioneer the use of cobalt therapy for the treatment of cancer.

Riverview Hospital is one of the few hospitals in New Jersey that has a program of hospice care to meet the special needs of the terminally ill. It has been my privilege to work with Riverview in attempting to secure Federal funding for its hospice program, as I believe that it represents a progressive effort to control the high cost of hospital care.

Fully accredited, Riverview Hospital offers a comprehensive array of advanced health services in its 500-bed facility. Among these are stroke rehabilitation, a full-service alcoholic recovery program with a residential treatment facility, a speech and hearing nursery school, critical care units for surgical, respiratory, coronary and medical patients, mental health programs, cancer information center, nuclear medicine center for the diagnosis and treatment of cancer, consumer health education programs, Tel-Med, plus numerous outpatient services.

I know that my colleagues will join with me in recognizing the positive and progressive steps Riverview Hospital has implemented in improving the service it provides to all the residents of the area it serves.●

CAPTIVE NATIONS WEEK

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. CONTE. Mr. Speaker, as you know, this week has been proclaimed by Congress as Captive Nations Week. It was 20 years ago, in July of 1959, when the first Captive Nations Week was proclaimed and this is now the 21st time it has been observed.

Mr. Speaker, I think it important for us to realize, and many often forget, that we are not worried about the captive nations themselves, but rather about the people in these nations. These are the people who do not have the basic freedoms and rights which we, as Americans, enjoy; the freedom of religion, the freedom of speech, the right of self determination. These are the values which we hold dear, and yet we forget that not all the people of the world enjoy them.

The United States is still a beacon of light and freedom to all the world. But we are at a disadvantage because of our belief in freedom. We are at a disadvantage because we will not impose our values on another nation. We will lend support, we will try to persuade and convince, we will attempt to educate, but, unlike governments which impose their will by force, we impose our will strictly by example. We will not force an unwilling people to accept our form of government. So we must show that our Nation progresses faster, produces better, and remains stronger, because of our governing system.

This year we have taken a big step in this direction. We now have normalized relations with mainland China. We have before us a golden opportunity to show a billion people, one-quarter of the worlds population, just what our country is like.

Certainly, the present Government in China may still oppose our concept of government. They may still check the freedoms of their people. But now, these 1 billion people can at least catch a small glimpse of what our country is like. It is said that great changes start with small ideas. Now, perhaps, the small idea can at last be planted in China. It may take a long time for that idea to grow, longer than you or I will be around, Mr. Speaker. But that is the disadvantage of im-

posing by example. Patience is a virtue, and we must be virtuous.

In the meantime, we should do all that we can to help people in those nations where they already yearn for freedom, but are held in check by a stronger force.

The influence of the Soviet Union continues to spread, as more and more countries are forced under their rule. We should put a spotlight on what they are doing. We should show the world that the Soviets still reject the rights of all men to certain freedoms.

We must work, through peaceful means, to free captive nations that wish for freedom, and we must help to support those countries whose freedoms are in danger. We must let the world know that we will work tirelessly on behalf of human rights until all people enjoy the freedoms which are, by right, theirs.

Mr. Speaker, let us remember during this observance of Captive Nations Week, that freedom is not something which can be given, freedom is something which can only be taken away.●

REAL PROPERTY TAX REFORM BILL INTRODUCED

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. GEPHARDT. Mr. Speaker, proposition 13 may be history in California, but real property taxes will remain an important source of revenue to State and local governments and a constant source of complaints from taxpayers. Whether or not property taxes should be reduced, everyone agrees that property taxes are poorly administered and that there is a great need for reform—the biggest obstacle being how do we pay for it.

The two problems common to most jurisdictions remain the need for reassessments to meet current fair market value standards in each taxing district and the need to equalize the amount and rate of taxation on all real property in the State, without regard to the use or value of such property. Unfortunately, most jurisdictions cannot afford to reassess their property on a fairly current basis and there is little incentive to equalize.

Accordingly I am introducing today a bill to establish a program of assistance to State governments in reforming real property tax laws. Briefly, the Real Property Tax Reform Act of 1979 * * *

First, states as its purpose to strengthen the ability of State and local governments to administer real property tax laws, to encourage reform of the administration of such laws, to promote sound land-use policies and coherent urban growth, to provide information to taxpayers, and to provide funds for education to States which adopt certain reforms;

Second, establishes, within the Department of the Treasury, the Office of Real Property Tax Reform to be headed by a Director and a Deputy Director, who will monitor the Federal role;

Third, provides a grant and loan program for States that publish the assessment-sales ratio and implement an effective appeals process, beginning with $15 million in fiscal year 1981 and increasing to $25 million in fiscal year 1983;

Fourth, provides interest free loans to States for the testing and certifying of assessors along with the compilation of maps and other improvement activities; and

Fifth, arranges for the training of assessors under the Intergovernmental Personnel Act of 1970 and assists States in securing Federal information; the bill would also provide $5 million for special experimental programs and other administrative reforms.

Because our public education systems depend so much on this revenue source, my bill will also provide education grants to States which adopt certain reforms with respect to real property taxation and the distribution of education funds derived from such taxation. Given the Serrano against Priest decision of the California Supreme Court in 1971, it is incumbent that the revenues derived from property taxes be spent in equal amounts for the public education of each student in each State. This bill would encourage such action by providing education grants to those States that assess real property not less than once every 5 years, that base the real property tax on the same percentage of fair market value, and that equalize current funding disparities among school districts. Hopefully, future votes on local school tax levies would be received more favorably by the voters for the benefit of our school age children attending public schools. The Congress is working its will for private education in the form of tuition tax credits the same can be true for public education with this bill.

For the taxpayer, the Real Property Tax Reform Act of 1979 will not limit the amount of tax that could be levied on their property or the size of reassessments that periodically will be made, that is, this is not a Federal proposition 13. Real property taxes under our Federal system of government must and shall remain in the hands of State and local public officials, subject to the will of the people of course. What the bill will encourage, however, is property tax reform that would insure that your next door neighbor or the business down the street will be reassessed on the same basis as you are and that like property throughout the State is bearing its fair share of the local tax burden as well.

In short, I propose a means to make real property taxes as fair and equitable as possible.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Ms. HOLTZMAN. Mr. Speaker. I was unable to be present for the following votes on June 26, 1979. If I had been present, I would have voted the following:

Rollcall No. 280—yes; rollcall No. 282—yes; rollcall No. 283—yes.●

SOVIET ULTIMATUM ON SALT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following William Randolph Hearst editorial, which appeared in the July 1, 1979, issue of the Hearst Newspapers, comments on recent Soviet threats to break off future strategic arms talks if the Senate decides to add conditions to the SALT II Treaty.

I think the editorial raises a number of considerations that my colleagues in the Senate should keep in mind as they debate the Treaty. Certainly the most important of these points is that the Senate should not allow the Soviets to intimidate them in their deliberations.

The editorial follows:

SOVIET ULTIMATUM CASTS SHADOW ON 4TH

NEW YORK.—Today marks the beginning of the week in which we celebrate Independence Day, the 203rd anniversary of the day the United States of America declared its independence from the British Empire.

We call this Wednesday the "Glorious Fourth" and for good reason. We glory not only in our nation's successful fight for freedom, but in its emergence during these 203 years into the world's greatest showcase of vigorous and truly representative government. We have preserved the checks and balances written into our Constittuion by the Founding Fathers, preserved them because they are the essential framework of our individual liberties and human and political rights. The Fourth of July is indeed one of freedom's most glorious days.

This year a shadow hangs over this great holiday. It is cast by the Soviet Union's ugly ultimatum to the U.S. Senate to ratify the SALT II treaty—or else end negotiations for all time.

It is an insult that almost defies belief. It is asking the Senate to reverse history, a history that has seen that body particularly with the president honorably and effectively in guiding the destiny of our nation. It is not a pleasant spectacle to see a totalitarian nation trying to tell a free nation that its duly elected representatives should have nothing to say in the formation of national policy.

That, however, is what the Soviet Union's foreign secretary, Andrei A. Gromyko, told the world, in plain English, at a press conference last week. He warned the U.S. Senate that if it even revised the SALT II agreement, Russia would talk peace no more.

A week before in Vienna, President Leonid Brezhnev threatened that the treaty would "collapse" if the Senate did any tinkering. Gromyko was equally blunt in badgering the Senate to sign, or else: "I tell you frankly, it is impossible to resume negotiations. It would be the end of negotiations, the end, no matter what amendments would be made." The ultimate insult was his asking the Senate to ratify a document it hadn't even read.

I am not greatly surprised at this ultimatum. Recent impasses in Soviet-American relations have been a forewarning. What does surprise me is that it should happen in my lifetime. I had a feeling that perhaps my two sons some day would hear a Russian leader tell the United States to do its bidding or else, but I didn't expect to hear it myself.

What is so disheartening about all this is the Soviet Union's total lack of understanding of the part people play in governing a country like the United States. Doubly disheartening is the fact that President Carter aided and abetted the Soviets' attitude by his own form of arrogance in cracking the whip over senatorial backs.

Carter let the Senate know it would look like a bunch of "warmongers" if it did not go along with the treaty. By implication he said they would be unpatriotic. With disdain for the system of checks and balances, written carefully into the Constitution by the Founding Fathers in order to ensure the equality of the three branches of government, he announced that if the Senate failed to ratify, he would conduct foreign policy just as if the treaty existed anyway.

All of which played right into the hands of Brezhnev and Gromyko. It opened the door for them, indeed encouraged them, to get into the needling act and tell our senators how to vote if they were to remain in good favor with Moscow.

Sen. Robert Byrd, the Democratic majority leader from West Virginia, flew to Moscow last week, hoping to explain to the Russians that Senate ratification of SALT II, or any treaty, is not an automatic gesture. It may be difficult for him to penetrate their washed brains, but it is a worthy mission. He can at least tell them that U.S. senators won't sit still for the kind of abuse they are getting from the Kremlin and the ultimatums hurled by its spokesmen.

It is hard to believe that Gromyko could issue such an ugly ultimatum. It is even harder to believe that the attitude of a U.S. president should have encouraged him toward such an end.

On a cheerier note, I might add that the Kremlin's attempt at an end run around the Senate won't work. The Senate isn't that stupid. Its members are too intelligent and too dedicated to our form of government to become psalm-singers at their own funeral. Nevertheless, it is disturbing to see them looked upon as rubber stamps by their own executive branch.

Our president is not an absolute ruler. Our president is simply an equal partner in a triumvirate that also includes Congress and the Supreme Court. This is the American system of checks and balances. Let us bear this in mind as we celebrate Independence Day and rejoice in the right of free people everywhere to live without threats, coercion—or ultimatums.

It is a good time for all of us to reread the preamble to the Constitution and the Bill of Rights to reinforce ourselves against those who would ignore these finely tuned documents of the true meaning of freedom.●

REGARDING DISCOUNTED AMTRAK FARES FOR THE ELDERLY AND HANDICAPPED

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. RATCHFORD. Mr. Speaker, I urge my colleagues to support an amendment offered by the distinguished chairman of the Select Committee on Aging, Mr. PEPPER. This measure would amend the Amtrak authorization bill under consideration this week to require Amtrak to institute a program of 50 percent discounted fares for the elderly and handicapped.

I laud Amtrak for their diligent efforts to date to promote use of its services by the elderly and the handicapped, but I submit to you Mr. Chairman, that more must be done in this area if we are to achieve greater socialization of this vital sector of our population. It has been Amtrak policy since 1972 to "make the right of travel a reality for all people." This amendment is an effort to state the sense of the Congress that Amtrak, which receives millions of taxpayer dollars each year, cooperate with our nationally stated goal of bringing more elderly and handicapped back into the mainstream of society. Recognizing that all Americans have the right to unimpeded access to transportation, the Congress has passed legislation intended to remove all social and physical barriers such as the Rehabilitation Act of 1973 and the Older Americans Act.

Understanding concerns by Amtrak that the displacement of the present ridership with discount fare passengers could mean a substantial loss in revenues, this amendment is designed to apply only to those seats available on any route. Reports indicate that in fiscal year 1978 Amtrak carried over 5,100,000 passengers on its long-distance trains. Persons over the age of 55 comprised from 23 to 27 percent of all passengers, with half of those aged 65 or over. In the Northeast Corridor Amtrak carried over 10,400,000 passengers, with only 18 to 22 percent over the age of 55, and only 10 percent over the age of 65. Even a modest promotional effort by Amtrak in recent years has resulted in a healthy threefold increase in ridership by the handicapped. Clearly, Mr. Chairman, the full potential for greatly increased use of rail transit by the elderly and the handicapped has yet to be realized. Our amendment would go a long way toward the achievement of these important goals we have continually set forth.

My experience as a former Commissioner on Aging for the State of Connecticut would clearly indicate that many older persons are no longer able to drive automobiles, and lack adequate financial resources to fly or take the train at regular fare schedules. We all know that the vexing problem of gasoline supplies and the high cost of fuel prohibits many who are able to drive from doing so. The financial constraints are all the worse for our elderly and handicapped population. Since we know that Amtrak operates each day with many empty seats, it indeed makes imminent sense for us to fill these seats with those who would occupy them if discount fares were available on a space-available basis. The deregulation of the airline industry provides us with an excellent example of the benefits which can result from the use of reduced fares.

Mr. Speaker, I implore my colleagues to adopt this important measure which will reaffirm our commitment to offering greater access to transportation to those that need it most, at no cost to the taxpayer. Thank you.●

THE BRONX—LOOKING GOOD FROM A BUSINESS POINT OF VIEW

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. BIAGGI. Mr. Speaker, recently a speech was delivered in my home borough of the Bronx which was most unusual by today's standards. It touched on the positive aspects of urban life—more specifically about life in the Bronx, one of the five great boroughs of the city of New York. In a time when cities continue to be unfairly maligned the speech was a welcome respite from the norm.

The speech was delivered by Robin L. Farkas of the Alexander's department stores whose first store was opened more than 50 years ago in the South Bronx. George Farkas, Robin's father founded the first store and the Alexander's chain has grown to become one of the largest in the New York City area. Alexander's remains a vital part of the South Bronx and in fact the operation has expanded in the ensuing 50 years. This comes in direct contrast to many businesses which have shut down.

Robin Farkas makes a number of salient observations about what has caused the decline of New York. Included are some Federal policies, especially welfare policies, which seemed to inflict much more of a burden on New York without providing an opportunity to offer relief.

However, unlike many assessments of New York City—this one has an upbeat main point—notwithstanding the decline—Alexander's has remained in New York and in fact has expanded its base because it believes in the Bronx and believes it performs an important service to the community. Put into Farkas' words:

And why didn't Alexander's move away? Because there are still people here and they still need clothing and household goods they can afford.

The message is clear. New York can and should be revitalized through incentives provided by the city, State, and Federal Government as well as private industry. New York must be viewed as a five-borough entity. The South Bronx must be moved away from the rhetoric into the reality. Recently the Department of Housing and Urban Development awarded more than $4 million in grants to two projects in the South Bronx. This is what is needed—funds that will generate new jobs—new jobs generate new confidence—new confidence generates new citizens and businesses. This is what is needed and should be started.

I am happy to place into the RECORD the speech of Robin L. Farkas delivered before the Bronx County Democratic Committee annual dinner:

Thank you, Stanley Friedman:

I understand from The Post that I am a stand in for Gerry Brown. I don't mind

that—but when do I get time with Linda Ronstadt? I would be glad to take her on a photographic tour of the Bronx!

I accept your gracious presentation on behalf of the 13,000 hard working and dedicated people who comprise the Alexander's team and who make it what it is today. I also accept your presentation on behalf of my father, George Farkas, who founded Alexander's over 50 years ago and opened the first store on 3rd Avenue, in what is now referred to as the South Bronx. That's a place that presidents like to visit but they wouldn't want to live there. It was much smaller than the store that is there today. In the intervening years, as the Bronx developed, it was expanded many times. The second Alexander's on Fordham Road, which was opened in 1933, also started much smaller and there are probably not too many people here this evening who remember it in its original form. How many people remember Rosenhain's Restaurant on the corner of Fordham Road and the Concourse? Now, it and a number of former apartment houses on Creston Avenue and the Concourse are incorporated into the store. How many here remember Rogers Department Store at Webster Avenue and Fordham Road? For those whose recollection does not go back that far, Rogers was the original occupant of the present Sears store—and that won't be there too much longer.

The Bronx was a different Bronx in those days but Alexander's is the same Alexander's. Why, then, did one prosper and grow—while the other did not? Believe it or not, the basic cause of the decline of the Bronx was federal policy and our own good intentions. The City was prosperous and growing in those days of the 1940s and early 1950s—as was the rest of the industrial Northeast. The South was depressed and lagging sadly. Federal policy was aimed at righting the inequities between North and South, so the revenues from the wealthy North were diverted into building highways stretching from the cities of the North to the South and the West. Port facilities and government installations were built to develop jobs for the disenfranchised South. Southern and Western states were encouraged to float tax free industrial development bonds to lure industry to the cheap labor markets still available there. At the same time, cities, like New York, with the expanded new welfare system, were encouraged to provide a better quality of life for the urban poor and, our enlightened sense of justice and liberalism made us want to do it better than anywhere else. As a matter of fact, federal monies, when we got them, were in the form of soft dollars for welfare programs. So, we built a better City University system, and a better public hospital system, and a more generous welfare system with more facilities for the disabled and disenfranchised than anywhere else. And the federal government encouraged that too.

They established programs for which they would pay 80 percent if the locality would pay 20 percent. If we didn't adopt the programs, the 80 percent went somewhere else and a lot of that was our tax money, so, we adopted the programs. Then later, the government changed its mind and dropped the 80 percent. There we were—stuck with the facilities and the programs and, now—100 percent of the bills!

It was a great tradeoff we were experiencing. Our benevolence sucked up the Southern poor and the poor Southern states sucked out our industry and with it our jobs. We were being penalized because we wanted to share our prosperity and make a better life for the disadvantaged. That was our tradition. This City was built by the waves of poor and oppressed from the East. Now, we got the poor from the South and Puerto Rico.

Not all of the damage was done to us, however. We did some of it to ourselves. We were one of the only places in the country to maintain rent control after World War II. With operating and maintenance costs, and taxes going up, rents could not rise proportionately. Maybe some form of rent control, if properly modified, could have protected the disadvantaged, but, the way it was implemented here when combined with some of the provisions of household aid within the welfare system, current rent control was counterproductive. Loss of housing stock in the South Bronx, Brownsville, Bedford Stuyvesant, and Jamaica bear witness to that. Perhaps it is poetic justice that the same city government that maintained the unrealistic rent levels became the largest slumlord of all.

The more affluent who could afford to move away from the problems did so. The new suburbs connected to the City by new federally supported highways made it easy. So the jobs went first, and the middle class went second, and, with it all went the tax base to support all the services. Thus, deficit municipal financing was born. Borrow long term to cover current expenses—only, hide it in the so-called capital budget. After all, the debt service consumed but a small part of the total tax dollar. Or does it? Does it really, when the total debt reaches 13 billion dollars? Once again, too much of a good thing!

Well, the Bronx had a big problem. It was a part of all this but it couldn't move away. Its industry could, its middle class could, but, it couldn't. Alexander's moved too but, it didn't move away. It stayed right here in the Bronx. As a matter of fact, it expanded in the Bronx and opened a 395,000 foot distribution center here, moving from a smaller facility in upper Manhattan. It was fortunate, however, because it could open stores in other places and it did. White Plains, New Jersey, Long Island, Connecticut, Manhattan, Queens, Brooklyn—to a total of 15 stores. And all of this meant more Bronx jobs as our distribution center got busier and busier.

And why didn't Alexander's move away? Because there are still people here and they still need clothing and household goods that they can afford. And they recognize value and that's what we give them and that's what we will continue to give them.

Not only that, but, we believe in the future of the Bronx and the future of New York. We are presently working on three more New York City stores because, everything runs in cycles and the pendulum is swinging back our way. The federal government has finally recognized that they were killing the geese that laid the golden eggs. For too long the prosperity of the cities was taken for granted. They recognized that the South won the economic Civil War of the 1960's, and, now it is time for a Northern urban reconstruction. And our own state and municipal governments realize what they had participated in and they have all adopted programs to restimulate the businesses they had been milking. So, there are now tax incentives, training grants, CETA grants, UDAG grants, community development grants, all aimed at stimulating the growth of business and jobs. Jobs mean dignity, jobs mean prosperity, and jobs mean the renaissance of the Bronx and the rest of New York. However, let's not mistake the image for the reality. The new programs have been stimulative and the stimulation has worked. Now there is talk in some inner circles of removing the stimulus. It's too early! The basic problems are not over. Mid Manhattan seems to be doing fine but the rest of the boroughs are not. Not yet! It is in some ways sad that government so affects our lives today but let's not change the system. It's too big. Let's turn it to our advantage. Let's make sure that everyone we send to city, state, and federal government remembers that they are from New York City and the Bronx, that the Bronx and New York need help. Let's drop our little regional and minor ideological differences and work together. We have paid our price for developing the rest of the country. Now it is our turn and we want our share.●

RON MIX, YALE LARY, DICK BUTKUS, AND JOHNNY UNITAS ARE ENSHRINED IN PRO FOOTBALL'S HALL OF FAME

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. KEMP. Mr. Speaker, I am very honored to commend to this Congress, along with my friend, Ralph Regula of Canton, Ohio, the four outstanding pro football stars and friends of mine who will be inducted into the Pro Football Hall of Fame on July 28, 1979, in Canton, Ohio. I would like to bring to the attention of my distinguished colleagues some of the highlights of their career, the sacrifice and dedication these football greats have manifest in their lives.

Mr. Speaker, I am proud that the second AFL "product" to be elected to the Pro Football Hall of Fame after Lance Alworth, is Ron Mix of the San Diego Chargers. Ron, by unanimous vote, was an offensive tackle selection. Both Ron and Lance were teammates of mine at San Diego and are close friends besides being two of the greatest football players of all time. I am very pleased that Ron Mix has made the hall of fame, particularly because of his tremendous dedication and personal example of integrity.

Yale Lary, a versatile do-everything style of player, began his 11-year career in 1952 with the Detroit Lions. Whether it was a key tackle, an interception or a long run, making the big play in a close game became a Yale Larry trademark. Yale is an old friend from my brief days with Detroit in 1957, my rookie year.

Who is the best player at any position is always debatable. But there is never an argument when the position of middle linebacker is mentioned. From 1965 through 1973 Dick Butkus of the Chicago Bears, wreaked unprecedented havoc on the offensive units of all other National Football League teams. Dick is a legend in the NFL and is most deserving of hall of fame recognition.

Joining Ron Mix, Yale Lary, and Dick Butkus is a man who could be called the greatest quarterback in history, Johnny Unitas. Known as "Mr. Clutch," Unitas is one of the most fabled and followed grid stars in history. Not only respected by his teammates, John Unitas is probably the single most respected quarterback in all of pro football by his opponents as well.

Ron, Yale, Dick, and Johnny are truly reflective of all football greats presently enshrined and indeed of the highest qualities of pro football as played in the National Football League.

I think it would be a mistake, however, to focus attention only on this award

without recognizing the qualities developed in their lives which helped them to overcome obstacles on the way to the hall of fame. For to focus attention solely on the award, and their success, is to lose sight of the many hardships and challenges that each has overcome and which seem to me the real reason the hall of fame exists for all America.

As I said in my speech in Canton, Ohio, honoring the 1973 enshrinees, the meaning of the hall of fame is to serve as an example and a beacon, by which young men and women around this country can gain inspiration and motivation to press on, despite temporary setbacks to their goals in life. Whether or not they reach the hall of fame—it is in the competition and in the striving that qualities are forged that make for better people and better citizens of this great Republic.

What these great athletes really honor in Canton, Ohio, is the transcendent quality of the human spirit that united us all, black and white, young and old, men and women, the spirit that derives strength from challenge. The spirit that never gives up. The spirit upon which this country was founded, upon which we must build even further if we are to have a better tomorrow. It has been said that if you lose your money you have lost nothing. If you lose your spirit, you've lost everything. We must never lose our spirit, either as individuals, or as a nation, and these four athletes are typical of that spirit that never, never, never quits.

These men are friends of mine and inspirations to all who know of their personal and professional lives.

Ron Mix was an all-NFL selection in his first 9 years. Eight times he was the AFL's all-league tackle. He played in seven AFL All-Star games and in five of the first six AFL Championship games. When the Hall of Fame Board of Selectors picked an all-time AFL team in 1969, Mix stuck to a fairly basic formula of utilizing his speed and strength to become the AFL's best offensive tackle. On passing plays, he would simply pop out at his opponent, usually the defensive end, at the moment of the center snap, hit him hard, drive him back and continue the attack until the pass was in the air.

Ron is one who believes that if you work hard enough at anything you will make it, and he is one gentleman who did make it, on and off the gridiron. I know this firsthand, having been a part of Ron's early career, and he and his wife Pat, are dear friends of my family.

Yale Lary's primary task was to play right safety for Detroit's talented defensive corps. He also was a super punter who consistently kept opponents in poor field position with his booming long-distance kicks. In 1960 Detroit opponents averaged less than a yard return on Larry's punts.

He punted 503 times for an average of 44.3 yards and in 1963 his 48.9-yard record was the second highest seasonal average ever.

Lary's defensive skills elected him to all-NFL teams four times and he played in nine Pro Bowl games. Fifty interceptions is his career record and is only surpassed by four others since Yale's retirement in 1965.

The strength of the Lions famed defensive unit of the 1950's was Chris' Crew, a backfield foursome molded around Christiansen with Lary playing right safety. Yale held his position longer than any other member of the original Chris' Crew.

Yale Lary was also the Lions busiest punt returner. Three times he scored on long-distance punt returns, the longest a 74-yard return. One of his favorite ploys was a run from punt formation. Lary carried the ball only 10 times during his career for a sparkling 15.3-yard average but the mere threat of a Lary run from the punt formation kept opponents constantly on edge.

Dick Butkus was named on the all-NFL team seven of his nine seasons and he played in the Pro Bowl after his first eight campaigns. The 6-foot-3-inch, 245-pound middle linebacker held the NFL record for recovering 25 opponents' fumbles and took the ball away from the opposition 47 times to set a Bears team record. The "Monster of the Midway" was also responsible for intercepting 22 passes.

On the gridiron Butkus was a player fantastically devoted to playing every game as though it were the most important. This attitude gained him the respect of not only his teammates but his opponents as well.

In 1969 the Board of Selectors of the Pro Football Hall of Fame, when asked to name an all-star team from the first 50 years of the NFL, picked Johnny Unitas as quarterback. He aced me out by just a few points, but I am overlooking that for the greater good. Seriously, Mr. Speaker, Johnny had all the attributes of the perfect quarterback: confidence, courage, coolness under fire, leadership, play calling genius and passing skill beyond belief.

Unitas' career statistics are awesome: 8,186 pass attempts; 2,830 completions; 40,239 yards gained, and 290-touchdown passes. A classic pocket passer who ran only in emergencies, Johnny still gained 1,777 yards and 13 touchdowns rushing.

He was an all-NFL selection 5 times and in 1959, 1964, and 1967 was named the NFL player of the year. Unitas played in 10 Pro Bowl games and won MVP honors a record trying 3 times. He guided the Colts to a second straight NFL title in 1959, and altogether played in three NFL championship games, two AFL title contests and Super Bowls III and V during his Baltimore tenure. He missed the 1968 NFL Championship contest because of injuries.

The record book is clogged with Johnny Unitas notations, but there is one mark—throwing at least one touchdown pass in an incredible 47 straight games (49 if you count the 1958 and 1959 NFL Championship games) that has to rank as one of the most unbeatable records in all of sports. He is a tremendous leader, the greatest quarterback and a great American.

I am proud to say all of these men are friends of mine and richly deserve the tribute of being "Hall of Famers." Congratulations to each one and congratulations to the sport of pro football for having helped develop such men as these.●

FAILURE OF CURRENT SHIP SUBSIDY PROGRAM

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. McCLOSKEY. Mr. Speaker, during last week's general debate on the Maritime Authorization, the issue of the failure of the current ship construction subsidy program was raised. To illustrate the burdens of having to have a vessel constructed in a U.S. shipyard and the failure of the subsidy program to eliminate the advantages of having a vessel built overseas, I would like to place in the CONGRESSIONAL RECORD a letter from a U.S. steamship company explaining why they decided to have their new vessels built overseas without subsidy rather than in the United States with subsidy.

The letter follows:

SEA-LAND SERVICE, INC.,
Edison, N.J., March 29, 1979.

Hon. PAUL N. McCLOSKEY, Jr.,
205 Cannon Building,
Washington, D.C.

DEAR CONGRESSMAN McCLOSKEY: This is in response to your letter of March 19 requesting that I advise you the reasons why Sea-Land decided to construct new vessels in foreign shipyards "in spite of the Construction of Differential Subsidy Program designed to equalize costs between foreign built and subsidized U.S. built vessels."

The principal reasons for Sea-Land's decision to award contracts to Japanese and Korean shipyards for our twelve new vessels were delivery schedule, sequence of delivery, technology, and price.

The three foreign yards selected for our building program provided as a delivery schedule of fifteen months construction time for each vessel and a sequence of delivery of one vessel every thirty days commencing January 1, 1980. Aside from price, which I will answer specifically, one of our principal objectives was to place these new vessels in productive service as soon as practical.

Our planning analysis projected the increasing importance of vessel fuel efficiency. We concluded that this generation of new vessels would have to be powered by large, high quality, slow speed diesel engines capable of burning all grades of fuel.

The inability of American shipyards to meet the power plant and delivery schedule requirements could not have been corrected by CDS.

The D-9 class vessels were contracted for $30 million each (fixed dollar contract). Our Ship Construction Department estimates U.S. construction costs of about $80 million per vessel. The differential is $50 million but Section 502 of the 1936 Act permits a maximum subsidy of 50 percent of the U.S. cost, or $40 million. Therefore, even with a 50 percent CDS, our Company would have paid a penalty of about $120 million to get later delivery of twelve ships from yards with little or no experience in building the required machinery plants. In addition, there would have been a further penalty of the delay of about twelve months in starting the service. Added to that, the sequence of delivery from American yards would have been at least every ninety days versus every thirty days.

MHI, the lead Japanese yard, also pro-

vided engineering design for these vessels and diesel engine training facilities for shipyard and shore staff engineers.

In summary, the combination of these economic elements represent a substantial benefit to Sea-Land that, unfortunately, could not be matched by American shipyards.

Sea-Land is a subsidiary of a publicly-held company and is obligated to provide its parent and the shareholders a financial return which justifies and encourages the investment required for growth, profitability, and continuing strength of its American flag operations.

I trust this information will satisfy your inquiry.

Respectfully,

C. I. HILTZHEIMER,
Sea-Land Service, Inc.●

ROMANIAN MFN

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. DODD. Mr. Speaker, when the House of Representatives meets to consider House Resolution 317, disapproving extension of most-favored-nation status for Romania, I will vote in favor of the resolution of disapproval.

For the past 3 years, Mr. Speaker, I have always voted against such resolutions of disapproval. However, this year, I will vote "aye" on House Resolution 317. I will vote "aye" because I have simply lost my patience with the Romanian Government.

Since the United States granted most-favored-nation status to Romania in 1975, the human rights situation in that nation and the level of Jewish emigration to Israel have declined dramatically. New barriers to free emigration have been created by the Romanian Government. Romanians wishing to emigrate must now get on a waiting list for a preapplication form, then fill out the form itself and finally, if his preapplication form is approved, he may then receive and complete the actual application form.

It should therefore come as no surprise to us that Romanian emigration to Israel continues to decline. Prior to most favored nation, 4,000 Romanian Jews left for Israel. In 1978, the number had fallen to 1,200, and so far this year only 251 Romanians have been allowed to leave for Israel. Granting most-favored-nation status to Romania has obviously not had any positive effect on Romania's emigration policies.

Romania's treatment of the 2.5 million member Hungarian minority has also failed to improve over the past 4 years. In fact, ample evidence has been received by the subcommittee on trade that Romania is pursuing a systematic effort to destroy the very fabric of Hungarian cultural life in Romania by eliminating Hungarian schools, classes, and other institutions.

We have been told that only by continuing to grant MFN treatment to Romania can we exercise the necessary leverage over the Romanian Government to improve its emigration policies and its treatment of the Hungarian minority. Mr. Speaker, I have come to realize that this is a bankrupt policy. We have not been able to influence the Romanians. In fact, their policies have grown increasingly repressive.

It is time that Congress took a stand and said to the Romanian Government, "either you fulfill your international obligations under the Helsinki Final Act, the International Pact for Civil and Political Rights and Jackson-Vanik, or we will temporarily suspend MFN treatment for 1 year." Instead of continually extending MFN, we should put the Romanian Government to the acid test to see whether they will live up to their professed commitments on freer emigration and human rights.

Personally, I would like to see the Romanian Government take positive action in the case of one particular family. Since 1973, Ecaterina Rauta and her 6-year-old son Mihai, have been refused permission to emigrate to this country to join Mrs. Rauta's husband, Constanin Rauta. Mr. Speaker, this woman and her young son are being denied permission to come to the United States as a means of punishing Mr. Rauta, who sought political asylum here. Mr. Rauta was granted asylum, but because of his political beliefs, the Romanian Government is vindictively harassing his family in Romania and refusing them permission to join Mr. Rauta here. I hope that if nothing else is accomplished during our consideration of House Resolution 317, that the Romanian Government will see fit to allow the reunification of this family.

Voting in favor of the resolution of disapproval is something I have never done before, but in good conscience I can do no less.●

THE METHANOL AGE IS DAWNING

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. WHITEHURST. Mr. Speaker, I would like to take this opportunity to call to the attention of the Members of Congress an article by James Flanigan, which appears in the August 6 edition of Forbes magazine.

The article is entitled "The Methanol Age Is Dawning," and states many of the things I have been saying about the potential of methanol as an alternate fuel in this country. As you know, I introduced H.R. 811 in January, which calls for the increased production of methanol, commonly known as wood alcohol.

In the light of President Carter's decision to spend a large share of the $140 billion collected through a windfall profits tax on the oil companies for development of synthetics fuels, I think it is becoming increasingly practical to produce greater quantities of this alcohol fuel.

In my State of Virginia, one of the top seven coal-producing States, Gov. John N. Dalton has stated that southwestern Virginia would be an ideal location for a synthetic fuel plant.

Therefore, I commend the following article to your attention:

THE METHANOL AGE IS DAWNING

(By James Flanigan)

The most specific demand in President Carter's July 15 address to the nation was that electric utilities cut their use of fuel oil by 50% in the next decade and switch to coal. That would mean a significant reduction in imports—850,000 barrels a day, 10% of total U.S. imports.

But immediately after the speech, questioners appeared on television screens asking how the utilities could burn coal. A whole army of professional environmentalists and their groupies would take to the courts to block it. And they would have the law on their side.

But the utilities could burn methanol, an alcohol made from gasifying coal. Methanol, more commonly called wood alcohol, has the advantage of providing a relatively quick fix to at least one part of the energy problem. "Technically, we could turn dirt this afternoon," says Jimmie R. Bowden, president of Conoco Coal Development Co., speaking of his company's ability to produce methanol. "It's ready to go," adds John J. Wise, vice president of research and engineering at Mobil Corp.

In its Report of the Alcohol Fuels Policy Review, the Department of Energy conceded that gasohol, not methanol, would be the quickest available synthetic, a solution of 90% gasoline and 10% ethanol made from grain.

But gasohol has its sharp limits. It is very popular in the grain belt states but it could, said DOE, displace only 40,000 barrels a day—0.4%—of oil imports by 1985. Before it reached 3.5% it would conflict with U.S. food needs.

Which brings us back to methanol as a fuel for electricity generation, replacing imported crude oil. Methanol can be produced in significant quantities as early as the mid-1980's. "We see methanol from coal as one of the dominant fuels that would be made in a synthetic fuels program," says Edward H. Blum, director of policy in DOE's office of technical programs. Conoco's Bowden says he could commit Conoco to a $1 billion methanol plant right now if he could get government help with the capital costs through a special investment tax credit and accelerated depreciation. Given such help, the company can produce methanol competitively with number-2 fuel oil to power utility turbines, and will soon be competitive with low-sulfur residual oil.

Electricity generation consumes 1.7 million barrels a day of oil at present—fully 20% of the nation's imports. If methanol can substitute for a substantial part of this, the U.S. could stay within President Carter's strict import limits and still have plenty of oil available for home heating and for transportation.

Nobody wants to go back to the bad old days of smog and smoke-filled skies around the coal-burning power plants. Stack scrubbers to remove the sulfur from coal is one way out. Converting the coal to a cleaner-burning substance—methanol—is a possibly better solution.

There are no technological mysteries in producing methanol, only stiff capital needs. For instance: To produce sufficient methanol to replace half the fuel oil used by utilities would demand just over $50 billion for some 17 plants. The capital costs of coal gasification comprise three-quarters of that amount. But savings in oil imports would run over $6 billion a year at current OPEC prices.

One reason there is no mystery in methanol is that the U.S. used it as a chemical

feedstock years ago when coal was our basic fuel. But coal research stopped when natural gas and oil replaced coal. Now, in our new efforts to gasify coal, we depend on the 43-year-old German Lurgi process, and a lot of research being done by U.S. companies.

The Lurgi process can work only on western coal or lignite, has poor energy efficiency and difficult operating characteristics—it requires a lot of expensive maintenance. As new coal gasification processes (notably a Texaco method that is far along) complete their development, these operating costs, although probably not the capital costs, should diminish.

Otherwise, methanol presents itself as a practical alternative fuel. The stuff can be burned even in the Los Angeles Basin. Methanol's familiarity promises no unforeseen problems in handling or use. Is is, for example, used as a motor fuel every Memorial Day at Indianapolis Speedway to power the sleek racing cars.

Today's automobile engines would need modifications to run on pure methanol, says General Motors. Rubber and plastic materials subject to corrosion would have to be changed; carburetors, distributors, spark plugs and fuel systems modified. The fuel tank would have to be twice as large or trips to the "gas" station twice as frequent.

But the U.S. may never have to go to the extreme of alcoholic auto engines. Mobil has developed a way to turn methanol into high octane gasoline at $1.20 a gallon, or roughly double today's wholesale price for the conventional product. The company is proceeding with a $28 million pilot project in West Germany, funded by DOE, the West German government and Mobil.

As the world's oil-importing nations search for substitutes, each uses what it has in abundance. Brazil is developing alcohol fuels from sugar cane, Germany has always used its low-grade coals, New Zealand wants to convert its natural gas to a liquid—methanol. The U.S. abundant resource is coal.●

FIRE CHIEF WILLIS R. PINKERTON

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. LEWIS. Mr. Speaker, it is far too seldom that we take the time to recognize those in our communities who have the thankless job of fighting and preventing fires. On July 28, Barstow's fire chief, Willis R. Pinkerton will retire after 36 years of service to this community. I would like to take this opportunity to commend him for his dedicated and hard work.

Willis R. Pinkerton was born on January 26, 1927 in Dalhart, Tex. and has lived in Barstow since the age of 11. Chief Pinkerton began his fire service at the young age of 16 as a wartime auxiliary fireman. After he graduated from Barstow High School where he had been student body president, he entered the U.S. Army in 1945 and returned to Barstow as a volunteer fireman at the end of 1946.

He began his full-time service career in 1951 as a driver-engineer for the Marine Corps Supply Center in Barstow and continued as a volunteer for the Barstow Fire Department. He was promoted to crew captain in 1955 at the supply center and became assistant chief of the Barstow Volunteer Fire Department. In July 1957 Willis Pinkerton was appointed the first full-time chief of the Barstow Fire District.

During Chief Pinkerton's tenure, the Barstow Fire Department has grown from two stations, three pumpers and 30 volunteer firemen protecting an estimated 13,000 people, to three stations, four pumpers, one 65-foot snorkel, one paramedic rescue, one light rescue, 19 full-time and 52 volunteer personnel protecting an estimated 27,000 people.

Through cooperative efforts extended by Chief Pinkerton and his alliance with the statewide disaster program, he was able to augment the fire district's pumpers and equipment with a State owned fire pumper and 8,400 feet of emergency water pipe located in Barstow.

Through personal interest and concern Chief Pinkerton initiated the paramedic program by locating a nongovernmental grant that provided $15,000 for training and equipment. The paramedics have proved their worth in saving lives and relieving suffering and pain of more than 1,000 people a year since its inception in 1975.

It has been Chief Pinkerton's belief that there has been a need for a new fire headquarters with modern facilities. In January this year, a new 15,408-square-foot building was occupied. Also, this year two new pumpers were placed in service and a 1952 pumper was placed in reserve status.

One of the most important functions of a fire department is that of fire prevention. Since he became chief, and initiating such a program, there has been a significant decrease in fires among inspected buildings than in the past.

Chief Pinkerton's contribution to the community does not end with firefighting and prevention. As a member of many community social and civic service organizations, Chief Pinkerton is a past president of the Barstow Kiwanis Club, and past chairman of the Mojave District Boy Scouts of America. He has been president of the San Bernardino County and the Citrus Belt Fire Chiefs Associations, has served on the board of directors of the California Fire Chiefs Association and was vice president of the Western Fire Chiefs Association. He is a member of the State Energy Service Board.

Chief Pinkerton's contributions have been outstanding as well as far reaching and Barstow is a better and safer place because of the service of Willis Pinkerton. Therefore, on behalf of the entire 37th District, I would like to offer my heartfelt best wishes and thanks to Willis R. Pinkerton.●

LEATHER SHORTAGE

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. SHANNON. Mr. Speaker, the leather industry in the United States is now in critical condition. Thousands of shoe, garment, handbag, and other manufacturers are finding it increasingly difficult to continue in business because of the shrinking domestic leather supply. This leather scarcity will also have a significant domestic inflationary effect. I wish to insert the following article from Forbes magazine into the RECORD in order that the leather industry's crisis can be more fully understood.

THE LAST ROUNDUP FOR LEATHER?

(By Richard Greene)

The signs are there, like vultures flying over a diseased, but still breathing man. It's been years since you could easily find a leather baseball glove made in the U.S. The pair of leather shoes that cost $20 two years ago goes for over $30 today, and it's difficult to find them at that price. All-leather attaché cases are out of sight, many selling in the hundreds of dollars.

At the same time, the fashionable gent in Tokyo is wearing all-leather shoes, carrying a leather attaché case, and probably playing baseball with a Japanese-made leather glove. Which wouldn't be so ironic if it weren't for the fact that the Japanese raise virtually no cattle—the raw material for leather. No, it's the U.S. that raises all those cattle.

Says Lawrence McGourty, president of Melville's Thom McAn Shoe division, "The Japanese wear leather because they know Americans wear leather and they want to be like Americans. But if they keep it up, they'll be the only ones wearing leather."

So, naturally, with skyrocketing prices and high international demand, the tanners are cleaning up, right? Wrong. Dead wrong. The tanning industry, which has been dismal for years, may be on its last legs. Take Newark, for example. Pre-World War II, there were some 60 tanneries in that New Jersey city. Now there are three. Just ten years ago some 30 million hides were processed domestically for leather; now it's half that.

The problem, basically, is that there is a leather shortage. Last year 40 million head of cattle were slaughtered in the U.S. and this year it will probably be down to 34 million. So, the supply of hides is down. Meanwhile, the demand remains high. It is hardly surprising, then, that prices in December 1978 were 52 percent higher than a year earlier, and by last April they had risen 147 percent since December 1977, to 94.2 cents a pound.

The pressure driving these prices up is not only the decreasing number of hides—a phenomenon of the cattle cycle—but also the huge demand overseas, particularly in Japan and Korea, for those hides. Since 1976 the U.S. has been exporting a larger and larger percentage of its hides; 71 percent of U.S. output is now being exported, to supply about 75 percent of the hides traded on world markets.

According to Eugene Kilik, president of the Tanners' Council of America, domestic tanners just don't have much of a chance at getting to the hides. There are arrangements, he claims, in which the Japanese offer to pay 10 cents a pound more than the best bid made by American firms. That's the kind of offer you just can't beat. Especially as the Japanese restrict U.S. incursions into their profitable market.

To add to the problem, the U.S. is virtually the only nation supplying Japan's lust for hides. The other major cattle-producing countries, like Brazil, Argentina and Uruguay, ban export of hides, preferring to compete with finished leather goods. That's a good idea for developing nations because it means jobs; shoes, handbags and the like are labor intensive. Unfortunately, this leaves the U.S. as virtually the only free-market nation in an unfree market.

Since there is little that can be done to persuade the Brazilians and others to sell their raw hides, the U.S. leather industry is in a quandary. The shortage doesn't hurt only

the tanners, it hurts manufacturers of shoes, handbags, and garments as well as retailers who find it difficult to sell a pair of $25 shoes for toddlers.

Says McGourty, "This is the first time I can remember in the shoe business that everybody—the tanners, the high price shoe retailers, the popular price shoe retailers and the manufacturers—is working together to persuade the government to do something."

Last year they had some success. The government negotiated some concessions from the Japanese. Said the leather industry: Too little, too late.

Essentially, the leather industry wants a limited embargo on the hides being exported. This will ease the market here and provide blessed price relief. And Congress listens—at least a little—to an industry that employs about 300,000.

There is even precedent for this kind of limited embargo in the 1969 Export Administration Act, which President Nixon tried to use in July 1972 to put some restrictions on hide exports. By August the cattle lobby had pushed in an amendment and the restriction disappeared.

The fact is, not everybody thinks the leather industry needs—or deserves—help from the government. The producers of hides—cattlemen and meat packers—would be hurt in the pocketbook by any form of restriction on their exporting hides. They argue that they should be able to get the highest price possible for their goods. Listen to Bill Delph, vice president of Iowa Beef Processors, one of the largest U.S. hide producers: "The tanners are not being shut out. They can buy hides. They can get all the hides they want. But they're going to have to pay for them." The cattlemen mirror that sentiment—perhaps even more strongly.

Funny, isn't it? These are the same people who scream bloody murder if the U.S. lets in foreign meat to hold prices down: They are about as protectionist as they can be then. But when it comes to their precious hides—why, there's nobody here but us free-traders.●

THE DECLINE-AND-FALL MOOD

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. DODD. Mr. Speaker, I would like to introduce into the CONGRESSIONAL RECORD Arthur Schlesinger, Jr.'s article from the Wall Street Journal, "The Decline-and-Fall Mood." The article was brought to my attention, and I think all of my colleagues will be interested in reading it.

Though our country may be facing a "crisis of confidence," Mr. Schlesinger contends that a lack of vitality by the leaders in our Government is at the base of our national disillusionment. I hope that we will take Mr. Schlesinger's advice and try "some good experiments" rather than avoiding the critical problems of our day.

The article follows:

[From the Wall Street Journal, June 5, 1979]

THE DECLINE-AND-FALL MOOD

(By Arthur Schlesinger, Jr.)

Spring finds the American periodical press in one of its decline-and-fall moods. "Americans have drifted into a condition of spoiled purposelessness," Lance Morrow, the house philosopher, tells us in Time. ". . . A damaging slackness, a wide-spread fecklessness have grown evident not only in American leadership and corporations but in U.S. society at large." The American people, according to Margaret Chase Smith in U.S. News & World Report, "have lost their will." "Innovation," Newsweek asks on its cover: "Has America Lost Its Edge?" Inside Meg Greenfield solemnly concludes a column on the Carter presidency: "Last week in Washington, the whole thing seemed about to go under." The President himself talks gloomily about "a failure of will and the political process."

Now things are bad, but honestly they are not that bad. Adam Smith used to say, "There is a lot of ruin in a country." We have been through much rougher times than this over the last half century and have emerged safely on the other side. The onset of the age of high-cost energy, the persistence of inflation, the decline in productivity—these are tough problems. But, for all their long-range implications, they are not really as urgently tough as the Great Depression or Pearl Harbor or even the Vietnam war. So let us not get unduly rattled at a moment when we need a certain coolness and detachment to prepare ourselves for the long haul.

Our basic trouble is plain enough: we have the problems, but we don't have the solutions. Or rather the solutions at hand don't work. In his new book "The Nature of Mass Poverty," John Kenneth Galbraith propounds a very important law of social policy a—law that may be summarized as: remedy prescribes diagnosis. Faced with a difficult questions and a need for action, we tend, Professor Galbraith persuasively suggests, to shape our diagnosis according to the weapons that are easiest to use. "Diagnosis proceeds from the available remedy."

HOOVER'S REMEDY

This was our approach in the early years of the Great Depression. No one knew what caused the economic collapse or what would cure it. But Herbert Hoover, constrained to apply the most convenient remedy, persuaded himself that, if he could only reduce government spending and protect the private market against mandatory government intervention, he could solve the depression. His intellectual heirs today suppose for the same reasons of convenience that cutting government spending and protecting the private market against mandatory government controls will now solve inflation.

Allowing the availability of remedy to dictate diagnosis results in the gross oversimplification of deeply-rooted problems. Does any one really believe that federal deficits are the single cause of inflation? As Herbert Stein has reminded us in this space, "Deficits don't cause inflation all the time. We have had deficits almost all the time since 1929, and haven't had inflation all that time." Or that decontrol of oil is not going to make inflation worse? Or that decontrol will relieve the oil shortage? Robert Baldwin of Gulf said the other day that "there's no way, for any amount of money, that you can reverse the decline curves on crude oil production in the United States." Or that cutting the capital gains tax will end the decline in productivity? Thoughtful students of the problem, like Professor F. M. Scherer, wonder whether the postwar technological boom is not coming to its natural end and speculate that we may be entering a Schumpeterian phase of technological maturity, from which we can be rescued only by a new cluster of technological innovations.

No doubt we will continue for a time, given the devotion of both the administration and the opposition to hallowed dogma, to act as if the private market can solve our perplexities. We will continue to try and fight inflation by inducing an economic slowdown and throwing millions of people out of work—a policy that places the burden of the war against inflation on those least equipped to bear it. We will continue to try and fight the gasoline shortage by discouraging consumption through decontrol and price increases—a policy that places the burden of the energy war on those least equipped to beat it. If supply falls so far short of demand that rationing becomes inevitable, then rationing by price is surely the most unfair form a ration system can possibly take. These every-man-for himself, devil-take-the-hindmost solutions exact a fearful social and political price and won't work in the end.

The current gloom may well be due to the gradual, perhaps still unconscious, realization that the problems we face are not amenable to the remedies conveniently at hand. Our political and our business leaders are really quite devoid of ideas but cannot afford to admit it; so when the private market fails to solve their problems for them, they blame the failure, not on the intellectual inadequacy of their remedies, but on the moral delinquency of their fellow citizens. In fact, the crisis is considerably more intellectual and analytical than it is moral and spiritual. The people are looking for a lead. Their so-called leaders have nothing convincing to say to them.

When existing theory fails, the older American way was experimentation. The Republic began as an experiment. It has grown and prospered through its capacity for invention and innovation. "No facts are to me sacred," said Emerson; "none are profane; I simply experiment, an endless seeker, with no Past at my back." Franklin Roosevelt's great contribution lay not in theory but in audacity. "The country needs," he said in 1932, ". . . bold persistent experimentation. It is common sense to take a method and try it: If it fails, admit it frankly and try another. But, above all, try something."

Except for the part about admitting failure frankly, this is pretty much what the New Deal was all about. Eventually experiment led to new theory; but that is after all not a bad way to arrive at theory.

PERSISTENT EXPERIMENTATION NEEDED

Our country is once again confronted by problems that baffle the conventional wisdom, and bold, persistent experimentation is what we need today. Now I know that the appeal for experiment may seem hollow at a time when, we are authoritatively assured, the national mood is one of conservatism. Yet, as I have noted in this space before, history records an inherent cyclical rhythm in our public affairs. In the periodic swing between activism and exhaustion, we are for the moment in the quiescent phase of the cycle. We will not be in that phase forever.

The issue is evidently not so much conservatism vs. liberalism as it is fatigue vs. vitality. When the dam breaks again in the 1980s, as it has broken every thirty years or so during this century, we will stop proclaiming our inability to do anything about our problems and stop luxuriating in our conviction of public impotence. Our current idea that the private market can take care of problems like spiralling prices and dwindling energy sources is escapism into fantasy—a fantasy that serves to rationalize a condition of intellectual bankruptcy. What we need today is not sanctimonious exhortation but detailed investigation and hard thought. For, when the new age of experimentation comes, it would be useful if we had some good experiments to try.●

DAVID BRAGER, K.S.G.

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. GONZALEZ. Mr. Speaker, this past Sunday in San Antonio I had the greatest honor and personal pleasure of

sharing a few minutes at an exemplification luncheon honoring a very wonderful friend, schoolmate of mine from elementary schools day: David Brager. David and I went to elementary school at Stephen F. Austin Elementary—the old No. 2 Public School—then to Mark Twain Junior High and then on to high school.

David has been not only an inspiration to me but to countless other San Antonians.

The occasion was to honor David on being enrolled by Pope Paul VI as a member of His Pontifical Order of Knights of St. Gregory the Great.

I include the following:

SIR KNIGHT BRAGER

Sir Knight Brager was born at Blanchardville, Wisconsin, July 29, 1916. He came to Texas with his family in 1918, and has resided in San Antonio since 1922 where he attended local schools and was in business for many years.

He served in the U.S. Army Air Corps during World War II.

He was baptized April 16, 1949 at St. Peter Prince of the Apostles Church and there on May 7, 1949 he and Frances Buck were married.

He served St. Peter Prince of the Apostles Parish as usher, lector, president of the Holy Name Society, president of the St. Vincent de Paul Society and CCD teacher. He served on the San Antonio Degree Corp. for ten years.

He is now a member of St. Anthony de Padua Parish where he has served as usher, lector, member of the parish council, president of the Holy Name Society, president of the St. Vincent de Paul Society, CCD teacher and special minister of the Eucharist.

He was commissioned special Eucharistic minister six years ago, and during those six years he has helped serve the spiritual needs of residents of two nursing homes in the parish. He provides them each week with spiritual readings, homily and Holy Communion. He is assisted in this work by ladies who are members of the St. Jude Guild of St. Piux X Church. SK Brager became a Knight of Columbus in 1958 as a member of Co. 4298. He served the council on many committees and projects, and is a past Grand Knight of the council and past District Deputy of Dist. 40.

He became a Fourth Degree Knight of Columbus, February 2, 1959 and served Assembly 1102 as Comptroller and Faithful Navigator.

He was appointed Master of Dist. II Guadalupe Province, September 1, 1968 and served in that capacity for six years.

SK Brager has served mass daily at the mother house chapel of the Sisters of Chairty of the Incarnate Word for over twenty years.

On June 6, 1977, His Holiness Pope Paul VI approved SK Brager to be enrolled in His papal family and made him a member of His Pontifical Order of Knights of St. Gregory the Great. He was officially knighted during the Holy Sacrifice of the mass on November 12, 1977 in St. Gregory the Great Church, San Antonio, Texas.

HIS EXCELLENCY ARCHBISHOP FRANCIS J. FUREY.●

LEGAL POSTURE OF THE SHCHARANSKY CASE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. WAXMAN. Mr. Speaker, last May, Prof. George P. Fletcher of UCLA, an expert in Soviet criminal law, visited the Soviet Union to conduct an independent review of the trial and conviction of Anatoly Shcharansky. Not only has Prof. Fletcher documented the most serious procedural violations of Soviet law—affecting Shcharansky's ability to obtain counsel for his defense—but he also reports about official state harassment of Shcharansky's mother, Ida Milgrom.

It is abundantly clear from Professor Fletcher's account that Anatoly Shcharansky has not received even a modicum of justice under Soviet law. I commend this memorandum to my colleagues:

NATIONAL LAWYERS COMMITTEE FOR SOVIET JEWRY,
New York, N.Y.

THE CURRENT LEGAL POSTURE OF THE SHCHARANSKY CASE

(By George P. Fletcher)

[The following memorandum summarizes the author's views after a ten day study of the Shcharansky case in Moscow, May 4 to 14, 1979. During this period, the author interview the Shcharansky family and their legal advisor in depth; he presented arguments on the case to high legal officials and he discussed theoretical points related to the case with several academicians in the Institute of State and Law. George P. Fletcher, an expert on Soviet criminal law, is Professor of Law at the University of California, Los Angeles.]

This memorandum analyzes the current legal posture of the case. There is no attempt to discuss the ultimate question of Shcharansky's guilt or innocence, for the legal issue—properly stated—is not whether he is guilty under the vague Soviet definition of treason, but whether the Soviet authorities proved him guilty and whether they followed their own laws in doing so.

The position of the Shcharansky family is that protests of innocence merely invite the Soviet reply that Anatoly is guilty and therefore the procedural abuses are irrelevant. The author shares the view of the Shcharansky family that Anatoly is innocent, but his innocence, it is worth stressing, is not the focus either of this memorandum or of the current legal maneuvers in Moscow.

1. Background Information.—After denouncing Anatoly Shcharansky in television film and in the press, the Soviet authorities arrested him on March 15, 1977. They held him in solitary confinement for sixteen months. During this period Shcharansky had no contact with his family, either by mail or in person. Nor did he have the assistance of counsel. In the period from January to early July 1978. Shcharansky spent his time studying the fifty-one volumes in the dossier prepared in support of the expected charge of treason. In December 1977, he directed the procuracy to communicate his authorization to his mother, Ida Milgrom, and his wife Avital, then living in Israel, to find a lawyer to defend him at the impending trial. The procuracy failed to communicate this authorization until March 1978.

The trial began on July 10, 1978. The charges were disseminating anti-Soviet opinions (Article 70 of the RSFSR Criminal Code) and treason (Article 64 of the RSFSR Criminal Code). The latter charge, carrying a possible death penalty, was the obvious focus of the trial and of the international concern about Shcharansky's fate.

The charge of treason under Article 64 requires proof of two elements: (1) a specific form of legislatively prohibited "treasonous" activity and (2) an intent to damage the external security of the USSR. The two specific counts of "treasonous" activity charged were first, espionage, and secondly, rendering aid to a foreign government in carrying out activity harmful to the USSR. Espionage is defined in Article 65 as transmitting, or preparing to transmit, state secrets to a foreign power.

On July 14, 1978, the court declared Shcharansky guilty on all counts and sentenced him to thirteen years deprivation of liberty, three years in prison and ten years in a corrective labor colony. The court read its judgment in open court.

The only independent record we have of what occurred at the trial is Leonid Shcharansky's informal transcript of the open sessions. The putatively critical sessions on the charge of treason were held behind closed doors. The official report issued by Tass is too scanty to permit any inferences about whether the prosecution produced any plausible evidence on its behalf.

The reading of the judgment lasted about four or five hours. The Tass reports contain no information at all about the judgment. Although Leonid Shcharansky was present at the reading, he was not permitted to take notes. Therefore we have no basis for formulating any judgment about the evidence the court relied upon in reaching its conclusion of guilt. As explained below, the acquisition of a copy of the written judgment has emerged as the central issue in the current phase of the case.

2. The Possibility of an Appeal.—One of the basic rights of every convicted Soviet defendant is to appeal within seven days for a full review of the legality of his conviction. This is known as the "cassational appeal". In the first Leningrad trial, for example, the cassational appeal was the occasion for the court's reducing the sentence imposed against Dymshitz and Kuznetsov from death to fifteen years imprisonment.

In Shcharansky's case, however, the government invoked a special procedure that precluded a cassational appeal. Article 40 of the RSFSR Code of Criminal Procedure permits any higher court to preempt the jurisdiction of a lower court. In Scharansky's case, the RSFSR Supreme Court took jurisdiction over the case and assigned one of its judges, P. P. Lukanov, to sit as the trial judge along with two lay assessors. Article 325 of the Code explicitly provides that there is no cassational appeal from decisions by the RSFSR Supreme Court. It seems odd to treat the decision of a trial court, two members of which were lay assessors and thus not judges of the Supreme Court, as the decision of the Supreme Court itself. But this procedural oddity does appear to be consistent with the formal rules of Soviet criminal procedure.

The implication of this procedure is that Shcharansky's conviction has not passed the test of any appellate review or supervision. This is highly unusual even under Soviet practice, for the review and supervision of trial court decisions is regarded as the cornerstone of socialist legality.

The only mode of review now available is a "protest" proceeding initiated by one of the several high officials listed in Article 371 of the Code. These officials include the Procurator General of the USSR Roman Rudenko, the Chief Justice of the USSR Supreme Court L. N. Smirnov and the Chief Justice of the RSFSR Supreme Court A. K. Orlov. Anyone can petition or request that one of these high officials bring a "protest" proceeding. Shcharansky's mother Ida Milgrom and his brother Leonid Shcharansky are now taking preliminary steps to petition for a protest proceeding.

3. The Problem of the Judgment.—In order to convince one of the few designated high legal officials to bring a "protest" proceeding, the Shcharansky family would have to establish either (1) a procedural violation of such magnitude that it would warrant reversal, or (2) a defect in the written judgment. There are in fact several procedural violations, to which we shall turn below. An equally strong case for review, however, lies in a critique of the judgment. To explain why this is so, we

need to consider the nature and central position of the judgment in Soviet criminal procedure.

The Soviet judgment (*prigovor*) combines in one document a verdict of guilt or innocence, a written analysis of the evidence and a determination of the sentence to be served. The function of the judgment is to explain the court's reasoning and its assessment of the evidence. The essential attributes of a valid judgment are (1) that it be founded exclusively on evidence heard and reviewed at the trial, (2) that it be well-reasoned and (3) that the evidence cited be sufficient to support the legal conclusions.

Without a copy of the judgment, it is virtually impossible for a lawyer or a relative to petition for a "protest" proceeding. The petition must be based on inadequacies of the judgment. These inadequacies might take the form of evidentiary insufficiencies, defects in reasoning, or misinterpretations of the law. In some cases, a comparison of the judgment with the protocol of testimony heard at the trial might reveal that the judgment turned, illegally, on evidence from the dossier not heard at trial.

The centrality of the judgment in Soviet criminal procedure generates the basic statutory right of the convicted defendant to receive a copy of the judgment within three days of the court's decision. The purpose of the defendant's receiving the judgment is to enable him to prepare the cassational appeal within the first seven days after the decision.

This brings us to the central issue today in the Shcharansky case. Anatoly Shcharansky himself received a copy of the judgment within a few days of his conviction. It was then taken away from him and then apparently returned a month later. Ida Milgrom has made repeated efforts to obtain a copy of the judgment from legal officials in Moscow. The latest effort was a petition dated April 9, 1979, submitted to Chief Justice Smirnov of the USSR Supreme Court. On April 13, 1979, Ida Milgrom and Leonid Shcharansky had an audience with Justice Kaznin of the USSR Supreme Court. Justice Kaznin treated the two petitioners politely and promised a reply within two weeks. As of May 14, 1979, there was no reply.

In the author's extended audience on May 7, 1979, with Chief Justice A. K. Orlov of the RSFSR Supreme Court, the issue of the family's receiving a copy of the judgment was fully aired. Although Justice Orlov was cordial, he took a firm stand against the family's or anyone else's receiving a copy of the judgment. Even if the family should now obtain the services of a Moscow lawyer, the lawyer could at most read the judgment. He said openly that Soviet officials did not want "the judgment to fall into Western hands." His view was that Anatoly Shcharansky himself could prepare any petitions that might be appropriate in the case. In the same interview, however, Chief Justice Orlov said plainly that the Court would not reconsider or review its decision. The Supreme Court was satisfied that the conviction was legally sound. In view of this prejudgment of the issues, the Chief Justice was obviously not interested in any pleas from Anatoly Shcharansky himself.

In another extended audience, May 14, 1979, with Tsibulnik, a high ranking deputy to Roman Rudenko, Procurator-General USSR, the author reiterated the importance of releasing the judgment either to the family or even openly to Western journalists. The approach in this discussion was not the importance of preparing a petition for a protest hearing (for that question was pending in the USSR Supreme Court) but demonstrating to Western critics that the judgment was legally sound and properly supported by the evidence. The response was equally adamant: the judgment would not be made available to anyone who might be able to release it to the West. Procurator Tsibulnik attempted to justify this position by invoking national security and the sensitive nature of the information in the judgment. Even apart from its legal significance, this reliance on national security was hardly plausible. Sensitive information—if there be any in the judgment—could be censored. And if indeed there was concern about disclosing state secrets in the judgment, the court should not have read the full judgment with Leonid Shcharansky in the courtroom.

The general practice in the Soviet system is to make a copy of the judgment available to the convicted defendant's family. After Vladimir Slepak was convicted of malicious hooliganism in June 1978, his wife Maria readily obtained a copy of judgment. This practice is not codified, but the official 1976 Commentary to the Code of Criminal Procedure contains the following comment (page 447):

"The Judge may give a copy of the judgment to all persons who have the right to bring a cassational appeal, either on the judge's own initiative or after petition by the interested party. In any event, the judge is obligated to provide these persons with the opportunity to familiarize themselves with the contents of the judgment."

The critical concept in this passage is "persons who have the right to bring a cassational appeal." This list of persons is specified in Article 325 of the Code; it includes the "legal representative" of the convicted defendant. Article 34, point 8, defines "legal representative" to include the defendant's parents. It follows, therefore, that Shcharansky's mother, Ida Milgrom, has at least the right to familiarize herself with the contents of the judgment against her son. This point is well settled.

The editor responsible for the 1976 Commentary, containing the comment quoted above, was A. K. Orlov, Chief Justice of the RSFSR Supreme Court, the same man who said on May 7 that Ida Milgrom would not receive access to the judgment.

It is difficult to know why in this case Soviet authorities are not willing to honor either their own laws, as interpreted in the commentaries, or their own general practice. It is possible that the judgment is embarrassingly deficient in its reasoning. It might be the case that the Soviet authorities do not wish to disclose the extent to which the conviction rests on the impeachable testimony of their own agent—Sonya Lipovsky. The most charitable interpretation from the Soviet point of view is that they wish to terminate discussion of the case and they believe that by keeping the judgment secret, they can deprive their critics of a basis for attacking the conviction.

4. The Ongoing Issue of Right to Counsel.—The procedural issue that haunts the Shcharansky case is the violation of the defendant's statutory right to the assistance of counsel. Why did Shcharansky end up defending himself? Did the court properly consider petitions to appoint defense counsel? Should the court have permitted the defendant in a capital case to stand alone, without legal assistance? Each of these questions raises complex legal points.

After the investigator indicated in December 1977 that he was prepared to close the preliminary investigation, Shcharansky was entitled to choose a defense counsel. The Code liberally permits lawyers, institutional representatives and even close relatives to function as "defense counsel". Soviet law acknowledges no restrictions on the range of advocates and institutional representatives who can serve as defense counsel. The appointment of close relatives is discretionary.

Despite these liberal statutory provisions, the Shcharansky family faced innumerable obstacles in finding a lawyer who could defend Anatoly. First, they were not informed until March 1978 that Anatoly has authorized Ida Milgrom to find a defense counsel. Then, according to the report of Leonid Shcharansky, he and his mother Ida Milgrom consulted with 20 or 30 Moscow lawyers, none of who was willing to take the case if Anatoly maintained his innocence. In the spring of 1978, Dina Kaminskaja, widely known as an independent and vigorous advocate, agreed to defend Shcharansky. But the head of the Moscow collegium of advocates rules that she could not appear in the case; the ground was that she did not have the necessary security clearance (*dopusk*).

This system of security clearances in politically sensitive cases is entirely extra-legal. And virtually all Soviet legal officials systematically deny that it exists. There is no doubt, however, that it does function, and this is why the 20 or 30 lawyers consulted by the Shcharansky family would take the case only if Anatoly pleaded guilty. A lawyer without a *dopusk* could not appear. A lawyer with a *dopusk* would lose it if he or she entered a vigorous defense.

Finally, on May 25, 1978, Ida Milgrom sent a letter to the USSR Supreme Court petitioning that she and Roland Rappoport, a French lawyer and member of the French Communist Party, be appointed to defend Shcharansky. In a telegram dated June 28, 1978, Chief Justice Smirnov informed her that the request was received and that the court would act on the petition. Soviet law requires that all petitions be decided at the preliminary judicial hearing prior to the beginning of the trial. There is no evidence, however, that the Soviet court ever even considered Ida Milgrom's petition. At the beginning of the trial, Judge Lukanov said that Ida Milgrom had not been able to find a lawyer to defend Shcharansky; therefore the court had appointed its own lawyer, Silvia Dubrovskaja, to defend Shcharansky. The court did not refer to Ida Milgrom's petition. Whether the petition was accepted or rejected, the court was required to consider it and to make it part of the dossier in the case.

On the first day of the trial, Shcharansky requested that the court dismiss its appointed counsel and permit him to defend himself. After consultation with the prosecution, the court granted the request. It may have been proper under Soviet law to permit Shcharansky to dismiss his appointed counsel, but it is highly doubtful that the court should have permitted Shcharansky to defend himself in a capital case. That the court erred in this ruling emerges from a careful analysis of the current provisions of the RSFSR Code of Criminal Procedure.

Article 49 states explicitly that counsel is obligatory in a capital case. This article is offset, however, by Article 50, which permits the defendant to refuse the assistance of defense counsel. In certain cases, however, the court is not required to accept the defendant's desire to reject the assistance of counsel and proceed by himself. Prior to 1971, there were only two categories of case in which the court had the discretion to require that a particular defense counsel remain in the case: these were the cases of minors and persons with physical or psychological disabilities. The commentaries indicate that judges at the time were permitted to accept the rejection of counsel only if either the defendant or the court found an acceptable replacement. Thus in these two categories, Article 50 was interpreted to mean that the defendant could reject his particular counsel, but he could not reject the assistance of counsel altogether.

In the early 1970's, Article 50, part II, was amended to include cases of persons relying on a translator in the proceedings and—this is the critical point—cases in which the death penalty might be imposed. The latter category encompasses all prosecutions for treason, including the Shcharansky case. Therefore if the earlier principle requiring the appointment of an acceptable substitute applies, Shcharansky could dismiss

Dubrovskaja, but only if the court found another lawyer acceptable both to the court and to the defendant. It was unlawful under the amended Article 50, part II, to permit Shcharansky to proceed without counsel whatsoever.

If this interpretation of Article 50 is correct, the court committed a most serious violation of Soviet law in permitting Shcharansky to stand alone at the trial. According to Article 345 of the Code, Shcharansky's conviction would be subject to reversal if—

"The case was heard without the participation of defense counsel in a case in which such participation is statutorily obligatory."

According to Article 49, the participation of counsel is explicitly "obligatory" in all capital cases. It is hard to know what "obligatory" means if the defendant in a capital case can dismiss his lawyer at will. Some academicians in Moscow took the position that Article 49 requires merely that counsel be present at the beginning of the case. This formalistic view would hardly explain why in cases of minors and psychologically impaired defendants, the defendant must be represented by counsel. It is not enough for counsel to be present merely at the beginning of the trial.

It is true that in Shcharansky's case, the defendant did not need the assistance of counsel in the same sense that a minor or a mental incompetent would need legal representation. Therefore, arguably there is a distinction between the provision requiring counsel in the case of persons less than fully competent and cases posing a threat of capital punishment. In Shcharansky's specific case, however, the defendant labored under such impediments that he could not carry on an effective defense on his own behalf. The striking fact of Shcharansky's situation on July 10, 1978 is that he did not know of the world-wide protest mounted on his behalf. Shcharansky began his own defense without even knowing that President Carter had publicly exonerated him of collaboration with the CIA. There was no way of Anatoly's knowing anything that happened in the outside world between March 15, 1977 and July 10, 1978. During this entire period he was kept in solitary confinement. This is the situation in which the Soviet authorities expected Shcharansky to carry on his own defense.

It is understandable that Shcharansky preferred to stand alone rather than suffer the interference of a lawyer who would insist that he plead guilty. But if the court was to permit Shcharansky to proceed alone, it should at least have taken measures to permit Shcharansky to develop his defense. The right to a defense is a constitutional right in the Soviet Union. The court is obligated to facilitate the right to a defense. The least the court should have done under Article 58 of the Code of Criminal Procedure was to permit Shcharansky to confer with his brother, who was then in the courtroom. Anatoly might then have learned of significant events bearing on his defense. But the court prohibited Leonid from talking to Anatoly. When Leonid whispered that their mother was outside the courtroom, he was directed to sit in the back of the courtroom.

In sum, there were four violations of Soviet law bearing on Shcharansky's constitutional right to a defense. First, the family was not permitted to have Dina Kaminskaja, a Moscow lawyer, represent Anatoly. Second, the court ignored Ida Milgrom's petition to appoint herself and Roland Rappoport as co-counsel. Third, the trial court erred in permitting Shcharansky to dismiss his appointed counsel without finding a substitute acceptable both to the court and to the defendant. And fourth, after the court decided that Shcharansky could proceed without counsel, the court violated Article 58 by failing to assist Shcharansky in overcoming the disabilities connected with 16 months of solitary confinement.

5. The Restrictions on Shcharansky's defense. The most blatant restriction on Shcharansky's carrying on his own defense was that he not be permitted to rebut the apparently incriminating testimony voiced against him in the court's closed session. In his closing argument, Shcharansky sought to impeach Lipovsky's testimony, but the court forbade him from referring to any evidence introduced at the closed session.

This violation of Shcharansky's right of defense carries particular irony, for a month before the beginning of the trial, on July 16, 1978, the Supreme Court of the USSR issued a decree instructing all courts to implement and protect the constitutional right to a defense. Point 17 of this decree says explicity that "the court may not restrict the exposition of arguments bearing on the substance of the case." If the court does so restrict the closing argument of the defense, the decree continues, the violation constitutes a per se ground for reversal. There is no doubt that the court violated this provision in Shcharansky's case by not permitting him to refer to Lipovsky's testimony in his closing argument. If the matter was politically sensitive, the court could readily have solved that problem by calling another session for final argument. There was no excuse for denying Shcharansky's right to make a closing argument encompassing all the issues in the case.●

MARIHUANA CONTROL ACT OF 1979

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. MILLER of California. Mr. Speaker, today I am introducing with 18 of my colleagues the Marihuana Control Act of 1979, which is a companion bill to S. 696, introduced by six Senators. This bill amends the Controlled Substances Act to remove criminal penalties for the personal possession of marihuana, and instead impose up to a $100 civil fine for the possession and not-for-profit transfer of up to 1 ounce of marihuana. Any sale of marihuana for profit would remain a criminal act, subject to current penalties.

We in the Nation's Capital are often told that the Congress must take the lead on various issues, and that the States and communities will follow our actions. In the case of the Marihuana Control Act, it is clearly the Congress which is following the lead from the 11 States who have already reduced penalties for the personal possession of marihuana. These States—Alaska, California, Colorado, Ohio, Oregon, Maine, Minnesota, Mississippi, Nebraska, New York, North Carclina—have discovered that this action does not lead to increased use of the drug, but recognizes the simple fact that Government resources are wasted in attempting to regulate what is essentially a private activity. It happened before, during Prohibition, and it was a failure. No one can deny that the Government's attempt to prohibit marihuana use has failed.

There are a number of reasons for reducing penalties, and among them is the fact that a national opinion poll shows that 59 percent of the American public support this action. In fact, in those States which have already reduced penalties for marihuana use, the percentage is even higher. This type of legislation has the support of such prestigious organizations as the Amercain Medical Association, the American Bar Association, and the American Public Health Association. President Carter has also gone on record as favoring reduced penalties.

A reduction in penalties has not increased use in those States who have passed the new law. A study in Maine showed that 48 percent of adult users had actually decreased their use of the drug since penalties were reduced. The supporters of this bill do not endorse the use of marihuana, but recognize the right of its private use by responsible citizens.

Passage of this bill would not promote the use of marihuana, but would prevent its use from causing more harm than the drug. A felony arrest record can ruin a young person's educational and career opportunities, and leave him or her scarred for life. There has to be a better way of spending the taxpayer's money than this.

This legislation will serve as a model for those States who have not yet passed reduced penalty laws, and will put the Federal law in line with those States who have passed this legislation. In a time of concern over regulation and Government interference in people's lives, this bill will be a step in the right direction.●

STANDBY REGISTRATION SHOULD NOT BE CONSIDERED IN AUTHORIZATION BILL

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. OBERSTAR. Mr. Speaker, the people of my congressional district have expressed surprise and deep concern that the House is so close to a vote on standby selective service registration. They are surprised that so important an issue is shrouded in a much larger defense authorization bill, rather than handled as separate legislation.

What I am hearing from people is concern that Congress is "short-circuiting" the legislative process by not giving standby registration the careful, searching scrutiny it deserves under the vigilant and critical eye of an informed public, fully aware of the immediacy of the issue and of its far-reaching consequences.

Frankly, this is one of those rare occasions on which I feel the Rules Committee should have exercised its authority to send a bill back to committee, with instructions to report the $42.1 billion Defense authorization and the standby registration as two separate bills. That would have been in the public interest.

Indeed, the vote in the Rules Com-

mittee was close. After the motion to send H.R. 4040 back to committee failed, I felt it was in the public interest to vote against the rule, House Resolution 368, which I did. Regrettably the effort to defeat the rule failed.

In view of the historic significance of this upcoming vote on standby registration, I took the opportunity of my regular radio report to the people of the Eighth District to review the history of the draft and to present my views on the basic public policy question raised by the standby registration provision, which I oppose.

I would like to share with my colleagues a transcript of that report:

Q. What are the issues dealing with the military draft facing you and your colleagues in the Congress?

A. The House Armed Services Committee has approved legislation which would require all young men reaching the age of 18 to register for military service effective January 1, 1981. The Committee included the registration requirement as an amendment to the 1980 Department of Defense Authorization bill.

Q. What about the draft?

A. The legislation would not reinstitute the draft—only stand-by registration.

Q. As a provision of the Department of Defense Authorization, registration will not be considered as separate legislation.

A. That's right—and that troubles me a great deal. The resumption of Selective Service registration is a major policy question. I believe it ought to be considered as a separate bill. The Committee ought to hold extensive hearings and debate it thoroughly before the full House votes on it. Yet, the stand-by registration plan hasn't gotten that kind of consideration. I think it's a terrible mistake.

Q. How does stand-by registration relate to the resumption of the draft?

A. The bill I've been talking about does not authorize a military draft. But the two issues are closely related. The connection is obvious—registration would be required for possible future use of the draft.

The advocates of stand-by registration authority argue that it's absolutely necessary to speed up mobilization efforts in the event of a national emergency. That argument doesn't hold up on closer scrutiny.

Few people are aware that the Selective Service now has an annual budget of $7 million. The system could deliver the first draftees within 65 days of mobilization. The Carter Administration feels that's not soon enough and has proposed spending $9 million in FY 1980 to accelerate the Selective Service delivery system. This will cut 10 days off the mobilization time, reducing it to 25 days. Adding registration would cut mobilization time by only 13 days more; and it would cost another $2 million, under the most conservative estimates. What really troubles me is that peacetime registration would mean a massive bureaucracy keeping records on every young man in this country.

Q. Until recently, hadn't the draft always met our military manpower needs?

A. No, indeed. Until after World War II we never had a peacetime draft.

Historically, the draft has been the exception in the United States, not the rule. Congress approved the first conscription legislation only during the Civil War. If you recall your history, the rich were allowed to hire substitutes to serve in their place. The burden of conscription obviously fell on the poor. Even so, only two percent of the Union Army was ever conscripted.

After the Civil War, the draft lapsed until we got into World War I in 1917. Ironically, the draft was used at that time not to raise an army, but to keep the massive enlistment of eager volunteers from ruining the economy.

We went back to the draft with the outbreak of World War II. After the war, the draft continued more by inertia than by conscious decision; even so, the number of draftees was greatly reduced, by comparison with wartime levels.

The last American was drafted in 1972 and we returned to our historical tradition of an all-volunteer armed force in peacetime.

Q. Has the All-Volunteer Force worked?

A. Proponents of the draft claim the All-Volunteer Force has failed. The facts don't support the charge, and I wouldn't want people to be misled by those claims.

Charges that AVF is a failure have given the current debate a false sense of urgency.

The fact is that the AVF is not a failure.

The Department of Defense (the folks who should know and care), in a study released only seven months ago, stated:

"The AVF has provided the military services with a full-strength, active force equal to, or superior to, that projected by the Gates Commission."

The percentage of high school graduates among recruits has risen since the end of the draft from 68% to 77%. Scores on intelligence tests have increased significantly. The percentage of recruits in the lowest mental category eligible for military services has dropped from 17% to 4%. Desertion rates and court martial rates are down from their peaks at the height of U.S. involvement in Vietnam.

I know some people will say "reinstitute the draft, it's easier that way," maybe—but I ask them to consider the rights of the millions of young men and the impact the draft would have on their lives and liberty.

The very nature of compulsory service in peacetime raises profoundly disturbing questions in a democratic society.

The draft means far-reaching intervention in and control over the lives and freedom of individual Americans. I can imagine no other government action which involves greater coercion or deprivation of liberty. This concern is no idle philosophical point; it goes to the heart of what it means to live in a democracy.

Compulsory service, in the absence of a clear and present national emergency, goes directly counter to the fundamental principles upon which this country was founded.

Q. What's the feeling in the House?

A. My colleagues are concerned because this issue has not been properly considered. At a time when we are legitimately questioning the role of government in the individual's life, many Members of the House have seriously questioned the need and wisdom of registering millions of young men.

I feel proponents of registration and the draft have failed to make the case for the legislative proposal facing Congress in the coming days.

As a Congressman, a father, a believer in the fundamental rights of the individual, I see the responsibility of Congress as clear: we have the duty to reject the ill-considered proposal at this time, subject it to the sanitizing scrutiny of public debate, and resume consideration only when the American people have come to an informed opinion on this major policy issue.●

MIGUEL "MIKE" ATILLE

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. GONZALEZ. Mr. Speaker, a great San Antonian, Texan, and American patriot—and a great friend of mine passed on last week.

He was Miguel Atille, affectionately known as Mike. Mr. Atille was born in Lebanon, that great Holy Land area, so historical and rich in lore, culture and civilization. Mr. Atille possessed all the indomitable attributes of this great race.

He was brought to Mexico at an early age and lived there for years and learned to speak Spanish fluently. He worked at a variety of endeavors and then came to the United States.

He enlisted and served with the 16th Cavalry at old Fort Ringgold during turbulent periods and convulsive episodes on the border. Eventually, he arrived in San Antonio, where he was active in business and civic affairs.

He became an enduring and active member of the San Antonio Alzafar Shriners.

Mr. Atille's loss is sorely felt. He was 86 years at the time of his demise, but most active and aware of civic matters to the very end. His lovely wife, an inseparable companion, Sophie formed the perfect family and gave San Antonio some great citizens and community leaders. Their daughter and son-in-law, Mr. and Mrs. Vincent J. Rizzo are good examples of this.

Mr. Speaker, America will continue to be great as long as we have the Mike Atille's.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 24, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 25

9:00 a.m.
Judiciary
To hold hearings on the nomination of Benjamin R. Civiletti, of Maryland, to be Attorney General.
2228 Dirksen Building

Special on Aging
Business meeting on pending committee business.
S-126, Capitol

9:30 a.m.
Foreign Relations
To resume hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
4221 Dirksen Building

9:50 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to hold hearings on the risk and benefit aspects in matters relating to science and technology decisions.
2318 Rayburn Building

10:00 a.m.
*Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on the effect of Federal agricultural research and extension policy on the structure of farming with participation by the Select Committee on Small Business.
322 Russell Building

Armed Services
To receive testimony on background information relating to the provisions and negotiations on the SALT II Treaty.
1202 Dirksen Building

*Banking, Housing, and Urban Affairs
To hold hearings on S. 524, 581, 730, 932 (as passed the House), 950, 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, on pending calendar business.
3110 Dirksen Building

Finance
To hold hearings on the nomination of Patricia R. Harris, to be Secretary, Department of Health, Education, and Welfare.
2221 Dirksen Building

Governmental Affairs
To resume hearings on S. 377, 891, 937, and 1471, bills to provide for the reorganization of international trade and industry development programs.
3302 Dirksen Building

Joint Economic
To hold hearings on trends in Federal spending and the gross national product.
S-207, Capitol

Select on Small Business
To hold joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

11:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Labor and Human Resources
To hold hearings on the nomination of William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.
4232 Dirksen Building

1:30 p.m.
Governmental Affairs
To continue hearings on S. 377, 891, 937, and 1471, bills to provide for the reorganization of international trade and industry development programs.
3302 Dirksen Building

2:00 p.m.
Armed Services
Manpower and Personnel Subcommittee
To resume closed consideration of S. 1186, to provide for the appointee, promotion, separation, and retirement procedures affecting members of the armed forces.
212 Russell Building

Foreign Relations
European Affairs Subcommittee
To hold hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
4221 Dirksen Building

Governmental Affairs
To hold hearings on the nominations of Alan K. Campbell, of Texas, to be Director of the Office of Personnel Management for a term of four years; and H. Stephan Gordon, of Maryland, to be General Counsel of the Federal Labor Relations Authority.
1114 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on proposals advocating a balanced Federal budget or restricting in some way the growth of Federal outlays which include S.J. Res. 2, 4, 5, 6, 7, 9, 10, 11, 13, 16, 18, 36, 38, 45, 46, and 56.
6226 Dirksen Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 524, 581, 730, 932 (as passed the House), 950, 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

JULY 26

8:00 a.m.
Budget
To resume hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To continue hearings on the effect of Federal agricultural research and extension policy on the structure of farming with participation by the Select Committee on Small Business.
322 Russell Building

Commerce, Science, and Transportation
Business meeting, on pending calendar business.
235 Russell Building

Foreign Relations
To continue closed hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-116, Capitol

Select on Small Business
To continue joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

9:30 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To continue hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 34, proposing a constitutional amendment to extend the term of office of Members of the U.S. House of Representatives to four years.
5110 Dirksen Building

10:00 a.m.
Armed Services
To resume hearings on the military implications of the SALT II Treaty.
318 Russell Building

Banking, Housing, and Urban Affairs
To continue hearings on S. 524, 581, 730, 932 (as passed the House), 950, 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume markup of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Labor and Human Resources
To hold hearings on the nomination of Patricia R. Harris to be Secretary, Department of Health, Education, and Welfare.
4232 Dirksen Building

Rules and Administration
To resume joint hearings with the House Administration Committee on S. 1436 and H.R. 4572, measures to provide for improved administration of public printing services and distribution of public documents.
345 Cannon Building

Select on Intelligence
To resume closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

Joint Economic
To resume hearings on the Consumer Price Index figures, and on inflationary trends.
6226 Dirksen Building

10:30 a.m.
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
4221 Dirksen Building

11:00 a.m.
Judiciary
To receive testimony on the report from the Department of State on the Southeast Asian refugee situation.
2228 Dirksen Building

1:00 p.m.
Governmental Affairs
To continue hearings on S. 377, 891, 937, and 1471, bills to provide for the reorganization of international trade and industry development programs.
3302 Dirksen Building

*Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

2:00 p.m.
Conferees
On H.R. 3173, authorizing funds for fiscal years 1980 and 1981 for international security assistance programs.
S-116, Capitol

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

2:15 p.m.
Rules and Administration
Business meeting, to consider proposed legislation to amend the Federal Election Campaign Act of 1971, and other legislative and administrative business.
S-126, Capitol

2:30 p.m.
Armed Services
To continue hearings on the military implications of the SALT II Treaty.
318 Russell Building

Banking, Housing, and Urban Affairs
To continue hearings on S. 524, 581, 730, 932 (as passed the House), 950, 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

3:00 p.m.
Finance
Health Subcommittee
To receive testimony from officials of the General Accounting Office concerning the implementation of section 19 of P.L. 95-142, which requires the Secretary of H.E.W. to establish a uniform system of reporting cost information for hospitals.
324 Russell Building

JULY 27

8:30 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 1280, to provide financial and technical assistance to States and local governments in developing and expanding energy-related activities.
3110 Dirksen Building

9:00 a.m.
Foreign Relations
To continue closed hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-116 Capitol

Judiciary
To hold hearings on S. 680, to provide for the rights of citizens to sue in Federal courts for unlawful governmental action.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of government-sponsored inventions in order to encourage private industry participation in Federal research and development programs.
235 Russell Building

Labor and Human Resources
Business meeting, to mark up S. 1075, to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and doctors, and to provide more education to doctors and health professionals regarding the use of approved drugs; and S. 446, to provide legal protection to the employment rights of handicapped citizens.
4232 Dirksen Building

•Veterans' Affairs
To resume hearings on S. 870, to amend and extend education programs administered by the Veterans' Administration for veterans and dependents, and S. 881, to provide for the protection of certain officers and employees of the Veterans' Administration assigned to perform investigative or law enforcement functions.
412 Russell Building

9:45 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 524, 581, 730, 932 (as passed the House), 950, 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To receive testimony from officials of the Harvard University, School of Business on a 6-year review of energy resources.
3110 Dirksen Building

Finance
To hold hearings on the nomination of William G. Miller, to be Secretary, Department of the Treasury.
2221 Dirksen Building

Foreign Relations
To hold hearings on S. 1450, to promote the foreign policy of the United States.
4221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 878 and 904, bills to simplify the administration of national policy requirements applicable to Federal assistance programs relating to State and local governments.
457 Russell Building

Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
224 Russell Building

Joint Economic
To hold hearings on the impact of inflation on the Federal tax system.
S-207, Capitol

2:00 p.m.
Appropriations
Transportation Subcommittee
To mark up the substance of H.R. 4440, making appropriations for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:30 p.m.
Foreign Relations
To hold hearings on pending nominations.
4221 Dirksen Building

3:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

JULY 28

9:30 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

JULY 30

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings to examine the scope of current agricultural transportation problems.
322 Russell Building

9:15 a.m.
Governmental Affairs
To hold hearings on S. 930, to restrict free Federal employee parking.
3302 Dirksen Building

9:30 a.m.
Environment and Public Works
Business meeting, to consider pending committee business.
4200 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Select on Indian Affairs
To hold hearings to discuss alternative solutions to litigation to resolve water rights disputes between Indians and non-Indians.
5110 Dirksen Building

JULY 31

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue oversight hearings to examine the scope of agricultural transportation problems.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 663 and 875, bills to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
6226 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on proposed legislation to establish a home energy efficiency program.
3110 Dirksen Building

Judiciary
Business meeting, on pending calendar business.
2228 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

3:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

AUGUST 1

9:30 a.m.
Environment and Public Works
Business meeting, to consider pending committee business.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

AUGUST 2

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the activities of the Indian Health Service, Department of Health, Education, and Welfare.
5110 Dirksen Building

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed authorizations through fiscal year 1990 for airport development aide programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 11

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed authorizations through fiscal year 1990 for airport development aide programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 12

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
457 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed authorizations through fiscal year 1990 for airport development aide programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed authorizations through fiscal year 1990 for airport development aide programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on H.R. 4015, to provide the capability of maintaining health care and medical services for the elderly.
5110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 20

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 25

11:00 a.m.
Veterans' Affairs
To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.
5110 Dirksen Building

CANCELLATIONS

JULY 25

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Governmental Affairs
To continue oversight hearings on the activities of the Department of Energy.
3302 Dirksen Building

Judiciary
To hold hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the F.B.I.
2228 Dirksen Building

11:00 a.m.
•Judiciary
Improvements in Judiciary Machinery Subcommittee
To hold hearings on S. 739 and 1472, bills to allow local Federal courts the opportunity to review issues relating to environmental matters affecting its own district.
1224 Dirksen Building

JULY 26

10:00 a.m.
Judiciary
To continue hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the F.B.I.
2228 Dirksen Building

JULY 30

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

AUGUST 1

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

AUGUST 2

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

SENATE—*Tuesday, July 24, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL T. HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Lord of all life and God of our salvation, confer on each of us the mind that was in Christ Jesus the Lord. May we be wise as He was wise, strong as He was strong, brave as he was brave. Encompass in Thy love and fill with Thy grace all who serve this Government, that beyond the duties of today we may envision the coming of that kingdom, the law of which is love.

Help us to act in accord with Thy will as Thou givest us to understand Thy will. Reward our faithfulness by souls at peace with Thee. We pray in the name of Him who is the way, the truth, and the life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 24, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby

• This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

appoint the Honorable HOWELL T. HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED NATIONS PRESENCE IN THE SINAI

Mr. ROBERT C. BYRD. Mr President, I am hopeful that some agreement can be reached on the continuation of United Nations presence in the Sinai, as Israel withdraws her troops in accordance with the Egyptian-Israeli Treaty.

I have a particularly strong interest in this matter because during my recent trip to the Soviet Union I discussed this question with President Brezhnev and Foreign Minister Gromyko.

I told the Soviet leaders that if they would avoid opposing a continued U.N. presence in the Sinai, I believed that this would be very favorably perceived in this country.

Foreign Minister Gromyko told me that his government would object to an extension of the United Nations Emergency Force in the Sinai (UNEF). The U.N. Security Council Mandate for that force is scheduled to expire today, although it would take several months for the troops to actually be withdrawn.

Mr. Gromyko told me, that other options might exist, however, if they were properly raised. He mentioned the possibility of U.N. observers. Upon my return to the United States, I informed President Carter and the State Department about my discussion with Mr. Gromyko relating to alternative ways of maintaining a U.N. presence relating to alternative ways of maintaining a U.N. presence in the Sinai, specifically mentioning the possibility of U.N. observers inasmuch as that had been specifically mentioned to me in my conversation with Mr. Gromyko.

Subsequently, of course, the Soviets indicated that they would agree to allowing a number of observers from the United Nations Truce Supervisory Organization to oversee the Sinai withdrawal. In the view of the State Department, the UNTSO observer force would be fully in accord with the peace treaty and the Camp David framework which preceded it.

Egypt has indicated its agreement to acceptance of the UNTSO observers. Thus far, Israel has not agreed to this alternative. Although I understand the Israeli position that continuation of the UNEF would have been desirable, I believe the United States and the Soviet Union have worked out a suitable alternative. I hope, therefore, that all parties concerned will come to agreement on this important issue.

ENERGY PRIORITIES

Mr. ROBERT C. BYRD. Mr. President, for the second time in 5 years, this country is going through the disturbing cycle of oil shortages, leading to shocking increases in foreign oil prices, which may culminate in a recession. We are deeply concerned with the national security implications of our overdependence on foreign oil, as well as with the dangers posed for the stability of our domestic economy by the yearly payment of more than $60 billion to the OPEC countries. The American public is finally coming to believe, I believe, that the energy crisis is real and that gas lines and spot shortages are but the precursor of things to come.

In the next few weeks, there will be new leadership at the helm of the Department of Energy. This comes at a time when both the administration and Congress are developing critical programs for the production of synthetic fuels, as well as comprehensive measures to encourage conservation, to mandate increased coal usage, and to put in place a standby gasoline rationing plan. In the midst of the reorganization which will accompany such an administrative change, it is imperative that we keep these legislative goals in sight.

The Congress is acting rapidly and responsibly with respect to critical energy bills. Action had been initiated on both the creation of a synthetic fuels industry and the establishment of an Energy Mobilization Board prior to the President's July 14 speech. The distinguished Senator from Washington (Mr. JACKSON) had already introduced his omnibus Energy Supply Act by that time and hearings on that bill have been continuing over the past several days. This bill provides for extensive research and commercial development of synthetic fuels technology, the creation of an Energy Mobilization Board to expedite the mandatory conversion of oil-fired powerplants and other energy projects deemed to be in the national interest.

In addition, other Senators have offered legislation which has contributed significantly to the discussion on the best means of achieving energy independence. A bill authored by Representative MOORHEAD of Pennsylvania, provides for the development of a domestic synthetic fuels industry capable of meeting at least our own defense needs. This legislation, which has already passed the House, may provide the basic legislative framework for Senate consideration of these important programs.

A tentative schedule has been worked out as to the legislative timing of these bills. The Senate Energy and Banking Committees will endeavor to report legislation dealing with the Energy Security Corporation and the Energy Mobilization Board prior to the August recess. Those measures will then be referred to the Senate Budget Committee, which will take the month of August to carefully study them. This legislation will be among the first items of business when the Senate returns from the recess on September 5.

It is important that we keep our priorities in order. Passage of these and other important energy measures is one of the primary tasks of this Congress.

Mr. President, if I have any time remaining, I reserve it.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair. I have no need for my time this morning, and I will be glad to yield it to the majority leader, if he wishes.

THE SENATE AGENDA

ENERGY LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, the distinguished minority leader is very gracious in offering his time. Let me just take a few minutes, if I may, to state for the record that I think all of us want to see the energy legislation passed as soon as possible. I have had discussions with the Democratic Policy Committee and with the Committee of Chairmen twice within the past 2 days, and I have kept the distinguished minority leader amply informed. The purpose of these meetings was to determine whether or not the energy legislation would be expedited by canceling 1 week of the August recess, by canceling 2 weeks of the August recess, or by canceling all of the August recess.

I found members of the Policy Committee, the Committee of Chairmen, and the members of the Energy Committee quite willing to cancel a week, or even 2 weeks, if necessary, in order to get the energy legislation passed.

But in those discussions Mr. MUSKIE, the chairman of the Budget Committee, stated that he and Mr. BELLMON, the ranking minority member of the Budget Committee, felt that a task force should be appointed to study the budgetary implications of the energy bill. Senators MUSKIE and BELLMON felt that their study would require more than just a few days; in fact they believed it would require a few weeks. I felt that their position was justifiable, and that the Budget Committee did have the responsibility to make a careful study of the budgetary implications of the energy bill. Senator JACKSON agreed.

As a result of that discussion, it was determined that the Budget Committee would be able to complete its work and the bill could be ready by early September.

Senator JACKSON was prepared to work hard to get the bill out of committee and to get it passed by the time the August recess begins. But when it became obvious of the necessity for the Budget Committee to take a close look, and not just a cursory look, at the legislation in conformance with its obligations and responsibilities, it became clear that, to stay in, during the August recess, would be futile.

As a matter of fact, as Mr. MUSKIE pointed out, it would probably expedite action on the bill if we did not bring it out before the August recess and try to hurry it through Senate floor debate without adequate studies having been given by the Budget committee.

On the windfall profits tax, the House has sent the first part of it over already, but there are at least two packages to come. I have had several discussions with Senator LONG, and he and his committee have been considering what might be done to expedite action on that measure. He can speak for himself about that.

However, it has become clear in my discussions with Senator LONG, and with the ranking member (Mr. DOLE), and with other Senators, that action on the windfall profits tax program cannot be completed before the August recess, and, in fact, cannot be completed even if we took a week off the recess, or 2 weeks. It is, I believe, the feeling that, rather than come to the floor with three bills, all of which might be filibustered, it would be better to consider one bill, after trying to work the matter out in the committee in a manner which would make it generally acceptable to members of the committee on both sides, and, hopefully, in the final analysis, meet with a consensus in the Senate.

The leadership, having carefully considered the windfall profits tax and energy measures and having carefully discussed these matters, not with just one Senator or two Senators, but also with Senators on the Policy Committee has concluded that the measures cannot be resolved within the next several weeks.

I reported the situation to the President this morning at a breakfast meeting. The President realizes our situation. He never, at any time, expected the Senate to do other than what it could. He never asked that the Senate be in during August. We in the Senate have discussed the situation among ourselves, because it is my judgment that if the Senate is going to make a decision to be in session in August, the Senate and the Senate alone should make that decision. As I explained our case and laid it out, I think it met with a favorable reception, because we cannot do what we cannot do.

Having said that, may I say that we are working together—the minority leader, the assistant minority leader, the majority whip, the Policy Committee, the Democratic Policy Committee, and the Committee of Chairmen—to clear the decks as much as possible before the recess. Hopefully, when we come back in September, we can dispose of the second concurrent budget resolution, we can complete the energy legislation, we can act on the tax legislation, and we can consider the water resources bill, which cannot come up until that time.

We will then finish any leftover appropriations or authorization bills and clear the decks for the SALT Treaty debate.

SCHEDULE FOR NEXT 2 WEEKS

If I may take just another minute or two, looking at the next 2 weeks—the Senate will complete action on at least four additional appropriations bills this week and next. If the House sends over any other appropriations bills in the meantime, the Senate will be geared to act as quickly as possible on them.

I know that the distinguished minority leader will give all the cooperation that he can, and I am confident that the Members on his side of the aisle will do the same, in the desire to complete action on as many of these bills as possible and to clear the decks for a very busy September and October and possibly November. It may require some waivers of the 3-day rule on appropriations bills. The minority has been most cooperative in helping to expedite these appropriations bills during this session.

In addition, we have the military construction authorization bill, we have the Panama Canal implementing legislation, and we will have several nominations. I hope that the Senate can confirm as many of those nominations as possible before it goes out for the August recess so that the nominees can be in their positions and doing their jobs. I think that the public will be well served if the Senate acts on these nominations before it goes out.

I sum up by saying that we have 2 busy weeks ahead. I hope we can clear the decks in those 2 weeks so that we are ready to take on the big matters when we get back in September, October, and November.

I thank the distinguished minority leader. If he has any time or has any comments, I am prepared to yield to him.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the distinguished majority leader for that great amount of information. I may say that I think the distinguished majority leader and his colleagues on the majority side have reached the right conclusion. I do not think—and I passed this on to the majority leader yesterday—that there is any likelihood that we could proceed in a deliberate way and carefully to consideration of these items and do it before we recess in August. I simply do not think that is possible. I am delighted that we are going to make an examination of these proposals—the energy legislation, including the tax legislation—in a methodical and careful but a prompt and responsible way. Certainly, there will be no delay on this side of the aisle. We are as anxious as the majority to address this problem.

I agree with the conclusions stated by the majority leader: No good purpose would be served by abbreviating the statutory recess time in August. On the contrary, I think it might be even more productive to proceed as he has outlined, for it would give the committees time to act that they might otherwise not have if the Senate were competing for that time.

NOMINATIONS

On the question of nominations, Mr. President, I shall today meet with a committee of ranking members and with our Policy Committee to canvass the nominations and to determine what opposition or what difficulty or what inquiry there may be or what may be needed. I shall advise the majority leader a little later in that respect.

I have met with some of the new Cabinet members-designate and I have indicated to them that, as of this time, I know of no serious opposition. I shall confer with the majority leader on that later.

I might say, however, that it would be a very fast track, indeed, if we could receive those nominations, have the hearings, and have the confirmation votes in the Senate before August 3. I am not sure we can do that, but I am not prepared to say at the moment that we cannot. I shall confer on that a little later.

On the general business of trying to accomplish as much as we can, I also entirely agree. I have said many times here that July is our month for appropriations bills. I think we have made good progress on that, or we will have made good progress by the time we go out.

I think the pace of the Senate has been good this year and I indicate to the majority leader that we shall continue to try, as we have done in the past, to arrange for a schedule of activities for not only the time before August 3 but the remainder of this year, to work as efficiently as possible.

In concluding, Mr. President, I thank the majority leader for sharing this information. I intend to tell Members on this side that they should go ahead and plan on a break for the Senate, beginning at the close of business on August 3, as has been previously planned.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

Mr. President, if I may just make a few comments with regard to the distinguished Senator's statement.

One, with respect to the nominations, I realize that it will be a fast track. But, on the other hand, the Senate has previously confirmed Patricia Harris as Secretary of HUD and, it has previously confirmed Mr. Miller as Chairman of the Federal Reserve. So, in connection with those two nominations, and some of the others, we have looked at these people before. They have gone through our confirmation proceedings.

In light of that fact, I would hope that we will be able to move more expeditiously than might otherwise be expected. I am not saying that the Senate should rush to put its rubber stamp on nominations. I do not contend that at all. I think it should do what it feels it has to do.

THE AUGUST RECESS

On the matter of August 3, I would like to, if I could, just keep an option open.

I want us to go out at the close of business on August 3, but it might be necessary to remain a day or two longer, notwithstanding what I said about energy. It is conceivable that the Senate might need another day or so in order to complete its work on some of the other items

that I have outlined. I hope it will not be necessary to stay. But I am not going to say to my colleagues, and I am not going to say to the Senate, that we definitely will go out at the close of business on August 3. But under current conditions the way it looks, it is not going to be much beyond August 3, if any.

Mr. BAKER. Mr. President, if the majority leader will permit me, I know he will understand what I am about to say is said in good spirit and good humor.

I have learned over the last years, standing across this aisle, at this desk, from the majority leader, never, ever to say "never" or to say that we are going to adjourn or recess on a particular day.

I think I will persist, however, in the statement I made. I am going to advise Republicans that it is my expectation that we will go out on August 3.

I recognize that the majority leader may like to have a little flexibility and leeway for himself. But I am a born and eternal optimist and I intend to tell my men and women that I fully expect that with good effort, good cooperation, and the good will of the majority leader, that we will be out, not only on the 3d, but early on the 3d.

Mr. ROBERT C. BYRD. Mr. President, I hope he will not say, "early on the 3d."

Mr. BAKER. Well, we see we are down to quibbling about hours now.

Mr. ROBERT C. BYRD. But I was glad to hear the distinguished minority leader mention the words "good cooperation."

Now, if we have good cooperation on both sides—not just on the minority side, but good cooperation on all sides—I think I can join him in "expecting" to go out, not necessarily early, but by the close of business on August 3.

But this will require the cooperation and understanding of all 100 Senators. We will face some long days.

With understanding and cooperation, I am sure will be forthcoming I will join the distinguished minority leader in expecting to go out at the close of business on August 3. But it will require cooperation all around, and I shall keep the option—and the door—slightly open.

Mr. BAKER. Mr. President, I feel reassured.

Mr. President, if I have any remaining time, I yield it back.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4392, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from South Carolina and the Senator from Connecticut, with 30 minutes on any amendment, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. HOLLINGS. Mr. President, this bill has been brought to the Senate under very accelerated procedures. The House passed the bill on July 12, the subcommittee marked it up on July 13, and it was ordered reported by the full committee on July 17. In our haste, a number of minor errors unfortunately appear in the report. I have had placed on each Member's desk an errata sheet that details the necessary corrections.

As the errata sheet indicates, the total amount recommended is $8,252,044,000, which is $274,824,000 less than the budget estimates, or a reduction of 3.2 percent. We are $557,037,000 over the amount allowed by the House, due primarily to items not considered by them, such as the $486,463,000 recommended for the new Office of Justice Assistance, Research, and Statistics that replaces the present LEAA. The committee has deferred action on requests totaling $1,601,955,000 for the Economic Development Administration, the Regional Commissions, and the Federal Trade Commission, as appropriations for these items are not yet authorized.

Mr. President, we have a fine and well-balanced bill that reflects the priorities established by the fundamental committees in developing the authorizing legislation. This bill represents the product of 22 days of hearings and fully attended subcommittee and the final committee mark-up sessions. The highlights of the bill are outlined on pages 4 and 5 of the report and I will not detain the Senate by detailing all of them, but just mention the major changes.

First. In the State Department we have established a new appropriation for the payment to the American Institute in Taiwan and have thereby consolidated the funding of the remaining U.S. interests on Taiwan as anticipated in the Taiwan Relations Act. The bill also includes full funding of the requests for contributions to international organizations, as well as the Bureau of Oceans and International Environmental and Scientific Affairs that was originally reduced by the House committee but restored on the House floor.

Second. In the Department of Justice we have sought to cover all of the high-priority items identified by the Committee on the Judiciary in developing the Department of Justice Authorization Act, including funds for the State and local drug task forces; additional positions for the criminal (81) and civil rights (35) divisions; 75 of the 131 additional positions authorized for the land and natural resources division; continuation of the State antitrust enforcement grants; the full $584,408,000 authorized for the FBI; and a major expansion of the Border Patrol to deal with the illegal alien situation on the southwestern border.

Incidentally, we have included the increase we were able to add on the floor in debate on the FBI authorization bill.

Crime is on the increase and, rather than the original administration request to cut some 287 agents again this year, the Congress, in turn, now is adding and maintaining the agent force to take care of the increase in crime.

We are also recommending a total of $486,463,000 for the new Office of Justice Assistance, Research and Statistics. This amount is consistent with the first concurrent budget resolution in that we decreased the LEAA-type functions by the $100,000,000 called for by the resolution, but have restored the juvenile justice program to the current $100,000,000 level. The committee's investigative staff found that the proposed $50,000,000 reduction proposed by the administration would drastically affect this program.

Third. Our major change in the Department of Commerce is to restore a net of $30,500,000 for the 1980 decennial census to overcome the undercounting of persons documented after the 1970 census.

Mr. President, there was a point made by the big city mayors—the mayor of Detroit, Coleman Young, and Maynard Jackson, the mayor of Atlanta, and others who came to us—outlining the fact that a 1975 study and congressional find that the 1970 census was undercounted by some 7 percent. That condition broadly limits, seriously, limits their amounts under such programs as Federal revenue sharing. They already have the added burden, and we want to make absolutely certain there is not any undercounting as much as we possibly can.

So we included that net amount of $30,500,000 for the 1980 decennial census.

Our recommendation would also continue the U.S. Travel Service at a reduced level; includes various additions to the National Oceanic and Atmospheric Administration requested by various members; increase the Patent and Trademark Office budget by $4,400,000 to maintain the current pendency of 22½ months between the time applications are filed and approved. The budget of the National Telecommunications and Information Administration has been restored to the amount appealed including all of the $23,705,000 requested for the grants to the educational TV stations for facilities; and we have also restored the three dry bulk carriers requested by the Maritime Administration but not allowed by the House.

To make sure that these funds are spent correctly, we have added 50 additional audit and investigations positions to the Commerce Department's new Inspector General's Office, amounting to $2,500,000. We have anticipated a budget estimate in this amount pending at the Office of Management and Budget.

The bill includes $689,000 over the budget request to keep open 22 part-time weather stations. This amount was added in full committee by a vote of 15 to 11 against the subcommittee's recommendation.

There have been some around who have been headlining how they are really for cutting budgets. I might add that the distinguished ranking minority member was the only one on his side to stick with us on eliminating the weather stations. We fought hard.

Yesterday's Washington Post had a story about how the minority leader of the House (Mr. RHODES) is going to unite his party behind an "alternative budget" which is going to curb inflation and straighten out all the ills of the majority's "budget of despair." After this vote in the full committee, I think Mr. RHODES may have an uphill battle selling his alternative budget to his party over here in the Senate. All of the minority members of the committee, with the exception of the good ranking minority member of the subcommittee, the Senator from Connecticut, voted in favor of spending this money to keep these marginal low-priority weather stations open. It is interesting that we have the administration trying to be responsible and cut back on Government spending, and members of the so-called "alternative budget" party resisting it.

Incidentally, this study was begun under President Ford, and we feel that part-time weather stations can now be eliminated. We gave it careful study. But each year after careful study, like almost detective work, they come in and find some fault in the study and move the amounts, over our objection.

Fourth. Our recommendations for the judiciary reflect the funds required for the 152 judgeships authorized in the last Congress and their necessary staff support. Our recommendations follow the House except for an additional $3 million for the new bankruptcy courts, the one item appealed by the Judiciary.

Fifth. We have a net decrease of $180,850,000 to the House allowance for the related agencies because we are following the lead of the Small Business Committee in directing the Small Business Administration out of the direct lending business and into a more developmental role for small business. It is absolutely essential that the program reforms contained in the SBA authorizing legislation (S. 918), as passed the Senate, be enacted. Otherwise, additional later requirements for the Disaster Loan Fund could possibly swell by at least $500 and possibly $600 million more than the assumptions in the first budget resolution. The appropriations and the Budget Committees will require the full support of the Senate in achieving these reforms.

Our recommendations restore the budgets for the Arms Control and Disarmament Agency; the Commission on Civil Rights; the Equal Employment Opportunity Commission; the Federal Maritime Commission; and the U.S. Metric Board. The budget of the International Communication Agency has been reduced by $5,650,000 and this again is in accord with the authorization previously approved by the Senate. We have made minor changes to some of the other commissions and offices and have held the Legal Services Corporation to the same $291,800,000 allocated for their 1980 operations in the President's budget. This is an increase of some $30 million over last year.

The committee also recommends the deletion of two provisions inserted by the House that restricts the State Department's expenditures to 95 percent of the amounts appropriated, and the Justice Department in school busing cases.

Mr. President, our ranking minority member, the distinguished junior Senator from Connecticut has been of immeasurable assistance in developing this bill. Each year I find a greater mutuality of interest as we share a strong concern for the oceans and for the economic development of our Nation, to just mention two of the areas. Senator WEICKER was of tremendous help in our hearings and there are many of our witnesses before us which can state firsthand how he can get to the nub of the matter. I now yield to our ranking minority member for any opening comments he might have, but before he takes the floor, I want to make the usual motion regarding the committee amendments.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text, providing that no point of order shall be raised by reason of agreement to this request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 20, strike "$712,700,000" and insert $712,322,000";

On page 2, line 24, strike "$3,100,000" and insert "$3,090,000";

On page 3, beginning with line 22, insert the following:

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96-8 (93 Stat. 14) for fiscal year 1980, $5,954,000.

On page 4, line 10, strike "$411,500,000" and insert "$411,552,000";

On page 8, beginning with line 13, strike through and including line 14;

On page 8, line 21, strike "$25,550,000" and insert "$33,000,000";

On page 9, line 15, strike "$100,000,000" and insert "$107,800,000";

On page 9, line 15, strike "of which not to exceed $1,500,000 shall be available for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals";

On page 10, line 3, after "laws," insert "including $5,000,000 for antitrust enforcement grants to the States authorized by section 309 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended,";

On page 10, line 6, strike "$43,544,000" and insert "$48,544,000";

On page 10, line 13, strike "$231,275,000" and insert "$233,700,000";

On page 10, line 25, strike "$4,925,000" and insert "$4,473,000";

On page 11, line 11, strike "$577,408,000" and insert "$584,408,000";

On page 11, line 24, strike "$299,326,000" and insert "$318,854,000";

On page 12, line 2, beginning with the comma, strike through and including the words "United States" in line 7;

On page 12, line 23, strike "(INCLUDING TRANSFER OF FUNDS)";

On page 13, line 3, strike "$311,600,000" and insert "$321,500,000";

On page 13, line 4, beginning with "and," strike through and including the word "Facilities" in line 6;

On page 13, beginning with line 18, strike through and including line 23, and insert in lieu thereof the following:

For planning, acquisition of sites and construction of new facilities and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $5,960,000, to remain available until expended.

On page 15, beginning with line 1, insert the following:

OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979 and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $442,695,000, to remain available until expended.

RESEARCH AND STATISTICS

For grants, cooperative agreements, contracts, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979, including salaries and other expenses in connection therewith, $43,768,000, to remain available until expended.

On page 16, line 22, strike "$25,715,000" and insert "$28,625,000";

On page 17, beginning with line 1, insert the following:

PARTICIPATION IN UNITED STATES EXPOSITIONS

For necessary expenses for designing, constructing, and operating a Federal Pavilion in the Knoxville International Energy Exposition, $20,800,000, including not to exceed $12,000 for entertainment of officials of other countries when specifically authorized by the Commissioner General during the period ending November 15, 1982, to remain available until September 30, 1984: *Provided*, That these funds shall be made available only upon enactment into law of authorizing legislation: *Provided further*, That no additional Federal funds shall be made available for this purpose.

On page 17, line 20, strike "$582,900,000" and insert "$613,400,000";

On page 18, line 4, strike "$17,725,000" and insert "$17,875,000";

On page 18, line 23, strike "$77,394,000" and insert "$78,837,000";

On page 19, beginning with line 14, insert the following:

UNITED STATES TRAVEL SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Travel Service as provided for by law; including employment of aliens by contract for service abroad; rental of space abroad for periods not exceeding five years, and expenses of alteration, repair, or improvement; advance of funds under contracts abroad; payment of tort claims in the manner authorized in the first paragraph of 28 U.S.C. 2672, when such claims arise in foreign countries; and not to exceed $5,000 for representation expenses abroad; $8,000,000.

On page 20, line 10, strike "$688,656,000" and insert "$711,939,000";

On page 20, line 20, strike "$63,575,000" and insert "$65,925,000";

On page 21, line 18, strike "$97,562,000" and insert "$102,000,000";

On page 21, line 25, strike "$96,344,000" and insert "$97,825,000";

On page 22, line 12, strike "$15,315,000" and insert "$18,410,000";

On page 22, line 17, strike "$12,000,000" and insert "$23,705,000";

On page 23, line 1, strike "$32,000,000" and insert "$101,000,000";

On page 27, line 14, strike "$5,290,000" and insert "$5,230,000";

On page 30, line 8, strike "$57,000,000" and insert "$60,000,000";

On page 31, line 24, strike "$17,670,000" and insert "$18,870,000";

On page 32, line 4, strike "$82,990,000" and insert "$84,700 000";

On page 32, line 5, strike "$2,000,000" and insert "$3,250,000";

On page 32, line 16, strike "$11,230,000" and insert "$11,370,000";

On page 33, line 7, strike "$15,000,000" and insert "$18,500,000";

On page 33, line 10, strike "$119,000,000" and insert "$125,000,000";

On page 33, line 20, after the semicolon, insert "the rental of space in the District of Columbia and elsewhere;";

On page 33, line 23, strike "$71,816,000" and insert "$72,815,000 and, in addition, an amount equivalent to funds deposited into the General Fund of the Treasury by the State of Florida as a result of the expense of construction and relocation of the Fort Lauderdale Monitoring Station";

On page 34, line 11, strike "$11,175,000" and insert "$11,217,000";

On page 35, line 7, strike "$1,000,000" and insert "$1,030,000";

On page 36, line 1, strike "$399,200,000" and insert "$395,445,000";

On page 36, line 21, strike "$14,500,000" and insert "$14,835,000";

On page 37, line 13, strike "$14,106,000" and insert "$16,200,000";

On page 38, line 7, strike "$305,000,000" and insert "$291,800,000";

On page 38, line 10, after the colon, strike through and including the colon in line 17;

On page 39, line 5, strike "$640,000" and insert "$940,000";

On page 39, line 12, strike "$3,900,000" and insert "$4,273,000";

On page 40, line 2, strike "$68,946,000" and insert "$68,986,000";

On page 40, line 13, insert "(INCLUDING TRANSFER OF FUNDS)";

On page 40, line 18, strike "$192,300,000" and insert "$182,300,000, and in addition $11,-650,000 for disaster loanmaking shall be transferred to this appropriation from the "Disaster Loan Fund" ";

On page 41, line 13, strike "$580,000,000" and insert $411,000,000";

On page 42, line 5, strike "$1,613,000" and insert "$3,335,000";

On page 43, beginning with line 1, strike through and including line 7.

Mr. WEICKER. Mr. President, I ask unanimous consent that Tim Keeney, Peter Goldfarb, Bob Wicklund, and Geoffrey Baker, of my staff, and Bob Santi and Allan Chvotkin of the staff of the Small Business Committee, have the privilege of the floor during the consideration of and votes on this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I thank the distinguished Senator from South Carolina. I first would like to pay my very sincere compliments to the distinguished Senator from South Carolina, Senator HOLLINGS, for his leadership to this committee. His ardent efforts and precise attention that he has delivered to the bill over the past 6 months really warrant praise, and I am delighted to give it.

Mr. President, as ranking minority member of the subcommittee which considered H.R. 4392, the appropriations bill for the Departments of State, Justice, Commerce, the Judiciary, and related agencies, I want to heartily endorse the remarks of the chairman of the subcommittee, the distinguished Senator from South Carolina, ERNEST F. HOLLINGS. Furthermore, I want to express my admiration of the chairman's leadership in developing this very complex and important legislation. The chairman has been most patient and gracious with every member of our subcommittee.

The subcommittee held extensive and protracted hearings with the proper officials and officers of the executive branch and independent agencies to assist in our review of the administration's budget. In my opinion, the committee's recommendation of $8,252,-044,000 in new budget authority for fiscal year 1980 will provide adequate but not lavish resources for the agencies under the subcommittee's jurisdiction.

The chairman has adequately covered the areas of major change in the bill with the exception of the Small Business Administration. This bill provides $657,-300,000 in budget authority for the Small Business Administration, including $411,000,000 for the agency's various lending programs and $182,300,000 for salaries and expenses of the agency.

As ranking minority member of the Small Business Committee, I have been intimately involved with redirecting the programs of the SBA. The provisions of this bill are consistent with the efforts of the Small Business Committee and the Senate to provide this guidance.

Two basic premises summarize the provisions of this bill concerning the SBA.

First, this bill significantly reduces the budget authority for the 7(a) direct loan program of the SBA. This action reinforces the past Senate position that SBA should reduce its involvement in direct lending. It is clear that the capitalization of small businesses is best handled by private sector banks and other financial institutions. The resources which the agency attributes to its lending programs are conservatively estimated at 45 percent of the total personnel of the agency. By reducing its direct loan activities, the committee expects SBA to be able to reallocate its resources to certain nonlending activities.

Second, this bill places a greater emphasis on SBA's advocacy, economic research and business development programs. Accordingly, the committee increased appropriations in these important areas.

By taking these two steps, SBA will be a more responsive agency to the needs of the small business community.

In closing, Mr. President, I once again want to extend my sincere thanks and appreciation to the chairman of our committee, the Honorable ERNEST HOLLINGS. I believe that he and our committee have handled the development of this legislation in a most firm, fair, and equitable manner.

UP AMENDMENT NO. 447

(Purpose: To increase FCC appropriation by $440,000)

Mr. HOLLINGS. Mr. President, before we move on to the substantive amendments, there is a technical-type amendment that should be first taken care of for the Federal Communications Commission. Several new projects were approved by the subcommittee, and at last week's full committee session we should have conformed the financing to cover all of them. In order to correct this oversight, I send an amendment to the desk that increases the FCC's appropriation by $440,000.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes an unprinted amendment numbered 447:

On page 33, line 23, strike "$72,815,000" and insert "$73,255,000".

Mr. HOLLINGS. Mr. President, this includes the money for the economic study of reducing the spacing on the AM radio band that is fully outlined in the report.

We are trying to reduce the AM band in radio from 10 kilohertz to 9 and thereby open up the band for additional radio stations.

I believe the minority is in favor of the amendment.

Mr. WEICKER. I concur with the distinguished Senator.

Mr. HOLLINGS. I yield back the remainder of my time.

Mr. WEICKER. I yield back my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I call up amendment No. 364.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes an amendment numbered 364.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 43, line 7, insert the following:

TITLE VII—SUPPLEMENTAL APPROPRIATIONS, 1979

For additional amounts for the fiscal year 1979 to be immediately available, as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

(TRANSFERS OF FUNDS)

For an additional amount for "Salaries and expenses, United States attorneys and marshals", $2,835,000, of which $2,000,000 shall be derived by transfer from "Support of United States prisoners" and $835,000 shall be derived by transfer from "Fees and expenses of witnesses".

AMENDMENT NO. 364

(Purpose: Provides 1979 supplemental appropriation to United States Marshals Service)

Mr. HOLLINGS. Mr. President, amendment 364 provides an urgent fiscal year 1979 supplemental appropriation for the U.S. attorneys and marshals. The amount of the request is $2,335,000, and it is urgently required by the Marshals Service to meet the costs of unpredictable, unbudgeted emergencies which have arisen involving the safety of human life and protection of property.

During fiscal year 1979, the Marshals Service has been required to establish protection for members of the judiciary and U.S. attorneys' staffs in four districts. The protective details are required by actual and threatened violence against judges, U.S. attorney personnel, and their families, for example, the recent assassination of Judge Wood in Texas and the attempted murder of an assistant U.S. attorney in the District of Columbia. The Service has also set protection for three witnesses before congressional proceedings, at the request of Congress. These special security details are not in the normal mission of the Service, and had not been budgeted. The third class of special protective detail involves four Government criminal prosecution witnesses who have to be protected outside the normal witness protection program, or whose protection has been required longer than anticipated. These details are necessary for protection of human life, as well as the furtherance of Government prosecutions, and their costs could not have been anticipated.

These additional requirements of $2,835,000 are to be funded by transferring $2,000,000 from the appropriation "support of U.S. prisoners" and $835,000 from "fees and expenses of witnesses."

Mr. WEICKER. Mr. President, I concur in the passage of the amendment.

I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of our time, Mr. President, and ask for the adoption of the amendment.

The ACTING PRESIDENT pro tempore. All time being yielded back, the question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, let me yield to the distinguished Senator from Oklahoma.

UP AMENDMENT NO. 448

Mr. BELLMON. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 448.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 41, line 19, strike "." and insert ": *Provided*, That"

(a) The first undesignated paragraph of section 7(b) of the Small Business Act is amended by inserting after "under subsection (b)" the following, "except as provided in subsection (c),";

(b) Section 7(c) of the Small Business Act is amended by adding the following new paragraphs:

"(3) With respect to a disaster occurring on or after October 1, 1978, and prior to October 1, 1982, on the Administration's share of loans made pursuant to paragraph (1) of subsection (b)—

"(A) if the loan proceeds are to repair or replace a primary residence and/or repair or replace damaged or destroyed personal property, the interest rate shall be 3 per cent on the first $55,000 of such loan;

"(B) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is unable to obtain sufficient credit elsewhere, the interest rate shall be as determined by the Administration, but not in excess of 5 per cent per annum; and

"(C) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is able to obtain sufficient credit elsewhere, the interest rate shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one eighth of 1 percent, and an additional amount as determined by the Administration but not to exceed 1 percent: Provided, That three years after such loan is fully disbursed and every two years thereafter for the term of the loan, if the Administration determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Administration, apply for and accept such loan in sufficient amount to repay the Administration: Provided further, That no loan under subsection (b)(1) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation."

(c) Section 18 of the Small Business Act is amended by—

(1) inserting after "Sec. 18." "(a)";

(2) striking the comma after the phrase "agricultural related industries" and inserting the following: "*Provided*, That, prior to October 1, 1982, an agricultural enterprise shall not be eligible for loan assistance under paragraph (1) of section 7(b) to repair or replace property other than residences and/or personal property unless it is declined for, or would be declined for emergency loan assistance from the Farmers Home Administration under subchapter III of the Consolidated Farm and Rural Development Act," and

(3) inserting a new subsection as follows:

"(b) As used in this Act—

"(1) "agricultural enterprises" means those businesses engaged in the production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries; and

"(2) "credit elsewhere" means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

(d) the amendments made by this section to sections 7(c)(3)(C) and 18 of the Small Business Act shall not apply to any disaster which commenced on or before the effective date of this Act.

(e) Section 321 of the Consolidated Farm and Rural Development Act is amended by striking out in the first sentence all that follows after "with the assistance of such loan" through the end of the sentence and inserting in lieu thereof a period.

(f) Section 324(a) of the Consolidated Farm and Rural Development Act is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following "Loans made or insured under this subtitle shall be at rates of interest as follows:

"(1) with respect to loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, (A) if the applicant is unable to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, the interest rate shall be at a rate prescribed by the Secretary not in excess of 5 per centum per annum, and (B) if the applicant is able to obtain sufficient credit elsewhere, the interest rate shall be the rate prescribed by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum: *Provided*, That the total amount outstanding and committed to the borrower under this paragraph (1) shall not exceed $500,000 for each disaster; and

"(2) with respect to loans or portions of loans exceeding the amount of actual loss caused by the disaster, the interest rate shall be that prevailing in the private market for similar loans as determined by the Secretary."; and

(2) inserting in the second sentence after "*Provided*, That" the following: "for loans approved under subsection (a)(1)(B), three years after such loan is made or insured and every two years thereafter for the terms of the loan, if the Secretary determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms of loans of similar purposes and periods of time, the borrower shall, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary: *Provided further*, That"

Mr. BELLMON. Mr. President, there is a problem in that the provisions covering loans made by the Farmers Home Administration and the Small Business Administration are not identical.

At the present time farmers are finding loans made by the Small Business Administration to be more attractive both because they do not require the same credit test and also because the interest rates are somewhat lower. Therefore, farmers who would normally and should normally use the Farmers Home Administration loans are going to the Small Business Administration for their credit needs. This is placing great pressure on the Small Business Administration and making it in some cases impossible for that agency to make the loans they should be making to the business community.

The purpose of the amendment which I have introduced would be to make terms of the Small Business Administration and the Farmers Home Administration almost identical and in this way we feel it would have the result of causing farmers to use the Farmers Home Administration rather than the Small Business Administration.

The amendment has been discussed with both the floor manager of the bill and the ranking minority member of the committee, and I am hopeful that they will see merit in the amendment and perhaps accept it.

Mr. President, the fiscal year 1980 appropriation bill for the Departments of

State, Justice, Commerce, the Judiciary, and related agencies is now before us. The bill, as reported, provides $8.3 billion in budget authority with associated outlays of $10.1 billion, including $3.9 billion from prior years' budget authority. These amounts are generally consistent with the first budget resolution and I will support the bill. I would like to raise some concerns about future spending requirements, however.

The Appropriations Committee has allocated $9.8 billion in budget authority and $10.5 billion in outlays to its subcommittee on State, Justice, Commerce, and the Judiciary under the first budget resolution.

As reported, the Senate bill is $1.5 billion in budget authority and $300 million in outlays below that allocation. Due to the lack of an authorization, the subcommittee deferred action on appropriations for the Economic Development Administration, Regional Action Planning Commissions, and Federal Trade Commission. These and other possible later requirements, including Small Business Administration business and disaster loans and the October pay raises, could put the subcommittee over its allocation by $100 million in budget authority and $200 million in outlays.

These possible future claims against the subcommittee's allocation under the budget resolution were discussed during full Appropriations Committee consideration of this bill. Senator HOLLINGS stated, at that time, his intent to reduce appropriations for controllable items yet to be funded—ongoing programs now lacking an authorization, for example—if necessary to prevent the subcommittee from exceeding its allocation. I commend the Senator for this show of support for the budget process.

Obviously, however, the Appropriations Committee cannot act alone. For a number of programs, authorizing committee action must be taken in order to restrain spending. The SBA disaster loan program is a prime example here.

We are estimating additional fiscal year 1980 spending requirements for this program to be those which would result if the Senate-passed version of S. 918, the Small Business Act Amendments of 1979, is enacted. As you recall, that bill was approved by this body as a "reasonable compromise" in response to the longstanding and costly problems which have plagued our Federal disaster lending activities, namely, duplicative SBA and Farmers' Home disaster lending programs.

The Senate-passed version of S. 918, while not the ideal solution in my view, is what it was represented to the Senate to be—a reasonable "compromise." It would make the Farmers' Home and SBA programs so substantially similar as to allow a requirement that agricultural enterprises first seek Farmers' Home assistance before being eligible for disaster loan assistance from the Small Business Administration.

The conferees on S. 918 have been unable to reach agreement however. As a result, lower interest rates on SBA disaster loans were authorized as part of the fiscal year 1979 supplemental appropriations bill, without the accompanying program reforms. Thus, failure now to enact the program reforms incorporated in the Senate-passed version of S. 918 would force the Appropriations Committee to provide any sums needed through future supplementals so to speak. This is because the SBA disaster loan program technically operates as an entitlement. When a disaster strikes and the bank is broke, we do not cut off assistance to victims of that disaster. We appropriate additional funds. With the reduced SBA disaster loan interest rates enacted as part of the fiscal year 1979 supplemental appropriations bill, fiscal year 1980 SBA disaster loan requirements could climb another $500 million. This would put the subcommittee roughly $600 million above its budget authority allocation. The subcommittee would be forced to make severe reductions in future supplementals to fund ongoing Federal programs or force the Appropriations Committee to live within its total first budget resolution allocation by holding other subcommittee's below their allocations.

I support this bill as reported, but I think the Senate should be aware of the real spending pressures which may materialize in the coming months—spending pressures which may jeopardize our first budget resolution targets and a balanced budget in fiscal year 1981.

Mr. HOLLINGS. Mr. President, let my distinguished colleague make one thing clear to me.

As I remember, when we started this procedure of disaster loans for farmers going before the SBA on two scores.

One was disaster money was going to the Small Business Administration immediately set up for that particular disaster. And the other point was that if you continued the procedures before the Farmers Home Administration then you had to have a credit elsewhere checkoff; in other words, you had to make an application to banks to prove that those banks would not finance your particular loan and then you could apply to Farmers Home before we changed it and put them all before the SBA.

The idea of putting them before the Small Business Administration was to put them, as we say in the law, in pari delicto, on an equal footing. We did not want a disaster that occurred like the Johnstown flood where the individual had a home that was washed away. He would come without any credit elsewhere with the burden required to get a certain percentage. If he had a business he could do the same thing before the SBA. But if it washed away his farm, then he would have to go to the Farmers Home Administration.

And that is why we changed the law.

Then, as I remember it, the experience of the Small Business Administration is very much lacking in farmer loans, whereas expertise is already established within the Farmers Home.

As a result we watched the operation of the Small Business Administration under this subcommittee's aegis. We had hearings where Mr. Weaver and the others operating SBA appeared. The added personnel that they would have to put on for each disaster and everything else was as disruptive as anything else to SBA's operation, and they were totally at ease with Farmers Home.

So Senator TALMADGE and Senator BELLMON asked that it be returned to Farmers Home, and I appeared before the Agriculture Committee and I asked that it be returned so long as, and that is the one thing I wanted to make clear, the farmer is on an equal footing with the homeowner and the business owner; in other words, he can get the loan without any additional burdens or credit ahead of time having to be proved that he is denied or gets the same interest loan.

I want to look out for my farmer, and I am sure he does, also, to put him on the same footing as that business owner and that homeowner.

Is that correct?

Mr. BELLMON. Mr. President, that is precisely the purpose of this amendment. That is the intent of the amendment. And I could not agree more with the distinguished Senator from South Carolina.

We do not want a dual policy here with people on one side of the city limits having a more favorable loan program than the people living outside the city limits in the rural areas.

The purpose of this amendment is to treat both the people who live in the towns and cities and people who live in the country exactly the same.

Mr. HOLLINGS. Mr. President, this is the language agreed to under the Huddleston amendment in the supplemental bill, and we were not able to hold it in conference.

Mr. BELLMON. That is right.

Mr. HOLLINGS. But I am glad under that circumstance to go along with the amendment and do our best in conference one more time.

Mr. BELLMON. I hope that the Senate conferees will be very insistent on this language. Until we get such provision in the law, it is going to be very difficult for us to operate an effective farmers home loan program because the farmers know that the SBA provisions are more generous and are, therefore, going to continue to go to the SBA.

I hope, if the amendment is accepted, the conferees will be insistent.

Mr. WEICKER. Mr. President, I concur with the remarks of the distinguished Senator from Oklahoma and compliment him for bringing this amendment to the legislation. I concur in its adoption.

Mr. BELLMON. Mr. President, I am willing to yield back my time.

Mr. HOLLINGS. I yield back our time, Mr. President, and ask for adoption of the amendment.

The ACTING PRESIDENT pro tempore. All time being yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BELLMON. I thank the floor manager and the ranking minority member.

● Mr. KENNEDY. Mr. President, on June 4, 1979, the Senate passed the fiscal year 1980 Department of Justice Authorization Act. That act represented the product of a bipartisan effort on the part of the Committee on the Judiciary to assess the policies, programs, and performance of the Department of Justice. The appropriations bill, which we are considering today, adhered to the priorities of the Authorization Act. The bill well reflects the cooperation in effort of the two committees, and I am pleased to rise in support of it.

H.R. 4392 meets the most pressing needs of the Department of Justice and the Federal justice system. It contains sufficient funds for both the investigation and prosecution of organized crime, white-collar crime, Government program fraud, and public integrity, the Department's highest priority programs. It includes the necessary resources to provide the new judges established under the Omnibus Judgeship Act with U.S. marshal protection, and it insures the staffing of U.S. attorneys required to handle the anticipated increased workload. Moreover, additional resources are allotted to the Civil Division, the Land and Natural Resources Division, and the Civil Rights Division to permit them to pursue violations of the law far more aggressively than they have in the past.

Overall H.R. 4392 is $551,094,000 lower than the two authorization acts which have preceded it. However, there are three accounts with levels somewhat higher than authorized: General administration, $2 million; U.S. attorneys and marshals, $1 million; and Immigration and Naturalization Service, $5 million.

This latter discrepancy is due to a series of 11th hour administration budget amendments. We should be able to work with the House in clearing the way for these changes this time around; I expect the administration to develop procedures with us to insure that such timing problems do not occur in the future.

Mr. President, I believe the Appropriations Committee has done a commendable job in fashioning responsible resource levels for the Department of Justice. I urge my colleagues to vote in support of this bill.●

Mr. HOLLINGS. Mr. President, we have an amendment by the distinguished Senator from Ohio, Senator GLENN, on the Census Bureau. He will momentarily be in the Chamber.

While we are awaiting his arrival, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 449

Mr. HOLLINGS. Mr. President, preliminary to moving this particular amendment, let me explain that the distinguished Senator from Arizona (Mr. DECONCINI) has conferred with the Attorney General. There is recommended $5,000,000 in the Attorney General's budget to take care of the State and local drug strike forces.

The Attorney General has asked for some flexibility on this authority, because in his particular office there is some question as to whether or not it can be effectively and efficiently administered, in that it could have to be administered through the DEA, and he wants that authority.

The authority would read to provide the language:

> The Attorney General has the authority to make such provisions as are necessary and appropriate for the efficient and effective administration of these funds included herein for State and local drug strike forces.

I am going to make a verbal amendment, if the rules will allow it.

On page 8, at the end of line 23, this additional proviso, and I will read it once again, and then I can send it to the desk; but I do make this motion: That the bill, on page 8, line 23, be amended to include, after that particular line, the following proviso:

> That the Attorney General has the authority to make such provisions as are necessary and appropriate for the efficient and effective administration of these funds included herein for State and local drug strike forces.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from South Carolina (Mr. HOLLINGS), for the Senator from Arizona (Mr. DECONCINI), proposes an unprinted amendment numbered 449.

The amendment is as follows:

> On page 8, under line 23 after the period, insert the following:
>
> *Provided*, That the Attorney General has the authority to make such provisions as are necessary and appropriate for the efficient and effective administration of these funds included herein for State and local drug strike forces.

Mr. HOLLINGS. I think the minority side will agree to this language. Does the Senator from Connecticut agree to the provision of that extra language?

Mr. WEICKER. Yes, I agree.

The ACTING PRESIDENT pro tempore. Is time yielded back?

Mr. HOLLINGS. Yes, I yield back the remainder of my time.

Mr. WEICKER. I yield back my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. UP-449) was agreed to.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

UP AMENDMENT NO. 448, AS MODIFIED

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. While we are waiting for the distinguished Senator from Ohio, I have a unanimous-consent request. Before propounding the request, Mr. President, it refers to the amendment of the distinguished Senator from Oklahoma (Mr. BELLMON). At page 2 under that section 2, "striking the comma after the phrase 'agricultural related industries' and inserting the following:" and then in the quote mark, without the colon, it is the intent of the Senator from Oklahoma that the quote mark be deleted and just the colon remain there. And then further down, under section (b)(2), the reading is " 'credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable terms." The distinguished Senator would have included between the word "reasonable" and the word "terms" the additional two words "rates and", so that it would read " 'Credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration the prevailing private rates and terms in the community."

Mr. President, I ask unanimous consent that on page 2 of the Bellmon amendment, the quote marks before the word "Provided" on line 15 be deleted, and later on line 20 under section (b)(2), prior to the word "reasonable" the words "rates and" be included so as to read "at reasonable rates and terms."

The ACTING PRESIDENT pro tempore. Will the Senator send the modification to the desk? Without objection, the amendment will be so modified.

The amendment, as modified, is as follows:

> On page 41, line 19, strike "." and insert ": *Provided*, That
>
> (a) The first undesignated paragraph of section 7(b) of the Small Business Act is amended by inserting after "under subsection (b)" the following ", except as provided in subsection (c),";
>
> (b) Section 7(c) of the Small Business Act is amended by adding the following new paragraphs:
>
> "(3) With respect to a disaster occurring on or after October 1, 1978, and prior to October 1, 1982, on the Administration's share of loans made pursuant to paragraph (1) of subsection (b)—
>
> "(A) if the loan proceeds are to repair or replace a primary residence and/or repair or replace damaged or destroyed personal property, the interest rate shall be 3 per cent on the first $55,000 of such loan;
>
> "(B) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is unable to obtain sufficient credit elsewhere, the interest rate shall be as determined by the Administration, but not in excess of 5 per cent per annum; and
>
> "(C) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is able to obtain sufficient credit elsewhere, the interest rate shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one-eighth of 1 per cent, and an additional amount as determined by the Administration but not to exceed 1 per cent: *Provided*, That three years after such loan is fully disbursed and every two years thereafter for the term of the loan, if the Administration determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Administration, apply for and accept such

loan in sufficient amount to repay the Administration: *Provided further*, That no loan under subsection (b)(1) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation.".

(c) Section 18 of the Small Business Act is amended by—

(1) inserting after "Sec. 18." "(a)";

(2) striking the comma after the phrase "agricultural related industries" and inserting the following: ": *Provided*, That, prior to October 1, 1982, an agricultural enterprise shall not be eligible for loan assistance under paragraph (1) of section 7(b) to repair or replace property other than residences and/or personal property unless it is declined for, or would be declined for emergency loan assistance from the Farmers Home Administration under subchapter III of the Consolidated Farm and Rural Development Act," and

(3) inserting a new subsection as follows:

"(b) As used in this Act—

"(1) "agricultural enterprises" means those businesses engaged in the production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries; and

"(2) "credit elsewhere" means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

(d) the amendments made by this section to sections 7(c)(3)(C) and 18 of the Small Business Act shall not apply to any disaster which commenced on or before the effective date of this Act.

(e) Section 321 of the Consolidated Farm and Rural Development Act is amended by striking out in the first sentence all that follows after "with the assistance of such loan" through the end of the sentence and inserting in lieu thereof a period.

(f) Section 324(a) of the consolidated Farm and Rural Development Act is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following "Loans made or insured under this subtitle shall be at rates of interest as follows:

"(1) with respect to loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, (A) if the applicant is unable to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, the interest rate shall be a rate prescribed by the Secretary not in excess of 5 per centum per annum, and (B) if the applicant is able to obtain sufficient credit elsewhere, the interest rate shall be the rate prescribed by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of one per centum: Provided, That the total amount outstanding and committed to the borrower under this paragraph (1) shall not exceed $500,000 for each disaster; and

"(2) with respect to loans or portions of loans exceeding the amount of actual loss caused by the disaster, the interest rate shall be that prevailing in the private market for similar loans as determined by the Secretary."; and

(2) inserting in the second sentence after "Provided, That" the following: "for loans approved under subsection (a)(1)(B), three years after such loan is made or insured and every two years thereafter for the terms of the loan, if the Secretary determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary: *Provided further*, That".".

Mr. HOLLINGS. I thank the Chair.

Mr. President, I ask unanimous consent that the privileges of the floor be granted to Ava Abramowitz and Jerry Bonham.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following members of Senator HATCH's staff: Renn Patch and Steve Markham.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time to the Senator?

Mr. HOLLINGS. I yield time, Mr. President.

Mr. President, if the distinguished Senator from Ohio will yield, I ask for the yeas and nays on final passage.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 450

Mr. GLENN. Mr. President, I send an amendment to the desk and ask that it be considered.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 450.

On page 17, line 20, strike out "613,400,000" and insert "$616,400,000, of which up to $4,800,000 shall be available only for the Census Promotion Plan".

Mr. GLENN. No, that is not correct. May I have that back, please?

The ACTING PRESIDENT pro tempore. I do not think the Senator is supposed to mark on that one. If the Senator will, he may mark another copy.

Why not withdraw it and offer it again?

Mr. GLENN. Mr. President, I ask unanimous consent that I be permitted to withdraw the amendment and resubmit it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment was withdrawn.

UP AMENDMENT NO. 450, AS MODIFIED

Mr. GLENN. Mr. President, H.R. 4392 amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 450, as modified:

On page 17, line 20, strike out "$613,400,000" and insert "$614,400,000, of which up to $2,800,000 shall be available only for the Census Promotion Plan".

Mr. GLENN. Mr. President, I send an as presently designed would do significant damage to the 1980 census. It would accomplish this feat by gutting the public information program, the program that is meant to get the census message to the people about being counted. Withcount worse than the one we had in out it, we virtually guarantee an under-1970.

In 1970, 7.7 percent of the Black population of the United States was not counted in the Decennial Census. Estimates are that like numbers of other minority groups were missed. Yet more than 98 percent of the white population was located.

What all this meant was that the very people who most needed the Government funds distributed on the basis of the once every decade head count were the ones least likely to receive it. The same, of course, went for the over-burdened locales were they lived.

In response, over the last decade the Census Bureau has worked with other Government agencies, with Congress, with social scientists, with demographers, with statisticians, and most especially with minority group leaders to devise ways to find and to count all of the members of minority groups in 1980.

They came up with a number of programs. Key to the success of all of them is the public information program because it is the means to get the message out.

Among the reasons why people are not counted is a lack of appreciation of the importance of the census. Also, some people do not want to be counted. Housing code violators, illegal aliens, welfare code violators, for example, feel that they will be reported to other Government agencies if they allow themselves to be known to the Census Bureau. This concern is a myth because there has never been a case reported of a Bureau violation of its confidentiality code.

But to make sure the myth is dispelled, plans for the 1980 census have been predicated on reassuring the American public of confidentiality and on educating the American public to the importance of being counted.

Essential to this carefully structured plan, a public information program was devised, focusing particularly on minority groups. It is via this plan that the message will be actually transmitted to the public. Because the advertising council provides public service advertising, the Bureau of the Census was able to keep its own costs for this pivotal program down to a minimum.

I want to reemphasize that virtually the entire minority-targeted program rests on getting information about the census to the public. Yet if the Appropriations Committee cut is sustained, this program will be totally inadequate in realizing its aims.

The impact which the committee action will have upon the 1980 census is described in the accompanying letter by the Acting Director of the Census Bureau.

Mr. President, I believe that if we restore $1 million of the cut proposed by the Appropriations Committee, the Census Bureau will be able to address the undercount problem through an improved public information program. My amendment would restore this amount of money, and I respectfully urge its adoption by the floor managers.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter just received from the Census Bureau detailing the losses which would occur if this program were obliterated.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., July 24, 1979.

Hon. JOHN GLENN,
Chairman, Subcommittee on Energy, Nuclear Proliferation and Federal Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I write out of a deep sense of concern about the $3 million reduction made by the Senate Appropriations Committee in H.R. 4392. After restoring $33.5 million of the $48 million disallowed by the House of Representatives, the Senate committee struck $3 million for promotional and public relations activities.

While the committee indicated that they placed "the highest priority on minority-oriented media concerns to alleviate the undercount problem of the past" their action in specifically directing a $3 million cut in the promotion and public relations area would strike directly at Bureau programs which address the undercount problem head-on.

The immediate result of the cut, if it is sustained, would include:

a. The elimination of 40 public information specialists in the field whose assignments include direct contact with local minority media.

b. The elimination of all material to be produced and supplied to the 200 community services representatives for use in the minority communities. This program has been a major effort to build support within these communities and the need for material is imperative.

c. This will eliminate our ability to coordinate and fully utilize the estimated $40 million pro-bono communication program being developed through the Advertising Council.

d. The elimination of all funds necessary for the reproduction and distribution of

1. All audio-visual materials for use with organizations
2. the school curriculum package
3. the motion picture
4. the newspaper, radio, and television information kits, including those specifically designed for minority media.

Although we are deeply appreciative of the restoration made in the Senate Appropriations Committee, we believe the specified $3 million cut for promotional and public relations activities would have severe consequences for our efforts to reach into those areas of the country that have traditionally accounted for a significant portion of the undercount. We have, through our community services program, through testimony before Senate and the House committees, and through countless public announcements, raised expectations in these communities. The impact that would result from the $3 million cut is, indeed, difficult to imagine.

I hope that it will be possible to restore this sum on the floor of the Senate and deeply appreciate your efforts on our behalf and on behalf of a successful 1980 census.

Sincerely,

DANIEL B. LEVINE,
Acting Director,
Bureau of the Census.

Mr. GLENN. Mr. President, the amendment I have submitted would increase by $1 million the amount to be provided in the bill as submitted from the committee.

I believe this has received favorable consideration from the floor managers of the bill.

Mr. President, I yield such time as the Senator from New York might wish to speak on this subject.

Mr. JAVITS. Mr. President, at the very 11th hour and 59th minute of this bill, we are faced with a sharp controversy between the Census Bureau and the managers of the bill—and I have great confidence in the managers—in which the managers feel that the allocation of funds for public information and activities in that connection, referred to at page 35 of the committee report, is $3 million too much, and, therefore, should be cut by $3 million, while the committee emphasizes, as it has right along "the highest priority on minority-oriented media campaigns to alleviate the undercount problems of the past," and the Bureau complains that, if this $3 million is taken away from it, it simply cannot do the very thing the committee says it wants it to do.

Mr. President, under these circumstances, with, as I say, an expression of great confidence in our colleagues, and faced with the seemingly irreconcilable difference with the Bureau, the fact that the matter will be in conference between the House and the Senate, with the Senate having added at Senator HOLLINGS' urging some $30-odd million in funds for the Census Bureau to follow the dictates and desires of the committee, Senator GLENN and I discussed the matter with Senator WEICKER and Senator HOLLINGS and decided that we would simply take an arbitrary added amount—we agreed upon $1 million—and add it at this stage of the bill so that the whole matter could be properly fought out in conference with an allowable margin on the part of the Senate recognizing this problem.

Mr. President, I consider the suggestion which has now been accepted by Senator GLENN and myself and the managers of the bill to be in character for both our colleagues. Senator WEICKER feels very deeply about it, as, in his opinion, and I respect it enormously, great proof that the amount he feels is not needed.

Senator HOLLINGS has pointed to the large addition of $30 million, to the figure which came over from the House.

I cannot tell the managers how much I appreciate their cooperation and their willingness to yield the point in order to protect what may prove to be inequity as the matter develops in the conference. I thank them both very much.

Mr. President, the amendment we are introducing would restore $1 million to the fiscal year 1980 budget of the Census Bureau for its promotional and public relations activities.

As the ranking member of the Senate Subcommittee on Energy, Nuclear Proliferation, and Federal Services, which has jurisdiction over the Census Bureau, I have been looking into the Bureau's plans for carrying out the 1980 census.

The subcommittee held 2 days of oversight hearings on February 27 and March 1. The thrust of the hearings focused on the undercount, 2.5 percent, in the 1970 census, and the plans of the Bureau to obtain a more accurate count in 1980. In addition, the subcommittee staff met with then Acting Director, Bob Hegan and Promotional Director, Hal Weber to further explore the Bureau's promotional plans.

Mr. President, the allocation of over $50 billion in Federal grant-in-aid funds will be determined by the 1980 census. In many instances eligibility depends upon a city exceeding a given number of residents so that a minor undercount could affect substantially the amount of funding received.

The U.S. Conference of Mayors estimates that the 1970 undercount resulted in the loss of more than $10.7 million in general revenue sharing funds in fiscal year 1978 for New York City; $2.0 million for Detroit; $1.9 million for Washington, D.C.; $1.3 million for Baltimore; $750,000 for Cleveland; and $420,000 for Atlanta.

In order to address the undercount problem the Census Bureau has developed a comprehensive, aggressive publicity program structured to reach the total population through mass media as well as targeted groups—the traditionally hard to enumerate areas—through a community services/grassroots approach.

The Public Information Office is a vital component of the entire publicity effort. This office is responsible for producing and disseminating information brochures and kits to the media, schools and local business communities. Without adequate funding these essential liaisons with the communities will not be able to perform their respective roles.

I would like to explain briefly what the Public Information Office will do. First, it is producing 100,000 census information kits to be used as background material by the mass media, including 9,400 daily, weekly, and minority newspapers, 1,000 television stations, 10,000 radio stations and 20,000 consumer and business magazines. Second, the Office will print and distribute 600,000 posters to be used in post offices, store windows and community and factory bulletin boards. Third, the Public Information Office has developed a school curriculum

consisting of teaching assignments and sample forms to take home and complete.

Also, a public information specialist will be hired and placed in each of the 12 regional offices in July. By October 28 additional specialists will be located in selected district offices. Their function is to execute on the local level all aspects of the communication plan.

Mr. President, the cut in funding for the Public Information Office proposed by the Appropriations Committee will hamper the efforts of the Census Bureau to inform the public and, moreover, will impact directly upon the programs designed to reach the minority and foreign speaking populations—the very groups which stand to benefit the most from an accurate count. I urge my colleagues to restore the funding for the activities of the Public Information Office.

Mr. GLENN. Mr. President, I thank the distinguished Senator from New York for his support on this amendment.

Mr. President, if the floor managers of the bill are prepared to yield back their time, I am prepared to yield back my time.

Mr. WEICKER. Mr. President, in reregard to the amendment, the distinguished Senator from South Carolina and myself are prepared to accept it.

The best I can say on it is that a good compromise is one that leaves everybody feeling a little unhappy, which I think probably is the feeling shared on the floor at the present time.

Mr. President, I yield back the remainder of my time.

Mr. GLENN. Mr. President, I yield back all my time and ask for passage of the amendment.

The ACTING PRESIDENT pro tempore. All time having been yielded back, the question is on agreeing to the amendment.

The amendment (UP 450, as modified) was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 451

(Purpose: To prohibit the use of funds by the Department of Justice to bring legal action to require the forced busing of students)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. TALMADGE). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 451.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 43, line 1, insert the following:

"SEC. 605. No part of any appropriation contained in this Act shall be used by the Department of Justice to bring any sort of action to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped."

Mr. HELMS. Mr. President, this amendment to H.R. 4392, the State, Justice and Commerce Appropriations Act, is very simple. It happens to be identical to language adopted by the House of Representatives and deleted by the Senate committee.

It would restrict the use of taxpayers' dollars by the Department of Justice in promoting court-ordered busing.

As a result of the Senate's action of last week to reaffirm the Senate's commitment to restrain forced busing, the Justice Department has assumed a new role in promoting busing in the Nation's schools. The Justice Department is now directly intervening to bring busing cases before the Federal courts, rather than through administrative procedures originally handled by the Department of Health, Education, and Welfare.

The point is this, Mr. President. Since 1977, Congress has prevented HEW from taking administrative action against schools which rejected HEW's demands to implement forced busing plans.

Now, the Biden-Eagleton amendment has been included in the Labor-HEW appropriation bill every year since that time and, in fact, was passed again by the Senate just last week.

So the Senator from North Carolina suggests the Senate's position on this matter is clear, and my amendment would make the Senate consistent.

I have been pleased to support the Biden-Eagleton amendment, to cosponsor it, in the past, and I will continue to do so. However, although HEW has been relieved of its assumed responsibility for bringing busing suits to court, what has HEW done?

HEW has, in fact, transferred that activity to the Department of Justice, in what obviously is an end run around Congress. Congress ought to perceive it as such and the House of Representatives has done precisely that. Now, the Senate should act to affirm this policy.

In short, HEW is making an end run around the limitations of the Biden-Eagleton amendment by transferring cases it normally would act upon to the Department of Justice for action.

Let me give an example.

In Marion County, Fla., HEW attempted to impose a school busing plan. When the school district refused and negotiations between HEW and the school district reached an impasse, HEW simply referred the matter to the Justice Department.

The Justice Department then filed suit against the school district in Federal district court asking that a busing plan be imposed. While the Federal judge turned the case out of court on the basis that the Justice Department does not have authority under title VI of the Civil Rights Act to bring such an action, the case is now on appeal before the Fifth Circuit Court of Appeals.

But regardless of the outcome of that case, it is appropriate for Congress to act in implementing the Civil Rights Act of 1964 to determine what procedures are appropriate for the Federal Government to take in carrying out its civil rights legislation.

The purpose of the amendment submitted by Mr. COLLINS in the House and now by me in the Senate is to clearly state that it is not consistent with the language or intent of the Civil Rights Act for Federal agencies to promote or demand busing.

Mr. President, I want to be very clear as to the effect of the Collins-Helms amendment.

It will prevent the Department of Justice from going into court and asking for involuntary busing plans.

It will not prevent the Justice Department from going into court and asking for other remedies. It will not prevent magnet schools. In this regard, the effect of the Collins-Helms amendment is no greater than that of the Biden-Eagleton amendment.

So this amendment is merely a reaffirmation of the Senate vote last week to approve the Biden-Eagleton amendment, which the Senator from North Carolina cosponsored.

It will not affect court-ordered busing plans already in effect. Its application is only prospective.

It will not affect voluntary busing plans already in effect or which may go into effect in the future.

It will not affect the power of Federal courts to order busing. The amendment only affects the power of the Justice Department to seek such orders and to promote forced busing.

It will not affect the handicapped or disabled student's right to obtain transportation to special educational facilities.

Mr. President, so that we are clear as to the effect of the Collins-Helms amendment, I would like to read the language of the amendment. It states:

No part of any appropriation contained in this Act shall be used by the Department of Justice to bring any sort of action to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped.

Mr. President, I believe the language and effect of my amendment is clear. Certainly, it is clear to the House of Representatives. It is consistent with the policy established by the Senate when it has repeatedly passed the Biden-Eagleton amendment. Indeed, it carries out that policy to restrain the Federal Government from seeking to impose forced busing on the schools of this Nation. It would bring to an end the promotion of forced busing by Federal bureaucrats whether they are employed by the Department of Health, Education, and Welfare or the Department of Justice acting as a surrogate for HEW.

Mr. President, I suspect there will be some persons who will defend busing as a last resort or a necessary evil in some situations. I disagree. You can achieve artificial quotas and ratios of students by forced busing, but those quotas and ratios which are established by compulsion will never result in the understanding and cooperation which the proponents of busing promise. Even such advocates of busing as Prof. James S. Coleman, whose work is substantially responsible for many of the busing programs throughout the country, has now rethought this issue and determined that busing does not work, has not worked, and will not work.

But whether or not we can agree that there is no place for forced busing in American life—even as a matter of last resort—my amendment does not go that far. It does not affect the power of Federal courts to mandate busing where they determine such a program is necessary. It simply prohibits the U.S. Government, through the Department of Justice, from going into court and seeking a busing order. The amendment does not prohibit private citizens or organizations from exercising their constitutonal right to go into court and seek what they believe to be an appropriate constitutional remedy.

Mr. President, the Collins-Helms amendment which has passed the House is good law, and it is within the power of Congress to act to determine what actions of the Federal Government are appropriate in carrying out the provisions of the Civil Rights Act and the Constitution.

The Collins-Helms amendment is consistent with the established policy of the Senate in restricting the action of the Federal Government in promoting forced busing. It is necessary to close a loophole in that policy. It is entirely consistent with the Biden-Eagleton amendment which passed the Senate again last week, and I urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield myself such time as I may need in order to oppose the amendment.

Mr. President, I begin by reiterating what is obvious to most, and that is that I have supported the distinguished Senator from North Carolina on many occasions with respect to busing and busing amendments.

The truth of the matter is that our former distinguished colleague, Senator Sam Ervin and I were amicus curiae on the brief in the Swann case in Mecklenburg County, relative to busing some 6 years ago. So we have been working to try to oppose busing in order that children could attend the school nearest their choice.

However, the fundamental involved here is whether or not the Department of Justice can do justice. The Department of Justice does not promote busing. It only can take the facts of a particular case, under congressional mandates relating to discrimination in the public school systems, and say, "Judge, we present these facts as being discriminatory." Thereby, they try to promote the ends of justice in accordance with the findings of a national Congress.

The language used by the Senator from North Carolina is too light and too loose. The fundamental here is whether or not the Department of Justice can enforce various enactments of the national Congress relating to discrimination.

HEW withholding funds and the Biden amendments present another issue; but this proposed language says when you get down to your own Department of Justice presenting cases before the Federal courts, you cannot present those cases.

In many cases in which plans have been submitted by the school boards and other entities involved, which could involve busing of some kind, directly or indirectly, by way of transportation—whether that involves discrimination cannot be determined, under the amendment of the Senator from North Carolina, because if it relates in any fashion, directly or indirectly, then there is a bar to the Department of Justice even picking up those facts and presenting the matter to a court of law.

There is a fundamenal involved here that cannot be countenanced on an appropriations bill parliamentarily, and I am sure my distinguished colleague will raise the point of legislation on an appropriations bill.

However, knowing the sense of justice of the Senator from North Carolina, let us not put an amendment on this bill that says the Department of Justice cannot do justice. That is exactly what the amendment says. The Department of Justice does not promote anything. They can only take the civil rights statutes. If the Senator wants to repeal the civil rights statutes, that is his prerogative, and he should submit categorically that kind of repeal amendment in a bill in this National Congress.

But having made these particular legislative findings, signed by the President and on the statute lawbooks of the United States of America, to come and say the Department of Justice cannot do its job, then that is another thing, and I am sure he does not want to do that.

I know he wants to show his constancy, perseverance, and dedication to the cause. I feel the same way—do not misunderstand me—about busing, because we worked in the Swan case, and you can look at my other votes. But when we saw this in the Justice Department about bringing cases on discrimination that may involve a factual situation even approved by both sides, that amounts to discrimination of an individual citizen, only the Justice Department can bring that case and make the charge. It has to prove the case.

What the Senator from North Carolina says in the first instance in this language is that you cannot even bring the case. I think that would be outrageous.

I hope we can either knock out the language or defeat the amendment.

The PRESIDING OFFICER. Who yields time?

The distinguished Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I rise to oppose the amendment of the distinguished Senator from North Carolina. I think the argument itself——

The PRESIDING OFFICER. If the Senator will suspend, will the Senator from South Carolina yield time to the Senator from Connecticut?

Mr. HOLLINGS. I yield time to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from South Carolina yields time to the Senator from Connecticut.

Mr. WEICKER. Mr. President, first I concur with all the remarks made by the distinguished Senator from South Carolina, and to emphasize the point that if there is something to be done then it is not in the form of this amendment. Rather let the Senate repeal all civil rights statutes. We, try to strip the power of remedy away from the courts, we try to strip the powers of judgment and action from the Justice Department all because we are unable by legislative action to institute such an inane policy in this Chamber.

These end runs have to stop somewhere, and I hope they stop right here.

The commitment of this Government and all of its branches to equality, to equality of opportunity, to equality of education, is both demeaned and diminished by such end runs.

Important to all of us is the principle that when any appear before a court of law in this country we want to be able to obtain justice. We want independence for the judiciary, and whatever remedy is appropriate to our ill we want it applied.

And for the legislative branch of Government to come in after the fact and strip that type of independence, strip that power from the court, strip such judgment from the Department of Justice does not just demean situations as they exist today in this country relative to civil rights and equality of opportunity but guarantees that in the future the same could happen to the rights of any citizen of this Nation. That is the danger of what we are tampering with.

I will, after all time is yielded back, raise the parliamentary point as to this being legislation on appropriations bill and possibly the argument of germaneness will be raised. But that really is not the issue here today. If it were not for the fact that the committee itself is dedicated to preserving this principle of no legislation on appropriations bills, I would be entirely satisfied to have this voted on up or down on its merits, and it has none. It has none.

I think the time has come for all of us to understand that sooner or later each one of us is going to have our ox gored. And it does not mean we throw the whole system overboard because we lose one. More important than anything else in the Nation today is acceptance every now and then under our constitutional system of everyone losing one. If indeed the system is independent that is the way it should be.

So I hope that parliamentarily substantively and conceptually, this amendment will be defeated.

The PRESIDING OFFICER. Who yields time?

The Senator from North Carolina.

Mr. HELMS. Mr. President, I find myself a bit astonished at the tone of the opposition to this amendment.

I wish either of my two friends would specify the statute which provides for forced busing. They cannot, because there is no statute authorizing forced busing. What we have here are zealots in the second and third echelons of the Department of HEW and the Depart-

ment of Justice collaborating with each other to attain an end run around Congress.

Congress has said to HEW you cannot impose forced busing plans on schools. So the second- and third-level bureaucrats in HEW trot over to the second- and third-level bureaucrats in Justice and say, "OK, you stick it to the school district in Florida or South Carolina or North Carolina." That is what is going on.

Mr. WEICKER. Connecticut.

Mr. HELMS. And I will add Connecticut at the request of my friend from Connecticut.

The Senator from Connecticut asked whose ox is being gored? I will tell you whose ox is being gored. It is the schoolchildren of this country. It is the school administrators who do not have enough time to concentrate on quality education because they have to spend their time dealing with Federal bureaucrats and going to court on forced busing cases promoted by HEW in concert with the Justice Department.

This amendment is just simple justice for the schoolchildren of this country and it is simple equity for the school administrators who are being harassed and intimidated constantly by Federal bureaucrats.

If allowing the Justice Department to promote forced busing is any Senator's idea of justice, count this Senator out. The schools of this country are deteriorating and the quality of education is diminishing, while this Senate sits around and talks about the justice of forced busing. This is not justice, Mr. President. It is demonstrably the rankest sort of injustice.

It is time for justice for the parents of the schoolchildren of this country. It is time for justice for the schoolchildren themselves and for school administrators.

I say, Mr. President, this amendment does nothing except say to the Justice Department: You cannot use tax funds to promote forced busing.

I think those who oppose this amendment, as Shakespeare said, doth protest too much.

I reserve the remainder of my time.

(Mr. STEWART assumed the chair.)

Mr. WEICKER. Mr. President, will the Senator yield to me?

Mr. HOLLINGS. I yield.

Mr. WEICKER. Mr. President, I only respond on this issue by setting forth a hypothetical for my colleagues. If indeed you can restrict the options of remedy to justice, whether it be a court or whether it be the Justice Department and in this particular instance it takes the form of busing, why not any other recommendations? Any other remedy, any other judgment—why not restrict them? There is no end to it.

As imperfect as some of the judgments might have been, or some of the remedies might have been, the fact is that the policy and the law of this land giving full meaning to the Constitution and the concept of equality has been an unqualified success, and this is not a time to back off in the name of disagreement with a particular judgment or a particular remedy.

There are no apologies to be made. The condition of education for all of our children 40 years ago was much different than it is today. I do not yearn for the good old separate and unequal days.

Anything that is dared greatly will involve great mistakes. But never would I want to see remedies restricted insofar as the courts are concerned, judgments restricted insofar as the Justice Department is concerned or, the legislative initiatives restricted on this floor. This is what is at issue, not this particular complaint.

Mr. HELMS. Mr. President, if the Senator does not want to restrict the legislative process, then he will allow an up or down vote on my amendment. That is all I ask.

Mr. WEICKER. In response to the Senator from North Carolina, we had a long discussion, the Senator from South Carolina and myself, and both of us wanted you to have an up or down vote.

Mr. HELMS. Good. I appreciate it.

Mr. WEICKER. Our problem is one that is well-established, and the Senator knows it is not directed against him. The Appropriations Committee has to preserve the principle of no legislation on an appropriation bill.

Mr. HELMS. If the Senator is going to do that, then he should move to strike title VI, because section 601 or title VI says:

> No part of any appropriation contained in this act shall be used for publicity or propaganda purposes not authorized by the Congress.

Section 602 says:

> No part of any appropriation contained in this act shall be used to administer.

And section 603 says:

> No part of any appropriation contained in this act shall remain available for obligation, and so on and so on.

So you already have a whole hat full of legislation in an appropriation bill throughout this measure.

The American people can interpret the Senate's action on this in a proper light. If the Senators will allow an up or down vote on this, and let Senators take their position yea or nay, that suits me just fine. Then the American people can know how the Senators voted. Otherwise there will be an opportunity to obscure the vote and say, "Oh, well, that was just a procedural vote, and we were voting to preserve the rule concerning no legislation on an appropriation bill." That is an old political shell game, Mr. President.

Let us have a vote on the merits of this issue. The issue is not procedural—it is the duty of Senators to vote for or against the Justice Department's use of tax money to promote forced busing.

I hope, Mr. President, that the managers of the bill will let the Senate have an up or down vote on my amendment. I will yield back the remainder of my time. All I want is for the Senators to take a stand on the merits of my amendment.

Mr. WEICKER. In response to the distinguished Senator from North Carolina, I believe the language he has referred to is House language, and no point of order will lie against that. Otherwise, you would have a perfect right—I would not go ahead and espouse a principle that I would not apply to yours, but the language the Senator refers to is House language, not Senate language.

Mr. HELMS. But my amendment was House language and the Senate committee struck it. Why did you not leave it in? Let us have an up or down vote on this provision. Let Senators take a stand on this proposition one way or the other. The Senator from North Carolina does not mind taking a stand. The Senate should not hide behind a parliamentary maneuver. I am confident that most, if not all Senators have voted to legislate on an appropriation bill of some sort at one time or another.

Mr. WEICKER. Well, Senator, you will have to go to the record on that because I know of no such record. I am being aboveboard on this. I want an up or down vote. I have no qualms. I am on the public record and say expressly "down, down, down" to the proposal of the Senator from North Carolina.

Mr. HELMS. Have a mint. [Laughter.]

Mr. HOLLINGS. Mr. President, I yield myself a few minutes.

Now, Mr. President, let us see exactly who is going to take a stand or not take a stand, because the Senator from North Carolina, talking about a stand and hiding behind parliamentary maneuvers, is hiding behind the greatest parliamentary maneuver, and that is trying to amend the constitutional rights of individual citizens.

When the Senator says, "Name the statute," I would say title VII of the Civil Rights Act of 1964:

> Thou shalt not discriminate because of race in the public schools of America.

That is the authority that the Justice Department has and that is in the oath when we stand up here and raise our hands and swear to support the Constitution.

Now, what the Senator from North Carolina is saying in talking about taking a stand, is:

> I am not going to amend that Civil Rights Act of 1964. I am coming in under a parliamentary maneuver and putting language on an appropriation bill that says, "If it pertains to any kind of factual situation."

It does not spell out the word "discrimination"—you look at his amendment, and you cannot find the Civil Rights Act, and you cannot find the word "discrimination" because of his parliamentary maneuver; he just uses factual language dealing with school busing.

It could be that school busing could amount to a discriminatory practice, on the one hand, and, on the other hand, it may not. But what he is doing under a parliamentary maneuver with this amendment is saying, "I am not going to really tell how I am trying to amend the Constitution concerning the rights of the individual in the United States and that equal justice under law," which he says he believes in. But under a parliamentary maneuver, "I am just going to put in an amendment saying that in any case brought by the Justice Department that has to do with transportation of any student to a school," on down through his factual language, "then there is not any money for that particular Justice Department official to bring that case."

What does he want, taking a stand for them to voluntarily go out and start bringing cases? Resign momentarily and not get any funds, I will say, as a Justice Department employee or a U.S. attorney? "Since there is no money for that temporarily I will not take any money for my pay when I go down to achieve equal justice under law and prevent discrimination against little children."

What he is talking about, I have taken stands on before he got here. I said we were amicus curiae on Swann against Mecklenburg County to keep them from switching them all over the city of Charlotte in his own State. Do not tell me about taking a stand. I have taken a consistent stand.

But when it comes down to the fundamentals, you had better understand the oath taken at the end of that rostrum, Senator, when you hold that hand up to defend the Constitution. It says to defend that Constitution, and you have got the Congress, you have got the executive branch, a lot of people, along with the malaise, and the tommyrot going on around this town, and they are supposed to do nothing but bring cases.

Now, we do not guarantee that they win all their cases. We do not say that the cases are discriminatory or not. But to say categorically if they ever allude in any way to school transportation that in and of itself is nondiscriminatory, they cannot even bring the case and the Department of Justice cannot do justice, who is hiding where? Who is hiding where? That is what I want to ask. You understand the Constitution and the law. Do you think the Justice Department should not bring cases under the Civil Rights Act? Who should bring those cases under the Civil Rights Act? That is the statute.

You ask what the statute is. Who is going to bring them? I ask you, Senator, who is going to bring them? Some volunteer from HEW or wherever else? Do you want this or the Congress? Is the Senator going to bring them? Absolutely not. He knows differently.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. HELMS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes and 38 seconds.

Mr. HELMS. The Senator from South Carolina did not answer my question. He has not said at any time where the Justice Department is specifically granted statutory authority to promote forced busing.

I take no offense at the comments of my friend from South Carolina because we all become excited at times.

I yield back the remainder of my time.

Mr. EAGLETON. Mr. President, may I say to the Senator from North Carolina that I intend to speak against the amendment of the Senator from North Carolina. I would like to have unanimous consent to have 3 minutes to speak on the amendment.

Mr. HOLLINGS. I will yield the Senator time on the bill, do not worry.

Mr. HELMS. Mr. President, in that case I reclaim and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. I yield so much time as necessary on the bill to the distinguished Senator from Missouri.

Mr. EAGLETON. Mr. President, I thank the Senator from South Carolina. I just learned that this debate was going forward and that some reference had been made in the debate to the so-called Eagleton-Biden amendment which is attached to this year's HEW appropriation bill, as it has been attached in the 2 preceding years to the HEW appropriation bills.

As stated in the debate on that amendment, the source of Eagleton-Biden is a very specific and targeted thrust. It is specifically applicable to the Department of Health, Education, and Welfare. It prohibits the Department of Health, Education, and Welfare from administratively, without the benefit of a judicial hearing, ordering busing based purely on HEW's concept of what would be a good racial balance in all of the schools in a given school district. It does not, cannot, and should not apply to court ordered busing plans seeking to remedy constitutional violations of the equal protection clause.

I stated on the first occasion, 2 years ago, when this matter came up for debate that as I saw it there was a vast difference between administratively ordered busing, on the one hand, which HEW was seeking to do, and a judicial decree entered in a court of law, in which the judge finds there has been a violation of the equal protection clause of the Constitution and then fashions a remedy so as to give redress for the violation of the equal protection clause.

Eagleton-Biden never, in its terms nor in its intent was designed to restrict a Federal district court from entering an order to give redress, in its wisdom, for a violation of the equal protection clause.

Mr. HELMS. If the Senator will yield, neither does this amendment.

Mr. EAGLETON. I understand the remark of the Senator from North Carolina, but I disagree. What I perceive to be the thrust of the Helms amendment is that it would put a restriction upon the Justice Department from going into court where it believes there has been a constitutional violation and pursuing a suit to give expression to its judgment that there had been a constitutional violation.

I think this goes far beyond what was contemplated in Eagleton-Biden.

Eagleton-Biden, let me repeat again, was targeted specifically and narrowly to administratively ordered busing; it was targeted to that and that alone. Thus the appropriate place for Eagleton-Biden, quite obviously, was on the HEW appropriation bill, because that was the Department, through its Office of Civil Rights (OCR), that was attempting to administratively order busing in several of the large inner city school districts around the country. We tailored that remedy to that particular situation.

The instant Helms amendment goes far, far beyond what was contemplated in Eagleton-Biden. I think it is perhaps unconstitutional on its face to attempt to deny to the Department of Justice the inherent right they have under common law, as I would view it, and the statutory rights that they have under various civil rights acts, to seek redress for a constitutional violation by means of a suit filed in Federal district court.

Therefore, although quite obviously I am a supporter of Eagleton-Biden as it applies with regard to the Department of Health, Education, and Welfare, I cannot support the attempt to broaden that concept and to sweep under its umbrella, as it were, judicial actions taken by the Department of Justice.

I thank my colleague from South Carolina.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute and 22 seconds.

Mr. HELMS. I assume that if I exceed that time period, I can be yielded a little bit of time on the bill, as was Senator EAGLETON.

The PRESIDING OFFICER. The Senator is recognized first for the time remaining on the amendment.

Mr. HELMS. Mr. President, Senator EAGLETON, whom I respect and who is my friend, apparently has not had time to study the pending amendment. He is mistaken. Let me make two or three points again.

All this amendment does, and all it intends to do is to say to the Justice Department, "Stop taking a hand-off from the Department of Health, Education, and Welfare. Stop doing the meddling that Congress has precluded HEW from doing."

That is the first point. My amendment does prevent the Justice Department from unilaterally going into court and asking for forced busing plans to be imposed upon school districts. Yes, sir, it does that, and I intend that it have precisely that effect.

But it does not prevent the Department of Justice from asking for other remedies such as magnet schools. It does not and will not affect court-ordered busing plans already in effect. It will not affect voluntary plans already in effect. It will not affect the power of the Federal courts to order busing. This amendment only restricts the power of the Justice Department to go into court and unilaterally promote forced busing.

If that is a violation of constitutional rights, it has not been proved to me. I am not a lawyer, but I have had a number of pretty good constitutional lawyers tell me that a great many of the actions of the Federal Government in this regard, by any far measurement of constitutional standards, is unconstitutional or outside the scope of Federal civil rights legislation.

But we get back to the bottom line, Mr. President. We can argue semantics, we can argue our interpretation of the Constitution, we can debate this and debate that, but the ultimate question is, when are we going to put an end to the insanity of forced busing in a free society?

The PRESIDING OFFICER. All of the time on the amendment has expired.

Mr. HOLLINGS. I yield the Senator,

from the time on the bill, so much additional time as he may require.

Mr. HELMS. I will take but 2 or 3 minutes.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for not to exceed 2 minutes.

Mr. HELMS. When are we going to put an end to this insanity that is deteriorating the quality of education all across this country?

The Justice Department has not asked the people of this country whether they, the American people, want the Justice Department to trot in and promote forced busing schemes. The people would give a resounding "No." Every poll that I have seen, Mr. President, shows the vast majority of American citizens, including black citizens, pleading to stop this business of forced busing. They see the violence in the schools, they see the hostility, they see the decline in the quality of education.

We talk about justice. Let us do justice in regard to the schoolchildren of this country. At the same time we will save the money now being spent to operate the worst guzzlers of all—schoolbuses which are used to haul innocent little children, against their will, across cities and counties, just to satisfy the whim and caprice of bureaucrats at HEW and in the Justice Department.

That is all this amendment addresses. The House of Representatives has already approved this very amendment. It was in the bill when it came over from the House. The Senate committee struck it. I plead with Senators, in the name of justice to the schoolchildren, to restore this amendment so there will not be any conflict in conference about it.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Will the Senator yield to me?

Mr. HOLLINGS. How much time does the Senator want?

Mr. JAVITS. Three minutes.

Mr. HOLLINGS. I yield 3 minutes.

Mr. JAVITS. Mr. President. I will say the Senator from North Carolina certainly has persistence. It goes on and on and on and it is never settled. I do not know whether he hopes one day we will all be asleep and this will go through by a voice vote. That is the way it seems to be going.

Now, Mr. President, the Senator says it is high time to end this mischief.

Mr. President, it is high time to end lots of mischiefs, including the effort to prevent the most elementary rights from being realized in this country, which is a right to the enforcement of the equal protection clause of the Constitution. The proponents of this proposition have never faced that issue. There have been lots of unpopular things in this country, including freedom of the press, when Peter Zenger won his case decades ago, with the whole community against it. That is what courts are for.

That is why we have Federal courts and that is why we give these judges life tenure, because that is their sworn duty, to protect the rights of the individual.

Is there any right dearer than the fact that the individual should be able to attend a public school—I emphasize that, a public school—which does not bar him or gerrymander him around because he is black? We all hear these stories about the vexation, but how many stories have I heard about black children being bused past the white schools for 20 and 30 miles, riding an hour, if they were lucky enough to have a bus?

Now, Mr. President, this individual right is the right asserted by the Department of Justice. It is a strange anomaly. If we pass this amendment, that would end busing, so-called forced busing, as my friend says. He might argue, "Well, this is the end of it." But that is not true. It is not true at all, for this reason: Any individual affected could still sue. The courts would still order busing, except that it would be taxed to the local school district. That would be the one that would pay the bill. That is the only difference. It is not going to end.

Second, I have heard until my cup runneth over this business of how expensive it is in gasoline. It costs, by the finding of the Congressional Research Service, three one-hundredths of 1 percent of the gasoline used in school busing which is attributable to court order—three one-hundredths of 1 percent.

The facts simply destroy, it is it seems to me, any effectiveness of that argument.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Will the Senator yield one-half minute?

Mr. HOLLINGS. I yield.

Mr. JAVITS. We have attained a sense of stability in this country, Mr. President, on this particular issue. We have whittled it down and whittled it down and whittled it down, and we are now dealing only with court-ordered busing to enforce the mandate of the Constitution. It seems to me that when you attain some degree of social balance you ought to leave it where it is. That is why I used the term "persistent." That is what this situation cries out for. We have achieved some kind of rational consensus, Mr. President, so let us leave it where it is. For that reason I hope the amendment is defeated.

Mr. HELMS. Will the distinguished manager of the bill yield me 2 minutes for a concluding comment?

Mr. HOLLINGS. I yield.

Mr. HELMS. Let me say that the statistics quoted by the Senator from New York were from a study by the Library of Congress, which was prefaced by the Congressional Research Service with an acknowledgment that those statistics were unreliable. There has not been a nationwide field study taken on this problem. If the Senator from New York wants me to do so, I can put the precise gallon and dollar figures into the RECORD as relates to the State of North Carolina regarding the cost of busing.

Mr. President, some of my colleagues may recall the famous "Coleman report" which was issued in 1966 and became the basis for many of the mandatory busing plans subsequently imposed on the Nation's schools. Well, Professor Coleman, who is now a professor of sociology at the University of Chicago, has restudied this issue. He has studied how mandatory busing has worked since 1966 and he concludes—and now I quote him:

> School desegregation in the form of mandatory busing for racial balance has been destructive to its own goals. It has led to losses of whites from central cities and thus increased segregation between city and suburbs. . . . There appears to be a belief among some that to state, out in the open, negative consequences of school desegregation is harmful to school and social integration in America. Nothing could be further from the truth. Responsibility lies in pushing hard for beneficial forms of school desegregation, but pushing just as hard against destructive forms.

In his second report, completed last year, Professor Coleman outlined practical, thoughtful alternatives to mandatory busing.

We may not agree with each and every one of them, but they are all worth considering. Late last year, when the report was released, I recommended it to the Members of this body and I had it printed in the RECORD.

I recommend that study again today. The incentives suggested by Professor Coleman are incentives which maximize individual choice in this matter. These alternatives and similar ones could be made to work if the Federal Government would end its infatuation with forced busing.

Mr. President, I repeat: It is the responsibility of the Congress under the terms of the Constitution to implement the mandates of the 14th amendment. It is also the responsibility of the Congress to implement the mandates of the Civil Rights Act of 1964. In so doing, it is entirely proper for the Congress to say that forced busing has no role to play in the implementation of these laws.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Massachusetts (Mr. KENNEDY) in connection with this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. KENNEDY

I oppose the Helms amendment to H.R. 4392, the Department of Justice Appropriations bill. The amendment raises the most serious question about our continued commitment to fulfill the Constitution's promise of equal rights for all Americans.

This amendment prohibits the Justice Department from expending funds for any legal action which would "require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home."

The implications of adopting such an amendment are far reaching and enormously disturbing. At the least, it would prevent the Justice Department from seeking relief which will provide an effective remedy for violations of the fourteenth amendment. That is clearly grounds enough to oppose this amendment.

Even worse, however, it might bar the Attorney General from bringing any suit to challenge school desegregation, whether or not he seeks a particular remedy. The language of the amendment prohibits the Department of Justice from suits "to require directly or indirectly the transportation of any student beyond his neighborhood

school." But it is the courts, not the Justice Department, which fashions the remedies in their final orders, including student busing when necessary. Thus, almost any school desegregation suit brought by the Attorney General might indirectly result in an order which requires transportation of students beyond their neighborhood school.

There is a third serious issue which this amendment raises. Last week, unfortunately, the Senate retained the so-called Eagleton-Biden provision in this year's HEW appropriations bill from enforcing compliance with the constitutional mandates to achieve desegregation. During the course of that debate, the Senator from Missouri (Mr. EAGLETON) claimed that although the provision restricts the administrative powers of HEW to enforce desegregation, it is neither unconstitutional nor unfair because it would not shut off the other avenue to remedy such violations, namely actions by the Justice Department. He said then:

"It does not, it cannot, and it should not apply, in my opinion, to court-ordered busing plans seeking to remedy constitutional violations of the equal protection clause."

Although the constitutionality of the Eagleton-Biden amendment is not yet settled, a recent decision in the District Court here in Washington recently upheld the provision in *Brown* v. *Califano*, No. 75-1068, July 17, 1978. Judge Sirica stressed that the Justice Department litigation remained available to seek effective remedies, even if that meant student transportation in some cases. He concluded that was the underlying safety valve which saved the constitutionality of the Eagleton-Biden amendment:

"But the fact remains that the Esch and Eagleton-Biden amendments leave untouched the litigation enforcement option that permits the Civil Rights Division of the Department of Justice, upon referral of a case from HEW, to pursue legal action and obtain the full measure of appropriate relief, including student transportation if warranted, against the offending recipients. In short, contrary to the situation presented in Swann, the statutes involved in the case at bar, do not qualify as "flat" or "absolute prohibitions" against the use of needed transportation remedies."

Mr. President, this amendment would close that last option for executive enforcement of the fourteenth amendment rights. Thus, it raises very serious questions about the constitutionality of the Eagleton-Biden provision which the Senate voted last Friday to reenact.

We must reject any effort to forceclose completely the ability of the Federal Government to seek effective elimination of unconstitutional segregation. The Department of Justice has a duty to every citizen in this Nation to uphold and enforce the law. That duty devolves from the authority vested in the Executive under article II, section 3 of the Constitution to "take care that the laws be faithfully executed."

Under the 14th amendment the law is clear: segregated educational facilities are illegal and must be eliminated with all deliberate speed. We must not attempt to handcuff the executive's power to enforce these mandates. In short, this amendment is an unacceptable encroachment upon the Executive's ability to secure compliance with the law.

Mr. President, it is ironic that 1979 not only marks the 25th anniversary of the Brown v. Board of Education but it has also been designated the international year of the child. We must not lose sight of national principles or break faith with children who have suffered violation of their constitutional rights.

I ask that the letter opposing this amendment from the Department of Justice to the Chairman of the Senate Appropriations Committee be printed in the Record.

The letters follow:

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., July 17, 1979.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Appropriations, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As you are probably aware, on Thursday, July 12, during its consideration of H.R. 4392, making appropriations for the Department of Justice and other agencies, the House of Representatives adopted the following provision offered by Rep. Collins of Texas:

"No part of any appropriation contained in this Act shall be used by the Department of Justice to bring any sort of action to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped."

In light of the Senate Appropriations Committee's scheduled considertaion on July 17 of the bill appropriating funds for these Departments, I want to share with you the Justice Department's views on the Collins amendment.

The amendment is identical in substance to a provision offered by Rep. Collins during the 95th Congress to H.R. 12005, the Justice Department authorization bill for fiscal year 1979. It was adopted by the House and deleted in Conference Committee. Attached is a letter sent in 1978 to Rep. Rodino, Chairman of the House Judiciary Committee, stating this Department's reasons for opposing the Collins amendment on both constitutional and policy grounds.

Sincerely,

ALAN A. PARKER,
Acting Assistant Attorney General.

DEPARTMENT OF JUSTICE,
Washington, D.C., September 12, 1978.

Hon. PETER RODINO,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It has come to our attention that Representative Collins of Texas has proposed an amendment to H.R. 12005, the Department of Justice Appropriation Authorization for Fiscal Year 1979. The proposed amendment provides, "No sums authorized to be appropriated by this Act shall be used to bring any sort of action to require directly or indirectly the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped." This would prohibit the Department of Justice from seeking certain appropriate remedial plans in federal court suits for relief from allegedly unconstitutional school segregation. The Department of Justice opposes this proposal on both constitutional and policy grounds.

As you know, the Department of Justice has been and is the only portion of the Executive Branch which can go to federal court and, after having secured a judicial determination that a school district and its officials discriminate against black or other minority students, seek to require implementation of a plan which will practically and effectively remedy the proven constitutional violation. In this manner, the Department seeks to insure the protection of important federal rights, an authority explicitly granted us by Congress, most notably in Title IV of the 1964 Civil Rights Act of 1964, 42 U.S.C. 2000c, and in the Equal Educational Opportunities Act, 20 U.S.C. 1706. The proposed amendment would interfere with our exercise of these responsibilities specifically conferred upon us by the Congress.

First, it is important to correct an error in Representative Collins' "Dear Colleague" letter of July 27, 1978. That letter states: "Although HEW has been relieved of its responsibilities for bringing busing suits to court, the power to enforce busing has now been transferred to the Department of Justice." However, HEW has never had the responsibility for school desegregation litigation in federal court. Moreover, the Department of Justice's sole enforcement authority with respect to school desegregation is to sue in federal court under one of the several congressional enactments forbidding unlawful racial discrimination in the schools. Thus, we have no authority to require busing or any other means of correcting unconstitutional segregation; rather, our responsibility has been and is to present the relevant facts and, on occasion, to suggest remedies to the appropriate federal court and to leave to the judiciary the determination as to whether the facts show a constitutional violation and, if so, what remedy is appropriate.

Second, the congressional determination in the FY 1978 HEW appropriation to forbid HEW from administratively requiring the kind of transportation here at issue (the Eagleton-Biden Amendment) was recently challenged as unconstitutional on the ground that its effect was to require HEW to give federal funds to entities which were discriminating against blacks or others in contravention of the Equal Protection Clause of the Fourteenth Amendment. In response to that challenge, we successfully argued that the Justice Department's ability to seek judicial resolution of the difficult problems raised by intentional unconstitutional racial segregation of students save the constitutionality of the Eagleton-Biden Amendment to the FY 1978 HEW appropriation. However, the United States District Court Judge, in initially accepting our argument, stated:

"Should further proceedings in this case reveal that the litigation option left undisturbed by these provisions cannot, or will not, be made into a workable instrument for effecting equal educational opportunities, the Court will entertain a renewed challenge by plaintiffs on an as applied basis."

Brown v. *Califano*, D.C. D.C., C.A. No. 75-1068, July 17, 1978, pp. 12-13. A copy of Judge Sirica's opinion is attached for your information.

Even without this explicit expression of concern, it seems clear that some mechanism must exist by which the federal government can ensure that federal funds not flow to *de jure* segregated schools, *i.e.*, schools being operated unconstitutionally. Congress earlier made a judgment in enacting the Eagleton-Biden Amendment that it wanted these matters resolved by federal judges rather than by executive branch officials. The Collins Amendment, by precluding judicial relief as well, would raise extremely serious constitutional problems.

Third, fourteen years after passage of the Civil Rights Act of 1964 and twenty-four years after the decision in *Brown* v. *Board of Education*, there are still unlawfully segregated schools in this country. Even now, some school systems persist in using busing to promote racial segregation. An example of such practices is *United States* v. *De Soto Parish School Board*, No. 76-3471, June 2, 1978, in which the United States Court of Appeals for the Fifth Circuit found that the pre-*Brown* dual system in a Louisiana parish had never been brought into compliance with the Constitution. The court remanded the case to the district court for development of a remedy. The adoption of the Collins Amendment would—assuming its constitutionality were to be upheld—seriously interfere with our ability to seek appropriate remedies in worthy cases such as these.

The Department of Justice solicits your support in defeating the amendment to the Authorization bill.

Sincerely,

PATRICIA M. WALD,
Assistant Attorney General.

Mr. HELMS. I thank the managers of the bill for their courtesy; even though they disagree with me, I know they are sincere.

Mr. President, I am ready to vote.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote "nay."

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote?

The result was announced—yeas 37, nays 60, as follows:

[Rollcall Vote No. 214 Leg.]

YEAS—37

Armstrong	Goldwater	Randolph
Baker	Hatch	Roth
Biden	Hayakawa	Schmitt
Boren	Helms	Schweiker
Byrd, Harry F., Jr.	Humphrey	Simpson
Cannon	Jepsen	Stennis
Cochran	Johnston	Talmadge
Dole	Laxalt	Thurmond
Domenici	Long	Tower
Exon	Lugar	Wallop
Ford	McClure	Warner
Garn	Nunn	Zorinsky
	Proxmire	

NAYS—60

Baucus	Glenn	Moynihan
Bayh	Gravel	Muskie
Bellmon	Hart	Packwood
Bentsen	Hatfield	Pell
Boschwitz	Heflin	Percy
Bradley	Heinz	Pressler
Bumpers	Hollings	Pryor
Burdick	Huddleston	Ribicoff
Byrd, Robert C.	Jackson	Riegle
Chafee	Javits	Sarbanes
Chiles	Kassebaum	Sasser
Church	Leahy	Stafford
Cohen	Levin	Stevens
Cranston	Magnuson	Stevenson
Culver	Mathias	Stewart
Danforth	Matsunaga	Stone
DeConcini	McGovern	Tsongas
Durenberger	Melcher	Weicker
Durkin	Metzenbaum	Williams
Eagleton	Morgan	Young

NOT VOTING—3

Inouye	Kennedy	Nelson

So Mr. HELMS' amendment (UP No. 451) was rejected.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, third reading.

The PRESIDING OFFICER. Are there further amendments? If there are no further amendments——

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Under the agreement, the Senator must have time to suggest the absence of a quorum.

Mr. HOLLINGS. Mr. President, I will yield. I certainly yield myself so much time on the bill.

What we are trying to do is facilitate the request on the minority side. They have a policy lunch. We did not think there were any other amendments and we could go ahead to third reading and have final passage.

The distinguished Senator from Montana does have another amendment. So we can assure them there will not be any votes until 2 o'clock so they can have their lunch.

We will get a request to that effect.

I yield now to the Senator from Montana.

UP AMENDMENT NO. 452

(Purpose: To prohibit use of funds for certain Agriculture Census forms)

Mr. MELCHER. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Messrs. ZORINSKY, PRESSLER, DOMENICI, BOSCHWITZ, COCHRAN, and JEPSEN, proposes an unprinted amendment numbered 452:

On page 17, after line 23, insert the following:

"None of the funds made available to the Bureau of the Census under this Act may be expended for further dissemination of 1978 Agricultural Census forms 78-A40A or 78-A40B, or 78-A40C or 78-A40D or for the prosecution of any person for the failure to return such forms, or for the preparation of similar forms for any future agricultural census."

Mr. MELCHER. Mr. President, this is a limitation amendment. Its effect is that the Census Bureau could not proceed with these types of questionnaires for small businesses to fill out. It involves four different groups.

For example, any small business involved in soil preparation, landscaping, horticulture, gardening, trees, or shrubbery.

Our constituents nationwide are crying out for relief from Government red-tape and information-gathering forms. Our amendment offers a chance for us to provide a measure of relief in one particularly bothersome area.

The census of agriculture gathers information about small businesses engaged in a number of agricultural services. We can cut out some duplication and unnecessary paperwork by refusing to fund data gathering on the following census forms:

Form 78-A40A: Sent to 25,724 people.

"1978 Census of Soil Preparation Services, Crop Services, and Cotton Ginning."

Typical recipients: Aerial applicators, custom farmers, cotton gins, vegetable and fruit packers, custom harvesters.

Form 78-A40B: Sent to 119,306 people.

"1978 Census of Veterinary and Animal Services."

Typical recipients: Veterinarians, dog and cat boarding and grooming businesses, artificial insemination services, pedigree record keepers.

Form 78-A40C: Sent to 131,473 people.

"1978 Census of Landscape and Horticultural Services."

Typical recipients: Lawn and garden care companies, nurseries/planters, tree trimmers for power lines, cemetery maintenance, highway median mowers, landscape architects and planners.

Form 78-A40D: Sent to 76,438 people.

"1978 Census of Soil Preparation and Crop Services, Veterinary and Animal Services, Farm Labor and Management Services, Landscape and Horticultural Services."

Typical recipients: Labor contractors and suppliers, farm management firms.

(This form is used for any person deemed likely to require inclusion in the agriculture services census, but for whom more specific identification as to their exact category is not known.)

The total number of recipients of these forms is 352,941 persons. Many of them may receive more than one, and may also receive the more general census of agricultural production form. I simply believe we can act now to reduce the paperwork required of our citizens in these small businesses.

Then there are veterinarians. They would not be involved, either.

I have this delightful pink form for veterinarians. The one for veterinarians is pink, and people who are in landscaping primarily or have something to do with soil conditioning have the blue form.

Then there is a sort of orange form, which is a different group, and finally there is a purple form. These forms are all colorful but also all detailed and long.

This one was addressed to me at 1224 Longworth Building. I have not had an address in the Longworth Building for a little more than 2 years, but I did serve in the House of Representatives. After receiving it, I wrote the Secretary of Commerce and said there must be some error.

Even someone who feeds this stuff into the computer should realize that if you are a veterinarian and you are serving in the House of Representatives, you would be prevented from practicing and particularly out of your office. I thought the Secretary should be aware of that. So I wrote to her on February 19, and I received a response dated March 16.

She explained to me how important all this information is and how people need it, how people want this information collected so that they can use it.

However, I had pointed out in my letter that it was a waste of money to be sending it to a Member of Congress, to fill out a small business form, when it is obvious that you could not be in the practice of veterinary medicine or any other small business and run it out of your House office, and that I was now in the Senate. But nothing has happened to take my name out of the computer.

I have had three notices since then: March 6; March 27, which is before and after the letter from the Secretary of Commerce; and then one dated May 8, which has printing on the back of it. The earlier two notices do not have the law cited on the back of it, and it conveniently lists section 224, which says that if you do not fill out the form, you will be fined $500, and that if you have knowingly supplied any false information, you could be fined up to $10,000.

What is the purpose of the information they seek? Let me tell Senators some of the things they seek.

They want to know the dollar volume of the business. They want to know the payroll. They want to know the supplemental labor not included in payroll during that year. They want to know the veterinary services for cattle, hogs, sheep, goats, poultry.

Veterinary services for dogs, cats, horses, bees, fish, rabbits, other fur-bearing animals, birds (except poultry) and other pets. All of this broken down in sections.

Then there is another section relating to animal services, except veterinary, for cattle, hogs, sheep, goats, and poultry.

Then they want the location of services performed.

Then they go into expenditures for fuels: gasoline, diesel fuel, LP gas, butane, propane, motor oil, grease, piped gas, kerosene, and fuel oil.

Then they want changes in gross value of depreciable assets.

They want to know the supplemental labor costs not included in payroll during 1978. They want to know how you derive the various type of your dollar volume of business for the various types of veterinary practices.

Mr. HOLLINGS. Mr. President, will the Senator yield?

Mr. MELCHER. I yield.

Mr. HOLLINGS. Are these forms required by law?

Mr. MELCHER. Yes, they are required by law.

Mr. HOLLINGS. In other words, we have passed the policy.

Mr. MELCHER. I have looked at this and related it to how much time it would take me to fill out the form conscientiously because the information they are asking for is not necessarily carried in anybody's set of books in such categories that relate to supplying the answer to the questions.

Perhaps there is some overriding public interest that will be served by pestering small business with these forms. I think we should find out who really needs this information. Why should a business, a small business, have to be pestered by its Government to fill out a very long, detailed form that is going to take them hours to do, and be threatened that if they do not do it, they will be fined $500 and if they knowingly or willfully make any mistakes, they will be fined up to $10,000?

Can we ascertain why business does not develop its own similar information? After all, if somebody interested in soil services wants to know this type of information, why does not that business generate its own form of gathering that information? Or, if somebody is interested in crop dusting, crop spraying, why do they not generate their own form of collecting that information, without pestering everybody in the business?

I think it would be delightful to have a moratorium on the collection of this information, a moratorium in which small business people will not be pestered to fill out these forms, and to find out really how necessary it is. If it is necessary, why could it not be gathered by the businesses themselves, the business organization groups themselves, and disseminated to those who want it, at their own expense? Why should Government be pestering the small business people, at great expenditures to the Government and a much larger expense to the small businesses involved?

The purpose of the amendment is to eliminate that procedure. I think it would be a very helpful and encouraging sign if these four information-gathering forms were not required.

Mr. President, I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, I am trying to work out an agreement. If we can devote our time before 2 o'clock, perhaps we can ask unanimous consent. Are there further amendments?

Mr. WEICKER. I believe the Senator from Kansas has an amendment.

Mr. HOLLINGS. Then, I will withhold that.

I say to the Senator from Montana that I am neutral on his amendment. I have the same misgivings he has about all these forms.

At times when I go back to my office, on the desk is a pile of these cosponsorship requests. Every Senator is trying to streamline Government and do away with regulation. Yet, on top of my desk is every kind of cosponsorship request in the world: file this form, give his report, ask this question, appoint this commission. There are all kinds of new regulations from everybody who says they do not believe in regulations.

My basic feeling is to join the Senator from Montana in this amendment. However, the reason I ask the question is that this is an appropriations bill; and if it is required by law, then we in the Appropriations Committee have performed our functions specifically by financing what is required by Congress.

The distinguished Senator from Montana is on that Agriculture Committee. I am suggesting perhaps he knows the way to change this, if it is a bad form or a bad requirement. I have a fundamental feeling, a visceral feeling to go along with him. Is it not a case that what we should do is do away with that law requiring it? I will be glad to join with him on that and go through the Agriculture Committee.

The farmers all come and they do a ring-around and have a sit-in. They come in your office with goats—they did in mine—saying, "You don't understand the farmer, Senator."

So the Senator and the Congressman run around and get all this information up so they can understand him.

Perhaps that is the reason for the requirement.

I would rather do away with the form myself, but I do not want to do away with it in the appropriations process. I would rather join the Senator in his own Agriculture Committee, saying this is a burden on the farmer, it really does not give any needed or valuable information, and it should not be in the census. I would cosponsor that with him. But right now we have to oppose the amendment. I am glad to learn.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. MELCHER. The basic law, of course, is not in the Agriculture Committee. It is in other committees that deal with the census report.

But the forms really get way beyond what anybody ever thought was in the law regardless of what committee it comes out of. And as to these small businesses, I can guarantee the Senator, I do not know of any farmer or rancher who would ever be benefited by the form they send out to veterinarians. I do not know whether any farmer or rancher would ever think he is benefited by getting detailed reports from someone who is in cottonseed delinting, or bean or grain cleaning, as pertains to that particular business requirement to fill out this form in the detail that is asked for here.

I think it is a graphic and dramatic example of what happens after we pass a bill that says it will be advantageous to have some information collected and then we find out that the forms are very long-winded, very detailed, and small businesses get on a computer list and then are required to fill them out. I think it is simply out of hand.

I thank the Senator for yielding.

Mr. HOLLINGS. I thank the distinguished Senator from Montana.

Then we will be perfectly willing to have an up and down vote on it and let our colleagues make the decision if agricultural requirements are to be taken by the census. If I introduce a bill, it would go to the Senator's Agricutlure Committee. We on the census part of it really study with interest how the cost of the census has soared. In fact the Bureau of Census officials have tried to minimize the costs of the decennial census of 1980, which is going to cost $1 billion. One should see the congressional add-ons in the last 10 years.

All the other substantive committees of Congress come forward with all of these measures. We want to learn this and we want to learn that. This would definitely be under Agriculture, but I am not arguing against it. It does sound burdensome from the way the Senator describes it.

Can we withhold and agree to vote at 2 o'clock on the Senator's amendment?

Mr. MELCHER. That would be fine.

But I think I have a little bit of time remaining. Some of the cosponsors have asked to be able to say a word on it.

Mr. HOLLINGS. Sure. Go right ahead.

Who yields time?

I am ready to yield back.

Mr. MELCHER. Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER (Mr. BRADLEY). The Senator has 5½ minutes remaining.

Mr. MELCHER. Would it be objectionable for me to hold 5 minutes, what time I have remaining, and then take it immediately prior to the vote?

Mr. HOLLINGS. I shall make a unanimous-consent request that the vote on the amendment of the Senator from Montana occur at 2 o'clock with the provision that the Senator from Montana with his 5 minutes remaining be recognized at 5 minutes to 2. I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I think under that we can set it aside. Could we begin on the amendment of the Senator from Kansas? Does he wish to start with his amendment?

Mr. DOLE. Yes; I am going to offer it.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Is there any time agreement, are we under a time agreement on this bill?

The PRESIDING OFFICER. Yes, there is a time agreement.

Mr. DOLE. Mr. President, will the distinguished Senator from South Carolina yield me 5 minutes to discuss a proposal? I will not offer an amendment, but just to discuss a matter.

Mr. HOLLINGS. I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas has been trying to figure out how to draft an appropriate amendment which would, in effect, change the definition of "legally qualified candidates" as is now determined by the Federal Communications Commission.

It appears, at least as far as this legislation is concerned, that that is not possible, so the Senator from Kansas will not offer the amendment. However, I would like to discuss very briefly what I consider to be discrimination. Some may consider this to be a selfish amendment, and I must confess that it is selfish in the sense that it would affect me as a Presidential candidate. But, more important, it would also affect every voter and citizen in this Nation. This is an area of the current election law that needs to be clarified.

Under the FCC regulations pertaining to equal time provisions, we have one definition. Under section 9032 of chapter 96 of the Internal Revenue Code you have another definition. But I believe the average American thinks that if you file a committee and if you raise money, and if you say at every stop you are running for office, you are a candidate. However, according to the FCC rulings you are not a candidate until you make an official public announcement. Well, I assume every time you speak it is fairly public, at least you hope it is if you are a candidate. You hope there is a crowd there.

It seems to me that the legal definition of who is a candidate ought to be fair and nondiscriminatory across the board. Present FCC definitions are not. Now, if you are approached by television or radio they say, "If you have made a public announcement, we cannot have you on the program. But if you have not announced, even though you raise twice the money and have done every other thing that indicates the intention to run, you are not a candidate and you can be on the program."

That does not make a great deal of sense. Maybe, as I said before, it is because it may have some impact personally on what some of us seek to do. But I, at least, want to call to the attention of the Senate what I consider to be an inequity in the present law.

Perhaps there will be an appropriate vehicle later where this matter can be clarified. It is my understanding that the Commerce, Science, and Technology Committee is currently considering legislation that would amend the Communications Act of 1934. It is my hope that the committee would see fit to address this question of defining the term "candidate" while marking up that bill.

Under the Communications Act of 1934, as amended, a legally qualified candidate was defined by statute. However, the Federal Election Campaign Act Amendments of 1974 deleted that definition, leaving the FCC with the responsibility for defining who is a candidate for its purposes. The FCC has used that authority to define a legally qualified candidate for the purposes of equal time provisions as one who has—

Publically announced that he is a candidate and who meets qualifications prescribed by the applicable laws to hold the office for which he is a candidate and who (1) has qualified for a place on the ballot, or (2), has publically committed himself to seeking election by the write-in-method and is eligible under applicable law.

The key to this definition is whether the candidate has publically announced his candidacy. This has proven to be an inequitable definition.

The language that I had hoped to propose today would have changed this to incorporate the definition used by the Internal Revenue Service in section 9032(2) of chapter 96 of the Internal Revenue Code. Under this provision a candidate would be defined as—

An individual who seeks nomination for election to be President of the United States. For purposes of this paragraph, an individual shall be considered to seek nomination for election if he: (A) takes the action necessary under the law of a State to qualify himself for nomination for election; (B) receives contributions or incurs qualified campaign expenses; or (C) gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

THIS DEFINITION IS FAIR AND WORKABLE

Mr. President, I am convinced that this change would provide a fair, equitable, and workable definition for the Federal Communications Commission to follow as it attempts to resolve any cases which may be brought before it for judgment. It would do nothing more than provide a framework in which the FCC can work.

There now exists no statutory definition of a "legally qualified candidate" for the FCC to follow. This change would serve to prevent any possible misinterpretation of the original legislative intent of the Federal election law with respect to the equal time regulation under FCC jurisdiction.

Mr. President, my proposal embodies a reasonable and responsible approach to this regulatory problem. It is consistent with earlier legislation, and I believe it responds to the current ambiguities in the law.

Mr. President, this is not directed at any one candidate or any one party. It just seeks to apply the same rules across the board. There ought to be the same rules across the board in order to eliminate the current discrimination. There are seven, eight, or nine candidates for President who have announced. They are treated in one fashion, while those publicly "announced," candidates are treated in another manner. I do not believe the law was ever intended to be interpreted that way.

I hope the FCC, and others who deal with this matter, might take a look at the statement the Senator from Kansas has made and at least focus on the question. The charge that I have proposed is not only desirable, but necessary. It would serve to standardize the rulings of the FCC on equal time matters, and ultimately would serve to benefit the total American electorate.

I thank my distinguished colleague from South Carolina for yielding me time.

Mr. HOLLINGS. I thank the distinguished Senator.

Now, Mr. President, in deference to our colleagues at the policy meeting, I would propound a unanimous-consent request, unless there are additional amendments, that immediately after the rollcall vote at 2 o'clock on the Senator from Montana's amendment, that we go to third reading.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

What is the will of the Senate?

Mr. HOLLINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. Under the precedents the Senator does not have enough time to suggest the absence of a quorum.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business until 1:55 p.m. today, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

KOREAN TROOP WITHDRAWALS

Mr. STEWART. Mr. President, I lend my wholehearted support to President Carter's recent decision to stop troop withdrawals from South Korea. It was not that long ago when President Carter and I differed on this issue. I have been a long time advocate of a strong military commitment to our South Korean friends, and he had advocated a withdrawal of our troops. But I am pleased that the President has reevaluated his position and will block further withdrawals immediately.

In light of the recent intelligence reports which indicate that the size of North Korea's ground forces and fire power are larger than previously estimated, this deployment of U.S. ground combat forces is clearly in the long range security interests, not just of our country but the region as well.

Our allies in Asia, particularly Japan, have been concerned about what might be perceived as a declining U.S. interest in the area. The decision by this country to maintain a strong American combat troop presence will underscore our concern about the peace and stability of Korea as well as East Asia.

Equally important to me is the effort to be made by the United States to reduce tensions on the Korean peninsula. The President has announced that he and President Park of the Republic of Korea will explore these possibilities with representatives of the North Korean Government. Our goal is peace, but we clearly should not make further troop reductions until we see an unmistakable sign from the North Koreans that they desire a military balance and a lessening of tensions.

Mr. President, I also commend the work done by Senator GLENN on this issue. I read with keen interest his report for the Committee on Foreign Relations "U.S. Troop Withdrawal From the Republic of Korea: an Update, 1979." I found his analysis of the situation to be most perceptive and indeed, it has been reflected in President Carter's decision to hold in abeyance further troop withdrawals.

Mr. President, I support the President's position and I am confident that it will result in an effective deterrent to instability on the Korean peninsula.

PIONEER DAY: THE SPIRIT OF THE MORMON PIONEERS CONTINUES TODAY

Mr. CHURCH. Mr. President, today I join with the people of my State of Idaho and with our neighbors in Utah in honoring the Mormon pioneers, a people who traversed a continent in search of religious freedom. Their story is one of heroism and sacrifice which has been deeply etched in our frontier history.

On July 24, 1847, the first Mormon pioneers arrived in the Great Salt Lake Valley in Utah. Having journeyed 1,400 miles across the vast plains, deserts, and mountains, the Mormon pioneer leader, Brigham Young, declared: "This is the right place."

Over the following 22 years some 85,000 made the trek to the Salt Lake Valley. Many walked the entire distance; some pushed handcarts. Entire families began their journey with little more than their faith to sustain them. The way westward proved to be perilous—parents, spouses, and children were left in shallow graves along the trail. Like other American pioneers, the Mormons paid a high price for the freedoms we value today.

To commemorate this historic journey, I sponsored legislation adopted last year which designates the "Mormon Trail" from Nauvoo, Ill., to Salt Lake City as one of the first four national historic trails. Significant points of interest are currently being marked along this route which will remind us of the courage of the early pioneers.

In addition to their courage, the settlers who reached the Salt Lake Valley demonstrated industry and ingenuity by taming the desert and making it bloom. When the ground became too parched to sustain crops, they dammed a mountain stream and thus began modern irrigation in North America.

Nor did the Mormon settlers confine themselves to the Salt Lake Valley. Within 4 years, settlements were established in what is now California, Wyoming, Arizona, New Mexico, and Idaho. By 1887 Mormon colonies stretched from Canada to Mexico encompassing an area of approximately 1,000,000 square miles and more than 600 communities. Next year the church will hold its sesquicentennial celebration, in commemoration of the 150th anniversary of the founding of the church in 1830.

The Mormon Church is still building on this early foundation under the able leadership of its president, Spencer W. Kimball. Before becoming president of the Mormon Church, Mr. Kimball suffered a series of heart attacks and battled cancer, a fight that I, too, was fortunate enough to win. In 1957 1½ of his vocal chords were removed because of this cancer. He had to learn to talk all over again, yet today millions listen to his words. Last December Bethine and I had the privilege of meeting with President Kimball whose vitality belies his 84 years and exemplifies the pioneering spirit still evident among the members of the LDS Church.

An important tenet in the Mormon belief concerns genealogical research, and the church maintains the largest genealogical library in the world. During my visit with President Kimball, he presented we with a two volume genealogy of my family. I treasure these volumes and value their inscription which reads:

May the appreciation of your heritage help you meet the demands of today and realize the promise of tomorrow.

Reading through this record has been a valuable investment of my time for it has given me a greater appreciation for my heritage.

It is this promise of the future on which President Kimball has particularly focused. Under his leadership, the Mormon people have responded to the challenge: "Lengthen your stride." Each year thousands of young Mormon men and women accept the call to become missionaries. They serve for 2 years at their own expense or with the assistance of family and friends. More than 167,000 converts joined the church in 1978. Membership is now over 4 million throughout 93 countries.

As part of the missionary effort, the church calls craftsmen and artisans, construction workers and supervisors to help with church building programs. Doctors, nurses, and medical technicians are called to assist in health services programs sponsored by the church in developing countries. As chairman of the Foreign Relations Committee, I have firsthand knowledge of the efforts and the progress that has been achieved by these "new pioneers."

Education continues to be a high priority among members of the church. The LDS educational system operates throughout the United States and in more than 50 foreign countries. It includes hundreds of thousands of students at all levels, and its literacy program abroad represents another modern pioneering effort. The church also excels in higher education. Brigham Young University in Provo, Utah is the world's largest church-related university. And in my State, Ricks College is the largest privately owned junior college in the Nation.

These are but a few examples of the spirit which the LDS church continues to forge. Today, Idahoans pay tribute to the Mormon pioneers and their descendants. We admire their valor and courage and the example which modern day pioneers such as Spencer W. Kimball have give us.

SENATE CONCURRENT RESOLUTION 33—CORRECTIONS IN ENROLLMENT OF H.R. 4537

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Dave Foster Bob Cassidy, Charles Johnson, and Charles Rob of the Finance Committee staff be granted privilege of the floor for the pending discussion of a concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I send to the desk a concurrent resolution to direct the enrolling clerk of the House to make technical and clerical corrections in the text of H.R. 4537; the Trade Agreement Act of 1979, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

The clerk will state the concurrent resolution.

The legislative clerk read as follows:

Mr. RIBICOFF submits a resolution (S. Con. Res. 33) directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4537.

Mr. RIBICOFF. Mr. President, this resolution, which I understand has been cleared on both side of the aisle, would correct printing errors in the bill which the Senate passed yesterday by a vote of

90 to 4, and which the House passed last week by a vote of 395 to 7. I urge the Senate to pass this measure immediately so that the enrolled bill may be corrected and sent to the President for his signature.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to, as follows:

S. CON. RES. 33

Resolved by the Senate (the House of Representatives concurring), That, the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 4537) to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes, is authorized and directed to make the following corrections:

Page 7, lines 24 and 25, strike out "section 2(c)" and insert in lieu thereof "subsection (c)".

Page 77, line 24, strike out "or" and insert "on".

Page 124, line 8, between the quotation mark and "an" insert "is".

Page 124, line 9, between the quotation mark and "affirmative" insert "are".

Page 125, line 7, strike out "after September 29, 1979," and insert "on or after the date of the enactment of this Act,".

Page 126, line 19, insert "duty" immediately after "countervailing".

Page 131, line 4, after "1979," insert "or on the day before the date of the enactment of the Trade Agreements Act of 1979 (whichever of such dates first occurs),".

Page 132, strike out lines 5 through 9, inclusive.

Page 132, lines 10 and 15, redesignate paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

Page 132, line 17, strike out "337," and insert "337".

Page 132, line 18, insert a quotation mark immediately before "subtitles".

Page 132, line 19, insert a quotation mark immediately after "337".

Page 155, between lines 4 and 5, insert the following:

(B) by striking out "and in basis of value" in subsection (c);

Page 155, lines 5 and 7, redesignate subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively.

Page 155, line 6, strike out "(c),".

Page 155, line 8, strike out "351(a)" and insert "350(a)".

Page 155, line 9, strike out "402(a)" and insert "402a".

Page 211, line 17, strike out "and".

Page 236, line 22, strike out "between" and insert "after".

Page 236, line 23, before "January" insert "before".

Page 240, line 17, strike out "teacups" and insert "tea cups".

Page 246, in the matter appearing before line 1, strike out "Parts of articles provided for in item 666.00," and insert "Parts to be used in articles provided for in item 666.00, whether or not such parts are chiefly used as parts of such articles and".

Page 243, line 14, strike out "716.30" and insert "716.31".

Page 260, line 4, strike out "(d)" and insert "(f)".

Page 328, line 3, strike out "the agreement" and insert "trade agreements".

Page 342, immediately before line 7 insert the following:

(c) TRADE EXPANSION ACT OF 1962.—Section 242 of the Trade expansion Act of 1962 (19 U.S.C. 1872) is amended by striking out "subsections (c) and (d)" each place it appears and inserting in lieu thereof "section 302(b)(2)".

Page 356, line 7, between "(D)" and the quotation mark insert a period.

Page 360, line 1, strike out "901(b)(2)" and insert "1001(b)(2)".

Page 360, line 21, strike out the quotation mark.

Page 363, strike out lines 23 and 24.

Page 364, line 1, through page 368, line 21, redesignate paragraphs (3) through (22) of section 1103 of the bill as paragraphs (2) through (21), respectively.

Page 366, line 10, strike out the comma after "sector".

Page 371, line 7, after "with respect to" insert "the matter within such section 303, 701, or 731 of".

Page 376, strike out lines 16 through 21, inclusive, and insert the following:

(3) Section 602(f) is amended by striking out the last comma.

Page 377, line 7, strike out "3(a)(1)" and insert "3(a)(1)".

Page 384, line 25, strike out "round" and insert "Round".

ORDER FOR THE RECOGNITION OF SENATOR TOWER ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders have been recognized under the standing order, Mr. TOWER be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1980

The Senate continued with the consideration of H.R. 4392.

Mr. MELCHER. Mr. President, the forms that are involved in the amendment are sent out to some 350,000 to 360,000 small businesses connected with agriculture throughout the country. They are forms that are long and detailed and have to be filled out by those small businesses in their own time and, naturally, at their own expense.

I think it is a heavy burden to place upon them. It is part of the overwhelming amount of paperwork that is required of businesses.

I suggest that elimination of these particular forms would be a blessing for the small businesses that are involved and would be an encouraging sign to all small businesses throughout the country that there may be some relief in the way of eliminating some of the data that is now being collected by Federal agencies.

Mr. President, this is one small step affecting not all small businesses, but only a total of about 350,000 that will be relieved of further processing of this particularly onerous form sent out by the census of agriculture.

I hope the Senate can accept the amendment because I think, more than anything else we can do this afternoon, this would be an encouraging sign to small business throughout the United States that perhaps we, indeed, are serious in our attempts to eliminate some of the strangling amount of information gathered by Federal agencies.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 1 minute and 20 seconds.

Mr. MELCHER. Mr. President, I ask unanimous consent that Senator THURMOND be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator wish to yield time?

Mr. MELCHER. Mr. President, there was a request for time that was allotted to me, but I do not see the Senator in the Chamber at this moment, and I think my time has about expired. I yield back whatever time remains.

The PRESIDING OFFICER. Under the previous order, 2 o'clock having arrived, the question now recurs on the amendment offered by the Senator from Montana.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD) is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators who wish to vote on this issue?

The result was announced—yeas 93, nays 4, as follows:

[Rollcall Vote No. 215 Leg.]

YEAS—93

Armstrong	Domenici	Levin
Baker	Durenberger	Long
Baucus	Durkin	Lugar
Bayh	Eagleton	Magnuson
Bellmon	Exon	Mathias
Bentsen	Ford	Matsunaga
Biden	Garn	McClure
Boren	Goldwater	McGovern
Boschwitz	Gravel	Melcher
Bradley	Hart	Metzenbaum
Bumpers	Hatch	Morgan
Burdick	Hayakawa	Moynihan
Byrd, Harry F., Jr.	Heflin	Muskie
Byrd, Robert C.	Heinz	Nunn
Cannon	Helms	Packwood
Chiles	Huddleston	Pell
Church	Humphrey	Pressler
Cochran	Inouye	Proxmire
Cohen	Jackson	Pryor
Cranston	Javits	Randolph
Culver	Jepsen	Ribicoff
Danforth	Johnston	Riegle
DeConcini	Kassebaum	Roth
Dole	Laxalt	Sarbanes
	Leahy	Sasser

Schmitt	Stewart	Warner
Schweiker	Stone	Weicker
Simpson	Talmadge	Williams
Stafford	Thurmond	Young
Stennis	Tower	Zorinsky
Stevens	Tsongas	
Stevenson	Wallop	

NAYS—4

Chafee	Hollings	Percy
Glenn		

NOT VOTING—3

Hatfield	Kennedy	Nelson

So Mr. MELCHER's amendment (UP No. 452) was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

Mr. MELCHER. Mr. President, I ask unanimous consent that Senator HEFLIN may be added as a cosponsor of the amendment just agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr DECONCINI. Mr. President, I wish to be added also.

Mr. MELCHER. Mr. President, I make the same request that Senator DECONCINI be added as a cosponsor to my amendment also.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. MUSKIE. Mr. President, the Senate has before it H.R. 4392, which provides fiscal year 1980 appropriations for the Departments of State, Justice, Commerce, the judiciary and related agencies. I want to take a few minutes to comment on the relationship of this bill to the first budget resolution. Before I do, however, let me say that I support the bill. I congratulate Subcommittee Chairman HOLLINGS and the full Appropriations Committee for reporting this fiscally responsible legislation.

Mr. President, the bill as reported provides $8.3 billion in new budget authority. Outlays associated with the bill total $6.2 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among it subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated $9.8 billion in budget authority and $10.5 billion outlays to the Senate/Justice Subcommittee.

The funds provided by H.R. 4392 as reported, plus other action already completed, put the subcommittee $1.5 billion under its 302(b) budget authority allocation and $0.4 billion under its outlay allocation. But I would call your attention to the fact that possible later requirements known at this time could boost the subcommittee above its allocation by $0.1 billion in budget authority and $0.2 billion in outlays.

Mr. President, I shall submit a table showing the relationship of this bill and possible later requirements to the subcommittee allocation at the conclusion of my remarks.

Although the subcommittee is likely to be close to its allocation, I think it is important to remind the Senate of the point I made when the three previous fiscal 1980 appropriation bills were before us. Then I pointed out that it appeared that the full Appropriations Committee could exceed the amount allocated to it under the first budget resolution by over $5 billion in budget authority and $4 billion in outlays when all the regular appropriation bills and expected supplemental requirements are taken into account. Unfortunately, I now find it necessary to revise that statement. It now appears that the overage may be more than $6 billion in budget authority and $5 billion in outlays. This increase in the expected appropriations overage is attributable to Appropriation Subcommittee action on H.R. 4394, the HUD-independent agencies bill.

I do not want to belabor the point, but I feel I should explain again that these additional appropriations could increase the fiscal 1980 deficit by as much as $5 to $6 billion. In fact, the combination of these additional appropriations and the apparent economic slowdown threaten to drive the fiscal 1980 deficit higher than fiscal 1979.

Mr. President, as I have said before, I recognize that the failure of other committees to achieve savings in appropriated programs, uncontrollable increases in some programs, and new Presidential energy initiatives, are beyond the control of the Appropriations Committee. But I again urge the Senate to make appropriate reductions in future bills to avoid a significant increase over the first budget resolution targets.

In conclusion, Mr. President, I repeat that I intend to vote in favor of H.R. 4392 as reported. I urge my colleagues to do likewise.

The table follows:

ATTACHMENT A

H.R. 4392—STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL, 1980—RELATIONSHIP TO SUBCOMMITTEES SEC. 302(b) ALLOCATION

	Budget authority	Outlays
Subcommittees sec. 302(b) allocation	9.8	10.5
Action completed		3.9
H.R. 4392, as reported	8.3	6.2
Amount over (+) or under (−) subcommittee allocation	−1.5	−.4
Possible later requirements:		
FTC	.1	.1
SBA business loans	.1	.1
SBA disaster loans	.3	.2
EDA	1.0	.1
Regional action planning commissions	.1	(1)
October 1979 pay raises	.1	.1
Possible amount over (+) or under (−) subcommittee allocation	+.1	+.2

[1] Less than $50,000,000.

Note: Details may not add to totals due to rounding. ●

Mr. HELMS. Mr. President, I must vote against this appropriations bill. I could offer a long list of reasons for my decision, but let me state just three of them as examples:

First, this bill provides for spending more than a half-billion dollars in excess of what the House version provides—$556,900,000 more, to be precise.

Second, this bill will send $779 million of the American taxpayers' money to the United Nations. Part of this money will be used indirectly to support terrorist activities in various parts of the world.

And, third, the Senate version deleted an amendment approved by the House of Representatives that would forbid the Justice Department from using the taxpayers' money to promote forced busing of school children.

For these reasons, and others, Mr. President, I shall vote against this appropriations bill. The distinguished senior Senator from South Carolina (Mr. THURMOND) asked that he be associated with these remarks. Senator THURMOND also will vote against this bill.

Mr. CRANSTON. Mr. President, I rise to highlight a portion of the committee report filed by Senator HOLLINGS from the Committee on Appropriations relating to that committee's recommendations with respect to the Equal Employment Opportunity Commission's staffing of implementation under section 501 of the rehabilitation Act of 1973, the Federal Government's main program for employment of handicapped individuals in the Federal Government.

Mr. President, approximately 1 year ago—on August 25, 1978—I wrote to Eleanor Holmes Norton, head of the Equal Employment Opportunity Commission—EEOC—with respect to the transfer to EEOC of responsibility for the administration and enforcement of section 501.

Under reorganization plan No. 1, that responsibility was transferred from the Civil Service Commission to EEOC on January 1 of this year.

My August 25 letter requested specific information relating to the EEOC's efforts with respect to that transfer in order to assure that the administration and enforcement of section 501 be done as vigorously as possible. Unfortunately, prior to that time, EEOC's record with respect to its obligations under section 501 had not been good. In addition, EEOC's headquarters building was, for all practical purposes, inaccessible for mobility-impaired individuals.

On January 25, following Ms. Norton's response of early December to my letter, joined by Senator WILLIAMS, the chairman of the Labor and Human Resources Committee—the committee having authorizing jurisdiction over the Commission—then ranking minority member of that committee, Senator JAVITS and the chairman and ranking minority member of the subcommittee, Senators RANDOLPH and STAFFORD, I wrote to Ms. Norton to emphasize our belief that the active implementation of section 501 was extremely important if the Federal Government was to meet its obligations and responsibilities to be an equal opportunity employer. Further, we agreed with Ms. Norton's assessment in her December response that the staff allocated by EEOC, approximately 5 individuals, a number of which had additional responsibilities, was "too small to amount an effective national program" and, further, expressed our strong belief that a reprogramming of a small number of positions—25 to 30—for section 501 enforcement and administration would be of enormous benefit to the program. We never received a response to that letter.

Mr. President, against this background, I am very grateful that the Appropriations Committee has recommended at page 63 of their report that "the Commission Assign 25 to 30 full-time positions to work exclusively on the administration and enforcement of EEOC's new section 501 responsibilities." This assignment should assure the availability

of at least one individual exclusively devoted to section 501 responsibilities in each of the EEOC's new regional offices, as well as providing staff in the national office.

Mr. President, I want to extend my sincere appreciation to Senator HOLLINGS, chairman of the subcommittee with jurisdiction over EEOC, and Senator MAGNUSON, chairman of the Appropriations Committee for their keen interest and hard work in matters affecting handicapped individuals. I also want to extend my appreciation to Senators EAGLETON and SCHWEIKER, members of the Committee on Appropriations, as well as the Committee on Labor and Human Resources, for their concerns about this provision.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD various letters on this matter.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., August 25, 1978.

Hon. ELEANOR HOLMES NORTON,
Chair, Equal Employment Opportunity Commission, Washington, D.C.

DEAR ELEANOR: I am writing with respect to the prospective transfer to the Equal Employment Opportunity Commission (EEOC) of responsibility for the enforcement of section 501 of the Rehabilitation Act of 1973 (P.L. 93-516)—Employment of Handicapped Individuals. As you are aware, currently, such enforcement responsibility is being exercised by the Civil Service Commission (CSC). Under Reorganization Plan No. 1, effective sometime on or after January 1, 1979, responsibility will be transferred to the EEOC.

Section 501 of the Rehabilitation Act of 1973 was intended to provide a focal point for the hiring, placement, and advancement of handicapped individuals in the Federal Government. As noted in the Committee Report (S. Rept. No. 95-890), to accompany S. 2600, the proposed "Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978," hearings in the 92nd Congress on vocational rehabilitation had pointed out:

"That despite the Civil Service Commission's experience and actions in this area, Federal employment policies with regard to handicapped individuals continue to be found wanting. The Committee emphasizes that the Federal Government must be an equal opportunity employer, and that this equal opportunity must apply fully to handicapped individuals. The Committee, therefore, expects the CSC to ensure that there is no discrimination in employment for handicapped individuals within the Federal Government, and to take all necessary steps to ensure that special needs of handicapped individuals are met."

Testimony in this Congress before the Subcommittee on the Handicapped of the Senate Committee on Human Resources indicated that the record of the Federal Government with respect to implementation of section 501 has not been encouraging. As a result, the Committee bill, S. 2600, includes a provision I proposed to make available the remedies, procedures, and rights set forth in section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-16), including the application of section 706 (f) through (k) (42 U.S.C. 2000e-5 (f) through (k)), to any employee or applicant for employment aggrieved by the final disposition of such complaint or by the failure to take such final action on such complaint under section 501.

A copy of the relevant provisions of the bill and report are enclosed for your reference.

EEOC's record with respect to implementation of section 501 has not been good. For example, in a recent report prepared by the Comptroller General entitled "Federal Employment of Handicapped People" (FECD-78-40, July 6, 1978) it was revealed that the Equal Employment Opportunity Commission was one of thirteen Federal agencies which, for 1978, had not submitted to the CSC satisfactory section 501 plans. The Co-Chair of the Interagency Committee on Handicapped Employees subsequently wrote to each of those thirteen agencies. GAO reported "only EEOC has not responded to the Co-Chair's letter".

In testimony before the Subcommittee on Select Education in April 1978, it was revealed by the Center for Disability Rights that "in 1975 and 1976, the CSC rated EEOC's report of achievements in affirmative action as unsatisfactory. In 1977, the EEOC had an overall increase in staff of 323 persons, yet their total number of handicapped employees remained at 15, contrasted to an overall population of 2,513. The total number of handicapped employees has, since 1974, never risen above .65 [percent] of the entire agency staff."

Further, an inspection conducted on September 28, 1977, by the Disability Rights Center on the implementation of section 501 revealed, among other things, the following about EEOC's headquarters building:

1. No parking spaces are reserved for handicapped persons;
2. Outside the building there are very high curbs;
3. The main entrance is inaccessible;
4. The pay phones were too high for use by a wheelchair rider and none were amplified;
5. Water fountains were too high to reach from a wheelchair;
6. The buttons on the elevators were too high for use from a wheelchair, including the emergency buttons;
7. The elevator door closes quickly and forcefully and could easily knock over ambulatory disabled people; and
8. None of the bathrooms have accessible stalls and there are no grab bars.

In addition to EEOC's own inadequate employment record in this area, the lack of agency expertise in the enforcement of discrimination on the basis of handicap and the inaccessibility of EEOC's headquarters building cause me to be very concerned about EEOC's ability to enforce section 501 with the vigor necessary to assure successful implementation.

In this regard, I would appreciate your response to the following questions:

1. How many EEOC staff positions have been specifically set aside to take on section 501 responsibilities?
2. Of the 800 new positions requested in the FY 1979 budget and of the 400 requested in the FY 1978 supplemental request, how many are to be set aside specifically for section 501 responsibilities?
3. What meetings or discussions concerning the prospective transfer and EEOC's new section 501 responsibilities have you had with the other departments and agencies in the Federal Government with expertise in matters affecting handicapped individuals—for example, the Department of Labor (section 503), the Department of Health, Education, and Welfare (section 504), the Architectural Barriers Board (section 502), and the Veterans' Administration (the leading Federal employer of handicapped individuals)?
4. What meetings have you had with representatives from handicapped and disabled advocacy and service groups concerning the prospective transfer?
5. What efforts have you undertaken or do you plan to undertake (and on what timetable) to make your headquarters building accessible in terms of the above eight points?
6. What efforts have you undertaken to assure EEOC's compliance with section 501, specifically including your goals for the employment of handicapped persons at headquarters and at each of your regional offices, both on the whole and in terms of the 1200 new positions, and what is the current status of EEOC's 1978 section 501 plan?
7. What plans do you have to assure the vigorous enforcement of section 501 across the Federal Government?

I appreciate your attention to these matters.

With best wishes,
Cordially,

ALAN CRANSTON.

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., November 15, 1978.

Hon. ELEANOR HOLMES NORTON,
Chair, Equal Employment Opportunity Commission, Washington, D.C.

DEAR ELEANOR: On August 25, 1978, I sent you a letter concerning the prospective transfer to the Commission (EEOC) of responsibility for the enforcement of section 501 of the Rehabilitation Act of 1973— Employment of Handicapped Individuals.

Despite numerous promises that a response would be forthcoming shortly, and the passage of several dates on which delivery was specifically promised by your legislative staff, no answer to my letter has been received—almost three months after the date it was sent.

My August 25th letter, copies of which were sent to Senators Williams, Javits, Randolph, and Stafford, the Chairman and ranking minority member of the Human Resources Committee and the Chairman and ranking minority member of the Handicapped Subcommittee, respectively, expressed serious concern about EEOC's own inadequate section 501 employment record, the lack of agency expertise in the enforcement of discrimination on the basis of handicap, and the inaccessibility of EEOC's headquarters building. These concerns lead to serious questions about EEOC's ability and commitment to enforce section 501 with the vigor necessary to assure successful implementation. Certainly, the long delay on your part in responding to my letter can do nothing to allay these concerns or resolve those questions.

I would appreciate your prompt attention to this matter.

Cordially,

ALAN CRANSTON.

EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,
Washington, D.C., November 21, 1978.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR ALAN CRANSTON: I received your letter of November 15 on Friday, and wanted to assure you that we are very much aware of your interest in this matter.

Your earlier correspondence raised a number of questions which were brought to my attention, and which resulted in the formation of a taskforce to look into the agency's internal 501 program, and to report on our planning for the assumption on January 1, 1979 of federal enforcement responsibilities under that section. The taskforce consists of the Commission's Director of Administration, the Director of EEO, the Director of Congressional Affairs, and my Special Assistant. It has been meeting with me regularly, as well as with offices in the Commission which have responsibilities that relate to the concerns raised in your letter. This has involved a good deal of coordination, making sure that, for example, instructions concerning the 501 program were built into the training of staff who will conduct

field interviews, that a data collection format for determining applicant flow is established, etc.

The taskforce had been instructed to deliver a report to me no later than the week of November 20th. I am advised that the final draft of the report is being prepared.

With respect to the timing of our response, your letter arrived during consideration of legislation, including the Civil Service reform package, which as you know raised a number of technical issues which had to be monitored by EEOC. Since a good part of your letter concerned planning for the assumption of responsibilities in January, 1979, our staff obtained from the Subcommittee on Child and Human Development permission to defer our response until one week after the adjournment of the Congress. Since then, I am advised that staff had been in fairly constant touch with the staff and counsel of the Subcommittee who has been most helpful, but who is currently on vacation, and had reported that the taskforce had made considerable progress. I am also advised that messages had been left over the past several weeks that a taskforce report was forthcoming.

I believe that our record of consistent contact with your office on this matter will assure you that we do not take this new responsibility lightly. In fact, growing out of my experience as New York City Commissioner of Human Rights, where I had jurisdiction over handicapped people, I have developed a strong interest and commitment in this area. My own personal involvement in the work of this taskforce is one indication of this.

I do appreciate your concern, and we are grateful to you for bringing the matter to our attention.

With best regards,

ELEANOR HOLMES NORTON,
Chair.

EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,
Washington, D.C., December 4, 1978.

Hon. ALAN D. CRANSTON,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR CRANSTON: I apologize for the delay in responding to your inquiry concerning our preparations for receiving enforcement responsibilities under Section 501 of the Rehabilitation Act of 1973, and our internal program for handicapped employees. I assure you that both are well in hand and have received priority attention from the Commission.

EEOC submitted an affirmative action plan for the handicapped, which was approved by the Civil Service Commission on September 1, 1978. In developing the plan our Division of Personnel completed a survey to identify the Commission's handicapped employees. Commission employees were asked to complete CSC Form No. 256, Self-Identification of Medical Disability, and 1,013 employees returned the form, 107 reporting medical impairments of various types. In addition, 40 indicated they did not wish to have their disabilities, if any, recorded outside of their medical records. This of course is contrary to the figure cited in your letter. As you know, because voluntary self-identification is the only way prescribed under present CSC regulations, we have no way of knowing how reliable this method is and this is one of the questions we shall be looking at when we obtain the jurisdiction.

Of course, when we begin recruitment for the Sec. 501 enforcement positions, we shall make a special effort to locate individuals with experience in and special sensitivity to these areas. I would hope that a number of these could be individuals who were themselves handicapped.

With respect to new positions currently under recruitment, for which we received some 20,000 applications, we are carrying out the following procedures:

1. We made special outreach to groups representing handicapped people during the period of recruitment several months ago.
2. Although CSC Form 171 does not make reference to handicap, we have devised our own procedures for ascertaining applicants with handicaps. Interviewers, who are receiving centralized training before being sent out to conduct field interviews, have been instructed to identify those individuals with visually apparent handicaps. This identification will be retained at headquarters. If, after the selection process is completed, but before job offers are made, there do not appear to be among the designees a sufficient number of handicapped individuals to ensure adequate representation of handicapped individuals in our workforce, I will at that time be prepared to set aside certain positions from competitive selection to be filled through the FPM 213 (Schedule A), FPM 316 (Disabled Veterans) and the 700-hour appointment authorities.

In addition, with respect to our internal program and the condition of our headquarters building, a special taskforce has produced a number of actions. We have shifted line responsibility for the affirmative action program from the Office of Administration, Division of Personnel to the Office of EEO. Placement in the Personnel Office was in keeping with FPM Chapter 306, Selective Placement Programs, which focuses on the removal of architectural barriers and on basic recruitment. But other affirmative action and special emphasis programs in the federal service are regulated by FPM Chapter 713, which has its origins in the Civil Rights Act of 1964, as amended. We have taken the position that our affirmative action program for handicapped persons should receive the same attention and "special emphasis" as is given to affirmative action for other groups.

FPM Chapter 306 recommends that each department or agency with at least 3,000 employees establish a full time coordinator, similar to the Federal Women's Program and Hispanic Employment Program positions maintained by all federal agencies. Although we do not now have 3,000 employees, we shall have something over that number when we have taken on all the new FY '78 and FY '79 Title VII positions and the positions associated with the functions to be transferred. We will then try to assign a full-time coordinator for this function. Meanwhile we have identified a staff person in our EEO office, with considerable experience with the California State Department of Rehabilitation, and are arranging for her to assume the coordinator responsibilities that were formerly assigned to a personnel specialist.

We are taking other steps to communicate to our field managers and to staff the importance of our new affirmative action and enforcement responsibilities. The programs have also been built into our training seminars, and are being built into the management plans and performance indicators of our office directors.

With respect to building modifications, we had made this request several times in the past and were told funds would not be available until FY '79. We have again requested that GSA begin modification of the headquarters building on an expedited basis. In the meantime, a temporary ramp has been installed at a ground level entrance, and another ramp connects one of the building's parking areas. We have requested the installation of additional ramps, the designation of special parking places and the establishment of short-term visitor parking spaces in the no-parking zone in front of the building near an exit which has a temporary ramp. In addition, the building guards will direct and make every reasonable effort to aid those requiring assistance.

The only pay phones in the building are located in our lobby area, next to a guard station and information desk containing house phones. Persons unable to use the pay phone are permitted to use the house phone to make outside calls. We have asked that the pay phone be lowered to be accessible from a wheel chair and in addition that an amplifier be installed.

Some bathrooms have been converted and are appropriately designated. Elevators, doors and other structural modifications are, again, not within our primary control, but these deficiencies have been reported to GSA.

Space for new field offices is being obtained through GSA, which is, as you know, bound by a number of regulations and directives governing the location of additional govenment office facilities. We have been reviewing proposed space for accessibility, with instructions, where possible, to see that alternate space is found and, should this prove impossible, to expedite the removal of architectural barriers.

I shall make every effort to keep you informed of our progress. We appreciate your interest and continued support for our work.

Best regards.

Sincerely,

ELEANOR HOLMES NORTON,
Chair.

EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,
Washington, D.C., December 5, 1978.

Hon. ALAN D. CRANSTON,
Chairman, Subcommittee on Child and Human Development, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN CRANSTON: This is with further reference to your inquiry concerning our planning for the assumption in January of responsibilities under Section 501 of the Rehabilitation Act of 1973.

I have been advised that, with respect to the number of staff lines allocated to enforcement of Section 501, there may be a misconception on the part of the Subcommittee Staff. The President recommended and Congress approved position increases in our FY '78 supplemental and FY '79 appropriation for Title VII functions only.

While final approval of the FY '78 supplementals came after Reorganization Plan No. 1 had been approved, the budget request was initiated and had been acted on prior to approval of the Reorganization Plan, which was intended to bring with its transfers only those staff which had been dedicated to the function in each transferring agency. Thus, the Section 501 program is limited, for the time being, to the 4 or 5 lines (of which 3 or 4 will come encumbered) being transferred from CSC. The precise number for both position and staff transfers is still being determined by CSC.

We believe that these are too few positions to mount an effective national program. We hoped to obtain additional staff for this function through a FY '79 supplemental, allowing us to place staff for this function in each of our twenty-two district offices and to add additional staffing to the headquarters unit, which will be located in our Office of Government Employment.

Again, I look forward to keeping in touch and appreciate your concern for and support of our efforts on behalf of the handicapped.

With best regards,

ELEANOR HOLMES NORTON.

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., January 26, 1979.

Hon. ELEANOR HOLMES NORTON,
Chair, Equal Employment Opportunity Commission, Washington, D.C.

DEAR ELEANOR: We are writing with respect to the transfer to the Equal Employment Opportunity Commission (EEOC) of responsibility for the enforcement of section 501 of the Rehabilitation Act of 1973 (P.L. 93-112)—Employment of Handicapped Individuals.

We strongly believe that active implementation of section 501 is extremely important if we are to assure that the Federal Government meets its obligations and responsibilities to be an equal opportunity employer. Section 501 was intended to provide a focal point for the hiring, placement, and advancement of handicapped individuals within the Federal Government. The effective administration and enforcement of the provision is vital and, as pointed out in the July 6, 1978, report of the General Accounting Office, entitled "Federal Employment of Handicapped People", "the Federal Government's program to increase employment opportunities for handicapped persons is a long way from being truly effective". Thus, we are extremely interested in EEOC's activities with respect to the administration and enforcement responsibility. A review of Senator Cranston's August 25 letter and your December 4 and 5 responses raises a number of areas of concern that we would like to address.

The August 25 letter sought information with respect to your efforts to prepare for the prospective transfer. Specifically, in addition to other inquiries, information was sought as to meetings and discussions that the Commission had had with other departments, agencies, and instrumentalities within the Federal Government with expertise in matters affecting handicapped individuals. In addition, the letter sought specific information on meetings held by the EEOC with representatives from handicapped and disabled advocacy and service groups concerning the transfer. We wish to emphasize the importance of EEOC, in undertaking administrative and enforcement responsibility for this program, establishing ongoing, communication and understanding with other involved Federal departments, agencies, and instrumentalities and with interested groups. We would appreciate specific information as to the steps taken by EEOC and their results to establish such communication.

Your reply of December 5th indicates that the staff allocated to EEOC's 501 enforcement responsibilities would be only the "four or five lines (of which three or four will come encumbered) being transferred from CSC". We agree with you that "these are too few positions to mount an effective national program". In this regard, in order to assure that sufficient staff is allocated by EEOC to mount an effective national campaign, we strongly believe that reprograming of a small number of positions (25 to 30) for section 501 administration and enforcement responsibility of the approximately 800 new positions provided by Congress in your FY 1978 supplemental and the FY 1979 appropriations would be of an enormous benefit to the 501 program, while, at the same time, causing little, if any, detrimental effect to title VII enforcement responsibilities. In this regard, we are enclosing a copy of a letter we have sent to Senator Ernest Hollings, Chairman of the State, Justice, Commerce, the Judiciary Subcommittee of the Committee on Appropriations requesting his attention to such a reprograming.

The reprograming of such a small number of positions would appear to be the most realistic approach to assuring that an effective national 501 program is initiated and the EEOC's obligations with respect to the administration and enforcement of that program as well as its other responsibilities would be met in an expeditious and equitable fashion.

We would appreciate your prompt attention to these matters.

Sincerely,

HARRISON A. WILLIAMS, Jr.,
Chairman.

ALAN CRANSTON,
JACOB K. JAVITS,
JENNINGS RANDOLPH,
ROBERT T. STAFFORD.

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., January 26, 1979.

Hon. ERNEST F. HOLLINGS,
Chairman, Subcommittee on State, Justice, Commerce, the Judiciary, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We are writing in order to bring to your attention the transfer, pursuant to Reorganization Plan No. 1, on January 1, 1979, of enforcement and administrative responsibility for section 501 of the Rehabilitation Act of 1973 (Public Law 93-112) from the Civil Service Commission (CSC) to the Equal Employment Opportunity Commission (EEOC) and seek your assistance in assuring that that section is administered and enforced effectively. Enclosed, for your information, are copies of an August 25, 1978, letter from Senator Cranston to Eleanor Holmes Norton, her December 4 and 5 responses, and a letter we are sending to her as a result of that exchange of letters.

We believe that the active implementation of section 501 is of extreme importance if we are to assure that the Federal Government meets its obligations and responsibilities to be an equal opportunity employer. As pointed out by the General Accounting Office, in its July 6, 1978, report entitled "Federal Employment of Handicapped People" (FPCD 78-40), "the Federal Government's program to increase employment opportunities for handicapped persons is a long way from being truly effective."

To be effective, it is vital that the section 501 program be vigorously administered and enforced. The EEOC's December 5 response, however, reveals that enforcement and administration of the section 501 program is limited, for the time being, to the "four or five lines (of which three or four will come encumbered) being transferred from CSC." We agree with Mrs. Norton's assessment in that December 5 letter that "these are too few positions to mount an effective national program".

Thus, we recommend your consideration of the reprogramming of a small number of EEOC's new positions (25 to 30) for the administration and enforcement of the EEOC's new section 501 responsibilities. As you are aware, approximately 800 new positions were provided by Congress to EEOC in order to meet its responsibilities under title VII of the Civil Rights Act as part of the EEOC's FY 78 supplemental and FY 79 appropriations. We believe that reprogramming these 25 to 30 positions would be of enormous benefit to the 501 program, while, at the same time, causing little, if any, detrimental effect to EEOC's title VII enforcement responsibilities.

We appreciate your attention to this matter.

Sincerely,

ALAN CRANSTON,
HARRISON A. WILLIAMS, Jr.,
Chairman.

JACOB K. JAVITS,
JENNINGS RANDOLPH,
ROBERT T. STAFFORD.

The PRESIDING OFFICER. Do the managers of the bill yield back their time?

Mr. HOLLINGS. Mr. President, we yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, pursuant to the previous order we will now have third reading of the bill. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The PRESIDING OFFICER. Are there any Senators who have not voted who wish to do so?

The result was announced—yeas 86, nays 10, as follows:

[Rollcall Vote No. 216 Leg.]

YEAS—86

Baker	Exon	Muskie
Baucus	Ford	Nunn
Bayh	Glenn	Packwood
Bellmon	Gravel	Pell
Bentsen	Hart	Percy
Biden	Hayakawa	Pressler
Boren	Heflin	Pryor
Boschwitz	Heinz	Randolph
Bradley	Hollings	Ribicoff
Bumpers	Huddleston	Riegle
Burdick	Inouye	Sarbanes
Byrd, Harry F., Jr.	Jackson	Sasser
	Javits	Schmitt
Byrd, Robert C.	Jepsen	Schweiker
Cannon	Johnston	Simpson
Chafee	Kassebaum	Stafford
Chiles	Leahy	Stennis
Church	Levin	Stevens
Cochran	Long	Stevenson
Cohen	Lugar	Stewart
Cranston	Magnuson	Stone
Culver	Mathias	Talmadge
Danforth	Matsunaga	Tower
DeConcini	McClure	Tsongas
Dole	McGovern	Wallop
Domenici	Melcher	Warner
Durenberger	Metzenbaum	Weicker
Durkin	Morgan	Williams
Eagleton	Moynihan	Young

NAYS—10

Armstrong	Humphrey	Thurmond
Garn	Laxalt	Zorinsky
Hatch	Proxmire	
Helms	Roth	

NOT VOTING—4

Goldwater	Kennedy	Nelson
Hatfield		

So the bill (H.R. 4392) was passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. HOLLINGS, Mr. MAGNUSON, Mr. EAGLETON, Mr. INOUYE, Mr. BURDICK, Mr. DECONCINI, Mr. BUMPERS, Mr. SASSER, Mr. WEICKER, Mr. HATFIELD, Mr. STEVENS, Mr. LAXALT, Mr. GARN, and Mr. YOUNG conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, H.R. 4392, which makes appropriations for the Departments of State, Justice, Commerce and the Judiciary, contains

items which are important both for our domestic well being and for our relations abroad. Before commenting briefly on the contents of the bill, I want to congratulate the distinguished Senator from South Carolina (Mr. HOLLINGS), chairman of the Appropriations Subcommittee with jurisdiction over these areas, and the ranking Republican member (Mr. WEICKER), for the careful attention given to those budget areas by the members of the subcommittee.

As the report accompanying the bill clearly indicates, Senator HOLLINGS and the members of his subcommittee have reviewed many budget items with meticulous care. Attention has been given to budget requests and program needs. Cuts and increases in various programs have been selective and judicious.

With respect to the Department of State, the committee recommendation provides $1.3 billion for the general administration of U.S. foreign policy. This includes the conduct of diplomatic and consular relations with foreign countries, diplomatic relations with international organizations, and related activities. While the committee's recommendation contains certain increases above the 1979 appropriations to date, this is primarily because of nondiscretionary increases, some reflecting increased wages and salaries, and higher prices.

The amount recommended by the committee also includes funds to cover the cost of the Middle East peace negotiations. The Middle East Peace Treaty was a momentous achievement, and it is important that funding for the negotiations be provided in order to encourage a comprehensive settlement.

Within the Department of Commerce, there are numerous offices and programs which are vital to the economic health of the Nation. The committee's recommendations reflect its commitment to moving ahead with sound economic policies and programs here and abroad.

Programs which come under the jurisdiction of the Commerce Department are diverse, and the committee's recommendations reflect a clear understanding of the activities particular to each program. For example, funding is budgeted for the programs of business assistance and trade development under the Industry and Trade Administration. The operations and facilities of the National Oceanic and Atmospheric Administration also come under the Commerce Department's jurisdiction, and the committee's recommendations will insure the continued effective operation of NOAA's activities.

The bill contains funding for the Department of Justice, the FBI, and the law enforcement activities of the Department. Increases are provided for a major expansion of the border patrol to deal with illegal aliens, and for needed personnel in certain departmental divisions where the need has been demonstrated.

Funding recommended for the Judiciary reflects the amounts required for the 152 judgeships authorized in the last Congress and the staff and associated expenses to support them. The efficient management of our judicial system is fundamental to insuring that every American receives fair treatment under the law. I am pleased that the committee's recommendation emphasizes our commitment to maintaining a healthy court system.

In addition to reviewing the budget requests and activities of the Departments of State, Justice, Commerce and the Judiciary, the subcommittee chaired by Senator HOLLINGS has the important responsibility of overseeing numerous independent agencies. These include the Arms Control and Disarmament Agency, the Board of International Broadcasting, the International Communication Agency, and the Office of the Special Representative for Trade Negotiations. U.S. participation in international organizations and commissions is also within the purview of the subcommittee.

As a member of the Appropriations Committee, I have been well aware of the contribution made to its deliberations by the Senator from South Carolina (Mr. HOLLINGS), by the subcommittee's ranking minority member (Mr. WEICKER), and by the members of the subcommittee. Each has demonstrated a budget-minded and balanced approach, which I believe is reflected in the committee's recommendations.

I yield to the Senator from Tennessee.

Mr. BAKER. I thank the majority leader.

Mr. President, I will not detain the Senate long. I simply wanted to join with the majority leader in extending my congratulations to the distinguished Senator from Connecticut (Mr. WEICKER) and the distinguished Senator from South Carolina (Mr. HOLLINGS) for their handling of this measure. Not only did they do it with characteristic skill, but they also handled a very controversial measure in a fairly short span of time. I wish to express my appreciation to both of them for a job well done.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Patricia M. Wald to be U.S. circuit judge for the District of Columbia circuit.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered. The nomination will be stated.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Patricia M. Wald, of Maryland, to be U.S. circuit judge for the District of Columbia circuit.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that the following staff members of the Committee on the Judiciary, on the majority side, be granted the privilege of the floor during consideration of this matter:

Thomas Susman, Elaine Shocus, Mike Klipper, Liz McNicols, and Mary Jolly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, my statement on this matter will be very brief. During the past few months, the Judiciary Committee has examined the qualifications and acted on nearly 50 Federal judgeship nominations. The great majority have been well-qualified and although perhaps of the wrong political affiliation, thus far, few have given me sufficient reason to object to their confirmation.

Today, however, I feel compelled to indicate my opposition to the confirmation of Mrs. Wald to be a judge on the Circuit Court for the District of Columbia. I do not do so lightly. The advise and consent power of the Senate is a serious responsibility that must be exercised carefully by each Senator and the Senate as a whole.

Mr. President, Mrs. Wald's record and background as a lawyer are excellent. She has served as Assistant Attorney General for Legislation at the Justice Department. I do not dispute her legal credentials to sit as a Federal judge. But there is another requirement, in my opinion, that a Federal judge must have in order to be a member of one of the highest courts in our Nation.

A judge must not let personal feelings or bias enter into any decision made while on the bench. One must be able to keep an open mind at all times. Frankly, I am not convinced that Mrs. Wald can maintain that objectivity. Her record indicates that she may become a judicial activist. Her views on family and children's rights are not, in my opinion, in the mainstream of American morals and traditional family values. Mrs. Wald's writings and the responses she gave about them during her nomination hearing continue to disturb me. For example, Mrs. Wald has been quoted as saying the following:

> It is highly debatable that continued prosecution and imprisonment of addicts have contributed to the waning addiction rate to any degree comparable to the provision of treatment. Prosecution and imprisonment have merely served to penalize those unfortunate enough to be caught. (Georgetown Law Journal, 1974).

> In such cases (parental conflict) the child himself ought to be able to use the juvenile courts facilities for resolution or enforcement of his rights. (Human Rights, Vol. 4, 1974, The Rights of Youth, p. 21.)

> Most liberation groups have concentrated on the franchise as their top priority. In the case of youths the 26th Amendment setting 18 as a voting age is not or should not be the conclusion of their effort. The amendment permits a State to establish a lower voting age, and I believe there are reasonable

arguments advanced for doing so, even to the radical extent of allowing youths 12 or 13 and above, to vote. (Human Rights, Vol. 4, 1974. The Rights of Youth, p. 22).

As long as the child lives with his parents or someone else he must be expected to obey reasonable rules of the house. If after a minimal age, he finds such rules hopelessly arbitrary or violative of his civial rights, he can seek mediation through some outside agency. If the situation is intolerable he can seek official aid in shifting his custody. Parents faced with an impossible recalcitrant child, should be able to seek the same kind of relief. To make such a system viable, communities will, of course, have to establish networks of noncoercive substitute homes and arrangements temporary and permanent. (Human Rights, Vol. 4, 1974. The Rights of Youth, p. 29).

Mr. President, I believe these statements speak for themselves. I do not agree with these views and I am not convinced that they can be defended as the kind of thinking this country needs in its Federal judiciary.

For this reason, I intend to vote against this nomination.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from New Hampshire seek recognition?

Mr. HUMPHREY. Yes, Mr. President.

The PRESIDING OFFICER. The Senator is recognized.

Mr. HUMPHREY. Mr. President, I begin by making it clear to my colleagues that though I am opposed to the confirmation of this nominee, I do not and have not in any way impugned the nominee's character or honesty or good intentions. In no way have I done that.

At the same time, Washington, D.C., and the entire Federal bureaucracy, whether it be the executive, the legislative or the judicial branch, is full of persons with good intentions. Yet, despite these good intentions, our country is in serious trouble, as our President has pointed out to us. It is not good enough simply to have good intentions.

I am told by some Senators that it is customary to examine only the professional qualifications of a nominee; that a nominee's views are not generally considered.

I am not a legal scholar; I am not an attorney. Yet, as one American citizen who is very deeply concerned about his country, I think it is time that the Senate, in considering the confirmation of various nominations, does consider the views of nominees, whether it bases its decision on those views or not.

It is for that reason that I speak today in opposition to the confirmation of this nomination. The office is high to which this person has been nominated. It is said that no court is more important, save for the Supreme Court, than the Circuit Court of the District of Columbia.

Furthermore, it is said that this person may well be in line for future nomination to the Supreme Court.

Mr. President, I should like to read into the RECORD an editorial published on June 17 of this year in the Washington Star. It is entitled "Judgment on a Judgeship," and it reads as follows:

Anybody who rejoices to see women's demonstrated abilities move them toward greater prestige and power in American society is sure to welcome the idea of having Patricia Wald on the U.S. Court of Appeals for the District of Columbia, at least at first glance. The 50-year-old assistant attorney general for the Office of Legislative Affairs has all kinds of credentials, from a Yale law degree to service on the Mental Health Law project to work with President Johnson's Commission on Crime in the District of Columbia to scholarly writings on bail, poverty law and drug abuse.

There's even an intact family in the picture, including a husband and five children, to suggest that the woman who has piled up these accomplishments is a well-rounded human being. What's more, career drives did not keep Mrs. Wald from staying home for a decade to supervise her children's early development at first hand.

Mr. President, those are a great many points in her favor.

I return to the text of the editorial:

Thus the Senate hearings scheduled for this week to precede a confirmation vote on this Carter nominee are likely to be perfunctory and amiable. An agreeable prospect, but one that should not be rushed.

If Mrs. Wald is appointed to the appeals court, she will be the third woman in American history to reach so high a position in the federal judiciary system. At present, there is only one woman, Judge Shirley M. Hufstedler of the 9th Circuit, at this rank.

The implication is obvious—here may be a strong future candidate for the Supreme Court. It is appropriate to take a particularly searching look at the views that would be in the background of Mrs. Wald's decisions.

Mr. President, if it is appropriate that a public institution such as a newspaper takes a look at the views that would be in the background of Mrs. Wald's decision, then why should that not be done on the floor of the Senate?

I read further from the editorial:

To those who believe in the importance of the family to individual development and social continuity, and also to those who think civilization requires the ascendancy of values associated with the mature personality, some are surprising.

In her writings on the legal and moral rights of children in the last five years, some bearing dates as recent as 1977, Mrs. Wald sounds the juvenocratic themes of the sixties. Besides believing that, in fact, today's children from puberty on, and sometimes before, deal with the adult world on almost an equal basis, she thinks they should, and that law should be revamped to help them.

She thinks that the children of today mature faster than their predecessors—intellectually and socially as well as physically. She is impressed with the "remarkable and sometimes awesome" political sophistication she has seen in certain adolescents and feels there is a case for channeling it into civic processes.

Her answer to the chaos of collapsed authority in today's schools is ombudsmen to protect students rights. Her remedy for unsatisfactory education is more grievance mechanisms through which pupils can vindicate what they consider their wrongs at the hands of teachers and school administrators. Her solution for family failures is income redistribution.

One does not have to be a moonstruck youthworshiper to appreciate the horrors of childhood or to admit that adult tyranny, real or fancied, looms large among them. Furthermore, it is perfectly true that there is at best an uneasy twilight zone where community judgments about children's welfare can collide with parents' authority. It is also true that the present assortment of prisons, reformatories, foster homes and psychiatric facilities dealing with problem children is nothing to congratulate ourselves on.

Still, greater autonomy for children at ever earlier ages may pose more difficulties than it obviates. Besides, it always turns out that it isn't really autonomy—it's being handed over to another set of keepers.

Mr. President, when we begin to hand over our children to that other set of keepers—namely, the State—we are in real trouble.

I continue reading:

Consider the children's advocates who will conduct their ever more numerous lawsuits. Consider the social workers who will run the non-coercive halfway houses where they will go with their family complaints, their VD, their pregnancies and their drug problems. Nor should we overlook the dangerous alternative keepers who await children in the dominant members of their peer groups, or cult groups.

Mrs. Wald calls herself a supporter of the family, but does she consistently recognize the degree to which the family's beneficial potentialities depend on its exercise of control? She talks about bringing law into line with changing mores, but the legal changes she urges are the kind that can accelerate change in dubious directions.

Her choice for a judicial role that would give her greater power in remaking the fundamental rules of our society deserves more than a casual look.

Mr. President, several days ago, an article appeared in the Washington Star, and I should like to read one sentence. It states;

Wald would probably strengthen the liberal block on a court that has pioneered in many areas of the law.

Do we want pioneers in our judicial system—more pioneers, more exploration, more probing? Is that what we want? Is that likely to help cure the illness that is abroad in our land? I think not. I think we need just the opposite: Judicial nominees who will analyze the law in the strictest sense.

Let me read from an article published in the U.S. News & World Report of June 18, 1979, entitled "Judges Carter Picks—Activist and Liberal." I will read it in part:

With little fanfare, one of the nation's most powerful institutions, the federal court system, is being given an infusion of liberal members.

* * * * *

The newcomers are apt to give the federal courts a markedly more activist approach to the law. The shift comes at a time when some scholars and other critics are warning that the judiciary already has gone too far in assuming executive and legislative power over a wide array of public-policy matters.

The U.S. News & World Report article discusses a study by the American Judicature Society which shows that of 63 persons nominated for appeals courts positions by President Carter's commission, 42 percent described themselves as liberal or very liberal, 55 percent claimed to be moderate, and only 3 percent called themselves conservative.

I quote part of the last sentence in this article:

American Federal courts seem likely to be more liberal and activist for years to come.

That certainly is true if the American Judicature Society survey is accurate.

The country is changing, Mr. President. Congress is finally beginning to catch up with the new mood of the country. What a great pity it will be if we are saddled for decades by a liberal judiciary, appointed in the final days of America's liberal agonies. These appointees will continue to dominate the judiciary for decades, because, as we all know, they are appointed for life.

Mr. President, I believe that two concerns of the American people bear upon the Wald nomination: The concern over the usurpation by an activist judiciary of legislative and executive powers; and the concern over government actions which tend to dilute parental authority over children and to weaken the traditional family structure.

In this regard, it seems necessary in this city and these times to define the term "family." Mr. Jim Guy Tucker, President Carter's appointee to the chairmanship of the White House Conference on Families, defines the family as "one or more adults living together with or without children." Notice, the concepts of heterosexual relationships and formalized marriage do not even merit a mention by the chairman of the White House Conference on Families.

When I say that Americans are worried about the weakening of the traditional family structure, I mean by "traditional family" parents formally joined in marriage, with a child or children.

In considering the Wald nomination, the Senate will be well advised to read an article by Mrs. Wald, "Making Sense Out of the Rights of Youth," published in the fall 1974 issue of Human Rights, a very respected journal published by the American Bar Association.

Mr. President, I ask unanimous consent that the article be printed in its entirety at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered. (See exhibit 1.)

Mr. HUMPHREY. Mr. President, in this article Mrs. Wald espouses ideas which would leave most Americans agape. To emphasize that these are her thoughts alone a footnote at the beginning of the article states: "The views expressed herein are entirely her own."

Here are some of those ideas and views.

Mrs. Wald states that "the institution of childhood has been seriously compared to the institution of slavery." Thus, Mrs. Wald delivers a stinging rebuke to parents across the Nation, implying, in their exercise of parental authority, that parents are callous, unconcerned slavemasters. No doubt Mrs. Wald believes, as do most government functionaries, that if only society would embrace her ideas, we would enter a new period of enlightenment. If Mrs. Wald believes children are treated like slaves in this country, it is only reasonable to suppose she would, as a judge, work to emancipate children from their parents by diminishing parental authority and increasing State authority. Indeed, Mrs. Wald laments the failure of government to secure the natural rights of children, saying, "Yet, so far, neither our legislatures nor our courts have seen fit to guarantee those rights, insofar as they have the power to do so."

Mrs. Wald thinks children are treated like slaves in this country and wants the courts to do something about it. Americans concerned about usurpation of legislative and executive authority by the courts would have plenty to worry about with Mrs. Wald on the bench. As these remarks show, Mrs. Wald, who belongs to the activists band known as "child advocates" and who terms herself a "fierce civil libertarian," wants to fundamentally change the American family.

What are some of those changes Mrs. Wald wants the courts and other institutions to make with respect to children and parental authority? Lest any Senator be concerned that I quote Mrs. Wald out of context, the article I quote from is printed in full at the conclusion of my remarks.

First. Age should no longer be a bar to retaining and using ones own money, making valid purchases and contracts.

Does that mean that if a child wants to spend his money on something foolish that the State may intervene and allow the child, over the parents' objection, to spend his money as he chooses? At what age shall we start that, 6, 7?

Second. A youth should be able to exercise increasing control over his choice of school and work or, at the very least, participate fully in the decisions affecting school and work.

I think any parent knows that children often do not agree with their parents about which school they will attend and which courses they will take. Should the State intervene on behalf of the child? I think not.

Third. An adolescent youth ought also to be able to seek medical or psychiatric care on his own. Mrs. Wald cites instances where disclosure to parents of treatment would have unpleasant consequences for a child, in such areas as seeking contraceptive assistance, abortion, treatment for VD or use of drugs. She suggests that the child, with the aid of the State, should be able to keep his parents in the dark.

While Mrs. Wald states that doctors ought to be encouraged to bring parents into the situation, she nevertheless believes that doctors, where they choose to do so, may, with the State's assistance, leave the parents of the child in the dark.

American parents would like to know that a nominee to a high court advocates allowing their children to have an abortion without the parents' knowledge and consent, and allowing them to be treated for VD without their parents knowing about it. I do not think that the parents we represent would appreciate this philosophy.

Fourth. A youth ought to be able to seek legal advice or help to redress his grievances against his family, schools, or others who adversely affect him. Mrs. Wald, it seems to me, would have the State provide a lawyer to advise a child who is having a disagreement with his parents. Mrs. Wald apparently doubts the wisdom and fairness of parents and wants a Government lawyer examining disagreements between a child and his parents.

Fifth. There is a whole range of civil rights that youths at least from the age of 12 up ought presumably to enjoy. These include free speech, and more troublesomely, freedom of association. According to Mrs. Wald, children should be able to say whatever they wish, wherever they wish, without any interference by parents. By the same token, Mrs. Wald would proscribe parental authority regarding the company children keep. Parents would have no right to forbid a child to associate with a known juvenile delinquent or an adult criminal, for that matter.

Sixth. With regard to the 26th amendment, setting 18 as the voting age, Mrs. Wald has this to say:

The amendment permits a State to establish a lower voting age, and I believe there are reasonable arguments advanced for doing so, even to the radical extent of allowing youths 12 or 13 and above to vote.

Now, it is true, as some have said in Mrs. Wald's defense, that she does not come right out and advocate lowering the voting age. But she does first point out that the 26th amendment permits a State to establish a lower voting age if it wishes, and then she goes on to say, "I believe there are reasonable arguments" in support of this radical proposition. I must strongly disagree with Mrs. Wald's beliefs. She is entitled to believe whatever she wishes. But I do not believe that children 12 or 13 or even 14, 15, or 16 possess sufficient life experience, sufficient wisdom, sufficient judgment to exercise that most cherished of all our rights, the right to vote.

Mrs. Wald aptly describes this proposal as radical. Few Americans would agree with her premise that 12- or 13-year-old children possess sufficient maturity or judgment to cast votes. Mrs. Wald's proposal is nothing less than preposterous.

Mrs. Wald, by virtue of the bizarre changes she urges in the family structure and the preposterous proposals she has advocated regarding the rights of children is, in my opinion, a poor choice for the bench. Indeed, her judgment is questionable.

Mr. President, after all of the trauma of the last decade it is difficult to be surprised, much less outraged, at some of the goings-on in this Government. But the Wald nomination is a case which is outrageous. Here is a nominee who would radically alter the traditional family structure by virtually abolishing parental authority and who would empower a child to formally challenge his parents whenever in that child's opinion the parents were violating his civil rights.

Here is a nominee who believes that good arguments exist for allowing young children to exercise the right to vote.

Mr. President, Mrs. Wald's views, in my opinion, are radical and they are on

record. She laid them out for all to see in clear, careful language. The article I alluded to and from which I quoted is not science fiction. It was not comedy written for the National Lampoon. Rather, this is a serious article written for a respected journal published by the American Bar Association.

Mr. President, I am convinced that the American people do not support these proposals of Mrs. Wald. The American people would be angry that she be nominated for a Federal judgeship, especially one of this importance.

Mr. President, the Judiciary Committee performed well. It examined Mrs. Wald's views and the views I have mentioned in considerable detail.

I must admit Mrs. Wald handled herself well. She covered herself well. There is no doubt Mrs. Wald is a clever lawyer. She knows how to deflect a question, she knows how to confuse the issue.

Mr. President, I would like to quote some material from the transcript of the confirmation hearing of the Committee on the Judiciary. Mrs. Wald was asked a question by Senator BAUCUS:

Senator BAUCUS. Mrs. Wald, I have one basic question.

If you are confirmed and appointed to the U.S. Court of Appeals, will you continue to advocate or advance your views regarding children's rights?

Mrs. WALD. No. I do not intend to advocate or advance any views on any subject once—if I am confirmed on the bench. I do not think that is the role of a judge at all. I think otherwise the situation is impossible, Senator, because whether you are for children's rights or against them, if you saw the court as a forum with which to advance it, the American people would be cheated.

I could not agree more with those words, Mr. President.

I quote her further:

I think you leave your advocate's role behind you. I do not see the court as the next step in advancing any kind of philosophy. I see it as a completely different kind of role whereby you are presented with grievances. You are presented with evidence, and it is your job to decide on the record which of the two sides has made the best case, or whether it is legal or constitutional right and the remedy. And I consider my advocacy days to be over.

Well, I imagine the odds are on the side of Mrs. Wald. She will be confirmed. But she felt motivated for some reason to state very clearly, "I consider my advocacy days to be over." She certainly did not deny that she has been a vociferous advocate in the past. So the question is, will Mrs. Wald be able to keep that promise to us?

I doubt, Mr. President, that we could find one Federal judge in the entire country who would come before us and say otherwise. What Federal judge would come before the Judiciary Committee and say, "I have been using my seat on the bench to advocate certain social policies." Or what nominee would come before the Judiciary Committee and say, "The Senate had better not confirm me because when I get onto the bench I am going to continue that kind of advocacy and activism in which I have been participating all my life"?

You will not find one judge or one nominee to come forward and say that. So, while I do not question the good intentions of this nominee, I think it is obvious that the Senate must decide, in examining the background of nominees, whether the nominee will be able to resist the temptation to use the power of the bench to change society. It is for us to decide. We cannot make up our minds simply on the basis of a statement of good intentions by the nominee because every nominee would make that same statement.

Every member of the bench and every public servant has the best of intentions, but that is not good enough.

I would like to examine further some of Mrs. Wald's statements in this article to which I have earlier alluded, "Making Sense Out of the Rights of Youth." On page 17 of the article:

The most commonly cited argument for treating children differently from adults is that they are not sufficiently mature in intellect, emotion or experience to make rational judgments about what is in their best interests. Certainly this is true in the earliest years. But even there, it is now argued, the right of a very young child to be consulted and informed about critical decisions in his life, and his right to be represented in those decisions, can no longer be summarily dismissed. Thus, in situations where the interests of the child (no matter his age) and the parents are apt to conflict or a serious adverse impact on the child is likely to be the consequence of unilateral parental actions, it is now argued that the child's interests deserve representation by an independent advocate before a neutral decision-maker.

Now, Mrs. Wald does not, strictly speaking, advocate that herself, but she says, "Such proposals are reasonable." She does not reject them. She says they are reasonable.

On page 24, quoting Mrs. Wald:

But for the present I do not think we have any evidence that the viability of the family will be jeopardized by more freedom for the children or, indeed, that the continuation of its present rigid power structure is essential to preservation at all.

Let me emphasize her reference to the "rigid power structure," the authority of parents over their children. "Rigid power structure."

On page 25:

In sum, contemporary concepts of fairness strongly support adoption of a general presumption that children should be allowed the same rights and freedoms as adults unless there is a significant risk of irreversible damage to them—physical, psychological, emotional—from exercising such rights or a general consensus backed by empirical data that at particular ages children do not have sufficiently developed skills to exercise those rights.

And in a footnote Mrs. Wald proposes the following:

Communities should have runaway shelters, staffed with counselors and medical and legal help for children under 16, to which they can come voluntarily or be brought by the police, if they do not want to go back home. Parents would have no right to forcibly take their children away from such homes.

Mr. President, I think there is hardly a grown-up who at some time in his childhood did not run away, or at least seriously contemplate doing that. Mrs. Wald would have every community operate a shelter to which children could run from their parents. She is so worried about the authoritarianism of parents that she said parents should have no right to forcibly take their children away from such a home.

Mr. President, children belong to their parents, not to the State. It is because many of our public servants are losing sight of this basic concept that the family as an institution is being undermined and parental authority is being undermined.

I alluded earlier, Mr. President, to what seems to me a lament on the part of the nominee that legislatures and courts have not seen fit to guarantee what she calls the natural rights of children. I read the paragraph in which that lament occurs, on page 26:

Perhaps this discussion seems over-concentrated on legal rights and legal mechanisms for enforcing the rights of children. It is not because I am unaware of such fundamentals as natural rights and moral rights; the right of the child to basic needs and human gratifications: love, security, guidance, adequate nutrition, shelter, recreation, education, medical care. We know all too well that thwarting those needs in childhood produces distorted, unhappy and often dangerous adults.[42] Yet, so far, neither our legislatures nor our courts have seen fit to guarantee *those* rights—insofar as they have power to do so.

It is not reasonable to anyone that if this nominee is confirmed and takes her place on the bench, she will seek to rectify that situation which she lamented? Was she not advocating that all judges work to guarantee what she called the natural rights of children? I think it is quite reasonable to suppose that.

I would now like to quote from another article authored by the nominee, called "All Our Children." On page 184:

Whatever the cause, in recent years the legal trend has been decidedly in the direction of granting children greater legal rights and responsibilities both by statute and by court decisions.

She says.

It seems likely that the balance of legal power among parents, the State and children will continue to shift.

Well, it will if we confirm this kind of nominee.

Page 196, same publication:

And at some age short of legal majority when he or she is capable of living independently or with limited supervision in a hostel-like setting, a child may well be entitled to a ruling of incompatibility or emancipation from his or her parents.

On page 200:

Without attempting to design a legal health-care code for minors, we believe that revision of existing laws of access are necessary.

Here are Mrs. Wald's suggestions:

The age at which minors can seek medical treatment on their own, without subsequent notification of their parents, should be lowered from eighteen or twenty-one. The exact age will have to be debated, but children of any age caught in desperate situations because of drugs or pregnancy should be able to consult a doctor without fear of exposure.

Fear of exposure to whom? To their own parents.

In parentheses, she adds:

(Obviously, a good doctor would try to persuade children to involve their families.)

Well, I should hope so.

But she continues:

In general, the doctor's presumption should be in favor of confidentiality.

To heck with parents: What do they know? Or what do they care?

On page 202:

While we are not in a position here to make specific recommendations on the liberalization of such laws, we do suggest that our laws must catch up with our sociology about what kind of institution the American family has become.

For my own part, Mr. President, I would say that I think most Americans feel that the family is the institution it always had been, and that the laws need not catch up to any change, because no basic change has taken place. And let us hope it does not.

On page 211:

In a simpler world, parents were the only advocates children needed. This is no longer true. In a complex society where invisible decision makers affect children's lives profoundly, both children and parents need canny advocates. What if all parents made relatively small financial contributions to such a cause? It would provide a politically insulated fund for lawyers, ombudsmen, agency monitors, and even attempts at legislative reform. Alternatively, parental pressure for public funds must be exerted to provide these legal services for children, who cannot pay for it themselves.

Well, that is the old liberal litany, Mr. President, that Americans are all children and need someone to look out for them. That is why we are in trouble today, because big brother is looking out for us.

Mr. President, I ask unanimous consent that the article "All Our Children" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

(See exhibit 2.)

Mr. HUMPHREY. Mrs. Wald has some interesting views on drugs and children's involvement with drugs, and I will now refer to an article entitled "Dealing with Drug Abuse," a report to the Ford Foundation. This report is a report of a drug abuse survey project, cochaired by Patricia M. Wald.

Speaking of drug treatment programs in schools, Mrs. Wald has this to say:

Few schools have close working alliance with treatment resources to which they can refer students. Parental permission for such treatment poses another legal obstacle to such desirable arrangements.

There it is again, another lament that parental permission gets in the way:

At least in the immediate future most schools would probably be unable to alter their basic authoritarian structure to the kind of openminded approach to drug education that will help early experimenters or drug-prone students.

What kind of openminded approach is Mrs. Wald referring to? Is she referring to something espoused by the National Coordinating Council on Drug Abuse, Education and Information? Their approach is that drug information should teach children to make rational decisions based on reliable information about which drugs they will use and how much they will use them.

In other words, Mr. President, it seems to me, if I am reading this correctly, the nominee is advocating an approach that would not aim at suppression. It would not aim at advising children to stay away from drugs, to stay within the law and good sense. It would not take that approach at all, but would take the approach of teaching children to make rational decisions based on reliable information about which drugs they will use and how much they will use them.

The whole point of giving parents authority over children is that they do not have enough experience in life to make rational choices.

On page 36, Mrs. Wald makes the statement speaking as chairman:

We believe that the individual and social harm caused by imposing criminal sanctions on drug users far outstrips the benefits of this approach.

On page 37:

We feel that, as a first step in bringing the problem back into perspective, criminal penalties for possession of illegal drugs for personal use only should be abandoned in many jurisdictions.

On page 55:

Finally, many improvements in the present law enforcement approach toward drug abuse may have to come from the courts. There will be increasing attacks upon the irrationality of present drug laws, centering upon the right to privacy involved in the personal use of drugs, and in the extension of the ruling in Robinson against California that a person may not be criminally punished for addiction to include possession, use, and presence in illegal establishments or association with other addicts. The question of the right to treatment for an addict may be expected to be raised not only in civil commitment programs, where treatment is minimal, but also in communities without methadone programs, or where methadone dispensation is severely restricted by law, or even ultimately where doctors are not allowed to prescribe for addict patients.

On page 56:

In the juvenile field, a long standing and perhaps legally vulnerable impediment to treatment is the legal requirement for parental permission.

I hope that parental permission always remains an impediment.

At page 130:

Underpinnings for a rational drug education approach do not exist at this time Given this situation, the two major priorities in this field are: (1) well designed and tested evaluation techniques to measure the attainment of specific goals in any school education program; (2) a formal compilation of what evaluation data exists, which programs have been evaluated, what criteria have been used, and what results have been obtained. In the absence of this kind of information we can only turn to the opinions of recognized "experts"——

And she places the word "experts" in quotes.

without any real assurance, however, that they are right. Yet, there appears to be a consensus (at least for the present) on the following points.

There must be open and free dialog between students and teacher or discussion leader in an atmosphere of tolerance for all points of view, free of moralizing and shock reactions.

In other words, we ought not to have in our public schools moralizing on the use of drugs. That should be outlawed.

Use should be made of the comments and experiences of youngsters who have actually used drugs, with confidentiality assured.

Can you see the classroom, Mr. President, under this proposal?

Suzie, will you tell us about your drug experiences? Don't worry, it is going to be confidential. We think this will be beneficial to your fellow students if you tell us about your drug experiences.

I am almost finished, Mr. President.

Mr. President, in another subject area on which Mrs. Wald has spoken out, a great many Americans, including myself, are concerned about what we see as attacks on our second amendment rights to keep and bear arms. I am concerned about it because to my way of thinking the last barrier between a free people and a tyrant is the ability to make revolution. When you take away guns as they have in Eastern Europe, you take away the ability to make revolution and people become enslaved.

Mrs. Wald's views on this subject, I suppose it is fair to say, can be determined by her writings in a chapter entitled "The Community's Role in Law Enforcement," which is part of the Task Force Report on the Police, the President's Commission on Law and the Administration of Justice, published in 1967. Mrs. Wald said:

Finally, prevention of crime and apprehension of criminals would be enlarged if each firearm were registered with a governmental jurisdiction. A record of ownership would aid the police in tracing and locating those who have committed or threatened to commit violent crime. Law enforcement officers should know where each gun is and who owns it.

Would that not make it easier for them?

Mr. President, some may criticize me for examining the written views of the nominee. Some may say it is enough for a nominee to be well-qualified from a professional point of view, and apparently she is. But I think it is important for the American people to know what is going on in their Government and to see how their institutions and their values are being subverted. Only with such knowledge can Americans do something about this trend.

Mr. President, I have said that the entire Federal bureaucracy is chock full of well-meaning people. I have not met one bureaucrat yet, I have not met one Senator, one Congressman, one member of the executive department, one judge, who does not have the very best intentions. And yet if things continue the way they are, we are going to lose our country as we know it today. It has happened in the past to other republics. There is no guarantee that we have any special place in the sun. There are plenty of historical precedents to suggest and confirm otherwise.

So it is not good enough simply to be well-intentioned. The road to hell is paved with good intentions. So is the road to socialism, to national decline, to disaster. I think it is because the hour

is so late for our country, because we have come to such dire consequences through the kind of government we have had for the last four decades, that I think it is important to carefully consider the kind of nominees we confirm.

I believe sincerely that most Americans would object, not just to this nominee, but to this type of nominee; most Americans would object to the concentrated, ongoing attempt of this administration to pack the courts with liberal judicial activists. This nominee no doubt has good intentions, but she has been a liberal advocate all her life. She knows it; she felt constrained to say so in the Judiciary Committee. She felt constrained to say that her advocacy days are over.

I am afraid, Mr. President, I cannot accept that. I cannot believe that a person who has been, all her adult life, in the thick of various programs of liberal activism and advocacy can now change her stripes overnight simply by donning the black robe of the judiciary.

I thank the Chair.

(Mr. PRYOR assumed the chair.)

EXHIBIT 1

MAKING SENSE OUT OF THE RIGHTS OF YOUTH*

(By Patricia M. Wald†)

Of late, we hear more and more about children's rights and child advocacy. Much of the dialogue appears, at first glance, far-fetched, wildly impractical, or simply woolyheaded. Yet none of us who have lived through the past decade dares to dismiss out of hand the righteous demands of any group—black, white, Indian, Mexican-American, Italian, Polish, homosexual, mentally or physically handicapped, prisoner or patient, woman—or child—that perceives itself the victim of systematic, historic discrimination in our democracy. Our job—as thinkers and policy-makers in many disciplines—is to try honestly and realistically to assess the status of children (and youth) in our society today; how they arrived there, whether and how much that status needs revision, and why; and finally, how to accomplish critical change.

Views vary enormously as to whether America is too much child-oriented, or too little; whether we are child lovers or child haters. Uniform, consistent, intelligible national policies towards children do not exist. Food programs, welfare benefits, children's allowances, day care, maternal and child medical care, school financing fluctuate wildly from jurisdiction to jurisdiction. The world's leader in material affluence, we lag scandalously behind far less privileged nations in enlightened programs for our young.[1] We spend, for example, much more of our tax dollars on the aged, despite the fact that more than 40 percent of Americans living at the poverty level are children; only 15 percent are over 65.[2] At the same time, our culture is preoccupied (voyeur-like) with the glamour of youth.

The status of children in our present-day society is undergoing forced change in many specific areas; but it still owes its lineage to our Anglo-Saxon and colonial ancestors. Children have always been subject to the absolute control of their parents, except in those areas where the state superimposes its rule on the parents, e.g., compulsory schooling, vaccination, child labor laws. The state also stands in readiness to remove the child from the home and become its "surrogate parent" if the real parents abuse, neglect or cannot control the child, or to decide between them when they clash over the child's custody.[3] Historically, there has been an unrelenting legal tug of war between parents and the state, often with the Supreme Court as final arbiter. That Court, for instance, has had to decide that:

The State cannot prevent a parent from sending his child to an accredited private school;[4]

The State cannot make a child salute the flag if it violates the family's religious convictions or prevent him from wearing a black armband to protest the war in accord with his parents' beliefs;[5]

The State can prevent a parent from allowing his child to sell religious tracts on a street corner;[6]

The State cannot insist an Amish parent keep a child in secondary school if the parent perceives this as an affront to his religion.[7]

In this continuing struggle, the child has always been the pawn. Neither philosophically nor legally has he been recognized as having a right to do anything about the vicissitudes of his life, but only to await the action of others on his behalf or in his best interests. He is in a state of powerlessness, and, for that reason, the institution of childhood has been seriously compared to the institution of slavery. It has been called the "last legal relic of feudalism."[8] In colonial Massachusetts, a 1654 law provided the death penalty for stubborn children and rebellious servants.[9]

The child's subjugated status was rooted in the same benevolent depotism that kings, husbands, and slave masters claimed as their moral right. According to Blackstone, the architect of English law, parents had a legal duty to provide maintenance, protection and education for their children in return for obedience.[10] The social philosophers of the 19th century—Hobbes, Locke, Mills—never considered children parties to the social contract; they owed absolute obedience to their sovereign parents whose duty was to educate them to the degree of competence necessary to participate as adults in the social contract or the utilitarian society. For the child, said Hobbes, "[l]ike the imbecile, the crazed and the beasts . . . there is no law."[11] Even the ultimate libertarian, John Mills, complacently announced that "[t]he existing generation is master of . . . [the] entire circumstances of the generation to come."[12] To economic determinists, on the other hand, the inferior status of children was an essential counterpoint to parental control if parents were to support and protect children—as society wished them to do—and to the value of the child's labor as a contribution to the family's economic survival.[13]

Even with the advent of the "child savers,"[14] and compulsory education, child labor laws, child welfare programs, and juvenile courts in the post-Industrial Revolution's revulsion to child exploitation, there was no real challenge to the underlying premise that children had no rights to choose or do for themselves. The teacher, the doctor, the reformatory superintendent, the juvenile judge become a new kind of master, acting *in loco parentis*.[15] The courts and legislators recognized only one exception—the "emancipated" (note the term) minor; a youth who, usually with the consent of his family, has taken up an independent life, by marriage, military service, or economic survival outside the family. And generally, emancipation has not been recognized at law until the latter stages of adolescence.[16] Practically, what does this dependent status mean in a child's life? Where does the churning about children's rights start?[17] A child, of course, has no say about when or where or to whom he will be born, indeed, if he will be born at all.[18] He cannot control whether he will be a "wanted" child.[19] At birth, his parents can place him for adoption; if he is handicapped, they can institutionalize him; in severe cases, they (and the doctors) can covertly agree to let him die. If his family neglects or abuses him, he may be able to complain to another adult, but he cannot take legal action by himself or even leave home legitimately. He goes to the school his parents (or the State) pick—even if he must leave home and neighborhood. Sick or troubled, he still cannot seek medical or psychiatric treatment without parental consent. If he works, he must hand over his wages.

There are severe limits on what he can buy or invest without permission; he has no credit rating. His parents can select his religion, his friends, his clothing. They can regulate when he stays in and when he goes out. If his parents abandon, abuse or neglect him, he will be delivered to foster parents or to an institutional supervisor with quasi-parental authority. In school, the teacher and principal become the parent figures. In the hospital or doctor's office, no one asks his consent to serious surgery, mind-altering drugs, painful medical procedures, even to becoming a subject in outright medical experimentation with long-term risks to health. He cannot control access to his room, his school locker, his school or medical records; despite their potential for foreclosing options in his later life;[20] often he has no access to those records himself. John Kennedy, in 1963, asked whether any white would truly want to be imprisoned in a black skin. We might ask whether any of us would want to be consigned to the trap of childhood.

Can we cite any legitime justification for continuing the non-person status of children? While there are skirmishes around the borders of minority—18-year-olds can now vote; college students can sometimes contract for educational loans, auto repairs, and insurance; adolescents in some places can seek VD and drug treatment on their own; children over 12 are sometimes consulted in custody fights;[21] youths accused of delinquency get appointed-counsel to defend them, and some (but not all) of the Constitution's criminal due process rights[22]—is it not time for a frontal assault on the subordinate status of childhood itself?

The most commonly cited argument for treating children differently from adults is that they are not sufficiently mature in intellect, emotion or experience to make rational judgments about what is in their best interests. Certainly this is true in the earliest years. But even there, it is now argued, the right of a very young child to be consulted and informed about critical decisions in his life, and his right to be represented in those decisions, can no longer be summarily dismissed. Thus, in situations where the interests of the child (no matter his age) and the parents are apt to conflict or a serious adverse impact on the child is likely to be the consequence of unilateral parental actions, it is now argued that the child's interests deserve representation by an independent advocate before a neutral decision-maker. This could mean, for example, that before a child can be institutionalized as mentally ill, retarded or physically handicapped, a court must approve the commitment after having appointed someone to speak for the child.[23] Courts have already intervened in the medical area where parents, for religious reasons, have refused to consent to life-saving blood transfusions for their children.[24]

Such intervention has generally depended upon the seriousness of the threat to the child if the parents' decision turned out wrong, that is, if it might result in, for example, institutionalization, serious health impairment, or even death. But with respect to an older child, there is a growing body of human development data which disputes the idea that rationality and judgment vest only in the late teens or early twenties. Without attempting to synthesize or refine that material, there appears solid evidence that children attain stabilized IQs, their sense of morality is well-developed, their capacity to resist peer pressure and think for themselves is realized at a much younger age.[25]

Footnotes at end of article.

There is also evidence that today's children mature physically, and become better informed earlier, than older generations.[26] It is obvious that these talents develop at different rates for different children in different settings, but insofar as our social or legal policies must generalize, presumptions of decision-making capacity ought to conform to present knowledge, not to the ignorance or prejudices of past centuries.

Let me suggest several areas where current law and practice deserve revision:

1. Age should no longer be a bar to retaining and using one's own money, making valid purchases and contracts. This, incidentally, does not and should not mean that children are presumed to be no less vulnerable or gullible than adults, and that adults therefore have no greater obligation to them. To the contrary, those who deal with children—manufacturers, merchants, advertisers, etc.—ought to be held to a higher standard of care to prevent fraud, duress, or exploitation based on the age of their clients.

2. A youth should be able to exercise increasing control over his choice of school and work or, at the very least, participate fully in decisions affecting school and work (assuming no additional financial burdens are imposed on his parents). Dropping out of school altogether should, however, probably be subject to a requirement that parents or other authority ratify the decision on the rationale that a democratic society has a proper stake in insuring its citizens are educated enough to function economically and politically.

3. An adolescent youth ought also to be able to seek medical or psychiatric care on his own; again, professionals who deal with him should be held to a higher standard of care.[27] This option, of course, will become economically feasible only when national health insurance or alternative health insurance programs make provision for vesting rights to engage such services in youth rather than in their parents. Equally, a youth ought to be able to refuse or resist medical or psychiatric care: no more "voluntary" commitments by parents of their children to mental hospitals; no more "voluntary" sterilizations, abortions, psychosurgery or other risky surgical or experimental procedures; even tranquilizing drug regimens should be subject to review if the youth objects.[28]

There plainly can be situations where the youth's needs for medical care are so great as to cast doubts on the rationality of his refusal or simply to justify overriding his refusal; there, a court may have to intervene, just as in the instance where parents for their own reasons have intentionally denied medical care to their children. The problem of parent notification when a child seeks such treatment is troublesome, not susceptible to any neat or facile solution. There are some instances—contraception, abortion, drugs, VD, psychiatric help—when disclosure may spell disastrous consequences for the child within his family and thus deter him from ever seeking help. Incest, a psychotic parent, or even a fanatically moralistic one, are cases in point. Yet, a parent's inherent right to know when something is seriously wrong with his child is also compelling, and acts as a safety valve on quackery or medical incompetence. A reasonable procedure would be to seek the child's consent to advise the parent; if it is not forthcoming, the doctor may have to seek review by a panel of his peers to validate nondisclosure if treatment continues beyond a finite time. That review should give preeminent weight to the predicted consequences to the child of disclosure. There should not be, however, disclosure over the child's objections except in the same emergency circumstances that would ethically justify violating an adult's confidence.

4. Similarly, a youth ought to be able to seek legal advice or help to redress his grievances against family, school or others who adversely affect him.[29] This, to me, is what child advocacy ought to be about, rather than merely to interpose another layer of adult supervision, bureaucratically deciding where the child's best interests lie. A child or youth should have access to free or paid legal services on a confidential basis to discuss his personal grievances: Is he being abused at home or in an institution? Cheated out of his due by an employer? Illegally suspended from school or discriminated against in some fashion? Experience with juvenile counsel in delinquency and PINS cases shows children and youth usually do act as responsible clients and that parents often cannot be counted on to protect their legal rights in tri-partite conflict situations with schools and other child service agencies.

5. Finally, there is a whole range of civil rights that youths—at least from 12 up—ought presumably to enjoy. These include, obviously, free speech, and more troublesomely, freedom of association. There is no question, however, that some of these basic civil rights may have to be redefined, in some instances even curtailed, as applied to youths. The Supreme Court—rightly or wrongly— has already said that the rules against selling allegedly-obscene materials to the under-17 market can be broader and more inclusive than the standard for adults.[30] Those of us fierce civil libertarians with children under 17 find this a troubling dilemma.

Does freedom of association include keeping company which parents forbid? Going places they outlaw? Does freedom to travel mean taking unauthorized trips, playing hooky, hitting the road, or staying out after hours? Does freedom of religion allow rejection of the parents' faith?

No one envisions allowing children to run to court for an injunction whenever their parents lay down unacceptable rules of conduct. On the other hand, a parallel argument can be made that society should not, through its juvenile courts, lend its authority to enforcing arbitrary parental commands in areas normally falling within these civil rights domains. No court should randomly threaten a teenager with incarceration if he doesn't obey his parents, stay away from bad companions, go to church, or get home by 10:00. The law should, as a norm, keep hands-off the give and take of rules and rights in the home. Our PINS, incorrigibility, runaway laws attest to the failure of state intervention in the exercise by parents of their so-called natural authority over rebellious children.[31]

There may, of course, come a time when the conflict is so irreconcilable that someone has to intervene; if the parents on a self-help theory use force against the child, bar him from the house, attempt to frustrate his efforts to live independently. In such cases, the child himself ought to be able to use the juvenile courts' facilities for resolution or enforcement of his rights. The forthcoming draft of one model juvenile court act may contain a jurisdictional provision to allow children to go to court to enforce their rights.[32] More basically, we may need more flexible emancipation proclamation procedures for teenage children to establish their lawful right to move elsewhere—temporarily or permanently—without becoming wards of the court or being labelled PINS. A child could then turn to the courts as a counterweight against arbitrary parental authority.

A final word on civil rights. Most liberation groups have concentrated on the franchise as their top priority. In the case of youth, the 26th Amendment setting 18 as the voting age is not—or should not be—the conclusion of their effort. The Amendment permits a State to establish a lower voting age,[33] and I believe there are reasonable arguments advanced for doing so—even to the radical extent of allowing youths 12 or 13 and above to vote. Watching their remarkable, sometimes awesome, political sophistication (sometimes equal cynicism), this may not be so far-out a suggestion as it seems. Many adolescents are astonishingly well-versed in politics, with a clear political identity or ideology—often at odds with their parents. Many, of course, are not, and some would delay the franchise at least until high school history and civics courses have been completed or apply substantive knowledge tests at an earlier age.[34] Still, we have little, if any, evidence to show that the political preferences of teenagers are any more irrational than those of adults. If the debates in your home track with ours, you may have quite the opposite feeling. The stake of young people in their local and national leaders and leadership is enormous; and the automatic disenfranchisement of young citizens, without empirical justification, is a blatant anomaly in our democracy.

We have been talking up to now about denial of rights to children based on the old nostrum that they are incapable of exercising them rationally or with maturity; a test, incidentally, we wouldn't dare apply to adults. There may, however, be other valid considerations that would deter us from extending certain rights to youth. The one that comes most quickly to mind is the fear that pushing children's autonomy will so undermine parents' authority and erode family cohesiveness that in the end the child who still needs the intimacy, emotional warmth, physical protection and nurturing of the family unit will lose far more than he will gain.[35] Few people would challenge, in the abstract, the child's "right to parental love and a healthy home environment," a right which unfortunately no court or legislature can deliver, but which, in its finest expression, is irreplaceable. Will a policy of bolstering equality of all family members rather than reaffirming the autocratic authority of parents strengthen or weaken the family fabric? What effect has the onrushing tide of women's rights had on marriage and the family? Obviously, we don't know; we can cite evidence to support almost any viewpoint. Militant minorities are inured to warnings that if they push too hard, they will suffer a backlash of hostility from the rest of society, even their putative, radically chic supporters. In the case of children, they would certainly be especially vulnerable to any such backlash.

Yet, a fundamental reason why children's rights has emerged as a serious topic at all is the erosion in confidence in the family reliability to meet all the needs of the child. Our technological society has isolated the nuclear family and subordinated its welfare to the demands of great economic entities for mobile labor; others point to the escalation of child abuse and to the incidence of mental illness, alcoholism, and suicide among both parents and children. Intact families whose members love and respect each other would not be likely to disintegrate if there were to be a different allocation of rights and privileges within the family. I would wager that most strong family units already allow their children the freedom we are talking about. It is the borderline, shaky or unstable family structures that might split open when the lines of authority become more blurred. These are also the high risk families in which abuse and exploitation of children are most likely to occur, and where children most need an affirmation of their basic rights.[36] Subconsciously, we may worry that parents will say "why should I feed, house and educate you if you won't do what I say; if, in short, I can't control you?" Indeed, potential parents who feel like that may

Footnotes at end of article.

simply avoid the confrontation by not having children. But for the present I do not think we have any evidence that the viability of the family will be jeopardized by more freedom for the children or, indeed, that the continuation of its present rigid power structure is essential to preservation at all.

One of the challenging tasks for family counselors, social workers and other professionals who work with families would be to develop new and more equal relationships inside the family without resort to outside agencies, like the police or courts, to enforce parental authority. The rights and responsibilities of men and women in marriage are being rethought and redefined, sometimes painfully, but often constructively, outside courts right now. Why not families as well?

A third justification traditionally advanced for keeping parental and surrogate parental authority over children intact is to protect the child from his own excesses and exploitation by unconscionable adults. At first glance this may seem merely a variation on doubts about the child's rational capability, but actually there is something more involved. A positive goal of any children's rights movement should be to contribute to the development of healthy, independent, responsible adults. Increased opportunities to learn from experience, to experiment, to succeed and fail should enhance the development of a young person's judgment-making ability.[37] Yet, even rational, enlightened adults sometimes make tragic errors of judgment whose effects they must suffer the rest of their lives. Should we not want to spare young people from making mistakes with irreversible or profoundly scarring consequences? On such grounds, society can and probably should set minimum ages for exercise of a youth's right to make certain kinds of decisions for themselves, i.e., to marry, to use drugs with proven adverse effects upon health, to be sterilized, to wander the streets or highways alone at night, to run away and live without adult supervision of any kind.

There are—I should note—apostles of the absolute freedom for children of all ages to make such decisions for themselves. John Holt appears to be one. He has apparently made a basic decision that the damage to a child of being tyrannized by "professional helpers" and treated as a "mixture of expensive nuisance, slave and super-pet"[38] outweighs the conjured horrors we can so easily cite: homosexual assaults on the runaway boys in Texas, rapes and murders of hitchhiking teenagers, sexual exploitation of girls seeking shelter—or their own identity—in strange cities.

Many of us would, however, retain some of society's power to protect children from such disasters even though we recognize its limited coercive nature. But we do need a general review of our wide-ranging so-called protective laws and customs to insure that the dangers of freedom are real and not a phantom device for imposing our own will on younger people. Often children's welfare can be protected not by forbidding them certain choices but rather by insisting that those who present them the choice observe a special level of consideration and care for their youth. Thus allowing children to work before 16 should not free employers to use them in jobs that overtax their strength or expose them to undue hazards for their age. Allowing them to enter into enforceable contracts should not preclude the application of more stringent standards of disclosure and truthfulness for children's contracts than for adults.[39] Protecting them from the terrors of the night and city streets does not mean shutting them up like prisoners in detention homes where they face equal dangers of corruption.[40] And so on.

In sum, contemporary concepts of fairness strongly support adoption of a general presumption that children should be allowed the same rights and freedoms as adults unless there is a significant risk of irreversible damage to them—physical, psychological, emotional—from exercising such rights or a general consensus backed by empirical data that at particular ages children do not have sufficiently developed skills to exercise those rights.

This stance seems consistent with the views of the major social philosopher, John Rawls, who posits in his A Theory of Justice a social contract in which everyone decides on the allocation of rights and duties under a "veil of ignorance," not knowing what societal role he will occupy in the new society—man, woman or child. I believe that if anyone were in danger of being assigned to childhood, he would demand most of the rights we have been talking about.[40]

I know the job of tailoring rights to developmental stages sounds difficult and complex, and experts do not always agree on norms. Legislators will in the final analysis be left with the task of redefining ages of legal competency for many rights; they will need the experience of those who work with children, and the views of children themselves ought to be engaged in the redefinition process. The effort, however, is long overdue. Where financial or service benefits mandated by law are directed toward children, serious consideration ought to be given to having the rights of those benefits or services vest directly in the child, so that he has the economic flexibility to make his other choices real.

Perhaps this discussion seems over-concentrated on legal rights and legal mechanisms for enforcing the rights of children. It is not because I am unaware of such fundamentals as natural rights and moral rights; the right of the child to basic needs and human gratifications: love, security, guidance, adequate nutrition, shelter, recreation, education, medical care.[41] We know all too well that thwarting these needs in childhood produces distorted, unhappy and often dangerous adults.[42] Yet, so far, neither our legislatures nor our courts have seen fit to guarantee those rights—insofar as they have power to do so.

Just recently, the Supreme Court declared that there is no constitutional right to an education.[43] Hence, if these rights are ever to gain real substance, especially where poverty is the cause of their denial, they will have to be transplanted from the moral to the legal sphere by legislators. Where parental ignorance, apathy, or purposeful withholding of such rights is the root cause of their denial, the most effective solutions are extra-legal, in the realm of psychology, religion and social work, with legal removal of the child from the home only a last resort. Yet demonstration of the moral and empirical bases of these basic rights of children can be a useful device in efforts to persuade parents and surrogate parents to honor them as well as in the political efforts to codify some of them into legal obligations.

There is, however, one basic right children should have in their relationship with all adults—parents, teachers, counsellors, social workers, doctors, institutional personnel. That is the right to know, to comprehend, to challenge, and to participate meaningfully in all the decisions that vitally affect his life.[44] The implications of this right to participate can pervade a child's entire existence. It would apply from the age at which a child first talks, listens and begins to understand. A child should be consulted and participate in any custody decision—formal or informal, temporary or permanent—between his parents; between his parents and an institution, hospital or residential school; between a court or a social work agency and a foster home, group home, or institution. He should be consulted and participate, too, in family decisions about what school or summer camp to go to, decisions on medical treatment or psychiatric help, decisions to place him in any kind of special education situation; decisions to fail him in any subject; or to suspend or expel him from school; decisions to require him to go to church. This is a kind of moral due process that parallels what the law now requires of any state action significantly affecting a citizen's life, from cutting off welfare to sending him to prison or expelling him from public school.[45] It encompasses the right to be heard, to confront one's opposition, and ultimately to secure an impartial decision.

It is, of course, much more difficult to enforce such a right where the government is not involved and the relations are between private parties. We must do a great deal of thinking about the nature and operation of forums in which children can protest and challenge when they think they are treated arbitrarily by those to whose care they are committed. Why shouldn't schools have legitimate mechanisms for children to air grievances against teachers and administrators; some courts have already insisted that children's delinquency institutions have the grievance machinery for juveniles.[46] Shouldn't hospitals have similar procedures?

No doubt the complexities of applying these principles to a child's life would be enormous. There are bound to be objections that from the child's point of view it would merely confuse him, fragment his loyalties, exacerbate family tensions, provide him a tool his is incapable of handling. All of these arguments are familiar and have been used before in disputes over whether children should have juvenile court hearings before being sent to reform schools or adjudicated delinquents. Admittedly, the consequences of those decisions are more critical than what school or church a child attend, but if there is a lesson to learn from all rights-oriented operations, it is that real participation and power-sharing are fundamental and indispensable.

Let me conclude with a few specific suggestions for exploration by non-lawyers in the children's rights area. How can we make specialized information available to minors so they are able to exercise informed choices and to know and understand their rights? What must we do to erect conflict-resolution mechanisms for children in institutions such as schools, hospitals and recreation programs?[47] How can we preserve a joyous sense of participation and still enable the ability to protest fundamental deviations from fairness? Child professionals ought also to direct their attention to setting standards for dealing with young clients seeking medical, psychiatric, or legal services. When should parents be brought into the process and when not? Indeed, we must motivate the professional's willingness to listen to children at all. Finally, there ought to be more emphasis in our secondary schools on preparation for parenthood. The rights of children may find its most sympathetic audience among young adults or soon-to-be adults—not yet parents, but still young enough to remember and know what it is like to be a child.

I am sure I cannot escape without saying something about the duties of children and youth, as well as their rights. What legal and moral responsibilities can they be held to? We have mentioned some already. I think they can quite legitimately be compelled to attend school up to a point where they can pass a reasonable literacy and substantive knowledge test, regardless of age; after that, they would have the option of working or continuing their education. Society and parents can demand they be equipped with minimal skills to compete in the job market. They can be obliged to obey the same laws in the community as do adults or suffer restrictions and deprivations if

Footnotes at end of article.

they refuse, although these may rightly deviate from adult sanctions—ranging from fines they pay themselves to reasonable limits on their freedom—but notably not including punishments that degrade or corrupt. They should be held responsible for contracts into which they enter, financial or employment, assuming that they are not exploitive or entered into out of irremediable ignorance. As long as the child lives with his parents or someone else he must be expected to obey reasonable rules of the house; if, after a minimal age, he finds such rules hopelessly arbitrary or violative of his civil rights, he can seek mediation through some outside agency; if the situation is intolerable, he can seek official aid in shifting his custody. Parents faced with an impossibly recalcitrant child should be able to seek the same kind of relief. To make such a system viable, communities will, of course, have to establish networks of non-coercive substitute homes and arrangements, temporary and permanent.[48]

I end on the realistic if somewhat depressing note that even the most radical version of children's rights on paper probably isn't going to make major changes in most children's lives. It may provide a way out for some children living in intolerable family situations without substituting a worse form of state tyranny over their lives. It should make professionals who deal with children more conscious of their responsibilities and their duties to treat children as they would adults. It can deflate some tension between the generations as power over children's lives is dispersed and more widely shared with the children. Its most convincing justification is simply that it is right.

FOOTNOTES

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[1] *See Do Americans Really Like Children*, Address by Kenneth Keniston, Connecticut Council of Child Psychiatrists, June 6, 1974. In 1970, the United States ranked 15th among 42 nations in infant mortality rates; among industrial nations, we are among a very few that do not guarantee prenatal and postnatal care to mothers and children.

[2] *See* Porter, *Who Are the Poor Today?* Washington Star News, September 22, 1974, at E–13; Keniston, *supra* note 1 (16% of all children, and 40% of all black children, under 6 live below the poverty level compared with less than 12% of the total population).

[3] *See* Berger, *The Child, The Law and The State* in Children's Rights, ch. 5 (P. Adams et al., eds. 1971); Rodham, *supra* note at 489; Holt 39; for a fascinating account of the common law origins of the state's *parens patriae* doctrine toward children *see* Cogan, *Juvenile Law, Before and After the Entrance of "Parens Patriae,"* 22 So. Car. L. Rev. 147 (1970).

[4] Pierce v. Society of Sisters, 268 U.S. 510 (1925); *cf.* Meyers v. Nebraska, 262 U.S. 390 (1925).

[5] *Compare* Bd. of Education v. Barnette, 319 U.S. 624 (1943); *with* Tinker v. Des Moines School District, 393 U.S. 503 (1969).

[6] Prince v. Massachusetts, 321 U.S. 158 (1944).

[7] Wisconsin v. Yoder, 406 U.S. 205 (1972).

[8] Foster and Freed, *supra* note † at 343.

[9] *See* Katz, Schroeder, & Silman 212.

[10] 1 W. Blackstone, Commentaries on the Laws of England 446–455 (T. Cooley ed. 1899).

[11] T. Hobbes, Leviathan 257 (Malesworth ed., vol. 3, 1839–45); Worsfold 143–146.

[12] J. S. Mill, On Liberty 48 (Peoples ed. 1903).

[13] *See Childhood and Capitalism in America*, Address by Kenneth Keniston, Instituto Mexicano Norte Americano de Relaciones Culturales, Mexico City, March 15, 1974. ("the position, the definition, and the value of children in America has largely been defined by their expected role in the productive system").

[14] *See* Platt, *supra* note †.

[15] *See* Berger, *supra* note 3 at 159.

[16] *See* Katz, Schroeder & Sidman 218, 228–29, 233.

[17] *See e.g.*, Nassivera, *Get Ready for Kids' Lib*, National Observer, September 14, 1974, at 1, 17.

[18] *See* Roe v. Wade, 410 U.S. 113 (1973) (putative mother has right to abortion in first trimester).

[19] *See* Goldstein, Freud, & Solnit, *supra* note † at 20–21 (the psychological importance of being a "wanted" child).

[20] *See, e.g.*, Shields and Churchill, *Kids in the Computer*, The Progressive, October 1974, at 37.

[21] *See* Katz, Schroeder, & Sidman 238–41.

[22] *See* In re Gault, 387 U.S. 1 (1967) (right to counsel, confrontation, due process hearing in adjudication of delinquency proceeding); In re Winship, 397 U.S. 358 (1970) (reasonable doubt standard for adjudication of delinquency); McKeiver v. Pennsylvania, 403 U.S. 528 (1971) (no right to jury trial in adjudication of delinquency proceedings).

[23] *See* Ellis, *Volunteering Children: Parental Commitment of Minors to Mental Institutions*, 62 Cal. L. Rev. 841 (1974) [hereinafter Ellis]; Bartley v. Haverford State Hospital, Civ. No. 72–2272 (E.D. Pa. filed Nov. 16, 1972); Saville v. Treadway, Civ. No. 6969 (M.D. Tenn. March 9, 1974) (hearing needed to institutionalize retarded child).

[24] *Cf.* Application of President & Directors of Georgetown Hospital, 331 I 2d 1000 (D.C. Cir.), *cert. denied*, 337 U.S. 978 (1964).

[25] *See* Kleinfeld, *supra* note †, 5 Family L.Q. at 69 n. 29 (citing Piaget and others to the effect that adult level of performance on intelligence tests is reached by age 13, resistance to group pressure by age 16; moral responsibility by age 12); Wisconsin v. Yoder, 406 U.S. 205, 243–246 and 245 n. 3 (Douglas, J. dissenting) (" . . . there is substantial agreement among child psychologists and sociologists that the moral and intellectual maturity of the 14-year-old approaches that of the adult," citing, *inter alia*, Piaget, Kohlberg, Gesell & Ilg).

[26] *See* Tanner, *Physical Growth*, in 1 P.H. Mussen, Carmichael's Manual of Child Psychology 144–147 (1970).

[27] *See, e.g.*, District of Columbia regulation, passed August 20, 1974, permitting minors of any age to consent to treatment for substance abuse, to prenatal care or abortion, and to treatment for psychological disturbance in Foster & Freed *supra* note † at 358–364; *see also* Matter of P. J., No. 72–7150 (D.C. Super. Ct., Fam. Div., February 6, 1973) (minor may obtain abortion without parental consent).

[28] *See* Ellis 855; In re Smith, 16 Md. App. 209, 295 A.2d 238 (1972) (parent can't force child to abort); Grenspan & Singer, *Hyperkinetic Children*, 43 Harv. Ed. Rev. 515, 543 (1973).

[29] Ellis 881–90 (minors generally hire their own counsel); *see also* Legal Services Corporation Act, Pub. L. 93–355 § 1007(b)(4) (July 25, 1974) (poverty lawyers can represent juveniles only with written consent of parents except in specified situations).

[30] Ginsberg v. New York, 390 U.S. 629 (1968).

[31] *See generally* President's Commission on Law Enforcement and the Administration of Justice, Task Force Report on Juvenile Delinquency and Youth Crime 25–27 (1967).

[32] The draft of the revised Standard Juvenile Court Act currently under consideration by the National Council on Crime and Delinquency contains such a provision.

[33] U.S. Const. amnd. XXVI.

[34] *See* Holt 18, 155; Kleinfeld, *supra note* †, 5 Family L.Q. at 71–81; F. Greenstein, Children and Politics 55–72 (1965).

[35] *See, e.g.* Pound, *Industrial Interests in the Domestic Relations*, 14 Mich. L. Rev. 177, 186–187 (1916).

[36] *See, e.g.*, McGrath, *Early Sorrow: Some Children of Our Time*, 8 Family L. Q. 91 (1974) (700 American children killed, 10,000 battered annually by parents); Escalana, *Intervention Programs for Children at Psychiatric Risk*, in 3 The Child in His Family: Children at Psychiatric Risk 33, 35–43 (E. Anthony & C. Koupernik eds. 1974); Holt 45–53 ("there is much evidence that the modern nuclear family is . . . the source of many people's most severe problems").

[37] *See* Konopka, *Formation of Values in the Developing Person*, 43 Am. J. Orthopsychiatry 86–96 (1973).

[38] *See* Holt 18.

[39] Communities should have runaway shelters staffed with counsellors and medical and legal help for children under 16, to which they can come voluntarily or be brought by the police, if they do not want to go back home. Parents would have no right to forcibly take their children away from such homes. At the end of a designated length of time spent in the home, the child would have to return to his parent's home or go to court for a declaration that he could live alone or for the provision of a substitute home.

[40] J. Rawls, A Theory of Justice (1972); *see* discussion of Rawls' theory as it relates to children in Worsfold 151–157.

[41] *See, e.g.*, Declaration of the Rights of the Child, G. A. Res. 1386, 14 U.N. GAOR, Annexes, Agenda Item No. 25, at 16, 17, U.N. Doc. A/4185 (1959) ("the child 'shall have the right to adequate nutrition, housing, recreation, and medical services").

[42] *See, e.g.*, Robins, *Antisocial Behavior Disturbances of Childhood: Prevalence, Progress and Prospects*, in 3 The Child in His Family: Children at Psychiatric Risk 447, 451 (E. Anthony & C. Koupernik eds. 1974).

[43] San Antonio Independent School District v. Rodriguez, 411 U.S. 1 (1973).

[44] *See* Worsfold 155–157.

[45] Goldberg v. Kelly, 397 U.S. 254 (1970); Mills v. Board of Education, 348 F. Supp. 866 (D.D.C. 1972).

[46] *See, e.g.*, Morales v. Turman, 364 F. Supp. 166 (E.D. Tex. 1973).

[47] *Cf.* Statsky, *Community Courts: Decentralizing Juvenile Jurisprudence*, 3 Capital U. L. Rev. 1 (1974).

[48] For a critical discussion of our present home substitute policies and procedures, *see*

Mnookin, *Foster Care—In Whose Best Interest?*, 43 Harv. Ed. Rev. 599 (1973).

EXHIBIT 2

ALL OUR CHILDREN: THE AMERICAN FAMILY UNDER PRESSURE

9. PROTECTION OF CHILDREN UNDER THE LAW

It seems likely that the balance of legal power among parents, the state, and children will continue shifting, which is healthy; but we are concerned that too much if not most of the law affecting children has been hammered out on a case-by-case basis. Few if any jurisdictions have tried to take a comprehensive look at all the legal principles affecting children to see if they make sense in terms of our current knowledge, experience, and norms for families and children, and to enact an integrated, comprehensive children's code. This should be high-priority work for legislators, lawyers, parents, child advocates, people who work with children, and other interested groups in every one of our states. Some groups—notably the American Bar Association/Institute of Juvenile Justice Standards Project, on which we draw for many of the recomendations here—have made a commendable start. The start must be carried through—expanded, evaluated, refined, and adapted throughout the country.

While we hope that laws and legal rights will always have a limited role in children's lives, they are necessary for the extreme cases where family life breaks down, where schools, parents, and children are in conflict, and where the state imposes controls on or denies needed services to a child.

And at some age short of legal majority when he or she is capable of living independently or with limited supervision in a hostel-like setting, a child may well be entitled to a ruling of incompatibility or emancipation from his or her parents.

Rights of children without families

Children at highest risk are those who spend substantial parts of their childhood in institutions, without family life of any sort. In 1970, there were 255,000 children in welfare institutions, group homes, detention homes, shelters, training schools, mental hospitals, and schools for the handicapped; many of them remained permanent residents until they reached age eighteen or even longer. Unfortunately, most such institutions are as far from homelike as imaginable.

While judicial supervision is notoriously better at preventing harm than at advocating compassionate homelike environments for children without families, legal precedent nontheless is a needed weapon for assuring a minimum threshold of decent care for institutionalized children, and we support it.

Hence we recommend that a state be held as accountable for neglect and abuse of the children in its care as parents are. Indeed, the state should be held to a higher standard, for it cannot plead ignorance and lack of resources.

(1) State laws should explicitly recognize the rights of institutionalized children to the level of care and specialized services they need for healthy growth and development.

(2) These laws should also include the right of institutionalized children to be housed and cared for in small, homelike settings in a community except when they require intensive and specialized services available only in a high-quality institution, or their behavior makes them too dangerous for community living. They should never be permitted to be placed in jails or adult prisons.

(3) The civil rights of institutionalized children deserve express recognition. Although inside their homes all children are controlled to some degree as regards freedom of speech, movement, and association, state guardians must be held to a standard of reasonableness in imposing curbs on these rights.

Although these minimal legal rights can in no way compensate children raised without families, we believe that society owes them some guarantee of protection from the further deprivations they now suffer at the hands of callous state guardians.

Children's rights to make decisions about health care, school, and jobs

Courts have traditionally shied away from becoming involved in conflicts over such family decisions as the proper school, the choice of medical care, or the rules of the home. A doctrine of parental autonomy has ruled, allowing parents authority to dictate for their children matters of education, work (within statutory limits), use of money, religion, recreation, standard of living, clothing, diet, housing arrangements, and discipline.

As the child matures, however, he or she and the parents may clash on critical matters such as whether the child should stay in school or go to work. Sometimes a child wants medical or psychiatric care and the family refuses to provide it, or the family wants the child to undergo surgery or psychiatric care and the child rebels.

Formerly, only a child whom the courts declared to be "emancipated" (usually sixteen or above) could legally withstand the parents' decision. The formula for emancipation is elusive: a child can be declared wholly or partially emancipated for a specific purpose. If a girl, for instance, is declared wholly emancipated, she gains the right to live where she pleases, earn and keep her own money, and take care of her own body and soul. Since total emancipation implies a severance of parental rights and responsibilities, courts have been reluctant to find it except in cases of marriage or enlistment in the armed forces, and they usually require parental consent to the act of emancipation itself. Partial emancipation means the child has the right to make decisions of his or her own in a particular area or areas only, such as keeping or spending wages.

Judicial emanicpation, however, has proven too clumsy and inflexible a tool for introducing into certain areas of family decision making some rights of personal autonomy for the child. In the past few decades, the pace of adolescent economic and social independence has quickened, and it has become necessary for society to make some piecemeal accommodations in order to prevent parents from denying children certain privileges that society wants them to have. For instance, as a result of the escalation during the 1960's of youthful experimentation with alcohol, drugs, and sex, the vast majority of states have passed laws permitting minors (sometimes over twelve, sometimes of any age) to seek treatment on their own for venereal disease; a smaller number permit minors to seek help for alcohol or drug dependence, and to obtain birth control information or devices. In 1976, the Supreme Court ruled that a state could not make parents' approval a precondition for abortion in the first trimester, no matter what the age of the pregnant girl. A half dozen or so states now permit children above a certain age (fourteen to sixteen) to obtain other kinds of medical or psychiatric treatment of their own. Even these advances, however, leave a majority of states operating on the traditional premises that except in emergencies or for legally emancipated minors, whether and how a child receives medical care is at the parents' option.

While we are fully aware that access to good medical care is something most parents fervently want for their children and that it is most often denied children not by their parents but by society's unwillingness to provide it, there is nonetheless a need to formulate policies and sort out the conditions under which children should be able to obtain medical care themselves. The current statistics on unmarried teen-age mothers and fathers, teen-age suicides, alcoholism, and drug use leave little doubt that some families are so out of touch with their children's problems and needs that their younger members must be given access to medical care for survival. For example, teenage mothers give birth each year to more than 600,000 children who have a higher than average risk of birth defects; one in twenty teen-agers has a "drinking problem"; suicide is the second leading cause of death of youngsters fifteen to twenty-four. The issue of independent access to medical services is less critical for children up to the age of nine, but it is certainly one which lawmakers must deal with in any comprehensive code for children of all ages. And indeed there are equally compelling legal issues affecting younger children that involve parental decisions to volunteer their children for "research" or to allow them to be used in radical, experimental, or surgical procedures.

Health care is only one example of an area in which children who continue to live—and who we wish to see living—in their own families may nonetheless need recognition of rights to make critical choices for themselves. There are many more, and almost all are controversial. In general, we believe it is the job of the legislature (and sometimes the courts) to decide in which areas and at what ages the risk of parental denial of necessary services or options carries with it so severe a lasting detriment to the child's health or future that he or she must have independent access to those services or options. The areas in which such independent power of decision is legitimized by the law should be reserved to those with important consequences for the child and quantitatively for society as a whole. We believe, however, that recognition of some such preserve of children's rights can aid rather than detract from family integrity. What it does is provide an alternative to formal severence proceedings such as "emancipation" or PINS proceedings at the same time that it empowers the child, who must increasingly deal with institutions outside the family, to legally demand services and have service-provider institutions respond to his or her needs.

We do not intend here to lay down all the areas or indicate the precise ages for such decisional power. We will, however, signify a few of our tentative predilections. Without attempting to design a legal health care code for minors, we believe that revision of existing laws of access are necessary.

(1) The age at which minors can seek medical treatment on their own, without subsequent notification of their parents, should be lowered from eighteen or twenty-one. The exact age will have to be debated, but children of any age caught in desperate situations because of drugs or pregnancy should be able to consult a doctor without fear of exposure. (Obviously, a good doctor would try to persuade children to involve their families. The doctor's dilemma of when, if ever, a parent should be notified because of genuine fears for the child's health or safety is not easily soluble by any pat formula.

(2) The question of a minor's legal right to medical care has usually been academic: even if he or she had a legal right to such care, who would pay for it? A common-sense approach sugggested in the Juvenile Justice Standards Project Report on the Legal Rights of Minors is that parents should pay for those services they endorse or those administered in emergencies; minors are responsible for those they are legally authorized to obtain on their own. However, if a minor is insured under a family's public or private health insurance policy, that policy should be legally required to allow a minor who by law is authorized to consent to medical services or treatments to file claims and receive benefits,

regardless of whether the parent has consented to the treatment. And the public or private health insurer should not be allowed to inform a parent or policy holder that a minor has filed such a claim or received a benefit unless the physician or the child has done so already.

(3) Finally, a code should deal with the thorny question of when a child may refuse the medical or psychiatric treatment his parents want him to receive. What is the age at which children give truly "informed" consent? At one extreme are frightening examples of parents unilaterally "volunteering" their children for psychosurgery, behavior-modification programs with aversive stimuli, electroshock, nontherapeutic medical experimentation, sterilization, and abortion. At the other extreme we readily acknowledge the absurdity of letting a needle-shy seven year old decide he does not want a measles shot, or a debilitated but frightened youngster refuse surgery to repair a heart defect.

Nothing is more basic to a child than his bodily integrity. "Research" or "donation" surgery or experiments not for his own benefit should be barred until the child can give informed consent for himself. Extreme therapies utilizing psychosurgery, electroshock, and aversive stimuli for behavior-modification should be subject to review and approval by a professional peer review group or interdisciplinary human rights committee that is independent of the parents. And, as courts have increasingly ruled, the competent adolescent child* should be able to say no to any unusual procedures, medical or psychological.

Drawing lines is difficult in this area. An avalanche of sophisticated medical techniques, chemotherapies, and psychological behavior-modifying procedures in recent years has been followed by a disturbing number of studies raising doubts about the procedures' long-range effects on children's bodies and minds. Parents are in an uneven bargaining position with the proponents of such procedures. For this reason alone, we find merit in surrounding many severe therapies—physical and psychological—with precautions such as the necessity for independent consultations and an adolescent's right to refuse, for it is the child who will suffer if the gamble is lost.

Children and families may also come into conflict over the child's entry into the world of work or his or her departure from the world of education. Under the child labor laws, going to work generally requires parental consent for a child under age, and permission to leave school at age sixteen is similarly conditioned. In reality, most parents cannot force their wishes on a recalcitrant child.

While we are not in a position here to make specific recommendations on the liberalization of such laws, we do suggest that our laws must catch up with our sociology about what kind of institution the American family has become. Most functioning families do not need laws to govern their internal dynamics; malfunctioning families need some outer limits to protect vulnerable children from parental exploitation which falls short of abuse or neglect but which severely threatens their future functioning educationally or in the work place. A set of legal principles must begin to be fashioned around the awareness that in today's families, from puberty on, children are dealing almost as equals with adults in the outside world of health care, school, and work. At the same time, as long as the family unit can remain viable—with outside support if necessary—it must be protected from premature invasion and dissolution by state apparatus. We believe that both goals can be accommodated by selective legislative choices about adolescents', and in some few cases even younger children's, rights to challenge parental decisions.

Children's rights in school

During the past decades, the struggles of students, with and without their parents' backing, against what they deemed the outrageous restrictions or actions of insensitive school authorities has created a new era of "school law," usually referred to as students' rights. Their confrontations with school authorities, often conceived in hostility and resolved in mutual suspicion, have produced a set of precedents as yet uncertain and unstable. Yet we find some of the directions taken deserving of support. We will set out here some of the directions which school law has taken of which we approve and some of the directions in which we think it must go forward.

We believe in compulsory education, but its timing and the sanctions for failure to go to school need radical reassessment. Society should continue to be responsible for offering education up to the high school level (or for twelve years) to any child who wants it.

These are incubator ideas at best. The critical point is to elevate and expand our national concept of children's protective services. Child protection should go far beyond the traditional model of social workers looking out for neglected or poorly fed children to embrace a federal children's consumer and environmental watchdog agency that screens the practices of private industry and government alike for their effects on children and communicates an early warning to parents and others who care for children about issues they should focus on. This is a difficult task to ask of any governmental agency, and there is no doubt that such an agency could be kept honest and safe from cooption only by private child advocates on the outside. Much thought would have to be given to how the agency could stay free of conflicting loyalties to other regulatory agencies and political offices and still have access to their secrets; to what its enforcement and investigatory powers should be; and to what its responsibilities should be for communicating information to the public. We make the suggestion, humbly, aware of the poor track record of most bureaucracies in protecting the consumer. But no one inside the government now seems to be doing this job even nominally or acknowledging that it is worth doing. In the long run, nuclear power, disruption of the ozone layer, chemical additives, prescription and over-the-counter drugs, and industrial pollution may well present more pressing legal problems for whole generations of children than do a relatively small number of neglectful or abusive parents.

Who will fight for children's rights?

Laws and legal rights do not enforce themselves. The history of the juvenile court, designed as a benign nonadversary forum to determine the "best interests of the child," teaches the lesson that children need their own independent and skilled advocates to state their cases if they are not to be exploited. Until the Supreme Court's 1967 Gault decision and the appearance of Legal Services offices under the Office of Economic Opportunity (supplemented in some cities by Public Defender or Legal Aid offices), the notion of children's lawyers was virtually unheard of. Nearly all of the progress made so far in establishing children's legal rights has come in the past decade, largely as a result of these storefront lawyers and a few civil rights organizations who counsel children, inform of their rights, defend them individually in court, and initiate class actions to protect them from social or institutionalized neglect or abuse.

Children's lawyers have always been scarce, and their lack of a financial base makes them an endangered species. The problem remains acute as to where enough adequately trained and decently paid lawyers will come from to operate a rational legal system that supports children's rights. Legal service lawyers are chronically overworked and underpaid. Other public-interest organizations are restricted in the amount of legislative advocacy they can do and still remain tax exempt. Few if any prepaid legal insurance plans provide for child advocates. And aside from the need for lawyers to represent children directly, there are glaring needs for truly independent ombudsmen not just in schools but in juvenile institutions and agencies of all kinds to call attention to outrages.

In a simpler world, parents were the only advocates children needed. This is no longer true. In a complex society where invisible decision makers affected children's lives profoundly, both children and parents need canny advocates. What if all parents made relatively small financial contributions to such a cause? It would provide a politically insulated fund for lawyers, ombudsmen, agency monitors, and even attempts at legislative reform. Alternatively, parental pressure for public funds must be exerted to provide these legal services for children, who cannot pay for it themselves.

Federal standards for quality and fairness should be enacted for all services, public or private. To see that they are meeting these standards, services should be subject to "quality audits" commissioned by local consumers' councils. The councils would also survey needs and coverage in their areas. Both at this local level and above, data on service needs and coverage must be radically improved, as must state plans for services.

Government does not need to provide all services directly to all families. But it does need to pay for surveys of needs, coverage, and impact, for start-up costs in many cases, for test programs, for the consumers' councils to monitor local services, and for establishing services in areas that cannot afford to set them up.

Public advocates should support proper health care for children.

We need to recognize that children's health depends as much on income, environment, and diet as it does on hospitals, nurses, and pediatricians.

We need national health insurance to guarantee that all children get health care, and we need to reorganize the system to emphasize prevention and primary care—the simplest kind of checkups and treatment.

Federal and state legislation should create a network of community health agepcies (CHAs), built on existing public health departments or the recently created state Health Service Agencies, and dominated by laymen. CHAs should be given the authority to coordinate both private and public health services, preventing overlaps, controlling costs, maintaining consistent records, and holding service providers to account for what they do.

We need better public data on health-care providers, so parents can select care more thoughtfully and so that monitoring groups can keep services up to the mark. Education for parents and children should be increased so they can interpret their own medical records and learn to perform minor health procedures such as taking throat cultures and doing ear exams. Communities should have twenty-four-hour telephone services to answer medical questions, and health professionals should be trained to increase their collaboration with parents.

*A child incompetent for reasons other than his or her age should have a special nonfamily guardian for this purpose only, appointed by a court to give or withhold consent.

Public advocates should support improved legal protection for children outside and inside their families.

The law should make every effort to keep families together. No child should be removed from home at either the court's request or a parent's without a clear showing that the child will be better off elsewhere and that less drastic solutions, such as therapy or special education, would not relieve the problem. Courts and social agencies must make every effort to return a child who is removed; or, when this is still impossible after over a year, speed adoption procedures in a new family.

Placement of any child in any institution should be reviewed regularly, with the burden of proof always on those who argue for maintaining the child at the institution. All institutions should ensure children reasonable civil rights as well as rights to treatment, rehabilitation, protection, and a minimum standard of care.

Children's rights to make their own decisions about health care and whether to leave school to work should be expanded.

Students' rights in relation to schools need protection. Schools should seek the return of truants instead of accepting their absence, and truants should not be referred to juvenile court. Restless older adolescents should be allowed to drop out of school for a year and come back without penalty, at least up to the age of twenty-one. School suspensions should be severely limited and permanent expulsion eliminated altogether. Students' privacy should be protected and their records should be open only to them and their families. Schools' ability to assign students to special classes or require that hyperactive children be given drugs should be restricted.

We need to develop various ways to protect children from the assaults of the technological environment, including children's compensation laws and child-impact statements.

Finally, we need to give all the support we can to lawyers, ombudsmen, agency monitors, and children's advocates, who are often pursuing at a broader level the goals we commend to all individual adults, parents or not, who care about children.

A vision of the possible

We have tried, in defining our policy objectives, to think in terms of what could actually be achieved within a decade. But we cannot and do not wish to conceal the vision of a better society that has animated our entire work.

Mr. LAXALT. Mr. President, I think, first that I woud be remiss in not commending my colleague from New Hampshire for pursuing this matter, as he has for the last several months. I think it is indicative of his strong feeling and conviction in the matter that he has done so despite the fact, as he has conceded here, on the floor, that he is not an attorney, not a member of the Committee on the Judiciary, and he is relatively new to this body.

I might say to him that the position he has taken on the floor is shared by many. Lack of attendance on the floor I do not think indicates at all a lack of support for his position. It seems that since we have gone to having Senate floor proceedings electronically transmitted to offices, it has had a dramatic effect on the attendance on the floor. I say to Senator HUMPHREY, "Thank you for a job well done."

Mr. HUMPHREY. I thank the Senator.

Mr. LAXALT. Mr. President, I associate myself with the remarks the Senator has made, and should like to add a few of any own.

After careful consideration and much thought, I feel unable to vote to confirm the appointment of Patricia Wald as Federal judge to the Circuit Court for the District of Columbia.

U.S. Senators are called upon to vote on many matters of great importance. Among the foremost of these actions is to confirm Presidential nominations for the Federal court.

I have appointed many during the course of my own law practice. While Governor of Nevada, I was called upon to tender numerous judicial nominations to the State legislature. As a Senator and member of the Judiciary Committee, I have voted on judicial nominations in the past. These experiences have impressed upon me their critical importance to the Federal courts.

We hear a lot of discussion on the floor—and I have heard it since I came to this body—that if an appointment comes down from the Executive, it should be almost automatic, that we in the Senate should not impose our separate judgment upon the judgment of the Executive authority.

That may be true in a majority of cases. It is true that the political process dictates that when the Democrats are in, we should have Democratic appointees; with their particular philosophy. When Republicans are in, we have Republican appointees with their particular philosophy. But I rather think that the argument falls when we talk about judiciary appointments. As the Senator indicated, we are not talking about an in-and-out situation, because history has taught us in this town that the normal appointments, even on a Cabinet level, are only of a month's duration; when we talk about the Federal bench, and an appointment of this significance, it is a lifetime situation. They are locked in here for life. When we make a mistake in these areas, I think we make a tragic mistake that is really not remediable in the ordinary sense of the ordinary appointment nominee that is brought to this body.

I do not have to point out to my colleagues on this floor, lawyers and nonlawyers alike, that the American judicial system is the lodestone of our society. We think we are terribly important on this side of the Government and I am sure the executive branch people think they are equally important. But it has been my opinion for a long time, particularly as evidenced by what happened in Watergate, that the judicial system is vital to the efficacy of the system we have in this country. Why? Because it acts as arbiter between citizens when disputes arise. It protects citizens from trespass whether from other individuals, from corporations or from the Government itself. It serves as final protector of individual liberty.

There are many instances here. Whatever we want to do on a legislative level, we cannot get the job done. And certainly, the executive cannot get the job done. So ordinary individuals in this country, when they finally get down to the gut question of whether or not there has been a deprivation of individual liberty, must necessarily look to the courts.

The courts are instructed to enforce the laws made by Congress. They act as ultimate arbiter of the law between the separate and independent branches of government.

It seems to me that the first criterion any member of the judicial system must satisfy is personal integrity.

Obviously, if that vital element is lacking, there is a problem. We could come down on this one point alone and I think almost any nomination submitted to us would fail.

The second standard is legislative competence. Mrs. Wald has an excellent reputation for integrity. She has a marvelous record of legal skill and achievement. I do not think any of us disputes that. Certainly the Senator from New Hampshire does not dispute that. That is not our problem.

Even though she has satisfied both of the two criteria I have mentioned, a third standard needs to be satisfied.

I rather imagine that third standard may be more important than the other two. That is this: Will some person's previous, as in this case, commitment impair a future qualification; that is, to exercise sound, impartial judicial responsibilities. It is due to my serious legislative responsibilities on these points that I feel compelled to vote against the confirmation of Patricia Wald for the Federal bench.

In this conclusion and in this analysis, I share the concerns of Prof. Raoul Berger who, in his excellent book "Government by Judiciary" (1977), outlines the history of how judicial review has become a power through which the court too often participates actively in policymaking.

That is no business of the courts, on any level, including the Supreme Court across the street. They have absolutely no business in policy.

Why? Because policymakers should be responsible to the people. The people in the judicial system are not directly responsible through the elective process, nor should they be, ordinarily.

Too often, judicial decisions reflect individual beliefs of the Federal judges dressed up in lawyer's language. Too often, the question posed by the courts is neither whether a lower court correctly applied the laws as passed by Congress or whether a particular policy is constitutionally permissible, but whether such policy corresponds to judicial notions of societal "oughts." Such review influences the democratic prerogatives of this Nation. I believe that liberty and the common good can be enjoyed only through a Constitution which places specific limitations on judicial interpretation. I believe in a return to judicial restraint. We have entirely too much lawmaking by the judges in this country on every level, particularly the Supreme Court.

As James Madison warned, right here in this Capitol:

If the sense in which the Constitution was approved and ratified by the nation . . . but the nation does not expound it, there can be no security for a constant and stable government, more than for an execution of its powers. (9 James Madison, "The Writings of James Madison," 191, G. Hunt ed. 1900–1910).

It is through the political process that the American people can exercise the power of the ballot box and thereby realize themselves through legislation. I do not believe the judiciary, to correct a self-imposed ideal may assume a power not granted in order to realize a policy that the people have been and remain, unready to cure through the political process. That, to me, is fundamental. Alexander Hamilton called such encroachment on the legislative function judicial usurpation. John Stuart Mill cautioned against man's disposition "to impose (his) own opinions * * * as a rule or condition on others." Mill, "On Liberty," 28 (1885).

According to Caleb P. Patterson in "The Constitutional Beliefs of Thomas Jefferson," 70 (1953), Thomas Jefferson "foresaw that if the Constitution were ever destroyed, it would be destroyed by interpretation, in the final analysis, by the Federal judges." I think he was absolutely right.

An individual who has devoted the most recent years and a considerable part of his career to political activities rather than the practice of law has made certain Federal decisions on how he or she wishes to realize his or her view of a Federal world. Whether people are Republican or Democrat, conservative or liberal, are vitally important and necessary to determine the welfare of political progress in America. However, I believe, that such individuals, having made such a personal and career commitment, better serve the Nation by continuing to seek to realize their goals in the political process through legislation. However well intended, I do not believe such men or women can have the objectivity to exercise the crucial important responsibility of choosing a Federal Judge. As Berger has written:

Noble enthusiasm is no less prone to distort the vision than vulgar prejudice. (10).

The following exchange took place in March 1977, in Clinton, Mass., between President Carter and a citizen of Clinton, at his first town meeting after he was elected President:

Question: During the last several Administrations, many of the major domestic questions have been decided by the Federal Judiciary and not by the consent of those people that are governed. Many decisions seem to be made in Judicial Chambers and not in the halls of Congress and not in the White House.

I know, Mr. President, that there are many well-meaning federal judges and that they must interpret the Constitution. But it seems to me that sometimes, in the guise of Constitutional interpretation, some federal judges impose their biases and their ideologies on the average American citizen. . . . The question was, is this situation going to continue during your administration?

The President. First of all, I agree with you, and second, I hope to cut it down as much as I can.

I believe that Chief Justice Burger, who is now head of the Supreme Court, feels the same way that you just expressed. I think that we can make a lot of progress on this.

I would like to get the courts out of our business, and I would like to let the American people stay out of court as much as possible, too.

It seems to me that the Wald nomination does not adhere to what the President said he planned to do in Clinton. Rather, the past experience of Patricia Wald indicates that her legal and political career has been so issue oriented—and I am not critical of that, we need more activists in this country, and she has been a very effective and capable one—and that the remedies she has sought in court have been the sort of remedies which the President said that he hoped to cut down as much as he could, that is seems to me her philosophy while on the bench, despite what she says now to the contrary, would directly fly in the face of what the President said he hoped to cut down.

Federal judges are, of course, appointed for life, and they are beyond the control or influence of the voters. As has so often been repeated, not having to answer to the voters gives them a freedom to decide cases according to the law, without fear of retribution or of losing their jobs. That is fine. It is an essential part of the process. However, when judges make social policy, when they, in effect, legislate, when their decisions have as much impact as, or even more than, the Members of Congress, they have remained beyond the reach of voters, our constitutional system is perverted.

I am thus concerned, as the President said he was, that judicial appointees not expand the role of the Federal courts, but that they act within traditional, constitutional bounds. For that reason, I believe that I am obligated, as a Senator, to oppose nominees who, by their past activities, indicate a willingness to be activist, expansionist judges.

Thurman Arnold was appointed to the U.S. Circuit Court for the District of Columbia in 1942. He later stepped down from the bench, because he felt that his past partisanship and role as an advocate was incompatible with that of being a judge. After doing so, he said:

I think it was my preference for partisan argument, rather than for impartial decision, that made me dissatisfied with the career on the Appellant Court. Furthermore, I was beginning to doubt whether a person of my temperament could ever be an ornament to the bench. I was impatient with legal precedence that seemed to me to reach an unjust result. I felt restricted by the fact that a judge has no business waiting or speaking on controversial subjects. A judge can talk about human liberties, the rule of law above men, and similar abstractions. All of them seem to me dull subjects. To sum it up, a person who is temperamentally an advocate, as I am, is not apt to make a good judge.

Patricia Wald is also an advocate. She has worked, incessantly, to make her ideology the law, to win cases which furthered her ideology, and to make her ideology the social policy of the land. Will she not, too—as was the case with Mr. Arnold—become impatient with legal precedence that seems to reach an unjust result? Will she not also feel restricted by the fact that a judge has no business writing or speaking on controversial subjects? Will she be able, in short, to cast aside years and years of past advocacy, and suddenly to become an impartial arbiter of cases, many of which involve the very same issues which she worked for so long as an advocate to further? I do not see how she can do so.

The U.S. Circuit Court for the District of Columbia is the most important circuit court in the country, and is thus, after the Supreme Court, the most important court in the country. Its decisions are national in scope, and, as a whole, it probably has more impact in the State of Nevada than does the ninth circuit, more impact on the State of Illinois than has the seventh circuit, and more impact on the State of New York than has the second circuit.

Alexander Bickel, the late legal historian, commented "all too many Federal judges have been induced to view themselves as holding roving commissions as problem solvers, and as charged with the duty to act when majoritarian institutions do not." I think Patricia Wald herself attempted to be a problem solver, and that is fine, and her legal and political career to an amazing degree of consistency, reflects her ideology and her desire to further that ideology. Her career in the bar reflects a desire to have her cause imposted as law. Such ingrained ideology does not lightly go away, and like it or not, I cannot help but believe that she, too, will view herself as holding a roving commission as a problem solver, and will attempt to solve these problems which Congress has failed to address.

Erwin Griswold, former dean of the Harvard Law School and former Solicitor General of the United States, in addressing the judicial activism problem commented that many judges employ the ruse of saying, "'what we are doing is interpreting the Constitution," when what they are actually doing is deciding what is good for the country. He went on to say that—

What is good for the country is a question for the representatives of the people to decide, not for an un-elected, politically selected group of lawyers.

Griswold concluded that—

The judiciary may be doing some good things in the name of activism today, but by setting the precedent now, activism could easily be used to order bad things once the principle of intervention is accepted.

In conclusion, Patricia Wald will be an activist judge and will do her best to expand the role of the Federal courts, and will seek to create the remedies she asked for in her career in politics and in law. The U.S. Circuit Court for the District of Columbia does not need judges of that type, just as the Federal judiciary generally does not need judges who will impose their own will in place of the law.

In a 1972 treatise on drug abuse, published by the Ford Foundation, Mrs. Wald said:

Many improvements in the present law-enforcement approach toward drug abuse may have to come from the courts . . . The adjustment of our now-primitive body of drug abuse laws to new medical developments in research and treatment *may well have to come about through a series of court cases as well as, and even in the absence of, legislative changes.*" (emphasis added) *Dealing with Drug Abuse*, A Report to the Ford Foundation, 1972, pp. 55–56.

It is for this reason that I reviewed with particular care Mrs. Wald's career as political activist. I respect her belief, though different than my own. I feel it best that she continue as a political activist and that her nomination not be confirmed for the Federal bench.

Mr. LEAHY. Mr. President, there has been a great deal of testimony and debate here today regarding Mrs. Wald and the question of judicial activism. I wonder whether we are reaching a point where we feel that no one should serve on the bench unless they have led a life of intellectual monasticism; that, somehow, they have been in a cloister intellectually all their life; that they have never expressed any attitudes on current matters; that they never have shown individuality; never have shown an ability to think outside of the exact parameters required for whatever their legal practice might be. In other words, if they are a bond lawyer, they should talk only about bonds; if a criminal defense lawyer, they should talk only about criminal defense matters; if a prosecutor, they should talk only about prosecution; if a real estate lawyer, they should talk only about real estate law, and so forth.

If we have this, I think we will end up with a bench of the most colorless judges, and we will have a judiciary which is so carefully isolated from reality that one would wonder what we do in providing that branch of Government, especially in lifetime positions.

That does not mean that a judge is a legislator, by any chance. It does not mean that a judge makes new law at all. But in confirming the nomination of a judge, it does not mean that that judge could not have had any independent thoughts in the past or cannot have them in the future.

The question of advocacy was answered very well by Mrs. Wald in answer to a question by Senator BAUCUS. Senator BAUCUS asked her this when she appeared before the Senate Judiciary Committee:

Senator BAUCUS. Mrs. Wald, I have one basic question. If you are confirmed and appointed to the U.S. Court of Appeals, will you continue to advocate or advance your views . . .?

Mrs. WALD. No. I do not intend to advocate or advance any views on any subject once—if I am confirmed on the bench, I do not think that is the role of a judge at all. I think otherwise the situation is impossible, Senator, because whether you are for children's rights or against them, if you saw the court as a forum with which to advance it, the American people would be cheated.

I think you leave your advocate's role behind you. I do not see the court as the next step in advancing any kind of philosophy. I see it as a completely different kind of role whereby you are presented with grievances. You are presented with evidence, and it is your job to decide on the record which of the two sides has made the best case, or whether it is a legal or constitutional right and the remedy. And I consider my advocacy days to be over.

Mr. President, I would find an answer of that nature satisfactory to me, as a member of the Judiciary Committee and as a Member of this body, coming from anybody, whether I had agreed with their advocacy position or disagreed with it, especially when it comes from somebody of the tremendous qualifications of Mrs. Wald.

I think we should take a look at some of the statements of members of the bar, ranging in a spectrum from the most conservative to the most liberal, in what they have said about her, people who have worked with her.

They refer to her as a brilliant lawyer. They say that she is fair, is openminded, is not at all doctrinaire; that she is moderate and thoughtful. Even when their views differed, she always listened to opposing views before making up her mind. They said over and over that she has that rare quality, a judicial temperament. They concluded that she would make an outstanding jurist.

Let me read an extraordinary letter sent to Senator KENNEDY in his capacity as chairman of the Senate Judiciary Committee. This letter is dated June 13. It reads:

JUNE 13, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The undersigned, the President, the President-Elect and all of the past Presidents of the District of Columbia Bar in the active practice of the law,[1] write in support of the nomination of the Honorable Patricia M. Wald to the United States Court of Appeals for the District of Columbia Circuit.

All of us know Mrs. Wald well and have worked with her on numerous occasions over the years. This letter is unsolicited; we write because we believe strongly that Mrs. Wald would be a truly outstanding jurist.

Mrs. Wald is widely known and respected as a brilliant lawyer. She has handled complex and important cases, both in trial and appellate courts. The list of these cases is too long to recount here, but suffice it to say that Mrs. Wald knows what goes on in a courtroom. Of course, she has an outstanding academic record.

Mrs. Wald has an excellent temperament. A number of us served with Mrs. Wald on the Bar's Board of Governors where discussions were often intense. In those moments, she was always an insightful, calming influence. She is always openminded. She entertains thoughtfully and carefully the views of others. She is not dictrinarie or ideological in her approach to any problem.

Mrs. Wald has faithfully served our nation, our community, our courts and our Bar in many ways. We recommend her in the strongest possible terms to the United States Senate and urge her speedy confirmation.

Robert L. Weinberg, President, John H. Pickering, President-Elect; E. Barrett Prettyman; John W. Douglas; Charles T. Duncan; Daniel A. Rezneck; and Charles R. Work.

[1] The Honorable Louis F. Oberdorfer is now a member of the United States District Court for the District of Columbia.

It is signed by Robert L. Weinberg, president; John H. Pickering, president-elect; E. Barrett Prettyman, John W. Douglas, Charles T. Duncan, Daniel A. Rezneck, and Charles R. Work.

It is noted that one of the former presidents is the Honorable Lewis F. Oberdorfer, who is now a member of the U.S. District Court for the District of Columbia.

Mr. President, I have practiced law before State courts and before Federal courts in the State of Vermont. I have argued cases at the trial level in all our trial courts in Vermont.

In fact, during one 8½-year period, I probably tried more cases than any other lawyer in the State. I argued more cases before the Vermont Supreme Court than any law firm in the State during that period of time. I argued cases before the Federal District Court and before the Second Circuit Court of Appeals.

I do not say that because I want to get some advertising for a future law practice, by any means.

Just to recount, over that time I had the occasion to argue either as plaintiff, as defendant, or as prosecutor or defense attorney, in whatever fashion, before the widest possible range of judges. I argued before some very good judges and quite frankly, Mr. President, I argued before some pretty bad judges.

Throughout all that time, I had to look at the way the various judges are appointed and what their tenures are. In our State, the only ones with lifetime tenures are those on the Federal bench. This is a matter that always concerned me because it is a grave matter, not just what judges we appoint within our own States, of course, but any Federal judge because the law they lay down is to a greater or lesser degree going to affect our own State.

The State of Vermont in its supreme court has often cited the Court of Appeals for the District of Columbia, as most other States do. This is a prestigious court, an extraordinary prestigious court. It has been likened to be next only to the U.S. Supreme Court. In many ways it has more effect than the U.S. Supreme Court because it has to accept on appeal a broader range of cases. It does not have the ability to reject a lot of the cases that the U.S. Supreme Court does. So it is cited in governmental matters. It is cited by courts all over the country.

So, not only as a Senator from Vermont but as a Member of this body, as a lawyer, as an individual, I take very seriously my responsibility that I have. I shall vote to confirm.

No matter who the President is, whether Republican or Democratic, this President or any other President, I would not hesitate to vote against confirmation of any judge that I felt was not qualified, and I definitely would not hesitate to vote against the confirmation of a judge for this court especially.

I think that the only other Federal courts that I can think of that would focus my attention this much would be

the U.S. Supreme Court, the Second Circuit Court of Appeals, which has jurisdiction over my State, or the positions in the Federal courts in the State of Vermont. Those I would pay particular attention to, along with this court.

I have no hesitation voting for Mrs. Wald, none whatsoever. I have read the reports on her confirmation hearing. I have read the statements of support that she has received again from conservatives to liberals. It is not that question.

I have read her own statement and am well aware of the difference between an advocate and a judge. I do not hold against her any advocate position in the past. In fact, I think that that encourages me to know that this is an active person, not someone who has lived insulated in academia or within the narrow confines of a specialized form of law practice.

I am also concerned that as to some of the positions that she has taken in the past, certainly in letters that I have received from around the country, the people opposed to her have been taking so carefully out of context, and maybe I do not know. The quote has been attributed to many people that tell me who your enemies are, et cetera. I wonder when the people who oppose this nominee have to go and take quotes drastically out of context in order to build their case. You wonder how good a case they could have had in the first place.

I would like to think that if someone truly opposes a person then they can stand strictly on the record as it is.

I think that history has refuted the notion that the advocate or policymaking advocate activist cannot shed the role of the impartial jurist.

Justices Brandeis and Frankfurter and one of my real heroes on the Supreme Court, Justice Hugo Black, were all attacked at confirmation having been too activist or political or radical. Yet they proved equal the duties of fair-minded jurists.

Hughes and Stone were attacked as too committed to the corporate ideology and Wall Street.

Feliv Frankfurter in several lectures cites example after example of why history has not borne out the thesis that conscientious activists in private life do not make good judges. In fact, our finest judges have regularly made this transition.

Quite frankly, my own experience has been those are the judges who best understand the people who come before them and realize that a case before them is not a case of dry printed pages of transcript but every single case that comes before any court anywhere involves real men and women, involves real human beings and involves the law, the one thread that holds society and our whole Government together.

It is not something that is determined totally in the abstract. It is something that can be determined only by people who know that we are dealing with a society made up of men and women, guided by legal principles, carefully set down over 200 years' history of this country and the history of our parent country and must be able to accept those laws and be able to use those laws as written in the facts of the cases of the people before them.

I take at full faith and full value Mrs. Wald's statement that the advocacy role stands behind her now.

Certainly we have advantage as legislators to take an advocacy role. That is what we are expected to do and that is what we all do. This is the forum in which to do it.

Is this to say that if a Member of this body were to be nominated for a judgeship that he would automatically be precluded from being a judge because he had been an advocate?

Is this to say that the distinguished holder of the chair who has had one of the finest careers from his State both as a legislator and as a Governor, having to advocate positions in both capacities, would be automatically disqualified to be a judge because he has been an advocate both as a Governor and as a legislator?

No, I certainly could not accept that. I could not accept that logic for a moment.

But yet if we accept this test what we are saying is that no Member of Congress could ever be a judge unless he had been the most ineffective, retiring Member of Congress you had ever seen, one who invariably would vote present except possibly on a motion to adjourn. Are we saying that no Governor could ever be a judge?

Not unless that Governor, upon inauguration, locked himself or herself up in that monastery I referred to earlier, and did not come out. But even then somebody probably would complain that they might not fully be able to understand the first amendment restrictions, the first amendment requirement of separation of church and state.

Yet that is not what we are saying. Of course, what we are saying is that when people serve their country, when they take on the awesome duties that we are talking about, we should assume people are able to take on the particular responsibilities as they are.

If a judge leaves a judgeship to become a legislator, then we expect that person to be an advocate, and is not disqualified from being a legislator because he has not been an advocate on the bench, and then he will take the role of legislator and be an advocate.

Conversely, a legislator or a private person who has been an advocate in that capacity, if we feel that person is honest in saying he cannot or will not be an advocate on the bench, then there is precedent, hundreds and hundreds and hundreds of times throughout our history when such a person has gone on the bench and has fulfilled those duties properly.

I happen to believe Mrs. Wald. I happen to believe what she says about knowing the nonadvocate nature of a judge. But more than that I am thoroughly impressed with her background, and I think the President has done a great service in nominating a person of this qualification.

Mr. President, I am happy to yield to my good friend, the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur on the nomination of Mrs. Pat Wald at 5:45 p.m. today.

Mr. STEVENS. I assume that is agreeable with the Senator from Maryland. We have not had a chance to discuss it with him, but he does have some comments here.

Mr. MATHIAS. I do not know how many others are seeking recognition.

Mr. BAYH. Mr. President, the Senator from Indiana has some comments he would like to make.

Mr. MATHIAS. The time of 5:45 would give us an hour, that would be adequate time for me. I do not want to trespass on the time of the Senator from Indiana.

Mr. STEVENS. I know of no other people on this side except for the Senator from Maryland. If you want to split the time half of it with the Senator from Maryland and half of it over here, it would be fine with me.

Mr. BAYH. I would just suggest that I could think of a number of things to say about the nominee which would take beyond 5:45 in expressing my deep affection and appreciation for her service and her qualifications for this job.

But I learned in my freshman year in law school that the attorney ought to quit when he has won the case. I do not know how many of our colleagues who are present here on the floor we are going to persuade to do what they are otherwise planning to do by continuing on at great length, so my remarks will be brief.

Mr. STEVENS. Five forty-five is agreeable, I want you to know. We have no objection to the 5:45 time agreement.

The PRESIDING OFFICER. Is there further objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank Senator BAYH and Senator MATHIAS, Senator STEVENS, and other Senators.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I would like to rise in support of the nomination of Patricia M. Wald to the position of U.S. circuit judge for the U.S. Court of Appeals for the District of Columbia.

I think the record has already adequately pointed out that on June 18 of this year the Committee on the Judiciary held extensive hearings. Subsequently the committee reported favorably Mrs. Wald's nomination to the Senate.

Both Senators MATHIAS and SARBANES lent their support to this distinguished nominee from Maryland, and I would like to compliment the President and the Department of Justice for recommending a candidate of this quality for further service to our country and to the Nation's judiciary.

The record of public service of this nominee has already been expressed and included in the record, so I will not repeat it verbatim. But I would like to point out that this nominee brings a wealth of experience not only in academic background, in her personal experience as a citizen, as an active concerned citizen, but also more recently she brings an experience of great familiarity with the

working of justice, having served with distinction as an Assistant Attorney General in the Department of Justice.

If I have a reservation about recommending Mrs. Wald for this post, it is based on the law of self-preservation so far as one Member of the Senate is concerned who happens to be privileged to serve on the Senate Judiciary Committee. In that capacity, it has been my good fortune to benefit from the wise counsel and the self-sacrificing service of Mrs. Wald while serving in the capacity of Assistant Attorney General. That service and advice has helped ease the burden of this one Senator and I think the entire Judiciary Committee, and we will miss her. We will miss her deeply, and it will not be easy to find someone to fulfill her duties—perhaps impossible to find anyone to fulfill her duties with the depth and the sensitivity which she possessed in full measure.

However, the President has recommended her, and I think it is to his credit; and I am glad to join with my other colleagues on the Judiciary Committee in wholeheartedly endorsing this nomination.

The American Bar Association's Standing Committee on the Federal Judiciary has found the nominee well qualified.

The Federation of Women Lawyers' Judicial Screening Panel has evaluated the nominee as having demonstrated an exceptional commitment to equal justice. I would point out that this is the highest rating which can be awarded to a judicial nominee.

The Committee on the Judiciary had extensive hearings. We heard both from proponents and opponents of Mrs. Wald. She was closely scrutinized on all of her past speeches, articles, and personal views with regard to the family, juvenile justice, mental health practices, the equal rights amendment, abortion, drug and alcohol abuse, the Year of the Child, voting rights, and bail. Some say Mrs. Wald has been in the forefront of what some call the liberal and progressive view of the majority of views of the citizens of this Nation. Some have applauded Mrs. Wald as a champion of human rights while others have decried Mrs. Wald for intruding into Federal, State, local, and private affairs.

In my judgment, Mr. President, this nominee has extraordinarily widespread support in legal and governmental communities. We heard support from people who are very familiar with her, personally and professionally. This consistent theme runs through comments of persons who know Mrs. Wald and have worked with her: Brilliant lawyer, fair, openminded, not doctrinaire, moderate, thoughtful. Even where her own views differ, she always listens to opposing views before making up her mind, has judicial temperament, and will make an outstanding jurist.

The distinguished Senator from Vermont, in his very eloquent statement in support of Mrs. Wald, read from the letter of the past presidents of the D.C. bar who endorsed Mrs. Wald. The letter, as I recall, was written to Senator KENNEDY, the chairman of the Judiciary Committee.

These past presidents of the D.C. bar stated their belief that she "would be a truly outstanding jurist." Mrs. Wald is widely known and respected as a brilliant lawyer. She has an excellent temperament. She was on the D.C. Board of Governors, she was always an insightful, calming influence.

I should hope that the world "insightful" would be properly interpreted as being one filled with insight, not as one being prone to inciting others to do things that perhaps they should not do.

She is always openminded. She entertains thoughtfully and carefully the views of others. She is not doctrinaire or ideological in her approach to any problem.

Mrs. Wald was selected by the D.C. Judicial Nominating Committee after exhaustive screening of over 200 applicants nationwide. She was one of only two on the final panel of nine candidates voted out unanimously by the commission (chaired by former Senator Joseph Tydings, and including Erwin Griswold, former dean of Harvard Law School and U.S. Solicitor General).

Mr. President, Mrs. Wald has a remarkable career. She has been diverse in her interests accomplished much and has many distinctions. Witnesses and members of the Judiciary Committee repeatedly lauded Mrs. Wald for her ability to combine a legal career with responsibility for raising a family of five children.

Mrs. Wald has outstanding academic credentials: High school valedictorian, Connecticut College (No. 1 in class) Yale Law School (Yale Law Journal, Order of Coif), Post Law School, Mrs. Wald clerked in the second circuit court of appeals, she was in the private practice of law with Arnold, Fortas & Porter. After retirement to raise her family for 10 years, she was a member of the D.C. Crime Commission, Office of Criminal Justice, Department of Justice; Neighborhood legal services; Center for law and social policy; mental health law project to her present position as Assistant Attorney General, legislative affairs. She was a consultant to many commissions: E.G. National Crime Commission, National Commission on Civil Disorders, National Commission on Violence, National Conference on Law and Poverty, National Conference on Bail and Criminal Justice. Furthermore, she has extensive civil, criminal litigation and appellate experience.

Mr. President, before concluding I would like to point out that, at least in the judgment of this one Member of the Senate, the opposition to Mrs. Wald included no witness who knew her personally. None of them personally knew her work. All based their opposition on limited samples of her writing, particularly her 1974 speech on the rights of youth. Their comments, it seemed to us, all were distorted, out of context, inaccurate, and basically unfair. And I must say that that description of the testimony in opposition of one particular witness would be very kind indeed. Seldom has the Senator from Indiana seen a more crass, irresponsible effort to demagogue in a detrimental fashion directed against a witness than was evidenced by one or two of the witnesses who purported to serve a higher calling.

Mr. President, it is my judgment that if Mrs. Wald is confirmed by the Senate today, she will have her abilities tested and put to good use, and will serve as an extremely, exceptionally able jurist. I am hopeful that the Senate will concur and will advise and consent to the confirmation of this nomination. Certainly I intend to lend it my support. And as one who has had more than a passing interest in the qualities of judicial nominees who have come before our Judiciary Committee in the Senate, it seems to me that some questions raised by those few witnesses who chose to oppose Mrs. Wald were rather basic questions that we in the Senate should ask ourselves because they go beyond the rather exceptional qualifications of the nominee before us. They go to the question of whether we in the Senate really believe it is important for citizens of the United States to be interested in public affairs.

Is one to be rewarded if he or she imposes an additional burden upon their professional and family lives, family responsibilities, and are willing to take an active part in trying to resolve some of the problems that confront their community and their country.

It seems to me if we are to reward participation in public life as part of a citizen's responsibility, then by the very nature of that participation we are urging people to take a position on issues. There are very few easy issues today. People who seek easy solutions are not doing much in the service of the public.

So I commend the nominee for taking an active role as a citizen and not just sitting on the sidelines taking a more comfortable role in life.

Second, I think we have to ask ourselves what kind of mental fiber do we want our judges to possess? Do we want them to be marshmallows with no thoughts of their own, complying with every whim, every will, of a vocal minority or a temporarily aroused populace? Or do we want them to have the substance or tough fiber of a beefsteak, mentally tough and capable of coming to a conclusion based upon fact and not temporary expediency?

I certainly feel that the answer is obvious. We want someone who has tough mental fiber, who can make tough decisions and stick by their guns. If there is anything apparent about Patricia Wald, it is that she has that mental fiber, that mental toughness, and is willing to study the tough questions, arrive at a judgment, and then stick by her guns, stick by what she determines to be right.

Lastly, Mr. President, I would just like to point out that I have noticed in some of the opposition not only to Mrs. Wald but to other nominees that have been and are presently before the Judiciary a great difficulty on the part of some of the opposition witnesses to distinguish between the role of advocacy and an advocate and the role of a judge.

No citizen worth his or her salt, if he or she is to really look at the kind of world we are living in, can ignore the need to be for something, to be for solving problems, to advocate certain solutions.

Mr. President, I would like to summarize by pointing out the real distinction concerning an advocate. A citizen who is concerned has to be an advocate for resolution of certain problems. Certainly, a lawyer's very reason for being is to be an advocate in pursuit of his or her client's case. An active lawyer mostly associated with public affairs must, by necessity, be an advocate for the resolution of problems in a public forum.

The judicial role is an entirely different one, and in discussing this matter in the hearings, and in knowing Patricia Wald personally, I am convinced that she is very aware of the distinction between the previous advocacy roles she has performed with distinction and the judicial role which she will soon undertake in the second circuit.

I am happy to lend my support for Mrs. Wald, someone who I feel shows a deep measure of concern for human beings, who has a rare dedication to the principles of our Constitution, who combines those ingredients with the judicial temperament which can put aside her own personal preferences and weigh each case on its merits.

What more can we ask? We are fortunate, indeed, to have someone like Mrs. Wald, who is willing to undertake this new responsibility.

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator from Maryland.

Mr. MATHIAS. Mr. President, apparently it falls to me to wind up this debate. I feel privileged to do so. It is perhaps appropriate that I should do so since Mrs. Wald has been nominated to be a candidate for the bench from the State of Maryland. She is a citizen of Maryland and one of whom we are very proud.

Our neighbors south of the Potomac are proud to claim that Virginia is the cradle of Presidents, and they take justifiable pride in that. We in Maryland cannot claim to be the cradle of Presidents, but we are, in fact, a State which has given many great judges to this Nation, and judges at critical times in our history are as vital as Presidents.

The first Supreme Court included Thomas Johnson, a distinguished Marylander, Roger Brooke Taney, the great Chief Justice of the Supreme Court was from Maryland.

On other Federal benches, Maryland has been represented in an extremely distinguished way. I think, although the list is a long one, at this moment, of judges such as the late Simon Sobeloff, one of the truly great judges in this century, who served on both the State bench and the Federal bench with enormous distinction. I mention Judge Sobeloff simply because he is the kind of great judge that Maryland has given to the Nation.

I recite this little bit of history, Mr. President, because it is a kind of benchmark against which we in Maryland can measure the qualifications of candidates for judicial office. We have very high standards, and I hope that we never lower those standards or that we never deviate from them. I cite this history and I point to these standards because I want the Senate to know that I am measuring this candidate against those high, historic standards by which judges should be measured.

Mrs. Wald has been prepared for her duties on the bench by an active professional life as a lawyer. I say here and now that I think that it is wrong to nominate people for the bench at any level who have not had an active professional life as a lawyer. No matter how bright someone is or how honest someone is or how intellectual someone is, if they have not had experience as a lawyer, I think it is very difficult for them to assume the duties of presiding in a courtroom, either a trial court or an appeal court. But that objection cannot be advanced in Mrs. Wald's case.

As has been fully set forth in the Senate today, her experience is broad, it is varied, it is positive, and I think that she will bring that experience to the bench in a way which will make a great contribution to the administration of justice in this country.

Her service in the Department of Justice, I think, is an important ingredient in her professional experience. It is an ingredient which not every candidate for the bench has—necessarily has not. But it will give her a broader view of the potential for improvement in the administration of justice by the courts and, I think, will also give her a broader view of some of the short-comings which, unhappily, exist in the way of our courts operate today.

It will give her an incentive to conduct her own judicial business in a manner which will represent an improvement over the general norm. This overview that she has had at the Department of Justice, I think, is an added bonus in her professional experience.

But, after all, lawyers and judges are people, although there may be some doubt about that in the minds of some citizens. They are people and their quality as lawyers and as judges will be determined to a certain extent by the kind of person that the individual candidate may be. In Mrs. Wald's case, I think we can be reassured by the kind of life that she had led.

She is a wife and a mother. We can tell a lot about a person from the kind of family to which she belongs and that belongs to her. Her children are talented and have achieved a tremendous success on their own. I do not want to take away from Mrs. Wald's children 1 ounce of the success which they have earned for themselves, which they could not have achieved without their own skill and talent and application; but the fact that her children have been so successful, I think, indicates that she has an understanding of the needs of young people and how to encourage young people to realize their potential.

This is a valuable kind of experience to bring to the bench. It is an experience not in law, but in life. Her eldest daughter has graduated from Yale Law School; her next eldest has graduated from Harvard Law School. She has another daughter in Wellesley, another who is a junior there, and a son who has just graduated from high school and will enter Tulane. It is a very impressive record and a record which, I think, redounds to Mrs. Wald's credit as well as to Mr. Wald's credit and to the credit of the children themselves. But the importance of this is really not in the academic achievements of the children, but in what it has taught Mrs. Wald about the aspirations and the hopes and the needs and the problems of children.

I find no fault with a judicial nominee who has this particular kind of knowledge. In fact, I think it is an extremely useful attribute to bring to the bench.

One of the objections, and I think we have to face the fact that there have been objections expressed here on the floor today. One of the objections expressed to Mrs. Wald is that she may not be impartial; she may not be impartial as a judge. I think we ought to look at the record on that particular charge, because she has, herself, been confronted with that charge and she has answered it. During the hearings on her nomination, she was asked a question as to the guidelines that a Federal judge should follow determining the propriety of a Federal judge intervening in State, local, and private affairs. This was her answer, and I think it is worth quoting:

> Well, I start off, Senator, by saying that if I am fortunate enough to be confirmed and to ascend the bench, I plan to leave my personal ideology, all of the views, all of the controversial areas in which as an advocate and as a lawyer I have participated in over the last 20 years behind me.
>
> I have a very deep feeling that the future and the confidence of the American people in the judiciary depends upon their having an absolute feeling that those who serve on it are impartial, are fair and are openminded.

Then, Mr. President, Mrs. Wald went on to say this:

> And whatever views one may have espoused in the past, I think I would leave behind me and I would, in the words I believe of Hamilton, who wrote one of the Federalist papers that the commitment of a Federal judge should be to the Constitution and to the laws of the United States and not to anything else beyond that.

That, Mr. President, is Mrs. Wald's philosophy stated as concisely and as directly as I think it can be stated, that the commitment of a Federal judge should be to the Constitution and to the laws of the United States and not to anything else beyond that.

Now, what Member of the Senate can object to that statement of policy, to that philosophical conviction? I think it is what the Constitution demands of Federal judges. It is what the oath requires of Federal judges. It is what the laws require of Federal judges. She says that will be the policy that she will follow if confirmed as a Federal judge. I think that is eminently sound. I think it is an assurance from Mrs. Wald which should reassure anyone who may have a conscientious and a genuine doubt

about her qualifications, and it should reassure the Senate and justify her confirmation.

As to the depth of this kind of assurance, the genuineness of it, the sincerity of it, I think we can only make a judgment from the kind of support she has, from the support she has, for example, from the Presidents of the District of Columbia Bar Association, whose statements appear in the report on pages 23 and 24.

I think any Member of the Senate who has any question about her standing with her peers at the bar ought to read those statements on pages 23 and 24 because I think that gives validity to everything else she said on her own behalf in the hearing, and it is an extremely important element in the Senate's consideration of her confirmation.

So, Mr. President, I think we have here a judicial nominee whose qualifications are such that she merits confirmation by the Senate, a judicial nominee who measures up to the very high standards of judges that have been set by many distinguished Marylanders who in the past have been elevated to the bench and have rendered extraordinary public service.

I think the President has chosen wisely in nominating Mrs. Wald. I am sure he did so on the advice of the Attorney General who has worked in close association with Mrs. Wald in the Justice Department and who is intimately familiar with the standards of her professional attainments and achievements.

So I hope that this afternoon in just a few minutes the Senate will conclude this debate and will by an overwhelming majority confirm the nomination of Patricia Wald of Maryland to be a Federal judge.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in strong support of the nomination of Patricia McGowan Wald to serve on the U.S. Court of Appeals for the District of Columbia.

Mrs. Wald was nominated by President Carter following a very careful and extensive selection process undertaken by a Presidentially appointed panel.

She brings to this judicial position an outstanding record of public and private legal experience and an established reputation for approaching the work with keen intelligence, with commonsense, and with fairness.

She is an excellent choice for this important judicial position. I join my colleague, the distinguished senior Senator from Maryland, in expressing the hope that very shortly the Senate will confirm her nomination by an overwhelming majority.

It is important to summarize just a few of the highlights of Pat Wald's extraordinary career, simply because it encompasses such a broad range of experience and because it is marked throughout by quality.

Her career has always reflected quality beginning back in her high school in Connecticut where she was the leading student in her class. She won a scholarship to Connecticut College, where, upon her graduation in 1948, she was named the Winthrop Scholar for Learning the highest 4-year academic average in her class. She went on to Yale Law School, also on a scholarship, and was the case editor of the Yale Law Journal and selected for the Order of the Coif.

Mrs. Wald then clerked in the second circuit for Judge Jerome Frank followed by private practice with the law firm of Arnold and Porter, here in the District of Columbia.

She served as a member of the National Conference on Bail and Criminal Justice, and later as a member of the President's Commission on Crime in the District of Columbia.

Her continuing special interest in the administration of justice and the judicial process has been reflected in numerous writing—law review articles, legal and professional journals.

While some of her articles have been criticized I find that many of the positions she discusses are not ones that she subscribes to, but positions which she believes thoughtful people ought to examine.

In other words, one's thinking ought not to be limited simply to the old and the past, but ought to be considering new ideas in an inquiring and critical manner.

She has been willing to do that thereby raising important questions. I think much of what she has been criticized for represents that kind of inquiry and not a subscription by her to the substantive position she examines for discussion purposes.

In 1967, Mrs. Wald joined the Office of Criminal Justice of the Department of Justice where she worked on implementing the D.C. Crime Commission's recommendations. She served as an attorney with the neighborhood legal services program, and later with the center for law and social policy.

From 1972 to 1977, she was a staff attorney at the mental health law project. Throughout this period of 10 years she had extensive courtroom work, both at the trial and appellate levels.

Since early 1977, she has been the Assistant Attorney General, Office of Legislative Affairs in the Department of Justice. It is generally agreed by those on the Hill and elsewhere who have come in contact with her in this position that she has done an outstanding job.

She has been involved in numerous professional activities: Membership on the board of governors and the executive committee of the District of Columbia Bar Association, active work with a number of committees of the American Bar Association, including service on the board of editors of the American Bar Association journal.

She has always participated in community and educational activities, having served as vice-president of the D.C. Chapter of the Yale Law School Association and a member of the board of trustees of her alma mater, Connecticut College, and Philips Exeter Academy.

She has raised a large family—five children, two of them in law school, three in undergraduate college. In fact the break in her career after being a law clerk and practicing for a short time in Washington, until she resumed legal work in 1967 with the career activities enumerated above, was in order to raise her family.

I know the Wald family well. They have been residents of Maryland for more than two decades. I know the Wald children and can attest personally to the superb job she has done in meeting her responsibilities as a mother.

Pat Wald has spent most of her life concentrating on improving the way our system of justice operates. At the Department of Justice, she played a key role in the formulation of important legislation dealing with antitrust, civil rights, law enforcement, and the operations of our courts.

She brings with her a special but practical knowledge and perception of all facets of the American judicial system. She is a person of absolute integrity, of great intellectual depth, a questioning mind, and a person with a fair and open attitude.

Underlying all that is her deep commitment to the Constitution of the United States and to the rule of law, and a profound understanding of the importance of an independent and fair judiciary to the workings of a democratic society.

In my judgment, she will bring great strength and quality to the Federal bench. I commend her nomination to my colleagues, and join in the expressions of support which others have stated previously here today of her nomination to become a member of the United States Court of Appeals for the District of Columbia.

Mr. DOLE. Mr. President, I would like to offer my support to the nomination of Mrs. Patricia Wald to the United States Court of Appeals for the District of Columbia.

Throughout her career Mrs. Wald has demonstrated the excellence of her legal skills. After graduation from Yale Law School, where she was articles editor of the Law Journal, she clerked for Judge Jerome N. Frank on the Second Circuit Court of Appeals. Later she came to Washington, to the firm then known as Arnold, Fortas & Porter. Further high points of her illustrious career include her service as an Assistant Attorney General for the Office of Legislative Affairs work on two Presidential commissions including the Johnson Commission on Crime in the District of Columbia, director of the mental health law project, and codirector of the Ford Foundation drug abuse project. Additionally, she has authored scholarly writings on bail, poverty law, and drug abuse.

In the midst of this formidable career, Mrs. Wald has managed to raise five remarkable children.

Mrs. Wald's confirmation to the bench will make her the third woman in American history to reach this high position in the Federal Judiciary. The Senator from Kansas believes that Mrs. Wald possesses the necessary skills, insight, and wisdom for this post. More importantly, Mrs. Wald exhibits clear evidence of those qualities that are necessary for a

judge: Fairness, intelligence, open-mindedness, morality, humanity, and judgment.

As a member of the Judiciary Committee, I was privileged to be in attendance throughout the hearings, and I can understand, to some extent, the concerns that some have expressed on the Senate floor today.

As the distinguished Senator from Maryland has just pointed out, Mrs. Wald is an outstanding woman, mother, and lawyer.

We can all find differences, and I am aware that some concerns have been expressed. However, upon close examination I find the opposition to the nomination not persuasive.

Mr. President, Mrs. Wald will offer a significant contribution to the U.S. Court of Appeals for the District of Columbia.

Mr. GOLDWATER. Mr. President, as a conservative, I get a little tired of being accused of being against everyone or everything.

I have had a lot of letters opposing this nomination. I did not attend the hearings, but I have great faith in the Judiciary Committee and in their decisions.

I recall when Justice Rehnquist, a very close personal friend of mine, was being discussed on the floor of the Senate. We did not discuss whether he was too conservative or middle-of-the-road or a Republican or what. He was the man the President wanted for that particular post, and the Senate supported him.

So I intend to vote for this lady, although I have had a lot of mail opposed to her. I have not had any letters that really outline anything that I can find objectionable. I have always said that I think the President is entitled to people he wants to serve him, whether it be a judgeship or on a commission or in a bureau or whatever.

So I will vote for her because of the confidence expressed in her by people whose legal knowledge I respect.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. DOLE. Mr. President, I appreciate that statement, because no one is more highly respected than the distinguished Senator from Arizona when it comes to conservative politics.

I recall arguing on the Senate floor, day after day, with the Senator from Arizona, to persuade the Senate to confirm the nomination of Clement Haynsworth. There was opposition to him. Some of the criticism, not all—was because of his conservative philosophy, which I thought was a mistake, and I said so on the floor.

I think it would be just as much of a mistake to argue against this nomination because of "liberalism" or however Mrs. Wald's philosophy might be designated.

I hope we can put to rest the myth that conservatives only support conservatives and liberals only support liberals when it comes to the judiciary. We missed an outstanding opportunity with Clement Haynsworth, and we do not want to miss another one with Pat Wald. Once again, Mr. President, I urge my colleagues to join with me and support this nomination.

Mr. MATHIAS. Mr. President, if the Senator will yield, I think his statement is a very valuable addition to this debate. It is one which will be reassuring to other Members of the Senate.

Something further should be said. The Senator said he is tired of having the reputation of being against everything and everybody. I do not think the Senator should feel that he has that reputation, because I can testify that he takes very positive views on a wide variety of subjects and makes a very positive contribution in favor of doing many good things. His statement here today is simply one more example of that.

Mr. GOLDWATER. I thank my good friend from Maryland. I will say nice things about him on the Eastern Shore. [Laughter.]

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask for the yeas and the nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, too often the Senate's review of judicial nominations has been a thankless chore. But it is an important chore, for the quality of these new judges will be the most critical test of our commitment to justice, and to the perception of justice, on which our society depends. And every so often a nomination strikes so true, fits so well with the temper of the times and the size of the job to be done, that all the drudgery, the doubts and qualifications and investigations and quarrels over some other nominees, fade away. In those cases our task is as much to bear witness as it is to advise and consent.

For these reasons I am pleased—and proud—to record my personal, strong support for the nomination of Pat Wald to the Court of Appeals for the District of Columbia Circuit. That court is often considered the most important Federal appeals bench: And Mrs. Wald fully matches its stature. From her 1951 graduation as case editor of the Yale Law Journal to her recent, impressive rejuvenation of the Justice Department's congressional liaison functions, her record presents an unparalleled course of excellence, integrity, scholarship, and high achievement.

I wish to mention what a real personal pleasure it was for me to work closely with Mrs. Wald on a number of the the pieces of legislation that were being considered by the Department and by Congress. Really, it offered me the personal opportunity to be enormously impressed by her intellect and her ability to deal with tough legislative issues and questions, her judgment, her humaneness, and her strong personal qualities.

I think there will probably be few people who are nominees who will come before our committee that I personally will have had the opportunity to work as closely as I have with her. So from a personal point of view it has been a matter of great personal pleasure to be able to be urging the Senate to give final and overwhelming approval for her nomination.

From 1951–52 she clerked for Judge Jerome Frank of the Second Circuit—an assignment as prized as clerkships on the Supreme Court. In 1952–53 she came to Washington as an associate in what was then Arnold, Fortas & Porter. She then "retired"—and I put the word in quotes—to have five children, two of whom have recently graduated from Harvard and Yale law schools themselves. In the sixties she began to reenter practice on important projects relating to Robinson-Patman price discrimination, the Federal Rules of Criminal Procedure, and Bail Reform. In 1965 she was a member of President Johnson's Commission on Crime in the District of Columbia. During the next 10 years she was staff attorney in the Justice Department's Office of Criminal Justice, neighborhood legal services attorney, co-director of the Ford Foundation drug abuse research project, attorney for the center for law and social policy, litigation director of the mental health law project, and member of the national advisory committee to evaluate legal services.

The PRESIDING OFFICER. The hour of 5:45 p.m. having arrived, under the previous order——

Mr. KENNEDY. Mr. President, I ask unanimous consent that I be yielded 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, through all of this she found time to author or coauthor three books—"Bail in the United States", "Law & Poverty", and "Dealing With Drug Abuse"—as well as 8 law review articles and 10 chapters in other volumes. Through all of this she served—and continues to serve—the public on numerous boards and committees, including the Institute of Judicial Administration, the Ford Foundation board of trustees, the Sloan Commission on Cable TV, and the board of governors of the District of Columbia Bar. Through all of this her reputation for fair professionalism and commitment to equal justice for all has remained constant.

Mrs. Wald has been rated "well-qualified" by the ABA and "exceptionally well-qualified" by the Federation of Women Lawyers' judicial screening panel. The chairman of the ABA's judi-

cial screening panel made an unprecedented offer to fly here from California to testify personally on her behalf. Six past presidents of the District of Columbia Bar—all those still in active practice here—endorsed her nomination based on long personal experience, noting her "excellent temperament," her "calming, moderating influence," and her lack of doctrinaire or ideological approach to any problem." Few nominees have exhibited such academic excellence, such practicality and administrative competence, such thorough grounding in so many relevant areas of the law. She has extensive trial and appellate experience in both civil and criminal arenas. And she has integrated that experience with a strong, healthy family life. President Carter and the District of Columbia Nomination Commission are to be congratulated on the high quality of this nomination. The Judiciary Committee approved Mrs. Wald's nomination overwhelmingly—with only two dissenting votes. The Senate should follow suit and confirm her today.

Mr. President, I yield back the remainder of the time.

The PRESIDING OFFICER. Under the previous order, the question is, Will the Senate advise and consent to the nomination of Patricia M. Wald, of Maryland, to be a U.S. circuit judge for the District of Columbia Circuit? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Wisconsin (Mr. NELSON), is necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), is necessarily absent.

The PRESIDING OFFICER (Mr. NUNN). Have all Senators voted?

The result was announced—yeas 77, nays 21, as follows:

[Rollcall Vote No. 217 Ex.]

YEAS—77

Baucus	Eagleton	Metzenbaum
Bayh	Eton	Morgan
Bellmon	Ford	Moynihan
Bentsen	Glenn	Muskie
Biden	Goldwater	Nunn
Boren	Gravel	Packwood
Boschwitz	Hart	Pell
Bradley	Hatfield	Percy
Bumpers	Heflin	Pressler
Burdick	Heinz	Proxmire
Byrd, Harry F., Jr.	Hollings	Pryor
	Huddleston	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Riegle
Chafee	Javits	Sarbanes
Chiles	Johnston	Sasser
Cochran	Kassebaum	Simpson
Cohen	Kennedy	Stafford
Cranston	Leahy	Stennis
Culver	Levin	Stevenson
Danforth	Long	Stewart
DeConcini	Magnuson	Talmadge
Dole	Mathias	Tsongas
Domenici	Matsunaga	Weicker
Durenberger	McGovern	Williams
Durkin	Melcher	Zorinsky

NAYS—21

Armstrong	Jepsen	Stevens
Church	Laxalt	Stone
Garn	Luxar	Thurmond
Hatch	McClure	Tower
Hayakawa	Roth	Wallop
Helms	Schmitt	Warner
Humphrey	Schweiker	Young

NOT VOTING—2

Baker Nelson

So the nomination was confirmed.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I move to reconsider the vote by which the nomination was confirmed.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to proceed for 1 minute in executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GENOCIDE CONVENTION: A SYMBOL OF U.S. COMMITMENT TO HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, for many years I have spoken before this distinguished body on ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide. The history of Senate consideration of this treaty is even longer. For 30 years now, the Senate has debated the merits of the treaty. Each point within the document itself has been carefully scrutinized and measured. Each specific argument against ratification has been countered with ample evidence of the treaty's merit.

Yet, even with this evidence, there remain those skeptical of the need for U.S. ratification.

These critics complain that the Genocide Convention will not accomplish much. They point to all the nations which have ratified the treaty—83 so far, including all other major world powers except the United States—and say that their support has changed nothing. They say that the sanctions offered in the treaty are too weak to make much difference: That passage of the treaty can, in reality, do little to prevent the occurrence of genocide.

Yet, even if it were true that the convention by itself can do little to stop genocide—and I do not believe that is true—there is still an important aspect of ratification which these critics have failed to consider.

The Genocide Convention is more than just a document outlying the ways to prosecute those who would commit mass murder of a national, ethnical, racial, or religious group. The treaty is a symbol of commitment to the protection of human rights; a commitment to the principles of human dignity which lies at the very foundation of our Constitution and Bill of Rights.

The value of such a symbol should not be underestimated. People of this Nation and others throughout the world look to the actions of the United States as a symbol of American commitment. How can we maintain that we are in support of basic human rights when we refuse to ratify a treaty so symbolic of that commitment?

The answer, Mr. President, is that we cannot.

We cannot continue to claim support of human rights without following through in support of a treaty which deals with the most fundamental of all human rights—the right to live.

I therefore urge my colleagues to support ratification of the Genocide Convention. Let us confirm our long commitment to human rights through passage of this important treaty.

FEDERAL ELECTION COMMISSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with the understanding that there will be no action taken thereon tonight, that the Senate now go into executive session to proceed to the consideration of the nomination of Mr. Frank P. Reiche to be a member of the Federal Election Commission.

The PRESIDING OFFICER. The Senate is in executive session.

Mr. ROBERT C. BYRD. I thank the Chair. I ask unanimous consent that the Senate proceed to the consideration of the nomination.

Mr. President, there will be no further rollcall votes today.

The PRESIDING OFFICER. The clerk will report the nomination.

The second assistant legislative clerk read as follows:

Frank P. Reiche, of New Jersey, to be a member of the Federal Election Commission.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the nomination.

The Senator from Rhode Island.

Mr. PELL. Mr. President, on June 14, 1979, the Committee on Rules and Administration voted 9 to 0 to report favorably to the Senate the nominations of Thomas Everett Harris and Frank P. Reiche for terms on the Federal Election Commission expiring April 30, 1985. Both Commissioner Harris and Mr. Reiche had been nominated by President Carter on May 1, 1979, and the nomination of Commissioner Harris was confirmed by the Senate on June 19, 1979.

On May 9, 1979, the committee held hearings on the nominations. The hearings were part of a thorough examination of the backgrounds and qualifications of the two nominees. Mr. Reiche responded to the committee's detailed questionnaire, answered questions at the May 9 hearing, and responded to the supplementary questions submitted by committee members. Mr. Reiche also responded to two sets of questions submitted by a Senator who does not sit on the committee. All questions were answered thoroughly and thoughtfully, and the nominee should be commended for his candor and cooperation during this process.

As chairman of the committee, Mr. President, I would like to state my strong support for Mr. Reiche. It was a pleasure to review the qualifications of such a distinguished nominee, and I would like to discuss briefly his background and the

committee's consideration of his nomination.

Frank P. Reiche, a practicing attorney in the State of New Jersey, has become one of the Nation's foremost State officials in the field of election law. For the past 6 years, he has served as the chairman of the New Jersey Election Law Enforcement Commission, and has earned the praise and confidence of Republicans and Democrats alike for his fair and impartial administration of the New Jersey election laws.

Mr. Reiche's professional life has been one of accomplishment and distinction. After receiving his B.A. from Williams College in 1951, he worked as a case officer for the CIA, and then served in the Navy for 2 years. In 1956, he earned his M.A. in Foreign Affairs from George Washington University and then returned to the CIA for several months before entering law school. Mr. Reiche received his LL. B. from Columbia University Law School in 1959 and an LL. M. in taxation from the New York University Law School in 1966. For the past 20 years he has practiced law in New Jersey, the last 17 as a partner in the Princeton, New Jersey, firm of Smith, Stratton, Wise & Heher.

Mr. President, I ask unanimous consent that the biographical information submitted by Mr. Reiche in response to the committee's questionnaire be inserted in the RECORD at this point.

There being no objection, the biographical outline was ordered to be printed in the RECORD, as follows:

COMMITTEE ON RULES AND ADMINISTRATION: OUTLINE OF INFORMATION REQUESTED OF NOMINEE

A. Biographical.

Q1. Name: (Include any former names used).

A1. Frank P. Reiche ("Butch" through college).

Q2. Address. (Include current residence address and mailing address).

A2. 55 Philip Drive, Princeton, New Jersey 08540.

Q3. Date and place of birth.

A3. May 8, 1929: Hartford, Connecticut.

Q4. Marital status: (Include maiden name of wife or husband's name).

A4. Janet Deizell Taylor.

Q5. Names and ages of children.

A5. Cynthia D. Reiche, 23; Dean S. Reiche, 20.

Q6. Education: List institution(s), dates attended, degree received and date degree granted.

A6. Bristol High School, Bristol, Conn., 1943–1947, high school diploma; Williams College, Williamstown, Mass., 1947–1951, A.B.; George Washington University, Washington, D.C. 1955–1956, M.A. (Foreign Affairs), Degree awarded in 1959;

Columbia Law School, New York, New York, 1956–1959, LL.B.;

New York University Law School, New York, New York, 1961–1966, LL.M. (Taxation).

Q7. Employment record: List all positions held since college, including the title or description of job, name of employer, location of work, and dates of inclusive employment.

A7. Order clerk, Associated Springs, Inc., Bristol, Conn., June 1948 to August, 1948;

Camp Counselor, Quinnipiac Council, B.S.A., Winsted, Conn., June 1949 to August 1949;

Camp Counselor, Charter Oak Council, B.S.A., Winsted, Conn., June 1950 to August 1950;

Case Officer, Central Intelligence Agency, June 1951 to October 1952;

Case Officer, Central Intelligence Agency, March 1956 to September 1956;

Law Clerk, Archer, Greiner, Hunter & Read, 519 Market Street, Camden, N.J., June 1957 to August 1957;

Law associate, Stryker, Tams & Dill, 744 Broad Street, Newark, N.J., June 1959 to December 1961;

Law partner, Smith, Stratton, Wise & Heher, 1 Palmer Square, Princeton, N.J., January 1962 to present.

Q8. Government experience: List any experience in, or association with, federal, state or local governments, including any advisory, consultative, honorary or other part-time service or positions.

A8. Federal Government, Central Intelligence Agency, June 1951 to October 1952, March 1956 to September 1956;

State Government, New Jersey State Tax Policy Committee, 1970 to 1972; Chairman, New Jersey Election Law Enforcement Commission, 1973 to present.

Q9. Memberships: List all memberships and offices held in professional, fraternal, scholarly, civic, charitable and other organizations.

A9. ABA, N.J. BA, Mercer County BA, Princton BA, American College of Probate Counsel, Princeton Rotary Club and Nassau Club. Also, currently serving as a member of the Advisory Board of Stuart Country Day School, a Trustee of Westminster Choir College and President of the Central New Jersey Williams College Alumni Association, as well as a member of the Williams Deferred Gifts Executive Committee.

Q10. Political affiliations and activities: List all memberships and offices held in or financial contributions and services rendered to all political parties or election committees during the last ten years.

A10. While serving as a member and Chairman of the New Jersey Election Law Enforcement Commission during the past six years, I have not participated in partisan politics in any way. Prior to that time I served as Committeeman and Municipal Chairman of the Princeton Township Republican County Committee and as a member of the Mercer County Republican Executive Committee. During such period, I contributed regularly to the Republican Club of Princeton and to the campaign of U.S. Senator Clifford P. Case.

Q11. Honors and Awards: List all scholarships, fellowships, honorary degrees, honorary society memberships, and any other special recognitions for outstanding service or achievement.

A11. Became a member of the American College of Probate Counsel in 1978.

Q12. Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

A12. Deferred Giving Brochure for Nassau Presbyterian Church, Princeton, N.J.

Q13. Speeches: Identify each speech which you have given during the past 3 years, the organizations to which the speech was given, and supply two copies of each speech.

A13. Informal appearances on behalf of the New Jersey Election Law Enforcement Commission.

Q14. Qualifications: State what, in your opinion, qualifies you to serve in the particular position to which you have been nominated.

A14. My experience as Chairman of the New Jersey Election Law Enforcement Commission and my contact with various campaign finance disclosure agencies throughout the country.

B. Future Employment Relationships

Q1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

A1. I will resign as a partner and will transfer client responsibility to others in the firm, but would like to be able to advise on past matters.

Q2. Do you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

A2. Only a verbal understanding to discuss the matter at that time.

Q3. Has anybody made a commitment to employ your services in any capacity after you leave government service?

A3. No.

Q4. If confirmed, will you serve your full term of office?

A4. Yes.

Q5. If confirmed, will you be engaged in any business, vocation, employment or outside activities other than related to your duties as a Commissioner?

A5. Only as a fiduciary, 80–90 percent of such work already being undertaken by me at night and on weekends. Compensation, if any, would be limited to that permitted by Federal Government rules.

C. Potential Conflicts of Interest

Q1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

A1. See above. Also, I anticipate concluding a financial arrangement with my firm for work in progress and past services.

Q2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

A2. None.

The following is a summary of the nominee's interests in securities and employment-related benefits. The value of these interests is not included; however, such information is a matter of public record and may be obtained from the Committee on Rules and Administration.

Employment-related benefits:

Smith, Stratton, Wise and Heher Capital Account; Keogh Plan Account at New Jersey National Bank; and IRA Account at Princeton Savings and Loan Association.

Securities:

AT & T; Baltimore Gas and Electric; Harris Corp; Massachusetts Mutual Mortgage & Realty Investors; J. P. Morgan; Northeast Utilities; Smith Kline; and Union Carbide.

Q3. Describe any business relationship, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

A3. None.

Q4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

A4. On behalf of New Jersey Election Law Enforcement Commission, I have occasionally urged the N.J. Legislature to adopt measures designed to assist the Commission in fulfilling its statutory duties.

Q5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

A5. If any conflicts of interest arise, I would either terminate the relationship giving rise to such conflict, or else, if appropriate, disqualify myself from participating in any decision on the matter.

D. Testimony Before Congress

Q1. Are you willing to appear and testify before any duly constituted committee of the

Congress on such occasions as you may be reasonably requested to do so?

A1. Yes.

Q2. Are you willing to provide such information as is requested by such committees?

A2. Yes.

Mr. PELL. With respect to the Reiche nomination, two matters were of particular interest to the committee: Mr. Reiche's service as chairman of the New Jersey Election Law Enforcement Commission and the arrangements Mr. Reiche has made with his law firm and former clients once he begins to serve on the Commission.

Since 1973, Mr. Reiche has served with distinction as chairman of the New Jersey Election Law Enforcement Commission and has been that commission's only chairman. He has enjoyed the confidence of Republican and Democratic administrations alike and has achieved the reputation as a fairminded and able leader of an organization with responsibilities similar to those of the Federal Election Commission. Mr. Reiche's stewardship of the New Jersey commission's administration of a public financing system for the 1977 gubernatorial election in that State is an example of his value to the FEC as it prepares for the 1980 Presidential election campaigns.

Mr. Reiche's income for the past 3 years has been derived principally from his practice of law and from fiduciary commissions. If confirmed, he will resign as a partner in his Princeton, N.J., law firm and will transfer client responsibility to others in the firm. Negotiations have taken place with members of his firm for payment in recognition of work in progress and past services rendered. Payments to the nominee for such services will be made within 24 months of his commencing Government employment and his employment relationship with the firm will be severed within 1 year.

Mr. Reiche stated to the committee that he planned to retain his position as executor of certain estates and trustee to certain trusts because of longstanding personal commitments to do so. The nominee was questioned about such continuing arrangements, particularly since they might interfere with his work on the Commission.

The Federal Election Campaign Act of 1971, as amended, states with respect to the outside business activity of Commissioners:

> Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time such individual begins to serve as a member of the Commission shall terminate or liquidate such activity no later than 1 year after beginning to serve as such a member. (2 U.S.C. § 437c(a)(3))

The conference report to the 1976 FECA amendments, while noting that Commissioners are expected to serve the Commission "on a full-time basis," suggests that the requirement for terminating outside activity applies only to those who devote "a substantial portion of their time" to such outside business or employment activity. Thus, the prohibition would not apply to business activities to which a Commissioner devotes only an "insubstantial" portion of his or her time. Mr. Reiche has stated to the committee that his total outside business activity would consume no more than 16 hours per month, and that such activity would not conflict with Commission duties.

The committee also was concerned about what compensation arrangements the nominee had made with respect to this outside activity. The Ethics in Government Act of 1978, as applied to FEC Commissioners, limits outside earned income to no more than 15 percent of Federal salary. Mr. Reiche assured the committee that he would comply with the limitations on outside earned income, even though he might not be compensated for his fiduciary services.

While insisting that Commissioners should have minimal distractions from their FEC duties, the committee notes the increasing difficulty that active citizens face in leaving the private sector for Federal Government service. The committee appreciates the nominee's longstanding personal commitment to certain clients now deceased that he would continue in his fiduciary capacity with respect to their trusts and estates, and notes approvingly his willingness to do so without compensation if necessary. Nevertheless, the committee believes that his involvement is at the farthest reaches of "insubstantial" business activity. It must be emphasized that Commission business and obligations to the taxpayers of the United States will always be a Commissioner's first and foremost responsibility.

The committee has no doubt about Mr. Reiche's commitment to the Commission's work. Indeed, the nominee's considerable energy, experience, and understanding of the electoral process are most impressive. Mr. Reiche's service on the Federal Election Commission should go a long way toward reviving the Commission's spirit and helping solve a number of the difficult problems it now faces.

Mr. President, it is a great pleasure to present such a highly qualified nominee to the Senate. I urge his approval by my colleagues.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO DELAY CONDITIONALLY THE EFFECTIVE DATE OF CERTAIN RULES OF PROCEDURE AND EVIDENCE

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 4712.

There being no objection, the Presiding Officer (Mr. NUNN) laid before the Senate an act to delay conditionally the effective date of certain rules of procedure and evidence proposed by the U.S. Supreme Court, and for other purposes, which was read twice by title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

● Mr. KENNEDY. Mr. President, on May 1, 1979, pursuant to statutes known as the rules enabling acts which empower the Supreme Court to promulgate amendments to various Federal rules of procedure and evidence, the Supreme Court transmitted several amendments to Congress (H. Doc. No. 96–112). The amendments to the procedure rules automatically take effect 90 days after they have been transmitted by the court and the amendments to the evidence rules take effect 180 days after transmittal, unless the Congress determines that further delay is necessary. The purpose of the delayed effective date is to allow Congress the opportunity to review the amendments and make appropriate modifications before they go into effect.

The Committees on the Judiciary of both the Senate and House of Representatives solicited comments on the proposed amendments. The committees reviewed those comments and decided that the following amendments required additional study and, consequently, should be delayed beyond the August 1 effective date:

First. Rule 11 (e)(6) of the Federal rules of criminal procedure and rule 410 of the Federal rules of evidence which deal with the admissibility of statements made during plea negotiations.

Second. Rules 26.2 and 17(h) of the Federal rules of criminal procedure which would, in essence, amend the Jencks Act (18 U.S.C. 3500) by providing that statements of defense witnesses be disclosed to the Government prior to cross-examination.

Third. Rules 32.1, 32(f), and 40(d) of the Federal rules of criminal procedure which deal with probation revocation procedures, which are currently being studied as part of the criminal code recodification legislation.

Fourth. Rule 44(c) of the Federal rules of criminal procedure which deals with multiple-defendant representation by a single attorney and the potential conflict of defendants' interests which may arise.

H.R. 4712 will delay the effective date of the amendments until December 1, 1980, in order to give the committees further opportunity to analyze their impact. This delay will give Congress the remainder of the 96th Congress to study the proposed amendments and process any necessary legislation. It will also provide additional time for public comment and debate of the important issues raised by these amendments.

Mr. President, the decision of the Congress to delay implementation of these amendments to the rules of criminal procedure demonstrates the need for the Congress to reexamine the whole issue of Federal judicial rulemaking. Since 1972 the Congress has been called upon on four separate occasions to delay the effective date of various evidentiary and procedural rules proposed by the Supreme Court of the United States. In recent years legal commentators—judges, practitioners, and members of the academic community—have urged Congress to reconsider existing statutory procedures for the promulgation of such rules. This latest decision to postpone the effective date of these amendments until December 1, 1980, points out the need for the Congress to give careful attention to the issue of rulemaking.●

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amended bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TECHNICAL CORRECTIONS TO EDUCATION AMENDMENTS OF 1978

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Chair lay before the Senate a message from the House, H.R. 4591.

There being no objection, the Presiding Officer (Mr. NUNN) laid before the Senate H.R. 4591, a bill making technical corrections in the Education Act Amendments of 1978.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

● Mr. PELL. Mr. President, the bill before the Senate contains technical corrections and miscellaneous amendments to Public Law 95–561, the Education Amendments of 1978. Most of these correct typographical errors in the public law and other technical problems.

As my colleagues will recall, the Education Amendments of 1978 were a massive and highly important piece of legislation, affecting all areas of Federal assistance to elementary and secondary education programs. The Office of Education is currently in the process of promulgating regulations and implementing the new law for the upcoming school year. Passage of these technical corrections will clear up any ambiguities in the law which might delay speedy and efficient implementation of its new provisions.

A few of the sections of the bill, H.R. 4591, make changes which should be of interest to my colleagues. One, authored by the Senator from Tennessee (Mr. SASSER), makes it clear that local educational agencies are required to furnish information to members of parental advisory councils free of charge, only upon request of individual parents. The law as originally passed would have required free distribution of materials to all members, a tremendous paperwork burden on local school officials. The change will assure that parental advisory councils receive adequate information to perform their very important duties under title I of the Elementary and Secondary Education Act, relating to the education of disadvantaged children, as a matter of right under the law. In addition, if individual parental members of the council want that information, they, too, will be entitled to receive it. I congratulate my colleague for proposing this important amendment, as I believe that it will significantly reduce the paperwork burden which accompanies title I, without threatening the integrity of the parental advisory councils.

Another provision of H.R. 4591 would clarify the situation which has arisen since the passage of Public Law 95–561 concerning the funding of State departments of education. The amendment would guarantee each State a certain minimum amount for the program of strengthening State educational agencies in title V of the Elementary and Secondary Education Act. This would conform the provision to that of former legislation and would make it clear that each State would continue to receive much-needed funds for strengthening its own activities. If additional moneys were made available under title V, the Commissioner of Education could exercise his discretion in their distribution; however, the basic amount would be assured to the States.

The bill before the Senate would extend the reporting dates for certain study commissions created by Public Law 95–561. In some cases, although the law has been on the books for approximately 9 months, the administration has not yet seen fit to make the appointments required by the law. Extension of deadlines for final reports will assure that the commissions, when appointed, have an adequate period in which to make their study, so that their results will be of use to the Congress during the reauthorization of elementary and secondary education programs when the law expires in 1982.

Finally, the law corrects an anomaly in the Department of Health, Education, and Welfare's interpretation of the Family Educational Rights and Privacy Act, commonly referred to as the Buckley amendment. The Department is currently interpreting the statute as precluding State auditors from requesting records on students to conduct State audits of local and State-supported educational programs. Surely it was never the Congress intent to interfere in valid State auditing practices. H.R. 4591 corrects this problem, as recommended by HEW.

As I noted at the outset of my remarks, the bill is highly technical in nature. I urge its speedy passage, so that its corrections can be woven into the basic statute, which is currently being implemented by the Office of Education, so that all of its provisions can be clear to those who are charged with administration of the law.●

● Mr. SASSER. Mr. President, I am pleased to speak out today in support of H.R. 4591, a bill making technical corrections and amendments to the Education Act of 1978. Earlier this year, I introduced a bill, S. 1106, to correct an unnecessary and burdensome paperwork requirement in the 1978 act, and the measure we have before us today contains the language of S. 1106 exactly as I introduced it.

This legislation corrects a requirement in the 1978 act that forced each local education agency participating in title I programs for the disadvantaged to provide a copy of the title I statute to every single member of every single parental advisory committee—whether or not the parent wanted the information.

My amendment guarantees that any member of a parental advisory committee may receive a copy of the statute and related State and Federal regulations without charge upon request—but not automatically. My amendment will protect the local education agencies from complying with an unreasonable paperwork mandate from the Federal Government.

In my State of Tennessee alone, the legislation before us today will relieve local education agencies from the forced requirement of automatically providing an estimated 15,000 copies of a bulky statute to parents who may or may not want them.

Mr. President, shortly after I introduced S. 1106, I received a letter of support from a member of the National Title I Coordinators Association, Richard B. Hodges, Jr., and I ask unanimous consent to insert that letter in the RECORD at this point.

> ESEA, TITLE I,
> *Concord, N.H., May 17, 1979.*
>
> Senator JAMES R. SASSER,
> *Dirksen Office Building,*
> *Washington, D.C.*
>
> DEAR SENATOR SASSER: I read with interest your introduction of Senate Bill 1106. As a member of the National Title I Coordinators Association I have been particularly interested in the provisions of Section 125c of Title I and would like to provide you with some further information which you might find helpful as your bill makes its way through Committee and hopefully to the floor and passage. Before providing you with some specific data I would like to take an opportunity to support most strongly the intent of Congress to make sure that Title I parents and particularly Title I Parent Council members are provided with sufficient information to make reasonable and legal decisions.
>
> In an attempt to prevent an excess drain on local Title I funds to print copies of the required laws, regulations and guidelines, I did a study to determine if it was possible to have these printed on a large scale basis. This study led to the following information:
>
> According to the National Institute of Education there are about 14,000 LEAs in the United States.
>
> Many of the largest districts have many PACs but for planning purposes, let us assume five per LEA. This estimate leads to a figure of 70,000 PACs across the country.
>
> They will, of course, be of varying sizes but if we use the eight figure provided in the legislation we can project 560,000 members of PACs. These members will obviously not all require copies of the law every year. So that on a three year basis 1,000,000,000 copies of the law should be sufficient to meet the current requirements of Section 12, Title I of the law is 50 pages long. Printed in 8¼" by 10⅞" format, this will weigh about 4 ozs. per copy. 4 ozs. X 1,000,000,000 copies indicates a need for 125 tons of paper.
>
> I checked with the Brown Company, who are major paper producers in northern New Hampshire, their usual planning figure is 2.6 cords of wood for a ton of paper. So we can project this need to 325 cords of pulp wood. This will require clear cutting of 20 to 25

acres of good woodland just to provide sufficient paper.

I do not have the exact figures here, my guess is that this is sufficient trees to cover a good portion of mall between the U.S. Capital and the Washington Monument.

The fuel value of this same 325 cords of wood is equivalent to 890 barrels of oil. This in no way allows for fuel consumption for production costs and transportation.

The above estimates are based solely upon the requirement to provide copies of Title I of the law. The regulations, if they follow the usual pattern will be longer than the law itself. And I understand that the new Federal Title I guidelines are likely to run another 150 pages.

The impact ecologically and on national resources, not including the financial costs which you have already cited, is staggering. If I can be of any further assistance, please let me know.

Sincerely,

RICHARD B. HODGES, Jr.
Coordinator.

I find it very interesting to note the connection between the paperwork requirements of the Federal Government and the impact of these requirements on the economy of our country. It is ridiculous, as Mr. Hodges points out, that one unnecessary requirement set out by Congress could cost as much as 20 to 25 acres of woodland to our country.

My bill, which has been incorporated into H.R. 4591, maintains the original intent of Congress in encouraging parental involvement in title I programs. At the same time, my legislation will take unreasonable financial burdens off the back of the local agencies.

I wish to praise the House of Representatives and especially Representative GOODLING of Pennsylvania for moving this legislation through that body. I also urge the Senate to offer its support to this important legislation.

Mr. President, I ask that I may have printed in the RECORD a number of letters I have received on this subject from Tennesseans and a letter from a Colorado educator.

The letters follow:

GREENEVILLE CITY SCHOOLS,
Greeneville, Tenn., May 30, 1979.

Hon. JIM SASSER,
U.S. Senator,
Dirksen Building, Washington, D.C.

DEAR SENATOR SASSER: This is written in regard to Section 125(c) of Public Law 95–561, which deals with the provision of certain materials to members of parent advisory councils within a school system.

I am certain that you will receive other requests similar to this, and I know you are well aware of the complications that this portion of the law dealing with the ESEA, Title I program will pose for all of us. Nevertheless, I am requesting forty (40) copies each of the following documents for distribution to Parent Advisory Council parents:

(1) The text of Public Law 95–561, amendment to Title I of the ESEA of 1965, November 1, 1978; and

(2) Federal regulations published September 28, 1976 as a part of the Federal Register.

As a parent and a taxpayer, in addition to being a school administrator, I would further ask your earnest consideration of possible revision of this section of the law. I have no actual financial data available to me, but I would assume that the cost of providing the aforementioned materials to all school systems in the state of Tennessee could approximate $100,000.00. Multiply this amount by every state and the amount expended for duplication of materials alone will be staggering. Since the purpose of Section 125(c) is to provide certain individuals with access to information, it would seem feasible to simply insure that a copy of each of these documents is located at each school where the program is in effect. Parental familiarity with the contents of the documents could then be done on an individual or group training basis.

I am most appreciative of your help and consideration of my requests. I look forward to hearing from you in regard to this matter, and I wish for you a very pleasant summer.

Sincerely yours,

JERRY F. WARD,
Assistant Superintendent.

DEPARTMENT OF EDUCATION,
Jackson, Tenn., May 8, 1979.

Hon. JAMES R. SASSER,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR SASSER: Section 125 of Title I (Parent Involvement—Access to Information) as amended by PL 95–561 is cause for some concern. If the law, as now written, is carried out it would be most costly and time consuming. Furnishing each member of the Title I Parent Advisory Council a copy of the documents named in 125A would be prohibitive. The funds to be received for FY 80–01 will just support the personnel and materials as planned in the project.

We feel that a more reasonable mandate would be to make copies of the said documents accessible to PAC members.

We, in the Jackson City Schools, appreciate your support of Title I of the ESEA. We are pleased with the progress made by the disadvantaged children receiving compensatory education with Title Funds.

Sincerely yours,

CATHRINE PETTY,
Title I Supervisor.

RUTHERFORD COUNTY BOARD OF EDUCATION,
Murfreesboro, Tenn., June 1, 1979.

U.S. Senator JIM SASSER,
Nashville, Tenn.

DEAR SENATOR SASSER: As Director of E.S.E.A. Title I in Rutherford County, I support your bill to eliminate requiring all members of the P.A.C. councils to be supplied a copy of the Title I Law and Federal and State Regulations.

The concept of the program is excellent. It provides many children with the opportunity to build skills and develop a better self image to meet the world of work. There are no instruments available to measure all the good aspects of the program, but you can be assured it upgrades the potential of the identified children.

My main concern for the program, as you indicated in your bill, is that there are so many requirements in the law that impose so much paperwork for teachers and staff, that it takes much needed time from the students.

We appreciate your concern, and support your bill.

Sincerely,

MARGALET GORDON,
Director, Title I.

POUDRE SCHOOL DISTRICT,
Fort Collins, Colo., May 14, 1979.

Senator JAMES SASSER
Senate Office Building,
Washington, D.C.

DEAR SENATOR SASSER: I am advised through Education Daily, a publication I receive as the person responsible for all Federal programs in this district, that you have introduced a bill to eliminate the provision that Title I requires school districts to supply copies of the Title I Law and Federal and State regulations to each Parent Council Member. I wanted you to know that I whole heartedly agree with this bill. It is creation of lots of paperwork and waste of paper that is unnecessary. I, for one, testified to this effect when hearings were made in this state to renew the Title I ESEA Public Law 95–561.

Certainly parents ought to have the right to have a copy if they want it and unless requested though, the district should not have the responsibility of reproducing them. Again, this is a waste of paper.

Thanks for your support in this endeavor.

Sincerely,

BUFORD PLEMMONS,
Director of Federal Programs,
and Special Projects.●

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HEALTH PLANNING AND RESOURCES DEVELOPMENT AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 544.

There being no objection, the Presiding Officer (Mr. NUNN) laid before the Senate the amendment of the House of Representatives to the bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development.

(The amendment of the House is printed in the RECORD of July 19, 1979, beginning at page H6248.)

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree with the amendments of the House, request a conference with the House on the disagreeing votes of the two houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Chair appointed Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. CRANSTON, Mr. PELL, Mr. SCHWEIKER, Mr. JAVITS, and Mr. HATCH conferees on the part of the Senate.

AUTHORIZATION FOR REPRINTING OF "ENACTMENT OF A LAW" AS A SENATE DOCUMENT

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I send a resolution to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 203) authorizing the reprinting of the Senate document entitled "Enactment of a Law" (S. Doc. 95–15).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to as follows:

Resolved, That there be reprinted for the use of the Senate Committee on Rules and Administration 7,000 copies of Senate Document 95–15, entitled "Enactment of a Law", relative to the procedural steps in the legislative process.

ANNOUNCEMENT OF OVERSIGHT HEARING BY THE RURAL DEVELOPMENT SUBCOMMITTEE ON THE RURAL HEALTH CLINICS SERVICES ACT

Mr. LEAHY. Mr. President, in December 1977, President Carter signed into law Public Law 95–210, the Rural Health Clinics Services Act. Known as the Clark-Leahy bill, this legislation basically provides medicaid and medicare reimbursements for services supplied by nurse practitioners and physician assistants in health clinics located in rural medically underserved areas.

After numerous hearings before the Rural Development Subcommittee and others, the 95th Congress was convinced that Public Law 95–210 was uniquely suited to rapidly improving health care in rural areas. The legislation was and is a timely, viable solution to the persistent problem of bringing adequate health care to rural elderly and poor. The act holds great promise for extending health services to the rural people who need them most. However, it now appears that at least a part of this promise has soured.

Mr. President, I am very disturbed by the findings of a recent HEW report that the solutions promised by Public Law 95–210 are not being fully realized. The Secretary's report will be released to the public in a few days and its findings and conclusions should be troubling to all Senators with a rural constituency. In other words, Mr. President, every Senator should take a long hard look at what this report has to say and consider its implications with regard to giving HEW necessary tools to improve the health of rural America.

The report does not make explicitly clear where the problems with Public Law 95–210 lie. The preponderance of the difficulties seem to be with implementation, that is, HEW seems to have dropped the rural health ball. However, some obstructions to implementation have also been identified in the act itself. And too, the acceptance and necessary cooperation from the States and the medical profession has been less than overwhelming.

Mr. President, in order to sort out and resolve the obstructions that are stifling the intent of the Rural Health Clinics Services Act, I am today announcing oversight hearings by the Rural Development Subcommittee which I chair.

Through oversight and review, I plan to pinpoint exactly why and where the program has fallen down. I am not looking to point any fingers of blame. Such self-serving demogoguery helps no one, least of all the people of rural America whom the act was intended to benefit.

Rather, I want to find out what is wrong and how the Congress, the administration and the bureaucracy can work as a team to resolve these problems in the most expeditious manner. These solutions may mean new regulations or new legislation. Or, they may simply require a better understanding by HEW of the serious interest of Congress in how they are handling the law's implementation. The oversight hearing will sort out these problems and bring forth answers.

Mr. President, because of the critical importance of Public Law 95–210 and its inability to live up to congressional expectations, I believe it imperative that these hearings be scheduled at the earliest possible date. With this in mind, I am scheduling the hearing for the morning of September 12 in room 324 of the Russell Senate Office Building.

As of yet, no firm witness list has been developed for the hearing. However, written testimony is solicited from the public and all interested parties. I would be most appreciative if persons wishing to testify or submitting written testimony would contact the Agriculture Committee at the earliest possible date.

ADDRESS BY SENATOR HEINZ BEFORE WORLD AFFAIRS COUNCIL

Mr. BAKER. Mr. President, the able Senator from Pennsylvania (Mr. HEINZ) spoke several weeks ago before the World Affairs Council in Philadelphia. The topic of his address was SALT, specifically the SALT II Treaty now under consideration in the Senate.

This address, one of the best, objective appraisals of SALT II that I have seen, expresses a number of well articulated concerns, all of which I share. I ask therefore that the Senator's remarks be printed at this point in the RECORD and I invite the careful attention of my colleagues to them.

The remarks follow:

REMARKS OF SENATOR JOHN HEINZ

It's a special privilege to be here with you this evening in marking the world affairs council's 30th year of providing the kind of leadership and understanding of international affairs that is so vital for our citizens in today's world.

One recent example of your leadership is the creation of the global interdependence center with the University of Pennsylvania. This is a landmark in promoting international study and understanding. I want to add my personal congratulations on this pace-setting initiative.

The word "interdependence" is being heard with increasing frequency around the world, and with good reason. A two-month oil shutoff from only one oil supplier—Iran—has proved enough to send major economic shock waves throughout the world. A minor border clash in the Middle East could quickly escalate into world wide confrontation.

Now more than ever before, the United States is at the center of these global webs of interdependence, and the decisions we make in the 1980's will in large part help determine the future of the four billion people with whom we share this planet.

Tonight I would like to discuss our role in that world and some significant aspects of American foreign policy as we move into the 1980s.

Let me emphasize I am not a political scientist or an historian. I claim no technical expertise in these fields. But I am a politician, and it is my highest responsibility to identify the telling issues of our day, to bring them to public light and to influence the right choice of public policy by articulation and effective advocacy.

As one politician looking at all the other politicians guiding the fate of the world's nations, I believe there is no more important question than the credibility of our foreign policy.

And to take the most important example, our credibility is nowhere more put to the test than as we confront the expansionist plans of the Soviet Union—a Soviet Union that is actively engaged in causing turmoil in the developing world.

The largest single determinant shaping out relationship with the Soviets in the 1980s is now before the Senate—the SALT II treaty. Just as the League of Nations was conceived out of the ashes of World War I to put an end to world destruction, so both SALT I and II are the consequences of inevitable world wide technological progress.

You and I both realise there is no turning back the clock of technology. Instead, what we have done is to launch a series of efforts, beginning with the test ban treaty, to control arms development, to slow down the pace of technological change. In addition to test bans, we have pursued nuclear nonproliferation, bans on satellite weapons, prohibitions on anti-ballistic missile defenses, and mutual balanced force reductions in Europe. We have initiated efforts to declare nuclear free zones. And finally we have SALT.

There is no doubt that the Senate debate on SALT will be the most complex and exhausting debate in this century. The questions that will be raised will be almost too numerous to count. So let me begin the discussion of SALT by telling you what I will not address in these remarks. I will not touch on the treaty in the context of our overall defense policy, or in the context of Soviet geopolitical behavior. Soviet adventurism in Africa or the Middle East, linkage with human rights or SALT without détente will remain topics for discussion afterwards or on another occasion.

In examining the SALT Treaty itself, let me start by mentioning three things that it is not. It is not limiting; it is not equal; and it is not verifiable.

First, limits. The treaty is not limiting because it does not effectively prevent the construction of vast numbers of additional deliverable warheads. And it permits both sides to develop a new type of missile. In our case this will be the MX. There are also no constraints on new types of SLBMs. A major leg of our Triad.

It is partial arms control, and the result is like squeezing a balloon in the middle only to have it pop out somewhere else. The treaty may limit new launcher construction, but that only means more spending and building in all the other unrestrained areas.

Second, equality. The SALT Treaty does not create or ensure equality. Despite the equal overall ceilings on strategic nuclear launch systems. It permits the Soviets an advantage in throw weight, heavy missiles, and MIRVed ICBMs. This inequality is not caused by the treaty. But neither is it solved by the treaty.

Third, the treaty is not fully verifiable. Major parts of it can be adequately verified, but you will find most parties conceding deficiencies in verification: cruise missile range limits, monitoring of the southern Soviet test range, telemetry encryption, the range of the Backfire, to name a few. You

will find treaty proponents talking about adequate verification not complete verification.

Having outlined these shortcomings, and said what SALT is not, let me also suggest several things that it is.

First, although the treaty does not effectively limit strategic weapons, it is clearly directive. By that I mean it puts caps on some weapons and thereby encourages others, such, in our case, as cruise missiles. This means that SALT II is a long way from achieving significant arms control. It also means there is unfinished work, work that might be achieved in SALT III. Since the first test ban treaty 16 years ago, we have learned that the process of establishing mutual trust and confidence is a slow and frustrating one. George McGovern is understandably unhappy that SALT II does not go very far. The question is whether in the real world we can expect it to go any farther.

Second, although it clearly perpetuates inequalities between us and the USSR in indices such as throwweight and equivalent megatonnage, SALT is not without advantages for the United States. Forward based systems in Europe are not counted. There are no range limits on ALCMs. Further development of the trident missile is permitted. And we appear not to be restricted from developing and ultimately deploying a mobile missile in the post-protocol period as long as it is verifiable.

It is too early now to weigh these various advantages against the disadvantages. It is not too early, however, to note that inequality can work for us as well as against us.

Third, because the treaty is not fully verifiable, it may set the stage for better means of vertification. Clearly the most effective and cheapest means of vertification is simply to count and observe the missiles when and where they are built, and then let them be deployed any way a nation chooses.

The Soviets have continually rejected any form of verification other than satellite surveillance, and we have a long way to go before they will change. But the vertification problems of this treaty will help to make a convincing case for the development of a more effective system such as on-site inspection.

Now, the issues of limitations, equality and verifiability are important. But they are, in my judgment, only reflections of the real issue in this debate over SALT. And if they take up most of the debate, we may end up missing the point.

The point is not whether we come out ahead or behind the Soviets on a long list of quantitative indices of strength. And the point isn't whether the lines on those "net advantage" graphs you've all seen dip into the Soviet side.

Nor is the point only whether SALT II will lead to SALT III, or whether any arms control is good for its own sake, no matter how small a step.

The real question is very simply whether SALT II will achieve our fundamental objective, which is a more credible deterrent to nuclear war. Such a deterrent must persuade the Soviets both that they cannot win a nuclear war and that they will suffer unacceptable damage if they start one.

For the past twenty years our approach to deterrence has been based on the concept of mutual assured destruction, M.A.D.

This concept was developed in a politically and technologically simpler era, and today's greater sophistication and diversity of weapons demand a more complex deterrent because improved missile accuracies on both sides now permit us to effectively target each other's missile launchers for a so-called counterforce strike. A counterforce capability doesn't assure mutual destruction. In fact, it lowers the level of potential initial destruction and may therefore make nuclear war seem more tolerable, thus increasing the risk of a preemptive first strike. It also focuses more attention not on the first exchange of missiles, but on the second exchange, which would be directed at population, or so-called countervalue targets.

So while the horror of mass destruction is still the true deterrent, in the 1980's the concept of mutual assured destruction must apply to both people and launchers.

Suppose the Soviets have sufficient force to destroy our ICBMs, absorb a strike against their cities, and still have enough left over to destroy our cities. In that hypothesis the credibility of our deterrent clearly wouldn't rest on the certainty of mass destruction. It would rest on the calculation that the Soviet leaders would not risk the destruction of a substantial part of their population in order to win the war.

Reliance on this calculation worries me for three reasons:

One, we don't really know as much as we should about how the Soviet leadership thinks.

Two, the Soviets continue to pursue a large civil defense effort.

Three, one can argue with equal credibility that no U.S. President could ever launch a second strike against the Soviet Union knowing that its only effect would be to unleash an equally devastating Soviet second-strike on our population. To do so would be irrational, and I cringe at the thought that effective deterrence might come to rest on our having to convince the Soviets that no American president can be counted to act rationally.

Effective deterrence in the 1980s means convincing the Soviets they cannot win such a war: That their first strike on us would either exhaust their supply of missiles or leave us with sufficient force to destroy their remaining ICBMs.

The massive Soviet arsenal permitted under SALT II in large MIRVed, accurate SS-18 missiles capable of knocking out our own land-based accurate missiles suggests that in the future our traditional countervalue deterrent won't be reliable. And we might also ask whether a policy that has as its central premise the destruction of over 100 million men, women, and children, is morally defensible.

In either case, we have posed the serious and central questions for our defense strategy in the next decade.

The critics of the SALT treaty argue that we don't have sufficient missile survivability to deter such a Soviet attack. They say that under the treaty's terms our minuteman missiles would be vulnerable to destruction, and this issue of minuteman vulnerability is, in my judgment, the most pressing strategic problem we face.

SALT did not cause this problem, and SALT cannot solve it. But neither should SALT prevent our being able to use the best solution to solve the problem.

This, of course, raises the question of amendments, because the treaty may need amendments in order to allow us to adopt the best solutions: The MX missile in a maps deployment, on-site inspection, an announced launch on warning strategy (and I recognize its grave risks); or an expanded ABM systems are all alternative solutions to the problem.

We already know that there will be many amendments proposed to this treaty. They will raise complicated issues like permitting equal numbers of heavy ICBMs; like insisting on the expiration of the protocol at the end of 1981; and like insuring the right to deploy Minutemen or MX missiles in a multiple aim point basing mode.

However long it may take, and however technical the discussion may become, I think that each amendment must be considered on its own merits. I can assure you the United States Senate in general, and this United States Senator in particular, will not be intimidated by Mr. Breshnev's bullying remarks warning against any amendments, because we see them for what they are: part of a propaganda campaign aimed at influencing the action on the Senate floor. My attitude is that if we are going to start our debate by caving in to that kind of pressure, the treaty isn't worth having.

The Senate has a responsibility both to advise on and to consent to treaties, and it will adopt amendments if they are necessary. We will not acquiesce to the Kremlin and abandon our responsibility to amend the treaty, or even send it back for renegotiation, if that is what we feel is necessary to protect and preserve the best interests of the United States of America.

In the end, after all the debate is finished, my vote is going to depend on my judgment whether the treaty will prevent us from building or deploying a necessary defense system. It will depend on whether I judge our nation to have at least equality with the Soviets today, and whether the treaty will in any way diminish our position relative to the Soviet Union for the next decade.

It is too early to give you my assessment, but it is not too early to make a prediction.

In the final analysis, the SALT debate is going to be about credibility: the credibility of our deterrent; the credibility of any commitments the Administration makes on defense policy; and the credibility of American foreign policy.

I might note that there is a widespread feeling in Washington that the administration's commitment to build the MX is just part of ratification gamesmanship and won't be honored after the treaty debate. That's a sorry commentary on this administration and its credibility in the Congress, but I'm afraid it's an accurate one, and the President is going to have to make more than promises to get this treaty approved.

Many analysts have suggested that the greatest threat we face is not an actual nuclear attack, but the more likely possibility that if the Soviets believe they're ahead of us, they will seek to exploit that superiority—real or imagined—in specific areas of the world, and we will face, not diminished, but expanded Soviet meddling in Africa and the Middle East; greater pressures on unstable regimes in developing countries; and more agitation in Latin America.

Our response to this challenge must be more than an acceptable SALT treaty. It requires a credible foreign policy across the board. And that simply means that the world must have confidence in the integrity, strength and consistency of our commitments if we are to deter the Soviets from taking risks that might end in nuclear confrontation. For, if the Soviets perceive any vulnerability, if they conclude that we can no longer cope with our problems, they will inevitably be encouraged to take further advantage of us.

In the months ahead, while so much attention will be focused on the details of the SALT treaty, I think it is important to remember that the issues in the SALT debate—as important as they are in and of themselves—also therefore involve a larger crisis of spirit and confidence that affects America, and exists within America.

It is my solemn conviction that our foreign policy credibility ultimately rests on our effective action on two absolutely central domestic questions: energy policy and our national policy on real economic growth and productivity. We should ask ourselves some hard questions. What do other countries think of a Nation that, having experienced

a foreign-imposed oil embargo against it five years previously, has nearly doubled the volume of its oil imports in that time?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal, which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

REPORT OF DEFERRAL OF BUDGET AUTHORITY FOR THE BUREAU OF PRISONS—MESSAGE FROM THE PRESIDENT—PM 88

The PRESIDING OFFICER laid befor the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a new deferral of $6.2 million in budget authority for the Bureau of Prisons in the Department of Justice.

The details of this deferral are contained in the attached report.

JIMMY CARTER.

THE WHITE HOUSE, *July 24, 1979.*

MESSAGES FROM THE HOUSE

At 1:40 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 209. A joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week."

At 2:42 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 41. An act to require the Secretary of Agriculture to convey any interests held by the United States in certain lands located in Bell County, Kentucky, to the Board of Education, Bell County, Kentucky.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2538. An act to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, and for other purposes;

H.R. 3807. An act to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change;

H.R. 4591. An act to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other puposes;

H.R. 4712. An act to delay conditionally the effective date of certain rules of procedure and evidence proposed by the United States Supreme Court, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

At 3:13 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 373. A joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 4:21 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 544. An act to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 2538. An act to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 3807. An act to amend subtitle IV of title 49, United States Code, to codify recent law and improve the Code without substantive change; to the Committee on the Judiciary.

H.J. Res. 209. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on Appropriations, with amendments:

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96-257).

By Mr. PROXMIRE, from the Committee on Appropriations, with amendments:

H.R. 4394. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96-258).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Frankie Muse Freeman, of Missouri, to be Inspector General, Community Services Administration. Referred to the Committee on Governmental Affairs for not to exceed 20 days, pursuant to order of March 1, 1979.

Charles J. Chamberlain, of Illinois, to be a member of the Railroad Retirement Board.

Daniel Edward Leach, of Virginia, to be a member of the Equal Employment Opportunity Commission.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.

(The above nomination from the Committee on Commerce, Science and Transportation was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Robert N. Clement, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

(The above nomination from the Committee on Environment and Public Works was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. RANDOLPH. Mr. President, today I file the report of the Committee on Environment and Public Works on the nomination of Robert N. Clement to be a member of the Board of Directors of the Tennessee Valley Authority. This nomination was ordered favorably reported on July 19 by a vote of 12 to 1 with one member present and not voting.

Consistent with the committee's normal practice, no written comments by the committee accompany the report of this nomination. The hearing and complete proceedings of the committee, together with other relevant materials, will be published.

Mr. President, one member of the committee, Senator GRAVEL, asked for the opportunity to make known his individual views on the nomination. I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

VIEWS OF SENATOR GRAVEL ON THE NOMINATION OF ROBERT CLEMENT TO THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY

On July 19, the Environment and Public Works Committee favorably reported the nomination of Robert Clement to serve on the Board of Directors of the Tennessee Valley Authority by a vote 12 to 1. As the only member of the committee to cast a negative vote on the nomination, I am taking this opportunity to inform the Senate of the reasons for my vote.

On June 5, Mr. Celement visited my office on a courtesy call prior to committee consideration of his nomination. Because he impressed me as a personable and intelligent individual, I indicated my intention to support his nomination. At that time, I was unaware of any contention or controversy over the appointment.

Several weeks later, but prior to committee action on the appointment, I was visited by a colleague with a vital interest in the nomination. At that time, I became aware of two contentious issues surrounding Mr. Clement. The first relates to his views on the matter of location of the headquarters of the Tennessee Valley Authority. It is contended by the State of Alabama that the TVA headquarters should be in Muscle Shoals, Alabama rather than Knoxville, Tennessee. Because of a previous interest in holding political office in the State of Tennessee, I was informed that Mr. Clement would be biased against moving the TVA headquarters to Alabama. This matter is currently being litigated and, in my opinion, does not represent a compelling issue related to the nomination.

The second issue pertains to a political fundraiser held on September 17, 1978 to retire debts from the campaign of Robert Clement for Governor of Tennessee. Prior to, during, and following his campaign for Governor, Mr. Clement served as President of the Tennessee Public Service Commission, which is the State agency charged with regulation on public utilities. He was defeated in a primary election held on August 3, 1978. At the fundraiser, Mr. Clement raised approximately $136,000 to be used to pay off his campaign debts. In a hearing on the nomination before the Environment and Public Works Committee on June 26, Mr. Clement was asked about the nature of the contributions at the event. Specifically, he was asked "you would say that there were many of those contributors who gave you more than $100, would you not, sir?". He responded "Some gave us more than $100. Some gave us less than $100". On July 3, 1979, Mr. Clement filed a sworn affidavit with the Director of Library and Archives of the State of Tennessee indicating that tickets to the event were sold for $100 per person and "no one person contributed more than $100.00". A corollary matter was the failure of the Clement campaign to comply with Tennessee election laws related to post-election disclosure of campaign contributions. Three issues became clear in my mind: How was it possible to raise $136,000 in contributions of less than $100? Why was the Clement campaign unable to comply with the requirements of the Tennessee election law? Was there some connection between the size of the contributions and Mr. Clement's service on the Tennessee Public Service Commission?

Like every other member of the Senate, I have a fair amount of experience at political fundraising. I come from a very small State, with respect to population. It seems impossible to raise $136,000 at one sitting in $100 contributions. If I can raise $30,000 at a sitting, that is a major accomplishment. I know that Tennessee is not a large state. It struck me as unusual that there would be 1,360 individuals willing to contribute $100 apiece. It is possible. However, judging from the way in which the disclosure statements were filed, it appeared to me that a legitimate issue had been raised with regard to the source of these contributions.

Mr. Clement has indicated that he lacked the resources following the election to comply with the letter of the Tennessee election law. Reports were due to be filed on October 5, December 5, February 5, April 5, and June 5 following the event. These reports were either filed late or not filed at all. It is my understanding that the resources were available following the primary election to provide all contributors with a thank you note following the fundraising event. So people were hired to make the necessary acknowledgements to contributors, but nobody was hired to do the necessary reporting.

All politicians must comply with reporting requirements and we have all hired people to assist us in that task. It is a very onerous and detailed task, and it is possible that something could be found in one of my reports—something I have not done personally—which might be embarrassing. I think all politicians live under that threat.

But I do know that if someone charges me with a violation of the law, I would be strongly inclined to make every disclosure that would be necessary to dismiss the charge. In particular, it is my impression that the entire political structure of the State of Alabama will subject Mr. Clement to a close and harsh scrutiny during his tenure at TVA.

In my opinion it would be best for Mr. Clement to come forward, make the necessary disclosures, and clear up the matter once and for all. While it may appear that the infractions in this instance are minor in nature, it could easily be a major issue if perchance there were knowledge of actions that were not clearly evidenced by the affidavits or sworn statements. If the specter that is going to hang over Mr. Clement is such that at any point in the future, any one of 1,360 individuals could come forward and indicate that a contribution of greater than $100 was made and intimate that there was a tie to the position held by the recipient, that is a specter and threat that no public person should be subjected to.

Should such a disclosure occur, I think that it would not reflect properly on the Committee which approved the nomination, nor on the Senate as a whole.

At this point in time, I am not satisfied on the questions raised. I have what is called in legal terms a reasonable doubt. It is most unfortunate because the person before us appears to be a very fine person who will probably do a very excellent job. But it is my feeling that he will have his career blemished as a result of these unfortunate allegations which go unproven one way or the other.

For these reasons, I voted against favorable reporting of the nomination.

ORDER FOR STAR PRINT OF EXECUTIVE AMENDMENT NO. 1

Mr. STEVENS. Mr. President, I make the following statement on behalf of the Senator from Arizona (Mr. GOLDWATER):

On June 5, shortly before the SALT II Treaty was formally signed at Vienna, Senator GOLDWATER submitted as Executive Amendment No. 1, a proposal to count the Soviet Backfire bomber for purposes of the limitations on the total number of strategic offensive arms provided for in the treaty.

Now that the official text of the treaty is available, Senator GOLDWATER has made the necessary conforming changes to his amendment and I ask unanimous consent that a star print of the amendment be made including these modifications.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHILES:

S. 1564. A bill to require public disclosure of certain lobbying activities to influence issues before the Congress, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BELLMON:

S. 1565. A bill to amend the Internal Revenue Code of 1954 to provide for the withholding of tax on dividends and interest; to the Committee on Finance.

By Mr. MATHIAS:

S. 1566. A bill to amend the Immigration and Nationality Act to provide special immigrant status for certain retired officers and employees, and certain children and surviving spouses of officers and employees, of international organizations; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 1567. A bill to establish the Yaquina Head Outstanding Natural Area in the State of Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS:

S. 1568. A bill to amend the Bankruptcy Act; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTION

By Mr. CHILES:

S. 1564. A bill to require public disclosure of certain lobbying activities to influence issues before the Congress, and for other purposes; to the Committee on Governmental Affairs.

LOBBYING DISCLOSURE ACT OF 1979

Mr. CHILES. Mr. President, one of my most deeply held beliefs is that democratic self-government and an informed citizenry go hand-in-hand, making it essential that the public's business be conducted in the open. Only with such openness can the public judge and express, through voice and vote, whether the Government's decisions are just and fair.

When I first came to the Senate in 1971, I was disturbed by the amount of public business I found being conducted behind closed doors, and by the attitude of secrecy I found permeating the Federal Government. In recent years, however, new laws have been enacted which give the public a clearer view of how the Government works. Campaign financing laws and disclosure laws tell the public about the men and women elected to Congress and how they were elected. The Freedom of Information Act and the Privacy Act help to strike an improved balance between the public's right to know about what the Government is doing and to be protected from unwarranted intrusions by the Government into personal matters.

I supported those reform efforts because I believe that opening up governmental processes to the people will lead to better lawmaking and greater public confidence in our governmental system. I sponsored and worked for the passage of the Government in the Sunshine Act which opened up the Federal agency meetings to the public.

The Sunshine Act embodies the fundamental principle that the public is entitled to the fullest practicable information regarding the decisionmaking process of the Federal Government. Its basic premise is that the public has a right to know what Government is doing and how it is handling the public's business.

Both Houses of Congress have adopted rules opening up the deliberations of committees. Open committee meetings enable the public to get a clearer understanding of how legislation is shaped. This provides the public with an opportunity to observe the give and take which is so essential to the legislative process.

To effectively evaluate governmental policies and to be able to participate in our representative Government intelligently, our citizens must be able to understand the entire legislative process. The goals and needs for legislation cannot be accurately assessed without knowledge of the information and influences which form the foundation for legislative decisions. Lobbying is a significant source of such information.

Lobbying groups provide Congress with valuable information about the substance of legislation and the way in which proposed legislation would affect different segments of the public. Yet, the traditional view of the lobbyists is a negative one. Rightfully or not, the public comes to believe that the activities which it does not see are somehow shady, perhaps even corrupt. This suspicion creates a distrust of lobbying groups and of the integrity of the legislative process itself.

The public has no clear picture of the magnitude of lobbying. To provide a comprehensive view, the lobbying law needs to be reformed.

The bill I am introducing today, the Lobbying Disclosure Act of 1979, seeks to do that. It would strike a balance between the public interests in disclosing systematic, organized lobbying operations and in protecting the constitutional right of the people to petition the Congress for redress of grievances. This bill recognizes that the American public has a right to know the sources and intensity of significant organizational pressures upon the legislative process.

The 1946 Lobbying Act applies only to contacts with Members of Congress. It does not cover contacts with congressional staff members or with top-level officials in the executive branch. Enforcement and administration of the current law is largely ineffective, since the Secretary of the Senate and the Clerk of the House have no authority to audit records. Finally, because the 1946 act provides only for criminal sanctions against violations of the statute, minor or inadvertent violations create a dilemma for the enforcing agency. The Justice Department must either seek to impose criminal sanctions or let violations pass unpenalized. This situation has effectively rendered the current law unenforceable.

The problems with the present law were exemplified last summer when a national news magazine estimated that of 15,000 lobbyists now in Washington, only 2,000 were actually registered. Estimates of the amount of money spent by lobbyists in Washington run as high as $2 billion annually. Yet little of this is ever reported.

Mr. President, the bill I am introducing today would help to solve these problems. It would do so in a way which minimizes the reporting burdens on lobbying groups, yet provides meaningful information about the size and nature of lobbying activities.

Any lobbying law must strike a balance between protecting the first amendment rights to petition the Government and the public interest in knowing how legislation is shaped. In a practical sense the question of who should and who should not be covered by the disclosure provisions indicates where this balance is struck.

To me, lobbying means organized, systematic activity by an organization spending money to make direct contacts to influence legislation. Those are the two elements used to determine whether the disclosure provisions of the bill will apply to a group. Therefore, the bill does not cover individuals who express their personal views to Congress. It does not cover volunteers; nor would it cover ad hoc groups who come to Washington to lobby the Congress on a short-term, one-shot basis. It does not cover organizations which contact the Senators or any of the Congressmen from the State where the organization's principal place of business is located.

This bill would require organized, well-financed lobbying groups to register and file disclosure reports. The reports would identify the name of group, the issues sought to be influenced, and the money spent on lobbying activities. Lobbying groups would disclose the amounts spent for gifts, for receptions and dinners, for the salaries of lobbyists, and for retaining outside lobbyists. Efforts by lobbying groups to orchestrate public opinion would be disclosed, as would organizations which make large contributions to lobbying groups. Enforcement would be effective, with every effort taken to insure that no group's rights are violated.

All of the disclosure provisions are designed with an eye toward making the reporting as simple and as easy as possible. Once it meets the threshold for applicability of this bill, a lobbying group would be required to register annually and to file quarterly reports for each quarter in which it crosses the triggering threshold. What is asked for is the identity of the organization, a listing of the individuals it hires or retains to lobby on its behalf, the most important issues on which the group lobbied, and levels of money spent.

Mr. President, there is a consensus that the current lobbying laws are outmoded and ineffective and that change is needed. This popular demand is underscored by the fact that since 1972, 41 States have passed new lobby disclosure laws. There has been, and continues to be, lively debate over the precise nature any reform should finally take, and I hope that this bill will help to continue that dialog. A new law which infringes on constitutional rights would be unacceptable to me. At the same time, a new law which does no more than the current law does to inform the public about lobbying activities would not be a meaningful lobbying reform effort.

Mr. President, I have prepared a fact sheet which contains questions and answers about this bill and sample registration and reporting forms. They show the types of information which a lobbying organization would disclose under this bill. I ask unanimous consent that these items, along with the text of the bill, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lobbying Disclosure Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) that the enhancement of responsible representative government requires that the fullest opportunity be afforded to the people of the United States to exercise their constitutional right to petition their Government for a redress of grievances, to express their opinions freely to their Government, and to provide information to their Government; and

(2) that the identify and extent of the activities of organizations which pay others, or engage on their own behalf in certain efforts, to influence an issue before Congress should be publicly and timely disclosed in order to provide the Congress and all members of the public with a fuller understanding of the nature and source of such activities.

(b) It is the purpose of this Act to provide for the disclosure to all members of the public of such efforts without violating the right to petition the Government for a redress of grievances or other constitutional rights.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "affiliate" means—

(A) an organization which is associated with another organization through a formal relationship based upon ownership or an agreement (including a charter, franchise agreement, or bylaws) under which one of the organizations maintains actual control or has the right of potential control of all or a part of the activities of the other organization;

(B) a national membership organization and any of its State or local membership organizations or units, a unit of a particular denomination of a church or of a convention or association of churches, a national trade association and any of its State or local trade associations, a national business league and any of its State or local business leagues, a national federation of labor organizations and any of its State or local federations, and a national labor organization and any of its State or local labor organizations;

(2) the term "Comptroller General": means

the Comptroller General of the United States;

(3) the term "direct business relationship" means the relationship between an organization and any Federal officer or employee in which—

(A) such Federal officer or employee is a partner in such organization;

(B) such Federal officer or employee is a member of the board of directors or similar governing body of such organization, or is an officer or employee of such organization; or

(C) such organization and such Federal officer or employee each hold a legal or beneficial interest (excluding stock holdings in publicly traded corporations, policies of insurance, and commercially reasonable leases made in the ordinary course of business) in the same business or joint venture, and the value of each such interest exceeds $1,000;

(4) the term "employ" means the utilization of the services of an individual or organization in consideration of the payment of money or other thing of value, but does not include the utilization of the services of a volunteer;

(5) the term "expenditure" means a payment, distribution (other than normal dividends and interest), salary, loan (if made on terms or conditions that are more favorable than those available to the general public), advance, deposit, or gift of money or other thing of value. The term "expenditure" also means a contract, promise, or agreement, whether or not legally enforceable, to make, disburse, or furnish any item referred to in the preceding sentence. The term "expenditure" shall not apply to any gift or loan to any individual who is an immediate member of the family of the donor or lender.

(6) the term "Federal officer or employee" means—

(A) any Member of the Senate or the House of Representatives, any Delegate to the House of Representatives, and the Resident Commissioner in the House of Representatives;

(B) any officer or employee of the Senate or the House of Representatives or any employee of any Member, committee, or officer of the Congress;

(C) any officer of the executive branch of the Government listed in sections 5312 through 5316 of title 5, United States Code; and

(D) the Comptroller General, Deputy Comptroller General, General Counsel of the United States General Accounting Office, and any officer or employee of the United States General Accounting Office whose compensation is fixed by the Comptroller General in accordance with section 203(i) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 52b);

(7) "Identification" means—

(A) in the case of an individual, the name and personal or business address of the individual, and any position held in the organization identifying the individual pursuant to the registration and reporting requirements of this Act; and

(B) in the case of an organization, the name and address of the organization, the principal place of business of the organization, the nature of its business or activities, and the names of the chief executive officer and the directors of the organization, regardless of whether such officers or directors are paid.

(8) the term "lobbying communication" means, with respect to a Federal officer or employee described in section 3(6) (A) or (B), an oral or written communication directed to such Federal officer or employee to influence the content or disposition of any bill, resolution, treaty, nomination, hearing, report, or investigation, and, with respect to a Federal officer or employee described in section 3(6) (C) or (D), an oral or written communication directed to such Federal officer or employee to influence the content or disposition of any bill, resolution, or treaty which has been transmitted to or introduced in either House of Congress, any nomination to be submitted to the Senate, or any hearing or investigation being conducted by the Congress or any committee or subcommittee thereof, but does not include—

(A) a communication (i) made by any employee of the Federal Government or (ii) made in the form of public testimony given before a committee or office of the Congress or submitted for inclusion in the public record; or

(B) a communication made through a speech or address, through a newspaper, book, periodical, or magazine published for distribution to the general public, or through a radio or television transmission, or through a regular publication of an organization published in substantial part for purposes unrelated to engaging in activities described in section 4(a): except that this exemption shall not apply to an organization responsible for the purchase of a paid advertisement in a newspaper, magazine, book, periodical, or other publication distributed to the general public, or of a paid radio or television advertisement; or

(C) a communication by an individual solely for a redress of personal grievances, or solely to express his personal opinion; or

(D) a communication on any subject directly affecting an organization to (i) a Senator, or to an individual on his personal staff, if such organization's principal place of business is located in the State represented by such Senator, or (ii) a Member of the House of Representatives, or to an individual on his personal staff, if such organization's principal place of business is located in the state in which such Member's congressional district is located; or

(E) a communication which concerns solely the existence or status of any bill, resolution, treaty, nomination, hearing, report or investigation.

(9) the term "organization" means—

(A) any corporation (excluding a Government corporation), company, foundation, association, labor organization, firm, partnership, society, joint stock company, organization of State or local elected or appointed officials (excluding any Federal, State, or local unit of government other than than a State college or university as described in section 511(a)(22)(B) of the Internal Revenue Code of 1954, and excluding any Indian tribe, any national or State political party and any organizational unit thereof, and any Federal, State, or local unit of government of another country), group of organizations, or group of individuals; and

(B) any agent of a foreign principal as defined in section 1 of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611);

(10) the term "quarterly filing period" means any calendar quarter beginning on January 1, April 1, July 1, or October 1; and

(11) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

APPLICABILITY OF ACT

SEC. 4. (a) The provisions of this Act shall apply to—

(1) any organization which makes expenditures in excess of $500 in any quarterly filing period for:

(A) the retention of one or more individuals or organizations to make lobbying communications, or for the express purpose of drafting any such lobbying communication; or

(b) the benefit of any Federal officer or employee if the expenditure is one described in paragraphs (2) and (3) of Section 6(b) of this act; or

(C) both (A) and (B); or

(2) any organization which (A) employs at least one individual who, on all or any part of each of thirteen days or more in any quarterly filing period, or two or more individuals, each of whom, on all or any part of each of seven days or more in any quarterly filing period, makes lobbying communications on behalf of that organization, and (B) makes expenditures in excess of $500 in such quarterly filing perior for:

(i) the employment of one or more individuals to make lobbying communications to the extent described in paragraph (2)(A); or

(ii) for the benefit of any Federal officer or employee in the expenditure is one described in paragraphs (2) and (3) of Section 6(b) of this Act; or

(iii) both (i) and (ii).

(3) The provisions of sections 5 and 6 of this Act shall not apply to an affiliate of a registered organization if such affiliate engages in activities to the extent described in paragraphs (1) and (2) of this subsection and such activities are reported by the registered organization. Any registered organization which reports on behalf of any affiliate under this paragraph shall include in its registration and reports an identification of such affiliate.

(b) For the purposes of this section, an expenditure for the retention of any individual making lobbying communications shall be computed at the daily rate of any expenditure for retention or employment for each day such activity occurs.

(c) This Act shall not apply to practices or activities regulated by the Federal Election Campaign Act of 1971.

REGISTRATION OF LOBBYISTS

SEC. 5(a) Each organization shall register with the Comptroller General not later than thirty days after engaging in activities to the extent described in section 4

(b) The registration shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) an identification of the organization, except that nothing in this paragraph shall be construed to require the disclosure of the identity of the individuals who are members of an organization; and

(2) an identification of any retained individual or organization described in Section 4(a)(1) (hereinafter in this Act referred to as "retainee") and of any employee who engages in activities to the extent described in section 4(a)(2); and

(3)(A) a separate schedule listing the name and address of each organization from which the registered organization received directly or indirectly $3,000 or more in dues or contributions during the year preceding the year in which the registration is filed, including any contribution or dues given by an individual acting on behalf of an organization or reimbursed by an organization, where (i) the dues or contributions were expended in whole or in part by the registered organization for activities described in section 4, and (ii) the total expenditures reported by the organization under section 6(b) during that calendar year exceeded 1 per centum of the total annual income of the registered organization from all sources during that calendar year.

(B) The organization shall indicate the amount of the dues or contributions provided by such organization: Provided, that the organization may, in its own discretion solely, state such amount in the following categories: Category A- amounts equal to or greater than $3,000, but less than $10,000; Category B- amounts equal to or greater than $10,000, but less than $25,000; Category C- amounts equal to or greater than $25,000, but less than $50,000; Category D- amounts equal to or greater than $50,000, but less than $100,000; Category E- amounts equal to or greater than $100,000, but less than $250,000; Category F- amounts equal to or greater than $250,000.

(C) This subsection shall not apply to a religious organization as described in § 501(c)(3) of the Internal Revenue Code of 1954 and which is excepted from filing an informational return under § 6033(a)(2)(A) of the Internal Revenue Code of 1954.

(c) A registration filed under subsection (a) in any calendar year shall be effective until January 15 of the succeeding calendar year. Each organization required to register under subsection (a) shall file a new registration under such subsection within thirty days after the expiration of the previous registration, unless such organization notifies the Comptroller General, under subsection (d), with respect to terminating the registration of the organization.

(d) Any registered organization which determines that it will no longer engage in activities to the extent described in section 4(a) shall so notify the Comptroller General. Such organization shall submit with such notification either (1) a final report, containing the information specified in section 6(b), concerning any activities to the extent described in section 4(a) which the organization has not previously reported, or (2) a statement, pursuant to section 6(a)(2) as the case may be. When the Comptroller General receives such notification and report or statement, the registration of such organization shall cease to be effective.

REPORTS

SEC. 6. (a)(1) Each organization which engages in the activities to the extent described in section 4(a) during a quarterly filing period shall, not later than thirty days after the last day of such period, file a report concerning such activities with the Comptroller General.

(2) Each registered organization which does not engage in the activities to the extent described in section 4(a) during a quarterly filing period shall file a statement to that effect with the Comptroller General.

(b) Each report required under subsection (a) shall contain the following, which shall be regarded as material for the purposes of this Act—

(1) An identification of the organization filing such report;

(2) An itemized listing of each expenditure in excess of $35 made during the quarterly period, on behalf of, or for the benefit of any Federal officer or employee, and an identification of such officer or employee where the expenditure is (i) by the organization or by the person employed or retained by the organization who is reimbursed for the expenditure, or (ii) by an officer, director, or employee of the organization if such individual has taken, or will take, such gift, in whole or in part, as a deduction under section 162 or 212 of the Internal Revenue Code;

(3) A disclosure of those expenditures for any reception, dinner, or other similar event which is paid for, in whole or in part, by the reporting organization and which is held specifically for the benefit of any Federal officer or employee, regardless of the number of persons invited or in attendance, where the total cost of the event to the organization exceeds $500;

(4) An identification of those individuals or organizations retained by the organization filing the report to make lobbying communications, or for the express purpose of drafting any such communications, and of the expenditures made pursuant to such retention;

(5) An identification of any employee of the organization filing the report who makes lobbying communications on all or part of each of seven days or more, and the expenditures made pursuant to such employment.

For the purposes of this paragraph, expenditures are to be reported disclosing:

(A) the actual amount which is paid to the individual employed by the reporting organization which is attributable to the actual time spent making or drafting any lobbying communication; or

(B) the daily rate of any expenditure for employment for each day spent making or drafting any lobbying communication, regardless of the actual time spent on such activity; or

(C) the total quarterly expenditures paid to the individual employed by the organization filing the report;

(6) A description of the twenty or fewer issues concerning which the organization filing such report engaged in lobbying communications and upon which the organization spent the most significant amount of its efforts.

If the organization engaged in lobbying communications on fewer than twenty issues, these issues shall be reported;

(7) Disclosure of each known direct business relationship between the reporting organization and a Federal officer or employee whom such organization has sought to influence during the quarterly filing period involved;

(8)(A) In the case of solicitations, including those made through paid advertisements, where the expenditures for all such solicitations made by the reporting organization (or made by any individual affiliate of the reporting organization acting at the direction of the reporting organization) exceeds $2,500 during the calendar quarter—

(i) A description of each issue as to which a solicitation costing more than $500 was made;

(ii) An identification of any person or organization retained to make a solicitation costing more than $500, and the expenditures made pursuant to such retention;

(iii) The total expenditures made on all solicitations, including a separate subtotal indicating the total cost for all solicitations made through paid advertisements during that period.

(B) The reporting organization may, in its own discretion solely, instead of listing the amounts to be reported under paragraphs 8(A)(ii) and 8(A)(iii) of this section, state such amounts in the following categories: Category A—amounts less than $500; Category B—amounts equal to or greater than $500, but less than $1,000; Category C—amounts equal to or greater than $1,000, but less than $2,500; Category D—amounts equal to or greater than $2,500, but less than $5,000; Category E—amounts equal to or greater than $5,000; but less than $10,000, Category F—amounts equal to or greater than $10,000, but less than $25,000; Category G—amounts equal to or greater than $25,000, but less than $50,000; Category H—amounts equal to or greater than $50,000, but less than $100,000; Category I—amounts equal to or greater than $100,000, but less than $250,000; Category J—amounts equal to or greater than $250,000, but less than $500,000; Category K—amounts equal to or greater than $500,000, but less than $1,000,000; Category L—amounts equal to or greater than $1,000,000.

(C) For the purposes of this paragraph, the term "solicitation" means any communication directly urging, requesting, or requiring another person or an affiliate of the reporting organization to advocate a specific position on a particular issue and to seek to influence a Member of Congress with respect to such issue (but does not mean such communication by one organization registered under this Act to another organization registered under this Act) and the term "expenditure" means payments made for retainees, postage, telegraph, telephones, advertising, printing, and distribution which are directly attributable to activities described in this paragraph, and for such payments attributable partly to activities in this paragraph where such payments, with reasonable precision and ease, may be directly allocated to those activities.

(c) An organization described in section 501(c)(3) of the Internal Revenue Code of 1954 that has made the election provided for in section 501(h)(3) of such Code (or the corresponding provision of any future United States Internal Revenue law) may, in satisfaction of it duty to submit the information called for by subsection (b), submit a statement of its expenditures during the quarter for the purpose of influencing legislation, as defined in section 4911(d) of such Code, computed in the same manner as the organization computes such expenditures for the purpose of reporting pursuant to section 6033(b)(8) of such Code. The Comptroller General may require any such organization to disclose to the Comptroller General the methods used from time to time by such organization in computing its expenditures for the purpose of influencing legislation, as defined in section 4911(d) of the Internal Revenue Code.

RECORDS

SEC. 7. (a) Each organization required to be registered and each retainee of such organization shall maintain for each quarterly filing period such records as may be necessary to enable such organization to file the registrations and reports required to be filed under this Act, except that, in those situations where a registered organization elects to report as to the lobbying activities of its affiliates pursuant to section 4(a), such affiliates shall be responsible for maintaining such records as are necessary to enable the registered organization to fully discharge its reporting obligations as they pertain to such affiliates. The Comptroller General may not by rule or regulation require an organization to maintain or establish records (other than those records normally maintained by the organization) for the purpose of enabling him to determine whether such organization is required to register.

(b) Any officer, director, employee, or retainee of any organization shall provide to such organization such information as may be necessary to enable such organization to comply with the recordkeeping and reporting requirements of this Act. Any organization which shall rely in good faith on the information provided by any such officer, director, employee, or retainee shall be deemed to have complied with subsection (a) with respect to that information.

(c) The records required by subsection (a) shall be preserved for a period of not less than five years after the close of the quarterly filing period to which such records relate.

DUTIES OF THE COMPTROLLER GENERAL

SEC. 8. (a) It shall be the duty of the Comptroller General:

(1) to develop filing, coding, and cross-indexing systems to carry out the purposes of this Act, including but not limited to (A) a cross-indexing system which, for any retainee identified in Section 5(b)(2) or 6(b)(4) of this Act, discloses each organization identifying such retainee in any such registration or report, and (B) a cross-indexing system, to be developed in cooperation with the Federal Election Commission, which discloses for any such retainee or organization registered under this Act each identification of such retainee or such organization in any report filed under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), including the amounts and recipients of any campaign contributions made by such person;

(2) to make copies of each registration and report filed with him under this Act available for public inspection and copying, commencing as soon as practicable after the date on which the registration or report involved

is received, but not later than the end of the fifth working day following such date, and to permit copying of such registration or report by hand or by copying machine or, at the request of any individual or organization, to furnish a copy of any such registration or report upon payment of the cost of making and furnishing such copy;

(3) to preserve the originals or accurate reproduction of such registrations and reports for a period of not less than five years from the date on which the registration or report is received;

(4) to compile and summarize, with respect to each quarterly filing period, the information contained in registrations and reports filed during such periods in a manner which clearly presents the extent and nature of the activities described in section 4(a) which are engaged in during such period;

(5) to make the information compiled and summarized under paragraph (4) available to the public within sixty days after the close of each quarterly filing period, and to permit copying of such information by hand or by copying machine or, at the request of any individual or organization, to furnish a copy of such information upon payment of the cost of making and furnishing such copy;

(6) to prescribe, following consultation with the Attorney General, such rules and regulations and such forms as may be necessary to carry out the provisions of this Act in an effective and efficient manner;

(7) to refer to the Attorney General all apparent violations of any provisions of this Act or of any rule of regulation promulgated in accordance therewith;

(8) to provide, upon request and to the extent practicable, and under such published procedures and circumstances as are mutually agreed upon by the Comptroller General and the Attorney General, guidance and assistance on the recordkeeping, registration, and reporting requirements of this Act;

(9) to review and to make such supplemental verifications or inquiries as are necessary to ensure the completeness, accuracy, and timeliness of filed registration statements and filed quarterly reports.

(b) The duties of the Comptroller General described in subsection (a)(6) of this section shall be carried out in conformity with chapter 5 of title 5, United States Code, and any records maintained by the Comptroller General under this Act shall be subject to the provisions of sections 552 and 552a of such chapter.

(c) When the Comptroller General has reason to believe that an organization has failed to register or report as required by this Act, he shall notify the Attorney General. If the Attorney General does not request an alternative disposition of the matter within ninety days after such notification, the Comptroller General may then contact the organization involved, review the matter with the organization, and endeavor to correct it.

ENFORCEMENT

SEC. 9. (a) Any individual or organization knowingly violating section 5, 6, or 7 of this Act, or any rule or regulation promulgated in accordance therewith, shall be subject to a civil penalty for each such violation. The total penalty that may be imposed for all violations, whether one or more, in any single case, shall not exceed $100,000. It shall be a defense to an action under this subsection that the defendant had a good faith and reasonable belief in the legality of the conduct constituting the violation. In determining the amount of civil penalty, the court shall consider:

(1) the nature and circumstances of the violation;

(2) any previous violations; and

(3) the impact of the penalty on the defendant's ability to engage in lobbying communications.

(b) If the Attorney General determines that there is reason to believe that any individual or organization has engaged in any act or practice which constitutes a civil violation of this Act, he shall, at least thirty days prior to bringing an action under subsection (a) or (c), report to the individual or organization in writing, specifying in what respects compliance with the Act is deficient, and endeavor to correct such violation by informal methods of conference, or conciliation, unless the Attorney General determines that such report, conference or conciliation would interfere with the effective enforcement of this Act.

(c) If the informal methods described in subsection (b) fail, or if the Attorney General determines that such methods would interfere with effective enforcement of this Act, the Attorney General may institute a civil action, including an action for a permanent or temporary injunction, restraining order, or any other appropriate relief, to compel such individual or organization to comply with the provisions of sections 5, 6 or 7 of this Act.

(d) The United States district courts shall have jurisdiction of actions brought under this Act.

(e)(1) For the purposes of this subsection only, "person" shall mean any organization which is the subject of an investigation under this Act, and any officer, director, employee, or retainee thereof.

(2) Whenever the Attorney General has facts or circumstances which reasonably indicate that a person may be violating or may have violated this Act, he may, prior to the institution of a proceeding thereon, issue in writing, and cause to be served upon such person, a civil investigative demand requiring such person to produce such documentary material for inspection and copying or reproduction. No such civil investigative demand shall be issued without the specific written approval of the Attorney General, the Deputy Attorney General, the Associate Attorney General or an Assistant Attorney General.

(3) Each such demand shall—

(A) state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable thereto;

(B) describe the class or classes of documentary material to be produced thereunder with such definiteness and certainty as to permit such material to be fairly identified; and

(C) prescribe a return date or dates which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction.

(4) No such demand shall require the production of any documentary material, if such material would be protected from disclosure under—

(A) the standards applicable to subpoenas or subpoenas duces tecum issued by a court of the United States in aid of a grand jury investigation, or

(B) the standards applicable to discovery requests under the Federal Rules of Civil Procedure, to the extent that the application of such standards to any such demand is appropriate and consistent with the provisions and purposes of this subsection.

(5) Any such demand may be served by any United States Attorney, or by a United States marshal or deputy marshal, at any place within the territorial jurisdiction of any court of the United States.

(6)(A) Service of any such demand or of any petition filed under paragraph (14) of this section may be made upon a partnership, corporation, association, or other legal entity by—

(i) delivering a duly executed copy thereof to any partner, executive officer, managing agent, or general agent thereof, or to any agent thereof authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or entity; or

(ii) delivering a duly executed copy thereof to the principal office or place of business of the partnership, corporation, association, or entity to be served; or

(iii) depositing such copy in the United States mails, by registered or certified mail, return receipt requested, duly addressed to such partnership, corporation, association, or entity at its principal office or place of business.

(B) Service of any such demand or of any petition filed under paragraph (14) of this section may be made upon any individual by—

(i) delivering a duly executed copy thereof to the person to be served; or

(ii) depositing such copy in the United States mails by registered or certified mail, return receipt requested, duly addressed to such person at his residence or principal office or place of business.

(7) A verified return by the individual serving any such demand or petition setting forth the manner of such service shall be prima facie proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such demand.

(8) The production of documentary material in response to a demand served pursuant to this section shall be made to the custodian designated in the demand under a sworn certificate, in such form as the demand designates, by the person, if an individual, to whom the demand is directed or, if not an individual, by an individual having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the individual to whom the demand is directed has been produced and made available.

(9)(A) The Attorney General shall designate an officer or employee of the Department of Justice to serve as a document custodian, and such additional officers or employees of the Department of Justice as he shall determine from time to time to be necessary to serve as deputies to such officer.

(B) The custodian to whom any documentary material is delivered shall take physical possession thereof, and shall be responsible for the use made thereof, and for the return thereof pursuant to this section. The custodian may cause the preparation of such copies of such documentary material as may be required for official use under regulations which shall be promulgated by the Attorney General. While in the possession of the custodian, no material so produced shall be available for examination, without the consent of the person who produced such material, by any individual other than an officer or employee of the Department of Justice. Under such reasonable terms and conditions as the Attorney General shall prescribe, documentary material while in the possession of the custodian shall be available for examination by the person who produced such material or any duly authorized representatives of such person.

(10) Whenever any attorney has been designated to appear on behalf of the United States before any court in any case or proceeding involving any alleged violation of this Act, the custodian may deliver to such attorney such documentary material in the possession of the custodian as such attorney determines to be required for use in the presentation of such case or proceeding on behalf of the United States. Upon the conclusion of any such case or proceeding, such attorney shall return to the custodian any documentary material so withdrawn which has not passed into the control of such court through the introduction thereof into the record of such case or proceeding.

(11) Upon the completion of any investigation for which any documentary material was produced under this section, and any case or proceeding arising from such investigation, the custodian shall return to the person who produced such material all such material other than copies thereof made by the Attorney General pursuant to this subsection which has not passed into the control of any court through the introduction thereof into the record of such case or proceeding.

(12) When any documentary material has been produced by any person under this section for use in any investigation under this Act, and no such case or proceeding arising therefrom has been instituted within a reasonable time after completion of the examination and analysis of all evidence assembled in the course of such investigation, such person shall be entitled, upon written demand made upon the Attorney General, to the return of all documentary material other than copies thereof made pursuant to this subsection so produced by such person.

(13) In the event of the death, disability, or separation from service of the custodian of any documentary material produced under any demand issued under this section or the official relief of such custodian from responsibility for the custody and control of such material, the Attorney General shall promptly—

(A) designate another officer or employee of the Department of Justice to serve as custodian thereof, and

(B) transmit notice in writing to the person who produced such material as to the identity and address of the custodian designated pursuant to subparagraph (A). Any custodian designated pursuant to subparagraph (A) shall have with regard to such materials all duties and responsibilities imposed by this section upon his predecessor in office with regard thereto, except that he shall not be held responsible for any default or dereliction which occurred before his designation as custodian.

(14) Whenever any person fails to comply with any civil investigative demand duly served upon him under this section or whenever satisfactory copying or reproduction of any such material cannot be done and such person refused to surrender such material, the Attorney General may file, in the district court of the United States for any judicial district in which such person resides, if found, or transacts business, and serve upon such person a petition, for an order of such court for the enforcement of this section, except that if such person transacts business in more than one such district such petition shall be filed in the district in which such person maintains his principal place of business, or in such other district in which such person transacts business as may be agreed upon by the parties to such petition.

(15) Within twenty days after the service of any such demand upon any person, or at any time before the return date specified in the demand, whichever period is shorter, such person may file, in the district court of the United States for the judicial district within which such person resides, is found, or transacts business, and serve upon such custodian a petition for an order of such court modifying or setting aside such demand. The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the court shall not run during the pendency of such petition in the court. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of such demand to comply with the provisions of this section or upon any constitutional or other legal right or privilege of such person.

(16) At any time during which any custodian is in custody or control of any documentary material delivered by any person in compliance with any such demand, such person may file, in the district court of the United States for the judicial district within which the office of such custodian is situated, and serve upon such custodian a petition for an order of such court requiring the performance by such custodian of any duty imposed upon him by this section.

(17) Whenever any petition is filed in any district court of the United States under this section, such court shall have jurisdiction to hear and determine the matter so presented, and to enter such order or orders as may be required to carry into effect the provisions of this section.

(18) Any documentary material, provided pursuant to any demand issued under this section shall be exempt from disclosure under section 552 of title 5, United States Code.

(f) In any proceeding conducted pursuant to this section, the court may, in its discretion, examine *in camera* the documentary material which is the subject of the civil investigative demand or any discovery proceeding to determine whether the demand should be enforced, modified, or set aside, or whether the material should be otherwise discoverable. In its discretion, the court may also consider *in camera* any determination made by the Attorney General under subsection (e)(2) of this section.

(g) In any case in which the Comptroller General refers a matter to the Attorney General, the Attorney General shall notify the Comptroller General with respect to the action taken regarding the matter.

REPORTS BY THE COMPTROLLER GENERAL

SEC. 10. The Comptroller General shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Comptroller General in carrying out his duties and functions under this Act, together with recommendations for such legislative or other action as the Comptroller General considers appropriate.

REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT

SEC. 11. The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.), and that part of the table of contents of the Legislative Reorganization Act of 1946 which pertains to title III thereof, are repealed.

SEPARABILITY

SEC. 12. If any provision of this Act, or the application thereof, is held invalid, the validity of the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

EFFECTIVE DATES

SEC. 14. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on October 1, 1980.

(b) Sections 5, 6, 7, 9, and 11 shall take effect on the first day of the first calendar quarter beginning after the date on which the first rules and regulations promulgated to carry out the provisions of sections 5, 6, and 7 take effect.

LOBBYING DISCLOSURE ACT OF 1979: QUESTIONS AND ANSWERS

Why do we need a lobbying disclosure law?

Citizens have a right to know how their government works. This includes the right to know how government decisions are made and particularly how these decisions are influenced. Recent legislative efforts have opened up key aspects of the governmental decision-making process to public scrutiny. Congress conducts open hearings and open committee meetings and mark-ups of legislation. Moreover, transcripts are maintained of committee and floor actions and are made available to the public. Members of Congress publicly disclose their campaign finances and personal finances. The fundamental purpose of these efforts is to enable the public to better understand how the legislative decisions are made.

But, there is still one critical gap in the information flow to the public: the influence of lobbying groups. The purpose of a lobbying disclosure law is to bridge this gap by making available to the public information concerning which organizations are spending money to influence government decision-making. A lobbying disclosure law statutorily protects the public's right to know the sources and intensity of significant organizational pressures upon the legislative process.

Why isn't the present lobbying disclosure law adequate?

The current lobbying disclosure law, in effect since 1946, contains many loopholes. It only applies to contacts with the members of Congress themselves. It does not cover contacts with Congressional staff members.

Only organizations whose principal purpose is to influence legislation are covered. The majority of influential organizations can legitimately claim that lobbying is not their principal purpose, despite the fact that they spend a substantial amount of money and time on lobbying.

Moreover, enforcement and administration of the current law are largely ineffective. The Secretary of the Senate and the Clerk of the House have no authority to audit records. The 1946 Act provides only criminal sanctions for violations of the statute. Minor or inadvertent violations are never corrected. The Justice Department must either seek to impose criminal penalties or else let violations go unpenalized. This situation has effectively rendered the current law unenforceable.

To illustrate the inadequacy of the current law, Time magazine last summer estimated that of the 15,000 lobbyists in Washington, only 2,000 are actually registered. Estimates of the amount of money spent by lobbyists in Washington run as high as $2 billion annually. Yet, little of this is ever reported.

Thus, it is evident that the current law fails to give an accurate picture of who is spending money and exerting pressure to influence Congressional decision-making.

Who will be covered by the Lobbying Disclosure Act of 1979?

Organizations which engage in a substantial amount of lobbying as determined by easily calculable measures.

To be covered by this bill, the lobbying organization must employ at least one person who makes direct lobbying contacts on 13 separate days during a calendar quarter, or at least two persons who make direct lobbying contacts on 7 separate days during a quarter. In addition, the annual salaries for the lobbying employees of the organization must total approximately $14,000 or more.

An organization hiring an outsider to lobby for it and spending at least $500 per calendar quarter is covered by the Act.

This threshold measures time and money spent on lobbying in ways that are easily calculated. It is very simple for an organization to keep track of the days spent lobbying, the salaries paid to employees of the lobbying organization, and the amount of money paid to retained lobbyists.

Will the Lobbying Disclosure Act of 1979 require individuals to register and file reports?

No. The bill introduced by Senator Lawton Chiles will require only organizations and foreign agents to register and file reports if they come within the threshold for coverage.

Does the Act cover volunteers?

No. To come within the applicability pro-

visions of the Act, lobbyists must be paid for their services.

Will this bill require John Q. Citizen to register or to report his contacts with Congress solely to express his personal views or opinions?

No. It expressly exempts communications by an individual solely for a redress of personal grievances or expression of personal opinion.

Is a communication between an organization and a Senator or Congressman from the oraginization's home state considered a lobbying communication under the new bill?

No. Communications to a Senator or Congressman or his personal staff are exempt if the organization's principal place of business is located in the home state of the Senator or Congressman.

Would this bill affect a group that travels to Washington to lobby Congress on a one-shot basis? For example, if the Garden Club from Gainesville, Florida, comes to Washington to lobby the Congress on environmental issues for five straight days, will it have to register and report its activities?

No.

Will this bill affect private interest organizations differently than public interest organizations?

No. This threshold approach to coverage replaces the vague, unenforceable "principal purpose test" of the 1946 Act with an easily measurable, objective standard which evenhandedly covers all organizations that engage in significant lobbying of Congress.

What does registration entail?

Each organization covered by the Act will register once a year with the Comptroller General.

In the registration, the covered organizations will disclose:

Identification of the organization, but not the identity of individual members;

Identification of retained persons hired by the organization to lobby if the retained person is paid at least $500 in a quarter;

Identification of any employee who makes direct contacts falling within the day and dollar threshold;

A listing of organizations which contribute $3,000 or more to the registered organization if the dues or contributions are used in part for lobbying and the total annual lobbying expenditures of the registered organization are more than 1 percent of the registered organizations' total annual income.

Will the reporting requirements be unduly burdensome?

No. The reporting requirements in this bill are simple to comply with. They are designed to make public only that basic information which is essential to getting a picture of the activities of a lobbying group.

Each covered organization will file a quarterly report with the Comptroller General disclosing:

The name of the organization;

The issues sought to be influenced;

Amounts in excess of $35 spent for gifts for Federal employees;

Expenditures for any reception, dinner or similar event specifically held for the benefit of any Federal officer or employee where the costs to the organization exceeds $500;

Identification of retained lobbyists and expenditures made pursuant thereto;

Identification of employees of the organization who lobby and expenditures made pursuant to such employment;

Any direct business relationship between the reporting organization and a Federal officer or employee whom the organization sought to influence; and

Indirect lobbying where the reporting organization has spent more than $2,500:

A listing of the issues, and identification of retained lobbyist where the indirect lobbying cost more than $500; and

The expenses made for indirect lobbying.

This bill minimizes recordkeeping and reporting requirements. In fact, it simplifies the recordkeeping and reporting requirements as compared with the current lobbying law. For example, the 1946 law requires all lobbying organizations and all lobbyists to file separate registrations. Under this Act only lobbying organizations will be required to file, eliminating duplication.

What is indirect lobbying?

Sometimes, a lobbying group will supplement its direct contacts with Congress with well-orchestrated campaigns to influence public opinion on a specific issue. Newspaper or television ads and mass mailings urging people to contact Congress are examples of methods used to influence opinion. Such methods constitute indirect lobbying, a practice which is expanding rapidly.

What penalties are provided for violation of the law?

This bill provides for civil penalties. Since some violations of the law are likely to be technical violations growing out of inadvertance or misunderstanding, the bill includes provisions for informal methods of conference and conciliation and other similar protections against abusive enforcement.

Does this bill prohibit or restrict lobbying?

No. The law in no way will prohibit or restrict lobbying activities. This bill merely requires that the basic information about significant organisational influence upon the legislative process be open to the public.

SAMPLE REPORTING FORM

For Calendar Quarter Ending: ———.

(To be filed only if a group has had sufficient direct lobbying contacts.)

1. Identification of Group.
2. List each expenditure greater than $35 made for the benefit of Federal employees.
3. List each reception held for federal employees which cost the group more than $500.
4. Identify any person or organization retained to lobby and any paid employee who lobbied for 7 days or more: (R-retainee; E-employee) Name ——— amount paid ———.
5. List the most significant issues on which group lobbied.
6. List any Federal official who has a direct business relationship with the group and whom the group lobbied:
7. Indirect lobbying efforts (Applicable only to groups filing this report who spent more than $2,500.)

A. List each issue on which the group spent more than $500.

B. Identify any retainee paid more than $500 to make an indirect solicitation: Name ——— amount paid ———.

C. Total expenses incurred in indirect lobbying activities; list advertising expenses separately.

1. Advertising ——— 2. Other expenses ———.

EXPENSE RANGE CATEGORIES FOR USE IN ITEM 7

A. Less than $500;
B. $500 to $1,000;
C. $1,000 to $2,500;
D. $2,500 to $5,000;
E. $5,000 to $10,000;
F. $10,000 to $25,000;
G. $25,000 to $50,000;
H. $50,000 to $100,000;
I. $100,000 to $250,000;
J. $250,000 to $50,000;
K. $500,000 to $1,000,000; and
L. More than $1,000,000

SAMPLE REGISTRATION FORM

For Calendar Year: ———

1. Identification of Organization (Name, address, nature of business, names of directors and chief executive officers).

If electing to file for affiliates, identify:

2. Name and address of organization's paid lobbyist: (R-retained lobbyists; E-employees who lobby).
3. List organizations which gave $3,000 or more to your group if donation was used for lobbying (Church groups not required to list)

Name and Address of Contributor Group: ———

Amount: (List contributors by categories).

A. $3,000 to $10,000;
B. $10,000 to $25,000;
C. $25,000 to $50,000;
D. $50,000 to $100,000;
E. $100,000 to $250,000; and
F. $250,000 and above.

By Mr. BELLMON:

S. 1565. A bill to amend the Internal Revenue Code of 1954 to provide for the withholding of tax on dividends and interest; to the Committee on Finance.

● Mr. BELLMON. Mr. President, today I am introducing a bill to withhold tax on dividend and interest income and, thereby provide an exclusion for the first $100 of interest income and an increase in the present exclusion for dividend income to $200. This bill is conceived in an effort to reduce the substantial amount of interest and dividend income that is not reported for tax purposes to the Treasury each year. The nonreporting of taxable income places the increasing burden of Federal taxation squarely on the honest taxpayer who reports all of his income and on the wage earners of America who are already subject to withholding. I think it is time that the Congress take action to redress this inequity.

Congressional concern over the incidence of unreported interest and dividend income is not new. In 1962, President Kennedy proposed, and the Ways and means Committee adopted, a withholding proposal in the Revenue Act of 1962 as a way of eliminating what was then thought to be $3.7 billion in unreported dividend and interest income. The provision was later deleted.

In testimony before the Senate Finance Committee in 1976, the Deputy Assistant Secretary for Tax Policy indicated that the amount of unreported interest and dividend income had risen to $8 billion. I understand that the Treasury is about to publish a study on the "subterranean economy" which estimates that the present level of underreporting may be as much as $14 billion, or 15 percent of the total $93 billion in interest and dividend income that was reported in 1978. This is a significant amount.

The bill I am introducing today attempts to eliminate a major portion of this underreporting by withholding tax at a 15-percent rate at the time the interest and dividend income is paid. This would provide the Treasury with a more extensive accounting of the income received by taxpayers. This would also provide taxpayers with an incentive to report interest and dividend income in order to claim the credit against their total tax liability.

This bill provides further that the withholding agent transfer the withheld tax to the Treasury at the end of each calendar quarter. This provision allows

for some financial offset for the administrative costs of the bill.

I point out that the Treasury presently is developing an elaborate reporting system to deal with the underreporting problem. Undoubtedly, a system that was broad and detailed enough to deal with the problem effectively would also represent a substantial cost to the financial community. A system of withholding is a less costly alternative to such an approach.

In setting a withholding rate, it is important that it be high enough to provide an incentive to taxpayers to declare in ome that might otherwise go unreported but not so high as to overwithhold. Overwithholding is a particular problem among those with less than $100 in interest and dividend income and among the elderly who may have substantial amounts of investment income but are taxed at relatively low rates.

To minimize the possibility of overwithholding, exemption certificates are provided for:

First, those who have had no tax liability in the prior year and who expect to have no tax liability in the current year;

Second, who exnect the tax liability associated with interest income to be less than $15; and

Third, who are over the age of 65 and expect that the tax liability associated with interest and dividend income will not exceed $100.

The revenue gain associated with the withholding proposal is $2.5 to $3.5 billion a year. I would like to emphasize that only in the first year do the accelerated payments implied by withholding contribute significantly to the revenue gain to the Treasury. In each successive year, the Treasury will receive $2.5 to $3.5 billion in receipts from taxable income that was previously not reported. This is an important step forward in improving the equity of our tax system.

This bill further proposes to use the revenues resulting from improved reporting to provide an exclusion for the first $100 of interest income and increase in the present dividend exclusion from $100 to $200. These tax benefits to the small saver and investor are a necessary offset to the increased risk and lower real return that results from the present inflationary environment. Because of the substantial revenue gain from adopting withholding on interest and dividends; the increases in the exclusions for interest and dividend income can be provided with a small net revenue gain to the Treasury.

I ask unanimous consent that a table showing the revenue impact of the bill be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REVENUE IMPACT OF THE BILL [1]

	Fiscal year—				
	1980	1981	1982	1983	1984
Revenue loss due to:					
$100 interest exclusion	−0.5	−1.7	−1.9	−2.0	−2.2
$100 increase in dividend exclusion	−.1	−.4	−.5	−.5	−.6
Total revenue loss	−.6	−2.1	−2.4	−2.5	−2.8
Revenue gain due to:					
Withholding on previously unreported income	1.1	2.3	2.6	2.9	3.2
Accelerated payments	1.9	.2	.2	.3	.3
Total revenue gain	3.0	2.5	2.8	3.2	3.5
Net revenue impact of the bill	2.3	.4	.4	.7	.8

[1] All numbers may not add due to rounding.

Source: Joint Tax Committee and Congressional Budget Office.

Mr. BELLMON. Mr. President, the United States is the only major industrialized country that does not have some form of withholding on either dividends or interest. Other countries which generally have higher savings rates than the United States, have not found withholding a deterrent to capital formation. In providing for more preferential tax treatment for dividend and interest income, especially among small savers, the legislation I am introducing today will enhance capital formation—and at no loss of revenue to the Federal Government.●

By Mr. HATFIELD:

S. 1567. A bill to establish the Yaquina Head Outstanding Natural Area in the State of Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. HATFIELD. Mr. President, today I am introducing a bill to protect and restore certain coastal lands on Yaquina Head in the State of Oregon.

Yaquina Head is situated on the Oregon coast at Agate Beach, about 3 miles north of Newport. This headland is a basalt promontory extending seaward for about a half mile from the shoreline. Its rugged beauty has been described as one of the outstanding features of the Oregon coast. The headland with its historic lighthouse combine to make the tip of the area one of the most popular places on the Oregon coast.

The tip of Yaquina Head, about 23 acres, is presently in public ownership and set aside by the Coast Guard for lighthouse purposes. The islands off the tip of the headland are managed by the U.S. Fish and Wildlife Service as a bird and mammal refuge and sanctuary. Part of the land which is now under the jurisdiction of the Coast Guard, some 18.1 acres, is being transferred to BLM and is proposed to be classified as an outstanding natural area. This proposed BLM natural area is adjacent to a tract of private lands where quarry operations are threatening the entire headland.

The eastern portion of Yaquina Head, which is under private ownership, has been severely impacted by rock quarry activity. BLM advises that the rock removal has lowered the surface of the headland by over 100 feet, and the area is laced with dirt haul roads.

If quarrying continues as announced, the excavation and removal or rock will totally destroy, and in effect, eliminate the existence of the headland.

Mr. President, we must put an end to this destructive activity. The legislation I am proposing will authorize and direct the Secretary of Interior to manage the Yaquina Head area in conformance with its unique characteristics. There are two major elements of the bill. First, this proposal expedites and finalizes the transfer from the Coast Guard to the BLM of the approximately 18.1 acres of land withdrawn for lighthouse purposes in 1866. This transfer would not affect the lighthouse and surrounding acreage which is still being operated for navigational purposes. Second, the bill provide for the Secretary to acquire by purchase, exchange, or condemnation all nonfederally owned lands within the picturesque headland area.

Management of the area would be outlined in a plan developed by the Secretary of Interior. This management plan would provide for maintenance and enhancement of the area's scenic, natural, and historic values; continue the educational and scientific use of the area in cooperation with other agencies and educational institutions; protect significant wildlife habitat; provide for low intensity recreational use; authorize a program for reclamation of quarry lands in the area; and allow for the possible use of the quarry lands for wind energy research activities.

In regard to the reclamation program, the Oregon Department of Geology and Mineral Industries prepared an estimate for reclaiming the quarry land on Yaquina Head. I am advised that a considerable amount of additional quarrying would be necessary, but the value of the mined material would approximately equal the costs of reclamation. In view of this assessment, this bill establishes a special revolving fund which would earmark the money from further quarrying to be used in meeting the expense of reclamation. Any unexpended funds will be returned to the U.S. Treasury.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to protect the unique scenic, scientific, educational, and recreational value of certain lands in and around Yaquina Head, in Lincoln County, Oregon, there is hereby established, subject to valid existing rights, the Yaquina Head Outstanding Natural Area (hereinafter referred to as the "Area"). The boundaries of the Area are those shown on the map entitled "Yaquina Head Area", dated July 1979, which shall be on file and

available for public inspection in the Office of the Director, Bureau of Land Management, United States Department of the Interior, and the State Office of the Bureau of Land Management in the State of Oregon.

SEC. 2. (a) The Secretary of the Interior shall administer the Yaquina Head outstanding Natural Area in accordance with the laws and regulations applicable to the public lands as defined in section 103(e) of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1702), in such a manner as will best provide for—

(1) the conservation and development of the scenic, natural, and historic values of the Area;

(2) the continued use of the Area for purposes of education, scientific study and public recreation which do not substantially impair the purposes for which the Area is established; and

(3) protection of the wildlife habitat of the Area.

(b) The Secretary of the Interior shall develop a management plan for the Area which accomplishes the purposes and provisions of this Act. This plan shall be developed in accordance with the provisions of section 202 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1712).

(c) Notwithstanding any other provision of this Act, the Secretary of the Interior is authorized to issue permits or to contract for the quarrying of materials from the Area in accordance with the management plan for the Area on condition that the lands be reclaimed and restored to the satisfaction of the Secretary. Such authorization to quarry shall require payment of fair market value for the materials to be quarried, as established by the Secretary, and shall also include any terms and conditions which the Secretary of the Interior determines necessary to protect the values of such quarry lands for purposes of this Act.

SEC. 3. The reservation of lands for lighthouse purposes made by Executive order of June 8, 1866, of certain lands totalling approximately 18.1 acres, as depicted on the map referred to in section 1 of this Act, is hereby revoked. The lands referred to in section 1 are hereby restored to the status of public lands as defined in section 103 (e) of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1702), and shall be administered in accordance with the management plan for the Area developed pursuant to section 2 of this Act, except that such lands are hereby withdrawn from settlement, sale, location, or entry, under the public land laws, including the mining laws (30 U.S.C., Ch. 2), leasing under the mineral leasing laws (30 U.S.C. 181 et seq.), and disposals under the Materials Act of July 31, 1947, as amended (30 U.S.C. 601, 602).

SEC. 4. The Secretary of the Interior shall, as soon as possible but in no event later than twenty-four months following the date of the enactment of this Act, acquire by purchase, exchange, donation, or condemnation all or any part of the lands and waters and interests in lands and waters within the Area referred to in section 1 of this Act which are not in Federal ownership. Any lands or interests acquired by the Secretary pursuant to this Act shall become public lands as defined in the Federal Land Policy and Management Act of 1976, as amended. Upon acquisition by the United States, such lands are automatically withdrawn under the provisions of section 3 of this Act. Any lands acquired pursuant to this section shall be administered in accordance with the management plan for the Area developed pursuant to section 2 of this Act.

SEC. 5. The Secretary of the Interior is authorized to conduct a study relating to the use of quarry lands in the Area for purposes of wind energy research. If the Secretary of the Interior determines after such study that the conduct of wind enegy research activity will not substantially impair the values of the quarry lands in the Area for purposes of this Act, the Secretary is further authorized to issue permits for the use of such quarry lands as a site for installation and field testing of an experimental wind turbine generating system. Any permit issued pursuant to this section shall contain such terms and conditions as the Secretary of the Interior determines necessary to protect the values of such quarry lands for purposes of this Act.

SEC. 6. The Secretary of the Interior shall develop and administer, in addition to any requirements imposed pursuant to section 2 (c) of this Act, a program for the reclamation and restoration of all lands affected by quarrying operations in the area acquired pursuant to section 4 of this Act. All revenues received by the United States in connection with quarrying operations authorized by section 2 (c) of this Act shall be deposited in a separate fund account which shall be established by the Secretary of the Treasury. Such revenues are hereby authorized to be appropriated to the Secretary of the Interior for use by the Secretary as needed for reclamation and restoration of any lands acquired pursuant to section 4 of this Act. After completion of such reclamation and restoration to the satisfaction of the Secretary, any unexpended revenues in such fund shall be returned to the general fund of the United States Treasury.

SEC. 7. There are hereby authorized to be appropriated, in addition to that authorized by section 6, such sums as may be necessary to carry out the provisions of this Act.●

By Mr. BAUCUS:

S. 1568. A bill to amend the Bankruptcy Act; to the Committee on the Judiciary.

● Mr. BAUCUS. Mr. President, I am introducing today legislation that would amend the Bankruptcy Act.

This legislation has far-reaching impact. I am introducing the bill to insure that such legislation is not enacted without thorough consideration by the Judiciary Committee of the issues involved.

I ask unanimous consent the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 77(o) of the Bankruptcy Act (11 U.S.C. 205(o)) is amended by striking out "or as it may be hereafter amended" and inserting in lieu thereof "unless a petition had been filed between December 18, 1977, and November 6, 1978,".●

ADDITIONAL COSPONSORS

S. 753

At the request of Mr. INOUYE, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 753, a bill to amend the Internal Revenue Code of 1954 to increase the amount of credits for the elderly and to adjust the adjusted gross income limitation.

S. 1425

At the request of Mr. RANDOLPH, the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. STEVENS), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of S. 1425, a bill to amend title 39 of the United States Code to reduce postal rates for small newspapers and magazines.

S. 1439

At the request of Mr. CULVER, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 1439, a bill to establish uniform truck weights and lengths on the interstate highway system.

SENATE JOINT RESOLUTION 4

At the request of Mr. LUGAR, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of Senate Joint Resolution 4, a joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

AMENDMENTS SUBMITTED FOR PRINTING

TRADE ADJUSTMENT ASSISTANCE ACT OF 1979—S. 227

Amendments Nos. 365 through 367

(Ordered to be printed and referred to the Committee on Finance.)

Mr. JAVITS submitted three amendments intended to be proposed by him to S. 227, a bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974.

● Mr. JAVITS. Mr. President, today I am submitting a series of amendments to S. 227, the Trade Adjustment Assistance Act of 1979. This legislation, of which I am cosponsor, makes important and urgently needed changes in the trade adjustment assistance program in the areas of worker eligibility, worker compensation, and delivery of benefits. From the point of view of enhanced program participation and more effective assistance benefits, this bill is essential. For too long, the trade adjustment assistance program has provided neither appropriate adjustment incentives nor adequate assistance. Benefits have been neither timely nor sufficient to attract workers and firms to the program. Too often we have found workers in new jobs and firms out of business by the time the administering authorities have processed the firms' or workers' application and delivered benefits.

S. 277 will go far toward enhancing these program deficiencies and I will support its passage.

This legislation is also timely from the point of view of the multilateral trade negotiations which the Senate will soon consider. These negotiations have produced one of the most significant steps in expanding our open trading system that we are likely to see for some time. The benefits that these negotiations will provide to our economy—added employment, lower inflation and a stronger balance of payments—are well documented. However, trade liberalization also brings with it certain dislocations to more traditional and labor intensive industries. These firms and their workers often require assistance to adjust to the new competitive climate in which they find themselves. Such will be the case for many firms and their workers following the implementation of this trade agreement. It is thus imperative for us expeditiously to consider this legislation so that its provisions will be in place by the time the effects of this trade agreement begin to be felt.

Despite the provisions of this bill that warrant its speedy adoption, it is clear that another major deficiency in trade adjustment assistance has gone unnoticed seemingly by those who have sought to strengthen and improve these programs. Those who have studied the TAA program have concluded that the program has been deficient notably from the standpoint of promoting new investment and new technology. This deficiency is central to the purpose of the TAA program and pertains to the assistance for firms program—chapter 3.

We are all very much aware of the evolution that the TAA program has experienced since its inception in the Trade Expansion Act of 1962. At that time the program was intended to cushion firms and workers from certain deleterious effects arising from trade liberalization efforts advanced by the Federal Government. In the intervening years, the program has assumed a different mandate—one that has dictated a responsibility to the Government to provide shelter to import-impacted industries whether or not that competition could be traced to Government promoted trade liberalization.

Unfortunately, in the process of this evolution the concept of "adjustment" has been reduced to a level of insignificance. Indeed, what we see today in the TAA program for firms is a protective program for selected firms that are permitted to "buy time" in their fight to maintain their market share. While time is essential to any adjustment program, in this case it is the sole and central attraction of the program. Firms participating in this program are encouraged by the absence of any directive to the contrary, to use TAA funds and guarantees to maintain operations and otherwise use these resources as working capital.

I suggest that the intent of those who originally envisioned "adjustment" was something else than the provision of subsistance loans to firms suffering from antiquated technology and outmoded means of production. Rather, I believe that "adjustment" was intended to provide time and resources to allow the firm in question to undertake certain alterations in its production and management to enhance its efficiency, productivity and profitability before going one-on-one with import competition.

It has been the conclusion of many, including the General Accounting Office, that such payments to firms under this program have been reduced to income maintenance payments whose purpose is to serve as a lifeline until trade barriers can be erected to resolve the import problem outside the free market mechanism.

Under my proposal all firms certified by the Secretary of Commerce under the TAA program will be assessed by the Department in terms of long-term competitiveness. Accordingly, there will be two programs established to accommodate various adjustment capabilities. For those firms judged able, TAA funds and guarantees will be directed to new investment, new plant and equipment, marketing research and/or modernization of equipment. Such firms will be prohibited from using this capital to eliminate debt positions or otherwise using these funds as working capital. All other certified firms would be entitled to utilize funds in accordance with the requirements as outlined in their adjustment proposal.

Specifically, these amendments provide for the following:

First. No. 365. This amendment would require the Secretary of Commerce to determine the financial and competitive condition of firms applying for program loans and loan guarantees in order to direct appropriately these funds to either investment or working capital purposes. Firms judged able will be required to devote these funds to new investment and technology. Other firms will be permitted to direct funds to working capital purposes as their financial condition may require. Working capital loans shall be limited to 10-year maturities.

After expiration of the 10-year maturity the Secretary of Commerce would have the option of extending the maturity 3 years on a one-time basis if he determines the financial condition of the firm warrants.

The Secretary would also be authorized to provide loans or loan guarantees for investment purposes after expiration of the 10-year working capital loan should he determine it would further the long-term competitiveness of the firm.

Second. No. 366. This amendment would require that no loan or loan guarantee be made for the purpose of working capital unless the receiving firm takes all reasonable and appropriate measures to encourage its workers to participate in vocational retraining programs approved by the Secretary under this act.

Third. No. 367. This amendment would permit workers of firms participating in the working capital loan or loan guarantees program to be eligible for public service employment under the auspices of CETA. This eligibility would commence during the 3-year loan or guarantee extension period referred to above.

These amendments will address a major deficiency in the trade adjustment assistance program by requiring the administering authorities to assess the long-term competitiveness of certified firms and allocating the program's resources accordingly. We should not pretend that all firms certified as import-impacted are equally able to adjust to import competition. Yet certainly firms can be identified which are better able to utilize TAA resources to invest in new plant and equipment or make other adjustments that will make them competitive. Those able should be thus encouraged to direct these funds to new capital investment.

I fully recognize that these amendments will place upon the shoulders of the Secretary of Commerce some very difficult decisions regarding the classification of firms and the distribution of benefits. Yet I believe that we have a right to expect the Department of Commerce to face up to these decisions in the interest of achieving the objectives of this program.

This country deserves no less than to have its tax dollars devoted to new capital investments when possible. Such possibilities exist within the trade adjustment assistance program that should be recognized. I believe that this bill, S. 227, complemented by the amendments I am introducing, will both enhance the effectiveness of the trade adjustment assistance program and rationalize these expenditures to direct funds, where possible, to firms able to devote resources to new investment.●

INDIANA DUNES NATIONAL LAKESHORE—S. 599

AMENDMENT NO. 368

Ordered to be printed and referred to the Committee on Energy and Natural Resources.

Mr. BAYH submitted an amendment intended to be proposed by him to S. 599, a bill relating to the Indiana Dunes National Lakeshore, and for other purposes.

AUTHORITY FOR COMMITTEES TO MEET

Mr. ROBERT C. BYRD. Mr. President, these requests have been cleared on the other side of the aisle.

COMMITTEE ON THE JUDICIARY

Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 25, 1979, to hold a hearing on the nomination of Benjamin Civiletti for the position of U.S. Attorney General.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, July 26, 1979, to hold a hearing on the Southeast Asian refugee situation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, July 26, 1979, beginning at 2 p.m., to hold a hearing on certain judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Constitution Subcommittee of the Committee on the Judiciary be authorized to

meet during the session of the Senate on Wednesday, July 25, 1979, beginning at 2 p.m., to hold a hearing on balanced budget audits.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Administrative Practice and Procedure Subcommittee of the Committee on the Judiciary be authorized to meet during the sessions of the Senate on Wednesday, July 25, 1979, and Thursday, July 26, 1979, to hold hearings on regulation reform legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

CERTAIN COMMITTEES ON WEDNESDAY, THURSDAY, FRIDAY, AND MONDAY

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Committee on Armed Services, the Committee on Foreign Relations, the Committee on Energy and Natural Resources, the Committee on Finance, and the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the sessions of the Senate tomorrow, Thursday, Friday, and Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VALEDICTORY ADDRESS OF CYNTHIA CANTRELL

● Mr. HEFLIN. Mr. President, I recently received the valedictory address of Cynthia Cantrell, the valedictorian at Westminster Christian School in Gadsden, Ala. I was so impressed with what she had to say that I would like for others to have the benefit of her remarks.

I ask that it be printed in the RECORD.

The valedictory address follows:

ADDRESS

I consider it an honor to have been chosen to give the Valedictory Address for my class. It is difficult to say farewell to those who have meant so much to me during the past several years, but the time is here, and we must face our future.

I would like to thank the Trustees and generous benefactors who have provided this school for us, our parents who have allowed us to attend, and friends who have made our days at Westminster enjoyable. I would also like to express my gratitude to Dr. Parker, Mr. Fuhrman and the faculty for the friendly concern they have had for us while delivering instruction with professional excellence. Most important, I appreciate having been taught in a Christian school where I have been able to learn more about my God.

I would like to do more in the few minutes allotted to me than bid you all a fond farewell, however. I have strong convictions about many things, and I would like to challenge my class and my generation to face our future bearing several things in mind. Make every effort to search for the truth, jealously guard your personal integrity, serve your country, do not be afraid of hardships, and put your trust in God.

Most of my classmates and I have been taught principles at home, at Church, and at Westminster. Constantly we are being directed in the way that we should go. We so often are satisfied to take what parents, teachers and speakers say at face value, without searching for the truth ourselves. We live in an increasingly sophisticated and educated world. It is no longer enough to know what we believe. It is essential to know why we believe it.

As we face our future we should not be content with any level of academic achievement. Our search for knowledge should continue throughout our lives. I believe what my brother once quoted, "It is not enough to be right, you must know that you are right."

We cannot afford to be so desirous of success, honor, comfort, or pleasure that we surrender any of our self-respect. There is no loyalty in the proper sense, superior to loyalty to one's self. Shapeskeare's Polonius said it well when he gave advice to his son Laortes. "This above all: To thine own self be true. And it must follow, as the night the day, Thou canst not be false to any man."

I believe that our nation, though imperfect as a government, gives to mankind more freedom than any other. The problems facing our nation and our world will require us to make judgments if not as leaders, at least as voters. My advice is to take the time to research the issues and obtain what facts are available. Today we hear much more emphasis given to the rights of citizens to the full enjoyment of themselves, but very slight emphasis upon the responsibilities, self-restraint and sacrifices which alone make a working democracy possible. To the extent that we do not assume our responsibilities, practice self restraint, and be willing to make sacrifices, we will leave for tomorrow more restrictions and less freedoms for those who follow us.

This changing world that we face not only presents us with a challenge but with an opportunity. Yes, I do believe "hardships build character" as my grandfather said so often. The history of civilization shows us that men's and nations' most glorious moments have come when things looked bleakest. Our experiences at Westminster have shown us that our teams looked the best in the tough, close games, and our self esteem was at its highest when we made it through our toughest courses. I do not think my classmates nor I are afraid of tomorrow. I believe the instruction and discipline we have received here at Westminster have prepared us as well as is possible for us to face our future. I believe I have classmates who may help solve the energy problems, and others who can be important leaders. I believe there are still others who have the wit and humor to keep up smiling through it all. We are educated enough to know that we know little, mature enough to know that our future will not be easy, and dedicated enough to give it all our best effort. Most of all, as Christians we are confident to put our future in the hands of God. I will forever cherish the friendships we have made at Westminster.

As we go separate ways and face the future, I would like to leave this passage of scripture as my sincere prayer for you. "May the Lord bless you, and keep you: May the Lord make His face to shine upon you, and be gracious unto you: May the Lord lift up His countenance upon you and give you peace." ●

UNIFORM REFUGEE POLICY—S. 643

● Mr. DOLE. Mr. President, concerned by the urgency of the problem of Indochinese refugees, on June 25 I introduced a concurrent resolution along with my colleague from New York, Mr. SOLARZ. That same day, I incorporated the language of the resolution to an amendment to the appropriations bill introduced by my colleague, Senator BOSCHWITZ. That legislation called for increasing our assistance and resettlement of refugees and was passed by the Senate. Heeding to congressional initiative, the President came out in total support of our action by announcing at the Tokyo summit meetings that the number of refugees the United States would accept would be doubled, thus setting an example for other nations. The Geneva Conference on July 20 and 21 resulted in a positive response to U.S. action by the international community, and new pledges were made. At the latest count, 260,000 refugees have been promised asylum. I am gratified by the reaction of participating nations.

However, by raising the point that pledges be made automatically renewable, the participants of the Geneva Conference clearly indicated their acknowledgment of the fact that the refugee problem is by no means temporary. While the Vietnamese received praise for their "cooperation" in promising to restrain the flow of refugees, the fact is that they generated the problem and that no guarantees exist as to future developments in Vietnamese policies toward ethnic minorities.

The conference at Geneva highlighted the fact that the expected permanence of the problem calls for long-term solutions. Although refugees are not a phenomenon of modern times exclusively, the turbulence of recent decades has created a greater awareness of their existence, as well as an increased recognition that all nations share responsibility on an issue that transcends borders and should raise universal concern on a humanitarian basis.

Now that the Geneva Conference has concluded on an affirmative note of support of American efforts, the United States must step forward and provide once more the leadership in providing legislation to deal with the issue of refugees on the long-term basis that is called for. On July 17, the Judiciary Committee reported out favorably S. 643, the Refugee Act of 1979. This bill had been held from consideration by the Senate to allow the asylum nations of the world to deliberate at the U.N. Conference and chart the course of further international humanitarian efforts. Indeed, the feeling was, and justly so, that the United States cannot and should not be expected to support all of the refugees without assistance from other countries.

The Senator from Kansas urges his colleagues to vote favorably on S. 643. This bill establishes a uniform and comprehensive policy toward refugees that would correct the injustices and simplify the complexity of the present maze of procedures. I believe that it could cut significantly the amount of bureaucracy now involved as well, while dealing with the various groups of refugees on a more humanitarian basis.

In anticipating the potential sources of opposition to the increase in the number of refugees that this country will thus accept, an opposition many of us are not unaware exists, I should like to state once more the feelings that I have

expressed on this floor previously—that by allowing waves of immigrants and refugees to swell the population of the United States, we have time and again invested in the future of our country. That investment in human resources, born of the ethical principles of freedom and justice established by our Founding Fathers has paid off. By passing legislation today, we will acknowledge that the spirit of compassion that has permeated our history continues to burn. By meeting our moral obligation to provide humanitarian assistance, we will be following the example of our forebearers who found a heaven of liberty and hope on these shores and were willing to share it with all those in need. I suggest to you that we neither forget our roots, nor that we betray our past.●

NATIONAL ALCOHOL FUELS COMMISSION

● Mr. BAYH. Mr. President, ever since October of 1977 when a caravan of public-minded citizens traveled across the country to bring attention to the potential of alcohol fuels, more and more people have come to call themselves "gasoholics." The gasohol movement has been nothing short of remarkable and is a good demonstration of the power and influence grassroots organizations can have in our Nation.

Service stations and farm organizations in my home State of Indiana as well as elsewhere in the country are selling gasohol at the retail pump with rapidly increasing sales. We are also beginning to develop other forms of renewable energy in efforts to greatly reduce our dependence on foreign oil supplies and rely instead on domestic sources of energy. In Indiana, the Marion County Sheriff is embarking on a 4-month test of gasohol in approximately 40 percent of the sheriff department's new car fleet.

Last month, Mr. President, the National Alcohol Fuels Commission, which I chair, began its study of the alcohol fuels issue—to get the Government moving in a cohesive and logical manner toward encouraging private industry to jump on the alcohol fuel bandwagon.

The Commission is comprised of 12 congressional members including my colleague Representative ROE, who is the Vice Chairman, Senators BELLMON, MCGOVERN, DOLE, CHURCH, HATFIELD and Representatives ALEXANDER, BLANCHARD, MICHEL, GLICKMAN, and SEBELIUS as well as 7 public Commissioners representing various agriculture, consumer, labor and industry-related groups. The public members include Mr. Phil French of the Indiana Farm Bureau Cooperative Association, Representative Fred Jones of Auburndale, Fla., Mr. James Creal of the Automobile Association of America, Ted Schwartz, Esq., of Livingston, N.J., Dr. Serge Gratch of Ford Motor Co., Ms. Sharon Peterson of Winifred, Mont., one of the original organizers of the gasohol movement, and Ms. Charlene Block of the United Auto Workers.

Mr. President, it is my intention for the Commission to propose concrete and workable recommendations on how to best harness our abundant and renewable domestic resources in the near term. The Commission has just held its second working meeting, during which we adopted a work plan to bring about an increased reliance on alcohol fuels and reduce our dependence on the OPEC nations.

I ask that our mandated scope of work and the Commission's work plan be printed in the RECORD for the information of my colleagues.

The material follows:

NATIONAL ALCOHOL FUELS COMMISSION

COMMISSION MANDATE

(From enabling legislation Public Law 95-599 section 170:)

Study

(2) The Commission shall make a full and complete investigation and study of the long- and short-term potential for alcohol fuels, from biomass (including, but not limited to, animal, crop and wood waste, municipal and industrial waste, sewage sludge, and oceanic and terrestrial crops) and coal, to contribute to meeting the Nation's energy needs. It shall take into consideration the technical, economic, legal, environmental, and social factors associated with the production, manufacture, distribution, and use of such fuels. It will evaluate the costs and benefits of alternative feedstocks, and their possible end uses, and analyze the feasibility and desirability of converting these resources to alcohol fuels. Based on such study it shall recommend those policies, and their attendant costs and benefits, most likely to minimize our dependence on petroleum, insure adequate energy supplies, and contribute to the economic health of the Nation.

Report

(c) Such report shall include the Commission's findings and recommendations with respect to—

(1) the long- and short-term potential of alcohol fuels contributing to domestic energy supply;

(2) the relative costs and benefits of developing alcohol fuels from alternative feedstocks, taking into account technical economic, legal, competitive, environmental, and social factors associated with their production, distribution, and use; their most appropriate end uses; and a recommended time frame for their introduction into the Nation's energy mix;

(3) the existing policies and programs of the Federal Government which affect the development of such alternative fuels; and

(4) new policies and programs required to develop alcohol fuels from coal and alcohol and other fuels from the biomass to meet the Nation's projected short-term and long-term energy needs.

PART III—PRODUCT WORK DESCRIPTION

Reports will be generated for more than the staff research. An integral part of the work plan, will be hearings, workshops, and on-site visits to alcohol fuel related facilities. These cannot take the place of important supply and fuel related studies necessitated by the legislation, but can provide important insights and first hand information for NAFC action.

Some of the key regional on-site visits, domestic and foreign could include pilot, demonstration size, commercial scale size activities associated with:

Distillate plants for ethtanol production (from crops)

Solid/waste plants for methanol production

Coal plants for methanol production

Oceanic plants for methanol production

(i) Immediate action products

(1) Suggested priority projects/products for immediate NAFC action.—

Purpose: To clarify technical, economic, and institutional inaccuracies in current media literature; to provide immediate assistance to policy makers in the generation, assessment, and implementation of current/proposed policy options; and to foster public awareness of existence/use of the NAFC.

Projects description: Determination and clarification of net energy balance for the production of alcohol fuels.—

Considerable discussion has arisen in the media about the potential negative energy balance in the production of alcohol fuels—particularly ethanol. Much of this information is based on absolute technical/economic information as well as inaccurate interpretations of actual data. A simple short-term project describing and accessing the net energy balance associated with the production and usage of alcohol fuels (i.e. over the fuel cycle) as compared to competing fuels and alternate options would greatly facilitate public understanding and clear-up misconceptions.

Determination and clarification of the relationship between ethanol and production and food production.—

Considerable discussion has arisen in the media about the potential impacts of ethanol (from crops) production on food production. Much of the discussion has centered on inaccurately targeting high yield crop lands for ethanol production, and not recognizing the enormous potential of the use of marginal lands, set-aside lands (all currently underutilized) as well as the utilization of "throw-away" underutilized by-products for ethanol production. These areas will directly benefit consumers and farmers alike. A simple investigation and assessment of these potential—and immediate—benefits, as well as a clarification of current misrepresentatives and inaccuracies would similarly clear up misconceptions in the public media.

Alcohol fuel distribution requirements.—

Consideration and assessment of the compatability of current fuel distribution network with that required by alcohol fuels. Although detailed alcohol fuel distribution requirements will be dependent on longer-term forecast needs, immediate attention can be focused on material compatability, economy of scale concerns, and institutional road blocks associated with current system usage.

Estimation of underutilized ethanol distillery capacity.—

A review and assessment of the potential capacity to produce ethanol fuels from existing underutilized distillery capacity including fiscal as well as physical constraints.

NATIONAL ALCOHOL FUELS COMMISSION PRODUCT PLAN

(ii) Listing of suggested intermediate products

Purpose: To provide concrete bedrock for policy recommendations in the short- and long-term; to add further clarity to public understanding of issues; and to provide key building blocks needed for mandated final report.

Listing of projects/products—

(A) Demand/utilization investigations for alcohol fuels-market feasibility of ethanol, methanol, and higher alcohols in:

Transportation sector (gasoline blends, diesel applications, aviation uses); petrochemical industry (as feedstocks); refining industry (as additives); utility sector—electricity production (as a peak shaving fuel to displace imported oil); on-farm uses; and other.

(B) Resource/supply investigations—

Market forecasts of production of ethanol: (from crops, cellulosic material, oceanic material); methanol: (from solid waste—mu-

nicipal, industrial; cellulosic material—wood-coal); and higher alcohols.

(C) Investigations directed toward overcoming institution barriers in commercialization.—

Identifying Barriers-Uncertainties in the Fuel Cycle in: extraction, processing, collection, transportation, distribution, and end-usage such as financing and start-up difficulties, product distribution, regulatory processes, and future Federal energy policy.

Assessing impacts associated with the uncertainties: Ecological, environmental, health, occupational, and socio-economic.

Assessing the incidence of the above impacts: by economic sector, by region, by income group, by generation.

Assessment of the use of public "tools" in remedying situation:

Regulatory.

Promotional/subsidy; especially financing.

Taxation.

Research, development, and demonstration.

Foreign policy.

(iii) *Mockup outline for mandated final report*

(Relation to Legislative Mandate (Public Law 95–599, Section 170)).

(b) Summary and final recommendations: Part I—Basis for Study and Immediate Action.—

Chapter (1): Introduction—Public Mandate.

(c.3), (d.2) Chapter (2) Current and emerging issues, policies, and impacts: Clarification of current and emerging issues and basis for immediate policy action.

(c.1) Part II—Short- Intermediate, and Long-Term Prognosis for Alcohol Fuels.—

Chapter (3): Short- Intermediate and Long-Term Forecast of U.S. Energy Needs.

Chapter 4: Short- Intermediate and Long-Term Assessment of the Roles of Alcohol Fuels to Meet Those Needs (such as the relationship of alcohol fuels to other synthetic fuels and other conventional fuels).

Chapter (5): Investigation of Key End-use Markets, and Supply Resource Areas Needed to Meet Today's and Tomorrow's Needs (BIOMASS: including but not limited to animal, crop and wood waste, municipal and industrial waste, sewage sludge, and oceanic terrestrial crops and COAL).

(c.1) Part III—Technological targets of opportunity of today and tomorrow.—

Chapter (6): Investigation and Assessment of Utilization of Current Technologies For Alcohol Fuels—Cost/Benefits and Alternatives: Supply Technologies, Conversion Technologies, Transportation (and distribution) Technologies, and End-Use Technologies.

Chapter (7): Investigation and Assessment of Emerging Technologies for Alcohol Fuels—Cost Benefits and Alternatives: Supply Technologies, Conversion Technologies, Transportation (and Distribution) Technologies, and End-Use Technologies.

(c.2) Part IV—Overcoming Obstacles, Uncertainties, and Impacts.—

Chapter (8): Identification and Assessment of Key Legal, Institutional and Economic Obstacles, and Uncertainties in the Utilization and Commercial Development of Current, and Emerging Technologies to Produce and Use Alcohol Fuels.

Chapter (9): Identification and Assessment of Key Impacts resulting from the Utilization and Commercial Development of Current, and Emerging Technologies to Produce and Use Alcohol Fuels.

Chapter (10): Land, Labor, and Capital Requirements Needed for the Commercialization of Current and Emerging Technologies.

Chapter (11): Investigation and Development of Tradeoffs Associated with Potential Development (Interregional, Intersectoral, Intergenerational, and Interincome).

(c.4) Part V—Policy Generation and Implementation.—

Chapter (12): Identification and Description of Key Policies Designed to Meet the Nation's Needs for Alcohol Fuels: Public and Private Role.

Chapter (13): Identification and Assessment of Key Impacts Associated with these Candidate Policies.

Chapter (14): Staging Key Policy Implementation Over Time.

Chapter (15): Action Program for Today and Tomorrow.●

EQUITABLE POLICY FOR ENERGY CONSUMPTION URGED

● Mr. COHEN. Mr. President, as we continue to debate ways to alleviate our energy problems, including the grant of standby gasoline rationing authority to the President, I want to reiterate my strong belief that an equitable policy for energy consumption be adopted.

I am particularly concerned that the recreational opportunities in rural areas not be overlooked as we contemplate Federal policies on energy and public land use. Since virtually every recreational activity depends to some degree upon the use of energy, either in the activity or in transportation to and from the activity site, our actions should be designed to assure an equitable supply of fuel for recreational use.

My own State of Maine has a special interest in this are because of its attractiveness for boaters and campers in the summer and snowmobilers and skiers in the winter.

In Maine, over 67,000 snowmobiles were registered last year. Nearly 445,000 snowmobilers enjoy their sport in Maine annually. And last year's direct State tax and registration fee receipts were nearly $3.7 million.

There is another important aspect to snowmobile operation as well. In Maine as in many other New England States, use of the snowmobile goes well beyond recreation. Snowmobiling is an essential mode of transportation for some. It is the link that many of my constituents have with the outside world, sometimes for lengthy periods. And in times of emergency, in many instances, snowmobiles have been the only device that is able to bring desperately needed supplies of food, medicine, and fuel to stranded families.

We have established through several previous actions of the Congress that in the event of energy shortages, all industries, regions, and sectors should be asked to make an equitable contribution to overcoming these shortages. That means if we have a 10 percent shortfall in gasoline, we should all be expected to reduce our consumption by one-tenth.

I hope we will continue to follow such an equitable policy with regard to recreational vehicles. In my view, it would be a mistake to unfairly burden the 14.2 million snowmobilers in this country.●

TRIBUTE TO EMPLOYEES OF THE VETERANS' ADMINISTRATION

● Mr. HEFLIN. Mr. President, I rise at this time to recognize and pay tribute to the men and women who make up the Veterans' Administration. These citizens are dedicated to the goal of improving, protecting, and providing for America's veterans.

On July 21, 1979, the Veterans' Administration began the last year of its first one-half century as an independent Federal agency established for the sole purpose of helping America's veterans, their dependents, and survivors of deceased veterans.

During this 50 years of service, the Veterans' Administration has grown and changed. It had to in order to:

Serve the veteran population that has increased seven-fold since 1930;

Administer an expanding array of veterans benefits;

And keep pace with advances in computer-oriented management techniques.

However, the VA's founding mission has not changed. In Abraham Lincoln's second inaugural address he called for our Nation "to care for him who shall have borne the battle and for his widow, and his orphan."

Through the Veterans' Administration we still carry out this worthwhile mission.

President Herbert Hoover signed the Executive order on July 21, 1930, which consolidated the activities of the Veterans Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers, thereby creating the Veterans' Administration.

The Veterans' Administration curreently operates the Nation's largest hospital and medical care system. It is one of the country's leading educators. It is a major force in housing and insurance. It helps nearly 5 million disabled veterans and survivors through compensation and pension benefits. And it provides a final resting place befitting the veterans who served our Nation. There are more than 30 million living veterans. This is two-thirds of all Americans who served in uniform during our 203-year history. About 40 of every 100 adult American males are veterans. Approximately 43 percent of the total population of the United States are potentially eligible for VA benefits and services.

Currently there are more than 3,255,000 veterans receiving disability compensation or pension payments from the VA. And survivors of 1,593,000 veterans are receiving compensation or pension benefits.

To put the size of the Veterans' Administration constituency in perspective, the total of 93.3 million present or potential VA beneficiaries is greater than the combined population of California, New York, Pennsylvania, Texas, Illinois, and Ohio. This example, I feel, clearly illustrates the magnitude of the job to be done by our Veterans' Administration.

The heart of the VA operation is, of course, the people who serve so faithfully and diligently. The approximately 10,000 physicians, 28,000 nurses, 900 dentists, and 152,000 other specialists and medical service personnel.

Indispensable to providing America's veterans with the quality medical care they deserve are the more than 100,000 members of the Veterans' Administration volunteer service, who donate more than 10 million hours of their valuable time each year to the care of our hospitalized veterans.

This care for veterans and dependents literally spans centuries. The last dependent of a Revolutionary War participant died in 1911. The last dependent of the War of 1812 died in 1946. The last Mexican War dependent died while we had troops in Vietnam, in 1962. Civil War widows and children still draw VA benefits.

Based on the past, it seems reasonable to assume that our Nation will be caring for Vietnam era veterans until early in the 22d century, at least.

Therefore, Mr. President, I am honored today to have this opportunity to publicly commend all the employees of the Veterans' Administration and to take this time to pay special tribute to the men and women who have worked for the past 50 years for the benefit of our veterans.●

IN DEFENSE OF LOWER SPENDING AND A BALANCED BUDGET

● Mr. JEPSEN. Mr. President, for the past 7 months I have been studying the balanced-budget question most carefully. Although I have long been a supporter of a constitutional amendment to balance the Federal budget. I wanted to study all the many different proposals for requiring a balanced budget before supporting any particular approach. I have come to the conclusion that Senator RICHARD LUGAR's plan, Senate Joint Resolution 4, is the best. It simply requires that the Congress must vote by a two-thirds majority in order to adopt a budget resolution in which projected outlays exceed projected revenues. I think that this approach will not only achieve a balanced Federal budget but will put a brake on Federal spending as well.

After all, the fundamental matter involved here is not merely to balance the budget at all cost. This could be done by raising taxes, increasing off-budget outlays, and other undesirable means. The question really is how do we reduce the growth of government spending before it devours the entire economy.

In 1928, the year I was born, the Federal Government had receipts of $3.9 billion and expenditures of $3 billion. The gross Federal debt stood at $17.6 billion, which was a significant reduction from where it was at the end of World War I. By contrast, the budget President Carter sent to Congress earlier this year would set spending at $532 billion, receipts at $503 billion, and the Federal debt at $899 billion.

Thus there has been a 5,000 percent increase in the Federal debt over the 50 years I have been on earth, a 12,790 percent increase in Federal revenues, and a whopping 17,620 percent increase in Federal spending.

A few years ago the Congress attempted to deal with the spending problem by instituting a new budget process. The first fiscal year in which the budget process was in effect the Federal Government ran the largest deficit in its history, $66.4 billion in fiscal 1976. Since then we have had deficits of $45 billion in fiscal 1977, $48.8 billion in fiscal 1978, and $33.2 billion in fiscal 1979. In a few weeks the Congress will approve a budget resolution containing at least another $28.4 billion deficit. Thus the conclusion is inescapable that the budget process is a dismal failure.

In fact, it has been argued that the budget process actually encourages budget deficits. This is because deficits are no longer produced haphazardly but are scientifically derived. The Congressional Budget Office decides what level of economic stimulus the economy needs and this becomes the accepted deficit level.

Personally, I feel that anytime there is a budget deficit it is harmful, not helpful, to the economy. First, deficits put pressure on money markets, crowd out private investors and raise interest rates. Second, budget deficits indirectly cause inflation when the Federal Reserve monetizes the debt in an attempt to reduce high interest rates. And thirdly, deficit spending has led to an unwarranted increase in the size of Government, because it allows the Government to irresponsibly command more and more real resources from the private sector.

Of course, the great virtue of deficit spending to politicians is that it allows them to appear to offer the people something for nothing. The people are offered programs and benefits they want but are led to believe that there is no cost, because taxes are not raised to pay for them. Unfortunately, there is a cost, a heavy cost, because the money that Government spends does not come from the toothfairy, as Milton Friedman likes to say. It must either be borrowed, leaving less for productive investment in the private sector, or it is created by the Federal Reserve, thereby reducing the value of money and causing inflation.

I believe that we may have finally reached the point where people recognize the heavy price paid for past deficits, in terms of rising prices, slower economic growth, declining productivity, higher taxes, and even unemployment.

Although the Vietnam war was certainly a contributing factor to the deficits that the Federal Government ran between 1965 and 1975, it cannot be used to explain the growth in Government spending since 1975. Yet the period since 1975 has shown the highest rate of growth in Government spending since the Korean war. In 1975 Federal Government outlays increased 21 percent, in 1976 they increased 12.3 percent, in 1977 9.9 percent, and in 1978 increased 11.9 percent. This is a cumulative increase of 38 percent in 4 years. Over the same period, inflation rose 21.2 percent. This means that if Federal spending had only grown at the rate of inflation since 1975—that is to say, 21.2 percent—we would not only have a balanced budget, but a $7 billion surplus.

In other words, it would not have been necessary for any cuts to have been made in any existing programs since 1974, in either real or nominal terms, for us to have achieved a balanced budget by fiscal 1978.

The reason why this is possible is that inflation causes tax revenues to increase at a faster rate, approximately 1.6 percent for every 1 percent inflation. Thus the Congressional Budget Office estimates that inflation and real income growth will increase income taxes on the American people by $8 billion in 1980, $18 billion in 1981, $34 billion in 1982, $51 billion in 1983 and $71 billion in 1984.

This inflation-tax increase lies at the heart of President Carter's budget strategy for the next 2 years. The figures in his fiscal 1980 budget prove that his promise to balance the budget in 1981 will be accomplished on the backs of the taxpayers. They show that in 1980 personal income tax revenues are expected to rise 1.9 percent faster than personal income, in 1981 they will increase 8.3 faster, and in 1982 taxes will increase 6.2 percent faster than personal income.

Therefore, I believe that we must do several things in order to balance the budget in a responsible manner. First, we must slow the growth of Government spending, preferably to less than the rate of inflation. Since this will mean a real reduction in Government spending across the board we must also begin to cut away at programs which no longer serve a useful purpose and eliminate fraud and waste in all other programs. This will insure that adequate funds are available for critical needs. We might begin, for example, by adopting some of the recommendations made by the General Accounting Office, which would save $8.2 billion per year, according to the Comptroller General.

At the same time we must adopt policies which encourage real economic growth in this country. We must insure that the private sector, which is the ultimate source of our Nation's wealth, is healthy and is growing faster than Government. This means across-the-board tax cuts are needed, regulations must be eliminated or reformed, and that inflation be controlled by reducing Government spending and monetary growth.

I request to have printed in the RECORD a table showing comparisons of spending outlays and the CPI.

The table follows:

Year	Spending outlays (billions)	(CPI) Consumer Price Index	Percent increase in outlays	Percent increase in C.P.I.
1960	$92.2	88.7		
1961	97.8	89.6	6.1	1.0
1962	106.8	90.6	9.2	1.1
1963	111.3	91.7	4.2	1.2
1964	118.6	92.9	6.5	1.3
1965	118.4	94.5	0	1.7
1966	134.6	97.2	13.7	2.9
1967	158.2	100.0	17.5	2.9
1968	178.8	104.2	13.0	4.2
1969	184.5	109.8	3.2	5.4
1970	196.6	116.3	6.5	5.9
1971	211.4	121.3	7.5	4.3
1972	232.0	125.3	9.7	3.3
1973	247.1	133.1	6.5	6.2
1974	269.6	147.7	9.1	11.0
1975	326.2	161.2	21.0	9.1
1976	366.4	170.5	12.3	5.8
1977	402.7	181.5	9.9	6.5
1978	450.8	195.4	11.9	7.6

●

PEACETIME REGISTRATION: PROCEED WITH CAUTION

● Mr. COHEN. Mr. President, both the Senate and House will soon be called on to vote on the question of a return to peacetime selective service registration. Since peacetime draft registration was suspended by President Ford in 1975, the Selective Service System has been in a position of deep standby.

There is growing concern that the agency is not presently able to meet the Nation's mobilization need in time of emergency. In 1977, the Defense Department established new, accelerated requirements for manpower in a mobilization period. Selective service cannot now meet those requirements, and the question we face is how we can best enable it to accomplish that goal.

As a member of the Military Manpower Subcommittee, I have spent a large amount of my time looking at this issue and seeking the best possible means of meeting our Nation's defense needs.

I have yet to conclude that a return to peacetime face-to-face registration, as embodied in both the Senate and House bills, is the most effective means of insuring a strong defense capability. With the improved technology and communications available in America today, there is no need to return to an obsolete method of manual registration and thousands of local draft boards. Just because a method was the best available in 1940 or 1948 does not mean that there is not a better, more effective approach available today.

Far too little time has been spent in looking for new, improved means of delivering recruits for military training at mobilization. And far too many questions remain unanswered.

That is why a coalition of Republicans and Democrats in the Senate have joined in introducing legislation calling for a full-scale study of our mobilization capability and needs. Our legislation would direct the President to report to Congress on the following:

An assessment of the ability of the Selective Service System to meet the military manpower requirements of the United States in the event of national emergency.

An evaluation of the current capability of the Armed Forces of the United States to meet the equipment, clothing, living quarters, and training personnel needs that would be required in the event of a total or partial mobilization of the Armed Forces.

Such recommendations for legislation as the President considers necessary to provide an effective and equitable military manpower mobilization capability.

In the July 19 Washington Post, both an editorial, "The Draft Issue," and an op-ed piece, "Peacetime Registration: Proceed With Caution," by Brookings Institution senior fellow Martin Binkin, supported our view that insufficient attention has been given to the issue to expect Members of the Senate and House to make a reasoned, informed decision at this point.

Binkin, one of the Nation's leading authorities on military manpower issues, concluded:

> That too many questions are unanswered and, until they are fully resolved, reinstituting peacetime registration—an act that would be sure to reopen old wounds—would be premature.

He said:

> Indeed, the debate should not proceed to a legislative conclusion on the basis of the incomplete, conflicting and often emotional arguments presented so far.

Two issues need to be addressed, Binkin said. To what extent is an enhanced mobilization capability necessary to the Nation's security? Is peacetime registration necessary to achieve it?

He suggested that Congress support the proposals to beef up selective service funding so that it can enhance its computer capability. At the same time, he said, Congress should press the White House for a comprehensive, coordinated, and coherent standby draft policy and legislative proposals to underpin it.

Binkin concluded:

> Once answers are in hand, Congress will be in a better position to make the rational and careful analysis that an issue with such important social and national security implications deserves.

The Post editorial supported this view. Neither the country nor the Congress has yet been attentive enough to the momentous and complex issues involved to ensure that a good overall decision will be made, the Post said. It concluded that the House and Senate measures are good as "educational vehicles," but said "it would be unfortunate to make a national commitment strictly on the basis of these debates."

As the Post said, peacetime registration is a step back toward a draft. There is no convincing evidence that such a step is needed.

So that my colleagues can have the benefit of the thoughtful analyses provided in the Binkin article and Post editorial, I submit them for the record. The articles follow:

THE DRAFT ISSUE

The House is about to vote on a measure requiring 18-year old men to start registering, after the 1980 elections, for the draft. The vote is being taken under conditions that make success unlikely, and that is just as well. For the issues involved are momentous and complex, and neither the country nor the Congress has yet been attentive enough to them to ensure that a good overall decision will be made. As educational vehicles, the House measure and a similar Senate bill, due to be debated later, are useful. But it would be unfortunate to make a national commitment strictly on the basis of these debates.

Peacetime registration, after all, is a step back toward a draft, and a draft is a good deal more than a procedure for furnishing military manpower. It involves technical judgments on what sorts of forces the nation requires, and this in turn requires political judgments on the sorts of defense and foreign policies those forces are meant to serve. Moreover, the draft—involuntary military service—involves social judgments on the kind of society Americans wish to build. No bill on registering 18-year-olds can avoid reaching these larger questions, and the current House and Senate measures have served to raise them. But they have not yet been adequately weighed.

This is not to say that the all-volunteer force instituted after draft calls were suspended in 1973 (the registration requirement was suspended in 1975) is the signal success its more ardent defenders claim. Nor is it to ignore the substantial problems of the active reserve and, especially, the individual ready reserve, which provides replacements for casualties in a European war—the contingency most on the minds of manpower planners. Ending the draft unquestionably contributed to reserve problems by removing the draft's spur to reserve service. Responsible discussion has been obstructed, moreover, by the Pentagon's refusal to declassify the results of its mobilization exercises, which apparently revealed certain reserve deficiencies. The numbers cannot be unfamiliar to the Russians. They should be made available for American public examination.

The Carter administration came to office politically disposed to associate the draft with the unpopularity of Vietnam, and therefore little inclined to think about reinstituting it. Its officials now argue that, notwithstanding the travails of the all-volunteer force and the diminishing pool of 18-year-olds, manpower needs can be met into the 1980s by means other than the draft: better recruitment, incentives for retention of experienced servicemen, etc. Many citizens opposed to registration, however, prefer to pick up on themes popularized during the Vietnam war. They see registration as the camel's nose under the tent of (beyond the draft) an adventurist foreign policy and a militarization of American society. Still others feel the draft should be treated as a social project and linked to some concept of universal national service for youth. The administration, striving to make the all-volunteer force work better, has hoped to preempt the wider, hotter debate.

If the all-volunteer force were problem-free, however, the draft issue would not have been revived in the first place. Fortunately, the problems are of a scale that permit, indeed demand, orderly scrutiny. That scrutiny should not be crowded by a hasty proregistration decision in the House.

PEACETIME REGISTRATION: PROCEED WITH CAUTION

(By Martin Binkin)

The military registration debate is reaching the floors of Congress. On the House side, a proposal tacked onto the defense authorization bill would require the president to begin registration of 18-year-old males in January 1981. In the Senate, the Armed Services Committee proposes the registration of males 18 through 26 to begin no later than January 1980.

Thus far, the issue has been inappropriately linked to the question of whether or not the volunteer army is working. This has happened largely because the strongest advocates for peacetime registration and the sharpest critics of volunteer forces are one and the same. As a result, many oppose registration for fear that it is but a first step in a conspiracy to return to the draft. It is important that Congress move out of the line of this emotional cross fire and consider the issue on its merits.

Registration was terminated by President Ford in 1975, a decision taken largely in the interest of economy but no doubt influenced by the view that a conventional war would not last long enough for mobilization to matter and, even if it did, reservists could fill the breach until the Selective Service System could be reconstituted and begin to deliver fresh recruits.

But a recent reassessment of the demands of an intense conventional conflict coupled with problems in manning the reserve forces have raised fears that the U.S. Army would run short of combat troops should the forces of NATO and the Warsaw Pact square off in

a replay of World War II. As matters stand, the nation's Selective Service machinery, which is now "deep standby," could not deliver the first inductees to Army boot camps until some 110 days after a decision to mobilize. Allowing for training and travel this would mean that the first replacements would not reach the battlefield until at least 200 days after mobilization, which many now consider to be too late to make a difference.

The Carter administration wants to speed up this process; as a first step, it has proposed increased funding for fiscal year 1979 and 1980 to improve the computer capabilities of Selective Service and to increase the size of its full-time staff from about 100 to 150. The administration contends that its modernized system would ultimately be able to deliver the first recruits within 30 days, in which case combat replacements would be available as early as 115 days after mobilization—considered by the Pentagon to be soon enough to fill out new units and replace combat casualties. Moreover—and this is important—the administration claims that this schedule would be met without preregistration.

But not everyone agrees. Critics question the feasibility of meeting such a tight schedule, even by a streamlined system. They discount the prospects for registering up to 6 million youths, storing the data on computers at regional sites, notifying inductees to report, giving physical examinations and beginning actual inductions—all within 30 days. Instead, they argue, peacetime registration would give Selective Service a leg up, virtually ensuring that the 30-day timetable could be met, with some proponents claiming that inductions could start within 12 days.

To resolve the issue, Congress should address two questions. To what extent is an enhanced mobilization capability necessary to the nation's security? Is peacetime registration necessary to achieve it?

To answer the first, Congress will have to sort out conflicting testimony of expert witnesses who have expressed widely divergent views of the number of troops that would have to be mustered in an emergency, how soon they would be needed and how best to raise them. Much depends on the validity of assumptions regarding the amount of warning time before hostilities commence, the duration and intensity of conflict, casualty rates and other factors over which there is wide disagreement. Whether the military could train, equip and deploy large numbers of recruits even if they were available is also open to question.

Should analysis lead to the conclusion that an accelerated induction schedule is a good idea, it is still far from clear that peacetime registration is necessary to accomplish it. Claims that the administration's proposed improvements will be enough to revive the Selective Service System should invite a healthy measure of skepticism, but so too should the claims that a failure to endorse peacetime registration would pose an undue risk to U.S. national security.

This is all to say that too many questions are unanswered and, until they are fully resolved, reinstituting peacetime registration—an act that would be sure to reopen old wounds—would be premature. Indeed, the debate should not proceed to a legislative conclusion on the basis of the incomplete, conflicting and often emotional arguments presented so far.

Rather, it would seem prudent for Congress to go along with proposals to beef up Selective Service, which needs to be done in any event, and give the administration some time to iron out the technical problems that are bothering the skeptics. In the meantime, Congress should press the White House for a comprehensive, coordinated and coherent standby draft policy and legislative proposals to underpin it. This will also give all parties time to do their homework on other critical questions that have been left hanging: Should women register? What form should registration take? Face-to-face at draft boards? By postcard mail-in? Or passively, by tapping existing government files? How is compliance to be enforced and what penalties will be imposed for failure to comply?

Once answers are in hand, Congress will be in a better position to make the rational and careful analysis that an issue with such important social and national-security implications deserves.●

PROGRESS REPORT ON THE MILWAUKEE ROAD

● Mr. BAUCUS. Mr. President, I would like to report to the Senate on progress being made to insure continued service on the Western Lines of the Milwaukee Railroad.

EMPLOYEE OWNERSHIP HEARINGS

The Subcommittee on Oversight of the Internal Revenue Service, of which I am chairman, has held two hearings to examine employee stock ownership plans and their applicability to the Milwaukee Road.

Witnesses at the first hearing, on June 21, included technical experts, representatives of Milwaukee shippers and the regional commissions, and representatives from Federal agencies which may be in a position to assist in the employee and shipper ownership effort.

At that hearing, Montana's Governor, Thomas Judge, reported that the Old West Regional Commission and the Pacific Northwest Regional Commissions have tentatively pledged to provide $200,000 each to an organization that would develop an employee ownership plan for the Milwaukee.

Mr. Paul Schmechel, president of the Montana Power Company, testified that shippers along the Milwaukee Road are attempting to raise $300,000 for this effort.

At the second subcommittee meeting, on July 20, Mr. Jim Snyder, legislative director of the Rail Labor Executive Organization, testified that the National Rail Labor Organizations will provide at least $175,000 to help develop an employee stock ownership plan.

NEW MILWAUKEE ORGANIZATION

A new organization, Milwaukee Lines West, has been formed to coordinate efforts to develop an employee ownership plan for the Milwaukee. According to Mr. Michael Fitzgerald, who testified on behalf of Milwaukee Lines West on July 20, the organization was formed to undertake and coordinate Federal, State, local and private efforts to provide for continued competitive railroad service in regions currently serviced by the Milwaukee Road. The organization intends to develop an organizational, financial, managment, and marketing plan for a shipper- and employee-owned railroad. In addition, the organization will participate in court and Interstate Commerce Commission proceedings that may affect the Milwaukee Road.

The employees who work on the Milwaukee Railroad, the shippers who use it, and the States through which the railroad passes are betting almost a million dollars that the railroad can survive and be reorganized as an employee-owned operation.

I can personally vouch for the strong commitment of rail labor and shippers throughout the West to the success of this program. Milwaukee service is essential, and these people fully intend to rebuild the Milwaukee as a model of innovation and good service.

DOT STUDIES

Very soon, the Department of Transportation will release several studies of the Milwaukee Road and particularly of the Western Lines. The general tone of these studies will be negative. However, the witnesses who testified before my subcommittee on July 20 stated in no uncertain terms that their decisions will not be affected by the DOT studies.

These studies do not consider the potential benefits of employee and shipper ownership. In addition, many supporters of the Milwaukee's western extension feel that the DOT is underestimating the probable growth in traffic that will occur as coal reserves are developed and more and more grain is sold to Asian countries.

LEGISLATIVE EFFORTS

Mr. President, on May 29, the Senate passed legislation, Senate Joint Resolution 81, I introduced to provide a moratorium on abandonments by the Milwaukee Road. Similar legislation, House Joint Resolution 341, has been approved by the House Committee on Foreign and Interstate Commerce. I am urging our colleagues in the House to act on this legislation quickly.

On August 6, Milwaukee officials intend to submit a reorganization plan to the bankruptcy judge. This plan undoubtedly will call for the abandonment of all Milwaukee trackage west of Miles City, Mont. The Interstate Commerce Commission will hold hearings on the abandonment requests this fall, and the abandonments could be approved by the Commission in early January.

The Milwaukee's cash position continues to be poor. The railroad is currently drawing down a $20 million loan provided under the Emergency Rail Services Act. Indications are that current cash reserves will last at least through August and possibly into October. In the case that the railroad completely runs out of cash, the bankruptcy judge has authority to approve a complete shut-down of service.

In view of this situation, time is clearly of the essence. Milwaukee employees and shippers and the States have made a strong commitment to employee ownership.

The Congress must provide enough time for development and implementation of an employee ownership program. The affected parties recognize the urgency of the situation and are moving forward at maximum speed.

WESTERN LINES CAN SUCCEED

None of us should take the short-sighted view that the only solution for the Milwaukee's problems is abandonment of the western lines.

I am continually struck by the meta-

phors used by Milwaukee management and the Department of Transportation. When referring to the railroad, their descriptions frequently include that of a "sick patient," or an "invalid." I recently heard the railroad referred to as a "patient with an iron lung, waiting to have the plug pulled."

I agree that the Milwaukee is sick. However, I do not think that the iron lung analogy is quite accurate.

I do not view the Milwaukee as a patient in an iron lung—with scrap dealers calculating the value of selling the lung.

Rather, the Milwaukee Railroad is more like an alcoholic suffering from a 20-year binge. All of us know that an alcoholic on a bender refuses all sustenance, except what comes from a bottle.

According to the witnesses who have testified before me, the management of the Milwaukee Road has refused to provide the nutrition needed to keep the railroad fit. The railroad has declined both physically and financially.

But all of us have known alcoholics who have finally seen the light and changed their lives.

I look forward to a Milwaukee Road that swears off the booze and moves aggressively to restore the vitality needed to continue essential services.●

MRS. EDITH HUBBARD

● Mr. SASSER. Mr. President, I would like to take this opportunity to call the attention of my colleagues to a recent article in the Memphis Press-Scimitar on one of our Nation's outstanding citizens.

Mrs. Edith Hubbard truly knows the importance of a good education in today's world. And her lesson has been passed along to her 9 children, 31 grandchildren, and 4 great-grandchildren. She has set a fine example for others to follow.

I ask that the following article from the Press-Scimitar be printed in the RECORD, so that others may learn from Mrs. Hubbard.

The article follows:

PRIDE IN EDUCATION FOCUSES NEXT ON GRANDCHILDREN

(By Clark Porteous)

It was a struggle for Edith Hubbard, putting nine children through college.

Now, at 74, she can take it easy and watch with pride the educational progress of 31 grandchildren.

Her children are doing what she and her husband, the late Walter L. Hubbard did: give their children a good education.

Asked if she babysits for any of her 31 grandchildren or four great-grandchildren, Mrs. Hubbard, who lives at 1842 Edmondson, laughed and said "No, I can't be bothered with children." But then she tells, with typical grandmotherly enthusiasm of the progress the grandchildren are making, and says she used to babysit, but the Memphis ones are now past that age.

She tells of a grandchild, Pete Strong, who is the only black student at Memphis University School, and of grandchildren at Presbyterian Day School and St. Agnes Academy. She has grandchildren at Notre Dame, Fisk and Meharry Medical School in Nashville. A grandson is a graduate of Antioch College. A granddaughter has a master's degree from Syracuse University and for a time was press secretary for U.S. Rep. Harold Ford. That particular granddaughter is getting married Sunday.

Mrs. Hubbard went to old LeMoyne College when it was only a two-year school. Her husband did not attend college. She convinced him that it was necessary for all of their children to get good educations. Hubbard, who had started out driving a truck for the Post Office, became supervisor of the Motor Vehicle Service and the first black to attain that high a position at the Memphis Post Office. At the age of 67, he died while vacationing with Mrs. Hubbard in California, on Aug. 17, 1977. But he lived to see all nine of his children with college educations, some with advanced degrees, and the start of the education of his grandchildren.

Does Mrs. Hubbard sit in a rocker and take things easy? No sir. "I keep busy. I travel a lot, went to California (where three of her children live) three times last year, went to Chicago and New York (to visit children) and plan to make trips this year. I also write to all of them, and I read a lot and clip things out of the paper I think they are interested in, and send them."

It's different with her husband and the nine children all gone, but she keeps busy.

Mrs. Hubbard said some of her children won scholarships, but they were small like $100, and she and her husband scrimped and saved to educate the children. She said they all worked to help get their educations. She listed her children and their education as follows, from the oldest, who is 50, to the youngest, who is 38:

Mrs. Mary McWilliams, past president of the Memphis Education Association, who teaches at Tech High, has a master's degree from University of Illinois, and a bachelor's degree from LeMoyne-Owen. She is past president of the Black Caucus of the United Church of Christ and is a member of the church national board and travels about the nation, making speeches for the church.

Dr. Walter Hubbard Jr., a physician who practices in Santa Monica, Calif., and lives in Malibu. He is a graduate of LeMoyne-Owen and Meharry Medical College.

Mrs. Ella Long, a graduate of LeMoyne-Owen, who teaches in Chicago.

Mrs. Edith Powers, a graduate of LeMoyne-Owen, who retired from the Postal Service as the result of an injury suffered in a fall. She has been the only black member of the Tennessee Art Commission for five years.

Mrs. Emma Jean Stotts, whose husband, Carl, is a Fire Department captain, a teacher at Carnes, and a graduate of LeMoyne-Owen.

Dr. Elma Mardis, who has the most education of the nine Hubbards, an assistant professor of education and coordinator of the West Tennessee Center, University of Tennessee, Memphis. She has a bachelor's degree from LeMoyne, a master's degree from University of Illinois, and her Ph.D. from University of Tennessee at Knoxville.

Edward Hubbard, graduate of the University of Illinois, an insurance executive in Los Angeles, member of the Million Dollar Roundtable. He was named Man of the Year in the insurance field last year.

Mrs. Margaret Strong, wife of Dr. Odis Strong, and a graduate of Fisk University.

Lonnie Hubbard, who teaches in Chicago, a graduate of Illinois State.●

NATIONAL SECURITY AND THE LAW OF THE SEA

● Mr. COHEN. Mr. President, Americans have always had a special affinity for the sea. The oceans that flank our western and eastern shores have been a source of economic strength and national security for the United States.

Our naval forces and merchant fleets have moved freely through international waters and provided our Nation with security and prosperity. Lately, however, the political and economic tranquility of the seas has been threatened by the burgeoning claims of third world nations to greater sovereignty over larger areas of the world's oceans.

Our Nation and more than 150 other countries are now engaged in drafting a Law of the Sea Treaty that may alter the freedom of movement we have enjoyed through worldwide sea lanes.

The importance of the treaty and its potential political costs, economic risks and threats to military and commercial mobility were recently outlined in an excellent speech by Ambassador at Large Elliot L. Richardson.

Mr. Richardson, who is the President's special representative at the Law of the Sea Conference, used the occasion of the launching of the U.S.S. *Samuel E. Morison*, at Bath, Maine, to make his remarks.

I commend the speech to my colleagues and ask that a copy of his remarks, entitled "National Security and the Law of the Sea," be printed in the RECORD.

The speech follows:

REMARKS BY AMBASSADOR AT LARGE ELLIOT L. RICHARDSON

NATIONAL SECURITY AND THE LAW OF THE SEA

In the waning days of his exciting, productive life, Samuel Eliot Morison urged us to face the future resolutely and to adapt boldly to a world in which unsettling change was an ever-present reality. "Have faith", he exhorted. "Hang on! In human affairs there is no harbor, no rest short of the grave. We are forever sailing forth afresh across new and stormy seas, or into outer space."

Unsettling change, triggered mainly by the burgeoning claims and aspirations of Third World countries, has overtaken the seas Admiral Morison loved so passionately. Next week in New York representatives of more than 150 countries will resume their striving to channel these forces of change in directions which promote world order. They hope to accomplish this high purpose through a treaty negotiated at the Third United Nations Conference on the Law of the Sea.

Morison the historian—his ravenous curiosity aroused—would have been drawn inexorably to this Conference for it represents a landmark effort by the world community to establish the rule of law over every conceivable use of salt water. Morison the sailor would have examined with flaming interest its implications for American naval operations. And Morison the humanist would have applauded its goal of reducing tension and conflict around the globe.

As we launch this warship, the namesake of a giant naval officer and an indomitable scholar, it seems entirely fitting to speak of national security and the law of the sea.

Beneath the surface noise of contemporary debate on foreign policy rests a broad base of consensus on our most fundamental goals. We seek a world in which we are at peace with other societies, in which we and they are free to pursue our own interests and destinies, and in which the inevitable conflicts are firmly controlled and fairly resolved.

The primary goals of American national security policy are the subject of equally broad agreement. They are to encourage the evolution of the world we seek by building and maintaining a stable military balance among potential adversaries and by discouraging breaches of the peace that could lead to superpower confrontation or prejudice

our basic interests. The missions, levels, weapons systems, and deployments of our land, air, and naval forces, both nuclear and conventional, must be so designed as to proclaim to friend and foe alike their evident capacity to play their necessary parts.

Within this framework, the Navy bears a special responsibility for the prevention—the deterrence—of armed conflict. As Admiral S. G. Gorshkov, the chief architect of the formidable expansion of the Soviet Navy, has written:

"Owing to the high mobility and endurance of its combatants, the Navy possesses the capability to vividly demonstrate the economic and military might of a country beyond its borders during peacetime. This quality is normally used by the political leadership of the imperialist states to show their readiness for decisive actions, to deter or suppress the intentions of potential enemies, as well as to support 'friendly states.'

* * * Consequently, the role of a navy is not limited to the execution of important missions in armed combat. While representing a formidable force in war, it has always been an instrument of policy of the imperialist states and an important support for diplomacy in peacetime owing to its inherent qualities which permit it to a greater degree than other branches of the armed forces to exert pressure on potential enemies without the direct employment of weaponry."

Admiral Gorshkov's slap at our "imperialism" is, of course, standard Soviet rhetoric. The significant point is strong, if "backhanded," acknowledgment of the peacekeeping contribution of our and our allies' navies.

Nor has the importance of the Navy been affected by the reduction in the number of U.S. overseas bases and military personnel stationed abroad. That is the result of cost constraints, the strong self-reliance of our friends, and the practical lessons of the Viet Nam war, not, as some would have us believe, a contraction in the scope of our vital overseas interests. Indeed, it is hard to imagine where any such contraction is supposed to have occurred. Certainly not in the Middle East, the Persian Gulf, the Indian Ocean, or the Mediterranean. And if our overseas interests in distant parts of the globe have not diminished, the reduction in direct deployment of ground forces does not reduce but adds to the necessity for alternate means of protecting those interests. Our economic well-being, meanwhile, is continually more dependent on overseas trade and vulnerable to distant political developments. The combined result is to compel increased reliance on the strength, mobility, and versatility of the U.S. Navy.

To fulfill its deterrent and protective missions our Navy must have the manifest capacity either to maintain a presence in far-flung areas of the globe or to assemble such a presence rapidly. This capacity must embrace two essential components, one operational and the other political. The first is true global mobility—mobility that is totally credible and impossible to contain. The second is the right to sail and take up station without subjecting the United States to involvement with any other state.

This kind of flexibility makes possible the calibration of our responses precisely to the situation at hand. It draws on the Navy's unique ability to position itself at sea near foreign countries without entering the territory of friend or foe. It permits the movement of forces and supplies past the coasts of other countries irrespective of their view of the mission.

In conjunction with the political as well as logistical capacity of our air forces to deliver material rapidly to our friends, we thus preserve the opportunity to persuade them to refrain from steps that would otherwise accelerate localized arms races.

Two accelerating developments in the law of the sea challenge these operational and political premises. First, great seaward expansion in coastal state claims of sovereignty reduces the area in which deployment can remain outside the claimed territory of actual or potential combatants. Second, these claims vastly increase the number of legal chokepoints around the world—mainly straits and archipelagoes—where naval and air transit is essential to the deployment.

These developments, which have not yet run their course, add greatly to the risk and cost of deploying global naval forces. True, once a catastrophic crisis is upon us, the question of risk and cost may be cast aside. It is in our preventive missions and our capacity to deter such a crisis that restraints are most acutely felt.

If deployments to far-flung regions of the world require that we defy the claims of third states along the way, they entail a high risk of political, economic, or even military conflict. What is then left of the credibility of our readiness to move forces into an area if and when necessary? What is left of routine deployments past such states? What political, economic, or military concessions will be demanded of us if we are forced to negotiate bilateral agreements to preserve a right to send warships and military aircraft through other states' claimed waters? Most states, be it noted, have no interest in exercising the same rights off our coasts. What new forms of rivarly will face the major maritime powers if they can preserve military and commercial mobility at sea only by gaining influence over strategically located coastal states?

The net effect is to reduce intermediate options, forcing choices more and more in the direction of either inaction or serious conflict. The only way to bring this deteriorating situation under control is by shaping the assumptions of foreign coastal states about their rights and our rights in the oceans. This is not a matter of who has the superior legal argument. Foreign perceptions will continue to dictate the scope of operational risks and costs.

Thus, the ability of the United States to execute its preventive mission depends upon the existence of a consensus—a consensus of geographically significant coastal states—on rules compatible with the routine gobal deployment of our forces.

Analysis of the law of the sea, particularly by lawyers, tends to focus on legal substance while ignoring the importance of international consensus in maintaining the international environment needed to support optimum flexibility in global deployments. It is not enough merely to insist that freedom of navigation and overflight beyond a narrow territorial sea and unimpeded transit through, under, and over straits are essential. Nor is it enough to be prepared to assert our rights in the face of challenge. Our strategic objectives cannot be achieved unless the legitimacy of these principles is sufficiently accepted by the world at large that their observance can be carried out on a routine operational basis.

A new element of uncertainty has been added by the recognition that coastal states are entitled to exercise some forms of control far out at sea. Indeed, the United States, with passage of the Fisheries Conservation and Management Act of 1976, established a 200-mile zone in which all fishing activity would come under American jurisdiction. We are thus no longer in a position to base our global mobility on narrow limits of coastal state control for all purposes. Our mobility must be based on accepted distinctions between types of control.

The ocean environment I have described is neither stable nor predictable. The complicating factors stand out starkly:

First, 12-mile territorial seas would affect more than 100 straits around the world narrower than 24 miles. Among these are the Strait of Gibraltar, the Strait of Malacca, connecting the Pacific and Indian Oceans, and the Strait of Hormus at the entrance to the Persian Gulf. There must be free transit of such straits.

Second, 200-mile fisheries or economic zones cover roughly 40 percent of total ocean area. If these ever come to be regarded by coastal states as their territory, most of our Navy's operational waters will be removed from the exercise of freedom of navigation and overflight. Checking the expansion of coastal state powers in waters that for some purposes are concededly under their jurisdiction becomes more difficult every day. It matters little that it was Soviet overfishing that originally caused a foreign state to declare 200-mile territorial sea if that claim subsequently leads to restraints on navigation either directly, or by encouraging similar claims.

Third, scores of developing states, with their newly asserted nationalism rampant, are in control of the coastlines along which our ships and aircraft must pass. Many of these Third World states have acquired patrol fleets and other craft capable of interdicting naval, commercial, and research ships steaming off their shores. Taken together, this increases the possibility of prejudicial claims, the risk of ignoring them, and the number of situations in which the overt exercise of high-seas rights would be needed to alter perceptions.

Clearly, then, the United States has a major interest in promoting the development of a widely accepted body of international law for the oceans. We must have a legal environment in which our own perception of our rights is unchallenged. This means the right of navigation and overflight free of foreign control, free of substantial military risk, and free of economic or political cost. We know that the old rules are no longer adequate to sustain such a legal environment. We have no choice but to adapt and supplement them. And in the circumstances it is apparent that a universal treaty—if the rules it contains are adequate—would be the most effective basis for maintaining the necessary global legal environment over time.

The negotiating text now before the Third United Nations Conference on the Law of the Sea, if incorporated in a widely ratified Law of the Sea Treaty, would meet this need.

First, by establishing a 12-mile maximum limit for the territorial sea, the text would prohibit further assertions of sovereignty by coastal states beyond 12 miles, and roll back some existing claims.

Second, under the text we would enjoy free and unimpeded passage through, under, and over straits and archipelagic waters. The provisions on these subjects emphasize the obligations of transiting states rather than the right of coastal States to control transit. This approach is designed to protect legitimate coastal state interests without permitting coastal State inerference with transit. As you might expect, the only significant exceptions pertain to enforcement of internationally approved maritime safety and pollution measures.

Third, the text provides for an economic zone extending up to 200 miles from the coast. The most important aspect of the economic-zone text is that coastal state rights in the 200-mile zone are not open-ended. They are carefully circumscribed, and relate primarily to control of living and nonliving resources. We would continue to enjoy full high seas freedoms in the economic zone for the purposes of navigation, overflight, and related operations.

Fourth, under the text we would be able to bring suit against a state that interferes with navigation or overflight. Compulsory third-party settlement of disputes would

give us an important new option in our efforts to control and discourage claims that erode high-seas freedoms. This option would help relieve us of the agonizing choice between acquiescence and costly defiance each time a claim is made. In addition, the possibility of suit would strengthen the advocates of reason and restraint within foreign governments.

Significant though these benefits would be, we will not sacrifice any basic American interests to gain them. A Law of the Sea Treaty would deal with far more than navigation and overflight. Serious deficiencies exist in the current negotiating texts on deep seabed mining and the conduct of marine scientific research. We will insist on what we believe to be the improvements necessary to protect our interests in these matters. We will not accept a treaty unless they are forthcoming. In Samuel Eliot Morison's words, we will "have faith!" we will "hang on!" and do our utmost to bring negotiations to a successful conclusion.

Still, any treaty that has any prospect of widespread acceptance will have costs as well as benefits. Its measure is not whether it is better than the law as we would write it if we could. The measure is whether it is better than the situations most likely to evolve without it. All American interests must be weighed in making this decision. We can expect serious national debate if and when a Law of the Sea treaty comes before the Senate. It is imperative that those concerned with national security ready themselves to take part in the debate, not just on the adequacy of the navigation articles, but on the overall effect of acceptance or rejection of a treaty on our national security posture well into the next century. Silence and indifference on this basic issue could lead potential adversaries to dangerous—and I trust erroneous—conclusions about the Navy's—and America's—perception of our future role in the maintenance of peace and security.●

MULTILATERAL TRADE NEGOTIATIONS

● Mr. BAUCUS. Mr. President, as we are all well aware, trade is a vital concern to every nation of the world, and our Nation is no exception. The American people are well aware that many problems and tensions exist in this important area. Every day we read in our newspapers about trade deficits, imbalances, protective tariffs, or floods of foreign imports. And the list goes on. For this reason I applaud the recently negotiated Tokyo round of the multinational trade negotiations. While it is true that the agreement could lean more toward the U.S. interests, I firmly believe that a reasonably equitable compromise has been struck. The MTN represents a substantive step in the direction of more competitive and equitable trade relations.

MTN holds benefits for the United States as a whole, as well as my own State of Montana. Montana's economy is primarily service-oriented, and includes some manufacturing sectors. In 1976 alone, manufactured exports totaled $44 million. This is a small figure in world terms, but important to Montana since 1 out of every 14 manufacturing jobs in Montana is linked to exports.

A number of Montana's major industries will be affected by the multilateral trade negotiations. Montana is, of course, a State of forests and thus the lumber and plywood industries are of significant importance in the State. These industries will benefit with better access to Japanese and EC markets. The paper industry will also enjoy reductions in tariffs that have long been erected in key foreign markets.

The Nation's biggest industry, agriculture, will not be left out of this important picture either. Here it is important to note that growth in the agriculture industry has been largely due to an expanding export sector. Montana is home to a very large agricultural sector which will enjoy greater access to foreign markets due to the lowering of trade barriers.

Still, I must add that I am disappointed that the multilateral trade package does not include significant concessions that are needed by U.S. agriculture. For example, the restrictive countervailing duties Common Market countries use to keep out our wheat and feed grains will stay in effect. Nevertheless, the trade agreement will provide additional markets for certain cuts of U.S. beef and some specialty crops. By 1987, these concessions will add roughly $400 million annually to our agricultural exports.

More importantly, the MTN will establish new codes which serve the function of clarifying and tightening up the complex rules and regulations which govern foreign trade. Implementation of these codes will be a very valuable addition to our trade relations with other countries. These new codes will, for example, prevent foreign countries from using export subsidies in a manner that displaces U.S. exports; particularly important will be limitations on wheat export subsidies to Third World countries where we may already have a substantial market. They will also prevent foreign countries from using domestic subsidies that may materially affect international trade. authorize the United States to use countervailing duties if foreign subsidies damage our domestic industries. establish international standards to facilitate trade, and prevent health and safety standards that may restrict trade beyond the requirement to achieve health and welfare goals. I also want to mention my satisfaction with the administration's acceptance of my proposal that North American trade receive the special attention it deserves. We have a great promise—despite many problems—right here on our own continent. We must explore that promise responsibly and fully.

To summarize, I would like to thank my colleagues for giving MTN their support. Lower foreign trade barriers and clearer, more equitable rules benefit every State in this country. We all recognize the need for more streamlined trade relations with our trading partners. And as Senators, we have an obligation to support agreements which enhance our own country's trading position. Nearly 100 nations participated in nearly 6 years of careful and cautious negotiation and I believe that this comprehensive trade package is an achievement of international cooperation, despite its shortcomings. The MTN is worthy of the overwhelming support it received in the Senate yesterday.●

THE KNIGHTS OF COLUMBUS ESSAY CONTEST

● Mr. THURMOND. Mr. President, during these often tempestuous days of the 1970's, we are apt to lose sight of our Nation's purpose. The spiritual and moral integrity that is necessary for our country to remain strong is often overlooked.

Recently a 14-year-old girl from Beaufort, S.C., Sheri Lynn Gray, wrote an essay entitled "What the Pledge of Allegiance Means to Me," which won a Knights of Columbus essay contest. This fine essay from an eighth-grade student reaffirms the old-fashioned patriotism that has made our country the most powerful nation in history.

Mr. President, in order to share this article with my colleagues, I ask that it be printed in the RECORD.

The article follows:

MY PLEDGE TO MY COUNTRY

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

The Pledge of Allegiance may be, to many people, just something they must learn as a child and then recite every morning at school. To some new American citizens, it may be just one long sentence they had to memorize in order to pass their citizenship exam. To the writer of the pledge, Mr. Frances Bellamy, the pledge was probably his way of honoring the country he loved.

To me, the Pledge of Allegiance is more than just a sentence that must be said every morning at school. The pledge is a statement that should be said from the heart and said with respect.

The pledge reminds me of all the men and women who died to make and keep this a free country. There were the men who fought in World War I and World War II, and there were the men who fought in smaller wars such as the Spanish-American war. These men and women are the ones who made this country "one Nation under God, indivisible."

The pledge also reminds me of peace and of the people who kept it. It reminds me of good times and of happiness, of bad times and of sadness, but most of all it reminds me of America, the country I love.

When I pledge loyalty to my country and I think of what others gave to make this the great country it is, I think "What can I give it?" I have given it my loyality, my respect, and my love, but I can and will give it more in the future. I can dedicate my life to make it a better country, and when I have given it everything else, I can die for it.

When I say the Pledge of Allegiance, I pledge my loyalty and life to America, the land with "liberty and justice for all." ●

NEED FOR FLEXIBLE REGULATIONS

● Mr. CULVER. Mr. President, the Subcommittee on Administrative Practice and Procedure, which I chair, recently held a public hearing on S. 299, the Regulatory Flexibility Act of 1979. During the course of that hearing, we were fortunate to receive some compelling testimony from mayors of small towns, small hospital administrators, and representatives of small businesses.

Among the witnesses invited to present testimony were Kenneth Robinson, mayor of Bayard, Iowa; Connie Wimer, chairperson of the Small Business Committee for the Greater Des Moines, Iowa, chamber of commerce; Robert Hatala, mayor of Fort Madison, Iowa; Willis Fry, administrator of St. Francis Hospital in Waterloo, Iowa; and Charles Linden, administrator of Boone County Hospital in Boone, Iowa. These Iowa officials candidly described to us their first-hand experiences in dealing with Federal regulations. In case after case, their testimony illustrates that "uniform" Federal regulations fall unfairly upon those least able to comply with redtape—the small organizations.

The topic of regulatory reform is very much in the news today. The Subcommittee on Administrative Practice has before it a number of bills designed to accomplish various changes in the way Government issues its rules. But it is important to realize that regulatory reform is not merely a matter of legal technicality and mundane procedure. Federal regulation affects the daily life of people—all kinds of people—from the neighborhood grocer to those who run our hospitals.

I would like to bring to the attention of my colleagues the frustration felt by these individuals by printing in the RECORD the testimony of these witnesses.

Their testimony follows:

PREPARED STATEMENT OF KENNETH ROBINSON

I am honored to be asked by Senator Culver to make a statement in behalf of S. 299. If my help is beneficial, so much the better.

I have been dealing with bureaucrats for many years and as the rules and regulations become tougher, so do I. Not being very ambitious, I have devised one plan that works. As Mayor and Editor, I receive volumes of governmental and other requests. Some are questionnaires and others just seek information. Long ago I initiated a policy that saves me time. If the request says "under penalty of law," I fill it out. Otherwise, it goes into the waste basket.

During the past several years I have had many personal experiences with Federal Bureaucrats and I have heard many complaints from friends and neighbors. However, since I am sure of the facts concerning my own experiences and since I have had so many of them, I will confine most of my remarks to my own experiences.

About eight years ago our city was told that we would have to install a new sewer system. The agency making that edict was the Guthrie County Board of Health. At the same time, they gave the word to four other towns in the county. Namely, Bagley, Jamaica, Yale and Menlo.

Our city officials asked for time and the board said that so long as we were making an effort to install a sewer we could go along as we had been, using septic tanks and dumping the effluent into the streams. The same order was given the other four towns. Bayard made the effort and we now have a fine new sewer system operating every day. The other four towns have done nothing and are still polluting the streams.

Bayard hired one of the finest engineering firms in the state of Iowa, Veenstra and Kimm of West Des Moines. They immediately went to work on our project and the Federal government said we could get grants from the Farmers Home Administration, the EPA and that FmHA would loan us the rest. We followed this advice except we issued General Obligation bonds to pay for part of the cost.

Red tape delayed the start of the project for more than four years and paper work piled up. In the meantime, costs spiraled and it is estimated that by the time we were able to call for bids the cost of the plant had more than doubled.

Farmers Home has been very cooperative and has done everything promised.

On the contrary, everything concerning EPA has been a fiasco. Unnecessary road blocks have been thrown in the way of progress causing slowdowns and work stoppages. All causing more expense.

Finally, the plant went into operation and we were charging rates established through cooperation with the Farmers Home Administration. Since this was the only agency we owe money we thought their figures would be acceptable. They were to us and to them. However, EPA tried to get into the act and change the rates.

A call from Senator Culver's office seemed to change their mind. Anyway, about two weeks after his call we were told that after reviewing our rates, they seemed to be all right. Another instance of harassment.

EPA has paid money as the project progressed but it was like pulling teeth to get the checks. Invariably the request was lost in Kansas City or they didn't like the way we crossed a "t" or an "i" was dotted.

We should have had our final payment no later than July of 1978.

The EPA is still holding up that payment of slightly more than $42,000.

First they lost a copy of our ordinance and later other forms we had submitted came up missing. In desperation, I started sending reports and forms first class certified mail with return receipt requested. Even so, the EPA still lost two forms. One of them was the request for final payment.

I have a letter from Thomas M. Carter, grants officer, dated February 15, 1979, in which he stated that within three weeks from the time they received the request, our final check would be mailed. Even though the forms were sent the next day certified mail, the request was lost. (See letter attached.)

In the meantime, on March 19 a 2½ inch rain fell here on top of some very deep snow. The resulting flood caused some surface water to get into the sewer lines and one basement had a backup from the sewer.

Now the ivory tower experts in Kansas City are saying that something is wrong and they are not going to pay us the final $42,000. I really know this is true because a fellow by the name of Zimmerman called me from Kansas City and spent one and one-half hours on the phone telling me that he was going to write me a letter. When the letter came it bore the tidings that we would not get our grant money. They even have made veiled threats that we may have to pay back the grant money we have already received.

In the meantime, our engineers went to work and devised a plan to insure that such a backup would not occur again even though no one in town can remember of such a flooding situation ever happening before.

During the years of planning and construction, the city of Bayard has paid many bills from its general fund expecting to be reimbursed when the plant is finally accepted. Thus, the treasury is strapped and there are no funds available to pay the remaining bills. The engineering firm is holding the sack for close to $25,000 and our city attorney has about $2,000 coming. There are many smaller debts we cannot pay.

When the plant was being planned the EPA told us we had to include an expensive chlorinating system. After we spent $7,000 to install the system the EPA now says they have changed the rules and we are NOT to chlorinate.

Even though they say our system is faulty, they offer no plan to correct what they seem to think is wrong. Even if we had the money to make some adjustments we have no assurance that the grant money would be released and we would be further in debt.

Any suggestions on what we should do?

In 1965 my very dear friend Arden Newell, state director of the Farmers Home Administration, came to me and said, "Ken we have a fine new program to provide low-cost housing for the elderly. However, we haven't been able to get it off the ground. Will you help?"

At that time I was president of the local Lions Club and I took up the proposition with fellow club members. I had a plan and the Lions accepted it. Since then Bayard Senior Citizens Housing, Inc., sponsored by the Lions Club, has built four federally financed units with five apartments in each. Right now we are housing 23 elderly citizens in these apartments and they are all happy. The homes they left when they entered the apartments now house 33 younger persons.

Neighboring towns followed our lead and probably more than 25 Lions Clubs have sponsored senior housing. In Guthrie County, seven other Lions Clubs built homes and now every one of the nine towns in this county has at least one senior citizens home.

We are about to open an eight-plex to be occupied by low income subsidized families. This is owned by the senior citizens corporation.

As you may have guessed, there were no problems involved in building the first home which was occupied December 1, 1966. It was a little more difficult to build the second one and by the time the bureaucrats had become entrenched in the elderly housing program the building of the fourth unit was a nightmare. No way would I get involved now in building another even though there is a need.

After we had built our second home, Mr. Newell brought all the county supervisors in Iowa to Bayard and had me explain how we had done it. They went out and under his direction Iowa became the leading state in the building of rural senior citizens housing.

The biggest tragedy for senior citizens in this country was when Mr. Newell died of cancer.

Now the attitude toward rural rental housing in Iowa is mean and vindictive. There is no more of the compassion of Mr. Newell.

As time has gone by, new rules have been promulgated and now it is almost impossible for volunteers to administer the program locally. To my knowledge, none of the housing projects has defaulted and on the whole all are relatively successful with no touch of scandal.

When asked why volunteers should have to do all the unnecessary paper work the answer was, "they don't have to, you can pay someone to do the work." The obvious question then was how do you pay this unneded help? "Why, you raise the rent." I ask you, does this show compassion?

Some of the paper work they are demanding is not only useless and superfluous but it's downright intrusion of privacy.

Naturally, there are some restrictions on the people who live in the homes and as anyone would expect there are eligibility rules. Now the FmHA is asking that incomes be verified.

We know that our people are honest and here in rural Iowa you are not faced with those who cheat as you might find in other areas. We know our people personally and they have all filed income certifications. The FmHA is asking us to verify these figures.

I have been advised by three lawyers not to do it. If a mistake should be uncovered I would be the one jailed.

The rural housing part of the Iowa FmHA is constantly harrassing the Baynard Senior Citizens Housing group and has threatened to liquidate our loans and have the United

States Government repossess them. Every month the payments on the loans are paid in full along with the interest and we owe no one a penny. When they come they come to set our residents out in the street, there very well could be a riot.

I hope you can see the change in attitude that has taken place in this agency. First you are a great guy, "please help", now when you object to their silly paper work you are a bad guy. Be assured very few if any housing corporations are knuckling under.

The bureaucrats don't know it but senior citizens thrive best when left alone. And, when they are harrassed they begin worrying and become ill.

We have a saying around here that bureaucrats operate under Murphy's law—if there is a way to foul it up they'll find it.

Last year the Comprehensive Education and Training Act (CETA) was well and healthy and almost every city in this area was employing one or more persons under CETA.

Early in 1978, I talked to a friend at the Iowa Job Service and he told me to write a letter if we wanted some help under this program. He told me to write to the Office for Planning and Programming (OPP). I wrote one letter asking for a grant of $27,000 to finance the employment of five persons to do work on streets and sidewalks following the installation of the new sewer system.

About three weeks later, I received notification that my request had been granted.

The Job Service sent us some men and we provided employment for them throughout the summer. The program didn't work out perfectly but it was better than one could expect. We were able to extend the employment of two of them for a year. At the end of the CETA period the town hired one of the men and he is working full time.

Now, there are several girls in the office at Carroll trying to handle the duties one man did on a parttime basis last year. We thought we might be able to employ one person this year to do work in the parks and on the streets. One of the girls came to my office and we filled out a 13 page application. Naturally, it wasn't right the first time and she came back twice before it was accepted. We did not get one applicant and to the best of my knowledge none of the neighboring towns has been able to hire any CETA help this year. But, there are plenty of workers in the office.

One thing, last year we were able to pay the workmen from $4.25 to $4.75 an hour. This year the pay is $3.19—someone's new interpretation of inflation.

One of the most interesting encounters we have had involved the census bureau (they seem to be one of the worst). Several years ago we started getting huge questionnaires concerning flooding in our town. They had prepared an elaborate map showing an area where they thought we might have a flood plain. We were supposed to do something or we couldn't buy federal flood insurance.

Since there was no flood area and since we weren't interested in federal flood insurance we did nothing about it. Finally, they admitted that we did not have a problem and forgot about it. When I asked why we were harassed by all this junk I was told that there are something like 15,000 municipalities in America but only about 3,000 have flood problems.

By sending the questionnaires to every city and town in the nation they found out the 3,000 by a series of elimination.

During a period of three years, the city of Bayard had four clerks. The Federal and State requirements were so stringent that the average parttime clerk just got confused and lost trying to fill out the required forms. Several of them became alarmed and felt it would be easier to quit than to run the risk of getting themselves and/or the town in trouble.

At the time we hired the fourth clerk we also employed a certified public accountant to check her records and to fill out the myriad of State and Federal forms. He also helps me develop a budget for the approval of the Council.

Since then we have had no problem but this added help is costing the city an extra $3,000 a year that it can ill afford.

An experiment has been tried in some areas whereby a "circuit riding" city manager has been hired to help clerks in several towns handle the barrage of extra paper work. It seems to work pretty well but again it is an added expense.

The mayor of a neighboring town told me recently that his municipality bought a new civil defense siren. The government has a setup whereby the town would pay half the cost and the government would pay the other half. This town bought and paid for a comparable siren and the total cost was less than the one-half they would have paid by going with the government.

This is reminiscent of the post office department. Here is a governmental agency which promotes the sale of stamped return envelopes. They do this printing below cost which adds to the postal deficit.

And, as a printer, I wonder where all the forms and other printing spewed out by the government comes from. With the usual government efficiency it is difficult to believe that much of this printing couldn't be furnished by private industry at a savings to taxpayers.

Most American citizens like to get involved but when the bureaucratic web keeps expanding and eventually strangles those well-intentioned people the result can be only one thing—fewer and fewer people willing to help and more and more bureaucrats harassing the populace.

One of the biggest problems facing citizens who try to deal with governmental agencies is interpretation of rules. One bureaucrat reads and interprets a rule one way while another puts an entirely different meaning on the same wordage. This has been one of our major difficulties in dealing with EPA. You seldom talk to the same person twice so you are constantly confused, just as they are.

If S. 299 holds the key to slowing the spread of this horrible disease called bureaucracy, and I think it does, then let's get this law passed and into operation without delay.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Kansas City, Mo., February 5, 1979.

Bayard, Iowa, Project No. C190675 01.

Hon. KENNETH ROBINSON,
Mayor of Bayard,
Bayard, Iowa.

DEAR MAYOR ROBINSON: Enclosed is the revised Outlay Report and Request for Reimbursement for Construction Programs form which reflects the total costs determined eligible for grant participation. Also enclosed are copies of the revised Grant Amendment. Please sign all forms, retaining one copy of each for your files. Return the originals and all other copies and Assignment and Release form previously mailed to you to this office by certified mail within three weeks. Upon receipt, payment of remaining funds will be made.

A fiscal audit of your project records will be made after final payment. I am also enclosing a checklist of items which should be readily available for the auditor's review if an on-site audit is conducted. Total eligible cost is subject to adjustment based on final audit.

Sincerely yours,

THOMAS M. CARTER,
Grants Administration Officer, Grants Administration Branch, Water Division.

BUREAUCRACY ALIVE, WELL IN BAYARD

(By Chuck Offenburger)

BAYARD, IA.—Pass the aspirin, please.

What we're going to do here is play a little game called "how you say where you live." It's sort of an unannounced spot check on the bureaucracy to make certain it's still numbering, dividing and multiplying itself into absolute silliness.

For example, folks here can say they live in Bayard, Highland Township, Guthrie County, Ia.

Or they can say they live at the junction of Highways 141 and 25, though they'd have to designate the west junction because there are two of them.

Or they can say they live in Merged area 11 of Federal Region 7—more precisely Division of Criminal Investigation Zone 2, Iowa Health Systems Agency SubArea 3, Department of Environmental Quality District 4.

Get the drift?

You can play the game—make the spot check—in any town, really.

So why Bayard?

Because this is the home of Kenny Robinson, 64, who is editor and publisher of the Bayard News and is also the town's mayor.

By virtue of his two positions, he must maintain a nodding familiarity with all the governmental tentacles that grasp at the 652 people living here—right here at zip code 50029 on the east edge of telephone area 712.

Say "bureaucracy" to Robinson and smoke starts drifting from his ears.

He's partial to a theory that if you took a blank map of Iowa and started drawing black lines on it to represent bureaucratic jurisdictional boundaries, you'd end up with a black Iowa.

"It's just awful," he said. "It makes you wonder where it's all going to end up. Dealing with most of these agencies is so frustrating, maddening and time-counsuming, it's hardly worth it. Besides, when you're done, you're never sure if you've done it right."

Oh, now maybe Robinson was especially agitated on the day of the conversation because he had to chair a meeting that night of something called the A-95 Review Committee, which operates under the aegis of the Region 12 Council of Governments.

"No," he said, "it's bad all the time."

"Not long ago, some guy called me from Kansas City about our sewer system. He talked to me an hour and a half to tell me he was going to be writing me a letter. No kidding. My arm hurt so bad from holding the phone I had to take aspirin for the pain."

What Robinson needs to do, obviously, is get out to a ball game and forget it all.

At the game, he could watch the Bayard Reds, who play in Class A competition except when they're playing in Class C. They represent the Bayard Community School District—which, by the way, has been designated school district number 522 by the Iowa Department of Revenue.

Thus, going to a game could build frustration rather than reduce it. So how about calling a politician and venting the anger?

But whom is he to call—the supervisor from District 1, the representative from District 56, the senator from District 28 or the congressman from the 5th District?

The numbers could drive him crazy, in which case he'd be counseled by personnel from Social Services District 12 or committed by a judge from Judicial District 5A.

It just seems there's no escape from all the numbers and agencies here in this spot of Region 7 of the Iowa Library Commission—which is also District 6 of the Agricultural Stabilization and Conservation Service and Area 4 of the U.S. Soil Conservation Service.

"The duplication and overlapping keep getting worse all the time," Robinson said, "and, frankly, things have really gotten bad under Jimmy Carter, who you'll remember

is the man who said he was going to end all this crap.

"The civil servants and bureaucrats have a stranglehold on this country. And the best thing I can say about most of them is that they are simple idiots. No matter how you tell them, you can't get it through their heads it's taxpayers' money they're frittering away."

OK now, back to work, Mayor Robinson.

There's that new machine to master.

"We just got it," he said of the device. "We'll use it to keep better track of sewer and water bills.

"Of course, first, we've had to give everybody in town a number . . ."

STATEMENT OF ROBERT S. HATALA

S. 299, THE REGULATORY FLEXIBILITY ACT OF 1979

Senator Culver and Members of the Committee, the following testimony is in support of the "Regulatory Flexibility Act."

Although federal regulations affect all cities, uniform regulations have a disproportionate impact on small cities because they lack the financial resources and capacity to comply with those regulations. The relative impact of any one regulations is directly related to the size of the city.

Because of this disproportionate impact, small cities must hire costly consultants where large cities can rely on their own staff, limit the size and scope of projects, or, if they can, choose not to take part in a particular program.

Examples

Federal Aid to Urban Systems

Fort Madison is currently involved in a Federal Aid to Urban Systems Project. Because of the planning and reporting requirements for FAUS projects, the City is less well equipped to efficiently and effectively handle the location and design reports and the required inspections. Therefore, in order to complete the project, the City has had to hire an engineering consultant to perform these functions entirely at City expense.

The inspection requirements are of particular interest. Fort Madison is nearing completion on a relatively large paving project which will eventually connect to the City's FAUS project. This paving project was designed using the same criteria as far as load bearing capacity as that for the FAUS project. The inspections for the locally-financed projects are being done totally by City staff. Although the types of inspections required for both projects are essentially identical, the number of inspections required and the tremendous documentation required for these inspections make it impossible for our staff to inspect the project. As I have previously indicated, these inspections will be done by an engineering consultant, the cost of which is borne by the City.

Community Development

When planning and reporting for Community Development Block Grant funds, small cities face essentially the same informational requirements as large cities, even though the same census data is not available to both large and small cities. This is evident when a small city attempts to report on income data. The census data for large cities is more complete and detailed and, therefore, easier for them to determine. In small cities, this same type of income data is required, but the same information is not available. It would seem that the requirements here could be flexible in order to reflect the available census information. Small cities are much less able to acquire this information using their own staffs.

Community Development Fund Drawdowns

The Department of Housing and Urban Development very recently reduced the minimum fund drawdown from $10,000 to $5,000. This will be of benefit to small communities, but even greater flexibility could be provided for. Very small cities, such as Montrose, Iowa, with a population of less than 1,000, have an acute problem with the higher minimum limits. Because any funds received from HUD must be disbursed within three days, a city the size of Montrose must wait until they have expended the minimum drawdown amount before making a drawdown request. Between the time they have made these first expenditures and the time that enough expenditures have been accumulated to reach the minimum drawdown limit, a city such as Montrose must either require that those to whom they owe money wait until expenditures have accumulated to the minimum, which has obvious drawbacks, or the city must use its own cash flow to cover these expenses. Although $10,000 or $5,000 may not sound like much to some cities, it is a very substantial amount to others.

Flexibility could be provided to small cities by further reducing or eliminating minimum drawdowns or the three-day disbursement requirement could be changed so that small cities could drawdown funds before they have been expended and then use those funds as their program progresses rather than their own limited cash flow.

Community Development Program Administration

When making application for a Community Development Discretionary Grant, cities must show how their particular program will benefit low and moderate income people. Many of those programs which have the greatest impact on those people with low and moderate incomes, such as housing rehabilitation, have greater administrative requirements than the eligible public works type projects.

Small cities many times lack the necessary resources to comply with the administrative requirements. Therefore, I am sure that many cities choose to avoid those types of projects in favor of those with less administrative requirements, even though those programs may not be as beneficial to those with low and moderate incomes.

Although Fort Madison succeeded in receiving funding for two years, we were not successful with program implementation, primarily because the City just did not have the capacity for the program. If we had a chance to repeat the process, I am sure that we would choose to apply for a more moderate grant which would probably mean leaving out the real people projects with the most direct benefit.

WASTEWATER TREATMENT

Changes in regulatory requirements by the EPA have had a tremendous negative impact on several small cities in Iowa. West Point and Jefferson, two cities in Iowa, have been attempting to upgrade their treatment facilities. However, it seems that once they progress to the point where they have actually completed planning the process with the aid of consultants, the standards change and the progress made becomes obsolete. These constant changes in regulation adversely affect all cities, but again there is a disproportionate effect on the small cities.

Geographic flexibility should also be a concern where effluent standards are made because of the varying problems faced by different regions of the country.

CONCLUSION

Administrative rules and regulations are in order to maintain and improve the quality of life. However, many times these same rules and regulations have a disproportionate impact on small cities primarily because they do not have the necessary resources and capacity to comply.

Although the federal government should not quit making and changing regulations, it would be very desirable for it to look at the relative impact of a particular rule and, if it can be administered in such a way as to still provide the results of the intent of the legislation but still reduce the impact on small cities, then it should be done.

I believe that Fort Madison and all small cities would support the "Regulatory Flexibility Act".

STATEMENT OF MR. WILLIS FRY AND MR. CHARLES LINDEN

Mr. Chairman, I am Willis Fry, Administrator of St. Francis Hospital in Waterloo, Iowa. With me is Mr. Charles Linden, Administrator of Boone County Hospital, Boone, Iowa. We are pleased to submit for the record the following testimony prepared with assistance from the Iowa Hospital Association. We appreciate this opportunity to participate in these hearings on Regulatory Reform, and we commend the Committee for its study and efforts in this area of governmental regulations and their ever increasing effect on hospitals in Iowa and those across the nation.

We support the spirit of S. 299 and are confident that it will elicit a more concerted effort to reduce the impact of federal regulations on small organizations, including hospitals. We strongly endorse the provisions of S 299. While this legislation does not attempt to stop the issuance of rules and regulations, it could reduce the flow significantly and simplify rules for many individuals, businesses, organizations, and units of government with limited resources who have been increasingly overburdened by regulatory requirements.

We applaud the two main objectives of S. 299; namely, that the bill will increase the sensitivity of those agencies writing regulations to the needs and capabilities of those who will have to comply with them, and that it will establish the premise that regulatory requirements should fit the scale and abilities of those being regulated.

Of particular importance is the authority that S. 299 gives to Federal agencies to issue specific regulations and reporting and record-keeping requirements for different-sized businesses, organizations and government units. All too often small businesses, towns, and organizations are saddled with regulations and reporting requirements designed to address the problems of big business and large cities and organizations. The result is that these smaller units are forced to expend enormous amounts of time, money, and energy on superfluous paperwork and requirements that simply increase costs and do absolutely nothing to advance the general health, safety or welfare of the population.

To accomplish these objectives, this bill will require agencies to invite public comment on ways to reduce the burden on individual, small businesses, organizations and government units. Agencies will also have to justify the final form of new regulations in light of the comments and alternative proposals submitted by the public. Finally, they must periodically review the appropriateness and effectiveness of all existing rules and regulations with a particular eye toward eliminating unnecessary burdens they may be creating for individuals and small entities.

In light of the proposed review of all future regulations, we would urge that S. 299 not only require agencies to invite public comment when *new* rules and regulations are introduced, but also to allow concerned parties to retrospectively examine rules and regulations that currently affect their operation, requesting that the same review be applied.

The purpose of our testimony today is to give illustration to the fact that hospitals are among the most regulated industries in America. We would hope that S. 299 would alleviate some of the problems of government regulation in hospital operation.

Virtually every aspect of hosptial operation is now subject to some form of regulation: federal, state, local, or voluntary. Profes-

sional performance is regulated through such legally mandated mechanisms as utilization review, medical audits, claims review, and PSRO. Capital expenditures are regulated by Certificate of Need and Health System Agency organizations. Reimbursement is regulated by Medicare, Medicaid, Blue Cross, and others. Wage and hour laws dictate the minimum wage hospital employees are to be paid. Occupational Health and Safety Act (OSHA) states what must be done to be safe environmentally. The Equal Employment Opportunity Act affects the types of individuals that are to be employed. Hospitals are also controlled, in part, by the Internal Revenue Service laws, the Controlled Substances Act, the Bureau of Narcotics and Dangerous Drugs, the Atomic Energy Commission, the Environmental Protection Agency, the Federal Communication Commission, and other legally mandated and voluntary agencies.

Department of Health, Education and Welfare (DHEW) is the source of most of the federal regulations relating to hospitals. It has recently been reported by the General Accounting Office that HEW publishes between 750–800 proposed or final regulations each year; and that almost 600, or about 75 percent, of these are related to its health programs.

Early hospital regulatory programs were direct exercises of federal and state power intended to protect the public. They included, among many others, minimum requirements for care and treatment and services that could and could not be provided. After World War II, the federal government's regulations became directly involved in increasing the availability of health facilities, personnel, and resources, and in disseminating information regarding technological advances. By the mid-1960's the relative abundance of health care resources gave rise to another shift in the nature of health care and hospital regulations. The regulations stimulating rapid growth in health care resources were replaced by regulations to prevent duplication of services, to distribute services appropriately, and to enhance efficiency through planning. By the early 1970's the rapidly increasing proportion of the federal budget devoted to the purchase of health care services, under such programs as Medicare and Medicaid, resulted in additional controls in the form of utilization and payment regulations.

The hospital industry's experience with regulation illustrates many of the frustrations that have been expressed by those who must comply with regulations; and demonstrates why hospitals are urging the development of a more rational and less burdensome regulatory approach.

We are encouraged by some recent efforts to relieve the regulative burden on hospitals. Perhaps the most recent example is the proposed rulemaking to expand and clarify the regulatory provisions concerning the role of the Joint Commission on Accreditation of Hospitals (JCAH) and American Osteopathic Association (AOA) reviews in meeting the Medicare program's conditions of participation for hospitals. The acceptance of JCAH and AOA accreditation by the Secretary of DHEW would reduce the need for annual State agency surveys of the hospital.

However, there are fears that we are taking one step forward and two steps back because of more recent rulemaking. One case in point is the regulations published May 18 concerning the Uncompensated Services standards of compliance for health care facilities assisted by the Department of Health, Education, and Welfare under Titles VI and XVI of the Public Health Service Act (Hill-Burton).

The May 18 publication states that the regulation will ". . . promote better delivery of services under the assurances and more effective monitoring of compliance with the assurances." In the case of Iowa hospitals which have always granted such care under the "open door policy," there was no need for the mandated minimum levels of uncompensated services to be rendered. The new rules will now eliminate a choice of compliance and impose a dollar volume of services that must be rendered and documented. In the State of Iowa, there is little demand or need for the uncompensated services under qualifying conditions.

According to the new rules, healht facilities are required to publish plans for allocating the uncompensated services to be granted, are to describe the types of and time such services will be available and whether reduced cost care is also available. The availability of uncompensated services must be published in a local newspaper, posted in the hospital, and individual notice given to each patient. A determination must be made by the hospital as to the patient's ability to qualify for the uncompensated care by using national income-based criteria. Incidently, the income criteria is developed and published by a different agency.

We believe that compliance with this regulation will be burdensome for hospitals in the State of Iowa because of the patient screening, record-keeping requirements, and low demand. Perhaps the most troublesome issue is that this regulation eliminates the compliance option that reflected traditional and appropriate hospital practice in the provision of charity care.

This regulation and others such as the June 1, 1979, malpractice cost reimbursement regulation, have been mandated over the protests of those concerned, and in disregard of President Carter's own Executive Order 12044.

In March, 1978, Executive Order 12044—Improving Regulatory Management—was signed by the President. The Order:

Makes agency heads accountable for the regulations their offices issue;

Required regulatory analyses of all major new regulations;

Requires semiannual agendas of new and upcoming regulations;

Expands public participation; and

Requires that agency heads select the "least burdensome acceptable alternative" when issuing new rules.

While each executive agency was directed to adopt procedures to incorporate these reforms into its operations, our assessment is that actual compliance with the Executive Order has been unsatisfactory.

Even with these directives, DHEW, without a regulatory analysis, adopted the Uncompensated Care Regulations which will have an estimated cost of $97 million in the first year alone.

A current example of proposed rulemaking is the DHEW System for Hospital Uniform Reporting (SHUR) appearing in the Federal Register of January 23, 1979. This system will be very costly to implement; much more than the $65.6 million that DHEW recently estimated. In this instance again, there have been no cost benefit studies performed to justify its implementation. We are very concerned with this particular DHEW proposal because it could disrupt presently efficient, responsible accounting systems and reduce the effectiveness of hospital managers in all hospitals regardless of their size.. In fact it will be overly burdensome in the small hospital because they do not have the personnel and resources available to study and meet the requirements of the proposed new accounting system. While DHEW, in proposing the new regulation gave token recognition to the problem of compliance in a small hospital, the small hospital requirements are, for all practical purposes, identical to the very large hospital. DHEW is reviewing hospital comments on the proposed regulation at this time; but, based on past performance, we are pessimistic about that Department's future actions.

We believe our pessimism is well-founded, as can be illustrated by DHEW's most recent example of rulemaking; one which will have severe ramifications on our small hospitals. On June 1, 1979, DHEW published changes in the reimbursement methodology of hospital costs related to malpractice insurance coverage. The Department did this within 75 days of the proposed rulemaking, and in spite of many objections of those concerned.

The effect of the rulemaking will be to reduce Medicare reimbursement for malpractice costs in many of our small hospitals to as little as 5.1 percent of the total hospital's cost of malpractice insurance coverage. The 5.1 percent is a national average of both large and small hospitals and is not related to the number of Medicare days of inpatient care the hospital has actually rendered to its patients. Therefore, based on a national average of all hospitals, our small hospitals may only receive a tenth of the amount of reimbursement they previously received.

DHEW again failed to perform a regulatory analysis on the malpractice premium cost regulation despite the Department's own estimate that this regulatory change would cost hospitals and private insurers $310 million in FY 1980 alone.

Furthermore, Section (3)(a) of the Executive Order states that "agency heads shall establish criteria for determining which regulations require regulatory analyses. The criteria established shall (1) ensure that regulatory analyses are performed for all regulations, which will result in (a) an annual effect in the economy of $100 million or more; or (b) a major increase in costs or prices for individual industries, levels of government or geographic region. . . ." To date, we know of no procedure instituted by DHEW HEW for making any such determinations in the development of program regulations. Because of DHEW's failure to comply with the intent of EO 12044 and its regulation reform efforts, we believe that legislative reform is the only appropriate response to the regulation problem.

We urge legislative reform of the regulatory process such as S. 299 proposes, and we also would support legislative action to require preliminary and final analysis of regulations to estimate their costs and projected benefits; to consider the need for and the objectives of proposed regulations; and to consider any alternatives before final regulations are promulgated. Because of the increasing attention placed upon rising health care costs, we believe that analysis of regulations is crucial in light of the fact that regulatory actions are major contributors to rising costs.

It is not the intent of this testimony to minimize the effectiveness of laws and practices designed to insure patient safety and quality of care. The agencies promoting regulations must be required to recognize the wide diversity in our economic and governmental system, and the broad range of needs and abilities that exist within this diversity. If we can accomplish this, the regulatory process can be made more meaningful and more effective, focusing on real and productive improvements on our quality of life.

TESTIMONY OF MRS. CONNIE WIMER

Due to the time constraints of owning a small business and of complying with the very regulations we are here today to discuss, I do not have a formal prepared text. If you would like anything submitted in more detail, I would be happy to provide whatever additional information you might need.

I am here not only as a small business owner, but as Chairperson of the Small Business Committee for the Greater Des Moines

Chamber of Commerce. Additionally, I am a delegate to the White House Conference on Small Business to be held in 1980.

When I was asked to chair the Small Business Committee, I did a little research, and some of the figures were very surprising to me. Perhaps you are familiar with them. There are a couple of outstanding ones I would like to mention this morning.

Small business represents 96 percent of American business in the United States, and it provides 55 percent of the jobs in the private workforce. Thirty percent of these businesses that are new fail within the first year and fifty percent of them within two years.

The burden of paperwork and regulations contributed greatly to this tremendous failure percentage. The Commission on Federal Paperwork estimates that $120 billion in paperwork cost will be imposed by the government in 1979, and that small business will bear 60 percent of those costs.

It is also estimated that regulations will average $12,000 in costs to each small business owner. And a lot of them cannot afford that.

Legislation such as you are proposing to establish the principle that requirements must be related to the size and capability of those being regulated is long overdue. Until quite recently, I was unaware that you had introduced this legislation, but I hope that in some way I can be helpful.

As Chairperson of the Small Business Committee, I see the great concern that the paperwork problems of the regulations have generated. In setting out our goals for the year, this anxiety was expressed by the members of our committee time and time again.

A number of programs need attention. I am not going to read them to you; there are thirteen of them and I will be happy to send them to you.

It seems so ironic to me that I have seen the positive side of the government trying to help small business—the SBA in Des Moines does a marvelous job with seminars and education and support for small business—but, on the other hand, I have also seen government imposing these burdens that, in some cases, ensure the failure of a business. It is as though the right hand does not know what the left one is doing.

For example, a requirement that might constitute maybe one or two percent of the total cost for a large business could very well be 20, 30 or 40 percent of the total cost of a small business. And those percentages paint a vivid picture of the impact these regulations produce.

In addition, the sophistication, the expertise, and the time necessary to comply are simply not available to a lot of small businesses. A member of the Subcommittee staff had suggested that I come up with a few concrete examples of problems. Remembering some of the testimony from last year and the year before, I am sure you have heard more horror stories than I have. So, I decided that rather than document some of those outstanding ones, I would tell you a little bit about something I know best—my own company and the frustration that I have had in a very brief period of time.

I asked my bookkeeper yesterday for any suggestions she might have. She gathered together the papers that she had to work with just to do a payroll, and I could not believe my eyes. I did not realize how bad it was.

You might be interested, Senator. She came up with some suggestions and one of them was exactly what you were talking about with the first witness—that many of these papers she has to file to do a payroll, monthly or quarterly, should be cut back and be filed annually or at least less than they are now.

So you certainly have her support of that suggestion.

My second example regards a profit-sharing pension plan that I wanted to set up for my employees. After looking into the idea, I discussed it with my accountant. And she said, "Well, it is a great business for you, but I cannot advise you to do it because of the administrative costs—for the amount of money you are talking about annually would eat up at least 50 percent and would simply not be enough benefit for the employees."

I was fortunate to be able to find an approved plan through an insurance company that did fit our business. Even though our contributions are relatively small, or have been so far, the projection for some of our employees is a retirement of some $1,500 a month. Now, those employees almost missed that opportunity for that kind of a retirement plan because of the costs imposed by ERISA requirements.

My third frustrating problem with regulations involved the Wage and Hour Department. We were audited several months ago and a young woman came into our office, unannounced as usual, and said she would like to look at our records. After the third day of the audit, I began to get nervous and wondered what in the world we had been doing wrong. Accordingly, I spoke with her about a pamphlet that would give us a list of all of our obligations. The next day she came back and brought a stack of pamphlets that was unbelievable—dozens of them and all fine print. And she said, "Some might apply and some might not, and it is your responsibility to figure it out."

After the audit's fifth day, done with my bookkeeper in almost full attendance, my bookkeeper took all the pamphlets home and spent the whole weekend reading them to determine if we were in compliance.

It turns out that we had allowed seven employees to compensate for lost hours. They had a legitimate reason for being out of the office and, needing a full salary, asked to make up time. It was not the usual 40-hour work week.

My penalty was to pay time and a half to the seven people, amounting to $241. However, the true cost, notwithstanding the pain, the agony, and my bookkeeper's time—let alone the taxes paid for the salary of that government employee—was very frustrating.

We are a perfect example. We are in a very competitive business, having three competitors in Des Moines alone. As a title company with no formal schools for this type of work, we must do on-the-job training which proves to be extremely costly.

So, when you get employees, you work hard to keep them. We have tremendous benefits for the size of our company and it just is one of those ridiculous wastes that they are coming in trying to protect the employees and the end result, as I indicated to this young woman, is that what she had done was eliminate the flexibility that I had given my employees to make up time. I cannot do that anymore because I cannot afford to pay time and a half for it. Her response was that she realized that that is the result, "but we have to go by the books, and the books say it must be done this way."

Those are my three most recent frustrations. However, I do have three suggestions. I do not want to be presumptuous—perhaps they are not applicable to this particular bill—but I would like to run them by you quickly.

The first one was something I heard about at our open forum. Are you familiar with the Canadian Bin System numbers? Forms that companies are required to fill out are given what they call a bin number. If a form that does not have a bin number is sent to a company, that company is not required to fill it out. Apparently, this eliminates a lot of forms.

I would like somehow, in some legislation, to have the federal agencies encourage their employees to be allowed to use common sense as a rule of thumb. I do not know exactly how this could be done, but I think it would be most beneficial if it could somehow be worked out.

The third, and the last, suggestion is a suggestion for some sort of tax relief for any large one-time expenditure for making costly changes that are necessary to comply with some new regulation.

Senator Culver, I would be happy to respond to any questions you might have.●

ORDER FOR THE CONSIDERATION OF H.R. 111 ON THURSDAY, JULY 26, 1979; AND TIME-LIMITATION AGREEMENT THEREON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday at 9:30 a.m. the Senate proceed to the consideration of H.R. 111, Calendar Order No. 270, the Panama Canal implementing legislation, and that a vote occur not later than 6:30 p.m. on that date, with paragraph 3 of rule XII waived; and that the time on the legislation be equally divided for debate between Mr. LEVIN and Mr. TOWER; that there be 4 hours of debate; that there be a time limit on any amendment of 1 hour; a time limit on any amendment in the second degree of 30 minutes, and that there be a time limit on any debatable motion, appeal or point of order of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object—and I will not object—there are several amendments, and as to the 4 hours on the bill, I do not have any objection, and I am sure no one on the minority side would have objection to the time on the bill, but I hope it will be understood that the time on the bill could, as usual, be yielded for time on amendments should that become necessary.

Mr. ROBERT C. BYRD. Yes, that would be understood. That is part of the agreement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader (Mr. STEVENS) and all Senators for their agreement on the Panama Canal legislation. I will not make any further request at this time. I yield the floor.

The text of the agreement follows:

Ordered, That at 9:30 a.m. on Thursday, July 26, 1979, if the Senate is still considering the Reiche nomination, the Senate shall go into legislative session and proceed to the consideration of H.R. 111 (Order No. 270), an act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977, with debate on any amendment in the first degree to be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; with debate on any amendment in the second degree to be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and with debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate to be limited to 20 minutes, to be equally divided

and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Michigan (Mr. LEVIN) and the Senator from Texas (Mr. TOWER): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That the vote on final passage of the bill occur no later than 6:30 p.m. on Thursday, July 26, 1979.

Ordered further, That if action on the Reiche nomination has not been completed, the Senate return to executive session and resume consideration of the nomination.

ORDER OF PROCEDURE ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I further ask unanimous consent that if action on the Reiche nomination has not been completed by 9 a.m. on Thursday morning, that the Senate go out of executive session at that time, if it is in executive session, and proceed to the Panama Canal legislation, and that it stay on that legislation until it is finished, until it completes that legislation except by unanimous consent it may go to something else that is cleared in the meantime; and that upon the disposition of that legislation, if the Reiche nomination has not been disposed of, that the Senate then resume executive session and resume the consideration of the Reiche nomination.

Mr. STEVENS. Mr. President, that is our understanding, and I have no objection. It is my understanding that if we are on the Reiche nomination it will be put aside on Thursday morning for the Panama Canal implementation legislation, and once we finish that no later than 6:30 p.m. we will resume the Reiche nomination, if that has been the pending business.

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE MAJORITY LEADER TO PLACE BEFORE THE SENATE H.R. 4394, HUD APPROPRIATIONS, 1980; H.R. 4580, DISTRICT OF COLUMBIA APPROPIATIONS, 1980; AND H.R. 4393, TREASURY, POSTAL SERVICE APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the two items, the Panama Canal implementing legislation and the Reiche nomination, that the majority leader be authorized, after consultation with the minority leader, to call up at any time the HUD appropriation bill, the District of Columbia appropriations bill, and the Treasury, Post Office appropriations bill, but not necessarily in that order.

Mr. STEVENS. Mr. President, there is no objection. I understand that two of those bills have been reported and the third is on its way downstairs now, so they should qualify.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE AT 9 A.M., WEDNESDAY, THURSDAY, FRIDAY, AND 10 A.M. MONDAY, JULY 30, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow; that when the Senate completes its business tomorrow, it stand in recess until the hour of 9 a.m. on Thursday; that when the Senate completes its business on Thursday, it stand in recess until the hour of 9 a.m. on Friday, and that when the Senate convenes on Monday next it convene following a recess at the hour of 10 a.m.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. There is no objection to those convening times.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TALMADGE AND HATFIELD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, as in legislation session, I ask unanimous consent that when the Senate comes in tomorrow, after the two leaders or their designees have been recognized under the standing order—I believe Mr. TALMADGE already has an order.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that Mr. HATFIELD be recognized for not to exceed 15 minutes and that both Mr. TALMADGE and Mr. HATFIELD may be recognized as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on the disposition of the two orders for the recognition of Senators tomorrow, as in legislative session, the Senate would resume its consideration of the nomination of Mr. Reiche, would it not?

The PRESIDING OFFICER. The Senator from West Virginia is correct.

ORDER FOR RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 8:45 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, Messrs. TALMADGE and HATFIELD will be recognized, each for not to exceed 15 minutes, as in legislative session.

Upon the conclusion of those orders, the Senate will resume consideration of the nomination of Frank P. Reiche, to be a member of the Federal Election Commission, and I understand that there will be a good deal of debate on that matter on tomorrow.

RECESS TO 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in executive session, in accordance with the previous order, that the Senate stand in recess until the hour of 8:45 a.m. tomorrow.

The motion was agreed to; and at 6:33 p.m., the Senate recessed until tomorrow, Wednesday, July 25, 1979, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1979:

DEPARTMENT OF STATE

James W. Spain, of California, a Foreign Service officer of class 1, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

Harold Alonza Black, of North Carolina, to be a Member of the National Credit Union Administration Board for the term of 2 years (new position).

NATIONAL MEDIATION BOARD

Robert Joseph Brown, of Maryland, to be a Member of the National Mediation Board for the term expiring July 1, 1982, vice David H. Stowe, term expired.

CONFIRMATION—JULY 24, 1979

Executive nomination confirmed by the Senate July 24, 1979:

THE JUDICIARY

Patricia M. Wald, of Maryland, to be U.S. circuit judge for the District of Columbia Circuit.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 24, 1979.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Susanna B. McBee, of California, to be an Assistant Secretary of Health, Education, and Welfare, vice Eileen Shanahan, resigned, which was sent to the Senate on June 25, 1979.

HOUSE OF REPRESENTATIVES—*Tuesday, July 24, 1979*

The House met at 10 a.m.

Rev. E. Bruce Wills, senior minister, Trinity United Methodist Church, Hackettstown, N.J., offered the following prayer:

Almighty God, Creater and Sustainer of the universe and of nations, we praise Your holy name that in your wisdom a nation has been raised up to proclaim freedom, justice, and peace for the whole human family.

We invoke Your presence among this body today recognizing our humanness, but trusting that, as You dwell here Your power will give direction to our thoughts, the ability to judge rightly the needs of our people, the Nation and the human family that is our global community, and the understanding necessary to serve the present age.

These things we ask in the name of the God who loves and cares for us all. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. ASHBROOK. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 6, answered "present" 1, not voting 58, as follows:

[Roll No. 371]

YEAS—369

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Byron
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDonald
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marlenee
Martin
Mathis
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—6

Goodling
Lloyd
Mattox
Mitchell, Md.
Quayle
Schroeder

ANSWERED "PRESENT"—1

Marks

NOT VOTING—58

Applegate
Baldus
Beilenson
Bolling
Brown, Calif.
Burton, John
Butler
Campbell
Chappell
Chisholm
Coleman
Conyers
Coughlin
Davis, Mich.
Dellums
Diggs
Dodd
Eckhardt
Edwards, Ala.
Edwards, Okla.
Emery
Evans, Ga.
Fary
Fish
Flood
Ford, Mich.
Forsythe
Garcia
Gaydos
Giaimo
Ginn
Gray
Guarini
Hanley
Heftel
Holland
Hollenbeck
Holtzman
Johnson, Colo.
Kindness
Kramer
Leach, La.
Lee
Lent
Long, Md.
McDade
Madigan
Marriott
Nolan
Ritter
Rose
Snowe
Spellman
Thompson
Treen
Weiss
Wilson, Bob
Young, Alaska

□ 1020

Mr. PHILIP M. CRANE changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H.R. 4537. An act to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes; and

H.J. Res. 373. Joint resolution recognizing the anniversaries of the Warsaw uprising and Polish resistance to the invasion of Poland during World War II.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1786) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

H.R. 4389. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4389) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. HOLLINGS, Mr. EAGLETON, Mr. BAYH, Mr. CHILES, Mr. BURDICK, Mr. INOUYE, Mr. SCHWEIKER, Mr. MATHIAS, Mr. HATFIELD, Mr. WEICKER, Mr. SCHMITT, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 390. An act to expedite and reduce the cost of antitrust litigation, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will make the following announcement:

The Chair will recognize the gentleman from New Jersey (Mr. COURTER) for a 1-minute speech. All other 1 minutes will be taken after the constitutional amendment has been disposed of.

REV. E. BRUCE WILLS

(Mr. COURTER asked and was given permission to address the House for 1 minute.)

Mr. COURTER. Mr. Speaker, thank you.

It gives me great pleasure to welcome to the floor of the House of Representatives a personal friend of mine. Those Members who were not here but listened to the morning prayer on their closed-circuit television saw Rev. Bruce Wills from Hackettstown.

Reverend Wills was graduated in 1967 from the Drew Theological School of New Jersey, and is the local pastor in my hometown of Hackettstown, United Methodist Church.

I think it is a real honor for him to be here today, particularly as we commence debate on one of the big issues that we will be facing in the 96th Congress.

Mr. Speaker, I would like to thank you for having here this morning giving the great prayer that we just heard, Reverend Wills. Thank you, Mr. Speaker.

CONSTITUTIONAL AMENDMENT TO PROHIBIT SCHOOL BUSING

Mr. MOTTL. Mr. Speaker, pursuant to clause 4, rule 27, and the order of the House of June 28, 1979, I call up motion No. 1, to discharge the Committee on the Judiciary from the further consideration of House Joint Resolution 74, proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student.

The SPEAKER. Did the gentleman from Ohio (Mr. MOTTL) sign the petition?

Mr. MOTTL. Yes, Mr. Speaker.

The SPEAKER. The Clerk will report the title of the joint resolution.

The Clerk read the title of the joint resolution.

The SPEAKER. Under the rule, the gentleman from Ohio (Mr. MOTTL) will be recognized for 10 minutes, and the gentleman from New Jersey (Mr. RODINO) will be recognized for 10 minutes.

The Chair recognizes the gentleman from Ohio (Mr. MOTTL).

Mr. MOTTL. Mr. Speaker, I yield myself 5½ minutes, and I will reserve my remaining time to close debate prior to the vote on this motion.

Mr. Speaker, the formal question before the House is this: Should we discharge the Judiciary Committee from consideration of our constitutional amendment to give children the right to attend their neighborhood schools if they so desire?

But the real question is this: Will the people finally be heard?

The sentiment of the Nation is to bring court-ordered busing for racial balance in schools to an immediate halt.

For good.

Court-ordered busing is an obstacle, not an aid, to the universal goal of a quality education for all without regard to race.

Will the majority be heard on court-ordered busing, in this House of the people?

So far the answer to that question has been "No."

The majority will has been frustrated despite overwhelming evidence that the public is fed up with social engineering by an imperial judiciary, while Congress stands idly by.

Court-ordered busing is correctly seen as the creature of a judiciary which has run amok, and which is literally tearing apart many of our largest public school systems.

According to a Harris poll, 81 percent of the American public opposes court-ordered busing. More than half of blacks polled oppose court-ordered busing.

And yet, what does the Supreme Court prescribe but more of the same medicine—even though this remedy is more like a dose of hemlock for public education.

In each Congress since my arrival, I as well as others have sought hearings on our amendment, but to no avail.

In January I wrote to Chairman RODINO and Subcommittee Chairman EDWARDS requesting hearings on our amendment. Not a day of hearings has been held.

What are we so afraid of, that we in the House must avert our eyes to the systematic destruction of our public schools?

Are we not neglecting our duty, as a legislative body in a democratic society, when we so willingly accept wrong judicial answers to the tough questions of our day?

Last month pollsters from the Gallup organization asked this question: Do you approve or disapprove of the way Congress is handling its job? I regret that only 19 percent expressed approval of our work.

Why are we held in such low esteem? Because with good reason we are seen as refusing to come to grips with wrenching national problems, inflation, energy, and, yes, the suicidal judicial policy of court-ordered busing.

The Supreme Court on July 2, in the Columbus and Dayton cases, gave a new and vigorous boost to court-ordered busing. The ills our Federal judges hope to cure, however, clearly reach far beyond any illegal segregation remaining in our school classrooms.

In the Columbus ruling, Chief Justice Burger made this remarkable statement:

> It is become increasingly doubtful that massive public transportation really accomplishes the desirable objectives sought.

I disagree with the Court's sweeping order for more busing, and yet * * * the Court at least took a stand.

It is now our opportunity to take a stand against court-ordered busing, and in support of the neighborhood school.

This judicial terrorism must end, and the only tool for the job is a constitutional amendment.

You have no doubt been told that a constitutional amendment is too weighty a matter to be considered for the first time on the House floor.

To that, I have three responses.

First, the Judiciary Committee will not act on this issue, if our amendment is not brought to the floor by discharge motion, it will never reach the floor. This is our only opportunity to give the public, through its representatives, a vote on this issue.

Second, a discharge motion on a constitutional amendment is a responsible procedure with ample precedent. It was used on a school prayer amendment, and the House initially approved the equal rights amendment in a vote forced by discharge. On ERA, both Chairman RODINO and Subcommittee Chairman EDWARDS voted to discharge the Judiciary Committee, and for the amendment itself.

Third, more than 20 years of public debate on court-ordered busing has left the lines clearly drawn and the factual record fully developed.

We are acting today not in ignorance, but in grim awareness of the great economic and social costs of court-ordered busing.

Since June 27, when a vote on this discharge motion became assured, I have heard constructive suggestions for minor clarifying changes in the language of the amendment.

I believe that two minor changes answer the major concerns about the amendment as drafted. At the appropriate time during debate if this discharge

motion passes, the gentlelady from Maryland (Mrs. HOLT) will offer these changes in an amendment in the nature of a substitute.

The first change will make it explicit in section 1 that only student assignment decisions based on race, color, or national origin would be prohibited. As intended all along, school authorities will retain full powers for managing their systems. But race or national origin cannot be a factor in classroom assignment.

The second change drops section two language giving Congress power to insure equal educational opportunities for all students. There is concern over the scope of this legislative power, and I think it adequate to simply give Congress authority to enforce article one as needed.

Again, the question is, Will the people finally be heard in this House on court-ordered busing?

I urge you to vote for the motion to discharge the Judiciary Committee from the consideration of House Joint Resolution 74.

Mr. Speaker, I reserve the balance of my time.

□ 1030

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, in 15 minutes we will vote on whether or not to discharge the Judiciary Committee from consideration of this legislation. I suggest the Members vote "no" and leave the legislation where it belongs.

Mr. MOTTL now admits that his original proposition in the discharge petition was defective. Now he wants the Members to vote for a complete substitute that will be offered by Mrs. HOLT. I ask: Is this any way to write a constitutional amendment?

In the debate today we are going to hear, we have heard that the subcommittee I chair bottled up this legislation. This is nonsense and let me explain.

First, Mr. Speaker, for more than 4 years the subcommittee has been holding hearings and writing legislation on fair housing, a key element in the housing segregation that results in segregated schools in our country. This legislation will be on the floor soon, and those of my colleagues who want to get rid of busing, I urge them to vote for this good civil rights bill.

Second, I ask my colleagues what they want the House Judiciary Committee to do? Do they want us to bring to the floor all of these constitutional amendments, supported passionately by particular groups, constitutional amendments for direct Presidential elections, a single 6-year term, prayer in the public schools, right to life, mandatory retirement after three terms for Members of Congress? None of these, like Mr. MOTTL's and Mrs. HOLT's, have the votes, not in the House and not in the other body. To bring them to the floor could only further divide a troubled country.

Finally, Mr. Speaker, is there a national consensus for Mr. MOTTL's or Mrs. HOLT's proposition, or whatever? Does the Democratic platform include this? Does the Republican platform include this? Does any announced Presidential candidate approve this? Does any church? Does any responsible constitutional authority? Does the U.S. Chamber of Commerce? No. The answers are all no, Mr. Speaker.

I urge my colleagues to vote no on this discharge of the Judiciary Committee.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, I do not want to argue that hearings should not be held by the Judiciary Committee. Indeed, it is only through hearings and careful markup that such a constitutional issue as this should come to the floor of the House.

A discharge petition with 20 minutes of debate to be followed by no more than an hour's debate, if the motion is carried, is certainly not the way.

As has been stated, the discharge petition procedure is the only procedure available to our colleague from Ohio, because the majority of the subcommittee members do not favor such an amendment to our Constitution and would not send it to the full committee or to the floor no matter how many hearings were held. Perhaps the hearings would give our colleague from Ohio and others an opportunity to express themselves on the subject of school busing. If that is their purpose, then by circulating the discharge petition or signing the discharge petition they have indicated their views and fulfilled that purpose.

All who have signed the discharge petition have gone on record as being against court-ordered school busing to effect racial balance, even though the proposal does not mention courts, does not mention busing, and does not mention race. But signing a discharge petition as a kind of protest is quite different from voting to discharge a committee and bring a matter to the floor of the House.

Some have sought to remove their name from the discharge petition, but without success in recent days. But even those who signed the discharge petition, I ask them to vote no on this motion.

My Republican colleagues, I address this cuestion to you: Are we really trying to welcome into the Republican Party blacks and other minorities? Many Republican leaders, including the Chairman of the Republican National Committee, are doing everything possible to increase our Republican strength among black voters. How do my colleagues think a vote in favor of this discharge petition is going to be perceived by black voters and other minorities? If this discharge petition is to succeed, do not have it succeed with Republican votes. It is a bad symbol for our party. It is a bad principle for our Constitution. I urge my colleagues to vote no on the discharge petition.

Mr. RODINO. Mr. Speaker, I yield 30 seconds to the gentleman from Kentucky, the distinguished chairman of the House Education and Labor Committee.

Mr. PERKINS. Mr. Speaker, I have been asked whether hearings would be held in connection with the Preyer busing bill pending before the House Committee on Education and Labor. I do want to state to the Chamber that I have never, since I became chairman, denied any Member of the House the opportunity for a hearing. Hearings will be conducted on the Preyer bill. I think the Preyer bill has much merit and I hope the committee will vote the Preyer bill out and let it come before the House.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Speaker, I rise in support of the discharge motion.

Mr. Speaker, I rise in strong support of this effort to amend the constitution to prohibit the forced busing of America's schoolchildren.

The history of forced busing is a story of neighborhood disruption, of racial violence, of angry, frustrated parents and confused children, and of lowered educational standards.

It is a story of bureaucrats and judges, unelected and not accountable to the people, imposing grand strategies on our lives for the purpose of making the planners feel useful, at a cost of denying basic freedoms to the American people.

I take issue again with the gentleman worked hard to buy a home in a certain neighborhood specifically because their home would be close to a school, only to be told that their children will not be allowed to attend that school but must be hauled to some distant neighborhood and some other school.

The measure before us today is crude and unrefined. But when you are faced with the tyranny of court-ordered busing, and a majority in control of the Congress that is insensitive to the wishes of the American people, you use whatever means are at your disposal to end that tyranny.

Mr. Speaker, 10 years of busing have given us clear proof of the futility and destructiveness of that policy. It can never be a solution to any problem to secure the rights of one group of citizens by denying the rights of another. I urge all my colleagues to join me in voting for this amendment to end forced busing and bring quality education and stability to our neighborhood schools.

It is time the American people had a victory in Congress. Just one time, let us do what the American people have clearly indicated they want done and that is put an end to forced busing.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, the people of Birmingham, Ala., like the majority of the people of the United States, both black and white, strongly oppose the forced busing of children. White citizens are outraged at the excesses of many court decisions. Black citizens are angered that first black children were bused to maintain segregation and now are bused to achieve racial balance. For this reason I signed the discharge petition.

Why then do I rise to urge the House not to discharge the Judiciary Committee and to vote against making the proposed amendment part of the basic law of our land?

While I, too, support and prefer the concept of the neighborhood school, and have worked to solve problems of segregation in the Birmingham area with means other than the massive busing of schoolchildren, I am convinced that approval of the pending motion to discharge and approval of this amendment would be a grave error and would establish a dangerous precedent.

The Constitution should never be amended in such a light and cavalier fashion. Would we rewrite the Bill of Rights on the floor of the House on the basis of 1 or 2 hours of debate? Heaven forbid. Amending the Constitution should always be a deliberate, reflective act, and only after complete and full consideration has been given to all of the issues involved. Amending our Constitution by the mechanism of the discharge procedure would be a dangerous detour around the careful and historical process designed to protect the Constitution from the particular ills of a passing era.

But the Judiciary Committee has refused to act on this amendment. Why then should they not be discharged? Mr. Speaker, a committee can serve the Congress and the country by reporting out legislation of excellence, which the Judiciary Committee has sometimes done. However, a committee can also serve by refusing to act on a flawed amendment, such as this one, that has no place in the Constitution of the United States. Upon sober reflection I am convinced that it is those of us who signed the discharge petition who have erred, and we should not discharge the Committee on the Judiciary for doing what is right instead of wrong.

Moreover, adding this amendment to the Constitution would do grave harm by writing in a specific provision addressing an immediate issue, rather than a lasting principle. The Constitution has endured over the centuries because it embodies only our most fundamental concepts regarding human rights and structures of government. House Joint Resolution 74 would incorporate a narrow, social policy preference in this document which has long served as a source of national unity. An unwise precedent would be set—a precedent which would undoubtedly be cited to push other detailed social and economic policies as amendments.

Even more important, this proposal, however well intended, would give the Federal Government vast new powers over education and undermine the authority of local school boards throughout the land. At best, it would guarantee cessation of all enforcement in the area of civil rights, and would hence create a double standard of Federal law. At worst, it would create chaos in school systems throughout the Nation, since virtually every existing situation could be challenged under the new law. The very debate in the legislatures of the 50 States would rekindle old flames of prejudices and racial discord. It would lock in, in too many places, systems of separation and discrimination and lock out, in too many cases disadvantaged children from a hope for quality education.

This is the wrong remedy to bring about an end to the forced busing to which so many Americans so vigorously object. The Congress can, if it will, by legislation, provide other means than busing to insure equal opportunity and quality education to all American children. It is this positive means we must take.

Mr. Speaker, I propose the Congress commit itself to join hands with State and local governments toward the building of alabaster cities undimmed by human tears; toward the making of every neighborhood a place of hope and opportunity; toward the making of every school a place of quality education; and toward the fulfillment in every child of the gifts which God has placed within that person. However well intended, I am convinced this amendment would work against these purposes. Mr. Speaker, I urge the Committee on the Judiciary not be discharged and that this flawed amendment not be made a part of the basic law of the land.

□ 1040

Mr. MOTTL. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. BAFALIS).

Mr. BAFALIS. Mr. Speaker, constitutional amendments to prohibit forced busing have resided in the House Judiciary Committee since the 90th Congress. There are now some 13 in that committee. This Congress and the American people have not had the opportunity to be heard.

Whether one is for or against the constitutional amendment, at least give the people of this country 1 hour of debate. We have heard a great deal of discussion that this is not the way to bring a constitutional amendment to this floor. Let me remind the Members that back in 1970, when the proponents of the equal rights amendment could not get a hearing before the committee, our present chairman of the Judiciary Committee—and the chairman of the subcommittee and the ranking minority member of the committee, the gentleman from Illinois, all voted to discharge the committee.

At that time they believed that it was proper to do so on that constitutional amendment.

I urge the Members to give the American people the opportunity to be heard today, at least for 1 hour.

Mr. RODINO. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I think it is incredible that we are discussing in segments of time amounting to 2½ minutes whether or not we should further advance to passage a resolution that would amend the Constitution of the United States.

> No State shall deny to any person within its jurisdiction the equal protection of the laws.

That is the issue confronting this body today, and there are those who, by the adoption of this amendment, would seek to elevate above that sacred constitutional principle the neighborhood school.

I think that we would torture the construction of our most basic document if we were to yield to popular passion and prejudice, and succumb to the passing fancy that this is any way to deal with the problem before us. I listened with care to the author of this amendment a few minutes ago when he referred to those decisions of the U.S. Supreme Court that he does not approve of as "judicial terrorism." That, I submit, is just a very mild example of what we are going to be hearing as the debate rages throughout this country if we submit this proposition to 38 State legislatures for approval. We are going to divide this country at a very time when the President is appealing for national unity, and when we desperately need it.

I take issue again with the gentleman from Ohio when he suggests that we consider this along with inflation and energy as the critical, crucial issues that have got to be solved in this session of Congress. I can agree with him on the first two, but certainly I think this is the wrong time; this is the wrong place; this is the wrong way in which to tamper with the Constitution of the United States.

I urge the defeat of the motion.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. HUBBARD).

Mr. HUBBARD. Mr. Speaker, I rise in support of the motion to discharge and in support of a constitutional amendment to prohibit school busing for racial integration, because I believe it is time that we recognize that busing has failed to achieve its intended goals. If there were court-ordered busing in each of the 50 States there is no doubt that the opponents of busing and the supporters of this amendment would have the necessary two-thirds vote today in the House of Representatives.

It is interesting to observe that there is a lack of interest in this amendment from several Members of Congress who come from States where there is no court-ordered busing. On the contrary, I urge my colleagues to take note of the fact that the most vocal and enthusiastic supporters of this amendment just happen to come from States where there is court-ordered busing.

To those who moan and groan about the fact that 218 House Members have signed the discharge petition to enable this debate and vote today, keep in mind that this unusual approach would have been unnecessary if hearings had been allowed and opponents and proponents of

court-ordered busing could have expressed themselves in the normal channels. But this particular resolution, House Joint Resolution 74, has not only been bottled up in this Congress, but indeed, similar legislative attempts have been completely scuttled in years past. I urge my colleagues to size this opportunity to call for an end to court-ordered busing.

Mr. MOTTL. Mr. Speaker, I reserve the balance of my time for closing.

Mr. RODINO. Mr. Speaker, my conscience as an American and as a Member of Congress compels me to oppose the motion to discharge the Committee on the Judiciary from consideration of House Joint Resolution 74.

We are confronted by a grave issue, of awesome potential consequences to the Nation.

Three threats lurk within this motion and resolution.

The first is a threat to a basic American right, the right of every child to equal educational opportunity.

The second is a threat to the integrity of the Constitution as a source of unifying strength and clarity for the Nation.

The third is a threat to the House of Representatives as an orderly legislative body.

The constitutional amendment proposed by House Joint Resolution 74 would turn back the clock on our national commitment to human rights.

It would obliterate all the progress made toward fully equal educational opportunity in the quarter of a century since the Supreme Court's Brown against Board of Education decision.

It would shatter the precedents which have been carefully established by the courts in the area of school desegregation over the past 25 years.

And it would cripple the ability of the courts—and the country—to protect and implement the basic right of equal educational opportunity.

This proposed amendment is not merely, as it has been labeled, "antibusing." It is antiprogress, seeking to deny even the local, voluntary efforts to correct racial injustice in the schools.

Such a proposal is unworthy of consideration to become part of the Constitution of the United States.

It is also part of a new and unfortunate political pattern in America, which represents the threat to the Constitution I mentioned earlier.

Seldom in our history has there been more of a clamor than now for amending the Constitution, on a variety of social and economic issues.

And seldom if ever in our history has the Constitution and its guiding principles been more important than today, a time of growing national political confusion.

The integrity of the Constitution must be sustained, not because of any assumption that the passage of almost 2 centuries has made the document somehow sacred, but rather because the Nation simply and practically needs it to survive.

Few of our political or legal statesmen—and certainly not the Founding Fathers—ever suggested that the Constitution is perfect, but the wisest of them have always urged that extreme caution precede any attempt to change it.

Mr. Justice Oliver Wendell Holmes wrote in 1903 of his concern that—

> The Constitution, instead of embodying only relatively fundamental rules of right . . . would become the partisan of a particular set of ethical or economical opinions. . .

And Abraham Lincoln said of the Constitution in 1848:

> As a general rule, I think we would much better let it alone. No slight occasion should tempt us to touch it. . . . It can scarcely be made better than it is.

My opposition to any tampering with the Constitution is even stronger now than it was several years ago when I said in the House that we must leave the Constitution as unimpaired for our children as it was left to us.

If the Constitution must—rarely—be amended, let it be done carefully and deliberately.

That is not possible with the discharge procedure. To approve the pending motion to discharge the Committee on the Judiciary from consideration of a constitutional amendment would be a careless shortcut, a dangerous detour away from the responsibility of the House of Representatives to reflect and to deliberate.

The Constitution has never been amended through use of the discharge procedure. Of the total of 860 discharge petitions introduced since the procedure was established in 1910, only 2 laws, in fact, have resulted.

Approval of this motion on the issue of a constitutional amendment would be a dangerous precedent.

It could invite the same tactic for every emotion-charged issue before the Congress.

It could destroy the ability of House committees to function.

It could transform the House of Representatives into a nondeliberative body, responding too quickly to political whims.

Approval of this motion would mean that the House of Representatives could be limited to a single hour of debate on an amendment to the Constitution of the United States. Such a spectacle, I must suggest, would demean our democratic system, this legislative body, and each of us.

Mr. MOTTL. Mr. Speaker, I yield the balance of the time for closing debate to the distinguished and learned gentleman from Illinois (Mr. HYDE).

Mr. VANDER JAGT. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Michigan (Mr. VANDER JAGT).

Mr. VANDER JAGT. Mr. Speaker, I thank the gentleman for yielding. I think that many Members, perhaps even a majority of us, wish that we did not have to vote on this issue and that this cup might pass from us. That is not the case. We have reached the point of no return, and in 4 more minutes we are going to go on record one way or the other.

That is probably as it should be, because this is the only solution that offers any hope to the vast majority of Americans, white and black, who abhor the cost of busing in terms of money, and in terms of educational opportunity for all. We have tried the legislative route. In 1970, 1972, 1974, 1976, and 1978 we tried, and it did not work.

During that time many who believed in busing and then experienced it have sadly concluded that we should not make our children pawns because of the problems we have failed to solve, especially when the result is often the opposite of our beliefs and most lofty intentions.

So, I would urge even those who oppose the amendment to vote yes, so that the American people have at least 1 hour's consideration of this important issue.

To do otherwise is to be totally unresponsive to millions of American people who have nowhere else to turn but to us. If not us, whom? And if not the Congress, where? And if not now, when? I suggest to the Members that this is not only the right time and the right place, it is the only time and the only place the people will have this opportunity to have their sincere concerns adressed and their pleas to an all to often totally unresponsive Government heard.

Mr. HYDE. Mr. Speaker, in voting for this discharge motion we are not demeaning the committee system—we are recognizing that it is only a process designed to provide order in the flow of legislation.

But when that process is used to obstruct the substance of legislation of major national concern, then it is time to use another process—the discharge motion—so that the substance of this legislation may be considered.

It is the antithesis of democracy to adhere to the notion that committee chairmen should have life or death powers over major legislation. This country was founded on the consent of the governed, not the ideology of the leadership of the majority party.

In discharging this committee we are simply asserting a right we, the rank and file members of both parties, have to set the agenda for discussion.

We are simply emancipating and liberating a major national issue.

Those of us who view coercive busing as a kind of conscription—a significant impairment of freedom—only want a chance to vote on this issue.

The courts have usurped the legislative function time and time again. The place and time to say "enough" is here and now.

To those of us who feel an elected legislature, and not the unelected courts ought to legislate concerning the Na-

tion's school policies, this discharge motion presents an all too rare opportunity to do just that.

In 1954 Brown against Board of Education seemed to mean that no child would be barred from school because of race. Today, court orders exclude many white children from their neighborhood schools solely because they are white.

The court has come to believe that the only antidote to compulsory segregation is coerced integration.

To be for the neighborhoods of America—to support and enhance the neighborhood school system—

To resist the use of force against our parents and schoolchildren by a court that seeks to coercively blend and homogenize society to its own peculiar notions of sociological balance, is not an unworthy stand to take—not in a society that still claims to be free.

Vote "yes" on the motion to discharge.

The SPEAKER. All time has expired.

The question is on the motion offered by the gentleman from Ohio (Mr. MOTTL) to discharge the Committee on the Judiciary from the further consideration of House Joint Resolution 74.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 227, nays 183, not voting 24, as follows:

[Roll No. 372]

YEAS—227

Abdnor
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Biaggi
Blanchard
Boner
Bouquard
Bowen
Breaux
Broomfield
Brophill
Burgener
Burlison
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dingell
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Okla.
English
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Perraro
Fithian
Flippo
Ford, Mich.
Fountain
Fuqua
Gaydos
Gephardt
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leath, Tex.
Lederer
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McDonald
McEwen
McKay
Madigan
Marlenee
Martin
Mathis
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
O'Brien
Oakar
Pashayan
Paul
Petri
Pritchard
Pursell
Quayle
Quillen
Rahall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snyder
Solomon
Spellman
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Vander Jagt
Vanik
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Winn
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—183

Addabbo
Akaka
Alexander
Anderson, Ill.
Ashley
AuCoin
Barnes
Beard, R.I.
Bedell
Bellenson
Benjamin
Bereuter
Bingham
Boggs
Boland
Bonior
Bonker
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dixon
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Florio
Foley
Ford, Tenn.
Fowler
Frenzel
Frost
Garcia
Gisimo
Gilman
Glickman
Gonzalez
Gore
Green
Guarini
Harkin
Harris
Hawkins
Hefner
Heftel
Holtzman
Horton
Howard
Hughes
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kildee
Kostmayer
LaFalce
Leach, Iowa
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Nelson
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Stratton
Studds
Swift
Synar
Udall
Ullman
Van Deerlin
Vento
Volkmer
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Yates

NOT VOTING—24

Baldus
Bolling
Butler
Conyers
Dodd
Edwards, Ala.
Emery
Fary
Flood
Forsythe
Gray
Hanley
Holland
Hollenbeck
Leach, La.
Lee
Lent
Marriott
Nolan
Ritter
Snowe
Thompson
Wilson, Bob
Young, Alaska

□ 1100

The Clerk announced the following pairs:

On this vote:

Mr. Fary for, with Mrs. Snowe against.
Mr. Butler for, with Mr. Thompson against.
Mr. Emery for, with Mr. Gray against.
Mr. Marriott for, with Mr. Flood against.
Mr. Ritter for, with Mr. Dodd against.
Mr. Hanley for, with Mr. Conyers against.

Until further notice:

Mr. Lent with Mr. Holland.
Mr. Young of Alaska with Mr. Leach of Louisiana.
Mr. Bob Wilson with Mr. Baldus.
Mr. Hollenbeck with Mr. Nolan.

Mr. APPLEGATE changed his vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

Mr. MOTTL. Mr. Speaker, pursuant to the provisions of clause 4, rule 2, and the order of the House of June 28, 1979, I move that the House proceed to the immediate consideration of House Joint Resolution 74.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. MOTTL).

The motion was agreed to.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read the joint resolution as follows:

H.J. RES. 74

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

"ARTICLE —

"SECTION 1. No student shall be compelled to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student.

"SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation and to insure equal educational opportunities for all students.".

□ 1110

The SPEAKER. The gentleman from Ohio (Mr. MOTTL) is recognized for 1 hour.

Mr. MOTTL. Mr. Speaker, I yield myself 11 minutes.

Mr. Speaker, at the conclusion of my remarks, the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), will be yielded 30 minutes for purposes of debate only.

I ask to be notified when I have 5 minutes remaining on the time I control and for the privilege of closing the hour of debate.

Mr. Speaker, let us strip away the emotion and myth surrounding court-

ordered busing and lay out in naked terms what it is.

It is the use of Government power against children solely on the basis of their race. It is no more and no less.

Under the principles of the Constitution and of fundamental fairness, a compelling and even overwhelming case must be made to support racial classifications by Government officials.

If children are to be classified by race, and then excluded from their neighborhood schools because of skin color and forced to travel elsewhere, the evidence must be clear and convincing that this racially based penalty is justified.

I know, and certainly the great majority of Americans know, that the case for court-ordered busing has never been proven—indeed, it is becoming clearer every year that the case for busing cannot be made.

Court-ordered busing has not worked.

It is not working now.

It never will work.

It is a social policy imposed by an activist judiciary, and it is a mistaken social policy that is leading to the virtual destruction of public education at neighborhood schools in cities where it is used.

Here are a few facts.

Fact No. 1: Recent polls show with dramatic clarity that both blacks and whites are against court-ordered busing.

A Lou Harris poll found 81 percent of the public nationwide opposed to court-ordered busing. Blacks opposed busing by 51 percent, with only 38 percent of blacks supporting it.

The national opinion research center, polling for the U.S. Office of Education, found 81.1 percent nationwide against court-ordered busing. Among blacks, 50.3 percent were opposed.

Tony Brown, the well-known black journalist, reported nationally last year, and I quote:

Public opinion shows more and more Americans, so to speak, getting off the bus.

Polling 100 black leaders, Brown asked this question:

Should children be bused outside their neighborhoods to achieve desegregation?

A resounding 60 percent responded, "No."

In the face of this overwhelming anti-busing sentiment, judges in the name of desegregation are discriminating in city after city—playing a chess game where little white and black pawns are shuttled to and fro and ultimately sacrificed to judicial experimentation.

Fact No. 2: White flight—A few examples show how the courts are actually resegregating major school systems, rather than fostering an educational climate where blacks and whites freely mix.

Boston 5 years ago had 90,000 students, of whom some 57 percent were white and 43 percent black or other minorities. After busing since 1974, the picture had been reversed at the close of the past school year. The system was 39 percent white, and 61 percent black and other minorities. Enrollment dropped by about 25,000 students, most of whom are middle-class whites with other educational options.

In Detroit, Dr. Stuart Rankin, head of research for the city system stated that the 1971 Federal busing plan transporting 200,000 students now "consists mostly of blacks being bused to other black schools." The Detroit system in 1970 was 60 percent black, and today it is 82 percent black.

Fact No. 3: The many and varied costs of court-ordered busing are astronomical to school systems, while simultaneously turning voters off to new tax levies and rendering cities unattractive as business locations. Last year court-ordered busing cost Detroit $19.3 million. Los Angeles had a $24.4 million busing bill.

Here is a truly frightening figure from Washington Monthly, reporting that per pupil costs of Boston public education are $3,898, while private school costs in the area are $2,785 per student. At those rates, can Boston afford public education with busing?

Simply to keep the lid on the explosive social situation busing creates, Boston reportedly has spent sums averaging $25 million per year for extra police security.

And here's the most ironic cost of all. While the Nation faces a chronic shortage of gasoline at higher and higher prices, there go those buses criss-crossing our cities, burning up on the average school day 155,000 gallons of gasoline.

Those figures speak for themselves.

Fact No. 4: Most importantly of all, there is no conclusive proof that court-ordered busing is anything other than a noble experiment that has dismally failed.

Dr. James Coleman, the noted sociology professor from the University of Chicago, was the intellectual architect of busing in the 1960's. Recently he reviewed 100 studies of educational gains for minorities in systems from Berkeley to Boston which are under busing decrees, describing the results as "showing no overall gains . . . thus, what once appeared to be fact is now known to be fiction."

Even Chief Justice Warren E. Burger conceded this about court-ordered busing in the Columbus decision this month:

It is becoming increasingly doubtful that massive public transportation really accomplishes the desirable objectives sought.

Now, let us take a closer look at how the Supreme Court got us into this mess, and how our amendment would get us out.

In the landmark 1954 Brown case, the Supreme Court threw out the disgraceful "separate but equal" doctrine and ruled that school authorities could not assign students to schools on the basis of race. The effect of this decision was to outlaw official school segregation.

Our present problems began with the 1968 Green case. In that case and its successors, the court developed the requirement that school systems must somehow determine what the racial mix in schools would have been had there been no intentional segregation. That fictional mix must then be achieved, and busing is the tool the courts have used.

In the 1977 Dayton case, the Supreme Court emphasized that busing should be ordered only to erase the effects of illegal segregation. However, the new Columbus and Dayton rulings, issued this month, make even that restraint on busing an illusory one. These new rulings are a disaster for neighborhood public schools in our cities, and let us not kid ourselves on that point.

For while paying lip service to restricting the remedy to the violations found, the court endorses the use of legal inferences which have the effect of making school boards guilty of systemwide segregation that must be answered with systemwide busing unless the school boards prove themselves innocent.

This burden of proving that something did not happen years ago is like trying to prove that God did not make the little green apples.

So what does our amendment do?

It simply gives children the right to attend their neighborhood school if they so desire, free from racial discrimination as practiced now by the Federal judiciary. It does not bar voluntary busing programs, nor does it affect use of magnet schools or other voluntary devices to achieve a racial mix.

Congress would have narrow authority to protect that right through legislation, if necessary.

As the minor modifications to this amendment to be offered later will make perfectly clear, the purpose we have is to stop court ordered busing.

By no interpretation does this amendment put Congress in charge of local public education. The effect of the amendment is precisely opposite. It gets the Federal Government—specifically the judiciary—out of the role of school superintendent by prohibiting court-ordered busing.

Opponents of this amendment argue that court-ordered busing is really a temporary social irritation, unworthy of a constitutional response.

The answer to this is simply to look again at what court-ordered busing is—the infliction of a penalty, a coercive government force, on persons guilty of no wrongdoing solely because of their race. Because a child is white, he must be bused here. Because a child is black, he must be bused there.

Remember, prior to 1954 the Supreme Court relied on the Constitution to uphold separation of races by law.

Then in Brown, the Court turned to the same Constitution to outlaw racial classifications in schools.

And yet, here we go again—the Supreme Court, in the name of the Constitution, is sanctioning racial classifications by the judiciary for ends it deems desirable.

All we seek, and all this amendment provides, is a return to the Brown principle that the Government—whatever branch—shall be colorblind.

Only a constitutional amendment can set this sorry record straight.

We all share the goal of offering a quality public education to all, of every race.

Destruction of neighborhood schools hurts that goal, starving schools for dollars and denying children the enrich-

ment of varied school activities near their homes.

The only way citizens and school officials can reassert control over their own schools is through this amendment. The only way Congress can reassert its policymaking function and curb abuse of judicial power is through this amendment.

Freedom from racial discrimination by an arm of government is a fundamental human concern. And yet the Federal judiciary, under color of the Constitution, is routinely ordering discrimination on a massive scale.

It has become clear, then, that the right not to be penalized for the color of one's skin will not exist for millions of children of all races without enactment of our neighborhood schools constitutional amendment.

Mr. Speaker, at this point I yield 30 minutes for purpose of debate only to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), and I reserve the balance of my time.

□ 1120

The SPEAKER pro tempore (Mr. WRIGHT). The gentleman from Ohio (Mr. MOTTL) has consumed 11 minutes.

The gentleman from New Jersey (Mr. RODINO) is recognized for 30 minutes.

Mr. RODINO. Mr. Speaker, I yield 4 minutes to the gentlewoman from Illinois (Mrs. COLLINS).

Mrs. COLLINS of Illinois. Mr. Speaker, this House is today being asked to take a momentous step under the most unfavorable conditions possible. We are being asked to amend our Constitution, which has served this Nation well for two centuries, after a mere 80 minutes of debate and in a last-minute flurry of alternative proposals.

Our country and our Constitution deserve better.

I am not proud that this House is meeting on an attempt to turn back the clock on desegregation of the schools. I am not proud that some of my colleagues have forgotten the legacy of enforced segregation and slavery which still tells too many black children that they must have the worst school buildings, the worst textbooks, the worst school personnel, and the worst learning opportunities.

But, most of all, I am not proud and my colleagues in the Congressional Black Caucus are not proud that Members of this body would even consider using the U.S. Constitution—our most precious document, which is as sacrosanct to most of us as is the Bible—to set back human and civil rights for America's black children.

As Prof. Robert Borak of the Yale University Law School has said, the Constitution "would become not our basic document but a catalogue of political victories by particular interest groups" if amendments such as the one we are discussing today were to be adopted.

You have seen the arguments against the Mottl amendment. It is narrow, undercuts the equal protection clause embodied in the 14th amendment, and restricts local control. These are telling arguments. They have forced proponents of this proposal to make hasty changes in a constitutional amendment which has been before us for several years.

Those changes, however, make even more blatant their desire to undercut desegregation—to undercut efforts to provide equal educational opportunity for all of America's schoolchildren.

As chairwoman of the Congressional Black Caucus, I want to say to you that the resentment that this proposed constitutional amendment has stirred in the black community is absolutely unbelievable. Black Americans, and other minority persons across the country, see this amendment as confirming Rev. Jesse Jackson's statement that "it's not the bus, it's us."

Yet I am comforted by the wide range of organizations and individuals that have joined with us in vigorous opposition to this outrageous proposal. They recognize that this is not an issue confined to a single group; they recognize that it is their country and their Constitution that is under attack.

If as much energy as has been used to limit equal opportunity to schoolchildren had been used to improve the educational system as a whole and resolve the problems of inequality and discrimination that have divided us as a nation, we would not be at this point today.

It is difficult to take a broad historical perspective at a time of social change. No one ever said that it is easy to right centuries-old wrongs. But when we remember that barred schoolroom doors and massive resistance were changed only because of firmness and a commitment to constitutional principles, we can understand that a hasty constitutional amendment can never be the way to address today's wrenching issues.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, as the House of Representatives begins today the very serious and potentially dangerous proposal to amend the Constitution of the United States under the unprecedented procedure of considering a constitutional amendment which has not been subjected to a normal committee process the House should consider the thoughts contained in an editorial published in Monday's Pittsburgh Post Gazette entitled "No Busing Amendment" which among other things quotes our distinguished colleague the gentleman from North Carolina (Mr. PREYER) as saying "because busing is wrong doesn't mean a constitutional amendment to correct it is right."

I include the complete editorial at this point in the RECORD.

NO BUSING AMENDMENT

The Constitution of the United States has endured in large part because its provisions are general and capable of adaptation to changing situations. Recklessly disregarding that fact, opponents of busing for school integration have forced a vote for this week in the House of Representatives on a constitutional amendment to ban busing.

The proposed amendment might satisfy public opposition to busing, but at great cost not only to the cause of racial integration but also to the independence of the judiciary and, ironically, the tradition of local control of education. Most important, it could set a precedent for the continuous rewriting of the Constitution in the name of one policy or another.

Rep. Richardson Preyer of North Carolina has argued that "because busing is wrong doesn't mean a Constitution amendment to correct it is right." Regardless of their individual preferences about the use of busing, Members of Congress this week should resist the temptation to write them into the nation's permanent and guiding charter.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MCCLORY).

□ 1130

Mr. MCCLORY. Mr. Speaker, House Joint Resolution 74 does not rise to the substance that constitutional amendments are made of. The problem, as I understand it, is not one of principle. For it appears that every one of us supports the principle of the Brown decision. We all believe that the Government should not intentionally discriminate on the basis of race, color, or national origin. And at least in principle we all believe that when that kind of discrimination occurs, it should be rectified. What the controversy is about, then, is how the principles are applied to the facts.

That kind of problem cannot be addressed by writing another principle, a different principle, into the Constitution—certainly not one that partially negates the principles which I think we all accept. Under presently established principles, judicial remedies may be imposed only upon proof of intentional violations of the Constitution and only to the minimum extent necessary to correct such intentional wrongs—*Keyes* v. *School District No. 1*, 413 U.S. 189 (1973). And in choosing a remedy, busing may be employed only where no other remedy is available—Equal Educational Opportunities Act of 1974, section 256. Even then, it is not to be mandated where "the time or distance of travel is so great as to either risk the health of the children or significantly impinge on the educational process—*Swann* v. *Charlotte-Mecklenberg Board of Education*, 402 U.S. 1, 30–31 (1971).

Now that is the law, and it makes good senses to me. The complaints we hear are complaints that these principles have been incorrectly applied to the facts of particular cases. As we know, lawsuits generally produce two sides both of which swear they are right but only one of which prevails. And, of course, it happens at times that the wrong side prevails; the courts do make mistakes. Courts are not infallible—in this area of the law or in any other area of the law. But that is no justification for changing the law, particularly fundamental constitutional law.

The burden the proponents carry today is far greater than demonstrating disagreement with particular court decisions. The burden is to show that busing is never necessary to correct a violation of the equal protection clause—never. For that is what House Joint Resolution 74 says. No matter what the facts, no matter how heinous and bold the deprivation of constitutional rights, no matter how long the suffering, busing—the remedy of last resort—would not be available, no matter how necessary the remedy, no matter how agreeable the local officials, no matter how negligible the inconvenience.

That burden has not been met today. While I understand the frustrations of some proponents with some cases, I also understand the enduring value of the promise of the 14th amendment.

Mr. Speaker, I urge my colleagues to vote against the amendment.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. MOTTL) has 19 minutes remaining, and the gentleman from New Jersey (Mr. RODINO) has 24½ minutes remaining.

Mr. RODINO. Mr. Speaker, I yield 1½ minutes to the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Speaker, I, too, rise in strong opposition to this resolution, for more than one reason. And the practical effect that I would like to place before each of the Members is that, at the time that the discharge petition was approved with the required number of signatures, I immediately, for the first time, read it. After reading it, I decided that it was not any good, there are many defects in it. And not only that, I questioned what it would do to my local school districts. So I sent a copy, along with the article from Professor Tribe of Harvard, to my school superintendents, and every one of my school districts which have responded are vehemently opposed to it.

In my local school district of 22,000, it will cost in excess of $1 million if this constitutional amendment becomes a part of the Constitution, because it will require buildings to be built and prevent local control of schools. It prevents busing because of overcrowding.

The other thing that bothers me is the fact I do not know how many of the Members have read the case of Brown against Board of Education—in 1954, when that decision was made, that court, too, had an opportunity not to progress and advance this country.

The Supreme Court in 1954, in Brown against Board of Education, could have looked backward, and could have followed the 1896 decision of Plessy against Ferguson, under which developed the so-called separate but equal system of education in the country. Instead, and correctly so, for the future of this Nation, the Court looked to the future and said:

> Such an opportunity (education) where the State has undertaken to provide it, is a right which must be made available to all on equal terms.

That decision opened up educational opportunities for millions of children of this country.

The Supreme Court held that segregated schools were unconstitutional under the 14th amendment. A divided nation was no longer divided.

We must not now go backward and once again divide this Nation. We must not now return to segregated schools. We must not now return to de facto "separated but equal" schools. We must look to the future for education of our successors to a nation, indivisible, with equal opportunity for all.

Mr. Speaker, we need to defeat this amendment.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Speaker, even though I am no great advocate of busing, even to achieve racial segregation, in my opinion it would be a terrible mistake to write into the Constitution a poorly worded amendment that would outlaw busing even in the most blatant case of de jure segregation.

For example, even where a school board gerrymanders school district lines to build schools in all white or all black neighborhoods for the express purpose of promoting racial segregation, this amendment would prohibit busing as a remedy even if the board publicly admitted to its purposes and busing would provide the best and, perhaps, only available relief.

Some of my colleagues may not have had the opportunity to read the most recent busing decision, Columbus Board of Education against Penick. But let there be no doubt that seven of the nine Justices who participated in that decision, including some who are regarded as conservative and traditional, or strict constructionists, or whatever you want to call them, including Chief Justice Burger, Blackmum, Stevens, and White, found specific and intentional constitutional violations in that school system.

For instance, in the majority opinion written by Justice Byron White, he stated that there had been a series of board actions and practices that intentionally aggravated racial segregation in the schools that included "the general practice of assigning black teachers only to those schools with substantial black student populations * * * the intentionally segregative use of optional attendance zones, discontiguous attendance areas, and boundary changes; and the selection of sites for new school construction that had the foreseeable and anticipated effect of maintaining the racial separation of the schools."

I believe there are many Republicans who agree that to support a constitutional amendment of this kind would be contrary to efforts of our party leadership to broaden the base of our party with more blacks, women, and ethnics.

It would be a terrible mistake indeed to take away a remedy which may be used as a last resort to assure equal protection under the law for all Americans.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. MOTTL) has 19 minutes remaining, and the gentleman from New Jersey (Mr. RODINO) has 21 minutes remaining.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Speaker, during World War II when I was 18 years old, I was drafted into the U.S. Army and put into the uniform of my country. I served honorably for 3 years in a segregated army while this Nation was at war. I was housed, fed, clothed, and educated in that Army segregated from white soldiers because of the color of my skin. I was 18 years old—from Cleveland, Ohio, and until I went south as a U.S. soldier had never known segregation by race. The scars on my mind from the discrimination, the indignities, and the segregation which I was forced to accept while wearing the uniform of my country will never be erased. Today you talk of buses. I know something about buses in America. On the post at Camp Shelby, Miss., while in the uniform of my country, I had to ride on the back of the bus, behind a sign that said "colored only," segregated from white soldiers in the same uniform. Yes, and at Camp Stewart, Ga., I was bused to the post compound where I was jailed because I refused a command to clean the grounds around the barracks of white soldiers. A jail incidently that had one toilet for white soldiers and another toilet for "colored soldiers." I could go on and on reciting one indignity after another. But Mr. Speaker, when I came out of the service I promised myself and God that never again would I let any man, or government, or army segregate me because of the color of my skin.

It is unbelievable that 36 years after I served in the segregated Army of this Nation in a war to free the world that I stand in the U.S. Congress debating an amendment that would keep black children segregated in American schools. Last night I pulled out the CONGRESSIONAL RECORD of a debate which occurred in the House in 1951. The bill was the Universal Military Training and Service Act. The House was debating an amendment which would reinstate the policy of segregation in the Armed Forces. During the debate Mr. Dawson, a black Congressman from Illinois rose and said:

> How long, how long, my conferees and gentlemen from the South will you divide us Americans on account of color. Give me the test that you would apply to make anyone a full fledged American, and by the living God if it means death itself, I will pay it. But give it to me.

Mr. Speaker, I think most black Americans feel as Bill Dawson felt. In spite of suffering every indignity and human rights violation known to mankind including the invidiousness of slavery we have been loyal to this Nation.

And above all we have believed in the sanctity of the constitution in our pursuance of equality under law. Later in his same speech that day, old Bill Dawson said it better than I can when he said:

Deny to me today if you will, all that American citizenship stands for. I will still fight to preserve our Nation knowing that someday under the Constitution of the United States all of these obstructions will be removed, and that we will move forward before the world as one people, joined in a democracy which shall set the pattern for all the world.

Mr. Speaker, in the name of all of America's children, I urge the defeat of the Mottl amendment.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. GRISHAM).

Mr. GRISHAM. Mr. Speaker, I rise to ask my distinguished colleagues to accept their responsibility to the people of this country and vote "yes" on the resolution calling for a constitutional amendment permitting students to attend their neighborhood schools. I am rather disturbed that many Members of the House have misconceptions about those of us supporting the amendment.

Let me set the record straight. We are not opposed to the best educational opportunities for every child. We are not opposed to seeking a remedy for the past abuses of our society.

But we are opposed to the Federal Government dictating where our children should and should not go to school. We are opposed to a court that continues to ignore the practical reality of busing and what it sadly fails to accomplish. We are opposed to a Congress that ignores the overwhelming mandate of the American people and forces a remedy—that pleases absolutely no one—down their throats. Changing the Constitution is a matter of grave consideration, and there is not a single person in this room who takes that responsibility lightly. But, I ask you, what are the options left open to us?

The American people are not the kind of people who will tolerate a government that fails to heed their warnings.

They are not the kind of people who will let us sit in Washington and deny them the opportunity to decide for themselves whether or not busing their children is the answer.

They are not the kind of people to sit in silence while miles away a handful of "experts" move their children around as if they were merely pawns in a master chess game—where no one ever wins.

But they are the kind of people who will refuse to elect representatives who continue to misrepresent them.

They are the kind of people who will refuse to watch quietly while their 10-year-old is yanked from the school down the street and shipped off in a bus to a strange neighborhood 1 hour away from home.

And they are the kind of people who will refuse to relinquish that for which they have fought the hardest—to decide what is best for their children.

They are that kind of people for one reason, Mr. Speaker. It is because all their lives they have been promised that all they need do is raise up their voices so that we can hear them. They are raising their voices today, and it is time that we listened. I ask my colleagues to hear those voices and vote "yes" on the resolution.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, I rise in support of the amendment.

Mr. MOTTL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, 9 days ago, the President of the United States took to the airwaves and made what is considered by many to be the best speech of his career. You all saw it—you all heard it. But there is a good chance you did not hear it and see it from the same perspective I did—unless you happen to have court-ordered busing in your home district.

Back in the Fourth District of Kentucky, we have court-ordered busing in Jefferson County—we have had it for 4 years now. And when the President talked about "crisis of confidence," I did not automatically think of energy—I thought "forced busing."

And when the President talked about the scars that have not healed—I thought of forced busing.

And when the President said the gap between our citizens and our Government has never be so wide—I was sure he was talking about forced busing.

There is a crisis of confidence but when the Government ignores the opinion of over 80 percent of the American people who opposed forced busing—what can you expect?

Watergate and Vietnam, and inflation are scars that have not healed—but nobody has even made a serious effort to heal the scar of busing—it is still an open, festering wound.

Although I did not have the opportunity to spend 10 days with the President on the mountain, I certainly do agree with him on one point—it is definitely time to "reach out and listen to the voices of America."

And those voices are saying "stop letting the courts play God with our schools and our children."

Over 80 percent of the American people oppose court-ordered busing, but the buses still roll. Over half of the Nation's blacks oppose court-ordered busing, but the buses still roll. Nobody likes it—nobody wants it except the social schemers and the sociological dreamers and our judges.

But Congress has not done anything about it. In 8 years, Congress has not done anything about it.

Oh, we occasionally pass bills restricting the role HEW or the Justice Department can play in busing. But when it comes to busing, we know that the courts are the leaders of the pack—and that if we are going to do anything about busing, we have to put the courts back on the right path. This amendment will do it.

A majority of Members of both Houses have consistently voted in such a way that there is little doubt that they oppose forced busing or wish to give that appearance. Yet the courts keep right on pushing more children through the open bus door, keep right on tearing down the neighborhood school concept—and keep right on pandering to the professional civil rights activists who do not care one bit about the quality of education for black or white children—they want compulsion. They want court orders. They want another notch in the gun that is helping to kill our public schools.

And Congress has let them get away with it. Do you wonder why there is a gap between Washington and the people of this country? Do you wonder why there is a crisis of confidence? Eight years of inaction on busing is a big part of it.

For 8 years, this body has ignored the voice of America. For 8 years, this body has opted for the "ostrich approach" to busing—"stick your head in the sand and maybe it will get better—or maybe it will go away by itself."

But it has not gotten better—and it has not gone away by itself.

The achievements in education which the people who wanted busing in the first place claimed it would bring—have not materialized. Even they admit it. All we have is the violence, the disruption, the wasted gasoline, the wasted money and the displaced children riding buses 45 minutes, two times every day.

The benefits of busing never materialized—but the bad side effects are still with us.

No—busing has not gotten better—and the recent court decisions should be proof enough that busing will not go away by itself. If anything, there will be more of it.

It has been 8 years since Swann started it all—and the "ostrich approach" has not worked.

To be fair, I will admit that during these past 8 years, Congress has listened occasionally to many of the so-called experts and gotten many conflicting reports on the effects of busing. It seems that every sociological test or study that comes along refutes the one before it.

And I can see where it could lead to confusion for those of you who have never been touched by a court order in your district. And I would like to share with you some words from the real experts—which will not leave you confused—

They are not sociologists or social planners, but the people of Jefferson County, Ky., who know busing firsthand—not from choice—but because they have been forced to live with it for 4 years.

Reach out for a minute and listen to the voices of these people. This comes from a teacher—

I have taught nine years. In the last four years, since forced busing has been in effect here in Louisville, school enthusiasm, spirit and a sense of school pride has declined drastically. I believe it is due to forced busing.

This is from a mother—

My son is 6 and will be bused this year. It frightens me.

Another mother says—

My son has been beaten up on the bus. Lockers are broken into and money and books are stolen. The schools are deplorable. Busing stinks.

Another letter says—

Freedom isn't being told your child has to go clear across town to an unfamiliar school.

We have watched discipline, respect and order in the schools steadily decline through the years of busing. Drugs are an everyday fact of life in the schools.

A librarian—

Last year a black fourth grader came to me with tears in his eyes because he had failed and he asked me, how many more years he would have to be bused now. As I hugged the child and felt his tears run down my back, I wanted to strangle someone who was responsible.

And a letter that sums up many others I have received. "We are bewildered as to why they are forcing this on us."

Those are the real experts talking. Those are the people talking. And they are bewildered. They are frightened. And most of all, they are angry at seeing the deterioration in their schools caused by busing.

They are not making any of it up. That is exactly what is happening in Jefferson County, Ky. The local school officials are doing their best to overcome it, but busing is a burden they cannot beat.

Yes, busing does lead to turmoil in the schools and discipline problems—they are not making it up. Even the confused experts agree that busing orders do accelerate discipline problems. However, according to the experts—the problems are supposed to go away after a while. But in Jefferson County—after 4 years—it shows no sign of improving.

Suspensions jumped up dramatically in the 1975–76 school year that busing was implemented as predicted. But in the high schools, they went even higher the next year, and the next.

Finally last year, the number of suspensions fell off—but we cannot take much consolation in the fact because the schools were under a lot of pressure to reduce suspensions—so they did—even though the number of disciplinary problems seemed about the same as the year before.

Last year—after 4 years of busing—burglaries and thefts were up. Destruction of property was up. Disruption and disobedience at extracurricular activities was up. Possession and sale of drugs went up 36 percent. Possession of alcoholic beverages was up 86 percent and arson was up 116 percent.

Yes, I think busing is disruptive.

And the people of Jefferson County are not making it up when they say busing wastes fuel and wastes money that could be better spent on educational programs and educational problems.

It cost Jefferson County $4 million to implement busing 4 years ago. It costs between $2 and $3 million a year to maintain it—and that is just the transportation costs.

That is 3 or 3 percent as much money as the District spent on instruction last year.

And it does waste gasoline. Every day court-ordered buses burn up about 5,700 gallons of gasoline. With a 175-day school year, that comes to a million gallons a year down the drain—court decreed gasoline.

OPEC must love busing. It guarantees them a million gallon market in Jefferson County. How many school districts are under court-ordered busing plans—100?—200?? And how much do they waste each year? Millions of barrels.

In Mr. Carter's speech, he said that saving a gallon of gas was patriotic. We have got a million gallons worth of patriotism ready and waiting in Jefferson County.

The so-called experts cannot agree whether there is such a thing as "white flight." But in Jefferson County, there is no doubt on the issue.

Today, we have 33,549 fewer students in our public schools than we did 5 years ago when it became evident we would have busing. That is a 30-percent reduction. That is not white flight—it is a stampede.

That friends, is busing. That is what it does to schools and communities and to children.

And that is why we need to start this constitutional amendment rolling.

Mr. Speaker, in closing, I would like to offer two thoughts for my colleagues to consider.

The first is that I realize many of my colleagues come from areas that do not have court-ordered busing in their districts. And I am sure it is difficult for them to understand what all the screaming is about.

And I know most of those who find themselves in such a fortunate position find it hard to concern themselves with it because they do not expect to ever fall under the court-ordered gun themselves.

And this thought is directed particularly at them.

The Commission on Civil Rights status report on desegregation this year said that as of 1976—65 percent of all minority pupils in the Northeast and 68 percent of all minority pupils in the North Central regions of this country attend at least "moderately" segregated school districts.

If this amendment is defeated—all I can say is look out. They will be coming for you with the buses and the court orders before long and you will discover what all the screaming is about—firsthand.

After the recent Supreme Court decisions—the civil rights social engineers are looking to the North and licking their chops. They do not care about quality education. They do not care about the inconveniences of busing. They do not care about your children. They want another scalp to hang on their belts—another scalp of compulsion and another hundred buses rolling.

Your constituents might not worry about busing right now. But they will when they taste it themselves. And if this amendment fails today—there is a mighty good chance they will.

My final thought, Mr. Speaker, is that up until now, the full blame for court-ordered busing fell fully on the courts of our country. But after today we would not be able to blame the courts for it. If this amendment is defeated, it will make the U.S. House of Representatives a party to every single court order. It will make the U.S. House of Representatives party to the judicial tyranny that breaks up neighborhoods and uses our children as pawns on the playing table of the social planners.

It will make us a party to every gallon of gasoline wasted, every outbreak of disciplinary problems, every dollar diverted from a useful purpose to pay for counterproductive busing.

I personally do not want to be a party to it—I have seen court-ordered busing and its effects in Jefferson County, Ky.

When a DC-10 crashes on take-off—we do not sit around and say, "let's see if the next one makes it." We ground them all.

Right now, busing is going down in flames in Jefferson County, Ky.—and it is dragging our school system and our children down with it.

We grounded the DC-10—can we do any less for our children? If we do not ground busing and our high flying courts, we—the Members of the U.S. House of Representatives will be as guilty as they are.

Busing has had its chance and it has proven to be a failure—a disastrous failure. We cannot allow it to continue.

□ 1140

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Speaker, it has been argued that we have tried everything else, and nothing worked, that a constitutional amendment is all that remains. This is simply not so.

We have not tried the one key thing. All we have really tried are amendments, usually attached to appropriations bills, which attempt to effect the remedies applied by the courts. We have never come to grips with an education bill out of the Education Committee, not out of the Judiciary Committee, which addresses the question, "What is the best way to achieve equal educational opportunity? What can we do to reach the goal of a desegregated school system with a minimum of disruptive busing?"

Such a national policy based on local autonomy is a realistic option. It is not just a theory or a pipedream.

The gentleman from Arizona (Mr. UDALL), the gentleman from Indiana (Mr. HAMILTON) and I, with a number of cosponsors, including the gentleman from Illinois (Mr. ANDERSON), have introduced such a bill, drafted by constitutional experts, discussed with and approved by leading educational experts in this country.

The gentleman from Kentucky (Mr. PERKINS) has scheduled hearings on that bill for September 11 and 12, scheduled before the discharge petition incidentally.

If my colleagues want to do something about busing that requires only a majority in Congress and not lengthy action by State legislators that zeroes in on the problem of busing, without compromising the goal of a desegregated society and school system, that is not the loose canon that a constitutional amendment is, then support something like this bill, a legislative solution to the problem.

Our system of democracy has always lacked a reverse gear, especially in those movements that represent great ethical or social advances.

Brown represented such an advance. The idea that no student could be compelled to go to a segregated school. A constitutional amendment gravely risks retreating from this goal through inadvertence.

We should keep the goal and deal with the failure of busing as a policy through legislation.

Mr. MOTTL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Missouri (Mr. BURLISON), for purposes of debate only.

Mr. BURLISON. Mr. Speaker, I have always favored the neighborhood school concept and opposed the busing of schoolchildren to achieve racial balance. Most of the American people feel this way. This view has been significantly buttressed since my coming to Congress. When I first came here I noticed that most all of the Representatives of the Detroit, Mich., area who were of my party were considered philosophically liberal and certainly they had an unequivocal probusing commitment. Shortly thereafter came the Federal court action in Detroit requiring forced busing. It was quite an experience to see Members of Congress from that area make 360 degree turns on this volatile and emotional issue. There are now similar examples that can be cited for virtually all areas of the country.

It is important to note that the Department of Justice, and those organizations and individuals which initiate court ordered busing, proceed at such a deliberate pace and with such selective targets that just a small percentage of the Nation is confronted with the busing issue at any one time. This is grossly discriminatory in itself. It has been this strategy perhaps that has been responsible for preventing an overwhelming public demand for a constitutional amendment.

These observations lead me to two conclusions: The first is that whenever court ordered busing is invoked, the overwhelming majority of those involved become adamantly opposed to it. In many, if not most instances, this has proved to include black and other minority citizens as well as whites. Second, the technique or strategy above alluded to with respect to slow and cool deliberation in applying the Brown against Board of Education decision reeks with intellectual dishonesty at best and bureaucratic cowardice at the worst. For these reasons I support the constitutional amendment.

The issue of busing to achieve racial balance is of important national significance. That such an issue would be denied the attention of congressional hearings is intolerable and clearly an affront to democracy. This explains why I signed the discharge petition of Mr. MOTTL. I also support his amendment.

The SPEAKER. The gentleman from Ohio (Mr. MOTTL) has 17 minutes remaining. The gentleman from New Jersey (Mr. RODINO) has 17 minutes remaining.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I believe I can understand the frustrations which prompt many of my colleagues to fight for this measure. However, I cannot in good conscience support a response designed to include in our constitution a contemporary social policy preference. To consider so important a matter solely on the floor of the House, without lengthy deliberation and selfexamination, is wrong.

This is no simple, private bill. It proposes an amendment to the Constitution of the United States; a new, 29th amendment, if ratified by the States. It partially repeals the 14th amendment's guarantee of equal educational opportunity with language which is even now being amended and reconsidered.

First, look at what the language of the amendment says:

> No student shall be compelled to attend a public school other than the public school nearest to the residence of such student. . . .

The problem with that language is that local school boards will be stripped of their power to authorize busing required for other purposes. I doubt if many of us want to so undermine local authority. I understand that there will be an amendment to insert the words "on account of race, color, or national origin" as an effort to moot the opposition. However, what those words do is demonstrate clearly what the result of this amendment would be—segregated schools. I cannot believe two-thirds of this body wants to go on record in support of such a proposition.

Second, take a look at section 2 of the proposed amendment:

> The Congress shall have the power to enforce this article by appropriate legislation and to insure equal educational opportunities for all students.

Does that mean that the Congress can rely on section 2 as a basis on which to grant massive authority to the Department of Education to control State educational systems and "insure equal educational opportunities . . ."? Does it mean that law suits claiming that Congress has neglected its mandated responsibility will proliferate throughout our court system? In sum, I do not think we know what the amendment really means. No constitutional amendment should ever be recommended to the States with so little understanding of its consequences.

Third, and perhaps most important, this amendment strips from the courts a remedy with which to guarantee protection of 14th amendment rights to the citizens of this country—without regard to their race, color, or national origin. The amendment forbids pupil assignments beyond nearby schools even when it is demonstrable that no alternative exists to remedy de jure segregation.

Mr. Speaker, even those who strongly oppose court-ordered busing would be ill-advised to support this proposed amendment. This amendment is not the answer. I urge a no vote.

Mr. MOTTL. Mr. Speaker, at this time I yield 1 minute to the distinguished gentleman from Ohio (Mr. WYLIE) for purposes of debate only.

Mr. WYLIE. Mr. Speaker, I strongly urge support of the Mottl amendment. I favor the amendment because of the recent Supreme Court decision in the Columbus case. The recent Supreme Court decision held the Columbus plan unconstitutional. Now, that decision was distressing to me, because I thought the Supreme Court would permit some degree of voluntarism.

In 1967, the Columbus Board of Education in Columbus took affirmative steps to comply with the Brown decision, to integrate on a voluntary basis. In 1973, that plan was massively implemented so any student could be bused anywhere, any place, any time to any school in the Columbus public school system. All 160 schools were involved at no cost to the parent upon the parent's request. Over 5,000 students were being bused. This busing plan was held unconstitutional so no degree of voluntarism is apparently permitted under the Supreme Court decision. The most sophisticated volunteer plan is not good enough.

This left us no alternative to those opposed to busing but to come here today through us and debate the issue.

I urge adoption of the Mottl amendment.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. DAVIS).

Mr. DAVIS of South Carolina. Mr. Speaker, I rise in opposition to the proposed amendment. I come here today from an area of the country that has had forced busing. I think it is indeed time that this body dispose of the matter once and for all.

I propose that we do it by soundly defeating this amendment and demonstrating to the world that the United

States is not going to turn the clock back in the case of human rights.

I recognize that this is an issue of great emotional contest. But I ask my colleagues today to remember that our responsibility here on this floor should be more concerned with the welfare of the children and the educational opportunity of the children rather than the emotions of the parent.

□ 1150

I do not believe that busing has been wrongly applied in the vast majority of the cases. I do believe that it has been a positive good for the goal of quality and equality of educational opportunity. To abandon this valuable tool at this time would be a slap in the face to all who have worked and sacrificed for the cause of racial justice.

Finally, I ask that we not do violence to the organic instrument of our Government. The lessons of the past are clear enough: The amending process should be reserved for lasting principles, not for current and emotional issues.

Mr. Speaker, I am casting my vote against this amendment and I urge my colleagues to examine their consciences and do likewise and help the children.

Mr. MOTTL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Massachusetts (Mr. MOAKLEY) for the purpose of debate only.

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman for yielding and rise in support of the constitutional amendment.

I have been elected to represent a district which includes virtually all the Boston communities affected by court ordered busing. It is perhaps the most diverse district in the country and includes both the most disadvantaged and the most affluent communities in and around the city. It includes most of the city's black community and also the neighborhoods in which opposition to forced busing is most firmly rooted.

Busing is an issue that has divided this district as today it divides this House. The busing program was instituted at the opening of the 1974 school year but the debate had been joined many years before and continues today.

Mr. Speaker, the results of this judicial experiment are in.

In the last year before busing was instituted, there were 53,593 white students, 31,963 black students and 8,091 other minority students in the Boston public schools.

Last year there were 30,073 black students, 25,956 white students and 10,528 other minorities.

During the court's effort to achieve racial balance, therefore, the white population of Boston schools has declined from 57 percent to 40 percent. And with the exodus of tens of thousands of white students and thousands of black students, has gone the last hope for meaningful integration in Boston schools. Indeed, after 6 years of juggling students' lives like chess pawns, only 25 out of 151 schools meet all the racial quotas established by the court order.

Estimates of the cost of implementing the busing plan in the city of Boston range from a low of $80 million to well over $200 million. Most of this enormous cost has been borne by a property tax system already straining under heavy demands.

Perhaps this expenditure could still be justified if it had led to effective, harmonious integration. But the figures I have cited prove that resegregation, and not integration, has been the result.

To no purpose we have squandered a fortune. This money could have built new and better schools, funded adequate programs to prepare disadvantaged students for college, or established improved vocational programs. Indeed, even the lowest cost estimate would have provided enough money to offer a summer job each year to every high school student in the city.

Instead, this money has been poured into an experiment that has failed to achieve its goals. Indeed, by driving white and black middle-class students out of the schools, it has made its own goals unobtainable by any other means.

So who has benefited?

Certainly not the poor and the disadvantaged students, both black and white, who would have reaped far more benefit had the money been invested in programs such as I have mentioned.

Certainly not their parents, both black and white, who have seen the quality of education deteriorate and feel they have lost the anchor of their own lives—Boston's strong and historic sense of neighborhood.

And certainly not our courts, or government in general. For we have lost the trust and confidence of Boston citizens who have twice voted, by margins of 2 and 3 to 1, to stop busing only to see their mandate ignored by a government which they had been told as children represented them.

And this, of course, is the central matter before us today. Are we to respond to the clearly expressed will of a majority of those who elected us, or will we ignore their right to representation? There are those who have urged me to vote against the will of the people of Boston. But the idea that the views of a small group of judges and politicians should be substituted for those of the majority of the American people is an idea I find very alien to the principles on which this Nation was founded.

Does anyone doubt what would happen if this constitutional amendment were submitted to a national referendum? Then by what right can the judgment of this Chamber be substituted for the judgment of those whose just consent is the basis of all laws? Ultimately those who oppose this constitutional amendment must face the hard question, "If our laws are not to be written by a majority, by whom shall they be written?"

In five campaigns, I have stated firmly, and without equivocation, how I would vote when this resolution reached the floor of the House and I have pledged to do everything an individual Congressman can to bring the matter up for that vote.

Although I am not insensitive to the concerns of those who cannot agree with me, I believe I am acting in the best interests of those who elected me by casting, on their behalf, the vote they would cast if they could participate directly in today's proceedings.

Mr. Speaker, I urge the adoption of the resolution.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Speaker, to me it is quite ironic to see that in the 25th year of the celebration of the famous Brown decision that we are gathered here in this body this afternoon in order to prevent the courts from enforcing those measures which are necessary for the continual encouragement and promotion of the equitability of educational opportunities in this Nation. The 1954 decision was one of the decisions in which we said we had to use certain instruments in this Nation to move in the direction of equality and integrated education and the reason we had to take this position is because we could not depend on the morality nor the conscience of those individuals who had the power to move into the direction of bringing about equitability of educational opportunity.

I heard one of my colleagues a short while ago say he was interested in continuing the promotion of neighborhood schools. Where were all of our voices years gone by in terms of the promotion of the neighborhood school when black children had to rise at 5 a.m. and take buses way past the neighborhood schools in the southern part of this Nation? Where were our voices at that particular hour in America?

We recognize and realize that we want to be able to have the opportunities for black and other parents in this Nation to move in the direction of using alternative measures in order to get the kind of educational opportunities so that their children can compete and function in a highly automated and technological society. Ladies and gentleman, we cannot change the Constitution on the basis of the political winds of change or the political expediencies of the moment. We are here to give a kind of courageous leadership, we are here to be profiles in courage. We are here to be able to go back to our constituents and explain that somehow, somewhere at this hour in America we are still moving in the direction of trying to bring about the equitability of opportunities on every level in this great country.

So, my colleagues, I am going to ask you not to undo what has been done. Be a profile in courage today. Thank you.

Mr. MOTTL. Mr. Speaker, I yield 1 minute for purposes of debate only to the distinguished gentleman from Maryland (Mr. BAUMAN).

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman.

● Mr. CAMPBELL. Mr. Speaker, the issue before us today is a sensitive one. It is one to which different people ascribe different motives. It is one which some view as representative of the very basic question of equal individual rights. All of those characteristics are present today in this debate, but also present are considerations of the day-to-day lives of our children and the rightness or wrongness of becoming slaves to quotas—quotas dictating how many blacks or how many whites shall participate in our societal organizations, how many women or men, how many Puerto Ricans or Mexicans, how many Protestants or Catholics. I submit, Mr. Speaker, that this issue before us today is much more complex than those strongly on either side of the issue have suggested.

As a signer of the discharge petition which brought the issue of school busing before us, I firmly believe that it is the right of this House to debate this resolution. I therefore, voted for the motion to discharge.

The House Judiciary Committee has for years known of the deep concern about busing on the part of many Members of this House. Yet the committee has not held in-depth hearings. It has not given the full membership of the House an opportunity to hear on the floor the merits or lack thereof of proposed remedies. I commend the gentleman from New Jersey, the chairman of the Judiciary Committee, for his promise now to look into court cases on busing. But, Mr. Speaker, I do not believe that is enough. We have heard promises too on the issue of a constitutional amendment to balance the budget, but we have not seen legislation reach this stage. Thus, in the absence of a firm commitment and timetable for hearings and markup, I voted for the motion to discharge.

If we are then called upon to vote on the Mottl amendment as introduced, I will vote against it. While my opposition to quotas and to unnecessary busing is well known, even among those of my friends who disagree with me, I cannot in good conscience vote for a potential amendment to the final law of our land, the Constitution, which I believe is badly drafted and holds out the possibility of the most serious and detrimental ramifications for our country. Not only does section 1, by its ambiguity, close the doors to much local flexibility in trying to avoid busing, but section 2, by giving Congress statutory power "to insure equal educational opportunity for all students," virtually vests control of education, including curriculum, in the U.S. Congress. I could not support such language.

Should an amendment be offered on the floor limiting the busing prohibition and eliminating the objectionable language in section 2 which paves the way for a federalized school system, I will support it.

But I will support this language with reservations and with full knowledge that this is an unusual circumstance where the committee of jurisdiction has not seen fit to deal with the issue and where the courts are consistently expanding their powers beyond their mandate of interpreting the laws made by Congress. Only in this kind of situation do I believe the extraordinary legislative procedure of discharging a committee was warranted.

Mr. Speaker, far better that this legislation had gone through the normal legislative process. Far better that we not be called upon to vote on a matter of this weight with 1 or 2 hours of debate. Yet, in the final analysis, this Nation is demanding a vote, and we must each vote our conscience. I believe it is a dangerous path we are walking when we start requiring quotas of this kind or that kind. I support equal education. I support integration. But to my mind, an acceptance of national quota systems, even with the purest motives, will bring our Nation its people more divisiveness and animosity than a reasonable version of this resolution ever could.●

Mr. BAUMAN. Mr. Speaker, I rise in support of an amendment to the Constitution which will preserve the right of each child to attend the public school nearest his or her home.

It goes without saying that all of us in this House oppose racial segregation in the schools and I personally support the decision of the U.S. Supreme Court in Brown against Board of Education. The era of racial segregation is past in our history, as it should be.

But the issue here today is whether or not court ordered busing for the purposes of achieving racial balance in schools has succeeded or failed. I believe busing has not only failed to achieve the goals its original supporters sought, but has caused far more problems than it has solved.

One of the goals was to bring together the children of all races in the public school system so that none would be denied equal educational opportunity. Another objective was to bring an end to the divisions based on race which plagued our society.

Abraham Lincoln in one of his most eloquent public addresses told the Nation that "a house divided against itself cannot stand." I think most people will admit that busing has, instead of bringing all Americans together, caused deep divisions in communities all over our land. This misguided policy has set blacks and whites against each other, including parents and children, and caused endless bad feelings which could have been avoided.

Certainly every public school should offer the best quality education consistent with the financial means of each community to provide such education. No artificial distinctions based on race should be allowed. But when you force a black or white child to travel long hours and many miles each day, away from their family and homes, you have in fact imposed a policy which inherently is based in racial discrimination and therefore violates the Constitution.

Mr. Speaker, it is time this Congress put race aside in education and in all things in this Nation. It is time that we made plain to the judicial activists on our courts that they must uphold the Constitution and stop engaging in social engineering and disruption of our homes and neighborhoods and families.

We can do that by adopting the amendment which will be offered by my distinguished colleague from Maryland (Mrs. HOLT).

The SPEAKER pro tempore. The Chair will observe for the benefit of those who are guests of the House in the gallery that the rules of the House prohibit any demonstration of approval or disapproval on the part of those who are our guests, realizing that it is done innocently of that knowledge. But the Chair would ask for the cooperation of our guests.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. MCKINNEY).

Mr. TREEN. Mr. Speaker, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman.

● Mr. TREEN. Mr. Speaker, we are debating here today the question of whether or not we shall propose to the States a constitutional amendment the text of which (with the Holt amendment) is as follows:

SECTION 1. No student shall be compelled, on account of race, color or national origin, to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student.

SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation.

There are several points I wish to make.

First. The issue presented is not desegregation of our schools. The amendment in no way stands in the way of school desegregation. It is painful to me to hear some Members say that those who support this amendment are motivated by racial considerations. That argument is totally insupportable.

Second. The landmark Supreme Court decision of Brown against Board of Education held that pupils cannot be assigned to schools on the basis of race; that the color of one's skin was not a permissible factor in assigning students.

Third. Despite the clear meaning of the Brown decision, pupils are today being assigned to schools on the basis of their race. Judges are directing that specific numbers of whites and blacks be sent to specific schools. Chaos has resulted in school district after school district as children are put on buses for long rides across cities and/or counties. The rights of students to go to schools in their neighborhoods, or even within a reasonable distance of their homes, have been destroyed in hundreds of communities all across the land. One unfortunate result has been the deterioration of public support for public education. Revenue measures and bond issues which are desperately needed to finance improved education are being defeated in hundreds of communities. Quality education—for blacks and whites alike—is being denied

millions of schoolchildren. Black children are suffering more than white children because many of the latter have "escaped" to private schools.

Fourth. The Federal courts, in an attempt to accomplish desegregation, have been assigning students to specific schools in order to achieve "racial balance." Congress in 1964, 10 years after the Brown decision, made it clear that desegregation was to be carried out without assigning students on the basis of race. Section 401 of the Civil Rights Act of 1964 makes that distinction in the following language:

"Desegregation" means the assignment of students to public schools and within such schools without regard to their race, color, religion, sex, or national origin, but *"desegregation" shall not mean the assignment of students to public schools in order to overcome racial imbalance.* (Emphasis supplied.)

Obviously the Federal courts have distorted the intent of Congress, and the meaning of the 14th amendment as laid down in the Brown decision.

Fifth. The overwhelming majority of Americans, as demonstrated by numerous public opinion polls, has opposed busing of students as a means to bring about desegregation. Within this number, a majority of blacks also oppose busing as a means to achieve desegregation. In a poll released July 8, 1976, by Louis Harris, it was found that by a ratio of 81 to 14 the American people opposed busing to schools outside the students' neighborhoods to achieve desegregation. In this same public opinion poll, 51 percent of blacks opposed busing, 38 percent favored it, and 11 percent were not sure.

Sixth. Despite the opinion of a majority of Americans, both black and white, and despite the position taken by the Congress itself in the 1964 Civil Rights Act, and despite the great interest in this subject, on both sides of the issue, the House Judiciary Committee has steadfastly refused to even hold hearings on any of the numerous bills that have been introduced proposing to amend the Constitution. To me, this is the most dismaying aspect of the whole controversy: The adamant refusal of a majority of the House Judiciary Committee to allow the American public to bring this matter to the Congress in the usual legislative method. What we need are careful and deliberate hearings during which the issue can be carefully evaluated and language drawn to protect the rights of both black and white children to equality of education, without destroying the quality of education. I signed the discharge petition for this resolution because I felt that it would bring pressure on the House Judiciary Committee to hold hearings. I felt confident that as we approached 218 Members, the Judiciary Committee would respond and say that that was a sufficient showing of interest by the elected representatives of the people of the United States to warrant having hearings. I am dumbfounded that the Judiciary Committee has not gotten the message.

Seventh. The House Judiciary Committee has left this body with no recourse but to consider a constitutional amendment on the floor of the House, with limited debate, and without the benefit of the testimony of educators, sociologists, constitutional experts, and others whose judgments we ought to have before we make a decision. I am amazed that several Members are resisting this action today by saying that we should not "tamper with the Constitution" by writing a constitutional amendment on the floor of the House. Indeed, we ought not to be proceeding that way, and we would not have to if the Judiciary Committee would consider this matter.

I might also add that, should this proposal be approved by the necessary number of Members, it would then have to go to the Senate and undoubtedly a conference between the House and the Senate would be required before final language were adopted. This would give the opportunity for more careful deliberation with respect to the impact of the language and would permit the opportunity for drafting the final form of the amendment precisely as we would want it. It might also give the conference committee the opportunity to consider the views of black sociologist James Coleman, whose 1966 landmark study, "Equality of Education Opportunity," greatly influenced the course taken by the courts in recent years. Coleman has now reversed himself and concluded that mandatory busing has had a negative impact on black student achievement.

Eighth. The proposed constitutional amendment does not, repeat, does not, prevent or any way inhibit desegregation of the schools. It would simply prevent the compelling—on account of race, color, or national origin—attendance at a public school other than the school nearest to the residence of the student. The freedom-of-choice method, which was employed by the Federal courts for many years following the Brown decision, would still be available. That method could be ordered by the Federal courts without violating the proposed amendment. Under the freedom-of-choice system, a parent could choose any school within the district that he wished his child to attend and the school board would have to furnish transportation for that purpose. If this meant virtually no attendance at poor quality schools, then so be it. The school board would simply have to close down such schools. Other methods to achieve desegregation would not be inhibited by this amendment.

Ninth. I believe, with every fiber of my body, that children black and white should have the right to go to a school which offers quality education. I believe in that even if the school district has to bus a student 50 miles to go to that quality school. But neither I, nor the American public, want a child bused to a school not of his choice just to achieve some racial percentage.

Tenth. Finally, let it be clear what is proposed here today. It is proposed that a constitutional amendment be sent to the States for their consideration. We do not amend the Constitution by our action in the Congress; that power belongs to the people, to be exercised through their elected representatives in the legislatures of the 50 States. I have confidence that the American people would treat this issue with the serious deliberation which it deserves. And I have confidence that the American people would ultimately make the right judgment.

For these reasons, Mr. Speaker, I signed the discharge petition—although I would have preferred hearings before the Judiciary Committee—and I will vote for the proposal to amend the Constitution, as that proposal is amended by the amendment to be offered by the gentlewoman from Maryland (Mrs. HOLT).

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman.

● Mr. LIVINGSTON. Mr. Speaker, I am in support of this proposition.

However well intentioned, busing of children in this country has served to undermine our public school system to the very real detriment of both black and white children. It has caused a decline in the overall level of excellence in neighborhood schools and has undermined the voluntary participation of students and parents that made the American public school system great.

Forced busing of schoolchildren does not work—even the experts agree on that. Sociologist James Coleman, whose 1966 study was a powerful influence in developing Federal busing programs, has now concluded that he was wrong. Coleman reports that mandatory busing has led to violence and turmoil, that it has brought lower educational standards that work against improved achievement by black students.

The most recent Harris poll shows that a majority of both blacks and whites still oppose busing—8 years after the Supreme Court first approved forced busing. This poll, like others, shows that neither race believes that busing will solve problems of equal education.

I believe that we can achieve the aims of the civil rights movement by providing good education to all of our children. That was its original goal and that goal should be reached by means other than busing. It is our solemn duty to make sure that it is reached.

We must seek to reestablish the close ties between family, community and school that will provide better education for all, regardless of ethnic or racial background.

Mr. MCKINNEY. Mr. Speaker, I oppose House Joint Resolution 74. The oath I swore as a Member of this House binds me to protect and defend our Constitution and I cannot, in good conscience, permit our most fundamental law to be the scapegoat for our 25-year failure to realize equal educational opportunity for all.

This was not an easy decision. But in the final analysis, I had to conclude that an amendment to specifically prohibit busing as a desegregation tool is at best

unnecessary and at worst degrading to a document I respect. The Constitution has endured these 203 years as the basic law of a great Nation because it speaks of timeless principles and the mechanics of a unique democratic process. I submit that adoption of this amendment would reduce the stature of the Constitution and thereby diminish respect for all laws.

In considering this amendment, I am reminded of our Bicentennial celebration when we paid tribute to the constitutional tenets of freedom of speech, justice, and due process of law. What place has busing among these? Two hundred years from now will our descendants share our pride in a document containing a negative reference to an obsolete motor vehicle which happened to be used to bring black children closer to white children? Why not trains, cars, and vans?

Mr. Speaker, there is little argument that busing is not a clumsy, costly, intrusive, and only partially successful desegregation technique. However, by what right do we enshrine our failures in the Constitution? Our responsibility as free men and women is to live up to the lofty constitutional principles of human freedom, equality, and dignity—not childishly seek to except ourselves when we find freedom's demands inconvenient or controversial.

Only recently, I had the opportunity to spend a great deal of time contemplating the brevity of life and the elusiveness of its meaning. Artificial barriers such as race, sex, religion, and the like simply cannot be tolerated. They serve only as distractions from our real purpose, just as this amendment is distracting this House from the important business of energy and inflation.

Finally, I want to stress to each Member in the Chamber that this vote tests our concept of representation. Do we follow those who would amend the Constitution to conform with the latest Harriss or Gallop polls or do we stand firm and truly reflect the hopes, rather than the fears, of our constituents? In my view, this is a fundamental matter of right or wrong. To use every tool at our disposal in the fight against separate but equal educational opportunity is right. I would cast this vote even if 99 44/100 percent of my constituents had responded to those polls expressing opposition to court ordered busing. To do otherwise would be wrong, for I seek to represent the best, not just the most recent, thoughts and desires of the people of Connecticut. It was not that long ago that I couldn't leave a Texas airbase to socialize with a fellow Air Force sergeant because he was black. I am proud of the progress we have made since then and any attempt to reverse that progress now would be unthinkable. I urge you to defeat House Joint Resolution 74.

Mr. MOTTL. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. DONNELLY) such time as he may consume.

Mr. DONNELLY. Mr. Speaker, I thank the gentlemen for yielding and I rise in support of the constitutional amendment.

Mr. Speaker, court-ordered busing was instituted in Boston in 1974. The promise of busing—to assure quality education for all schoolchildren has—for the people of Boston, been an empty one. I know this, not only as a Representative from parts of the city of Boston, but directly and intimately, as a former teacher in the Boston public school system.

What busing has done, is force those able to afford it, to move out of the city, to send their children to private schools, in order to protect and safeguard the most sacred of our institutions, the family, from Government intervention. Mr. Speaker, since the adoption of the busing program in Boston, decline in enrollment in the public school system has been unprecedented, from 90,000 to 65,000 students in 5 years. The white population of Boston schools has declined from 59 to 40 percent. What the people of Boston have witnessed is the increased segregation of schools, and decline in school facilities as the tax base supporting them erodes.

Mr. Speaker, it goes without saying that the billions of dollars spent nationwide, and the $12 million spent in Boston alone on this program could have been put to far better use and been of much greater advantage, to the people of this Nation, if directed toward building new schools and facilities, providing better teachers, and directed training, and vocational, programs. The American people recognize this fact, now let us recognize their voice and mandate.

I urge my colleagues to adopt this resolution.

Mr. MOTTL. Mr. Speaker, I yield 1 minute for the purposes of debate only to the distinguished gentleman from Texas (Mr. WHITE).

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Mr. WHITE. Mr. Speaker, the overwhelming number of people in my district oppose segregation. In the State legislature I had a solid vote against segregation. But, the people in my district of all races also oppose forced busing. So, their opposition is not on the basis of race at all, but they realize that forced busing does not work. They accept volunteer busing. Forced busing from the viewpoint of the minority actually hurts the minority child the most.

For example, it deprives the minority child of the chance to express his leadership abilities in a school in which he is far outnumbered. It deprives the minority child of after school extracurricular activities. It deprives the minority child of a chance to make many lasting friendships in the neighborhood in which he will live.

Parents are very concerned about their children riding these buses. The children are exposed to greater hazards on the highway. The Civil Rights Act did not provide for busing, but the courts have ordered it. Thus the courts have legislated. Our response to the people of the country, is to legislate to eliminate this infraction and unpopular mechanism.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I rise in opposition to the amendment.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, I rise in opposition to the Mottl amendment.

Mr. Speaker, in recent years few issues of public importance have generated as much passion and intensity of feeling as the question of busing to achieve equality of educational opportunity. I would have thought that, while Members of this House might have differing views on the subject, it was not a matter appropriate for extended debate in the Halls of Congress. I would have thought that the question of the enforcement of the equal protection clause of the 14th amendment is one which we have committed largely to the judicial branch for resolution. Indeed, since the ratification of that amendment in 1868 we have left to the courts the task of defining the scope of the rights and remedies which the equal protection clause provides. Of course, under section 5 of the 14th amendment, Congress has the power to enforce, by appropriate legislation, the great guarantees in it. And we have, from time to time, exercised our authority under the 14th amendment to advance the cause of racial equality through the enactment of legislation designed to enhance individual freedom and dignity unrestrained by notions of racial superiority.

On this day in July 1979 we find ourselves debating the question of whether we should approve, as an amendment to the Constitution, a proposal which will forbid busing to overcome intentional racial discrimination and which would give Congress the power to enforce racial segregation in the public schools.

That is an extraordinary turn of events. Only last week the President of the United States called on us, as a legislative body and as Americans, to put personal self interests aside and face our Nation's difficulties with courage and a renewed sense of moral dedication to their resolution. I see a touch of irony in today's proceedings as we passionately debate, not a solution to the energy crisis, nor the unemployment problem, not the inadequacies of health care but the question of whether black and white children should attend the same school. I would have thought we put that question behind us as a Nation in 1954, never to reopen it again. But this amendment has been called up, within the rules of the House, for consideration, and I join with my colleagues in earnest debate over its merits.

I would like to begin with some facts about school segregation and busing which hopefully will not get lost in the thousands of words already said and to be said on this joint resolution. First, it must be firmly kept in mind that busing, as a remedy to school segregation, arises only because, in the past, public officials intentionally and deliberately segregated schoolchildren on the basis of race, color, or national origin. In some instances the bus ride has been longer than

some of us might have wanted because public officials and private individuals have engaged in housing discrimination which has created racially segregated residential patterns in many parts of our Nation, especially in metropolitan areas.

Let me emphasize this point. Racially segregated schools do not happen by chance. Elected officials, north and south, east and west, deliberately engaged in conduct with the purpose of segregating public schoolchildren by race. If you examine the trial transcripts of the school desegregation cases in Atlanta, Boston, Columbus, Houston, Los Angeles, San Francisco, and any number of other cities across the Nation, you will find shocking and startling evidence of the various ways, some simple minded, some ingenious, which public officials used to keep white and minority children from attending schools together.

In Atlanta and Boston, officials intentionally segregated black and white students; in Houston and Los Angeles they segregated black, white, and brown children. And in San Francisco they included Chinese children as well as black and brown students to be kept apart from whites. That is the sordid and undeniable history of school segregation in this country: A series of intentional practices undertaken by public officials with the express purpose of creating and maintaining racial segregation in the schools.

In 1954 the Supreme Court held that "separate but equal" schools based on race are inherently unequal in violation of the equal protection clause of the 14th amendment. Recognizing that it was announcing new constitutional doctrine and that school systems might need some time to make the necessary adjustments, the Court in 1955 did not require officials to ask immediately but permitted them to do so "with all deliberate speed." Justice Black later remarked that most officials had acted with too much deliberation and not enough speed.

In any event, in 1958 and in 1962 President Eisenhower and President Kennedy, in response to open defiance of Federal court school desegregation orders, sent Federal troops to enforce the constitutional right announced in the Brown decision. And in 1964 the Congress added its stamp of approval to the actions of the other two branches in recognizing the right to a desegregated education. In that year, we passed title IV of the Civil Rights Act of 1964 which authorized the Attorney General to bring suits in the name of the United States to integrate racially segregated schools.

Thereafter the Congress approved other bills which further advanced the rights of children to attend schools without regard to their race. In various education bills we provided Federal financial assistance to those districts seeking to integrate their schools. To date millions of dollars of Federal money have been spent to assist the process of providing equal educational opportunity. Even in school districts which do not have a history of intentional racial discrimination, we have provided, for example, funds for bilingual programs so that language minority children may have a decent chance to obtain a quality education.

It is also true, of course, that as school desegregation came to large northern cities, the Congress became more concerned about the scope of busing orders. As a consequence we have directed the Department of Health, Education, and Welfare, from time to time, to be cautious in requiring school districts receiving Federal funds to engage in excessive busing. On a number of occasions, we told HEW that busing should be the remedy of last resort.

Busing as a last resort is not a novel doctrine. The Federal courts have for years required busing only when no other method existed to remedy the intentional and deliberate segregation of the schools by public officials.

For this reason, I firmly believe that the proponents of this amendment have overstated dramatically the nature of what they perceive to be the problem. Court-ordered busing has been limited in scope. The Supreme Court, in an opinion by Chief Justice Burger in the Swann case, held that the scope of the remedy cannot be broader than the nature of the violation. The Federal courts have followed that direction. They have used busing only as a last resort when other desegregation tools were inadequate to eliminate intentional racial discrimination. And indeed the available data supports that observation.

Of all busing done in this country to transport children to schools, only 5 percent of it, let me underscore that, only 5 percent of it, may be attributed to court ordered busing. That is, 95 percent of the busing of schoolchildren in this country is undertaken for purposes wholely unrelated to desegregation.

The reason for that is simple. In the early part of this century, educators recognized that one room school houses were inefficient and could not provide quality education for their students. As a consequence, boards of education across the country, except in those areas where racially segregated schools were maintained, began consolidating schools. In order to have a school with enough students to achieve the benefit of consolidation, the pupils had to be bused to the school. Indeed the bus was viewed as beneficial because it carried students safely to a distant school. The school bus served admirably the goal of quality education.

That is the reason why approximately 60 percent of all children in this country go to school on a bus, and why 95 percent of busing is totally unrelated to school desegregation. When seen in this perspective, busing becomes not the dragon of quality education, but rather its Saint George. This amendment would effectively deny the opportunity for minority students to receive that chance for quality education which white children have. This amendment does not condemn busing per se; it only condemns busing undertaken to provide minority school children with equal educational opportunity. And that is its real evil.

I should note too that the courts, in addition to viewing busing as a remedy of last resort, have also considered it a temporary measure. In some school districts busing has been reduced through creative educational programs designed by local school boards to deal with racial integration. The artful location of newly constructed schools, for example, frequently accomplishes integration so that busing may be reduced or eliminated.

Busing is also temporary in the sense that other remedies are being pursued, sometimes not as vigorously as they should, to achieve racial integration. The distinguished chairman of the House Judiciary Subcommittee on Civil and Constitutional Rights and I have introduced a bill which would improve enforcement of the Federal Fair Housing Act. I hope that all Members of this House who so ardently support this amendment will favor that bill as a viable long-range alternative to busing.

I also hope that this House will approve programs to provide employment opportunities for inner-city minorities so that they may acquire the financial means to choose, if they wish, to move to white areas of the metropolitan areas, a process that surely would produce more integration in the schools than we presently have. One of the goals of busing is to provide minorities with better educational opportunities which will lead directly to better jobs. Equality in this Nation is dependent upon equal educational opportunity.

That is the meaning of the Brown decision and the long struggle in the Federal courts over the last 25 years to implement that decision. Too many blacks and other minorities remain separated from the mainstream of the social and economic life of this Nation. Too many have unequal educational and employment opportunities.

Forty-five percent of black teenagers are out of work because they have neither the educational background nor job skills to qualify for meaningful positions. Better jobs will inevitably mean a wider range of housing choices which will result in more school integration.

With the indulgence of the House, I would like to make one last point regarding the scope of this amendment. It would, as we all know, forbid the courts from ordering busing of schoolchildren on account of race, color, or national origin beyond the school "nearest to the residence" of such student. But that broad prohibition would also apply to desegregation plans developed and implemented voluntarily by school boards around the country. There are districts where local school officials, recognizing the inequities of the past, have undertaken voluntarily to integrate their schools.

Many years ago, the school board in Princeton, N.J., voluntarily developed the so-called Princeton plan to integrate public schools by pairing one white school and one black school. Even that famous, but modest voluntary desegregation plan would be outlawed by this sweeping amendment.

Much of the discussion of this amendment has focused on concerns over excessive busing. But this so-called "anti-busing" amendment reaches far beyond forbidding the busing of students pursuant to a desegregation plan. The amendment says nothing about busing. The

critical language is that no student "shall be compelled on account of race, color, or national origin to attend a public school other than the public school nearest to the residence of such student." Those words would forbid any desegregation plan, even where students could walk to the next closest school, for example.

In many school districts students live within easy walking distance of more than one school serving their grade level. Under this amendment, the school board or the court, under a plan to integrate the schools, could only send that child to the school closest to his or her home even though the next closest school might be equally convenient. In fact, it should be noted, in some district "feeder" patterns for junior or senior high schools coupled with residential patterns sometimes make it physically impossible for every student in the district to attend the school nearest his or her home.

We do not have the data, and the proponents of this amendment have given us none, which would in detail tell us to what extent this amendment would upset assignment patterns which must be made in part because of physical capacity of the schools and in part "on account of race, color or national origin." The proposed amendment indiscriminately sweeps aside any such distinction and refinements and broadly prohibits assigning any student beyond the nearest school.

Furthermore, many districts have been implementing desegregation plans for many years and students both white and minority have developed expectations of where they will be going to school. Friends have been made and school affiliations have arisen. Upon ratification, this amendment would upset countless attendance patterns and numerous expectations of individual students and parents. The proponents of this amendment have not told us how extensive these dislocations will be. If they criticize existing desegregation policy as unduly disruptive, which they have, they bear the heavy burden of assuring this House that their amendment would have a significantly lesser impact on existing school attendance patterns. This, the proponents have not done; they have not yet met their burden.

It is true that busing does cause some dislocation of white and minority students who might otherwise walk to the school nearest their homes, although that model of education is not really as prevalent today, as I noted earlier, as some would have us believe. But that is the price all of us must pay to eliminate the intentionally and deliberately racial practices of the past.

To be sure, neither the white child nor the minority child and perhaps not even their parents are to blame for school desegregation. But if we are to provide quality education for all schoolchildren, I do not know how else we can do it. If each of us does not share at least some part of the burden of desegregating schools, then the deleterious effects of school segregation will continue to be borne alone by minority children. It is wholly inconsistent with any sense of moral right that the full weight of racial injustice should be placed solely on them.

And what if we were to pass this resolution? It would be submitted to the States for ratification, and, if approved, would become a part of the fundamental law of the United States. A vote today for this resolution is a vote to include this amendment in our Constitution. That is a very grave step. For if it becomes a part of our constitutional fabric, it will, of course, take its place next to the other amendments. It will stand on equal ground with the first amendment, which guarantees freedom of religion, and of speech and of the press. It will stand with the fourth amendment, which protects all persons from unreasonable searches and seizures. And it will stand with the 13th amendment which forbids slavery and other forms of involuntary servitude.

Do we really believe that this amendment deserves to be enshrined in the Constitution along with those magnificent expressions of individual liberty and dignity? And when the school children of this Nation ask us whether this proposal is cast in the same mold, what do we tell them? When they ask whether this amendment will advance liberty and equality as the other amendments do, what shall be our response? Perhaps we can say "Yes, it is true the first amendment states that Congress shall make no law establishing religion or forbidding its free exercise, and that Congress shall make no law abridging the freedom of speech and of the press. But this amendment would give Congress the power to make any laws it wishes to maintain the segregation of schools on the basis of race." Is that what we want to tell these schoolchildren?

And what if they should ask us how this proposal relates to the fourth amendment? What shall we say? "Yes, the fourth amendment gives you the rights to be secure in your home free from governmental intrusions without probable cause. And this amendment will now give white students the right to be secure in their schools, free from intrusion by minority children."

And what will we say when these pupils ask us about the relationship of this amendment to the 13th amendment? Perhaps we can respond by pointing out that the 13th amendment freed black people from the bonds of slavery so that this amendment could chain their great-grandchildren to a schoolhouse door. That in my judgment, is what is before us today. The message this amendment sends out across the land to every minority child is simple: we do not want you to go to school with white children. That is it, short and to the point.

In the whole history of this country, we have never used the amendment process to retreat from a prior commitment to liberty and equality and freedom. It is unthinkable, in my mind, that we should begin now to use the amendment process to restrict rather than expand individual liberties, to enforce racial segregation rather than eliminate it. I cannot say in words strong enough how tragic that would be for our Nation.

It should be remembered that this amendment would undo much of the progress that has been made since the Brown decision in 1954, in bringing black, white and brown schoolchildren together. The words of Justice Warren in the Brown decision, bear repeating today:

> We came then to the question presented: Does segregation of children in public schools solely on the basis of race, even though the physical facilities and other tangible factors may be equal, deprive the children of the minority group of equal education opportunities. We believe it does. To separate them from others of similar age and qualifications because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely to ever be undone.

At least since 1954 persons of all races have worked hard to achieve racial equality not only in public schools, but in a wide variety of places and activities. Complete equality of opportunity, in housing, in education, and in employment, has by no means been fully accomplished. But we have taken the first important step by ridding our laws of officially sanctioned racial segregation. Passage of this amendment would be a giant, irreversible step backwards. This Nation cannot afford that; it cannot afford continued racial division.

When the dust settles over this or any other measure which would reverse progress toward a more just society, we must always remember that we must still live and work with each other, black and white together. We must still try to do the best we can to make equality a reality, and not merely an ideal. In a multiracial society such as ours, I do not see how we can have it any other way. A Nation cannot long survive racial hostility, antagonism and separation. That is the lesson I thought we had learned from our own history and a lesson South Africa is yet to understand. This amendment not only ignores that lesson of history, but defiantly would reopen the wounds and scars of racial strife. That is why I will vote against it today, tomorrow, and forever.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I must oppose both the motion to discharge the Judiciary Committee and House Joint Resolutions 74.

Let me state at the onset that I do not support forced busing as a means of achieving racial balance in our Nation's public schools. During my tenure in Congress, I have supported amendments to restrict the authority of the Department of Health, Education, and Welfare to order and fund busing plans. I have spoken out against our reliance on busing to achieve equal educational opportunity. I have argued that busing alternatives, such as an expanded network of magnet schools, promise better results and certainly less divisiveness than forced busing.

Supporters of the discharge motion and the constitutional amendment argue that the American people are "fed up" with forced busing. They also point out that mounting evidence indicates that student achievement has not risen after mandatory busing's implementation in many cities and counties. I agree with both of these points.

Opponents state that the vague wording and retroactive implications of this amendment would throw the Nation's public school system and the Federal courts into a chaos of conflicting policy mandates. I again agree and believe that the attempt to clarify the amendment on the floor of the House under the severe time limitations of the discharge procedure will be woefully deficient. It is clear that important and nonbusing related student assignment prerogatives of local school officials will be affected by the amendments' broad charge that "No student shall be compelled to attend a public school other than the public school nearest to the residence of such student * * *."

It is evident that the lack of a comprehensive legislative record will severely hinder interpretation by the courts, especially in light of recent judicial history.

These pros and cons represent major and complex questions. However, in my view, they are overshadowed by the implications of the proposed amendment to the Constitution as a whole.

I do not believe that the Constitution should be amended to resolve busing and other questions of social policy preference. In the last few weeks, it has been pointed out that slavery was the only social institution specifically endorsed in the Constitution and the sale (that is use) of alcohol the only social activity banned by it. There are few sadder chapters in our constitutional history than these two.

In the words of the Prof. Lawrence H. Tribe of Harvard Law School:

> . . . our Constitution has endured as a source of unity rather than division largely because it has enacted no particular social or economic dogma and has gone no further than to define the structure by which we govern ourselves and to proclaim the most fundamental rights that government must respect.

Busing is an important issue of our day but to raise it to constitutional amendment status is folly. The ratification of this antibusing amendment could affect our future in ways we cannot now even imagine.

To protect the Constitution from social policy preference questions is also to protect it from the passions of an era. What if these constitutional amendments, which found their way into the hopper, had been passed and ratified.

To require a national referendum before Congress can declare war. This amendment was introduced in the year preceding our entry into World War I and was resurrected during the isolationist fervor of the 1930's. Could it have affected our mobilization for the major conflicts of the 20th century? Would it affect our defense planning in the nuclear age?

To prevent the annexation of noncontiguous territory to the United States. Several versions of this amendment were offered in the years preceding the Spanish-American War, obviously to prevent the annexation of Cuba. What affect would this have had on our subsequent involvement in international affairs and World Wars I and II? Would it also have made statehood for Alaska and Hawaii more difficult?

To define treason against the United States to include any incitement, word or deed for the establishment of a new form of government. Introduced in 1922, this product of the Palmer raids and the post-World War I red scare would have made this McCarthy era, among others, a bit more exciting.

To prohibit lotteries. Perhaps the State financing of public schools was much easier when this amendment was introduced in 1892.

To deny the Supreme Court the right to declare unconstitutional any act of Congress. Introduced in 1917, the author of this amendment was willing to alter a fundamental "check" in our Federal system because of temporal legislation frustration.

To apportion Representatives in Congress by vocation. Lawyers must have been particularly unpopular in 1921.

Numerous amendments to prohibit polygamy were introduced in the 19th century. In 1911, it was thought that a constitutional amendment was the only way to empower Congress to protect migratory birds, and in 1923 someone thought that the way to regulate the flow of immigrants to this country was to do away with naturalized citizenships.

While the busing issue can not and should not be taken lightly neither can the purpose and meaning of the Constitution. The late Yale Law School Professor Alexander Bickel put it this way in 1972:

> A constitutional amendment dealing with busing would be preposterously out of place in comparison with the momentous structural and substantive provisions with which the rest of our constitution, after a fashion proper to a constitution, was written to deal . . . We must not set foot on the road to converting our constitution into a code of detailed regulation, dealing with myriad passing grievances, after the fashion of so many state constitutions, which are then every so often scrapped whenever it seems advisable to make a fresh start.

We would be ill-advised to vent our frustrations about busing on the Constitution. Like many of the proposed amendments I mentioned, the urgency of the day may not stand the test of time and can be resolved in alternative ways.

I voted against the discharge motion and will vote against the amendment itself because of this basic reason.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Speaker, I rise in opposition to House Joint Resolution 74, the proposed constitutional amendment to prohibit school busing.

It is impossible to craft a constitutional amendment in the 1 hour and 20 minutes permitted under the discharge petition process.

The sponsor of House Joint Resolution 74, tacitly at least, has acknowledged this in recognizing—belatedly—that the original wording of the resolution did not accomplish his stated goal. So, later in today's proceedings, he will accept a substitute for the original language of House Joint Resolution 74.

May I say again, this is simply not the way to write a constitutional amendment. It does not reflect the care, thought, and deliberation which should characterize the process which seeks to amend the basic charter of our land.

I oppose forced school busing. It can have—and has had—a disruptive effect on communities across our Nation. Sometimes it does not enhance the learning process of the children. And, I believe it should only be a last resort of the courts to desegregate a school system.

Yet, there are situations where this "last resort" remedy must be used to desegregate an illegally segregated school system. The proposed constitutional amendment, as I read it, will prohibit even this use of busing.

The amendment, in my judgment, if adopted, would also prohibit the use of voluntary alternatives to school busing. Such programs are outlined in H.R. 3227, the National Educational Opportunities Act, which I have cosponsored along with Congressmen RICHARDSON PREYER, MORRIS UDALL, and LEE HAMILTON.

H.R. 3227 would allow local school districts to carry out new and innovative approaches to achieve quality education in a desegregated setting.

Among these approaches are magnet schools—where students would be drawn from all over a school district to participate in special education and vocational programs—and paired or clustered schools—where certain schools would teach only specific grade levels, and all children in the school district would attend the school reserved for their age groups.

I was particularly pleased to hear my distinguished colleague, Chairman CARL PERKINS, dean of the Kentucky delegation, a few moments ago announce that hearings would be held by his Education and Labor Committee on the Educational Opportunities Act.

The bottom line here, Mr. Speaker, is desegregation. The best approach to desegregation is through voluntary action of the local school district. And, as I have stated already, voluntary programs—as provided for in H.R. 3227—would also fall victim to the proposed constitutional amendment.

In the final analysis, Mr. Speaker, until the day arrives when all of our children have an equal opportunity for a quality education, I cannot, in good conscience, vote to prohibit the use of one means—a last resort means—to achieve this salutary goal.

I hope the House does not support House Joint Resolution 74.

Mr. RODINO. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I op-

pose busing, but I rise in opposition to this amendment.

Mr. Speaker, thank you for this opportunity to address the House on an issue of intense interest and vital concern in virtually every corner of our Nation today. The issue, of course, is busing and I stand before you as a former teacher who knows all too well the effect of any kind of schoolbusing—racial or otherwise—on a community, on a school, and on an individual student. I stand before you as one who early learned that busing children out of their communities, for any purpose, is simply not conducive to good education.

As an educator, when I had a youngster with a problem in my class, I worked not just with the child but with his parents and family as well. That was the only way to really help. And when the parents lived in a faraway community—far from me and the school—working with them became infinitely more difficult. A disservice was inflicted upon the student.

It was this understanding of the disruptive, counterproductive effect of schoolbusing that caused me, when black children in my community were being bused across the county to black schools in the early 1960's, to speak out and, successfully, to garner the support which brought it to an end. And it was this same personal knowledge, when white and black children began to be bused in the same community in the early 1970's to achieve racial balance, that caused me to oppose busing again.

So you see, I have always opposed busing, not based on any racial prejudice but based on educational needs. At the same time, since court-ordered busing has come to my home area, I have seen that busing not only is counterproductive from the point of view of good education but from every point of view.

Before forced busing came to my county in 1973, we had six schools which were predominantly black. Today, 6 years and hundreds of thousands of bus miles later, that county, Prince George's County, Md., has 8 virtually black and 20 more which are predominantly black schools. Overall enrollment has plummeted and the percentage of segregated schools has risen steadily as both white and middle-class black families have fled to areas that were not suffering court-ordered busing. Make no mistake, black parents also want their children to attend schools in their own neighborhoods.

Today we have children of both races being bused out of integrated communities to schools that may not be as racially balanced as the students' own neighborhoods. I defy anyone to show me the logic in that. They cannot attend schools with their neighborhood friends although the schools would automatically be integrated by the neighborhood composition. Instead they are bused to far away schools. Sheer idiocy.

So while my opposition predated court-ordered busing in Prince Georges County, it has been reinforced by the utter failure of the busing program there and elsewhere around the country.

What makes this situation all the more disheartening is the realization that busing is not needed to provide the very best in education. There are alternatives to busing that long ago should have been debated and discussed. They have not been and we in this House are very much to blame. There are many here who have preferred not to notice, who have wanted not to get involved, not to speak out on an issue as troublesome as this one. As a result, the busing problem has been smoldering under the surface, while Congress as a group virtually ignored it. This "hands-off" policy has kept other approaches, that long since might have replaced forced busing as a means to achieve quality education, from being proposed and debated. In essence, our inaction has served to perpetuate the problem.

Mr. Speaker, for all these reasons—my personal opposition to busing as a hindrance to quality education, my personal observation of the utter failure of the busing program in my own community, and my discouragement over the lack of attention this issue has received from Congress—I have repeatedly signed the discharge petitions in opposition to busing.

In hindsight, I am extremely pleased that I have helped bring this amendment to the floor for discussion. For regardless of the outcome of today's vote, the Mottl amendment has gone a long way toward eliminating at least one of my three major concerns on the busing issue.

Since the necessary 218 signatures were obtained, the Mottl amendment has stirred some intensive debate over busing, the very kind of thought-provoking debate that I referred to earlier when I said full discussion of this issue has been sorely lacking for many years.

And this debate has already prompted two very encouraging developments for those of us concerned about the school busing problem. First, the House Committee on Education and Labor has announced it will hold hearings on the National Educational Opportunities Act, which would provide funds to State and local agencies for planning how to reduce racial isolation in schools. Sponsored by the gentleman from Indiana, Representative LEE HAMILTON, the gentleman from North Carolina, Representative RICHARDSON PREYER, and the gentleman from Arizona, Representative MORRIS UDALL, this bill is the first of the kind of legislation which will set the stage for investigating alternatives to forced busing. The announcement that the Education and Labor Committee will hold hearings on this bill is a major step forward for those who have been seeking imaginative routes to provide the best in education for all children. I cannot tell you how pleased I am that this measure will now be getting a hearing.

The second encouraging development is the decision of the distinguished chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO), to undertake a major study of all the school districts which have busing programs, to analyze the successes and the failures. That such a study is being undertaken is extremely heartening. I strongly suspect that the overwhelming majority of communities which have been subjected to forced busing have reached the same conclusion as so many of the residents of my own community. That is, that far from decreasing racial isolation, forced busing heightens it.

The debate on the Mottl amendment has also brought other important facts to light and, in good conscience, I cannot ignore these developments any more than I can ignore the ones mentioned above. I am specifically referring to the opinion of many lawyers and constitutional scholars that the language of the amendment is unfortunate in many respects. Even an expert brought in to defend the amendment has conceded it needs a considerable amount of overhauling. Virtually everyone agrees the amendment, as originally written, simply does not do what the drafters intended it to do. It would prevent school boards from adjusting the pupil population in the event of overcrowding; it would make it impossible to deal with special education for handicapped students. And it would even require that children be carried across a river to reach the nearest school rather than ride to one a half block further away.

New language is offered here today to take care of some of these shortcomings. And if this were a bill before us, I would gladly accept the substitute language and vote for the bill. But this is not a simple item of legislation which we can reconsider promptly if it turns out to be defective. This is the language which will become an amendment to our Constitution.

It should be drafted with the greatest of care; it should be considered with the utmost caution. Every word, every comma should be agonized over. This is one of the most serious undertakings facing this body.

Unfortunately, scrutiny of the substitute language must be limited to a heartbreaking few minutes. How can any responsible legislative body make so important a decision in so short a time?

Just recently, in my country, in the courts, a man's life hung in the balance over the absence of a comma in a statute. The conscientious judge pored over many, many grammar books to determine the effect of the missing comma before passing sentence. The life of that man was spared by a missing comma.

When we are dealing with something as vital as a change in our 190-year-old Constitution, I think we must err on the side of caution if we are to err at all. Quite simply, it would be wrong to go forward with a poorly written amendment today, only to see it come back to haunt us later on.

It is primarily for this reason that, despite my opposition to busing and the many positive things I see in the Mottl amendment, I myself will be voting against it today.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I rise in opposition to the resolution.

Although this is one of the most emotionally charged issues that this Nation

will face, this resolution has been rushed directly to the floor. By the use of a discharge procedure, a full and open debate at the committee level has been avoided. It is a serious error and dangerous precedent to allow an issue of such importance and controversy to reach the floor without adequate time for debate and reflection. In fact, the language of the amendment has been revised only in the last 3 or 4 days. Action by the full House on this resolution may undermine and radically change the very fabric of the rules and proceedings of the House. If this motion is approved, we only serve to encourage these kinds of motions on other controversial issues in the future.

And by use of this procedure, debate on this most heated issue is limited to 1 hour, and controlled by the Member who moved its consideration. We are discussing today an amendment to the Constitution. It has never been amended by this procedure. Again, we are in danger of establishing another unsound precedent. Regardless of the substance or morality of the amendment, the Constitution has not historically, and should not, be used as a vehicle for legislative change. The Constitution establishes the basic principles of Government, and should not be amended periodically to reflect current or transitory social concepts.

Adequate time has not been given for complete consideration and deliberation by constitutional experts on the final effect of this amendment. This is certainly sufficient reason in itself to at the very least delay consideration. However it is obvious that by adoption of this amendment the equal protection clause of the 14th amendment would be jeopardized, and the very principle of equality eroded. Action on this resolution is particularly inappropriate in light of recent decisions by the Supreme Court. Last week's ruling in the Dayton and Columbus cases reaffirm the efficacy of broad busing plans for school desegregation. It is unsound to attempt to foreclose this option.

Busing may not be the ideal or in most circumstances even a desirable tool to achieve racial integration, but adoption of this amendment would deny its availability, even if there was broad agreement in a specific instance that it was the only method available to further the concept and ideal of equal access to equal education.

I strongly urge my colleagues to oppose the amendment.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Speaker, I rise in opposition to the amendment.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Speaker, I am totally opposed to busing, but I rise in opposition to this amendment.

Mr. Speaker, I urge my colleagues today to vote to preserve the sanctity and the integrity of the U.S. Constitution, which has provided the political underpinnings and cohesiveness that has shored up our democracy and protected our freedom for over 200 years. It may be that, as Bismarck said, God protects babies, drunks, and the United States of America. But surely our Constitution has joined with Divine Providence to protect the liberties and freedoms which we cherish.

We must not tamper with the Constitution, we must not trivialize the Constitution. This noble document must not be demeaned simply because transitory events—no matter how emotionally charged—makes us unhappy with a particular line of Supreme Court decisions.

This amendment would make the grave error of writing into the Constitution a detailed enunciation of a particular social policy. As Justice Holmes stressed three quarters of a century ago, our Constitution has endured as a source of unity rather than a division largely because it enacted no particular social or economic doctrines, and satisfied itself simply with defining the political structures by which we govern ourselves and to protecting the most fundamental of human rights the Government must respond.

Prof. Laurence H. Tribe of Harvard Law School in abjuring us from departing from this wise precedent recalled that slavery is the only specific social arrangement that our Constitution has ever specifically endorsed and prohibition the only public policy which it has ever expressly sought to implement. So an antibusing amendment would be disastrous not only in view of the Constitution's mission but also in light of its history, by injecting into its structure specific public policy preferences on policy problems of the day.

Mr. Speaker, we should use this useful discussion of schoolbusing—an admittedly poor means of overcoming neighborhood segregation and achieving an education excellence—by reaching into the depths of our creative thinking to find ways to meet the challenge of unsatisfactory and unacceptable judicial adventures into compulsory schoolbusing. I am pleased that three of our most thoughtful colleagues, Congressmen HAMILTON, PREYER, and UDALL have offered us a bill to help find constructive ways in which the Congress can help local communities reduce racial isolation and increase education excellence and education achievement for all of our citizens. I look forward to the fruits of the Education and Labor Committees deliberations on that bill and fully expect to join a majority of my colleagues in helping make it law.

Mr. Speaker, for many Members this will be a tough vote—a true profile in courage—but a vote to support the Constitution in its current hour of travail—will be a vote which will do us proud as an institution—and a vote of which many of us will be proud for the rest of our lives. We must accept the challenge to find better ways to do what the Constitution says must be done: To make equality of opportunity a reality for all Americans. We must plumb the depths of our minds and spirits for the ingenuity and resourcefulness to accomplish this in ways that do not produce rancor and hostility, or pervert the Constitution. We must, all of us together, search for better means of promoting the social good than forced busing, but we must disdain tampering with the Constitution as we engage in that search.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I oppose the amendment.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I rise in opposition to the amendment.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I am totally opposed to busing. I think it is counterproductive, but I am opposed to this amendment.

Mr. RODINO. Mr. Speaker, I yield 30 seconds to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I oppose the amendment to prohibit the busing of students beyond their neighborhood schools.

The proponent argues that the Constitution should be amended because it is needed to preserve neighborhood schools; that court ordered busing is divisive; that most Americans oppose court-ordered busing; that mandatory busing programs have caused "white flight" from the central city resulting in resegregation of the school systems; that mandatory busing causes a financial drain of local school systems; and that the procedure compounds the national energy crisis. In my view, these are all legislative issues.

First, I object to House Joint Resolution 74 because the Constitution by its very nature is not intended to ebb and flow with the tide of public opinion. It is not an instrument of legislative policy. The Constitution is a statement of principles by which the Nation shall be governed, the fundamental law of the land.

If this proposed amendment should be included in the Constitution it would declare that the right of the child to attend a neighborhood school is superior to the principle that all Americans are entitled to the equal protection of the laws. Thereafter, the congressional process would be swamped with highly controversial, divisive issues cloaked in the frock of constitutional amendments. Adopting this amendment would establish a new precedent in American history—that of trying to solve difficult, painful social problems by amending the one document that has kept the Nation unified for over 200 years.

Earlier, during debate I was struck by the remarks of the gentleman from Michigan who suggests that Members of this body would rather pass this cup than to drink from it. He suggests that the busing question has left a bitter taste in the mouths of Americans.

I say that the question of busing has been resolved. In fact, my home State of Arkansas is a model for the rest of the Nation to follow. I can see no value in resurrecting this issue. To continue

this debate would cause more division than to pursue the present course of action.

As a footnote, there is the specious argument that the Constitution should be amended to prohibit busing because it would save energy. I, too, am an ardent proponent of energy conservation. However, the Constitution is hardly the proper forum to institute mandatory conservation measures.

Mr. MOTTL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. PHILIP M. CRANE) for the purpose of debate only.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. PHILIP M. CRANE. I am happy to yield to my distinguished minority leader.

Mr. RHODES. I thank the gentleman.

Mr. Speaker, I rise in support of the amendment.

Mr. PHILIP M. CRANE. Mr. Speaker, I would like to correct one misimpression that may have been left with this body; that is, that there is no Presidential candidate in this Nation who is opposed to forced busing to achieve racial balance. I am, along with the majority of the Members of this body, along with the majority of the American people.

Further, I would like to correct a misimpression that desegregation and integration are synonymous terms. I understand the experience that our distinguished colleague from Ohio (Mr. STOKES) referred to. When I was in basic training and endeavored on a 3-day pass to persuade a black friend to come to the city of St. Louis and spend the weekend, he demurred. I could not understand that, as a Chicagoan, because we had broken down arbitrary segregation and discrimination in public facilities against blacks. But at that time that was not the case, apparently, in the city of St. Louis. He knew that and I did not. I could not understand why he would not avail himself of that opportunity to spend a weekend together, but I learned the reason when I got back to base.

That is wrong. That is the issue my distinguished colleague from Connecticut is addressing when he distinguishes between right and wrong. That is the injustice, and it was solved by desegregation. That is the injustice addressed in the Brown case. But, Mr. Speaker, to argue that the question of forced busing to achieve racial balance is an issue to be decided in the same moral light is incorrect. I submit further that we cannot say that in the Constitution there is language that prescribes forced busing to achieve racial balance as a means of eliminating discrimination that blacks have suffered through the years, so that is not the issue we are deciding here; nor is the issue we are deciding the question of ratifying an amendment to the Constitution.

We are in the process of potentially reporting out a constitutional amendment. The various State legislatures of this Nation will in turn debate and be forced to ratify it. It requires a three-fourths majority of those States to ratify such an amendment. That is designed to guarantee the protection of the rights of the minority.

I think that when one talks about our system of government and suggests that we can ignore, as I have heard in the course of this debate, the will of the majority in the country—he challenges the premises underlying republican government. And keep in mind that we are talking about the will of the majority of blacks as well as whites. A Harris poll in 1976, our Bicentennial year, posed two questions to Americans: First, they were asked whether they were committed to the ideal of racial integration. Seventy-seven percent answered in the affirmative. But, when asked whether they favored forced busing to achieve that end, the majority of blacks, 51 percent to 38 percent, were opposed, and 85 percent of the whites were opposed while only 9 percent favored forced busing.

Mr. Speaker, I urge the support of this amendment.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I rise today in opposition to House Joint Resolution 74, a resolution which proposes an amendment to the constitution to prohibit school busing. This resolution, authored by my colleague, Representative RONALD MOTTL of Ohio, threatens to destroy the progress that all minorities have made in education since the Brown against Board of Education decision. The resolution if passed, will lead to a nationally divisive ratification struggle which this Nation can ill afford. I believe that this amendment should be soundly defeated.

Civil rights leaders have worked long and hard to bring about equality in the field of education. When the Supreme Court of this land struck down the doctrine of "separate but equal," that decision was the result of the concerted actions of many individuals concerned about the quality of education offered to all children. That decision was proclaimed as the catalyst that would help insure this basic concept. If this resolution passes, a significant step backward would have been taken.

Our Nation is in the midst of a severe economic crisis. A large portion of those individuals who are feeling the crunch brought about by this crisis are the poor and the minorities. A quality education offers this segment of the population the potential of escaping from the vicious cycle of poverty. If this resolution were to be passed, poor children would be denied the opportunity to receive quality, integrated education.

Aside from the public policy argument advanced against this resolution, another cause for concern relates to the wisdom of dealing with this issue as part of the Constitution. Our Constitution deals with fundamental principles and provides protection against abuses of fundamental rights. Relatively, ours is still a "young" nation, yet our Constitution is the oldest of its kind among the world's democracies. Amendments to it should be adopted only if they meet the high standards of the original documents and the Bill of Rights. Most amendments heretofore have met the test, one did not, and it was repealed a short time thereafter. I believe that the proposal by the gentleman from Ohio does not meet these standards.

I urge my colleagues before voting on this amendment to look very carefully at this resolution because of the sensitive nature of this amendment. Rewriting the Constitution is a task that should be undertaken with the greatest degree of caution. It is my opinion that this resolution fails to meet the guidelines established by our Founding Fathers for amending the Constitution and therefore should be defeated.

Mr. MOTTL. Mr. Speaker, I yield 1 minute for the purpose of debate only to the distinguished gentleman from Indiana (Mr. EVANS).

Mr. EVANS of Indiana. Mr. Speaker, I rise in support of the resolution offered by the gentleman from Ohio. The majority of the American people are opposed to their children and their tax dollars being used for an ill-conceived, ineffective social experiment that simply does not work.

The American people have the hope today of having their views voiced through us, their elected Representatives, on this issue. The only reason busing is occurring is because the judicial branch of Government has forced these Americans to be participants in a venture they do not understand, they do not choose to participate in, and which they do not feel is successful in achieving the goals set forth by the courts. The American people have a right to be heard. That is the purpose we are here today. Congress must face this issue once and for all. We owe that to our constituents who sent us here.

□ 1210

Mr. RODINO. Mr. Speaker, I yield 30 seconds to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, very few of us have talked about the implications of this amendment. One would be catastrophic upheaval to those districts that have complied with school desegregation. Another would be the cost of emotional upheaval would be gigantic if the amendment is adopted. If the amendment is adopted, one of the ways school districts could be ordered to comply with the Brown decision would be to close neighborhood schools and open large centrally located ones, which would be catastrophic in the end to neighborhood schools in this country.

The third is it would completely deny schools the opportunity to bus children for educational purposes. I don't care for busing but this amendment's long range implications could destroy local school districts' ability to control local schools. That is unacceptable—much more unacceptable than the current situation. Because of the practical aspects, I urge Members to vote down this amendment.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from the Virgin Islands (Mr. EVANS).

Mr. EVANS of the Virgin Islands. Mr. Speaker, I rise in opposition to the Mottl amendment. The issues involved here are complicated and include social, educational, as well as constitutional, issues. I shall leave the constitutional issues, with their ramifications and implications, to the constitutional scholars. I shall devote my remarks to the gut issues involved here.

The issue is not busing. Ever since the State of Massachusetts in 1869 passed the first enabling legislation to provide transportation for public schoolchildren, some form of transportation has been provided, and in recent decades, of course, it has been busing. Today, over 20 million schoolchildren are bused every day, and more than three-fourths of children in the junior high and senior high schools. More than 95 percent of the busing that occurs is done for reasons other than creating racial balance.

It is of interest at this point to note that most of the impetus given busing in the past has been that of maintaining racial segregation in the school system, and the actions of Congress were conspicuous by their absence in that regard. Less than 5 percent of the busing is to create racial balance. Thus, the arguments about cost of busing, loss of time, and the inconveniences thus resulting are meaningless since even if this amendment were to pass, 95 percent of the busing which is now done would continue, and only 1 of every 20 school buses would be retired.

The issue is much more serious. When people protest how strongly they favor civil rights and how vehemently they oppose segregation and then seek to remove one of the only, if not the only, remedies, however imperfect, without offering viable alternative, it causes serious concern. The argument that a majority of people are opposed to busing is also meaningless. The segregated school system is a cancer in America and must be treated by what medicine or remedies we have at hand. People usually do not like medicines in the first place. They usually do not taste good. Second, they cost money. Third, they frequently have side effects, and fourth, they often fail to produce dramatic results. All this can be said of busing. But, just as we continue to treat cancer by surgery and radiation and whatever means we have at hand, however imperfect, so must we continue to treat this cancer of segregated schools by using busing until something better comes along.

Whatever the motives of proponents of this amendment, and I question them not, it is quite clear that the failure to offer a workable alternative would mean that the effect of successful passage of this amendment would be to reimpose the segregated school system. Given the segregated housing patterns which now exist and the compulsory attendance at neighborhood schools which this amendment would insure, the previous State de jure segregated school system would then be replaced by a national school segregation system imbedded in concrete in our Constitution.

I urge my colleagues to defeat this amendment.

Mr. MOTTL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas (Mr. COLLINS) for purposes of debate only.

Mr. COLLINS of Texas. Mr. Speaker, this constitutional amendment is essential because it will mean quality education for America. From the time that forced schoolbusing came into the national picture, the student achievement tests have gone down every year. The SAT's for high school seniors reflect the total learning level and these SAT grades have dropped from a total of 973 to 879. Busing tensions have lowered the quality of education.

A mother was crying in telling me about what busing meant to her youngster. He was 2 minutes late for his school bus. It had left him, so he spent the entire day on the streets. She asked me why he could not walk to school in his own neighborhood. That is what busing is about. Why can not the youngsters of America walk to school in their own neighborhood?

Mr. Speaker, education for the youth of America can make its most progressive step forward. Congress has before us the opportunity to improve and strengthen quality education for all America's students. We will let all America vote on whether they want to continue court ordered forced school busing. In approving this constitutional amendment, we will give the American people an opportunity to speak for themselves.

There are three basic issues before the House. The most important is quality education. From the day the courts mandated forced school busing in order to achieve racial balance, the student achievement tests have gone downhill. Tense and tired students learn less.

When the educational reports for Americans across the land were totaled up, the SAT grades continued to slide downhill. Busing hurts both black and white students. SAT grades have gone down every year from 1964 to 1978 from a total of 973 to 879. Reading and verbal have declined 46 points while math is down 30 points on student achievement tests for high school seniors.

Forced school busing is in direct violation of the Civil Rights Act of 1964. That act prohibits, and I quote:

> The assignment of students to public schools in order to overcome racial balance.

The act forbids, and I quote:

> An official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another in order to achieve racial balance.

So those of us who firmly believe in the civil rights law will be able to provide clarity for the courts through this constitutional amendment.

And the third issue is the need for sacrifice from all Americans to conserve energy. I surveyed nine metropolitan markets to determine the busing impact on transportation. This survey of these metropolitan areas showed busing for racial balance has increased 96.9 percent since 1970. Take Boston where no students were bused in 1970, but now 54.2 percent of the Boston students are bused. It is interesting to note that the liberal State of Massachusetts approved by a vote of 3 to 1 margin an antibusing referendum. In Massachusetts, they cannot understand the Court's ruling requiring unnecessary diesel and gasoline for buses, and this crosstown busing results in lower academic standards for students.

School busing has so many limitations. Parents report how difficult it is to reach a child across town if they become sick and need to go home. If a child is 2 minutes late and misses his school bus, he will be out of school and wander on the streets all day. Parents realize that parents' interest is the most important element in a child's education, and yet they miss PTA and school activities that are across town. Children want to play with their school friends when they come home, as this gives life continuity. And children do better with the exercise of a walk to a neighborhood school, instead of an hour's tiring crowded bus ride to school.

This amendment will give America in all its 50 States the right to speak on this essential quality education issue. How can any of my colleagues believe that we should deny the citizens the right to vote on this most important constitutional amendment?

Mr. RODINO. Mr. Speaker, I yield 30 seconds to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I was No. 8 on the Mottl discharge petition. I also signed the discharge petition introduced in the last Congress.

Mr. Speaker, for the 15 years that I have served in this House, I have consistently voted against Federal funding of forced, interdistrict busing. That concept has not and will not achieve integration in a harmonious manner nor will it achieve our goals of quality education for the disadvantaged or educationally deprived.

I signed the discharge petition to bring the Mottl amendment to the floor of the House so as to focus attention on the busing problem, the failure of the Congress to examine this question in depth, and to take steps to remedy the inequities we all know exist.

I submit to this body that there are legislative procedures not fully explored; there are legislative remedies that have not been implemented; there are concepts that remain untried; and that our true goal must not be lost sight of. What we seek to attain is quality education for every child in this great Nation of ours without undue hardship or dislocation of the lives of our young people in achieving this. I do believe in the neighborhood school—I moved to my present home because of the quality of the schools in my district and their accessibility to my children.

However, I cannot, in good conscience, proceed to initiate an amendment of the Constitution of the United States, a document I deem sacred, upon 1 hour of debate.

Even more disturbing to me, as a legis-

lator, is the fact that this amendment is, by its own author, admittedly defective.

This is no way to redress the grievances existent. Affording at this time, individual Members of the House of Representatives, 1 minute or 30 seconds to debate their views on this effort to amend the Constitution of the United States must clearly indicate to all concerned that this cavalier approach is precipitous, ill-conceived and was never in their wildest dreams, envisaged by our Founding Fathers as an acceptable manner by which we deal with changes to our cherished Constitution.

An accelerated procedure of this type is unworthy of our Constitution. What sort of similar frivolous efforts could we foresee in the future, if this procedural "short cut" is deemed acceptable by this body?

Will the orderly legislative process, so successful for over 200 years, now be bypassed?

Will we be called upon to implement the amendment of our Constitution so as to accommodate narrow interests and political expediency? What will be the next attempt to fragment the basic principles on which this Nation was founded after but 1 hour of debate?

Will we be called upon, by constitutional amendment, to implement such far fetched ideas as alternate side of the street parking or to prohibit Sunday baseball or even require the wearing of blue jeans on Saturdays. Ludicrous? True, but that's the ultimate of possibility if we pursue this recommended course.

This proposed amendment would inject the further presence of the Federal "big brother" in every school district of this Nation.

But, today, we have made progress in attainment of our true goals.

Chairman RODINO has assured this body that his committee will deal with this issue with the care and deliberation it requires. In addition, we have been assured that the Education and Labor Committee will now hold hearings in depth on this important question. This is really what is required. This is what we have sought. And our constitutional process will remain intact.

It is for these reasons that I oppose this amending procedure and why I will continue to oppose forced interdistrict busing and why I believe we have undertaken a major step toward quality education for all.

Mr. MOTTL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kentucky (Mr. HUBBARD) for purposes of debate only.

Mr. HUBBARD. Mr. Speaker, as a supporter of equality of education for all children, and one who attended integrated public schools in Kentucky, I rise in support of a constitutional amendment to prohibit court-ordered busing of children attending schools. I believe it is time that we recognize that fuel-consuming busing has failed to achieve its intended goals. If there were court-ordered busing in each of the 50 States, there is no doubt that the opponents of busing and the supporters of this amendment would have the necessary two-thirds vote today in the House of Representatives. Yes, I urge my colleagues to take note of the fact that the most vocal and enthusiastic supporters of this amendment just happen to come from States where there is court-ordered busing.

To those who were shocked about the fact that 218 House Members have signed the discharge petition to enable this debate and vote today, keep in mind that this unusual approach would have been unnecessary if hearings had been allowed in this Congress of the people, by the people, and for the people, and opponents and proponents of court-ordered busing could have expressed themselves in the normal channels. But this particular resolution, House Joint Resolution 74, has not only been bottled up in this Congress, but, indeed, similar legislative attempts have been completely scuttled in years past. I urge my colleagues to seize this opportunity to call for an end to court-ordered busing.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Speaker, I thank my friend for yielding. Having been chairman of the Mechlenburg Board of County Commissioners during the first busing case of the Charlotte-Mecklenburg School System—Swann against Board of Education—I have opposed busing as long as any Member of this House.

After 11 years—not just 1 hour and 20 minutes—but 11 years of national debate on this issue, I remain convinced that no one has or should have a civil right or any other right to insist upon and compel someone else's child to be assigned and bused away from a nearby school to a distant school far across the county.

Judicial tyranny to the contrary notwithstanding, it is not a right, it is a wrong.

Now, I recognize imperfections in the language offered by my friend, the gentleman from Ohio (Mr. MOTTL), and have discussed this with him. Who is to say there are no imperfections in other ratified amendments which have been interpreted so freely and differently over the years as the Supreme Court changes its opinion from time to time? Yet I commend my friend for his diligence in overcoming the refusal of the Judiciary Committee to bring before the House any better language or any language at all on this issue.

The overwhelming majority of the people I represent, who have endured the arrogance of court-ordered busing the longest, and who have done the best they could with it, remain opposed to it. This amendment or preferably with the Holt substitute should be adopted.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on the joint resolution under consideration.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Speaker, let it be known that there are some few Republicans in this Chamber who do appreciate that equal education opportunities for our black children is vital to our Nation's well-being, and who also believe that black children should not suffer the indignities suffered by their parents.

Mr. BAUMAN. Mr. Speaker, I demand the gentleman's word be taken down.

□ 1220

The SPEAKER. The Clerk will prepare the remarks of the gentleman from Pennsylvania (Mr. MARKS) and the House will hear them.

The Clerk will report the words.

The Clerk read as follows:

> Mr. Speaker, may I add that to use, as one of my colleagues used, Lincoln's name to promote the amendment seems to me to be the height of hyprocrisy.

The SPEAKER. In the opinion of the Chair, the gentleman from Pennsylvania made specific remarks concerning a specific Member of the House and his quote.

The Chair would refer to the use of the word "hyprocrisy" as decided by previous rulings in this House, and the Chair refers to the ruling of Speaker Rayburn, October 25, 1945. The reference in debate was by Representative Cox of Georgia to another Member:

> I was reminded that pretexts are never wanting when hypocrisy wishes to add malice to falsehood or cowardice to stab a foe who cannot defend himself.

Those words were ruled unparliamentary when specifically applied to another Member.

In the opinion of the Chair, the remarks of the gentleman from Pennsylvania are unparliamentary and not in order.

Without objection, the gentleman's remarks will be stricken from the record and the gentleman may proceed in order.

There was no objection.

Mr. MARKS. I do not care to do that. Thank you. I want the remarks to be on the record. Thank you.

The SPEAKER. The House has stricken the remarks from the record. Without objection.

Mr. MOTTL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio (Mr. ASHBROOK) for purposes of debate only.

Mr. ASHBROOK. Mr. Speaker, we have had an ongoing debate for more than a decade on the busing issue. I have been a part of that debate. What has happened over the time of the debate is a very interesting example of the ground rules we have had over this decade. The proponents of forced busing have virtually taken George Orwell's 1984 position. You know, George told us that war is peace, slavery is freedom, ignorance is strength. The ground rules inspired by

the liberals and the media have been such that anything in the name of rectifying discrimination or segregation promotes freedom; anything that opposes their ideas promotes slavery; anyone who is favorable to their concepts, that is Americanism. If you are opposed to it that is racism. Somehow the pro-busing forces believe that by making things worse they are going to make them better. Above all, the busing forces tell us that their solutions are proper, constitutional, and final. Do not tamper with them. If they do not like the Constitution or court decisions, however, work to change it. In other words, by the ground rules they promote, they cannot lose.

You know, they have applied that standard across the board in and out of the Congress. We see it here today. We have seen it for years.

The Constitution is all right when it serves the purposes of the people who are promoting forced busing. But for the American people who do not agree with forced busing, if you turn to the Constitution, to change this disastrous social experiment, you are guilty of racism, according to this double standard.

Nonsense. The American people know better. They are not racists. This idea of telling the American people they do not know what is best for them, they are stupid, they cannot act in their own interests only divides and causes more problems. We know the ground rules. George Orwell gave them to and the proponents are following them. To paraphrase Orwell, racism in the pursuit of equality is proper. The American people know better and they will watch this vote very clearly.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, our debate today is rare in the House of Representatives.

For, following adoption of the Bill of Rights—which occurred when our Republic was established—we have amended the Constitution only 16 times; 16 times in 190 years.

That the Constitution has been amended so infrequently is testimony to the value, and, indeed, reverence, we accord it as our basic charter of government.

Mr. Speaker, as Members of the House, acting under the authority that article V of the Constitution gives us to propose amendments to its text, we sit today as trustees of the Nation's charter. We sit as guardians of all that has been accomplished by all those who have gone before us.

And how should we exercise that trust?

Listen to what another trustee of the Constitution said—what Abraham Lincoln said in 1848 while a Member of this House:

> As a general rule, I think we would much better let it alone. No slight occasion should tempt us to touch it. Better not take the first step, which may lead to a habit of altering it.

Mr. Speaker, it is ironic that the death of Lincoln himself gave impetus to the three amendments to the Constitution which have been our most direct and lasting attempts to modify through law the social fabric of our Nation.

But let us not forget that the 13th, 14th, and 15th amendments came in the aftermath of a great Civil War, a national upheaval not previously or subsequently experienced in our national life.

And let us not forget that our only other social experiment in constitutional change—the shortlived prohibition amendment—proved a failure.

Mr. Speaker, the amendment proposed by this resolution does not meet the test of having been carefully and deliberately considered, for no hearings have been held on it.

Nor, Mr. Speaker, does it even meet the test of technical viability, for on its face it would have the most bizarre and unintended results—its brush is so broad that it would even prohibit the transportation of handicapped children to schools equipped to meet their special needs.

Moreover, Mr. Speaker, the amendment to the resolution which has been proposed by the gentlewoman from Maryland, and which is intended to cure the apparent defects of the original language, has not only been the subject of no hearings but has actually been available to us for a mere 4 days.

Is this how we should amend the basic charter of our Government?

Is this how we should exercise our trust?

Is this what Lincoln would have done?

Mr. Speaker, I know that there are frustration and unhappiness among many of our citizens arising from problems associated with school desegregation.

But I know, too, that when we amend the Constitution we take in our hands the greatest of our national treasures, and that we had better handle it gently.

Mr. Speaker, adoption of this resolution is not the way responsibly to exercise our trust, however politically uncomfortable a "no" vote may be for some of us.

Democracy is not necessarily a comfortable arrangement, nor is service in this House.

Let us follow the advice of Lincoln on the Constitution: Let's "let it alone."

The SPEAKER. The time of the gentleman has expired.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Speaker, I rise in support of the resolution.

Mr. Speaker, while the Members of this body are clearly divided in opinion concerning this controversial issue, I believe we will find ourselves in unanimous accord regarding one key fact: Seldom has such a hotly contested and emotional topic confronted the Congress, or the people.

This simple fact constitutes the primary reason for my vehement opposition to enforced busing: At a time when we should be striving in every way possible to promote, encourage, and implement cohesiveness and cooperation, mandatory busing of public school students is resulting in division and anger. The President has called for an orchestrated national effort, yet enforced busing is tearing neighborhoods apart and feeding fires of discontent. Traditional values, most notably the treasured concept of the neighborhood school, are being trampled underfoot as we pursue the foolhardy course of shipping youngsters miles away to attend schools which are strange and alien to them.

In studying the many "Dear Colleague" letters which have been circulated by proponents and opponents of today's constitutional amendment, I find that even the strongest advocates of continued busing admit one thing: Busing is unpopular; it has always been unpopular, and that lack of favor seems to be evenly distributed among our citizens. I would be extremely surprised to find one single Member of this House who was able to state sincerely that busing has not caused problems, that it has not kindled the dissension which is the last thing this Nation needs.

There are those who insist that a vote against enforced busing is a vote against desegregation. I submit that this is simply untrue, or at least it is untrue in my case. I shall cast my vote not against desegregation, but in favor of terminating a program which simply has not worked. Indeed, this practice has produced dispute, estrangement, and segregation on an even more fundamental plane. Prior to joining this Congress, I worked for many years in a concentrated attempt to develop alternative methods of achieving racial balance—magnet schools, voluntary busing, and open enrollment are examples of programs which may well provide the needed solution, a solution which court-ordered busing has failed to achieve.

Among those letters from colleagues I have just mentioned was one which I felt compelled to rebut. This particular correspondence stated that forced busing is not a primary cause of so-called white flight, and that the exodus from urban to suburban areas has occurred solely in pursuit of more luxurious housing. Having participated actively in that white flight, I am qualified to state that this statement is patently untrue.

Until 1975, my family and I resided contentedly in an urban home which we loved. Among the many benefits to be derived from living in that particular location was the education available to my six children. The neighborhood school just around the corner from our house, played a major role in my children's lives. It contributued enormously to their character development; it was attended by their friends; it was secure, and it was greeted with enthusiasm. It afforded opportunity for parent involvement. Suddenly we were faced with the advent of forced busing, with the prospect of our children being transported to schools in neighborhoods where we did not wish to reside. The familiar, comfortable neighborhood school was to be taken away

from them. In a family conference, we determined that only one course of action was available to us. If we wished to retain our freedom to choose the neighborhood in which we lived and in which our children received their education, if we sought to preserve that traditional freedom of choice, then we would have to sell our home, and move. To remain where we were would mean losing that freedom which we treasured highly.

And so we moved. That is what was done by the vast majority of those we knew who shared our concerns. That is what is still being done today, 5 years later, by younger residents whose children are only now achieving school age. Very few of these families abandoned the city in favor of improved housing—the great majority did so as members of "white flight," reacting with determination to preserve the values which they held dear through the somewhat drastic measure of relocating.

Enforced busing has been tried, and it has been found wanting. It is my understanding that a recent poll resulted in some 81 percent of both black and white individuals indicating their opposition to mandatory busing. While I would not presume to suggest that constitutional amendment be undertaken lightly, I firmly believe that, in this case, it is the only viable means of terminating an unwanted practice.

Again, let me stress that above and beyond all else it is the divisiveness which I find repelling. We cannot achieve cooperation and cohesiveness in a climate of altercation and resentment. We cannot expect a unified national effort if our citizens must uproot themselves to achieve freedom of choice. Certainly, we cannot restore healthy neighborhoods and the concept of the neighborhood school in the face of forced busing.

I urge my colleagues to support this constitutional amendment. You will not be voting against desegregation—you will be voting in favor of national harmony.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I certainly cannot speak from the deep reservoir of emotion as the gentleman from Ohio in the remarks he made a few minutes earlier. I refer to the gentleman from Ohio (Mr. STOKES). This is because I have never worn a badge of inferiority because of the color of my skin. Yet I think I can speak with the same conviction this afternoon on the amendment before us; the resolution before us that would submit to the several States an amendment of this kind is not the instrumentality that we should use.

I think that perhaps these words were quoted earlier, and yet they are so important that they bear repeating in these closing minutes of this debate. I refer to the quotation from Mr. Tribe of the Harvard Law School when he says that—

> It is one thing to specify, by legislation, that busing must be truly a last resort; it is quite another to mandate, by constitutional amendment, that even when needed to eliminate deliberate segregation, busing is ruled out.

That is what troubles me about the inflexibility of the proposition that is now before us. Even where it was clearly demonstrated by an overwhelming weight of the evidence that deliberate segregative actions have been taken by a local educational agency, you could do nothing about it under the terms of this amendment. If busing were the only remedy, as, indeed, could sometimes be the case, you could do nothing at all to validate the equal protection clause of the U.S. Constitution.

I cannot find it in my heart to believe that anyone in this Chamber really wants to do that.

It is one thing to talk about accepting equality of rights. It is one thing to talk about accepting the ruling of the courts in Brown versus Board of Education. But if you take away the remedy, if there is no remedy to enforce that right, what a hollow, meaningless thing it becomes.

□ 1230

We shrivel respect for the Constitution itself. I urge the defeat of the resolution.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. CARNEY).

Mr. CARNEY. Mr. Speaker, I rise in complete support of House Joint Resolution 74, a constitutional amendment to prohibit the ill-conceived, fuel-wasting, and coercive court-ordered busing of schoolchildren which has been forced on America under the guise of workable integration and educational growth.

It should be clear to us all that forced busing is neither a workable nor desirable solution to problems of unequal educational opportunity. Forced busing has become one of the most divisive issues facing our country. There is a growing consensus among the American people that forced busing does not work. Even the architect of court-ordered busing, Prof. James Coleman of the University of Chicago, has reversed himself after reviewing some hundred desegregation studies from across this land.

The argument here is not racism, it is the simple fact that busing has failed, it has divided the communities in which it has been ordered, and it has done nothing to promote increased educational opportunities for whites, blacks, or any other schoolchildren. The language of the amendment speaks for itself—"no student shall be compelled." It is the coercion, the inflexible nature of busing, the confrontation with the traditional concept of neighborhood schools that causes the overwhelming opposition to busing among whites and blacks. Forced busing has not reduced racial tension but aggravated it. This categorization of people by racial quotas, by ethnic origin, all due to judicial activism, has become irrelevant to the issue of education which we would all like to see improved.

Busing cannot continue if the true goals are to promote harmonious integration and improved education of our schoolchildren. Social engineering in the schools is not the answer to those goals. Forced busing has promoted so-called white flight, reduced opportunity for parental involvement, and problems for the schoolchildren in adjusting to the hostilities and tensions of the oft times destructive settings.

Busing has been an expensive failure which we must correct. The courts have left the people of the country no choice but to cure compulsory busing by prohibiting it. If the Congress had acted before, the Nation might have saved itself much tension, and have improved its racial relations in a substantial and cooperative fashion.

I urge my colleagues to support this resolution.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I rise in support of House Joint Resolution 74 and of the Holt substitute. We are debating House Joint Resolution 74 today because a lengthy and costly national experiment on busing school children to achieve racial integration has failed. Results of many studies in the past few years have confirmed what a growing number of parents and local school officials have been saying since forced busing was started. It is clear that the premises of the arguments used to establish this system of forced busing were not valid. The recent reversal in the opinion of sociologist James S. Coleman, whose study in the 1960's was a major factor in court-ordered busing, is an important example. Earlier this year, Mr. Coleman stated that a review of over 100 desegregation studies in cities from Boston to Berkeley shows "no overall gains" in the quality of educational achievement of black students who have been bused. "Some of the most carefully studied cases such as in Pasadena and Riverside, Calif., shows either no achievement effects or else losses of achievement."

Considerable evidence of the effects of court-ordered busing that has been instituted in the past decade requires that we reexamine this entire situation.

One of the major objections to the forced busing is that the courts are replacing the parent in determining what school his child shall attend. Removing the control of the parent over what kind of education his child shall receive has caused considerable resentment from parents of both races.

Destruction of the neighborhood school system. This traditional educational system has been sacrificed for the questionable effectiveness of transporting huge numbers of students into alien environments where they have nothing in common with the community or its inhabitants. This has caused:

Loss of parental contact with and influence over schools attended by their children;

Loss of children's security and identity, provided in part by attending school with friends;

Loss of student participation in extracurricular activities, particularly athletics;

Loss of physical safety of the student; and

Loss of effectiveness in the learning ability of children. Long periods of bus travel demanded of young children impair their ability to concentrate and learn once they arrive at school.

Public opinion polls have revealed overwhelming opposition to busing. One recent Harris poll revealed that 85 percent of whites and 51 percent of blacks opposed busing.

The coercion implicit in court ordered busing is repugnant to our American way of life. While many people could support voluntary methods of integration, the coercion of the court orders has done much to destroy the busing concept.

During this time of crisis with our energy supplies, forced busing is causing the unnecessary use of thousands of gallons of fuel. A study by the Federal Highway Administration estimated that schoolbuses in 1977 consumed about 401 million gallons of gasoline, averaging about 26,200 barrels of oil daily. Using a conservative estimate that court ordered busing is less than 7 percent of busing, this would mean that at least 2,000 barrels of oil per day or about 36,000 gallons of gasoline are being used for this purpose. Mr. Speaker, I ask for the adoption of the Holt substitute of House Joint Resolution 74.

Mr. RODINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my opposition to this resolution is based on my profound concern about two inevitable consequences, if it were approved.

First, we would reveal that we are willing to turn back the clock by a quarter of a century in our progress toward the fulfillment of human rights in America.

Second, we would demonstrate to the people—already skeptical of their national Government—that we are willing to amend the Constitution of the United States without careful reflection and with only a single hour of deliberation.

The human rights issue is clear.

May 17 of this year marked the 25th anniversary of the Supreme Court's Brown against Board of Education decision.

In that decision, the Court said:

> Education is perhaps the most important function of state and local governments. . . . It is required in the performance of our most basic responsibilities, even service in the armed forces. It is the very foundation of good citizenship. . . . In these days, it is doubtful that any child may reasonably expect to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms.

And the Court concluded in that 1954 decision:

> In the field of public education the doctrine of "separate but equal" has no place. Separate educational facilities are inherently unequal.

The Court followed that landmark decision with others related to school desegregation, in 1955, in 1958, in 1963, in 1965, in 1968, in 1969, in 1971, in 1973, and in 1979.

The constitutional amendment proposed by the resolution before us would erase all the progress of those decisions.

It would reverse the commitment America made to the right of every child to equal educational opportunity.

It would cripple the ability of the courts to implement that right.

It would reopen the wounds which have healed in many communities which have moved ahead with a spirit of cooperation in school desegregation.

It would create the confusing conflict within the Constitution, between the language of this amendment and the equal protection clause of the 14th amendment.

The great and enduring strength of our American Constitution stems from its unifying principles. This proposed amendment does not contain a fundamental principle, but rather a specific social policy preference. And it is a policy which is divisive, not unifying.

The Constitution is not a document to be used or changed to reflect changing social policy and attitude.

Our one previous experience in amending a social policy into the Constitution was prohibition. We should not forget the costly failure of that experiment.

I would like to mention briefly what I regard to be some of the prevalent misunderstandings about busing school children in the United States.

A majority of school children in this country do not walk to a "neighborhood school." In the 1973–74 school year, 52 percent of the Nation's public school students used schoolbuses. Another 15 percent moved to and from school in private automobiles or via public transportation.

Less than 5 percent of all students who are bused to public schools, according to the U.S. Civil Rights Commission, are bused for purposes of school desegregation. The obvious point is that there is nothing intrinsically wrong or dangerous about busing children to and from their schools. In fact, the National Safety Council reports that children who walk to school are in far greater danger of accidents than those who ride buses.

The word busing has simply become a label for one method of ending racial segregation in public schools. A local public school district would be prohibited from using this method by the Federal Constitution if this amendment were approved. That, to me, is an intolerable prospect.

There has been extensive discussion about the fact that the Committee on the Judiciary has not held hearings on this resolution or others like it. The basic reason is that the committee judged an antibusing policy to be inappropriate for inclusion in the Constitution of the United States. As chairman of the Committee on the Judiciary, it is my firm belief that the integrity of the Constitution must be preserved. That cannot be done if we open the possibility of amending the Constitution every time there is a wave of sentiment on a particular issue or every time there is widespread disagreement with Court decisions.

Although the committee has not planned any hearings on a constitutional amendment to ban busing, the committee staff is continuing a study of the impact of court desegregation decisions on education in America. That study and careful evaluation includes a detailed examination of the effects of busing for desegregation of the schools in particular communities.

As I said earlier, the Constitution is not eternally perfect. There have been and will be times when amendments are necessary. This is most certainly not one of those times. And I cannot believe that the House of Representatives would abandon its tradition of deliberation to approve a constitutional amendment in the hasty and careless procedure involved here.

I urge each Member of the House to pause at this crucial moment to reflect on our responsibility to preserve the Constitution. The unity, the strength, and the future of our system of Government depend on it.

And, in conclusion, Mr. Speaker, I wish to read into the RECORD a letter from the President of the United States addressed to me.

THE WHITE HOUSE,
July 24, 1979.

Hon. PETER RODINO,
U.S. House of Representatives,
Washington, D.C.

TO CHAIRMAN PETER RODINO: I urge you to join me in opposing H.J. Res. 74, which would seek, for the first time in our history, to reduce the protections of the 14th Amendment to the Constitution of the United States.

H.J. Res. 74 would unacceptably and arbitrarily interfere for all time with the roles and judgments of State and local government, the Federal legislative process and our Federal court system.

The national effort to secure equal educational opportunities for all our children has been among the most important, complex and difficult tasks facing our society over the past 25 years. The process has not been easy. It has not been perfect. But we have achieved historic progress. The 25th anniversary of the Supreme Court's decision in *Brown* vs. *Board of Education* is a time to renew our commitment to this fundamental goal—not a time to retreat.

Sincerely,

JIMMY CARTER.

COMMENTS FOR CHAIRMAN RODINO ON THE STAFF STUDY ON BUSING

As I indicated in my letter to my good friend Mr. MURTHA, I have instructed the professional staff of the Committee on the Judiciary to undertake a comprehensive study of all the Federal court decisions involving school busing since the Supreme Court decision in Brown against Board of Education. This study will include an in-depth evaluation of the legislative justifications for busing. The study will also include a detailed analysis of what factors were taken into account when busing was ordered by the courts. The study will also present its findings on the actual effects of school busing from academic, social, and other perspectives.

This study, when completed, will be made available to every Member of the House to enable them to carefully evaluate the legislative proposals on busing now pending.

I am certain that the study will reveal many cases where there has been success in court-ordered busing as one of the tools to be employed for securing equal opportunity in education for all of our children.

Mr. MOTTL. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. BONER).

Mr. BONER of Tennessee. Mr. Speaker, I rise in support of the amendment.

Mr. Speaker, after much research, consultation with many constituents, and a conscientious review of the effects of court-ordered busing in Davidson County, Tenn., over the past 7 years, I will vote to send to the States this constitutional amendment to end mandatory busing.

Court-ordered busing in Davidson County has resulted in an erosion of support for public education, the loss of community cohesion and spirit, and the placing of the greatest burden on black pupils at their tenderest ages, in grades 1 through 4.

High school students have been forced to ride the bus at 6 o'clock in-the morning and elementary school students, during the winter months. have had to walk several blocks from their bus stops to their homes.

I would like to address the matter of the right of the American people to have a voice in this critical issue. I believe our citizens should have that voice. Passage of this amendment by the House and Senate will give the people a voice, through the participation of their State legislatures in the ratification process. The crisis of confidence in Government can be combated by involving citizens more directly in the democratic and governmental processes.

Mr. Speaker, underlying the busing question is a far more vital issue we must all address and that is insuring that all students in the Fifth District of Tennessee and across the Nation are able to receive the highest quality of education available to them within their communities.

I believe the highest quality of education must be provided to every student wherever he or she lives and wherever he or she attends school. Moreover, this education must be provided in an environment that accurately reflects the community in which our students live. As adults, we must meet a most critical need of our children by helping them to adjust to the society they live in. We must do this by assuring that they attend school with other children of all economic and ethnic backgrounds.

Mr. Speaker, I support an integrated school system in Davidson County. I believe such a system can best be achieved through the strategic placement of new schools and the proper and careful clustering of schools within the community. In voting for this amendment, I feel the need for a greater exercise of commitment and leadership throughout the entire community to finding new ways to insure the best possible education for every student.

In conclusion, Mr. Speaker, I would like to underscore the underlying issue of providing our children with the highest quality of education, wherever they may live or go to school. We must seek policies that will contribute to the achievement of this high standard. I think we have found that busing has not made a positive contribution and that new alternatives must be developed.

Mr. MOTTL. Mr. Speaker, I yield 1 minute for purposes of debate to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Speaker, the question has been raised as to reverence for the Constitution. The question has been posed as to how often the Constitution has been amended and it has been suggested that the few times it has been amended, especially in this fashion, is an argument for not amending it.

I suggest to this House that the Constitution has been amended many times by the Supreme Court every time it reverses itself on a basic question, just as the Supreme Court has amended the Constitution and reversed itself from 1896 through 1954, from Plessy versus Ferguson to the Brown versus Board of Education case. I think all of us in this room adopt the principles of the Brown versus Board of Education, and we believe that it should be enforced. We are dealing here, Mr. Speaker, with a question of busing being the first and last resort and an excess in the enforcement by the courts, of Brown versus Board of Education. I think we should reject it. We cannot duck the issue here any longer.

Mr. MOTTL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT) for purposes of debate only.

Mr. ROUSSELOT. Mr. Speaker, I rise in support of House Joint Resolution 74, the proposed constitutional amendment to prohibit compelling a student, on account of race, color, or national origin, to attend a public school other than the one nearest his home, on the basis that it reaffirms the civil liberties guaranteed to all Americans by the 14th amendment as interpreted by the Supreme Court in its 1954 landmark desegregation decision, Brown against the Board of Education.

The arguments of the lawyers and justices associated with the Brown decision were based upon the proposition that the Constitution forbade any use of racial classification for governmental action. The NAACP legal defense fund, in its briefs, in testimony introduced in the trial court in Topeka, Kans., and in the oral arguments before the U.S. Supreme Court, maintained unwaveringly that it was wrong to classify people on the basis of color and ancestry. Lawyers for the black plaintiffs urged the court again and again to remove from the States the power to use race in distinguishing among its citizenry. Robert Carter, chief counsel for Topeka's black plaintiffs, rested his case against school segregation on two grounds: First, that "the State has no authority and no power to make any distinction or any classification among its citizenry based upon race and color alone"; and second, that "the rights under the 14th amendment are individual rights" and not group rights—that each person should be treated as an individual, without regard for race, creed, or ancestry.

In building the case against segregation, the Kansas NAACP lawyers stressed the individual rights of blacks to send their children to the nearest school. Segregation imposed on black children the handicap of spending extra time traveling to and from school, which, they argued, was detrimental to their development. One social scientist testified for the plaintiffs, "When you take an hour a day from a child, you are taking away something very precious to his total education".

Oliver Brown, the lead plaintiff in the case, was spurred to action by what he considered to be an abridgement of the individual rights of his family. By no means an activist in the civil rights movement or a particular enthusiast of the NAACP, he was concerned primarily with the right of his daughter, Linda, to attend the neighborhood school. His action was motivated by his understandable parental concern over the inconvenience and lack of safety which resulted from busing Linda to the "colored school" many miles away, instead of to the neighborhood school, only seven blocks from his home. It is this same "parental concern", not prejudice, that motivates the overwhelming public abhorrence of the forced busing programs mandated by the Federal courts. This amendment would preclude such programs.

The Brown decision was intended to remove from the States the power to use racial classification to restrict the opportunities of its citizens. That the Congress shared this understanding of the meaning of the Brown decision is reflected in the passage of the Civil Rights Act of 1964. In the 1963 hearings on the act, then Attorney General Robert Kennedy, in a heated sparring match with Senator Sam Ervin, forced the Senator to agree with him that the Brown decision established the right of the individual to attend his neighborhood school. The Civil Rights Act ultimately included an unequivocal definition of desegregation:

> Desegregation means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but desegregation shall not mean the assignment to public schools in order to overcome racial imbalance.

The act further goes on to specifically disallow forced busing—

> Nothing herein shall empower any official or court of the U.S. to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another, or one school district to another, in order to achieve such racial balance . . .

The 1954 Brown decision supposedly removed from the States the power to assign children to school on the basis of race. The Federal court system has reversed that decision, using it, instead as the authority for assigning children to school solely on the basis of race. Busing,

for the purpose of achieving racial balance, puts the Government permanently into the racial assignment business. Today, 25 years after the Brown against the Board of Education decision, Linda Brown could still not attend the school nearest her home—she would have to be bused for racial balance. The individual rights her father had fought for and supposedly won in 1954 would still be denied to her.

Mr. MOTTL. Mr. Speaker, I yield to the gentlewoman from Maryland (Mrs. HOLT) for the purpose of offering an amendment at this time.

MOTION OFFERED BY MR. STOKES

Mr. STOKES. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

> Mr. STOKES moves the previous question on House Joint Resolution 74 to final passage.

PARLIAMENTARY INQUIRY

Mrs. HOLT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentlewoman will state the parliamentary inquiry.

Mrs. HOLT. Mr. Speaker, the gentleman from Ohio has just moved the previous question on the joint resolution proposed by the gentleman from Ohio (Mr. MOTTL).

If the House by a majority vote orders this previous question, would this have the effect of denying me the opportunity to offer my amendment and the additional hour of debate which I would have been allowed under the rules, and then in turn force the House to dispose of the language of the Mottl resolution directly?

The SPEAKER. The gentlewoman has answered her own question.

Mrs. HOLT. I thank the Speaker.

Then I am correct in stating that if the House wishes to consider my amendment with the additional debate time, Members should vote no on ordering the previous question?

The SPEAKER. That might be one reason.

The Chair will state that the question before the House is the preferential motion offered by the gentleman from Ohio (Mr. STOKES). The gentleman from Ohio (Mr. STOKES) moves the previous question on House Joint Resolution 74 to final passage.

The question is on the preferential motion offered by the gentleman from Ohio (Mr. STOKES).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. STOKES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 172, nays 251, not voting 11, as follows:

[Roll No. 373]

YEAS—172

Addabbo, Akaka, Alexander, Anderson, Ill., Ashley, Atkinson, AuCoin, Bailey, Baldus, Barnes, Beard, R.I., Bellenson, Beniamin, Biaggi, Bingham, Boggs, Boland, Bonior, Bonker, Brademas, Brinkley, Brodhead, Brooks, Brown, Calif., Brown, Ohio, Buchanan, Burton, John, Burton, Phillip, Carr, Cavanaugh, Chisholm, Clay, Coelho, Collins, Ill., Conte, Conyers, Corman, Cotter, Danielson, Daschle, Davis, S.C., Dellums, Derrick, Dicks, Diggs, Dixon, Dodd, Downey, Drinan, Duncan, Oreg., Eckhardt, Edgar, Edwards, Calif., Fascell, Fazio, Fenwick, Ferraro, Fish, Fisher, Florio, Foley, Ford, Mich., Ford, Tenn., Fowler, Frost, Garcia, Gilman, Gonzalez, Gore, Gray, Green, Guarini, Hanley, Harris, Hawkins, Heftel, Holland, Hollenbeck, Holtzman, Horton, Howard, Jenrette, Johnson, Calif., Johnson, Colo., Kastenmeier, Kildee, Kostmayer, Leach, Iowa, Lehman, Leland, Long, La., Long, Md., Lowry, Lundine, McClory, McCloskey, McCormack, McDade, McHugh, McKinney, Maguire, Markey, Marks, Matsui, Mattox, Mavroules, Mazzoli, Mikulski, Mikva, Miller, Calif., Mineta, Minish, Mitchell, Md., Moffett, Moorhead, Pa., Murphy, Ill., Murphy, N.Y., Murtha, Nolan, Oberstar, Obey, Ottinger, Panetta, Patten, Patterson, Pease, Pepper, Perkins, Peyser, Price, Rahall, Rangel, Ratchford, Reuss, Richmond, Rodino, Roe, Rose, Rosenthal, Rostenkowski, Roybal, Sabo, Scheuer, Schroeder, Seiberling, Shannon, Sharp, Simon, Snowe, Solarz, St Germain, Stack, Stark, Stewart, Stokes, Stratton, Studds, Swift, Udall, Ullman, Vento, Volkmer, Walgren, Waxman, Weaver, Weiss, Wilson, C. H., Wilson, Tex., Wirth, Wolff, Wolpe, Yates

NAYS—251

Abdnor, Albosta, Ambro, Anderson, Calif., Andrews, N.C., Andrews, N. Dak., Annunzio, Anthony, Applegate, Archer, Ashbrook, Aspin, Badham, Bafalis, Barnard, Bauman, Beard, Tenn., Bedell, Bennett, Bereuter, Bethune, Bevill, Blanchard, Boner, Bouquard, Bowen, Breaux, Broomfield, Broyhill, Burgener, Burlison, Byron, Campbell, Carney, Carter, Chappell, Cheney, Clausen, Cleveland, Clinger, Coleman, Collins, Tex., Conable, Corcoran, Coughlin, Courter, Crane, Daniel, Crane, Philip, D'Amours, Daniel, Dan, Daniel, R. W., Dannemeyer, Davis, Mich., de la Garza, Deckard, Derwinski, Devine, Dickinson, Dingell, Donnelly, Dornan, Dougherty, Duncan, Tenn., Early, Edwards, Okla., English, Erdahl, Erlenborn, Ertel, Evans, Del., Evans, Ga., Evans, Ind., Fary, Findley, Fithian, Flippo, Fountain, Frenzel, Fuqua, Gaydos, Gephardt, Giaimo, Gibbons, Gingrich, Ginn, Glickman, Goldwater, Goodling, Gradison, Gramm, Grassley, Grisham, Gudger, Guyer, Hagedorn, Hall, Ohio, Hall, Tex., Hamilton, Hammer-schmidt, Hance, Hansen, Harkin, Harsha, Heckler, Hefner, Hightower, Hillis, Hinson, Holt, Hopkins, Hubbard, Huckaby, Hughes, Hutto, Hyde, Ichord, Ireland, Jacobs, Jeffords, Jeffries, Jenkins, Jones, N.C., Jones, Okla., Jones, Tenn., Kazen, Kelly, Kemp, Kindness, Kogovsek, Kramer, LaFalce, Lagomarsino, Latta, Leath, Tex., Lederer, Lee, Lent, Levitas, Lewis, Livingston, Lloyd, Loeffler, Lott, Lujan, Luken, Lungren, McDonald, McEwen, McKay, Madigan, Marlenee, Martin, Mathis, Mica, Michel, Miller, Ohio, Mitchell, N.Y., Moakley, Mollohan, Montgomery, Moore, Moorhead, Calif., Mottl, Murphy, Pa., Myers, Ind., Myers, Pa., Natcher, Neal, Nedzi, Nelson, Nichols, Nowak, O'Brien, Oakar, Pashayan, Paul, Petri, Pickle, Preyer, Pritchard, Pursell, Quayle, Quillen, Railsback, Regula, Rhodes, Rinaldo, Ritter, Roberts, Robinson, Roth, Rousselot, Royer, Rudd, Runnels, Russo, Santini, Satterfield, Sawyer, Schulze, Sebelius, Sensenbrenner, Shelby, Shumway, Shuster, Skelton, Slack, Smith, Iowa, Smith, Nebr., Snyder, Solomon, Spence, Staggers, Stangeland, Stanton, Steed, Stenholm, Stockman, Stump, Symms, Synar, Tauke, Taylor, Thomas, Traxler, Treen, Trible, Van Deerlin, Vander Jagt, Vanik, Walker, Wampler, Watkins, White, Whitehurst, Whitley, Whittaker, Whitten, Williams, Mont., Williams, Ohio, Winn, Wright, Wyatt, Wydler, Wylie, Yatron, Young, Alaska, Young, Fla., Young, Mo., Zablocki, Zeferetti

NOT VOTING—11

Bolling, Butler, Edwards, Ala., Emery, Flood, Forsythe, Leach, La., Marriott, Spellman, Thompson, Wilson, Bob

□ 1250

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mrs. Spellman against.

Mr. Flood for, with Mr. Butler against.

Mr. TAUKE changed his vote from "yea" to "nay."

Mr. AuCOIN changed his vote from "nay" to "yea."

So the previous question was not ordered.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. SPELLMAN. Mr. Speaker, on rollcall 373, calling for the previous question, I did put my card into the slot and voted "no." Unfortunately, the computer did not indicate my vote.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. HOLT

Mrs. HOLT. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment in the nature of a substitute offered by Mrs. HOLT: Strike all after the resolving clause and insert in lieu thereof the following:
>
> That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:
>
> ARTICLE —
>
> SECTION 1. No student shall be compelled, on account of race, color or national origin, to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student.
>
> SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

The SPEAKER. The gentlewoman from Maryland (Mrs. HOLT) is recognized for 1 hour.

Mrs. HOLT. Mr. Speaker, I yield myself such time as I may consume. At the close of my statement, Mr. Speaker, I will yield 30 minutes to the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary, for the purpose of debate only, and I reserve my right to close the debate.

Mrs. HOLT. Mr. Speaker, as the sponsor of the resolution, the gentleman from Ohio (Mr. MOTTL), has said, my substitute is designed to correct two problems.

First, my amendment recognizes the authority of local school districts to make pupil assignments for every reason except race or national origin.

Second, I have deleted language which implied a preemptive Federal responsibility for education. The sponsor certainly did not intend that result in the original resolution.

Mr. Speaker, what we are saying in this constitutional amendment is that race must not be a consideration in the assignment of students to public schools.

The Mottl constitutional amendment, as amended by the Holt substitute, would be entirely consistent with the Civil Rights Act of 1964, which has this to say:

> Nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance.

It is very clear, from a reading of the Civil Rights Act of 1964, that Congress did not intend to authorize racial assignments to schools.

□ 1300

In the definition we find this language:

> Desegregation means the assignment of students to public schools, and within such schools, without regard to their race, color, religion, sex or national origin. But desegregation shall not mean the assignment of students to public schools in order to overcome racial imbalance.

What the courts have been doing is ignoring the clear intent of the Congress by arguing that the Constitution gives them the authority to order racial assignments of pupils to public schools.

Now the purpose of our amendment today is to affirm the principle that the Constitution should be color blind, that the law governing a free people cannot make racial distinctions.

These racial assignments of students to schools were wrong when they were used to maintain segregation. I fought them as vigorously then as I am fighting them now.

My heart breaks when I hear my colleagues here on the floor recall those dark days. I opposed segregation. I speak for civil rights, for individual liberty.

A child is not a racial digit to be used to satisfy some court's judgment of the appropriate racial makeup of the school. The Congress has repeatedly enacted statutory language to prohibit Federal agencies from imposing racial assignments of pupils to public schools.

However, the courts have continued to impose racial quota plans requiring mass transportation of students to schools distant from their homes and neighborhoods.

Education has been disrupted, the lives of countless families have been disturbed. Students have wasted hours riding buses. Local school districts have been forced to spend millions for transportation costs when we need that money for education.

I believe that this turmoil has been bad for education. I know of no competent authority, not one, that claims that it has been good for education.

Well, then, let us take a look at desegregation. The results even here are questionable, because many of the school districts hit with the mass busing orders have resegregated. The experiment is futile. I have some personal knowledge of this.

In 1973 a Federal district court ordered the transfers of 33,000 students among the schools of Prince Georges County, Md., to achieve a racial balance. The plan briefly eliminated black majorities in a number of schools.

But here is what happened since then. The enrollment in Prince Georges County public schools was 25 percent black in 1973. Today it is 44 percent black.

There were 39 schools with black majorities before the mass busing plan was imposed. Today there are 88 schools with black majorities and many more are tipping. Because the original assignment plan ordered by the court has been steadfastly maintained, we are today watching the ludicrous exercise of busing black children many miles beyond their neighborhood schools to attend predominantly black schools.

All of my constituents, black and white, are deeply concerned about this.

Now I ask my colleagues what has been accomplished by the 6 years of the court experiments except cost and confusion?

In our amendment today, the key words of this constitutional amendment are: "No person shall be compelled." The language of this amendment prohibits racial assignments that would impose segregation.

There is absolutely no prospect that this amendment could restore segregation. What we are saying is that race shall not be a factor in compulsory assignment of students to schools. There is nothing here to prevent local school boards from creating voluntary desegregation plans with the assent of students and parents affected by such plans.

Even more importantly, there is nothing here to prevent local education agencies from establishing schools with specialized curricula that would attract students of all races.

I reserve the balance of my time.

Mr. EDWARDS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I rise in opposition to the constitutional amendment offered by the gentleman from Ohio, as well as to the substitute offered by my friend, the gentlewoman from Maryland (Mrs. HOLT).

I hope my colleagues listened carefully when our colleague from the Virgin Islands spoke just a few minutes ago. In my view, he put his finger on the root issue that is now before us.

Neither formulation is an antibusing amendment. Both are antidesegregation amendments.

Only about 3 percent of the students who are now bused would be affected by either amendment, which means that 97 percent of the students now being bused would be untouched by either formulation.

Therefore, clearly, the issue is antischool desegregation, plain and simple.

The fundamental question is whether we will have a segregated society or not.

The vote on discharging the Judiciary Committee showed only 23 members of the party of Abraham Lincoln voting against discharging the committee.

I hope that number, that percentage, which is about 16 percent of the total Republican membership of this body, will be expanded enormously when the question comes on approval of these amendments.

I hope my colleagues on this side of the aisle will join me in helping to reject them both.

Abraham Lincoln was our first Republican President. He became President as the inspired leader of civil rights action, and through his initiative our party became the majority party in the Congress and the White House. It won the control of most of the State legislatures, and during most of the next 70 years—70 years—the Republican Party was the preeminent political power in this country.

During that time, it maintained itself in the vanguard of civil rights and human rights efforts.

I ask my colleagues of the party of Lincoln, with whom I have served for many years now, in the minority, to ponder the relationship between our minority position today and the position the party once occupied before.

During these 70 years, every black in the United States proudly called the Republican Party home. I would like to see that day restored again, and it can come again under inspired leadership like that exemplified when JOHN B. ANDERSON of Illinois spoke earlier today.

Mr. Speaker, when I first learned that this constitutional amendment would be voted upon by the House, I asked the superintendents of schools in Springfield and Alton, Ill., what their experience has been with court ordered busing for desegregation. These two school systems cover half the population in my district. Each has been busing to achieve integration for the past 2 to 3 years. In neither community has this busing been any more popular than elsewhere in the country. I felt that these two superintendents could give me an unvarnished opinion of the problems busing creates for children and parents alike.

What I learned surprised me. I had read the academic treatises and the news accounts on busing which conclude that it is often disruptive, sometimes traumatic, and on rare occasion violent. I expected to be told that the children—black and white—did not benefit, for that is Professor Coleman's latest conclusion.

Instead, despite all the problems, Alton's Assistant Superintendent F. W. Pivoda told me:

> The school district has now concluded its third year under the desegregation plan. It appears that parents are beginning to accept the plan. All administrative evaluations conclude that racial strife has significantly declined and that the students are getting a superior education. This is further evidenced in that standardized test scores have continued to improve in each successive year that the plan has been in operation.

Springfield's experience has been similar. Despite a shortage of money, School Superintendent Donald Miedema told me "the plan has successfully brought about desegregation and is leading to successful integration."

While the increases in academic achievement concurrent with busing were impressive, one other section of Mr. Pivoda's letter dealt with a matter that does not show up on achievement tests but which may be far more important for the future of our society. He wrote:

> Prior to desegregation, a number of our schools were predominantly white and located in areas where there was little or no opportunity to associate with minority students. When these students became of high school age they were suddenly exposed to a multi-ethnic culture because we have only one high school for the District. Racial conflict was a common everyday occurrence.
>
> Each year since desegregation the situation has improved. During the past school year I can recall no major incident related to race. Discipline related suspensions have also decreased.

In Alton, busing for integation has improved the ability of people to get along and work constructively together for a better society, just as it appears to have improved educational achievement.

Indeed, the experiences in Alton and Springfield mirror the peaceful and positive transition of the overwhelming preponderance of our Nation's cities that have undergone busing for desegregation purposes. Cities with wise, progressive political leadership dedicated to adherence to law and equality of opportunity for everyone have by and large successfully implemented busing plans without extraordinary problems.

Where that has not occurred, often political and community leadership has challenged rather than upheld the law, exposing fear instead of fact, and making their children the victims of their own bigotry.

Since more than 50 percent of the children in this country ride the bus to school each day, and only 3 percent are bused for the purpose of desegregation, it is evident that the constitutional amendment we will vote on today is not an antibusing amendment. Rather, it is painfully clear that it is an antidesegregation amendment. The issue is simply whether you believe we should have a desegregated society or not.

All of the arguments that have been raised against transportation for desegregation were also raised against the original Brown against Board of Education decision in 1954.

Then, too, white parents worried about the quality of the education their children would receive. Soon they discovered that the presence of blacks in their schools does not lower educational standards. Today the preponderance of studies still show that busing does not lessen the achievement of white children who are sent to other schools for desegregation.

Nor is busing a primary cause of "white flight" to the suburbs and therefore self-defeating. For decades, long before desegregation of schools became necessary, both whites and blacks have been moving to the suburbs as soon as they could afford it. All studies show that the loss of white students attributable to busing is only a tiny percentage and that is not repeated after the first year.

Busing for integration is not a significant drain on scarce energy supplies, either. The Library of Congress estimates that less than three-hundredths of 1 percent of the gas used for schoolbuses is consumed because of court-ordered busing—a minuscule amount.

Finally, the expense of busing has been greatly exaggerated. A Rand Corp. study shows that the cost of student transportation before desegregation was 1 percent of school district budgets and rose to a maximum of only 3 percent after busing began.

If you believe segregated schools are wrong, you are faced with the uncomfortable realization that busing is the only effective way to end it. It may not be popular. Nor was President Eisenhower's decision to use troops to integrate the schools of Little Rock. But it was right.

To be sure, busing for desegregation has in isolated instances caused unnecessary problems and expenses. But that is not justification to carve into the Constitution an absolute prohibition against all transportation beyond the closest school—whether for desegregation purposes or any other.

Equal opportunity has been the hallmark of our society for 200 years. One hundred years ago we fought the bloodiest war in our history—on our own soil—over the very issue that we now battle over on the floor of the House. The issue then was the same as today. And Abraham Lincoln's admonition is still just as timely:

> When . . . you have succeeded in dehumanising the Negro; when you have put him down and made it impossible for him to be but the beasts of the field; when you have extinguished his soul in this world and placed him where the ray of hope is blown out as in the darkness of the damned, are you quite sure that the demon you have roused will not turn and rend you? Accustomed to trample on the rights of others, you have lost the genius of your own independence. . . .

For your own sake, for the sake of your humanity, for every noble ideal that has ever inspired you to serve your fellow man, I urge you to vote against this resolution, which in all candor, raises the demonic specter against which Lincoln warned.

My correspondence with school officials in Alton and Springfield follows:

BOARD OF EDUCATION,
Alton, Ill., June 29, 1979.

Hon. PAUL FINDLEY,
Rayburn Building, Washington, D.C.

DEAR REPRESENTATIVE FINDLEY: The following is in response to an inquiry from your secretary in reference to the impact of busing for racial integration as experienced by this school district.

Alton School District No. 11 serves more than ten thousand students in a seventy-eight square mile area which includes the City of Alton and the surrounding area. The majority of the minority (20%+) live in Alton. Although the school district abolished all-black schools in 1950, some schools continued to have a majority black population while others had few, if any, blacks.

In December 1971 the school district filed a required report with the Illinois Office of Education entitled "Rules Establishing Requirements and Procedures for the Elimination and Prevention of Racial Segregation." After filing the report, the school district was directed to revise existing attendance patterns so that no school had a minority population greater or less than fifteen percent of the district as a whole.

For the next four years the district attempted a variety of compliance measures including the closing of outdated schools, pairing schools and reassigning students of overcrowded white schools to other schools. None of these measures were totally successful. In March 1976, the district was directed to take measures to come into compliance or be subjected to the loss of approximately $7,000,000 in state aid.

The Board of Education established an Ad Hoc Citizens Committee to investigate other alternatives. After much study and many meetings, the committee concluded that cross-busing was the only method by which the district could meet the state guidelines.

Accordingly, the Board of Education adopted a Corridor Plan in which the district was divided into five corridors in such a manner so as to insure guideline percentages in each attendance center. This plan ignored the neighborhood school concept and caused many students to be bused to schools in other parts of the district. Needless to say there was considerable criticism from parents and many political threats.

The school district has now concluded its third year under the desegregation plan. It appears that parents are beginning to accept the plan. All administrative evaluations conclude the racial strife has significantly declined and that the students are getting a superior education. This is further evidenced in that standardized test scores have continued to improve in each successive year that the plan has been in operation.

Busing is still a problem. While our enrollments have declined, the number of students riding buses has increased. Parents are more and more demanding that bus pickup points be closer to their residence. We are also at the mercy of the bus contractor who annually increases prices to meet the cost of inflation while the district has no financial escalating provision to meet these costs.

A statistical table of transportation for the past four years follows:

	1975–76	1976–77	1977–78	1978–79
School enrollment	11,211	10,908	10,535	10,029
Percent minority	21.23	22.3	23.35	24.26
Students transported	5,761	6,166	6,455	6,522
Transportation cost	$472,333	$536,243	$619,698	$632,024

If you have further questions, please feel free to write me or call (618) 463–2103.

Sincerely,

F. W. PIVODA,
Assistant Superintendent.

JULY 11, 1979.

Mr. F. W. PIVODA,
Assistant Superintendent, Alton Community Unit School, District No. 11, P.O. Box B, Alton, Ill.

DEAR MR. PIVODA: I cannot thank you enough for your excellent and very informative letter about the impact of bussing for racial integration in the Alton school district. I hope you don't mind if I pose just a few additional questions.

First, it appears that the Illinois Office of Education has established the requirement that no school have a minority population greater or less than 15 percent of the district as a whole. Can you tell me why that figure was chosen?

I am particularly encouraged by your statement that, "It appears that parents are beginning to accept the plan . . . and that the students are getting a superior education." Is there any statistical or other data available which you can cite supporting that statement? If the school district has attempted to measure achievement levels over a period of years, including the period of time prior to the commencement of bussing, that would be extremely valuable.

I note your statement that "Bussing is still a problem" followed by your comment that enrollments have declined. Is it your feeling that bussing is the primary cause of declining enrollment?

The transportation costs listed in your table are, I assume, total costs for all bussing including that which would have been necessary even in the absence of bussing for desegregation. Is there any way to approximate the amount of money that you would have been required to spend for bussing for other than racial balance purposes?

Finally, I would like to know whether you are willing to permit me to quote from your letter and to use it in the debate on the floor of the House of Representatives. I will, of course, respect your wishes in this matter.

The House of Representatives is scheduled to take up the enclosed Constitutional amendment on July 24, and I am anxious to have whatever response you can provide as soon as possible.

Again, I very much appreciate your willingness to help.

Sincerely,

PAUL FINDLEY,
Representative in Congress.

BOARD OF EDUCATION,
Alton, Ill., July 19, 1979.

Hon. PAUL FINDLEY,
Rayburn Building,
Washington, D.C.

DEAR REPRESENTATIVE FINDLEY: The following is in response to your letter dated July 11 in reference to compelling the attendance of a student in a public school to other than the school nearest his residence.

First let me paraphrase my remarks by expressing my opposition to H. J. Res. 74. This resolution appears to have been designed solely to impede busing for desegration purposes. It also takes away control from local school boards to design alternate methods of classroom organization. For example, in Alton we have developed a corridor system with multiple attendance centers in each corridor. However, each attendance center is restricted to specific grade levels. A student residing anywhere in a corridor would attend the school where his grade level was established regardless of the school nearest his residence because "the course of study pursued by such student" might not be available at the nearest school. I am enclosing a map of our Corridor Plan so that you can more easily visualize the organizational scope.

In addition, in the past, this school district has had to bus students to other schools because of overcrowding—race being no issue. I am sure numerous school districts have had to do this. It would appear that the proposed resolution would prohibit such transfers.

More specifically, in answer to your questions:

1. The Illinois Office of Education requirement that no school have a minority population greater or less than 15 percent of the district as a whole was established at the direction of former state superintendent Michael Bakalis. It is reported that the percentage figure was patterned after certain California schools which had this requirement. The percentage limits are discriminatory in themselves in that schools, such as adjoining Wood River with no minority population and East St. Louis with 85+ percent minority do not have to comply. This school district has expended well over $700,000 in meeting racial guidelines. This money was used for such things as inservice training for teachers, adoption of multi-ethnic textbooks, construction and remodeling and expanded transportation.

2. The only statistical data we have to support our contention that students are getting a superior education is test results. All students in the third grade annually take the California Achievement Test. The following test scores refer to grade placement, i.e. 3.7 equals third grade, seventh month. The year before desegregation and two years after desegregation are compared.

1975–76: Norm 3.7; reading 4.1; math 3.9.
1977–78: Norm 3.7; reading 4.5; math 4.0.

I do not mean to imply that improvement in test scores came automatically with desegregation. Under the very able leadership of our superintendent, Dr. Robert J. Lynn, the whole teacher-student learning process was reviewed and revised. All teachers were subjected to intensive inservice training, new textbooks were adopted, basic skills teachers were assigned to help slower students and elementary learning resource centers (libraries) were developed in all schools.

3. I do not feel that bussing has been a primary cause of declining enrollments. This seems to be a trend in the state and throughout the nation.

The birth rate in the Alton School District in 1970 was 2310. In 1978 the birth rate was 1490 or a 35% decrease. During the three year period we have been integrated, the ratio of births entering kindergarten has decreased only 3.3 percent.

It is true that a small percentage of our students have been lost to newly created non-Catholic religious schools.

Students in the Alton District have been bused for many years. The 78 square mile area includes not only Alton but all of Godfrey and Foster Townships. Prior to desegregation approximately 5500 students were bused—after, approximately 6500. Therefore, about 1/5 of the transportation costs can be attributed to integration.

4. Prior to desegregation, a number of our schools were predominantly white and located in areas where there was little or no opportunity to associate with minority students. When these students became of high school age they were suddenly exposed to a multi-ethnic culture because we have only one high school for the District. Racial conflict was a common everyday occurrence.

Each year since desegregation the situation has improved. During the past school year I can recall no major incident related to race. Discipline related suspensions have also decreased.

Total Discipline Suspension Days for All Schools.

1977–78: Black 2993; Hispanic 52½; white 2755½.

1978–79: Black 2610½; Hispanic 7; white 2485½.

I want to apologize for the length of this reply but I wanted to give you as much information as possible. Please feel free to quote and/or use this information in the debate on the floor of the House of Representatives.

Sincerely,

F. W. PIVODA,
Assistant Superintendent.

SPRINGFIELD PUBLIC SCHOOLS,
Springfield, Ill., July 6, 1979.

Hon. PAUL FINDLEY,
Congressman, Illinois Twentieth District,
Rayburn Building, Washington, D.C.

DEAR SIR: The Board of Education and administration of the Springfield Public Schools wish to thank you for this opportunity of providing you information concerning our desegregation-integration program. Although the plan has successfully brought about desegregation and is leading to successful integration, I am sure you realize the financial impact a program of this nature has had and will continue to have on the taxpayers of this District and the State of Illinois.

In the late 1960's the community and District personnel began an exhaustive study of methods for desegregating the Springfield Public Schools. Several citizens' committee and administrative plans were devised, none of which seemed to accomplish the task to the satisfaction of all concerned. In April, 1974, a group of citizens filed a suit in Federal District Court which finally culminated in the plan now in effect. Judge Ackerman issued his order concerning the middle and high schools in August, 1976, effective with the 1976–77 school year. In December, 1976, he issued the order concerning the elementary schools, effective with the 1977–78 school year.

The court agreed to the continuation of the three high school areas as they were constituted at that time. The order did indicate, however, that the high school enrollments would continue to be monitored and if necessary boundary adjustments made to assure the proper balance. Throughout the court proceedings the goal was to have no school's minority percentage at more than ten percent variance from the District average. We are in the process of making minor boundary changes at the high school level which will bring about improvements in the racial balance in the three buildings. The high schools were housing grades ten through twelve at the time of the order and have continued to do so through the 1978–79 school year. Due to enrollment changes and reorganization it is now possible to have grades nine through twelve in the high schools. This change will be made in the fall of 1979.

At the time of the court order the middle school students, grades seven, eight and nine, were housed in five buildings. One of these buildings had a very high minority percentage, requiring some modifications. It was decided to develop two seventh grade centers for students at that level and house the eighth and ninth grade students in four of the five existing buildings. A sixth building was available due to the completion of the Area Vocational Center. The boundaries were adjusted in order to bring about the necessary racial balance. With the movement of the ninth grade out of the middle schools into the high schools this fall, it will be possible to house the seventh and eighth grade students in the four buildings which have been housing the eighth and ninth grade students and continue the racial balance. This will also allow us to phase out one older building and allow another building which is attached to one of the high schools to be used to house the ninth grade students.

The elementary school plan required a great deal of change from the neighborhood kindergarten through sixth grade attendance center with a minority percentage range of from .6 to 90.5 to a completely integrated system with a monority percentage range of

from 12.1 to 29.0. The table shows how the minority percentages have changed, as well as the grades housed in the buildings. The plan for the most part called for the pairing of schools which brought about various grade configurations. These are shown in the information pamphlet enclosed. It was ordered that the kindergarten students should be housed in their neighborhood school; therefore, the minority percentage figures in the table do not reflect the kindergarten attendance.

The large majority of the minority students reside in the east central portion of the District; therefore, considerable transportation is required both into and out of that area. In 1975–76 we were transporting approximately 3,100 students with transportation budgeted expenditures of $815,614.00. In 1978–79 we transported approximately 6,600 students with transportation budgeted expenditures of $1,166,632.00. The transportation budgeted expenditures for 1979–80 will be $1,497,270.00. One of our major concerns at this time is whether or not we are going to be able to get fuel for the buses and if we can, what the price will be later in the school year.

True integration is not brought about by merely moving students in order that the proper balance is housed in each building; therefore, there are other major components of the educational system affected. As a part of the court order the District is required to carry on a vigorous Affirmative Action Program. We are experiencing a great deal of difficulty in this area for the following reasons:

1. We are in the capital city where we are competing with State Government offices as well as private industry for minority personnel.

2. Declining enrollment has brought about a reduction of the needed staff. We are required to reduce on a seniority basis; therefore, many of the minority personnel who were employed in the last few years must be released first. Since the employment of new personnel is almost non-existent there is little possibility of recruiting minority personnel.

3. The finances available for the operation of the school district are so limited that it makes it difficult to provide salaries which will attract well-trained minority personnel when the competition is so keen.

In-service training of all personnel has been and continues to be a very important part of the integration process. Teachers who have been working primarily with students of low socio-economic backgrounds suddenly find themselves confronted with a large majority of their class from very high socio-economic background and vice versa. This wide range requires a great deal of adjustment on their part to provide the needed curricular changes. In many cases it is necessary to carry on a considerable amount of individual instruction even though the teacher is responsible for a class of twenty-eight or more students.

The rapidly declining enrollment has brought about a new dimension in this area of desegregation which school districts throughout the nation are experiencing. We find it necessary to close buildings and at the same time meet the needs of educating the students as well as maintaining the racial balance in each building. We have a committee of citizens along with representation from our administration and Board of Education currently studying this problem. The recommendations of this committee which no doubt will need to be carried out will require extra funds especially in the area of student transportation.

I apologize for the length of this letter; however, I feel it is necessary to give you some of the background of what we consider to be a successful Desegregation-Integration Program. The information points out why programs of this magnitude put a financial drain on school districts at a time when resources are declining due to declining enrollments and efforts to reduce taxes. Anything you may be able to do to help us in this area will certainly be appreciated.

Sincerely,

DONALD MIEDEMA,
Superintendent of Schools.

SPRINGFIELD PUBLIC SCHOOLS, SPRINGFIELD, ILL.

Schools	Before desegregation: Grades in building	Before desegregation: Percent minority	After desegregation: Grades in building	After desegregation: Percent minority
ELEMENTARY				
Addams	K–6	1.8	K, 2–6	14.0
Black Hawk	K–6	3.7	K–6	21.0
Butler	K–6	5.3	K–4	16.2
Dubois	K–6	15.8	K, 2–5	18.9
Enos	K–6	17.2	K, 2–6	21.4
Fairview	K–6	2.1	K, 3–6	20.8
Harvard Park	K–6	15.4	K–6	21.3
Hay-Edwards	K–6	22.2	K–5	12.1
Hazel Dell	K–6	17.8	K–5	28.6
Iles	K–6	59.4	K, 1–6	20.4
Laketown	K–6	5.2	K–5	14.8
Lincoln	K–5	90.5	K–1	28.5
Lindsay	K–6	7.7	K–4	29.0
Marsh	K–6	5.9	K–4	22.9
Matheny	K–6	55.9	K–2	27.7
McClernand	K–6	7.0	K–6	28.5
Pleasant Hill	K–6	4.1	K–3	17.8
Ridgely	K–6	3.5	K–6	27.5
Sandburg	K–6	4.3	K–4	16.2
Sand Hill	K–6	1.3	Closed	
Southern View	K–6	17.8	K–5	21.9
Staley	K–6	.6	K–5	17.3
Wanless	K–6	3.4	K–5	28.9
Webster	K–5	52.8	K, 6	23.0
West Grand	K–5	7.1	K–4	15.9
Wilcox	K–5	3.0	K, 3–6	26.3
Withrow	K–5	67.3	K, 4–6	25.5
MIDDLE SCHOOLS				
Feitshans			7	19.5
Washington	7–9	56.2	7	18.8
Edison	7–9	7.5	See Lanphier HS	
Franklin	7–9	3.4	8–9	21.6
Grant	7–9	7.5	8–9	19.7
Jefferson	7–9	19.1	8–9	21.8
HIGH SCHOOLS				
Lanphier	10–12	8.4	LHS/Ed. 8–12	11.6
Springfield	10–12	8.9	10–12	11.7
Springfield Southeast	10–12	25.7	10–12	28.8
Douglas (special ed.)	K–12	21.8	K–12	23.3
Total district	K–12	17.2	K–12	19.8

Mrs. HOLT. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. MOTTL) for the purposes of debate only.

Mr. MOTTL. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I enthusiastically endorse the amendment in the nature of a substitute, and hopefully it will be adopted by the House and the constitutional amendment will be adopted.

There is an old adage of many lawyers that when you do not have the facts, you argue the law; and when you do not have the law, you argue the facts.

I think the opposition to the amendment has nitpicked the language long enough. Hopefully, they will start addressing themselves in this hour of debate to the merits of court-ordered busing versus the neighborhood school.

I think if they addressed themselves to that issue in this hour of debate, there would be no pluses and all minuses. After extensive new studies, Dr. James Coleman, the noted sociology professor at the University of Chicago, who was commissioned after the 1964 Civil Rights Act to examine school desegregation alternatives, has reversed himself and now opposes court-ordered busing. Let us put an end to white flight, put an end to the unreasonable expense involved and also put an end to the waste of gasoline, by adopting the amendment.

Thank you.

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Mr. EDWARDS of California. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I wonder if election is so sweet or our job so dear as to be purchased at the price of basic human rights. I do not happen to believe that Members of Congress will act that way.

There are times, Mr. Speaker, when Members of the House are called upon to act as patriots. I mean patriots in the sense that their actions may cost them their career in the Congress. I think this is one of the times when we need to preserve unity in our country, where this kind of risk must be taken.

Mr. Speaker, I cannot imagine anything more divisive in this country today than to see this debate launched throughout the country at the price of forgetting the problems that we are facing today. We are facing problems that are critical to our future in energy; we are facing problems of inflation and jobs. For the Congress of the United States to throw this issue on the country and to say forget those other things,

instead we are going to take up the issue of busing, I can tell my colleagues, Mr. Speaker, our enemies around the world would love to see this. The OPEC countries, whose bonds we are trying to break that are around us today, would think this was a wonderful move to have the United States focus on busing instead of energy.

Let us get rid of this issue today, Mr. Speaker, let us defeat both of these amendments and let us get back on the track of what we have to do to put this country ahead, in its position that it rightfully should have in the world. Let us get to work on what the people want us to do.

Mrs. HOLT. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, we have before us today an issue of great emotional and social importance. Court-ordered busing has frustrated both parents and educators for over a decade and even now threatens to deal a final death blow to public education in urban areas.

In the past, our local schools have been the major stabilizing factor in our communities. Generations of Americans grew up in communities where the local public school was the center of neighborhood activity. The local school educated our children, nurtured them in traditional values, and developed their sense of belonging and security.

Busing has become a destructive, divisive issue among Americans of all races who are working for and desire quality education. While busing is destroying our local schools, its effects are clearly destroying our communities and neighborhoods as well. It has destroyed the incentive to maintain communities and has hastened their decline. Affluence and jobs have fled to the suburbs. Rather than improve the lot of the poor and underprivileged, busing has served to isolate them further.

Rooted in the civil rights movement of the 1960's, busing was originally proposed as but one possible means of advancing integration. Busing was never intended to bear the full burden of responsibility in this area. Through the dictates of the Federal courts and a massive Federal bureaucracy, busing—not quality public education—has become the focal point of Federal educational policy.

This has been an unfair and intolerable burden on our Nation's public school system. Our public school system is but one opportunity for society to correct discrimination and injustice. The courts, however, have seemingly made this the sole objective of our public schools. Our schools can no longer bear this responsibility alone.

It should be noted in this debate that busing was not the result of a mandate from the people, but rather the response to one Government sponsored sociological study. As the experience with busing illustrates, social science has yet to achieve a sufficient level of sophistication to enable it to be a sound basis for constitutionally-mandated equitable relief.

Dr. James S. Coleman, a Chicago sociologist, whose works provided much of the theoretical justification for forced busing, shocked the world in 1975 by admitting he might have been wrong. In doing so, he has provided yet another example of the fragility of the basic principles of social science. Dr. Coleman now admits, that in such areas of school desegregation "* * * the courts are probably the worst instrument of social policy."

Dr. Coleman's new thesis rests on the historical experience that forced busing will simply not eliminate racial segregation. Noting that the courts have failed to recognize the harmful, broader impact of their rulings on our schools and the communities that support them, he observed that "in the long run, the policies that have been pursued will defeat the purpose of increasing overall contact among races in schools."

This then is the reason we are here today. We must admit, as the originator of this idea has, that busing has been a terrible and costly failure. Other mechanisms for fostering racial equality are already in existence, ones which have the support of both blacks and whites. But busing is not only overwhelmingly rejected by whites, but also by a majority of blacks. Certainly this fact alone should cause thoughtful individuals to reconsider the merit of this practice.

Our purpose then is to remedy this problem, to acknowledge its failure, and then to move onward. This amendment by no means represents an abandonment of equality in education, it merely signifies what is today common knowledge—that busing to achieve this objective is a failure.

Why is a constitutional amendment necessary to remedy this problem? If the vast majority of Americans are opposed to busing, as every opinion poll reveals, its elimination should be simple. Unfortunately, this is the very core of our present problem. The will of the American people is clearly manifest, yet it is being ignored.

It is difficult to overestimate the sense of frustration and outrage created by the continual interference of the Federal Government in our local schools. Parents have the right to feel that they have some control over where their children will go to school. They are alienated by a Federal Government that is increasingly taking that right from them. Busing has lengthened tremendously the arm of the Federal Government as it interferes in traditionally local and family matters. Busing has not increased the freedom of some; it has diminished it for all.

It is my privilege to represent part of Kansas City, Mo., which, for years, had a public school system noted for its innovation and excellence. But in recent years, the Kansas City school district has been in turmoil because of court rulings and Federal Government dictates. At this very moment, parents in the Kansas City area are awaiting the beginning of the new school year not knowing what the latest Supreme Court ruling will mean to their children's education. Each ruling seems to require one more: Must children be bussed from one school district to another? Must children be bussed across county lines? Must children be bussed across State lines? These questions are not hypothetical but are contained in litigation now pending in the federal courts in Missouri. Indeed, judicial decision building on past precedent may soon require taxpayers of one State to support school systems of another—or to pay for schools in their own States which they will be prohibited to use. If nothing else this should illustrate what court ordered busing is doing—that is taking away from parents and local taxpayers the decisions of public education.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, for the past week or so many of my constituents have called me and asked: "How will you vote on the busing amendment?" This past weekend I received numerous phone calls from the media asking "How will you vote on the busing amendment?"

I have listened to the arguments on the floor today and I have heard so many individuals say we must take a stand against court-ordered busing to achieve racial balance.

However, Mr. Speaker, today we will not be voting on court-ordered busing to achieve racial balance, we will not be voting on an antibusing amendment. Read the words of the proposed amendment. The words "court ordered" are not in the proposed amendment. The word "busing" is not in the proposed amendment.

We are not voting on some abstract concept, we are not voting on liberal ideology or conservative ideology. We are voting on specific words—words which will become part of our Constitution. We are, to paraphrase Chief Justice John Marshall, expounding a Constitution. We are rewriting a Constitution, and we are not doing this with abstract concepts. We are doing it with specific words.

These words are an embarrassment. These words would create a monster. These words would betray us.

Mr. Speaker, every now and then we perform an act of moral courage. Edmund Burke in 1773 spoke of the duty a Representative owes his constituents. He said, and I hope we heed his lesson, a Representative betrays the confidence that his people have placed in him when he sacrifices his judgment of their best interests to their opinions.

I ask my colleagues not to betray the confidence that our people have placed in us. I ask my colleagues to act with moral courage today. I ask my colleagues to reject House Joint Resolution 74.

I oppose House Joint Resolution 74 for many reasons.

I think that the legislative process should be used to foster and enhance the spirit of unity within this country. We all pay lipservice to this goal; however, I feel that a majority of my colleagues

shrank from this purpose by signing the discharge petition on this resolution.

Unfortunately, time constrictions normally reduce a legislator's ability to study bills in depth. Often, representatives lend their support to a bill without giving it the full and undivided attention which they would like to give it. In fact, that must have happened with many with respect to House Joint Resolution 74, for I am confident that had they read it, most would not have signed it.

The amendment does not even mention busing. Instead, it says, in relevant part:

> No student shall be compelled to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student.

Regardless of whether you are in favor of or opposed to the concept of busing to achieve school desegregation, you must recognize that we are dealing with a constitutional amendment here—not merely a piece of legislation which is subject to amendment from time to time; a constitutional amendment whose ramifications will literally send shock waves from this legislative body, and allow the Constitution to be subject to equally emotionally charged amendments, and will effectively tie the hands of school administrators in administering their districts regardless of whether they are affected by desegregation programs.

DISCHARGE PROCEDURE

Probably the most important phase of the constitutional process is the action given proposed measures by committees. It is here that the most intensive consideration is given to proposals, and it is here that the opportunity to be heard is had. A discharge petition is a three-step process which circumvents this time-honored procedure, preventing the committee from giving the measure the fullest possible inquiry and analysis, and depriving Congress from the benefit of the committee's efforts. We would be trading the diligent efforts of a committee, which go into its decision on whether to favorably report a bill, for a scant 20 minutes of debate on whether to bring it to the House floor immediately. If immediate consideration of the resolution is agreed to, the resolution—which is not subject to amendment unless the floor manager yields for that purpose or unless the previous question on the resolution is voted down—comes up for a vote after a mere 1 hour of debate.

A discharge petition is a fairly recent procedure which was established in 1910. Since that time, it has been used to bring 25 measures to the House floor. Only two of these ever become law: the Fair Labor Standards Act of 1938, and the Federal pay raise bill in 1960. The discharge petition has never been used to amend the U.S. Constitution. We should not use it now.

IMMEDIATE PUBLIC INTEREST

One of the primary objections I have to the proposed amendment is the danger inherent in adopting a constitutional amendment directed to a specific question of immediate public and political interest. One of the essential values of our Constitution is that it speaks in terms of fundamental principles which have an enduring quality. This characteristic, coupled with Supreme Court's power to protect these principles, gives our political system and our political ideals a permanence which avoids alteration by temporary surges of public feeling or the desire of office holders to gain political advantage. House Joint Resolution 74 is anomolous to this tradition. It deals with an immediate problem upon which public opinion is given to differing opinions from day-to-day. To establish this precedent is to invite similar attempts concerning issues which have no place among such concepts as freedom, due process and equal protection of the law.

The amending process is one which should only be invoked to remedy basic defects in our constitutional structure or doctrine. Almost all the amendments since the Civil War have been directed to structural or procedural defects in our governmental system. Only one—prohibition—implemented a specific policy by means of a constitutional amendment. That amendment was soon repealed.

DIVERSE JUDICIAL INTERPRETATION

In 1972, hearings were held in the Judiciary Committee on House Joint Resolution 620 which proposed a constitutional amendment providing that no public school student could be assigned to or required to attend a particular school because of his race. Comments from a number of nationally recognized constitutional scholars uniformly expressed grave reservations about the proposed amendment. They stressed that the simple language of the amendment was, in fact, susceptible to at least four distinct and contradictory interpretations. They urged that while the proposed amendment could be interpreted as going beyond the present state of Supreme Court decisional law to outlaw de facto school segregation, it could also be interpreted as a partial repeal of the equal protection clause of the 14th amendment insofar as racial discrimination in public education was concerned.

Under the latter view, the apparent attempt was to constitutionalize the so-called neighborhood school. But, they countered, the assignment of students on the basis of geographic convenience might constitute assignments on the basis of race in many communities, and the amendment would then be self-defeating. As some commentators suggested, the formulation of the proposed amendment would be the least likely technique for insulating the neighborhood school assignment from judicial revision or review.

House Joint Resolution 74 does not speak directly to race, but the correlation between House Joint Resolution 620 is readily apparent, and the diverse interpretations of it are no less contradictory.

Furthermore, the similarity in language between House Joint Resolution 74 and the Byrd amendment to the fiscal 1977 Labor-HEW appropriations bill—directing that HEW could not require the transportation of students beyond the school nearest the home which offered the courses of study pursued by the student—suggests that the proposed amendment could be interpreted in a manner completely contrary to the apparent intent of the gentleman from Ohio.

Relying in part on the "courses of study" qualification in the Byrd amendment, the Department of Justice issued an analysis that the prohibitory language did not prohibit HEW from requiring busing associated with school "pairing" and "clustering"; that is, student attendance based upon grade level reorganization rather than geographical proximity. In short, a student could be required to attend a school beyond the prescribed limits if, as a consequence of pairing and clustering, the school nearest the home did not provide "the course of study pursued by the student."

Hence, the proposed amendment is the victim of its own disingenuousness. The innocence and simplicity of its language attempts to so thoroughly disguise its ulterior objective, that the purpose is fatally compromised. The capacity for radically different and contrary kinds of judicial interpretation is so great, as to leave the practical consequences entirely uncertain.

LIMITING AMENDMENT

Representative MOTTL, responding to concerns that the original wording of the proposed amendment did not clearly spell out what it sought to do, has agreed to accept an amendment from Representative HOLT during the floor consideration of House Joint Resolution 74. The amendment would add "on account of race, color, or national origin" to the original prohibition against compelling students to attend a public school other than the one nearest to the student's home. The amendment would also delete the phrase "and to insure equal educational opportunities for all students" from section 2 of the original amendment, conferring on Congress the power to enforce the proposed amendment by appropriate legislation. No matter how many times the original resolution is amended, it still remains fundamentally unworkable. Again, the simple language of the amendment, even though more direct, could be subject to various interpretations, some of which are even contrary to the amendment's purpose.

While the racial intent of the proposed amendment to House Joint Resolution 74 is quite apparent, there is a substantial question as to whether the language would be adequate to achieve the amendment's purpose. If a court were remedying a system of deliberately imposed segregation by considering a student assignment program, it would be accomplishing desegregation in accordance with the dictates of the 14th amendment and the Supreme Court's decision in *Swan* v. *Board of Education*, 402 U.S. 1 (1971), and its progeny. It would not be deeming the assignment of students to schools other than those nearest their homes to be action taken "on account of race, color or national origin."

Mr. Justice Powell, in *Drummond* v. *Acree*, 409 U.S. 1229 (1972), enunciated this interpretative application to section

803 of the education amendments of 1972 which provided for stays pending exhaustion of all appeals of any court order requiring transportation of students "for the purpose of achieving a racial balance among students with respect to race." Justice Powell, in denying the stay, determined that the order he had been asked to stay was entered "to accomplish desegregation of a school district in accordance with Swann and not for the purpose of a racial balance." While the proposed amendment to House Joint Resolution 74 is not identical to section 803, its thrust is similar, and the Supreme Court would be apt to follow Justice Powell's reasoning in reconciling the 29th amendment with the 14th.

STATE AND LOCAL AUTONOMY

A school board's attendance plan reflects the board's best determination of cost, convenience, efficiency, and safety in assigning students to various schools. Rather than letting school boards take these and many other factors into consideration, only one factor—geographic proximity of a school to a student's residence—could be taken into account. Do we want chaos in the Nation's nearly 16,000 school districts? I do not think so.

A constitutional scholar, and Harvard law professor, Laurence H. Tribe, emphasized that the amendment would undermine the "norms of State and local autonomy fundamental to our governmental structure." It would prevent a school district from using busing only as a temporary remedy to overcrowding or for dealing with other problems such as teacher strikes.

Mr. Tribe also emphasized that the result of the amendment would be a dramatic increase in the Federal Government's role in public education. Section 2 of the amendment—giving Congress the power to insure equal educational opportunities under the amendment by appropriate legislation—would restructure the ways in which cities and towns raise and expend revenues for public education.

SUMMARY

At a time when the public's confidence in the Government to provide the solutions to the problems we face today is running at an all-time low, the effect of such an amendment would exacerbate the public's cynicism about governmental prerogatives.

During the last two decades, we have witnessed the most dramatic upheavals this country has ever experienced. Civil strife over the Vietnam war shook our foundations; the near impeachment of a President made us question the very validity and integrity of our Government; inflationary pressures and energy shortages have given us serious doubt as to whether this country is the land of promise and power with which we have traditionally viewed it. In short, this country has been rocked by conflict and torn apart by divisiveness. We must turn away from confrontation and repledge our commitment to the basic values and fundamental tenets which underscore our Nation. An amendment to the Constitution of this sort is antithetical to this purpose.

Now is the time to lead and not to follow. In our haste to respond to our constitutents' fears about busing, we are not providing the leadership which we were elected to provide and which is our duty to provide. We are not acting, we are reacting. If this amendment, in any form, passes, we shall make a mockery of this legislative body, and we shall demolish a document which the free world views as the hallmark for human rights and governmental limitation.

As John Marshall once said, it is a constitution we are expounding, and whenever it considers proposing amendments, Congress should never forget that it is a constitution it is rewriting, not a code of common law subject to change from time to time.

I trust that my colleagues who have studied the amendment will agree with me that this is a misguided approach to how the Nation's social goals should be pursued, and how the Nation's fundamental law should be amended.

Again, I urge you to oppose this amendment.

Mr. Speaker, at this time I would also like to include in the RECORD a statement made by a most distinguished constitutional law scholar, Prof. William Van Alstyne of Duke University.

Additionally, I would like to insert a letter from Professor Van Alstyne to me, dated July 20, 1979, explaining in further detail the reasons one should oppose House Joint Resolution 74, even as amended.

STATEMENT OF PROF. WILLIAM VAN ALSTYNE

The proposed amendment ought not be approved for three reasons:

1. It is trivial;
2. It encourages unconstitutional racial segregation in public education; and
3. It is futile.

1. It is trivial. Constitutions are charters of the most fundamental law. This proposition, far from being a proposition of "fundamental" law, is approximately of the level one ordinarily finds in a mere administrative regulation or, at best, a state statute. In nearly two centuries of the Constitution, it has had but 26 amendments and 10 of these were virtually part of the original document. This amendment states no "self-evident truth." it has all the feel of mere special legislation, and its chances of being a significant part of a Constitution worth expounding, intended to endure "for ages to come" (as Chief Justice Marshall spoke of our Constitution) are absurdly poor. It is as embarrassing in its way as was the 18th amendment (the liquor prohibition amendment)—which the 21st amendment repealed.

2. It encourages unconstitutional racial segregation in public education. The proposed amendment does not purport to repeal the fourteenth amendment. That amendment has been understood for twenty-five years flatly to forbid the deliberate racial segregation of school-age children. While not purporting to repeal that amendment or to override every Supreme Court decision affecting this subject (although it clearly is intended to override some decisions), it is nearly bound to encourage such attempts—and may succeed at least to the extent of generating needless and heavy litigation.

The amendment, once adopted, implies that school boards and communities of an inclination to do so may racially segregate children among schools. The invitation is explicit by guaranteeing that insofar as segregated patterns of school attendance can be achieved by placing each school in a manner maximizing one-race attendance based on geographic proximity to the residences of children of one race, the resulting and willful racial segregation cannot be overturned—because the amendment itself provides that no student shall be compelled (presumably by a court, as well as by any other authority) to attend any other school than the one closest to his home. The devices for maximizing race segregation consistent with this standard are many. Site selection for a "new" school may deliberately be made to place the school most nearly in the middle of a one-race neighborhood, rather than near the edge of that neighborhood (where it would be the "closest" school also for children of different races in the adjoining neighborhood). Schools currently serving mixed neighborhoods may be closed, to force reassignment to other schools, each known to be "closest" to the residences of students more predominantly of one race.

Public Housing authorities inclined to do so may cement racial segregation by willfully locating the proposed housing near an already predominantly black school, to insure that that school becomes the one "nearest" the additional residence (i.e., the public housing) of anticipated, predominantly black families. Incentives to redraw, and to leave as-is, school district lines are supplied by this amendment for racist reasons as well.

In brief, insofar as the amendment implies that where a state or school district is able to match-up race with (a) residence, (b) school district line, and (c) school site, the amendment itself will provide a constitutional "safe harbor" for the racial segregation thus achieved. I do not suppose this is the ambition of the amendment. I do suggest that the amendment will encourage such attempts, wherever the dominant political impulse is the one of racial apartheid.

3. It is futile. The proposed amendment is, unquestionably, an attempt to respond to what its sponsors believe to be excessive and unwarranted busing decrees in the dismantling of racially dual school systems. The amendment does not, however, purport to repeal any portion of the fourteenth amendment nor overrule any of the basic desegregation cases such as *Brown* v. *Board of Education*. It does not purport to withdraw from a federal court, having found that a school district or some part thereof has willfully operated racially segregated schools, from providing any kind of remedy including busing. In respect to busing, such busing is not forbidden as a means of facilitating attendance of students at distant schools. All that is forbidden is that students may not be compelled to attend more distant schools if two conditions are met:

(a) a closer school "provides the course of study pursued by such student," and

(b) that school is "located within the school district" in which the student's residence is also located.

Both of these conditions are reasonable for the amendment to take into account, especially (as I understand) the sponsors do not mean, by this amendment, to oust each local community and each school board and each state from their own prerogatives of educational planning. For instance, the amendment plainly does not forbid a school board from shutting down a school which it considers too old, to expensive, or otherwise undesirable to continue operating, even supposing that residents nearby that school may thereafter be obliged (i.e., compelled by law) to attend what becomes the nearest school, though it is in fact some distance away. I understand as well that a school board is not precluded from providing for only some grades in one school and other grades in more distant schools, though, again,

quite plainly more transportation may be involved under this arrangement than if all grades were offered in every "neighborhood" school. Nor, of course, does the amendment preclude the state from alterating school district lines, whenever it deems that change appropriate.

These things being true, then it is also clear to me that a federal district judge, once finding that there is a continuing fourteenth amendment, racial-segregation violation in the current operation of a given school system, may proceed to grant effective relief inclusive of busing and such other incidences of relief as are currently provided. The judge may (and, presumably, must) do so with no genuine embarrassment or prohibition framed by this proposed amendment, assuming only that his orders will also take care to make certain that each school attended by students is closest to their residence insofar as the assigned school "provides the course of study pursued by such student" and is also in the same school district as their residence.

What, then, does this mean? A judge may readily satisfy these standards while yet obeying Brown et al. (as he is obliged to do by the fourteenth amendment) by:

(a) ordering the predominantly-one-race school currently closest to the residences of some student closed, and directing their assignment to "next-closest" schools (with busing) to provide desegregation:

(b) direct the "pairing" of schools, i.e., that no school be closed, but that attendance at school X be restricted to grades one through four, attendance at school Y to grades five through nine, attendance at school Z to grades 10 through 12; schools now "closest" to particular residences which schools provide a course of study to be pursued by those students have been identified, attendance may accordingly be compelled, and an order directing the school board to furnish appropriate transportation (in both directions) supplied.

In brief, insofar as local communities are at liberty to provide schools quite far distant from a given resident, yet closest to that resident as the "nearest" school offering a course of student to be pursued by that resident (and to so provide for local reasons of policy), quite clearly a federal court may do the same thing insofar as it is both appropriate and necessary as a means of remedying de jure racial discrimination under Brown et al. Indeed, I should think that the federal judge might well be able to modify school district lines in addition, so to rearrange attendance patterns for more complete integration, by moving the school district line in such fashion that the school now "nearest" certain residences, yet within the same school district, assure greater racial desegregation.

It is quite plain to me that the amendment is an exercise in futility. Members of Congress voting for it will but embarrass themselves while raising wholly false expectations in a good number of their constituents, and bitterness in others.

DUKE UNIVERSITY,
Durham, N.C., July 20, 1979.

Congressman JOHN J. LAFALCE,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN LAFALCE: At the conclusion of yesterday's session in the Speaker's Dining Room, you asked more concretely for examples of difficulty were H.J. Res. 74 to be adopted. Aside from enclosing a copy of my brief statement on H.J. Res. 74 in its original form, I am happy to try to be of further help.

As tentatively revised, the proposed constitutional amendment would provide:

"Section 1. No student shall be compelled, on account of race, color or national origin, to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student.

"Section 2. The Congress shall have the power to enforce this article by appropriate legislation."

There are essentially two difficulties with the proposed amendment even in this revised form (aside from the criticisms I have offered to the original version). The first is, that by inadvertence, this amendment would create a constitutional authorization for certain pupil assignments strictly according to race, a consequence I am confident is not intended but nonetheless is there. Section one uses a "negative pregnant." That is, it provides that a school board, state legislature, or even Congress (under section two of the proposed amendment) could require one particular kind of student attendance plan solely on account of race, color or national origin, namely, one compelling attendance at such school as is closest to each student's residence and which provides a course of study pursued by such student. The language is quite clear about the matter. It provides that no student shall be compelled on grounds of race alone to attend any school other than the nearest school; plainly, then, it does authorize compelling a student on grounds of race to attend the nearest school. So long as compulsion on account of one's race to attend a school does not involve a school other than the nearest school, such compulsion is said, by this amendment, to be constitutional.

The potential consequences are quite devastating. States and communities with the disposition to do so are hereby to be encouraged to reinstitute racial apartheid deliberately and systematically. They may do so by the simple expedient of arranging school sites in such a fashion that, by then assigning all students to the "nearest" school, they can secure racially segregated schools. Examples are obvious and easy. First, secure a racial census map of a given community. Second, locate the geographic center of each neighborhood already predominantly of one race. Third, place a school at that center. Fourth, compel each student to attend that school. Q.E.D.! As we are mutually aware, currently when it can be shown that a school was built and maintained in a particular location precisely because, when combined with a neighborhood attendance plan, it would produce a one-race student body, it is uniformly regarded as a violation of the equal protection clause—deliberate governmental action on account of race. This amendment, if adopted, would undo that settled constitutional law and precipitate renewed efforts (of the kind I have illustrated) to return to the "Old South."

The amendment is also mistaken, and will have little or no effect were it adopted, with regard to its actual objective. That objective, as we both recall, is principally to forbid federal courts (or any other authority) from ordering pupil assignments, with busing, to distant schools. It is thought that this amendment will enact that prohibition and put an end to such orders. The sponsors are quite mistaken.

They are mistaken because they are proceeding on an assumption which, in respect to nearly all such orders, does not in fact apply. The assumption is that the federal courts are assigning students to schools other than "the public school nearest" their residence on account of each student's race. As a strictly legal and factual matter, however, that is not typically true at all, despite appearances to the contrary and despite very widespread misunderstanding.

The typical "school desegregation" case is not a case in which the constitutional violation by a school district is one in which the school district has been busing black children from various locations to compel their attendance at an all-black school. This was, indeed, one kind of "arrangement" used in the South (before Brown), but it no longer is the typical case in the South or anywhere else. Rather, the typical case is one in which the fourteenth amendment violation occurs (i.e., the purposive use of race by state or local government to produce predominantly black or predominantly white schools) involve one or more of the following kinds of deliberate uses of race to achieve segregated schools:

1. school construction, e.g., placing a school in such a fashion that, by assigning all children to attend the "nearest" school, racial apartheid can be assured;

2. school closings, e.g., eliminating a school which has gradually become the "nearest" school for more blacks integrated with more whites because of changing residential patterns, with the result that the "nearest" school after a particular school is closed is, again, certain to be predominantly black or predominantly white;

3. school renovation, expansion, etc., which are variations on the schemes noted above. For example, adding onto a school if, by doing so, it will be able to absorb additional students and maintain its predominantly white or predominating black student body, even under circumstances where, were it not important to the school board to maintain this segregation, the addition would not have been made but instead a new school would have been constructed elsewhere;

4. racial manipulations of school district lines, e.g., originally drawing "racially gerrymandered" lines so that the "nearest" school within the district will produce a predominantly black or predominantly white student body. There are multiple variations of this racist strategy, including merely leaving a district line unchanged when, though changing patterns of living, industrialization, commuting, etc. would clearly dictate a change on fiscal and education grounds, but where any change would tend to integrate the schools more than under the preexisting situation;

5. racial manipulations of housing, zoning, and other government powers, e.g., the deliberate location of a "public," "low income," or other form of assisted housing development in such a place where the local authority can be confident that (a) those who apply for housing will be predominantly of one race, and therefore (b) will find their children assigned to a "one race" school, namely, the one "nearest" that housing.

I could add to these examples, but they should be sufficient. They are examples drawn from actual federal cases, not from my imagination. In each instance, whenever it has been shown that one or more of these deliberate manipulations by government itself was the cause for the "nearest" school being essentially a one-race school, every court has held that the fourteenth amendment has been violated by that government. The courts could reach no other possible decision. The fourteenth amendment, the Supreme Court has rightly observed, nullifies sophisticated, as well as simple-minded, attempts to deny equal protection. If it does deny equal protection for government deliberately to create and perpetuate racially segregated schools (and unless Congress wishes to propose an amendment saying otherwise, overruling *Brown* v. *Board of Education* itself), then in each of the above situations that violation of a constitutional right has been shown.

The plaintiffs in such a case, having proved that in fact they are currently compelled to attend a particular school solely because of their race (i.e., that the local government arranged things to make sure that, solely because of the plaintiff's race, assignment to a neighborhood school would guarantee racially segregated schools), what is the federal court supposed to do? One answer, which no

court has accepted, is "nothing," i.e., that plaintiffs have a "right" which has been violated, but they are to have no remedy. If H.J. Res. 74 were adopted, under one interpretation that is precisely what would become the "law" of this country. For under one eminently reasonable interpretation of H.J. Res. 74, local government may assign students to the closest school, i.e., it may compel them to attend that "closest" school, and a federal court would not be at liberty to do anything about it. If this is the interpretation intended by the sponsors, and "accepted" by the Supreme Court, then the result is, effectively, the constitutionalization of nearly all racially segregated schools established and maintained as such by deliberate action of state and local government. But I do not think this is what the federal courts will do.

Rather, in the several cases I have provided as examples, what the federal court now do is simply the following:

(a) Hold first that the plaintiffs have proved their claim, i.e., that they have succeeded in proving that the schools are racially segregated not by chance, but as a consequence of deliberate racial decisions by the school board and/or other agencies of state and local government;

(b) Hold, second, that is light of that proven violation, the state and local government must come up with a plan which will undo or overcome the consequence of its own wrongdoing;

(c) review such plans as the local government submits for approval and approve that plan which will overcome the violation already established; if the school board is utterly recalcitrant, i.e., submits no plan or submits only bogus ones, then the court must retain a special master to prepare some plan of its own.

The kind of "plan" appropriate to the particular case typically does not, however, involve the court in assigning school attendance of particular students by race. Rather, if we have understood the various kinds of violations involved in many of these cases, we can also understand the basis of particular remedies such as these:

1. Order that a school (or all such schools, assuming there may be several of them) that are currently old, in poor repair, located in a predominately black neighborhood, and which was originally put there (or has been maintained there) in order to produce an all black student body, to be shut down. The school being shut down, the school board will make arrangements, under court order, to assign students formerly attending that school to others; insofar as these may be some greater distance away, the school board must also furnish transportation;

2. Assuming that every school is currently in good repair and that it makes no sense either educationally, integratively, or fiscally to force its abandonment, retain that school and every other school but overcome the constitutional violation already committed by the school board by directing that schools be "paired." What does this mean? It means, most simply, that the school in neighborhood "B" (for black) which formerly operated grades one through twelve shall now be operated only in grades one through six. The school in neighborhood "W" (for white) which formerly also operated grades one through twelve shall now be operated only in grades seven through twelve. Under this plan, the sole school providing grades one through six "nearest" all of the residences is school B. Accordingly all students will be assigned to that school and, as many as live inconveniently far from it, shall be provided transportation, i.e., buses. Likewise with school W.

Virtually all court orders are variations on these simple models. And note this: in neither case I have provided you did the court direct the assignment of any student to any school by race. Rather, the court modified the school situation (e.g., closing a school in one case, "pairing" it in the other) such that the resulting pupil assignments, including busing, are not made on a racial basis at all. The consequence, to be sure, is greater racial integration (or, rather, elimination of racial, government created, segregation). But no student is assigned on account of race.

I have been at pains to work this through step by step, to make quite clear why H.J. Res. 75, even as now further modified, is merely confusing and useless. It will not affect what the courts are currently doing in anything like the fashion its sponsors suppose, i.e., to foreclose busing and to entrench "neighborhood" schools predominantly of one race. It will simply be a useless artifact on the face of the Constitution, an embarrassing and permanent reminder of political impetuosity and insensitivity.

Sincerely,

WILLIAM VAN ALSTYNE,
Perkins Professor of Law.

Mrs. HOLT. Mr. Speaker, as I yield today I will be yielding for purposes of debate only in each instance.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I rise in favor of the Holt amendment to the Mottl discharge petition, the constitutional amendment. I am opposed to forced busing. I favor the neighborhood school concept.

I am struck by the inconsistencies that have appeared in the debate here today. Just a few minutes ago those very persons that were deploring the fact that we only had a short length of time to debate this matter, voted for the previous question to cut off debate. Now, is that a consistent position?

Another thing that strikes me, those very persons that beat on their chests and trumpet the sanctity of the Constitution of the United States are the same people that have deprived this House of the right to follow the normal legislative processes to bring forced busing legislation for a vote. Those same doctrinaire liberals that insist on the right of the House to express its will, the people's will, they deprived us of the right to debate this issue in 1970, 1972, 1974, 1976; and now today, we are forced with our only alternative to bring this matter up by a discharge petition.

The issue today is quality education—quality education. We should provide quality education where the kids are rather than hauling them all over creation seeking quality education. That is why we are here today.

The American people have expressed themselves time and time again. What they want is to have their Representative either vote up or down on this issue so they know how he stands, and that is why we are here today. I urge my colleagues to vote in favor of the amendment of the gentlewoman from Maryland, and for the constitutional amendment.

Finally, what is going to happen to the athletic programs and the cheerleaders? These kids that must be bused to school and have to catch a bus to go home cannot practice or play football, or basketball, they cannot participate in the school orchestra or other extra curricular activities because the bus is gone before they finish.

On top of this, with the Presidential concern about the energy crisis, how can we compound the problem by ordering millions of gallons of gasoline for forced busing? Should we use badly needed school money for transportation rather than education? Just watch the school levies fail.

This is your only chance to stand up and be counted.

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Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, as someone who has enforced the law as Director of the Office of Civil Rights, I rise in opposition to this amendment and to its proposed revision; not just because it is wrong constitutionally, morally, or educationally, but because these kinds of amendments try to fool the American people into believing that by adopting these kinds of amendments they will stop enforcement of the 14th amendment. That simply is not going to happen.

Since 1964, the year of the Civil Rights Act, there have consistently been similar amendments that have been passed by the House and by the Congress relating to racial balance and neighborhood schools and transfer of students; and time and time again, the courts have rejected these ambiguous amendments for 15 years as in no way limiting their right to deal with violations of the 14th amendment. The court would do the same with this amendment because it is equally ambiguous.

If the House is going to deal with this directly in terms of stopping court-ordered busing, then the way to do it is simply to say, "The Federal courts shall not be permitted to remedy violations under the 14th amendment," period.

But, that will never happen because Members of the House and Congress, and indeed the people of this country, are not about to tie the hands of the courts in dealing with enforcement of the 14th amendment. So, we play games with these code words such as, "racial balance," "neighborhood schools."

The fact is that there are legitimate concerns over busing with regard to distance, community preparation, the impact on the health and education of the child; legitimate problems that ought to be resolved by the Congress. Indeed, even the Supreme Court has recognized the limitations of busing. If we are to deal with these legitimate concerns, they cannot be dealt with in the context of a constitutional revision, but through legislation that seeks to help school districts truly solve these difficult problems and truly achieve equal education for all. I urge a "no" vote on the amendments.

Mr. RODINO. Mr. Speaker, I yield 2

minutes to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Speaker, I rise today in strong opposition to the amendment offered by the gentlewoman from Maryland, and to the original resolution before us today.

It is profoundly disturbing to me that many of my colleagues seem prepared to alter our Constitution, without the benefit of careful forethought and debate. The language of the amendment now before us, has been presented to Members only within the past few days.

Yet, in this contex, we are urged to amend a Constitution which has guided us through over 200 years.

In our own lifetimes, the Constitution has chartered our course through world wars, the Great Depression, and the internal crisis of Watergate. The Constitution has worked so well, and survived so long, because it is framed in general concepts, and cannot be changed quickly, or easily, at the whim of a majority on any volatile issue of the moment.

I deeply hope my colleagues will heed the lessons of the past, and respond to the dangers of the future. The prohibition experience has already demonstrated the folly of attempting to resolve social conflict through amendments to the Constitution. The amendment before us will set a dangerous precedent of social policy of the moment through constitutional change.

The issue before us today is not the pros or cons of court-ordered busing as social policy. The issue is whether or not we are going to subject our Constitution, with its basic principles of government, to each and every issue of the moment.

In his 1966 State of the Union message, Lyndon Johnson said:

> It is the genius of our Constitution that under its shelter of enduring institutions, and rooted principles, there is ample room for the rich fertility of American political invention.

Now, as then, we have the potential to solve the difficult social questions of our day, without constitutional change.

I deeply hope my colleagues will share my immense respect for the resilience and integrity of the Constitution, and will vote to reject this amendment.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, nobody likes court ordered busing—not even those who oppose school segregation, as I do. But just because you do not like this particular device does not mean that anything offered in the name of ending busing is necessarily good, any more than every remedy offered as a cure for some disease is necessarily either effective or safe.

Far from getting the Federal courts out of the business of running local schools, the Mottl amendment would open the door to a complete takeover of local schools by the Federal courts. It would also open the door to legislation by Congress authorizing Federal control of education.

The Mottl amendment would not only give the courts and the Congress a blank check to reorganize education, it would also cripple the ability of local school districts to manage their schools and to meet changing needs and conditions. For example, under this amendment, school districts could be prevented from assigning grade school pupils beyond the nearest school for any purpose—whether to relieve overcrowding, or to save expense, or for any other purpose. It would make impossible the present Akron Plan, under which the city of Akron, Ohio, is attempting voluntarily to lessen de facto segregation in the Akron Public Schools. Under the Mottl amendment, local school systems would be under increasing pressure to make radical changes in school courses, to build unnecessary schools, or to abolish neighborhood schools in favor of huge consolidated schools.

These are some of the more obvious dangers and defects of the amendment. Because there have been no hearings on it, and only a severely limited debate on the floor of the House, we can only speculate what other dangers and problems this ill-considered and poorly drafted amendment harbors. Truly the Mottl amendment would be a "loose cannon" that could do unpredictable damage and destruction to the education of the children of today and their descendants for generations to come.

One thing is certain. If this amendment is adopted, it will be taken by our own people, whatever their race, and by the rest of the world as marking a retreat from the commitment to make real the ideals of equality that our Nation has pursued since it first proclaimed its independence.

Busing and other problems associated with our efforts toward the goal of equal rights are temporary and passing ones. These problems do not and should not panic us into an ill-advised amendment of the Constitution of the United States. They can be met, indeed they are being met, by a variety of legislative means and voluntary programs. One example is the magnet school approach that Senator JOHN GLENN and I, with the able and indispensable help of the distinguished chairman of the Health, Education, and Labor Committee, the Honorable CARL PERKINS, have successfully promoted in Congress. Central-Hower High School in Akron, Ohio, is an excellent example of this kind of approach. This and other successful alternatives to court-ordered busing can be implemented on a wide scale if we will simply see that there is adequate funding.

The same is true of other remedies, such as smaller classes and better trained teachers. Such alternatives have, as their primary goal, top quality education in every school, wherever it may be located. Once this is achieved, problems like busing will cease to be of much concern. Until it is achieved, that is, until we can assure that no child is short-changed in educational opportunities, we will have failed the children of this Nation, regardless of the fate of busing.

Finally, Mr. Speaker, let me say that to amend the Constitution in this manner, with no hearings and only limited debate, would be playing "Russian roulette" with our Nation's charter and our cherished institutions. That being the case with the Mottl amendment, how much more it is the case with the amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

Most of us never saw the Holt amendment until today. We have had virtually no opportunity to study its implications, much less the benefit of hearings and the considered response of the public and of experts in constitutional law. We are allowed a total of 1 hour to examine its implications before we vote. That is why I voted against even taking it up. It makes a travesty of the serious process of amending the Constitution.

However, on its face, the Holt amendment makes some things abundantly clear: It would remove any pretext of commitment to the goal of equal educational opportunity, it would remove whatever pressure exists on school districts to avoid deliberate segregation and, indeed, it would give the cloak of constitutional protection to racially segregated schools even where the segregation has been by design and not by chance. In doing so, it would proclaim to all the world a clear and intentional retreat from two centuries of national effort to make the goal proclaimed, in the Declaration of Independence and in the Constitution, a reality.

Both the Holt amendment and the Mottl amendment should be defeated so that we can get on with the job of assuring quality education for every child in America.

Mrs. HOLT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Speaker, segregation, racial prejudice, unequal opportunity, are notions which I reject along, I think, with most Americans, but I would also suggest to my colleagues that the ends do not justify the means.

If I have been asked this question once, I have been asked it a thousand times and it always goes something like this: "I thought this was a free country. I thought this was a democracy. Nobody wants busing, and yet we have it. Why?"

I have tried to patiently explain the intricate legal points in the Swann, the Green, the Denver, Detroit, and Los Angeles decisions. I have tried to explain the philosophy behind busing, and invariably the response is, "But, Mr. Goldwater, that does not make sense."

Now, what do I tell my constituents, the ones who are suffering under the delusion that this is still a representative democracy; who simply do not understand why up to 80 percent of the American people are opposed to busing, but yet they still have it, and nothing they do or say and no matter who they elect, they cannot get rid of it?

They are understandably angry and

frustrated, and I would like to share with you the situation in my area to give you an idea why.

The Los Angeles Unified School District has 600,000 students. It covers 700 square miles and has a $1.5 billion budget. For 3 years, it has been launched on a grand experiment in integration, and during that time, we have lost some 87,000 students—6,000 of them minority—and they are expecting to lose another 12,000 next year; 87,000 students! That is about the same number of students in the Boston school district wiped away, scattered, dispersed, and where they went, no one really knows.

I would also suggest to my colleagues that busing is antipoor; it is antiminority. The middle and upper classes can afford to move away if they do not like it. They can afford to do those things, but the minorities and poor, the ones who are caught in this situation, have to live with it.

Again, in Los Angeles, out of 17,000 students who are forced to ride buses, only 3,000 are white.

What is that ride on the bus like? The average time—I repeat, the average time, not an extreme case—a mandatorily bused student spends commuting is 1 hour and 15 minutes each way. That is 2½ hours a day on a bus, and there are incidents where children sit on a bus for 5 hours a day.

Aside from the physical, geographical problems, there simply are not enough nonminority students in the L.A. Unified School District to accomplish the supposed goal of establishing nonracially identifiable schools. Even if there was some magical way to spread the white students out in perfect proportion to their numbers, there would not be more than 29 percent Anglo students in any school in the district. What that means in pragmatic application is that in Los Angeles, we are actually in some cases busing minority students to minority schools.

The Los Angeles Unified School District has a total budget of $1.5 billion. An unbelievable $130 million of that budget goes toward the mandatory busing program. There are more than 2,000 buses used by the school district—more than owned by the L.A. Rapid Transit District. And, while Californians stood in gas lines, 50 million gallons of gas are allocated and used for mandatory busing, which has not eliminaetd racially identifiable schools and for which there is no evidence that it ever will.

I received a call yesterday from a woman with four children. She pleaded that this amendment be passed, and not because she was in the least worried about her children attending an integrated school, because they already did. What is she concerned about? Her 12-year-old son is bused to a school 24 miles away. Her 10-year-old son is bused to a school 12 miles away in the other direction; and she had no idea where her two youngest might be when they reach the fourth grade. Her questions and concerns are legitimate. What happens in case of an emergency, such as an earthquake? How can either son continue with their after school activities? How can she continue to participate in the PTA for both children?

How can those concerns be interpreted as racially motivated? I do not believe they are. I have talked to people all over my district, and race is not the question or the concern; it is busing; it is transportation of children in the middle of rush hour to an unreasonable distance away from home.

I would like to emphasize this point because I am deeply concerned that there are those who for whatever reason want to interpret this vote as antiblack or anti-Mexican American or anti-anything else, but what it is. It is antibusing, and what is the record of busing in achieving an integrated society and improved educational opportunities and achievement for all citizens? The record is clear—busing does not work. Dr. Coleman of the famed "Coleman report," which is generally recognized as the thesis in support of busing, has done a 180-degree turnaround on the issue. Every followup study on busing confirms that busing has not worked and in fact, has aggravated the problem.

One study examined what happened in Pasadena. There has been busing in that city for 7 years, and not only did test scores not improve they became worse. Test scores are now finally starting to improve. Why? Not because of busing but because of a "back to basics" program. I would suggest that this is the answer to the educational dilemma in this country and that putting a kid on a bus has never taught him how to read or write. Education is the key to success in our society; education is the means of entering the mainstream and busing has proven itself anathema to scholastic achievement.

Finally, I would ask my colleagues to examine the recent report by the National Academy of Education. I do not think anyone would or could make a case that the panel of contributors are racist or bigoted, but that report seriously questions the efficacy of busing to attain the laudable goal of a color-blind society.

Integration through the improvement of the quality of education for every American is a goal that the vast majority of people in this country support. But by trying to achieve it through unreasonable and unworkable busing plans, we are tearing the fabric of the very goals we are trying to attain.

The frustration people feel over busing policies will not go away, and you, my colleagues, have an opportunity today to right this essential wrong. I urge support for the Holt amendment and the resolution.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KOSTMAYER).

Mr. KOSTMAYER. Mr. Speaker, I live in a small town in Bucks County, Pa., about 35 miles from Philadelphia. If busing comes to our area, children in my particular community will probably not be bused. The busing will take place much nearer Philadelphia. Too often it is low-income and poor people, many of them white, who are the victims of busing. I think we need to consider them today, for they are surely as much the victims of busing as are black children.

But, I would like to speak to the amendment of the gentlewoman from Maryland. The amendment would prohibit race from being a factor in pupil assignment. But, we all know that race has always been a factor in the assignment of pupils in this country. Black children have gone to black schools because of the color of their skins, and that has been the way with white children, too.

Now that that principle would provide some equity in American education, some among us are suddenly against it. I would like to know where the proponents of this amendment were when millions of black children were being bused away from their own neighborhood schools to segregated schools in a distant area? Why were they not opposed to busing then, Mr. Speaker? Last week HUD issued a study entitled, "Measuring Racial Discrimination in Housing." It concluded that when a black American seeks housing, there is an 85 percent, 85 percent, chance that he will encounter discrimination.

□ 1330

If black Americans are discriminated against in their effort to get housing at the rate of 85 percent they cannot then get out of segregated neighborhoods. Now, we are going to prohibit the possibility of taking them beyond their segregated neighborhoods to a school which will provide an equal chance to them. We are just compounding the problem of residential discrimination, which is still prevalent in my part of the country. This amendment will only make things much worse. This sends a message to the people of this country, as has been said so many times here today, that we are turning the clock back.

And how sad it is to see the party of Lincoln turning its back on people in this country. For that is what will happen here if we pass this constitutional amendment.

Mr. RODINO. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Speaker, I rise in opposition to both the Mottl amendment and the Holt amendment to the Mottl amendment. But I would hasten to add that it is terribly important oftentimes that we define the parameters of the discussion. I choose not to come here simply to oppose but to act to reaffirm on this, the 25th anniversary of the Brown against Board of Education decision, our commitment to freedom and justice and equality. So I am not here simply to oppose; I am here to reaffirm those lofty and high principles.

Many of my colleagues have argued eloquently and effectively with respect to the issue of tinkering with the delicate nature of the Constitution, and I shall not be redundant by in any way repeating those arguments. But I would simply like in the few moments I have to address a few arguments that have been raised. Some of my colleagues have said this is a vote for economy. We are saving the American taxpayers' dollars.

Mr. Speaker, I would simply ask my colleagues a rhetorical question: What

price freedom? What price dignity? What price equality? Do we place a dollar figure, a thousand dollar figure, a million dollar figure, or a billion dollar figure on freedom? Is it worth 1 gallon of gasoline? Is it worth 10 gallons of gasoline, or 1,000 gallons of gasoline? If you translate the issues of freedom and justice and principle and dignity into dollar signs, then I would simply suggest how callous, how crude, how cruel, and how insensitive.

Mr. Speaker, one of my colleagues has argued that the majority of the people oppose busing. I would suggest to my colleagues that a majority is not always equated with right. At one time in the world the majority of the people thought that the earth was the center of the universe. The majority of the people at one time thought the earth was flat. At one time the majority of the people in this country thought the illegal, immoral, insane venturism in Indochina was proper. I do not suggest that at any moment in time the majority is always right. It is in those controversial moments when we must be more than mirror images of ignorance, more than mirror images of unenlightened and uninformed parochial points of view, when we must rise to our lofty responsibility to assert leadership.

Some have suggested it is cumbersome. I have sat here on the floor of this Congress for 8½ years, and I can give you valid testimony that our form of government is cumbersome. It is fraught with encumbrances and hardships. But we continue to embrace those encumbrances, we continue to embrace those hardships because we believe that the principles that our Government responds to or embraces are more important than the hardships and the encumbrances. And I would suggest that busing falls into that category.

Finally, to the issue of race, the fact of the matter is that this is a nation of black, brown, red, yellow, and white human beings. At a time when it is desperately important that we unite and display the strength of our unity by uniting around the critical issues that confront us, we find ourselves confronted with this amendment which will create bitterness and divisiveness all over the country. This is not simply a vote we will dispose of in this moment. For the next several years this battle will rage in 50 States in the United States. It will create divisiveness and bitterness that is incalculable. You cannot comprehend the incredible problems that this will cause. I would suggest that my colleagues vote down all of these amendments and strike a blow for the reaffirmation of freedom and justice and dignity and high principles.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will again observe for the benefit of those who are the guests of the House in the gallery that the Rules of the House prohibit the expression of any approval or disapproval of anything that is said on the floor. The Chair is aware that the Members' invited guests and other guests are not aware of that rule.

Mrs. HOLT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DORNAN) for purposes of debate only.

Mr. DORNAN. Mr. Speaker, I rise in support of the amendment and the resolution. Earlier a colleague asked where some of us who are against forced busing were during the civil rights battles of the sixties. I want to state where I was 15 years ago. And so does the gentlewoman from Maryland (Mrs. HOLT).

In the 1960's I had five children all under 10 years of age. Obviously, I was spending a great deal of time raising them. Nevertheless, I left my home in Los Angeles many times to register black voters in places like Philadelphia, Mississippi, and Selma, Ala. One of the greatest days of my life was August 28, 1963, in front of the Lincoln Memorial when Dr. Martin Luther King moved 250,000 Americans to tears with his incomparable "I Have a Dream" speech.

This redhead is not a redneck. I do not have to defend myself or my record on civil or human rights. I am against busing because it is simply an abject failure, something that is terribly counterproductive.

I have not heard the word "parents" once in the last 2 hours of debate on this floor. What about the parents of this country, of all colors and backgrounds, who are tired of being pushed around. They are the people I am trying to listen to and so is the gentlelady from Maryland.

Mrs. HOLT. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding. I commend him for that statement. I, too, want to respond to the gentleman from Pennsylvania that I was fighting for civil rights in the sixties. I was serving on the Human Rights Commission of Anne Arundel County, Md., and I was fighting for individual liberty at that time in every way I could. And I continue that fight as vigorously as I can.

Mr. DORNAN. I think one of the mistakes maybe that we have made on our side of this debate is not to point out that this approach to education of quota "busing" was conceived by some of the best intentioned people in this country, men and women of good purpose trying to eradicate the curse of racism from this great country of ours. They not once in the beginning had any devious motives in the creation of these busing plans other than trying to bring us together in the name of brotherhood. Everyone in this Chamber espouses brotherhood, especially when we are on the stump campaigning. But busing has been an abysmal failure. Where the arrogance of the architects come in, is when they refuse to face the reality of the fruits of their efforts. The chief architect of busing, Dr. James Coleman, says clearly it is counterproductive to good education. It is using our young children as pawns, as bureaucratic and political prisoners of a bankrupt idea.

I concede that busing is a limited success in some less populated areas of the country, but not in major counties like Los Angeles.

I believe in one-way busing if schools are decaying and drug infested with no discipline, but how can you bus kids back into a mess you've just rescued other kids from. My brother is a high school teacher and has taught in Los Angeles County for over a decade—100 percent black classes. He loves teaching and he was raised to believe in the brotherhood of man. But he decries this failure of forced busing. I ask that we please consider the parents of America here today. The American people, as Thomas Jefferson said, "given the facts will always make the right decision." They have the facts and they do not like the results. And they are correct. We are not arguing black against white or defending bigotry here, we are arguing for commonsense, parents' rights, children's rights, quality education, and simple justice.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

□ 1340

Ms. HOLTZMAN. Mr. Speaker, I rise in opposition to the Mottl and the Holt amendments to the Constitution. These amendments come at the wrong time, they come in the wrong way, they come at the wrong place in our country's history.

Mr. Speaker, the Mottl amendment would wreak havoc with our entire educational system. It would require assigning a child to the nearest school regardless of the circumstances and regardless of whether it has anything to do with racial integration. For example, if a local school were overcrowded the local school district could not compel a child to go to a different school or an annex a few blocks further away.

Mr. Speaker, the Holt amendment also has fatal flaws. Like the Mottl amendment it is so poorly drafted as to be incomprehensible in part. In my judgment, although the amendment purports to stop busing, it will not, in fact, stop busing. I think any person who takes the time to read this amendment carefully will come to that conclusion.

All that the amendment will do is cause years and years of endless litigation after years and years of endless divisive debate on the issue of busing. What will we have accomplished? Very little except anger and bitterness.

The 14th amendment to the Constitution—which these amendments try to undo—was won at the price of the Civil War. Let us not forget that. It took us almost 80 years after the amendment was adopted for the Supreme Court of the United States to give the benefit of the freedom fought for and won to the blacks in this country by saying that segregation in schools is illegal. We are still trying now to finish the job begun 25 years ago of desegregating the schools of this country.

Although these amendments, in fact, will do nothing to eliminate busing, what they are intended to do is to undo the 14th amendment, to shrivel it up. Yet it is the 14th amendment which makes us stand tall among the nations because it guarantees the principles of liberty and human dignity for our citizens. To emasculate the 14th amendment is to undermine the human rights of all of us.

Let me make one final point. Many have contended today that the issue is the quality of education. Let us look into our hearts. If we adopt these amendments, we would just point our finger at the courts and say, "Our schools have failed because of you."

But if they have failed it is because of us and because of what Congress has not done to assure the quality of education for all American children. The Constitution should not be a repository for buckpassing.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mrs. HOLT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, we have heard some very eloquent comments on both sides of this issue. But I think it should be said that none of us in support of this particular amendment and the Holt substitute, have as a purpose to undo what was done by the Brown against Board of Education decision and certainly we do not wish to undo the 14th amendment. What we are attempting to undo is some legislative actions taken by the courts which have proven to be failures and which the courts will not recognize as failures.

It has already been mentioned about what has taken place in Los Angeles. With much ballyhoo they started a busing program. After just 7 months, of the 32,000 students who were supposed to be bused, half of those students were no longer within the system.

This coming year we do not know how few will be left. It has been said there are not enough whites to integrate the system now and now we may have to go beyond the Los Angeles school district to surrounding school districts and disregard district lines and county lines.

This issue has recently been debated in the legislature in California. One of the people testifying before the legislature there was Dr. Thomas Sowell, a black and a professor of economics at UCLA.

According to a Los Angeles Times article, he said that there is no evidence to show that forced mixing of students does more than generate hostility. He said:

> It is bad enough to have to cope with existing racism without spending millions of dollars on busing to create more.

That is the essential problem. We are telling a generation of parents that somehow because they feel within their heart of hearts that they want their children to attend local schools, that they want to be able to go see their children, that in case of a problem they want to be able to reach their children easily, that they want their children to be able to fully participate in the school system, that somehow they are therefore racists.

What we have done is generate tremendous confusion among the parents of this country who are of good will. I ask you, I pray that we stop this failed policy, that we support this amendment and we get on the road to the effective ways of fully integrating this society.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. GRAY).

Mr. GRAY. Mr. Speaker, "busing" is the code word for our colleagues who seek to amend the Constitution today. But for those of us who will vote to defeat the proposed amendment, the real question is whether the House is prepared to turn back the clock on every civil rights gain of the past 25 years.

I hope my colleagues will recognize that by voting for the motion by the gentleman from Ohio, they would be setting a dangerous precedent in tampering with the Constitution, in using it to set policy on narrow social and political issues.

By tradition, our Constitution is not a document of narrow, social dogma.

It is not meant to ebb and flow with the tide of public or political opinion.

Rather, it has endured as a document which defines the broad structures under which we govern ourselves.

It is a statement of the human rights which government must respect.

Mr. Speaker, the proposed amendment itself contains little substance, and a great deal of contradiction.

One example: It would deny the very thing which its supporters claim to favor—local and State autonomy over their own schools.

The amendment as it was originally drafted, for instance, would deny local school districts the rights to assign students to various schools to relieve overcrowding, or to deal with such emergencies as teachers' strikes.

It would allow a tremendous amount of Federal interference in local education policy.

But more important, Mr. Speaker, to those blacks and other minorities who have yet to share in the benefits of three decades of civil rights gains, the proposed amendment would remove a key tool in the battle to correct inequalities in our schools. It is clear to me that it would severely undermine the efforts we have seen in recent years to achieve racial equality—which is so dependent on equal opportunity in education.

Equality in employment and in our society as a whole hinges on the providing of an adequate education in a nondiscriminatory fashion. This is the meaning of the Supreme Court's 1954 decision in Brown against Board of Education, and the unending efforts in the Federal courts to implement that decision.

Mr. Speaker, the amendment by the gentlelady from Maryland drives home the real issue here today.

One issue, originally, was whether this House is prepared to turn back the clock on every civil rights gain of the past 25 years.

But with the language of this amendment, we face squarely the question of setting for this Nation a policy of officially sanctioned apartheid.

In a way, I think we owe a debt to our colleague from Maryland, because with this new language, the question of race no longer lurks behind the door.

It is out front, for the whole country to see—to see that the intent of this amendment is to prevent blacks, other minorities and the poor from gaining access to equal opportunity in the classroom.

Mr. Speaker, if Congress eliminates busing as a tool to correct historical discrimination in our schools, it will say, in effect, that it disregards the concept of equality under the law. It will say to hundreds and thousands of our children, "You are not entitled to equal rights under the Constitution. Your rights are violated by inferior schools, but these violations are not worth the remedy."

At the same time, Mr. Speaker, by passing this amendment today, we would open the door to a stepped-up, wholesale attack on minorities and the poor—attacks carried out most recently through various antiaffirmative action, antiabortion, and antibusing legislative proposals.

The next step, just as easily, would be a frontal attack on the basic human survival programs which we have put in place to correct historical discrimination—programs such as CETA, subsidized housing, Head Start, and Get Set—all programs which are crucial to people struggling to secure economic equality in America.

For all of these reasons, Mr. Speaker, the leaders from both sides of the aisle have correctly warned that a vote for the proposed amendment would be interpreted as a vote against civil rights—because historically, the brunt of the "separate but equal" philosophy contained in this amendment has fallen on black people.

The language offered by the gentlelady from Maryland makes this point more clear than ever. Not one of us in this Chamber should kid ourselves about the intent of this amendment.

Those of us who seek to defeat this amendment hope that our colleagues will join us in voting against it, and in allowing the full range of equitable remedies to be applied when our children's constitutional rights are violated, and their educational opportunities are denied.

I hope, Mr. Speaker, that when we leave this House today, we will be able to say that the rights of blacks, other minorities and the poor still count for something.

Mrs. HOLT. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Speaker, I perhaps am more intimately connected with this issue than anyone in the House. I happened to have defended the only successfully defended integration case by the NAACP against the Grand Rapids Board of Education, basically on the grounds that we are doing a pretty good job ourselves taking care of this situation without this kind of mandatory rioting. And we are, incidentally, and we have progressed along that line.

I think if it is not unconstitutional, as it is not, to mandate the transportation of your children to school districts you do not opt to live in, or in school areas you do not opt to live in, it certainly ought to be. It started out as a tool to desegregate the de jure segregated South. It ended up to where now if you build a new school in a black district you are therefore guilty of de jure segregation by perpetuating a segregated school. If you do not build a new school in a black district you are guilty of de jure discrimination by having them have an older school than the schools provided in other areas. What has historically happened with the use of this tool, in addition to its impinging upon people's rights, is to resegregate core cities because they will not involve suburbs which do not have any significant minorities unless they, themselves, violate it, because they do not have anyone to violate against. So you get a flight to the suburbs.

I urge a vote in favor of this amendment.

□ 1350

Mr. RODINO. Mr. Speaker, I yield 2½ minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I rise in opposition to the Holt amendment and to the Mottl amendment.

I have sat here on this front row and I have listened to all the debate. While I was sitting here I read some words. There are four words down here, and in my 2½ minutes I want to talk about those four words.

I think this country is in trouble. I think there is a malaise of spirit in this country and I think we have troubles in terms of external forces. So the word becomes "union," that word right down there, to preserve and protect the Union. We are not going to do it if we pass either of these amendments. We are going to unleash some forces in this country that God knows should never be unleashed again.

As I said in a "Dear Colleague" letter to you, the best and the worst came out in America during the civil rights struggle and the best prevailed. Do not set a climate again, for that which is worst in the country to surface.

The other word down here is "justice." Is it justice to continue to deny black children equal education by keeping them in separate segregated schools which are not equal in terms of curriculum, which are not equal in terms of teacher-pupil ratio, which are not equal in any respect, and none of the States are going to make them equal; is that justice?

The other word is "tolerance." In all this ugly mess that we have heard today, something very beautiful has happened to me. I have seen some men stand and women stand in this House, knowing they are jeopardizing their political future; I will not call their names, but I have been heartened by these people who stood up and said, "I have an understanding of what is right for this country and that understanding is based on tolerance." That is beautiful. That is an uplifting experience.

Finally, let us come to the last word, there it is, there is the word "liberty." The one thing that safeguards our liberty is the Constitution. Unravel it, trammel it, walk upon it, in any way diminish and vitiate it, and you are diminishing and vitiating the most essential and marvelous thing that we have got in this country, liberty.

I said so many times, I do not know how much longer I am going to serve in this House. In fact, I do not know how much longer I am going to live. I hope to live a long time, but I would like to serve out the balance of my time in this House and I would like to live out the balance of my life in this country with the understanding that somehow or another we would be made a whole country again. This will not help us if we pass either of these two amendments.

Mrs. HOLT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, this all began back in 1954 with the Brown decision and basically it said one thing. It said that every student in America was entitled to go to the neighborhood school, the school that was nearest to his home. That is what it was all about. Every child, regardless whether they were black or white, could go to the neighborhood school that was closest to their home.

Gradually we have reversed that. Now, some of us seem to misunderstand what we are voting on today. We are voting on this matter of forced school busing. The question is, Shall the American people be entitled to vote on the constitutional amendment? We must give America the right to vote on the question. Would you deny the American people an opportunity to vote; maybe there are some in Washington who believe that all of the brains in this country are in Congress. I want to remind you, the plain citizen out there, the average citizen of America, is the one that runs this country and is the one that we should be responsive to. Your vote today is this. Shall we let this amendment go to the people and let them have an opportunity to decide? Why is it, why is it that parents feel so strongly about this subject of neighborhood schools? You check it. Parents have checked it. Mothers and fathers are interested in quality education for their children.

As I stated before, and I want to repeat it, students take these comprehensive tests in their senior year. They call them SAT's and they are achievement tests, student achievement tests to show how much students know in the way of math, in the way of verbal, and in the way of reading and they add up the totals. The totals the year they started this busing program were 973. Year by year the totals have dropped until in 1978 they are 879. The mothers and fathers of this country are alarmed and they are disturbed. They feel that their children deserve a better education and they deserve quality education; but instead SAT scores have dropped from 973 to 879. Teachers make higher salaries. Schools have better buildings. Better books are available. The reason education has declined is forced busing.

It goes back to the idea of neighborhood schools. When they made the scholastic survey on what is the one ingredient that means the most to children's improvement, they found it was parents' interest. But with crosstown busing, parents cannot participate now in the PTA because it is across town. They are not able to go and watch the student activities. Parents are cut out of taking a positive and constructive support position in school activities when they live way on the other side of town from school.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, I take this time in opposition to the Holt amendment to call the attention of the Members an editorial from the Birmingham News in opposition to using the Constitution to achieve an end to busing. This editorial states:

> Nobody, it seems, likes busing as a means to bring about racial balance in schools. Even those who call for busing usually couple the plea with the disclaimer, "We wish there were a better way." But the prohibition of busing by use of a Constitutional Amendment against it, like the one being offered in the U.S. House by Rep. Ronald Mottl, D-Ohio, is a prime example of using a chain saw to cut hot butter.
>
> The Constitution is the basis of all law in this country. We should think long and hard before we try to amend it. When we do amend it, we should have as our goal the alleviation of a large set of legal problems or evils that can be handled in no other way. Otherwise, we run the risk of opening the document up to the passing peeves of each generation and detracting from its most important feature—its simplicity.
>
> While busing is a controversial, unproven, inconvenient and, sometimes, even dangerous tool, there are better ways for those opposed to deal with it than through the Constitution. And it is to be hoped that members of the House will realize that fact.

The gentleman from North Carolina (Mr. PREYER) has suggested a better way than the negativism embodied in an antibusing amendment to the Constitution—a way in which we do not turn back from quality education for every child or from equality of opportunity in which we continue to strive.

that every person shall have the chance to fulfill whatever gift God has placed in that person. It is through positive means, such as this piece of legislation, of which I am a cosponsor, that we will find better ways to create equality and quality in education. The Preyer bill would expand the flexibility of States and cities in planning how to deal with racial isolation in the schools, and provide incentives to do their duty to everyone, and I intend to work, both as a member of the committee to which it has been referred and as a Member of this House, to insure its passage.

Unlike this legislation which gives the promise of a positive program for the schools, the amendment before us may not even achieve an end to busing, but it will have the ill effects mentioned by my colleague, the gentleman from Maryland and others.

I urge that this amendment be defeated and that we seek an end to forced busing and a better way to achieve quality and equality of opportunity in education.

Mrs. HOLT. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. BAFALIS).

Mr. BAFALIS. Mr. Speaker, I have reviewed the Constitution over and over again. I have yet to find anything that gives the bureaucrats or the Federal courts the right to bus children in this country.

I have listened to speaker after speaker say that they are against this constitutional amendment, but they are also against busing. You know, that reminds me of somebody that says, "I am against obesity, but I am also against dieting."

There is no way in my judgment that we can stop forced busing in this Nation unless we adopt the Holt amendment and then adopt the Mottl resolution.

This Congress, to my knowledge, has never endorsed the idea of forced busing in this country. In fact, this Congress has done just the contrary.

In the 1964 Civil Rights Act, we added language that said, "Desegregation shall not mean the assignment of students to public schools in order to overcome racial imbalance."

The Civil Rights Act of 1964 also said, "Nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance."

Now, let me tell you what this Congress has done since that time. We have prohibited busing through amendments to the following acts.

In 1966, the Elementary and Secondary Education Act amendments.

In 1968, Labor/HEW appropriations.

Again in 1968, the District of Columbia Appropriation Act.

In 1969, the elementary, secondary and other education amendments.

In 1970, Office of Education Appropriation Act.

In 1972, Office of Education and Related Agencies Appropriations Act.

In 1972 again, Education amendments.

In 1972 again, Equal Educational Opportunities Act.

In 1974, Elementary and Secondary Education Act amendments.

In 1975, supplemental appropriations.

In 1976, Labor/HEW Appropriations Act.

In 1977, Labor/HEW Appropriations Act.

In 1978, Labor/HEW Appropriations Act.

In 1979, just this year, Justice Department authorization.

Again this year, Department of Education bill.

Again this year, 1979, Labor/HEW Appropriations Act.

This Congress over and over again said there shall be no busing in this country; but our imperial judiciary and the bureaucrats of this country have refused to listen to us. We have no alternative. We must adopt the amendment and we must adopt the resolution. I urge its adoption.

□ 1400

The SPEAKER pro tempore. The gentlewoman from Maryland (Mrs. HOLT) has 6½ minutes remaining, and the gentleman from New Jersey (Mr. RODINO) has 5 minutes remaining.

The Chair recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I yield 1½ minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Speaker, I rise in strong opposition to the proposed Holt constitutional amendment and the Mottl resolution prohibiting student transportation for desegregation purposes.

The struggle of black people for both freedom and equality has lasted over 300 years. Only in the last decade have we begun to begin to taste the fruits of the rights guaranteed to all Americans by the Constitution.

Nonetheless, the history of our struggle has been marked by an abiding respect and love for that document. The Constitution of the United States has provided political doctrine and political direction to our cause.

Black people have justifiably claimed that we have aided our country realize its true destiny by putting the truth of equal justice into American democracy.

For this reason, I urge my colleagues not to allow this sacred document to be amended in this manner. We have only just begun to unshackle the bonds of old ways; to create a constitutional roadblock to that march of progress would be a grave injustice to a large segment of our society. Let us not limit the tools we can use to implement these needed changes.

Mrs. HOLT. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. PHILIP M. CRANE).

Mr. PHILIP M. CRANE. Mr. Speaker, I have heard the argument raised that this body is in the process of attempting to turn back the clock when in fact, as my distinguished colleague, the gentleman from Florida (Mr. BAFALIS), has already well indicated, if that is so, this body has consistently been taking that position and in the process has been reflecting the overwhelming will of the American people.

Second, I think it is important for us to realize that our Constitution, which we all revere and which we all swear to uphold, is a document designed to see that the will of the majority ultimately shall prevail under our system of government.

The Constitution is subject to interpretation, and those people who interpret it can be wrong and obviously have been wrong. Plessy against Ferguson mandated enforced busing for racial purposes—that is what it was all about—denying blacks the opportunity to go to school in their local school districts. Brown against Board of Education said there shall be no busing; blacks shall have the opportunity to go to school in their local school districts just as whites have that opportunity.

Now, of course, subsequent interpretations of the Constitution have got us back to a probusing stance.

I think it is important for us on this question of the right of the majority to prevail under our system, and with the safeguards of mandating special majorities—to protect minorities—to keep in mind that the issue is freedom, freedom of the individual. The right to be free from arbitrary, Government-mandated busing of one's children whether he is black or whether he is white.

The Great Emancipator, we must remember, expressed the dream eloquently when he talked about a rebirth of freedom in this country, freedom under God so that this "Government of the people, by the people, and for the people shall not perish from the Earth."

That is precisely what we are talking about: Fulfilling under our constitutional system, and by a constitutional process, the will of the people. Finally, as my colleague, the gentleman from Texas (Mr. COLLINS), so ably stated, it is the people who are the ones who are going to be privileged to make the determination as to whether this amendment is ratified, not us.

Mr. Speaker, I urge support for the substitute offered by the gentlewoman from Maryland (Mrs. HOLT).

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Mr. Speaker, I rise in adament opposition to House Joint Resolution 74. One of the reasons for my position is that this measure will, without a doubt, do a great deal to divide our country, when what we need so much at this time in our history is to unite. Our country is faced with a great many problems—problems which I sincerely believe we will withstand. But we cannot go running to our Constitution with each of our immediate frustrations, looking for an immediate cure. Otherwise this great document will lose the tremendous respect which it has earned over the past two centuries.

We, the lawmakers of the United States, must be very selective in choosing the sorts of goals which should be achieved through constitutional amendment. I fear that an amendment such as Mr. MOTTL's will set a precedent for a continuous introduction of amendments to our Constitution in subsequent sessions of Congress, every time the composition of this body changes, or every time some of the Members of the House are dissatisfied with the interpretation of the Constitution by the judicial branch. I do not believe that the narrow social policy which House Joint Resolution 74 addresses merits incorporation into our country's greatest document. History has taught us that inclusion of social policy preferences into this document—that is, slavery and prohibition—leads to divisiveness.

It is very unfortunate that our society has not, as a whole, moved with "all deliberate speed" to end segregation in public schools. It is an issue which we have been grappling with for more than 25 years, since the landmark decision in Brown against Board of Education. And still we need court-ordered busing because segregation has, in fact, not ended, and equality of educational opportunity does not exist for all of our children. It is ironic that if the majority of our society were not entrenched in its prejudices, as evidenced by segregation in housing and by unequal employment oportunities, our courts would probably not have to rely on busing as a measure to end segregation in our school.

I am opposed to the Catch-22 situation to which minorities and poor people are subjected. The same persons who oppose affirmative action programs which address employment discrimination practices also oppose the availability of a wide range of measures which are intended to equalize the educational opportunities of these sectors of our society. Education is of paramount importance in every area of our country, but it is even more significant in districts such as mine—where the only hope some of my constituents have for improving their plight is through the attainment of a sound education. The arguments which have been raised by the proponents of Mr. MOTTL's proposed amendment to the Constitution lack the sufficiency to make those of us who are committed to equality of educational opportunity waiver from our beliefs.

I grew up with the belief that America was the land of opportunity for all. I would like to pass on that faith in my country to generations which will come after me. Therefore I oppose House Joint Resolution 74, and urge my colleagues to do the same.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, as we come to the end of this debate, I urge as many as possible of my colleagues on this side of the aisle to vote in opposition to the Mottl resolution, whether or not amended by the Holt substitute.

I know that the House has voted many times in expressing its opposition to busing. Busing, of course, is the least desirable of the means for providing equality of education and for achieving desegregation of our school systems, but it is one of the options, and to deny that option, it seems to me, is to deny equal protection of the laws, as the Supreme Court and lower courts have said over and over again.

While the pending amendment offered by the gentlewoman from Maryland does take care of some major flaws in House Joint Resolution 74, it still suffers from the basic flaw that it eliminates what is often the only remedy for intentional violations of the 14th amendment. The effect, then, of this pending amendment is to repeal the equal protection clause for public school students. Regrettably, while the pending amendment removes the only path to equal opportunity in many school districts across the land, it offers no substitute remedy. For those deprived of their rights, it answers: "Too bad."

The issue now is no longer whether the Judiciary Committee should have reported this measure. The question now is whether in the years ahead when you open your copy of the Constitution you want to read that the 14th amendment has been repealed for public schoolchildren.

Such a repealer would be a sad mistake. We would do better to make desegregation work rather than throw up our hands in frustration and tell the blacks that we will permit equality only if it is convenient.

Mrs. HOLT. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague, the gentlewoman from Maryland (Mrs. HOLT) for yielding this time to me.

Mr. Speaker, I certainly support the amendment.

Here we go again with a continuation of our debate, which seems to be one-sided as far as the motives of the sponsors of the amendment and the sponsors of the discharge petition are concerned. When we put things in the context they have, they are always going to be right and we are always going to be wrong. Virtue is on the side of the forced busing advocates. Dark motives are ascribed to us.

The American people have a very good idea of what is going on. They know what this is about. Yet when we continually hear people cast us in the role of being against progress, cast us in the role of favoring racism, and cast us in the role of being in the wrong mold, this is, of course, the same thing as telling the millions of American people that they are wrong and that they are racially motivated.

I know of hundreds and hundreds of people who have circulated petitions. I have spoken at rallies where as many as 10,000 signatures on petitions have been turned in. These are just plain people out there who are not motivated by racism. They have one thing on their minds; they are thinking about their school and their child. Why we should allow ourselves in a debate like this to move away from the concern of the parent, from his concern for the child, and become all involved in nothing but procedural matters must be a wonderment to those millions of people.

□ 1410

They look at the White House, and they say, "Well, we cannot have any help there." I do not say that as a partisan Republican. I think the same attitude permeated the White House in the last four administrations. As a matter of fact, one of the criticisms I have always had of Richard Nixon was that one of the very first appointments he made, way back in 1969, was to bring in to the office U.S. Commissioner of Education a man, James Allen, from New York. He was for busing before people ever thought about busing. This is not a partisan issue. They look at the White House; they do not see action. The Congress, no action. The Judiciary, action but in the wrong way. It is time for us to act. Let us get with it. The issue will not go away and some day, if not today, the average American will win on this issue and our side will prevail.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. RODINO) has 2½ minutes remaining, and the gentlewoman from Maryland (Mrs. HOLT) has 2½ minutes remaining.

Mr. RODINO. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, several years ago, in addressing this House on a matter of the highest constitutional importance, I said these words:

> Let us leave the Constitution as unimpaired to our children as our predecessors left it to us.

That matter affected and involved the very survival of our Nation as a democratic and representative institution.

I believe that the matter before us, Mr. Speaker, is of equal moment and equally important, for it would affect the very survival of the basic right of every American child to equal educational opportunities, those opportunities guaranteed under the 5th and the 14th amendments.

I believe, Mr. Speaker, that it certainly would not be proper for this House, which prides itself on being a deliberative body, within this period of time to undo the great progress that has been made over 25 years since the decision was handed down in Brown against Board of Education guaranteeing that basic and that most human right.

For those reasons, Mr. Speaker, I urge the defeat of this amendment, the Mottl amendment, and the substitute amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

The SPEAKER. The time of the gentleman from New Jersey (Mr. RODINO) has expired.

Mrs. HOLT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I think the issue is liberty, I say to my colleague, the gentleman from Maryland (Mr. MITCHELL). Our perceptions of liberty are certainly different in this measure. Mandatory busing, as forced by an outside Government entity on children who do not want to ride buses 1 to 2 hours a day each way, because that is not liberty, it is mental and physical torture. Black and white, they do not believe that kind of forced action provides liberty, it provides an abuse of Government power and lower educational standards.

Let us review the Brown decision, because there has been a lot of discussion here today about that court case. I now and in the past support the Brown decision. I think it was right. We should reaffirm our support of that court decision with this constitutional amendment, either the amendment offered in the nature of a substitute by the gentlewoman from Maryland (Mrs. HOLT) or the amendment offered by the gentleman from Ohio (Mr. MOTTL).

The Brown decision by the Court was intended to remove from the States the power to use racial classification to restrict the opportunities of its citizens, especially schoolchildren.

Oliver Brown, the lead plaintiff in the original court case, was spurred to action by what he considered to be an abridgement of the individual rights of his family. Mr. Brown was concerned primarily with the right of his daughter, Linda, to attend the neighborhood school. His action was motivated by his understandable parental concern over the inconvenience and lack of safety which resulted from busing Linda to the "colored school" some 21 blocks away, instead of to the neighborhood school, only 7 blocks from his home. It is the same "parental concern," not prejudice, that motivates the overwhelming public abhorrence of the forced busing programs mandated by the Federal courts. This amendment would preclude such programs.

The Brown decision was intended to remove from the States the power to use racial classification to restrict the opportunities of its citizens. That the Congress shared this understanding of the meaning of the Brown decision is reflected in the passage of the Civil Rights Act of 1964. In the 1963 hearings on the act, then Attorney General Robert Kennedy, in a heated sparring match with Senator Sam Ervin, forced the Senator to agree with him that the Brown decision established the right of the individual to attend his neighborhood school. The Civil Rights Act ultimately included an unequivocal definition of desegregation:

Desegregation means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but desegregation shall not mean the assignment to public schools in order to overcome racial imbalance.

The act further goes on to specifically disallow forced busing—

Nothing herein shall empower any official or court of the U.S. to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another, or one school district to another, in order to achieve such racial balance.

The 1954 Brown decision supposedly removed from the States the power to assign children to school on the basis of race. The Federal court system has reversed that decision, using it, instead as the authority for assigning children to school solely on the basis of race. Mandatory busing, for the purpose of achieving racial balance, puts the Government permanently into the racial assignment business. Today, 25 years after the Brown against the Board of Education decision, Linda Brown could still not attend the school nearest her home—she would have to be bused for racial balance. The individual rights her father had fought for and supposedly won in 1954 would still be denied to her.

That is what we would be undoing if we do not vote for this amendment today before us. If you sincerely believe in mandatory forced busing, you should vote against either one of these amendments. If you believe that that is the way to liberty—I do not—then you should vote against these two constitutional amendments. The issue is mandatory forced busing, make no mistake about it. You cannot argue your way out of that issue. You should vote for the Holt substitute or for the Mottl amendment if you truly believe in liberty. The issue is the freedom of schoolchildren and support of the Brown decision.

The SPEAKER. The gentlewoman from Maryland (Mrs. HOLT) has 30 seconds remaining.

Mrs. HOLT. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, we all want the liberty that my respected colleague, the gentleman from Maryland, has referred to here. This noble busing experiment has not worked. For 7 years we have tried to get the committees to hear these amendments, to examine this evidence. We cannot get them to do it. They have refused.

There is nothing in this amendment that can restore segregation. We are attempting to restore education. I hope that this body will refuse to recommit this resolution to the committees which have refused to hear it. Let us give the people of this country the opportunity to vote on it.

● Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of House Joint Resolution 74 and urge its passage by the required two-thirds vote. We can no longer delay in giving schoolchildren and their parents the freedom to attend the school of their choice or their neighborhood school.

Some have argued today that we should not bring this matter to the House floor without first holding adequate committee hearings on the subject or without a longer period of debate on the House floor. My answer to them is that this proposal has been before the Committee on the Judiciary for more years than many of us care to remember. We who support this proposed constitutional amendment have given the committee more than adequate time to hold extensive hearings. However, they have chosen to ignore the large number of Members supporting this measure. The will of a majority, hopefully a two-thirds majority, can no longer be thwarted by the inaction of the Judiciary Committee. The required 218 Members have signed the discharge petition and in effect are saying they want a vote on the matter and will not abide further delays by a hostile committee.

As to the amount of time allowed for floor debate, this was dictated mainly by the fact that we were forced to use this means of bringing the measure to the House floor. However, if the Judiciary Committee had reported the measure in a timely fashion and allowed it to move through the normal process of winning a rule to set a more lengthy time of debate, none of us would have complained. Unfortunately, we were denied the normal process.

Mr. Speaker, rather than the anti-busing amendment, I prefer to think of this measure as the freedom-of-choice or neighborhood school amendment. We all realize that of necessity there will always be public school busing in America. This is especially true in rural areas or sparsely populated communities where schools cannot be located within a close distance to each student's home.

But what we are attempting to correct today is the unnecessary busing of small children through court or bureaucratic decree for the sole purpose of achieving some artifical quota of ethnic mix. We are talking about busing orders which do not contribute to the educational accomplishments of the children being bused.

I would point out that this proposed amendment, in my opinion, would not deny the rights of any child in America. In fact it would strengthen the rights of our American youth. I say strengthen because this proposed constitutional amendment would reaffirm their right to attend their neighborhood school or the school of their choice.

In effect, a child or his or her parents could choose to have that child attend a school farther than the one closest to their home. But they could not be forced to attend a farther school unless it was necessary to do so because the child was handicapped or needed special education.

In other words, if a child was capable of attending a neighborhood school offering the normal course of study, they would have the right to do so. A judge or some bureaucrat in HEW could not tell that child they would have to be bused across town for the sole purpose of establishing an ethnic mix within each school of a particular school district.

Mr. Speaker, we all readily admit that the laws of this land prohibit discrimination in America. The laws will no longer abide the assignment of schoolchildren to a particular school for the purpose of

separating the races. Nor can we deny the rights of anyone to full access to public facilities.

These are rights which can no longer be denied any American citizen. But by the same token, under the current practice of forced busing we are denying the rights of some Americans simply on the basis of their race. This appears to me to be in direct contradiction of civil rights laws passed by this Congress.

Mr. Speaker, I would also point out that under our constitutional processes, the American people themselves will have the last word on this proposed constitutional amendment. If the amendment is favorably approved by two-thirds of the House and Senate, and I hope it will be, it must then be ratified by the legislatures in three-fourths of the 50 States. And in my opinion, this ratification process is the ultimate public opinion poll on the matter of forced busing or as I prefer to call it, the freedom-of-choice amendment.

I do not think we should deny the American people the right to express their will on this subject. We must face up to the issue now and pass this proposed amendment and send it to the individual States for their acceptance or rejection.

Mr. Speaker, one final point I would like to make concerns forced school busing and our energy shortages. According to the Library of Congress, forced busing consumes some 28 million gallons of gasoline a year. Now some would maintain that this is not a significant amount in relation to total gasoline usage in America. However, I would point out that when we are faced with extreme shortages, every drop we can save does become important. Also, we must not overlook the financial drain on local school districts to buy this gasoline. With the cost of gasoline approaching $1 a gallon, this 28 million gallons translates into over $20 million which could be better spent on true educational pursuits.

Mr. Speaker, I hope my colleagues will listen intently to the debate today and make their final decision on the basis of what is best for the schoolchildren of America. If they do so, I am sure they will realize that forced busing serves no useful purpose and does not contribute to the educational achievement of anyone. If they reach this same conclusion as I have, then they will vote to approve this proposed amendment to our Constitution.●

●Mr. MURPHY of New York. Mr. Speaker, during my 17 years in the House of Representatives I have witnessed every social ill imaginable brought to the Congress for a solution. Possibly none of these have been as emotionally charged and as vital to our society as the subject of public school segregtaion. Today this issue has come up yet again with the House considering first, whether to discharge the Judiciary Committee from further consideration of a proposed amendment to the Constitution with respect to busing, and second, the amendment itself. I will vote against discharging the committee and against the passage of the amendment.

Every parent in this country has as a primary concern for their children that they receive a decent education which will adequately prepare them for the future. Ideally, this education should be obtained in the neighborhood school within walking distance of the home. The reality of the matter is that 50 percent of all children ride the bus to school. Of this number, less than 5 percent do so as a result of court-ordered desegregation. Busing is a remedy that is not applied without considerable proof of overt discrimination. The U.S. Supreme Court has held, and reiterated this month, that busing can only be imposed after proof of "purposely segregative practices" by a school district and only to the extent necessary to cure the particular constitutional violation established by the evidence.

Aside from the busing issue itself, the question considered by the House today is one of constitutional importance. The Mottl resolution was brought to the floor by a discharge procedure which allows only one hour of debate on a proposal to amend the Constitution of the United States, the document that has guided this country since its inception. Seeking to amend the Constitution after only 60 minutes of debate is to impugn the integrity of the document.

Further, the amendment as worded would wreak havoc over local control of schools. The passage of the amendment would eliminate local control over school assignments, denying school districts the right to direct students to schools other than those closest to their homes even for such reasons as overcrowding, teachers' strikes, et cetera. The amendment also provides Congress with the authority "to insure equal educational opportunities for all students," arming Congress with the power to dictate the ways local bodies collect and expend revenues for public education. While this is not the question before us now, we must think of the future when amending the Constitution.

A question raised by constitutional scholars is that of writing a social policy preference into the Constitution. Our Constitution has endured and served as a source of unity over the years precisely because it espouses no social or economic philosophy.

It simply defines the structure by which we will govern ourselves and proclaim fundamental rights that every individual, as well as the Government, must respect. To suoport this precedent, we need only to look at the two historic departures from this reasoning—the endorsements of slavery and prohibition.

I have always supported every students' right to a quality education in our Nation's public schools. The foundation of this premise, however, is that no child, through busing, would feel the impact of the degradation of such education. Busing is one means to insure a quality education when shortsighted individuals employ discriminatory practices. To outlaw busing through the passage of this amendment would allow these practices to continue, and in effect, condone them.

I look forward to the hearings promised by the chairman of the House Education and Labor Committee, the Honorable CARL PERKINS, on the legislation introduced by MORRIS UDALL and RICHARDSON PREYER, to encourage alternatives to busing by providing funds to localities to develop and choose innovative methods to alleviate racial imbalance in their schools. This in turn will allow localities the necessary flexibility to deal with desegregation in the manner most appropriate to the individual locale.●

● Mr. COTTER. Mr. Speaker, I personally oppose forced busing as a method for improving academic opportunities and increasing educational skills. The failure of forced busing is widely acknowledged. Within the last 2 years, James Coleman, the sociologist whose original study provided the theoretical justification for the Brown decision, came to the conclusion that forced busing has not improved educational achievement nor increased integration.

However, the constitutional amendment that is before the House by the discharge procedure is the wrong approach to solving this problem. A constitutional amendment which changes our fundamental law should be subject to the most searching hearings and amendment process. By using a discharge petition, this amendment, in effect, cannot be changed. The consequences of the Holt modifications are not known.

The Mottl amendment would have the effect of putting the U.S. Government in a position of being a local schoolboard. It requires students to attend the nearest school without regard to overcrowding or the availability of special programs that a student may require.

The Mottl amendment, for example, would provide students who need special education or those with specific learning disabilities from attending special courses, unless these courses are made available at the nearest school. In most school systems, such courses are offered at only one or two schools; therefore, the Mottl amendment would put the Federal Government in a position of being a local schoolboard. The consequences of the Holt substitute, while improving on the Mottl provisions, may have similar consequences that unjustifiably restricts a local schoolboard; and, therefore, greatly expands the role of the Federal Government to a greater degree than is desirable in the area of education. We need extensive hearings on any such proposal to fully comprehend the consequences of these amendments.

In addition, the amendment as drafted would undermine the voluntary programs that have proven successful like "Project Concern." Such programs would be forbidden.

I am glad to see that congressional committees are beginning to take a comprehensive view of the school issue. Both the House Education and Labor Committee and the Judiciary Committee are undertaking a thorough examination of the schoolbusing issue. We should await the results of these efforts before modi-

fying any laws, much less the Constitution.●

● Mr. STEWART. Mr. Speaker, I rise in strong opposition to the Motti resolution. As a Member of this great deliberative body, I would like to let you know that I spent many years of my life dealing with the degradation and humiliation of forced segregation. Growing up in Birmingham, Ala., left many irreversible scars on my heart. When I was young, I always lived for the day when all persons of this country could live as equals.

The Brown decision in 1954 was one giant step in the right direction. As the civil rights movement progressed I started thinking that one day my dream would become reality. It seemed to me that the social situation in this country was about to get on track. Apparently I was a little too optimistic to think that all men wanted to live as equals in this great country, and I point to measures such as the one before us.

Thus, it distresses me to know that this Congress in 1979 would give serious consideration to a constitutional amendment that would eliminate schoolbusing that attempts to create healthy racial balances within our public schools. In my opinion this move would create de facto systems of segregation.

This resolution also makes a direct assault on the most precious document of this country—the U.S. Constitution. However, it has been pointed out by myself as well as many others in the Congress that this measure is a narrow provision addressing an immediate issue, rather than a lasting principle worthy of being part of the Constitution.

The proposed constitutional amendment is an attempt to undermine the 14th amendment to the Constitution and is part and parcel of other attacks on civil rights for blacks and other minorities. It would prohibit localities from requiring that students attend a school beyond the nearest to their home, and this resolution would severely restrict actions that would ordinarily be implemented by State and local education agencies.

Segregation in any form, de facto or de jure, is wrong. Thus, if we eliminate busing we re-create a system of segregation in the United States. Let us not take a giant step backwards—vote against this resolution.●

● Mr. BOLAND. Mr. Speaker, I rise in opposition to House Joint Resolution 74.

One of the great strengths of our Constitution is that we have amended it with only the greatest of care. The rules and procedures pertaining to the amendatory process mitigate against haste, but I believe that an even more important reason for the relatively few instances in which the Constitution has been amended is the realization that it represents the very foundation of our Federal Government. As such, it should not address those questions of social policy which are of only a passing concern. Our experience with the 18th amendment, the only successful amendment in this century which attempted to address such a question, should be reason enough to avoid similar amendments. A prohibition against busing to achieve the desegregation of schools is a matter that simply does not merit a constitutional amendment.

Even if this issue was of a nature that justified an amendment to the Constitution, the proposed amendment we have before us today, even as amended, is so ambiguous as to make its consequences impossible to predict. Precision is highly desirable if the Constitution is to be amended and that result can not be achieved with the language of the amendment we are considering. The procedure in which we find ourselves today precludes the scrutiny and debate which the language of the proposed amendment seems to require. I believe, therefore, that we will not be acting prudently if we approve House Joint Resolution 74. I urge that the resolution be defeated.●

● Mr. STOCKMAN. Mr. Speaker, I rise in support of House Joint Resolution 74, as amended by Representative HOLT. I have supported my colleague from Ohio (Mr. MOTTL) in his effort to force this House to finally take a stand on the unresolved issue of court-ordered busing to achieve racial balance. Because the courts have far overstepped their bounds in this matter, and have ignored the values of the American people, I believe that this constitutional amendment is urgently needed.

The 1954 Supreme Court ruling in the case of Brown against Board of Education was a great leap forward for fairness and equal opportunity in our school systems. The Court declared that racially separate schools are "inherently unequal" and rejected local and State laws mandating dual school systems according to race. I fully support the principle and precedent established by this case. Since that time, however, the Federal courts have so twisted and stretched this good principle as to make it unrecognizable. They have gone over the heads of officials at every level and ordered racially-based busing schemes on a vast scale.

The landmark 1964 Civil Rights Act did not authorize any U.S. official or court to issue orders seeking to achieve racial balance in schools by transporting children from one school to another, nor did it enlarge the Courts' existing powers to insure compliance with constitutional standards. The Federal courts have nevertheless circumvented all of this. They have decided to blur the distinction between "integration" and Government-forced desegregation. Since they have interpreted the Civil Rights Act as requiring integration, the courts have found a way to move far beyond the original 1954 prohibition of legally mandated segregation. They have declared that schools must in fact actively desegregate and the result has been turmoil in the classroom and in the community.

According to the Department of Health, Education, and Welfare's Office of Civil Rights, some 1,505 school districts with an enrollment of more than 12 million students are now operating under desegregation plans imposed either by the Federal courts or by HEW. The cost of busing all these children is very high. The Dayton, Ohio busing plan has cost over $13 million between 1977 and 1979. Busing in Detroit cost $19.3 million in 1978 alone. The Los Angeles busing program costs taxpayers there approximately $24 million. It is a shame to see all of these dollars diverted from textbooks, teachers, and other basic school needs—especially with school achievement test scores falling and with a fuel shortage affecting all of us.

Experience in many parts of the country shows that court-ordered busing actually undermines its own purposes. The turmoil accompanying mandatory busing usually offsets any potential social benefits, and often results in lowered educational standards. Busing programs have not led to significantly higher educational attainment by minority youngsters.

Further, despite the courts' good intentions, mandatory busing has resulted in more, not less, racial separation in American society. Parents who can afford it have moved out of the cities so their children can be schooled in districts unaffected by court-ordered busing. Atlanta, for example, has lost over 25 percent of its white student enrollment since the imposition of court-ordered busing in 1969. Houston's white enrollment has fallen 12.6 percent since busing began there in 1970. And the phenomenon is by no means confined to the South. Since Federal courts imposed a massive busing plan on Springfield, Mass., white school enrollment there has dropped from 67.6 percent to 56.5 percent. Similar declines have been experienced in Boston, Denver, San Francisco, and Pontiac, Mich.

Most parents do not resist busing because of racial prejudice. They simply know that the financial and social strain on the schools always bring a decline in the quality of education. Parents object to having their children bused to schools far from home. They object to having their children exposed to the risks of highway travel that are often involved. Their children cannot participate in school activities because the school is too far away.

Parents also object to busing because it diminishes parental involvement in the supervision and operation of the public schools. Cross-town and cross-district busing destroy the sense of neighborhood cohesion that has long focused on the local public school. Under court-imposed busing, the local school becomes more the domain of Federal courts and regional administrators than of the local PTA.

Busing has become an extremely important grassroots issue in my southern Michigan district. U.S. District Court Judge Noel Fox recently ordered a study seeking evidence of racial discrimination in the Berrien County, Mich., public schools. This action will likely result in the imposition of a cross-district busing plan. Without the constitutional amendment before us today, however, I fear that Berrien County, and similar places all across America, will be faced with sweeping and ill-conceived busing orders from our Federal courts.

The underlying problem is that the courts have come to ask too much of our schools. In addition to performing their central task of educating young people, they are now asked to solve all of the problems resulting from racial discrimination. I do not believe that our local schools should be used by the Federal courts as tools of social engineering. With limited resources, the more they have to spend on busing, the less they have to spend on education. All students suffer as a result of this shift in priorities away from education.

The majority of people in Michigan's Berrien County, like the vast majority of Americans, realize this. Nationwide opposition to busing has in fact become so strong that no President has ever publicity supported forced busing. Numerous rollcall votes in this very Chamber concerning the use of Federal funds to assist busing plans have emphasized Congress apparent position. The most recent Harris poll revealed that 85 percent of whites and 51 percent of blacks still oppose busing.

Despite all of this, the Federal judiciary clearly has no intention of reconsidering its commitment to forced busing of schoolchildren according to their race. The Supreme Court's July 2 approval of sweeping Federal court busing orders in Dayton and Columbus, Ohio makes this very clear.

When the courts refuse to reflect the values of the American people in a matter as far-reaching as this, a constitutional amendment is the only answer. The proposal of the gentleman from Ohio (Mr. MOTTL) with the improved language offered by Mrs. HOLT, presents us with a clear opportunity to resist the disruptive rulings of our Federal courts.

This House must now take a stand on court-ordered busing in full view of the American public. We can no longer shrug our shoulders and pass our responsibility to the courts. This is our chance to show ourselves worthy of our constituents' trust. Although the constitutional amendment process is a lengthy one, it is the only way to settle the issue of court-ordered busing and to put the will of the people above the liberal interpretation of the courts.●

● Mr. CORRADA. Mr. Speaker, I rise in strong opposition to the proposal for the constitutional amendment pending before us for our consideration. Its proponents call House Joint Resolution 74 an antibusing amendment but in reality it is far broader than that—it would prohibit any kind of reallocation of students to deal with problems of overcrowding or other emergencies that may arise within the school system.

But even beyond this major problem with the drafting of the amendment, its adverse legal implications go much further—it would involve the Congress, as a result of the provision mandating congressional power "to insure equal educational opportunities," in the day-to-day activities of all school districts across the Nation. I ask the proponents of this measure: Do you think that it is the proper role for the Congress to decide how to allocate the funds for a given program within a school district? How are we to determine what the needs of that district are? How will we balance those needs against the resources of the community? These are questions that we must answer before the votes are cast on this measure. The consequences of the actions we take today will stay with us even if the amendment is subsequently not enacted by the requisite number of States.

The precedent that we set today could, and probably would, come back to haunt us. It would be the first time in our history that an amendment to the Constitution is approved by a discharge procedure and without full and complete consideration by the committee exercising jurisdiction over the area. The Constitution is too precious and vital a document to be dealt with in such a slipshod way. As the priceless document that safeguards our democracy and protects our rights, the Constitution should not be amended thoughtlessly.

I believe that we all agree that busing is not a solution that we prefer as the perfect one. However, equality of education means equality of opportunity to obtain a decent and complete education. It is needed to remove years of discrimination and secondhand education among our poor and disadvantaged citizens. The power of the courts to intervene to correct inequalities must be preserved.

There is no need for a constitutional amendment; if one is approved it will be a tremendous setback to the hard-earned progress in the civil rights area that we have achieved in the last 25 years. It is ironic that, in the year that we are commemorating the 25th anniversary of the landmark decision in Brown against Board of Education, the House of Representatives can be accused of trying to undo the progress accomplished. I urge all my colleagues to reject this measure.●

● Mr. WRIGHT. Mr. Speaker, a constitutional amendment is not like a simple statute which we can repeal or amend next year if it does not work out the way we wished. What we write into the Constitution we write forever. We must choose each word, therefore, with exceptional care.

Justice Holmes once observed that the Constitution has endured because it has not dealt with social or economic choices but merely defines the structures of Government and the most fundamental human rights which Government must respect.

Like many of you, I think judicial activism has gone too far. I would like very much to restrict the powers of personal experimentation with other people's lives which some of our courts have arrogated to themselves. On no less than 22 occasions in the past decade, I have joined with a majority in the House to vote for legal limitations upon the otherwise unrestrained powers of the courts and administrative agencies to order the busing of students.

We have before us a proposal to amend the Constitution. Scholars have seen two unintended dangers in the wording of this proposed amendment. The first is that its broad prohibitory language could reduce the power of local school boards to make local decisions. It could take from their hands the right to assign pupils.

The second danger inherent in this wording is that it could vastly expand the control which the Federal Congress might exercise over local public schools. The new power conveyed in the final clause conceivably could be used to require that local school boards change time-honored ways of raising and expending local taxes, or even to dictate curriculum and textbook selection—matters that always have been preserved inviolate from Federal intervention.

How ironic if, in our zeal to remove one threat to our neighborhood schools, we should create two others.

Neither of these effects is intended by the author of the proposed amendment. He apparently concedes that his language contains flaws, and he says he is prepared to accept changes to remedy the most apparent defects. Certainly we should try to perfect the language to the extent we are permitted.

But this should demonstrate the danger of this procedure by which we would attempt to write, in a deliberation confined to 1 hour's time, the language which must endure in our most basic document by which future generations must be governed throughout the history of the Nation.●

● Mr. CONYERS. Mr. Speaker, 25 years ago in Brown against Board of Education the U.S. Supreme Court overturned more than a century of racial segregation and discrimination in the public schools. In the clearest and strongest terms the Court declared school segregation to be in violation of the Constitution and the protections enjoyed by all citizens under the law.

Brown against Board of Education was the beginning of a new era of freedom and equality for all American citizens, black and white. It nourished a new respect for justice and the law. It challenged racism and the purveyors of racial hatred by rallying the conscience, decency, and sense of justice of the American people. It created a new spirit in the land that confronted and subdued racism and segregation wherever it reared its ugly head, in schooling, the use of public facilities, employment, and housing.

Now, 25 years later, we are being asked in a proposed constitutional amendment to prohibit schoolbusing to turn back a quarter-century of equal justice and school desegregation. All the good that has been done is now to be undone by a proposed return to separate schooling, division by race, and all of the fears and animosities that this will engender. This proposed constitutional amendment is a destructive step backward, that would permit the reinstating of blatant official segregation to a degree we have not seen

since Brown against Board of Education. It would create tremendous political pressure on even the most well-intentioned schoolboards and administrators in the direction of segregation. It would reverse the progress in race relations achieved over the last 25 years by reviving the old conflicts that so devastated our society in the past.

That such an amendment is being proposed now, in the summer of 1979 at a time of acute anxieties and deep tensions arising out of our troubled economy and Government, ought to serve as a warning that now, more than ever, we should not weaken and interfere with the Constitution, the courts, and the equal protection of the laws.

Experience and history show that amendments to the Constitution that seek to change social policy, promote narrow causes, or regulate personal conduct are destructive to our system of Government and the general well-being of people. The proposed amendment on busing can only confound further the critical issues before the American people. This kind of single-issue legislation is simply inappropriate to the Constitution. It would place severe restrictions upon the authority of the courts to fashion remedies to correct violations of the law.

It would cause enormous disruption to school districts throughout the country, particularly in the urban areas.

As one who has been a Member of Congress since the 1960's and who has witnessed firsthand the great, positive changes that have taken place as a result of the civil rights movement, I am particularly saddened that such a proposed amendment is even being considered by my colleagues. We ought to be spending our time on the really serious issues of economics, energy, Government priorities that are troubling citizens. We ought to be talking about the ways to bind our people together, not to divide them further. We ought to be addressing justice, not group antagonisms and the passions of special interests. The American people are asking us for honorable direction, solid problem-solving programs, and for a sense of hope in the future. This constitutional amendment is the very antithesis of what we are being called upon to do.

I am confident, however, that when the debate is over, this body will reject the proposed amendment. I have this confidence because of what I hear and see from people across this country. Individuals and groups from all backgrounds are now registering their opposition to this proposed amendment. Having learned about it, they are rejecting it.●

● Mr. MURTHA. Mr. Speaker, I wish to enclose two items in the RECORD during this debate.

First, I am inserting a Washington Post editorial against the constitutional amendment which certainly emphasizes the need for hearings and research into the affects and impact of busing.

Second, I am inserting a letter to me from Judiciary Committee Chairman RODINO in which he indicates there will be an extensive study by his committee and also by the Education and Labor Committee into this very difficult and complex situation.

I signed the discharge petition, and I believe it has served a valuable purpose in bringing this issue squarely before Congress and the public. I think the hearings by the two committees should allow us to develop an appropriate response to the busing situation and review our progress and plans.

The aforementioned articles follow:

THE BUSING AMENDMENT

The House of Representatives is scheduled to vote Tuesday on a constitutional amendment to bar "forced" busing. The amendment, on which no hearings have been held and little debate conducted, has reached the House floor because 218 members signed a discharge petition. House leaders do not expect the amendment to win the two-thirds vote necessary for passage. Indeed, there is doubt it will get even 218 votes. There should be. This amendment is a disaster.

The language of the amendment contains two sleepers. One rests in the section barring courts or school systems from compelling students to attend any public school other than that nearest their homes. Although drafted with the goal of preventing busing for the purpose of achieving racial balance, this section would also bar busing for other purposes, such as reducing overcrowding or adjusting student populations to meet teacher shortages or strikes. By trying to avoid writing race into the Constitution, the authors have succeeded in trying to write local flexibility out.

The other sleeper lies in the part of the amendment giving Congress power not only to enforce this amendment—the traditional boiler plate—but also "to insure equal educational opportunities for all students." This would increase greatly the control Congress could exercise over all public schools. Under it, Congress could require, for example, that school boards change the ways they raise and spend money as long as the changes it dictated were an effort to equalize opportunity.

These objections to the busing amendment would not exist if it had been more thoughtfully drafted. And it is possible that amendments to cure these defects will be presented on the House floor. But rewriting the Constitution, where the meaning of each word is often critical, is hardly an exercise to be undertaken on the floor of the House.

The fundamental objection to any antibusing amendment, of course, is that it is an attempt to write a social-policy preference into the Constitution. With two exceptions, that document has never specifically endorsed any social or economic policy. The two exceptions were slavery and prohibition. In light of the way those two policies ended—with a war and a repealing amendment—putting such preferences into the basic instrument of government is clearly unwise.

Busing of school children for almost any purpose is less than ideal. But it can be useful and sometimes is the only tool available to break up historic patterns of open discrimination. By voting to bar its use in *any* situation, the House would be declaring that the constitutional rights of some students to equal treatment can *never* be enforced. The House should reject this effort to cripple the ability of courts and school boards to correct racial injustices.

COMMITTEE ON THE JUDICIARY,
Washington, D.C., July 13, 1979.

Hon. JOHN P. MURTHA,
Rayburn Building,
Washington, D.C.

DEAR JOHN: Confirming our recent conversation, I am using this means to advise you that I have instructed the professional staff of the Committee on the Judiciary to undertake a comprehensive study of all the federal court decisions involving busing since the Supreme Court decision of Brown v. Board of Education in 1954. Included in this study will be an in-depth evaluation of the effect upon the equality of education by recent federal court decisions.

This study, when completed, will be made available to every Member of the House of Representatives to enable the Members to more carefully evaluate the legislative proposals on busing now pending.

I am advised that Chairman Perkins of the Committee on Education and Labor will be holding hearings on this subject shortly after the recess.

I am certain that the study will reveal many cases where there has been success in court ordered busing as one of the tools to be employed for securing equal opportunity in education for all our children.

Sincerely,

PETER W. RODINO, Jr.
Chairman.

● Mr. OTTINGER. Mr. Speaker, I rise in opposition to House Joint Resolution 74, which provides that no student shall be compelled to attend a public school other than the public school nearest to the student's residence. Although some have referred to this proposed amendment as an "antibusing" issue, this is not a vote for or against the use of busing for school desegregation purposes. It is a vote on adding a specific amendment to the Constitution.

I strongly oppose this amendment for a number of reasons. First, for almost 200 years, the Constitution has embodied the lasting fundamental principles of our Nation. An amendment dealing with specific social policy addressing an immediate issue does not belong in this Constitution. The history of the prohibition amendment illustrates the consequences of attempting to legislate social policy through the Constitution.

Second, amending the Constitution is an extraordinary action. It is inappropriate to consider a proposed amendment under the discharge procedure. This procedure bypasses deliberate committee consideration and allows only 1 hour of debate on the resolution. The Constitution has never been amended by use of this procedure and passage of this amendment would set a dangerous and undesirable precedent.

Third, the amendment as drafted has legal implications beyond those intended by its authors. The amendment would increase the Federal Government's role in education. By mandating that "Congress shall have the power to enforce this article by appropriate legislation and to insure equal educational opportunities for all students," Congress would have the power to direct a particular State or community to alter its tax rates or school policy.

Finally, the amendment would forbid pupil assignment beyond nearby schools even if it is demonstrated that no alternative exists to remedy deliberate segregation. To prohibit busing in this situation is to sanction segregation. This would erode the guarantee of the equal protection clause of the 14th amendment.

As Laurence H. Tribe, Harvard professor of law, has pointed out:

It is one thing to specify, by legislation, that busing must truly be a last resort; it is quite another to mandate, by Constitutional amendment, that even when needed to eliminate deliberate segregation, busing is ruled out.

I urge my colleagues to join me in opposing this amendment.●

● Mr. BENNETT. Mr. Speaker, I rise in support of House Joint Resolution 74, legislation providing for a constitutional amendment to prohibit the forced busing of public school students beyond their neighborhood schools. I have introduced similar legislation since 1970 and, in fact, my current bill (H.J. Res. 12) is substantially the same as the legislation we are considering today.

I want to point out that the amendment we are debating would not hinder the educational opportunities of any public school student. It is certainly not a return to the old dual school system. It would not prevent a student from being assigned to a school more distant than his neighborhood school if he or his parents preferred the other school for some reason. It just prevents this being forced upon him.

Further, it attempts to insure that equal educational opportunities will be attained for all students, wherever located; and it puts the responsibility on Congress to do this. The amendment is workable because, while leaving school management in the grassroots, it empowers Congress to equalize educational opportunities throughout the United States in a way which would not stimulate individual law suits but instead provide guideline and fund-producing assistance.

Despite strong public sentiment against forced busing, children are being bused long distances across cities and rural areas, large and small, and are being deprived of time to study, time to play, time to be with their parents in character molding activities. In Jacksonville, Fla., which I represent in Congress, schoolchildren, black and white, are being bused every day across a school district that covers 800 square miles. Some are bused as many as 50 miles. Blacks and whites are furious about this and rightfully so.

The energy crisis has added a new dimension to the busing problem. Countless thousands of gallons of fuel are wasted each day in the forced busing of public school students beyond their neighborhood schools. The Duval County School Board reports that its schoolbuses travel 47,000 miles per day in Jacksonville and get about 5 miles to the gallon of gas. This averages out to about 9,500 gallons per day on schoolbusing. Duval County has 512 buses and 15 spares transporting 53,000 students each day.

The time has come to stop forced busing and allow students to attend their neighborhood schools. No other generation has had to pay the penalty of forced busing. Children go to school to learn. Busing has failed to enhance their learning and, in fact, has impeded learning in many cases. I strongly urge my colleagues to support this needed and long overdue constitutional amendment.●

● Mr. BROOMFIELD. Mr. Speaker, I rise in support of the proposed amendment to the Constitution to prohibit the use of busing as a means of racial balancing within our Nation's schools.

It is unfortunate that such extraordinary measures as a constitutional amendment must be utilized to work the will of the Congress and the people in this matter.

However, in its efforts at social manipulation, the courts have continued to impose busing upon the people and to ignore the clear position of the Congress opposing this tool, the expressed view of Americans as reflected in numerous national polls, and the fact that busing does not work to achieve the goals of desegregation.

We all want the same thing—a "color blind" society. But it does not make any sense to continue to use a tool, such as busing, that is totally counterproductive.

The once firmly held belief that busing would help raise the educational quality of minority students by placing them in integrated classrooms has proven false. Dr. James S. Coleman of the University of Chicago, one of the early and most influential advocates of the achievement benefits expected from integrated classrooms, now says:

It has not worked out this way in many of the school desegregation cases. . . . Thus what once appears to be fact is now known to be fiction.

Instead of the elevating of educational quality from desegregation through forced busing, we have seen violence and the lowering of standards, in many cases, and the exodus of the middle class from school districts subject to court ordered busing. This "white flight" has left many of our city school systems poorer, because of the loss of a strong economic base and the loss of students for Federal funds, and with an even higher minority ratio than before the busing order.

Mr. Speaker, to assume that this great national opposition to forced busing is motivated primarily by racial considerations is too simplistic and does a great disservice to the American people.

There is the very real concern for the safety of the children who are forced to ride great distances by bus to schools away from their communities.

There is a strong dislike for the waste in time and resources that must be applied to moving children from one school to another, instead of being applied to the children's education.

There is a great desire, by the people, to maintain their neighborhood schools. These schools help provide a sense of community and stability, and facilitate parental participation in and supervision over the operation of the school and their children's education.

But, finally, I believe one of the greatest factors opposing forced busing is the desire of parents to maintain their rightful authority over the education of their children. To have the courts step in and take this responsibility from the parents strikes me as the ultimate step in Government interference.

Mr. Speaker, I am pleased that we are finally permitted to debate the question of forced busing, itself, and not have to deal with it through appropriations bills.

I am sorry that we could not have arrived at this point through the regular legislative procedures of committee hearings. However, the committee's adamant refusal to consider this proposal left us no choice but to use a discharge petition.

I now urge my colleagues to approve this proposed amendment to the Constitution. It will provide the people with the opportunity to express their will on this issue, but more importantly, it will reassert the fact that this Government continues to be one of the people, and not of the courts.●

● Mr. CARR. I rise in opposition to the proposal. The proposed constitutional amendment to prohibit busing to achieve desegregation is a hastily assembled piece of mischief whose many flaws are still being sorted out and exposed.

I want to point out only one of those flaws. By prohibiting busing to achieve desegregation, the proposed amendment would strip from a local school district its power to choose to bus students to achieve desegregation. In view of the experience of a school district in my own congressional district—in Lansing, Mich.—I am dismayed that we could even contemplate such action.

Students in the Lansing public schools have been bused for several years now, with remarkable results. Our schools are desegregated. Students are being educated in an atmosphere of harmony. We have not suffered from the much publicized "white flight." The dropout rate in our public schools has been cut from 15 percent (prebusing) in 1971 to 7 percent in 1979. The dropout rate for minority students is approximately the same as the rate for majority students. Substantive gains in student learning have taken place. The learning gap between majority and minority students has been narrowed with no decline in learning for majority youngsters. Lansing students have moved from achieving below national averages on standardized tests to scoring at or above national averages. Positive and documentable improvements have occurred in student discipline in the schools. Best of all, successful school desegration has served as a springboard for gains in other areas, such as dramatic changes in housing patterns and a growing acceptance of a variety of ethnic groups.

Much work and community cooperation has gone into these accomplishments and we in Lansing take great pride both in the work and cooperation and in the results. Without busing, however, we could not have created the kind of educational and social environment within which these gains have been made. Without busing, we may not be able to sustain our progress.

It is inconceivable to me that we would amend our Constitution to shut off this proven avenue to successful education—and to prevent local school districts from choosing to desegregate.●

● Mr. DANNEMEYER. Mr. Speaker, I wish to thank the distinguished gentleman from Ohio (Mr. MOTTL) for yielding and congratulate him for his persistence in getting a proposed constitutional amendment to stop forced busing to the floor of the House of Representatives for consideration. Given the long-term opposition to forced busing by a great majority of Americans, I only regret that the gentleman was forced to go to such

extremes; rather I would have hoped that hearings would have been held, a bill reported—even if it were reported unfavorably—and a vote taken long before this. Regardless of how the committee of jurisdiction may have felt, it seems to me that, with a subject so important and the evidence so conclusive that forced busing does not promote quality education, the Members of this body deserved to have the matter brought to a vote.

Nevertheless, now that we have the opportunity to vote, it is imperative that we do not miss our chance to do away with a practice that is not only disruptive but does nothing to improve Johnny's reading, writing, or math skills. In fact, a number of studies, most notably one by Dr. James S. Coleman, whose 1966 study, "Equality of Educational Opportunity," provided the rationale for forced busing in the first place, indicate that forced busing has done more harm than good.

In addition to the disruption, educational and otherwise, brought about by forced busing, there are also the questions of excess cost and unnecessary energy consumption. Coming from Orange County, Calif., I am only too familiar with how much busing can cost for, out there, we are faced with the very real possibility of a court ordered forced busing plan that will involve all or parts of five counties and will affect some 1.6 million students. The cost of implementing such a plan, should it be thrust upon us, has been estimated at $1.1 billion—a figure the area simply cannot afford. Moreover, if areawide busing in Jefferson County, Ky.—Louisville and vicinity—wastes between 50,000 and 125,000 gallons of gasoline a month, can you imagine how much gas or diesel fuel will be wasted in the Los Angeles area if metropolitan area busing comes to pass?

What makes all this even harder to understand is the fact that, even if one were to accept the argument that busing is necessary to achieve equally of educational opportunity, the fact remains that busing still does not work. The decline in the quality of education generally, and the disruption to family routine in particular, have resulted in more and more parents putting their children in private schools or moving well out into the suburbs. An excellent example of this is the city of Los Angeles where the president of the school board, who favored busing, was recalled not too long ago by voters, a majority of whom obviously were opposed to busing.

Last year, when forced busing was begun, 40,000 white children left the Los Angeles public schools bringing the percentage of majority group students in the school system down to 30 percent; by 1981 this percentage is expected to drop to 19 percent, or close to a point where the school system has been effectively resegregated. And Los Angeles is not an isolated example.

Studies done by Dr. David Armor, senior sociologist at the Rand Corp., in 23 northern and southern cities indicate that, instead of the normal 2- to 4-percent per year reduction in the number of white students in the school system, forced busing results in close to a 15-percent drop the first year of busing followed by a 7- to 9-percent drop in succeeding years. In short, it is not too long before the only students left in the system are poor blacks and poor whites and the tax base necessary to give them the education they need has been consequently eroded.

The response of the courts to this has been to consider ever broader geographical areas as targets for forced busing, but this does not get at the fundamental problem—making Johnny read better whether he be black or white. Instead, it will simply drive more students out of the public schools, and, in the process, reduce the tax base necessary to adequately support those schools. The fact that Johnny cannot read better has already caused a serious loss of confidence in, and financial support of, public education in America. The number of school bond issues rejected recently is living testimony to that and continuation of forced busing will only make things worse. It is a vicious cycle, which can best be broken by prohibiting the very thing Brown against Board of Education sought to prohibit in the first place, the assignment of children to school on the basis of race.

Unfortunately, Congress has tried to do this any number of times in the 8 years following the Swann decision (1971) but, despite a number of efforts to cut off funding for busing, the practice continues. Such being the case, it has become apparent a constitutional amendment is the best, if not the only solution, to the busing problem. It may be a long fight to get it approved by the Congress and 38 of the 50 States but, given the alternative, there does not seem to be much choice.

The most frequent objection to this line of reasoning is that it will set back the cause of civil rights. However, the latest Harris poll, confirming earlier polls, indicates that not only do 85 percent of all whites oppose forced busing but so do 51 percent of the blacks interviewed. And they have good reason. Just like white parents, they want their kids to have the best possible education with minimum inconvenience. Just like white parents, they want their kids to be able to enjoy social activities and participate in athletics while at school. And, just like white parents, they deplore the increase in violence that all too often has accompanied forced busing. But, unbeknownst to most white parents, some of them resent the idea that their children somehow learn better when sitting in a classroom with white children. As Dr. Coleman noted in his second busing study:

> The belief that an all-black school is inherently bad . . . has a curiously racist flavor that I can't accept.

Obviously, as the Harris poll suggests, neither can a lot of other folks although they may not want to say so publicly.

I could go on but rather than repeat what should be the obvious, let me just conclude by noting with the need to cut spending, save gas, improve education, and reduce hostility, it simply makes no sense to continue permitting forced busing. With the money it costs, we could upgrade the quality of education in many classrooms, something sorely needed in this day and age. After all, what good does it do to have racially balanced classrooms, if by the time the youngsters graduate, a number of them still cannot read. We have lost sight of our educational priorities and it's high time we got back in order, before it is too late.●

● Mr. BIAGGI. Mr. Speaker, I face a paradox today as do many of my colleagues. Throughout my 10 years in Congress I have been a rigorous opponent of forced busing. I continue to strenuously oppose busing. However, I also believe in the sanctity of the Constitution. Therefore, I must rise in opposition to House Joint Resolution 74.

It is unfortunate that we even had to reach this point today. I signed the discharge petition of my colleague from Ohio. I did so out of a sense of frustration. I did it as a protest to the adament and indefensible opposition of the House Judiciary Committee to hold hearings and allow this issue to be aired. Mr. MOTTL was able to garner 218 signatures on the discharge petition. Consequently only for the 26th time in our history has legislation reached the House floor via this route. It demonstrated the intensity of opposition to busing in this Congress.

The fact is we have already achieved victories here today. The distinguished chairman of the House Education and Labor Committee, of which I am the ranking New York member, has agreed to conduct hearings on September 11 and 12 on the National Education Opportunities Act, a bill designed to promote alternatives to busing. Such hearings have been repeatedly denied us by the Judiciary Committee. Further, the chairman of the House Judiciary Committee has instructed his staff to conduct a major study on the impact of busing. This is progress. This is proper congressional activity.

However, House Joint Resolution 74 we are being asked to go much further, into a highly dangerous area—proposing a constitutional amendment. Consider that to reach this point we were forced to circumvent the normal legislative process. That is fine as a means of registering protest. But to amend the Constitution?

The Constitution has only been amended 26 times. There were five other amendment attempts but they failed. Not one of these 31 amendments were offered under the fashion proposed today. To do so would make a mockery of the process. Imagine determining the fate of a constitutional amendment on the strength of just several hours of debate?

I venture to say that a majority of my colleagues as well as a majority of the American people challenge the contention that busing works. We cannot defend busing. It is inimical to our democracy. It has not and will not work. Where is the constituency in favor of busing? Is busing ever praised for what it has accomplished or rather is it always discussed in an emotional context? Why have busing's former supporters turned their backs on it?

A case in point: Prof. James Coleman, who had the courage to recognize that

what he once defended as important to education, he now criticizes as a failure. Busing has not achieved quality schools. It has polarized communities across this Nation. It has disrupted families and schools. And as the sponsor of this amendment points out—court-ordered busing wastes gasoline—not a minor consideration.

We recently observed the 25th anniversary of the landmark Bro n against Board of Education, Topeka, Kans., decision by the Supreme Court. This event was observed with the sobering assessment that our progress has been slow in achieving the major goal of eliminating segregation. We should not forget that fact that busing per se was not ordered by the Supreme Court in their decision. It was the product of interpretation by later, often lower courts. We cannot overlook the fact that busing in and of itself has done very little to achieve the goal it intended.

I am joined by a large number of my colleagues who oppose busing. Keep in mind that 218 Members signed the discharge petition and earlier today voted to allow this matter to be debated here today. However, it is inconceivable to me that the forces against busing can muster the necessary two-thirds vote necessary for approval of House Joint Resolution 74. This vote does not represent any change in my position. I will continue to oppose busing and will work in my capacity as a ranking member of the House Education and Labor Committee to gain passage of legislation which offers an alternative to busing. I am infinitely more comfortable pursuing normal congressional processes to affect change.

Consider this observation of the Association of the Bar of the City of New York:

> The Constitution is our most precious document: the solemn embodiment of those principles and values which give our nation life and meaning. It follows that the House should propose an amendment to this national charter only after a most searching and deliberate consideration. Joint House Resolution 74, however, is presented through a discharge petition, rather than through the normal legislative process, with the result that the amendment will proceed to a vote without the benefit of legislative hearings or committee consideration of any kind, and subject only to very limited floor debate. This accelerated procedure is entirely unworthy of our Constitution. Its success in this instance might encourage similar ill-considered efforts in the future, whenever narrow interests and political expediency temporarily command the stage.

The oath we took for this office requires us to uphold and defend the Constitution. If we are true to this oath, we will defend the Constitution from House Joint Resolution 74.●

● Mr. DODD. Mr. Speaker, I rise today in adamant opposition to the consideration of House Joint Resolution 74, an amendment to the Constitution of the United States prohibiting busing.

As every student of history in this country is aware, the framing of our Constitution was a thoughtful and careful act demanding the foresight and wisdom necessary to create a living and lasting democracy. Thomas Jefferson said in 1823 that "A permanent Constitution must be the work of quiet leisure, much inquiry and great deliberation." If the House agrees to the use of a discharge petition for the consideration of this constitutional amendment, we will severely limit and ultimately destroy the historical intent and spirit which the great minds of the framers of our Constitution had established. History will consider our actions today as swift, lacking both sufficient deliberation and depth. I hope the Members of this great institution will not allow the very integrity and thoughtfulness of our continued deliberations on national issues to be tainted by this demeaning spectacle.

The resolution we have before us today directly dilutes the historic decision of the Supreme Court, just 25 years ago, in the Brown against Board of Education case. I believe in the Constitution of the United States and I believe in the wisdom of our own predecessors in this House. The men before us established as a basic principle of this Nation that all men are guaranteed equal protection under the laws of this land. I do not believe that the floor of the House is the proper place to draft new language that tampers with these basic principles embodied in our Constitution. I hope that my fellow colleagues will have the moral courage to stand steadfast to these basic principles, in the same manner the U.S. Supreme Court did in this historic Brown decision.

The amendment before us will eliminate one method to insure equal access to quality education that has been highly successful in many regions of this country. In case after case court-ordered busing has provided racial balance in areas where no other remedy has existed. Are we to decide today to turn back the progress we have made in the last 25 years and prohibit the use of one of the many methods that has worked to achieve a racial balance in our educational institutions. I do not believe that this body is ready to deny equal educational opportunity to the children of this Nation.

I hope my colleagues will join me in upholding the basic protections afforded by our Constitution and upholding the integrity of this great deliberative body and vote no on this proposed amendment.●

Mr. EDWARDS of California. Mr. Speaker, I am in opposition to House Joint Resolution 74. The supporters of this provision point to public opinion polls as justification for its adoption. As members of the national legislature, is it our role to enshrine into the Constitution such vacillating views? If the answer is "yes," and I do not believe it is, how do we incorporate the public's overwhelming support for school integration when this provision seeks to bar desegregation efforts?

This entire effort is sheer lunacy. Our constituents are looking for thoughtful leadership and we respond with reactionary movement. As lawmakers, it is our duty to tell them, as the Supreme Court ruled in the 1958 Little Rock case "constitutional rights of (black children) are not to be sacrificed or yielded" because of opposition to those rights.

Adoption of House Joint Resolution 74, the Holt amendment or any similar amendment is an admission by this august body that we have failed to carry out our duties and that we refuse to or are incapable of articulating to our constituents the truth about desegregation: the initial resistance to it or any social change, and the eventual acceptance of it. We should proceed to assist in easing the transition from unconstitutional segregation to equitable social change.

House Joint Resolution 74 fails to live up to its promise. It is not, first of all, an antibusing amendment. The first rule of law is to read the contract—there is no mention of busing or transportation. House Joint Resolution 74 bans student assignments to other than the nearest school. In an effort to achieve neutrality the amendment, as drafted, opens a Pandora's box to increased litigation, greater Federal intrusion into State and local decisions on educational policies and programs, by creating, for the first time, a constitutional right of a child to attend the school nearest the child's residence.

The Holt amendment is no improvement. It unmasks the veil of neutrality and makes apparent the racist motivation and intent of its sponsors. It too, interferes with local decisions regarding voluntary efforts to achieve a constitutionally mandated unitary and thus, desegregated school system.

Let me assure you that the adoption of this or any similar amendment will move this Nation back in time when we had an officially sanctioned apartheid society. For all of these reasons, House Joint Resolution 74 must be opposed.

Mr. Speaker, the amendment that has been offered by Mrs. HOLT clearly shows that the true purpose behind this effort is—not the reduction of busing—not the preservation of neighborhood schools but the return to the days of "separate but equal."

Have we now reached the point in our history where our Constitution shall be a repository for a blatant racist concept? Shall our courts from here forward be forced to ignore officially sanctioned discrimination? Shall a nation which continues to beckon and give harbor to the weary and downtrodden assign unequal status to some of its citizens?

Do we turn back history and widen the narrowing gap between members of our wonderfully diverse society?

An affirmative answer to any of these questions should cause any of us to hang our heads in shame.

A negative answer to these questions and to the amendment will reaffirm our belief in the faith of our fathers that we will never abandon even one of our citizens to the disgusting concept of indifference.

There is no choice on this vote—there is only a two-century-old mandate—a "no" vote for our future.

● Mr. FRENZEL. Mr. Speaker, I have great sympathy for our distinguished colleague from Indiana (Mr. MOTTL). He has been trying for years to attract the attention of this House to an issue which is of importance in each of our districts. The fact that this House was unwilling to schedule hearings is a serious indictment of its management and of its representa-

tiveness. Surely Mr. MOTTL's issue, and his bill, could have occupied a little of our precious committee time.

Despite the fact that this issue deserved more attention under regular House procedures. I do not like the idea of amending the Constitution through the discharge process. Only once before in the 8½ years I have served here did the House discharge a constitutional amendment. In that case, as today, the author perceived a weakness in his amendment and endorsed an amendment to it. In the normal course of business that is not a bad idea, but to write amendments to the Constitution on the Floor of this House is a very risky exercise.

Again, Mr. Speaker, I do not fault the distinguished gentleman from Indiana (Mr. MOTTL). He had no other course. I fault the leadership of this House which denied him any other way to be heard. Only because our system would not allow him to be heard, the House has been put in this miserable situation.

I am no fan of busing, nor even a friend. Youngsters do not learn much on busses. Busing is expensive, and has been grossly overutilized as a remedy against segregation. But I shall vote against this resolution today.

Partly, I will oppose the resolution because of the process. I have already expressed my objections, and laid the blame, as I see it, for the process. Partly I will oppose it because it is a poorly drawn amendment with such obvious deficiencies that its own author wants to amend it. The amendment to the resolution is on improvement, but it suffers from the fact that it has only recently arisen, and its effects are not well known.

But mostly I will vote against the resolution because I think that busing still has value as a limited, last-ditch remedy against de jure segregation. I do not support it as a remedy against de facto segregation. But where district boundaries have been specifically drawn to discriminate, busing, or the threat of it, ought to at least exist as a potential remedy.

I regret that neither the Mottl resolution, nor the amendment thereto, makes any distinction between de facto and de jure segregation.

My own judgment is that either a law or an amendment to the Constitution could be passed which would prohibit busing as a remedy for de facto segregation.

Mr. Speaker, although I shall vote against it, I am glad that the Mottl resolution has raised this issue and, perhaps for some of us, has helped clarify our thinking on it. I hope our deliberations today will have some influence on the courts which often have been irresponsible in mandatory busing remedies, when other comparably expensive efforts would produce much greater educational benefit.

Further, I hope that this House will move forward on an antibusing law such as was considered here in the early 1970's. We have had too much forced busing, but the answer is not to ban all busing. The answer, I believe, is a carefully drawn law which narrowly defines when busing can be used, and broadly defines when it cannot be forced on any school district.●

● Mr. DERWINSKI. Mr. Speaker, this is an issue which has plagued our education administrators for too long and which has resulted in more furor, controversy, and emotion than it has advanced the quality of education for our students.

I believe that the school administrators in a given district should have the responsibility for adjusting the student allocation within their district based on the factors that include residency and specific student needs.

As a matter of principle, I do not believe in racial quotas.

Therefore, consistent with my endorsement of legislation since 1970 to preserve the right to attend neighborhood schools, I support this amendment.

While the purists may argue language and raise constitutional questions and while the Judiciary Committee may complain about infringement on their jurisdiction, by the limitations of the rules, we have an up or down vote and, therefore, I will support this constitutional amendment to prohibit schoolbusing.●

● Mr. CAVANAUGH. Mr. Speaker, I rise in opposition to the resolution offered by the gentleman from Ohio (Mr. MOTTL), which proposes to amend the Constitution of the United States. The Mottl amendment would not prohibit the transportation or busing of students as hoped for by its supporters. The gentleman from Ohio (Mr. MOTTL), the author of this amendment, has himself stated it is not his intent to either disturb the protections of the 14th amendment of the Consitution or to overturn the 1954 landmark case, Brown against Board of Education, defining equality of education and establishing the principle that separate or racially segregated educational facilities were inherently inequal.

If the Mottl amendment is to exist in harmony with the 14th amendment as interpreted in Brown against Board of Education and subsequent cases, the effect could be more not less interference in local school districts than exists today and more busing of students than exists today. If school districts are to accommodate the dual mandates of assuring integrated educational opportunities through a system which does not require students to attend any facility other than the facility nearest their residence offering the course of study pursued by the student the result seems obvious. The school districts would be required under the Mottl amendment to restructure their "course of study" in such a way as to offer educational opportunities in an integrated facility.

In practical terms this would mean mandatory centralizing of grades within school districts. A common, districtwide 5th grade at one facility, a districtwide 8th grade at another. Each of these centralized "courses of study" facilities would fulfill the requirements of both the 14th amendment and the Mottl amendment. All students would be attending the "course of study nearest their residence" in the district in facilities fully integrated. The result, however, would be the total destruction of the neighborhood school and the total usurpation of local control of the educational program of the school district and most likely much more extensive busing of students than exists today.

Numerous other potential difficulties are presented by the Mottl amendment. Many of these are recognized by the author of the amendment himself and he will seek to remedy these defects by accepting a new proposal to be offered by the gentlewoman from Maryland (Mrs. HOLT).

The Mottl amendment would clearly impair the efficient offering of special education programs. The Mottl amendment could prevent the closing of old and obsolete facilities as well as result in serious overcrowding of some facilities and a severe underuse of other facilities due to temporary shifts in student populations. In each of these cases the authority of a local school district to make the decisions which best suit the district would be usurped by the Federal mandate of the Mottl amendment. Every school district in the Nation would be affected and restricted by this amendment without regard to whether they were experiencing integration difficulties.

If the amendments were to be successful in prohibiting all transportation of students the results would also be undesirable and unacceptable. In addition to imposing many of the difficulties outlined previously, the amendment could have the effect of reversing 25 years of racial progress in our Nation and reestablish the hatred and hopefully buried principle of segregation. This is a result sought by no one. The author of the amendment himself pledges support for the mandate of Brown against Board of Education which established the principle that racially separate educational facilities offer inherently unequal educational opportunities.

This amendment does not solve the problems caused by court mandated busing in a manner that is either reasonable or practical. Busing of students as a result of Federal court orders for school districts to provide integrated educational opportunities is a source of great frustration for many Americans and imposes a heavy burden on the taxpayers of those school districts where the mandates exist. These citizens may properly look to the Congress for some relief. In my own congressional district there is no issue which generates more emotion and distress. Since 1976 the Omaha Public School System has been complying with a Federal court order to provide integrated educational opportunities. In 1978, 7,693 of a total student population of 49,753 students in the Omaha Public School System were bused. Since 1976 the people of Omaha have expended more than $9 million for the purpose of providing transportation for these students. While the people of Omaha have borne this burden with patience and unusual goodwill, they expect and deserve some relief. The responsibility for providing remedies for the longstanding segregation with which our society has been

afflicted should not be borne exclusively or unfairly by the people of Omaha, black or white. Integration is a problem of our Nation and should be shared equally by all in the Nation. Time and again, however, this House has refused to acknowledge that responsibility. The Congress can and should not only fund the cost of federally court ordered integration programs but provide funding for voluntary alternatives to Federal court ordered busing which could allow school districts to develop the method of providing for the integration of the district—a method best suited to the school district.

We can answer the frustration expressed by the citizens who support this amendment. But we must answer those frustrations in a manner that is honest, honorable, and true to the fundamental principles of our Constitution.

The Mottl amendment is not an honest answer to the problem caused by court ordered busing and should be defeated.●

● Mr. PREYER. Mr. Speaker, all the opinion polls indicate that the American people overwhelmingly support the idea of desegregated schools and an integrated society.

They also indicate overwhelming opposition to busing.

This is not as contradictory as it sounds. The polls are telling us that our citizens agree on the goal of a desegregated school system, but strongly object to busing as the means of reaching it.

This body accurately reflects public opinion on this. To put it in legal terms, we approve Brown—which established the principle of desegregated schools 20 years ago; we have serious questions about Swann—implementing that decision in the Charlotte case.

I speak as a Member who has supported many of the antibusing amendments that have come before this body. Large-scale busing is a disastrously wrongheaded policy in my judgment. But becaue busing is wrong does not make a constitutional amendment to deal with it right. The various antibusing amendments we have considered in the past have largely been futile, some have been foolish. But none raised any threat to the Brown case. These amendments could be supported as a protest against busing as an unreasonable remedy. These amendments did not threaten the goal of a desegregated school system or an integrated society.

But a constitutional amendment, not some amendment tacked on to an appropriations bill, is something else. We can not think of it in terms of all these other votes. It will signal a retreat from the goal not only a symbolic retreat, though that is important, but there is a substantial risk that it will bring about an actual retreat.

I say "substantial risk" because we do not know how the Supreme Court will interpret such an amendment.

But if interpreted literally, and I think this is how it would be interpreted, a constitutional amendment of the types suggested would not just stop busing they would take us back behind the Brown case of 20 years ago. It would not undo Brown directly. Brown would still give a right to attend a desegregated school system, but the constitutional amendment would deny the means to effectuate the right. Brown would be rendered meaningless—a right without a remedy. Like the moon, it would shine on but it would be dead.

How exactly would the amendment do this? The proposed amendments fall into two classes. One would say that "no public school student shall, because of his race, creed or color be assigned or required to attend a particular school." In an ideal society of course, we would take no notice of race.

However, to correct a past denial of equal rights on the basis of race, we must use race in formulating a remedy. Moreover, such an amendment would eliminate voluntary plans to desegregate schools and such voluntary techniques as majority/minority transfers, because such plans are necessarily race conscious, and the amendment says "Don't consider race."

The second type would guarantee the right of every student to attend the school "nearest his place of residence." But granting this kind of absolute right is as much a failure to balance legitimate interests as long-range, large-scale busing is a failure. Surely we would not want to take away the local school board's authority to do some frank gerrymandering to achieve more voluntary integration, for instance. If for example a child is assigned, not to the closest school, but to the next closest, and more integration results, surely we will have balanced well two very legitimate interests. But this—whether resulting from a court order or from voluntary action—would not be allowed.

To sum up: They would virtually eliminate all voluntary means of desegregating a school system, including those means that might have nothing to do with forced busing. It would effectively block any efforts of Congress to meet our responsibility to establish a national school policy by legislation.

Our system of democracy has always lacked a reverse gear, especially in those movements that represent great ethical or social advances. Brown represented such an advance: The idea that no student could be compelled to go to a segregated school. We do not intend to retreat from this goal. A constitutional amendment gravely risks doing it through inadvertence.

Certainly Congress should exhaust all other remedies before going to such a drastic and uncertain solution as a constitutional amendment. It will be argued that "we have tried everything else and nothing works. A constitutional amendment is all that remains." This is not so. We have not tried the one key thing. We have not come to grips with a comprehensive education bill which addresses this question "What is the best way to achieve equal educational opportunities? What can we do to reach the goal of desegregated schools without busing?"

Such an approach is a realistic option; it is not just theory. A number of Congressmen and I have introduced such a bill—drafted by a constitutional expert, discussed with and approved by leading educational experts. If you want to do something about busing that requires only a majority in Congress and not lengthy action by State legislatures, that zeroes in on the problem of busing without compromising the goal of a desegregated school system, that is not the loose cannon that a constitutional amendment is, then support something like this bill—a legislative approach.

There are far more sensible ways to get us out of this wrong-headed policy of busing than a constitutional amendment. A constitutional amendment would block off the sensible way, the legislative approach.

No one who is opposed to busing should feel that the constitutional amendment is the only thing that can be done about busing. In a sense, a constitutional amendment would only be an extension of the present abdication of Congress to the courts in the area. We would be adding an amendment which could qualify the fourteenth amendment and then we would be waiting to see how the courts work out any contradiction—and we cannot say with assurance what the results would be. As a better alternative, Congress should legislate a national educational policy to attain equal educational opportunities in this country. This will not be easy. There are no quick shortcuts. We have not met the challenge in the past—and that is why we are here now. But I remain hopeful that we can bring the full legislative process to bear on this vexed question and find a solution which will help us in our attempt to achieve a more integrated society.

It is well to remember that the course we are running is a long one and the goal sought in the end—so often overlooked—is the best possible educational opportunity for all children. We can achieve the goal without lowering the quality of education generally if we plan intelligently. The stakes for all sides are high—peace in the community and a fair shot at a quality education for all.

The long effort to bring the black man into the mainstream of society through school desegregation has been both a success and a failure. It has been a success in that the principle of legal, official segregation has been denied everywhere. The legal structure of segregated schools has been destroyed and the idea repudiated. For moral as well as historical reasons all of the United States stand firmly for the principles of racial equality. This has been a triumphal success.

But it has been a failure in that dismantling the legal, official structure of segregation has not automatically integrated schools, and the court-ordered remedy of large-scale busing has not worked.

We should overcome the failure through a legislative approach; we should not risk the triumph by adopting a constitutional amendment.●

● Mr. HANLEY. Mr. Speaker, I would like to take this opportunity to comment on the actions of the House today in voting to discharge the Judiciary Committee from consideration of House Joint Resolution 74, a proposed constitutional amendment which would effectively end

the practice of Court ordered busing to achieve equal educational opportunity for all children in this Nation. First, I want to explain that due to prior commitments I was unable to be present for the vote to discharge the committee from consideration. I am officially recorded as "paired" in the affirmative. There can be no doubt that regardless of our individual feelings on the prudence of attempting to alter the Constitution to deal with this issue, a majority of my colleagues signed a discharge petition to require such consideration. That being the case I felt quite strongly that this body had a responsibility to the majority of its Members as well as to the concerned citizens of this Nation to debate this highly controversial proposal.

On the question of final passage of the substitute language of the Holt amendment, however, I joined with a majority of my colleagues in voting "no." I wish to make quite clear that this negative vote is in no way meant to imply any support for the concept of Court ordered busing. I have always opposed the practice, and strongly feel that in some instances it has been either excessively or incorrectly applied. While I oppose an amendment to the Constitution as a means of correcting the problem, I continue to support efforts to enact legislation to provide assistance to the States in developing and implementing plans, on a voluntary basis, to reduce and eliminate minority group isolation in schools. Federal financial and technical assistance will be the key ingredient in such an approach. The House Education and Labor Subcommittee on Elementary, Secondary, and Vocational Education has tentatively scheduled hearings on this legislation for September, and I am hopeful that we will finally adopt this approach as a solution to the busing problem.

Finally Mr. Speaker, there were a number of other important factors which prompted my negative vote on the constitutional amendment. First, I do not believe that the Constitution is the proper vehicle for the implementation of social policy preference. The broad statement of fundamental principles contained in that great document must not become encumbered with statements of narrow social preference. Second, even the language of the compromise proposal opens some very serious questions relating to the continued control of local school boards over decisions necessary to provide quality education for our young. Finally, passage of the amendment would have destroyed the years of effort in this Nation to pass and implement the equal protection clause of the 14th amendment. We dare not hold equal educational opportunity hostage to our desire for neighborhood schools. I am confident that we can have both, and I am hopeful that the House will finally consider the appropriate legislative solution I have already mentioned during the current session.●

● Mr. LELAND. Mr. Speaker, I rise in strong opposition to this amendment as originally drafted and to its proposed revision.

As a child, I can remember standing along with my classmates in school and having to recite the Pledge of Allegiance. This was mandatory not only for the students who attended my school, but also I am sure for all of you. In reciting the Pledge of Allegiance, I took notice to one particular passage, which generally, when stated, is done very forcefully and without hesitation.

Mr. Speaker, and my distingusihed colleagues, I wish to quote that passage for you today: "* * * one Nation under God, indivisible with liberty and justice, for all." As I interpret the first clause of this passage, Mr. Speaker, let me say that the words "one Nation under God" does not imply "separate but equal" access to educational opportunities. I cannot help but feel that the Mottl amendment would divide this "one Nation under God" and deny its promise to millions of blacks, Hispanics, and other American children. Would an end to busing continue to divide us or is it that we are repeating this oath in vain?

Mr. Speaker, may I continue by examing the second statement of that passage which states "indivisible." Now, this amendment is sure to provide for divided educational access and would assist in the development of a multisystem that would not allow for our children to have to sit next to one another, play with one another, and most importantly, learn with one another.

Finally, Mr. Speaker, I wish to examine the final six words of the Pledge of Allegiance, which are probably the most important ones for the purpose of this debate; and then state, "with liberty and justice for all." How could any of my colleagues who support this amendment deny that "liberty" surely includes the freedom to have access to a quality educational system. Isn't this the liberty for which we have fought so hard? Is it not the same liberty that has taken its toll for people like Harriet Tubman, Robert Kennedy, John Kennedy, and Martin Luther King, Jr., who all laid down their lives to see that black people, Hispanic people, white people, and all people were all treated equally under the laws?

Likewise, Mr. Speaker, it tears at my heart that the words "justice for all" are not taken seriously by my colleagues today. How can they offer an amendment that unquestionably will divide our Nation again along racial lines for years and one which will perpetuate the immoral system of segregated and grossly unequal schools, and call this "justice"? The truth is, on this issue today, there is no justice in America, Just Us!

I believe that my colleagues should recall placing our hands over the heart and looking at the American flag, as they vote today. I for one could not take this somber oath knowing that I had taken part in denying a single child equal accessibility to educational institutions all across this country.

I urge that this legislation be defeated.●

Mrs. HOLT. Mr. Speaker, I move the previous question on the amendment in the nature of a substitute and on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the amendment in the nature of a substitute offered by the gentlewoman from Maryland (Mrs. HOLT).

The amendment in the nature of a substitute was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 209, nays 216, not voting 9, as follows:

[Roll No. 374]

YEAS—209

Abdnor	Gibbons	Murphy, Pa.
Albosta	Gingrich	Myers, Ind.
Ambro	Ginn	Myers, Pa.
Anderson, Calif.	Goldwater	Natcher
	Goodling	Neal
Andrews, N. Dak.	Gradison	Nedzi
	Gramm	Nichols
Annunzio	Grassley	O'Brien
Applegate	Grisham	Oakar
Archer	Gudger	Pashayan
Ashbrook	Guyer	Paul
Atkinson	Hagedorn	Pickle
Badham	Hall, Ohio	Pursell
Bafalis	Hall, Tex.	Quayle
Bailey	Hammer-schmidt	Quillen
Barnard		Regula
Bauman	Hance	Rhodes
Beard, Tenn.	Hansen	Ritter
Bennett	Harsha	Roberts
Bevill	Hightower	Robinson
Blanchard	Hillis	Roth
Boner	Hinson	Rousselot
Bouquard	Holt	Royer
Bowen	Hopkins	Rudd
Breaux	Hubbard	Runnels
Broomfield	Huckaby	Russo
Broyhill	Hutto	Santini
Burgener	Hyde	Satterfield
Burlison	Ichord	Sawyer
Byron	Ireland	Schulze
Campbell	Jacobs	Sensenbrenner
Carney	Jeffries	Shelby
Chappell	Jenkins	Shumway
Cheney	Jones, N.C.	Shuster
Clausen	Jones, Tenn.	Skelton
Cleveland	Kazen	Slack
Coleman	Kelly	Smith, Nebr
Collins, Tex.	Kemp	Snyder
Corcoran	Kindness	Solomon
Coughlin	Kramer	Spence
Crane, Daniel	Lagomarsino	Stangeland
Crane, Philip	Latta	Stanton
D'Amours	Leath, Tex.	Stenholm
Daniel, Dan	Lederer	Stockman
Daniel, R. W.	Lee	Stump
Dannemeyer	Lent	Symms
Davis, Mich.	Levitas	Taylor
de la Garza	Lewis	Thomas
Deckard	Livingston	Traxler
Derwinski	Lloyd	Treen
Devine	Loeffler	Trible
Dickinson	Lott	Vander Jagt
Dingell	Lujan	Vanik
Donnelly	Luken	Walgren
Dornan	Lungren	Walker
Dougherty	McDonald	Wampler
Duncan, Tenn.	McEwen	Watkins
Early	McKay	White
Edwards, Okla.	Marlenee	Whitehurst
English	Martin	Whittaker
Evans, Del.	Mathis	Whitten
Evans, Ga.	Mica	Williams, Ohio
Evans, Ind.	Miller, Ohio	Winn
Fary	Mitchell, N.Y.	Wyatt
Ferraro	Moakley	Wydler
Fithian	Mollohan	Wylie
Flippo	Montgomery	Yatron
Ford, Mich.	Moore	Young, Fla.
Fuqua	Moorhead, Calif.	Young, Mo.
Gaydos		Zablocki
Gephardt	Mottl	Zeferetti

NAYS—216

Addabbo	Foley	Nelson
Akaka	Ford, Tenn.	Nolan
Alexander	Fountain	Nowak
Anderson, Ill.	Fowler	Oberstar
Andrews, N.C.	Frenzel	Obey
Anthony	Frost	Ottinger
Ashley	Garcia	Panetta
Aspin	Giaimo	Patten
AuCoin	Gilman	Patterson
Baldus	Glickman	Pease
Barnes	Gonzalez	Pepper
Beard, R.I.	Gore	Perkins
Bedell	Gray	Petri
Bellenson	Green	Peyser
Benjamin	Guarini	Preyer
Bereuter	Hamilton	Price
Bethune	Hanley	Pritchard
Biaggi	Harkin	Rahall
Bingham	Harris	Railsback
Boggs	Hawkins	Rangel
Boland	Heckler	Ratchford
Bonior	Hefner	Reuss
Bonker	Heftel	Richmond
Brademas	Holland	Rinaldo
Brinkley	Hollenbeck	Rodino
Brodhead	Holtzman	Roe
Brooks	Horton	Rose
Brown, Calif.	Howard	Rosenthal
Brown, Ohio	Hughes	Rostenkowski
Buchanan	Jeffords	Roybal
Burton, John	Jenrette	Sabo
Burton, Phillip	Johnson, Calif.	Scheuer
Butler	Johnson, Colo.	Schroeder
Carr	Jones, Okla.	Sebelius
Carter	Kastenmeier	Seiberling
Cavanaugh	Kildee	Shannon
Chisholm	Kogovsek	Sharp
Clay	Kostmayer	Simon
Clinger	LaFalce	Smith, Iowa
Coelho	Leach, Iowa	Snowe
Collins, Ill.	Lehman	Solarz
Conable	Leland	Spellman
Conte	Long, La.	St Germain
Conyers	Long, Md.	Stack
Corman	Lowry	Staggers
Cotter	Lundine	Stark
Courter	McClory	Steed
Danielson	McCloskey	Stewart
Daschle	McCormack	Stokes
Davis, S.C.	McDade	Stratton
Dellums	McHugh	Studds
Derrick	McKinney	Swift
Dicks	Madigan	Synar
Diggs	Maguire	Tauke
Dixon	Markey	Udall
Dodd	Marks	Ullman
Downey	Matsui	Van Deerlin
Drinan	Mattox	Vento
Duncan, Oreg.	Mavroules	Volkmer
Eckhardt	Mazzoli	Waxman
Edgar	Michel	Weaver
Edwards, Calif.	Mikulski	Weiss
Erdahl	Mikva	Whitley
Erlenborn	Miller, Calif.	Williams, Mont.
Ertel	Mineta	Wilson, C. H.
Fascell	Minish	Wilson, Tex.
Fazio	Mitchell, Md.	Wirth
Fenwick	Moffett	Wolff
Findley	Moorhead, Pa.	Wolpe
Fish	Murphy, Ill.	Wright
Fisher	Murphy, N.Y.	Yates
Florio	Murtha	Young, Alaska

NOT VOTING—9

Bolling	Flood	Marriott
Edwards, Ala.	Forsythe	Thompson
Emery	Leach, La.	Wilson, Bob

□ 1430

Mr. CARTER changed his vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the joint resolution was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the joint resolution just considered.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on July 23, 1979, the President approved and signed a bill of the House of the following title:

H.R. 3978. An act to amend the Federal Trade Commission Act to exempt savings and loan institutions from the application of certain provisions contained in such act.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title in which concurrence of the House is requested.

S. Con. Res. 33. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4537.

PERMISSION TO HAVE UNTIL JULY 25, 1979, TO FILE CONFERENCE REPORT ON H.R. 4388, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tomorrow, July 25, 1979, to file a conference report on the bill, H.R. 4388, making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

WHEN WILL THE ADMINISTRATION RESPOND TO CRIES OF ANGUISH FROM LEBANON AND ENFORCE THE LAW?

(Mr. FINDLEY asked and was given permission to address the House for 1 minute.)

Mr. FINDLEY. Mr. Speaker, where are the voices of moral outrage in this House? Who will speak up in conscience and denounce the State of Israel for the terrible punishment it has delivered against Lebanon with U.S.-supplied warplanes?

In the past 18 months at least 1,200 civilians—men, women, and children—innocent people—have died from Israeli military operations. Scores of thousands of civilians have fled north as refugees. And still the pounding continues.

Last weekend Israeli warplanes struck again. Twenty civilians were killed, children among them. Over 40 people were injured.

When terrorist violence hits Israel or elsewhere and innocent lives are taken, I deplore these acts. Today I ask you to join me in calling upon the Carter administration to act against this terrible injustice. Yesterday Hodding Carter of the State Department said the bombings must stop. Words are not enough. In the past, Israel has ignored U.S. words.

The administration has leverage it can and should use against these Israeli attacks. In fact, it is bound by law to halt all military shipments when U.S.-supplied military gear is used for purposes other than self-defense. When will the administration respond to the cries of anguish from Lebanon and enforce the law?

A SHAMEFUL SETBACK FOR THE UNITED STATES

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, knowledgeable observers in Latin America on all sides of the political spectrum agree that the United States displayed a stunning lack of leadership and inability to protect our own national interests in the ouster of Nicaragua's President Somoza.

Many believe that the failure to install a moderate successor government in Nicaragua will lead to the establishment of systematic Marxist totalitarianism similar to Cuba's.

Prominent Latin American commentators also believe that the United States has helped set the stage for Communist "wars of national liberation" throughout the hemisphere. It is interesting to note that many of these gentlemen, intent on ousting the legally constituted Nicaraguan Government, now fear the Marxist-Communist takeover in that country.

This is a shameful setback for our country, the moral responsibility for which rests with the President and his foreign policy leaders.

I would like to include a summary of Latin American commentary at this point in the RECORD:

[From the Washington Post, July 23, 1979]

SOMOZA'S FALL INTRIGUES LATIN AMERICA

(By Charles A. Krause)

BUENOS AIRES, July 22.—The Sandinista victory in Nicaragua is being viewed with both joy and apprehension throughout the rest of Latin America, where the military defeat of President Anastasio Somoza is seen as a stunning setback for U.S. power and prestige in the hemisphere.

No political development since Fidel Castro's triumph in 1959 has so captured imaginations in the countries south of the United States as the guerrilla's triumphant entry into Managua.

Conviccion, a newspaper in Buenos Aires that reflects the rightiest views of the Argentine Navy, called the outcome of the civil war "Brzezinski's inglorious Vietnam."

The clandestine leftist Guerrilla Army of the Poor in Guatemala said, "The triumph of the Nicaraguan revolution has caused very important changes in the Central American situation . . . favorable for the development of our own wars of popular revolution."

The Andean pact countries of Venezuela, Colombia, Ecuador, Peru and Bolivia, which each have democratic forms of government, issued a communique reflecting traditional Latin American hopes for a liberal democratic government.

"Somoza and his regime personified the most reprehensible practices of oppression and abuse in the history of Latin America," the statement said. "His expulsion from power heralds the beginning of an altogether new stage in the political life of the region."

Few commentators, in the wake of the Sandinista victory, found any reason to praise the United States. Indeed, the right and left seem in agreement that Somoza's fall was a major defeat for U.S. power, leadership and interests in the hemisphere.

Although the Carter administration was actively involved in pressuring Somoza to leave his war-torn country, most Latin Americans view the Unitetd States as having bowed to reality only when it became apparent that Somoza would lose militarily.

Latin Americans form their judgments aware that for more than 40 years U.S. governments strongly supported the rule of the Somoza family.

They lauded the Sandinista defeat of what they see as a symbol of "Yankee imperialism" in Central America. They describe the victory as having been achieved with arms and money from Cuba, the Palestina Liberation Organization, Panama, Venezuela and possibly other countries.

It is in this context that both conservatives and radicals were assessing the U.S. failure to change the composition of the five-member provisional junta, backed by the leftish revolutionaries.

The Guatemalan Guerrilla Army of the Poor said in its statement that the Sandinista triumph represents the first victory for leftist revolutionaries in Latin America since Castro came to power 20 years ago. Guerrilla campaigns since then have been frustrated in almost every country in the hemisphere—often with direct U.S. assistance.

The possibility of the rebel movement spreading has aroused the fears of the region's authoritarian governments, such as Guatemala, Argentina, Uruguay, Chile and Paraguay. Some of that concern was expressed Saturday by La Opinion, a newspaper published in Buenos Aires by the Argentine Army. La Opinion printed a map of Central America and the Caribbean showing "the explosive zone where the Nicaraguan case could be repeated."

Guillermo Martinez Marquez, writing in El Mercurio, Chile's most influential conservative newspaper, said that after becoming involved in Africa and the Caribbean, Cuba "has returned to its interventionist policies" in Latin America.

"The United States will soon be surrounded by visible and active enemies with the exception of Canada," Martinez said. "The United States has become geographically isolated. This is where we are, and this is where we will continue, as long as Washington does not decided differently."

What especially has confused the left and frightened the right is that, by not intervening militarily in Nicaragua to install a moderate government, the United States appears to have lost its will to protect what both sides view as U.S. interests.

An Argentine diplomat said his government and others in the hemisphere are attempting to analyze what he called "this new factor," which he said could have an important impact on how anticommunist military governments—and leftists as well—interact with the United States. Latin Americans, until now, have viewed the United States as the overwhelming power in the hemisphere with the will and resources to intervene when necessary to protect its interests.

What the Andean countries, led by Venezuela, clearly are hoping is that Nicaragua, after a period of rebuilding, will become another liberal democracy like its neighbor, Costa Rica. The Andean countries believe that, because they supported the Sandinistas diplomatically, politically and materially while the United States vacillated, they can help shape events there now.

This view, however, is considered naive by many Latin observers, including the respected English-language Buenos Aires Herald.

"At present, needless to say, world and especially Latin American public opinion is wholeheartedly on the side of the Sandinistas," said an editorial in the Herald last week.

"Should they behave as Marxist-Leninists always have, however, the day may not be very distant when it will be realized that evil as Somoza's one-man dictatorship was, it was less evil than the systematic totalitarianism established in Cuba and which may soon be established in Nicaragua, with the outside world tut-tutting its disapproval but utterly helpless to do anything to influence the course of events."

□ 1440

PERSONAL EXPLANATION

Mr. PICKLE. Mr. Speaker, on the vote on the previous matter I am shown as having voted "aye." I did not realize en route to the floor that the Holt amendment had been approved by voice vote. I had no objection to the supporters of the amendment wanting to perfect their amendment.

Had I realized it was final passage, I would have voted "no," as I did earlier on the discharge amendment.

AMELIA EARHART

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, it was dawn, June 1, 1937, when Amelia Earhart handed her husband a letter to be read if she did not return from her attempt to circle the Earth. Forty-eight days later Amelia's letter was given to the world. It said:

I want to do it because I want to do it. Women must try to do things as men have tried. When they fail, their failures must be but a challenge to others.

Today we mark the birthday of Amelia Earhart—first American woman to be issued a pilot's license, to fly solo across the Atlantic Ocean, to receive the Distinguished Flying Cross.

Amelia Earhart, a jaunty young woman who believed:

Whether you are flying the Atlantic, or selling sausage, or building a skyscraper, or driving a truck, or painting a picture, or nursing patients in a hospital, or running a grocery store in Kansas, your greatest power comes from the fact that you want tremendously to do that very thing, and do it well.

Women working in male-dominated fields understand what Amelia Earhart was saying.

DEVALUATION OF DOLLAR NO LONGER NEWS

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, not too many years ago, when our dollar and all other hard currencies were measured in terms of gold, the devaluation of the dollar was big news. Headlines greeted the 8 percent devaluation when gold's price was changed from $35 to $38. It was the same when gold went from $38 to $42 and the dollar was devalued 10 percent.

But since the days of $42 gold, the dollar has been devalued an incredible 84 percent, and it is no longer news.

We hear about the rising price of gold, but not about the consequent lowering in the value of the dollar. The purchasing power of gold remains essentially unchanged.

The devaluation of the dollar can only continue, and probably accelerate, so long as the Federal Government pursues its profligate policy of issuing more and more unbacked paper money.

For those who still buy the cliche that gold is not money, think about the difference between $42 left in a bank at 5 percent interest, and since 1973 an ounce of gold earning no interest which has increased in value by nearly 700 percent. Or think about the Vietnamese, who are able to use only gold to purchase their freedom from the Communists. The paper currency the Vietnamese used previously quickly became unacceptable as money when the current crisis started.

Gold is money, real money, and the sooner our dollar is tied irrevocably to it, the sooner the devaluation will stop and inflation will cease.

The honest money concept is not idle theory, it is a fact we can no longer ignore.

PRAISE OF CONGRESSWOMEN CALLED FOR

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, while we are listening to speeches in praise of the distinguished American women, past and present, I think we ought to get the birthdays of the gentlewoman from Colorado (Mrs. SCHROEDER) and the other distinguished women in this House so that we can pay appropriate praise to them. If there is anybody who merits it, they do.

DISMISSAL OF SECRETARY JOSEPH CALIFANO DEPLORED

(Mr. MINISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINISH. Mr. Speaker, I am extremely disappointed by the dismissal of Joseph Califano as Secretary of the Department of Health, Education, and Welfare.

In my 17 years in Washington, I have met very few people who approach Joe Califano's ability, dedication, and integrity. Two and a half years ago, he left an extremely lucrative law practice in order to accept one of the most demanding and thankless positions in our Government. He has done his job well.

No one, least of all Joe Califano himself, denies that he has been an active and sometimes controversial Secretary of HEW; no one who does so much for so many people can avoid ruffling a few

feathers. He is a man with a strong sense of fairness and justice, whose drive and intelligence have enabled him to translate his ideals into actions. In a city full of talkers, Joe Califano has been a doer. Despite criticism and pressure from various special-interest groups, he has consistently done what he thinks is best for all the citizens of the United States.

Joe Califano has contributed a great deal to our country. I am sure the President will come to realize that firing him is a serious mistake. The real loser in this unfortunate episode is not Joe Califano, but rather the 220 million Americans who will no longer enjoy the benefit of his work.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO MEET TOMORROW DURING 5-MINUTE RULE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to meet tomorrow, Wednesday, July 25, 1979, even though the House may be under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF COMMITTEE ON THE JUDICIARY TO MEET WEDNESDAY, JULY 25, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary may be permitted to meet in the afternoon on Wednesday, July 25, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DEFERRAL IN BUDGET AUTHORITY FOR BUREAU OF PRISONS IN DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–165)

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a new deferral of $6.2 million in budget authority for the Bureau of Prisons in the Department of Justice.

The details of this deferral are contained in the attached report.

JIMMY CARTER.

THE WHITE HOUSE, *July 24, 1979.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion on which further proceedings were postponed.

SACCHARIN EXTENSION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4453.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 4453.

The question was taken.

Mr. VENTO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. VENTO. Mr. Speaker, I withdraw my point of order of no quorum.

Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 394, nays 22, not voting 18, as follows:

[Roll No. 375]

YEAS—394

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—22

Bellenson
Bingham
Carr
Chisholm
Dellums
Drinan
Gibbons
Hawkins
Holtzman
McHugh
Maguire
Markey
Moffett
Nolan
Obey
Ottinger
Seiberling
Stark
Stratton
Vanik
Weiss
Yates

NOT VOTING—18

Bolling
Conyers
Diggs
Edwards, Ala.
Emery
Flood
Ford, Mich.
Forsythe
Hagedorn
Leach, La.
Marriott
Rodino
Santini
Schroeder
St Germain
Thompson
Traxler
Wilson, Bob

□ 1500

The Clerk announced the following pairs:

Mr. Thompson with Mr. Forsythe.
Mr. St Germain with Mr. Hagedorn.
Mr. Rodino with Mr. Marriott.
Mr. Traxler with Mr. Bob Wilson.
Mr. Santini with Mr. Leach of Louisiana.
Mr. Ford of Michigan with Mr. Conyers.
Mr. Flood with Mr. Diggs.
Mrs. Schroeder with Mr. Emery.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMTRAK REORGANIZATION ACT OF 1979

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 350 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 350

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for three additional years, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be read for amendment by titles instead of by sections. It shall be in order to consider an amendment to said substitute printed in the Congressional Record of July 10, 1979, by Representative Dodd of Connecticut, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Ohio (Mr. LATTA), and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 350 is the rule providing for the consideration of the bill H.R. 3996, Amtrak Reorganization Act of 1979. It is an open rule, providing for 1 hour of general debate. It makes the committee amendment in the nature of a substitute in order as an original bill for the purpose of amendment, and provides that it will be read for amendment by titles instead of by sections. In addition, there is one Budget Act, a waiver of section 402(a).

The waiver is necessary because there are provisions in the bill that might authorize new budget authority for this fiscal year, which would be a violation of section 402(a). It is a technical waiver, however, because the Interstate and Foreign Commerce Committee has agreed to offer a floor amendment to cure the Budget Act violations.

In addition, the rule makes in order one amendment that is printed in the CONGRESSIONAL RECORD of July 10. It is an amendment to the Railroad Revitalization and Regulatory Reform Act, which is amended by this bill, but the particular amendment in question is not germane simply because it amends a different section of the Railroad Revitalization Act—one that is not otherwise amended by the bill. As a result, this resolution includes a waiver of clause 7, rule XVI—the germaneness rule—simply to allow that one amendment to be considered by the full House.

Mr. Speaker, this is a very important bill. Among other things, it reauthorizes the National Railroad Passenger Corporation, Amtrak, for another 3 years. At the same time, it makes major changes in Amtrak organization to increase its management efficiency in a number of different ways.

Mr. Speaker, the importance of a strong, viable Amtrak system has recently been highlighted by our gasoline shortage. People need to have alternatives to automobiles, and the recent dramatic increases in Amtrak ridership indicate very clearly that people are willing to turn to Amtrak as one of those alternatives.

It is important, however, that it be a good alternative if we want people to continue to use it. And, it needs to be a good alternative as well from the perspective of the Federal Government which runs it and pays much of the cost for it. This bill is designed to make it that kind of good alternative.

Mr. Speaker, there could hardly be a better time for us to be considering this legislation, and to be reaffirming our commitment to our passenger rail system. I support this bill and I urge the adoption of House Resolution 350 in order that might be considered.

□ 1510

Mr. LATTA. Mr. Speaker, I agree with the statements just made by the gentleman from Massachusetts.

I would like to point out that the Congressional Budget Office estimates this bill will authorize for fiscal year 1980 a total of $1.1 billion, of which $866.5 million is for Amtrak alone.

Then for fiscal year 1981, the bill authorizes $924 million for Amtrak.

For fiscal year 1982, the figure is $940 million.

These authorizations allow operations of a rail system smaller than the existing system, but larger than the system recommended by the Department of Transportation.

Mr. Speaker, to put these amounts in perspective, let me point out that the first budget resolution allotted $760 million for fiscal year 1980 for Amtrak. Thus, for fiscal year 1980 this bill is $106.5 million over the amount allocated under the first budget resolution.

In addition, the bill authorizes $27.2 million for the U.S. Railway Association. Since the first budget resolution allocated only $23.9 million for the same purpose, this item is also over the budget resolution by a substantial percentage.

Mr. Speaker, there are minority views in this committee report which suggest closing Amtrak down permanently. This bill authorizes nearly $3 billion to provide benefits to fewer than three-tenths of 1 percent of the intercity travelers in this country.

Mr. Speaker, in case Amtrak is continued in spite of the opposition, I have one suggestion that I made on the House floor a few days ago for increasing the number of people served by Amtrak. The trains should stop to pick up passengers, and I emphasize that once again. The trains should stop to pick up passengers. For example, an Amtrak train travels 134 miles from Toledo, Ohio, to Elkhart, Ind., without stopping once to pick up a passenger. If we want people to ride Amtrak trains, they must stop to permit passengers to board.

As I pointed out before in the Committee on Rules recently, we have some fast runners in northwest Ohio, but I believe that we do not have any fast enough to run to catch a speeding Amtrak train.

Many of my constituents would be happy to ride Amtrak trains if the trains would only stop.

I might say, after I made my earlier remarks on the floor, the chairman of the Committee on Interstate and Foreign Commerce, the gentleman from West Virginia (Mr. STAGGERS) approached me and asked me for information on this train. I was very happy to give him this information. I am pleased to report today that the chairman of this committee is investigating this matter and, hopefully, we will have some trains stopping on Amtrak lines more frequently. If we do something like this, maybe we can pick up the number of passengers needed to make Amtrak a profitable business, so that we will not have to continue to make these authorizations and later appropriations in the huge amounts that we are now.

So I would urge the committee, and not only the committee, but Amtrak itself, to consider stopping to pick up passengers.

Mr. Speaker, I have no requests for time. I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, at this time I yield 2 minutes to the chairman of the Budget Committee, the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, would the gentleman from Ohio answer a question for me, the gentleman from Ohio (Mr. LATTA)?

Mr. LATTA. I would be happy to answer a question.

Mr. GIAIMO. Mr. Speaker, the gentleman spoke about the fact that the figures in this authorization bill were over the amount in the target resolution; is that not right?

Mr. LATTA. That is correct.

Mr. GIAIMO. I would remind the gentleman, however, that this bill, as I understand it, deals with authorization and not with obligational authority, which

would be an appropriation, which is the subject of our budget resolution; so the fact that the authorizations included herein are over, are not the relevant problem. The Budget Committee and the budget resolution that we adopted addresses itself to obligational authority, spending, if you will, which is the subject of appropriations and not authorizations.

Mr. LATTA. Mr. Speaker, I would concur 100 percent with the chairman of the committee. The gentleman is absolutely right; but I would think that here on this House floor on authorizations, we do not want to just spin our wheels. We are laying the groundwork for some future action by the Appropriations Committee. If we are doing that, we do not want to fool the American people into believing that in this Amtrak authorization bill they are going to get something, which they are not going to get in fact. So we point this budget figure out on this side of the aisle as a precautionary measure to prevent false expectations. That is the reason we point out these figures.

Mr. GIAIMO. I just wanted to make it very clear that since the beginning of the Budget Committee we have addressed ourselves to the problem of obligational authority and spending and not authorization.

Mr. LATTA. The chairman is absolutely right.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

The SPEAKER pro tempore (Mr. CAVANAUGH). The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3996, with Mr. PANETTA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey (Mr. FLORIO) will be recognized for 30 minutes, and the gentleman from New York (Mr. LEE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FLORIO).

Mr. FLORIO. Mr. Chairman, in January of this year, the Department of Transportation recommended a 43-percent cutback in the Amtrak System. The DOT proposal was in response to the requirement of the 1978 Amtrak Act which mandated a reexamination of the Amtrak route structure because Congress was dissatisfied, correctly I think, with performance of existing system.

In the course of examining the DOT proposal, the Commerce Committee under leadership of my chairman Mr. STAGGERS, reached the conclusion that the DOT plan had gone too far. DOT eliminated routes which carried significant numbers of passengers, and routes which had gained tremendously in ridership over the past year. Unfortunately, the DOT study used ridership and cost data from 1977 to determine how trains performed.

The Commerce Committee chose to use this authorization bill to redesign the Amtrak route system. The committee could have vetoed the DOT proposal, but that would have sent it back to DOT for a new plan. It is the Congress which should be charged with the responsibility of determining how to change and improve existing system, what kind of route system Amtrak should run, and this bill is the measure of what that system will be.

This bill establishes specific and objective criteria of ridership and cost to determine which trains should be part of the Amtrak System. The bill allows any train recommended for discontinuance to be continued if it meets the criteria.

It is an objective and rational method of determining which trains continue and which do not. Those that make sense in ridership and cost continue: Those that do not stop. It is the end of the political train system and the beginning of a cost-effective Amtrak system.

FUEL EFFICIENT

There will be trains, even in this time of increased ridership, that do not meet the criteria. Those trains, in fact, should be eliminated and drain resources to be used to improve service. A look at the performance characteristics of a couple of trains is dramatic proof that they should not be continued. For example, one of the trains carries an average of 20 people and burns 2 gallons of fuel per mile. Even with ridership increases at the highest level of the gas crisis, an impressive annual percent increase in ridership still does not make the train a good one.

It raises the passenger mile per train mile figure from an average of 26 to about 40 for the best week in May. There is no justification for continuing such a train. An amendment to be offered by the gentleman from Tennessee would freeze that train into the system. Though it may sound superficially attractive to says save all trains, disservice to taxpayer and balance of system.

We have a bill which creates a reasonable Amtrak system, one that can be justified on ridership grounds. One that, by virtue of using projected 1980 usage figures, takes into account the recent increased ridership figures in evaluating trains to be included in the system thereby eliminating the rationale for any proposed freeze. Incidentally, surge in ridership has peaked. We have provided sufficient operating funds to run the system properly, as it has never been run.

We have also provided substantial additional capital funding—almost $100 million above the DOT request. If we are to have a national rail passenger system in the future, we need one that has sufficient equipment to oprate modern, efficient, and reliable service. Traditionally, the Congress has not provided such funds and that is the reason the Amtrak system is so poorly equipped today. It would be a monstorous hoax upon the American people to freeze and not provide the $1.2 billion necessary to run the system correctly.

In addition, this bill includes $25 million for the 403(b) program. This program allows States to fund trains jointly with the Federal Government, and the bill changes the Federal share from 50 percent to 80 percent in the first year, 65 percent in the second, and 50 percent in the third. Great opportunity to continue trains that have State or regional significance.

The Commerce Committee has worked long and hard to provide to the House a plan for the future of Amtrak that will make sense. This bill maintains service that is energy efficient, and eliminates service that taxes the American public without measurable social benefit.

I would ask for your support for a new day, and a new approach, for rail passenger service in this country.

□ 1520

Mr. LEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, last January, the now former Secretary of Transportation sent his final report to Congress on the Amtrak route system. That report which had been requested by the Congress in the Amtrak Improvement Act of 1978 created controversy involving the future of Amtrak.

The controversy created by the Secretary's January proposal has been very real and forced everyone concerned to take a hard look at where Amtrak has been and where we want it to go. The chairman of the subcommittee, Mr. FLORIO, and the ranking minority member of the subcommittee, my distinguished colleague, Mr. MADIGAN, were determined to lead a subcommittee reappraisal of both Amtrak and the Secretary's proposal. That reappraisal has been the most careful and thorough evaluation of intercity rail passenger service since before the creation of Amtrak. In my judgment, the bill reported from the Committee, H.R. 3996, the Amtrak Reorganization Act of 1979, represents the most important piece of legislation for intercity rail passenger service since the creation of Amtrak back in 1971.

Let me review some of the considerations and findings we made which led us to write a bill substantially different than the approach taken by the Secretary of Transportation.

We first focused on the proposal recommended by the Secretary. As you may recall, the Secretary's proposal would drop 43 percent of the route miles from Amtrak's operation. Long-distance trains

making Amtrak a national network were the hardest hit. Twenty-four trains were either completely discontinued or radically restructured. The work of the subcommittee uncovered the fact that many of those trains should not be discontinued because they were needed in order to provide essential transportation for the people of this country. Not only that, the subcommittee found that the data used as the basis for discontinuing some of the trains was either inadequate or outdated.

The subcommittee then looked to finding some fair and equitable means for making certain that there was equity involved in any train discontinuance. All of us wanted to avoid slashing Amtrak simply for the purpose of alleging that we were saving the taxpayers' money. The taxpayers do not want us to be pennywise and pound foolish. The taxpayers expect us to reduce Government expenditures, but they expect us to do so wisely.

What resulted, then, was a careful reexamination by the subcommittee of what the Secretary had proposed. As a result of that reexamination, the subcommittee not only added operating dollars over and above the Secretary's proposal, but also designed a formula which would provide an objective standard for evaluating what trains should remain and what trains should be discontinued. That objective formula is contained in section 117 of the committee-reported bill. Simply stated, it requires that a train show that its short-term avoidable loss is not more than 7 cents per passenger-mile and that the passenger-mile per train-mile be not less than 150. Why did we select that particular formula? Mr. Chairman, that formula takes into account the point at which trains can be energy efficient if a train does not meet that criteria, the simple fact of the matter is that we as a nation are wasting our precious energy.

In the present Amtrak system, for example, there is a train operating which takes more energy than would be used if every passenger all by himself drove his automobile from point of origin to point of destination. Mr. Chairman, there is no excuse for that kind of irresponsibility. Intercity rail passenger service can and does save energy, but it does so only when the ridership on trains is sufficient to justify running the trains. No one can claim energy efficiency for trains that run nearly empty across the country. The bill reported by the committee weeds out the inefficient trains so that energy efficiency by Amtrak in the future will be even greater than it is today.

The train, its route, and the market it serves are but one consideration in evaluating Amtrak. The Secretary in his report concentrated almost exclusively on simply cutting trains. Our subcommittee investigation made it clear that far more needed to be done than simply having either Congress or the Secretary play railroad by taking off or putting on trains.

One of the greatest difficulties which has plagued Amtrak since its creation has been the uncertainty which has come from that kind of legislating. Amtrak has been given yearly authorizations which almost inevitably have required supplemental authorizations for appropriations. Amtrak has literally been leading a hand-to-mouth existence and quite frankly, it has been falling further and further behind in its goal to provide reliable intercity rail passenger service. Therefore, the bill which was reported by the committee contains a 3-year authorization, thereby providing Amtrak with a measure of certainty which heretofore it has not had.

Another shortcoming of Amtrak became equally clear. Either because of indifference of uncertainty, the Amtrak Board has not been able to pursue a clear policy of sound program guidance for Amtrak to successfully manage a national intercity rail passenger system. Mr. MADIGAN examined every aspect of Amtrak's management policies and concluded that a number of important management tools were missing in the Amtrak organization. After considering all of the evidence presented in the Amtrak authorization hearings, Mr. MADIGAN put together and introduced HR. 3768 which set forth a number of management changes for Amtrak. Most of those changes were incorporated in the bill reported by the committee.

For example, the bill directs Amtrak to establish a regular, systematic, and regional maintenance program for its equipment. You will learn here today that one of the greatest problems facing Amtrak is that it simply does not have enough equipment to operate the system imposed upon it by previous Congresses. One of the necessary things for Amtrak to do is to develop a better system of equipment maintenance.

I wish I could tell my colleagues that a better maintenance system would be sufficient to make certain that all Amtrak equipment worked. Unfortunately, much of the Amtrak equipment is ready for the junkyard and could not be made to work even with the best of maintenance programs. Nevertheless, I am convinced that in the future, Amtrak will be well served by the requirements of this bill establishing a regular maintenance program.

The subcommittee also found that Amtrak management did not have a good system for getting feedback concerning its operations. Mr. MADIGAN's bill and the bill reported by the committee contain a provision establishing within Amtrak a performance evaluation center. The purpose of the performance evaluation center is to force Amtrak to pay closer attention to how well their trains are operating. In the past, the Interstate Commerce Commission was given responsiblity for overseeing the adequacy of Amtrak service. The experience under that procedure has not been encouraging. Therefore, the Interstate Commerce Commission is relieved of that responsibility but the performance evaluation center will have authority to get adequacy of service reports directly from conductors on Amtrak trains. By making this part of the Amtrak statute, train conductors on all Amtrak trains will know that a large measure of responsibility for the future success of intercity rail passenger service in this country rests with them.

As you know, Mr. Chairman, many of the operating employees who work on Amtrak trains are actually employed by the railroads who have contracts with Amtrak. This new provision will make certain that those employees provide Amtrak with the information they need in order to continue the progress that is now underway in establishing modern, efficient, and reliable intercity rail passenger service throughout the Amtrak system.

Through H.R. 3996, there are provisions designed to make Amtrak function better. All of us on the subcommittee and the committee recognize that the employees of Amtrak have the most to give in making certain that Amtrak service is improved. We also recognize that being an Amtrak employee can be a very lonely job when newspaper headlines scream at you day in and day out that Congress may not properly fund Amtrak or one's job may be in jeopardy. This bill incorporates an incentive system designed by Mr. MADIGAN to reassure employees that we in Congress know they have a stake in Amtrak and should be rewarded for good performance.

This, Mr. Chairman, brings me to the fact that for the first time the Amtrak legislation contains specific goals which Amtrak must meet or be held accountable by some future Congress. One of the goals relates to improving the percentage of Amtrak expenses which is covered from passenger revenues. At the present time, Amtrak recovers less than 35 percent of its total costs from the revenue box. Its food services on train after train lose millions of dollars each year. This bill provides specific goals which will make certain that in the future Amtrak will recover at least half of its total expenses from the revenue box. It also requires that Amtrak move to make its food services more cost effective.

This legislation, Mr. Chairman, has not been hastily drawn. It is the result of long hours of hard work by every member of the subcommittee in an effort to literally save the rail passenger train. The issue which will come before us today should not be one of whether or not Members favor this train or that train, but rather whether or not the Members of this body recognize that in order to have any improvement in Amtrak, we must give Amtrak the tools it needs to accomplish our congressional mandate.

H.R. 3996, in my judgment, gives Amtrak all of the tools it needs in order to provide modern, reliable, and efficient intercity rail passenger service. Included among those tools is the fact that Amtrak is not forced to operate every single train which it operates today. Mr. Chairman, it became clear to us that over the years Congress has asked Amtrak to do too much without giving it enough.

Now we find ourselves in a position where Amtrak simply does not have the equipment to provide a decent job on any of its routes because it is spread so thinly around the country. If we could go out tomorrow and buy all the equipment that Amtrak needs in order to operate its trains, I would say let us do

so. However, that is not reality. Railroad passenger cars and railroad passenger locomotives are not items easily acquired. They are items which have to be specially ordered from special manufacturers and it takes time to get them produced.

Today, in this country, we have only one company, the Budd of Philadelphia, Pa., which produces any intercity rail passenger cars. Mr. MADIGAN and others asked other companies, including the Pullman Co., if they would be willing to begin the production of intercity rail passenger cars should a demand be created. In case after case, we have been told no. Let me repeat, in this country, there is but one company that produces intercity rail passenger cars. Let me add that if we place an order with the company today for 100 cars or 200 cars or even 1,000 cars which are needed by Amtrak, that company would not be able to deliver to Amtrak its first car for a period of at least 2 years. What would happen then, during that 2-year period, if every Amtrak train were to continue in operation? Quite frankly, service would deteriorate on all the trains in the Amtrak system because Amtrak would be again trying to do a job which was impossible to be done. It would be trying to operate too many trains with too little equipment in too many places and would end up providing worse service.

Mr. Chairman, the committee agonized over how many trips could be included in the Amtrak system. I have mentioned that we developed a fair and equitable formula which measures a train's efficiency as criteria for keeping it in the system. We did not want trains to be running around the country wasting our precious fuel. We also recognize that we needed to make the Amtrak system leaner if the new management was going to have any chance of making the Amtrak service better.

The bill before us today represents hope for intercity rail passenger service in this country. During this period of an energy crisis, I think it imperative to make certain that intercity rail passenger service secure a firm footing so that it can be expanded in the future when it may be the only way that we can travel from city to city throughout this country.

Mr. Chairman, I urge support for this legislation which Mr. FLORIO and Mr. MADIGAN worked so hard over for the past 6 months. I believe they have shown courage, sound judgment, and progressive leadership in producing legislation which will finally place Amtrak on a solid basis insuring this generation and future generations of efficient, modern, and reliable intercity rail passenger service.

□ 1530

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. LEE. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman for yielding.

Mr. Chairman, I was listening to the gentleman's facts and statistics, and I would like to ask the gentleman this question: Does the gentleman know what year those facts are based on?

Mr. LEE. These facts are based on last year.

Mr. STAGGERS. I understood it was for fiscal 1977.

Mr. LEE. No, last year.

Mr. STAGGERS. The last year that they had the facts was fiscal 1977. We are in a new year, a new era, and also we are faced with a gasoline shortage. Does not the gentleman think that we ought to be looking into the future instead of looking at the past?

Mr. LEE. Mr. Chairman, later on there will be an amendment that will give us the opportunity to use the latest 3-month data base to determine which trains should be continued even though the Secretary of Transportation in his report suggested their discontinuance.

Mr. STAGGERS. Mr. Chairman, I want to congratulate the gentleman from New York, the gentleman from Illinois, and also the gentleman from New Jersey for the work they have done on getting this bill together. It is quite an improvement over what the administration sent up here and what the Amtrak people wanted. It is more equitable for the entire Nation. I think it needs some changes yet, but I do want to congratulate all of the Members on the work they have done. But I would like to remind the gentleman that these facts and figures are based on the past, and we are here to look into the future and plan for the future of America. We better be planning that way instead of looking back, I think.

Mr. LEE. I thank the distinguished chairman for his comments.

Mr. Chairman, at this time I would like to thank the distinguished ranking minority Member and the distinguished ranking majority Member for the opportunity to work on this bill.

Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. Mr. Chairman, just a little more than I year ago, we were considering the Amtrak Improvement Act of 1978. During the discussion of that legislation, we reiterated some of the goals that we hoped Amtrak would attain, we talked about the need for better management discipline if Amtrak was to improve, and we expressed the desire to keep political considerations out of the necessary management decisions affecting trains and their operation. During the consideration of that bill, we indicated that we thought the time had come to provide some objective standards for Amtrak.

The Congress adopted an amendment requiring Amtrak to go through the normal budgetary process, and we have seen the improvements that this simple budgetary discipline has brought about.

Our efforts to establish a standard for curtailing unjustified trains failed because people wanted more time to evaluate those trains that have been a detriment to the effectiveness of Amtrak's total operation.

Mr. Chairman, today we are again dealing with Amtrak. One of the most important features of this bill is that it provides an authorization for a 3-year period of time. The 3-year authorization will provide Amtrak management and its Board of Directors with a greater sense of certainty than did the former practice of providing single year authorizations.

In hearings conducted before our subcommittee and the numerous work sessions which followed those hearings, it became clear that we were faced with having to make decisions which could become crucial to Amtrak's future. In short, we found that the first 8 years of Amtrak's existence had been characterized by conflicting goals and a general lack of direction both in the legislation and the management of Amtrak. It also was clear that the DOT proposal was inadequate in terms of our fuel crisis.

This bill will provide Amtrak's management with the tools needed to improve the performance of rail passenger service in this country and also contains specific goals which Amtrak management must meet or be held accountable for by future sessions of Congress.

This bill will stop the practice of requiring Amtrak management to operate little used trains that are terribly inefficient in their use of scarce petroleum supplies, even with current ridership increases.

This bill mandates four specific programs for Amtrak. An operational improvement program is required to be developed by the corporation not later than January 1, 1981. This program must include a zero-based assessment of all operating practices and implementation of changes necessary to achieve the minimum use of employees consistent with safe operations and adequate service. This legislation also requires the development of a systematic program for optimizing the ratio of train size to passenger demand; a systematic program for trip time reduction on all trains in the basic system; the establishment of training programs to achieve on-time departures and priorities for passenger trains over freight trains, as well as adjustments for purchasing and pricing of food and beverages and cooperative marketing programs to increase revenues.

Amtrak is also directed to establish a performance evaluation center, which must evaluate both short- and long-term operational problems and make recommendations for the improvement of operations. This center should not only monitor and keep track of operational problems, but also be a management tool to expedite prompt solution of those problems.

The effectiveness of the performance evaluation center will only be as good as its available knowledge about specific Amtrak operations. This bill establishes a method for receiving adequacy of service reports. It gives the President of Amtrak the authority to direct the conductor of any Amtrak train to report to the center any inadequacy of train operation. Such reports could include failure to depart on time; failure to arrive on time; information on schedule delays enroute, including mechanical breakdown or interference with opera-

tions because of freight train operations or maintenance of way.

This establishment of the performance evaluation center and the adequacy of service reports provides a system for Amtrak to knowledgeably monitor all of its operations. In addition, the bill requires that the center must submit a report of its activities and recommendations to the appropriate committees of the Congress and to the Secretary every 6 months.

This legislation also requires the corporation to establish a regional maintenance plan. Equipment reliability and passenger comfort are essential for improved performance by Amtrak and only a systematic comprehensive regional maintenance plan can provide reliable equipment performance and passenger comfort.

Mr. Chairman, the Amtrak Reorganization Act of 1979 clearly demonstrates to both Amtrak employees and contract carrier employees that we are committed to intercity rail passenger service. In addition, this legislation contains two specific provisions for the purpose of improving employee commitment to Amtrak.

First, the bill institutes an employee stock ownership plan by directing the corporation to issue a new class of common stock to be distributed to both Amtrak employees and contract carrier employees who operate Amtrak trains. Secondly, this legislation also directs Amtrak to establish an incentive awards program. The performance and dedication of the people who operate Amtrak trains is an integral factor in the future success of Amtrak.

This legislation also establishes a National Carrier Coordination Committee for the purpose of helping those railroads having contracts with Amtrak to join together with the Secretary of Transportation in order to improve cooperation between Amtrak and the railroad industry. In addition, this bill requires Amtrak to enter into an industrywide contract with the railroad industry in order to obtain the ability to run charter trains on a reasonable basis. Amtrak is dependent upon the railroad industry and America's railroad industry has the expertise to provide meaningful assistance to Amtrak in its efforts to improve its service.

Mr. Chairman, this bill also authorizes Amtrak to issue nonvoting preferred stock to the Government for the purpose of satisfying its outstanding debts. This new nonvoting preferred stock assures the priority of claims by the United States against any and all assets of the corporation and will reduce the needless bureaucratic shifting of funds from one Government agency budget to another Government agency budget which results in unnecessary budget outlays and needlessly inflates Amtrak's operating expenses.

Mr. Chairman, there are two other important titles contained in this bill which do not relate to Amtrak. Title II provides an authorization for an additional year's funding for the United States Railway Association. This Title also requires an evaluation by the Department of Transportation and the USRA as to when and how USRA should be terminated. Title III of the bill provides an authorization for the Office of Rail Public Counsel so that there can be some continuation of that function for the next year.

Most of the discussion concerning this bill has centered around "which trains are in or which trains are out."

Mr. Chairman, as I have attempted to outline in these remarks, this bill is a comprehensive effort to help make Amtrak work better than it has in the past.

This bill still provides for a nationwide Amtrak system. There are trains that will be eliminated. We must accept the fact that some trains do not have sufficient justification, that even with substantial percentage increases, they still carry very few passengers.

It is the job of this Congress to provide the basis for the development of efficient and reliable intercity rail passenger service for this Nation. That is not an easy task. It is a task that requires the Congress to say "No" to the continuation of certain trains.

Mr. Chairman, we can provide through this legislation the framework for the long-term development of an efficiently run Amtrak system that will attract greater ridership through improved service, at a time when a good rail passenger system is desperately needed.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman for yielding.

Mr. Chairman, I just wondered if the gentleman knows whether Amtrak or the Department of Transportation follow the recommendation of the Board. Did they OK this cutback across America, the Amtrak Board?

Mr. MADIGAN. The Department of Transportation recommendations for the 43-percent cutback, it is my understanding, was not agreed to by Amtrak. It is my understanding that Amtrak is supporting the committee-passed bill, H.R. 3996, the bill sponsored by the gentleman from New Jersey (Mr. FLORIO) and myself; and I believe the gentleman from New Jersey has a letter from Mr. Boyd, president of Amtrak, to that effect.

Mr. STAGGERS. I know, but I asked the gentleman if the Board, which we set up by law to direct Amtrak, approved this cut. I am sure they did not.

I have a copy of a letter from Mr. Boyd in which he says that he cannot run it, and I would tell the President of the United States that any man who says he cannot run it should resign from office. We want a "can do" man running Amtrak, and not a man who cannot do. The Board did not OK this policy in any way.

Mr. MADIGAN. If the gentleman will allow me to reclaim my time, the gentleman from West Virginia (Mr. STAGGERS) refers to a cut. The Department of Transportation proposal is a cut, certainly. The committee bill is a restoration of many of those things that were cut in the Department of Transportation bill.

□ 1540

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I would like to make reference to a letter from Mr. Boyd, President of Amtrak, dated July 16, addressed to me, in which he says:

DEAR CONGRESSMAN: I want to extend to you my personal thanks for your efforts on behalf of Amtrak, and to extend the Corporation's total support for the Commerce Committee Bill (HR 3996) with the regional balance which would be achieved by adoption of the Duncan amnedment.

Amtrak cannot handle a freeze of its current system, and I am opposed to efforts, however well-meaning, which would do this. We must have a smaller route system if we are ever to be able to offer the public the level and quality of service it expects and deserves.

Your approach, accepting and enhancing the DOT recommended system, will add enough routes to give both regional balance and a proper service response to the energy crisis.

Mr. MADIGAN. I want to thank the gentleman from New Jersey for his contribution and conclude my remarks, in what I started a moment ago to say, that I believe the gentleman from New Jersey has done some of the most constructive, if not the most constructive, things for the Amtrak system in this bill that have been done since its creation.

I would like to point out that I do not think there is any political mileage at all in that for the gentleman from New Jersey, because some people are afraid they are going to lose their trains, and some people will lose their trains.

Obviously, they would harbor some hostility toward the gentleman from New Jersey because of that.

The beneficiaries of all this are going to be the people who ride the remaining trains and who in future years have good passenger service where they have not had it before. The responsibility for that largely will lie with the gentleman from New Jersey (Mr. FLORIO). Unfortunately the people who benefit from this will probably never know his name.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield briefly?

Mr. MADIGAN. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I congratulate the gentleman from Illinois. He has always been a hard-working member of the committee, and has always done what he thought was best for America.

We do differ in philosophy as to whether this should be a national system or rather should be just cut down to a streamlined system that serves only part of the country.

Three years ago we passed a bill saying that every State in the Union should be served by Amtrak. There were four of them at that time that were not. Two of them since then have been implemented and they are being served now. I think it ought to be a national system, because all of America is paying for this system.

Mr. MADIGAN. If the gentleman would allow me to reclaim my time, I

would like to make an analogy that may not be in good taste.

In 1960, the then Vice President of the United States, Mr. Nixon, pledged to campaign in every State in the Nation. He did that, wearing himself out, and lost the election.

The standard for Amtrak should not be whether or not it operates in every State in the Nation. The train, like Mr. Nixon's campaign, ought to go where the people are, and that is what the committee bill is all about.

I yield back the balance of my time.

Mr. LEE. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I am particularly delighted to rise in favor of the Interstate and Foreign Commerce Committee's bill. Seldom has a bill been reported which is so comprehensive and yet pays such careful attention to detail. The committee is to be commended for reporting such a fine bill.

Perhaps the most desirable feature of this bill is that it corrects the glaring flaw created by the Department of Transportation recommendation to cut 43 percent of Amtrak's system on the basis of 1977 and 1978 data. I personally testified before the Interstate and Foreign Commerce Committee pointing out that the ridership on many routes has substantially increased since 1977 and 1978. I have also pointed out before the Appropriations Transportation Subcommittee, prior to the current energy shortage, the impact which the 1973–74 oil embargo had on train ridership. I have not been one bit surprised by the dramatic increase in ridership. I predicted it. It is unfortunate that it takes a national calamity to refresh the memories of shortsighted decisionmakers.

The committee bill reverses the Department of Transportation's prior decision to put the caboose before the engine by restoring trains which have high ridership and low cost to revenue ratios as determined by objective criteria. This criteria is 150 passenger miles per train mile and 7 cents avoidable loss. A mark which is energy efficient as well as cost effective.

The trains which meet the criteria will be determined by Amtrak on the basis of projected 1980 data. This will allow the public the opportunity to in effect vote for those trains which should be retained at the fare box.

There are other outstanding features in this bill. It increases funding for 403 (B) trains, that is trains which are jointly subsidized by Federal and State funds. There are many States waiting in line to provide vital train service for their citizens but must wait until we pass this bill.

The bill provides for a financial penalty against those railroads which fail to achieve on time performance levels. This is a necessary incentive to require railroads which contract with Amtrak to provide train service which place passenger service as a top priority.

One of the problems which Amtrak is plagued with is running train service on a scale which exceeds their funding level. This results in the use of obsolete equipment that is likely to break down, which jeopardizes the safety of its passengers and inevitably produces inadequate service. This cutback of routes would help alleviate the equipment problem by freeing up passenger trains after October 1, 1979.

The Amtrak Reorganization Act provides a much needed balance. It cuts those trains which cannot meet the ridership criteria but provides increased funding for cost effective trains with high ridership. It also bolsters Amtrak's capital account.

The funding for these trains is provided by an additional allocation of $40 million and by altering the financial repayment of Amtrak's $900 million loan by issuing preferred stock in lieu of $62.7 million principal plus interest payment for fiscal year 1980.

This loan anomaly exists because it was presumed that Amtrak was going to be profitmaking. We have since discovered that it is necessary to issue straight capital grants rather than issue loans. By using preferred shares to extinguish the loan, the Government secures its investment by having preferential rights over holders of common stock to Amtrak's assets in case of liquidation.

Mr. Chairman, as the recent energy crunch has pointed out, we are dangerously at the mercy of foreign sources of energy. We have valuable rights of way which will never be reclaimed unless we act now. Our transportation network must provide for an effective train system. This will insure American mobility, relieve highway congestion, and preserve much needed fuel.

If we fail to pass this bill because we perceive that the OPEC nations will momentarily increase oil production, we will be like lemmings rushing to our ruin at 70 miles-per-hour in our gasoline-guzzling automobiles.

I urge the adoption of the Florio bill. Thank you Mr. Chairman.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I would be glad to yield to my good friend from West Virginia.

Mr. STAGGERS. In connection with what the gentleman has said, 2 years ago, and even last year there was a great hue and cry on this floor that to pour more money into ConRail was just pouring it down a rathole.

Recently we just had the announcement that they turned in a second-quarter $30 million profit. Now, the latest figure on Amtrak's revenues are available to us. Amtrak's revenues have risen by $14 million from last May. What is to keep it from going on up and making a profit perhaps?

I do not believe it can ever make a profit. We have never had a passenger train in America that made a profit since back in 1800's. We must do something to keep these trains running to deal with today's changed energy situation. I urge this body to give them a chance.

□ 1550

Let me say this very quickly because the committee has been generous about committee time, the beauty of this bill is it takes it out of the political realm, it sets a criteria. If you qualify under that criteria your train stays. It wipes out the political trains.

Let us not kill the goose that laid the golden egg. There are a lot of political trains and they are lemons, and they are never going to make money, and they are going to drag down the whole system. Let us get rid of those trains.

If we have a train that stands up to this criteria, great, wonderful, we are all for it. The Appropriations Committee will be back here with the appropriation bill and I will be fighting for the funds, but not for the political trains.

I yield back the balance of my time.

Mr. LEE. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri.

Mr. COLEMAN. Mr. Chairman, the bill has some good news and bad news in it. First of all the bad news. If one wants to go from Kansas City to St. Louis, be prepared to go through Chicago under the terms of the committee bill. To go from Kansas City to Chicago is 506 miles, and to go from Chicago to St. Louis is an additional 291 miles, for a total of 796 miles in the trip. If one were to go directly from Kansas City to St. Louis under the present passenger service, it would be 250 miles. Under the committee proposal we will be going 546 additional miles.

The good news, however, is that the committee has put in additional mechanisms under 403(b) which allows the State of Missouri, which it has done, to share in the responsibility of the $1.6 million deficit on the National Limited, which combines our two largest metropolitan areas in Missouri, St. Louis, and Kansas City.

Our State of Missouri has already appropriated the money and the Governor has signed the bill. The 80–20 mechanism which will be in place if this bill passes will at least provide the opportunity of an alternative transportation system for the people in Missouri between their two major cities.

Regrettably, information from Amtrak and from DOT is not up to date. We have ridership figures for the month of May which shows on the National Limited between Kansas City and St. Louis there has been an increase of 12 to 13 percent additional ridership. I do believe that the committee is on the right track when it is providing for this opportunity for Federal and State sharing of the responsibility.

I would like to ask the gentleman from New Jersey a couple of questions to clarify some things. The State of Missouri, if they were to be funded and presented with the opportunity to go under 403(b), I wonder what discretion the State would have in setting schedules of the National Limited between Kansas City and St. Louis, which is wholly contained within the State of Missouri?

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. Yes; I yield to the gentleman from New Jersey.

Mr. FLORIO. In the application that will be submitted to the appropriate Federal agency will be the terms and conditions that would be approved. If in

fact these conditions were approved, then in fact there would be great latitude.

The whole purpose is to work out a cooperative State-Federal structure. As the gentleman is aware, we have made major modifications in the 403(b) program, making it much more liberal in terms of the 50–50 match to the 80–20 match, 65 and then to the 50-percent contribution. Over and above that we have allowed capital expenditures to be included under an 80–20 match under the 403(b) program.

Mr. COLEMAN. I appreciate the gentleman's information. I do want to point out that the State, in granting a $300,000 appropriation, would like to have a say-so in the schedule, and I am sure in the stops and the service on those trains.

I would ask the gentleman if at all possible his committee make sure that the States are going to be heard in this process, that we will continue this relationship of sharing the deficit with the States affected.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri has expired.

Mr. LEE. Mr. Chairman, I would like to yield 1 minute to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. I thank the gentleman for yielding.

I take this time for the purpose of asking the chairman a question. I serve on the Budget Committee and I am deeply concerned about the efforts that are being made today to get all new legislative proposals off budget. With our consciousness of trying to balance the budget, everything is going off budget. I just wondered why the committee opted for such a confusing, and I think unnecessary financing mechanism as the one used in this piece of legislation? I think it sets a very dangerous precedent. What we are doing is essentially forgiving the original Amtrak indebtedness by authorizing an exchange of one worthless asset for another, and all of this will be off budget. Can the gentleman tell me why that was done?

Mr. FLORIO. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from New Jersey.

Mr. FLORIO. The gentlewoman makes value judgments that we are not sure we agree with about exchanging one worthless asset for another.

The fact of the matter is the committee considered and thought it was not good economics for the Federal Government to be borrowing money to provide 10 percent money for Amtrak, for Amtrak to be giving back to the Federal Government for a 6-percent debt.

Mr. Chairman, I yield 4 minutes to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Chairman, I rise in hearty and enthusiastic and familial support of H.R. 3996. As a member of the subcommittee I suppose there is a certain pride of authorship, although most of the pride of authorship can go to our subcommittee chairman who has done an extraordinary job in trying to balance the varying interests and competing entities and well-founded concerns about our Nation's rail-passenger service.

I am an enthusiastic endorser of the concept of rail-passenger service. I know that those dedicated Members who are with us in the Chamber this afternoon are similarly committed to the proposition of a national rail-passenger system.

The question is what kind and how does it operate? In order to improve service to the point at which travelers will want to use a train, it will be necessary to have a streamlined, efficient system that is manageable. I believe this bill is a major legislative step in that very constructive direction.

We have flexibility in the bill so that those trains which were slated for elimination under the original Department of Transportation proposal will be able to be retained if they meet the fundamental standards of No. 1, it must be shown that the route could meet a standard of 150-passenger miles per train; and No. 2, it will set a loss limit of 7 cents per passenger mile.

In effect, with the very able chairman of our subcommittee and with the help and reinforcement of many in this body this afternoon, we have said, "let the rail-passenger marketplace decide which trains survive and which trains go under." If it is determined that there are rail systems which because of local interest, because of local concern should be maintained, then the committee bill provides under 403(b) that the State, the local government may come forward and demonstrate its support, its enthusiasm, its backing of that rail line by providing matching moneys.

I think the chairman has done a whale of a job in trying to arrive at a rational reconstruction of the disordered and disarrayed Amtrak situation in the United States of America. I hope that the members of the committee will endorse not only the work product of the subcommittee and the full committee, but will endorse the concept of a viable rail-passenger system in the United States of America. This bill will accomplish that end.

Mr. FLORIO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Chairman, I would like to take this opportunity to commend Chairman FLORIO and the other members of the subcommittee for their hard work on the Amtrak Reorganization Act. This bill positively modifies the administration's original proposal.

I would like to point out that this bill is particularly responsive to the needs of commuters. Under the original proposal commuters across the country would have been forced back into their cars to join those of us spending time in gas lines. Even worse, these policies were proposed and timetables set for implementation without previous notice to States so that alternative plans could be developed and funding provided.

□ 1600

As a member of the subcommittee, I received a substantial number of communications from people protesting the inequity of these proposals. Along with the members of the committee, we worked hard to modify this so that now the subcommittee's bill calls for an 18-month continuation of all commuter services in effect on January 1, 1979. This 18-month moratorium on the elimination of commuter services also mandates that Amtrak continue to accept commuter-based fares for any rail passenger service which it operates and for which such fares are accepted as of January 1, 1979.

As a result of positive subcommittee response, Congress will now have ample time to study the impact of these proposals on commuters in light of our ongoing energy shortage. At the very least, it gives State legislators an opportunity to work with Federal authorities to come up with alternate transportation systems, with targeted financial assistance.

If I may, to clarify the issue, I would like to ask the chairman of the subcommittee two questions.

What would happen to commuters across the country on October 1, 1979, without the subcommittee's bill as currently proposed?

Mr. FLORIO. If the gentlewoman will yield, there is not any question that as of the first of October, under the DOT proposal, the commuter subsidy would be eliminated and commuters would have to pay the difference, or States would have to come up with the money. At the urging of the gentlewoman and under her leadership, we have proposed an 18-month continuation so that the States can work out alternatives. The Federal Government through UMTA, or some other mechanism, could make arrangements for continuation.

Ms. MIKULSKI. Would the chairman describe what actions the subcommittee plans to take to address the problems of the commuters during the 18 months moratorium?

Mr. FLORIO. We will be dealing with, and I have already testified before Mr. HOWARD's committee, with some suggestions as to how to utilize mass transit moneys appropriately to deal with commuter problems, and we will be dealing in that area in a very direct way.

Ms. MIKULSKI. I thank the chairman for answering my questions. Quite frankly, I feel that if we do not pass the bill as proposed, we could work a devastating hardship on the people who need it the most, the commuters.

Mr. FLORIO. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. RATCHFORD).

● Mr. RATCHFORD. Mr. Chairman, I rise today to urge my colleagues to support the Amtrak Reauthorization Act of 1979, which will ensure progress toward a strong and efficient passenger-rail system in America.

Energy problems dominate life in America today. In response, the President has called for a "bold conservation effort," with over $16 billion committed to transportation programs. Yet this effort cannot be effective without a healthy Amtrak System.

It is my sincere hope that all Americans will respond to the President's appeal for public cooperation in the conservation effort. Nevertheless the American people cannot join this historic fight, without a strong and efficient mass transit system. The legislation before us today is designed to ensure that the rail service will be there, as we ask Americans to leave their cars at home.

As we know too well, the Secretary of Transportation proposed a massive restructuring of the Amtrak System, which, if adopted, would reduce the size of the System by 43 percent. The proposal included sound recommendations for the elimination of some routes which clearly are unable to attract strong ridership. Unfortunately, Secretary Adams' proposal also cut some rail lines which have much greater potential in these times of increasing gas lines, shortages, and oil prices.

I strongly believe that the Amtrak Reauthorization Act reflects a strong improvement over the original Adams' proposal. H.R. 3996 adds an important degree of flexibility to the New Amtrak System, responding to improving ridership trends and changing transportation needs. Without these provisions, important rail routes—including connections between Montreal, New York, Washington, Florida, and New Orleans—would be lost, to the lasting detriment of the entire passenger rail system.

This legislation establishes an important precedent in public support for mass transportation, setting out specific criteria for Federal subsidy of Amtrak routes. Using simple thresholds—a minimum of 150 passengers and losses of 7 cents per passenger mile—the bill provides objective criteria for judging the solvency of Amtrak service. More importantly, the criteria will breathe new life into major routes which would be lost under the Adams proposal.

We need to keep some degree of flexibility in the Amtrak System, even while attempting to improve its efficiency. We face a difficult balancing act, reducing pressures on the public purse while meeting our Nation's energy and transportation needs. I believe the Amtrak bill before us achieves that careful balance.

Mr. Chairman, I know that some of my colleagues will oppose even the modest levels of Federal support for Amtrak included in this legislation. In response to these concerns, I would like to take a moment to put Federal Amtrak subsidies in perspective.

The Amtrak bill authorizes $522 million for operating expenses in fiscal year 1980. While this reflects a major Federal commitment, its size pales in comparison with the $4.5 billion in direct and indirect tax support which we offer to the airlines of this Nation. The Amtrak subsidy seems even more reasonable, when compared to the 8-percent increase in highway funds proposed by the President, raising that total to a massive $8.6 billion. Finally, consider the fact that the Amtrak subsidy for this year represents less than 2 percent of the total which this Nation spends on imported oil, and you begin to find a more balanced perspective for reviewing the proposal before us.

Mr. Chairman, the emerging outlook for Amtrak is bright. Revenues this year are up nearly 25 percent over last year. Amtrak was forced to turn away over three-quarters of a million potential riders in May of 1979 for lack of space on high-volume routes. Clearly, many parts of the Amtrak System are extremely strong, and the reauthorization bill provides the foundation for continued growth and development in these areas.

It is clear that we have reached a crossroad in the development of rail service in America, and the future of the Amtrak System hangs in the balance. A strong passenger rail system is one of the keys to our energy independence, and gives us an alternative to imported oil. Therefore, I urge my colleagues to support the reauthorization bill, and to cast their vote for a sound and efficient Amtrak System which meets our future needs.●

Mr. FLORIO. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee (Mr. GORE).

Mr. GORE. Mr. Chairman, a little bit later today when we get into the 5-minute rule the gentleman from Georgia (Mr. FOWLER) and I intend to offer an amendment, referred to as the moratorium amendment, to put a freeze on the transit cuts proposed by the Department of Transportation and proposed by the committee's bill.

Mr. Chairman, we are at a crossroads in the development of transportation in this country. President Carter has laid the groundwork by proposing a $10 billion investment in energy-efficient transportation. All of the work that the subcommittee has done, and I wish to compliment my colleague from New Jersey (Mr. FLORIO) for the work he and our other colleagues on the subcommittee have done, but all of this work was done prior to the political earthquake which occurred in this country immediately following the dramatic rise in the price of oil by the OPEC cartel. We have seen since that time a dramatic increase in the ridership on Amtrak trains. We have seen hundreds of thousands of Americans turned away from Amtrak trains because the seats were full. For years, we have tried to convince Americans to use more energy-efficient forms of transportation, and now as they are heeding that advice and turning out for Amtrak trains in record numbers we are telling them that as much as 43 percent of the Amtrak lines are going to be eliminated.

The committee seeks to restore a few of those trains, and how the other body will act is unclear. Our disagreement with the committee's approach comes because of the question, are the gasoline prices and gas line problems a temporary phenomena, or are they the beginning of some fundamental changes of the way we travel in the United States of America. Is this not the time to keep the foundation of our passenger train system so that we can depend on it for the future?

Mr. FLORIO. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman and members of the Committee, I want to endorse the kind words Mr. MADIGAN had for the work of the chairman of the committee, and I want to say that in my judgment everything he said about Mr. FLORIO is equally applicable to the efforts which he himself has made. The two leaders of the subcommittee have both done an outstanding job, in my opinion. I also want to say that I am grateful to the chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS) for the friendship and counsel he has given not only as we have discussed this issue, but throughout the years I served with him. He is a gentleman; he is a patriot, and he is a dogged advocate for the causes of transportation in which he believes.

I would like to say at the appropriate time, and following the introduction of the Gore-Fowler amendment, I will also have an amendment in the nature of a substitute for that amendment. I have discussed it with the leadership on both sides. I believe it will strengthen the bill and prevent it from resulting in what I think are unintended inequities at the time it was marked up. I will explain at the time I offer it the impact and the reasons for the amendment.

Suffice it to say now that it will be a compromise between the 27,500-mile system as we have it and as Mr. GORE and Mr. FOWLER and Mr. STAGGERS would freeze it, and the 19,700-mile system which is provided for by the criteria in the committee bill. By providing for a short-haul criteria and regional balance clause, we will end up with an approximately 22,000-mile system.

At this time, I want to express my general support, however, for the approach taken in the Florio bill. I believe that the authorization amounts contained in the bill have been set at reasonable levels for the criteria used. But, my amendment will also provide appropriate changes in that authorization level to finance the trains added thereby. Amtrak's equipment problems are at a critical stage.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon has expired.

Mr. FLORIO. Mr. Chairman, I yield 1 additional minute to the gentleman from Oregon.

□ 1610

Mr. DUNCAN of Oregon. The Florio bill, with its service criteria, authorizes sufficient funds to enable Amtrak to begin addressing these equipment problems in a phased and rational manner, because H.R. 3996 addresses particularly Amtrak's operating and capital needs for 1980. I intend to support funding levels in the Transportation appropriation bill fully consistent with the needs addressed in this bill. There will be problems, however, if we must continue to struggle with the capital requirement and the operating deficits of the present unmanageable system.

Finally, I want to express my thanks to the gentleman from New Jersey (Mr. FLORIO) and his staff for their complete cooperation in this matter, as we wrestled together with common problems.

Mr. FLORIO. Mr. Chairman, I yield 1 minute to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. I thank the gentleman from New Jersey for yielding.

Mr. Chairman, the committee bill, H.R. 3996, is an improvement on the recommendations contained in the January report by the Department of Transportation which, if implemented, would mean drastic cutbacks in the Amtrak system. By coming up with specific criteria against which routes are to be judged, the committee recognized the fact that a rational procedure needs to be used in assessing the Amtrak system instead of the apparent haphazard approach which resulted in the DOT report.

But the committee bill is seriously flawed. It continues to rely on the wisdom of the DOT report, and ignores the fact that it is severely out of date. The statistics used in developing that report were based on ridership a year ago. All of us know that our transportation situation is much different today than a year ago, or for that matter, than 6 months ago when the DOT study was released. The reason: Energy. A year ago, we had not heard of the Ayatollah Khomeini, we were not talking of gasoline rationing, and few Americans expected to spend the summer of 1979 sitting in gasoline lines. A year ago Amtrak also would not have projected standing room only trains, people not being able to get through on Amtrak telephone lines to book reservations, and prospective passengers being told there are no seats available even when they try to book months in advance.

There are a number of amendments being offered to this bill to improve upon it; I intended to support a number of them. But I would particularly urge all of my colleagues to support the Gore-Fowler amendment of which I am a cosponsor. Some time ago, I had drafted a similar amendment. I did so because I felt and still do feel quite strongly that the administration's route cutback proposals are shortsighted and contrary to sound energy and transportation policies. Ridership is on the upswing, and the Gore-Fowler amendment will give the trains a chance to prove themselves once again. Those tracks were laid to tie this Nation of ours together; by keeping the trains moving, we will be giving the American people a transportation option that will help keep us together and pull us together in an extremely difficult time.

Mr. FLORIO. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. FOWLER).

Mr. FOWLER. Mr. Chairman, in the 1 minute that the gentleman from New Jersey has given me—and he has been very generous with his time—let me just add to the comments of my friend, the gentleman from Tennessee, this brief word.

We have to remember that this Department of Transportation plan will go into effect on October 1 of this year, 3 months from now, unless we act, and that all of the trains recommended for termination would have to meet the bill's criteria for survival prior to that date, 3 months from now. Furthermore, a decision to discontinue any train usually has to be made at least 2 months before implementation, so in this case such a decision would probably have to be made in the next couple of weeks based on ridership data that we have through May only. At the appropriate time the gentleman from Tennessee and I will offer an amendment to correct that situation.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. FOWLER) has expired.

Mr. FLORIO. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Interstate and Foreign Commerce, the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. I thank the gentleman from New Jersey for yielding. Again I want to compliment the gentleman's fine work. I do not think we have a finer Member in the House, one who has the welfare of the Nation at heart more than he does, or who works harder than he does to try to do what he thinks is right. I am not trying to contradict anything he has said or done because I think he and the gentleman from Illinois (Mr. MADIGAN) have done a great job on the subcommittee in bringing forth a good bill. However, I think that under the circumstances that we should look ahead and not base something on the past. I think we have done that too many times.

Our job is to have vision. The Bible says that where men lack vision, they shall perish, and that is what is going to happen to Amtrak if we do not have a little vision and look ahead.

The Secretary said that the people should vote. There were 756,000 people denied in the month of May seats on Amtrak because there was not space. Five million received busy signals on the telephone and never got through. This needs to be corrected.

I have two letters here, one an editorial from Charleston, one of the largest cities in our State, saying that the editor tried for hours and hours to get through to the station, and went down himself, and there was not anybody there. He never did get through, I do not believe. He finally went to the main office and they told him what the ticket cost was from New York to Washington.

Then I have a letter from Cumberland, Md., saying that the Allegany County Commissioners tried for several hours to get through, and they went to the Amtrak ticket office. They were told it would be open from 10 o'clock a.m. until 7 o'clock p.m. There was not anybody there. They tried to get a ticket and they could not get through. These are some things that need to be corrected.

The Department of Transportation ought to be divorced from this operation completely because Amtrak is best suited to determine how our Nation's railroad system is to be operated. I think a provision should be in the bill that allows the Amtrak Board to run it. The Congress appointed a board to run it, and currently the Amtrak Board has no more to say about the rail passenger system than the man in the Moon. I think we ought to take the Amtrak Board out of Amtrak's operations or let them run them, one way or the other.

The President in his message said he was going to put $10 billion into it for transportation. I think if he is going to do that, we should get ready, when that $10 billion comes, to expand our rail passenger system and make it a national transportation system. I think the people of this country would ride these trains if they could get through, get their tickets for the trains, and if we had somebody to man these stations so they could at least find out if there are tickets. I think these are the issues. Unless we do that, we are not going to have an adequate system.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the very fine gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. I thank the gentleman for yielding. As a matter of fact, I think I yielded to the gentleman from West Virginia on three occasions, and I think the gentleman used more of my time than I did.

Mr. STAGGERS. I apologize.

Mr. MADIGAN. Obviously, I am not going to be able to return the compliment.

The CHAIRMAN. The time of the gentleman from West Virginia (Mr. STAGGERS) has expired.

Mr. FLORIO. Mr. Chairman, I yield myself the balance of the time.

The question that we come down to is whether we are going to finance a system that actually operates the way it is supposed to operate. The fact of the matter is there has been an awful lot of talk about this great resurgence back to trains, and there will be more talk about percentage increases in ridership. I would make reference to a particular line that probably will not be able to get back into the system, and deservedly so, because this has had a 75-percent increase in ridership in the last number of months and still is operating at only 42 percent of capacity. So what we have to do is make a distinction between lines that people will use and lines that people will not use. Keep in mind that to the degree that we include in this system lines that people do not use and divert moneys to those lines, we are reducing the moneys available to the lines that people do use and, therefore, there will not be adequate service on those lines that people are using. Therefore, the people that call to use those lines, such as my chairman, the gentleman from West Virginia (Mr. STAGGERS) has indicated, will not be able to get onto those lines.

What this commitee has done is to put together an objective system that will take into account legitimate considerations, utilization, and cost. What we have done is for the first time perhaps in the history of Amtrak to establish a system whereby there will be an objective determination as to whether the system should operate, and all extraneous considerations, all nonobjective considerations, will not be considered. If your train is used, it will go into the system.

More importantly, perhaps, we have provided for a substantial increase in capital. Mr. Boyd has said that he will do anything we want him to do. He will run any system that we give him the money to run, but he cannot run the existing

system with antiquated equipment. Accordingly, we are taking him at his word. We are telling him to run a good system. We are giving him the money to run that system. But he has stated in unequivocal terms, if you give me the existing system and do not give me the money, I cannot run that system, and you will continue to have the poor service that you currently have. This, of course, will not serve the needs of rail passengers throughout this country.

I would ask that the Members support this proposal, reject any superficially attractive proposal that may want to keep all trains regardless of quality, regardless of utilization—reject that approach and adopt the approach that we have put into this bill as one that will provide for mass transportation.

□ 1620

As we shift off of rail passenger, as we shift off of automobile traffic, the fact is we can provide an alternative, the Amtrak system has potential but it cannot have potential if we put an anchor around the neck——

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEE. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. Mr. Chairman, I think the point we have to keep in mind as we move into the amendment stage on this bill is that both the outgoing Secretary of Transportation, Mr. Adams, and the interim Secretary of Transportation who has just taken over there, have both told us that unless we pass the committee bill they are going to recommend to the President of the United States that the bill be vetoed. If we try to restore the entire system, the recommendation to the President is to veto the entire system and in that event we will then get the DOT proposal which would have eliminated 43 percent of the Amtrak route mileage.

If you want to respond to the increase in ridership the way to do that is in the committee bill which intelligently responds to the increase in ridership.

The other amendment would pick up trains like this train that I believe serves the district of the gentleman from Tennessee (Mr. GORE), that in March 1979 was averaging 68 passengers and now the ridership is up to 72 passengers. From 68 up to 72. That is the kind of increase we are talking about. Taking care of in the Gore-Fowler proposals.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the reported bill as an original bill for the purpose of amendment.

● Mr. HARRIS. Mr. Chairman, I believe it is inappropriate to dramatically slash our rail passenger service at a time when gasoline supplies and prices are uncertain and Americans are using Amtrak in record numbers. The Gore-Fowler amendment, which I have cosponsored, would preserve the current level of Amtrak rail service for another year. During that time Amtrak will be able to assess the impact of recent energy developments on ridership. Only then may a reasoned decision, based on current ridership and fuel efficiency data, be made on Amtrak's proper role in America's transportation system. We should not expect Amtrak to rebuild these routes after the grass has grown over the tracks.

The administration's proposal is based upon factors which are now obsolete—ready access to cheap gasoline in 1977 and 1978, dated Amtrak ridership figures, and a belief that the American people would not patronize passenger trains in an effort to conserve fuel. As we all know, all three of these factors have changed dramatically. Long lines for expensive gas, Amtrak trains filled to capacity and widespread grassroots campaign in support of a national rail passenger system. I believe we must completely assess the long-range implications of these developments before we move to eliminate some of the very routes that have experienced the greatest increase in ridership over the past 9 months.

Five of the 14 routes that would be eliminated under the committee administrative proposal are in Virginia. One of these, the Hilltopper which runs by Kings Dominion Amusement Park near Richmond, experienced its biggest weekend in history over the Memorial Day weekend.●

● Mr. CORMAN. Mr. Chairman, I rise in support of the Amtrak Reorganization Act as reported from committee and in particular affirmation of a policy implicit within it. To speak directly, this legislation in no way restricts or diminishes a State's authority to mandate commuter service within its boundaries. This bill supports Amtrak commuter service operations and encourages continued Amtrak involvement in commuter service projects on a share-funding basis.

Nowhere is the need for this authority more apparent than in Los Angeles, Calif. There, the Southern Pacific Transportation Co. owns a railroad which runs from Oxnard south through the San Fernando Valley to downtown Los Angeles. Southern Pacific uses this line completely for freight purposes except for one long-distance Amtrak passenger train per day.

The city, county and State want to run a commuter train from Oxnard through Northridge, Van Nuys, Panorama City, and Burbank to downtown Los Angeles once a morning and then back again in the evening. But Southern Pacific denies that it should be considered a utility and it is fighting the commuter service with every device at its disposal. The consequent legal mess is frustrating the State's initiative, and Southern Pacific's misuse of Amtrak law only further delays the start of the commuter service.

The population growth and traffic congestion in Los Angeles argue forcefully for a commuter service on the Southern Pacific line. The recent gasoline shortage and rising gasoline prices dispel all doubt that a commuter service would be a rousing success from its inception. Even a historical look at use of the rail line refutes Southern Pacific's opposition: Southern Pacific itself ran more freight trains than at present plus eleven passenger trains at a time before it had computerized switching capabilities.

The irony of the situation is compounded by mass transit planning in Los Angeles. The rapid transit authority has proposed construction of an underground subway to run from downtown Los Angeles across the Wilshire Corridor up through the Santa Monica Mountains to the Hollywood-Burbank area. If approved, this subway will cost the Federal Government billions of dollars to build and years to complete. Yet the population served would be in large part the same population served by a commuter train on the existing Southern Pacific rail line. This rail line is here now. It could be put into commuter use within 30 days of approval. It would cost $2 million compared to $2 billion for a subway. But because of Southern Pacific's obstructionism and constraints on State action, we must consider the expensive and time-consuming creation of an entirely new railroad. We may decide someday to build the Wilshire rail line. But it will be a long time before it is available.

We cannot continue attempting to fix things with our left hand without knowing what our right hand is doing. We need a serious mass transit system in Los Angeles and we need to be as frugal as possible in obtaining one. By taking stock of our existing rail facilities and by encouraging Amtrak participation in local commuter rail service projects we can expand our mass transit system quickly and inexpensively. On this solid infrastructure we can then add new rail and bus lines at less expense and greater speed. This bill provides that encouragement, does not diminish State authority to mandate commuter use of existing rail lines, and deserves our support for both reasons.●

● Mr. MOAKLEY. Mr. Chairman, this country and this Congress are once again in the position of reevaluating our energy policies and during this reexamination, one area that must not be neglected is transportation.

In the face of gasoline shortages and price increases, one facet of our transportation network that has experienced a revitalization is our passenger rail service. Today, we are debating whether this service, in the form of Amtrak, will continue to receive full Government support or face a 43-percent cutback.

I support the amendment offered by Messrs. GORE and FOWLER which seeks to postpone the proposed cuts for 1 year so that we can fully consider the long-term effects of any such cutback.

I ask why passenger rail service has been singled out for cutbacks? In 1974, the Department of Transportation allotted $7.2 billion for highways, $2.9 billion for air transport, and just $1.7 billion for all rail service including Amtrak. Rather than trying to decrease this gap, present plans call for a 26-percent reduction in funding for passenger rail service, while all other forms of transport would receive increases.

I believe it is time to strengthen our commitment to rail service; not dilute it.

My experience with rail transportation in the northeast corridor shows it is a useful investment and that it serves as a vital link in the passenger needs for all New England.

Amtrak trains also save energy. Modern long-distance trains can average 100 miles per gallon—4 times more efficient than airplanes and 3 times more efficient than the automobile.

Americans are beginning to show their support for Amtrak by buying tickets. It is now time for Congress to respond to this display of good faith and work to rebuild our railways.●

● Mr. FISHER. Mr. Chairman, I would like to offer my support for the Blue Ridge train, one leg of the Amtrak system which runs from Martinsburg, W. Va. through Maryland into the District of Columbia. This train serves a dual purpose: a commuter train during the week carrying some 1,500 commuters from West Virginia, northern Virginia, and western Maryland into the District of Columbia each day, and a tourist train which serves Harpers Ferry, W. Va. during the weekend. Since 1973 when the commuter service was initiated, ridership on the Blue Ridge has grown so much that many days it is standing room only. The recent gasoline shortage experienced by this area has also contributed significantly to the Blue Ridge's increasing popularity.

Last year, DOT proposed State funding of commuter trains such as the Blue Ridge, reasoning that since primarily residents of the States through which such trains run are served by such commuter trains, the State should fund the deficit caused by these train. At present the Federal Government funds the total deficit caused by the Blue Ridge commuter train. The Blue Ridge, however, faced extinction when the States of West Virginia and Maryland—the two States the train runs through—did not approve funding during their legislative sessions earlier this year.

The Amtrak Reorganization Act of 1979, which comes before the House today, provides for a 1½ year continuance of commuter trains, like the Blue Ridge, with the understanding that the argument over who should pay for commuter trains will be solved in the interim.

It is clear that the Blue Ridge train should keep running. At a time when the Nation, and the Washington metropolitan area in particular, is experiencing a severe energy crunch, the Blue Ridge is an important contribution to gasoline savings. To discontinue a train which provides service to hundreds every day would be a severe contradiction on the part of a Congress and administration who pledge daily to help solve the national energy crisis.●

● Mr. PATTERSON. Mr. Chairman, I intended to offer an amendment to the Amtrak Reorganization Act of 1979, H.R. 3996. Because of a previous commitment in California, I will not be present at the time H.R. 3996 is to be considered. It will, however, be offered by one of my colleagues at my request; and I would like to take this opportunity to explain its provisions.

The amendment is a simple one. It states that whenever Amtrak decides to increase fares under the 403(b) program by more than 5 percent during any 6-month period, it must consult with appropriate officials of the State or States to be affected. The amendment would also require Amtrak to provide the States with a justification of the proposed fare increase.

The purpose of this amendment is to insure consultation between Amtrak and the States. Since the very nature of such a consultation is to allow Amtrak to express the rationale for a decision it feels is warranted, I believe that this amendment is a constructive one.

Under the 403(b) program where a State contributes funds for operating rail passenger services, it is only fair to require communication between Amtrak and the States. Currently, six States participate in the 403(b) program. They are: California, New York, Pennsylvania, Illinois, Michigan, and Minnesota.

These States have made an important investment in rail transportation as an alternative to other more costly forms of travel. They work vigorously to market their passenger services and, frankly, deserve to be consulted. It is simple to understand the concern of the States about the impact of rising fares. For when fares become uneconomical for consumers, ridership declines and efforts to make mass transit attractive and to conserve energy are negated.

While I understand that the stated policy of the Amtrak Board is to restrict fare increases to twice annually, so far this year Amtrak has increased short-haul fares twice in less than 6 months on profitable routes such as the one from Los Angeles to San Diego. Fares on that route increased by 132 percent since November 1972. By contrast, over the same period the CPI increased by 70 percent. At a time when the country is experiencing acute energy supply shortages, and must embark on a multifaceted energy program, it is counterproductive not to adopt policies which may enhance the advantages of rail transportation.

The Los Angeles to San Diego route produces 100-passenger miles per gallon. Auto travel and air travel both average less than 20-passenger miles per gallon. If the passengers on this route had used their cars instead, 2 million more gallons of oil would have been consumed in 1978. Passenger trains are necessary if we are to conserve petroleum and minimize costly freeway construction.

Also important, ridership in the Los Angeles-San Diego corridor has nearly doubled from 390,000 to 725,000. However, increased ridership has not been experienced solely within the State of California. Amtrak's own data prove that ridership in the Northeast corridor, on short-distance and long-distance routes has risen by more than 12 percent over the last year. Unilateral Amtrak fare increases adversely affect profitable routes such as New York-Boston and New York-Washington. In June, the New York-Boston roundtrip fare was $20.50. On July 15, that fare rose to $22.00. As the committee report notes, too, at page 19: "In recent weeks as gasoline prices have sharply increased and as gasoline shortages have become more pronounced, Amtrak ridership has risen substantially."

The 403(b) program should not be victimized by declining ridership due to unilateral fare increases. Currently, participating States are given notification after a decision to increase fares has been made. But, as you can appreciate, this does not grant the States adequate input under a program in which they are sharing a significant investment.

When ridership falls as a result of increased fares, the States must pump more money into rail service operations because of revenue losses. In the wake of proposition 13 in California and similar measures throughout the Nation, States can little afford added expenditures. If fare increases could be held within justifiable bounds, riderships would be stimulated, making mass transportation systems an attractive alternative to driving. Without question, our national energy conservation plans will suffer if the public finds it uneconomical to use rail passenger services.

Under the current rail passenger system, riders pay almost 40 percent of operating costs. On the other hand, air travelers pay only one-third of the cost of their transportation. Highway costs today exceed $23 billion annually, not including the more than $50 billion we spend to gas up with OPEC oil.

I strongly urge my colleagues to support this amendment. It is an important proconsumer amendment and encourages national efforts to promote mass transportation and energy conservation.●

The Clerk read as follows:

H.R. 3996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMTRAK REORGANIZATION

SHORT TITLE

SECTION 101. This title may be cited as the "Amtrak Reorganization Act of 1979".

PURPOSES

SEC. 102. Section 101 of the Rail Passenger Service Act (45 U.S.C. 501) is amended—

(1) by inserting "(a)" immediately before "The Congress";

(2) by striking out "and" after "this purpose;";

(3) by striking out the period after "Railroad Passenger Corporation" and inserting in lieu thereof the following "; and that rail passenger service offers significant benefits in public transportation for the safe movement of passengers with minimum energy expenditure and represents a significant national transportation asset in time of national emergency or energy shortage."; and

(4) by adding at the end thereof the following new subsection:

"(b) The Congress further finds that—

"(1) during Amtrak's eight-year existence, policies and programs under this Act have failed to increase intercity rail passenger service to a level necessary for significant energy savings or public service;

"(2) inadequately defined goals for the Corporation have denied its board of directors an effective role in guiding the Corporation or in promoting and increasing the number of intercity rail passengers;

"(3) uncertain goals and financial commitment have discouraged the development of effective corporate management;

"(4) uncertainty arising from the lack of specific goals has made the achievement of high employee morale difficult;

"(5) State participation in subsidizing interstate rail passenger service has, for the most part, been unworkable;

"(6) lack of full cooperation by the railroad industry has impeded effective systemwide operation of passenger trains by the Corporation; and

"(7) a greater degree of cooperation is necessary among railroads, the Corporation, States with subsidized service, labor organizations, and suppliers of services and equipment to the Corporation in order to achieve a level of performance sufficient to justify additional expenditure of public funds.".

GOALS

SEC. 103. (a) GOALS FOR AMTRAK.—The Rail Passenger Service Act (45 U.S.C. 501 et seq.) is amended by redesignating section 102 as section 103 and by inserting after section 101 the following new section:

"SEC. 102. GOALS.

"The Congress hereby establishes the following goals for Amtrak:

"(1) Improvement of on-time performance by at least 50 percent within the three-year period beginning on the date of enactment of this section.

"(2) Implementation of schedules which provide a systemwide average speed of at least 60 miles per hour, and which can be adhered to with a degree of reliability and passenger comfort.

"(3) Coverage of at least 44 percent of operating expenses, excluding depreciation, from revenues by the end of fiscal year 1982 and 50 percent by the end of fiscal year 1985.

"(4) Improvement of the feasibility of State-subsidized service through the use of technical assistance panels to coordinate, plan, and implement such service.

"(5) Encouragement of rail carriers to assist in improving intercity rail passenger service.

"(6) General improvement of Amtrak's performance through comprehensive, systematic operational programs and employee incentives.".

(b) TECHNICAL AMENDMENT.—The heading for title I of the Rail Passenger Service Act is amended by inserting "GOALS," after "PURPOSES,".

DEFINITIONS

SEC. 104. Section 103 of the Rail Passenger Service Act, as redesignated by this Act, is amended to read as follows:

"SEC. 103. DEFINITIONS.

"For the purposes of this Act—

"(1) 'Amtrak' means the National Railroad Passenger Corporation created under title III of this Act.

"(2) 'Auto-ferry service' means intercity rail passenger service characterized by transportation of automobiles and their occupants.

"(3) 'Avoidable loss' means the avoidable costs of providing passenger service, less revenues attributable thereto, as determined by the Interstate Commerce Commission under the provisions of section 553 of title 5, United States Code.

"(4) 'Basic system' means (A) prior to October 1, 1979, the system of intercity rail passenger service designated by the Secretary under title II and section 403(a) of this Act, and (B) on and after October 1, 1979, the system of intercity rail passenger service designated by the Secretary under section 4 of the Amtrak Improvement Act of 1978 (Public Law 95-421) and approved by the Congress, and service required to be operated under section 404(d) of this Act, including changes to such system or service made by the Corporation using the Route and Service Criteria.

"(5) 'Center' means the Performance Evaluation Center established under section 305 of this Act.

"(6) 'Commission' means the Interstate Commerce Commission.

"(7) 'Corporation' means the National Railroad Passenger Corporation created under title III of this Act.

"(8) 'Intercity rail passenger service' means all rail passenger service other than commuter and other short-haul service in metropolitan and suburban areas, usually characterized by reduced fare, multiple-ride and commutation tickets, and by morning and evening peak period operations.

"(9) 'Model Program' means a program carried out by the Corporation under section 807 or section 810 of this Act and the employee assistance program established by the Corporation.

"(10) 'On-time performance' means a train leaving its route end point of orgin within ten minutes of the scheduled time and arriving at its route end point of destination within fifteen minutes of the scheduled time, except that if the route end point of destination is more than two hundred miles from the route end point of origin, an additional five minutes for each one hundred miles in excess of that two hundred miles shall be added (up to a maximum of thirty minutes) to the permissible arrival time at the route end point of destination.

"(11) 'Panel' means a Technical Assistance Panel established under section 403(b) of this Act.

"(12) 'Rail carrier' and 'railroad' mean a person providing railroad transportation for compensation.

"(13) 'Regional transportation agency' means an authority, corporation, or other entity established for the purpose of providing passenger service within a region.

"(14) 'Route and Service Criteria' means the Criteria and Procedures for Making Route and Service Decisions established pursuant to section 404(c) of this Act.

"(15) 'Secretary' means the Secretary of Transportation or his delegate unless the context indicates otherwise.".

PREFERRED STOCK ISSUANCE

SEC. 105 (a) ISSUANCE.—Section 304 of the Rail Passenger Service Act (45 U.S.C. 544) is amended by adding at the end thereof the following new subsection:

"(g)(1) The Corporation shall issue preferred stock to the Federal Financing Bank to cover the purchase of capital equipment and facilities for which the Corporation is currently obligated against previously authorized guaranteed loan authority. The Federal Financing Bank shall accept such stock in full settlement of all loans which were made to the Corporation by the Federal Financing Bank and guaranteed under section 602 of this Act and which are outstanding on the date of enactment of this subsection.

"(2) The Federal Financing Bank shall transfer to the Secretary of the Treasury the preferred stock of the Corporation issued under paragraph (1) of this subsection. The Secretary of the Treasury shall accept such stock in full settlement of all obligations of the Federal Financing Bank to such Secretary in connection with the making of the loans described in such paragraph.

"(3) The Secretary of the Treasury, in exchange for additional preferred stock, shall provide additional resources to the Corporation, as required for payment to vendors to liquidate obligations of the Corporations for capital equipment and facilities. The total amount of preferred stock acquired by the Secretary of the Treasury under this subsection (exclusive of stock received as dividends pursuant to paragraph (4)) may not exceed the total of the previously authorized guaranteed loan authority.

"(4) Dividends on preferred stock issued under paragraph (1) of this subsection shall be paid by the issuance of additional shares of preferred stock, and shall be paid at a rate equal to the rate of interest in effect, at the end of the fiscal quarter preceding the quarter in which the dividend stock is issued, for loans made by commercial banks to preferred commercial borrowers.

"(5) Preferred stock issued under this subsection shall have the characteristics set forth in clause (B) of subsection (a) of this section, except that (A) dividends on such stock shall be paid in accordance with paragraph (4) of this subsection, and (B) such stock shall not carry any voting rights.".

(b) REPEAL.—(1) Section 602 of the Rail Passenger Service Act (45 U.S.C. 602) is repealed.

(2) The repeal of section 602 of the Rail Passenger Service Act made by paragraph (1) of this subsection shall not affect—

(A) any obligation of the Corporation to make payments of principal and interest or to fulfill any other responsibilities in connection with any securities, obligations, leases, or loans guaranteed under section 602 of such Act prior to the date of enactment of this Act; or

(B) any obligation of the United States under any guarantee made by the Secretary of Transportation to a lender or lessor under section 602 of such Act.

OPERATIONAL IMPROVEMENT PROGRAM

SEC. 106. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545) is amended by redesignating subsections (f) through (j) as subsections (g) through (k), respectively, and by inserting after subsection (e) the following new subsection:

"(f) The Corporation shall, not later than January 1, 1981, develop and submit to the Congress and to the President a comprehensive plan for the improvement of all intercity rail passenger service provided in the basic system. The Corporation shall commence implementation of such plan as soon as practicable after all or any portion thereof is developed. Such plan shall include—

"(1) a zero-based assessment of all operating practices and implementation of changes to achieve the minimum use of employees consistent with safe operations and adequate service;

"(2) a systematic program for optimizing the ratio of train size to passenger demand;

"(3) a systematic program for trip time reduction on all trains in the basic system;

"(4) establishment of training programs to achieve on-time departures and priorities for passenger trains over freight trains en route;

"(5) adjustment of purchasing and pricing of food and beverages to achieve, as soon as practical after the date of enactment of this subsection, a continuing reduction in losses associated with food and beverage services with a goal of ultimate profitability;

"(6) cooperative marketing opportunities between the Corporation and governmental entities at all levels having intercity rail passenger service; and

"(7) cooperative marketing campaigns sponsored by the Corporation and the Department of Energy, the Federal Highway Administration, and the Environmental Protection Agency.".

REGIONAL MAINTENANCE PLAN

SEC. 107. Section 305(g) of the Rail Passenger Service Act, as redesignated by this Act, is amended to read as follows:

"(g) The Corporation shall, not later than January 1, 1980, establish a Regional Maintenance Plan. Such plan shall include—

"(1) a review panel at corporate headquarters consisting of such members as the President of the Corporation shall designate;

"(2) a systemwide inventory of spare equipment parts by operational regions;

"(3) establishment of the necessary number of maintenance employees per number of cars and locomotives per region;

"(4) establishment of a systematic preventive maintenance program;

"(5) a method for periodic evaluation of maintenance costs, time lags, and parts shortages with appropriate corrective actions; and

"(6) such other elements or activities as the Corporation considers appropriate.".

RAILROAD POLICE

SEC. 108. Section 305(j) of the Rail Passenger Service Act, as redesignated by this Act, is amended by striking out "security guards" each place it appears and inserting in lieu thereof "railroad police" and by striking out "Security guards" and inserting in lieu thereof "Railroad police".

PERFORMANCE EVALUATION CENTER

SEC. 109. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(l) The Corporation shall establish a Performance Evaluation Center within the Corporation which shall have the responsibility of providing an ongoing review of operations. The Center should evaluate both short-term and long-term operational problems and make recommendations for improvement of operations. Each six months, the Center shall submit a report of its activities and recommendations to the appropriate authorizing committees of both Houses of Congress and to the Secretary.".

ADEQUACY OF SERVICE REPORTS

SEC. 110. (a) REPORTS.—Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(m) For purposes of assessing the operational performance of trains, the President of the Corporation shall have the authority to direct the conductor on any Amtrak train to report to the Center any inadequacy of train operation. Adequacy of service reports required under this subsection shall be promptly transmitted to the Center. Each report shall be signed by the conductor and contain sufficient information to locate equipment or personnel failures.".

(b) REPEAL.—Section 801 of the Rail Passenger Service Act (45 U.S.C. 641) is hereby repealed.

APPLICABILITY OF OTHER LAWS

SEC. 111. (a) EXCEPTIONS TO APPLICABILITY.—Section 306(a) of the Rail Passenger Service Act (45 U.S.C. 546(a)) is amended by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and" and by adding at the end thereof the following new paragraph:

"(4) the issuance of securities or the assumption of any obligation or liability with respect to the securities of others.".

(b) THROUGH ROUTES AND JOINT FARES.—Section 306(j)(2) of the Rail Passenger Service Act (45 U.S.C. 546(j)(2)) is amended by striking out "motor carrier" and inserting in lieu thereof "any domestic or international motor, air, or water carrier".

(c) PAY PERIODS AND QUALIFICATIONS.—Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is further amended by adding at the end thereof the following new subsections:

"(l) The Corporation shall not be subject to any State or local law relating to pay periods or days for payment of employees.

"(m) The Corporation shall be deemed to be qualified to do business in each State in which it performs any activity authorized under this Act. In connection with the performance of such activities, the Corporation shall accept service of process addressed by certified mail to the secretary of the Corporation at its principal office and place of business in Washington, District of Columbia.".

UNIFORM CONTRACT

SEC. 112. Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended by adding at the end thereof the following new subsection:

"(g) The Corporation shall enter into a contract with rail carriers on an industry-wide basis to establish rights for the operation of special or charter trains between specific routes and points anywhere in the Nation upon provision of reasonable notice (of not less than seven days) to the carriers involved in the operation of any special or charter trains, except that with respect to rail lines on which rail passenger service has not been operated for the preceding 180 days, reasonable notice under this sentence shall be notice of not less than 21 days. If the Corporation and the rail carriers are unable to reach agreement by January 1, 1981, the Commission shall, upon application by the Corporation, order rail services to be provided under this subsection and shall, consistent with equitable and fair compensation principles, determine within 180 days after such date the proper amount of compensation for the provision of such services and the proper method of prior notification of the schedule and routing of a special or charter train by the Corporation.".

PENALTY FOR LACK OF ON-TIME PERFORMANCE

SEC. 113. Section 402 of the Rail Passenger Service Act (45 U.S.C. 562), as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(h) An agreement between the Corporation and a railroad under this section may include terms which provide an incentive for the achievement of a certain level of on-time performance. Such an agreement shall include terms which provide that the failure to achieve on-time performance will result in a reduction in the amount of payment to the railroad for the specific period in question, except that (1) such reduction may not exceed 50 percent of the total amount which would have been payable to such railroad under such agreement, and (2) no reduction may be imposed if the failure to achieve on-time performance is due to an action of the Corporation, an accident, or a failure or malfunction of equipment or programed maintenance of way.".

NEW SERVICE

SEC. 114. ROUTE ADDITIONS.—Section 403(a) of the Rail Passenger Service Act (45 U.S.C. 563(a)) is amended to read as follows:

"(a) Except as otherwise provided in this Act, after October 1, 1979, all route additions shall be in accordance with the Route and Service Criteria.".

(b) SUBSIDIZED SERVICE.—Section 403(b) of the Rail Passenger Service Act (45 U.S.C. 563(b)) is amended to read as follows:

"(b)(1)(A) Any State or group of States, and any regional or local agency, may submit an application to the Corporation requesting the institution of rail passenger service in addition to that service provided in the basic system.

"(B) An application for rail passenger service under this subsection shall be submitted at least 180 days prior to the beginning of the fiscal year in which such service is to be operated, except that an application for service to be operated in the fiscal year ending September 30, 1980, shall be submitted no later than the 60th day following the beginning of such fiscal year.

"(C) Each application by a State or agency for rail passenger service under this subsection shall contain—

"(i) adequate assurances by such State or agency that it has sufficient resources to meet its share of the cost of such service for the period such service is to be provided;

"(ii) a market analysis acceptable to the Corporation to ensure that there is adequate demand to warrant such service;

"(iii) a statement by such State or agency that it agrees to provide 20 percent of the solely related costs of such service in the first year of operation, 35 percent of such costs in the second year of operation, and 50 percent of such costs in each year of operation thereafter; and

"(iv) a statement by such State or agency that it agrees to provide, in each year of operation of such service, 20 percent of the associated capital costs of operating such service and 20 percent of the solely related costs of rehabilitation, maintenance, improvement, and acquisition of facilities and equipment used in connection with such service.

"(2)(A) The board of directors of the Corporation shall review each application submitted by a State or agency for the institution of service under this subsection and shall convene a Technical Assistance Panel to consider such application if the board determines that—

"(i) the application complies with requirements of paragraph (1)(C) of this subsection; and

"(ii) there is a reasonable probability that the service requested can be provided with the resources available to the Corporation.

"(B) The board of directors shall make its determinations under this paragraph, and convene a panel if appropriate, at least 150 days prior to the beginning of the fiscal year in which the service requested is to be operated, except that with respect to an application for service to be operated in the fiscal year ending September 30, 1980, the board shall make its determinations, and convene a panel if appropriate, no later than 30 days after the date such application is submitted.

"(C) Any application submitted by a group of States shall be considered in the same manner as an application submitted by a single State, and not on the basis of whether each State that is a party to such application meets the requirements of paragraph (1)(C) of this subsection.

"(3)(A) Each panel convened by the board of directors to consider an application shall be composed of—

"(i) a State rail planning official from each State that is a party to the application;

"(ii) a representative of the Corporation;

"(iii) a representative from a railroad labor organization representing operating crafts of employees; and

"(iv) a representative from a railroad organization representing nonoperating crafts of employees.

"(B) The Corporation shall submit to each panel data projecting the solely related costs and associated capital costs of operating the service under consideration, and the solely related costs of rehabilitation, improvement and acquisition of facilities and equipment to be used in connection with such service. Each panel shall, no later than 90 days after the date is convened, consider and make recommendations to the board of directors with respect to—

"(i) appropriate measures for minimizing such costs, including measures such as—

"(I) the assumption by the applicant State or agency of certain responsibilities in connection with the operation of the service under consideration; and

"(II) a reduction in the labor costs of operating such service; and

"(ii) if more than one State is a party to the application, the appropriate manner for allocating such costs among the applicant States.

"(4)(A) After taking into account the recommendations of the panel with respect to rail passenger service requested by a

State or agency under this subsection, the Corporation shall enter into an agreement with such State or agency for the institution of such service, in accordance with the funding formula set forth in paragraph (1)(C) of this subsection, if the board of directors of the Corporation determines that such service can be provided with resources available to the Corporation.

"(B) If more applications are made for service under this subsection than can be provided by the Corporation with the resources available to it, the Corporation shall determine which service shall be provided on the basis of which application best serves the public interest, after consideration of the factors set forth in section 4(a) of the Amtrak Improvement Act of 1978, except that the Corporation shall not discontinue service which is provided on the date of enactment of the Amtrak Reorganization Act of 1979 unless the requirements of this subsection are not met with respect to such service.

"(C) Services under this subsection may be operated by the Corporation or by the applicant State or agency, as mutually agreed upon by the parties. If the service is to be operated by the applicant State or agency, the Corporation and such State or agency shall agree to a plan for the operation of such service, and shall coordinate the operation of such service with service provided under the basic system.

"(5)(A) Federal funds available for expenditure under this subsection shall not be in substitution for the average amount of State and local funds expended for the operation of rail services under this subsection in the State for the two fiscal years preceding the fiscal year for which the funds are made available. Nothing in this subparagraph shall be construed as preventing State or local revenues which are used for the operation of such services in the State from being credited (to the extent necessary) toward the non-Federal share of the cost of the project for purposes of the preceding sentence.

"(B) If service provided under this subsection on the date of enactment of the Amtrak Reorganization Act of 1979 is terminated by a State or agency and such State or agency subsequently decides to resume such service, the Corporation shall agree to provide funding at the level provided under the contract in effect on such date of enactment.

"(C) A State may add additional frequencies of service on an existing route. Additional frequencies shall be initiated in accordance with the funding formula described in paragraph (1)(C) of this subsection, without regard to funding ratios then in effect on other frequencies on such existing route.

"(6)(A) Any funds provided by the Corporation under an agreement with an agency pursuant to this subsection which are allocated for rehabilitation, maintenance, improvement, and acquisition of facilities and equipment and which are not expended during the fiscal year for which they are provided shall remain available until expended.

"(B) An agency entering into an agreement with the Corporation for the operation of service under this subsection shall be entitled to reimbursement for staff services in an amount equal to 1½ percent of the operating losses and associated capital costs.

"(C) The board of directors shall establish the basis for determining the solely related costs and associated capital costs of service operated under this subsection, the solely related costs of rehabilitation, maintenance, improvement, and acquisition of facilities and equipment used in connection with such service, and the total revenue from such service.".

(c) REPEAL.—Section 403(c) of the Rail Passenger Service Act (45 U.S.C. 563(c)) is repealed.

(d) COMMUTER SERVICE.—Section 403(d) of the Rail Passenger Service Act (45 U.S.C. 563(d) is amended—

(1) by inserting "(1)" immediately before "The Corporation";

(2) by inserting immediately after the first sentence thereof the following: "An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than two years."; and

(3) by adding at the end thereof the following new paragraphs:

"(2) Any rail passenger service which is operated by the Corporation on January 1, 1979, and which constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, continue to be operated by the Corporation and funded in accordance with the method of funding in effect for that service on January 1, 1979.

"(3) The Corporation shall, until April 1, 1981, continue to accept commuter based fares for any rail passenger service which it operates and for which such fares are accepted on January 1, 1979. Nothing in this paragraph shall be construed as prohibiting the Corporation or any other railroad from increasing the amount of any fare charged for rail passenger service.".

SERVICE CHANGES

SEC. 115. (a) SERVICE CHANGES.—Section 404(b) of the Rail Passenger Service Act (45 U.S.C. 564(b)) is amended to read as follows:

"(b) After October 1, 1979, all route discontinuances by the Corporation shall be in accordance with the Route and Service Criteria.".

(b) TECHNICAL AMENDMENT.—Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is amended by striking out

"SEC. 404. DISCONTINUANCE OF SERVICE."

and inserting in lieu thereof

"SEC. 404. SERVICE CHANGES.".

EXCEPTIONS TO APPLICABILITY OF ROUTE AND SERVICE CRITERIA

SEC. 116. Section 404(c) of the Rail Passenger Service Act (45 U.S.C. 564(c)) is amended by adding at the end thereof the following new paragraph:

"(4) The Route and Service Criteria shall not apply to—

"(A) decisions of the Corporation to increase or, where construction schedules, other temporary disruptive factors, or seasonal fluctuations in ridership so warrant, to decrease frequency of service on existing routes or portions of existing routes; and

"(B) rerouting of service between major population centers on existing routes.".

ADDITIONAL QUALIFYING ROUTES

SEC. 117. Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is amended by adding at the end thereof the following new subsection:

"(d) Where reductions in operating expenses can be obtained, the Corporation shall operate rail passenger service over any long distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978, with or without any restructuring of such route to serve major population centers as end points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

"(1) the short term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than 7 cents per passenger mile; and

"(2) the passenger mile per train mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 150.

Short term avoidable loss per passenger mile calculated by the Corporation for purposes of this subsection shall be based upon consistently defined factors for all types of routes, and such short term avoidable loss and passenger mile per train mile shall be calculated in the same manner for all routes. The Corporation shall, no later than 30 days after the date of enactment of this subsection, submit a report to the Interstate and Foreign Commerce Committee of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the methodology, equations, factors used, assumptions, and results in connection with the calculation of short term avoidable loss per passenger mile and passenger mile per train mile under this subsection.".

FREE OR REDUCED RATE TRANSPORTATION OF RAILROAD EMPLOYEES

SEC. 118. Section 405(f) of the Rail Passenger Service Act (45 U.S.C. 565(f)) is amended by striking out "The Corporation shall be reimbursed" and all that follows through "in accordance with the agreements." and inserting in lieu thereof the following: "Unless the Corporation and a railroad or group of railroads agree on a different basis for compensation, the Corporation shall be reimbursed by each railroad at the rate of 50 percent of the systemwide average monthly yield per revenue passenger mile. Reimbursement at this rate is in lieu of any charges for liability incident to travel of railroad employees eligible for free or reduced rate transportation and any other costs incurred by the Corporation in connection with free or reduced-rate transportation.".

RETENTION AND MAINTENANCE OF FACILITIES

SEC. 119. Title IV of the Rail Passenger Service Act (45 U.S.C. 561 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 406. RETENTION AND MAINTENANCE OF FACILITIES.

"(a) No facilities of a railroad (including a regional transportation agency) which are used in the operation of rail passenger services by the Corporation on February 1, 1979, shall be downgraded or disposed of without obtaining the prior approval of the Secretary under this section.

"(b) Whenever any railroad intends to downgrade or dispose of a facility referred to in subsection (a) of this section which is not currently being used in the operation of services by the Corporation, such railroad shall first notify the Corporation of its intention to take such action. If, within 60 days after receipt by the Corporation of such notice, the Corporation and such railroad are not able to enter into an agreement for the retention or maintenance of such facility or for the conveyance to the Corporation of such facility or an interest therein, the railroad may apply to the Secretary for approval of the downgrading or disposal of the facility.

"(c)(1) If the Corporation does not object to an application of a railroad to downgrade or dispose of a facility within 30 days after the date such application is submitted, the Secretary shall promptly approve such application.

"(2) If the Corporation makes a timely objection to such an application, the Secretary shall, within 180 days after the date of such objection, determine the costs which the railroad could avoid if it were not required to maintain or retain the facility in the condition requested by the Corporation. If the Corporation does not, within 60 days after the date of the Secretary's determination, agree to pay such avoidable costs to the railroad, the Secretary shall approve such application.

"(d)(1) In electing whether to enter into an agreement pursuant to this section to pay a railroad the avoidable costs of maintaining or retaining a facility, the Corporation shall consider—

"(A) the potential importance of restoring rail passenger service on the route on which such facility is located;

"(B) the market potential of such route;

"(C) the availability, adequacy, and energy efficiency of alternate modes or alternate rail lines for providing passenger transportation to or near the points which would be served by the route;

"(D) the extent to which major population centers would be served by such route;

"(E) the extent to which the provision of service over such route would encourage the expansion of a national intercity rail passenger system; and

"(F) the possibility of increased ridership on lines of railroad connecting with such route.

"(2)(A) In order to prepare for a valid and timely analysis of a facility, after a railroad gives notice pursuant to this section that it intends to downgrade or dispose of such facility, the Corporation shall conduct a survey of population centers with railroad passenger service facilities and shall update such survey from time to time as may be necessary or appropriate. Within 90 days after the date of enactment of this section, the Corporation shall take steps to prepare a survey plan which shall provide for—

"(i) a target completion date for the survey of population centers of not later than 360 days after the ninetieth day after such date of enactment; and

"(ii) a system of collection, compilation, and storage of information gathered pursuant to the survey according to geographic region and according to whether a facility would be part of a short- or long-haul route.

"(B) The survey should facilitate an analysis of—

"(i) ridership potential by ascertaining existing travel patterns or changing travel patterns which would maximize efficiencies of railroad passenger service;

"(ii) the quality of service of competitors or likely competitors;

"(iii) the likelihood of the Corporation offering service at a competitive fare;

"(iv) opportunities to target advertising and fares to potential classes of riders;

"(v) economic characteristics of railroad passenger service associated with a facility and the extent to which such characteristics are consistent with sound economic principles of short- or long-haul railroad operations; and

"(vi) the feasibility of applying effective internal cost controls to a facility and the route which the facility would serve in order to improve over time the ratio of transportation expenses, excluding maintenance of track, structure, and equipment and depreciation, to passenger revenue.

"(e) For purposes of this section—

"(1) the term 'facilities' means railroad tracks, rights-of-way, fixed equipment and facilities, and real property appurtenant thereto, and includes signal systems, passenger station and repair tracks, station buildings, platforms, and adjunct facilities such as water, fuel, steam, electric, and air lines;

(2) the downgrading of a facility means a reduction in track classification as specified in the Federal Railroad Administration track safety standards (46 C.F.R. 213), or any other change in such facilities which may increase the time required for a passenger train to operate over the route on which such facility is located; and

"(3) approval of downgrading or disposal under this section shall not be construed as relieving a railroad from compliance with its other common carrier or legal obligations with respect to a facility.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 120. (a) AUTHORIZATION.—Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended—

(1) by striking out paragraph (2) of subsection (a); and

(2) by adding at the end thereof the following new subsection:

"(b)(1) There are authorized to be appropriated to the Secretary for the benefit of the Corporation—

"(A) for the payment of operating expenses of the basic system, including the Northeast Corridor and service required to be operated under section 403(d)(2) of this Act, not to exceed $552,000,000 for the fiscal year ending September 30, 1980, not to exceed $591,000,000 for the fiscal year ending September 30, 1981, and not to exceed $598,000,000 for the fiscal year ending September 30, 1982;

"(B) for the payment of the cost of capital acquisition or improvements of the basic system, including the cost of protective arrangements for employees under section 405 of this Act, not to exceed $230,000,000 for the fiscal year ending September 30, 1980, not to exceed $253,000,000 for the fiscal year ending September 30, 1981, and not to exceed $271,000,000 for the fiscal year ending September 30, 1982;

"(C) for the payment of operating and capital expenses of rail passenger service provided pursuant to section 403(b) of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1980, not to exceed $30,000,000 for the fiscal year ending September 30, 1981, and not to exceed $30,000,000 for the fiscal year ending September 30, 1982;

"(D) for the payment of expenses for the retention and maintenance of facilities pursuant to section 406 of this Act, not to exceed $3,000,000 for the fiscal year ending September 30, 1980, and not to exceed $3,000,000 for the fiscal year ending September 30, 1981, and not to exceed $3,000,000 for the fiscal year ending September 30, 1982;

"(E) for the payment of operating expenses of service required to be operated under section 404(d) of this Act, not to exceed $35,000,000 for the fiscal year ending September 30, 1980, $36,000,000 for the fiscal year ending September 30, 1981, and $37,000,000 for the fiscal year ending September 30, 1982;

"(F) for the payment of operating expenses of service required to be operated under section 4(g)(2) of the Amtrak Improvement Act of 1978, not to exceed $20,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981; and

"(G) for the cost of Model Programs, $1,500,000 for the fiscal year ending September 30, 1980, $1,500,000 for the fiscal year ending September 30, 1981, and $1,500,000 for the fiscal year ending September 30, 1982.

"(2) Funds appropriated pursuant to this section shall be made available to the Secretary during the fiscal year for which appropriated, except that appropriations for capital acquisitions and improvements may be made in an appropriations Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation. Funds appropriated are authorized to remain available until expended. Appropriated sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with (A) the Secretary's budget request as approved or modified by Congress at the time of appropriation, and (B) guidelines established by the Secretary. Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days, unless the Corporation, for good cause, requests more frequent payment before the expiration of any 90-day period.".

(b) TECHNICAL AMENDMENT.—Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended by striking out "(a)(1)" and inserting in lieu thereof "(a)".

EMPLOYEE COMPENSATION AND INCENTIVE COMMISSION

SEC. 121. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 808. EMPLOYEE COMPENSATION AND INCENTIVE COMMISSION.

"(a) The Secretary shall, within 30 days after the date of enactment of this section, name a five-member Employee Compensation and Incentive Commission. The members of the Commission shall be selected on the basis of their knowledge of the railroad industry.

"(b) The Employee Compensation and Incentive Commission shall—

"(1) evaluate the salary paid officers of Amtrak in relation to Amtrak's ability to attract and maintain qualified officers; and

"(2) after consultation with railroad labor organizations, develop a program for improving Amtrak employee incentive and morale, including measures such as the institution of recognition and financial awards for outstanding employees and a plan for the payment of dividends on class B common stock.

"(c) The Employee Compensation and Incentive Commission shall, no later than March 1, 1980, submit recommendations to the board of directors of the Corporation with respect to the matters referred to in subsection (b) of this section. The board of directors shall, within 90 days after the date of submission, notify the Congress of (1) any action it plans to take to implement the Commission's recommendations, and (2) any proposals for additional legislation which the board considers necessary.".

EMPLOYEE INCENTIVE PROGRAM

SEC. 122. (a) ESTABLISHMENT OF PROGRAM.—Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 809. EMPLOYEE INCENTIVE PROGRAM.

"(a) No later than January 1, 1981, the Corporation shall, in consultation with railroad labor organizations, develop and implement an Employee Incentive Program for qualified employees. Such program shall provide recognition awards to individuals, labor organizations, or carriers in recognition of outstanding achievement in meeting the performance goals established by this Act or by the board of directors.

"(b) The Corporation shall issue, as required, a new class of common stock described in section 304(a)(C) of this Act. Such stock shall be distributed to qualified employees in accordance with the following schedule:

"(1) one share to each qualified employee as of January 1, 1980, for each full year of service as a qualified employee;

"(2) annual distribution of such stock for each additional year of service after January 1, 1980; and

"(3) beginning October 1, 1980, individual awards of such stock to qualified employees with outstanding service toward meeting the performance goals established by this Act or the board of directors.

"(c) For the purpose of this section, the term 'qualified employee' means an employee of Amtrak or an employee of a carrier whose duties are the operation of an Amtrak train.".

(b) CLASS B COMMON STOCK.—Section 304(a) of the Rail Passenger Service Act (45 U.S.C. 544(a)) is amended by adding at the end thereof the following new paragraph:

"(C) CLASS B COMMON STOCK.—Class B common stock shall be nonvoting, shall have a par value of $10 per share, and shall be designated fully paid and nonassessable. Dividends shall be paid on common stock

class B from funds appropriated for such purpose or from such other sources as may be recommended by the Employee Compensation and Incentive Commission established under section 808 of this Act.".

MODEL PROGRAMS

SEC. 123. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et se.), as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 810. MODEL PROGRAMS.

"Not later than July 1, 1979, the Corporation shall, in consultation with railroad labor organizations, develop and implement a Job Placement Program for employees who will be affected by the reduction in work force caused by the implementation of the Secretary's recommendations for the restructuring of routes. Such program shall serve as an example for industry in facilitating reemployment of employees dismissed or dislocated as a result of corporate restructuring. In carrying out its responsibilities under this section, the Corporation shall attempt to reduce labor protection costs and maximize utilization of the employment skills of affected employees. Such program may include job counseling, placement advertising, skills improvement courses, and such other activities as the Corporation considers appropriate to facilitate reemployment of affected employees within or outside the rail industry.".

NATIONAL CARRIER COORDINATION COMMITTEE

SEC. 124. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 811. NATIONAL CARRIER COORDINATION COMMITTEE

"(a) The Secretary shall, within 60 days after the date of enactment of this section, establish a National Carrier Coordination Committee, which shall be composed of the Secretary, the President of the Corporation, and the chief executive officers (or their designees) of each carrier having a contract for regularly scheduled service with the Corporation. Such Committee shall meet not less than once every 6 months to review and evaluate ways and means for improving cooperation between the Corporation and the carriers in achieving improvement in intercity rail passenger service.

"(b) On or before January 1 of each year, the National Carrier Coordination Committee, through the Secretary, shall submit a report to Congress evaluating the level of cooperation between the Corporation and specific carriers. Such report shall include any recommendation for additional legislation or changes in policy by the Secretary or the Corporation in order to achieve a better level of on-time performance by the Corporation.".

STATE TAXATION STUDY

SEC. 125. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 812. STATE TAXATION STUDY

"The Secretary shall conduct a study of the payment of taxes by the Corporation to State and local governments, including the payment of property taxes, sales taxes, gross revenue taxes, fuel taxes, licenses, and other user fees, and any other taxes paid by the Corporation to such governments, and shall make recommendations to the Congress no later than January 1, 1980, concerning the advisability of relieving the Corporation, either in whole or in part, of its obligation to make such payments. In conducting such study, the Secretary shall consider—

"(1) the requirement that the Corporation be operated and managed as a for-profit corporation;

"(2) the certainty that the Corporation will need substantial Federal subsidies for the foreseeable future;

"(3) the demand by States and localities for continued and increased federally funded rail passenger service;

"(4) the benefit to States and localities of rail passenger service directly funded by the Federal Government; and

"(5) the importance to the Nation of maintaining an efficient and reliable national rail transportation system.".

RAIL SERVICE PENDING REROUTINGS

SEC. 126. Section 4(g) of the Amtrak Improvement Act of 1978 (Public Law 95-421; 92 Stat. 923) is amended—

(1) by striking out "Subject" and inserting in lieu thereof "(1) Subject to paragraph (2) of this subsection and"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Implementation of the Secretary's recommendations for the restructuring of routes which require—

"(A) the operation of service over rail lines not used in intercity rail passenger service on the date of approval of the recommendations;

"(B) the use of new facilities; or

"(C) new labor agreements;

may be deferred by the Corporation until necessary capital improvements in such rail lines or facilities are made, or new labor agreements are entered into, to permit service which is equivalent or superior to service provided on the route recommended for restructuring. Notwithstanding any other provision of law and without regard to the route and service criteria, pending the deferred implementation of such recommendations the Corporation shall provide substitute service over existing routes which are recommended for restructuring in whole or in part, and over feasible portions of routes which are recommended for restructuring and over which services are not operated on the date of approval of the recommendations.".

INTERMODAL TERMINAL PROGRAM

SEC. 127. The first sentence of section 4(i)(5) of the Department of Transportation Act (49 U.S.C. 1653(i)(5)) is amended by striking out "within two years following the approval of the application for Federal financial assistance under this subsection" and inserting in lieu thereof "within such time period as the Secretary establishes".

Mr. GORE (during the reading). Mr. Chairman, I reserve a point of order against the committee amendment in the nature of a substitute.

The CHAIRMAN. Title I has not been completed yet in terms of its reading.

The bill will have to be read until we reach title I, first of all.

Mr. ECKHARDT (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title I be dispensed with and that title I be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. ECKHARDT)?

Mr. MADIGAN. Mr. Chairman, reserving the right to object, we did not hear the unanimous-consent request.

The CHAIRMAN. The unanimous-consent request was that title I be considered as read printed in the RECORD, and open to amendment at any point.

Mr. MADIGAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. ECKHARDT).

There was no objection.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: Page 48, immediately after line 19 insert the following new section:

MORATORIUM ON SERVICE DISCONTINUANCE

SEC. 102. (a) Notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not implement the final recommendations of the Secretary of Transportation under section 4 of the Amtrak Improvement Act of 1978.

(b)(1) The Board of Directors of the National Railroad Passenger Corporation shall monitor the ridership on and conduct an evaluation of those routes of the Corporation which are recommended for discontinuance by the Secretary of Transportation pursuant to section 4 of the Amtrak Improvement Act of 1978. For purposes of conducting such evaluation, the Corporation shall utilize data for rail passenger service on such routes during the period beginning January 1, 1979, and ending December 31, 1980.

(2) In conducting its evaluation under this subsection, the Board of Directors of the Corporation shall consider—

(A) the impact of gasoline shortages and gasoline price increases on the short-term and long-term traveling patterns of the public, including diversion of intercity passengers from automobiles to passenger trains as a result of the continuation of such shortages and price increases;

(B) the extent to which a modern intercity rail passenger system utilizing the latest available equipment technology can contribute to reduced national dependence on petroleum and further national energy conservation efforts by providing reliable and energy-efficient rail passenger service to meet present and future transportation needs;

(C) increases in ridership and net revenues on routes recommended for discontinuance by the Secretary of Transportation (including potential increases in ridership and net revenues not realized because of capacity constraints), factors attributable to such increases, and the likelihood of future such increases;

(D) a comparison of the routes recommended for discontinuance by the Secretary of Transportation with the routes designated for continued operation, in terms of both financial performance and increased ridership;

(E) the extent to which the existing intercity rail passenger system has the capacity to provide reliable service to meet increased demand for intercity rail passenger transportation, including additional frequencies of service over existing or restructured routes, and the extent to which expansion of such capacity is necessary to meet such demand;

(F) the potential of each train or route, given a minimum reasonable quality of service, in terms of roadbed, track, equipment, on-time performance, and scheduling; and

(G) the transportation needs of areas lacking adequate alternative forms of transportation, including communities which have lost or are likely to lose airline service.

(c)(1) The Board of Directors of the Corporation shall, no later than April 1, 1981, determine what trains and routes will be operated as the basic intercity rail passenger system after October 1, 1981, and submit a report to the Congress setting forth its determinations and the reasons therefor. Such report shall contain an analysis of each of

the factors set forth in subsection (b)(2) of this section and an explanation of how each of such factors was taken into account in the determinations of the Board. The determinations of the Board of Directors under this paragraph may provide for the restructuring of any existing routes or for implementing service or frequency additions on such routes.

(2) The intercity rail passenger system operated by the Corporation after October 1, 1981, under this subsection shall, at a minimum, provide service over all routes designated for continued operation pursuant to the recommendations of the Secretary of Transportation under section 4 of the Amtrak Improvement Act (including substitute service required to be operated under section 4(g)(2) of such Act).

Redesignate sections 102 through 116 as sections 103 through 117, respectively.

Page 52, line 10, strike out "1979" and insert in lieu thereof "1981".

Page 52, beginning on line 13, strike out "designated by the Secretary" and all that follows through "Act," on line 17, and insert in lieu thereof "determined by the Corporation under section 102 of the Amtrak Reorganization Act of 1979,".

Page 63, line 21, strike out "1979" and insert in lieu thereof "1981".

Page 71, line 14, strike out "1979" and insert in lieu thereof "1981".

Page 72, strike out line 16 and all that follows through line 23 on page 73.

Page 79, line 13, strike out "not to exceed" and all that follows through "1981," on line 16 and insert in lieu thereof "not to exceed $698,000,000 for the fiscal year ending September 30, 1980, not to exceed $724,000,000 for the fiscal year ending September 30, 1981,".

Page 80, line 10, strike out "not to exceed" and all that follows through "1980, and" on line 11.

Page 80, strike out lines 15 through 20.

Page 80, line 21, strike out "(F)" and insert in lieu thereof "(E)".

Page 80, line 23, strike out "not to exceed" and all that follows through "1980, and" on page 81, line 1.

Page 81, line 3, strike out "(G)" and insert in lieu thereof "(F)".

Page 88, strike out lines 15 and 16 and insert in lieu thereof the following:

"(2) Implementation by the Corporation, in accordance with its rail passenger system determined under section 102 of the Amtrak Reorganization Act of 1979, of the restructuring of any routes which were recommended for restructuring by the Secretary and which require—

Mr. ECKHARDT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. ECKHARDT)?

Mr. GORE. I reserve a point of order, Mr. Chairman.

Mr. KAZEN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Texas reserves the right to object.

Mr. KAZEN. Does the gentleman have a copy of his amendment, and is it an amendment to a particular section of the title, or is it a substitute for the entire title?

Mr. ECKHARDT. It is to particular sections in the title, and what it does, in effect, is provide a 2-year moratorium with the present system in place.

Mr. KAZEN. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. ECKHARDT)?

There was no objection.

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes on his amendment.

Mr. ECKHARDT. Mr. Chairman, over a good part of my life I have seen the passenger system of the United States gradually dwindle away, largely because there does not seem to be a determination to operate the railway passenger system as a real service. When I look at pages 23 and 24 of the report which shows a map of the current Amtrak system and the recommended Amtrak route system, I cannot fail to conclude that to move in this direction this quickly under this crises situation is a terrible mistake. Therefore, what I have done is offered an amendment that would keep in place the present system during a moratorium period of 2 years during which time we can evaluate what the energy crisis is doing with respect to automobile traffic and the desirability of public transportation.

A test in the past of usership is not an adequate test of the present. I would urge an aye vote on the amendment and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. GORE TO THE AMENDMENT OFFERED BY MR. ECKHARDT

Mr. GORE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr GORE to the amendment offered by Mr. ECKHARDT: On the first page of the amendment, in section 102(b)(1), strike out "December 31, 1980" and insertin lieu thereof "December 31, 1979".

On page 3, in section 102(c)(1), strike out "April 1, 1981 and insert in lieu thereof "April 1, 1980".

On page 3, in section 102(c)(1), strike out "October 1, 1981" and insert in lieu thereof "October 1, 1980".

On page 4, in section 102(c)(2), strike out "October 1, 1981" and insert in lieu thereof "October 1, 1980".

On page 4, strike out "1981" in lines 11, 18, and 20, and insert in lieu thereof "1980".

Mr. GORE. Mr. Chairman, during the general debate I said that my colleague from Georgia (Mr. FOWLER) and I intended to offer this amendment.

This amendment is a 1-year moratorium on the cutbacks which have been proposed to the Amtrak system. During the general debate I referred to what I believe thas been a political earthquake in the areas of energy and transportation.

Transportation, after all, consumes 50 percent of all the oil used in the United States of America, an amount precisely equal to all of the oil that is imported from foreign countries into the United States of America.

If we believe the problems we have experienced in this Nation during the first part of this year with regard to gasoline price and gasoline availability are merely temporary phenomena never to be repeated, then you would go along with the cut proposed by the Department of Transportation. You might go along with the cut proposed by the Subcommittee on Transportation. However, if you believe that the difficulties we are experiencing with gasoline are the first signs of fundamental changes in the way Americans travel in the American style of life and forewarn us of a protracted period of rising gasoline prices, difficulty in securing the amounts of gasoline that Americans want in order to travel, then you will support the Gore-Fowler moratorium amendment.

There are many reasons why you should support our amendment. Energy is only one. The others have been talked about for years. Congestion. We now have 1 mile of highway for every square mile of land in this entire continent. Land use. Safety. We kill 50,000 people a year on our highways and rail transportation is by all odds the safest form of transportation.

National defense. Time and time again the leaders of our military have spoken of the vital role played by a rail network in national defense.

We have seen a trend since 1930 signaling the decline of railroads in this country. It is ironic that this country which was bound together by rail more than any other nation in the world has allowed its rail system to fall into such a state of decay. The most obvious reason, of course, is the internal combustion engine.

□ 1630

We have gotten Americans used to going everywhere in cars, and we use more gasoline and diesel fuel per capita than any nation in the world; but that era, Mr. Chairman, is coming to an end. We have to go back to more energy-efficient forms of transportation, and the American people know that. Every time we have difficulties with gasoline, they go back to the trains. That trend to automobiles that has been going on since 1930 was interrupted dramatically in World War II. Why? Because we had gasoline rationing and Americans crowded to the trains in record numbers.

When was the next time we saw that happen? In 1973 and 1974 when we had the Arab oil embargo. Once again Americans turned to the trains in record numbers.

This year when OPEC reduced the supply available and increased the price of fuel, once more we saw Americans crowding into Amtrak in record numbers, turned away because seats were not available. Many of the trains which have registered the most dramatic gains are the very trains that are targeted for elimination in the bill we are considering today.

It is not an accident that every other industrialized nation in the world has achieved efficient rail passenger service, since they subsidize it. Amtrak was oversold when it was first established in 1970. Many were led to believe that it would someday be a profitmaking venture. Of course, it is not going to be a profitmaking venture.

All public transportation is subsidized. Look at the Japanese system. The Japanese are spending this year on their passenger trains system $4.1 billion. France,

a nation a fraction the size of the United States, is spending almost $1 billion subsidizing its passenger train system.

Britain, a much smaller country, $728 million.

These countries have made the advancement that the United States needs to make.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. GORE) has expired.

(By unanimous consent, Mr. GORE was allowed to proceed for 3 additional minutes.)

Mr. GORE. Mr. Chairman, when I talk about fundamental changes in the way that we travel in this country, I mean that sooner or later Americans are going to have to break the habit of carrying 4,000 pounds of metal with them everywhere they go. I am talking about the fact that people in rural areas of this country may find it impossible to get between our large cities without a passenger train system.

We have followed policies in the United States of America for 200 years of encouraging Americans to develop the vast expanses between our cities. They rely on automobiles, and automobiles have let them down. They are increasingly letting them down as a form of transportation for the future. For these Americans, it is not simply a question of energy efficiency. It is a question of being able to travel at all in the future.

The reason so many Americans have chosen on their vacations this year to go on Amtrak trains, if they could get through to the reservation centers and if when they did, they could get a ticket that was left, if it was not completely filled up, is because they were worried not only about price, but about availability.

We must respond to this call from the American people to save our passenger train system; but the gentleman from Georgia and I do not argue merely for the status quo. We need to make the commitment necessary to build our passenger train network into what it can be and should be.

Now, we do not say, let us have these trains forever regardless of what the future holds. We have what I think is a very responsible approach. We say the following, Mr. Chairman:

Since this dramatic ridership increase has occurred since the subcommittee bill was enacted, let us pause and see what the effects are. Let us take the time to monitor these ridership increases to see what the final impact is going to be and at the end of 12 months time if the ridership decreases, trails off and goes back to the way it was a year ago or 2 years ago, then our arguments will have been for naught. At the end of the 12-month period, however, if we are correct in projecting continued problems with gasoline price and availability and ridership increases continue, then we will have managed to save the skeleton of the kind of passenger train system that we need.

The decision at the end of the 12-month period will be with Amtrak; no other congressional vote is mandated or required. The decision will be up to Amtrak at the end of the 12-month period.

I ask my colleagues to vote yes on the Gore-Fowler moratorium amendment.

I hope you will see fit to do so.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I would like to say first that I am worried about the skeleton of this organization, but I would like to bury it and not resurrect it. I want to tell you why I am against Amtrak.

Why am I against more tax money being spent on Amtrak? Let me remind you that the folks back home believe that 42 cents in taxes out of every dollar is too much to pay in taxes. And when you pour more money into the losing Amtrak, it means more taxes on the poor taxpayer's back.

Why am I against Amtrak? Because of deficit spending by President Carter's administration along with his Liberal-Democrat Congress, this country now has an inflation rate of 13 percent. Folks at home say inflation is their No. 1 worry, and Amtrak losses are part of the Government deficit.

Since its inception in 1971, I have opposed this financial transportation perpetual loser which is a tremendous drain of the American taxpayer's money. This bill continues to represent an unnecessary expenditure of tax dollars on a transportation system that has statistically proven to be uneconomical. From the very beginning, I have questioned Congress attempt to push onto the American taxpayers a rail passenger service which it neither needs nor wants. What we need to do is to cutback. Let us not have a moratorium. Let us take action.

Proponents of Amtrak claim that there was a 3 million increase in passengers in 1972 to 1977, but they fail to point out that the reason for this increase is because Amtrak increased its number of trains. And while additional trains were added to Amtrak, the revenue passenger per train decreased. In fiscal year 1978, revenue passenger miles per train-mile were 112. This compares with revenue passenger miles per train mile of 127 in 1975. Even with increasing the number of trains and train routes and spending almost $3 billion in American taxpayer revenues over the past 8 years, less than 2 percent of intercity passengers used railroads nationwide. In 1969 railroads lost $400 million as a result of passenger service. Amtrak was created with the hope of reducing this loss in revenue, which it failed to do. Thus, the effect of Amtrak has been to transfer this cost of $400 million to the American taxpayer.

Amtrak has been successful in substantially increasing the number of people that ride its trains: only 15.6 percent more people in 1977 rode the train than in the first year of its operation in 1972. In 1978, 19.1 million people rode Amtrak while 335 million people rode buses. Let me repeat: 19 million rode Amtrak and 335 million rode buses. Amtrak has a dismal past and a bleak future as reported by the General Accounting Office on May 11, 1978:

Amtrak's biggest problem is that there are not enough people who want to use the train for intercity travel. While Amtrak attracted about 3 million more passengers in fiscal year 1977 than it did in 1972, it did so by substantially increasing the number of trains available. The number of revenue passengers per train mile has decreased. As we have stated in recent congressional testimony, the reasons why demand does not exist in spite of Amtrak's low fares . . . are fairly straightforward. Air travel is much quicker and much more convenient for time-sensitive travelers, smoother and more comfortable (especially considering the comparatively short time the traveler must occupy the airplane) and on longer trips almost the same price as Amtrak.

(Intercity) buses go more places than Amtrak, usually at a lower cost to the travelers. Automobiles give travelers more control over where and when they go, are convenient to have at the destination, are perceived as being much cheaper than the train, particularly when more than one traveler is involved.

How can we clearly justify forcing Americans to pay for a transportation system which the majority will never use and never see? Taxpayers' hard earned money will go to finance other people's travel.

The committee's recommendation for operating expenses of Amtrak present a breakdown which only hides escalating cost of this system. The first category of this recommendation proposes restructuring of Amtrak: the first year authorization is $552 million, the second year is $591 million, and the third year is $598 million. The second category involves capital expenses. It gives authorization for $230 million the first year, $253 million the second year and $271 million the third year. The third category of funding for this exorbitant waste of taxpayer's money involves expenses for State-subsidized service. The committee has allotted $85 million for this service which is a 400-percent increase for previous State-subsidized services.

Also, the committee allocated $108 million for the purpose of adding back trains which were recommended for discontinuance by the Secretary of Transportation. And finally, another $1.5 billion will be pumped into Amtrak for model programs.

This Amtrak financial request is without merit. Amtrak has been in operation for 8 years and has yet to provide a necessary service to the American taxpayer. It involves spending $3 billion of the taxpayers' money while providing benefits under this plan goes to less than three-tenths of 1 percent of the intercity travelers in this country. Amtrak has clearly fallen short in all categories of service quality despite massive expenditures to upgrade equipment, improve road beds and instruct Amtrak personnel. Amtrak has failed, it has cost the taxpayers too much money already and it has provided no public benefit. I urge you to vote against this taxpayers' loser.

□ 1640

Mr. FLORIO. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, my difficulty in dealing with the amendment offered by the gentleman from Tennessee (Mr. GORE) is that I agree with the gentleman philo-

sophically. There is a need to expand our passenger system and there is a need to get Americans out of their cars into the intercity rail system. Unfortunately, I just do not agree with what the gentleman is doing, because it is counterproductive in the sense that he is insuring that the system fails because he is advocating that we should perpetuate the problems which have caused Amtrak to fall into a state of disrepair.

The gentleman's amendment would lock into place those routes which simply cannot be justified.

I have provided one example already of a train that is now at the height of usage and that is operating at only 20 percent of capacity. There is another reference I could make, and that is that we could take everyone on that train and give them a first-class airplane ticket and send them off and save a few million dollars.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I will yield after I have finished.

Mr. Chairman, the fact of the matter is that many of these trains, even with increased usage, cannot be justified. The fact is also that by freezing these trains into the system we will insure that the system cannot survive. Freezing the system will pull down the existing system.

We are not adding the cash that would be needed, particularly the capital funding, under the gentleman's amendment, and accordingly we would be left with a situation that the system could not be funded and trains could not be operated in the way they should be. To freeze the current system without providing those revenues for capital would in fact insure that the system go down. It is our estimate that there would be an additional $200 million needed to provide the capital for those trains that we could put into the system under a 1-year moratorium, and those dollars are not available, as I read the mood of the Congress.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, I want to respond to the gentleman's comment about buying an airplane ticket and give that as a subsidy for the passenger if the subsidy for Amtrak were eliminated.

As the gentleman well knows, the subsidies paid by the U.S. Government to other forms of transportation have been far in excess of the subsidies paid to rail transportation, and indeed if we eliminated the Federal subsidy to the airlines, we could buy every single American, man, woman, and child, a ticket from Chicago to Florida and back.

Mr. FLORIO. Mr. Chairman, I would be happy to respond to the gentleman on that point. The gentleman is making a valid point with regard to what has been the Government's policy with respect to subsidizing alternative modes of transportation over the years. The fact of the matter, though, is that we are here, we are now at this point, and we cannot correct all the inequities that have occurred over the last number of years.

Mr. GORE. Mr. Chairman, I will make a further point, if the gentleman will yield further.

In response to the gentleman's point that we could put the people on airplanes instead of trains, the fact is that the airplanes are getting much higher subsidies, even from general revenues. The total subsidy is $2.9 billion to the airlines, and of that $1.7 billion is from the general fund.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I have some figures that came out in our hearings on the Subcommittee on Transportation of the Committee on Appropriations. This is general fund moneys we are talking about, because the big subsidies that go to the airline passengers come out of the users' tax, and those airline passengers are paying that themselves.

But for fiscal year 1978, the Federal assistance for passengers per mile was 33.4 for Amtrak per passenger mile, for buses, 0.33 per passenger mile, and for air carriers, 0.09 per passenger mile. It is substantially heavier by many, many times for Amtrak.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I think the point the gentleman from Oregon (Mr. DUNCAN) is making is that this is not the operating subsidy that goes to the airlines; this is a capital subsidy in the form of money for airport construction, and things of that sort.

If we are going to compare that with anything, we would have to compare it with the investment we made in the railroads when we gave them land in the beginning and all kinds of things of that sort. Amtrak has a operating subsidy of $552 million per year. There is no subsidy like that going to the airlines.

Mr. FLORIO. Mr. Chairman, I yield back the balance of my time.

Mr. LEE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose the Gore-Fowler amendment because its adoption will make it impossible for any Amtrak service to improve during the next year. Mr. Alan Boyd, president of Amtrak, has indicated over and over again that he cannot operate the existing Amtrak system with the equipment which he has. He has further stated that there is a long time lag in purchasing new equipment. Based on that reason alone, the most ardent supporters of Amtrak should vote against the Gore-Fowler amendment. But I understand much of the confusion that has surrounded the Secretary's proposal and the action of the committee with respect to whether or not individual trains are still in the Amtrak system.

Mr. Chairman, let me emphasize that H.R. 3996 as reported from committee put back nearly every train that the Secretary suggested should go. The Secretary suggested that 24 trains should either have their routes radically modified or be discontinued. In my judgment, as a result of the committee-reported bill, only five or six long-distance trains will be discontinued on October 1. What are those trains going to be, Mr. Chairman? They are going to be the worst performing trains in the Amtrak system. They are going to be the trains that now tie up equipment which could be used on other routes in the country where passengers now have to stand. They are trains which have been under scrutiny ever since they began operating because of their heavy losses. Those five or six trains account for over one-third of Amtrak's operating losses.

Every year when we consider an Amtrak authorization bill, someone introduces a proposal to lock into place every single train in the system. Four years ago, the route and service criteria became the excuse for us not to face the reality that political trains simply cost too much money to blink at anymore. The route and service criteria in 1976 slowed down any discontinuance process so that nearly 18 months elapsed before the Amtrak Board tried to discontinue the Floridian which goes through Mr. GORE's district. The Amtrak Board made its decision based on irrefutable economic and social evidence only to find that Congress responded to that decision by the Amtrak act of 1978 which froze into place every single Amtrak train so that the Secretary of Transportation could study the entire system.

The Secretary conducted his study and confirmed that the Floridian and a lot of other trains should be discontinued from Amtrak service if we were ever to have modern, reliable and comfortable intercity rail passenger service in this country. We could not and did not accept the Secretary's decision because it went too far. His proposal cut 43 percent of the route miles out of Amtrak. The committee's proposal will cut less than 20 percent of the route miles out of Amtrak. The Secretary's proposal affected 23 or 24 trains. The committee's proposal will affect but five or six trains. If they did not cost so much money, Mr. Chairman, I would say that we should keep all of the trains. Frankly, those five or six trains do cost too much money. Those five or six trains will cost the taxpayers of this country nearly $200 million during the next year. That $200 million figure takes into account inflation and the necessary repairs and replacements which would come out of capital expenditures.

When the Amtrak Improvement Act of 1978 was on the floor under consideration last year, I offered an amendment which would have resulted in a loss of the very worst trains by using the simple approach of stating that when it cost the Government more than $105 per passenger on a train ride, that train should be discontinued. When the committee that time opposed my amendment, they did so because they said the Secretary's study would be the definitive study and we should wait for that study. That study came and it confirmed that every one of the trains which would have been affected by my amendment needed to be discontinued. Trains need to be discontinued, Mr. Chairman, because they are bleeding Amtrak dry and they are bleeding the American taxpayer dry. Those bad performing trains will eventually create such a groundswell of opposition to Amtrak that we will have a hard time keeping any of the trains. It is imperative, Mr. Chairman, that we do not go down the road of stalling in order to save political trains.

The Floridian, the train that Amtrak's Board tried to discontinue over 3 years ago, continues to be one of those trains that causes all these amendments in order to save the train. What about the Floridian? Well, in 1978, its fully allocated cost was over $25 million. Its revenue was less than $4 million leaving a loss of $20.4 million. It has 60-passenger miles per train-mile.

The trains continued under the committee bill all have in excess of 150 passenger miles per train-mile. In a nutshell, Mr. Chairman, we could have bought airplane tickets for every one of the people who rode the Floridian and we would have saved the taxpayer money. More importantly, if the Floridian were not in operation, the cars, the engines it uses could have been used on routes where people are standing on trains.

Mr. Chairman, the time has come for us to be candid and frank about the future of Amtrak. If we seriously want to develop the intercity rail passenger system so as to save energy, we have to stop wasting energy by running trains that no one rides. I intend to vote against the Gore-Fowler amendment and I urge my colleagues to do likewise.

Mr. GORE Mr. Chairman, will the gentleman yield?

Mr. LEE. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, I wish to inform the gentleman that I learned from the White House—and I explored this issue in some detail—that the Transportation Department asked for the authority to say that the President would veto it, and they were turned down. Instead, their statement was very carefully phrased. If the amendment passed, the former Secretary of Transportation would recommend to the White House that the President veto it.

At the same time, of course, the President has asked for $10 billion in new initiatives for public transportaiton. At the same time the polls and the editorial opinions across this country have come out foursquare in favor of the Amtrak system continuation, and as a practical matter there is just no way the President would ever follow that kind of recommendation, and I think my colleagues in this body know that.

Mr. LEE. Mr. Chairman, if I may reclaim my time, there is also a letter, I would point out to my colleague, dated July 23 from the interim Secretary of Transportation, Graham Claytor, which embraces the original position of Secretary Adams.

Mr. GORE. And that just says the interim Secretary would also recommend a veto. Neither person says that a veto would be forthcoming.

Mr. LEE. That is correct, but I pointed out that if the President does in fact veto the bill with the Gore amendment attached to it, we revert back to a 43-percent cut, which, I suggest, is not acceptable to any one of us.

In summary, Mr. Chairman, I urge my colleagues to vote against the Gore amendment, to adopt the committee bill, and to get on with some first-rate criteria to put in place a first-rate passenger service for these United States.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. DUNCAN OF OREGON AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ECKHARDT

Mr. DUNCAN of Oregon. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. DUNCAN of Oregon as a substitute for the amendment offered by Mr. ECKHARDT: Page 72, line 19, strike out "subsection" and insert in lieu thereof "subsections".

Page 72, line 20, insert "(1)" immediately after "(d)".

Page 73, line 3, strike out "(1)" and insert in lieu thereof "(A)".

Page 73, line 7, strike out "(2)" and insert in lieu thereof "(B)".

Page 73, line 23, strike out the closing quotation marks and the following period.

Page 73, after line 23, insert the following:

"(2) Where reductions in operating expenses can be obtained, the Corporation shall operate a rail passenger service over any short distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978, with or without any restructuring of such route to serve major population centers as end-points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

"(A) the short-term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than nine cents per passenger mile; and

"(B) the passenger mile per train mile, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 80.

"(e)(1) In order to preserve regional balance in the national intercity rail passenger system and to ensure that long distance routes recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978 which provide service to regions with few population centers in a large geographic area have equal opportunity to qualify for continued operation, the Corporation shall operate a long distance route in each section of the United States (with sections being determined by dividing the United States into four quadrants) if—

"(A) service is not maintained on any long distance route in that section under the criteria set forth in subsection (d)(1) of this section; and

"(B) the Corporation determines that (i) a long distance route exists in that section which has shown and will show improvements in performance under the criteria set forth in subsection (d)(1) of this section, and (ii) such route shows potential, under such criteria, to warrant maintenance in the system.

"(2) The Corporation shall not continue to operate any route under this subsection if service is provided on a significant part of that route by any other route.".

"(3) Service operated on a route under this subsection shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in subsection (d)(1) of this section.".

Page 80, line 16, after "404(d)" insert the following: "and (e)".

Page 80, line 17, strike out "$35,000,000" and insert in lieu thereof "$50,000,000".

Page 80, line 18, strike out "$36,000,000" and insert in lieu thereof "$52,000,000".

Page 80, line 19, strike out "$37,000,000" and insert in lieu thereof "$55,000,000".

Page 89, line 9, after "tions." insert the following: "Substitute service provided over an existing route under this paragraph shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in section 404(d)(1) of the Rail Passenger Service Act.".

Mr. DUNCAN of Oregon (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. GORE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Tennessee (Mr. GORE) reserves a point of order on the amendment.

The gentleman from Oregon (Mr. DUNCAN) is recognized for 5 minutes in support of his amendment.

Mr. DUNCAN of Oregon. Mr. Chairman, as I indicated during the general debate, it was apparent that we were going to have some disagreement on the floor among those who support the committee bill, those who want to freeze the present system, and those who, like my distinguished colleague, the gentleman from Texas (Mr. COLLINS), who spoke a few minutes ago, believe that Amtrak should be abolished entirely.

I offer this substitute as a middle ground toward which men of good will can repair. It is an amendment that will be accepted by the administration in spite of the questions cast by my distinguished friend, the gentleman from Tennessee (Mr. GORE) about the validity of the recommendation of the acting Secretary to veto a freeze of the present system, and the gentleman certainly should take some comfort in the fact that they do support the Florio bill with the Duncan amendment.

Mr. Chairman, I have spoken both to the gentleman from New Jersey (Mr. Forio) and the gentleman from Illinois (Mr. MADIGAN) about this. I believe they have no objection to this amendment.

Let me tell the Members what it does. It takes the Florio criteria and creates a new category with a different criteria applicable to short-haul trains.

Let me tell the Members why I believe that is important. As the gentleman from West Virginia (Mr. STAGGERS) has said, we have got to look forward and see what role we believe Amtrak will fill in the future of this country. In my own judgment, based upon thousands and thousands of pages of testimony, Amtrak has a real role to play in the short-haul areas where they are moving passengers from large concentrations of population no more than a couple of hundred miles.

□ 1650

Why do I say that? Because they can compete energywise with the bus in that

area, and they cannot, on the long distance haul. The bus is 3½ times as efficient as the train on the long haul. But on the short haul, they can compete energywise. They can compete dollarwise, because we come very closely to breaking even in these corridor-type operations.

Furthermore, we have the equipment, and if we can concentrate it in fewer routes, we can give better service, which everyone concedes on this floor is essential if Amtrak is to be made to work. And when I hear my colleagues say, "Well, look, they do it in Germany, in France and in Japan," let me point out to the Members they are doing in Germany, France and Japan exactly what I think Amtrak ought to do here. Their population centers are concentrated, and they can compete for those passengers on those short hauls, and they do.

Mr. Chairman, I say to the Members of this Committee that we are now trying to operate a system that these gentlemen want to preserve for another 1 year or 2 years, respectively, that encompasses 27,500 miles. We are trying to do that with an average passenger-car consist available each day of 1,200 cars.

If we look at these other countries where they have decent service, we will find that they have 12,000 or 13,000 or 18,000 cars available for a 11,000- or 12,000-mile system. Nevertheless, I recognize the problems that those in the West and in other parts of the country have when they see Amtrak concentrated largely in the East, and that is what has happened. Because 71 percent of their operating deficits are incurred in the East and only 29 percent west of the Mississippi River.

So I have inserted in this substitute a regional balance amendment, which provides that if no other trains are running in a quadrant in the country, they will be entitled to at least one train, not on a permanent basis but on a 2-year trial basis, during which period of time they must meet the same criteria, nonpolitical criteria, that are laid down in the Florio bill.

And the third thing that the amendment does is deal with substitute trains, because we have two of those to deal with, one that is dealt with in the Florio bill called the Shenandoah, another one that is dealt with in the Senate bill called the Cardinal. This amendment, if it is accepted, would put that same 2-year limitation on those substitute trains, to require them in that period of time to meet this criteria or fade out into the background, as the other trains have, as a result of the Florio bill.

This is a middle ground. It is a bill that is acceptable to the administration. It is acceptable to the leadership. I know that my dear friend, the gentleman from West Virginia, would rather have a freezing of this system, and I understand it perfectly. My grandfather died at his forge on the Chicago and Alton, at the age of 84. My father was a telegrapher on the Chicago & Alton. I have as much railroad blood running in me as anyone else.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. DUNCAN) has expired.

(By unanimous consent, Mr. DUNCAN of Oregon was allowed to proceed for 3 additional minutes.)

Mr. DUNCAN of Oregon. Mr. Chairman, I want to save Amtrak, and I ask Amtrak friends to support this substitute amendment because, in my judgment, it is the only way that you are going to have an Amtrak of which you can conceive to have some value to your constituency, which has a reasonable chance of conserving energy, which we have a reasonable chance of meeting the costs, the operating deficits of, under this terribly stringent taxpayers' revolt against the ravages of inflation and Government spending that we are facing.

Mr. SHELBY. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Alabama.

Mr. SHELBY. Mr. Chairman, I wonder if the gentleman from Oregon would explain his substitute and how it would affect the Southeast where the Southern Crescent has run for years from Washington to New Orleans through Alabama. Could the gentleman explain that?

Mr. DUNCAN of Oregon. Mr. Chairman, I will yield to the gentleman from New Jersey (Mr. FLORIO), the chairman of the subcommittee, to answer that question.

Mr. FLORIO. Mr. Chairman, as has been indicated in numerous conversations with Members on the floor and over the last couple of weeks, we have not attempted to put specific trains into system by name. The criteria has been expanded, and it is my best information from Amtrak, reviewing the existing ridership, reviewing the existing cost, the Southern Crescent will probably and, most assuredly, qualify under the criteria that is existing. But it really does not depend upon the amendment that the gentleman is talking about now.

Mr. SHELBY. I thank the gentleman.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Tennessee.

Mr. GORE. I thank the gentleman for yielding.

Mr. Chairman, I have looked very closely at the gentleman's amendment, and I would like to ask the gentleman to respond to my analysis of it.

The gentleman has new criteria for long distance trains and for short distance trains. The gentleman has a regional balance for the long distance trains and a new criterion for the short distance trains.

Mr. DUNCAN of Oregon. We inserted criteria for the shorthaul trains at 9 cents avoidable loss per passenger mile and 80 passenger miles per train mile. We do not disturb the long distance criteria that are in the Florio bill.

Mr. GORE. If the gentleman will yield further, my analysis leads me to this conclusion: that three trains are restored by the amendment offered by the gentleman from Oregon, all three of which serve the Pacific Northwest, two of which serve the city of Portland, the Pioneer, which is the sole long distance train restored by the amendment of the gentleman from Oregon, and the Mount Rainier, one of the two short-haul trains restored by the gentleman from Oregon, and the Pacific International, which serves Seattle.

Mr. DUNCAN of Oregon. Mr. Chairman, if I can reclaim my time, again I would reiterate what the chairman has said. There are no specific trains named. They must meet the regional balance or they must meet the short-haul criteria.

My analysis of it would be that the Rainier, from Portland to Seattle, would probably meet these qualifications. The train that runs from Seattle to Vancouver, which, I think, is the other one, may or may not.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. DUNCAN) has again expired.

(By unanimous consent, Mr. DUNCAN of Oregon was allowed to proceed for 2 additional minutes.)

Mr. DUNCAN of Oregon. Mr. Chairman, while it is true that it runs from Seattle to Portland, it fits in perfectly with what I believe this future of Amtrak to be in short hauls between major centers of population where they can compete with the airplane.

With respect to the regional balance, I would reasonably expect that to add two trains. One is the Pioneer, from the city of Portland to the city of Ogden, and the other would be the Inter-American, which runs from the city of Chicago to Laredo, Tex.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Tennessee.

Mr. GORE. According to the statements of the chairman of the subcommittee, the latter train is supposed to be added by the subcommittee's criteria.

Mr. DUNCAN of Oregon. If I can reclaim my time, we will leave it to the gentleman who is the chairman of the subcommittee. I recall him making no such statement. He did, with respect to the Southern Crescent.

Mr. GORE. Perhaps the gentleman can clarify this situation concerning the Inter-American.

Mr. DUNCAN of Oregon. I think he should.

Mr. FLORIO. If the gentleman will yield, under the criteria, it appears that the Inter-American will go back perhaps just as far as San Antonio. There has been some suggestion that it should go from San Antonio to Laredo, and that would come under the suggestion of the gentleman's amendment so as to provide a regional balance straight to the end of the country.

Mr. GORE. If the gentleman will yield further, the net effect, as I see it, with that one possible exception, is that the gentleman's amendment would restore three trains, all in the Pacific Northwest, two of which serve Portland.

Mr. DUNCAN of Oregon. I think the last train the gentleman mentioned is questionable. I do not know whether it would qualify or whether it would not. I would expect the Rainier, from Portland to Seattle, to qualify under the short distance criteria. I would expect the Pioneer. I would expect the Inter-

American, from Chicago to Laredo, to qualify.

I would like to say, also, that the gentleman should notice that there is, with each one of those trains, not the short haul, but the long-haul trains, there is this 2-year period during which they must then meet these criteria. All we are trying to do is to retain a regional balance, to give it 2 years within which to qualify. If any train does not, I assure the gentleman I will be the first to ask that it be deleted.

The CHAIRMAN. Does the gentleman from Tennessee (Mr. GORE) retain his reservation of a point of order?

Mr. GORE. Mr. Chairman, I withdraw my reservation of a point of order.

The CHAIRMAN. The gentleman from Tennessee (Mr. GORE) withdraws his reservation of a point of order.

PARLIAMENTARY INQUIRY

Mr. MADIGAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MADIGAN. Mr. Chairman, as I understand, what presently exists is that we have before us an amendment offered by the gentleman from Texas (Mr. ECKHARDT), an amendment offered by the gentleman from Tennessee (Mr. GORE), and I am not sure of the parliamentary status of that amendment. I assume it to be an amendment to the amendment.

The CHAIRMAN. The gentleman is correct.

Mr. MADIGAN. And the Duncan of Oregon substitute amendment, avoiding being an amendment in the third degree, is an amendment in the nature of a substitute. Is a substitute for the Eckhardt amendment?

□ 1700

The CHAIRMAN. The gentleman is correct. It is a substitute for the Eckhardt amendment.

Mr. MADIGAN. Could the Chair advise the gentleman from Illinois in what order the votes then will occur on these amendments?

The CHAIRMAN. The first vote will take place on the Gore amendment to the Eckhardt amendment. Then the Committee will proceed to vote on amendments to the substitute, if offered, one at a time.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the Gore amendment.

Mr. Chairman, proponents of the Gore-Fowler amendment have raised a basic question: "Is it appropriate to slash nearly half of our rail passenger system at a time when gasoline supplies and prices are uncertain and Americans are using Amtrak in record numbers?" This Amtrak authorization bill does not slash nearly half of our rail passenger system. It does not dismantle our Nation's rail service as supporters of Gore-Fowler would have you believe.

During the debate on the Amtrak Improvement Act of 1978 last year, the gentleman from Tennessee (Mr. GORE) expressed a great deal of confidence in Mr. Alan Boyd who was just taking over as the new President of Amtrak. The gentleman from Tennessee forecast renewed spirit and a sense of mission for Amtrak under the leadership of Mr. Boyd.

I believe that Mr. Boyd has provided a new sense of leadership at Amtrak and believe that the gentleman from Tennessee was correct in his expression of confidence in Mr. Boyd's abilities, and I want to provide Alan Boyd and the rest of Amtrak management with the tools necessary to enable Amtrak to provide modern, reliable, and sufficient intercity rail passenger service.

The Gore amendment simply would not do that. It simply would continue the existing system as it is, which does not have adequate equipment and would not have adequate funds under the provisions of the amendment.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from New Jersey.

Mr. FLORIO. My recollection is Mr. Boyd, when he came before our committee, said one of the problems he is having with Amtrak is the absence of leadtime in order to do appropriate planning for the system. He was an enthusiastic supporter of the 3-year authorization proposal that we have here before us. It would be my opinion, and I would ask the gentleman to comment on it, that going on a 1-year moratorium freeze system would in effect undermine that long leadtime Amtrak says is needed and will perpetuate the problems we have had in the past dealing with Amtrak on a 1-year-by-1-year basis.

Mr. MADIGAN. In fact, as the gentleman from New Jersey knows, they would not be able to order equipment. They have a 2-year delivery lag time on equipment. If their life is only going to be for 1 year, they could not possibly contract for and know for certain that they would be able to pay for and take delivery on equipment that was not going to be able to be delivered in less than 2 years.

Mr. Chairman, for that reason, let me quote from a recent letter that I received from Mr. Boyd:

> Amtrak cannot handle a freeze of its current system, and I am opposed to efforts, however well meaning, which would do this. We must have a smaller route system if we are ever to be able to offer the public the level and quality of service it expects and deserves. . . . There is no question but that the picture has changed since the original DOT proposal was sent to Congress, and I believe that both the Appropriations and Commerce Subcommittees have acted wisely and responsibly in addressing the problem. . . . To continue with the present Amtrak route system would merely exacerbate the service problem which plagues us.

I would also like to point out that the interim Secretary of Transportation is opposed to the Gore-Fowler amendment, as was his predecessor. In fact, the Secretary has indicated that he would recommend to President Carter that he veto this legislation if it would include the Gore-Fowler amendment.

Another year has passed and we simply must recognize the fact that Gore-Fowler would force the continuance of trains that in spite of the current gasoline shortage do not carry enough passengers to be either financially justifiable or energy efficient.

For example, one of the trains in the system carries an average of 20 people and burns 2 gallons of fuel per mile. Even with ridership increases at the highest level of the gas crisis, an increase in ridership of 50 percent did not make the train a good one. It only raised the passenger mile per train mile ratio from an average of 26 to about 40 for the best week in May.

I am speaking of May of this year, not 1977 and 1978 but May of 1979.

The comparisons made by the gentleman from Tennessee (Mr. GORE), between the United States and France or Great Britain or one of those other countries simply are not realistic comparisons. Those countries do not have the investment in airplanes and airports that we have in the United States.

By virtue of the courtesy of the distinguished gentleman from West Virginia, the chairman of our committee, I have been able to visit those countries and talk to the people operating the train systems in those countries to see if I could possibly bring home from those countries any ideas that would make Amtrak work in the United States.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MADIGAN) has expired.

(By unanimous consent, Mr. MADIGAN was allowed to proceed for 1 additional minute.)

Mr. MADIGAN. Mr. Chairman, what those people told me, whether it was in France or British rail or wherever it was, "Your system simply cannot work. Those long-haul trains will not work. Great Britain is not as big as some of your congressional districts. France is not as big as the State of Texas. These are not reasonable comparisons. People simply are not going to spend 30 or 34 hours on a train to go some place where they can make the same trip in an airplane in 3 hours and do it for exactly the same amount of money."

Even the gentleman who is the chairman of our subcommittee had a 12½ hour train ride in California. The same ride on an airplane would have taken 1½ hours and would have cost a dollar less.

We cannot compare this system with any other system in the world. That is not a legitimate comparison. I would urge the Gore amendment be defeated.

I heartily endorse the amendment offered by the gentleman from Oregon.

This amendment contributes some further fine tuning to the Interstate and Foreign Commerce Committee bill. As you recall, our bill provides an objective standard against which long distance trains are measured for inclusion back into Amtrak's system subsequent to their discontinuance by the DOT final report. Due to an oversight, criteria for short distance trains were not included. The Duncan amendment provides objective criteria for the inclusion of short distance trains which were scheduled for discontinuance in the final report.

Our committee has embraced objective criteria as a fair method of allocating our Nation's transportation

resources. These criteria have been selected because they are representative of viable cost-effective trains. Notwithstanding the accusations of political manipulation, all trains are invited and encouraged to meet the criteria. If they do, they will be included in Amtrak's route system.

In addition to the advantages of objective criteria, this amendment encourages the development of the trend of the future—corridor service. Corridor service has the advantages of cost effectiveness, energy efficiency and relieving congestion. Short distance corridor trains are cost effective and energy efficient because they serve high density population centers without the extra expense and drag of sleeping cars, dining cars, and sometimes baggage cars.

The Congressional Budget Office noted the energy savings associated with corridor service in their recent study of Amtrak wherein they observed, "In terms of program energy, the net savings or losses taking into account the mode that would be used if there was no rail service, rail service in the Northeast corridor saves over 1,800 Btu's of petroleum per passenger-mile." Therefore the Duncan amendment is a step in the direction of energy conservation.

Our committee has received complaints that criteria tend to favor some regions of the country over others. For example, some have said that no criteria trains would be added east of the Mississippi. While the committee bill will not permit Amtrak to make its final route determinations until after the enactment of this bill, we are sympathetic to the need for regional balance.

The Duncan amendment permits a regional balanced train to be added to each region of the country if such region has not received a criteria train. This compromise provides for fairness without overburdening the bill with highly unprofitable trains.

This amendment significantly strengthens the committee bill and I urge its adoption.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Gore amendment.

Mr. Chairman, like our subcommittee chairman, it is not a pleasant chore to rise in opposition to the vigorous, dedicated advocate from Tennessee in his support of rail-transportation services, because I agree with him in terms of the fundamental principle entailed there. I just believe that in his zealous enthusiasm and dedication to his cause, he has offered a solution that is misplaced and will not assist in attaining the goal both he and I would like to attain.

He proposes a 1-year moratorium. I ask the members of the committee, does that make sense?

I believe not. We have been in a sort of a moratorium with the Amtrak rail-transportation service. Those of us who have labored on the Transportation Subcommittee for the last 4½ years trying to deal with the problems of that passenger-transportation service might believe that they have been in a 7-year moratorium on efficiency and a 7-year moratorium on service.

But does the gentleman from Tennessee's proposal rectify that problem? I would suggest to the members of the committee it does not.

I believe most of my colleagues would concur that we will be back in here at this same time next year, not with conclusive data in hand that reconciles every difference and brings us to the illuminating point of resolve. Hell no. We will be back in here 1 year from now with some inconclusive ridership facts, and my very dedicated friend and member of the Commerce Committee will be asserting, let us have another 1-year moratorium so we can get more facts in hand.

We will be right back at this same time at this same place with this same kind of consideration and evaluation.

Our goal is to rehabilitate and redeem the Amtrak passenger service. A 1-year moratorium merely contributes to further stagnation of that rail-passenger service.

I think the veto point should not be treated cavalierly or indifferently. Two Secretaries of Transportation, and I think we may presume that the third Secretary of Transportation, have concluded that they will recommend veto to the President of the United States if the Gore amendment is adopted.

□ 1710

I think the plausibility and probability suggest that is exactly what the President of the United States would do because it will put him exactly in the position he was in when he recommended a 43-percent cut in that passenger service in the past. That will automatically implement the DOT proposal, the administration will have exactly the bill it wanted any way 5 months ago.

It seems logical to project that that would be exactly the response of the administration. But discharging that veto consideration and moving to a final consideration that I would urge upon the Members, my good friend from Tennessee suggested in the period of general debate that we ought to preserve for 1 more year the foundation of the rail-passenger-general service in the United States of America. We share that desire.

Where we differ is in recognition of the fact that that foundation has several serious cracks in it, and we cannot begin to build the structure of an efficient passenger service in the United States of America until we begin to patch those cracks. One does not patch cracks with a 1-year moratorium, and one does not resolve the problem of Amtrak rail-passenger service by suggesting that the taxpayer mortician come in and infuse $47 million more of taxpayer embalming fluid in those dead lines. It will not work, it cannot work. If we are going to get on with the business of efficient rail-passenger service we cannot accept Gore as a practical alternative.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Tennessee.

Mr. GORE. I thank my good friend and colleague for yielding. I want to make two specific points.

First, after the 12-month period, as one Member of this body I will give my colleague my assurance that if the figures for the coming months demonstrate that the ridership increases that have been of such a dramatic nature in the past, in the first half of this year trail off as the gas lines have subsided, and the indication now is the ridership increases and accelerating, but if the figures indicate that this is a temporary phenomena I will help the gentleman try to eliminate these trains.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

(At the request of Mr. GORE and by unanimous consent, Mr. SANTINI was allowed to proceed for 2 additional minutes.)

Mr. GORE. Mr. Chairman, will the genteman yield further?

Mr. SANTINI. I yield to the gentleman.

Mr. GORE. The second point, is it not true that under the subcommittee bill, I understand the gentleman's enthusiastic support for this bill, I know he has labored hard on the subcommittee, and while many of us are talking about losing train service in our States and in our regions, is it not so that the one new train, completely new train is the Ogden, L.A., Las Vegas route through the State of the gentleman and the distinguished leader in the other body, Senator CANNON?

Mr. SANTINI. Magnificent rail line; excellent point. Either way, either way the gentleman from Nevada comes out a winner. If the gentleman from Tennessee prevails, the President vetos, the DOT proposal goes into effect, I have that rail line. If the gentleman from New Jersey still prevails I have that rail line. It sort of mitigates my advocacy some.

I would suggest secondarily to the gentleman that we are not going to accomplish a bloody thing by postponing decisionmaking 1 year. I will suggest urgently, fervently to the gentleman, and I hope I bring him to his knees and to a new realization that I am wrong, I am wrong and he will withdraw the amendment, I will urge the gentleman that there are some of both rail lines in this good United States of ours that unlike Lazarus can never be raised from the dead. They are dead today, they will be dead a year from now, and there is nothing we are going to accomplish by postponing the decision on giving them a decent burial.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, the one point the gentleman does not make though is the fact that the study done by the Department of Transportation,

upon which the gentleman relies, was done, of course, prior to the time that the shortages were here. I had the gentleman who wrote that study in my office and I asked him did he consider sustained gasoline shortages when he wrote the report, and the answer is "No." I asked him if we would have had those shortages would the study have been significantly different, and the answer is "Yes."

It just appears to me unless we adopt the Gore amendment we are basing all of these route changes on a fairytale land, an "Alice-in-Wonderland" land.

Mr. SANTINI. My good friend from Kansas makes an enthusiastic point, but it is factually unfounded.

The CHAIRMAN. The time of the gentleman from Nevada has again expired.

(By unanimous consent, Mr. SANTINI was allowed to proceed for 2 additional minutes.)

Mr. SANTINI. I believe the gentleman's point is factually unfounded. I believe with regard to those lines affected by the Gore amendment that he would not conclude that if we are paying $5 a gallon for gas a year from now that those particular lines would be justifiable by any rational measure or standard and would continue to represent a drain and an anchor on an efficient rail passenger service.

I believe the chairman of the subcommittee (Mr. FLORIO), has recognized in part the concerns that the gentleman has so well expressed about the increased fuel costs by creation of this flexible formula, this flexible formula that will allow for those rail lines that are going to absorb additional passengers and can be justified for 7 cents and 150-passenger miles, will allow for that kind of adaptation. I do not believe, my friend, I do not believe there is any conceivable way under any scenario that one can rationalize an efficient passenger service given the remaining 5,000 miles of rail service that we are talking about.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. Yes, I yield to the chairman of the subcommittee.

Mr. FLORIO. Mr. Chairman, to remake a point that I have tried to make a number of times, I know that the rationale for the Gore amendment is because of the new, increased usage of the trains. All I am suggesting is that we did take into account in this bill that fact, that the standards that we have asked all trains to qualify for in order to be included in the system will be measured not by the 1977 usage figures that DOT used, but, in fact, will be determined by the projected 1980 figures that Amtrak is now in the process of compiling on the basis of the utilization and ridership figures that are now being compiled. That is to say, if all of these trains are now being used with such a great degree of frequency, they will be moved up into the category of acceptability and the fact of the matter is they will go in. That is the key.

Mr. SANTINI. The chairman has said it well.

AMENDMENT OFFERED BY MR. KAZEN TO THE AMENDMENT OFFERED BY MR. DUNCAN OF OREGON AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ECKHARDT

Mr. KAZEN. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. KAZEN to the amendment offered by Mr. DUNCAN of Oregon as a substitute for the amendment offered by Mr. ECKHARDT: Amend the Duncan substitute by adding at the end of paragraph (3) on page 3 the following: "*Provided*, That the corporation shall continue to operate the Inter-American train to the Mexican border if that train meets the criteria set forth above".

Mr. KAZEN. Mr. Chairman, I urge support of this one-sentence amendment to the Duncan substitute. It would declare that it is the intent of Congress, despite proposals from the Secretary of Transportation or Amtrak, to keep the Inter-American train running to Laredo at the Mexican border. If it is going to be an Inter-American train, let us leave it an Inter-American train as it is running now.

The bill proposes to knock out this segment from San Antonio to the border, 150 miles, and use a different criteria for that one segment of the Inter-American from Chicago all the way down to the border.

If we are going to have an Inter-American train, if the Inter-American qualifies under the criteria set out under the Duncan amendment or the Florio bill then I say to my colleagues that same criteria should apply to the train all the way to Laredo.

Why does Amtrak propose to knock off that particular segment? Let me give the Members a little history. Back when Amtrak was created, the Inter-American was put in there at the intent of Congress specifically to link the country of Mexico with the United States. It had been done before Amtrak came into existence. We wanted to continue that particular operation to give our friends in Mexico the opportunity to ride the rails into the United States, and give our people the facility to go into Mexico. At the same time we created two lines into Canada, one to Vancouver and one to Montreal.

□ 1720

Now, Amtrak says, "Hey, we cannot make arrangements down at the border with the Mexican railroads to get these schedules worked out. We cannot make satisfactory arrangement with Customs or with Immigration. We just do not have that smooth operation down at the border."

Well, my friends, I have news for you and for Amtrak—they have come in and apologized. They have not within the last 7 years talked to Customs. Customs tells me that there is no problem at the bridge. They have not talked to Immigration. Immigration tells me that there is no problem there. I have just come back with several of my colleagues in this Chamber from the inter-parliamentary conference in Mexico City. I talked to our colleagues from the Mexican Congress, about this particular problem, and they say that Mexico is anxious to work out a solution.

But, instead what has happened? Amtrak and the committee have decided to cut the trains from San Antonio to Laredo. Amtrak figures make me wonder how it runs railroads. I say that not because the figures are disturbing, but it regularly has taken 3 months to count how many trains were on time in a given month.

On May 4 I received the figures on January and February service—this is in May. Amtrak reported that last January the Inter-American between Chicago and Laredo was not once—not once—on time in 25 trips. In February, it was on time only once in 24 trips. My last figures, which I received on June 18, show that the Inter-American was on time 3 trips out of 26 in March. That is 5 times out of 75 trips this train was on time.

Now, mind you, it is supposed to make connections with Mexico, but what happens at the border? They now get there in time for their passengers to lay over 19 hours on the border before they can board the Mexican train. Who the devil is going to ride that kind of train? Last summer these trains ran on that segment at about 30 miles an hour, and they could not even generate their own air conditioning system. My friends, let me tell you that in south Texas the weather is hot.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. KAZEN was allowed to proceed for 5 additional minutes.)

Mr. KAZEN. Now, the bad equipment that they had been sending down there has improved in the last few months, but instead of running daily, they are going to start running three times a week. And what about the schedules? I have the new schedule that has just been printed, and listen to this:

"Effective September 6 * * *" that is next September—"Effective September 6 train 21 departs Chicago Sunday, Wednesday, and Friday only; arrives Laredo Monday, Thursday, and Saturday.

"Effective September 8 train 22 departs Laredo Sunday, Tuesday," and so forth.

But, the important thing to notice is that this train arrives at Laredo at 6:50 p.m., while the Mexican train leaves the border into the interior of Mexico at 6:55 p.m. That is 5 minutes to get our passengers off of the Inter-American, put them in taxis going all the way into the city of Laredo, across the bridge into Nuevo Laredo over to the depot, and put them on the train in 5 minutes. Now, this is the way Amtrak is running our railroad system.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I thank the gentleman for yielding. I would say that his statement of the difficulties plaguing that train is a more eloquent reason to vote against the Gore

and Eckhardt amendment than anything anyone else has said yet. Yet, most of the cars they are trying to run on the 27,000-mile system, most of them, a lot of them, are over 50 years of age. People say, "Why don't you buy some new ones?"

We cannot go down to Woodward & Lothrop and buy some new cars. We ordered 274 cars in 1974, and we have gotten delivery on 74 of them. There is one manufacturer in this country, and we have a "buy American" policy that we cannot buy in Europe.

Mr. KAZEN. I agree with all that the gentleman says. Let me make this one other point: Is this not the same equipment that leaves Chicago and gets to San Antonio? Why should not the same equipment go to the border and make it the Inter-American train that this Congress wanted to make it?

One other point in history I would like to make. It was not too long ago that this House, this Congress, you, my colleagues, voted for a $4.5 million appropriation. That appropriation was instigated by my colleague from Texas (Mr. PICKLE), who was a member of the Interstate and Foreign Commerce Committee. We put $4.5 million in the appropriation bill earmarked—earmarked, mind you—for the Inter-American. What happened? Well, $2.5 million of that money went to the Inter-American. The other $2 million—Lord only knows where it went.

However, I have talked to my colleague from New Jersey (Mr. FLORIO) and my colleague from Oregon (Mr. DUNCAN). They both feel the way I do, but what assurances can we give this House that Amtrak will follow the intent of Congress? Now, they are either going to run these railroads the way that Congress dictates, or we are going to have something to say about it. Today, right now on these amendments, is when this House can have its say.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to my colleague from Texas.

Mr. PICKLE. We do not have an international run if it stops in the middle of a State. It must be completed in San Antonio on to Laredo. I believe that is the intent of the gentleman's amendment. He has got a good amendment to the Duncan amendment, and we ought to support it and the Duncan amendment.

Mr. KAZEN. All this amendment says is that this train shall continue to operate to the Mexican border, if the train meets the criteria set out in the bill. What is wrong with that?

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Kansas.

Mr. GLICKMAN. The gentleman, I think, inadvertently has used the train routing of the Lone Star instead of the Inter-American. The reason why I am interested in that is because I am interested in the Lone Star, which is a competitive train.

Mr. KAZEN. Let me make this observation: I asked staff in a hurry, just a few minutes ago, to please get me a map and draw me the route from Chicago to Texas. I am not talking about any particular place along the route. All I want to show is that the Inter-American is supposed to run from Chicago to San Antonio and on into Laredo, to the border, and connect with the Mexican railroad.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. KAZEN was allowed to proceed for 1 additional minute.)

Mr. GLICKMAN. My only question is, I am interested in actually reviving the Lone Star, which is another route. The only question I have had for the gentleman from New Jersey is, by adopting the gentleman's amendment to the Duncan amendment, would this in any way prejudice the Lone Star from being chosen? I do not think the House wants to go on record as preferring which one of these routes it wants.

Mr. KAZEN. I think I can answer the gentleman. This amendment does not touch that matter—mind you, this is an amendment to the Duncan substitute. If the Duncan substitute carries, we are going to have a regional train, and the decision is going to be made as to whether the Lone Star or the Inter-American survives. All I am saying is, if the Inter-American survives, then by gosh I want that segment to survive from San Antonio to the border.

Mr. GLICKMAN. I would ask the gentleman from Oregon, does his substitute amendment prefer one of those two routes over the other, the Lone Star or the Inter-American?

Mr. DUNCAN of Oregon. No; it simply sets up a regional railroad.

PARLIAMENTARY INQUIRY

Mr. MARLENEE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARLENEE. Mr. Chairman, I have an amendment to the Duncan substitute amendment. What is my position?

The CHAIRMAN. The gentleman has an amendment to the Duncan substitute?

Mr. MARLENEE. That is correct.

The CHAIRMAN. At this point the gentleman could not be recognized for that because there is already an amendment pending to the Duncan substitute.

Mr. MARLENEE. When may I offer that particuluar amendment?

The CHAIRMAN. The gentleman may offer that if the Kazen amendment to the Duncan amendment is disposed of, either adopted or not. Then, the gentleman would be free to offer his amendment.

□ 1730

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Gore amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Tennessee an amendment that I have cosponsored to place a 1-year moratorium on the Amtrak route system through fiscal year 1980.

I was a sponsor earlier this year of a resolution disapproving the Department of Transportation plan that was issued in January and was disappointed when the resolutions to disapprove the plan died in committee because I felt the American people should have the opportunity to know how their elected representatives feel about the future of passenger rail service.

The DOT recommendation which would reduce the size of the present system by a whopping 43 percent nationwide do not adequately take into account energy considerations. The facts that were used by DOT in developing the "final report to Congress on the Amtrak route system" are no longer relevant. The price of gasoline has nearly doubled since last summer when the study was being conducted and for obvious reasons including long lines at the gas pumps the American people are turning away from private automobile and to the trains.

According to the Department of Transportation, petroleum products account for more than 95 percent of the energy consumed in transportation and transportation uses more than 50 percent of the national annual petroleum consumption. When this Nation is spending more than $40 billion per year to import oil, can we seriously consider abandoning even parts of our mass transportation system—a system that offers the greatest potential for moving our citizens in an energy efficient way?

A notable development that makes the DOT study so obsolete and unacceptable is the great upsurge in Amtrak ridership. Even DOT recognizes that. Amtrak ridership data indicates that all trains have shown a substantial growth in passenger miles and average trip length—breaking World War II records in some cases. More people are riding and riding longer distances. In 1972 Amtrak moved 16.6 million passengers and this year the figure will top 20 million.

Studies indicate that if Amtrak is cut, only 15 percent of its riders would stay home, another 18 percent would take the bus, and nearly one-half would travel by car. Such a shift would be wasteful as the car is the least energy efficient mode of transportation.

The fact of the matter is that Amtrak could work well given good reservation, ticketing, and scheduling. Right now, Amtrak reservations for the month of May increased 127 percent over May 1978. In May they had to deny space to over 756,000 passengers because of sold-out conditions—a 1,000 percent increase over the previous year.

The reservation system is totally inept and I am surprised that people ride the train at all because of the service they receive. Over 6.5 million people attempted to call the reservation office in May and of that number only 1.5 million were able to get through to a reservationist. My office in May made 14 calls to Amtrak, we received busy signals 12 times and we were put on hold twice—one time for over 20 minutes. In June my office made 20 calls—19 busy signals and only once did we receive the recording telling us to hold. In July 21 calls were placed and each time the line was busy.

It is obvious that the reservation system needs to be overhauled. We cannot blame people for not riding the train when they cannot even make a reservation.

Now is not the time to cut the national system, but a time to improve its operation. This amendment in addition to calling for a moratorium, increases the authorization for operating subsidies by $131 million and for capital funds by $51 million. These additional capital expenditures will be required to allow Amtrak to upgrade the system and allow it to work.

I urge my colleagues for the sake of energy efficiency and transportation competitiveness to support this amendment.

Mr. PETRI. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Wisconsin.

Mr. PETRI. I thank the gentleman for yielding.

Mr. Chairman, in considering the Amtrak reorganization bill as reported out of committee, we have here a classic case of false economic reasoning. It is common knowledge that Amtrak now runs on grossly outdated equipment and track, fundamental constraints which render any comparison to other transportation modes inappropriate at best. Beyond contention is the fact that our passenger rail system is not only old, but rapidly deteriorating.

Equally indisputable is the reality that the steel wheel on the steel rail is still the most efficient way to move. The obvious point of reference is the automobile. Even with its aged and declining equipment, Amtrak averages 70 passenger-miles-per-gallon on long-distance routes. Cars average only 33 passenger-miles-per-gallon in intercity travel.

Arguments for the Gore amendment are premised on a faith in Amtrak's potential for track and equipment improvement. While the CBO's estimated ceiling is a 20 percent improvement margin in seat-miles-per-gallon over the 1977 level, the National Association of Railroad Passengers sees a potential 119 percent improvement for long-distance trains and 244 percent for short-distance trains.

There is an additional reason to support railroads at this time. Unlike other forms of transportation, the rails can be electrified. We have been asked to vote many billions of dollars to produce synthetic liquid fuels, largely from coal. This is a costly, technologically uncertain, and resource inefficient use of energy, since the coal is in effect burned twice—once to produce the liquid fuel and then again in final use. It might be cheaper to electrify the railroads so they can use coal converted directly into electricity than to build the plants that would be necessary to run the rails in synthetic liquids.

We should use the year allowed by Gore-Fowler to re-examine the whole question of transportation energy needs and economics in light of our real long-range energy problems. Certainly this is not time to be dismantling our Nation's rail transportation system.

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment offered by the gentlemen from Tennessee and Georgia.

The Commerce Committee has given us a good basis on which to build a viable system of rail passenger service. It is clear that the committee recognized that the Department of Transportation's restructuring plan was deficient both in terms of the factors on which it was based and in terms of its conclusions. By providing a 3-year authorization, Amtrak management will have the opportunity to make plans that it knows it will be able to carry out. The committee's bill also contains an innovative feature, which I was pleased to cosponsor, which will provide the necessary financial incentives for more of our States to sponsor Amtrak service within their borders under the 403(b) program.

It also appears that, in Alan Boyd, Amtrak's president, we have a man who has both the necessary management experience as well as dedication to providing a high standard of service on all Amtrak trains.

In other words, Mr. Chairman, I can be sympathetic to the arguments offered by Chairman FLORIO, ranking minority member MADIGAN, and Mr. Boyd against the Gore-Fowler amendment. Nevertheless, I am convinced that we should keep the current system going for 1 year not just to see whether the recent surge in ridership will continue, but rather for us in the Congress to go out and tell our constituents that:

First, you will have to use the trains if you expect to keep them running; and,

Second, we can expect that we will have repeated occurrences of gasoline shortages such as the one we are going through now, so we had better start making adjustments in our lifestyle.

Mr. Chairman, I do not deny that I have a parochial interest in this. It appears doubtful that southwestern Ohio will have any service remaining should the Commerce Committee's bill be enacted. And, the State of Ohio has a constitutional hurdle to overcome before it can participate in the 403(b) program.

But, in supporting this amendment, I feel that I have a responsibility to tell my constituents that they must recognize that: First, they will lose their service if they do not use it; and, second, they should use—not because of nostalgia and not because it is a patriotic duty—but, rather, because it is in the long-term self-interest of all of us that we maintain a balanced transportation system which will provide us with the mobility we need and desire through periods of uncertain supplies of petroleum.

I am sure that some here will argue that the airplane is the alternative. But, that is as shortsighted a response as the sigh of relief at not seeing a long line at the filling station. Have we already forgotten that the airlines had to cancel flights because of the recent petroleum shortage? Are we satisfied with the safety of both the planes themselves and our system of air traffic controls given the increasing congestion both in the air and immediately around our airports? And, finally, in the interest of speed and convenience, should we continue to subsidize and otherwise encourage one of the very least energy efficient means of transport?

I do not think it is wise to continue policies which are based on the assumption that all will be well with our energy problems in a short time. I do not see where any of the efforts announced by the President or the recent syn-fuels bill passed by the House will result in more abundant supplies of petroleum. Our efforts to increase domestic production are aimed primarily at reducing our economic and strategic dependence upon foreign sources of petroleum. Development of synthetic fuels is a long way off and, even for the long term, must be seen principally as a means of reducing our dependence upon foreign oil.

Accordingly, we are fooling ourselves if we heave a sigh of relief that we have gotten through another gas shortage. More importantly, I believe that we in the Congress have an obligation to tell our constituents just that, and provide them with long term solutions. I believe that part of that solution is to maintain the current Amtrak structure for 1 year, and, in that year, drum up ridership on it. Accordingly, I strongly support the Gore-Fowler amendment.

Mr. WHITTAKER. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Kansas.

Mr. WHITTAKER. Mr. Chairman, I am here today supporting the Gore-Fowler amendment for a 1-year moratorium on Amtrak cutbacks for a number of reasons—the surging Amtrak ridership and the real fuel efficiency that trains can and do achieve being the most important ones.

But in explaining why I believe it is important that we pass the Gore-Fowler amendment, I would like to take one train as an example and show why it is important that we finally adopt the Gore-Fowler amendment instead of the committee bill with the Duncan amendment on it.

The train I would like to look at is the Lone Star, which runs from Chicago to Houston, and which runs through my district. It is a train with which I was familiar and have personally used—and which I have grown much more familiar with during the debate over Amtrak that has taken place since the Department of Transportation's January proposal to cut Amtrak routes by 43 percent.

Under the Duncan amendment, we are told that one of the two Chicago to Texas trains, either the Lone Star or the Inter-American, would probably be saved. Indications are that, regardless of the facts, which I believe strongly support saving the Lone Star, Amtrak would keep the Inter-American and scrap the Lone Star.

Really, I think that these two trains provide an excellent example in support of the Gore-Fowler amendment. Both of

them deserve to remain in the system. The Lone Star has higher ridership, more passenger miles per train mile, and lower avoidable loss at present. The Inter-American's figures still are not as good as the Lone Star, but they are improving more rapidly.

The Gore-Fowler amendment would let both trains continue until we have an opportunity to gage the full impact of the gasoline shortages, and the increasing price of gasoline. It would help us to make sure that we are not eliminating trains that are viable—and I think that these trains are good, viable trains.

Let me return for a moment to what might happen under the Duncan amendment. As I said, it is widely accepted that one of these two trains would be kept under that amendment. On Friday afternoon, Amtrak congressional liaison director Sandra Spence told my staff that Amtrak was very strongly leaning toward keeping the Inter-American. Others have told us much the same thing. But let us consider the ridership on these two trains—especially in light of the fact that the Lone Star riders must travel on 25-year-old cars, while the Inter-American's passengers travel on cars that are 3 to 4 years old or that have been totally rebuilt within the past 2 years.

In April, the last month for which we have complete figures, the Lone Star carried 26,238 passengers, compared to 14,533 for the Inter-American. So far in fiscal year 1979, the Lone Star ranks 9th out of 21 long-distance trains in the number of riders—the Inter-American ranks 17th. And the Lone Star's projected avoidable loss per passenger-mile for fiscal 1980 is 11.0 cents, while the Inter-American's is 16.7 cents.

As I have said, those are the latest full-month figures we have. Amtrak has refused to give me figures on advance bookings for these routes. The last figures I have for that—which cover the period beginning July 1—showed the Lone Star with much better advanced bookings than the Inter-American. For the 2-week period, 91 percent of the north-bound coach seats were booked on the Lone Star, compared to only 66 percent on the Inter-American.

And the Wichita Eagle has reported that there are indications that the Lone Star may have shown substantial ridership gains in the past month, and that on at least one occasion it had more riders than it could handle.

The Lone Star supplements its revenue by carrying U.S. mail, which brought in $377,000 in fiscal year 1978. The Inter-American carries no mail.

In the Inter-American's defense, its ridership has been increasing at a faster rate than that of the Lone Star. In the first 7 months of this fiscal year, Inter-American ridership was up 31 percent while Lone Star ridership was up 20 percent. But, at present, the Lone Star is the better route.

My point is this—the Duncan amendment will result in the loss of at least one of these trains; the Gore-Fowler amendment will keep them both, at least until the full effects of the gas shortage, gas prices, and the public's renewed enthusiasm for conservation efforts can be assessed.

I hope that you will support the Gore-Fowler amendment.

So far, I have only spoken of trains that affect my own district. I did this because these are the trains with which I am the most familiar, and ones for which I have the most complete figures. It is not that I believe that these are the only trains that should be kept; in fact, I am sure that similar situations exist elsewhere in the country.

The latest figures Amtrak will give out for its automatic reservations and ticketing system are for May. In that month, space was denied to 756,246 prospective ticket-buyers because trains were full, an increase of 1,011.5 percent over last May. Ridership was up 20 percent. Average trip length was up 10 percent. Passenger miles were up 28 percent.

As you know, calls to Amtrak reservations number have also increased dramatically. More than 6.8 million calls were made in May, almost 5 times as many as 1 year ago. And the reservations are booming even though Amtrak operators were only able to answer 1.5 million of those calls.

Incomplete figures for June—ones that Amtrak refuses to release but which have been leaked—show that these trends are continuing. Amtrak had to deny 1.4 million requests for space in June, up 1,422 percent over June 1 year ago. More than 7 million attempted calls to Amtrak in June resulted in a busy signal or in the caller hanging up while waiting on hold.

It should be noted that it is surprising that Amtrak is even keeping up with its past ridership figures at this time. The headlines in newspapers throughout the country have talked of "Amtrak cutbacks" for several months. In such a situation, one would not expect travelers to have the confidence to make Amtrak reservations, but would instead expect them to opt for other transportation modes with more stable routes. Yet the American people are responding to our energy shortage by trying to take the train—taking public transportation instead of the family car.

Before I finish, I would like to make a brief mention of two other routes—the Southwest Limited and the San Francisco Zephyr. The Southwest Limited passes through my district, and the Department of Transportation had originally proposed to eliminate these two routes in favor of a combined route in between.

Fortunately, in this case, the committee bill and the Gore-Fowler amendment would both result in the same end—saving both of these trains indefinitely. The report of the Committee on Interstate and Foreign Commerce states:

> It has been brought to the Committee's attention that certain restructured routes recommended by the Secretary require capital improvements and access to track and facilities not currently used by Amtrak, entailing negotiations with the railroads involved, and could require up to two years for implementation. In view of the uncertainties associated with these new routes, including questions as to whether they will offer service equivalent or superior to that available on existing routes, the reported bill requires substitute service to be provided by Amtrak until such time as the recommended routes can or should be implemented. Decisional authority with respect to the appropriateness of such implementation is vested in Amtrak.

Amtrak officials have assured me that they are convinced that it would be more costly to reroute these two routes, and that the new route would result in worse service, including the addition of 8 hours to the full Chicago to California route. I have previously entered these statements by Amtrak into the April 30, 1979, RECORD, page 9078, and trust that Amtrak will keep the Southwest Limited and San Francisco Zephyr running indefinitely.

Certainly, ridership on these trains is high and is continuing to increase. The passenger mile per train mile figure for April was 215 for the Southwest Limited and 148 for the Zephyr, up 52 percent and 57 percent over the last year respectively. In the latest advance booking figures Amtrak will release, both of these trains had 98 or 99 percent bookings on their coach seats in both directions for the coming 2 weeks. Even the 6-week bookings of coach seats were at 97 percent for the Southwest Limited and between 93 and 96 percent for the San Francisco Zephyr. At one point in June, Amtrak confirmed that these two trains were the most popular trains in the Amtrak system for which reservations could be made. These most recent figures give us no reason to doubt that this is still true.

The passenger train is an important part of our transportation system. The American people have shown that they are willing to leave their family car at home and take the train. We must encourage their movement toward conservation by saving the train today.

Mrs. BOUQUARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I enthusiastically support this amendment to provide for the 1-year moratorium on our Amtrak route cuts. My colleague on the other side of the aisle made mention a few moments ago of the fact that we are an airlines-oriented country. I think it is a very splendid consideration. I think it is true that more and more people are riding our airways. This is very obvious.

If any of you would choose to go back to Tennessee with me on a Friday afternoon, you would certainly see the impact that the airways have had on our transportation system. But I would also like to have you stand around just for a little while and see the huge mobs and crowds that are packing into our airports. I want you to see the people waitlisted for 2, 3, and 4 flights, trying to get out of the hub of Atlanta, Ga.

I do not have a train. I do not have a rail service through Chattanooga, Tenn., so I have nothing personal to gain here. But I am saying that I do think it is our responsibility, now that we do have an alternative, to provide an alternative to the American people to our airway service. I say to the Members that our airlines at the present time are service-saturated. No way can we handle further service from our major hub airports. Indeed, our service is on the verge of

being catastrophic. So I think it is wise that we do support this amendment. This is merely a 1-year moratorium to see what we really can do. We are only talking about $47 million in this structure, and this will allow us to really and truly evaluate what we can do and what we must do as we do provide alternatives to our transportation system.

I think this is a commendable amendment. I support it.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. I thank the gentlewoman for yielding.

I heard her mention of a $47 million difference. The information which our Transportation Subcommittee on Appropriations has, which incidentally will bring to the Members a $19.3 billion bill tomorrow, is that it will cost $137 million to operate the whole system for a year, and if it is continued to freeze over the years, it would be about $1.5 billion over the next 5 years.

Mr. GORE. Mr. Chairman, will the gentlewoman yield in response to that?

Mrs. BOUQUARD. I yield to the gentleman from Tennessee.

Mr. GORE. I thank the gentlewoman for yielding. It is very clear when we compare the costs of the Gore-Fowler amendment to the costs of the subcommittee bill plus the Duncan amendment, the difference is $47 million over a 1-year period. The amendment calls for a 1-year moratorium, so all we are talking about here is $47 million.

Mr. VENTO. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from Minnesota.

Mr. VENTO. I appreciate the gentlewoman's yielding.

Mr. Chairman, today's consideration of the Amtrak authorization will establish the role that passenger rail service will play in our Nation's transportation policy. The choices that we make on the committee proposal and the amendments that are offered will determine whether Amtrak will make a positive contribution to transportation patterns and energy conservation or whether it will slowly be dismembered and will lose the national character that it now possesses.

I do not support the concept that we must maintain all passenger routes solely because they now exist. However, in light of the current energy situation and the dramatic increase in ridership levels of Amtrak, it would not be a sound policy decision to implement the meat ax approach advocated by the Department of Transportation or even the slightly more restrained approach contained in the committee proposal.

Even though we are witnessing a diminution in the gas lines, the energy crisis still exists. The American people recognize that we are faced with a gasoline shortage and are willing to make the needed sacrifices and changes in transportation practices to meet this crisis.

With such a mood in our country, Congress should be encouraging not discouraging alternative forms of transportation such as Amtrak. It is very clear that Amtrak can make a contribution to our efforts to conserve energy. The American people are utilizing this alternative in increasing numbers, ridership levels are up on some lines by over 100 percent and, in many cases, the demands exceed seating availability.

To implement drastic cutbacks in the face of this new popularity would irreparably damage the viability of Amtrak as an alternative to the auto. Americans are leaving their cars at home in favor of modes of mass transportation. The proposed cutbacks would destroy the national character of Amtrak, would deny to many Americans the opportunity to utilize this alternative, and would force these people to use their cars.

Mr. Chairman, in light of the energy and the increased popularity of Amtrak, we must closely review any proposal which would cut back the current level of service. Congress, Amtrak, and DOT should not act hastily. Adequate time should be taken to determine if the current trend in Amtrak ridership will continue and which lines will be economically viable. We should support the Gore-Fowler amendment which would place a 1-year moratorium on any cutbacks. This would provide a sufficient time frame to give the American people the opportunity to demonstrate their commitment to Amtrak. At the end of that period, Congress and the Executive will be better able to determine the future role of Amtrak and will be able to make our policy decisions on the basis of fact. To rush ahead with these proposed cutbacks would preclude us from utilizing a potentially abundant source of energy conservation. For this reason, I urge my colleagues to support the Gore-Fowler amendment.

Mr. GINN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from Georgia.

Mr. GINN. Mr. Chairman, I rise in support of the Gore-Fowler amendment. I do so because the amendment provides a missing ingredient in the committee proposal which we have before us, and that ingredient is innovation.

Under this amendment, the Board of Directors of Amtrak is given the authority to propose the restructuring of the existing routes. In other words, rather than terminating a train for all time we apply a little commonsense and adjust its route in such a way that it attracts new ridership.

The classic example of a good prospect for rerouting is the Floridian passenger train, which now operates between Chicago and Miami. The Floridian is a certified, guaranteed, no-questions-asked, money loser. It costs the taxpayers about $6.3 million each year in operating deficits.

In 1978, Amtrak was ready to reroute the train to enhance ridership but its proposal was derailed by the initiation of the year-long rail passenger study conducted by the Department of Transportation. Instead of permitting the rerouting to take place and provide an opportunity to test new ridership potential, the Department forced Amtrak to maintain the same money-losing route for another year.

During that year, Amtrak conducted another round of public hearings on the Floridian—hearings which had only months before been conducted by Amtrak.

The taxpayers lost another $6.3 million, and the Department of Transportation enscribed another chapter of inept action in the growing annals of our Government's mismanagement of rail service.

Mr. Speaker, we have an opportunity today to provide the prospect that Amtrak can exercise some discretion in making route adjustments. Ridership on the Floridian is up 51.9 percent, and even the Department of Transportation agrees that rerouting of the train would further enhance ridership. I ask the House not to extinguish all hope that the Floridian or other promising trains be given a chance to prove themselves on new routes.

Let us not today render the death sentence to passenger trains that can be made effective and energy efficient. Let us instead make this the day that the Congress takes action to make rail passenger service a realistic transportation alternative for the people of this great Nation.

Mr. STAGGERS. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentlewoman for yielding.

One subject I notice that has never been brought up is the number of men who are going to be thrown out of work—thousands of men, at a time when we cannot afford it. We will have to pay $30 million or $40 million to those men to keep them from working. They are going to be out of work at a time when we cannot afford it really. I see my friend, the gentleman from Illinois, get up. Those are the figures that have been given to me, and I have just corroborated them with my staff. We would have to pay $41 million to those men with this bill, and on top of that we do not have to pay $47 million more to keep the thing running.

□ 1740

Now, another thing I would like to mention is the fact that we talked about building tracks and you can put them back. Whenever you abandon a track and start to build it again it will take you 2 to 3 years to build those tracks back. There is one in my State that now they want to rerun and they say it will be 2 years before they can build that track.

The CHAIRMAN. The time of the gentlewoman from Tennessee (Mrs. BOUQUARD) has expired.

(By unanimous consent, Mrs. BOUQUARD was allowed to proceed for 2 additional minutes.)

Mr. COELHO. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from California (Mr. COELHO).

Mr. COELHO. Mr. Chairman, I rise in support of the Gore-Fowler amendment. While some have challenged the "energy

efficiency" of Amtrak trains, few can dispute the increase in ridership, and more importantly, the unmet demand as demonstrated by the some 4.8 million callers who heard only busy signals when they attempted to call Amtrak for reservations during May of this year.

The energy efficiency of trains increases dramatically when the trains carry full or nearly full passenger complements. With the increase in riders, I think it would be pennywise and pound foolish for Congress to effectively kill a national rail system now, when demand seems to be going off the scale.

I think we should enact the Gore-Fowler amendment to give Amtrak time to evaluate the ridership increase to see whether it is a "blip" in the charts or whether it truly represents a change in Amtrak's future.

Mr. DEVINE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Gore amendment.

Mr. Chairman, when H.R. 3996 was considered by committee, I joined with Mr. COLLINS in writing minority views which suggested that the time had come for us to stop funding Amtrak altogether. It has been a noble experiment but clearly, when no more than 1 or 2 percent of the traveling public uses Amtrak, it is obvious that we are perpetuating a railroad which very few people use at a time when there is a far better use for the money. At one time, when the Federal Government was only funding Amtrak operations for $20 or $30 million per year, it was money well spent in order to test whether or not there was a market for intercity rail passenger service. Now, the operating subsidy for Amtrak exceeds $600 million and is growing at an alarming rate. Therefore, I wanted to point out to my colleagues that the millions of dollars we are using for Amtrak could be used for purposes which would have a greater public benefit.

I must say that I was pleased that the committee reported a bill which did avoid the temptation to keep every Amtrak train in place. Mr. FLORIO, the chairman of the Transportation and Commerce Subcommittee, and Mr. MADIGAN, the ranking minority member, did yeoman work in providing legislation which will improve Amtrak operations and establishes for the first time an objective—rather than a political—criteria for determining which Amtrak trains should run. In the committee bill, the worst Amtrak trains will be dropped from the system. It is my understanding that means six long-distance trains.

I strongly oppose the amendment suggested by Mr. GORE which would freeze the entire present system in place with all of its existing inefficiencies. It makes no sense to me to have the good trains in the Amtrak system suffer because Amtrak is attempting to run political trains which have no passengers, but cost money and tie up equipment badly needed in other parts of the Amtrak system.

I urge my colleagues to vote against the Gore amendment and reluctantly, I urge the support of the Duncan substitute to the Gore amendment as a far more modest proposal.

Mr. FOWLER. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the Duncan amendment and in support of my amendment.

Mr. Chairman, let me try to bring us to where we are. The amendment offered by the gentleman from Tennessee (Mr. GORE) and myself will be voted on first. After that, there will be an amendment offered by the gentleman from Texas (Mr. KAZEN) to the substitute offered by the gentleman from Oregon (Mr. DUNCAN) and it gets more complicated after that. I want to try to deal in summary very swiftly because the debate has taken the turn that both the gentleman from Tennessee (Mr. GORE) and I worried about, into the nitpicking details of this and that criteria, this and that train and somehow has swerved off the track as to why we are at least trying to propose a sensible, rationale method of looking at the trains in our country.

The first one is the time criteria. What is not debated here is, first of all—what is not disputed here is, first of all, that the DOT study that cut out 43 percent, the meat-ax approach, was based on 1977 ridership criteria. What I do not believe is in dispute from the distinguished chairman of the subcommittee, the gentleman from New Jersey (Mr. FLORIO) is that all the work that he did, his and the figures of the committee were based on 1978 ridership. Maybe the first 2 months of 1979, and the committee bill is asking you to project 1978 forward in just these 2 months between now and October 1 when the DOT plan goes into effect. It all is balled up in the magic word, "projections." That is why the gentleman from Tennessee (Mr. GORE) and I ask you: Look, all we are asking is for 1 year, 1979. 1979, post-Iran. 1979, post-airline deregulation, when airlines cut out service all across the land to smaller communities and left them with only their trains.

1979. After we have finally gotten the attention of the American people largely due to the OPEC price increases, that there are realistic substitutes to the passionate involvement with the automobile for every trip that can be looked at, that can be experienced and then can be judged and that is all our amendment asks. Give us 1979. By April 1 of 1980, Amtrak will provide us with figures on ridership on all these trains and we can make that judgment. Is that unreasonable?

Now, let me go back to energy for a minute and all this talk about the President of the United States. A lot of us are accused of being soft-headed and soft-hearted about the trains. The gentleman from Tennessee and I, when we began this attempt at a 1-year moratorium, we made up our minds we would never mention the trains in our district. We were not going to isolate on this train and that train, we were not going to pit one region against another. We were talking about what we had to have as a national railroad network. Now, we are talking about energy and energy potential.

I do not know what the President of the United States is going to do if this or that amendment, much less my amendment, is attached to this bill but I will tell you this and I will say it in advance, if, after calling for $140 billion in energy over the next 10 years, he would veto a bill that only provides $47 million for 1 year to look at a system——

The CHAIRMAN. The time of the gentleman from Georgia (Mr. FOWLER) has expired.

(By unanimous consent Mr. FOWLER was allowed to proceed for 5 additional minutes.)

Mr. FOWLER. Mr. Chairman, if he did that, every shred of confidence built up by calling for all of us executive, legislative, American people, would go out the window. I simply do not believe that can be reasonably argued.

I add as a footnote only that now that we do not have a Secretary of Transportation—we only have an Acting Secretary of Transportation and he said he is only going to act for 1 or 2 months—do we not need to make a new evaluation of the Department of Transportation under the new leadership that the President, himself, is obviously demanding.

Now, a couple of thoughts on the Duncan amendment. I see the distinguished chairman of my committee, the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN) is here, which brings me to this comment. Those of us on the Committee on Ways and Means just spent 6 weeks on the windfall profits tax for the oil companies. From that experience I can tell you if you like the Government's pricing system, control system, then you will love the Duncan amendment and the committee bill. If you have a hard time figuring out what is old oil and new oil and first-tier oil and second-tier oil, just wait until you get into Duncan with its short-term criteria on top of the long-term criteria on top of the combination formulas of ridership, times—it would take a computer mind to figure it out and it would still be argued about.

Gore-Fowler is simple, direct. It says, let us take a year and look at what we can do on something called the national rail network.

The gentleman from Massachusetts (Mr. CONTE) 3 hours ago talked about the political trains. We have already shown you that under the Duncan amendment, ironically, magically, the trains that all of a sudden make up what he calls a regional balance, all land in the Far West and the rest of the country is somehow a stepchild.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman from Georgia (Mr. FOWLER) yield?

Mr. FOWLER. I will be glad to yield.

Mr. DUNCAN of Oregon. Mr. Chairman, how is it possible to have a regional balance with the trains concentrated in the East unless you put some trains in the West?

Mr. FOWLER. The last thing I want to say is, let us go back to where we began and to the words of my cosponsor, the gentleman from Tennessee (Mr. GORE). Again, what we are trying to look at is not only transportation, not

only trains, but something called energy. The energy potential of this country if we have a mixed system of transportation, a balanced system of transportation, when we get through with whatever changes we make in all of our transportation systems, the fiscal year 1979 appropriation for Amtrak is less than 2 percent of all the money we pay to OPEC for energy.

□ 1750

Yet we are talking about eviscerating the whole national railway network if we do not support a 1-year look at where we are going.

I urge all of you to just take a look. We are adding $47 million, we admit that. We are asking you for 1 year and 1 year only.

I will make the same pledge as my cosponsor. If the trains do not cut it, if the people do not ride them, you will not see me back in this well. I make that pledge to you here today; but once the train is gone, it is gone. Once we take it off the track, all energy potential is gone. All we ask is for you to give us 1979.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. I yield to my chairman.

Mr. FLORIO. Mr. Chairman, I thank the gentleman for yielding. I want to make just three brief observations. One is that there is a rail-banking provision in this bill, so that once a train is gone or a track is gone, it is not gone. There is an opportunity in the funding of this bill to provide for that.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. FOWLER) has expired.

(At the request of Mr. FLORIO, and by unanimous consent, Mr. FOWLER was allowed to proceed for 2 additional minutes.)

Mr. FOWLER. I yield further to the gentleman.

Mr. FLORIO. So there is a provision for the restoration of those lines if, in fact, those lines should be restored.

Second, the observation the gentleman made that we will not have sufficient information to make the projections in 1979 under this bill is just not accurate. The fact is Amtrak has already received and has in the May 1979 figures that they have computed, they will have the figures and we will be able to project into 1980 under this existing system.

The other point that I would like to make is the question about the adequacy of the funding under the Gore proposal. It is my understanding that under this latest Gore proposal, there is not one penny added for capital. The fact is that we have expanded capital from the DOT proposal from $171 million to $230 million.

What the gentleman will be doing under this amendment is to include the worst elements of the whole system, those most in need of expenditures for equipment, most in need of expenditures for improving the rails, most in need for dealing with the problems the gentleman from Texas made reference to and, in fact, there is not a penny added to this bill for capital. The fact of the matter is that what will happen then is that we will hold up to the American people the promise that we are going to preserve this entire system without the resources to do it and that is just not appropriate.

Mr. GORE. Mr. Chairman, will my colleague yield for a response to the gentleman from New Jersey?

Mr. FOWLER. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, in fact, some of the savings of the Gore-Fowler amendment come about because it will not necessitate the expenditure of $41 million in labor protection because of all the jobs that are eliminated under the subcommittee bill.

The other capital expenditures in the capital budget that have been proposed by the subcommittee are not touched by the Gore-Fowler amendment.

Now, let us compare costs, since this has been brought up. There should be no confusion whatsoever about the cost of these respective approaches. Under the bill, H.R. 3996, the Secretary's report calls for the expenditure of $552 million. The subcommittee adds an additional $35 million for criteria trains; an additional $20 million for restructured routes during the time of the transition.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. FOWLER) has again expired.

(At the request of Mr. GORE, and by unanimous consent, Mr. FOWLER was allowed to proceed for 2 additional minutes.)

Mr. FOWLER. I yield to the gentleman from Tennessee.

Mr. GORE. Now, another $3 million, and only $3 million, is added for the rail banking provision that the distinguished chairman of the subcommittee talked in such glowing terms about before; only there are $3 million in that category and the Amtrak Board has veto power over the expenditure of that money.

Forty-one million dollars for labor protection, adding up to a total of $651 million.

Now, the total cost of the Gore-Fowler amendment is $698 million. That is a difference of $47 million.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. I yield to my colleague, the gentleman from Georgia.

Mr. JENKINS. Mr. Chairman, I appreciate my colleague from Georgia yielding. I associate myself with the gentleman's remarks.

Mr. Chairman, it is ironic to me that while most of the country is experiencing the beginnings of a recession, Amtrak's business is booming. Given the current energy shortages which have resulted in an enormous increase in ridership for our national rail system, the proposal to eliminate 43 percent of the Amtrak system is clearly outdated. I am pleased to support this amendment which would allow evaluation of the long-term effect of the energy shortage and increased ridership statistics.

Let me say at the outset that I am aware of operating inefficiencies in the Amtrak system. As my colleagues know, I am not a man to support appropriations for programs which I believe are not cost efficient. But when statistics indicate that over 750,000 customers were turned away from Amtrak trains in the month of May due to lack of space, it would appear that the routes are not the economic drain previously estimated by the Department of Transportation. We are dealing with a system for which the people of the United States have demonstrated their need and support. It is pointless to dismantle Amtrak at the present time and under the present conditions, given the President's admonitions to us all to revise and alter out lifestyles to conserve energy. Amtrak provides a fuel-efficient and convenient method of travel for Americans who are responding to these circumstances. And we can expect ridership to remain up under foreseeable energy conditions.

Curiously, many of the trains which are slated for elimination are among those whose ridership has increased most dramatically. The Southern Crescent route which runs through my district is one of these trains. I am certain that my colleagues will speak to the energy efficiency of passenger trains. Let me provide you with a personal testimony as to the usefulness of the rail system to the people of my district. The Ninth District of Georgia is largely rural with a few cities of modest size. As is the case in many rural districts, public carrier transportation is practically nonexistent in my area and my people rely on the Southern Crescent. I am sure that my district is not alone in having limited public transportation service and in its dependence on rail passenger service.

Additionally, the original Department of Transportation proposals were unbalanced and retained a route structure which almost exclusively served the northeastern section of the United States. Such a plan was and is totally unacceptable to me. It does not deserve the support of any southeastern or southwestern Member of Congress who represent the fastest-growing areas of the country. I was most disappointed in the failure of the Committee on Interstate and Foreign Commerce to take action on the Department's proposals.

The people of our country are already lending their support to Amtrak through increased ridership. What remains of our Nation's rail passenger system deserves the support of the Congress.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield to me?

Mr. FOWLER. Mr. Chairman, I want to finish up. I have 1 minute remaining. Let me finish up. I overstayed my welcome and I thank my colleagues for their indulgence.

The gentleman from Tennessee adequately answered the committee chairman. We have two trains that we took off a few years ago. It took eight times the amount of money to get them back than it did to operate them before. Nobody is going to argue that. If the train goes, the train goes. We can put in all sorts of criteria and veto provisions. It is going to be gone forever. Just point to those that come back.

The issue is that we are asking for 1 year. The issue is that we are asking to look at all these trains, not based on 1978, before everything fell apart in this coun-

try and before Americans, 6, 7 million strong, called Amtrak and said, "We want to get on your train." That is all we are saying, give those Americans a chance to get on the train. If they do not, you will not see me around. If they do, we will have realistic ridership to say we take this train, we reject that, and that is what we owe the American people.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the Duncan amendment.

Mr. Chairman, in supporting the Duncan amendment, I would like to respond to some of the remarks that have been made here today about labor protection costs under the committee bill, which have been represented as being $41 million.

As a matter of fact, at the time that Amtrak was organized, some rail passenger service was eliminated then. Some people appeared to have the prospect of losing their jobs at that time. As a matter of fact, the reports of Congress from that time indicated that the number might be as high as 28,000. Two years after the creation of Amtrak, this subcommittee did a study to see how many of those 28,000 had actually lost their jobs. The number was 18, not 18,000, but 18 of the 28,000 people had actually lost their jobs because the people leaving the passenger trains, the employees, went to the freight trains and the system works itself out that way.

As a matter of fact, right now the Burlington Northern has 1,300 jobs available. They are going to hire 1,300 people in the next 30 days.

The Union Pacific estimates that they are going to hire 2,800 people this year.

The Southern Railroad estimates that they are going to hire 2,100 people this year.

In all, the industry estimates that there will be 8,000 new jobs available in the railroad industry this year, more than the number of jobs in Amtrak that would be cut back as a result of the adoption of the committee amendment.

In point of fact, the labor protection cost under the committee amendment may be zero, if the experience is the same as it was at the time that Amtrak was organized.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I would be glad to yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the Gore amendment that would establish a moratorium on the plans to drastically reduce Amtrak's rail passenger service to so many Americans.

In my own State of Nebraska, Amtrak serves five cities—Omaha, Lincoln, Hastings, Holdrege, and McCook, the last three being in my district. Sad to say, Amtrak serves them all badly.

Nevertheless, despite incredibly inconvenient schedules and persistently late service, Nebraskans are such a hardy lot that ridership on the San Francisco Zephyr through these cities is up sharply in fiscal year 1979 by 10.6 percent from October through April, over the same period a year earlier. Additionally Zephyr passenger miles for the same period are up 20.2 percent—meaning that not only are more people riding Amtrak trains in my State but they are traveling further than they did a year earlier. I suspect that if the data for the period from May through June were available, it would show even sharper increases.

Nebraska needs every public transportation facility because it is a State where the automobile still is king, where farming requires huge amounts of energy, and where, nevertheless, public transportation facilities are already inadequate. Now, my district—and my State—face extinction of railroad passenger service.

Mr. Chairman, the House has just voted to throw an additional $8 billion or so overseas in the name of helping our less-privileged brothers abroad to a fuller, happier economic furture through our bottomless largess of the foreign-aid program.

In my position as a member of the Foreign Operations Appropriations Subcommittee, I am familiar also with another aspect of our foreign aid—the money poured out just for railroad assistance overseas. And at such favorable terms. My friend and colleague, the gentleman from Florida (Mr. YOUNG) and ranking minority members of my subcommittee, suggested in a recent letter to me that perhaps my district and others faced with being stripped of rail passenger service should try to be declared a less developed country and apply to the World Bank for a 50-year "soft loan" for railway development.

These loans are scheduled for repayment over a 50-year period with nothing to be repaid during the first 10 years and during the remaining 40 years only the principal is scheduled for repayment—no interest. There is an administrative charge of less than 1 percent.

If we could do that, we would not have to bother the taxpayers any more because these international financial institutions and the United Nations always seem to be awash in spare money to spend and to loan.

And we would not have to try to justify this extra expenditure to the Congress, and wonder why we can't have a railroad system as good as the foreigners.

As an example of what we are doing for foreigners, the World Bank and the International Development Assistance fund recently approved the 14th loan to India for railway development.

With this loan, total World Bank/IDA lending to India railways amounts to nearly $1.1 billion. In fact, it is this same IDA that is currently considering a $40 million soft loan to Vietnam for the purpose of assisting in their railway development.

As you know, the United States is the largest single contributor to these international institutions. The World Bank/IDA have provided loans totaling more than $4 billion for railway projects over the years. In fiscal year 1978 alone, the World Bank/IDA approved railway loans totaling $259.2 million and are currently considering another 15 railway loans with an estimated cost of $680.7 million.

Mr. Chairman, has the President's austere budget affected our contributions to the World Bank/IDA the way it affected the funding levels of many of our domestic programs?

Last year the Congress appropriated more than $1.4 billion for the World Bank/IDA. The administration requested an additional $2.1 billion for these same institutions in fiscal year 1980.

I deem a large percent of these foreign aid dollars as wasted. Perhaps some of that money should be used to develop efficient rail passenger service in our own country.

I urge my colleagues to support the Gore amendment.

Mr. PASHAYAN. Mr. Chairman, will the gentleman from Illinois yield?

Mr. MADIGAN. I would be happy to yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I commend the authors of this bill. I have one in myself.

In the San Joaquin Valley the Amtrak line comes down from the bay area of Oakland in San Francisco and dead ends at Bakersfield, Calif., which is a fine town; but most people would want to continue to go to Los Angeles. It is this kind of thing that Amtrak has put on to the people. This is why this provision is a very good one. We ought to take 1 year especially with the new department head coming up, to restudy the thing.

I commend my colleagues for this very prudent and judicious piece of legislation.

Mr. Chairman, I rise in support of the gentleman's amendment, and may I commend him and the distinguished gentleman from Georgia for the role they have played in seeking this 1 year moratorium.

Mr. Chairman, earlier this year I introduced legislation which would have placed this House on record in disapproval of the Secretary of Transportation's recommendation to terminate or restructure lines from California to Vermont. In my own area of Central California, the people from the Bay area to Bakersfield would be denied rail passenger service due to the proposed termination of the San Joaquin line.

I did not take introduction of this resolution lightly. After learning of the Secretary's recommendations, I personally met with Department of Transportation officials to discuss the matter and subsequently wrote to Mr. Adams to express my further concerns over the specific proposal to cut back the San Joaquin. At no time did I feel comfortable with the answers I received. I was seriously concerned that a meat-ax approach had been used in the name of budget austerity rather than a methodical, well-thought-out proposal.

I was concerned about clear alternate modes of transportation. I wanted to know why the current daily Amtrak schedules were so inconvenient. I had questions over why the number of passenger runs could not be reduced on the line. I could not understand why efforts to extend the San Joaquin line from Bakersfield to Los Angeles could not or

had not been made. At no time were my questions fully answered. There simply were no statistics to back them up.

Up to this time a passenger leaving Bakersfield could depart for San Francisco only after 11 a.m. and would arrive in the early evening. The new schedule allows a businessman, for example, to leave Bakersfield at 6:05 a.m. and arrive in San Francisco at midday. For the first time, he can conduct business during the same day that he travels on the San Joaquin. Furthermore, I understand that efforts will be made by the California Department of Transportation to investigate the possibilities of extending the San Joaquin from Bakersfield to Los Angeles. Currently a passenger must ride the train to Bakersfield and board a bus to Los Angeles. Flying is much easier under the circumstances. These are positive steps which must not be precluded by ill-timed and ill-conceived legislation.

The only criterion that the Department accentuated was low ridership. But had the Secretary fully considered the problems facing the San Joaquin, he would have known why ridership was low. And by the way, ridership on the San Joaquin has been growing in leaps and bounds over the first half of this year, up 50 percent over last year.

Mr. Chairman, I have no illusions. A 1-year moratorium by and of itself will not cure the ills that have plagued Amtrak. What it will do is to allow for time so that proper administrative remedies by both the Department of Transportation and Amtrak can be made to draw greater ridership. During a period when our country faces an uncertain energy future, can we ask for anything less?

Mr. Chairman, I applaud the efforts of my colleagues and urge support of the Gore-Fowler amendment.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words. I rise to speak on the Kazen amendment.

Mr. Chairman, I want to say that the gentleman from Texas (Mr. KAZEN) has offered an amendment to take care of a train that is called the InterAmerican. It would neither reach Canada nor would it reach Mexico unless the gentleman's amendment is adopted or at least the Eckhardt amendment or the Gore amendment were adopted.

Is the gentleman from Texas (Mr. KAZEN) on the floor?

Mr. Chairman, I would ask the gentleman from Texas (Mr. KAZEN), the gentleman recognizes of course, that the InterAmerican would be protected if the Eckhardt amendment is adopted or if the Gore amendment is adopted; but the gentleman has offered the amendment also on the Duncan amendment.

Mr. KAZEN. Mr. Chairman, would the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman.

Mr. KAZEN. Mr. Chairman, the gentleman is correct, and if the gentleman will yield further to me, let me make this one point that apparently was lost during my debate. I described the conditions that exist and have existed as far as the InterAmerican going to the borders is concerned, the scheduling, the equipment, et cetera, et cetera, and the customs, immigration, and so on.

In spite of all that, ridership has increased.

□ 1800

So we can imagine what would happen if Amtrak cooperated just a little bit and gave our friends in Mexico the opportunity to be the good neighbors they want to be and ride the rails and let our tourists go into Mexico riding the rails?

Mr. ECKHARDT. Mr. Chairman, I certainly agree with the gentleman from Texas (Mr. KAZEN). I assume the gentleman did not feel it necessary to amend either the Eckhardt amendment or the Gore amendment, because his train was already fully protected in those two amendments, as were other trains in similar situations.

There is one other point I would like to make. If the gentleman from Ohio is correct and if no money needs to flow to persons who lose jobs, that means that section is a fraud. And the reason it is, is because there is a growth of jobs, and if that growth of jobs is absorbing the people who lose jobs on the passenger service, what we are really saying is that fewer people will get railroad jobs, and ultimately, merely because there is an opportunity to absorb persons within increasing job opportunities, it will not cost anything.

But it means there is a net loss of persons in railroad jobs who would otherwise be employed because of normal growth.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I rise in support of the position of the gentleman from Texas (Mr. ECKHARDT), and in support of the amendment offered by the gentleman from Texas (Mr. KAZEN).

It makes no sense whatsoever to close down that very vital link of that important Amtrak route.

Let me also say that I am strongly supporting the Duncan substitute, the amendment which comes from the chairman of the Subcommittee on Transportation, who has thoroughly studied this matter. It seems to me that is one way out of a bad dilemma.

On top of that, I would also say that I am supporting the Fowler amendment, because I think that is another possible way out of a bad dilemma. But the amendment offered by the gentleman from Texas is eminently fair and reasonable, and I am supportive of it as well as of the Duncan substitute.

Mr. ECKHARDT. Mr. Chairman, I thank the gentleman.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Duncan substitute and in opposition to the Gore amendment.

As has already been brought out, what we have seen happen in the past was that the Department of Transportation came out with a plan, and it was a meat-ax approach. No one can disagree with that. It came down hard and crushed some winners with some losers.

So what did the committee do? The committee took, I think, a very responsible position, and it said, "Let's try and separate the winners from the losers in a logical way."

The Duncan substitute also does the same with respect to short trains. It says, "Let's look at the trains and let's use some criteria to determine which trains are the ones that are going to survive and which trains are the real losers, and let's establish some arbitrary criteria"—arbitrary in the sense that we recognize that we need trains but logical in the sense that we will use a good sound basis for determining which are the winners.

As far as the long haul trains go, the committee bill says that those trains that have 150 passenger miles per train mile, if the train gets above that, it can survive, but if it does not, it does not survive.

It says, let us look at how much these trains are losing. If they are losing not more than 7 cents a passenger mile, that is an acceptable figure, and it is one we can have some hope for.

The Duncan substitute goes to the short haul trains and uses 80 passenger miles per train mile for a determination because they are less expensive trains; they do not have sleepers, and it goes to a different figure for avoidable losses.

It says, "Let's let everybody have a chance. If your train is a good one, if your people get out and ride that train, you can win."

That is the committee approach, and that is a good, sound approach.

Let us look at what will happen under the Gore-Fowler amendment. For one thing, we have found out that we have some good Amtrak trains which have not sufficient cars. We have people who are standing in the aisles, crawling in the windows, and trying to get on the platforms because they do not have enough cars to get into. So what we do with the Gore-Fowler amendment is, we say, "Let's keep those trains running even if they don't have anybody in them." And we have some with as few as 30 people riding them, and they have three cars on a train just to be able to safely brake the cars.

So then they say, "Let's keep those trains running empty," but then we have full trains that are going to be running over capacity and we cannot even get enough cars for them.

So what are we doing, or what are we saying? No businessman in the world would make this decision. We are running the losers, run them and keep running them when we have a place where we can make some money and get this system on a good sound basis. But we are not going to be able even to get the cars.

It takes 2½ years to build a railroad car, and with the Duncan substitute we have 170 cars to be moved to places where the people want the trains. That gets rid of the losers, and it gets every train into place that is a winner and gives every train a chance to survive.

The bill says,

If your people are in support of that train, it is going to survive, but if you do not support the train, it is going to die.

It does not use, as has been pointed out, the 1978 figures; it uses 1979 fig-

ures. These are the energy crisis figures, updated and projected into fiscal 1980 figures. So we are using the very period that everybody talks about. It shows what was happening during the gas crisis. It uses those figures to make the determinations on the trains that are really valuable as reflected during that period of shortage.

Mr. Chairman, this is a logical, reasonable approach we can take with the Duncan substitute. I think the Duncan substitute ought to pass because it provides for a good, sound basis for the Amtrak system.

In addition, I would like to take this opportunity to commend the Commerce Committee and especially its Subcommittee on Transportation and Commerce for bringing to the House this very important legislation. The subcommittee labored long and hard to forge this compromise between the wholesale cutbacks in passenger rail service that were recommended by the Department of Transportation, and maintenance of the present system, which spreads available resources too thinly between strong and not-so-strong routes.

I strongly support this legislation to reauthorize a strengthened National Railroad Passenger Corporation. In his new role as subcommittee chairman, Mr. FLORIO has ably led Congress to accomplish a most controversial and important task. Mr. MADIGAN, whose efforts in the past have made Amtrak more accountable for its customer service problems and its financial losses, added a very constructive and responsible voice during subcommittee deliberations. These discussions have succeeded in beginning to make Amtrak a rational system. This the Department of Transportation failed to do in its final report to Congress on Amtrak's route structure. I want to recognize the knowledgeable and effective efforts of the subcommittee staff. In particular, Mr. Elkins, its new staff director, and Paul Malloy, minority staff member, brought to the debate a depth of experience in dealing with the passenger rail issue.

The committee bill, the Amtrak Reorganization Act of 1979, strengthens both the cause and the reality of our national passenger rail system, even though it will bring about a one-quarter reduction of the route system trackage by discontinuing service on several of the less popular long distance train routes. The bill maintains services to our people for nearly all of the short distance trains now operated by Amtrak, and will encourage the addition of new, mainly intrastate, passenger rail services with costs jointly subsidized by the Federal Government and some States. The bill strengthens the best of our long distance passenger rail routes.

Most importantly, the committee bill rejects the view of some high officials in the Department that long distance train travel in America should be reserved to the affluent, if allowed to survive at all. The bill makes a realistic commitment of Federal tax dollars in response to the well-known need of Amtrak to offer a modern system to all its customers and in response to the public's growing patronage of energy-efficient passenger rail over automotive and air travel. The bill preserves those passenger rail markets that are, or can soon be made, attractive enough to the traveling public so that the expense of modern rail operations will be paid to a larger degree by passengers and to a lesser degree by taxpayers.

There can be no doubt that we are entering a phase of our history in which energy must remain a paramount concern of our public policy. The President has recently underscored this. We must look to the future and attempt to reduce our use of scarce resources. The Department of Transportation's environmental impact statement points out that the Montrealer in Vermont uses about half of the energy which would be necessary if its passengers were obliged to travel by private automobiles. An even greater loss of energy would be caused by diversion to airplanes, Amtrak's chief competition.

But the DOT has not estimated this gap. The elimination of the Montrealer and other long and short distance trains was a poor policy choice from the standpoint of energy conservation in a time chronically plagued by high fuel prices and supply shortages. That is basically what Congress is up to today; assuring that our people can take advantage of the potentially great energy savings promised by a modern Amtrak system.

Amtrak's day has come and the people are telling us this in the strongest possible terms. It is a fact that Amtrak has been so deluged recently by requests from our people for long distance train reservations that more calls are not answered than are answered, even though the company hired an additional 200 reservations clerks to handle the sudden demand for train service of the last several months. Hiring more would be fruitless because there are no more seats to sell and no more sleepers to reserve on many of the popular routes. Even before the gas shortage that has driven many thousands to travel by train instead of by personal auto or airplane, Amtrak ridership figures prove that the public's demand for train service was growing substantially faster than the Department of Transportation or even Amtrak expected as late as last fall.

All of this comes down to one simple imperative that we face today. We must give a vote of confidence to our peoples' developing choice in favor of trains. We should maintain and even expand that part of Amtrak's nationwide train system that is being used to capacity or to near capacity. Everyone seems, at long last, to agree that the train routes that are strong, those that the public chooses to ride in large numbers, are not only worth saving but worth improving. We should outfit the Amtrak system with the proper equipment to keep these newfound customers, to improve the service to our people. We can make Amtrak trains more cost efficient, more convenient, and less susceptible to breakdowns and delays. Congress can help to restore the low morale within the ranks of Amtrak's employees, and more importantly, within the ranks of the American traveler, by passing this bill.

The Commerce Committee bill before the House today begins to accomplish these purposes. The criteria that are included in the bill are reasonable, for they serve to maintain long distance trains, such as the Montrealer, that are strong and consistent performers, that are well-used by an increasing number of people. The Amtrak system that is working efficiently should be expanded and the service provided to its users improved. Under this bill available resources will be applied to those trains that are well used. The bill requires that Amtrak use fiscal 1980 projections of both ridership and losses in determining which routes are well utilized and cost effective and therefore should be retained as part of the nationwide Amtrak system.

The bill makes important contributions to Amtrak's prospects for greater cost efficiency in its train operations. First, by specifying that the short-term avoidable loss projected for fiscal 1980 on additional qualifying routes must be no more than 7 cents per passenger mile, the bill assures survival of trains that attract riders and revenues in substantial quantities.

The Montrealer's avoidable loss has been between 5 and 6 cents in recent years and Amtrak has projected it will be about 6 cents in fiscal 1980.

Even the DOT admits that specifying additional qualifying long distance trains must also attain a ridership of at least 150 passenger miles per train mile, the committee is building in an average energy efficiency that well surpasses use of a hypothetical passenger car that gets 22.5 miles to the gallon, with more than two people, along its intercity trip.

The most recent figures show the Montrealer's ridership is running at about 166 passenger miles per train mile, during the first 7 months of the current fiscal year. Amtrak projects this will increase to an average of 170 for the next fiscal year.

Significantly section 117 also requires that "(w)here reductions in operating expenses can be obtained" Amtrak shall, by applying the performance criteria, maintain long distance routes. This language I strongly endorse because it demands that passenger rail productivity be increased where possible. We can and will substantially reduce costs of operating the Montrealer.

Already the Canadian National railroad has agreed to lower payments by Amtrak for use of CN track and terminal facilities in Canada. I would like to quote from a June 13, 1979 letter from Clark Tyler, Amtrak's vice president for government affairs, to Vermont's Governor Snelling, who has worked closely with my office to lower costs on the Montrealer:

> . . . (w)e have been informed by CN (Canadian National) that they will make a reduction of $100,000 in annual charges to Amtrak as a contribution toward maintenance of the Montrealer operation. They have also decided not to revise other charges, and to absorb certain increases themselves, with a cost avoidance to Amtrak of $88,700.

In addition, the labor unions and railroads serving Amtrak between Springfield, Mass. and St. Albans, Vt., have agreed tentatively to make even more

substantial cost reductions by modernizing some work rules so they are more logical, and by eliminating one of the three crews that work on this train north of Springfield, Mass. On April 30, 1979 I met with representatives of the Central Vermont Railroad and Carlton Graves of the United Transportation Union to discuss certain tentative agreements between railroad owners and labor to reduce operating costs to Amtrak in order to save the Montrealer. The CV officials, Phil Larsen and Jim Fitzgerald, stated that about $50,000 in charges would be reduced by the railroad and that one member of the train crew could be dropped during busy runs at a further savings. They told me that CV and the Boston and Maine Railroad, which operates the Montrealer between Springfield, Mass. and White River Junction, Vt., would cooperate to eliminate one of the three crews that work the train between Montreal and Springfield, saving substantial labor costs. I understand these savings are being pursued and I will do my best to see to it that reductions in cost to take place.

I, and other Members of Congress, believe a good example can and should be set on the Montrealer. I hope that Conrail, whose three crews operate the train between Washington and Springfield, Mass., can work out a more efficient contractual arrangement with Amtrak. This bill certainly provides the incentive for Amtrak to closely examine these costs as well as improve train performance.

The bill before us today fairly settles the claims and counter claims concerning ridership on various routes. Sorting out the rationale of the DOT with respect to the Montrealer took several months because of the failure of the Department to immediately release the back-up work methods used to make very crucial ridership projections.

But one thing was clear from the start. The Department used financial data from fiscal 1977 to buttress its conclusions; it used fiscal year 1977 data as a base for crucial fiscal 1980 ridership projections. On top of these 1977 figures were added one-shot 15 to 30 percent ridership increases. These were based upon the planned upgrading or replacement of train cars with modernized or brand new cars. In addition, a 2-percent annual ridership increase was expected as late as last December by Amtrak and used for the DOT projections for the entire system between 1978 and 1980. This figure was used to project ridership on each route, ignoring Amtrak's more accurate, route-specific projections. Using general averages led to trouble; the Montrealer's ridership figures had to be increased significantly after the DOT's final report was issued because fiscal 1978 ridership had already outstripped expected ridership in 1980. I understand this was also true for other lines.

The bill requires equal treatment of all trains in the methodology used to make these determinations. This is important to the users of the Montrealer, especially. I found that when the Department of Transportation exercised its power to restructure the Amtrak route system it used a different methodology to evaluate ridership on the Montrealer than was used for any other long distance train considered for maintenance or elimination. Not surprisingly, a unique methodology led directly to the decision to place the Montrealer on the "hit list" of the DOT. Had a consistent method been used, the Montrealer clearly would have been included in the original restructured system suggested to the Congress by the DOT.

Other trains were also subjected to strained evaluations. The two New York to Florida trains marked for elimination by the DOT were and are still two of the most popular Amtrak runs in the system. Apparently, the DOT rationale was that only 1 of 3 Florida travelers should be accorded the opportunity to take the train, purely for reasons of fiscal austerity. Instead, according to this dubious reasoning, travelers on such popular routes as the Montrealer and the New York to Florida routes and those traveling between New York and Atlanta and New Orleans should be required to use more expensive, less energy-efficient means of transportation such as the car or the airplane, or not travel at all.

In the case of the Montrealer the DOT used a unique method to compute passenger miles per train mile, the most important criteria used to make the long distance train route decisions endorsed by Secretary Adams. Instead of simply projecting total passenger miles traveled on the Montrealer and dividing by total train miles traversed, which was the method used for all other lines, the Department did this: It first projected the number of passenger miles generated by the Springfield to Montreal segment of the route. It then divided this by a "constructed" train mile figure that was higher than the actual number of miles traveled, to reflect what the Department believed was the additional expense involved in operating the sleeper-equipped Montrealer north of Springfield, Mass., and on to Montreal, in comparison with coach service between Washington and Springfield.

This mixed apples and oranges in a way that reduced the Montrealer's passenger mile per train mile figure to 151 (after the DOT corrected its earlier conservative estimate of train ridership in 1980), even though Amtrak's projection for the entire route was 170 passenger miles per train mile over the entire route. And, of course, the Department explained in its final report that it was cutting off long distance trains at a passenger mile per train mile figure of 156.

Another example of the arithmetic manipulations that have taken place in DOT evaluations of the Montrealer occurred in the DOT's preliminary report on Amtrak's route system, published in May of 1978. I would like to briefly quote from a letter written by former Amtrak director Joseph V. MacDonald, shortly before his death:

> However, one thing (about the preliminary report) disturbs me about the presentation of figures relating to the Montrealer's productivity. In terms of PM/TM (passenger miles per train mile) the average shown on Table 5-2 for all Long Distance trains is 137, while the Montrealer is shown as only 99, with a footnote reading, "Excludes intra-NEC (Northeast Corridor between Washington and Springfield, Mass.) passenger miles and revenues but included NEC train miles." This is the most gerrymandered footnote I have seen since my college statistics courses. The correct figure is 215."

To make sure this type of gerrymandering does not take place in future route decisions, the committee bill wisely specifies, in section 117(d), "avoidable loss and passenger mile per train mile shall be calculated in the same manner for all routes" by Amtrak, as the basis for decisions to maintain additional qualifying long distance routes as part of Amtrak's basic system. It is my understanding that Amtrak will make its determinations of train route losses and ridership based on the entire length of each route under consideration, rather than using any of the contorted methods used by the DOT in trying to justify elimination of the Montrealer service.

I believe that the answer to Amtrak's operating problems lies not in a wholesale reduction of service but in improving and even expanding service where it has good potential and will draw and keep customers. The better the services offered, the more often the American traveller will come to view the rail system as a logical mode of intercity transportation.

In this vein perhaps the criteria specified in the bill can be loosened to permit even more of the promising routes to be continued. The Montrealer and other well used Amtrak trains must be seen for what they essentially are, public services which meet the needs of a significant section of our population. We, as a nation, do not demand that our police and fire departments, our school and water systems, turn a profit. We do demand excellence of these public services however. We should come to view our rail system as a national public service, like other forms of public transportation, and not as a simple win or lose, profit or loss operation. And we should pursue excellence in Amtrak's operations and services.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Pennsylvania.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS) has expired.

(On request of Mr. EDGAR and by unanimous consent, Mr. JEFFORDS was allowed to proceed for 3 additional minutes.)

Mr. EDGAR. Mr. Chairman, I would like to commend the gentleman in the well for his comments.

We have had a long and lengthy debate, and I support the contention of the gentleman from Vermont (Mr. JEFFORDS) that we ought to support the compromise of the Duncan amendment at this point.

I would remind my colleagues that the Duncan amendment essentially gives us 94.3 percent of all the trains that are in existence now, and if we add up the

other figures, 94.3 percent of all those trains stays in operation.

The amendment also gives us the opportunity to have full planning and an opportunity to look at some of the new initiatives and the new efforts that are being made since the gas crisis

Mr. Chairman, I would like to say that I commend the gentleman from Tennessee (Mr. GORE), and the gentleman from Georgia (Mr. FOWLER), for their interest in Amtrak and in rail passenger service. It has been interesting to me to watch this afternoon as pro-Amtrak and prorail transit people on both sides have talked about the need for rail passenger service.

I think the approach of the administration initiated by Brock Adams was a meat-ax approach, and I think that the committee leadership shown by our subcommittee chairman, the gentleman from New Jersey (Mr. FLORIO), has in a sense taken the administration's position and backed it off in a reasonable and responsible way. Then, added to that will be the Duncan amendment, which again gives us a reasonable and a regional approach to transportation.

But I would hope that with all the animosity and all the anger that have been displayed on the House floor today, we could all come together in a compromise, with a pro-Amtrak, pro-rail transportation approach, and support the Duncan amendment and reject freezing Amtrak under its present circumstances at this time.

Mr. Chairman, looking at the tremendous amount of mail that has been generated by this debate on Amtrak, I find that the bill before us—H.R. 3996—is being widely misunderstood. This bill is not an affirmation of Secretary of Transportation Brock Adams' plan to slash the Amtrak system by 43 percent. In many respects, H.R. 3996 is a repudiation of that plan.

Secretary Adams' plan clearly went too far in curtailing important Amtrak services. The Florio bill, H.R. 3996, includes sufficient funds to put back much of what Secretary Adams wanted to cut. With the Duncan amendment, which Mr. FLORIO supports and which I support, even more trains will be put back into the Amtrak system.

The Florio bill, plus the Duncan amendment, will save all but six train routes on the Amtrak system.

Mr. Chairman, I have been an active proponent of public transportation ever since my arrival in the House. I have taken the well countless times to speak in behalf of a transportation policy that puts more reliance on buses, trains, and other energy-efficient conveyances. Given my record, why do I oppose attempts to freeze the current system into place?

First, we must look at the cost of these six train routes. Just in fiscal year 1980 to keep these routes in the system will cost between $67 and $114 million, probably closer to the higher figure because it factors in recent increases in the price of diesel fuel. These 6 trains represent 360 departures—or train dispatches—per month. Running some calculations, I find that we are subsidizing these trains to the tune of $26,389 each time they pull out of the station to commence their journeys.

Against this cost, we must look at the ridership of these six trains.

The National Limited, one train that is to be cut, has a "passenger mile per train mile" ratio of 81.2, which means that on the average, at any given moment, only 81.2 passengers are on this train. One individual Washington subway car at rush hour carries twice as many people as the entire National Limited carries on an average run.

What I am getting down to is this: The Florio bill, with the Duncan amendment, saves all of the short-distance trains in the entire Amtrak system. This bill will save 22 of the 28 long-distance train routes in the Amtrak system. The six trains that are to be dropped simply do not deserve to be saved. I am a booster of train travel, but we have to be reasonable.

I also want to emphasize that the Florio bill does a lot more than simply save most of Amtrak's train routes. It saves nearly all of Amtrak's trains: That is, the number of trains that will be running on the system, as opposed to the number of routes over which these trains run. Amtrak now dispatches 6,418 trains per month. Under the Florio bill with the Duncan amendment, it is estimated that Amtrak will dispatch a minimum of 6,050 trains per month, or 94.3 percent of the total. We are cutting back some track miles, but we are saving fully 94.3 percent of the service. The Florio bill also includes extra money to expand the program of State-requested Amtrak services, and if enough States go after this bait. Amtrak might actually be running fully 100 percent of the number of trains it is running now * * * only the route system will be different. Part of this will depend on the size of Amtrak's fleet of cars.

This brings me to my final point, which is that the Florio bill includes a significant increase in Amtrak's capital budget over levels proposed by the administration. By rebuilding Amtrak's plant today, we might be able to expand Amtrak services in the future, and we certainly will be improving the quality of service on the present system.

If we freeze the system into place, the required operating subsidies will almost surely eat into this limtied capital budget. We will be signing away Amtrak's future if we are not prudent today.

In summary, Mr. Chariman, H.R. 3996 with the Duncan amendment is unabashedly a pro-Amtrak bill, a bill that will speed up Amtrak's capital investment effort, a bill that relieves Amtrak from running six extremely expensive routes, a bill that will let Amtrak take its limited equipment and use it to best advantage. Because of the Duncan amendment, this bill also will give us a regionally balanced system to assure public access to the major population areas throughout the country.

I commend the gentleman from Tennessee (Mr. GORE) and the gentleman from Georgia (Mr. FOWLER) for their advocacy of public transportation, but based on my study of this issue I believe that Amtrack will be better served over the long run by the bill that is before us.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS) has again expired.

(On request of Mr. AUCOIN and by unanimous consent, Mr. JEFFORDS was allowed to proceed for 3 additional minutes.)

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I appreciate my friend's yielding to me.

The Chairman, I rise in support of both the Kazen amendment and the Duncan amendment.

I wish to associate myself with the remarks of the gentleman from Vermont (Mr. JEFFORDS) as well as the remarks of the gentleman from Pennsylvania (Mr. EDGAR), who just spoke. I think they both state the case extremely well.

Some Member earlier in the debate criticized the Duncan amendment because it is complex. That suggests, I suppose, that it is difficult to think through the amendment. But I suggest to my colleagues that at a time when we are dealing with a budget that is reaching record proportions, when we are trying to bring the deficit under control, and when we are trying to be sensible in the allocation of funds, we ought not do the easiest thing.

The easiest thing is to leave the rail system we have intact. That is the easiest thing. We do not have to think when we approach it from that standpoint. We can do nothing and drain the treasury.

The Duncan approach makes sense. It divides the country in quadrants. It says that in every quadrant of this country people will be able to have access to rail transportation and to have an alternative to the automobile. Beyond that, it meets the test of budget wisdom. It does not throw good money after bad, which is what a 1-year, a 2-year, a 3-year, a 4-year, or 5-year extension would do.

The amendment says that we need to redefine this system, consolidate the services within the system, and focus them so that no one region of the country is caused a major loss to the advantage of another region of the country. Regional balance is provided.

The amendment also provides some guarantee that we will not act out a fantasy here on the floor today. It provides a guarantee that we can pass a bill and get it signed.

Mr. Chairman, I suggest to my friends and colleagues that that is the best of all results. The alternative is political theater.

□ 1810

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I want to commend the gentleman from Vermont (Mr. JEFFORDS) for his very reasonable and logical statement, and I concur in it.

Mr. Chairman, in January, the Department of Transportation proposed a restructuring of the Amtrak route system. The proposal called for the elimination of 43 percent of Amtrak's current route system. Some of the routes recommended for elimination, including the Montrealer, did not then, and do not now, deserve to be cut. The Amtrak Reorganization Act, by establishing new criteria for judging a route's acceptance by the public, will enable those routes which are being utilized to remain in operation.

The current gasoline shortages, which have again demonstrated the perilous nature of our energy situation, have generated a significant increase in Amtrak's ridership. On the Montrealer alone, ridership in May of 1979 was 7.8 percent higher than in May of 1978. Total ridership on the Amtrak system was up by 20 percent in that same period. Whether or not those increases are sustained as gasoline supplies increase remains, of course, to be seen. It does not make any sense, however, to cut from the system those routes which have a demonstrated market impact. We need alternatives to the automobile. Amtrak, especially in the Northeast, has proven to be a viable alternative. The Amtrak authorization bill will make those adjustments to the system necessary to sustain that viability while reaffirming the commitment of Congress to rail passenger service.

Mr. Chairman, the month of May 1979 has been marked by a great upsurge in Amtrak reservations, ridership and sales, due to a number of factors, among them higher fuel prices and difficulties in obtaining gasoline.

For the month of May 1979 versus the same month in 1978, the following increases have been experienced:

a. In the Automatic Reservations and Ticketing System:

	May 1978	May 1979	Increase (percent)
Reservations	194,000	443,000	127.8
Denial space due to sold-out conditions	68,040	756,246	1011.5

b. In the Central Reservations Offices:

	May 1978	May 1979	Increase (percent)
Calls attempted	1,695,731	6,812,827	301.8
Busy signals received	92,937	4,865,588	
Calls handled	1,550,235	[1] 1,503,173	—3.0

c. This reservation and ticketing activity has generated ridership which compares as following:

	May 1978	May 1979	Increase (percent)
Ridership	1,651,000	1,975,000	19.6
Average trip length (miles)	197	216	9.6
Passenger miles (millions)	325	426	31.0
Passenger miles per train mile	121	155	28.1

d. Total sales (millions) for the month of May registered as follows:

	May 1978	May 1979	Increase (percent)
Total sales	$26.7	$36.1	27.7

[1] More calls were handled in 1978 due to 1979 callers planning more long trips and increasing length of call. Two hundred clerks have been added to keep up with workload, but thousands of lost calls have not been answered.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, I find the gentleman's remarks very interesting. The gentleman and I sat at the same table arguing against the DOT cuts together at a time that the gentleman was arguing that his route had a passenger load which justified being included in the system. The gentleman got his route included in the committee bill. This gentleman did not, and his routes also have had dramatically increasing ridership figures. I have heard today the gentleman from Massachusetts (Mr. CONTE), who was also at that same table arguing that same basic point. All I am saying is that I think the gentleman unfairly states the case by saying that there are lots of routes in this country that ought to be out that have no passenger ridership. There are many routes that ought to be included that have dramatically increasing ridership figures, which are jampacked. I am sure the gentleman would feel the same way if he were in my position.

Mr. JEFFORDS. I am sure I would. All I can say to the gentleman is that I think a much more responsible approach, if one wanted to take it, would be to alter the criteria. I think that your train may come back in under the Duncan of Oregon substitute. I hope it does. But I think it is much more logical to have some good, sound, logical criteria to separate the winners from the losers, than to just put everybody back in, regardless of whether they are winners or losers.

Mr. LEHMAN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Florida.

Mr. LEHMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise to associate myself with the remarks of the gentleman in the well, and in support of the Duncan amendment.

Clearly, the situation has changed greatly since the Department of Transportation reported its recommended Amtrak route system. I believe the committee bill, as amended by Mr. DUNCAN, is the appropriate response to these changes. If Amtrak could not run its entire system before the gasoline shortage, it will not be able to run it during the shortage, or after. Increased ridership will not increase the equipment available to Amtrak.

Thus, this bill strikes a middle ground, still reducing the system, but not as much as DOT proposed to reduce it. I also support the concepts of short haul criteria trains and regional balance as proposed by Mr. DUNCAN, and urge my colleagues' support for the Duncan amendment and the bill.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I just very quickly wanted to point out that an amendment will be offered by the gentleman from South Carolina (Mr. CAMPBELL) that would require the corporation to make its calculations on the most recent available statistics for the last 90-day period, and I think that that would be only fair. Would the gentleman not agree with that?

Mr. JEFFORDS. I have no substantial disagreement with that approach. I think the present bill adequately handles the problem. But if people would be more assured if it is written in on the most updated data, I do not really have any disagreement. I am not sure how I am going to vote on that amendment, but I certainly do not have any serious disagreement with it.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, I rise in opposition to the Gore-Fowler amendment which would place a moratorium on Amtrak route cuts and in support of the committee's approach to providing a rational, efficient, manageable rail passenger system that puts trains where the people are willing and eager to ride them.

I have consistently opposed the administration's "meat-ax" proposal to cut 43 percent of Amtrak rail passenger service, especially now, with the gasoline shortage our Nation is experiencing. Various analyses have shown that a filled passenger train is approximately 50 percent more efficient than a bus; and several times more efficient than a 747 jumbo jet.

It is quite evident that as our energy supplies dwindle, we must rely upon mass transportation and, in many places, by virtue of ridership and low costs, passenger trains are our best mode of transportation.

The administration's drastic cuts fail utterly to achieve the congressional mandate to provide an optimal intercity railroad passenger system based on current and future market and population requirements. However, I am convinced that the amendment of my good friend the gentleman from Tennessee (Mr. GORE) errs in the other direction.

If this amendment is approved, we would freeze the current Amtrak system as it is, thereby rendering it virtually unmanageable—both by retaining routes that make no economic sense and by spreading the resources available for vitally needed capital improvements too thin to assure proper operation.

The committee's compromise would retain several routes which the Administration had slated for elimination, so long as they meet ridership and cost-effectiveness criteria. In addition, the committee bill authorizes operating expenses and capital improvement funds sufficient to permit Amtrak to run more efficiently, on both a short- and long-term basis.

I am convinced that the committee bill provides the means to attract riders by assuring upgraded equipment, better service and more efficient operation. If our goal with this legislation is to increase Amtrak ridership and to contribute to a reduction in our Nation's energy consumption, I urge defeat of the amendment which proposes a freeze of the current Amtrak system.

Mr. FLORIO. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from Texas (Mr. ECKHARDT) and all amendments thereto terminate in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. HARKIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. FLORIO. Mr. Chairman, I move that all debate on the amendment offered by the gentleman from Texas (Mr. ECKHARDT) and all amendments thereto terminate in 30 minutes.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 1 minute and 10 seconds each.

The Chair recognizes the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, I want to commend the gentleman from Vermont (Mr. JEFFORDS). I think he made an excellent point when he pointed out that the proposal that was put forward by the Secretary called for a reduction in the Amtrak system of about 43 percent.

The committee bill has whittled that down, and it does reduce the system by some 20 percent. Nevertheless, the committee bill does at least bite the bullet. It does establish some objective criteria. It would mean the loss of some trains but, in my judgment, it is a positive step forward. It would provide, of course, that some of the equipment that is used on these other trains would be able to be used in more prosperous routes.

Mr. Chairman, I rise in opposition to the Gore amendment which would needlessly add dollars to an already inflated Amtrak budget. Last year, in the Amtrak Improvement Act of 1978, the Congress requested the Secretary of Transportation to evaluate the Amtrak system and make recommended route changes so that Amtrak would work better. It was also the intention of the Congress last year to once and for all give up the notion that we in Congress knew how to run a railroad better than Amtrak.

Last January, the Secretary submitted his proposal to the Congress and it recommended reducing the size of the Amtrak route system by 43 percent. His proposal has been whittled away by the committee so that the committee bill reduces the system by only 20 percent. Nevertheless, the committee bill does bite the bullet and establishes objective criteria which would mean the loss of five or six of the worst trains in the Amtrak system.

It is my judgment that the committee approach is a positive one in that it represents a first step of getting politics out of the running of Amtrak. Moreover, the committee bill recognizes the fact that Amtrak is spread too thin and simply does not have adequate equipment to do a good job anywhere. The elimination of those long-distance trains with the least number of passengers from the Amtrak system, will free up equipment which can be used in those areas where Amtrak does have overdemand for its capacity.

A vote for the Gore amendment will not only increase the cost of Amtrak by nearly $200 million a year, but will also mean that Amtrak will be tying up cars and locomotives on trains with very little use while needing additional equipment on more prosperous routes. As it has been pointed out already, Amtrak cannot purchase equipment and have it on line in less than 2 years. Therefore, a vote for the Gore amendment assures that Amtrak service will continue to become worse and any possibility of saving energy by having more people travel on the train will be lost.

Finally, Mr. Chairman, I think all of us need the courage to resist the temptation to have our own train simply because it goes through our district. It is in the national interest to have an intercity rail passenger service which will result in a decrease in the use of gasoline for private automobiles. It is not in the national interest to have trains which in fact waste more energy than they save. The bill as reported by committee sets up an objective criteria which can be used by Amtrak itself to make certain not only that the taxpayers get their money's worth, but that Amtrak itself will become more energy efficient.

Mr. Chairman, the substitute to the Gore amendment offered by Mr. DUNCAN preserves the important considerations contained in the committee bill and is a substitute I can vote for. The Duncan amendment retains the Pioneer which came into the Amtrak system so late that the original DOT figures were incomplete and insufficient to make an intelligent judgment about the need for the train. Under the Duncan amendment, that train, taking into account a regional balance in Amtrak trains, will continue for a period of 2 years. At the end of 2 years, that train and several other trains must meet the criteria or they will be discontinued.

In conclusion, Mr. Chairman, I oppose the Gore amendment in that it makes it impossible for Amtrak to improve service. I support the Duncan substitute which is a fair and reasonable improvement over the bill reported by committee.

(By unanimous consent, Mr. RICHMOND yielded his time to Mr. HARKIN.)

(By unanimous consent, Mr. FOWLER yielded his time to Mr. GORE).

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. WILLIAMS).

Mr. WILLIAMS of Montana. Mr. Chairman, I rise in support of the Gore-Fowler amendment. It makes straight good sense to me that Amtrak and this body should pause momentarily, in the words of the gentleman from Tennessee, and monitor the ridership increases. In this time when there is a flurry and a rush to the trains in America, it makes great sense to me to pause to allow Amtrak time to answer the phone. But it makes sense to pause for another reason, too; and that is to determine what the loss in mail-handling dollars will be if we shut down these trains. Let me tell the Members what the president of Amtrak tells me. If the southern route in Montana closes down, that means all Amtrak in Montana—we have two trains—loses mail service, which we have not talked about here today. Amtrak in Montana connects with the Salt Lake City-to-Seattle run called the Pioneer, and that is scheduled for abandonment. That means that Amtrak, if the southern route in Montana closes, is going to lose $2 million a year in mail-handling dollars.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Chairman, I rise in opposition to the Gore-Fowler amendment, in favor of the amendment offered by the gentleman from Oregon (Mr. DUNCAN), and in favor of the committee position.

Basically, I think that the matter has been well stated that there is indeed a need for cut back; but this is a tough time to go head with the plans that the Secretary of Transportation first put forward.

When that cut-back legislation was first introduced, I favored curtailment. And although the train which was serving my district, the Southern Crescent, was slated for extinction, I thought that the move was justified because of the high costs that were necessary to keep these trains running.

Mr. Chairman, the gas crunch has changed my mind, to a degree. It has also changed the traveling habits of Americans.

□ 1820

A full evaluation of the plans of the Secretary of Transporation was absolutely necessary. I believe that the committee has provided that evaluation, and that we now have to implement their bill. For that reason, support the committee's position.

Amtrak revenues are up $14 million over May of last year. The trains are packed, and almost 800,000 people were denied reservations on the Amtrak system in May 1979, simply because there was no room. On the Southern Crescent, ridership is up 25 percent.

Passenger trains are no longer a luxury—they are a necessity. They are

keeping people out of the gas lines and are helping save precious crude oil. The time has come to reverse the trend of the last 30 years, and to recognize the vital role passenger service can play in easing the energy crisis.

Congress can exert leadership to save energy and ease the burdens imposed on our citizens by the gas shortage. The first step should be passage of this legislation in the form of the committee which I urge my colleagues to support the committee bill to save the country's most worthwhile passenger train systems. I am now convinced we are going to need it in the year ahead. I urged a vote of "no" on Gore-Fowler, but an "aye" on the Duncan amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I rise in support of the Gore-Fowler amendment. Let there be no mistakes about it, what the legislation before us seeks to do. Without this amendment, H.R. 3996 would begin to dismantle one of the country's basic and truly national systems of mass transit at a time when people are literally being squeezed out of their cars by the energy crisis, even with old equipment, and long-distance trains.

We hear a lot about the short-haul trains, but with modern equipment, or even with the old equipment, the long-distance trains are capable of producing 70 passenger miles per gallon, compared to about 33 passenger miles per gallon for automobiles and 24 for airplanes.

Modern trains can now achieve over 100 passenger miles per gallon.

I know these figures have been thrown out before, but I think it is good for those of us who have just come on the floor and those watching the television sets to hear these figures again.

During May of this year, reservations numbered 443,000, which was a 127.8 percent increase from May of a year ago.

During the month of May, 756,000 requests for space were denied because no space was available.

In June, 1,400,000 spaces were denied on Amtrak because they did not have the space. Amtrak had a rail pass that people could get and ride on the trains for up to 2 weeks at one price. They had to discontinue it. Why? Because people did not want it? No, because everybody wanted it, and they did not have the room for all of the people who wanted the 2-week rail passes.

Even with the San Francisco Zephyr that runs through my State, and which the DOT recommended to reroute out of the State, it is overflowing with passengers.

Six weeks before the Fourth of July break, I called Amtrak to try to get reservations to go home on it. I could not get them, because it was booked solid. Two of my staff people have ridden that train in from my district to Washington, and on both occasions, there was not one empty seat on that Amtrak; and this is the train that the DOT wants to take away and do away with.

In June, over 2 million calls to Amtrak got busy signals.

I ask my colleagues, if we want to get a reservation on Amtrak, I tell my colleagues to go back to the phones in the cloakroom and call this number: 484——

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

PREFERENTIAL MOTION OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HARKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. HARKIN. Mr. Chairman, if my colleagues think they can get a reservation on Amtrak, go to the phones and call 484-7500, which is reservations. I bet my colleagues before this House closes tonight they will not even get through. Call the 800 number, 800-523-5720, and they will not get through. Why? Because everybody else is calling, trying to get reservations on Amtrak.

What do they want to do? Dismantle the system and take it away at a very time when people in this country are being squeezed out of their cars.

Now we talked about the fact that the Gore-Fowler amendment is going to cost $47 million more. Big deal. That $47 million is going to go to the people of this country and not the people in the OPEC nations, because figures show that if this amendment does not pass, if we allow the DOT to go ahead with their dismantling, over 1 million people it is estimated will be forced back in their cars to take trips that they otherwise would have taken on the train, a million people.

How many gallons of gasoline is that? How many barrels of oil that we are going to have to get from OPEC nations is that? That is the reason we have got to support the Gore-Fowler amendment, because the people of this country want to get back on those trains; and they want to ride them and because they are being forced to because of the energy crisis.

The people of this country want the Congress to do something about energy. This is one thing we can do. Put the trains back on the tracks, keep them running, and pass the Gore-Fowler amendment, which puts in a 1-year moratorium.

The figures that are being used today for the committee bill and to battle or to try to defeat the Gore-Fowler amendment are figures taken from over a year ago.

What we need is a 1-year moratorium to take a look at what the ridership is going to be between now and 1 year from now.

We have talked, and I heard someone mention chasing bad money with good. If we want to chase bad money with good, we can defeat the Gore-Fowler amendment. You go ahead and put these millions of Americans back in their cars. You go ahead and send American dollars, hard-earned dollars, over to the OPEC nations. That is chasing bad money with good.

If my colleagues want to chase good money with good, they can pass the Gore-Fowler amendment, put the moratorium on for a year, and come back, and next year I guarantee one thing: It will be the same thing we are hearing right now. Everybody is calling the trains to try to get on them and ride them. They are packed to the hilt. People want to get back on them and ride them to save the money, because they do not have it any more for the high price of gasoline for their cars.

I urge the Gore-Fowler amendment be overwhelmingly accepted by the House.

We hear that the President may veto this bill if it is passed. I do not believe it for a minute. When he has gone on national television and told this country about the energy crisis, he is going to veto a bill that is going to save energy? I do not believe it for a minute.

I urge my colleagues' support for the Gore-Fowler amendment to send a clear signal to the White House and to Amtrak that we are going to make the trains run on time.

I yield back the balance of my time.

The CHAIRMAN. The gentleman from Montana (Mr. MARLENEE) is recognized for 5 minutes in opposition to the preferential motion.

Mr. MARLENEE. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, under the provisions of the bill H.R. 3996, we have provisions for trigger trains. These are long-distance routes that would continue operating if the train carries 150 passengers or more, and Amtrak loses no more than 7 percent per passenger for every mile travled.

Now simply put, the Duncan amendment would divide the country into four quadrants and any quadrant of the country which does not get one of these so-called trigger trains would be eligible for a so-called regional balanced train. It appears that in that case then only the Northwest quadrant of the United States will be eligible for a regional train.

The question then comes, how do we choose that train within that region or quadrant? What my amendment does, and I will offer an amendment to the Duncan amendment——

Mr. ROBERTS. Mr. Chairman, I have a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. ROBERTS. Mr. Chairman, the gentleman is supposed to be recognized for 5 minutes to speak on the amendment. He is not speaking on the amendment.

The CHAIRMAN. The gentleman is speaking on the preferential motion.

Mr. ROBERTS. He is not speaking on the preferential motion.

Mr. MARLENEE. I am against the preferential motion.

Mr. ROBERTS. He has not mentioned it.

The CHAIRMAN. The gentleman is free to speak on any part of the bill in the course of the preferential motion.

The gentleman from Montana may proceed.

Mr. MARLENEE. Mr. Chairman, I am against the preferential motion.

The question then comes, how do we choose that train within that region or quadrant, and what my amendment does would be to clarify and to direct Amtrak to rank and qualify the trains so that the taxpayers are assured of the best service for ridership as determined by Amtrak.

My amendment would place all trains on equal footing by requiring Amtrak to rank the regional balance, each train in the quadrant and operate the best performer. It would allow the numbers to speak for themselves and provide for the regional balanced train to be selected on the basis of performance.

amendment which I will offer, and I am against the preferential motion.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I appreciate the gentleman's yielding just so I can say something about the preferential motion. I assume the opponent is aware of the fact that if he is successful and the bill goes back to committee, thereby we are changing implementation of the authorizing legislation; and the Senate is waiting for us to take some action that very well could be that nothing will happen before the recess and perhaps not even before the time when the new system goes into operation in accordance with DOT's proposal.

□ 1830

So inadvertently we will be faced with a situation where the 43 percent cutback, that no one seems to be interested in, will take place and, therefore, I would reinforce the gentleman's proposal that the preferential motion not be agreed to.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa (Mr. HARKIN).

The preferential motion was rejected.

PARLIAMENTARY INQUIRY

Mr. FLORIO. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FLORIO. Could the chairman inform the Members as to what the situation is with regard to time?

The CHAIRMAN. Under the limitation there is no time lost under the preferential motion.

The Chair now recognizes the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, I rise in support of the Gore-Fowler amendment.

Mass transportation has not only become important in recent months—it has become imperative. Fewer people are driving their cars because gasoline prices have skyrocketed. People are looking for more energy-efficient modes of travel. Amtrak ridership has increased dramatically nationwide as highway travel has declined. Considering our gasoline supply situation, now is hardly the time to force those cars back on the road.

The people know Amtrak is part of the answer to our energy problem; and more people are taking advantage of this energy-efficient system.

Amtrak's Lone Star line, which goes between Chicago and Houston through my home district of Oklahoma City, is one of those earmarked for elimination by the Department of Transportation. If the Lone Star line is cut, Oklahoma will be one of five States in the Union entirely without rail passenger service. This means Oklahomans will be paying for a service from which they will receive absolutely no benefit. It seems hardly sensible for a State in the fastest growing area in the country to be without passenger train service.

Oklahomans overwhelmingly want to keep Amtrak running through their State.

Oklahoma City's Amtrak reservations have increased 100 percent from a year ago.

More Oklahomans are using Amtrak and they are using it to farther destinations—24 percent farther, in fact.

Oklahoma City ridership jumped from 6,500 to 12,000 in just 2 months.

The Lone Star is running at three-quarter capacity on all trips.

And the calls for information and reservations in Oklahoma City have nearly quadrupled.

I have no reason to believe this trend will slow or reverse itself in the near future.

What are the options available when rail service is cut?

Travel by bus;

Try to fly, unless airline reservations are unavailable or unaffordable;

Or not go on a trip at all because gasoline is unobtainable.

It seems clear that Amtrak is vital to the people of this country.

The people of Oklahoma are mystified. Last Sunday they heard their President call for concerted efforts to conserve energy. At the same time, they see their Department of Transportation calling for the elimination of one of our more efficient transportation methods. Oklahomans find that ironic.

So do I.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Tennessee. It is much like one I had intended to offer myself, and I am glad to be a cosponsor of his amendment.

The Gore-Fowler amendment basically says, "Let's take some time to make sure that we are making the right decision in cutting back on Amtrak." It also says, "We realize that the situation on July 24, 1979, is much different than it was a year before when DOT was putting together the statistical basis for its route recommendations, and even then it was at the end of January when DOT sent us its report." And, finally, the Gore-Fowler moratorium amendment does what former Transportation Secretary Adams said he wanted to be done: It gives riders a chance to support the trains by buying tickets and riding them.

After a meeting last month with Amtrak and congressional officials, former Secretary Adams adopted the position that we should let people vote on which trains to keep by buying tickets. I agreed with that. Unfortunately, he followed up by saying that most of the cuts proposed in the January report would still go into effect. Commonsense tells me that it is going to be mighty difficult for people to buy tickets on trains like the Lone Star and the National Limited after they have been terminated. The Gore-Fowler amendment will implement what the Secretary said he wanted: Passengers will have a year to show—by buying tickets—which trains they want to see kept in operation.

We have all heard the astounding statistics about ridership increases on Amtrak routes across the country. I will not run those into the ground, but I do want to say that I feel sure that the American people are wise enough to recognize that this energy problem is with us to stay. There might not be gasoline lines every week, and, hopefully, international tensions will calm. But the energy problem is a basic one, and one that will continue to reappear until we make some fundamental changes. One of those which Americans have shown in the last few months they are ready to make is a shift to mass transit where it is reasonably available. Amtrak is our national rail system; it is an integral part of our mass transit infrastructure. Let us keep the option there so the American public has a chance to make that change.

I urge my colleagues to support the Gore-Fowler amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Chairman, I rise in support of the Gore-Fowler amendment because it is the right thing to do at this time. If we go back over the history of the transportation of other countries we will find that rail service is the primary mode of transportation.

I think that rail passenger service in the United States is a must and we should look ahead, not backward.

Mr. Chairman, the Gore-Fowler amendment strikes hard at the needs of this Nation. It should be adopted and I urge all my colleagues to think twice before ruling against it, because in the future rail passenger service will be necessary to continue transportation in our country.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, year after year I have voted for amendments like the Gore-Fowler amendment. Having spent some time 10 years ago on the Interstate and Foreign Commerce Committee in helping create legislation that brought about Amtrak, I have a very personal interest not only in the system but in my part of the country. But year after year the system has not improved, it has not worked, and I am afraid this is just a continuation of the same charade that we have had.

Acting Secretary Claytor writes us yesterday that the amendment offered by Mr. GORE and Mr. FOWLER would be a great disservice to rail passenger service in this country, would force Amtrak to operate on a route system with insufficient equipment, thus perpetuating the past unacceptable level of Amtrak performance.

I think the Duncan amendment is appropriate and feasible as an approach. It does give important service, and I think that is achievable. I would think that makes sense for us under the present conditions, and I hope the Members can support the Duncan amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I rise in opposition to the Gore-Fowler amendment.

Mr. Chairman, on the one hand, I agree that a modern, efficient, and reliable rail passenger system is vital to this country's transportation needs, particularly during this current energy shortage. While on the other hand, I believe that freezing the current Amtrak system in place for a year would merely perpetuate those problems that have caused Amtrak's service to deteriorate in the first place.

It is a fact that the current energy crisis which has resulted in dramatic increases in ridership strengthens the case for public investment in well-patronized routes. However, I find myself forced to disagree with the Gore- Fowler approach of freezing the current system. This amendment would lock into the system those routes which simply cannot be justified based on objective criteria.

An example of a train that this amendment would preserve is the Floridian, which runs between Chicago and Miami or St. Petersburg. I realize that this sounds like a popular route but the Floridian is a very slow train. Its 1,597-mile run takes over 37 hours, including 2 nights aboard. This, according to Amtrak, partly explains why last year the Floridian ranked next to last in ridership per passenger mile of all long distance trains. According to DOT its costs in 1978 were $25.2 million. Fares covered only $4.7 million, about 19 percent. The Federal subsidy amounted to $163 per passenger, more than the cost of a first-class plane ticket from Chicago to Miami.

The point of the matter is, we simply cannot afford to continue running trains that year after year have consistently low ridership, coupled with huge subsidies.

It is this type of drain on the system which causes Amtrak to consistently come back before the Appropriations Committee with its hand out. It is this type of route which Amtrak has to devote its scarce capital resources to as opposed to focusing on its well-patronized routes.

Amtrak estimates that the Florio bill will allow them to eliminate by about 25 percent the size and scope of Amtrak's current 27,500-mile system. Under the Florio bill about six long-distance trains with equally as dismal statistics as the Floridian will be eliminated. Amtrak will determine which trains are to be eliminated based on recent increases.

We have before us today a well-reasoned bill which attempts and I might add does a very credible job of rationalizing this Nation's rail passenger service system. The bill reverses the Department of Transportation's prior decision to eliminate 43 percent of the current system based on recent increases in ridership. Those trains which have high ridership and low-cost-to-revenue ratios as determined by objective criteria must be restored. This in my estimation is a rational means of saving energy efficient as well as cost effective trains.

The additional costs associated with freezing the system are phenomenal; according to DOT estimates the additional operating costs alone would come close to $100 million, not to mention increased capital costs. According to the House Commerce Committee those figures are overly optimistic; they say that it would cost at least $1.2 billion annually to operate the frozen system.

Another problem which exacerbates the situation is the critical equipment problem which confronts Amtrak. For a railroad system that includes 27,500 miles, Amtrak operates only 1,234 cars. This point really becomes dramatic when compared to other countries' rail-to-route-mile ratios. For example, Great Britain operates 17,000 cars over 11,000 miles of track and France operates 15,000 cars over 23,000 miles of track. To be even more dramatic one need only to marvel at the fact that Amtrak's current rate of attrition as far as cars are concerned is about three cars per week based on equipment failure.

Amtrak agrees that it is absolutely essential to eliminate the worst routes in the system in order to consolidate capital resources and to concentrate on providing quality service over a reasonably manageable system. Freezing the system would severely limit Amtrak's ability to put its good equipment on its best routes and thereby improve its service to the public as well as its financial performance.

Finally, freezing the current system would be tantamount to adding the straw that broke the camel's back. Amtrak itself wants to drop these underutilized routes. Brock Adams has promised to recommend that the President veto the bill if this amendment prevails. I would presume that the current Secretary would do the same thing.

The House earlier this session defeated the Glickman amendment to the first concurrent budget resolution which would have added the additional cushion under the ceiling so as to allow for this type of amendment; and last but not least even if the system was frozen it would take at least 2 years to get the equipment to operate it, not to mention a larger appropriation.

I say to you, this country needs a rail passenger service system, but we are not prepared to accommodate the system today.

I urge you to reject the Gore-Fowler amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. COELHO).

(By unanimous consent, Mr. COELHO yielded his time to Mr. GORE.)

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Chairman, I rise in support of the 1-year moratorium on Amtrak's cutback. Indeed, I would even support a 10-year moratorium. That is how confident I am that the ridership increases of recent months are not only the result of the gasoline shortages but are the result of people deciding on a new way in which they will transport themselves about this country.

Amtrak was created under hostile conditions back in 1970 with poor equipment and very few people expecting them to succeed. Indeed, Amtrak was probably created as an effort to smother rail transportation, passenger transportation service in this country. It was created to provide a needed public service for the American people, a service which they could not otherwise provide themselves.

Many factors have led to the deterioration of the Amtrak route structure, inept scheduling, pathetic market development, no advertising planning, poor on-time performance. I would agree that Amtrak is not a moneymaker, yet very few people expect public transportation systems to make money. Moneymaking should not be the prime objective. Providing a needed public service, a service which people cannot otherwise provide themselves, should be the prime objective, especially in today's time.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon (Mr. AUCOIN).

(By unanimous consent, Mr. AUCOIN yielded his time to Mr. DUNCAN of Oregon.)

The CHAIRMAN. The Chair recognizes the gentleman from Oregon (Mr. DUNCAN).

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. Yes; I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I rise in strong support of the Duncan amendment.

This amendment fine tunes the criteria contained in the Interstate and Foreign Commerce Committee bill. The committee bill provides objective criteria upon which long-distance trains are measured for inclusion back into the DOT system plan despite their discontinuance by the DOT final report. This amendment would add criteria to the bill to permit the addition of short-distance trains where ridership and financial performance on such trains justifies their continued operation.

The committee has worked very diligently to determine objective criteria that would be used as a standard to restore energy efficient, cost effective trains; and I commend the members of the committee for the hard work and skill which they have displayed. However, the preservation of short-distance trains certainly makes as much sense, if not more, than long-distance trains because trains are most energy efficient and cost effective when run over short distances between major population centers. I believe this type of train service reflects the trend of the future—the shift to corridor service.

In addition to restoring short-distance trains, the amendment would prevent the existing provisions of H.R. 3996 from unintentionally creating an Amtrak system which results in the inequitable treatment of one geographical section of the

country. Time and time again we have heard complaints that the criteria tend to favor some regions of the country over others. Some have even indicated that no trains will be added west of the Mississippi under H.R. 3996. The fact is until all the statistics are in, we really do not know which routes will be discontinued. But, we nevertheless have to adopt a policy which allows Amtrak to preserve and encourage regional balance.

The Duncan amendment would permit a route which has shown improvement in both ridership and financial performance to remain in the Amtrak route structure for 2 years if additional service is not to be maintained in that area of the country according to the criteria in section 117 of H.R. 3996. And at the end of that 2-year period, any regionally balanced train which can then meet the criteria would become a part of the basic system.

Mr. Chairman, this amendment significantly strengthens the committee bill and, I, too, urge its adoption.

Mr. DUNCAN of Oregon. Mr. Chairman, I thank the gentleman from Massachusetts for his support.

I know all of the Members have heard from home on the Amtrak. They want us to help Amtrak. I ask the Members to help Amtrak this afternoon with a vote for the Duncan-Florio proposal. It does not cut one-half of the Amtrak system; it keeps 22,000 out of the 27,500 we now have. It says the President cannot veto this bill because of the energy crisis.

I would ask the Members to use their heads and not their hearts on this energy issue because Amtrak long-distance trains are not energy-efficient; they do not save energy; they waste it. The bus is three times as energy-efficient. A private car, indeed, on long-distance trips is just as energy-efficient. So the President would have to veto this on the energy issue alone.

Finally, I ask the Members to listen to their constituents who want to stop wasteful spending. Tomorrow we will try to finish a $19.3 billion transportation budget. We have room for the Duncan-Florio; we do not have room for the $137 million over Duncan that the Gore bill will cost.

I am going to propose tomorrow an add-on of $242 million, most of which is for real energy savings: mass transit in our cities. That is where we can save energy with mass transportation, not on these long-distance trips.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MADIGAN).

□ 1840

Mr. MADIGAN. Mr. Chairman, very briefly, just to respond to the gentleman from Iowa (Mr. HARKIN), in his remarks he indicated that we were still talking about the Department of Transportation proposal. We are not. That proposal would have eliminated 43 percent of the rail passenger system. The committee bill would keep over 94 percent of the rail passenger system. The Gore-Fowler proposal would keep 100 percent of the rail passenger system and would keep some of the low energy efficient and unused rail passenger trains in operation in the country.

We need that equipment on other routes where people are standing up, where there are not enough places for people to sit down, where people are turned away because there are inadequate provisions for reservations. We need to move equipment from the unused lines to the lines where people are. The way to do that is to support the Duncan of Oregon substitute amendment and oppose the Gore-Fowler amendment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I rise in support of the Gore-Fowler amendment. We are spending hundreds of millions of dollars for the World Bank to build railroads in other countries. I cannot understand why we cannot afford to build some in our own country.

I just say again that thousands of jobs will be lost if the other provision goes into effect that would be saved under the Gore-Fowler amendment. It will take years to reinstitute many of these railroads that are stopped. No one can tell me that we can start them tomorrow or in 6 months or in a year. That just cannot be done.

We must look forward, and not back. That is what we are doing if we go back to some of these other provisions. Let us look forward and build our system to one that will be viable, one that is right, and say that we can do it instead of saying that we cannot do it and that we want to cut back.

Mr. Chairman, I would like to say a word for our Secretary of Transportation, Brock Adams. He might have made some mistakes, but I say that he was the most brilliant, most learned of all the Cabinet members the President had in his Cabinet, or has had in the past.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. GORE).

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I strongly support the amendment offered by my colleagues from Tennessee and Georgia to place a 1-year moratorium on cutbacks in Amtrak's passenger rail system.

I believe we are at a significant turning point in the way America orders its transportation priorities. That turning point has been forced upon us by OPEC and the nearly tenfold increase in oil costs over the past decade. But, ironically, we have been presented with an opportunity to use the fuel crisis to begin developing a modern and truly national passenger rail system.

We have heard defenders of DOT's massive Amtrak cutbacks refer to supporters of rail travel as romantics trying to restore a bygone age. If we but step back and look around the world we will see that what is old-fashioned and outmoded is not the concept of the passenger train, but rather America's aging, ill-equipped, ill-serviced, and underfunded passenger rail network. While Amtrak has but 1,724 passenger cars to operate on its rail network, the other major industrial nations of the West, despite much smaller distances to cover, have many times that number cars: The British have over 17,000 passenger cars, the French over 15,000, the West Germans over 17,000, the Italians over 10,000, and the Japanese over 26,000. And all these countries, of course, spend far more than the United States to keep the rail network operating efficiently.

There were, perhaps, valid reasons for our relegating rail travel to such a low priority. With cheap and abundant energy, the airplane or the automobile seemed to be the answer for almost all our travel requirements, vacations, business trips, or commuting. But we all recognize that cheap and abundant fuel is gone forever. We must make up for decades of neglect toward the rails and promptly build up a network which is fast, efficient, reliable and comfortable.

This obviously will require considerable Federal funding. Some argue that we cannot afford such outlays because of our current economic difficulties and the need for budget stringencies. I feel that, on the contrary, judicious investment in a national rail system is a necessary step toward long-term economic health in an energy-deficient world. And let us remember, before we denounce Federal subsidies to Amtrak, that since World War II we have provided some $103 billion in Federal funds to support highway construction. During this same period, less than $6 billion has gone to assist all form of rail transport. This imbalance must be corrected.

The 1-year moratorium on cutbacks will give the administration and the Congress the opportunity to factor into Amtrak's reorganization plan the revolution now occurring in America's transportation habits. It would be the height of folly prematurely to condemn to death rail lines which may be needed in the very near future. The high cost of restoring such lines later, compared to the modest investments required now to maintain and upgrade them, argues for adoption of this moratorium.

While the logic of preserving and even expanding our passenger rail system in the face of our energy crisis may escape Secretary Adams, it has not escaped the editors of the Lincoln Star. I would like to submit for the RECORD a recent editorial urging the Congress to act to upgrade, rather than degrade, Amtrak's system.

I urge my colleagues to seize the opportunity to revitalize America's rail transportation system. The Gore-Fowler amendment will insure that we have that opportunity.

UPSURGE IN RAIL RIDERS MAKES ADAMS BLUSH

Secretary of Transportation Brock Adams reminds us of the guy Richard Nixon appointed to head a federal agency—was it the Office of Economic Opportunity?—for the expressed purpose of phasing out that agency's function.

Adams is out to diminish the nation's transportation options—at President Carter's request.

And even when he's proved wrong and now must propose improvements where he had once demanded severe cutbacks, Adams does so with little grace.

Yesterday Adams announced an administration plan to pump an additional $65 million into Amtrak, the nation's rail passenger service, to preserve train routes which have picked up ridership.

Last year and up until recently Adams was beating the drums for his plan to starve the Amtrak system to death by cutting its trackage by 43 percent and lowering its federal subsidy.

He still thinks Amtrak is a loser, despite the fact that the gas shortage has driven hundreds of thousands of new passengers to the system's aging fleet. Through lips puckered by the taste of sour grapes, Adams says saving Amtrak would be like "pumping formaldehyde into a corpse."

A lively corpse it is. Last month Amtrak turned away a quarter of a million would-be passengers because many of its trains were full. "Ridership is up not only on the trains we plan to keep but also on the trains scheduled to be terminated" under Adams' previous plan. This is what Adams and the Carter administration want to kill even while grudgingly proposing another $65 million to maintain some routes chosen by Amtrak management under the new plan.

The new plan is not sufficient and should be upgraded by Congress.

Much like some Lincoln city officials who are determined to prevent top-flight bus service from ever being realized here by cutting back on routes and demanding that a higher percentage of passenger revenues support the system, Adams is demanding that the percentage of Amtrak revenues which cover actual costs jump from the present 37 percent to 44 percent. Thus he is insisting on an increase in ticket prices.

Rather than trying to promote Amtrak by offering specials and reduced fares, Adams wants to price it out of existence.

Driven to revising his plan by the dramatic upsurge in Amtrak passenger volumes, Transportation Secretary Adams should, one would think, consider why people are again beginning to use the trains.

It has something to do with the uncertain energy situation, Mr. Secretary, and the situation is bound to remain uncertain for a long time to come.

The situation should suggest to responsible transportation officials the need to upgrade, not degrade, the passenger rail transportation network.

Mr. GORE. Mr. Chairman, there have been dramatic developments in the last 6 months. I am fully convinced that a new era is beginning, that there is nothing so energy efficient as a passenger train. The study, the figures used by our colleagues from Oregon, are based upon 1977 data, when the trains were nearly empty and we had not yet had these dramatic ridership increases; when load factors are up to where they are today, and then when new equipment to boost the energy efficiency increases even more. Do not be fooled by the responses of the subcommittee or by the response offered by the gentleman from Oregon. In recognition of the political impact that these lines have had in all the States, they have decided to add a few more trains, but there is nothing particularly scientific about the much talked about criteria. These criteria were developed in conjunction with Amtrak, when $35 million was added.

Now, this picks up some votes for the subcommittee bill. Amtrak estimated at the time the criteria were devised that it would cost $5.4 million for the Montrealer; $9.8 million for the New York-Florida train; $12 million for the Southern Crescent; $10 million for the Inter-American. That adds up to $37.2 million, not a round figure. So, $35 million was chosen for the criteria. There is no mystery about these magic criteria.

Then, the gentleman from Oregon (Mr. DUNCAN) offers a further response to the politically restless. He notices that all of the trains are in the East, and that his region of the country is slighted somewhat, and indeed we are going to have shortly another $654 million offered for the Northeast corridor. I intend to support that whether or not the Gore-Fowler amendment passes, and I urge support for that amendment. But, the gentleman from Oregon offers a substitute, which I encourage Members to oppose, which has the broad effect of putting in three trains, all of which serve the Pacific Northwest.

Now, the Gore-Fowler amendment is the simplest, cleanest way to respond to the dramatic developments that have been occurring, that the American people have recognized. News editorials are 20 to 1 in favor of the moratorium amendment, and our constituents are overwhelmingly in favor of taking the opportunity to pause and monitor the dramatic ridership increases.

Vote for the Gore-Fowler amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. FLORIO).

Mr. FLORIO. Mr. Chairman, a point that was just made with regard to fuel efficiency was that the rail passenger train is the most fuel efficient vehicle around. That is just not the case universally and uniformly across the board. The fact of the matter is that a passenger car that travels with 20 percent operational capacity is not fuel efficient.

I have made a specific reference to a train, and will make it even more specific. There is a particular train that would be frozen into this system under the Gore-Fowler amendment. This train operates with one-fifth of its seats presently filled. We are talking about the height of this new resurgence back to the rail system. The fact is, that train cannot be justified, and it will go into the system under the Gore-Fowler proposal.

There are a number of other trains that constitute a drag on the entire system and will tear it down.

Much has been made as to the fact that the veto may very well not be exercised. I would bring to the committee's attention that the veto recommendation letters I received from both Secretaries, new and old, were cleared at the highest levels of OMB. I do not think we should gamble with the idea that this is just a frivolous statement.

PARLIAMENTARY INQUIRY

Mr. FOWLER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FOWLER. Mr. Chairman, am I correct that the parliamentary situation is that the vote, now that all time has expired, is on the Gore-Fowler amendment?

The CHAIRMAN. The question is on the Gore amendment. That is correct.

Mr. FOWLER. After that matter is disposed of, is the next item on our agenda the Kazen amendment to the substitute?

The CHAIRMAN. It would revert to the Kazen amendment to the substitute offered by the gentleman from Oregon if no other amendments are offered to th Eckhardt amendment.

Mr. FOWLER. Now, after the Kazen amendment has been disposed of, is any other amendment then in order to the Duncan substitute?

The CHAIRMAN. The gentleman is correct, but not debatable at that point.

Mr. FOWLER. I thank the Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. GORE) to the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GORE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 197, noes 214, answered "present" 1, not voting 22, as follows:

[Roll No. 376]

AYES—197

Albosta
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Aspin
Bailey
Baldus
Barnard
Barnes
Beilenson
Bereuter
Bethune
Bevill
Blanchard
Boner
Bonior
Bonker
Bouquard
Brinkley
Brodhead
Brown, Calif.
Buchanan
Burton, Phillip
Byron
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Coelho
Coleman
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dixon
Dodd
Dornan
Downey
Duncan, Tenn.
Eckhardt
Edwards, Okla.
English
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fish
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Grisham
Guyer
Hall, Ohio
Hall, Tex.
Hammer-schmidt
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holtzman
Hopkins
Hubbard
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Lagomarsino
Leach, Iowa
Leland
Lent
Levitas
Lewis
Long, Md.
Lowry
McClory
McCormack
McEwen
Marks
Marlenee
Matsui
Mattox
Mavroules
Mica
Miller, Calif.
Mitchell, N.Y.
Moffett
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Nolan
Oakar
Oberstar
Obey
Pashayan
Patten
Pepper
Perkins
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rose
Rosenthal
Rostenkowski
Roth
Royer
Rudd
Runnels
Sawyer
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stewart
Studds
Stump
Thomas
Traxler
Udall
Vento
Volkmer
Walgren

Walker	White	Wolff
Watkins	Whittaker	Wolpe
Weaver	Williams, Mont.	Wylie
Weiss	Wilson, Tex.	Yates

NOES—214

Abdnor	Frenzel	Nelson
Addabbo	Fuqua	Nichols
Ambro	Gaydos	Nowak
Ashbrook	Gephardt	O'Brien
Ashley	Giaimo	Ottinger
Atkinson	Gibbons	Panetta
AuCoin	Gingrich	Patterson
Badham	Goldwater	Paul
Bafalis	Gradison	Pease
Bauman	Green	Peyser
Beard, R.I.	Guarini	Pickle
Beard, Tenn.	Gudger	Preyer
Bedell	Hagedorn	Pursell
Benjamin	Hamilton	Quayle
Bennett	Hance	Reuss
Biaggi	Hanley	Rhodes
Bingham	Hinson	Richmond
Boggs	Hollenbeck	Rinaldo
Boland	Holt	Ritter
Bowen	Horton	Roberts
Brademas	Huckaby	Robinson
Breaux	Hutto	Rodino
Brooks	Hyde	Roe
Brown, Ohio	Ichord	Rousselot
Broyhill	Ireland	Roybal
Burgener	Jacobs	Russo
Burlison	Jeffords	Sabo
Burton, John	Jones, Okla.	Santini
Butler	Kemp	Satterfield
Campbell	Kostmayer	Scheuer
Carney	Kramer	Schroeder
Carr	LaFalce	Schulze
Chisholm	Latta	Sebelius
Cleveland	Leath, Tex.	Skelton
Clinger	Lederer	Snowe
Collins, Tex.	Lee	Solarz
Conable	Lehman	Solomon
Conte	Livingston	Spellman
Corcoran	Lloyd	Stenholm
Corman	Loeffler	Stockman
Cotter	Long, La.	Stokes
Coughlin	Lott	Stratton
Courter	Lujan	Swift
Crane, Daniel	Luken	Symms
Crane, Philip	Lundine	Synar
D'Amours	Lungren	Tauke
Daniel, Dan	McCloskey	Taylor
Daniel, R. W.	McDade	Treen
Dannemeyer	McDonald	Trible
Davis, Mich.	McHugh	Ullman
Deckard	McKay	Van Deerlin
Devine	McKinney	Vander Jagt
Dingell	Madigan	Vanik
Donnelly	Maguire	Wampler
Dougherty	Markey	Waxman
Drinan	Marriott	Whitehurst
Duncan, Oreg.	Martin	Whitley
Early	Mazzoli	Whitten
Edgar	Michel	Williams, Ohio
Edwards, Ala.	Mikulski	Wilson, C. H.
Edwards, Calif.	Mikva	Winn
Erdahl	Miller, Ohio	Wirth
Erlenborn	Mineta	Wyatt
Ertel	Minish	Wydler
Fascell	Moakley	Yatron
Fenwick	Montgomery	Young, Alaska
Ferraro	Moore	Young, Fla.
Findley	Motti	Young, Mo.
Fisher	Murphy, Pa.	Zablocki
Fithian	Myers, Pa.	Zeferetti
Florio	Neal	
Fountain	Nedzi	

ANSWERED "PRESENT"—1

Akaka

NOT VOTING—22

Alexander	Forsythe	Murphy, N.Y.
Bolling	Garcia	Petri
Broomfield	Holland	Stark
Collins, Ill.	Howard	Thompson
Conyers	Hughes	Wilson, Bob
Diggs	Leach, La.	Wright
Emery	Mathis	
Flood	Mitchell, Md.	

□ 1900

The Clerk announced the following pairs:

On this vote:

Mr. Wright for, with Mr. Akaka against.

Mr. Alexander for, with Mr. Thompson against.

Mr. Mitchell of Maryland for, with Mr. Howard against.

Mr. QUAYLE changed his vote from "aye" to "no."

Messrs. SENSENBRENNER, MURPHY of Illinois, and GILMAN changed their vote from "no" to "aye."

Mr. AKAKA. Mr. Chairman, I have a live pair with the gentleman from Texas (Mr. WRIGHT). Had he been present he would have voted "aye." I voted "no." I, therefore, withdraw my "no" vote and vote "present."

Mr. AKAKA changed his vote from "no" to "present."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KAZEN) to the amendment offered by the gentleman from Oregon (Mr. DUNCAN) as a substitute for the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The amendment to the amendment offered as a substitute for the amendment was agreed to.

AMENDMENT OFFERED BY MR. MARLENEE TO THE AMENDMENT OFFERED BY MR. DUNCAN OF OREGON AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ECKHARDT

Mr. MARLENEE. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MARLENEE to the amendment offered by Mr. DUNCAN of Oregon as a substitute for the amendment offered by Mr. ECKHARDT: In subsection (e), as proposed to be added by the amendment offered by Mr. DUNCAN, strike out paragraph (2) and insert in lieu thereof the following:

"(2) In any case in which more than one long distance route qualifies for operation under this subsection in any section of the United States, the Corporation shall operate service over the route in that section which has the lowest short term avoidable loss per passenger mile and the highest passenger mile per train mile.

"(3) The Corporation shall, no later than 30 days after the date of enactment of this subsection, submit a report to the Interstate and Foreign Commerce Committee of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the methodology, factors used, assumptions, and results in connection with the determination of the rail passenger service to be operated under this subsection.".

Redesignate paragraph (3) of subsection (e), as proposed to be added by the amendment, as paragraph (4).

□ 1910

The CHAIRMAN. Time has expired for all debate.

The question is on the amendment offered by the gentleman from Montana (Mr. MARLENEE) to the amendment offered by Mr. DUNCAN of Oregon as a substitute for the amendment offered by Mr. ECKHARDT.

The question was taken; and on a division (demanded by Mr. MARLENEE) there were—ayes 35, noes 120.

So the amendment to the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. DUNCAN) as a substitute for the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT), as amended.

The amendment, as amended, was agreed to.

Mr. FLORIO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PANETTA, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 1030, EMERGENCY PROGRAM TO CONSERVE ENERGY

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 96–384) on the resolution (H. Res. 384) providing for the consideration of S. 1030, to authorize the President to create an emergency program to conserve energy, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4167, MILK PRICE SUPPORT

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 96–385) on the resolution (H. Res. 385) providing for the consideration of the bill (H.R. 4167) to amend section 201 of the Agriculture Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price therefor, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 79, POSTAL SERVICE ACT OF 1979

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 96–386) on the resolution (H. Res. 386) providing for the consideration of the bill (H.R. 79) to amend title 39, United States Code, to provide that the Chairman of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes, which was referred to the House Calendar and ordered to be printed.

DIRECTING CLERK TO MAKE TECHNICAL CORRECTIONS IN ENROLLMENT OF H.R. 4537

Mr. VANIK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 33), directing the Clerk of the House of Representatives to make technical corrections in the enrollment of H.R. 4537, the Trade Agreements Act of 1979, and I ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Ohio (Mr. VANIK)?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I do so only so that the gentleman from Ohio can explain to the House what the gentleman is requesting.

Mr. VANIK. Mr. Speaker, if the gentleman will yield.

Mr. BAUMAN. Of course.

Mr. VANIK. Mr. Speaker, Senate Concurrent Resolution 33 makes corrections of technical errors made in H.R. 4537, the Trade Agreements Act of 1979, which was passed by the House on July 11 by a vote of 395 to 7, and by the Senate yesterday by a vote of 90 to 4. The resolution directs the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4537. These are merely technical corrections: Commas, periods, grammatical corrections, citations, et cetera. There is no substantive change to H.R. 4537 made by this resolution.

Mr. BAUMAN. Well, the gentleman from Maryland can remember our famous pin cushion bill of a few Christmases past when a similar assurance was given, not by the gentleman, but by another Member of the gentleman's committee and it was not until a month later when the press discovered that it was a major windfall for certain parties. Nothing of that nature appears in this bill?

Mr. VANIK. There is nothing to indicate there is any risk of that occurring in this resolution.

Mr. BAUMAN. And on the issue of the importation of ammunition, there is a technical correction that returns the tariff levels to the same present level; is that correct?

Mr. VANIK. With respect to ammunition?

Mr. BAUMAN. The importation of ammunition.

Mr. VANIK. No, no; there is no correction with respect to ammunition in Senate Concurrent Resolution 33.

Mr. BAUMAN. I thought the gentleman had earlier told me that there was.

Mr. VANIK. That had to deal with the importation of gun parts, which is not dealt with in Senate Concurrent Resolution 33.

Mr. BAUMAN. Gun parts?

Mr. VANIK. The tariff was reduced by the President in the multilateral trade negotiations under his Trade Act of 1974 authority. I expect to introduce a bill to correct that and restore the tariff on gun parts in compliance with the intent of Congress under previous action.

Mr. BAUMAN. So this bill does not pertain to the importation of gun parts?

Mr. VANIK. No.

Mr. BAUMAN. I thank the Speaker.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio (Mr. VANIK)?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 33

Resolved by the Senate (the House of Representatives concurring), That, the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 4537) to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes, is authorized and directed to make the following corrections:

Page 77, line 24, strike out "or" and insert "on".

Page 124, line 8, between the quotation mark and "an" insert "is".

Page 124, line 9, between the quotation mark and "affirmative" insert "are".

Page 125, line 7, strike out "after September 29, 1979," and insert "on or after the date of the enactment of this Act,".

Page 131, line 4, after "1979," insert "or on the day before the date of the enactment of the Trade Agreements Act of 1979 (whichever of such dates first occurs),".

Page 132, strike out lines 5 through 9, inclusive.

Page 132, lines 10 and 15, redesignate paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

Page 132, line 17, strike out "337." and insert "337".

Page 132, line 18, insert a quotation mark immediately before "subtitles".

Page 132, line 19, insert a quotation mark immediately after "337".

Page 155, between lines 4 and 5, insert the following:

"(B) by striking out "and in basis of value" in subsection (c);

Page 155, lines 5 and 7, redesignate subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively.

Page 155, line 6, strike out "(c),".

Page 155, line 8, strike out "351(a)" and insert "350(a)".

Page 155, line 9, strike out "402(a)" and insert "402a".

Page 211, line 17, strike out "and".

Page 236, line 22, strike out "between" and insert "after".

Page 236, line 23, before "January" insert "before".

Page 240, line 17, strike out "teacups" and insert "tea cups".

Page 246, in the matter appearing before line 1, strike out "Parts of articles provided for in item 666.00," and insert "Parts to be used in articles provided for in item 666.00, whether or not such parts are chiefly used as parts of such articles and".

Page 243, line 14, strike out "716.30" and insert "716.31".

Page 260, line 4, strike out "(d)" and insert "(f)".

Page 328, line 3, strike out "the agreement" and insert "trade agreements".

Page 342, immediately before line 7 insert the following:

(c) TRADE EXPANSION ACT OF 1962.—Section 242 of the Trade Expansion Act of 1962 (19 U.S.C. 1872) is amended by striking out "subsections (c) and (d)" each place it appears and inserting in lieu thereof "section 302(b)(2).

Page 356, line 7, between "(D)" and the quotation mark insert a period.

Page 360, line 1, strike out "901(b)(2)" and insert "1001(b)(2)".

Page 360, line 21, strike out the quotation mark.

Page 363, strike out lines 23 and 24.

Page 364, line 1, through page 368, line 21, redesignate paragraphs (3) through (22) of section 1103 of the bill as paragraphs (2) through (21), respectively.

Page 366, line 10, strike out the comma after "sector".

Page 371, line 7, after "with respect to" insert "the matter within such section 303, 701, or 731 of".

Page 376, strike out lines 16 through 21, inclusive, and insert the following:

(3) Section 602(f) is amended by striking out the last comma.

Page 377, line 7, strike out "3(a)(1)" and insert "3(a)(1)".

Page 384, line 25, strike out "round" and insert "Round".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

□ 1920

PERMISSION FOR SUBCOMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT OF COMMITTEE ON SCIENCE AND TECHNOLOGY AND FOR SUBCOMMITTEE ON CONSERVATION AND CREDIT OF COMMITTEE ON AGRICULTURE TO MEET TOMORROW FOR JOINT HEARING DURING 5-MINUTE RULE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Natural Resources and Environment of the Committee on Science and Technology and the Subcommittee on Conservation and Credit of the Committee on Agriculture, be permitted to meet tomorrow for a joint hearing while the House is debating under the 5 minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SACCHARIN AND THE DELANEY AMENDMENT

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. MCKINNEY) is recognized for 10 minutes.

● Mr. MCKINNEY. Mr. Speaker, it has been a very long time since I have witnessed such a tumult of outrage as has occurred with the Food and Drug Administration's proposed saccharin ban. It is all the more remarkable because this is not an organized "special interest" protest, but represents instead the spontaneous outpouring of the "common interest" of saccharin consumers, shocked by what they perceive to be flagrant Government interference in their lives.

Clearly, the extension of a moratorium on the proposed ban is needed to allow further study into the health effects of saccharin. The need for such study has been confirmed most recently by the National Academy of Sciences (NAS) in a two-part report to Congress on the risks and benefits of saccharin. NAS reported it "could not derive, with confidence, an estimate of the quantitative magnitude of the risk posed by saccharin under the circumstances of use in man." More importantly, however, the extension of the moratorium will offer protection to the millions of Americans whose health might be seriously affected by the absence of saccharin or an alternative. Overweight and diabetic persons would be especially endangered by a premature ban. Therefore, I urge my colleagues to vote in favor of H.R. 4453, legislation to extend the moratorium on

the proposed saccharin ban for 2 more years, until June 30, 1981. Further, I commend the Committee on Interstate and Foreign Commerce for taking prompt action which will allow us to address the May 23 expiration of the saccharin ban by acting to keep saccharin on the market.

I must point out, however, that the larger question posed by the saccharin controversy remains to be considered by this body. Clearly, the attention of public outrage has been directed not only against FDA attempts to ban saccharin, but also against the Delaney amendment to the Food, Drug, and Cosmetic Act which requires the FDA to act against any substance shown to cause cancer in humans or animals, no matter how remote the risks may seem. Without question, such an unequivocal requirement leaves no room for evaluation of conflicting scientific evidence, nor does it give the FDA any flexibility to asses test data in terms of dosage. The law admits no qualifications, while providing no guidelines.

Many bills have been introduced to amend the Delaney clause, to make it more in touch with the realities of today's modern science. From my research, however, I gather that even if the Delaney amendment did not exist, the FDA would still have the authority, under the general food additive provisions of the Food, Drug, and Cosmetic Act, to ban saccharin as a harmful substance in the food supply. Thus, changes in the language of the Delaney clause would not necessarily insure continued availability of saccharin to consumers. Therefore, I am concerned that the public may be deluded into thinking that simple repeal of or an amendment to the Delaney clause is the complete answer.

I believe there is fairly widespread recognition that outright repeal of the Delaney amendment would be a disservice to the American people. There is no question but that the clause has served our citizens well over the years by protecting them from additives which have been proven dangerous. Indeed, many believe the Delaney language is essential to prevent scientists from having discretion to decide whether the benefits derived from a cancer-causing agent outweigh the risks. Even if all the evidence is in, defining acceptable risks to public health and weighing them is an extremely difficult job for there is no universally acceptable scientific basis for such discretion. Moreover, there is no known minimal dose below which a carcinogen can be considered safe and the effects of repeated exposure to carcinogens, even in minute quantities, may not show up for as much as 40 years. Congress then must not act precipitously on this issue and great care must be taken to insure that proposals to amend the Delaney clause are faithful to the basic concept of protecting the public interest.

Frankly, I am worried about the approaches embodied in some of the legislation which has been introduced in past years to resolve this issue. For example, to require all food additive safety tests to be based on the probable human consumption—that is, quantity—can, I believe, only invite further trouble. Such measures have been proposed, of course, because the rats in the famous Canadian tests on saccharin were fed such large amounts of the substance that a human being to ingest it in a comparable dose would have to drink 800 diet colas per day, or consume 1.5 million packages of artificial saccharin per year. These incredible amounts have met with vast ridicule. However, apparently cautious toxicologists as a matter of practice employ doses in the range of that utilized in the Canadian study before deciding whether a substance is safe. Defining and determining reasonable amounts for additives could involve us in endless controversy.

In addition, to require all food additive safety tests to be based upon the cumulative effect of the food additive in the human diet is to tread into the unknown. While saccharin has been used by Americans for approximately 80 years—and much has been made of this fact to prove its safety—until very recently this artificial sweetener was not consumed in significant amounts. It was during World War II that saccharin came into widespread use and it is expected that, should the suggested problems anticipated by use of this artificial sweetener prove true, increased bladder cancer would be occurring in the children born to mothers who consumed saccharin during World War II. It is estimated that it takes 20 to 40 years for tumors to appear. Because bladder cancers usually do not appear until about the age of 50 or after, it will be some 15 or more years before we can know the actual effect of saccharin use, since those children are now only 35 years old. Only time can provide us with the evidence we need concerning human consumption of saccharin, its interaction with body enzymes, and its carcinogenic propensities. At this time we do not have data regarding the cumulative effect of this particular food additive, much less others presently in use or which may be developed, and it would be dangerous to incorporate such a requirement into law.

Further, I cannot support measures amending the Food, Drug and Cosmetic Act to specifically bypass existing statutes and permit the sale and use of saccharin. Such a special legislative exception for saccharin would set a dangerous precedent. Should other additive controversies erupt, similar legislative exemptions would be sought for those agents as well, resulting in the hopeless undermining of the regulatory process. It is not nor can it be the role of Congress to make scientific judgments governing individual food additive decisions.

However, I do believe the saccharin controversy illustrates the need for incorporating an appeals process under the Food, Drug and Cosmetic Act—an appeals process not just for saccharin but for other additives and/or food substances which have been banned in the past or may be banned in the future. Hence I have joined my colleague, the gentleman from North Carolina, Congressman JAMES MARTIN, in cosponsoring his legislation to provide a mechanism for such an appeals process and to allow for reconsideration of an adverse determination by FDA. Under this measure, the Secretary of Health, Education, and Welfare would be granted discretion to consider the benefits as well as potential risks of an additive in determining whether to grant approval for its use. The proposed legislation would also allow regulators to discern the various risk levels of food substances and would allow a wide variety of regulatory approaches rather than requiring a complete ban on a product. This approach is in line with recommendations made by the National Academy of Sciences in part II of the NAS report to Congress.

The Martin legislation does not repeal the Delaney clause. Rather, it insures a degree of flexibility in FDA decisionmaking which is absent in the current testing procedure. And, in making the finding regarding the public risks and benefits of a food additive, the Secretary of Health, Education, and Welfare can take into account the best evidence and expert judgment possible. Hence, an opportunity would be available for evaluation of the scientific validity of tests and other pertinent animal feeding studies and human epidemiological studies. The FDA could then authorize continued use of the agent only if the Secretary found that the public benefits of such use clearly outweigh public risks. Further, the Martin proposal provides a vehicle for providing alternatives to the FDA other than banning a product when adverse test results are reported. If the test results remain inconclusive, or if the public benefits are determined to outweigh public risks, the Secretary of Health, Education, and Welfare could authorize alternatives to reduce human exposure without a total ban. This could lead to restricted use, with a low-risk designation assigned to a product. Possibly the sale of saccharin products would be permitted when accompanied by a health warning, or sale of saccharin would be restricted to special sections of retail outlets. Either of these approaches would serve to alert the public to any dangers associated with saccharin consumption.

To grant flexibility in FDA decisionmaking raises the question of Government's role in protecting the public. Surely no one objects to Government action in halting the production of Kepone or other such deadly chemicals that destroy the human nervous system. In that case the evidence was clearly before us in the bodily deterioration of many of our citizens. What, then, is the Government's role in protecting the public from an agent not considered dangerous by its users where there is conflicting test data regarding its safety? Without question, flexibility is a tremendous responsibility, a very delicate procedure with far-reaching ramifications.

However, I believe the additive section of the Food, Drug and Cosmetic Act would be strengthened by the inclusion of the Martin bill. Should the dangers of a food substance be clearly delineated and test data conclusive, the Secretary of Health, Education, and Welfare would have little difficulty in reaching his determination. In cases like saccharin, however, where test results vary and the scientific community is divided on the

question of its safety and efficacy, then the ensuing public uproar can only lead to an undermining of the effectiveness of our food safety laws and the governing regulatory process. An appeals process is necessary so that the issues can be openly debated. In this way, not only will the public be educated on the possible hazards of the substance but they might also find renewed confidence in Government and regulatory agencies.

BEN WATTENBERG SAYS "IT'S TIME TO STOP AMERICA'S RETREAT"

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

● Mr. KEMP. Mr. Speaker, 40 years ago, national attention was focused on this Chamber as the debate between isolationists and interventionists centered on the extent of American involvement in the hostilities then occurring in Europe and the Far East. The issue was only completely resolved after the tragic incident at Pearl Harbor, which unified our Nation into a state of emergency.

At the end of the Second World War, American military power combined with its economic and technological resources provided the centerpiece of the free world. The era was called the beginning of the American century. Our national leaders became cognizant of this new leadership role for America, and moved the Nation in the direction of internationalism, more specifically to become the cutting edge of foreign aggression.

Our military power was effectively used to check the spread of Nazi aggression while our economic and technological example was expected to assist other free nations to become self-sufficient. This was all possible because America was the No. 1 military force in the world—a situation that earned us widespread respect around the world both by our friends and our adversaries. This respect gave birth to such organizations such as NATO and SEATO, and our friends abroad knew that they could count on our support if their borders were ever threatened.

American internationalism turned parochial after Vietnam. Our friends abroad began to question the limits of our resolve to protect their interests. Our economy began to shatter, technological advancements more and more began to surface in other nations, and American productivity slackened off. Neoisolationists argued that America should stay at home to take care of its own problems, and let the world fend for itself.

Today we are experiencing the results of that neoisolationist policy. The world has recently seen revolution in Iran, the cutting loose of Taiwan by America, another war in Vietnam, assassination in Afghanistan, Cuban guerrillas stirring up trouble all over the world, and, of course, the growth of OPEC. Publications all over the world correctly labeled this "America in retreat." In a nutshell, America had given a signal that it was no longer going to use its military might to end foreign turmoil. The policy of peace through strength had finally given way to moral persuasion, and it just did not work.

In recent months it became increasingly evident that the American people have become more interested in returning to a harder line on impacting world events. The concerns over SALT II, long gas lines, Cuban intervention, and nuclear proliferation around the globe have awakened a new sense of urgency in our citizens.

The very able journalist and social commentator Ben Wattenberg has captured this concern in a recent edition of the New York Times magazine in a penetrating article that traces our foreign policy over the last few decades and provides an insight into the pitfalls our Nation will be facing as we enter the 21st century. Wattenberg concludes that—

Our problem is not too much, but too little power. The old chestnut of "peace through strength" makes ever greater sense. The realization has dawned on us again that our culture, our values, our ideas are worth defending. And our nation seems ready to act, moderately, on this proposition.

Mr. Speaker, I believe that Ben Wattenberg is correct in his assumptions, and commend this excellent article to my colleagues' attention and ask that the complete text be placed in the RECORD.

IT'S TIME TO STOP AMERICA'S RETREAT

(By Ben J. Wattenberg)

There is a rhythm to the ideas of men. Thus, for an extended moment—call it from Tet to the Ayatollah—there seemed to be a growing sense that America's experience in Vietnam had repealed many of the old precepts of statecraft.

What were these old precepts? Well, why were we in Vietnam in the first place? To defend freedom, said L.B.J., and to honor our commitments so that other nations would not acquire an image of America as a paper tiger, and to prevent Communist forces from taking over other countries and toppling the dominoes one by one. And just how would we go about accomplishing this? We would do it with raw power—not because we wanted to do it that way but because, as events unfolded in Vietnam, there was no other way.

As Vietnam turned from an agony to a tragedy to a debacle, as it seared and shaped the minds of those who opposed the war and ultimately of many who supported it, these old precepts came under challenge. The rhythm of our era took us through a time when a new catechism emerged under the rubric of "The Lessons of Vietnam."

To the early doves and some of the latter-day doves, too, many of these lessons seemed clear. American power, they felt, was not a last resort that got you out of trouble; American power was, in fact, what got you into trouble. We suffered, they said, from an "arrogance of power." We were "overextended." That "domino theory," of course, was "discredited." What had taken the shine off America's international image was our belief that human blood should be shed in the defense of something as intangible as that image. And freedom? Well, was the "corrupt" Thieu Government an exemplar of "freedom"?

And so it seemed to many that the old rules deserved to be challenged, even junked. Just as a "New Politics" formed in reaction to Vietnam, so too did a new foreign policy. It was a policy, said its advocates, that was less muscular, more accommodating, and lower in profile. It was a policy, said its critics, that was weak and retreatist. When Jimmy Carter, a man often in tune with the rhythm of American thought, took over as President, he staffed his foreign-policy agencies with people who accepted these soft-line "lessons" derived from "the trauma of Vietnam."

And then—suddenly—chaos.

Late last year and early this one, a grim sequence of events seemed to create a sense of what newsmagazines quickly labeled "America in Retreat." Revolution in Iran, withdrawal from Taiwan, war in the Yemens, war (once again) in Vietnam, a Communist coup and then assassination in Afghanistan, near anarchy in Turkey, price buccaneering by OPEC, mercenary militarism on Cuba's part in Africa, and, perhaps most symbolic, gaucherie and rebuke in Mexico.

The world was unraveling—or so it seemed. And as this happened, the melody of an already swelling new mood in Washington gained still more volume. The metronome was swinging again to the rhythm of our time. The crux of this new mood, I would suggest, can be defined as "the dawn of old ideas in a new era." And as one listens to the talk here these days, a feeling grows that if the President's State of the Union message had been delivered today instead of in January, the contest for a snappy slogan might have properly been won not by "New Foundation" but, perhaps, by "Old Foundation."

What are these old general rules that are now enjoying a new esteem? And how do they apply to what is clearly a new era in world politics and power? Consider, to begin, four such dictums, all of which are coming out of the closet now with a vengeance.

The first rule is that image counts.

Once upon a time there was an American President named Richard Nixon who said that unless the United States flexed its muscles occasionally, the world would come to regard us as "a pitiful, helpless giant." That notion was greeted with derision.

But recent events suggest that it shouldn't have been. As it is in life, so, too, in statecraft: Image and perception may count as much as reality. In fact, they often become reality.

Late last year, just a moment before the world seemed to start shuddering before our very eyes, Zbigniew Brzezinski, Assistant to the President for National Security Affairs, spoke from a podium in an elegant hotel ballroom to a crowd of about 500 card-carrying members of the foreign-policy establishment. In his clipped, precise manner, he delivered a coherent and official view of the Administration's foreign policy.

When this Administration came into office, Dr. Brzezinski informed us, it identified a series of major problem areas facing America and the world: rich nations versus poor nations, East-West problems, military security, economic and trade problems, disarmament, human rights and so on. He was pleased to report that progress had been made on all these fronts. Such was the message that consumed roughly 44 of the speech's 45 minutes.

During the final minute of his address, however, Dr. Brzezinski acknowledged that, of course, the world was not a perfect place and some problems remained. He named two: The Russians were continuing a massive military buildup, and, he noted further, "an arc of crisis" now stretched "along the shores of the Indian Ocean." End of speech. Polite applause.

I left the hall and a few minutes later was at a small luncheon at the American Enterprise Institute with a man I will identify only as "Diplomat X," who happened to come from one of those nations in "the arc of crisis." His message differed considerably from Dr. Brzezinski's.

What on earth is going on? he thundered. The word is out around the world. Your great country, on which we all relied, is retreating from the world arena. We allied ourselves to you, antagonizing the Soviet superpower, and suddenly we find ourselves out at the end of the plank. And so we may have to cut

a deal with the Soviets. We do not like this, because cutting deals with the Soviets is hazardous—and often the Soviets end up holding all the cards. But we now have little choice.

"Diploma X" concluded by saying that he was sure that one day America would regain its senses—sooner, he hoped, rather than later. But in truth, he did not know whether the damage done by then would be reversible.

Now, the purpose of this exercise in the "Rashomon" of foreign policy is not to determine whether Dr. Brzezinski or "Diplomat X" is right about the state of American power. We already know the answer. "Diplomat X" is right. His nation has perceived America as weak. The sources of this perception are many: our lack of effective response in Angola, the Horn of Africa and Iran, our lack of response to, or alarm over, a Russian-surrogate takeover in Afghanistan, our inability to deal with a Cuban expeditionary force in Africa, our planned withdrawal of troops from South Korea, the demoralization of our C.I.A., our decisions to shelve the B-1 bomber and the neutron bomb, the feeling that we have been siding with our adversaries instead of bolstering our friends—and so on and so forth.

Of course, "Diplomat X" may well be objectively wrong about any or each of these cases or conditions. But that is not the point. When "X" and his diplomatic colleagues talk privately over drinks late at night, they are thinking and saying that the United States is in retreat. And then they, and their governments act accordingly. Soon thereafter, one picks up the newspaper and finds a pro-American government acting neutral, or a neutral government acting pro-Soviet, or another batch of Cubans popping up in yet another African country, or another oil price hike that we didn't expect.

An example of the consequences of America's image as a helpless giant is what is happening in Saudi Arabia. The Saudis were horrified by what they perceived to be American weakness in Iran. Was it an accident that, following such horror, they made softer sounds to the Soviets, were less willing and able to put a brake on escalating OPEC prices, and didn't lift so much as a finger to help us out with the Egyptian-Israeli peace treaty?

Image counts. If other folks think you're a pitiful, helpless giant (or, in the Ayatollah Khomeini's felicitous phrase, "a defeated and wounded snake"), you're halfway there.

The second resurgent rule is that power counts.

The reassertion of this notion is similar to another great reassertion currently sweeping down the boulevards of Washington. "There's no free lunch," says Milton Friedman in the realm of economics. Everything costs something.

And so, too, in the realm of power and statecraft. Thus it is not very difficult to run a domestic three-ring circus around the Central Intelligence Agency. That's a free lunch. Senators can fondle poison-dart guns in front of television cameras. The agency can be denounced as a "rogue elephant." A battalion of legislators can be empowered to provide oversight. (Today a C.I.A. "secret" must be shared with eight Congressional committees and scores of typically tight-lipped legislators.)

All that is free and easy. What is not easy is to do this and still expect the C.I.A. to be able to do its job. The chutzpah award of the decade goes to those legislators who beat up on the C.I.A. with great glee and then demanded, "How come we didn't know what was going on in Iran?"

"No free lunch" means that a demoralized intelligence agency, oversighted to death and scared of its own political shadow, is not likely to come up with coherent and tough-minded plans to squeeze Cuba in the right places so that Castro might decide that maybe his African adventure isn't such a good idea after all. Does anyone believe that such active planning is going on? I don't believe it because if it were so, given the current state of leakage, I would already have read about it in the newspapers.

Further, "no free lunch" also applies to more conventional modes of power. Suppose that, for a period of a decade, the United States declares that it has to "reorder priorities." Suppose it decides that the way to do this is to "cut the bloated military-industrial complex." And suppose that this goes on at a time when the Soviet Union, our principal adversary, is reordering its priorities in exactly the opposite direction—beefing up and further bloating its military-industrial complex. If all this happens, the old-fashioned rules say that somebody, somewhere, will end picking up that lunch tab.

In the 1960's, the United States spent about 9 percent of its gross national product on military expenditures and about 10 percent for social welfare. Today, the military portion of our G.N.P. has fallen to 5 percent, while social-welfare spending has risen to 21 percent—a rather successful re-ordering indeed.

Moreover, during this same period, spending by the Soviets on defense has soared. (Modest estimates say 15 percent of the Soviet G.N.P. goes for defense.) The common phrase for it is that the Soviets have undertaken "the largest peacetime military build-up in history." A few years ago, such a phrase was the exclusive province of hawkish types like me, but today it is no longer seriously contested at any point on the ideological spectrum. Simply put, the Soviet Union has at least caught up with the United States in military power—and, as the current wisdom has it, unless the spending trends are reversed either by us or by them, America will in a few years be "No. 2" in military might.

We know this. They know this. And the rule of "no free lunch" holds that if they have more power and we have less, the Soviets will use what they have and be able to use it more effectively. If they want to back Cuban troops in Angola with massive economic resources, a wide array of military supplies and a resupply capability based on a newly developed blue-water navy, why, they will do it. And if, because of what we have done to our C.I.A., to our military power and to our own heads, we don't back UNITA, the still viable, still pro-Western Angolan guerrillas, it makes it just that much easier for the Soviets.

Power counts. And, in the language of the really old foundations, it abhors a vacuum.

The third rule: Dominoes live.

Exactly how the word "discredited" became attached to the phrase "domino theory," during precisely those years when events were bearing it out, will no doubt remain a linguistic mystery for some time. Yet the facts are plain: Almost immediately after the fall of South Vietnam, Communist governments or puppets did assume power in neighboring Cambodia and Laos, just as predicted. For good measure, and in an ironic twist, when Communist Vietnam didn't like the behavior of Communist Cambodia, it simply marched in, toppled the new domino and installed its own surrogate government.

So much for literal dominoes. But figurative dominoes were always more important in the diplomatic house built on the old foundations. Simply put, the domino theory was (and is) shorthand for the truism that events in one country influence events in others.

How could anything so obviously correct ever be "discredited"?

The validity of the figurative aspect of the domino theory was underscored in our newspapers during the recent days of tumult. Some months ago, doves laughed when "cold warriors" got hot and bothered about the pro-Soviet coup in Afghanistan. A backward, out-of-the-way country, they giggled. Makes no difference. But when the Shah experienced his recent unpleasantness in Iran, it wasn't so funny when reports came through that pro-Communist infiltrators were passing from that same Afghanistan into Iran in a continuing attempt to turn Khomeini's revolution into the Kremlin's.

And so it goes. Dominoes.

We will come to our fourth rule in a moment, but consider first a challenging question often raised over the past dozen years about the aforementioned three: So what?

So what is North Vietnam takes over South Vietnam? So what if the Soviets float a massive new navy and surpass us in nuclear firepower? So what if Cuba sends troops to Africa? What do any of these remote things have to do with us? Will the Soviets land in Montauk and march west?

This question is asked less frequently these days as the old foundations reappear. Partly, as I sense it, this is because some international events have had such a powerful impact on our domestic situation. "So what?" is an unrefined question at a moment when international conditions have driven the dollar down and gasoline and inflation up—phenomena felt on every street corner, in every supermarket and on every gas line. But in addition to these domestic implications, there is another old brick of an answer to "So what?"

The answer is our fourth resurgent rule: Freedom counts.

The foundation of American post-World War II foreign policy was clear: The Western notion of human freedom was threatened. Unless the United States defended these Western values, they might decline around the world, primarily under Soviet pressure. And if these values eroded around the world, sooner or later they would erode here as well.

It was, to be sure, a noble concept, but one that just as surely got us into trouble at times. Under such a policy it was easy enough to support other Western industrial democracies. But it also meant supporting other nations that were allied with us in resisting Soviet advances—even if those nations were not themselves democratic. At its most convoluted, the policy occasionally resulted in Americans' using covert, undemocratic means to support undemocratic governments threatened by internal forces that at least professed democratic beliefs.

Still, for all its complexity, there was a consistent purpose—and a moral one, at that—behind the sometimes roccoco curlicues of who was friend and who was foe. As John Kennedy said, we were the "watchmen on the walls of freedom." That old brick, of course, was kicked aside during Vietnam. J.F.K.'s idealistic language was held up to mockery. (Cold Warrior!) Our allies in Vietnam put people in tiger cages and we weren't any better, what with napalm and My Lai.

But it was Dr. Johnson who said, "Depend upon it, sir, when a man knows he is to be hanged in a fortnight, it concentrates his mind wonderfully." Something like that seems to be happening to us now. As we end up on the short side of the operative principles of power, image and dominoes, our minds, too, are concentrating, and we are being forced to look squarely at that earlier guiding principal of our foreign policy, the defense of Western values.

No one would dare use the phrase "Communist menace' these days, but there are Communists and their footprints are still menacing. Solzhenitsyn has exposed the horrors of the Soviet gulag, and the Chinese version was denounced by none other than Deng Xiaoping. One can assume that Mr. Deng has a more accurate notion of the Chinese paradise than a generation of Western liberals who saw "a human symphony" (in Shirley MacLaine's inmortal phrase).

Another bubble has burst in Indochina. The "boat people" are fleeing Communism just as the East Germans did a generation

earlier—and as they did not flee the "corrupt" General Thieu. And in Cambodia, the Khmer Rouge blood bath provided, in extremis, the horror that has come to be associated, in one way or the other, with Communist takeovers around the world.

So if Western values are still under siege, if the alternatives seem dreadful, and if America's power is diminished, one is pushed to ask yet another difficult question: Can our values ever really flourish in a world where "the United States is in retreat"? And the answer one gets in Washington these days is a gloomy "maybe."

Now, in normal parlance, an answer of "maybe" carries little thought of imperative action. But consider "maybe" when it is used in this sentence: "Well, it's true we don't really understand the tides of history, but maybe the nature of Western civilization will be undermined if America doesn't turn things around. . . ." Now, that's a pretty big "maybe" to try to get to sleep with in the quiet, still hours when even harried diplomats must think about the long-range effects of what they're doing.

Let us note that 10 minutes before the Dark Ages began, people were not sitting around their parlors saying, "Tut, tut, in 10 minutes the Dark Ages will begin." But recently, as I sense it, much of official and semiofficial Washington—in the Administration and Congress, in the think tanks and the plush law offices where outsiders wait to become insiders again—has been musing in this cosmic way. So far, our Western freedoms have represented a mere blip in history. There is no guarantee they will survive in any event, but the odds go down if we predicate that our children will live in a world where the Soviet Union is the most powerful military force on earth, and if we and our Western friends are perceived internationally as either "in retreat" or impotent. Fourth rule resurgent: Freedom counts.

And so there is a clammy feeling in Washington. Accordingly, foreign policy has rather suddenly become recognized as a key Presidential issue for 1980.

As President Carter and his spokesmen watched the great unraveling earlier this year, they pursued two lines of public defense of their positions. "Restraint" was their policy, they said, and anyway, they asked, "What can we do about it?"

These arguments are less than robust on the campaign trail. Americans believe that a President is paid his salary not to ask what can we do about it, but to do something about it. Recent public-opinion polls, in fact, show the nation turning steadily to a more hawkish, prodefense posture. If President Carter hasn't sensed this, his Republican opponents certainly have. From Senator Howard H. Baker's call for an end to bipartisanship in foreign policy to John B. Connally's more vigorous call ("We have to make up our mind that the United States is the leader of the free world, and if we are not the leader, there will be no leader"), the Republican political sharks smell blood in the water. Nor are they above explaining that gas lines and high prices have some of their roots in foreign circumstances.

So politics, too, are conspiring to a move toward a reassessment and reassertion of America's international position. If Archimedes didn't say it, he ought to have: "Give me the lever of domestic political advantage and I can move the world."

What, then, can we do, besides saying, "What can we do about it?"

The first step toward an answer involves acknowledging that there is merit in the Carter Administration's oft-proclaimed view that we live in a new era. It is surely true that we do not have the same ability to control events around the world that we once had. There is a new set of "multipolar circumstances, and friends, foes and neutral are all more powerful than they used to be.

But that there is a new set of global circumstances, for one example, does not mean that America must remain denuded of an intelligence agency. That can be changed, quickly and unilaterally, while still allowing for some form of reasonable oversight.

That there is a new era does not mean that the Soviets must be allowed to become the dominant military power. It is an ugly fact but a fact nevertheless that America's defense spending must be determined by the Kremlin, not by the poor condition of our cities. The United States and its allies still make up by far the mightiest assembly of technological and economic resources known to history. The idea that we cannot afford a given amount of defense to meet Soviet activity is, simply, hokum.

Still, we can never go back to our military supremacy of the 1950's. That there is a new era in which our military power is necessarily diminished in a relative sense may well mean that we have to think once again about playing hardball with the Soviets on economic matters. The "discredited" Jackson Amendment linking American trade preferences to Soviet emigration policy is about as "discredited" as the dommo theory. The Soviets have recently loosened up their emigration policy in an attempt to gain trade benefits. That is precisely what the Jackson Amendment intended, and the question now is only whether we hang tough and nail down a good bargain.

There are other economic linkages, admittedly complicated, that deserve consideration. The Soviets need Western technology, grain and so on. In the new era, they may well have to expect to pay a political price for what they need. The phrase for such a policy is "the wealth weapon," and it is an instrument that can be wielded only as a scalpel, not as a blunderbuss. If the Soviets want wheat, for example, we might be able to design a sales and licensing procedure that would key such trade, perhaps subtly, perhaps publicly, to a lessening of the rate of increase of the Soviet military buildup.

In the new era in which American raw power is diminished, there is all the more reason to look at our sources of refined power. The campaign for human rights, brilliantly begun and sadly executed by President Carter, is such a power source. Our human-rights policy, originally designed to deal with strong adversaries, has become a switch with which to whip weak allies. It is, after all, easier to berate Chile and South Korea than the U.S.S.R. This should change. Poised as it is on a potential powder keg of restless nationalities within its borders, challenged in Eastern Europe by the galvanized divisions of the Pope, scorned now even in leftist intellectual salons around the world, the Soviet Union will be a much less dangerous force in the world if we make sure that it remains on the ideological defensive by renewing our campaign for human rights.

Now, it's true, all these suggestions do not tell you what to do on the day when the gunmen take over your embassy or when the Cubans arrive in yet another African country or when another neutral state acquiesces to Soviet pressure. All that a change in American foreign policy along the lines suggested here will do is make it somewhat less likely that such events will plague us in the future, less likely that a future American administration will have to say, quite so often or quite so plaintively, "But what can we do?"

The Carter foreign-policy team, often still mired in the mentality of the late 60's, may well have been the last to know, but under the combined pressures of circumstances and politics, the Carterites, too, are beginning to understand once again the old precepts and to unlearn some of the "lessons of Vietnam." I think, for example, that a case can be made that the final and successful push for the Egyptian-Israeli peace treaty came only after the Iranian collapse, after the tumbling-house-of-cards sensation, after the newsmagazines asked if "America was in retreat." Aside from all the other valid reasons for such a treaty, suddenly America needed the treaty to send a message to the world that our writ had not run out. And we were able to make it happen by letting both Egyptians and Israelis know that, at least in this one area of the globe, America was still the world's policeman.

Our decision to send arms to Yemen was also of major symbolic significance. Just about every official I spoke to at the State Department volunteered the thought that such a situation would not have engendered such a response only a few months earlier. One assistant secretary said to me, "I was against sending the aircraft carrier to the Yemen area. What the hell can a carrier really do there anyway, besides get sunk? But once we did it—by God—it did make sense. Everyone—us and them—suddenly knew we were playing for keeps. And that becomes a big fat fact." Now, for good measure, there is talk about establishing a new U.S. fleet, the Fifth, to patrol the littoral of the Indian Ocean.

Recently, too, the President has finally approved plans to go ahead with some aspects of the MX missile system—to applause from the Pentagon—in an effort to help passage in the Senate of the SALT treaty.

Indeed, it is likely that the SALT debate, too, will deal with the dawn of old ideas. It is fair to guess that more than one senator will speculate out loud that he could find it easier to vote for SALT if the Russians sent their Cuban mercenaries back from Africa to their island cane fields. Quite properly, the SALT debate will address the big issue of whether the policy of détente, which was designed to end the cold war, has turned into a policy whereby we are losing the cold war because of our neglect of the old rules of statecraft. Simply put, it is doubtful that the President will be able to obtain solid endorsement of the SALT treaty if Americans believe that "the United States is in retreat."

And so, the pendulum is swinging—for the third time in a third of a century.

After World War II, the United States filled a massive power vacuum while the European nations and Japan, with our assistance, rebuilt themselves. Our mood was expansive and internationalist. In a brief moment, our technology and culture spread across the world; our military might was unparalleled. The American century had arrived.

But the view of American power began changing in the late 1960's and early 1970's, at least among a good portion of American elites. Our power had gotten us into trouble. We identified our adversary; a generation of activists paraphrased Pogo's words: "The enemy is us."

So the pendulum swung back. The Presidential candidate of the largest and oldest political party of the free world in 1972 was described as a "neoisolationist." George McGovern was a big loser in the election, but his plea, "Come home, America," surely represented a new view held by many influential Americans.

Now the pendulum is swinging once again. Our problem is not too much but too little power. The old chestnut of "peace through strength" makes ever greater sense. The realization has dawned on us again that our culture, our values, our ideas are worth defending. And the nation seems ready to act, moderately, on this proposition.●

AMTRAK

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 20 minutes.

Mr. COLLINS of Texas. Mr. Speaker, the floor discussion on Amtrak today overlooked the basic facts. Amtrak has few passengers per train-mile. In the report for the House on the Amtrak Reorganization Act of 1979, I joined with Mr. DEVINE, of Ohio, in the minority views.

H.R. 3663 means more spending by Congress. Amtrak cannot justify the need for this money based on their past experience or current operations.

Here are our minority views on Amtrak.

MINORITY VIEWS ON H.R. 3663, AMTRAK REORGANIZATION; UNITED STATES RAILWAY ASSOCIATION AUTHORIZATIONS; AND OFFICE OF RAIL PUBLIC COUNSEL AUTHORIZATION

If H.R. 3996 did not represent such a burden for the American taxpayers, it could be considered a joke. Unfortunately, few taxpayers will see much humor in siphoning nearly three billion dollars of their hard earned tax money to roll along on empty Amtrak trains.

The first year cost of this bill is $916.2 million. The cost for FY 1981 is $929.5 million, and $980 million for FY 1982. The sum of those figures is a whopping $2.825 billion. All but $28 million of that total is for Amtrak.

The simple fact of the matter is that the taxpayers receive virtually no benefit from this massive drain of their tax money. We believe that the time has come for the Congress to act responsibly by eliminating Amtrak. While Amtrak has been a noble experiment—born as a desperate attempt to keep passenger service from dragging all the nation's railroads into bankruptcy—eight years of effort have failed to demonstrate a real need for the service. We cannot afford to keep Amtrak going simply because it permits Congressmen to have a toy railroad and labor unions to have institutionalized featherbedding.

During the last Congress, the General Accounting Office prepared a report for the Committee which summed up the reasons that Amtrak has not been able to create a use for its services. In testimony before the Commerce Committee on March 20, 1978, the Director of the Community and Economic Development Division of GAO testified that:

Amtrak's biggest problem is that there are not enough people who want to use the train for intercity travel. While Amtrak attracted about three million more passengers in fiscal year 1977 than it did in 1972, it did so by substantially increasing the number of trains available. The number of revenue passengers per train has decreased. The reasons why demand does not exist in spite of Amtrak's low fares (fare revenue averaged only about 35 percent of operating costs) are fairly straightforward. Air travel is much quicker and more convenient for time-sensitive travelers, smoother and more comfortable (especially considering the comparatively short time the traveler must occupy the airplane), and on longer trips, almost the same price as Amtrak. Buses go more places than Amtrak. Usually at a lower cost to the traveler. Automobiles give travelers more control over where and when they go, are convenient to have at a destination, and, on a marginal basis most people use to make travel decisions, are perceived as being much cheaper than the train, particularly when more than one traveler is involved. (Page 55.)

Amtrak's revenue passenger miles per train mile is still considerably less than it was four years ago. In FY 1978, revenue passenger miles per train mile were 111.7. This compares with revenue passenger miles per train mile of 126.81 in 1975. The decline occurred even though Amtrak (1) increased trains; (2) increased train miles; and (3) increased routes. As a matter of fact, Amtrak had fewer revenue passenger miles (3,494,690) than there were in existence just before Amtrak was created (4.4 billion revenue passenger miles).

Less than a year ago, the Amtrak Improvement Act of 1978 (P.L. 95-421) became law. When that bill, H.R. 11493, was reported by this Committee, we filed Minority views to accompany the Committee report for the following five reasons:

(1) Amtrak had failed;

(2) Amtrak cost the taxpayers too much;

(3) Amtrak provided no public benefit;

(4) The freeze in H.R. 11493 guaranteed another 18 months of extravagant waste; and

(5) H.R. 11493, in effect, prohibited even the Secretary of Transportation from taking off a single train, then or in the future.

All of those warnings have proven to be true although the Secretary of Transportation did attempt to reduce the size of the Amtrak system when he submitted his route restructuring plan in January of this year.

The Committee twisted, turned, and all completely mangled the Secretary's efforts at rationalizing Amtark. In this bill, Section 117 attempts to undo all of the Secretary's efforts by adding "additional qualifying routes." In that section, any train which has been recommended or discontinuance by the Secretary can be added back if it meets some fuzzy criteria based on facts and figures which are not real, but rather projected for the fiscal year ending September 1980. Naturally, the projections are undertaken by Amtrak itself which was we assume still has its compelling urge to grow like Topsy at the expense of the taxpayer.

Amtrak's growth can best be measured by examining the funds authorized for Amtrak under this bill. The Committee has carefully broken down the operating subsidies for Amtrak into several categories in order to disguise the fact that Amtrak's costs continue to escalate. For example, section 120 of the reported bill contains seven different categories in order to make it appear that Amtrak is getting less rather than more money. In Category A, which is for the payment of operating expenses for the basic system, the first year authorization is $552 million, the second year authorization is $591 million, and the third year authorization is $598 million. This category was contrived in order to reflect figures suggested by Secretary of Transportation Adams as the sums that should be spent for his proposed restructuring of Amtrak. The similarity between the Secretary's recommendation and the Committee's reported bill ends at that point.

The second authorized category for Amtrak involves capital expenses. The first year authorization is $230 million, some $60 million more than suggested by the Secretary of Transportation. The second year authorization is $253 million, over $60 million more than was suggested by the Secretary of Transportation under his proposal. The third year authorization for capital expenditures is $271 million, again considerably more than was requested by the Administration. The differences in figures between the capital expense requests of the Secretary of Transportation and that provided by the Committee is even more significant when one considers that labor protection costs are included within the Secretary's recommendations for capital expenditures and the reported bill contains a separate category for such expenses. The third category of expenses authorized by the reported bill involves expenses for State subsidized service. At the present time, approximately $7 million of Amtrak's budget is used for State subsidized service. The bill reported by the Committee contains a first year authorization of $25 million; a second year authorization of $30 million and a third year authorization of an additional $30 million. Hopefully, States will continue to use better judgment than the Federal government by not adding State subsidized intercity rail passenger service for the amusement of State legislators or as an employer of last resort. Apparently, the majority of the Committee anticipates some ground swell or State subsidized service by increasing the authorization for that purpose by nearly 400 percent.

Not satisfied with using the taxpayers' money to run inefficient intercity passenger trains around the country, the Committee added an additional new category of expenditure by creating a separate account for rail banking any track which is currently, but will no longer be used by rail passenger trains. The Committee authorizes a total of $9 million to pay for keeping every tie and every piece of track in place in the United States while railroads continue to complain about their financial difficulties because of overcapacity.

The Committee-reported bill then creates two new categories which essentially are for the purpose of adding back trains recommended for discontinuance by the Secretary In paragraph (e), $35 million is added for the first year, $36 million for the second year, and $37 million for the third year. In paragraph (f), the Committee generously adds another $20 million so as to keep in existence all trains which the Secretary has suggested to be re-routed in order to save the poor taxpayer a few dollars. Finally, the Committee line items a program of model programs to the tune of $1.5 million for each of the next three fiscal years. We suppose Amtrak itself should be considered a model of how to spend taxpayer money by providing benefits to fewer than 3/10's of one percent of the intercity travelers in this country.

From the beginning, we have questioned the wisdom of the attempt by Congress to push onto the American taxpayer a rail passenger service which it neither needs nor wants. Unfortunately, political pressures on the members of the Committee by Amtrak and labor organizations representing railroad workers have caused Congress to get into the political train business. It must appear to many that log-rolling has been replaced by trail-rolling, for with the passage of each year more trains are added to Amtrak even though it cannot provide reliable, safe and comfortable service with the trains it now has.

We urge our colleagues to face the fact that H.R. 3996 represents a $3 billion waste of taxpayer money. The time has come to vote against this bill and close Amtrak down for good, thereby saving future taxpayers billions of additional dollars.

SAMUEL L. DEVINE.
JAMES M. COLLINS.

UNEF EXPIRATION; JULY 24, 1979

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

● Mr. FINDLEY. Mr. Speaker, the United States and the U.S.S.R. have struck a deal on the nature of the future United Nations peacekeeping force in the Sinai Peninsula. But this deal is not in the interests of the United States, of Israel, or of our efforts to establish peace in the Middle East. Rather, in our rush for ratification of the SALT II Treaty, we have sacrificed our principles, revealed a shallowness of commitment, and undermined our relations with Israel and the hope for progress toward peace in the Middle East. We have also, I would argue, helped the Soviets to bolster their credibility with the Arab states while we have embarrassed ourselves.

The mandate for the United Nations Emergency Force (UNEF) expires today, July 24, 1979. Since a continuation of UNEF's presence in the Sinai Peninsula was envisioned during the 3-year interim period of Iraeli withdrawal from the Sinai as prescribed by the Egyptian-Israeli peace treaty, a U.S. policy objective has been the renewal of the UNEF mandate prior to its expiration this month. However, the Soviet Union hinted, then publicly stated that it would veto the renewal of UNEF when it came before the United Nations Security Council. Anticipating such a possibility, the United States in identical side letters, both dated March 26, 1979 to Prime Minister Begin and President Sadat committed itself to take steps to insure the establishment and maintenance of an acceptable alternative multinational force should UNEF go out of existence.

At the same time, the United States also approached the other members of the United Nations Security Council seeking their support for the renewal of UNEF. It was not initially clear whether 9 of the 14 Security Council members, the necessary plurality to renew UNEF's mandate, would vote in favor. Eventually, however, the United States by means of diplomatic efforts was fairly confident that it did have the votes. Therefore, the United States in effect, "called the Soviet's bluff," and put the U.S.S.R. in a position of having to veto the extension of UNEF to fulfill their widely proclaimed commitment of blocking the continued UNEF role in the Sinai.

The Soviets realized that the United States had the upper hand. The votes existed in the Security Council to approve UNEF's renewal. And we had clearly stated our intention of organizing a multinational force in the Sinai to replace UNEF if that became necessary. The Soviets were looking at a veto and at the unpalatable prospect of an alternative force to UNEF which involved a U.S. role if not presence. The Soviets recognized that an exercise of their veto right would not set well with the Europeans and others around the globe who, whatever their opinion of the merits of the Egyptian-Israeli treaty, understood that UNEF had played an important role in the Middle East peace process and that both Egypt and Israel wanted it to remain in the Sinai. Also, a Soviet veto would be untimely in that it would probably also cost votes in the Senate ratification of SALT II.

The latter prospect was viewed with particular alarm in Washington. Rather than forcing a vote in the Security Council and then using the threat of a U.S.-sponsored force in the Sinai to pressure the Soviets to accommodation, the United States pulled back. It sought a compromise with the Soviet Union and did so in such a way as to minimize our leverage over critical decisions.

I was not privy to United States-Israeli discussions during this period and do not know their contents. Who really surprised whom on the reaction to a different U.N. arrangement in the Sinai than UNEF is unknown to me. What is apparent, however, is that the United States struck an agreement with the U.S.S.R. on a future United Nations arrangement in the Sinai without prior agreement of Israel. We did have not have an understanding with our friend before coming to terms with our adversary. Such a procedure is extremely unfortunate. Moreover, the United States acted in such a way as to present Israel with a take it or leave it proposition. Since the UNEF mandate expires today, the end to UNEF was imminent and irreversible when Israel learned that an alternative U.N. force, the United Nations Truce Supervisory Organization (UNTSO) would replace it. There was little room for discussion at this point much less negotiation. And, indeed, the United States undercut its own ability to influence the outcome of decisions on UNTSO. Since the UNEF mandate expires today, what leverage do we have left in working out with the Soviet Union any alternative arrangement in the Sinai which is acceptable to us and to Israel?

But most shocking of all, we again reduced our leverage on the Soviet Union by stating that we had no commitment to Israel to organize a multinational peacekeeping force in the Sinai to replace the defunct UNEF during the 3-year interim period before final Israeli withdrawal from the Sinai. Rather, the United States recently stated, that commitment would begin only after the 3-year interim period ended.

Now, reinterpretation of a commitment can be adept and useful diplomatic maneuver. Prime Minister Begin, for example, adroitly reinterpreted the Camp David framework to permit Israel to go on building settlements in the West Bank during the negotiations on that area's future, much to the great frustration of the United States. And I will not recount the several examples of Soviet reinterpretation of SALT I to their advantage. In each case, however, the public record and even the private record was not sufficiently precise and clear to enable us to sustain our objections to such reinterpretations. In the case of the U.S. commitment to a multinational force, however, the public record is clear and explicit.

There is no doubt in my mind and there should be no doubt in the mind of anyone who reviews the hearing record of the Committee on Foreign Affairs that the U.S. commitment to Israel and Egypt as contained in the March 26 letters on working to establish a multinational peacekeeping force should the renewal of UNEF not occur began immediately and included the interim 3-year period. Whether Congress would have to and would approve the U.S. role in funding, establishing, or maintaining such a force is a separate issue. Therefore, this abrupt reinterpretation is, indeed, a maneuver but one that is heavyhanded, clumsy, and transparently fraudulent. That the United States may be going back on a commitment in a very shabby way is obvious. At a time when Israeli acceptance of U.S. integrity, commitment, and friendship is critical to the painful choices it must continue to make and to the peace process as a whole, such U.S. action is imprudent and wrong.

A brief word on the Egyptian reaction which, in contrast to Israel's, has been positive to the proposed new UNTSO arrangement—UNEF, though important to Egypt as well as to Israel, will assume somewhat less importance for Cairo as Israel withdraws from the Sinai. Over the long term, then, the question of UNEF is more vital to Israel and to its security than it is to Egypt.

Therefore, we are at a point where the Soviet Union has, in effect, assured its credibility with the Arab States by blocking UNEF as it promised, avoided an embarrassing U.N. Security Council veto which would have ruffled global and U.S. Senate feathers, and sown division between the United States and Israel on a key security issue in a way which could well reduce American effectiveness in future Mideast peace efforts. The United States, on the other hand, has abandoned its leverage which existed prior to July 24 and in its interpretation of its written March 26 commitment on a multinational Sinai peacekeeping force, made false public statements about the nature of that commitment, and injured our relations with Israel and our peacemaking abilities.

I do not know the exact status of the U.S. agreement with the U.S.S.R. on UNTSO but I do have many questions which concern me.

UNTSO, expanded I presume, is proposed as a replacement for UNEF. Such a proposal does not take into account, however, either the nature and role of the two forces nor the history of the region.

The United Nations Truce Supervisory Organization was originally set up in 1948 to monitor the truce after the 1948 war. It numbers about 200 observers, principally officers, from many nations including the United States and the Soviet Union. It is based in Jerusalem. The basic task of UNTSO has been to monitor cease-fire lines by manning observation posts and carrying out the periodic inspections of the limited arms and missile-free zones in the Sinai and on the Golan Heights. UNTSO observers are unarmed. UNSTO is a permanent force in the Middle East, not needing periodic renewal as UNEF does. It is responsible to the Secretary General of the U.N. and is under his jurisdiction.

The United Nations Emergency Force (UNEF) on the other hand was first created in 1956 in the aftermath of the Suez Canal invasion to secure and supervise the cessation of hostilities between Egypt and Israel. The Secretary General had primary authority for the effective functioning of the force. Since UNEF was placed on Egyptian soil "with the consent of the nations concerned," U.N. Secretary General U Thant agreed to withdraw UNEF from Egypt when Egypt so requested on May 18, 1967. The Six-Day War occurred soon after.

UNEF II was created after the October 1973 war. Although UNTSO had remained in placed since 1948, there was a perceived need for a different U.N.

force in the Sinai. UNEF II was established to meet this need. There was a notable difference between UNEF II and UNEF. I, however. UNEF II was the creation of the United Nations Security Council, was responsible to it, within its jurisdiction, and could only be altered or removed by a Security Council decision. Egypt or Israel alone, therefore, could no longer unilaterally ask and obtain its withdrawal.

UNEF II does not duplicate UNTSO but has its own responsibilities. The 4,000-member force is comprised of armed troops from seven nations, not including the United States or the U.S.S.R. UNEF not only has monitored the Sinai II cease-fire agreement between Egypt and Israel, it interposed itself in the disengagement process. While the UNTSO observers carry out periodic inspections of the limited arms and missile-free zones, UNEF polices the buffer, provides a show of military presence, and runs the logistics. In the event of an outbreak of hostilities in the Middle East, UNEF, according to its own doctrine is to hold its ground, refusing to leave is asked, and resisting if necessary. UNEF sees an armed force as a critical indication that the U.N. means business and will stand its ground while UNTSO's mission is to observe and serve as a presence. Their functions are not identical, therefore, and cannot easily take the place of one another. Rather, they have complementary tasks.

And, of course, a U.N. role to be credible must be large enough to demonstrate sufficient commitment. Replacing a 4,000-man UNEF with a 200-man UNTSO will not enhance the credibility of the U.N. in the Middle East. This will be particularly true as the disengagement lines lengthen during the prescribed stages of Israeli withdrawal.

Although Egypt and Israel are now, for the first time, on their way to peace together, it is not yet time to reduce the credibility or the role of the United Nations in ensuring that peace and its terms.

Therefore, critical questions remain:

How large would such an UNTSO force in the Sinai be?

Would there be a Soviet presence in the "new UNTSO" in the Sinai?

Would the responsibility of the UNTSO force continue to be the Secretary-General's rather than the Security Council?

Does this mean that either Egypt or Israel could unilaterally ask for and obtain UNTSO's removal?

Does this mean that the U.S.S.R. could exert undue influence on Secretary General Waldheim, who prefers to work by "consensus" on any of the above questions?

Did the United States have a firm Soviet commitment, in writing, on all of the above points and on provisions for subsequent modifications of UNTSO in the next few years or, do these remain to be negotiated now that the United States has abandoned all its leverage?

Congress needs the answers to these questions.●

TAX CREDITS FOR FUEL CONSERVATION

The SPEAKER. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 20 minutes.

● Mr. CAVANAUGH. Mr. Speaker, on Friday, July 13, I brought to the attention of the House that the fastest and least costly ways to reduce our dependence on foreign oil is to conserve here at home. Because energy independence must be the first priority of our Nation so that we can regain control of our economic, social, and political destiny, we must make new efforts to achieve conservation by examining all our current uses of oil and oil-based products and devise ways to make their consumption more efficient. My floor statement, which appears in the CONGRESSIONAL RECORD, July 13, 1979, p. 18650, describes in detail a newly designed device called the fuel saver alert system.

It is no secret that we waste a great deal of energy in this country and certainly the Government's fuel waste can and should be reduced. I am today introducing legislation that will require the Administrator of the General Services Administration to install in all Federal vehicles devices to identify and encourage the reduction or elimination of nonproductive energy consumption. The Federal Government has a unique opportunity to not only accomplish significant reductions in the Government fuel bill, but also to use the Federal automobile and truck fleet of 280,000 vehicles to demonstrate and pilot-model new energy saving devices. The Department of Defense, the largest single fuel user in the Government with 142,000 vehicles, can surely do likewise. The Army Corps of Engineers should be actively investigating ways to reduce nonproductive energy consumption related to idling of heavy equipment engines.

To the extent that we can reduce or eliminate the nonproductive fuel consumption in our country we will lessen our dependence on OPEC countries for oil and weaken their ability to further shock our domestic economy with inflation causing price increases.

The fuel saver alert system, which was designed by an Omahan, clearly shows that when looking for solutions to solve our energy dependence we must not overlook the tremendous potential of individual Americans to develop answers. Even with all their multimillion-dollar research efforts major corporate giants have not cornered the market on ingenuity or creativity.

I firmly believe, and have expressed to the President, that as part of our evolving national policy and commitment to solve our energy addiction, we must encourage, through the tax structure, individual citizens to participate in developing the new technologies we need.

I am today also introducing legislation, the Non-Productive Energy Consumption Conservation Act of 1979 (NECCA) which provides tax credits to individuals for development and testing expenses associated with devices that will identify and encourage the reduction of nonproductive energy consumption. In addition, my proposal calls for tax credits to encourage individuals to purchase such devices.

NECCA seeks to provide first, a 5 percent tax credit up to a maximum of $100 of research and experimentation information system expenditures; second, a 10 percent tax credit up to a maximum of $200 of the testing expenditures, and third, a 50 percent tax credit up to a maximum of $200 for the purchase and installation expenditures. Although my package is targeted toward reducing the nonproductive energy consumptions of vehicles and heavy equipment, the legislation can easily be expanded to include other types of energy conserving devices. I hope that the Ways and Means Committee in its hearings this Wednesday and Thursday on energy tax credits will consider and provide encouragement to individuals to participate in and truly make our quest for energy self-sufficiency a national goal. A copy of both bills follow:

H.R. 4932

A bill to amend the Federal Property and Administrative Services Act of 1949 to require the installation in all Federal vehicle of devices to identify and encourage the reduction or elimination of nonproductive energy consumption

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Government Mandatory Fuel Conservation Act of 1979".

SEC. 2. That section 211 of the Federal Property and Administrative Services Act of 1949 is amended by inserting at the end thereof the following new subsection:

"(m) The Administrator shall provide by regulation for the installation in each motor vehicle owned or operated by the Government of a device or devices which—

"(1) identify, by warning lights and/or noises, that such vehicle is consuming energy in a nonproductive manner, such as unnecessary idling; and

"(2) thereby encourage the operator of such vehicle to reduce or eliminate such nonproductive energy consumption.".

H.R. 4933

A bill to amend the Internal Revenue Code of 1954 to provide refundable credits against income tax for development, testing, and purchase of devices designed to identify and encourage the reduction or elimination of non-productive energy consumption of motor vehicles

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Non-Productive Energy Consumption Conservation Act of 1979".

SEC. 2. CREDIT FOR DEVELOPMENT AND TESTING OF MOTOR VEHICLE NONPRODUCTIVE USE INFORMATION SYSTEM.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"SEC. 44D. EXPENDITURES FOR DEVELOPMENT AND TESTING OF MOTOR VEHICLE NONPRODUCTIVE ENERGY CONSERVATION INFORMATION SYSTEMS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to—

"(1) 5 percent of the research and experimentation information system expenditures, and

"(2) 10 percent of the testing information system expenditures,

paid or incurred by the taxpayer during the taxable year.

"(b) DOLLAR LIMITATIONS.—The maximum amount of credit allowed by subsection (a) to the taxpayer for the taxable year shall not exceed—

"(1) $100, in the case of research and experimental information system expenditures, and

"(2) $200, in the case of testing information system expenditures.

"(c) DEFINITIONS.—For purposes of this section—

"(1) RESEARCH AND EXPERIMENTAL INFORMATION SYSTEM EXPENDITURES.—The term 'research and experimental information system expenditures' means expenditures—

"(A) which are of a type which, if paid or incurred in connection with a trade or business, could be taken into account under section 174, and

"(B) which are made in connection with the development of an information system.

"(2) TESTING INFORMATION SYSTEM EXPENDITURES.—The term 'testing information system expenditures' means expenditures made for the construction, reconstruction, or erection of prototype information systems and for the testing of such prototype information systems.

"(3) INFORMATION SYSTEM.—The term 'information system' means equipment—

"(A) which, when installed on a motor vehicle, informs the operator of the vehicle that the vehicle is nonproductively consuming energy,

"(B) which can reasonably be expected to remain in operation for at least 4 years,

"(C) the original use of which begins with the taxpayer, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of such equipment.

"(4) MOTOR VEHICLE.—The term 'motor vehicle' includes vehicles which are not manufactured primarily for use on public streets, roads, and highways."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 6401 of such Code (relating to excessive credits treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to expenditures for development and testing of motor vehicle nonproductive use information systems)", and

(B) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44D".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44D".

(3) Subsection (b) of section 56 (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44C the following new item:

"SEC. 44D. EXPENDITURES FOR DEVELOPMENT TESTING OF MOTOR VEHICLE NONPRODUCTIVE ENERGY CONSUMPTION INFORMATION SYSTEMS."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred after January 1, 1979, in taxable years ending after such date.

SEC. 3. CREDIT FOR PURCHASE OF MOTOR VEHICLE NONPRODUCTIVE ENERGY CONSUMPTION INFORMATION SYSTEMS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44D the following new section:

"SEC. 44E. PURCHASE OF MOTOR VEHICLE NONPRODUCTIVE ENERGY CONSUMPTION INFORMATION SYSTEM.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the amount paid or incurred by the taxpayer during the taxable year for the purchase and installation of any information system on any motor vehicle.

"(b) DOLLAR LIMITATION.—The credit allowed by subsection (a) for the taxable year shall not exceed $200 ($100 in the case of a married individual filing a separate return).

"(c) DEFINITIONS.—For purposes of this section, the terms used in this section shall have the meanings given such terms by section 44D."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 6401 of such Code (relating to excessive credits treated as overpayments) is amended—

(A) by striking out "and 44D (relating to development and testing of motor vehicle nonproductive energy consumption information systems)" and inserting in lieu thereof "44D (relating to development and testing of motor vehicle nonproductive energy consumption information systems), and 44E (relating to purchase of motor vehicle nonproductive energy consumption information systems)", and

(B) by striking out "43, and 44D" and inserting in lieu thereof "43, 44D, and 44E".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 44D" and inserting in lieu thereof "44D, and 44E".

(3) Subsection (b) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 44D" and inserting in lieu thereof "44D, and 44E".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44D the following new item:

"Sec. 44E. Purchase of motor vehicle nonproductive energy consumption information systems."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred after January 1, 1979, in taxable years ending after such date.●

SHARE DRAFT LEGISLATION BACK ON TRACK

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I take this occasion to compliment the gentleman from Rhode Island (Mr. ST GERMAIN) for scheduling a markup session of the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance for this Thursday morning on legislation that would effectively deal with the U.S. Appeals Court decision affecting thousands of credit unions, banks, and savings and loans across this Nation

The appeals court had ruled that the power to offer certain new services by these financial institutions was granted illegally by the various financial regulatory agencies. Thursday's session will deal with several measures designed to, in fact, overturn the appeals court decision and make these new financial services legal.

The appeals court had given Congress until January 1 to correct the problem and if action is not completed by that date then these services could no longer be offered. Because of that timetable it was important that Congress take action immediately and I was concerned that the subcommittee would not meet prior to the August recess, thus greatly reducing the amount of time available to work on the legislation.

For the past week I have corresponded with the chairman of the subcommittee urging him to schedule a markup session immediately. This morning I wrote again to the distinguished chairman of the subcommittee, Mr. ST GERMAIN, and I am delighted that within a few hours after I wrote the letter he scheduled a markup session for this Thursday. That action certainly indicates not only his willingness to follow suggestions offered by other subcommittee members, but also his dedication to a quick solution to this problem.

Mr. Speaker, I once again thank and commend the gentleman for his quick response to my suggestion for a Thursday meeting, and because of the widespread interest in this matter I am including in my remarks a copy of my letter to Mr. ST GERMAIN.

JULY 24, 1979.

Hon. FERNAND J. ST GERMAIN,
Chairman, Subcommittee on Financial Institutions Supervision, Regulation, and Insurance, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 23 concerning the markup session on NOW account legislation.

Needless to say, I am deeply distressed that you have not set a firm date for the markup to take place. Everyday I am contacted by credit union leaders around the country asking when the subcommittee will hold its markup session. I have had to tell them that I have no control of the situation and the scheduling of the markup is entirely in your hands.

I know, Mr. Chairman, that more than a month has gone by since the original markup session was cancelled. I realize that you cancelled that session because of the schedule on the Floor of the House that day, but you recall that it was my suggestion that we hold the markup earlier in order to avoid any conflicts with Floor action.

I note further, that since your press release of June 14 announcing the markup session, that the subcommittee has held two

sessions of hearings on the Cleveland problem and will hold two sessions this week on the bank holding legislation. While I agree that these are important areas for study, I feel that the situation involving the appeals court decision is for more important than any other legislation before the subcommittee.

In your June 14 press release you stated, "we regret the need ao postpone the Cleveland hearing but the Court of Appeals has placed a firm deadline of December 31 on the Congress and what we do on the checking account legislation will have an immediate impact on millions of consumers nationwide." Mr. St Germain stated, "therefore, I feel that the markup must have priority." Later in the same press release you stated, "the legislative clock is running and we must keep this bill moving or we will see the demise of millions of consumer accounts come January 1," the subcommittee chairman stated.

Forty days have now passed since you issued that press release. The legislative clock continues to run, only now it's forty days closer to the end with millions of Americans placed in a situation of not knowing what to expect when January 1 rolls around.

Mr. Chairman, I repeat my earlier plea—do not fail to call a markup session on this important question before the August recess. There is still time this week for a markup session and, given that timetable, there is even a good possibility the Full Committee could act next week.

In closing let me speak for thousands of credit unions across the country who are asking "what day will the markup session take place".

With every best wish,

Sincerely,

FRANK ANNUNZIO,
Chairman.●

SOME INNOVATIVE WAYS OF DEALING WITH PROBLEMS OF OUR ECONOMY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO), is recognized for 10 minutes.

● Mr. ADDABBO. Mr. Speaker, I know the Members of the House are as concerned about the economy as I am. In that regard, I ask unanimous consent to insert into the RECORD a paper which I believe takes a unique look at the problems our economy faces and offers some innovative ways of dealing with those problems.

TOWARD A SELF-SUPPORTING PRIVATE (MIXED) ECONOMY, WITH AVOIDANCE OF INFLATION

(By Frankin D. Ricardo)

I. INTRODUCTION

This paper briefly outlines a basis of economic analysis which offers indication:

1. That a recession is not necessary to curb inflation, if the inflation is being caused by money brought forward from past production-periods, rather than by money in current production-transactions.

2. That if the private (mixed) economy is made self-supporting, there should be little or no need for government deficts in reasonably "normal" periods.

(This paper is derived from a larger study based on a single-loop feedback system.)

II. SYSTEM CONCEPTS

A. The declining dollar attracted my attention to the 'sloshing dollars' that had accumulated abroad from balance of payments deficits of prior years. The 'sloshing dollar' accumulation seems to contribute as much or more to reduce the exchange-value of the dollar in relation to other currencies than do the current deficits. This seemed to indicate that there might be such a thing as a *domestic* 'sloshing dollar' accumulation that might similarly contribute to an inflationary 'sinking' domestic dollar in domestic markets.

It seemed that a substantial domestic 'sloshing dollar' accumulation from prior years might conceivably have more to do with domestic inflation than the current entrepreneurial outlays, or current government deficits. To correspond with the international 'sloshing (speculative) dollar' accumulation, there would need to be some kind of domestic imbalance giving rise to a domestic 'sloshing (speculative) dollar' hoard.

I recalled the fundamental domestic deficit involving the 'annual' failure of sales revenues received by the entrepreneur-sector to equal the outlays made by entrepreneurs during production, etc. This annual gap is generally recognized as leakage, or as additions of liquidity preference, or as savings that fail to be invested, etc. (with consequent use of annual government deficits in an effort to avoid recession or stagnation).

B. If annual domestic leakages accumulate over the years, they might well develop into a domestic 'sloshing (speculative) dollar' accumulation of substantial proportions. This could mean that the leakage problem has a stagnating influence in the short run, and an inflationary influence in the longer run. Thus at any particular time there may be stagnation caused by current leakage, and inflation caused by accumulated leakages from prior years.

C. It seems that when the economy has accumulated an excessive number of leakage-dollars (or 'store of value' dollars), that accumulation constitutes liens in various domestic markets where 'medium of exchange' function of money is directly involved. There is accordingly a limit to the amount of 'store' involved. There is accordingly a limit to the amount of 'store of value' money that an economy can comfortably accommodate. It is likely that as the domestic 'sloshing (speculative) dollars' accumulate, an aggregate is reached that is not compatible with the size of the annual GNP.

The 'sloshing (speculative) dollar' accumulation develops various forms and degrees of liquidity preference.

When outlays/incomes do not become sales revenues (for production-outputs) within a reasonable time, the resulting leakages may accumulate as 'store of value' money in conflict with 'medium of exchange' money-flow during a subsequent outlays/incomes/expenditure cycle.

D. The annual government deficits seem only to help sustain effective demand, while doing little or nothing to reduce the leakage or to stem its flow into the domestic 'sloshing (speculative) dollar' accumulation. (It should be noted however, that in the absence of a more preventative approach to the problems from uninvested or unspent savings, etc., the government deficit approach may well have saved free economies from oblivion.)

The government deficit approach is a statutory attempt to support the neoclassical system. A better statutory approach is needed.

III. IMPLEMENTING THE NEOCLASSICAL SYSTEM

The major purpose would be to assure that virtually *all* of the incomes (derived from outlays) do become expenditures (to buy output that had been produced), so that the annual aggregate sales revenues of the entrepreneur-sector would roughly equal the annual aggregate entrepreneurial outlays that had been made. (There would be little or no annual 'leakage', and presumably the economy would be self-supporting and hence require no government deficits to sustain effective demand.)

The allocation of expenditures between consumption-goods and investment-goods would still be determined by operation of free markets.

A. 'Use-money' system

1. A statute for a 'use-money' system would provide:

(a) That the outlay-dollars have a 'lapse-date' on them which would provide an ample 'use-period' for the dollars to be spent, and for their ultimate return to the entrepreneur-sector.

(b) That (to assure that they get back, and to avoid system-problems) only the entrepreneur-sector would be permitted to 'cash in' current 'use-money' issued prior to 'lapse-dates' in exchange for 'use-dollars' of a subsequent money-issue.

2. The objective is a circular flow of outlays/incomes/expenditures/sales revenues/outlays, etc., with the aggregate outlays and expenditures roughly equal to extent possible.

3. Few if any of the 'use-dollars' would actually lapse, since there would be ample (but not excessive) time for them to be spent, and back in the hands of the entrepreneur-sector in the form of sales revenues. The allocation of the sales revenues among the industries need not be proportional to their outlays.

4. Entrepreneurs would issue 'use-money' outlays by the customary checks drawn on Fed/banks.

5. Governments would be treated as part of the entrepreneur-sector, with tax revenues substituting for sales revenues.

6. Loans would not be treated as investments, so that borrowers would be expected to spend within the use-period.

7. Longer-run savings would be more in the form of real wealth rather than in the form of money. Money is not to be treated as a form of wealth. (With the purchasing power of the dollar varying widely, the dollar has in any event been a deficient store of value.)

8. Economic considerations include the following:

(a) Increasing the spending of outlays/incomes shouldn't materially affect the price level, if the government deficit is reduced at the same rate; also, the length of the "use-period" can be adjusted.

(b) By deciding the length of the "use-period" of current outlays, the Fed/bank might be provided with a practical tool to change the speed of aggregate expenditures for balancing purposes.

(c) A "use-money" system should reduce various economic problems to a size that might make them easier to deal with.

(d) Reducing economic swings might reduce the significance of rigidities.

(e) Ample "use-period" can allow for payment for imports, and repatriation for exports (but extention of time can be provided when necessary for foreign trade).

B. Rationale

It is necessary to bring into balance the equities of the entrepreneur-sector (which provides outlays during production) and the equities of the potential spenders of outlays/incomes. The legal-tender statute, that requires the entrepeneur to pay for factors of production in money and not in product, creates a functional inconsistency—the entrepeneur doesn't produce money, but rather goods, etc. Accordingly, the entrepreneurs have an equitable interest in what happens to the money they outlay. Otherwise it would be consistent to allow them to pay in kind, and not make them so dependent on the money coming back to the entrepreneur-sector as sales revenues. Apparently we can't have it both ways, because major disparities in the economy result from the failure to resolve inconsistencies in favor of the "medium of exchange" function of money. The "store of value" function of money needs to be curbed in favor of the "medium of exchange" function by instituting a "use-money" system. Such a system could be tried in any country.

C. Existing speculative-dollar accumulations

1. Even if the balance of payments deficits were now eliminated, the international 'sloshing (speculative) dollar' accumulation could still reduce the value of the dollar in exchange for other currencies; and similarly, even if the domestic entrepreneurial gaps were now closed, the domestic 'sloshing (speculative) dollar' accumulation could still reduce the exchange-value of the dollar in domestic markets. Both of these accumulations would still remain to be dealt with.

2. The dollar being a form of debt instrument payable on demand in goods and services, capital goods, etc. (or in foreign currencies as well), the problem seems to be that of scheduling a 'sloshing (speculative) dollar' accumulation into maturities that would allocate that debt-burden over a series of future years (so that the excess of speculative dollars acquired from the past may be redeemed without large impact on markets in any one year).

3. The government programs that deal with surplus of wheat could be a relevant model: Such programs aim at reserving surplus wheat in granaries in sufficient quantity to support the exchange value (price) of the wheat.

4. A similar dollar-granary or 'dollar-trust' approach might serve to support the exchange-value of the dollar by currently removing surplus of speculative dollars, by substituting 'dollar-trust bonds' maturing over a series of future years. As those 'dollar-trust' bonds mature they would be redeemed with dollars from the trust.

(a) The plan for a domestic 'sloshing (speculative) dollar' problem might avoid disturbing the current and future production outlays; it might be useful to subdivide the M-1, etc., into categories to separately treat accumulation from past production-cycles.

(b) Similarly, a 'dollar-trust' could be considered for the 'sloshing (speculative) dollars' abroad, with trust-bonds that would have maturities spread over a series of future years.

IV. CONCLUDING COMMENT

It seems that free economies can actually be better than they have ever been. The remarkable ruggedness of free economies invites much shifting of problems into the future; by now an almost indigestible 'lump' of economic problems has accumulated. In this paper an effort is made to see if that inherited 'lump' might be made more digestible, and to see if the free economy can be made more self-sustaining on an 'annual' basis. The neoclassical model is essentially sound; implementations might help make it almost as automatic as Say thought it was. Neoclassical system seems to require a 'use-money' system as a substitute for the 'perpetual' money system, without much change in banking and business practices being urgent.

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OREGONIANS DEMONSTRATE AMERICANISM

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, I want to commend today a wave of human goodwill spreading in my home State of Oregon, which I am sure is spreading in other States as well. Propelling this wave of goodwill is a group called the Oregonians to Save the Boat People who are demonstrating the best qualities of America, truly the land of the free.

A tenet of human ethics is that those who show mercy shall receive it in kind. But for Americans, we have even more reason to shelter the homeless because we are a nation of immigrants, many of whom, like the boat people, have been driven from the shores of their homeland, never to return.

Our forefathers found a place of refuge here, and remembering their good fortune they made this Nation into an international refuge for others who followed that were equally unfortunate. It is our legacy to house the homeless. It is our shame when we do not.

There are outcries in our country that we cannot afford charity, that our problems are too awesome. To people at sea with no home, no future, this must seem the ultimate in either greed or self-delusion.

I submit we cannot afford such callousness. We are not paupers. We are the stewards—not perpetual squires—of great abundance, great enough to help the disadvantaged and still not suffer. Moreover, history has treated us kindly for welcoming to our shores the world's castaways—from England, France, Germany, Poland, Italy. Not to mention the Africans and Chinese we brought to our land to build our industry or harvest our crops. From this has sprouted an industrious and innovative people, and a people with a collective memory and conscience.

Americans, remembering our own "boat people" in the Mayflower and in slave ships, should emphasize with refugees from Indochina and move into actions to prevent something approaching in it grimness another human holocaust.

The Oregonians to Save the Boat People, in conjunction with the International Rescue Committee and the Portland Indochinese Center, is set upon sponsoring directly 100 Indochinese refugees a month, using the Portland Indochinese Center's welcome house programs.

The committee seeks to provide temporary housing, along with food, clothing, and basic orientation. Permanent housing then will be found for refugee families, and support services, such as financial aid, will be made available until the family can gain self-sufficiency.

The Oregonians to Save the Boat People estimate this effort will cost $500 per person, or approximately, $50,000 per month for the 100 refugees. Since the International Rescue Committee will match Oregon contributions, the total cost for Oregonians will run about $25,000 per month, or $300,000 per year.

Coming when the Western World, led by the United States, has agreed to accept double the amount of Boat People, the effort by Oregonians to Save the Boat People is very timely. The Washington Post, in a recent series of articles, estimated that 318,951 Indochinese refugees remained in camps, even though more than 300,000 refugees had already been resettled throughout the world, including more than 206,000 in the United States. Since that series, thousands more Vietnamese have set to sea and have entered a camp or remain adrift. Many reach no destination and are lost.

Cold statistics obscure the reality of this exodus. These are people who have endured more than a generation of war, corruption, and tyranny. Life may not have very much meaning for many of these refugees, but that is all the more reason for rising to this enormous challenge. Inhumanity breeds more inhumanity through its hand-maiden noninvolvement. The world, quite properly, chastised Germans for looking the other way while Jews were annihilated. Unlike the Germans, nothing stands in our way of getting involved and extending a helping hand.

Many Americans voice legitimate concerns about more competition for jobs, especially at a time when recession is setting in. I have looked into this question. The facts do not reveal that refugees, once fully trained, are stealing jobs from Americans. Quite the contrary, it would appear refugees are filling jobs no one else wants. For example, the Oregon Employment Division recently dispatched a busload of Huong tribesmen to a farm near North Plains, Oregon, where they picked strawberries on the verge of rotting because of a lack of pickers.

Among the 50 States, Oregon has one of the highest per capital concentrations of Indochinese refugees—one to a little more than 350 Oregonians, compared with a 1 to 1,150 ratio nationwide. There are 6,500 Vietnamese, Cambodian, Lao, or Chinese refugees in Oregon, 80 percent of whom live in the Portland area. Estimates place new arrivals in excess of 180 per month.

Under the administration of former Gov. Bob Straub, Oregon achieved impressive success in providing basic language skills and job training, including a fundamental understanding of our working environment. Job placements increased and the number of refugees remaining off welfare declined.

This effort must be redoubled. And it can be with a new wave of good will and volunteerism. This is the spirit of America.

Nothing can be more fitting than a State such as Oregon, a symbol throughout the country for its jealously guarded quality of life, to open its doors widely to men and women in need of a haven.

Nothing can be more fitting than a State such as Oregon, which teases tourists

from other States to come to visit, but not stay, to open its treasure chests and share its wealth with people who have known of little, and have even less.

Nothing can make me prouder as an Oregonian than to see opened the doors of my State, because closed doors reflect closed hearts. And if we have lost our compassion for people whose misery mirrors that of our own flesh and blood, then we have lost a very great deal.●

CRIMINAL FINES REFORM ACT OF 1979

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing the Criminal Fines Reform Act of 1979 to step up the fight against white collar crime by increasing criminal fines.

The proportions of the white collar crime problem are staggering. The U.S. Chamber of Commerce and the Joint Economic Committee of Congress have estimated that white collar crimes—excluding antitrust violations—cost the public about $44 billion a year. Fraud in Federal programs alone is estimated to be about $12 billion annually—money that ultimately comes from the U.S. taxpayer. In comparison, traditional property crimes, such as robbery or burglary cost about $4 billion a year.

My bill takes a number of important steps to reduce white collar crime. The first major change it makes in current law is to increase maximum fine levels substantially. For individuals, the maximums in my bill range from $2,500—for an offense punishable by a prison term up to 6 months—to $100,000—for an offense punishable by death or imprisonment for more than 10 years. For corporations the fines are up to $100,000 for an offense for which an individual could be imprisoned for up to a year, and up to $500,000 for all felonies.

This increase in fines is essential. Current fines do not stop individuals and corporations contemplating economic crimes. The minor fines authorized today are considered only a trivial cost of doing business and, when weighed against the substantial profits anticipated, are an insufficient deterrent.

The bill's second major change reinforces the higher fine levels. It provides that in cases where an individual or a corporation has profited from the crime, they may be alternatively sentenced to pay a fine of up to two times the gain derived.

This "disgorgement" provision is crucial if we are to deter white collar crime. It will mean that after conviction the Government will automatically be able to recapture a defendant's illegal gain. Currently, if an individual or corporation is convicted of a white collar crime, there is no simple procedure to recover thes ill-gotten gains of the crime, even when the Government is the victim. Instead, the Government must institute a separate civil suit—a burdensome, time-consuming, expensive and duplicative process. Not surprisingly, this is often not done and the white collar criminal is allowed to keep his illegal profits minus whatever comparatively nominal fine he has been sentenced to pay. To discourage economic crime, we must make it very clear to potential criminals that they will not be able to keep the profits of their crimes. The disgorgement provision in this bill will do just that.

There are also provisions in the bill to insure the fair and equitable imposition and remission of fines. Controlling white collar crime and curbing fraud against the Government and urgent priorities. White collar crime takes many forms—consumer fraud, tax evasion, pay offs, securities fraud, price-fixing, electoral fraud, and corporate bribery. The public pays for it in many ways. Thousands of dollars may be lost through the purchase of worthless securities; bribery of Government officials results in impure food or unsafe housing; bid-rigging or discrimination in the awarding of Government contracts results in higher prices and taxes; antitrust violations may limit consumer choice and raise prices.

Other results are less direct but no less serious. Credit and banking abuse divert funds from small businesses and other deserving borrowers. In general, widespread white collar crime leads to public cynicism and the belief that the economic and politcal system is corrupt. Public support is lost for social programs such as welfare, medicare/medicaid, low income housing and urban renewal, perceived as riddled with abuse and benefiting mainly the nondeserving.

White collar crime is clearly not a problem with a simple solution. Many different approaches must be considered and implemented. The Government must recruit and train top-notch investigators, auditors, and prosecutors. As investment and financial arrangements have grown increasingly complex, so have kinds of fraud. Investigators must be able to penetrate complex schemes and financial transactions that may span many years and take place in many locations. Prosecutors must be able to reconstruct the events plausible for a jury of laymen. Social programs must be designed to minimize the opportunities for fraud and to facilitate enforcement.

But there are steps that can be taken immediately; the bill I am introducing today is one of them. I urge its speedy consideration.●

BREEDER REACTOR SYSTEMS DOE FISCAL YEAR 1980 BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 15 minutes.

● Mr. UDALL. Mr. Speaker, I would like to submit for the record at this time, on behalf of JACK BINGHAM and myself, a detailed and comprehensive explanation of proposed changes to the United States fiscal year 1980 nuclear breeder program. We have announced our intention to offer an amendment to H.R. 3000, the Department of Energy authorization bill, when it reaches the House floor later this week. The material includes a statement of the intent of our proposed amendment, and a summary table of the recommended changes to H.R. 3000 for easy reference.

The budget explanation presented below, and the budget summary table, represent the rationale under the Udall-Bingham approach for modifying or approving funds for breeder development on a project-by-project basis. It represents an alternative to the budget presented by the Science and Technology Committee in H.R. 3000, and to the proposed administration-sponsored Fuqua/Brown amendment thereto which conditions termination of CRBR on the development of a larger, Clinch River-type breeder demonstration project and related fuels and components.

A commitment to commercialization of the LMFBR technology can be deferred until the mid-1980's. Under the Udall-Bingham amendment, the CRBR project will be terminated. The administration will report to the Congress in March 1981 on the role of nuclear energy for supplying electricity in the United States for periods of 50 and 100 years into the future, and on an advanced fission strategy for meeting future nuclear electricity needs.

In the interim, all new starts on large liquid metal fast breeder reactor (LMFBR) construction projects are deferred. Most engineering component development work is deferred. LMFBR R. & D. will focus on fuel research and development and fuel testing in the fast flux test facility which will begin operation this fall. Emphasis will be placed on developing more proliferation resistant fuels and reactor core designs. Due to the numerous outstanding safety issues surrounding the CRBR and larger designs, the safety research program will not be reduced, although some funds for fast reactor safety research can be reprogramed for light water reactor safety research.

With this shift in emphasis, the U.S. breeder program still will be funded at a level higher than any other breeder program in the world.

BREEDER REACTOR SYSTEMS DOE FY-1980 BUDGET

[In thousands of dollars]

LMFBR PROGRAM

The objectives of the LMFBR program are to:

Maintain the capability to commit to a breeder option through a strong R&D program.

Investigate alternative fuels and fuel cycles that might offer nonproliferation advantages.

Elements in the DOE FY-1980 budget include:

(A) Plant Projects.
(B) Breeder Technology.
(C) Test Facilities.
(D) Capital Equipment.
(E) Construction.

(A) Plant Projects:

The power plant developmental projects are:

Fast Flux Test Facility (FFTF).
Clinch River Breeder Reactor (CRBR).
Breeder Reactor Studies (CDS).

The FFTF is a reactor being constructed in Hanford, Washington, at the Hanford Engineering Development Laboratory as a fuels and materials test facility. The CRBR is a joint government-industry effort on a 380 gross megawatt electrical demonstration breeder reactor power plant at Oak Ridge, Tennessee. The effort under the breeder reactor studies is a Conceptual Design Study (CDS) of an improved LMFBR research and development plant.

Fast Flux Test Facility (FFTF):

FFTF will serve as an advanced fuels and materials irradiation facility for the Fast Breeder Reactor Program, and as a baseline for scaling up systems and components. It has the capability to serve as an advanced fast-flux test bed for alternative fuels and materials experiments needed to continue DOE advanced reactor development programs.

Budget

H.R. 3000	$76,200
Proposed changes	0
Proposed budget	76,200

Rationale: No cuts are made in the FFTF. The breeder R&D would be centered around fuel cycle R&D with experiments performed in the FFTF.

Clinch River Breeder Reactor Plant (CRBR):

The objectives of the CRBR Project, pending final resolution of the Administration's proposal for discontinuation, are to design, license, build and test a 380 MWe liquid sodium cooled breeder reactor demonstration plant and to operate the plant as part of a utility system.

*Budget**

H.R. 3000	$183,800
Proposed change	183,800
Proposed budget	0

*CRBR Termination Costs are presented at the end.

Rationale: The CRBRP is little more than a duplication of the FFTF and will therefore not represent any technological advance. Consequently, consistent with the Administration's request no operating funds are provided for the CRBRP. The Administration proposes that the CRBR project be terminated.

Breeder Reactor Studies (CDS):

A key element in assuring viability of the LMFBR option in the U.S. is the performance of a Conceptual Design Study (CDS). The CDS, a totally government funded and managed effort, will develop the integrated conceptual design based on evaluations and optimization of overall plant safety, environmental acceptability, proliferation resistance, economics, and reliability. This work will be accomplished in two phases over a 30-month period ending March 31, 1981, to provide an opportunity at that time for deciding whether to proceed with the detailed design and construction of such a reactor plant.

Budget

H.R. 3000	$15,000
Proposed changes	0
Proposed budget	0

Rationale: The Administration proposed a $55 million budget for a detailed design study of a 600-900 MWe LMFBR Plant. The cut in H.R. 3000 resulted from a determination by the Science and Technology Committee that the CRBR and the detailed design of the larger plant could not proceed simultaneously. The proposed budget is based upon the appropriate change in the nature of the study to a review of alternative fission energy strategies. This recognizes that major design efforts should be deferred until commercialization is desired, i.e., at least until the 1981 decision date. This change in the study is appropriate even though the CRBRP is cancelled.

Subtotal—Plant project

H.R. 3000	$275,000
Proposed changes	183,800
Proposed budget	91,200

(B) Breeder Technology:

During the 1979-1981 period, the breeder technology program is placed and scoped to permit a decision on the LMFBR in 1981, and allow flexibility in the choice of fuel and fuel cycle. Integration of the CDS and base-technology program assumes, for planning purposes, a hypothetical plant that is to come on-line in 1991, with detailed design commencing in 1981. The scope includes technology in the areas of:

(1) Safety.
(2) Components.
(3) Physics.
(4) Fuels and core design.
(5) Materials and chemistry.

(1) Safety:

To attain and demonstrate the required degree of safety for fast breeder reactors without unacceptable economic penalties, a sound frame of technical reference is being developed for assessing the risk to public health and safety from postulated accidents with the full spectrum of breeder reactor designs and fuel cycles being considered.

Budget

H.R. 3000	$36,500
Proposed changes	2,500
Proposed budget	34,000

Rationale: Some safety research activities related to sodium component development are deferred until the 1981 decision. Safety research activities related to fuel development are continued. The Safety budget is held at the FY-1979 level.

(2) Components:

The objective of this program is to develop the steam generator, pumps and other components for the LMFBR reactor system.

Budget

H.R. 3000	$42,000
Proposed change	21,000
Proposed budget	21,000

Rationale: A main focus of this program is to design, fabricate and test prototype components (e.g. steam generators and sodium pumps) for large-scale breeder reactors. Part of this work is deferred until the 1981 decision date on the timing of the need for commercialization of the breeder.

(3) Physics:

Critical experiments generic to large proliferation-resistant fast reactors are providing measurements of core integral performance and safety parameters to validate nuclear data and design methods available and being developed. Both homogeneous and heterogeneous cores are being studied using various core and blanket fuels of major interest to the Conceptual Design Studies (CDS).

Budget

H.R. 3000	$9,000
Proposed changes	0
Proposed budget	9,000

Rationale: This program includes critical experiments and other basic research to proceed with construction of a breeder demonstration plant. Funding is not reduced, however, to allow a shift in emphasis to critical experiments for new more proliferation resistant breeder reactor core designs.

(4) Fuel and Core Design:

This work identifies and develops breeder reactor fuel, blanket and absorber elements, and demonstrates their performance capabilities under steady-state and design-transient conditions. It includes developing fuel fabrication equipment and processes and analytical design and performance models, and verifying the results by various levels of irradiation testing.

Budget

H.R. 3000	$46,000
Proposed change	10,000
Proposed budget	36,000

Rationale: This budget reduction would defer automation of fuel production, but would allow basic fuel and core design work to continue.

(5) Material and Chemistry:

Materials and chemistry technologies are being developed to support breeder reactor development. Although directed essentially at technology development outside the core, the work also provides support for the development of alternative fuel technologies.

Budget

H.R. 3000	$8,900
Proposed change	1,900
Proposed budget	7,000

Rationale: This program is reduced to FY-1979 level by deferring some activities related to component development.

Subtotal—Breeder technology

H.R. 3000	$142,400
Proposed change	35,400
Proposed budget	107,000

(C) Test Facilities:

Reactor test facilities provide support and are an essential part of the Fast Breeder Reactor Program. This category of activity includes the operation and maintenance of existing test facilities. It also includes certain facility management and operating activities for safeguards systems at Argonne Natonal Laboratory (ANL), Hanford Engineering Development Laboratory (HEDL), and Idaho National Engineering Laboratory (INEL), and landord support at HEDL, INEL, and the Energy Technology Engineering Center (ETEC).

The objective of this program element is to provide, operate and maintain test facilities on schedules established by breeder technology efforts.

Argonne National Laboratory (ANL):

The Argonne facilities include an operating breeder reactor (EBR-II), a unique device that provides reactor physics data on full-size liquid metal fast breeder reactor cores (ZPPR), and a large shielded facility, that is used to examine and analyse highly radioactive fuels and materials (HFEF).

Budget

H.R. 3000	$30,088
Proposed change	0
Proposed budget	30,088

Rationale: No reductions in ANL safety research facility budget.

Hanford Engineering Development Laboratory (HEDL):

Hanford Engineering Development Laboratory (HEDL) at Richland in Southeastern Washington, is operated for the DOE by Westinghouse Hanford Company, a subsidiary of Westinghouse Electric Corporation.

The laboratory is near a tri-city area (population 90,000) and is the key engineering development laboratory for the Liquid Metal Fast Breeder Reactor (LMFBR) Program.

Budget

H.H. 3000	$5,750
Proposed change	0
Proposed budget	5,750

Rationale: No reduction is indicated.

Energy Technology-Engineering Center (ETEC):

ETEC, which is the component testing center for the Breeder Program, is composed of a complex of liquid sodium facilities for testing and evaluating components and instruments such as heat exchangers, steam generators, valves, piping, pumps, and mechanical elements for breeder reactors and other energy conversion systems employing high-temperature liquid-metal systems.

Budget

H.R. 3000	$17,995
Proposed change	16,000
Proposed budget	1,995

Rationale: The ETEC center, dedicated to liquid until at least the 1981 decision date on the appropriate advanced fission strategy. The $1,995 is retained for housekeeping.

Idaho National Engineering Laboratory (INEL):

Research for the LMFBR program is conducted in test facilities at two of the eight INEL research areas, the ANL-West Area operated by ANL, and the Engineering Test Reactor (ETC), located at the Test Reactor Area and operated by EG&G.

Budget

H.R. 3000	$7,583
Proposed changes	7,000
Proposed budget	583

Rationale: The sodium loop work at the ETR should be deferred until large component development work is resumed after the 1981 decision date. $583 is retained for housekeeping.

SAFEGUARDS

Budget

H.R. 3000	$3,900
Proposed change	0
Proposed budget	3,900

Rationale: No reduction in safeguards is warranted.

GENERAL SUPPORT

Budget

H.R. 3000	$9,984
Proposed change	2,000
Proposed budget	7,984

Rationale: The general support funding is reduced to correspond to test facility cutbacks.

Subtotal—Test facilities

H.R. 3000	$75,300
Proposed changes	25,000
Proposed budget	50,300

Subtotal—LMFBR program operating expenses

H.R. 3000	$492,700
Proposed changes	251,200
Proposed budget	241,500

(D) Capital Equipment:

FFTF PROGRAM

Budget

H.R. 3000	$3,361
Proposed change	0
Proposed budget	3,361

Rationale: No cuts are recommended in the FFTF program.

BREEDER TECHNOLOGY

Budget

H.R. 3000	$6,639
Proposed change	2,600
Proposed budget	4,039

Rationale: This reduction corresponds to the reduction in the breeder technology operating expenses to defer large component development work.

TEST FACILITIES

Budget

H.R. 3000	$12,000
Proposed changes	2,000
Proposed budget	10,000

Rationale: This reduction corresponds to the reduction in test facility operating expenses to defer large component development work.

Subtotal—Capital equipment

H.R. 3000	$22,000
Proposed changes	4,600
Proposed budget	17,400

(E) Construction:

The construction authorizations are tabulated under their respective test facilities. Six construction projects listed under "Nuclear Fission" in H.R. 3000 do not relate to the breeder program.

ANL FACILITIES

Project 78-6-c:

Design and construction of SAREF—Phase I—Treat Upgrade.

Budget

H.R. 3000	$3,600
Proposed change	0
Proposed budget	3,600

Rationale: No reduction is indicated for these safety related studies.

Project 78-6-d:

EBR-II related construction.

Budget

H.R. 3000	$1,500
Proposed change	0
Proposed budget	1,500

Rationale: The $1,500 authorization results from the deauthorization of $5,000 from a previous $6,500 authorization. No change is made.

HEDL FACILITIES

Projects 80-ES-5:

Modifications to reactors at various locations.

Budget

H.R. 3000	$2,800
Proposed change	800
Proposed budget	2,000

Rationale: The $800 reduction represents that portion for the ETEC facility which is recommended for mothballing. (see Test Facilities—Category C)

Project 79-1-h:

Construction of the maintenance and storage facility (MASF).

Budget

H.R. 3000	$13,700
Proposed change	13,700
Proposed budget	0

Rationale: Existing facilities can be used for this function. The expanded program should be deferred until after the 1981 decision date.

Project 80-ES-16:

Construction of the fuel and materials examination laboratory (FEML). This project combines projects 78-6-f (FMEF) and 77-4-c (HPFL) which are deauthorized.

Budget

H.R. 3000	$53,000
Proposed change	31,500
Proposed budget	21,500

Rationale: This program should be scaled down at least until after the 1981 decision date.

ETEC FACILITIES

Project 78-6-e:

Provides for modification of the facility to permit testing of large sodium pumps.

Budget

H.R. 3000	$9,500
Proposed change	9,500
Proposed budget	0

Rationale: This is recommended for mothballing until after the 1981 decision date.

Project 80-ES-5:

This represents only part of this project. The $800 is reduced under Section E, HEDL facilities.

INEL FACILITIES

Project 80-ES-5:

This represents only part of the project. The $1,000 request is included under Section E, HEDL facilities.

SAFEGUARDS

Project 80-ES-3:

Safeguard related construction at INEL.

Budget

H.R. 3000	$1,200
Proposed change	0
Proposed budget	1,200

Rationale: No safeguard cuts are warranted.

Project 79-1-c:

Safeguard related construction at HEDL.

Budget

H.R. 3000	$7,500
Proposed change	0
Proposed budget	7,500

Rationale: No safeguard cuts are warranted.

GENERAL SUPPORT

Project 80-GPP-1:

Provides for general plant projects at all facilities.

Budget

(Breeder Program)

H.R. 3000	$12,300
Proposed change	6,300
Proposed budget	6,000

(HEDL)

H.R. 3000	$3,300
Proposed change	0
Proposed budget	3,300

(Advanced Nuclear systems)

H.R. 3000	$800
Proposed change	0
Proposed budget	800

Rationale: The $6,300 reduction corresponds to program cutbacks.

Project 80-ES-11:

Construction of multidisciplinary laboratory facility at INEL.

Budget

H.R. 3000	$22,000
Proposed change	0
Proposed budget	22,000

Rationale: No change is made.

Project 80-ES-4:

Construction of a laundry decontamination facility at INEL.

Budget

H.R. 3000	$2,000
Proposed change	0
Proposed budget	2,200

Rationale: No change is made.

Project 80-ES-6:

Replacing boilers at INEL.

Budget

H.R. 3000	$1,900
Proposed change	0
Proposed budget	1,900

Rationale: No change is made.

Subtotal—Construction

H.R. 3000	$135,300
Proposed changes	61,800
Proposed budget	73,500

Subtotal—LMFBR program

H.R. 3000	$650,000
Proposed changes	317,600
Proposed budget	332,400

FUEL CYCLE R AND D

The objective of this program is the development and demonstration of reprocessing of fuels from breeder reactors.

OPERATING

Reprocessing:

Budget

H.R. 3000	$18,100
Proposed change	6,000
Proposed budget	12,000

Rationale: The conceptual design of the hot experimental facility (HEF) should be stopped and the schedule for the integrated equipment test facility (ITEF) at ORNL should be stretched-out.

Barnwell:

Budget

H.R. 3000	$10,500
Proposed change	10,500
Proposed budget	0

Rationale: Consistent with the Administration request, Barnwell is being terminated.

Capital Equipment:

Budget

H.R. 3000	$2,500
Proposed change	1,300
Proposed budget	1,200

Rationale: This is consistent with the stretch-out of the IETF timetable.

Construction:

Project 78-5-b:

Construction of the IETF.

Budget

H.R. 3000	$6,400
Proposed change	3,400
Proposed budget	3,000

Rationale: this is consistent with the stretch-out of the IETF timetable.

Subtotal—Fuel cycle R&D

Budget

H.R. 3000	$37,500
Proposed change	21,200
Proposed budget	16,300

Subtotal—LMFBR program and fuel cycle R. & D.

Budget

H.R. 3000	$687,500
Proposed change	338,800
Proposed budget	348,700

CRBR termination (assumes 10/1/79 termination):

Budget

H.R. 3000	
Proposed change	52,000
Proposed budget	52,000

(Total LMFBR budget)

H.R. 3000	$687,500
Proposed change	286,800
Proposed budget	400,700

Water-cooled and gas-cooled fast breeders:

Budget

H.R. 3000	$89,000
Proposed change	
Proposed budget	89,000

Personnel resources (all breeder reactor systems):

Budget

H.R. 3000	$11,909
Proposed change	
Proposed budget	11,909

Total Breeder Reactor Systems

Budget

H.R. 3000	$788,409
Proposed change	286,800
Proposed budget	501,609●

CONSTITUTION IS NOT PROPER VEHICLE FOR IMPLEMENTATION OF SOCIAL POLICY PREFERENCE

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

● Mr. HANLEY. Mr. Speaker, I would like to take this opportunity to comment on the actions of the House today in voting to discharge the Judiciary Committee from consideration of House Joint Resolution 74, a proposed constitutional amendment which would effectively end the practice of Court ordered busing to achieve equal educational opportunity for all children in this Nation. First, I want to explain that due to prior commitments I was unable to be present for the vote to discharge the committee from consideration. I am officially recorded as "paired" in the affirmative. There can be no doubt that regardless of our individual feelings on the prudence of attempting to alter the Constitution to deal with this issue, a majority of my colleagues signed a discharge petition to require such consideration. That being the case I felt quite strongly that this body had a responsibility to the majority of its Members as well as to the concerned citizens of this Nation to debate this highly controversial proposal.

On the question of final passage of the substitute language of the Holt amendment, however, I joined with a majority of my colleagues in voting "no." I wish to make quite clear that this negative vote is in no way meant to imply any support for the concept of Court-ordered busing. I have always opposed the practice, and strongly feel that in some instances it has been either excessively or incorrectly applied. While I oppose an amendment to the Constitution as a means of correcting the problem, I continue to support efforts to enact legislation to provide assistance to the States in developing and implementing plans, on a voluntary basis, to reduce and eliminate minority group isolation in schools. Federal financial and technical assistance will be the key ingredient in such an approach. The House Education and Labor Subcommittee on Elementary, Secondary, and Vocational Education has tentatively scheduled hearings on this legislation for September, and I am hopeful that we will finally adopt this approach as a solution to the busing problem.

Finally, Mr. Speaker, there were a number of other important factors which prompted my negative vote on the constitutional amendment. First, I do not believe that the Constitution is the proper vehicle for the implementation of social policy preference. The broad statement of fundamental principles contained in that great document must not become encumbered with statements of narrow social preference. Second, even the language of the compromise proposal opens some very serious questions relating to the continued control of local school boards over decisions necessary to provide quality education for our young. Finally, passage of the amendment would have destroyed the years of effort in this Nation to pass and implement the equal protection clause of the 14th amendment. We dare not hold equal educational opportunity hostage to our desire for neighborhood schools. I am confident that we can have both, and I am hopeful that the House will finally consider the appropriate legislative solution I have already mentioned during the current session.●

DAVID ROCKEFELLER ON THE EUROCURRENCY MARKET

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE. Mr. Speaker, the Banking Subcommittees on Domestic Monetary Policy, and International Trade Investment and Monetary Policy recently held joint hearings concerning the vast Eurocurrency market. Also known as the Eurodollar market, it includes approximately $900 billion in deposits in various non-U.S. financial institutions of certain Western currencies, including the U.S. dollar, the German mark, and the Swiss franc.

This market is essentially outside the control of any one or any group of governments and is, therefore, self-regulat-

ing. Increasing concern about the operation and extent of this market has been registered in a number of countries, including the United States and the Federal Republic of Germany, due to the uncontrolled nature and fast growth rate of the market. Although no consensus emerged from the Banking Subcommittees' hearings, it became clear that the Congress should closely monitor this important international market for the continued stability of the world financial order.

On June 13, the prestigious chairman of the Chase Manhattan Bank, David Rockefeller, used the startling success of Margaret Thatcher as the vehicle for addressing the subject of the Eurocurrency market in an address before the American Chamber of Commerce in London, England. I would like to share this thought-provoking speech, which is entitled "Fresh Vision of Old Values," with all of my colleagues.

The speech follows:

FRESH VISION OF OLD VALUES

(Address by David Rockefeller)

On rare occasions in our lives, an especially propitious moment comes upon us—a moment which provides opportunities for action and achievement more readily grasped than at other times. These are moments which by their unusual character impel us to take stock of where we are, to reassess our goals, to change direction, and to renew our commitment to fundamental values which motivate us. At such times, if we seize the opportunity to act with determination, we can make progress.

These moments usually come in difficult times. They often represent turning points in a deteriorating situation, or steps taken in response to a crisis. As a result, they can acquire special historical significance.

Such a moment clearly exists here in the United Kingdom today. The decisive election of Mrs. Thatcher appears to have been more than a routine rotation of parties. It seems to carry a mandate for change.

Through their vote in a campaign where basic issues were sharply defined, the people of the United Kingdom have provided a rare opportunity for their leadership to reexamine the heart of their country's historic and fundamental values, to reassess how those values are being sustained in the world of today, and to make essential choices of what modifications may be required in the light of a changing world in order to give them a truer meaning and reality.

It would appear that the British voters have reopened fundamental issues such as the relationship between individual freedom and authority and the pervasiveness of the state. They have called into question the nation's more recent approach to the generation of wealth, prosperity, and the aggregation of savings and appear to be suggesting a return to a different philosophy. They have called for a fresh assessment of what their society should be—not simply of where current policies might take it. They have called for a vision which incorporates the encouragement of individual aspirations, expectations and standards of excellence, rather than a society which stresses security and equality at the expense of individual initiative and the creation of wealth.

Such a reassessment goes to the roots of British thought and tradition. This is the land which inspired and nutured men such as Locke, Hume, Mill, Adam Smith and Ricardo. These great men were the spokesmen for a society of individual achievers, of a society where the role of the state was not viewed as an end in itself, but rather as a means of preserving individual freedom and opportunity within the framework of law and equity.

At the same time on the continent of Europe, quite an opposite approach as being proclaimed. From the philosophies of Nietzche, Hegel and Marx stemmed ideas which gave precedence to the collective over the individual, to social welfare at the expense under this system of values was systematically subordinated to group goals, the state was viewed as the master. In societies where Marxism has been adopted as a philosophy of government, the people have suffered in body and spirit. Nevertheless the Marxian polemic of the supremacy of the masses has had enormous ideological appeal all over the world.

In the United Kingdom, an effort has been made to introduce the economics of socialism while retaining the politics of democracy. Fabian socialism, or the welfare state, had much appeal to those who were brought up in the British tradition. But unfortunately the outcome has been disappointing.

Democratic pressures for more and more welfare benefits have proven not to be consistent with the economic efficiency of the market mechanism. The result has been declining productivity, a weakening of the work ethic and a slowing down of the economy. The question arises whether, if the experiment of the welfare state were to persist, it would not result in a gradual abandonment of individual freedom in favor of something approaching more nearly a Marxist state such as we have seen in Eastern Europe.

The new Conservative government of Mrs. Thatcher is basically saying that capitalism—with all its faults and weaknesses—serves the greatest number the best. The British people seem to be saying that a leader who offers the possibility of fundamental change toward the individual and away from the collectivity is what they want. What they have had for several decades does not seem to have worked. A basic reassessment of where the country is headed has been asked by the people. The budget suggested by the chancellor suggests that this reassessment is already under way.

In my judgment this is a development of major proportions. For the first time in many years the United Kingdom is challenging a trend toward democratic socialism and is proposing a return to responsible, but nevertheless unabashed, capitalism. This is an experiment which the world will watch with intense interest.

I view this air of expectancy, which exists in my country as well as here, as a positive climate, a favorable psychological atmosphere for progress, and a benefit for Britain and her neighbors. It is, in short, an up-tick on the chart, even though the fundamental indicators have not changed substantially.

In the United States also there has also been an increasing maturity in the perception of where our country stands—and should stand—in the world, even though this perception has temporarily been clouded by the trauma of our experience with Vietnam and Watergate. Let me cite a few examples:

There is in our country a growing general awareness of global interdependence, and a particular awareness of America's dependence on economic relationships with other nations.

There is an increasing understanding of the need to cure inflation—surely our most pressing national problem—even though the medicine will be somewhat bitter.

There is more broadly-shared acceptance of responsible restraints on the consumption of finite, non-renewable resources.

And there is a most welcome trend in American thinking which sees achievement of the true American dream not from more government and more giveaway, but from the creation and development of more sustained and productive opportunities. In short there is a trend of thought in our country which parallels yours. As the new Prime Minister has put it: "There can be no liberty unless there is economic liberty." She believes, and many Americans believe, this means less government and more private initiative.

This thought and its implications for the private sector are finding support in other countries as well. Concern for market forces, free enterprise, and the advantage of open competition has become more visible and more vocal.

There are, however, countervailing pressures. One which is of particular concern to international business in general, and to international banking in particular, is the press for regulation of the Eurocurrency market, up to now one of the least regulated and most successful markets in the world.

The Eurocurrency market is an innovative evolution of international finance that provides an important focus for world investment, development and trade. It has been, and remains, a valuable mechanism for the stimulation of productivity and progress.

Experience with this market, especially since the massive oil price increase of 1973, indicates that it is useful, responsive and, above all, highly responsible. Through skillful and daring commercial bank intermediation, cash-rich nations, including the OPEC countries, made funds available to the nations that were short of cash, and thereby enabled them to weather the storm. The Eurocurrency market clearly demonstrated that market forces can work well for all.

Some critics of the Eurocurrency market have attacked it for encouraging irresponsible lending practices, particularly loans to less-developed countries. In my judgment, that criticism is not warranted. The fact is, for most banks that have participated in the Eurocurrency market, the loss experience with overseas loans has not been and is not now a problem of serious proportions. This was possible because of the high caliber of international borrowers. A very large part of loans made in Eurocurrencies are to industrialized nations. Of loans to developing nations, much the larger part is to the wealthier ones.

A very small part of Eurocurrency exposure is to nations classified by the World Bank as low-income nations, and even here the credits which have been extended have met acceptable credit standards. In speaking of the dangers to the banking system of loans to the developing nations it has become fashionable to cite Zaire. In point of fact commercial bank loans to Zaire are very small indeed in relation to overall loans to developing nations. But with improved copper prices the outlook, even for Zaire, could again become bright when coupled with a modest improvement in the political environment.

While, as I have indicated, following the 1973 oil crisis, the commercial banks were very successful in recycling funds between surplus and deficit countries, the problem may be more complicated now in the face of a new wave of price increases. In the earlier period the banks were able to intervene without assuming excessive credit risks.

Today the problem is somewhat different. Some developing nations may have already reached their borrowing capacity and some commercial banks may be confronted with limits of country exposure.

Therefore, this time around the commercial banks may not be able to assume the prime responsibility of recycling surplus OPEC funds, although they will surely continue to play an important role.

This time it seems to me imperative that the nations of the developed and developing world agree on new solutions allowing for:

(1) a greater reliance on inter-governmental cooperation; (2) an international system for providing credit such as the "Witteveen facility" in the IMF or a revised version of the "safety net" proposed by Secretary Kissinger in 1974.

In addition to expressed concern with respect to credit risk in Eurocurrency lending, other critics have suggested that the Eurocurrency market exacerbates world inflation. In my view, this argument also is clearly overstated. The inflation that you and I know and feel—and which is known and felt widely in Europe and elsewhere throughout the world—is not a consequence of transactions on the Eurocurrency market. Rather, it is primarily a product of domestic economic and political factors and decisions. If the Eurocurrency market were somehow to close down tomorrow, world inflation would not evaporate. I doubt that it would even recede noticeably. In fact, Eurocurrencies have for the most part been a force for economic expansion, rather than inflation.

Why, then, the pressures for more controls on the market? The free market system has been effective and productive. Its participants—generally the largest, soundest and most respected world banks—have been prudent and statesmanlike. It has met the needs of many borrowers and lenders. It has met severe financial challenges innovatively, responsively and responsibly. Additional controls can only hinder its flexibility and adaptability and subtract from its principal strength. Today, if there is a problem it is that the spreads are so narrow as to give cause for concern.

The other perplexing question beyond the "why" of regulation is "how"? I find it difficult to conceptualize how international regulation of Eurocurrency markets might actually be instituted. In the abstract, one could envision intelligent, capable, and well-meaning economists devising a technically workable scheme—providing it could be applied equitably to the participating banks of all nations. But as recent experience in efforts to revise domestic banking regulation is now demonstrating—it is unreasonable to expect such crucial economic changes to remain out of politics.

I cannot help but feel that regulation of the Euromarket would generate a net loss to the very institutions and nations it was intended to benefit.

In a sense, we are approaching a new phase in the life of the Eurocurrency market—and indeed in the life of world trade generally. This is a fortuitous time for shaping the future, for making possible freer and more open finance and trade, and indeed for restoring private enterprise and individual initiative.

Businessmen and women, not just government officials, have an important role in shaping this future. Passive complaining will not be productive and is not an answer. It will take clear, reasoned, and outspoken views—backed by vigorous action. This is the challenge to each of us in this room today. It is up to us to seize this rare moment. You in Britain with a new government, swept in by a strong mandate from the people are, for the first time in many years, in an especially favorable position to speak out with vigor and conviction on this vital subject. This is a time when all of us in business can help guide our governments through the difficult economic, political and social straits ahead by offering clear vision, a sense of purpose and a steady hand. But we must act swiftly, we must seize the moment before it fades.

This is not a time for isolationism or protectionism. Not will passive measures solve our economic and social problems or overcome our basic shortcomings. Surely excessive regulation is not the answer. Negativism and passivity drive out the builders, the innovators and the entrepreneurs in our society. This loss can only stifle progress toward the achievement of a free society of free people, a society supported by a free and open market. And yet it is only in such a society that the individual can fulfill himself with dignity and economic wellbeing.

Mrs. Thatcher is right. "There can be no liberty unless there is economic liberty." For those who look for a strong and positive future, it is time to go on the offensive. It is time to voice clear support for a freer marketplace; it is time to redouble our commitment to those values which have made us strong: vibrant individualism accompanied by a strong social conscience.●

AMENDMENT TO PROHIBIT SCHOOLBUSING WOULD DISCOURAGE SCHOOL DISTRICTS FROM DEVELOPING INTEGRATION PLANS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, our Constitution has served our Nation well through times of national and international crisis, because it provided stability to unify us, rather than serving as a forum for divisive social issues.

The amendment before us today would have the effect of discouraging school districts from developing equitable and innovative integration plans, such as the establishment of magnet schools. Moreover, proximity has never been the one criteria for the assignment of students to schools. The restrictions embodied in this amendment would lead to a chaos for local school districts, and an unnecessary Federal intrusion on the education process. Special schools for gifted, disadvantaged, and other students, extracurricular activities, and future occupational goals are all necessary components of school assignments—and more important than that of mere geographical proximity.

Finally, if we adopt this amendment today, we will be in effect telling millions of our fellow Americans, that the aspirations they hold for their children are not of concern to their Government.●

BACKGROUND ON THE FUQUA-BROWN AMENDMENT ON THE CLINCH RIVER BREEDER REACTOR AMENDMENT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, once again the full House of Representatives will be forced to debate and vote on the Clinch River breeder reactor project, and depending on the eventual language which goes to the President, we may see the entire Department of Energy budget authorization effort vetoed. I voted against reporting this bill because I believe the Committee on Science and Technology should report realistic legislation that has some chance of becoming law. The present bill, with its uncompromising and unrealistic language and funding for the Clinch River breeder reactor project, fails that test. The committee is thus forcing the full House to make the changes which will allow the Department of Energy authorization bill, with all of its positive and responsible programs, to become law.

The background of this dispute is generally known. The Joint Committee on Atomic Energy and the Atomic Energy Commission—both since abolished—advocated the rapid commercialization of liquid metal fast breeder reactors in the early 1970's because of a rapidly growing demand for electricity, and for light water nuclear reactors specifically. The proposed breeder reactors would use plutonium as their main fuel, thus eventually relieving the demand upon our limited uranium resources. The Clinch River breeder reactor project was considered, at the time of its initiation, essential to the early commercialization of plutonium breeder reactors.

Since its initiation in 1972, the projected demand for electrical energy has fallen dramatically, and the decline in projected demand for nuclear generated electricity has fallen even more dramatically. Today it is estimated that we will reach at most only one-fourth the demand for nuclear power estimated for the year 2000 when the Clinch River project was planned.

When President Carter took office he sought the termination of the Clinch River breeder project, while at the same time expanding the Federal Government's breeder reactor program to examine other reactor designs, fuels other than plutonium, and a broader and more aggressive safety program for any future reactors and fuel cycles.

In 1977 President Carter cast his first veto on the authorization bill for the Energy Research and Development Administration—since reorganized—which contained authorization for the Clinch River breeder reactor project. No attempt was made to override the veto, but because separate legislation contained appropriations for the CRBR, the project has continued to spend some $15 million a month with very little direction or belief that the money is being spent for a well defined purpose. Efforts to negotiate a compromise during the last session of Congress failed when the Senate was unable to take up the Department of Energy authorization bill. The President's budget this year contained funding for the programs in the compromise which was negotiated, but not voted on last year.

EFFORTS TO COMPROMISE

As one of the supporters of President Carter's efforts to defer commercialization of plutonium breeder reactors, and terminate the unnecessary Clinch River breeder reactor project, I have been deeply involved in negotiations with supporters and opponents of nuclear power, and supporters and opponents of rapid commercialization of breeder reactors. During more than 2 years of negotiations I believe President Carter has come more than halfway in assuring the breeder reactor proponents that his proposed breeder program does not undermine or necessarily even delay the day when we may see breeder reactors introduced commercially. Since breeder reactors, with their accompanying reprocessing facili-

ties, are competitors of light water reactors, and are uneconomical until uranium is genuinely scarce, it is highly improbable that any utility would operate a breeder reactor until after the year 2020.

Serious efforts to negotiate a compromise started after President Carter vetoed the ERDA authorization bill in 1977 because it continued the Clinch River breeder reactor project. During markup for the Department of Energy authorization bill during spring of 1978 then chairman of the Science and Technology Committee, "Tiger" Teague, and the nuclear Subcommittee Chairman Walter Flowers supported a well-balanced compromise which expanded the breeder research and development program and initiated a major design study for a large breeder reactor, which would be presented to the Congress in 1981, in exchange for terminating the Clinch River breeder reactor project. This compromise failed in the Science and Technology Committee by one vote, and again failed on the House floor. Meanwhile, in the Senate a similar compromise was being negotiated, with the major difference being the addition of still more money for breeder safety work. Unfortunately, this matter never came to a vote in the Senate, and remains unresolved today.

This year efforts at compromise were again attempted in committee, with the President's budget already containing the request for the program identical to that initiated in 1972 when the CRBR was started, the full Science and Technology Committee this year was confronted with a subcommittee recommendation which rejected President Carter's efforts at compromise, and essentially recommended a budget and program identical to that initiated in 1972 when the CRBR was started. The main difference from 1972 is that costs have continued to escalate, now to over $2.5 billion; the need for this demonstration and timetable has continued to decline; and the design for the CRBR has become more obsolete.

At full committee I offered an amendment to restore the President's compromise, and reprogram the money now being wasted in the CRBR project to the broader breeder research and development program. The key element of this compromise is the initiation of a major new conceptual design for a breeder reactor larger than the proposed Clinch River breeder reactor. This study is to be submitted to Congress no later than March 31, 1981 for a decision by Congress on whether to proceed with developing a larger breeder reactor. Before my amendment was voted on, Chairman DON FUQUA offered an amendment to my amendment to direct the Department of Energy to also initiate site selection and licensing activities for the new larger breeder reactor. While the amendment by Chairman FUQUA was not part of the President's compromise package, I supported it in the hopes that the Members who wanted to vote in support of breeder reactors and who genuinely wanted to end this futile struggle over the CRBR would feel more assured with this additional language. This did not happen. While some Members who were not prepared to support the President's compromise did vote for the amendment by Chairman FUQUA, other Members believed the amendment went too far, and opposed it as compromising too much. Chairman FUQUA's amendment was defeated with the help of CRBR opponents and supporters. The vote on my amendment, which contained the President's compromise, was also defeated, and although it was supported by Chairman FUQUA, not all of those who supported his amendment supported my amendment.

I announced my intention in full committee, and repeat here my intention to combine elements of the amendments by Chairman FUQUA and myself, and with the help of the Carter administration, develop a floor amendment which reassures breeder reactor and nuclear supporters even more than is done by the present Carter compromise, without risking a veto. While it is possible that such an additional compromise cannot gain administration support, I intend to continue working for any reasonable compromise which recognizes both the reality of the need—or lack of it—for early commercialization of breeder reactors and the political realities in the Congress.

CONCLUSION

At the end of these remarks can be found a detailed description of the Carter Administration's position of the Clinch River breeder reactor project and the breeder program in general. I believe any Member can see that this is a realistic and reasonable position. Given this set of facts, why is there such a struggle over the Clinch River breeder reactor project? I am convinced that it is a matter of political overkill, where the nuclear power industry and the supporters of this single public works project are using the CRBR as a symbolic test of strength and a simple effort to keep the money flowing.

The full House of Representatives must reverse the action by the Science and Technology Committee or see the Department of Energy authorization bill vetoed. Unless we do this, we will only be continuing a futile, symbolic fight, while real energy battles are waiting to be fought. In addition, we will be wasting valuable energy funds on what has become merely a pork-barrel public works project, instead of investing them in a creative energy strategy.

There is a new climate for nuclear power in this country, and it is not favorable to the rapid expansion of the industry. President Carter's breeder reactor compromise strengthens the careful breeder research and development program already underway with a special emphasis upon breeder reactor safety. Adoption of the Carter compromise will make the U.S. breeder program the best in the world. Failure to compromise will continue the doubt and uncertainty which has been plaguing the nuclear industry.

THE WHITE HOUSE,
Washington, April 24, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Since the beginning of my Administration I have opposed construction of the Clinch River Breeder Reactor. In recent days, I have again reviewed this matter and I remain convinced that completion of this project would not be in the national interest. My reasons for this belief are:

It is premature to proceed with construction of any initial breeder facility now because it will be a long time before breeders would be economical in the United States, based on conservaitve estimates of domestic uranium supply and demand.

We have had extensive experience in this field since the design of the Clinch River Breeder was frozen in the early 1970s, and it no longer represents the best design available for the first breeder reactor.

When the time comes we can design and build a reactor that is technically more advanced, more efficient, safer, and more comparable to reactors that one day might actually be used commercially. The learning and experience to be gained from completion of CRBR is, therefore, just not worth the cost.

Continuation of this project will weaken the United States' effort to persuade other countries to limit and impose strict controls on their use of plutonium and other nuclear materials from which nuclear weapons can be made. If the United States is to be a leader in the field of breeder reactor technology we must have a strongly based program that continues to advance the state of the art. This will enable us to build a more advanced reactor at an appropriate future date.

I want to emphasize that my opposition to CRBR does not imply opposition to breeder reactors in general or to nuclear power. Along with developing our renewable energy resources based on solar energy and fusion, breeder reactors hold the promise of providing essentially inexhaustible supplies of electrical energy. We need to pursue a vigorous program of breeder reactor research and development so that this option can be commercially available to us when and if we need it. I have always been committed to such a program and remain so today. My FY 1980 budget requests $504 million for liquid metal fast breeder development and $86 million for light water and gas cooled fast breeder backups. My FY 1981 budget will maintain this commitment to a large diversified technology program, the largest of any country in the world.

In addition, I am convinced that we must continue to use the once-through light water reactor system as an important source of our electricity now and in the future. We must continue to improve safety, reliability and resource utilization and we must proceed with careful, deliberate, yet expeditious waste disposal. I am strongly committed to all of these and my FY 1980 budget, if enacted by the Congress, will ensure strong programs in each area.

Internationally, we will continue our efforts to persuade others to derive the energy benefits of nuclear fission without increasing the likelihood that nuclear technology and nuclear materials will be diverted for purposes of making nuclear explosives. I believe these two objectives can be compatible and we will continue working with other countries to make them so.

Naturally, I am aware of the diverse views in the Congress on the issue of CRBR. The controversy over this important aspect of the Nation's energy research and development program has been prolonged and divisive. Attention has been diverted from the remainder of a balanced and effective energy research and development program and from other important energy issues, both nuclear and non-nuclear.

In addition, while the debate continues we are expending about $15 million per month on the Clinch River project. While some of these expenditures are for components which I would intend to complete, much is being wasted. This we can ill afford. Approximately $1.5 billion can be saved if the project finally can be terminated. In my

judgment, it is time to end this impasse and get on with a vigorous and balanced research and development program to assist in solving our long-term energy needs.

I believe it is possible to resolve this matter in a manner acceptable to both the Administration and the Congress. The essential elements of such a resolution include:

A strong liquid metal fast breeder research and development program funded at $504 million for FY 1980. This will assure our ability to build a first facility when we need it and eventually to commercialize the technology if we decide to do so.

A conceptual design study of a large breeder test plant that would be what the nuclear and utility industry now believe the first breeder facility should be, incorporating currently available technology, and providing a flexible test facility. A report on this design will be made to Congress in March of 1981.

Completion of such a systems design of the Clinch River Breeder Reactor.

Procurement and testing of certain components from the Clinch River project to ensure that we can obtain maximum benefit from past investments.

Termination of the remainder of the Clinch River project.

I have directed Secretary of Energy Schlesinger to transmit to the Congress legislation to implement this resolution. The legislation assumes enactment by June 1 of this year, a date which will minimize further wasted expenditures on this project while allowing adequate time for full and careful consideration by the Congress.

I have asked that detailed briefings on all aspects of my Administration's nuclear program, and on the role of breeder reactors in our energy future, be made available to members of the Congress and their staffs in the near future. I have also instructed the Department of Energy and my own staff to spare no effort in supplying any details or information members and their staffs might request in this regard.

I look forward to working cooperatively with the Congress on resolving this important issue and I urge the Congress to enact promptly the legislative proposals to be sent to you shortly.

Sincerely,

JIMMY CARTER.

CARTER ADMINISTRATION FACT SHEET

URANIUM EFFICIENCY—THE BREEDER AND OTHER CHOICES

The breeder and improved nonbreeders

The advantage of the breeder reactor is often said to be that it produces more fuel than it consumes. This is an imprecise way of putting the matter. A breeder produces more fissionable material than it consumes, but it does gradually use up fuel—that is it uses up uranim, which it efficiently converts from nonfissionable to fissionable form. The advantage of a breeder is that it uses much less uranium than present light water reactors—at least 95 percent less uranium if the breeder works as advertised.

This advantage must be weighed against four disadvantages. The first is a higher capital cost for breeders than for light water reactors (LWRs). DOE estimates that liquid metal fast breeder reactors (LMFBRs) could cost 25 percent to 75 percent more than LWRs. This cost penalty is now under study in the government, with the likelihood that newer data will show higher breeder costs. To understand the seriousness of the breeder cost penalty we should realize that at an average price of $30 per pound, the cost of uranium is only some 5 percent of the cost of delivered electricity from LWRs. The capital cost of the light water reactor, however, is some 35 percent of the delivered cost of electricity. A 25 to 75 percent more expensive breeder reactor would consequently have the economic effects of uranium costing upwards of $100 per pound. Electric utility purchases are very sensitive to capital costs. It remains to be seen whether a machine as expensive as a breeder reactor will have a sizable market.

The second disadvantage of a breeder reactor is that its uranium savings come late in time. This is because of logistic limitations that only allow breeders to be built up slowly. A February 1978 report, "Nuclear Fuel Cycle Requirements," prepared by an expert group of the OECD Nuclear Energy Agency, compared cumulative uranium requirements through 2025 for breeders and for LWRs. The comparison of interest is for the "present trend" growth of nuclear power, a growth projection that looks generous in the light of current information, in which the best LMFBR analyzed is compared to an LWR with a 35 percent reduction in uranium requirements. We shall discuss shortly how much an improvement in uranium efficiency seems conservative for LWRs operating without recycle. Accepting these assumptions, the OECD group found that cumulative uranium consumption through 2025 would be the same for breeders as for LWRs. The improvement in uranium efficiency of breeders could only show up in cumulative uranium consumption in the second quarter of the twenty-first century.

The third disadvantage is the technical complexity of breeders. Construction standards and specifications for safety systems are inherently more stringent for LMFBRs. This is in part because liquid sodium, which must be kept away from air and water, is used extensively. This is why the estimated cost for LMFBR R&D is now greater than $20 billion, and we still do not know whether the final breeder will be as reliable as present day LWRs.

The fourth disadvantage of breeders is one that we have heard a great deal about—nuclear weapon proliferation risk. Breeders require in their fuel a high concentration of fissionable material—a 4 to 10 fold higher concentration than LWRs require in their fresh fuel and some 12–30 times the concentration of plutonium in LWR spent fuel. This means that the reprocessing of breeder core fuel—which is required to realize the uranium efficiency benefits of breeders—can yield bomb quantities of material up to 30 times as fast as can the reprocessing of LWR spent fuel—which is not required for LWRs. There is no way to avoid this high concentration of fissionable material and reprocessing operations if a breeder is to breed. CIVEX and thorium cycles may mitigate but cannot eliminate this problem.

The magnitude of the proliferation risk from a single 1000 megawatt breeder is worth some reflection. Each annual fuel load could contain enough plutonium for hundreds of nuclear weapons. The chemical separation of such plutonium could produce as arsenal quantity of nuclear material every few days.

By contrast let us examine the non-breeder reactors. The present day LWR operating on a once-through fuel cycle is among the most proliferation resistant reactor systems known. It was not designed for uranium efficiency, but high confidence uranium resources can support the lifetime fuel requirements for the projected growth in the use of LWRs beyond the year 2000.

Can the uranium efficiency of the LWR be improved? Yes, very much so. The Department of Energy is requesting research funds for FY 1980 to pursue substantial fuel efficiency improvements for once-through LWRs that could be brought into practice by the end of the century. Such improvements, including a longer-lived LWR fuel now being tested and capable of being retrofitted to other LWRs—will around the year 2000 reduce uranium requirements by more than 25 percent. Non-retrofitable improvements, applicable only to new LWRs, may be based on the design goal of a 40 percent reduction in uranium requirements. Such improvements can be combined with changes in the operation of enrichment plants to increase uranium efficiency, for example, 0.05 percent–0.1 percent tails assay achieveable with enrichment technologies of the 1980's and 1990's. The total effect, if successful, would be a reduction of about 50 percent in uranium requirements for once-through LWRs by the turn of the century.

Advantages of improved uranium efficiency in nonbreeders

Whether one believes or does not believe that the world will ultimately turn to breeder reactors, there are at least six reasons why we should all agree that the uranium efficiency of nonbreeders should be improved.

The first reason is to stretch our present low-cost uranium resources. With projected nuclear growth, our high confidence low cost resources can fuel for their lifetimes all LWRs to be installed past the year 2000. With a 50 percent reduction in uranium requirements LWRs can continue to grow on the present high confidence, low cost resource base until the 2020 period.

The second reason is to make more uranium economically accessible. By giving us more time to discover additional low cost uranium, improved efficiency LWRs raise the prospect of an approximate doubling of low cost uranium supplies—by moving from today's "reserves" and "probable" resources to tomorrow's "possible" and "speculative" resources. But a 50 percent improvement in uranium efficiency does more than give us time. It also allows once-through reactors to economically use more expensive uranium. If a present day LWR can use $100 per pound uranium and still be more economical than a breeder, then a 50 percent more efficient LWR can use approximately $200 per pound uranium. And much more uranium is available at higher costs. DOE's mineral inventory shows a one-third increase in U.S. uranium inventories as the cut off grade moves from levels that correspond to $50 per pound to levels that correspond to roughly $100 per pound. But this is only for uranium associated with present high grade uranium deposits. Should the economic incentive arise, new lower grade uranium deposits are likely to be found that were passed over under old economic conditions. We need not rely on new discoveries, however. At uranium prices in the low hundreds of dollars per pound known resources, U.S. shales for example, promise to at least double again the world uranium supplies. Even though this uranium is "low grade," the quantities mined and the gross environment effects of mining it should be less, per kilowatt hour, than for mining coal. And for 50 percent lower uranium requirements in LWRs, these environmental effects will be 50 percent lower.

Although more uranium efficient nonbreeders could make such resources economically and environmentally accessible, it is not clear that the world will need to turn to such resources. The history of the uranium industry and all other extractive industries clearly implies that more lower cost fuel is available to be discovered.

The third advantage of uranium efficient non-breeders applies to countries that are concerned about the security of their nuclear fuel supplies. Such reactors as improved once fuel supplies. Such reactors as improved once-through LWR's can reduce uranium requirements soon, not in the second quarter of the twenty-first century. And they can increase the fuel assurance provided by a given nuclear fuel stockpile—a stockpile that could either be held by an individual country or by an international fuel bank.

The fourth advantage of more uranium efficient non-breeders is that, if the world some day turns to recycle of spent fuel, such reactors permit a longer period of so-called "thermal recycle" in which the fissionable concentration of nuclear fuel is a factor of 4–10 times lower than for breeders. Perhaps some day reprocessing and fuel refabrication could be conducted only in a few secure locations; this is, of course, a great political uncertainty that is one reason for the Carter "pause" is committing to such technologies. But in the event that such political controls could be developed and accepted, the nuclear fuel shipped out of such secure areas could have a low concentration of isotopically denatured U–233—a material almost as proliferation resistant as present nuclear fuel. And the greater uranium efficiency of non-breeders would allow the world to use this technology for decades more than if no such efficiency improvements were made.

The fifth advantage of uranium efficient non-breeders is that, if breeders ever arrive, the world will need fewer of them and can confine them to fewer secure areas if they are operated in conjunction with efficient non-breeders. With more efficient non-breeders correspondingly less fissionable material would need to be bred to fuel them and to allow an increase in their numbers. The material could be bred to having one breeder for perhaps every three non-breeders, but confining these limited numbers of breeders to relatively secure areas and limiting the nuclear material exported from these areas to low concentrations of denatured fissionable material. This would not be the easiest of all worlds for which to secure the necessary political agreements, and it would not be the most proliferation resistant of all worlds. But it would be far more benign than a world with breeders, reprocessing plants, and high concentrations of fissionable material everywhere.

The sixth advantage of more uranium efficient non-breeders goes back to considerations of time. More efficient non-breeders would give us more time to develop better reactors employing breeder technology. If breeders are not needed for the next forty years, our range of choices as to what kind of reactor we want expands considerably. We can seriously investigate, for instance, a once through fast reactor, a new concept that would use low enriched uranium fuel, without reprocessing, in a fast reactor employing breeder technology. After startup, such a reactor would feature a predicted improvement in uranium efficiency by a factor of 15 over present LWR's. This could defer the justification of reprocessing fuel cycles in breeder technology by many decades or centuries.●

A RAILROADER'S THOUGHTS ON AMTRAK

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

● Mr. EVANS of Indiana. Mr. Speaker, I recently received a letter from a constituent of mine, Victor Tryon, regarding his concern about the possible discontinuation of some of the Amtrak routes whose fate we are discussing today. Mr. Tryon has served the Amtrak system as a conductor on the National Limited. He has 38 years of experience in the railroad industry and has some insightful observations resulting from that service. I think my colleagues will benefit from Mr. Tryon's thought on just why some of the Amtrak routes are having the difficulties in getting the ridership they might under different circumstances.

JUNE 18, 1979.

DEAR CONGRESSMAN: In reference to DOT restructure of Amtrak and the discontinuance of 43 percent of Amtrak routes.

I am one of the Amtrak Conductors on the Amtrak National Limited running between Indianapolis and St. Louis, with 38 years experience. I'm also a firm believer that Amtrak can be a very lucrative business, and if it is true there is an energy crisis or shortage, there is no other way to mass transit people more economically with the use of less fuel—figures prove this.

Over past years I have observed many of the reasons that could help Amtrak business, and listed below are just a few of the many complaints I consistently hear from Amtrak passengers and the general public that I am in contact with daily.

(1) Very little promotion or advertising of the National Limited Amtrak schedules, tariffs and type of equipment available. Very few know we are now running new Amfleet Equipment on the National Limited.

(2) Passengers complain it is almost impossible to call Chicago toll free number for train information and reservations, and if they can get through, they are often told no seats are available, when we find there are plenty seats available. Amtrak should return to local listings for train information and reservations.

(3) More in-city directions to Amtrak Passenger Stations is very poor. A few gallons of paint sure would clean up and improve most local stations. There are no lights or shelter for passengers at Terre Haute, IN., a scheduled stop.

(4) The Eastbound National Limited departs Kansas City on time and will lose from approximately 1 to 2 hrs. arriving at St. Louis, that much late, which is ridiculous and should be investigated at once as this is not an occasional delay—it is almost daily.

(5) The business increased to the extent that Amtrak has discontinued one of its best economy tickets which is the U.S.A. Rail passenger ticket that is purchased for periods of two weeks, three weeks and thirty days and allows the passenger to travel, stop over at any time within the 30 day period without additional expense. Instead of discontinuance of train travel, these tickets should be continued and added equipment is needed to take care of their needs. About 75,000 passes are sold a year.

(6) The National Limited, the one and only train that serves Indianapolis, IN., also serves for delivery of inbound and outbound equipment to Beech Grove, IN., one of the largest repair facilities in the nation. If the National Limited was discontinued, special trips costing Amtrak about $4,000 each would have to be made to the plant.

(7) The National Limited is short sleeping cars which causes a hardship the majority of the time and no sleeping space is available for the traveling public.

The Conductor does not have any space allocated for his use in assigning space for on-board protection or sale. On many occasions sleeping space sales are turned away by the Conductor.

Even Amtrak says its ridership began climbing last October. In May, the system turned away 756,246 would-be passengers for lack of space.

At least a two-year moratorium should be enacted on all present Amtrak trains.

Sincerely,

VICTOR V. TRYON,
Conductor, Amtrak National Limited.
PLAINFIELD, IND.●

EXPRESSING CONCERN OVER ATTACKS IN LEBANON

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute.)

Mr. KASTENMEIER. Mr. Speaker, earlier today, during the 1 minute speeches, the gentleman from Illinois (Mr. FINDLEY) expressed his concern over Israeli bombing and other military attacks in Lebanon.

Mr. Speaker, I wish to associate myself with the gentleman's remarks, and I yield back the balance of my time.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MIKVA. Mr. Speaker, due to my appearance at confirmation hearings before the Senate Judiciary Committee on July 19, 1979, I was absent for three rollcall votes.

Had I been present, I would have voted as follows:

Rollcall No. 361, motion by Mr. PAUL to recommit H.R. 3917 (health planning and resources development amendments) to examine the effects of the bill on the Hippocratic Oath—vote, "no";

Rollcall No. 362, final passage of H.R. 3917—vote, "yes"; and

Rollcall No. 363, to resolve the House into the Committee of the Whole to consider H.R. 4473 (foreign assistance appropriations for fiscal year 1980)—vote, "yes."

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows:)

To Mr. EDWARDS of Alabama (at the request of Mr. RHODES), for July 23 and 24, 1979, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DOUGHERTY) to revise and extend their remarks and include extraneous material:)

Mr. MCKINNEY, for 10 minutes, today.
Mr. KEMP, for 20 minutes, today.
Mr. COLLINS of Texas, for 20 minutes, today.
Mr. FINDLEY, for 10 minutes, today.

(The following Members (at the request of Mr. MAVROULES) to revise and extend their remarks and include extraneous material:)

Mr. CAVANAUGH, for 20 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ADDABBO, for 20 minutes, today.
Mr. SCHEUER, for 5 minutes, today.
Mr. NELSON, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.
Mr. UDALL, for 15 minutes, today.
Mr. HANLEY, for 5 minutes, today.
Mr. LAFALCE, for 15 minutes, today.
Mr. PHILLIP BURTON, for 5 minutes, today.
Mr. BROWN of California, for 5 minutes, today.
Mr. EVANS of Indiana, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOUGHERTY) and to include extraneous matter:)

Mr. ERDAHL.
Mr. SYMMS.
Mr. GOLDWATER.
Mr. BROWN of Ohio.
Mr. RUDD.
Mr. ERLENBORN.
Mr. GUYER.
Mr. RAILSBACK.
Mr. DERWINSKI.
Mr. GILMAN.
Mr. CLINGER.
Mr. PAUL in three instances.
Mr. RINALDO.
Mr. DANNEMEYER.
Mr. FINDLEY.
Mr. HOPKINS.
Mr. COLLINS of Texas in three instances.
Mr. HINSON in two instances.
Mr. COLEMAN.
Mr. KEMP.

(The following Members (at the request of Mr. MAVROULES) and to include extraneous matter:)

Mr. MARKEY.
Mr. ASPIN.
Mr. SOLARZ in two instances.
Mr. OTTINGER in five instances.
Mr. WEISS.
Mr. EDGAR.
Mr. ADDABBO.
Mr. WAXMAN.
Mr. VENTO in two instances.
Mr. CONYERS in two instances.
Mr. GARCIA.
Mr. RODINO in two instances.
Mr. BARNES in two instances.
Mr. SEIBERLING in 10 instances.
Mr. JENKINS.
Mr. MOAKLEY.
Mrs. SCHROEDER in three instances.
Mr. SHANNON.
Mr. WOLFF.
Mr. PEPPER in two instances.
Mr. FISHER.
Mr. MAZZOLI.
Mr. NOLAN.
Mr. DELLUMS.
Mr. SKELTON.
Mr. MATSUI in two instances.
Mr. BEDELL.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 390. An act to expedite and reduce the cost of antitrust litigation, and for other purposes; to the Committee on Judiciary.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 373. Joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

ADJOURNMENT

Mr. MAVROULES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 25, 1979, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2087. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment to the Federal Republic of Germany (Transmittal No. 79–54), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2088. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment and services to Singapore (Transmittal No. 79–55), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2089. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment and services to Egypt (Transmittal No. 79–56), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2090. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment and services to Egypt (Transmittal No. 79–57), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2091. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment to Israel (Transmittal No. 79–58), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2092. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment to Israel (Transmittal No. 79–59), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2093. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment to Israel (Transmittal No. 79–60), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2094. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of defense equipment to Saudi Arabia (Transmittal No. 79–63), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2095. A letter from the Assistant Administrator of General Services for Management, Policy, and Budget, transmitting the statistical supplement to the stockpile report for the 6 months ended March 31, 1979, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

2096. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the award to Federal assistance to school districts enrolling certain categories of children receiving free public education in areas affected by Federal activities, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2097. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate Anthony Quainton, Frank G. Wisner, Harvey J. Feldman, Jack R. Perry, J. Brian Atwood, and by members of their respective families, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2098. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the Federal Republic of Germany (Transmittal No. 79–54), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2099. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Singapore (Transmittal No. 79–55), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2100. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army, Navy, and Air Force's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 79–56), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2101. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 79–57), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2102. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 79–58), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2103. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 79–59), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2104. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 79–60), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2105. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to the Netherlands (Transmittal No. 79–61), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2106. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Saudi Arabia (Transmittal No. 79–63), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2107. A letter from the Director, Office of Personnel Management, transmitting notice of various exclusions from the Senior Executive Service made by the President, pursuant to 5 U.S.C. 3132(f); to the Committee on Post Office and Civil Service.

2108. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement and

supplemental information on the mouth of the Colorado River, Tex., pursuant to section 404(r) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

2109. A letter from the Comptroller General of the United States, transmitting a report comparing international communication, cultural, and educational programs of the United States and six other countries (ID-79-28, July 23, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

2110. A letter from the Comptroller General of the United States, transmitting a report on needed controls over the package tour industry (CED-79-108, July 23, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 2492. A bill to correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984, the duty provisions applicable to crude feathers and downs; with amendment (Rept. No. 96-375). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1319. A bill to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii; (Rept. No. 96-376). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 2297. A bill to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile; with amendment (Rept. No. 96-377). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1212. A bill for the relief of the University of Florida, Gainesville, Fla.; (Rept. No. 96-378). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3122. A bill relating to the tariff treatment of certain articles; with amendment (Rept. No. 96-379). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Report pursuant to section 302(b)(2) of the Congressional Budget Act of 1974; (Rept. No. 96-380). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3361. A bill to establish the true location of a portion of northerly boundary of the Angeles National Forest, located in Los Angeles County, Calif., on the common line between sections 16 and 17, township 4 north, range 10 west, San Bernardino meridian, and to establish the center quarter corner of said section 16. (Rept. No. 96-383). Referred to the Committee of the Whole House on the State of the Union.

Mr. DODD: Committee on Rules. House Resolution 384. Resolution providing for the consideration of S. 1030. An act to authorize the President to create an emergency program to conserve energy, and for other purposes (Rept. No. 96-384). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 385. Resolution providing for the consideration of H.R. 4167. A bill to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 percent of the parity price therefor (Rept. No. 96-385). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 386. Resolution providing for the consideration of H.R. 79. A bill to amend title 39, United States Code, to provide that the chairman of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes (Rept. No. 96-386). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1762. A bill to convey all interests of the United States in certain real property in Sandoval County, N. Mex., to Walter Hernandez (Rept. No. 96-381). Referred to the Committee of the Whole House.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1968. A bill to direct the Secretary of the Interior to convey certain lands in Clear Creek County, Colo., to Harold and Doris Harlan; with amendment (Rept. No. 96-382). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 4931. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $1,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. CAVANAUGH:

H.R. 4932. A bill to amend the Federal Property and Administrative Services Act of 1949 to require the installation in all Federal vehicles of devices to identify and encourage the reduction or elimination of nonproductive energy consumption; to the Committee on Government Operations.

H.R. 4933. A bill to amend the Internal Revenue Code of 1954 to provide refundable credits against income tax for development, testing, and purchase of devices designed to identify and encourage the reduction or elimination of nonproductive energy consumption of motor vehicles; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 4934. A bill to amend title 18, United States Code, to authorize imposition of a fine as an additional penalty for an offense, to increase the maximum fines for various offenses, to establish an alternative maximum fine based on the extent to which pecuniary gain results from committing an offense, to establish criteria applicable to the imposition and modification of fines, and for other purposes; to the Committee on the Judiciary.

By Mr. JENKINS:

H.R. 4935. A bill to amend the Tariff Schedules of the United States to provide a duty on certain items relating to certain models of household furnishing and accessories; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 4936. A bill to establish a coordinated, prompt, and simplified process for approval of significant nonnuclear energy facilities, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. MARKEY:

H.R. 4937. A bill to amend the Railroad Retirement Act of 1974 to provide that certain individuals who lost railroad related employment through no fault of their own shall be deemed to have current connections with the railroad industry for the purposes of determining eligibility for certain survivors benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON (for himself, Mr. ANDERSON of California, Mr. CORMAN, Mr. DIXON, Mr. GOLDWATER, Mr. MOORHEAD of California, and Mr. ROYBAL):

H.R. 4938. A bill to repeal the act of June 23, 1936, to preserve to the city of Los Angeles all of its existing rights, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RITTER:

H.R. 4939. A bill to provide for a Federal mechanism within the Office of Science and Technology Policy for assessing the comparative risks involved in actions in scientific, technological, and related fields; to the Committee on Science and Technology.

By Mr. PAUL:

H.R. 4940. A bill to limit the acquisition and use of motor vehicles; to the Committee on Government Operations.

By Mr. PICKLE:

H.R. 4941. A bill to name a dam and reservoir on the San Gabriel River, Tex., as the North San Gabriel Dam and Lake Georgetown, respectively; to the Committee on Public Works and Transportation.

By Mr. RAHALL:

H.R. 4942. A bill to amend the Internal Revenue Code 1954 to provide that the payment of certain dividends by a cemetery corporation shall not deny such corporation its exemption under section 501(c)(13) of such code; to the Committee on Ways and Means.

By Mr. RODINO (for himself, Mr. ADDABBO, Mrs. CHISHOLM, Mrs. FENWICK, Mr. GARCIA, Mr. GUARINI, Ms. HOLTZMAN, Mr. RANGEL, Mr. RICHMOND, Mr. RINALDO, Mr. FISH, and Mr. PEYSER):

H.R. 4943. A bill granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 4944. A bill to prohibit any person, in manufacturing cigarettes or little cigars for sale or distribution in commerce, from adding to such cigarettes or little cigars any substance which has the effect of continuing the burning of such cigarette or little cigar if left unattended; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 4945. A bill to amend sections 503, 504, 606(6), 804 and 905(a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. MURTHA:

H.R. 4946. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expenses paid by him for the education of any of his dependents at an institution of higher learning; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 4947. A bill to acquire certain lands so as to assure the preservation and protection of the Potomac River shoreline; to the Committee on Interior and Insular Affairs.

By Mr. WEISS:

H.R. 4948. A bill to reduce certain eligibility requirements for basic and supplemental

educational opportunity grants; to the Committee on Education and Labor.

By Mr. WEISS (for himself, Mrs. CHISHOLM, and Mr. MILLER of California):

H.R. 4949. A bill to require certain information be provided to individuals who take standardized educational admissions tests and for other purposes; to the Committee on Education and Labor.

By Mr. CORRADA (for himself, Mr. WRIGHT, Mr. RHODES, Mr. BRADEMAS, Mr. MICHEL, Mr. UDALL, Mr. PHILLIP BURTON, Mr. CLAUSEN, Mr. ROSTENKOWSKI, and Mr. DEVINE):

H. Con. Res. 165. Concurrent resolution relating to self-determination for the people of Puerto Rico; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD:

H. Con. Res. 166. Concurrent resolution expressing the sense of the Congress that homosexual acts and the class of individuals who advocate such conduct shall never receive special consideration or a protected status under law; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H. Res. 387. Resolution to express the sense of the House of Representatives that there should be no recess for the House of Representatives during the remainder of the first session of the 96th Congress; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

269. By the SPEAKER: A memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to assuring adequate supplies of home heating oil to Massachusetts; to the Committee on Interstate and Foreign Commerce.

270. Also, memorial of the Legislature of the State of Louisiana, relative to a tax credit for oil profits which are reinvested in exploration and development; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Rhode Island:

H.R. 4950. A bill for the relief of Maria Iannone Zannella; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 4951. A bill for the relief of Anastacio Tortona; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 996: Mr. WHITEHURST, Mr. EMERY, Mr. MITCHELL of Maryland, Mr. WHITTAKER, Mr. ARCHER, Mr. GINGRICH, Mrs. FENWICK, Mr. LIVINGSTON, Mr. WOLFF, Mr. FRENZEL, Mr. TAUKE, and Mr. CHAPPELL.

H.R. 1297: Mr. FLIPPO, and Mr. MATSUI.

H.R. 1918: Mr. MILLER of Ohio.

H.R. 2551: Mr. HOLLENBECK, Mrs. SNOWE, Mr. TAUKE, Mr. FAZIO, Mr. KILDEE, Mr. ANDERSON of Illinois, Mr. PURSELL, Mr. DASCHLE, Mr. D'AMOURS, Mr. ERDAHL, Mr. MURTHA, Mr. RAILSBACK, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. STOKES, Mr. BAILEY, Mr. TRAXLER, Mr. SEIBERLING, and Mr. RATCHFORD.

H.R. 3383: Mrs. HOLT, Mr. LUNGREN, and Mr. ROBINSON.

H.R. 3595: Mr. GILMAN.

H.R. 3677: Mr. VENTO, Mr. HUGHES, and Mrs. SCHROEDER.

H.R. 3769: Mr. WILLIAMS of Montana.

H.R. 3883: Mr. BROOMFIELD, Mr. ROYBAL, Mr. WILLIAMS of Montana, Mr. FAZIO, Mr. WEAVER, Mr. UDALL, Mr. SABO, Mr. DOWNEY, Mr. ROE, Mr. ADDABBO, Mr. MURPHY of Pennsylvania, Mr. KOGOVSEK, Mr. KEMP, Mr. HORTON, Mr. SIMON, Mr. DUNCAN of Oregon, Mr. MIKVA, Mr. CORCORAN, Mr. KOSTMAYER, Mr. PEPPER, Mr. DICKS, Mr. LAFALCE, Mr. OTTINGER, Mr. CORMAN, Mr. LOWRY, Mr. VENTO, Mr. WEISS, Mr. WOLFF, Mr. BUCHANAN, Mr. WALGREN, Mr. MURPHY of Illinois, Mr. LEDERER, Mr. GILMAN, Mr. MOLLOHAN, Mr. MARKS, and Mr. VAN DEERLIN.

H.R. 3912: Mr. SIMON, Mr. TAUKE, Mr. WOLFF, Mr. SOLARZ, Mr. STOKES, and Mr. RICHMOND.

H.R. 4253: Mr. BRODHEAD, Mr. CORRADA, Mr. DOWNEY, Ms. FERRARO, Mr. FLORIO, Mr. GREEN, Mr. GUARINI, Mr. GUDGER, Mr. HARKIN, Mr. MITCHELL of Maryland, Ms. MIKULSKI, Mr. MURPHY of Pennsylvania, Mr. PEPPER, Mr. RICHMOND, Mrs. SPELLMAN, Mr. STACK, Mr. STOKES, Mr. WEISS, Mr. WOLPE, Mr. MINETA, Mr. PURSELL, Mrs. CHISHOLM, Mr. SKELTON, Mr. WIRTH, Mr. WAXMAN, Mr. OTTINGER, and Mr. LOWRY.

H.R. 4291: Mr. WHITEHURST, Mr. SYMMS, Mr. DEVINE, Mr. LAGOMARSINO, Mr. WHITLEY, Mr. ROE, Mr. NICHOLS, Mr. HYDE, Mr. SOLOMON, Mr. BEVILL, Mr. WHITTAKER, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. BADHAM, Mr. McDONALD, Mr. BARNARD, Mr. LEACH of Louisiana, Mr. GOODLING, Mr. CAMPBELL, Mr. MONTGOMERY, Mr. DANNEMEYER, Mr. GUDGER, Mr. CHAPPELL, Mr. BURGENER, Mr. JEFFRIES, Mr. SAWYER, Mr. WYATT, Mr. ICHORD, Mr. DOUGHERTY, and Mr. ROBERT W. DANIEL, JR.

H.J. Res. 139: Mr. DANIEL B. CRANE.

H.J. Res. 205: Mr. ANDERSON of Illinois, Mr. FORD of Michigan, and Mr. DOUGHERTY.

H.J. Res. 322: Mr. HOPKINS, Mr. KOSTMAYER, Mr. ADDABBO, Mr. CAMPBELL, Mr. STARK, Mr. LAFALCE, Mr. RAHALL, Mr. WON PAT, Mr. SCHEUER, Mr. AUCOIN, Mr. PRICE, Mr. WOLPE, Mr. KILDEE, Mr. RICHMOND, Mr. FLOOD, Mr. LAGOMARSINO, Mr. MURPHY of Pennsylvania, Mr. BONIOR of Michigan, Mr. MARKS, Mr. CHENEY, and Mr. SIMON.

PETITIONS, ETC.

Under clause 1 of rule XXII,

180. The SPEAKER presented a petition of Sonoma County Board of Supervisors, Santa Rosa, Calif., relative to rail service between Willits, Calif., and Eureka, Calif., which was referred to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3000

By Mr. CLINGER:

—Page 41, after line 24, insert the following new section:

TAX CREDIT STUDY

SEC. 302. (a) There is authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed $38,500 to conduct the study under subsection (b).

(b) The Secretary of Energy shall conduct a study to assess the various proposals for Federal tax credits for residential coal-heating equipment, as contained in legislation introduced in the Congress during the 96th session. The study shall include an estimate of the costs to the United States of the various tax credit proposals and an evaluation of the possible savings in consumption of heating oil and natural gas that would result from the proposals. Not later than one year after the date of the enactment of this Act, the Secretary of Energy shall submit to the Congress a report of the results of the study.

By Mr. COURTER:

—Page 79, add at the end the following new section:

LIMITATION ON USE OF CERTAIN FUNDS TO ADMINISTER THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

SEC. 111. No funds appropriated pursuant to this Act for the fiscal year ending September 30, 1980, may be used to administer any mandatory allocation or price control for motor gasoline established by regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973.

By Mr. FITHIAN:

—Page 4, line 6, strike out "$61,500,000" and insert in lieu thereof "$84,400,000".

Page 4, line 7, strike out "$52,000,000" and insert in lieu thereof "$65,900,000".

Page 4, line 15, strike out "$54,500,000" and insert in lieu thereof "$84,900,000".

Page 58, line 16, strike out $23,000,000" and insert in lieu thereof "$35,800,000".

By Mr. KOSTMAYER:

—Insert a new Section 802 and renumber accordingly:

Section 802. It shall be the policy of the Department of Energy to maximize research and development procurement from small businesses, as defined by the Small Business Administration. (a) To implement this policy, the Department of Energy shall procure not less than 25 percent of research and development projects and services from small businesses. (b) If the Secretary determines that this degree of small business participation cannot be achieved, he shall report to the Committees on Interstate and Foreign Commerce, Small Business, and Government Operations of the House of Representatives; and to the Committees on Energy and Natural Resources, Governmental Affairs, and Small Business of the Senate; the Department's inability to meet the 25 percent small business requirement, the reasons therefore, and the Department's planning to meet the requirement in subsequent years.

By Mr. KRAMER:

—Page 79, after line 25, insert the following new section:

PROMULGATION OF REGULATIONS

SEC. 814. (a) No regulation promulgated by the Secretary of Energy on or after the date of the enactment of this Act for the purpose of conducting any activity for which funds are authorized to be appropriated under this Act shall be effective after the expiration of the 2-year period beginning on the effective date of such regulation unless the Congress expressly provides for the continuance of such regulation.

(b) If the Congress fails to provide for the continuance of any regulation during the applicable period specified under subsection (a), the Secretary of Energy may not reinstate the regulation by promulgating any identical or substantially similar regulation which has the same effect as the regulation terminated as a result of the operation of this section.

By Mr. NEAL:

—Page 19, after line 21, insert the following new item:

(15) Project 80-FE-12, 150 MWe, Peat-fueled, Electric Generating Plant, site to be determined, $3,100,000.

By Mr. RAHALL:

—Page 2, strike out line 5 and all that follows down through line 20, and insert in lieu thereof the following:

(B) Coal preparation research and development, $15,187,500.

(C) Coal liquefaction, $120,007,500.

(D) Surface coal gasification, $110,187,500.

(E) In situ coal gasification, $12,375,000.

(F) Advanced research and technology development, $48,125,000.

(G) Advanced environmental control technology, $46,812,500.

(H) Heat engines and heat recovery, $65,375,000.

(I) Combustion systems, $45,753,750 including $3,437,500 for alternative fuel utilization.

(J) Fuel cells, $35,625,000.

(K) Magnetohydrodynamics, $93,750,000.

(L) Personnel resources, $13,831,250.

—Page 19, strike out lines 16 through 21 and insert in lieu thereof the following:

(13) Project 78-2-d, SRC-I (Solids) Demonstration Plant, $545,000,000, for a total project authorization of $585,000,000.

(14) Project 79-1-r, SRC-II (Liquids) Demonstration Plant, $535,000,000, for a total project authorization of $585,000,000.

Page 2, line 4, strike out "$48,000,000" and insert in lieu thereof "$68,000,000".

By Mr. UDALL:

(To the amendment in the nature of a substitute)

—Page 10, lines 22 and 23, strike out "Clinch River breeder reactor, $183,800,000" and insert in lieu thereof "Activities related to the termination of the Clinch River breeder reactor project, $52,000,000".

Page 10, line 24, insert after the comma "including the study described in subsection (f) of this section,".

Page 11, line 2, strike out "$142,400,000" and insert in lieu thereof "$107,000,000".

Page 11, line 4, strike out "$75,300,000" and insert in lieu thereof "$50,300,000".

Page 11, line 15, strike out "$18,100,000" and insert in lieu thereof "$12,000,000".

Page 11, strike out lines 16 through 17.

Page 11, insert after line 20 the following new subsection:

(f) The Secretary of Energy shall conduct a comprehensive study on advanced fission energy strategies and shall submit a report of the results of the study to the Congress not later than March 31, 1981. In conducting the study, the Secretary of Energy shall review the potential role of nuclear energy for supplying electricity in the United States for periods of fifty and one hundred years into the future. The study shall include an examination of alternative advanced fission energy strategies, including strategies designed around breeder reactors, particularly the liquid metal fast breeder reactor, and those based on reliance on advanced converter reactors which provide for more efficient use of uranium (including advanced light water reactors, high temperature gas-cooled reactors, and heavy water reactors). With respect to each strategy reviewed under the study, the Secretary of Energy shall examine matters relating to research and development, budgetary considerations, safety, proliferation of nuclear materials, and licensing. The report submitted to the Congress shall contain recommendations of the Secretary of Energy regarding the possibility of reprogramming funds authorized to be appropriated under this section for the purpose of conducting studies respecting the safety of light water reactor technology. The Secretary shall consult with the heads of other appropriate Federal departments and agencies in carrying out the study.

Page 16, line 22, strike out "$22,000,000" and insert in lieu thereof "$17,400,000".

Page 17, line 4, strike out "$2,500,000" and insert in lieu thereof "$1,200,000".

Page 22, line 10, strike out "$2,800,000" and insert in lieu thereof "$2,000,000".

Page 23, line 12, strike out "$12,300,000" and insert in lieu thereof "11,000,000".

Page 23, strike out lines 17 through 21.

Page 23, line 22, strike out "(15)" and insert in lieu thereof "(14)".

Page 24, line 3, strike out "(16)" and insert in lieu thereof "(15)".

Page 24, line 8, strike out "(17)" and insert in lieu thereof "(16)".

Page 24, lines 11 and 12, strike out "$53,000,000" each place it appears and insert in lieu thereof "$21,000,000".

Page 24, line 12, strike out "(18)" and insert in lieu thereof "(17)".

Page 24, line 16, strike out "(19)" and insert in lieu thereof "(18)".

Page 24, line 18, strike out "$6,400,000" and insert in lieu thereof "$3,000,000".

Page 24, line 19, strike out "$15,400,000" and insert in lieu thereof "$12,000,000".

Page 24, line 20, strike out "(20)" and insert in lieu thereof "(19)".

Page 25, strike out lines 1 through 3.

Page 25, line 4, strike out "(22)" and insert in lieu thereof "(20)".

Page 25, line 8, strike out "(24)" and insert in lieu thereof "(22)".

By Mr. WYDLER:

—On page 4, line 23 strike out "$63,900,000 and insert in lieu thereof "$68,900,000."

On page 5, after line 3, insert the following:

"(c) LWR Safety Development R&D, $5,000,000."

H.R. 3180

By Mr. COURTER:

—Page 37, after line 21 insert the following new section:

LIMITATION ON USE OF CERTAIN FUNDS TO ADMINISTER THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

SEC. 111. No funds appropriated pursuant to this Act for the fiscal year ending September 30, 1979, may be used to administer any mandatory allocation or price control for motor gasoline established by regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973.

By Mr. KRAMER:

—Page 47, after line 24 insert the following new section (and redesignate the succeeding sections accordingly):

PROMULGATION OF REGULATIONS

SEC. 205. (a) No regulation promulgated by the Secretary of Energy on or after the date of the enactment of this Act shall be effective after the expiration of the 2-year period beginning on the effective date of such regulation unless the Congress expressly provides for the continuance of such regulation.

(b) If the Congress fails to provide for the continuance of any regulation during the applicable period specified under subsection (a), the Secretary of Energy may not reinstate the regulation by promulgating any identical or substantially similar regulation which has the same effect as the regulation terminated as a result of the operation of this section.

H.R. 3996

By Mr. DODD:

—Page 98, after line 6, insert the following new section:

SUPPLEMENTAL TRANSACTIONS

SEC. 205. (a) REMOVAL OF LIMITATION.—Section 305(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(a)) is amended by striking out the second sentence thereof.

(b) PUBLIC HEARING.—The last sentence of section 305(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(a)) is amended by inserting immediately before the period at the end thereof the following: "in an agency hearing on the record held with respect to such proposal".

(c) MODIFICATIONS.—Section 305(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(b)) is amended by inserting after the third sentence thereof the following new sentence: "If on the basis of its evaluation the Association determines that such proposal can be modified to meet the criteria set forth in the preceding sentence, the Association is authorized to make such modifications.".

(d) APPLICABILITY.—The amendments made by this section shall apply to any supplemental transaction pending under section 305 of the Regional Rail Reorganization Act of 1973 on the effective date of this Act.

Redesignate the following sections in title II accordingly.

By Mr. HAGEDORN:

—Page 51, strike out lines 3 through 6 and redesignate paragraphs (4) through (6) as paragraphs (3) through (5), respectively.

Page 60, after line 17, insert the following new section:

AMTRAK FARES POLICY

SEC. 111. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(n)(1) The Secretary shall, no later than 60 days after the effective date of this Act, calculate the total expenses of the Corporation for the fiscal year ending September 30, 1979. The Secretary shall, no later than September 1 of each succeeding fiscal year, calculate the total expenses of the Corporation for that fiscal year.

"(2) The Corporation shall establish, for intercity rail passenger service that it provides, fares that will produce—

"(A) for the fiscal year ending September 30, 1980, revenues equal to not less than 40 percent of its total expenses (excluding depreciation) as calculated by the Secretary for the previous fiscal year;

"(B) for the fiscal year ending September 30, 1981, revenues equal to not less than 45 percent of its total expenses (excluding depreciation) as calculated by the Secretary for the previous fiscal year; and

"(C) for the fiscal year ending September 30, 1982, revenues equal to not less than 50 percent of its total expenses (excluding depreciation) as calculated by the Secretary for the previous fiscal year.".

Redesignate the following sections accordingly.

By Mr. PEPPER:

—Page 56, after line 22, insert the following new section:

REDUCED FARE PROGRAM FOR ELDERLY AND HANDICAPPED INDIVIDUALS

SEC. 106. Section 305(c) of the Rail Passenger Service Act (45 U.S.C. 545(c)) is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) The Corporation may establish, on a standby, space available, or other basis, a program of reduced fares for the elderly and handicapped individuals. Reduced fares established under such a program for rail passenger service provided by the Corporation shall not be in excess of 50 percentum of the regular fare for the same service in the case of standby or space available fares and shall not be in excess of 75 percentum of the regular fare for the same service in the case of fares established on any other basis.

"(3) For purposes of this subsection—

"(A) the term 'elderly individual' means a person who has attained the age of sixty-five years; and

"(B) the term 'handicapped individual' means any person who has a physical or mental impairment which substantially limits one or more of such person's major life activities, has record of such an impairment, or is regarded as having such an impairment, but such term does not include any person who is an alcoholic or drug abuser." Redesignate the following sections accordingly.

H.R. 4034

By Mr. DODD:

—Page 48, add the following section after line 22 and redesignate subsequent sections accordingly:

EXPORTS TO OPEC COUNTRIES

SEC. 113. The President shall review all United States exports to each country that is a member of the Organization of Petroleum Exporting Countries (OPEC) in order to determine whether such exports are consistent with the national security, foreign policy, and economic interests of the United States. In conducting such review the President shall take specifically into account the pricing of petroleum exports from each country to the United States and any action taken by that country either to accomplish, or to impede, a comprehensive peace in the Middle East. The President shall also determine—

(1) which OPEC member countries, if any, rely upon United States goods and technologies, the particular goods and technologies involved, and the availability, from sources outside the United States, of such goods and technologies;

(2) the economic impact on each OPEC member country of prohibiting or restricting the export of any United States goods or technology to such country; and

(3) the impact on the United States economy of prohibiting or restricting the export of any United States goods or technology to such country.

The President shall submit to the Congress, not later than six months after the date of the enactment of this Act, a report containing the determinations made, and the findings of the review conducted, pursuant to this section.

By Mr. WOLFF:

—Page 8, line 9, strike out "in consultation with the Secretary of Defense, and" and insert in lieu thereof "with the concurrence of the Secretary of Defense and in consultation with".

—Page 15, line 12, insert "of foreign availability" after "determination".

—Page 15, insert the following after line 13 and redesignate subsequent paragraphs accordingly:

"(3) If, in any case in which the President makes a determination under paragraph (1) or (2) of this subsection with respect to the national security, the good or technology concerned is critical to a United States military system and, if available to an adversary country, would permit a significant advance in a military system of that country, the President shall direct the Secretary of State to enter into negotiations with the appropriate government or governments in order to eliminate foreign availability of such good or technology.

Page 15, line 20, strike out "under" and insert in lieu thereof "of foreign availability under paragraph (1) or (2) of".

—Page 15, insert the following after line 13 and redesignate subsequent paragraphs accordingly:

"(3) With respect to export controls imposed under this section, any determination of foreign availability which is the basis of a decision to grant a license for, or to remove a control on, the export of a good or technology, shall be made in writing and shall be supported by reliable evidence, including scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability.

—Page 16, insert the following after line 7:

"(5) Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall, consistent with the protection of intelligence sources and methods, furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration, and such Office, upon request or where appropriate, shall furnish to such departments and agencies the information it gathers and receives concerning foreign availability.

—Page 20, strike out line 21 and all that follows through page 21, line 2.

—Page 28, insert the following after line 15:

"(1) The Secretary shall require a validated license for the export of wheat and wheat flour. In carrying out this paragraph, the Secretary shall impose such export license fees as the Secretary shall determine. Such license fees may be waived in the case of exports to developing countries. Such fees shall be imposed in the case of exports to any country which imposes restrictions on access by the United States to goods where such restrictions have or may have a serious domestic inflationary impact, have ceased or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States.

"(2) The provisions of paragraph (1) shall not apply to a country if and when the President determines that it is in the national interest to remove the requirement of a validated license set forth in such paragraph with respect to that country.".

Page 28, line 15, strike out the closed quotation marks and final period.

—Page 28, insert the following after line 15:

"(1) COUNTRIES ENGAGING IN INEQUITABLE TRADE PRACTICES.—It is the sense of the Congress that export controls should be imposed with respect to any country which engages in inequitable trade practices toward the United States concerning pricing and availability of goods vital to the United States economy, including petroleum.".

Page 28, line 15, strike out the closed quotation marks and final period.

H.R. 4040

By JOHN L. BURTON:

—Page 23, line 25: After the word "Appropriations" add the words "Foreign Relations."

Page 23, line 25: After the word "Appropriations" add the words "Government Operations".

Page 24, strike line 11.

Page 24, strike lines 12–15.

Page 24, strike line 16.

Page 24, strike lines 17–18.

Page 24, strike lines 19–21.

Page 24, strike line 22.

Page 24, strike line 23.

Page 25, strike lines 1–3.

Page 25, strike line 4.

Page 25, strike lines 5 and 6.

Page 25, strike lines 7 and 8.

Page 25, strike lines 9 and 10.

Page 25, strike lines 11–13.

Page 25, strike lines 14–16.

Page 25, strike lines 17–19.

Page 25, strike lines 20–22.

Page 25, strike lines 23–25, and lines 1–3, page 26.

Page 28, line 23: Strike the word "persons" and insert in lieu thereof "men, women, and children".

Page 28, line 23: After the word "persons" add the words "including illegal aliens".

Page 28, line 23: After the word "persons" add the words "including illegal aliens and Indochinese boat people".

Page 29, line 1: Strike the words "school records and".

Page 29, line 1: Strike the words "school records" and insert in lieu thereof "FBI files".

By Mr. CLAY:

—Page 29, line 1: Strike the words "school records" and substitute the words "medical records".

Page 29, line 1: Strike the words "school records" and insert in lieu thereof "police records".

Page 29, line 4: Strike the word "persons" and insert in lieu thereof "boat people".

Page 29, line 4: Strike the word "persons" and insert in lieu thereof "illegal aliens".

Page 29, line 4: Strike the word "persons" and insert in lieu thereof "men, women, and children".

Page 29, line 13: Strike the word "persons" and insert in lieu thereof "illegal aliens".

Page 29, line 13: Strike the word "persons" and insert in lieu thereof "boat people".

Page 29, Strike lines 3–8.

Page 29, Strike lines 9–11.

Page 29, Strike lines 12–14.

Page 29, Strike lines 15–18.

Page 29, Strike lines 19–24.

Page 28, Strike lines 22–24.

Page 30, line 24: Strike the word "once" and insert in lieu thereof "twice".

Page 30, line 24: Strike the word "once" and insert in lieu thereof "three times".

By Mr. DELLUMS:

—Page 27, line 10: delete $10,000,000 and insert in lieu thereof $5,000,000.

Page 27 line 10: delete $10,000,000 and insert in lieu thereof $1,000,000.

Page 27, line 10: delete $10,000,000 and insert in lieu thereof $20,000,000.

Page 27, line 11: delete 1980 and insert in lieu thereof 1984.

Page 27, line 11: delete 1980 and insert in lieu thereof 1988.

Page 27, line 11: delete 1980 and insert in lieu thereof 1992.

Page 27, line 11: delete 1980 and insert in lieu thereof "all future Olympic games".

Page 27, line 19: delete the word "not".

Page 27, line 14, delete the words "pay and".

Page 27, line 14, delete the words "and nontravel".

Page 28, line 1, delete the words "Republic of Korea" and insert in lieu thereof "Colorado".

Page 28, line 1, delete the words "Republic of Korea" and insert in lieu thereof "Tennessee".

Page 29, line 1, delete the words "Republic of Korea" and insert in lieu thereof "West Germany".

Page 29, line 1, after the word "Korea" add the words "and France".

Page 29, line 1, after the word "Korea" add the words "and Montana".

Page 29, line 1, after the word "Korea" add the words "and Indiana".

Page 29, line 1, after the word "Korea" add the words "and Oklahoma".

Page 29, line 1, after the word "Korea" add the words "and Texas and Oklahoma".

Page 29, line 1, after the word "Korea" add the words "and Minnesota".

By Mr. EDGAR:

—Page 28, line 2: delete "May 1, 1979" and insert in lieu thereof "May 1, 1969".

Page 28, line 2: delete "May 1, 1979" and insert in lieu thereof "May 1, 1965".

Page 28, line 2: delete "May 1, 1979" and insert in lieu thereof "May 1, 1970".

On page 28, omit lines 22–24, Page 29, omit lines 1 and 2.

Page 29, omit lines 3–8.

Page 29, omit lines 9–11.

Page 29, omit lines 15–18.

Page 29, omit lines 19–24.

Page 30, omit lines 1–12.

Page 31, line 8: Omit the words "Department of Defense" and insert in lieu thereof "Department of Health, Education, and Welfare".

Page 31, line 8: Omit the words "Department of Defense" and insert in lieu thereof "Department of Transportation".

Page 31, line 8: Omit the words "Department of Defense" and insert in lieu thereof "Department of Commerce".

Page 31, line 8: Strike the words "Depart-

ment of Defense" and insert in lieu thereof "Department of Treasury".

Page 31, line 8: Strike the words "Department of Defense" and insert in lieu thereof "NASA".

Page 31, line 8: Strike the words "Department of Defense" and insert in lieu thereof "General Services Administration".

Page 31, line 23: Strike the word "seven" and insert in lieu thereof "twelve".

Page 31, line 23: Strike the word "seven" and insert in lieu thereof "fifteen".

Page 31, line 23: Strike the word "seven" and insert in lieu thereof "two".

Page 32, line 3: Strike the word "four" and insert in lieu thereof "two".

By Mr. HARKIN:

—Page 32, line 3: Strike out the word "four" and insert in lieu thereof "seven".

Page 33, line 8: Strike the number "976" and insert in lieu thereof "970".

Page 33, line 8: Strike the number "976" and insert in lieu thereof "974".

Page 17, line 20: Strike the word "laboratories".

Page 17, line 20: Strike the word "operation", line 21 strike the words "and maintenance of test ranges".

Page 17, line 21: Strike the words "and maintenance of" line 22, strike the words "test aircraft and ships".

Page 18: Strike lines 1–5.

Page 18, line 22: Strike the number "20" and insert in lieu thereof "15".

Page 18, line 22: Strike the number "20" and insert in lieu thereof "10".

Page 22, line 1: Strike the number "30" and insert in lieu thereof "60".

Page 22, line 1: Strike the number "30" and insert in lieu thereof "20".

Page 23, line 2: Strike the number "9,000" and insert in lieu thereof "8,000".

Page 23, line 2: Strike the number "9,000" and insert in lieu thereof "10,000".

Page 23, line 12: Strike the word "Hawaii" and insert in lieu thereof "Iowa".

Page 23, line 12: Strike the word "Alaska" and insert in lieu thereof "Texas".

Page 23, line 12: Strike the words "Alaska and Hawaii".

Page 23, line 12: Strike the word "Alaska" and insert in lieu thereof "Washington".

Page 23, line 17: Strike the words "October 1, 1979" and insert in lieu thereof "January 1, 1981".

Page 23, line 17: Strike the words "October 1, 1979" and insert in lieu thereof "January 1, 1985".

Page 23, line 25: After the word "Appropriations" add the words "Foreign Relations".

Page 23, line 25: After the word "Appropriations" add the words "Government Operations".

Page 24, strike line 11.

Page 24, strike lines 12–15.

Page 24, strike line 16.

Page 24, strike lines 17–18.

Page 24, strike lines 19–21.

Page 24, strike line 22.

Page 24, strike line 23.

Page 25, strike lines 1–3.

Page 25, strike line 4.

Page 25, strike lines 5 and 6.

Page 25, strike lines 7 and 8.

Page 25, strike lines 9 and 10.

Page 25, strike lines 11–13.

Page 25, strike lines 14–16.

Page 25, strike lines 17–19.

Page 25, strike lines 20–22.

Page 25, strike lines 23–25, and lines 1–3, page 26.

Page 28, line 23: Strike the word "persons" and insert in lieu thereof "men, women, and children".

Page 28, line 23: After the word "persons" add the words "including illegal aliens".

Page 28, line 23: After the word "persons" add the words "including illegal aliens and Indochinese boat people".

Page 29, line 1: Strike the words "school records and".

Page 29, line 1: Strike the words "school records" and insert in lieu thereof "FBI files".

Page 28, line 2: delete "May 1, 1979" and insert in lieu thereof "May 1, 1969".

Page 28, line 2: delete "May 1, 1979" and insert in lieu thereof "May 1, 1965".

Page 28, line 2: delete "May 1, 1979" and insert in lieu thereof "May 1, 1970".

Page 28, omit lines 22–24, Page 29, omit lines 1 and 2.

Page 29, omit lines 3–8.

Page 29, omit lines 9–11.

Page 29, omit lines 15–18.

Page 29, omit lines 19–24.

Page 30, omit lines 1–12.

Page 31, line 8: Omit the words "Department of Defense" and insert in lieu thereof "Department of Health, Education, and Welfare."

Page 31, line 8: Omit the words "Department of Defense" and insert in lieu thereof "Department of Transportation".

Page 31, line 8: Omit the words "Department of Defense" and insert in lieu thereof "Department of Commerce".

Page 31, line 8: Strike the words "Department of Defense" and insert in lieu thereof "Department of Treasury".

Page 31, line 8: Strike the words "Department of Defense" and insert in lieu thereof "NASA".

Page 31, line 8: Strike the words "Department of Defense" and insert in lieu thereof "General Services Administration".

Page 31, line 23: Strike the word "seven" and insert in lieu thereof "twelve".

Page 31, line 23: Strike the word "seven" and insert in lieu thereof "fifteen".

Page 31, line 23: Strike the word "seven" and insert in lieu thereof "two".

Page 32, line 3: Strike the word "four" and insert in lieu thereof "two".

By Mr. KOSTMAYER:

—Page 28, after line 14, insert the following new subsection:

(c) Section 4(a) of such Act (50 U.S.C. App. 454) is amended by striking out "twelve weeks" both places it appears and inserting in lieu thereof "sixteen weeks".

—Page 28, after line 14, insert the following new subsection:

(c) No person registered under the Military Selective Service Act after the date of the enactment of this Act shall be classified and examined under section 4(a) of such Act until the Congress, by law enacted after such date of enactment, directs that such classification and examination be carried out.

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

MINIMUM STANDARDS FOR PHYSICAL ACCEPTABILITY FOR INDUCTION

SEC. 813. The third undesignated paragraph of section 4(a) of the Military Selective Service Act is amended by striking out "That the minimum" and all that follows through "1945: Provided further,".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

MINIMUM STANDARDS FOR MENTAL ACCEPTABILITY FOR INDUCTION

SEC. 813. The third undesignated paragraph of section 4(a) of the Military Selective Service Act is amended by striking out "That the passing" and all that follows through "points: And Provided further,".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

PRESIDENT'S AUTHORITY TO WAIVE MINIMUM STANDARDS FOR PHYSICAL AND MENTAL ACCEPTABILITY FOR INDUCTION

SEC. 813. The third undesignated paragraph of section 4(a) of the Military Selective Service Act is amended by striking out ": *And Provided further,*" and all that follows in such paragraph and inserting in lieu thereof a period.

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

PERIOD OF SERVICE FOR PERSONS INDUCTED INTO THE ARMED FORCES

SEC. 813. Section 4(b) of the Military Selective Service Act is amended by striking out "twenty-four" and inserting in lieu thereof "twenty".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

PERIOD OF SERVICE FOR PERSONS INDUCTED INTO THE ARMED FORCES

SEC. 813. Section 4(b) of the Military Selective Service Act is amended by striking out "twenty-four" and inserting in lieu thereof "eighteen".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

PERIOD OF SERVICE FOR PERSONS INDUCTED INTO THE ARMED FORCES

SEC. 813. Section 4(b) of the Military Selective Service Act is amended by striking out "twenty-four" and inserting in lieu thereof "twenty-two".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

REPEAL OF STATE QUOTAS FOR INDUCTIONS

SEC. 813. (a) Subsection (b) of section 5 of the Military Selective Service Act is repealed.

(b) Subsection (d) of such section is amended by striking out ", notwithstanding the provisions of subsection (b) of this section".

—Page 28, after line 14, insert the following new section, and redesignate the succeeding sections accordingly):

REPEAL OF DEFERRAL OF VICE PRESIDENT OF THE UNITED STATES

SEC. 813. Section 6(f) of the Military Selective Service Act is amended by striking out "Vice President of the United States; the".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

REPEAL OF DEFERRAL OF STATE-WIDE ELECTED OFFICIALS OF STATES AND TERRITORIES

SEC. 813. Section 6(f) of the Military Selective Service Act is amended by striking out "the governors" and all that follows through "or possession;".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

REPEAL OF DEFERRAL OF MEMBERS OF CONGRESS

SEC. 813. Section 6(f) of the Military Selective Service Act is amended by striking out "of the United States and" after "legislative bodies".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

REPEAL OF DEFERRAL OF STATE LEGISLATORS

SEC. 813. Section 6(f) of the Military Selective Service Act is amended by striking out "legislative bodies of the United States and of the several States, Territories, and possessions" and insert in lieu thereof "Congress".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

REPEAL OF DEFERRAL OF FEDERAL, STATE, AND DISTRICT OF COLUMBIA JUDGES

SEC. 813. Section 6(f) of the Military Selective Service Act is amended by striking out

"; judges" and all that follows through "District of Columbia".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

REPEAL OF REQUIREMENT FOR PUBLIC POSTING OF NAMES OF CLASSIFIED REGISTRANTS

SEC. 813. Section 6(h) of the Military Selective Service Act is amended by striking out "There shall be posted in a conspicuous place at the office of each local board a list setting forth the names and classifications of those persons who have been classified by such local board.".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

PERIOD FOR APPEALING DENIAL OF OCCUPATIONAL DEFERMENT

SEC. 813. Section 6(n) of the Military Selective Service Act is amended by striking out "five days" and inserting in lieu thereof "thirty days".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

PERIOD FOR APPEALING DENIAL OF OCCUPATIONAL DEFERMENT

SEC. 813. Section 6(n) of the Military Selective Service Act is amended by striking out "five days" and inserting in lieu thereof "twenty days".

—Page 28, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

DEFINITION OF RELIGIOUS TRAINING AND BELIEF

SEC. 813. Section 6(j) of the Military Selective Service Act is amended by striking out the second sentence thereof.

—Page 29, after line 18, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(6) whether and to what extent procedures and standards for recognizing those individuals who, by reason of religious training and belief, are conscientiously opposed to participation in war in any form should be modified;

—Page 28, line 23, strike out "automatically".

Page 28, beginning on line 24, strike out "centralized, automated".

—Page 29, line 2, strike out "records;" and insert in lieu thereof "records, and whether such a system could be compatible with the provisions of section 438 of the General Education Provisions Act (20 U.S.C. 1232g);".

By Mr. PAUL:

—On page 26, strike section 809 and renumber the following sections accordingly.

—On page 27, strike section 810 and renumber the subsequent sections accordingly.

—On page 27, line 10, strike "$10,000,000" and insert in lieu thereof "5,000,000".

—On page 27, strike section 811 and renumber the subsequent sections accordingly.

—On page 28, line 4, strike "January 1, 1981," and insert in lieu thereof "January 1, 1984,".

—On page 28, line 7, strike "eighteen" and insert in lieu thereof "twenty-one".

—On page 28, line 7, strike "eighteen" and insert in lieu thereof "forty-five".

—On page 28, line 7, strike "1980" and insert in lieu thereof "1984."

—On page 28, strike lines 10 through 14 and insert in lieu thereof the following: "striking out 'it shall be the duty' and inserting in lieu thereof 'it shall not be the duty'".

—On page 28, strike section 813 and renumber the subsequent sections accordingly.

—On page 30, line 4, insert the following new subsection:

"(8) the impact of registration and induction on constitutional liberties guaranteed by the first, fourth, fifth, ninth, tenth, and thirteenth amendments to the United States Constitution."

—On page 30, strike subsection 813(b).

—On page 30, line 10, strike "1980," and insert in lieu thereof "1984,".

—On page 30, strike section 814 and renumber the subsequent sections accordingly.

—On page 30, strike lines 18 through 24 and insert in lieu thereof the following:

"(i) The Selective Service System, including local boards and appeals boards appointed under subsection (b)(3), shall have no authority to register by any means or induct into the armed forces of the United States any person unless that person has indicated in writing to the Selective Service System his willingness to be registered or inducted.".

—On page 31, strike section 815 and renumber the following sections accordingly.

—On page 31, strike lines 6 through 8 and insert in lieu thereof the following:

"(f) The Congress further declares that the defense of the United States has traditionally and constitutionally been achieved by the voluntary participation of our citizens in the armed forces of the United States; that conscription is an aberration from this traditional and constitutional practice that is more in keeping with the policies and practices of tyrannical and totalitarian government; and that it is the intent of Congress that nothing in this Act shall be construed to mean that any person has the power or authority to compel another to register for induction into or to be inducted into the armed forces of the United States.

By Mrs. SCHROEDER:

—Page 28, strike out line 3 and all that follows down through line 24 on page 30 and insert in lieu thereof the following:

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

SEC. 812. (a) The President shall prepare and transmit to the Congress a plan for reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of resuming registration under the Military Selective Service Act as in existence on the date of the enactment of this Act;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using school records and other existing records;

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible;

(8) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate; and

(9) other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

Redesignate the succeeding sections accordingly.

By Mr. WEISS:

—Page 27, line 10, strike $10,000,000" and insert in lieu thereof "$12,000,000".

—Page 27 and page 28, strike the entire section 811 and renumber the subsequent sections accordingly.

—Page 28, line 4, strike "Effective January 1, 1981," and insert in lieu thereof "When Congress determines by adoption of a concurrent resolution,", and on line 7 strike "December 31, 1980." and insert in lieu thereof "60 days after the adoption of the current resolution."

—Page 28, line 6, strike "male" and insert "all."

—Page 28, strike line 7 and insert in lieu thereof "between the ages of 18 and 70 years of age after December 31, 1980."

—Page 28, after line 14, insert the following:

"Section 3 of the Military Selective Service Act (50 U.S.C. App. 453) relating to registration, is amended by striking out "every male citizen" and insert in lieu thereof "every citizen", and by striking "other male person", and insert in lieu thereof "every person".

—Page 28, after line 14, insert the following:

"(c) Within a 60 day period before the effective date the provisions contained in subsections (a) and (b) of this section can be vetoed by a majority vote of either the House or Senate."

—Page 28, after line 14, insert the following:

"(c) Nothing in this Act shall be construed to permit or to allow the induction of any person without the consent of such person for training and service in the armed forces."

—Page 29, line 2, strike "records;" and insert in lieu thereof the following: records upon the written consent of the registrant;

—Page 29, line 6, strike "the President" and all that follows on lines 7 and 8 insert in lieu thereof "The Congress shall determine by adoption of a concurrent resolution such authority is required to meet an imminent national emergency;"

—Page 29, line 13, after the word "President" insert ", upon the determination of the Congress by concurrent resolution,"

—Page 30, line 6, strike "revise and modernize", and insert in lieu thereof "terminate".

—Page 30, line 7, strike the period and add the following:

": *Provided* that it shall include a provision for free legal counsel to all registrants."

—Page 30, line 7, strike the period and add the following:

": *Provided*, That it shall include provisions to prohibit discrimination on the basis of sexual orientation."

—Page 30, line 7, strike the period and add the following:

": *Provided*, That it shall include provisions to prohibit discrimination on the basis of sex."

—Page 30, line 7, strike the period and add the following:

": *Provided*, That it shall include provisions to prohibit discrimination on the basis of race, creed and religion."

—Page 30, lines 10 through 12, strike "January 15, 1980," and all that follows and insert in lieu thereof "March 15, 1980,".

—Page 29, line 1: Strike the words "school records" and substitute the words "medical records"

—Page 29, line 1: Strike the words "school

records" and insert in lieu thereof "police records"

—Page 29, line 4: Strike the word "persons" and insert in lieu thereof "boat people"

—Page 29, line 4: Strike the word "persons" and insert in lieu thereof "illegal aliens"

—Page 29, line 4: Strike the word "persons" and insert in lieu thereof "men, women, and children"

—Page 29, line 13: Strike the word "persons" and insert in lieu thereof "boat people".

—Page 29, Strike lines 3–8.

—Page 29, Strike lines 9–11.

—Page 29, Strike lines 12–14.

—Page 29, Strike lines 15–18.

—Page 29, Strike lines 19–24.

—Page 28, Strike lines 22–24.

—Page 30, line 25: Strike the word "once" and insert in lieu thereof "twice".

—Page 30, line 24: Strike the word "once" and insert in lieu thereof "three times".

H.R. 4440

By Mr. AKAKA:

—On page 5 after line 7 insert:

FEDERAL BOAT SAFETY

For necessary expenses to carry out the provision of the Federal Boat Safety Act of 1971, $5,000,000, to remain available until expended.

H.R. 4839

By Mr. BROWN of California:

—(a) Deleting, at page 10, lines 22 through 25, inclusive; and

(b) Adding, immediately after line 15, p. 37, a new section 126, to read as follows:

"SEC. 126. (a) Notwithstanding section 106 of Public Law 91–273, as amended, or any other law, the Secretary of Energy (hereinafter referred to as "the Secretary") is authorized and directed to complete only—

(1) systems design for the Clinch River Breeder Reactor Project; and

(2) procurement and testing of such components as he determines to be useful in conducting research and development on advanced fission technology or otherwise in the public interest, including, but not limited to, the prototypic sodium pump and pump drive, the prototypic steam generator, the in-vessel transfer machine, and the prototypic secondary control rod systems.

(b) The Secretary of Energy is directed to take such action with respect to contractual instruments previously entered into in connection with the Clinch River Breeder Reactor Project pursuant to section 106 of Pub. L. 91–273, as amended, as in his judgment are necessary or appropriate to carry out this section; *Provided, however*, That nothing in this section is intended in any way to affect, modify, or prejudice any existing rights of any party, under any such contractual instrument.

(c) The Secretary shall assure that any generic environmental or technical issues related to carrying out the elements of the Clinch River Breeder Reactor Project described in subsection (a) of this section are fully documented and discussed with the staff of the Nuclear Regulatory Commission. The Secretary may initiate any necessary and appropriate modifications in any existing liquid metal fast breeder reactor facilities to test, and shall provide for the testing and evaluation of components which are completed pursuant to subsection (a)(2) of this section:

(d) The Secretary is directed to initiate a conceptual design study of a new Breeder Reactor Test Plant. The conceptual design effort will focus on a liquid metal fast breeder reactor plant. This design effort shall include the conceptual planning, conceptual studies, systems studies, and systems designs. The conceptual design effort shall also include preliminary cost analyses, engineering drawings, utility interconnect studies, and consultations with the Nuclear Regulatory Commission staff on generic environmental and safety issues. In preparing the conceptual design, the Secretary shall take into cor .leration criteria including, but not limited to, ability to test alternative fuels of the reactor for proliferation-resistance and other factors, economic factors, safety, and the technical viability of the technology.

(e) The Secretary shall undertake to identify and evaluate a reasonable number of alternative sites potentially appropriate for a new Breeder Reactor Test Plant and shall include his assessment in the report submitted pursuant to subsection (f).

(f) The Secretary is directed to submit to the President and to the Congress, no later than March 31, 1981, a final report containing the conceptual design, together with his recommendations and additional documentation necessary to support his recommendations. In reaching his recommendations, the Secretary shall consider other breeder and advanced reactor concepts to more efficiently utilize uranium, in addition to the liquid metal fast breeder reactor.

(g) The Secretary shall utilize existing contract design personnel to the maximum extent practicable in carrying out the provisions of subsections (a)(1), and (d) of this section.

(h) In addition to the reappropriation of unexpended funds previously appropriated for the Clinch River Breeder Reactor Project, which is hereby authorized to carry out this section, there is hereby authorized to be appropriated an additional sum of $107,000,000 to carry out this section.

(i) This section shall take effect upon the date of enactment."

S. 1030

By Mr. BAUMAN:

—On page 51, after line 12, insert the following new section:

"SEC. 7. (a) Except to the extent inconsistent with the provisions of subsection (b) the provisions of the Administrative Procedures Act (5 USC 551 et seq.) shall apply to this Act for purposes of judicial review.

(b)(1) Any State may institute an action in the appropriate district court of the United States, including actions for declaratory judgment, for judicial review of the

(A) target for the State established by the President,

(B) determination by the President that the State emergency conservation plan is not achieving the emergency energy conservation target of such State, or

(C) determination that the State plan submitted to the President for approval as a State emergency conservation plan does not comply with the provisions of section 3 of this Act, including the section regarding the share of the burden imposed on any specific class or on any individual segment thereof.

(2) The district court shall determine the questions of law and upon such determination certify such questions immediately to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(3) Any decision by such court of appeals on a matter certified under paragraph (2) shall be reviewable by the Supreme Court upon attainment of a writ of certiorari. Any petition for such a writ shall be filed no later than twenty days after the decision of the court of appeals.

(4) It shall be the duty of the court of appeals to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under this subsection.

By Mr. GILMAN:

—Page 17, strike out lines 10 and 11 and insert in lieu thereof the following:

"(i) has transmitted a copy of such contingency plan to the Congress in accordance with section 551(b) and neither House of the Congress has disapproved (or both Houses have approved) such plan in accordance with the procedure specified in section 551;";

Page 17, beginning on line 15, strike out "not earlier than 30 days after the transmittal of such plan," and insert in lieu thereof "If the plan is not disapproved during the period provided for such disapproval (or if the plan is approved) under clause (i),".

Page 19, line 14, strike out the quotation marks and the period which follows.

Page 19, after line 14, insert the following new paragraphs:

"(4) For purposes of considering the plan submitted to the Congress under paragraph (1)(A)(i), the 5 calendar days specified in section 551(f)(4)(A) shall be lengthened to 10 calendar days and the 15 calendar days shall be lengthened to 30 calendar days.

"(5) No amendment to any such plan may take effect unless that amendment is submitted and not disapproved (or is approved) as provided for under paragraph (1)(A)(i)."

By Mr. JENRETTE:

—Page 50, after line 2, insert the following new section:

OUT-OF-STATE VEHICLES TO BE EXEMPTED FROM STATE ODD-EVEN MOTOR FUEL PURCHASE RESTRICTIONS

SEC. 4. (a) Notwithstanding any provision of any Federal, State, or local law, any odd-even fuel purchase plan in effect in any State may not prohibit the sale of motor fuel to any person for use in a vehicle bearing a license plate issued by any authority other than that State (or a State contiguous to that State).

(b) For purposes of this section—

(1) the term "State odd-even fuel purchase plan" means any motor fuel sales restriction under which a person may purchase motor fuel for use in any vehicle only on days (or other periods of time) determined on the basis of a number or letter appearing on the license plate of that vehicle (or on any similar basis);

(2) the term "motor fuel" means motor gasoline or No. 1 or No. 2 diesel fuel; and

(3) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

Redesignate the following sections accordingly.

By Mr. MARKS:

—Page 18, strike out lines 6 through 13.

Page 18, line 14, strike out "(ii)" and insert "(i)".

Page 18, line 17, strike out "(iii)" and insert "(ii)".

Page 18, line 20, strike out "(iv)" and insert "(iii)".

By Mr. TAUKE:

—Page 50, after line 2, insert the following new section:

MONITORING OF MIDDLE DISTILLATE SUPPLY AND DEMAND

SEC. 4. (a) Not later than 60 days after the date of the enactment of this Act, the Secretary of Energy shall establish and maintain a data collection program for monitoring, at the refining, wholesale, and retail levels, the supply and demand levels of middle distillates on a monthly basis in each State.

(b) The program to be established under subsection (a) shall provide for—

(1) the prompt collection of relevant demand and supply data under the authority available to the Secretary of Energy under other provisions of law;

(2) making such data available to the Congress, as well as to appropriate State agencies and the public in accordance with otherwise applicable law, beginning on the 5th day after the close of the month to which

it pertains, together with projections of supply and demand levels for the then current month; and

(3) the review and adjustment of such data and projections not later than the 15th day after the initial availability of such data and projections under paragraph (2).

(c) For purposes of this section, the term "middle distillate" has the same meaning as given that term in section 211.51 of title 10, Code of Federal Regulations, as in effect on the date of the enactment of this Act.

(d) The program established under this section shall not prescribe, or have the effect of prescribing, margin controls or trigger prices for purposes of the reimposition of price requirements under section 12(f) of the Emergency Petroleum Allocation Act of 1973.

Redesignate the following sections accordingly.

—Page 50, after line 2, insert the following new section:

NATIONAL MIDDLE DISTILLATE SET-ASIDE PROGRAM FOR AGRICULTURAL PRODUCTION

SEC. 4. (a) Not later than 60 days after the date of the enactment of this Act, the President shall establish and maintain a national set-aside program to provide middle distillates for agricultural production.

(b) The program established under subsection (a) shall—

(1) be made effective only if the President finds that a shortage of middle distillates exists within the various regions of the United States generally, or within any specific region of the United States, and that shortage—

(A) has impaired or is likely to impair agricultural production; and

(B) has not been, or is not likely to be, alleviated by any State set-aside program or programs covering areas within that region;

(2) provide that, in regions in which such program is effective, prime suppliers of such fuel be required to set aside each month 1 percent of the amount of the middle distillates to be supplied during that month in that area;

(3) provide that amounts of fuel set aside under such program be directed to be supplied by such prime suppliers to applicants who the President determines would not otherwise have adequate supplies to meet requirements for agricultural production;

(4) provide that such prime suppliers may meet such responsibilities for supplying fuel either directly or through wholesale purchasers who resell fuel, but only in accordance with the requirements established under such program; and

(5) shall not supersede any State set-aside program for middle distillates established under the Emergency Petroleum Allocation Act of 1973.

(c) For purposes of this section—

(1) The term "agricultural production" has the meaning given it in section 211.51 of title 10, Code of Federal Regulations, as in effect on the date of the enactment of this section, and includes the transportation of agricultural products.

(2) The term "prime supplier", when used with respect to any middle distillate, means the supplier, or producer, which makes the first sale of the middle distillate into any region for consumption in that region.

(3) The term "middle distillate" has the same meaning as given that term in such section 211.51.

(4) The term "region" means any PAD district as such term is defined in such section 211.51. Redesignate the following sections accordingly.

EXTENSIONS OF REMARKS

TAX-EXEMPTION FOR CEMETERIES

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. RAHALL. Mr. Speaker, today I am introducing legislation which will amend section 501(c)(13) of the Internal Revenue Code of 1954 concerning tax-exempt cemetery corporations. The change would allow a cemetery to retain its tax-exempt corporation status if it issues preferred stock as a means of raising revenues. This bill is similar to that introduced by Mr. PRESSLER on June 5, 1979, S. 2179.

Mr. Speaker, since 1918, IRS regulations have allowed tax-exempt cemetery corporations to offer preferred stock to raise money to buy property, particularly land, necessary for their continuing operation. However, new IRS regulations issued in 1978 would abrogate this principal fundraising method used by cemetery corporations.

Little real need for change in the 61-year-old regulations has been proven. Neither the IRS nor the courts have suggested that the income-tax regulations allowing the issuance of preferred stock by tax-exempt corporations were inconsistent with any part of the tax code. Moreover, no evidence of substantial abuse by the cemetery corporations has been advanced.

The need to change such a longstanding regulation should be determined only by Congress, in which public hearings can air the advantages and disadvantages of such an amendment. To allow the IRS to issue a change of this nature breaches the fine line between the jurisdictions of Congress and a Federal agency.

The severity of the impact of this change to cemetery corporations and the age of the original regulations make it crucial that the matter not be handled through a closed IRS decision, but rather by this open Congress.●

NATIONAL CENTER FOR SERVICE TO THE AGING

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. PEPPER. Mr. Speaker, I rise to bring to the attention of my colleagues the continuing need for better coordinated services for our older citizens. It may come as a surprise to my colleagues that fully 95 percent of America's elderly (those 65 and over) are not institutionalized—in nursing homes, acute care hospitals or other institutions—but rather remain in their community.

This figure, however, is not as heartening as it may seem given the paucity of coordinated programs and services on any level—national or local—that enable our senior citizens to live meaningful and productive lives as active members of their communities—free not only from age discrimination but from poverty, hunger, and the threat of crime.

Although the needs of the 5 percent that are institutionalized are, of course, critical, we must not ignore the needs of the remaining 95 percent.

The capacity of our older citizens to contribute to society is limited not by their desire but only by their ability to do so in the face of inflation, rising taxes and the disparity or absence of services, such as outreach programs which help them remain in the community and keep them healthy and vital.

I know my colleagues share my concern for the aging population and are dedicated to improving the social, environmental and medical services for the senior citizens in their own communities. With this in mind, I am heartened by developments here in Washington in the shape of the National Center for Service to the Aging, a project of the Greater Southeast Community Hospital Foundation, Inc.

While the National Center for Service to the Aging is one community's efforts to address the needs and challenges of the aging, it may also serve as a model for communities across the Nation.

When completed, its programs and services will include, for example, a 180-bed skilled and intermediate nursing facility, a day center, home care services, apartments for temporary or alternative living, as well as providing an opportunity to advance the hitherto neglected field of gerontological research. In addition, representatives are already meeting with experts in the field to assure that the Center will offer the best possible services to the aging.

This week members of the local neighborhood community, as well as the Greater Washington Metropolitan area are meeting for a preview reception to launch this new and important undertaking. I am sure my colleagues will follow with interest the progress of the National Center for Service to the Aging, which not only will serve the needs of this area but also should become a model for future efforts in their own communities.

With its goal of keeping the aging an important and valuable part of their community, I find the prospect of having this facility to look to—and learn from—an exciting prospect.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

OBSERVATIONS FROM A TRAIN WINDOW

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. MARKEY. Mr. Speaker, I would like to bring to the attention of my colleagues entries in a journal written by one of my constituents, Mrs. Eda Pessinis of Reading, Mass. Her journal raises serious issues of environmental ugliness and deterioration which she observed while traveling on the east coast by train from Boston to Florida. Her enlightening notebook describes the unfortunate state of decay into which the backyard of America has fallen. She depicts abandoned buildings and vacant lots which are a blot on our Nation's urban landscape. During her travels, she was shocked by these sights. We all recognize that in modern industrial America not every acre of land can be a garden. But let us reflect upon Mrs. Pessinis' words and think of how we could change what can be changed. At this time I would like to insert Mrs. Pessinis' short journal into the RECORD:

OBSERVATIONS FROM A TRAIN WINDOW

I am impressed America, with your disinterest! Steel graveyards, unbridled smokestacks. Your ghost buildings which are so devastated that its original use is indisguishable.

Tracks know no levels of decay, they travel through the backyards of America and there is nothing so harsh as the reality of daylight. Boston, New York, New Jersey, Philadelphia, landscapes darkened by smog, filth, and waste, strewn about, unused cars, putrid homes, tenements that rodents have deserted and humans persist in occupying.

I find the windowless facade particularly fascinating since they stand in the shadows of remarkably modern, new and shiny edifices in such close proximity.

Onward to billboards shouting their wares, what price for commercialism!

Modern highways alongside devastation reminiscent of Dachau. Is this our last will and testament to the following generation? These abandoned structures stand in silent testimonial.

At night the ugliness is somewhat softened but steadfastly visible. Ever present neon signs, the tunnel is temporary respite. Ah! Upon leaving the tunnel a chimney spewing flame and smoke into the darkness, not a torch of hope as suggested by the Statue of Liberty but a bold defiance.

Huge tanks of gas stand in attendance as we fly by.

Suddenly Washington, the dome proudly aglow, Lincoln Memorial, and one recalls his many quotes overflowing with wisdom, "A house divided against itself cannot survive", in view of such splendor one feels a rush of pride. We are diminished by the immensity of our potential.

To speak as one feels and to "feel" as you speak, to be allowed to do so "is" America.

Sunrise in Carolina, a redeeming delight, none-the-less the common denominator persists again to mar the beauty, the steel graveyards.

Further south now and tenements have given way to rusty motor homes clustered together, shacks and tires amid rows of beautifully cultivated fields.

The Medical Center in Boston, the U.N. at New York, Philadelphia (where our first laws were made), Washington, Carolina, Georgia, Florida each and every state has contributed to the greatness that is America.

We need not fear any enemy without as long as we within look onward and upward, but careful lest we stumble on the ruins at our feet.●

MASS TRANSIT: GIVE NEW YORK CITY A BIGGER SLICE OF THE PIE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. SOLARZ. Mr. Speaker, I am gratified that President Carter has reinforced the administration's commitment to public transportation by proposing an additional $10 billion over the next decade, and I urge the Congress to act swiftly on this proposal so that these funds will be available as soon as possible. But additional funding will not solve our Nation's transportation problems, or our energy problems, unless it is directed to where it is needed, when it is needed. In New York City these funds are desperately needed, and they are needed now.

New York City has one of the oldest rail mass transit systems in the country. Its first subway passengers were carried in October of 1904. And, to hear the complaints of many of my constituents, one would think that some of this equipment must still be riding around—dilapidated, dirty, uncomfortable, and unsafe.

In my district, as in many parts of the city, the subway lines are elevated, and the noise both inside and outside the trains has become unbearable as old equipment passes over aged track and worn switches. Moneys are desperately needed to rehabilitate and replace line structures, tracks, equipment, and cars. In my judgment, overcrowded trains, cattle-car conditions, breakdowns, and other major inconveniences make our subways seem more like a 16th century torture chamber than a modern, efficient, and rapid mass transit system.

Indeed, if this country is serious in its desire to cut energy usage and to reduce traffic congestion and air pollution in our cities, then it is incumbent upon the Federal Government to fund ambitious and worthwhile proposals such as those which the city of New York has placed before UMTA and before the Congress, as well as those for which funds have been authorized but not yet appropriated.

If we are to coax commuters out of their cars and onto our subways and buses, we must improve our mass transit systems so they are attractive as well as functional. We must replace worn-out and dilapidated equipment. We must upgrade and modernize our safety and communications systems. We must reconstruct track beds, improve rights-of-way, and extend existing services. Today's transit riders—many of whom are elderly and handicapped—deserve escalators, elevators, and well-lit train stations. The list is endless, but our needs are great.

Mr. Speaker, New York's transit system faces a serious challenge—a challenge brought on by our city's inability to meet its fiscal obligations. For more than 70 years, New York has carried the full burden of providing the transit systems which have made the economic social, political, and cultural life of this city possible. Now, due to changes in the economy of both New York City and the Nation, we are forced to look to the Federal Government for the assistance that will allow us to continue to provide our citizens and our many visitors with first-class mass transit—a system of which our entire Nation can be proud.

The rehabilitation and expansion of New York City's transportation system must be a critical element of our energy program. New York City is probably the most energy efficient city in this country. The average New Yorker consumes one-half the energy consumed by the average American. The primary reason for this relatively low energy consumption by New Yorkers is our transportation system. That is why when we ask for additional money for that system, we are not making a special appeal for a local interest. When we ask for more money for our subways and our buses, we are requesting adequate funding for a system that has been helping us to save energy for 75 years. ●

AIRLINE EMPLOYEE PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mrs. SCHROEDER. Mr. Speaker, today I am reintroducing my Airline Employee Protection Act, providing a criminal penalty for carrying a loaded weapon in checked airline baggage, as H.R. 4926; 4926 was the employee number of Stephen Killian, the Frontier Airlines agent killed when a loaded gun went off in baggage he was handling. This bill will be a tribute to him and a reminder of the serious need for this legislation.

I have received support for my original bill (H.R. 3412) from the airlines, the airline unions and airline trade associations. The comments from other Members have also been encouraging. Even the National Rifle Association said it strongly supports the bill as a needed safety measure. NRA has been constructive in its comments and has made minor recommendations on the bill.

Similar language dealing with a loaded weapon is included in H.R. 2441, the terrorism bill the Aviation Subcommittee recently marked up. My bill, however, should go through as a separate piece of legislation. Because of its simplicity we can slide it through before hunting season, when this protection is needed the most. The complex terrorism bill, still to be hashed out by two other committees, will not hit the floor for months, if then. Last session left it in limbo.

My bill is also better tailored to correct the problem than the provision in

the terrorism bill. The Senate companion bill to H.R. 3412, introduced by Senators HART and ARMSTRONG, directs the FAA Administrator to place warning notices at ticket counters. That is a good deterrent to any gun toter.

H.R. 4926 is a good way to show that this "do nothing" Congress can do something worthwhile. It is a simple bill that will make a lot of people breathe easier.●

S. 1030, THE EMERGENCY CONSERVATION ACT OF 1979

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. BROWN of Ohio. Mr. Speaker, later on this week, the House will consider S. 1030, the Emergency Energy Conservation Act of 1979, as reported by the Committee on Interstate and Foreign Commerce. Since this bill is complex and differs significantly from the one the Senate passed on June 5, I would like to take this opportunity to explain the provisions of the Commerce Committee version before our formal debate begins.

S. 1030 originated in the Senate as an alternative to the rigid Federal energy conservation contingency plan No. 1, proposed by the President in March, to ban the sale of gasoline on the weekends. The Senate was aware that banning weekend sales would actually increase consumption by creating, or elongating, gasoline lines during the week. The Senate was also aware that the weekend sales ban was to be enforced in every State, just as the building temperature plan is now, regardless of the existence of a shortage in every State.

The Senate version of S. 1030 was to be a more flexible, less draconian conservation bill than the Federal contingency plans. As reported by the House Commerce Committee, however, the bill has been altered so significantly that it will be hardly recognizable to our colleagues in the Senate.

The Senate version called for State conservation planning, and encouraged percentage reduction plans which grant the discretion over how to conserve to each user of energy rather than to the Government. The President would be authorized to set conservation targets, as in the House bill, but those targets were to be equivalent to the shortage being experienced. The House bill contains no guidelines and no limits on where the conservation targets may be set by the President: These targets could be 2 percent or 60 percent. Moreover, since there is no provision for congressional review in the bill, this broad grant of discretion over the targets in the House bill is virtually unchecked.

What may have seemed to be a somewhat reasonable alternative to mandatory weekend gasoline station closings to our colleagues in the Senate, is, in the House a bonanza of discretionary power for the President over every energy source used in the United States. The loosely defined conservation targets apply immediately under the House version to motor fuels. To prescribe targets over other energy sources, the President would have to find those sources in short supply—but this is not a threshold finding at all, since the President has already found such a shortage existed when he ordered the building temperature restriction plan into effect on July 16, 1979.

This legislation gives the President a virtual blank check to write any rationing and conservation plan he wishes. The few guidelines provided are so general as to be meaningless, and the only congressional check provided is the one-House veto of gasoline rationing. The conservation plans could be implemented by the Governors without State legislative review, or by DOE without any congressional action. The House has no idea what plans will be devised by the idle hands of energy planners. This House very wisely rejected the poorly conceived gasoline rationing plan submitted by the administration 2 months ago. Two of the three conservation plans submitted by the administration also died in Congress. Why should Congress trust this same administration with a carte blanche to write rationing and conservation plans?

The Nation has seen that when gasoline supplies are short, Government regulations exacerbate the problem rather than solve it. The lines in Washington and other cities were an "inside job," created by cumbersome DOE allocation rules. There is no reason to believe that Government regulations in the form of rationing, or mandatory conservation will will work any better in the future.

The bill's mechanisms for initiating conservation plans represent a dangerous extension of Federal authority. If a State legislature denies its Governor authority to implement certain provisions of a State conservation plan, the Governor can merely turn to the Federal Government for such authority, thus overriding the decision of the State legislative body. If DOE does not like the State plan, a Federal plan can be imposed upon the State. The States are left with a Hobson's choice: either they conserve energy exactly the way DOE wants them to, or DOE will impose its own plan.

This bill is an ill-advised, carelessly constructed, dangerous expansive grant of power to the President. It is unlikely that the legislation will deal effectively with future fuel shortages. The committee has apparently decided that if the House would not accept the administration's rationing plan, maybe it will accept a plan with no more substance than a grant of power. The House should reject this cynical attempt to hand legislative authority to the President, and to supersede State legislative powers over State conservation.

Mr. Speaker, because so many questions have been raised about how the House version of S. 1030 will operate, I would like to insert some questions and answers on this bill as reported by the House Commerce Committee:

QUESTIONS ON S. 1030

Q. Does the Congress have the authority to review and approve the President's gasoline rationing plan prior to implementation?

A. No. Although the Congress has given the President authority to implement a standby rationing plan, no specific plan has been approved. In effect, the Congress is approving a "blind plan" in advance. The President has the authority to implement rationing if he determines that a 20 percent supply of petroleum product exists, or is likely to exist for longer than 30 days, and if the Congress does not veto such implementation within 15 days after enactment.

Q. Is the President's rationing authority limited and defined under the bill?

A. No While the bill does contain a 20 percent trigger mechanism restraining the President's authority, the details of the rationing plan are both unknown and unlimited.

Q. What review or modification authority do the Congress and the State legislation have?

A. Virtually none. Under the bill, the Congress and the State legislatures are expressly forestalled from reviewing State and Federal conservation measures. The powers of the President and the Governors could include the control of the amount and purpose of all energy consumed in the United States.

Q. What guidelines govern the President's authority to establish "conservation targets"?

A. None. The President is given the authority to set conservation targets when he determines that a "severe energy supply interruption" exists or is likely to exist. However, the bill does not stipulate what percentage reduction these targets are to be; the targets could be two percent or 10 percent or 110 percent.

Q. Does the bill provide adequate State review of these target plans?

A. No. The States must develop energy conservation plans to meet the Federal targets within 45 days. If the State Legislature refuses to give the Governor authority to develop these target plans, the DOE could step in to allow the Governor to supercede the actions of the State Legislature. The provision therefore dismisses adequate State review of these plans.

Q. What happens if a State fails to submit a plan, or submits a faulty plan to DOE?

A. All Title III Part C EPCA Conservation funds might be completely withdrawn. This provision adds a frighteningly ironic element to the bill. On the one hand the Congress is saying that the States need conservation plans, while on the other hand the Congress threatens to revoke all other conservation funds if the State plans do not meet the Secretary of Energy's approval.

If present Federal assistance to States is endangered by this sanction, where does this leave the State conservation plans? In most States, large scale conservation plans are only beginning to have an impact. The bill gives the Secretary of Energy dangerously broad discretion to deny the States these conservation funds.

Q. Why is the weekday closing of retail gasoline stations expressly included as a part of the conservation plan?

A. Who knows. Several studies, including one for the Department of Energy have concluded that mandatory closings actually create gasoline lines and thereby result in more gasoline being wasted than saved.

Q. Will the rationing plan actually save energy? What will its effects be on the national economy?

A. The rationing plan would do more to disrupt the economy than to ease the energy shortage. The General Accounting Office told the Subcommittee earlier this year at hearings that the Carter Administration's original rationing would not save gasoline, but merely redistribute it among users. The plan could take up to 14 months to establish and even then there is no guarantee that it would operate effectively. If the new rationing plan is similar to the one rejected in May, it will cost approximately $1.2 billion a year.

Q. Under the Standby Sticker Plan, could the owners of more than one vehicle stagger their "off-road days"?

A. No. The bill does not resolve this question. This could result in serious disruptions to those families who depend on more than one vehicle if all their vehicles are prohibited from use on the same day. It will clearly discriminate against one car families.

Q. Under the minimum purchase requirement, who imposes the requirement?

A. The Governor of the State (who requests a delegation of Federal authority due to lack of State powers) or the President. This allows the Executive Branch at either the Federal or State level to forego Congressional or State legislative review.

Q. Who has the authority to impose mandatory conservation measures? Are these powers checked?

A. The Governor of the State, the Department of Energy, and the President. These broad discretionary powers allow broad mandatory plans to be implemented with virtually no review whatsoever. The mandatory conservation measures could include forced closings at retail gasoline stations, limited shopping center hours, and even reduced working schedules—all of which have staggering economic impacts.

Q. Must a service station charge the full minimum requirement even if a lesser amount of gasoline is introduced into the vehicle?

A. Yes. The minimum purchase requirement at $7.00 for 8 cylinder cars and $5.00 for other cars would allow service station dealers to charge the full minimum even if a lesser amount of gasoline were entered into the tank.

Q. The bill seems to have wide ranging unchecked powers delegated to the Executive Branches of the State and Federal governments. Are their powers carefully determined?

A. No. The bill puts a blind trust in the Executive Branches to somehow deliver the country from gasoline and diesel shortages. Contrary to the intent of the bill, the broad discretionary powers with no guidance may complicate rather than reduce our energy problems.

Q. Does this bill really address the energy problem at hand?

A. Definitely not. It seems that the bill is borne from mysteries over gasoline lines rather than rational planning. The bill nowhere mentions DOE gasoline allocation regulations which exacerbated a 5 percent Iranian shortfall into massive shortages in some states, surpluses in others, and left some states untouched. Clearly, neither Iran nor OPEC can be blamed for this odd occurrence.

While it is crucial that the Congress act quickly, it is pertinent that the Congress exercise careful consideration when defining the powers of the Executive branches. Only then will the efforts towards conservation result in real savings.

Q. Under the Gramm Amendment to the bill, what is the "trigger" which allows the President to impose rationing?

A. The trigger equates to a 20 percent shortfall on petroleum product supplies. It clearly defines that all petroleum product supplies must be subjected to a 20 percent shortfall. The President may not impose rationing if there is only a 20 percent shortfall in grease, nylon shirts, fertilizer, or any other petroleum derived product. The simplest measurement of the 20 percent shortfall is therefore crude oil supplies, but product supplies, explicitly plural, was specified to avoid putting a "stratightjacket" trigger onto the President's rationing authority. The 20 percent trigger is likely sufficient to ward off premature imposition of rationing.

In addition, the Congress has reserved itself a one-House veto period of 15 days following a Presidential determination to implement rationing. While this does not allow the Congress to approve the particulars of the plan to assure effectiveness and equity, it will help safeguard against improper implementation of rationing.●

HEALTH PLANNING AND AMENDMENTS

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. SHANNON. Mr. Speaker, the two main problems in the health care industry are: First, cost and second, accessibility. Our health care costs have reached a staggering 8.8 percent of the GNP and over $165 billion a year. Yet, with over $750 a year being spent for each person in the United States, many millions of Americans have poor quality, clinic care and/or little care.

The National Health Planning and Development Act was enacted to address these problems. Health systems agencies look at the health care industry as a system of limited resources. They plan in order to find the best and most equitable way to distribute these limited resources.

In the few years since 1974, when this bill was passed, even if this program only succeeded in setting up the organization necessary to carry out the goals of the bill, it would have been an achievement. But, much more than this happened. I can assure you of this as I was once counsel to a HSA. In the 2-year period from 1976 to 1978, health systems agencies approved $8.3 billion in capital expenditures or necessary, efficient, quality investments. They denied another $2.3 billion in extravagant expenses. They negotiated away another $7.2 billion in excess expenses. When I say "negotiated away" I mean that they suggested ways to cut expenses in various areas of medical expenses during the certificate of need process. This role of identifying waste is vital if they are to help the health care system make cuts which retain the quality of medicine.

Health systems agencies have also approached the other main area of concern in health care: Access. For instance, one Southern HSA assisted in the successful recruitment of two doctors for two medically underserved counties. One Northeast HSA helped in the establishment of a county hypertension screening program. Another agency, in the Midwest, helped in establishing a geriatrics program in medical school. The list continues.

It is certainly true that this act has had some problems in its implementation. But, this social experiment has been largely a grand success.

Some of the amendments in the current bill will serve to better these agencies, such as by increasing the role of the State governments. Others, such as the one which excludes all prepaid health plans will severely weaken the agencies. But, I am in favor of the current bill, without any further weakening changes, so that we may make a swift statement of support for this program which helps medicine to serve more people in a more efficient manner with higher quality for all.●

COST-BENEFIT ANALYSIS WITHOUT THE BENEFIT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. OTTINGER. Mr. Speaker, we seem to be in the middle of a rush to achieve false economies. The unbalanced rush to balance the budget—even if budget increases will be the long-term result—careens past headlong, unmindful, and blind to pitfalls that more thoughtful people in calmer times were careful to avoid.

As part of their onslaught, the proponents of false economies assail the agencies established to protect the American people from the social costs of private gains. They rail against regulation which they allege to fuel inflation. But in crying out, as they do, for "cost-benefit" analysis, the false economists are really advocating the end to regulation which protects the whole of our society—they want us to measure the costs and ignore the benefits.

To achieve the competition and free enterprise which insure efficient production, growing profits, and augmented wealth, we must prevent the development of an economy based on public loss. No group may take our clean environment or our people's health as a free input. No group may be allowed to sully our air and water with carcinogens or endanger our lives with dangerous products or poisonous processes. It is this sort of "dirty enterprise" which regulation seeks to stop.

Regulation is intended to protect us all, industries as well as individuals. We all obtain the benefits of tragedies which do not occur. These benefits are often immeasurable while their costs, of course, are not. Even so, the public health and safety is a commodity worth purchasing.

I do not accept the validity of cost-benefit analysis when only the cost can be determined. I question the narrow, insular motives of the false economists who propound the benefits of what amounts, in fact, only to cost analysis.

The issue was recently put in excellent perspective by W. Curtiss Priest, an economist at MIT. I commend his letter, which appeared in the June 18 Wall Street Journal, to the attention of my colleagues:

THE COST-BENEFIT CHARADE

In response to your editorial "Cost-Benefit Troubles" (May 25) there are some things I would like to point out that makes an allegiance to cost-benefit analysis problematic. To illustrate these points let me draw from the recent DC-10 crash that killed over 200 people. To conduct a cost-benefit analysis I am supposed to tally costs and benefits and then compare these using some

figure of "goodness" such as a ratio or net-present-value. With some considerable diligence I can roughly cost some safety compliance measures and if I am clever I might even be able to make these costs more realistic by taking into account cost reductions due to the "learning curve" and design innovation.

The benefits side, however, overwhelms me. If I take one commonly followed approach of valuing life by calculating lost earnings due to premature death I essentially conduct an economic charade. If the plane happened to be the plane that flies each year carrying mentally handicapped adults on their way to participate in the "special olympics," who basically live on public assistance, I would be forced to find that all of their deaths would be of great benefit to society since their future earnings are negative. I do not believe this for a moment and while I realize that statistically earnings streams would be positive, I must seriously question a methodology that does not fully consider the value of human life that has been more fundamentally valuated by our religious tenets and cultural heritage. I am not prepared to attempt to put a dollar value on a human life that reflects the value that a "good" culture should value life at, in order that it and its people survive, generation to generation and such that its welfare is optimized.

To further calculate the benefits I should consider external costs that are imposed on others. How am I to put a price on what these people meant to their families and their friends? But further, what of the discomfort and grief that this nation and other nations felt towards this tragic accident. It might be reasonable to believe that on the average each American would have been willing to pay $2.00 to be spared this horrible event. This would be some 200 million people and the external costs would be valued at some $400 million. Although I believe that a figure in this range may well be proper, I would not be permitted to enter this in an analysis for any government agency that I am aware of because of its "intangibility."

And what if some people survived the crash. Surely there would be many that were so permanently disabled that no amount of money could be paid them to fully compensate them for their loss—that they could not be restored to the mental health that they previously enjoyed. How are the benefits from reducing the risk of these losses to be calculated?

The Congress performed this nearly impossible evaluation task when it passed enabling legislation for OSHA, EPA and FAA that required a high level of health and safety, realizing this would occur at considerable cost for industries to comply. Though this judgment may be somewhat altered in time by the political process I can understand why people like Ralph Nader prefer to ignore cost-benefit analysis completely because of its almost total insensitivity to the real costs associated with hazards and the dangers to public policy in its being taken too seriously.

W. CURTISS PRIEST,
Economist, Center for Policy Alternatives, Massachusetts Institute of Technology.
CAMBRIDGE, MASS.●

CAPTAIN MOLLY

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. ADDABBO. Mr. Speaker, joining in this month's commemoration of women's contributions to the history of the United States, I wish to bring to the attention of my colleagues the admirable example of Margaret Corbin, a soldier of the Continental Army in the American Revolution.

Margaret Corbin was born in the Pennsylvania frontier in 1751. Orphaned at the age of 5, she was raised by an uncle and married John Corbin of Virginia in 1772.

As noted in Women in the American Revolution, by Paul Engle:

The Revolution broke out four years after they were married, and John immediately enlisted. He became a private in Captain Thomas Proctor's First Company of the Pennsylvania Artillery, and Margaret went with him.

The Continental Army followed the custom of the British army in permitting a number of soldiers' wives to stay with each company. These women served the company as a whole; they did the cooking, the washing, the clothes-mending, and frequently nursed the sick and wounded. * * *

* * * After the capture of New York City by General Howe, General Washington moved north of Manhattan and held off the British for a few weeks in the Battle of Harlem Heights during September 1776. On November 16, the Hessian troops then attacked Fort Washington where Margaret and her husband were stationed. * * * Margaret's husband was killed at his cannon. There was no one else to fire it, so Margaret ran to the cannon and began loading and firing it herself. She continued firing until she herself was seriously wounded. * * *

Captured by the British at the end of the battle, she later escaped and joined the Invalid Regiment in 1779, of the Continental Army. She moved to West Point in that year in order to secure the benefits afforded her by the State of Pennsylvania in recognition of her heroism and her poverty. There she was the only woman in the regiment and the first woman pensioner in the United States.

After the Invalid Regiment was disbanded at the end of the Revolution, she lived in the vicinity of West Point where she was provided by the military commissary with the necessities of life. Margaret spent the last years of her life in Highland Falls where the local townfolk referred to her as "Captain Molly"—an eccentric old woman who wore petticoats and an artilleryman's coat and was saluted when she walked by.

Margaret Corbin died in Highland Falls around 1800, and she was buried in the local cemetery. Later her remains were transferred to the cemetery at West Point, where she now lies with her comrades-in-arms of our Nation's wars.●

A TRIBUTE TO MARION S. WELLS

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. GUYER. Mr. Speaker, service is perhaps the noblest activity known to mankind. It is for that reason that I pay tribute to Marion S. Wells for her outstanding service in the field of mental health education.

Ohio Women's Hall of Fame inductee, and former director of the State Office of the Ohio Mental Health Association for over 20 years, Mrs. Wells is an inspiration to us all. As mental health association director, she devoted her efforts to the development of a greater sensitivity among the public and decision-makers toward the importance of improved mental health services for the State of Ohio. She traveled extensively throughout Ohio and provided the impetus needed to pass legislation for the benefit of the mentally handicapped, and worked to reduce the stigma attached to mental illness. Mrs. Wells is a dynamic, articulate, and assertive woman who has earned the respect of many public officials at the executive and legislative levels of government.

Whatever new horizons Mrs. Wells now seeks, let it be known that because of her unselfish devotion to the cause of mental health education in the State of Ohio, many of her innovations for brighter hopes and dreams have become consummations in the lives of thousands of people. We salute a great lady and wish for her high adventure and rich rewards for her every tomorrow.●

SUGAR POLICY: REMARKS BY ROLAND HEBERT

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. BREAUX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: These remarks by Roland Hebert, president of the Louisiana Division of the American Society of Sugar Cane Technologists, spell out clearly the need for an effective national sugar policy which will maintain stability in terms of supply and price. Such stability will benefit the consumer and the producer. Certainly, as the House prepares to debate sugar legislation, Mr. Hebert's remarks are worth consideration.

The remarks follow:

AMERICAN SOCIETY OF SUGAR CANE TECHNOLOGISTS

(By Roland M. Hebert)

This year, 1979, brings to an end another decade of the U.S. sugar industry. It has been a decade that has left this great industry scarred, and, perhaps, limping—but not permanently crippled. The strength, courage, vision and endurance of the industry and its producers and processors will not allow this. We look to the next decade with guarded optimism and a more vocal concern for our self-interest and preservation.

The 1970's have not been extremely kind to the Louisiana sugar industry. 1970 itself was ushered in by terrible harvest conditions accompanied by early freezes. The bonanza year, 1974, drove the price of sugar to a record high; this event placed the sugar industry in an envious profit position. The envy was short lived, however, since many industrial users of sugar took advantage of the moment by escalating the price of their products, because of the increase in the price of sugar. Needless to say, the cost of their products did not take the subsequent downward spiral which has been suffered by the sugar industry since 1974.

The expiration of the U.S. Sugar Act and the unsuccessful attempts to legislate new sugar legislation are now a part of the industry's legacy for the 1970's. In addition to the continued downward trend in the price of sugar, the energy shortage has forced the Louisiana sugar industry to spend thousands of dollars on combination fuel burners for the boilers, installation of preheaters and other energy-saving schemes devices. There is small consolation and the fact that, while the sugar industry is doing its part to consume less energy, the cost of production continues to increase, while profits decrease.

In the past decade, we witnessed a concerted effort by growers to implement recommendations to increase the raw sugar yield per acre by methods such as wide-row planting, installation of the core-sampler testing system, and the aggressive use of new cane varieties.

In the 1970's, we also saw the cost of labor and materials rise to unparalleled levels. A minor improvement in a factory has become a major financial undertaking. On an even sadder note, the Louisiana sugar industry has seen the number of raw sugar houses decrease from 43, in 1970, to 25, in 1979. Sugar production rose from 541,800 tonnes in 1970 to 601,200 tonnes in 1977, but dropped back down to 495,000 tonnes in 1978. Sugar cane acreage went from (114,400 hectares) in 1970 to 136,400 hectares in 1973, back down to 118,400 for the 1978 crop.

We cannot allow this to continue.

It is difficult to believe that the government leaders in this great nation will allow the sugar situation to deteriorate to the point a which we see the oil industry today. Have not their experiences with oil taught them a lesson on the folly and danger of becoming dependent on imports? Their short-term thinking regarding the oil industry, if extended to our sugar industry, will indeed be disasterous.

Provided with accurate information, one wonders whether consumers, in general, would be as upset about a possible rise in the price of sugar as the anti-sugar legislation advocates claim they would be. Industrial sugar users naturally have a vested interest and want cheap sugar. However, John Q. Public is well aware that, while the price of a Hershey bar went up in 1974 because of high costs of sugar, that same Hershey bar kept getting smaller and more expensive, while the price of sugar dropped drastically. In 1974, we could put US $0.10 of $0.15 in a Coca-Cola machine and receive a soft drink. Today, the same machine requires $0.30 to $0.50 for the same soft drink.

Anti-sugar advocates have done an excellent job of "selling a bill of goods" to the American public. No real unbiased effort has been made to inform the consumers that most nations of the world have long-term contracts for their sugar, and that the dumping ground for excess, uncommitted sugar is the world market, which represents approximately 10 to 15 percent of the total world sugar production. Few sincere people outside the sugar industry realize that the U.S. sugar price is tied to this low world-price sugar. Yet, the domestic sugar growers and processors are compelled to compete with the low world price of excess sugar, while simultaneously meeting the requirements for minimum wage rates, complying with OSHA standards, dealing with the inflated cost of equipment and supplies, and paying for the operation of an unsupportive government.

The consumer, likewise, is not being told of the double standards that control the price of domestic sugar. He is falsely being led to believe that cheap, imported foreign sugar is part of the answer for decreasing our weekly food bill. If, in fact, this is so, why are all farm commodities suffering the pangs of inflation? Consumers need to be levelled with. The costs of all goods and services have increased, and continue to increase daily. What is not being publicised sufficiently to those outside the sugar industry is the long-range danger of the domestic sugar market being absorbed by imported sugar and the reality of the U.S. being at the mercy of foreign producers, who do not know or care about the cost of operating the U.S. government through its tax structure, who do not employ thousands of U.S. citizens, who do not purchase millions of dollars of U.S.-manufactured equipment, supplies, goods and services, who do not grow and process their sugar under Environmental Protection Agency (EPA) requirements, and who have no loyalty, except to themselves.

Sugar policy in the U.S. has resembled an "Alice in Wonderland" fantasy since the demise of the Sugar Act. Roller-coaster prices led to the enactment of the de la Garza loan program in 1977. Properly administered, this could have been an effective interim program. Instead of using import quotas and fees effectively, as instructed by Congress, the Administration dilly-dallied and, finally, issued regulations which were often counterproductive to the intent of the legislation.

A complex payment program for the 1977 crop sugar was instituted, but the regulations were changed so often, and so many questions were raised about its legality, that final payments for the 1977 crop still have not been made, even as this message is written.

After sugar legislation was defeated in 1978, President Jimmy Carter personally assured Senator Russell B. Long and others that the market price for sugar would be supported at $0.15 per pound, pending passage of new legislation. This promise has not been kept. In fact, import fees were actually decreased on April 1, 1979 despite the fact that U.S. sugar prices were substantially below $0.15 per pound. In spite of this ridiculous result of the Administration's fee-setting mechanism, the President has refused to change either the mechanism or the fee.

President Carter has set such narrow constraints on the type of sugar bill he will sign that sugar producers have had difficulty reaching an agreement on legislation. Issues such as payments and wage provisions have led to heated debates within the brotherhood of domestic sweetener producers. It is hoped that any scars from such debates will heal quickly, and be soon forgotten. The domestic sugar industry cannot afford division within its own ranks.

We all owe a debt of gratitude to those members of our industry who have spent substantial time and effort trying to negotiate and pass sweetener legislation. We, in Louisiana, especially appreciate the dedicated efforts of American Sugar Cane League's President, P. J. deGravelles, Jr., and James Thibaut, who is Chairman of the League's National Legislation Committee.

Obviously, there is much that we must strive for in the decade which follows:

We most certainly need to continue to strive for a price for sugar which will result in a stable and viable domestic sugar industry.

We need to explore an entry into the energy arena through the production of alcohol if, and I emphasize if, the cost of disposing of the by-products is not prohibitive, and if the volume allows a reasonable return on capital investments.

We need to initiate technological improvements in wiser and more profitable use of sugar products and by-products.

We need to encourage plant scientists to develop sugar cane varieties producing 14,000 pounds of sugar per acre (15.75 tonnes per hectare) in combination with close and wide-row planting.

We need to develop an internal public relations program to accurately inform our consumers of our plight.

We need to maintain a serious dialogue with congressional, governmental, and consumer groups which are influential in areas affecting our industry and its concerns.

I doubt seriously that I would be standing here today if it were not for the continuous support and encouragement of numerous people in our sugar industry.

It has been said that there is a time to sow and a time to reap, and that one reaps what one sows. If this is in fact so, I look forward to a bountiful harvest. We have put forth our best efforts to sow. It is logical, then, that we must reap an equitable return for our product. Long live Sugar! ●

TINKERING WITH THE CONSTITUTION

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. EDGAR. Mr. Speaker, today we will be called on to vote on an antibusing amendment to the U.S. Constitution. This amendment is likely to receive the support of many Members like myself who face uphill reelection campaigns. Why? Because if we vote against this amendment, we will be branded as "probusing." Even if our opposition to the amendment is based on procedural issues, as opposed to substantive issues, the vote is likely to be twisted out of context by the political opportunists that be.

I am going to take my chances and vote against this amendment because I believe it is important to stand up and object to the procedures under which this far-reaching amendment has been brought up for consideration. This amendment to our Constitution was poorly drafted from the beginning and has had to be revised since the last Congress. The new language is still unsatisfactory, so the sponsor of the amendment has agreed to make some last-minute changes on the House floor today. In essence, we are tinkering with the supreme law of the land, our Constitution, without subjecting the new and ever-changing language of an amendment to the scrutiny of constitutional authorities. We have no way of knowing the consequences of our action because we have not had the time to gather comment on the new language. This is not prudent procedure for any amendment, let alone an amendment to the Constitution, and I refuse to be a part of the procedure.

I have very serious reservations about the wisdom of districtwide school desegregation plans that entail substantial amounts of busing. This kind of massive desegregation imposes costs that are way out of line with the benefits. The neighborhood school concept is a valid one, particularly in a child's early years of schooling. It is ridiculous to take children out of a neighborhood and scatter them among different schools to meet some mathmatical racial quota. Unfortunately, such massive redistribution of schoolchildren has been required in a few cases where it has been shown that school districts have, in the past, deliberately used their powers to promote school segregation. I know of no case where massive busing plans have been required as the only remedy for de facto segregation, meaning the segregation caused simply and solely by the racial characteristics of various neighborhoods.

In any event, whether segregation is intentional or unintentional, it seems to me that some courts have been too severe in prescribing busing as a remedy. The courts are the final arbiters, subject only to the Constitution. Accordingly, we are under great pressure to change our Constitution to prevent future abuses by the courts.

The trouble comes when you attempt to put antibusing language into a form that will solve the busing problem without creating other constitutional problems. The sponsors of this amendment have run into this difficulty. As I have said, the sponsors of the amendment will be attempting to patch up its language on the House floor today.

I am not satisfied that the amendment is in an acceptable form or that it can be made acceptable given the time constraints we are working under. I am not satisfied that this new language has been reviewed by experts in constitutional law who can assist us in answering the questions, "Does this amendment address the problem effectively," and "Will this amendment cause unintended problems of interpretation?" I do not have a "try it on at home and bring it back if it doesn't fit" attitude toward the amending of our Constitution. Our Constitution, which has stood us well these many years, deserves far better.

The Philadelphia Inquirer makes a good case for opposing the Mottl amendment in a July 23 editorial. I insert this editorial for the benefit of my colleagues:

KILL ANTI-BUSING AMENDMENT

Friends of a proposed anti-busing constitutional amendment may end up killing it tomorrow in the House of Representatives. If they do the country will be better off for it.

The anti-busing amendment was designed as much as a politically advantageous curtesy to the folks back home as a valid proposal to amend the Constitution. Many scholars believe busing is too narrow an issue to be addressed by Constitutional amendment anyway. On-the-Hill skepticism about the idea is evident in the fact that for four years there has been no successful move to get the amendment out of the Judiciary Committee.

But in late June busing opponents mustered the necessary 218 signatures on a petition to have the full House consider it. Some of those signatures apparently came from members who just wanted to get the amendment considered and who would actually vote against it. But their opposition may not be needed. Friends of the amendment have now decided its wording is too strict and may bring results they oppose.

Consider: "No student shall be compelled to attend a public school other than the public school nearest to the residence of such student . . ." What about transfers for overcrowding? What if a school board wants young children to attend a school on their side of a major highway even though one on the other side is closer?

Or: "The Congress shall have the power . . . to insure equal educational opportunity for all students." Could that bring about federal government interference with local control of schools? The House Republican Policy Committee must have feared so; unexpectedly, last week it declined to take a position on the amendment.

The best reason for defeating the amendment is that busing is an acceptable tool for districts to use in wiping out unlawful school segregation. The Supreme Court said that recently in cases from Dayton and Columbus, Ohio. But if the amendment's friends help kill it for their own reasons, so be it. The death of the anti-busing amendment should go unmourned. ●

THE VOTE THAT CHANGED AMERICA'S FUTURE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. GOLDWATER. Mr. Speaker. I recently read a most interesting article about one of America's "forgotten patriots," which was sent to me by its author, Thelma Hall Quast. It was printed in the Ledger, of Montrose, Calif., whose editor, Don Carpenter, is an old and dear friend of mine. The article is fascinating, and offers a glimpse into a bit of American history that is appropriate in this, our Nation's birthday month. I share it now with my colleagues:

THE VOTE THAT CHANGED AMERICA'S FUTURE MORE THAN 200 YEARS AGO

(By Thelma Hall Quast)

The day was July 4, 1776.

The place was the Pennsylvania Statehouse in Philadelphia, later renamed Independence Hall because of what happened that day.

The occasion was a meeting of the Continental Congress, called to vote on the question of whether or not to declare independence from King George III's England.

For three days, these representatives of the Thirteen Colonies had wrangled. Three votes in those three days had ended in ties.

A fourth vote was going to be taken this fourth day.

Outside, Thomas McKean, a Delaware representative, paced impatiently back and forth, his eyes focused on the road from Delaware.

He was watching for Caesar Rodney, also a Delaware representative.

For two weeks, Rodney had been riding from farm house to farm house in southern Delaware, organizing a company of militia who would fight for the Colonies should war erupt.

Although independence had been on the minds and tongues of many colonists for a long time, it had not reached a fever pitch when Rodney left on his recruiting effort. Ever since the voting opened, McKean had been trying to get the word to him and to urge him to come to Philadelphia at once.

He knew how Rodney stood on the matter of independence. The two men had discussed it innumerable times.

There was a distant clatter of hoofs, coming nearer and nearer.

The rider drew up to a hitching rack and tethered his horse.

Man and horse were spattered from head to foot with mud.

Changing animals frequently, as they became fatigued, the rider had been racing, some authorities recorded, for 80 hours through a driving thunder storm.

He was so weary he could scarcely move.

"Rodney!" exclaimed McKean, embracing him. "I though you'd never get here."

"I started as soon as I heard," explained Rodney.

Arm in arm, the two men rushed into the chamber where the fourth roll was being called.

When the newcomer's name was called, he stood and said, "Caesar Rodney, representative from Delaware, My constituents are for independence. I can vote no other way. My vote is 'Aye.'"

The tie was broken.

A moment later, the big bell atop the Pennsylvania Statehouse pealed forth the glad tidings that a Declaration of Independence had been adopted and was being signed that very minute.

Out on the streets, bonfires were lighted all over town and kept burning throughout the remainder of the day and all that night.

The ballot Caesar Rodney cast that day more than 200 years ago cleared the way for the American Colonies to assert their independence and gave them that boost which resulted in a brand new nation: The United States of America.

Caesar Rodney, whose American ancestry dated back to 1682, was an extremely wealthy man at the time of the Revolutionary War, which followed the signing of the Declaration of Independence.

By voting 'Aye' that day, he was running the risk of losing everything he possessed. His vote required courage.

If he had lost all, many others would have suffered for lack of the money he so generously contributed to the revolution. For instance, that militia he organized, was financed entirely by Caesar Rodney, who provided the men with clothing, food, shelter, arms, medicine and other needs.

He held virtually every civil office in Dover, his home town, and in the State of Delaware.

Eight years after he affixed his signature to the Declaration of Independence, Caesar Rodney died of a painful, embarrassing facial cancer.

Near Dover, the Delaware state capital, there still stands the home of this great patriot.

And his bold signature may be found third from the bottom of the fourth column of the Delaration of Independence. ●

ANDERSON COMMENDS WORK OF BROCK ADAMS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. ANDERSON of California. Mr. Speaker, apparently the dust has now settled from last week's Cabinet shake-up, so perhaps the time is appropriate to reflect on one of the changes that was made.

Brock Adams was probably the finest Secretary of Transportation this Nation has had. While I fully support the President's right to have in his Cabinet those he feels can best help him in developing policy, and then in implementing policy, I must nevertheless express my feelings that Secretary Adams has been an outstanding public servant with a real vision of the future; and an inclination and will to act upon that vision.

Brock Adams has said that the United States must place a special emphasis on

mass transit, and he was right. He challenged the auto manufacturers to reinvent the automobile, and the need for this is equally apparent.

Secretary Adams had the support of his fellow workers at the Department of Transportation, and supported them fully. We are told that it was this support that led to his resignation. My personal feelings are, that just as the President deserves to have in the Cabinet those he feels he can best work with, Cabinet Secretaries should have the same right in determining their top staffs.

I certainly hope that whoever ultimately replaces Brock at DOT has the same vision and integrity that Secretary Adams has displayed for the past 2½ years, and throughout his career. And I hope that Brock will return to public service. The Nation needs more people like Brock Adams.●

THE AIRBAG DEBATE CONTINUES

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

○ Mr. MATSUI. Mr. Speaker, on July 12, I inserted into the RECORD a letter from former Congressman John E. Moss, in opposition to an amendment which will be offered by Mr. DINGELL to the Department of Transportation appropriations bill (H.R. 4440). That amendment would have the effect of placing the Congress on record as being opposed to airbags in automobiles.

Today I received another letter from Mr. Moss. As the House nears final consideration of H.R. 4440, I hope that my colleagues will take the time to read the letter and heed his counsel.

The letter follows:

JULY 20, 1979.

Hon. JOHN D. DINGELL,
U.S. House of Representatives, Rayburn Building, Washington, D.C.

DEAR JOHN: I received your letter through the courtesy of a friend who sent it to me over the facsimile machine. I am glad, as always, to confirm the great pleasure derived by me from our close association during the entirety of our Congressional service. As I have said so many times, it was the high point of personal satisfaction during my thirteen terms in the House.

You know me well enough, John, to know I do not want to leave you puzzled or confused as to my position and the reasons thereof. The reading of your letter today leaves me somewhat with the sense that your extended discussion is dictated more by your need to convince yourself than your expectations that my views and, I understand, those of an increasing number of your colleagues, would be changed as a result of what you said.

You and I know fully the views we hold and you know how strongly I feel that you are in error in reaching the conclusion to oppose air cushions. I do not support or oppose one technology over the other. I simply urge that the marketplace be allowed to provide choices among available technologies which meet established performance requirements. I have great confidence in the magic of the marketplace and I am only asking that no action be taken to prejudice one technology over the other. That to me is a very reasonable position; one which can be defended by any Member, regardless of their own views.

It would be futile to dwell extensively with contentions that you and others have made repeatedly over the years. They are unpersuasive to me, and let me hasten to add, they also have not proven persuasive to other well informed experts. The weight of evidence gathered over the last 10 years justifies that Congress permit the present law and present regulations to be fully implemented.

I stated earlier that I would not dwell extensively. Being a man of my word, I will not. I want to extend my warmest good wishes to you and hope the House prevents you from leading it in committing a major error. I am so sorry, John, on this single occasion, that I can not be there to engage in the floor debate. I know we would have both thoroughly enjoyed it.

Warmest regards,

JOHN E. MOSS,
Honorary Chairman, National Committee for Automobile Crash Protection.●

THE THIRD POSITION: SALT II AND ITS LIBERAL CRITICS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. ASPIN. Mr. Speaker, traditionally, the debate over strategic arms limitation talks has involved a contest between "hawks" and "doves." A so-called third position, however, has emerged in the debate over the SALT II Treaty. Advanced most prominently by a number of liberal Democratic Senators, it holds that obtaining enough support to ratify the treaty involves so much acquiescence to Senate and Pentagon hawks that it can no longer genuinely be called "arms control." As Senator GEORGE MCGOVERN has summed up the argument:

> I cannot support a strategy which would sacrifice our long term hopes for comprehensive arms control in order to win a few hardliners' votes for a very modest interim step. • • •[1]

Senator MARK HATFIELD similarly refuses—

> To stand passively by, once again, and vote for a treaty on the ground that it is the "only game in town."[2]

And Senator WILLIAM PROXMIRE has stated that he—

> Can only support a strategic arms limitation treaty that is a limitation treaty • • • not • • • a treaty which coincides with an explosion of arms spending.[3]

All three, in a joint press statement issued last March, warned President Carter that they—

> Reserve the right to vote against any SALT proposal that does not fundamentally curb the arms race.[4]

In some ways, these Senators and others who have argued along similar lines, have a point. SALT II will not reduce the defense budget. In fact, during the treaty's lifetime, U.S. strategic spending is projected to rise, perhaps by 25 percent.[5] And while the treaty constrains and, in some cases, reduces the number of missiles and warheads held by the United States and the U.S.S.R., it is lamentable that the constraints are not more wide ranging, the reductions not deeper. Indeed, it appears that President Carter has had to commit himself on full-scale development of the MX missile in order to make the treaty acceptable to the Joint Chiefs and several key Senators.

However, those who dwell exclusively on such points are posing the wrong questions. In considering whether to ratify SALT II, the relevant comparison is not between defense spending today and defense spending in the future under the SALT II agreement. The relevant question is: Will strategic defense spending in the future be more under SALT II or less? In order words, if the aim is to keep defense expenditures down, the only question should be: "Will they be lower with SALT II or without?"

THE COSTS OF RATIFICATION

Pentagon officials readily acknowledge that even with a SALT II agreement, the United States will have to increase spending on strategic weapons over the next decade. The new strategic programs requested by the Defense Department include, most notably, the MX missile and a new mobile basing mode, Trident I submarine-launched missiles (SLBM's) in Trident submarines, and about 3,000 air-launched cruise missiles (ALCM's) for B-52G bombers and eventually new cruise-missile-carrying aircraft (CMCA). Total cost of these programs: $78 billion over the next 10 years.[6]

Ten-year cost

	Billions
MX plus mobile basing	$30*
Trident I in Trident submarine	31
3,000 ALCM in B-52G and CMCA	17
Total	$78

* Assumes multiple protective structure basing with 4,500 shelters; if a trench basing system, with 8,800 horizontal shelters and the missile mounted on a railroad car is assumed, the cost of MX plus mobile basing would be $36 billion.

The liberal SALT critics contend that this increase in strategic spending is part of a quid pro quo with the military and with hawks in the Senate to support the SALT II treaty.

Senator PROXMIRE claims that this quid pro quo also covers a second group of weapons systems. These systems include converting 66 FB-111A bombers and 78 F-11D jet fighters to modified FB-111B bombers; the development of totally new heavy bomber; and the deployment of an elaborate upgraded air-defense network for the continental United States.[8]

It is somewhat difficult to estimate the cost of these systems since they are not part of any current 5-year plan. The best available estimates indicate the following approximate costs: [9]

	Billions
FB-111B	$ 7
New Manned Bomber	15
U.S. air-defense network	4
Total	$26

Footnotes at end of article.

In sum, with this $26 billion added on to the $78 to $84 billion strategic program outlined by the administration, liberal SALT critics find the strategic weapons budget increasing by a total of $104 to $110 billion over the next decade, under the SALT agreement.

THE TRUE COSTS OF RATIFICATION

There is a crucial, but unstated, assumption in the above calculations: namely, that the defense programs projected with SALT II would not be developed without SALT II. But is the projected procurement of these new weapons systems merely a product of SALT II politics, or would they probably be purchased even without SALT II?

Upon examination, it appears that all of the weapons mentioned by the liberal SALT critics were conceived before, and independent of, the final phases of the SALT II negotiations.

Specifications for the MX missile were drawn by Strategic Air Command in 1974. Those who wish to see ICBM's removed from silos—and this includes nearly everyone of whatever political persuasion—base their arguments on the growing accuracy of Soviet ICBM warheads, which increasingly threatens the survivability of any fixed target. This trend in improved accuracy has been anticipated for several years now, and countermeasures have been considered quite independently of SALT II.

The Trident I missile was developed to give the U.S. SLBM force much longer range (4,000 nautical miles, as opposed to the Poseidon missile's 2,600), and the Trident submarine was proposed as a replacement to the aging submarine fleet. Both were developed in the early 1970's. Nobody claims that they are in any way related to the "selling of SALT II" (although the Trident submarine may have been somewhat related to the politics of SALT I).[10]

Cruise missiles, most observers would admit, are not a product of SALT II, either. Rather, they were selected as a more cost-effective alternative to the B-1 bomber.[11] The growing vulnerability of penetrating bombers to Soviet air-defense missiles insures that long range, stand-off cruise missiles were bound to be introduced into the U.S. strategic arsenal at some point. SALT II has nothing to do with it.

In short, the $78 billion strategic program proposed by the Defense Department has its roots in strategic trends and developments antedating the SALT II Treaty. These weapons systems would almost certainly have been proposed, and would almost certainly be accepted by Congress, with or without SALT II. The treaty cannot be blamed for propelling these weapons into existence.

One qualification could be made here. It is very likely that President Carter's decision to choose the largest MX missile design available—the 92-inch, 190,000-pound, as opposed to the 83-inch, 150,000-pound, partly common, missile—was part of a SALT-selling campaign. This decision was particularly shortsighted, since the partly common missile would have been as capable as the larger model and far more suitable for a variety of basing modes.[12] However, the difference in cost between the 92-inch missile and the partly common missile is only $350 million, hardly a visible cost saving in a $30 to $36 billion program.[13]

As for the second group of weapons systems costing $26 billion, there seems to be no good reason to include them in the cost of SALT II, either—mainly because their building plans are so tentative. The FB-111B is presently being considered for the fiscal year 1981 budget, but has not yet been approved by top officials.[14] A continental air-defense network for intercepting Soviet intercontinental bombers is simply an idea on memoranda in various "in-boxes" around Washington.[15] Finally, a new manned bomber is at such an early stage of the research and development process that nobody has any idea what it will look like, what its mission requirements will be, or whether it will or should be developed. It has not even been given a name.

It could be argued that if these systems are developed in the near future, the "Backfire complex," created largely by SALT, will have been a major factor. Were it not for SALT—not specifically SALT II, but the whole SALT process—the Soviet Backfire bomber would probably be perceived simply as a followon to their Blinder/Badger medium-range force.[16] The SALT negotiations, with their excessive emphasis on simple numerical indicators, have blown the Backfire's significance way out of proportion. If the United States does develop an FB-111B, a new manned bomber and a continental air-defense network—all in process could be held largely responsible. On this score, the SALT critics from the left would have their strongest case.

However, these items cannot really be counted as "costs of SALT II," first, because they are not line items in any proposed budget, but merely ideas on paper and, second, because even though concern over Backfire may have been prompted or reinforced by the SALT debate, this concern would not dissolve if the treaty were rejected.

In other words, the increase in strategic spending allegedly proposed to win hawkish support for the treaty—money for the MX, the Trident systems and ALCM—would almost certainly be requested, and almost certainly be approved, with or without SALT II. If the new bombers and a continental air-defense system truly do become part of the SALT II bargain, it is a good bet that these, too, would be procured if SALT II were rejected. There is only one exception: Without the political pressures of SALT II, President Carter might have chosen the "partly common" 150,000-pound MX missile, rather than the 92-inch, 190,000-pound version. The extra cost of the larger missile: $350 million.

In sum, what are the true costs of SALT II ratification? Only $350 million—the difference between the largest MX missile, which the President chose to get SALT II votes, and the partly common missile, which he probably would have chosen if there were no such thing as SALT II.

THE COSTS OF REJECTION

The question now becomes: What happens to defense spending if SALT II is rejected? In testimony before the Senate Armed Services Committee last May, Under Secretary of Defense William Perry provided a glimpse of this picture. As previously noted, the administration recommends a $78-billion strategic program over the next decade if SALT II is passed. On the other hand, if SALT II is rejected and the Soviets proceed on their present course unrestrained, the administration according to Dr. Perry's testimony, would do much more. They would recommend putting the more expensive Trident II, rather than Trident I, missiles inisde Trident submarines; placing 5,000, instead of 3,000, ALCM's on airplanes and bombers; and deploying 200 MX missiles in some multiple-shelter scheme. Total cost of this expanded program over a 10-year period: $99 billion, more than $20 billion beyond the administration's strategic weapons bill under SALT II.[17]

	10-year cost (billions)
MX plus Mobile Basing	*$30
Trident II in Trident submarine	42
5,000 ALCM in B-25G and CMCA	27
Total	99

*Assumes Multiple Protective Structure basing with 4,500 shelters if a trench basing system, with 8,800 horizontal shelters and the missile mounted on a railroad car is assumed, the cost of MX plus Mobile Basing would be $36 billion. It is assumed here that this MX Missile is the partly-common version, $350 million cheaper than the 92-inch version that was part of the "SALT Ratification" program. However, since the costs here are rounded to the nearest billion, the saving makes no visible difference.

Furthermore, if with SALT II treaty, the fear of Backfire is enough to frighten us into building new bombers and an upgraded air defense, then it can reasonably be predicted that we would be even more frightened into doing these things without the restraints on Backfire production and operational radius that the SALT II treaty provides.[18] Additionally, if the FB-111B, the new manned bomber and a continental air defense are only tentative programs with a SALT II Treaty, they will almost certainly be rapidly moved up to the front-burners of weapons-procurement planning during the period of superpower tension that will doubtlessly break out after a rejection of the treaty.

These programs add another $26 billion to the SALT-rejection package, for a total $125 to $131 billion, exceeding the Pentagon's plans for strategic programs under SALT II by $21 billion over the next decade.

COMPARING STRATEGIC SPENDING: REJECTION VERSUS RATIFICATION

A comparison between SALT II ratification and rejetcion can now be made in commensurable terms. If SALT II is approved, defense spending for new strategic programs will amount to $78 billion. However, the true cost of SALT II—the amount spent above and beyond those programs that would be purchased regardless of the treaty—is only $350 million. On the other hand, the extra cost

Footnotes at end of article.

of a SALT II rejection would be $21 billion.

STRATEGIC WEAPONS SPENDING

	10-year costs (billions)
SALT II Ratified	
200 MX plus mobile basing	*$30
Trident I in Trident submarines	31
3,000 ALCM in B-52G and CMCA	17
Total	78
And Possibly	
FB-111B	7
New Manned Bomber	15
U.S. Air-Defense Network	4
Total	26
Possible total	104
SALT II rejected	
200 MX plus Mobile Basing	*36
Trident II in Trident subs	42
5,000 ALCM in B-52G and CMCA	27
Total	99
And Possibly	
FB-111B	7
New Manned Bomber	15
U.S. Air-Defense Network	4
Total	26
Possible total	125
Difference between ratify and reject	21

*Assumes Multiple Protective Structure basing with 4,500 shelters; if a trench basing system, with 8,800 horizontal shelters and the missile mounted on a railroad car is assumed the cost of MX plus Mobile Basing would be $36 billion.

Deducting from this sum the $350 million cost of ratifying SALT II—so negligible that its impact on the above chart cannot even be detected—one can infer that strategic spending over the next decade will be slightly more than $20 billion cheaper with ratification than with rejection of SALT II.[19]

THE DYNAMICS OF SALT II REJECTION

If a $20 billion saving may not sound like much when defense spending is going to increase by so much anyway, it should be emphasized that this estimate of the net cost of rejecting the treaty certainly understates the case. For it omits the dynamic dimension of a SALT II rejection.

What would happen if the Senate rejected SALT II after 7 years of intensive negotiations? Will the President, upon witnessing senatorial rejection of the treaty, say: "I guess SALT II failed because it did not go far enough?" Not likely. Far more Senators will vote against SALT II for hawkish than for dovish reasons. Nobody could interpret a SALT defeat as a mandate for getting more serious about arms control. Far more likely, the message will be: "Arms control has had it." The pressures for massive increases in defense spending will be enormous.

If nothing else, SALT II provides confidence about the nature and scope of the Soviet threat to the United States, and of the American threat to the U.S.S.R., throughout most of the next decade. Current worst-case intelligence projections of the Soviet strategic forces assume that SALT II is in effect through 1985. If the treaty is rejected, the outer boundaries of these projections would expand substantially—and, as a response to these more pessimistic estimates, so would the Pentagon's requests for strategic weapons. Rational or not, these are simply the political facts.

The trade off for SALT II votes may be full-scale development of an MX missile and possibly some other weapons; but the price of SALT II rejection is surely the procurement of all these weapons and more, more of them and more quickly. The Russians will do the same, which will propel us further into an arms buildup, which will spur the Russians even more, and on and on it will go.[20]

Five years ago, three astute observers of defense policymaking could write:

> The wry joke is heard that SALT may be a great boon for weapons procurement: a mechanism for generating and sustaining support for new weapons programs at a time when the domestic climate is such that they would otherwise be in jeopardy.[21]

This observation could be applied, with some validity, to the dynamics of SALT I; it is hardly at all relevant to the politics of SALT II. The times are now different. The key to the difference lies in the final clause of the above remark:

> The domestic climate no longer jeopardizes new weapons programs.

Quite the contrary. The political momentum lies more with the hawkish groups. While the U.S. deterrent is still very powerful, Soviet military strength has risen substantially over the past 5 years; as a result, congressional and public support for new weapons is fairly strong. Five years ago, popular backlash against the Vietnam war shaped the public's view of the entire military establishment; this perspective has now all but vanished from the scene. In this context, it is dangerous and delusive to suggest that a rejection of SALT II would lead to better chances for "genuine arms limitation and arms control."[22]

In criticizing the treaty, Senator PROXMIRE has said:

> What we need are real reductions in the land-based missiles on both sides.[23]

CONCLUSION

He is absolutely correct. However, this is hardly an argument for rejecting SALT II. Given the present political environment and the severely heightened political and military tensions that an outright rejection of the treaty would create, it would be virtually impossible for any serious arms-reduction effort to succeed for at least the next 5 years. By that time, both sides will have built up their arsenals to even higher levels, and mutual suspicion will be much more intense. Serious arms reductions, in such an atmosphere, will be all the more difficult to negotiate.

Let us move on to deeper arms reductions, let us agree to start phasing out land-based missiles, let us propose such things as the banning of any more nuclear-weapons production. All of these measures, even in times of minimal political tension, would be most difficult to accomplish. As Paul Warnke has noted,

> For a nation to disarm itself, even just a little bit, is almost to commit an "unnatural act."

However, if these steps are to be taken at all, SALT II is vital. SALT II is the absolute prerequisite, the necessary—though by no means sufficient—precondition.

The stark choice is between ratification and rejection. The implications of both should be clear:

Ratification means, perhaps, spending $350 million above and beyond the strategic budget proposed for the next 10 years independent of SALT considerations. Rejection means spending $21 billion more.

Ratification means restricting and reducing forces, substantially reducing uncertainty, and narrowing the scope of worst-case military planning. Rejection means unleashing an uncontrolled arms escalation, setting back the cause of future arms-control negotiations and expanding the scope of worst-case planning.

Arms controllers should have no hesitations about endorsing SALT II under these circumstances. It may not be everything one had hoped for, but it is far, far preferable to its only realistic alternative—no SALT treaty at all.

FOOTNOTES

[1] *Congressional Record*, March 5, 1979, p. 3834.

[2] *Ibid.*, p. 3835.

[3] *Ibid.*, p. 3839.

[4] Reprinted in *ibid.*, p. 3837.

[5] Secretary of Defense Harold Brown, testimony before Senate Foreign Relations Committee, July 9, 1979; reported by Robert Kaiser, "SALT Hearings Under Way," *Washington Post*, July 10, 1979.

[6] William Perry, testimony, Senate Armed Services Committee, Authorization Hearings, FY 1980, Pt. 3, p. 1411.

[7] Robert Soule and Richard Davison, Congressional Budget Office (CBO), *The MX Missile and Multiple Protective Structure Basing: Long-Term Budgetary Implications*, June 1979, pp. 7–8.

[8] Senator WILLIAM PROXMIRE, Press Release, July 5, 1979. Senator PROXMIRE does not consider the Trident systems or the ALCM to be a part of a "SALT II package," but some of his other assumptions are dubious. (See footnote 17.)

[9] Costs of FB-111B and New Manned Bomber from U.S. Air Force liaison, July 1979. Air-defense network costs assume 112 F15 fighter interceptors—the number specified by Air Force planners—at $18 million unit cost, for total $2-billion; 17 AWACS early-warning planes at $78 million unit cost, for $1.3 billion; and another $700 million for long-term operations and maintenance, support and facilities.

[10] Shortly before the SALT I signing, the Senate Armed Services R. & D. Subcommittee recommended that $400 million be spent on further R. & D. for the Trident sub, but asked the full Committee to withhold approval of DOD's $500 million request for adadvanced procurement; the full Committee decided against approving funds even for R. & D. Nine days before SALT was signed, the Joint Chiefs recommended Trident procurement. Secretary of Defense Melvin Laird testified that the sub was necessary to provide a technical hedge and a bargaining chip for future negotiations. Enough Senators were persuaded, and approval for R. & D. and advanced procurement was granted. Trident submarine funding rose that year from $100- to $900-million. The Trident I missile, on the other hand, never faced opposition, and will be backfitted into 12 Poseidon submarines beginning next year.

[11] President Jimmy Carter, News Conference, June 30, 1977.

[12] The partly common missile could be deployed onboard airplanes or submarines if all mobile land-based schemes turned out to be flawed; the 92-inch missile is too large to be based on aircraft or subs currently deployed or in design. For further detail, see my statement, "The Wrong MX Missile," CONGRESSIONAL RECORD, June 13, 1979, pp. 14758–14759.

[13] Information from Congressional Budget Office, July 1979.

[14] Gen. Richard Ellis, testimony, Senate Armed Services Committee, Authorization Hearings, fiscal year 1979, Pt. 1, p. 317.

[15] An exception is some AWACS early-warning aircraft which were allocated to North American Air Defense Command (NORAD) last year in a decision unrelated to any consideration of SALT II. Some Air Force officers would like to see 112 F–15 aircraft dedicated to NORAD as well, but this idea will probably not be formally considered for at least a few years. (Information from U.S. Air Force liaison.)

[16] The Soviets call the Backfire the Tu–22M, suggesting that it is intended as a Maritime-mission follow-on to the Tu–22 Blinder. The Backfire–B has no flight-refueling probe, and the external storage racks under the air-intake trunks surely impose speed limitations. About half the Backfires are dedicated to Soviet Naval Aviation. They do have some intercontinental capability, but if used in a strategic mission, they could drop only two bombs per plane, and the marginal reduction from the Soviet naval-air force would exceed the marginal addition to the intercontinental strategic force. It is, incidentally, ironic that hawkish SALT detractors criticize the treaty's failure to count Backfire as a strategic delivery vehicle, but dismiss as trivial SALT II's provision that the Soviets dismantle 254 far more lethal and promptly deliverable missiles that could otherwise be converted to carry multiple warheads.

[17] William Perry, testimony, Senate Armed Services Committee, Authorization Hearings, fiscal year 1980, Pt. 3, pp. 1411, 1431; Edgar Ulsamer, "In Focus . . ." *Air Force*, July 1979, p. 16.

[18] On June 16, 1979, Leonid Brezhnev handed a note to President Carter stating that the U.S.S.R. will "not increase the radius of action of (the Backfire) in such a way as to enable it to strike targets on the territory of the USA. Nor does it intend to give it such a capability in any other manner, including by in-flight refueling. . . . (nor) increase the production rate of this airplane as compared to the present rate." Brezhnev confirmed that the Backfire's production rate would not exceed 30 per year. The administration has firmly stated that it considers this letter to be as binding as the rest of the SALT treaty If SALT II is rejected, the letter of course would have no binding effect whatever.

[19] In a press release for July 5, 1979, Senator PROXMIRE (see footnote 8) announced that the cost of a SALT II treaty would probably exceed $100 billion—not including the $48 billion cost of Trident I missiles in Trident submarines and 3,000 ALCM's in B–52G bombers and a new CMCA. This estimate is based on several fallacious assumptions. It implicitly assumes that the MX and mobile-basing mode would not be deployed were it not for SALT II—almost certainly untrue. It also assumes that a new manned bomber, a continental air-defense network, and an FB–111B are definitely in the cards if SALT II is passed and definitely not if SALT II is rejected—both dubious propositions.

Senator PROXMIRE's release also overstates the costs of these items. On the MX, he claims that the $30 billion figure cited by DOD omits (a) the cost of an extra 4,000 hardened shelters on top of the first 4,000 to be deployed, necessary to meet future Soviet capabilities, (b) a full costing of the missile's ability to sprint from one shelter to another, and (c) operations and maintenance costs. He guesses that if these factors were included, total cost would exceed $70 billion.

This is an exaggeration on several counts. If the railroad-trench—or "zipper-trench"—basing mode is chosen, it will have 8,800 shelters and a sprint capability. Estimated cost: $36 billion. For both the $30- and $36-billion program cost estimates, operations and maintenance expenses *are* included. Senator PROXMIRE, in other words, has overstated the cost of the MX—extremely expensive already—by nearly 100 percent.

His assessments of the FB–111B and a new bomber—$7- and $15-billion, respectively—are probably on the mark. However, he overstates air-defense costs. He assumes that the complex will include Patriot surface-to-air missiles; in fact, not even enthusiastic Air Force officers have contemplated this ingredient. And if Senator PROXMIRE calculates that the air-defense program would cost "tens of billions" of dollars, he is drastically overestimating the number of F–15s and AWACS necessary for the task.

Senator PROXMIRE also complains that the Pentagon's cost estimates are calculated in constant 1980 dollars, ignoring future inflation. True, but this is just a fact of life in all budgeting, for defense and nondefense programs. Inflation over a decade is, after all, unpredictable; and most taxpayers' salaries also tend to grow somewhat in those years of inflation. To calculate costs in any but constant dollars would be very misleading.

(Sources: On MX costs, Soule and Davison, CBO, *op. cit.*, pp. 7–8, 79; on other weapons, see footnotes 9 and 15.)

[20] One possible outcome of a SALT II rejection could be a dedicated campaign to deploy an anti-ballistic-missile (ABM) system, something which many have yearned to do for years but for the AFM Treaty. A U.S. "unilateral statement" attached to SALT I's Interim Offensive Agreement of May 1972 noted:

> If an agreement providing for more comprehensive strategic offensive arms limitations were not achieved within five years, U.S. supreme interests could be jeopardized. Should that occur, it would constitute a basis for withdrawal from the ABM Treaty.

Rejection of SALT II, with little hope in sight for renewal of serious arms-limitation talks, could be presented by ABM advocates as grounds for abrogating the ABM Treaty—the most detailed arms control treaty ratified to date by the superpowers, the only product of SALT that has no expiration date. The cost of a new ABM system could easily exceed $10 billion, and would trigger an even costlier and utterly wasteful race between offensive and defensive forces. The notion of a rapidly deployable ABM system for the MX missile—in addition to some multiple-shelter system already proposed to reduce the missile's vulnerability—is heavily favored by ballistic-missile-defense (BMD) enthusiasts. (See for example, testimony of Gen. Stewart Meyer, BMD Project Mgr., in the Senate Armed Services Committee, Authorization Hearings, fiscal year 1979, pt. 2, p. 996.) The U.S. Army estimates such an ABM system to cost $6 billion. This certainly understates the costs for two reasons: first, the assumed kill-probabilities of each ABM warhead are certainly much too high, meaning that more ABM missiles will be needed to destroy the required number of incoming Soviet warheads; second, as the Soviets deploy more offensive weapons to saturate the ABM's, the United States will have to deploy more defensive missiles to counter them $10-billion for such a project is a very conservative appraisal.

[21] G. W. Rathjens, Abram Chayes & J. P. Ruina, *Nuclear Arms Control Agreements: Process and Impact* (Washington, D.C.: Carnegie Endowment for International Peace, 1974), p. 21. This monograph is one of the earliest, and still the most compelling, analysis of SALT's counterproductive tendencies.

[22] Senator MCGOVERN argues that if SALT II is defeated by conservatives alone, it "would create the political climate for another splurge in arms spending," while if liberals are partly responsible, "I think we have a better option of moving . . . to confront a genuine arms limitation and arms control." (Quoted in Richard Egan, "3 Senators Hold Key to Arms Pact," *Detroit News*, July 5, 1979.) There is a non-sequitur quality to this agreement. If, say, three Senators vote against SALT for dovish reasons and at least 34 vote against it for hawkish reasons, no political impact will have been made: the treaty will have gone down to defeat, with or without Senator MCGOVERN and his colleagues. If these three votes make the difference between SALT rejection and SALT ratification, however, the consequences for "genuine" arms control in the future will be bleaker. If creating the base for political mobilization against the arms race is Senator MCGOVERN's purpose, who could argue that the possibilities would not be greater under the controlled competition that SALT II provides than under the uncontrolled escalation that its rejection would almost certainly unleash?

[23] Quoted in Fred Barbash, "3 Liberals Assail Concessions to SALT Critics," *Washington Post*, March 5, 1979.●

TRIBUTE TO PHI THETA KAPPA

HON. JON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. HINSON. Mr. Speaker, since 1918 Phi Theta Kappa has recognized superior junior and community college students. The national honorary scholastic fraternity has grown from 8 chapters in 1 State to over 500 chapters in 48 States, the Canal Zone, and Puerto Rico in its 61-year history.

Phi Theta Kappa strives to represent the intellectual character of the present-day community/junior college systems in the United States. The programs of the fraternity can be found in small privately endowed colleges and large public colleges.

To achieve this purpose, Phi Theta Kappa provides opportunity for the development of leadership and service, for an intellectual climate for exchange of ideas and ideals, for lively fellowship for scholars, and for stimulation of interest in continuing academic excellence.

Some outstanding alumni members of Phi Theta Kappa include the following: Writer Thomas Hal Phillips, astronaut Fred Haise, actor Monte Markham, and former Treasurer of the United States Francine Neff.

Mr. Speaker, Phi Theta Kappa is a credit to the outstanding junior and community college systems in the United States. It is a personal privilege to acknowledge Phi Theta Kappa, its Executive Director Dr. Margaret Mosal, its national office staff in Canton, Miss., and its board of directors.●

SENATE—*Wednesday, July 25, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate convened at 8:45 a.m., in executive session, on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

They that wait upon the Lord shall renew their strength.—Isaiah 40: 31.

O God, our Father, Restorer of men's bodies and minds, we thank Thee for rest by night and work by day.

We thank Thee for this world which Thou hast made; for summer and winter; for light and dark; for sunset and for dawn. We thank Thee. Thou has made us as we are, for hands to work and feet to walk; for eyes to see and ears to hear; for minds to think and for hearts to love. Help us to use for Thy glory these gifts so richly bestowed.

We thank Thee for all who share with us the responsibilities of Government, for all upon whose wisdom and experience we draw, for friends and colleagues whose love gives glory to our lives.

Above all else, we thank Thee for Him who walked before us to show us that whoever is greatest shall be servant of all. In His name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 25, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EUROPEAN PARLIAMENT

Mr. ROBERT C. BYRD. Mr. President, in the press of business here in Washington, insufficient notice has been made of a historic event that has taken place recently among our allies in Europe, and that is the first election of delegates to the European Parliament.

The European Parliament is made up of representatives of the nine countries belonging to the European Common Market. Prior to June of this year, those delegates were appointed by the legislatures of the member countries.

But in June, the voters of each country directly elected their country's delegates to the Parliament. As a result, 110 million Europeans cast their ballots to choose the Parliament's 410 members.

The Parliament meets in Strasbourg, France. The role of the Parliament is largely advisory, to review and comment on Common Market decisions.

But the real significance of the Parliament is that it will provide an influential forum on major European issues, and it will more closely unite the people of Western Europe.

Consider the odds against which the Parliament has had to mount its case. Europe has twice this century been torn by world war. The peoples of the nine countries represented in the Parliament speak many different languages. And each of the countries has a very separate and distinct culture, with a history that goes back to a time far earlier than our own.

In spite of these obstacles, the Parliament has made its case, and now stands before the European public as proof that a diverse people can subordinate their differences in the name of their common good.

On July 18, the Senate joined the House in approving a concurrent resolution, congratulating the European Parliament for its achievement, and welcoming it to the community of representative bodies around the world chosen by direct universal suffrage. The resolution noted that the United States shares with the West European Community a "common respect for democracy, the promotion of human rights under the rule of law, and the observance of democratic practices."

Mr. President, at various times the countries of the Old World have looked to the United States in the New World for inspiration and innovation in developing a free society. The United States has always tried to respond, and rarely has it responded more warmly than when the Marshall plan was launched in 1948.

Now the very countries to which the Marshall plan was directed are lending inspiration to the United States. The President spoke the other evening of the need in this country to strive toward a goal of cooperation and unity.

It is fitting that the New World now may look to the Old World for a shining example of achieving that goal.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no further need for my time unless the distinguished acting Republican leader wishes to have it yielded to him.

Mr. STEVENS. It may be that I will need that extra time so I thank my good friend.

Mr. President, may I state to the majority leader that although I am not certain when, I have heard that there might be a motion to recommit the Reiche nomination that will be before the Senate today, so it is possible that we may have a vote on that matter.

May I ask the Chair if the majority leader has yielded me part of his time?

Mr. ROBERT C. BYRD. Mr. President, if I have any time remaining, I yield the remainder of that time to Mr. STEVENS.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

SNAIL DARTER OF THE MONTH AWARD

Mr. STEVENS. Mr. President, for some time now I have been considering following in the tradition of the Senator from Wisconsin (Mr. PROXMIRE) by announcing a new monthly award, and this morning I will begin with the announcement of the Snail Darter of the Month Award.

This award would go to any Government organization which has done more to harm the environment through extremism in its enforcement of environmental laws and regulations than its actions have done to improve the environment in which we live.

We all know that one of the most unfortunate problems we face today is that many of the people who are enforcing environmental laws and regulations in the Federal Government are people who primarily or previously had been advocates for various environmental organizations. They do lack, in many instances, the balance that is required of an official who has the power to enforce Federal laws and create regulations.

Extremism in environmental policies has led the Government to reserve more land than is required for environmental protection. Extremism in environmental policies has led the Government to acquire more and more private land for Government ownership. Extremism in environmental policies has led the Government to stifle free enterprise and to hinder private ownership. Extremism in governmental policies has led the Government to assert Federal supremacy over State laws, such as State water rights laws, which were designed to create private rights to assure individuals that the product of their labors, particularly in placing new lands into cultivation, would be secure for themselves and their families.

The Tellico Dam really is the symbol of the snail darter award. It was a project that was funded in 1967. It has been funded every year since then. Tellico was built for the purpose of providing hydroelectric power for 20,000 homes. It is 99 percent complete, and $111 million of taxpayers' money has been spent on the construction of this hydroelectric project.

The Endangered Species Act, passed in 1973, 6 years after this dam was started, has been used to prevent the completion of Tellico Dam. At issue was a tiny species called the snail darter which inhabits the Little Tennessee River. It was not even discovered until after the dam construction had begun. Yet, as we all know, the snail darter has tied up the completion of this dam.

Since that time the snail darter has been transferred successfully to the Hiwassee River. It is thriving today.

The dam, as I said, will produce power for 20,000 homes, some 200 million kilowatts of potential electricity, and it stands as a symbol of environmental extremism.

As we approached this concept of the snail darter of the month award I thought of some of the things I have run across in the last 6 months.

We could have used the West Virginia railroad siding project as an example. The construction of the siding was necessary for coal cars to take the product of West Virginia mines to market but was delayed because of extremism in the enforcement of environmental regulations. My good friend, the majority leader, asserted himself in that instance, and I think that siding will finally be completed.

We could have used as the first award recipient those people in the Fish and Wildlife Service who denied the State of Alaska an aquaculture project in the Kenai Moose Range south of Anchorage, a project to restore the anadromous fish runs in the streams, the bed of which is owned by the State of Alaska.

They refused to allow us to use the shore of that stream for the purpose of an aqua site to restore the salmon run. After a conference with my staff that project may be reconsidered.

We could have used the example of the Terror Lake project in the Kodiak Bear Wildlife Range which has been underway now for almost 10 years. This project has been recently stopped by the Fish and Wildlife Service because they say that the hydroelectric project, which is primarily a penstock that comes down through the mountains from a lake high above Kodiak was inconsistently and incompatible with the protection of the bears on Kodiak Island. Evidence of a negative impact on the bear population has never been substantiated. That project, also, may be reconsidered.

These are examples of what I am talking about in terms of extremism in the enforcement of environmental laws.

This morning's Post gives probably the worst case of environmental extremism to date, and that is the problem of the city of Skagway's municipal sewage treatment plant. There are literally thousands of cities in the country that have not even tried to comply with the Clean Water Act. Skagway, the gateway of a national historical park, is in and of itself a monument to the freedom of our people who sought a new life and fortune. It was the entrance to the path for those people who wanted to go on to the Yukon gold mines. Now it is but a town of 870 people who have been forced to comply with the Federal Clean Water Act, although their small environmental impact does not really warrant such strict adherence to such arbitrary standards. So, the people of Skagway bonded themselves for $3.5 million and built a new treatment facility.

They have had some difficulty with that plant because of technical problems in the power package required by the treatment standards established by EPA. So they were forced to close it down.

One of the problems that Skagway and many small communites have, with agencies like EPA is in the constant haranguing, the forms and the regulations and just the stifling of the operations of a small city and the people trying to run that small city. So because of the complications, when the citizens of Skagway found out that they would have had to use 46,000 gallons of diesel fuel to keep that plant running because of this malfunction, they closed it down. EPA has now taken the city of Skagway to court and the difficulty is that EPA is drawing its battlelines against people who have tried to comply with EPA's demand. It has not taken to court those cities which have not even tried to comply with the clean air standards.

Skagway, if left alone, will find a way, I am certain, to use its sewage plant. Having built this treatment plant obviously, it is going to find a way to use it. But now the people of EPA have taken Skagway to court and are seeking a fine of $10,000 a day for noncompliance with the Federal laws, in a town where the mayor makes $80 a month. How ridiculous is that?

I just cannot understand a Government agency that refuses to try to seek balance by working with local officials to achieve national objectives.

It is a difficult thing for this Senator, as one who voted for the Clean Water Act, to see how we could possibly have contemplated such extremism in the enforcement of that law through the regulations being demonstrated by the EPA today.

I would invite the Senate as a whole to look at the Skagway problem. What can they do? How can a small town survive when a Federal agency, instead of trying to work with the local government to help achieve national standards, puts the local government and its officials on the complete defensive and forces them to hire lawyers to defend expensive lawsuits in Federal courts when they are already so severely in debt?

The Environmental Protection Agency, by its extremism in the enforcement of the Clean Water Act, has reached the absurd conclusion that Skagway, which really tried to deal with its problems, should be punished while the cities of this country that have not tried at all are given extensions, or are not even taken to court for the purpose of compelling them to at least try.

So my first announcement of the Snail Darter Award of the Month goes to the EPA for its blind extremism in the enforcement of the Clean Water Act.

Mr. President, I ask unanimous consent that an article in the Washington Post, of Wednesday, July 25, 1979, entitled "Town in Alaska Shuts Sewage Plant, Dares U.S. to Do Something About It" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOWN IN ALASKA SHUTS SEWAGE PLANT, DARES U.S. TO DO SOMETHING ABOUT IT

(By Ward Sinclair)

The City Council of Skagway, Alaska, has carved another niche in history for the little Gold Rush community.

Fed up with the rules and the paperwork, the council this month shut down Skagway's spanking new sewage treatment plant and told Uncle Sam to buzz off.

What is historic about that is that Skagway apparently is the first town in the country simply to shut down its treatment plant and dare the government to do something about it.

What is timely about it is that Skagway is claiming, among other things, that the energy crisis has forced it to thumb its nose at the 1972 Clean Water Act.

Last week, Mayor Robert Messegee fired off an impassioned letter to President Carter, invoking the energy crisis and pleading with him to get the Environmental Protection Agency off Skagway's back.

"Please help me, Mr. President," he wrote. "I am not a criminal. I am an elected official, earning $80 a month. I don't want to go to jail."

EPA, which sees no humor in the Alaskan's action, filed suit in federal court in Anchorage Friday seeking an order to get the plant back into operation.

EPA's complaint also seeks a $10,000-a-day fine against five Skagway council members for each day the plant is out of operation.

And don't think that has not set off snickering in the town of 870 residents in southern Alaska. City Attorney William Ruddy said, "The federal government will end up owning Skagway."

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Councilman Oscar Selmer said he would sooner go to jail for contempt. "All they have to do is come up here and get me," said Selmer. "I'll get free room and board, as long as they bring me a little shot of whiskey once in a while."

Not a chance in the world that will happen, said EPA attorney John Hohn at the agency's regional headquarters in Seattle.

"We spent a lot of time and money trying to help them," said Hohn. "The law is pretty plain—they have to have a permit to discharge waste into U.S. waters and it has to meet the EPA standards."

City Manager Gil Acker said the $3.5 million treatment plant, completed in November, has had technical problems which cause it to use more electric power than anticipated.

By Mayor Messegee's calculations, about 46,000 gallons of high-priced diesel fuel are required to generate enough electricity to keep the plant motors running.

City officials say the cost of electricity will just flat out bankrupt Skagway. The mayor told Carter he thought that was a mighty strange way to fight an energy crisis.

Skagway's basic argument, however, is that its sewage—although no more pristine than that of, say, a Washington—is not as bad as one would think.

There is no industry in Skagway and the effluent washes into the 600-foot deep Lynn Canal, a turbulent body of seawater that City Attorney Ruddy said may be enhanced by the run-off.

"We're not looking for a fight," Ruddy said. "But we don't understand why EPA is drawing the battle line in Skagway when Anchorage or Seattle don't have the treatment facilities we have here."

Mr. STEVENS. I yield the floor, Mr. President.

RECOGNITION OF SENATOR TALMADGE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Georgia (Mr. TALMADGE) is recognized as in legislative session for not to exceed 15 minutes.

S. 1569—REGULATORY ACCOUNTABILITY ACT OF 1979

Mr. TALMADGE. Mr. President, I send to the desk a bill in behalf of myself, my colleague from Georgia (Mr. NUNN), and the distinguished senior Senator from Florida (Mr. CHILES) and ask that it be appropriately referred.

Mr. President, I am today introducing the Regulatory Accountability Act of 1979. This is by no means the first such bill that has been introduced during the 96th Congress.

Numerous regulatory reform bills have been introduced in both the Senate and the House of Representatives.

I am a cosponsor of one of the first major regulatory reform bills introduced in the Senate, S. 262, introduced by the distinguished chairman of the Governmental Affairs Committee.

There is much merit, not only in S. 262, but in other bills that have been introduced to provide different approaches to regulatory reform.

I am particularly impressed by the bill introduced by Senator BENTSEN, S. 51, to require that Congress establish a regulatory budget for each Federal agency.

This budget would limit the maximum cost of compliance by the private sector with all rules and regulations promulgated by each agency.

There are some who oppose this kind of legislation because they say that it is impossible to compute the cost of regulations on our economy.

I disagree. I believe that agencies responsible for regulation, working together with the economists in the regulated industries, can come up with a reasonably accurate cost of private sector compliance with Federal regulations.

Moreover, if Federal agencies cannot determine how much of an economic burden they are placing on the regulated industries with volumes of complex regulations then they should not be in the business of regulating private industry.

This is part and parcel of why the regulatory process in America has gotten completely out of control.

Neither the Congress which writes the laws nor the agencies which write and enforce the regulations give much thought to the economic burden they are placing on the regulated industries and, in turn, on the entire U.S. economy.

I submit, Mr. President, we must do something to stem the tide of geometrically increasing Federal regulations. We are in danger of killing the goose that laid the golden egg.

We are in danger of killing free enterprise and growth in this country.

I believe everyone is familiar with the eminent economist Murry Weidenbaum's study for the Joint Economic Committee, which estimated the cost of Federal regulations at $102.7 billion annually.

We all know, although we oftentimes forget, when we write new laws, that it is private business—large and small—which provides the jobs for the Nation's workingmen and workingwomen.

The taxes they pay cover not only our own salaries, but the cost of all the Federal programs that we legislate.

Moreover, we can continue to improve the quality of life for the average citizen of this country only if we promote a climate where economic growth is possible.

It is the private business sector of this Nation which is responsible for all economic growth.

We in the Congress do not create economic growth when we legislate more deficit spending, more regulation and redtape, and authorize the printing of more inflated dollars.

On the contrary, we only stifle individual initiative and create impediments to business growth when we pass unnecessary legislation.

Fortunately, I believe that Members of Congress have finally gotten the message. They have found that the American public is fed up with excessive Government regulation and costly new Federal programs.

That is why I believe that the 96th Congress has thus far been one of the best Congresses in which I have had the opportunity to serve.

It has been a good Congress because we have abstained from enacting a lot of costly new programs that the American taxpayer cannot afford, does not need, and does not want.

Congress has correctly perceived that the past practice of piling one expansive new Federal program on top of all the existing programs has led to nothing but chaos and resentment by the American voter.

I am delighted that the Senate Committee on Governmental Affairs chaired by the able senior Senator from Connecticut, Senator RIBICOFF, has done a good job of evaluating the various regulatory reform proposals that have been introduced and referred to that committee, they contain much merit.

However, I do not feel that any of them go to the heart of the problem.

None of these bills attempt to deal with the root cause of excessive regulation—excessive and poorly drafted legislation.

Every Federal regulation is either specifically mandated by or broadly authorized by some Federal statute. Every Federal regulation must have a statutory base. Statutes originate in Congress.

In some cases, we have specifically legislated regulations which have proven to be unworkable.

However, in most cases we have merely given the bureaucracy a blank check to do almost anything that they wish to do in regulating a particular economic area.

One agency that has drawn a lot of press attention in recent months is the Federal Trade Commission. We have given this regulatory agency almost carte blanche authority to write rules on and meddle in practically every area of private business.

The Washington Post in the lead editorial on April 2, 1979, described the problem very well. Mr. President, I ask unanimous consent that this editorial be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REGULATION REGULATION REGULATION

A group of lawyers spent a few hours here on Friday talking about what might happen if the truth-in-lending act were rewritten in two simple sentences. One would say lenders had to disclose the true annual interest rate on their loans. The other would say what the penalty would be for not doing so. Period.

The idea has appeal. The truth-in-lending act, although itself short by modern legislative standards, has already generated over 3,000 pages of regulations and administrative interpretations, and more are on the way. Because of either the law or the huge amount of paperwork—people argue about which—consumers are presented with documents

they don't read and probably wouldn't understand if they did; and businessmen are continually wondering whether every "i" needs to be dotted and every "t" crossed—how serious government is about enforcing all these intricate obligations.

The only consensus reached by this meeting of lawyers, as far as we could tell, was that it might be possible to eliminate *some*, but not *much*, of the tangle of administrative interpretations. Consumer groups evidently feel that without such detailed rules and regulations businesses will find ways to conceal useful information from customers. Business groups seem to feel that they will be left unprotected against charges of wrongdoing unless each step they must take is spelled out in advance. Government regulators think they needed to produce all 3,000 pages in the first place to help businessmen know what to do. Nobody, except possibly those who organized the meeting and a few eccentrics who admire plain-spoken English, seemed to take the idea seriously.

We do. And we dwell on this meeting precisely because it says so much about the current onslaught of overregulation that is driving a large part of the nation mad. President Carter had it just right the other day when he described the dealings many Americans have with government as consisting of a "bewildering mass of paperwork, bureaucracy and delay." Unfortunately, the president's remedy—the proposals he has sent to Congress to "reduce, to rationalize and to streamline the regulatory burden"—won't do much good.

The centerpiece of the president's program is an effort to improve the rule-making process. He wants to speed it up (something desperately needed) by setting deadlines for agency action. But he also wants to inject more public participation into the process and he wants to require each agency to publish what might be called a regulatory-impact statement. That statement would examine the costs and benefits of alternative methods of reaching the goal the agency has in mind.

Do you begin to see the built-in problem here? This new procedure could conceivably be a help in making wise choices. But any agency that has been using common sense is probably already weighing these costs and benefits. And there is at least as strong a likelihood, if the past tells us anything, that the new regulatory-impact statements would become just one more part of the bureaucratic rigmarole, one more generator of a useless paper heap.

Like the gestures of his predecessors, most of Mr. Carter's proposals deal with the symptoms of over-regulation, not its cause. Three thousand pages of regulations and interpretations concerning a single piece of legislation do not spring from some malevolent bureaucratic plot. They are a direct result of the way Congress drafted the law. Bewildered by the complexities that lawyers and others can cook up in relation to the most seemingly simple matters, Congress writes laws that reflect that complexity—carving out exemptions for one interest group after another, delegating too much authority to regulatory agencies and passing the buck to them on politically difficult questions—and expressing all this in a prose that is incomprehensible to any but other people who talk that way.

So the true solution to overregulation can only be found when Congress realizes that cat's-cradle complication is not synonymous with wisdom or fairness. Maybe some of the president's proposed administrative reforms will help. But the most he can do is smooth bureaucratic rough edges. The important part is up to Congress. That is where they write all those regulation-prone and rule-generating statutes in the first place, though you wouldn't guess it from the way they complain about them later.

Mr. TALMADGE. The Post hit the nail on the head when it said:

So the true solution to overregulation can only be found when Congress realizes that cat's cradle complication is not synonymous with wisdom or fairness. Maybe some of the President's proposed administrative reforms will help. But the most he can do is to smooth bureaucratic rough edges. The important part is up to the Congress. That is where they write all those regulation-prone and rule-generating statutes in the first place, though you wouldn't guess it from the way they complain about them later.

That is the essence of the problem. Whenever there is some problem that Members of Congress feel requires a legislative solution, we enact broad and sweeping legislation.

We give the bureaucracy almost unlimited power to do whatever they will to regulate some sector of economic activity, or to regulate some particular group in our society.

Even worse, we may specifically mandate a regulation that later proves to be foolish, impractical and unworkable.

Then when the regulations come out, when some agency like the Occupational Safety and Health Administration (OSHA) starts writing all those ridiculous rules that no one can live up to, we throw up our hands in horror and blame those "bureaucrats downtown."

We never mention that it was the Congress who gave agencies like OSHA the authority to write ridiculous and unworkable regulations.

Mr. President, after several years in the Senate, after seeing Congress legislate the authority for excessive regulation and then blame it on the bureaucrats, I attempted to do something about it.

On February 1, 1977, I introduced and secured the enactment of rule 29.5 of the standing rules of the Senate.

The Talmadge rule requires that every committee report accompanying a bill or joint resolution of a public character contain a regulatory impact statement.

My amendment is quite specific in what the regulatory impact statement must include. It requires that the statement must include:

First, an estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses;

Second, a determination of the economic impact of the regulation;

Third, a determination of the impact on the personal privacy of the individuals affected; and

Fourth, a determination of the amount of additional paperwork that will result from the legislation.

The Senate accepted my amendment by rollcall vote of 74 to 20. However, the performance of the Senate in complying with this rule has been far from satisfactory.

On March 1 of this year the senior Senator from Florida (Mr. CHILES) detailed the lack of Senate compliance with the Talmadge rule.

The Senator stated that a review by his staff and the Congressional Research Service revealed that 216 of the 688 committee reports which fell under the rule's scope simply ignored it.

Senator CHILES further stated that a third of the reports, 31.4 percent, did not even refer to the rule and made no statement whatsoever to the requirement that regulatory, economic, privacy and paperwork impacts of legislation be considered.

The Senator rightly criticized this lack of compliance and stated that he planned to bring to the Senate's attention any committee report which ignored rule 29.5.

I compliment the Senator from Florida on his interest in enforcing the Talmadge rule. However, I do not believe that there will ever be proper compliance with the regulatory impact rule unless stronger legislation is written.

The bill I introduced today would put more teeth into the Talmadge rule and apply it to both Houses of Congress.

Also, it would close a glaring loophole in the current Senate rule 29.5. It would apply to floor amendments and conference reports as well as committee reports.

Moreover, there must be some independent agency to assist Congress in complying with the requirement of a regulatory impact statement.

My bill would give the Comptroller General this responsibility. In addition, it authorizes the Comptroller General to render opinions as to whether congressional committees and proponents of amendments were properly complying with the rule.

However, I believe that the most important enforcement mechanism that could be written into the process is a proper follow-up and evaluation. My bill requires that every 2 years the Comptroller General would prepare and transmit a report to the Congress comparing the actual impact of regulations resulting from legislation containing regulatory impact statements.

Thus, if any committee of Congress or the proponent of any amendment which was adopted had written a misleading regulatory impact statement, he would know that the actual impact of the bill or the amendment would be evaluated by an independent authority after the law was implemented.

This would be the single most powerful self-enforcement mechanism in the law. If any Member of Congress wanted to write legislation that authorizes or requires a broad new regulatory program he would know that eventually he himself—not the bureaucracy, not

the President—would be eventually blamed with any excessive and undue regulation that resulted from this bill or amendment.

This same GAO evaluation would apply to executive branch agencies. All agencies would be on notice that their regulatory impact statements would have to be accurate or they would eventually be held accountable.

Mr. President, the committee of which I am chairman, the Senate Committee on Agriculture, Nutrition, and Forestry, has tried diligently to comply with Senate rule 29.5.

However, I have found that the regulatory and paperwork evaluation of legislation tends to be put off until all the decisions on legislation have been made.

Therefore, in an attempt to build consideration of the regulatory and paperwork impact of legislation into the earliest consideration of that legislation, my bill would require that the executive branch include a regulatory impact statement in any legislative recommendations, testimony or comments to the Congress.

The first thing that is done when a bill is referred to a committee of the Congress is that the Congress routinely asks the executive branch for its views.

On all important legislation, executive branch testimony is solicited. Therefore, this new requirement in the law would bring the regulatory impact and paperwork impact of all legislation being considered to the attention of Congress at the earliest stages of committee action on new legislation.

Mr. President, I do not want to put the Congress in a procedural straitjacket. When I introduced rule 29.5 there were some complaints that my amendment would make it very difficult to pass legislation.

In an effort to provide flexibility, my rule provided that a committee could include in lieu of a regulatory impact statement a statement in the committee report as to why compliance with the rule was impractical.

Experience that we have had with the lack of compliance with rule 29.5 in the Senate now shows that we cannot leave this big a loophole if such a rule is to have any meaning.

To close the loophole, my bill would include a procedure whereby the Committee on Rules of the House of Representatives and the Committee on Rules and Administration of the Senate could report a waiver resolution if there was a need or desire to waive the requirement for a regulatory and paperwork impact evaluation.

The waiver procedure is patterned after the procedures used for waivers of requirements of the Budget Act in the House and the Senate.

However, there is one difference. My bill provides that if the Committee on Rules of the House of Representatives and the Committee on Rules and Administration of the Senate report a waiver resolution, a two-thirds vote of the full House or Senate would be required for approval.

In one respect my bill is similar to many other regulatory reform bills. It requires that executive branch agencies prepare regulatory impact statements on new regulations.

My bill would require that the evaluation of regulatory impact and paperwork impact required in the current rule 29.5, must be submitted to the Congress.

I think that it is important that the same regulatory impact statement that Congress is required to prepare when adopting new legislation be required also of executive branch agencies when promulgating new regulations.

A common uniform evaluation statement for both the legislative and the executive branch will make it much easier to properly evaluate the impact of regulations on a continuing basis.

One important difference between my bill and some other bills that have been introduced is in the definition of regulations on which a regulatory impact statement is required.

Other bills require a regulatory impact evaluation only in cases where an agency head determines that the regulation is apt to have an effect on the economy of $100 million or more in any 1 year.

It is possible for an agency to issue a number of different regulation, none of which might have an impact of $100 million, but which in aggregate could stifle an industry and harm the economy.

Moreover, there is the natural tendency for all bureaucrats to underestimate the private sector compliance costs for their regulations.

Therefore, my bill would require regulatory impact statements in the case of all regulations which would have an effect on the economy in any 1 year of $1 million or more or which the agency head determines is likely to have an equally significant effect on the national economy.

Also, my bill provides for a waiver of the regulatory impact requirements by the agency head upon certification that the agency's action is being taken in response to an emergency situation or is governed by short-term statutory or judicial deadlines.

I emphasize that agency heads as well as the Congress will be subject to an ongoing review by the Comptroller General to determine the accuracy of their regulatory impact evaluations. Therefore, any agency which underestimates the cost of its regulations will eventually have to account for the error of its ways.

In summary, Mr. President, I believe that I have offered a bill that goes to the root cause of the problem of excessive and stifling Federal regulations.

I have offered a bill to encourage Members of Congress to squarely face their responsibility for excessive Government interference in the lives of private individuals and in the operation of successful business enterprises.

My bill would improve the current legislative and regulatory process by:

First, building an awareness of regulatory impact into the earliest stages of congressional consideration;

Second, providing a uniform standard of regulatory and paperwork impact;

Third, providing for waiver of the requirement for a regulatory impact statement only in unusual circumstances; and

Fourth, building accountability into actions by both the legislative and executive branch by forcing those who are responsible for excessive regulations to have to live with the consequences of their actions, and to assume the responsibility for these actions.

Mr. President, I hope my bill will receive serious consideration from the appropriate committees of the Senate.

I believe that it is time we in Congress face up to our responsibilities in the regulatory process, as we have repeatedly demanded of the executive branch.

Mr. ROBERT C. BYRD subsequently said:

Mr. President, I ask unanimous consent, as in legislative session, that a bill introduced earlier today by the Senator from Georgia (Mr. TALMADGE), for himself and others, to require that regulatory impact statements are prepared during certain stages of legislative and rulemaking processes, be jointly referred to the Committee on Governmental Affairs and the Committee on Rules and Administration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR HATFIELD

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oregon (Mr. HATFIELD) is recognized, as in legislative session, for not to exceed 15 minutes.

Mr. HATFIELD. Mr. President, I yield to the distinguished Senator from Minnesota.

SAILOR TRIUMPHS OVER ATLANTIC

Mr. DURENBERGER. Mr. President, yesterday, a remarkable man transcended the boundaries of normal day-to-day life and accomplished an incredible feat that will be heralded around the world. It took Gerry Spiess, an engineer from White Bear Lake, Minn., a lifetime of dreams and 54 days of agony and torture to achieve his longtime personal goal of a solo crossing of the Atlantic Ocean.

Mr. Spiess' accomplishment is unique: His adventure was completed in the smallest boat to ever undertake such a journey. It is most appropriate that this 39-year-old sailor comes from Minnesota, the Land of 10,000 Lakes.

Mr. Spiess' feat will not change the course of society, nor will it alter the human condition. Nevertheless, it will stand out in the dreams of all people as a triumph of human skill, diligence, and dedication to a seemingly impossible goal. For this moment, men and women throughout the world have been reminded that human spirit committed to a goal cannot be conquered, even by the uncertainties of nature.

Mr. President, I am a sailor and a Senator, but I could not achieve the impact of a Gerry Spiess.

Mr. President, I ask unanimous consent that the story of Mr. Spiess' victory

as reported by the July 24 Washington Star be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAILOR TRIUMPHS OVER ATLANTIC—10-FOOT BOAT MAKES CROSSING IN 54 DAYS

FALMOUTH, ENGLAND.—American yachtsman Gerry Spiess today sailed his 10-foot boat into Falmouth Harbor, completing a 54-day solo crossing of the North Atlantic in the smallest boat ever to complete such a journey.

Spiess, a 39-year-old engineer from White Bear Lake, Minn., arrived at the center of a welcoming flotilla of honking, tooting pleasure boats that had sailed out to escort him the last few miles to the Cornish coast. Thousands of cheering spectators lined the shores to greet Spiess and his tiny homemade sailboat, "Yankee Girl."

Spiess, who left Virginia Beach, Va., June 1, said he survived two weeks of "sheer hell" at the start of voyage during which 20-foot waves pounded the boat. He was once swept overboard, and only his lifeline saved him.

The Yankee Girl is shaped like a wedge of pie and painted green. For company in his cramped quarters, Spiess took along the works of Mark Twain and recordings of his favorite American radio shows.

Spiess covered some 3,500 miles in his tiny boat. The previous record for a completed trans-Atlantic crossing in a small boat was set in July 1966, when boat-builder Bill Verity, of Fort Lauderdale, Fla., crossed to Fenit in southwest Ireland in the 12-foot sailing boat "Nonoalca" in 65 days.

Describing the time he was swept overboard early in the voyage, Spiess said: "I was saved by my lifeline. It held fast. I gave a tremendous pull and managed to haul myself back on board.

"It was a terrible half hour. I knew I had to make it back to the boat. I never had any worries after that. What could have been worse?"

Yankee Girl, less than 6 feet wide, has a 14-foot mast, a radio-telephone and a 4-horsepower outboard motor. Most of her 10-foot length is cabin and storage space. There is a narrow bunk, a small chart table and a tiny galley.

"I managed to sleep every night—except last night," Spiess said. "My homemade self-steering gear never let me down.

"Last night, I kept awake. I was in the busy English Channel shipping lanes. I was not going to take a chance on the last leg.

"When I go ashore, I just want a sauna bath and a long sleep. After that a slap-up meal."

His wife Sally said, "He is living on his adrenalin at present. When he comes ashore and starts to calm down, I think he will fall asleep."

Mr. HATFIELD. Mr. President, I thank the Senator from Minnesota for bringing to our attention this very outstanding feat by a man of great determination and vision. I think in the times in which we are living such a feat does lift our spirits, does give us once more the recognition that one person can make a difference in whatever he undertakes with the kind of character and qualities exemplified by this fellow Minnesotan.

SALT II

Mr. HATFIELD. Mr. President, I recently received a letter from President Carter's National Security Adviser, Mr. Brzezinski, which reinforces my fear that the SALT II Treaty is an illusion of arms control.

In the course of the last few months I have, with a number of my colleagues, expressed concern that the SALT II Treaty accomplishes virtually nothing in slowing the arms race. I have contended that each side will continue to build every major weapons systems it considers necessary. I have expressed concern over the fact that these new major weapons systems will move both the United States and the Soviet Union toward a new strategic policy which will be the most dangerous step since the nuclear arms race began.

That new policy is first-strike, counterforce capability. The Soviet Union, it has been argued, will possess the capability by the early 1980's of theoretically destroying the U.S. ICBM force in a surprise first strike. Because of this, the Carter administration has demanded that the Congress appropriate some $40 billion for a new MX mobile missile. What the Carter administration fails consistently to point out, is that the MX missile itself will cause a far greater threat to the Soviet strategic arsenal than that posed by the large Soviet rockets against our own ICBM forces.

In the letter to me, Mr. Brzezinski claimed that "the MX will not give us a first-strike capability." I challenge that statement.

The fact is that once deployed, the MX missile will be able to destroy with near-absolute accuracy every single Soviet ICBM while still allowing overwhelming U.S. strength to bear against any residual Soviet forces. As Mr. Brzezinski knows, fully 77 percent of the Soviet nuclear arsenal is on their land-based missiles. By contrast, some 35 percent of our strategic arsenal is on our land-based ICBM's.

Mr. Brzezinski's comments not only fly in the face of overwhelming technical evidence on the destructive capability of the MX against Soviet land-based forces, they directly contradict recent statements made by Secretary of Defense Brown with respect to MX counterforce capabilities.

Mr. President, I ask unanimous consent that two articles from the Washington Post dealing with the counterforce capability of the MX and other U.S. strategic systems be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 22, 1979]

U.S. MISSILE ACCURACY PREDICTED HIGH BY 1990'S

(By George C. Wilson)

American land-based, cruise and submarine-launched missiles all will be accurate enough by the early 1990s to destroy Soviet ICBMs buried in underground silos, Defense Secretary Harold Brown said yesterday.

In the most detailed timetable he has publicly released, Brown said cruise-launched missiles will have this capability by 1983, the MX mobile missile by 1986 and submarine-launched missiles "in 1990 or so."

At a breakfast meeting with reporters, Brown said the decision to deploy the MX mobile missile "will increase the stability" of the arms balance between the two superpowers. Opponents of the MX have argued that the Carter administration is increasing the dangers of nuclear war by going ahead with the mobile-based weapon.

Brown conceded that the Soviets may be tempted to follow the U.S. lead and "go mobile" with their land-based missiles. Under the strategic arms limitation treaty (SALT II) portocol, mobile ICBMs could be developed, but not deployed or flight tested until after 1981.

If the Soviets were to build a counterpart to the MX, it would increase the difficulties of verifying the number of land-based missiles in their arsenal, depending on the system of mobile basing they devised.

Some critics of the Pentagon's modernization system have also suggested that once the Soviets concluded their ICBMs were vulnerable they might be tempted to launch a first-strike attack on the United States.

Brown conceded that both superpowers will have to steer through "a somewhat sticky" course as they modernize their nuclear arsenals toward higher standards of accuracy.

It's the transition from fixed to mobile ICBMs "that is somewhat tricky," said Brown. "It's something we're going to have to handle carefully."

Brown covered these other topics at the breakfast organized by Godfrey Sperling Jr. of The Christian Science Monitor:

He predicted that the Joint Chiefs of Staff, the nation's highest military body, "will take a constructive attitude" on SALT II. Although the Joint Chiefs have refused to state their position on SALT II publicly until formally asked to do so by the Senate, administration officials said they have endorsed the treaty as an acceptable risk in discussing it with Carter and Brown.

He acknowledged that the U.S. desire to fly U2 reconnaissance planes from Turkey along the Soviet border to monitor Soviet compliance with SALT II had been discussed at the recent Vienna summit. "The subject came up at least indirectly. We're not prepared to announce any resolution. I'm neither encouraged or discouraged" about the prospects of the Soviets approving U2 surveillance from Turkish bases.

Discussing U.S.-Soviet military talks, he said Soviet military leaders at Vienna were more willing to talk with their American counterparts "than I had remembered" from any previous meeting. "I'm convinced further discussions of this kind would be useful" because they would "reduce the chances of conflict through miscalculation—mistaking what the other side has in mind . . ."

[From the Washington Post, June 2, 1979]

"COUNTERFORCE" ARMS ATTRACT UNITED STATES, SOVIETS

(By George C. Wilson)

Both the United States and the Soviet Union are developing weapons specifically designed to destroy the other's land-based missiles in a surprise strike, Pentagon officials acknowledged yesterday.

Critics contend that such a "counterforce" capability, pursued by the United States in the 1950s and abandoned in the 1960s when the Soviet Union put its missiles underground, will make the balance of terror between the two superpowers more precarious.

Backers, including Defense Secretary Harold Brown, counter that it would be more dangerous for the United States to leave the field of counterforce weapons to the Soviet Union. The United States must respond in kind, Brown argues.

President Carter is expected to decide soon which of two counterforce missiles—ones with enough explosive power and accuracy to destroy Soviet land missiles despite the tons of concrete protecting them—to put into production.

A high-ranking Pentagon executive acknowledged yesterday that either of the two missile options—the Air Force's MX

blockbuster, under development, or the so-called "common missile," made up of parts from the MX and the Navy Trident missile—could destroy Soviet intercontinental ballistic missiles (ICBMs) buried in underground silos.

Once either MX or the common missiles were deployed, defense officials conceded, the United States would be threatening Soviet ICBMs to a greater degree than at any time since the late 1950s and early 1960s when Soviet land missiles were above ground and thus very vulnerable to destruction.

Arms controllers warn that if the United States and the Soviet Union have lots of counterforce weapons pointed at each other, the temptation will be to launch ICBMs at the first sign of an attack rather than risk losing them. Such a launch-on-warning policy, they contend, could trigger nuclear war in response to a false alarm.

But at the same time the Pentagon is spending billions of dollars to make the U.S. nuclear arsenal accurate and powerful enough to knock out Soviet ICBMs. It is searching for ways to keep Russia from doing the same thing to the United States. If this search is successful, Pentagon leaders contend, the United States could ride out a first strike and fire back only in retaliation.

"We and the Soviet Union are reaching a period in which each can successfully target the other's hardened fixed systems more cheaply than either can further harden its systems to make them survive," Brown said in portraying the current dilemma Wednesday to the graduating class of the U.S. Naval Academy.

Rather than pour more concrete on top of the silos holding land missiles in a futile effort to protect them from new counterforce weapons, Brown explained, both the United States and the Soviet Union are being driven into making their land missiles mobile so they will be harder to hit and destroy.

But Carter, as part of his deep personal involvement in this search for a less vulnerable land missile, has been warning Pentagon leaders against schemes which could come back to haunt the United States if the Soviets were to adopt them. The president believes the Air Force proposal to hide about 200 MX missiles in a field of 4,000 identical holes falls into this category. If the Soviets dug 4,000 holes of their own and said only 200 missiles were being circulated among them, how could the United States be sure this was so? This has proved to be a sticker, Pentagon officials said yesterday.

After sifting through the various missile options in meetings with Carter and answering his long list of questions written in the margins of top-secret Pentagon reports, top defense officials believe only two schemes have passed muster.

The first one, defense officials said yesterday in giving the most detailed rundown yet, would put 200 MX missiles on railroad cars and pull them along stretches of track from 15 to 20 miles long on government land in the Southwest.

The tracks would be laid at the bottom of ditches covered with removable roofs of concrete and dirt. A locomotive would pull the MX railroad car from one concrete "station" to another. The stations would be about 3,000 feet apart.

Only the 8,000 concrete stations hiding the MX would be fenced off from campers, hunters and cattle to avoid putting an unacceptably large amount of land off-limits to the public.

The roofs on both the ditch and the stations would be removed about once a year to enable Soviet satellites to verify how many missiles were hiding along the railroad tracks.

Besides 200 MX missiles on rails, this first option calls for deploying 3,000 cruise missiles on airplanes built expressly for them. Each cruise missile would carry a warhead of 150 kilotons that would be designed to land within 200 feet of its target.

Also, under this option, 20 Trident submarines, each armed with 24 Trident I missiles, would patrol the Atlantic and the Pacific.

The second option would give up on the idea of trying to make land missiles mobile so they would be harder to hit than today's force of 1,054 ICBMs standing still in underground silos. Option two calls for putting new counterforce missiles in 400 of the existing 550 Minuteman III silos and stationing other counterforce missiles at sea in Trident submarines.

The counterforce weapon for the second option would be the smaller common missile made from the MX and Trident I missiles. Although not big enough to carry the MX load of 10 warheads of 335 kilotons each, defense officials said, this common missile would be accurate and powerful enough to destroy Soviet land missiles.

In addition to putting 400 common missiles in Minuteman III silos, 480 more would be deployed on 20 Trident submarines.

To further hedge the bet, 5,000 cruise missiles would be deployed on 175 of the special planes built to withstand the electromagnetic effects of nuclear explosions.

Defense officials said yesterday that the second option would make the air and sea legs of the nuclear triad so strong that attacking the third one, land missiles, "would be an act of insanity."

Option one and option two, they said, each would cost $70 billion to build over 10 years. It would take until 1986, they added, to build and deploy the new counterforce missiles.

Brown said the Soviets have been trying since 1962 or 1963 to develop missiles deadly enough to knock out U.S. land missiles. With their new SS18 and SS19 missiles, he said, they will soon have that capability.

In a separate development, the House yesterday rejected attempts to delete language from the Pentagon's fiscal 1979 supplemental money bill that would direct the Carter administration to proceed concurrently with the MX missile and its basing system.

Mr. HATFIELD. I am introducing today into the record a recent study commissioned by the Library of Congress. This study shows that deployment of the M–X will, at a minimum, increase U.S. ICBM destructive capability by a massive 750 percent. The study, by A. A. Tinagero, specialist in national defense, claimed that even after absorbing a Soviet first-strike that would destroy 500 warheads, the surviving M–X force would have over 96 percent of probability of destroying all of Soviet fixed-silo ICBM launchers.

I want to emphasize that the Library study does not include over 1,050 warheads which the Air Force wants to keep on 350 Minuteman III missiles in their silo in the northern United States.

A policy directive has apparently been given to officials within the Carter administration to deny that the M–X missile is a first-strike weapon. And, I am quite certain, Mr. Brzezinski will claim that indeed the M–X missile cannot destroy the entire Soviet nuclear triad.

I believe George Orwell most aptly described the kind of logic Mr. Brzezinski is following as "doublespeak." On one hand, Mr. Brzezinski and President Carter assure the American people that a $40 billion expenditure on a mobile ICBM system is necessary to protect U.S. land-based missiles from the "first-strike" Soviet attack against our land-based missiles. On quite the other hand, when it comes to analyzing the strategic capabilities of systems like the M–X, Mr. Brzezinski apparently prefers to consider "first-strike" as referring to a U.S. threat against the entire strategic force of the Soviet Union—land-based missiles, bombers, and submarine-launched missiles. The inherent bias in this logic is as overwhelming as the destructive capability of the M–X missile.

Virtually nothing is said of the fact that the M–X poses an immense danger to Soviet strategic capability. Little is said of the fact that the Soviet Union proposed in 1978 a moratorium on new land-based missiles—a proposal once offered by the United States. But the second time, the United States flatly rejected that offer.

A myth abounds in this debate that the present SALT II Treaty simply reflects the nonnegotiability of arms control solutions. It is inferred that the principal barrier is Soviet intransigence. I will not speak in praise of Soviet disarmament efforts, but I will not hesitate to publicly criticize any government, including my own, which rejects reasonable arms control proposals. Every goal postulated by this administration for our strategic program, essential equivalence, a solution to the vulnerability problem and crises stability, could have been attained with arms control solutions rather than armament solutions.

If we accomplish nothing else in broadening the debate on this treaty, the American people must know that their government is developing weapons as fully capable of launching a preemptive nuclear attack against the Soviet ICBM's as they are against us.

The problem is no longer one of containing the Soviet Union by maintaining America's strength—this has been and continues to be a legitimate foreign policy goal. Another, more elusive, enemy has emerged on the horizon—and that enemy is us. Our worship of the technological fix, and our faith in the "balance of terror" now holds us hostage. Our progress has brought us to a completion of the circle of nuclear madness—yesterday nuclear war was unthinkable, but tomorrow, whoever strikes just might emerge the "winner" we are told.

The immense destructive power posed by the M–X missile and Minuteman III missiles will force the Soviets toward a range of options which will make the arms race far more complex and dangerous. These options might include:

First. A Soviet "launch on warning" strategic doctrine. High officials have already indicated that the United States may adopt this policy in the coming years because of a perceived Soviet threat to U.S. missiles. What if the Soviets do the same?

Second. Abandonment of the ABM Treaty. This is another danger posed by the M–X first-strike capability. A move to defend such a development would force both the United States and the Soviet Union into a new phase of the arms race, in a costly and ultimately pointless effort to protect arsenals against counterforce weaponry.

Third. Soviet mobilization of their land-based missiles. Once the Soviets move to "hide" their missiles, uncertainty about true Soviet capabilities would stretch the SALT verification process to the limit, if not destroy it outright.

I am also critical of Mr. Brzezinsk's claim that increased U.S. counterforce capabilities "should increase Soviet incentives to avoid crises and thus reduce the overall probability of war."

This is a dangerous exercise in strategic self-delusion. First-strike counterforce capabilities on both sides, Mr. President, lower the threshold of a nuclear war in crisis situations, and make a nuclear exchange more likely.

The fact that a first-strike capability is, according to Mr. Brzezinski, "not our strategy" is totally irrelevant to Soviet perceptions. The Soviets will view U.S. development and deployment of the M–X missile with the same seriousness that we view Soviet expansion of their arsenal. Mr. Brzezinski's strategic assumptions insure a far more dangerous world in the decade ahead and a new $100 billion spiral in the arms race.

The most direct way to avoid this spiral was to add the amendment he has proposed to the SALT II Treaty providing a moratorium on new weapons development and any further deployment of existing weapons systems on both sides.

Opponents and supporters of the SALT II Treaty agree on one thing: Both the Soviet Union and the United States are presently at strategic parity. Neither side has a first-strike, counterforce capability at the present time.

Soviet leaders are on record as supporting a mutual arms freeze. I see nothing wrong with adopting their suggestions. Why must the American taxpayer spend $100 billion in the coming decade to make the world a far more dangerous place in which to live?

This moratorium amendment to the SALT II treaty would result in the following benefits:

It would freeze "further development, testing, and deployment" of those strategic nuclear systems which are now in place, and prohibit the introduction of any new strategic nuclear systems.

By halting further Soviet gains in accuracy and warhead size, it would insure the survivability of U.S. land-based missiles and subsequently, the integrity of the nuclear triad.

It would save the American taxpayer as much as $100 billion in the next decade.

It would provide the necessary groundwork for multilateral negotiations aimed at stopping the influx of new members to the nuclear club.

It would stop the move toward a counterforce strategy for both the United States and the U.S.S.R. which threatens to put a hair trigger on nuclear war during crisis situations.

Our ability to verify Soviet compliance would be significantly enhanced. If further production is prohibited, verification will be transformed from a process of delineation between subtle variations in types and numbers of weapons to a process of establishing whether there is any production, a far less ambiguous determination.

It will allow for the upkeep and limited modernization of existing strategic nuclear weapons. This would consist only of those steps necessary to insure the functional reliability of the present arsenals.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. Brzezinski arguing that the M–X is not a first-strike weapon and a study by the Congressional Research Service which conclusively argues that deployment of the M–X will give the United States an overwhelming first-strike capability against Soviet land-based missiles.

There being no objection, the letter and study were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, July 16, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: The President has asked me to respond to your letter suggesting that making Minuteman III mobile might be a better idea than proceeding with the M–X: The Air Force review of this issue showed the M–X to be more cost-effective. I have asked the Department of Defense to comment in detail on the study upon which your letter is based.

Although I understand your concerns about the effect of improved U.S. strategic capabilities on crisis stability I do not share your conclusions. The M–X will not give us a first strike capability nor is that our strategy.

The real effect of an improvement in our strategic capabilities will be to reduce Soviet incentives to initiate an attack against our forces in a crisis, by giving us the ability to respond in kind. Improved U.S. capabilities are aimed at eliminating any possible Soviet advantages in a crisis. This should increase Soviet incentives to avoid crises and thus reduce the overall probability of nuclear war.

I appreciate your writing of your concerns.

Sincerely,

ZBIGNIEW BRZEZINSKI.

A COMPARISON OF THE HARD TARGET CAPABILITIES OF THE MINUTEMAN III AND M–X ICBMs*

BACKGROUND

The U.S. currently has 550 Minuteman III ICBM's deployed. These ICBM's have undergone a series of modernization modifications starting shortly after their first deployment in 1970. The Minuteman III missile carried three MK–12 multiple independently targetable reentry vehicles (MIRVs). Each MK–12 reentry vehicle (RV) is reported to carry a warhead possessing a yield of 170 kilotons. A recent modification to the MINUTEMAN III included the installation of the INS–20 guidance system. The INS–20 system is reported to provide a circular error probability (CEP) of 0.10 nautical miles to each of the RVs carried by Minuteman III.

The Air Force plans to replace the MK–12 RVs on 300 of the 550 Minuteman IIIs with MK–12A RVs. The MK–12A reportedly has a nuclear warhead possessing a yield of about 335 kilotons. The Air Force originally planned to replace all 1,650 MK–12 RVs on the Minuteman III ICBM force with MK–12A RVs. However, because of difficulties encountered in the design of the nuclear warhead carried by the MK–12A RV, the RV is reported to be about 20 pounds heavier than specified.

Because of weight increase of the warhead in the MK–12A RVs the Air Force is unable to replace all the MK–12 RVs, because the Minuteman III when armed with MK–12A warheads would lose some range. Consequently, some of the targets in the Soviet Union would be beyond reach.

The Air Force plans to replace the MINUTEMAN III missile with the mobile M–X ICBM starting in 1986. A force of 200 M–X missiles is planed for deployment in the late 1980s.

Each M–X missile is reported to be capable of carrying up to 10 MK–12A RVs. The entire force of 200 M–X ICBMs will carry 2,000 MK–12A MIRVs.

When launched by the M–X ICBM the MK–12A RV reportedly will have twice the accuracy (half the CEP) of an RV launched by the current MINUTEMAN III missile. The increased accuracy of the M–X missile is attributed to its guidance system, which incorporates improved computers and the Advanced Inertial Reference System (AIRS).

The relative capability of the M–X to destroy hard targets is a highly debated subject among proponents and critics of the M–X ICBM. Some proponents of the M–X missile argue that the MINUTEMAN III has a hard target kill capability superior to the M–X, and consequently a superior counterforce capability. Critics of the M–X disagree, and argue that the opposite is true.

PURPOSE AND SCOPE

This paper will attempt to clarify some misconceptions related to the hard target capabilities of the MINUTEMAN III and M–X ICBMs. The probability each RV launched by the M–X and MINUTEMAN III missiles has of "killing" targets of various hardness are estimated through generally accepted mathematical methods.

HARD TARGET CAPABILITIES OF THE MINUTEMAN III AND M–X ICBMS

The probability a warhead has of "killing" a target of a given hardness (in pounds per square inch [psi]) is primarily a function of the "lethality" (K) of the warhead. Lethality is representated mathematically by the following equation:

$$K\,(\text{lethality}) = \frac{Y^{1/3}}{CEP^2}$$

where Y is the yield of the warhead in megatons and CEP is the accuracy of the RV in nautical miles.

Estimates of lethality (K) of each warhead carried by current MK–12 RV-equipped Minuteman IIIs, future MK–12A RV-equipped Minuteman IIIs, and proposed MK–12A RV-equipped M–X ICBMs are shown in Table I:

TABLE I

Designation of missile	Yield per warhead (megatons)	Warhead CEP (nautical miles)	Units of lethality (K) per warhead
Minuteman II:			
MK–12 RV	0.17	0.10	30.[illegible]
MK–12A RV	.335	.10	48.24
M–X (MK–12A RV)	.335	.05	192.94

Shown in Table II are estimated values of probability that each warhead carried by current MK–12 RV-equipped Minuteman III, future MK–12A RV-equipped Minuteman III, and proposed MK–12A RV-equipped M–X ICBMs has of "killing" targets of various hardness.

* Prepared by A. A. Tinajero, Specialist in National Defense.

TABLE II

[Probability in percent]

Designation of missile	Lethality (K) of each warhead	Probability each warhead has of "killing" a target possessing hardness (psi) of:[1]			
		1,000	2,000	3,000	4,000
Minuteman III:					
MK-12 RV's	30.69	74.7	57.12	47.27	40.86
MK-12A RV's	48.24	88.46	73.58	63.43	56.21
M-X (MK-12A RV's)	192.94	99.98	99.51	98.21	96.32

[1] The percent probability of "killing" (Pk) a target of a given hardness (h), such as an ICBM silo, with a nuclear warhead of a given value of lethality (k) is computed by the following formula:

$$Pk = 100 \times [1 - e^{(-f(h) \times K)}]$$

where

$$f(h) = \frac{Ln\ 2}{[0.068h - 0.23\sqrt{h} + 0.19]^{2/3}}$$

CONCLUSIONS

1. When delivered by the M-X, the hard target lethality of the MK-12A is 6.29 times that of the MK-12 RV delivered by current MINUTEMAN IIIs, and 4 times that of an identical RV delivered by MINUTEMAN IIIs.

2. The aggregate lethality of (a) the current MK-12 RV-equipped MINUTEMAN III force, (b) the future MINUTEMAN III force (after arming 300 MINUTEMAN III missiles with MK-12A RVs), and (c) that of the proposed force of 200 MK-12A RV-equipped M-X ICBMs is shown in Table III.

Table III

ICBM force:	*Aggregate units of lethality*
(a) 500 MINUTEMAN IIIs (3 MK-12 RVs each)	50,639
(b) 300 MINUTEMAN IIIs (3 MK-RVs each) (43,416)	
250 MINUTEMAN IIIs (3 MK-12 RVs each) (23,018)	66,434
(c) 200 M-X (MK-12A RVs each)	385,880

From the data shown in Table III it can be concluded that the aggregate units of lethality deliverable by the proposed M-X ICBM force is 7.62 times the number of units deliverable by the current MINUTEMAN III force, and 5.81 times the aggregate units of lethality deliverable by the MINUTEMAN III force after 300 MINUTEMAN III missiles are equipped with MK-12A RVs.

3. As shown in Table II, the current MK-12 RV-equipped and future MK-12A RV-equipped MINUTEMAN III ICBMs have a considerably lower probability than the M-X missile in destroying hard targets, such as modernized Soviets ICBM silos which could conceivably be hardened to 3,750 psi.[1]

Unless the accuracy of MINUTEMAN III missiles to be equipped with MK-12A RVs is made comparable to that of the M-X (an unlikely prospect), the M-X is the only ICBM which promises to provide a credible counterforce capability in the future.

A maximum of 900 warheads could be available for counterforce purposes after 300 MINUTEMAN III missiles are armed with MK-12A RVs. In contrast, 2,000 warheads of higher lethality could be available for counterforce purposes after 200 M-X missiles are deployed.

Even after assuming that none of the MINUTEMAN III missiles armed with MK-12A RVs would be destroyed by a Soviet first strike, the U.S. would be in a better position to mount a retaliatory counterforce strike against the Soviet Union if it deploys 200 M-X ICBMs. For example, if after a Soviet first strike 1,500 MK-12A RVs survive in the postulated M-X force, or 900 MK-12A plus 600 MK-12 RVs survive in the MINUTEMAN III force (assuming that none of the MINUTEMAN III missiles equipped with MK-12A RVs are destroyed), the surviving M-X force would have over 96 percent probability of destroying all of the Soviet fixed-site ICBM launchers—whereas the MINUTEMAN III force equipped with MK-12A RVs would only be able to destroy a maximum of 900 fixed-site launchers with considerable lower degree of confidence than the M-X force.

[1] The ultimate compressive strength of concrete (the parent material of modernized MINUTEMAN III ICBM silos) is about 3,750 psi.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATION OF FRANK P. REICHE OF NEW JERSEY TO BE A MEMBER OF THE FEDERAL ELECTION COMMISSION

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the nomination of Mr. Reiche to be a member of the Federal Election Commission.

The Chair recognizes the Senator from Oregon.

Mr. HATFIELD. Mr. President, I am pleased to join with the chairman of the Rules Committee (Mr. PELL) in making a strong recommendation for the confirmation of Frank P. Reiche to be a member of the Federal Election Commission. Throughout my conservations with Mr. Reiche, I have been impressed with his candor, his experience, and his interest in public participation in elections.

When the Federal Election Commission was created several years ago, Congress established the goal of strengthening the integrity of our election process. Unfortunately for us all, the reality has been less than that. After a slow start, and a second congressional mandate to conform with the Supreme Court decision in Buckley against Valeo, the FEC has become a prime example of cumbersome and often unintelligible Government regulation. To many, the impact of the FEC has been to scare off traditional campaign volunteers to be replaced by campaign technicians, such as accountants and lawyers. Congressional displeasure has grown alongside this record.

Someone observed recently in a newspaper article that if a secret vote were taken the FEC would be abandoned. Sometimes I am not so sure the vote would have to be secret.

One need only consider the list of problems commonly attributed to the FEC: Long delays in audits; chronic morale problems within the agency; overly complex regulations; discriminatory enforcement practices.

At the heart of my views on the future of the FEC are two facts: First, Congress bears a portion of the blame for problems at the FEC. Within our directives for full and timely disclosure of campaign activities, we need also to provide for more effective and less burdensome regulations. Second, the individual members of the FEC share a role, equal to that of the Congress, in protecting the integrity of our elections. I know, from their appearances before the Rules Committee, that most—if not all of them—share this sense of responsibility. But the record so far indicates that we have a long way to go in bringing Congress' mandate to fruition.

So the key question in our discussion of Mr. Reiche's nomination, of course, is whether he can help remedy some of these criticisms of the FEC. I believe the answer clearly is "Yes." Coming directly to the FEC from his chairmanship of the New Jersey Election Law Enforcement Commission, Mr. Reiche would provide the FEC with one of its best qualified members. Since he does not have direct experience with Federal regulations, we cannot expect that he will have formulated views on all Federal election issues. Nevertheless, I feel strongly that his understanding of State law will bring an important new perspective to the Federal level. For me, his choice takes on even greater significance as the FEC begins its preparations for the 1980 election cycle.

Over the past 6 years, Mr. Reiche has served as the unpaid chairman of the New Jersey Commission. From my review of minutes of meetings he provided, I was impressed with the amount of time he devoted to this duty. As all of us know, meetings of this sort are often time consuming and tedious, but Mr. Reiche compiled an admirable record of attendance and sound judgment.

In addition, he is a practicing attorney and partner in a Princeton, N.J. law firm. Prior to service on the New Jersey Commission, Mr. Reiche was active in local Republican politics, serving as committeeman and municipal chairman of the Princeton Township Republican County Committee and as a member of the Mercer County Republican Executive Committee.

In his testimony before the Rules Committee, Mr. Reiche has expressed his strong commitment on at least three important philosophic points: Protecting the integrity of the electoral process; Improving the system of campaign finance disclosure, which lies at the heart of our election reforms; and in-

creasing public participation on election day.

In reviewing Mr. Reiche's knowledge of election law, I was particularly interested in the New Jersey Commission's handling of the State's system of partial public financing of gubernatorial races—a system somewhat akin to our presidential system. The New Jersey Commission was able to verify every contribution submitted for matching taxpayer money, and complete the audits of the two candidates in the race within 4 to 5 months of the election. Certainly, the Federal Election Commission, which is just now completing its audits of President Carter's campaign, could benefit from this type of expertise.

I am well aware that several of my colleagues have doubts about Mr. Reiche's record at the New Jersey Commission, particularly his views on public financing of elections. But, as one who has spent many hours on this same floor arguing against taxpayer financing, and several more hours in Rules Committee sessions examining FEC regulatory problems, I want to assure my colleagues that I have confidence in Frank Reiche's views. If we are to use public financing as the standard by which we judge public men and women, we need to step back just a moment to review precisely what Frank Reiche has said on this topic. To be sure, he told the Rules Committee his experience with public financing in New Jersey was favorable, adding that his small staff at the commission was working with only two sophisticated campaign organizations. At the same time, however, he carefully noted the problems inherent in shifting this system to the congressional level. His conclusion, in response to Senate questions, was that we need more time before we can call public financing either a good or ill-advised experiment.

There will be those who argue that Frank Reiche, in his role as chairman of the New Jersey Commission, has a record of increasing government's role in election regulations. I feel strongly that quite the contrary is true. Mr. Reiche has conveyed to me, and my review of the New Jersey Commission's deliberations confirms, a very real effort on his part to ease the burdens of compliance for candidates. His interest is not in making election law more complex, but in making it more easily understood by those who work in campaigns. Also of significance is Frank Reiche's strong commitment to involving more citizens in all phases of political campaigns. I am sure these are goals we would all embrace.

There is another good reason for the Senate to confirm Frank Reiche, and that can be deciphered most precisely by looking at the past membership of the FEC. Over the years, the Senate has confirmed a list of nominations which ranges from former Members of Congress and congressional staffers through members of the business community to lawyers. But never have we had an opportunity to send someone to the FEC with direct experience in election law administration.

This lack of prior experience may be a large part of the problem at the FEC. To my mind, this is a further argument that Frank Reiche's background is just what the FEC needs right now.

As we review all nominations to the Federal Election Commission, the Senate must ask whether any nominee will engender new trust in that office. Running concurrent with that responsibility is our continuing duty to set major policies of the Commission. I believe Frank Reiche will be a positive force in both areas—he can help with the internal administration of the Federal Election Commission, and he will be a strong voice in carrying out congressional intent. As a consequence, I am pleased to urge that my colleagues support the nomination of Frank Reiche to the Federal Election Commission.

(Mr. HEFLIN assumed the chair.)

Mr. HUMPHREY. Mr. President, it is my unpleasant duty to oppose my friend from Oregon with respect to this nomination. It is an unpleasant duty, because I have a very high respect and regard for him. As a matter of fact, when my wife and I arrived in Washington some 7 months ago and our minds were full of questions and uncertainties, Mark Hatfield was the first Member of the Senate to befriend us. His friendship was a great comfort to us, and I have the highest regard for this man. However, at the same time, I disagree strenuously with him on the merits of this nominee.

Mr. President, I suppose that, like most Members of Congress, I have a penchant for collecting wise sayings of some of history's heroes. The one that is beyond any doubt my most favorite and the one which is perhaps more apropos to our times than any I have collected is this saying of George Washington:

Government is not reason. It is not eloquence. It is not force. Like fire, it is a troublesome servant and a fearful master.

Mr. President, if we think about it, the only check short of revolution which citizens have over their Government is the electoral process. We are fortunate in this country to have that check.

Oddly enough, some years ago Congress saw fit to create something called the Federal Elections Commission, placing in the hands of Government the power to regulate the electoral process. Nothing could be more dangerous.

We have heard in recent years about the dangers to our freedom posed by the FBI and the CIA. But the dangers these agencies pose to our freedom are nothing compared to the dangers posed to our freedom by allowing the Government to regulate the electoral process.

Well, we have the FEC. I would not have voted for it, but we have it; and it behooves us, in selecting commissioners, to take great care to be sure that those whose nominations we confirm have a healthy skepticism of Government, that those whose nominations we confirm believe as George Washington believed, that Government is a dangerous servant and a fearful master.

Mr. President, I would like to read into the RECORD some material that has exchanged hands during these weeks before the nomination of Frank Reiche reached the floor, as it did last night. The first is a letter from me, dated June 12, to my colleagues:

U.S. SENATE,
Washington, D.C., June 12, 1979.

DEAR COLLEAGUE: Each year, the Republican National Committee, the Republican Senatorial Committee and Republican candidates for national office spend untold hours and millions of dollars complying with Federal Election Commission regulations and defending their conduct before the Commission. For the 1980 elections alone, it is estimated that at least five million dollars in campaign contributions to Republican candidates and committees will be spent just to deal with the F.E.C. and its massive bureaucracy.

Does it not make sense to exercise great care, when the time comes, to fill a Republican seat on that body? Is is not sensible to be sure we support a person who upholds the majority Republican position, that less government interference in the election process is desirable, rather than more?

This week, the Rules Committee plans to act on the nomination of Frank Reiche of New Jersey. My inquiry into Mr. Reiche's background leads me to believe Republicans would act against their best interests by supporting him. Republican National Chairman Bill Brock has informed me that he opposed the nomination. There can be no doubt Mr. Reiche is a strong advocate of greater government involvement in the election process.

I believe Mr. Reiche should be defeated and another person nominated, because he is out of step with the overwhelming Republican majority viewpoint on this and other matters regarding election law.

As you know, I have been engaged in corresponding with Mr. Reiche. Twice I have put sets of questions to him, and twice he has remitted highly unsatisfactory answers. I am now urging all Republican Senators to join me in opposing the nomination. It is clear to me, on the basis of his public record and his responses to me, that Mr. Reiche is unsuited to serve as a Republican member of the F.E.C.

I am particularly troubled by Mr. Reiche's position on public financing of political campaigns. At various times he has supported it for "administrative" reasons, declared that he was not "philosophically opposed" to it; and, changing the perspective somewhat, insisted he has never reached an opinion on it. At the same time, a key staff member working under him has urged the House of Representatives to adopt public financing of Congressional campaigns (see Lewis Thurston attachment). The case is very strong that Mr. Reiche, in an attempt to win our support, has sought to portray a position of neutrality inconsistent with reality.

His responses to me largely fell into two categories: confirmation of charges by New Jersey Republican sources that he favors "more regulations, more limits, and more penalties," or statements which were unresponsive, evasive or misleading.

I am attaching a number of documents which cover these issues in more detail. A copy of Mr. Reiche's latest set of answers is enclosed, along with a paper outlining some of the flaws in his arguments. Also included are two samples of the objections increasingly being raised by prominent Republicans. One is a telegram written by four New Jersey legislators: the other is a letter by former Secretary of the Treasury William Simon opposing the nomination.

From the time of its inception, the neutrality of the F.E.C. has been seriously questioned. Recent charges that the Commission has failed to conduct a proper investigation of the Carter campaign finances have been the most recent, but by no means the only, manifestation of this. We should not further tip a balance which is already weighted against us. The damages to our Party and to our country that a one-sided F.E.C. can do are incalculable. Those of you up for re-

elections next year should be particularly concerned.

I urge you to review the attached documents and join me in refusing to consent to this appointment.

Sincerely yours,

GORDON J. HUMPHREY,
U.S. Senator.

Mr. President, I submitted two sets of questions to Mr. Reiche for which he provided replies. In summary, from the answers provided by Mr. Reiche, it seems to me that the following facts emerge:

One, Mr. Reiche sought for his New Jersey commission the power to make a final decision about whether or not to void the results of an election because of election law violations. In both sets of questions, his answer skipped around the point by saying that under his proposal, the commission would decide to void an election only after a court decided a misdemeanor had occurred. My concern, of course, is that the change he sought would confer on his agency rather than the courts the ultimate power to impose the drastic sanction of voiding an election result.

His answers describe as new flexibility what in reality amounts to an agency power grab.

Two, Mr. Reiche admits that he sought for his New Jersey commission the power to prevent a person from running for office again after a period of years after being convicted of an election law violation. Again, another power grab for his commission.

With respect to taxpayer campaign financing, he maintained at one point: "I have never advocated nor opposed public financing of elections." Yet, he admits to having urged the extension of public financing for gubernatorial general elections to gubernatorial primaries, on the bureaucrat's familiar reasoning that it would be "administratively easier" for the agency.

Convenience to the agency is a poor standard by which to measure changes in the law. Moreover, according to the testimony of the executive director of his New Jersey agency before the U.S. House Administration Committee, Reiche's agency "essentially recommended continuation of the public funding" of gubernatorial general elections. The case is very strong that Mr. Reiche, in an attempt to win our support, made an attempt to pose as uncommitted on the highly controversial issue of taxpayer campaign financing. His record indicates otherwise.

Fourth, in response to my request for access to the minutes of the executive sessions of his New Jersey Election Law Enforcement Commission, he says that his counsel advises that State law prohibits even such limited use as I propose. Then Mr. Reiche suggests the executive session minutes are irrelevant because "the vast majority of your questions relate to matters discussed by the Commission in public session and are therefore reported in the public minutes which you already have available to you." Mr. Reiche is well aware that my questions concern matters discussed in the public minutes because I have access to the public minutes. With respect to the executive session minutes, Mr. Reiche puts the Senate in a catch 22 situation: no minutes, no questions.

Fifth, a shocking example of Mr. Reiche's inability to follow a train of argument can be seen in the following: In the May 9 questions, I asked Mr. Reiche a number of questions regarding his position on taxpayer campaign financing. He described himself as undecided and went on to suggest that his opinions didn't particularly matter because, "I do not anticipate that I would, if confirmed, participate in the formulation of such policy." In my June 1 questions, I pointed out how influential an FEC commissioner could be in such policy formation. Part of Mr. Reiche's answer was that in his original answer he had said he did not anticipate he would "participate in the formulation of policy in the area of campaign finance disclosure" campaign finance disclosure was not the topic at hand; it was taxpayer campaign financing.

Sixth, time and again as you read his answers, you will see Mr. Reiche declined to answer questions on the grounds that he did not know enough about Federal elections. Why, then, should he want to serve? Ignorance of the topic and indecision on matters of major controversy should not be qualifications for service on the FEC.

Seventh, in response to my direct question as to whether or not Mr. Reiche knows of any Federal candidates who can say with certainty that they have not violated any provision of Federal election law or FEC regulations, Mr. Reiche failed to attempt any response in the first set of answers, and, in the second set of answers, declined to answer on the grounds of inexperience with Federal candidates. It was a simple question, one which could have easily been answered yes or no. But simple, clear answers, while highly desirable in an FEC commissioner, appear difficult for Mr. Reiche.

Eighth, in his June 7 answers, he admitted his commission funded Mr. Thurston's trip to give the House Administration Committee testimony in favor of H.R. 1, taxpayer campaign financing. Mr. Reiche says:

> I am aware of the fact that Mr. Thurston leans toward extended public financing to Congressional election, but question whether his support is as vigorous as it appears to you.

The attached statement and testimony presented by Mr. Thurston admit no equivocation. Mr. Reiche is either ignorant of Mr. Thurston's opinions or he is deliberately attempting to mislead us. I invite you to look over Mr. Thurston's remarks and decide whether or not Mr. Reiche's term "lean" can be correct. I believe you will agree with me that Mr. Thurston showed himself to be an all-out supporter of taxpayer campaign financing.

Mr. President, I shall read into the RECORD a letter to me from a nationally prominent New Jersey Republican, a man who has resided in that State all of his life, a man who is highly respected in the Republican councils. This letter is dated May 14 of this year:

As I'm sure you are aware, a fellow New Jersey resident, Frank Reiche, has been nominated as a Republican member of the Federal Election Commission. I strongly question the wisdom of his appointment as I feel that Mr. Reiche does not represent traditional Republican views.

The New Jersey Election Law Enforcement Commission, of which Mr. Reiche is Chairman, has a long record favoring public financing and spending limits. I find the following items particularly informative about the prospective positions of Mr. Reiche.

(1) On September 22, 1978 the Commission recommended public funding of the gubernatorial primary in addition to the general election.

(2) The Commission filed an amicus brief in the Buckley-Valeo decision favoring Valeo.

(3) The 1974 annual report of the Commission strongly favored spending limits for campaigns.

(4) The 1975 report recommended that the Commission be empowered to void election results if election violations were discovered.

(5) The minutes and records of the Commission are not open to the public.

(6) However, the Commission has shown a consistent pattern of more government, more regulation, more limits and more penalties. We do not need this type of mentality on the FEC.

It seems clear to me that Mr. Reiche would not represent the Republican party and that there will be great risks for our party if he is nominated.

With warm regards,

WILLIAM SIMON.

Mr. President, I shall read into the RECORD a telegram to me from several prominent Republican public servants in New Jersey:

We oppose Frank Reiche nomination to be F.E.C. commissioner we believe as Bill Simon believes the E.L.E.C. which he heads shows a pattern of more government more regulations more limits and more penalties.

And that is sent by New Jersey State Senator John Dorsey, New Jersey State Assemblyman Donald Albanese, New Jersey State Assemblyman Walter Kavanaugh, and New Jersey State Assemblyman Elliot Smith.

Mr. President, I shall read into the RECORD at this time two sets of questions which I posed to Mr. Reiche and for which he provided answers:

Question 1. In 1976 the Supreme Court of the U.S. in *Buckley* v. *Valeo*, struck down several sections of the Federal election law as unduly restrictive of citizens rights to participate in the political process. The New Jersey Election Law Enforcement Commission (ELEC), which you head, had filed a brief *amicus curiae* in support of the law which was struck down.

Do you still favor the regulations your commission defended unsuccessfully before the Supreme Court? Specifically, do you still favor imposition of candidate expenditure limits?

Answer: In view of the decision in *Buckley* v. *Valeo*, candidate expenditure limits are legally permissible only in publically financed elections where the candidate receives public funds. As I stated in my appearance before the Senate Committee on Rules and Administration on May 9, 1979, as long as there are limits on contributions, loans, the amount of public funds available for such purpose, and the amount of personal funds which may be expended by a candidate on his own behalf, I favor the elimination of candidate expenditure limits in publically financed elections.

Mr. President, it seems to me that there is very little said in that answer.

Mr. Reiche is saying yes, he favors the elimination of candidate expenditure limits, provided that new limitations are imposed; namely limits on contributions on loans, on the amount of public funds available for such purpose, and the amount of personal funds which may be expended by a candidate on his own behalf.

Mr. Reiche's answer continues:

The key factors are public disclosure and preventing any person or group from gaining undue influence over a candidate. If there is adequate provision along these lines I see no reason why candidates should be limited in the amounts which they may spend. This is particularly true with respect to challengers who frequently find that they must spend more than incumbents to gain the necessary name recognition for victory.

Question 2. Your New Jersey Commission's 1975 Annual Report included a recommendation that the law be changed to permit your "Commission to void an election" where the *Commission* decides that a violation of the election law "may be deemed to have significantly affected the outcome of an election. . ."

Do you support this recommendation? Do you favor the application of this idea to Federal elections?

Answer: The recommendation in the 1975 Annual Report of the New Jersey Election Law Enforcement Commission that the Commission be permitted to void an election where there has been a violation of the election law which "may be deemed to have significantly affected the outcome of an election . . ." must be read in conjunction with Sub-sections 21(a), 21(b), and 21(c) of the New Jersey Act as originally adopted. Briefly stated, Sub-sections 21(a) and 21(b) require a finding that a person has willfully and knowingly violated the Act before the provisions of Sub-section 21(c) with respect to the voiding of an election may be invoked. Our Commission has been consistently advised by counsel that this finding amounts to a misdemeanor which can be determined only by a court of law, not by the Commission. In addition, this would, in effect, be a criminal finding which must be proved beyond a reasonable doubt. Thus, only if a candidate or someone with the responsibility to report under the New Jersey Statute willfully and knowingly violates the Act and is adjudged guilty of a misdemeanor would the provisions of Sub-section 21(c) apply.

In making the recommendation that the Legislature delete the requirement that the election of a candidate be void if he is found guilty of a willful and knowing violation of the Act, the Commission was attempting to avoid the automatic application of this section to a situation where the violation had little or no effect on the election. By this means the Commission sought to introduce a measure of flexibility in interpreting this otherwise drastic penalty. I agreed with the recommendation when made and continue to hold this belief. I have not specifically considered the possible application of a similar provision to Federal elections, but strongly believe in effective sanctions against candidates and others involved in the election process where they willfully and knowingly violate our election laws to a point where they are adjudged guilty of misdemeanors by a criminal court.

Question 3. Your New Jersey commission, in its 1974 annual report encouraged the legislature to consider enacting a provision which would prohibit candidates from running for public office for a period of time after being found guilty of a violation of the state election law act.

Did you approve of this suggestion? Would you favor the extension of this idea to Federal candidates? Do you know of any Federal candidates who can say with certainty that their campaign committees have not violated any provision of the Federal election law or any of the regulations of the Federal Election Commission?

Response: Here again, our recommendation (which, incidentally, was included in our 1973, and not our 1974 report) must be viewed together with other recommendations specifically related to the amendment of Section 21. Please note that this recommendation, which I supported, would apply only where a prospective candidate has been found guilty of a willful, knowing violation of the Act, i.e. a misdemeanor. We are therefore not talking of any minor or inadvertent violation, but only an obvious and egregious violation. This recommendation has never been adopted by the New Jersey Legislature.

With respect to the possible extension of this idea to Federal candidates, I would want to study the matter further before ever agreeing to such a suggestion. I would not support the extension of this recommendation to a situation in which a candidate or political committee had inadvertently, and perhaps even negligently, but nevertheless unintentionally, violated the Act.

Mr. President, this gentleman who seeks a seat on the Federal Election Commission, it seems to me, states in that reply that he has not reached certain fundamental decisions regarding the regulation of the electoral process by the Federal Government. He is unable to make up his mind he says, whether the Federal Election Commission should have the power to void an election. I must say that frightens me. I hope I never see the day when the FEC has power to void an election. I think we ought to leave that with the court. Continuing:

Question 4. Do you favor spending limitations on public questions, that is, on referenda and/or lobbying? Did the New Jersey Election Law Enforcement Commission have a position on application of spending limits to public questions?

(The Appendix A of the 1974 Annual Report of the New Jersey Election Law Enforcement Commission contains the following language: "The Commission further recommends that the Legislature consider favorably the application of spending limits to public questions." The *Buckley* v. *Valeo* case threw out spending limits except where accompanied by taxpayer campaign financing for candidates. It is likely the Supreme Court would treat referenda spending limits similarly.)

Response: The issue of spending limitations on public questions is moot in view of the United States Supreme Court's decision in *Buckley v. Valeo*. The New Jersey Election Law Enforcement Commission has recognized the full implications of this decision and has recommended to the New Jersey Legislature that the spending limits contained in the original Act be restricted and applied to publicly financed elections. The key to curbing undue influence in matters affecting public questions is full disclosure, not spending limits.

Question 5. The 1975 Annual Report of your commission, page 14, contains a recommendation for legislation which would transfer "much of the responsibility for general administration of elections" from "those officials now charged with such responsibility to the Election Law Enforcement Commission."

Were any of these unspecified officials local officials? Did you agree with proposed centralization of power over the election process? Would you favor decreasing the role of state and local governments in the federal process? What functions would you have the federal government or the Federal Election Commission assume from the state and local officials?

Response: It should be remembered that the aforementioned recommendation was not made by the New Jersey Election Law Enforcement Commission, but was instead proposed by the New Jersey Election Law Revision Commission which was charged with the responsibility of recommending changes in New Jersey Election Laws generally. It is possible that the recommendation of the Election Law Revision Commission, had it been implemented, might have resulted in some transfer of authority from local officials to State officials, although it is my recollection that the principal transfer of authority would have been from county election officials to State election officials.

Authority over election matters in New Jersey is widely diffused. It is possible to obtain one answer concerning election procedures from one source and an entirely different answer from other sources. To the extent that some centralization of authority would improve the consistent administration of New Jersey Election Laws and thus encourage, not discourage, participation in the electoral process, I would consider said transfer beneficial. It is nevertheless obvious that responsibility for the administration of election laws in New Jersey and throughout the United States must continue to rest largely with officials on the local scene. I do not have in mind any specific functions which the Federal Election Commission should assume from State and local officials.

Question No. 6: What is the nature of your Republican credentials as a prospective Republican member of the Federal Election Commission? Mr. David Norcross, now New Jersey state Republican chairman, was the first executive director of your state election Commission.

Was he consulted prior to your appointment? Did he endorse your appointment at any time? Please describe your record of Republican campaign activity.

Response: I have been active in Republican politics since my high school days. I served as a member of the Princeton Township Republican County Committee for almost ten years and as its chairman for the last two years. In my capacity as Municipal Chairman, and before that time as well, I served as a member of the Mercer County Republican Executive Committee. From 1966 to 1968 I was President of the Republican Club of Princeton. In 1969 I served as Mercer County Campaign Coordinator for former Governor William T. Cahill. Naturally I have had to refrain from participation in partisan politics since my appointment to the New Jersey Election Law Enforcement Commission in 1973. I did not consult with David F. Norcross prior to my nomination, but rather informed him as a matter of courtesy of my interest in serving on the Federal Election Commission and of the fact that I had communicated my interest to Republican Leaders on Capitol Hill. I believe he has endorsed my appointment, but this is a matter which should be determined by direct contact with him.

Mr. President, I have been in direct contact with Mr. Norcross, the New Jersey State Republican Chairman, and he does not support this nomination. Continuing:

Question No. 7: The Newark, N.J. Star Ledger, September 22, 1978 reports that your New Jersey Commission has recommended "sweeping changes" in the election law which would, among other things, extend taxpayer financing of gubernatorial elections to primary contests.

Do you favor this? Your Commission executive director, Lewis Thurston, is quoted in the same newspaper story as saying, "We ought to attempt to find a way to publicly finance legislative elections." With respect to New Jersey state legislative elections, do you agree with the quoted statement of your executive director?

Do you favor the extension of the taxpayer campaign financing idea to federal legislative elections?

Response: One of the greatest difficulties which our New Jersey Commission faced in administering the public financing provisions of the New Jersey Statute in the 1977 Gubernatorial General Election was the complex task of sorting out contributions made to the gubernatorial candidates during the primary election (no contribution limit) and during the general election (a $600.00 contribution limit). If you are going to have public financing, it is administratively easier to monitor a situation in which the same or similar financial ground rules apply to both primary and general elections. This should not be construed as any comment upon the advisability of public financing as a general concept. I have never advocated nor opposed the public financing of elections, not because I have not considered the matter, but because I have mixed feelings with respect thereto. My mind remains open with respect to the desirability of public financing.

Mr. President, if the Federal Government adopts taxpayer funding of congressional campaigns, along with that funding will come, as they always come with Federal dollars, more rules and regulations and a greater grip by the Federal Government over the electoral process, which, as I have said, is the only check citizens have over their Government.

I would hope that a nominee to the FEC would have thought through some very basic philosophical considerations respecting the advisability or inadvisability of giving the Federal Government greater control over the electoral process.

Mr. Reiche, in his reply, states:

I have never advocated nor opposed the public financing of elections, not because I have not considered the matter, but because I have mixed feelings with respect thereto. My mind remains open with respect to the desirability of public financing.

His reply goes on:

One should note however a sharp difference between the public financing of executive elections, e.g. the presidency or a governorship as contrasted with the public financing of legislative elections. I do not agree with anyone who suggests that we must find a way to finance legislative elections publicly. As I testified before the Senate Committee on Rules and Administration, in the case of public financing of executive elections you have rather sophisticated staffs who develop close working relationships with the enforcement agency, as was done in New Jersey. In addition, you are obviously dealing with a limited number of candidates, even where public financing applies to primary elections.

Mr. HELMS. Mr. President, will the Senator yield, on condition that he does not lose his right to the floor?

Mr. HUMPHREY. On that condition, yes.

Mr. HELMS. I wonder if the Senator would be willing to have the absence of a quorum suggested, on condition that he does not lose his right to the floor and that his resumption after the quorum call not be considered a second speech.

Mr. HUMPHREY. I am willing.

Mr. HELMS. Mr. President, I ask unanimous consent that a quorum call under those circumstances be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, to resume the nominee's reply to question 7:

Response: This contrasts sharply with publicly financed legislative elections. The logistical problems associated with the potential public financing of Congressional elections are staggering. Again, as I testified before the Committee, while I am not philosophically opposed to public financing of Congressional elections, these logistical problems must first be solved if this is to represent a viable governmental proposal. Furthermore, it is Congress and not the Federal Election Commission which makes policy in this area; hence, I do not anticipate that I would, if confirmed, participate in the formulation of such policy.

Mr. President, again Mr. Reiche makes the point that he is not philosophically opposed to public financing of congressional elections. He is worried more about logistical problems than he is about the philosophical considerations. He states that it is Congress and not the Federal Election Commission which makes policy. True. Let us hope it always stays that way. But, at the same time, Mr. President, Congress does not make perfect laws because we are not perfect men, and our public servants at the Federal Election Commission, like our public servants in every agency of the Government, must interpret the law, must interpret ambiguities, must interpret gray areas, and in so doing I would argue they make policy in some degree.

Furthermore, they are not operating in vacuum at the FEC any more than public servants do elsewhere. They hire staff. The personal philosophies of the Commissioner more than likely are reflected in the persons he hires and in their actions. We all know, Members of this body know, painfully well that because of the staggering workload, because Government has taken upon itself so many responsibilities, the workload is such that we often have to leave much of the work to our staff and often with very little supervision. Continuing:

Question 8: Yesterday, May 8, 1979, one Debra Kostivic, a staff member of your commission in Trenton, declined to provide Mr. Henry Luthin of Riverdale, N.J., any minutes of commission proceedings or even records of votes cast in commission decisions.

Do such minutes and records of votes cast by commission members exist?

Will you please provide me with copies of these minutes and records of votes cast?

Response: I have conferred with officials of the New Jersey Election Law Enforcement Commission in Trenton to determine the circumstances surrounding the request by Mr. Henry Luthin for information concerning Commission proceedings. According to my information, Miss Debra Kostival, a valued member of our staff who has been with the Commission since its creation in 1973, offered to have Mr. Luthin examine the minutes of our public sessions in the office and further offered to have copies of such minutes reproduced after she had obtained the approval of the executive director of the Commission who, unfortunately, was not in the office at that time.

Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Utah without losing my right to the floor.

Mr. HATCH. I further ask unanimous consent that when the Senator resumes it not be considered a second speech under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. I thank my distinguished friend from New Hampshire.

Mr. President, I rise in support of Senator HUMPHREY's position on this nominee. I do not know Mr. Reiche, and I have no particular fault to find with Mr. Reiche, other than some of the issues which have been brought to my attention by my friend and colleague from New Hampshire, other Members of the Senate, and other members of the Republican Party concerned with this nomination. I have no axes to grind. I have to acknowledge that for all that I know Mr. Reiche is an extremely competent and very fine man.

I have listened to my other very dear friend and colleague from Oregon, Senator HATFIELD, and he has expressly mentioned many aspects of Mr. Reiche to me which would cast him in a favorable light.

Knowing my colleague from Oregon I have to accept what he says. There are very few Members in the Senate who have the respect and who have the appreciation of fellow Senators as much as our dear friend from Oregon.

However, I am concerned, because the subject has been raised, that Mr. Reiche may or may not be in favor of taxpayer financing of congressional elections.

As I view the matter, I think that it is a cloudy situation. I believe that his interrogation by the other distinguished Senator from Oregon, Senator PACKWOOD, would indicate that he is in favor of taxpayer financing of congressional elections and imposing the cost of Federal elections upon the taxpayers of this country, which I am totally against. I think it demeans the elective process; it gives undue advantage to certain special interest groups in our society, and I think even the Harvard report that recently came out confirms that.

I also cite a resolution by the Republican National Committee which says:

Proposed legislation calling for the Federal financing of congressional elections is not in the interest of America's free and open electoral process. Such financing contradicts the entire spirit of competitive elections in that it gives undue advantage to incumbents as opposed to challengers. In addition, the

right of all Americans to participate freely in the electoral process by financially supporting the candidates of their choice must not be denied. The Republican National Committee opposes the Federal financing of Congressional elections and calls upon all Republican elected officials to join in opposition to this ill-advised legislation.

One of the first battles we had here in the Senate as I arrived in 1977 was really the preliminary infrastructure of taxpayer financing of Federal elections and the constant battle in the House to impose this on the American taxpaying electorate and also on the two parties of this country, I think much to the detriment of the two party system.

I cite with particularity the New York Times Sunday editorial "Man in the Middle" by Joseph F. Sullivan, dated July 8, 1979. He said:

President Carter and conservative Republicans are locked in another battle over the appointment of a Republican to the Federal Election Commission, and for the second time the man in the middle is a New Jerseyan.

Frank P. Reiche of Princeton, chairman of the state's Election Law Enforcement Commission, was nominated by Mr. Carter recently to fill the third G.O.P. slot on the six-member Federal agency. Although his appointment would give the commission a 3–3 division along party lines, the conservatives are afraid that the ideological split would be 4–2 in favor of the liberals.

William E. Simon of New Vernon, the former Secretary of the Treasury, and Harlan K. Schlicher Jr. of Mountain Lakes, co-chairman of the Jeffrey Bell Finance Committee in last year's New Jersey Senate race, have been in the forefront of the conservatives' drive to block Mr. Reiche's confirmation by the Senate.

Mr. Simon has written to Republican leaders across the country and to New Jersey party members, pointing to the state commission's consistent support of public financing of election campaigns and spending limits, two red flags in the conservative pasture.

"The commission has shown a consistent pattern of more government, more regulation, more limits and more penalties," Mr. Simon wrote. "We do not need this type of mentality on the F.E.C."

Nearly two years ago, Mr. Carter nominated Sam Zagoria, a native of Somerville and a former aide to then-Senator Clifford P. Case, to the commission. However, he withdrew the nomination after a 10-month standoff engineered by conservatives.

I think that is not quite the truth. A 10-month standoff engineered by Republicans. Frankly, I think a lot of the credit should go to the senior Senator from Oregon, my friend, Senator HATFIELD. It was not because he had any particular gripes or disagreements or lack of feeling for Mr. Zagoria; it was because of the principle involved in this matter. Continuing:

To avoid a similar fight, the President accepted a list of potential nominees prepared by the Senate minority leader, Howard K. Baker Jr., Republican of Tennessee. An earlier list was termed "unacceptable" by Mr. Carter because it did not include any supporter of public financing of Congressional campaigns.

When Mr. Baker's list containing Mr. Reiche's name reached the White House, President Carter had no trouble making up his mind. However, the fact that the list included Mr. Reiche has made the Tennessee Senator a target of criticism by G.O.P. conservatives, even though he was a leader in the fight to block Mr. Zagoria the last time out.

Senator Gordon J. Humphrey of New Hampshire is one of the most-outspoken critics of the Reiche nomination, and conservatives point out that Mr. Baker may have hurt his own Presidential chances.

I add parenthetically, I do not think that is true at all. I do not think any conservative feels that way. I have to add that almost all of us on the Republican side of the U.S. Senate have inestimable esteem for our distinguished minority leader and follow him with a great deal of zeal. I, personally, have the highest esteem for my colleague from Tennessee. I want him to know personally that the fact that I am speaking for and in behalf of my friend from New Hampshire and along side of him is no reflection upon our distinguished minority leader at all. I do believe that this is a problem that he has inherited, that he now has to live with. I understand it, and I understand his decency in living with it.

I also understand the fact that he has given his word and now must live up to it. I believe that Senator BAKER is a man of impeccable integrity and honesty and, as one of our potential Presidential candidates, he certainly has everything it takes to lead this country in the future.

So I do not think that the fact that Mr. Reiche's nomination has been brought up will hurt the Presidential chances of my friend from Tennessee.

To go back to the article:

Since World War II, no one, Democrat or Republican, has won the Presidential nomination without first winning the New Hampshire primary.

I can say this: I think that New Hampshire is a very, very important State. I add parenthetically that certainly all Presidential candidates have to be concerned about New Hampshire. Having gone there myself to speak for one of our Republican Presidential candidates on at least two occasions, I must say I am very awed and impressed by the beautiful, wonderful State of New Hampshire.

I might add that during the last election campaign, I did campaign for Senator HUMPHREY and we went all over the State, and it is a most beautiful State, with tremendous prestige and importance in Presidential elections on both the Democratic and Republican side.

But it is true that no one, Democrat or Republican, has won the Presidential nomination without first winning the New Hampshire primary. Continuing:

Thus far, 16 Republican Senators and William Brock, the Republican national chairman, have joined the movement to block Mr. Reiche's confirmation.

Last week in Minnesota, the Republican National Committee adopted a resolution opposing the appointment of any Republican to the Election Commission who was not first cleared by the national committee.

The G.O.P. conservatives are convinced that they must have strong partisans on the commission to protect their interests in the post-census Congressional elections and in next year's Presidential campaign. They also contend, probably with some good reason, that they will never be able to force a hard look at President Carter's 1976 campaign financing without another conservative on the commission.

This week could prove crucial to Mr. Reiche's appointment. The conservatives believe they can line up a majority of Republicans in the Senate to publicly oppose the confirmation. Even though the Democrats would still have enough votes to confirm Mr. Reiche, they have never confirmed a G.O.P. nominee who was opposed by a majority of his own party in the upper house.

That is an interesting article, and I suspect that what it says is true. What I do want to establish is that I do not believe that a majority of the Republican Senators on the floor of the Senate, if tested, would be in favor of the Reiche nomination, regardless of his merits or demerits. Since I do not know the man personally, I cannot personally judge what his merits or demerits are, other than this one issue, that of financing congressional elections, and also on some other indications which I have been given, which have indicated to me that he may not be the type of partisan Republican which is necessary in order to maintain that 3-to-3 balance.

I have to admit that the Democrats have certainly placed the most partisan people they can find on the Commission, I think to their advantage. I understand that. Personally, I would do away with the Federal Election Commission, if we could, because I think it is a very dangerous instrumentality that could cause the loss of any election in this country, at any time, to the detriment of very innocent people. I have seen some awfully odd things in my day concerning that very point.

Not speaking of the Federal Election Commission, I can remember my own election as a brand new citizen-candidate, a neophyte in political terms, somebody who did not understand all the give and take of politics, who, all of a sudden was accused of some wrongdoing by a national reporter back here, who was really, in essence, trying to help his good friend, my Democratic opponent, because they agreed ideologically. He knew what he said was wrong. Nevertheless, I had to live with that throughout my campaign because, even though it was rebutted completely and fully, not everybody read it the second time, not everybody knew it was rebutted, so I had to meet that criticism throughout my campaign.

Others know this problem. Talk to the distinguished Senator from Iowa, ROGER JEPSEN. He was mistreated as badly as any man I have seen in his campaign—not only, it seems to me, by the Federal Election Commission, but by our own Ethics Committee here in the U.S. Senate—or, should I say, members of the staff of the Ethics Committee of the U.S. Senate. I lived through that one, too. I can tell you, it was not right, it was not fair.

Yet we have a partisan Federal Election Commission that everybody understands is partisan—three totally dedicated partisan Democrats, and we now have two dedicated partisan Republicans. I think what the distinguished Senator from New Hampshire is saying is that we should have three, so we can offset, during those gut issues when lives are at stake and political futures are at

stake, what may be a prejudice against Republicans.

I do not want my friends on the Democrat side to be abused, either. That is why I do not like the Federal Election Commission and the whole set of election laws to begin with. To begin with, they have not made campaigns better. They have not brought about the sanctimonious rise of ethics and prestige and glory to the election process in this country that was forecast by those who believed in the Federal Election Commission. If anything, I think they have added more to the woes of those who have to run and those who have to choose whom they support than anything in recent history.

I am concerned. I am concerned because if, in fact, Mr. Reiche, as has been proposed, is not a partisan Republican, there could be a change to a 4-to-2 ratio. This imbalanced ratio would be detrimental to the whole process, and certainly to my party.

If, in fact, it becomes a liberal-conservative conflict, which I do not think it is right now, I think it is a Republican-Democrat offset, or should I say standoff—that is a bettter word—but should it become a liberal-conservative problem, I think the country will not be served, nor will either party be served in the end, because ultimately tides change, people change, no matter who is abused. The law of averages seems to even things up.

That is why I would suggest to my friends on the other side of the aisle that if a majority of the Republicans in the U.S. Senate do not want Mr. Reiche as their nominee on the Federal Election Commission, they should honor the recommendation by a majority of the people on this side of the floor.

I would want to honor their demands if we had a Republican President trying to do the same thing for them.

Probably the thing I find the most offensive of all, I was never opposed to Mr. Zagoria personally. I did not even know the man. All I know was that as a condition precedent to his nomination, the President of the United States said that he had to believe a certain ideological way.

To me, that just is not right. It does not smack of fairness. It does not smack of honor. It does not smack of dignity. It does not smack of justice. I resented it at the time, without reflection on Mr. Zagoria; to this day without reflection on him.

It appears to me we have precisely the same thing. I think we have a problem here. That is, if Mr. Reiche is another Mr. Zagoria, who believes in taxpayer financing of Federal elections, then regardless of the fact that this time his name was one of those who was recommended, and that is the clear-cut difference, then the wishes of the Republican Party as enunciated in this Republican National Committee resolution ought to be given grave consideration and I think ought to carry the day on this matter.

I do not think the President of the United States should stipulate in advance, as a condition precedent, the ideological perspective of people he appoints to the Federal Election Commission. I deeply resent that taxpayer financing of congressional elections, which has been highly criticized and I think largely discredited. I believe this should be reason enough for disapproving anybody's nomination to the Federal Election Commission.

I am very concerned that Mr. Reiche has not come out and said as a Republican that he is against taxpayer financing of elections.

Now, there is one thing that perhaps many will argue here, that is, what difference does it make, because he will not be making that statute. We in the Senate will make the determination, and those in the House, and that it is a hotly contested and debated subject and, as I mentioned before, a largely discredited one.

I think the Harvard Review discredits the approach of the Federal Election Commission, and I think many other bipartisan commentators across the country have also stood against the Federal Election Commission and its approach, and the Federal election laws in this country, which may very well be the basis for special interest domination and control of the U.S. Congress.

There will always be special interests and I suppose it depends on whose special interests we believe in.

But if the purpose of the Federal Election Commission was to do away with special interest control of the Congress, or should I say of certain Congressmen and Senators, and there are some, I suppose, who may fit in that category, I hope not, but there are some, then I think they are going about it the wrong way through the whole Federal election system of laws that we have.

Back to Mr. Reiche, the thing that I resent personally is that since this has caused so much trouble, and since the Republican position as a national party and our position consistently as Senators on the Republican side, at least in the one great filibuster we had in 1977, has been against the taxpayer funding of congressional elections, I think Mr. Reiche should have come out directly and said, "Look, I'm a Republican and I will abide by the wishes of my friends and colleagues, Republicans, in the U.S. Congress and in the U.S. Senate."

But he has not done that, and that leads up to the severe problem which I think the distinguished Senator from New Hampshire has raised. I commend him.

It is not easy to stand up in these type matters, to stand up for principles we believe in when, basically, we know a majority in the U.S. Senate, including the Democrats, would be against us.

It is not easy to stand up and talk about a nomination like this. How well I know that.

It is not easy to have extended debate on the floor of the U.S. Senate. I suppose in my short 2½ years here I have spent as much time on the floor in extended debate as any person in the same 2½-year period.

I am not claiming any credit for that. I wish I had not had to do that.

It is not easy to stand up when fellow Members of one's own party disagree with him, for whom we have, like I say, inestimable esteem and respect.

It is not easy to stand up and talk about subjects like this.

It certainly is not easy for me to stand here and chat about Mr. Reiche because all I have is information which has come from others, but which appears to me to be true.

Frankly, again, I would recite and state that I have no personal complaints of Mr. Reiche other than his stand on taxpayer financing of congressional elections, and perhaps some other matters that will come up during this debate.

I am concerned that my colleagues on the other side understand what is going on here.

I believe that this body will not always be controlled by Members of the majority party, whether that is good or bad, and I think it would be good and healthy if this body became evened up. I think it would be healthy for the Democratic Party. It certainly would be healthy for the Republican Party.

I believe that if we, literally, do what is right in this case, we will listen to what the majority of the Republicans have to say on the floor of the Senate.

Now, if the majority are for Mr. Reiche, I suppose I will have to go along with the majority. However, I do not believe they are.

I will say this to my friends on the other side of the floor. If we have a Republican President in the future and a Republican control of the Senate, which may or may not be likely, but should that occur, I would certainly want them to be able to pick their Federal Election Commission appointees. I would encourage our President of the United States and would fight for his right to have his own people appointed, since this is clearly a political Commission, and it is clearly made up of two different, offsetting partisan groups.

Should Mr. Reiche win this battle, one way or the other—and I am not so sure that he wants to win or does not want to win—but should he be appointed, then I hope that Mr. Reiche will consider the fact that he represents the Republican side of the Federal Election Commission and will act accordingly, so that we do not lose any more from our minority side of the floor merely because of officious or offensive or downright dishonest acts of the Federal Election Commission.

Heaven knows that those of us who run for these offices have enough to contend with, without a Commission that is not balanced. Our society is made up of balances. Our Constitution has checks and balances—separation of powers, concurrent majorities. We are a Federal Republic. We have constant offsets to power because our early leaders of this country were afraid of too much power being centered in any one person or any one group or any one State or any one region.

We are afraid of centralized power, although through the intervening years, over the last 40 years, we have moved more and more to gross centralized

power right here in Washington, and we all know how we have been suffering because of that. People all over this country are upset because of the centralization of power—in derogation, I think, of the Constitution of the United States.

(Mr. BAUCUS assumed the chair.)

Mr. HATCH. In the Los Angeles Times of November 3, 1977, J. F. terHorst wrote an article entitled "Bipartisan Chips Rise and Fall," in which he said:

Maybe what the country needs is somebody to check up on the President's biorhythms: One moment finds him caving in to Congress, especially Speaker Tip O'Neill. The next finds him confronting Congress. Now he is doing both at the same time, on the same issue, and in a way that jeopardizes the very spirit of bipartisanship that he says the country needs.

What's more, this scrap finds President Carter with his truth down.

Involved are his nominations to a pair of seats on the six-man Federal Election Commission. In the whole gamut of government, nothing is so politically sensitive as the FEC, which serves as the watchdog over campaign spending and disclosure for all presidential and congressional races. That's why, from the start, it was set up as a bipartisan panel, with three Democrats and three Republicans. With equal membership, it was argued neither party would have an advantage over the other.

Carter's long-delayed nominees are now before the Senate for confirmation. His choice for the Democratic seat is John W. McGarry, a Boston lawyer on the House Administration Committee, whose distinguishing feature is that he is O'Neill's protege.

Never mind that Carter decided to placate the Speaker instead of picking a strong Carterite for the FEC. And forget that O'Neill already has another FEC protege in Robert O. Tiernan, whose travels and phone calls billed to the FEC have embarrassed it. The important thing to remember is that, in picking McGarry, Carter at least honored the established principle of naming an appointee approved by the Democratic leadership on Capitol Hill.

Now we turn to the President's choice for the Republican seat—and discover that he threw the established principle out the window. He picked Sam Zagoria, a former reporter, former assistant to Sen. Clifford Case (R-N.J.), former member of the National Labor Relations Board, and currently the labor-management director for the U.S. Conference of Mayors. Zagoria may be well qualified for the FEC, but he is not the nominee of Capitol Hill's Republicans. He is Carter's Republican.

In picking Zagoria, Carter seems to have gone back on the promise that he gave Senate Republican Leader Howard Baker and House Republican leader John Rhodes in February. In line with his pledge then, they sent him the names of two Republicans for the FEC vacancy—Robert P. Visser, who served as legal counsel for the President Ford Committee, and James F. Schoener, minority counsel on the Senate Rules Committee, an ex-judge from Michigan and former chairman of the bipartisan Michigan Election Commission.

That was probably one of the tough appointments of all time to the Federal Election Commission—or at least recommended appointments to the Federal Election Commission. Continuing:

But Carter balked, delayed and finally, in May, asked for additional names. He wrote Baker and Rhodes: "I also expect all of my nominees to the FEC to be supportive of . . . financial disclosure and reporting requirements, and public financing (of congressional elections)."

The Carter letter sounded as though Visser and Schoener had been rejected because they were not supportive. But the fact is that no one at the White House ever asked them where they stood on the Carter criteria. The fact is that neither has opposed financial disclosure and reporting, and that Schoener is more supportive than many Democrats of public financing for all federal elections.

Indeed, Schoener had been cleared for the $50,000 FEC slot by the Democratic National Committee and by Democratic Senate leader Robert Byrd. What nixed Schoener, apparently, was his objection as minority counsel on the Rules Committee to the "instant voter registration" scheme that the White House organized labor tried to enact into law.

Carter, it would seem, has engaged in a nasty little piece of political deception. His promise of consultation with Baker and Rhodes turns out to be hollow.

But there is a larger issue here than just the skewing of the bipartisan tradition on the Federal Election Commission. There are more than a dozen policy-making bodies in government, and the laws specify a political balance, no matter which party is in the White House.

So the question must be asked: Is it also Carter's intention to fill the GOP vacancies on these powerful agencies with persons whose views are those of a Democrat wearing a Republican label? If so, bipartisanship is as good as dead, and Carter is heading for even more trouble on Capitol Hill than he already faces.

That is what irritated all of us so much before. That is what irritated, partially, my friend from Oregon, who I think played a major role in stopping the Zagoria nomination. That is what irritated me. That is what irritated a number of people.

The fact is that we do not have exactly the same problem here, because the New Jersey delegation wanted Mr. Reiche's name put on the list, and the minority leaders in the Senate and the House did so at their request. Even though the present member of the Commission is willing to stay, Mr. Carter immediately jumped on this nomination—I think we know for reasons that I have already explained.

It really concerns me, because if that is so, if we have to have Mr. Reiche because he needs Mr. Carter's ideological stance, then I personally resent it!

However, if Mr. Reiche is a partisan Republican and will act as such, will protect our candidates from oppressive conduct and from evil, vile, and wicked conduct on the Commission—which probably has the greatest opportunity to act in an evil and vile way—then I would consider supporting Mr. Reiche's nomination.

I am concerned because the press certainly has understood this issue. They certainly have understood that this is a political issue. There is no question that Thomas Everett Harris is a very partisan Democrat, and some of my colleagues have raised the question whether Frank B. Reiche is a very partisan Republican.

As a young man who was raised in Pittsburgh, Pa., and who was raised a liberal Democrat, who came up under the regime of David Lawrence, who was one of the alltime great political bosses of this country and one of the shrewdest political geniuses this country has ever produced, I understand how power is distributed.

I might add that I doubt seriously that Pittsburgh ever will be a Republican city again because of the power distribution and the upper hand that was gained by us Democrats at that time, during those days of the David Lawrence regime, and to this day I have fond memories of that and have a great deal of respect for the now deceased David Lawrence. He was a great political leader, and he knew how to manipulate people. He knew how to build dynasties, and he knew how to make whole areas become just one-party areas.

He probably knew it as well as any political boss in America and I think what really put Mayor Daley to shame in his total knowledge of how to put the Democratic Party into total control of whole areas of Pennsylvania.

Of course, he played a role in national politics as well and deserves a great deal of consideration and a great deal of credit for many of the things that he did.

As I got older, I started to look at what was happening to our country and saw the lack of a desire of this Congress to balance the budget now 43 out of the last 47 years. I see an $830 billion national debt with interest that has to be paid every year of approximately $65 billion. I see $7 trillion unfunded debts, debts we have to pay in the future but no projected revenues to pay for them. I see from 600 million to 1 trillion of our dollars floating over the world through Eurodollars and the like, debilitating our dollar and making us the laughing stock of the world monetarily. I see the constant Keynesian policies of Lord Keynes through the Keynesians here in the U.S. Congress who believe only through deficit financing can we stimulate the economy. Almost all of these people happen to be Democrats, and they controlled this Congress actually 43 of the last 47 years, as I recall.

That is not good for Congress; that is not good for this country.

As I saw these various things, I came to the conclusion that perhaps my perspectives have changed and I perhaps had to change my party, and for many other reasons and many other specific reasons I changed and became a Republican.

Mr. President, there was an interesting editorial in the Nation, as I recall, on May 19, 1979. It was entitled "Carter's Campaign Finances" by Peter Peckarsky. It was copyrighted in 1979 and is also entitled "Special Report."

He says:

During the past seven months scattered but increasingly linked reports have appeared in the New York Times, the Washington Post, on ABC television and most notably in the columns of William Safire, that cumulatively point to serious financial improprieties in the financing of Jimmy Carter's 1976 Presidential campaign. On the basis of two years of research, more than 1,000 interviews with more than 200 people and a review of nearly 20 linear feet of documents, it is now possible to construct a mosaic of detail that, for the first time, provides a complete and plausible theory about the

financial irregularities that may have put Jimmy Carter in the White House.

I may add, parenthetically, that I would not be quoting this if it were not an article in the prestigious magazine entitled the "Nation." It is a very well-written article, and he writes on some issues in here that I think are extremely interesting and very important issues.

Mr. Peckarsky goes on to say:

Before going any further, let us recapitulate what facts have already been made public. First, on October 19, 1978, *ABC News* reported (from information supplied by this correspondent) that discrepancies had been found in President Carter's tax returns. Second, as highlighted by William Sahre in his column of November 6, 1978, Billy Carter took the Fifth Amendment in an appearance before a Federal grand jury investigating Bert Lance's financial dealings. Third, accounts surfaced in the national press, derived from a report of January 17, 1979, by the National Bank of Georgia, of which Bert Lance was formerly president, that there had been delays in the repayment of loans made by the bank to Carter's Warehouse. Fourth, *The Washington Post* on March 11, 1979, raised charges that Billy Carter had altered records of the Carter family peanut warehouse and failed to make timely payment of $500,000 owed by Carter's Warehouse to the National Bank of Georgia. The fifth charge, a matter of public record in 1976, concerned the extension of $645,997 in credit by the Gerald Rafshoon advertising agency to the Carter campaign. And finally The Washington Post reported on April 6, 1979, that some bank loans to Carter's Warehouse, although due in the winter and spring of 1976, had not been paid back in full until July 14, 1976.

Thus far these separate bits add up to a suggestive, but far from coherent picture. In the following article, bringing to bear additional information, I shall demonstrate how funds may have been improperly transferred from the Carter family business to the Jimmy Carter Presidential campaign. This information also raises new questions concerning the role played by Gerald Rafshoon, assistant to President Carter for communications, in the financial affairs of the campaign.

On December 12, 1974, Jimmy Carter announced his President candidacy. Almost immediately, his campaign committee, the Committee for Jimmy Carter, faced a problem: as of January 1, 1975, it had to comply with the Federal Election Campaign Act, which limited individual contributions to a Presidential campaign to $1,000 and forbade direct corporate contributions altogether.

On January 22, 1975, Bert Lance, Carter's longtime friend and commissioner of the Georgia Department of Transportation when Carter was Georgia's Governor, became president and chief operating officer of the National Bank of Georgia. Although the bank's major experience was in urban lending, Lance soon made Carter's Warehouse in rural Plains, Ga., one of the bank's biggest customers.

Carter nominated Lance director of the Office of Management and Budget in early 1977. But an investigation into Lance's banking activities led to his resignation on September 20, 1977. The main Justice Department probe of Lance has resulted in one indictment, is expected to produce more, and led to the appointment of a Special Counsel to investigate loans made by the National Bank of Georgia to Carter's Warehouse, a partnership owned by Jimmy Carter (62 percent), Billy Carter (15 percent) and Lillian Carter (23 percent).

The key to unraveling the intricacies of President Carter's campaign finances is understanding that $1 million in loans made in 1975 and 1976 by the National Bank of Georgia to Carter's Warehouse for purchasing a peanut sheller and for warehouse construction actually made little or no business sense. The reasons why this is so are explained on page 571, but the upshot is that the sheller purchase may have been a pretext that enabled Bert Lance's bank to loan President Carter's business an additional $5.8 million ($2.2 million in 1975 and $3.6 million in 1976)—ostensibly for buying peanuts to be processed with the new sheller. Actually, the sheer magnitude of these loans may have provided an opportunity to divert some of the money for use in the Carter campaign.

In fact, three separate sources attest that about $500,000 of these National Bank of Georgia loans—and perhaps more—was not properly accounted for on three separate occasions. The first two sources consist of documents that have already come to public light. But the third source's information involves a $500,000 shortage that coincided with the 1976 campaign and thus provides a reasonable and extremely troubling explanation of how National Bank of Georgia loans actually may have found their way into the Carter Presidential campaign.

The first discrepancy arose out of the Carter loan agreement which provided that the National Bank of Georgia would extend loans up to a maximum of 80 percent of the value of the peanuts in the Carter warehouse. In other words, the peanuts represented collateral on the bank loan. As the shelled peanuts were sold, i.e., as the amount of collateral on hand diminished, Carter's Warehouse was obliged under the terms of the loan to pay back the bank.

At the end of 1975 Carter's Warehouse had an outstanding loan of $1,690,000 from the National Bank of Georgia. For this loan to be properly secured, the warehouse should have had $2,112,500 worth of peanuts on hand. But in fact, an unaudited, uncertified Carter's Warehouse balance sheet of December 31, 1975, listed the market value of the peanuts on hand as only $1,499,403—or some $613,097 less than the loan agreement required.

The second public source to confirm another large discrepancy emerged on January 17, 1979, when the National Bank of Georgia Special Committee reported that on June 7, 1977, Robert Flynt, then the National Bank of Georgia's vice president in charge of Carter's Warehouse accounts, wrote Billy Carter to request payment of $500,000 to balance the peanut loan account. The overdue money was needed because Carter's Warehouse had withdrawn $476,000 worth of peanuts from storage without paying for them, meaning that there were no longer enough peanuts on hand to secure the bank loan.

Finally, a third, independent source—a person close to the Justice Department investigation now in progress—says that in the month before the decisive April 27, 1976, Pennsylvania Democratic primary, about $500,000 was transferred from Carter's Warehouse accounts at the National Bank of Georgia to Billy Carter's personal accounts in the same bank. Shortly after this transaction, Billy Carter reportedly withdrew the $500,000 from his personal accounts.

Thus, in addition to the two documents already on the public record, now a third piece of the puzzle is offered which also indicates a mysterious $500,000 discrepancy. This new source, whose previous reports on Carter's finances have proven correct, also says that "About $500,000 was redeposited into Billy Carter's National Bank of Georgia accounts in May and June 1976. Justice doesn't know where this money came from, but they were told that the money was then transferred from Billy Carter's personal accounts to the Carter warehouse accounts and then used to repay the delinquent peanut commodity loan."

On March 11, 1979, the Washington Post carried a story that quoted Jimmy Hayes (a bonded warehouseman who worked with Billy Carter) as saying that in the spring of 1976 he and Billy Carter repeatedly altered warehouse records; Hayes also said that Billy Carter had failed to make payments totaling $500,000 owed to the National Bank of Georgia. Billy Carter did not sign the overdue checks until June 1976, well after the pivotal Pennsylvania primary. Hayes was subsequently interviewed by F.B.I. agents. Although Hayes later publicly denied the quote attributed to him in the Washington Post, no one has previously reported what Hayes told the F.B.I. I can now report that after Hayes talked to the F.B.I., my source told me that Hayes confirmed the Washington Post account to the F.B.I.

Hayes has since refused to comment, other than to refer all questions to his first attorney, Ralph Smith of Bainbridge, Ga. Smith, nephew of President Carter's trustee and campaign organizer, Atlanta attorney Charles Kirbo, also refused to comment. Peter Geer, of Albany, Ga., whom Hayes says now represents him, will not comment. Hayes, Sue Chambliss and David Reeves—all former employees of Carter's Warehouse—testified on May 3 before an Atlanta Federal grand jury investigating the warehouse finances.

In mid-January 1979, Assistant Attorney General Philip Heymann of the Criminal Division ordered a fast, thorough investigation of the Carter warehouse finances. In a series of interviews with this reporter, Heymann said that he had ordered his investigators to look into the question of whether money was diverted from President Carter's business to his campaign. When asked on April 5, 1979, whether the department had traced the money withdrawn from Billy Carter's accounts in the National Bank in the month before the Pennsylvania primary, Heymann replied that "the picture of somebody walking away with a satchel of money doesn't fit." When this reporter said that he had not meant to convey the impression that the money was moved in satchels, Heymann indicated that he wished that his earlier comment would not be reported and refused to comment further on the investigation.

The Justice Department's attempt to trace the flow of funds out of and back into Billy Carter's accounts was halted by Special Counsel Paul Curran on March 20, 1979, the day he was appointed, according to my source. When asked whether the F.B.I was continuing its investigation, Curran refused to comment. When asked whether about $500,000, transferred from Carter's Warehouse accounts to Billy Carter's accounts, was withdrawn from the National Bank of Georgia in the month before the Pennsylvania primary, Curran hesitated a long time and said, "I don't know that." When asked whether the money was redeposited in Billy Carter's accounts in May or June, Curran said he would not comment on each allegation. I asked my source if there could be some explanation for Billy Carter's withdrawing the money other than a diversion of funds to the campaign. The source replied: "If you believe that there's any other explanation you'd have to believe in the tooth fairy."

Jimmy and Billy Carter, Carter spokesman Jody Powell and Charles Kirbo, all of whom have previously denied that the money was illegally diverted from the warehouse to the campaign, as well as Robert Lipshutz, campaign treasurer, and Lillian Carter, were unavailable for comment. John Parks, Billy Carter's Americus, Ga., attorney, refused to comment.

Both the source and a subsequent newspaper account indicated that Curran has in fact instructed the F.B.I. to resume tracing the money. Curran is believed to be focusing on the activities of Carter's Warehouse and Gerald Rafshoon Advertising Inc., of Atlanta, which was the Carter campaign's advertising agency.

THE RAFSHOON CREDIT

By May 31, 1976, Rafshoon's agency had extended credit of $345,997 to the Carter campaign, according to documents on file at the Federal Election Commission. The debt had grown during the early months of the campaign; the campaign committee owed Rafshoon $207,000 at the end of February 1976, $176,000 at the end of March and $350,000 at the end of April. The campaign's peak indebtedness to Rafshoon occurred during a period that roughly corresponds to the period from March 23 to May 20, 1976, when a Supreme Court decision halted Federal Election Commission certification of matching payments to candidates and made campaign financing more difficult.

Federal election law prohibits corporations from contributing to Presidental campaigns or from extending credit to these campaigns except in the normal course of business. In an interview, John Murphy, the Federal Election Commission's general counsel in 1976, interpreted the law to mean that if a corporation extends credit far beyond its usual billing cycle, or at a time when a campaign's credit rating is so feeble that no corporation would reasonably extend credit to it, there is a legitimate question as to whether the credit is an illegal corporate campaign contribution. Rafshoon's agency's actions seem clearly to have been outside the scope of normal industry practice. When I asked Harry Paster, senior vice president of the American Association of Advertising Agencies, what standard industry practice is in billing political campaigns, he replied: "Cash in advance."

Pennsylvania was the make-or-break primary for Carter. While Arizona Representative Morris Udall spent $217,368 and Washington Senator Henry Jackson spent $167,150, Carter, even though his campaign debt was almost $1 million at that point, spent $472,117—perhaps due to the $645,997 credit from Rafshoon's agency, much of which went toward media buys. Jackson and Udall spent almost all they had and lost. It was in Pennsylvania that Carter virtually wrapped up the nomination.

Robert Lipshutz, treasurer of the Carter campaign committee, who is now Carter's White House counsel, said to me that he does not know and did not ask about the source of Rafshoon's largess. Lipshutz claims that the Federal Election Commission said that the credit extension to the Carter campaign was "permissible." But a spokeswoman at the F.E.C. told me that she could find no record of the commission having told anyone at the campaign committee this. John Murphy, formerly at the F.E.C., said that he is sure there was no formal communication about the credit, and doubted that there was any informal communication.

On December 16, 1978, when I asked about the credit from his firm to the campaign committee, Rafshoon said: "I know what you're working on and you're screwed up." When I asked him where his corporation obtained $645,997 to loan the Carter committee, Rafshoon referred all questions to his attorney, William Stack Jr. of Atlanta. But both Stack and Howard Rothchild, who was an agency vice president at the time, told me they did not know where Rafshoon had obtained the money that enabled his agency to extend credit to the campaign committee. Finally, on January 3, 1979, Rafshoon came up with an explanation to this reporter: his suppliers extended credit to his firm and the firm took little or no profits. But he refused to say which suppliers had extended credit, how much credit extended or what his agency's net profit margin was.

The explanation that the money came from profits does not hold water. The average net profit of an agency in Rafshoon's class is about 1 percent, according to figures supplied by Paster of the advertising association. If Rafshoon's profit margin was 1 percent of his firm's published 1976 total billings of $7 million, the 1976 net profits would be $70,000 and the credit to the Carter campaign committees would have represented a total of nine years' net profits. If Rafshoon's version is correct, the money for credit extended by the agency to the campaign committee would have had to come almost exclusively from suppliers. One of the agency's major suppliers, however, Williams Printing of Atlanta, which billed that agency a total of approximately $100,000 for campaign committee work, was always paid within thirty to forty-five days, according to John Pope of the firm. Don Sharp, Rafshoon's print production manager in 1976, said to me: "There were no long-term extensions of credit by suppliers." Pat Winstead, production coordinator at the Magus Corporation in Philadelphia, which produced the Carter campaign's television ads, told me that Rafshoon's corporation usually paid within thirty to sixty days.

Given that most of the ad money was spent for radio and TV time, for which stations require cash in advance, it is difficult to understand how credit from suppliers would have provided the agency with the money it needed to pay the broadcasters—unless the suppliers were supplying money (instead of materials). Rafshoon's explanation that the money for the credit came from suppliers and profits appears untenable on both counts. When asked whether the credit extended by his corporation to the Carter campaign committee was an illegal corporate campaign contribution in light of standard industry practice of demanding cash in advance from political campaigns, Rafshoon told me: "I do things differently."

Where did Rafshoon get the money? In April 1976, when the campaign committee's debt to Rafshoon's agency increased to $174,000, Bert Lance came to the rescue. On April 19, 1976, according to a National Bank of Georgia special report and a financing statement, the bank extended Rafshoon's firm a credit line of $155,000 secured by the agency's accounts receivable (including the receivables from the insolvent campaign committee). When asked where he would have obtained the money to extend credit to the Carter campaign without the loan, Rafshoon said: "I don't know."

But the Georgia bank only provided a credit line to the agency of $155,000 (and actually loaned less than that, according to Rafshoon's attorney, Stack). That leaves $490,000 or more unaccounted for (since the total credit to the Carter campaign committee was $345,997)—about the same amount of money that the Justice Department allegedly discovered was transferred from the Carter's Warehouse accounts to Billy Carter's personal accounts in the National Bank and then withdrawn in the month before the Pennsylvania primary.

If Rafshoon's agency did obtain its money from Billy Carter, the cash may have moved in this way: Bert Lance's National Bank of Georgia extended a loan to Carter's Warehouse specifically for the purchase of peanuts to be shelled. A condition of this loan was that receipts from the sale of these shelled peanuts would be used to pay back the bank's loan. However, Billy Carter failed to apply the receipts from the shelled peanuts to paying off these loans, instead transferring around $500,000 from the warehouse accounts at the National Bank to his own accounts at the bank. He then gave this money to Rafshoon, who in turn used it to pay Jimmy Carter's advertising bills. In May and June 1976, after Carter won the Pennsylvania primary and private contributions, bank loans and Federal matching funds started flowing in, the campaign committee reimbursed Rafshoon's agency. Rafshoon then returned the money to Billy Carter, who redeposited it in his own accounts, and then transferred it to Carter's Warehouse accounts. Then, when there were sufficient funds in the warehouse accounts to cover the checks, Billy Carter repaid the now delinquent National Bank of Georgia loan with warehouse checks. Thus he made up for the $500,000 in checks Jimmy Hayes had said that Billy Carter refused to sign in March and April.

If such a manipulation of funds knowingly took place, Bert Lance, as an officer of the bank, could be charged with a misapplication of the bank's funds, a felony under 18 United States Code section 6. 6. Billy Carter—and perhaps Jimmy and Lillian Carter—might similarly have committed a Federal felony by making a false loan application to an F.D.I.C. bank in violation of 18 U.S.C. 1014. If Robert Lipshutz and Gerald Rafshoon were aware that the National Bank of Georgia's money was being used to pay for the Carter campaign's TV, radio and newspaper ads, then they may have violated Federal election law by participating in which would appear to be an illegal corporate campaign contribution from the bank to the campaign in violation of 2 U.S.C. 441b. Further, everyone involved in this scheme might be charged with conspiracy to violate Federal law under 18 U.S.C. 371.

On February 11, 1979, Billy Carter was scheduled to appear on the CBS news program Face the Nation. The appearance was abruptly canceled by Billy Carter's attorney the day before, after Rafshoon's secretary called CBS to say that Rafshoon was "quite upset" and "disappointed" that Billy Carter was to appear. Rafshoon refused to discuss his actions.

On February 23, Billy Carter entered an Americus, Ga., hospital for treatment of bronchitis. On March 6, Billy Carter entered a military facility in California for alcoholism treatment which lasted seven weeks. Coincidently or otherwise, this gave Billy Carter a convenient excuse for avoiding Federal investigators as the three-year statute of limitations on prosecutions of criminal violations of Federal election law during the 1976 spring primaries was about to run out. Then, on or about March 1, 1979, the President, acting through his trustee, Charles Kirbo, paid his brother about $314,000 for some land in Plains, Ga. The net profit to Billy Carter on the sale was about $190,000, according to Don Carter, the Gainesville, Ga., realtor who handled the sale.

In a previously unreported development, Billy Carter on April 25, 1979, as soon as he left the California institution, was briefed in the White House by President Carter in the presence of Presidential aide Hamilton Jordan on the Carter's Warehouse-National Bank of Georgia arrangement in case Curran subpoenaed Billy Carter. My source also said Billy Carter testified before an Atlanta Federal grand jury on May 9, 1979.

THE FRIENDLY INVESTIGATION

While the press has shown considerable interest in the questionable transactions surrounding Carter's campaign financing, they do not have the legal authority (i.e., subpoena power) to get the necessary documents. Meanwhile, the actions of the Federal agencies charged with enforcing the campaign laws have been chaarcterized by perplexing ineptitude and delay.

Federal Election Commission audits of President Ford's primary and general campaigns were released in March 1978. The Carter primary audit was not released until April 2, 1979. The delay in the release of the Carter audit apparently resulted from

Before I finish, Mr. President, I would

inadequacies in the audit and dissatisfaction by the audit staff and the F.E.C. General Counsel's Office with Carter campaign documentation. Also, the F.E.C. allowed the campaign committee months to produce requested documents. And the F.E.C. General Counsel's Office delayed the necessary legal work.

F.E.C. General Counsel William Oldaker is charged with determining whether the Carter campaign falsified and doctored campaign books or otherwise violated the campaign laws. (Incidentally, accordings to The Rocky Mountain News, Oldaker, then an Equal Employment Opportunity Commission regional attorney in Denver, was demoted on July 27, 1973, and suspended for nine weeks for falsifying records.)

The Carter campaign committee knew that the F.E.C. would begin an audit of its books on November 15, 1976. On November 10, 1976, the committee filed amended reports covering the period from January 1, 1975, to September 30, 1976. The F.E.C. audit staff had done its pre-audit preparation by reviewing the original reports for about one month on the assumption that it would be auditing the original reports. On November 10, the audit supervisors held a meeting to decide whether to reschedule the audit to permit proper pre-audit study of the amended reports or to go ahead as planned. Because staff time had already been committed, the decision was made to audit the amended reports with the full knowledge that, as a meeting minutes state, there might be an "audit of 'doctored' reports."

F.E.C. Assistant General Counsel Kenneth Gross was in charge of deciding legal questions facing the audit staff. One such legal question was whether the documentation of the Rafshoon corporation's credit extension to the campaign committee was adequate. Gross worked on the Carter campaign and was associated with campaign treasurer Robert Lipshutz's law firm upon his graduation from law school in 1975. Thus, Gross was reviewing the propriety of a campaign in which he worked and whose finances were controlled by his first employer after law school. When the Rafshoon question was presented to Gross, he instructed the audit staff to drop the matter, according to a source. F.E.C. chairman Joan Aikens said that the F.E.C. audit staff did not review the Rafshoon corporation's books because there was no reason to do so (i.e., campaign committee documentation of the campaign's dealings with the advertising agency was deemed to be adequate). Aikens also said that the F.E.C. did not review the books of Carter's Warehouse or Billy Carter. F.E.C.'s William Oldaker said that he told Gross not to work on the Carter audit. When asked whether Gross addressed the legal issue of the sufficiency of the campaign committee documentation of the Rafshoon account payable, Oldaker said he was not sure. Thus, no subpoena of the books of the major account payable of the campaign was deemed necessary. Interestingly enough, there is no mention of Gross in the voluminous audit papers released by the F.E.C. Lipshutz and Powell did not return telephone calls placed to discuss their knowledge and the President's knowledge of Gross's role in the F.E.C. audit of Carter campaign finances. F.E.C. spokesman Fred Eiland, speaking for Gross, said Gross did not address legal issues related to the Rafshoon credit.

As early as June 1977, some would argue, it was obvious from President and Mrs. Carter's Federal income tax returns why Jimmy and Billy Carter should have been called before a Federal grand jury and what they should have been asked. Yet the Justice Department waited until October 25, 1978, to call just Billy Carter before the Atlanta Federal grand jury investigating Bert Lance. When asked on November 22, 1978, about the delay, Walter Barnes, a department attorney on the Lance team, said: "No comment. There are many things I would like to say but the explanations will have to wait until after an indictment. I might not be able to speak even then."

There is an explanation, however. The effective-date section of the Special Prosecutor provisions of the Ethics in Government Act of 1978 allowed President Carter to prevent the legislation from applying to the investigation of his finances until April 24, 1979. The Special Prosecutor bill provided that the legislation did not cover information "related to a matter which has been presented to a grand jury" and which is "received by the Attorney General within 180 days of the date of enactment of this Act."

The bill passed Congress on October 12, 1978. Sometime in the week of October 16–20, 1978, Billy Carter was subpoenaed, according to a Justice Department source. Not until the day after Billy Carter claimed his Fifth Amendment right not to incriminate himself in front of the grand jury did President Carter sign the bill. Thus, he delayed the application of the Special Prosecutor legislation to the investigation of his finances for six months.

Philip Heymann told this reporter that the Carter loans first came to his attention on August 13, 1978, as a result of the Lance investigation. When asked why it took so long to inquire into the loans, Heymann said he did not know. He cited the mammoth nature of the Lance investigation as a possible cause for the delay. Heymann said he was unaware that there had been press attention to the loans as early as November 1976.

CONCLUSION

Although serious questions had been raised as early as October 19, 1978 (on the ABC News report), the Justice Department's investigation of the numerous questionable transactions surrounding President Carter's personal and campaign finances did not really move into high gear until January 1979—after William Safire's question-raising columns—when Heymann ordered the inspection of Carter's Warehouse finances.

Because of the delay in appointing Special Counsel Paul Curran, President Carter and all his men are at the point where the three-year statute of limitations on prosecutions of criminal violations of the Federal election law in the 1976 primaries is about to run out. Prosecutions for banking law felonies, however, have a five-year statute of limitations and are still possible.

The responsibility is now Curran's to conduct a thorough investigation, and find the answers to the following questions, among others:

(1) Did the Internal Revenue Service properly audit President and Mrs. Carter's 1975 and 1976 Federal income tax returns? In particular, did the I.R.S. find proof (i.e., canceled checks) that all of the $1 million investment on which the Carters claimed an investment-tax credit was in fact spent on qualified business investments?

(2) What did Billy Carter do with the money he allegedly transferred from Carter's Warehouse accounts to his own accounts in the National Bank of Georgia and then withdrew before the Pennsylvania primary?

(3) Where did the advertising agency then owned by Gerald Rafshoon obtain the money it used to extend credit of $645,997 to the Carter campaign committee, including large sums for radio and TV time and newspaper space?

(4) When campaign treasurer Robert Lipshutz authorized repayment to Rafshoon's agency for the credit it had extended, did he know that Rafshoon may have intended to use this money to repay the Carter's Warehouse loan?

(5) Did Lipshutz and/or President Carter know where Rafshoon obtained the money that made the advertising credit possible?

(6) Did Lance know that the sheller-warehouse construction loan by his bank was dubious? Did the construction loan or the peanut loan constitute a misapplication of bank funds?

(7) Did Billy Carter withdraw money from Carter's Warehouse accounts just before the Pennsylvania primary instead of repaying the bank's peanut loan, and did Lance know about it?

(8) What was Gross's role in the F.E.C. audit of the Carter campaign committee books? If the role was improper, what was Lipshutz's role in placing Gross in the key F.E.C. position to control the Carter audit?

(9) What role was played in this extraordinary sequence of events by Attorney General Griffin Bell and his former law partner, Charles Kirbo?

(10) Did the March 1, 1979, payment of about $314,000 to Billy Carter by his brother's trustee (Kirbo) constitute an attempt to buy Billy Carter's silence and thus to obstruct justice?

As the evidence presented in this article strongly suggests, these questions have reached the flash point of scandal. Even worse, perhaps, than the campaign financial irregularities themselves, is the possibility that with the complicity of close Presidential associates and complacent Federal investigatory agencies, what we have is yet another cover-up.

The evidence presented here goes deeper than what the press has vaguely and too glibly dubbed "Peanutgate." What it appears to constitute is nothing less than a prima facie case that funds from Bert Lance's bank were illegally used in the Carter campaign. If he had lost, candidate Carter could have expected that the alleged irregularities would have vanished in the post-election mists. If elected President, however, he could expect to assume control over the investigatory apparatus of the Government and control its inquiries. Can this really have happened so soon after Watergate?

Now, an independent Special Counsel has been appointed who is charged with uncovering the truth. Although hobbled by an inability to offer potential witnesses immunity from prosecution without Justice Department approval, Paul Curran has been invested with a public trust to seek the answers to the questions that the evidence insistently raises. One hopes he is able to provide them sooner rather than later.

On the night of December 12, 1974, when he announced his Presidential candidacy, Gov. Jimmy Carter said: "There are a lot of things I would not do for an office or honor in the world." Now it is vital that the people know just what he did do in pursuit of the Presidency of the United States.

THE BANK LOAN

The $1 million in loans made by the National Bank of Georgia to Carter's Warehouse made little or no business sense.

According to National Bank of Georgia executive vice president William Green, his bank "will not loan money to purchase an asset when cash flow from the asset will not amortize (repay) the loan unless there are other adequate sources of cash." When the loan was made there were no apparent adequate sources of cash available, aside from Carter's Warehouse income. If the loans were handled normally, the loan officer should have been able to demonstrate that Carter's Warehouse would repay the loan before recommending loan approval.

The Carter warehouse's two sources of profits were from shelling peanuts and nonshelling operations (e.g., rental of warehouse space and sales of farm supplies).

The annual profits earned by Carter's

Warehouse from nonshelling operations in 1970–74 were in the range of $72,000 to $81,200, according to Carter's Federal income tax returns. One main source of these profits was rental of warehouse space. However, starting in 1975 when Carter's Warehouse purchased the sheller, the warehouse needed the space for itself and could not rent it. Thus, profits from nonshelling operations could be expected to be significantly reduced in 1975 and later years. Further, the reduced profits would have to be used to support the partners and their families and would not be available to repay the loan.

The construction would have made business sense only if the expected shelling profits substantially exceeded the annual payments due on the loan. But expected shelling profits were less than the loan payments.

The annual principal due on the loan was $144,000. The initial rate on the loan was 10.85 percent, prime plus 3.6 percent. The rate was later reduced, for some publicly unknown reason, to prime plus 1.5 percent. National Bank of Georgia executive vice president Gerald Sullivan said a reasonable rate on a "speculative $1 million warehouse loan" was prime plus 4 percent.

Carter's Warehouse would thus be paying $108,000 annual interest before it began reducing the principal. The family business needed at least $250,000 per year ($144,000 for principal and, say, $106,000 for interest) just to repay the loan.

Executives at three different commercial peanut shellers in southwest Georgia independently confirmed that the expected net pre-tax shelling profit per ton is $10.

At $10 per ton, the firm had to shell 25,000 tons annually to service the loan.

But, according to Tony Leroy, who manages Carter's Warehouse for its lessee, Gold-Kist Inc., the sheller shells only 600 tons a week "with luck." Assuming a normal twenty-six-week shelling season, the sheller could shell only 15,600 tons. In the 1975 crop year, Carter's Warehouse purchased and presumably shelled 6,700 tons according to Department of Agriculture records obtained under the Freedom of Information Act. In 1976, the Carter warehouse shelled 10,000 tons. In both 1977 and 1978, Gold-Kist shelled 14,000 tons. Further, the Carters did not have the money to purchase 25,000 tons.

In 1975, when 25,000 tons cost $9.8 million, Carter's Warehouse only had a $3 million line of credit and spent around $2.8 million for peanuts. In 1976, when 25,000 tons cost $10.3 million, the business had a $9 million credit line and spent $4.4 million for peanuts.

In short, Carter's Warehouse could not repay the loan from profits.

Mr. President, just to make myself clear on this issue, I have nothing against Mr. Reiche. I hope he is a good, solid Republican who would make a good member of the Federal Elections Commission. I have no desire to cause any disdain for Mr. Reiche or to cause him any pain here on the floor of the U.S. Senate. But I am concerned about the Federal Election Commission, about keeping it with its balance of Republicans and Democrats so that neither side has an advantage over the other side so that all things for all intents and purposes can be fair; also in having intelligent people on the Commission so that when bipartisan issues do arise they will be resolved in the most intelligent of all fashions.

I am also intensely interested in making sure that our minority leader realizes that we support him as minority leader and that we have a great deal of respect, fondness and admiration for his leadership, and a willingness to follow him as a leader on the Republican side of the U.S. Senate.

He is one of my dear friends. He knows it, I know it, and nothing that happens here is going to change that friendship. Nor do I believe that anything that happens here will change his ability to run for President of the United States, to make a good run at it, and to do the best he can.

But I am concerned that when a majority of the Republican Senators in the U.S. Senate are basically against this nomination, and our colleagues on the other side understand that they should support him, understand that things change, understand that I personally would be very upset if a majority of the Republicans are overridden—I understand the position that the distinguished minority leader is in, and the distinguished minority leader of the House; the minority leaders of both the Senate and the House, for that matter, are essentially standing up for the same things.

I understand these technical and difficult political situations we occasionally find ourselves in. I think they understand why some of us feel strongly about this issue, and the way the President has approached this issue, in a most partisan and a most didactic way, and I think in a very improper way, especially in the light of the historical record surrounding President Gerald Ford.

President Ford did not bat an eye. He went right to the Democrats and said, "Look, who do you want? We will appoint them."

The thing that most offends me about this appointment—with nothing I say meant to be detrimental to these gentlemen personally—is that we have a President of the United States, with an appointment that should be clearly partisan, demanding that these persons have certain ideological beliefs and standards, on the basis of which their nomination should be carried. I just resent that, especially when our party's President of the United States showed such respect and such feeling for our colleagues in the Senate on the other side of the floor.

I think that this is a time for the President to have the same type of respect as President Ford showed for the Democrats. I think the same type of respect ought to be shown to us as Republicans. I would hope that in the future we do not get into these little battles, but can view these appointments in a manner befitting both parties, so that we do not have to get into hassles like this on the floor of the U.S. Senate. I am sorry we are here on the floor of the Senate with it. I do not like to be here. I do not like to fight this kind of battle. As a matter of fact, I do not like to see the problems arise to begin with, because there is really no reason for them to arise.

But unfortunately, because of what I guess one can call extraneous circumstances, this problem is here. We have to live with it, and I suppose wait and see what happens.

Before I finish, Mr. President, I would like to pay my respects to my friend and colleague from New Hampshire. He sits on the Committee on Labor and Human Resources with me, and takes an active role there. Since he has come to the Senate, he has not sat back and waited to mature; he has gotten in there and tried to learn as fast as he can and participate in the best manner that he can. I think he is representing his State very well, and I personally am very proud of him, and know that many in his State are very proud of him as well.

As I say, I think he stands for something. He stands for many, many good and solid principles of America which have made America great. Above all, he stands for the enhancement of the private sector over the enhancement of the public sector. He stands for reducing taxes, and of course for solving some of these problems I have heretofore mentioned in my remarks here today.

So I have not only boundless admiration and warm feelings for my colleague from New Hampshire, but a deep respect for him as well. I think he needs to know that. That is one reason why I am here today, and one reason why I am willing to back him in his very heartfelt belief that Mr. Reiche's nomination is a very improper one under the circumstances, keeping in mind that these are tough debates and tough battles, and they are not easy for anyone.

Mr. President, I ask unanimous consent that my speech not be considered a second speech under the rules, and I yield back the floor to the Senator from New Hampshire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I thank the Senator from Utah for his kind words about me and my State, and for his participation in this debate.

Senator HATCH, in fact about this time a year ago, was a source of great inspiration to me, because he, like me, politically speaking came from nowhere. He was unknown. No one gave him a chance of winning, and yet he did win. And his victory, which preceded mine, was, as I say, a very great inspiration to me. I am proud that I was able to emulate his stunning victory, and I am even more proud that in large measure my upset victory was made possible by his campaigning on my behalf in my State of New Hampshire. It added immeasurable credibility to my candidacy, and I am greatly indebted to Senator HATCH for that assistance in my campaign.

Mr. HATCH. I thank my good friend from New Hampshire.

Mr. HUMPHREY. Like Senator HATCH, I do not wish to cause anyone involved in this any pain, and certainly not the nominee. I have never impugned his integrity or honor, or his character. I do not question that he is a good man, and that he has good intentions. I question simply whether he is the right man for this particular, peculiar job.

It is difficult to raise this issue on the Senate floor because it is a party issue. I regret that it has come to this pass, but it has, and we must act accordingly.

Before I directly address the matter of my reservations about the nominee, Mr. President, I wish to continue reading into the RECORD the document the reading of which I interrupted some time ago. I will resume where I left off:

We keep detailed minutes of both public and executive sessions of the Commission. The minutes of the public sessions are available for examination and reproduction to anyone. I have asked, in accordance with your request, that a copy of such public minutes for the last three years be provided to you. The minutes of the executive sessions, which relate largely to investigative matters, litigation and personnel, are not, for obvious reasons, made available under New Jersey law for inspection by the public.

Mr. President, it happens that the Republican Party—my party—has a very definite and clear position on the issue of public financing of congressional elections. That policy, the official policy, is enunciated as a resolution of the Republican National Committee, adopted at a meeting of the Republican National Committee, here in Washington, D.C., on January 24, 1979, which states as follows:

Proposed legislation calling for Federal financing of congressional elections is not in the interests of America's free and open electoral process.

Such financing contradicts the entire spirit of competitive elections in that it gives undue advantages to incumbents as opposed to challengers. In addition, the right of all Americans to participate freely in the electoral process by financially supporting the candidates of their choice must not be denied. The Republican National Committee opposes the Federal financing of congressional elections and calls upon all Republican-elected officials to join in opposition to this ill-advised legislation.

Mr. President, in many places in the RECORD, in many different ways, Mr. Reiche, the nominee, has been asked his views on this issue. At times he replies that he is not philosophically opposed to it. In other places he replies that he has not made up his mind. Frankly, it has been difficult to pin him down on this issue. But I believe that our distinguished colleague, Senator PACKWOOD, of Oregon, did finally get a definitive reply in an interview which he conducted with the nominee some 2 weeks ago, approximately, and which, with the permission of Mr. Reiche, was taped. A transcript of that tape has been made and Senator PACKWOOD has authorized me to use it in any way I choose.

I would like to read a very brief excerpt from it because I think this finally gives us the answer to the question of whether the nominee embraces his party's position on the one issue which is perhaps more cardinal than any other bearing on the electoral process, namely, the question of whether taxpayer funding should be extended to congressional elections.

Senator PACKWOOD asked this question:

Let me ask you this: If in case I have come to the conclusion that I want to make sure that I support somebody for that position who is opposed to public financing of congressional elections, should I vote for you or against you?

Mr. REICHE. If you come to that conclusion, you should vote against me.

Not only have we that clear statement from the nominee with regard to the issue of taxpayer financing of elections; it happens also that the New Jersey Election Law Enforcement Commission, of which Mr. Reiche is and has been the chairman for some 6 years, authorized the executive director of that commission, Mr. Louis Thurston, to journey to Washington at the expense of the taxpayers of New Jersey, to testify before a committee of the House of Representatives in favor of legislation that would extend the taxpayer financing to congressional elections. Indeed, the very first words out of the mouth of Mr. Thurston were these:

I am in favor of the concept of using public funds for elections and extending its application to congressional elections.

I might add that this was a prepared statement, Mr. President. It appears on the letterhead of the State of New Jersey Election Law Enforcement Commission.

I wonder how many times Mr. Thurston has testified before Congress. Surely, it is not such old hat to him that he never mentioned to his chairman that he was coming down, and never mentioned to the chairman the kind of things he would advocate. His statement is on the letterhead of the New Jersey Election Law Enforcement Commission. The chairman of the commission, Mr. Reiche, the nominee, admits that Mr. Thurston was here under the authorization of the commission, that they paid his expenses. Mr. Reiche says that they did this because they like to share their experience with others, referring, of course, to the program of taxpayer financing of gubernatorial campaigns in that State.

Mr. President, lobbying or testifying in favor of extending public financing to congressional elections is not sharing experience because they have not had that experience in New Jersey. That is called advocacy. It is called advocacy with taxpayer dollars, and it worries me that Mr. Reiche permitted that, authorized that, and knew about it beforehand. I wonder what kind of actions he will permit of his staff members if confirmed to this position on the FEC. It had to be a momentous occasion for Mr. Thurston to testify before Congress. Surely he talked about it before the commission and they knew what he was going to do. I think Mr. Reiche, as chairman, must take responsibility for the tenor of the testimony.

Mr. Reiche has been questioned by me and others regarding the very important subject of his views, vital to the subject of his views, on the expansion of powers for the Federal Election Commission. In my opinion, I think this would be borne out by any reading of the minutes of the hearing of the two sets of questions which I submitted to him and to which he responded, and by the transcript of the interview of Mr. Reiche by Senator PACKWOOD.

I think the reading of those documents will bear out that the nominee was evasive in response to the question of to what extent he would like to expand the powers of the FEC or see them expanded. I think it is fair to say that the nominee was evasive. Frequently he pled ignorance, he pled lack of experience. I do not think that is a very good answer because to my way of thinking one should come to this post with some clearly defined ideas about the role of the FEC and about how much larger a role we want to see it play in our electoral process.

We do not want to see a Commissioner representing my party's interest who is learning the job on the job and who is formulating some deep philosophical opinions after he gets there or while he is there. I want a Commissioner to take his seat already having given very serious and deep thought about the dangers to our freedoms posed by placing into the hands of the Government control over the electoral process, which process, as I have stated, is the only check short of revolution which free citizens have over their Government.

It seems to me that giving greater powers to the FEC is like putting the fox in charge of the chickens.

As my distinguished colleague from Utah has pointed out, the party of our opposite number in this body has done very well in filling its three seats on the Commission with very shrewd, knowledgeable, and highly partisan members. At some time in the future a Republican seat will become vacant. A nominee has been put forward to fill that seat by the President, and now the question is whether or not the Senate will confirm that nominee. A substantial number of those on this side, despite whatever feelings we may have for the nominee in other respects, do not think that he is the right man for this particular job. I join with Senator HATCH in urging my colleagues on the other side of the aisle to forbear, as they have done out of fairness and decency in the past, and allow us of this side to choose which nominee will serve our party in that seat which is to be vacated.

Mr. President, there is no emergency about filling this seat for which Mr. Reiche has been nominated. There are, as the Chair knows, three Democratic and three Republican members of the Commission. There are three Democratic members sitting today; there are three Republican members sitting today. Mr. Vernon Thomson, whose seat will be vacated by virtue of the expiration of his term, is willing, even anxious, to continue serving and may do so under law. The statute states that a Commissioner may remain in his seat until his nominee is confirmed by the Senate. So we have no emergency. There is no rush. Our side is represented fully, as is the other side.

There has been some misinformation about Mr. Thomson's willingness to go on serving. Some have said that they have been told by Mr. Thomson that he is anxious to leave. The implication, of course, is that we should hurry up and confirm a successor.

That is not correct. Mr. Thomson has told me verbally and even in writing that he is willing to stay on. I want to read

into the RECORD a letter from him to me, in response to an inquiry I made dated July 18, 1979:

DEAR SENATOR HUMPHREY: With regard to your inquiry, this will indicate my willingness and desire to continue serving on the Federal Election Commission.

I own my home in Virginia. I reside in Virginia. My wife is deceased. My children live in this area. I intend to continue to reside in the Washington area.

I have served on the Commission since its inception; first as the choice of the Republican Leadership of the House of Representatives, and after *Buckley* vs *Valeo* through the appointment of President Ford. During the Presidential election year of 1976 and the Commission's initial regulations I served as Chairman of the Commission.

I enjoy my service on the Commission. I am available and willing to continue my service on the Commission, and will be available for such service indefinitely.

VERNON W. THOMSON,
Commissioner.

Mr. President, the nomination we are considering today does not have the support of the chairman of the Republican National Committee. The nomination which we are considering today does not have the support of the chairman of the Republican Party in New Jersey, the nominee's State of residence. I think that is very significant.

We on this side have more than our usual responsibility in considering this nomination, more than the usual responsibility we have in considering an executive nomination, because we have an obligation, not only to the citizens of this country but also to our party as well, to see that we are represented on the FEC by someone who closely embraces the Republican point of view.

As I have stated, if there is one cardinal official policy of the Republican Party that bears on the electoral process, it is the official Republican policy which opposes extending taxpayer funding to congressional campaigns. The nominee does not embrace that cardinal Republican policy. If he does not begin from the point of view of the Republican Party as expressed by its official resolutions, then how can we be certain that in other areas not clearly enunciated, he will faithfully represent the views of the Republican Party?

That is the essential basis of my opposition to this nominee. I think we are entitled on this side, as our distinguished colleagues are on the other side, I think that my party across this Nation, as the party of the other side across this Nation, is entitled to have the kind of representation it wants on the FEC.

I must say that I regret exceedingly what appears to be the intention of the present administration, which is not, as everyone knows, in the hands of my party, to force on my party someone who does not clearly embrace the cardinal Republican position of opposing taxpayer funding of congressional campaigns.

I think there are strong parallels, as Senator HATCH pointed out, between the attempt of the present administration to force on our party Mr. Zagoria and his views, which were not closely that of the Republican party—at least, it was alleged in those days—and the attempt of the President to force this nominee on our party. The nominee admits unequivocally that he does not embrace that cardinal policy to which I have alluded several times.

Mr. President, I want to read some comments made jointly by the minority leader in the House and the minority leader in the Senate regarding the Zagoria affair, some 2 years or so ago. As is known, our party, under the skillful leadership of our minority leader, successfully avoided being forced to accept a nominee who did not enjoy sufficient support in our party.

Our leaders said at that time that the previous attempt to force on our party someone who did not clearly embrace important official Republican views, "the former attempt breaches the spirit of the law."

They pointed out that the Republican member of the Election Commission "plays a unique partisan role"—partisan role—"that should reflect the general consensus of the minority party's views."

They said:

While certainly we, too, believe that a nominee should be sympathetic to the aims of the Commission itself, and possibly even with the nature and type of Federal disclosure and reports now contemplated by the act, the whole issue of public financing, of Congressional races in particular, is still very much a subject of National debate.

They said:

Your implicit rejection of our initial choice for this vital post apparently reflected your decision that our candidates' views be those of a Democrat wearing a Republican label.

They said, finally:

One may seriously ask the question whether it serves any purpose at all to have bi-partisan commissions if the membership is to be stacked to accommodate only the view of the White House and the Majority party in Congress.

Speaking of the President's attempt to force on us a candidate who did not enjoy sufficient support in our party, they said:

Your action sadly appears to be an evasion of legislative intent and another step on the road to the imposition of one party rule.

Our distinguished minority leader waxed eloquent on the subject that was at the center of the controversy 2 years ago, as it is at the center today, when he said, during the debate on the FEC itself enacting legislation a couple of years previous. He said:

I think there is something politically incestuous about the Government financing and, I believe, inevitably then regulating, the day to day procedures by which the Government is selected. I think it is extraordinarily important that the Government not control the machinery by which the public expresses the range of its desires, demands, and dissent.

Mr. President, there can be no question whatever where the Republican Party stands on this vital issue. Yet, the nominee we are asked to confirm does not find himself in agreement with that position.

Indeed, Mr. President, his views, unfortunately, on this particular topic, taxpayer financing of campaigns, are much closer to that of the other party.

I am sorry to have to say that, but it is true. Our party is on record by official resolution of the Republican National Committee as opposing the extension of taxpayer financing to congressional elections.

A plank in the party of the Democrat program calls for the extension of taxpayer financing to congressional elections.

It is alarming to me, to say the least, that we are being asked by a Democrat President to confirm a Republican whose duty will, in part, be to represent our party on the Federal Election Commission, a nominee who does not embrace the official Republican policy on the cardinal question that bears on the electoral process, but whose position is, instead, much closer to the official position of the other party.

Mr. President, how can we expect to be adequately represented, those of us on this side, by this man who, whatever his good intentions might be, has shown himself by his own statements to be not the man for this particular job.

This is not just another job in the bureaucracy. It is not just another commission. It is not just a routine nomination.

It is difficult to deal with this on the floor because it is a very partisan issue.

I am afraid that what makes the nominee something less than attractive to many of us on this side will make him attractive to the other side, because our parties have totally different points of view on this particular question.

It is regrettable the nomination has reached the floor, because, for the reasons the nominee is unattractive to many of us, he is attractive to those in the other party.

But I am confident I need not worry about that aspect. I am confident that the appeal of Senator HATCH, myself, and others who will follow me, to our Democrat colleagues, to their sense of fairness and equity, even to their concerns about the future status of their own party, as a majority party or a minority party, will not fall on deaf ears. I trust they will allow us, as they always have in the past, to decide this question ourselves.

Mr. President, in a conversation I had with Senator HATFIELD some time ago, he expressed his wish to be heard, to rebut the remarks in opposition to Mr. Reiche, and when he returns to the floor I shall certainly give up the floor and give him the opportunity to do so.

In the meantime, I wish to read into the RECORD several documents which are pertinent to the consideration of this nominee.

Mr. President, as I have stated, I was graciously permitted by the Rules Committee to put two sets of questions before the nominee.

I am very grateful for that opportunity, incidentally. The chairman of the committee (Mr. PELL) and the ranking minority member (Mr. HATFIELD) have been more than cooperative, more

than fair, in permitting me to put questions to the nominee.

I am not a member of the Rules Committee, but they have been especially gracious to me. I want to say publicly how grateful I am to them.

The cover letter on this second set of questions is dated June 7, 1979:

DEAR SENATOR HUMPHREY: Enclosed herewith are my responses to your recent series of questions. I trust this will provide sufficient information to assist you in your deliberations.

Sincerely,

FRANK P. REICHE.

Continuing:

I wish to acknowledge receipt of your letter dated June 1, 1979, in which you pose additional questions related to my proposed nomination to the Federal Election Commission (FEC). Contrary to your impression that I favor "increasing bureaucratic intrusion into the election process", such is not the case. I do favor streamlining our campaign finance disclosure laws in an effort to encourage, and not discourage, the participation of as many Americans as possible in our electoral process.

You have characterized my answers to your prior questions as "unresponsive" which, if true, would be a result I certainly did not intend. In preparing those answers, I consciously sought to be directly responsive to you. It should be noted, however, that many of your questions pertained to practices and policies on the Federal level, and hence represent matters of which I have limited knowledge and on which I am therefore unable to express an opinion at this time.

I will first read my question, Mr. President, and then the nominee's response.

1. The New Jersey Election Law Enforcement Commission (ELEC), which you head, has issued a steady stream of legislative recommendations to the New Jersey Legislature. The Federal Election Commission frequently issues advice to the Congress regarding changes in the Federal election laws. Therefore, your answer to me that "I do not anticipate that I would if confirmed, participate in the formulation" of future, major changes in the Federal election laws, appears quite wide of the mark. The Congress does make the laws, but the influence of FEC commissioners can be great, as your New Jersey commission no doubt realizes, from having urged changes so often on the state legislature. Or, is it your intention, if confirmed, never to express your opinion of proposed Federal election law changes, or to issue praise or criticism of the present law?

The response is:

In expressing the view that I do not anticipate that I would, if confirmed, participate in the formulation of policy in the area of campaign finance disclosure, I was merely attempting to emphasize that responsibility for policy determinations rests with Congress and not with any agency associated with the Executive Branch. Obviously, the experience of the enforcement agencies involved can be helpful to the Legislative Branch in its deliberations. Accordingly, I would be happy, if serving as a member of the Federal Election Commission, to discuss with members of the Legislative Branch my experience as a member of the FEC to the extent that it may bear upon the Legislature's consideration of proposed statutory changes, recognizing that any comments or statements by me would be made for informational or advisory purposes only and that decisions affecting all policy changes are made by the appropriate legislative body (Congress in this instance).

You confirmed your support of a change in the New Jersey law which would bypass the courts and grant your commission wide discretionary powers to void the results of elections if, in the opinion of the commission, an election law violation affected the results of an election. In response to my question as to whether or not you favored application of this idea to Federal elections, you responded that you "have not specifically considered the possible application of a similar provision to Federal elections . . ." I now ask you again to consider the matter and respond in a clearer manner.

With respect to the possible voiding of elections by the New Jersey Election Law Enforcement Commission, apparently my response to a similar question in your prior letter was misunderstood.

Mr. HELMS. Mr. President, I wonder if the distinguished Senator would yield to me, by unanimous consent, with the understanding that he not lose his right to the floor and that when he resumes his speech, it will not be counted as a second speech.

Mr. HUMPHREY. Under those conditions, I am happy to yield.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

Mr. HELMS. I thank the distinguished Senator from New Hampshire.

Mr. President, first, I commend the Senator from New Hampshire for going into some detail concerning a matter of great importance that may not otherwise be understood by a great many Americans.

The Senator from New Hampshire and the Senator from North Carolina and others are in a sort of adversary position with the distinguished Senator from Oregon (Mr. HATFIELD), but not in an unfriendly way, because I respect MARK HATFIELD as much as any man serving in the Senate. Nor is it a personal matter directed at the nominee in question. It is a fundamental principle that must be of concern to all Members of the Senate.

The perception of the operation of the Federal Government is vastly important. It is not only a matter of what this Government does. It is a matter of the people understanding what the Government is doing and the perception of the American people.

Throughout the history of this country, the free press has served as an effective watchdog over political abuse, corruption, misfeasance, malfeasance. That is the reason why Thomas Jefferson once commented that he favored a free press above almost everything else.

Mr. President, I am not speaking of the pet crusade of one reporter or one editor or one newspaper. The working press of this country is showing strong skepticism about the ability of the Federal Election Commission to fulfill the task for which it was created.

I am hearing from people not only from my own State but from other States as well, who state the belief that the Federal Election Commission should act as a truly bipartisan election watchdog. By "truly bipartisan," they mean, obviously, that the FEC should broadly represent a cross-section of the political views of the two major political parties.

But what had we had the past couple of years? Newspaper headlines have dubbed the Federal Election Commission "a referee cheerleader," "a sleeping watchdog," "a farce."

One of the Washington newspapers has charged that "plenty is wrong with the FEC." Other headlines I have in my files state "Federal Agency Plays Shabby Game," "FEC Actions Tilted to Favor Big Labor," "Labor's Weapon," "How the FEC Helps Big Labor." And on and on and on.

The question is no more one of whether these charges are true than the fact that the perception exists. That is why it is important to have in positions of authority—not only in terms of the FEC but also in all agencies and departments of the Federal Government—people who take clear, unequivocal stands and who, when partisanship is indicated, practice partisanship.

I recall the late, great Senator Vandenberg and the accolades he properly received because he entered into a bipartisan foreign policy posture.

I have just come from the Foreign Relations Committee, of which I am a member. Witnesses are appearing daily, and have done so for a week or so, in connection with the so-called Strategic Arms Limitation Treaty—SALT II, as it is known.

I stated to the distinguished outgoing U.S. Ambassador to Russia that the American people are concerned about their perception of our Nation in terms of what obviously is a weak posture each and every time there is a confrontation with the Soviet Union.

Our Embassy in Moscow is being bombarded with microwaves by the Soviet Union. What did the U.S. Government do in response to this?

We protested, and the Soviet Union said: "Oh, we are not doing any such thing."

Our Government knew and our Government knows that the Soviets are doing this. They stopped for a week or so, but about 2 weeks ago they resumed. And the matter is just lying there.

The point is that these microwaves are harmful to the health of the U.S. citizens who are employed in our Embassy there. If we do not have the will to act to protect their health, let alone standing up to the Soviets for an obvious violation of all that is decent, then what sort of perceptions are the American people expected to have?

I am not going to offer a lecture on SALT II. That will come another day. But I am speaking of the perception of the American people with respect to their Government.

In connection with this nomination, I am concerned about the perception of the nominee. I offer no criticism of the man's character. I am sure it is good. There is nothing personal in the fact that I questioned his having been nominated.

It is a matter of perception and it is a matter of where he has stood and where he now stands. It is a question of the Federal Election Commission itself and how the FEC is perceived across this country.

I saw an editorial not long ago in the distinguished newspaper in Oklahoma,

the Tulsa World. Let me read what the editor of the Tulsa World had to say. This editorial indicates the skepticism and the perception of the FEC.

To present a brief cross-section of the Nation's editorial criticism of the imbalance on the part of the Federal Election Commission, the Tulsa World wrote:

The Federal Election Commission is supposed to be a sort of referee of Federal election campaigns, enforcing the rules with an even hand against all contestants.

In fact, the F.E.C. has combined the job of referee with that of cheerleader for favored contestants.

Ponder those words, Mr. President. That is the perception of the FEC in the mind of a distinguished newspaper editor of this country.

Do we wonder why there is confusion in the minds of the American people, why there is skepticism, why there is hostility toward the Federal Government? The editor of the Tulsa World went on to say with reference to the FEC:

For example, the National Education Association violated the law with a so-called "reverse checkoff" scheme in 1974 whereby $400,000 in political contributions was deducted from members' paychecks without advance permission. The FEC at first refused to act although FEC Commissioner Thomas Harris, a longtime labor lawyer and AFL–CIO lobbyist, later admitted he knew all along the "reverse checkoff" was at least of questionable legality.

That is the reason, Mr. President, that so many Americans are raising questions about their Government in terms of public confidence.

The editorial went on to say:

Finally, on complaint of the National Right to Work Committee, the FEC prosecuted the NEA violation, but ordered no penalty; just a slap on the wrist and an order to refund the illegal deductions to members if they request it.

Let me go back, Mr. President.

The NEA deliberately violated the law and $400,000 in political contributions was involved, $400,000 that had been taken from members' paychecks without their permission.

So the Tulsa World obviously is concerned, and I say to you, Mr. President, that the whole Federal Government was not well served by the perception of the FEC in this one matter.

But this gentle, boys-will-be-boys approach apparently applies only to unions and similar groups like the NEA.

An outfit called Gun Owners of America believed that it had obtained FEC staff approval for some financial arrangements involving two affiliated committees. The organization was later fined $11,000. When counsel complained that his clients were only doing what they had been advised to do by FEC officials, he was told by an FEC lawyer:

With so many Congressmen and Senators beholden to unions for campaign contributions, it was a simple matter to arrange that key FEC positions be filled with hand-picked union functionaries. Even the head of the FEC is a former union lawyer.

This is how the union-packed commission works:

The nation's largest single union, the National Education Association, automatically and illegally took $400,000 from teachers' paychecks for political contributions without obtaining the teachers' permission.

The FEC refused to take action on this violation of election laws until the National Right To Work Committee obtained a court order forcing its hand.

The NEA was let off with no fine and no penalty. The FEC also issued an advisory opinion (under illegal conditions) excusing candidates, including more than 200 present Congressmen and Senators who accepted illegal contributions from the NEA.

By issuing this statutory advisory opinion, the FEC usurped the right of anyone else to go after those candidates who pocketed the illegal contributions.

That is only one example of the FEC's determination to protect union-supported candidates from penalty of law.

The AFL–CIO was convicted of illegally taking $312,000 from its general treasury and putting it into its political kitty, again after the FEC was prodded into action by the National Right To Work Committee.

It received a meaningless $10,000 fine which was heralded as a $302,000 victory at union headquarters and so delighted the FEC lawyer he chortled, "I'm pleased as punch."

Since the National Right To Work Committee seems the only group with enough guts to stand up to the FEC, it is being punished with multiple lawsuits, tying up committee funds and staff.

The FEC is now seeking in a court order to force the Right to Work Committee to make public the names of past and present members, a clear violation of the privacy of more than two million Americans.

Ironically, it's the same demand of some 12 unions in a multi-union suit against the committee now in its sixth year of litigation. The FEC does the union's work for them.

But good must win this battle even if it means scuttling the FEC.

Across the Nation in Mount Vernon, Wash., the editors of the Scagit Valley Herald joined the protest against a biased Federal Election Commission when they headlined the Commission—"Labor's Weapon."

He went on to write:

Born in the wake of the Watergate scandal to clean up federal elections, the Federal Election Commission is a rather obscure federal bureaucracy fast on the way to becoming nothing more than a tool of top union officials.

Because its thumb rests on the jugular vein of representative government, the Federal Election Commission (FEC) provides an ideal instrument through which union officials can gain by government fiat that which they can never gain through the voluntary choice of the American people.

With the connivance of union-controlled public officials, key FEC positions are being filled with handpicked union functionaries. Look at some of the FEC's handiwork:

The nation's largest single union, the Nation Education Association (NEA), automatically and illegally takes an estimated $800,000 from teachers' paychecks for political "contributions" without asking the teachers' permission.

The FEC refused to act on the gross violation of election laws until the National Right to Work Committee obtained a court order, prodding the commission to perform its duty. The FEC withheld evidence and argued the weakest possible case.

The result—a federal court verdict against the union with no fine, no penalty. Just a gentle slap on the wrist and an order to set up a fund for teachers to get a refund if they request it.

Another predictable example: The AFL–CIO is convicted of illegally funneling $312,000 from its general treasury into its political war chest. Their penalty: a meaningless $10,000 fine. Following the decision, an AFL–CIO spokesman chortled: "We made $302,000!" The FEC lawyer announced: "I'm pleased as punch!"

Again it was a case of the FEC making a half-hearted effort to enforce the law only after the National Right to Work Committee filed complaints and obtained a court order.

But when it comes to the National Right to Work Committee, a prime target on the "enemies" list of top union officials, actions of the FEC stand out in stark contrast. Consider this:

The FEC has gone to court seeking to force the Right to Work Committee to pay $382,374 in fines, penalties and other charges. Why? Because the FEC claims that the Right to Work Committee does not conform to the FEC definition of the term "members." The catch-22 of this is that the FEC has no definition of "members."

The resulting legal battle has tied up committee funds and staff. More importantly, since October, 1976, it has blocked committee members from participating in the election process through the Right to Work Committee's political action arm, the Employee Rights Campaign Committee.

Remember now, the National Right to Work Committee is one of the organizations in the forefront recently of exposing the so-called labor law "reform" bill for the fraud it was.

Now comes the FEC seeking a court order forcing the Right to Work Committee to make public the names of its past and present members—in effect, to violate the privacy of some two million American citizens and expose them to the vengeful schemes of union officials.

Not surprisingly, this is the very same demand being made by the AFL–CIO and 12 other unions in the multi-union suit against the committee now entering its sixth year of litigation. Clearly, big labor has delegated to the FEC the job of harassing, ham-stringing and, they hope, destroying the National Right to Work Committee.

Now it is one thing for the union officials and Right To Work supporters to clash over each others' political principles and activities. But when the Nation's press points out that an agency with the overwhelming political power of the Federal Election Commission has joined one side of the political sphere, to do battle against another side, something has gone drastically awry.

Furthermore, Federal Election Commission harassment against a person or organization which seeks to call on the Commission to enforce the law in an even-handed manner has a chilling effect on the rights of those who legitimately seek to do so. Organizations such as the National Right To Work Committee have found how exhausting and expensive the FEC can make the exercise of their lawful rights.

What level-headed person is going to go before a biased Federal Election Commission with a complaint against the political campaign abuses of union officials when they know from the experience of others that the Commission will ignore the complaint and, instead, attack the plaintiff?

Mr. President, I understand that the distinguished Senator from Oregon (Mr. HATFIELD) is prepared to make some comments.

I thank the distinguished Senator from New Hampshire for yielding to me.

Mr. HUMPHREY. I thank the Senator from North Carolina for his assistance, and I yield the floor, Mr. President.

The PRESIDING OFFICER. The question is on the nomination.

Mr. HUMPHREY. Mr. President, it was my understanding that the Senator from Oregon wanted to be recognized at this point.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I certainly am happy to have the Senator from North Carolina finish his remarks if he so desires. I am not in a great hurry to assume the floor. But if the Senator is finished, I will be happy to take the floor.

Mr. President, this indeed is not an assignment of my own choosing. Whenever we have had what we might call partisan issues in the Chamber, issues that tend to separate distinctly Democratic interests from Republican interests, it has been my great good fortune to lead the battle for the Republican side.

I refer back to the days when we fought out the issue with great vigor relating to the New Hampshire senatorial contest.

I recall the battle in the Chamber when we raised the question of the seating of Senator HENRY BELLMON of Oklahoma.

I recall vividly when we had the issue of public financing of congressional elections.

I think the record will show that in each and every case these issues emanated from the Rules Committee and, as the ranking member of the Rules Committee it was my responsibility to carry the Republican cause on the floor of the Senate.

I might say I did so with relish, I did so with great joy, and with a great sense of satisfaction that on those three occasions every single vote that was called on the floor, every rollcall, presented a united Republican front. There was not one Republican who veered from the party position. I think that in itself is a remarkable achievement, considering the high degree of individuality we have in both parties, particularly the Republican Party.

So I say to my friend from New Hampshire (Mr. HUMPHREY) that I, like he, as he indicated in his opening comments, do not personalize this issue.

I also thought, for the sake of the record, wanted the Senator from New Hampshire to understand clearly that I have impeccable credentials as a partisan Republican, based upon the issues and matters which have come to this floor in previous years that could be labeled as party or partisan issues.

I do not take a backseat to anyone in terms of establishing and shouting from the housetops my Republicanism, and I do not really think that should be the issue at hand.

I am also a little bit concerned when there are those who tend to lead people to believe that they represent true Republicanism whereas people with various other viewpoints may have less loyalty or less reason to be called Republican.

It seems like my party is constantly engaging in public discussions on this issue when we actually should be mobilizing our efforts to fight the Democrats.

As a consequence, I might just observe that when we engage in this kind of intraparty battle or when we begin to raise these various criteria as to what constitutes a good Republican, we usually end up losing. Massachusetts and New Jersey in the last senatorial campaigns are two examples and, therefore, I think that in order to face this great possibility of a Republican takeover in 1980 this is neither the place nor the time to begin to raise again in the public arenas what we consider to be "the true, faithful, partisan Republican," and what constitutes less than that.

Mr. President, I think it is also very important to note that there is strength in diversity. I would hate to think that everyone believed as I believe on every political issue.

Walter Lippmann once commented that when everyone is thinking alike no one is thinking very much, and I think there is strength and diversity of our party, so that I am proud to say that when I was the Governor of my State and, therefore, the titular head of my party, I had the responsibility to appoint people to vacancies, to fill vacancies of two constitutional offices, the secretary of state of Oregon and the State treasurer for the State of Oregon.

I had the responsibility of appointing a U.S. Senator; I had the responsibility to appoint a superintendent of public instruction, which is a statutory statewide elected office in my State, and in each one of these instances I appointed someone from the conservative wing of my party or from the conservative Democrat Party.

So my liberal brethren would say to me, "Well, I thought you were a good liberal. Why are you appointing all these conservatives to these high-policymaking positions?"

I would say, "I am looking for qualification rather than labels. I am looking for the eminently qualified person rather than what kind of pedigree that person might have in terms of party activity," or this or that or the other thing.

I might say that as a result I think the administration that I headed up gained the respect of Democrats, Republicans, moderates, liberals, and conservatives. In other words, it was a composite of all Oregonians rather than attempting to set up a monolithic structure of people who all believed and thought alike and marched in the same lockstep.

I only wanted to make comment on that because I would like to keep this discussion and debate on the issue, and that is the qualifications of Frank Reiche to be a member of the Federal Election Commission.

We can bring forth the basic support information, as has been indicated by Mr. HUMPHREY, that there are certain well-known Republicans who are in opposition to Mr. Reiche's nomination.

I have here before me for the RECORD today a communication from one of the rank and file vineyard workers in the party, who is the chairman of the Mercer County, N.J., Republican organization, Mr. Robert A. Gladstone. He says:

> Frank Reiche is an extremely well respected Mercer County Republican. He is a credit to our Nation, State, County and Party. Please do your best to effect his confirmation to the position of Commissioner of Federal Election Commission.

This is the home area of Frank Reiche, and I think we all recognize that while a prophet is without honor in his own country, where one's own hometown political leadership and associates are willing to stand up and give testimony to the ability and to the qualifications of a man, I think it is very significant.

I do not know how well Mr. Simon knows Mr. Reiche. I do not know if Bill Simon ever met Mr. Reiche. They may have been good friends for all I know. But I would hate to think that I had to depend upon unanimous Republican support for anything that I represent in my State. I have said frequently that I end up usually in every primary having to fight my own party and then the Democrats in the fall because I never had a free ride in my political life of 29 years of public office.

I think there is also another way in which we can judge a man and that is by our colleagues in the House of Representatives. I have just been handed by a very distinguished Congresswoman, Mrs. MILLICENT FENWICK of New Jersey, who has served the State of New Jersey in the Congress of the United States for a number of years, a document in which she indicates the following:

> DEAR SENATOR HATFIELD: We understand that the nomination of Mr. Frank Reiche to be a member of the Federal Election Commission will come before the Senate in the very near future. As Members of the Congressional Delegation from Mr. Reiche's home state, we hope you will support this well respected individual. We enclose a letter of support from his Republican County Chairman, Mr. Robert Gladstone.
>
> With all good wishes,
>
> Sincerely,

This is signed by four of the five Republican Members of the New Jersey State delegation to the U.S. House of Representatives, the fifth person, Mr. FORSYTHE, being ill and not being able to be present to sign this document, but it does carry the names of Congresswoman MILLICENT FENWICK, Congressman HOLLENBECK, Congressman RINALDO, and Congressman COURTER—four of of the five and, according to verbal information, the fifth Member, Mr. FORSYTHE, would have been happy to sign it as well. But I think this represents a testimony to the acceptance of the status and the stature of Mr. Frank Reiche within the Republican Party of this State.

Frank Reiche has political credentials of his own. He does not have to rely upon other people to give testimony because his own record speaks for itself.

Mr. Reiche was the Republican county committeeman for New Jersey for 8½ years. He was president of the Republican Club of Princeton, N.J., from 1966 to 1968. He served on the Republican Executive Committee of Mercer

County from 1968 to 1972. He was Mercer County campaign coordinator for William Cahill in 1969, who was the Republican candidate for Governor. He was chairman of the Princeton Township Republican County Committee from 1970 to 1972 and, as I have indicated, he certainly has the credentials of a man who has served well in the vineyard of the party and is identified with the Republican causes.

But as I earlier stated, it seems to me that that is not the basis nor should it be the criterion to evaluate a man's credentials. I may be speaking heresy, but I do feel that there are people of the Democratic Party persuasion who have great ability and great credentials to serve on the Federal Elections Commission, or any other commission. I do not think credentials and ability are restricted to one party.

But I would like to turn to another factor, and that is that this matter has been going on and has been under consideration by the Senate for an inordinate length of time. I think one of the problems that the Congress of the United States faces with the American electorate today is that we give the image, at least, of being unable to act on issues and questions, that we are indecisive and dilatory, that we continue to talk, talk, talk and do very little on the action front, when action is called for.

Let me recount for the record the timetable of Mr. Frank Reiche's nomination. I think my colleagues, in all fairness, regardless of their lineup for or against Mr. Reiche, will have to admit that the Senate of the United States is really at a point where we should be making a decision.

On May 1, Mr. Reiche's nomination was submitted by the White House to the Senate for confirmation.

On May 9, the Rules Committee held a hearing on the nomination, and I personally, as a member of the Rules Committee, requested informally 1 week to review the nominations and for responses to written questions. This was before any questions were raised by any other Members of the Senate. I felt that this was of such importance and significance to all the American people, not only candidates and potential candidates but to all the American people, and that this Commission was in such need for well qualified people, that I was not about to see the committee rush in to some decision. So I asked for the week's delay.

Then on May 10, Senator HUMPHREY sent a letter to me outlining some questions that he had that he wanted Mr. Reiche to respond to. Mr. HUMPHREY's letter was dated May 9.

This was a legitimate request, and I saw no problem at all in accommodating the request of Senator HUMPHREY.

Then on May 15 Mr. Reiche responded to two sets of questions, one the set I referred to previously, that had developed out of the first hearing, and the questions submitted by Senator HUMPHREY.

The week of May 21 the Rules Committee delayed action on the nomination until after the Memorial Day recess, again accommodating Mr. HUMPHREY, who asked that this delay occur because he wanted time to review the answers submitted by Mr. Reiche. That did not seem unreasonable, so the nomination was delayed again.

But interestingly, on May 22, Senator HUMPHREY sent out a "Dear Colleague" letter which expressed concern about Mr. Reiche's nomination. I would like to quote one sentence from Mr. HUMPHREY's letter to his dear colleagues:

> I believe Mr. Reiche's views are too close to those of Democrats who sit on the FEC.

He attached to his "Dear Colleague" letter the first responses from Mr. Reiche.

On June 1, Mr. HUMPHREY sent a second set of questions to Mr. Reiche, and on June 4, Senator HUMPHREY called and requested of me a further delay, and submitted a similar request to Senator BAKER, the minority leader of the Senate, who is also a member of the Rules Committee; and on June 5 Senator BAKER asked Senator PELL, who is chairman of our Committee on Rules and Administration, for an additional delay in reporting the nomination. On June 5, the Rules Committee agreed to delay the matter an additional week. I made the motion, as a member of that committee, to delay both nominations for a week in order to give Mr. Reiche time to respond to Senator HUMPHREY's second set of questions.

On June 7, Senator HUMPHREY sent a letter to me suggesting it was time for President Carter to withdraw the Reiche nomination. That was before Mr. Reiche had a chance to respond to the second set of questions, for it was on June 8 that Mr. Reiche responded to the second set of questions.

On June 14, on the Rules Committee's final consideration of the nominations of Mr. Harris and Mr. Reiche, they voted to report the nominations to the floor. That vote was 9 to 0; there was not one dissenting member of the Rules Committee on either side of the aisle who had indicated other than support for Mr. Reiche, either by voting to send his nomination out or by failing to cast a vote.

Mr. President, there have been raised today a number of issues, and I am going to take them up one at a time.

The first issue that has been raised goes back to the Zagoria nomination that was sent up here to the Hill and then withdrawn by President Carter, and Mr. Zagoria became more the victim than anything else of that particular exercise in parliamentary maneuvering. There had been an understanding between Senator BAKER and Representative RHODES with the President of the United States, Mr. Carter, that he, like President Ford before him, would respect Republican precedent and appoint members to the Federal Elections Commission based on the recommendations presented by the leadership of the minority, as Mr. Ford had made his recommendations to the Federal Elections Commission based upon the nominations of the Speaker of the House of Representatives, Mr. O'NEILL, and to my recollection the majority leader of the Senate (Mr. ROBERT C. BYRD).

Mr. Zagoria was not on the list submitted to President Carter by Representative RHODES and Senator BAKER, and the Senator communicated to me his unhappiness with the President's failure to follow through on the understanding. Representative RHODES communicated the same to me, and it seemed appropriate, therefore, to urge the President to reconsider and to submit names from such a list, based on the original agreement.

As a consequence, Mr. Zagoria's name was pulled down and Mr. McGarry's name was pulled down. I will not go into the circumstances surrounding the McGarry nomination; that was another matter entirely. In place, a new name was submitted to the Senate of the United States, that of Mr. MAX FRIEDERSDORF, who had been on a list submitted to the President by Senator BAKER and Representative RHODES.

It is interesting to note that Mr. Max Friedersdorf, who had been an employee of the Ford White House and then, after Mr. Ford's defeat, became an executive staff person of the Senate policy committee, which is the Republican policy committee of the Senate and, therefore, obviously had long and very intimate relationships with the Republican Party, and good Republican credentials, was a well-qualified and able man—but, Mr. President, we did not put the litmus paper test to Mr. Friedersdorf that we are now raising in relation to Mr. Reiche. For I have before me a document which is the statement of Mr. Max Lee Friedersdorf, the nominee for Commissioner of the Federal Elections Commission, as his testimony was given before the Rules Committee in our hearings, and I would like to quote just one or two sentences from that hearing, because we hear now, today, the objections raised to Mr. Frank Reiche, solely—I say solely not to ignore these peripheral issues, but the real guts of the issue today is whether or not he is for or against public financing of congressional elections.

All of the other issues which have been raised are, in my opinion, periphery to the real gut issue, to the stance of Mr. Reiche on public financing.

By the way, if I may just digress for a moment, I think it was very interesting that my good friend, the Senator from Utah, was bemoaning the fact the President was making a condition precedent of his nomination of Mr. Zagoria on the fact that Mr. Zagoria would be a supporter of public financing.

This was criticized by my colleague. The President was subjected to severe criticism today on the floor for making a single-issue test of a man's nomination to the Federal Election Commission. And yet we see the opponents of Mr. Reiche today taking that same single issue and reversing it 180 degrees and saying:

> This is the test of whether we will accept the Republican nominee to the Federal Elections Commission, that he is not only opposed to Federal financing but my col-

league from Oregon, Mr. Packwood, in his interview also made it very clear that he not only expected him to be opposed but to raise a battlecry against it and to become a warrior in opposition to public financing.

Well, listen to the record. The question was put to Mr. Friedersdorf, our well-accepted Republican nominee, most recently about public financing:

My personal opinion, I have mixed emotions. I think that if public financing enables more people to seek public office, perhaps that would be good. If it works to forever impregnate against people, defeating incumbents, maybe it is not good. But I do not have—I am still searching in my mind what would be the right thing to do on public financing.

Mr. President, there was no great marching on the floor with all kinds of arguments and documentation, that somehow this man's credentials, this man's ability, this man's loyalty, this man's partisanship is all going to hinge on that one issue of public financing.

I have always been of the view that if you are going to set criteria for the qualifications of someone to an office, to a board or to a commission, they ought to apply across the board. They ought to apply to all people who are considered. I have never been much for this idea of changing the rules of the game after the game has commenced, developing new criteria, new qualifications, which are not applied to all people who serve on that board, commission, or office.

Well, Mr. President, let us be honest with ourselves. I think we are in a little bit of game play. I am not ascribing unworthy motives. I am only observing as one who has been in political life or elective public office for 29 years, and one who has been in political activity for nigh on to 50 years—I started in the fourth grade trying to get Mr. Hoover reelected. I think I can speak with a little authority on political activity. Why are we raising the public financing issue in relation to Mr. Reiche? Why? It is a strawman. I suggest it is a strawman. Let me just recount one simple fact of political life. Mr. Reiche is not going to make the determination on public financing. He is not going to make the decision. The whole Federal Election Commission together is not going to make the decision. The decision will be made in the U.S. Congress. Why are we making a mountain out of a molehill? Why are we creating a strawman in Mr. Reiche's confirmation?

Mr. Reiche should either be a proponent or an advocate or a warrior opposed to public financing, once he is confirmed, and I want to say to my colleagues he will be confirmed. No one on that Commission should be doing the business in the political arena of advocating or trying to defeat the issue of public financing. That is the duty, the responsibility, the prerogative of the U.S. Senate acting in conjunction with the U.S. House of Representatives. I do not want the Commission involved in that kind of politicking. The Commission has enough business. If it were doing the business as it should, not only today but in the days ahead, it will not have time to be involved.

Let me put a caveat to that. I think that if the Rules Committee of the Senate should call members of the Election Commission before it and say, "What is your judgment; what are your ideas?" That is another matter. We would expect a response from any commission. In fact, I have heard many of my colleagues be highly critical toward commissions and agencies which were reluctant to give their professional judgment or viewpoints on an issue at hand.

But let us look at the record. I am not yielding 1 inch to the proposition that Mr. Reiche is an advocate of public financing: I think that record has been misrepresented. I think that record is false. I have had many conversations with Mr. Reiche, both in the Rules Committee officially and informally. I would like to say as it relates to the Packwood interview, whoever picks up that interview ought to read the entire interview and not just excerpt one or two sentences. I think if they read the full Packwood interview they would come out at most with the understanding that his position probably parallels Mr. Max Friedersdorf and at least that he has, as he has stated many times, grave reservations about public financing of campaigns in the legislative body.

First of all, Mr. President, in testimony before the Rules Committee, Mr. Reiche said that while he was not philosophically opposed to the concept of public financing under every circumstance, he felt there were many problems in trying to transfer this type of system to the congressional level, and he cautioned that the larger administrative problems of public financing at the congressional level were absent in the New Jersey gubernatorial system.

In the last response to the question submitted by Senator HUMPHREY, Mr. Reiche stated that it is too early to tell whether public financing is a good or ill-advised experiment.

There is a statement of a very forthright, honest, candid man. But it does not vary at all from Mr. Friedersdorf's criteria, statements, and viewpoint.

Significantly, I think we must recognize, too, that by virtue of his experience in New Jersey, Mr. Reiche was able to point out how the system worked in New Jersey and actually present a stronger argument against the measure at the congressional level. By raising the logistical problems inherent in such a system, Mr. Reiche made more negative comments than have past nominees to the Federal Election Commission.

I might say, in addition, there is no one in this Senate who feels more abhorrent towards public financing than I do. My record is clear. I have led the battles in the committee and I have led the battles on the floor opposing public financing:

I believe again that I can make some judgments on words, on nomenclature, and intent as expressed by Mr. Reiche.

There is a second issue I would like to refer to which has been raised, and I think this is again only a partial representation.

The charge has been made that Mr. Reiche did not cooperate in providing the minutes of executive sessions of the New Jersey Commission. Well, really, it is almost ludicrous to even respond to this because the facts are so clear.

Mr. President, Frank Reiche declined to provide the minutes of the executive sessions on the advice of the New Jersey Commission's counsel that, as a matter of New Jersey law, the materials should not be disseminated. It was not a discretionary matter on the part of Mr. Reiche. This decision came after taking into account the nature of the material that was suggested by Mr. HUMPHREY.

Mr. Reiche has advised the Rules Committee that only three topics are discussed in executive sessions: No. 1, pending litigation; No. 2, pending investigations; and No. 3, personnel matters. Moreover, two of these three items that are discussed in executive sessions become public information just as soon as the findings are complete or the pending investigations or the litigation is complete. His decision seems to comport with the dictates of open government; namely, that some information may be legitimately withheld until all the findings are in.

There is another charge that has been made. That is that Mr. Reiche's recommendations to expand public financing in New Jersey to primaries show that he is not Republican enough.

Well, a careful review of the history of the Senate votes on public financing, especially amendments to include primaries, shows that when you try to apply party labels to votes, you do so at your own risk. Let me remind the Senate that in 1977, during our debate on public financing, I realized that any system of public financing would create problems of a larger disadvantage to challengers. The problem is even more acute when primaries are excluded and, as a consequence, I offered an amendment to add the primaries to the bill.

I want to say, and I made it very clear, that even if the Democratic majority, which rode over us against this amendment of mine, had prevailed, I was still opposed to the bill, but I thought it was a major flaw in a bill. I felt that, even if I were on the losing side of a bill, I would like to make it as workable, as reasonable, as possible through amendments, even if I opposed the final passage of the bill.

Let me remind the Senate for the record that although my amendment to add primaries failed, the amendment had the support of 32 out of my 38 Republican colleagues. This is even more significant when you consider that three other Republicans were not present for the vote.

At this time, Mr. President, I ask unanimous consent to have printed in the RECORD, from the CONGRESSIONAL RECORD of 1977, the yeas and nays on the issue of adding primaries to the public financing bill, showing the vote of the Republicans.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUYE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 37, nays 56, as follows:

[Rollcall Vote No. 317 Leg.].

YEAS—37

Baker, Bellmon, Brooke, Case, Chafee, Curtis, Danforth, Dole, Domenici, Garn, Goldwater, Griffin, Hansen;

Hatch, Hatfield, Hayakawa, Heinz, Javits, Johnston, Laxalt, Leahy, Lugar, McClure, Metzenbaum, Morgan, Nelson;

Packwood, Pearson, Roth, Schmitt, Schweiker, Scott, Stafford, Stevens, Tower, Wallop, Young.

NAYS—56

Abourezk, Allen, Anderson, Bayh, Bentsen, Biden, Bumpers, Burdick, Byrd, Harry F., Jr., Byrd, Robert C., Cannon, Chiles, Church, Clark, Cranston, Culver, DeConcini, Durkin;

Eagleton, Eastland, Ford, Glenn, Gravel, Hart, Haskell, Hathaway, Helms, Hollings, Huddleston, Humphrey, Jackson, Kennedy, Long, Magnuson, Matsunaga, McIntyre, Melcher;

Metcalf, Moynihan, Nunn, Pell, Percy, Proxmire, Randolph, Ribicoff, Riegle, Sarbanes, Sasser, Sparkman, Stennis, Stevenson, Stone, Talmadge, Thurmond, Williams, Zorinsky.

NOT VOTING—7

Bartlett, Inouye, Mathias, McClellan, McGovern, Muskie, Weicker.

So Mr. HATFIELD's amendment was rejected.

(Mr. BRADLEY assumed the chair).

Mr. HATFIELD. Mr. President, I am sure many supporters of this amendment correctly believe, as I felt, that any scheme of public financing, to be more equitable to incumbents and challengers alike, must include coverage of primaries.

Let me also say that I have here, Mr. President, an interesting vote that took place in the New Jersey Legislature last week on this very issue. Mr. HUMPHREY has seen fit to raise this as one of his objections to Mr. Reiche. I think it ought to be noted that in the New Jersey Assembly last week, there was a vote taken to extend public financing of the gubernatorial elections to the primary elections. A majority of New Jersey Republican assemblymen voted in favor of the extension to the primaries. I include in this group who voted for the extension of public financing to the gubernatorial primaries in New Jersey two of the three assemblymen who wrote the letter to Senator HUMPHREY opposing Mr. Reiche's nomination, Mr. Kavanaugh and Mr. Smith. The third assemblyman voted against extension.

The fourth signer of the letter is a senator and the senate has not voted on this measure.

Out of the total Republicans of the New Jersey Assembly, 15 voted for the extension of the public financing to cover the primaries; 10 voted against the extension, and 1 abstained.

I believe this conclusively shows that Frank Reiche's views on this particular point of public financing reflects not only commonsense and his clear understanding of the impacts of such a system. Especially in the light of the senate vote last year and the assembly vote in the New Jersey Legislature last week, I suggest great caution be exercised when applying party labels to all of the nuances of public financing debates.

Mr. President, we have had another issue raised. That is the executive director of the New Jersey Election Law Enforcement Commission, Lew Thurston, gave strong testimony in favor of H.R. 1 during House hearings on the bill. This is the public financing bill over in the House. I concede that Mr. Thurston may support public financing. I am not arguing that point of fact. Also, I think it is very clear from the record that Frank Reiche has explained his commission's clear policy on such appearances before committees. Responding to a question from Senator HUMPHREY, Mr. Reiche wrote this response:

We have always emphasized to Mr. Thurston and to anyone else associated with the Commission that they must carefully avoid giving the impression that they speak on behalf of our Commission on such occasions. It is my understanding that Mr. Thurston was careful in this regard when he appeared before the Committee on House Administration in March.

Mr. President, I cannot help but recall, again, from experience. In our State, like many small States, we have much citizen participation in our government. The Governor appoints many boards and commissions, but the commissions in turn appoint an executive full-time secretary or director, whatever his title may be. It used to be a source of great consternation and perhaps, even, at times, great frustration to me to have a commission that I appointed representing a certain political issue that I supported, then have the professional executive of that commission go before a State legislative committee and testify to the opposite. But what is the alternative?

It seems to me that if we are going to put such experts and professionals into straitjackets and say, no, they have no right to give their professional opinion and their professional judgment to a legislative committee, we are denying ourselves, at the Federal level as well as at the State level, the kind of professional expertise and input in our decisionmaking and legislative process that we should have—even at the risk of having that professional take an opposite position to that of his commission. I accepted that long years ago, and I must say it was with difficulty. That does not mean that I did not even flinch on occasion, after I had come to realize the validity of that particular political philosophy.

The charge has been raised that Frank Reiche favors a power grab—that is the term, "power grab"—by the New Jersey Election Commission in the power of authority to void elections. I need not give the detail of the response to this. The chairing of the Senate at this moment is effectively being handled by the junior Senator from the State of New Jersey. I am sure he is fully aware of the New Jersey law and the New Jersey experience.

Let me remind the Senate that we should understand that the present New Jersey statute, which was passed by the New Jersey State Legislature, calls for the automatic voiding of elections in cases where a court determines that there is a knowing and willful violation. What the New Jersey State Commission proposed and Frank Reiche enforced was a change in the statute so that the elections would not always, under all circumstances, be voided automatically. By the proposed change, Reiche hoped to add one more judgment, one more option, before election results could be voided.

Mr. President, this is a very drastic action. This strikes at the very heart of our democratic system, the voiding of an election that has been carried out by the people.

Now, on the proposal also that the law be amended, that in addition to the court decision the court would still have to have a finding, there would have to be a finding in addition, not just that a violation occurred, but the violation actually significantly affected the outcome of the election, or the dignity of the electoral process, before the balloting would be voided.

I do not know about New Jersey, but I know in many States there may be only one name on the ballot and not an opponent for every position. How could a violation of an election have proceeded under their system? It could not have affected the outcome of the election.

There are many other examples that could be used. But, to me, this was representing not a centralization for a power grab effort, but, rather, to decentralize and to more effectively try to carry out the will of the people.

This was an action of decentralizing power rather than centralizing power.

It was to provide an additional deliberative judgment before taking the drastic step of overturning an election.

Well, Mr. President, I am not anxious nor do I feel time is important from the standpoint of rebuttal. I am ready to go to a vote.

I do not know of any issue that has been more effectively canvassed. I say this as a compliment to my colleague. I know of no issue that has been more effectively canvassed, and presented, and reiterated, and underscored, and repeated in the minority community of this Senate than the Frank Reiche nomination.

I would hate to think of the number of hours that have been spent in terms of if we were getting paid by the hour, I say to my colleague, because I am sure that his hours and labors on this have been certainly effectively communicated.

I do not know what the time frame is as far as my colleague's hopes and desires are.

I do say that I think there is a point of reasonableness. We have tried to accommodate the Senator from New Hampshire in every request he has made on information, delay, time frame, time schedule. I am still of the same mind. I want to accommodate, as of this moment, any desire on the part of the Senator

from New Hampshire for required time or necessary time.

But I must say that I do feel there comes a time when reasonableness must prevail. We must give the opportunity to our colleagues to express themselves by a vote up or down, or a procedural vote. Again, I am very flexible.

I do feel that these are times when we have difficulty in getting good people to enter the public arena. There are so many discouraging factors today for good people, able, qualified people, to offer themselves into public life and public service.

Here we have a man who is extraordinarily well qualified. I must observe that I have not heard one word from my good friend from New Hampshire, I have not heard him raise one word against the integrity, or question the integrity, or the qualifications, or the ability, the background, the expertise, the great knowledge, that this man, Frank Reiche, represents, possesses, or embodies.

But his objections are raised on an issue that, I would like to remind him again, Mr. Reiche will not determine, will not have a vote on, and that is the issue of public financing.

I want to reassure my colleague from New Hampshire that I shall continue with the tenacity of the past that I have already demonstrated in opposition to public financing for congressional elections, and I would vote for repeal of public financing for Presidential elections.

I think that there are far greater needs for public funds, to provide help for the poor and needy, than to be putting it into the political coffers of candidates.

But, second, I am concerned that once the Federal Government puts money into the coffers, the Federal Government has the basis for control, and the Federal Government today has reached out tentacles for bringing in power and authority in so many subtle and so many direct ways that I do not want to risk the political party becoming subjected again to that kind of Federal octupus control.

I would like to say these are not just words on my part, but I am one of the few Senators on the floor who voted against the public revenue sharing proposal because it appeared to me at that time, and still does, that when the Federal Government collects the taxes and brings them to Washington, redistributes them back into the local governments, that that is not strengthening federalism. That is weakening federalism and making local governments more dependent on the central power structure of the Federal Government than ever before.

It is a narcotic. It is an opiate. It makes the local governors, county commissioners, and mayors, bagmen to come back and get more money for local programs and problems on which they have not had the courage to stand up and ask the people for additional taxes because, no question, if we separate tax collecting from tax spending authority and responsibility, we have weakened the federal system of government.

Again, I want to say in making these comments to the Senator from New Hampshire, I will take a backseat to no one, including the Senator, or anyone else in the Senate, as far as concern for the centralization of power trend in this Government.

The only point we may develop is that I am just as concerned about economic centralization of power in the big corporations in America and the big labor unions in America as I am about centralization of political power in the hands of the Federal Government.

I think the whole move towards centralization has to be halted and reversed.

I only add that as an addenda because, obviously, I stand here as a liberal Republican and that immediately raises certain questions, perhaps of loyalty, or Republicanism, or credibility, or whatever.

But I just want to say that these labels are rather misleading because I can track my political philosophy that started at a very early age to two basic documents.

One is called "American Individualism," the second is called "A Challenge to Labor," and the author of both these books was Herbert Clark Hoover, the last truly liberal President, in my opinion, we have had.

Now, unless that shocks everyone, I shall move on to say, Mr. President, I yield the floor.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I am not the least shocked by the political underpinnings of my good friend from Oregon, because having been treated to a visit to the personal library of Senator HATFIELD, I saw that he has probably one of the country's largest collections of literary works on Hoover.

He is perhaps the Nation's preeminent expert on Hoover. So I am not the least bit surprised by that.

I say that only to emphasize that Senator HATFIELD and I are friends.

It was interesting to listen to the recitation of the offices which Senator HATFIELD has held before coming to this body, but it is not necessary for him to do that, because I have not mentioned his Republicanism. Neither have I raised as yet—nor will I—the labels, except for this one instance, of liberal and conservative. I have not raised them and I will not.

Mr. Reiche, no doubt, is a man of high integrity and honor and good intentions, and I have not questioned these attributes in the past, nor will I.

The question is whether this nominee is the right man for this job. My party's position on the issue of extending taxpayer funding to congressional campaigns is not my utterance, though I embrace it wholeheartedly. It is the utterance of the Republican National Committee.

Yes, Mr. Reiche is well qualified. He is an attorney. He has participated in party politics for some time. He is the chairman of the New Jersey Election Law Enforcement Commission.

I have not questioned and I do not question that kind of qualification. But this is not a routine appointment. This is not an appointment to a routine Government commission. This is a unique position which requires, in addition to basic qualifications, a strong partisanship. It is that partisanship in which my concern lies with respect to this nominee.

I am sure that Senator HATFIELD and I could spend the day, if we wanted to conduct the necessary research and groundwork, trading endorsements for the nominee, especially those coming from the State of New Jersey. But my colleagues and I on this side, in pursuing the interests of our party, must consider not only the views and the wishes of our party members in New Jersey but the views and wishes of our party members in the other 49 States as well.

I dare say that in the conduct of his duties, the chairman of the Republican National Committee has the same obligation; and in the conduct of his duties, in his pursuit of protecting our party's interests, the chairman of our party, the Republican National Chairman, has opposed this nomination. This nomination does not have his support. It does not have the support of the leader of our party.

As a matter of fact, the delegates to the recent Republican National Convention in Minneapolis apparently were so upset by this particular nomination that they passed a resolution requiring that, in the future, our party's nominees to the FEC be cleared with the Republican National Committee. There is a great deal of dissent and a great deal of dissatisfaction about this nominee.

Mr. President, Max Friedersdorf is not the nominee under consideration. Rather, it is another man, and it is another man for another vacancy.

But, more important, this is not the 95th Congress; this is the 96th Congress. This is a new Congress. This is a new nomination. This is a new nominee. I believe the merits of the nomination should be considered in that context.

I point out, by way of a distinction between my party's consideration of Mr. Friedersdorf and our current consideration of Mr. Reiche, that since the date when Mr. Friedersdorf's nomination was confirmed, our party has taken an official position on the one electoral issue that bears upon this office—or certainly one of the cardinal positions—namely, that of extending taxpayer funding to congressional campaigns.

Our party now has an official position on this. As I have said, that official position, as has been enunciated this year by a resolution of the Republican National Committee, is that our party opposes extending taxpayer funding and urges all elected Republican officials, in their turn, to oppose it. That is the official position of our party. It is so, I suspect, because our party fears the further controls from the electoral process that inevitably will come with greater Federal largesse in financing these elections.

It happens that the other party, the Democratic Party, views the matter differently. The other party calls for expending taxpayer funding to congressional elections. In a manner of speaking, there is a contest being waged between the parties on that question.

I intend to read the full text of the interview between Senator PACKWOOD and the nominee, Mr. Reiche, as well as some other documents.

I am not playing a game. I must say that I was a little disappointed in my friend from Oregon raising that matter. I am not playing a game, and he is not, either. Both of us have many important things to do, just as all of us in this body have, and we have no time for games. This is not a game.

Senator HATFIELD claims that examining Mr. Reiche's views on taxpayer funding is a strawman, that Congress makes policy, not members of the FEC.

Well, yes and no. Yes and no, Mr. President, because this body, made up of human beings, does not make perfect law. It does not write perfect statutes. Much of the legislation we pass is ambiguous. It must be interpreted. Who can say that the views of our public servants do not enter into their interpretations when they must make those interpretations.

However, it goes beyond that. Our public servants—the members of the FEC included—do not operate in a vacuum. Not only must they interpret gray areas of the law, in which cases, their personal points of view come into play, but also, they select and hire staff, and frequently staff members will reflect the point of view of the person who hires them.

Because the FEC is as busy as the rest of this Government—far too busy, in my opinion—it is necessary for them to delegate reponsibilities to these staff members, staff members who often are supervised insufficiently.

If the nominee who is to represent our party on the FEC, whose duty in part is to protect our partisan interests, does not have as his point of view the Republican point of view which has been made official by resolution of the Republican National Committee on the issue of taxpayer financing of elections, if he does not have that as his point of view, then what kind of actions can we expect on his part in other matters?

Regarding the testimony by the executive director of the New Jersey Election Law Enforcement Commission, I point out that his prepared testimony was typed on the letterhead of the New Jersey Election Law Enforcement Commission. I point out again that Mr. Thurston was here under the authority of the commission, was paid to journey to Washington to testify and to advocate extension of taxpayer funding of congressional elections. He was paid to do these things with the tax funds of the State of New Jersey. Surely Mr. Reiche knew his executive director was coming to Washington. After all, the trip was authorized by the commission which Mr. Reiche chairs.

And Mr. Reiche claims he feels that all of this was right because the New Jersey Election Law Enforcement Commission believes in sharing its experiences.

I will point out again, Mr. President, that the New Jersey Law Election Law Enforcement Commission has no experience with the funding of congressional elections, no experience whatever, and Mr. Thurston's testimony, therefore, was not sharing but it was advocacy, paid for by the taxpayers of New Jersey.

Mr. President, it seems to me, it comes down to this: Is the Republican Party entitled to someone who embraces the official Republican Party point of view in the one cardinal matter that bears on the electoral process which is presently before the American people in the debate between our two parties? I believe we are. I believe, further, that Mr. Reiche in his testimony and his answers to the questions which I was allowed by the graciousness of the committee to put to him and in his interview with Senator PACKWOOD, has clearly established that he does not embrace that Republican point of view. He says he has not made up his mind. He said we have not had enough experience. He said he is not philosophically opposed.

Mr. President, my party wants someone protecting its interest on that Commission, someone who has made up his mind about some of these very fundamental things. Do we want to give greater power to the FEC? Or do we want to be sure that it does not have greater power than it has today? And I am confident that the position of the Republican Party is that the FEC shall not have greater power.

Senator HATFIELD spoke eloquently about the Federal octopus which has spread its tentacles across this land, into every State, into every city, into every town, and into every household.

That Federal octopus was created right in this Chamber and in the adjoining Chamber of the House of Representatives. This octopus did not grow on a tree. It did not come up out of the ground. It did not materialize out of thin air. It was the result of the kind of leadership, bankrupt in my opinion, which has dominated these Houses almost without interruption for 47 years.

The question before our country today in this difficult hour, is shall we continue the kinds of policies that have led to this octopus which is choking the life out of our country, shall we continue those kind of policies, or shall we, as our British cousins have done, break with the past, and admit the foolishness of the policies which have been pursued in recent decades? That is the question before this country, not the materialism, of our people. The question is are we going to continue to allow the Federal Government to grow at the expense of the sovereignty of our States and the freedom of our people? That is the question.

I want someone, Mr. President, representing my party because I believe in my heart that the Republican Party is the force that will move our country away from the disastrous course on which we have been set. I want someone representing my party on that Commission who feels strongly about the dangers of Government.

I began my speech by quoting George Washington who pointed out wisely that Government is not eloquence, it is not reason; it is force, like fire it is a dangerous servant and a fearful master. And I submit, Mr. President, that because of the legislation enacted by this body and the other over the past 40 years, we are much closer today to living under a Government which is our master instead of our servant.

The question is how much power to Government? There is no more dangerous agency in this Government today, including the FBI and the CIA, than the Federal Elections Commission.

What check do the citizens have over their Government short of revolution? Only one, the electoral process. I think it was a perfectly dangerous if not stupid idea to create the FEC in the first place. It was putting the fox in charge of the chicken coop. It was giving to Government powers to subvert the only check that citizens have over that government. Creating the FEC was surely one of the unwisest actions of the Congress in recent years.

But it is there and I cannot repeal it with this speech or with any action that I can take.

But I can insist and must insist that the nominee chosen and confirmed to represent my party on that Commission be someone who has a fear of Government, fear of becoming the servant of Government.

Mr. Reiche does not strike me as that kind of man, and I will expand upon this at a later date.

But I believe that my friend from Nevada, Senator LAXALT, wishes to speak.

Mr. President, may I have the attention of the Senator from Oregon because he has a special interest in the unanimous-consent request I am about to make? I ask unanimous consent, Mr. President, that I be allowed to yield to the Senator from Nevada without losing my right to the floor and request further that upon resumption of my remarks that they be considered a part of the same speech which I am now giving.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. Mr. President, reserving the right to object, is this the first or the second speech of the Senator from New Hampshire?

Mr. HUMPHREY. It is the second.

The PRESIDING OFFICER. It is the second.

Mr. HATFIELD. The second speech. I will not object.

Mr. HUMPHREY. I thank the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAXALT. Mr. President, first of all, I feel as if we are having a repeat performance of yesterday's situation. Once again I commend my colleague from New Hampshire for having been here such a short time and having the courage of his convictions not only in the sense of just indulging in rhetoric

but the translating that rhetoric into effective political action because he feels keenly about a given issue.

You do not have too much around the Senate any more—and that is not meant in criticism or derogation of this body—but in the short time I have been here I see a dilution in terms of individual Senators or, for that matter, a group of Senators, willing to take the time and effort required to be on this floor to speak in a filibuster situation or otherwise—and undeniably we are distracted, all of us are heavily committed with other obligations in our offices and on committees, particularly at this time of the year—but to see someone like the junior Senator from New Hampshire perform in the manner that he has on this floor, and otherwise, I think, speaks well not only for him but for the future of this body because of this present class where we find a number who operate, reason, and function much like GORDON HUMPHREY.

It is for that reason and in support of what he is trying to do and in support also of my own convictions in relation to this particular nomination that I stand, Mr. President, in support of Mr. HUMPHREY and in opposition to this nomination.

Now, it has been said around here for the last several months that perhaps we, as Republicans, should closet the fact that we oppose this nomination on the ground that Mr. Reiche is not partisan enough, and I guess the message to be derived from that type of observation is that we, as Senators in this great and honorable body, should not indulge in the cheapness of politics; that we ought to be above the gutter.

But, as the Senator from Oregon, very capable Senator from Oregon—and I do not know anybody in this body whom I respect more than MARK HATFIELD—indicated there are times when politics have to be the order of the day and should be, and we, as Republicans, have on a rather infrequent basis, when our partisan interests have been involved, stood as Republicans in this Chamber and, I might say, refreshingly effective in those rare instances where we did stand as a party.

So I, for one, do not apologize for the fact that I object to this nomination, to this man.

I do not even know him except by reputation and the reading I have done. I gather he is a fine man in every sense of the word. He is honest, does a good job in the present situation. But in our estimation, he does not meet the criteria as Republicans that we need on that Commission because in the recent history of that Commission—and I was involved to some extent with the Commission when I was involved as the national chairman for Ronald Reagan—we found very quickly that in making vital campaign decisions that more often than we liked we had to think in terms of how a given campaign decision would affect the bureaucrats downtown and how they would react to it, which injected a wholly new element in Presidential politics.

I have had a feeling, as a result of that experience and since that the FEC, in its present composition—and probably we are to blame for that—is a hard ball political game, and anticipating that, as we all know, the composition of that body was weighted so that each party was protected, recognizing that if you come down to a hard partisan basis you had better make sure both parties were protected, and you had better make sure—even a given party out of power here and downtown in the White House—that nevertheless the minority party, whatever it might be, would have its flanks protected in the process.

So on these tough partisan issues we have had a number of issues, I guess, on a partisan basis, where there has been a split vote. That is why we are concerned really with having someone with strong partisan convictions represent our interests on the FEC. I do not consider that to be bad.

Admittedly—and I do think that we are going to have to take a careful look at how the FEC was structured in terms of the present legislation which authorizes that body in very deeply controversial matters, politically controversial matters, to investigate a given complaint, deliberate on it, try it and mete out a sentence—we have the whole structure here within one commission.

The more I observe the conduct and operation of the FEC, the more I am convinced that essentially and inherently that process is wrong. You cannot have within the same political house all these various functions where they actually do their own investigating, they do their own prosecuting and, eventually, they do their own judging.

It is for this purpose this morning during our confirmation hearings with Mr. Civiletti, who will undoubtedly be confirmed very shortly by the Senate to be the Attorney General—and he will do a competent job and I wish him well—but during the course of those hearings I questioned him on the essential policy question of whether or not these functions within the FEC should now be diverted to the Justice Department so we would have an independent look over there.

If I understand his answer correctly, he tended more or less to agree with it as a matter of political philosophy and as a matter of political science.

If we are able to move these functions over, so much the better, because then we are not going to have these problems and these vulnerabilities and these risks all within the same house. But until these functions are taken from the FEC—and I hope that is not going to be too long—and put over into Justice we, as individual Senators, or the Congressmen down the road or anybody who is subjected to the jurisdiction of the FEC, have a great political vulnerability, and in that situation we are intensely interested, as I said initially, in having our political flanks protected by someone, when a matter comes in on a partisan basis, who is going to stand up and be 100 percent partisan whether or not he comes from the Democrat side of the aisle or ours.

Now, Mr. President, to me it is a curious political circumstance that the nominee in question, the chairman of the New Jersey Law Enforcement Commission, has been proposed to the Senate by the very distinguished President of the United States in the interests of a bipartisan election commissioner.

The views of the gentleman from New Jersey on this vital matter of Federal election campaign procedure in no way reflect the position of the Republican Party or the vast majority of Republicans. I refer specifically to the nominee's stated support of U.S. taxpayer-financed Federal election campaigns. Such a position is directly repugnant to the letter and spirit of the Republican Party platform approved by the Platform Committee for presentation to the Republican National Convention August 7, 1976 in Kansas Cty, Mo.

On page 4 of the platform text it is clearly stated:

> That since power has flowed to Washington, the ability to attend to our problems has often dried up in our committees and States. This trend must be reversed. Local government is simply more accountable to the people and local people are perfectly capable of making decisions. We reaffirm the long-standing principle of the Republican Party that the best government is the one closest to the people.

Now, Mr. President, why are we, as Republicans, exercised by public financing of elections?

Well, I can remember in my younger days that I used to feel that public financing of elections was great, because you had all these nefarious special interests running around this country buying candidates and buying officeholders, and would it not be a perfect solution if, instead of all that, we had taxpayer funding, and thereby we would isolate those nefarious special interests and we would have a fair system?

Well, that position, based on my own experience, was sheer naivete. It does not work that way.

First of all, I find nothing objectionable whatsoever in having the business and other interests in this country fully involved in the election process. I find nothing objectionable about that at all. There has been some objection, here in the last couple of years, that AMPAC, the medical PAC, buys votes. We had an example of a doctor in this country with 11 boats? That did not speak very well for the doctors of this country.

I do not think there is the least bit of harm involved in having that kind of involvement. I happened to read, in the last couple of days, that 70 percent of the people of this country do not know who the parties to the SALT agreement are. I can hardly believe that. That is a survey that has come down within the last month or so. I find that terribly hard to believe.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. LAXALT. Surely.

Mr. HATFIELD. I can only add to that kind of consternation by saying a few weeks ago, a month or maybe 6 weeks, a survey showed that over 50 percent of the American people did not know we imported oil.

Mr. LAXALT. That was an amazing statistic. It was a New York Times survey. Fifty percent of the American people did not know we imported oil.

Well, aside from the correctness of these statistics, that 70 percent of the people of this country do not know that the United States and the Soviet Union are the parties to the most important matter that we who are now in this body will probably ever discuss on the floor of the Senate, and 50 percent do not know that we import oil, certainly speaks to a most essential point: we need more political awareness and political involvement in this country, because, as I found in connection with the ratification of the Panama Canal treaties, one of the most important issues we have fought in this body, and I fought it tooth and nail for months, up and down this country, the only reason that we came even as close as we did was because finally the people got involved and raised unmitigated hell about the Panama Canal Treaties.

Had we had the same climate then, to the extent of not having any real political involvement or interest on the part of the public generally, I would expect that that vote would not have been nearly so close. And I would rather imagine, on the same basis, that one of the essential difficulties we find in the discussion of SALT now is that there is very little public awareness or interest, so that in this vital area activity on the part of the public, in connection with their making their wishes known to us in the Senate and to Congress generally, may be lacking.

So the reason why many of us were concerned and are still concerned about public financing is because the thrust of it is to reduce private involvement in the electoral process, and substitute the governmental processes in Washington, D.C. in lieu of it; and to me that is as unhealthy as it can be.

In addition to that, on both sides of the aisle we oppose public financing because essentially what it does it locks incumbents into place. We have enough advantages in this place already in terms of freebies, free mailings and all else, to give us, if we do a reasonably good job, considerable advantage insofar as a challenge is concerned.

I have not been here so long that I do not remember what it is like being a challenger for the U.S. Senate. It is tough; it is uphill when you wrestle with one of these incumbents and attempt to replace them. It is a difficult thing to do, as any challenger will attest.

To strengthen that hand even more by way of public financing and limiting the challenger as to what he can spend in one of these races, Mr. President, I think puts the incumbent at an undue advantage in the situation.

But in addition to all that, and to me more important, is that we substitute the integrity of the local election process with a Washington process. And finally, in all these delicate areas, whether it is a Senate race, a House race, or whatever, we have bureaucrats in the FEC involved in making campaign decisions. Beyond that, from the standpoint of sheer practicability, we all known the FEC has not even completed its work, 3 years later, on the last Presidential election campaign. There was an extensive article in the Washington Post not too long ago demonstrating conclusively that the audits required by that Presidential campaign have not yet been completed.

Can you imagine what we would do to the process, to the FEC, and to all these various candidates if we imposed upon them performing audits on 535 additional races?

You can say, "We will staff it up and tool it up, and provide the financial resources, which in turn will provide the manpower, and we will get the job done." I do not believe it, Mr. President.

So, for all these various points, many of us in this body strongly felt that public financing was harmful to the process, and we resisted it. It is apparently clear in the estimation of some, and I know there is a conflict—Senator HATFIELD has indicated some in his discussion—as to whether Mr. Reiche is really all that positive on the issue of public financing. He has given some indication that he seems to favor public financing, but that may not be his position. He may be ambivalent.

Well, if that be the situation one of our Republicans sitting on that Commission, I as a Republican am terrified. I do not even want to take a 5 percent risk on that point. So I have to talk about this as being a partisan situation, with a man on it who is, as a Republican member ambivalent. Feeling as strongly as we do about public financing, that we need to have a majority of the Republicans on the Commission opposed to public financing, it does not make any sense at all for us to have this nomination imposed upon us, and that is essentially where we are going.

The present Federal Election Commission is dangerously remote from the people of these United States. It is by its very nature inimical to the principle of local control of Government's most urgent process, that of electing its Representatives. It already threatens to grow beyond the power of Congress and become almost a law unto itself. It threatens any Member of Congress daring to question its perquisites with crippling harassment. In short, Mr. President, the tail is coming to wag the dog.

A timely and eloquent warning is given us by the Honorable WILLIAM L. DICKENSON, of the Second District of the great State of Alabama, in a recent book, "Can You Afford This House?" I would like to read into the record the chapter entitled, "Manipulating Federal Elections—And Calling It Reform." It states:

> The seventies will be remembered as a decade of reform. Spurred on by Watergate, various congressional scandals, and Koreagate, the majority in Congress seized the opportunity to extend Government regulation to the one area that our forefathers deemed most sacred—our election process.
>
> In 1971, the Federal Election Campaign Act was adopted, which included stringent reporting requirements of a candidate's expenditures and receipts. The act has not been a complete success—

And that is certainly an understatement. Continuing:

> As evidenced by the fact that it was amended in 1974 to establish the Federal Election Commission (FEC) and again in 1976 to correct defective provisions ruled unconstitutional by the U.S. Supreme Court. As though following a pattern, further amendments to repair a hasty and ill-drafted piece of legislation will be considered in 1978.
>
> It has become almost standard procedure to complicate federal election laws with new and even more controversial provisions. The public financing of Senate and House elections has become a favorite subject of the majority party, along with instant voter registration. It is ironic that such complicated and controversial schemes are proposed in the face of the confusion and difficulty with the present election laws. At a time when the public is demanding honest and fair elections, the first order of business should be to clarify the present law so that everyone can understand it.
>
> Public financing of congressional campaigns has been urged as the most effective way to reduce the influence of special interests, promote more political participation and competitiveness, and improve the public image of Congress. These goals are surely worthy ones; however, what the proponents of public financing say it will do, and what it actually will do, are two different things.
>
> In reality, the concept of publicly financed federal elections works as an ingenious method to keep incumbents in office.

This is a point I was trying to make a while ago. Continuing:

> The Federal election laws are supposed to ensure fair and honest elections. It can hardly be fair to challengers to limit them in what they can spend by a grant of federal money in a dollar amount equal to that which an incumbent would receive, because no consideration is given to the tremendous amount of publicity that an incumbent receives by virtue of his status as a Federal officeholder; nor is consideration given to the use of the frank (free mailing privileges), newsletters, and other devices which give the incumbent a sizeable advantage in the next election.
>
> In order for a challenger to defeat an incumbent, he must outspend the incumbent by a significant margin. In accordance with the *Buckley* v. *Valeo* decisions, which held that spending limitations cannot be imposed upon a candidate who does not accept public moneys, enactment of a public financing bill would force the challenger to refuse Federal money in order to have a shot at getting elected. At the same time, public financing would act as a gift to the incumbent of taxpayer money, to finance his campaign. Based upon the realities of the election process, the public financing concept is little more than an incumbent reelection insurance plan with the premiums being paid for by the taxpayers.
>
> Another misconception about public financing of Federal elections is that it would reduce the ability of special-interest groups to buy candidates. If this is really a problem, the solution lies in full public disclosure of each candidate's contributions and expenditures, without all the built-in exceptions. As the old saying goes, "Where There's a Will, There's a Way." There will always be attempts to influence legislation. Any attempt to limit or prohibit contributions to candidaes by special interests will be met with alternative means to accomplish the same result, perhaps to the point of actually encouraging newer, more subtle methods of influencing the candidates.
>
> The current law does not provide equal treatment for all interest groups. The most notable imbalance is the exemption granted to labor organizations for registration, get-out-the-vote drives, and "volunteer" election-day activities, which are not required to be reported to the Federal Election Commission. It is grossly unfair to grant preferential treatment to big labor and at the

same time deny business's political action committees (PACs) similar treatment. The number of stockholders in this country exceeds the number of union members by more than four million. Their interests deserve to be expressed and protected no less than those of the union members. If money from corporate PACs is an evil influence, it is no more so than that contributed by labor.

Public financing of elections has another drawback that has not been fully understood by the American taxpayer. No matter how you view it, public financing is one of the biggest ripoffs of taxpayers that have been proposed in recent years. The money that will go to finance an election has to come from tax dollars. It is not additional money contributed freely for that purpose by the American people. Only 3.4 percent of the taxpayers in Maryland were willing to add $2 to their tax payment to remove the "evils of private money in state elections." The present presidential checkoff system, which does not require the taxpayer to add an additional dollar to his tax bill, indirectly results in more taxes for the American people, or fewer services, or both. Put simply, if taxpayers pay $100 into the Treasury and the Government spends $100 for various Federal services, diverting one dollar to political campaigns would leave the Treasury with a balance of $99 to finance those same Federal services. The result is that either some of the services will have to be reduced, or additional taxes will have to be collected. Everyone ends up financing political campaigns to some extent, whether or not he utilizes the checkoff provision on his tax return.

The proponents of public financing may attempt to sell their proposal to the people by raising the national debt ceiling to avoid any direct effect upon the taxpayers. What this really amounts to is forcing the people to pay for incumbents' campaigns without realizing it. The proponents have an easy task selling their plan to the public because most people do not understand what happens when the national debt is raised. The result is higher prices and less buying power for the taxpayers.

Various voter-registration schemes have been introduced by Democratic Members of Congress allegedly to increase voter participation, but these schemes seem to me to be at the expense of honest elections. Not only do postcard and same-day registrations plans create administrative nightmares for election officials, they make it remarkably easy to cast fraudulent votes. The criminal provisions that accompany the registration plans will not prevent fraud. Even if convictions are obtained and the guilty punished, the American people's confidence in their elected representatives will be severely shaken. Enactment of a voter-registration law without sufficient safeguards to prevent fraud will only result in more confusion and a deeper belief by the public that politicians are crooked. The ultimate result will be increased voter apathy, exactly the opposite of what instant voter-registration proponents assert it will do.

If the obvious potential for fraud is not enough to spell defeat for easier voter-registration schemes, then the overwhelming objection to instant voter registration by state election officials and the U.S. Department of Justice should be. State election officials, expert in the area of voter-registration problems, agree that greater voter participation is a worthwhile objective, but that end does not justify creating a public joke by encouraging stolen elections. The prospect of longer lines at the polls and an insufficient number of volunteers to help run the elections will only encourage voters to stay away from the polls.

The Justice Department's opinion, as reflected in a memo dated April 1, 1977, stated that the relaxation of what few safeguards presently exist will deprive the states of their ability to prevent fraud and judge the qualifications of voters. The alternative safeguards presented in H.R. 5400 were viewed as inadequate by the Justice Department, which through its experience is aware that those who will commit election fraud are not going to be deterred by the enactment of still another criminal statute.

In view of all the criticisms of instant voter-registration proposals, one must ask if the proponents of such schemes have something in mind other than the best interest of the American people. Both Republicans and Democrats want more people at the polls. The question is how to achieve this worthy objective in a manner fair to all sides. The Washington Post editorialized on July 17, 1977, that "bolstering election administration seems to be a secondary interest for the Democrats. Their first hope is to get more people to the polls. They ought to try to do that in the customary ways, through good grass-roots organizations, attractive candidates and issues, and strong campaigns."

Numerous studies have been conducted in recent years in the effect of our registration laws on voter turnout. The consensus is that the registration laws are not the cause of low voter turnouts for elections. More important, most nonvoters have indicated that they are turned off by the candidates.

In fact, in response to a question in a survey compiled by the Hart Research Associates, nonvoters said that the factor which would most likely get them to vote in the future would be "having a candidate worth voting for." It is clear from most of the studies that the best way to get more people to vote is to give them attractive candidates who are willing to discuss issues of interest to the people. Candidates who straddle the fence on controversial issues do not stir the interest of the people.

The Justice Department's opinion, as reflected in a memorandum dated April, 1977, stated that the relaxation of what those few safeguards suggest will deprive the States of the ability to prevent fraud and judge the qualifications of voters.

This is the point I spoke to originally, that essentially, what you do by going the route of Federal financing of elections is to substitute the Washington process for the local process. As far as I am concerned, having been involved to a certain extent in both, I think it would be a terrible result as far as the process itself is concerned. Continuing:

The voter-registration laws have been liberalized considerably in recent years to get more people to vote: Longer registration hours, more registration places, and less discrimination against minorities. Despite all that, and more, the levels of voter registration and voter turnout have declined since 1970. In view of the findings of recent studies, and the failure of liberalized voting laws to increase voter turnout, it is doubtful that a new voter-registration law, allowing registration on election day or by mail, is the answer. Voters who are informed and who care about how their government is operated will continue to take an active part in the political process. To increase the voter turnout, we must emphasize more the attitudinal factors, which motivate people to go to the polls, than the structural factors.

The political process through which this country has achieved greatness is undergoing considerable strain. The establishment of the Federal Election Commission marked an intrusion into an area that, except for rare occurrences, had worked well for almost two hundred years. It should be remembered that political parties are nowhere mentioned in the United States Constitution. They evolved as practical mechanisms to make good government achievable. Throughout our history, the courts have declined to hear cases involving political issues. Now, through legal restrictions and bureaucratic regulations and complexities, potential candidates may be driven from the political arena, thereby depriving the public of new ideas and views which could help make our country strong.

Originally, the Federal Election Campaign Act was designed to curtail abuses in the election process, and ensure fair and honest elections. Unfortunately, it now appears that the predictions of many congressmen who were opposed to the establishment of a federal bureaucracy to oversee the federal elections are coming true.

Each year the FEC's budget increases as more people are added to its payroll. There has been an increase from 197 employees in 1977 to 240 employees for 1978, plus a budget increase from $6 million to $7 million.

As I indicated a little while ago, in a piece done in the Washington Post several weeks ago, it is suggested that even with this tremendous increase in funding and manpower, the job still is not getting done, even though their activities are confined almost entirely to the Presidential races of 1976. Continuing:

Candidates are more confused than ever in their attempts to comply with the law, because of the bureaucratic red tape now interlacing the Federal election law, and the crucial but mainly arbitrary decisions made by the FEC in interpreting the FECA.

The 1976 elections gave insight into the problems that face some candidates. A number of candidates for President who had received matching payments to finance their campaigns were told, months after the elections were over, that they had to refund part of the already spent matching payments to the U.S. Treasury because they were not eligible or were not entitled to the full amount that they received.

If senatorial and congressional elections become publicly financed, this will result in an estimated 936 candidates who will have to be audited by the FEC every two years, in addition to the audit of presidential candidates! No one has attempted accurately to estimate how many additional employees the FEC will have to hire, or to estimate how much administering a public financing law will add to the FEC's budget. The FEC, with its 200 employees and $7 million budget, had not by the end of 1977 completed its audit of the presidential candidates for 1976. It is conceivable that, unless the FEC grows into a superagency overnight, our election process will become bogged down by uncompleted audits and litigation every two years, at a cost that will outrage taxpayers—at least $100 million every two years.

The FEC's random audit practice also demonstrates the commission's insensitive approach to the political process. The practice of randomly auditing candidates and sending confirmation letters to contributors not only shows that the FEC does not understand the political process, but also reveals an impracticality in the face of the number of unfinished audits and unprocessed complaints currently before the commission. Such audits should be limited to situations based upon a reasonable cause to believe that the federal election law has been violated by the officeholder. The implication that the candidate has done something illegal might very well cost him his reelection as well as his good reputation.

It is to be hoped that members of Congress will put aside any preoccupation with

schemes that complicate and confuse our election process and join together to draft a law that treats all candidates and interests equally. It is only with a law that requires full disclosure of contributions and expenditure attributed to a candidate, without any loopholes to organized labor or business, that we can begin to restore public confidence in our political system.

It is high time that we abandon ill-conceived attempts at "reform" simply for the sake of reform—

And we do that all the time around here. Continuing:

and settle down to the task of protecting the interests of the people in a manner worthy of the trust they have placed in us.

Let us not add meaning to the definition of politics once expressed by Groucho Marx, who said politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly, and applying the wrong remedies."

The nominee now before us here in the Senate can offer us no prospect of relief from this frightening situation. Far from sharing our concerns, he would like to grant the FEC almost absolute power over Congress and remove from the people one of their most important means of controlling elections, the financing of election campaigns.

Federal financing of our elections would ultimately make each of us directly accountable to the FEC for every penny we spend in an election campaign. It would be the utmost folly to trust any agency with such vital information. How much more folly must it be to entrust it to such men as Thomas Harris? A creature of big labor—could a candidate for office who believes in the right to work, for example, expect Harris' complete confidence and impartiality? If the gentleman from New Jersey cannot forsee this eventuality from public financing, then he does not understand the character of the present FEC. And if he does not understand the situation, it is hard to see how he could ever alleviate it.

Perhaps the nominee does understand the consequences of public financing of Federal election campaigns just as we do. If so, then, he clearly looks forward to the exercise of such absolute power for himself. Any man who desires power without responsibility may be expected to exercise that power irresponsibly.

Faced with a candidate whose words decry either incompetence or ambition the Senate should be emphatic in its rejection of this nomination.

The Senate should reject, just as emphatically, the FEC itself if it continues its blatant favoritism to organized labor unions at the expense of legal justice.

Mr. President, I trust that my distinguished colleagues would find an article in Conservative Digest published in October 1978 of great relevance to this issue. The article is entitled "FEC: Big Labor's Newest Weapon":

FEC—The Federal Election Commission. Mark that name. It's an obscure Federal bureaucracy well on its way to becoming the instrument through which top union officials will impose their will on the U.S. Government.

Because its thumb rests on the jugular vein of representative government, the FEC provides an ideal body through which union officials can gain by government fiat that which they can never gain through the voluntary choice of the American people.

Through the actions of union-influenced public officials, key FEC positions are being filled with hand-picked union functionaries. Most recently, FEC commissioner Thomas E. Harris—a long-time lawyer and lobbyist for the AFL-CIO—tried to recruit organized labor's Sam Zagoria, formerly president of the Newspaper Guild, acted as big labor's mouthpiece on the U.S. Conference of Mayors (6 years), the National Labor Relations Board (4 years), and, in 1977, the Maryland Task Force on Collective Bargaining for Public Employees. President Carter reluctantly withdrew his nomination of Zagoria only after intense pressure from Republicans that started last year when the National Right to Work Committee (NRTW) exposed Zagoria's past.

Three cases well illustrate the FEC's loyalty to orgnaized labor chieftains.

The first case involves the Nation's largest single union, the National Education Association (NEA). From 1974 through 1977, the NEA automatically and illegally deducted an estimated $400,000 annually from teachers' paychecks as political "contributions"—without asking the teachers' permission.

The FEC refused to act on this gross violation of election law, although Commissioner Harris later admitted he knew all along the deductions were illegal. "No other union has conceived that it (the illegal paycheck deduction for politics) was permissible either under the 1974 Taft-Hartley Act or under the subsequent revisions," Harris testified before the House Administration Committee.

Yet it was only after the National Right to Work Committee obtained a court order that the Commission finally moved against the NEA. Had the FEC refused to act, the Right to Work Committee would have been allowed to prosecute the NEA to the fullest extent of the law. So the FEC prosecuted, but withheld important evidence and argued the weakest possible case.

The predictable result: Neither a fine nor a penalty, but just a gentle slap on the wrist and an order to set up a fund for teachers to get a refund if they request it.

The second case is that of an AFL-CIO conviction earlier this year. Although the organization was found guilty of illegally funneling $312,000 from its general treasury into its political war chest, the penalty was a meaningless $10,000 fine. Following the decision an AFL-CIO spokesman remarked, "We made $302,000!"

And they had. I continue:

The FEC lawyer assigned to the case remarked, "I'm pleased as punch!" Again, the FEC made its half-hearted effort to enforce the law only after the National Right to Work Committee filed complaints and obtained a court order that forced the FEC to act.

The third case is that of the National Right to Work Committee itself, a prime target on the "enemies list" of top union officials. Using its already legendary powers to tie up legitimate campaign operations, the FEC has effectively blocked National Right to Work from setting up a political action committee for over two years.

When in January 1976 the NRTW organized its PAC—called Employee Rights Campaign Committee—it asked the FEC for guidance on how to conform with the incredible array of vaguely worded rules governing campaign activity. The FEC, chaired by former AFL-CIO attorney Tom Harris, refused to give such guidance for month after month, despite repeated appeals and despite the fact that Federal law required such advisory opinion within "a reasonable time." Meanwhile, NRTW felt constrained in moving ahead with its PAC for fear of violating some ambiguous statute or ruling.

When, in January of 1976, the National Right to Work Committee organized its pact called Employee Rights Campaign Committee, it asked the FEC for guidance on how to conform with the incredible array of vaguely worded rules governing campaign activities.

The FEC, chaired by former AFL-CIO attorney Tom Harris, refused to give such guidance for month after month, despite repeated appeals and despite the fact that the law required such advisory opinions within a reasonable time.

Meanwhile, the National Right to Work Committee felt constrained in moving ahead with its pact, for fear of violating some ambiguous statute or ruling.

So what this points up, Mr. President, is the fact that you have a process and you have a structure that is strongly tilted so far as we Republicans are concerned on the other side. Under the terms of the law, the unions are heavily preferred. Under the procedure and the track record that we observe, since the enactment and creation of this commission, the Republicans, those who stand on the side of right to work and on a lot of these issues, are in peril.

It is for that reason that we, as Republicans, are concerned about this nomination. As obscure as it may seem in the total picture, it is key, it is critical.

When you get a vote situation such as we now have, in which every vote counts in terms of protecting our political flanks, it is no small wonder that we are exercised.

So, Mr. President, for these and other reasons, this Senator voices strong opposition to the nomination of Mr. Reiche to the position to which he aspires and joins strongly in this opposition with the junior Senator from New Hampshire.

(The following proceedings occurred earlier and are printed at this point by unanimous consent:)

Mr. HATFIELD. Will the Senator yield?

Mr. President, I ask unanimous consent, with the approval of both the Senator from New Hampshire and the Senator from Nevada, that the Senator from New Jersey (Mr. BRADLEY) be recognized for 2 minutes. Then the floor will be resumed by the Senator from Nevada, having been yielded the floor with unanimous consent by the Senator from New Hampshire.

The PRESIDING OFFICER (Mr. INOUYE). Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, I do not usually comment on matters that are really of concern to the opposite party from mine, but I feel that Mr. Reiche, as a resident of New Jersey, deserves some comment from one of the Senators from the State of New Jersey. I want to take this opportunity also to set the record straight about my own relationship or lack thereof with Mr. Reiche.

The first time that I met Mr. Reiche was last winter, after his nomination had already been suggested by the Republi-

can Party. Since he was from New Jersey, I did make a number of inquiries after that date, and I discovered from these inquiries that he was a fine public servant—honest, capable, a man who served in the New Jersey Election Commission in an outstanding capacity, a Republican and a fine public servant.

I think it is important today that these facts be laid before the Senate for our consideration so that the Senate may know that in New Jersey, based upon an independent inquiry on my part, his qualifications are considered outstanding. I think that consideration of Mr. Reiche for this post would be a very important matter, to be resolved in a positive form.

I thank the Senator for yielding the floor.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the remarks of the Senator from New Jersey be placed at the end of the remarks of the Senator from Nevada. I am very grateful to the Senator from Nevada and the Senator from New Hampshire for yielding for this purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Conclusion of earlier proceedings.)

Mr. HUMPHREY. Mr. President, I thank my colleague and friend from Nevada for his part in this discussion. I think his remarks brought out once again, for us to see, the bias shown on the FEC.

Unfortunately, it is a very partisan body; and if those of us on this side want our rights to be watched carefully and protected, we must have a strongly partisan representative on that Commission.

The nominee whose confirmation is in question today, it seems to me, has not made up his mind on some very important matters central to the opposition by my party to further growth in Government power—more particularly, further growth in Government power over the electoral process. I think that is the heart of it.

Mr. Reiche, in regard to extending taxpayer funding to campaigns for congressional elections, has said at various times that he is not philosophically opposed to it. He has not made up his mind. He has not had enough experience, he says.

I think all that is superfluous, at least the latter parts. I would like him to have made up his mind on the philosophical basis itself.

The surest way to extend Government control and power over the electoral process is to put the Government in the position of doling out dollars for campaigns.

Nearly every Government program comes with a multitude of strings. It is these strings that are choking our towns and our cities and our citizens across this land.

Does the Senator from Idaho seek recognition?

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield, without losing my right to the floor.

Mr. HATFIELD. Yes.

Mr. President, I know the unanimous-consent request the Senator is about to state. I have not objected during the day to such unanimous-consent requests on the part of the Senator from New Hampshire, to yield the floor to some other speaker without losing his right to the floor, and thereby be within the limitation of two speeches in one legislative day, one calendar day.

The Senator from New Hampshire knows that I have made two speeches today. Therefore, I am precluded at this point from making a closing argument if there should be a motion or if there should be a move to make some kind of decision.

Therefore, before the Senator states his unanimous-consent request, I would like to ask unanimous consent that I be granted the right to make a closing statement prior to a vote or prior to a parliamentary action during this calendar day.

The PRESIDING OFFICER (Mr. BUMPERS). Is there objection

Mr. HUMPHREY. I raise no objection to that, Mr. President. However, I do wish it to be clear that in so refraining from objecting, I am not agreeing to a vote on the question of the nomination today.

Mr. HATFIELD. I did not designate the parliamentary action that might occur. I am merely saying that under any parliamentary procedure that might bring the Senate to a vote on an issue relating to this subject, such as a motion to recommit or a motion to lay on the table or some other motion that I understand may be made, before this calendar day is over, I would like a right to make a closing statement on this subject.

I am precluded from doing so now under the rule of the Senate that says that after a Senator has spoken twice on the same subject on the same calendar day, that Senator is finished. But I do want the right to make a closing statement prior to any motion.

The PRESIDING OFFICER. The Chair advises the Senator from Oregon that the rules provide that no more than two speeches may be made in 1 day on any one question. The pending question before the Senate, of course, is the confirmation of the nomination. Should there be a motion regarding the nomination, that would constitute a separate question, and therefore an additional two speeches would be in order.

Mr. HATFIELD. I thank the Chair.

A parliamentary inquiry. Let us assume some hypothetical circumstance, that this might reach a place in the Calendar today that would call for a vote up or down. Would the Senator from Oregon be privileged to make a closing statement under that circumstance, having already spoken twice today on that subject?

The PRESIDING OFFICER. The Senator would not be entitled to speak, if the point were raised.

Mr. HATFIELD. Therefore, I renew my unanimous-consent request that, under whatever circumstance, I not be precluded from making a closing statement on this subject concerning Mr. Reiche's nomination. I am not expecting to make a third speech unless it is needed as to some kind of conclusion or decision or some kind of parliamentary change of circumstance.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. I have no objection, Mr. President.

Mr. McCLURE. Mr. President, reserving the right to object—and I do not intend to object, because I think the request of the Senator from Oregon is fair under the circumstances of the debate today—does it or does it not apply to the usual questions which are nondebatable? I would assume that it would not open a nondebatable question to debate.

Mr. HATFIELD. A motion to table, for example, is not debatable, and I would not expect to make a speech under those circumstances.

Mr. McCLURE. I thank the Senator.

Mr. HATFIELD. I thank the Senator from New Hampshire for yielding, and if he wishes to make his unanimous-consent request, I have no objection.

The PRESIDING OFFICER. The question is on the unanimous-consent request by the Senator from Oregon.

Mr. ROBERT C. BYRD. Mr. President, what is the request?

The PRESIDING OFFICER. The unanimous-consent request was that the Senator from Oregon be allowed to speak prior to a final vote, to make a closing statement prior to a final vote on the confirmation of the nomination, even though he may have spoken twice previously during the day on the subject.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, suppose it is a nondebatable motion, such as a motion to table?

Mr. HATFIELD. I say to the majority leader that I just responded to the Senator from Idaho on that point. No, I would not expect to have any violation of normal parliamentary procedure to give me that right to speak, but only under the general terms of parliamentary procedure where a closing statement would be in order.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, the unanimous-consent request of the Senator from Oregon is agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Idaho without losing my right to the floor, and with the understanding that the resumption of my remarks will not be counted as a second speech.

Mr. HATFIELD. Mr. President, reserving the right to object—and I shall not object—as I understand the parliamentary situation relating to the Senator from New Hampshire, he is in the midst of his second speech on this subject in this calendar day. Therefore, he may continue the use of the floor, with the intervening speech by the Senator from Idaho, and still be able to speak to this subject.

Once he yields the floor to an intervening speaker without unanimous consent,

the Senator from New Hampshire then would be precluded from speaking a third time. Is that correct?

The PRESIDING OFFICER. If this is in fact the second speech of the Senator from New Hampshire, the Senator from Oregon is correct. However, it is not self-enforcing, the Senator would have to be called to order for making a third speech.

Mr. HATFIELD. Does the Senator from New Hampshire agree to that analysis of the situation?

Mr. HUMPHREY. I do think so.

Mr. HATFIELD. I do not object, and I am happy to have the Senator to continue to use the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho.

Mr. McCLURE. I thank the Chair, and I thank both the Senator from New Hampshire and the Senator from Oregon for making it possible for me to speak at this time.

Mr. President, I am concerned about the nomination not so much because of Mr. Reiche but because of the Federal Election Commission and the law under which we work and which will be the subject of the actions of the Federal Election Commission of which he would become a member.

Mr. President, I think we need to take a look at what the Federal Election Commission may or may not do in light of what it has or has not done. I call to the Senate's attention a special report which appeared in "The Nation," the issue of May 19, 1979, an article by Peter Peckarsky, an attorney, who is White House correspondent for the Washington Wire, a national news service. This article was in part supported by a grant from the fund for investigative journalism in Washington. I think it is pertinent to our discussion today because it focuses on one aspect of the deliberation and one area of responsibility of the Federal Elections Commission of which Mr. Reiche would become a part.

Mr. President, I read from the article that appears to which I have made reference:

During the past seven months scattered but increasingly linked reports have appeared in *The New York Times*, *The Washington Post*, on ABC television and most notably in the columns of William Safire, that cumulatively point to serious financial improprieties in the financing of Jimmy Carter's 1976 Presidential campaign. On the basis of two years of research, more than 1,000 interviews with more than 200 people and a review of nearly 20 linear feet of documents, it is now possible to construct a mosaic of detail that, for the first time, provides a complete and plausible theory about the financial irregularities that may have put Jimmy Carter in the White House.

Before going any further, let us recapitulate what facts have already been made public. First, on October 19, 1978, *ABC News* reported (from information supplied by this correspondent) that discrepancies had been found in President Carter's tax returns. Second, as highlighted by William Safire in his column of November 6, 1978, Billy Carter took the Fifth Amendment in an appearance before a Federal grand jury investigating Bert Lance's financial dealings. Third, accounts surfaced in the national press, derived from a report of January 17, 1979, by the National Bank of Georgia, of which Bert Lance was formerly president, that there had been delays in the repayment of loans made by the bank to Carter's Warehouse. Fourth, *The Washington Post* on March 11, 1979, raised charges that Billy Carter had altered records of the Carter family peanut warehouse and failed to make timely payment of $500,000 owed by Carter's Warehouse to the National Bank of Georgia. The fifth charge, a matter of public record in 1976, concerned the extension of $645,997 in credit by the Gerald Rafshoon advertising agency to the Carter campaign. And finally, *The Washington Post* reported on April 8, 1979, that some bank loans to Carter's Warehouse, although due in the winter and spring of 1976, had not been paid back in full until July 14, 1976.

Thus far these separate bits add up to a suggestive, but far from coherent picture. In the following article, bringing to bear additional information, I shall demonstrate how funds may have been improperly transferred from the Carter family business to the Jimmy Carter Presidential campaign. This information also raises new questions concerning the role played by Gerald Rafshoon, assistant to Persident Carter for communications, in the financial affairs of the campaign.

On December 12, 1974, Jimmy Carter announced his Persidential candidacy. Almost immediately, his campaign committee, the Committee for Jimmy Carter, faced a problem: as of January 1, 1975, it had to comply with the Federal Election Campaign Act, which limited individual contributions to a Presidential campaign to $1,000 and forbade direct corporate contributions altogether.

On January 22, 1975, Bert Lance, Carter's longtime friend and commissioner of the Georgia Department of Transportation when Carter was Georgia's Governor, became president and chief operating officer of the National Bank of Georgia. Although the bank's major experience was in urban lending, Lance soon made Carter's Warehouse in rural Plains, Ga., one of the bank's biggest customers.

Carter nominated Lance director of the Office of Management and Budget in early 1977. But an investigation into Lance's banking activities led to his resignation on September 20, 1977. The main Justice Department probe of Lance has resulted in one indictment, is expected to produce more, and led to the appointment of a Special Counsel to investigate loans made by the National Bank of Georgia to Carter's Warehouse, a partnership owned by Jimmy Carter (62 percent), Billy Carter (15 percent) and Lillian Carter (23 percent).

The key to unraveling the intricacies of President Carter's campaign finances is understanding that $1 million in loans made in 1975 and 1976 by the National Bank of Georgia to Carter's Warehouse for purchasing a peanut sheller and for warehouse construction actually made little or no business sense. The reasons why this is so are explained on page 571, but the upshot is that the sheller purchase may have been a pretext that enabled Bert Lance's bank to loan President Carter's business an additional $5.8 million ($2.2 million in 1975 and $3.6 million in 1976)—ostensibly for buying peanuts to be processed with the new sheller. Actually, the shear magnitude of these loans may have provided an opportunity to divert some of the money for use in the Carter campaign.

In fact, three separate sources attest that about $500,000 of these National Bank of Georgia loans—and perhaps more—was not properly accounted for on three separate occasions. The first two sources consist of documents that have already come to public light. But the third source's information involves a $500,000 shortage that coincided with the 1976 campaign and thus provides a reasonable and extremely troubling explanation of how National Bank of Georgia loans actually may have found their way into the Carter Persidential campaign.

The first discrepancy arose out of the Carter loan agreement which provided that the National Bank of Georgia would extend loans up to a maximum of 80 percent of the value of the peanuts in the Carter warehouse. In other words, the peanuts represented collateral on the bank loan. As the shelled peanuts were sold, i.e., as the amount of collateral on hand diminished, Carter's Warehouse was obliged under the terms of the loan to pay back the bank.

At the end of 1975 Carter's Warehouse had an outstanding loan of $1,690,000 from the National Bank of Georgia. For this loan to be properly secured, the warehouse should have had $2,112,500 worth of peanuts on hand. But in fact, an unaudited, uncertified Carter's Warehouse balance sheet of December 31, 1975, listed the market value of the peanuts on hand as only $1,499,403—or some $613,097 less than the loan agreement required.

The second public source to confirm another large discrepancy emerged on January 17, 1979, when the National Bank of Georgia Special Committee reported that on June 7, 1977, Robert Flynt, then the National Bank of Georgia's vice president in charge of Carter's Warehouse accounts, wrote Billy Carter to request payment of $500,000 to balance the peanut loan account. The overdue money was needed because Carter's Warehouse had withdrawn $476,000 worth of peanuts from storage without paying for them, meaning that there were no longer enough peanuts on hand to secure the bank loan.

Finally, a third, independent source—a person close to the Justice Department investigation now in progress—says that in the month before the decisive April 27, 1976, Pennsylvania Democratic primary, about $500,000 was transferred from Carter's Warehouse accounts at the National Bank of Georgia to Billy Carter's personal accounts in the same bank. Shortly after this transaction, Billy Carter reportedly withdrew the $500,000 from his personal accounts.

Thus, in addition to the two documents already on the public record, now a third piece of the puzzle is offered which also indicates a mysterious $500,000 discrepancy. This new source, whose previous reports on Carter's finances have proven correct, also says that "About $500,000 was redeposited into Billy Carter's National Bank of Georgia accounts in May and June 1976. Justice doesn't know where this money came from, but they were told that the money was then transferred from Billy Carter's personal accounts to the Carter warehouse accounts and then used to repay the delinquent peanut commodity loan."

On March 11, 1979, *The Washington Post* carried a story that quoted Jimmy Hayes (a bonded warehouseman who worked with Billy Carter) as saying that in the spring of 1976 he and Billy Carter repeatedly altered warehouse records; Hayes also said that Billy Carter had failed to make payments totaling $500,000 owed to the National Bank of Georgia. Billy Carter did not sign the overdue checks until June 1976, well after the pivotal Pennsylvania primary. Hayes was subsequently interviewed by F.B.I. agents. Although Hayes later publicly denied the quote attributed to him in *The Washington Post*, no one has previously reported what Hayes told the F.B.I. I can now report that after Hayes talked to the F.B.I., my source told me that Hayes confirmed *The Washington Post* account to the F.B.I.

Hayes has since refused to comment, other than to refer all questions to his first attorney, Ralph Smith of Bainbridge, Ga. Smith, nephew of President Carter's trustee and campaign organizer, Atlanta attorney Charles Kirbo, also refused to comment. Pet-

er Geer, of Albany, Ga., whom Hayes says now represents him, will not comment. Hayes, Sue Chamblias and David Reeves—all former employees of Carter's Warehouse—testified on May 3 before an Atlanta Federal grand jury investigating the warehouse finances.

In mid-January 1979, Assistant Attorney General Philip Heymann of the Criminal Division ordered a fast, thorough investigation of the Carter warehouse finances. In a series of interviews with this reporter, Heymann said that he had ordered his investigators to look into the question of whether money was diverted from President Carter's business to his campaign. When asked on April 5, 1979, whether the department had traced the money withdrawn from Billy Carter's accounts in the National Bank in the month before the Pennsylvania primary, Heymann replied that "the picture of somebody walking away with a satchel of money doesn't fit." When this reporter said that he had not meant to convey the impression that the money was moved in satchels, Heymann indicated that he wished that his earlier comment would not be reported and refused to comment further on the investigation.

The Justice Department's attempt to trace the flow of funds out of and back into Billy Carter's accounts was halted by Special Counsel Paul Curran on March 20, 1979, the day he was appointed, according to my source. When asked whether the F.B.I. was continuing its investigation, Curran refused to comment. When asked whether about $500,000, transferred from Carter's Warehouse accounts to Billy Carter's accounts, was withdrawn from the National Bank of Georgia in the month before the Pennsylvania primary, Curran hesitated a long time and said, "I don't know that." When asked whether the money was redeposited in Billy Carter's accounts in May or June, Curran said he would not comment on each allegation. I asked my source if there could be some explanation for Billy Carter's withdrawing the money other than a diversion of funds to the campaign. The source replied: "If you believe that there's any other explanation you'd have to believe in the tooth fairy."

Jimmy and Billy Carter, Carter spokesman Jody Powell and Charles Kirbo, all of whom have previously denied that the money was illegally diverted from the warehouse to the campaign, as well as Robert Lipshutz, campaign treasurer, and Lillian Carter, were unavailable for comment. John Parks, Billy Carters Americus, Ga., attorney, refused to comment.

Both the source and a subsequent newspaper account indicated that Curran has in fact instructed the F.B.I. to resume tracing the money. Curran is believed to be focusing on the activities of Carter's Warehouse and Gerald Rafshoon Advertising Inc., of Atlanta, which was the Carter campaign's advertising agency.

THE RAFSHOON CREDIT

By May 31, 1976, Rafshoon's agency had extended credit of $645,997 to the Carter campaign, according to documents on file at the Federal Election Commission. The debt had grown during the early months of the campaign; the campaign committee owed Rafshoon $207,000 at the end of February 1976, $176,000 at the end of March and $350,000 at the end of April. The campaign's peak indebtedness to Rafshoon occurred during a period that roughly corresponds to the period from March 23 to May 20, 1976, when a Supreme Court decision halted Federal Election Commission certification of matching payments to candidates and made campaign financing more difficult.

Federal election law prohibits corporations from contributing to Presidential campaigns or from extending credit to these campaigns except in the normal course of business. In an interview, John Murphy, the Federal Election Commission's general counsel in 1976, interpreted the law to mean that if a corporation extends credit far beyond its usual billing cycle, or at a time when a campaign's credit rating is so feeble that no corporation would reasonably extend credit to it, there is a legitimate question as to whether the credit is an illegal corporate campaign contribution. Rafshoon's agency's actions seem clearly to have been outside the scope of normal industry practice. When I asked Harry Paster, senior vice president of the American Association of Advertising Agencies, what standard industry practice is in billing political campaigns, he replied: "Cash in advance."

Pennsylvania was the make-or-break primary for Carter. While Arizona Representative Morris Udall spent $217,368 and Washington Senator Henry Jackson spent $167,150, Carter, even though his campaign debt was almost $1 million at that point, spent $472,117—perhaps due to the $645,997 credit from Rafshoon's agency, much of which went toward media buys. Jackson and Udall spent almost all they had and lost. It was in Pennsylvania that Carter virtually wrapped up the nomination.

Robert Lipshutz, treasurer of the Carter campaign committee, who is now Carter's White House counsel, said to me that he does not know and did not ask about the source of Rafshoon's largess. Lipshutz claims that the Federal Election Commission said that the credit extension to the Carter campaign was "permissible." But a spokeswoman at the F.E.C. told me that she could find no record of the commission having told anyone at the campaign committee this. John Murphy, formerly at the F.E.C., said that he is sure there was no formal communication about the credit, and doubted that there was any informal communication.

On December 16, 1978, when I asked about the credit from his firm to the campaign committee, Rafshoon said: "I know what you're working on and you're screwed up." When I asked him where his corporation obtained $645,997 to loan the Carter committee, Rafshoon referred all questions to his attorney, William Stack Jr. of Atlanta. But both Stack and Howard Rothchild, who was an agency vice president at the time, told me they did not know where Rafshoon had obtained the money that enabled his agency to extend credit to the campaign committee. Finally, on January 3, 1979, Rafshoon came up with an explanation to this reporter, his suppliers extended credit to his firm and the firm took little or no profits. But he refused to say which suppliers had extended credit, how much credit each extended or what his agency's net profit margin was.

The explanation that the money came from profits does not hold water. The average net profit of an agency in Rafshoon's class is about 1 percent, according to figures supplied by Paster of the advertising association. If Rafshoon's profit margin was 1 percent of his firm's published 1976 total billings of $7 million, the 1976 net profits would be $70,000 and the credit to the Carter campaign committee would have represented a total of nine years' net profits. If Rafshoon's version is correct, the money for credit extended by the agency to the campaign committee would have had to come almost exclusively from suppliers. One of the agency's major suppliers, however, Williams Printing of Atlanta, which billed that agency a total of approximately $100,000 for campaign committee work, was always paid within thirty to forty-five days, according to John Pope of the firm. Don Sharp, Rafshoon's print production manager in 1976, said to me: "There were no long-term extensions of credit by suppliers." Pat Winstead, production coordinator at the Magus Corporation in Philadelphia, which produced the Carter campaign's television ads, told me that Rafshoon's corporation usually paid within thirty to sixty days.

Given that most of the ad money was spent for radio and TV time, for which stations require cash in advance, it is difficult to understand how credit from suppliers would have provided the agency with the money it needed to pay the broadcasters—unless the suppliers were supplying money (instead of materials). Rafshoon's explanation that the money for the credit came from suppliers and profits appears untenable on both counts. When asked whether the credit extended by his corporation to the Carter campaign committee was an illegal corporate campaign contribution in light of standard industry practice of demanding cash in advance from political campaigns, Rafshoon told me: "I do things differently."

Where did Rafshoon get the money? In April 1976, when the campaign committee's debt to Rafshoon's agency increased by $174,000, Bert Lance came to the rescue. On April 19, 1976, according to a National Bank of Georgia special report and a financing statement, the bank extended Rafshoon's firm a credit line of $155,000 secured by the agency's accounts receivable (including the receivables from the insolvent campaign committee). When asked where he would have obtained the money to extend credit to the Carter campaign without the loan, Rafshoon said: "I don't know."

But the Georgia bank only provided a credit line to the agency of $155,000 (and actually loaned less than that, according to Rafshoon's attorney, Stack). That leaves $490,000 or more unaccounted for (since the total credit to the Carter campaign committee was $645,997)—about the same amount of money that the Justice Department allegedly discovered was transferred from the Carter's Warehouse accounts to Billy Carter's personal accounts in the National Bank and then withdrawn in the month before the Pennsylvania primary.

If Rafshoon's agency did obtain its money from Billy Carter, the cash may have moved in this way: Bert Lance's National Bank of Georgia extended a loan to Carter's Warehouse specifically for the purchase of peanuts to be shelled. A condition of this loan was that receipts from the sale of these shelled peanuts would be used to pay back the bank's loan. However, Billy Carter failed to apply the receipts from the shelled peanuts to paying off these loans, instead transferring around $500,000 from the warehouse accounts at the National Bank to his own accounts at the bank. He then gave this money to Rafshoon, who in turn used it to pay Jimmy Carter's advertising bills. In May and June 1976, after Carter won the Pennsylvania primary and private contributions, bank loans and Federal matching funds started flowing in, the campaign committee reimbursed Rafshoon's agency. Rafshoon then returned the money to Billy Carter who redeposited it in his own accounts, and then transferred it to Carter's Warehouse accounts. Then, when there were sufficient funds in the warehouse accounts to cover the checks, Billy Carter repaid the now delinquent National Bank of Georgia loan with warehouse checks. Thus he made up for the $500,000 in checks Jimmy Hayes has said that Billy Carter refused to sign in March and April.

If such a manipulation of funds knowingly took place, Bert Lance, as an officer of the bank, could be charged with a misapplication of the bank's funds, a felony under 18 United States Code section 656. Billy Carter—and perhaps Jimmy and Lillian Carter—might similarly have committed a Federal felony by making a false loan application to an F.D.I.C. bank in violation of 18 U.S.C.

1015. If Robert Lipshutz and Gerald Rafshoon were aware that the National Bank of Georgia's money was being used to pay for the Carter campaign's TV, radio and newspaper ads, then they may have violated Federal election law by participating in what would appear to be an illegal corporate campaign contribution violation of 2 U.S.C. 441b. Further, everyone involved in this scheme might be charged with conspiracy to violate Federal law under 18 U.S.C. 371.

On February 11, 1979, Billy Carter was scheduled to appear on the CBS news program *Face the Nation*. The appearance was abruptly canceled by Billy Carter's attorney the day before, after Rafshoon's secretary called CBS to say that Rafshoon was "quite upset" and "disappointed" that Billy Carter was to appear. Rafshoon refused to discuss his actions.

On February 23, Billy Carter entered an Americus, Ga., hospital for treatment of bronchitis. On March 6, Billy Carter entered a military facility in California for alcoholism treatment which lasted seven weeks. Coincidently or otherwise, this gave Billy Carter a convenient excuse for avoiding Federal investigators as the three-year statute of limitations on prosecutions of criminal violations of Federal election law during the 1976 spring primaries was about to run out. Then, on or about March 1, 1979, the President, acting through his trustee, Charles Kirbo, paid his brother about $314,000 for some land in Plains, Ga.

The net profit to Billy Carter on the sale was about $190,000, according to Don Carter, the Gainesville, Ga., realtor who handled the sale.

In a previously unreported development, Billy Carter on April 25, 1979, as soon as he left the California institution, was briefed in the White House by President Carter in the presence of Presidential aide Hamilton Jordan on the Carter's Warehouse-National Bank of Georgia arrangement in case Curran subpoenaed Billy Carter. My source also said Billy Carter testified before an Atlanta Federal grand jury on May 9, 1979.

THE FRIENDLY INVESTIGATION

While the press has shown considerable interest in the questionable transactions surrounding Carter's campaign financing, they do not have the legal authority (i.e., subpoena power) to get the necessary documents.

As early as June 1977, some would argue, it was obvious from President and Mrs. Carter's Federal income tax returns why Jimmy and Billy Carter should have been called before a Federal grand jury and what they should have been asked. Yet the Justice Department waited until October 25, 1978, to call just Billy Carter before the Atlanta Federal grand jury investigating Bert Lance. When asked on November 22, 1978, about the delay, Walter Barnes, a department attorney on the Lance team, said: "No comment. There are many things I would like to say but the explanations will have to wait until after an indictment. I might not be able to speak even then."

There is an explanation, however. The effective-date section of the Special Prosecutor provisions of the Ethics in Government Act of 1978 allowed President Carter to prevent the legislation from applying to the investigation of his finances until April 24, 1979.

The Special Prosecutor bill provided that the legislation did not cover information "related to a matter which has been presented to a grand jury" and which is "received by the Attorney General within 180 days of the date of enactment of this Act."

The bill passed Congress on October 12, 1978. Sometime in the week of October 16–20, 1978, Billy Carter was subpoenaed, according to a Justice Department source. Not until the day after Billy Carter claimed his Fifth Amendment right not to incriminate himself in front of the grand jury did President Carter sign the bill. Thus, he delayed the application of the Special Prosecutor legislation to the investigation of his finances for six months.

Philip Heymann told this reporter that the Carter loans first came to his attention on August 13, 1978, as a result of the Lance investigation. When asked why it took so long to inquire into the loans, Heymann said he did not know. He cited the mammoth nature of the Lance investigation as a possible cause for the delay. Heymann said he was unaware that there had been press attention to the loans as early as November 1976.

CONCLUSION

Although serious questions had been raised as early as October 19, 1978 (on the *ABC News* report), the Justice Department's investigation of the numerous questionable transactions surrounding President Carter's personal and campaign finances did not really move into high gear until January 1979—after William Safire's question-raising columns—when Heymann ordered the inspection of Carter's Warehouse finances.

Because of the delay in appointing Special Counsel Paul Curran, President Carter and all his men are at the point where the three-year statute of limitations on prosecutions of criminal violations of the Federal election law in the 1976 primaries is about to run out. Prosecutions for banking law felonies, however, have a five-year statute of limitations and are still possible.

The responsibility is now Curran's to conduct a thorough investigation, and find the answers to the following questions, among others:

(1) Did the Internal Revenue Service properly audit President and Mrs. Carter's 1975 and 1976 Federal income tax returns? In particular, did the I.R.S. find proof (i.e., canceled checks) that all of the $1 million investment on which the Carters claimed an investment-tax credit was in fact spent on qualified business investments?

(2) What did Billy Carter do with the money he allegedly transferred from Carter's Warehouse accounts to his own accounts in the National Bank of Georgia and then withdrew before the Pennsylvania primary?

(3) Where did the advertising agency then owned by Gerald Rafshoon obtain the money it used to extend credit of $645,997 to the Carter campaign committee, including large sums for radio and TV time and newspaper space?

(4) When campaign treasurer Robert Lipshutz authorized repayment to Rafshoon's agency for the credit it had extended, did he know that Rafshoon may have intended to use this money to repay the Carter's Warehouse loan?

(5) Did Lipshutz and/or President Carter know where Rafshoon obtained the money that made the advertising credit possible?

(6) Did Lance know that the sheller-warehouse construction loan by his bank was dubious? Did the construction loan or the peanut loan constitute a misapplication of bank funds?

(7) Did Billy Carter withdraw money from Carter's Warehouse accounts just before the Pennsylvania primary instead of repaying the bank's peanut loan, and did Lance know about it?

(8) What was Gross's role in the F.E.C. audit of the Carter campaign committee books? If the role was improper, what was Lipshutz's role in placing Gross in the key F.E.C. position to control the Carter audit?

(9) What role was played in this extraordinary sequence of events by Attorney General Griffin Bell and his former law partner, Charles Kirbo?

(10) Did the March 1, 1979, payment of about $314,000 to Billy Carter by his brother's trustee (Kirbo) constitute an attempt to buy Billy Carter's silence and thus to obstruct justice?

As the evidence presented in his article strongly suggests, these questions have reached the flash point of scandal. Even worse, perhaps, than the campaign financial irregularities themselves, is the possibility that with the complicity of close Presidential associates and complacent Federal investigatory agencies, what we have is yet another cover up.

The evidence presented here goes deeper than what the press has vaguely and too glibly dubbed "Peanutgate." What it appears to constitute is nothing less than a prima facie case that funds from Bert Lance's bank were illegally used in the Carter campaign. If he had lost, candidate Carter could have expected that the alleged irregularities would have vanished in the post-election mists. If elected President, however, he could expect to assume control over the investigatory apparatus of the Government and control its inquiries. Can this really have happened so soon after Watergate?

Now, an independent Special Counsel has been appointed who is charged with uncovering the truth. Although hobbled by an inability to offer potential witnesses immunity from prosecution without Justice Department approval, Paul Curran has been invested with a public trust to seek the answers to the questions that the evidence insistently raises. One hopes he is able to provide them sooner rather than later.

On the night of December 12, 1974, when he announced his Presidential candidacy, Gov. Jimmy Carter said: "There are a lot of things I would not do for an office or honor in the world." Now it is vital that the people know just what he did do in pursuit of the Presidency of the United States.

Mr. President, I have taken the time to read this article in its entirety because it relates not just to the election of President Carter, not just to the question of whether or not the FBI or the various investigatory agencies have done their job, but because it also relates to the actions of the Federal Elections Commission itself. We are debating the nomination of a man to that Commission and it is important for us, as we debate the qualifications of that man and the job which he has been nominated to undertake, to look at what the Elections Commission has or has not done in one of its most critical areas of responsibility. I think the RECORD is more than replete with suggestions that they have been less than vigorous where it comes to the question of investigating the campaign finances of the Carter Presidential campaign.

Now we are told, Mr. President, that we must get this nomination done quickly in order that they can complete their work before he gets involved in the next campaign. I am concerned not just about when they complete their work, but how they complete their work. I think it is important for us to know that when this job is done, it is done fairly, it is done efficiently, it is done objectively, it is done without any attempt to avoid the consequences of the charges that are made in Mr. Percarsky's article.

Mr. President, I think there is substantial reason to question whether the Commission as now constituted has done what should have been done. I am concerned that, whether or not there is a change in personnel on the Federal Election Commission, we know that Mr.

Reiche, or whoever else may be nominated to that Commission will delve into these questions.

Did they, as a matter of fact, help in delaying the matters that were critical in timeframe as laid out in the article?

Mr. President, these are not simple charges. They are not casually repeated by me.

I do not know the truth concerning Mr. Percarsky's allegations in this article. The American people are entitled to know the truth about these allegations. We will never know whether they are adequately investigated unless we have faith in the people who are on the Federal Election Commission. We certainly must then very carefully scrutinize the qualifications and the commitment of any person who is elected to serve in that position, particularly where he has been nominated by the very man who must be investigated.

I think we are entitled to ask some questions. I think they are very serious questions. I think they need to be answered. We do not have the answers before us today.

Mr. President, I yield the floor back to the Senator who has control of the floor and who yielded to me.

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I thank the Senator for his enlightened comments and for contributing to the debate.

I do thank the Senator from Idaho for assisting me in an endeavor which we see as one which seeks to protect the rights of our party—nothing more.

It is not to ruin anyone's reputation or cause irritation. We all have more important things to do. All of us have important things pressing on us.

I do not relish spending my time doing this. But I feel very strongly about this nomination. I feel very strongly about the importance of having, for the sake of our party and ultimately the sake of our country, a man on the Commission representing our party who has made up his mind before he takes that seat about how far we should go in empowering the Government to oversee the electoral process.

Mr. Reiche, the nominee, has been asked by various persons at various times if he favors extending taxpayer funding of campaigns to congressional elections.

He says he is not philosophically opposed. He says he has not made up his mind about it.

When asked if he favors giving the Federal Election Commission the power to prohibit a candidate from running for office again for a certain period of time if that candidate has been found guilty of a violation of the FEC rules, in response he said something like this: "Well, I don't know. We don't have experience with that. I don't have Federal experience."

It is not a question of experience, Mr. President. It is a question of philosophy, if you will.

Surely, a man who has been active in politics for a great deal of his adult life, who spent 6 years as chairman of a State Election Law Enforcement Commission, should by now have made up his mind about certain fundamental matters.

With respect to the question I just alluded to, the question of whether Mr. Reiche, when asked if he would like to see extended to the Federal Election Commission the power of prohibiting candidates from running for office for a period of time after being found guilty of a violation, the nominee replied in this vein, as it seems to me he always does in response to questions of this kind:

> With respect to the possible extension of this idea to Federal candidates, I would want to study the matter further before ever agreeing to such a suggestion.

I wish he had rejected it out of hand. I would not be here spending my time opposing his nomination. I wish he would have rejected that out of hand and rejected out of hand other proposals to give increased power to the Federal Election Commission.

It is powerful enough. It is the most dangerous agency in our Government. I do not personally want to see and will fight always against giving the Federal Election Commission further powers to regulate and control that one check which citizens have over the Government, the one check short of revolution the citizens have over their Government; namely, the electoral process.

For the benefit of my colleagues who have been busy otherwise and have been conducting business in other places, who have not been able to listen to the debate thus far on the intercom system, let me summarize it as I see the situation, Mr. President.

The statuory term of Mr. Vernon Thomson, who represents the Republican Party, occupying one of the three seats that is allocated to our party on the Commission, as there are three seats allocated to the other party, is expiring.

However, there is no crisis. There is no emergency. My party is still fully represented. We still have three Commissioners sitting. Mr. Thomson may, by statute, remain until his successor is confirmed. Mr. Thomson has indicated by letter to me that he is perfectly willing, even anxious, to stay on. In fact, in verbal conversation with him, he stated that he wished that he would be reappointed. He lives here and intends to keep on living in Washington.

There is no crisis. There is no need to rush. It is unfortunate this matter has come to the floor of the Senate because it is a party matter. I regret that it has to be discussed here, and I ask the indulgence and forbearance of our colleagues on the other side of the aisle in this delicate situation, and it is a delicate situation.

This is not a normal nomination. I am not talking about an everyday Government post.

We who sit on this side of the aisle have, in passing judgment on this nomination, more than our usual responsibility, more that is, because we have a responsibility not only to the citizens of this country, but a responsibility to our party, to make sure that we confirm a man who will adequately represent the interests of our party.

A seat on the Federal Election Commission is a peculiar Government position. It has peculiar responsibilities.

I know, for my part, I would not want to force on my colleagues on the other side of the aisle a candidate who was opposed, who was found wanting, by a substantial number on that side of the aisle.

By the same token, I am confident that they will not want to impose on those of us on this side of the aisle representation by someone who is opposed by a substantial number on this side.

It is not a question of whether the gentleman has professsional qualifications. He has. It is not a question of integrity or honor or character. I have never questioned this. It is a question of whether he is sufficiently partisan.

There happens to be a considerable difference between the approaches of the two major parties on the question of taxpayer funding of congressional campaigns. On the Democrat side, according to the party platform, they advocate extending taxpayer funding to congressional campaigns. For our part, on our side, by a resolution passed by the Republican National Committee this year, we are opposed to it, and elected Republican officials are urged to oppose it.

Unfortunately, this nominee, with respect to this question of extending taxpayer funding to congressional campaigns, says he is not philosophically opposed. Indeed, under sharp questioning by a member of our party, Senator PACKWOOD, the distinguished junior Senator from Oregon asked, "If I want to vote for someone who opposes taxpayer funding of congressional campaigns, should I vote for you or against you?" Mr. Reiche replied, "You should vote against me."

I take that to mean that, at the very least, the nominee does not oppose taxpayer funding of elections and therefore does not embrace the cardinal Republican position that bears on the electoral process which the Federal Election Commission regulates. Because he does not embrace this important Republican position, I question whether the gentleman has sufficient partisanship to protect our interests adequately.

The point has been made that the Federal Election Commissioners do not make policy. I only wish that were true in the absolute sense. They do make policy, just as any bureaucrat makes policy when interpreting the gray areas of the law. There are a great many gray areas. We in this body are human beings and therefore we make imperfect laws which must be interpreted by our public servants. When they interpret these gray areas, these ambiguities, it is only human for their prejudices to play a part in those decisions.

Beyond that, this Commissioner will have duties involving the hiring and firing of staff; and it is only reasonable to assume that his staff, in large measure, will reflect his own positions. The FEC, like all Federal bureaucracies, is so busy that the Commissioners themselves cannot oversee every last detail, any

more than we can as Senators. The staff will be making a lot of decisions and thus taking a lot of actions unsupervised.

The point is that Commissioners do not act in a vacuum, any more than any other executives or any other public servants.

So it seems to me an invalid point to raise the objection, the argument, that Commissioners do not make policy.

Judges do not make policy. However, there cannot be more than a handful of people in this country who do not know that there has been too much judicial activism, and thus judges making policy. Will a judicial nominee come before the Senate and say, "I am an activist; I use the bench to try to advance my own point of view"? You will never find anyone who will do that. They all say they do not. But we know, when we examine the entire evidence that in fact some do; that in fact the judiciary often has usurped executive and legislative powers; and I submit that some legislative powers are also usurped by some of these commissions.

If we cannot count on this nominee to use as the point of departure in making his judgments the official Republican position as enunciated by a resolution of the Republican National Committee, I do not feel confident that we can count on him to be sufficiently partisan in defending our interests before that commission. It is a partisan commission. Irrespective of what it should have been or was intended to be, it is partisan.

Members of my own party and perhaps members of the other party have suffered from that partisanship. I know of one candidate for the U.S. Senate who in the past year's election was badly harmed by the announcement of the FEC of an investigation of his campaign. After the election, the charges were brought. The candidate was cleared. But that did not erase the harmful effect on that candidate during the campaign.

As candidates, we all know that the FEC has the power, simply by announcing an investigation, to do very great damage to our campaign and even to cause our defeat. So we want to be very careful—each of us, on our own side, for our own part—that we have three very solidly partisan Commissioners representing our point of view.

There have been a great many 3-to-3 votes on the Commission, as Senators know. I and others who oppose this nomination fear that if the nomination is confirmed, we shall see 4-to-2 decisions going against our side.

So the matter is more than just philosophical. It is more than just a question of how much more power we want to give to the Government in regulating that vital process, the choosing of our leaders. It is more than that. It has practical effects as well.

Mr. President, in these influential positions, it is vital that we have people who will monitor carefully the activities of staff members who might be inclined to use their staff positions to promote personal social policies outside the mandate of statutes and official agency policy.

As an example, let me read the news release from the Federal Elections Commission on the appointment of Mr. William Oldaker as Federal Elections Commission General Counsel, effective January 1, 1977.

FEC NAMES WILLIAM C. OLDAKER GENERAL COUNSEL

WASHINGTON, November 24.—Vernon Thomson, Chairman of the Federal Election Commission today announced the appointment, by unanimous vote of the Commission, of William C. Oldaker as General Counsel of the FEC, effective January 1, 1977.

Mr. Oldaker presently is the Assistant General Counsel for Compliance and Litigation for the FEC. He will replace John G. Murphy, Jr., who has served as General Counsel since May 1, 1975, and who will resume his teaching post at Georgetown University Law Center on January 1, 1977.

Mr. Oldaker has been with the Federal Election Commission since 1975. In addition to his responsibilities for establishing and supervising the FEC's compliance and litigation programs, he also acted as a liason with Congress in an effort to reconstitute the Commission after the Supreme Court's decision in *Buckley v. Valeo*, January 30, 1976.

Mr. Oldaker, who is 34, received his B.A. and J.D. degrees from the University of Iowa. He also attended the Graduate School of Business at the University of Chicago.

Following his studies at the University of Chicago, Mr. Oldaker worked as an attorney advisor for the Federal Communications Commission. In 1969, he joined the Equal Employment Opportunity Commission as Special Assistant to Chairman William H. Brown, III. In this capacity, he served as a liason with Congress, and as Federal regulatory coordinator, and served on the Administrative Conference of the United States.

In 1972, he was appointed Assistant Regional Attorney for the Equal Employment Opportunity Commission in Denver, Colorado, where he directed the civil litigation efforts of the EEOC in various Southern and Southwestern states.

Mr. Oldaker is a Member of the Bars of the Supreme Court of the United States, the Court of Appeals of the District of Columbia, the District Court of the District of Columbia, the State of Colorado, and the State of Iowa.

Next let me read a news story from the Denver, Colo. Rocky Mountain News dated August 8, 1973 which indicates FEC general counsel Oldaker has in the past taken opportunities to expand Federal agency powers beyond the limits authorized by his supervisors.

This story is from the Rocky Mountain News, August 8, 1973, headline "5 EEOC lawyers suspended for falsifying records."

The regional attorney for the U.S. Equal Employment Opportunity Commission's (EEOC) Denver Litigation Center and four other lawyers assigned there have been suspended from their jobs for falsifying records submitted to Washington officials.

The Rocky Mountain News learned Tuesday that the five attorneys, aided by about 15 other employes, were involved in doctoring "reading files" that were especially prepared for a visit from William A. Carey, the EEOC's general counsel.

By altering the records, the group obliterated a three-word phrase indicating the Denver office defied orders from Washington about how cases were to be filed under the Civil Rights Act of 1964.

MAKING DECISION

Making the decision to falsify the documents were Regional Atty. William Oldaker and Associate Regional Atty. Michael L. Bender.

According to Bender, both men were demoted and received nine-week suspensions as punishment, effective July 27. The other three attorneys, whom Bender and other EEOC officials declined to name, received suspensions of up to five weeks. The other employes received lesser punishment or letters of censure.

Bender emphasized that the documents altered were not actual case files subject to court review and action. Changing case files would have made the attorneys subject to disciplinary action by the courts as well as by higher authorities in the EEOC.

NEVER IN WRITING

Bender said the directive from Washington that he and Oldaker ignored was never put in writing. It limited the filing of class action suits by the EEOC and therefore restricted the possibility of getting broadly applied court decisions.

Mr. DOLE. Mr. President, will the Senator from New Hampshire yield to the Senator from Kansas without losing his right to the floor and without considering it a second speech?

Mr. HUMPHREY. I ask unanimous consent that I may be permitted to yield to the Senator from Kansas without losing my right to the floor and without it being considered a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas.

Mr. DOLE. Mr. President, I do not want to interrupt the Senator's speech.

But, Mr. President, I have been listening to much of the debate through the electronic device that we all have on our desks in our Senate office and like every other Republican Senator I have been following this nomination with interest. I have listened with great interest to the distinguished Senator from Oregon, the distinguished Senator from Nevada, the distinguished Senator from Idaho, and the distinguished Senator from New Hampshire. The Senator from Oregon being in support of the nomination and the other Senators being opposed to the nomination.

Mr. President, I rise in opposition to the nomination of Mr. Reiche. It is not that I have any reservations regarding his integrity or his accomplishments. There is no doubt that he has achieved a great distinction as a practicing attorney in the Princeton, N.J., law firm of Smith, Shatton Wise & Heher. He served faithfully in the public sector and as everyone knows, most recently as the chairman of the New Jersey Election Law Enforcement Commission. Mr. Reiche has also held various posts within the New Jersey Republican organization. Based on these facts I do not think we can quarrel with his party credentials nor can we quarrel with his professional credentials.

Mr. President I do believe however there exists some serious doubts as to his commitment and dedication to those traditional Republican views on election laws and public financing in particular.

I might say that the subject of public financing of congressional campaigns is one of the few areas and one of the rare times that all the Republicans were united during the last Congress. I do not suggest we must have unanimity on every issue. But on that issue 38 Republican Senators opposed public financing.

Mr. President, in 1976 I had the great honor of being the running mate of President Ford and by virtue of that position, I was a recipient of a certain amount of public financing. I have to say that one thing I liked about it is you did not have to raise money. There is nothing more demeaning for a candidate for public office than to have to go out and solicit funds.

I found myself after a hard day's campaign across the country not having to sit down in the evening to make phone calls to someone in New Jersey, Rhode Island, Kansas, or California asking for money.

Perhaps there are some of us who have had some exposure to public financing or who now are having some exposure to public financing and it may seem to some a little contradictory to stand on the floor and say we are opposed to Mr. Reiche because he may support the concept.

But Mr. President, the point was and is whether it should be extended to senatorial and congressional races, and who knows where it might end. It is not illogical to assume its extension to State and local races.

At the very time when we are having people in California and Kansas, everywhere in this country, telling us "We have had enough, let us alone," I do not believe the American people are ready for total public financing of Federal elections. I know if a poll were taken many people might express some interest in public financing.

Mr. President, I certainly believe the public should become involved in the campaign process. Politics is not a spectator sport. We must encourage participation whether we are Democrats, Republicans, or Independents. We have an obligation to focus on what I consider to be a very important issue that being voter participation. The extension of public financing, to Congressional campaigns coupled with increased Federal dictation and Federal regulation and Federal control over the electoral process will not increase the desired participation.

So Mr. President, I guess it is fair to conclude that the opposition of the Senator from Kansas and the opposition expressed by my Republican colleagues to the nomination of Mr. Reiche is due in large part to the public financing issue.

Our opposition is philosophical. I heard the argument made on the floor that we should not have single-issue arguments, and maybe that is the case. I have tried to avoid those. In fact, just yesterday on this floor I stood in this very same place supporting the nomination of Patricia Wald to be a judge of the Court of Appeals for the District of Columbia. I asked my colleagues on both sides, to support that nomination.

Now, there were some who were concerned about her background, about her activism, and about her liberalism. I remember standing on this floor years ago arguing to my liberal friends that they should not turn down Judge Clement Haynsworth just because he had a conservative philosophy. Well, he was turned down for the most part, because he was a conservative.

So I feel that someone's philosophy insofar as a judicial nomination is concerned should not be an overriding factor. I certainly had no hesitancy in supporting the nomination of Patricia Wald.

But that was a judicial matter, and I have no doubt she will carry out her duties admirably and professionally.

We are told that nominations for judicial positions are more or less removed from the sphere of politics. Well, that is not the case in the nomination before us today. This nomination is purely political, and we all know, when it comes to politics, philosophical differences do play and should play a major role.

The Federal Election Commission was created as a bipartisan Commission. It is composed of three Democrats and three Republicans, and I guess it is fair to say that all these members play a partisan role, not in the strict partisan sense, but at least they know they are Republicans, they know they are Democrats, and they know why they are selected and so they understand that there is some partisanship involved, whether we like to think about it or not, in their selection process, and it exists while they serve as Commissioners.

I do not suggest they make decisions based on whether or not the complaint is made by a Republican or by a Democrat, but there has been an effort to balance philosophies and balance the Commission.

(Mr. PRYOR assumed the chair.)

Mr. DOLE. While it was recognized during the original debate when the FEC was created that it should be an independent agency we did recognize that it would not be nonpartisan, and I assume that is the reason it was divided down the middle.

Mr. President, the original law provided that nominations to the Commission be made by the President upon consultation with the respective party leaders in the two Houses of Congress. It was thought then and is still recognized that anything less than that arrangement will endanger the Commission's credibility. The Senator from Kansas understands that the current nominee was one of the individuals submitted to the President, when the prior Republican vacancy on the FEC occurred, and was subsequently filled by Mr. Max Freidersdorf. However, when the current vacancy opened a subsequent list was not forwarded to the President and he merely chose a name from the prior list submitted. I ask unanimous consent that the text of a letter from Congressman RHODES to Senator HUMPHREY, pertaining to the submission of FEC nominees to the President, be printed in full at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE MINORITY LEADER,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 8, 1979.

Hon. GORDON J. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for your letters of June 5 and 7. Naturally, I will be glad to be furnished with a copy of the answers that Mr. Reiche makes to your various questions.

I am not able to agree with the premise that the President acted unfairly in naming Mr. Reiche. Senator Baker and I could have submitted a new list after the Friedersdorf appointed but we did not. If there is any fault, I suppose the blame has to be on us.

I think you should know that both Senator Baker and I interviewed Mr. Reiche very carefully before putting his name on the list. In addition, the Republican members of the New Jersey Congressional delegation gave Mr. Reiche their endorsement. Even so, I welcome your initiative in making very sure that Mr. Reiche understands his duty to the Republican Party if he becomes a member of the Federal Election Commission.

Yours sincerely,

JOHN J. RHODES.

Mr. DOLE. Mr. President, now is not the time to argue the pros and cons of public financing of congressional campaigns. It is, however, the time to debate whether or not this seat be filled with an individual who strongly supports the tenets of the Republican Party in terms of public financing. It seems to be the Republicans who are divided on this nomination. I do not know of any Democrats who have spoken in opposition. I guess it is fair to say, it might have been better had we been able to settle this problem out of court. Unfortunately that did not happen, so we now have it before us in the Senate, and I hope it will be resolved at an early hour.

I am not certain what the party breakdown is, and I heard the Senator from Oregon say earlier this morning—and I can vouch for his strong opposition to public financing, so I do not think that to be the issue. I think every Republican would probably be as firm against extending public financing to congressional campaigns this year as they were last year. Maybe the views of Mr. Rieche really make no difference if he is a member of the Commission.

He will not be a legislator. He might however be asked to testify on the subject of public financing. There are some in the Republican Party who strongly believe in public financing of congressional campaigns, and I guess that is the right they have, and it certainly is a right they should have. We have a right to differ in the Republican Party, and those of us who were elected, I think, should express our differences. I do not know many who are reluctant to do so. I do believe that is the minority view within the Republican Party and I think it is also a minority view among the general electorate.

I think history and the records and the debates will show that the FEC was created, as I have indicated and others have indicated, as a balanced Commission. I know many in this body, including the minority leader and others, strongly opposed another nominee from the same State for good reasons.

Mr. President, had we known Mr. Reiche's views on public financing at the time the nominee's name was on the list submitted to the President, Mr. Reiche's name quite possibly would not have been on the list. There are no time constraints on this nomination. I was present yesterday at the policy luncheon when the distinguished Senator from New Hampshire read a letter from Vernon Thompson the former Governor of Wisconsin, and now an FEC Commissioner, who in-

dicated, that he was certainly in no hurry to leave the Commission. He served with distinction in the Congress of the United States and, has done a very creditable job serving as a Commissioner.

Mr. President, the Senate today is faced with acting on a partisan issue. There should be little, if any, Republican opposition to a Republican nominee to fill a Republican vacancy on this agency. The question I am constrained to propose to my colleagues on the other side of the aisle is this: "Would you accept or permit such misrepresentation to occur when filling a Democrat vacancy on the FEC"? I believe for many the answer would be no. I would suggest to my Democrat colleagues, that if the leadership does not withdraw the consideration of Mr. Reiche, they join with a majority of the Republican Members and vote down this nomination. I would prefer that those in charge around here let us work out our housekeeping problems amongst ourselves.

It ought to be a matter that Republicans could settle, but that is not the way it works. Perhaps another alternative could be that all the Democrats could vote "present," and permit the Republicans to make a final determination.

It has been suggested by some that maybe the Democrats, since there has been some indication that this name should be withdrawn, will see that division among the Republicans, and that that might be an opportunity for them to express their views not only on public financing, but on the balance of the Commission.

I am not certain that this matter rates in importance with all the other matters that are before Congress or the different committees. The Senator from Kansas and others were privileged to visit with President Carter yesterday, who talked to us about the energy crisis and his proposed solutions to the energy crisis. I think there has been at least an indication that he would like us to resolve some of the problems before we leave on the so-called August recess.

I am sure it does not do justice to the nominee to just set this action aside and set it aside and set it aside. I understand he has made sacrifices and made plans, and he would like to have the matter resolved one way or the other.

But aside from that, this is certainly not a matter of priority as far as the national interest is concerned, or as far as the Senate business is concerned.

I believe that the matter could be resolved without any division among Republicans. Our party is big enough and strong enough and has enough room for different opinions. It seems that the best course would have been to encourage the nominee to ask that his name be withdrawn from consideration. I have listened to the Senator from New Hampshire discuss his success in that State, and I guess in fact I would suggest that that success was because his views were firm as far as Federal intrusion, Federal controls, and Federal regulation is concerned, whether it be of the electoral process, or business, or labor, or whatever. Because of that philosophy, he won a major victory.

I would suggest that we are going to hear all the arguments over and over again. I do not know of anyone who has anything personal against Mr. Reiche. I have never met the nominee, so I have no quarrel with him personally. I think I may have voted against one or two, or maybe three other nominees in the 10½ years I have been in the Senate, so I do not do it lightly. I would just add that this is a commission and not a judicial monination. It is a commission which by law should be balanced, and therefore this nomination should not be approved.

Mr. President, the FEC must continue to function as it was originally intended. It was created with an evenhanded, concept and it must continue to administer its duties in that manner. Today, there are many who may seriously ask the question whether it serves any purpose to have a bipartisan commission if the membership is weighted to represent only one philosophical viewpoint.

I thank the distinguished Senator from New Hampshire for yielding to me without losing his right to the floor.

Mr. HUMPHREY. I thank my friend and colleague from Kansas, Mr. President. He has imparted to us some irrefutable words of wisdom, and I am proud to say that he, like Senator HATCH, campaigned for me during my campaign.

Think of it, a U.S. Senator campaigning for a candidate for the U.S. Senate who has never run for office before and is virtually unknown. That is an act not only of real friendship, but of courage as well. I am certain that, with a margin of victory of only 5,000 votes, the contribution made to my campaign and the credibility of my campaign by Senator DOLE, Senator HATCH, and others was of inestimable value.

Mr. President, I said earlier in my remarks that I would read into the RECORD the transcript of an interview between Senator PACKWOOD and the nominee. I think I shall not do that. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FRANK REICHE INTERVIEW WITH PACKWOOD

BP. Some questions I've got . . . and it revolves totally around public financing of campaigns. Congressional campaigns, specifically. Let me start out with the statement you got before the Rules Committee: "I am not philosophically opposed to public financing on the Congressional level."

FR. . . . on the Congressional level? Because . . .

BP. Take a look at the transcript.

FR. Because I didn't know—but I mean, it applies to both. I thought I said, 'I am not philosophically opposed to public financing, period. But that's all right, yeah. Sure, that's no problem. Because that's the way I feel, that I am not philosophically opposed. But neither am I in favor of it. Just as a philosophic concept, simply because we have not had sufficient experience, frankly. Funny thing about this is, I look back on the transcript of Max Friedersdorf's testimony, and I come down a lot closer to some of those who are opposing me than Max did. Now don't get me wrong, I have great respect for Max, and I also understand the why of it—they feel comfortable with Max, they knew him, they do not know me. So I appreciate that. But though that's the case, all I'm saying is I think the jury—just in the abstract. I'm only talking in the abstract—I think the jury's still out, because I just don't think there's sufficient information. It's not that I'm wishy-washy, I'm not dodging a controversial issue. I've thought about this, I've had to for the last few years, as Chairman of the New Jersey Commission. But I can see advantages, and I can see disadvantages. To me, the two most significant disadvantages are the fact that you discourage people from participating in the process. Secondly, it would require a tremendous bureaucracy. So just as a philosophic concept . . . when you get to the practical side of it, I see no way for it happening, in terms of Congressional elections. It's hard to put a time frame on it, but all of the bills, including H.R. 1, do not begin to solve the problems. It's not just the fact that you get 535 elections as opposed to one or whatever; but it's the diversity involved—someone running in South Dakota as opposed to someone running in Brooklyn. Somehow, if the people who favor public financing—and I am not one—if they intend to have such a system adopted, they've got to solve those problems. And there's nothing I've seen up to now that comes even close.

BP. Let me ask you—those are the practical objections opposed to it. What are your philosophical reasons for supporting it?

FR. I don't support it. But the advantage I can see is that if it takes the pressure off a candidate so that instead of having to go around during the campaign and spend a lot of time fundraising he can then speak more to the issues, that to me would be an advantage. A second advantage would be, if it thereby permits a person of relatively modest means to become a candidate. I think those are basically two I see. But I'm honest, Senator, when I say I haven't come to a final conclusion on the merits of it just in terms of a concept.

BP. Let me probe a bit more then. Because I have thought about it for a long period of time. I cannot find any philosophical nor practical grounds to justify public financing. A candidate of modest means, without putting himself in hock to any special interest, can raise sufficient money if that candidate is a good candidate, to run a very respectable Congressional campaign. The complaints I hear are from people who are not willing to ask 10 or 20 or 30 or 40,000 people to give them $5 or $10 to a campaign. The money's there. There are millions of people in this country who will give small amounts of money if asked.

FR. Well, you're alluding to something now about which I feel very strongly, and that is, to the extent we have public financing, Presidential and so forth, I for one strongly favor the private sector being able to contribute. I was saying to someone this morning, I don't care if a man gives a dollar. It's not the dollar—that doesn't amount to much, as we both know. But what does matter is that he then is committed to some candidate, whoever the candidate may be, and he's more interested in the election. And to me, that's extremely important.

BP. So why don't we drop public financing of the Presidential and gubernatorial and other races, and instead encourage people to give a dollar or 5 or 10 dollars to a campaign?

FR. Well, as I say, you believe that adequate monies can be raised by candidates, even though they're ones of modest means.

BP. I know they can.

FR. All right, you have practical experience, Senator, I'm not going to argue with you on that point. I would go then to the other point I made, as a possible advantage, and that is that it does occupy quite a bit of the time of certainly some candidates I have known. I don't know if it has in your case, but it has in many that I've known. I'd like to see some of that time spent on

discussing the issues more. Now, I'm being the devil's advocate when I raise this argument, because I'm just saying this is . . .

BP. I understand that. But when you're asking somebody to give you 10 or 20 dollars, and they say what do you stand for, that focuses you into thinking about the issues. Or they say, I might give you $10 or $20, but I'm opposed to abortion, and you're in favor of abortion, now you tell me why I should give you money when you and I don't agree on that subject. That makes you think about it.

FR. That's true. That's why I want to be sure that private contributions are a part of the scene. I don't care what method of financing they have, but there has to be an infusion of substantial sums from the private sector. And it's funny, I was talking a while ago with Jerry Milback in New York on this, and he's the first person who ever asked me the question. I said to him that I thought this was implicit. I know in the recommendations of the New Jersey Commission, we intended to, as far as our recommendations for the legislature go, to continue private financing, as indeed they do in New Jersey right now.

BP. Now I notice before the Rules Committee, you wanted to extend public financing to the primary as far as the gubernatorial level is concerned.

FR. Only because it was already in the general election.

BP. But why not go the other way and abolish it for the general election?

FR. That's not the province of the New Jersey Election Law Enforcement Commission. We are an enforcement agency, and it is not for us to become involved in policy. What we were saying to them was, that it was virtually unenforceable where you have it for the one election and not for the other. And as I also said in one of my statements here, there's no reason under the sun why you can't reverse the trend for both of them. We were merely saying—and, in fact, it's my understanding that many Republicans around here said it in 1977 in the Congress—that where you have it for one, it does not make sense not to have it for both elections.

BP. Well, I'm curious about your philosophical bent, because you can go one way or the other. You can say extend public financing to the primary, or you can say abolish it for both. Your preference is for public financing for both.

FR. No it is not. It is not. Now this is where some of the remarks I've made before, Senator, frankly, have been taken out of context. What I have said in New Jersey is that, since we had nothing to do with this becoming the law in New Jersey—public financing—this was a statutory enactment in 1974, we have never made recommendation pro or con. Why? Because that's a policy area, and it was not within our province. What we said was, since we have it, and we had a very bad experience with this in 1977, trying to administer a system in which you let candidates build up all sorts of warchests during the primary, and then you clamp down with an entirely different set of rules in the general election.

BP. Let me ask you then on your recommendation here, I'm quoting here from Page 35 of your testimony before the Rules Committee: "Our final recommendation is in New Jersey, first, that public financing of the gubernatorial election be extended to cover the primary." Why not recommend the other—get rid of public financing?

FR. That's a policy decision. This isn't an administrative decision. This was a recommendation based on an administrative experience. We felt that, as a Commission, Senator, that we did not have the right to argue the merits or demerits of public financing as such, which you would have been doing if you had said, get rid of the whole thing.

BP. You were saying it was such an administrative nightmare to have one election covered and not the other.

FR. Well, it's not only an administrative nightmare, but it's unfair to the candidates, and it's unfair to the contributors, because the problem there is to distinguish which contributions were made during one time frame, which during another, how do you attribute them . . .

BP. I understand that. So your recommendation was, to solve that problem, cover the primary also.

FR. As long as the State—not our Commission—as long as the State has adopted a policy of having public financing for a gubernatorial election, for the general election, our recommendation, basically administrative, was that it should be extended to the primary.

BP. Then let me ask your personal opinion: would you support and vote to get rid of public financing of the Presidential campaign? And if asked when testifying before hearings or any other time, say yes, I think it's an administrative nightmare, I don't like it, we ought to get rid of it?

FR. See, my problem there is that, frankly, I haven't had a lot of experience with that. If you asked me my feeling toward the New Jersey gubernatorial, I could answer.

BP. All right, let's take it in New Jersey then.

FR. In New Jersey?

BP. Get rid of it for the gubernatorial election.

FR. I don't think I would recommend it.

BP. Why?

FR. Why? Simply because we found that it worked rather well. Again, distinguishing between the executive situation and a legislative situation. And I make a very sharp distinction between those two.

BP. What did public financing enable a gubernatorial candidate to accomplish that could not have been accomplished through private financing?

FR. The one thing that I observed was, there seemed to be a greater concentration on the issues, and that they spent far less time than I had observed gubernatorial candidates in the past spend on hustling money. Because by the end of August both camps substantially had their money in hand, or they knew where it was coming from, and then they submitted to us for match and so forth. And it left the candidates and their staffs free to devote more time to the issues.

BP. Are you seriously saying that fundraising takes so much time a candidate cannot argue the issues?

FR. No, I'm not saying he can't argue the issues, Senator, but I'm saying it does detract from the time he has. And it's not only his time, but it's the time of his staff too. If they've got to spend a lot of time raising money, the time has to come from somewhere. Now, an alternative I suppose is to augment your staff, so that people are devoted exclusively to that, don't have anything else to do. But, Senator, you know, in terms of public financing, you and I may agree, we may disagree on public financing. I repeat what I've said before, and I believe it sincerely, that as far as the philosophic part goes, I told you, I do not have my mind made up on that at the present time. As far as the legislative elections, practicality, there is no way . . . And there's another reason too why, frankly, I would oppose public financing of Congressional campaigns. This is going further than Max did, but the FEC, as we both know, is under fire at the present time. I don't think it has many friends in court, if any. If there is any priority at all—and I doubt that there is, but even if there were some priority the people were striving to—its handling public finance with Congressional elections, it is such a low priority that I for one, if I were a commissioner, I would oppose it. Because they've got to set their house in order. Their primary job today is to restore the credibility that, frankly, they've lost, with the public and Congress.

BP. I want to come back to the philosophy. The argument about administrative regulation is an argument that is used by every bureaucrat around here. If we just had more people and more time, we could administer it all. Let me come back to the philosophy of the public financing of Congressional elections. Your position is, you have no philosophic position on this issue?

FR. It's not that I don't have a philosophical position, it's that I have mixed feelings. This is the same thing that in essence . . .

BP. Assuming the administrative problems could be solved, what would be your philosophical decision?

FR. If you could handle the administrative . . . well, then you go back to a sheer philosophic concept on public financing. And I've told you, that I . . . I'll put it this way: I have many more reservations about public financing of legislative election in the philosophic sense than I do about the executive.

BP. Except all the reservations you've given me so far are practical, not philosophic.

FR. Well, all right. Obviously, I've been involved in enforcement. And of course everybody now is talking policy, which I would have very little to do with, but nevertheless that's their wish, all right, fine, we talk policy. But I'm talking basically from an enforcement viewpoint because that's the viewpoint I know, it is also the viewpoint I would have to take if I were a member of the FEC. And, sure, Congress naturally asks members of the FEC what their experience is, and what they would recommend based on that experience. So to that extent, you share your experience with Congress. But the buck stops here, it doesn't stop with the FEC.

BP. You keep coming back to practical. Let me change it again. Let me ask this question: do you think that a new candidate running against an incumbent—if a candidate is a good candidate—can raise enough money privately to run a good campaign?

FR. I think he can. I think he can, but please, no spending limits, because if you have spending limits, obviously, that favors the incumbent. And this is one—in New Jersey, for example, our Commission took the view over a period of time in favor of spending limits until we had our experience in '77, and then each and every one of the four of us reversed ourselves, simply because, with that experience, we realized that it just was not a good idea. And this is one of the faults of H.R. 1, that they have spending limits.

BP. But, one, a good candidate can raise adequate money. The candidate that's a bad candidate probably can't raise enough money, but if it's a bad candidate it's not a good candidate anyway.

FR. Yes. But there are also the candidates in the middle. And there is also the fact that, should you place—and I'm saying this only for argumentative purposes because I'm not sure that I would adopt this position—but, should you place a greater burden on the shall we say "marginal" candidate, who's somewhere in between your fine candidate and your poor candidate, should that burden be placed on them? I don't know. But I think there is a burden that is placed.

BP. Can a, as you would call it a good or fine candidate raise adequate money without being "beholden" to special interests?

FR. As long as there are contribution limits, yes.

BP. So that, with contribution limits, and

we have those at the federal level now, you can raise money—sufficient money, if you were a good or a fine candidate—without being beholden to special interests?

FR. Well, and the other thing coupled with it is what we also have, namely, full disclosure.

BP. Oh, nobody's arguing about that. And nobody's arguing about the contribution limits. Do you think the contribution limits in the present federal law are adequate?

FR. I tend to think that they are, although frankly, Senator, I haven't had the practical experience with them. I'm not dodging your question, it's just that I'd like to have more experience before I say to you that, yes, I think they are, no, I think they're not. I think, for example—well, I'm not talking contribution limits, I'm talking spending limits—but I think the spending limits in the federal law, in the presidency and also in New Jersey, unduly restrict the campaigns.

BP. But here I want to stick with . . . Is $1000 too high a limit for an individual to be able to give?

FR. No.

BP. Is a $5000 limit too high for a political action committee to be able to give?

FR. I wouldn't think so, I don't think so.

BP. Okay, so the contribution limits are okay. And we agree that a good or fine candidate, given those limits, can raise adequate money to run a good campaign.

FR. Right.

BP. Then the sole reason left for any kind of philosophical tilt at all toward public financing is the time that it takes to raise the money. Is there any other reason?

FR. No, that would be the primary one, probably for me. I've heard so many candidates—and I'm not talking from the experience of candidacy as you are—but I've heard so many candidates complain violently about the time they've spent. Maybe they were poor candidates, I don't know. But, times when they had to make an appearance at a cocktail party or this event or that event, just because they were $255/plate affairs. I am one who strongly favors the fullest possible discussion of issues. That may be idealistic on my part, but if it is, Senator, that's the way I am. That may be why it means more to me.

BP. For anybody to say that, that's almost a placebo. I've never found a campaign yet where the candidate lacked time to discuss issues because the candidate was also involved in raising money—or the candidates' staff. By the time a candidate gets to the congressional level, running for the House or the Senate, that candidate in many cases is not a babe in the woods. He's been around the track a couple of times, he's been in the legislature, been on the City Council in many cases, sometimes not, but they've thought about running. They're reasonably well-versed on the issues, and their problem is not, is there time to debate and discuss these issues—frankly, for a challenger, the time is getting the opponent to meet them in debate to talk about the issues.

FR. Well, yes, but they've got to have think-time, they've got to be able to formulate their views, and it's not really a case of having a staff do it for you. You've got to have some time to yourself. But, you know, Senator, I can't compare my experience in this area with yours, or with anybody who's here on the Hill. And this is the kind of thing which, if over a period of time by exposure to people who've been through it, if they keep telling me the same thing you're telling me, obviously this is going to have an impact on me. And on my view.

BP. I guess what bothers me is, any one of us in Congress, if we're on a Committee for two years or four years, has some very definite philosophical views. Here you've been in charge of administering a public financing law in New Jersey, and any time anybody's sufficiently immersed in something, they ought to know what's going on and have a pretty good grasp. And when he tells me they're not quite sure, I'm inclined to think they're telling me that because they're not on my side of the issue.

FR. That is not true in my case. First off, we didn't have public financing until 1977. You've got to remember too, I'm on a part-time basis, non-paid, as Chairman of the New Jersey commission, as are all the members. Now that I've left, they're now paying them, which is why . . . but I'm on that basis, with a full-time law practice, and many other activities as well, including being chairman of the Interstate Commission, which led to the formation of a grouping of state agencies on this business. Public finance has been a relatively small part, except for the '77 election.

Our problem there was practical on a day to day basis. We spent many months contriving regulations for it. But it was always geared to the practical side, and frankly, to have the time to just sit and philosophize, I haven't had that time, with everything else I've been doing. You don't have to believe me, Senator, but I'm telling you the truth. I am not fudging on anything. I'm telling you what I believe as of this point. And I am certainly willing to listen to the type of argument that you're making, because it makes an inroad with me, it makes a definite inroad. You can talk to anybody who knows me, Senator, I'm not that way. They can accuse me of many other things, maybe, but they can't accuse me of that.

BP. I guess I'm bothered when I look at a Rules Committee statement that says, quote: "I'm not philosophically opposed to public financing on the Congressional level."

FR. Okay. I stated that simply because I meant it to be broader, frankly, I am not philosophically opposed to public financing. But as I said in a subsequent answer to one of Senator Humphrey's questions, I have never publicly advocated nor opposed, in the philosophic sense, public financing. And I have not. And it's obvious, if I were down here on this scene, yes, it may well hasten my conclusion in the area of public financing, why, because it'll be part of my livelihood on a day to day basis. But we have so many other things we've been doing as a New Jersey Commission. When we have gotten into public financing, it's been largely nuts and bolts, and it has not been, "Is it a good idea?" because we have nothing to do with that. Our job was merely to develop a system which would work, and, fortunately, it appears to have worked reasonably well, the system that we contrived.

BP. That's what bothers me, when you say that.

FR. Well, Senator, I'm talking about how the candidate, I'm talking about just the administration of it. There's nothing wrong . . . I mean, we would've been derelict in our duty if we hadn't . . . given the responsibility, which we had nothing to do with then it was our job to try and do the best administrative job we could. We are merely an administrative enforcement agency, and you wouldn't have us not do a good job on that.

BP. No, but what I would like is a commissioner who's coming to the FEC who says I am unalterably opposed to public financing, it is unnecessary and unneeded, adequate money can be raised from small donors in sufficient amounts to run a good campaign, there is no point in adding to the administrative headaches of any administrative group, something that doesn't need to be publicly financed anyway. And I don't sense you're saying that.

FR. I am not unalterably opposed, Senator, and I'm not going to pretend that I am. But I have to suggest to you and I have to suggest to others that the basic criterion for doing a job on the FEC is not that. The basic criterion is, are you intelligent? Do you have integrity? Do you have experience? And do you, in this case, because there are people who are critical of me, they don't think I'm partisan enough. Well that is nonsense. I am well aware of the fact that it's a very sensitive partisan situation on the FEC. And when I talked to you before, many months ago, I didn't wait for you to bring it up, I raised that point myself, because it's not the situation we have in New Jersey where partisan considerations were minimal. I know it's a different ballgame here, and I would be very sensitive to that. I was talking to Joan Eikens (?) a while ago, and she said to me that the Democrats recently have been very partisan and she started to say something at that point, and I frankly interrupted her. I said, Joan, I know what you're about to say—namely, that that leaves you no choice. And she said yes, and I said, you're absolutely right, it leaves you no choice whatsoever. Senator, I'm not going to change what I have said before. If I did, I don't think you'd have any reason to have an ounce of respect for me. Disagree with me—that's your privilege, as I might disagree with others. But I just haven't come to a conclusion on it, and I can't put it any other way, in terms of the philosophy.

BP. Let me ask you this. If in that case I have come to the conclusion that I want to make sure that I support somebody for that position who is opposed to public financing of Congressional elections, should I vote for you or against you?

FR. If you've come to that conclusion, you should vote against me.

BP. Okay.

FR. But, if you've come to that conclusion, Senator, I'm going to be blunt: I will be very disappointed in you. I would be simply because I think under those circumstances you and others viewing it that way would have taken this issue and have tried to subject me to a litmus test to which you have not subjected other candidates—Max Friedersdorf and others included. Senator, I don't think that's fair to me. But forget that for the moment. The FEC needs one heck of a lot of work to be done. And I bring to it something that no one else has. I think I can be a credit to the Republican party there and I think I would have a fresher look than anyone's had because I would be coming from the outside, which no one has before. I think it's something that really would be an assistance to our party. It bothers me deeply that there are Republican Senators who are against me at this point, because I want their support. It is my party just as much as it is theirs, and it means a lot to me.

BP. Let me ask you this. Do you think in approaching people who were here for the nomination to the Interstate Commerce Commission, to the Federal Trade Commission, I should inquire of their philosophies before I decide whether to put them on the Commission or not?

FR. Philosophies, yes, because if you're talking about an agency where philosophy may affect their decision, I don't honestly believe that philosophy to any significant extent, on this, on the public financing. I doubt that will enter into decisions I might make as a commissioner of the FEC. I think that's true.

BP. Okay, that's all I need.

FR. If there are any other questions, Senator, please shout.

BP. Well, I may. I feel so strongly that what I want is a champion on the FEC, that says this whole process has proven unnecessary. I want somebody to come on as Alfred Kahn came on in the CAB, and said, let's abolish this. I don't sense that with you.

FR. Senator, I'm not going to pretend with

you, at least at this point, that I am that. For me to do it would be trooping under false colors. But frankly Senator I think I might have to disagree on one thing, there are other things that are needed at the FEC far more than that. If in fact the FEC is to be a viable agency, and I'm not downplaying it; you have your good reasons. I appreciate that. But the FEC has problems that transcend that.

BP. All of which would be non-existent if we abolished it.

FR. Yes, but if you abolish the FEC, to me it is a hope in this field. And I think the FEC can be improved, greatly improved.

BP. A "hope" in what sense? Assuming absent public financing, what do we need the FEC for?

FR. Well, someone has to monitor and audit the campaign finance reports which, under any system, are required.

BP. But why does that have to be the FEC?

FR. If it's not the FEC then it has to be someone else.

BP. If you mean monitoring in the sense of, did somebody indeed give you $100 when they say they did, the IRS monitors that.

FR. No, I'm not talking about that. I mean audit the reports, and investigate where necessary. This is something—the fact that the FEC has not completed its Carter audit in 3 years is unbelievable to me. Now, I know that New Jersey is just a microcosm of what happens on the federal scene. But although it is, my heavens, we would not countenance that type of delay in New Jersey. For many years I have been told, by Herb Alexander and others, that there are various state commissions which are ahead of the federal people in terms of administration. Frankly, I didn't believe them for quite awhile. I do believe them now. I know of some agencies, and he included ours among them, where we just wouldn't put up with that kind of thing.

BP. Let me come back again. If you have no public financing, if the IRS is going to check and make sure if you say, I gave $100, you gave $100, they do it on a spot-check basis—what would the FEC do? What would it monitor?

FR. Well, wait. You've talked only one side of the equation. The other part are the campaign expenditures, and where the money goes. The IRS wouldn't handle that.

BP. You're realizing we have total public disclosure as to where you've spent your money, nobody's talking about getting rid of that. What is the FEC's function then?

FR. Wait, the IRS isn't equipped to handle the other, and as a tax lawyer I know that, they can't handle it. All the IRS can do, is when they audit someone's return, sure, they can verify a contribution was made. But they're not equipped to handle that kind of thing.

BP. All I'm saying is, should they have any greater monitoring on whether you gave to the Catholic Church as opposed to whether or not you gave to a senatorial campaign?

FR. No.

BP. Okay, so the IRS can as well monitor contributions to politics as they do to anything else.

FR. No, because they're not equipped to make that information available to the public in timely fashion. This is why you need some agency—do whatever you will with the FEC—but you need some agency which is geared, as ours in New Jersey, for example, is, to getting the information out to the press within 24 hours after the reports are filed with us, so that it's available to the public and the individual goes into . . .

BP. All right, now, what happens . . . we go down, we file our reports on June 10th or July 10th, or the money received through July 1st of this year, and we file it. Why do we need an FEC? There it is, we filed it, there it is on public disclosure. What do we need an FEC for?

On that score——

FR. Okay, what I'm saying to you is that the IRS is not geared to——

BP. Forget the IRS, why do we need an FEC, so long as we file that report, there it is every dollar we've received, every dollar we've spent, what's . . . and if there were no public financing, what is the FEC's function?

FR. Simply because later on you're going to be filing spending reports, expenditure reports.

BP. We file those now.

FR. OK. But my point is, unless—if an agency is supposed to verify that the reports are accurate and contain all the information you are required to submit by law, then you've got to have an agency which has some expertise in this area.

BP. And what I'm saying is, again, why an FEC? You've got a public report, there it is: you gave me $100, I spent $100 to take 20 supporters to a barbecue lunch, and I have $100 spent at Jones' restaurant, and I've got a $100 contribution from you, and it's there publicly. What is the FEC going to do beyond that public information?

FR. Simply because, if you don't have an FEC-type agency, how do I the voter know that you've included all the information you should have? How do I know the information you've included there is correct? I don't.

BP. How do you as a voter know that a church has filed all the things it's supposed to file with whatever reports it makes to keep its tax-exempt status? How do you as voter know?

FR. As a voter, presumably I know because the IRS is geared to monitor these returns.

BP. That's contributions.

FR. Well, I'm sorry then, maybe I'm missing the point of your question.

BP. How does a contributor to a church—how does a voter know—whether or not the expenditures filed by the Church of Scientology are right?

FR. Simply because most churches have to submit complete accounting to their members, usually in an annual fashion. So they have a chance to monitor them.

BP. Assuming the filing is in accordance with law, right?

FR. Yes, we have an audit committee for churches.

BP. But there's no requirement they have an audit committee.

FR. There's no requirement, but I don't really see the relevance of this.

BP. Well, what you are saying is, you are presuming we're going to violate the law.

FR. No, I'm not saying that. I'm just saying that the voter has a right to know whether or not the individual candidate, political committee, whatever, has complied with the law. The voter is not qualified . . . someone has to make that determination.

BP. Cannot we presume that when the candidate files the report required by law that the candidate has complied with the law?

FR. I don't think you necessarily can.

BP. Why?

FR. Why, because they're very complex laws.

BP. But all the reports that any group ever has to file are complex laws, there's nothing unique about that. The reports these poor devils on OSHA have to file are complex, these reports that any small businessman or businesswoman has to file are complex.

FR. Yes, but in each of those cases, Senator—take OSHA. In each of those cases, you've got an agency with expertise in the area, which receives them, and which, for want of a better word, they evaluate them.

BP. Yeah, they receive them and file them, by and large.

FR. That's not what they're supposed to do. They may do that in practice, and I can't argue with you on that. But that's what not what their mission is, their mission is to be sure that they do.

BP. But in terms of the IRS, the function of checking them—on the returns, not just the contributions—is a spotcheck, and it's assumed that the returns are filed properly. It's assumed that the voter, or the organization filing, has complied with the law. Why not that same presumption for a campaign?

FR. I don't necessarily agree with you that it is assumed that everything has been filed correctly. They have their spot audits, and heaven only knows, I've been involved in many of them. All right, you can say, there's a presumption of innocence until proven guilty. But I don't look upon this, in terms of the filing of political campaign contribution information, I don't look upon it as an effort to try and seek out that someone has done wrong. I look upon it more as an interpretive effort on the part of the administering agency, to make that information available to the public in a form that the public can use.

BP. It is available!

FR. No. No, Senator, it's not, because if you go in on the reports, some of those reports, if the layman goes in, he's not going to have the foggiest. . .

BP. And if the layman goes in on a report filed with OSHA, or a report filed with the IRS, will the layman understand that?

FR. He may not understand that, but at least there is an agency to turn to.

BP. Spotchecking, spotchecking.

FR. . . . to interpret. In this case you're talking about voting, and to me, voting is more important. I just think you've got to have an agency which makes it available in timely fashion to the voters. I mean, all the rest of them have their agencies, this is ever so more important, in my view, because the voter . . . In the first place, it's in Washington, although you might have some reports throughout the country, but the voter in the main is not going to go into the FEC himself. But when he does, he's not going to know how to interpret some of those reports.

C.W. I'm terribly sorry to interrupt you, but we're 30 minutes behind schedule this morning.

BP. Okay, let's stop there. I may call you back.

FR. Okay. Thank you.

Mr. HUMPHREY. Instead of reading it in full, I would simply like to address certain parts of it.

Senator PACKWOOD put this question to the nominee:

Some questions I've got——

You have to remember this is dialog; it is not written and it is not perfect grammatically:

Some questions I've got . . . and it revolves totally around public financing of campaigns. Congressional campaigns, specifically, let me start out with the statement you got before the Rules Committee: "I am not philosophically opposed to public financing on the Congressional level."

Mr. Reiche, in replying to that question, gave the kind of reply that worried me very much about whether he would adequately protect our partisan interest. He said, with respect to taxpayer funding of congressional campaigns:

I think the jury's still out, because I just don't think there's sufficient information. It's not that I'm wishy-washy; I'm not dodging a controversial issue. I've thought about this; I've had to for the last few years, as

chairman of the New Jersey Commission. But I can see advantages and I can see disadvantages.

How relieved I would have been, Mr. President, if the nominee had simply said something along these lines:

I am concerned about extending it to congressional campaigns. I am concerned about the implied powers of the Federal Government to further regulate the electoral process.

It seems to me, Mr. President, that a man who had served as chairman of an election commission for 6 years and been involved in partisan politics for much of his adult life would have come to some basic conclusions about how much Government ought to regulate the electoral process.

But he has not. He says,

I think the jury's still out. I don't think there is sufficient information. I've thought about this. But I can see advantages and disadvantages.

Later on, when Senator PACKWOOD pressed him to find out whether his objections or his indecision on the subject were based on philosophical concepts or practical objections, and asked him this question:

Let me ask you—those are the practical objections opposed to it. What are your philosophical reasons for supporting it?

Mr. REICHE. I don't support them. But the advantage I can see is that it takes the pressure off candidates so that instead of having to go around during the campaign and spend a lot of time fund raising he can speak more to the issue. That to me would be an advantage. The second advantage would be if it thereby permits a person of relatively modest means to become a candidate. I think those are basid, too. But I am honest, Senator, when I say I haven't come to a final conclusion on the merits of it in terms of concept.

He is open, and I do not want a candidate, frankly, representing my party who is open on a question about which our party has made up its mind and said so by resolution in the Republican National Committee. Continuing:

Senator PACKWOOD. I wanted to come back to philosophy. The argument about administrative regulation is an argument that is used by every bureaucrat around here. "If we just had more people and more time we could administer it all. Let me come back to the philosophy of public financing of congressional elections. Your position is you have no philosophical position on this issue?

Mr. REICHE. It is not that I don't have a philosophical position. It is that I have mixed feelings. This is the same thing that is in essence——

and then he was interrupted.

He has mixed feelings, I do not know; some place else he says he has mixed feelings, other places he says he has not made up his mind. It is clear that he is not clear on this, is it not? It is to me.

After 6 years on the New Jersey Election Law Enforcement Commission. Continuing:

Senator PACKWOOD. But what I would like is a commissioner who is coming to the FEC who says, "I am unalterably opposed to public financing. It is unnecessary and unneeded. Adequate money can be raised from small donors in sufficient amounts to run a good campaign. There is no point in adding to the administrative headaches of any administrative group something that doesn't need to be publicly financed anyway." And I don't sense you are saying that.

Mr. FRANK REICHE. I am not unalterably opposed, Senator, and I am not going to pretend that I am.

The Republican Party is unalterably opposed. That is our position, and this gentleman wants to represent us before the FEC.

Then the conclusive question, in my opinion:

Senator PACKWOOD. Let me ask you this: In the case that I have come to the conclusion that I want to make sure I support somebody for that position who is opposed to public financing of congressional elections, should I vote for you or against you?

Mr. REICHE. If you come to that conclusion, you should vote against me.

Mr. PACKWOOD. OK.

And I say the same thing. OK.

There was an article in this morning's Post, Mr. President, which is a little bit more timely. Mr. Reiche was again being asked the question about whether he embraces the official Republican position of opposing extension of taxpayer funding of campaigns and he said:

While I have great reservations and objections in a practical sense I have honestly not made up my mind. I have to be honest with you.

Well, he is honest. If there is one thing consistent in his testimony, it is that he has not made up his mind. He is not philosophically opposed. He has not made up his mind. Perhaps he will make up his mind someday. Privately, I do not want to put words into his mouth. He has said,

I am not philosophically opposed. I have not made up my mind. The jury is still out.

I do not think it is out, myself, and the Republican Party does not think so. A great many of us on this side of the aisle in this body are opposed to this nomination. There is no great emergency to act on it. We are not unrepresented. We have all three of our Republican candidates on that Commission filled. There is no likelihood that we are going to find ourselves unrepresented. Mr. Thomson, whose term is expiring, has expressed his desire to remain. He would even like to be renominated. I am not here to argue for Mr. Thomson. I am simply stating what he has stated to me in writing, that he is willing to stay on as long as is necessary to find a successor to replace him. He may do so under the statute.

I would ask my Democratic colleagues to imagine themselves in our position. If they do, they will not act in such a way as to force on our party someone about whom there is considerable disagreement within our ranks.

Mr. President, before I yield to the distinguished Senator from Kansas, I wish to read some information which I believe illustrates the latitude which assistants and aides of important persons in the executive department of Government have in the conduct of their duties. They have considerable latitude. I would like to pick up where I left off.

I was reading a news story from the Rocky Mountain News of August 8, 1973. It follows:

Bender said the directive from Washington that he and Oldaker ignored was never put in writing. It limited the filing of class action suits by the EEOC and therefore restricted the possibility of getting broadly applied court decisions.

The order stipulated that all cases had to be filed under Title 7, Section 706, of the Civil Rights Act. Previously the Denver office had been filing cases under Section 707 as well, and according to Bender that section allowed the agency's attorneys to represent more effectively any groups that were discriminated against.

A spokesman for Carey's office in Washington, however, disputed this view. He said groups could still be represented under 706, and cases involving large industries could be filled under 707.

Bender termed the order from Washington "foolish." He and Oldaker continued to file cases under the forbidden section of the law.

Before Carey came to Denver on his visit, Bender and Oldaker ordered secretaries and other attorneys to re-type the front pages on four reading files so there would be nothing to indicate they were defying the order.

Bender said the document pertaining to only one Denver case was charged—that involving discrimination charges at the Ralston Purina chow plant at 9200 F. 90th Ave., Adams County.

The other documents pertained to the cases of Collins Radio Corp. of Dallas, Tex., the New Orleans Times-Picayune and Thiokol Chemical Corp. in Marshall, Tex.

Carey's office commented only briefly on the suspensions. The spokesman merely said there had been "violations" in the Denver Litigation Center and that action subsequently was taken against those involved.

Bender said he plans to stay on with the EEOC. Falsifying the documents was "stupid," he said, but he maintained the case filings under the prohibited section were in the best interests of effective litigation.

He said the other five EEOC litigation centers around the country apparently had obeyed Carey's order.

"They didn't question," Bender said. "Guys like me question and get in trouble."

The point is, Mr. President, that executives do not operate in a vacuum. It is not enough to argue that a man's views are irrelevant because he only carries out orders and he does not make policy, that Congress makes policy. That is a neat argument, but unfortunately, it does not work. As I said, we make unneat laws, imperfect laws that have to be interpreted by men. It is only human that in interpreting poorly written laws, laws written without sufficient clarity, the views of these executives would be taken into account and, furthermore, that in the hiring and firing and direction of staff, the views of these executives would be extended.

Aides and assistants have a great deal of latitude and a great deal of power in this Government, too much power. It cannot be helped, because we have taken on so many responsibilities. We are trying to create Nirvana down here, trying to relieve every last person of every last burden. In doing so, we have created the biggest bureaucracy ever known to man, one that is strangling us and crushing us, economically and spiritually.

The point, again, is that these executives, this commissioner, will not operate in a vacuum. His views are important. His partisan views are important, because this is a partisan position.

Next, Mr. President, I want to share a piece by columnist Tom Wicker in the

August 28, 1977, New York Times, in which Mr. Wicker makes several strong points about the dangers of the use of powers of the Federal Election Commission:

When public financing of elections was being discussed in the 1960's, I asked Robert Kennedy, then a Senator from New York, what he thought of the idea.

"The first thing I want to know," Mr. Kennedy said, "is who's going to hand out the money."

That puts it well, because when the Government gets involved in passing out money, you can be sure there are going to be some strings attached to it. More regulation and less freedom, in plain English. Continuing:

Cynical? Not really. If the person or the group that "hands out the money" is politically motivated or controlled, public financing could easily become a political process. That's why, when Congress authorized the first Federal financing scheme for the 1976 Presidential election, control of the system was put in the hands of a Federal Elections Commission with three Democratic and three Republican members.

Even so, the danger of political manipulation of the F.E.C. is ever present. When the commission had to be reconstructed after a Supreme Court ruling in 1976, President Ford's long delay in naming the new members prevented Federal funds from being paid out; that had the effect on Ronald Reagan's campaign of starving it for money during the crucial primary season. As President, Mr. Ford had less need for the Federal payments.

When Neil Staebler, a Democratic member, sided with the three Republicans in 1975 to rule that corporations, like labor unions, could organize political action groups, labor leaders and some Democrats, notably Speaker Tip O'Neill, were annoyed—with the consequence that Mr. Staebler apparently is not being considered for reappointment now that his term is expiring.

Just recently, it was to the F.E.C. that the White House turned for a ruling on those rides President Carter, as a candidate last year, took on an airplane owned by Bert Lance's First National Bank of Georgia. If they were political, they would be paid for with remaining campaign funds; if not, Mr. Carter had to pay from his own pocket. Obviously a commission empowered to rule in such matters has great potential for political influence and impact.

The F.E.C. functioned reasonably well in 1976, apparently without partisanship. But will that always be the case? Some of the signs are disturbing. Four members of the current commission, for example, two Democrats and two Republicans, are former members of the House, rather than independent or professional authorities in the field of campaign finance. And one of the duties of the F.E.C. is to receive and check the campaign spending records of members of Congress.

Speaker O'Neill, by all reports, is about to get what could be undue influence within the commission. One Democratic member, former Rhode Island Representative Robert O. Tiernan, was appointed by President Ford at Mr. O'Neill's behest. Now President Carter is reported to have decided to replace Neil Staebler with another Democrat chosen by the Speaker, John W. McGarry of Boston, formerly the counsel to a special House committee on campaign expenditures.

Two of the three Democratic members thus would be responsive to Tip O'Neill, even though one of them, Mr. Tiernan, is currently involved in controversy over the use of his government telephone credit card.

Mr. McGarry's appointment apparently was decided upon at the White House after the Speaker protested against the nomination of a professional in the field, Susan King, formerly of the staff of the Center for the Public Financing of Elections, now executive assistant to the F.E.C. chairman, Thomas E. Harris. Although she is a Georgian and would have been only the second woman on the committee, Mrs. King is reported to have been opposed to Mr. O'Neill and others as a crusading reformer.

Mr. Carter also is politically embroiled with Republican Congressional leaders over the replacement of former Illinois Representative William Springer, whose term on the F.E.C. is expiring, too. The names of James F. Schoener, minority counsel of the Senate Rules Committee, and Robert P. Visser, formerly counsel to President Ford's reelection committee, have been submitted by Senator Howard Baker and Representative John Rhodes, the Republican leader; but Mr. Carter balked at both, labeling them opponents of public financing of elections.

Let me digress from the text of the article, Mr. President, to state that I think there is a parallel between the Zagoria situation, and what is being discussed here: the President's appointment of a Republican who holds the Democratic point of view with respect to campaign funding.

The President is pretty well on record, I think, as always working toward getting on that commission commissioners, Republican or Democrat, who are in favor of taxpayer financing of elections and who are, therefore, in my opinion, in favor of extending government control over the electoral process. Continuing:

Mr. Rhodes then accused the President of attaching unfair conditions to the naming of Republican appointees.

Apparently, Mr. Carter wants to make both Democratic and Republican appointments to the F.E.C. at the same time, so nothing final has as yet been done about either. Mr. Baker and Mr. Rhodes have now suggested another former member of Congress, Charlotte T. Reid of Illinois. And it is reported that Mr. Carter might yet be dissuaded from giving Speaker O'Neill a second appointee to a supposedly non-political commission. Another name now being recommended to the President is that of Herbert E. Alexander of the Citizens' Research Foundation, well known as an independent authority on campaign financing, who would be nobody's "man" on the F.E.C.

For the information of my colleagues, Mr. President, I am hoping to be able to give to our colleague (Mr. JEPSEN), who has very strong feelings on the nomination, an opportunity to speak.

It is my further intention—irrespective of whether Senator JEPSEN is able to get away from his present occupation at the SALT hearings this afternoon—to make a motion to recommit this evening, to make the motion not too far distant in time to recommit this nomination to the Rules Committee, for the information of my colleagues.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. HUMPHREY. Yes, for a question.

Mr. HATFIELD. Without losing his right to floor.

Mr. HUMPHREY. Yes.

Mr. HATFIELD. If I understand the Senator correctly, he plans to make a motion to recommit the nomination to the Committee on Rules and Administration. As I understood the Senator, he said that might be in the not too distant future.

Mr. HUMPHREY. Yes.

Mr. HATFIELD. Would the Senator be willing to agree that if—if—the motion to recommit fails, that the Senator would be willing to move to a vote on the nomination, an immediate vote on the nomination?

Mr. HUMPHREY. Yes. That is my intention.

Mr. HATFIELD. If the Senator will yield further for a unanimous-consent agreement, that contingent upon the Senator's motion to recommit, I ask unanimous consent that if that motion to recommit fails—if it fails—the Senate would then move for an immediate vote on the nomination.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HATFIELD. I thank the Senator from New Hampshire.

Mr. President, I would like to exercise the unanimous-consent agreement that we reached some time ago on making a few minutes of closing statement at some time appropriate, whenever the Senator feels that would be appropriate, in relation to his motion to recommit.

Mr. HATCH. Will the Senator yield for a question?

Mr. HATFIELD. Yes.

Mr. HATCH. If we could, when would the distinguished Senator from New Hampshire desire to make this motion to recommit?

Mr. HUMPHREY. Well, I suppose I could make my motion now.

I wish to give Senator JEPSEN some time. He could address the motion to recommit. He need not——

Mr. HATCH. If I might make a suggestion, why does the Senator not make the motion to recommit precisely at 5 p.m., allow time for the ranking minority member of the Rules Committee to make his comments, the minority whip, our acting floor leader, to make his comments, and, of course, reserve perhaps the last 3 minutes for the Senator's closing comments on this matter.

Of course, the motion to recommit, as I understand it, is debatable.

So, once the Senator makes his motion, he could take 2, 3, or 5 minutes, or as much time as he would like. But perhaps we could do it in that framework and make some more comments, and perhaps we would then have the vote, assuming the motion to recommit fails, immediately following thereafter.

Does that sound OK to the distinguished Senator, my friend from New Hampshire?

Mr. HUMPHREY. I am concerned about allowing, if at all possible, Senator JEPSEN to speak on this topic.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. HATFIELD. Would the Senator be willing to agree to a one-half hour, equally divided, time agreement in which all these matters may be taken care of, which would bring a vote at approximately 5:15 on the Senator's motion to recommit?

Mr. HUMPHREY. Let me propose this, that I move now—this is not a motion, but let me propose this—I make the motion, and we will then be on new business. I will then be entitled to address the new business before the Senate, as the Senator will, even without exercising his previously granted unanimous consent.

Mr. HATCH. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. HATCH. I chatted with Senator JEPSEN. I will make a statement also that I believe he will be favorably disposed to a vote at or near 5 o'clock, if we could meet those time constraints. But I will make every effort to get him here.

Mr. HUMPHREY. I think there is little doubt we will be able to dispose of this reasonably soon. But I do want to protect Senator JEPSEN in his wishes to address this issue.

Mr. HATCH. And I will make every effort to get hold of Senator JEPSEN.

Mr. HATFIELD. Has the Senator made his motion?

Mr. HUMPHREY. No, I have not.

Mr. HATFIELD. I am sorry. I did not hear the Senator's final remark.

Did the Senator indicate that he plans to make the motion and then make comments between now and a time certain?

Mr. HUMPHREY. I am willing to agree on a fixed period of time.

Mr. HATFIELD. I understand. I thank the Senator.

Mr. STEVENS. Will the Senator yield to me, just for the purpose of a question?

Mr. HUMPHREY. Yes.

Mr. STEVENS. It is my understanding the Senator from New Hampshire will make a motion then to recommit the Reiche nomination, and that we will have a short period time of debate and comment. We do have, on both sides, to put out notices to Senators. Some of them may be out of the building.

Could we indicate a vote would take place sometime between 5 and 5:15?

Mr. HUMPHREY. Yes.

Mr. STEVENS. I thank the Senator.

Mr. HUMPHREY. Mr. President, I move that the nomination presently under consideration be recommitted to the Committee on Rules and Administration, and I ask for the yeas and nays on that motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the vote on the motion take place not later than 5:15 and that the intervening time be equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Who yields time?

Mr. HATCH. Will the distinguished Senator yield?

Mr. HATFIELD. Mr. President, if we are under a time control system now, at approximately 12 minutes or 13 minutes per side, I would make a few remarks and yield myself 5 minutes.

Mr. HATCH. Will the distinguished Senator yield?

Mr. HATFIELD. I am happy to.

Mr. HATCH. It is my understanding there is already a unanimous-consent request that should the motion to recommit of our friend from New Hampshire fail, that immediately thereafter there would be a vote up or down on the Reiche nomination, unless somebody moves to table, but, in any event, a vote.

Mr. HATFIELD. That is correct.

Mr. President, I ask for the yeas and nays, if that motion fails, on the final confirmation of Mr. Reiche.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ROUTINE MORNING BUSINESS

The following routine morning business was transacted today, as in legislative session:

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:18 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 33. A concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4537.

At 5:41 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House disagrees to the amendments of the Senate to H.R. 4057, an act to increase the fiscal year 1979 authorization for appropriations for the food stamp program; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. FOLEY, Mr. DE LA GARZA, Mr. JONES of Tennessee, Mr. MATHIS, Mr. RICHMOND, Mr. PANETTA, Mr. NOLAN, Mr. GLICKMAN, Mr. AKAKA, Mr. HARKIN, Mr. WAMPLER, Mr. SYMMS, Mrs. HECKLER, Mr. GRASSLEY, and Mr. KELLY were appointed managers of the conference on the part of the House.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1848. A communication from the Director of the Defense Security Assistance Agency, Department of Defense, transmitting, pursuant to law, notice of the proposed letter of offer to Israel for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-1849. A communication from the Director of the Defense Security Assistance Agency, Department of Defense, transmitting, pursuant to law, notice of the proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-1850. A communication from the Director of the Council on Wage and Price Stability, Executive Office of the President, transmitting, pursuant to law, the report of the Council dealing with their findings and recommendations on the need to promote greater productivity growth; to the Committee on Banking, Housing, and Urban Affairs.

EC-1851. A communication from the Chairman of the Board of Governors of the Federal Reserve Board, transmitting, pursuant to law, the midyear monetary policy report of the Federal Reserve Board; to the Committee on Banking, Housing, and Urban Affairs.

EC-1852. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported during May 1979 to communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-1853. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Protecting Consumer Rights in the Tour Industry: Who Is Responsible?"; to the Committee on Commerce, Science, and Transportation.

EC-1854. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend sections 503, 504, 606(6), 804, and 905 of the Merchant Marine Act, 1936; to the Committee on Commerce, Science, and Transportation.

EC-1855. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, volume 3 of the second Energy Information Administration Annual Report to Congress; to the Committee on Energy and Natural Resources.

EC-1856. A communication from the Acting Assistant Secretary of the Interior, transmitting a proposed contract with Jacuzzi Brothers, Inc., Little Rock, Arkansas, for a research project entitled "Small Diameter Corrosion Resistant Pumps for In Situ Leaching"; to the Committee on Energy and Natural Resources.

EC-1857. Report of the Comptroller General of the United States, transmitting a report entitled "The Economic and Energy Effects of Alternative Oil Import Policies," to the Committee on Energy and Natural Resources.

EC-1858. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Commercializing Solar Heating: A National Strategy Needed"; to the Committee on Energy and Natural Resources.

EC-1859. A communication from the Assistant Secretary of the Army for Civil Works, transmitting, pursuant to law, a final environmental impact statement on the mouth of the Colorado River, Texas in relation to an exemption for a navigation project; to the Committee on Environment and Public Works.

EC-1860. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement and supplemental information on West Kentucky tributaries, Obion Creek, Kentucky project; to

the Committee on Environment and Public Works.

EC–1861. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report on the administration of the ocean dumping permit program; to the Committee on Environment and Public Works.

EC–1862. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Public Diplomacy of Other Countries: Implications for the United States," July 23, 1979; to the Committee on Foreign Relations.

EC–1863. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC–1864. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report of a new system of records; to the Committee on Governmental Affairs.

EC–1865. A communication from the Legislative Counsel, Office of the Director of Central Intelligence, transmitting, pursuant to law, revised guidelines and procedures for the issuance of compartmented clearances to the Legislative Branch; to the Select Committee on Intelligence.

EC–1866. A communication from the Certified Public Accountant, American Symphony Orchestra League, transmitting, pursuant to law, an audit report for the fiscal year ending March 31, 1979; to the Committee on the Judiciary.

EC–1867. A communication from the Counsel, Pacific Tropical Botanical Garden, transmitting, pursuant to law, a report of audit for the Garden for the period from January 1, 1978 through December 31, 1978; to the Committee on the Judiciary.

EC–1868. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations amendments for School Construction in Areas Affected by Federal Activities, Public Law 81–815; to the Committee on Labor and Human Resources.

EC–1869. A communication from the Administrator, Veterans' Administration, transmitting, pursuant to law, the annual report of the Administrator of Veterans' Administration for fiscal year 1978; to the Committee on Veterans' Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–400. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Whereas, the current shortage of gasoline has caused many hardships to the people of the United States; and

"Whereas, the economic livelihood of the United States is dependent on gasoline to function properly; and

"Whereas, the only fair and reasonable way to distribute gasoline equally to all citizens is by some form of rationing; Now therefore be it

"Resolved, that the Massachusetts Senate respectfully urges the Congress of the United States to enact legislation for the rationing of gasoline; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of the Congress, and to the members thereof from this Commonwealth."

POM–401. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"HOUSE CONCURRENT RESOLUTION No. 177

"Whereas, the area in and around East Baton Rouge Parish, Louisiana is subjected to flooding with increasing regularity causing repeated disaster and devastation to the property located in that area; and

"Whereas, most tributaries in and around East Baton Rouge Parish drain into the Amite and Comite Rivers and one of the major causes of such flooding conditions is the lack of depth of the Amite and Comite Rivers sufficient to accommodate these excess waters; and

"Whereas, this lack of depth is a result of these rivers not having been dredged since 1956.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the legislature does hereby memoralize the Congress of the United States to take all action necessary and appropriate to direct the United States Army Corps of Engineers to dredge the Amite and Comite Rivers, including making necessary funds available for such purposes.

"Be it further resolved that copies of this Resolution be forwarded to all members of the Louisiana Congressional delegation and to the clerk of the House of Representatives and to the secretary of the Senate of the United States Congress."

POM–402. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 246

"Whereas, the medical assistance program under Title XIX of the Social Security Act provides for needed medical assistance for the aged, the blind, and the handicapped; and

"Whereas, a substantial number of the aged persons receiving this assistance are recipients of retirement benefits; and

"Whereas, often times cost-of-living increases in such benefits render many persons ineligible for Medicaid assistance due to income limits; and

"Whereas, this creates a health care dilemma for many persons least able to secure needed health services for themselves.

"Therefore, be it resolved by the House of Representaives of the Legislature of Louisiana, the Senate thereof concurring, that the Congress of the United States is hereby memorialized to consider modifying the standards of eligibility for Medicaid assistance under Titles XV and XIX of the Social Security Act to provide that cost-of-living increases in income would not render a person ineligible for assistance.

"Be it further resolved that copies of this Resolution be transmitted to the clerk of the United States House of Representatives, the secretary of the United States Senate, and to each member of the Louisiana congressional delegation."

POM–403. A concurrent resolution adopted by the State of Louisiana; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 247

"Whereas, the medical assistance program under Title XIX of the Social Security Act provides needed medical assistance for the aged, the blind, and the handicapped; and

"Whereas, a substantial number of such persons live with incomes that are below the recognized poverty level; and

"Whereas, under present regulations, persons otherwise qualified for this assistance but who have incomes exceeding two hundred ten dollars per month do not qualify; and

"Whereas, this limit serves to create a health care dilemma for persons least able to secure health services for themselves.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Congress of the United States is hereby memoralized to examine the needs of the medically needy and to consider increasing the minimum income a person may receive and yet qualify for benefits under the Title XV and XIX Medicaid Program.

"Be it further resolved that copies of this Resolution be transmitted to the clerk of the United States House of Representatives, the secretary of the United States Senate, and to each member of the Louisiana congressional delegation."

POM–404. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION No. 138

"Whereas, the United States government, as part of the Strategic Petroleum Reserve Program, is involved in the stortage of petroleum in the salt domes near Hackberry, Louisiana; and

"Whereas, one portion of this program involves the flushing of the domes with water from the Intercoastal Waterway and the disposal of the resulting supersaturated saltwater in the Gulf of Mexico; and

"Whereas, a thirty-six inch pipeline to be built for this purpose from Hackberry to the Gulf either is under construction or is proposed for immediate construction; and

"Whereas, the disposal of substantial amounts of supersaturated saltwater off the Louisiana coast poses a serious threat to the ecology of this state and to the shrimp and menhaden fishing industries in this state; and

"Whereas, the Legislature of Louisiana recognizes the urgent necessity to protect the ecology and the economic necessity to protect these industries which are vital elements in the economy of this state.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the United States Congress, the United States Department of Energy, and Mr. James R. Schlesinger, United States Secretary of Energy, are hereby memorialized to take such steps as are necessary to prevent the construction of a pipeline from Hackberry, Louisiana to the Gulf of Mexico for the purpose of disposing of supersaturated saltwater used to flush the salt domes near Hackberry, and to prevent any disposition of such supersaturated saltwater which would adversely affect the ecology of the state of Louisiana, and the shrimping and menhaden fishing industries.

"Be it further resolved that the United States Congress, the United States Department of Energy and Mr. James R. Schlesinger, United States Secretary of Energy, are hereby memorialized to require that the United States Fish and Wildlife Service and the National Marine and Fisheries Commission have oversight over the brine discharge line area in the Gulf of Mexico near Hackberry, Louisiana and make regular observations and recommendations as to whether operations should be continued in the event that such discharge line be constructed.

"Be it further resolved that a copy of this Resolution shall be transmitted without delay to the presiding officers of both houses of the United States Congress, to United States Secretary of Energy James R. Schlesinger, and to each member of the Louisiana delegation to the United States Congress."

POM–405. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 73

"Whereas, President Carter has announced to the nation a plan to implement the gradual decontrol of domestic crude oil prices; and

"Whereas, the removal of price controls on oil is designed to bring the price of domestic oil to the level of world prices, a decision which was made in an attempt to encourage and stimulate domestic exploration and development of vital oil supplies; and

"Whereas, it has been established that although production and reserves of oil have generally been declining, there does exist substantial recoverable reserves of oil which remain to be discovered; and

"Whereas, estimates of undiscovered recoverable oil resources indicate that many of these deposits are located in more subtle and/or deeper reservoirs which are increasingly more difficult to tap; and

"Whereas, for deposits deeper and more difficult to research it is probable that the ratio of dry exploratory wells to discovery wells will increase in the search for these deposits; and

"Whereas, increased exploratory drilling will be required to locate the remaining, more elusive, deposits and to define their productive limits; and

"Whereas, the development of deeper reserves will require the investment of millions of dollars of "risk money" which may or may not result in oil discovery; and

"Whereas, secondary recovery efforts also could be directed to stripper wells at a substantial risk and investment; and

"Whereas, that although deregulation of oil prices will provide some incentive to producers to engage in exploration and development, the correspondent excess profits tax will offset the great strides which otherwise could be made in exploration and development of deeper reserves.

"Therefore be it resolved by the House of Representatives of the Legislature of the state of Louisiana, the Senate thereof concurring, that the legislature hereby memorializes the President and the Congress of the United States and the Department of Energy to take into serious consideration the proposal to provide for a dollar for dollar exemption from the proposed excess profits tax on deregulated oil prices for those profits which can be shown to be reinvested in the exploration for and development of oil.

"Be it further resolved that a copy of this Resolution be transmitted without delay to the president of the United States, the vice president of the United States in his capacity as presiding officer of the United States Senate, to the speaker of the United States House of Representatives, to the secretary of the Department of Energy, and to each member of the Louisiana delegation in the Congress."

POM–406. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 218

"Whereas, the federal welfare recipient employment incentive program provides tax incentives to employers to hire welfare recipients in certain categories of work; and

"Whereas, under existing provisions of the program, the employee must be employed on a "substantially full-time basis;" and

"Whereas, many persons employed to provide service in child day care centers are employed on less than a full-time basis, thus excluding them from eligibility for the program; and

"Whereas, child day care center operators should be encouraged to employ welfare recipients; and

"Whereas, this legislation provides some desirable incentive for employers to hire these individuals, which in turn will tend to reduce the unemployment and welfare rolls by expanding eligibility to include part-time child day care center employees.

"Therefore, be it resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring, that the Congress of the United States is hereby urged and requested to enact Senate Bill No. 257 by Senator Russell Long, relative to the eligibility of child day care center workers for the federal welfare recipient employment incentive program, and the members of the Louisiana delegation in the Congress are hereby urged to exert every influence at their command to that end.

"Be it further resolved that a copy of this Resolution shall be transmitted to the Speaker of the House of Representatives of the Congress of the United States, the Vice-President of the United States and President of the Senate, and to each member of the Louisiana delegation in the Congress."

POM–407. A petition from a private citizen, petitioning the U.S. Senate to reject ratification of the SALT II Disarmament Treaty; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 204. An original resolution increasing the limitation on expenditures by the Committee on the Budget for the procurement of consultants and authorizing expenditure by such committee for the training of its professional staff. Referred to the Committee on Rules and Administration.

S. Res. 202. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 111.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, Committee on Banking, Housing, and Urban Affairs:

Brenton H. Ruppie, of Wisconsin, to be a Director of the Securities Investor Protection Corporation.

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Leroy D. Clark, of New York, to be General Counsel of the Equal Employment Opportunity Commission.

(The above nominations from the Committees on Labor and Human Resources and Banking, Housing, and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated.

By Mr. TALMADGE (for himself, Mr. NUNN and Mr. CHILES):

S. 1569. A bill to require that regulatory impact statements are prepared during certain stages of the legislative and rulemaking processes; to the Committee on Governmental Affairs and the Committee on Rules and Administration, jointly, by unanimous consent.

By Mr. INOUYE:

S. 1570. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor; to the Committee on Governmental Affairs.

By Mr. PACKWOOD (for himself, Mr. RIBICOFF and Mr. MATSUNAGA):

S. 1571. A bill to amend the Internal Revenue Code of 1954 and the Energy Tax Act of 1978 to provide increased incentives for the utilization of energy sources other than oil and gas; to the Committee on Finance.

By Mr. HELMS:

S. 1572. A bill to exempt family farms from the Occupational Safety and Health Act of 1970; to the Committee on Labor and Human Resources.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1573. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BELLMON:

S. 1574. A bill the Federal Food, Drug and Cosmetic Act, the Federal Alcohol Administration Act, to provide for Health Warning Labels on alcoholic beverages.

By Mr. LEVIN:

S. 1575. A bill to establish a program to stimulate production of synthetic fuels; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE (for himself, Mr. NUNN, and Mr. CHILES):

S. 1569. A bill to require that regulatory impact statements are prepared during certain stages of the legislative and rulemaking processes; to the Committee on Governmental Affairs and the Committee on Rules and Administration, jointly, by unanimous consent.

(The remarks of Mr. TALMADGE when he introduced the bill appear earlier in today's proceedings.)

By Mr. INOUYE:

S. 1570. A bill to amend section 203 of the Federal Property and Administrative Service Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor; to the Committee on Governmental Affairs.

● Mr. INOUYE. Mr. President, the Surplus Property Act of 1944 allows the transfer of surplus Federal real property, without monetary compensation, to local governments for the development or improvement of public airports. Current General Services Administration regulations also allow the conveyance of surplus lands for public airport use, or for wildlife conservation, or historical monuments, as long as the lands remain in that use in perpetuity.

This treatment is due to the clear national interest in public airport development, improvement, operations, and maintenance. But we should not forget that these national interests exist with respect to our public harbor facilities which are presently excluded from the

kind of preferential treatment now given to public airports.

Mr. President, the legislation I am introducing today seeks nothing more than to correct this imbalance. It would amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor. Under this bill, surplus real property conveyed for purposes of a public harbor shall be conveyed in perpetuity as is the case for public airports.

The bill also provides that the surplus property so conveyed shall be without monetary consideration, at no cost, as is the case with public airports.

Mr. President, as I have stated earlier, my bill seeks for public harbors no more nor less than the same preferential treatment accorded public airports in the disposition of Federal surplus real and personal property.●

By Mr. PACKWOOD (for himself, Mr. RIBICOFF, and Mr. MATSUNAGA):

S. 1571. A bill to amend the Internal Revenue Code of 1954 and the Energy Tax Act of 1978 to provide increased incentives for the utilization of energy sources other than oil and gas; to the Committee on Finance.

ALTERNATIVE ENERGY SOURCE AND CONSERVATION TAX INCENTIVE ACT OF 1979

Mr. PACKWOOD. Mr. President, today Senators RIBICOFF, MATSUNAGA, and I are introducing a bill designed to increase the role alternative energy sources will play in America's future. Alternatives to petroleum are no longer pipedreams. In most cases, the technology is here. Our bill will encourage investors to develop, produce, and market technologies which will wean Americans away from dependence on petroleum products generally, and OPEC oil specifically.

Events of recent months have convinced Americans that dramatic action is needed now. Congress has responded by proposing an unprecedented amount of energy-related legislation. The Senate Finance Committee is now dealing with the windfall profits tax. One week ago President Carter announced his energy program. His plan calls on the Federal Government to form and manage U.S. energy policy. We believe Carter's program puts too much emphasis on Government control. Our approach places more reliance on the taxpaying private sector. In many instances, the administration plan and our proposals strengthen each other.

This bill encourages solar, wind, geothermal, hydroelectric energy, and alcohol fuels, as well as residential and industrial conservation.

The bill has three basic parts: First, the Energy Tax Act of 1978 is extended to technologies not presently covered. In addition, this tax incentive is made more attractive and usable to homeowners, businesses and utilities.

Second, residential and industrial conservation measures are encouraged by expanding available tax benefits.

Third, this bill encourages increased use of alcohol as a motor fuel.

Fourth, our bill will encourage the growth of "van pooling," the most efficient form of transportation for metropolitan areas.

IMPROVING THE ENERGY TAX ACT OF 1978

The Energy Tax Act of 1978 (Public Law 95-618) created a broad range of tax incentives designed to promote both residential and business investment in alternative energy sources. We believe the act can be improved.

ENERGY TAX CREDITS FOR INDIVIDUALS

Present law provides a maximum tax credit of $2,200 for the purchase and installation of renewable energy source property such as solar collectors. The current formula allows a credit of 30 percent of the first $2,000, and 20 percent of the next $8,000. We would simplify and increase this incentive. The tax credit would be 30 percent of cost up to $10,000. The maximum credit would be $3,000.

In addition to increasing the dollar amount of the credit, this bill would increase its effectiveness by broadening eligibility for the tax credit.

RENTAL PROPERTY

Under current law, if the taxpayer installs alternative energy equipment on his own residence, he is eligible for the tax credit. However, if he installs such equipment on rental residential property which he owns, he is not eligible. Thus, the landlord is given no incentive to reduce the fuel bills of his tenants. The bill would allow the taxpayer to take the tax credit when he improves rental residential property.

BUILDER'S CREDIT FOR INSTALLATION OF EQUIPMENT

The first purchaser of a house is now allowed to take the energy tax credit for equipment installed by the builder. Our bill would permit the builder to claim the tax credit himself. He would retain the option of passing the credit through to the first purchaser. Last year, California enacted a similar law. It has been partially responsible for the dramatic increase in sales of solar equipment in California. With this provision, we hope to extend that growth throughout the country.

CREDIT FOR LEASE PAYMENTS

While solar, wind, and geothermal equipment can dramatically reduce fuel bills, many individuals are hesitant to commit relatively large sums of money to new, and to them uncertain, technology. This bill would encourage those individuals to lease energy-saving equipment by applying the 30 percent energy tax credit to lease payments. To qualify, the lessor must certify that he has not taken the energy tax credit on the equipment.

PRORATING THE TAX CREDIT AMONG JOINT PURCHASERS

Alternative energy equipment is well suited for community use. A proposed Internal Revenue Service regulation permits owners of various residences to take the energy tax credit for a prorated share of the costs of jointly acquired equipment. Our bill would put this rule in the statute.

PROMPT TAX BENEFITS

Another provision would help low- and middle-income persons finance alternative energy equipment and improvements. Currently, the taxpayer receives this energy tax credit when he files his annual return. Thus, he may have to finance the full purchase and installation cost for as long as 16 months. We want to reduce this burden by allowing the homeowner to receive the credit as soon as possible. Our bill would make the energy credit available against taxes paid the previous year. The taxpayer would file an amended return for the prior year, with the addition of his energy-saving expenditures. A similar procedure is available for disaster victims under section 167(k) of the Internal Revenue Code. The same concept was reported favorably by the Senate Finance Committee in 1978 as a part of H.R. 3340, legislation to allow taxpayers to receive a prompt tax credit for political contributions (S. Rept. 95-342).

PHOTOVOLTAICS

Photovoltaic systems use sunlight to generate electricity. They are a product of American efforts in space which now promise tremendous benefits on Earth. The U.S. Department of Energy projects that photovoltaics could displace up to 2.5 million barrels per day by the year 2000.

The Energy Tax Act of 1978 allowed a tax credit for business investment in photovoltaics, but not for homeowners. Our bill would extend this to homeowners.

GEOTHERMAL

Geothermal energy uses the temperature of the Earth's core. In those sections of the country blessed with geothermal resources, such as the West and Hawaii, geothermal is being used to heat homes and buildings. We want to encourage more use of this clean, inexhaustible resource. The President's Interagency Geothemal Coordinating Council has projected the potential contribution of geothermal to be the equivalent of 2.5 to 4 million barrels of oil per day by the year 2000.

The existing tax credit for individuals covers costs of installation of geothermal equipment. However, it is not clear whether the credit covers the cost of drilling the well necessary to reach the geothermal resource. This bill would expressly include such costs as eligible for the energy credit. A taxpayer would not be permitted to take the intangible drilling cost deduction if he elected the tax credit for drilling costs. The bill includes a similar provision for commercial geothermal investment.

ENERGY TAX CREDITS FOR BUSINESS

While the amount of energy consumed in private residences is considerable, it pales in comparison with that consumed daily by American business and industry. The U.S. Energy Information Administration estimates about 13 percent of total U.S. energy is consumed in private residences. Commerce and industry, not including transportation, consumed about 41 percent. The Energy Tax Act of 1978 addressed this industrial energy use by supplementing the existing 10 percent investment tax credit with an additional 10 percent tax credit for energy-related investments.

As is the case with residential tax credits for individuals, we believe certain improvements must be made in the existing tax credit formula to achieve the original goal of maximizing the use of alternative energy sources.

THIRTY-PERCENT TAX CREDIT FOR ALL SOLAR, WIND AND GEOTHERMAL APPLICATIONS

A basic goal of last year's energy tax legislation was to make solar and wind equipment eligible for a 20 percent total tax credit. Some solar applications do qualify the full 20 percent tax credit. Others, however, are allowed only a 10 percent credit. This is because the basic 10 percent investment tax credit is not available for structural modifications or components, such as building-wide heating and cooling systems or generators. That is particularly unfortunate since these are the primary uses of solar energy at this time. Energy Future, the report of the energy project at the Harvard Business School, edited by Robert E. Stobaugh, estimates that commercial use of solar waste and space heating can displace about 2.5 million barrels of oil a day by the year 2000.

Our bill addresses this problem in two steps: First, all solar and wind energy property, including structural modifications and components, will be eligible for the basic 10 percent investment tax credit. Second, an additional 20 percent energy tax credit is made available for solar, wind and geothermal expenditures.

The administration has proposed a 25-percent total credit for a single use of solar power—industrial process heat. We agree that the level of incentives must be increased. However, we believe that a 30-percent credit is necessary to stimulate solar and wind investment.

WIND-POWERED MECHANICAL ENERGY

We propose that certain technologies not included in the law passed last year shall now be eligible for the 30-percent tax credit. One such technology is the use of wind power to produce mechanical energy.

Wind-powered mechanical energy can be used to pump water for irrigation. New Mexico has included this excellent wind utilization among those applications eligible for its State energy tax credit. We want to encourage farmers and others in all States to take advantage of wind-powered mechanical energy. This bill would make wind-powered mechanical energy eligible for the 30-percent credit.

HYDROELECTRIC

While most dams during the past 40 years have incorporated electrical production, this was not true for older dams built primarily for flood control or to power small mills. The Army Corps of Engineers has estimated total unused hydroelectric potential at existing dams to be up to 54.6 billion watts annually, equivalent to the electrical output of 54 modern nuclear reactors. This includes the upgrading of generating capacity at existing hydropowered dams. New England is most often mentioned as benefiting from such conversion. But examples of wasted hydropower exist throughout the country, such as in the Pacific Northwest.

Last year both the Senate and House recognized the need to promote this clean and abundant resource. Both Houses passed bills which would have made hydroelectric equipment expenses eligible for the energy tax credit. Unfortunately, this was dropped in conference.

Our bill would add hydroelectric to the list of "alternative energy properties" for the proposed 20-percent energy tax credit. Eligibility for this new credit would be based on language adopted by the Senate 2 years ago. However, we do not propose to extend the credit to the structure—the dam. Rather, the credit is to be used to encourage retrofitting of existing structures with the necessary turbines and electrical generation and transmission equipment. The credit also applies to hydroelectric equipment using the flow of water but without a structure to impound water.

SOLAR AND WIND TAX CREDIT FOR UTILITIES AND OTHERS

Windpower can play a significant role in reducing our dependence on conventional sources of energy. The President's domestic policy review of solar energy identifies potential windpower equivalent to 3 million barrels of oil a day by the year 2000.

Unlike solar, the primary use of wind is not on an individual building basis. Rather, windmills are placed in locations with strong and constant winds such as on hilltops or near the ocean. The electricity generated is then transferred to numerous consumers.

In Oregon, a firm is presently negotiating with the Bonneville Power Administration to erect a "windfarm" a large number of windmills located together in a particularly windy spot, and sell the electricity thus generated to BPA. Also in Oregon, the Eugene Water and Electric Board has ordered a 140-foot tall windmill to be installed along the Pacific Coast.

These are cautious first steps which must be encouraged. Current law does not do so. The 1978 Energy Tax Act prevents utilities and private enterprises from taking the energy tax credit if they sell wind-generated electricity subject to State regulation. This bill would allow those entities to take the proposed 20 percent energy tax credit for purchase and installation of all wind and solar equipment.

CONSERVATION

In recent years, the term "conservation" has become associated with sacrifice, or a lower standard of living. This is not always accurate. The United States wastes as much energy as it imports. Our bill provides incentives to reduce both industrial and residential energy waste, in ways that will not hurt the quality of life. Industrial waste can be reduced through cogeneration. Residential energy conservation can be encouraged through extension of existing conservation tax credits. Heating and cooling efficiency can also be increased with heat pumps.

COGENERATION

"Cogeneration" is a relatively new name for an old and proven practice. Cogeneration denotes any form of simultaneous production of electrical or mechanical energy and useful thermal energy such as heat, steam or gas. A conventional industrial system produces either electricity or thermal energy; a cogeneration system produces both. For example, at a factory cogeneration might involve running high temperature gases through an electrical turbine before they are used for process heating.

In his national energy plan of 1977, President Carter cited cogeneration as an important technique for conserving domestic energy resources. Robert Stobaugh, in his recent book, Energy Future, called cogeneration "industry's North Slope." A 1975 study, done for National Science Foundation by Dow Chemical Co., concludes that by 1985 U.S. industry could meet approximately half of its own electricity needs through cogeneration. The study says this would amount to a savings of 2 to 3 million barrels of oil per day.

Cogeneration equipment is currently available. However, it is expensive and is not being purchased and used sufficiently. Our bill would make utilities and industry eligible for a 10 percent energy tax credit for purchase and installation of cogeneration equipment. This would be in addition to the existing 10 percent investment credit.

Last year both the Senate and House passed legislation calling for cogeneration tax incentives. These were deleted in conference in an effort to reduce the overall cost of the Energy Tax Act of 1978. We believe that incentives to encourage investment in cogeneration equipment are now more necessary than ever before.

HEAT PUMPS

Heat pumps extract and pump heat from a relatively cool area to a warmer area. During cold weather, a pump absorbs heat from the air outdoors and transfers it indoors. These devices can be reversed to cool a building during the summer.

Heat pumps have proven energy savings capability. According to the Energy Research and Development Administration, they offer an average of 20 percent savings over conventional heating and cooling systems. Furthermore, in some regions of the country the installation of a heat pump can reduce electricity use by 35 to 45 percent.

Our proposal would make heat pumps eligible for the 15 percent residential conservation credit and the 10 percent energy tax credit for business.

MAXIMIZING THE EFFECTIVENESS OF TAX CREDITS

Many of the tax credits which we would simplify and liberalize, expire at the end of 1985. These include tax credits for individuals and businesses who purchase solar, wind or geothermal equipment, as well as the conservation credit. Several manufacturers have begun producing equipment which qualifies for the various tax credits. This includes solar collectors suitable for residential use, windmills and cogeneration equipment for industry and utilities, and thermal windows for conservation purposes. Many other manufacturers are studying the feasibility of entering this market. A tax credit which expires 5 years from now is not conducive to a stable and predictable market. Thus, we propose to

extend the expiration date to the year 2000.

EFFECTIVE DATE OF THE CREDIT

Experience has shown that when Congress is considering alterations to existing energy tax credits, sales of energy-saving equipment drop. Businesses and homeowners are reluctant to purchase equipment now, when they anticipate a larger tax credit for purchasing the same equipment later. In anticipation of this dilemma, our bill will have an effective date of July 24, 1979. Prospective purchasers can buy and install the equipment during the summer and fall construction season with the assurance that they will qualify for any increased credit which may be enacted afterward.

GASOHOL PRODUCTION INCENTIVES

Automobiles and trucks account for 40 percent of American consumption of petroleum. For this reason, we believe that a comprehensive approach to the energy problem requires a careful look at transportation fuels.

Alcohol has proven itself to be an effective supplement and substitute for gasoline. Several Federal programs are funding alcohol-fuels production. President Carter's proposed Energy Security Corporation and Energy Mobilization Board would expedite construction and guarantee loans for alcohol production facilities. Our bill would complement this effort by making alcohol-gasoline mixtures cost-competitive, thus creating a strong market demand.

INCENTIVES TO INCREASE ALCOHOL CONTENT

Gasohol is a mixture of 10 percent alcohol and 90 percent gasoline. It is currently exempt from the 4 cent per gallon Federal gasoline tax. As a result, the retailer is encouraged to sell gasohol, but there is no incentive to increase the proportion of alcohol above 10 percent. We propose that the amount of tax incentives be matched to the amount of alcohol in the alcohol-gasoline mixture. An increased proportion of alcohol should earn increased tax benefits.

Our bill would do this by repealing the present 4 cents per gallon exemption. In its place, it provides a 40 cents exemption for each gallon of alcohol sold in the alcohol-gasoline mixture.

Under the present 4 cents/gallon formula, 10 gallons of gasohol—containing 1 gallon alcohol, 9 gallons gasoline—earn a 40 cents tax exemption. Under our proposal, the 10 gallons gasohol—containing 1 gallon alcohol—would receive a 40 cent credit. However, if the alcohol content increases to 2 gallons alcohol and 8 gallons gasoline, the present formula still allows only a 40 cent exemption, while our proposed formula would provide an 80 cent credit. In sum, this bill would create an incentive to increase the alcohol content in gasohol, while present law does not.

The 40 cents credit would apply against either the dealer's Federal gasoline or diesel tax payments, or against his income tax payments. This would guarantee that the alcohol incentive will be fully available to small, independent retailers who sell relatively little gasoline.

ASSURING A LONG-TERM MARKET

Under the 1978 Energy Tax Act, the gasoline tax exemption expires October 1, 1984. We believe that to induce this type of investment, we must assure marketing incentives throughout the useful life of the alcohol production facility. This bill would extend the termination date of the tax exemption to the year 2000.

PHASE-OUT OF THE INCENTIVE

Gasohol incentives are necessary because the price of alcohol-gasohol mixtures is higher than that of pure gasoline. However, with the increasing price of petroleum, alcohol-gasoline mixtures may eventually not need the tax exemption to be price competitive.

We propose that Treasury's annual gasohol report to Congress be expanded to include a calculation of the need for continued alcohol fuels incentives, and their appropriate level. The bill would also require that the report compare the cost of alcohols produced from corn, wheat, wood and other substances.

VAN POOLING

The Congressional Budget Office has concluded that of all types of urban transportation "van pooling can probably make the greatest contribution to energy savings on a per-passenger-mile basis." According to the Department of Transportation, each van pool saves 4,000 gallons of gasoline per year, in addition to reducing pollution and traffic congestion.

Last year, with the support of Senators RIBICOFF, BENTSEN and others, Congress adopted my proposal for a tax incentive to encourage employer-provided van pools. As a result, an employer is now allowed to take the full 10 percent investment tax credit for the purchase of a van for use by his employees, instead of only a 3½-percent investment tax credit under prior law. However, many van pools are not employer-provided, but are business ventures operated by third parties or owner-operators. This bill would allow them to take the same 10 percent investment tax credit available to employers.

Mr. President, I believe that through judicious use of tax incentives we can promote alternatives to continued dependence on oil imports. Enactment of the Energy Tax Act of 1978 was a positive step forward. This bill will continue and expand upon that initiative.

I am hopeful that our colleagues on the Finance Committee will give support and favorable consideration to this legislation. We welcome suggestions for strengthening this bill.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1571

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Alternative Energy Source and Conservation Tax Incentive Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. RESIDENTIAL ENERGY CREDIT.

(a) INCREASE IN AMOUNT OF CREDIT FOR RENEWABLE ENERGY SOURCE EXPENDITURES.—Paragraph (2) of section 44C (b) (relating to qualified renewable energy source expenditures) is amended to read as follows:

"(2) RENEWABLE ENERGY SOURCE.—In the case of any dwelling unit, the qualified renewable energy source expenditures are 30 percent of so much of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $10,000.".

(b) COSTS OF DRILLING GEOTHERMAL WELL.—Subparagraph (B) of section 44C (c) (2) is amended to read as follows:

"(B) CERTAIN LABOR AND OTHER COSTS INCLUDED.—The term 'renewable energy source expenditure' includes—

"(i) expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of renewable energy source property, and

"(ii) expenditures for the drilling of an onsite well drilled for any geothermal deposit (as defined in section 613 (e) (3)), but only if the taxpayer has not elected under section 263 (c) to deduct any portion of such expenditures.".

(c) MECHANICAL AND ELECTRICAL ENERGY.—Paragraph (A) of section 44C (c) (5) (relating to definition of renewable energy source property) is amended—

(1) by inserting "mechanical energy, or electricity (through photovoltaics or otherwise)" after "hot water" in subparagraph (i), and

(2) by inserting "including, but not limited to wind energy for the purpose of heating and cooling, providing hot water, mechanical energy or electricity" after "purposes", in subparagraph (ii).

(d) CREDIT ALLOWABLE TO LESSOR AND BUILDER AND FOR LEASED PROPERTY.—Section 44C (d) (relating to definitions and special rules) is amended by redesignating paragraph (4) as paragraph (6) and by inserting after paragraph (3) the following new paragraphs:

"(4) Renewable energy source expenditures by lessors and builders.—

"(A) LESSORS AND BUILDERS.—Notwithstanding any provision of this section requiring the taxpayer to use a dwelling unit as his principal residence or to be the original user of any item—

"(i) LESSOR.—If an individual who is the lessor of a dwelling unit which constitutes the principal residence of the lessee makes expenditures which, but for such provisions, constitute energy conservation or renewable energy source expenditures, then, for purposes of this section, the lessor shall be treated as having made energy conservation or renewable energy source expenditures in connection with such dwelling unit.

"(ii) BUILDERS.—If, in connection with the construction or reconstruction of a dwelling unit which is to be originally used as a principal residence by an individual, a person (other than such individual) makes expenditures which, but for such provisions, constitute renewable energy source expenditures, then, for purposes of this section, such person shall be treated as having made renewable energy source expenditures in connection with such dwelling unit.

"(B) WHEN EXPENDITURE MADE.—An expenditure with respect to an item shall be treated as made when the original installation of such item is completed.

"(C) ORIGINAL USER AND LESSEE.—For purposes of subsection (b) (3), the lessee or the individual with respect to whom the original use of the constructed or reconstructed dwelling unit begins shall be treated as having been allowed a credit under this section with respect to such dwelling unit for a prior taxable year in an amount equal to the

amount of the credit allowed to the lessor or the person described in subparagraph (A) (ii) for any taxable year with respect to such dwelling unit.

"(D) NOTICE TO ORIGINAL USER.—A person allowed a credit under subparagraph (A) shall provide a written notice to the lessee or individual described in subparagraph (C) containing information with respect to—

"(i) the nature and amount of the expenditures for which a credit was allowed, and

"(ii) the amount of the credit allowed such person by reason of subparagraph (A).

"(5) Leased renewable energy source property.—

"(A) IN GENERAL.—If a taxpayer leases renewable energy source property in connection with a dwelling unit which constitutes his principal residence, expenditures in connection with such leasing shall be treated as renewable energy source expenditures.

"(B) APPLICATION WITH ENERGY INVESTMENT CREDIT.—Subparagraph (A) shall not apply unless the lessor certifies to the taxpayer, in such form and manner as the Secretary may prescribe, that the lessor has not applied the energy percentage to such property in determining the amount of the credit under section 46(a)(2).".

(e) JOINT USE OF ENERGY PROPERTY.—

(1) IN GENERAL.—Paragraph (1) of section 44C(d) (relating to special rules) is amended by inserting ", or in the case of any energy conservation or renewable energy source property installed in connection with 2 or more dwelling units which are all occupied and used as principal residences by 2 or more individuals" after "2 or more individuals".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1)(A) of such section 44C (d) is amended by inserting "(or dwelling units)" after "dwelling unit".

(B) The heading for paragraph (1) of such section 44C(d) is amended by inserting "or use" after "occupancy".

(f) IMMEDIATE CREDIT.—

(1) IN GENERAL.—Section 44C (relating to residential energy credit) is amended by redesignating subsection (f) as (g) and by inserting after subsection (e) the following new subsection:

"(1) IN GENERAL.—Notwithstanding the provisions of subsection (a), the credit allowed by subsection (a) shall, upon application by the taxpayer, be allowed against the tax imposed by this chapter for the taxable year immediately preceding the taxable year in which the qualified energy conservation or renewable energy source expenditures were made.

"(2) AMOUNT OF CREDIT AND DETERMINATION OF QUALIFIED EXPENDITURES.—

"(A) AMOUNT OF CREDIT.—Except as provided in subparagraph (B), the determination of the amount of any credit allowed under paragraph (1) for the immediately preceding taxable year shall be made as if such expenditures were made in such preceding taxable year.

"(B) DETERMINATION OF QUALIFIED EXPENDITURE.—Any determination as to whether any expenditure with respect to which a taxpayer is claiming the credit allowed under paragraph (1) is a qualified energy conservation or renewable energy source expenditure shall be made on the basis of the taxable year in which the expenditure was made.

"(3) TIME FOR MAKING APPLICATION.—

"(A) EARLIEST DATE.—A taxpayer may not file an application under paragraph (1) before the day on which the taxpayer filed his return of tax for the immediately preceding taxable year.

"(B) LATEST DATE.—A taxpayer may not file an application under paragraph (1) on or after the earlier of—

"(i) the due date for the filing of the return of tax for the taxable year in which the expenditure was made (determined without regard to any extension of time for filing the return), or

"(ii) the day on which the taxpayer filed his return of tax for such taxable year.

"(4) INCLUSION IN EARLIER RETURN.—In lieu of making an application under paragraph (1), a taxpayer may elect to claim the credit allowed under paragraph (1) for the immediately preceding taxable year on his return of tax for that year if the expenditure for which the credit is claimed was made before the filing of that return.

"(5) IN LIEU OF ANY OTHER CREDIT.—Except as provided in subsection (b) (6), no credit shall be allowed for any other taxable year for any expenditure for which any credit is allowed under this subsection.

"(6) TREATMENT AS CLAIM FOR REFUND.—For purposes of this title, any application filed under pargaraph (1) shall be treated as a claim for refund except to the extent that such treatment is inconsistent with the provisions of this subsection.".

(2) FORMS.—The Secretary of the Treasury shall publish and make generally available a form specifically designed to enable a taxpayer to apply under section 44C (f) of the Internal Revenue Code of 1954 to have the credit allowed by section 44C of such Code applied to a preceding taxable year.

(3) INTEREST ON IMMEDIATE CREDIT.—Section 6611(b) (relating to interest on overpayments) is amended by adding at the end thereof the following new paragraph:

"(3) SECTION 44(C) (f) CREDIT.—In the case of a credit allowed under section 44C (f) for which an application has been filed under section 44C (f) (1), from the 61st day after the receipt of such application by the Secretary to the date of the refund check, whether or not such refund check is accepted by the taxpayer after the tender of the check to him. The acceptance of the check shall be without prejudice to any right of the taxpayer to claim any additional overpayment and interest thereon.".

(g) HEAT PUMPS.—

(1) IN GENERAL.—Subsection (c)(4)(A) of section 44C (relating to definition of other energy conserving component) is amended—

(A) by striking out "or" at the end of clause (vii),

(B) by redesignating clause (viii) as clause (ix), and

(C) by inserting after clause (vii) the following new clause:

"(viii) a heat pump which replaces an electric resistance heating system, or".

(2) TECHNICAL AMENDMENT.—Section 44C (c)(6)(A)(i) (relating to regulations) is amended by striking out "(4)(A)(viii)" and inserting "(4)(A)(ix)".

(h) EXTENSION OF CREDIT.—

(1) IN GENERAL.—Section 44C(g) (relating to termination), as redesignated by subsection (f), is amended by striking out "1985" and inserting "2000".

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 44C(b)(6) is amended by striking out "1987" in the heading and text thereof and inserting "2001".

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after July 25 1979.

SEC. 3. ENERGY INVESTMENT CREDIT.

(a) REGULAR INVESTMENT CREDIT FOR CERTAIN ENERGY PROPERTY.—Subsection (a) of section 48 (relating to definition of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(11) CERTAIN ENERGY PROPERTY.—Notwithstanding the words '(other than a building and its structural components' in paragraph (1)(B), solar or wind energy property (within the meaning of subsection (1)(4)) and alternative energy property described in subsection (1)(3)(A) (viii), (ix), or (x) which constitutes a structural component of a building shall, for purposes of applying the regular percentage to the qualified investment in determining the amount of the credit under section 46(a)(2) be treated as section 38 property.".

(b) HYDROELECTRIC AND COGENERATION ENERGY PROPERTY.—Paragraph (3)(A) of section 48(1) (relating to definition of alternative energy property) is amended—

(1) by striking out "and" at the end of clause (vii),

(2) by striking out the period at the end of clause (viii) and inserting a comma, and

(3) by adding at the end thereof the following:

"(ix) equipment (other than the dam structure) used in the production of energy by hydroelectric power, including (I) the turbine and equipment up to (but not including) the electrical transmission stage, and (II) subject to the limitations of subclause (I) equipment which does not use a dam structure or impoundment to produce such energy.

"(x) cogeneration equipment, but only to the extent that the cogeneration energy capacity of such facility is expanded. The term 'cogeneration equipment' means equipment which—

"(I) produces steam, heat, or other forms of useful energy (other than electric energy) to be used for industrial (including water purification or desalinization), agricultural, commercial, or space heating purposes, and

"(II) also produces electrical or mechanical energy.

(c) REFUNDABILITY OF CREDIT FOR GEOTHERMAL AND HYDROELECTRIC PROPERTY.—

(1) IN GENERAL.—Paragraph (10) of section 46(a) (relating to special rules in the case of energy property) is amended—

(A) in subparagraphs (a) (ii) and (iii), by inserting "of alternative energy property described in section 48 (1) (3) (viii), and (ix)" after "solar or wind energy property" each place it appears, and

(B) in the headings of subparagraph (B) and (C), by striking out "solar or wind" and inserting "certain".

(2) CONFORMING AMENDMENT.—Subsection (d) of section 6401 (relating to amounts treated as overpayments) is amended by striking out "solar or wind" and inserting "certain".

(d) CREDIT TO PUBLIC UTILITIES.—Section 48(1)(3)(B) (relating to exclusion for public utility property) is amended by striking out "'alternative energy property', 'solar of wind energy property'," and inserting" 'alternative energy property' (other than alternative energy property described in clauses (viii) through (x)),".

(e) INDUSTRIAL HEAT PUMPS.—Section 48 (1)(5) (relating to specially defined energy property) is amended—

(1) by striking out "or" at the and of subparagraph (k),

(2) by redesignating subparagraph (I) as (M), and

(3) by inserting after clause (k) the following:

"(L) an industrial heat pump, or".

(f) INCREASE IN AMOUNT AND EXTENSION OF CREDIT.—Section 46(a)(2)(C) (relating to amount of energy percentage) is amended to read as follows;

"(C) ENERGY PERCENTAGE.—For purposes of this paragraph, the energy percentage is—

"(i) 10 percent with respect to the period beginning on October 1, 1978, and ending on July 24, 1979,

"(ii) with respect to the period beginning on July 1979, and ending on December 31, 2000—

"(I) 20 percent in the case of solar or wind energy property (within the meaning of section 48(1)(4)) or alternative energy property described in clauses (viii) and (ix) of section 48(1)(3)(A), and

"(II) 10 percent in the case of any energy property not described in subclause (I), and

"(III) zero with respect to any other period.".

(g) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is begun or completed by the taxpayer after July 24, 1979, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection during such period,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after such date, and

(3) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) attributable to qualified progress expenditures made after such date.

SEC. 4. VAN POOLING VEHICLES.

(a) NOT LIMITED TO EMPLOYERS.—Section 46(c)(6)(ii) (relating to special rule for commuter highway vehicles) is amended by striking out "the taxpayer's" subclause (I).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to vehicles purchased after July 24, 1979.

SEC. 5. GASOHOL.

(a) CREDIT FOR ALCOHOL FUELS.—

(1) IN GENERAL.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"SEC. 6429. ALCOHOL USED IN FUELS.

"(a) GENERAL RULE.—In the case of a taxpayer with respect to whom a tax is imposed under section 4041 or 4081(a), there shall be allowed as a credit against such tax for the taxable period for which the tax is imposed an amount equal to the product of—

"(1) 40 cents, multipled by

"(2) the number of gallons of alcohol mixed with the special fuel or gasoline with respect to which the tax was imposed under such sections.

"(b) CREDIT FOR PERSON MIXING ALCOHOL FUELS.—If the taxpayer elects not to claim the credit under subsection (a) and a person other than the taxpayer has mixed the alcohol with the special fuel or gasoline, there shall be allowed as a credit against the tax imposed under section 4041 or 4081 (a), an amount equal to the product of—

"(1) 40 cents, multipled by

"(2) the number of gallons of alcohol mixed with such fuels by such person.

"(c) LIMITATION.—The amount of the credit under this section shall not exceed the amount of the tax imposed under section 4041 or 4081(a) for such taxable period.

"(d) DEFINITION OF ALCOHOL.—For purposes of this section, the term 'alcohol' includes methanol and ethanol but does not include alcohol produced from petroleum, natural gas, or coal.

"(e) CROSS REFERENCE.—

"For credit income tax for alcohol fuels, see section 39.".

(2) CREDIT AGAINST INCOME TAX.—

(A) IN GENERAL.—Section 39 (relating to credit for certain uses of gasoline, special fuels, and lubricating oil) is amended by adding at the end thereof the following new subsection:

"(c) ALCOHOL FUELS CREDIT.—For purposes of subsection (a), the amount determined under this subsection is equal to the amount of the credit allowable under section 6429 for any taxable period ending in such taxable year which is in excess of the limitation provided under section 6429 (c) for such taxable period.".

(B) CONFORMING AMENDMENT.—Subsection (a) of section 39 is amended by inserting "the amount determined under subsection (c) and" after "the sum of".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Subsection (k) of section 4041 and subsection (c) of section 4081 are repealed.

(B) The table of sections for subchapter B of chapter 65 is amended by inserting at the end thereof the following new item:

"6429. Alcohol used in fuels.".

(4) IMPLEMENTATION.—Within 30 days after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate such technical and conforming amendments as may be necessary to carry out the provisions of this subsection.

(b) REPORTING REQUIREMENTS.—Paragraph (1) of section 221(c) of the Energy Tax Act of 1978 is amended—

(1) by amending subparagraph (C) to read as follows:

"(C) amount of revenue loss under section 6429,",

(2) by striking out the period at the end of subparagraph (D) and inserting a comma, and

(3) by adding at the end thereof the following:

"(E) a comparison of the costs of alcohol produced from different sources and added to fuels,

"(F) an analysis of the effect on the alcohol fuels industry of a termination or reduction of such credit, and

"(G) recommendations as to the appropriate level of subsidy to the alcohol fuels industry.".

(c) TERMINATION DATE.—Sections 221 (b)(2) and (c)(1) and (2) of the Energy Tax Act of 1978 are each amended by striking out "1984" and inserting "2,000".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 25, 1979, and shall apply to alcohol fuels sold on or after such date.

SEC. 6. NO INFERENCE AS TO PRIOR ELIGIBILITY FOR CREDITS.

Nothing in this Act shall be construed to infer that any property with respect to which sections 2 and 3 of this Act apply was not eligible for the credit allowable under section 44C or 38, respectively, before the effective date of sections 2 and 3 of this Act.

Mr. RIBICOFF. Mr. President, I am very pleased to be a cosponsor, with Senators PACKWOOD and MATSUNAGA, of the Alternative Energy Act of 1979. The purpose of the bill is to give every reasonable incentive to the private sector to bring renewable energy technologies into the commercial stream as quickly as possible.

The Congress made a start in this direction by passing the Energy Tax Act of 1978. This proposal would extend the present credits to the year 2000, broaden the types of technologies eligible for the credit, and clarify a number of uncertainties in the law.

Of particular importance are the inclusion of hydroelectric property, residential and industrial heat pumps, and cogeneration, wind and photovoltaic equipment. Each of these areas has great potential.

In the case of hydroelectric potential, for instance, in my own State of Connecticut there are only 18 operating units, but as many as 659 other dams which might be able to accept generating equipment. The Energy Advisory Board to the governor recently reported that it is feasible to expand Connecticut's hydroelectric generating capacity sixfold. It is my hope that the credit we include in this measure will hurry that expansion along.

Cogeneration is also a technique that could be of substantial assistance in reducing our imports of foreign oil. Only 5 percent of all electric power in the United States is produced by this method, as compared to 27 percent in Germany and 20 percent in England. A study done at the Harvard Business School indicates we should be able to increase American electrical generation fourfold through cogeneration. Market development of heat pumps, wind and photovoltaic technologies are in various stages of feasibility. We should pass up no opportunity to promote mass production, cost reduction and acceptance of these promising alternatives.

The President has announced a policy of accelerating the development of renewable technologies so that 20 percent of our energy supply by the year 2000 is derived from them. I fully support this goal, and believe that tax incentives are an important method to help achieve it through the private sector.

There has been recent concern over the accumulation of carbon dioxide into the atmosphere resulting from combustion of fossil fuels, particularly synthetic fuels. In light of this, it is prudent for us to accelerate market promotion of renewable energy sources that do not add to this accumulation.

I hope this measure will gain wide spread support in the Senate and that it will be enacted as part of the energy initiatives of the 96th Congress.

Mr. MATSUNAGA. Mr. President, I am pleased to join the distinguished Senator from Oregon (Mr. PACKWOOD), and the distinguished Senator from Connecticut (Mr. RIBICOFF) in introducing a bill to provide tax incentives to beat the energy crisis. To win the energy war, major action must be taken to promote conservation and American energy self-sufficiency. This bill provides for a congressional commitment to achieving those goals.

Our long festering energy problem erupted to public consciousness with the political situation in Iran and the dramatic increase in OPEC oil prices in the last 8 months. But these events only underscored our serious, unhealthy dependence on foreign supplies of oil. We as a Nation cannot continue to enjoy the freedom we boast about if the health of our economy is subject to the decisions of foreign powers. We must, as President Carter has suggested, cut our imports of foreign produced oil.

The least expensive and most immediate means of cutting imports is through domestic conservation. The inadequate supply of oil is our major energy problem today, but the lack of cheap, efficient alternatives presently contributes much to the problem. Encouraging the development and use of these alternatives will without a doubt lessen our dependence on oil and reduce our need to import foreign oil. One of the most effective and

proven ways to do this is to provide taxpayers with major incentives to seek out and use these alternatives.

It is a very sad fact that today, as during the Arab oil embargo of 1973, the American public does not believe that the oil shortage is real. According to opinion surveys, most Americans believe that the oil companies and the Government conspired to hold back supplies. The effective gasoline rationing systems recently instituted by a number of States have only increased public suspicion that, since gasoline prices have gone up, gasoline lines are now much shorter, and, in fact, there was no real gasoline shortage.

This public distrust makes it difficult for the Congress to convince the American people that there is a need to conserve petroleum products and to turn to alternative sources of energy. The increases in the price of gasoline did not result in any substantial decrease in demand. In the past 30 years, Americans have become happy to the point of consuming 30 percent of the world's energy supply, with never a thought that the supply would run short. But oil supplies have in fact run short, and it is the task of Congress, as much as it is that of the President, to convince the American public of this fact and to face it resolutely.

Alternative, inexhaustible sources of energy, such as solar, wind, and geothermal energy, and easily produced fuel such as ethanol and methane, are possible answers to our energy crisis. As it is inevitable, we must face the problem of changing American habits and ways of living, in order to convert to these other sources.

A sure and tested way of meeting this problem is to offer tax incentives for alternative energy use and concurrent petroleum conservation through the tax incentives Senator PACKWOOD, Senator RIBICOFF, and I propose today. Significant tax credits and deductions will effectively stimulate the development and use of solar, wind, and geothermal energy. Such tax incentives also have the added important benefit of fighting another major problem, the recession, by stimulating the economy. No other program which I can think of can as effectively address two of the major problems facing the country at this time.

President Carter on July 15, 1979 committed the United States to cutting our foreign oil dependence through conserving the oil resources we do have, and developing alternative energy sources. By acting on this legislation quickly, Congress will show that it is willing to work closely with the President to meet our Nation's gravest problem.

The passage of this bill will establish Congress' serious commitment to meeting and solving our country's energy problems.

By Mr. HELMS:

S. 1572. A bill to exempt family farms from the Occupational Safety and Health Act of 1970; to the Committee on Labor and Human Reseources.

FAMILY FARM OCCUPATIONAL SAFETY AND HEALTH AMENDMENT OF 1979

Mr. HELMS. Mr. President, I am very pleased today to introduce legislation I believe will benefit small farmers throughout the United States by exempting them from Occupational Safety and Health Act requirements.

The basis for this bill, I am proud to say, came from the actions of our former colleague from Oklahoma, Senator Bartlett, during the 95th Congress. In 1978, he offered the language of my bill as part of an amendment to legislation amending the Small Business Act. His amendment would have provided a permanent exemption for small farmers and relieved them of unnecessary haggling with OSHA. The Senate adopted the amendment, but unfortunately it was not retained in conference with the House. It is my hope that the Senate will renew consideration of the matter he brought to our attention, and ultimately approve this bill.

My bill seeks to permanently exempt any person who is engaged in a farming operation and employs 10 or fewer employees from OSHA rules, regulations and never-ending requirements. Farmers who maintain temporary labor camps are not exempted under the provisions of this bill.

This small farmer exemption has been contained in appropriations bills over the past several years, including H.R. 4389 presently under consideration, but of course its applicability only extended to a particular fiscal year. I feel it is about time we added this language to occupational safety and health law on the books and made it permanent. If we do not, I fear one day this language may be removed from appropriations language, losing its cozy position, and small farmers will once again become targets of OSHA inspectors.

Farm safety is important—to everyone. If our stalwart family farming system begins to suffer manpower loss due to injury, steady supplies of fruits, vegetables and many foodstuffs will suddenly slack and become scarce and more expensive. I have every reason to believe that small farmers adhere to safe farming practices and likewise encourage their employees to do the same. They cannot afford to do otherwise. On the small farms of the type we are concerned with, the loss of one employee due to injury could spell economic disaster if the crop could not be harvested on time, or livestock not properly attended. Practically without exception, the small farmer himself plays such an integral role in the day-to-day management of his farm that his injury-producing carelessness would mean an irrevocable loss of income if he were to be severely injured and hospitalized.

This exemption makes good commonsense because it will free the bulk of our farm families from the burdens of "OSHA watching," and will let them get on with the business of food and fiber production and attention to the needs of our rural communities. It was not too long ago, Mr. President, that OSHA issued its infamous pamphlet, "Safety With Beef Cattle," which among other things, cautioned farmers against the perils of stepping in slippery cow manure. I am not a farmer, and I certainly realize the risks—but I did not need someone to give me a booklet and remind me to read up on the subject.

Generally, on-farm employment has been dropping in recent years—primarily due to increased mechanization. The U.S. Department of Agriculture estimates that at least 70 percent of total farm employment is composed of the small farm operator and his family members. Also, 95 percent of all farms hire less than 1.5 man-years of labor and can be classed as small or family-run farms. I think that my colleagues should realize that while this legislation may affect a large number of farmers, this permanent exemption will save the small farmer time and expense, enable him to be a more viable producer, and ultimately, I believe, concern himself more with farm safety.

In fact, today marks the beginning of the 35th annual observance of "National Farm Safety Week." I want my colleagues to join with me in urging farmers all across our country to be especially mindful of safety on and around the farm and to extend this care throughout the year. I think promotion of safety education is more of what OSHA should be doing instead of looking for problems. They should take some of their time and money now used for inspection and channel it toward safety education of farmers and farm families. OSHA does have a program set up to do this very thing in cooperation with USDA's Extension Service and State cooperative extension service offices nationwide, but I wonder how much emphasis they really give it.

It must be hard for them to maintain a useful program, however, because the administration recommended that all $1,020,000 of this year's appropriation for Extension Service farm safety activities be stricken from the fiscal year 1980 budget. But, we must do our part too. It was unfortunate that the Senate Appropriations Committee did not approve House-passed language restoring and funding these farm safety efforts for the next fiscal year at the current level. Hopefully, the members of the Conference Committee will seek to restore some or all of this funding so that the very important farm safety program can continue within the Extension Service.

Farmers are smart people, Mr. President—they have to be to make it today. I think with proper encouragement and a little breathing room, they can conduct safe farming enterprises and even provide less reason for OSHA to be worried about their well-being.

Mr. President, I ask unanimous consent that the text of the Family Farm Occupational Safety and Health Amendment of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1572

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Occupational Safety and Health Amendment of 1979".

SEC. 2. Section 4 of the Occupational Safety and Health Act of 1970 is amended by inserting after subsection (b) the following new subsection:

"(c) This Act shall not apply to any person who is engaged in a farming operation, does not maintain a temporary labor camp, and employs 10 or fewer employees.".

By Mr. BELLMON:

S. 1574. A bill to amend the Federal Food, Drug and Cosmetic Act, the Federal Alcohol Administration Act, to provide for health warning labels on alcoholic beverages; to the Committee on Labor and Human Resources.

● Mr. BELLMON. Mr. President, I am introducing legislation which would give the Secretary of Health, Education, and Welfare the authority to require health warning labels on products containing beverage alcohol.

I believe that warning labels on products containing beverage alcohol are an appropriate and necessary part of a growing feeling among health specialists that individuals must assume greater responsibility for their own health. The only hope for containing spiraling health costs and making significant improvements in the quality of life for most Americans lies in prevention of disease and promotion of good health. Dr. Theodore Cooper, former Assistant Secretary for Health, has pointed out that the best medical care in the world would hardly add 1 year to the average life-expectancy in the U.S.[1] However, researchers at the University of California, Los Angeles, found that following seven simple rules of health could add up to 11 years to life-expectancy.[2]

In order to assume greater responsibility for their own health, individuals must have access to accurate, reliable information concerning health risks associated with their actions. Although warning labels may not inform consumers of all the risks associated with consumption of beverage alcohol, labels can sensitize individuals to the fact that specific risks do exist and encourage them to seek additional information.

I should note that the dangers associted with alcohol use are substantial, especialy for youth, pregnant women, and other high risk groups. Alcohol abuse is the third leading public health problem in the United States and adversely affects not only at least 10 million alcohol abusers, but imposes tremendous burdens on families who must try to cope with this serious illness.

Alcohol abuse has been referred to as our "$42 billion hangover," as it is estimated that this represents the economic costs of this illness. The cost in terms of human suffering and unnecessary death, disease, and disability cannot be measured. Alcohol abuse is a major contributing factor in most of the leading causes of death and disability, including cancer, cardiovascular disease, cirrhosis of the liver, diabetes, accidents, suicides, and homicides. Data from the National Center for Health Statistics show that annual alcohol-related deaths probably run as high as 205,000. Deaths which directly result from alcohol abuse, such as cirrhosis of the liver, accidents, and suicides, rank third as a cause of death in the United States.

In addition to these well-known risks associated with alcohol abuse, there is conclusive evidence that alcohol is directly involved in birth defects, and that the risk of fetal abnormality is correlated with the amount of alcohol consumed. These birth defects have been identified as the fetal alcohol syndrome and typically include developmental and performance deficiencies, craniofacial and limb abnormalities, and benign tumors. Both pre- and post-natal growth deficiencies are present and I.Q.'s of affected children average 30–40 points below normal.[3]

At the present time, there is no conclusive evidence concerning what may constitute a safe level of alcohol consumption by pregnant women. It is clear, however, that a definite risk is established by ingestion of three or more ounces of alcohol per day. There is some evidence that significant risks may occur at much lower levels of consumption and that periodic and very high blood alcohol concentrations are especially dangerous to the fetus. According to a recent study published in the Journal of Pediatrics, risks to the fetus are increased when smoking is combined with high alcohol consumption.[4]

It should also be emphasized that there is a growing awareness in the medical and scientific community that alcohol may produce serious and often fatal effects when mixed with other drugs. According to studies published by the New York Academy of Sciences, alcohol potentiates the depressive effects of tranquilizers and sedatives and this combination represents the leading cause of drug overdose and death in hospital emergency rooms.[5] Alcohol greatly affects the pharmacological actions of almost every class of therapeutic drugs including those used in the treatment of infections, blood disorders—including blood thinning agents used for cardiovascular disease—gout, pancreatities, diabetes, gastro-intestinal disorders, and liver diseases.[6]

The purpose of warning labels is not to restrict any citizen who may choose to drink alcoholic beverages. It is designed, rather, to assist and promote individual responsibility for his or her own health. Individuals who choose to drink alcoholic beverages have the right and responsibility to make an informed decision and hopefully select options which at least minimize risks to themselves and to others, including unborn children. At a minimum, labels should alert pregnant women to the risks of birth defects and inform all citizens of the potential hazards of mixing alcohol with other psychoactive and therapeutic drugs.

There is considerable debate over whether or not warning labels actually serve a useful purpose. While the answer to this question is far from conclusive, there is little doubt that appropriate ingredient labels are useful and can alert high risk persons to potential dangers.

Preliminary studies of the impact of labeling upon cigarette smoking are encouraging as there is some evidence of behavioral changes which reduce health risks—shift to filter cigarettes, reduction in level of consumption, and reduction in number of adults who smoke. Behavioral science research, however, suggests that information such as that provided on warning labels is most effective where there is a direct and immediate relationship between individual behavior and the consequences which follow from that behavior.

This is especially true if the consequences have a significant impact upon important values and goals such as the desire of women to produce healthy babies. For example, there was a significant decrease in the use of LSD among young women when scientists reported a possible link between LSD and birth defects. On the basis of past experiences, therefore, we have every reason to believe that warning labels could be useful in reducing the risk of birth defects and related problems associated with alcohol abuse.

Mr. President, I find it difficult to understand why Congress has not adopted a consistent policy for the development of warning and informational labels for products with known potential health risks. The Secretary has delegated such authority by regulation to the Commissioner of FDA for food, drugs, and cosmetics. In the last Congress, I introduced legislation (S. 3317), which would have developed a consistent policy by expanding this labeling authority of FDA to include alcohol and cigarettes. With regard to alcohol, the need for this legislation was created by a decision of the Federal District Court for western Kentucky (Brown-Forman Distillers Corp. against Mathews, 1976) which ruled that exclusive authority for labeling alcoholic beverages resides with the Department of the Treasury. Unfortunately, no action was taken on this legislation.

Again, I emphasize that major improvements in the health of our citizens will not be achieved solely by continuing to pour billions of additional dollars into acute care and treatment of chronic diseases. While we must continue to provide for treatment and rehabilitation of the sick, we must begin to shift our emphasis to disease prevention and the responsibility of individuals for their own health. To achieve this goal, we must inform citizens of the health risks associated with their actions. Unfortunately, there is a large gap in the law which precludes appropriate labeling of health risks associated with alcohol consumption. As these risks, such as the fetal alcohol syndrome, are more clearly identified through scientific research, it becomes more and more imperative that citizens have information necessary to make responsible choices in their use of those substances with known hazards. I urge members of the Alcohol and Drug Abuse Subcommittee to join with me and others in developing legislation which will insure that alcoholic beverages receive appropriate warning labels in order that citizens can make informed and responsible choices in their use of beverage alcohol.●

By Mr. LEVIN:

S. 1575. A bill to establish a program to stimulate production of synthetic fuels; to the Committee on Energy and Natural Resources.

SYNTHETIC FUEL REQUIREMENTS ACT OF 1979

● Mr. LEVIN. Mr. President, I rise to introduce a bill to establish synthetic fuel requirements and mandate their use by oil and natural gas companies. I send the bill to the desk and ask that it be appropriately referred.

The events of this summer have clearly illustrated the dangers of American dependence upon foreign sources of oil. The ongoing Iranian crisis and OPEC's recent decision to raise the price of crude oil have had and will have devastating effects upon the American economy. It is imperative that Congress take immediate action to stem American dependence upon foreign energy sources. It is in this vein that I propose the Synthetic Fuel Requirements Act of 1979.

This bill will stimulate production of synthetic fuels by requiring that a percentage of all petroleum and natural gas products that are consumed in the United States be derived from domestic nonpetroleum substitutes. The requirement would begin at a relatively low level for 1986 and 200,000 barrels equivalence per day and be phased toward a 1990 goal of 2 million barrels equivalence per day. This goal represents roughly one quarter of our anticipated foreign petroleum consumption.

The necessity for this legislation is clear. Other approaches to promote the production of synthetic fuels, while useful, are lacking in some respects. The first approach, dependence on the price mechanism has proven wholly unreliable. It has little capacity for predicting the sweep of Islamic revolutions, to provide just one example. The second approach, embodied in President Carter's plan, and Senator DOMENICI's and Representative MOORHEAD's bills, have great merit. They provide a system of Federal support and incentive. However, although we gain significant advantage through this approach, it may not prove to be enough. Witness the absence of a market for alcohol fuels. This is despite a $16.40 Federal subsidy on every barrel of alcohol. This bill, providing as it does market guarantees, will relieve the burden on the public and remove the inefficiency of Government purchase and management of the synthetic products.

Thus far, private industry has been reluctant to invest in synthetic fuels because of the uncertainty of the market. By mandating synthetic fuel usage, investors are assured of a market. If potential investors felt that they could market synfuels better than others in the synfuel industry they would have every reason to invest. The proposal also promotes maximum efficiency in that firms are free to choose the types of synthetic fuels they wish to use, and those which use more than their required share may negotiate certificates of purchase to others who find it inconvenient to use the synthetic fuels.

Administered reasonably this program may prove to be the best way to protect free enterprise and the free market. Each producer would be free to choose a preferred technology and marketing strategy: Government involvement would be minimized, both in terms of regulation and subsidization; and the pace of the phase-in could be adjusted to reflect real trends in world oil prices and domestic market conditions, up or down.

The concept of Federal mandatory requirements has been used successfully in the past in the auto industry. Original skepticism about meeting fuel economy and emission quality standards ranged high. Yet the industry, with minimal Federal aid, has successfully met the requirements, and has made great contributions to the solution of our energy problems. In fact, one of the prime initiators in making me aware of the potentials of this approach is Jacques Moroni, a policy planner at Ford Motor Co. I have equal confidence that the American oil and gas industries will meet synthetic fuel goals if they are clearly fixed, as proposed in this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Synthetic Fuel Requirements Act of 1979".

DEFINITIONS

SEC. 2. For the purposes of this Act the term—

(1) "Secretary" means the Secretary of the Department of Energy;

(2) "synthetic fuel" means fuel derived from domestic sources which may be used as substitutes for crude oil, natural gas or the products of crude oil or natural gas, such term shall not include coal directly burned as fuel;

(3) "Btu" means British Thermal Units;

(4) "United States" means each State of the several States and the District of Columbia; and

(5) "base year" means the calendar year two years prior to the year in which a requirement under section 7 is promulgated.

STATEMENT OF FINDINGS AND PURPOSE

SEC. 3. (a) The Congress finds and declares that—

(1) the lack of a constant supply of energy has the potential to cause devastating effects on the economy and general welfare of the Nation, and poses a threat to national security and world peace;

(2) a clear need exists to decrease reliance on foreign sources of energy and to promote the development and production of domestic sources of energy;

(3) there is an abundance of domestic resources from which fuels can be synthesized;

(4) many important synthetic fuel projects whose prompt initiation is clearly in the national interest have been delayed due to uncertain market conditions; and

(5) there is a lack of incentive for investment by the private sector in programs for synthetic fuel development and production.

(b) It is the purpose of this Act to establish a program of mandatory use requirements to stimulate the production of synthetic fuels from domestic resources.

COVERAGE

SEC. 4. (a) The requirements to use synthetic fuels as established by this Act shall apply to—

(1) all domestic and offshore refiners with regard to products sold in the United States;

(2) domestic petrochemical manufacturers;

(3) importers of petroleum products and first generation petrochemicals;

(4) final users of natural gas acquired through pipelines, gas gathering systems or from the user's own direct source; and

(5) operators of other energy producing facilitities which use crude oil directly.

(b)(1) The Secretary shall not grant exemptions from the requirements of this Act on the basis that synthetic fuels cannot be conveniently used.

(2) The Secretary may grant exemptions for small users and importers which import less than the equivalent of fifteen thousand barrels of crude oil per year.

REQUIREMENTS

SEC. 5. (a) The Secretary shall promulgate by regulation mandatory synthetic fuel use requirements by category and user. Such regulations shall be promulgated not later than two years prior to the first day of the calendar year in which such regulations are to become effective. Such regulations shall at a minimum require the use of the equivalent of 2 hundred thousand barrels (in the aggregate) per day of synthetic fuel during the calendar year 1986, and 2 million barrels (in the aggregate) per day during calendar year 1990.

(b) The Secretary may, by rule, amend the synthetic fuel requirement specified in subsection (a) for the year 1986 or for any subsequent year, to a level which he determines is the maximum feasible level for such year, except that any amendment which has the effect of increasing a synthetic fuel requirement to a level in excess of 2 million barrels per day, or of decreasing such requirement to a level below 2 hundred thousand barrels per day shall be submitted to Congress in accordance with section 551 of the Energy Policy and Conservation Act and shall not take effect if either House disapproves such amendment in accordance with the procedures specified in such section.

(c) Any entity described in section 4(a) which fails to meet its requirements estab-

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[1] U.S. Medicine, January 15, 1975.

[2] Nedra Belloc, Human Population Laboratory, California State Department of Public Health & Lester Buslow, School of Public Health, U.C.L.A.

[3] Kenneth Warren, "A Critical Review of the Fetal Alcohol Syndrome," National Institute of Alcohol Abuse and Alcoholism, June 1, 1977.

[4] James Hanson, et al., "The Effects of Moderate Alcohol Consumption During Fetal Growth and Morphogenesis," The Journal of Pediatrics, Vol. 92, 1978.

[5] Vessel and Baude, Interactions of Drugs Abuse, *Annuals of the New York Academy of Science,* Vol. 281, 1976.

[6] P. D. Hansten, *Drug Interactions,* Philadelphia; Lea and Febiger, 1973.

liabed under subsection (a) shall be liable to the United States and assessed a civil penalty, not to exceed an amount equal to $50 per barrel for each barrel under the required amount as determined by the Secretary.

(d)(1) Before issuing an order assessing a civil penalty against any person under this section, the Secretary shall provide to such person notice of the proposed penalty. Such notice shall inform such person of his opportunity to elect within thirty days after the date of such notice to have the procedures to paragraph (3) (in lieu of those of paragraph (2)) apply with respect to such assessment.

(2)(A) Unless an election is made within thirty calendar days after receipt of notice under paragraph (1) to have paragraph (3) apply with respect to such penalty, the Secretary shall assess the penalty, or order, after a determination of violation has been made on the record after an opportunity for an agency hearing pursuant to section 554 of title 5, United States Code, before a hearing examiner appointed under section 3105 of such title 5. Such assessment order shall include the hearing examiner's findings and the basis for such assessment.

(B) Any person against whom a penalty is assessed under this paragraph may, within sixty calendar days after the date of the order of the Director assessing such penalty, institute an action in the United States court of appeals for the appropriate judicial circuit for judicial review of such order in accordance with chapter 7 of title 5, United States Code. The court shall have jurisdiction to enter a judgment affirming, modifying, or setting aside in whole or in part, the order of the Director, or the court may remand the proceeding to the Director for such further actions as the court may direct.

(3)(A) In the case of any civil penalty with respect to which the procedures of this paragraph have been elected, the Secretary shall promptly assess such penalty.

(B) If the civil penalty has not been paid within sixty calendar days after the assessment order has been made under subparagraph (A), the Secretary shall institute an action in the appropriate district court of the United States for an order affirming the assessment of the civil penalty. The court shall have authority to review de novo the law and the facts invloved, and shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part such assessment.

(C) Any electon to have this paragraph apply may not be revoked except with the consent of the Secretary.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order under paragraph (2) or after the appropriate district court has entered final judgment in favor of the Secretary under paragraph (3) the Secretary shall recover the amount of such penalty in any appropriate district court of the United States. In such action, the validity and appropriateness of such final assessment order or final judgment shall not be subject to review.

MEASUREMENT OF COMPLIANCE

SEC. 6. (a) The Secretary shall determine the compliance for all industry in meeting the percent requirements established under section 5(a) in accordance with the following formula where (1) "R" equals the percentage requirement for synthetic fuel use for all industry during a calendar year; (2) "T" equals the total synthetic fuel requirement for such period; (3) "C" equals the total of crude oil used during the base year; (4) "G" equals the total natural gas used during the base year; (5) "P" equals the amount of petroleum and petrochemical products imported during the base year; (6) "E" equals the amount of exempted exports; and (7) "A" equals the allowances for small users and importers:

$$R=(T\times 100)/(C+G+P)-(E+A).$$

(b) The Secretary shall determine the requirement for a particular user in accordance with the following formula where (1) "c" equals the total crude of use of the user during the base year; (2) "g" equals the total natural gas used by such entity during the base year; (3) "p" equals the petroleum and petrochemical product imports for such entity during the base year; and (4) "e" equals exempted exports imported by such entity during the base year:

$$\text{User's Requirement}=r/100\times(c+g+p-e).$$

(c) Quantities shall be measured on the basis of Btu content of crude oil or natural gas saved by the use of synthetic fuel.

(d) The Department of Energy shall publish standard estimates of the crude oil equivalence of petroleum products to facilitate the calculation of the requirements under section 5.

EXCESS USE CERTIFICATES

SEC. 7. The Department of Energy shall issue negotiable excess use certificates to users of synthetic fuels who exceed their requirement. Such certificates may be purchased and used by users of synthetic fuels who do not meet their requirements for the purpose of being deemed to have met such requirements.●

ADDITIONAL COSPONSORS

S. 105

At the request of Mr. WALLOP, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 105, the Parental Kidnaping Prevention Act of 1979.

S. 123

At the request of Mr. INOUYE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 123, a bill to amend the Social Security Act to provide for payment under medicare and medicaid of services by psychologists.

S. 715

At the request of Mr. BELLMON, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 715, to allow State and local governments to collect taxes on alcoholic beverages and tobacco products sold or consumed on military and other Federal reservations.

S. 949

At the request of Mr. BURDICK, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 949, a bill to amend the National Environmental Policy Act to provide a 180-day statute of limitations on the initiation of a judicial challenge to the adequacy of an environmental impact statement.

S. 1250

At the request of Mr. STEVENSON, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 1250, the National Technology Innovation Act of 1979.

S. 1411

At the request of Mr. CHILES, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1411, a bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management.

AMENDMENT NO. 329

At the request of Mr. HELMS, the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of Amendment No. 329 intended to be proposed to S. 1020, a bill to authorize appropriations for the Federal Trade Commission.

SENATE RESOLUTION 204—ORIGINAL RESOLUTION REPORTED INCREASING THE LIMITATION ON EXPENDITURES BY THE COMMITTEE ON THE BUDGET

Mr. MUSKIE, from the Committee on the Budget, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 204

Resolved, That section 2 of Senate Resolution 73, 96th Congress, agreed to March 7 (legislative day, February 22), 1979, is amended—

(1) by inserting "(1)" after "amount";

(2) by striking out "$80,500" and inserting in lieu thereof "$160,000";

(3) by inserting before the period at the end thereof the following: ", and (2) not to exceed $5,680 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act)".

SENATE CONCURRENT RESOLUTION 34—SUBMISSION OF A CONCURRENT RESOLUTION RELATIVE TO THE RIGHTS OF ROMANIAN CITIZENS

Mr. MOYNIHAN submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 34

Whereas the Socialist Republic of Romania enjoys "most favored nation" status in its trade with the United States; and

Whereas the Constitution of the Socialist Republic of Romania guarantees freedom of religion to all its citizens; and

Whereas the Romanian Government in 1948 suppressed the Byzantine Rite Catholic Church, forcibly joined it to the Romanian Orthodox Church and imprisoned its bishops and many of its priests; and

Whereas the Latin Rite Catholic Church also suffers severe restrictions in Romania, with the Government allowing no bishops to be appointed by the Holy See; and

Whereas vital archival materials have been confiscated from the Hungarian Reformed Church without granting the Church access to these important documents; and

Whereas churches are generally denied the right to select their own ecclesiastical leaders; and

Whereas the Romanian government has not allowed Catholic, Unitarian, Reformed and Presbyterian Churches to receive aid sent to repair their churches damaged in the 1977 earthquake; and

Whereas the United States of America and its Government place strong emphasis upon securing basic human rights for people all over the world; and

Whereas both the United States and Romania have pledged in the Helsinki Accords of 1975 to respect the religious freedom of their citizenries; be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States call upon the Romanian Government to (1) restore legal

status and full religious freedom to the Byzantine and Latin Rite Catholic Churches, (2) permit the Holy See to appoint bishops in both the Latin Rite and Byzantine Rite Catholic Churches, (3) allow unlimited access to religious archival materials, (4) allow all congregations to choose their own religious leaders, and (5) permit all churches to receive and spend aid sent from abroad on the repair of their churches; and be it further

Resolved, That the Congress call upon the executive branch of our government to promote these goals in its negotiations with the Romanian Government.

RELIGIOUS FREEDOM IN ROMANIA

Mr. MOYNIHAN. Mr. President, lately our attention is rivited, and rightly so, on the enormous suffering of the Southeast Asian refugees, a large proportion of which are ethnic Chinese who have been systematically repressed and expelled by the Communist regime in Vietnam. Yet today I would like to make note of repression in a different part of the world, repression which, if not as brutal and destructive in terms of lives lost, is every bit as systematic and enduring. It is furthermore violence done to the mind, to the human spirit and soul, which are the content and meaning of life.

I speak of the decades-old restrictions on religious freedom in Romania, especially those aimed at the Catholic, Reformed, Unitarian, and Presbyterian churches. Like the Southeast Asian tragedy, there is a component of ethnic hatred in this attack upon Romania's "minority" churches; nearly all of those served by these churches are ethnic Hungarians who live in Transylvania. Loyal to the Stalinist model, the Romanian regime has sought cultural and national assimilation of its ethnically diverse population, and has attempted to supplant religious and spiritual values with obedience to the state.

This problem was given vivid and detailed examination in the course of the July 19 hearings before the International Trade Subcommittee, of which I am a member, on renewal of most favored nation status for Romania and Hungary. I had the distinct pleasure of receiving testimony from a number of Hungarian and Romanian Americans—people, I might add, who are well attuned to the political conditions in their native lands—and was struck in particular by the statements of Rev. Alexander Havadtoy, representing the Human Rights Commission of the United Church of Christ and the Human Rights Commission of the World Presbyterian Alliance, as well as that of Mr. Laszlo Hamos, chairman, Committee for Human Rights in Romania.

Their testimony provided not only detailed and factual information on the extent and nature of religious and ethnic restrictions in Romania, but it also managed to convey the human side of the suffering brought about by this repression. One of the most outrageous facts which emerged from these hearings was that the Catholic Church is not allowed to appoint its own bishops in both the Latin Rite and Byzantine Rite Catholic Churches. In the case of the Protestant Church, congregations are denied their ancient right to choose their own ministers and presbyters; the State retains a monopoly over the selection process.

Now, installing loyal puppets as church leaders is a practice not altogether unfamiliar to those who have studied the course of Communist development. But I can think of no surer way to insult and outrage a religious community's values and beliefs than to impose an obvious fraud as their leader. I can not protest this behavior strongly enough. The abuses are numerous and afflict all religions in Transylvania, and in general, Romania. I shall simply mention these two instances, assured that the committee record will chronicle the rest.

I am compelled to state these facts and to convey to the Romanian Government through this resolution a stern warning that the United States takes seriously the protection of human rights; we are not to be deceived and cajoled into automatic renewal of most favored nation status for Romania when these facts stare us squarely in the face. The power of the modern, pervasive totalitarian state is immense. I am convinced, however, that it will never destroy its people's religious, spiritual, and for that matter, cultural and ethnic values. Pope John Paul II's recent triumphant return to Communist Poland, reassured us all that such is manifestly the truth.

AMENDMENTS SUBMITTED FOR PRINTING

WATER RESOURCE PLANNING AUTHORIZATIONS—S. 480

AMENDMENT NO. 369

(Ordered to be printed and to lie on the table.)

Mr. DURENBERGER submitted an amendment intended to be proposed by him to S. 480, a bill amending the Water Resources Planning Act to authorize appropriations for fiscal years 1980 and 1981.

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENTS NOS. 370 AND 371

(Ordered to be printed and to lie on the table.)

Mr. EXON submitted two amendments intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

● Mr. EXON. Mr. President, I am today submitting two amendments to S. 14, the so-called "Reclamation Reform Act of 1979." The first amendment should reinstate the residency requirement for the receipt of Bureau of Reclamation water, but would allow a waiver where such requirement would work a hardship, particularly in cases where an owner is a nonresident but has actively farmed the land for at least 10 years but decides to move; or where the land is owned by a surviving spouse or dependent of such a farmer. The second amendment would strike the provisions of the bill which would allow for unlimited leasing.

S. 14, as reported by committee seeks to abolish the residency requirement of the current law, and permits, in effect, unlimited leasing which provides a loophole to big landowners circumventing the acreage limitations thus opening up the right to receive federally subsidized water to landholdings far beyond the inintent of the Reclamation Act. The bill states that landowners can lease land for 1-year periods, for as many consecutive 1-year periods as they like, provided that they have no written right of renewal. These critical weaknesses in the bill must be changed.

Mr. President, the Reclamation Act of 1902 was passed in response to a need for federally funded irrigation works. The policies behind the act required that benefits from the reclamation program be available to the largest possible number of people, that family size owner-operated farms be promoted, and finally the law sought to preclude speculation.

The Reclamation Act has not been significantly re-examined since 1926. Consequently, the restrictions designed to promote the objectives of the act have not been uniformly or diligently enforced by those administering the law. Reform is necessary. However any reform this Congress undertakes should reaffirm the objectives and expectations which the 1902 law attempted to fulfill. At a minimum, reform of the present law should move us closer to, not away from, the original basic reclamation principals. As a step in this direction I have submitted these amendments and I urge their adoption by the Senate.●

PANAMA CANAL ACT OF 1979—H.R. 111

AMENDMENT NO. 372

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL submitted an amendment intended to be proposed by him to H.R. 111, an act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977.

AMENDMENTS NOS. 373 THROUGH 384

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted 12 amendments intended to be proposed by him to H.R. 111, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, AND STABILIZATION OF PRICES

● Mr. HUDDLESTON. Mr. President, I wish to announce that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices will hold hearings on agricultural transportation problems on July 30 and 31. Earlier this summer, Senators MCGOVERN and ZORINSKY held field hearings on this subject under the auspices of my subcommittee. The upcoming Washington hearings will complete this series by soliciting the comments of representatives of Government agencies, national farm organizations, and the rail and

trucking industries to questions raised in the field.

The subcommittee will hear from invited witnesses only, but written statements submitted for the record are welcome. The hearings will begin at 9 a.m. in room 324. Anyone wishing further information should contact the Agriculture Committee staff at 224-2035.●

COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I wish to announce for the information of Senators and the public that the Committee on Veterans' Affairs will conduct a hearing on August 2, 1979, on S. 1518, administration-requested legislation to permit the Veterans' Administration to disclose to consumer reporting agencies for certain debt collection purposes an individual's name and address and certain information pertaining to a debt that the individual owes to the VA. The hearing will begin at 8:30 a.m. in room 457 of the Russell Senate Office Building.

Persons interested in testifying should contact Kerry Shortle of the Committee staff at (202) 224-9126.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the committee on Labor and Human Resources be authorized to meet during the session of the Senate today to hold a nomination hearing on William Hobgood to be Assistant Secretary of Labor for Labor Management Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management of the Committee on Governmental Affairs be authorized to meet during the session of the Senate today to hold a hearing on EPA management of its hazardous waste program, including implementation of the Resource Conservation and Recovery Act of 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Agricultural Research and General Legislation Subcommittee of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate today to hold an oversight hearing on USDA extension and research programs as they apply to family farms.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, July 26, 1979, to hear Patricia Harris.

The PRESIDING OFFICER. Without objection, it so so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Friday, July 27, 1979, to consider S. 446, discrimination against the handicapped in employment, and S. 1075, the drug bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FLEXIBLE EMPLOYMENT IN THE SENATE

● Mr. CRANSTON. Mr. President, last week's Washington Star included an article by Lucille Craft entitled "Job Sharing Splits Paychecks, Workweek and Boosts Morale," which featured two Senate employees, Ann Pearce and Peggy Luzadder, who have shared a position with the Veterans' Affairs Committee, which I chair.

Mr. President, I want to bring this article to the attention of my colleagues in the hope that Ann's and Peggy's success story will encourage others in the Congress to consider the benefits of hiring individuals on a less-than-full-time basis.

Ann and Peggy have alternately traded 2- and 3-day weeks as support staff for the committee. During particularly busy times, they each have worked 3 or 4 days per week. Their enthusiasm, hard work, and dedication have been a real bonus to the committee.

Mr. President, during my tenure in the Senate I have consistently employed individuals who work less than full time—particularly mothers with preschool or school-age children. The jobs undertaken have ranged from support staff to those with legislative and casework responsibilities. In some cases, as children have grown and the family responsibilities of these employees have diminished or changed, they have moved into full-time positions on my staff. This has proven to be an excellent opportunity for these individuals to move gradually back into the work force.

Mr. President, without exception these employment arrangements have proven to be most satisfactory.

I am committed to providing part-time, shorter workweek, and flexitime opportunities on my staff. These arrangements offer important opportunities for individuals who for one reason or another cannot or do not wish to work full time to be productively involved and develop their potential in the work force. It also provides me with topnotch and dedicated employees with fresh and valuable perspectives.

Recognizing the value of nontraditional work arrangements, President Carter has called for greater part-time and flexitime opportunities in the Federal civil service, and has signed into law legislation to that effect. Mr. President, I urge my colleagues to take the time to reassess their own staffing needs with a view toward supporting and initiating similar employment opportunities.

Mr. President, I request that the complete text of the Washington Star article of July 11 be printed in the RECORD.

The article follows:

JOB SHARING SPLITS PAYCHECKS, WORKWEEK AND BOOSTS MORALE

(By Lucille Craft)

In wistful moments, Sandra Tepper and Kathy Sheehy fantasized about finding a job they could do together. Neither wanted to neglect her home life, but both needed a respite from housekeeping.

Tepper and Sheehy faced a dilemma familiar to middle-class, well-educated married women. Money wasn't a problem; but Tepper, who has a master's degree in counseling, and Sheehy, a former social worker, craved stimulating work outside the home.

Because she didn't want a full-time commitment, however, Tepper reluctantly turned down an attractive managerial position. But her friend, weary of part-time typing, contacted the company to see if there was some way the women could split the job, and the paycheck.

The tenaciousness paid off. The two interviewed together, and now manage a thriving contact lens store in Bethesda, Md.

Tepper and Sheehy are members of a small but growing legion of women across the country who "job-share," enjoying the challenge of full-time work with the flexibility of a 20-hour work week.

A Fairfax-based group, Job Sharers Inc., helps sell employers on the idea and matches aspirants with similar backgrounds and job preferences. Most jobs can be split, and the benefits to employer and employee can boost morale and production, the firm claims.

"Productivity is up, because two people put out more work," said Judy Hodges, executive director who shares her reins with co-director Carol Parker. "Because they (employees) can get away from it, they're more invigorated. And there is continuous job coverage; if you're ill, your partner will come in."

Hodges and Parker, former neighbors who shared a consulting job in Fairfax, modeled their alternative job campaign two years ago after a program called New Ways to Work in San Francisco. Nearly 350 have participated in training programs with them so far, and 200 are learning the ropes now.

They admitted that at least half the battle is convincing employers that job sharing is successful. They now are looking for funding for surveys that will pique employer interest, "for industry to say 'Look, XY company has 50 job sharing positions and they've saved money—let's do it," Hodges said.

Because the high cost of living here virtually prohibits employees from supporting themselves on half-time salaries, Hodges said, Job Sharers caters largely to middle-income females, many married and of retirement age.

"The typical client is a woman who left the job market 10 to 15 years ago," she said. "She wants to be in the working world but can't commit herself to a 40-hour job."

Hodges said Job Sharers can put the plums—accounting, legal, teaching, graphic arts and writing positions—within reach of clients who otherwise would have to settle for low level, part-time jobs.

"The only thing we've found that's impossible to job share is a high level administrative job," she said.

Peg Binney, 47, of Alexandria, recently joined the job sharing corps after seeing her child into college, and nearly 20 years after her last job. Many of her contemporaries, she says, comprise "a large employment source that's being wasted" because of the scarcity of professional part-time work. "And there are many (full-time) women now who are neglecting their homes.

"I've got other responsibilities. I want to

be able to do something productive but not necessarily on a full-time basis," said the recent public administration graduate. "I don't want to play bridge and dig in my garden the rest of my life."

Job sharers generally can slice responsibilities any way they want. Peggy Luzadder and Ann Pearce alternately trade 2 and 3-day weeks to split a staff position with the Veterans Affairs Committee.

"We divide the days according to what we want to do at home," said Luzadder, 45, of McLean. "I'm a golfer, and Tuesday's the day I like to golf. Ann has a commitment to the church choir, so there's a certain day she likes to do that."

For Luzadder, who attended college for two years of college and has spent most of the time since as a housewife, the part-time Capitol Hill job has ushered her into the working world at her own speed.

"It was pretty difficult after 18 years to get myself up by my bootstrings to get a job," she said. "Money was not my primary concern. I was just kind of bored with being president of the women's golf club."

Luzadder and her partner take turns managing the committee office, screening constituents and taking notes at hearings. While they enjoy the luxuries of tailoring work to leisure time, Luzadder said the arrangement has been a boon for the committee as well. When the workload gets heavy, both work Wednesdays.

"I think they really get a lot more work out of two people," she said. "And we have time for having the car repaired or going to the dentist without having to take time off. (And) they know if they need us for double time, we can both come in."

Although she'll have to leave the job when she moves out of the area soon, Luzadder pointed out that having one job sharer remain on the job means a smoother transition.

Job sharing, its proponents say, also enables the unemployed to find work in fields that have few openings. Marilyn Tucker, 38, of Rockville, had trouble finding work that would exploit her master's degree in guidance and counseling. She and another woman now split a regular eight-hour shift as course and career advisors at Northern Virginia Community College in Alexandria.

"I'm gaining the flexibility that I need," said the mother of two. Her hours, 9 a.m. to 2 p.m., normally allow her to be with her children when they come home from school.

Tepper and Sheehy, managers of Peyton Contact Lens Associates on Montgomery Lane, Bethesda, said six months ago they knew little about contact lens and less about running a business. But job sharing helped them conquer a job interview and unravel the intricacies of business management.●

THE 27TH ANNIVERSARY OF THE COMMONWEALTH OF PUERTO RICO

● Mr. DOLE. Mr. President, today, July 25, marks a day of great importance for the U.S. citizens of Puerto Rico and Puerto Rican descent. On July 25, 1952, the people of Puerto Rico adopted a commonwealth status and established a new relationship with the U.S. Congress, an imaginative experiment in democratic self-government: An experiment which over time has proven that a people committed to preserving their own particular cultural roots can yet maintain their relationship with a political entity differing in geographic scale, history, and power. In commemorating this event we pay tribute to the contributions and important roles that citizens of Puerto Rico have played in America's progress.

A PROGRESSIVE PUERTO RICO

The fruition of what may be called modern Puerto Rico has emerged over the last 40 years, as Puerto Ricans have made energetic progress in their efforts at improving health, education, and job opportunities for all their citizens. Political ideals, as varied as they may be, have joined, through history, a rich heritage, America's contributions, and Puerto Rico's own unique characteristics to achieve a well-established and successful means for enacting change and yet maintaining continuity through democratic processes. We have a common commitment, as Americans, to individual freedom and the democratic tradition of representative government. Our common concern for economic growth and political development binds us in a unique relationship with our fellow Americans from Puerto Rico.

U.S. COMMITMENT TO THE PRINCIPLE OF SELF-DETERMINATION FOR THE PEOPLE OF PUERTO RICO

Mr. President, the nature of a commonwealth status carries with it the inherent obligation to examine, and if necessary, reinterpret the political aspects of that relationship.

Mr. President, the relationship between Puerto Rico and the United States is long overdue for a thorough evaluation and revision. The question of political status in Puerto Rico has sometimes been a source of confusion, yet we remain committed to the fundamental principle of self-determination of the people of Puerto Rico; whatever decision the people may make.●

TAX SIMPLIFICATION OF INSTALLMENT SALES

● Mr. LONG. Mr. President, in May of this year I introduced two bills for the simplification and clarification of certain provisions of the Internal Revenue Code.

On June 22 Senator HARRY BYRD, chairman of the Subcommittee on Taxation and Debt Management of the Committee on Finance held a hearing on these two bills. On the House side, a hearing on the bills is scheduled for July 27 before the Subcommittee on Select Revenue Measures of the Committee on Ways and Means.

The testimony at the hearing on June 22 included both enthusiastic support for the general program of technical tax simplification and also many valuable suggestions for improving and adding to the bills. It is my purpose today to comment on one point which was raised by several witnesses in relation to the bill on installment sales.

As introduced, one provision of the bill barred the use of the installment method for sales between related parties. This rule was originally included to deal in the simplest way with a tax planning device involving resale of the property to a third party. The witnesses pointed out, however, that the bill went too far in barring all sales between related parties. For example, it would apply to the sale of a family farm from father to son for installment payments. Accordingly, it was recommended that the provision be limited to the cases involving resales at which it was originally directed, and the Treasury agreed with this recommendation. Nevertheless many citizens have continued to be concerned on the subject, and I want to make sure that this provision of the bill is amended so as not to affect normal sales of farms or other property between related parties where resales are not involved.

Senator DOLE, the cosponsor of this bill, and Mr. ULLMAN and Mr. CONABLE, who sponsored the corresponding bill in the House, also favor this change.

In addition to the specific change involving related parties the staff is reviewing the other changes in the bill on installment sales suggested at the hearing on June 22 and they will also, of course, take into account the testimony at the hearings on July 27. We hope that at the completion of the full legislative process this bill will represent an excellent example of cooperation between Congress, the Treasury, and private tax practitioners in revising and simplifying a troublesome area of the tax law.●

● Mr. DOLE. Mr. President, I support the thrust of the statement made by the distinguished chairman of the Finance Committee.

The tax simplification project is extremely important and it has my full support. The intention of the tax simplification program is to bring certainty and fairness to our tax system. I think that S. 1062 and S. 1063 gives us a good start on the tax simplification process. After introduction of these bills, we had some very constructive hearings in which some areas of concern were identified. While the basic framework of the simplification legislation is sound, some changes seem appropriate. As the chairman points out, a particular area of concern is the "related parties" rule in S. 1063, the installment sales simplification bill. Based on the hearings, I believe legitimate transactions between related parties should be permitted. For example, we clearly should not have a policy which prohibits the continuation of the family farm or other closely held businesses. I hope that we can modify this aspect of S. 1063 to address this and other concerns.●

NON-FEDERAL INITIATIVES TO CONTROL RISING HOSPITAL COSTS

● Mr. MORGAN. Mr. President, Congressman ROSTENKOWSKI issued an important and far-reaching challenge to the hospital industry during consideration of hospital cost containment proposals in the 95th Congress. He told the industry to come up with their own program to control unnecessary cost increases, adding that if they failed to do the job on their own they were going to have to deal with Federal controls.

Mr. President, in at least one State, my home State of North Carolina, there has been a unique response to this challenge, one that I am confident will prove to be successful in controlling costs. Part of the hospital industry's nationwide "voluntary effort," this program has been undertaken jointly by the North Carolina Hospital Association, the North Car-

olina Medical Society and Blue Cross/Blue Shield of North Carolina in conjunction with and with the cooperation of other insurance companies and business and civic leaders. I have a description of this program here, one prepared by the NCHA, and request that it be printed in the RECORD following these remarks.

It is expected that every hospital in the State, with the notable exception of the Federal hospitals, will be taking part in this cost control plan in spite of the fact that North Carolina's hospitals already have one of the best records in terms of holding down costs in the country. Charges per inpatient day are lower than those in 43 States, about $37 per patient per day below the national average. In spite of this already excellent record, hospital cost increase in North Carolina were less than the national average last year. The hospital occupancy rate is 78.2 percent, ninth in the Nation.

Mr. President, I have been and still am uncommitted with regard to the hospital cost containment proposals before the Congress. But I do have a number of concerns with them. They tend to rely on regulatory, as opposed to market, forces and would significantly increase the bureaucracy. More than half the hospitals would be exempted, and covered hospitals would have over half their costs exempted. Possibly most important, some of the proposals before us discriminate against hospitals that have been efficient.

With all these problems, and considering the cost containment activities that are already being carried out in North Carolina, activities which I hope and assume are being duplicated elsewhere, I am skeptical about the need for legislation. My skepticism is reinforced by the fact that I do not know of a single case where stand-by controls did not in fact become a mandatory program. If I am to vote for hospital cost controls, somebody is going to have to make a good case supporting them, one devoid of inflammatory rhetoric and one which explains how the controls will actually work.

The statement follows:

DESCRIPTION

I. SYNOPSIS OF PLAN

Each year by February 15, the North Carolina Steering Committee on Health Care Cost Containment will establish a calendar year goal for limiting the rate of increase for total health care expenditures. This goal will be established annually and reviewed on a semiannual basis to reflect changes in economic activity.

A separate, independent External Review Committee will then establish a specific expenditure goal for each hospital before its fiscal year begins. Prospective budgeting data and periodic financial reports will be required of participating institutions to assist in setting numeric screens and to monitor progress toward the expenditure goals. Hospitals that meet their expenditure goals, submit voluntary effort resolutions, maintain a cost containment committee, satisfy VE reporting requirements and maintain a program to keep their medical staffs informed about hospital costs will be Fully Certified as cost containment hospitals by the Steering Committee on Health Care Cost Containment. Wide media disclosure will be given to hospitals that are certified by this process.

Technical assistance programs through a variety of sources, including the Carolinas Hospital and Health Services (CHHS), are available to help hospitals improve their management in general or to specifically assist institutions in meeting their expenditure goals.

The Steering Committee on Health Care Cost Containment will hear any appeals by individual hospitals concerning their voluntary effort goals as established by the External Review Committee. The decision of the Steering Committee is final.

The overall goal of this program is to provide health care to the people of North Carolina at the lowest cost consistent with good medical practice.

II. HISTORY AND PURPOSE

The Voluntary Effort was created as a response to Representative Rostenkowski's (D-Illinois) challenge to the health care industry to control its own costs. The voluntary program was established jointly in November, 1977 by the American Hospital Association, the American Medical Association and the Federation of American Hospitals. The concerns of the Voluntary Effort are broad based, including hospital costs, physician's fees, hospital supplier charges, as well as the roles of business, labor and the consumer in health care cost containment.

The goals of the Voluntary Effort nationwide are to reduce the rate of increase of total hospital expenditures from 15.6 percent in 1977 to 13.6 percent at the end of 1978 and to 11.6 percent at the end of 1979. Thereafter, the VE is to hold down the rate of increase in hospital expenditures to that level established by the National VE Steering Committee and consistent with increases in the gross national product.

In North Carolina, the state Steering Committee was formed in August of 1978. This Committee followed the national VE model in that it sought representation from commerical insurance companies, Blue Cross, physicians, hospitals and local government. Full time staff was assigned to the Steering Committee in December, 1978. The initial draft of the VE plan was distributed in March of 1979.

The VE plan focuses primarily on hospital costs and is an expression of concern for the rising costs of health care. When implemented, it is designed to voluntarily limit the North Carolina rate of increase in hospital expenditures at a level that is consistent with the increase of the gross national product.

III. CERTIFICATION PROGRAM

The Voluntary Effort in North Carolina grants to individual institutions certification as being Cost Containment Hospitals on two different levels of performance.

A. Provisional certification

Granted to a hospital when both the governing body and the medical staff pass resolutions in support of the Voluntary Effort (Appendix A).

This classification is also assigned to Fully Certified hospitals that subsequently fail to meet all of the requirements for Full Certification or fail to make expenditure goals for three consecutive quarters.

B. Full certification

Granted to a hospital when the following are completed:

(1) The resolution required under Provisional Certification are submitted.

(2) The required financial reports are submitted to the Voluntary Effort offices within the time frames allowed.

(3) The VE expenditure goals are matched on a semiannual basis.

(4) A copy of the bill of the first patient discharged by a physician each month is given to that physician within 30 days.[1]

5. A list of 20 common procedural charges is given to each member of the medical staff and is posted at each nursing station.[2]

(6) A multidisciplinary cost containment committee is established with representation from administration, medical staff and department heads. This committee is to meet at least quarterly. Summaries of minutes are to be submitted to the Voluntray Effort office quarterly.[3]

(7) The hospital participates on a timely basis in any administrative or management technical assistance surveys as requested by the Steering Committee.

Once fully certified, a hospital that fails to meet any of the above steps will be given a change of status from Full Certification as a Cost Containment Hospital to Provisional Certification. However, hospitals that exceed their expenditure screens without sufficient justification for two consecutive quarters will not fully lose certification unless they fail to accept a technical assistance survey for the following quarter. Technical assistance survey recommendations will be filed with the External Review Committee. Fully certified hospitals that fail to meet their expenditure screens without justification for three consecutive quarters will automatically revert to a Provisional Certification status.

Releases to the news media will be made listing hospitals that are Provisionally Certified or Fully Certified as cost containment hospitals. Listings of Provisionally Certified hospitals will indicate in what criteria they are deficient. The progress of the state's institutions in meeting statewide expenditure screens will be published quarterly by the Steering Committee on Health Care Cost Containment. All numerical hospital information will be in aggregate form only. No numerical information concerning an individual institution will be released publicly without written permission from that facility.

Hospitals will receive certificates suitable for display that indicate they are Fully Certified or Provisionally Certified as cost containment hospitals. Sample releases will be included for the local news media.

The Steering Committee always welcomes written public comment concerning any aspect of the North Carolina health care delivery system. Each year, three public VE symposia will be held in widely scattered locations across the state to give interested citizens an opportunity to hear first hand about the progress of the VE and to speak directly with the Steering Committee.

IV. EXTERNAL REVIEW COMMITTEE

Each year the chairman of the Steering Committee on Health Care Cost Containment, with the advice of that Committee, will appoint an External Review Committee composed of 12 members. Six of these members are to be hospital administrators or controllers, each of whom is from a different state Hospital Association district. The balance of the Committee is to be non-hospital members who have both an interest in and a knowledge of health care financing.

The External Review Committee at its first meeting shall elect its own chairman who shall be a voting member. The chairman shall also be an ex officio member of the Steering Committee. Terms of the External Review Committee are to be for three years each with the initial appointments serving one, two or three years to establish membership rotation. After serving two full terms of three years, a

[1] The Steering Committee recommends that a complete itemization of charges be given as well as a copy of the claims form.

[2] An existing program to bring about physician awareness of hospital costs, as a result of their pattern of practice, may be substituted for criteria four and five, if the External Review Committee rules that such a program is comparable.

[3] The Steering Committee suggests that steps are taken as needed to insure physician participation on this Committee.

member may not serve for at least one year before being considered for reappointment.

The External Review Committee is responsible for establishing individual hospital annual expenditure screens and for monitoring the success of North Carolina's hospitals in meeting their screens on a quarterly basis. (Greater detail in Section VI)

Any appeals concerning the final actions or decisions of the External Review Committee are to be made to the Steering Committee on Health Care Cost Containment. (See Section VIII—Appeals)

V. DATA COLLECTION

One month before the beginning of its fiscal year, every paritcipating hospital shall submit a budget summary projection to the Steering Committee on Health Care Cost containment on the prescribed forms (See Appendix B). This budget is to be broken down by quarters and is to include capital equipment.

Monthly reports shall also be submitted to the Voluntary Effort offices 25 days after the close of each month (Appendix C). In addition, each institution shall submit copies of its American Hospital Association Annual Survey as these are completed. Special surveys may also be required if the Steering Committee on Health Care Cost Containment feels that the results of such surveys will be in the best interest of North Carolina's hospitals.

VI. ESTABLISHMENT OF STATEWIDE AND INDIVIDUAL HOSPITAL EXPENDITURE SCREENS

The statewide goal for limiting the rate of hospital expenditure increase for the calendar year will be established annually by the Steering Committee on Health Care Cost Containment by February 15. Thereafter, on a semiannual basis, the Steering Committee will announce extensions of the expenditure goal limitation 12 months ahead and into the next calendar year. Appropriate economic indicators of the Federal government and the American Hospital Association will be utilized.

Three months before the beginning of the hospital's fiscal year, the External Review Committee will issue a preliminary numeric screen setting the rate of expenditure increase for the forthcoming year. Several factors will be considered by the External Review Committee in establishing individual numeric screens. These are:

(1) A mathematical equation that considers a hospital's three-year history of actual increases and the actual performance of other hospitals in the state over the same period (Appendix D).

(2) The American Hospital Association's "Amendment to Statement on Financial Requirements of Health Care Institutions and Services" (Appendix E).

Hospitals, upon receipt of their expenditure screen, may desire to submit additional information to the External Review Committee to better justify a change in the expenditure goal. The Committee, after reviewing the information, may request additional documentation or a meeting with representatives of the facility to negotiate an agreed upon expenditure target. After such further considerations, the External Review Committee will reaffirm or revise the hospital's expenditure goal (Appendix F).

Revision of an institution's goal may be based upon the following:

(1) Demonstrable changes in patient volume or intensity of service.

(2) Mandated expenditure increases, such as minimum wage.

(3) Other conditions beyond the hospital's control that seriously impacted its ability to manage its expenditures.

The net effect, however, of the individual hospital expenditure limitations must be such that the statewide goal for reducing the rate of hospital expenditures is met or exceeded.

VII. MONITORING THE PROGRAM

Within 50 days of the close of each calendar quarter, the Voluntary Effort staff will submit to the External Review Committee summary reports of data from hospitals that have exceeded their expenditure screens.

The External Review Committee, within 60 days of the close of the calendar quarter, shall conduct an analysis of each institution's expenditure data and any accompanying documentation and make one of the following determinations:

(1) Based on the data and supporting documentation, the External Review Committee may determine that the facility's justification for failure to meet its screen is acceptable and will require no further action; or it may decide that the facility's justification for failure to meet its goal is unacceptable and make recommendations for improving the hospital's performance.

(2) Based on the review and supporting documentation, the External Review Committee may conclude that it will require additional information from the institution and will request that the facility submit such material. The External Review Committee will then suspend further consideration pending receipt of that additional information.

(3) Based on the data and supporting documentation, the External Review Committee may request a meeting with representatives of the health care facility. The purpose of such a meeting will be to provide opportunity for the institution to further explain its submitted documentation and other points that may clarify the hospital's position.

Any facility may, at its option, request a meeting with the External Review Committee or its designated representatives to explain the circumstances contributing to its expenditure performance. Any hospital may request a meeting with the External Review Committee at any time following the submission of its quarterly data. Hospital requests may be submitted in writing to the chairman of the External Review Committee. Any External Review Committee requests for meetings will be forwarded in writing directly to the hospital.

Upon completion of the analysis process, the External Review Committee may make recommendations to the hospital under review. These recommendations are intended to provide assistance to the facility in meeting its approved budget. Institutions shall be requested to comply with the recommendations of the External Review Committee, including but not limited to, acceptance of technical assistance as described in Section IX of this plan. Failure to follow the recommendations of the External Review Committee on a timely basis will result in loss of certification as a Cost Containment Hospital. Minutes and recommendations of the External Review Committee shall be documented by the Voluntary Effort staff and forwarded to the state Steering Committee and the concerned institution. These minutes and recommendations are confidential and are not to be disclosed publicly (See Appendix G for abbreviated descriptions of this process).

VIII. THE APPEAL PROCESS

Any institution may appeal to the state Steering Committee any decision or recommendation of the External Review Committee after it has completed the review process. An appeal must be filed with the state Steering Committee within 14 days of the conclusion of discussions between the individual hospital and the External Review Committee. The state Steering Committee, or its designated representatives, then have 45 days in which to schedule a hearing with the aggrieved hospital. The location and time of such a hearing will be determined by the Steering Committee. Notice of this hearing must be delivered in writing at least ten days before the meeting is scheduled.

Should the Steering Committee fail to provide a hearing within this time frame, the hospital's appeal is upheld.

IX. TECHNICAL ASSISTANCE PROGRAM

The primary purpose of the technical assistance program is to identify and provide resources to assist hospitals in making improvements in their operations management and thus operate within their approved budgets.

Participation in a technical assistance program may be a requirement of any hospital as a result of recommendations from the External Review Committee, or an institution may at any time request technical assistance.

Principle resources for the technical assistance program will be the Carolinas Hospital and Health Services (CHHS) divisions. These divisions encompass management and industrial engineering, plant and clinical (biomedical) engineering, group purchasing, a medical claims collection bureau and support services in hospital construction and renovation projects. Technical assistance surveys from CHHS will be made available at their usual man-day fees.

Other significant resources for technical assistance are the American Hospital Association and various hospital and management consulting firms.

The External Review Committee is to receive copies of the technical assistance summaries from those hospitals that are required to have such assistance.

X. FUTURE ACTIVITIES

The Steering Committee of the Health Care Cost Containment Committee affirms that setting expenditure limitation on hospitals addresses but a small part of the total problem in reducing the cost of health care to the people of North Carolina. Other components of the entire health care field will be looked at as well.

The Steering Committee will move ahead rapidly and seek to impact the areas of consumer health awareness, health insurance, physicians' practice patterns and health supplier prices.

Only by vigorous activity across the whole field of health will long lasting effects be made without significant sacrifices in the quality of patient care.●

AMBASSADOR SMITH ON SALT II

● Mr. KENNEDY. Mr. President, the SALT II hearings currently taking place in the Senate have served to focus attention both on the specific details of the SALT II agreement and on the contribution of SALT II to our national security and foreign policy interests before the SALT II Treaty Conference in New London, Conn.

In a recent speech, former ACDA director and chief SALT I negotiator Gerard Smith makes a strong case for SALT II. After pointing to the achievements of the ABM Treaty and the SALT I interim agreement, Ambassador Smith persuasively refutes criticisms of the SALT II agreement. I share Ambassador Smith's belief that "our choice is to continue to modernize our forces for some 6 years under agreed SALT II ceilings with certain limitations on Soviet and American weapon systems or to go back to an unlimited contest."

Mr. President, I ask that Ambassador Smith's impressive and thoughtful speech be printed in the RECORD.

The speech follows:

SPEECH BY AMBASSADOR GERARD SMITH

I

I see I am billed as the Architect of the SALT II Treaty. I wish that were the case, but it is not so.

It is more than six years since I had responsibilities for SALT I negotiations and I will use that fact as an excuse for sparing you a lot of the detailed arithmetic of SALT II. It is expected that SALT II agreements will be signed and made public in Vienna in the coming days. There have been many reports in the press but no official texts are yet available. They will be formidable documents but their important provisions are not too hard to understand. Let me say to relieve your minds, that nothing in this treaty would require any alteration in the Trident submarine program.

Right at the start I would stress that with or without SALT we are in for a continuation of a fateful competition with the Soviet Union in the field of strategic weapons. Since the time before SALT—almost a decade ago when the Soviets were catching up—they have been mounting large, broadly based missile programs. We have also been modernizing our forces but in the case of our land-based intercontinental missiles (ICBMs) with less dynamism. Despite this we are not in an inferior position. We have doubled the number of our strategic warheads since SALT I started. That comes to a rate of increase of 3 additional warheads each day since SALT started. We have installed over 500 modern ICBMs, and almost 500 modern SLBMs. I hardly need say here that a new fleet of missile submarines, the Tridents, will soon be joining the strategic forces. Strategic cruise missiles will also soon be deployed. We lead the Soviets in a number of important areas. Our forces are more survivable and diverse. But even if SALT II comes about, we will go in for extensive improvement measures (e.g., M/X) to avoid in the future a perceived imbalance between the Soviet and American forces. The basic question is—can we improve our strategic position with less risk and cost with SALT II controls than in the absence of these controls.

II

Let us first look briefly at the experience under the SALT I agreements of 1972.

The main product there was the Anti-Ballistic Missile Treaty limiting ABM sites to two for each nation. Many of us think that that treaty avoided a risky, costly and perhaps absurd competition to try to build defensive ballistic missile systems. In the late 1960's there were outspoken proponents for deploying defensive missiles to reduce damage which attacking Soviet missiles could do to population centers and to our Intercontinental Ballistic Missiles. (Even in those days we worried about the ICBM vulnerability problem—of which more later.) Then it was realized that any such defensive system could probably be neutralized by the other side's simply deploying more offensive missiles—and to the extent that an ABM system did promise to be effective, it could be destabilizing if it lead a nation to believe it could attack while expecting the ABM's to deflect the brunt of the retaliation. Our offensive forces had been planned in the 1960's to penetrate predicted thousands of Soviet ABM's. Now these thousands of American warheads are deployed and there are only 67 Soviet ABM's for them to have to penetrate. That struck me as very much to America's security interest.

I think it is generally recognized that this Treaty has worked. Secretary of Defense Brown recently said it had contributed greatly to stability. The limit was later reduced from two to one site for each side and we later decommissioned the one site which we had built. The Soviets have not completed their one existing system around Moscow. The ABM Treaty was reviewed by the parties in 1977 and found to be effective. It is to be reviewed again in 1982.

The second SALT I agreement was called an "interim freeze". Its purpose, as we saw it, was to hold down the number of Soviet missile launchers while negotiations for treaty limitations continued. The aggregate number of land and sea based ballistic missile launchers was limited to approximately the number which were then deployed or under construction. Heavy bombers in which we had superiority were excluded. We also had significant leads in warheads and technology, but the Soviets had substantially more ICBM launchers and were permitted to keep most of them. In this respect the freeze had an appearance of inequality although such was not the case when our other strategic forces were taken into consideration. Psychologically, the freeze got off to a poor start. And for some reason there was an expectation in some quarters that the Soviets would not substantially modernize and improve their ICBMs as permitted under the freeze, an expectation which was disappointed. I think that is a major factor in the negative attitude which some people now have towards SALT II.

Also agreed upon during SALT I were two arrangements of special significance for the problems of accidents involving nuclear weapons—certain measures to reduce the risk of outbreak of nuclear war and for modernization of the Washington-Moscow Hot Line. They are largely forgotten, but the Hot Line has more than once proved its use in emergencies and the war risk reduction agreement could be of importance in the future.

As part of SALT I, it was agreed the fulfillment of the commitments could be verified by what were called "National Technical Means of Verification", a smooth term for some of the intelligence systems of the two sides, including satellite photography. This proviso, in effect, legitimized the use of intelligence systems for arms control, a development which seemed to me an extraordinary thing for the Soviets to agree to.

The two sides also took commitments not to interfere with the operation of these intelligence systems and not to conceal from them the weapons systems limited by the agreements. These "no interference and no concealment" understandings have been an important plus for U.S. intelligence systems. With or without SALT we need to keep track of Soviet strategic force development and deployments. But without SALT, the Soviets could take any concealment measures available, thus making our monitoring task harder.

There was also established by SALT I a Standing Consultative Commission whose function is to consider ambiguities which might arise and clarify doubts as to possible violations. This group has met frequently and has operated successfully. A number of ambiguities have been clarified. On some occasions practices by both sides which were considered inconsistent with the agreements have ceased. Presidents Ford and Carter have certified that there have been no violations of the SALT I agreements. Although by its terms the "freeze" expired in 1977, both countries have stated they would do nothing contrary to it while SALT II negotiations continue. In fact, the Soviets even now are decommissioning some ballistic missile submarines in order to stay under a ceiling called for by this freeze. This, I think, shows that the Soviets take SALT seriously.

I would say that (largely because no added ABM systems have been deployed by the USSR) American security is better now, after almost 7 years of operating under SALT I, than if the ABM Treaty and the missile freeze had not been approved by the Congress in 1972 and an unlimited competition had continued. We have gained confidence that certain commitments taken by the Soviet Union in strategic arms limitation can be verified. We are approaching SALT II not as something new and untried, but as a continuation of a process that we have learned to live under and to count on.

III

The SALT II negotiation has been going on since November of 1972. It is some measure of the difficulty of this work that it has taken almost 7 years to reach an agreement which will expire in some 6 years. The American Delegation is made up of diplomats, technicians, and officers of the Army, Navy and Air Force. At times Members of Congress have participated to good effect and Congressional Committees have been kept fully and currently informed. It is our expectation that the treaty and related documents, when and if submitted by the President to the Senate for advice and consent, will have the support of the Joint Chiefs of Staff, the Secretary of Defense and the Secretary of State.

It is reported that the main effects of the treaty would be as follows:

The total number of strategic nuclear delivery vehicles (i.e., heavy bombers, and launchers for ballistic and long range cruise missiles) on each side would be subject to equal ceilings—2400 at the start and 2250 by the end of 1981.

The Soviets would have to dismantle some 270 launchers to get under this ceiling. The United States would not have to dismantle any systems that currently are operational and could, in fact, build about two hundred additional launchers before reaching the ceiling.

There would be equal sub-ceilings on various categories of launchers for missiles containing MIRV's (which are multiple warheads that can target more than one aim point).

Each side could only test and deploy one new type of ICBM which could not contain more than 10 warheads.

The number of warheads that could be placed in existing missiles would be frozen at the maximum number tested in present missiles. This limit is especially important. It restricts the Soviets' ability to capitalize on their present missile throw-weight advantage. One type of Soviet missile, for example, without this constraint could contain 30 or more warheads. It is worth recalling that in SALT I, the U.S. had proposed a treaty with no limits at all on warhead numbers! This seems much better.

Testing and deployment of mobile ICBMs (such as the M/X which President Carter recently approved) would be prohibited during the first 2 years but after that would be permitted under the treaty.

There would be a number of additional limitations on the throw-weight of missiles.

The treaty would lapse at the end of 1985 but either side could terminate it sooner on giving 6 months notice.

In sum, SALT II would—for the first time—place limits on all types of central strategic systems.

For the first time it would partially reverse the arms competition in offensive systems and require reduction from an existing force level.

For the first time it would put some constraint on the total number of warheads the sides could have. It would not solve the ICBM vulnerability problem (which I will touch on later), but it would put finite limits on the size of this threat.

For the first time it would put restraints on the competition to develop and field new and better ICBMs by limiting each side to testing and deploying only one new ICBM by 1985.

IV

Proponents point out that these are significant restraints and that if SALT is rejected, there will be a renewed open competition with large additional costs as well as increases in the risks of escalation and war.

In the absence of SALT II, the Soviets could substantially increase their forces. It is estimated that in 6 years of an open competition the Soviets could have as many as 3,000 strategic launchers as opposed to the SALT LIMIT of 2,250. They could also have two to three thousand more warheads than SALT II would allow.

V

What is the case against SALT II? It is said that SALT I didn't stop the Soviets' strategic programs which may become superior to our forces, so why agree to SALT II? And SALT I did not lead to the expected relaxation of Soviet-American tensions. During the past six years the Soviets have engaged in an adventurist foreign policy which has been destructive of a number of U.S. aims.

Here I would point out that useful arms control arrangements should not be limited to times of superpower good behavior. The treaty prohibiting nuclear tests in the atmosphere followed shortly after the Cuban missile crisis. SALT I was concluded only a few weeks after the U.S. started bombing Haiphong in Vietnam, a Communist ally of the USSR. In fact, if the USSR is to continue an adventurist foreign policy, it might be better if its strategic arms were under some agreed controls.

I think that underlying most of the opposition's arguments is a belief that in an open competition not limited by arms control, United States superior technology would give us some advantage. Claims are made that the existence of the arms control relationship tends to moderate our reaction to Soviet bad behavior abroad and that SALT II would be a psychological constraint on modernization of U.S. forces.

It is said that the SALT process has lulled us into inertia and has had no such effect on the Soviets and in the absence of agreed arms limitations we would be more keenly aware that we had to make a greater effort. To some critics rejection of the treaty by the Senate would mean reinvigoration of American programs. As for rejection's effect on Soviet programs, critics are either silent or apparently inclined to trust that the Soviets would not expand their strategic programs.

Critics of SALT are especially concerned about the predicted vulnerability of our land-based ballistic missiles, the ICBM vulnerability problem. It is now believed that the Soviets will have the capability to destroy almost all of our ICBMs using but a fraction of theirs, a threat which critics think will tend to make the United States reluctant to stand up to the Soviets in a crisis. I would inject here this thought—if ever the Soviets were tempted to such a desperate act as attacking our ICBMs, they would have to make the risky calculation that the Americans would never fire their missiles before Soviet missiles hit American targets. I wonder. I am not urging that the U.S. adopt a procedure of "launch on warning." But the possibility that we would is a not unreasonable contribution to Soviet uncertainties. The Soviets would also know that if they struck our ICBMs, the U.S. would still have 5 to 6 thousand warheads in the alert bomber force and on its missile submarines at sea. Nevertheless, this ICBM vulnerability question needs more attention. It can be remedied under SALT limits and that is what the new missile system, the M/X, will be designed to do.

Critics also emphasize that the Soviets could keep some 300 launchers for very large ballistic missiles now in their force while the United States could not deploy any. U.S. force planners have consistently chosen not to match the Soviets in heavy missiles and to emphasize more important characteristics. The main consideration has been "What are our requirements?" not "Let's copy the Soviet forces."

Admittedly, it would look better if the United States had the right to build the same number of such launchers as the Soviets now have whether or not we ever wanted to exercise it. But it seems to me that this would have no practical effect on U.S. forces during the life of SALT II. The U.S. has no use for and does not plan to deploy this kind of missile.

The situation will be exactly the same if the treaty is not ratified. On the Soviet side there will be some 300 such launchers (if not more), while we would not deploy any. Nothing in the treaty would prevent the testing or deployment of the new missiles, the M/X. It is important to know that the heavy Soviet ICBMs are not the proximate cause of our prospective ICBM vulnerability. That situation would exist even if the Soviets had no heavy ICBMs. Accurate and MIRVd light ICBMs would offer a similar threat.

Critics also don't like the fact that effective limitation would not be placed on the Soviet bomber "Backfire" which, though not truly intercontinental, does have some capability to strike targets in the United States. But here the U.S. does have the right to build unlimited numbers of an aircraft of this type. More numerous than Backfires are the nuclear capable NATO fighter bombers which can strike targets in the USSR and which also would not be SALT limited nor would the strategic missile forces of our allies, the UK and France, be limited. (I understand that the Soviets have agreed not to increase the present production rate of Backfires—some 30 a year.)

Certainly there are weaknesses in our strategic forces that need correction and certainly SALT does not solve all our strategic problems. But I believe the treaty would make these problems more manageable. I have been advised that the SALT constraints would not prohibit any U.S. programs designed to reduce or eliminate present weaknesses. What modernization measures are necessary involves important issues needing enlightened debate. But a judgment about SALT should not depend on whether one favors these improvements or not. SALT does not require or prevent any of them. Secretary of Defense Brown recently said that SALT II would make the strategic balance more predictable and would place important limits on the threat we will face.

I have a hunch that some SALT criticism reflects the frustrating knowledge that it is easier to persuade a third of the Senate to vote no to a treaty than it is to persuade a majority of both House and Senate to vote for very large increases in defense budgets for years to come. But that hardly seems to warrant a negative conclusion about SALT II.

Critics believe that the Soviets do not hold to our doctrine that the main function of strategic arms is to deter the other side from using or threatening to use its strategic forces. They say that the Soviets are planning not only to deter but, if necessary, to fight a nuclear war to a successful conclusion with damage limited by their weapon systems and by a large scale civil defense program to protect their people. These critics feel that strategic arms control will not work to our interest in the absence of acceptance by the USSR and the U.S. of a common strategic doctrine. Only a few critics stress, however, that to be credible such an alleged Soviet strategic doctrine, if imitated by the U.S., would require, among other things, a massive civil defense program in this country.

Looming behind much of the criticism of the SALT package is doubt on the part of criticis as to verifiability of commitments to be taken. They fear that the Soviet will violate the agreements and steal a march on the United States. By the same token, in SALT I an anxiety of some Americans was that the Soviets would violate the ABM limits by using anti-aircraft systems for anti-ballistic missile purposes—the so-called Sam upgrade problem. They didn't.

In addition to SALT I—our intelligence has confirmed that the Soviets are living up to other arms control agreements, the Limited Test Ban Treaty which curbed the pollution of the atmosphere, the Antarctica Treaty, the Seabeds Treaty and the Outer Space Treaty. And now they know that their performance will be under closer scrutiny than ever.

In considering verification, keep in mind that it does not involve trusting the Soviet. It does involve confidence that our intelligence systems have already proved capable of monitoring performance of SALT I obligations and can check on Soviet performance under SALT II. In addition, in SALT II (by a provision which is unique in modern arms control arrangements) the sides have disclosed the exact composition of their present strategic forces and have agreed to update this "data base" to reflect future changes. Secretary of Defense Brown recently said, "We are confident that no significant violation of the treaty could take place without the U.S. detecting it." We would be able to respond with appropriate actions before any seriously adverse impact on the strategic balance could take place. The relatively short life of the treaty, which would end in 1985 and in addition could be terminated on 6 months' notice, is good insurance that the Soviets cannot gain any advantage from not living up to its provisions. Even such a tough SALT scrutinizer as my friend, Paul Nitze, takes a somewhat relaxed view of the matter. In an article in Foreign Affairs in 1976 he wrote, "I personally take the verification issue less seriously than most because the limits are so high that what could be gained by cheating against them would not appear to be strategically significant." But the President has assured us that he will not approve any agreements that cannot be adequately verified. I think that assurance can be relied on.

VI

Intelligence about Soviet strategic arms is a combination of knowledge about present capabilities and estimates about future developments. SALT helps in both respects. Present deployments can be more precisely determined since the Soviets are not permitted under the agreements to conceal weapons systems which are limited and they have agreed not to interfere with our National Technical Means of Verification (intelligence systems). As for estimating future deployments, the agreement spells out the maximum permitted levels of the limited systems, thus simplifying somewhat the problem of prediction of future force levels. The absence of this "predictability", which would result from a SALT rejection, would make the future strategic balance more uncertain and would thus be destabilizing.

VII

You may be wondering whether in the Soviet Union there are also critics of SALT. While we don't hear their voices, I suspect that there are. Here are a few points they may be making:

1. The USSR would have to reduce its forces while the Americans could increase theirs.

2. The Americans will have many highly accurate air-launched cruise missiles during the life of the treaty and the Soviets will have few or none at all.

3. Soviet submarines are noisier and Soviet access to the high seas is much more constrained than America's. And the Americans have forward bases for their missile submarines in Europe and the Soviets have none.

4. The Soviets have four nuclear adversaries with strategic forces—the U.S., the

UK, France and China—and the Americans have but one.

5. The Soviets have an inferior heavy bomber force. The United States has over 300 truly intercontinental bombers.

6. The Soviets have nearly three-quarters of their warheads in vulnerable ICBMs while the United States has nearly three-quarters of its warheads in less vulnerable systems—bombers and submarines.

7. The United States can count on many hundreds of nuclear capable fighter bombers deployed close to the Soviet Union which could destroy hundreds of targets in Russia. These systems are not limited by the agreement.

VIII

There is another angle of criticism coming from some liberal politicians, academics and church people. Unlike our conservative and more weapon oriented critics, they find the SALT package to be too little, too loose, too permissive; some call it a sham. They want sharp reductions and tighter constraints on weapons characteristics. They seem to forget that the Soviets quickly rejected our 1977 proposal for significant reductions. But SALT II would include unprecedented and significant qualitative and quantitative constraints. Sometimes such critics remind one of Aesop's wry remark, "It is easy to propose impossible solutions."

I have not attempted a comprehensive survey of criticisms of the SALT package, but I think these will give you an idea of what is troublesome to our SALT opponents.

IX

There are several other important considerations to have in mind before drawing conclusions.

My responsibilities are now in the field of nonproliferation—to try to control the spread of nuclear weapons around the world. This is called horizontal proliferation, as opposed to vertical, which refers to the buildup by the two superpowers of their nuclear forces.

To my mind the threat to American security from horizontal proliferation is substantially greater than that presented by the continuing improvement in Soviet forces. Imagine the instabilities that would be created if and when more nations have nuclear weapons or even a weapons potential. This is no empty anxiety. Some of you may have seen this week a TV news report that Pakistan appears headed in that direction. It is not difficult to think of other areas in the world where—continuing to carry out traditional rivalries will be much more dangerous with nuclear weapons present. A key country for our nonproliferation efforts is India which exploded a nuclear device 5 years ago. One can hardly expect India formally to give up a weapons option if the SALT treaty is rejected and there is little prospect that the superpowers are going to agree to put their strategic weapons under some constraints.

One of the main instruments to contain the spread of nuclear weapons is the Non-Proliferation Treaty which has been in force for almost ten years. Over 100 countries have taken commitments not to go for nuclear weapons. But there is a basic bargain embedded in this treaty. Those non-weapons countries' commitments are contingent on Soviet and American progress in controlling their nuclear arms. If the efforts to this end of the last six years are rejected by the Senate, the integrity of this essential Non-Proliferation Treaty will be cast into doubt and our task of trying to control proliferation will be substantially increased. That, to my mind, is a very important reason for getting on with SALT II. President Carter repeatedly has stressed this important aspect of SALT.

X

If SALT II is rejected, the continuance of the ABM Treaty could be in doubt and we could once again face a competition to deploy defensive missile systems. When, in 1972, the first SALT agreements were presented to the Congress, they included a statement which I had made to the Soviets at the direction of President Nixon that if a SALT II treaty limiting offensive forces to match the ABM Treaty was not reached, that could constitute a justifiable cause for abrogation of the ABM Treaty. If SALT II is rejected, there will be calls for terminating the ABM Treaty—especially from those concerned with the defense of our vulnerable ICBMs. In fact, one group of SALT opponents has already proposed such abrogation. And the U.S.S.R. could take the same position that we had reserved for ourselves in 1972. Then, whether the ABM Treaty survived or not would be entirely up to the Soviets—who face nuclear threats from three smaller nuclear powers for which ABMs might be effective.

If the ABM Treaty is lost, we would again be in an unlimited strategic competition in which the Soviets would no longer be committed not to interfere with our technical means of verification and not to conceal their launchers. Gone also would be the S.C.C. consulting mechanism which has worked well to clear up ambiguities. I think these would be substantial losses for our intelligence capabilities.

Our turning away from SALT limitations would increase the relative Soviet advantage in an area where they already have clear superiority—in their command of information. They have the ability to predict the size and quality of American strategic forces of the future merely by studying our defense budgets and reading Congressional documents. Before SALT I we had to depend solely on hard won intelligence. In SALT I we obtained a degree of predictability about what Soviet force levels would be during the ABM Treaty and at the end of the 5-year freeze. We also gained an advantage from the Soviet commitment not to interfere with our means of verification or to conceal limited arms from them. As a result, so-called worst case planning has had less of a role in Pentagon thinking. Without SALT ceilings for the future, our uncertainties would increase. This would hardly make for stability.

XI

It has been said that SALT will prejudice the interests of our allies, but the leaders of France, England and Germany expressly and publicly endorsed the SALT package at a recent meeting in Guadalupe. Last month Chancellor Schmidt said that rejection of SALT would be a "catastrophe".

I couldn't put the case for SALT better than Schmidt did recently in the Bundestag, "SALT II can be concluded only in the form of a compromise . . . if everyone involved will accept something that is not fully in line with their own interests—it is necessary to differentiate between critical remarks involving individual aspects of this package . . . and the great world political significance of the whole treaty—otherwise the whole world will suffer a most serious confidence crisis."

XII

Perhaps the most serious loss that the SALT rejection would entail would be the conclusion by our friends and antagonists abroad that the U.S. Government was incapable of conducting a coherent foreign policy. If the product of more than six years of negotiation is brought to naught, what would be the chances for success in other negotiations like the Comprehensive Test Ban and Mutual Balanced Force Reductions?

And in the current, uneasy state of relations with our allies, rejection would prejudice economic and political cooperation as well as defense policy coordination. U.S. prestige, influence and leadership around the world would suffer badly.

XIII

What about possible Senate approval but with proposed amendments or reservations? If they were substantive and required that the negotiation be reopened and the bargaining resumed, it seems likely to me that the renegotiation would fail. Agreed Soviet-American arms limitations are reached only as a result of concessions and counter-concessions which in turn are the result of internal bargaining in Washington and I believe also in Moscow. Nothing is agreed until everything is agreed. To start afresh would mean to reopen the whole bargain—not just to negotiate for one or more additional provisions. How would we feel if, after reaching total agreement, Moscow then said that there were just a few more items on which we must reach agreement before we had a deal?

XIV

Our choice, therefore, it seems to me, is to continue to modernize our forces for some 6 years under agreed SALT II ceilings with certain limitations on Soviet and American weapons systems or to go back to an unlimited contest. Is it in our interest to continue the deadly competition but with some ground rules to make it somewhat less costly, somewhat safer? On balance, I believe the United States will be in a relatively better position if we pursue force modernization programs under the SALT II package than if we go ahead in unlimited competition. But I think we should recognize that SALT II is no panacea, that it does not warrant the great expectations generated at the time of SALT I, and that it is a step, a necessary move toward more significant reductions and constraints which we should press for in the years ahead. In fact, the negotiations for major force reductions should start promptly.

While the Senate alone has the constitutional mandate to give its advice and consent to treaty ratification, the collective common sense of the American people, all of whom have a very high personal stake in the outcome, will also be of crucial importance.●

THE FEDERAL ELECTION COMMISSION AND THE CITIZENS FOR REAGAN SUIT

● Mr. HUMPHREY. Mr. President, here is an example of the kind of administrative nonsense that characterizes the present Federal Election Commission.

I do not know whether they pursue a particular course of action because they have nothing else to do between elections, or because of a particular philosophical bias against a particular candidate or party. Perhaps a combination of both.

The rules of the Federal Election Commission require that contributors to political parties or individual candidates, those contributing $100 or more, indicate their occupation and principal place of business.

Well, in the course of time, the Commission decided that the citizens for Reagan campaign had a "substantial percentage of 40 percent of error in disclosing occupation and principal place of business."

That is, 35 percent of the contributors failed to indicate their occupation and principal place of business. Another 4.5 percent omitted only place of business, and a minuscule 0.48 percent omitted the address of their principal place of business.

From this they got a total of in excess of 40 percent omissions.

Now, believe it or not, but this omission was the object of a full-blown law suit filed against the Citizens for Reagan in the United States District Court for the District of Columbia.

Happily for the taxpayers of the Nation, not to mention serious political candidates, the court tossed out the case.

Earlier this month, the distinguished Senator from Nevada, Mr. LAXALT, asked the Commission to come up with a figure as to the costs to the taxpayers for this abortive, and, I might add, ridiculous cause of action.

The Commission failed to specify the exact amount of this exercise in futility.

It merely lumped a figure to include both the Reagan case and the abortive action against Eugene McCarthy, and his candidacy in 1976 respecting the reporting of honoraria from certain universities. It came to $166,541.

Now what was this heinous offense committed by the Citizens for Reagan?

Answer. The committee (not the contributors) failed to report such vital information as the occupation and principal place of business.

Now I doubt whether there is a single Member who does not understand the realities of political campaigning—even if, as it obviously is, that the Federal Election Commission does not.

I do not propose to engage in a treatise of campaign accounting, but for the edification of the FEC, let me say that most compaign organizations, particularly those of challengers, do not have staffs of accountants and lawyers to examine and comply with every minuscule detail of a complicated Federal election law; moreover, a law which had just been enacted prior to the 1976 campaign and was thus susceptible of considerable difference of opinion and interpretation.

When the contributions come in—perhaps I should have prefaced that remark with—if they come in—in most cases it is all a treasurer can do to record those contributions and get them in to the committee bank account.

Invariably the treasurer has other duties in connection with a political campaign, so that he is not wedded to the books looking for minor deficiencies as they occur. His prime concern, I dare say, is to insure that he is not receiving a corporate contribution forbidden by law. He rarely has time to scrutinize every detail of every receipt to insure 100 percent compliance with the disclosure provisions of the law.

And no committee, can afford to take the time, then and there, to try to identify and locate the contributor to secure the information on his occupation or the address of his principal place of business.

Note, Mr. President, that the laws put the burden not on the contributor, but the committee. But it surely does not require the committee, in the midst of an active campaign, to come to a halt, to contact contributors from around the Nation to supply relatively minor items of information.

Now note that in the case of the Carter campaign, 25 percent of the contributors failed to indicate either occupation or principal place of business; in the case of the Udall campaign it was 25 percent; the Governor Brown campaign 29 percent; 25 percent for the Jackson campaign.

However, the Federal Election Commission chose to bring a Federal law suit against the Reagan campaign.

Mr. President, I think it is incredible, in the wake of the revelations of the Carter campaign financing of recent weeks, that the Commission would devote expensive manpower, time, and tax funds to an assault on the Reagan campaign for the heinous crime that 35 percent of its contributors, failed to indicate their occupation or place of business.

The FEC pursued the matter relentlessly, however. In response to the Commission's request for additional information, the treasurer of the Citizens for Reagan replied:

During the campaign, our committee attempted several times to acquire occupations and places of business from our contributors. The audit staff of your commission has been aware of this procedure. Whenever we succeed in obtaining additional information we informed the commission and will do likewise on this occasion.

The treasurer, Mr. Buchanan, obviously felt he was acting in good faith and attempted to provide the missing information—information really not essential to the proper functioning of this agency—in the best possible time available.

The campaign admitted to sending a letter to each contributor, requesting the necessary information.

In recounting the facts, the Federal Election Commission places the word "letter" in quotes, as if to cast doubt upon the truth of this statement.

It castigates the Reagan treasurer because the followup letter, requesting the additional information, happened to include another appeal for funds; in fact, the Commission memo editorializes this:

In this case the Citizens for Reagan would receive the information required for the earlier contribution only if the contributor was motivated to give money a second time.

The Reagan treasurer thus decided on a third effort to obtain the required information, and I would like to remind this body that we are speaking of literally thousands of contributors from all parts of the Nation. Certainly, this was a formidable undertaking at considerable expense to the campaign committee.

And how did the Election Commission characterize this good faith effort to secure information, the absence of which was common to all candidates running for the respective nomination of their parties that year?

The Commission memo, from which I quote, states: "The second 'effort' " and effort is in quotes, "according to the CFC counsel was a final solicitation mailed to all contributors on the committee's microfilm list. This 'letter' "—and the word "letter" is again in quotes.

Query: Was it a letter or was it not? And if it was in fact a letter, why does the Commission's memo continue to identify it only in quotes?

"This letter," the memo continues, "was the same solicitation envelope previously mailed. Again, the information would only be obtained if another contribution was to be made." End of Commission memo.

Mr. President, is there anything in the laws of the Federal Election Commission that says that a committee seeking to identify the occupation and principal business address of previous contributors, may not, while they are at it, request another contribution?

And yet the Federal Election Commission somehow treats this as a violation of the spirit of the law if not the law itself.

And in this regard, I am constrained to ask, when the Carter, or the Jackson, or the Brown committees sought to complete their records, did they scrupulously refrain from soliciting first-time contributors in the process? The Commission memo is silent on this point.

Mr. President, the Commission's memorandum which set forth the complaint against the Citizens for Reagan is the most palpably feeble, trivial and nitpicking action that an agency is capable of filing.

Can this body conceive of an agency of the Federal Government, spending almost $175 thousand of the taxpayers' money to bring an action against an authorized Presidential campaign committee, not because of any inherent derelictions of the committee itself, but because a number of contributors failed either through inadvertence or deliberately, to identify their occupation and principal place of business.

And this despite the repeated assurances of the campaign committee that it had made mailings at considerable cost to secure the information needed.

In my opinion, Mr. President, my staff having reviewed the complaint, one can only conclude that the Federal Election Commission was motivated either by political bias, or because—as has been alleged in many quarters—it simply does not have enough work to keep itself busy.

Surely a truly independent and objective Commission would not have authorized this witchhunt.

In the present matter it appears that citizens for Reagan made little effort to obtain occupation and principal place of business for contributors who initially failed to furnish this information. The only effort, a following solicitation letter, to such contributors, is in marked contrast to the efforts undertaken by the other presidential nominees.

Mr. President, I repeat, there is nobody in this body that can fail to appreciate the Commission's tenuous or perhaps, specious reasoning.

Consider the circumstances. It is only a month or two after the elections of 1976.

The committee has received millions of dollars from perhaps hundreds of thousands of contributors.

We all know how these contributions come in. Often there is no return address. Often the checks do not contain printed identification. The contributor often ignores the requirement that he identify his occupation and place of business. Any number of omissions, some inadvertent, some, perhaps deliberate, occur. Who can say?

And remember we are not talking about a race for a county row office. This is a Presidential campaign on behalf of an individual with thousands of supporters, contributing millions of dollars throughout the country.

And using the efforts of other Presidential candidates as a guide, the Election Commission majestically includes that the Reagan committee has violated the law by its lack of diligence.

To write "The End" to this sorry account of bureaucratic ineptitude, Mr. President, let me add, that the Reagan organization tendered a reasonable effort at compromise which the Election Commission—eager for its pound of flesh, refused.

In a letter to the Reagan committee dated May 8, 1978, the Commission said that it will not accept the statement which reads:

> The citizens for the republic will continue to make best efforts to comply with the relevant provisions in all future mailings, because it implies that best efforts have been made by the committees from the beginning.

Mr. President on March 1 of this year, the Federal District Court of the District of Columbia put a halt to this sorry exercise by granting summary judgment in favor of the citizens for the Republic—successors to the Reagan campaign committee of 1976.

Mr. President, it is my contention that unless and until we determine that the composition of the Federal Election Commission is truly independent and impartial, we can continue to expect litigation such as that which I have described. Motivated, not by a desire to right some egregious wrong, but to satisfy a purely political or philosophical predilection.

This is why I am objecting to the nominee. Unless we insist on a nominee who will truly reflect the prevailing philosophy of the party he is supposed to represent on the Commission, we will continue to wallow in prejudice toward a particular candidate or party.●

CONGRESS SHOULD BE IN SOCIAL SECURITY

● Mr. MORGAN. Mr. President, I recently introduced legislation which would bring Members of Congress and all legislative branch employees into the Social Security System. I have received a great deal of mail supporting this bill, which is cosponsored by Senators NUNN, RIEGLE, HATFIELD, and DANFORTH, but one of the best letters came from a young man living in Shelby, N.C. I think his letter accurately reflects the views held by many of our young people, and I request that it be printed in the RECORD.

The letter follows:

MICHAEL R. PRICE,
Shelby, N.C., June 6, 1979.

Senator ROBERT MORGAN,
U.S. Senate,
Washington, D.C.

DEAR MR. MORGAN: Please accept my sincere thanks for the work you are doing on your Social Security bill, S. 1249.

I am 25 years old, and like the students in your poll, I do not believe I will ever receive any benefit from the Social Security system. Certainly I will not receive benefits comparable to my contribution. Like most government programs, the Social Security system has been mismanaged.

With the changing nature of our national work force, the system will not survive the 1980's in its present form without absurdly high taxes to support it, impossible for the diminishing number of contributors to pay.

I consider the Social Security system a lead weight hung around the necks of working Americans. If the taxes are raised again, I will seriously look for a legal way that I can refuse to pay into the program. Of course, the refusal to pay could mean jail, and this in itself is a forced taxation of the type that inspired the American Revolution.

By bringing the legislative branch into this mess, perhaps something will be done about it.

Sincerely,

MICHAEL R. PRICE.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that three such notifications were received on July 11 and 20, 1979.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 11, 1979.

In reply refer to: I-5055/79ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 20, 1979.

In reply refer to: I-4662/79ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 20, 1979.

In reply refer to: I-364/79ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

PROPOSED ARMS SALES

Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the 8 notifications I have just received:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

In reply refer to: I-4898/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-54, concerning the Department of the Army's proposed Letter of Offer to the Federal Republic of Germany for defense articles and services estimated to cost $32.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

[Transmittal No. 79-54]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Federal Republic of Germany.

(ii) Total Estimated Value: Major Defense Equipment * other, $32.1 million; total, $32.1 million.

(iii) Description of Articles or Services Offered: Spare parts for M48-series tanks and related tracked vehicles.

(iv) Military Department: Army (BCE).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

In reply refer to: I-6024/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-55, concerning the Department of the Army's proposed Letter of Offer to Singapore for defense articles and services estimated to cost $75.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director,
Defense Security Assistance Agency.

[Transmittal No. 79-55]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Singapore.

(ii) Total Estimated Value: Major Defense Equipment*, $4.8 million; Other, $70.2 million; Total, $75.0 million.

(iii) Description of Articles or Services Offered: Improved Hawk air defense system consisting of three assault elements, associated radar and command and control equipment, basic load of missiles, maintenance equipment and spare parts, and training and technical assistance.

(iv) Military Department: Army (UNT).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

In reply refer to: I-6076/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-56, concerning Letters of Offer to Egypt for defense articles and services estimated to cost $560.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

[Transmittal No. 79-56]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Egypt.

(ii) Total Estimated Value: Major Defense Equipment*, $75.2 million; Other $484.8 million; Total, $560.0 million.

(iii) Description of Articles or Services Offered: Improved Hawk air defense system configured up to 12 batteries, basic load of missiles, acquisition radars, ancillary support equipment, spare parts, training, and related services.

(iv) Military Department: Army (UAI, UAJ, OAK, OAL), Navy (LAB), and Air Force (DAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

In reply refer to: I-6025/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-57, concerning the Department of the Army's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $134.4 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

Transmittal No. 79-57

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Egypt.

(ii) Total Estimated Value: Major Defense Equipment*, $88.2 million; Other, $46.2 million; Total, $134.4 million.

(iii) Description of Articles or Services Offered: Five hundred fifty (550) M113A2 armored personnel carriers, fifty (50) M106 A2 107mm mortar carriers, fifty (50) M125A2 81mm mortar carriers, fifty (50) M548 cargo carriers, fifty (50) M577A2 command post carriers, basic load ammunition, spare parts.**

(iv) Military Department: Army (UAK, UAM, UAP, UAX, OAF, OAG).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

In reply refer to: I-6032/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-58, concerning the Department of the Army's proposed Letter of Offer to Israel for Defense articles and services estimated to cost $125.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

**And support equipment, and training.

[Transmittal No. 79-58]

NOTICE OF PROPOSED LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value: Major Defense Equipment*, $113.0 million; Other, $12.0 million; Total, $125.0 million.

(iii) Description of Articles or Services Offered: Six hundred forty six (646) M113A2 armored personnel carriers, ninety eight (98) M577A2 command post carriers, fifty six (56) M548 cargo carriers, supporting equipment, and spare parts.

(iv) Military Department: Army (XIQ, XIR, XIT, XIU).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

U.S. Senate, Washington, D.C.

In reply refer to: I-6033/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-59, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $293.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 79-59]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value: Major Defense Equipment,* $216.0 million; Other, $77.0 million; Total, $293.0 million.

(iii) Description of Articles or Services Offered: Two hundred (200) M60A3 tanks.

(iv) Military Department: Army (XIM).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

In reply refer to: I-6034/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Ams Export Control Act, we are forwarding herewith Transmittal No. 79-60, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $162.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

[Transmittal No. 79-60]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value: Major Defense Equipment,* $141.0 million; Other, $21.0 million; Total, $162.0 million.

(iii) Description of Articles or Services Offered: Two hundred (200) M109A1B 155mm self-propelled howitzers.

(iv) Military Department: Army (XJH).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 23, 1979.

In reply refer to: I-6100/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-61, concerning the Department of the Navy's proposed Letter of Offer to the Netherlands for defense articles and services estimated to cost $11.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 79-61]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Netherlands.

(ii) Total Estimated Value: Major Defense Equipment*, $10.3 million; Other, 1.4 million; Total, $11.7 million.

(iii) Description of Articles or Services Offered: Twenty-four hundred (2,400) MK20-6 Cluster Bomb Units.

(iv) Military Department: Navy (ADH).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 23, 1979.

PROPOSED ARMS SALES

Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I request to have printed in the RECORD at this point the notification I have just received:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 24, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-63, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $70.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 79-63]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value: Major Defense equipment,* $0.0 million; Other $70.6 million; Total, $70.6 million.

(iii) Description of Articles or Services Offered: Repair parts, spares and supplies for initial stock outfitting of a Naval Supply Center and Naval Supply Depot to be located at Jubail, Jidda, and Dammam, Saudi Arabia in support of ships, training and communication equipment being provided under separate**

(iv) Military Department: Navy (BAS).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be paid: None.

(vi) Date Report Delivered to Congress: July 24, 1979.●

ASSISTANCE FOR FLOOD VICTIMS

Mr. FORD. Mr. President, once again, a number of my constituents in Kentucky have suffered the anguish of unexpected flooding. On Sunday morning, July 15, a torrential downpour resulted in 5 deaths and the displacement of nearly 300 families who watched helplessly as water, mud, and debris flooded their Pike County communities.

Today, 125 of those families are still displaced from their homes. One hundred homes were totally destroyed. Another 150 homes were severely damaged. Kentucky's division of disaster and emergency services has advised me that preliminary estimates of damage already surpass $6 million and that destruction is far more extensive than what we witnessed in the 1977 flooding of that same region.

Roads are washed out. Bridges are gone. The only thing that seems to remain the same is the Federal Government's hand-wringing and mourning that "we've got to do something about these areas that keep flooding."

Mr. President, this year we have already witnessed major flooding that resulted in Federal disaster declarations in 15 States. The Federal Insurance Administration is literally buried under a mound of flood insurance claims that 2 months ago passed the entire number received in all of 1978.

Yet, the Congress has failed to take several immediate steps which are now pending that would improve Government's ability to assist these individuals in time of need and would control the threat of future floods.

We have failed to reduce SBA interest rates on disaster assistance loans that shot up in October of 1978—that we have had legislation pending to reduce since shortly after a disaster of great magnitude hit much of Kentucky in December of 1978.

And we have failed to provide adequate appropriations for flood control measures that will protect these communities which yearly face being covered by floodwaters.

I submit, Mr. President, that now is the time to give these people hope that Congress does care about them, that the Senate will take action in their behalf. We simply must act by legislation to reduce this constant threat of flooding which hangs over the heads of not only my fellow Kentuckians but people throughout the entire Nation.

Let me assure my colleagues that I will work diligently with them toward this goal. This is a battle we must win, and we must win it soon—working together—if we are to keep the confidence of the people.

Thank you, Mr. President.

ENERGY SAVING STEPS BY KENTUCKY NATIONAL GUARD

Mr. FORD. Mr. President, the Kentucky National Guard trains its forces for combat, but the battle it is most recently fighting is in response to President Carter's energy message. Year after year, long convoys have moved across neighboring States as Kentucky's National Guard moved to training facilities with terrain and equipment suited to its needs. Next summer, however, the Guard will train in Kentucky.

As a result, 147,000 gallons of fuel will be saved. In addition, Kentucky Adj. Gen. Billy G. Wellman has taken steps that will result in significant energy savings this summer. Troops now training in Texas were transported there by bus rather than by the numerous vehicles of the convoy. To provide vehicles for training, the Kentucky National Guard has borrowed equipment from the active Army and from the Texas National Guard.

Such changes have required cooperation, and it speaks well for all those units and States involved that plans have thus far run smoothly and efficiently. This is a massive shift that could have an impact upon training capabilities. However, the adjutant general's office is already working to improve the training opportunities within Kentucky.

Such an expansive attempt to contribute to energy conservation deserves high praise, and I call upon all units of the National Guard to examine their priorities and seek out changes that will result in significant energy savings. I am proud that Kentucky's National Guard is a leader in this move.

This is a timely example of what all of us can do if we will stop a minute to study our personal energy uses and where those uses can be cut back. The Kentucky National Guard will save 147,000 precious gallons of fuel. In the process, it will contribute to pollution control. This is the simple good neighbor policy, an act that carries out the golden rule. All of us will be the beneficiaries. And all of us will live with one less worry if we do the same.

I ask unanimous consent to have

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

**FMS cases.

printed in the RECORD a news release from the office of the adjutant general of Kentucky.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

NEWS RELEASE

FRANKFORT, KY.—In response to President Carter's message on energy, Kentucky Adjutant General Billy G. Wellman announced today that virtually all Kentucky Army National Guard units will train in the state next year.

That will result in a fuel saving of about 147,000 gallons.

"We have to plan our annual training programs three years in advance," Wellman noted, "but the urgency of this fuel crisis has enabled us to very rapidly change our plans. We've received great cooperation from everyone even though it involves a massive shift in our program."

In the past, Kentucky units have trained at sites with the best available terrain and equipment, primarily in Texas and Mississippi.

"President Carter made the importance of the energy 'war' very clear and Governor Carroll has already expressed his support," the general said. "And I want the people of Kentucky to know that their National Guard intends to fight and help win this war."

General Wellman explained that some changes in plans had already been made to help units now training in Texas conserve fuel. For example, the units borrowed equipment from the active Army and from the Texas National Guard and left their own vehicles in the state. Buses were used to transport troops.

Wellman said that while this change will have some impact upon training capabilities, members of his staff are already working to improve the training opportunities within the state.

"We're going to be looking at many other ways to save energy," Wellman concluded, "because we want to make a significant contribution."

TRIBUTE TO MEMORY OF KENNETH M. BIRKHEAD

Mr. FORD. Mr. President, the Senate has lost a good and valued friend with the passing of Kenneth M. Birkhead. He has been a loyal worker in a variety of positions from the U.S. Department of Agriculture to the Democratic senatorial campaign committee.

Ken was a former staff director of the Democratic senatorial campaign committee. Not only politics, however, absorbed his interest. He dedicated most of his adult life to preserving human and civil rights for all Americans. Early in his career, Ken assisted his father, the late Rev. L. M. Birkhead, in fighting native Facism through the organization his father founded, Friends of Democracy.

In 1948, Ken worked in President Truman's campaign and was named to a position with the Democratic National Committee. He served that body in a variety of offices. The Senate will perhaps be most familiar with his work as assistant to the Senate majority whip from 1953 to 1955.

His interests extended to work as national director of Rural Americans for Johnson-Humphrey and as national executive director of Citizens for Humphrey-Muskie in 1968. He also served as national director of the American Veterans Committee.

Ken's death last week brought expressions of sympathy from many corridors. I join those who mourn his passing.

SOME GOOD THINGS ABOUT THE OIL COMPANIES

Mr. MOYNIHAN. Mr. President, on Sunday a week ago, in Washington, President Carter concluded a national address on the energy crisis by calling on each of us, "Whenever you have a chance, say something good about our country."

The next day he journeyed to the Midwest and commenced to say some, on the whole, unpleasant things about our oil companies.

All this got lost rather in the days that followed, when the White House began to say some less than pleasant things about the Cabinet as well. The week did not end as well as it had begun.

Accordingly, I would ask leave of the Senate to try to pick up where we left off that distant Sunday evening, and see if we can finish this week a bit stronger than last. Practice in these matters surely cannot hurt.

As my contribution I would like to try those Midwest speeches over again. I propose to say something good about oil companies.

Let me acknowledge that I do not know a very great deal about these companies, much less the oil industry in the large. But this, as it happens, is the principal point I would wish to make.

It is a point that occurred to me many years ago, in the mid-1950's, when as an aide to Governor Harriman in New York I came upon the fact that prices per gallon of gasoline ranged very considerably, and with no apparent pattern or logic, across the Northeast. The Ida Tarbell in me—and which of my generation was not touched by that formidable publicist—sensed the possibility of exposing a vast price conspiracy. I fell to work with some diligence. Alas, at the end, I found what I was least looking for. There was no contrived pattern to the price variations produced by the oil companies, but there was one singular fact.

This was that all the prices were astonishingly low.

Gasoline, which will do work, sold in the 1950's cheaper than bottled water.

This as it happens led me to some quite different concerns. If petroleum energy was so cheap were we not probably misallocating other resources because of this distortion, if that is the word, in the market. I became something of a critic of the Interstate and Defense Highway System, then just enacted. I thought it would thin out on cities much too rapidly, with seriously declining resources bases as a result. A paper of mine, "New Roads and Urban Chaos" appeared in the old Reporter magazine, and had some influence on President Kennedy's pronouncements on this subject during his 1960 campaign. On the strength of this I sought afterward to get myself appointed Deputy Under Secretary of Commerce for Transportation, but in the manner of reform administrations, the job went to a Los Angeles Cadillac dealer.

But I went on thinking that overabundant energy, cheap energy that is, explained a good many things in our society, most of them quite positive, but not all. Nothing is perfect.

Much later I served for a period as Ambassador to India and came upon the reality—that unmeasured, overwhelming reality—of a vast society that was energy poor. A society in which most food is cooked over fires made of dried animal feces, a society in which most energy is still generated by muscle contraction, that of humans or beasts. I was not surprised to find in this society a widespread hostility to the vast energy consumption of the United States, with the accompanying charge that our oil companies, by transferring so much wealth in the form of petroleum to the United States, were significantly responsible for the immizeration of Asia.

Still, I knew little about this subject, the point being that it was almost entirely a free-market industry with many players. Many more than I imagined, but I did grasp that there were more than seven sisters involved. I sensed that one of the reasons there was relatively little "information" about the system was that being a market system it got most of the information it needed from prices. A thousand, a hundred thousand prices, prices the world over, prices changing hourly, were the circuitry that operated the system.

Then came the 1973 war in the Middle East, the briefly successful OPEC oil embargo, and the stunningly successful quintupling of crude oil prices by the newly established cartel. It had been for some time an association: Now it was a cartel. I was still in India at the time, and was struck by two things. First—it is called clientitis in the lingo of diplomacy—was that the price increase would be devastating to the subcontinent. The green revolution rested on three elements in the production of food. First, new seeds. Second, fertilizer. Third, irrigation water. The last two were almost wholly derived from petroleum—irrigation being in the main pumped groundwater. The poor of Asia would remain poor.

Returning to the United States in 1975 I gave the commencement address at Stanford University on the theme that the OPEC price increase would now lead inexorably to the proliferation of nuclear powerplants to the Third World that could now no longer afford oil, and with that the proliferation of nuclear weapons as well

A second thought had come to me, just touched upon in my commencement address. The OPEC cartel would lead to the largest and most persistent intervention by Government in the private sector of the economy than at any other time in our history.

The one exception, the Second World War, was temporary. It lasted 4 years. We are already in our fifth year of OPEC with no end in sight. Moreover, in contrast to all previous interventions, which were accomplished through legislation that arose from internal political process in which the entire electorate participated, this new intervention had come creeping in upon us like some silent meningitis attacking the very nervous system of the American economy.

Government responded in successively more bungled ways. We are now into our third administration in this regard. Here my earlier point about the information in the system is relevant. When a government runs something, it typically acquires information about that, whatever it is, by systems of formal inventory and strict accounting. It is a near universal characteristic of government behavior. Thus if a Secretary of Defense asks the Chief of Staff how many tanks the Army has, the Chief is expected to know and—right or wrong, the system never being perfect—thinks he does know. Similarly a Secretary of the Treasury is supposed to know how much gold there is in Fort Knox, and usually does, I trust; nothing is perfect.

Now this, of course, is very different from a market mode, in which supply information is essentially communicated by prices, in mathematical terms, a kind of algorithm mysterious to some, but sufficiently plain to those working within the system.

Those outside the system—those inside Government, for example—are often baffled by such spare notations. Moreover, as price controls began to spread throughout the energy system, ending at the gasoline pump itself, even prices became a less informative system of notation. Pretty soon nobody knew what was going on, really. The Government kept demanding inventories from an industry that did not keep inventories. The industry kept looking for signals from a price system in which the signals were being encrypted.

Not surprisingly, the industry has been asking for fewer controls, and the Government has been asking for more auditors.

I have no megathoughts on this problem. But I am convinced that we will not reach anything approaching an optimal solution unless we all come to see the central transformation that is taking place here, which is that the supply and the price of energy is becoming politicized. In the future governments will be held responsible for unfavorable movements in either price or supply, and they will be tempted in turn to hold the industry responsible, as the President was doing in Kansas City a week ago.

In that neither the Government nor the industry is responsible for the turn of events against us in the Middle East, it seems to me we are going to waste a lot of energy (sic) on mutual recrimination unless we learn to think a bit more clearly about this subject, and even to be a bit more honest.

For example, I would say it is dishonest—in the large, Orwellian sense—of the administration to describe the excise tax on oil production which is not before the Congress as a windfall profits tax. It is nothing of the sort. It is an excise tax, a severance tax if you please. Treasury officials promptly admit this: Some even volunteer it. Can anyone doubt that if we enact this tax—and I have assured the President that as a member of the Finance Committee I will support something of the kind, before the 1980's are out some independent oil producer is going to go broke because this windfall profit tax turned out to be greater than his actual profits.

I much prefer the colorful candor of Charlie Schultz, chairman of the Council of Economic Advisers when he first briefed us on the President's plan. He described the ongoing aspect of the oil tax as simply the OPEC ripoff tax. Which is to say that whenever OPEC raises its prices above the general rate of price increases, part of that windfall is collected by the Government in a special tax. The OPEC ripoff tax. Plain words. Clear meaning.

At the same time, I would hope the oil companies will try to understand the Government a bit better. This is not easy for them. But it is necessary. I also recall in the 1950's journeying out to Detroit—literally, I did just that, moved as the Soviet authorities might say, by "paranoid delusions of reform"—to try to convince automobile executives that unless they took the initiative themselves in the matter of automobile safety design they would end up with design regulated by the Federal Government. The general reaction, and this is now in the literature, was that the idea of such legislation was unthinkable. It was 6 years from the time I first published this thought, again in the Reporter, to the enactment of the Federal statute that imposed that regulation.

Here I would offer a word of encouragement to those companies which have taken to buying advertising space in newspapers and magazines to set forth their views in short essays. This is a perfectly legitimate exercise. To date, the essays give the sense, rather, of an advertising copywriter trying to write like he thinks Daniel Bell writes, or maybe the way he thinks his readers think Daniel Bell writers. In this regard I would commend the example of Albert Shanker of the American Federation of Teachers who writes a weekly column—paid for as advertising—for the Sunday papers in New York City which is a model of lucid, openly partisan, and enormously effective advocacy.

But, Mr. President, I do not rise to lecture or advise. I rise simply to say some thing good about oil companies in the thought that they might need a little encouraging this week. I make no commitments for the week to come.

SYNTHETIC FUEL, NOT RATIONING

Mr. MOYNIHAN. Mr. President, among the sectors of our economy whose efficiency and productivity are jeopardized by the current gasoline shortage is the installment industry, also known as the direct selling credit industry. The board of directors recently passed a resolution calling for the vigorous development of synthetic fuels and warning of the difficulties posed by gasoline rationing. These points, and their significance for this important industry, are further developed in a thoughtful editorial by Edward L. Sard, executive director of the National Association of Installment Companies, published in the June 1979 issue of Installment Retailing. This should provide additional impetus to our efforts to make such development a high priority in our national energy plans.

I ask unanimous consent that the text of this editorial be printed in the RECORD.

There being no objetcion, the editorial was ordered to be printed in the RECORD as follows:

SYNTHETIC FUEL—NOT RATIONING—IS THE ANSWER

It should never have happened. Never. We're talking about the current gasoline crisis. It is not as though we never received a warning. We had our warning in 1973–74 when there were long lines at the gas pumps, when New Jersey, among other states, instituted the red and green flag system at its gas stations to indicate whether or not the station had gas. (All too often the red flag indicated that there was none and the green flag produced mile-long lines.) That gas shortage, brief though the period of its duration, was a nightmare. Particularly for those industries like ours that are so dependent on cars.

And now five or six years later, it appears that we are once again facing the same kind of shortage. During that entire period of time, nothing was done to provide this country with an alternate fuel supply, with some form of synthetic gasoline.

While Brazil developed a fuel based on alcohol and South Africa did the same with coal, our political leaders fiddled. President Ford soothed and President Carter placed his emphasis on conservation. All the while, the focus should have been and should be today, the development of synthetic gasoline.

What now? We are faced at the moment with the specter of gasoline rationing. As we go to press, a plan for standby rationing proposed to the Congress by President Carter, is about to be considered by the House of Representatives after its original defeat in committee. So far as we are concerned, any form of gasoline rationing is sure to be disastrous.

One thing is absolutely certain. Much as we feel that the current gas shortage was avoidable, we cannot ignore it, cannot pretend it does not exist. It does exist and we know it every time we go to the gas station to fill up. Gas prices are going up every day and there is little doubt that the price will go well over a dollar in the not too distant future.

If that is all that happens, if it is simply a matter of increased prices—unpleasant as that prospect is——we will survive. We will have to make all manner of adjustments. (For a number of specifics suggested by NAIC members see my article on the gasoline crisis elsewhere in this issue.)

We will have to use more fuel efficient cars, change our manner of collecting, raise car allowances, even raise prices. We will have to use gas as an incentive. In other words, we will have to be as creative, as original, as inventive as we can be.

From our own past—both distant and recent—we know that we are infinitely flexible. We have proved that we know how to cope with adversity. We can and will survive an increase in the price of gasoline. We cannot survive rationing. It will drive us out of business.

As an Association, we must make our voice heard on this subject of vital concern to our industry. We must campaign, lobby, joining with others who have similar interests, against gasoline rationing. And we must also press for the development of synthetic fuel. The oil interests may not be enthusiastic, may not welcome that development but the people of this country do want and need an alternate fuel supply. And, as others have proved, it is a realistic expectation that can and should be accomplished.

Our estimable antique door-knocker, L. T. Shoemaker has, as usual, a number of astute and cogent things to say about our current crisis elsewhere in this issue. The very title of his column, "To 'Yield' Doesn't Mean 'Give Up'!" might be taken as our motto.

In the midst of this emergency, there is a note of optimism. If we suffer the expensive effects of the increase in gas prices, our customers are among the first to feel the pinch. They are more and more hesitant about driving their cars as usual. We are in a position to provide them with a service that is more valuable today than ever before. Shopping at home.

We can drive our cars to their homes carrying the kind of merchandise they want and need, saving them not only time and trouble but the price of gas, as well.

So let us go on from there. Let us prepare to absorb the rising price of gas and, at the same time, work hard to press for the development of an alternate supply of energy. Nothing short of that, nothing short of the development of synthetic gasoline, will solve the country's energy crisis.

W. MICHAEL BLUMENTHAL

Mr. MOYNIHAN. Mr. President, the departure of W. Michael Blumenthal from the Treasury saddens me. Mike Blumenthal is one of the best friends I have and one of the most loyal allies New York City will ever have. He will be sorely missed.

A refugee and immigrant, he became a fine economist, a successful businessman, and a selfless and distinguished public servant. No one has a clearer understanding of domestic and international economics, a firmer grasp on the linkages among fiscal, monetary, and tax policy, a better grounding in the subtleties and significance of trade, or a greater ability to translate his understanding of the Nation's economic needs into the practical terms of contemporary government. He has been an immense asset to the President, an ornament to the executive branch, and a powerful force for wise and effective public policy in countless domains of domestic and international activity. He deserves our lasting gratitude and deep respect.

SENATOR HATCH AND THE BUDGET PROCESS

Mr. HELMS. Mr. President, in the July 9 issue of Barron's National Business and Financial Weekly there was an outstanding article by our colleague, the junior Senator from Utah (Mr. HATCH).

Senator HATCH eloquently emphasized one of the major problems in the Senate budget process. It just is not doing the job of holding the U.S. Federal Government within a responsible budget.

It is an indictment, I believe, of the Congress that the American people's support for a constitutional amendment requiring a balanced budget has reached such high levels. I have offered such a constitutional amendment myself and I hope that we can soon amend the Constitution to require a balanced budget. Why? Because Congress obviously needs that discipline.

As Senator HATCH points out, in 1974 when the Budget Act was approved it was lauded as a means of restoring budgetary discipline. In fact, during the past 5 years we have seen deficit after deficit, higher and higher inflation rates, and more and more justifiable public resentment toward the U.S. Congress free spending habits.

Senator HATCH in his article, entitled "Congressional Irresolution," lists the ways the budget process is used to protect costly Federal programs and to thwart budget cutting.

Of particular note is the orthodox Keynesian approach of the Budget Committee economists. The reliance on the part of the Budget Committee staff upon "demand stimulus" is a reflection that the staff subscribes to a theory of economics that is behind the times and a theory of economics that serves big government.

It is not inconceivable that Congress will reform its ways. I hope it does so. Unfortunately, we see little promise that it will. Unless we heed Senator HATCH's warning the voter in 1980 may make significant changes in the makeup of Congress.

Mr. President, I ask unanimous consent that Senator HATCH's excellent article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL IRRESOLUTION

(By ORRIN G. HATCH)

"Major Recession Now Forecast by Hill Budget Office," front-paged the Washington Post on Sunday, June 10. The story, by Star Writer Art Prime, revealed that the "nonpartisan Congressional Budget Office has privately warned Congress to expect a full-fledged recession this year and through most of 1980, with inflation continuing at a double-digit pace and the jobless rate rising to 7.5%."

Having dispatched this missile, Prime presumably went back throwing darts at old posters of Richard Nixon, dozing at his typewriter and whatever else they do at the Washington Post during the current lull in American politics. Within the Capitol Hill beehive, furious activity broke out. The worker bees of the Congressional Budget Office and the Senate Staff swarmed around angrily, and even came to communicate their agitation to the elected queen bees of the legislative process.

This was done through memos from Staff Director John T. McEvoy and Congressional Office Director Alice M. Rivlin to those of us who sit on the House and Senate Budget committees. Reading these memos, I became uncomfortably aware that although they repeatedly referred to Pine's "inaccuracies," there were few concrete examples. Indeed, the attached statistical table seemed to support him. The CBO had not finished revising its January forecast, but it had already reduced its estimate of real GNP growth for the next two years from levels which even then had assumed two negative quarters. There will probably be double-digit inflation in the early quarters of 1980, and although average 1980 unemployment was not projected at 7.5% exactly, it seems likely to be pretty close. One might almost think senators are expected to read only the memos' stinging prose, and not their rather stickier figures.

Ms. Rivlin, according to the memos, intended "to complain to Ben Bradlee," the Post's Executive Editor. It was hard to imagine the Watergate Warrior being impressed. (After all, here was an editor who at one point publicly reaffirmed the Post's version of Hugh Sloan's grand jury testimony even after his own reporters had told him they'd got it wrong.) Nevertheless, 11 days later, the Post ran a groveling apology. It reproached itself for "significant errors" about unemployment's peak, whether the CBO had specifically forecast more than two quarters' decline, and whether Congressional leaders had seen an official forecast. Skilled students of Washington nuance will note that the Post had been persuaded to apologize for things its reporter had not originally said. As they say, it's a company town.

REMOTE TARGET

The whole episode was all the more puzzling because a rather negative view of U.S. economic prospects is not uncommon, outside Washington. But that's not what the Carter Administration, which has been consistently more optimistic, wants to hear.

It is hardly surprising that Pine caused trouble with his assertion that "the CBO's calculations were made known privately to Congressional leaders before the final passage of the initial budget resolution last month, but sources said that the two Budget committees decided to shelve them for the moment in what was described as a gamble that the economy might improve." With the budget as currently planned, such an economic performance would lead to a $4–$8 billion increase in expenditures. And that's even before the second budget resolution, due in the fall, starts knee-jerk countercyclical spending. The target of a balanced budget by fiscal 1981, confirmed in May amid much Democratic self-congratulation along with the $23 billion deficit projected out of $532 billion outlay in fiscal 1980, seems more remote than ever.

The fact is that the Congressional Budget process, which seemed like a good idea when enacted in 1974, has simply turned out to be an engine for the relentless expansion of government. The system co-opts those taking part—including some from the minority party and supposedly impartial civil servants—and provides a pseudo-scientific rationale for the continued care and feeding of the spending constituencies that elect the politicians happily presiding over the decline of our Republic. It has not brought greater discipline to Congress' spending. Many authorizing committees habitually miss their deadlines. And it has totally failed to perform what is commonly understood to be the budget process: cutting your coat to suit your cloth. Symbolically, the first thing the Senate Budget Committee did in 1979 was to defeat a motion that would have required them to look first at their cloth—anticipated government revenues—instead of (droolingly) at spending.

INFLATION PUSH

This year's Senate Budget Resolution covered the next three fiscal years, including fiscal 1980 (which begins this October). It projected a small surplus of $0.5 billion for fiscal 1981, and one of $0.7 billion for fiscal 1982. Additionally, there was provision for tax cuts of $55 billion in 1982, and somewhat larger ones thereafter, although this assumes there will also be GNP growth substantially above historic averages.

Total tax revenues, however, will rise as inflation pushes taxpayers into higher brackets. The Senate Budget Resolution was passed after three days of debate in con-

ference committee. The compromise resolution confirmed the strategy, albeit with a smaller 1980 deficit. A surplus of $5.6 billion was predicted for 1981, $4.1 billion in 1982; a smaller tax cut was planned. Over the summer, the various appropriation committees will complete their detailed work, and there will be a final adjustment for current conditions in the second Budget Resolution this fall.

The system's failure can be measured in at least two ways. The most obvious is that in 1979, the fourth and probably final year of economic recovery, the U.S. federal budget is nowhere near coming into balance. And yet this is the time, according to Keynesian theory, when we should be in surplus, in order to balance out over the entire business cycle, so as not to blow the roof off with inflation when we stimulate the economy in the face of recession.

And nominal surpluses, the sort allegedly expected in 1981 and 1982, aren't good enough. The system has to *balance*. There has to be a surplus to match the $45 million deficit of President Carter's first year in office. Needless to say, our born-again budget balancers on the Budget Committee don't mention that.

"SPENDING SHORTFALL"

As a matter of fact, the U.S. has balanced its budget only once since 1960. But its performance over the life of the Budget Committee has been particularly disgraceful. A low point was 1977. Directly after the federal election, the Democrats discovered a "spending shortfall" and introduced an extraordinarily third budget resolution, ending all hope of a surplus in this cycle and coincidentally paying off a number of supporters. Moreover, the Budget Committee is now estimating that tax revenues in 1980 will be 20% of gross national product. The average since 1956—except for the 1968–70 Vietnam surcharge—has been 18.6%. Any budget-balancing that is going on is hurting the taxpayer, not the government employee. (The federal government's impact is, of course, also felt in the economy through the $12 billion or so of off-budget items and the $150-odd billion loans made or guaranteed each year by government agencies.)

The Senate debate on the budget resounded to talk of hacking, slashing, chopping, and cutting. At times it sounded more like a spree in a slaughterhouse. But little blood was actually shed. Federal Government spending will still grow 9.1% in 1980, and there has been no major cuts in permanent programs. This did not prevent both the Washington Post and the New York Times from congratulating us for what the Times called "self-discipline on Capitol Hill." It pointed out that our spending was "slightly smaller than the President proposed" (well, yes, by $0.3 billion) and that our final deficit figure was $6 billion less than the President's (although it was still $23 billion; the difference was mainly that we figured higher inflation would just force more people into higher tax brackets). However, it seems that no one on Wall Street had the least expectation the budget would ultimately be balanced. The Budget Committee staff's public relations apparently cut little ice there.

Fiscal conservatives thought that the budget process would compel liberals to accept responsibility for their spending programs. But it hasn't worked that way. Instead, it is the conservatives who are constantly being confronted with an unpalatable choice: between deficits and economic dislocation, unemployment and, ultimately, larger deficits. Without the stimulus of government spending, they are told, unemployment will rise. This will cause expenditures on welfare programs to rise and tax receipts to fall. Which will create a larger deficit next year, hence attempts to balance the budget in reality, as opposed to in rhetoric, are made to seem irresponsible, and an attack on the budget process itself.

This trap is set right at the beginning of the process, when the various spending committees of Congress submit their estimates. These are fairly generous. The appropriations committees always include a little amiable padding, and there are usually some symbolic new programs designed to reassure the constituents of powerful congressmen that they are still loved. The Budget Committee can claim credit for subsequent shrinkage.

Then the Congressional Budget Office's econometric models are consulted to see what level of federal spending is necessary to keep the economy at full employment. By a miracle rather similar to the annual liquefaction of St. Janarius' blood, this turns out to be pretty much what the spending committees had (actually) in mind. At various points in the business cycle, deficits can be justified to stimulate or sustain economic expansion. Or, when there is worry about overheating early in the year, as in 1979, there can be much talk of austerity in the confident expectation that some signs of downturn, perhaps triggered by tight money, will materialize in time for all. Whatever the rationale, the result remains the same: more spending, and more frustrated conservatives.

So frustrated, in fact, that they have had heretical thoughts about the impartiality of the oracles that so consistently prophesy disaster if conservative ideas are implemented: the econometric models favored by the Congressional Budget Office. At close quarters, of course, these are not quite so awe-inspiring. Essentially, they are herds of equations, chivied along by the arbitrary assumptions of the economists organizing them. In recent years, the CBO began to find itself criticized because the models it relies upon—notably those of Data Resources Inc. and Wharton—tend to neglect the dynamic supply-side effects of cuts in the tax rate.

A tax rate reduction would affect gross national product in three ways. It would stimulate production, because people would not have the fruits of their labors filched from them. It would promote investment, because investing would have become more attractive than immediate consumption, and this would create jobs. And it would increase everyone's disposable income by the amount not taxed from them, stimulating demand. This demand surge is the only result of cutting the tax rate that the models, and consequently the CBO, take seriously. They are still operating in the shadow of Keynes, or, more accurately, Keynesians. Demand still dominates debate. (Oddly enough, one major modeling service, Chase Econometrics, seems to have declined in favor with the CBO precisely when it began to discover and adjust for the supply side.)

JUGGLING MULTIPLIERS

The immediate impact of this is that, for purposes of the budget resolution, a dollar spent by the government is assumed by the CBOE to be more stimulating than a dollar of tax cut, some of the proceeds of which would be saved and not immediately boost demand. So government spending appears to be a cheaper way of keeping the economy at full employment.

When they finally realized what this was doing to them, Senate conservatives began to complain. Last year, for the purpose of the Senate Budget Committee "mark-up"—the preliminary meetings by staffers at which the resolution is roughed out—the government spending and tax cut multipliers were conceded to be equal. This year, however, it emerged in the course of debate on the Senate floor that this principle had been quietly abandoned.

Because budget-making involves so many esoteric technical questions, the Budget Committees are unusually vulnerable to the influence of their staff. But the process has other weaknesses which are endemic in the legislative branch today. The Democrats have controlled Congress for the past three decades. Complaints that they have begun to act as if they owned the joint no doubt owe something to Republican paranoia. But just because you are paranoid doesn't mean someone isn't trying to get you. Largely unnoticed in the country, there has in recent years been a steady erosion of Congressional parliamentary procedures, all designed to make life easier for the majority. Last year's extension of the deadline for states to ratify the Equal Rights Amendment, a rule-change designed solely to rescue a defeated liberal cause at the cost of general derision and possible judicial reversal, was merely one case of manipulation which caught the public eye. On the Hill, it happens all the time.

In 1978, for example, Republican Rep. Marjorie S. Holt of Maryland offered amendments to the budget that would have maintained the current deficit, but lowered spending and taxes in tandem. Speaker Tip O'Neill, forced through rules that will compel Representative Holt to specify how much less each spending program will receive if her low figures are adopted. This totally contradicts the 1974 Budget Act, which says that the Budget Resolution should set a total spending figure and leave the Appropriations Committee to divide the pie. But it throws the proposers of such amendments very much on to the defensive, and also means that any Congressman voting for one would immediately become the target of all the injured spending lobbies, a distressing prospect.

I tried to deal with another aspect of the institutionalization of majority power this year. I proposed an amendment to prevent certain types of appropriations being passed into law prior to the Second Budget Resolution, so as to preserve the Senate's maneuvering room should the desire to cut taxes suddenly become overwhelming in the fall. Appropriations would be passed, but they would be "held at the desk" and not implemented before the Budget Committee completed its work. There was provision for this in the original 1974 Budget Act. However, the amendment was defeated. It was argued that the provision was a "fail-safe" device, intended as a last resort if Congress got into the habit of irresponsibly appropriating more than the Budget Committee had provisionally agreed. And, of course, this hasn't happened. With a Budget Committee like ours, it wasn't necessary.

The Senate is a profoundly traditional institution. The precise legalities of their situation often matter less to its members than the extension of courtesies between them. The common experience of working together on something like the Budget Committee seems likely to have a chilling—or more accurately, perhaps, a mellowing—effect on the opposition's determination to oppose the Resolution when it reaches the Senate floor. This tendency is actively encouraged by the Majority. Being present at the creation of one of these customs is like watching the Rocky Mountains rising from some primeval sea in a speeded-up tempo—fascinating, but alarming once you realize that it is squarely in the road to fiscal discipline.

In the debate on the Senate floor, the custom takes the form of an attempt to persuade those of us who offered amendments, particularly on matters of detail, that they (a) concerned matters of detail, and should therefore be left to the relevant oversight committee; or else that they (b) should have been offered in the Budget Committee itself, which is somehow slighted by being ignored. If you appeal to the sovereignty of the Senate, the attempt is abandoned. But it is always later renewed.

For example, I proposed cutting federal overtime, travel allowances and film-making,

partly because of evidence of waste cited in reports of the General Accounting Office. Ed Muskie, the Senate Budget Committee Chairman, objected:

Mr. MUSKIE: ". . . Now, you never offered this."

Mr. HATCH: "Is the Senator suggesting that I am not acting within my rights to bring this to the floor of the Senate rather than before the Budget Committee?"

Mr. MUSKIE: "I never suggested that. Since you played a very active role in the Budget Committee, and the Senator will agree to that, you never offered this amendment and you never offered the evidence to substantiate it. Is that not a statement of fact?"

Mr. HATCH: "That is a statement of fact on this particular amendment."

Mr. MUSKIE: "That is all I said. . . ."

But it wasn't. The debate became heated, as Senator Muskie made the same point again:

Mr. HATCH: "Mr. President, may I ask who has the floor?"

Mr. MUSKIE: "And the Senate as a whole is not in as good a position to consider the details of your case as the committee was. So why do you think you could get a better hearing here than you could in the Budget Committee?"

Mr. HATCH: "I know I will get a better hearing here."

Mr. MUSKIE: "All right."

Mr. HATCH: "I do not have any doubt about it."

Mr. MUSKIE: "That is your judgment of the Budget Committee."

This may not enlighten readers as to whether or not Budget Committee members are supposed to assume collective responsibility for the Budget Resolution. But it helps explain why Americans typically elect as senators men who are larger than average, at least in lung capacity.

There are two lessons to be drawn from a study of the budget process. The first is that the momentum of federal spending is formidable. Such spending is squarely in the interest of a powerful New Class of bureaucrats, politicians and their academic and journalistic acolytes, as well as the spending constituencies who form their electoral base. This class is tenacious in defense of the status quo. It is currently fighting on two fronts, against the supply-side fiscalists who are advocating a tax cut to stimulate production in the manner popularized by economist Art Laffer, and the more traditionalist budget-balancers, who were stealthily advancing on their goal of a constitutional amendment until loudly joined by Gov. Jerry Brown of California.

THE NEW CLASS CONSOLIDATES

Last year, with Proposition 13 gnashing its teeth, the Budget Committee cut $95 billion from its 1979 fiscal spending. But after the November elections some $7 billion snuck back in again. But there is still fear that the tax revolt has not been entirely finessed, which accounts for the talk of some tax cuts sometime, maybe the year after next. The balanced budget movement is a more familiar problem. Eventually, recession will galvanize the spending constituencies and frighten everyone else. Until that happens, the plan seems to be to move towards balance essentially by allowing taxes to rise indirectly, as inflation lifts taxpayers into higher brackets. *That* should teach them to whine about fiscal discipline! Meantime, the New Class consolidates, spending its time whittling away at the concepts like "tax expenditures"—money not extracted from the public because of various loopholes and concessions. These will ultimately be used to raise yet more revenue and further the idea that all property and income actually belongs to the government. And its servants.

The second lesson is equally simple. Financial rectitude cannot be imposed by gimmick. The Budget Committee process is not better than sunset laws or (remember?) zero-based budgeting. There is no substitute for political will. Without it, the Budget Committee can't work, and with it, we would not need a Budget Committee. In its absence, I can only endorse Sen. Edmund Muskie's proposal, although he made it rhetorically in debate while irritated at impertinent rebels:

"Why not write the budget on the floor of the Senate in total, and see how you can do it?"

CAB DECISION DISPUTED

Mr. McGOVERN. Mr. President, on last Saturday, the Civil Aeronautics Board on a 3-to-1 vote instructed the CAB staff to prepare an order disallowing the merger application of Western and Continental Airlines (Docket 33465).

The merger application was strongly supported by 10 States, 36 communities, and an equal number of chambers of commerce—along with Members of Congress from the States concerned—including the unanimous support of the South Dakota congressional delegation.

The application has been approved by an administrative law judge who held extensive and detailed hearings on the merger request.

The Airline Deregulation Act of 1978, Public Law 95–504, clearly expresses the intent of Congress in relation to these merger applications by an amendment to section 408 of the Federal Aviation Act of 1958 which directs, in part:

> The Board shall not approve such transaction (if) the effect of which in any region of the United States may be substantially to lessen competition, or to tend to create a monopoly or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are outweighed in the public interest by the probable effect of the transaction in meeting significant transportation conveniences . . .

The intent of the Congress is quite clear in this instance, namely, that if the results of not merging would substantially deteriorate existing service—then the merger should be allowed.

A strong case can be made that the CAB has sidestepped its responsibilities here and, instead, has embarked on a course that will not only reduce service—but in South Dakota's situation—probably eliminate it entirely as far as Western Airlines is concerned.

Mr. Dominic P. Renda, president and chief executive officer of Western Airlines, has been quite specific on what would happen in the event the merger is not approved, as now appears to be the case.

In sworn testimony, before the CAB on December 13, 1978, Mr. Renda pointed out that:

> There are a number of routes which are part and parcel of our system which are nonprofitable. In keeping with the overall responsibility of providing the public service under a regulated environment, we have provided services to many of those communities as on offset from the profit made on more profitable route segments.
>
> Once these two carriers are merged and we look at what we have presented here by way of operating plan and project earnings that whether or not you continue service on that small segment . . . which produces a minimal loss is a matter which is not that important. . . . In my best judgment, looking at the overall picture and being able to see the opportunity that flows from the merger operation and the higher level of profitability . . . we would continue serving those communities north of Denver and Salt Lake City.
>
> But if there is no merger those would be two areas we would look at first because I know right now they are not profitable.

Mr. Renda was even more precise in a letter to me under date of February 1, 1979, where he said, in part:

> The approval by the Civil Aeronautics Board of the merger would assure a continuation of service to the communities of South Dakota. However, disapproval of the merger could result in less, or even a loss of, service to those communities.

The point was made again in testimony by Western Airlines before the Senate Commerce Committee's oversight hearings on Public Law 95–504 on April 27, 1979.

Certainly the carrier is not at fault here. They have been very straightforward and up front on their plans. Neither can I fault South Dakota in this case since well over half of the 500,000 passengers we board in our State each year do so on Western Airlines. Load factors on the carrier's flights through our State are excellent.

But the hard fact of the marketplace in a deregulated airline environment is that linear route structures—of the kind presently utilized by Western—are not profitable as they tend to develop only the short-haul passenger.

The thrust of Western's merger application with Continental was to provide both carriers with the equipment and routes to convert to a hub and spoke system that encourages the short-haul passenger to remain on the same carrier for his complete trip.

No matter how many passengers we board for intrastate air travel in South Dakota on Western airlines—or for travel to our major hubs in Minneapolis/St. Paul or Denver—the airline is not making a profit because the passenger simply does not remain on Western for enough route miles.

This same situation exists today for many communities presently served by Western in their general market area north of Denver and Salt Lake City.

The Civil Aeronautics Board came to this merger application after affirmative action on other requests involving North Central/Southern and acquisition efforts involving National Airlines.

There are those who suggest that the CAB felt some pressure to deny a merger application to maintain the credibility of the Board's process and procedures on these matters. If that is true, the Western/Continental application simply came along the CAB pipeline at the wrong time.

It would be a serious breach of the authority entrusted to the CAB by the Congress if factors other than the merits of the application were determinative in their decision. Yet a case can be made that is what happened.

As a result of the CAB decision, the losers in this case are the air travelers in South Dakota's three Western served

communities—Sioux Falls, Rapid City, and Pierre—and the thousands of others who journey to those airports to have access to Western service. The same will be true in other States and other cities as Western, as they are forced by the pressures of the marketplace to maximize the utilization of their equipment in the absence of the proposed merger, makes downward service adjustments.

The Airline Deregulation Act of 1978, which many of us questioned at the time, was designed to permit air carriers some flexibility in their approach to the service they provide. This standard appears to have been ignored in this case.

It is perhaps premature to determine at this point if some legislative remedy will be necessary by way of amending Public Law 95-504.

But those of us from States so adversely affected by the statute and/or its interpretation by the CAB, may well have to consider a legislative initiative if our air service continues to decline.

SEPARATING FACT FROM FICTION IN THE MILITARY BUDGET

Mr. McGOVERN. Mr. President, the current debates over SALT, the military budget and other national security issues reveal that diplomatic perceptions play an important role in policy planning. Administration officials and policy analysts appear to advocate a certain policy, such as real growth in military spending or the MX ICBM, for the purposing of creating a diplomatic perception that the United States intends to maintain an active global foreign policy.

Reasonable people can differ over whether new increments in military programs yield political or diplomatic dividends abroad. I happen to believe that we put too much emphasis on the military foundations of international influence while ignoring the political and economic roots.

However, even before reaching this issue, we need to make sure that American defense programs are being accurately portrayed. We can never evaluate the perceptions theory if we give out inaccurate or misleading information about our military budget or other programs. In fact, misleading information can undermine our diplomatic credibility by generating false impressions abroad and by creating a divisive debate at home.

The Center for Defense Information has just published an analysis of the Department of Defense's recent claims that military spending in the United States has fallen to a 30-year low. The Center's study, "Measuring the Military Burden: Fact and Fiction," concludes that the Pentagon's budgetary presentation has turned the guns versus butter argument on its head by presenting selected data that show the case for military spending in a distorted light. As the Senate debate on the military appropriations bill approaches, I hope my colleagues will consider these arguments closely.

I have always maintained that we should spend what we need to buy the forces we need for our national defense. But in this era of scarce budget resources and high taxes, we simply cannot afford to spend military funds just to create the appearance of real growth or to offset an alleged decline in the percentage of our GNP marked for defense.

Mr. President, we may have disagreements here about the diplomatic perceptions concept, but none of us can disagree that we need an accurate picture of our national security investment as a basis for whatever perceptions are created. This new study by the Center for Defense Information is an important contribution to the search for accuracy and realism in our defense debate, and for that reason I ask unanimous consent to have it printed in the RECORD for the benefit of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEASURING THE MILITARY BURDEN: FACT AND FICTION

DEFENSE MONITOR IN BRIEF

Military spending has been increasing steadily, in both current and constant dollars, for the past four years. The FY 1980 military budget will be the largest ever.

The Pentagon has mounted a powerful public relations campaign to minimize the growing military burden. Tricky statistics are being used to persuade Congress and the public that military spending has fallen to a thirty-year low.

Inflated estimates of Soviet military expenditures have been widely publicized to gain support for a bigger Pentagon budget in this year of the "austere" federal budget.

The total federal budget is presented in a form which gives a false impression of the military burden borne by the general taxpayer.

An objective analysis of the federal budget shows that high military spending is the major cause of the huge federal deficit and a significant factor in fueling inflation.

The grand illusion in Washington is that military spending has been decreasing. A carefully designed public relations effort has succeeded in persuading most Americans that the military establishment has fallen on evil times—despite these easily vertifiable facts: (1) Military spending has increased every year since 1976 in real, inflation-adjusted dollars, and (2) The new 1980 budget calls for the largest real peacetime military outlays in more than a decade.

Many citizens around the country observe at close hand the high pay and profits and general affluence surrounding most military bases and Penatgon contractors. It contrasts sharply with the abandoned factories, growing welfare rolls, curtailed public services, chronic unemployment, and subsistence pay levels in many cities, towns and small farms that depend on civilian markets. Yet we are told by the federal government that we are at the end of a long period during which expenditures on "human resources" have skyrocketed while military spending has languished.

President Carter told a press conference last November that, "Over the last number of years, including since I have been in office even, the percentage of our total budget and our gross national product that goes into defense has been decreasing. . . ." Secretary of Defense Harold Brown, defending the Pentagon's proposed budget in February, made an even more dramatic statement, "If both the FY 1979 supplemental and FY 1980 budget are passed as requested," he warned, "U.S. defense, will, by these significant measures, still receive the lowest fraction of our resources in 40 years."

When such distorted images find their way into the statements of top government officials, it becomes vitally important that accurate, objective information about the dimensions of the United States' military burden be made available to the American people.

THE PENTAGON'S FUDGE FACTORY

The way in which the federal government spends our money is a matter of great concern to all Americans. In the face of mounting tax revolts and a threatened constitutional convention to put a balanced budget requirement into the Constitution, every politician in Washington must face hard choices about where scarce tax dollars should go.

Simple, accurate statistics showing how the money is now being spent can provide a firm basis on which to make intelligent choices for the future, and most people would expect the federal government to provide them. It would also seem natural for this function to be performed by the Office of Management and Budget, the arm of the Executive Office of the President that is charged with major responsibility for resolving conflicting claims for money from all federal agencies.

But that's not how it works in Washington. The agency that provides the most information about the relative burden of each major federal program on the U.S. taxpayer is the Department of Defense. In a publication titled "National Defense Budget Estimates for FY 1980," it presents detailed statistics, from 1939 to 1980, on spending not only for the military but also for major nondefense programs. By doing this, the Pentagon is able to structure the argument about guns versus butter and to present Congress and the President with selected data that show the case for increased military spending in the best possible light.

MANUFACTURING STATISTICS

The Penatgon's techniques for building an image of poverty while consuming the lion's share of our taxes are effective in misleading laymen, but well known to clever practitioners of the statistical arts. Here are some of them:

1. Use relative rather than absolute numbers. Everyone can count, but few people realize that a number expressed as a percent or share of something else can be decreasing at the same time that the number itself is increasing. To make an increasing series seem to be decreasing, all you have to do is express it as a percentage of something that is growing even faster.

2. Use adjusted data wherever possible. "Real" spending and "constant FY 1980" dollars are numbers which never really exist except in the base year, and they keep the reader confused. Nobody ever spent 1980 dollars in 1960.

3. Pick a favorable base year, preferably in the distant past, that can give you a startling—even if irrelevant or meaningless—comparison with today.

4. Develop new concepts which obscure the facts by adding together items whose separate magnitudes are more informative than the combined total; for example, Direct Benefit Payments to Individuals, Social and Economic Programs, or even the unified federal budget itself, which mixes together programs like military spending which are supported entirely by general taxes with those like social security that are entirely self-funded through trust fund contributions.

The effect of the Pentagon's statistics is to distract attention from two items of great significance to the American people: How much money is being spent by the military and who is paying the bills?

A DECLINING PENTAGON BUDGET—RELATIVELY

In defending the proposed 1980 budget calling for military outlays of $126 Billion, Secretary Brown stressed that,

"These totals will provide 3.1 percent real increase in spending over . . . FY 1979. . . . Even with this level of funding, Defense outlays will be about:

4.9 percent of the expected Gross National Product; in constant buying power the level will be 4.6 percent, the lowest since FY 1940;

23 percent of all Federal spending—with the exception of FY 1978 the lowest level since FY 1940;

Less than 15 percent of all public spending—including State and local—again, the lowest levels since FY 1940."

This is a classic example of the relative number technique. Note that neither the actual amount of the new budget nor its dollar increase over FY 1979 is mentioned. What Mr. Brown calls the "real" increase is actually the inflation-adjusted increase. The real "real" increase, in money appropriated by Congress, will be $11.3 Billion, or 9.9 percent.

The other selected facts which the Secretary chooses to highlight have nothing to do with national defense requirements. What they really tell us is that the Gross National Product, total federal outlays, and total public spending have been growing even faster than the military budget.

THE MILITARY DRAIN: MASSIVE AND UNABATING

Citizens in a democracy must decide how much of their wealth should be spent to provide them with adequate military forces. To make this decision intelligently, they must have answers to only two questions: "What forces are required?" and "How much must we pay for them?"

What does spending for social security or unemployment insurance have to do with U.S. military needs? What can the ratio of military spending to total federal outlays or to the Gross National Product tell us about defense requirements? What do increases in State and local government spending have to do with our need for military power? The answer, of course, is "Nothing." Yet these are the relationships on which Secretary Brown builds his image of a steadily shrinking military budget.

To get an accurate view of military spending trends and a true measure of the military burden on U.S. citizens, one needs only three sets of numbers: The military budget, the Consumers Price Index (CPI), and the U.S. population.

By using the CPI to adjust for inflation, we can measure the military burden in "constant" terms, constant in the sense that a billion CPI-adjusted dollars spent in any year represents the same amount of self-denial on the part of the taxpayers as in any other year. Population growth can then be used to calculate "real military spending per person."

MILITARY SPENDING SINCE WORLD WAR II

When military spending is calculated in this way and charted for the 1948 to 1980 period, several facts become clear.

Since the Korean War, military spending has remained on a very high plateau. Expressed in the FY 1980 dollars the Pentagon favors, military spending has not fallen below $113 Billion throughout this period. For every one of the past 27 years, the Pentagon has spent more than $550 for every man, woman and child in the United States.

Because the "peacetime" military establishment has been so huge, even the fighting of a hot war brings only a fractional increase in the military budget. At its peak in 1953, the Korean War required an increment of only $27 Billion over the $113 Billion "floor," while Vietnam at its height boosted the budget by only $57 billion above this post-Korean low.

In real spending, total or per capita, the military budget has not experienced any significant decline for 30 years. Total spending shows a slight upward trend, while spending per capita exhibits an equally faint downtrend. What this chart suggests to an economist is that the U.S. military establishment has become an autonomous institutional force which commands a certain large percentage of our economic resources year-in and year-out, impervious to change as a result of changing security needs. It is a politico-economic phenomenon, difficult to explain on purely military grounds.

DECODING THE FEDERAL BUDGET

Taxpayers who suspect that the Pentagon's data may be biased are in a difficult position. If they attempt to refute the claims of creeping starvation that emanate from the Department of Defense, they will find it necessary to make an independent analysis of the entire federal budget.

This is not easy. The federal budget as presented in the four books issued in January by the President's Office of Management and Budget is a masterpiece of obfuscation. One who digs into this mountain of statistics quickly learns that nothing adds up.

FANCY FEDERAL BOOKKEEPING

The public pays money to the federal government and the government spends it. That is simple enough. But it is also true that the government spends money it does not have, some agencies borrow money from other agencies, some receive interest from other agencies, a few receive direct payments from the public, some "federal funds" appropriated by Congress go directly into "trust fund" programs, a small amount moves the other way, the trust funds themselves exist more as bookkeeping entries than fund accumulations, many programs get "offsetting receipts" which make their net outlays much smaller than their gross expenditures, and some programs, called "off-budget federal entities," are not even included in the budget total because the law says they should not be! Making sense out of this accountant's nightmare is not easy, but it must be done if we are ever to regain control of military spending.

THE NEW "IMPROVED" FEDERAL BUDGET

For most of the years since the American revolution, the federal budget was a simple "administrative budget" that showed how much tax money would be collected and how it would be spent. In fiscal year 1969, however, the new "unified" federal budget came into being. It expands the concept of the federal budget to include the trust funds. These are funds that are collected directly through contributions from the same group which benefits from the particular program, whether it is social security, Medicare, unemployment insurance, or highway construction.

The only characteristic that federal and trust funds have in common is that both involve money that goes in and out of the U.S. Treasury. In the case of the trust funds. Congress may pass laws affecting future rates and rules for contributions and payouts, but it does not appropriate the funds for each year's payouts.

The trust fund programs are mostly self-supported. The only big exception is the "State and local government fiscal assistance trust fund," better known as general revenue sharing. It is a trust fund in name only; all $6.9 Billion of these outlays in 1980 will be paid for out of general taxes.

MAKING BUDGET PIE

The President's budget mixes these two funding systems together to create the widely circulated "pie charts" which conceal much more than they reveal. All of the 24 cents for the military comes out of income taxes while most of the "Direct Benefit Payments to Individuals" come from "Social Insurance Receipts." By combining two mostly separate accounts of income and expenditure, the federal government obscures the essential information about who pays for what.

The real federal budget looks much different. It shows that about one-third of the federal government's cash flow goes into and out of trust funds automatically each year, with no Congressional action required. It makes clear the fact that Congress has only about $361 Billion in federal funds to allocate, that $57 Billion of this is already obligated as interest on the federal debt, and that that real fight for funds in Congress centers on the $304 Billion that is left in the federal funds pool. And this is where the guns-versus-butter shoot-out takes place.

MILITARY SPENDING STILL NO. 1

Military spending ($126 Billion) and veterans benefits ($20 Billion) are to get nearly half of all the federal funds available in FY 1980. This is the uncomfortable truth that the Pentagon does not like to dwell upon. If federal spending is becoming an unbearable strain on the taxpayers, a major share of the blame must be placed on military spending, the largest by far of all federal fund programs.

As Edward Jayne, Associate Director of the President's Office of Management and Budget, put it, " . . . the impact of any pressure to reduce Federal outlays falls heavily upon defense. . . . Simply put, it is difficult to drive the deficit down significantly on the expenditures side without affecting defense programs. . . ."

In late May when the House of Representatives overwhelmingly rejected a compromise fiscal 1980 budget resolution because of differences with the Senate on the defense budget, the Washington Post reported:

"Yesterday's vote was a thorny one for Republicans, who were caught between a general desire to approve higher outlays for defense and a historical opposition to high budget deficits. . . ."

If the Pentagon's claim of massive growth in nondefense programs over the past three decades were true, it should be easy to cut the budget without cutting military spending. Obviously it is not.

NATIONAL PRIORITIES IN THE SEVENTIES

One of the most deceptive charts circulated by the Pentagon in the early stages of this year's guns-versus-butter debate shows two trend lines for the years 1950 to 1980. One is labeled "DOD Military" and the other "Non-Defense." The two lines move along fairly evenly until the late Sixties, when the Non-defense line begins to shoot up dramatically, passing $400 Billion by 1980 while the DOD Military only gets up to about $125 Billion.

To the untutored reader, the message is plain: The federal government has gone hog-wild on social welfare spending while our military needs have been ignored. Like other summaries prepared by the Pentagon, however, this one conceals more than it reveals.

First, it counts veterans benefits as a "nondefense" item. While these rapidly growing expenditures do not buy any current military capability, they are a direct result of past military efforts, and like the pensions of retired military personnel, which are included in the military budget, are simply deferred military costs. To include veterans benefits as social welfare expenditures not only is conceptually inaccurate but also obscures the fact that these men and women earned the right to them in the service of their country.

Second, and perhaps more important, the Pentagon's chart itself is based on the "unified budget," which adds together the social insurance programs funded through employee contributions and the programs like "national defense" which are supported entirely out of federal income and other general taxes. The "DOD Military" line represents an expenditure financed entirely

by the general taxpayer and in direct "competition" only with other programs similarly funded. The "Non-defense" line includes the huge social security, unemployment insurance, medicare and highway and airport programs, each of which is funded by contributions and taxes that may not be used for any other purpose and are not subject to annual Congressional appropriations.

It is also inaccurate to include interest on the national debt, a $57 Billion item in the FY 1980 budget, as a "non-defense" expenditure. About two-thirds of this debt was incurred through military spending.

WHAT OUR INCOME TAXES BUY

If the Pentagon chart is a false picture of the trends in federal spending, how can an objective chart be constructed? First, we should eliminate all trust fund programs, since they are not in competition with the military for tax dollars. The resulting chart will show, as the President's budget does not, just where our income taxes have been going.

Military spending continued to grow in the Seventies; it still constitutes the largest single expenditure from general revenues. Also growing rapidly over the decade was interest on the federal debt, which now accounts for almost one-sixth of all federal funds expenditures, and is due primarily to the government's unwillingness to raise taxes enough to pay for a huge military establishment and expanded social programs.

ADJUSTING TO HIGH UNEMPLOYMENT

Expenditures for non-military programs grew at about the same rate as those for the military until the economic situation took a a turn for the worse in 1973. The Arab oil embargo started the chain of unhappy events which brought home to the American people the special vulnerabilities of a highly industrialized nation heavily dependent on imported petroleum and losing ground in competition for consumer goods sales in world markets.

The oil crunch also spawned the expensive but not very effective Department of Energy, whose antecedents spent only $1 Billion in 1970 as compared with $6.8 Billion budgeted for 1980.

The middle Seventies brought escalating unemployment rates, with resulting increases in government spending for public assistance and special training and employment programs. The CETA (Comprehensive Employment and Training Act) program, which did not exist before 1974, will require expenditures of $11 Billion in federal funds in FY 1980. Expenditures for public assistance shot up from $5.7 Billion to $35.3 Billion over the decade. Neither of these programs can fairly be charged to an increased government commitment to "social welfare." They are simply "disaster relief" programs triggered by the failure of national economic policy to maintain adequate employment levels.

RACING THE RUBLE

The declining-ratio method of concealing the rising cost of the U.S. military establishment is the Pentagon's major weapon in its never-ending battle to boost its budget. Second, but close behind, is the new "creative accounting" developed to measure how much the Soviet Union is lavishing on its Armed Forces. Like the husband who learns that his neighbor's purchase of a fur coat constitutes a powerful if not entirely rational argument for buying one for his wife, the American taxpayer cannot help feeling guilty if he thinks we are not keeping up with the Russians.

The Soviets, however, are not very cooperative; they do not publish comprehensive, reliable data on how much their government spends. It is strange but true that our intelligence services have much better information on the number of Soviet missiles, aircraft, tanks, ships and artillery pieces than on how much it is costing their government to buy, man, operate and maintain them.

USING RUBBER YARDSTICK

If the Soviet civilian economy is difficult to understand by Western standards, the military sector is doubly so. Methods of paying and equipping soldiers and sailors, providing them with housing and medical care, using them in non-military construction activities, purchasing weapons, and performing other financial management tasks are much different than in the United States.

Faced with these complexities, our military establishment has developed another winner in its arsenal of special-purpose concepts. This one is called the "Estimated Dollar Cost of Soviet Defense Programs." It shows how much it would cost the United States to support the armed forces of the Soviet Union, assuming that each item there costs the same amount as it does here. What makes this procedure laughable is that there are huge disparities in what each side pays for specific budget items. Soviet manpower comes much cheaper than ours while highly sophisticated aircraft, ships and missiles probably represent a larger proportional drain on Soviet resources than ours. When all these complexities are considered, it becomes obvious that no serious analyst would place much confidence in the line showing the "Estimated Dollar Costs of Soviet Defense Programs" in the Pentagon's chart. It does not represent the plotting of independently derived statistics; it is simply a hand-drawn illustration of a foregone conclusion.

All that can be said with any assurance about Soviet military spending is that it has been growing at a moderate but steady pace. To quote Defense Secretary Brown, ". . . this growth has been . . . at about the same rate as the growth in the overall Soviet economy."

THE MOST EXPENSIVE GAME IN TOWN

One fact is clear about the Soviet-U.S. military competition: It is a heavy drain on the economic resources of both nations, and both have lost considerable ground—in terms of relative economic strength—to those industrialized nations which have managed to get by with smaller military budgets.

As for the proposition that the Soviets are now spending more money than the United States for military purposes—$50 Billion more, according to the Pentagon's dubious chart—it is unsupported statistically and meaningless practically. Nations do not go to war with money but with a particular combination of trained men and weapons. The country whose armaments are best fitted to its needs will be better off. Waste, poor planning, and lack of popular support can easily make the big spender the big loser when the final test comes, as the deposed Shah of Iran well knows.

It is Secretary Brown's and President Carter's task to determine what combination of armed forces and weapons can best defend the United States against likely threats. There is nothing that fairyland statistics on Soviet military spending can tell them about that. The only possible reason for manufacturing such figures is to create public acceptance for an even larger U.S. military budget.

THE RISKS OF MILITARY OVERSPENDING

The most critical decisions the federal government must make are budgetary decisions—how much to spend on military strength, economic development, services to the public, preservation of natural resources and environmental assets, assistance to the disadvantaged. Because all the programs funded from general revenues are in direct competition with each other, the President and Congress must make trade-offs among a variety of "federal fund" programs. It is a disservice to the Congress and the public to present a federal budget which obscures the real dimensions of these choices by combining federal funds with trust funds in the major summaries of federal spending.

Spending too much on the military can be as injurious to a nation's long-term welfare as spending too little. As history shows, the conflicts ultimately forced upon a nation are rarely those for which it was best prepared. The future is always uncertain: those who believe that the uncertainty can be removed by spending to the limit for military forces delude themselves. Excessive military spending introduces only one element of certainty: It insures a future of growing regimentation, declining living standards, and accelerated depletion of nonrenewable resources. America in the Eighties deserves a better fate.

VOLUNTARY AGENCIES AGREE ON PROGRAM FOR INDOCHINA REFUGEES

Mr. McGOVERN. Mr. President, the international meeting in Geneva last weekend was a major step forward in addressing the tragedy of the boat people and other refugees in Southeast Asia. Sixty-five countries developed a consensus on both immediate humanitarian relief efforts and a longer term framework for refugees in Southeast Asia. While the meeting did not address the political and diplomatic conflicts which are the fundamental cause of the refugee problem, the humanitarian measures agreed to will help create a climate in which these basic problems can be discussed and, I hope, resolved.

An important aspect of the meeting in Geneva was the consultation arranged by the International Council of Voluntary Agencies between the most important and respected voluntary agencies in the world to discuss a program of action on the Indochina refugee problem. This consultation brought together 52 agencies, including the World Council of Churches, the International Catholic Migration Commission, Oxfam, the Union of American Hebrew Congregations, the American Friends Service Committee, and the Salvation Army.

The statement agreed to by these organizations presents a positive program for action which governments as well as private relief organizations should support. The statement included the following recommendations:

First, support for the United Nations High Commissioner for Refugees' plan of action, including the procedures for orderly departure from Vietnam agreed to by the Vietnamese Government and the UNHCR.

Second, immediate humanitarian measures to relieve the overcrowding and intolerable living conditions in the camp facilities in Southeast Asia, including increased annual acceptance quotas in resettlement countries, emergency reductions in camp populations, and the establishment of additional holding and processing centers under the inspection of the UNHCR.

Third, a rationalization of the criteria and processes of selection by the resettlement countries, especially regarding the plight of families and unwanted children.

Fourth, improved means for rescue at sea operations and greater respect for the principles of asylum and nonrefoulement under established international law.

Fifth, an appeal to governments involved to review their decisions against working closely with the countries of Indochina on matters of relief, reconstruction and development assistance.

Mr. President, the voluntary agencies which attended the consultation prior to the international meeting are to be commended for their concrete measures of assistance and for the constructive program they put forward. I am convinced that their proposal had a major influence on the unexpected success of the international meeting.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement released following the ICVA voluntary agency consultation on the Indochina refugee problem for the benefit of my colleagues who are concerned about this critical issue.

There being no objections, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT FOLLOWING ICVA VOLUNTARY AGENCY CONSULTATION ON THE INDO-CHINA REFUGEE PROBLEM

Motivated entirely by a spirit of compassion and compelled by the appalling conditions under which hundreds of thousands of our fellow human beings exist in refugee camps in Asia and deeply concerned for the needless loss of human life, over fifty international and national voluntary agencies directly involved in all phases of assistance to the Indochinese refugees met in Geneva on 18 and 19 July, 1979 under the auspices of the International Council of Voluntary Agencies.

Our millions of constituents demand that we be concerned about people not politics; about salvaging lives not placing guilt. Those we represent want an immediate humanitarian response. This is a time for greatness of the spirit, a time to extend the horizons of our abilities, and a time for governments to give assurance that the world human family will be permitted and enabled to meet its responsibilities each to the other.

The voluntary agencies' consultation place these conclusions before the governments assembled in Geneva.

1. They unanimously endorse the Plan of Action contained in the High Commissioner's note to governments for this meeting and pledge full support and cooperation in its implementation.

2. The greatest potential to reduce the present tragic exodus from Viet Nam rests with implementation of the orderly departure understanding made between UNHCR and the Socialist Republic of Viet Nam, since an assured programme of emigration would deter people from taking unnecessary risks.

3. The camp facilities in South-East Asia are far below the minimum standard of decency for any human being. These camps are grossly overcrowded with a suffering, frustrated and humiliated mass of humanity. This abominable congestion leads to the physical, social and moral decay of the refugee, a dangerous and wasteful development which destroys the very qualities which the receiving countries expect and hope for when trying to integrate these refugees into their communities.

The tedious bureaucratic procedures of interviews, questions and forms create a gauntlet of insecurity and debilitating delay that is costly to both the refugees and governments concerned.

To relieve crowding and to improve conditions we urge:

A. For the duration of the emergency, annual acceptance quotas be increased to a humanitarian standard in relation to the size of this exodus. For example, countries of resettlement should strive to find places for approximately 1,000 refugees for each million inhabitants.

B. There should be an emergency reduction of the camp populations throughout Asia by the immediate transport of at least 150,000 refugees to humane facilities in the countries of resettlement. This emergency action should not be at the expense of the present monthly flow of refugees for settlement.

C. To further relieve crowding in the camps, to improve the subhuman conditions in some, and to relieve the anxieties of those who have already been four years in others, additional holding and processing centres should be established and the facilities for inspection and control granted to UNHCR should be strengthened.

4. The criteria and processes of selection by countries of resettlement must be related to the crisis. It is imperative that all countries committed to the acceptance of refugees adopt procedures which will avoid the tragedy of large numbers of unwanted refugees debarred from any meaningful future. Acceptance criteria should incorporate a full and generous understanding of the sufferings of families and unaccompanied children and the problem of family reunification. The UNHCR and the voluntary agencies should be involved in the selection process and be allowed to fully counsel refugees.

5. There must be respect for the principles of asylum and non-refoulement and improved and coordinated means of rescue at sea and protection of refugee boats from piracy in international waters. Where governments or voluntary agencies seek to save lives from the sea by the use of rescue vessels, full recognition and support for their humanitarian efforts should be afforded. Other vessels in the area must meet their international obligations.

6. Since the consequences of conflict in Indo-China should not be followed by the ravages of hunger and to prevent the economic situation exacerbating the conditions which are forcing the refugees to leave their homeland, we appeal to our governments to review their approach towards aid for relief and rehabilitation within Indo-China and particularly within Kampuchea. The voluntary agencies reiterate their wish to work closely with the countries of Indo-China in matters of relief, reconstruction and development assistance.

The voluntary agencies call on the governments to treat these conclusions as a minimal programme We urge the meeting to take dynamic and daring measures to deal with this catastrophe. The voluntary agencies have done, are doing and are willing to do what is necessary to assist. The world in the past has sometimes failed to meet its obligations in times of human crisis. Let us not allow further generations to say this of us.

LIST OF PARTICIPANTS

American Council of Voluntary Agencies for Foreign Service, Inc.
American Friends Service Committee.
American Joint Distribution Committee.
Australian Council for Overseas Aid.
British Council for Aid to Refugees.
Brot für die Welt.
Caritas Austria.
Caritas Hong Kong.
Catholic Relief Services.
Centre d'Information des Organisations Internationales Catholiques (Geneva).
Citizens Commission on Indochinese Refugees (USA).
Comité Européen pour le Bateau pour le Vietnam (France).
Comité National d'Entraide Franco-Vietnamien, Franco-Laotian et Franco-Cambodgien (France).
Comité pour l'Accueil Immediat de 50,000 réfugiées (France).
Comité Viet Nam pour sauver les Réfugiés de la Mer (France).
Concern (Ireland).
Conseil Européen des Services Communautaires Juifs.
Coordination Européenne des Comités pour l'Accueil des Réfugiés (France).
Danish Refugee Council.
Finnish Refugee Council.
France Terre d'Asile.
Free China Relief Association.
Help the Aged (UK).
HIAS (USA).
Hong Kong Christian Service.
International Catholic Migration Commission.
International Committee of the Red Cross (Observer).
International Council of Voluntary Agencies.
International Rescue Committee (USA).
International Social Service.
International Union for Child Welfare.
League of Red Cross Societies (Observer).
Lutheran World Federation.
Norwegian Refugee Council.
Ockenden Venture (UK).
Office Central Suisse d'Aide aux Réfugiés.
Oxfam (UK).
Quaker House (Geneva).
Rädda Barnen (Swedish Save the Children Fund).
Rädda Barnen International (Geneva).
Salvation Army.
Save the Children Fund (UK).
Secours Catholique (France).
Standing Conference on Refugees (UK).
Tolstoy Foundation Inc. (USA).
Union of American Hebrew Congregations.
Vluchteling 1976 (Netherlands).
World Alliance of Young Men's Christian Associations.
World Council of Churches.
World University Service.
World Vision International.
World Young Women's Christian Association.

THE GENOCIDE CONVENTION AND THE POWER OF EXAMPLE

Mr. PROXMIRE. Mr. President, the United States has been the leader in the field of human rights for over 200 years. Our very revolution inspired other revolutions designed to achieve equality in human relations and to protect human life. But perhaps most importantly, we have been able to lead because our Nation is a prosperous example of a community where compassionate respect for the worth of man and belief in human dignity are paramount. By serving as an example, we have promoted the rights of man all over the world. And it is the power of example that is the most potent and the most influential power we have.

Unfortunately, Mr. President, there is a spot on our human rights record. A spot that lingers. The United States has failed to accede to the Genocide Convention and, thus, has jeopardized its role as a beacon in the area of human rights. As Chief Justice Earl Warren said:

> We as a nation should have been the first to ratify the Genocide Convention.

As much as I would like to turn back the clock, America will never go down in history as the first Nation to accede to the Genocide Convention.

Nevertheless, the United States can still serve as an example of a compassionate and concerned Nation willing to keep this issue alive and willing to reverse its stance.

Certainly, we have not lost our commitment to human rights. That commit-

ment is as firm and as vigorous as it ever was. Because of our unremitting faith in the rights of man, we must demonstrate our determination to protect man's most valuable right—the right to life—by ratifying the Genocide Convention.

THE MX AND HARD TARGET CAPABILITY

Mr. PROXMIRE. Mr. President, the hard target capability of the MX missile, documented in the Library of Congress study referred to by the Senator from Oregon (Mr. HATFIELD) is of paramount importance to the SALT II debate.

Why is hard target capability of strategic interest? Well, it is of interest because of the potential reaction it will cause within the defense hierarchy of the Soviet Union. Consider that the Soviet Union has pursued a dogmatic, almost single-minded buildup in land based ICBM's. They have pursued this goal of land based emphasis with great resolve. They have based their entire strategic retaliatory and war fighting strategy on this doctrine of the primacy of the land based forces. It is true that they have large missile forces at sea and in the air. But the primary emphasis in the past and most likely in the future has been the land based ICBM forces.

With this fact in mind, it is possible to consider what the potential effects might be of a U.S. strategy designed to place the heart of the Soviet retaliatory system in peril, in jeopardy, in danger of being destroyed in a first strike attack.

How would the Soviet military bureaucracy react to such a circumstance which would threaten the fundamental security of their strategic position? They could not accept such a state of affairs lightly. They could not accept a situation of perceived vulnerability. After all, they have the same responsibility as does our military command—protection of the capability of the strategic forces to carry out its mission. If all of a sudden the heart of your retaliatory capacity—the 75 percent of your total force that is committed to land based systems—is brought into a state of vulnerability, then drastic measures will have to be taken.

This measure might be difficult to predict. The Soviets could well view the MX hard target capability with such alarm that they would review the prospects of future arms control agreements in a negative light. They might decide to respond with huge new strategic programs in reaction to a hard target MX deployment. They might decide to deploy an unverifiable mobile ICBM system. They might decide to move more of their strategic deterrent to sea. They might decide to emphasize new mobile ABM programs or abrogate the ABM treaty. They might consider moving ahead more strongly with exotic weapon systems such as laser or space based particle beams or some other advanced development which in turn could threaten the stability of the strategic relationship between the U.S.S.R. and United States of America.

The point is, Mr. President, that most of these options would be inimical to U.S. interests. We would be forcing the Soviet Union, out of its own self interests, to take measures which would degrade our own security, which would make our retaliatory capability less secure, which would increase the chances of accidental war, which would make verification more difficult if not impossible, which could set off a new arms race.

This is the price that awaits our MX decision. The MX may commit us to a new type of arms race, a new round in the action-reaction cycle so often perceived to drive both countries further down the road to mutual vulnerability rather than mutual security.

Therefore we must view the MX program with a perspective that will concentrate not only on the present but also the future—a future which could well be less secure than what we now know.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield to me for a request? Who has the floor?

Mr. HATFIELD. I have the floor, and I yield.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, first, let me inquire of the Chair, the meeting hour has been set for 9 o'clock tomorrow morning; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. There are no orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. The time to begin the debate on the Panama Canal legislation, I believe, is set for 9:30 a.m.; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

ALLOTMENT OF TIME FOR THE LEADERSHIP TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the two leaders tomorrow morning be confined to 2 minutes each.

Mr. STEVENS. That might be appropriate. I might be able to keep my foot out of my mouth in that period of time. [Laughter.]

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR TOMORROW; ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two leaders on tomorrow, Mr. JEPSEN be recognized for not to exceed 10 minutes, Mr. BAKER be recognized for not to exceed 10 minutes, and that the intervening time between that point and 9:30 a.m. be utilized for routine morning business, and that Senators may speak therein up to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONVENING OF THE SENATE TOMORROW IN LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the nomination of Mr. Reiche, the Senate stand in recess until the agreed hour and that when the Senate convenes tomorrow, it do so in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. HATFIELD. Mr. President, I ask the Chair what the parliamentary situation is.

The PRESIDING OFFICER (Mr. TSONGAS). The Senator from Oregon has yielded himself 5 minutes, and he has used 2 minutes and 45 seconds.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time that I use not be charged against the distinguished Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I thank the majority leader.

NOMINATION OF FRANK P. REICHE OF NEW JERSEY TO BE A MEMBER OF THE FEDERAL ELECTION COMMISSION

The Senate continued with the consideration of the nomination of Frank P. Reiche.

Mr. HATFIELD. Mr. President, I would like to observe once again, as I did earlier, the particular circumstances in which we find ourselves on the nomination of Mr. Reiche.

I must say that in my period of time in the Senate, I have not observed a more thorough analysis of a candidate for an executive commission than we have had in the case of Mr. Reiche. This is due to the careful scrutiny and the tenacious way in which the Senator from New Hampshire has pursued this matter.

We have both indicated that this certainly is not a personal matter between us, because we both understand that there can be legitimate differences of opinion without impairing the personal working relationship.

I want to make an observation, and I suppose this is a sign of age or seniority; I do not know which. Perhaps it is a little of both, especially as one begins to observe the performance of freshman Senators on the floor. I must say that in the time I have been in the Senate, I have not observed a more tenacious manner with which an issue has been pursued than the Senator from New Hampshire has pursued this matter.

I say that, as I indicated earlier, in a favorable, complimentary way. I do not agree with his findings nor his thesis. I do not agree with some of the data he has presented. Nevertheless, that in no way diminishes my respect for the way in which he has pursued this matter.

Having said that, I know that there are more important issues confronting this country than this nomination; but I believe we cannot lose sight of the fact

that there are certain basic issues that at least have to be summarized on behalf of Mr. Reiche:

First of all, I want to underscore and emphasize again that at no time have the opponents challenged the personal integrity or the professional capability of this nominee. I think that says a lot for the quality of the nomination, as well as for the quality and the character of Mr. Frank Reiche. Rather, the arguments have fallen along the lines of issues that are near and dear to the heart of each Member of the minority party.

In no way do I want it to be inferred that my support for Mr. Reiche puts me on an opposite side of the issue of public financing for congressional elections; nor do I think Mr. Reiche is on the opposite side from that of the majority of the Republican Party of the Senate.

I want to underscore one simple matter in the debate today, and that is that Mr. Reiche does not have a vote on this issue of public financing, will not have a vote on this issue, and will have no determination on this policy. This will be an issue strictly and exclusively determined by the Senate and the House of Representatives.

I also have heard this afternoon many complaints and criticisms, and I have made a few myself, in relation to the performance record of the Federal Election Commission. However, we are not determining the record of the Federal Election Commission here today, as unhappy as we may be with it. But we are going to affect the future of the Federal Election Commission by confirming the nomination of such an able and well-qualified man as Mr. Reiche.

If we are unhappy today, we can rest happier tomorrow with the knowledge that we are putting on that Commission, for the first time in the history of that Commission, a man who brings direct experience in election procedure. He is the only person to serve on that Commission so far who has brought to the FEC this kind of experience.

So, for all the unhappiness we have heard today, I say that if Senators vote for the confirmation of Mr. Reiche, they certainly will go far in diluting the possible unhappiness with the FEC of tomorrow, because he stands in a position to add great stature, great ability, and expertise and experience to the Commission.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HATFIELD. I yield myself 2 additional minutes.

Mr. President, I also regret, as I indicated earlier, that this matter has had to be primarily a debate within the minority party of the Senate. I note the Democrats have been very quiet today. They have been very considerate and very polite. They have stayed out of this argument, and for that we are grateful.

What I do not want to imply, however, is that somehow we have an irrevocable division in our party on this side of the aisle.

I feel strongly about the qualifications of Mr. Reiche and the rightness of his nomination. Mr. HUMPHREY feels the opposite. When this nomination is confirmed, I am certain we can regroup ourselves and be the responsible, accountable minority, the loyal opposition, again.

So do not take any solace, I say to my friends on the other side of the aisle, in this little exercise today, that somehow this is going to slop over into 1980. I have no expectation that it is going to last more than 24 hours, perhaps not that long.

Because of the gentlemanly way in which Mr. HUMPHREY and his colleagues have conducted this matter today, I commend him; and I commend Mr. HATCH, Mr. MCCLURE, Mr. LAXALT, Mr. HELMS, Mr. DOLE, and Mr. JEPSEN if he speaks, as well as anyone else who has spoken on the opposing side, for maintaining a high professional manner of presentation of the issue.

However, let me again emphasize the fact that this is the recommendation of the leadership of the Senate and the House. Mr. Carter did not dig up Mr. Reiche from someplace. This was a name that was sent to the White House by our Republican leadership. It carries the support of our Republican colleagues in the House of Representatives from the State of New Jersey. It carries the support of the chairman of his hometown Republican committee.

Mr. Reiche carries credentials and recommendations and testimonials from people whose loyalty, whose partisanship, and whose Republicanism, I believe, are above reproach.

So I urge the Senate to vote down the recommital motion. I hope the Senate will do that, and at that time I urge the Senate to vote for the confirmation of the nomination of Mr. Frank Reiche.

Mr. President, I yield 4 minutes to the Senator from Alaska, the assistant minority leader.

Mr. STEVENS. Mr. President, when it became apparent that this matter did involve a potential division within the minority side, I sought out the Senator from New Hampshire and suggested that we discuss the Reiche nomination.

Subsequently, the Senator from New Hampshire and I visited with the minority leadership in the House, and together we spent time discussing this matter.

The Senator from New Hampshire presented his views to Congressman JOHN RHODES, the minority leader in the House, very forcefully, as a gentleman, and discussed his point of view completely and in such a manner that there was no way to misunderstand his position regarding Mr. Reiche's nomination.

I think the Senate has learned that when the Senator from New Hampshire takes a position on an issue he takes it strongly; that he will express his views and articulate them in a way that is consistent in pursuing his goals.

The difficulty with this matter arises as a result of the history of this Commission, and the prior action of Congress, in giving the leaders of the opposition party in Congress the right to name its members. That was stricken down, as we all know, in the prior form of the law. In spite of that action, President Ford continued to turn to the leaders of the opposition at that time, the majority party in the House and the Senate, and did accord them the prerogative of naming the Democratic members of the Commission.

When the administration changed, after some problems developed over a particular nomination, President Carter then accorded the same privilege to the majority and minority leaders, and they submitted the list, and one of the names on the list was Mr. Reiche.

I think all of us who have had now a substantial number of conversations with the Senator from New Hampshire understand his deep commitment to the principle that there should not be Federal financing of congressional campaigns, and to that I think we are almost unanimously committed on this side. By virtue of the manner in which he has raised the objections to this nomination, he has reaffirmed our commitment, I think, to that point of view.

But on behalf of Senator BAKER and myself, I publicly commend the Senator from New Hampshire, as a new Member of the Senate, for his courtesy on the floor today. We all know there are things that he could have objected to here in the last 2 or 3 days. He could have ensnarled the Senate at a most critical time—just as we are trying to get to some very important things, such as the problem we deal with tomorrow in terms of the Panama Canal implementation legislation and other matters that require unanimous consent. Instead, he has been a gentleman, and his stubborn commitment to principle reflects well the traditions of the Members of this body who have faithfully served the people of New Hampshire, the Granite State.

So we do thank him for his courtesy and we thank him also for expressing so forcefully the positions that we all believe in—I think we all believe in—concerning the financing of Federal campaigns. I also do express my support for——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STEVENS. In his absence I yield myself 1 additional minute.

Mr. HATFIELD. I yield 1 additional minute.

The PRESIDING OFFICER. The Senator does not have any time remaining.

Mr. STEVENS. He said 1 additional minute.

The PRESIDING OFFICER. The remaining time is controlled by the Senator from New Hampshire.

Mr. HUMPHREY. I yield whatever time the minority whip wants.

Mr. STEVENS. I am sorry. I did not know I was going that long.

But I do also commend the Senator from Oregon for his point of view. As I have explained to the Senator from New Hampshire, I feel committed to support the nomination because I participated in the decisions concerning the matters relating to leadership involvement in nominations. I did not participate in selecting Mr. Reiche but the process which was set up I was involved in, and I feel it is a good one. Under the circumstances, when we are not involved in control of the executive branch, this is the way we must go; that is, we must

support our leadership when they have submitted the names to the President.

Again I do thank, however, the Senator from New Hampshire for his courtesy and graciousness in handling this matter.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. The minority welcomes that as he knows.

How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 10½ minutes remaining.

Mr. HUMPHREY. Mr. President, as my friend and colleague from Oregon has pointed out, the qualifications of the nominee have not been called into question nor his character, integrity or honor been called into question. But what I call into question, is the partisanship of this candidate.

A Commissioner on the Federal Election Commission does not operate in a vacuum. We do not make perfect laws here in Congress and Commissioners must, as other members of the executive branch, interpret the laws we pass. In interpreting these laws it is only human that their views will come into play and it is only human that their views will influence the hiring and direction of staff and, as we all know, staff has a great deal of latitude in this town, unfortunately so, but necessarily so.

So, Commissioners do not act in a vacuum. It is true that they do not make policy in the strictest sense but I believe that in less than a strict sense they do and very significantly.

The nominee, Mr. Reiche, as I have stated, does not embrace the cardinal Republican position dealing with the electoral process, namely opposition to taxpayer funding of campaigns. Interestingly enough his nonembrace of the Republican position puts him in a position of coming closer to the Democratic platform on this particular question. The Democratic platform calls for the extension of taxpayer funding to congressional campaigns.

I find it unfortunate in the extreme that the man who wishes to represent us on the FEC is on this cardinal issue closer to the Democratic position than the Republican position.

But what disturbs me almost as much is the fact that after 6 years serving as chairman of the New Jersey Election Commission, Mr. Reiche claims he has not reached any conclusions on what amounts to this question of whether we should give the FEC greater powers over the electoral process in this country. He has reached no conclusions. I think that is shocking. I think that it is shocking that the Senate should be asked to seriously consider such a nominee and I worry very greatly that a man who apparently intends to learn on the job is in a position of gaining that seat on the Federal Elections Commission.

Mr. Reiche evidently sees no danger in granting these greater powers to the Government. I see great dangers, Mr. President. I believe there is no more dangerous agency in this Government than the FEC.

It must be so. Any agency which has the power to control the electoral process, the very means that the citizens have to change their Government, is an agency with a great deal of power and one to be watched very carefully.

I do not want a man going down there to represent my party who has not made up his mind on this fundamental issue.

Let me say also that it is up to us Republicans here in the Senate to be the final judge of who will represent us on the FEC. Yes, the New Jersey delegation in the House of Representatives favors this nomination, but we are here not to please the New Jersey delegation. But we as Republicans acting on FEC nominations must protect the interests of all of the States, not just the State of New Jersey.

I must point out that while Mr. Reiche may have the support of his New Jersey delegation in the House of Representatives, he does not have the support of the chairman of the Republic National Committee. I submit that Mr. Brock is more representative of the Republican Party nationally than the House delegation from the State of New Jersey.

Mr. Reiche's nomination does not—think of it—this nomination for a Republican seat on the FEC does not have the support of the national Republican chairman. Neither does this nominee have the support of the chairman of the Republican Party in New Jersey in the home State of the nominee.

So I urge my colleagues to vote to recommit this nomination to committee for further consideration.

If I may have the temerity to do so, I suggest to my colleagues on the other side of the aisle that, perhaps, they might like to consider on this question voting "Present."

That is the substance of my feelings on this question, Mr. President. It is a question of how much power shall we give to the Government over the electoral process.

Mr. Reiche has not made up his mind. I hope my colleagues have.

I yield the remainder of my time.

The PRESIDING OFFICER (Mr. TSONGAS). All time having been yielded back, the question is on agreeing to the motion to recommit by the Senator from New Hampshire. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber wishing to vote?

The result was announced—yeas 28, nays 70, as follows:

[Rollcall Vote No. 218 Ex.]

YEAS—28

Armstrong	Garn	Jepsen
Bellmon	Goldwater	Laxalt
Boschwitz	Hatch	Long
Byrd, Harry F., Jr.	Hayakawa	Lugar
Dole	Heinz	McClure
Domenici	Helms	Morgan
	Humphrey	Packwood
Roth	Thurmond	Warner
Schmitt	Tower	Zorinsky
Simpson	Wallop	

NAYS—70

Baucus	Glenn	Pell
Bayh	Hart	Percy
Bentsen	Hatfield	Pressler
Biden	Heflin	Proxmire
Boren	Hollings	Pryor
Bradley	Huddleston	Randolph
Bumpers	Inouye	Ribicoff
Burdick	Jackson	Riegle
Byrd, Robert C.	Javits	Sarbanes
Cannon	Johnston	Sasser
Chafee	Kassebaum	Schweiker
Chiles	Kennedy	Stafford
Church	Leahy	Stennis
Cochran	Levin	Stevens
Cohen	Magnuson	Stevenson
Cranston	Mathias	Stewart
Culver	Matsunaga	Stone
Danforth	McGovern	Talmadge
DeConcini	Melcher	Tsongas
Durenberger	Metzenbaum	Weicker
Durkin	Moynihan	Williams
Eagleton	Muskie	Young
Exon	Nelson	
Ford	Nunn	

NOT VOTING—2

Baker	Gravel

So Mr. HUMPHREY's motion to recommit was rejected.

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to the nomination of Frank P. Reiche, of New Jersey, to be a member of the Federal Election Commission. The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, this rollcall vote will conclude the business for today. This will be the last rollcall for the day.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

The result was announced—yeas 73, nays 25, as follows:

[Rollcall Vote No. 219 Ex.]

YEAS—73

Baucus	Glenn	Nunn
Bayh	Hart	Pell
Bellmon	Hatfield	Percy
Bentsen	Hayakawa	Pressler
Biden	Heflin	Proxmire
Boren	Hollings	Pryor
Bradley	Huddleston	Randolph
Bumpers	Inouye	Ribicoff
Burdick	Jackson	Riegle
Byrd, Robert C.	Javits	Sarbanes
Cannon	Johnston	Sasser
Chafee	Kassebaum	Schweiker
Chiles	Kennedy	Simpson
Church	Leahy	Stafford
Cochran	Levin	Stennis
Cohen	Long	Stevens
Cranston	Magnuson	Stevenson
Culver	Mathias	Stewart
Danforth	Matsunaga	Talmadge
DeConcini	McGovern	Tsongas
Durenberger	Melcher	Weicker
Durkin	Metzenbaum	Williams
Eagleton	Moynihan	Young
Exon	Muskie	
Ford	Nelson	

NAYS—25

Armstrong	Dole	Hatch
Boschwitz	Domenici	Heinz
Byrd, Harry F., Jr.	Garn	Helms
	Goldwater	Humphrey

Jepsen	Packwood	Tower
Laxalt	Roth	Wallop
Lugar	Schmitt	Warner
McClure	Stone	Zorinsky
Morgan	Thurmond	

NOT VOTING—2

Baker	Gravel

So the nomination was confirmed.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 9 o'clock tomorrow morning.

Whereupon, at 5:48 p.m., the Senate, in executive session, recessed until tomorrow, July 26, 1979, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 25, 1979:

DEPARTMENT OF STATE

William D. Wolle, of Iowa, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Emirates.

MERIT SYSTEMS PROTECTION BOARD

Ronald P. Wertheim, of the District of Columbia, to be a Member of the Merit Systems Protection Board for the remainder of the term expiring March 1, 1981, vice Ruth T. Prokop.

CONFIRMATION

Executive nomination confirmed by the Senate July 25, 1979:

FEDERAL ELECTION COMMISSION

Frank P. Reiche, of New Jersey, to be a Member of the Federal Election Commission for a term expiring April 30, 1985.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, July 25, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we give You praise for all people whose lives of dedication and courage in days past continue to brighten our path and strengthen our faith. We give thanks for all heroes who have sought to walk in righteousness and speak the truth in love.

We laud those men and women of today, who, by their faithfulness to Your word and by their zeal for justice, inspire us all. O Lord, may their witness lift us from the routine of life to see Your glory, that being filled with Your spirit, we may touch those we meet with the healing power of Your presence. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 4591. An act to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other purposes; and

H.R. 4712. An act to delay conditionally the effective date of certain rules of procedure and evidence proposed by the U.S. Supreme Court, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R 4057. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4057) entitled "An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. STONE, Mr. LEAHY, Mr. MELCHER, Mr. HELMS, Mr. HAYAKAWA, and Mr. LUGAR to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 544) entitled "An act to amend title XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. CRANSTON, Mr. PELL, Mr. SCHWEIKER, Mr. JAVITS, and Mr. HATCH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 585 An act to authorize the Secretary of the Interior to engage in a feasibility study of the Yakima River Basin water enhancement project;

S. 737 An act to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the ability to engage in commerce; and

S. 1309. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.

U.S.-U.S.S.R. MILITARY BALANCE—MYTHS AND FACTS V

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, a statistic often cited by those who would have us believe that the Warsaw Pact's military power is far superior to NATO's is the number of troop divisions each side claims—226 for the pact compared with 41 NATO divisions. While these figures sound threatening, a closer look shows the balance is not so one-sided.

First. The pact total includes all the divisions of all the pact members, including 61 Soviet divisions assigned to the often tense Sino-Soviet border which pose no threat to the West.

Second. The pact total includes divisions which are at as little as 25 percent of full strength. Pact divisions are divided into three categories; category I divisions are at least 75 percent of full strength, category II divisions are 50- to 75-percent combat ready, and category III divisions are at only 25 to 50 percent of full strength. Only about one-third of all pact divisions fall into category I.

Third. NATO divisions tend to be much larger than their pact counterparts and are kept at a much higher state of readiness. In addition, NATO assigns many of its troops outside of a division structure. It has been estimated, for example, that if the United States reorganized its troops along the lines of the Soviet military it could form from 80 to 90 divisions instead of its current 19.

Fourth. If the 50,000 French troops which are stationed in Germany are included, NATO could claim 1,250,000 combat and direct support troops compared to 1,240,000 pact troops. Furthermore, the Warsaw Pact countries cannot blithely ignore the 400,000 man French Army, since it is inconceivable that France would stay neutral in a European conflict.

Fifth. NATO, unlike the pact, is a true alliance whose members belong by choice and share common interests. There is no real question concerning the loyalty of our NATO allies, particularly in the event of an attack on Western Europe. The Soviet Union cannot speak with such confidence about its pact "allies."

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AUTOMOBILE RESEARCH AND DEVELOPMENT SHOULD BE SHIFTED TO NASA

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, it is important that the American people not be deluded into believing that there is one answer to our energy dilemma. While I voted for and support synthetic fuels development, we are kidding ourselves if we believe it is the only feasible answer to our perplexing situation. Neither are nuclear power, or exotic forms of solar energy, going to solve this problem in the short term.

It will take many, many years to fully develop these alternatives, and in the short term—the next 5–10 years—we will have to rely on conservation and production of oil and gas.

However, Mr. Speaker, one of the most significant dents we could make in reducing oil imports in the short term is to increase automobile efficiency. It is estimated that if every car in America could make 10 miles per gallon more than now, we would save over 4 million barrels per day. I repeat, over 4 million barrels per day. It is time that Detroit and this Government recognize this fact and get to work on developing more fuel-efficient cars. And it is clear to me, that to foster that development, all automobile research and development that is publicly funded, should be transferred to NASA, the only nonregulating, goal-oriented agency in Government, and an agency that is not fettered with the bureaucratic and regulatory problems that affict the Department of Transportation and the Department of Energy.

EQUITABLE JUSTICE FOR ALL COUNTRIES

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I have been totally appalled and amazed at the lack of conscience concerning the country of Lebanon. For months it has been bombarded, most probably with American-made weapons, killing and wounding many men, women and children, many of whom are native Lebanese. It is the one country that has housed thousands of refugees, and yet with all of the talk of Southeast Asian refugees, no one appears to care about the plight of Middle Eastern refugees.

I call upon our Congress and our President to face up to this tiny country's devastation. The country of Lebanon has always been our ally. In the age of human rights, let us have equitable justice for all countries, not just some.

IDA B. WELLS BARNETT, 1862–1931

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Ida B. Wells Barnett was one of the boldest black Americans urging active resistance to discrimination. An experienced journalist and owner of a Memphis newspaper, she spoke out courageously against lynching and mob violence. In 1892 an angry mob destroyed her newspaper office. Undaunted, Ida B. Wells Barnett continued to write and lecture in her tireless attack on racism.

Returning to America following a lecture tour in England, she began to organize black women. She was certain that by banding together in clubs and associations, black women could have a stronger voice in public affairs. In Boston she organized the first civic club for black women. She organized the Negro Fellowship League for young blacks in Chicago. She made many trips to Washington on behalf of her people, appealing personally to seven different Presidents of the United States.

Ida B. Wells Barnett confronted injustice and racism in America with exceptional courage, determination, and eloquence.

CONTROLS ON PETROLEUM PRODUCTS HAVE PRODUCED OUR SHORTAGE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, W. Michael Blumenthal, departed Secretary of Treasury and James R. Schlesinger, soon to be departed Secretary of Energy, had one important thing in common: Both believed that immediate decontrol of all oil products would best serve America's energy needs. Stuart Eizenstat and Hamilton Jordan, influenced no doubt by Democrat economist Arthur M. Okun, prevailed on the issue and Americans will continue down the road to statism and controls on petroleum products, which controls have produced our shortage. On this issue, President Carter fired the wrong people. Next year the American people will have a chance to choose the course of more regulation of their economic affairs or deregulation with the assurance of working effectively for energy independence.

SOUTHEAST ASIAN REFUGEES

(Mr. ERDAHL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERDAHL. Mr. Speaker, I would like to call attention to an offer being put forth by the Minnesota Medical Association on behalf of the Southeast Asian Refugees. This association is offering free medical assistance for 1 year to refugees sponsored by Minnesotans. This is the type of American spirit that has made this Nation great. If each of us makes a commitment to help relieve the suffering of those less fortunate than ourselves we will strengthen our own spirit and our determination to keep this Nation great. I am offering a challenge to the other 40 State medical associations to follow the example being put forward in Minnesota. Other professionals such as attorneys and dentists can also serve a humanitarian role in assimilating these distressed people into our society. Instead of reaching out the hand of the American welfare state, let us reach out the hand of American friendship and show these people that each and every American stands willing to help them in their adjustment to our society. Friendship is contagious, and I think that this can be a big step in making good citizens out of our new brothers and sisters.

INTRODUCING LEGISLATION PROVIDING FOR COMMITTEE ON ENERGY

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, we all want to do our part to solve the energy crisis. As Congress considers our energy alternatives, it is clear that we must consolidate and streamline our activities.

We need a committee on energy. Tomorrow I will introduce a resolution providing for the establishment of a standing Energy Committee.

Passage of this resolution would, for the first time, place in a single committee responsibilities that are now scattered among several committees of the House.

Our Nation has no higher priority than the development of an effective national energy program.

But despite its importance, jurisdiction over energy is fragmented like no other subject in the House. As long as this situation prevails, energy policies and programs in this Nation will suffer; so will prospects for a solution to our energy problems.

AMTRAK REORGANIZATION ACT OF 1979

Mr. FLORIO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. FLORIO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GLICKMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 387, nays 5, answered "present" 1, not voting 41, as follows:

[Roll No. 377]

YEAS—387

Abdnor
Addabbo
Akaka
Alboata
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
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Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—5

Gibbons
Lloyd
McDonald
Mitchell, Md.
Wilson, Bob

ANSWERED "PRESENT"—1

Pepper

NOT VOTING—41

Alexander
Ashbrook
Atkinson
AuCoin
Boggs
Boiling
Brooks
Burton, John
Chisholm
Conyers
Danielson
Davis, S.C.
Dickinson
Diggs
Dingell
Dixon
Eckhardt
Emery
Flood
Ford, Mich.
Forsythe
Giaimo
Goldwater
Gray
Jacobs
Leach, La.
Lundine
McCormack
Mikva
Rodino
Rose
Santini
Satterfield
Seiberling
Simon
Spellman
Staggers
Stokes
Walgren
Waxman
Wright

□ 1020

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3996, with Mr. PANETTA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 24, 1979, title I had been considered as having been read and open to amendment at any point.

Are there further amendments to title I?

□ 1030

Mr. FLORIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from New York (Mr. NOWAK) for the purpose of a brief colloquy.

Mr. NOWAK. Mr. Chairman, I would like to engage the gentleman from New Jersey, the chairman of the subcommittee, in a colloquy concerning the committee's intent in amending section 4. I am joined in this effort by my neighboring colleague in western New York, Representative JOHN LAFALCE, whose district is significantly impacted by the legislation.

Mr. LAFALCE. Mr. Chairman, this is a matter which I am deeply concerned about and appreciate the opportunity to jointly inquire with my New York colleague as to the route reexamination's effect on our region.

Mr. FLORIO. If the gentleman will yield, I will be pleased to respond to their questions.

Mr. NOWAK. Thank you very much. We would like to secure the floor manager's interpretation of specific language in the bill which allows the Corporation (Amtrak) some discretion under limited circumstances in deferring implementation of routes recommended by the Secretary for restructing. Is it not the intent of the legislation that a decision on these restructurings be made expeditiously?

Mr. FLORIO. The gentleman is correct. The legislation intends that a decision be made on the restructurings as quickly as possible. As the gentleman knows, there are four trains scheduled by the Department of Transportation's plan to be rerouted. There is some question whether or not all of the reroutings should take place. The bill specifically provides that the reroutings shall occur unless they fail to provide "equivalent or superior" service.

Mr. LAFALCE. Am I correct in saying that the legislation supposes that the reroutings will take place unless the Corporation makes a demonstration that the new routes fail to provide "equivalent or superior" service. In other words, there is a presumption that the reroutings should take place unless there is a showing made to the contrary.

Mr. FLORIO. That is correct. The legislation does not make a decision on whether or not any of the reroutings should occur. It merely says the reroutings can be deferred until specified conditions are met. The presumption is that the reroutings will occur unless they ultimately do not provide "equivalent or superior" service.

Mr. NOWAK. Thank you. As the gentleman knows, we are concerned specifically about the Lake Shore Limited. We think the new route proposed for that train offers far better service between New York and Chicago than the old route. We are anxious to see it implemented as quickly as possible.

Mr. LAFALCE. I thank the gentleman from New Jersey. I think Amtrak will find that this new route provides service which is superior to the old route and I look forward to the implementation of the new route.

● Mr. KEMP. Mr. Chairman, I would like to add my support to the remarks of my western New York colleagues and I appreciate these joint efforts to help improve the Lake Shore Amtrak service through Buffalo, something I have been supporting and working for since 1972.

In 1974, it was my pleasure to help gather colleagues throughout the Northeast and Midwest to win Department of Transportation approval of the Lake Shore route connecting New York to

Chicago through Buffalo, Syracuse, and other upstate New York cities.

From the outset of that approval, the most singular drawback has been the inconvenience of the eastbound stop at Buffalo at 3:35 a.m. and the westbound stop at 4:05 a.m.

Restructuring the Lake Shore route through Detroit would allow passengers to board at roughly 11 p.m. on the westbound train and about 6 a.m. on the eastbound train, an improvement which would not only better serve our constituents of the greater Buffalo area but would, as has been pointed out, generate more ridership and revenue and thus help decrease the operating deficit on this most important route. And, since the cancellation of the Niagara Rainbow route in 1979, the rerouting of the Lake Shore line into Canada offers the additional possibility of connecting our region with a stop in Canada in addition to the improved time schedule.

Thus, I support the restructuring of the Lake Shore route as proposed by DOT without qualification and am pleased with the remarks of my colleagues from western New York.●

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: Section 117 of H.R. 3996 is amended by:

(1) striking "subsection" on line 119 of page 72 and inserting "subsections" in lieu thereof;

(2) striking the quotation mark and second period on line 23 of page 73; and

(3) adding the following new subsection immediately after line 23 of page 73:

(e) For the purpose of this section and section 4 of the Amtrak Improvement Act of 1978, the reference to Tampa in table 4–1 at page 4–7 of the Secretary's Final Report to Congress on the Amtrak Route System, dated January 1979, shall be deemed to mean St. Petersburg.

Mr. YOUNG of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Chairman, this amendment is to make, in effect, a technical correction in the Amtrak reorganization order. As a matter of fact, Amtrak prepared the amendment and I have cleared it with the chairman and the ranking minority member.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I would just reinforce the point that has been made, that this is a minor modification. It has been reviewed by the staff of the majority and, I believe, that of the minority. We accept the amendment.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. LEE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. LEE. Mr. Chairman, this is indeed a technical correction, and is acceptable to the minority.

Mr. YOUNG of Florida. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERTEL: Page 89, after line 16, insert the following new section:

SERVICE ON PORTION OR SEGMENT OF DISCONTINUED ROUTES

SEC. 128. The Corporation shall conduct an evaluation of the possibility of providing rail passenger service on a portion or segment of any route over which service is discontinued after October 1, 1979. Such evaluation shall include an examination of the potential market demand for rail passenger service over a portion or segment of any such discontinued route, and the cost of providing such service. The Corporation shall, no later than February 15, 1980, submit a report to both Houses of the Congress and to the Secretary of Transportation setting forth its findings under this section.

Mr. ERTEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ERTEL. Mr. Chairman, my amendment is a simple but very important one. Very briefly, let me describe this amendment and what it addresses.

As many of my colleagues, I have a train passing through my district, the National Limited, which is scheduled to be discontinued. Now I will be the first to say that any train which is not demonstrating sufficient ridership should be eliminated. I was troubled, however, to receive reports that this train is running at near capacity when it passes through my district and that the Harrisburg stop is heavily used. Comparing this to the ridership figures which are available for the National Limited as a whole, I have a hard time explaining this fact. I am led to conclude that part of the National Limited is being heavily used and part of it is being terribly underused. Figures provided to me by Amtrak bear out this conclusion.

Now, there is nothing shocking about this and I would guess that many of the other trains which are scheduled for cancellation have segments where ridership is higher than the data for the whole route would suggest. I am disappointed to report to the Members of this body, however, that neither Amtrak, nor the Department of Transportation looked at the lines they want to cut to see if there are smaller routes that would justify continued service. What they did was to take the figures for the entire line, put them together, came up with an overall set of indicators for the line as a whole, and said: This line will be continued, and this line will be cut. And that was the end of it. I submit to you that there may well be sections along those lines to be cut which have the market to justify continued service—especially when we see such dramatic increases in ridership due to our energy problems.

If Amtrak or the Department of Transportation had said to the Congress: The National Limited, or any other train, needs to be cut, but the section from point A to point B does have a viable market and we are going to offer short distance service to that part, I would support that approach. The fact of the matter is that they do not really know this data before or after the large ridership increases.

It is a simple question. If I am running a railroad line that is not making it, I want to know why, and what can I do to turn it around, or alter service to improve it. I am sure not going to throw the good out with the bad without looking for a way to save the good. Unfortunately, that is the type of plan that was brought to us.

That is what my amendment does. It says to Amtrak: Before you cut a line, take a look to see if part of it is worth saving. If there is, how can we do it? To restructure the Amtrak system without this information is irresponsible.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I commend the gentleman for his amendment and say that it is fully compatible with the new, expanded section 403(b) program; that is, to reinstate some lines that have statewide import or regional import, segments that may not be of national significance. Therefore, this is something that is desirable; it is something we can support, and we commend the gentleman for his contribution.

Mr. ERTEL. I thank the gentleman from New Jersey for his support.

Mr. LEE. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from New York.

Mr. LEE. Mr. Chairman, the minority accepts the amendment and thinks it is laudable. We commend the gentleman for it and support it.

Mr. ERTEL. I thank the minority for their support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The amendment was agreed to.

□ 1040

AMENDMENT OFFERED BY MR. CAMPBELL

Mr. CAMPBELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAMPBELL: Page 73, line 15, immediately after "routes." insert the following new sentence: "The Corporation shall make its calculations under this subsection on the basis of the most recent available statistics for a 90-day period, except that the Corporation may also utilize historical data (such as seasonal fluctuations in ridership) as long as such data is adjusted to reflect the most recent available statistics.".

Mr. CAMPBELL. Mr. Chairman, this is a very simple and noncontroversial amendment which I hope will be accepted by the gentleman from New Jersey and the gentleman from New York. I think it reflects the intent of the committee, and I have been informed that Amtrak has no objection to it. It provides no additional authorizations.

The amendment requires—requires statutorily—that Amtrak shall use the most recent available statistics for a 90-day period as a base in figuring which routes meet the economic and usage criteria set forth in the House bill. It also allows Amtrak to take into account historical ridership data, such as seasonal fluctuations in ridership, in making its projections. Since nearly all Amtrak's trains are doing better, this amendment does not serve one region over another. It would help trains equally all over the country.

Amtrak has informed me it intends to use current data in any event and members of the committee have assured me that this is their intent. Nevertheless, based on my experience with the Department of Transportation, I would be much more comfortable if this were a hard requirement in the bill. I will tell you why.

Since former Secretary Adams issued his hit list last January, I have been trying—largely in vain—to get the statistical backup for elimination of the Crescent, a train I am particularly interested in since it serves my district. The Secretary testified before the subcommittee that the cutback proposal was done "by the numbers" and "impartially and according to the rules." But according to his letter to me on the subject, loss estimates for the Crescent were "only estimates" and "full historical data are not available for this train." Significantly, in a study done by Amtrak at DOT's request, the DOT fiscal 1980 projection for the Crescent was 55 percent low—55 percent. In fact, of the 12 routes included in the special study, DOT projections were low in all but two cases.

We are all aware of the tremendous increase in ridership on our national passenger trains, partly attributable to the gasoline shortage and perhaps also attributable in many cases to renewed public interest in the trains spurred by the news they might lose them. I hope it will be the will of the House to provide a mechanism for saving the better lines, and I commend my colleagues on the committee for finding what I believe is a workable mechanism. But, Mr. Chairman, I do not believe these decisions should be based on outdated, perhaps misleading information.

I urge the adoption of my amendment.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentleman for yielding. First, there is one area I am concerned about with the gentleman's amendment, especially the word "may" in referring to seasonal difference. I believe he has taken care of it, but I would like some assurances on it. That is that our particular train, the Montrealer, has about 10 great months a year and it has 2 rather poor months. What I would be concerned about under the gentleman's amendment is if they pick the 2 bad months, and do as has happened to us in the past, they will come up with some figures which really do not portray the value of the line. I want to make sure we are protected on that and make sure they have to take into consideration some seasonal problems some of these lines have.

Mr. CAMPBELL. I thank the gentleman for a most relevant question. The amendment does address this. It specifically states that they shall take into consideration seasonal fluctuations and other basic historical data. It is in the amendment itself, and I would commend a copy of the amendment to the gentleman because that was specifically the reason we put it in to make sure that they could not take a low point and try to use it this way.

Mr. JEFFORDS. I thank the gentleman. I appreciate his taking that into consideration.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from New Jersey.

Mr. FLORIO. I thank the gentleman for yielding.

As the gentleman accurately points out, this proposal is exactly what the committee had intended that the bill do, which we think the gentleman would like to see more specifically incorporated. We have no difficulty with the amendment. It is compatible with what we are trying to do.

Mr. CAMPBELL. I thank the gentleman for his support.

Mr. LEE. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from New York.

Mr. LEE. I thank the gentleman for yielding. I support the amendment and commend the gentleman on the subject. Amtrak, as the gentleman rightly stated, does support this. This, indeed, will move Amtrak in the direction of using the most up-to-date data base to insure the latest information to justify the continuance or discontinuance of various passenger trains.

Mr. CAMPBELL. I thank the gentleman.

The question is on the amendment offered by the gentleman from South Carolina (Mr. CAMPBELL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PEPPER

Mr. PEPPER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEPPER: Page 56, after line 22, insert the following new section:

REDUCED FARE PROGRAM FOR ELDERLY AND HANDICAPPED INDIVIDUALS

SEC. 106. Section 305(c) of the Rail Passenger Service Act (45 U.S.C. 545(c)) is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) The Corporation may establish, on a standby, space available, or other basis, a program of reduced fares for the elderly and handicapped individuals. Reduced fares established under such a program for rail passenger service provided by the Corporation shall not be in excess of 50 percentum of the regular fare for the same service in the case of standby or space available fares and shall not be in excess of 75 percentum of the regular fare for the same service in the case of fares established on any other basis.

"(3) For purposes of this subsection—

"(A) the term 'elderly individual' means a person who has attained the age of sixty-five years; and

"(B) the term 'handicapped individual' means any person who has a physical or mental impairment which substantially limits one or more of such person's major life activities, has record of such an impairment, or is regarded as having such an impairment, but such term does not include any person who is an alcoholic or drug abuser.", redesignate the following sections accordingly.

Mr. PEPPER. Mr. Chairman, the amendment I am offering today will give Amtrak the expressed authority to offer discount fares to the elderly and the handicapped in much the same way as such fares are now permitted by many airlines.

Specifically, my amendment would authorize Amtrak to offer reduced fares on standby, space available or other basis to the elderly and handicapped. If such fares are offered on a standby or space available basis, then the fares could be set at no more than 50 percent of the usual rates. If Amtrak established a reduced fare program that was on a reserved seat or any other basis, then the fares offered to the elderly and handicapped could be set at no more than 75 percent of the regular fares for the same service.

As chairman of the House Select Committee on Aging, I have come to learn that inadequate transportation is one of the major problems confronting older Americans. Yet it is precisely those elderly Americans—those who find it difficult to get around—who have the greatest need for transportation. It is they who must regularly shop for food, medicine, and other essentials, visit the doctor for treatment, or attend a senior center for a hot meal or companionship.

We know that senior citizens have less than half of the average income of their under-65 counterparts. One out of four seniors lives in poverty and one out of three live in substandard housing. Given their limited incomes, senior citizens are forced to make desperate choices between buying food or medicine. Travel becomes a luxury they cannot afford. The most common mode of transportation for the elderly has been the automobile, but fewer and fewer elderly own cars and can afford the escalating cost of fuel. In short, our analysis shows that senior citizens do not make greater use of the airlines and railroad because they cannot afford to do so. A reasonable reduction in fares will dramatically increase ridership. Last year the Congress acted to give the airlines authority to offer reduced fares to the elderly and handicapped and it is therefore highly appropriate that we extend this same authority to Amtrak.

My amendment, if adopted, will result in a significant reduction in fares for those elderly and handicapped who are usually least able to afford conventional fares. I should note that the language of my amendment is permissive, not mandatory. Amtrak would not be required to offer such a discount fare, although I am hopeful that they will have a strong desire to do so.

Since the discount fares would apply to standby, space available or any other basis of travel adopted by Amtrak, both the elderly and the railroads themselves will benefit. The elderly, particularly those who have retired, have more flexible schedules than many others. They can travel at nonpeak times when seats will be more plentiful at prices more of them will be able to pay on limited budgets. Railroads, on the other hand, will be receiving revenue for what could otherwise be empty seats.

Overall, Mr. Chairman, I believe that the enactment of my amendment will allow thousands of older and handicapped persons to visit distant relatives and friends and other destinations, which they are unable to do today because of the relatively high cost of travel.

I urge the adoption of this amendment.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from New Jersey.

Mr. FLORIO. I thank the gentleman for yielding.

As the gentleman knows, we have worked very closely with the gentleman's office. I have worked with the Amtrak officials. They have an interest in initiating projects of this sort, and based on the fact that this is a discretionary grant of authority, the committee has no difficulty in accepting the amendment.

Mr. PEPPER. This comes from the agency committee and collectively represents the sentiment of that committee. I thank the gentleman very much.

Mr. LEE. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from New York.

Mr. LEE. I thank the gentleman for yielding. I compliment him on this amendment. We find it most acceptable.

Mr. PEPPER. I thank the gentleman very much.

Mr. LUKEN. Mr. Chairman, I am pleased to rise in support of this amendment which will permit Amtrak to establish a program of reduced fares on a standby, reservation, or any other basis, to railroad passengers who are over 65 or handicapped. Commendation for the timely consideration of this amendment is due to my distinguished colleague from Florida (Mr. PEPPER). As chairman of the House Select Committee on Aging, of which I am a member, the gentleman has long been interested in this proposal to permit railroads to offer older Americans and handicapped persons such discount fares.

Mr. Chairman, it has been my position that Amtrak now has, and has had all along, the authority to offer discount fares to the elderly and the handicapped, in much the same way as such fares are permitted for the blind traveling with an attendant and Federal employees on business. However, Amtrak has not moved to establish a reduced fares program for the elderly and handicapped who are often the least able to pay conventional fares. The enactment of the provisions of this amendment will, I trust, begin a new period of lower railroad fares for those who would otherwise be unable to afford such travel.

I should point out that Amtrak will not be required to establish a reduced fares program if this amendment is enacted, but they will have the incentive to do so. Just as the energy crisis has increased ridership on the trains in recent months, so too will this legislation attract new customers while at the same time improving overall efficiency and economy of the railroads by filling seats which might otherwise go empty.

Reduced fares for these groups can be offered on either a standby, space available, or any other basis approved by Amtrak. It should be noted that reducing these fares would not entail any cost to the taxpayer, or place any burden on railroad patrons paying full fares.

You will recall that last year the Congress approved legislation permitting the airlines to offer reduced fares to senior citizens and the handicapped on a standby basis. Since the passage of this legislation, most airlines have established reduced fare programs for these groups increasing ridership and revenues. I believe it would be appropriate to extend this same authority to Amtrak.

The elderly would benefit from cheaper rail travel. A 1976 report issued by the House Select Committee on Aging revealed that older Americans are severely hampered in getting to and from places they need to travel. Lack of mobility is a chief concern of our elderly. As a Nation whose resources and technology can land men on the Moon then surely we can develop or promote the means to move people across town, across our country.

By approving this amendment, the Congress can help to keep our elderly and handicapped in the mainstream of American life by extending to them the convenience and comfort of travel by rail. I am convinced that many of our elderly and handicapped have both the desire and time to travel, if only they could afford it.

I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PEPPER).

The amendment was agreed to.

□ 1050

AMENDMENT OFFERED BY MR. M'KINNEY

Mr. McKINNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKINNEY: Page 79, line 21, strike out "$230,000,000" and insert in lieu thereof "$272,000,000".

Page 79, line 23, strike out "$253,000,000" and insert in lieu thereof "$295,000,000".

Page 79, line 24, strike out "$271,000,000" and insert in lieu thereof "$313,000,000".

Mr. McKINNEY. Mr. Chairman, before I explain the nature of my amendment, I would like to commend the leadership displayed by the Commerce Committee in bringing this bill to the floor. I strongly believe that H.R. 3996 will go far toward salvaging a viable rail passenger system from the ill-founded Department of Transportation route structure proposal. I would especially single out the efforts of our colleagues, Mr. FLORIO and Mr. MADIGAN, chairman and ranking minority member of the Subcommittee on Transportation and Commerce, who were not deterred in their endeavors in the face of an initial lack of support from the administration and some in Congress.

In spite of the committee's hard work, however, this legislation does not fully meet the mandate of the Rail Passenger Service Act for the establishment of a rail passenger operation that, and I quote from the Amtrak Improvement Act passed by this body last year, will:

> . . . provide intercity passenger service . . . to fully develop the potential of modern rail service in meeting the Nation's intercity passenger transportation requirements.

In response to that directive, my amendment would supplement the capital acquisitions and improvements authorization by $42 million in each of the 3 years within the scope of the bill. My amendment only addresses the capital requirements of the committee-approved structure and in no way relates to efforts to go beyond that recommendation.

Mr. Chairman, since this legislation was reported by the Commerce Committee on May 15, events and circumstances have arisen which render it more imperative than ever to accelerate efforts to provide Amtrak with the rolling stock and other equipment needed to effectively meet the growing demand for its services. This year's OPEC price increases will bring gasoline to the $1 a gallon mark and cost this country $15 billion more for that fuel alone in the next year. Furthermore, the shortages caused by lower crude production and our inability to curb consumption have resulted in allocation cutbacks to 89 percent of last year's supplies nationally, and to only 82 percent of 1978 levels in my State of Connecticut.

Obviously, the days of cheap, plentiful energy are over. This can only mean that people will drive less and seek transportation alternatives to the automobile. We in Congress must fulfill our responsibility to the country and insure that viable intercity and commuter mass transit alternatives are available.

Already, the transition to rail travel has begun. In May, before the gasoline shortage and price increases had made their full impact, Amtrak ridership rose almost 20 percent over May of 1978. Passenger miles per train mile increased 28 percent. Revenues climbed 29 percent. Reservations soared upward 128 percent, and denials of space due to sold-out conditions were over 1,000 percent higher than during the same period last year. And in the markets it serves, Amtrak carried 145 percent of intercity travelers in 1978.

Unfortunately, the bill before us today does not contain adequate authority for the future capital requirements of the system it designates. It will not allow Amtrak to acquire new, efficient equipment quickly enough to meet its potential in our battle against profligate energy use.

When the Department of Transportation recommended a substantial reduction in the rail passenger network, Amtrak submitted a budget request of $213 million for 1980. This was trimmed by DOT to $171 million, an amount sufficient for a minimal capital program at best. The Office of Management and Budget, in a prime example of political expediency, slashed the DOT figure to $102 million. The committee has restored capital funding to $171 million, plus an additional $18 million that will be available if track connections are not required to implement the restructuring. My amendment would return the basic capital authorization to Amtrak's original request level of $213 million, with similar increments in the following 2 years. And it should be noted that Amtrak's request, from which my amendment is derived, was based on the anticipated needs of the significantly smaller DOT route structure.

An important factor to keep in mind while discussing Amtrak's capital requirements is the 2-year leadtime necessary in manufacturing rail equipment. My amendment would speed up the acquisition of a 285 low-level car order by 1 year. These are cars needed to replace the outmoded coaches now in use throughout the system—two-thirds of which average 29 years of age. The additional capital funding provided by my amendment would also ease the replacement of 175 to 200 Amfleet cars on loan from the Northeast corridor that will be subject to recall as the Northeast corridor improvement project nears completion in 1982. No substitute equipment has been contracted for or produced, and every year these procurements are deferred adds roughly 10 percent to acquisition costs.

What many consider high-operating subsidies are largely a result of utilizing the present inefficient, outdated equipment which is so uncomfortable and unreliable that patronage is discouraged. Experience has demonstrated that the introduction of modern coaches can increase ridership by as much as 25 percent. On the other hand, the continued use of outmoded, heavy coaches and locomotives raises operating costs and hence subsidies because of excessive energy consumption and frequent repairs. Maintenance on the fleet today accounts for fully 28 percent total operating budget, and at $236 million a year almost equals the $289 million direct cost of running the trains. My amendment, costing a sixth as much and holding the promise of future savings, is modest in comparison.

Mr. Chairman, we cannot afford to repeat our mistakes of the past and wait for these needs to become more critical before responding. If we do not act with foresight now, no amount of future spending will be adequate to sustain the system and meet future demands due to the leadtime necessary in contracting and producing rail equipment. Already there is insufficient equipment to continue running the current system in a reasonable manner for another year.

And while Congress has assumed the responsibility of determining the route structure, I strongly feel that Amtrak, and not politically oriented bodies such as DOT, OMB, or the Congress, is best qualified to assess the requirements for operating the system, and to plan and implement its capital program accordingly.

There is no single, simple solution to the energy crisis. In the past I have advocated a variety of measures to induce conservation, to encourage new domestic production and to promote alternative sources. In the 96th Congress, I helped develop the synthetic fuels bill recently passed by this body. I have introduced legislation to establish a solar loan bank, and a bill which has as its goal the domestic distribution of Alaskan oil. But all of those initiatives will be diminished unless people are also given a transportation alternative that is both convenient and efficient. I strongly believe that Amtrak could make a significant contribution toward reducing our unhealthy reliance on oil if only we would give it a chance.

I feel that my amendment, which works within the context of the committee bill, addresses the situation in a responsible manner. It will provide Congress with greater flexibility in the appropriations process and thereby allow us to respond suitably to future capital needs as ridership changes coming in the wake of the current energy crunch become clearer. You each have your view on the legislation before us, but I think you will all agree that we have a responsibility to insure sufficient capital funding to operate the system that emerges from it. Mr. Chairman, let us not continue to govern by reacting to crises as they arise, but for once plan ahead and make a commitment now to provide for the future. I urge you to vote in favor of the amendment.

I would ask unanimous consent that change be made.

Mr. LEE. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I would be delighted to yield to the gentleman.

Mr. LEE. Because of the leadtime in which you indicate in making acquisition for the badly needed updating of the equipment——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McKINNEY was allowed to proceed for 3 additional minutes.)

Mr. LEE. Mr. Chairman, will the gentleman yield further?

Mr. McKINNEY. I yield to the gentleman from New York.

Mr. LEE. Because of the leadtime acquiring the updated equipment which is so badly needed, how does the gentleman envision that the time line, the flow of the expenditures, would occur? Again, I want to make the point, sir, that I think the gentleman is very much on point in the need to increase the capital expenditures for such acquisition.

Mr. McKINNEY. The gentleman has discussed this point with me before. I do not have the pride of authorship in this legislation that the gentleman has. I just want to get a railroad running.

I would agree. There is a 2-year leadtime. We would probably have trouble getting the contracts ready. I am concerned about the only one available assembly line that I know is still available for Amtrak and is not being consumed by intracity transportation, such as Metro, and I would be perfectly willing, if the gentleman agrees, to ask unanimous consent that my amendment be changed so that the additional funds only be authorized in the second and third year of the authorization. This would still allow Amtrak to let the contracts during the first year and would not disturb the budget process this first year.

Mr. FLORIO. Mr. Chairman, may I ask the gentleman from Connecticut (Mr. McKINNEY) about his understanding that there was $171 million in the authorization for capital. The gentleman may not be aware but we have increased that rather substantially. We now have $230 million for capital authorized in the bill. Over and above that, by virtue of the savings in labor protection for routes that will be put back in, it is the estimate of the committee that we probably have about $100 million more than the administration sought in capital. We would be concerned that we would be overly generous by adding even more capital. Certainly I am aware of the fact the gentleman has a communication from Mr. Boyd saying Mr. Boyd could always use more money. We are sure that he could.

We also have a letter from Mr. Boyd stating that the funding levels in this bill are acceptable and adequate to meet Amtrak's needs. On the basis of the concern that some have in this body that we are being overly generous with Amtrak, I would be somewhat reluctant to go beyond what Mr. Boyd feels are his capital needs at this point.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Connecticut.

Mr. McKINNEY. As I say, I have the utmost admiration for the job the gentleman has done on this and I am glad I was not required to face. It was certainly a project that rambles across the districts of everyone in the Congress.

I have great question about the labor cost savings. We discussed it with the committee, the majority staff, and with the committee's minority staff, and I have a figure of $41.5 million for the first year. But we have also had tremendously argumentative figures through the history of Amtrak on what type of funding we have actually saved in labor protection. This is one of the reasons I have agreed with the gentleman from New York, that one of the reasons Amtrak is not working is because of its equipment. We are slowly but surely losing every equipment manufacturer in the country who makes rolling stock.

□ 1100

We have had one just close down. I am hoping maybe the thought that they could get a contract would convince them to open up again.

We have a "buy America" policy in this bill which I firmly believe in. This

is Federal taxpayers' dollars and I think we ought to buy American products; but pretty soon we are not going to be able to even buy the equipment in this country.

I appreciate Mr. Boyd's realizing that he is dealing with Congress, realizing that he is dealing with proposition 13; but my suggestion to the chairman, in all due respect, is that buying capital equipment that works efficiently and will get people on the railroads is actually a savings over a period of time.

It is my understanding that the inflation rate within the "bus-truck-train" business in this day and age is 17 percent a year. It was my thought that if we put the extra $42 million in each year, we would certainly save money in the long run; but I am willing to say, OK, let Amtrak know that they are going to have it in the second and third year and let their contracts this year, so that they have the needed leadtime.

As the gentleman knows, I have had a great deal to do with Metro through the D.C. Committee. We found that our greatest and most tragic problem, quite frankly, is equipment order-wait; so here we sit today, for instance, and we have people falling out the windows and yet the trains are going to cost us an enormous amount more than they would have cost if we had bought the proper amount of capital equipment for the system in the first place.

I really just feel that I am not exaggerating.

Now, operating subsidies are a different thing and I would like to keep them down; but I would suggest that the operating subsidies are so high because the equipment is so terrible.

I would say to the gentleman that personally I have not gotten to Florida yet since Amtrak was founded on either the Silver Meteor or the Southern Crescent, which I board here in Washington. I have not gotten to Florida yet without a major breakdown.

Obviously, our operating subsidies are going to be enormous if we have to keep pulling engines from other places to pull a dead train and so on.

Mr. FLORIO. Mr. Chairman, indicating to the gentleman my sympathy with the gentleman's concerns, I would just say that we have put together what we think is a finely tuned 3-year authorization which, of course, should provide to Amtrak plenty of leadtime to make the determinations that they have to make.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. FLORIO) has expired.

(By unanimous consent, Mr. FLORIO was allowed to proceed for 1 additional minute.)

Mr. FLORIO. In fact, Mr. Chairman, this is a finely tuned program that is in accordance with the needs of Amtrak as they have conveyed them to us. I would be somewhat remiss and somewhat reluctant to disrupt and upset what has been put together in this bill.

The CHAIRMAN. Would the gentleman state the modification to his amendment?

Mr. McKINNEY. Mr. Chairman, I ask unanimous consent to modify my amendment as follows: The amendment would be changed so that the authorization to spend would only be in the final 2 years of this 3-year bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. McKINNEY)?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

Page 78, line 23, strike out "$253,000,000" and insert in lieu thereof "$295,000,000".

Page 79, line 24, strike out "$271,000,000" and insert in lieu thereof "$313,000,000".

Mr. FLORIO. Mr. Chairman, I move to strike the requisite number of words.

PARLIAMENTARY INQUIRY

Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FLORIO. Mr. Chairman, it is my understanding what was just accepted by unanimous consent was the gentleman's modification to his amendment.

The CHAIRMAN. That is correct. The amendment is still pending.

Mr. FLORIO. I thank the Chairman.

Mr. MADIGAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in reluctant opposition to the amendment of the gentleman from Connecticut. I say reluctant, because I think the gentleman's intention is the very best and I support the concept, at least, of modernizing the Amtrak equipment.

The substantial difference that exists between the gentleman's experience with Metro and our experience with Amtrak is that we are restricted on equipment purchases by a statute that requires that Amtrak equipment be bought in America. The gentleman from Connecticut has no such restriction on Metro equipment. As a matter of fact, I believe the most recent contract for Metro equipment is with an Italian firm.

There is only one supplier of rolling stock in the United States left for Amtrak, that is the Budd Corp. The money that we already have in the bill will keep the Budd Corp. as busy as they can possibly be building rail passenger equipment and there is no way in my judgment that any more could be contracted for within the next 2-year period of time.

Beyond that, as the gentleman from New Jersey has pointed out, we have substantially increased the funding already in the bill.

Beyond that, I would also like to point out that the Appropriations Committee at the subcommittee level has already acted on the bill and it is too late, unless the gentleman could successfully persuade the Appropriations Committee people to also increase their money. It is simply too late to get this kind of money appropriated for Amtrak.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I would be glad to yield to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman, I would like to underscore what the gentleman has said. We came out of the transportation subcommittee with a budget of about $102 million for capital. With the changes that have been made in this bill yesterday, when our bill comes back to the floor we will add $40 million. That will give us $176 million in capital which Mr. Boyd assures us is adequate to finance the system which the gentleman from New Jersey (Mr. FLORIO) with the Duncan substitute proposes that they operate.

Now, I agree with the gentleman from Illinois. I do not think there is anywhere we can go to buy cars today. I think this is one of the big factors that we have to take into consideration, that is our inability really to acquire the additional capital we need, largely in the form of rolling stock.

I pointed out yesterday how few cars we have. The gentleman has pointed out what little accessibility to manufacturers we have. I do not know if the gentleman pointed out the fact that there is a "buy America" clause in the bill which prohibits us from going overseas to acquire any cars.

So I think the bill is adequate. I see no reason why it ought to be amended at this time.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I do not disagree at all on the Budd Corp. Quite frankly, all of our transportation systems today in this country, the Metro system, whether it be San Francisco or what, are European trains being built under American license.

One of the things I thought my amendment might do, and I usually just do not bring corporate names onto the floor of the House of Representatives, and I certainly do not have them in my district, would be to get Pullman Standard back into the business.

Mr. MADIGAN. Mr. Chairman, if the gentleman would allow me to reclaim my time, I have met with the president and the vice president of Pullman Standard, talked with them about the problems that we have, being in the situation of having only one rail car supplier. They have told me that there is nothing that the Congress of the United States can do to encourage them to get back into the passenger car business.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I would be glad to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, is there any way that the "buy America" provision can be predicated upon the fact that the equipment be available in the United States, and if it is not, then that particular provision would not apply?

Mr. MADIGAN. Later in the day when we have given other members of the Committee of the Whole the opportunity to offer some of their amendments, I intend to offer an amendment on the "buy America" provision which will address the suggestion the gentleman had just made, which I hope will be successful.

I will tell the gentleman, there is opposition to my amendment.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, I am for the "buy America" provision and the idea to put Americans to work, spend American money in the United States; but where it is not available, we cannot stop the entire system simply because we have that provision that will not allow us to get our equipment somewhere else, when it is not available in the United States.

Mr. MADIGAN. Mr. Chairman, I certainly agree with the gentleman and hope that the gentleman will be here later in the day to support my amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. Yes; I would be glad to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to associate myself with the remarks of our colleague. There is a bus company in my district which simply cannot buy buses. They do not exist. They are not available for purchase, except from foreign countries. And we need mass transportation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. McKINNEY), as modified.

The amendment, as modified, was rejected.

AMENDMENT OFFERED BY PATTERSON

Mr. PATTERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATTERSON: Page 68, after line 15, insert the following new paragraph:

"(5) Prior to instituting any fare increase that applies to service provided under this subsection and that represents an increase of more than 5 percent over a 6-month period, the Corporation shall consult with and obtain the views of the appropriate officials of each State to be affected by such fare increase. The Corporation shall provide the officials of each such State with a justification of the proposed fare increase and an explanation of the circumstances warranting such increase (such as the unique costs of or demand for the services involved).

Page 68, line 16, strike out "(5)" and insert in lieu thereof "(6)".

Page 69, line 15, strike out "(6)" and insert in lieu thereof "(7)".

Mr. PATTERSON. Mr. Chairman, the amendment just read speaks for itself. It simply states that whenever Amtrak decides to increase fares under the 403(b) program by more than 5 percent during any 6-month period, it must consult with appropriate officials of the State or States to be affected. The amendment would also require Amtrak to provide the States with a justification of the proposed fare increase.

The purpose of this amendment is to insure consultation between Amtrak and the States. Since the very nature of such a consultation is to allow Amtrak to express the rationale for a decision it feels is warranted, I believe that this amendment is a constructive one.

Under the 403(b) program where a State contributes funds for operating rail passenger services, it is only fair to require communication between Amtrak and the States. Currently, six States participate in the 403(b) program. They are: California, New York, Pennsylvania, Illinois, Michigan, and Minnesota.

These States have made an important investment in rail transportation as an alternative to other more costly forms of travel. They work vigorously to market their passenger services and, frankly, deserve to be consulted. It is simple to understand the concern of the States about the impact of rising fares. For when fares become uneconomical for consumers, ridership declines and efforts to make mass transit attractive and to conserve energy are negated.

While I understand that the stated policy of the Amtrak board is to restrict fare increases to twice annually, so far this year Amtrak has increased short-haul fares twice in less than 6 months on profitable routes such as the one from Los Angeles to San Diego. Fares on that route increased by 132 percent since November 1972. By contrast, over the same period the CPI increased by 70 percent. At a time when the country is experiencing acute energy supply shortages, and must embark on a multifaceted energy program, it is counterproductive not to adopt policies which may enhance the advantages of rail transportation.

The Los Angeles to San Diego route produces 100 passenger miles per gallon. Auto travel and air travel both average less than 20 passenger miles per gallon. If the passengers on this route had used their cars instead, 2 million more gallons of oil would have been consumed in 1978. Passenger trains are necessary if we are to conserve petroleum and minimize costly freeway construction.

Also important, ridership in the Los Angeles-San Diego corridor has nearly doubled from 390,000 to 725,000. However, increased ridership has not been experienced solely within the State of California. Amtrak's own data prove that ridership in the Northeast corridor, on short-distance and long-distance routes has risen by more than 12 percent over the last year. Unilateral Amtrak fare increases adversely affect profitable routes such as New York-Boston and New York-Washington. In June, the New York-Boston roundtrip fare was $20.50. On July 15, that fare rose to $22. As the committee report notes, too, at page 19:

. . . in recent weeks as gasoline prices have sharply increased and as gasoline shortages have become more pronounced, Amtrak ridership has risen substantially.

The 403(b) program should not be victimized by declining ridership due to unilateral fare increases. Currently, participating States are given notification after a decision to increase fares has been made. But, as you can appreciate, this does not grant the States adequate input under a program in which they are sharing a significant investment.

When ridership falls as a result of increased fares, the States must pump more money into rail service operations because of revenue losses. In the wake of proposition 13 in California and similar measures throughout the Nation, States can little afford added expenditures. If fare increases could be held within justifiable bounds, ridership would be stimulated, making mass transportation systems an attractive alternative to driving. Without question, our national energy conservation plans will suffer if the public finds it uneconomical to use rail passenger services.

Under the current rail passenger system, riders pay almost 40 percent of operating costs. On the other hand, air travelers pay only one-third of the cost of their transportation. Highway costs today exceed $23 billion annually, not including the more than $50 billion we spend to gas up with OPEC oil.

I strongly urge my colleagues to support my amendment. It is an important proconsumer amendment and encourages national efforts to promote mass transportation and energy conservation.

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Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, as the gentleman from California (Mr. PATTERSON) indicates, the fact is that the concept of 403(b) is a joint State-Federal cooperative effort. We would have hoped that Amtrak would have consulted with the States with regard to this particular problem. I have no difficulty requiring that there be consultation, and we, therefore, accept the amendment.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman.

Mr. LEE. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from New York.

Mr. LEE. Mr. Chairman, we accept the amendment also.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PATTERSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Page 53, strike out lines 14 through 24 and redesignate paragraphs (11) through (15) on page 54 as paragraphs (10) through (14), respectively.

Page 61, after the period on line 15, insert the following new sentence: "No employee of the Corporation shall be paid less frequently than such employee is paid as of the effective date of this subsection, other than pursuant to an applicable collective bargaining agreement.".

Page 62, strike out line 23 and all that follows through line 15 on page 63, and redesignate sections 114 and 115 as sections 113 and 114, respectively.

Page 71, after the period on line 2, insert the following new sentence: "In addition, any rail passenger service which (A) is operated by the Consolidated Rail Corporation, (B) is the subject of an application for discontinuance filed with the Commission before July 15, 1979, and (C) constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, be operated by the Corporation and funded by the Corporation in the same

manner as service operated under the preceding sentence.".

Page 72, after line 1, insert the following new section:

APPLICATION OF ROUTE AND SERVICE CRITERIA

SEC. 115. Section 404(c) of the Rail Passenger Service Act (45 U.S.C. 564(c)) is amended by adding at the end thereof the following new paragraph:

"(4) The Corporation shall conduct an annual review of each long-distance route in the basic system to determine if such route meets the criteria set forth in paragraph (2) of subsection (d) of this section. If the Corporation determines, on the basis of such review, that a route fails to meet the criteria set forth in such paragraph, the Corporation shall evaluate such route under the Route and Service Criteria. If the Corporation determines, on the basis of such evaluation, that such route fails to meet the Route and Service Criteria, the Corporation shall discontinue the operation of rail passenger service over such route.".

Page 72, line 5, strike out "is amended" and insert in lieu thereof ", as amended by this Act, is further amended".

Page 72, line 7, strike out "(4)" and insert in lieu thereof "(5)".

Page 72, immediately before the semicolon on line 13, insert the following: "or on routes where an additional frequency of service is being tested".

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, between the time the committee reported H.R. 3996 and today, the subcommittee chairman and I have carefully examined the bill so as to make any corrections which might be needed before final action on the House floor. This amendment reflects a number of minor changes in the bill as reported which have been worked out with Chairman FLORIO.

First, the amendment strikes the definition and section relating to on-time performance. The reason we are deleting this matter is that the on-time performance standards established by Amtrak will be more stringent.

The amendment also makes it clear that in simplifying Amtrak's pay period, by relieving it of the present requirement to adhere to 47 different State laws, the committee bill does not affect the frequency of paydays unless the labor organizations and Amtrak agree otherwise.

Additionally, the amendment places a commuter train now operated by ConRail under Amtrak management. That train goes between Valparaiso, Ind., and Chicago. That train will be operated with other Amtrak trains that are commuter types until the final determination is made on what we will do with these commuter-type trains.

The amendment also requires that all trains in the Amtrak system be treated equally when their performance is evaluated in the future. In no way would this provision require the discontinuance of a train, but it would require that the Amtrak board of directors apply the route and service criteria standards on any train which did not meet the 150 passenger miles per train.

The amendment also makes it clear that when Amtrak adds frequency on a route in order to test the market, it may take off such train if the market simply isn't there without going through the formal route and service criteria.

Mr. Chairman, these amendments are primarily technical in nature and have the concurrence of the chairman of the subcommittee, Mr. FLORIO. I urge their adoption.

My amendment provides that commuter rail passenger service, operated by ConRail, which is the subject of an application for discontinuance, filed prior to July 15, 1979, shall, until April 1, 1981, be operated by the National Rail Passenger Corporation.

By the terms of section 304 of the Regional Rail Reorganization Act of 1973 as amended, ConRail was required to continue operating rail passenger service which had been provided by a railroad in reorganization prior to conveyance. One such service was a commuter line between Valparaiso, Ind. and Chicago, Ill., instituted by the Indiana Public Service Commission. Under the terms of the 3R Act, ConRail was obliged to continue operating such service if a rail service continuation payment was offered and paid by the State of Indiana. The terms of the statute further provide that should such an offer and payment not be forthcoming, the service could be terminated on 60 days' notice.

This was done in recognition of the fact that a major factor in the collective bankruptcies of ConRail's predecessors was that they were required to cross-subsidize their operations; that is, use profits from freight operations to continue money-losing passenger service.

ConRail was expressly directed to avoid such cross-subsidization. I quote from the committee report on H.R. 10979 of 1975, the bill which became the Rail Revitalization and Regulatory Reform Act of 1979, at page 94:

> One of the bases of the financial projections for ConRail in the design to make it a profitable railroad is the assumption that it will be relieved of extensive losses currently being incurred by unprofitable passenger and light-density line operations. The underlying premise for the assumption is that ConRail should not cross-subsidize operations. In other words each service, whether it be freight, intercity passenger or commuter, should pay its own way. The committee believes that in many instances these services should be continued, at least temporarily, but recognizes that the continuation of these services cannot be at the expense of ConRail.

ConRail received the required offer of subsidy for the Valparaiso to Chicago service from September 28, 1976, through September 30, 1978. When no offer was received to continue the service after September 30, 1978, ConRail posted a discontinuance notice and attempted to terminate, as provided by law. This ConRail was prevented from doing by a Seventh Circuit Court of Appeals decision which required, in addition to the terms of the statute, a proceeding before the Interstate Commerce Commission.

While it is true the commuter rail passenger service in other parts of the country is operated by ConRail under contract with State, local or regional transportation authorities, this is the only situation under which ConRail is providing such service without either the rail service continuation payments or other fully compensatory contractual reimbursement.

The result, contrary to the clear intent of the Congress, has been that ConRail has been required, since October 1, 1978, to bear the loss of approximately $4,000 per day of continuing this service, cross-subsidizing the shortfall from freight revenues. That their progress and financial reports have nonetheless improved is very encouraging. My amendment will restore the original congressional intent as to the financial structure of ConRail while preserving needed commuter rail service to the people of northwest Indiana.

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Indiana.

Mr. BENJAMIN. Mr. Chairman, I rise in support of the combined amendment to H.R. 3996 and thank the chairman of the subcommittee, Mr. FLORIO, and ranking minority member, Mr. MADIGAN, and the Subcommittee on Interstate and Foreign Commerce, for their diligence and excellent work in the development of H.R. 3996 as well as the combined amendment now offered.

I am particularly interested in the fourth provision of the amendment which enables Amtrak to operate the ConRail commuter service from Valparaiso to Chicago. This provision was developed in conjunction with my office and Senator BIRCH BAYH. Initially, we had explored the possibility of operating this ConRail service as an adjunct to Amtrak under section 403(b), a subsidized service. Discussions with the subcommittee chairman and ranking minority member have since persuaded all that the proper continuation of this important commuter service is best assured under section 403(d), a commuter service.

I am convinced that Amtrak will differ from ConRail which apparently was determined to undermine congressional intent expressed in the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210) which created the Consolidated Railroad Corporation (ConRail) and directed it to operate several bankrupt rail services including the Penn Central.

Although the Chicago-Valparaiso ConRail passenger service has been fraught with numerous maintenance and operation problems, the citizens of northwestern Indiana continue to utilize the service. I have received reports from ConRail commuters of the lack of lighting, heat, functioning toilets and prompt arrival and departure times. The passenger cars are in serious disrepair. The cars leak, some doors are welded shut and others

will not open without a struggle. This past winter, ConRail leased an entire train from Amtrak in order to provide some semblance of a commuter service.

Since ConRail commenced control of this service in April of 1976, the annual ridership has dropped. According to the many ConRail patrons that have contacted my office in opposition to the discontinuance, this service has deteriorated and probably intentionally so under ConRail's management. Many citizens of northwest Indiana truly believe that ConRail has done everything within its power to dissuade the number of commuters. The antagonism with which ConRail has dealt with its passengers was further demonstrated by one notice which advised riders that ConRail would immediately discontinue service and strand 500 passengers in Chicago.

Because of the unpredictability of the service displayed by this notice and others, numerous abandonment petitions, the condition of the rolling stock and lack of proper marketing techniques to encourage ridership, ConRail did everything possible to dissuade and substantially reduce ridership and public official interest in any subsidization of the deteriorating system.

Today, despite tremendous efforts put forth by Don Erker and State Representative Esther Wilson in conjunction with my friends and colleagues from Indiana, Messrs. BAYH and FITHIAN, it seems possible that this valuable commuter service may be discontinued.

Don Erker, chairman of the Chicago-Indiana Railroad Commuters Association (CIRCA) and Esther Wilson worked diligently and tirelessly for several years to guarantee the maintenance of this service on behalf of the passengers of the ConRail Line. Ms. Wilson worked with competence and devotion in the State legislature on behalf of northwestern Indiana commuters. The advice and counsel of Don Erker has been most valuable to the efforts of the public officials working to maintain the service. I am honored to be able to compliment and commend these individuals, for the record, on behalf of the citizens of northwest Indiana.

Mr. Chairman, approximately 30,000 persons commute to Chicago from northwest Indiana daily. Nearly 12 percent of these persons utilize commuter trains, either the Chicago-Valpo service or the South Shore-South Bend Railroad. The South Shore Railroad is currently running at full capacity and because of its age has been fraught with numerous operational and maintenance problems. This service will be receiving additional rolling stock in approximately 3 years and cannot be considered a viable transportation alternative until that time.

The environmental impact statement prepared by the Office of Public Rail Counsel estimated that 68 percent of ConRail's passengers would resort to the automobile as a result of abandonment. This would add about 300 vehicles to the highways during rush hours and significantly increase the present traffic flow problems in our area.

The efforts of local governments in northwest Indiana have coincided with those of the Nation in regard to reducing our dependence on the automobile and developing efficient and workable mass transportation systems. These efforts have been thwarted, however, by the poor service ConRail currently provides and is evident in the carrier's reduced ridership figures over the last 7 years. In 1972, 398,963 utilized this service compared to 230,180 who currently depend on the commuter line to get to and from work. Total yearly ridership soared to 437,435 in 1973 during the Arab oil embargo. It is my opinion that transferring the responsibility of operation for the Chicago-Valpo line to Amtrak would result in improved service and provide commuters with better operational equipment. More than that, I am convinced that ridership will increase substantially over that of 1973.

I urge the adoption of this amendment so that Amtrak can assume the responsibility for the operation of this commuter line during the next 18 months. This will include the Valpo-Chicago line in any strategy Congress develops in the future for all commuter services now operated by Amtrak. I am persuaded that the transition from ConRail to Amtrak will be effected without difficulty. I am also convinced that this will be a sound and viable Amtrak service. Finally, I have the faith that this addition to the Amtrak system will provide a model for the development of future commuter services in metropolitan corridors that will help resolve our critical transportation and energy problems.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for his support and for his contribution.

● Mr. FITHIAN. Mr. Chairman, I wish to associate myself with the remarks of my colleague, ADAM BENJAMIN of Indiana's First District, and express my own thanks to the subcommittee for their understanding and their successful efforts in dealing with this particular problem. I commend the subcommittee, Congressman BENJAMIN, State Representative Esther Wilson, Mayor Elden Kuehl, and all those people in Valparaiso who have worked to get this line continued. I wish also to commend Senator BIRCH BAYH and the Interstate Commerce Commission for arranging for the hearings which were held in Valparaiso, Ind., on June 30, 1979.

I strongly endorse the work of the subcommittee on this bill, which gives evidence of their realization of the responsible problems of mass transit in our country today.

As the lines for gasoline stretch around the corner and down the block in cities and towns across this Nation, we are becoming increasingly aware of the need for intercity rail passenger service, such as the Conrail Valparaiso to Chicago service. The present gasoline crisis so reminiscent of the 1973-74 Arab boycott situation makes it unmistakably clear that we as a nation must conserve our energy resources and use the cleanest and most energy efficient means of transportation.

Mass rail passenger service is a much more effective and efficient means of transportation than the automobile, and we should take appropriate measures to encourage the continued use of trains such as the Valparaiso to Chicago commuter service. This additional year of service will allow time for the ICC to determine the cost effectiveness of the service and provide time for local and State officials to work out a potential funding arrangement for the line. It would also provide an opportunity for local residents to demonstrate, through increased ridership, that they really want the line continued and would patronize it if it were.

I do not think this is the time to reduce our commitment to mass rail passenger service but to encourage it.

Public convenience and necessity is best served by a continuation of the Valparaiso-Chicago commuter service. This line is presently carrying approximately 230,000 annual passengers, and averages about 910 passengers on a typical weekday; there is no service on holidays or weekends. During the Arab oil boycott of 1973-74, ridership climbed to almost 440,000 passengers annually, but has declined steadily over the last 4 years, especially since ConRail assumed operations on April 1, 1976. Ridership figures do not, however, adequately reflect the need for this service.

Many new riders could be attracted to the service because of the gasoline crisis and the increased impracticality of driving into Chicago. As gasoline lines get longer and prices soar, the railroad becomes a more attractive alternative of transportation. The ridership figures of 1973-74 confirm that local residents will use this service during an energy crisis, and if allowed to continue, I believe that the figures for the next 15 months would substantiate this earlier example. If the line is also "upgraded" during this 15-month period, there would be an excellent chance to convert these "temporary" riders into permanent full-time users.

The future population growth for Lake and Porter Counties indicate that the two-county area will reach almost 700,000 in 1980 and 831,000 in 2000. From 1960 to 1970, Porter County was the fastest growing county in the State of Indiana. As population densities increase, transit service will be more efficient and convenient for area residents. Recent surveys confirm that the major intensive growth corridors in northwestern Indiana for future industrial, commercial, and residential development are planned within the ConRail usershed. The demographic data, therefore, demonstrates potential expansion of the rail passenger service usage. Discontinuation of the service would be counter productive to local and regional plans to reduce reliance on the automobile and impede local efforts to revitalize the urban centers.

Changes in transit travel between

1975 and 1995 in the eight-county Chicago-northwestern Indiana area demonstrate a projected increase of 13 percent in highway transit trips, a 20-percent increase in transit trips with a substantial increase in total passenger miles, and a 55-percent increase in suburban rail transportation in the eight-county area. The ConRail line would play an important role in this future transit system.●

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I rise just to express my support for this omnibus technical amendment which is offered with just a few different portions added to it. I also wish to express publicly my appreciation for the assistance that the gentleman from Illinois (Mr. MADIGAN) has provided to the committee and to me personally in developing this entire legislation. I thank the gentleman for his contribution.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman from New Jersey (Mr. FLORIO) and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. ERTEL TO THE AMENDMENT OFFERED BY MR. MADIGAN

Mr. ERTEL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ERTEL to the amendment offered by Mr. MADIGAN: On page 2, strike out "(4) The Corporation" and insert in lieu thereof "(4)(A) The Corporation".

On page 2, in paragraph (4) as proposed to be added by the amendment, strike out the closing quotation marks and following period immediately after "such route.".

On page 2, after paragraph (4), add the following new subparagraph:

"(B) The annual review conducted by the Corporation under subparagraph (A) shall include an evaluation of the potential market demand for, and the cost of providing service on, portions or segments of long distance routes, and the potential market demand for, and cost of providing service on, alternative routings. The Corporation shall transmit the results of the annual review to each House of the Congress and to the Secretary of Transportation.".

Mr. ERTEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ERTEL. Mr. Chairman, the type of ongoing annual review of each long-distance train envisioned in the Madigan amendment is an important one. There are a number of indicators which tend to point to the conclusion that the demand for Amtrak long-distance service will decline in the future, and that short-distance routes will be increasingly in demand. As such, it makes sense that Amtrak annually review its long-distance routes to insure that the basic criteria for continued service is being met.

The amendment that I am offering to the Madigan amendment is what I perceive as the logical extension of this approach. It provides that Amtrak's annual review of its long-distance trains must also include an evaluation of market demand for, and the cost of, providing service over segments of any long-distance route. The amendment would also allow Amtrak to examine the impact of route alterations. The concept of my amendment is really basic: It would require Amtrak to do the type of evaluation and review of its long-distance lines which would enable Amtrak to make rational decisions concerning its service.

Our end goal is to provide the best service at the best cost. The Madigan amendment, as amended by my amendment, insures that the analyses needed to meet this goal are conducted.

I would add that my amendment has the support of Amtrak and that they feel they ought to be looking at these questions. As a practical matter, however, it is unlikely that these studies will be conducted without a directive from the Congress. Therefore, I urge you to support my amendment, and the Madigan amendment.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

We have had an opportunity on the minority side to review the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL) and find it to be consistent with the goals of the bill, and I urge its adoption.

Mr. ERTEL. Mr. Chairman, I thank the gentleman for his acceptance of my amendment. I understand the majority also accepts the amendment.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, the majority accepts the amendment to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL) to the amendment offered by the gentleman from Illinois (Mr. MADIGAN).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MADIGAN), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. LEHMAN

Mr. LEHMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEHMAN: Page 60, after line 17, insert the following new section:

REIMBURSEMENT OF RELOCATION EXPENSES

SEC. 111. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(1) Notwithstanding any other provision of law, the Corporation may reimburse any public, quasi-public, or private entity for the reasonable expenses incurred by such entity in the relocation of any facility which the Corporation determines should be relocated to protect the public safety due to the proximity of such facility to any tracks or facilities utilized by the Corporation in providing intercity rail passenger service. The Corporation may make reimbursement under this subsection only with respect to (1) a facility that is situated or constructed prior to the commencement of rail passenger service by the Corporation in proximity to such facility, and (2) expenses incurred after January 1, 1979, in the relocation of such facility.".

Redesignate the following sections in title I accordingly.

Mr. LEHMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LEHMAN. Mr. Chairman, my amendment simply provides Amtrak with the authority to compensate other entities, public and private, for the expenses of relocating in the interest of public safety, as Amtrak determines it. This amendment would apply only to facilities which were in place prior to the construction of an Amtrak facility which is found to be hazardous due to its proximity to the previously existing facility.

This might seem to be an unnecessary precaution, as Amtrak would be expected to make appropriate surveys of locations where building is contemplated. However, in at least one instance, such surveys failed to recognize a serious hazard to Amtrak employees and passengers. That this instance occurred in my congressional district should not lessen the importance of the principle: that fair compensation should be paid for financial damage incurred through the negligence of a public or quasi-public authority.

Specifically, Mr. Chairman, a new Amtrak passenger terminal was completed in Hialeah, Fla., last year, at a cost of over $5 million. Although other locations on the site presented no problem, the station was located within 500 feet of a liquified petroleum gas storage facility which has been there for over 20 years. Amtrak obtained all the necessary licenses and permits, but no licensing agency was required to look at location as a safety factor, and none did; nor, apparently, did Amtrak. Thus, there exists a serious danger to the traveling public and to Amtrak employees—accidents have occurred at the tank farm in the past—and no recourse but to move the tank farm. In hearings before the Transportation Appropriations Subcommittee, Amtrak President Alan Boyd said:

I would feel more comfortable if the station were not located in the current juxtaposition to the gas tank farm. . . .

And went on to say, in response to questioning by Chairman DUNCAN, that—

The particular hazard, as far as I see it, is that we have got a station there which is manned by Amtrak employees as well as others, car rental employees and what not, who are there all the time. We have trains that are in the station. They can't just go by as they do normally. The normal exposure of a train to a tank farm is it just goes by, which is very limited exposure. Whereas, here you have got the trains standing in the station, and you have got people coming to meet people getting off trains.

But, Mr. Boyd also explained that there is nothing Amtrak can do about that situation. Mr. Chairman, this amendment is intended to give Amtrak the authority to do something about such situations, wherever they may arise.

Many of us represent districts where new Amtrak facilities may be located. This amendment would protect our constituencies from the consequences of mistakes like the one in Hialeah, and greatly reduce the likelihood of such mistakes occurring again. I urge the acceptance of the amendment.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we have reviewed the amendment. We are aware of the fact that this is totally discretionary, and that it carries no authorization with it. Accordingly, we accept the amendment.

Mr. LEHMAN. Mr. Chairman, I thank the gentleman very much.

I understand that the minority has also reviewed this and finds it to be a feasible amendment.

Mr. LEE. Mr. Chairman, if the gentleman will yield, let me state that the gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. LEHMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HAGEDORN

Mr. HAGEDORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEDORN: Page 51, strike out lines 3 through 6 and redesignate paragraphs (4) through (6) as paragraphs (3) through (5), respectively.

Page 60, after line 17, insert the following new section:

AMTRAK FARES POLICY

SEC. 111. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(n)(1) The Secretary shall, no later than 60 days after the effective date of this Act, calculate the total expenses of the Corporation for the fiscal year ending September 30, 1979. The Secretary shall, no later than September 1 of each succeeding fiscal year, calculate the total expenses of the Corporation for that fiscal year.

"(2) The Corporation shall establish, for intercity rail passenger service that it provides, fares that will produce—

"(A) for the fiscal year ending September 30, 1980, revenues equal to not less than 40 percent of its total expenses (excluding depreciation) as calculated by the Secretary for the previous fiscal year;

"(B) for the fiscal year ending September 30, 1981, revenues equal to not less than 45 percent of its total expenses (excluding depreciation) as calculated by the Secretary for the previous fiscal year; and

"(C) for the fiscal year ending September 30, 1982, revenues equal to not less than 50 percent of its total expenses (excluding depreciation) as calculated by the Secretary for the previous fiscal year.".

Redesignate the following sections accordingly.

Mr. HAGEDORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HAGEDORN. Mr. Chairman, I am today proposing an amendment on behalf of the Nation's beleaguered taxpayers. The purpose of this amendment is to reduce the size of Amtrak's massive subsidy, requiring that it charge more for the service it provides, rather than merely turning to the taxpayers to fund the deficit as it has done in the past. There is no reason, given the current circumstances, that Amtrak should not get more of its revenues from the farebox, rather than the taxpayer's pocket.

The authorizing bill before us establishes the pattern for the appropriations bill which will come later. Since the authorizing bill does allow more trains to continue operation than under the original DOT restructuring proposal, it establishes the rationale for more money being pumped into Amtrak. If trains are going to be put back on, I see no reason why the anticipated subsidy for those trains should not come from the system's passengers.

Amtrak has been consistently emphasizing the tremendous demand that exists for its services as a way and means of averting the DOT retructuring and getting more trains back into operation. If the demand is as represented, then it would be silly to continue the pattern whereby the American taxpayer pays two-thirds of the price of the Amtrak ticket and the passenger pays only one-third. It makes no sense whatever to merely accept the notion that there is tremendous demand and simply keep shoveling out more money to operate at a continuing loss. If the public wants train service, then it should pay for it. My amendment does not anticipate that the public would pay all costs immediately, and in that sense it is a modest proposal, but it represents a step which must be taken now.

Amtrak has been cited as a "glaring example" of waste and inefficiency in government policy by the National Taxpayer's Union. Even with the DOT restructuring, Amtrak will cost the American taxpayer over $10 billion by 1985. This for a transportation mode which accounted last year for less than 19 million passenger trips and, at best, represents a capability of carrying less than 1 percent of the total intercity travel. The American taxpayers have asked Congress to take a look at programs like these and make the hard choice of stopping such needless spending. The Congress has responded in many instances; in some cases, voting down assistance for programs to help educate, train, and feed people. Yet, at a time when the Congress is cutting back funding for other programs, we continue down the path of massive subsidies for Amtrak. In case anyone believes that the taxpayers have forgotten the Amtrak issue, I would like to read the views of the National Taxpayer's Union, which every Member received recently by letter:

The justification for retaining already dropped routes is that new ridership levels supposedly indicate new health for some routes previously thought unworkable. But if ridership is up, then why are the taxpayers being asked to foot the bill to the same old tune of two-thirds of the costs? There is no reason why the riders of Amtrak cannot assume a greater share of the cost of operating the trains they ride. For this reason, we ask you to demand an increase in the percentage of costs Amtrak recovers from the farebox before you consent to any addition in routes.

Since its inception, Amtrak has followed a fare policy of maximizing ridership, rather than revenue. It has offered artificially low fares, in some cases virtually giving away the ride. The result of this policy is clear.

First. The taxpayer's share of the ticket price has steadily risen to two-thirds of the total price. Consequently, the Congress has doled out taxpayer dollars to the tune of $4.2 billion for capital and operating subsidy, as well as Northeast corridor improvements to this point.

Second. The artificially low fares made possible by the subsidy have diverted passengers from the intercity bus industry. We have the strange situation where the Congress is providing massive subsidies to one form of transportation, allowing it to divert passengers from another form and severely damaging it.

The claim of the intercity bus industry about diversion of revenues and passengers has been substantiated by a recent Government accounting Office report. Because of a genuine concern about the effect of the lower Amtrak subsidized fares, the Congress included a provision in the Amtrak Improvement Act of 1978 that a study would be conducted on the economic relationship of the fare structure of Amtrak to the intercity bus industry. This study included a table which showed the widening gap between operating expenses and revenues. In 1973, Amtrak revenues were 55.6 percent of expenses and in 1974, the revenues were 54.8 percent. Of course, much of this was due to the increased ridership caused by the Arab boycott. The situation we are faced with today will not disappear

like the petroleum shortages did following the lifting of the boycott so Amtrak ridership can be expected to remain high.

This study indicated that diversion of passengers from the intercity bus industry by Amtrak is in the nature of 30 percent in the Northeast corridor and 9 percent in the remainder of the system. This represents a diversion of revenue of over $500 million since Amtrak was created. In addition, Congress is funding programs which will further divert passengers from the intercity bus. In the documents relating to the Northeast corridor improvement program, the Government projection is that 28.4 percent of bus passengers in the Northeast corridor will be diverted to Amtrak with the completion of the Northeast corridor project. This approach represents a fundamental flaw in transportation policy which should no longer be tolerated.

Mr. Chairman, I am not against rail service. I only believe it should pay its own way. But, as in the "Alice in Wonderland" story, things have become "curiouser and curiouser" in relation to Amtrak. I see no reason why the people of my district should have their tax dollars used to subsidize such a large percentage of the cost of the ride for rail passengers. Amtrak represents a ludicrous quirk in transportation policy. I find it astonishing that this administration has staunchly resisted the funding of specific programs which have merit, which have been authorized by the Public Works and Transportation Committee. Yet the administration supports additional funding for the Northeast corridor in order to get a businessman or vacationer from Washington, D.C., to New York 20 minutes faster. We have already poured $1.75 billion into the Northeast corridor, and now the administration is seeking $654 million more. This is ridiculous.

Mr. Chairman, if there was ever a time when rail passenger service could be established on a more firm, economical basis, it is today. If the public demand for rail service is as great as Amtrak tells us, then the passengers will support service. In the Northeast corridor, it is clear that it would take no great wrench to recover the operating costs of the service. Outside the corridor, a greater portion of the operating costs can and should be recovered through the farebox. My amendment directs that Amtrak's fares cover 40 percent of the operating costs of the systems in the first year, 45 percent in the second, and 50 percent in the third.

This amendment is consistent with the committee bill and the direction of DOT policy. However, while the authorizing bill contains in the "goals" section an indication that Amtrak should work toward raising its fares, the provision calls for coverage of at least 44 percent by fiscal year 1982 and 50 percent by fiscal year 1985. My amendment would strike these goals, insert new percentage figures and make these new figures requirements.

The Secretary of Transportation has called for 50 percent of operating costs to be covered by fiscal year 1985. My amendment merely moves the timetable forward. The conditions now warrant this step, since, as Amtrak indicates, there is great demand for the service. With these circumstances, Congress, in response to taxapayers, should address Amtrak's fare policy, not in the form of a "goal" or a gleam in the eye for the future, but a specific requirement now. The taxpayers have a right to ask us to be more sensible in our spending practices than to continue to dole out billions of dollars to subsidize two-thirds of the price of a rail passenger's ticket. The bottom line of my amendment is that it will save $132 million over the 3-year period—$40.8 million in fiscal year 1980, $45.8 million in fiscal year 1981, and $45.7 million in fiscal year 1982. These figures are based on projected revenues for the total system relative to expenses in constant 1980 terms using the 40-, 45-, and 50-percent requirements.

Mr. Chairman, in closing, I would like to remind my colleagues of the interest in saving energy that has been so evident in this Chamber in the past few months. There is also a shortage of taxpayers' dollars in this country and we need to do what we can by the passage of this amendment to help conserve some of these national resources. Like our petroleum supplies, there is an end to the amount of money that taxpayers can supply. We must do our part today to help save some of this precious resource.

□ 1120

Mr. FLORIO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment will in effect dictate that, by 1982, there be a congressionally imposed 50-percent fare increase. I am opposed to the concept of a congressionally mandated managerial policy with regard to fares. That is not to say that I think it is inappropriate to be increasing the contribution by the rider. As a matter of fact, Amtrak and DOT have already agreed—and it is in the Secretary's report—that fares should cover 50 percent of operating costs by 1984. This more gradual schedule gives Amtrak a better opportunity to adjust their fare policy to the passenger marketplace. If, in fact, we are going to try to have Amtrak run like a business, we should be trying to work in accordance with the dictates of the marketplace. It is clear that a uniform application of fares across the system would be inappropriate. There are areas where the fare increase could be absorbed; there are other areas you would literally drive passengers away from the system. Certainly that is not what we want.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, my amendment does not require that all fares be uniform. It only requires that of the operating costs, 50 percent comes from the passengers who utilize that service. If there are areas that are more dense and have the ability to pay more than 50 percent, they certainly could be charged that and used to offset the more marginal areas where the trains cannot pull in the 50 percent operating fare. But I believe it is reasonable. We have telephone service, we have public utilities, and oftentimes there is cross subsidization, just as there would under this system. I think that we can save $132 million, because there is massive demand for the services, as we have heard repeatedly in the last day of debate of this piece of legislation, therefore, it surely warrants us doing more to have the people who benefit directly from the service pay their own way instead of always coming in and asking John Q. Public to "pick up my fare."

Mr. FLORIO. Mr. Chairman, one of the points made yesterday—and I am sure the gentleman recalls—is that the massive demand for the services is not uniform across the system. What we are suggesting, and the thrust of what Amtrak is inclined to do, along with DOT, is to start in a more selective way to gear fare policy to utilization. Therefore, we think it is inappropriate for the Congress to write into the law these managerial prerogatives, these managerial policies, particularly in the very sensitive area of fares.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

As a matter of fact, in the first part of the committee bill we called for Amtrak to have as a goal recovering 44 percent of its cost, which is 4 percent higher than which is being suggested by the gentleman from Minnesota. We also finally go to 50 percent, as does the gentleman from Minnesota. The substantial difference is that the gentleman would get there a little bit quicker than we would. The committee bill has the purpose of giving Amtrak a little more time to achieve these goals.

I support the goals of the gentleman from Minnesota, but I think that the committee bill has a more realistic time schedule for achieving those goals.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I very reluctantly join with the gentleman in opposing this amendment because I support the concept, too, of the gentleman from Minnesota. I support the concept probably as strongly or even more strongly than the gentleman does, for all of the reasons that the gentleman gave, plus some others which I will not detail here today. But I also agree with the chairman of the committee and the ranking minority member that it would be unwise for the House to impose in a statute, the rigidity that I think the gentleman's amendment would bring. I would give the gentleman the assurances, on behalf of the Appropriations Committee, that we will be chasing them hard to review their rates and to raise them where appropriate.

The CHAIRMAN. The question is on

the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

The question was taken; and on a division (demanded by Mr. HAGEDORN) there were—ayes 6, noes 15.

Mr. HAGEDORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Mr. HAGEDORN. Mr. Chairman, if enough Members will stand for a recorded vote, I will withdraw my point of order.

The CHAIRMAN. The Chair has announced that a quorum is not present and, the gentleman having made the point of order that a quorum is not present, announces pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1140

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 378]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gialmo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1200

The CHAIRMAN. Four hundred and fourteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. HAGEDORN) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will advise Members that 5 minutes will be allowed to record the vote.

The vote was taken by electronic device, and there were—ayes 168, noes 250, not voting 16, as follows:

[Roll No. 379]

AYES—168

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bereuter
Bethune
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Carney
Carter
Cavanaugh
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Evans, Del.
Evans, Ga.
Fenwick
Fish
Fountain
Frenzel
Frost
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Harsha
Hefner
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hyde
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McCloskey
McDonald
Martin
Mica
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nolan
Nowak
O'Brien
Oberstar
Ottinger
Pashayan
Patten
Paul
Pepper
Perkins
Petri
Pickle
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Richmond
Robinson
Roe
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Stangeland
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.

NOES—250

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson

Daschle	Jones, Tenn.	Price
Davis, S.C.	Kastenmeier	Pritchard
Dellums	Kazen	Pursell
Derrick	Kildee	Rahall
Derwinski	Kogovsek	Ratchford
Dicks	Kostmayer	Regula
Dingell	LaFalce	Reuss
Dixon	Leath, Tex.	Richmond
Dodd	Lederer	Rinaldo
Donnelly	Lee	Roberts
Dougherty	Lehman	Rodino
Downey	Leland	Roe
Drinan	Lloyd	Rose
Duncan, Oreg.	Long, La.	Rosenthal
Early	Lowry	Rostenkowski
Eckhardt	Luken	Roybal
Edgar	McDade	Russo
Edwards, Calif.	McEwen	Sabo
Erlenborn	McHugh	Santini
Ertel	McKay	Scheuer
Evans, Ind.	McKinney	Schroeder
Fary	Madigan	Seiberling
Fascell	Maguire	Shannon
Fazio	Markey	Sharp
Ferraro	Marks	Shelby
Findley	Marlenee	Shuster
Fisher	Marriott	Simon
Fithian	Mathis	Skelton
Flippo	Matsui	Slack
Florio	Mattox	Solarz
Ford, Mich.	Mavroules	Spellman
Ford, Tenn.	Mazzoli	Spence
Fowler	Mikulski	St Germain
Fuqua	Mikva	Stack
Garcia	Miller, Calif.	Staggers
Gaydos	Mineta	Stanton
Gephardt	Minish	Stark
Giaimo	Mitchell, Md.	Steed
Gibbons	Mitchell, N.Y.	Stewart
Gilman	Moakley	Stokes
Ginn	Moffett	Stratton
Glickman	Moorhead, Pa.	Studds
Gonzalez	Murphy, Ill.	Swift
Gore	Murphy, N.Y.	Thompson
Gray	Murphy, Pa.	Traxler
Green	Murtha	Udall
Guarini	Myers, Pa.	Ullman
Gudger	Natcher	Van Deerlin
Hall, Ohio	Nedzi	Vanik
Hamilton	Nolan	Vento
Hanley	Nowak	Waxman
Harkin	O'Brien	Weaver
Harris	Oakar	Weiss
Hawkins	Oberstar	Whittaker
Heckler	Obey	Whitten
Heftel	Ottinger	Williams, Mont.
Hightower	Panetta	Wilson, C. H.
Holland	Pashayan	Wilson, Tex.
Hollenbeck	Patten	Wirth
Holtzman	Patterson	Wolff
Horton	Pease	Wolpe
Howard	Pepper	Wyatt
Hughes	Perkins	Yates
Hutto	Petri	Yatron
Jeffords	Peyser	Zablocki
Jenrette	Pickle	Zeferetti
Johnson, Calif.	Preyer	

NOT VOTING—16

Bolling	Forsythe	Runnels
Conyers	Leach, La.	Walgren
Diggs	Lundine	Williams, Ohio
Emery	McCormack	Wright
Flood	Moilohan	
Foley	Rangel	

□ 1210

The Clerk announced the following pairs:

On this vote:

Mr. Runnels for, with Mr. Williams of Ohio against.

Mr. Emery for, with Mr. McCormack against.

Mr. HANCE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. FITHIAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me compliment the subcommittee, their staff, the gentleman from Illinois (Mr. MADIGAN) and his staff, for their work on a very outstanding job on a very difficult bill.

AMENDMENT OFFERED BY MR. STACK

Mr. STACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STACK: Page 73, line 23, immediately after "subsection," insert the following new sentence: "If for any fiscal year the projected operating expenses of rail passenger service over all routes eligible for operation under this subsection exceed the amount appropriated for purposes of this subsection for such fiscal year, then the Corporation shall compile a ranking of the eligible routes, beginning with the route which has the lowest short term avoidable loss per passenger mile and the highest passenger mile per train mile. The amount appropriated for such fiscal year shall be allocated for eligible routes (including each train operated on the route) based solely on the order set forth in such ranking.".

Mr. LEE. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I think there are three major points to consider in the proposed amendment by the distinguished gentleman from Florida.

First, as the gentleman from New Jersey (Mr. FLORIO) rightly points out, the cornerstone of this legislation is, indeed, founded on the point that there should be discretionary call by management in determining what is in the best interest of operating the system. That is the first point.

Second, we do take into consideration here in the bill that management should have the discretion to decide again what should be added or subtracted based on the performance of the various trains that are operating from one point to another.

I think that the House would agree on the point that the inventory of equipment for Amtrak is so shallow currently that to try to mandate something which management does not deem appropriate and necessary would be an incorrect move by this body.

Therefore, I urge my colleagues to vote against this amendment.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my esteemed colleague, the gentleman from Florida (Mr. STACK).

As has already been pointed out, the amendment provides for a priority rating system for Amtrak trains and will permit an orderly systematic and unbiased review of the present routes to determine which are the most cost effective and the most widely used.

Surely, we must all recognize that some passenger rail routes in this country need to be abandoned and they have already abandoned some in my district, I should point out; but further, we should recognize that the proposal initiated by the Department of Transportation is very unrealistic. It is biased. It ignores significant data. We need and must have the best method to determine train ridership in conjunction with the cost.

The proposal presented by the gentleman from Florida makes eminent good sense and will give us what we need; so retention of passenger rail routes based on merit is most assuredly an idea that deserves our support.

I urge my colleagues to join with me in support of the gentleman's amendment.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words. I rise to speak in opposition to the amendment.

Mr. Chairman, I think Members ought to be aware, if it is not obvious now, what the design of this amendment is. Under the Department of Transportation Amtrak reorganization plan, the Department cut three New York to Florida runs back to one train. The rationale for that was, as I understand it from talking with the Secretary, that the train line is used primarily by people going to Florida on vacation. He did not think it was wise to subsidize too many trains for people to go to Florida on vacation.

Now, with the new performance criteria we have, the bill probably will add a second train to Florida.

What this amendment is designed to do is to hopefully give Florida a third train at the expense of regional balance. It may knock out the Southern Crescent. It may knock out the Montrealer. It may knock out some other trains in order to allow three Florida trains to travel the same route. It would knock out the flexibility that Amtrak must have to say let us put more cars on the other two trains, instead of running three trains.

It also injects a new philosophy here of really putting a straitjacket on with respect to the criteria than we have now. Under the bill we come back and say these are the trains that fit the criteria, shall we pay for them, or not. It says, let us take a look as to whether or not we ought to increase the appropriations or whether we should cut some qualifying trains off, after giving consideration to regional needs. Your amendment would arbitrarily make that decision.

□ 1230

Mr. Chairman, I just want it clearly known that this is offered in hopes of adding another Florida train at the expense of trains to other areas of the country.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I would be happy to yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, is the gentleman saying that we should look behind a person's mind to see the motivation why he makes a trip, to determine whether our train system is cost effective or not?

Mr. JEFFORDS. Mr. Chairman, I know in our area the train is used basically by students, young people, and senior citizens. That is the kind of thing we are looking for in regional balance, providing at least one train to serve people in need where sufficient demand is there.

Your amendment could knock my

whole train out and say, "OK, that area does not need it," just because of a one-tenth of 1 percent higher avoidable loss, and we have higher costs because we have border crossing involved. You say we should knock the whole train out, the only train we have, in favor of having a third train to Florida. The same could be true for the Southern Crescent.

Mr. FUQUA. Mr. Chairman, if the gentleman will yield further, I might point out that I know for a fact that there are a lot of students and senior citizens who ride the trains to Florida.

Mr. JEFFORDS. I am sure there are.

Mr. FUQUA. And within the State.

Mr. JEFFORDS. They have two trains, and now they want three. I am sure the senior citizens, the students, and the young people can fit in the first two trains, and I know Amtrak can add more cars. But the effect of this amendment would be to knock out the Southern Crescent or the Montrealer, and leave those whole areas without a long-distance run because one-tenth of 1 cent was the difference. It would negate the purpose of the Duncan amendment to give us regional balance.

Also there is nothing in here that says what happens when we have one train with more PM per TM but a higher avoidable loss than another. We do not know how to rank those with each other. Apparently that is left up to some arbitrary discretion of Amtrak. We might have one PM/TM of difference; we might have one more person, on the average, who rides this Florida train, so the result is to knock out a train to an entire region just so they can have another, a third train, to Florida.

Mr. FUQUA. Mr. Chairman, if the gentleman will yield further, I hope we in this country do not base our public transportation system on where people are going to ride and for what purpose. Otherwise they may have to eliminate the need for a Metro station at JFK Stadium because people usually go to some football game there or some sports event. I do not think we should have a system based on the reason why people travel, but we should look at whether it is cost effective for people who are going there now.

Mr. JEFFORDS. Mr. Chairman, does the gentleman think it would be better to leave one whole area of the country without a train when it appears one less person would be riding it on an average, and give three trains in another area?

Mr. FUQUA. I am not advocating that.

Mr. JEFFORDS. I am glad the gentleman is not, because that is what could happen under this amendment.

Mr. STACK. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Florida.

Mr. STACK. Mr. Chairman, I believe the gentleman used the word "arbitrary" in describing the consequences of my amendment.

I would suggest that it would be quite the contrary, because I am arguing, as I said initially, for cost effectiveness, using the criteria which the committee has in its bill.

That certainly is not arbitrary. If we talk in terms of flexibility, then I would say subjective reasoning is going to control this, and I would suggest the proper way to run a business is by objective principles. The chief principle to which I allude, of course, is cost effectiveness. That is the essence of my amendment.

Mr. JEFFORDS. Mr. Chairman, the gentleman would agree with me that if there is a difference of one person average, we could wipe out a whole region, whether it be the region served by the Southern Crescent or my region or some other region in exchange for an additional train to Florida over and above those already running there. Is that not correct? Would that not happen under the gentleman's amendment?

Mr. STACK. Mr. Chairman, if the train did not meet the criteria suggested in the committee bill or proposed in the committee bill, the answer would be yes.

Mr. JEFFORDS. Mr. Chairman, the gentleman says, if it does not meet the criteria. But that is not the case. The amendment says if a train meets the criteria but the total cost of the system was underestimated, then a ranking system would be used that could cut a whole region out, in favor of three trains to another area, for a miniscule difference in performance. In other words if there is one less person on the average riding the Southern Crescent, for instance, than the third Florida train the result is that they have three trains and the other region would have none. That is all I am saying. That is arbitrary, not logical.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. STACK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. STACK. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Page 89, after line 16, insert the following new section:

BUY AMERICA PROTECTION

SEC. 128. Section 350(j) of the Rail Passenger Service Act (45 U.S.C. 545(j)) is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) In addition to the exemptive authority set forth in paragraph (2), the Secretary may, upon application of the Corporation, exempt the Corporation from the requirements of paragraph (1) of this subsection with respect to the purchase of rolling stock or power train equipment if the Secretary determines that such rolling stock or power train equipment, as the case may be, cannot be purchased and delivered in the United States within a reasonable time.".

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, you have heard me and a number of other Members here today lament that Amtrak does not have enough equipment to run its system; 68 percent of its rolling stock is 20 years old or older. It is in constant need of repair and provides a poor quality ride.

Within the next 2 years, Amtrak will be receiving some additional superliners for use in the Western States. Those cars, which will eventually number around 250, will free up some of the Amfleet equipment for use in other areas. However, Amtrak will still not have enough cars to provide the service that we expect it to provide.

This would be no problem if Amtrak could purchase new cars and have delivery within a short time. Unfortunately, Amtrak cannot do that. There is only one manufacturer of intercity rail passenger cars left in this country—that is the Budd Co., which by the way, is owned by West German interests. The Budd Co. has such a back order of business that if Amtrak were to place an order tomorrow, it could not receive its first car for at least 2 years.

The purpose of my amendment is to simply make it clear that the Secretary may exempt Amtrak from the buy America requirements added to the law last year if rolling stock or locomotives cannot be purchased and delivered within the United States within a reasonable time period. My amendment in no way weakens the buy America provision, but simply clarifies conditions under which the Secretary may grant Amtrak an exemption.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I wish to indicate that we think this is a tremendous improvement in terms of providing flexibility so as to meet the needs of the industry. It also protects the interests that are interested in the "buy America" provision. We think it provides some latitude, and it is appropriate.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MADIGAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LEE

Mr. LEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEE: Page 56, after line 22, insert the following new section:

MAIL SERVICE

SEC. 106. Section 305(b) of the Rail Passenger Service Act (45 USC 514(b)) is amended by inserting immediately before the

period at the end of the first sentence thereof the following: "including the operation of trains carrying mail only".

Redesignate the following sections accordingly.

Mr. LEE. Mr. Chairman, the current statute or current law indicates that the corporation shall take such actions as may be necessary to increase its revenues from the carriage of mail and express.

What this amendment does is to add the language after "express" that would include the operation of trains that would be carrying mail only. It would, therefore, give management discretion to Amtrak to determine if that is in their best interests and to proceed accordingly. That is the purpose of this amendment. I urge its adoption.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. LEE. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I would just indicate my support for the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. LEE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JENRETTE

Mr. JENRETTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENRETTE: Page 89, after line 16, insert the following new section:

FIVE-YEAR PLAN TO MAXIMIZE MAIL AND EXPRESS REVENUES

SEC. 128. The Corporation shall, in conjunction with the United States Postal Service, determine those mail transportation requirements which can be met within the route system and frequency which Amtrak is authorized to operate; and shall, through detailed market analysis determine the maximum level of rail express traffic which can be expected to accrue to the Corporation, within such authorized route structure, and shall develop and furnish the Congress, not later than March 31, 1980, with a five-year capital and operating plan to achieve those levels, including modification of existing facilities to handle mail and express more efficiently, the acquisition of modern materials handling equipment and rolling stock, optimum scheduling, and staffing and/or promotional requirements designed to maximize revenues from these two sources.

At the time of presentation of the plan, the President of the Corporation, in conjunction with the chairman, Committee on Commerce, Science and Transportation, United States Senate, and the chairman, Committee on Interstate and Foreign Commerce, United States House of Representatives, will recommend and establish an advisory group of not more than seven Members of Congress, or staff alternates, who shall work with the Corporation on the preparation of enabling legislation and the establishment of appropriations levels. This enabling plan shall be completed no later than June 30, 1980.

Mr. JENRETTE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. JENRETTE. Mr. Chairman, DOT in its wisdom overlooked the possibility of a revenue source of in excess $50 million. I believe this amendment would tie in with the amendment just agreed to in that this amendment would require the chairman of the House Committee on Interstate and Foreign Commerce and the chairman of the Committee on Commerce, Science and Transportation of the other body, to create an in-house study committee and report to Congress by June 30 of next year. This in-house committee, chaired by the Amtrak President with eight Members of the Congress sitting on the committee would devise a plan to maximize revenue over a 5-year period utilizing wherever possible Amtrak for the carrying of mail and parcels.

□ 1240

A recent study by Mr. Frank Shaffer of Chicago demonstrates that we could, through carrying mail, increase our revenue by over $50 million. Historically, the trains have used mail as a part of their revenue. The plan passed yesterday, the DOT proposal, allows Amtrak routes to serve cities having 16 of the bulk mail centers. Now, it takes 102 gallons of diesel fuel each day for each truck, between New York and Washington, and we have several Amtrak trains making the same run. I think that in these major corridors we should look at the fact that we are subsidizing Amtrak, we are subsidizing the Postal Service, and they have refused to work together. This would establish at no cost a committee that would look into agency coordination so that we could use these services to help one another rather than compete. Taxpayers subsidize both Amtrak and the Postal Service. To me, it is foolish that they do not work together. It is our responsibility to see that they begin now.

Mr. Chairman, I would ask that the members of the committee consider the amendment.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I will state that the gentleman's amendment is a useful, innovative approach to this particular problem, and we would support the amendment.

Mr. JENRETTE. I thank the gentleman.

Mr. LEE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the amendment that was just offered by myself previous to this establishes the objective for the Amtrak management to go out and seek the business of mails to increase its revenue, and I do not think it is necessary that we have a commission for a 5-year study.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. JENRETTE).

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—For the fiscal year ending September 30, 1980, there are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this Act such sums as are necessary, not to exceed $27,200,000. Sums appropriated under this subsection are authorized to remain available until expended.".

REPORT ON SPECIAL COURT PROCEEDINGS

SEC. 202. Section 202(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712(e)) is amended by adding at the end thereof the following new paragraphs:

"(3) The Association shall transmit to the Congress, no later than 30 days after the end of each fiscal quarter, a report with respect to the proceedings before the special court to determine the valuation of rail properties conveyed to the Corporation under section 303 of this Act. Each such report shall include—

"(A) a detailed accounting of the Federal funds expended during such quarter in connection with such proceedings, and the purposes for which such funds were expended;

"(B) an explanation of the status of such proceedings, including the prospects for settlement or conclusion; and

"(C) an identification of which responsibilities in connection with such proceedings are being carried out directly by the Association, and which are being carried out by contract with private organizations.

"(4) The Comptroller General shall transmit to the Congress, no later than 90 days after the end of each fiscal year, a report with respect to the use of Federal funds in connection with the proceedings before the special court to determine the valuation of rail properties conveyed to the Corporation under section 303 of this Act. Each such report shall contain the Comptroller General's evaluation with respect to each matter referred to in subparagraphs (A) through (C) of paragraph (3) of this subsection.".

TRANSFER OF FUNCTIONS; MONITORING

SEC. 203. Section 202 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712) is amended by adding at the end thereof the following new subsections:

"(h) TRANSFER OF LITIGATION.—No later than March 1, 1980, the Association and the Attorney General of the United States shall develop and submit to the Congress a plan for the transfer, to the appropriate department or agency of the Federal Government, of all responsibility for representing the United States in the proceedings before the special court to determine the valuation of rail properties conveyed to the Corporation under section 303 of this Act.

"(i) TRANSFER OF OTHER FUNCTIONS.—No later than March 1, 1980, the Association and the Secretary of Transportation shall develop and submit to the Congress a plan for the transfer of all functions of the Association, other than those referred to in subsection (h) of this section, to the appropriate department or agency of the Federal Government, including the abolition of those functions which will no longer be necessary.

"(j) MONITORING OF CONTRACTORS.—The Board of Directors of the Association shall adopt procedures to insure (1) that contractors, including law firms, provide reports containing written verification of tasks assigned, work performed, time worked, and

costs incurred, including periodic status reports on work performed, (2) that such reports are audited by the Association, (3) that no funds are paid to contractors without written reports complying with the requirements of this subsection, and (4) that the Association applies such procedures uniformly to all contractors.".

INSURANCE COVERAGE

SEC. 204. (a) PAYMENT OF PREMIUMS AND BENEFITS.—Section 303(b)(6) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(b)(6)) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) The Corporation shall, through the purchase of insurance or otherwise, maintain in effect any medical insurance coverage or so much of any life insurance coverage that does not exceed in death benefits an amount equal to twice the employee's annual salary at the time of retirement or $60,000, whichever is lower, which coverage was maintained by a railroad in reorganization in the region immediately prior to April 1, 1976, and which provides insurance benefits to employees who retired, prior to April 1, 1976, from service with such a railroad. With respect to any such employee whose medical or life insurance coverage lapsed after April 1, 1976, due to nonpayment of premiums, the Corporation shall—

"(i) through the purchase of insurance or otherwise, provide medical insurance benefits or life insurance benefits at the same level as were provided by the employer railroad in reorganization and in effect with respect to such employees immediately prior to April 1, 1976, except that the life insurance benefits so provided shall not exceed in death benefits an amount equal to twice the employee's annual salary at the time of retirement or $60,000, whichever is lower; and

"(ii) assume and pay any claim for such employee (or his personal representative) for any such insurance benefits, if—

"(I) such claim arose during the period beginning April 1, 1976, and ending on the date insurance coverage is provided pursuant to clause (i) of this subparagraph;

"(II) such benefits were not paid by an insurer solely because of the lapse of the insurance coverage during such period,

except that such death benefits shall not be paid for any such employee in excess of an amount equal to twice the employee's annual salary at the time of retirement or $60,000, whichever is lower.

"(C) The Corporation shall be entitled to a loan pursuant to section 211(h) of this Act in an amount required for the cost of the insurance coverage and benefits described in subparagraph (B) of this paragraph. Any successor corporation to a railroad in reorganization (i) which was authorized and directed, by an order of its reorganization court issued prior to the effective date of this subparagraph, to continue life and medical programs for nonagreement employees who retired prior to April 1, 1976, or (ii) which had, prior to the effective date of this subparagraph, entered into an agreement with the Corporation to acknowledge, if necessary, that the obligations then described in section 211(h)(1)(A)(viii) of this Act constituted obligations of such railroad if such acknowledgment would have been necessary under this Act to have permitted the Corporation to have obtained section 211(h) loan funds with which to pay such obligations, shall be deemed to have conclusively acknowledged that the costs of such continued programs or coverage or benefits constitute valid pre-conveyance administration obligations of such railroad in reorganization. The Corporation shall be entitled to a direct claim as a current expense of administration, in accordance with the provisions of section 211(h) of this Act, for reimbursement (including costs and expenses of processing such claims) from the estate of the railroad in reorganization (or successor corporation) on whose behalf such medical or life insurance was maintained or such benefits were paid. In the case of a railroad in reorganization which is not subject to a bankruptcy proceeding, such amounts shall be deemed to be obligations of such railroad, due and payable as of April 1, 1976, and shall be reimbursable in accordance with the procedures set forth in paragraphs (4), (5), and (6) of such section 211(h).

"(D) As used in subparagraphs (B) and (C) of this paragraph—

"(i) 'railroad in reorganization' includes (I) any railroad which is controlled by a railroad in reorganization but is not itself subject to a bankruptcy proceeding, if such railroad conveyed substantially all of its rail properties to the Corporation pursuant to paragraph (1) of this subsection and conducted operations over such rail properties prior to the date of such conveyance; and (II) any corporation which, pursuant to a plan of reorganization under section 77 of the Bankruptcy Act, is the successor in interest to a railroad in reorganization; and

"(ii) 'employee' does not include a member of a board of directors, a president, vice president, general counsel, treasurer, secretary, comptroller, or any other person who performed functions corresponding to those performed by such officers immediately prior to his retirement.

"(E) Any action or claim for benefits or premium payments related to any medical or life insurance coverage described in subparagraph (B) of this paragraph which is not required to be paid by the Corporation under the provisions of such subparagraph shall not be brought or maintained against the Corporation, the National Railroad Passenger Corporation, the Association, or the United States.".

(b) AMENDMENTS TO SECTION 211(H).—(1) Section 211(h)(1)(A)(viii) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(h)(1)(A)(viii) is amended to read as follows:

"(viii) amounts required to provide adequate funding for continuation, by the Corporation, of medical and life insurance coverage and benefits for retired employees of railroads in reorganization as required and limited by section 303(b)(6) (B) through (D) of this Act.".

(2) Section 211(h)(6) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(h)(6)) is amended—

(A) by inserting "(A)" immediately before "Notwithstanding";

(B) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively; and

(C) by adding at the end thereof the following new paragraph:

"(B) The Association shall have a direct claim, as a current expense of administration of the estate of the railroad in reorganization whose obligations were paid with the proceeds of loans forgiven under this paragraph, equal to the amount by which the loans, plus interest, have been forgiven. Such direct claim shall not be subject to any reduction by way of setoff, cross-claim, or counterclaim which the estate of such railroad in reorganization may be entitled to assert against the Corporation, the National Railroad Passenger Corporation, the Association, or the United States. The direct claim of the Association under this paragraph shall be prior to all other administrative claims of the estate of the railroad in reorganization, except claims arising under trustee's certificates or from default on the payment of such certificates.".

(c) REPEAL.—Section 2 and section 5 of the Act of November 4, 1978 (Public Law 95-597; 92 Stat. 2548), are hereby repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective as of the date of enactment of Public Law 95-597.

PAYMENT OF TAXES FOR RAILROADS IN REORGANIZATION

SEC. 205. (a) Title VI of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791 et seq.) is amended by adding at the end thereof the following new section:

"PAYMENT OF TAXES FOR RAILROADS IN REORGANIZATION

"SEC. 606. (a) PAYMENT OF TAXES.—(1) The Secretary may, upon the request of a State or political subdivision thereof, pay any real estate or other property taxes (including any applicable penalties and interest) which are owed to such State or political subdivision, as of the date of enactment of this section, by a railroad in reorganization on account of the ownership, lease, or operation by such railroad of rail properties in the region. In addition, the Secretary may, upon further request, continue paying taxes of the type described in the preceding sentence, as they become due after such date of enactment, until such time as such taxes are paid by or on behalf of such railroad or by any successor in interest thereto.

"(2) The payment of real estate and other property taxes to a State or political subdivision thereof by the Secretary under this section shall be—

"(A) subject to the assignment to the Secretary by such State or political subdivision of all its claims, liens, preferences, and other rights in connection with such taxes, in such form and manner as the Secretary determines necessary to protect the interests of the United States; and

"(B) subject to such other requirements as the Secretary determines to be necessary to protect such interests.

"(b) RECOVERED AMOUNTS.—Any amounts recovered by the Secretary pursuant to rights assigned to him under subsection (a)(2) of this section shall be covered into the Treasury as miscellaneous receipts.

"(c) AUTHORIZATION.—There are authorized to be appropriated to the Secretary such amounts as are necessary to carry out the provisions of this section.".

(b) The table of contents of the Regional Rail Reorganization Act of 1973 is amended by adding at the end thereof the following new item:

"Sec. 606. Payment of taxes for railroads in reorganization.".

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—OFFICE OF RAIL PUBLIC COUNSEL

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 10388 of title 49, United States Code, is amended to read as follows:

"§ 10388. Authorization of appropriations

"There is authorized to be appropriated to the Office of Rail Public Counsel to carry out this subchapter not to exceed $1,850,000 for the fiscal year ending September 30, 1980.".

Mr. FLORIO (during the reading). Mr. Chairman, I ask unanimous consent that

title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. Are there any amendments to title III of the bill? If not, the Clerk will read title IV.

The Clerk read as follows:

TITLE IV—AMENDMENTS TO THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976

REHABILITATION AND IMPROVEMENT FINANCING

SEC. 401. (a) CONSIDERATION OF APPLICATIONS.—Section 505(b)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(b)(2)) is amended—

(1) by inserting immediately after the comma at the end of clause (A) thereof the following: "except that if the Secretary determines, pursuant to clause (C) of this paragraph, that significant railroad restructuring will result from the project, the Secretary shall not consider the availability of funds from other sources but instead shall consider whether such restructuring benefits would be likely to be achieved if assistance were not provided."; and

(2) by amending clause (C) thereof to read as follows: "(C) the public benefits, including any significant railroad restructuring, to be realized from the project to be financed in relation to the public costs of such financing and whether the proposed project will return public benefits sufficient to justify such public costs.".

(b) DEFINITION.—Section 501 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821) is amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(8) 'restructuring' means any activity (including a consolidation, coordination, merger, or abandonment) which (A) involves rehabilitation or improvement of a facility or the transfer of a facility, (B) improves the long-term profitability of any railroad, and (C) results in the enhancement of the national rail freight system through the achievement of higher average traffic densities or improved asset utilization.".

EXTENSION OF FINANCIAL ASSISTANCE PROGRAM

SEC. 402. Sections 505(e), 507(a), 507(d), and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(e), 827(a), 827(d), and 829) are amended by striking "September 30, 1979" each place it appears and inserting in lieu thereof "September 30, 1980".

Mr. FLORIO (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

Mr. Chairman, the amendment that should be read is the one that was printed in the RECORD on July 10, which was a nongermane amendment agreed to when we adopted the rule.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: Page 102, after line 8, insert the following new section:

RAIL CROSSINGS

SEC. 403. Section 701 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851) is amended by redesignating subsection (c) as subsection (d) and by adding after subsection (b) the following new subsection:

"(c) RAIL CROSSINGS.—(1) For purposes of preserving the historic environment and promoting tourism in certain areas of the Northeast Corridor, the following rail-highway crossings shall, notwithstanding any other provision of law, be exempted from the demonstration project for the elimination of rail-highway crossings conducted by the Secretary under section 322(a) of title 23, United States Code:

"(A) the School Street crossing in Groton, Connecticut;

"(B) the Broadway Extension crossing in Stonington, Connecticut.

"(2) The Department of Transportation, in conjunction with the State of Connecticut, pursuant to the provisions of section 130 of title 23, United States Code or the Highway Safety Act of 1973 as amended, shall institute such measures as are available to provide the highest level of protection at the at-grade crossings described in paragraph (1) of this subsection other than grade separation."

Mr. DODD. Mr. Chairman, since I introduced this amendment of July 10, the Department of Transportation has recommended some technical changes.

Mr. Chairman, I would ask unanimous consent that an amendment that is at the desk in the nature of a technical revision to my amendment be considered.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut that the amendment be modified?

There was no objection.

Mr. DODD. Mr. Chairman, I ask unanimous consent that the amendment, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The modification to the amendment is as follows:

In subsection (c)(1), as proposed to be added by the amendment offered by Mr. DODD, insert "and from section 701(a)(5) and section 703(1)(A) of the Railroad Revitalization and Regulatory Reform Act of 1976" immediately after "United States Code."

In subsection (c)(2), as proposed to be added by the amendment offered by Mr. DODD—

(1) strike out "or" immediately after "United States Code" and insert in lieu thereof a comma;

(2) insert ", or section 322(a) of title 23, United States Code" immediately after "as amended"; and

(3) strike out "the highest level of protection" and insert in lieu thereof "the best available protection".

Mr. DODD. Mr. Chairman, very briefly this amendment exempts two grade rail crossings in my congressional district in eastern Connecticut. These two grade crossings are located in Mystic or Stonington, Conn., one of the most historical communities in the entire State of Connecticut. The grade crossings exist in an area along the shoreline of Connecticut, where efforts to construct crossings that would be subsurface were impossible because of the high water table. As a result, grade separation would require the construction of two rather large overpasses at the cost of some $2 million apiece.

There are very strong feelings, both by business groups, environmental groups and by residents of that area that this would be a detriment to tourism and a loss to the historical nature of Stonington-Mystic, Conn., which many people, I know, in this Chamber have visited over the years. My hope would be that we would be able to exempt these two particular grade crossings that are located in this area. That is the purpose of this amendment.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, the gentleman knows that the staff has reviewed the amendment, is aware of the fact that it has local application in the gentleman's area, and accordingly we support the gentleman's amendment.

Mr. DODD. I thank the gentleman.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, we have no objection to the amendment and we support the amendment.

Mr. DODD. I thank the gentleman.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, are there any safety factors involved here?

Mr. DODD. Yes. In the amendment we are calling on the Department of Transportation to take every possible safety precaution, such as double rail crossings and barriers, in order to make sure that maximum efforts are made to prevent any harm from occurring to individuals in vehicles or on the trains as a result of there not being an overpass. We are instructing the Department of Transportation to make these crossings as safe as possible.

Mr. ASHBROOK. If the gentleman will yield further, what do they have there now?

Mr. DODD. There is one bar at one crossing, and the other does not really have anything at all. There has been no accidents there at all, but in order to answer the concerns of some, we have insisted that, of course, every effort be made to make these two crossings as safe as possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. DODD), as modified.

The amendment, as modified, was agreed to.

AMENDMENTS OFFERED BY MR. FLORIO

Mr. FLORIO. Mr. Chairman, I offer amendments and, Mr. Chairman, since one of these amendments goes to title I, I ask unanimous consent that the

amendments be considered as read, printed in the RECORD, and that they may be considered at this time.

The Clerk read as follows:

Amendments offered by Mr. FLORIO: Page 56, line 17, strike out "date of enactment" and insert in lieu thereof "effective date".

Page 73, beginning on line 16, strike out "date of enactment" and insert in lieu thereof "effective date".

Page 86, beginning on line 7, strike out "date of enactment" and insert in lieu thereof "effective date".

Page 98, strike out lines 4 through 6.

Page 102, after line 8, insert the following new title:

TITLE V—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 501. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on October 1, 1979.

(b) The amendments made by section 204 of this Act shall be effective as of the date of enactment of Public Law 95-597.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FLORIO. Mr. Chairman, these are technical amendments to conform the bill to section 402A of the Budget Act. They simply prohibit the expenditure of any funds in the bill before the fiscal year 1980.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey (Mr. FLORIO).

The amendments were agreed to.

The CHAIRMAN. Are there any other amendments to title IV?

Are there any other amendments to the bill?

AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Page 102, after line 8, insert the following new title:

TITLE V—TAX INCENTIVES

CERTIFICATION OF QUALIFIED TRACK

SEC. 501. (a) APPLICATION.—Any rail carrier which makes improvements in railroad track which it owns and which is used by the National Railroad Passenger Corporation pursuant to an agreement entered into under section 402 of the Rail Passenger Service Act may apply to the Secretary of Transportation for certification of such track as qualified track for purposes of section 48 of the Internal Revenue Code of 1954. Any such application shall be submitted in such form and contain such information as the Secretary may by regulation require.

(b) CERTIFICATION.—The Secretary of Transportation, upon application under subsection (a) of this section, shall certify railroad track as qualified track for purposes of section 48 of the Internal Revenue Code of 1954 if the Secretary determines that such track is used by Amtrak or is under contract to be used by Amtrak on a regular schedule.

ADDITIONAL 10-PERCENT CREDIT FOR RAILROAD ENERGY PROPERTY

SEC. 502. (a) ADDITIONAL 10-PERCENT CREDIT FOR RAILROAD ENERGY PROPERTY.—(1) Subparagraph (A) of section 46(a)(2) of the Internal Revenue Code of 1954 (relating to amount of investment tax credit) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof "; and", and by adding at the end thereof the following new clause:

"(iv) in the case of railroad energy property, the railroad energy percentage."

(2) Paragraph (2) of section 46(a) of such Code is amended by adding at the end thereof the following new subparagraphs:

"(F) RAILROAD ENERGY PERCENTAGE.—For purposes of this paragraph, the railroad energy percentage is—

"(i) 10 percent with respect to the period beginning on January 1, 1980, and ending on December 31, 1984, or

"(ii) zero with respect to any other period.

"(G) SPECIAL RULE FOR CERTAIN RAILROAD ENERGY PROPERTY.—For purposes of this paragraph, the regular percentage shall not apply to any railroad energy property which, but for section 48(q)(1), would not be section 38 property.".

(b) DEFINITION OF RAILROAD ENERGY PROPERTY.—Section 48 of such Code (relating to definitions and special rules) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) RAILROAD ENERGY PROPERTY.—For purposes of this subpart—

"(1) TREATMENT AS SECTION 38 PROPERTY.—For the period beginning on January 1, 1980, and ending on December 31, 1984, any railroad energy property shall be treated as meeting the requirements of paragraph (1) of subsection (a).

"(2) RAILROAD ENERGY PROPERTY.—The term 'railroad energy property' means any property—

"(A) which is an improvement resulting from work necessary to provide, construct, reconstruct, erect, alter, protect, improve, replace, or restore qualified track or any roadbed or right-of-way for qualified track.

"(B)(i) the construction, reconstruction, or erection of which is commenced by the taxpayer after December 31, 1979, or

"(ii) which is acquired after December 31, 1979, if the original use of such property commences with the taxpayer and commences after such date, and

"(C) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and which has a useful life (determined at the time such property is placed in service) of 3 years or more.

"(3) QUALIFIED TRACK.—The term 'qualified track' means any track which is certified by the Secretary of Transportation under section 501 of the Amtrak Reorganization Act of 1979.

"(4) WHEN DETERMINATION IS MADE.—The determination of whether any property is placed in service in connection with qualified track shall be made as of the latest of—

"(A)(i) in the case of property acquired by the taxpayer, the date on which the taxpayer entered into a contract to acquire such property if such contract, on such date and at all times thereafter, is binding on the taxpayer; or

"(ii) in the case of property constructed, reconstructed, or erected by the taxpayer, the date on which the physical work on the construction, reconstruction, or erection of such property began, or

"(B) January 1, 1980.".

(c) CREDITS WITH RESPECT TO RAILROAD ENERGY PROPERTY TO BE REFUNDABLE.—(1) Subsection (a) of section 46 of such Code is amended by adding at the end thereof the following new paragraph:

"(11) REFUNDABLE CREDITS FOR RAILROAD ENERGY PROPERTY.—

"(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of so much of the credit allowed by section 38 as is described in subparagraph (B)—

"(i) paragraph (3) shall not apply, and

"(ii) for purposes of this title (other than section 38, this subpart, and chapter 63), such credit shall be treated as if it were allowed by section 39 and not by section 38.

"(B) BOTH REGULAR PERCENTAGE AND RAILROAD ENERGY PERCENTAGE REFUNDABLE.—For purposes of subparagraph (A), the credit allowed by section 38 which is described in this subparagraph is—

"(i) so much of such credit as is attributable to the application of the regular percentage to railroad energy property, and

"(ii) so much of such credit as is attributable to the application of the railroad energy percentage.".

(2) Subsection (d) of section 6401 of such Code (relating to amounts treated as overpayments) is amended by adding at the end thereof the following:

"For rule allowing refund for excess investment credit attributable to railroad energy property, see section 46(a)(11).".

(d) RECAPTURE OF ADDITIONAL CREDIT.—(1) Subsection (a) of section 47 of such Code (relating to certain dispositions, etc., of section 38 property) is amended by redesignated paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) PROPERTY CEASES TO BE RAILROAD ENERGY PROPERTY.—

"(A) IN GENERAL.—If during any taxable year any railroad energy property ceases to be railroad energy property but continues to be section 38 property with respect to the taxpayer, then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from not treating the property, for purposes of determining qualified investment, as railroad energy property (after giving due regard to the period before such change in use). If the application of this paragraph to any property is followed by the application of paragraph (1) to such property, proper adjustment shall be made in applying paragraph (1).

"(B) CESSATION.—For purposes of subparagraph (A), any railroad energy property shall not be treated as ceasing to be railroad energy property with respect to the taxpayer by reason of the fact that the track (with respect to which such property was placed in service) ceases to be, or is not, used for intercity rail passenger service by National Railroad Passenger Corporation.".

(2)(A) Subparagraph (D) of section 47(a)(3) of such Code is amended—

(i) by striking out "paragraph (1)" in the subparagraph heading and inserting in lieu thereof "paragraphs (1) and (5)"; and

(ii) by striking out "paragraph (1), paragraph (1)" in the body and inserting in lieu thereof "paragraphs (1) or (5), as the case may be, such paragraph".

(B) Paragraph (6) of section 47(a) of such Code (as redesignated by paragraph (1)) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (B) of section 47(a)(7) of such Code (as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1979.

Mr. JENKINS (during the reading). Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Georgia (Mr. JENKINS) reserves a point of order on the amendment.

Mr. MADIGAN. Mr. Chairman, I would ask that the gentleman from Georgia (Mr. JENKINS) make the point of order so that we might discuss the point of order and have a ruling on it and, perhaps, we could expedite the procedure in that manner, rather than go through the reading of the amendment and the explanation of the amendment.

The CHAIRMAN. The Chair will advise the gentleman from Illinois (Mr. MADIGAN) that the Clerk has not completed the reading of the amendment.

Mr. MADIGAN. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

POINT OF ORDER

The CHAIRMAN. The gentleman from Georgia (Mr. JENKINS) will state his point of order.

Mr. JENKINS. Mr. Chairman, I make a point of order against this amendment.

The bill that is now under consideration, H.R. 3996, is a bill which restructures the Nation's rail passenger system. The amendment which is being offered by the gentleman from Illinois (Mr. MADIGAN) very expressly amends the Internal Revenue Code. The amendment is clearly an income tax provision. It adds to the Internal Revenue Code, if I understand the amendment correctly, an additional income tax credit for investment in railway energy property.

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The amendment is clearly not germane to the subject matter of the bill before us which revises the Amtrak system. It is plainly inconsistent with the germaneness rule of the House.

I am going to also say, Mr. Chairman, that this new tax credit, which would be provided by the amendment of the gentleman from Illinois (Mr. MADIGAN), is refundable. It would be available despite the taxpayers' lack of tax liability. This is a concept which the jurisdictional committee, the Committee on Ways and Means, should consider and review very carefully before enactment.

The committee has not yet had an opportunity to do so because of the other pressing business of several phases of the President's energy program.

Mr. Chairman, the amendment of the gentleman from Illinois is manifestly not germane to this bill. I most respectfully request a rule on my point of order.

The CHAIRMAN. Does the gentleman from Illinois (Mr. MADIGAN) wish to respond to the point of order?

Mr. MADIGAN. Yes, I would like to speak on the point of order.

The CHAIRMAN. The gentleman is recognized for that purpose.

Mr. MADIGAN. Mr. Chairman, the gentleman from Georgia argues that my amendment is not consistent with the purpose of the bill and, therefore, for that reason not in order. As a matter of fact, my amendment is in order because it is consistent with the fundamental purpose of this bill. It is compatible and closely allied with the method of assisting Amtrak as provided in the bill and it does not become disqualified by the application of a committee jurisdiction test.

FUNDAMENTAL PURPOSE

A basic test of germaneness is that the fundamental purpose of an amendment must be germane to the fundamental purpose of the bill (VIII 2911; Deschler's Procedure 28: 5). In determining this purpose, one must look to the text of the bill as the principal tool in determining purpose. The fundamental purpose of both the bill and the amendment is to provide Amtrak with the ability to provide safe, reliable, and comfortable intercity rail passenger service.

For example, Mr. Chairman, look at section 103 of the bill which sets forth the goals for Amtrak and the goals of this legislation. Let me read section 103 in Part:

The Congress hereby establishes the following goals for Amtrak:

(1) Improvement of on-time performance by at least 50 percent within a three-year period beginning on the date of enactment of this section.

(2) Implementation of schedules which provide a systemwide average speed of at least 60 miles per hour, and which can be adhered to with a degree of reliability and passenger comfort.

(3) Coverage of at least 44 percent of operating expenses, excluding depreciation from revenues by the end of fiscal year 1983 and 50 percent by the end of fiscal year 1985.

(4) Improvement of the feasibility of State-subsidized service and the use of technical assistance panels to coordinate, plan and implement such service.

(5) Encouragement of rail carriers to assist in improving intercity rail passenger service.

(6) General improvement of Amtrak's performance through comprehensive, systematic operational programs and employee incentives.

The fundamental purpose of the bill, then, is to provide Amtrak with financial assistance and the tools necessary to achieve modern, safe, reliable, and comfortable intercity rail passenger service. The purpose of the amendment is to obtain track improvement so that Amtrak can meet the goals of this act. The amendment is consistent to the fundamental purpose of the bill.

CLOSELY ALLIED METHOD

Deschler's Procedure 28:6.1 points out that—

In order to be germane an amendment must not only have the same end as the matter sought to be amended, but must contemplate a method of achieving that end that is closely allied to the method encompassed in the bill or other matter to be sought.

While the purpose to be accomplished by my amendment is through a method not specifically contemplated by the bill in its present form, the result that is desired and the method to achieve that result are compatible and closely allied. The basic method set forth in the bill to strengthen Amtrak and the method set forth in my amendment are similar. In brief, Mr. Chairman, both attempt to improve Amtrak's performance by developing a close working relationship between Amtrak and railroad carriers and by requiring the improvement of railroad track so that Amtrak can provide better service.

While it is also true that a bill containing one individual proposition may not be amended by another individual proposition even though the two belong in the same class, in this instance, we have only one basic proposition—that is a method to provide financial help to Amtrak, either through the bill or through my amendment.

Finally, it could be argued that committee jurisdiction is an obstacle to my amendment being considered. A parliamentary note in Deschler's Procedure (28:4.16) applies to this situation:

The fact that the subject matter of an amendment lies within the jurisdiction of a committee other than that having jurisdiction over the bill does not necessarily dictate the conclusion that the amendment is not germane; for committee jurisdiction is but one of the tests of germaneness and in ruling on the question, the Chair must take into consideration other factors.

In conclusion, Mr. Chairman, I submit that my amendment is in order because it has as its fundamental purpose a purpose which is identical to that contained in the bill; the method proposed in the amendment uses a method of achieving the end result of better Amtrak performance in a way that is closely allied to the other methods used in the bill and, finally, the purpose of the amendment and the purpose of the bill are not only identical but use such closely allied methods that any objection based on committee jurisdiction is clearly outweighed when considering the germaneness of my amendment. I ask the Chair to find the amendment to be germane to H.R. 3996 and its consideration to be in order.

The CHAIRMAN. Does the gentleman from Georgia (Mr. JENKINS) wish to respond?

Mr. JENKINS. Mr. Chairman, I do insist upon my point of order at this time.

The CHAIRMAN. The gentleman insists upon his point of order.

The Chair is prepared to rule.

The Chair agrees with the gentleman from Illinois (Mr. MADIGAN) that there are several tests of germaneness. All of the tests which may be relevant to the particular amendment must be satisfied. The fact is that committee jurisdiction is one of those tests. Since the amendment deals with taxing policy and falls within the jurisdiction of the Committee on Ways and Means, that appears to be a relevant test of germaneness in this instance.

Quoting in support of that ruling is rule XVI, section 798c of the Rules of the House of Representatives, page 497, which states:

Committee jurisdiction is not the sole test of germaneness where the proposition to which the amendment is offered is so comprehensive (overlapping several committees' jurisdictions) as to diminish the pertinency of that test and the amendment as offered does not demonstrably affect a law within another committee's jurisdiction, or where the portion of the bill also contains language, related to the amendment, not within the jurisdiction of the committee reporting the bill—

But the text continues:

But committee jurisdiction is a relevant test where the pending text is entirely within one committee's jurisdiction and where the amendment falls within another committee's purview.

In the opinion of the Chair, the amendment offered by the gentleman

from Illinois does fall within the purview of the jurisdiction of the Committee on Ways and Means.

Therefore, the Chair sustains the point of order.

● Mr. GOLDWATER. Mr. Chairman, a lot will be said this afternoon for passenger trains, and it is undoubtedly true that energy problems strengthen the case for public investment in Amtrak. But it does not win the case, because down the road the case for Amtrak is unwinnable.

We can talk about an "optimal" route structure, or improving Federal/State cost sharing, or reducing the Government subsidy from an appalling level to one that is simply massive. But what this Congress should do is stop putting off the hard decision, and accept the fact that intercity passenger trains have no viable future. It is our responsibility now to respond to the needs of the taxpayers, and quit throwing good money after bad.

When we created Amtrak in 1970, Congress assumed that passenger rail systems had failed because of poor management and decrepit equipment. We presumed that trains would be potentially energy and cost effective. We presumed that trains would be a needed alternative to air, bus, and car transportation. None of these presumptions has proven to be true.

Remember one simple fact: Any service must ultimately succeed or fail on the basis of whether consumers are willing to pay for it.

Consumers have not been willing to pay for it. Two-thirds of the price of every Amtrak ticket is paid for by Federal tax subsidies. If Amtrak's fares were set at levels designed to recover operating costs, it is doubtful Amtrak would be able to even maintain the ridership that it has now. The result? After 8 years, the taxpayers are $45.2 billion poorer, and an effective, efficient, and beneficial passenger rail system has not emerged.

We may hear figures thrown around today about the strides Amtrak is making, particularly recently, and they are probably true. Yes, train ridership is up, increasing from 16 million in 1972 to about 20 million passengers today. But this represents less than one-half of 1 percent of all intercity travel. Of the 835 million travelers who used public transportation for intercity travel last year, only 2.2 percent chose Amtrak. Even if Amtrak riders tripled—which would tax the system to the limit—it would still serve less than one intercity traveler in a hundred.

Yes, revenues have doubled since 1972. But at the same time, operating costs have tripled and deficits have quadrupled, to $2.5 billion.

Yes, passenger trains have the potential to be fuel efficient, but they are only efficient when used—and they are not being used. As it is, trains in intercity travel do not have the fuel efficiency and pollution ratings to justify claims that they will save fuel. According to widely accepted reports from the Department of Transportation, Congressional Budget Office, and General Accounting Office, trains on the average are much less energy efficient than buses, and often as low as cars. If Amtrak disappeared tomorrow, and all its passengers switched to planes or cars, America's oil bill would not increase appreciably.

Do trains supply an alternative means of transport? Sure, but there is not a single town on any Amtrak route that is not served by another kind of transport. Amtrak presently serves 440 towns a day and 20 million passengers at a cost of about $635 million to the taxpayer this year. Buses, by contrast, serve 5,000 towns a day, carry 330 million passengers, and have gross revenues of $1.25 billion per year, with a minimum Federal subsidy.

In short, passengers have been lured away from trains by the convenience of automobiles for short distances, the speed of airlines for long distances, and the low price and flexibility of buses for moderate distances. Occasionally, for some routes and some passengers, trains are a viable option, but not often, and certainly not often enough to justify massive subsidies. Amtrak just does not have a logical corner of the market.

With all the legislative tinkering in the world, there is no prospect of Amtrak ever becoming self-sufficient. The choice we therefore face is whether to keep alive a system serving few people at a prohibitively high cost to the taxpayer, or to finally admit that this experiment cannot succeed.

I say it is time to admit it.●

● Mr. FRENZEL. Mr. Chairman, this is a good Amtrak authorization bill. It takes into account the need to strengthen the system by concentrating on routes where ridership is high and ridership potential is greatest.

The amendment to restore all the current service is a mistake. The Amtrak System has already been weakened by the requirement that it provide service, particularly long-haul service, in areas of low ridership potential.

Amtrak should concentrate its resources where the riders are, and this bill aims us in that direction.

It also should ask its passengers to pay at least one-half of the cost of their ride. This bill also aims us in that direction. Unfortunately, it does take us quickly enough to this latter goal.

The American people realize the value of a good rail transportation system in high-density population corridors or for short distances between population centers. If we cut the waste out, as this bill does, they will surely support our system.●

The CHAIRMAN. Are there other amendments to the bill? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HAMILTON) having assumed the chair, Mr. PANETTA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes, pursuant to House Resolution 350, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 397, nays 18, not voting 19, as follows:

[Roll No. 380]

YEAS—397

Abdnor	Brown, Ohio	Dougherty
Addabbo	Broyhill	Downey
Akaka	Buchanan	Drinan
Albosta	Burgener	Duncan, Oreg.
Alexander	Burlison	Duncan, Tenn.
Ambro	Burton, John	Early
Anderson, Calif.	Burton, Phillip	Eckhardt
Anderson, Ill.	Butler	Edgar
Andrews, N.C.	Byron	Edwards, Ala.
Andrews, N. Dak.	Campbell	Edwards, Calif.
Annunzio	Carney	Edwards, Okla.
Applegate	Carr	Erlenborn
Archer	Carter	Ertel
Ashbrook	Cavanaugh	Evans, Del.
Ashley	Chappell	Evans, Ga.
Aspin	Cheney	Evans, Ind.
Atkinson	Chisholm	Fary
AuCoin	Clausen	Fascell
Badham	Clay	Fazio
Bafalis	Cleveland	Fenwick
Bailey	Clinger	Ferraro
Baldus	Coelho	Findley
Barnard	Coleman	Fisher
Barnes	Collins, Ill.	Fithian
Bauman	Conable	Flippo
Beard, R.I.	Conte	Florio
Beard, Tenn.	Corcoran	Foley
Bedell	Corman	Ford, Mich.
Bellenson	Cotter	Ford, Tenn.
Benjamin	Coughlin	Fountain
Bennett	Courter	Fowler
Bethune	D'Amours	Frenzel
Bevill	Daniel, Dan	Frost
Biaggi	Daniel, R. W.	Fuqua
Bingham	Danielson	Garcia
Blanchard	Dannemeyer	Gaydos
Boggs	Daschle	Gephardt
Boland	Davis, Mich.	Gibbons
Boner	Davis, S.C.	Gilman
Bonior	de la Garza	Gingrich
Bonker	Deckard	Ginn
Bouquard	Dellums	Glickman
Bowen	Derrick	Gonzalez
Brademas	Derwinski	Goodling
Breaux	Dickinson	Gore
Brinkley	Dicks	Gradison
Brodhead	Diggs	Gramm
Brooks	Dingell	Grassley
Broomfield	Dixon	Gray
Brown, Calif.	Dodd	Green
	Donnelly	Grisham
	Dornan	Guarini

Gudger	Markey	Runnels
Guyer	Marks	Russo
Hagedorn	Marlenee	Sabo
Hall, Ohio	Marriott	Santini
Hall, Tex.	Martin	Satterfield
Hamilton	Mathis	Sawyer
Hammer-schmidt	Matsui	Schroeder
Hance	Mattox	Schulze
Hanley	Mavroules	Sebelius
Harkin	Mazzoli	Seiberling
Harris	Mica	Sensenbrenner
Harsha	Michel	Shannon
Hawkins	Mikulski	Sharp
Heckler	Mikva	Shelby
Hefner	Miller, Calif.	Shumway
Heftel	Miller, Ohio	Shuster
Hightower	Mineta	Simon
Hillis	Minish	Skelton
Hinson	Mitchell, Md.	Slack
Holland	Mitchell, N.Y.	Smith, Iowa
Hollenbeck	Moffett	Smith, Nebr.
Holt	Mollohan	Snowe
Holtzman	Montgomery	Solarz
Horton	Moore	Solomon
Howard	Moorhead, Calif.	Spellman
Hubbard	Moorhead, Pa.	Spence
Hughes	Mottl	St Germain
Hutto	Murphy, Ill.	Stack
Hyde	Murphy, N.Y.	Staggers
Ichord	Murphy, Pa.	Stangeland
Ireland	Murtha	Stanton
Jacobs	Myers, Ind.	Stark
Jeffords	Myers, Pa.	Steed
Jenkins	Natcher	Stenholm
Jenrette	Neal	Stokes
Johnson, Calif.	Nedzi	Stratton
Johnson, Colo.	Nelson	Studds
Jones, N.C.	Nichols	Stump
Jones, Okla.	Nolan	Swift
Jones, Tenn.	Nowak	Synar
Kastenmeier	O'Brien	Tauke
Kazen	Oakar	Taylor
Kemp	Oberstar	Thomas
Kildee	Obey	Thompson
Kindness	Ottinger	Traxler
Kogovsek	Panetta	Treen
Kostmayer	Pashayan	Trible
Kramer	Patten	Udall
LaFalce	Patterson	Ullman
Lagomarsino	Pease	Van Deerlin
Latta	Pepper	Vander Jagt
Leach, Iowa	Perkins	Vanik
Leath, Tex.	Petri	Vento
Lederer	Peyser	Volkmer
Lee	Pickle	Walker
Lehman	Preyer	Wampler
Leland	Price	Watkins
Lent	Pritchard	Waxman
Levitas	Pursell	Weaver
Lewis	Quayle	Weiss
Livingston	Quillen	White
Lloyd	Rahall	Whitehurst
Loeffler	Railsback	Whitley
Long, La.	Rangel	Whittaker
Long, Md.	Ratchford	Whitten
Lott	Regula	Williams, Ohio
Lowry	Reuss	Wilson, Bob
Lujan	Rhodes	Wilson, C. H.
Luken	Richmond	Wilson, Tex.
Lundine	Rinaldo	Winn
Lungren	Ritter	Wirth
McClory	Roberts	Wolf
McCloskey	Robinson	Wolpe
McCormack	Rodino	Wyatt
McDade	Roe	Wylie
McEwen	Rose	Yates
McHugh	Rosenthal	Yatron
McKay	Rostenkowski	Young, Fla.
McKinney	Roth	Young, Mo.
Madigan	Roybal	Zablocki
Maguire	Royer	Zeferetti

NAYS—18

Collins, Tex.	Hopkins	Snyder
Crane, Daniel	Kelly	Stockman
Devine	McDonald	Symms
English	Paul	Williams, Mont.
Goldwater	Rousselot	Wydler
Hansen	Rudd	Young, Alaska

NOT VOTING—19

Anthony	Fish	Moakley
Bereuter	Flood	Scheuer
Bolling	Forsythe	Stewart
Conyers	Giaimo	Waigren
Crane, Philip	Huckaby	Wright
Emery	Jeffries	
Erdahl	Leach, La.	

□ 1310

The Clerk announced the following pairs:

Mr. Moakley with Mr. Fish.
Mr. Waigren with Mr. Philip M. Crane.
Mr. Giaimo with Mr. Emery.
Mr. Flood with Mr. Jeffries.
Mr. Wright with Mr. Forsythe.
Mr. Scheuer with Mr. Bereuter.
Mr. Anthony with Mr. Conyers.
Mr. Huckaby with Mr. Leach of Louisiana.
Mr. Conyers with Mr. Erdahl.

Mr. SNYDER and Mr. HOPKINS changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill just considered, H.R. 3996.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION, CROSS REFERENCES AND TO MAKE TECHNICAL AND CONFORMING CHANGES IN ENGROSSMENT OF H.R. 3996

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, H.R. 3996, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 3996.

The SPEAKER, pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GERRY SPIESS SAILS ATLANTIC IN 10-FOOT BOAT, THE "YANKEE GIRL"

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VENTO. Mr. Speaker, I rise today to salute the heroic voyage of my constituent from White Bear, Minn., Gerry Spiess, who just yesterday completed a 54-day solo trip in his homemade 10-foot boat, the *Yankee Girl*, from Virginia Beach to Falmouth, England.

Gerry's courageous voyage has captured the attention of the world press and deservedly so. The *Yankee Girl*, which he labored on for 2½ years in his garage in White Bear, is 2 feet shorter than any other vessel which has sailed across the Atlantic. I would also add that Gerry made this incredibly challenging trip in 12 days less than the previous record holder, Robert Manry, who sailed his boat *The Tinkerbelle* across the Atlantic in 1965.

Gerry Spiess can now lay claim to constructing and sailing the smallest craft ever to cross the North Atlantic. Like all Americans, I was fascinated to learn the details of Gerry's voyage. In his own words, he "did it for the challenge, like mountain climbing or anything else." Based on interviews yesterday, it is obvious that he got what he wanted by experiencing a series of challenges from terrible storms, periods of dense fog, a fall overboard, and piloting through a school of whales that most assuredly would be a formidable obstacle for any vessel, let alone a 10-foot long, 5-foot wide boat.

I think one of the most significant factors about this record-setting voyage is the anonymity Gerry maintained about this adventure on the high seas. He is characterized by his neighbors and friends as a "humble man" not giving way to pretenses or seeking attention. This can certainly be attested to since virtually no one was even aware of his plans until shortly before he left Minnesota with the *Yankee Girl* in tow. Not even his fellow workers or even the local press got wind of the story until after the fact.

I know that the ecstatic Minnesota reaction to Gerry Spiess' incredible feat is shared in total by Americans throughout the country. We Americans have always maintained a love affair with adventure seekers, those who set out to confront seemingly impossible tasks and superhuman challenges.

Gerry Spiess is such a man. His courageous voyage deserves the attention it has received and the accolades that most certainly will follow. Today I am introducing legislation to strike a gold medal in honor of Gerry—a man who did not set out to break any records, but simply planned and executed a trip on the North Atlantic to satisfy his own desires.

Mr. Speaker, I will be introducing legislation to provide for a gold medal for this deed. I think Gerry Speiss epitomizes the quality of adventure of this country and our people. I hope Members will join with me.

Mr. Speaker, I include, as part of my remarks, the Wednesday, July 26, Washington Post and Tuesday, July 24 Washington Star articles which so effectively tell the story of this great accomplishment:

HERO'S WELCOME—SKIPPER OF 10-FOOT BOAT ENDS SOLO OCEAN CROSSING

(By Leonard Downie, Jr.)

LONDON, July 24.—Weekend sailor Gerry Speiss docked today at Falmouth on the Cornish coast of Britain to a hero's welcome after 54 days of solo sailing from Virginia Beach, Va., in his homemade, 10-foot boat, Yankee Girl, the smallest craft ever to cross the North Atlantic.

The modest Minnesotan, who insisted he had not set out to become a hero, was met by his wife and parents. A small navy of reporters and thousands of vacationers rode alongside his craft in scores of boats and lined the picturesque cliffs rising above the harbor from which 18th-century packet boats sailed to the West Indies.

"I did it just for the challenge, like mountain climbing or anything else," said Speiss, a 39-year-old electronics engineer. "But this one I think is intellectual, physical and emotional—designing the boat and planning the trip. I spent two and a half years on it."

Yankee Girl is two feet shorter than the 12-foot Tinkerbelle that American journalist Robert Manry sailed alone across the Atlantic in 1965. Speiss also made his single-handed crossing in 12 days less than Manry's 66.

"I didn't set out to beat a record," Speiss insisted as reporters besieged him from motor launches before Yankee Girl could reach the dock. "I didn't try to beat anyone else's achievements. It was just something I wanted to prove to myself."

But he clearly was proud of Yankee Girl, the turquoise-and-white, egg-shaped boat he designed and built in his garage in White Bear Lake, Minn. Just under 10 feet long and five feet, six inches wide with a 14-foot mast, the 1,800-pound boat with rounded corners and edges is self-righting and self-steering. It also has seat belts, a four-horsepower engine and a tiller inside the cabin for emergencies.

"Yankee Girl is good enough to go around the world," boasted the bespectacled Spiess sporting a voyage's growth of beard he said he would shave off. "But I wouldn't want to be the one to do it. It's too dangerous."

His trip across one ocean was dangerous enough, he said, with several terrible storms, thick fog off the English coast in which he could have been hit by a larger ship, and a mid-Atlantic school of whales he successfully steered through.

Spiess said his closest call came when he fell overboard adjusting a sail after a storm 400 miles out from the Virginia coast. Attached to the boat by a safety line, he struggled in the water for what seemed to be an interminable period before he was apparently pushed back into the boat by a wave. He did not even lose his glasses.

His greatest fear was of being alone without assistance at times like that. "Even a broken rib could be disastrous," he said. "You have nobody to help you."

To cope with the loneliness, he had brought along numerous volumes of Mark Twain, James Herriott and other examples of "light reading," plus cassette tapes of his favorite Minnesota radio programs. He had more than enough water stored aboard the boat and a bomb shelter's supply of canned goods that doubled as ballast.

He said he was able to nap most days and slept well every night until last night, when he was nervous about fog in the crowded shipping lane and excited about landing. He did not know until his wife, Sally, and parents, Louis and Jeannette Spiess came into the harbor in a pilot boat to meet him that they had been waiting anxiously at Falmouth.

"It was fantastic to see him in such great shape," Sally Spiess said later. "He looked extremely fit and well considering the length of time he's been at sea. The adrenalin is pumping and he didn't even seem all that tired.

"He was delighted we had come to meet him," she said. "The waiting was the worst part. I don't think I could have stood another 24 hours of it."

She said her husband had been sailing as a hobby for the 17 years they have been married and had once sailed down the Mississippi River and along the coast of Central and South America.

Spiess's mother said she did not try to discourage him from attempting the voyage. "I knew if anyone could make it, he could," she said. "He has a lot of courage as well as a lot of brain."

Spiess seemed a bit overwhelmed by the enormity of his welcome, which included a civic celebration and press conference, where he answered reporters' questions shyly and quietly while tightly holding his wife's hand. He was now ready, he said, for a hot bath and big steak.

His arrival was front-page and national television news in this historically seafaring nation. The days of Sir Francis Drake, who sailed from nearby ports along the southwest coast of England are recalled with nostalgia and latter-day feats like solo small-craft crossings by Manry and Speiss are greatly celebrated.

London map-maker Francis Chichester was knighted after he first got Britain and the world excited about sole ocean sailing by winning the first trans-Atlantic single-handed yacht race in 1960, setting a solo Atlantic crossing record of 33 days in 1962, and then sailing alone around the world in 1966 and 1967. But his Gipsy Moths III and IV were more than 50 feet long and had been specially built for fast, long-distance ocean sailing.

By comparison, the Yankee Girl looks hardly seaworthy, a dwarf of a boat at which no yachtsmen would have looked twice before today. Tonight it is under lock and key in Falmouth because the harbor master feared it might be stolen by an admirer.

(Contributing to this story was special correspondent Michell Sammons.)

SKIPPER HARDLY MENTIONED PLANS

(By Bill Peterson)

Gerry Spiess, the American who sailed across the Atlantic in a boat not much longer than a ping pong table, is a self-styled adventurer who left home without telling most of his neighbors what he was up to.

"Gerry is a real humble type man," said a friend, Norman Schwietz. "When he left, he only told a handful of close friends. He likes to do things for his own achievement, not for a lot of attention.

Spiess, 39, built his 10-foot sailboat "Yankee Girl" in his garage in White Bear Lake, Minn., a suburb of St. Paul, and quietly launched it from Virginia Beach, Va., 54 days ago. Tacked to a galley wall was a picture of his wife, Sally, and a small prayer which read, "Oh Lord, thy sea is so big and my boat so small."

Neither his former bosses at 3M Co., where he taught service technicians how to repair business machines, nor his hometown newspaper, the White Bear Press, knew he had left.

"It was all very low key. The fellow lives about a block away from me. I knew he was building a boat, but I didn't have the slightest idea he had actually taken off until about a week ago," said White Bear Lake Mayor Brad Stanius, who was frantically trying to organize a welcome home parade and celebration yesterday.

Spiess' friends described him as a soft-spoken "gutsy guy," who looked and acted more like a school teacher than a man willing to brave the dangerous Atlantic seas for weeks at a time. "I've met him at company parties and he always seemed like a very average guy," said Yvonne Johnson, who worked with his wife.

Behind the quiet exterior, however, was an intensely driven adventurer, a man who formerly raced motorcycles and once tried to build a single-engine airplane. His wife, the assistant manager of a computer firm, shared and supported his wanderlust, both financially and emotionally.

"People ask why he does it, and the only answer I have is that it's much like climbing the mountain," she said in an interview with the White Bear Press before she left to meet him in Falmouth, England. "If you ask the question, you can't understand the answer.

"It's a challenge. It's a thrill that a lot of people don't put into their lives anymore."

Spiess has been interested in sailing for more than 20 years. Although he once sailed down the Mississippi River and across the Gulf of Mexico to South America, he was basically a weekend sailor, who didn't even belong to the local yacht club in his hometown.

The Yankee Girl is the smallest sailboat ever to complete the Atlantic crossing in modern times. The fiberglass and wood hull is 10 feet long and is shaped like a wedge of pie. It has a 14-foot mast, a radiotelephone and a 4-horsepower motor. Beneath its deck is a narrow bunk, a small chart table and a tiny galley.

For company on his voyage, Spiess took a collection of Mark Twain books and a series of recordings of old radio programs. For food, he carried canned soup and fruits, along with homemade beef jerky.

His wife's biggest concern during the trip was that he might be run over by a large cargo ship while traveling in shipping lanes.

But she was never really worried that he wouldn't complete the voyage. "I knew the man that built that boat and the years of effort and study that he put into its construction," she said in one interview. "I never considered myself a potential widow."

"The voyage," she added, "has captured the imagination of a lot of people. I think a lot of people picture it as a carefree jaunt and they don't realize how much personal effort went into both the planning and the execution. I don't think it is the feat that's important. The determination to make it happen is really what this is all about."

Spiess began building his boat more than three years ago, and first tested it in White Bear Lake, a body of water that is about two miles wide at its widest point, in the fall of 1977. Friends would come over to watch him work, but by their accounts the boat was entirely his undertaking.

"A lot of people laughed at him. They thought he was crazy," said Schwietz. "But I knew he would make it. He's the type of person who has a calm head about him."

SAILOR TRIUMPHS OVER ATLANTIC

FALMOUTH, ENGLAND.—American yachtsman Gerry Spiess today sailed his 10-foot boat into Falmouth Harbor, completing a 54-day solo crossing of the North Atlantic in the smallest boat ever to complete such a journey.

Spiess, a 39-year-old engineer from White Bear Lake, Minn., arrived at the center of a welcoming flotilla of honking, tooting pleasure boats that had sailed out to escort him the last few miles to the Cornish coast. Thousands of cheering spectators lined the shores to greet Spiess and his tiny homemade sailboat, "Yankee Girl."

Spiess, who left Virginia Beach, Va., June 1, said he survived two weeks of "sheer hell" at the start of voyage during which 20-foot waves pounded the boat. He was once swept overboard, and only his lifeline saved him.

The Yankee Girl is shaped like a wedge of pie and painted green. For company in his cramped quarters, Spiess took along the works of Mark Twain and recordings of his favorite American radio shows.

Spiess covered some 3,500 miles in his tiny boat. The previous record for a completed trans-Atlantic crossing in a small boat was set in July 1966, when boat-builder Bill Verity, of Fort Lauderdale, Fla., crossed to Fenit in southwest Ireland in the 12-foot sailing boat "Nonoalca" in 65 days.

Describing the time he was swept overboard early in the voyage, Spiess said: "I was saved by my lifeline. It held fast. I gave a tremendous pull and managed to haul myself back on board.

"It was a terrible half hour. I knew I had to make it back to the boat. I never had any worries after that. What could have been worse?"

Yankee Girl, less than 6 feet wide, has a 14-foot mast, a radio-telephone and a 4-horse power outboard motor. Most of her 10-foot length is cabin and storage space. There is a narrow bunk, a small chart table and a tiny galley.

"I managed to sleep every night—except last night," Spiess said. "My homemade self-steering gear never let me down.

"Last night, I kept awake. I was in the busy English Channel shipping lanes. I was not going to take a chance on the last leg.

"When I go ashore, I just want a sauna bath and a long sleep. After that, a slap-up meal."

His wife Sally said, "He is living on his adrenalin at present. When he comes ashore and starts to calm down, I think he will fall asleep."

PROVIDING FOR CONSIDERATION OF S. 1030, EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DODD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 384 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 384

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(l)(6) of rule XI and section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. It shall be in order to consider an amendment to said substitute adding a new section providing for judicial recourse by the various States, printed in the Congressional Record of July 24, 1979, by, and if offered by, Representative Bauman, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of S. 1030, it shall be in order in the House to move to take from the Speaker's table said Senate bill with the House amendments thereto, insist on the House amendments and request a conference with the Senate.

□ 1320

The SPEAKER pro tempore. The Chair recognizes the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 384 provides for the consideration of S. 1030, the Emergency Energy Conservation Act of 1979. It provides for an open rule with 1 hour of debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce. It waives clause 2(l)(6) of rule XI, the 3-day layover rule, and section 402(a) of the Budget Act, requiring new budget authority to be reported by May 15 preceding the beginning of the fiscal year against consideration of the bill. It provides for the committee amendment in the nature of a substitute to be considered as an original bill for purposes of amendment and waives clause 5 of rule XXI, appropriations in a legislative bill, against the substitute. Furthermore, the resolution provides that it shall be in order to consider an amendment to the substitute adding a new section providing for judicial recourse by the various States, printed in the CONGRESSIONAL RECORD of July 24, 1979, by and if offered by Representative BAUMAN, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are waived.

The resolution also provides one motion to recommit with or without instructions, and it provides that after passage of S. 1030 it shall be in order to move to take the bill to conference.

Mr. Speaker, S. 1030 grants the President broad authority to impose conservation measures on States that do not meet Federal conservation goals and to take other steps, including gas rationing, to curb energy use in the event of a severe national energy shortage. The President could impose gasoline rationing when he determines a 20 percent shortage exists. The bill eliminates the requirement in current law which requires a rationing plan to be approved by both Houses of Congress. Implementation of the plan is subject to a one-House veto and other requirements of the Energy Policy and Conservation Act. The bill directs the President to establish gasoline and diesel fuel conservation targets and permits the States to develop plans to meet such targets. A standby Federal conservation plan will be implemented if a State fails to submit a plan or submits an inadequate plan as determined by the Department of Energy. The President could also impose any portion of the standby Federal conservation plan, including gas rationing, if he determines there will be at least a 10 percent reduction in available supplies of motor fuels or other petroleum products for any 3-month period.

The President would be required to submit to Congress a progress report on development of a rationing plan within 90 days of enactment of this bill. The bill provides authority for minimum automobile fuel purchase requirements of $7 for eight-cylinder cars and $5 for all other vehicles, excluding motorcycles. S. 1030 also contains a provision which directs the Secretary of Energy to report to Congress within 180 days on the commercial and industrial storage of gasoline and middle distillates, and to report on changes in petroleum stocks since November 1, 1978. The authority under this bill expires September 30, 1982. The President is authorized to include in the Federal conservation plan an automobile sticker system which would restrict driving to 6 days per week. Each automobile would bear a sticker indicating a day of the week during which the car would not be driven. The car owners would make the selections and exemptions would be made by the Secretary of Energy. The President would not be permitted to restrict weekend sales of gasoline unless sales on other days of the week were similarly restricted.

Mr. LATTA. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, I agree with the statements just made by the gentleman from Connecticut (Mr. DODD) concerning this rule. I would like to point out that while there is some problem with the rule, there are many more problems with this bill. The first problem is whether this bill represents a worthwhile effort in the first place. In the supplemental views of the committee report, the gentleman from California (Mr. DANNEMEYER) states his point of view in the following, straightforward manner, and I quote:

> Rationing, therefore, is not the answer; immediate decontrol of both the price and supply of oil and petroleum products is—and the best thing the House could do with S. 1030 would be to strike out all but the enacting clause and substitute for it the provisions of H.R. 4693. Anything less is at best a distraction and at worst a step in the wrong direction.

However, even if we overlook the first problem, that is, whether this bill is worth considering in the first place, there are other problems with the bill itself. For example, with regard to gasoline rationing, section 2 of this bill amends the National Energy Conservation Policy Act to remove congressional review and approval procedures over the substance of the rationing plan yet to be developed by the President. In effect, Mr. Speaker, this bill approves a plan sight unseen in advance. The President would have the authority to implement rationing if he determines that a 20-percent supply interruption of petroleum products exists, or is likely to exist, for longer than 30 days and if the Congress does not veto such implementation within 15 days after the President's determination.

Let me say to the Members that this 15-day implementation period of a veto does not mean too much if the committee chairman having jurisdiction of the committee does not want to report out a bill. Then we are faced with discharging the committee from further consideration of the matter. So, let us not be fooled by this provision in this bill providing for a veto within 15 days.

Mr. HOPKINS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Kentucky.

Mr. HOPKINS. I thank the gentleman for yielding. On that point of the 15 days, what if that 15-day period occurs during a recess of Congress?

Mr. LATTA. That is a very good question. I think it ought to be asked of the committee having jurisdiction of this piece of legislation when it is being considered in the Committee of the Whole.

Mr. HOPKINS. If the gentleman would yield further, would someone of the committee care to answer that question?

Mr. DODD. If the gentleman from Ohio (Mr. LATTA) will yield, will the gentleman from Kentucky (Mr. HOPKINS) repeat his question, please?

Mr. HOPKINS. Will the gentleman from Ohio further yield?

Mr. LATTA. I yield to the gentleman from Kentucky.

Mr. HOPKINS. The gentleman was talking about a 15-day period in which a one-House veto might apply. My question is, what if that 15-day period occurred during a recess of Congress?

Mr. DODD. If the gentleman from Ohio would yield further, as I understand it, that would apply when the House was in session. That is my understanding. I would suggest that the gentleman reserve that question, however, for the manager of the legislation once we are into consideration of the bill. I am not prepared to address the specific questions that will be raised as to the substantive nature of the legislation. That is my understanding, but I would suggest that that question be raised at another time.

Mr. HOPKINS. I thank the gentleman.

I thank the gentleman from Ohio for yielding.

□ 1330

Mr. LATTA. Mr. Speaker, another major problem area in this bill is in section 3 dealing with State and Federal conservation plans. Unlike the rationing section these plans are not an immediate threat or need not be an immediate threat.

Under section 3 the amount and purpose of all energy consumed in the United States could come under Government control. The powers delegated to the President and to the Governors could hardly be broader. There are a few restraints on their authority but, more importantly, both the Congress and the State legislatures are expressly precluded, and I emphasize that word "precluded," from reviewing or modifying the Federal and State conservation measures.

Mr. Speaker, without considering the cost of developing a rationing plan—although the cost of developing a rationing plan is small, the cost of actually implementing such a plan will be great.

An accurate estimate of the cost of implementing a Federal plan is not possible until a plan is developed. However, Members should be aware that while the third budget resolution for 1979 includes small amounts necessary to develop a plan, there are no funds for the implementation of the rationing program in the third resolution of fiscal year 1979 or the first resolution of fiscal year 1980.

Mr. Speaker, there seems to be a feeling on the part of some that the House must do something, now, whether it is right or wrong. By rushing into something without fully considering the consequences we may end up with Government again making the situation worse.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Ohio for yielding. Those of us who have the honor to serve on the Committee on Rules sometimes have an advantage that other Members do not, particularly when legislation is quickly reported out of a committee and it is available to the House for only a short time before floor consideration. That is the case with this bill.

The report was filed but a day or so ago on S. 1030 and, in fact, this rule waives the 3-day rule which requires that a report and bill in its reported form be available to the House for at least 3 days so that Members may familiarize themselves with the contents.

I draw the attention of my colleagues to the contents of this legislation because for those of you who voted against the rationing plan 2 months ago on this very floor, you might want to read very closely the provisions of this legislation and the way it affects your constituents and, indeed, all of the citizens in the United States as it pertains to gasoline rationing. Equally as important, examine this bill as it pertains to the conservation limitations to be imposed on every form of energy in this country. This is the most sweeping grant of power given to any President of the United States in peacetime possibly in the history of the United States. It could, in fact, radically alter, depending upon the whims of the President in power, the lives of every one of the people that you represent.

The gentleman from Ohio referred to the unfortunate psychology that is being drummed up in the media and elsewhere to act, to do something, to pass something, to put forth some legislative effort to apparently satisfy the simple-minded goal of saying that we passed a law dealing with the energy emergency. In proposing this bill its proponents are ignoring the fact that we have a great many available energy resources in this country now restricted by the Federal Government. The basic premise of this legislation before us is that the Government that has literally screwed up our national energy situation for years will now be given a blank check to screw it up further. Mr. Speaker, I use that phrase advisedly because I think it has taken on a meaning in the popular vernacular and I think that the average American understands that.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I thank my good friend from Maryland.

If we want to see a good example of screwing up the energy package just read the Washington Post this morning about my small town of Skagway and the EPA office. A town of 800 people, now each council member who serves voluntarily or for $80 a month is being fined $10,000 a day and being threatened to be put in jail because of the fact that the EPA-built sewage plant they designed does not work and they are spending 46,000 gallons of fuel beyond what was expected to run a plant. I am trying to get an exemption from that. This gives an example of Federal bureaucracy and waste of fuel. The reason they cannot use coal is because we have the Clean Air Act.

I thank the gentleman for yielding. I agree with the gentleman in his interpretation of the legislation.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LATTA. I yield 2 additional minutes to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I think the gentleman from Alaska is quite correct. The gentleman comes from a State already under the heel of the Federal Government in many respects but if the Alaska lands bill and other Federal legislation that applies to that State is compared to the sweeping grant of powers in this legislation even it looks rather puny by comparison.

I again urge the Members to familiarize themselves with not only the minority views but the majority report which is unabashed in its advocacy in this unlimited power for the executive branch.

I would also point out that the powers granted in the legislation, despite the fact the phrase is used quite often that the President will administer the powers, will, in fact, be administered by the Department of Energy, an enterprise created by this Congress without the vote of the gentleman from Maryland some 2 years ago which has drawn almost unanimous condemnation for its energy policies.

I am saying the implications of this bill are very dangerous for limitations on the freedoms of the United States and its citizens.

I also suggest that you read the report and the summaries available to us before voting on the amendments because many of the amendments to be offered will seek to increase the Presidential powers even beyond what this bill allows.

Last, I would call your attention to the fact that the bill when it passed the other body allowed the States who will be subjected to Federal control if they do not produce energy-saving plans to the liking of DOE under this legislation, the right to appeal to the courts. They will have to knuckle under to Federal edicts.

I will offer an amendment made in order by the Committee on Rules that will at least preserve the right of States, their attorneys general and their Governors to appeal to the courts if, indeed, they are treated unfairly by the Federal Government under these powers granted in this legislation.

It is your future; it is the future of your constituents; it is this Nation's future at stake in this legislation. Except in a declaration of war I have rarely seen this broad grant handed any President of the United States.

Mr. DODD. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. I would ask the gentleman from Maryland what would he do if right now a handful of people could tomorrow destroy the Saudi Arabi pipeline, plunging the entire Western World

into depression unless we are prepared to act?

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WEAVER. I certainly do.

Mr. BAUMAN. Well, a handful of people at the Department of Energy have already destroyed the energy distribution system of this country and to remedy that I would immediately remove the control and allocation laws from the books and you would solve a great deal of the shortage problems.

Mr. WEAVER. Those are words, words, words.

Mr. BAUMAN. What is the gentleman seeking? The gentleman asked me a question and has received one of the best answers he will ever get.

Mr. WEAVER. We need something done. We must conserve and stop using so much energy in this Nation today.

Mr. DODD. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

I would direct a question to the gentleman from Maryland. I believe the gentleman's statement was that except for the time of war no President was granted this type of broad, sweeping authority?

Mr. BAUMAN. Very rarely in our history has any President made claim to such immense authority. I am not referring to the incumbent but whoever might be in office if this becomes law.

Mr. JOHN L. BURTON. Have we not been told this is the moral equivalent of war?

Mr. BAUMAN. The acronym of which is "MEOW," as has been frequently observed.

Mr. JOHN L. BURTON. Well, if MEOW occurs should we not at least have the moral equivalent of authority that he would have during war if, in fact, this situation were the moral equivalent of war?

Mr. BAUMAN. Well, I still understand the Constitution to require that Congress must declare war. I do not think that on the facts available we ought to allow this kind of war power without better substantiation of the need.

Mr. JOHN L. BURTON. I think the gentleman would have to agree with me there is nothing in the Constitution that says Congress has to declare the moral equivalency of war. Only war itself.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DODD. Mr. Speaker, I yield 30 additional seconds to the gentleman from California.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield further?

Mr. JOHN L. BURTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I think we have collectively a great deal of talent and judgment in both bodies of the Congress but I am not sure we are equipped, based on recent history, to make moral judgments on such broad matters although we quite often suggest that morality is part of our judgment.

Mr. JOHN L. BURTON. I thank the gentleman.

I thank the gentleman for yielding.

I yield back the balance of my time.

□ 1340

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, what I say may seem in poor taste in view of what the President has asked us for in the way of authority; but in my view the Congress should not grant the President the authority to ration gasoline. In my view no grave national emergency requires the President to have that power and no emergency of that scope can be foreseen. In fact, quite recently the head of the Department of Energy pledged that there will be no more gasoline lines this year or in 1980. Gas supplies may continue to be somewhat tight. But it was only 18 months ago that the world was literally awash with gasoline, every available storage capacity was brim full.

Now, it may well be that we will fall on bad times, but this will occur, in my judgment, only if Government itself makes unwise decisions by imposing severe limits on imports.

I do not believe the American people will tolerate their President consciously lowering their standard of living. Abundant oil supplies have enabled the people of the United States to achieve the highest standard of living in all history. Take the automobile, for example. I make no apology for the fact that the American people own a lot of automobiles and use these cars. The car provides us with a degree of personal freedom and mobility never dreamed of by our ancestors and unparalleled in history. Automobiles open to everyone parks, historic sites, and recreational opportunities from coast to coast. An industry of restaurants, motels, and amusement centers provide millions of American citizens with jobs. Our lives are greatly enriched because the average American has a means of individual, personal transportation.

I submit that most citizens regard a car as an extension of personal freedom so valuable that they are willing to make almost any sacrifice to own and operate an automobile.

Now, in his address to the Nation, President Carter noted that "for the first time in the history of our country a majority of our people believe that the next 5 years will be worse than the past 5 years." He went on to cite the unwillingness of people to save for the future, their failure to vote, growing disrespect for government, churches, and schools.

Yet, at no point did our President state that he believes that the next 5 years can actually be better than the last 5 years. Instead, he told the American people that they "must face the truth" and "stop crying and start sweating."

Astonishingly, the President seems resigned to the prospect that the next 5 years, indeed, will be worse than the last 5, and since energy is so important as a determinant of our standard of living, apparently President Carter has resigned himself and the Nation to a significant reduction in the quality of the lives of the American people. That was the President's message to us, and in my view that is his true failure of leadership. No matter how you define resignation, President Carter is practicing the politics of resignation, not the politics of hope.

For my part, I reject the politics of resignation, the economics of scarcity that he seems to have embraced. I am convinced that with wise and resolute leadership, the next 5 years can, and will, be better than the last 5 years. I think we should all work toward that end.

One way to start is by rejecting this bill.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong opposition to the bill. We have heard from the President and some of the leaders in Congress that rationing is the solution to our energy problems. Anybody that thinks that rationing will solve the energy crisis of this country is very shortsighted. Any time you solve something by rationing, be it food or energy or clothing, all you are doing is delaying the inevitable.

The way to solve this problem is through production. The former gentleman speaking in the well talked about lowering our standard of living because we are going to put a limit on imports. I happen to agree that the President is right on that; but he is not right on rationing. Where he is wrong is on his program, and this Congress is wrong on this program, is on production. The producing of our oils which are in the ground today, the incentives to do so, the building of dams and of refineries that can handle the high sulfur crude from the great State of Alaska, none of these things have happened in 15 years.

So this body thinks, and the gentleman from Oregon mentioned the fact that if there was a shutdown by the OPEC nations there would be a great recession in the United States, we cannot afford to send the dollars abroad that we are sending right now. That is why we have a 14-percent inflation rate and we will go to approximately 17 percent under the President's program.

The solution, my good friends, and the President still does not see this, is production of energy, the drilling of holes in the ground and finding our oil, the opening of our mines and putting our great coal resources on line, the building of dams, the consideration and the building of nuclear power which must be considered, and we are not doing this. We will have people stand on this floor today and say we have passed a gas rationing program, do not worry about it, it is not going to cost you any more money, and there will be gas at the station, and you know that is not true.

I say vote down this turkey of a bill and let us get on with the production of energy for this great Nation.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I take this time merely to try to explain what is in this bill. I know that may seem a little radical in view of the haste with which the bill came out of the Committee on Rules; but I do it for precisely that reason. I think I might as well use the time of the Rules Committee as the time that we have to debate the principles involved in the bill.

First, I would say to my colleagues who are here on the floor that they ought to know that this bill is not S. 1030 as it passed the Senate. This bill is a complete revision of S. 1030, which by comparison was a very moderate bill that had a lot of safety factors in it that protected the Congress against the implications of this bill. This bill actually contains two separate types of authority to the President.

First, it is a rationing bill and that is what the news broadcasters today have said we will be considering. It is a bill to allow the President to establish any method he wishes to ration fuel products, that is gasoline and diesel, to the users of those products with no congressional approval or even input necessary.

Now, he may elect to use the plan that the Congress voted down 2 months ago and there will be nothing that we can do about it, because the only vote we have is a one-house veto over the time he puts this rationing plan into effect.

We cannot modify the plan or refuse the plan.

He can pick any other rationing scheme, no matter how unworkable, that he might wish, because there is no way that we get our input into that. Under this bill, we relinquish the congressional review procedures we carefully set forth when we passed EPCA in 1975.

Now, when he imposes a gasoline rationing plan that does not serve the district from which you come, you will, of course, be free to criticize the President; but if you vote for this bill, you ought to know that you will be voting to give the President carte blanche to do anything he wishes with references to gasoline rationing.

□ 1350

The second part of the bill, section 3 of S. 1030 as reported, is even more of an open-ended authority for the President. That is the conservation part where the President sets targets for energy saving for each State and for the Nation generally. This section 3 is a more immediate threat than the rationing authority under section 2.

Now, the target does not have to have any relationship to an energy shortage. The President can set a 1-percent saving or he can set a 60-percent saving if he so wishes. So in effect the President sets the target, and then he asks the various State governments—the Governor only, not the legislature—to come up with methods by which we achieve this national savings target that he has set. In the Senate-passed version, these targets had to correspond to the level of shortage being experienced; this guideline is absent from the House version.

Now, in a State it is possible that the State legislature voted against Sunday closing laws, blue laws, but the Governor can propose a plan that has mandatory Sunday closings for everybody in the State—industries, retail establishments, entertainment facilities, anything he wishes—and the plan then comes in to DOE, where clearly not the Secretary of Energy but some GS-13 will determine whether or not that plan meets the Federal guidelines, and they approve it. The State legislature can be completely sidestepped. If they disapprove it at DOE, then the President can turn around and, for that State, order that they implement the Federal plan that he has determined as the way we ought to save the fuel.

Mr. Speaker, that Federal plan could provide, since the authority is limitless, that every business in the State close on Saturday, which would mean that newspapers would not be able to publish on Saturday, that industries would not be able to operate on Saturday, and that foodstores, drugstores, ice cream stores, and doctors' offices would not be open on Saturdays, as a means of saving fuel.

Now, if there were closings on Sunday, in my hometown that would not be a problem, but in the city of Cleveland it would be a problem because a lot of working people shop there on Sunday, as they do in other metropolitan centers like Washington.

So we have the opportunity for the President to set up any kind of a conservation plan he wishes if we vote for this bill, and we have no recourse. We have no recourse on when he puts it into effect, no recourse on what that conservation plan contains, and no recourse as to how much fuel is to be saved by the conservation plan. The State legislature would have no recourse. We are in fact imposing total confidence in the President of the United States, James Earl Carter, to make the determination for the people of our communities. I think that is entirely excessive.

Mr. Speaker, we hope that we will have the opportunity to strike at least the conservation target part, section 3, from the bill. We will give the Members a chance to decide whether we should make up our minds or whether the President should make up our minds for us. If we pass this bill unamended, we will be granting a great deal of legislative authority to the President over ourselves in the Congress, and over our colleagues in every State legislature in this country.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. Mr. Speaker, I just take this opportunity not to speak on the rule per se or even the rationing plan contained in this bill.

POINT OF ORDER

Mr. RUSSO. I have a point of order, Mr. Speaker.

The SPEAKER pro tempore (Mr. HAMILTON). The gentleman will state his point of order.

Mr. RUSSO. Mr. Speaker, we are debating House Resolution 384, which discusses the question of whether or not we are going to grant a rule to take up the gas rationing plan. So far every speaker who has gone to the well has discussed the merits not of the resolution but of the plan we are bringing up.

As I understand it, the Committee on Rules has allowed 1 hour of general debate. It would seem to me that we are wasting a lot of energy in the House of Representatives right now by discussing matters which ought to be considered under general debate. If there is a problem with the open rule, we ought to be discussing the open rule.

I think this is a problem we have in the Congress here. We keep discussing general debate matters under the rule procedure, and I would make a point of order that the speakers who take the well address themselves strictly to the rule and not debate the merits of the legislation, since we have permitted them time under the rule and they have time also during the 5-minute rule.

I make the point of order, Mr. Speaker.

The SPEAKER pro tempore (Mr. HAMILTON). The Chair will advise the gentleman from Illinois (Mr. RUSSO) that under the rules of the House a discussion of the merits of the bill is permitted within limits at the time Members are discussing the rule because the rule involves the question of whether or not the bill should be considered under the terms of the rule, if at all.

So the point of order of the gentleman from Illinois (Mr. RUSSO) is overruled.

Mr. RUSSO. I thank the Chair.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. STOCKMAN) is recognized for 5 minutes.

Mr. STOCKMAN. Mr. Speaker, I might say that one of the reasons we are taking this opportunity to debate the merits and the substance—and if the gentleman from Illinois will listen to this, I think it would be helpful—is that we have before us a bill which grants literally unprecedented power to regulate business activity, commerce, and the individual consumers in this country with regard to any energy product, and we have just 1 hour to debate it.

I would say further that this bill was gaveled through the committee without even a superficial consideration of what was involved in the conservation parts of the bill, and it seems to me that in light of the vast powers that are being delegated, the least we can do is to take advantage of every opportunity we have here today to alert the House to what really lurks in this bill.

As I began to indicate, I do not take issue at this moment in time with the rationing part of the bill. I think rationing under any circumstances in peacetime in this country is going to be an unmitigated disaster. But I will say that at least we have put a trigger into this bill of 20 percent that would thereby guarantee that if we were to embark on this course, it would only come under the most extreme conditions of international catastrophe.

What I think the House needs to understand about this legislation is that the rationing part that has had all the attention and all the visibility is merely the tip of the iceberg. What lurks below

in the deep waters of statutory language in this bill is an unprecedented grant of power to the Department of Energy to do two things which in my view are very dangerous: No. 1, it would permit a GS-15 in DOE to simply set aside or to preempt the powers of the State legislatures in each of the 50 States in this country.

If a Governor attempted to get through a State legislature various kinds of emergency conservation plans such as weekend closings, as the gentleman from Ohio (Mr. BROWN) mentioned, such as shutting down shopping centers every other day, and such as shutting down even major thoroughfares into the city in order to reduce traffic and gasoline consumption, and if all of those had been turn down under the due process of the State constitution and the State legislature, that Governor nevertheless could come to DOE with a plan to do all those things and have a GS-15 stamp his approval on it and implement those draconian powers with full force of Federal law in the State involved.

It seems to me that is a very dangerous thing to do.

Beyond that, we have created here a system of State targets for every fuel we use in our economy—gasoline and other types of motor fuels, heating oil, residual oil, electricity, and even natural gas if the Department of Energy wanted to do that. They would establish targets for all of those fuels for the 50 States that would change every month, and by the time they got this machinery in motion we would have hundreds of targets that people all around the country would be scrambling in the State offices and in DOE to try to achieve.

One of the problems with that is that we do not have any current consumption data on a month-to-month basis to tell us how much gasoline is being used in Michigan or New York or how much actual heating oil is being consumed in Pennsylvania or Ohio. As a result, we would be implementing targets and we would be threatening the States with Federal preemption on the basis of performance, although we do not even have the data to make the determination.

So what we would have would be a Rube Goldberg type of contraption that would be guaranteed not to work and that would stimulate and foster endless controversy and bureaucratic haggling between the State and Federal levels and increase litigation probably, and it certainly would not do much to conserve energy.

Mr. Speaker, I think we ought to remember that the thing that prompted this bill is the fact that for 2 months we had some gasoline lines in about 12 or 15 areas of this country, and instead of having the committee of jurisdiction, the Subcommittee on Energy and Power, sit down and examine that problem and ask what was the cause of it—because if we had, they would have discovered that this Government itself was the cause, that the allocation program is what created the lines here in Washington, D.C. and in other eastern cities—instead of doing that and taking remedial steps to change that disastrous allocation system, what we did was to pass along another whole new program, another new layer of power to try to correct a problem that was created by legislation passed 5 years ago.

Mr. Speaker, I think this legislation is typical of the mindless process of legislating for its own sake that we have done without ceasing for the last 5 years. I hope it is rejected by the House.

Mr. LATTA. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I wish to commend the gentleman from Michigan (Mr. STOCKMAN) for his statement and for pointing out that there is a need for the Members of the House and for this Nation to become familiar with this legislation.

It has already been pointed out that this rule we are now considering waives the 3-day rule. I was surprised that an objection would be made by a Member to even discussing the contents of this legislation while we are discussing the rule.

□ 1400

I think that this is such an important measure that the American people are entitled to know what we are doing here.

Let me say that I think one of the most disastrous plans that could come into being under this legislation is the one involving the sticker plan. For example, in my district we do not have any subsidized mass transportation. People have to drive 25, 30, 40 miles a day to work one way. Should the administration come along and say, "We are going to implement the sticker plan and that you can lay up your automobile for 1 day a week." If it happens to fall on a workday, how are these people going to get to work? I just wonder if they even considered this when they were talking about this plan. Then I have to ask: Whatever happened to the odd-even plan that they put into effect in California that seems to be working without interference from the Federal bureaucracy? It has been put in place in Maryland and in other places around the country, and it seems to be working. So if we have any kind of problem, why not implement the odd-even plan throughout the 50 States if it should be needed? Why all of this red-tape? Why give all of this authority to the President of the United States and, particularly, to the Department of Energy? I ask that question, and I think the Members of this House ought to consider this before they rush into a plan delegating all of this authority to the President and, yes, to the Department of Energy.

Mr. DODD. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BADHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 326, nays 85, not voting 23, as follows:

[Roll No. 381]

YEAS—326

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikva
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
Spence
Stack
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer

Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—85

Andrews, N. Dak.
Archer
Ashbrook
Badham
Bauman
Broomfield
Brown, Ohio
Broyhill
Burgener
Campbell
Cheney
Cleveland
Clinger
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Daniel, R. W.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Edwards, Okla.
Findley
Gingrich
Goldwater
Gradison
Grassley
Green
Guyer
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Hubbard
Hyde
Ichord
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lungren
McDonald
McEwen
Marlenee
Martin
Moore
Moorhead, Calif.
O'Brien
Paul
Quayle
Rousselot
Rudd
Sawyer
Sensenbrenner
Shuster
Snyder
Solomon
St Germain
Stangeland
Stenholm
Stockman
Stump
Symms
Taylor
Thomas
Walker
Whitehurst
Young, Alaska

NOT VOTING—23

Anthony
Bolling
Buchanan
Conyers
Dodd
Duncan, Oreg.
Duncan, Tenn.
Emery
Fish
Flood
Ford, Mich.
Forsythe
Leach, La.
McCormack
Rahall
Rose
Staggers
Treen
Vander Jagt
Walgren
Wilson, Bob
Wilson, C. H.
Wright

□ 1410

The Clerk announced the following pairs:

Mr. McCormack with Mr. Treen.
Mr. Walgren with Mr. Fish.
Mr. Anthony with Mr. Buchanan.
Mr. Duncan of Oregon with Mr. Conyers.
Mr. Flood with Mr. Dodd.
Mr. Ford of Michigan with Mr. Duncan of Tennessee.
Mr. Rahall with Mr. Emery.
Mr. Staggers with Mr. Forsythe.
Mr. Rose with Mr. Leach of Louisiana.
Mr. Wright with Mr. Vander Jagt.
Mr. Charles H. Wilson of California with Mr. Bob Wilson.

Mr. GUARINI changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 4057, FOOD STAMP ACT AMENDMENT OF 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, with Senate amendments thereto, disagree with the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, can the chairman of the committee tell us, are the provisions, whatever they are for the food stamps, in this conference?

Mr. FOLEY. They are in the conference amendments added by the Senate provisions for certain increases in benefit levels for the aged, blind, and disabled similar to those included in the House bill. There is a removal of the spending cap for fiscal 1981 and 1980 as well as 1979 in the Senate amendments that we are disagreeing to.

There are provisions dealing with the use of social security numbers as methods of investigation or concurrence. There is authority for States to make additional verification requirements over the Federal level. There were amendments added by the gentleman from North Carolina (Senator HELMS).

□ 1420

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is the gentleman going to try to hold to the House position regarding authorization for fiscal year 1980 and 1981, because it is our understanding no hearings have been held by the House Committee on Agriculture on authorization for food stamp appropriations for the fiscal year 1980 and 1981?

Mr. FOLEY. It would be my intention, and I believe that of the conferees, the House conferees.

Mr. ROUSSELOT. If the House conferees are not successful, will the gentleman then be opposed to the conference report?

Mr. FOLEY. I do not anticipate we will not be successful.

Mr. ROUSSELOT. Mr. Speaker, I am pleased to hear of the gentleman's resolve to uphold the House position. I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there obection to the request of the gentleman from Washington? The Chair hears none and, without objection, appoints the following conferees: Messrs. FOLEY, DE LA GARZA, JONES of Tennessee, MATHIS, RICHMOND, PANETTA, NOLAN, GLICKMAN, AKAKA, HARKIN, WAMPLER, SYMMS, Mrs. HECKLER, Messrs. GRASSLEY, and KELLY.

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may be permitted to sit tomorrow, July and 1981?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman tell us when we have all of this other important legislation why the committee has to sit?

Mr. ROBERTS. It is the only way that we can get out the water resources bill and bring it to the floor next week.

Mr. ROUSSELOT. That is all the gentleman will take up, water resources?

Mr. ROBERTS. That is correct, as far as I am concerned.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 1030, with Mr. FASCELL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Michigan (Mr. DINGELL) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. BROWN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, our Nation's recent experience with shortages of gasoline and diesel fuel show the need for establishing a standby motor fuel rationing program and, most importantly, taking more effective steps to achieve energy conservation on an emergency basis. As a result of the shortage, the public began to conserve. Speed limits have been observed. There has been greater use of public transportation and carpools. More careful attention has been paid to driving and eliminating unnecessary trips. But more needs to be done. Also, there is some evidence that we are returning to our old ways. We must avoid such a retreat in light of projections of future problems, particularly in the case of heating oil.

This bill provides a procedure for conserving, not only by individuals, but by industry and businesses and the public sector. The President would set emergency conservation targets for gasoline and diesel fuel for the States and the Nation. I want to stress the word "emergency." This is an emergency bill. The targets are good for 1 year only. After that the President must make new findings that the emergency continues.

The President can also set such targets for other energy sources. Once targets are established, the States would develop conservation plans to meet the targets. I stress that the bill places the duty on the States to insure conservation,

as recently urged by the National Governors' Association.

The State plan must provide for an emergency reduction in the public and private use of motor fuel or other energy sources to meet the targets. The plan can achieve these targets through voluntary programs or through mandatory measures authorized by State law. The committee report stresses that the plan be compatible with other State plans.

As the Senate has observed, and the National Governors' Association testified some 19 States lack emergency powers to implement such measures. Thus, a Governor may seek a delegation from the Federal Government of measures to implement and enforce the State plan, but only if the State's chief legal officer finds that—

Absent such a delegation of authority under Federal law, the Governor lacks authority under State law to invoke such measures; and

State law does not prevent the Governor from administering and enforcing the delegation.

The bill provides for Federal plans to be used only if—

The State plan, after a period of at least 90 days, fails to meet the target substantially; or

The State fails to have a plan filed or approved after a period of at least 180 days after the target is set.

In addition, the President must determine that for a 3-month period in the future, a severe energy supply interruption exists that is likely to be equal to, or greater than, a 10-percent reduction in total available supply of motor fuel or other petroleum products as compared to a prior 3-month period. Thus, Federal implementation is not easy.

One such Federal plan that is mentioned in the bill as an option is a standby sticker system. It is not necessary that it be specifically mentioned because the bill authorizes it anyway, but it has received a great deal of attention as an effective conservation measure. Under the plan, a car owner chooses the day each week such owner would not drive that car. The bill does not specify whether or not the day must be the same for all vehicles owned by that person. Provision would be made for exemptions. Many agree that this system is an important option because it will save gasoline.

Finally, S. 1030 amends the Energy Policy and Conservation Act to require that the President prepare a new standby motor fuel rationing plan, including all necessary preimplementing regulations and other steps necessary for implementation. By motor fuel, I mean gasoline and diesel fuel. Such a plan would provide that end-user coupons be distributed on a basis that results in the degree of shortfall involved being equally shared among the various States, taking into consideration the latest available data. This data requirement insures that growth within a State, as well as actual conservation savings, will be considered. It also provides that such coupons shall, to the maximum extent practicable, be available to each end-user on a basis which takes into account the needs of end-users. Adequate coupons are to be available for priority users, such as agriculture and trucking. The compieted plan must be submitted to Congress at least 30 days before any effort is made to implement it.

The rationing plan will be subject to a one-House veto under the EPCA procedures requiring that a disapproval resolution reach the floor. The amendment provides that a severe energy supply interruption means a national energy supply shortage which has resulted, or is likely to result, in a daily shortfall in this country of petroleum product supplies, including crude, for at least 30 days, of an amount equal to at least 20 percent of the daily petroleum product supplies available for the past year.

Provision is made for a 90-day progress report, including data on coupon distribution on the basis of need, on the use of local boards as provided in EPCA.

Section 1 of the bill as reported (H. Rept. 96-373) is the short title of the Act, the "Emergency Energy Conservation Act of 1979."

Section 2 amends the Energy Policy and Conservation Act to require that the President prepare a new standby motor fuel rationing plan, including all necessary preimplementing regulations and other steps necessary for implementation. Such a plan shall provide that end-user coupons shall be distributed on a basis that results in the degree of shortfall involved being equally shared among the various States. It also provides that such coupons shall, to the maximum extent practicable, be available to each end-user on a basis which takes into account the needs of end-users. Adequate coupons are to be available for priority users.

The rationing plan will be subject to a one-House veto under the EPCA procedures requiring that a disapproval resolution reach the floor. The amendment provides that a severe energy supply interruption means a national energy supply shortage which has resulted, or is likely to result, in a daily shortfall in this country of petroleum product supplies, including crude, for at least 30 days of an amount equal to at least 20 percent of the daily petroleum product supplies available for the past year.

Provision is made for a 90-day progress report, including data on coupon distribution on the basis of need, on the use of local boards as provided in EPCA, and on the use of licensed drivers as the method of distribution of coupons.

Section 3 establishes a new emergency energy conservation program as part of title VI of NECPA.

Section 631 contains findings and purposes. Section 632 defines terms used in the bill.

Section 633 establishes a minimum purchase program for gasoline to reduce tank topping. A $5 minimum is established for all autos except eight-cylinder autos, which would be subject to a $7 minimum. The amounts could be raised. The provision could be implemented in a State upon request by the Governor or nationally upon a finding by the President.

Section 634 requires the President to set conservation targets for the States for gasoline and diesel fuels. He may also set targets for other fuels if he makes a finding that they are necessary because of an energy supply interruption or international energy program commitments. All targets must be reviewed within 1 year of their promulgation, and the President must make a new finding if a target is continued for more than 1 year. The targets are based upon a uniform base period, and each State would be required to develop a plan to reduce consumption by a uniform percentage.

Section 635 requires the Governors to develop plans within 45 days which are designed to meet or exceed the target established for the State. The plan may include measures authorized under State law or measures which the Governor requests authority to implement under Federal law. If the Governor relies on a Federal grant of authority, the State's attorney general must determine that such a delegation of authority to the Governor is not prevented by State law. In preparing the plan, the Governor must consult with representatives of affected businesses and local governments. The Governor must also consult with fuel retailers to arrange for staggering of business hours. The Secretary of Energy then must review the plans and approve them unless they are not likely to achieve the targets or fail to meet certain other criteria. The States are responsible for enforcing their plans. Failure to submit the plans may result in loss of State grants under title III of EPCA.

Section 636 requires the President to implement a Federal conservation plan in a State if he determines, on the basis of consumption data and other factors, that the targets have not been met and are likely to continue not to be met and there is a severe energy interruption.

Section 637 requires the President to establish the Federal conservation plan, which may include a standby automobile sticker system as one option but he need not develop such a proposal. The Federal plan may not include weekend closings. Violations are punishable by civil penalties of no more than $100.

Section 638 describes the standby automobile sticker system, which may be a component of the Federal plan. The sticker system would provide that all automobiles (with certain exceptions) would have to bear a sticker indicating the day of the week during which the car would not be driven. The owner of the automobile could select the day of the week indicated on the sticker. Driving the automobile on the prohibited day would be subject to a penalty.

Section 640 requires the Secretary to conduct a study and report to Congress on commercial and industrial storage of gasoline and middle distillates.

Section 641 provides for a delegation of enforcement and delegation responsibilities to the States.

Section 642 states that the Secretary shall use his authority under ESECA to collect necessary data. The Secretary is required to collect timely information on pricing, supplies, and distribution of

data. He must analyze the data and inform the public of such data.

Section 643 provides that regulations will be developed pursuant to the Department of Energy Act.

Section 644 states that State laws in conflict with the act are superseded.

Section 645 is a sunset provision, providing for expiration of the authorities on September 30, 1981.

Section 4 provides clerical amendments.

Section 5 permits funding from accounts authorized or appropriated for contingency plans under EPCA.

Section 6 makes the bill effective on date of enactment.

□ 1430

Mr. BROWN of Ohio. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. LOEFFLER).

Mr. LOEFFLER. Mr. Chairman, I thank the gentleman from Ohio for yielding. I rise in opposition to S. 1030. This legislation provides for immediate authority to impose some type of rationing plan upon the occurrence of a 20-percent shortfall based upon the most recent data available, projected to last at least 30 days. There would be no opportunity for Congress to review the nature of the plan before it is submitted for our approval for implementation purposes only, in the middle of a crisis. There is no guarantee that such a rationing plan would or would not be different from the last plan, soundly defeated by the House of Representatives. And, the President's rationing authority is unlimited as to what might be included in such a plan.

Let us take a look at what we defeated earlier in this session here in the House of Representatives. The plan would have allocated shortages, and coupons—not gasoline. According to GAO, it would have taken more than a year to put this massive bureaucratic nightmare into effect. It would have cost at least $1.2 billion over 9 months. It would have limited average usage to 10 gallons per week for an average driver. Owing to differences in driving habits from region to region and from State to State, it would have resulted in massive income transfers from rural to urban areas, no matter how much historical use was taken into account. It would have done nothing to eliminate the unfair and unworkable allocation system which has, in the words of Secretary Schlesinger, "put the gasoline where the cars are not."

The Department of Energy cannot now allocate fairly among regions. How can the Department of Energy be expected to allocate fairly among individuals?

Some Members of Congress are urging that we impose gasoline rationing now; we should examine the reasons why they do, and explain the reasons why we should not. They say that under a rationing scheme we would at least know how much gasoline we would get, and that it is available when needed.

However, a rationing program exists now in the hundreds of rules and regulations governing the price and allocation of gasoline, and these rules and regulations are the very cause of the long gasoline lines we have experienced. The way to end gasoline lines is not to ration out coupons, but simply to end the confusing and unworkable allocation system.

Proponents of rationing say that rationing would assure that the needs of priority users such as farmers, ranchers, senior citizens, would be met. However, the current allocation system run by the Department of Energy has already established priorities, with the expected result of competition for Government favor in doling out limited supplies of fuel. This was recently brought to light by the competition between truckers and farmers for limited supplies of diesel fuel. Rationing would merely exacerbate this sort of unfortunate competition.

The bottom line is that calls to impose rationing are political busy work, not political leadership.

This bill also has wide ranging, unbridled wholesale powers delegated to the executive branches of Federal and State governments, with virtually no review whatsoever. The mandatory conservation measures could be any kind of plan, from mandatory closings of businesses to reduced working schedules, all of which could have staggering economic impacts.

Under this bill the President is given the authority to set conservation targets when he determines that a severe energy supply interruption exists or is imminent. The bill, however, does not stipulate what those targets would be. And, as we have seen, when the President implemented the building temperature restrictions plan, the severe energy supply interruption finding offers no security against premature implementation.

Mr. Chairman, I urge the Members of this body to rise in opposition to this legislation and to defeat it.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to my good friend from Tennessee (Mr. GORE).

Mr. GORE. Mr. Chairman, I will be brief in asking my colleagues to support this legislation.

This is the second time the House has tried to give the President this authority. I think that we are all agreed that the President needs some tools to deal with the gasoline crisis that we have just been through; the crisis which, in some respects, is lingering; and the crisis which may recur at any time. I think that the trigger which must be reached before rationing can be imposed in this legislation is too high, and during the 5-minute rule several of my colleagues and I will offer an amendment to reduce the 20-percent figure to a more reasonable figure. I think that a 20-percent shortfall in the supply of gasoline available in this country would cause such chaos that all Americans would want to see some sensible rationing plan imposed as an alternative to the chaos that would then be abundantly evident in the gasoline lines that would stretch around the blocks and down the streets.

I think that the 20-percent trigger was a mistake. It does make the bill somewhat more palatable to some Members of this body who would not vote for it without a very high threshold figure, but I think it is obvious that if the shortfall of the size that we have just gone through can cause the problems that it did, we can very easily have very, very serious problems with a shortfall much less than the 20 percent. So, when the time comes I would certainly urge my colleagues to support an amendment to lower the 20-percent threshold; but in any event I would ask my colleagues to support this legislation.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, I thank the gentleman from Ohio.

Once again we are talking in Congress about a stopgap type of measure to meet a serious problem, and that is the shortage of gasoline in this country. All we are doing is talking about an allocation, a rationing of the shortage. We do nothing to cure the problem. The problem is price control. Only one commodity in the United States today—only one—is under price control. That one item is oil and gas. Why do we put an item under price control? That is something that politicians do so that they can be popular with the voters back home.

Congress takes the real price, and then artificially by law creates a low price way down here. We have not fooled anybody; we are not fooling the American people. Temporarily, they are just buying a bargain.

Just to bring everyone up to date on what the real value of gasoline is, I want to read the current gasoline price figures. I got these from Ernestine Adams of Energy Week. Today, right now, in Athens, gasoline costs $2.83 a gallon. Over in Rome, it is $2.16; in Tel Aviv, gasoline is $2.36; in Johannesburg it is $2.60; in Japan, it is $2; in Copenhagen it is $2.12; in Paris, it is $2.22 a gallon; in Madrid it is $2.30; in Yugoslavia it is $4.25 for a gallon of gasoline.

Now, if we were in a free market it is true that gasoline would probably, in this country, go up to about $1.35 a gallon. But you know, at that, the country would save in so many ways. Because we all know, and it has been told us many times, this rationing procedure will cost this country $2 billion. From our past experience we know what we get as a first guess is just for openers. Two years ago, we started the Department of Energy and allocated $5 billion. Within 2 years, this Department of Energy asked for $11 billion. In other words, within 2 years they have taken a problem and turned it into a national crisis, and they doubled the amount of money they spent in doing it. Right now, we are talking about $2 billion to run this confused coupon system. I do not care how we finally decide on allocating these coupons, we are going to find that half the people think they are not getting a fair shake, and this half will be upset.

How are we going to actually distribute the coupons? Some say we might do it through the banks. We have had gasoline lines before, but now we are going to have bank lines. There is no type of allocation system in peace time that is ever going to work. The only answer is

complete and total decontrol. We do not need to meet every other week on this oil situation.

What we need to do is provide a little course with basic economics. Basic economics would let the marketplace decide how gasoline will be priced. I just heard that this law would provide a system where we will take care of different people with pressing needs.

□ 1440

We will take care of the farmers. We will take care of the truckers. The reason those two groups were taken care of is they are the first two groups who came out and made a lot of noise. The farmers said, we are short, so they immediately said, "Give the farmers diesel." When they gave the farmers diesel, then the truckers were short. So the allocation board said, "We will give the diesel to the truckers." California said they were short, and since Governor Brown is a very good friend of President Carter's, when Governor Brown asked him for gasoline out there, they gave it to him. So everyone will consider themselves critically short.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, surely—surely now 5 years after the OPEC embargo, after repeated crises with energy supply in this country, and now after the most recent gas lines that have affected perhaps 20 different States—surely now we can agree that we must, simply must, have in place a standby rationing plan.

I think it was very shortsighted of this Congress when the matter came up a few weeks ago to have rejected a standby plan. Let us recall the history on that. Everyone seemed to have some problem with some specific part of the proposal.

Somebody had taxicabs in his area who felt they were not going to be fairly treated. Somebody else had farmers in his area who felt they were not going to be fairly treated. Somebody else said, we have wide-open spaces and we use more miles per person in automobile travel than somebody else; we will not be fairly treated.

Somebody else said, we have drivers that have to get to work because there is no mass transit in our area. Somebody else had suburbanites who would be disadvantaged as a result of the fact that everywhere they have to go is spread out and the buses do not serve them, and so on.

So the plan was defeated. It was defeated even after the President of the United States took account of all of the objections and came to the Congress and said, OK, we will have a plan based on historical-use patterns.

Nothing could have been fairer than that. Yet it was defeated by a coalition of parochial concerns by a majority of the Members of the House.

I hope today we can overcome those parochial concerns. I hope we can recognize that a standby plan by definition is one in which everyone is going to have to make some sacrifices, that the objective is not to have everybody get exactly what they have been getting. The objective is to share as fairly as possible any shortfall.

What kind of a shortfall? We are talking, of course, about a major supply interruption. We are not talking about a plan that would click in until there is a major supply interruption, although I think we should have a plan that gives the President more flexibility than the 20-percent trigger would give.

I would hope that we would support an amendment to reduce the trigger to, say, 15 percent or less, so that there is no gap between when we might need the plan and when we would be able to put it into effect.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. Mr. Chairman, I just take this opportunity to point out once again to the committee that this bill is 51 pages long. In those 51 pages there are 34 pages that are absolutely unnecessary, redundant, and provide powers which are already on the statute books today. I am not referring to the gasoline-rationing portion of the bill but to the conservation plans. If you read the headings of this bill, if you read the statements of purpose, it would sound like there is an urgent emergency in the country today in terms of fuel supply, which there is not. No. 2, it would appear that we are absolutely defenseless, that we have no powers at either the Federal or State level to deal with moderate shortages that may have existed in the past and might appear once again in the future. That is absolutely wrong.

The fact is we passed a law in 1975 called EPCA. That law allows the President at any time he perceives a shortage existing, or one that may appear in the future, to ask the Congress to implement or approve any kind of conservation or temporary emergency fuel-use-reduction plan that they can possibly devise down at DOE.

I think the Members of this House ought to remember that this procedure has been used many times. In April plans were proposed, for instance, to require weekend closings. That was submitted pursuant to EPCA. It was evaluated by Congress and rejected on the ground that it would not save any energy, and it would cause enormous disruption. At the same time a plan under that existing procedure, which is still on the books today, was proposed by the Department of Energy to set temperature rules for the commercial and industrial buildings of this country. That plan, too, was evaluated by the House and Senate. It was approved in June by the Congress, and that plan has been implemented just as the law provides.

So what I am suggesting here is that we have all the authority that we need on the books today to give the President tools to deal with moderate shortages, with shortages of a lesser magnitude than that would require we go to the extreme rationing program that is provided by this bill.

In light of that, why do we want to pile now on top of that preexisting authority, that mechanism procedure that has been tried and has worked? Why do we want to pile on top of that another vast grant of authority to impose conservation plans but in this instance there would be absolutely no recourse in the event that DOE came up with a plan that was a bad idea, that might be counterproductive, that would not work, because in this bill, in the 34 pages dealing with conservation programs, unlike the existing EPCA procedure, plans formulated by DOE or delegated to the States could be implemented immediately without any congressional approval, without any opportunity for veto on the part of either the States affected or on the part of the Congress.

I intend to offer an amendment to remove that unnecessary portion of the bill.

Mr. DINGELL. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, underlying this debate, of course, is a larger debate about whether we give as much attention to conservation as we do to production. Our friends on this side of the aisle have been reminding us already in this debate that we need to go the production route and not so much the conservation route. The gentleman from Alaska and others have pointed that out.

The recent Harvard Business School study indicates, of course, just the opposite. It says that oil, gas, nuclear, and coal are not going to be any great panacea, and you can get a lot more out of conservation and conservation incentives than you can out of production. But all of that is really immaterial, in a sense, to this debate. In the long term we can still have that debate about how much we need to emphasize production and how much we need conservation. But in the shorter term, none of the production proposals that our friends offer or that the President supports, or that some of us will support, are going to focus on the crisis of gasoline shortage in the next year and 2 years and 3 years. If we have import quotas put on, which we probably will, and if we have distillate needs not being met for the farmers to do the harvest, for the truckers, and for home heating oil, there is only one place to turn and that is to gasoline conservation. That is what this bill addresses.

Some of us who started 3 or 4 years ago almost cavalierly talking about the need for gasoline rationing, who have sat through hearings and listened to witnesses, now agree with the gentleman from Texas (Mr. GRAMM) and the gentleman from Michigan (Mr. STOCKMAN) that we should not in fact rush into gasoline rationing. We should not take it too casually or be too cavalier about it. It could be an economic disaster. But at the very least, and I think the gentleman from Texas (Mr. GRAMM) agrees, the President ought to have standby authority, if there is some trigger in there, and the gentleman has put a trigger in.

□ 1450

Rationing, then, is a last resort and I think the committee clearly intends it as this is wrong. I think America has a great termediate conservation steps that this bill addresses.

Now, one of those many tools that the President can use is something called the sticker plan. The gentleman from Ohio (Mr. LATTA) in debate on the rule addressed it. He was not for it. It is not something that is entirely equitable, but neither is any plan. Almost all the experts we talked to felt that the sticker plan, the 1 day a week where you pick a day to keep your car off the road—and you may be forced to pick a Saturday or Sunday—say it is the one tool that gets us significant gasoline conservation.

If we reach the 10-percent shortfall that the gentleman from Michigan (Mr. STOCKMAN) has put into the bill, if we reached the 10-percent shortage and we have to go to those intermediate conservation measures, the sticker plan is by far, head and shoulders, above everything else, it is better than closing the shopping malls, it is far better than closing the Orange Bowl in Miami, it is far better than closing Dodgers' Stadium, although the way the Dodgers are playing maybe some people would like to close Dodgers' Stadium, but the fact of the matter is the sticker plan is the most equitable and there will be an amendment to knock it out and I hope my colleagues will leave it in the toolbox that the President has.

I would ask my colleagues on this side of the aisle—seven people over there voted for the last rationing bill—if we cannot get a little more cooperation on this short-term problem of getting some conservation.

Some people who are very much pro-production, who have been very supportive of what the producers wanted to do in this country, on our side of the aisle such as the gentleman from Texas (Mr. GRAMM) and others, have indicated their willingness to go along with the bill so long as it has triggers in it and ample safeguards and I think we should have the same kind of spirit to give the President these tools with the proper restraints from the Republican side of the aisle.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LOEFFLER. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Chairman, I rise in opposition to this legislation. I think we have a great opportunity at this time as Members of Congress to adequately take care of the energy needs of our Nation for the future. Many of us think you should emphasize production so that the economy of our country continues at the pace it has been able to in the past, so there is employment for all of our citizens.

The energy plans that have been presented to us by the President go in the opposite direction. We look for a time when America is smaller, when job opportunities are less and we look at the future with a defeatist attitude. I think this is wrong. I think America has a great future and can have a greater future than we have had in the past.

A few weeks ago we were asked to look at a rationing program for gasoline. Now, with the only intervening occasion to require immediate action being the increase of OPEC oil prices, we are asked, in an emergency, to approve a plan which would give the President carte blanche as far as providing a rationing plan for the American people is concerned.

We give the President the power and the authority to devise a plan himself although we reserve a very mild protection in being able to reject proposal for a short period after it has been devised but we may be right up against a real emergency in the future when we start approving the plan that is given to us.

I believe that the President should present the Congress with an emergency plan in advance that he believes is equitable and that the Congress should have an opportunity to pass it into law if Congress believes it meets the needs of the country.

It is not the rationing program I am opposed to so much in this legislation as it is the powers of the President given under the conservation program set up in this legislation.

The bill purports to give the Department of Energy and the President power to authorize the Governor of a State to take actions not authorized by State legislatures. The President and the Department of Energy could under the bill invalidate a State conservation plan at their own discretion. The conservation provisions ignore the congressional review safeguards of EPCA. I think it is important that we have an amendment in this bill that allows the Congress to look at the plans that are devised and pass on them one way or the other before they are put into effect. For that reason I will have a congressional veto provision which I will offer to the Congress this afternoon governing the second portion of this bill, the conservation portion.

I do not think any President should be given unchecked powers. We in the Congress have a duty to those we represent to protect them from arbitrary government.

When this bill was in committee we made sure that the rationing component was subject to a one-House veto, although a very weak mechanism. However, our committee unwisely neglected to take even this simple precaution regarding the conservation section of this bill.

Let us make no mistake. The conservation part of this bill has just as much potential for severe disruption of the lives of the American people as the rationing provision. For that reason I ask for a no vote on the legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I want to express my appreciation to the gentleman from Michigan for his courtesy in yielding to me at this time.

I rise to indicate that as one who had very strong objections to the rationing bill which was voted down a few weeks ago and who, in fact, voted against that bill, I find the legislation before us now, as it applies to standby rationing authorization, a much better thought-out proposal and one which I will support.

Mr. Chairman, I find it gratifying that in the report that has been submitted by the committee they take note of the fact that the first bill did not sufficiently provide for recognition of priorities for needs and uses.

I quote from page 22 of the report:

> In short, there appears to be numerous cases of inadequate consideration given to such uses.

I was especially concerned in New York with the fact that our taxicab industry which provides a great deal of foundation for our tourist industry, as well as for other aspects of our city's economy, would not have been given any more consideration than cars used for pleasure. Although this bill itself does not spell out the provisions, it indicates that priorities have to be set forth in the plan which will ultimately be submitted to us.

What the bill does in sum is to provide that the needs of end users must be considered in any plan that is drawn up. That is the kind of legislation which I think makes the most sense.

I also find very significant and helpful the provision which requires that there be a very serious analysis of drivers' licenses as the basis for determining eligibility for rationing coupons rather than vehicle registrations. Finally, the shortfall is to be equally shared among the States and the people of the States. This legislation should, if implemented by the President as required and suggested by the bill before us provide the kind of standby authority and ultimate gas rationing plan that this country needs.

There will, of course, be some amendments offered which may help to make this even a better bill and I intend to support those. I especially intend, when we come to the title dealing with the emergency conservation plan, to oppose the unmitigated and absolute power which the executive branch would have under the bill to permit only such regulations by any agency of Government which are consistent with the conservation plan.

□ 1500

In sum and substance, I am satisfied with the work that the committee has done. I appreciate the courtesy of the gentleman in yielding me time to make this statement in support of this legislation.

Mr. LOEFFLER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I rise today in opposition to this legislation. On May 10 we voted on similar legislation and overwhelmingly defeated it.

Nothing really has changed since that time with regard to the rightness or the wrongness of rationing. No economic laws have been repealed since that time. If rationing was bad then, rationing is bad today.

If anything, we should have learned something from this recent episode of gasoline shortages. We should have learned that the market is a wonderful place to take care of shortages. The Government created the shortages. The lines were formed because of overregulation and overtaxation and price controls on fuel.

What happened was that the market came in and dissipated these lines as soon as the price went up a certain percentage. Today the lines are gone, but this is a result of the marketplace working. The lines are caused by Government. The lines are dissipated by the marketplace. That is a fundamental lesson that if we do not learn we will continue to make errors, and compound our energy problems.

The most serious mistakes we have made in this Congress have always been under duress. All we have to do is go back and think about the Gulf of Tonkin resolution. Under duress and stress and under a sense of hysteria we do things that we are usually sorry for.

Even though we have had a lot of gasoline lines and have received a lot of messages from our constituents, this is not reason enough to compound the problem by instituting a program of rationing. Economically it is foolish. Rationing has never been proven beneficial throughout history even with the many times it has been tried. It does nothing for production. Our problem is a shortage of fuel available to the people and rationing will not produce fuel.

I think one tragic message in this bill is that one of the stated purposes of this bill is to require that "all States share fuel shortages equally." To me that is a tragic purpose. Allocating shortages is symbolic of a pessimistic, no-growth philosophy preached by the planners who have seen all their plans fail and will not admit to the bankruptcy of their ideas. Only the optimism of a free society with a market economy can we achieve the growth and abundance of energy we desperately need.

Mr. DINGELL. Mr. Chairman, I yield 4 minutes to my good friend, the gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. Mr. Chairman, on May 10 this House voted down the President's standby rationing plan and I think there were good reasons that it was voted down.

First of all, it was not a standby rationing plan. It was a rationing plan. There was in that proposal, as it was sent to the Congress and as it came to the floor of this House, no restriction on the President's power to ration. The Senate had passed the Stevens resolution expressing the sense of the Senate that rationing take place only with a shortfall of 20 percent or greater, but we had no real protection.

That problem with the bill has been eliminated in the proposal that we bring to the House floor today. We have required that the President find a 20-percent shortfall for 30 days or more, or evidence that such a shortfall is imminent, in order to impose rationing.

There are those who talk about rationing in a cavalier manner, but those who sat through our committee hearings, those who understand the marketplace, understand that rationing by its very nature is inefficient, inequitable, and expensive.

We are talking about $2 billion of Government expense. We are talking about 50,000 bureaucrats. We are talking about as much as $3 billion imposed on the private sector. That is why this 20-percent trigger is included, to assure that the Members of this body and the American people know that we are not talking about giving the President unrestricted power to ration. We are talking about giving him the power to use rationing only during a catastrophic shortage where our Nation has no viable alternatives.

In hearings, it was clearly indicated by both the administration and scholars outside the Government that only with a shortfall in the 20- to 30-percent range could the benefits of rationing come anywhere close to offsetting the costs.

Second, when we came to the floor to vote on the President's plan, there had been six plans before this body. Most of the Members who voted were confused as to what plan we were voting on.

Here today we bring a clearly defined plan before the Congress. Each State shall share in the shortfall equally. To the maximum extent possible, account shall be taken of individual business necessities, of where the people live, of the availability of mass transit. This, I believe, represents a substantial improvement over the situation we faced in trying to sell the President's confused program.

Finally, this measure also includes conservation measures. They are broad. They are general. They give the States the option to act first. These conservation measures have a protective trigger of a 10-percent shortfall to assure that they are not used prematurely. None of these mechanisms for allocation and conservation are perfect. The best laws of economics surely must function only in heaven. The marketplace provides the second best alternative and Government is a very, very poor third.

I think it is important to remember that in the event of a catastrophic shortage of 20 percent or greater, the American people are going to demand rationing. We have here, I think, a well-reasoned plan that represents the best options we can give them under those circumstances.

I urge my colleagues to keep this a standby plan, to note the cost that rationing would impose on the American people and stick with the 20-percent trigger to assure that the plan will be used only in the event of a catastrophic shortage.

I think with that proviso, we can go home and tell our constituents that we abided by EPCA, that we put a plan on the shelf and that the plan protects us against capricious rationing. It gives us broad general tools to deal with the shortage.

No one is claiming that this plan or any plan could be a substitute for deregulation and increased energy production.

Mr. LOEFFLER. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, in the name of energy conservation, this measure provides for a broad grant of emergency authority to the President, authority that cannot be reviewed or checked by the Congress or by the States.

In the interests of fulfilling our responsibility to our constituents, I believe that the Congress should reserve for itself the right to disapprove any rationing plan which the President may submit.

Both the gentleman from North Carolina (Mr. BROYHILL) and I intend to offer amendments to this measure to provide the Congress with a congressional veto in order to protect the American public from being further impacted by a faulty, inequitable plan.

Accordingly, I will be urging my colleagues to support our amendments in order to provide for a congressional review of the substance of any rationing plan.

Mr. LOEFFLER. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Chairman, I rise in opposition—this legislation would delegate to the President an unusual degree of power. It asks the Congress of the United States to approve, in advance, sight unseen, whatever rationing plan the President devises. It gives the Federal Government total control over the amount of energy consumed and over the purpose of energy consumption—all energy consumption—in this country.

This amounts to severe economic control over our people, and there are few checks on Executive power in this bill. In fact, there is no legislative review of Federal or State conservation measures taken under this legislation.

Mr. Chairman, I do not feel this grant of power is warranted by the past performance of the executive branch, and this administration in particular. The gasoline shortage of a few weeks ago was the direct result of the Government's existing allocation system. And even our States have been far more effective in managing supplies than has the Department of Energy.

Why should we give the President more power when he has not demonstrated the ability to run the country with the powers he already has?

It seems to be fashionable to compare our current energy problems with war—and particularly with World War II. I do not believe that comparison goes far enough. Gas rationing was instituted during World War II in an age when we had far better public transportation, and

far less reliance on the automobile—and it did not work well. Black marketeers bought and sold ration coupons and made a fortune in so doing. What makes anyone think it would not happen again?

But what is more important, why must we substitute a huge Federal bureaucracy, an intricate system of allocation, rationing and control, for what could be simply and quickly accomplished by reliance on the free market system? Immediate decontrol of gasoline prices would accomplish the same purpose—without centralizing such awesome power in the office of the President.

But decontrol is a tough decision. I believe it must be made, if we are to encourage production and solve our energy crisis, and I believe it is far preferable to the legislation we are considering today. I oppose this bill, as one more crippling blow against our economic freedoms, and I urge my colleagues to vote against it.

□ 1510

Mr. DINGELL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want it made very clear that these are emergency authorities which would vest in the President of the United States. I want to make it very plain that no amount of decontrol and no price increases that would not even decontrol, regardless of whether we favor that or not, would provide us with a mechanism to meet a 20-percent shortfall in gasoline or petroleum product. The country exists today, having gone through a 5- to 10-percent decline in supply by reason of the Iranian crisis, at a time when hardship and frustration and anger were abroad in the land.

I hope my colleagues will not substitute rhetoric for wise provisions against dangerous and bad circumstances. I refer to major shutoffs in petroleum supply. I would hope my colleagues would recognize the need of clothing the President of the United States with the necessary authorities to meet the hazards that would occur by reason of a shutoff in supply. I would hope my colleagues and friends here would realize the need to see to it that this Nation has the ability to commence a major conservation program crafted in the States by the Governors of the States, and that they would understand that we are trying to preserve the Federal system and to afford the States an opportunity to bring forward plans that would best meet their own circumstances and their own needs, but that when that has failed, if we have a major shutoff, we have provided the mechanism that is necessary to allocate not by price, not by hardship, not by shortage, but by some method of governmental action which assures a reasonable method of fairness.

We must remember that before this can take place the President has to submit the plan to the Congress and it must survive a one-house veto under the provisions of EPCA, and that no committee chairman or subcommittee chairman or Senate filibuster or Senate rule of courtesy can deny the House and the Senate an opportunity to vote on this matter.

Mr. LOEFFLER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. TAUKE).

Mr. TAUKE. Mr. Chairman, during the Easter recess, when I was back in Iowa, a number of oil jobbers from my area came to me and pointed out that they were unable to find middle distillate supplies in our part of the country. As the parade of oil jobbers to my doorstep continued, I became quite certain that there was indeed a problem in our part of the Nation. But when I came back here to Washington and began to ask representatives of the Department of Energy about the shortage, I soon discovered that their answer to my question was: "What shortage?"

We were 2 weeks into that shortage of middle distillates in the Midwest before any of the Department of Energy people even began to recognize the problem. We were 4 weeks into that shortage before it was generally recognized in the Department of Energy and in the Government that we had a problem with middle distillate supplies in the Midwest.

Because of that difficulty that we had in our area this spring, I am offering today two amendments to this bill, one to establish a monitoring system for middle distillate supplies across the country, and the other to set up an agricultural set-aside program.

Right now the Department of Energy has no way of identifying whether or not we have a shortage. In this legislation, we plan how we are going to respond to the shortage, but nobody in the Department of Energy has the wherewithal to tell us whether or not we have a shortage and what our supply-and-demand situation is. I think we must work to develop a system whereby we can determine what our middle distillate supply situation is in the Nation.

In order to project shortages, the Department of Energy now relies on outdated State-by-State information; the DOE people look at projections of supply and demand from the oil companies; they talk about last year's figures and try to extrapolate from last year's figures. But nobody is able to accurately and timely assess petroleum supply and demand situations.

Since we need a monitoring system, I urge support for my amendment.

Mr. LOEFFLER. Mr. Chairman, I yield 30 second to the gentleman from Kentucky (Mr. HOPKINS).

Mr. HOPKINS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I would really like to address this more in the form of a question, if I may, to the chairman of the subcommittee. I would appreciate his attention on this.

On page 18 of the report, Mr. Chairman, it states:

> If neither House of Congress disapproves the request within 15 days, the plan becomes effective.

My question is: What if this 15-day period took place during a recess of Congress?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, a recess of more than 3 days vitiates it, and those 15 days must be days during which time both Houses of Congress are in session.

Mr. HOPKINS. Is that provided for in the bill?

Mr. DINGELL. That is provided for in EPCA, which is the mechanism that is used here.

Mr. Chairman, we have very carefully seen to it that if the matter comes to the floor for a vote, it will be taken care of.

Mr. HOPKINS. Mr. Chairman, I thank the gentleman very much.

Mr. LOEFFLER. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I rise in strong opposition to S. 1030, the Emergency Energy Conservation Act of 1979.

During his so-called energy speech earlier this month, President Carter said that we, as a nation, have lost confidence in the future. In part, he blamed many of our current problems on that loss of confidence. Is it any wonder that the American people have lost confidence in the future when their elected representatives in Congress keep suggesting measures such as S. 1030 as an answer, or at least part of an answer, to our current energy shortage? I think not.

S. 1030 represents a basic fault in our current approach to solving energy shortages. We continuously keep inventing new Government programs which in the end only increase the social and economic disruptions caused by our energy problems.

The American people do not want rationing. They do not believe rationing will work. They do not believe rationing is necessary. They do not believe rationing can cope with the thousands of different aspects of our lifestyle. They doubt that our Government is even capable of implementing a rationing program without tremendous difficulty and expense.

The American people want positive steps taken to solve our energy problems. They want to see things like increased use of solar energy and development of synthetic fuels and nuclear energy.

Rationing is a negative alternative to our energy problems. Rationing can only add to the cost of an energy shortage without producing 1 gallon of gasoline that would not otherwise be available. Rationing only attempts to justify a major shortage by giving the appearance that the shortage is being equally shared.

The cost of a national rationing program depends, of course, on the specific provisions of the program. However, I think it is fair to say that rationing would cost around $2 billion a year.

Since rationing does not, in any way, add to the energy output of this Nation, I suggest that we take that money and use it to develop new sources of energy. We can use it to build the Clinch River breeder reactor which we will be debating later today. We can use it to develop shale oil, solar energy, coal gasification,

or to explore for and develop new sources of domestic crude oil.

These are the steps which the American people want to take. These are the steps which will give the American people confidence once again that their Government is capable of dealing with the problems of today.

As though rationing by itself was not bad enough, S. 1030 couples it with an even worse idea—the automobile sticker system. This system would force the American people to place a sticker, which by the way they would have to purchase, on their car. This sticker would designate one day in the week on which the car could not be driven.

That type of conservation just will not work. There are too many people who simply must rely on their car to get to work or do the thousands of other things which require the use of an automobile. What are we to do with the housewife who works part time and takes the children to a sitter when she is at work? It is easy to say that she should use mass transit or carpool. But what if those choices are not available to her? Are we to have a special sticker for her and the millions of other persons whose livelihood depends on the automobile?

Further, consider if you will what happened here in Washington, D.C., earlier this summer when the gas lines were long. People responded by taking mass transit. However, the system quickly became overloaded. The head of Metro had to ask people not to use Metro during the peak hours to prevent the system from breaking down completely.

What would happen if all of a sudden thousands of people were forced to use mass transit? It is obvious that chaos would result. Any mass transit system is designed to handle efficiently only so many people. To throw thousands more into the system overnight would severely overtax the capabilities of the system. We should not fool the American people into thinking that mass transit alone will solve our energy problems. Our society is more complex than that.

Gas rationing and auto stickers are simple answers. They are attempts to manage a major shortage of energy. They in no way help to avoid that shortage. It is the simple truth that gas rationing or stickers can only make that shortage more disruptive, more frustrating, and more expensive.

The President asked us to say something good about America in his energy speech. I say, "Kill gas rationing." That is the best thing we can do for the future of America.

The American people will not tolerate the Federal Government telling them that they cannot drive on a certain day of the week. They will not tolerate having to purchase gas rationing coupons. They will not tolerate a Congress which refuses to tackle the hard problems of how to produce more energy.

We must defeat this measure and move on to the development of an energy policy designed to produce more energy. That is the only answer the American people are willing to accept. That is the only answer which will bring this Nation out of the death grip of OPEC. That is how we can best restore confidence in the future.

I urge defeat of this measure. The American people demand it.

The CHAIRMAN. The Chair will state that the gentleman from Texas (Mr. LOEFFLER) has 5½ minutes remaining, and the gentleman from Michigan (Mr. DINGELL) has 6 minutes remaining.

The Chair recognizes the gentleman from Texas (Mr. LOEFFLER).

Mr. LOEFFLER. Mr. Chairman, I yield 1 minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I rise in opposition to this bill.

Mr. Chairman, I want the Members to remember that it was just 10 days ago that the President said to 220 milion people on television that we all ought to have more faith in America. Well, rationing in peacetime, as far as I am concerned, is the antithesis of that admonition.

Government-induced rationing is not the way to express faith in America or in our economic system. Government policies of the past 8 years have created this shortage in the first place. The natural reaction on the part of Congress and the Government generally is to ration that shortage so that the energy pie becomes smaller and smaller and smaller.

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I think that we ought to be expressing faith in America by policies that make that energy pie bigger and bigger and bigger. Less Government regulation is the answer, not more.

The President said in his TV speech, "Say something good about America!"

The best way for Congress to do that is by saying "No" to peacetime gasoline rationing.

Mr. LOEFFLER. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to S. 1030, standby rationing and emergency program to conserve energy.

I have had occasion to discuss rationing with many of my constituents. Many of them have told me, "Let us have rationing; it is fairer." However, when I explain to them, as I have done on numerous occasions, exactly what it was that the President proposed last time, how we would have this very complicated coupon system, how you would have to wait in line at a bank to get the coupons in the first place and, perhaps, then go and wait in line again at the gas station to use the coupons, how, if those coupons were not sufficient for your needs—and they would not be, for almost all of my constituents—needed extra coupons would have to be purchased on a so-called white market—at great expense—they quickly lose their enthusiasm for rationing.

I think what we are being asked to do today is even worse than that, because we do not know what the President will propose to us. We have no idea whether it will be fair to any of our constituents. I think if we are going to have a standby rationing system at all, it should be one that we approve before it goes into effect.

I have heard nothing from the President and DOE indicating that they have changed their mind about the fairness, et cetera, of the rationing plan they submitted before. I have heard nothing indicating they would submit a different or better plan. All I heard was a condemnation of Congress for rejecting what a majority for us considered to be an unfair, illogical, costly bureaucratic monstrosity.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, I appreciate the gentleman from Michigan yielding to me, and I rise specifically to ask the gentleman a question to the effect whether or not thought has been given to providing coupons to handicapped people who do not drive but who have a car and who, of course, need to go from place to place. Has thought been given to providing them with an allocation of coupons, or would that be left to the administration?

Mr. DINGELL. If the gentleman will yield, that is possible to be done under the proposals which lie before us.

I read from the provisions of the EPCA, which relates to handicapped persons:

> For purposes of this part, the term "handicapped persons" means any individual, who, by reason of disease, injury, age, or congenital malfunction, or other permanent incapacities, is unable, without special facilities, to utilize mass transit * * *

So it is in the act. It is in the basic act to which this is an amendment.

Mr. BRINKLEY. I thank the gentleman.

Mr. LOEFFLER. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. GOLDWATER).

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, once again this House faces another nightmarish scheme to open the door for "big brother" to come into our lives. Back in May this House took one of the wisest actions of this Congress and soundly defeated a similar plan 159 to 246. I would hope that the recent antics of the Carter administration, or what is left of it, would reaffirm the wisdom of that vote. I would also hope that before my colleagues vote on this monstrosity that they reflect back just a few weeks to the time when Mr. Carter was hidden away from the public. After only 3 days absence by the President the gaslines in the Washington area had vanished. Maybe if the Carter White House left Washington permanently the whole energy crisis would disappear.

It is not so farfetched to look at this linkage between Mr. Carter and the energy crisis. The energy problems in this Nation were born and bred from Government action. Federal controls on oil prices and the subsidy of inefficient means of travel, like the billions poured into the Federal highway system while the railroads collapsed, all had their part to play in putting us in the present energy fix. The last thing we need to do is to allow those who caused the mess to have more power to dig us in deeper. Yet, that is just what this bill provides for. No matter how many amendments are tacked on, no matter how many special interests are placated with shortsighted provisions, the basic concept of creating a statist framework for solving our problem remains intact.

Our Nation was not built by the Federal Government. Our energy and transportation breakthroughs did not happen because of some key regulation written by a faceless Ph. D. in sociology out of some cubicle in the bureaucracy. Our Nation was built on individual initiative fueled by freedom. It was not freedom that got us into this mess, it was a lack of freedom. An inability to raise venture capital because of confiscatory capital gains taxes and personal income taxes was one reason, redtape and mountains of regulation was another.

Only because of the limiting of freedom were we insulated from the rising energy prices in the world until it was almost too late. Only through the lack of freedom did we not have the innovations needed to create new sources of fuel and to better exploit existing ones. Only through the ongoing harassment by Government are we not able to free our minds to think of new avenues to approach the energy problems. Government holds over our heads the threat of fines or imprisonment if we do not file every report, meet every regulation, and pay every trivial fee before a new invention, a new product, or a new fuel can be brought out into the open and employed to make a better tomorrow.

If we really stood back and looked at the situation, that is exactly what we would see. It is incredible, but true. If someone tomorrow discovered a method to get 200 miles to a gallon in existing cars he or she could not run out the next day and start selling it to their neighbors. The Federal Trade Commission would soon step in and demand tests. The Department of Energy would step in and want to conduct blue ribbon studies. If the inventor expanded production and hired two assistants the Department of Labor would step in with inspectors and probably shut the whole operation down until further studies were conducted. These are not problems arising out of freedom, yet you would think so the way that term is criticized in this administration.

It is incomprehensible to many in this Congress and this administration that we might just have too much Government already. It is beyond their understanding that poor mortals like our citizens might actually find a way out of this energy crisis without some new Government takeover of another element of economic or personal freedom. Their attitude is a travesty of their oaths of office. The constitution was born out of a concern for the balance between freedom and the need for some government. In swearing to uphold the constitution they imply their agreement with its principles. The Neofascist state of having the government tells us when we can drive and how we can purchase goods is something that should be in fiction novels not in American law. No wonder former aides to Hitler are coming out in public support of Mr. Carter's energy plans, they must feel right at home with the concept of the state above the people and the President's political survival above the state.

These words may sound harsh, but we are not talking about some minor proposal in this Chamber. We are talking about granting the most sweeping powers ever granted to a President in peacetime. If this substitute passes we are telling America that we think it is in the interests of this Nation to allow Government to, in effect, abolish the private market system and to govern everyone's lifestyle. That is quite a set of powers. It is ironic that many in this House who were around during the "Imperial Presidency" of Nixon and who were shocked at those abuses of power have few qualms about giving the authority in this proposal to the "Nonimperial Presidency" of Jimmy Carter. I will be interested to see the voters' reactions when they must buy $5 a gallon rationing stamps from black marketeers and cannot take their child out to the zoo on his or her birthday because there is no gas or they do not possess the right color sticker for their car's windshield. This is not the vision of America our Founding Fathers saw. It is more like the workers' paradise envisioned by a bearded scholar at work in the British Museum back in the 1840's.

Mr. Chairman, I urge defeat of this despicable affront to what this country stands for.

Mr. GOLDWATER. Mr. Chairman, I rise in opposition to this bill. This bill does nothing more than incorporate the worst features of the original House and Senate bills, with a dangerous grant of rationing authority to the President. This is not a solution to the gasoline allocation system, but a hysterical response to gas lines. Have we not seen enough of Federal control over the price and allocation of motor fuels? The allocation program we have now has done nothing but aggravate the supply situation, and promote absurd inequities between different regions of the country. How can it remotely be expected that a Government rationing program, which is by nature infinitely more complex, would ration fairly among individuals?

As it is, this bill approves a gas rationing plan in advance, sight unseen, with details of the plan both unknown and largely unlimited. Without congressional review, there is no guarantee that the rationing plan is or would be workable to sustain the Nation through a 20-percent drop in petroleum supplies.

Even if we should agree in principle that a rationing program is desirable, which I do not, we should not do so in a way which simply and carelessly grants the President sweeping powers to control all energy consumption. This bill is nothing more than an irresponsible and blind trust in the ability of the executive branch to deliver the country from its fuel and energy shortage. If recent events have taught us anything, it should be clear that this administration has enough trouble making policy within its own house. We should certainly not trust their efforts to run this House.

I know that it may be necessary to conserve gasoline and other forms of energy in the event of a serious gas shortage in the near future. I also know that we do not need more arbitrary and unfair plans proposed by the bureaucrats at the Department of Energy. They continue the classic pattern of establishing 101 rules for gas allocation, from coupons to gasless days—the kind of patchwork of plans, experiments, proposals that do not provide the proper solution to this country's energy problems. They are simply short-term expedients which distract us from the central fact that this country needs a fundamental shift in its priorities, aimed at reducing our dependence on foreign oil. The first step toward that goal is to get the Government out of the way and let the free domestic market set the supply and price of oil. This bill is another step in the wrong direction.

Mr. LOEFFLER. Mr. Chairman, I yield the remainder of my time to the gentleman from Ohio (Mr. BROWN).

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) is recognized for 2½ minutes.

Mr. BROWN of Ohio. Mr. Chairman, today the House will consider S. 1030, the Emergency Energy Conservation Act of 1979, as reported by the Committee on Interstate and Foreign Commerce. Since this bill is complex and differs significantly from the one the Senate passed on June 5, I would like to take this opportunity to explain just a couple of the provisions of the Commerce Committee version before we get to the amending procedure.

Mr. Chairman, the most significant part of this bill is the conservation plan part. Under this provision, the President sets conservation targets. But we should know that these targets are not designed to correspond in any way to the level of shortage which may exist; in other words, the President has open-ended authority to set a target to say anything he wants to say, 10 percent, 25 percent, 75 percent of the energy shortage.

Second, each State is to develop and implement a conservation plan to meet these targets within 45 days. If the State plan misses the target, if a 10-percent shortfall exists, and if the President wishes, the Federal plan, which he designed, about which we know nothing at this point, is imposed on that State. There is no congressional or State legislative review whatsoever. In fact, there

is a provision explicitly allowing the Governors to supercede their State legislatures if they wish.

Finally, it should be noted that the President's unchecked authorities are so broad that curfews, mandatory retail closings, residential energy limits, further temperature restrictions, anything could be imposed under this plan that the President might consider to be appropriate.

Mr. Chairman, this is a rotten piece of legislation in its breadth. It is not bad in its purpose. But the Congress certainly should retain some control over what the administrative branch of Government wishes to do.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. BURGENER. I thank the gentleman for yielding.

Does the rationing plan in the bill contemplate a coupon system? Does it say that?

Mr. BROWN of Ohio. It could be anything. It does not suggest what the system may be. It could be the system that the majority of the House voted against just a few weeks ago. There is no description of the plan, because the President may impose anything he wishes.

Mr. BURGENER. If they ever did go to coupons, I would hope that they would be counterfeitproof because that would be the only appreciating currency we have.

Mr. BROWN of Ohio. The gentleman makes a good point and, Mr. Chairman, I would hope that the gentleman and other Members who are hearing and watching will vote against this bill as it now stands.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Chairman, I rise today in strong support of the Emergency Energy Conservation Act of 1979. The fuel shortages and long lines at gas stations this summer have pointed out the need for a plan to meet the crisis in an organized way. I believe this legislation provides a rational method for dealing with fuel shortages.

Mr. Chairman, 2 months ago this body had before it a standby gasoline rationing plan which was defeated. I supported that plan, as I support this one, and I would like to tell you why.

First of all, approval of this plan does not mean we will ration gasoline in the United States of America. It does not mean that the American people will have to endure the inconveniences of a shortage created at the whim of government. It does mean, however, that if a shortage arises through disruption of supply, we will have a rational basis to spread it around evenly so that no one portion of America will suffer at the benefit of another. I am afraid that the current system of gasoline allocation and the market mechanism, such as it exists in the oil industry, created just that event this summer in many parts of our country.

The legislation we are considering today requires the President to prepare a standby gasoline rationing plan. While it does not spell out the details of this plan, it does include many of the concerns of both bodies of Congress. The plan would have to insure that the shortage is shared equally by the States and by all groups in a fair and equitable manner. Priority users would have to be taken into account, as would relative needs of all persons to the extent possible. The plan could not include weekend gasoline station closings, but it could include a sticker system whereby the owner of a car should decide on 1 day of the week his car could not be driven, a creative idea of my friend from Connecticut (Mr. MOFFETT).

This legislation calls for input from the States. The President would have to set conservation targets for each State for gasoline and diesel fuels. All States would be required to develop a plan to reduce consumption by a uniform percentage within 45 days of the President's announcement of the conservation targets. Only if a State plan is found to be inadequate would the Federal plan take effect in that State, and the plan could not be implemented unless the President determines that there is a 10-percent shortage in energy supplies.

Mr. Chairman, I believe it is imperative that this Nation be prepared for fuel shortages. This legislation would set up reasonable guidelines to develop a system for rationing fuel if the need arises. While it does not mandate gasoline rationing, it provides the mechanism for a rationing plan in case of emergency and maximizes congressional input into the plan. I urge my colleagues to support the bill.

● Mr. MURPHY of New York. Mr. Chairman, when the President's original gasoline rationing program was presented to the Congress, I voted against it, not because I oppose the basic concept of rationing, but because such States as New York were saddled with a severely unbalanced distribution formula, which, in our case, would have both reduced our supplies as a reward for our excellent conservation efforts, and would have sent the bulk of those smaller supplies upstate. That original plan also failed to incorporate consideration for such necessities as taxis, which, by city charter, are required to be an integral part of the overall mass transit system of New York. Similarly, Staten Island would have been severely hurt because the island has little more than a limited bus system to fill the gaps in the mass transit system, while the balance of New York City at least has direct access to the subway system.

I would also point out here that even though congressional investigations have discovered that New York State is, on a per capita basis, the most gasoline-efficient State in the Nation, we would have suffered a reduction in our allocations of up to 45 million gallons a month.

In an additional attempt to fill the gasoline void, my Select Committee on the Outer Continental Shelf held extensive hearings to determine the reasons for delays in the development of offshore oil and gas resources. A GAO report, for example, showed that the Interior Department and the Energy Department have simply failed to work together, or in some instances, even talk to each other, in the development of offshore policy. While New Yorkers, and the rest of America, wait in interminable gas lines, it is intolerable that Government agencies charged with the solution of those problems are locked in a dispute about the fundamental questions of energy policy.

And so we are now faced with a vastly revised rationing plan, which is considerably more flexible and rational than the original take-it-or-leave-it approach which I voted against. This newest proposal is now subject to amendment by the Congress, as well as a much more equitable and flexible allocation formula which brings into play the realistic demand figures of today, rather than the wasteful historic-useage allocations which rewarded those who had not undertaken conservation measures.

This is the time for tough decisions with regard to our energy usage. If we are to become more self sufficient, we must encourage development of alternate sources. Nuclear, solar, coal, gasohol, and geothermal must all be aggressively researched and developed. I have supported spending levels to assist such research and development above the levels recommended by the President, and I shall support today's proposal for a reasonable, equitable system of rationing, if it should become necessary.●

● Mr. BOLAND. Mr. Chairman, I rise in strong support of S. 1030, the Emergency Energy Conservation Act of 1979.

In May, the House had an opportunity to vote on a gasoline rationing plan. That plan was rejected. I believed, at that time, that it was absolutely essential that we have, in place, a procedure for distributing gasoline supplies in the event of a severe shortage. The events of the last 2 months, in which the American people have attempted to cope with the effects of a relatively modest supply shortfall, have graphically demonstrated the utter folly of not planning for more serious energy shortages.

It is not possible to devise a gasoline rationing plan or an energy conservation plan that will satisfy everybody. An inability to achieve unanimity, however, should not deter efforts to formulate the best possible plan. S. 1030 grants the President authority to establish and implement both a gasoline rationing plan and a Federal energy conservation plan. Even though the bill grants this authority to the President, it reserves to the Congress two important roles in the formulation of the rationing plan. First, the President must report to the Congress, within 90 days of the bill's enactment, on the specific elements which the plan will include. Second, should the President desire to implement the plan, a one-House veto is available to Congress as a means of blocking that implementation. These requirements, in addition to the stipulation that the Nation must have suffered a fuel shortage

of 20 percent for at least 30 days before the President can ask for implementation, guarantee that the authority granted by the bill will remain in a standby status, to respond to only the most serious gasoline shortage.

Mr. Chairman, the time has long since passed when we could afford to ignore our energy problems. We are perilously dependent on foreign sources of supply. We consume energy at a rate far in excess of our ability to replace it. The slightest fluctuations in supply and price send shockwaves through our economy. We must come to grips with the fact that we do not control our own energy destiny. Until we do, by developing and adopting alternative sources of energy and by a massive conservation effort, we must make plans to cope with the possibility of a massive supply disruption. Those plans must include the type of rationing system and energy conservation system outlined in S. 1030. I therefore, urge that the bill be approved.●

● Mr. FRENZEL. Mr. Chairman, America needs a standby rationing plan. I believed that last month when I voted against the President's proposal because it was not a good nor a fair plan, and I believe it today.

But I am very surprised that this Congress would consider giving the President carte blanche authority to devise a rationing scheme without having the slightest idea of what that scheme is. This is the Congress that say it wants to protect its prerogatives, but it is apparently willing to simply give away an overbroad grant of its power to the President.

I am willing to vote for a standby plan, but I will not vote the President absolute power to do whatever he wants. We need to see the plan before we give away this authority.

The President's last offer was rejected by this House. It was not needs based. It was a historically based allocation modified to satisfy whatever group last complained about it. It granted equal value to "cruising" and to working. It is biased toward high density population areas and against low density areas.

It gave the same priority to the student driving to school rather than using a taxpayer paid bus as it did to the salesman who must drive to make a living. If gave the some priority to doctors as to people who are unemployed.

Because the President is likely to impose just that sort of plan, I cannot vote to give him this authority.

I believe the President has the manpower in the $12 billion Department of Energy to produce a fair rationing plan. I believe we ought to see that plan before we vote for it.●

● Mr. CORRADA. Mr. Chairman, I rise in support of S. 1030, the Emergency Energy Conservation Act of 1979 This legislation would enable the President to respond to an emergency energy situation. In allowing each of the States to prepare and submit their own energy conservation plan, this legislation provides the flexibility needed to insure that no segment of our country is unduly affected by an emergency.

Our experience of past few months here in Washington with a shortage of gasoline should be warning enough that our country can ill-afford to face a future energy emergency unprepared. I would hope that time will never come, but in this decade alone, we have seen it happen not once, but twice.

I urge my colleagues to approve of this legislation which would give us the framework needed to respond to a crisis situation.●

● Mr. JOHNSON of California. Mr. Chairman, paragraph 5(B) of subsection 634(a) of S. 1030 requires that before any executive agency adopts any new rule or policy of general applicability, it must find that the new rule or policy is consistent with conservation targets established under that section. Such findings are not subject to appeal.

Generally, section 634 authorizes the President to establish emergency conservation targets for fuel.

While it is not totally clear as to what particular agencies this provision would apply, it seems that it could apply to some of the transportation agencies subject to jurisdiction of the Committee on Public Works and Transportation. The rules of the House specifically confer transportation jurisdiction upon the Committee on Public Works and Transportation. However, it is apparent that the only authority delegated is the authority to make an affirmative finding, if the facts warrant. The Public Works and Transportation Committee has not considered this provision of the bill; and, although no specific objection will be raised at this time, I would suggest that in the future the committee be advised of such provisions in advance so that the committee may examine the effects of the provision on the committee's programs. Moreover, I wish to state unequivocally that the failure to object to the inclusion of this provision in the bill should not be construed as any waiver of the jurisdiction of the Committee on Public Works and Transportation, nor lack of interest by the committee in the subject matter.●

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

To authorize the President to create an emergency program to conserve energy, and for other purposes.

S. 1030

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Energy Conservation Act of 1979".

DEVELOPMENT OF STANDBY RATIONING PLAN

SEC. 2. (a) The Congress finds that—

(1) a standby rationing plan for motor fuel should provide, to the maximum extent practicable, that the burden of reduced supplies of motor fuel be shared by all groups in a fair and equitable manner and that the economic and social impacts be minimized; and

(2) such a plan should be sufficiently flexible to respond to changed conditions and sufficiently simple to be effectively enforced and administered.

(b) Section 203(a)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6263(a)) is amended by striking out "The President shall prescribe," and inserting in lieu thereof "As soon as practicable after the date of the enactment of the Emergency Energy Conservation Act of 1979, the President shall prescribe,".

(c) Section 201(e) of such Act (42 U.S.C. 6361(e)) is amended—

(1) by striking out all that precedes subparagraph (A) and inserting in lieu thereof the following:

"(e)(1) The President may put a rationing contingency plan into effect if—

"(A) the President—

"(i) has transmitted a copy of such contingency plan to the Congress;";

(2) by redesignating subparagraphs (A) and (B) as clauses (ii) and (iii), respectively;

(3) in clause (ii) (as redesignated), by inserting after "has found" the following: ", not earlier than 30 days after the transmittal of such plan,", and by inserting after "program" the following: ", subject to paragraphs (2) and (3)";

(4) by amending clause (iii) (as redesignated) to read as follows:

"(iii) has transmitted to the Congress in accordance with section 551(b) a request to put such contingency plan into effect; and";

(5) by redesignating paragraph (2) as subparagraph (B); and

(6) by inserting at the end thereof the following new paragraph:

"(2)(A) As used in paragraph (1), the term 'severe energy supply interruption' means a national energy supply shortage which the President determines—

"(i) has resulted or is likely to result in a daily shortfall in the United States of petroleum product supplies for a period in excess of 30 days (including reductions as a result of an allocation away from the United States under the international energy program) of an amount equal to 20 percent or more of such daily supplies which were available during the 12-month period before such determination,

"(ii) is not manageable under other energy emergency authorities, including any energy conservation contingency plans approved under subsection (b),

"(iii) is expected to persist for a period of time sufficient to seriously threaten the adequacy of domestic stocks of refined petroleum products, and

"(iv) is having or can reasonably be expected to have a major adverse impact on national safety or the national economy.

"(B) For purposes of paragraph (1)—

"(i) the commencement of international hostilities, including commitment of troops by the President, in accordance with applicable law, or

"(ii) the determination that rationing of gasoline and diesel fuel is necessary for assuring adequate supplies for protecting the national security,

shall be sufficient cause, notwithstanding subparagraph (A), for the President to determine that a severe energy supply interruption exists or is threatend.

"(3) As used in paragraph (1), the term 'necessary to comply with obligations of the United States under the international energy program' refers to a necessity which is determined to have impacts comparable with those provided for under subparagraphs (A) and (B) of paragraph (2).".

(d)(1) Within 90 days after the date of the enactment of this Act, the President

shall prepare and transmit to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report describing the measures taken after such date of enactment (and the costs thereof) to establish a system of rationing of gasoline and diesel fuel pursuant to sections 201 and 203 of the Energy Policy and Conservation Act (42 U.S.C. 6261, 6263), together with a description of the measures to be taken in establishing such system, a timetable for completion of such measures, and an estimate of the costs thereof.

(2) The report under paragraph (1) shall include—

(A) a description of the extent to which coupons or other evidences of right under such a rationing system would be distributed to each end-user of gasoline or diesel fuel on the basis of such end-user's needs, and an explanation of the extent to which such distribution may not be based on such end-user's needs;

(B) an analysis of providing that the entitlement under the rationing system to such end-user rights be granted on the basis of individuals licensed to operate motor vehicles on the public roads and highways, and explanation of the extent to which such entitlement will be granted on that basis; and

(C) a description of the extent to which the rationing system would meet the needs and hardships of end-users by the use of local boards as provided for under section 203(d) of such Act (42 U.S.C. 6263(d)), and an explanation of the extent to which such boards may not be used.

(3) The President shall keep such committees fully and currently informed about the progress of efforts to establish a system of rationing and of any problems and delays in establishing the system.

(e) Section 203(a) of such Act (42 U.S.C. 6263(a)), as amended, is further amended by adding at the end thereof the following new paragraph:

"(3) Any rationing contingency plan prescribed under this section shall provide that—

"(A) the end-user rights specified in paragraph (2) shall be distributed on a basis that results in the degree of shortfall involved being equally shared among the various States, considering the most recent data available.

"(B) to the maximum extent practicable, such rights shall be made available to each end-user on a basis which takes into account the needs of such end-user; and

"(C) adequate end-user rights are available to carry out the requirements of paragraphs (1) (A) and (B).".

(f)(1) Section 201 of such Act (42 U.S.C. 6261), as amended by subsection (b), is further amended by striking out subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Section 201(b) of such Act (42 U.S.C. 6261(b)) is amended by striking out "Except as otherwise provided in subsection (d) or (e) and subject to the requirements of subsection (c), no contingency plan may become effective" and inserting in lieu thereof "Except as otherwise provided in subsection (c), no energy conservation contingency plan may become effective".

(3) Section 201(c)(1) (as redesignated) of such Act (42 U.S.C. 6261(c)(1)) is amended by striking out "a contingency plan" and inserting in lieu thereof "an energy conservation contingency plan".

(4) Section 552 (b) and (d)(2) of such Act (42 U.S.C. 6422 (b) and (d)(2)) are each amended by inserting "energy conservation" before "contingency plan" each place such term appears.

(5) Section 552(d) (3) and (4)(A) of such Act (42 U.S.C. 6422(d) (3) and (4)(A)) are each amended by striking out "a contingency plan" each place such term appears and inserting in lieu thereof "an energy conservation contingency plan".

(6) Section 201(e) (as redesignated) of such Act is amended by striking out "or (e)(1)(B)" and inserting in lieu thereof "or (d)(1)".

(7) Section 203(d)(2) of such Act is amended by striking out all that precedes subparagraph (A) and inserting in lieu thereof the following:

"(2) Any rationing contingency plan under this section shall set forth—".

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that section 2 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued to read section 2.

□ 1530

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that section 2 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1540

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk concluded the reading of section 2.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is interesting that after years and years of Government policy against producing energy that once again the Congress now decides to work on a bill to allocate out the shortages that have been created by the Congress.

Out in my State of Idaho if we have to have ration coupons, some people have to drive as far as 100 miles just to check the cattle. This is one of the most ridiculous things I have ever heard of, to come up with some kind of a Government scheme to issue coupons to ration fuel. Yet, with all of the technology we have developed today there is not a pickup truck in the State of Idaho or anywhere else in the country, or an automobile that runs on ration coupons.

Somehow the Members of Congress think they can get together here and pass some kind of a program to issue ration coupons and then go home for the August recess and tell everybody what a wonderful thing we have done. I think we should just take a look at some of the President's energy programs he is talking about.

The program the President is now working on is one of more Government control, and we wonder why it is we have a production crisis in the country. Let us just take a look at some of the things that have happened since President Carter entered into office that he has been advocating.

He has supported the lockup of 70 percent of the lands in Alaska with the greatest potential for energy and mineral development. These areas are now under various wilderness classifications and are off limits to any energy exploration.

The President has supported overzealous environmental regulations governing the use of coal, which will make little improvement in actual air quality, but which will have a devastating impact on the cost of using coal by utilities.

The President has proposed more wilderness areas under RARE II, roadless area review studies, including some of the prime areas for energy development in the Rocky Mountain overthrust belt.

The President has vetoed an agreement to purchase natural gas and oil from Mexico.

He has failed to streamline the licensing of nuclear powerplants, causing years-long delays in building new plants.

The President has created a massive new Department of Energy which has continued a disastrous gasoline allocation program which has caused gas lines in some parts of the country and has generally played havoc with energy distribution throughout the United States.

In addition to all of these things, they are now talking about wanting to confiscate oil profits from people who produce oil and gas, somehow thinking that that is going to make more production. What we are doing is we are here today legislating on giving the President, the same President that has done all of these things against producers, a President who has an antiproducer mentality, a self-defeating, crepe-hanging, pessimistic view of the future, that somehow living with less is better and saying that what we are going to do now is we are going to give everybody a ration book, and everybody can get some coupons out of that book. If they are lucky I guess they can light a match and maybe get a gallon of gasoline somewhere, if there is any gasoline available. But rationing coupons do not make more gasoline.

This whole program is a waste of the time of the Congress of the United States; it is a waste of time to tell the American people that a rationing program will work. It is a good example of Government inefficiency at its best for us to even be here discussing this subject. What we ought to do is get the Government out of the way once and for all and

turn this thing over to the marketplace and allow and encourage people to produce oil, produce gas, produce nuclear power, produce coal. That is where the answer to the energy production is; it is not in some kind of Government scheme. It is in oil, gas, coal, nuclear. That is where the answer is. We do not need to have some kind of a scheme of ration coupons to ration gasoline.

I would urge the defeat of this whole proposition today on the part of the Congress. It will save us billions of dollars; it will save us incredible heartaches and headaches and frustrations on the part of our constituents we represent around the country. The whole thing can be summed up nicely by saying it is a big can of worms that is not needed; it is unnecessary and adds to the already overburdened taxpayers and overregulated consumers and producers in this country. I urge a "no" vote on this bill.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 18, line 11, strike out "20 percent" and insert in lieu thereof "15 percent".

□ 1550

Mr. OTTINGER. Mr. Chairman, this amendment, very simply, reduces the trigger that appears in the bill stating that in order for the President to institute or to send to Congress a plan for implementing rationing, that there is to be a 15 percent or more likelihood of a shortfall during a 30-day period, as opposed to the 20 percent that is provided in the bill; subject, of course, to a one-House veto.

My colleagues on the subcommittee, Congressmen ECKHARDT, SCHEUER, GORE, SWIFT, MAGUIRE, and MARKS, join with me in separate views with respect to this legislation because we felt that the trigger that is provided is unrealistic and unduly ties the President's hands in being able to institute rationing in the event of a severe energy supply emergency. While we support the bill and the rationing program that it provides, we were very concerned that in this particular aspect the bill places too many roadblocks in the President's path. In fact, I feel that the bill approaches being a fraud on the public in this respect because, while purporting to give the President authority to institute rationing in the event of a severe energy supply interruption, he would not in truth have such authority until a truly catastrophic situation prevailed in this country.

I believe the President must have sufficient standby rationing authority should events make it all too clear that we are vulnerable and unprepared. In the event of a severe energy supply interruption, the President must be able to rapidly seek the implementation of rationing. That is why I am concerned about the committee's very restrictive definition of severe energy supply interruption to mean only a national energy supply shortage which has resulted, or is likely to result, in a daily shortfall in the United States of petroleum products and supplies for a period in excess of 30 days of an amount equal to 20 percent or more of such daily supplies which were available during the 12-month period before such determination. That is a quote from the bill.

What this means is that the President cannot seek congressional concurrence to implement rationing until a 20-percent shortfall has occurred, or is found likely to occur. This provision is so restrictive as to be unrealistic. What is the President to do if there is a 16 percent shortfall that is wreaking havoc with our Nation and its economy? We have just seen parts of the country in virtual chaos from a mere 10-percent shortfall that produced long gasoline lines and wasted huge amounts of petroleum products as people waited in those gas lines to obtain gasoline.

The President must have more flexible authority. Congress is fully protected from arbitrary use of that authority by the one-house veto provided in the Energy Policy and Conservation Act, which is incorporated in this measure. Any proposal by the President to implement rationing must first be submitted to Congress, subject to the expedited one-House veto provision.

I am also concerned that S. 1030, as reported, ties the President's hands vis-a-vis our obligations under international energy programs by redefining the necessity to meet those obligations as only pertaining to a situation, "Determined to have impacts comparable with those provided for * * *" by this 20-percent shortfall requirement. This provision is truly mischievous because it constitutes an unconscionable roadblock against this country meeting its international obligations. I will be offering an amendment later to particularly address that problem.

I would like to point out that before the President can institute rationing, according to the bill, he has not only to meet this shortfall definition, but he also has to find that the supplies shortage is not manageable under any other energy emergency authorities, including any energy conservation contingency plans.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. OTTINGER was allowed to proceed for 3 additional minutes.)

Mr. OTTINGER. Under the bill, the shortage is expected to persist for a period of time sufficient to seriously threaten the adequacy of domestic supplies of refined petroleum products, and is having or can reasonbly be expected to have a major adverse impact on national safety or the national economy. So, the President cannot just institute rationing under any circumstance. It has indeed to be a very serious situation facing the country before he can act to institute rationing, subject to a one-House veto.

To say that there has to be utter chaos in this country before he can do that, I think, is wrong. The gentleman from Pennsylvania (Mr. MARKS) will shortly be offering a substitute to my amendment to eliminate the 20-percent limitation altogether. My amendment reduces it to 15 percent. I offer the 15 percent with the feeling that that is more likely to be adopted by the House, but I do support the position of the gentleman from Pennsylvania, and I will support his substitute. If that fails, then I hope the House would at least reduce this unreasonable 20-percent requirement to 15 percent.

I seek support not only for my amendment, but for the amendment that will be offered by Mr. MARKS.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with the greatest affection and respect that I view my good friend and colleague from New York (Mr. OTTINGER), who is one of the most valuable members of the committee, and with whom I have labored long in this area of energy. I must say, Mr. Chairman, that I ordinarily view his amendments with a great deal of reverence and respect, as I do him.

I must indicate, Mr. Chairman, that in this instance I cannot support his amendment. I do rise in opposition to it. The committee considered the question of the trigger and at what point the President should be able to submit a rationing plan to the Congress. It was the consensus of the committee, fairly arrived at and firmly arrived at, that rationing, being an emergency matter, should be addressed as an emergency matter, and that the President should be impelled to make a finding that a 20-percent shortfall in supply is anticipated.

While good men and honest men may differ on this matter, it must be recognized that the testimony the committee has received over the years has been that 15 percent is a shortfall in energy supply, certainly in the area of gasoline, that is manageable through other mechanisms. We have embodied in the bill the mechanism and the conservation authorities which we vested in the President and the States. It is our hope that the shortfall would be administered in that fashion.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my dear friend, since I mentioned him in such favorable terms.

Mr. OTTINGER. Mr. Chairman, I just wanted to say that while I greatly enjoy my chairman's praise, as I told him many times in the past, I would be happy to have him forgo the praise and support my amendment.

Mr. DINGELL. I deeply regret, although I would like to do both, I would like to supply the praise.

Mr. BROYHILL. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, rationing of any substance, including particularly gasoline, is a very severe action, a very drastic action. The committee bill rightly does not give the authority to implement rationing to the President except under certain circumstances. One of those circumstances is in the event of a serious shortfall of fuel. The committee determined that the 20-percent projected shortfall was a reasonable one. If the President

could project a shortfall of 20 percent and finds that this would be an emergency situation, then the President could implement the rationing authority.

It would seem to me that to drop this requirement at this time is going to give authority to the President that the Congress has not intended.

□ 1600

Mr. LOEFFLER. I thank the gentleman for yielding. I also join in his opposition to the pending amendment. Although I am now opposed and always have been opposed to gasoline rationing, this legislation has been crafted to allow gasoline rationing to occur only when a 20-percent shortfall has occurred or is likely to occur to meet the definition of a "severe energy supply interruption." If rationing must be imposed, it should only be implemented as a measure of absolute last resort. For this reason I join with my colleague, the gentleman from North Carolina, in opposition to this amendment.

Mr. GRAMM. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, throughout this debate, both today and when we voted May 10 on the standby rationing plan submitted by the President, we discussed it as a standby plan, to insure that it was standby in substance and not just in rhetoric. I think it is important that we again review what we are talking about in rationing. We are not talking about a magic cure-all for our problems. We are talking about a $2 billion program. We are talking about 50,000 bureaucrats to allocate coupons. We are talking about a catastrophic impact on the American economy that will affect the daily lives and the business lives of all Americans.

In hearings, both administration witnesses and witnesses outside the Government consistently testified that rationing could not pay for itself, comparing benefits to costs, at anything less than a 20- to 30-percent shortfall. So I think it is important that Members of this House recognize that the 20-percent trigger in this bill is in itself a compromise. I think it is important that we assure that this very powerful tool is used only if we are faced with an absolutely catastrophic shortage.

I think it is also important to note that this piece of legislation before us today has 35 pages which deal with the problems that can be dealt with through odd/even plans, through sticker plans, through State programs implemented by State governments and run by States. I think it is important that we hold the big-ticket item, that we hold rationing, until there are no alternatives. We are talking about big costs. The 20-percent shortfall is in itself a compromise.

I urge my colleagues to vote no on the Ottinger amendment, to vote no on the substitute to be offered by the gentleman from Pennsylvania (Mr. MARKS) which would lower the trigger to zero, and then to vote "no" on the international trigger which the gentleman from New York (Mr. OTTINGER) will later put forth.

I think it is important that we give the President the power to ration in an emergency, but I am not willing to give the President additional power by lowering this trigger further below the compromise that the committee has already reached. That compromise is not based on political rhetoric. It is based on a comprehensive study of the costs and benefits of rationing.

I ask the Members of this body to stay with the committee, to vote to maintain the 20-percent trigger so that we require some finding that the 20-percent shortage exists or can be expected to exist before we ration. Remember that we have 35 pages of voluntary and mandatory programs to use in lieu of rationing in the event of smaller shortages.

AMENDMENT OFFERED BY MR. MARKS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. OTTINGER

Mr. MARKS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MARKS as a substitute for the amendment offered by Mr. OTTINGER: Page 18, strike out lines 6 through 13.

Page 18, line 14, strike out "(ii)" and insert "(i)".

Page 18, line 17, strike out "(iii)" and insert "(ii)".

Page 18, line 20, strike out "(iv)" and insert "(iii)".

POINT OF ORDER

Mr. BROYHILL. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BROYHILL. Mr. Chairman, I make a point of order that the amendment is not in order because under the rules and precedents of the House an amendment to strike out language in a bill is not a proper substitute for an amendment to strike out language and insert new language.

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. MARKS) desire to be heard on the point of order?

Mr. MARKS. I do, Mr. Chairman. Mr. Chairman, the purpose of the amendment is to strike the section of the act proposed by the committee.

The CHAIRMAN (Mr. FASCELL). The Chair is prepared to rule.

The amendment offered by the gentleman from New York (Mr. OTTINGER) is a perfecting amendment. The amendment offered by the gentleman from Pennsylvania (Mr. MARKS) as a substitute for the amendment offered by the gentleman from New York (Mr. OTTINGER) is an amendment to strike and is not in order at this time until the perfecting amendment is disposed of.

The Chair sustains the point of order.

The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER).

The question was taken; and on a division (demanded by Mr. OTTINGER) there were—ayes 5, noes 30.

RECORDED VOTE

Mr. OTTINGER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 93, noes 329, not voting 12, as follows:

[Roll No. 382]

AYES—93

Anderson, Calif.	Fowler	Pritchard
Ashley	Garcia	Ratchford
Aspin	Gore	Reuss
Barnes	Hall, Ohio	Richmond
Bedell	Harkin	Rodino
Bennett	Harris	Rosenthal
Bingham	Hawkins	Roybal
Boner	Howard	Sabo
Bonker	Jeffords	Scheuer
Brademas	Johnson, Calif.	Seiberling
Brodhead	Kastenmeier	Shannon
Burton, John	Kildee	Simon
Burton, Phillip	Lehman	Solarz
Carr	Levitas	Spellman
Corman	Lloyd	Stark
D'Amours	Lowry	Stokes
Danielson	Lundine	Stratton
Dellums	McCloskey	Studds
Dixon	McHugh	Swift
Dodd	Maguire	Udall
Downey	Markey	Ullman
Drinan	Marks	Van Deerlin
Duncan, Oreg.	Matsui	Vanik
Early	Miller, Calif.	Vento
Eckhardt	Mineta	Weaver
Edwards, Calif.	Mitchell, Md.	Weiss
Fish	Nolan	Wolff
Fisher	Obey	Wolpe
Fithian	Ottinger	Wydler
Foley	Pease	Yates
Ford, Tenn.	Peyser	

NOES—329

Abdnor	Corcoran	Guarini
Addabbo	Cotter	Gudger
Akaka	Coughlin	Guyer
Albosta	Courter	Hagedorn
Alexander	Crane, Daniel	Hall, Tex.
Ambro	Crane, Philip	Hamilton
Anderson, Ill.	Daniel, Dan	Hammer-schmidt
Andrews, N.C.	Daniel, R. W.	Hance
Andrews, N. Dak.	Dannemeyer	Hanley
Annunzio	Daschle	Hansen
Anthony	Davis, Mich.	Harsha
Applegate	Davis, S.C.	Heckler
Archer	de la Garza	Hefner
Ashbrook	Deckard	Heftel
Atkinson	Derrick	Hightower
AuCoin	Derwinski	Hillis
Badham	Devine	Hinson
Bafalis	Dickinson	Holland
Bailey	Dicks	Hollenbeck
Baldus	Dingell	Holt
Barnard	Donnelly	Hopkins
Bauman	Dornan	Horton
Beard, R.I.	Dougherty	Hubbard
Beard, Tenn.	Duncan, Tenn.	Huckaby
Bellenson	Edgar	Hughes
Benjamin	Edwards, Ala.	Hutto
Bereuter	Edwards, Okla.	Hyde
Bethune	English	Ichord
Bevill	Erdahl	Ireland
Biaggi	Erlenborn	Jacobs
Blanchard	Ertel	Jeffries
Boggs	Evans, Del.	Jenkins
Boland	Evans, Ga.	Jenrette
Bouquard	Evans, Ind.	Johnson, Colo.
Bowen	Fary	Jones, N.C.
Breaux	Fascell	Jones, Okla.
Brinkley	Fazio	Jones, Tenn.
Brooks	Fenwick	Kazen
Broomfield	Ferraro	Kelly
Brown, Calif.	Findley	Kemp
Brown, Ohio	Filippo	Kindness
Broyhill	Florio	Kogovsek
Buchanan	Foley	Kostmayer
Burgener	Ford, Mich.	Kramer
Burlison	Fountain	LaFalce
Butler	Frenzel	Lagomarsino
Byron	Frost	Latta
Carney	Fuqua	Leach, Iowa
Carter	Gaydos	Leath, Tex.
Cavanaugh	Gephardt	Lederer
Chappell	Giaimo	Lee
Cheney	Gibbons	Leland
Chisholm	Gilman	Lent
Clausen	Ginn	Lewis
Clay	Glickman	Livingston
Cleveland	Goldwater	Loeffler
Clinger	Gonzalez	Long, La.
Coelho	Goodling	Long, Md.
Coleman	Gradison	Lott
Collins, Ill.	Gramm	Lujan
Collins, Tex.	Grassley	Luken
Conable	Gray	Lungren
Conte	Green	McClory
	Grisham	

McCormack	Patten	Solomon
McDade	Patterson	Spence
McDonald	Paul	St Germain
McEwen	Pepper	Stack
McKay	Perkins	Staggers
McKinney	Petri	Stangeland
Madigan	Pickle	Stanton
Marlenee	Preyer	Steed
Marriott	Price	Stenholm
Martin	Pursell	Stewart
Mathis	Quayle	Stockman
Mattox	Quillen	Stump
Mavroules	Rahall	Symms
Mazzoli	Railsback	Synar
Mica	Rangel	Tauke
Michel	Regula	Taylor
Mikulski	Rhodes	Thomas
Mikva	Rinaldo	Thompson
Miller, Ohio	Ritter	Traxler
Minish	Roberts	Treen
Mitchell, N.Y.	Robinson	Trible
Moakley	Roe	Vander Jagt
Moffett	Rose	Volkmer
Mollohan	Rostenkowski	Walker
Montgomery	Roth	Wampler
Moore	Rousselot	Watkins
Moorhead, Calif.	Royer	Waxman
Moorhead, Pa.	Rudd	White
Mottl	Runnels	Whitehurst
Murphy, Ill.	Russo	Whitley
Murphy, N.Y.	Santini	Whittaker
Murphy, Pa.	Satterfield	Whitten
Murtha	Sawyer	Williams, Mont.
Myers, Ind.	Schroeder	Williams, Ohio
Myers, Pa.	Schulze	Wilson, Bob
Natcher	Sebelius	Wilson, Tex.
Neal	Sensenbrenner	Winn
Nedzi	Sharp	Wirth
Nelson	Shelby	Wyatt
Nichols	Shumway	Wylie
Nowak	Shuster	Yatron
O'Brien	Skelton	Young, Alaska
Oakar	Slack	Young, Fla.
Oberstar	Smith, Iowa	Young, Mo.
Panetta	Smith, Nebr.	Zablocki
Pashayan	Snowe	Zeferetti
	Snyder	

NOT VOTING—12

Bolling	Diggs	Leach, La.
Bonior	Emery	Walgren
Campbell	Flood	Wilson, C. H.
Conyers	Forsythe	Wright

□ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Walgren for, with Mr. Flood against.
Mr. Conyers for, with Mr. Campbell against.
Mr. Diggs for, with Mr. Emery against.

Mr. WYDLER changed his vote from "no" to "aye."

Mrs. COLLINS of Illinois, Mr. HUTTO, and Mr. CARTER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROYHILL

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

Mr. DINGELL. Mr. Chairman, I reserve a point of order.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: Page 17, line 1 after "Act of 1979" insert the following: "(but in no event later than 180 days after such date)".

Page 17, strike out line 3 and all that follows down through line 3 on page 18, and insert in lieu thereof the following:

(c) Section 201 of such Act (42 U.S.C. 6361) is amended by adding at the end thereof the following new subsection:

"(g)(1) For purposes of applying subsection (b)(3) or (e)(1) in the case of any rationing contingency plan, the term 'serve'.".

Page 18, line 6, strike out "(i)" and insert in lieu thereof "(A)".

Page 18, line 14, strike out "(ii)" and insert in lieu thereof "(B)".

Page 18, line 17, strike out "(iii)" and insert in lieu thereof "(C)".

Page 18, line 20, strike out "(iv)" and insert in lieu thereof "(D)".

Page 18, amend line 23 to read as follows:

"(2) For purposes of applying subsection (b)(3) or (e)(1) in the case of any rationing contingency plan—

Page 19, line 1, strike out "(i)" and insert in lieu thereof "(A)".

Page 19, line 4, strike out "(ii)" and insert in lieu thereof "(B)".

Page 19, line 7, strike out "subparagraph (A)," and insert in lieu thereof "paragraph (1),".

Page 19, line 10, strike out "(3) As used in paragraph (1)," and insert in lieu thereof "(3) For purposes of applying subsection (b)(3) or (e)(1) in the case of any rationing contingency plan,".

Page 19, line 14, strike out "subparagraphs (A) and (B) of paragraph (2)" and insert in lieu thereof "paragraphs (1) and (2)".

Page 21, strike out line 18 and all that follows down through line 19 on page 22.

Page 22, line 20, strike out "(7)" and insert in lieu thereof "(f)"

Page 22, after line 24, insert the following new subsection:

(g) Section 201(e) of such Act (42 U.S.C. 6261(e)) is amended by striking out all that precedes paragraph (1) and insert in lieu thereof the following:

"(e) Beginning at any time during the period beginning on the date of the enactment of the Emergency Energy Conservation Act of 1979 and ending at the end of the first 60-calendar-day period of continuous session (determined in accordance with section 552(c)) which occurs after the 180th day after such date of enactment (or if earlier, the date of such plan may be approved), the President may put a rationing contingency plan into effect if—

Mr. BROYHILL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BROYHILL. Mr. Chairman, S. 1030, as reported by the Committee on Interstate and Foreign Commerce, contains in section 2, a blind grant of authority to the President over the design of a gasoline and diesel fuel rationing plan. The bill does reserve a one-House veto over the timing of the implementation, but reserves no congressional review over the plan itself. Congress will not be able to review or approve or reject the rationing plan unless we specifically reserve to ourselves a congressional review provision.

It is by now well known that many in this country want the President to have the standby authority to implement a rationing program during very serious energy shortages. These Americans are trusting us in the Congress to make sure that the national rationing plan is workable and fair. We cannot deliver on our trust unless we reserve the power to review the President's plan.

Because S. 1030 does not provide for any congressional review of the plan itself, I offer an amendment to allow us to review and approve the plan in accordance with the Energy Policy and Conservation Act (EPCA). The President would submit his plan, both Houses of Congress would, under an expedited procedure, review the particulars of the plan for fairness and efficiency. If the plan is fair and workable, I am confident that rapid congressional approval will result.

Under the bill as now drafted, there is no time requirement on when the plan must be submitted—only that it be "as soon as practicable." Knowing this administration and this Department of Energy, that could mean another 2 years. My amendment would call for the submission of the plan no later than 180 days, with a quick 60-day period for Congress to review and approve the plan.

What if the country should fall into a 20-percent shortfall before the plan has been submitted or before it has been approved? My amendment provides for this emergency contingency by allowing the President to implement a rationing plan at once, subject of course to the congressional one-House veto. This means the President and the country would not be left "defenseless"—he would have the power to act.

I believe my amendment provides for two circumstances which the bill as drafted does not resolve:

First. If there is time to review the merits of the plan's design, the Congress is given the authority to review and approve the President's plan.

Second. If there is not time to review the plan, the Congress will allow the President to implement his rationing plan during an emergency development of a 20-percent shortfall in daily petroleum product supplies.

I strongly believe this improves this bill. It does not "straitjacket" the emergency preparedness of this Nation, but, rather, adds to our ability to handle rationing at a 20-percent shortage by assuring the Nation that we are not only equipped but well equipped.

I urge my colleagues to support my amendment. Thank you, Mr. Chairman.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, can my good friend tell me how this amendment differs from existing law under which we just rejected the President's plan?

Mr. BROYHILL. It does not differ from that. In fact, what we do is track present law; that is, we provide 180 days that he present the plan for us, providing for a 60-day review period.

Mr. DINGELL. Mr. Chairman, I thank my friend. The gentleman is always courteous.

Mr. Chairman, I withdraw my point of order.

Mr. BROYHILL. Mr. Chairman, because S. 1030 does not provide for any congressional review of the plan itself. I do offer this amendment to allow us to review and approve the plan in accordance with the Energy Policy and Conservation Act.

□ 1630

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by the

gentleman from North Carolina (Mr. BROYHILL) to reinstate the existing procedures under the Energy Policy and Conservation Act for the approval of the specific gas rationing plan recommended by the President.

I submit that we were right when the House rejected the last Presidential rationing plan and I would vote against that plan again.

Any proposed gas rationing plan is certain to have widespread effects on all of our constituents.

We must fulfill our responsibility to the American people to affirmatively and carefully review whatever rationing plan the President submits to us.

Accordingly, I urge support of the gentleman's amendment.

Mr. BROYHILL. Mr. Chairman, I strongly believe this amendment improves the bill. It does not straitjacket the emergency procedures for preparedness that we perhaps need for the Nation, but it does improve the bill and I urge its adoption.

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. DINGELL. Mr. Chairman, I do not insist on my point of order.

Mr. OTTINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I understand the good intent of my friend, the gentleman from North Carolina (Mr. BROYHILL), but his amendment would put us in the same quagmire we were in when we last turned down the President's program for a rationing plan. It would open us up to all the special interests that want to be taken care of and who would be coming in and pleading their cause to various elements of the Congress that they needed special recognition. I am afraid we would never get a plan approved.

We do have the protection under this bill of a one-House veto, and that does give us the chance to tell the President, "No, your plan is no good" or "No, we don't think the situation is severe enough in order for a plan to be implemented." To send up or to require the President to send up a bill and for 60 days to have all the special interests playing with it would be unduly burdensome.

I would like also to point out that because we would have to go through a considerable rulemaking procedure, we would involve ourselves in an enormous amount of additional expense that I think would just lead us to frustration.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I am glad to yield to my friend, the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would like to ask the gentleman this:

This proposal of the gentleman from North Carolina (Mr. BROYHILL) is merely the EPCA procedure which is now in effect unless we pass this bill, and surely the gentleman from New York (Mr. OTTINGER) voted for EPCA. I did, although I was a little unique on this side of the aisle in so doing. But that procedure is the procedure that brought us the last plan.

If, short of the passage of this amendment offered by the gentleman from North Carolina (Mr. BROYHILL), the President could return to us the plan that the House rejected a couple of weeks ago and we would have no choice but to have to accept it or decide that there was going to be no plan at all.

Mr. Chairman, I think that is sort of an unacceptable situation. Does the gentleman not also think so?

Mr. OTTINGER. Mr. Chairman, if the President sends up the same plan as he did the last time, that would be most unfortunate. Heaven forbid. I hope he will learn.

We have a provision here that requires the Department to formulate a plan promptly and allow the committees of Congress that are concerned to review that plan and to have congressional input. But if we were to require this to be brought to the floor, as the last plan was, and to be subject to all the special interest pressures we saw then and all the special pleading provisions, I am afraid it would result in no plan at all.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, we required that under EPCA of President Ford, who was then sitting in office. We required that he come up with a plan, and that we would have a vote on it presumably in 1976, which was an election year.

We did not quite have the emergency then that we have had recently, but it was required of President Ford by the Congress then, and it seems to me that the President is now required to do that still under the EPCA law. We have had the emergency and I do not see why we do not ask him to provide another plan for us and give us the opportunity to vote on it. It seems to me that is only fair.

Mr. OTTINGER. Mr. Chairman, I think what we have demonstrated is the great difficulty of getting Congress to act upon the specifics of a particular plan, because every segment of industry and every segment of society is affected and will want special consideration. I think it is far better to have the President formulate the plan and submit it to the House subject to our veto.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield for just one final comment: It is that what the gentleman is suggesting is that we just abandon any right to speak to the plan itself and turn it all over to the President. I think that is somewhat irresponsible, under the effort of the Congress to try to control these things and have its input.

We ought to be as responsible as the President for whatever that rationing proposal is, it seems to me.

Mr. OTTINGER. Mr. Chairman, we have, as I have indicated, provided for our input under the bill. We require the Department to send us a plan and give us an opportunity to review it. We have not submitted it to action on the floor because of the difficulties that have been demonstrated in the past. I do not think we would be able to get a rationing plan under those circumstances. I do think that we have provided adequate protection for the Congress with the one-House veto on implementation and with the provisions for review that we have made.

The CHAIRMAN. The time of the gentleman from New York (Mr. OTTINGER) has expired.

(On request of Mr. LOEFFLER, and by unanimous consent, Mr. OTTINGER was allowed to proceed for 1 additional minute.)

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to my friend, the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I wonder what assurances the gentleman can give me that a plan submitted by the President would be any better than the plan he submitted earlier which we soundly defeated.

Mr. OTTINGER. Mr. Chairman, I can give the gentleman no such assurances. But then, on the other hand, I cannot give the gentleman any assurance that it would be any worse than what we did to that plan. Once it got here and in the other body, we virtually butchered that plan and made it unacceptable through trying to provide special provisions for each interest that was concerned. I think the President will have learned something from his experience.

We have provided that he submit that plan to the committees, the committees will have a chance to communicate with him, and I hope we can then get the President to devise a more equitable plan.

We have provided some guidelines in this legislation as well to guide the President and to insure that there must be equal treatment among the States and there ought to be consideration of individual needs, which was not provided in the previous plan.

Mr. KRAMER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my colleague, the gentleman from North Carolina (Mr. BROYHILL).

□ 1640

Think about what we are doing here. Think about what we are doing. We are saying that if the plan is deficient, like we determined it was on May 10 by a vote of 159 for and 246 against, let us not go back and change the plan. Let us get rid of the law that allows us to correct the deficiency.

The purpose of this amendment is to restore the opportunity and the responsibility of the Congress to review and approve a rationing contingency plan submitted by the President. What we are doing here, if we do not adopt this amendment, is totally abrogating our legislative responsibility.

I point out to my colleagues and fellow Members here that I know that we have a lot of amendments, and I do not want to belabor the body with needless rhetoric; but I ask the Members to think about the magnitude of the defeat of the amendment offered by my colleague, the gentleman from North Carolina.

What we are simply doing is saying that we cannot be responsible, we can-

not formulate legislation, so let the President of the United States do it on our behalf.

The very fact that the review process which we undertook revealed serious deficiencies in the administration's proposed plan reinforces in my mind the importance of the congressional review process. If the Members think for a moment that a rear-end congressional review process allowing us only 15 days to act in a period of crises and hysteria is sufficient to amend a plan in a way that makes sense, I submit that proposition defies total logic.

Let us look at the record. We have had the opportunity four times now to go to the bat on the EPCA review procedures. Two times the President's proposals never got out of committee. One time they got out of committee and onto the floor and were defeated on the floor, and only one time, in the case of the temperature settings, was the President's plan that was actually submitted approved under the provisions of EPCA. So 75 percent of the time, three out of four times, we have turned the President down. Now we do not even want to know what he is going to do to us. We simply say to him, "Mr. President, do not tell us until the fact is an accomplished fact, we do not want to know the bloody details in between, we only want to know the horror of the end result."

I am really astonished that this body would accept the failures of the administration as its own and then compound that error by denying itself a meaningful role in the review process in the future.

Having seen how deeply this issue cuts in the lives of our constituents, I think we should be keenly aware, more than ever before, of the importance of the representative system of government We should strive to strengthen that system, not dilute it through grants of unbridled power to the Executive, such as is contained in this bill.

The Members of this body are elected to represent the interests of their constituents. The nature of the system is to meld those divergent interests into a consensus on national priorities, not to abrogate that responsibility to the executive branch. If a majority cannot be reached, then the question must be asked if the national interest is really served in acting without majority support.

I urge my colleagues to remember the fact that they were elected to make tough decisions, not to turn over the interest of their constituencies to the executive branch with a blank check and not to escape criticism for an unpopular action, such as rationing.

I urge the Members to support the Broyhill amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for his statement. It seems to me that all I heard from the administration, after we had turned down the President's plan, was a condemnation of the House. The President, so far as I know, never said, "Gee, maybe we made some mistakes in our proposal, perhaps we ought to go back to do it again." I personally think we would get exactly the same plan. We would have 15 days to turn it down while faced with a 20-percent shortfall in our energy situation—an impossible situation. I think the amendment makes an awful lot of sense. I hope my colleagues will accept it and vote for it.

Mr. KRAMER. I thank the gentleman. I could not agree with the gentleman more.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my colleagues in the House heard me direct a question to my beloved friend, the gentleman from North Carolina (Mr. BROYHILL). I said, "How does this amendment vary from existing law with regard to rationing?"

The gentleman said, "Not at all."

The hard fact of the matter is the amendment offered by the distinguished gentleman from North Carolina, for whom I have the greatest affection, not only enacts existing law, not only reinvents the wheel or reinvents the automobile, but it does so in a less satisfactory fashion, because, in addition to everything else, before the President can impose a plan, he must find that there is a 20-percent shortfall.

The consequences of the adoption of the amendment offered by my good friend, the gentleman from North Carolina, are that we would require at least 240 more days to elapse before we can consider meaningfully a question relating to rationing, by which time we could have had a major shortfall in supply stemming from disorders in Iran.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Mr. Chairman, since I have mentioned the gentleman's name, I will yield briefly.

Mr. BROYHILL. Mr. Chairman, on that point I think the gentleman should go back and read my amendment, because I took care of that in the amendment.

Mr. DINGELL. Mr. Chairman, I have read the gentleman's amendment, and I remain of the same opinion, in spite of the high regard I have for the gentleman.

Mr. BROYHILL. Mr. Chairman, under the terms of the amendment, in that 200-day period the President would have the authority to submit a plan to us, and we would then trigger the 15-day approval period. So I purposely put that in there so as not to tie the President's hands during that period of time.

Mr. DINGELL. Mr. Chairman, in any event, the amendment would still be subject to the 20-percent shortfall and would be precisely the same language under which we proceeded to reject a standby rationing plan last May 10.

What are we going to be considering under the legislation before us? Rationing to go into place tomorrow? Absolutely not.

We are going to be considering a "standby" rationing plan.

In addition to all things else—and I hope I will have the attention of the gentleman from North Carolina—the gentleman's amendment will require redoing something which costs better than $3 million. It will require the wastage of $3 million in hearings and proceedings to accomplish. It will require, in addition to that, probably an additional $12 million in printing costs, because that is what was involved in the printing of the coupons and the stickers. The consequences will be that at the end of this prolonged period of time the House will still find itself faced with the need to first affirmatively approve the plan and then, subsequently, to reject by a one-House veto the imposition of the plan.

Mr. Chairman, my colleagues on the Republican side would have us believe that this is delegation run rife. In point of fact, it is not delegation run rife. In point of fact, what we are doing is affording the President, subject to safeguards, and I would call to the attention of my Republican colleagues the language on page 21 in the bill, where in we have set out the standards and the criteria very carefully that the administration must apply in arriving at its rationing plan. We then compel the administration, before any rationing plan can go into place, to submit itself to a one-house veto, and to do so within a period of 15 days, during which time the House and the Senate will be continuously in session.

The amendment, although I am sure it is offered with the best of intentions, is, nonetheless mischievous. It simply reenacts existing law, it imposes additional liabilities, great additional expenses, substantial amounts of administrative action and hearings, a great deal of boil and toil, and probabilities of litigation and court review. In addition to that, it will probably occasion wastage of a substantial period of time in probably upward to $3 million.

At the conclusion of having complied with the Broyhill amendment, if the House is unwary enough to adopt it, my colleagues will find themselves then faced with precisely the same situation as regards the standby rationing plan as under existing law. It makes no sense to adopt this amendment at all, and I urge my colleagues to reject it.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I have the greatest of respect for my colleague, the gentleman from Michigan (Mr. DINGELL), having served with him now for some time on this committee. I supported the gentleman in that EPCA bill that he crafted so carefully, and he is a master legislator.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

(On request of Mr. BROWN of Ohio and by unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. Mr. Chairman, I have no objection to the gentleman proceeding. I would like to have him end on that note.

Mr. BROWN of Ohio. Mr. Chairman, I will continue on that note and I will end on that note, too; but I just want to inquire as to what the difference is now, after we have had the shortages that resulted from the allocation authority that we originally gave to FEA, now the Department of Energy, back in 1973. We have had the shortage situation for several months in certain parts of the country. What is the difference between now and the situation back in 1975 when we had no shortage and we required the President at that time to submit a plan and had the right to veto that plan here?

□ 1650

Now we are saying, "Mr. President now you can do anything you want to do to us."

Mr. DINGELL. No, that is not what we are saying at all.

First of all, as far as the gentleman's comments, I want to indicate I have the greatest affection for the gentleman from Ohio. He is my dearest friend.

The hard fact of the matter is that it must be recognized that the shortfall in supply in this country was occasioned not by allocation regulations, but it was occasioned by the Iranian disorder which substantially reduced probably by somewhere between 5 and 8 percent of the amount of oil coming into this country. That was the cause of the shortfall, not the allocation.

Now we are trying to do away with the allocation system. We will through the President's program for decontrol.

But the proposal that we have before us now is to assure that we will be able to craft in as reasonably responsive and short period of time a proposal for rationing which will enable the country to meet the very real possibility of a significant shortfall in supply stemming from disorder or difficulties abroad, such as possible disorder inside Saudi Arabia, perhaps a continuance of disorder in Iran, perhaps a shutoff of supply from Nigeria or perhaps a shutoff of supply from Libya, which has indicated the possibility of termination of supply for a period of 2 years.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROYHILL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 185, noes 234, not voting 15, as follows:

[Roll No. 383]

AYES—185

Abdnor
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Aspin
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Bowen
Breaux
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Fountain
Frenzel
Gilman
Gingrich
Goldwater
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hammer-schmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hyde
Ichord
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mattox
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Myers, Ind.
O'Brien
Pashayan
Paul
Perkins
Petri
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
White
Whitehurst
Whittaker
Whitten
Williams, Mont
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.

NOES—234

Addabbo
Akaka
Albosta
Anderson, Calif.
Annunzio
Anthony
Ashley
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Corman
Cotter
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Holtzman
Howard
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kozovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solarz
Spellman
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
Whitley
Wilson, Tex.
Wirth
Wolff
Wolpe
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—15

Alexander
Bolling
Bonior
Campbell
Conyers
Diggs
Emery
Flood
Forsythe
Leach, La.
Moorhead, Calif.
Treen
Walgren
Wilson, C. H.
Wright

□ 1700

The Clerk announced the following pairs:

On this vote:

Mr. Emery for, with Mr. Walgren against.

Mr. Moorhead of California for, with Mr. Conyers against.

Mrs. FENWICK changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1710

Mr. GILMAN. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

Mr. DINGELL. Mr. Chairman, I reserve points of order.

The Clerk read as follows:

Amendments offered by Mr. GILMAN: Page 17, strike out lines 10 and 11 and insert in lieu thereof the following:

"(1) has transmitted a copy of such contingency plan to the Congress in accordance with section 551(b) and neither House of the Congress has disapproved (or both Houses have approved) such plan in accordance with the procedures specified in section 551;";

Page 17, beginning on line 15, strike out "not earlier than 30 days after the transmittal of such plan," and insert in lieu thereof "if the plan is not disapproved during the period provided for such disapproval (or if the plan is approved) under clause (1),".

Page 19, line 14, strike out the quotation marks and the period which follows.

Page 19, after line 14, insert the following new paragraphs:

(4) For purposes of considering the plan submitted to the Congress under paragraph (1)(A)(1), the 5 calendar days specified in section 551 shall be lengthened to 10 calendar days and the 15 calendar days shall be lengthened to 30 calendar days.

"(5) No amendment to any such plan may take effect unless that amendment is submitted and not disapproved (or is approved) as provided for under paragraph (1)(A)(1)."

Mr. GILMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DINGELL. Mr. Chairman, reserving the right to object, and I have also reserved a point of order, could the gentleman tell us briefly what the amendment does?

Mr. GILMAN. Essentially, this amendment provides for a 30-day one-House veto of the President's plan. The bill before the House, has stripped from the Congress the opportunity to provide a review of any Presidential plan.

Mr. DINGELL. If the gentleman would permit, what he does is, he requires two one-house vetoes for the President's plan.

Mr. GILMAN. No, my amendment provides only one one-House veto of the President's plan.

Mr. DINGELL. But two one-House vetoes, because the bill already provides for a one-House veto. You add one more for a total of at least 45 calendar days of continuous session.

Mr. GILMAN. The bill presently provides for a one-House, 15-day veto of the implementation of any plan. My proposal provides for a one-House veto of the plan itself.

Mr. DINGELL. So then we have two one-House vetoes, a veto of the plan and a veto of its implementation.

Mr. GILMAN. With one exception, we do not without my proposed amendment have anything to say about any proposed plan.

Mr. DINGELL. I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. OTTINGER. Mr. Chairman, reserving the right to object, can the gentleman tell us whether this is an opportunity to amend the plan?

Mr. GILMAN. This does not provide for the opportunity to amend the plan. Neither my amendment nor the proposal as written by the committee provides any opportunity to amend. My amendment simply provides for a veto, and if the veto is exercised, requires the House to return the plan to the President with whatever recommendations we may have. The President then could promptly resubmit a revised plan.

Mr. OTTINGER. Further reserving the right to object, what are the amendments the gentleman is melding? The gentleman asked that several amendments be considered en bloc.

Mr. GILMAN. I am having passed over to the gentleman from New York a copy of my proposed amendments. They all refer to the one-House veto.

Mr. OTTINGER. They all are related?

Mr. GILMAN. Yes, they all provide for the one-House veto, and are all related.

Mr. OTTINGER. I thank the gentleman, and I withdraw my reservation of objection.

Mr. DINGELL. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. GILMAN) that the amendments be considered en bloc?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. GILMAN) that further reading of the amendments be dispensed with and that they be printed in the RECORD?

There was no objection.

Mr. GILMAN. Mr. Chairman, this emergency energy bill as reported by the committee contains no provision for any sort of congressional review over the workings of the President's rationing plan. Some of the bill's proponents have said that the expedited procedures of EPCA are too slow. I believe that they are misinformed.

Since this legislation does not empower the Congress with any opportunity to review and approve the merits of a Presidential rationing plan, we ought to at least reserve for ourselves a one-House 30-day veto period over the substance of the plan.

While the bill, as reported by the committee, allows the Congress to veto the implementation of a rationing plan, it strips the Congress of any voice with respect to the provisions of the plan itself. Under my amendment, Mr. Chairman, the President would submit his plan, and if after 30 days neither House of Congress disapproved the plan, it would then be approved and held in a standby status.

Under this congressional veto, the Congress could assure the Nation that we would be well-armed to deal with the serious energy shortages that rationing is designed to address. A one-House veto is not carelessly given by either body of this great legislature. In effect, my amendment is a provision allowing us to reject only the most careless, the most inequitable, and most preposterous type of rationing.

All of my colleagues are concerned about protecting the American people from any faulty rationing program. This one-House veto amendment would allow us the opportunity to do just that, without, in any way, holding up any legitimate rationing plan which, hopefully will be produced by the administration. It would also protect us from being forced to buy a pig in a poke.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I support the gentleman. I think it is a good amendment. It is very similar to the amendment that I offered. My amendment provided for two-house approval of the President's rationing plan. The amendment of the gentleman from New York provides that the plan would be submitted to the Congress, and could be disapproved by any one house upon majority vote of that one house. Does that describe the differences between the amendment that I offered and the amendment the gentleman from New York is offering?

Mr. GILMAN. Yes; and I thank the gentleman from North Carolina for drawing that distinction. I also want to call attention to the fact that the gentleman's proposal would have required a 60-day period for approval.

Mr. BROYHILL. If the gentleman would yield further, the other difference, of course, is that I provided for a 60-day congressional review period, and the gentleman provides for a 30-day congressional review period.

Mr. GILMAN. That is correct, and I appreciate the gentleman focusing our attention on that distinction.

Mr. Chairman, my amendment, essentially substitutes a one-house vote for the more difficult to obtain two-House approval.

The veto provisions under my amendment would operate under the expedited procedures of section 551 of the act, which is retained by this bill, for the purposes of considering whether or not Congress desires to veto the President's intention to implement any standby program.

Mr. Chairman, the committee's report sets forth extensive criticism of the last rationing program that the President submitted to the Congress. But, despite that protest, I am amazed that at the conclusion of its discussion, the committee's report indicates that the President ought to be allowed to submit another plan without any congressional review.

Accordingly, Mr. Chairman, I urge my colleagues to support this amendment providing a 30-day one-House veto over the substance of any proposed rationing plan.

Mr. OTTINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is essentially the same kind of effort that was put forward in the Broyhill amendment, just defeated, and is subject to most of the same evils. While the House would not have an opportunity to amend this plan affirmatively, still the House would be subject to all the same special interest press, as would the other body, and it would only give the special interests that felt they were disadvantaged by a plan the ability to have it turned down in either house in order for it to be defeated. This amendment puts us in a situation where, in practicality, we probably could not get a standby rationing plan before the public and in the hands of the President and in the event of any emergency.

I would like to point out to the committee that this is not a plan that is going to be instituted tomorrow. This is a plan that is to be held in reserve only in the event of the severest kind of emergency. It does not go into effect unless it is anticipated that there will be a 20-percent shortfall throughout the country, which means the country would be in chaos.

□ 1720

It would not go into effect unless the situation were not manageable under other energy emergency authorities. It

would not go into effect unless the emergency was expected to persist for a period of time sufficiently to threaten the adequacy of domestic stocks of refined petroleum products. It would not go into effect unless the emergency is having, or can reasonably be expected to have, a major adverse effect on the national safety or the national economy. Under those dire circumstances it is just essential that the President have the authority to impose rationing and that there be a plan in place. I am just fearful that any plan that has to be put up in advance subject to congressional approval under a one-House veto and under another one-House veto to implement is just not going to get approved. I think it is so important in view of the kind of threats that we do face of international interruptions completely beyond our control that we do have a program that is capable of being instituted by the President in the event of a severe emergency.

I urge the defeat of the amendment.

Mr. AMBRO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think my friend, the gentleman from New York (Mr. OTTINGER), just said that any attempt to do what the gentleman from New York (Mr. GILMAN) recommends in his amendment would be subject to self-interest groups coming back to us and suggesting that the distribution method in the plan for their special interest is awry in some respect.

It seems to me that one thing should be considered. The criticism of the previous plan was not criticism solely by self-interest groups since, if we consider that this is a suburban nation, the suburbs under the previously submitted plan were severely disadvantaged under it. If that is a self-interest group, so be it, but how can we afford to look away from this kind of an amendment when the administration has been so lax in developing a system or a procedure or a plan which completely neglected the kinds of elements that are vital to the survival of these people in mass transportation deficient areas? There is a great difference between those people on the one hand who are targeted with a cash-coupon system with one vehicle, living in a city which has access to all kinds of transportation systems, and those on the other hand who are disadvantaged because they reside in mass transportation deficient areas, that is suburban or rural areas.

It seems to me that in the face of the kinds of plans that we have seen from this administration, which lack the fairness and equity and balance that we know is required, that we just must have the right to look at this again. There is no question that if it is triggered at a chaotic 20 percent of product that we will be in bad shape in this country, but the disruption that would be caused by another such plan coming down from the White House such as we got the last time, it seems to me, merely shifts one form of chaos for another and makes it imperative that we look at the plan once more from the point of view of the so-called special interests of huge groups of people who would be severely disadvantaged by something like this.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding. I have no reason to come to the defense of the administration or its last plan. I thought it was a bad plan. I also represent a suburban district, and I thought we did get short-changed. But what we are talking about here is a plan which would only go into effect in the event of a dire emergency, and even that plan is better than having chaos throughout the country in the event of the kind of emergencies that would trigger it in.

Mr. AMBRO. I would like to reclaim my time. It is very short time. I will tell the Members that I do not think any reasonable person in this room or this Nation does not understand what the gentleman just said but we do not buy that argument. How can the gentleman urge that if we get to the chaotic situation of a 20-percent shortfall of product that we can then afford to endorse any plan that comes from the White House that does not seem to balance things out and make equity a primary consideration. The previous administration plan was an administrative nightmare with respect to gas checks for coupons which will shift us from lines at the pump to lines at the bank, targeted vehicles and not need, had a white market provision that assured the gouging of those people whom I represent by virtue of the sale of surplus coupons. The whole plan was ludicrous. If we do not look further into it and if we endorse it in advance, we will have completely abrogated our responsibilities.

Mr. CARNEY. Mr. Chairman, will the gentleman yield ?

Mr. AMBRO. I yield to my neighbor to the east.

Mr. CARNEY. I thank the gentleman for yielding.

I would just like to take this opportunity to associate myself with the remarks the gentleman made. The special-interest groups the gentleman was talking about are 66 percent of the population of the United States, those people living in suburbs and urban areas. What the gentleman has said is quite accurate, and I am proud to associate myself with those remarks.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I thank the gentleman for yielding.

Let one of those of us in the West join with the gentleman from the East. I think the gentleman makes a good deal of sense in everything he has said.

Let me add one more thing. When we are talking about special-interest groups and how they can come in and confound this program, they can move far faster than the people can, and the necessity for changing from 15 to 30 days lies in that. It takes about a week to get the message to the people and certainly they should then have adequate time to study the plan and contact their Representative. I do not have all that much confidence in the White House crew to give them a blank check authority on designing a rationing plan.

The CHAIRMAN. The time of the gentleman from New York (Mr. AMBRO) has expired.

(At the request of Mr. ANDREWS of North Dakota, and by unanimous consent, Mr. AMBRO was allowed to proceed for 2 additional minutes.)

Mr. ANDREWS of North Dakota. If the gentleman will yield further, I think what we have to recognize is that if a plan comes down from the President, it takes some time for the news to get around this Nation of ours and for the reaction to come back in, and a 30-day period gives the people in the gentleman's suburban areas and in my rural areas the chance to have input and to make sure that whatever rationing program we have is equitable across the Nation. The gentleman makes an excellent point; all of his points are good. But also remember that the public will better be served by giving them the appropriate time to come in as well and be heard. It is amazing that this administration, that says it values input from the people, seeks to circumvent their opportunities to be heard on something that affects them as much as gasoline rationing.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BROWN of Ohio, and by unanimous consent, Mr. AMBRO was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield for just an observation without opening up that metaphysical can of worms that the Nation is made up of self-interest groups. Each one of us is.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I would like to identify one other special-interest group. My district happens to be a lot of small industrial towns scattered with a few miles between each throughout the central and western part of Ohio wherein we have a lot of people who drive 25 or 30, or 40 or 50 miles one way to the plant site at which they work and home again, and those people who have that requirement for making a living, like the traveling salesmen, were not included in the other plan that was proposed to us. That is why I would like to have an opportunity to put my imprimatur either of approval or disapproval on the plan that the President comes up with. I must say that the President perhaps was not totally to blame for the last plan that he presented to us because, literally, I think they picked up a plan that was in its nascent phases before this administration took over and just simply dropped in on the House of Representatives. But the House has a responsibility to its own constituents in this area, and we ought to have the opportunity to exercise that responsibility.

Mr. AMBRO. I agree with the gentleman completely, except that I would

wrap up by saying that the House had the opportunity to develop a plan, and I, indeed, am sorely sorry that it did not put the gentleman's imprimatur and mine and everyone else's on a plan that we could develop, send to the White House for their approval, and get back here. But since we have got only this route open to us, I think the gentleman's amendment is an excellent one, and I urge the Members to pass it.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding. I want to compliment the gentleman on his amendment and certainly to agree with the idea that this Nation is composed of a whole bunch of different special interests. I think that is why we are here. We are here to represent all of these various interests, whether we want to label them special or by some other designation. Certainly they have a right to be represented and a right for us to look at a plan before it is actually put into effect, before we get to the very crisis situation that would be here.

The CHAIRMAN. The time of the gentleman from New York (Mr. AMBRO) has expired.

(At the request of Mr. OTTINGER, and by unanimous consent, Mr. AMBRO was allowed to proceed for 2 additional minutes.)

Mr. AMBRO. I would like to thank the gentleman. But lest we get to the point where we feed the opposition the argument that this very colloquy develops the thought that it would be chaos acceding to the special interests of all, these special interests that I am talking about are those people who live in mass-transportation-deficient areas, which represent a huge block of this country and which have not been addressed by the previous plan of the White House.

□ 1730

Now, it may very well be that if this amendment fails that at least the White House gets the message that we are very concerned about those areas as a block.

Mr. OTTINGER. Will the gentleman yield, Mr. Chairman?

Mr. AMBRO. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

We have just seen a demonstration of the exact reasons why we cannot pass a plan in the House of Representatives. We have the westerners who say they need particular consideration, we have the industrial Midwest who have their interests, we have taxicab drivers, we have the suburbs, each of which wants to make sure their people are going to be taken care of.

In a rationing plan, obviously there is going to have to be sacrifices. No Representative is going to want sacrifices by the particular interest in his group. That is why it seems to me we have to rest the authority in the President to come up with a plan subject to a one-House veto with respect to implementation.

I thank the gentleman for yielding.

Mr. AMBRO. I anticipated the gentleman's argument.

Mr. AMBRO. Mr. Chairman, I yield back the balance of my time.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment. Mr. Chairman, the difference between this amendment and the amendment just rejected by a large vote by the House is really cosmetic. The difference is between Tweedledum and Tweedledee. In that, the gentleman from North Carolina pointed out we were essentially reenacting existing law. In this, we are also essentially reenacting existing law with the changes that I had mentioned before, meaning that there had to be a finding of a 20-percent shortfall before the President could implement the plan. Instead of requiring the House to affirmatively approve the plan and the Senate to affirmatively approve the plan in the first instance, we have two one-House vetoes.

The first one-House veto will occur whenever the President submits a plan to the Congress. At that point, each House will have 30 calendar days of continuous session to disapprove the plan.

The second one-House veto occurs when the President wants to implement the plan, assuming neither House disapproves the first time. This time, each House will have 15 calendar days of continuous session to disapprove the plan.

Mr. Chairman, this hardly strikes me as being a difference of any significance between what we now have under EPCA.

A comment was made about people who come from suburban areas. I come from suburban areas. I come from people who use the automobiles. As a matter of fact, the automobile is manufactured and used extensively in a highly mass transit deficient area where I live.

I know one thing, if this country has a major shortfall in supply—and it may very well do so this fall—one which will compel a choice between gasoline for driving and fuel for heating homes we will be in a difficult way. We are going to need a standby rationing plan that is fully ready to be implemented if needed. We are going to need one quickly. We are going to need the ability to respond quickly. This amendment would deny the President that authority.

I would again commend to my colleagues the fact the committee has circumscribed the President's powers very significantly. First of all, within 90 days after enactment of legislation the President has to submit to the House a statement of how he proposes to use the powers which have been vested in him and to describe the actions which he will take to the best of his ability. He must thereafter continually keep Congress advised.

Subsequent to that the President may, if he finds there is a 20-percent shortfall in supply, submit to the Congress a finding that rationing should be implemented. That is a significant safeguard, as our colleague Mr. GRAMM has observed. Even then the plan cannot be implemented without a congressional one-House veto opportunity.

Now, the question is, how much delay, how many impediments does this body want to lay in the face of the President before he can meet the consequences of a major supply interruption? We have already said he cannot act. He cannot implement the plan unless there is a 20-percent shortfall and congressional approval.

Mr. Chairman, this kind of nakedness to a politically unstable area, to the possibility of supply shutoff as we saw during Iran, is absolutely intolerable. If you ask any American who stood in the gas line this summer or any resort owner or any of the truckers or farmers who faced hardship during that shortfall or if you ask any of the folks who may very well have cold homes because we have chosen gasoline over heating oil or because we have chosen diesel fuel over heating oil, you will find how the people want standby rationing in this country and you will find there may be a more stern response than that which we are seeing. They want to be prepared. No one wants to see it implemented. But they want us in readiness.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I will yield to the gentleman from New York.

Mr. GILMAN. I merely want to clarify one point. This amendment does not delay the procedures under this program in any manner. As presently provided by the committee's proposal there is a 30-calendar day layover from the time the President transmits a plan to the Congress until the plan can be put into effect.

All this amendment does, during that 30-day period, is to provide for a one-House veto.

Mr. DINGELL. Mr. Chairman, do I have the time or not? I decline to yield further.

The CHAIRMAN. The gentleman from Michigan has the time.

Mr. DINGELL. The answer is the gentleman does strike the 30-day period in the committee bill. He does not say when the plan must be submitted to Congress.

The practical consequences of the gentleman's amendment are long periods of delay before the President can even submit anything, plus two opportunities for legislative vetos.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. GILMAN, and by unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, I will now yield to my good friend, the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I submit again that this one-House veto amendment does not add any additional time. It takes place during the 30-day layover period after the President has devised and submitted a plan to the Congress.

I ask the gentleman to please explain how any additional time would be added. How does the gentleman compute the 240-some days that he refers to?

Mr. DINGELL. Mr. Chairman, if the gentleman will permit, first he requires two one-House vetoes. One before the plan goes on standby and one before the plan can go into effect.

Mr. GILMAN. Will the gentleman yield?

Mr. DINGELL. I yield further to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. My amendment requires only one one-House veto.

Mr. DINGELL. Mr. Chairman, I must tell the gentleman I count two in his amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield to me?

Mr. DINGELL. I will yield to the gentleman from New York.

Mr. OTTINGER. I might point out what has not been pointed out before and that is that any rationing contingency plan prescribed under this section shall provide that the end user right specified shall be distributed on a basis that results in the degree of shortfall involved be equally shared among the various States.

Mr. DINGELL. If the gentleman will permit, I have a letter here signed by the gentleman from New York, BENJAMIN A. GILMAN, Member of Congress. It says:

> I intend to propose an amendment to S. 1030 to provide for a procedure whereby either House of Congress could by simple resolution disapprove the terms of the proposed rationing plan during the 30-day period following its submission.

That is the first of the one-House vetoes.

The second of the one-House vetoes follows before the plan can go into effect which is still provided in the Committee bill and is not changed by the amendment. That is two one-House vetoes, plus the time that it takes for the process of developing the plan.

Mr. GILMAN. Will the gentleman from Michigan again yield?

Mr. DINGELL. I now yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Yes, the bill in its present language provides for a one-House 15-day veto of the implementation of a standby plan in the event there is an emergency.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. I yield again to the gentleman from New York and will repeat that his amendment provides for two one-House vetoes.

Mr. GILMAN. My amendment provides only for a veto of the plan itself to give the Congress an opportunity to review the proposal, not the implementation of the proposal, but to look at the draft of the President's proposal and say whether Congress approves or disapproves, thereby avoiding the necessity for signing a blank check and avoiding buying a pig in a poke. It enables the House to have some input on such an important consideration.

Mr. DINGELL. Mr. Chairman, there are still two one-House vetoes. The bill provides a one-House veto for the plan to go on standby under the amendment offered by the gentleman and then there is the subsequent requirement of the bill that, before the plan can be implemented, the President has then got to submit to a one-House veto plus all the findings.

Mr. GILMAN. Mr. Chairman, will the gentleman yield once again?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, the one-House veto applies during the 30-day transmittal period to the Congress and adds not 1 day of additional time to the procedures presently prescribed in this legislation.

Mr. DINGELL. What the gentleman has done, and I have great respect for the gentleman, he has still required two one-House vetoes. They will take at least 45 calendar days of continuous session. The bill provides for one one-House veto before the implementation can take place; the gentleman would require one one-House veto before the President could put the plan on the shelf for standby.

□ 1740

Thus, I say that is just too much. It is literally a reenactment of existing law. It disregards the fact that the President has in any event to make a finding of a 20-percent shortfall in supply before he can implement the plan. So I would urge my colleagues to reject the amendment.

Now I yield again to the gentleman.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

The gentleman is correct. There would be two vetoes, one by way of my amendment for the plan and one by the committee's proposal for the implementation of the plan.

I think Congress certainly deserves some input on such an important consideration as a standby rationing plan.

I urge my colleagues to support this amendment.

Mr. DINGELL. Mr. Chairman, I would point out that at under precisely this mechanism the House has already shown itself on May 10 incapable of putting a standby plan on the shelf.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has again expired.

(At the request of Mr. STOCKMAN, and by unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my colleague, the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I just want to say for the benefit of the House, the chairman of the committee is usually a model of lucidity; but I think in the last few minutes the gentleman has done his very best to totally obfuscate what this amendment does.

Mr. DINGELL. Now, wait. Since we are on my time, all I have done has been to quote from a letter sent me by our good friend, the gentleman from New York (Mr. GILMAN).

I find myself hard put to say that I have obfuscated a matter on which the gentleman from New York (Mr. GILMAN) and I happen to be in agreement.

Now, if the gentleman wants to say that the gentleman from New York (Mr. GILMAN) obfuscates, I will not quarrel with it. But when the gentleman says that I obfuscate, I must necessarily say that the gentleman is in error.

And I yield again.

Mr. STOCKMAN. Well, let me say to the chairman, the discussion has obfuscated the issue. What this amendment does is add a one 30-day period to the mechanism provided in the bill before us. It does not go back to the old law. It does not require rulemaking. It does not require 2½ years. That is the old law.

Mr. DINGELL. Well, the gentleman is in error, because what happens is that before the President can submit a plan, he has got to go through the rulemaking process, as was offered by the gentleman from New York (Mr. GILMAN). That takes a goodly period of time. I pointed out that it took in the case of the last two administrations about 2½ years.

I respect my colleague, but I differ with the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

I would like my colleague, the gentleman from New York (Mr. GILMAN) the author of the amendment, to offer the correct understanding of what his own amendment is. I think it has, as my colleague, the gentleman from Michigan (Mr. STOCKMAN) has said, been thoroughly confused by the past colloquy.

Mr. GILMAN. Mr. Chairman, I thank the gentleman from California for yielding and I thank the gentleman for giving me this opportunity to underscore that what this amendment seeks to do is to provide an opportunity for the House to review any Presidental rationing plan. Under the committee bill, when a plan has been drafted by the President and submitted to the Congress, there is a 30-day layover period. During that 30-day layover period, the House would have the opportunity to impose a congressional veto of the plan. There is no additional time that is added by this amendment to that procedure. If the plan is found faulty and the House vetoes it, it would be sent back to the President. He can then immediately resubmit a new plan for our consideration, taking note of any objections that have been voiced. There is not any undue delay. And it would not occur during an emergency period. Our rationing, plan would take place at a time when we can look at the plan objectively, try to improve it, try to take care of some of the criticisms that may be voiced here, some of the criticisms that were voiced in the committee report, some of the criticisms that we voiced in the last plan when we rejected it. If there are some sound constructive criticisms, those objections be eliminated from the plan so that it provides the kind of program that is needed for our entire Nation and not just for one or two segments of our population.

Mr. ROUSSELOT. Mr. Chairman, could the gentleman answer the complaint about the extra 240 days? Is that true?

Mr. GILMAN. I am frank to say, I do not know how our distinguished chairman arrived at the 240-day period. I would welcome hearing how he arrived at that computation.

Mr. ROUSSELOT. Maybe it is modern math.

Now I yield to my colleague, the gentleman from New York (Mr. AMBRO).

Mr. AMBRO. Mr. Chairman, I would like to ask whether or not this is not the way it works: Built into the present bill we have a one-house veto in terms of implementation.

Now, if we reach a 20-percent shortfall of product, in a year and a half, the implementation of whatever plan would have to come back and we could review it for a veto.

What the gentleman from New York (Mr. GILMAN) is suggesting, however, is that between now and a year and a half, hypothetically, let us say in 6 months, the White House gets its act together, develops a plan, they then can send it back here for review. It is not a period of crisis. We are not motivated by anything that would be chaotic. There is plenty of time to look at the plan. It is not, as I thought was suggested by my friend, the gentleman from Michigan, something that is subject to a two-house veto at a time of crisis.

The review of the plan can be done in a deliberative, studious, reasoned manner, so that all considerations can be looked into and then once that has been done, the President will have a plan to submit for implementation at a later time when it is triggered at 20-percent shortfall. Is that accurate?

Mr. ROUSSELOT. Does the gentleman want to answer that?

Mr. GILMAN. I thank the gentleman from New York (Mr. AMBRO) for helping to clarify this procedure. That is the intent of this proposal and that is precisely the procedure that would be followed.

I thank the gentleman for his remarks.

Mr. AMBRO. Now, if the White House does not develop a plan in time, then that is not our problem.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague for his enlightened comment.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my colleague, the gentleman from North Carolina (Mr. BROYHILL), a distinguished member of the committee.

Mr. BROYHILL. Mr. Chairman, the gentleman from Michigan mentioned something about a rulemaking process. I know of no requirement that the President has to go through the Administrative Procedures Act in drawing up the rationing plan. All that bill says is that as soon as practical after the date of the enactment, the emergency, that the President shall prescribe such a plan.

All that the gentleman from New York is attempting to do is to say that when he has this plan written, that he submit it to the Congress for a period of 30 days for review.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague, the gentleman from North Carolina, the ranking member, for giving us additional light on this amendment.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(At the request of Mr. BAUMAN, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would suggest to the committee that the authors of this bill and the administration do not want Congress to have any say about this rationing plan. They want to draw up a plan that could well be just as sufferable as the last one we rejected. They could then hold the plan in standby and when the emergency arose, as defined by the President under this bill, the Congress would be forced to vote on the plan in an emergency situation, warts and all, and Congress would be forced to swallow it.

This amendment gives the Congress the right to vindicate its constitutional duties under article I of the Constitution to legislate for our constituents. Now, if you do not care about the so-called special interests in your district, real people, those are the special interests you represent here, do not vote for this amendment. Swallow the Dingell bill whole, the Carter bill. The President says it all the time, "trust him," "trust him," "trust him." You have heard it from his lips.

Now, I am saying that the fate of the people we represent is too important to entrust to the President alone. We, as the Congress, should have the right under this amendment to review the rationing plan, suggest changes, and require those changes, not in an emergency atmosphere, but as a regular part of our constitutionally sworn duties. That is the issue here.

I am sorry that a great many of my colleagues on the other side on the last vote voted not on the merits, but on the wishes of the Speaker.

We had better start representing our people.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleagues comments. I do not think we want the warts. I support the amendment of the gentleman from New York (Mr. GILMAN).

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. GILMAN).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 232, noes 187, not voting 15, as follows:

[Roll No. 384]

AYES—232

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Aspin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Boner
Bouquard
Bowen
Breaux
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Fountain
Frenzel
Fuqua
Gilman
Gingrich
Glickman
Goldwater
Gradison
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hammer-schmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Marlenee
Marriott
Martin
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Neal
Nelson
O'Brien
Oakar
Panetta
Pashayan
Paul
Perkins
Petri
Pickle
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOES—187

Addabbo
Anderson, Calif.
Annunzio
Ashley
Atkinson
AuCoin
Baldus
Barnes
Bellenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Brademas
Brinkley
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Carr
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Dantelson
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Goodling
Gore
Gramm
Gray
Guarini
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harris
Hawkins
Hefner
Heftel
Holtzman
Howard
Hughes
Jenkins

Jenrette	Mollohan	Seiberling
Johnson, Calif.	Moorhead, Pa.	Shannon
Jones, N.C.	Murphy, Ill.	Sharp
Jones, Okla.	Murphy, N.Y.	Simon
Kastenmeier	Murphy, Pa.	Skelton
Kildee	Murtha	Slack
Kogovsek	Myers, Pa.	Solarz
Kostmayer	Nedzi	Stack
LaFalce	Nichols	Staggers
Lederer	Nolan	Stark
Lehman	Nowak	Steed
Leland	Oberstar	Stewart
Lloyd	Obey	Stokes
Long, La.	Ottinger	Stratton
Luken	Patten	Studds
Lundine	Patterson	Swift
McCloskey	Pease	Synar
McHugh	Pepper	Thompson
McKay	Peyser	Traxler
Maguire	Preyer	Udall
Markey	Price	Ullman
Marks	Rahall	Van Deerlin
Mathis	Rangel	Vanik
Matsui	Ratchford	Vento
Mattox	Reuss	Volkmer
Mavroules	Richmond	Weaver
Mica	Rodino	Weiss
Mikulski	Roe	Whitley
Mikva	Rose	Wilson, C. H.
Miller, Calif.	Rosenthal	Wilson, Tex.
Mineta	Rostenkowski	Wirth
Minish	Roybal	Wolpe
Mitchell, Md.	Russo	Yates
Moakley	Sabo	Zeferetti
Moffett	Scheuer	

NOT VOTING—15

Bolling	Florio	Lowry
Conyers	Forsythe	Treen
Diggs	Fowler	Walgren
Emery	Holland	Waxman
Flood	Leach, La.	Wright

□ 1800

The Clerk announced the following pairs:

On this vote:

Mr. Lowry for, with Mr. Florio against.

Mr. Emery for, with Mr. Walgren against.

Mr. PRITCHARD and Mr. DASCHLE changed their vote from "no" to "aye."

Mr. JENRETTE changed his vote from "aye" to "no."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 120, noes 88.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 249, noes 162, not voting 23, as follows:

[Roll No. 385]

AYES—249

Addabbo	Barnes	Brinkley
Akaka	Beard, R.I.	Brodhead
Alboste	Bedell	Brooks
Alexander	Bellenson	Brown, Calif.
Ambro	Benjamin	Burlison
Anderson, Calif.	Bennett	Burton, Phillip
	Bevill	Byron
Andrews, N.C.	Biaggi	Cavanaugh
Annunzio	Bingham	Chisholm
Anthony	Blanchard	Clay
Applegate	Boggs	Coelho
Ashley	Boland	Collins, Ill.
Aspin	Boner	Corman
Atkinson	Bonior	Cotter
AuCoin	Bonker	D'Amours
Bailey	Bouquard	Daniel, Dan
Baldus	Bowen	Danielson
Barnard	Brademas	Daschle
Davis, S.C.	Johnson, Calif.	Preyer
de la Garza	Jones, N.C.	Price
Dellums	Jones, Okla.	Rahall
Derrick	Jones, Tenn.	Rangel
Dicks	Kastenmeier	Ratchford
Dingell	Kazen	Reuss
Dixon	Kildee	Richmond
Dodd	Kogovsek	Rodino
Donnelly	Kostmayer	Rose
Downey	LaFalce	Rostenkowski
Drinan	Leath, Tex.	Roybal
Duncan, Oreg.	Lederer	Runnels
Early	Lehman	Russo
Eckhardt	Leland	Sabo
Edgar	Levitas	Santini
Edwards, Calif.	Lloyd	Satterfield
English	Long, Md.	Scheuer
Ertel	Lowry	Schroeder
Evans, Ga.	Luken	Seiberling
Evans, Ind.	Lundine	Shannon
Fary	McCormack	Sharp
Pascell	McHugh	Shelby
Fazio	McKay	Simon
Ferraro	Maguire	Skelton
Fisher	Markey	Slack
Fithian	Marriott	Smith, Iowa
Flippo	Mathis	Solarz
Foley	Matsui	Spellman
Ford, Mich.	Mattox	St Germain
Ford, Tenn.	Mavroules	Stack
Fountain	Maxson	Staggers
Frost	Mica	Stark
Fuqua	Mikulski	Steed
Garcia	Mikva	Stenholm
Gaydos	Miller, Calif.	Stewart
Gephardt	Mineta	Stratton
Gialmo	Minish	Studds
Ginn	Mitchell, Md.	Stump
Glickman	Moakley	Swift
Gonzales	Moffett	Synar
Gore	Mollohan	Thompson
Gramm	Montgomery	Traxler
Gray	Moorhead, Pa.	Ullman
Guarini	Murphy, Ill.	Van Deerlin
Gudger	Murphy, Pa.	Vanik
Hall, Ohio	Murtha	Vento
Hall, Tex.	Myers, Pa.	Volkmer
Hamilton	Natcher	Watkins
Hance	Neal	Weaver
Hanley	Nedzi	Weiss
Harkin	Nelson	White
Harris	Nichols	Whitley
Hawkins	Nolan	Whitten
Hefner	Nowak	Williams, Mont.
Heftel	Oakar	Wilson, Tex.
Hightower	Oberstar	Wirth
Holtzman	Obey	Wolff
Howard	Ottinger	Wolpe
Hubbard	Panetta	Wyatt
Hughes	Patten	Yates
Hutto	Patterson	Yatron
Ichord	Pease	Young, Mo.
Ireland	Pepper	Zablocki
Jacobs	Perkins	Zeferetti
Jenkins	Peyser	
Jenrette	Pickle	

NOES—162

Abdnor	Crane, Daniel	Hansen
Anderson, Ill.	Crane, Philip	Harsha
Andrews, N. Dak.	Daniel, R. W.	Heckler
	Dannemeyer	Hillis
Archer	Davis, Mich.	Hinson
Ashbrook	Deckard	Hollenbeck
Badham	Derwinski	Holt
Bafalis	Devine	Hopkins
Bauman	Dickinson	Horton
Beard, Tenn.	Dornan	Huckaby
Bereuter	Dougherty	Hyde
Bethune	Duncan, Tenn.	Jeffords
Breaux	Edwards, Ala.	Jeffries
Broomfield	Edwards, Okla.	Johnson, Colo.
Brown, Ohio	Erdahl	Kelly
Broyhill	Erlenborn	Kemp
Buchanan	Evans, Del.	Kindness
Burgener	Fenwick	Kramer
Butler	Findley	Lagomarsino
Campbell	Fish	Latta
Carney	Frenzel	Leach, Iowa
Carter	Gibbons	Lee
Chappell	Gilman	Lent
Cheney	Gingrich	Lewis
Clausen	Goldwater	Livingston
Cleveland	Goodling	Loeffler
Clinger	Gradison	Lott
Coleman	Gramley	Lujan
Collins, Tex.	Green	Lungren
Conable	Grisham	McClory
Conte	Guyer	McCloskey
Corcoran	Hagedorn	McDade
Coughlin	Hammer-schmidt	McDonald
Courter		McEwen
McKinney	Regula	Stangeland
Madigan	Rhodes	Stanton
Marks	Rinaldo	Stockman
Marlenee	Ritter	Symms
Martin	Robinson	Tauke
Miller, Ohio	Roe	Taylor
Mitchell, N.Y.	Roth	Thomas
Moore	Rousselot	Treen
Moorhead, Calif.	Royer	Trible
	Rudd	Vander Jagt
Mottl	Sawyer	Walker
Myers, Ind.	Schulze	Wampler
O'Brien	Sebelius	Whitehurst
Pashayan	Sensenbrenner	Whittaker
Paul	Shumway	Williams, Ohio
Petri	Shuster	Wilson, Bob
Pritchard	Smith, Nebr.	Winn
Pursell	Snowe	Wydler
Quayle	Snyder	Wylie
Quillen	Solomon	Young, Alaska
Railsback	Spence	Young, Fla.

NOT VOTING—23

Bolling	Forsythe	Rosenthal
Burton, John	Fowler	Stokes
Carr	Holland	Udall
Conyers	Leach, La.	Walgren
Diggs	Long, La.	Waxman
Emery	Michel	Wilson, C. H.
Flood	Murphy, N.Y.	Wright
Florio	Roberts	

□ 1820

Mr. HANLEY and Mr. JENRETTE changed their vote from "no" to "aye."

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RHODES. Mr. Speaker, reserving the right to object, and I will not object, I think it is important to comment on the action that the House has just taken in rising. We had a very important bill which was being considered in the Committee of the Whole House on the State of the Union. An amendment was adopted which would have given the House more time to look over, or given them time to look over a plan which the President of the United States would submit for rationing, and for some reason or other this House does not want to look it over. I personally feel that we should look it over. Whenever it is important, whenever something like this occurs which is important to the House, then it does seem to me we should proceed with the regular order and adopt the bill. I am sorry that it happened this way and I hope that we will proceed with this very important piece of legislation just as rapidly as possible.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to

the request of the gentleman from New York?

There was no objection.

NATIONAL COMMISSION ON UNEMPLOYMENT COMPENSATION

Mr. CORMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3920) to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. CORMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3920, with Mr. MITCHELL of Maryland in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

The gentleman from California (Mr. CORMAN) will be recognized for 30 minutes, and the gentleman from Florida (Mr. BAFALIS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on October 20, 1976, President Ford signed into law H.R. 10210, which contained the most sweeping changes in the unemployment compensation laws that Congress has approved since the inception of that program. We broadened unemployment insurance coverage substantially, and we did not know for certain the potential impact of the new coverage.

□ 1830

We provided in that bill for a National Commission on Unemployment Compensation to conduct a 2-year study to answer a number of questions that at that time the committee and the House were not prepared to answer. The Commission was authorized until July 1, 1979. However, the appointments were not made and the first meeting held until March of 1978.

The Commission has a number of obligations under its mandate. Because of the delay in appointing Commission members, it was unable to conclude its work by July. This bill will extend the life of that Commission for an additional year. It will also compensate the members of the Commission, which clearly should have been addressed when the bill was first passed. We failed to do that, and we would like to make that correction.

A third provision in the bill will exempt the Commission from the Federal Reports Act. In view of the fact that this is a congressional commission and not an executive department commission, it should not have to have clearance from OMB.

Title IV of the bill extends for another 2 years the exclusion of certain alien farmworkers from the Federal unemployment insurance tax system. When we provided unemployment insurance to farmworkers under H.R. 10210, we excluded for a 2-year period the coverage of alien farmworkers for what seemed to us then, and seems to me now, some very valid reasons. But, we included that exclusion as one of the matters that the Commission should study and make recommendations about. The present exclusion ends on January 1, 1980. Clearly, the Commission will not have reported back to us by that time, and so we recommend an additional 2-year exclusion for those workers.

At this point I would like to provide a more detailed explanation of the National Commission and the provisions of H.R. 3920.

Public Law 94–566, enacted in October 1976, established a National Commission on Unemployment Compensation for the purposes of undertaking a thorough and comprehensive examination of the present Federal/State unemployment insurance system and recommending needed changes in the laws that govern the unemployment compensation programs. Such a commission had been recommended in 1974 and 1975 by the Federal Advisory Council on Unemployment Insurance, consisting of labor, management, and public members who advise the Secretary of Labor on the Nation's Unemployment Compensation program. Also, in its 1975 legislative proposals, the Department of Labor, with the approval of the administration, recommended that Congress establish such a commission, to be composed of members appointed by the President and the presiding officers of the two Houses of Congress.

In the Committee on Ways and Means report on H.R. 10210, which became Public Law 94–566, the following statement is made concerning the national study commission established by the legislation:

> There are two primary reasons for the study by a national commission provided in this section. First, it has been 40 years since the establishment of the basic unemployment compensation program. Changes have been made in the program on an "ad hoc" basis, at both the State and Federal level, that have not received a sufficiently thorough and comprehensive examination. Second, the changes made in this bill are limited in scope and do not address many of the problems and proposed changes that have been raised. It is appropriate that past changes, the changes contained in this bill, and issues such as further broadening of coverage and modifying the benefit structure and financing provisions be considered and evaluated by a national commission.

Title IV of Public Law 94–566, signed into law on October 20, 1976, provided for the establishment of a National Commission on Unemployment Compensation consisting of 13 members appointed as follows (one of whom to be appointed chairman by the President):

First. Three members appointed by the President pro tempore of the Senate.

Second. Three members appointed by the Speaker of the House of Representatives.

Third. Seven members appointed by the President.

The law directed the appointing authorities to consult with one another to insure that there would be a balanced representation of interested parties on the Commission, and that the Commission had at least one representative of labor, industry, the Federal Government, State government, local government, and small business.

The Commission was directed to study and evaluate the present unemployment compensation programs, including, but not limited to:

First. Examination of the adequacy, and economic and administrative impacts, of the changes made by this act in coverage, benefit provisions, and financing;

Second. Identification of appropriate purposes, objectives, and future directions for unemployment compensation programs; including railroad unemployment insurance;

Third. Examination of issues and alternatives concerning the relationship of unemployment compensation to the economy, with special attention to long-range funding requirements and desirable methods of program financing;

Fourth. Examination of eligibility requirements, disqualification provisions, and factors to consider in determining appropriate benefit amounts and duration;

Fifth. Examination of the problems of claimant fraud and abuse in the unemployment compensation programs, the adequacy of present statutory requirements and administrative procedures designed to protect the programs against such fraud and abuse, and problems of claimants in obtaining prompt processing and payment of their claims for benefits and any appropriate measures to relieve such problems;

Sixth. Examination of the relationship between unemployment compensation programs and manpower training and employment programs;

Seventh. Examination of the appropriate role of unemployment compensation in income maintenance and its relationship to other social insurance and income maintenance programs;

Eighth. Conduct of such surveys, hearings, research, and other activities as it deems necessary to enable it to formulate appropriate recommendations, and to obtain relevant information attitudes, opinions, and recommendations from individuals and organizations representing employers, employees, and the general public;

Ninth. Review of the present method of collecting and analyzing present and prospective national and local employment and unemployment information and statistics;

Tenth. Identification of any weaknesses in such method and any problem which results from the operation of such method;

Eleventh. Formulation of any necessary or appropriate new techniques for the collection and analysis of such information and statistics; and

Twelfth. Examination of the feasibility

and advisability of developing or not developing Federal minimum benefit standards for State unemployment insurance programs.

As originally enacted, Public Law 94-566 would have required that the Commission file an interim report by September 30, 1978, and a final report not later than January 1, 1979. Delays in appointing Commission members made these dates unrealistic and Congress altered the reporitng dates. Present law requires an interim report by September 30, 1978 and a final report by July 1, 1979. The Commission submitted an interim report in November 1978. Both the House of Representatives and the Senate passed legislation in the 95th Congress further extending the Commission's reporting dates: To November 15, 1978 and November 15, 1979 for two interim reports and to March 15, 1980 for the final report. Final action on this legislation, however, was not completed before adjournment of the 95th Congress.

Section 1 of H.R. 3920 would provide compensation for members of the Commission at a rate not to exceed the per diem equivalent of the amount payable for GS-18 of the general schedule under section 5332 of title 5, United States Code. The actual per diem rate of payment would be established by the Commission. As of March 1, 1978, members would be compensated for each day, including travel time, during while they were engaged in the performance of services for the Commission. Members who are full-time officers or employees of the United States, including Members of Congress, would not be entitled to compensation.

The heavy schedule and workload of the National Commission has imposed serious financial burdens on those members whose participation affects their regular employment. The compensation provided by this section is necessary to offset such financial burdens and to make it possible for all members to participate fully in this important study. The compensation provided by this bill is similar to that provided to members of the National Commission on Employment and Unemployment Statistics and the National Commission on Social Security.

Section 2 of the bill would extend the due date of the Commission's final report from July 1, 1979 to July 1, 1980. In addition, it would require the Commission to submit such interim reports as it deems appropriate.

Because of the delay in appointing the members, the Commission requested that the deadline for the submission of its final report be extended. The extensions provided by this section would allow the Commission sufficient time to engage in the thorough and comprehensive study of the unemployment compensation programs required under the provision of Public Law 94-566.

The Federal Reports Act requires Federal agencies seeking identical information from 10 or more individuals or from other agencies to obtain prior clearance from the Office of Management and Budget (OMB). Also, executive branch guidelines (OMB Circular A-19) require that formal communications with the Congress be cleared by OMB. The National Commission on Unemployment Compensation is subject to these requirements.

Section 3 exempts the Commission from the Federal Reports Act and also provides that any reports it makes to Congress will be made directly and without OMB clearance.

The National Commission on Unemployment Compensation was created by an act of Congress as a temporary body to study the unemployment insurance program and to provide Congress with its findings and recommendations, with a view toward assisting the Congress in the development of future legislation. The Commission is not, therefore, comparable to an executive branch agency. In fact, it is composed substantially of individuals selected by the Congress. In view of the purpose and composition of the Commission, the committee feels it would be inappropriate to subject the Commission to clearance by the Office of Management and Budget either for the information the Commission may request from individuals and agencies or for the reports it may submit to Congress.

The purpose of generally requiring OMB clearance of Federal agencies' requests for information is to insure that agencies collect as little data as necessary and thus impose as small a burden as possible on the people who are asked to provide that data. The purpose of exempting the Commission from this procedure is most assuredly not to generate excessive paperwork. In fact, the Commission assures me that it contemplates imposing no regular reporting requirements on anyone and no requirements at all on private businesses. The purpose of the exemption is merely, as the report on the bill explains, to restate the principle that a commission with members appointed by the Congress shall not be subject to executive branch control.

The final section of the bill pertains to the application of the Federal unemployment tax to certain alien farmworkers. Under present law, the Federal unemployment insurance tax is imposed on farm operators who employ 10 or more agricultural workers in 20 weeks or have a quarterly payroll for agricultural services of at least $20,000. The Federal tax is currently 0.7 percent on the first $6,000 of annual wages. A temporary provision in Federal law excludes from this tax alien farmworkers admitted to the United States pursuant to sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act. This exclusion, which expires on January 1, 1980, applies both to the payment of the Federal unemployment tax on wages paid to such alien farmworkers and to the counting of these workers in the determination of whether the farm operator has sufficient farmworkers or pays sufficient wages to be subject to the Federal tax for other agricultural workers in his employ.

Sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act pertain to residents of foreign countries who do not intend to abandon such residency and who are admitted to the United States to work for a temporary period of time during peak agricultural crop seasons. They are admitted only after the Secretary of Labor has determined and certified to the Secretary of State and to the Attorney General that there are not sufficient workers in the United States who are available to do the specific work the nonresident workers are admitted to perform.

Because these farmworkers do return to their countries, they would not be able to collect any unemployment compensation to which they might be entitled as a result of their employment in the United States. It was argued, therefore, that farmers should not be required to pay unemployment taxes on such workers. The committee, however, was concerned that excluding such workers from the Federal unemployment tax might provide an incentive for farmers to use these nonresident workers rather than U.S. workers for whom the Federal unemployment tax would be payable. The committee originally approved the temporary exclusion in current law so that Congress would have the opportunity to assess, on the basis of information and recommendations provided by the National Study Commission, whether such an exclusion did provide an incentive to hire alien workers over available U.S. workers.

Section 4 of this bill would extend from January 1, 1980, to January 1, 1982, the temporary provision in present law that exempts employers from paying the Federal unemployment tax on agricultural services performed by the alien farmworkers described above. The National Commission has not yet reported to the Congress on this matter, and it is the committee's position that the exclusion should be continued until it can assess its impact on the basis of information and recommendation supplied by the Commission. However, this section would change current law to provide that services performed by such alien farmworkers would be counted in determining whether an employer paid sufficient wages for farm services or employed enough farmworkers to make him subject to the Federal unemployment tax for other farmworkers in his employ.

Mr. BAFALIS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3920, a measure relating to the National Commission on Unemployment Compensation. These amendments had the support of the minority members of the Subcommittee on Public Assistance and Unemployment Compensation and of the full Ways and Means Committee.

Congress created this Commission in Public Law 94-566 for the purpose of securing a thorough examination of the Federal-State unemployment insurance system and of obtaining recommendations for possible modifications in the statutes governing the program. The 13-

member Commission is presently in the midst of its task. The amendments before the House of Representatives today will permit the Commission to fulfill its purposes in an appropriate manner.

Section 1 of the bill provides compensation, at a rate not to exceed the GS-18 per diem equivalent, for Commission members who are not full-time officers or employees of the United States.

Section 2 would extend the due date of the Commission's final report from July 1, 1979, to July 1, 1980, a postponement necessitated by some delay in the Commission's establishment.

Section 3 would exempt the Commission from clearance requirements of the Office of Management and Budget, an appropriate exemption in light of the fact that the Commission is not comparable to an executive agency, is composed to a considerable degree by congressional appointees, and is intended to provide Congress with its findings.

Section 4 would extend from January 1, 1980 to January 1, 1982 a temporary provision in present law which exempts employers from paying the Federal unemployment tax on agricultural services performed by certain alien farmworkers who are admitted to this country under the specific authority of the Immigration and Nationality Act. These workers are admitted only when the Secretary of Labor has determined that insufficient U.S. workers are available to perform the tasks involved. The alien workers return to their own countries upon completion of their contracts and, thus, are ineligible for any unemployment compensation benefits based upon their U.S. employment.

Imposition of the tax on these services would mean that the employers would be required to pay a tax related to services performed by persons who could not receive the associated benefits. Congress established the current temporary exclusion so that it could fully assess the implications of excluding or taxing these alien workers' services. The Commission has been asked to provide Congress with research and recommendations on this matter, but has not yet submitted its report. Thus, this provision would extend the exclusion so as to enable Congress to obtain the Commission's views before the implementation of a permanent policy.

I respectfully urge the adoption of H.R. 3920.

Mr. CORMAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Chairman, I would like to speak in favor of the bill. I will, however, offer an amendment to strike section 4 of the bill because we have a situation in this country where we are really encouraging the importation of foreign workers to take jobs that would otherwise be available to American workers by exempting them from paying the unemployment compensation tax.

This, I think, is unfair. The continuation of what is referred to as the H-2 employees' exemptions is opposed by the Secretary of Labor—or at least the person who was Secretary of Labor at last report, when this bill was considered in our committee. It is opposed by the Farm Workers Union and labor groups across the country.

During the consideration of my amendment I would ask for the Members' support in striking section 4, which would require the employers to pay their fair share, as they must for American employees, and give more Americans a chance to get the jobs which are so badly needed in so many parts of the country.

● Ms. OAKAR. Mr. Chairman, I rise in support of H.R. 3920, the Uemployment Compensation Commission bill and urge its speedy passage. Passage of this bill is essential toward permitting the Commission—under the distinguished chairmanship of Wilbur J. Cohen, former Secretary of HEW—to fulfill its congressional mandate to examine in depth the problems associated with the unemployment compensation system and recommend changes for improving the program. As a member of this Commission, I can personally attest to the seriousness of the issues under discussion—such as adequate benefits, sound financing, federal standards, and re-insurance—and to the urgency with which solutions are needed to prevent the unemployment compensation program from going bankrupt at a time when it is most needed.

Indeed, the most recent recession in 1975 and 1976 resulted in heavy unemployment which tested the capacity of many States to pay unemployment compensation benefits. But, aside from several States going into debt to the Federal Government in the borrowing of funds to pay benefits, the system held and proved that it can do the job for which it was created. It is precisely for the purpose of allowing the unemployment compensation program to do its job in a better manner that the National Commission on Unemployment Compensation was created. And the Commission cannot complete its very important work without the extension of time which this bill provides.

Economic assumptions now indicate that we could experience a recession at the end of this year. The latest round of price hikes by OPEC heighten the probability of hundreds of thousands of additional workers laid off their jobs. These workers will turn to unemployment compensation to help tide them over until they obtain new employment. Will all the States have adequate resources in their trust funds to pay out the necessary benefits? Will the benefits themselves be adequate to insure proper income support so that these workers do not suffer a loss either in their living standards or purchasing power? If we consider the answers to these questions to be serious enough to warrant the creation of a special Commission to study the problems in depth, then we should have no hesitation in approving this bill to extend the time in which the Commission may accomplish its task.

Mr. Chairman, I urge the Members' support of H.R. 3920, not only for the sake of the Commission but for the sake of our country itself.●

Mr. BAFALIS. Mr. Chairman, I have no requests for time, and I yield back the balance of my time.

Mr. CORMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 3920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PAY OF MEMBERS OF THE NATIONAL COMMISSION ON UNEMPLOYMENT COMPENSATION

(a) GENERAL RULE.—Paragraph (1) of section 411(e) of the Unemployment Compensation Amendments of 1976 (relating to pay and travel expenses) is amended to read as follows:

"(1) PAY.—

"(A) IN GENERAL.—Members of the Commission who are not full-time officers or employees of the United States shall be paid compensation at a rate not to exceed the per diem equivalent of the rate payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including traveltime) during which they are engaged in the performance of services for the Commission.

"(B) OFFICERS OR EMPLOYEES OF THE UNITED STATES.—Except as provided in paragraph (2), members of the Commission who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Commission."

(b) TECHNICAL AMENDMENT.—Paragraph (2) of such section 411(e) is amended by striking out "section 5703(b)" and inserting in lieu thereof "section 5703".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1979, and shall apply with respect to services performed on or after March 1, 1978.

SEC. 2. SUBMISSION OF REPORTS BY THE NATIONAL COMMISSION ON UNEMPLOYMENT COMPENSATION.

(a) INTERIM REPORTS.—Subsection (f) of section 411 of the Unemployment Compensation Amendments of 1976 (relating to interim report) is amended to read as follows:

"(f) INTERIM REPORTS.—The Commission shall, from time to time, transmit to the President and the Congress such interim reports as the Commission deems appropriate.".

(b) FINAL REPORT.—Subsection (g) of such section 411 (relating to final report) is amended by striking out "July 1, 1979" and inserting in lieu thereof "July 1, 1980".

SEC. 3. EXEMPTION OF NATIONAL COMMISSION ON UNEMPLOYMENT COMPENSATION FROM REQUIREMENTS FOR OFFICE OF MANAGEMENT AND BUDGET CLEARANCE.

(a) EXEMPTION FROM CLEARANCE REQUIREMENTS.—Section 411 of the Unemployment Compensation Amendments of 1976 is amended by adding at the end thereof the following new subsection:

"(j) EXEMPTION FROM REQUIREMENTS FOR OFFICE OF MANAGEMENT AND BUDGET CLEARANCE.—

"(1) FEDERAL REPORTS ACT.—The requirements of chapter 35 of title 44, United States Code, shall not apply to the Commission.

"(2) REPORTS TO CONGRESS.—Any reports submitted to the Congress by the Commission shall be submitted directly to the Congress and shall not be subject to any re-

quirements for clearance of reports by the Office of Management and Budget.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 4. EXCLUSION OF CERTAIN ALIEN FARMWORKERS.

(a) GENERAL RULE.—Subparagraph (B) of section 3306(c)(1) of the Internal Revenue Code of 1954 (relating to agricultural labor) is amended by striking out "January 1, 1980" and inserting in lieu thereof "January 1, 1982".

(b) LABOR PERFORMED BY ALIENS TAKEN INTO ACCOUNT FOR DETERMINING WHETHER OTHER AGRICULTURAL LABOR IS COVERED.—Subparagraph (A) of section 3306(c)(1) of such Code is amended by striking out "not taking into account labor performed before January 1, 1980, by" each place it appears and inserting in lieu thereof "including labor performed by".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid after December 31, 1979, for services performed after such date.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. STARK

Mr. STARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARK: Beginning with line 12 on page 4 through line 26, page 4, strike section 4 of the bill.

Mr. STARK. Mr. Chairman, this amendment is quite simple. There is a practice in this country of bringing in H–2 employees. When an employer can certify that there are no American workers available to do a job, these employees are then contracted for in the country of their origin. They are restricted from transferring employment, and they must return to the country of their origin at the completion of the job. If they are fired or disciplined in any way, they are blacklisted in their country of origin and probably never allowed to return to this country to work.

They live in conditions which are generally good, but the employer does not have to pay unemployment tax. He does not have to pay social security tax, and therefore, we put the American employees at a disadvantage.

□ 1840

What happens in actuality is that employers have gone into State courts and forced a determination, generally in friendly State courts, that they cannot find American workers.

The opponents of this amendment will suggest that there ought to be better enforcement. I agree, but there is no question, and Secretary Marshall in his letter to me said, that they, the U.S. Department of Labor, "* * * believe that this provision is harmful to domestic farmworkers and is inconsistent with the intent of the Immigration and Nationality Act which allows for the admission of temporary foreign workers only when unemployed workers in this country are not available."

The gentleman from New Jersey (Mr. THOMPSON) in the CONGRESSIONAL RECORD of July 21, 1979, entered a statement in favor of my amendment. He said he would not be present during the consideration of the bill but he wanted to make the following statement. I quote in part:

Section 4 of H.R. 3920 allows for the continued exemption of agricultural employers from paying unemployment insurance taxes on wages paid to alien workers who are imported into this country under a temporary alien worker program—known as the H–2 program. Unfortunately, financial savings created by this exemption serve to motivate employers to hire alien rather than U.S. workers.

The ultimate result of employers' preferences for foreign laborers is the increasing unemployment of workers in this country. Already, the unemployment rate of U.S. farmworkers ranges from a low of 9 percent in summer months to more than 18 percent in winter. The average annual income for migrant workers, including income from both farm and nonfarm work, is only $3,761 according to USDA data.

Maintaining the jobs and wages of U.S. workers without the depressant effect created by an influx of large numbers of temporary aliens is vital to the health and survival of farmworker families existing on these marginal incomes.

Suffice it to say he goes on for many paragraphs in support, and he concludes and urges support for my amendment to delete section 4 of H.R. 3920.

One argument is that American workers are paid the slightly higher wage to compensate for the alien workers being brought in. The fact is that if an American worker refuses to take this adverse wage rate, which is slightly higher than the minimum wage rate, he is considered unavailable for work and, therefore, gives the employer a reason for bringing in foreign workers.

The adverse wage rate in effect acts as a ceiling above which no American farmworker can collect a wage. This extension of section 4 serves to put a cap on the earnings of our American farmworkers who are already too underpaid and too poorly treated. I think we cannot allow that to continue. This may be a small matter, but we have seen a growth of the curb on the States in which H–2 workers are being imported, and I think this would be one step to putting an end to that program which does a disservice to our American citizens who so badly need employment at this time.

I urge adoption of the amendment.

Mr. BAFALIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is unfortunate that on a tax bill we have gotten into the argument as to whether it is proper procedure to allow nonimmigrant aliens to come into this country for the purpose of harvesting our crops.

The gentleman from California (Mr. STARK), in his dissenting views—and I would just like to quote what he said—says:

I would have no objection to section 4 of H.R. 3920, which continues to exclude employers of H–2 workers from the Federal unemployment tax, if the aliens brought in under the H–2 program, in fact, were not taking jobs that American workers were willing and able to perform.

Mr. STARK goes on to say that the H–2 program does not actually work as it is intended, and that aliens sometimes get jobs that should go to domestic workers. Therefore, it seems that his principal concern is not with section 4 of this bill, the temporary extension of this unemployment provision for a period of 2 years, but it is with the H–2 program itself. I would suggest that he would better be advised to address this matter to the Labor Committee and to talk to the Department of Labor. If in fact the Department of Labor is not properly certifying that American workers are not available to harvest crops, then the problem lies there.

What we have before us today is an entirely different matter. As the gentleman from California, the chairman (Mr. CORMAN), pointed out, when we made unemployment compensation avaliable to farmworkers, we excluded those farmworkers that come from foreign lands under a contract for a specific period of time and for one very basic reason: they can never collect unemployment compensation. They return to their native lands. So it was felt that it might be improper to call upon an agricultural employer to pay an unemployment compensation tax to people who could never in fact benefit from it. The matter has been somewhat controversial—the question of unemployment compensation and the question of H–2 workers.

When this Commission was established, we determined that this matter should be studied by the Commission. The Commission has not reported back yet, and that is the reason this bill is now before us. We are asking for an extension of the time when the Commission reports back to us. It seems to me if we are going to fund this Commission, if we are going to spend additional public moneys to have this Commission do its job—and it is a creature of the Congress—then certainly we in the Congress should wait for this Commission to report back and not try to usurp the very decisions they are trying to make.

I would tell the Members that if this amendment were to pass and this section were deleted, even though I have been a strong supporter of this entire measure, I could no longer support it, because it does not make sense to extend a commission past the period of time when the Congress does not even want to hear what they have to say.

I think it is important in closing, Mr. Chairman, that I just tell the Members that in my judgment it costs much more money to bring workers in from overseas than it does to hire American workers. Let me just give the Members some examples as to why I say that.

Employers who hire H–2 workers must pay transportation costs from the workers' departure site to the job site and return. For the applegrowers this figure can go as high as $200 per H–2 worker. For Florida sugar growers it is approximately $130 per H–2 worker.

Were a grower to hire only U.S. workers and not use the U.S. Employment

Service, he would not be required to pay any transportation.

Employers who hire H–2 workers must post a bond of $200 per H–2 worker to assure each such worker's return to his own country.

There is no such requirement for U.S. workers.

Employers who use H–2 workers must furnish housing to all workers hired.

Were a grower to hire only U.S. workers and not use the Employment Service, he would not have to furnish housing or could charge rent for housing.

Employers who hire H–2 workers must furnish all workers with meals for which they cannot charge more than $4 per day. If he only hired American workers, that ceiling would not apply, and other circumstances would not apply.

Employers who hire H–2 workers must furnish all workers free transportation from the campsite to the worksite and return.

This requirement would not apply in other circumstances.

Employers who hire H–2 workers are required to pay all workers at least the adverse effect wage rate that is much higher than the prevailing wage. Once they hire offshore workers, they must pay at least the adverse effect wage rate.

Finally, they must guarantee that all workers who are employed must be employed for at least three-quarters of the workdays of the total period for which they are contracted. I can tell the Members if American growers can find people to come into the fields and harvest, they would not want to go to the additional expense of bringing in foreign workers. It is far more costly to do that. That is a matter to be decided by the Commission and eventually by this Congress. I think it would be premature for this Congress tonight to take this provision out of this bill.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. KELLY, and by unanimous consent, Mr. BAFALIS was allowed to proceed for 2 additional minutes.)

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. BAFALIS. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

I would like to ask the gentleman, do the proponents of the amendment argue that this gives unfair advantage to the imported labor and that it is a disadvantage to the domestic labor, and that is why this amendment seems like a good idea?

Mr. BAFALIS. That is the argument, I might tell my dear colleague, that is being used.

Mr. KELLY. If the gentleman will yield further I would like to ask this question. You say, well, no, that is not true. And they say, oh, yes, it is. So it is an "Oh, yes, he did," and "Oh, no, he didn't," kind of argument. But I would like to ask the gentleman this. Is there not a lead-pipe-cinch certainty, without any kind of argument, that the American consumer—that forgotten individual out there in the community—is going to pay these additional costs every time they buy anything that is produced on American farms? Is that not so?

Mr. BAFALIS. That is true, I will say to the gentleman from Florida (Mr. KELLY). But let me add one more thing, if I may. The gentleman has brought up the very crux of my argument. One side says it costs more; the other side says it costs less. One side says it takes a job away from the American worker; the other side says it does not. That is why this matter has been referred to the Commission. That is what is at the heart of this very matter, and for us tonight to try to make a decision on that matter before the Commission reports back to us, in my judgment, would be terribly wrong.

Mr. KELLY. Will the gentleman yield further?

Mr. BAFALIS. I yield to the gentleman.

Mr. KELLY. But it is a certainty that the consumer will suffer, whether it is a "he did" or "he did not"? No matter which way that argument goes, the consumer is going to pay more for what he buys in the stores. Is that not so?

Mr. BAFALIS. When the cost of labor goes up in the fields, that is absolutely correct.

□ 1850

Mr. MICA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I speak on this amendment from personal experience. As many of you know I spent 10 years as an assistant to my predecessor. This issue has come up many time before saying, why do we not hire American labor.

You all know what jobs mean, you have been asked for patronage, you have been asked to hire people in your 18 slots.

I am telling you today, every Member of the House, I have jobs—9,000 jobs for American workers.

The premise of this amendment is improper. The fact is that if 9,000 jobs are going begging it is because Americans will not take them. This is not just a minimum wage, $3.20 or $3.26 an hour but $3.80 an hour to come and do the job in my district on sugar.

And I will tell you, if you have not been there to see what the job is, I do not blame people for not accepting this work but the bottom line is that American workers are not available.

At one time I was assigned to take the opposite position and ask why they are hiring aliens. The people of my area and my former boss said we should hire Americans. We searched the State of Florida. We found we could also go into Texas and Louisiana and not find people to take these jobs.

Therefore, the basic premise is improper, Mr. Chairman.

It is also said, let us put more money into the unemployment fund to cover the cost of those who are working. That would apply to all of us, then. Let us put more money into the social security fund and demand it of every employee even those who never ever will have the right to collect that money. That is not our system. That is not proper. That is what we said when we started this program. These people will never ever have the ability to collect unemployment. You and I as members will never have the ability to collect social security unless maybe we change jobs. If we do, if we are forced to pay into this fund it would be improper and that is not the purpose.

The basic premise is wrong. The jobs are there. The Labor Department must certify there is no one willing to take these jobs. It does cost more.

Mr. Chairman, in answer to my colleague from Florida it would be better to pay a lesser cost and hire American workers; employers would prefer to do this but they cannot find American workers to do this job.

Mr. Chairman, the other alternative is to do nothing and Americans are sick and tired of seeing crops turned over and buried in the fields because we have no one to harvest the crops.

Mr. Chairman, I think there are a couple of points that need to be brought up.

The double cost. It is just about double, to hire an alien worker as compared to an American worker. It would be ridiculous to go out and seek this type of labor so we are not encouraging this. We are asking for a 2-year extension to resolve this problem, to make some proper judgments and not just to say, "Well, we will just put a little more money in the till, even though the people who are paying it, the beneficiaries, will never ever be able to collect on these funds."

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I am familiar, having debated in committee, with the sugar problem in Florida. It is important that it be noted an offer was made in committee to exempt the sugar workers in Florida and let them continue on this basis. That was turned down.

Mr. Chairman, what the gentleman says is not true of the other crops across the country. It is also interesting to note that in Hawaii where the sugar workers are unionized and earn a little over $5 an hour they have plenty of workers lining up to do the work.

So that I submit at a fair wage there are American citizens who will do the work.

Sometimes it is important to protect all of our citizens who may be denied jobs across the country.

Mr. MICA. Mr. Chairman, I would heartily disagree with the gentleman. At $3.80 an hour, plus room and board, and transportation, that is not exactly a minimum wage. That is a working wage. It is tough work. I ask you. Anyone who thinks they should vote for this, we were looking for 9,000 in Florida alone to hire at $3.80, plus room and board, plus transportation. So it makes a lot of sense to say let us let the Commission resolve this matter, not force people to pay for benefits. That is not our system, to pay for benefits forced

by law on those who will never ever qualify.

I think we need to look at this, we need to give them a little time. That is why the Commission was established.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Florida.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MICA was allowed to proceed for 3 additional minutes.)

Mr. MICA. I yield to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. The Congress is on the threshold of considering a sugar bill. Does the gentleman in the well favor the sugar bill that is coming down?

Mr. MICA. I favor a bill that would save our consumers a little money and do our American worker and our American sugar industry justice.

Mr. KELLY. Mr. Chairman, I would like to ask this question of the gentleman: The sugar bill that is coming down is going to cost the consumer and the taxpayer in this country, one or the other or both, some money.

Mr. MICA. That is not a correct statement, Mr. Chairman. The present policy is costing the American consumer twice as much as if we just imposed a little tariff.

Mr. KELLY. It is going to cost the consumer instead of the taxpayer but in any event my point is this: The reason the Government is having to come to the aid of the sugar industry is because the costs of production are too high. The amendment of the gentleman from California is simply going to drive up the cost of producing all American agriculture and certainly that is going to drive up the cost of sugar.

Mr. MICA. Mr. Chairman, I think the gentleman has totally misunderstood my position. Any job that an American will take to harvest lettuce or sugarcane or whatever, fine. They can and will and should take that job. I am talking about the tens of thousands of jobs that no one will take.

Newspaper ads were run in 36 cities in Florida, all over Louisiana, all over Texas, and nobody wants the jobs.

Mr. KELLY. Mr. Chairman, will the gentleman yield further?

Mr. MICA. I do yield to the gentleman from Florida.

Mr. KELLY. The amendment is going to increase the cost of production, is it not?

Mr. MICA. The amendment will increase it? Well, you are saying that in the light of possibly no production?

Mr. KELLY. No, Mr. Chairman. I am talking about the amendment that is coming before the House now adding additional costs to production.

Mr. MICA. No.

Mr. KELLY. Then, when the employer pays the additional cost then that is free, it cost nothing?

Mr. MICA. It might be that the particular sugar might cost more, that particular lettuce, but it may be we will have no sugar or lettuce or vegetables or crops. All of these will be turned under, turned back, not harvested. We have seen this happen due to lack of labor. I would not want any of my colleagues to misunderstand my position. I want Americans to have jobs and every job that is available they ought to have a priority and they ought to be able to take that job and have a right to that job.

I am simply talking about a question that has been before the House. It cannot be resolved by a commission in the time period that they have been charged with. They have asked for 2 years. I think it is only reasonable and proper that we do not turn all these crops under while we are waiting to make a decision.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MICA was allowed to proceed for 2 additional minutes.)

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I happen to serve on the commission. I believe I am the only Member of Congress on the commission. I would say this is a subject that we have been looking at and we are not in a position to make a judgment about it at this time but it is a subject that we are very, very interested in and will be giving some recommendation in the near future.

Mr. MICA. I think that seals the argument. The commission is concerned and is ready to make a proposal very shortly to the Congress.

I would hope that the Congress will take this into consideration and understand again my offer: 9,000 jobs for anyone who might feel this amendment is proper.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I want to point out, in the spirit of compromise that was offered, we would have waited for the recommendations of the commission and extended it until such time as the commission reports. If the commission reports adversely section 4 would have the effect of extending it for 2 years even in the event the commission recommends to force the payment of unemployment benefits as they already have for 15- and 16-year-olds who also will never receive benefits.

Mr. MICA. If the gentleman would like to withdraw his amendment I would be happy to consider this at a future date and see what changes we could make on this.

Mr. STARK. Well, that was offered, unfortunately, some time ago and turned down so this was the only course left.

□ 1900

Mr. BAFALIS. Mr. Chairman, will the gentleman yield?

Mr. MICA. Yes.

Mr. BAFALIS. Mr. Chairman, I would just like to explain why that so-called compromise was not accepted. Once the Commission reports, then this Congress must take time to hold hearings on the Commission findings and the Congress must act. If we use the same date the Commission made its report, it will be impossible for the Congress to act.

Mr. MICA. Well, I understand. I simply want to say that if someone does have 50 cents or a dollar extra to buy that vegetable or that sugar that they maybe could not afford, that it ought to at least be available. We have just heard the Commission report. This amendment should be defeated.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not represent any sugar interests, but I do represent the area of Virginia that produces most of the apples that are grown in that State and I am familiar with the way that this program has operated there.

This is acknowledged as a tax bill and certainly the effect of deleting this section would serve exactly that purpose. It would tax the users of off-shore labor and apple growers in particular with regard to its application in terms of the ability to harvest the apple crop on an annual basis.

For more than 20 years the growers of Virginia and West Virginia and adjoining States have been attempting to get enough domestic labor to harvest the apple crop and have not been successful. We have recruited in the States of Mississippi, Alabama, Florida, Texas, in the cites of Washington and Baltimore, in the heart of the unemployed areas, in the coal fields, bringing in these people and exposing them to the job opportunity, working at the adverse wage rate which has been established and which has been established by the Department of Labor which certainly is sympathetic to these people.

We simply do not get enough. There is not a year when there has been an exception to the fact that there have been domestic workers on hand doing the work, but not in sufficient quantities. The last year was certainly no exception.

Were it not for the off-shore workers being available as a final recourse based on a certification by the Department of Labor, the apple crop in the area would simply not get harvested.

Certainly, as the gentleman from Florida pointed out, this would impact in due time on the consumer, because it would drive the price up. It is, I can assure you, because of fighting this battle on an annual basis, driving people out of the orchard business.

It is very difficult to get young men to go into it right now. That is the single most significant reason.

Now, let me describe for you the current situation that our applegrowers face, because they are right now viewing with a great deal of apprehension the latest plan of the Department of Labor which involves the operation under contract of a private firm of an orientation camp in Puerto Rico. Last year the Department of Labor recruited hundreds of Puerto Ricans after providing them with inadequate information as to the nature of the work they would be expected to do. This was done in the full knowledge that in the upper 48 States this labor

was not going to be available. So the Department of Labor flew them to the mainland and dumped them in the orchard areas in the eastern apple producing States. It was not the fault of the bewildered people that most of them were not competent to work in an apple harvest. They had been given inadequate information and no training whatsoever.

Now, the Department of Labor has promised to do better this year. The "better" is a short course in apple picking in Puerto Rico, where they grow no apples. How they are going to accomplish this remains to be seen, and those seeking the work will be familiarized with apple picking through lectures, through movies, and in practicing climbing ladders.

Now, I might add that this noble experiment is going to be at taxpayers' expense using CETA funds.

I will tell you, it is mighty discouraging to the growers that the use of these laborers has to go through such a belabored experience each year. They certainly do not do it for fun and can prove they do not do it to save money.

May I again add that employers are able to get this labor only when certified by the Department of Labor at an adverse effect wage and, believe me, this does not come easily.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. ROBINSON) has expired.

(At the request of Mr. STARK, and by unanimous consent, Mr. ROBINSON was allowed to proceed for 2 additional minutes.)

Mr. STARK. Mr. Chairman, would the gentleman yield to me for a question?

Mr. ROBINSON. I would be happy to yield to the gentleman from California.

Mr. STARK. Mr. Chairman, it is my understanding the gentleman just said that the people from Puerto Rico who were brought into Virginia were bewildered and unable to pick apples because of inadequate training and preparation, but I would assume then that the people who came from Jamaica under the H-2 program had adequate training in the Jamaican apple orchards; is that correct?

Mr. ROBINSON. The people that came in from Jamaica were screened properly in terms of the process that I mentioned.

The way that the people from Puerto Rico were recruited was by a sound truck going through the areas of the communities and advising that good wages and labor opportunities existed and free transportation to the States.

Mr. STARK. Mr. Chairman, if the gentleman will yield further, is it not correct that many of these workers were American citizens, arrived and asked for work and were denied work by the orchardists?

Mr. ROBINSON. It is not accurate to state that, because to the best of my knowledge all of those that were available for work were given an opportunity in the orchards. Many of them did not stay on the job as much as 1 day.

Mr. STARK. Mr. Chairman, I thank the gentleman.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, I would just like to know how many thousands of American workers could be hired if they were available?

Mr. ROBINSON. In the area of Virginia that I represent, approximately 2,000.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from New York.

Mr. McEWEN. Mr. Chairman, I would like to commend the gentleman in the well for bringing this out.

I would like to say to my friend, the gentleman from California, the proponent of this amendment, that this is a widespread problem. The gentleman has spoken with knowledge of the problem in Virginia. In my own district in northern New York, that is what we call MacIntosh country where the great MacIntosh apple orchards are.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. ROBINSON) has again expired.

(At the request of Mr. McEWEN, and by unanimous consent, Mr. ROBINSON was allowed to proceed for 2 additional minutes.)

Mr. McEWEN. Mr. Chairman, if the gentleman will yield further, may I say that the growers up there, go as they do in Virginia, as they do all across the country, to tremendous expense advertising in papers and radio and in this program we have had trying to recruit in Puerto Rico.

I say to my friend, the gentleman from California, on the Jamaicans, I am sure I could not go back and I am sure the gentleman in the well could not, to the origin of this. They have been coming in for years, so the remark about where did they learn to pick apples in Jamaica, they have been coming in year after year to harvest our crop. Were it not for these Jamaicans who come in, believe me, we would not have a harvest of this apple crop.

I commend the gentleman from Florida who is pointing out that this would be a tax with no benefit for those that are employed, because they are laborers coming in for a temporary period.

So I hope that this amendment, Mr. Chairman, is rejected and that we wait out whatever recommendation the Commission has.

□ 1910

Finally, at this point let me say that as far as the growers of my district or agricultural labor employers anywhere in the country are concerned, I cannot believe they pay for airline tickets to bring people from Jamaica because that is cheaper than paying the unemployment tax—not in any way. They are paying more, but they are paying it because they have to pay it to get the competent labor to do the job.

We have had, I say to the gentleman from Virginia (Mr. ROBINSON), the same experience, unfortunately, with Puerto Ricans who were not advised what it was they were going to do. Some of them stayed just a day and then left. Had it not been for the wonderful work of our labor from Jamaica, the crops simply would not have been harvested.

Mr. ROBINSON. Finally, Mr. Chairman, I would like to make this comment regarding the fact that there have been court cases which the gentleman from Florida mentioned—and I believe he referred to most of them as "State courts"—within my memory there have been numerous cases wherein the Department of Labor and the employers have gone to court, and in not one single instance have the employers lost. And these are Federal courts, not State courts, may I say to the gentleman.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am amazed that my friend, the gentleman from New York, with a perfectly straight face, would say that they import Jamaicans to take the jobs that Americans would take because even though it costs more, they are superior to Americans. I did not think there would be anybody who would stand on this floor and say that foreign workers were superior to American laborers. I am surprised the gentleman would state that any foreign workers are superior to any American workers, even the very worst of ours.

Mr. McEWEN. Mr. Chairman, would my friend, the gentleman from Michigan, yield?

Mr. FORD of Michigan. Mr. Chairman, aside from the righteous anger that this assertion stirs in me as an unpatriotic slur on American workers, it just indicates that the gentleman does not understand what has been happening. I, as the Members may recall, was the chairman of the Subcommittee on Agricultural Labor of the Committee on Education and Labor of the House for a number of years. I spent a good deal of time trying to broker and negotiate with the people involved in the apple industry in particular. I am very familiar with the difference in the cost of Jamaican workers in Virginia and American workers in Virginia.

The apple growers in Virginia bucked and kicked and screamed when we pressured the State of Virginia through the Labor Department to force them, when they were attempting to recruit American workers, to tell the workers the truth about how much they could make picking apples.

The interesting thing is that they were telling the Jamaicans they could make as much as $4 an hour in those days on piecework picking apples in Vrginia, and they were telling workers in West Virginia, where we had large numbers of people employed in the coal country, that they could make at best $2.50 and $3 an hour. In effect, they were discouraging the American workers, and as a matter of fact, the Virginia department—not the Federal Government but the State of Virginia—stepped forward to end this practice as unfair.

The procedure was changed, and we reduced the number of foreign workers

coming into the State of Virginia for a short time. Unfortunately, this administration has now let the bars down. I might say that we reduced the number of foreign workers taking American workers' jobs during both the Nixon and the Ford administrations, and now it surprises me to see—apparently I had not been paying enough attention recently—that this phenomena has been beginning to grow again.

The gentleman from Florida talks about the need for workers in sugar cane. I had the interesting experience as chairman of the subcommittee of having farm labor contractors testify before me that black people from the southern part of the United States did not have the physical stamina to chop sugar as well as Jamaicans chopped sugar.

That kind of shocked me a little bit because I was familiar with the fact that the Japanese-American population in Hawaii got its start under virtually the same circumstances, for the express purpose of working in the sugarcane fields. So you can be smaller than I am in Hawaii and have a brown skin and you can chop sugarcane, but you can be as large as they come and have a black skin and be an American, but if you are not a Jamaican, you cannot chop sugarcane in Florida. That never made much sense to me and to my committee.

I have talked to the people who represent the Caribbean governments that are involved, and let us understand this. This is a very interesting kind of labor contracting that borders on country-to-country slavery. The government actually oversees the making of the contracts with our American growers to import these people. The gentleman from New York said that obviously they would not pay plane fares to bring those people up here and go to that extra expense if they were not superior. It is true that we were also told that the Jamaicans could pick apples more skillfully than Americans.

Mr. McEWEN. Mr. Chairman, that is twice the gentleman has referred to me in his remarks, so would the gentleman yield to me?

Mr. FORD of Michigan. Yes.

Mr. McEWEN. At what point will the gentleman yield? Will the gentleman yield now?

Mr. FORD of Michigan. Yes; I yield to the gentleman from New York.

Mr. McEWEN. Mr. Chairman, I thank my colleague for yielding.

The point I make, I say to the gentleman, is made for two reasons. The first is the unavailability of American labor, even with advertising by radio and television to get them. They do get American workers who are excellent workers, but not in sufficient numbers. That is the first point.

And of course the other reason is that the Labor Department will certify that we may bring in foreign labor.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. FORD) has expired.

(By unanimous consent, Mr. FORD of Michigan was allowed to proceed for 2 additional minutes.)

Mr. FORD of Michigan. Mr. Chairman the point that really should be made, I guess, is with respect to the amendment. The question here is whether or not we will extend to people as an encouragement for employing non-American laborers an additional tax saving by excusing them from paying unemployment compensation premiums or taxes.

It has been argued by the principal sponsor of that provision in the bill that since these people do not collect, they should not have to pay for it. But that overlooks the fact that every employer pays jointly into the unemployment insurance fund. Not only are we listening to Members here on this floor today who advocate that we hire foreigners to take American jobs but we hear those who are advocating that we let other American employers who hire American citizens pay more than their fair share to maintain this fund while we let these people who are importing foreigners pay them at slave wages.

And it is for expressly that purpose. They do not pay Social Security, and they do not pay any of the other costs. They have them hanging on the string. The minute they get a little uppity, they throw them back on the plane and they spend the rest of their lives in Jamaica repaying the cost of the plane ride. They get sent back if they talk up just one time. We can be sure they will never join a union, they will never complain about working conditions, or they will never talk about living conditions.

As a matter of policy under the two preceding administrations of the gentleman on this side of the aisle we have rejected that as American policy, and I think this House should reject it by voting yes on the amendment offered by the gentleman from California (Mr. STARK).

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, I just want to make something perfectly clear. No one in this debate on this floor today has ever advocated that we should give jobs to foreigners in preference over Americans. I made a plea and my colleagues made a plea for 9,000 and now 11,000 workers to come in and take jobs, and they are not at slave wages but at least at the minimum wage.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. FORD) has again expired.

(On request by Mr. BAFALIS, and by unanimous consent, Mr. FORD of Michigan was allowed to proceed for 2 additional minutes.)

Mr. BAFALIS. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Florida.

Mr. BAFALIS. Mr. Chairman, if this amendment is adopted to strike section 4, does the gentleman then support the bill?

Mr. FORD of Michigan. Mr. Chairman, I do not know that this is the only amendment that is going to be offered.

Mr. BAFALIS. Mr. Chairman, I will say that to my knowledge, it is the only amendment that is going to be offered.

Mr. FORD of Michigan. Then I will take the gentleman's word for it.

If the bill is cleaned up in proper shape, I will be glad to support the bill.

I will ask the gentleman in return, does that change his mind? Does he withdraw the amendment in return for my support? Is that what the gentleman suggests?

Mr. BAFALIS. No. I did not offer the amendment. This is in the bill.

The gentleman from California (Mr. STARK) offered the amendment to delete the section. My question is, if the section is deleted, will the gentleman support the bill?

Mr. FORD of Michigan. More accurately stated, will the gentleman join in opposition and support the amendment if I will support the bill? I will make a deal right here on the floor. I will vote for the bill if the gentleman votes for this amendment.

Mr. BAFALIS. If the amendment passes, the gentleman does not intend to support the bill?

Mr. FORD of Michigan. No, I did not say that at all. I think it is an irrelevant question, but if the gentleman wants to make a political deal right here in front of the television cameras, I will make it. You vote for the amendment offered by the gentleman from California (Mr. STARK), and I will vote for the bill.

□ 1920

Mr. BAFALIS. Mr. Chairman, I got the gentleman two minutes of additional time. If the gentleman will be kind enough to yield to me, I will appreciate it.

Mr. FORD of Michigan. That is fair. It is an easy up or down proposition.

Mr. BAFALIS. The point I wanted to make to the gentleman is that if this provision comes out of the bill, there is not any reason to have the Commission. We heard the gentlewoman from Ohio say that at this time the Commission has not made a decision. Why should we then go ahead and spend more money for this Commission, when we are going to take away their authority? We do not need the Commission. We do not even need the bill if this provision comes out.

Mr. FORD of Michigan. Mr. Chairman, is the gentleman suggesting that the committee is incapable of responding to the recommendation of the Commission if legislation is warranted?

Mr. BAFALIS. The Commission has not made a recommendation at this point, as attested to by the gentlewoman.

Mr. FORD of Michigan. I am sure that if legislative relief is necessary, the committee will be quick to respond.

Mr. BAFALIS. I would suggest to the gentleman that the committee would be a better place to solve the problem of those foreign workers than the Ways and Means tax-writing committee.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if the gentleman from Florida could answer a question. My understanding is that the committee's provision includes a significant modification of the present law in response to

testimony received from the workers' organizations, and it provides that the agricultural services performed by such alien workers would be counted in determining whether an employer was subject to Federal unemployment tax for other farmworkers in his employ; is that correct?

Mr. BAFALIS. The gentleman from California is absolutely correct.

Mr. ROUSSELOT. Then that partially answers the complaint of the gentleman from California (Mr. STARK)?

Mr. BAFALIS. Yes. We found during the hearings that, the way the law was constructed in 1976, employers did not have to count offshore laborers as part of the total numbers required for them to pay unemployment compensation tax on American workers. We corrected that deficiency in this bill.

Mr. ROUSSELOT. So this bill corrects that deficiency?

Mr. BAFALIS. As it relates to American workers.

Mr. ROUSSELOT. Right. And that is part of the concern of my colleague, the gentleman from California.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

M. ROUSSELOT. I yield to my colleague, the gentleman from Virginia.

Mr. ROBINSON. I thank the gentleman for yielding.

Mr. Chairman, I would again like to point out, as this debate on this amendment begins to close, that this amendment was defeated in committee by a vote of 3 to 1, by 24 to 8, and I think that that is a significant vote, indicating that the proper resolution of this problem is to leave it to the Commission, as is suggested in the very section that the gentleman from California would like to delete.

I would further like to take issue with the gentleman from Michigan in his recitation of the way in which the apple-picking industry was represented in attempting to recruit domestic workers in the years when the offshore labor was increased and then decreased, because, to my knowledge, the growers themselves individually went into the fields in various States attempting to recruit people because they were in such desperation that they knew they were going to lose crops.

At the present time we do not know what the size of this apple crop is going to be, and they did not know then. And the reason that the amount of workers goes up and down to such an extent is because the crops vary in productive size from one year to the next. I certainly hope, in the interest of being fair to the apple industry and to the various areas affected in agriculture by this, we are able to retain this section and let the Commission deliberate it properly.

Mr. ROUSSELOT. I think the gentleman from Virginia makes an excellent point, and that is, our committee considered very, very carefully the fact that the Commission is the one that should make this basic determination. That is the purpose of extending this time, as my colleague, the gentleman from Florida, has pointed out. Why should we prejudge the work of the Commission? Our colleague, the gentlewoman from Ohio (Ms. OAKAR), a member of the Commission, stated that she is confident the Commission will move very positively on this issue and has assured the Congress that they will do that.

Mr. Chairman, I urge my colleagues to vote down the amendment offered by my colleague, the gentleman from California.

Mr. GARCIA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I was elected to this body last year in a special election in February. I do not believe I was here 90 days when a group of very poor and destitute people who had arrived from San Juan, P.R., who were brought here to work the apple fields of Virginia, to work the apple fields of New York, arrived to find that there were no jobs. They had been recruited, and they came here desperately seeking to try to pick up a few meager dollars to take back with them. When they arrived here, they were told that no jobs were available. It was a heck of an experience to me, I must say, Mr. Chairman, because, frankly, as a New Yorker and one who is familiar with agriculture, especially the apple growers and that particular segment of our agricultural industry in the State of New York, we historically in the State of New York have had Puerto Ricans come to pick. It seems to me that if we go back to that same place today and try to recruit people to come here, they will be discouraged. They will be discouraged because of what took place last year.

I spoke to the Department of Labor and I asked them about certification. I must tell the Members that I sent that letter in, and I believe it was a year later when I received an answer. Most of these people do not have the lobby that the apple industry has. They are poor people who are trying to make a living. I can tell the Members that in the year 1979, if the people who arrive this year to work the fields are not considered as American citizens, I would like my colleagues who oppose this amendment to please rise and say they are not citizens. The fact of the matter is that we find ourselves here really embarrassed. It is all right to sit here and to think about the apple growers, but I just wish that some of these gentlemen, some of these people who are opposed to this amendment, were in my office to see the look on these people's faces. It really broke my heart. I speak as one who was born in the United States of Puerto Rican parents.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman from Virginia.

Mr. ROBINSON. I thank the gentleman for yielding.

Mr. Chairman, I would like to say to the gentleman from New York that the industry would welcome him being on hand to see how this matter has been handled. It has been misrepresented to the gentleman, I can assure him. I wish that he could have been there last fall to see the efforts that were exerted to try to teach these people to pick apples and to encourage them to stay on the job because their services were badly needed.

Mr. GARCIA. Mr. Chairman, let me respond to that, if I may.

What the gentleman is saying is—and I think the gentleman from California stated it earlier—in terms of the training and in terms of the continuity of people working in the apple orchards of this country, I am certain that those people who arrived here who were alien workers were trained at one point, and they must have learned somehow. I believe very strongly that the same thing pertains to American citizens, that they can learn as well. The problem is that the opportunity is not afforded.

Mr. ROBINSON. Mr. Chairman, I would beg to differ with the gentleman, if the gentleman will continue to yield. The opportunity is afforded, and the workers are welcome. We need them. And goodness knows, we do not want to go through this hassle on an annual basis. It is expensive and it is ridiculous when there are people who can do the work.

Mr. GARCIA. Mr. Chairman, I would be more than willing, in response to the gentleman from Virginia, to participate and go to those fields and watch and see how these young people who are American citizens are being trained to work those apple orchards and the type of cooperation.

Mr. ROBINSON. Mr. Chairman, the gentleman will be welcomed.

Mr. GARCIA. Mr. Chairman, I would be more than willing to respond to the gentleman from Virginia, to go into those apple orchards and spend time with him to see the type of response and the manner in which these people are treated, American citizens.

Mr. BAFALIS. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman from Florida.

Mr. BAFALIS. Mr. Chairman, I am sympathetic with the gentleman's argument. I do not really know what happened during that period of time. But the most important thing is that striking this section is not going to correct that problem.

The argument is made that it is going to make foreign workers less attractive. I can assure the gentleman that if you do not have people available to pick your crop, if you are going to spend $200, $300, $400, $500 more to get them here, you are still going to bring them here instead of letting those apples rot in the fields or the sugarcane rot in the fields.

The gentleman really ought to take his argument to the Labor Committee. He ought to talk to the gentleman from Michigan. We ought to make sure the Department of Labor does not certify bringing foreign workers into this country when there are American workers available. This bill does not do that. This bill only extends for a period of 2 years until we can get a Commission report.

There may be some very valid arguments. If they are true, the Department of Labor has not done its job, our Committee on Labor has not done its job to

change the laws. Do not take it out on this bill. This is the wrong place to make this fight.

□ 1930

Mr. GARCIA. Well, it is the first opportunity I have had since last year, when those poor people came into my office, the very first opportunity to talk about the question of those persons who were American citizens and those persons who were not American citizens, and if I am afforded this opportunity, I must take advantage of it.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, I would like to associate myself with the gentleman's comments and say that the act that the gentleman described here is apparently illegal under our existing laws. If there is any evidence or documentation of alien workers taking American jobs, then I would associate myself with this type of amendment in the future.

This is not the case, however. There are many, many crops being plowed under, many, many jobs going begging in many, many places.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have gone a little far afield on the plight of farmworkers in this country. I am sure that all of the things that have been said are, from time to time, relevant. They are not relevant to this issue, I suggest.

Let me refresh the memory of my colleagues as to where we have been and where we are.

For 40 years people who toil in the fields were denied the benefit of unemployment compensation. Some of us tried for a long time to correct that situation.

A gentleman here in the Chamber, the gentleman from Minnesota (Mr. FRENZEL), was very, very helpful in that respect, and the late Congressman Steiger, was probably the man most responsible for extending that very important social benefit to farmworkers.

When we extended unemployment insurance to farmworkers we were uncertain about its workability. One of the things that concerned us was the advisability of requiring unemployment insurance recordkeeping for alien farmworkers who cannot possibly under the law ever receive benefits.

Now, we cannot rely on the impact of the unemployment tax, that averages 2.9 percent, to make the decision as to whether we use American labor or foreign labor. That must be decided under the exercise of the police power of this Nation, not under the exercise of the tax power of the unemployment compensation system.

There are a half million farmworkers who now have unemployment insurance protection who did not have this protection before H.R. 10210 was adopted. We set up the Commission because, as I said early on, there were some questions and concerns that needed further study, and the issue before us was one most serious.

I would like to receive the Commission's recommendation before we change current law.

If, in truth, the Department of Labor and the committees in this Congress responsible for writing labor law are permitting the kinds of violations that have been recited here, that must be corrected, but do not rely on the unemployment insurance system to do it.

I would hope that the Committee of the Whole, and eventually the House, would agree with the Ways and Means Committee that the imposition of the unemployment tax on these alien farmworkers sought to be deferred until we can take a closer look at it.

Someone said, "Well, let's go ahead and cover alien farmworkers with unemployment compensation," then we will have done all we are supposed to do, and all of the evils that have been paraded before us today will be corrected. Please do not believe that. This unemployment tax is not that big. I would hope the committee would vote down the amendment.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

I want to concur in his historical perspective and his analysis of the amendment before us.

As the gentleman knows, there are a number of us on the committee who are barely supporting the bill in its present form. Should this amendment prevail, who knows what would happen to the bill.

I think the gentleman has given the House good advice, to vote down the amendment.

I thank the gentleman.

Mr. CORMAN. I thank the gentleman.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. STARK).

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. STARK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Pursuant to the provision of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The Chair will announce this is a regular quorum call followed by a 5-minute vote.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 386]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miki
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moffett
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton

Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solars
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Treen
Trible
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1950

The CHAIRMAN. Three hundred and ninety-nine Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The pending business is the demand of the gentleman from California (Mr. STARK) for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 85, noes 325, not voting 24, as follows:

[Roll No. 387]

AYES—85

Anderson, Calif.
Aspin
Atkinson
Barnes
Bedell
Bingham
Blanchard
Bonior
Brademas
Brodhead
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Dellums
Dicks
Dixon
Dodd
Downey
Drinan
Eckhardt
Edgar
Ford, Mich.
Ford, Tenn.
Garcia
Gephardt
Gore
Gray
Green
Harkin
Harris
Hawkins
Holtzman
Ichord
Kastenmeier
Kindness
Kostmayer
Lederer
Lehman
Leland
Lowry
McCormack
Maguire
Markey
Mikulski
Mikva
Miller, Calif.
Mitchell, Md.
Moffett
Myers, Pa.
Nedzi
Nolan
Oberstar
Ottinger
Rangel
Ratchford
Reuss
Richmond
Rodino
Rosenthal
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Stark
Stewart
Stokes
Studds
Tauke
Thompson
Vento
Waxman
Weaver
Weiss
Wolpe
Yates

NOES—325

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dingell
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Foley
Fowler
Frenzel
Frost
Fuqua
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rinaldo
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Shuster
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Taylor
Traxler
Treen
Trible
Ullman
Van Deerlin
Vanik
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—24

Andrews, N.C.
Ashbrook
Ashley
Bolling
Conyers
Davis, S.C.
Diggs
Duncan, Oreg.
Edwards, Calif.
Emery
Flood
Forsythe
Gaydos
Holland
Lundine
McKinney
Moorhead, Pa.
Rhodes
Ritter
Thomas
Udall
Vander Jagt
Walgren
Wright

□ 2000

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there additional amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MITCHELL of Maryland, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3920) to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes, pursuant to House Resolution 352, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 544, HEALTH PLANNING AMENDMENTS OF 1979

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, WAXMAN, SATTERFIELD, PREYER, BROYHILL, and CARTER.

DISAPPROVAL OF EXTENSION OF PRESIDENTIAL AUTHORITY TO WAIVE FREEDOM OF EMIGRATION REQUIREMENTS UNDER SECTION 402 OF THE TRADE ACT OF 1974 WITH RESPECT TO ROMANIA

Mr. VANIK. Mr. Speaker, pursuant to section 152(d) of Public Law 93-618, the Trade Act of 1974, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 317, disapproving the President's recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the resolution be limited to not to exceed 1½ hours, the time to be equally divided and controlled by the gentleman from Pennsylvania (Mr. SCHULZE), and by myself.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 317, with Mr. MITCHELL of Maryland in the chair.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair still would like to stay with the commitment it made to the House that we rise at 9 o'clock.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Pursuant to section 152(d) of Public Law 93-618, and the unanimous-consent agreement, the gentleman from Ohio (Mr. VANIK) will be recognized for 45 minutes, and the gentleman from Pennsylvania (Mr. SCHULZE) will be recognized for 45 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. I rise in opposition to House Resolution 317, which would disapprove the continuation of MFN tariff treatment to the products of Romania.

Mr. Chairman, the question before us is whether Romania has met the requirements of section 402 of the Trade Act of 1974, the Jackson-Vanik emigration amendment. Section 402(c) permits the President to waive the freedom of emigration requirements of section 402(a) if he determines that the waiver will promote the objectives of that section and if he receives assurances that the future emigration practices of the country will lead substantially to the achievement of those objectives.

The waiver authority was granted for an 18-month period subject to 1-year extensions if the President determines that such extension will substantially promote the objectives of section 402 and recommends such an extension to the Congress.

There can be no doubt that the extension of MFN status in 1975 and its annual renewal since that time has promoted the free emigration objectives of the Jackson-Vanik amendment. In the fiscal year prior to the granting of MFN, 312 individuals emigrated from Romania to the United States. In fiscal year 1979, that number had grown to 1,686, an increase of more than 500 percent. Emigration to the Federal Republic of Germany has also been running at very high levels, with over 11,000 individuals departing for West Germany in 1978.

Although emigration to Israel has declined, it is important to note that the Jewish community in the United States has given its unqualified endorsement of the continuation of MFN to Romania. Testimony was presented to the Subcommittee on Trade stating that the Romanian authorities had given concrete assurances which, it is hoped, will remove remaining impediments to the freedom of Romanian Jews to emigrate. In this connection, I am pleased to call the attention of my colleagues to a July 15 report in the Jewish Week publication that Romanian President Ceausescu has assured the American Jewish Joint Distribution Committee that any Jew wishing to leave Romania for family reunion in Israel or any other country would be able to do so.

Thus, Romania's emigration performance since the granting of MFN has demonstrated its compliance with the Trade Act requirements and the recent developments regarding Romanian Jewish emigration evidence its willingness to continue to work in a humanitarian manner toward the resolution of divided family cases.

Mr. Chairman, it must be remembered that our primary purpose is to build a trade relationship with Romania—one that will promote mutual economic advantages. The United States-Romanian Trade Agreement has enabled us to make substantial gains in this direction. Only 4 years ago, prior to the granting of MFN, two-way trade with Romania amounted to $408 million; it is expected to reach $1 billion by 1980. It is true that we experienced a $30 million deficit in 1978. However, this trend has been reversed in the first 5 months of 1979 which show an $84 million surplus for the United States.

But, there are benefits accruing from such a relationship far more important than the economic advantage it brings. Trade promotes peace—without the cost necessary to maintain our military preparedness. In addition, where goods are traded, so must ideas and cultural values be exchanged. A stable trade relationship creates a setting in which other problems can be amicably resolved. Finally, trade is a means of obtaining important U.S. foreign policy objectives, thus out of trade comes the cement that holds the world together in peace.

In this regard Members should note that Romania continues to conduct its foreign relations in a manner which indicates an independence not shown by other Warsaw Pact members, including nonparticipation in pact military maneuvers; establishment of broad economic relations with the West through its membership in the World Bank, the IMF, and the GATT; continued strong support for the Arab-Israeli peace; and nonparticipation in the OPEC oil embargo.

Mr. Chairman, in the 4 short years that the United States-Romania Trade agreement has been in effect, we have witnessed the substantial advancement of U.S. objectives in humanitarian, economic, and political areas. Continued extension of MFN will provide opportunities for further advancement of these objectives. On the other hand, disapproval of MFN for Romania, will not only severely limit such opportunities, it will very likely result in the loss of much that has already been accomplished.

I want my colleagues to know that I am concerned with human rights problems which exist not only in Romania, but in all parts of the world—east and west. I believe these concerns can best be addressed by supporting continuation of the U.S. relationship with Romania. United States-Romanian relationships both in commercial-economic and political terms are complex and cannot be turned on and off each year. Adoption of the disapproval resolution in the House could permanently push Romania from its stance of independence from the Soviet Union into a closer relationship with the rest of Eastern Europe. This would be tragic and probably irrevocable.

Mr. Chairman, I strongly urge my colleagues to vote against House Resolution 317, and continue most-favored-nation treatment to Romania.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the distinguished chairman of the Committee on Ways and Means (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I wish to commend the distinguished chairman of the Subcommittee on Trade for his statement and for his long efforts in this field. If anyone is qualified to speak on this issue it is the gentleman from Ohio. The gentleman's diligence has been of great benefit to this Nation. I commend the gentleman for what he is doing. I strongly support the continuation of MFN for Romania. I think it would be a national disaster not to move forward and continue to build this trading relationship with Romania. I commend the gentleman and urge all Members to support the committee's position.

Mr. VANIK. Mr. Chairman, I thank my distinguished chairman. I want to point out the way we continue MFN with Romania is to vote no on the resolution that is before us that was offered by the gentleman from Pennsylvania (Mr. SCHULZE).

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from New York.

Mr. CONABLE. Certainly the authorship of the Jackson-Vanik by the gentleman in the well qualifies him to take a strong position on this issue. The gentleman is supporting the position that would disapprove the resolution of disapproval. In other words, urging a no vote on all of us.

I think we are well aware of the fact Romania has preserved a high degree of independence in international affairs. There is no doubt about it also that she has paid a price at home in terms of her rigid adherence to Communist principles. I think it is in the interest of this Nation, however, to try to disentangle the countries of Eastern Europe from dependence on the Soviet Union and we certainly should encourage the independence that Romania has shown. Trade is a neutral weapon in the world; it is a weapon nonetheless that can be used to continue this process of disengaging Eastern Europe from the hegemony of Russia. I hope that my colleagues will support the lead of the gentleman in the well who has worked so hard on this and vote no on the resolution of disapproval.

Mr. VANIK. Mr. Chairman, I want to thank our distinguished colleague from New York and I want to point out, because of the uncertainties in Yugoslavia, Romania becomes increasingly important in its relationship with the United States.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I am very happy to yield to my distinguished colleague from New York (Mr. BINGHAM).

Mr. BINGHAM. I thank the gentleman for yielding.

I would like to join in the commendations of the gentleman for his stand

on this issue. As has been pointed out, no one speaks with better authority.

As the chairman of the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs, I would like to join the gentleman in urging a "no" vote on this resolution.

This action would serve us no good purpose and it would do a great deal of harm in our efforts to develop trade in Eastern Europe and in our efforts to encourage Romania to continue an independent foreign policy.

The gentleman will well recall it was Romania that first broke the line among the so-called Communist-dominated countries in seeking to cooperate with the Jackson-Vanik amendment and establish its eligibility for a most favored nations treatment. For us at this stage to reverse what we have for the last couple of years would be a great mistake in my judgment.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to my distinguished colleague from Oregon.

Mr. AUCOIN. I appreciate the gentleman yielding. I wish to associate myself with the gentleman's remarks and to compliment the gentleman for the excellent work the gentleman has done in bringing forward a proposition in which the House can approve most favored nations status for Romania. I think the leadership is sound, I think the logic is absolutely impeccable. This country needs to develop its trading relations with Eastern bloc countries and I think the gentleman and his committee has done an excellent job in this regard. I strongly compliment the gentleman. I particularly compliment the gentleman from New York (Mr. CONABLE) for the remarks he has made regarding this important question.

□ 2020

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the distinguished gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding and say that I compliment the gentleman on his leadership on this matter, not only of trade, but on human rights.

I concur in the gentleman's assessment that the benefits of MFN and on an annual review basis for Romania has been extremely helpful, not only in our relations and in our trade, but also in the human rights practices of that country.

Let me say that the Commission on Security and Cooperation in Europe, which I chair, has been very closely monitoring the Romanian effort.

I can tell the Chair any my colleagues that the Romanians have been extremely cooperative with every single case that I know of that has been raised in the House by our colleagues in the House on any family reunification case or immigration case and have done their utmost to get the facts and to resolve as quickly as they can those cases which were presented to them.

I believe in all fairness, not only on the Jewish problem but also on other cases, that the Romanians have demonstrated good faith in trying to meet the requirements of what we call good human rights practice.

Therefore, I think under the circumstances that we should vote no on the resolution of disapproval and again extend for 1 year, subject to all the reviews which the gentleman has pointed out, the question of MFN to Romania.

Mr. VANIK. Mr. Chairman, I thank the gentleman and I also want to compliment the gentleman for the splendid work of the Commission in observing and and carefully monitoring the Helsinki Accord.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding.

I get somewhat confused on our human rights standards in different parts of the globe.

Now, I have been in Romania and I have not been in Zimbabwe, Rhodesia, but I would ask the gentleman in the well, is the repression, oppression, and suppression greater in Zimbabwe, Rhodesia, where we impose sanctions than it is in one of the great police states of this world, Romania, where if you talk to someone on the street they have to report it to a police officer. Could the gentleman tell us that?

Mr. VANIK. I cannot respond. I have no knowledge that is special to me. I have no experience in the Rhodesian problem.

Mr. HYDE. The gentleman has visited Romania?

Mr. VANIK. Oh, yes, I have visited Romania.

Mr. HYDE. Would the gentleman not agree that human rights there are down to almost zero?

Mr. VANIK. On the contrary, I just made a statement in which I said that we are making tremendous progress.

Mr. HYDE. When is the last time they had an election there?

Mr. VANIK. As the co-author of the Jackson-Vanik amendment, I feel they have met the requirements of the statute. On this basis, I urge the House to vote no on the resolution.

Mr. HYDE. Mr. Chairman, I thank the gentleman.

Mr. VANIK. Mr. Chairman, I yield to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to House Resolution 317 and in support of continuing most-favored-nation tariff treatment for Romania. Quite simply, I believe that the continuation of trade benefits is the most practical method of assuring that the Romanian Government will allow increased emigration—including emigration to Israel—and facilitate family reunification. I am pleased to note the commitments given on these issues recently to the leadership of the American Jewish community by the Romanian Government.

I had also been concerned about a matter which, while it did not fall explicitly within the ambit of the freedom of emigration requirements of section 402 of the Trade Act, did reflect directly on the Romanian Government's willingness to deal forthrightly and cooperatively with the United States on other matters of mutual concern. The issue was Romania's willingness to provide judicial assistance to our Government in seeking to bring alleged Nazi war criminals to justice.

Based on substantial and meaningful steps taken by Romania in recent weeks to assist Justice Department prosecutors in a pending denaturalization case against a Romanian national living in the United States alleged to have been involved in war crimes, I now believe a pattern of judicial cooperation has been firmly established. The Romanian Government has provided voluminous documentary material requested by the Justice Department, has agreed to allow the questioning of witnesses both informally and in formal proceedings in Romania, and has stated that it will provide Department investigators with access to government archives in Bucharest. United States' prosecutors will leave shortly to take advantage of these new commitments.

Both Ambassadors to the United States Ionescu and Ambassador Bogdan of the Foreign Ministry have told me personally of the desire of their government to continue to cooperate in the future in cases of other Romanian nationals living in the United States suspected of war crimes.

In light of these commitments on emigration and judicial assistance by the Romanian Government I support the extension of the MFN waiver.

I also want to commend the chairman of the Trade Subcommittee (Mr. VANIK) for his leadership on this issue and for his willingness personally to bring my concerns to the attention of the subcommittee and the Romanian Government.

Mr. VANIK. Mr. Chairman, I yield to the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding. I want to associate myself with the gentleman's remarks.

I concur with the gentleman in the gentleman's assessment of our relations with Romania.

As the chairman of the Subcommittee on Agriculture that monitors foreign agriculture, this is of great interest to us that we continue the progress that we have made in relation to Romania.

I think the gentleman has chosen a wise course for us to take to extend for another year and continue our communication, continue the possibilities of agricultural trade both ways, if possible.

I think that this will be very helpful if we endorse and approve the gentleman's motion this evening.

Mr. VANIK. Mr. Chairman, I yield to

the distinguished gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding and commend the gentleman for the gentleman's position and associate myself with the gentleman's remarks.

My experience with the Romanians in this case, so far as immigration cases are concerned, has been an excellent one. Rare is the occasion when my office has made a request for their cooperation that that cooperation was not forthcoming.

I think it is important that we continue to hold forth this carrot in order to encourage the Romanians to continue and improve their already improved position.

I commend the gentleman for his position.

Mr. VANIK. Mr. Chairman, I would like to at this time permit the gentleman from Pennsylvania (Mr. SCHULZE) to use some of the gentleman's time.

I would be glad to yield such time as I may have that remains, after the gentleman is afforded an opportunity to have some speakers address themselves on this position.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. SCHULZE) is recognized for 45 minutes.

Mr. SCHULZE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the author of House Resolution 317, I would like to share with you the reasons I introduced this resolution and why I feel Romania no longer deserves nor is qualified for special trade privileges.

Since the passage of the Jackson-Vanik amendment, the United States has made it clear to the rest of the world that if a country desires most-favored-nation status it must demonstrate a willingness to allow free emigration.

Most-favored-nation status is an asset used by our Government in the international arena to provide special trade favors to foreign governments. While some may argue as to what constitutes a favor, other countries certainly behave as if they value this trade status with us very highly. We are not obligated to grant this status to everyone. We exercise our sovereign will when we do grant MFN to a new country, and it is reasonable to set certain conditions. The United States is the most powerful producing and trading nation on Earth. We possess the most advanced technology, and trading with us on favorable terms is a definite advantage to any country. The American people deserve the best possible deal in any contractual arrangement in which we enter.

Four years ago, Congress recommended that Romania become the first Communist nation to receive MFN. There was great hope at that time, that they would become an example to the rest of Eastern Europe. I must say that I too shared that hope and did support the original MFN resolution.

In return for MFN and the millions of dollars of U.S. Government credits, Romania gave us their solemn pledge to live up to the objectives of the Jackson-Vanik amendment and to implement the requirements of the Helsinki accords.

Mr. Chairman, I say to you that Romania has repeatedly violated these assurances. It might not be realistic to expect Romania to allow its citizens all of the rights which our citizens enjoy. I did not expect, however, that the level of oppression and the number of emigration barriers would increase with the granting of MFN.

Romania has become, since MFN, one of the most repressive governments in Eastern Europe—to argue that the Soviet Union, East Germany or even Vietnam are more repressive is not pertinent to this discussion for none of these countries has MFN nor have they pledged to implement the Jackson-Vanik provisions.

This year, for the first time in 3 years, the House is taking a long hard look at Romania's record in meeting these assurances. It is not a very pretty sight. I doubt that very many of my colleagues are aware of some of these abuses and so I ask each of you to listen, and to listen carefully to the facts as they are discussed here this evening.

Our routine extension of most-favored-nation status sends the message to the oppressed citizens of the world that we give nothing but lip service to human rights; to many others it says that we do not stand behind our principles.

You may ask, how has Romania violated these policies in the past 4 years? First, this government continues to abuse their Hungarian population. There are over 2½ million Hungarians who are being forced to assimilate themselves into the Romanian culture. They have done away with Hungarian schools, bilingual signs, and any form of self-administration for these Hungarian people. Today, Hungarians find it difficult to find employment and cities overwhelmingly populated by Hungarians are now governed by non-Hungarian speaking mayors.

Second, Romania operates formed labor camps. A political or religious activist who does not agree with the government runs the risk of being shipped off to such facilities as Jilava Psychiatric Hospital or one of the Danube Delta labor camps. Here, prisoners of conscience and religious believers are many times injected with large quantities of drugs or are subjected to electro-shock treatments as a means of political re-education.

Third, emigration to Israel is still declining significantly from a yearly high of 4,000 people prior to MFN to less than 1,200 in 1978 to less than 300 people so far this year. While the B'nai B'rith has recently reversed its position from opposing MFN, to now supporting an extension based on secret assurances from the Romanian Government, one must question whether or not these secret assurances will be kept when public assurances to our Government have been repeatedly broken.

And last and most importantly, lets examine the changes in the emigration barriers which have been established since 1975. Before MFN, in order to be able to emigrate from Romania a citizen had to fill out one lengthy application form. One barrier to freedom existed.

Now, in the 4 years since we granted MFN, a citizen must:

One, get on a waiting list for a preapplication form;

Two, fill out the preapplication form;

Three, complete the lengthy application form itself; and

Four, if an individual's application or preapplication is denied, he must wait an additional 6 months before reapplying. Where there was one, there are now four barriers to freedom.

Each of these barriers requires various lengths of time and is designed to prevent people from indicating a desire to leave by increasing at each level the amount of harassment, intimidation, and punitive actions.

It does not take a genius to figure out that this process could, and many times does, take a lifetime before approval to leave is granted. All during this time, a potential emigrant risks losing his job, his family, educational opportunities for his children and the support of his community.

When the United States granted most-favored-nation status to Romania, we did so in the hope that the emigration barriers would be liberalized.

Emigration is the last resort for those people who can no longer survive in their homeland. Just try to imagine for a moment how oppressive life must be to force an individual to sacrifice his past and his present for an unknown future.

With this in mind, I find it particularly reprehensible that the Romanian Government persists in increasing on a yearly basis the number of emigration barriers, while simultaneously seeking renewal of MFN benefits.

For three years, Congress has gone through this summer ritual of accepting carte blanche, assurances that Romania would liberalize their emigration policies. In reality, the barriers are ever increasing.

Another aspect of the Romanian Government's disregard for human rights is reflected in their treatment of national minorities, especially the 2½ million Hungarians, Europe's largest minority.

The subcommittee received very detailed, factual, well-supported evidence—confirmed by independent Western sources—of a systematic effort to destroy a whole network of Hungarian cultural institutions, to deprive this ethnic group of its language, traditions, and cultural identity.

A former alternate member of the Romanian politburo gave dramatic evidence of this campaign, in letters which he sent to the West. He trusted our commitment to human rights in our foreign policy. As a result of sending these letters, he was exiled, vilified, threatened—and now lives subjected to constant harassment.

I emphasize the element of destruction in this process. It is the closing of schools where children can study in their mother tongue. It is the elimination of one of Europe's oldest universities. It is a campaign of extreme ethnic, cultural, and religious intolerance which the Hungarians are protesting.

This deculturalization campaign is a very germane issue when we claim to view the full picture of Romania's performance in human rights.

Mr. Chairman, you have heard and will hear during the course of this debate much about our current favorable trade balance with Romania. While this figure is an improvement over last year's $29 million deficit, let's take another view of the trade picture.

As documented by Amnesty International, I would like to relate to you the conditions existing on some of the island camps which make up Romania's Danube Delta labor system. Here, prisoners of conscience are regularly sent out, at great personal risk, to collect snakes in the marshes and dense undergrowth.

These prisoners are forced to catch and kill these snakes and the skins are then sent to the United States as part of our import trade with Romania, to be used in such luxury items as shoes, women's handbags, and belts.

These imports represent a portion of that trade surplus which the proponents of continued MFN are citing in support of their arguments.

I do not believe that we need this type of trade.

I do not suggest, Mr. Chairman, that we close the door on Romania forever. Rather, I recommend that we revoke this one small privilege for the year ahead. This will provide Romania with 1 year in which to fulfill that good faith pledge made to us some 4 years ago. If the Romanians are serious about their need for trade and their desire to be equal partners then they should give us clear indication of that desire.

So far, we have seen only religious persecution, blatant violations of human rights, and the imposition of barriers established to prevent emigration.

It is time to pay more than token lip service to human rights. Only by once again setting an example, will the United States be considered credible; only by standing up for the policies of free emigration and human rights will the nations of the world again take us at our word.

I urge my colleagues to vote yes on this resolution, and send the message that we are once again willing to wear that mantle of moral leadership.

□ 2030

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. SCHULZE. I will be happy to yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, I rise in support of this resolution, and I do so with a great deal of reservation.

Over the past 3 years I have supported extending MFN status to Romania, but I believe that the time has come, in assessing the lack of improvement of conditions in Romania, to say that this year we are not going to make or extend that status for a 12-month period, in order to give the Romanian Government an opportunity to live up to the promises they have made over the years, which I feel they have not met, and the agreements which they signed, the international agreements which they were committed to and have not fulfilled.

□ 2040

Many of the points the gentleman in the well has referred to are worth noting. In the last year alone, rather than easing the emigration policy, they have made the policy more complicated. Rather than expediting measures so that people would have an easier egress from that country, they have added yet another barrier in that process. Certainly the plight of 2.5 million Hungarians in that country, a minority population, rather than their condition being improved, it has worsened.

I would point out to my colleagues who have pointed to progress that, over the past year, I have written some six or seven different pieces of correspondence to the Romanian Government asking about specific families and cases. It was only 2 weeks ago that I got answers to those letters, ironically, just before this measure was to come before this Chamber.

I would point out to my colleagues the case of the Rauta family, an individual who defected to this country more than 5 years ago, and for the past 5 years we have been trying to expedite the exit of his family from that country. Repeatedly the Romanian Government has denied the opportunity for this man's family to join him. That certainly is not a record of a country which is interested in human rights.

The MFN status is an important status. It extends economic development not just to their country, but to ours as well.

I do not believe we are going to see a break-off in our relationship if for one year we deny the Romanian Government that privilege. I think we would do ourselves well in this House to say to the Romanian Government that they must do better, not worse, which is what they have done over the past years.

I compliment the gentleman for the position he has taken on this resolution, and I would urge my colleagues to support it.

Mr. SCHULZE. Mr. Chairman, I thank the gentleman for his remarks. What the gentleman says is so true. None of us do this with any glee or any joy in our hearts. We are sorry that we have to do it. But those barriers have been increasing.

Mr. Chairman, at this point I include in the RECORD a list of many other Romanians who are wishing to emigrate.

The list referred to is as follows:

RUMANIANS SEEKING EMIGRATION AND PRISONERS OF CONSCIENCE IN ROMANIA

ROMANIAN JEWS SEEKING TO EMIGRATE

Nissim Doru, Suren Spandarian St. nr. 5, Bl. O D 21 B, sc. E, ap. 207.

Harry and Rodika Flomin, Partizanilor Street 39, Bl. c23, Ap. 46, Tiglina 1, Galati 6200, Rumania.

Eugen Fundulea, St. N. Balcescu 55, Bl. 8 Ap. 36, Buzau, Rumania.

Marta Gheorghiu, Bulevardul Cosbue, Bl. M1, Ap. 6, Galati, COD, 6200, Rumania.

Sergui and Ruxandra Ratescu (and their son Sebastian), Str. Liviv Rebreanu no. 7, Bl. 51, et. 8, Ap. 123, Sector 4, Bucharest, Rumania.

Jeana Ratescu, B-dul Muncii no. 94, Bl. 1B, et. 1, Ap. 3, Sector 3, Bucharest, Rumania.

Silviu and Monica Grunberg, Cartier Cornisa, Bl. Turn 6, et. 1, Ap. 7 sc. B, Bacau, Rumania.

Radu and Gherghina Iliescu, 5N. Grigorescu St., Arad-Rumania.

Liza Marie Ramniceanu (and their daughter Florentina), 2A Principatale Unite, Bucharest, Rumania.

Mircea and Margareta Ruse (and their daughter Monica Ruse, and their son Dorin Ruse, Dorin's son and wife Doina), 28 Racaci Street, Cluj, Rumania.

Haghes Belinstein, Sos Stefan cel Mare No. 1, Bloc 1, sc. 2, Ap. 64, Intra A, et. 5, Bucharest 71216, Rumania.

Manoil and Doina Faibish, 111 Dorobanti Road, Bl. 9A Ap. 227, Bucharest, Rumania.

Benianim and Musa Goldemberg (and their daughters Paula and Magda and his mother), Soseaua Olnac 48, Bl. H3 sc. B, Ap. 22, Giurgiu, Judetul 11fov, Rumania.

Silviu and Monica Grunberg, Cartier Cornisa, Bl. Turn 6, et. 1, Ap. 7, sc. B, Bacau, Rumania.

Radu and Gherghina Iliescu, 5N, Grigorescu St., Arad, Rumania.

Viorica Jancu, 9 Av. Protopopescu, Bucharest, Rumania.

Victor Manesce, Sos M. Bravu 42-62, Bl. P8, Ap. 94, Bucharest, Rumania.

Solmon Meier, Calcaina Street 6, Iasi, Rumania.

Anton and Maria Negrea (and five children), Bd. Magheru 9, Sc. 1, et. 1, Ap. 1, Sector 1, Bucharest, Rumania.

Liza Marie Ramniceanu (and her daughter Florentina), 2A Principatale Unite, Bucharest, Rumania.

Ilio and Ileana Ritter (and their son Eugene), Ilia Pintilie Street 11/1/6, 2675 Petrosani, Rumania.

Mircea and Margareta Ruse (and their daughter Monica Ruse, and their son Dorin Ruse, Dorin's wife Dorina and Dorin's son, Christian), 28 Racaci Street, Cluj, Rumania.

Iuliu and Veturia Satran (and their son, Robert, aved 9), Aleea Lipanesti No. 2, Sector 4 bl. J22 sc. B ap. 16, Bucharest, Rumania.

Gheorghe and Ileanu Stefanesce (and their two sons), 114 Aleea Vergulin Street, Bucharest, Rumania.

Morris and Rebecca Terdiman (and their daughter and son-in-law Lazer and Angela Sfetcu and their grandson, Adrian Sfetcu), 4 Pajurei Street, Bl. B3, entrance A, ap. 5, Ploesti, Code 2000, Rumania.

Leia Weiss (and her son Nisen and her daughter Dorina, Dorina's husband and Dorina's son), Plutasului Street No. 1, Piatra Neamt, Rumania.

Viorica Wexler, Bolinteano 2, Sector 4, Bucharest, Rumania.

Migal and Irina Babus (and her mother Henriette Anghelovici), 23 Blvd. Ion Sulea, sc 3, No. 104, Bucharest, Rumania.

Adrian Iosifescu, Romulus Street 75, Et. 1, ap. 6, Sector 4, Bucharest, Rumania.

Sorin and Ada-Adelina Moisi (and their son Marc-Daniel), Remus Street 10, Et. 2, ap. 3, Sector 4, Bucharest, Rumania.

Eddy Barash, Alea Lipanesit No. 2, Bl. J21, sc. B, et. 1, ap. 14, Sector 4, Bucharest, Rumania.

Victor Manescu, sos M. Bravu, 42-62 Bl. p. 8, ap. 94, Bucharest, Rumania.

Lili Kovacs and daughter Vera, and son Andrei, Ferentari St. 72, Bloc. 4c, Ap. 23, Bucharest, Rumania.

Rodica Aronescu, 196 Calea Calarasi St., Bucharest, Rumania.

Celilia and Vasile Damian (and their son, Daughter-in-law and three daughters), 25 Costache Negri Str, Sector 6, Bucharest, Rumania.

Anca Mihaela Kantar, Antim 12, Sector 6, Bucharest, Rumania.

Andrei Mihai Kantar, 14 Negustori, Sector 4, Bucharest, Rumania.

Rozalia Helmer, Str. Stefan, Furtuna 2, Timisoara, Rumania.

Yosef and Marianna Imberg (and their two children Arodin and Maura), Str. Gheorghe Lazar 27, Et. 2, ap. 12, 1900 Timisoara, Rumania.

Burah and Tica Wolf, Str. 7 November 25, Bl. 3, sc. C, ap. 3, Husi, Rumania.

Aurora Klein, Burgundia Mare Str. 27, Beius, Judetul Bihor, Rumania.

Sergiu and Ruxandra Ratescu (and their son Sebastian), Str. Liviv Rebreanu no. 7, Bl. 51, et. 8, ap. 123, Sector 4, Bucharest, Rumania.

Jeana Ratescu, B-dul Muncii no. 94, Bl. 1/B, et. 1, ap. 3, Sector 3, Bucharest, Rumania.

Mr. and Mrs. Pedro Schein (and child), Str. Traian 34, ap. 26, Galati, Rumania.

Anda and Mirel Sherer, Alexander Petofi, Sector 1, Bucharest, Rumania.

Solomon and Estera Slima (and their daughter Andriana), Str. 7. November, Bl. C, sc. B, et II, ap. 4, 6575 HUSI-jud., Vaslui, Rumania.

Andrei and Lilia Wertheimer (and their daughter Eva), 13 Decembrie Street nr. 14, ap. 4, 1900 Timisoara, Rumania.

Adam, Gabriela, Str. Delca Nova No. 36, Sector 4, Bucharest.

Ambrus, Emaric, his wife and child, Str. Traian Vuia No. 19, Iugoj.

Andrei, Elena, Bul. Dimitrie Cantemir, Bloc 18, Sc. 2, Et. 3, Apt. 47, Sector 5, Bucharest.

Andrei, Elena (grandson Constantin Doncu), Str. Gh. Serban No. 2, Bloc 8C, Sc. 2, Et. 8, Apt. 96.

Andrei, Ileana, daughter Maria, Bloc A4, Apt. 19, Hipodrom, Braila.

Ardeleanu, Vasile and Silvia, son Dorin, Str. Gh. Lazar ½, Arad.

Austriacu, Maria, children Carmen and Octavian, #79 Bul. Republicii, Apt. 2, Sector 3, Bucharest.

Azamfir, Lucretia, Str. Microraion No. 3, Bloc 24, Sc. B, Apt. 13, Lugoj, Timis.

Badea, Viorel Sorin, Str. Andrei Mureseanu No. 1A, Sector, 3, Bucharest.

Badescu, Carmen, Aleea Com½ozitorilor No. 18, Bloc 17, Sc. 14, Apt. 111, Sector 7, Bucharest.

Barbu, Elena, daughter Viorica, Aleaa Otesan No. 7, Apt. 163, Sector 2, Bucharest.

Bazilescu, Irina and Sergiu, daughters Anca and Ilinca, 6 Intrarea Caragiale, Sector 2, Bucharest.

Bejan, Florin, c/o Ana Andronic, Str. Alcea Secuilor No. 1, Bloc 19, Sc. D, Apt. 47, Berceni, Sector 5, Bucharest.

Beloiu, Alina, Popa Petre No. 29, Bucharest 2.

Bercea, Josif, Chirion Chirila, Ioan, Lydia, Devora, Bul. Lenin No. 85, Cluj, Napoca.

Bernhardt, Carolina (nee Donavel) and Sebastian, Calea Timisorii No. 13, Jimbolia, Jud. Timis married daughter Barbara Schopss (her husband Antoniu-ioan, their son Anton Gunther), Leninstrasse 11, Jimbolia, Jud. Timis.

Billus, Delia, son Christian Emanuel, Str. Brezoianu No. 44, Apt. 1, Sector 7, Bucharest.

Bolos, Ana, children Codrut and Monica, Str. Cricovului No. 7A, Sector 8, Bucharest.

Bora, Ioan, Str. Iacobinilor No. 24, Oradea.

Botan, Ana, son Elisei (wife Victoria, children Ovidiu, Claudiu, Anea); grandson Serafim Calta Mandra (wife Rodica, daughter Laura) Str. Traian Vuia No. 12, Petrila, Iogu).

Bucica, Victoria, sons Ioan and Marcel-Adrian, Str. Mitropolit Veniamin Costache No. 1, Constanta, Cartierul Vile Noi.

Bulboaca, Alexandru and Natalia daughter Iuliana, Str. Valea Lunga No. 14, Bloc Z3, Sc. 1, Et. 3, Apt. 15, Sector 7, Bucharest.

Buna, Cornelia (nee Dan), son Andrei, Cornelia's mother Ana Dan, Calea Victoriei 4850, Apt. 85, Sc. B, Sector 1, Bucharest.

Butnaru, Maria and Migai, sons Dorel, and Ion, Comuna Comarna, Satul Ocol, Jud. Iasi.

Buznei, Ruxandra, daughter Nicoleta Lavinia, Cartierul Crihada, Bloc A4, Sc. 2, Nr. 9, Turnu Severin.

Dantis, Maria, nephew Paun Ion, Comuna Spulber, Jud. Vrancea.

David, Aurel and Rodica, sons Adrian and Vasile, Comuna Mintjul Gherlii No. 80, Jud. Cluj.

Deliu, Francisca Catalin, Str. Pavat No. 28, Sc. 2, Et. 2, Apt. 51, Bucharest.

Deznan, Maria (nee Bora) and Pavel, Str. Cocorilor No. 65, Arad.

Dinu, Mihaela and Nicolae, son Gabriel, grandmother Maria Carjan, Aleea Traian Dumitrescu No. 4, Sector 4 prin Nerva Train No. 45, Bucharest.

Dobre, Ileana, son Anton, grandson Octanian, Str. Dr. Mihail Mirinescu No. 9, Bucharest.

Dragan, Ion and Elena, Str. Bacalogiu No. 2, Sector 2, Bucharest, daughter Viorica and her finance, Petre Zahei, Str. Spandarin No. 11, Sector 2, Bucharest.

Dulgheru, Iona, Virgiliu, Alex. Maghioros No. 19, Apt. 96, Sector 7, Bucharest.

Dumitrascu, Nicolae, Str. Verdisoala, Comuna Codaesti, Jud. Vaslui.

Dumitrascu, Nicolae, Jr., Atelierele C.F.R.-Nioulina, Iasi.

Dumitrescu, Elena and Nicolae, Str. Vorzesti No. 8, Sector 2, Bucharest.

Dumitrescu, Octavian and Mioara Laura, Str. Tunari No. 15, Sector 2, Bucharest, Miora Laura's mother Lucretia Palici, Str. Saturn No. 378, Brasov.

Dumitrescu, Solomon and wife, Micro Raion I, Aleea Pinilor, Bloc 5, Et. 1, Sc. A, Apt. 5, Lugoj.

Dumitrescu, Rev. Viorel, his wife and son, Comuna Visag, Jud. Timis.

Dunei, Liliana, Dunei, Mirela (nee Battschett), Str. Mangalia No. 59, Timisoara.

Enache, Mihaela, son Marian (his wife and son), Str. Cismelei No. 1, Bloc 1D, Et. 5, Apt. 155, Constanta.

Ferk, Hugo, daughter Margaret Ferk-Ciobanu and her son Christian Victor Ciobanu, Resita, Str. Stefan cel Mare, Bloc 1, Apt. 14, Jud. Caras.

Folas, Nicoletta, daughters Anta and Dara Bul. N. Titulescu No. 155, Bl. 21B, Sc. B, Apt. 37, Parter s. 8, Bucharest.

Fametescu, Petre and family, Bul. Jon Sulea No. 33, Bloc. N4, Apt. 13, Et. 2, Sector 4, Bucharest.

Frangu, Rev. Traian and Stela (nee Stanca), Str. Mircea cel Batran No. 49, Ploesti.

Fundulea, Eugen, Str. N. Balcescu 55, Bl. 8, Apt. 36, Buzau.

Gaba, Florian, Str. Luterana No. 1, Et. 2, Apt. 11, Sector 7, Bucharest.

Galdau, Marin and Dorina, sons Florian and Valentin, Str. Bega No. 10, Sector 6, Bucharest.

Ganescu, Dragos and Cornelia, children Magdalena and Elena, Aleea Vergului No. 4, Bl. 15, Sc. A, Et. 2, Apt. 7, Sector 3, Bucharest.

Gartu, Atanasie and Anna, daughters Cristina and Miheala Str. Teiul Doamnei No. 108, Apt. 77, Sc. 1, Et. 9, Bucharest.

Gavrila, Adrian and Iulia, Bl. Tudor Vladimirescu No. 93, Et. 2, Apt. 11, Iasi.

Georgescu, Christian and Aurelia, Str. Compozitorilor No 22, Bloc. 4S14, Et. 3, Apt. 48, Sector 7, Bucharest 77353.

Gorgescu, Maria and Traian, son Bogdan, Traian's natural mother Alexandrina Paciu, Intrarea Ion Sulea No. 4, Bloc I18, Apt. 35, Sector 4, Bucharest 7000.

Georgescu, Viorica, daughter Stela, Bul. Ion Sulea No. 72, Bl. PM, No. 31, Sc. B, Et. 4, Apt. 65, Sector 4, Bucharest.

Gherciu, Mihaela, Str. Azurului No. 3, Sector 3, Pantelimon, Bucharest.

Gherghe, Maria, 20 Movilei, Galati.

Gherchiceanu, Dumitru and Olimpia, son Radu, 80 Dr. Maximillian Popper, Sector 4, Bucharest 74276.

Ghita, Roxana, Str. Targu-Neami No. 6, Bloc. D10, Apt. 33, Sector 7, Bucharest 74276.

Ghyka, Dr. Grigore, Str. Reconstructiei No. 4, Bloc 27, Et. 6, Apt. 71, Sector 2, Bucharest.

Grigore, Tatiana and Gheorghe, son Silviu, Str. Nazarcea No. 59, Sector 8, Bucharest.

Grindea, Sorin and Pedronela, Bul Lacul Tei 126–128, Bloc 17–18 Sc. G, Et. 2, Apt. 250, Sector 2, Bucharest.

Gross, Aurel, Str. Maior Campeanu No. 23, Bloc A, Sc. B, Et. 2, Sector 8, Bucharest.

Gugiu, Aurelia and Marian, son Cristian Paul, Str. Valea lui Mihai 3, Bloc T.D. 14, Et. 7, Apt. 47, Sector 7, Drumul Taberei, Bucharest.

Herman, Virgin and Viorica, sons Virgil and Sorin, Str. Soimilor, Bloc 98, Sc. C, Apt. 19, Tirnaveni, Jud. Mures.

Hilbert, Josif, Magdalena, Francise, Bagdazar 24, 2900 Arad.

Iancu, Veronica, Bul. Aviatorilor No. 19.

Iliescu, Nicolae and Ana Maria, children Dan and Rodica, Aleea Barajul Bistritei No. 5, Bloc G, Apt. 39, Bucharest.

Ilis, Eugenia and Aurel, children Daniel and Graziela, married sister Craziela Petcu, Str. Aleea Berceni No. 8, Sc. B, Et. 3, Apt. 33, Sector 6, Bucharest.

Iona, Andre, and Stefana, children Mircea and Marieta, Str. Steagul Rosu, Bloc U10, Sc. D, Apt. 63.

Comuna Slobozia, Jud. Talomita.

Ionescu, Virginia, son Richard Alexandru, Str. Austrului 4, Sc. B, Sector 2, Bucharest.

Istodor, Teodor-Valentin, Str. Petre Ionescu No. 2, Bloc 6, Apt. 57, Sector 4, Bucharest.

Jaliu, Iona-Cristel and Gabriela, Str. Trapezului No. 2, Bloc M6, Sc. 1, Et. 9, Apt. 40, Sector 4, Bucharest.

Lerescu, Constantin and Silvia, Str. Fildesului No. 8, Bucharest.

Lerescu, Livia, Calea Calarasi No. 99, Bucharest.

Levarda, Deru-Liviu, son Mihai, Str. Valea Siretului No. 1, Bucharest.

Lipan, Ionel and Anica, son Nicolea, Str. Industriei No. 100, Braila.

Litu, Ioana and Dumitru Comuna Pietrosani, Jud. Teleorman.

Marandici, Olivia (nee Ion), Aleea Compozitorilor No. 5, Bloc G9, Et. E, Apt. 20, Sector 7, Bucharest.

Marin, Voicu and Elisabeta, children Bogdan and Corina, Str. Somesul Rece 19, Sector 1, Bucharest.

Marmara, Alexandru and Margaret, son Oresti, Bul. 1 Mai No. 148, Apt. 41 Et. 10, Bucharest.

Meglei, Ilie, Mihai, their niece Miheala Popovici, Str. Lacurilor No. 73A, Brasov.

Meleasa, Florica, daughter Alexandra, Str. Siret No. 15, Sector 8, Bucharest.

Melinte, Petru and Ileana, children Mariana, Gabriela, Petru, Vasile and Mihai (Mihai's wife Mariana, their daughter Mihela), Petru's brother Mihai, Str. Musatin No. 15, Bloc P5, Sc. A, Et. 3, Apt. 2, Cartierul Alexandru Bun, Iasi.

Mereuta, Savin and Sanda, Str. Rascoala No. 34, Constanta.

Mesterman, Siunea and Mariana, son Dan, Calea Grivitei No. 105, Bucharest.

Mihailescue, Cristina, Aleea Terasei No. 5, Bloc A1, Apt. 24, Sector 5, Bucharest.

Miliu, Gheorghe, Str. Ecaterina Varga No. 46, Constanta.

Mironescu, Emilia, 19 Emil Bodnaras Str., Apt. 57, Sc. 2, Sector 7, Bucharest.

Misici, Mircea, Str. Dianei No. 10, Bucharest.

Moisi, Ada Adelina and Sorin, son Marc Daniel, Str. Remus No. 10, Et. 2, Apt. 3, Sector 4, Bucharest.

Moldovan, Eugenia and Ion, Str. Stefan cel Mare No. 45A, Sibiu.

Moldoveanu, Liviu and Maria, Str. Aurel Vlaicu No. 2, Bucharest-Voluntari 72921.

Mucichescu, Dan, son Matei Codin, Str. Alexandru Vitze No. 23, Sector 6, Bucharest 76226.

Munacaciu, Monica and husband, daughter Ana, Str. Mihai Bravul No. 294, Bloc 6, Apt. 7, Sc. B, Et. 9, Sector 7, Bucharest.

Munteanu, Ion, daughter Iona, Alees Terasei No. 10, Bloc R12B, Sc. C, Apt. 47, Et. 1, Sector 5, Bucharest.

Munteanu, Timotei, Calea lui Traian No. 19, San-Nicolaul Mare, Banat 1976.

Nagy, Gyula, brother Attila, Str. Gh. Alexandrescu No. 20, Bl. N1, Sc. 1, Apt. 13, Et. 4, Cluj-Napoca 3400.

Naod, Magdalena, Comuna Genei No. 598, Jud. Timis.

Neagoe, Emilia, parents Aurelian and Margarete Neagoe, Str. Becatei 6A, Bloc V7, Apt. 125, Sector 4, Bucharest 74692.

Nedelcu, Valentin, son Tudor, Str. Dostoievski No. 34, Cluj-Napoca.

Nedin, Gheorghe and Florica, Comuna Cenad, Arad, Nicolescu, Cristian, Aleea Compozitorilor No. 4, Apt. 7, Bloc F17, Drumul Taberei, Bucharest 66.

Novic, Alexandru, Intrarea Plutonier Major, Luicu Vasile 5, Sector 3, Bucharest.

Oprisu, Valeria Stela, Str. Delavrancea No. 14, Deva, Jud. Hunedoara.

Oros, Vasile and Maria (nee Suciu), son Romeo, Str. 25, Octombrie, Bloc 48, Sc. A, Apt. 3, Carie, Jud, Satul-Mare.

Orza, Carol and Elena, son Iosif Eugen, Str. Lt. Caranda No. 55, Sector 6, Bucharest 7000.

Paul, Viorica, children Mihaela and Vincius, Satultilecus No. 389, Com. Tileagd, Jud. Bihor.

Pazara, Gheorghe and Florica, sons Dan and Corneliu, 192 Bul. Alexandru Lapusneanu, Bloc 18, Sc. A, Et. 3, Apt. 16, Constanta 8400.

Penescu, Florica, Str. Piata Kogalniceanu No. 8, Sc. C, Et. 2, Apt. 10, Sector 6, Bucharest.

Petrescu, Corneliu and Eliza, Str. Plutonier Pazon Marin No. 3, Bucharest.

Petrescu, Gabriela Marilena, Str. Burdujeni No. 5, Bloc A14, Sc. 3, Apt. 34, Sector 4, Bucharest.

Pintilie, Filimon and Eleonora, two children, Bd. Bucuresti, Bloc 3, Apt. 31, Baia Mare.

Pod, Jianu and Elisabeta, two children, Str. Teuilui, No. 4 Sc., Apt. 16, Timisoara.

Pop, Alexandrina, son Emil Laurentiu, Str. Maramures No. 2, Et. 2, Apt. 5, Sector 7, Bucharest.

Popa, Gheorghe, son Alin Mircea, Str. Hrisovului No. 13, Et. 1, Apt. 7, Bloc D3, Bucharest 8.

Popescu, Doru Eugeniu, Str. Ciurea No. 9, Apt. 2, Sector 3, Bucharest.

Popescu, Ladramiora and Doru, daughter Adina, c/o Ion Popescu, Str. Moise Nicoara No. 32, Sector 4, Bucharest.

Popescu, Silvia, son Siliviu, Str. Faurei No. 4, Cartier Pajura, Bloc C9, Sc. C, Sector 8, Bucharest.

Pora, Gavril and Ana, Str. Avram Iancu No. 55, Brasov 2200.

Preda, Gheorghe Victor (see Istodor), Str. Arhitect Sterian No. 9, Sector 3, Bucharest.

Presneanu, Steriana and Aurelia, son Petre, Str. Valturilor No. 131, Sector 4, Bucharest.

Racovitza, Mihai and wife, daughter Iona, Str. Petre Poni No. 7, Sc. B, Et. 1, Bucharest 8.

Radoescu, Dan and wife, two children, Str. Mircea Badescu No. 13, Sector 4, Bucharest.

Radu, Nadina Silvia, Str. Piata Kogalniceanu No. 8, Sc. C, Et. 2, Apt. 10, Sector 6, Bucharest.

Raducan, Constanta, Cal. Grivitei No. 214, Bloc L, Apt. 12, Sector 8, Bucharest. Raducanu, Panait Marian and Maria Elena, Str. Nicolae Serban No. 12, Sector 7, Bucharest.

Ramniceanu, Liza Maria, daughter Florentina, Str. Principatele Unite No. 2A, Bucharest.

Rauta, Ecateria, son Mihai, Str. Alexandra Moghioros 32, Bloc A11, Sc. F, Et. 4, Sector 7, Bucharest.

Reznic, Anton and Ana, children Paris and Carmen, Str. Salcilor No. 17, Tulcea.

Roibu, Maria, daughter Iona Maria, Bul. Balcescu No. 32–35, Et. 4, Apt. 19.

Roth, Johann and Johanna (nee Knall), son Hans (his wife Brigide), Aurel Vlaicu Str. No. 29, 2475 Agnita.

Sabau, Francism and Barbara, 11 children, Str. Matei Corvin No. 6, Oradea Mare, Jud. Bihor.

Sabau, Fancisc and Iuliana, Str. Aurora No. 26, Oradea, Jud. Bihor.

Sabau, Iosif and Magdalena, 13 children, Str. Tudor Vladimirescu No. 64, Oradea Mare, Jud. Bihor.

Salvetiu, Gh. Lucian and Iuliana Susana, children Lucian Marinel, Viorel Tudorel, and Gelu, Iuliana's mother Iudit Kondaci, Semlac 1171, Jud. Arad.

Sapy, Lajos and Viorica, children Zsolt and Zsuzsana, Str. Neculuta No. 34, Lugoj, Jud. Timis.

Sevescu, Natalia, Str. Sianic No. 24, Sector 4, Bucharest, daughter Maria Ciobotaru, Calea Gribitei No. 67, Sector 8, Bucharest, daughter Lucia Ciobotari (her son Octavian), Calea Dorobantilor No. 15, Bloc 10, Sc. C, Et. 5, Sector 1, Bucharest.

Sima, Georgeta, children Florin and Gabriel, mother Aurora Tocaciu, Aleea Valea Prahovei, Bloc 830 bis, Sc. 2, Et. 3, Apt. 57, Drumul Taberei, Bucharest.

Simplaceanu, Virgil and Elena (nee Galdau), Aleea Dumbravita No. 3, Bloc T8, Apt. 65, Et. 5, Drumul Taberei, Bucharest.

Sita, Gheorghe and Maria, son Gheorghe (his wife Lunuta), married daughter Viorica Simon, Str. Bebenalau No. 1, T.G. Mures.

Soni Matyas and wife, Aleea Scarisoara No. 10, Apt. 19, Cluj-Napoca.

Sredoiev, Sofia, children Iadrance and Gabriel, Comuna Rudna No. 3, Cod. 1940, Jud. Timis.

Stancu, Constantin and Daniela, sons Bogdan and Alin, Str. Emilie Racovitza No. 13, Bloc EM2, Sc. E, Apt. 100, Sector 5, Bucharest.

Stoian, Ioan and Biliana, daughter Cristina Emilia, Str. 1, Decembrie No. 6, Apt. 5, 1900 Timisoara.

Stoicescu, Silvia, daughter Valentina, Str. Calusei No. 40, Sector 3, Bucharest.

Tecu, Ilie, Cartierul Craiovita noua, Bloc 15, Sc. 1, Apt. 14, Craiova.

Telibasa, Vena and Mihai, sons Marius and Dan, Sos. Giurgului No. 164, Bloc V, Apt. 13, Bucharest.

Tiprigan, Toader and Prasina, sons Dinu and Radu, Str. Alex. Viahuta No. 6, Suceava.

Toader, Ion and Aurora, son Marin Ovidiu, Str. Nicolae Balcescu No. 19, Slatina, Jud. Olt.

Toader, Nicolae and Zenovia, daughter Rozalia Delia, Cartierul Crisan II, Bloc Zal, Sc. 5, Apt. 12, Slatina, Jud. Olt.

Toles, Christian, 75122 Bd. Dimitrie Cantemir No. 21, Pt. 82, Sector 5, Bucharest.

Topan, Gherghina and Mircea, daughter Simona, Str. Otesanu No. 2, Bloc OD 53A, Apt. 33, Et. 8, Sector 2, Bucharest.

Tudorache, Alexandru, son Iulian Petre, Sos. Giurgiului No. 126A, Bloc 16, Et. 2, Apt. 10, Sector 5, Bucharest.

Ungureanu, Marin, Str. Musat Radulescu No. 30, Sector 6, Bucharest.

Untsch, Regina, 3136 Sarasul pe Tirnave 89, Jud. Sibiu/Op.p. Medias 2, son Johann Untsch and family, 3151 Velt 171, Jud. Sibiu.

Vasilescu, Anica, son Eugen, Str. Tomas No. 3, Bloc H5, Apt 16, Sector 4, Bucharest.

Veresteanu, Nicolae, Str. Patriotilor No. 1, Bloc PM 16, Sc. B, Apt. 38, Sector 4, Bucharest.

Vicente, Catinca, Str. Partizanilor No. 46, Bloc 4, Apt. 15, Tiglinai, Galati.

Vladionau, Lucia, daughter Nicoleta Moucha (her husband Remus, their children, Ioana and Stefan), Str. Calomfirescu No. 4, bis, Et. 1, Apt. 4C, Sector 4, Bucharest.

Vladu, Constantin, Str. Mangalia No. 7, Timisoara.

Volonci, Cristina, Str. Trubadur No. 18, Bloc 2A, Apt. 47, Timisoara.

Welker, Margareta, son Peter (his wife Susanna, their children Richard and Reinhold), 1948 Sacalaz No. 397, Jud. Timis.

Zaharia, Ilie and Odette, Bul. Magheru 32–36, Sc. C, Apt. 20, Bucharest.

Zarnescu, Dumitru and Elena, son Bogdan, Str. Plut. Petre Ionescu No. 5, Bloc X19, Sc. A, Et. 4, Apt. 17, Sector 4, Bucharest, (married daughter Gabriela Jaliu listed seperately).

Zonis, Isac, Aleea Fetesti 6–12, Bloc I–6, Sc. F, Apt. 82, Et. 2, Sector 4, Of. Postal 57 Cart. Titan.

MARRIAGE

Andras, Eva, daughter Simona Selaru, Str. Fundatura Rulmentului No. 13, Bloc 1, Apt. 10, Brasov.

Calin, Olga Lucia, Str. Valea Buzaului No. 3, G13, C, Et. 4, Apt. 34, Bucharest.

Clipa, Jane, Calea Rahovei 281, Et. 1, Apt. 3–4, Sector 6, Bucharest.

Diaconescu, Sorina, children Hugar Catalin and Alexandra Christina Bogdan, Str. Petre Ionescucu No. 91, Sector 4, Bucharest.

Fulor, Liliana, Aleea Poiana Cernei No. 2, Bloc E5, Apt 9, Sector 7, Bucharest.

Iosifescu, Adrian, Str. Romulus No. 75, Et. 1, Apt. 6, Sector 4, Bucharest.

Luca, Corneliu, Sos. Giurgiului No. 10, Bucharest.

Margineanu, Doina, Str. Otavei No. 4, Bloc S20, Et. 7, Apt. 32, Sector 4, Bucharest 49.

Moise, Elena, Str. Spartarului No. 1, Sc. 11, Et. 1, Apt. 18, Sector 2, Bucharest.

Moisin, Andriana, Str. Zongarii, Bloc 19C, Apt. 19, Et. 4, Oravita, Jud. Caras-Severin.

Nastasescu, Mihaela, Str. Petru Poni No. 20, Constanta 8700.

Nicolescu, Septima, Str. Vulcan No. 8, Cluj, cousin Ioan Teodosiu, Str. Bucuresti Noi No. 93–97, Bloc 3B, Sc. B, Apt. 67, Et. 5, Bucharest.

Olariu, Mihai V., Sos. Mihai Bravu No. 284A, Bucharest.

Paulescu, Alexandru, Str. Stupinei No. 27, Sector 3, Bucharest.

Pit, Dumitru, 37 Aluminei, Oradea.

Popescu-Basarab, Ana Maria, daughter Marina Stoenescu, Str. Nicopole No. 21, S.5, Bucharest.

Prislopeanu, Ioan, Bucharest.

Raiciof, Rodica Eugenia, Str. Gh. Misail No. 36, Bucharest.

Toderici, Georgeta, Str. Bozieni, Bloc 830 bis, Sc. 2, Et. 3, Apt. 57, Sector 7, Bucharest, Drumul Taberei.

Niculescu, Radu, son Radu and son Dan, Comuna Voineasa, Judetul Valcea.

Miss Suzana Mezincescu, Str. Stefan Mihaileanu 2B, R 73101, Sect. 3, Bucharest.

EMIGRATION

Babus, Mihai and Irina, Irina's mother Henriette Anghelovici, 23 Bul. Ion Sulea, Sc. 3, Nr. 104, Bucharest.

FAMILY VISITS

Chesches, Istina, Str. Stirbey Voda No. 182, Sector 7, Bucharest.

Diplan, Diana, Parents Zucretia and Constantia Diplan, Str. Dr. Nicioae Tomescu No. 4, Sector 6, Bucharest Of. Postal 35.

Martin Doru, Str. 23 August N3, Cluj-Napoca 400.

Muntean, Doina, Str. Dr. Lister No. 5A, Sector 6, Bucharest.

Niculescu, Corina, Aleea Compozitorilor No. 4, Apt. 7, Bloc F17, Drumul Taberei, Bucharest 66.

Parvulescu, Dumitru, Sector 6, Bucharest.

Rauta, Susana, Str. G. Cosbuc No. 19, Alba-Iulia, Jud. Alba.

Russu, Elena, Str. Alexandru Sahia No. 22, Bucharest.

Tutuianu, Ilie, Bul. Ch. Dimitrov No. 121, Bloc 1, G. 5, Sc. 5, Sector 3, Bucharest.

Prisoners of conscience in Romania and their religion

Mircea Dragomir, Str. Rocilor No. 5, Sector 7, Bucuresti—Seventh Day Adventist.
Nicolae Radoi, Str. Partizanilor, nr. 41, Caransbes, Caras Severin—Baptist.
Petre Cocirteu, Caransebes, Str. Tigiariei, Nr. 33B, Caras Severin—
Ionel Prejban, Otelul Rosu, Str. Tineretului, Bloc 5, Apt. 202, Caras Severin—Baptist.
Dimitru Abrudan, Oradea, Str. Iacobinilor, Nr. 33A, Bihor—Baptist.
Ioan Samu, Medias, Str. Hula Veche, Nr. 51, Sibiu—Pentecostal.
Viorel Lactus, Commune Dirlos, Str. Lopeti, Nr. 478, Sibiu—Pentecostal.
Francisc Paris, Commune Dirlos, Str. Sasimii, Nr. 106, Sibiu—Pentecostal.
Dumitru Muresan, Commune Arcalia 231, Bistrita Nasaud—Baptist.
Paramon Gagea, Str. Lempes 5, Bistrita Nasaud—Pentecostal.
Simon Holbura, Commune Mijlocenii Birgaului, Nr. 249, Bistrita Nasaud—Pentecostal.
Gheorghe Budusan, Str. Dornei, Nr. 4, Bistrita Nasaud—Orthodox.
Lucian Bistriceanu, Commune perisor, Dolj—Reformed Seventh Day Adventist.
Ioan Samu, Str. Jula Veche, Nr. 51, Sibiu—Pentecostal.
Dumitru Lusca—Pentecostal.
Titi Gheorghe Lacatus—Pentecostal.
Name Unknown—Pentecostal.
Dimitrie Ianculovici—
Pr. Gheorghe Calciu-Dimitreasa—
Mihai Oara—Baptist.
Radu Capusanu and Toderic—Baptist.
Ursan Family (Bucharest)—Baptist.
Filip Dinca—Baptist.
Gheorghe Brasoveanu—
Dr. Ioan Cana—
Gheorghe Fratila—

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. SCHULZE. I yield to the gentleman from California

Mr. DORNAN. Mr. Chairman, it is a privilege to speak in support of this excellent amendment, and I would like to point out just a few facts from the extension of my remarks that I am submitting.

One of the most significant and fundamental violations that we have seen in Communist Romania in the last year took place on March 10, 1979, when a Romanian Orthodox priest, Father Gheorghg Calciu-Dumitreasa was arrested in Budapest. Now, March 10, of this year, is the date that I mentioned. On that date the distinguished gentleman from Connecticut and I were about to depart from our respective ends of the country for Germany on a human rights mission to ask that the Bundestag extend the statute of limitations—they did better than that; they did away with it—to continue the hunting of Nazi war criminals.

It seems to me that it was just yesterday when we were departing on this mission. That is when this arrest took place. This Romanian Orthodox priest had taken only an independent line in his attitude toward the State involvement in church affairs in Romania. For this specific injustice he is still in jail.

It reminds me of a conversation that I had with one of our distinguished State Department officials in a Mideastern country. He was very high in one of our embassies. I do not want to identify the embassy or his exact position because he may be reassigned behind the Communist Iron Curtain again. He was in the Romanian Embassy for many years. He would be acknowledged to be a general, very liberal State Department employee. He described the situation in Romania for the half a decade he was there as fascist-socialism. He said they rule by the long knife. He said:

I do not care what Mr. Ceausescu's image is on the international scene, in his home he rules by murder and torture.

It gave me an opportunity, because I had only inquired about this in my one visit to Romania back in 1969 and gotten vague answers, to inquire of this very high American official in our Embassy about the following fact that I first became aware of in a book by Rev. Richard Wurmbrand, who had spent 14 years in the cells as a political prisoner of Romania. I had asked Reverend Wurmbrand, and it was confirmed for me by this high State Department official, if it is true that in the main square of Romania in the center of town that there is an extension of tunnels that comes from the Justice Building down under the street and that they literally keep their political prisoners under the very cobblestones where President Richard Nixon drove by in his limousine when he visited that country. Our State Department official and Reverend Wurmbrand both confirmed to me that this is an absolute known fact in the country. And those cells are still filled with political prisoners at this very moment, and now Father Dumitreasa has joined those political prisoners.

I think that if there is to be any meaning in this current administration's constant reference to human rights—and I think it is their greatest page of glory—if it is to be consistent and to have any meaning, we just simply cannot make a trivial matter out of most-favored-nation status.

So, it is with great pleasure and some sorrow, having visited this country and talked to the people who are suffering there, that I join in this excellent amendment and urge all of my colleagues to please vote for House Resolution 317 tonight.

Mr. Chairman, it is a privilege to speak in support of a House resolution of which I am a primary cosponsor. The privileges of most-favored-nation status ought not to be conferred on a government that violates the basic human rights of its people—inherent human rights agreed upon internationally. The Bucharest government, since 1945, has engaged in numerous acts of terror against its people by denying their legitimate rights. There has been little progress to ameliorate the situation, despite promises to do so from Romanian Communist President Nicolae Ceausescu. Even so, since 1975, the Congress has repeatedly failed to recognize these violations, has continued to grant most-favored-nation status to Romania. It is incumbent upon the United States to reinforce the fight for human rights in Communist Romania and therefore deny most-favored-nation status to Romania until these injustices have been rectified.

The Romanian people who have refused to espouse communism are being systematically victimized. They are denied their freedom to work, to emigrate, to reunite with their families, and to seriously practice religion. Allow me to illustrate by citing some flagrant examples of violations of human rights by the Communist regime, committed since 1945.

First, the regime has established forced labor camps—a form of peonage—whereby politically persecuted individuals are compelled to engage in what is tantamount to slave labor. These institutions, passing under the name of "voluntary labor" camps, abuse workers who are "recompensed" at a bare subsistence level and nominal pay.

A second flagrant violation of human rights by the Bucharest government is failure to allow progressive repatriation. Instead, it pursues a policy of restricted emigration by keeping separated families apart and preventing ethnics from reoccupying their homeland. This is the fifth year that congressional trade subcommittees have considered the President's recommendation to grant Romania an extension of the waiver of the human rights provision of the 1974 Trade Act, section 402. This section places emphasis on the emigration performance of nonmarket countries, but as a concession, contains a provision allowing for an annual waiver. But Romania continues to get her waiver while no realistic improvements in emigration practices are observable nor appear to be in the future. There is evidence of official obstacles to emigration. As recently as January 4, 1979, Dumitru Muresan was arrested and commited to a psychiatric ward for a month for, "seeking to emigrate to the USA and broadcasting a memorandum of Radio Free Europe in which he requested emigration."

A third and probably the most significant violation of fundamental human rights in Communist Romania is the right to believe in and worship God freely. Religious toleration is given official lip service. But its absence is evidenced by the Bucharest government's attempts to stifle spiritual freedom by repressing religious activities. For instance, on March 10, 1979, Romanian Orthodox priest, Father Gheorghe Calciu-Dumitreasa was arrested in Bucharest. The religious leader was outspoken and took an indepndent line in his attitude toward state involvement in church affairs. This minor, specific injustice is shadowed over by numerous accounts of persecution, torture, and imprisonment of individuals participating in religious activities.

In light of these flagrant violations of human rights, Congress continues to grant most-favored-nation status to Communist Romania. In the past, we have voted for most-favored-nation status with the understanding that progress toward the ideal of human rights should be realized or—at the very least—approximated. We do not have any such assurances in the case of Romania. Indeed, the persecution of ethnic Hungarians has been stepped up in the past 2 years, as Mr. Schulze has carefully

documented. It should be the moral responsibility of the United States to assist those who struggle for human rights. The Bucharest government has also signed numerous international agreements advancing the cause of human rights, among them the Final Act of the Helsinki Conference. But, the Romanian Communist Government continues to violate its agreements, partially because the United States and other Western nations do not insist on the reciprocity which is implied in all international treaties and conventions. Rather, acceding as we do by blindly granting most-favored-nation status, the United States actually encourages totalitarian governments such as the Romanian regime. I, therefore, urge the Members of this body to oppose the granting of most-favored-nation status to the Communist Government of Romania. A vote for House Resolution 317 is a vote for human rights. Please remember that.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SCHULZE. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for yielding and I want to commend the gentleman from Pennsylvania for his pertinent observations.

Today, the House has under consideration House Resolution 317, a resolution of disapproval concerning the President's recommendation to the Congress advocating further extension of most-favored-nation (MFN) status for Romania. This recommendation calls for a waiver of the human rights provision, section 402, of the 1974 Trade Act.

Known as the Jackson-Vanik amendment, this section places particular emphasis on emigration performance of nonmarket countries. For practical political reasons, annual waivers were provided for some categories of countries who, despite imperfect performance, had made progress in previous years and verifiable assurances given for the future.

I have had a longstanding concern about Romania and the efforts of some of her citizens to exercise their human rights as guaranteed by the Romanian Constitution and the Helsinki accords. I recently raised these concerns, together with other Members of the House in a joint letter to our colleague, the distinguished gentleman from Ohio, Mr. VANIK, chairman of the Subcommittee on Trade of the Ways and Means Committee, which has jurisdiction over the MFN question.

In that letter, it was pointed out that during the past 4 years many of us in the House concurred with the President's recommendation advocating further extension of most-favored-nation status in the hope of genuine rather than cosmetic improvements in Romania's performance. To our distress, however, the evidence indicates that serious problems in several areas remain:

First. Ever-increasing complexities of emigration procedures plus harassment;

Second. Major problems of separated families;

Third. Drastic curtailment of Romanian emigration to Israel;

Fourth. Accelerated deculturalization of ethnic minorities;

Fifth. International uncovering of psychiatric detention and forced labor by Amnesty International; and

Sixth. Constant reports of religious harassment for most religious denominations, particularly for groups such as Pentecostals and Witnesses.

I recently met with Romanian Ambassador Nicolae Ionescu to directly express my concerns and dissatisfaction. I made it abundantly clear that any further support for MFN status rests entirely on that nation's assurances that emigration procedures, especially preapplication procedures, will be improved.

Recently, Mr. Jack Spitzer, president of B'nai B'rith International, testified before the Subcommittee on Trade on the record of Romanian emigration. Acting as spokesman for the Conference of Presidents of Major American Jewish Organizations, Mr. Spitzer stated that in the last 4 years, his organization was reluctant to recommend another extension of MFN status. However, recent developments have led them to make a positive recommendation. As stated by Mr. Spitzer—

We have received concrete assurances from the Romanian government—assurances which have been shared with and endorsed by, the Department of State—that in the spirit of the Jackson-Vanik amendment, will hopefully remove remaining impediments to the freedom of Jews to emigrate.

Mr. Spitzer also stated that—

Romanian foreign policy, particularly with respect to the Middle East, has been a courageously independent one. Romania alone among the Eastern bloc countries maintains friendly and productive relations with Israel. Indeed, President Ceauceseu was a major catalyst behind the Israeli-Egyptian peace process that culminated in the signing this past March.

Based upon their belief that these assurances were made in good faith and will be honored by the Romanian Government, the conference now endorses the renewal of MFN for Romania. They conclude that the Romanian Government has shown "a spirit of cooperation and flexibility" in helping to resolve their differences that serve as a model for solving other human rights issues.

Based upon the experience of the conference, the recommendations of Congressman VANIK, and assurances from the Romanian Government, I have reluctantly decided not to oppose MFN status at this time. However, I hope that my vote will not be seen as support for or approval of the human rights situation in Romania. Instead, it is my intention to follow more closely than ever and scrutinize in more detail the respect for human rights in that country. Along with the gentleman from Pennsylvania (Mr. SCHULZE), I remain deeply concerned about the apparent setbacks that have taken place and I hope that my colleagues will maintain a vigilant effort to insure that all of Romania's promises are kept.

Mr. Chairman, I want to commend the authors of the resolution before us, House Resolution 317, for their efforts in raising this issue and providing the vehicle for this important debate. At this time, however, I believe that the best interests of our Nation will be served by allowing the Romanians an opportunity to follow their words with deeds.

Mr. SCHULZE. I thank the gentleman for his remarks.

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Mr. VANIK. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. MOORE), my colleague on the Ways and Means Committee.

Mr. MOORE. Mr. Chairman, I thank my subcommittee chairman for yielding.

Mr. Chairman, I agree fully in the use of all possible political and trade leverage to encourage Romania to reduce emigration barriers and commit itself to human rights. There is a legitimate question raised by the gentleman from Pennsylvania (Mr. SCHULZE) as to whether an extension of most-favored-nation trade status for an additional year would be the best means to implement and apply this leverage. I compliment him for raising this question and he has done this House and Nation great service by addressing our attention to it.

The gentleman from Pennsylvania has been very thorough, diligent, and competent in his handling of this matter. I do not think there is anyone more concerned with the threats of communism, denial of human rights, and barriers to emigration than he. He is quite correct that this extension should not be enacted without discussing these concerns.

Having done so, however, I support the extension for only 1 year and do so in agreement with the reservations expressed by the gentleman from Pennsylvania (Mr. SCHULZE) as to why Romania must be encouraged to reverse its recent reluctance to allow emigration, particularly by its Jewish population. I disagree that cancellation of most-favored-nation status for Romania is the best means to encourage less restrictive emigration practices. I fear this would only force Romania to retreat from its trade and political exchange with the West and return to increased reliance upon the Soviet Union. This certainly would not encourage the relaxation of emigration restrictions or improvement of human rights conditions as the Soviets are among the world's worst offenders in both instances.

I believe extension of most-favored-nation status to Romania will continue to let us chip away at Soviet influence over Romania, chip away at restrictive emigration limitations, and chip away at its human rights violations. I find encouragement in support for the 1-year extension by B'nai B'rith as it closely monitors Jewish emigration on a day-to-day basis and supports only those alternatives it finds to promote freedom of emigration.

Mr. Chairman, I do not support trade, especially under the same conditions granted free nations of the world, with Soviet satellite nations unless we can reasonably expect to guide those nations away from Soviet influence. We have

made gains toward this end with Romania and I believe we will continue to make gains by this extension and lose them without it. Those gains are necessary for world peace, human rights, and our economy.

Mr. VANIK. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL), my distinguished colleague on the Ways and Means Committee.

Mr. FRENZEL. Mr. Chairman, I too oppose House Resolution 317, a resolution introduced by Mr. SCHULZE, Mr. McDONALD, and Mr. DORNAN to disapprove another year's extension of Presidential authority to waive with respect to Romania the freedom of emigration requirements of section 402 of the Trade Act of 1974. As already discussed, passage of this resolution would have the effect of removing most-favored-nation (MFN) status for Romania as well as eliminating duty-free treatment for specified Romanian products under the generalized system of preferences (GSP) and preventing the extension of credits or investment guarantees to that country.

Passage of House Resolution 317 at this time would be a serious mistake, both with respect to the continued development of U.S. trade with Romania and with respect to the promotion of freedom of emigration that the Jackson-Vanik amendment—section 402 of the Trade Act—has tied to the normalization of trade relations with nonmarket economies.

Trade between the United States and Romania has grown steadily during the 1970's, but has been especially impressive since MFN was extended to Romania late in the summer of 1974. Since that time, total trade between the two countries has more than doubled. In 1979, total trade is expected to reach $800 million—20 percent above 1978 levels. Currently, the United States is the second largest Western supplier of goods to Romania, and Romania is the fourth largest supplier of imports to the United States among nonmarket economies—just ahead of the Soviet Union.

Furthermore, the United States consistently has had a trade surplus with Romania ranging from $25 to $60 million during the period 1972–77. Only in 1978, did this country experience a trade deficit with Romania. This deficit amounted to $29.2 million and occurred as a result of increased exports to the United States of petroleum products and synthetic rubber coupled with an unusually good crop year in Romania that curtailed their need for imports of agricultural products from the United States. However, we have returned to a surplus situation during the first 5 months of this year and the trend is expected to continue for the foreseeable future.

The healthy positive trade situation between the United States and Romania that these statistics reveal is not important merely because of the economic benefits which both countries derive from such an arrangement. The granting of MFN to Romania and the continued encouragement of free trade between the two countries is not a gratuitous act on our part. Clearly, the United States benefits economically. Indeed, in a period when this country's trade deficit is so grave, surplus trade situations should be nourished as a valued asset to our economy.

But equally important is the influence the United States can have on Romania as a Western free market country trading with a Communist nonmarket economy and as partners in the world trading community. American firms have designed and built plants in Romania under contract and have trained employees in technical and managerial skills. Joint ventures have been initiated in Romania, where the United States is a part owner in exemplary firms that serve as a showcase for American business expertise. Romania is a party to the General Agreement of Tariffs and Trade (GATT), has participated in the multilateral trade negotiations as a developing country, and has given every indication that it will adhere, to the best of its ability, to the new trading rules and codes of conduct recently finalized in Geneva. Thus, MFN status for Romania has resulted in the development of many avenues for influence and direction with respect to Western business enterprise, Western culture, and Western ideology.

In granting MFN status, whereby mutual benefits are realized, the United States has reserved for itself, in statute, a specific avenue for influence with respect to emigration. The Jackson-Vanik amendment provides that a Communist country, in order to gain MFN status, must permit free emigration or, in cases where the President waives the requirement, the country must make a concerted and measurable effort to improve its emigration situation. The waiver is granted as a result of a determination by the President that such a waiver will promote the objectives of free emigration with respect to the country in question.

I believe the objectives of the Jackson-Vanik amendment are being achieved with respect to Romania and that MFN status is one of the most important mechanisms by which free emigration can continue to be promoted in that country. Since MFN with extended in 1974, overall emigration from Romania to the United States has increased from 312 in fiscal year 1975 to 1,196 in fiscal year 1978. As of the end of May of this year, emigration levels are more than 50 percent higher than a comparable period last year. Overall emigration from Romania to West Germany is almost 10 times as high as to the United States. The figures are discouraging with respect to emigration from Romania to Israel. Emigration to Israel, thus far this year, is 30 percent below a comparable period of time last year.

The committee is very concerned about the figures on Romanian emigration to Israel and has reviewed very carefully the possible causes for this downturn. At this time, we think it is possible that the reduction in emigration to Israel is not the result of any discriminatory practice or procedure on the part of the Romanian Government, but rather is the result of the reduced Jewish population, estimated at 40,000, which accounts for the lion's share of Romanians desiring emigration to Israel. As well, the Jewish community in Romania is largely composed of elderly people not wishing to leave their homes at this point in their lives. Furthermore, persons of Jewish background may emigrate from Romania without going to Israel, and therefore would not be reflected, separately, in the statistics. Nevertheless, the Jewish community in the United States sought and received assurances from the Romanian Government that, hopefully, will remove whatever impediments to Jewish emigration that may remain. As a consequence of these assurances, B'nai B'rith, the organization that took the lead in the negotiations, has endorsed a continuation of the waiver and of MFN status.

Another matter of great concern to the committee is the allegation that preapplication procedures in various localities in Romania are used in a discriminatory way, that such procedures are unstructured and therefore are unpredictable, and that they may be used to disguise emigration statistics in order to give an unrealistic picture of an improved emigration situation. We strongly protest any such use of preapplication procedures and will monitor very closely over the next year the performance of the Romanian Government in seeing that such procedures are not used to reduce the number of applications for emigration or to otherwise thwart the Jackson-Vanik amendment.

In spite of the problems that admittedly exist, Romania's performance with respect to emigration has improved markedly since MFN was extended 5 years ago. MFN status for Romania, along with the Jackson-Vanik requirements has given the United States considerable leverage and influence over Romania's emigration policies. The policies of the Romanian Government are by no means perfect. Romania is a Communist country with a society much different than our own and a government much more repressive than we would like to see. But we must not lose sight of the fact that the extent to which we can force our values on any Communist country is very limited.

However, a normalized trade situation that is tied to the requirement that continued improvement in emigration also be shown represents a degree of leverage and influence that we do not want to lose. Without MFN, such leverage and influence would not exist. Nor could it easily be replaced should it be taken away. There is a great risk that Romania would return to even more repressive policies, placing untold hardships on prospective emigrants, should we prevent the extension of the waiver authority today.

I urge my colleagues to vote for continued MFN status, and for the continued involvement of the United States on behalf of those who wish to emigrate from Romania, by voting for the Vanik motion to table the resolution of disapproval.

I thank the chairman for yielding.

Mr. SCHULZE. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentleman has 21 minutes left.

Mr. VANIK. Mr. Chairman, let me suggest to the gentleman from Pennsylvania that it was assured that the House would be out by 9 o'clock tonight.

Mr. SCHULZE. Mr. Chairman, how much time does the other side have?

The CHAIRMAN. The gentleman from Ohio has 23 minutes left.

Mr. VANIK. Mr. Chairman, I will yield all but a minute and a half to close. I will give that time to my distinguished colleague from Illinois (Mr. DERWINSKI).

Mr. SCHULZE. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. Mr. Chairman, I rise in support of the gentleman from Pennsylvania and House Resolution 317. I have listened to and read all the sophisticated arguments by the proponents of continuing MFN and find them wanting. It all reminds me of the arguments that have been used by the Department of State on Yugoslavia for years and years. However, Yugoslavia is still a Communist nation and civil liberties are far and few between. Nothing has changed.

If we are considering emigration, the figures do not look encouraging, except for the usual spurt of permissions to leave that we see each time Romania's MFN status comes up for renewal.

Romania is still one of the most oppressive regimes in the Communist world, a dubious distinction at best. As with any Communist nation, she claims to be a champion of the workers. Why then did the Romanian Government react with savage repression and a wave of arrests when a "free trade union of Romanian workers" was formed? Such are the methods used in handling the grievances of the workers in a "socialist paradise."

Worse than this is the continued repression of organized religion in Romania. Practicing religion in Romania can get you a substantial fine in spite of what Romania's constitution says. You can also lose your job for believing in God or at the least get demoted to a lower job if your belief is discovered.

Romania also continues to suppress its national minorities, in particular its Hungarian minority, by attempting to submerge the Hungarian culture.

Now we are told by the proponents of MFN that by continuing this privilege, we are more likely to influence the Romanian Communist Government for the better. However, on the other hand we are told by some of these same people that we should continue to isolate Rhodesia and that is the way to influence that situation. Now where is the logic of the continued sanctions against a friendly Rhodesia while maintaining contacts with the repressive government of Romania? Where are the major improvements in Romanian behavior since we first granted MFN status? I know of none.

Many may say that trade improves understanding and eases tensions between nations. History supports this concept only when neither nation is part of an expansionist movement. Carthage was an active trader and was anxious to extend their trade with Rome until Carthage was destroyed by Rome. Constantinople was the richest nation on earth at the time of its prime and that wealth was based on pace and trade. In 1453 Constantinople was destroyed and the Eastern Roman empire terminated by the growing Ottoman empire.

Prior to World War II, we were an active trading partner with Japan. Germany was an active trader with France and England but that did not hold back the conflict of the Second World War.

If we are sincere on this point, why the hypocrasy on trade with Rhodesia. I urge the adoption of House Resolution 317.

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Mr. SCHULZE. I yield 1 minute to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, it will be a great surprise I am sure to the House that I rise in favor of this resolution.

Mr. Chairman, I rise in support of House Resolution 317 which would disapprove the Presidents' recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania.

Mr. Chairman, it is fitting that in our observance of Captive Nations Week we are asked to once again consider Romania's role in our Nation's trade and foreign policy. It is at this point, Mr. Chairman, that I propose to Members of Congress that we can no longer overlook the Romanian Government's performance in lieu of its assurances.

In 1975 the Socialist Republic of Romania became the first Communist nation to be granted most-favored-nation status under the Jackson-Vanik amendment to the Trade Act of 1974. In return for that privilege, Romania pledged to comply with the terms of that amendment in promoting free emigration and human rights. Unfortunately, that country has failed. As a result, for the fourth time in as many years we are being asked to waive section 402 of the Trade Act in hopes that doing so will encourage free emigration in Romania.

On this issue, Mr. Chairman, we should be resolute. We should refuse to compromise on the ideal of individual freedom and basic human rights in order that the present conditions in Romania might justify granting that country MFN status. And those conditions which have characterized Romania during the past few years have, indeed, been grave.

Ion Dobre, an employee of the Romanian National Theatre in Bucharest, twice attempted to cross the Romanian frontier without official permission before his arrest in the fall of 1974. He apparently decided to leave the country after repeated applications to the central passport office in Bucharest had been turned down because of his "unsuitable" political beliefs.

The arrest of Ion Dobre took place at the Yugoslav/Romanian border. He was subsequently confined to the Dr. Petru Groza Psychiatric Hospital. From 1975 to 1977 he was treated with Piegomazin in quantities of up to 800 mlg. daily over long periods of time. He has been told he suffers from "paranoiac schizophrenia." He suffers from anemia, but has not been treated for it.

This case, appealed to Amnesty International, and others like it represent repeated violations of the terms of the Jackson-Vanik amendment to which the Romanian government agreed.

In another case, Cornel Iliescu, a young worker from Bucharest, joined a group of Romanian citizens who publicly protested against the decision of the Romanian authorities to refuse to allow them to leave the country. This group consisted of 18 predominantly young people, many of whom had been subjected to persecution for their social and political activities in the past. On April 18 of last year the group staged a demonstration, carrying slogans such as "Let us exercise our international rights to freedom of movement." They were arrested within minutes.

Most of them were subjected to interrogations lasting over a week, which were accompanied by severe beatings. The beatings were administered by state security police at the Calea Rahovei and Beldima Street Securitate stations with truncheons and rubber hoses.

And the list goes on.

Since the granting of MFN status in 1975, the network of obstacles which one wishing to leave Romania must overcome has become still more discouraging. Obtaining the basic application to leave consists of first filling out a preliminary application form which is obtained only after moving up a waiting list for the preliminary form itself. Furthermore, the Romanian Government has recently added yet another step to its network by requiring a 6-month delay before an individual may appeal after having either his preliminary or final application rejected. Citizens who have tried to leave after being refused permission, have been imprisoned and, in some cases, confined in psychiatric clinics, according to some reports. Clearly, this whole process is designed to discourage any expression of a desire to leave.

Throughout the lengthy process, prospective emigrants are generally subjected to personal threats, possible loss of job and family, and numerous methods of harassment.

Today, Romania's twisted emigration policy continues to violate not only the terms under which Romania was first granted MFN status, but agreements reached at Helsinki as well. While Romanian emigration to the United States has risen since MFN status was granted, emigration to Israel has plummeted. During the first 10 months of fiscal year 1979, arrivals in Israel dropped 30 percent from 1978 figures. Similarly, the 1978 and 1977 fiscal years were also characterized by such a decline. Prior to the granting of MFN status in 1975, more than 4,000 Romanian Jews were permitted to emigrate. Thus far this year, only 251 Romanian Jews have been allowed to leave. Thus, the number of Ro-

manians actually arriving in Israel since 1974 has, in fact, declined since MFN treatment toward Romania was initiated. Contrary to explanations issued by the Romanian Government, reports indicate this sudden drop does not represent a change in attitude among Romanian Jews. Clearly, this trend directly contradicts Romania's pledge to implement a policy of free emigration as outlined in the Jackson-Vanik amendment. Furthermore, this trend suggests that waiving the Jackson-Vanik amendment has, in this case, done little to encourage free emigration.

Another issue I find to be inconsistent with the intent of the Jackson-Vanik amendment involves national minorities in Romania.

Reports indicate the ruling regime is attempting to systematically eliminate all facets of Romania's Hungarian culture.

By prohibiting the usage of the Hungarian language in public institutions and elsewhere, an effort is being made to virtually deprive the Hungarians of their language and thus, their cultural identity. Other steps being taken toward denationalizing Romania's minorities include discrimination against minorities in employment and the absence of their representation in government. And of course, we are all familiar with those conditions described by dissident Karoly Kiraly.

Mr. Chairman, as the first Communist nation to be granted MFN status under the Jackson-Vanik amendment, in 1975 Romania became a precedent in American trade and foreign policy in hopes that it would serve as an example to other nations. Today, after 4 years of empty assurances to end restrictive emigration policies, Romania's status as a most-favored-nation occupies an embarrassingly ugly space in American trade and foreign policy.

Most Favored Nation status is a privilege to be earned—not a given right. The government of Romania has, in my opinion, failed to earn that privilege. Given those circumstances, Mr. Chairman, I urge my colleagues to vote "yes" on House Resolution 317 to dissapprove the President's recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania.

Mr. VANIK. Mr. Chairman, I yield 1 minute to close the debate to the distinguished gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I welcome the opportunity to speak on the most-favored-nation treatment for Romania.

Our trade with Romania, which has been stimulated by the granting of most-favored-nation status 4 years ago, has resulted in U.S. trade surpluses with Romania of $56 million in 1975; $50 million in 1976; $26 million in 1977; and although we had a trade deficit in 1978 of $27 million, first quarter figures for 1979 show a U.S. trade surplus of $36 million.

There has been an impressive volume of trade between our two countries, which has been of benefit to both. In 1974, U.S. imports from Romania were $130 million. This year they are expected to reach $350 million, and U.S. exports to Romania will probably approach $400 million.

However, I also believe it is important to take into account foreign policy, as well as trade, considerations in judging the value of continued MFN status for Romania.

Romania has conducted its foreign relations in a manner which indicates independence not shown by other members of the Warsaw Pact. Romania has not joined in military maneuvers conducted by Warsaw Pact nations nor permitted them to take place in Romania. In addition, Soviet troops are not stationed within their borders.

Romania has established broad economic connections with the West and is the only Warsaw Pact member to have joined the World Bank and the International Monetary Fund.

May I also call to the attention of the subcommittee the independence Romania has evidenced in international conferences reflecting a philosophy of each Communist country having the right to pursue its own policy.

Other foreign policy positions which Romania has taken which should be kept in mind include her favorable relations with Israel; her nonparticipation in the OPEC oil embargo; and the usefulness to the United States of Romania's relations with such countries as Albania and the Democratic People's Republic of Korea.

Of course, Romania was the only country which signed a trade agreement with the United States under terms of the Jackson-Vanik amendment.

For all the above reasons, I am convinced that we should extend most-favored-nation status to Romania. It is in our national interest to do so for both economic and political reasons.

Mr. Chairman, let me just sum this up. Last week we had Captive Nations Week. I led the commemoration in the House of Captive Nations Week.

I do not think for a moment that I would be supporting Mr. VANIK if I thought he was helping communism. Let me just point out two issues.

First, this discussion of the Hungarian minority rights is totally irrelevant because there is only one thing we can do with the Hungarian minority. If they are a minority in Romania, we could give the area back to Hungary. That is a Communist country too, so what have we achieved? Nothing. It is all words.

Second, the Government of Romania has an independent foreign policy. I see a few of my colleagues, like the Speaker who are old enough to remember Yalta. That was when the mistake was made, that is when these countries were consigned to communism.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. VANIK. Mr. Chairman, I yield 30 seconds to the gentleman.

Mr. DERWINSKI. In 1956 we had the Hungarian revolution. The West did not go in. In 1968 we had the invasion of Czechoslovakia, and the West did nothing. Nobody is preaching liberation. The only way one can wean these people away from the Soviet Union is through trade, through supporting the Vanik position. I urge my colleagues' rejection of the resolution of disapproval.

Mr. SCHULZE. Mr. Chairman, I yield myself one and one-half minutes.

Mr. Chairman, as we come to a vote on this important issue, I ask each of my colleagues to consider the ramifications of extending most-favored-nation status to Romania for another year.

If recent history is any indication, what we can expect is:

First, the continued forced assimilation of the 2½ million Hungarians residing in Romania and a further elimination of their cultural institutions.

Second, a further decline in emigration to Israel with the projected figure for this year falling to an all time low since the granting of MFN.

And finally, the creation of additional barriers designed to prevent emigration of Romanian citizens regardless of their religious affiliation.

A few short weeks ago this house recessed to commemorate the Fourth of July—and Members of this body spread across this Nation to participate in ceremonies in their home districts.

We rode in parades, listened to the stirring music of marching bands, watched the flag of our country waving in the breeze and took the platform to speak.

And we spoke of our love of country, our history, our sacrifice, and used the words "liberty" and "freedom." Today we have the opportunity to give deeper meaning to those words. We have an opportunity to stand up and be counted in favor of freedom, liberty and human rights.

I urge you to vote "yes" on this resolution.

● Mr. HAMILTON. Mr. Chairman, I speak today in support of the extension of the waiver authority to Romania under section 402 of the Trade Act. I hope that my colleagues in the House will give these matters careful consideration and then take positive action in order to continue the progress we have already achieved in our relations with Romania and in our relations throughout Eastern Europe.

Mr. Chairman, in my work on the Committee on Foreign Affairs and as chairman of the Subcommittee on Europe and the Middle East, I have come to several conclusions about Eastern Europe in general and our ties with Romania in particular which I would like to reiterate today:

First, policies toward the countries of Eastern Europe which stress the positive and which treat each nation as important in its own right do make progress and do serve our national interests in the region.

Second, careful, measured steps toward full normalization of relations allow time for the countries of Eastern Europe to rebalance themselves between East and West. Such steps also allow time for the resolution of all outstanding issues and for exploration of all areas of potential mutual benefit.

Third, the peoples of Eastern Europe and the people of the United States share a very positive disposition toward one another, thereby creating a solid basis for friendly relations.

Fourth, mutually beneficial, expanded trade is possible between the United States and the countries of Eastern Europe. Trade can also be a driving force in improving overall relations.

The extension of most-favored-nation status to Romania should be viewed as an important way of keeping our relations with that country moving in positive directions. It seems to me essential that we pursue a positive course if we are ever to replace the military standoff in central Europe with greater trade, communication, contact, and cooperation between East and West.

OUR RELATIONS WITH EASTERN EUROPE

The attraction and influence of the West is strong and increasing in the countries of Eastern Europe. The impact of Western ideas and ways of doing things extends into politics and economics as well as into the cultural and religious aspects of life in Eastern Europe. Eastern Europe has strong historical traditions linked to the West which lubricate this flow of information and influence. The tremendous welcome to Pope John Paul II in Poland, the outpouring of human interest and religious devotion, certainly provide us with a measure of this heightened Westward orientation of many peoples in Eastern Europe.

Recent journalistic reports from Eastern Europe comparing conditions there to conditions in the Soviet Union indicate an exciting level of cultural activity, much of it inspired by Western Europe and the United States. Political satire in cabarets and theaters, an abundance of Western books, films, newspapers and magazines, freewheeling discussions of world events in schools and on the street, greater travel to the West, increased church activities, and local news media less dependent on Moscow sources and more interested in diversifying their news coverage with Western sources.

What the Soviets have offered East Europeans, especially in culture and education, in the last 34 years has soured. Most East Europeans look to the West and not to the East to satisfy their intellectual curiosities, creativities, and interests. Many East Europeans have had a chance to witness Soviet shortcomings first hand, such as the lack of consumer goods in the Soviet Union, and they do not want their own countries to mirror the Soviet image.

Even though the landscape of détente appears to us to be fraught with dangerous hills and hairpin turns, to East Europeans détente has signaled a period of relative calm which has allowed them time and space to explore and develop greater contacts with the West. It seems that East Europeans see continued détente as the best means for them of easing away from the military, political, and economic imperatives of their relationship with the Soviet Union nad moving toward more diverse relations with the West.

The golden rule until recently has been that, as long as the Warsaw Pact allies maintain their military commitment to the pact and as long as the Communist Party remains constantly alined with Moscow, expressions of independence and openness to the West will be tolerated.

Taking the example of Romania we see important developments:

We can see that Romania has pursued independent foreign policies such as maintaining relations with China and Israel and playing a positive role in recent Middle East peace efforts which have included the Soviet Union;

We have even seen reports that Romania has dared to present a challenge to the Soviet Union by protesting increased Warsaw Pact spending and portraying its Communist Party as more purely nationalist; and

Apparently, Romania is also the first and only Warsaw Pact country to stop sending students to Moscow's Higher Komsomol School which is a training center for young Communist League leaders.

While there certainly seems to be increased trade potential for our country with the countries of Eastern Europe we must be careful not to raise false expectations nor to exaggerate the political and economic impact of more trade. In many ways the Soviet Union and the countries of Eastern Europe are natural trading partners. So, even though many analysts predict a certain leveling off and weakening of the economic ties, particularly in energy—gas, oil, and electricity—between the Soviet Union and Eastern Europe, those predictions need to be judged in a relative sense because the West cannot substitute itself in those energy-supplying relationships and the link to the Soviet Union will still be strong in most cases. So, in political terms, the Soviet Union will maintain strong economic leverage with the countries of Eastern Europe for some time.

That being said we can also state that Romania does more business with the West than with the Soviet Union. This economic reality must influence and explain Romania's more independent domestic and foreign policy posture. Romania does about 33 percent of its trade with the West and only 18 percent with the Soviet Union.

OUR RELATIONS WITH ROMANIA

Ever since 1964 Romania has pursued many policies which diverge significantly from Soviet policies. The differences in policy have been important ones such as maintaining diplomatic relations with Israel during the 1967 war and a denunciation in 1968 of the Warsaw Pact invasion of Czechoslovakia. Romania has not participated in Warsaw Pact troop maneuvers nor permitted them on its soil. So, it comes as less of a surprise that this year Romania refused to increase its Warsaw Pact spending.

Sometimes Romania's foreign policy positions have coincided with U.S. policies and we have tried to be responsive and supportive at these times in order to encourage Romanian independence from Soviet policies while also hoping that the Romanian example will emboiden other East European states to become more pluralistic in their foreign policies and world outlook.

For example, President Ceausescu has shown sincere diplomatic interest and has taken repeated initiatives to try to play a helpful role in facilitating the peace process in the Middle East. He played a crucial role in President Sadat's peace initiative and 1977 trip to Jerusalem. The most recent expression of this constructive Middle East role is President Ceausescu's recent tour of a number of African states where he is reported to have attempted to widen diplomatic support for President Sadat and the peace process and to mediate some of the glaring disputes between Egypt and the other Arab states.

There are additional positive features to our relations with Romania:

Our contacts have been at several levels of government and those contacts have been frequent and cordial;

Bilateral trade has expanded to over $650 million and both countries have talked about a goal of $1 billion in bilateral trade by 1980. MFN status for Romania has had a very positive effect on both Romanian exports to the United States and on bilateral trade in general. Romania wants to increase trade with the United States for economic and political reasons; and

The United States and Romania now have a consular convention, scientific and cultural agreements, and military exchange visits.

It seems clear that if Romania's attempts to minimize its economic and political links to the Soviet Union are to succeed it will need very positive incentives and support from the United States, Western Europe, and China.

It is my opinion that the more we press onward with these positive aspects to our relations and constantly seek to find better ways to make relations improve in mutually beneficial directions the less we will have to pressure on those aspects of our relations which cause strain and tension, including human rights considerations and emigration problems.

It is, Mr. Chairman, in this area of human rights and emigration policies that some concerns have been expressed in the United States. Some Americans remain troubled by the treatment of Hungarian groups in Romania's Transylvania region. Other Americans are concerned about recent and substantial decreases in emigration to Israel of Romanian Jews. It is clear that we need to continue to work with Romania to reduce strains in our relations resulting from problems that can arise on these issues.

Two questions which should be raised during this year's review process regarding Romanian emigration are:

First. Why have the numbers of Jewish emigrees to Israel continue to decline? and

Second. Why do we continue to hear complaints about harassment and tedious emigration procedures for Romanians wishing to emigrate to Israel?

I do not have answers to these questions nor do I wish to attribute any responsibility for problems which may exist. This review by Congress allows us an opportunity to raise such concerns with the Romanian authorities drawing their attention to problems which may be easily corrected or, in fact, may be beyond their control. Despite these present problems, the overall emigration picture seems still to be positive:

Over 300,000 Romanian Jews have been permitted to emigrate to Israel since the end of World War II. This figure is large compared to the remaining Jewish community in Romania estimated at between 20,000 and 100,000;

Romanian emigration to the United States and West Germany has increased steadily since MFN was granted in 1975;

President Ceausescu's joint statement with President Carter referred to progress in the humanitarian field; and

Individual cases which have been presented to the Romanian authorities by either executive, congressional, or private sources have, by and large, received favorable responses.

Our relations with Romania on these issues of emigration show progress but some problems remain and need adequate explanations. I think it is correct for the President to issue the waiver in order to continue our relation with Romania on a positive note hoping that that in itself will help stimulate momentum for further progress on these emigration problems.

Mr. Chairman, it certainly seems to be in our national interest to encourage the type of progress we have been in Romania in the rest of Eastern Europe by improving and broadening our relations with specific countries when and where we feel it is appropriate to do so.

Therefore, I do urge my colleagues in the House to act favorably on the President's recommendation to extend the waiver provisions of section 402 of the Trade Act for Romania. Approval of the President's decision will advance our relations with Romania while also having a positive impact on our relations with the other countries of Eastern Europe.●

● Ms. OAKAR. Mr. Chairman, while I wish to publicly thank Chairman Vanik for his assistance in immigration problems, the truth is we have not been totally successful. Mr. Speaker, I rise in support of House Resolution 317 disapproving the President's recommendation to extend waiver authority under the Trade Act of 1974 with respect to Romania. We would betray the letter and the spirit of section 402 of the Trade Act—the Jackson-Vanik amendment—were we to acquiesce in the President's recommendation to continue most-favored-nation treatment for Romania without taking a critical look at Romania's efforts to allow freer emigration. Congress has the right—as well as the responsibility—to know what the facts really are regarding the number of Romanians permitted to emigrate to the United States and other countries before we agree to continued MFN for Romania. Speaking for myself, I am not convinced that the Romanian Government has acted in such a way on the emigration questions as to deserve continued MFN treatment.

I do not support extension of MFN to Romania for the simple reason that my office in the past 2 years has handled constituent cases involving emigration of Romanian citizens without any success in obtaining specific assurance that these people would be given exit visas to come to the United States to be reunited with their families. As of this date, these constituents—who are political refugees—are still waiting for members of their families to be given exit visas, even though the Romanian Government promised more than a year ago to provide the necessary passport papers as soon as possible. The assurance of freer emigration loses much of its meaning and credibility when a government deliberately erects roadblocks in the form of waiting lists, preapplication procedures, and prolonged interrogation, not to mention the opening of private mail, disconnecting of transatlantic phone calls, and subjecting would-be emigrants to veiled threats, verbal abuse, and other forms of personal harassment.

The Romanian Government is guilty of these actions, yet we are told that renewing most-favored-nation status for Romania is in the best political and economic interests of the United States and Romania. Who is fooling whom? I would like to see trade relations between us and Romania result in mutual benefit, but not if it means that people, deprived of basic human rights, must out of sheer desperation risk their lives by sneaking across a heavily guarded and barbed-wire border because their own country denies them the freedom to emigrate.

Before we are sold the seductive argument that trade relations should not be held hostage to human rights rhetoric, let us, in good conscience, as whether we are more interested in a favorable balance-of-trade than we are in protecting the inalienable right of people to emigrate for the purpose of being with their families.

I urge this House, steeped in a proud tradition of liberty and justice, to send a clear message of condemnation of Romanian denial of free emigration by voting for the disapproval resolution.●

● Mr. WEISS. Mr. Chairman, I rise to speak in opposition to House Resolution 317 which would disapprove most-favored-nation status for Romania. My support of the extension of MFN status while unenthusiastic is nonetheless firm.

When MFN for Romania was first being considered by the Congress in 1975, the relevant House and Senate committees agreed to the extension with the understanding that the emigration performance would continue to rise in proportion to the number of individuals indicating a desire to leave. In taking favorable action on MFN, the Congress accepted the State Department's urging that actual future Romanian performance be used as the measure by which to judge that country's compliance with section 402(c) of the Trade Act of 1974.

Clearly, Romania's performance in the area of emigration has been less than satisfactory. Since 1974, Romanian emigration to Israel has fallen from more than 3,700 to a projected 1979 level of less than 700. Combined emigration to the United States and Israel has fallen over 30 percent since 1974.

However, just recently, the Conference of Presidents of Major American Jewish Organizations and the Romanian Government completed a series of discussions during which the Romanian Government gave several important assurances concerning emigration. These assurances included the following:

First. The Romanian Government will furnish to representatives of the Presidents Conference as soon as practicable, but no later than the end of August, an accounting of the number of pending applications by Romanian Jews seeking to emigrate. The accounting will include the date each application was filed. This accounting will be furnished thereafter on a regular periodic basis.

Second. The Romanian Government will invite Rabbi Rosen, the chief Rabbi of Romania, to make it known to the Romanian Jewish community that persons wishing to emigrate are free to do so, meaning that applications will be readily available and will be processed expeditiously. Should misunderstandings arise in the future, the Romanian Government has indicated its willingness to have Rabbi Rosen repeat these assurances.

Third. The Jewish community of Romania will be informed through appropriate and effective channels that persons seeking to emigrate to Israel may, but shall not be required to, obtain letters of invitation from relatives in Israel.

However, persons seeking to emigrate to Israel shall receive the same treatment from the Romanian Government in passing upon their applications whether or not such letters of invitation have been obtained. It is understood by the Romanian Government that the conference may, as a result of such letters of invitation, assemble a list of persons seeking to apply for permission to emigrate from Romania and that this list will be used by it in future consultations with the Romanian Government. Further, the Romanian Government has assured the representatives of the conference that it will seek to resolve favorably cases which derive from such a list.

My support of an extension of MFN status for Romania is based on a belief that these assurances will lead to a free flow of emigrants from Romania. There are, however, several serious reasons for caution. The agreement was arrived at between the Romanian Government and a private organization. Both parties to the agreement have stated that the agreement is not legally binding. Several times in the past, the Romanian Government has given assurances concerning emigration and human rights to various groups and individuals. I am sure that many of my colleagues have received such assurances, which, for whatever reasons, have never become actualities.

We must therefore do our best to insure that the Romanian Government is held accountable for the assurance it has given this year. During the next 12 months we must keep a careful watch on the levels of emigration to both the

United States and Israel. Should the Romanians fail to fulfill their commitment to a free flow of emigration—as outlined in the agreement between the Romanian Government and the Conference of Presidents—we will have no choice but to withhold MFN status next summer.●

● Mr. MARKS. Mr. Chairman, I rise in opposition to House Resolution 317, a bill which would deny extension of most-favored-nation trading status to Romania.

Mr. Chairman, I believe it is in the best interest of this Nation, and in the best interest of our friends in Romania, to extend most-favored-nation status to that country for another year. To be sure, it is important for trade purposes—we have generally run a balance-of-trade surplus with Romania since they received MFN in 1975, and our trade surplus is expected to be around $50 million, out of $750 million traded between us, in 1979.

Nonetheless, I believe there is another critical reason why extension of MFN to Romania should not be denied—and this reason is perhaps even more compelling than the admittedly attractive concept of a trade surplus. And that, Mr. Chairman, is the importance of MFN as a tool to increase our leverage with the Romania Government and to encourage increased emigration. We must do whatever we can to influence their government to moderate their human rights and emigration policies.

Mr. Chairman, I believe that if we revoke Romania's MFN status, we concomitantly will relinquish whatever influence we have to affect positively our economic and political relationship with Romania—as well as relinquishing any chance to induce Romania to allow increased emigration for those who want to leave, without fear of harassment.

It is my understanding that the Romanian Government recently indicated to B'nai B'rith that they would allow increased emigration to Israel, and that as a result of that B'nai B'brith supports extension of MFN, hence opposing the resolution. The Ways and Means Committee opposes the resolution. The administration opposes the resolution. The Commission on Security and Cooperation in Europe, charged with monitoring compliance with the provisions of the Helsinki Act, opposes the resolution. And finally, Mr. Chairman, I oppose the resolution. I urge all of my colleagues to do the same.●

● Mr. SYMMS. Mr. Chairman, I wish to thank my colleague DICK SCHULZE for introducing House Resolution 317, a resolution disapproving the continuation of "Most Favored Nation" status benefits for Romania. It is important for the United States to be more discerning about granting countries special trade privileges, especially countries that have restrictive emigration policies. The present administration has recommended extending the waiver authority under the Trade Act of 1974, with respect to Romania, a country which has extremely restrictive emigration policies and a very poor record of human rights. For that reason, I think the Members should support Congressman SCHULZE's resolution to disapprove extending the waiver authority to Romania.

George Meany, president of the AFL-CIO, has contacted the Secretary of State regarding considerable human rights violations in Romania; namely the harassment and persecution of workers attempting to establish trade unions and individuals trying to set up a human rights monitoring group. In a letter to Cyrus Vance on May 8, 1979, Meany stated the following:

> It has come to my attention that SLOMR [Free Trade Union of Romanian Workers], along with another Romanian human rights group, the "Christian Committee for the Defense of Religious Liberty and Freedom of Conscience," (A.L.C.R.) has suffered intense persecution at the hands of the Rumanian authorities. Specifically, members of both groups have reportedly suffered beatings, threats of internment in mental hospitals, loss of employment, arrest and imprisonment on charges fabricated by the police to discredit the character of the individual or the group.

At the conclusion of that letter Meany says:

> I would hope that the U.S. government would request information about the conditions described in this letter and make known to the Romanian authorities our intention to take these conditions into account in assessing whether Romania is entitled to most-favored-nation status.

If the United States grants the waiver authority without considering some of these violent acts by the Romanian Government against their own people, then I seriously question this administration's pledge to improve human rights around the world.

In testimony before the Ways and Means Subcommittee on Trade, Congressman SCHULZE brought out all of the obstacles placed in the way of persons wishing to emigrate; and the fact that since MFN status has been granted to Romania, the number of people being allowed to emigrate has actually declined. This administration and the State Department have always claimed that if the United States grants MFN status to Romania, or any Communist country, we will have greater leverage on their emigration policies. However, Romania has shown no sign of improving their policies, and the administration continues to extend MFN status rather than pressing the Romanian authorities to provide a freer emigration system.

There is one particular case that I know many distinguished members of the Trade Subcommittee and many Senators interested in human rights have worked on since 1973. I refer to Mr. Constantin Rauta, an electrical engineer who came to the United States in 1973 as part of an official party to prepare for President Ceausescu's visit to this country. As soon as Mr. Rauta arrived in this country, he requested asylum and immediately applied for passports and exit visas for his wife Ecaterina and son Mihai. As could be expected, the Romanian Government was extremely upset with Mr. Rauta's actions, but they have been punishing his wife and child ever since for Mr. Rauta's desire to live in a free country.

As I mentioned above, many Congressmen and Senators, especially Chairman VANIK, have tried to assist Constantin Rauta in obtaining exit visas for his wife and child from the Romanian Government. The State Department is well acquainted with Mr. Rauta's case, and they have received many letters on his behalf from the Congress. Yet, the Romanian Government refuses to grant these visas, and they have placed Mrs. Rauta and her son under virtual house arrest.

Mr. Rauta has talked with me and my staff on several occasions regarding his family in Romania. I have contacted the State Department and was told that they were working on reuniting the family, but that the Romanian Government was very hardheaded on this case. That is why it is so upsetting when our Government just waives compliance with the freedom of emigration sections of the Trade Act of 1974 and does not press Romania on some these unresolved divided family cases.

If the United States is not going to ask countries to comply with some of the agreements they sign, such as the United Nations Universal Human Rights Declaration, which Romania signed, or the Helsinki accords; then what is the purpose of concluding these agreements. If we do not carry out the provisions of those agreements by allowing for freer emigration policies and the right to request asylum in another country, then these declarations of human rights are nothing more than nice-sounding words which most people have no intention of honoring.

I think we should be honest with ourselves; and I ask that the administration thoroughly reviews what it says about human rights. If it is serious about wanting to stop human rights violations, then let us press the Romanian Government to reunite divided families, such as the Rauta family. If the administration is not serious, then let us stop all of these grand meetings around the globe where the world leaders profess their commitment to freedom and the right to emigrate.

I urge the Members who are truly concerned about human rights to support Congressman SCHULZE's resolution and not extend the waiver on MFN status for Romania.●

● Mrs. FENWICK. Mr. Chairman, the resolution to deny extension of most-favored-nation trade status to Romania underscores the difficulties in dealing with human rights issues.

It is not easy to move repressive governments, of the right or left, into allowing their citizens to enjoy basic human rights. Our leverage is limited, and it is hard to persuade governments to accede to our requests. We must insist on our goal, but what may work with one country may not work with another.

Romania is a particularly difficult situation and is regarded by most observers as one of the most repressive governments in Eastern Europe. There have been problems concerning emigration. The number of Romanians allowed exit visas for Israel has fallen and the barriers of bureaucracy and harassment have increased. There also have been continued complaints by other minority

groups, especially the Hungarians living in Romania, that they have been the victims of a program of forced assimilation, and other abuses.

The Commission on Security and Cooperation in Europe, better known as the Helsinki Commission, on which I served, has been monitoring the situation in Romania and in the other nations which signed the 1975 Helsinki accords. None of us is satisfied with the situation. The right of travel and the reunification of families, were among the basic rights pledged in the Helsinki Final Act. Emigration practices were the focus, also, in the 1974 Jackson-Vanik amendment to the Trade Act, which this pending resolution, House Resolution 317, would affect. Although the treatment of minorities is not specifically mentioned in Jackson-Vanik and although some observers feel that the treatment of Hungarians in Romania is part of the overall repression, we are naturally sensitive to the complaints.

The question remains, however, as to how we can best obtain improvements in the overall situation. Along with other members of the Helsinki Commission, and its staff, I have had discussions with Romanian officials on these issues. As a result, a good number of specific cases have been solved. Outside organizations, too, have had some discussions which they believe will lead to progress, especially in the matter of emigration.

There is no doubt in my mind that we can achieve more, for more people, if we try to widen rather than limit our contacts with Romanian officials.

Our concern for our country's long-term interest and for the human rights of individuals, will best be served, I believe, by continuing most-favored-nation status for Romania.●

Mr. VANIK. Mr. Chairman, I yield myself such time as I may consume.

I want to say that I hope the members of the Committee will vote "no" on the Schulze resolution.

The CHAIRMAN. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 317

Resolved, That the House of Representatives does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on June 1, 1979, with respect to the Socialist Republic of Romania.

Mr. VANIK. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that the resolution be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MITCHELL of Maryland, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 317) disapproving the President's recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania, had directed him to report the resolution back to the House with the recommendation that the resolution be not agreed to.

The Clerk reported the resolution.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. SCHULZE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 126, nays 271, not voting 37, as follows:

[Roll No. 388]

YEAS—126

Abdnor
Applegate
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Brinkley
Broomfield
Burgener
Carney
Chappell
Clausen
Cleveland
Clinger
Collins, Tex.
Conte
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Dodd
Dornan
Duncan, Tenn.
Edwards, Okla.
English
Ferraro
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hammer-schmidt
Hance
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Horton
Hyde
Ichord
Jeffries
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leath, Tex.
Lederer
Lent
Lewis
Livingston
Lott
Lundine
Lungren
McClory
McDade
McDonald
Marlenee
Marriott
Mathis
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Oakar
Oberstar
Panetta
Pashayan
Patten
Paul
Petri
Pursell
Ritter
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Symms
Taylor
Treible
Vander Jagt
Walker
White
Whitehurst
Whittaker
Winn
Wyatt
Wydler
Wylie
Young, Fla.

NAYS—271

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Anthony
Archer
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Bellenson
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Carr
Carter
Cheney
Chisholm
Clay
Coelho
Coleman
Collins, Ill.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Derwinski
Dicks
Dingell
Dixon
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Leach, Iowa
Leach, La.
Lee
Lehman
Leland
Levitas
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
McCloskey
McCormack
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moore
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Obey
Ottinger
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Wampler
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—37

Andrews, N.C.
Annunzio
Ashbrook
Bolling
Burton, John
Campbell
Cavanaugh
Conyers
Davis, S.C.
Diggs
Duncan, Oreg.
Emery
Flood
Ford, Tenn.
Forsythe
Hawkins
Holland
Hollenbeck
McKinney
Moffett
Montgomery
Moorhead, Pa.
Nichols
Pepper
Pritchard
Quayle
Railsback
Spellman
St Germain
Stump
Thomas
Treen
Udall
Walgren
Wilson, C. H.
Wright
Young, Alaska

□ 2120

The Clerk announced the following pairs:

Mr. Walgren with Mr. Emery.
Mr. Wright with Mr. Forsythe.
Mr. Conyers with Mr. Ashbrook.
Mr. Diggs with Mr. Young of Alaska.
Mr. Flood with Mr. Treen.
Mrs. Spellman with Mr. Campbell.
Mr. St Germain with Mr. Pritchard.
Mr. Pepper with Mr. Railsback.
Mr. Moorhead of Pennsylvania with Mr. Hollenbeck.
Mr. Hawkins with Mr. Thomas.
Mr. Montgomery with Mr. Quayle.
Mr. Duncan of Oregon with Mr. McKinney.
Mr. Annunzio with Mr. Cavanaugh.
Mr. John L. Burton with Mr. Moffett.

Mr. Davis of South Carolina with Mr. Udall.
Mr. Charles H. Wilson of California with Mr. Nichols.
Mr. Stump with Mr. Holland.
Mr. Ford of Tennessee with Mr. Andrews of North Carolina.

Mr. STANGELAND and Mr. PASHAYAN changed their votes from "nay" to "yea."

Messrs. CHENEY, DERRICK, TRAXLER, and SHELBY changed their votes from "yea" to "nay."

So the resolution was rejected.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE LEADERSHIP OF JOHN RHODES

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, there has been a great deal of speculation in the news media over whether our distinguished minority leader will step down at the end of this Congress.

Much of that speculation has been accompanied by reports of criticisms by various Members over the "style" of his leadership.

It is therefore refreshing to see an article that goes to the heart of the leadership that JOHN RHODES has provided for the minority—the quality and substance of his efforts.

Such an article was written recently by a veteran reporter who has known JOHN RHODES for many years, Ben Cole of the Arizona Republic and the Indianapolis Star.

I commend it to my colleagues for their reading, and include it in the RECORD at this point:

[From the Indianapolis Star, July 18, 1979]

RHODES LEADERSHIP CONSTRUCTIVE

(By Benjamin R. Cole)

WASHINGTON.—Rep. John J. Rhodes of Arizona, the minority leader of the U.S. House of Representatives, is a man whose instincts are entirely constructive.

Playing parliamentary Halloween tricks on the Democrats doesn't appeal to him, and he sees little point in harassing the majority just for fun.

His kind of leadership seeks to perform a better job than the opposition. He wants the nation to know Republicans have a better idea. He tries to get across the message that his party stands for a prosperous and peaceful America. He literally wrote the book on a "Republican Agenda," spelling out a constructive program for GOP lawmakers.

His kind of politics departs from tradition. Some of the impatient young members of the House minority would like to throw Rhodes out and install a blood-and-guts leader who perhaps might not get much done but would make lots of noise doing it.

Recently, Rhodes went onto the floor of the House with a speech that took many days to write. It was without question one of the great speeches delivered in the chamber. Its subject was the nation's energy program, and he laid out carefully a total program for making America self-sufficient.

Point by point, program by program, the Republican leader set forth a plan to free the nation from Arab oil and salvage the economy from the threat of shortages. He called it the speech President Carter should have made July 5, but didn't.

The Administration would do well to embrace the Rhodes proposals. He called for alternative energy sources, development of synthetic fuels, the unshackling of the American oil industry, reliance on nuclear energy, solar power, a sensible accommodation of energy requirements and environmental goals. It was an imaginative yet realistic and workable scheme for today and the future.

Unfortunately, few Americans even knew Rhodes made the speech. The leader of the Republican minority in the House isn't exactly the darling of the media. But some of Rhodes' young critics among the House members sat in the benches to hear what he said.

They should have been impressed to see Rhodes demonstrate what he considers real opposition leadership.

Since coming to the point where he is almost ready to give up the fight and return to private life, Rhodes is a liberated man. His speech on energy was, in a sense, his own declaration of independence. He was telling the Democrats how to solve the energy problem, right enough. But he was telling Republicans how he thinks they should go about outdoing the majority and winning elections.

Later the same week, Rhodes and his lieutenants announced a plan for cutting taxes to head off recession. Their plan would strike at unemployment before it happened, sparing the nation billions in transfer payments and lost revenue. It was another instance of getting out ahead of the Democrats with a better idea.

Between public appearances, Rhodes met with the freshman class of House Republicans. He told them that right now it is 50-50 whether he seeks to stay in the House.

He has indicated by his actions that if he leads, it must be his way. John Rhodes cannot be what he is not.

Young Republican congressmen are going to have considerable weight in tilting the balance on Rhodes' decision whether to go or seek to stay. Perhaps they will want to come down on the side of a positive leadership.

THE LATE W. E. "ED" WILLIAMSON

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, with deep sorrow and a sense of great personal loss, I announce to the House the passing of the chief clerk and staff director of the Committee on Interstate and Foreign Commerce, W. E. (Ed) Williamson, who died yesterday of cancer.

Ed was born November 10, 1907, in Magnolia, Ark., and resided there before coming to Washington in 1957. He graduated from Henderson State University and became football coach and principal of Bearden High School in Arkansas. He enlisted in the U.S. Army in 1942 and rose to the rank of captain at the time of his discharge 4 years later. He served from 1947 to 1950 as circuit and chancery court clerk in Magnolia. He was mayor of Magnolia at the time former Congressman Oren Harris appointed him to the Commerce Committee staff. He was a member of the Masonic Lodge; the American Legion; past district governor of Lions International; past president, Magnolia Chamber of Commerce; and until recently, served on the official board of the Mount Vernon Place Methodist Church, Washington. He is survived by his wife, the former Sue Harris, of the home in Falls Church, Va.; two sons, W. E., Jr., U.S. Navy, California, and James T. of Arlington, Va.; two daughters, Susanne Barr of Colorado Springs, Colo., and Beth Fennell of Arlington, Va.; and four grandchildren.

I have had the pleasure of working with Ed Williamson since he came to Washington in 1957, first in my capacity as a member of the Committee on Interstate and Foreign Commerce, and since 1966, as its chairman. If I may paraphrase Will Rogers, "I never met a person who didn't like Ed Williamson." He was a true Southern gentleman in every sense of the word.

He had an engaging personality, and his eagerness to help others endeared him to many Members and employees of this House.

He will be missed in the days ahead by those who loved him, but as Christians, we are taught not to mourn the dead but to rejoice in knowing that they have been received into the Kingdom of Heaven.

Mr. Speaker, on behalf of the Committee on Interstate and Foreign Commerce, with a sad and heavy heart, I extend to the surviving loved ones of our dearly departed friend our deepest sympathy, and pray that God grant him eternal peace.

GENEVA CONFERENCE ON RESETTLEMENT OF REFUGEES FROM SOUTHEAST ASIA

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. AKAKA. Mr. Speaker, an important 2-day conference was held in Geneva to deal with the resettlement of refugees from Southeast Asia. By any standards, this meeting must be considered a success.

Yesterday, I met with Ambassador Dick Clark, the U.S. coordinator for refugee affairs, to discuss the results of the Geneva Conference and review the steps that must be taken to implement the pledges that were made there. Judging by this meeting, I am confident that the world community is ready to deal with this problem. For the sake of these refugees, I hope that the participating nations will act without delay.

I wish to commend Ambassador Clark for his untiring efforts in Geneva. Without his presence, the outcome of the conference would have been much less certain. I requested the Ambassador to investigate the possibility of including those Maos or Mungs who supported our troops in Laos as refugees for resettlement in our country.

Mr. Speaker, I also want to recognize the efforts of Vice President MONDALE. He offered some important and imaginative proposals in Geneva. One of these was the creation of an international resettlement fund to help developing nations overcome the financial burden of absorbing Southeast Asian refugees.

Mr. Speaker, I ask unanimous consent that Mr. MONDALE's address to the Geneva Conference be printed in the RECORD so that all Members may have the benefit of his remarks.

ADDRESS OF VICE PRESIDENT WALTER MONDALE

Once again the countries of the world turn to the United Nations. When problems touch the whole human community, no other forum provides a vision more encompassing. When national interests conflict and collide, no institution convenes us with greater moral authority. The United Nations is often criticized, and sometimes even maligned. But the common ground it provides us deserves our thanks and our praise. On behalf of the United States—and, I believe, on behalf of all nations in the world community—I thank Secretary-General Waldheim and High Commissioner Hartling for their leadership in convening us here today.

Mr. Secretary-General, some tragedies defy the imagination. Some misery so surpasses the grasp of reason that language itself breaks beneath the strain. Instead, we gasp for metaphors. Instead, we speak the inaudible dialect of the human heart.

Today we confront such a tragedy. In virtually all the world's languages, desperate new expressions have been born. "A barbed-wire bondage," "an archipelago of despair," "a flood-tide of human misery": with this new coinage our language is enriched, and our civilization is impoverished.

"The boat people." "The land people." The phrases are new, but unfortunately their precedent in the annals of shame is not. Forty-one years ago this very week, another international conference on Lake Geneva concluded its deliberations. Thirty-two "nations of asylum" convened at Evian to save the doomed Jews of Nazi Germany and Austria. On the eve of the conference, Hitler flung the challenge in the world's face. He said, "I can only hope that the other world, which has such deep sympathy for these criminals will at least be generous enough to convert this sympathy into practical aid." We have each heard similar arguments about the plight of the refugees in Indochina.

At stake at Evian were both human lives—and the decency and self-respect of the civilized world. If each nation at Evian had agreed on that day to take in 17,000 Jews at once, every Jew in the Reich could have been saved. As one American observer wrote, "It is heartbreaking to think of the . . . desperate human beings . . . waiting in suspense for what happens at Evian. But the question they underline is not simply humanitarian. . . . It is a test of civilization."

At Evian, they began with high hopes. But they failed the test of civilization.

The civilized world hid in the cloak of legalisms. Two nations said they had reached the saturation point for Jewish refugees. Four nations said they would accept experienced agricultural workers only. One would only accept immigrants who had been baptized. Three declared intellectuals and merchants to be undesirable new citizens. One nation feared that an influx of Jews would arouse antisemitic feelings. And one delegate said this: "As we have no real racial problem, we are not desirous of importing one."

As the delegates left Evian, Hitler again goaded "the other world" for "oozing sympathy for the poor, tormented people, but remaining hard and obdurate when it comes to helping them." Days later, the "final solution to the Jewish problem" was conceived, and soon the night closed in.

Let us not re-enact their error. Let us not be the heirs to their shame.

To alleviate the tragedy in Southeast Asia, we all have a part to play. The United States is committed to doing its share, just as we have done for generations. "Mother of exiles" it says on the pedestal of the Statue of Liberty as the port of New York. The American people have already welcomed over 200,000 Indochinese. Their talent and their energies immeasurably enrich our nation.

We are preparing to welcome another 168,000 refugees in the coming year. The governors and the Members of Congress in our delegation—as well as outstanding religious and civil leaders throughout America—are a symbol of the enduring commitment of President Carter and the American people.

Many nations represented here have risen to history's test, accepting substantial numbers of refugees. The ASEAN states, China, and Hong Kong have offered safety and asylum to over half a million refugees from Vietnam, Laos and Kampuchea since 1975. And others have opened their doors.

But the growing exodus from Indochina still outstrips international efforts. We must work together, or the suffering will mount. Unless we all do more, the risk of fresh conflict will arise and the stability of Southeast Asia will erode. Unless this conference gives birth to new commitments, and not simply new metaphors, we will inherit the scorn of Evian. It is a time for action, not words.

I would like to outline seven areas where action is needed.

First and foremost, the fundamental responsibility must rest with the authorities of Indochina, particularly the government of the Socialist Republic of Vietnam. That government is failing to ensure the human rights of its people. Its callous and irresponsible policies are compelling countless citizens to foresake everything they treasure, to risk their lives, and to flee into the unknown.

There must be an immediate moratorium on the further expulsion of people from Vietnam. We must stop the drownings and establish a humane emigration program. The policy of expulsion which has lead to so many tragic deaths must end. It must be replaced by a policy which enables those who wish to leave their homes to do so—in safety, and by choice and in an orderly manner.

At the same time, we must not forget the land people driven from their homeland by conflict and foreign invasion. The nations of the world must promote a political settlement in Kampuchea. The survival of a whole people is in grave doubt. Neither the Pol Pot nor Hang Samrin regimes represents the Cambodian people. The conflict, and the human tragedy in its wake, must stop. The international community must not tolerate forced expulsion of entire populations. I call on all governments to allow normal free emigration and family reunification. My government supports efforts to negotiate a program of orderly direct departures from Vietnam—but not at the expense of those in camps elsewhere in Southeast Asia already awaiting resettlement, and not as part of a program of expulsion of ethnic or political groups.

Second, I urge the countries of first asylum to continue to provide temporary safe haven to all refugees. The compassion these nations have shown earn them the respect and admiration of the world's community. But these nations cannot bear this responsibility alone. We call on them to persist in their spirit of humanity so that our common effort can proceed.

Therefore, third, the rest of us must provide assurances to first-asylum countries that the refugees will find new homes within a reasonable period of time. To meet this objective, we call on all nations to double their resettlement commitment, as the United States has already done. Moreover, we must all be prepared to commit ourselves to multi-year resettlement programs—for the problem will not be solved quickly. The United States government is now seeking that authority.

Fourth, each of us must make a greater contribution to the relief efforts of the United Nations High Commissioner for Refugees. The UNHCR will need increased resources now and in the coming years to care for growing refugee populations, and to alleviate the misery in refugee camps. The UNHCR may require an estimated $400 million for its Indochina programs in 1980.

To do our part to help, I am privileged to announce today that my government will ask our Congress to allocate $105 million for those programs—more than double our current effort. We are also ready to assign highly qualified Peace Corps volunteers to work in the camps in Southeast Asia—to work not only with the individual countries, but also in the programs of the UN High Commissioner. We urge other nations to undertake similar programs of support.

Fifth, it is essential that we relieve pressures on existing camps and create a network of new transit centers for refugees destined for permanent resettlement elsewhere. Given the magnitude of the refugee population, such centers must accommodate at least 250,000 refugees. My government has endorsed the initiative of the ASEAN states for UN-sponsored refugee processing centers. President Carter applauds the government of the Philippines for the bold and exemplary steps it has taken—a model of responsible world leadership. Today I am especially pleased to announce that we are requesting more than $20 million from the Congress to finance our share of such new UNHCR facilities.

Sixth, we must extend refugee resettlement to nations who are ready to receive them—but who do not have the resources to do so. Today, on behalf of the United States government, I propose the creation of an international Refugee Resettlement Fund. If other nations join us, we will ask our Congress for contributions to the Fund totalling $20 million for the first year. We ask today that other nations match us. We recommend that the Fund be capitalized at $200 million. This Fund could, for example, endow an international corporation which would help developing countries embark on their planning and secure additional resources for this high humanitarian purpose.

Seventh, and above all, we must act to protect the lives of those who seek safety. The United States is acting vigorously to save refugees from exposure and starvation and drowning and death at sea. As Commander-in-Chief of the military, the President of the United States has dramatically strengthened his orders to our Navy to help the drowning and the desperate. Today the President has ordered four additional ships from the Military Sealift Command to be dispatched to the South China Sea—where they will be available both to transport tens of thousands of refugees from camps to refugee processing centers, and to assist refugees at sea. At the same time, the President has also ordered long-range Navy aircraft to fly patrols to locate and seek help for refugee boats in distress. And the President is asking our private shipping industry and unions to persist with their time-honored efforts to help refugees at sea. We appeal to other governments to do the same—and to accept for resettlement those who are picked up.

Mr. Secretary-General, fellow delegates, in conclusion let me reiterate two points.

First, the international community must not tolerate this forced expulsion. We call

upon Vietnam to cease those policies which condemn so many to flee. There must be an immediate moratorium on expulsions.

The freedom to emigrate is a fundamental human right. But no nation is blind to the difference between free emigration and forced exodus. Let us impose a moratorium on that exodus. Let us have a breathing spell during which all of us—governments, voluntary agencies, and private individuals alike—mobilize our generosity and relieve the human misery. And let us urge the government of Vietnam to honor the inalienable human rights at the core of every civilized society.

Second, our children will deal harshly with us if we fail. The conference at Evian forty-one years ago took place amidst the same comfort and beauty we enjoy at our own deliberations today. One observer at those proceedings—moved by the contrast between the setting and the task—said this:

"These poor people and these great principles seem so far away. To one who has attended other conferences on Lake Geneva, the most striking thing on the eve of this one is that the atmosphere is so much like the others."

Let us not be like the others. Let us renounce that legacy of shame. Let us reach beyond metaphor. Let us honor the moral principles we inherit. Let us do something meaningful—something profound—to stem this misery. We face a world problem. Let us fashion a world solution.

History will not forgive us if we fail. History will not forget us if we succeed."

PUERTO RICAN DAY PARADE

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RODINO. Mr. Speaker, this Sunday, July 29, the city of Newark will sponsor its 17th annual Puerto Rican Day parade. This parade has grown into a statewide event in which tens of thousands of citizens participate. This year's celebration is expected to be the largest parade in the history of our recognition of Americans of Puerto Rican background.

I am very proud that this parade is held in my home city of Newark, and I want to commend the Puerto Rican residents of New Jersey who have worked so tirelessly to make this special day a success. While the list would be too long for me to name everyone who contributed their time and effort, let me mention Roberto Rivera, who is president of the statewide parade, Raul Lopez, who is the grand marshal, and Ms. Agnes Santiago, this year's queen of the parade. Also, the distinguished Governor of Puerto Rico, Carlos Romero Barcelo, will be attending.

The parade is the focal point of a week of activities displaying Puerto Rican culture and educational contributions. Anyone who has visited Puerto Rico cannot have missed the rich and varied culture of the island. Unfortunately, the accomplishments of Puerto Ricans—in the fields of literature, arts, drama, music, sports, to name a few—are not as appreciated as they should be on the mainland.

Americans of Puerto Rican background are hard-working, ambitious, and creative people who are proud of their heritage. I am looking forward to the day when more Puerto Rican Americans hold prominent positions in all areas of our society.

The parade provides an opportunity for all Americans to recognize the importance of Puerto Rican heritage to our ethnic identity as a Nation. Our strength as a Nation is derived from the cultural diversity of our citizens, and Puerto Rican Americans play an integral part in that diversity.

Mr. Speaker, on Monday, Newark Mayor Kenneth Gibson raised the Puerto Rican flag above city hall and proclaimed this week Puerto Rican Week in our great city. Gov. Brendan Byrne, recognizing the statewide appreciation of Puerto Rican Americans and their culture, is signing a proclamation today, July 25, in honor of Puerto Rican Week.

Mr. Speaker, this year once again I will have the honor of participating in the parade with my constituents of Puerto Rican ancestry. I am privileged to number many of them as my dear friends and supporters.

I salute them on this day of celebration of their heritage and of their role as Americans.

Mr. Speaker, following is the text of Governor Byrne's proclamation of Puerto Rican Week in New Jersey:

PROCLAMATION

Whereas, Puerto Ricans of New Jersey have distinguished themselves and this state through their spiritual and cultural values, immeasurable contributions to the social and economic progress of the Garden State, and dedication to the responsibilities of American citizenship;

And whereas, The Senate and General Assembly of this state have resolved to declare July 25th of each year as Puerto Rican Day in the State of New Jersey;

And whereas, Through acts of the United States Congress the people of Puerto Rico have attained the rights and privileges of American Citizenship and political sovereignty as an associated free state of these United States;

And whereas, It is appropriate we help commemorate the significant events and the continuing contributions to this state by the Puerto Rican people through civic celebration and formal recognition;

And, therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim July 22 through 28, 1979 as Puerto Rican Week in New Jersey.

THE MAGNIFICENT SERVICE OF JOSEPH A. CALIFANO, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 60 minutes.

Mr. RODINO. Mr. Speaker, I wish to express my great appreciation for the magnificent service to the Nation of Joseph A. Califano, Jr., who will soon be leaving the position of Secretary of Health, Education, and Welfare.

I have known and often worked with Joe Califano for almost 20 years. Through all that time, I have admired his brilliance, his energy, his patriotism, and his commitment to human welfare.

Joe Califano has distinguished himself as a lawyer, as an official of the Department of Defense, as a special assistant to President Lyndon B. Johnson, as the author of two books, and—most recently—as HEW Secretary since January, 1977.

In his 2½ years of directing the HEW Department, he has built an extraordinarily impressive record in that extraordinarily difficult assignment.

Secretary Califano's achievements have included reorganization of the Department and substantial reduction of fraud and waste in HEW programs. He has helped prepare new designs to control the rising costs of hospital care and to establish a national health insurance program.

He has worked with Congress to increase Federal support for education and to improve Federal education programs. He has been responsible for new emphasis on disease prevention, new campaigns against smoking and alcohol abuse, and new financial strength for the social security system.

Throughout his service as HEW Secretary, Joseph Califano has continued to display an awesome capacity for hard work, a distinctively practical humanitarianism, and a style of frankness and openness which is rare and refreshing in this city.

Above all, he has sustained a consistent sense of loyalty—loyalty to the noblest American principle, serving human needs.

Others have recognized Secretary Califano's superb service, including President Carter. The President has commented several times to me on what he called the excellent and outstanding performance of Joe Califano in a tough job.

No matter what degree of pessimism surrounded him in a time of budget cutting and liberal retrenchment, no matter what the magnitude of the task he faced, no matter what pressures were applied to him, Joe Califano has not wavered in his dedication to service toward the fulfillment of human needs in America.

In his letter of resignation to the President, he wrote:

> I have called HEW the Department of the people because its programs touch the lives of so many people each day. The Department reflects a compassion of the American people.

Joseph Califano's compassionate leadership, his sense of the human reality of problems and programs and his articulate voice will be missed from a position of formal authority in Washington.

But I am glad that he will—as he stated last Thursday when his resignation was accepted—

> Continue speaking out on public issues and on behalf of the people served by this Department, people who must be able to turn to their Government for compassion, hope, and help.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject matter of my special order today, Joseph A. Califano, Jr.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding. I commend the gentleman for taking this special order and associate myself with his remarks.

Mr. Speaker, I join with my colleagues in commending the work of Secretary of Health, Education, and Welfare Califano. Although we have disagreed on occasions, I respected his ability and his beliefs. Secretary Califano has served this country with great distinction under President Johnson and as Secretary of HEW.

As a fellow New Yorker, we are proud of him and wish him well.

□ 2130

Mr. BRADEMAS. Mr. Speaker, will the distinguished gentleman yield?

Mr. RODINO. I yield to the distinguished majority whip, the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I thank my colleague from New Jersey and I compliment the gentleman on attaining this special order.

Mr. Speaker, I want to join with the gentleman from New Jersey in paying tribute to Secretary Califano and I would like to observe, Mr. Speaker, that it seems to me the objective standards by which the performance of a Cabinet officer normally is judged are the following:

First. Has he established and maintained control over the department he heads?

Second. Has he established and maintained an effective working relationship with Congress?

Third. Has he been an effective steward of the program of the President?

Mr. Speaker, I believe that judged by all three of these standards, Joseph Califano rates high marks not only in President Carter's Cabinet but, indeed, in comparison to the Cabinet of any other recent President.

Mr. Speaker, I have for nearly 21 years had the privilege of serving on the Committee on Education and Labor, one of the committees in the House with jurisdiction over a number of the programs that are administered by the Department of Health, Education, and Welfare. I have, therefore, had firsthand opportunity to observe the work of Secretary Califano and I think it fitting that note be taken at this time of some of the highlights of the 2½ years of Secretary Califano's service as head of the Department of Health, Education, and Welfare.

Mr. Califano worked with Congress to implement the President's policy of increasing Federal support for education—40 percent in a period of 2 years. He was instrumental in securing enactment of major legislation to improve Federal programs for education at all levels, including the landmark Middle Income Student Assistance Act of 1978, a major administration priority.

He focused new attention on the prevention of disease and illness, a major ingredient in the President's 1976 election campaign.

He designed the administration's proposals aimed at controlling the rising costs of hospital care and developed the administration's national health insurance initiative.

He designed the administration's proposals, passed by Congress in modified form, to assure the financial integrity of the social security system.

He reorganized and streamlined the Department.

He reduced dramatically fraud, abuse, and waste in HEW programs.

Let me, Mr. Speaker, speak of Secretary Califano's stewardship of the Department of Health, Education, and Welfare in still more personal terms.

Mr. Speaker, at a time when it is fashionable to criticize those who serve in public office, I think it only fair that tribute be paid to those who have assumed the most demanding responsibilities and have carried them out with integrity, acumen, and effectiveness.

Joseph Califano has met those tests during his years of service as Secretary of Health, Education, and Welfare and I want to express my appreciation to him for his service to the Nation.

I thank the distinguished chairman of the Committee on the Judiciary for having yielded to me.

Mr. DRINAN. Mr. Speaker, would the gentleman yield?

Mr. RODINO. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Speaker, I thank the gentleman for yielding. I too commend my distinguished chairman for bringing our attention to the devotion of Joseph Califano. I became acquainted with Mr. Califano years ago when he was a very devoted person in the White House with President Johnson. He labored diligently during those years. He was immensely loyal and all of his talents developed.

After his service with President Johnson he wrote a book on government which I commend to my colleagues because it is an example of what a public servant can do when he sets forth his entire philosophy.

In the 2½ years Mr. Califano has been Secretary of probably the most difficult Department in Washington, he has had many achievements. We see the hospital cost containment bill which hopefully is going through the Congress soon, we see the finished out plan for a health insurance program for the administration and we can thank Secretary Califano for those.

I think one of the lasting monuments to Mr. Califano will be his enforcement of the civil rights laws. Everywhere across this country Mr. Califano demonstrated he believes in the rule of law and relentlessly he carried out all the Civil Rights Act and the Voting Rights Act and I think he is to be commended for that.

One of the things he has not received adequate credit for is that he helped to initiate inspectors general in the various departments of HEW and they already have investigated fraud and have saved millions of dollars for the taxpayers.

One of the things that particularly endears Mr. Califano to me is the crusade he has launched in antismoking. I recall very vividly the story of Joe Califano's 13-year-old son who was asked what he wanted for his birthday and he said very movingly to his father, "I want you to stop smoking" and Mr. Califano who had been smoking two or three packs a day stopped as a birthday gift to his 13-year-old son. I have used that story and the American Cancer Society has used that story. We should have all across this country millions of kids who at their 13th birthday ask as their present that their parents stop smoking.

Mr. Califano has been gifted with a lot of natural talent and a superb education at Holy Cross College and Harvard Law School. I lament his leaving the Government and I know that he will come back again and all of us will welcome his coming back because he has been a very superb public servant.

I thank the gentleman from New Jersey again for his bringing Mr. Califano to our attention.

Mr. RODINO. I thank the gentleman from Massachusetts.

Mr. Speaker, I yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I thank the gentleman from New Jersey for yielding.

I want to commend the gentleman for his very worthwhile statement in behalf of Joe Califano. I want to associate myself with the gentleman's remarks and also with the remarks of the gentleman from Massachusetts (Mr. DRINAN) who clearly pointed up many of the great things that Joe Califano has done in Government going back these many years in the interest of civil rights, in the interests of the needy of our land and those who need understanding and help from their Government.

Joe Califano has been a great leader in these fields. My friendship with Joe Califano goes back about 15 years when he was one of the key aides in the White House in the Johnson administration. I have watched his activities throughout those years, even in the years when he was not in government. Even in those years when he was not a public servant he had a very real commitment to these very worthwhile goals and objectives, something which we all want and admire in our public officials and also in our private citizens.

In the last several years as Secretary of HEW, one of the most difficult jobs in our country and, in fact, in the world, I believe Joe Califano exemplified the absolute best which we want in our public servants.

□ 2140

I think he has been one of the finest public officials that we have had in the history of the United States. I think we are poorer for his having gone, but I know he will continue to work in these

fields and in these areas where he has given so much and where he has a very real commitment.

I admire Joe. I think he is the kind of man that the American citizens want as a public servant and I think that the Republic is poorer for his having gone.

Mr. RODINO. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman and I certainly commend the gentleman for taking this time to commend a truly great American and truly great public servant.

One of the things that Jimmy Carter pledged when he was running for President was embodied in the slogan, "Why not the best?"

It seems to me that in terms of the people he selected for his cabinet he, indeed, selected the best type of American and the best type of citizen one could find. No one could possibly be better fitting in that category than Joseph Califano. It has not been my privilege to work with him in connection with any committee or subcommittee on which I serve, but I have gotten to know him as an individual in his capacity as the Secretary of Health, Education, and Welfare, explaining to us health insurance planning, explaining to us cost containment on an informal basis, explaining to us the various humanitarian programs that he has espoused.

I think also one cannot fail to be impressed with the masterful way that he has brought that huge, sprawling and many times inefficient organization into some semblance of a hard-hitting streamlined public-serving bureaucracy.

It seems to me that it is a sad thing that he has left right when the fruits of all his labors have begun to be apparent to everyone; but nevertheless, his achievements will be a monument to him many years after he has retired even from public life. In the meantime, it seems to me we are all in his debt for what he has done for the Government and for the American people.

I certainly commend the gentleman for this tribute.

Mr. RODINO. Mr. Speaker, I thank the gentleman.

I yield to the gentleman and my colleague from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman for yielding. I want to express my appreciation to the dean of my delegation and the great chairman of the Committee on the Judiciary for taking this time to focus the attention of the House and of America on the contributions of Joseph Califano as Secretary of HEW.

If one were to look for the qualities that one would wish to find in a member of the cabinet, surely one would look for courage, for independence, for imagination, for brilliance and for effectiveness. Those are the qualities that Joseph Califano so clearly demonstrated. He had an unusual gift based in his experience and his judgment for knowing how to get things done in this complex world of ours, both inside and outside of government.

I think there is a consensus that Joe Califano was the best HEW Secretary we have had in our history. He was the first Secretary to get control of HEW and to truly administer it and to make it work, as it should and can work for the people of this country. He was the first to recognize, and these are really very, very important initiatives, the crucial importance to the lives of Americans of environmental and occupational health hazards. He was really the first to tackle in a serious way the escalating costs of medical care. His commitments to the historic unfinished task of achieving equal rights and equal opportunities for all Americans has been unexcelled.

He is an individual, as the gentleman in the well so fully knows and knows from his long association with Mr. Califano, he is an individual of highly unusual qualities and skills.

I would say that the country should be looking for 15 Joe Califanos to serve in its cabinet, not saying goodbye to the one that we have got.

It is a great and hopefully only a temporary loss to the Nation.

I thank the gentleman for yielding.

Mr. RODINO. Mr. Speaker, I thank the gentleman from New Jersey.

I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I thank the distinguished gentleman from New Jersey for yielding to me. I want to commend the gentleman for taking this special order so that we can all express our appreciation and high regard for a truly outstanding American and a truly outstanding Secretary of HEW.

Joe Califano's services as Secretary of HEW coincide with my length of service in the Congress. I happened to serve on the Committee on Education and Labor and on a number of those subcommittees he has appeared on behalf of legislation that was developed under his leadership.

I think it goes without saying that he has been generally regarded to be perhaps the top member, not only of this administration in the Cabinet, but I have heard senior members of the Committee on Education and Labor who have worked with all the Secretaries of HEW and whose term in Congress goes back to the very creation of the Department of HEW state publicly on that morning when we discovered to our great shock and amazement that Mr. Califano's resignation was going to be accepted, I have heard those senior Members from the chairman of the Committee on Education and Labor on down through numerous subcommittee chairmen, that in their recollection and knowledge Mr. Califano, indeed, has been the best and most outstanding Secretary of HEW.

So it seems highly inappropriate that he would be leaving, not because of his own volition, but because his formal resignation, which was requested of all members of the Cabinet, has been accepted.

I think that the loss really is not Mr. Califano's. Knowing the amount of work and time he has put in day after day for these past 2½ years, he and his family are the beneficiaries of his resignation having been accepted. The losers, I think, are those of us who work with the administration and ultimately the losers are the American people, because I think that we are going through a very difficult and severe time for America. There is a great attack on all the programs that the Secretary of HEW is charged with enforcing. In this time of lean and austere budgets, we tend to confuse waste with the actual commitment of programs and moneys to provide the basic necessities for Americans who without Government help could not survive.

Joe Califano never forgot that. He never became cynical and he always demonstrated his absolute concern for the people for whom he was charged with providing for.

I know that he will continue to provide great service to his country in the future, whether it be as a private or a public citizen. It has been really a great honor and distinction for those of us who had the occasion to work with him.

Mr. Speaker, I thank the gentleman for yielding this time.

Mr. RODINO. Mr. Speaker, I thank the gentleman from New York.

Mr. GUARINI. Mr. Speaker, will the esteemed chairman yield?

Mr. RODINO. I yield to the gentleman from New Jersey.

Mr. GUARINI. Mr. Speaker, I want to join with the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), my colleague, on this special order and share in their fine tribute.

We hear often throughout our country that the American people are looking for leadership, for someone who can see over the next hill or into the next valley and change our course accordingly. We look for someone who can tell us not only where we are heading as a nation but why we are heading there. More important still, we seek leaders who show us where we should be going.

Secretary Califano is a leader with a deep moral commitment to the public good of our country. But he is much more than that, because leadership is more than good intentions. He is a man with the ability to inspire those working with him both in the administration and in Congress. Time and time again we have listened to Secretary Califano present his views—and those of his President—with forcefulness and clarity. When we listened we knew that the Secretary was capable of acting on his convictions, perhaps more capable than any of his predecessors.

Joe Califano, as head of one of the largest and most important Federal departments, has demonstrated an administrative competence and sensitivity of the highest order. He has initiated programs to eliminate waste and fraud from human assistance and medicaid. He has taken steps to reduce the default rate on student loans, revived the office of civil rights, undertaken a comprehensive review of the social security program and

shown an active interest in women's issues.

Secretary Califano's sense of fairness and knowledge of legislative procedures are well known and appreciated among Members of this Congress. President Carter promised an open administration and Secretary Califano has been faithful to that pledge; his candor and accessibility have been demonstrated repeatedly to those of us concerned about the lives of our constituents.

Joe Califano has been a controversial figure because he has tried to do what is right in the face of powerful forces who place the national interest on the back burner whenever their own interests appear threatened. Secretary Califano saw the thousands of people killed by lung cancer each year and decided that our Government should discourage citizens from smoking, which is really nothing but prolonged suicide. He saw that our children were destroying their teeth and retarding the development of their brains by eating junk food rather than food containing protein, fiber, and vitamins. In short, he was criticized because he was passionately concerned about the health, education, and welfare of every American. In my opinion, there is no higher praise possible for a Secretary of Health, Education, and Welfare.

I join in this evening's salute to Joseph Califano, whose service to America is in the finest traditions of our Nation. I know that we will dearly miss the Secretary, for he was the enemy of mediocrity. More than any member of the Cabinet, he has demonstrated that government can and must be a positive force in the lives of the American people. He knows that our common enemy is not Government, but Government which is insensitive and blind to the needs of Americans. I know that there will always be a place for Secretary Califano in the public life of our Nation, just as America's health, education, and welfare has always been first in Secretary Califano's heart.

I commend my colleague from New Jersey for having arranged this special order. This tribute to a great American.

□ 2150

Mr. RODINO. Mr. Speaker, I thank the gentleman from New Jersey (Mr. GUARINI) for his contribution.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from California.

Mr. PANETTA. Mr. Speaker, I thank the gentleman for yielding, and I also commend him for taking this special order and giving the Members an opportunity to pay tribute to the qualities and accomplishments of Joe Califano.

During my years in Washington I have had the opportunity to have a number of common experiences with Secretary Califano. Indeed it was Joe Califano who gave me my first opportunity to come back to Washington and get involved in Government.

As a second lieutenant at Fort Ord, Calif., I took the opportunity to write a letter to an assistant to the President whom I did not know but whose last name was Califano and who was also someone who had gotten his job as assistant to the President because he had written a letter to the then President, President Johnson. And indeed Joe Califano responded to someone he did not know by providing some opportunities here in Washington to interview with agencies and with departments and to then be able to become a part of the Government in this country.

And so I owe him. I owe him that, and I thank him for giving me that opportunity.

As a special assistant to the President at a time when I was a special assistant to a Senator, we had an opportunity to work together on a number of important projects relating to HEW and a number of programs that were initiated during the time he was assistant to the President.

Most importantly, I would say, Joe Califano had the opportunity to serve as Secretary of the Department of Health, Education, and Welfare and I had the opportunity at one time to serve as Director of the Office of Civil Rights of the Department of Health, Education, and Welfare. Both of us to some extent shared the same experience in our departures. It was not the quality of our work that was questioned, it was not our capability, it was not our dedication, but it was the politics of the situation and our relationships with the White House that resulted in our departures from Government.

It is regrettable, I think, that the White House has seemed to focus on Joe Califano with regard to questioning the loyalty of Cabinet members. There is no one in this Cabinet and perhaps no one who will come into this Cabinet who was more loyal than Joe Califano to this administration.

Indeed the White House questioned whether Joe Califano was committed to the Department of Education. I might tell the Members on the floor that I was in California and received a phone call from Secretary Califano urging me to vote for the Department of Education and strongly urging that I try to support the President in this effort. Indeed, if it were not for his phone call and the phone call of the Vice President, I do not think I would have voted for the Department of Education.

So it is regrettable that this has taken place. I appreciate the opportunity to pay tribute to this very special individual because I know how difficult this period of time is for him and for his family.

But the ultimate test in this business of government service is whether those of us who, in the service of our fellow citizens, can draw the line in our personal philosophies. We have a tremendous number of temptations and a tremendous number of pressures to constantly sell out on our ideals and our principles and what we believe in. The best test of an individual is when he is able to draw the line and not give in to those temptations and be able to look at himself the next morning in the mirror.

Mr. Speaker, Joe Califano will be able to do that. He will be able to do that because he knows in the end that he did the right thing for this administration, for the Department of Health, Education, and Welfare, and for the Nation.

Mr. Speaker, I thank the gentleman for yielding.

Mr. FAZIO. Mr. Speaker, I thank the tleman yield?

Mr. RODINO. I yield to the gentleman from California.

Mr. FAZIO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would particularly like to associate my remarks with the remarks of the gentleman from California (Mr. PANETTA) who just preceded me. I would also like to thank the gentleman in the well, the chairman of the Committee on the Judiciary, for giving us the opportunity to make a few comments on the career of Joseph Califano.

I did not know Joseph Califano personally, but I identify with him personally because I think he is personified with a whole generation of Americans who decide to dedicate their lives to public service despite the obvious inequities and unfairnesses that sometimes take place as a result of that kind of career choice.

Mr. Califano is the kind of man who, as a liberal, defended welfare programs from attacks by those who lacked compassion and understanding of the value of those programs to our society.

On the other hand, he was never insulated, never cut off from those legitimate concerns that people have about fraud and abuse which occur not only in behalf of the recipients but the providers of those programs.

Mr. Califano is a balanced man. He is a man whose experience in government led him to take an overview and provide for the most complex department the Government has ever had to run, the Department of Health, Education, and Welfare.

I was particularly impressed by the fact that he handled his resignation with tremendous aplomb, never attacking those who caused his downfall, and that, I think, indicates that in the future we will see, once more at least, Joseph Califano returning to Government and putting forth his best efforts in behalf of those who have seen the value of his service. He will do that without flinching, knowing that at some point perhaps he will have to terminate his service to the public and to the people who hired him because he knows that public service is full of potential pitfalls.

But life is not fair, and he knows that we all have to ride out the storm, knowing, as the gentleman from California (Mr. PANETTA) said, that our principles must come first above all else.

Mr. Califano was the consumate professional, and I say that knowing that in this day and age more and more people are turning against people who make government service their career. He is not afraid to have dedicated his life to that pursuit that improves the human condition, knowing full well that he will not always receive the acclaim that

he probably deserves, but knowing that for him that kind of dedicated service is really why he has made his career choice, and also knowing that, whether he is in public service or in the private sector, his pursuits will always be in line with his ultimate goal which is to see the human condition improve.

He is no cynic, despite the fact that he has had tremendous exposure to the realities of political life. He has sustained his idealism that will guide him in the future and will guide him hopefully back into service on behalf of his Nation and the people of his political party who believe so strongly in the values he espouses.

Mr. Speaker, I would simply like once more to thank the gentleman from New Jersey (Mr. RODINO) for giving us the opportunity to speak on behalf of this great individual who, I know, is only temporarily stepping down from the public stage.

Mr. RODINO. Mr. Speaker, I thank the gentleman from California (Mr. FAZIO).

● Mr. RUSSO. Mr. Speaker, Joe Califano was a professional. He devoted years of hard labor to the development of programs in which he believed and he brought to each job the commitment and tenacity we need in the people given the tough assignments.

This is not to say that Joe and I do not have our differences. Certainly philosophically we were not always in agreement and on a number of issues we have been in opposite corners and come out fighting. But because he is a fighter for what he believes in, I have always respected him, despite our differences. Even through the disagreements, I respected that determination and the integrity that Joe Califano has always represented.

I wish this talented public servant well in all future pursuits, and I wish good luck to those who are going to be coming up against him. He has earned his battle ribbons as have many of those who resisted him. Wherever Joe goes I am sure it is not going to be serene and peaceful because he is never going to be afraid to churn up the waters, even if it does rock a boat or two.●

● Ms. MIKULSKI. I would like to join my colleagues in praising the work of Joseph Califano as Secretary of HEW. Since the days of the Great Society, I have been aware of his commitment to helping the underserved people of this country. But this year, as a member of the Health Subcommittee, I have had the opportunity to work with him on many issues—children's health, hospital cost containment, and the reform of the mental health system. Joe Califano worked with our committee in a spirit of mutual respect. I enjoyed working with him on behalf of making quality health care available to more Americans at a price they can afford.

In addition, I believe that Joe Califano became more sensitive to the needs of women during his service as Secretary. I particularly appreciate the really exceptional appointments he made to HEW, such as our former colleague Martha Keys; and his commitment to reform the social security system and end its present discrimination against women.

Joe Califano was a vigorous, able Secretary. He can be proud of the contributions he made to public policy.●

● Mr. MINETA. Mr. Speaker, I would like to join my colleagues today in commending Secretary Joseph A. Califano for the fine job he has done as Secretary of our Government's largest Federal department, Health, Education, and Welfare.

HEW is a Department that affects just about every single American in some way at some time. In previous years, the Department had come into disfavor for poor administration, a lack of coordination in its programs, and bureaucratic mazes that seemed designed to thwart the very purpose of the Department—assisting those in need.

It is my view that the Secretary has been an important influence on the Department, moving it a great deal toward more accountable administration and more compassionate and equal treatment of those affected by the Department's programs.

Joe Califano has had a long and very distinguished career in public service, one with which we are all very familiar. I feel that the major reason for the successes he has had at HEW was the fact that he was so intimately involved, while working with President Lyndon Johnson, in the design of many of the programs he administered while Secretary. He knew how they were intended to work, and was, therefore, able to more readily identify the problems and design workable solutions.

The late President Johnson once wrote:

> I wish the public had seen the task of ending poverty the same way as they saw the task of getting to the moon, where they accepted mistakes and failures as part of the scientific process. I wish they had let us experiment with different programs, admitting that some were working better than others.

Secretary Califano was willing to take new approaches to dealing with these problems. He was willing to admit that some of the programs within his Department were working better than others.

To his credit, Joe Califano has been a strong and independent force within the administration. I know, Mr. Speaker, that you and my colleagues in the House will join today in thanking Joe Califano for the very commendable job he has done as Secretary of HEW. He will be missed.●

● Mr. EARLY. Mr. Speaker, when any citizen makes a substantial sacrifice in the service of his country he deserves our highest commendation. That is why I am very happy to join in this great tribute to our recent and distinguished Secretary of Health, Education, and Welfare, the Honorable Joseph A. Califano, Jr.

Mr. Califano brought exceptional knowledge, dedication, and talent to the demanding job of HEW Secretary. His legal brilliance was nationally recognized; he had previous experience in the operation of Federal agencies; he had the special past experience of having served in a high White House advisory position; he had the unique advantage of being an original contributor to the creation of the complex social betterment programs the HEW Department is called upon to administer. He was and is also known to be an independent thinker and director.

If there had been an open competitive civil service examination for the position of HEW Secretary Mr. Califano would be undoubtedly the best qualified candidate in the country. His list of accomplishments in improving the operating efficiency of HEW for the taxpayer's benefit and the benefit of those directly affected by the Department programs is unparalleled. They are too many to even begin to try to list here. Suffice it to say now that the President is quoted, as saying, following his acceptance of Mr. Califano's resignation: "Your performance has been superb. The department has never been better run."

Throughout his mature life Joe Califano has demonstrated a genuine concern for the welfare of all his fellow Americans and the wholesome progress of his country. That is why he gave up, cheerfully, a most lucrative law practice, to serve his President and his Nation. Simply put, his job was to "improve the quality of life" for millions of Americans. He fulfilled the job far beyond the mark of any predecessor in HEW or any other department of the Federal Government.

He will be forever known and honored as one of the ablest Government servants in our national history. That will be his only reward for the great personal sacrifices he has made and the intense patriotic dedication he has consistently demonstrated. I am sure that is the only reward he wants or would accept. His departure from the Government is a tremendous national loss, especially in this challenging period. I know that he will still continue to contribute his brilliant talents to our national leaders whenever he is called upon because that is the type of person he is. I salute him as a great man, a great patriot, and an unexcelled administrator. I wish him every blessing as he reenters the more peaceful life of an ordinary American citizen.●

● Ms. FERRARO. Mr. Speaker, the dust is settling in Washington following last week's Cabinet changes. The President has assured us that the shakeup is finished. He has assured 550 White House employees that their jobs are secure as long as they remain loyal and competent, as indeed he has the right to do. A regrettable result of last week's activities is the resignation of HEW Secretary Joseph Califano.

Joe Califano will leave the Carter administration having added another chapter to his legacy of dedicated and effective service to his country. Every Democratic administration from John Kennedy's to Jimmy Carter's has called upon Joe Califano. Each time he has re-

sponded in a manner which proved his ceaseless commitment to bettering the lives of all Americans. The Kennedy, Johnson, and Carter administrations have been distinguished ones, partly as a result of Joe's service.

Joe Califano has brought to the Government both an innate sense of compassion and decency, and the rare ability to transform that compassion and commitment into workable social programs. He has helped us tackle new problems, and has brought new and effective solutions to old, ongoing ones. He has helped us face head on the pressing social issues of the 1960's and 1970's, and has given us the leadership necessary to work together to solve them. For two decades, Joe Califano's name has been associated with the finest and most innovative social programs we have had.

He has put human needs and fundamental rights as his first priority, and has helped them to become top priorities of the Federal Government. The compassion, insight, and vision which Joe Califano has brought to HEW has helped to make this Nation become the great provider for our people that we are. He will be sorely missed.

Mr. Speaker, I would not for a minute argue with the President's right to hire and fire his assistants as he sees fit. However, I do feel compelled to mention that the terms under which Joe left the administration were less than politic. I regret that a man of his dedication, a man with a record of outstanding public service, is leaving his current post under a cloud of uncertainty. The honor which Joe Califano has brought to this, and previous administrations, should warrant an equally honorable transition period.

It is a happy coincidence for me that Joe Califano and I share not only many beliefs, but an ethnic background as well. Italian-Americans are proud of Joe Califano, his spirit of public service, and the role model he has provided for our children.

As a Member of this House, I believe we all owe a debt of gratitude to Joseph Califano for helping our Nation to become as great and strong as we are. I am proud to be able to call him my friend, and I am proud that our terms in Washington coincided and allowed me the opportunity to work with him.●

● Mr. OBERSTAR. Mr. Speaker, our Nation is fortunate to have citizens like Joe Califano who are willing and proud to undertake careers of public service.

Despite HEW's reputation as being one of the hardest departments to administer, Joe Califano has established a solid record as an administrator and as one of the best Secretaries in the Department's 25-year history.

HEW's constituents are not the rich and the mighty, but the poor, the sick, the old, and the young child. Joe Califano has been a most eloquent and effective champion for that constituency.

This special order is just one indication of the affection and administration for Secretary Califano among the Members of this House. I know I speak for many of my colleagues when I say I hate to see him leave HEW.

When President-elect Carter announced his intention to nominate Joe Califano as Secretary of HEW in 1976, it was a good decision. In his 2½ years as Secretary, Joe Califano demonstrated the wisdom of that decision and justified without question the confidence the President-elect showed in nominating him.●

● Mr. LAFALCE. Mr. Speaker, Joseph A. Califano's tenure as Secretary of Health, Education, and Welfare has been marked by one concept more than anything else, a commitment to excellence; indeed, his tenure produced such excellent results that they deserve attention, appreciation, and applause; I wish to describe those accomplishments today.

Joseph Califano was first and foremost a man concerned with protecting the poor, the infirm, the aged, and the needy in a time of tightening budgets. He effectively championed the position that those least able to help themselves could be protected by the Government by making the Government more efficient, that compassion and wastefulness were not synonymous.

To this end, he reorganized and streamlined HEW and made major, dramatic reductions in fraud, abuse, and waste in HEW programs.

To insure that our Nation's system of social security protection was improved, he designed the administration's proposals and labored strenuously for passage of legislation to assure the financial integrity of the social security system.

To provide health care protection at reasonable prices for all Americans, Joe Califano fought for effective hospital cost containment legislation, and battled with conservatives and liberals alike in behalf of the administration's national health care policies. His conflicts with both the American Medical Association and Senator KENNEDY on the subject of health care give eloquent testimony to his loyalty to the Carter administration.

To further improve the health of Americans, Joe Califano vigorously encouraged an expansion of research and attention to the prevention of disease and illness, efforts which brought him both acclaim and criticism. But, Mr. Speaker, Joe Califano was not afraid of criticism; he realized that to battle for excellence in Government, excellence in social policy, and excellence in HEW was to invite criticism from those who were tied to the old, established standards. A leader, Mr. Speaker, does not avoid or hide from criticism; he chooses his path and endures whatever pitfalls he encounters in pursuit of his goal.

To provide an improved system of Federal support for education, Joe Califano worked with Congress to implement a number of significant laws in the field of education. His labors were a major reason why the administration's Middle Income Student Assistance Act of 1978 passed Congress and became law.

Joseph A. Califano served HEW, the President, and the Nation with uncommon vigor and fortitude. The results of his service can be seen in numerous new Government programs which he shepherded through the administration and Congress, and in a Department of Health, Education, and Welfare which is far more efficient and compassionate. In his own pursuit of excellence, Joe Califano never took his eyes off the ideal of compassion, never closed his mind to new, innovative ideas, and never forgot the honor which comes from serving his President and his Nation.●

● Mr. ZEFERETTI. Mr. Speaker, I want to join my colleagues in briefly calling attention to the distinguished accomplishments of former HEW Secretary Joseph Califano. His dedication to public service has spanned a number of years and his versatility can best be appreciated by the fact that he helped formulate a number of the Great Society programs under President Johnson, and he was then brought back into public service by President Carter to administer many of those same programs at HEW.

While we differed philosophically on a number of issues, there is no doubt that Mr. Califano is a topnotch innovator, a first-rate administrator and an individualist unafraid to speak his mind. For these qualities he has my utmost respect. I feel that we need more people such as the former Secretary in the service of the Federal Government, not fewer.

In closing, I just want to say that it is my sincere hope that Joseph Califano will continue to actively participate in the mainstream of American public life so that we may all continue to benefit from his knowledge and expertise.●

● Mr. BIAGGI. Mr. Speaker, I rise to join my colleagues in paying tribute to a most dynamic leader and an able administrator in the crusade to better the lives of all Americans, Joseph Califano

I need not elaborate upon Joe Califano's credentials which led him to be chosen to head our most diverse and also most complex Federal agency, the Department of Health, Education, and Welfare. His association with the Johnson administration, his role as an architect of the Great Society program and his knowledge and skill with the Washington process have served to prepare him for the role as the overseer of the health, education, and social welfare of this Nation.

While I would certainly be quick to compliment him for his role in working with this body on the variety of issues which we must deal with, I would like to take this opportunity to specifically highlight his contributions to the educational affairs of this Nation. We on the Education and Labor Committee are deeply indebted to Joe for his close cooperation with us in helping to improve and expand the programs and facilities of the learning institutions in this Nation and address the needs of the people, young and old, who attend them.

As the ranking New York member of this committee, as well as a member of the Postsecondary Education Subcommittee, I have seen the improvement in

the responsiveness of the Federal Government to postsecondary institutions since Joe Califano took charge. As he himself noted in March 30 testimony to our subcommittee, "No reason, however compelling, can justify Federal constraints upon academic freedom and integrity." To underscore this commitment, note the fact that in fiscal year 1980 alone, Federal assistance to postsecondary education totaled $10 billion—an increase of $8 billion from 10 years ago. In New York State, the average costs of postsecondary attendance have increased 65 percent since 1973—not an unusual figure. The Department has responded to this increase with an awareness of the problem by these increased financial commitments.

The educational amendments of 1976 addressed this problem in a concise and comprehensive fashion. They expanded the Federal commitment while also simplifying many of the regulations so they would be more accessible to more people. The "Control of Paperwork" amendment to title IV of the general provisions of these amendments, section 406(g), is a good example of how the Federal Government can streamline its data collection efforts. The educational amendments of 1978 took a step further in providing a more comprehensive approach to the control of paperwork and HEW is to be commended in addressing this issue.

One of the largest groups in need of financial assistance which had in the past been all but ignored in the Federal student financial assistance programs were those from middle income backgrounds. Last year, the Middle Income Student Assistance Act (MISAA) expanded eligibility for awards to approximately one-third of the students enrolled in postsecondary education to help defray the rising costs of their education. Joe Califano took the lead in these initiatives and as a result of these programs, the Office of Education estimates that it will provide 37 percent or $4.9 billion of the $13 billion that will be spent in 1980 on college tuition and fees.

Another one of the problems which had been overlooked by past administrations has been the collection of defaulted Federal student loans. Let me highlight what Joe Califano and HEW have done regarding this problem in the past 4 years:

Five times the amount of guaranteed student loans had been collected between January and March 1979 than the year before;

Over 30,000 defaulters of guaranteed student loans began repayment or fulfilled their obligations during the second fiscal quarter, more than 3 times the total for the entire fiscal year 1977;

Federal collectors are now converting these defaulted accounts to repayment at a rate of 2,500 a week. This rate is 8 times higher than it was before Joe Califano took office;

In April 1978 there were about 400,000 in default in this program. By this past March 1, this number had dropped to 300,000;

"Project cross-check" has been devised to track down defaulters who are also on the Government payroll;

From August 1978 to March 1979, HEW had referred over 4,600 civil cases to U.S. attorneys, compared to a total of about 500 for the previous 5 years; and

As a result of these efforts in the area of guaranteed student loans, the default rate has been reduced from 14 percent in fiscal year 1978 to a recent figure of 10 percent.

History has changed our educational institutions. The civil rights movement of the 1960's has had a great effect upon this country in the 1970's. The character and population of these institutions have been altered and expanded. Joe Califano has acknowledged and responded to this change during his tenure as Secretary of Health, Education, and Welfare. Those of us who are involved in educational affairs are aware that we need a diverse package of educational opportunities for the citizens of this country and he has helped us shape such a package. For this we are deeply indebted to him and his efforts in this area.

All of us here are aware of the need this country has for strong, devoted and aggressive leadership in the field of public service. Joe Califano is a leading purveyor of this leadership. Let us hope that he will be heard from again.●

● Mr. MAZZOLI. Mr. Speaker, the dismissal of Joseph Califano from the Department of Health, Education, and Welfare is a disappointment to all of us who know him to be a distinguished public servant.

His commitment to improving the way of life for the less fortunate in America is a model for each of us in public life.

There are few people in Washington who have tackled the vast array of problems with the talent and determination of Joe Califano. I admire his dedication to do what he knew to be the best for the Nation, regardless of opposition from the influential.

I wish him well as he reenters private life.●

● Mr. MINISH. Mr. Speaker, I am extremely disappointed by the dismissal of Joseph Califano as Secretary of the Department of Health, Education, and Welfare.

In my 17 years in Washington, I have met very few people who approach Joe Califano's ability, dedication, and integrity. Two and a half years ago, he left an extremely lucrative law practice in order to accept one of the most demanding and thankless positions in our Government. He has done his job well.

No one, least of all Joe Califano himself, denies that he has been an active and sometimes controversial Secretary of HEW; no one who does so much for so many people can avoid ruffling a few feathers. He is a man with a strong sense of fairness and justice, whose drive and intelligence have enabled him to translate his ideals into actions. In a city full of talkers, Joe Califano has been a doer. Despite criticism and pressure from various special interest groups, he has consistently done what he thinks is best for all the citizens of the United States.

Joe Califano has contributed a great deal to our country. I am sure the President will come to realize that firing him is a serious mistake. The real loser in this unfortunate episode is not Joe Califano, but rather the 220 million Americans who will no longer enjoy the benefit of his work.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my distinguished colleague, Hon. PETER W. RODINO, JR., who has taken this special order, in recognizing the tremendous service that Joseph A. Califano, Jr., has performed as Secretary of the Department of Health, Education, and Welfare during the last 30 months.

He has been an innovative and effective Secretary. He did not duck any of the tough issues. He fought long and hard for what he believed to be the best interests of the administration which he served. His work on smoking, drug abuse, alcoholism, welfare cheating, and a multitude of other programs that make HEW the largest agency in our Government will be long remembered by the people of this country.

He has been referred to as probably the greatest Secretary of Health, Education, and Welfare the Department has ever had, but as for me, that is not as important as the fact that he served his country with dedication, with devotion, and with a desire to improve the lot of the millions upon millions of Americans who rely on the services of the Department of Health, Education, and Welfare.

I have known Joe since 1964, when I was first elected to Congress and he was serving as special assistant to the then Secretary of Defense Robert S. McNamara. From that position, he went on to become special assistant on domestic affairs to President Lyndon B. Johnson. He was the chief architect of many Great Society programs and helped to guide the legislation through Congress.

Subsequently, as Secretary of Health, Education, and Welfare in the Carter administration, he did an admirable job of administering those laws which he was responsible for placing on the statute books.

I was delighted when he returned to Government service under President Carter, and I know that the substantial contribution he made to the Carter administration during the last 30 months is appreciated by the President and the people of America.

Joe Califano is a product of the Borough of Brooklyn. He has a penchant for excellence and always demands excellence in his work and from those who work with him. At HEW, he fought long and hard to halt the waste of taxpayers' money through fraud and incompetence. These efforts have been both fruitful and beneficial for our Nation.

There are few men in American life who have given more of themselves to good government and who have a more compassionate understanding of human problems than Joe Califano. Joe Califano has always been in the forefront of efforts to implement meaningful solutions

and effective actions on behalf of the citizens of our country. His energetic commitment to high standards has been an inspiration to his friends and to his fellow citizens, and his outstanding accomplishments in Government will be long remembered by all those who have followed him and his work in our Government.

I join my colleagues in extending to Joe our appreciation for his service to our Nation and our warmest best wishes for ever-increasing success. Although he leaves Government service, he has recommitted himself to continue his fight to make America strong. He has said that he will continue his efforts to help President Carter in his struggle to resolve the energy problem, to curb inflation, to increase employment, and to make our Nation energy self-sufficient.

We shall miss you, Joe, but you will be back.●

● Mr. RINALDO. Mr. Speaker, the abrupt dismissal of Joseph A. Califano from his post as Secretary of the Department of Health, Education, and Welfare represents an extremely serious loss to all the people of this country. We never will have enough good people in Government and need every one that is available. In Joe Califano's case, the loss is of unique dimensions.

The Department of Health, Education, and Welfare has one of the most sensitive and important jurisdictions in the entire Federal Government. It accounts for over one-third of the Federal budget and employs some 45,000 people. Since its initial organization, HEW has correctly earned the reputation as an extremely difficult if not impossible management task.

When he was appointed to the Department in 1977, Joe Califano was undaunted by the nature of the challenge before him. He immediately applied his exceptional talents as an attorney and as an administrator as well as his tremendous capacity for hard work to his duties as the most effective Secretary in the Department's history.

His initiatives and new approaches in a wide variety of areas have left an indelible imprint on HEW and have touched nearly every facet of our lives. His efforts to cut soaring medical and hospital costs are particularly well known. He pioneered in innovative techniques to control fraud and waste in the programs administered and funded by his Department, and was especially vigorous in combating fraud in the medicare, medicaid, and student loan programs. His antismoking campaign attracted wide attention throughout the country.

Mr. Speaker, as the country enters a period of increased attention and challenge in the domestic area, the Department of Health, Education, and Welfare will continue to need the best possible leadership available in this country. It is a matter of great concern to me that we had such a leader in Joe Califano only to lose him at a time when he was needed the most.●

● Mr. VENTO. Mr. Speaker, Joseph Califano's resignation as Secretary of the Department of Health, Education, and Welfare can only be regarded as a major loss, both to the administration and the American people.

He was one of the brightest talents in Federal Government with a long record of administrative and legislative accomplishments. I had the pleasure of working with him personally on many key legislative issues, and he has always had my highest respect and admiration.

As a veteran of President Lyndon Johnson's administration, he helped shape and develop many of the Great Society programs which touch the lives of millions of Americans each day. As HEW Secretary, he had the responsibility of administering and implementing those programs, programs which tend to the needs of the old, the young, the poor, the ill and the handicapped. He was able to demonstrate that Government can do the things that are necessary for the social stability of our society, and that Government can do them not just with competence but with compassion.

Under the Califano banner, HEW made great strides in expanding protections for the health of all Americans, assuring equal education opportunities for all citizens, and guaranteeing the individual rights of victims of all kinds of discrimination. He also made some needed internal changes including the elimination of fraud in HEW programs and the computerization of Department records.

Mr. Califano deserves our highest praise for his professional competence and also for his personal leadership on the most sensitive issues. He was not afraid to take a forthright and outspoken stand on issues like the hazards of smoking and necessity of school desegregation. His courageous positions provoked those whose special interests he opposed, and—in the end—he paid a dear price for his integrity and moral leadership.

I want to wish Mr. Califano the best of luck in his future endeavors and I want to thank him for his significant contributions to our society and to the American people.●

● Mr. WAXMAN. Mr. Speaker, no Secretary of Health, Education, and Welfare has been as forceful, as effective, or as compassionate as Joe Califano. I know personally how gratifying it was for him to be able to administer so many of the programs first enacted into law during Lyndon Johnson's Presidency. In those years, he served on the Domestic Council, and developed a series of landmark initiatives—for civil rights, for income security, for education, for the welfare of the needy and the elderly, for health—which reflected this Nation's decency, generosity, and sensitivity.

Joe Califano has remained committed to those great goals, and the millions they serve, despite all the assaults they have weathered in recent years. Indeed, as Secretary of the Department, he reiterated this Nation's dedication to their fulfillment.

Though some would wish to turn away from our responsibilities to the poor, or the challenges faced by the oppressed, or the burdens confronting all victims of discrimination, or the hardships visited on the elderly, Joe Califano never wavered from meeting their needs. And in the education of our children, and the task of strengthening our universities, Joe Califano insured that these ongoing concerns would never be diminished.

The Department itself is responsible for the hundreds of billions of dollars—more than any other Cabinet Department—invested in our human resources. Joe Califano brought managerial expertise and order to this most trying of positions. No matter how much anyone could disagree with his philosophy, none can quarrel with his skill in mastering the bureaucracy, or inspiring leadership and tenacity in his subordinates. Joe Califano made HEW work, and work well.

I was deeply privileged, as chairman of the Subcommittee on Health and the Environment, to have had an opportunity to work closely with him on common priorities in health care. None is more important than national health insurance. On this issue, as on so many others, Joe Califano labored courageously to develop as comprehensive, effective, and progressive a program as possible.

Joe Califano is a champion of all these endeavors, and more. We are indebted, as a nation, to the great public service he rendered as Secretary. I know he will continue to make the most significant contributions to our people and the country.●

● Mr. FORD of Tennessee. Mr. Speaker, he has always been effective, efficient, responsive, and resourceful. His competency as a manager is unmatched, and his attention to complicated detail is both resolute and remarkable.

I am deeply saddened that the President saw fit to accept the resignation of Joe Califano. The close relationship we have developed over the past 2½ years enabled both of us to see the legislative needs of the people of this Nation.

Joe was an accomplished architect who could carve a legislative blueprint and make alterations for all sides: North, South, East, or West. His views on black and white mixed agreeably without sacrificing the true tones of either color. He had a genuine concern for the poor, the elderly, and the disadvantaged.

And, most importantly, he was very accessible whenever we needed him whether it be to explain a legislative proposal or personally review a constituent problem buried in bureaucratic redtape. It has indeed been a privilege and pleasure to work with Joe.

He built a sturdy bridge between HEW and the Congress—a bridge which will hopefully be as open for two-way travel the remainder of the administration.●

● Mr. CORMAN. Mr. Speaker, Joe Califano gave the people of this Nation dedicated and distinguished service as Secretary of Health, Education, and Welfare. In the past 2½ years I have had the privilege of working closely with him on issues of particular importance to the poor and disadvantaged.

Recently, we worked together on the administration's recommendation for a national health policy. Joe's deep understanding of the need for quality health

care for all Americans and willingness to listen to problems and negotiate solutions helped structure a proposal which has gathered a broad base of support. Because of Joe Califano's commitment to the needs of others he was instrumental in including universal first dollar coverage for maternity and infant care in the President's plan. When the Carter health package is passed by the Congress, it will be in large part due to the efforts of Joe Califano.

Joe also provided tireless efforts to the Subcommittee on Public Assistance and Unemployment Compensation's success in reporting out the President's welfare package just last week. He was never too busy to help resolve disputed provisions or obtain needed outside support of interest groups, public officials, and private citizens for this complex issue. He helped make possible the first step toward comprehensive reform.

His days were long and even when they probably seemed never-ending, Joe Califano was available to Members of Congress. There has never been a Secretary in my 19 years of public service that has been more effective and willing to work with Congress.

Joe Califano is a man of action. His contributions were many, his counsel to Congress wise, and his service to his country exemplary. I commend and thank Joe Califano, and wish him every success in his future endeavors.●

● Mr. FASCELL. Mr. Speaker, it is with a great deal of pleasure that I take this opportunity to pay special tribute to Joseph A. Califano for his dedicated service and outstanding contributions to the quality of life of our Nation.

Serving as the steward of the Nation's welfare is no easy task. The mission of providing for the health, education, and welfare of a multitude of constituents as administrator of the Federal Government's largest executive agency is a difficult task. Reasonable men may disagree on how to carry out such a difficult mission, but few would disagree that Secretary Califano's performance was impressive. He brought to the office a dynamic leadership and unquestioned commitment to social concerns. He was toughened by years of experience to the rigors of Washington politics.

Yet, he never lost his sense of high social purpose or deep commitment to the welfare of needy Americans. Joe Califano can look back on his Federal Government service with pride and a sense of accomplishment. In his role as special assistant to President Lyndon B. Johnson, he worked with skill and determination on a series of difficult social issues—consumer problems, auto safety, civil rights, water pollution control, creation of the Department of Transportation, the Office of Economic Opportunity and the model cities program, among others.

While his work in these areas constituted significant contributions in themselves, they were also training for his later assignment as Secretary of HEW. In his tenure as Secretary, Joe displayed qualities of leadership which will stand as an example and inspiration to his successor.

He laid the foundation for reform of the agency. The day after he took office in January 1977, he announced the formation of a broad-based study group to examine the Nation's welfare programs. By the end of May, he announced the administration's tentative welfare reform program. He led an effort to curb soaring medical care costs and stood for prompt and stringent enforcement of our civil rights laws in education. Perhaps the finest example of his sensitive social conscience was his announced goal to use the authority of his office to pursue immunization of 20 million American children against the leading diseases that plague childhood by the fall of 1979. In addition, he hoped to institutionalize a permanent system of immunization of the millions of children born in the United States each year.

Joe Califano's years of experience inside and outside the Government, combined with his keen awareness of social measures, brought to the office a unique combination of skills. His hard work and capable leadership in combination with those skills brought hope to thousands of Americans who depend on HEW for the stable and efficient delivery of services. We owe a debt of gratitude to Joe Califano for his genuine concern for, and vigorous efforts on behalf of, the American people. I join with our colleagues in wishing him all the best in his future endeavors.●

CONGRESS MUST END COUNTERPRODUCTIVE WAGE-PRICE SANCTIONS ON LABOR AND CAPITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, today I am introducing a bill to end the administration's enforcement of so-called voluntary wage-price guidelines with heavy and coercive sanctions.

The wage-price program may be the single most unfair administration policy toward working and saving Americans. It is certainly an impediment to economic growth. For the Government to devalue the dollar and the earnings of workers at the current rate of 13.4 percent, while enforcing a 7-percent limit on wages, is nothing less than highway robbery.

Unfortunately, this practice is consistent with the administration's peculiar and barbaric views on inflation. According to the former Director of the Council on Wage and Price Stability, Barry Bosworth, the administration believes that inflation is caused by "the average American." Administration economic policy is certainly aimed at the average American. The administration sees only two possible methods for reducing inflation, according to Mr. Bosworth—some form of wage and price controls, or higher unemployment.

"The Carter administration admits that the Government simply does not know how to administer wage and price controls," Mr. Bosworth said at a recent conference on inflation. But, he said, "unless something like this works, wages can be held down only by creating fear that workers are going to lose their jobs."

The administration's sanctions, which are enforced only for wages, threaten workers with exactly such a choice. Either workers accept a cut in real pay, amounting to 6.4 percent a year at current inflation rates, or else risk losing their jobs as Federal contracts are withheld from employers who deal with the Government.

The AFL–CIO recently challenged the enforcement of these guidelines in a court suit. Along with Senator HEINZ, Congressmen STOCKMAN of Michigan, and BROWN of Ohio, I was among 24 Members of Congress who filed a friend of the court brief supporting the AFL–CIO.

It was and remains clear to us that these sanctions violate the Congress prohibition of mandatory wage and price controls and the purpose of the Federal Procurement Act. We also believe that wage and price controls are unfair and ineffectual, since they deal with the symptoms and not the causes of inflation.

Unfortunately, this view was not upheld by the judicial process.

A district court judge upheld the AFL–CIO's position and ruled that the President had indeed exceeded his authority in imposing the sanctions. However, a panel of circuit court judges argued on appeal in favor of a broader interpretation of Congress intent to support the administration's anti-inflation efforts. The lower court ruling was overturned, and the Supreme Court declined to hear the case.

I believe the circuit court would have done well to confine its arguments to the law rather than to venture into economic theory. The entire 4,600-year history of wage and price controls does not disclose a single case in which such controls succeeded. The results have ranged without exception from ineffectual to destructive, depending on the amount of coercion involved.

History shows instead that inflation is always caused by a government's devaluation of its currency. No worker, no union, no business can devalue the national currency. Like every other good, the U.S. dollar's value is affected by supply and demand. Inflation occurs when the Government supplies dollars faster than people demand them—creating money faster than the economy grows. When the value of each dollar falls, the average price of goods rises. Inflation will end only when the Government restores some guarantee of a constant exchange rate between dollars and goods. For nearly 200 years in this country, until 1971, as long as the Government honored such a guarantee, there was no significant inflation.

Penalizing workers is not the answer to inflation. To solve the problem of too much money chasing too few goods—inflation—we must tighten money and vigorously cut tax rates to increase saving, investment, employment, and production.

The bill I introduce today provides that:

Notwithstanding any other provision of law, no department, agency, or instrumentality of the United States may withhold Government contracts or apply any other sanction to enforce compliance with voluntary wage-price guidelines.

I am honored to name as original cosponsors with me Congressmen BROWN of Ohio, STOCKMAN, WHITEHURST, QUAYLE, SYMMS, ROUSSELOT, PAUL, SOLOMON, SHUMWAY, THOMAS, FRENZEL, DERWINSKI, JEFFRIES, COUGHLIN, WALKER, GINGRICH, and YOUNG of Alaska.

The bill has been introduced in similar form in the Senate by my friend, Senator BOB DOLE. The only difference is that Senator DOLE's bill deals exclusively with the denial of Government contracts, whereas this bill also forbids "any other sanction."

I urge my colleagues to join me in ending this most unfair and—since it is aimed at working men and women—literally counterproductive administration policy.●

EXPORT TASK FORCE ARTICLE NO. 12: WE ARE TONGUETIED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, I recently had the privilege to add my name as a cosponsor of H.R. 4526, the Education for Exporting Act. The bill, authored by our colleague SAM GIBBONS, is designed to promote American competitiveness in world markets through improved educational opportunities.

Outside the United States only 4 percent of the Earth's population speaks English. This, coupled with the fact that 9 out of 10 Americans cannot speak, read, or effectively understand any language but English, gives insight into one reason why America is ineffective in capitalizing on economic opportunities throughout the world. H.R. 4526 would begin the process of alleviating this situation. I would ask that my colleagues give their utmost consideration to adding their names as cosponsors of this bill.

The July 30, 1979, issue of Newsweek featured in its "My Turn" column an article by the former U.S. Senator from Arkansas J. William Fulbright. Former Senator Fulbright presents a strong case for the teaching of foreign languages in our high schools and colleges. As Senator Fulbright says:

Our linguistic and cultural myopia is losing us friends, business and respect in the world.

I highly recommend former Senator Fulbright's article to my colleagues:

WE'RE TONGUE-TIED

(By J. William Fulbright)

Our heritage and our culture have caused most Americans to assume not only that our language is universal but that the gestures we use are understood by everyone. We do not realize that waving goodbye is the way to summon a Filipino to one's side, or that in Italy and some Latin-American countries, curling the fingers in a beckoning motion is a pantomime of farewell.

Those private citizens who sent packages to our troops occupying Germany after World War II and marked them GIFT to escape duty payments did not bother to find out that *Gift* means poison in German. Moreover, we like to think of ourselves as friendly, yet we prefer to be at least 3 feet or an arm's length away from others. Latins and Middle Easterners like to come closer and touch, which makes Americans uncomfortable.

Our linguistic and cultural myopia and the casualness with which we take cognizance—when we do—of the developed tastes, mannerisms, mores and languages of other countries, are losing us friends, business and respect in the world.

Even here in the United States, we make few concessions to the needs of foreign visitors. There are no information signs in four languages on our public buildings or monuments; we do not have multilingual guided tours at Mt. Vernon or in Arlington National Cemetery. Very few restaurant menus have translations, and multilingual waiters, bank clerks and policemen are rare. Our transportation systems have maps in English only and often we ourselves have difficulty understanding them.

CULTURAL BLINDNESS

When we go abroad, we tend to cluster in hotels and restaurants where English is spoken. The attitudes and information we pick up are conditioned by those natives—usually the more affluent—who speak English. Our business dealings, as well as the nation's diplomacy, are conducted through interpreters.

For many years, America and Americans could get by with cultural blindness and linguistic ignorance. After all, America was the most powerful country of the free world, the dispenser of needed funds and commodities, the peacemaker, the "top banana" in the global cast.

But all that is past. American dollars no longer buy all good things, and we are slowly beginning to realize that our proper role in the world is changing. A 1979 Harris poll reported that 55 percent of Americans want this country to play a more significant role in world affairs; we want to have a hand in the important decisions of the next century, even though it may not always be the upper hand.

It is clear that in order to play a significant role, more of us will have to know languages and understand cultural differences. In 1976, only 4 percent of high-school graduates had spent two years learning a foreign language; in 1977, only 9 percent of degree-credit college students were enrolled in foreign-language courses. In the same year, it was found that only 14.3 per cent of college freshmen could speak a second language, no matter how many courses they had absorbed. Two years of study gives a student only a taste of the basics of a language. The fact that fewer than one in twenty recent graduates from public high schools have studied any foreign language for more than two years shows the limitations of our linguistic achievement.

Unfortunately, foreign-languages and cultural studies have often been discouraged at the high-school level because many guidance counselors believe that this kind of knowledge has little commercial value. But this perception is obsolete: already one out of eight jobs in industry and one out of five in agriculture depend on international trade. Many more positions may soon require the secondary skill of a foreign language.

The general feeling is that language skills can be purchased as needed. This is a strange notion if one can visualize the rapid-fire talk and signals used when a contract is being negotiated, and gauge the handicap under which an American competes with foreigners facing him at a conference table. The foreigners are usually capable of communicating quickly with one another while the American must rely on the accuracy of an interpreter from another culture.

Americans are similarly handicapped in conducting foreign policy. In recent years, our graduate centers for international and area studies have received less and less Federal money, which has resulted in declining enrollments in international studies at the undergraduate level. Just when our need for diplomatic skills is most intense, we are failing to train generations of diplomats to fill many overseas posts.

In Teheran in 1978, only nine of the 60 Foreign Service officers could speak Persian. In Pakistan, only five American's 32 diplomatic officials are required to be proficient in Urdu. In Kenya, only one officer of 22 in the American Embassy is required to speak Swahili. It is very difficult to find in the service a bilingual interpreter of Chinese or Japanese.

LOGICAL STEPS

For the important work of international affairs, long years of study are required to thoroughly master a language and to acquire in-depth knowledge of the societies the student wishes to enter. The President's Commission on Foreign Language and International Studies is considering how Americans can become better citizens of the world. To teach languages to youngsters—the younger the better—and to greatly expand educational exchange programs would seem to be logical steps.

In Jamaica, N.Y., there is a high school which offers nine languages, including Hebrew, Chinese, Russian and Greek. The school provides a two-year career course to selected students who wish to enter the fields of international trade, tourism or diplomacy. It is one of the few high schools to offer international studies along with the appropriate languages. There should be many more such schools.

Georgetown University has already received a grant, recommended by Congress and administered by the International Communication Agency, to provide administrative costs for a program that would permit paying students at the university to exchange places with foreign counterparts in any of 40 universities in eight nations.

If the pilot program at Georgetown is successful, it is expected that Congress will recommend that it be repeated at other American universities. We need all the versions of international cultural and educational interchange we can create if the growing parochialism of Americans, both old and young, is to be replaced with knowledge and understanding.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 24, 1979.

DEAR COLLEAGUE: We have recently introduced legislation, H.R. 4526, the "Education for Exporting Act," to help promote American competitiveness in world markets through improved educational opportunities.

Last year, as a result of our serious difficulties in international trade, our trade deficit reached about $34 billion. Of course many reasons underlie this huge deficit, but one we too often overlook is American inability to compete effectively in foreign markets as a result of our relative provincialism.

Outside the U.S. only 4 percent of the earth's population speaks English. This, coupled with the fact that nine out of ten Americans cannot speak, read, or effectively understand any language but English, gives insight into one reason why America is ineffective in gaining economic opportunities in the world.

Among industrialized nations, the U.S. stands alone in its neglect of foreign language study. All too often American firms go overseas and expect those in the foreign

markets to understand the English language, thus placing many American businesses at a terrible competitive disadvantage.

We must realize the potential benefits of language and area skills joined to U.S. technology and management expertise. The Education for Exporting Act will put us on this profitable path.

The purpose of our legislation is to promote student foreign language and international business study through a series of programs. The bill, among other things, would establish overseas internships to allow students to live in and study foreign markets. By such efforts to promote a better blending of language and international business skills in our young people, we can become more effective in expanding U.S. exports, increasing competitiveness abroad, reducing our trade deficit, and helping to pay for our oil imports.

This bill would establish a Foundation to promote programs to insure that language and foreign area studies are tailored to business needs, and that more U.S. business people have studied foreign languages and cultures and have some valuable skills in international business operations. In the short run, the Foundation's programs will help our competitive position through the provisions of market research, product servicing, and translation services to small and medium sized firms.

In short, the role of the Foundation is to provide the incentive for some long run changes in our approach to language and business training.

This bill has been designed very much with our current budget problems in mind, since this is not the time for expensive new programs. It would minimize the costs to the Treasury by:

(1) allowing the Foundation to charge for its services

(2) authorizing the receipt of tax-free contributions from the private sector

(3) a ten-year sunset provision

(4) the use of multipliers—e.g., working through overseas American Chambers of Commerce to deliver services.

The U.S. has a terrible structural weakness in its export program, exemplified by the fact that a mere 250 firms account for 80 percent of all exports. This Act will help tap the 88 percent of all manufacturing firms not presently engaged in exporting. If we can encourage just a few of these firms to enter the export market, it will result in a stronger U.S. trade position.

We feel that the Education for Exporting Act will help us make some very real gains in improving our overall trade imbalance by increasing international awareness in our business community and among our young people. If you would like to co-sponsor, please have your office contact either Craig McNeill of Congressman Gibbons' Office (x53376) or Vickie Otten of Congressman Simon's Office (x55201).

Sam Gibbons, Bill Alexander, Charles Vanik, Paul Simon, Stephen Neal, Gillis Long, Bill Frenzel, James Jones, and Parren Mitchell, Members of Congress.●

NIE: STRONGER UNDER THE LEADERSHIP OF PATRICIA GRAHAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, I take this time to say a few words in tribute to the work of Dr. Patricia Albjerg Graham, who several weeks ago resigned her position as Director of the National Institute of Education (NIE), to return to Harvard University, where she has been appointed to the chair of the Charles Warren Professor History of Education.

As sponsor in the 92d Congress of the legislation which created the National Institute of Education, I have of course followed its record with interest. The NIE was created to encourage equality of educational opportunity in our country through the support of basic and applied research aimed at developing "dependable knowledge about the processes and teaching and learning."

Mr. Speaker, one of the reasons I became such a vigourous champion of the NIE is that I believed that in the field of education—I am sure my colleagues in the House and Senate have the same observation in respect of other areas of public policy—we were too often put in the position of having to make judgments on major policy questions without adequate data and analysis to guide us. At that great friend of American education, President Lyndon B. Johnson, used to say, "My problem is not so much doing what is right as knowing what is right."

EARLY PROBLEMS

Mr. Speaker, many of us recall the early difficulties of the NIE: its policy-making National Council on Educational Research was not appointed for nearly a year after the creation of the agency;

It inherited a number of often trivial and esoteric projects transferred from the office of education;

And the funds for the agency were slashed in half during the second year of its existence.

NEW DIRECTIONS

Patricia Graham arrived as the Director of the NIE in 1977 and acted vigorously and, I believe, Mr. Speaker, effectively, to help turn this situation around.

Dr. Graham moved to give the NIE greater coherence through a reorganization which reduced the number of major administrative units from 8 to 4 and the number of program divisions from 29 to 16.

Minority representatives from the top leadership positions in the agency went from 0 to 31 percent today.

Following intensive scrutiny of 17 regional education laboratories and research centers, she resolved long standing problems with these by creating a long-term funding relationship with 15 of them.

And, Mr. Speaker, Dr. Graham articulated clearly the two principal missions of the NIE: enhancing equity in education and helping improve educational practice.

Finally, during Dr. Graham's tenure, the research program of the NIE has matured and produced a number of research reports of quality including:

A clear and comprehensive evaluation of title I of the Elementary and Secondary Education Act;

A Rand study on the effects of collective bargaining in schools;

A report, Tax Wealth in 50 States, examining issues involved in financing our schools;

Plain Talk About School Finance, a useful guide for teachers and the general public.

A teachers guide, Cognitive Development of Children, now in its second printing and aimed at helping teachers understand what we know of the intellectual development of children; and

A study of violence and vandalism in the schools.

Mr. Speaker, it was, I believe, in large part because of such constructive developments as these that Congress, in the 1978 education amendments, transferred the National Assessment of Educational Progress to the NIE and that the House-Senate conferees on that legislation applauded the agency as a unique and solid resource for both policymakers and educators.

DR. PATRICIA GRAHAM

Dr. Patricia Graham, Mr. Speaker, a graduate of Purdue University, in my own home State of Indiana, has a doctorate from Columbia University and after having served as a teacher at Deep Creek High School in Norfolk County, Va., moved on to assume the vice presidency of Radcliffe College and to serve as professor of education at Harvard.

As I have said, this outstanding scholar has now returned to Harvard to fill a chair, endowed a dozen years ago but not filled until a scholar of her stature could assume it.

Mr. Speaker, I know that all Members of the House and Senate who worked with Patricia Graham will wish her well in her new responsibility.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a brief statement concerning the work and goals of the National Institute of Education from the official journal of the National Association of Administrators of State and Federal Education Programs. The statement follows:

NATIONAL INSTITUTE OF EDUCATION UNDER GRAHAM MEETS CHALLENGES

"Can an agency created to fund research and development to acquire 'far more dependable knowledge about the process of learning' avoid the temptation to explore esoteric subjects and concentrate on its work of improving schooling?" was just one of the Congressional challenges directed to Dr. Patricia Albjerg Graham while she was being considered to head up the National Institute of Education two years ago.

"Yes, indeed it can and indeed it has!" is the consistent Congressional response to be heard in May 1979.

Citing language directing NIE to examine "far more dependable knowledge about the process of learning and education," Director Graham, in a recent interview recalled having announced that NIE's major missions would be (1) to improve equity in education and (2) to support work designed to improve school practice. As evidence of NIE's ability to make a difference, Dr. Graham pointed out the effects of such projects as the NIE Study of Title I, its study of vandalism and violence in schools, and the development at the Wisconsin Research and Development Center of the Individually-Guided Education Program.

Called upon to provide leadership in the conduct and support of scientific inquiry into the educational process and to disseminate improved education practices and products, Dr. Graham indicates that NIE is currently concentrating its efforts on six priority problem areas: (1) Basic Skills, (2) Education Equity, (3) Finance and Productivity, (4) School Capacity for Problem Solving, (5) Education and Work, and (6) Dissemination.

To achieve its objectives in these areas, NIE has organized its operations around three broad program areas: (1) Teaching and Learning, (2) Educational Policy and Organization, and (3) Dissemination and Improvement of Practice.

A National Council on Educational Research made up of leading citizens active in education, provides NIE with General policy guidance and reviews its operations. This Council of 15 members, appointed by the President and confirmed by the Senate meets bimonthly. Its Chairman is Dr. John E. Corbally, President, University of Illinois, Urbana.

However, much of what NIE undertakes is mandated by the Congress, specific programs designed to provide the Congress with dependable information for its policy determination and education legislation. The Title I Study, the Safe Schools Study, and the Vocation Education Study are examples of Congressionally mandated studies.

Finally, the Education Division of the Department of Health, Education, and Welfare, contributes to NIE planning and guidance.●

INVESTMENTS IN ART BY PENSION FUNDS PERMITTED UNDER NEW REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

● Mr. WAXMAN. Mr. Speaker, effective July 23, 1979, under regulations interpreting the Employee Retirement Income Security Act of 1974 (ERISA), the fiduciaries of America's private pension plans are now permitted to invest in works of fine art and other art objects. These regulations represent a modest breakthrough in channelling more private funds—perhaps millions of dollars over the next several years—into the art market, thereby serving to strengthen the art market in the United States.

ERISA was enacted to provide systematic protections and guarantees to the 35-million workers who participate in the Nation's 500,000 private pension plans. In 1977, these plans had assets of about $250 billion, and paid out roughly $20 billion in benefits to some 8 million beneficiaries.

Sections 401–406 of the law set out the responsibilities of the fiduciaries who make investment decisions for these plans. Traditionally, these investments have been in U.S. Government securities, corporate and other bonds, preferred and common stock, mortgages and other such assets. Guiding these decisions has been the so-called prudence rule, designed to insure that this fiduciary responsibility is marked by care, skill, prudence, and diligence.

The question has arisen: How much latitude in investment judgment could be tolerated under the prudence rule? Specifically, could fiduciaries responsible for these pension plans consider investments in other areas, such as art, which have the potential to diversify and strengthen these plans' portfolios as much as any other, but which would be a departure from traditional practice?

I posed these questions to the Department of Labor and the Comptroller of the Currency. Recently, museum officials, market analysts, and scholars have come to believe that investment in art can serve the dual purpose of providing an excellent return over time as well as inject new capital into the art market—to the benefit of artists and the institutions, such as museums, that support them.

The responses to my correspondence and the new Department of Labor regulations effective July 23, make clear that the prudence rule governing investments is to be construed broadly. If, to the fiduciaries of a pension plan, investments in fine art appear to be sound or would diversify and strengthen their portfolios, there is no legal barrier to pursuing it. The decision rests with the fiduciaries of the plan.

These interpretations of law mean that potentially millions of dollars in pension funds could be channeled into the arts. ERISA's objective is to protect against any erosion of the security of American employees. Today, that means finding hedges against inflation. Under certain circumstances, that hedge may well be found in the art market.

I believe there now exists the possibility for the development of exciting financial arrangements between pension funds, museums, collectors, and artists—to the benefit of all concerned, including the public. Arrangements could be made whereby art purchased by pension funds would be displayed in museums or other public places, rather than being locked up. Indeed, many of the purchases will surely come from private collections, presenting the possibility that some of the acquisitions could be opened to the public. Investment programs in the works of living American artists could conceivably be established.

It is critical, however, that these opportunities must be approached with responsibility and creativity if the security of American workers is not to be compromised, if artists are to receive the benefits of an injection of new capital into the market, and if the public's access to, appreciation, and enjoyment of the arts is to be enhanced.

Whether this occurs rests solely on the foresight and sensitivity of the managers of these transactions.

I believe this is a significant development in the art market. It is my hope these new opportunities will be fully discussed by all involved in the coming months, and that pension funds, museums, collectors, investors, and artists will begin to actively explore them.

The following are certain relevant documents regarding these regulations:

December 21, 1978.

Re Proposed regulation 2550.404a–1(b) (1).

Hon. RAY MARSHALL,
Secretary of Labor, Department of Labor, Washington, D.C.

DEAR MR. SECRETARY: The Department's Office of Pension and Welfare Benefit Programs has had under consideration for several months a proposed regulation (section 2550.404a–1(b) (1)) which clarifies the responsibilities of fiduciaries of retirement plans under the "prudence rule" pursuant to the Employee Retirement Income Security Act of 1974 (P.L. 93–406).

Specifically, the proposed rule states that investment decisions are to be made taking into account the overall plan investment portfolio. In doing so, the rule would provide greater flexibility to fiduciaries in making a range of sound investments for the beneficiaries of these retirement plans.

Recently, increased attention among those involved with the arts has centered on whether investments in fine arts may be contemplated by the fiduciaries of these plans. Strong arguments have been advanced by market analysts, museum officials and scholars that the prospect of such investments would not only be attractive to the pension plans as a means of diversifying and strengthening their portfolios, but would also yield the secondary dividend of strengthening the art market, to the benefit of artists and museums.

Indeed, the British Rail Pension Fund has, since 1974, invested some $40 million in visual art. The Fund's officials are reportedly extremely pleased with this policy, and have contended that these investments have proved more profitable than their holdings of stocks and other securities.

The spirit of the proposed regulation would seem to permit fiduciaries, in adhering to the "prudence rule" governing investments under the Act, to consider investments in fine art. However, the proposed regulation is silent on this as well as other potential investments, such as real estate and precious metals. The question therefore arises as to the Department's intent with respect to this proposed regulation.

It is my understanding that this proposed regulation will not be made final until at least February, 1979. Accordingly, I would like to be advised whether, first, the proposed regulation would afford fiduciaries of affected employee benefit plans the ability to invest in visual art, or; second, an amendment to ERISA would be necessary to provide for this permissive authority.

I also wish to express my belief that the proposed rule is very worthwhile and will prove to be of great benefit to the plans covered by ERISA.

Please accept my thanks for your consideration and review of this matter. With good wishes, I am,

Sincerely,

HENRY A. WAXMAN.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., February 2, 1979.

Hon. HENRY A. WAXMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WAXMAN: Your recent letter to Secretary of Labor Marshall has been directed to me for response. Your letter inquires about the application of the prudence in investment regulation which has been proposed by the Department in implementing its responsibilities under the Employee Retirement Income Security Act of 1974 (ERISA). Specifically, you ask whether (1) the proposed regulation would afford fiduciaries of affected employee benefit plans the ability to invest in visual art, or (2) an amendment to ERISA would be necessary to provide for the permissive authority.

The proposed regulation is intended to provide guidance and clarification of the "prudent man rule" contained in section 404(a)(1) of ERISA which provides, in part:

". . . a fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and . . . (B) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims . . ."

The "prudent man rule" is, of course, an integral part of the common law of trusts. However, the legislative history of ERISA indicates that the common law of trusts should not be mechanically applied to pension plans where the objectives are quite different from personnel trusts. In furthe-

ance of these guidelines, the Department's proposed regulation on prudence in investment is based on the proposition that the prudence of any investment for an employee benefit plan should be judged in relation to the role which the proposed investment is to play in the portfolio. While the merits of a particular plan investment must be judged in light of the facts and circumstances particular to the needs of each employee benefit plan at the time the investment is made, the common law requisite of judging the prudence of each investment in a portfolio independently does not exist under ERISA.

The legislative history of ERISA further indicates that it is not the intent of this provision to establish a "legal list" of approved investments; rather, that the courts will interpret the rule "bearing in mind the special nature and purpose of employee benefit plans". H.R. Rep. No. 93–1280, 93rd Cong., 2nd Sess. 302 (1974).

The Department has received several comments suggesting that the proposed regulation, either implicitly or explicitly, address a particular form of investment or investment course of action. Rather than address specific forms or vehicles of investment, the proposed regulation takes the position that under ERISA the relative riskiness of a specific investment or investment course of action does not render such investment or investment course of action either per se prudent or per se imprudent.

Whether the proposed regulation would afford fiduciaries of affected employee benefit plans the ability to invest in visual art cannot be addressed other than in the context of the plans entire investment portfolio. Any decision about the inclusion of objects of art in a plan portfolio must be made by the fiduciaries of that plan in the context of all relevant facts and circumstances and the plan's total investment portfolio.

With respect to your second question regarding the necessity of amendment to ERISA to provide for the permissive authority for such investment, it is the position of the Department that the "prudent man rule" of ERISA affords the latitude of investment options necessary for the investment purposes of employee benefit plans. To the extent that any plan investment is found prudent under the guidelines as discussed above, the permissive authority for such investment exists within the language of the statute as currently written.

The Department is currently evaluating those comments received to the proposed regulation and will give consideration to the points which you discuss in making a decision on the language to be included in the final regulation. We appreciate your comments and interest in this matter.

Sincerely,

JACK A. WARSHAW,
Acting Assistant Secretary of Labor.

MARCH 26, 1979.

Mr. JOHN G. HEIMANN,
Comptroller of the Currency, Department of the Treasury, Washington, D.C.

DEAR MR. HEIMANN: For several months, I have been reviewing a proposal by some involved in the visual arts that the fiduciaries of pension funds regulated under the Employee Retirement Income Security Act of 1974 (P.L. 93–406) be permitted, in exercising their judgment under the "prudence rule", to invest in works of visual art.

Recently, I corresponded with the Department of Labor on this issue and received a reply which indicates that such investments would not be considered per se prudent or imprudent, but can only be judged in the context of the entire investment portfolio. Thus, under certain circumstances, such investments would be permitted.

It is my understanding that some pension plans under ERISA are administered by banks. It has been brought to my attention that the handbook for bank examiners issued by your office (dated August, 1978) views investments in visual art and art objects by trust funds as improper under the prudence rule. Specifically, section 9.4070 of the examiner's handbook states:

9.4070.—Investment in speculative assets is not proper in investing trust funds under the prudence rule and might expose the bank to liability in the event a loss should be sustained, unless such investment is specifically authorized by the terms of the governing instrument.

Although not an all inclusive list, the following investments can usually be deemed speculative: Art Objects . . . paintings . . .

This guidance to bank examiners, and hence to the banks under their jurisdiction, would appear to conflict with the more flexible interpretation, implementation and enforcement of the "prudence rule" under ERISA. This could preclude banks which administer pension plans under ERISA from permitting the plan portfolios to include investments in visual art.

I hope you would agree that conflicting guidance by two federal agencies to fiduciaries of pension plans under ERISA is not desirable. Therefore, I wish to learn:

1. Whether Section 9.4070 of the handbook for federal bank examiners does, in fact, effectively preclude banks which administer pension funds under ERISA from investing, under the "prudence rule" in visual art;

2. If this is correct, whether you would amend this guideline in order to have it conform with the proposed regulations of the Department of Labor interpreting the "prudence rule" under ERISA; and,

3. The number, and volume, of pension funds under ERISA which are administered by the national banks.

Enclosed for your review is my correspondence on this issue with the Department of Labor. I look forward to your earliest response.

With appreciation for your attention and consideration, I am,

Sincerely,

HENRY A. WAXMAN.

COMPTROLLER OF THE CURRENCY,
ADMINISTRATOR OF NATIONAL BANKS,
Washington, D.C., May 8, 1979.

Hon. HENRY WAXMAN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. WAXMAN: Your letter of March 26, 1979, concerning investment in art objects by pension plan fiduciaries has been referred to me for reply.

Your letter demonstrates your concern for consistency between the Comptroller's trust examination procedures and the Labor Department's proposed regulation implementing the prudence rule under the Employee Retirement Income Security Act of 1974 ("ERISA), 29 U.S.C. § 1001–1381, with respect to investments of pension trust funds in visual art and art objects. Specifically, you inquire whether Section 9.4070 of the Comptroller's Handbook for Trust Examiners effectively precludes national banks which administer pension funds under ERISA from investing in visual art and art objects even though under the Labor Department's proposed regulations implementing the prudence rule, such investments would not be impermissible per se. If this section does preclude such investments by national bank pension trustees, you inquire whether this Office proposes to amend it. Lastly, you inquire about the number and volume of pension funds covered by ERISA which are administered by national banks.

Section 9.4070 of the Comptroller's Handbook for Trust Examiners states:

9.4070. Investment in speculative assets is not proper in investing trust funds under the prudent man rule and might expose the bank to liability in the event a loss should be sustained, unless such investment is specifically authorized by the terms of the governing instrument.

Although not an all inclusive list, the following investments can usually be deemed speculative: Art objects . . . Paintings

This section reflects the position of this Office prior to the enactment of ERISA. Clearly it would not preclude such investments if they were specifically authorized by the governing instrument. Since the rule of prudence contained in ERISA now supersedes the common law as to employee benefit trusts, our trust examiners are now following the Labor Department's interpretation of the ERISA prudence rule in applying this section to investments not authorized by the governing instrument. When the Handbook is next revised, Section 9.4070 will be amended to reflect that it has been superseded with respect to employee benefit trusts by ERISA.

We do not compile separate statistics on the number or volume of employee pension plans administered by national banks. However, the enclosed Table–1 which has been compiled from our trust examination reports, indicates that the total number of employee benefit plans administered by national banks in 1977 was 204,081 and that the assets of these plans totalled $129,089,029. While we do not have exact figures on the number of these plans which are covered by ERISA, we presume that most of them are. Also enclosed for your information is Table B–41, showing by state the volume of assets of employee benefit plans administered by national banks.

I trust that this is responsive to your inquiry.

Very truly yours,

DONALD A. MELBYE,
Special Assistant for Congressional Affairs.

[Excerpted from the Federal Register. June 26, 1979]

PENSION AND WELFARE BENEFIT PROGRAMS

(29 CFR Part 2550)

Rules and Regulations for Fiduciary Responsibility; Investment of Plan Assets Under the "Prudence" Rule.

Agency: Department of Labor.

Action: Final regulation.

Summary: This document contains a final regulation relating to the investment duties of a fiduciary of an employee benefit plan under the Employee Retirement Income Security Act of 1974 (the Act). The regulation is relevant to the investment of assets of employee benefit plans for which fiduciaries have investment duties, and, therefore, it affects participants, beneficiaries and fiduciaries of all such plans.

Effective date: July 23, 1979.

For further information contact: Paul R. Antsen, Office of Fiduciary Standards, Pension and Welfare Benefit Programs, U.S. Department of Labor, Washington, D.C. 20216, (202) 523–8971, or Gregor B. McCurdy, Plan Benefits Security Division, Office of the Solicitor, U.S. Department of Labor, Washington, D.C. 20216, (202) 523–9141.

Supplementary information: On April 25, 1978, notice was published in the Federal Register (43 FR 17480)[1] that the Department had under consideration a proposal to adopt a regulation, 29 CFR §2550.404a–1, under section 404(a)(1)(B) of the Act, relating to the investment duties of a fiduciary of an employee benefit plan. Section 404(a)(1)(B) of the Act provides, in part, that a fiduciary shall discharge his duties with respect to an employee benefit plan with the care, skill, prudence, and diligence under the

Footnotes at end of article.

circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims (the "Prudence" rule).[2]

Public comments were received, in response to the proposal, that generally supported the tentative views of the Department reflected therein, although many suggestions for specific revisions were offered. A few comments opposed the adoption of the proposed, or of any, regulation concerning these matters. Among the reasons given in opposition to the adoption of the proposed regulation were: (1) that the courts, rather than the Department, should determine how the "prudence" rule is to be interpreted; (2) that the Department's views regarding the requirements of the "prudence" rule, as reflected in the proposed regulation, are incorrect; (3) that it is impractical to attempt to define "prudence" by regulation; and (4) that the proposal did not accomplish its stated objectives. The Department has considered the comments opposing adoption of the regulation, but has not been pursuaded that its interpretation of the requirements of the "prudence" rule set forth below is incorrect. It believes, moreover, that adoption of a regulation concerning the investment duties of fiduciaries under the "prudence" rule is appropriate because such a regulation would provide guidance for many plan fiduciaries in an important area of their responsibilities under the act.

Counsel for one group of interested persons, while supporting the proposed regulation in principle, asked that they be given an opportunity to express their views at a public hearing on the proposed regulation. They also suggested that the regulation should, in any event, be republished to give interested persons additional opportunity for comment. The Department has considered these requests, but has determined that neither a public hearing nor republication of a proposed regulation is necessary or appropriate.

Accordingly, after consideration of all the written comments received, the Department has determined to adopt the proposed regulation as modified and set forth below.

DISCUSSION OF THE REGULATION

The legislative history of the Act indicates that the common law of trusts, which forms the basis for and is federalized and codified in part 4 of Title I of the Act, should, nevertheless, not be mechanically applied to employee benefit plans.[3] The "prudence" rule in the Act sets forth a standard built upon, but that should and does depart from, traditional trust law in certain respects.

The Department is of the opinion that (1) generally, the relative riskiness of a specific investment or investment course of action does not render such investment or investment course of action either *per se* prudent or *per se* imprudent, and (2) the prudence of an investment decision should not be judged without regard to the role that the proposed investment or investment course of action plays within the overall plan portfolio. Thus, although securities issued by a small or new company may be a riskier investment than securities issued by a "blue chip" company, the investment in the former company may be entirely proper under the Act's "prudence" rule.

Accordingly, paragraph (b)(1) of the regulation, as adopted, provides generally that, with respect to an investment or investment course of action taken pursuant to a fiduciary's investment duties, the requirements of the "prudence" rule have been satisfied if the fiduciary has acted in a manner consistent with appropriate consideration of the facts and circumstances that the fiduciary knows or should know are relevant, including the role that the investment or investment course of action plays in that portion of the plan's investment portfolio with respect to which the fiduciary has investment duties.

* * * * *

Paragraph (b)(2) of the regulation sets forth factors that are to be included, to the extent applicable, in an evaluation of an investment or investment course of action if a fiduciary wishes to rely on the provisions of the regulation. They are: (1) the composition of the portfolio with regard to diversification; (2) the liquidity and current return of the portfolio relative to the anticipated cash flow requirements of the plan; and (3) the projected return of the portfolio relative to the funding objectives of the plan. These factors are adopted substantially as proposed, except that the first factor has been revised, in response to questions raised by some of the comments, to make clear that the word "diversification" is to be given its customary meaning as a mechanism for reducing the risk of large losses; that factor, as originally proposed, referred to "diversification of risk." The second factor has also been modified in order to make clear that its principal subject matter is all anticipated cash requirements of the plan, and not solely those arising by reason of payment of benefits.

* * * * *

Numerous comments were received with respect to the factors set forth in paragraph (b)(2). Several persons requested that the Department clarify or define terms such as "diversification of risk", "risk," "volatility" and "liquidity." For example, some persons asked what specific measurements of volatility, risk and liquidity should be utilized by fiduciaries in making investment decisions for a plan. The Department believes that, in view of the modifications (discussed above) made in the regulation as adopted, it is neither necessary nor appropriate for the regulation to contain such definitions.

Several commentators asserted that certain specified types of investments, such as, for example, investments in small or recently formed companies, or non-income producing investments that are not securities (such as, for example, certain precious metals and objects of art) have not been viewed with favor, traditionally, as trust investments. Those comments urged that the regulation specify the extent to which such investments are permissible under the "prudence" rule. Other commentators made reference to the traditional principle that trust investments should be income-producing, and suggested that the appropriate measure of investment "return" should be defined to mean "total return"—that is, an aggregate return computed without regard to whether a contributing factor thereto consists of income or capital items. Although the Department consider that defining "return" would be beyond the appropriate scope of this regulation, it believes that the "prudence" rule does not require that every plan investment produce current income under all circumstances. As indicated above and in the preamble to the proposed regulation, the Department believes that the universe of investments permissible under the "prudence" rule is not necessarily limited to those permitted at common law.

However, the Department does not consider it appropriate to include in the regulation any list of investments, classes of investment, or investment techniques that might be permissible under the "prudence" rule. No such list could be complete; moreover, the Department does not intend to create or suggest a "legal list" of investments for plan fiduciaries.

The preamble to the proposed regulation stated (as does this preamble) that the risk level of an investment does not alone make the investment *per se* prudent or *per se* imprudent. Comments were received which asserted that such proposition is inappropriate and would promote irresponsibility on the part of plan fiduciaries. Other commentators not only agreed with the proposition, but also suggested that it should be incorporated in the regulation. The Department believes that both of these concerns are addressed by the modifications, discussed above, made to paragraph (b)(2) of the regulation as adopted.

The Department has determined that this regulation is not a "significant regulation" as defined in the Department's guidelines (44 FR 5570, January 26, 1979) implementing Executive Order 12044.

STATUTORY AUTHORITY

The regulation set forth below is adopted pursuant to the authority contained in section 505 of the Act (Pub. L. 93-406, 88 Stat. 894 (29 U.S.C. § 1135)). Although the regulation is an "interpretative rule," within the meaning of 5 U.S.C. § 553(d), the effective date of the regulation is July 23, 1979, consistent with the statement of the Department, in connection with the regulation as proposed, that such regulation would be effective 30 days after its adoption.

FINAL REGULATION

Accordingly, Part 2550 of Chapter XXV of Title 29 of the Code of Federal Regulations is amended by inserting in the appropriate place to read § 2550.404a-1 as set forth below:

§ 2550.404a-1 Investment Duties.

(a) *In general.* Section 404(a)(1)(B) of the Employee Retirement Income Security Act of 1974 (the Act) provides, in part, that a fiduciary shall discharge his duties with respect to a plan with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(b) *Investment Duties.* (1) With regard to an investment or investment course of action taken by a fiduciary of an employee benefit plan pursuant to his investment duties the requirements of section 404(a)(1)(B) of the Act set forth in subsection (a) of this section are satisfied if the fiduciary (A) has given appropriate consideration to those facts and circumstances that, given the scope of such fiduciary's investment duties, the fiduciary knows or should know are relevant to the particular investment or investment course of action involved, including the role the investment or investment course of action plays in that portion of the plan's investment portfolio with respect to which the fiduciary has investment duties; and (B) has acted accordingly.

(2) For purposes of paragraph (1) of this subsection, "appropriate consideration" shall include, but is not necessarily limited to, (A) a determination by the fiduciary that the particular investment or investment course of action is reasonably designed, as part of the portfolio (or, where applicable, that portion of the plan portfolio with respect to which the fiduciary has investment duties), to further the purposes of the plan, taking into consideration the risk of loss and the opportunity for gain (or other return) associated with the investment or investment course of action, and (B) consideration of the following factors as they relate to such portion of the portfolio:

(i) The composition of the portfolio with regard to diversification;

(ii) The liquidity and current return of the portfolio relative to the anticipated cash flow requirements of the plan; and

(iii) The projected return of the portfolio relative to the funding objectives of the plan.

(3) An investment manager appointed, pursuant to the provisions of section 402(c)(3) of the Act, to manage all or part of the assets of a plan, may, for purposes of compliance with the provisions of paragraphs (1) and (2) of this subsection, rely on, and act upon the basis of, information pertaining to the plan provided by or at the direction of the appointing fiduciary, if—

(A) such information is provided for the stated purpose of assisting the manager in the performance of his investment duties, and

(B) the manager does not know and has no reason to know that the information is incorrect.

(c) *Definitions.* For purposes of this section:

(1) The term "investment duties" means any duties imposed upon, or assumed or undertaken by, a person in connection with the investment of plan assets which make or will make such person a fiduciary of an employee benefit plan or which are performed by such person as a fiduciary of an employee benefit plan as defined in section 3(21)(A)(i) or (ii) of the Act.

(2) The term "investment course of action" means any series or program of investments or actions related to a fiduciary's performance of his investment duties.

(3) The term "plan" means an employee benefit plan to which Title I of the Act applies.

Signed at Washington, D.C., this 20th day of June 1979.

IAN D. LANOFF,
Administrator, Pension and Welfare Benefit Programs, Labor-Management Services Administration, United States Department of Labor.

FOOTNOTES

[1] *See also* 43 FR 27208 (June 23, 1978), in which notice was given of an extension of the original comment period.

[2] The regulation pertains only to the investment duties of a fiduciary of an employee benefit plan. Section 404(a)(1)(B) of the Act, however, requires that a fiduciary discharge *all* his duties in accordance with the "prudence" rule.

It should also be noted that, although the proposed regulation made reference to an additional requirement of section 404(a)(1),—that the fiduciary discharge his duties solely in the interest of plan participants and beneficiaries—that reference has been deleted from the regulation as adopted. This was done to avoid suggesting that satisfaction of the "prudence" rule with respect to an investment or investment course of action necessarily implies satisfaction of that additional requirement.

[3] *See, e.g.*, H.R. Rep. No. 1280, 93d Cong., 2d Sess. 302 (1974).

Footnotes at end of article.

HEARINGS ON U.S. REFUGEE POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Refugees, and International Law will hold a public hearing on Tuesday, July 31, 1979 to continue its oversight of U.S. refugee policy. Our witness will be the Honorable Cyrus Vance, Secretary of State, accompanied by the Honorable Dick Clark, Ambassador-at-Large and U.S. Coordinator for Refugee Affairs. The hearing will be held in room 2141, Rayburn House Office Building and will commence at 9:30 a.m.

The subcommittee is especially anxious to hear from Secretary Vance in view of his recent meetings on the refugee issue at the Tokyo summit and the ASEAN foreign ministers' meeting in Bali, and in light of the administration's new commitments at last weekend's U.N. sponsored Conference in Geneva. We look forward to his analysis of these events and his assessment of current U.S. policy in this area.●

PUT THE CLINCH RIVER BREEDER REACTOR TO REST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, the debate on the Clinch River breeder reactor project has gone on for years, while the waste in money and talent has piled up. It is time to resolve this issue, recognizing the deadlock between the Carter administration and the past Congress, in the only sensible fashion, by compromise.

The Fuqua-Brown amendment to the Department of Energy authorization bill is a genuine compromise, which recognizes the fears of those who believe we will need breeder reactors in the next decade or so, and the fears of those who believe we are wasting the taxpayers' money on a dangerous project. As in the case of the B-1 bomber during the Ford administration, the Fuqua-Brown amendment preserves all options until the spring of 1971, while eliminating wasted money and talent between now and then. The Clinch River breeder reactor project is not essential to the development of breeder reactors, and may even be a detriment to this goal. At the same time, going ahead with this project will tell the rest of the world that we do not care to practice what we preach about developing the best nuclear technologies.

Mr. Speaker, the editorial in this morning's Washington Post summed up this matter most appropriately. I urge all my colleagues to review it.

The editorial follows:

[From the Washington Post, July 25, 1979]

PUTTING AN END TO CLINCH RIVER

Every year that the debate drags on, the case against the Clinch River Breeder Reactor gets stronger. The technical, economic and nonproliferation arguments are solid and persuasive. The large budgetary savings—$1.5 billion—should put the final nail in the Clinch River breeder's coffin.

The issue before Congress is not whether the country needs a breeder. That is a separate question. The issue now is whether the country needs this breeder and on the timetable that has been set for it. The right date for commercial deployment of a breeder depends on three key factors: demand for nuclear power; available uranium-ore resources; and the capital cost of the breeder in particular—how much more expensive it is than current reactor types. What do we now know about each of these?

In 1970, when the Clinch River breeder was first authorized, projected nuclear demand for the United States in the year 2000 was about 1 million megawatts. The most recent figures for that same year project about 20,000 megawatts. And these were calculated before Three Mile Island. Regarding resources, in 1970 the United States estimated its uranium reserves at 1.36 million tons. In 1979, the estimate is 4.3 million tons, of which 2.4 million fall into the most certain categories. So that even taking the most conservative view, our reserves of uranium ore have doubled in this decade, despite substantial production. Both these trends—the dramatic decline in demand and the growth in resources—have been mirrored worldwide.

The third factor, the likely cost of the breeder, is harder to predict. The administration's view, confirmed by many outside experts, is that the breeder will be between 1.2 and 1.7 times more expensive than current reactors. What all these numbers mean is that the breeder break-even point, the point at which a breeder becomes competitive and therefore economically justified, will come when uranium ore costs about $150 a pound. Today it costs $40 a pound. Putting these cost estimates together with the supply-and-demand figures, experts can calculate that the break-even point for breeders in this country will not come until after the year 2020—perhaps long after. Why then build the Clinch River breeder? It is a costly demonstration plant of a design that is almost 10 years old already. In the year 2020, its design will be 50 years old—a Model-T of reactors.

Supporters of Clinch River argue that if it isn't built, the United States will lose its leadership position in this potentially important technology. The opponents reply, soundly, that from a technological view money spent on the Clinch River breeder is wasted, since it is already an obsolete design, and that the U.S. position can be preserved and strengthened through a sensible R & D program that emphasizes safety and improved alternatives to current breeder designs. This makes good sense.

The administration's program, though still overfunded, will put the United States in a position to build a breeder reactor *if and when* it is needed. No one can responsibly predict today how far in the future that may be. But given the breeder's cost and undeniable proliferation risk, it would certainly be bad policy to encourage its premature use.

For far too long the Clinch River breeder has diverted the attention of Congress and the administration from other nuclear issues—especially safety and waste disposal—as well as from other energy issues that are far more important to the national welfare. This year Clinch River should be sent once and for all to its grave.●

SECRETARY CLAYTOR REITERATES POSITION TAKEN BY SECRETARY ADAMS ON FRONT SEAT SAFETY REQUIREMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FAZIO) is recognized for 5 minutes.

● Mr. FAZIO. Mr. Speaker, the House is set to debate the Department of Transportation appropriations bill Thursday or Friday, as you know. One of the major issues will be the amendment to overrule the Secretary of Transportation's requirement that autos be equipped with technology to protect front seat occupants during accidents.

I happen to believe that this requirement is a relatively liberal one in terms of flexibility and eminently sensible in terms of safety. Especially with cars getting smaller and smaller in order to save fuel, elements of safety which we can build into them are getting more and more in the public interest.

It is important to note in this context, Mr. Speaker, that the new Secretary of Transportation, W. Graham Claytor, has made it one of his first orders of

business to reiterate the position taken on front seat safety requirements by his predecessor, Mr. Brock Adams. I would like to request that the letter Mr. Claytor sent to Members of the House July 24 be inserted into the RECORD in case any Members did not have the opportunity to see it.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 24, 1979.

Hon. VIC FAZIO,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. FAZIO: Last week former Secretary Adams wrote to urge your opposition to any amendment that would hamper the ability of the Department of Transportation to work with the auto makers and suppliers to offer the full range of automatic crash protection to the American public.

I want you to know that I support Mr. Adams' position and the work which this Department has done over the years to help reduce the needless death and injury on our Nation's highways.

The standard issued by Mr. Adams two years ago is a performance standard. It permits manufacturers to use any technology they choose to automatically prevent death or serious injury to front seat occupants in a 30 mile-per-hour frontal barrier crash.

Manufacturers worldwide have been working for some time to build this increased safety into their vehicles. They are working on various technologies, including two which have been offered commercially to the American public in significant numbers: air cushion restraint systems, offered primarily by General Motors in the mid-1970's, and automatic belts, offered by Volkswagen since 1975.

In the 1980's, cars will be smaller because we must save energy. We need to build increased safety into them, and the savings in fuel will more than pay for the additional safety.

Sincerely,
W. GRAHAM CLAYTOR, JR.,
Acting Secretary.●

THE ADMINISTRATION OPPOSES REGISTRATION FOR THE DRAFT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the House will soon be given an opportunity to vote on a provision in the Department of Defense authorization bill for fiscal year 1980 (H.R. 4040) which, if enacted, will once again require young men to register for the draft. I strongly oppose the resumption of draft registration, and I am particularly opposed to the manner in which the Armed Services Committee has seen fit to bring this important issue before the House. Never before have amendments to the Military Selective Service Act been included in the annual defense procurement bill, yet this is precisely what the Armed Services Committee has chosen to do with the complex issue of resuming draft registration.

I am convinced that a careful examination of the registration issue will, at the very least, lead the Members of this body to conclude that we are being asked to take unnecessary action by the Armed Services Committee.

In recent weeks, we have been informed by Secretary of Defense Harold Brown that the Department of Defense does not support the resumption of draft registration. Acting Selective Service System Director Robert Shuck has stated repeatedly that, with the appropriate increase in computer capability, he is confident that his Agency can deliver inductees in accordance with the Defense Department's emergency mobilization timetable without requiring peacetime registration. James T. McIntyre, Jr., Director of the Office of Management and Budget, has stated that the administration does not support the resumption of draft registration.

If there is any doubt still remaining in the House about the administration's position on registration, let me dispel that doubt once and for all. I have just received a letter from Stuart Eizenstat, Assistant to the President for Domestic Affairs and Policy, which reiterates many of the concerns raised by Secretary Brown and Director McIntyre, and which concludes unequivocally that the "administration opposes new legislation to reimpose peacetime registration for the draft." Mr. Eizenstat further reminds us that the "President already has adequate authority to require registration if circumstances warrant."

The recent debate and vote on the rule providing for the consideration of H.R. 4040 is a good indication of how troubling the draft registration issue is for Members of the House. When the full House considers H.R. 4040, I hope we will reject this ill-advised attempt to reimpose peacetime registration. We should also give full consideration to the views of the administration, which are clearly expressed in Mr. Eizenstat's letter. The full text of the letter is as follows:

THE WHITE HOUSE,
Washington, D.C., July 23, 1979

Hon. JOHN F. SEIBERLING,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN JOHN SEIBERLING. Thank you for your letter to the President of April 9, 1979, concerning the draft, compulsory non-military national service, and universal registration.

The Administration opposes new legislation to reimpose peacetime registration for the draft. The President already has adequate authority to require registration if circumstances warrant. We do not believe it is necessary to impose this burden on our nation and its youth at this time when there are effective ways to improve the capability of the Selective Service System so that it can respond quickly in time of emergency.

In the event of an emergency mobilization, the Department of Defense manpower demands will be substantial. Particularly in the early days, much of that manpower comes from those who have already voluntarily obligated themselves to serve in the event of a mobilization. Beyond that, however, beginning thirty days after a decision to mobilize, the department would need to begin receiving inductees.

We are concerned that at present the Selective Service System might not be able to meet the thirty day requirement. In the near term, we think that the proper course of action is to enhance the standby ability of the Selective Service System, including its computer resources, its staffing and its planning. We are confident that, if adequate funds are provided by the Congress, the Selective Service System will be able to develop the capability to meet our requirements. An Administration funding request is now before Congress. Last year, the Congress chose not to fully fund that request. Passage of the full amount of this year's recommended appropriation measure would be a productive step in improving our posture.

We believe that the critical step towards achieving our goals is not immediate collection of names through registration, but rather the immediate improvement of our ability to prepare for processing people, and in case of mobilization actually to process them, through the Selective Service System.

Sincerely,
STUART E. EIZENSTAT,
Assistant to the President
for Domestic Affairs and Policy.●

CONFERENCE REPORT ON H.R. 4388, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

(Due to mechanical limitations, the conference report on the bill, H.R. 4388, making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, filed July 25, 1979, will appear in the next issue of the RECORD.)

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SOLOMON) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 10 minutes, today.

Mr. BROWN of Ohio, for 60 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 30 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. WAXMAN, for 5 minutes, today.
Mr. FORD of Tennessee, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.
Mr. BROWN of California, for 5 minutes, today.
Mr. FAZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MCKAY.

Mr. LUKEN, to extend his remarks following the remarks of the gentleman from Florida (Mr. PEPPER).

Mr. FITHIAN, on the Madigan amendment, immediately following colloquy with Mr. BENJAMIN.

Mr. KEMP, to revise and extend his remarks immediately following those of Mr. NOWAK on H.R. 3996.

(The following Members (at the request of Mr. SOLOMON) and to include extraneous matter:)

Mr. RHODES.
Mr. ROTH.
Mr. RUDD.

Mrs. SNOWE.
Mr. DICKINSON.
Mr. DERWINSKI.
Mr. COURTER.
Mr. WYDLER in two instances.
Mr. PAUL.
Mr. FISH.
Mr. ARCHER.
Mr. KRAMER.
Mr. FINDLEY.
Mr. HYDE.
Mr. STANTON.
Mr. MARKS.
Mr. SENSENBRENNER.

(The following Members (at the request of Mr. RAHALL), and to include extraneous matter:)

Mr. RODINO.
Mr. STARK in two instances.
Mr. BONER of Tennessee.
Mr. BONKER.
Mr. PEYSER.
Mrs. SCHROEDER.
Mr. HAMILTON.
Mr. DELLUMS.
Mr. MOAKLEY.
Mr. SWIFT.
Mr. GARCIA.
Mr. JENKINS.
Ms. OAKAR in two instances.
Mr. MILLER of California.
Mr. NOWAK.
Mr. JENRETTE.
Mr. MCDONALD in five instances.
Mr. SCHEUER in two instances.
Mr. SKELTON.
Mr. SIMON in five instances.
Mr. MCCORMACK.
Mr. FAZIO.
Mr. PATTERSON.
Mr. CARR.
Mr. WAXMAN.
Mr. BINGHAM.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 585. An act to authorize the Secretary of the Interior to engage in a feasibility study of the Yakima River Basin water enhancement project; to the Committee on Interior and Insular Affairs; and

S. 1309. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes; to the Committee on Agriculture.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4537. An act to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes;

H.R. 4591. An act to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other purposes; and

H.R. 4712. A act to delay conditionally the effective date of certain rules of procedure and evidence proposed by the U.S. Supreme Court, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on July 23, 1979, present to the President, for his approval, bills of the House of the following titles:

H.R. 2729. To authorize appropriations for activities for the National Science Foundation for fiscal year 1980, and for other purposes; and

H.R. 4289. Making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

ADJOURNMENT

Mr. FAZIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 p.m.) the House adjourned until tomorrow, Thursday, July 26, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2111. A letter from the Director, Council on Wage and Price Stability, Executive Office of the President, transmitting the Council's findings and recommendations on the need to promote greater productivity growth, pursuant to section 3(c) of the Council on Wage and Price Stability Act, as amended (93 Stat. 23); to the Committee on Banking, Finance and Urban Affairs.

2112. A communication from the President of the United States, transmitting a report on progress toward the conclusion of a negotiated solution of the Cyprus problem, pursuant to section 620C(c) of the Foreign Assistance Act of 1961, as amended (H. Doc. No. 96–166); to the Committee on Foreign Affairs and ordered to be printed.

2113. A letter from the Secretary of State, transmitting the first in a series of monthly reports ordered by the President on developments with respect to Zimbabwe-Rhodesia; to the Committee on Foreign Affairs.

2114. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2115. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Jacuzzi Brothers, Inc., Little Rock, Ark., for a research project entitled "Small-Diameter Corrosion Resistant Pumps for In Situ Leaching," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2116. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting volume three of the second annual report of the Administration, pursuant to section 57(a)(2) of the Federal Energy Administration Act of 1974, as amended; to the Committee on Interstate and Foreign Commerce.

2117. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend sections 503, 504, 606 (6), 804 and 905(a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

2118. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement and supplemental information on the West Kentucky tributaries project, Obion Creek, Ky., pursuant to section 404(r) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

2119. A letter from the Chairman, National Commission on Unemployment Compensation, transmitting the second report of the Commission, pursuant to section 411 (g) of Public Law 94–566; to the Committee on Ways and Means.

2120. A letter from the Comptroller General of the United States, transmitting a report on the Nation's efforts to commercialize solar heating systems (EMD–79–19, July 20, 1979); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Ways and Means.

2121. A letter from the Comptroller General of the United States, transmitting a report on the economic and energy effects of alternative oil import policies (EMD–79–78, July 24, 1979); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4811. A bill for the relief of the city of Nenana, and for other purposes; with amendment (Rept. No. 96–387). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEVILL: Committee of conference. Conference report on H.R. 4388 (Rept. No. 96–388). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LUNGREN: Committee on the Judiciary. H.R. 2098. A bill for the relief of Antonio Rivera Aristizabal (Rept. No. 96–389). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI (for himself, Mr. PEPPER, Mr. ROYBAL, Mr. JOHN L. BURTON, Mr. HUGHES, Mr. DRINAN, Mr. GRASSLEY, Mr. RATCHFORD, Mr. MITCHELL of Maryland, Mr. FAZIO, Mr. CORRADA, Mr. WEISS, Mr. MOAKLEY, Mr. FLOOD, Mr. WOLPE, Mr. AKAKA, Mr. MINETA, Mr. GRAY, and Mr. RANGEL):

H.R. 4952. A bill to amend the Age Discrimination Act of 1979 to provide that State and local laws may not permit certain activities to be exempt from the prohibitions established in such act unless such activities are specifically directed or permitted by Federal statutes; to the Committee on Education and Labor.

By Mr. BONKER:

H.R. 4953. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 4954. A bill to continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferru-

ginous ore) and related products; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mr. ZABLOCKI, Mr. BUCHANAN, Mr. ROSENTHAL, Mr. WOLFF, Mr. SOLARZ, Mr. BONKER, Mr. STUDDS, Mr. IRELAND, Mr. BARNES, Mr. WOLPE, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. WINN, Mr. GILMAN, Mr. PRITCHARD, and Mrs. FENWICK):

H.R. 4955. A bill to authorize an additional appropriation of $207,290,000 for the fiscal year 1980 and $203,610,000 for the fiscal year 1981 for migration and refugee assistance; to the Committee on Foreign Affairs.

By Mr. KEMP (for himself, Mr. BROWN of Ohio, Mr. STOCKMAN, Mr. WHITEHURST, Mr. QUAYLE, Mr. SYMMS, Mr. ROUSSELOT, Mr. PAUL, Mr. SOLOMON, Mr. SHUMWAY, Mr. THOMAS, Mr. FRENZEL, Mr. DERWINSKI, Mr. JEFFRIES, Mr. COUGHLIN, Mr. WALKER, Mr. GINGRICH, and Mr. YOUNG of Alaska):

H.R. 4956. A bill to prohibit the enforcement of compliance with voluntary guidelines by withholding contracts or applying any other sanction; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ST GERMAIN:

H.R. 4957. A bill to authorize negotiable order of withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, to authorize federally insured credit unions to receive share draft deposits, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SNOWE (for herself and Mr. EMERY):

H.R. 4958. A bill to prohibit trading in potato futures on commodity exchanges; to the Committee on Agriculture.

By Mrs. SPELLMAN:

H.R. 4959. A bill to provide a prepaid dental care program for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. VENTO:

H.R. 4960. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Gerald F. Spiess; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WALKER:

H.R. 4961. A bill to amend section 118(a) of title 28, United States Code, to provide for the holding court for the eastern district of Pennsylvania at Lancaster, Pa.; to the Committee on the Judiciary.

By Mr. WAXMAN (for himself, Mr. PREYER, Mr. MAGUIRE, Mr. LUKEN, Mr. WALGREN, Ms. MIKULSKI, Mr. LELAND, Mr. MURPHY of New York, and Mr. CARTER):

H.R. 4962. A bill to amend title XIX of the Social Security Act to strengthen and improve medicaid services to low-income children and pregnant women, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER (for himself, Mr. HYDE, Mr. MCCLORY, Mr. RAILSBACK, and Mr. SIMON):

H.J. Res. 380. Joint resolution proposing an amendment to the Constitution of the United States allowing the President to veto individual items in appropriations bills; to the Committee on the Judiciary.

By Mr. ROTH:

H. Res. 388. Resolution amending the Rules of the House of Representatives to create a standing Committee on Energy in the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 4963. A bill for the relief of Yeung Wai Liu; to the Committee on the Judiciary.

H.R. 4964. A bill for the relief of Lum Mei-Kum Moy and Hoi-Ping Moy; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 4965. A bill for the relief of Dana Braford Barretto; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.R. 4966. A bill for the relief of the estate of Philip H. Ward; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 626: Mr. FISH.
H.R. 1060: Ms. MIKULSKI.
H.R. 1735: Mr. LELAND.
H.R. 2077: Mr. PATTERSON.
H.R. 2172: Mr. SHUMWAY.
H.R. 2535: Mr. BRODHEAD.
H.R. 3937: Mr. HAWKINS, Mr. STARK, Mr. CARR, Mr. STOKES, and Ms. MIKULSKI.
H.R. 4093: Mr. MURPHY of Illinois, Mr. LOWRY, Mr. MARKEY, and Mr. ROSENTHAL.
H.R. 4309: Mr. MCCLORY.
H.R. 4400: Mr. DASCHLE, Mr. HOLLENBECK, Mr. LIVINGSTON, and Mr. MARTIN.
H.R. 4443: Mr. PATTERSON.
H.R. 4760: Mr. PERKINS, Mr. HUGHES, Mr. SIMON, Mr. WHITEHURST, Mr. WINN, Mr. MARRIOTT, Mr. RICHMOND, Mr. GUYER, Mr. ASHBROOK, Mr. GRASSLEY, Mr. BETHUNE, Mr. LAGOMARSINO, Mr. PURSELL, Mr. HOLLENBECK, Mr. MOORHEAD of California, Mr. O'BRIEN, Mr. SOLOMON, Mr. GOODLING, Mr. WATKINS, Mr. RINALDO, Mr. MILLER of Ohio, Mr. STANTON, Mr. SENSENBRENNER, Mr. CONTE, Mr. BARNARD, Mr. NATCHER, Mr. LEATH of Texas, Mr. MYERS of Indiana, Mrs. FENWICK, Mr. JEFFORDS, Mr. WHITTEN, Mr. SEIBERLING, Mr. REUSS, Mr. SMITH of Iowa, Mr. ST GERMAIN, Mr. D'AMOURS, Mr. CAVANAUGH, Mr. BEREUTER, and Mr. DUNCAN of Tennessee.
H.J. Res. 3: Mr. NICHOLS, Mr. UDALL, Mr. PASHAYAN, Mr. PATTERSON, Mr. GOLDWATER, Mr. CORMAN, Mr. FAZIO, Mr. BEILENSON, Mr. FADHAM, Mr. HAWKINS, Mr. HUTTO, Mr. CHAPPELL, Mr. LEHMAN, Mr. MATHIS, Mr. HANSEN, Mr. BENJAMIN, Mr. HAMILTON, Mr. FARY, Mr. MURPHY of Illinois, Mr. FINDLEY, Mr. SIMON, Mr. SMITH of Iowa, Mr. BEDELL, Mr. SEBELIUS, Mr. MAZZOLI, Mr. BOLAND, Mr. CONTE, Mr. MARKEY, Mr. HAGEDORN, Mr. OBERSTAR, Mr. MONTGOMERY, Mr. TAYLOR, Mr. FORSYTHE, Mr. RODINO, Mr. ROE, Mr. LUJAN, Mr. GILMAN, Mr. KEMP, Mr. PREYER, Mr. HARSHA, Mr. LATTA, Mr. ULLMAN, Mr. DOUGHERTY, Mr. ERTEL, Mr. KOSTMAYER, Mr. LEDERER, Mr. WALKER, Mr. CAMPBELL, Mr. DASCHLE, Mr. JONES of Tennessee, Mr. MCDADE, Mr. WHITEHURST, Mr. RAHALL, Mr. STAGGERS, Mr. REUSS, Mr. ZABLOCKI, Mr. WON PAT, Mr. CORRADA, Mr. VANDER JAGT, Mr. LONG of Maryland, Mr. JENRETTE, Mr. EDWARDS of Alabama, Mr. CHARLES H. WILSON of California, Mr. PRICE, Mr. NATCHER, Mr. BOWEN, Mr. MCEWEN, Mr. STENHOLM, Mr. MCKAY, Mr. DICKS, Mr. PURSELL, Mr. MARRIOTT, and Mr. WAXMAN.
H.J. Res. 139: Mr. MURPHY of Pennsylvania.
H.J. Res. 145: Mr. STACK, Mr. SIMON, Mr. DOUGHERTY, Mr. WOLPE, and Mr. GRAY.
H.J. Res. 265: Mr. HAMILTON.
H. Con. Res. 158: Mrs. BOGGS, Mr. PHILLIP BURTON, Mr. CORMAN, Mr. DE LA GARZA, Mr. DODD, Mr. DUNCAN of Oregon, Mr. DUNCAN of Tennessee, Mr. EVANS of Indiana, Mr. FINDLEY, Mr. GIBBONS, Mr. HIGHTOWER, Mr. JONES of Oklahoma, Mr. NICHOLS, Mr. NEAL, Mr. ROBERTS, Mr. WIRTH, Mr. PREYER, Mr. MCCORMACK, Mr. DRINAN, Mr. ASPIN, Mr. BRODHEAD, Mr. BROWN of California, Mr. DAVIS of South Carolina, Mr. ECKHARDT, Mr. FOUNTAIN, Mr. MATHIS, Mr. PATTERSON, Mr. PERKINS, and Mr. ULLMAN.
H. Res. 339: Mr. MOTTL, Mr. VENTO, Mr. YOUNG of Missouri, Mr. DASCHLE, and Mr. ERTEL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

181. The SPEAKER presented a petition of the Western Governors' Conference, San Francisco, Calif., relative to resolutions adopted at the 1979 annual meeting of the conference, which was referred to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3000

By Mr. DASCHLE:

—Page 58, after line 19, insert the following new section:

BIOMASS ENERGY RESOURCES INFORMATION COLLECTION AND DISSEMINATION

SEC. 602. (a)(1) The Secretary of Energy shall collect, review, and disseminate to the general public information regarding—

(A) the identification of biomass energy resources,

(B) the collection of biomass energy resources,

(C) the direct use of biomass energy resources,

(D) the conversion of biomass energy resources,

(E) the utilization of the products of conversion of biomass energy resources,

(F) financial assistance and incentives for direct use of biomass energy resources, conversion of biomass energy resources and products of conversion of biomass energy resources,

(G) the laws of the United States applicable to the use, collection, conversion, sale, transportation or other disposal of biomass energy resources, conversion of biomass energy resources and products of conversion of biomass energy resources.

(2) The Secretary shall ensure the general public is informed of the availability of information collected and reviewed under paragraph (1).

(b) Not later than 90 days after the close of each fiscal year occuring after the date of the enactment of this Act, the Secretary shall submit to each House of Congress a report describing the activities undertaken by the Secretary to carry out subsection (a), the results of such activities, and any recommendation of the Secretary regarding the implementation of such subsection in such fiscal year.

(c) There is authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1980.

By Mr. GLICKMAN:

—Title I is amended by adding the following new Section after line 2, page 34 and renumbering subsequent sections accordingly:

"SEC. 122. Notwithstanding provisions of Section 107 and Section 119(E) of this Act, five percent of the total funds authorized under those sections for nuclear fission energy programs and capital equipment expenses not related to construction, excluding those amounts authorized under Section 107(B), 'Civilian Waste Management,' Section 107(C), 'Spent Fuel Storage,' Section 119(E)(2), 'Civilian Waste Management,' and Section 119(E)(3), 'Spent Fuel Storage,' shall not be expended for programs authorized under Section 107 and Section 119(E), but shall be available to the Secretary for energy supply research and development programs authorized under Sections 101, 102, 103, 106, and 114 of this Act designed to efficiently meet energy needs for transportation. Not less than thirty days prior to reprograming of funds under this Section, the Secretary shall report to the House Committee on Science and Technology and the Senate Committee on Energy and Natural Resources as to details of the planned reprogrammings."

—Title VIII is amended by inserting after the word "used" on line 7, page 69, the following: "as provided for in Section 122 of this Act or".

By Mr. LAGOMARSINO:

—Page 3, line 5, strike out "(F)" and insert in lieu thereof "(G)".

Page 3, after line 4, insert the following new item: (F) Heavy oil conversion technology, $30,000,000.

Page 57, after line 9, insert the following new section:

TRANSFER OF SPENT NUCLEAR FUEL TO TERRITORIES AND POSSESSIONS OF UNITED STATES

SEC. 505. No spent nuclear fuel may be transferred to any potential site for the interim storage of such fuel which is located in the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States unless—

(1) the President submits to the Congress a report on the transfer at least 30 days before such transfer during which both Houses of the Congress are in session or either or both Houses are not in session because of an adjournment of three days or less to a day certain; or

(2) the President determines that an emergency situation exists with respect to such transfer and that it is in the national interest to make such transfer and the President notifies as soon as possible the Committee on Foreign Affairs and the Committee on Science and Technology of the House of Representatives and the Committee on Foreign Relations and the Committee on Energy and Natural Resources of the Senate of such transfer.

By Mr. MCCORMACK:

—Page 12, line 7 strike "$10,400,000" and substitute in lieu thereof "$15,900,000".

By Mr. VENTO:

—Sec. 502(b)(1), add the following new subsection (C) and renumber accordingly.

"(C) be based on the assumption that these facilities will be designed solely for the temporary storage of spent fuel and that the storage capacity shall not be expanded beyond the level needed to meet the amount of spent fuel withdrawn from the core of any nuclear reactor licensed by the Nuclear Regulatory Commission prior to 1990, and, where appropriate and consistent with applicable law, foreign nuclear reactors."

—Sec. 502(b)(1), add the following new subsection (C) and renumber accordingly:

"(C) be based on the assumptions that:

"(i) these facilities will be designed solely for the interim, short-term storage of spent fuel;

"(ii) these facilities will be used solely for the near term need;

"(iii) the storage capacity shall not be expanded beyond the level needed to meet the amount of spent fuel withdrawn from the core of any nuclear reactor licensed by the Nuclear Regulatory Commission prior to 1990, and, where appropriate and consistent with applicable law, foreign nuclear reactors: and

"(iv) facilities for the long-term or permanent storage of spent fuel and nuclear high level waste shall be made available as soon as possible."

H.R. 3180

By Mr. KRAMER:

—Page 47, after line 24 insert the following new section 205 (and redesignate the succeeding sections accordingly):

PROMULGATION OF REGULATIONS

SEC. 205. (a)(1) No regulation promulgated by the Secretary of Energy on or after the date of the enactment of this Act shall be effective after the expiration of the two-year period beginning on the effective date of such regulation unless the Congress expressly provides for the continuance of such regulation. In the case of any regulation promulgated by the Secretary of Energy before the date of the enactment of this Act, such regulation shall not be effective after the expiration of the two-year period beginning on the date of the enactment of this Act unless the Congress expressly provides for the continuance of such regulation.

(2) If the Congress fails to provide for the continuance of any regulation during the applicable period specified under paragraph (1), the Secretary of Energy may not reinstate the regulation by promulgating any identical or substantially similar regulation which has the same effect as the regulation terminated as a result of the operation of paragraph (1).

H.R. 4034

By Mr. ERTEL:

—Page 45, insert the following section after line 21 and redesignate subsequent sections accordingly:

EXPORTS OF HIDES AND SKINS

SEC. 110. Paragraph (1) of susbection (f) of section 7 of the Export Administration Act of 1969, as such section is redesignated by section 104(a) of this Act, is amended by adding at the end thereof the following: "The Secretary of Agriculture shall, by exercising the authorities which the Secretary of Agriculture has under other applicable provisions of law, monitor the export of animal hides and skins for purposes of determining the supply of and demand for such hides and skins.".

—Add the following sentence before the closed quotation marks at the end of the amendment: "The Secretary of Agriculture shall, by exercising the authorities which the Secretary of Agriculture has under other applicable provisions of law, monitor exports of animal hides and skins for purposes of determining the supply of and demand for such hides and skins."

H.R. 4040

By Mr. BEARD of Tennessee:

—Page 17, after line 2, insert the following new title (and redesignate the succeeding title and sections accordingly):

TITLE VIII—CONGRESSIONAL STUDY COMMISSION ON DEFENSE READINESS AND MOBILIZATION CAPABILITY

DEFENSE READINESS AND MOBILIZATION CAPABILITY STUDY

SEC. 801. (a) There is hereby established a commission to be known as the Congressional Study Commission on Defense Readiness and Mobilization Capability (hereinafter in this section referred to as the "commission").

(b)(1) The commission shall conduct a comprehensive study of the current defense mobilization capability of the United States and the current capability of the Armed Forces to sustain forces upon mobilization. Such study shall be based upon the best available information available to the United States intelligence community and shall be conducted in light of all foreseeable threats to the national security of the United States and its allies.

(2) The commission shall prepare recommendations with respect to the current defense mobilization capability of the United States based upon the study conducted pursuant to paragraph (1). In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives or the Senate during the 96th Congress.

(c)(1) The commission shall consist of 24 members, appointed as follows:

(A) The Speaker of the House of Representatives shall appoint 12 members of the commission, nine of whom shall be Members of the House of Representatives and three of whom shall be appointed from among individuals who are not Members of the House of Representatives.

(B) The President pro tempore of the Senate shall appoint 12 members of the commission, nine of whom shall be Senators and three of whom shall be appointed from among individuals who are not Senators.

(2) Members of the commission shall serve for the life of the commission. A vacancy in the commission shall be filled in the same manner in which the original appointment was made.

(3) The commission shall select a chairman and vice chairman from among its members. If the chairman is a member of either House of Congress, the vice chairman may not be a member of the same House.

(4) For the purposes of this subsection, the term "Member" includes any Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.

(d) The commission shall prepare a report of its findings and recommendations and shall submit such report to the Congress not later than the end of the 6-month period beginning on the date of the enactment of this Act.

(e) The commission shall expire thirty days after the filing of its report under subsection (d).

H.R. 4473

By Ms. HOLTZMAN:

—Page 12, line 13, strike "248,951,000" and insert in lieu thereof "456,251,000".

By Mr. LONG of Maryland:

—On page 12 of the bill, line 13, strike out "$248,951,000" and insert in lieu thereof "$456,241,000".

S. 1030

By Mr. BROWN of Ohio:

—Page 37, line 18, strike "or".

Page 37, line 20, strike the period and insert in lieu thereof a comma.

Page 37, after line 20, insert the following:

"(iv) a restriction on the hours during which any business may operate."

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF PUBLIC OR PRIVATE HOMES FOR THE ELDERLY.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any public or private home for the elderly unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY SOCIAL SERVICE INSTITUTION.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any social service institution unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING

THE OPERATOR OF ANY RELIGIOUS INSTITUTION.—

The plan established under subsection (a) may not provide for any measures that would restrict the operation of any religious institution unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means."

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY ENERGY PRODUCTION, EXPLORATION OR TRANSPORTATION FACILITY.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any energy production, exploration, processing or transportation facility unless such plan permits any establishment or facility affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY INSTITUTION PROVIDING FOR THE PUBLIC HEALTH AND SAFETY.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any institution or facility providing for the public health and safety unless such plan permits any establishment or facility affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY COMMON CARRIERS.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any common carriers, including taxicabs, buses and mass transit systems unless such plan permits any establishment or facility affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY SPORTS FACILITY.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any sports facility unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES AFFECTING FULL FOOD AND FIBER PRODUCTION.—

The Plan established under subsection (a) may not provide for any measure which would affect full food and fiber production, as determined by the Secretary of Agriculture, unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means."

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY EDUCATIONAL INSTITUTION.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any educational institution unless such plan permits any institution affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY PUBLIC OR PRIVATE NEWS GATHERING OR DISSEMINATING BUSINESS OR ORGANIZATION.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any public or private news gathering or disseminating business or organization unless such plan permits any business or organization affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE TEMPERATURE IN ANY PUBLIC OR PRIVATE HOSPITAL, HEALTH CARE FACILITY, OR LIKE ESTABLISHMENTS.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE HOURS OF OPERATION OF ANY RETAIL ESTABLISHMENT.—

The plan established under subsection (a) may not provide for any measures that would regulate the hours of operation of any retail establishment unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means."

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY FRATERNAL ORGANIZATION.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any fraternal organization unless such plan permits any organization affected by such restriction to achieve an equivalent reduction in energy consumption by other means."

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY HOTEL, MOTEL, OR LODGING ESTABLISHMENT.—

The plan established under subsection (a) may not provide for any measures that would regulate the operation of any hotel, motel, or lodging establishment unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

By Mr. KRAMER:

—Page 17, strike out line 3 and all that follows down through line 4 on page 18, and insert in lieu thereof the following:

(c) Section 201 of such Act (42 U.S.C. 6361) is amended by adding at the end thereof the following new subsection:

"(g)(1) The term 'severe energy supply interruption', when used in subsection (b)(3) in the case of any rationing contingency plan, means a national energy supply.

Page 18, line 6, strike out "(i)" and insert in lieu thereof "(A)".

Page 18, line 14, strike out "(ii)" and insert in lieu thereof "(B)".

Page 18, line 17, strike out "(iii)" and insert in lieu thereof "(C)".

Page 18, line 20, strike out "(iv)" and insert in lieu thereof "(D)".

Page 18, amend line 23 to read as follows:

"(2)" In applying subsection (b)(3) in the

Page 19, line 1, strike out "(i)" and insert in lieu thereof "(A)".

Page 19, line 4, strike out "(ii)" and insert in lieu thereof "(B)".

Page 19, line 7, strike out "subparagraph (A)," and insert in lieu thereof "paragraph (1),".

Page 19, line 10, strike out "As used in paragraph (1)," and insert in lieu thereof "In applying subsection (b)(3) in the case of any rationing contingency plan,".

Page 19, line 14, strike out "subparagraphs (A) and (B) of paragraph (2)" and insert in lieu thereof "paragraphs (1) and (2)".

Page 21, strike out line 18 and all that follows down through line 19 on page 22.

Page 22, line 20, strike out "(7)" and insert in lieu thereof "(f)"

—Page 22, after line 24, insert the following new subsection:

"(g) Section 203(f) of such Act (42 U.S.C. 6263(f)) is amended by striking out "shall expire on the same date as authority to issue and enforce rules and orders under the Emergency Petroleum Allocation Act of 1973." and insert in lieu therof "shall cease to have effect after September 30, 1980.".

By Mr. MOORHEAD of California:

—Strike out section 3, beginning on page 23, line 1, and ending on page 50, line 2.

Strike out section 4, beginning on page 50, line 3, and ending on page 51, line 2.

Page 51, line 4, strike out "SEC. 5." and insert in lieu thereof "SEC. 3.".

Page 51, line 14, strike out "SEC. 6." and insert in lieu thereof "SEC. 4.".

—Page 35, beginning on line 13, strike out "application of one or more of the following measures described in such plan:" and all that follows down through line 7 on page 36 and insert in lieu thereof the following: "application of one or more measures which are described in such plan, which are authorized under the laws of that State, and which will be administered and enforced by officers and employees of the State (or political subdivisions of the State) pursuant to the laws of such State (or political subdivisions).

Page 36, strike out line 1 and all that follows down through line 25.

Page 39, line 1, strike out "(f)" and insert in lieu thereof "(d)".

Page 39, line 8, strike out "(g)" and insert in lieu thereof "(e)".

Page 47, line 11, strike out ", 635(e),".

Page 47, line 15, strike out "or section 635(d)".

—Page 37, after line 20, add the following:

"(iv) a restriction on the hours during which any business may operate."

Page 43, after line 11, add the following new subsection:

"(f) PLAN MAY NOT AUTHORIZE RESTRICTIONS ON BUSINESS HOURS.—The plan established under subsection (a) may not provide for the restriction of the hours during which any business may operate."

—Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES REGULATING BUSINESS HOURS.—The plan established under subsection (a) may not provide for any measures that would restrict the hours of operation of any business unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by means other than reducing operating hours."

—Page 43, after line 11, insert the following new subsection:

"(f) CONGRESSIONAL REVIEW OF STANDBY PLAN.—(1) After promulgation of a standby Federal emergency conservation plan, the Secretary shall transmit such plan to the Congress, together with his findings in support of such plan, in accordance with section 551(b) of the Energy Policy and Conservation Act. Such plan may become effective only if either House of the Congress has not disapproved (or both Houses of Congress have approved) such plan in accordance with the procedures specified in section 551 of such Act.

"(2) For purposes of considering the plan submitted to Congress under paragraph (1), the 15 calendar days specified in section 551 (c) and (d) shall be lengthened to 30 calendar days.

By Mr. RINALDO:

—Page 37, line 16, strike out "or".

Page 37, line 20, strike out the period and insert in lieu thereof ", or".

Page 37, after line 20, insert the following:

"(iv) a standby automobile sticker system.

Page 42, strike out lines 8 through 11 and insert in lieu thereof:

"(c) PLAN MAY NOT INCLUDE A STANDBY AUTOMOBILE STICKER SYSTEM.—The plan established under subsection (a) may not include a standby automobile sticker system.

Page 43, strike out line 12 and all that follows down through line 9 on page 45.

Page 27, after line 13, insert the following new paragraph:

"(15) The term 'standby automobile sticker system' means any restriction applicable to automobiles (or classes thereof) which, by means of stickers or other devices, identifies vehicles which are prohibited from being operated on designated days (or other periods of time).

By Mr. STOCKMAN:

—Page 43, after line 11, add the following new subsection:

"(f) PLAN MAY NOT AUTHORIZE RESTRICTIONS ON BUSINESS HOURS.—The Plan established under subsection (a) may not provide for the restriction of the Hours during which any business may operate."

EXTENSIONS OF REMARKS

NATIVE INGENUITY CONSERVES ENERGY, CUTS COSTS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. FUQUA. Mr. Speaker, our success in winning the energy war will depend greatly on the individual exercise of inventive ingenuity by citizens faced with everyday problems.

As an example of that inventiveness—and how it can increase profits while benefiting the Nation—I commend to you the story of Bobby Sherrod of Greenville, Fla.

Mr. Sherrod operates a lumber mill which receives rough cut trees and creates finished boards for the construction trade. The final stage in producing that finished product is the drying process which uses large amounts of energy to heat a kiln to 255° F, 24 hours a day, 7 days a week, 52 weeks a year.

Until recently that kiln consumed 1,000 gallons of propane fuel daily at a daily cost of about $400.

A byproduct of the lumber mill is wood shavings created in the planning process. The shavings have normally been sold to a particle board plant for virtually nothing.

Mr. Sherrod saw an opportunity to reduce his kiln heating costs significantly and make more economic use of his wood shavings and contracted with a small manufacturer to install a system designed to create gas for the kiln from the wood refuse.

Working on it personally for more than a year in connection with the manufacturer, he has now developed the system to the point where it can provide total fuel for his kiln for stretches of 10 days at a time before it has to be shut down for cleaning.

On each one of the days the wood gas is used as primary fuel, the Nation saves 1,000 gallons of propane gas and Mr. Sherrod reports that his business saves about $150 a day after paying increased personnel costs. Mr. Sherrod estimates it will take 3 to 4 years to recapture his investment of more than $150,000 in the new process at the current rate of utilization, but he hopes the system can still be refined further for longer burns. But, even at the current utilization rate, Mr. Sherrod is contributing significantly to energy conservation and building himself a competitive advantage in the market by reducing his overhead.

Mr. Speaker, that is the kind of imaginative innovation which has made this Nation great and which will be one of the chief ingredients in our successful battle for energy independence. I commend Mr. Sherrod to my colleagues and the Nation as an example of effective management of personal and national resources.●

WOMEN IN THE WORK FORCE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mrs. SCHROEDER. Mr. Speaker, women are joining the U.S. work force at the rate of a million a year. Women wage earners represent 51 percent of the labor force in 1979, whereas in 1870 women wage earners represented only 15 percent of the labor force. More of these women are becoming union members and becoming increasingly influential in the U.S. labor movement at both local and national levels. Female unionists now total 4.3 million or 25 percent of union membership. Women have accounted for more than 50 percent of the growth in union membership over the last 10 years.

Women, however, are not new to the labor union struggles. It was in 1734 that the first women's labor organization was established by maid servants to protest abuses from their mistresses' husbands in New York City. The second recorded strike of factory workers in American history occurred in 1828 in Dover, N.H. by 400 women.

In 1845, because of the poor conditions of workers in the mill industries, mill workers of Lowell, Mass., formed the Female Labor Reform Association. The group started with 12 members—within 6 months it was 500 members strong. One of the first alliances between female and male labor unions in the labor movement was between the Female Labor Reform Association and the New England Workingmen's Association in their effort to lobby for a 10-hour work day.

The first labor organization in the United States to accept women members on an equal basis was the Knights of Labor, which was founded in 1869. A few female leaders attained local and even national leadership. One of these women was Mrs. George Rodgers, mother of 12, who in 1886 was the chairman for the Chicago area of the Knights of Labor. Mother Jones, who is today's featured Minutewoman, was an organizer for the Knights of Labor. Her motto was, "Pray for the dead and fight like hell for the living."

Other women unionists emerged as labor leaders in their specific trades. One of these women was Rose Schneiderman, who helped form the first female local within the United Hat and Cap Makers Union. She was elected to the general executive board, becoming the first woman in the trade union movement to hold such a high position.

It was through the efforts of women like Mother Jones and Rose Schneiderman, as well as the thousands of women who collected dues, obtained charters, formed bargaining committees in their shops, and talked up the need for unionization, that women laid the foundations of unionism in industry.●

TRIBUTE TO MS. FRANCES M. ALBRIER

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. DELLUMS. Mr. Speaker, I would like to bring to the attention of my colleagues the outstanding achievements and contributions of a truly magnificent woman, Ms. Frances Albrier. Ms. Albrier, a Berkeley civic leader, has for 40 years persistently fought against racial bias. She has won several honors for her invaluable public service. In 1954, she was given the NAACP's prestigious Fight for Freedom Award. In 1971, she received the California Congress of Parents and Teachers, Inc., Honorary Service Award—their highest honor. This was given to her for her work with the intergroup education project in Berkeley for which she served as membership chairperson for 2 years; for her work since 1960 as a social resource volunteer and speaker on African culture in the Berkeley and Oakland schools; and most particularly for inspiring interest in service to youth through the PTA such that she was able to reactivate a PTA unit at an Oakland junior high school.

Ms. Albrier was born in Mt. Vernon, N.Y., and educated at Booker T. Washington School in Tuskegee, Ala., and Howard University, from which she received a degree in general social services. Her late husband, Willie Albrier, was a bartender on the Southern Pacific's lounge cars. During those years, Ms. Albrier served as president of the Women's Auxiliary of Local 456 AFL, Dining Car Cooks, Waiters, and Bartenders Union.

During the thirties, Ms. Albrier was a social service caseworker for the State.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In 1938, she was elected to a post on the Democratic Central Committee of Alameda County, and served on the committee for 18 years. During World War II, she was a welder at Kaiser Shipyards, and also did volunteer work in the Red Cross, the Motor Corps, the USO, the Fannie Wall Children's Home, the Visiting Nurses Association, and the NAACP.

It was as early as 1938 when she ran for the Democratic Central Committee that Ms. Albrier sought an end to racial bans. In 1939, she worked to stop racial discrimination in the hiring policy of the Berkeley schools. That year, she joined with other concerned women and formed the East Bay Welfare Women's Club, a political nonpartisan group, to urge the hiring of nonwhite school personnel in Berkeley. Ms. Albrier then ran for the city council of Berkeley. Although she was defeated, her campaign and her talks about discrimination in hiring did bring about policy change, enabling black teachers to be employed in the schools. She also organized picket lines at Berkeley business establishments where racial discrimination was practiced in hiring.

Ms. Albrier has served as vice president of the Berkeley Women's Town Council, on the board of directors of the South Berkeley model cities program, and as president of the Northern Federation of Colored Women's Clubs.

In March of 1971, the assembly rules committee of the California Legislature passed a resolution commending Ms. Albrier for her "outstanding record of achievements in public service." In May of this year she was awarded a national award by the Black Caucus Senior Center on Aging. Ms. Albrier has won the respect of numerous people for her unwavering commitment to improve the quality of life in her community. I think it is thus appropriate to honor her, and to thank her, for a job well done. It is my honor to bring the accomplishments of this woman to your attention.●

MERITS OF AIRBAGS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. SCHEUER. Mr. Speaker, my colleagues undoubtedly are aware that there is a vigorous debate ongoing concerning the merits of airbags. One of the more thoughtful considerations of the merits of this life-saving system was offered last week in a letter to colleagues by two of this body's most esteemed Members, Representative JOHN J. RHODES, the minority leader, and Representative BOB ECKHARDT, chairman of the House Commerce Subcommittee on Oversight and Investigations. I am pleased to insert their letter into the RECORD:

WASHINGTON, D.C., *July 17, 1979.*

DEAR COLLEAGUE: Our colleague, John Dingell, has asked you to support an amendment to the Department of Transportation appropriations bill (H.R. 4440) that would prohibit the Department from enforcing its 1977 automobile passive restraint standard in the form in which it was promulgated and approved by the Congress.

The standard currently calls for the manufacture of vehicles capable of protecting their front-seat occupants from injury in frontal crashes of 30 miles per hour, beginning with the 1982 model year. The standard permits the manufacturers to use any technology they wish to meet its performance criteria.

Mr. Dingell's amendment would prevent the DOT from enforcing the standard if the manufacturers chose to use any technology other than belt systems. He is asking you to turn the performance standard required under the National Motor Vehicle Safety Act of 1966 into a design standard, and to rule out the use of the other presently available technology, the air cushion restraint system (or airbag).

We are strongly opposed to Mr. Dingell's amendment. Congress requires the agency to set standards based on broad performance criteria, to permit the highest degree possible of competition and innovation in the market. If the agency should be kept out of the business of designing cars, it is even more appropriate that the Congress stay out of a highly technical judgment on the relative merits of competing passive restraint systems.

The Dingell amendment is, we are afraid, but a prelude to attempts to have Congress outlaw airbags, so that none of the manufacturers will have to compete with each other on the basis of superior safety technology. For this reason, too, we urge you to oppose the amendment. Having told the manufacturers that we want them to produce safer cars, we have no business telling them which technology they must or must not use to comply with the law.

BOB ECKHARDT,
Chairman, Subcommittee on Oversight and Investigations.

JOHN J. RHODES,
Minority Leader.●

SWEET SUGAR DEAL

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. FINDLEY. Mr. Speaker, an excellent editorial statement appeared in the July 16 issue of the State Journal-Register, a daily newspaper in Springfield, Ill. The editorial was headed "Sugar Producers After a Sweet Deal" and it echos my sentiments regarding sugar legislation soon to come before this body.

The editorial points out the special interest nature of the proposed sugar legislation and its cost to the taxpayer-consumers of this country. I commend this editorial to my colleagues. Its text follows:

SUGAR PRODUCERS AFTER A SWEET DEAL

Politics, it is said, is the system we use to pass out the goodies to the several selfish interests in our society.

And, among these interests, the sugar lobby has always been one of the most successful. Congress now is considering one of the sweetest deals the sugar lobby has ever sought to put over on the American consumer and taxpayer.

The White House has bought the deal and President Carter, unaccountably, has given it his support, despite the fact that his own chief inflation fighter, Alfred Kahn, believes the present sugar program is highly inflationary.

The present sugar program is costing consumers about $2.6 billion a year in higher food costs, Kahn says. The proposal would enrich the program to about $3 billion a year, all at the expense of consumers and taxpayers.

What Congress should do is to provide for the orderly phasing out of the present sugar price support program instead of expanding it.

But key congressmen and senators from sugar-producing states stand guard for their constituents against any attempt to end Uncle Sam's role as their sugardaddy—influential men like Sens. Frank Church and Russell Long, and Reps. Tom Foley and Al Ullman.

The House Agriculture Committee has approved a bill (HR2172) which would increase the sugar price support from 14.73 to 15.8 cents a pound as of Oct 1 and provide for further increases to around 17 cents in 1980 and over 18 cents in 1981. In addition, the bill provides for a half cent a pound payment from the federal government.

The measure would benefit 14,000 farmers, representing less than 1 percent of the nation's farms and less than 1 percent of total crop acreage.

The farmers would benefit at the expense of most other Americans, who are already paying sugar prices that are 30 percent higher than they were two years ago.

It is hard for us to understand how the president of all the people could support such a special interest measure. We cannot see how any legislator not accountable to a special interest constituency can support it.●

TESTIMONY OF A. F. GROSPIRON, PRESIDENT, OCAW, ON THE OIL IMPORTS ACT OF 1979

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. CONYERS. Mr. Speaker, the distinguished president of the Oil, Chemical, and Atomic Workers International Union, A. F. Grospiron, recently testified in support of legislation sponsored by Representatives ROSENTHAL, ROSE, and myself to create a Federal corporation to purchase foreign oil. The Oil Imports Act of 1979 (H.R. 3604) would provide the effective means to curb the OPEC cartel and the multinational oil companies' market power, which together have brought about the crisis of energy costs we are experiencing today. I recommend that my colleagues read carefully his July 17 testimony before the Ways and Means Trade Subcommittee, which follows:

STATEMENT OF A. F. GROSPIRON

Since the Arab oil embargo of 1973–1974, the United States has become increasingly dependent on imported oil instead of moving toward energy independence. This has taken place because, following the recession of 1975, the U.S. economy has strongly expanded and has been accompanied by a growing utilization of petroleum products, particularly in connection with transportation.

The immediate energy crisis in reality is a crisis only in the supply of oil. Oil, natural gas and coal supply almost 95 percent of the energy consumed in the United States. Natural gas and coal are now in reasonably adequate supply from indigenous sources. However, oil makes up about 45 percent of total energy use in the United States. As imports provide about 45 percent if this nation's oil supplies, this means that 20 percent of total U.S. energy is now imported.

The dependence on imported oil, particularly OPEC oil, makes the United States vulnerable to cut-offs of supply such as those which occurred in the Arab embargo and the Iranian political upheaval. Further, the world price of oil is completely controlled by the OPEC cartel. This makes the U.S. subject to arbitrary price rises at the whim of OPEC, such as that which just occurred. The resulting high costs of imports impairs the stability of the U.S. dollar because of growing adverse trade balances.

The key task of this Congress in the field of energy is to deal adequately with the problem of oil imports. This means improving the security of U.S. access to oil supplies. It means bringing into being free world marketplace bargaining in place of arbitrary price fixing by the OPEC cartel. There are two parallel ways of going toward these objectives. Both should be pursued at the same time.

The first is to take steps to reduce the level of oil imports. This would decrease U.S. dependency on OPEC, as the United States is the largest purchaser of international oil. Significant reductions in U.S. imports would place downward pressure on world oil prices. It could convert this year's alleged scarcity of oil into a visible glut. The steps that need to be taken to reduce oil imports are conservation plus the development of domestic alternatives to imported oil.

The second and more direct way of reducing the power of OPEC has received comparatively little attention thus far. This is to take steps to set up free competitive marketplace bargaining conditions in international oil commerce. This is the purpose of the Conyers-Rosenthal-Rose bill, H.R. 3604, which OCAW is supporting.

The current situation is that all buying and selling of oil imported into the United States is carried out by a small group of multinational corporations. These corporations have absolutely no interest in bargaining with the producing nations over price.

One reason that the multinationals are unlikely to oppose the will of the OPEC governments at the present time is because, in their perception, any vigorous stand might imperil their access to OPEC oil.

A second reason for the surrender of the multinations to OPEC is that OPEC price rises cost the multinationals nothing as they are immediately passed through to the final customers. In fact, OPEC price rises are to the actual benefit of the multinationals. OPEC price increases place upward pressure on the prices obtainable for the multinationals' own oil produced in the U.S. and other non-OPEC countries.

The multinationals are so involved in the maintenance of their present status quo that it is impossible for them to effectively represent U.S. interests as bargaining agents in behalf of U.S. consumers.

H.R. 3604 would provide for direct participation of the United States in international trading of oil for U.S. import. This bill would set up a public corporation along the lines of TVA to buy and sell all oil imported into the U.S. after a phase-in period. The corporation would have the latitude to enter into long-term contracts for oil at fixed prices or to accept sealed bids for spot deals. Contract oil is by far the most important, spot dealing normally supplying oil for unplanned exigencies.

It must be conceded that any marketplace buyer is in a poor position in a time of scarcity of supply. The present apparent scarcity of oil in international commerce is probably highly artificial. However, this can not be presently tested because a competitive marketplace situation does not exist. This year's scarcity is likely to be transformed into next year's glut giving any genuine bargaining by a public corporation a fair chance. The reasons for this conclusion are spelled out in the following discussion.

The cost of production of oil put aboard a tanker at Ras Tanura, the main Saudi Arabian port, is officially quoted as 29 cents per barrel. The "official selling price" of this oil is $18. To this is added a 40-cent surcharge. The selling price is 63 times cost. This extraordinary spread between sales price and cost is vulnerable to substantial price cutting even if only a modestly competitive market were to exist. In truly competitive markets, the spread between delivered cost and sales price is only about 1.7 times for commodities.

The historical situation of the world oil industry has always been one of incipient or actual glut except during crisis situations such as World War II and the Arab embargo. Oil gluts have been endemic in the oil industry for over a century. This is in spite of periodic concerns that the United States and the world was running out of oil. The first of these public concerns was expressed by the U.S. government over sixty years ago, shortly after World War I.

The 1920's, however, were a period of uncontrolled oil glut.The glut led to a worldwide price war beginning in 1920 between Royal Dutch Shell and New Jersey Standard (now Exxon). The war was waged in India, the Far East, Europe and then even in the United States, using low priced Russian oil. New oil was also developing at this time in Venezuela, Mexico and Iraq. A nightmare of competitive marketing loomed ahead for the oil companies.

All this was ended by the Achnacarry agreement of 1927 among the Big Three: Exxon, Shell and BP. Through participation in production consortia in the Middle East, California Standard (Chevron), Texaco, Mobil and Gulf became essential partners in the Achnacarry agreement. This agreement divided up participation in world production and markets, ending any moves to marketplace competition.

The maintenance of artificial market prices requires the careful control of the volume produced to avoid disruptive surpluses. It is essential that this control be centralized and well disciplined to prevent overproduction from a country from eroding prices. The late John M. Blair, formerly Chief Economist for the Senate Subcommittee on Monopoly showed in the Control of Oil that from 1950 to 1972, total production in the countries now forming OPEC was remarkably well adjusted to the constant growth rate of demand. This obviously required centralized coordination as the production rates in the individual countries fluctuated wildly during this period in response to changing political and economic conditions in each country.

The situation changed abruptly when the OPEC governments seized control and imposed astronomical increases of oil prices. Previously, the price structure had been preserved by careful control of production rates by the oil companies. Production rates were now in the hands of the individual OPEC members.

The record shows that the OPEC countries have been far less successful in controlling and avoiding surplus production than were the multinationals. While there have been highly conflicting predictions of the extent of the world's oil resources and of the dates that oil resources may run short, there has been virtual unanimity regarding the existence of surplus oil supplies right up to the time of the Iranian revolution.

Larry Auldridge, in the Oil and Gas Journal of August 29, 1977, stated that:

"Record crude-oil production during the first half of 1977 has virtually flooded non-Communist markets.

"Crude stockpiles in the U.S. and Europe are nearly brimming. Tankers are slow-steaming on the high seas to delay oil deliveries, and many are lying idle in or near ports, unable to unload cargoes."

Lee Smith, in Dun's Review of September, 1978, said:

"In recent weeks, a surprising new phrase has been on the lips of Houston oilmen, New York bankers, Arab ministers and Carter Administration strategists. That phrase is, of all things, 'oil glut.' For while the drying up of oil supplies remains one of the world's most pressing long-term problems, a surplus will exist for the next few years."

There were numerous other articles in similar vein appearing in the years between 1975 and 1979.

With the huge difference between the actual cost of OPEC oil and its price, it is important to determine how prices could be maintained in the face of a large surplus of production capacity. Surplus supplies began to mount with the drop in demand because of the world recession which followed the Arab embargo. The maintenance of cartel prices under this condition would seem to imply an extraordinary amount of discipline among OPEC. This discipline does not appear to have been the case.

The fact that surplus oil for sale appeared in substantial quantities in the years between 1974 and 1979 clearly shows that OPEC discipline was lacking. What then maintained the world cartel prices?

The obvious answer is that no countervailing marketplace forces existed. The multinational oil companies with their predominant position in oil buying and selling were perfectly content to maintain the artificial prices even for oil from non-OPEC sources. Their ownership of production capacity in the U.S. and elsewhere provided ample incentive for them to keep up prices.

It may be fairly concluded that the marketing control of crude oil by the multinationals provides a line of defense around the OPEC priecs. By selective buying the multinationals have been able to determine how much of, and whose oil, is sold on the international market. This power is limited only by the terms of "lifting agreements" with host countries. These agreements provide for minimum rates of crude oil production in each country.

Thus it was the marketing control of OPEC oil by the companies which succeeded in bringing about a small drop in oil production in the non-Communist world in the first half of 1978. Larry Audridge reported in the August 28, 1978 issue of the Oil and Gas Journal, under the headline "OPEC bears thrust of oil output decline," that global production had dropped just 1.1% but that OPEC oil had plummeted 9.3 percent, 2.65 million barrels per day. (The magnitude of this drop must have brought production levels near the minima prescribed in the various lifting agreements.)

Audridge stated that:

"Stepped up production from the Alaskan North Slope, the North Sea, and Mexico effectively backed out a considerable amount of OPEC crude exports."

The above sources are all non-OPEC and out of any system of control by OPEC. The increases in production from the Alaskan North Slope, the North Sea and Mexico were essentially uncontrollable in terms of any OPEC attempts to regulate the world market.

It should be apparent that the OPEC governments did not welcome and certainly did not initiate the drop in their oil output. The drop cost them collectively $12.6 billion. Only selective buying by the oil companies could have conceivably determined the pattern of oil production and deprived the OPEC governments of this revenue.

We come now to the question of how the Iranian shortfall in production could have created a world shortage of crude oil after the tremendous surpluses of 1977 and 1978. It is concluded here that the effect of the Iranian shortfall on world supplies of crude oil has been greatly exaggerated by the oil companies and OPEC, and that it may simply not exist.

The following is quoted from the Oil and Gas Journal of May 22, 1978:

"About 3 million bbl of crude oil goes up for sale every day in non-Communist countries without finding a buyer.

"And there's an estimated additional 6 million b/d of hooked-up capacity that isn't being produced because of the surplus market.

"W. H. Blackledge, assistant to the president of Gulf Oil Exploration & Production Co., says almost all of the excess crude is controlled by members of the Organization of Petroleum Exporting Countries.

"Blackledge expects non-Communist crude supply to continue in surplus for the next 3–5 years, with capacity sufficient to meet demand through the mid-1980's."

The total surplus capacity cited by Blackledge totals 9 million barrels per day. The normal exports of Iranian oil totaled 5 million barrels per day. Thus shortfalls resulting from the Iranian political upheaval could be replaced by bringing onstream existing surplus capacity.

Between 1975 and 1979, OPEC oil prices had declined slightly in real terms because of the depreciation of the U.S. dollar in which oil prices are reckoned and because of inflation. The stationery price of OPEC oil in this period was due entirely to the admittedly large surplus of production capacity.

The alleged world deficit in production capacity following the Iranian crisis created the necessary backdrop of confusion and hysteria which enabled the OPEC governments to institute their latest round of extortionate increases.

With the expected restoration of Iranian oil production, the large world excess of production capacity will again become highly visible.

A competitive world market in crude oil, however, cannot exist as long as a small group of multinationals, bound together by their mutual holdings in consortia, remain in exclusive control of the buying and selling of international crude oil. A third force such as would be created by H.R. 3604 is necessary for free marketplace bargaining with OPEC, with other oil producing countries and with the multinational corporations. Only then can an excess of oil producing capacity have any commercial meaning in marketplace terms.

It has been generally taken by the public at large that OPEC constitutes an invincible cartel. If this were correct, moves to bargain with individual OPEC members or even with non-OPEC oil producing countries would be simply useless. But this is far from being the case.

The members of OPEC have divergent interests and sharp disagreements. The meetings in 1977 revealed one such disagreement over pricing. At this time, Saudi Arabia and the United Arab Emirates took a 5-percent increase while the other OPEC members raised prices 10 percent.

The OPEC disagreements on pricing this year resulted in an agreement that has been characterized by the Petroleum Intelligence Weekly (July 2, 199) as "New OPEC 'System' Seen as Blueprint for Price Chaos." The "Official Selling Prices" for API Gravity 34 crude now range all the way from $18.00 up to $21.85 including surcharges.

In addition to the above price range for the same kind of oil (API 34), there are even larger disparities and disagreements about different kinds of oil and different geographical locations. To quote the same issue of the Petroleum Intelligence Weekly again:

"But the really big pricing loophole that threatens to undermine the basic two-tier OPEC "system" is the unspecified "normal differential" that each producer is free to add on for quality and location factors. There was virtual deadlock on that point even within the two main camps. OPEC producers have traditionally set such differentials for the major crude oils within a "band" of about $2 a barrel (surrounding the "marker" base). This "band" has been widened to at least $4 a barrel now, and even more if one attempts to justify the basic $2 OPEC surcharge on the grounds of quality and location too.

This price range in a situation with incipient surplus capacity would be a hayday for buyers in a free competitive market. It would put pressures on the prices at the upper end of the range.

In the international market controlled by the multinationals, it may be expected that oil bought at all prices will be sold at prices corresponding to the upper end of the range. The differentials will be simply absorbed into the downstream profits of the companies, with no benefit to the ultimate customers. It may be observed that the differentials in the new 1979 prices are large in terms of consumer prices. A difference of $4 per barrel is equivalent to 10¢ per gallon at the gasoline pump.

H.R. 3604 is designed to remove exclusive control of the buying and selling of foreign oil from the multinationals. To this end, the American Oil Importing Corporation, a nonprofit corporation like TVA, would be established. The corporation would be outside the Administration and insulated from day-to-day political pressures. The sole function of the corporation would be to negotiate directly with producers, shop around the world for oil at lowest prices and resell the oil in the United States. Under the terms of H.R. 3604, the corporation would function as an ordinary business organization with a Board comprising a President and not more than three other officers appointed by the U.S. President for fixed terms to manage the corporation in the same way that industrial corporations are managed.

The corporation would have a number of ancillary benefits. Other than preserving the necessary secrecy of information which might influence or affect the market value of crude oil or petroleum products, which might require the withholding of information for a fixed time, the operations of the corporation would be in public view. This means that it would provide the government and the American people with reliable information about oil purchased overseas, where it is refined and whether shortages or surpluses exist. This information is presently kept as top secret "proprietary" by the multinationals. Its release into the public domain is urgently needed. Only by information about the full facts concerning imported oil can this nation's energy policy decisions be formulated in any meaningful way.

The American Oil Import Corporation would put U.S. refiners on an equal basis. Artificial "transfer pricing" would be ended, with refiners becoming equal in access to imported oil, whether or not they owned foreign oil producing assets or had preferred access to oil abroad. Sales of crude by the corporation would be managed on an equitable basis to promote competition among domestic refiners. Imports of oil products would be managed in a way to insure maximum utilization of U.S. refining capacity.

At this point, some additional remarks about the longer term future of world crude oil availability are in order. There is remarkable diversity of opinion concerning the extent of the potential oil resources of the world. The recent CIA report predicted physical shortages of crude oil commencing in the 1980's. On the other hand, Dr. Bernardo Grossling reported in a study commissioned by the World Bank estimated total world resources as high as 6,000 billion barrels, an amount sufficient for 280 years at the present rates of consumption.

Information about the world's oil resources is exceedingly speculative as practically all the geophysical data obtained by exploratory work is in the hands of the oil companies and closely held as proprietary information. Publicly available information, however, indicates that there is oil potential in many Third World countries.

Not surprisingly, the oil companies oppose serious drilling in these areas. Exxon executive Howard Page once told a Senate Subcommittee investigating the lag in development of new oil resources outside present areas:

"I might put some money into it if I was sure we *weren't* going to get some oil, but not if we were going to get oil because we are liable to lose the Aramco concession". (underlining ours)

The major multinational oil companies are not likely to undertake serious drilling in these areas in view of the dangers to themselves of over-extending the world's oil productive capacity. In any case, if undertaken by the multinationals, the newly developed oil would be subject to the same kind of selective purchasing that the cartel exhibited in being able to back out 9.3 percent of the production of OPEC oil last year. The Third World countries with petroleum resources are just going to have to sit there until the multinationals decide that the cartel needs new oil supplies. In the meantime, potential oil revenues to these countries will have to wait.

There is a way around the reluctance of the major multinationals to undertake exploratory drilling in Third World countries. That way is to provide independent funding to wildcat operators outside of multinational channels. This could be done through the World Bank, the Export-Import Bank, direct U.S. government loans and by guarantees of private loans.

The World Bank announced on January 18, 1979, that it would offer substantial loan assistance to developing nations that hope to exploit oil and natural gas reserves. The Bank estimates that 60 developing countries would benefit from the loans which could amount to $1.2 billion a year by 1982. As might be expected, Exxon opposes this program, contending that it is unnecessary. Most of the other oil companies have been reported as opposing the World Bank Program.

It is clear that an urgent task is to provide funding to independent oil exploration and developments efforts outside the control of OPEC and the major oil companies if the power of the world oil cartel is to be broken. However, it is also true that even were independent oil production developed in Third World countries, free market competition could be crippled if the multinationals remain in complete command of all non-Communist world oil buying and selling. These companies successfully boycotted Mexican nationalized oil in 1938 and Iranian Mossodegh oil in 1951. They could succeed again in the future.

Looking into the possible longer term future of the OPEC multinational oil company control of world oil if the present situation is allowed to drift, the passage of H.R. 3604 will be seen as exceedingly urgent.

Until new international arrangements are instituted, it can be anticipated that OPEC prices will eventually rise to a final "equilibrium" situation. The equilibrium price situation in this instance must be carefully distinguished from the advent of free competitive markets. The equilibrium price of crude oil in this situation will be only reached when people can no longer afford to buy oil products and the volume of demand sinks to the point where producing country revenues and company profits start declining. This is known as the point of diminishing returns. As the demand for oil in the industrial world is relatively inelastic (that is, price increases produce little decline in demand), the final "equilibrium" price of crude oil is likely to be astronomical. While there

is no point to speculations about the precise upper bound of this price, it may exceed any of the current expectations.●

WRONG SIGNAL ON AIRBAGS

HON. JON CLIFTON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. HINSON. Mr. Speaker, the New York Times of this morning carried an editorial which sets out the issue of passive restraints in automobiles better than anything I have seen in print. I commend the editorial to the attention of the House, and to a letter received today from the Automotive Occupant Protection Association which advocates passive restraint systems in all new cars by 1984.

AUTOMOTIVE OCCUPANT
PROTECTION ASSOCIATION,
Arlington, Va., July 24, 1979.

DEAR MEMBER OF CONGRESS: The Automotive Occupant Protection Association is dedicated to reducing the number of deaths and injuries resulting each year from accidents on our nation's highways.

One of the major tools in this effort is the Department of Transportation's safety standard which requires passive restraint systems in all new cars by 1984.

The attached editorial from today's New York Times addresses the need for the development of effective occupant protection systems, both air bags and automatic seat belts.

More importantly, the editorial presents many good reasons for opposing the Dingell Amendment to HR 4440, the DOT appropriations bill. This amendment would severely hamper the efforts of DOT to make automobiles safer for all motorists.

We feel this editorial raises many points which should be considered before you vote on this amendment. We commend it to your attention.

DAVID LAMBERT,
President.

[From the New York Times, July 24, 1979]

WRONG SIGNAL ON AIR BAGS

Congressman John Dingell of Michigan hopes to deflate the push for air bags in future cars with a mischievous piece of legislation. It would bar the Department of Transportation from spending any money to "implement or enforce" any air bag requirement. The practical effect would be negligible; there won't be anything to implement or enforce until the 1982 model year, and research and development could continue. But the Dingell amendment would send out the wrong signals. It would undermine public confidence in the air bag, raise questions among manufacturers about the worth of air bag investment and, if renewed in future years, eventually make it impossible for the department to enforce its safety standard.

That standard does not specify air bags. It simply requires that all new cars be equipped with devices that automatically protect front-seat occupants from serious injury or death in a 30-mile-an-hour frontal collision into a solid barrier. The added protection is needed because only 14 percent of all drivers bother to fasten their seat belts.

Only two protective devices are likely to be available. One is the automatic belt system, already installed on many Volkswagen Rabbits, which wraps around the occupant as the door closes. The other is the air bag—offered as an option by General Motors in mid-1970's—which inflates at the impact of a crash and cushions the occupant from the dashboard or steering wheel. Most cars would have the cheaper automatic belts, but air bags will most likely be needed on large cars with room for three in front. No automatic belt appears workable for the middle seat.

Mr. Dingell and other opponents have raised legitimate questions about the air bag. Tests with dummies and animals indicate that the rapidly inflating bags might injure a child who is standing or kneeling out of position instead of sitting properly—a problem that needs looking into. Cost is also in dispute. The Transportation Department estimates that air bags will increase the list price of a car by $200; the manufacturers, projecting smaller sales, say $500. And the benefits are unproved. The Transportation Department estimates, conservatively, that automatic restraints will prevent 9,000 deaths and 65,000 injuries a year, with savings of $4 billion in medical and other costs. These estimates are "not fully supported," says the General Accounting Office.

But presumably the practical problems can be overcome and the cost questions should be resolved in the market place. If air bags can't compete with automatic belts in safety or cost, they will disappear—and alternative provisions may have to be made for that small percentage of cars that can't use the belts. But Mr. Dingell's proposal is, at best, premature. It will accomplish nothing positive and it will prejudice the outcome of this technological competition. Air bag development should continue at full speed. Virtually everyone agrees that air bags can save lives.●

TAX BREAKS FOR BUSINESS HAVE A CATCH 22

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. VENTO. Mr. Speaker, the recent host of State and Federal tax incentives offered to induce businesses to relocate in specific States or communities have had important effects. The revenue losses persist long after the headlines have faded. The burdens ironically fall heavily upon existing businesses and residents within a community. This competition has not always resulted in the best decisions as far as geographic or practical business considerations are concerned. The Neal Peirce article which follows addresses the unfortunate consequences and realities of States and localities vying against each other for business relocation:

[From the Minneapolis Tribune, July 8, 1979]

TAX BREAKS FOR BUSINESS HAVE A CATCH 22

(By Neal R. Peirce)

WASHINGTON.—Like medieval alchemists who thought they could turn worthless metals into gold, state and local officials are desperately outbidding each other with special business tax abatements and inducements—all at the taxpayers' expense—to lure new factories and offices.

The tax revenues forgone are staggering and appear to be rising as more and more governments join the tax abatement game. The cost in some states has now exceeded $100 million a year. "No economic policy has been more poorly argued and documented, yet so uniformly and warmly supported by special interest lobbyists," according to economists Bennett Harrison and Sandra Kanter. "These business incentives do not produce new output or jobs."

Aside from adding no net wealth to the national economy, state and local tax abatements have unpleasant side effects. Almost invariably, they force all other businesses and homeowners to shoulder an inequitably high tax burden. Or they cause underfunding of schools, highways and other facilities a locality needs to serve its own citizens—and to generate real economic growth.

Name any conceivable tax break a state or locality could grant to business and some government around the country will have tried it. The bag of tricks includes outright abatements of property taxes for up to 25 years, revenue-bond financing to build plants (pioneered in Mississippi in 1936 and now available in 45 states), corporate income-tax exemptions, inventory tax exemptions, sales tax forgiveness on new industrial equipment, accelerated depreciation of industrial equipment—and many others.

Ironically, many officials are now starting to detect the Catch 22 in special business tax breaks: The more they offer, the less impact the breaks have—but the harder it is for any one state or locality to reject using them. "I'm increasingly troubled by the competition among states," says Michigan Gov. William Milliken, former chairman of the National Governors Association. "We're just outbidding each other. Each one is trying to put in more incentives. There has to be some point of marginal utility when it becomes counterproductive within the country."

Yet even Milliken acknowledged that without a special tax abatement it might have been impossible for his state to save a 5,000-worker Chrysler plant in Detroit's inner city.

However widespread, the special industrial tax breaks have run up against a strong wind of critical comment from independent economists. They contend:

State and local taxes account for only a minuscule part of business expenditures, so that abating them can't affect operating costs decisively. For most firms, says Citibank economist Roger Vaughan, labor costs are 20 times as large as state and local tax payments. Cumulatively, labor, transportation, energy costs, marketing conditions and the general industrial and living climate will eclipse local tax factors in any rational corporate location decision.

For the record, many businesses say local abatements are important to them. But with increasing candor, some top business leaders are telling a different story. Says William Sneath, board chairman of Union Carbide: "I do not believe tax breaks or reduced responsibility are at the core of most corporate relocation or investment decisions." Lewis Lehr, president of U.S. operations for the 3M Co.: "The free ride of a two- or five-year tax moratorium while capital costs are recovered is not the solution. Sooner or later, somebody has to pay for state services."

Many firms deceive localities into thinking they will go elsewhere unless an abatement is offered—when in fact their market options leave them little other choice.

Tax abatements can generate serious ill will among a state's own firms and traditional job providers. "It may not be long before such indigenous companies are testing the waters in neighboring states," Illinois Issues reports. "Those states that subsidize new industry are creating unfair competition for their domestic plants, just as if they were directly subsidising these firms' competitors."

Tax incentives are seldom made available to small firms which, according to pioneering research by David Birch of MIT and others, are creating two-thirds of the nation's new jobs. And political forces usually make it impossible to target the incentives to center-city or poor rural areas that need help the most.

Taxpayers often fail to note the heavy price they pay for industrial captures. To win its celebrated tax abatement war with Ohio for the Volkswagen plant eventually attracted to New Stanton, Pennsylvania had to promise: state outlays of $40 million to buy and refurbish an old Chrysler plant for VW, leasing it back to VW for 30 years (the first 20 years at a laughable 1.7 percent interest rate); floating $25 million in state bonds for highways and a special railway spur; tapping public employees' pension funds for a $6-million loan to VW; and forgoing 95 percent of VW's local taxes for the first two years and 50 percent for the following three years.

For this effort, Pennsylvania now has an auto plant in a rural location, rather than a city where it would alleviate unemployment problems. And the factory is plagued by serious labor problems.

Rather than abatements, Vaughan suggests a balanced and equitable overall state tax system. States should reduce taxes obviously far out of line and reduce clearly counterproductive business taxes. Wisconsin, for instance, in 1973 reduced its high property tax on machinery and business equipment. Industrial activity picked up immediately, despite the state's other high taxes, high factory wages and heavy unionization.

If tax abatements serve any function at all, it's in convincing industry that a state really wants to have it. But a better path to the same end would be to reduce regulatory red tape and other bureaucratic obstacles, instituting such steps as one-stop shopping for environmental and licensing clearance.

A Massachusetts labor leader suggested to me that the only way out of the abatement thicket would be a sort of SALT agreement among the states to eliminate the unnecessary tax incentives. But the complexity of differing state tax codes would make the real SALT negotiations look simple by comparison. The best hope probably lies in states learning—with a hand from skeptical citizens and home-based industries—how self defeating tax abatements usually are. And then, in their own self-interest, they might return to more rational and fair taxation systems.●

APPEAL FOR FAITH

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. SKELTON. Mr. Speaker, the Lexington Advertiser News had an editorial regarding President Carter's appeal for faith. It is food for thought for all of us, and I attach hereto a copy of the editorial, written by Charles Coy.

[From the Lexington Advertiser-News, July 19, 1979]

APPEAL FOR FAITH

President Jimmy Carter is giving us hope in a strong program to bring unity to America during a time of crisis. The president has told us what must be done by telling us unpleasant truths and showing us the way out of a period of national peril in regard to energy, inflation, recession and faith.

The most devastating peril is the loss of faith in the great American dream that our land is the land of opportunity and our children will be able to live better than we.

Jimmy Carter is ready to lead us. He has told us what must be done and how we must tell Congress and ourselves. He is saying America occupies a place of special danger in the world, but a danger no greater than our forefathers faced on numerous occasions in the past.

The president has pointed out the enemy, and we find the enemy to be ourselves. Only we can take ourselves out of danger by renewing our faith in the great American dream by each sacrificing a little for the well-being of all.●

THE CARBON DIOXIDE PROBLEM: IMPLICATIONS FOR POLICY IN THE MANAGEMENT OF ENERGY AND OTHER RESOURCES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. OTTINGER. Mr. Speaker, earlier this month four eminent scientists submitted a report to the President's Council on Environmental Quality which details their concerns about the global impacts of continuing to increase the levels of carbon dioxide in the atmosphere. That increase results directly from our continued profligacy in the burning of hydrocarbon fuels.

As the scientists indicate, if the world continues to increase the carbon monoxide levels in the atmosphere, we could—within the next couple of generations—begin to see serious consequences in our global weather patterns and, worse, the beginnings of a "greenhouse effect." As the report states:

If the trend is allowed to continue, climatic zones will shift, and agriculture will be displaced. Such a series of changes would have far reaching implications for human welfare in an ever more crowded world, would threaten the stability of food supplies, and would present a further set of intractable problems to organized societies. The best estimates suggest that there would be the least change in temperature in the tropics but polar regions would grow substantially warmer. With sufficient high latitude warming the ice cap in the western part of the Antarctic Continent could disappear in a period as short as two centuries, causing a 20-foot rise in sea level with resulting inundation of low-lying coastal zones.

Mr. Speaker, as the Congress continues its discussions on energy and the development of synfuels and increasing utilization of coal, carbon dioxide is a serious problem and one which must be considered. I commend to my colleagues the paper prepared for the Council on Environmental Quality by George M. Woodwell, Gordon J. MacDonald, Roger Revelle, and C. David Keeling.

The paper follows:

A REPORT TO THE COUNCIL ON ENVIRONMENTAL QUALITY

I. THE CO_2 PROBLEM

Man is setting in motion a series of events that seem certain to cause a significant warming of world climates over the next decades unless mitigating steps are taken immediately. The cause is the accumulation of CO_2 and other heat-absorbing gases in the atmosphere. The result is expected to be a differential warming of the atmosphere near the earth's surface, a warming that will probably be conspicuous within the next twenty years. If the trend is allowed to continue, climatic zones will shift, and agriculture will be displaced. Such a series of changes would have far reaching implications for human welfare in an ever more crowded world, would threaten the stability of food supplies, and would present a further set of intractable problems to organized societies. The best estimates suggest that there would be the least change in temperature in the tropics but polar regions would grow substantially warmer. With sufficient high latitude warming the ice cap in the western part of the Antarctic Continent could disappear in a period as short as two centuries, causing a 20-foot rise in sea level with resulting inundation of low-lying coastal zones. Enlightened policies in the management of fossil fuels and forests can delay or avoid these changes, but the time for implementing the policies is fast passing.

The carbon dioxide content of the atmosphere is increasing at an annual rate that is now about 1.5 ppm in a background of about 333 ppm. The increase since 1860 is at least 40 ppm, possibly as much as 70 ppm. Precise data on the increase are available since 1958 when monitoring stations were established on Mauna Loa in the Hawaiian Islands, at the South Pole, and intermittent sampling was intensified elsewhere. The data show that the rate of increase is accelerating as the world use of fossil fuels increases. The rates of both are between 3 and 4 percent annually. This rate means that in each period of between 18 and 23 years approximately twice as much CO_2 accumulates in the atmosphere as accumulated in the previous period.

The problem is that CO_2, in contrast to the major atmospheric components O_2 and N_2, absorbs infra-red radiation, which is the principal outgoing radiation from the earth's surface to outer space. Over any extended period the infra-red radiation emanating from the top of the atmosphere must balance the solar radiation absorbed by the atmosphere, the oceans, and the earth's surface. The increase in the CO_2 in the atmosphere can thus be expected to result in a rise in the surface temperature until the outgoing infra-red radiation comes into balance with the absorbed solar radiation. The extent of the heating that will result depends on many factors and is difficult to predict, but there is reasonable agreement that it will occur and will be conspicuous before the end of this century. The changes in climate that will follow such an increase in temperature are also elusive.

The experience from models of world climate is that the warming may be as much as an average of 2–3° C for a doubling of the CO_2-content of the atmosphere and that the warming will be greater by a factor of three of four near the poles and less in the tropics.

There appear to be very few clear advantages for man in such short-term alterations in climate. The displacement of agriculture in a world constantly threatened by hunger would alone constitute an extremely serious international disruption within the lifetimes of those now living. The warming of the Antarctic could, according to some estimates, result in the disappearance of the West Antarctic ice sheet in a period as short as 200 years. Such a process could be started by an increase in summer temperature in the Antarctic ocean surface waters of 5° C. Such an increase could occur in 50–75 years if current trends continue. A complete disappearance of the West Antarctic ice sheet would raise sea level by as much as 20 feet worldwide.

By itself the increase in atmospheric CO_2 would probably be beneficial for agriculture because the added CO_2 will act as a fertilizer for crop plants. But there is little basis for hope that a decades-long warming of the earth will result in benefit for man. Certain areas now suitable for agriculture will become arid, others, now limited by short season, will become arable.

The cause of the current increase in CO_2 in air is the oxidation of carbon compounds worldwide. Fossil fuels are one, probably the major, source. The harvest of forests and the decay of soil humus are thought by some to be an equally important contemporary source, although its importance will decline with time. The important fact, however, is that the atmosphere is a comparatively small reservoir. It contains about 700×10^{15} g of C. The biota is variously estimated as containing about 800×10^{15} g; the humus, 1,000–$3{,}000 \times 10^{15}$ g; and the oceanic water nearly $40{,}000 \times 10^{15}$ g. Reserves of fossil fuels contain at least $5{,}000 \times 10^{15}$ g. The current use of fossil fuels is releasing $5\text{–}6 \times 10^{15}$ g C annually and the biota and humus are probably contributing an amount of similar order of magnitude. The combustion of fossil fuels has the potential for a greatly increased rate of release over the next years. The most remarkable aspect of the current circumstance is the fact that the CO_2 content of the air is as stable as it is. Clearly, a shift in any of these carbon pools or rates of transfer has the potential for altering the CO_2 content of the atmosphere. This series of shifts is already underway. For this reason, if for no other, the industrialized nations, now scrambling for policies in the management of increasingly scarce supplies of energy, should be considering the implications of their policies for the CO_2 balance of the atmosphere.

If we wait to prove that the climate is warming before we take steps to alleviate the CO_2 build-up, the effects will be well underway and still more difficult to control. The earth will be committed to appreciable changes in climate with unpredictable consequences. The potential disruptions are sufficiently great to warrant the incorporation of the CO_2 problem into all considerations of policy in the development of energy.

II. THE ELEMENTS OF POLICY IN MANAGEMENT OF THE WORLD CO_2 PROBLEM

The challenge is obviously worldwide. The problem cannot be resolved by one nation acting alone. However, the U.S. provides leadership on many international issues. The elements of policy proposed here in outline are for the U.S. They apply as well to the world.

1. *Acknowledgement of the problem*: The CO_2 problem is one of the most important contemporary environmental problems, is a direct product of industrialization, threatens the stability of climates worldwide and therefore the stability of all nations, and can be controlled. Steps toward control are necessary now and should be a part of the national policy in management of sources of energy.

2. *Conservation of fossil fuels*: The first element of any policy that offers the hope of being effective is conservation. Limitation of the rate of exploitation of fuels is possible. The rate is controlled currently by price, taxation, and regulation. It can be controlled as a matter of policy. All actions of government should be reviewed to determine effects on the total use of carbon-based fuels.

3. *Choice of fossil fuels*: The choice of fossil fuels and the use made of them bears heavily on the amount of CO_2 released to produce a unit of energy. The production and consumption of liquid or gaseous fuels from coal (synthetic fuels), for instance, is estimated to release 3.4×10^{15} g C per hundred quads (10^{15} Btu) of energy as opposed to 1.45×10^{15} g C for an equivalent amount of energy from natural gas. The difference in CO_2 released is a factor of 2.3 times greater for the coal route to gas than by using natural gas alone. If the coal is burned directly, use of 100 quads of energy releases 2.5×10^{15} g C. These are merely examples. Details appear in Table 1, below.

Fuel:	Carbon in 10^{11} g.
Oil	2.0
Gas	1.45
Coal	2.5
Coal: converted to gas or oil (synthetic fuels)	3.4

Table 1. Carbon released in CO_2 per 100 quads of energy released as heat. (One quad = 10^{15} Btu.) (from MacDonald 1978).

4. *Reforestation*: It seems elementary that we have reached the point worldwide where the CO_2 problem alone dictates a need to balance the harvest and other transformations of forest with some other storage of carbon. The regrowth of forests is the obvious solution: total respiration, including fires, should be less than or equal to, but not more than, total photosynthesis on a regional and worldwide basis. There are many additional advantages in such a program, quite apart from the advantages gleaned from wise management of the CO_2 problem.

It is our conviction that an appropriate reaction to the mounting worldwide squeeze on supplies of energy requires consideration of the CO_2 problem as an intrinsic part of any proposed policy on energy.

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G. M. Woodwell is Director of the Ecosystems Center of the Marine Biological Laboratory and immediate past President of the Ecological Society of America.

Gordon J. MacDonald is Henry R. Luce Professor of Environmental Studies, Dartmouth College, Hanover, New Hampshire. A member of the National Academy of Sciences, he served on the Council on Environmental Quality, Washington, D.C.

Roger Revelle, a member of the National Academy of Sciences, is currently at the University of California at San Diego. He was for eleven years Richard Saltonstall professor of Population Policy and Director of the Harvard Center for Population Studies.

Charles David Keeling is Professor of Oceanography, Scripps Institute of Oceanography, La Jolla, California.●

RECLASSIFYING DOLLHOUSE MINIATURES AS MODELS

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. JENKINS. Mr. Speaker, on March 20, 1979, I introduced a bill, H.R. 3110, with my colleagues WYCHE FOWLER and DICK SCHULTZE, that would amend the tariff schedules of the United States to provide a new category for dollhouse miniatures. Our bill was intended to reclassify dollhouse miniatures as models rather than toys.

I have today reintroduced this bill to make technical corrections in the language of the new item number which the bill would cerate. The change is purely technical and a matter of drafting preference and it conforms fully with the intent of the sponsor and cosponsors of the original bill.

There has been a longstanding disagreement between the U.S. Customs Service and the hobby industry regarding the proper classification of various articles used primarily as hobby or craft items. The Customs Service has classified these items under the provision on toys. Several decisions of the Customs Court concerning small scale model trains and equipment has forced the Customs Service to recognize that certain model articles are not classifiable as toys.

The Congress responded to this problem of misclassification in 1962 by revising the tariff schedules of the United States to provide for certain models under a series of "model provisions"—TSUS 737.05–737.15. Simultaneously, Congress broadened the definition of "toy" which has inadvertently exacerbated the toy-versus-model classification problem.

The Customs Service continues to classify various hobby and craft items as toys or parts of toys if those articles are not specifically named in the model provisions or if the articles are not to actual scale of the real article. Items which have notably remained misclassified are miniature construction com-

ponents and furnishings used by hobbyists to construct or furnish collector-quality dollhouses.

The bill which I have today introduced and its predecessor, H.R. 3110, creates a new tariff category for certain dollhouse miniatures and establishes the principle that model and craft articles used by hobbyists and collectors are not toys. To assure workability of the new category and avert ambiguity in the administration of the tariff schedules, the new category would apply only to dollhouse miniature imports that are constructed approximately to one-twelfth scale and that are chiefly used for purposes of collection or decoration.

This week the Subcommittee on Trade of the Committee on Ways and Means will hold public hearings on this bill. I urge my colleagues' favorable consideration.●

DRAFT REGISTRATION UNNECESSARY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. VENTO. Mr. Speaker, this week Members of the House will consider an amendment to the Department of Defense appropriations bill for fiscal year 1980 which calls for selective service registration for all 18 year olds beginning in January 1981.

My distinguished colleague from Minnesota, Mr. OBERSTAR, recently addressed this issue in an article written for the Minneapolis Star. I want to call Mr. OBERSTAR's remarks to the attention of my distinguished colleagues in the House, because he so correctly argues that registration, at this time, is totally unnecessary and will be viewed as a first step toward resumption of the draft.

The larger question, however, raised by Mr. OBERSTAR and with which I completely concur, is that a resumption of registration in peacetime poses serious and disturbing questions regarding our democratic society and the impact such a policy would mean in terms of personal liberties and freedoms in our society.

I commend Mr. OBERSTAR for his statement in opposition to the resumption of registration and hope my fellow colleagues will peruse his comments before voting on this important issue.

The article follows:

CONGRESS SHOULD REJECT REGISTRATION PROPOSAL

(By JAMES L. OBERSTAR)

With little fanfare and less justification, the U.S. Congress is about to consider one of the most potentially divisive issues since the Vietnam War.

In a few days the House will vote on legislation requiring 18-year-olds to register for the draft, effective Jan. 1, 1981. While the legislation before the House does not reinstitute the draft, both proponents and opponents of the peacetime draft see the vote as the first step toward its resumption.

Historically, the draft has been the exception in the U.S., not the rule. Congress approved the first conscription legislation only during the Civil War. Because the rich were allowed to hire substitutes to serve in their place, the burden of conscription fell to the poor. Furthermore, only 2 percent of the Union Army was ever conscripted.

The draft lapsed until the U.S. entered World War I in 1917, and was renewed at the beginning of World War II in Europe. After the war, the peacetime draft was not the product of a conscious decision to restore conscription, but a continuation of the wartime draft at greatly reduced conscription levels.

In 1972 the last American was drafted and we returned to our tradition of an all-volunteer armed force in peacetime.

Standby registration and resumption of the draft are now being considered amid a chorus of dire statements about the all-volunteer force.

Charges that the AVF is a failure have given the current debate a false urgency.

The fact is that the AVF is not a failure.

The Department of Defense (the folks who should know and care), in a study released only seven months ago, stated:

"The AVF has provided the military services with a full-strength, active force equal to, or superior to, that projected by the Gates Commission."

The percentage of high school graduates among recruits has risen since the end of the draft from 68 to 77 percent. Scores on intelligence tests have increased significantly. The percentage of recruits in the lowest mental category eligible for military service has dropped from 17 to 4 percent. Desertion rates and court martial rates are down from their peaks at the height of U.S. involvement in Vietnam.

In addition to these facts arguing against a return to conscription, the very nature of compulsory service in peacetime raises profoundly disturbing questions in a democratic society.

The draft means far-reaching intervention in and control over the lives and freedom of individual Americans. I can imagine no other government action which involves greater coercion or deprivation of liberty. This concern is no idle philosophical point; it goes to the heart of what it means to live in a democracy.

Compulsory service, in the absence of a clear and present national emergency, goes directly counter to the fundamental principles upon which this country was founded.

The 96th Congress has not given the issue of registration and the draft anywhere near the consideration it deserves. Yet, within days we will vote on standby registration as part of a multibillion-dollar defense authorization bill. Legislation dealing with the draft has never come to the House floor as an amendment to a spending bill.

Proponents of standby registration authority argue that it is necessary to speed mobilization efforts in the event of a national emergency. That argument doesn't hold up on closer scrutiny.

Right now the Selective Service, with an annual budget of $7 million, could deliver the first inductees within 65 days of mobilization. The Carter administration feels that's not soon enough, and has proposed spending $9 million in the coming fiscal year to accelerate the Selective Service delivery system. This will cut mobilization time by 40 days, to only 25 days. Adding registration would cut mobilization time by only 13 days more, and would cost another $2 million under the most conservative estimates. Furthermore, registration would mean a massive bureaucracy, keeping records on every young man in this country.

Proponents of registration and the draft have failed to make the case for the legislative proposal facing Congress in the coming days.

I see the responsibility of Congress as clear: We have the duty to reject the ill-considered proposal at this time, subject it to the sanitizing scrutiny of public debate, and resume consideration only when the American people have come to an informed opinion on this major policy issue.●

NEW DETROIT OPPOSES CONSTITUTIONAL AMENDMENT ON BUSING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. CONYERS. Mr. Speaker, I want to share with my colleagues a letter I received from New Detroit, Inc., in opposition to the proposed constitutional amendment to prohibit schoolbusing.

New Detroit is the first urban coalition in the Nation, founded in 1967 and the model for so many others across the country. It is a very broad-based coalition that includes the leadership of all groups in the Detroit community, the labor unions, professions, the business community, churches, civic and community organizations, and government. It works closely with all citizens and ethnic groups, and has accomplished a great deal in revitalizing our city.

New Detroit opposes the Mottl amendment to the Constitution. In its opposition it reflects not only a highly diverse range of individuals and institutions, but also long experience at community building. It is, therefore, in a unique position to judge this amendment and the damaging impact it would have.

I urge my colleagues to read New Detroit's statement, which follows:

NEW DETROIT INC.,
Detroit, Mich., July 20, 1979.

Hon. JOHN CONYERS, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR JOHN: We are writing to you today because of our deep concern about the matter to be considered by the House of Representatives on Tuesday, July 24, 1979—House Joint Resolution 74, the Mottl Amendment. We know you share our concerns about this Amendment. We are writing you and all other members of the Michigan delegation to express our opposition.

Our concerns about this proposed constitutional amendment are manifold. It places restraints on the ability of the courts to correct injustices by removing busing as a tool to correct de jure school segregation. In effect, the equal protection clause of the 14th Amendment would be partially repealed. We are reminded of the words of Chief Justice Burger in the Supreme Court's unanimous decision in the Swann school desegregation case: "Desegregation plans cannot be limited to the walk-in school."

As Justice Oliver Wendell Holmes pointed out eighty years ago, the strength of our Constitution and a major reason for its endurance rests on the fact that it has rarely been laid open to particular social or economic preferences. Our Constitution outlines the structures by which we govern ourselves and sets forth the fundamental civil rights that government must respect. Slavery is the only social arrangement our Constitution has ever specifically endorsed, and prohibition the only social policy it has ever expressly sought to implement. Those two exceptions surely substantiate Justice Holmes' reminder.

It would be most distressing if the House of Representatives were to observe the 25th anniversary of the Brown vs. Board of Education decision by approving an Amendment which would so seriously undermine that which gave a new birth to equal opportunity in America.

This Amendment would not interfere with busing for the purpose of enforcing the 14th Amendment; it would also interfere with the ability of school officials to efficiently use school resources and taxpayers' dollars.

In Michigan, for example, local school districts have the authority, as recognized by state and federal court action, to determine student assignments and school attendance boundaries. This authority allows school officials to make adjustments due to population shifts, overcrowding, declining enrollments, and other unforeseen problems.

Michigan has also been involved in school consolidation efforts since 1963 which creates K–12 school districts by joining two or more small districts providing less than a full 12 year program. In this process, the state seeks to increase efficiency and improve the quality of instructional programs by closing small schools and replacing them with schools that have more comprehensive programs though busing is required for the students to get there. These local and state prerogatives must be maintained.

In short, this Amendment would stop all school busing even though it occurs principally to improve the educational programs offered our children. In Michigan more than one million school children are bussed to school; only a very small percentage of them, less than 5 percent, are bussed for racial balance purposes.

Certainly the Congress should not be sending out to the state legislatures such a "sledgehammer" amendment which would create many more problems than those it presumably is attempting to solve.

We are confident that you will be present on the floor of the House, and that your voice will be heard on July 24, 1979 in opposition to this Resolution.

Respectfully,

WALTER E. DOUGLAS,
President,
FRANK M. HENNESSEY,
Chairman.●

COSTS OF THE DAVIS-BACON ACT

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. ERLENBORN. Mr. Speaker, I have no doubt we would all agree that the greatest economic problem facing the American people today is inflation. This common enemy, which robs us of the benefits of our work, also has the effect of hampering the efforts of both private industry and Government to plan into the future. As a result, there is an ever-increasing lack of confidence in the strength of our economy.

This overpowering peril shows no sign of abating, however. While economists may differ as to the depth of the situation, all agree that, at the very least, we stand to suffer a recession followed by a poor recovery. The productivity of our economy, once the envy of the world, has plunged to a record low point, and millions of Americans face the personal disaster of prolonged unemployment.

Along with the inflation, itself, is the even greater problem caused by our failure to seize opportunities to fight inflation effectively with bold measures that would restore the integrity of our economic system. I refer in this case, specifically, to the effect upon inflation of the Davis-Bacon Act.

I would like to share with my colleagues the following case history of the application of Davis-Bacon to the construction of a rapid transit system in Dade County, Fla. The Davis-Bacon problem relates to a set of new wage determinations by the Department of Labor for workers on this massive project:

COSTS OF THE DAVIS-BACON ACT—METROPOLITAN DADE COUNTY RAPID TRANSIT

	Heavy construction		
	Prevailing wage Sept. 17, 1976 (decision No. FL 76-1102 University Station)	Prevailing wage June 8, 1979 (decision No. FL 79-1094 concrete girder)	Percent change (+)
Carpenters	$7.60	$11.37	51
Cement masons	6.00	11.73	95
Ironworkers	6.58	11.62	76
Laborers	3.52	4.97	41
Pile driver	5.25	9.73	85
Truck drivers	3.50	4.65	33
Bulldozer operators	7.01	9.26	32
Crane operator	8.20	10.00	22
Grader operator	7.26	9.26	26
Loader	7.01	8.96	28
Mechanic	7.26	6.94	5
Oiler	6.36	6.98	10
Roller	6.36	8.06	27
Scraper	6.66	8.06	21
Trencher	7.11	8.06	13
Average increase			40

As the figures provided by the Labor Department bear out, the percentage increase between one wage determination and the other is a full 40 percent. Even if we consider that the new rates occurred at the end of a 3-year interval, the increase is not justified by the actual increase in the cost of living; and such increases in themselves only add to the seemingly uncontrollable inflation. Furthermore, it seems paradoxical that while the administration has set 7 percent as the tolerable increase in wages and prices in this period of inflation, the Department of Labor would set so high an increase. The overall increase in cost, Mr. Speaker, must be considered in light of the fact that the rapid transit project is in excess of $1 billion and labor costs account for a full third of that.

The Davis-Bacon Act has its origins in the great depression, as a remedy to the payment of exceedingly low wages at a time of exceedingly high unemployment. Furthermore, other forms of wage protection which Americans now enjoy were not in effect when Senator Davis, a former Labor Secretary proposed his bill.

In short, Davis-Bacon was designed to inflate a depressed economy in 1931. Now, in 1979, when we suffer from every conceivable economic ill at once, with inflation being most acute, it is difficult to justify keeping in effect a law that will further inflate the economy.

In conclusion, I ask my colleagues, as they ponder the weighty task of finding an escape from our expected economic troubles to look seriously at Davis-Bacon and its effects, and consider the benefits to our economy of being free from Davis-Bacon caused inflation.●

QUESTIONNAIRE SURVEY IN KENTUCKY

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. HOPKINS. Mr. Speaker, the results are now in from my recent questionnaire survey of constituents in the Sixth Congressional District in Kentucky. The Sixth District is a diverse district in the center of Kentucky. It includes industrial areas, urban, and suburban communities, small towns, and farmland. Its thinking on political issues is likely to be a bellwether of important national trends.

Mr. Speaker, I am grateful to all those constituents who took the time to fill in the questionnaire and put on 15 cents postage to return it.

Mr. Speaker, the results of this survey confirm the idea that there is a mood in the Nation to hold down spending and cut back on Government activity in some areas. The highest percentage of yes votes—84 percent—was recorded as a response to the question:

Do you favor a constitutional amendment requiring a balanced budget except during national emergency?

When asked what they would most like to see Congress do in the near future, 76 percent said:

Reduce Federal spending and the size of the Federal Government.

It appears that the national sentiment in favor of reducing Federal spending is still running very strong.

Mr. Speaker, the poll also reveals, contrary to what some commentators have been saying, that the voters do understand that cutting back on Government spending will require saying no to some potentially attractive Government programs. For example, only 19 percent of the people responded negatively to the question, "Do you think Congress should work harder balancing the budget even if that means cutting some Federal programs?" Only 17.6 percent of the respondents said they favored a tax supported national health insurance program for everyone.

Mr. Speaker, the prevalent attitude in the Sixth District, as in the Nation generally, against the mushrooming growth of Government can undoubtedly be traced to a belief that one of the evil consequences of big government and unbalanced budgets is the seemingly unstoppable inflation which now attacks our Nation. The people are angry about inflation but it seems that they realize that the centralization of power in

Washington, which has created the inflation, cannot be counted on to cure it. Only 25 percent of the voters thought mandatory, across-the-board wage and price controls was the most effective way to reduce inflation. In view of the high level of frustration and anger about rising prices, this ought to be considered a rather low positive response.

It indicates that many people have learned from our past experience that Government controls are ineffective, inequitable, and lead to shortages.

Mr. Speaker, however much the voters may wish to restrain Government spending, there seems to be a general consensus that this should not be done if it will result in sacrificing our vital interest in national security. An absolute majority—57 percent—responded positively to the question.

Should the United States spend more money on national defense?

The people realize that a strong defense capability is absolutely necessary to protect vital American interest.

Mr. Speaker, many constituents have written suggesting that some particular issue should have been covered in the questionnaire. However, limitations of space, plus the need to prepare the questionnaire in advance of its mailing date, resulted in some important issues being left out. I sincerely hope that constituents will continue to write me on any issue which is important to them. Such expressions of voter opinion as are reflected in constituent letters or in the results of this questionnaire are invaluable in letting elected officials, including myself and others in Washington know what is on the voters' mind.

Mr. Speaker, although the total number of voters who participated in this poll cannot be precisely ascertained it is clear that more than 10,278 responses to the questionnaire were tabulated. This total is far in excess of the number of persons polled by the commercial polling organizations. Accordingly, I am encouraged by this broad constituent participation—and I am pleased indeed, to find myself philosophically and politically so closely attuned to those whom I am charged with representing in this great legislative assembly. The questionnaire results follow:

[In percent]

	Yes	No	Don't know
THE SCOPE OF GOVERNMENT			
(1) Should tax dollars be used to help finance congressional campaigns as proposed by some groups such as Common Cause?	18	68	14
(2) Should Congress vote against any attempt to increase the Federal Government's control over the private ownership of handguns?	61	37	2
(3) Some people believe that Congress should create a new agency, a Department of Education, to deal with education matters that are now being handled by the Department of Health, Education, and Welfare. Do you believe we need a new government department?	22	73	5
(4) Should Federal regulatory agencies be required to prepare an "economic impact statement" showing how much proposed new regulations would cost businesses and consumers?	80	12	8
Do you support the use of Federal funds for abortions:			
(5) On demand?	8	81	12
(6) In special cases such as rape, incest, or when there is danger to the life of the mother?	34	45	21
(7) Not at all?	22	35	43
(8) Do you favor a constitutional amendment prohibiting abortions except to save the life of the mother?	32	26	42
(9) Do you support HEW Secretary Califano's campaign to stop cigarette smoking?	26	74	0
AGRICULTURE			
(1) Do you favor the Federal Government raising price supports for farm products to guarantee 100 percent of parity?	8	63	29
(2) Should the Federal Government restrict the imports of foreign agricultural products in order to maintain a fair price for farm products?	61	26	13
(3) Should the Federal Government work to increase exports of American farm products including tobacco?	69	20	11
DEFENSE			
Should the United States spend:			
(1) More money on defense?	59	16	25
(2) Less money on defense?	17	55	28
(3) Should the United States approve the SALT agreement if there are no guarantees that the Soviet Union is complying with its part of the agreement?	37	59	4
(4) Should the United States approve the SALT agreement if it weakens our national defense in relationship to that of the Soviet Union?	28	66	6
TAXES, GOVERNMENT SPENDING, AND INFLATION			
Do you feel American taxpayers need a substantial reduction (10 percent a year for the 3 years) in the amount of Federal income tax they must pay?			
(1) Yes, without qualification	28		
No, without qualification		10	
Yes, if Federal spending is reduced	62		
(2) Do you support Congressman Hopkins' efforts to pass a constitutional amendment which would require a balanced Federal budget except in times of national emergency? (Kentucky and many other States have such a requirement as part of their constitution)	84	15	1
(3) Should Congress allow parents a tax credit for college tuition expenses?	59	39	2
(4) Do you favor indexing personal income tax brackets to the rate of inflation (to prevent Americans from being automatically pushed into higher tax brackets when they receive a pay raise to compensate for inflation, often without actually increasing purchasing power)?	76	6	18
(5) Do you favor new tax incentives for business to expand and create more jobs?	71	22	7
(6) Do you think Congress should work harder at balancing the Federal budget even if that means cutting some Federal programs?	77	19	4
If so, please suggest Federal programs you would eliminate or reduce in size.			
(7) Which do you think would be more effective in reducing inflation (check one):			
Cut Government spending and regulation?	75		
Wage and price controls?	25		
FOREIGN AFFAIRS			
(1) This year Congress will be asked to approve funds implementing the Panama Canal treaties. Should Congress refuse to approve these funds and stop the turnover of the Canal to Panama?	68	32	0
(2) Should the United States continue to support the non-Communist government of Nationalist China (Taiwan)?	73	13	14
(3) Should the United States work with the Government of Mexico to increase imports of oil from that country?	65	22	13
(4) Do you feel the United States should reduce its financial support of the United Nations?	60	30	10
SOCIAL SECURITY			
(1) Some people believe that the social security system can be improved by taking nonretirement benefits (such as aid to the handicapped) our of the system and financing these nonretirement benefits with funds from the general treasury. Do you support this approach?	68	14	18
Other plans have been proposed to keep the social security system from running out of money, do you support (check one):			
(2) Increasing social security taxes?	39		
(3) Reducing social security benefits?	33		
(4) Raising to 68 the age a person may receive social security benefits?	26		
HEALTH CARE			
Proposals to implement some form of national health insurance are before the Congress. Which of the following do you favor (check one)?			
(1) The present system of private insurance and health care which includes some Federal programs to aid the poor (medicare), veterans and Indians?	51		
(2) A new tax-supported program to cover everyone?	18		
(3) A new tax-supported program to cover everyone against so-called "catastrophic illnesses" (essentially what is now covered by private major medical insurance programs)?	24		
(4) The efforts of some in the health care field to voluntarily reduce the increase in medical care costs?	45		
POSTAL SERVICE			
Do you favor:			
(1) Increasing postal rates?	12	75	13
(2) Elimination of Saturday mail deliveries?	57	35	8
(3) Closing and consolidating small post offices?	47	33	20
(4) Increasing government subsidies of the postal service?	12	57	31
(5) Allowing private enterprise to compete with the postal service?	69	27	4
ENERGY			
Would you support:			
(1) Raising gasoline taxes?	18	71	11
(2) Rationing gasoline?	33	58	9
(3) Deregulating natural gas production and marketing?	53	24	23
(4) Increasing development of nuclear energy?	44	32	24
(5) Federal development of solar energy and other new energy sources?	57	24	19
(6) Easing environmental restrictions so that coal can play a more important role in solving our nation's energy problems?	71	12	17

NATIONAL PRIORITIES	Percent
Which 2 of the proposals listed below would you most like Congress to do in the near future: (Please check.)	
(a) Reduce Federal spending and the size of the Federal Government?	76
(b) Increase the defense preparedness of the United States?	39
(c) Help farmers get better prices for their products?	10
(d) Cut taxes?	23
(e) Improve business and employment opportunities for the poor by increasing spending for Federal jobs?	4
(f) Improve business and employment opportunities for the poor by providing incentives for private industry to create new jobs?	18
(g) Provide incentives for domestic energy producers to meet this country's energy needs?	28
(h) Raise taxes on energy to cut consumption?	8
(i) Other	

Note: Many people checked more than 1 for answer.

●

THE STATUS OF INDEPENDENT CONTRACTORS FOR TAX PURPOSES

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. PAUL. Mr. Speaker, Mr. Gilbert Turner, president of the Boring & Tunneling Co. of America, Inc., is one of Houston's great entrepreneurs and a most articulate champion of the free enterprise system.

Recently he testified before Ways and Means on the importance of the independent contractor, and why he must not be put out of business by unconscionable Government rules and regulations.

Because Gil's testimony is so important, I would like to call excerpts from it to my colleagues' attention.

I am proud to have Gil for a friend and a constituent. I urge all the Members of this House to pay attention to his words:

THE STATUS OF INDEPENDENT CONTRACTORS FOR TAX PURPOSES

(Testimony of Mr. Gilbert Turner)

Mr. Chairman and members of the committee, my name is Gilbert Turner. I have been a businessman for the past 30 years. A major part of my experience has been in construction and closely related fields. I got my start in business working nights, weekends, and holidays as an independent contractor in addition to my regular job as an employee.

Today, I am president of the Boring and Tunneling Company of America, Inc. in Houston, Texas. I am here representing the Associated General Contractors of America. Primarily, I am here to speak in behalf of the small businessman in construction requesting amendments to H.R. 3245.

Mr. Chairman, the purpose of these hearings is to clarify the status of as many payees as possible for tax purposes so that wasteful and unnecessary litigation and harassment will be eliminated in the future. We also believe a proper objective of these deliberations should be to provide consistency among the various Federal agencies in their definition of who is and who is not an independent contractor. That is, the law should permit an individual to anticipate with some reasonable certainty whether or not he qualifies as an independent contractor regardless of which governmental agency he is confronting. . . . Finally, we believe these hearings provide Congress an opportunity to protect the common law in this area and to promote private free enterprise by precluding regulations that would not allow the entrepreneurial system to operate.

I want to speak on behalf of the entrepreneurial business people, whether they be large or small, who are working under very difficult circumstances to produce the goods and services the public wants, at a price the public can afford to pay, and at a profit that will enable them to pay the taxes that Washington wants and still stay in business during the rainy days that always seem to come.

Mr. Chairman, we are up to our eyeballs in rules, regulations, directives, procedures, inspections audits and paperwork from an ever-increasing hord of agencies of the federal government. When the agencies of the federal government become bogged down in their own creation of these inhibitors of productive effort, they pass them on down to local governmental agencies as a price for federal grant money. These local agencies in turn, pass all this on to the business community. The business community must then pass on to the consumer this tremendous economic loss of productivity through higher prices for fewer goods and services.

I am appalled that Sec. Lubick proposes that even if it were reasonable for the payor to treat the worker as an independent contractor, and even if the worker has signed a statement electing out of the system, the payor would still be liable for "its share" of FICA and FUTA taxes without any attempt by the IRS to determine whether the worker has paid his SECA taxes. Also, Sec. Lubick has the effrontery to urge that any criteria adopted for determining whether a person is an employee or an independent contractor should "provide certainty by erring only on the side of classifing workers as subject to graduated withholding." It is apparent that Sec. Lubick represents a desire by the IRS and by some circles of government to collect the most taxes possible in the easiest way possible for the government, with little regard for the administrative burden placed on the productive segment of our society. This, coupled with the apparent goal of eventual elimination of the small, independent, free entrepreneurs, to be replaced by more placid, more regimented, and less productive employees is an insidious infringement of our cherished freedoms and a drag on our productivity.

Instead of discouraging the proliferation of the small independent contractor we should do everything in our power to encourage their growth, even to the extent of giving tax incentives. For many present day businessmen, the gray area of employee or non-employee status was the first step in establishing their own business enterprise. In some instances it was full time work, in others it was part time, extra work, at nights and on weekends and holidays. These are fiercely independent people who are trying to get ahead on their own. And I might point out that many of them are minorities who are being encouraged to start their own business by other governmental agencies. They are performing valuable services and fulfilling vital needs which result in substantial economic benefits for our economy.

In another example of erroneous thinking Sec. Lubick made the statement that "in effect, the employee pays the employer's share of the payroll tax in the form of lower gross wages." I don't care what Sec. Lubick says, this simply is not so in the construction industry. In the construction industry the contractor figures each of his elements of cost and arrives at a total cost. To this total cost he adds a hoped for profit in order to arrive at his bid to the consumer. His portion of the social security tax plus that of the employee is included in the total cost and is paid by the consumer in increased contract price for the construction he gets. In fact, when social security taxes are raised substantially, many employers increase their workers' pay so that the take home pay is not reduced. The consumer also pays this added cost. This is pure and simple economics, and nowhere is it more obvious than in the construction industry. No amount of economic pronouncements or bureaucratic rhetoric can make it otherwise.

There seems to be a general agreement in the private sector that independent contractors should be distinguished from employees and exempted from federal withholding tax requirements. The problem exists in defining an independent contractor.

The Gephardt proposal is a sincere effort to simplify the definition of an independent contractor in practical terms, including the independent contractor's control of hours of work, place of business, and fluctuations in earnings. AGC does not see any significant application of the Gephardt proposal to the status of independent contractors on on-site construction. . . .

However inappropriate the Gephardt points would be to construction contractors, they would not appear to be detrimental and, for that reason, AGC would have no objection to enter against them, provided they were accompanied by the following three amendments AGC offers to this legislation:

First, if the individual is not qualified under the five points of the Gephardt proposal, the statute should still give him the opportunity to qualify as an independent contractor under the current IRS common law definition of an independent contractor.

Second, the most common use of independent contractors for on-site construction involves bona fide owner operators of trucks and power equipment. AGC does not believe that the Gephardt proposal or the current IRS definition adequately recognizes the status of this important industry. Therefore, AGC would urge the committee to include a special category of independent contractor for those individuals who qualify as bona fide owner operators of trucks or other equipment in construction and allied industries.

Finally, Mr. Chairman we offer a third amendment to provide a safe harbor for those workers who hold themselves out as independent contractors and who either worked for five or more payors during the previous year, or who anticipate working for five or more payors during the current year.

AGC emphasizes that the committee recognize the special status of owner operators in the construction industry. This definition is not sufficiently recognized under either the Gephardt proposal or the current IRS definition. The status of owner operators in construction is highly important to providing necessary opportunities for minorities and disadvantaged persons to enter the construction industry as entrepreneurs.

AGC's principal recommendations then would be, in summary:

1. The burden of withholding, accounting for and remitting to the IRS should not be imposed upon employers who hire independent contractors.

2. The IRS should be instructed by Congress to refrain from any overt actions that will inhibit the use of independent contractors or reduce their valuable contribution to our economy. Punitive penalties should not be imposed for non-willful violations of code provisions.

3. In addition to the Gephardt safe harbor criteria, alternate safe harbor provisions should be provided for payors of payees providing owner operated power equipment.

(B) Alternate safe harbor provision should be provided for to an independent contractor who holds himself out as independent contractor and who has performed similar services for as many as five payors during the past year, or expects to perform such services for five or more payors during the current year.

4. Payors in addition to all of the above, should continue to be protected by the traditional definition of independent contractor under common law.

Thank you for this opportunity to share this vital information with you.●

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. CLINGER. Mr. Speaker, on July 23, 1979, I was absent from the floor of

the House of Representatives because I was back in the 23d Congressional District of Pennsylvania. Had I been present, I would have voted in the following fashion:

Rollcall No. 369: H.R. 4440: Transportation Appropriations—The House agreed to resolve itself into the Committee of the Whole, "yea"; and

Rollcall No. 370: H.R. 4034. Export administration amendments—The House agreed to resolve itself into the Committee of the Whole, "yea".●

SUDDEN INFANT DEATH SYNDROME

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. WAXMAN. Mr. Speaker, I was recently contacted by Dr. Norman Lewak of Alameda, Calif., concerning current statistics on sudden infant death syndrome (SIDS).

According to the figures compiled by the National Sudden Infant Death Syndrome Foundation, SIDS is the No. 1 cause of death in infants after the first week of life. Mysteriously, the baby who dies from this ailment often appears healthy prior to death—hence, the disease's chilling name. This disease causes from 8,000 to 10,000 deaths among infants in the United States every year. Similar rates of occurrence are found in Europe, Australia, and Canada.

According to the report of the Senate Committee on Labor and Human Resources to accompany S. 497 (the Emergency Medical Services Systems Amendments of 1979 and Sudden Infant Death Syndrome Amendments of 1979), at the present time, a total of 33 projects in 29 States are being funded to provide information and counseling services, as well as to carry out data-gathering activities. These projects provide services to a population base of approximately 126 million. Specifically, education and training is provided to those who come in contact with the families of SIDS victims to sensitize them to the special needs of family survivors. More than 2,000 educational programs have been conducted during the past year. In addition, the projects work toward improved coordination and development of community resources to deal with SIDS cases. They also assist in the development and distribution of SIDS informational and educational materials. These, materials include films, TV spot announcements, and brochures.

These projects are funded by the Sudden Infant Death Syndrome Act of 1974 (Public Law 93-270)—embodied in title XI.B. of the Public Health Service Act.

The act, extended in 1977, created a system of counseling and information services for the families of SIDS victims, authorized the dissemination of educational materials on crib death, and called for the establishment within the National Institute of Child Health and Human Development (NICHD) of a program of biomedical research into the causes and prevention of SIDS.

I would like to share with my colleagues a pamphlet which is particularly helpful in informing the public of the problem of sudden infant death syndrome, and how its occurrence can trigger a chain of tragic reactions among close family members and friends. I close my remarks by reprinting in the CONGRESSIONAL RECORD this useful brochure compiled by the sudden infant death research team of Children's Orthopedic Hospital and Medical Center and the University of Washington, in Seattle, Wash., and the National Foundation for Sudden Infant Death, Inc.

The information follows:

FACTS ABOUT SUDDEN INFANT DEATH SYNDROME

THE BASIC FACTS ABOUT SIDS

SIDS is a definite disease and is the number one cause of death in infants after the first week of life.

SIDS cannot be predicted or prevented, even by a physician.

The cause is not suffocation, aspiration or regurgitation, although sometimes death certificates use such terms in error.

A minor illness such as a common cold may be present, but many victims are entirely healthy prior to death.

There is no suffering; death occurs within seconds, usually during sleep.

SIDS is not contagious in the usual sense. Although a viral infection may be involved, it is not a "killer virus" that threatens other family members or neighbors. SIDS rarely occurs after seven months of age.

SIDS is not hereditary; there is no greater chance for it to occur in one family than in another.

The baby is not the victim of a "freakish disease." About 8,000–10,000 babies die of SIDS every year in the United States (two or three per 1,000 live births).

SIDS is at least as old as the Old Testament and seems to have been at least as frequent in the 18th and 19th centuries as it is now. This demonstrates that new environmental agents, such as birth control pills, fluoride in the water supply and smoking, do not cause SIDS. Despite increased attention in the literature in recent years, the incidence of SIDS is not rising.

MOST FREQUENTLY ASKED QUESTIONS

What is SIDS?

SIDS (Sudden Infant Death Syndrome), commonly known as "crib death" or "cot death," is a disease which causes from 8,000 to 10,000 infant deaths annually in the United States. SIDS has been with us since Biblical times, but only in recent years has it been recognized to be a "specific disease entity." It is best defined by describing a typical case. An apparently healthy infant, usually between the ages of three weeks and seven months, is put to bed without the slightest suspicion that things are out of the ordinary.

He may have signs of a slight cold. Some time later the infant is found dead. Often there is no evidence that a struggle has taken place, nor did anyone hear the baby struggling. Sometimes, though, the child has obviously changed position at the time of death. An autopsy reveals, at most, a minor degree of inflamation of the upper respiratory tract, but no lesion sufficient to account for death.

Often the autopsy reveals absolutely no evidence of illness. In about fifteen per cent of crib death cases careful examination does demonstrate a previously unsuspected abnormality or a rapidly fatal infectious disease, such as meningitis or pneumonia. A thorough autopsy can put the family at ease about this.

Was it my fault?

Virtually every parent feels responsible for the death of his child, until the facts are known. In untold thousands of cases much needless blame has been placed by one parent upon the other, by relatives upon the parents, upon a babysitter who happened to be with the infant at the time it died, or upon the family doctor who pronounced the infant healthy shortly before it died. We know of families that have been broken up by repercussions arising from this problem.

Therefore, it is important to make clear that SIDS cannot be predicted, and in the light of present knowledge SIDS cannot be prevented. The disease has no specific symptoms and occurs in the best families, to the most competent, careful and loving parents. Indeed, we often feel that the victims of SIDS are unusually robust, healthy and obviously well cared for. Even when the infant has recently shown signs of a slight cold and has been taken to the doctor, nothing has been found that would lead him to anticipate SIDS. Regardless of how thorough the examination or of the treatment prescribed, SIDS cannot be predicted even by a physician. SIDS can occur in hospitals, and many physicians and nurses have lost their own babies to SIDS.

Did my baby suffocate in its bedding?

It is not uncommon for victims to be found wedged into the corner of their cribs or with their head covered by blankets. Sometimes their face is turned down into the pillow or mattress or is discolored. Under such circumstances, it is natural to assume the baby smothered. However, SIDS also occurs under conditions where there is no possibility of smothering.

The baby can be found without any articles of bedding, clothing, toys or pets around or near the face. The autopsy findings are identical in both types of cases. Investigators have found that even when infants are covered by bedding, the amount of oxygen is not reduced to the point of causing suffocation. Thus it is possible to say with certainty that SIDS is not caused by external suffocation.

Could my baby have vomited and choked after his last feeding?

SIDS is not caused by vomiting and choking. Sometimes milk or even blood-tinged froth is found around the mouth or on the bedding. This has been shown usually to occur after death, and at autopsy is found not to block the internal air passages.

Can SIDS be prevented?

There is no known way to prevent its occurrence. No symptoms exist, so extreme anxiety will serve no useful purpose. Although SIDS is not infectious in the usual sense, there are many health reasons why it is better to avoid taking a young infant into crowds of people. This does mean infants should be kept away from small family groups or kept away from others in their family, but unnecessary exposure to crowds can often be easily avoided.

What causes SIDS?

There have been many theories through the years as to the cause of SIDS. None of these have yet been proven and most have been discounted. Years ago an enlarged thymus gland was believed to block off the infant's airway, but this has been disproven. Allergy to cow's milk has been suspected by some to bring on sudden reaction severe enough to cause death.

However, recent studies on antibodies in SIDS cases have failed to support this theory, and many SIDS babies have been entirely breast-fed. Recent research suggests that the developing infant has unusual physiological reflexes during certain phases of sleep, and these may bear a relation to the mechanism of death. Other theories that have been discounted are: bacterial infection, radiation

fall-out, use of modern machines and drugs, smoking, adding bleach to the diaper wash, "whip-lash" injury to the spinal cord, air pollution, and fluoridation. It is important to emphasize that SIDS is not a new disease and is no more frequent now than it was centuries ago.

Did my baby suffer?

SIDS can occur within five minutes, and is probably almost instantaneous. There may be some movement during the last few seconds of life, accounting for the displaced blankets or unusual positions that are sometimes evident. However, the babies do not cry out and very often show not the slightest trace of having been disturbed in their sleep. Therefore, it is safe to conclude that SIDS does not cause pain or suffering to the baby.

Was it something infectious?

Is the immediate family in danger?

SIDS is not contagious in the usual sense of the word. For example, if one of twins in the same bed is taken by SIDS, the other is usually spared. There are seasons during which SIDS is more commonly seen but there is no reason for unusual concern in cases where an infant is exposed to a SIDS case. SIDS virtually never happens after the first year of life, so older children are not at risk. There is no need to be concerned about contamination from clothing, bedding or furniture of a SIDS baby. The common viruses which appear to play a leading role in SIDS do not survive outside living bodies.

Would it have helped if I had breast fed my baby?

Breast feeding does not prevent SIDS. Literature of previous centuries, when nearly all babies were breast-fed, mentions the problems of sudden infant death. Recent research shows SIDS occurs to breast-fed as well as to bottle-fed babies. Breast feeding is recommended to mothers because the breast milk is usually well-tolerated by the baby. Some additional antibodies are received from the mother in the colostrum which is present before the actual breast milk comes in. However, a baby is born with his major supply of antibodies that help him fight infection.

What about babies we might have in the future?

According to the best available data, SIDS is not hereditary, and any future babies in a family will run no more than a one per cent risk of recurrence. More harm than good may be done to a subsequent child by excessive anxiety over SIDS.

A special leaflet on this problem, entitled "The Subsequent Child" by Carolyn Szybist, R.N., is especially helpful. This is available upon request from the NSIDSF.

Is this a new disease? Aren't there more deaths of this kind now?

There is evidence that SIDS has been with us since antiquity. In Biblical times it was referred to as "overlaying." Then, as in some cultures today, mothers slept with their infants. When a mother woke to find her child dead, she assumed she must have rolled over on him and caused his death. Any new mother, however, knows how aware she is of the new baby and how impossible it would be for her to do this.

We do not believe there has been an increase in the number of SIDS cases in recent years, but there is more publicity about them than in the past. Studies in many areas of the world consistently show the figures of two to three SIDS deaths per 1,000 live births. Enlightened communities list the cause of death as SIDS or "crib death;" other areas list them as "suffocation," etc. This is a tragedy for the family as it leaves them with a lifelong feeling of guilt by indicated neglect. This is absolutely untrue and unnecessary. In some communities, confusion still exists about this disease. Only recently have the research facts about SIDS been added to medical school texts.

Do these deaths occur all over the World?

There is evidence that SIDS is an extremely widespread condition. Studies of the syndrome in Europe, Australia, Canada and throughout the United States have all revealed similar rates of occurrence. SIDS occurs as frequently in the southern states as in the cooler climates of the Northwest and the Northeast.

PROBLEMS OF GRIEF—ABOUT PARENTS' GRIEF

After the initial shock and the numbness of the first few days begin to wear off, parents find that they are left with a prolonged depression. There will be "ups and downs" that can be brought on by a thoughtless or innocent remark from someone who doesn't understand the disease or by remembering that it is the same day of the week or date in the month that the baby died. At these low points, it is often very helpful for them to talk to a member of the "parents group." (See section on "Sources of Help and Information.")

Only another parent who has had this same experience can convincingly say that things won't always look as they do today, that time really does make a difference. If there is no such person available, the family physician or minister can be reassuring.

Parents find that it is difficult to concentrate for any length of time. The mind wanders, making it difficult to read, write, or make decisions. Some experience a "whirling around" sensation or pressure in the head. This is very normal and does not indicate that a person is losing his mind. Sleep is difficult, often leaving parents fatigued. If they have a family to care for or a job to get back to, they may need some temporary help from their doctor in the form of mild medication in order to get some rest. Even with sleep, the feeling of exhaustion persists.

Those in grief may experience muscular problems or other physical symptoms centering around the heart or in the stomach. Often there is no appetite, and they eat only because they know they must. They may feel "tied in knots" inside. Mothers nearly always say their arms "ache to hold their baby."

There may be an irresistible urge to get away, a fear or dread of being alone, or unreasonable fears of danger. If there are other children, parents fear for their safety and don't want to let them out of their sight, but at the same time may be afraid of or shun the responsibility of caring for them. Even with this concern about their children, there may be feelings of extreme irritation and impatience with their behavior. Parents rely a great deal on family and friends, but at the same time may resent their help and feel guilty about this. The situation is made even more difficult when the community around them does not understand SIDS. Friends or relatives who are trying to help seem to say the wrong things or do not understand the disease.

The grief reaction of husband and wife may be different.

It is quite normal that husbands and wives express their grief in different ways and this is not always understood. For instance, mothers generally need to "talk out" their grief while fathers tend to suffer more in silence. Husbands are diverted by their work while wives are usually at home surrounded by constant reminders. Very often the loss of the infant is the first grief situation either parent has faced.

Children's reaction to death.

Children will be affected in some way by a death in the family. A small child who is too young for explanations needs mainly to be shown love and affection by his parents for his own security. Little ones may have some very frightening thoughts that they cannot express. They may cling to the parents and do naughty things to get the attention they need.

If there are older brothers and sisters in the family, one can expect special kinds of grief reactions. Children often feel terribly guilty about the death of a sibling. They often fear their own thoughts toward the baby could have caused its death. An older child should be told as much about the facts as he is able to understand. He should feel that this is an open subject in the family and that he can express his thoughts or questions about death as they arise.

Children may not show their grief in obvious ways. Because they cannot deal effectively with tragedy, they may deny it and seem quite unconcerned. It is important to talk with brothers and sisters about the death and to discuss the fact that this was a disease. It is best not to say "the baby 'went away' in sleep." It is important to explain that the reason the baby died is because of a disease that strikes suddenly to only a few infants of that particular age. Brothers and sisters should be assured that older members of the family including themselves are immune. (In cases where there is a surviving twin, the entire family should receive special counseling.)

Many youngsters have been a source of strength for the family. They have written poetry and verse and often have a very simple, unshakeable faith about the pattern of life and death. Some children, on the other hand, because of circumstances or age or emotional make-up, have felt great insecurity after an infant's death. This has manifested itself by nightmares, bed wetting, difficulty in school, and other disturbances. Any such problems should be discussed with the child's doctor.

Close relatives, babysitters, et cetera.

Occasionally the baby is in the care of relatives or babysitters when the death occurred. This is a special problem and counseling should be made available to them also. It is often helpful for them to have literature or talk with the doctor. At first parents may tend to blame the babysitter or to blame themselves for having left the baby at all. On occasion the mother has been blamed by the husband or relatives for the death of the baby. So it is important that everyone understands about the disease. Often giving literature is more helpful than trying to explain.

SOURCES OF HELP AND INFORMATION

National Sudden Infant Death Syndrome Foundation, 310 S. Michigan Ave., Chicago, Ill. 60604, Phone: (312) 663-0650.

This is a national organization with chapters in many areas of the United States. It maintains contact with and makes referrals to other groups and individuals concerned about Sudden Infant Death Syndrome, some of whom are not directly affiliated with it. The purpose of the NSIDSF is to assist parents, educate the community about SIDS, and promote SIDS research.

The Foundation was the first organization to call attention to the need for research and has awarded grants to assist several studies. It promotes and sponsors programs of professional counseling, publishes a quarterly newsletter and distributes literature. It financially supports the mailing of information to various community agencies and medical groups. Many prominent physicians and lay people serve on its advisory board and as officers. It formerly was named the Mark Addison Roe Foundation and was started by the Jedd Roe family whose son Mark was a victim of SIDS when they lived in Greenwich, Connecticut.

Administered by a board of trustees composed at present of eighteen doctors and laymen, the Foundation is a tax-exempt, charitable corporation supported by contributions from the public and from a small number of private philanthropic foundations.

Donations can be mailed to the Chicago address or to any local chapter. (The Foun-

dation sends an acknowledgment card to the donor and to the family of the person being memorialized.)

A Medical Board appointed by the trustees advises them on all medical matters, recommends action on applications for research grants, and sets medical policy for the Foundation. The Medical Board consists of:

Marie A. Valdes-Dapena, M.D., Chairperson; J. Bruce Beckwith, M.D., James Luke, M.D.; Eli Gold, M.D., Lester Adelson, M.D.; Alfred Steinschneider, M.D.; Edward Shaw, M.D.; Larry V. Lewman, M.D.; Elliot Weitzman, M.D.

SCIENTIFIC INFORMATION

Two major sources of scientific information regarding SIDS are: Sudden Death In Infants: Proceedings of the Conference on Causes of Sudden Infant Death in Infants (1963), National Institute of Child Health and Human Development, Bethesda, Md. 20014.

Proceedings of the Second International Conference on Causes of Sudden Infant Death in Infants (1970), University of Washington Press, Seattle, Wash. 98105.

A bibliography of articles, publications and films dealing with SIDS can be obtained from the Chicago office.●

PARALYSIS IN A RISK-FREE SOCIETY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. PAUL. Mr. Speaker, the search for a risk-free society, through the use of government, is a sign of decadence. Henry Fairlie points out in an excellent article in the Washington Post.

The answer to the spiritual malaise which both the President and Mr. Fairlie see in our country is by cutting back the source of that malaise: overweening Government.

It is Government that debilitates our society and our people. The American people are still a great people. Prune the Government to constitutional size, and we would again demonstrate that. Rid our citizens of a giant bureaucracy, massive taxes, Government inflation, and deadening regulations, and America would lead the world in peace and productivity once more.

The article follows:

[From the Washington Post, July 22, 1979]

PARALYSIS IN A RISK-FREE SOCIETY

(By Henry Fairlie)

When the President spoke of the decline in America's confidence in its future—which all of its anxious but hoping allies regard as a real and ominous phenomenon—my mind fixed immediately on one of its most obvious but almost unmentionable causes. The once rambunctious American spirit of innovation and adventurousness is today being paralyzed by the desire to build a risk-free society.

No other great industrialized society has reacted with what can only be described as such palsy to the accident on Three Mile Island. It is simply beyond the bounds of credulity that the French would halt or reduce their huge nuclear power program—would forego their own chance to be "energy-secure"—in response to the kind of misadventure that is naturally to be expected in any humanly inspired endeavor.

Yet in his television address, the president of the United States did not dare to mention nuclear power, and on the following day he corrected the omission only in a muted and almost strangled voice.

No other country took it into its head to ground the DC-10s for as long as did the United States, and I hope that Sir Freddie Laker and the operators of other airlines will succeed in their suits for damages. After the remarkable record for efficiency and safety that has been set by the American aircraft industry in its fleets of planes which today carry the traffic of the world, one engine falls off one aircraft in circumstances that are unlikely ever to be repeated and the American authorities seem almost to set out to destroy the reputation of as trustworthy a commercial aircraft as is now flying.

But these are only the two most recent and glaring examples. The desire to build a risk-free society runs through the whole of American life today. It is draining the spirit from America's inventiveness and from its hope for the future.

If the American people for the first time no longer believe that life will be better for their children, it is at least in part because they are beginning to think that there will be no food which their children will be able to eat without dying like rats of cancer, no form of transport that will be considered safe enough to get them from here to there and in fact nothing that their children may safely do except sit like Narcissus by a river bank and gaze at their wan and delicate forms as they throw the last speck of granola to the fish.

The desire to build a risk-free society has always been a sign of decadence. It has meant that the nation has given up, that it no longer believes in its destiny, that it has ceased to aspire to greatness, and has retired from history to pet itself.

If many more safety regulations are introduced in the United States, it might as well have men with red flags walking in front of the automobiles. Ralph Nader seems sometimes to be interested in designing not motor cars but baby carriages, and even then the baby probably would be suffocated by air bags. He appears not to be aware that one of the main uses to which cars are put is necking, and that this is very difficult if the yearning couple are held back by a harness of seat belts that would hold down even an unbroken stallion.

In no other country is the *faddishness* of environmentalism so rampant as in America today. If some of the more extreme of the environmentalists had their way, there would have been no industrial revolution, no burst of industrial might in America at the end of the last century, none of the brilliant inventiveness of its technology in the past generation, and as a result millions of Americans would still be living the confined lives of the past, and many more millions in Europe would be enduring existence of mere serfdom, their lives bound within (as Marx put it) the narrowest possible compass.

There is a way in which much of my writing about America as an outsider has turned on these questions. For although I am often cheerfully bemused by the more fanciful and extravagant displays of American technology and gadgetry, and although I think that they are sometimes carried too far, so that people may soon use a Cusinart to scramble an egg before they cook it, I have no doubt that in important ways it is here that lies the genius of the country; for what it all says is that things "ain't necessarily so." Do not Americans now distrust their future because they are being told that the things (including nature) are necessarily so?

Zero population growth is the purest expression of the risk-free society. Preciously and exquisitely "I" am here; there are enough wild berries for "me" at least to live on; let no one else come and spoil it.

Back to Eden: For what was Eden but a garden of zero population growth; and indeed what was it but a risk-free society of two? But whenever I try to imagine the life of Adam and Eve, before their fall, it seems to me that it must have been one of infinite boredom.

But the more one thinks seriously of their boredom, the more one realizes why mankind had to escape into risk. Part of the malaise of the American spirit at the moment seems to me simply an expression of boredom. It hangs like a pall, worse than any pollution, over the lives of the people. There is no ship to board; it has been laid up as unseaworthy. There is no carriage to the stars; it might fall like Skylab. It is dangerous to dream; one might feed in one's sleep on a carcinogen. Feverishly and fretfully, the unused energy is spilling out, into the frenzy of white water and the disco.

I turn from the notion of a risk-free society to the epic of Homer, to the magnificent testimony to a people's will in the Old Testament, to the sagas of the Vikings and the daring of the Elizabethans, and there is not a hint of a safety regulation in one of them. But turn nearer to hand. It was not just the wretched and oppressed who came to America, but the wretched and the oppressed who would risk. It was the strong, and not the weak, who came, and then still came. They did not ask if the Mayflower was seaworthy—it was a miserable hulk even for its times—and into our own century they still got onto tubs that might break apart to cross an ocean. What I feel most in America now is the ever more constricted sinews of a country that was made by such people.

Soft and swaddling are the constraints—do not do this because it might hurt you; even worse, it might make you feel "uncomfortable"—but they are binding the spirit of a great people like a fetter.

This draining pusillanimity runs into personal as well as into social relationships. The American people are being cajoled into talking to each other as I used to think that only a few people talked to their indoor plants. To ask a president to reach so deep into a malaise is to task too much. What is "wrong" with America can be put quite simply. With a Ralph Nader at the head of a wagon train, no one would have made it across the plains, none would have crossed the Rockies and no immigrant would have pushed noisomely out of the gutter.

Risk-free living is sweat, danger and death. From those come the laughter. And curiously, from those comes also the ease of heart.●

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. NELSON. Mr. Speaker, I was absent due to family obligations when the House voted on two procedural motions yesterday. I would have voted aye on Rollcall No. 369, to go into the Committee of the Whole to consider H.R. 4440, making appropriations for the Department of Transportation, and I would have voted aye on Rollcall No. 370, to go into the Committee of the Whole to consider H.R. 4034, the Export Administration Amendments.●

BROOKINGS, S. DAK., CENTENNIAL CELEBRATION SPEECH

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. ERDAHL. Mr. Speaker, one of my distinguished constituents, Harold E. Stassen, gave the centennial celebration address at Brookings, S. Dak., on July 4, 1979, entitled "A New American Agricultural Program—A Bulwark for Freedom." I submit the text of his speech for the information of my colleagues. It contains some innovative approaches which should be considered as Congress and the administration develop an agriculture policy aimed at preserving family farms.

The speech follows:

A NEW AMERICAN AGRICULTURAL PROGRAM—A BULWARK FOR FREEDOM

(By Harold Stassen)

Citizens of South Dakota: on this Centennial Day for you; this Declaration of Independence day for all Americans, I bring you the congratulations and the friendly greetings of your Minnesota neighbors.

This is a day to think of freedom, and of history, and, especially, of freedom in the future of America.

As we meet in the beginning years of the third century since the birth of our nation, we are all keenly aware that we are experiencing one of the most serious threats to our future freedom.

Extreme inflation is one of the greatest domestic dangers for a free people. Extreme inflation is like an arsenic poisoning to the internals of a free society.

One of the many bad consequences of extreme inflation is that it makes it very, very difficult to successfully operate a family farm, and even more difficult for sons and daughters to inherit and operate a family farm.

But family farms have been one of the bulwarks of the freedom and independence of our country ever since that first Fourth of July.

On this day, I speak to you forthrightly of my views upon this critical issue of freedom.

I hold, from my long experience, that it is urgent that we adopt a new American Agricultural Policy and Program.

Central to that new American Agricultural Policy and Program should be the establishment of a Federal Farm Family Reserve Board, to do generally for the farmers what the Federal Reserve Bank Board has done for the banks.

This Federal Farm Family Reserve Board would be placed in charge of a substantial fund of money, raised by a small charge on all imports of all products of the land, including coffee, bananas, cocoa, and all other such imports of the land. This Board would also be in charge of the reserves and surplus of farm products, which would first of all be kept in the control of the individual farmers who would be helped financially in providing for the storage holding of crops.

The Federal Farm Family Reserve Board would be authorized and directed to pay to every farm family, from its funds, up to 100 percent parity on the first $100,000 of farm production each year on each farm.

The unlimited guarantee of 100 percent parity would be unmanageable, and would result in more big corporate farms, more controls and less family farms. But the guarantee of making good on 100 percent of parity for the first $100,000 of each farm's products can be and should be done. It would assist in a stability of supply of all farm products. It would contribute to future freedom and security for all. It would be one of many factors to stop inflation.

The Federal Farm Family Reserve Board would also be directed to arrange to keep the national and world markets free and open, to do everything it could do constructively to develop world prices up to 100 percent of parity, to arrange for other countries, such as the oil/rich, food/poor countries to help carry the world food reserves, to oppose hoarding and monopolies, to make credit reasonably available to farm families, to foster research in other uses for agricultural products, such as alcohol for fuel, and fibers for plastics and for clothing and for construction.

This Federal Farm Family Reserve Board would have members of each major crop, from different parts of the country, from both major political parties, and also have consumer representation.

Members of the Board would be appointed for long terms, with approval of the advice and consent of the Senate, and would be rather independent of the Presidents, just as the Federal Reserve Bank Board is and has been.

We need to lift our Americans agricultural policies and programs away from the year-to-year politicking and mistakes of Presidents and their secretaries of agriculture of either party.

We must recognize that agriculture is unique. It is labor, and it is capital, and it is a way of life. It is also more dependent on uncontrollable conditions of the weather, locally and worldwide, than any other activity.

There has been a very bad trend of freezing out and discouraging family farmers and shifting to big corporate farmers. This is not a good trend. It endangers the long term future freedom for America.

We must also make it easier for sons and daughters to inherit a family farm.

It is now very difficult for a farm family to pass the farm along to sons and daughters because of a very heavy inheritance tax burden. This must be changed, and sons and daughters should be able to inherit a substantial family farm with a value of $500,000 without inheritance taxes, if they intend to keep and operate it. The same important principle should apply to the small family businesses. The excessive inheritance taxes are wiping out family farms and family businesses, and this is harmful to everyone.

Throughout every part of our Policies and Programs for 1980's, we should think through the foundations of America's greatness, the fundamentals of maintaining freedom, and reach out progressively for new answers for the future well being of all Americans.

This is only one of the many changes that are needed to safeguard our future freedom by stopping the inflation and stopping it with full employment.

It can be done, and it must be done.

In the days and weeks ahead, leading to the 1980 decisions of the American people, there is no more important use of our freedom, than to use it to talk through and decide the major issues which will affect our future freedom.

In this spirit, I thank you for this invitation to talk with you today, at this Centennial Celebration in Brookings, South Dakota, good neighbor of my native Minnesota.●

MCPL TASK FORCE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. BEDELL. Mr. Speaker, as the debate on ratification of SALT II progresses, we hear repeated claims by opponents of this vital treaty to the effect that the American Military Establishment is opposed to the agreement, that our NATO Allies are unhappy with it, that the United States cannot adequately verify Soviet compliance, and that this is a public relations attempt by the administration to pull a foreign affairs coup to bolster its image. Taking each point in order, I urge my colleagues in both Houses of Congress to note the following:

That the Chairman of the Joint Chiefs of Staff, speaking for the full complement of Chiefs, has said for all who will listen.

. . . all of us judge the agreement which the President signed in Vienna as in the U.S. national interest and merits your support.

That the NATO alliance has unanimously endorsed the treaty as being in the national security interests of Western Europe, and urged us on to SALT III.

That the treaty is most assuredly adequately verifiable, so much so, in fact, that one of its best known critics, Mr. Paul Nitze, concedes the point on Soviet cheating by saying, "what could be gained by cheating would not be strategically significant," and as William Colby, former CIA Director, has said, we would know of any violations long before it could affect the strategic balance.

That the past two (Republican) administrations paved the way for the present culmination of negotiations in SALT II; the Carter administration was in no rush to barter strategic advantages for a politically motivated "quick fix."

As a member of MCPL who has given these matters long and close consideration, I would like to commend the following article from the Washington Post to the attention of my colleagues:

[From the Washington Post, July 23, 1979]

COMMON SENSE ON SALT

(By Clayton Fritchey)

Gerard Smith is a distinguished corporation lawyer-diplomat, who served under President Nixon as director of the Arms Control and Disarmament Agency, as well as chief negotiator of SALT I. He also served in the State Department under President Eisenhower as chief of policy planning. In reference to SALT II, he says:

"While the Senate alone has the constitutional mandate to give its advice and consent to treaty ratification, the collective common sense of the American people, all of whom have a very high personal stake in the outcome, will also be of crucial importance."

It is a timely warning to the public not to ignore the debate on limiting strategic arms simply because it is supposed to be so complicated, so technical and recondite, as to be over the heads of most citizens.

President Carter acknowledges that the details of the treaty are formidable, but he also notes that the fundamentals "are not so complex." And he too says, "When all is said and done, SALT II is a matter of common sense."

The hearings before the Senate Foreign Relations Committee seem to bear this out, for the essence of the conflicting testimony, after being exposed to informed senatorial questioning, is not beyond popular understanding. In the end, it will come down to the public having to decide whose word to

take. That's where common sense hopefully will prevail.

Will the people, for instance, ultimately rely on the advice and recommendations of the Joint Chiefs of Staff, who on balance are unanimously for the treaty, or will they be more impressed by the objections of Lt. Gen. Edward Rowny, who for six years represented the Joint Chiefs on the SALT negotiating team?

The Joint Chiefs are composed of the head of the four services, plus the chairman, Air Force Gen. David Jones. After prolonged study on their own plus the advice of the Pentagon's many experienced arms experts, the chiefs normally told the Foreign Relations Committee that "all of us judge that the agreement which the president signed in Vienna is in the United States' national interest, and merits your support."

Then came Gen. Rowny, who resigned from the Army on June 30. Although supposedly the representative of the chiefs on the negotiating team, Rowny has long been identified with the powerful cold-warrior congressional bloc, whose influence was instrumental in getting him the SALT job in the first place.

Rowny flatly told the senators the treaty was "not in the best interests of the U.S." He would not concede there might be honest differences of opinion. "The emerging treaty," he bluntly charged, "is not in our interests since it is inequitable, unverifiable, undermines deterrents, contributes to instability and could adversely affect NATO and Allied coherence."

The clear implication was that the chiefs and other backers of the treaty were either retarded, or indifferent to the security of the United States, or both. Sen. Edmund Muskie observed that Rowny was making "serious charges."

The Senator asked the general how he alone, among the negotiators, knew the United States could have got a better deal. Rowny's answer was that "the people who negotiated this thing at Geneva at times had their hands tied"—an unsupported insinuation that his colleagues had compromised their convictions.

The Rowny indictment reflected not only on the Joint Chiefs but on all the officials (Republican and Democrat alike) who have been supporting SALT pacts, including the last three presidents of the United States, the various arms-control directors and the several chief SALT negotiators.

Whatever the shortcomings of SALT II, it is generally conceded to be an improvement over SALT I, which was ratified by the Senate by a vote of 88 to 2. Rowny says that new treaty is verifiable, but even Paul Nitze, the super-SALT critic seems undisturbed by this issue "because the limits are so high that what could be gained by cheating against them would not appear to be strategically significant."

Gerard Smith notes the SALT agreements have been in force since 1972 without violations. He also asks: If SALT II gives the Russian all the best of it, as the critics contend, why did they sit on it? In respect to Rowny's charges that the treaty could be a blow to NATO, the best answer is that the NATO defense ministers have already endorsed the agreement.

Larry Smith, a strategic affairs specialist, believes that SALT can make the use of nuclear weapons less likely, but doubts that this can be demonstrated mathematically or through sophisticated war-game analysis.

"But somehow," he says, "we all know deep down in our gut that the simple premise of SALT is the recognition by both nations, indeed the entire human race, that we have a desperate stake in avoiding nuclear war." In short, a matter of common sense.●

FINANCING TREATMENT FOR HIGH BLOOD PRESSURE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. PEPPER. Mr. Speaker, hypertension is a national health problem, directly related to cardiovascular disease, heart attack, stroke, kidney failure, and blindness. An estimated 60 million Americans suffer from borderline or definite high blood pressure. An asymptomatic disease, it has been known as the "silent killer." Unless tested, a person may not be aware that he or she suffers from this condition until one of its serious consequences makes itself known.

Because of the prevalence of hypertension among the elderly, the Select Committee on Aging and its Subcommittee on Health and Long-Term Care, both of which it is my privilege to chair, have undertaken a major initiative in this area.

Last fall, I appointed a Blue Ribbon Advisory Panel on the Treatment of High Blood Pressure in America, composed of Americans distinguished in the fields of medicine, business, labor, and philanthropy to advise the committee on steps we might take to combat this serious national health problem. The panel came before our committee in January of this year with a report which outlined the nature and extent of hypertension, gave an overview of current efforts to combat hypertension, and made recommendations for legislative and administrative action to strengthen our ability to wipe out this insidious enemy of the Nation's health.

Among the distinguished members of this panel was Mr. Michael Gorman, executive director of the Citizens for the Treatment of High Blood Pressure, Inc. Mr. Gorman has a long history of involvement with the health field, beginning with President Truman.

A guest editorial by Mr. Gorman, entitled "Financing Treatment for High Blood Pressure," appeared in the June 1979 issue of Urban Health magazine. In this piece, Mr. Gorman outlines some of the current issues involved in providing treatment for high blood pressure, and I wish to call this very informative article to the attention of my colleagues.

I ask unanimous consent that the text of Mr. Gorman's article be printed at this point in the RECORD.

FINANCING TREATMENT FOR HIGH BLOOD PRESSURE

(By Mike Gorman)

Prior to 1970, there was scant public awareness of the dimensions and consequences of high blood pressure. More than half of Americans who had high blood pressure did not know they were victims of the disease. Of those who had been diagnosed as hypertensive, less than 20 percent were on effective therapy.

The picture has changed dramatically in this decade. The initial impetus came from the creation of the National High Blood Pressure Education Program under the aegis of the National Heart, Lung and Blood Institute. Its assigned task was to educate both health professionals and the lay population on the incidence of high blood pressure and on the measures which could be taken to control what had really become an epidemic.

As the initial statistics began to pour forth highlighting the gravity of the problem, the mission of attempting to contain the disease of high blood pressure in America seemed almost hopeless. The National Center for Health Statistics estimated that there were 35 million Americans who had definite high blood pressure and another 25 million who had borderline hypertension readings which indicated that they should be watched. Most discouraging, however, was the disclosure that only three million of these hypertensives were taking medication and achieving control of the disease.

It was soon apparent that the federal government could not even begin to do a total job in this area. Dr. Theodore Cooper, who was Director of the National Heart Institute when the program was launched in 1972, insisted from the outset that this effort must not be restricted to the federal government alone. It was his contention that the HBPEP must draw heavily upon medical, health and voluntary organizations if it were to succeed.

That it has is evidenced by a 1977 survey which showed that more than 1,800 state and local volunteer organizations were participating in the high blood pressure program. The survey points out that these figures do not include hundreds of thousands of hours of volunteer time contributed by the 130 national organizations which are directly involved in this undertaking. For example, at the January, 1979 House Select Committee on Aging hearings on hypertension in America, Dr. Frank Stanton, president of the American Red Cross, informed the Committee that his organization, through its 3,000 chapters across the country, had screened six million Americans for high blood pressure in 1978 alone.

Dr. Robert Levy, director of the National Heart Institute, has estimated that financial support for the federal High Blood Pressure Educational Program has increased by only about 10 percent per year and remains more or less constant at a level of about three million dollars annually.

"This amount, though," Dr. Levy stressed in a recent interview, "when multiplied by the leverage of volunteers, the use of public service time, the donations of the media, the participation of the entire general community, as well as the use of time, space and staff on the part of professional and lay organizations such as hospital and medical associations, the American Red Cross and Citizens for the Treatment of High Blood Pressure translates into an annual expenditure of between $50 and $100 million for the entire effort."

We now can point to remarkable results in this combined voluntary and governmental effort. The most dramatic example is the reduction of strokes. Hypertension is a major causative factor in 75 percent of all first-strokes, which kill some 200,000 persons and disable over one million people each year in the United States. In an editorial in the March 1, 1979 issue of The New England Journal of Medicine, Dr. Levy pointed to a remarkable 36 percent decline in strokes since 1962, with more than two-thirds of that drop occurring since 1972, the year the National High Blood Pressure Educational Program began. In the 1950's, for example, the stroke mortality rate declined less than one percent per year; in the mid-1970's, the mortality rate dropped to an amazing degree—greater than five percent per year.

It would be erroneous to conclude from the above figures that the epidemic of high blood pressure has been contained. At the

hearings this year before the Select Committee on Aging, a panel of 15 of the country's most outstanding authorities on hypertension reported that we had won several important skirmishes, but that the big battle was still ahead. Even if one took the most optimistic estimate that ten million Americans now appear to have their blood pressure effectively controlled, 25 million people are still either unaware that they have high blood pressure or receiving inadequate treatment for it.

The Panel presentation on the economic costs of circulatory diseases and hypertension was equally chastening. For example, a detailed study by the Public Services Laboratory of Georgetown University estimated the cost of these diseases at $50.4 billion, with direct costs of high blood pressure accounting for $10.5 billion of this total. The direct cost to the federal government in noncontrollable expenditures for high blood pressure was equally staggering—$4.2 billion in Medicare costs; $3 billion in Social Security costs, and additional high costs under Medicaid, Supplementary Security Income, and other Federal programs.

Federal response to these overwhelming figures can only be described as minimal. From 1973 to 1975, Citizens for the Treatment of High Blood Pressure put a high priority on the passage of legislation providing hypertension formula grants to states, in hopes that these grants would be catalysts in starting new programs where few existed. Late in 1975, Congress passed the initial legislation authorizing these grants to the states. However, the language governing the grant restricted it to "screening, detection, diagnosis, prevention, and referral for treatment for hypertension." The omission of a clear treatment authority was, from our point of view, totally unjustifiable. As we pointed out in testimony in 1975 and subsequent years, why screen, detect and diagnose, and then refuse to provide funds for the bottom line of the whole endeavor—treatment? Moreover, this formula grant was also funded at a miserably low level. In spite of a legislative authorization of $35 million for the first year of the program—Fiscal 1976—the actual money appropriated was $3,500,000 for all 50 states! This was an amount generous enough to just about cover the hypertension problem in the District of Columbia. In Fiscal 1977, the program was funded at nine million dollars, and in Fiscal 1978, at $11 million. Funding for the current year has remained at last year's level.

As we predicted, when the states began to administer the program, they came smack up against the issue of funding for treatment. Citizens therefore developed a questionnaire, which was sent through the Association of State and Territorial Health Officials, asking its member State Health Commissioners for their opinion on the treatment question. Thirty states responded favorably for treatment authority under the grant; six states were against it on the grounds that if treatment was added as another mandated function under the inadequately funded grant, there would be little money for screening and detection; and six additional states said they wanted treatment authority if the funding level were increased. The controversy came to a head in 1978 when Dr. Robert Whalen, then New York State Health Commissioner representing the Commissioners' organization, told the Congress that "any new legislation should include authority for states to pay for medications where necessary for ambulatory hypertensives. In New York, the need is great enough that the entire formula grant could be usefully expended on medication. We would agree that it appears that 10 to 15 percent or more patients do not initiate or persist with an adequate therapeutic regimen because of the cost factor of medication."

At the hearings of the House Select Committee on Aging, payment for treatment, which includes a few visits to the doctor each year plus drug costs, was the paramount issue during the entire day of deliberations. Dr. Michael E. DeBakey, chairman of CTHBP, pointed out that hypertension is far more prevalent among the elderly, the poor and blacks. The National Heart Institute has estimated that treatment of a hypertensive costs only between $100 and $200 a year. However, answered Dr. DeBakey, "it is still often too expensive for the poor, who are the disease's most frequent victims."

Additional statistics were presented by the Committee staff to underline Dr. DeBakey's point. For example, 25 percent of Americans with family income under $5,000 have high blood pressure, while in the $5,000 to $10,000 bracket, only 12 percent have high blood pressure. The staff also reported that 22 percent of black Americans have high blood pressure, as compared with 15 percent among whites. A number of Panel members regarded this last figure as much to conservative. For example, Dr. Cooper pointed out that in central Harlem the death rate from heart attacks is 42 percent above the rate for New York City as a whole; stroke deaths are 22 percent higher than the city as a whole.

The economic barrier to treatment is even more unyielding among the elderly. Among persons over 65 years of age, 40 percent with family incomes under $5,000 have high blood pressure. In the 75 and over age group, 64 percent have definite or borderline hypertension, with very few able to pay for treatment.

As a result of these hearings and other hearings in July of 1977, the 46-member Select Committee on Aging adopted the following major recommendations: (1) Medicare should be amended to include coverage for the detection, diagnosis and treatment (including drugs) of hypertension; (2) Medicaid should be expanded so that the states are mandated to provide hypertension screening, diagnosis and treatment, including drugs; and (3) Congress should amend the Public Health Service Act to allow treatment under the new hypertension project grants to the states which were authorized in 1978.

In all of these aforementioned endeavors, Citizens for the Treatment of High Blood Pressure has played a key role. At its very first meeting in 1972, the CTHBP Board of Sponsors unanimously passed a motion that Citizens would not apply for any funds from the federal government, depending totally on contributions from individuals, foundations and corporations in the private sector to support its newsletters, publications and legislative activities. The fundamental philosophy guiding our targeted activities is the belief that government can only do so much—that the major portion of the offensive against hypertension will have to be created and maintained by voluntary health organizations, medical and allied health societies, business and labor and, most important, strong citizen participation.

In 1977, CTHBP achieved a long-time goal with the establishment of a Field Office to serve as a catalyst in stimulating activities in the private sector. The ultimate goal of the Field Office is the development of an organized network of citizen groups at state and local levels which can not only influence governmental funding for hypertension but, more significantly, can stimulate volunteer efforts. At the present time, Citizens' affiliates are in varying stages of development in 17 states. In each of these states, we are building a broad based coalition which will eventually become a potent local voice for all activities in the field of high blood pressure control.

Elliot Richardson, who continues to serve as Honorary Chairman of the organization he helped to create, pointed out that "The fight against hypertension is a classic example of the good things that can happen when the private and public sectors and concerned citizens combine their talents, energy and dedication in a common cause."

Dr. Michael Alderman noted just a year ago in an article in this journal: "There is no precedent for successful prolonged treatment of any chronic disease."

We are firmly convinced that we are in the process of creating that precedent.●

TONGUETIED AMERICANS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. MAZZOLI. Mr. Speaker, I regret very much that I can neither speak nor comprehend a foreign language. And, I believe the general lack of foreign language skills is an impediment—though not an insurmountable one—to developing solid international relationships with the leading as well as the developing nations of the world.

I recommend highly to my colleagues the following statement of the United Technologies which appeared recently in several publications on the subject of foreign language skills.

The article follows:

TONGUETIED AMERICANS

Travel abroad and you'll find, almost everywhere, people with enough grasp of English to give you directions, interpret a menu for you, or help with your travel schedule. But a non-English speaking visitor to this country is hard-put to find such help.

Among industrialized nations, the U.S. stands alone in its neglect of foreign language study. In the face of growing world interrelationships—political, diplomatic, economic—Americans' familiarity with the tongues of others is in sorry decline.

Last year the President Commission on Foreign Language and International Study was formed to find ways to live up to international agreements in which the U.S. has pledged to encourage the study of foreign languages and civilizations. The commission's initial findings are dismaying:

Nine out of ten Americans cannot speak, read, or effectively understand any language but English.

About 90% of all colleges have no language requirements for admission. One-quarter of all high schools do not teach any foreign language.

College language enrollments have declined 21.2% in the past decade.

Foreign language enrollments dropped 15% among high school students between 1968 and 1974. Less than one-quarter of high school students now study a foreign language, as against 32% in the mid-1960s.

Only 17% of American foreign language students taught wholly in this country can speak, read, or write the foreign language easily.

The prevailing sense in this country toward those in other lands seems to be: Let 'em speak English.

It's a foolhardy attitude. It ill serves America's interests and objectives in the world community. Unless it's changed, the U.S. will find itself at a disadvantage in grasping economic opportunities and meeting its diplomatic responsibilities around the world.

At a time of detente with Russia and rap-

procbement with China, an appallingly small number of American students are taking up those languages at the advanced levels necessary for fluency. One member of the presidential commission voiced distress on learning that the U.S. Foreign Service no longer requires any foreign language background for new service officers. Because so few Americans study foreign languages, he found, the State Department was forced to drop the requirement.

Much of America's economic growth in the years ahead will come from international trade. More and more people will be needed with skill in foreign tongues. By not pursuing language studies, many young people are cutting themselves off from rewarding careers in international business.

Knowledge of other languages and cultures is indispensable to fruitful international relationships. We in this country would do well to support and stimulate such knowledge, lest we find ourselves standing around with nobody to talk to except ourselves.●

CONSTITUENT SUGGESTS GASOLINE RATIONING PLAN

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. BARNES. Mr. Speaker, this week the House will consider new legislation to authorize the President to activate a standby gasoline rationing plan under specified circumstances. S. 1030, with amendments by the House Committee on Interstate and Foreign Commerce, would provide broad guidelines for the content of a rationing plan which the President might submit, but would not require explicit details to be worked out at this point.

Recently I met with many of my constituents at a town meeting in Sandy Spring, Md., and the whole subject of the gas shortage was the major item discussed. One of those attending, Mr. Frederick E. Wang of Silver Spring, Md., made a number of interesting suggestions about some specifics which the President might include in a gasoline rationing plan. Mr. Wang's proposal appears simple and workable, and I have sent it to administration officials and the relevant congressional committees for examination. I submit a memorandum prepared by Mr. Wang for the information of my colleagues:

A PROPOSAL; GASOLINE CONSERVATION IN THE UNITED STATES

Faced with a nationwide gasoline shortage, I would like to recommend a two-tier-pricing system, not as a perfect solution but, rather as the best possible solution among various alternatives.

The two-tier-prices are to be fixed as follows (figures are given only as an example):

Basic allotment—70¢ per gallon:

Every registered private auto (commercial users are to be considered separately) in this country will be issued coupons (this can coincide with the issuance of car plate) to purchase 800 gallons of gas per annum at 70¢ per gallon at any gas station in the U.S.

Extra allotments—$2 per gallon:

Any motorist can purchase any amount of gas over and above the basic allotment at $2 per gallon. Or alternatively, the motorist can purchase coupons from people who did not use up their basic allotment at a price mutually agreed upon between the buyer and the seller.

MERITS UNDER THE SYSTEM

(a) There would be no wasteful gas-lines. Existing complex formula of DOE fuel allocation would not be necessary. Gas stations will be given as much gas based on the number of coupons they turn in, thus gas supplies will follow the demand wherever they may be throughout the country.

(b) Odd-even day purchase or minimum purchase regulations (which often yield more demerits than merits) will not be necessary.

(c) Individual motorist can be certain what amount he or she is getting (or not getting) throughout the year and can plan on it—thus, there would be no "panic-buying" or "topping."

(d) Built-in economy incentive in the system (70¢ vs. $2 per gallon) will lead people to car-pool and economize in the use of gasoline (particularly if people know that they can sell their unused gas coupons for an extra profit).

(e) Holiday-, vacation-, tourists-oriented industries will not unnecessarily suffer by Saturday, Sunday closing, odd-even restriction, or just a simple uncertainty of gas supplies at the stations.

(f) Gradually decreasing the amount of basic allotment over the span of several years, will allow people time to adjust to a new life style that uses less gasoline.

(g) In general, the pressure of inflation due to gas-price-hike will diminish.

(h) $2 per gallon price will be enough incentive for the "American know-how" to come up with an alternate or substitution to our transportation problem (e.g., synthetic fuel, revolutionary different type of transportation means).

In summary, the system will provide incentives for the general public to save gasoline, and for the energy-related industries to work harder for a long-term solution—and most importantly with least government interference!●

RESCUE THE BOAT PEOPLE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. DORNAN. Mr. Speaker, during World War II, stories of unbelievable horror came out of Eastern Europe detailing the mass extermination and incineration of Jews. These stories were greeted with disbelief and inaction. It was only at the end of the war, when the victorious allies were sweeping through Europe, that these horror stories were found to be true. Weak justification can probably be found for allied inaction—all considerations were unfortunately forced to be subordinate to the demands of achieving military victory over Hitler.

Now, in 1979, the world is being confronted with a similar modern horror story, the "boat people." However, in 1979, unlike the World War II years, there is no "great crusade" which permits us the luxury of diverting our attention from the plight of the tragic "boat people." The nightmare of the "boat people" presented in statistical terms is frightening—every month 60,000 Indochinese refugees, many of them ethnic Chinese living in Vietnam, flee their homeland. At present, there are 330,000 refugees languishing in often subhuman conditions all over Southeast Asia. These are the survivors—those who survived starvation, drowning, dehydration, shark attacks, rape and murder by pirates. It has been estimated that as many as 250,000 may have perished by those means.

Last week, I sent an urgent letter to the President and to the then Secretary of the Navy, W. Graham Claytor, asking them to send the Navy on a mission of mercy to the South China Sea to aid in rescuing these people. I made note of the fact that the Navy has performed numerous missions of mercy in the past and that it would be in accordance with its honorable tradition to do so again.

I want to call the attention of my colleagues to a full-page ad in the Washington Post of July 19, 1979, in which we are called, once again, to render assistance to these suffering people, dying at the rate of 1,500 per day. This ad was sponsored by Edward J. Daley of World Airways and Dianne Lawson and Michael Morrissey of Refugees International.

I support the pleas of Mr. Daley, Mr. Morrissey and Ms. Lawson. How can we turn our backs on these people? I would point out that the "boat people" have become "boat people" directly as a result of our policies in Southeast Asia. It is too late to do anything about that. However, it is not too late to repay the debt we owe these people, many of whom served the United States when we were in Southeast Asia.

The Carter administration has stated that the monthly quota of refugees has been raised from 7,000 to 14,000. I applaud this. It is now the responsibility of Congress to appropriate the funds to care for these additional refugees. This in no way violates precepts of fiscal conservatism. To me, this is an issue which transcends politics or ideology. We are directly responsible for the creation of conditions which have led to the flight of these unfortunate souls from Communist tyranny. We have no other choice but to help.

The Washington Post ad follows:

TO THE SENATORS AND REPRESENTATIVES OF THE U.S. CONGRESS:

By pledging to double America's monthly quota for Indochinese refugees and by generously increasing funds for resettlement, President Carter seized the initiative at the Tokyo Summit and, we hope, set an example other nations will follow at the Geneva Conference this week. But much more needs to be done.

America's new monthly quota does not help those refugees in the most imminent danger—those who are crammed onto the beaches of Malaysia, adrift in boats on the South China Sea, stranded on the borders of Thailand, Cambodia, and Laos. They are subjected to robbery, piracy, rape, murder, typhoons, starvation, and disease. For the past month over 500 a day have been towed out to sea; 56,000 were refused landing and 46,000 were pushed back across the border. These displaced people require immediate rescue.

It is therefore with a sense of great urgency that we of Refugees International, a recently formed group of private citizens working individually and with volunteer agencies to help the refugees of Southeast Asia, respectfully ask the Senators and Representatives of the U.S. Congress to:

Propose and pass legislation allowing immediate emergency entry of 100,000 refugees—beyond the quota of 14,000 refugees to be received each month.

Provide ships and planes for an immediate rescue mission to remove 100,000 refugees from the beaches, boats, and borders.

Re-open housing and processing facilities used during the 1975 evacuation, when 150,000 Vietnamese refugees were rescued and resettled in 6 months. Refugees International will help provide volunteers with multi-lingual and technical expertise to assist.

Volunteer agencies, civic and church groups, and concerned individuals are standing by with secured guarantees of sponsorship for the refugees from Indochina. Refugees International has requested that the leaders of such groups advise you of their readiness to receive these people.

We urge you to act today. Each day of delay now means the death of at least 1,500 Indochinese refugees.

Edward J. Daley, President and Chairman of the Board, World Airways, Inc., Oakland International Airport, Oakland, CA 94614.

Dianne Lawson, Area Director, Refugees International, c/o Grady Mangham, World Relief Corp., Suite 801, 1800 K Street N.W., Washington, D.C. 20006. Tel. (202) 785-4869, Cable: Relief, Wash., D.C.

Michael Morrissey, Director, Refugees International, c/o Environmental Planning Institute, Hirakawa-Chuo Building, 2-4-16 Hirakawa-Cho, Chiyoda-Ku, Tokyo 102, Tel. 239-1651.●

AID FOR PART-TIME STUDENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. WEISS. Mr. Speaker, today I am introducing legislation to benefit a group of students who are among the most ambitious, yet are virtually ignored by the grant programs of the Higher Education Act. These students, most of whom support themselves by full-time employment, are enrolled part time in undergraduate programs. While they represent greater than one-third of our entire undergraduate population, they receive less than 10 percent of the educational grants the Federal Government awards to undergraduate students.

Part-time undergraduates fall into two categories: First, those enrolled less than full time but at least half time, classified as halftime students; and those students enrolled less than half time. At present, halftime students are eligible for educational opportunity grants, but for only 4 years, so they are unable to receive aid long enough to earn diplomas. Less-than-halftime students are currently unable to receive any supplemental educational opportunity grants.

The bill I am introducing will address these inequities by extending the period of eligibility for basic and supplemental education opportunity grants—BEOG, SEOG—from 4 to 8 years, and by extending SEOG's to less-than-half-time students. Further it will allow SEOG's of less than $200, and eligibility will continue to be determined by the campus aid officer. The institution will not be required, but rather allowed to use part of its SEOG funds for less-than-half-time students only if it wishes to do so. The bill does not include any increase in authorization for SEOG's.

Ninety-five percent of the less-than half time undergraduates, all of whom are presently ineligible for grant assistance, are financially self-supporting. They are employed full time, many have families, and yet still pursue an education. Almost 80 percent of these students would qualify for Federal assistance if eligible, far more than any other group of students. Their situations vary vastly; many were forced to work full time after graduating from high school because of family financial difficulties; many are middle-aged women who are recently divorced or widowed and must, for the first time in their lives, support themselves and their children; still others are women with small children who would like to enter the job market later in their lives, when less bound by family obligations.

The following are two examples. A 50-year-old woman wishes to attend community college to prepare for a career in order to provide for her family if something should happen to her husband. She has 5 small children, most of whom are still at home. Her educational goal is an associate's degree in business. Even though her husband is a college professor in the $16 to $18,000 salary range, it is not enough to allow her to take even one course when the cost of books, transportation, child care, and other extras are added to that of the tuition. Even if she could afford to attend college at least half time and possibly receive a BEOG, her family responsibilities would not allow her to do so.

A 30-year-old woman in her senior year of her bachelor's degree in sociology is single, with a 6-year-old child and an adjusted gross income of $2,792. She works as a teacher's aid and is hoping that her degree will help her attain a better paying job on a full-time basis. She has no help from welfare for medical needs, and there is no extra allowance in her small income for tuition, books, child care, and transportation for one course a quarter. She is unable to take more than one course per quarter because her job and child consume the rest of her time. So although she would qualify financially for Federal assistance, she is currently ineligible.

It is evident that both of these individuals are enrolled on a part-time basis for very justifiable reason. Yet both are thwarted in their attempts to obtain an education by their ineligibility for Federal assistance.

The second section of this bill which extends the eligibility for BEOG's and SEOG's from 4 to 8 years is in recognition of the change in the nature of the student population. The "typical" student is no longer the 18-year-old, full-time, dependent student. Like the half-time student, those enrolled less than full-time are often working, and have a family. These are the students of today, and of the future; yet under the present system they receive less than 8 percent of all Federal student aid dollars. And these students are committed to their education. In 1975 over 94 percent of all part-time students completed the courses for which they were enrolled. They are not enrolled part-time on a whim, rather they cannot afford the necessary funds, nor the time. In fact, a lack of funds is cited by part-time students as the major reason for discontinuing their education.

The intent of the Congress, and the commitment of this Nation to equal educational opportunities for all students is clear. It is now time not only to reaffirm this commitment, but to carry it out. The legislation that I am introducing today will help to open the financial aid system, and insure an opportunity for all students in need. I strongly urge my colleagues to join me in support of this measure.

A copy of the bill follows:

H.R. —

A bill to reduce certain eligibility requirements for basic and supplemental educational opportunity grants

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Education Amendments of 1979".

EXTENSION OF ELIGIBILITY

SEC. 2. (a) Section 411(a)(4)(A) of the Higher Education Act of 1965 is amended by striking out "four academic years" and inserting in lieu thereof "eight academic years".

(b) Section 413B(b)(1)(B) of such Act is amended by striking out "four academic years" and inserting in lieu thereof "eight academic years".

EXTENSION OF ELIGIBILITY

SEC. 3. (a) Section 413B(a)(2)(B) of the Higher Education Act of 1965 is repealed.

(b) Section 413B(b)(2) of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: "A supplemental grant awarded under this subpart shall entitle the student to whom it is awarded to payments pursuant to such grant only if that student is maintaining satisfactory progress in the course of studies he is pursuing, according to the standards and practices of the institution awarding the grant."●

DENIAL OF FREEDOM OF HUMAN RIGHTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. DERWINSKI. Mr. Speaker, last week, as the Members know, was the 20th anniversary of Captive Nations Week, which was appropriately observed in the Congress as well as across the country. The importance of this observance is to place emphasis on the denial of freedom of human rights to over 100 million non-Russians held captive by Communist rule.

The conduct of the executive branch's foreign policy and the misdirection of its human rights campaign is the subject of an article appearing in the Chicago Sun-Times of June 27, by the distinguished columnists, Rowland Evans and Robert Novak. I insert their column at this point:

HUMAN RIGHTS FIASCO

(By Rowland Evans and Robert Novak)

WASHINGTON.—Sec. of State Cyrus Vance's sudden cancellation of a private meeting here last Thursday to report Vienna summit progress on human rights in the Soviet Union laid bare this tragic fact: Human rights, the shining emblem of Jimmy Carter's foreign policy, vanished almost without a trace in Vienna.

Aides of Vance note that at 2 p.m. last Thursday Vance was preparing for an emergency session of the Organization of American States, forcing cancellation of the human-rights session with officials of the National Conference on Soviet Jewry. But that simply camouflages the fact that the human-rights meeting had become superfluous. It would have lasted only long enough for Vance to say, "They stonewalled us."

Whether President Carter could somehow have broken through that stone wall when the subject of human rights was on the table at his last session with Soviet President Leonid Brezhnev June 18 is questionable. Talking to the ill and aging Soviet leader was not easy. Brezhnev's aides did not help when Carter, reading from a prepared statement, laid out his case for human rights.

"The whole conversation consisted of two people talking past each other," one participant in the Vienna summit told us. "It was a non-starter." Advisers to Brezhnev quietly instructed Carter's men that this was no time to scoil the party by pressing Brezhnev on human rights.

But acknowledging Carter's difficulty in trying to shame the Communist leaders of Russia on the human-rights issue does not conceal the widening gap between the promise and the reality of the President's languishing campaign for Soviet human rights.

Indeed, not only did Carter blink first when he and Brezhnev clashed on human rights: State Department authors of the modest communique displayed surprising ignorance of the long, careful U.S. effort to contain the Kremlin's use of verbal aggression to thwart U.S. human-rights goals.

"Inexcusable drafting mistakes," one high State Department official candidly admitted to us after publication of the Vienna communique. "Worse than that, just plain stupid."

One glaring mistake was the use of the phrase "All-European Conference" in the section of the communique titled "International Issues." That reference to the Helsinki and Belgrade conferences, and a follow-on session in Madrid next year, used a verbal construction that played right into the 16-year Soviet campaign hitherto resisted by the United States. Moscow has always pushed the idea of an "All-European Conference" to emphasize the outsider roles of the United States and Canada. The proper description is "the conference on security and co-operation in Europe," or CSCE.

The opening of the communique on "General Aspects of U.S.-Soviet Relations" committed graver errors. It emphasized the superpowers' "respect for sovereignty and nonintervention in each other's internal affairs." That Kremlin-style construction was insisted on by the Russians because "nonintervention" is their buzzword against the U.S. human-rights campaign.

Throughout the communique these verbal inflections carry an unprecedented Russian accent. For example, it unquestioningly accepts Soviet-inspired language that the United States and the Soviet Union "noted with satisfaction the positive developments which have taken place in recent years with respect to the situation on the European continent (and) the significance of the Final Act" of the Helsinki CSCE conference.

On the human-rights front, there have been no "positive developments" in the Soviet Union (except increased Jewish emigration). Instead, the dissident movement has been abused, broken up and smashed in the years following the Helsinki conference.

In the Vienna communique, the magic phrase "human rights" appears not once. Nor did the U.S. side obtain even a fleeting reflection of the human-rights verbiage hammered into place after Helsinki and Belgrade.●

FOOD SECURITY ACT OF 1979

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. GILMAN. Mr. Speaker, the House Committee on Agriculture and the House Committee on Foreign Affairs recently held a joint hearing on the Food Security Act of 1979, legislation establishing a wheat reserve to be used for emergency international food assistance.

To date, over 90 of our colleagues have cosponsored this legislation, which my friend and colleague, the gentleman from New York (Mr. MCHUGH) and I have introduced. This measure is virtually identical to a bill favorably reported last year by both the House Committee on Agriculture and the House Committee on International Relations.

Subsequent to our introduction of the Food Security Act of 1979, the administration proposed its own version of the measure which was also considered during the joint hearing.

Testifying at that hearing, I stressed that:

The need for a food security reserve will markedly increase, yet, unless the reserve is created in the very near future, it will become increasingly difficult for us to establish this reserve.

Mr. Speaker, in order to share with my colleagues my observations and findings concerning the urgent need for enactment of this legislation, I request that the full text of my statement before the House Committee on Agriculture and the House Committee on Foreign Affairs be inserted at this point in the RECORD:

FOOD SECURITY ACT OF 1979

Mr. Chairman, I welcome this opportunity to appear before the House Committee on Agriculture and the House Committee on Foreign Affairs during these joint hearings on the Food Security Act of 1979.

As pointed out earlier, there are three measures entitled the "Food Security Act of 1979" before these committees: H.R. 3611, legislation I introduced on April 10, 1979; H.R. 3612, a measure identical to H.R. 3611, also introduced on April 10, 1979 by my good friend and colleague the gentleman from New York, Matthew McHugh; and H.R. 4489, introduced on June 15, 1979 at the request of the Administration by Chairmen Foley and Zablocki. To date, 87 of our colleagues have cosponsored H.R. 3611 and H.R. 3612.

H.R. 3611 is virtually identical to legislation these committees favorably reported last year. Unfortunately, last year's measure was placed on the House's agenda late in the last Congress and, caught up in a last minute crush of what was termed "priority" legislation, was not considered by the House.

I submit to you today that H.R. 3611, as testimony before these two committees last year underscored, is "priority" legislation deserving favorable consideration by these two committees, by the House and by the Senate.

H.R. 3611 amends the Agricultural Trade and Development Assistance Act of 1954, Public Law 480, by establishing a 4 million metric ton reserve stock of wheat which may be used when a sufficient quantity of this commodity is otherwise unavailable to carry out Public Law 480 agreements. Last year's measure as reported by the House Committee on Agriculture called for a 3 million metric ton reserve stock. The Committee on International Relations, adopting an amendment I introduced, established a 6 million metric ton level. I am confident that the 4 million metric ton level can meet with the acceptance of both committees, thus enabling the measure to receive quick, favorable consideration by these two committees.

The change in title of this year's measure connotes a leaner, trimmer bill shorn of provisions tying this reserve in any way to an internationally negotiated reserve system. While our hopes were high last year that negotiations to establish such a reserve system would be fruitful, these negotiations collapsed earlier this year and thus, any current attempt to link an American food assistance with an international system would be addressing at best a vague and cloudy area. However, both the President and the Congress should work diligently for a quick resumption of these important negotiations.

In essence, H.R. 3611 plugs into Public Law 480, thus providing a "backup" within our existing food aid administrative system for meeting current and future Public Law 480 commitments. I am hopeful that by plugging this reserve into the existing administrative framework of Public Law 480, the concept of an emergency wheat reserve can more quickly become a reality than if our task were establishing new and complicated institutional apparatus to administer such a reserve. It is my contention that initially any emergency reserve should be incorporated into the tested administrative framework of the Public Law 480 system.

This approach differs from the Administration's proposal, contained in H.R. 4489, providing the President with discretionary powers to dispense up to 300,000 tons of wheat in instances where Public Law 480, as determined by the President, could not quickly enough respond to a "major disaster." As we learned during our consideration of this matter last year, Public Law 480 has responded promptly and effectively to "major disasters," and I seriously question the wisdom of taking this first step outside of the established Public Law 480 guidelines and criteria pertaining to food assistance by increasing the President's discretionary powers.

Last year, I joined with other witnesses before these committees in describing the clear and growing recognition that emergency reserves are crucial to any meaningful food assistance program. While many have long recognized the need for such a reserve, the calamitous world food production shortfalls of 1973/74, reducing U.S. and world food stocks to bare bone levels, dramatically underscored the genuine need to establish emergency reserves. World food stocks, estimated to be at 75 days of world consumption carryover before the crisis, fell sharply by 1975 to approximately 40 days. The United Nations Food and Agriculture Organization (FAO) has roughly established a 65 day supply as the minimum safe level for world food security.

The 1974 World Food Conference, subsequent sessions of the World Food Council, the Seventh Special Session of the United Nations General Assembly, the UN Conference on Trade and Development, and the International Wheat Council strongly endorsed the concept of emergency reserves, stating that if the world food assistance program was not to be again faced with "bare shelves" when faced with a global food crisis (a crisis exacerbating the already grim plight of the world's hungry and malnourished) determined action to establish such reserves was imperative.

The United Nations Committee of the Whole, meeting in New York this past March, urged that food reserves be established at adequate levels and took into account the need for "an internationally coordinated over-all system of national food reserves."

These hearings and passage last year by these committees of legislation to establish an emergency reserve reflect Congressional concern about this matter.

In a December 1978 letter to me, Secretary of Agriculture Bob Bergland gave his assurance of the Administration's strong commitment to establishing an emergency wheat reserve "as an integral part of our strategy to combat world hunger."

The Presidential Commission on World Hunger, of which I am a member, while not yet having issued its initial report on findings and recommendations, has at meetings to date found its members in general agreement that this nation should move quickly towards establishing an emergency reserve.

I wish to emphasize the word *quickly* because the propitious opportunity described last year to establish this reserve could soon evaporate.

U.S. Department of Agriculture projections of May 15, 1979 indicated grain stocks for 1979/80 to be significantly below the levels of last year and quite possibly below any of the last three years.

The New York Times in a June 15, 1979 editorial warns that we should be "Getting Ready for the Lean Years." The Times states that:

"Bumper harvests since 1975 have provided a chance for most nations to acquire reserves at low prices. But time is running out. Wheat prices have risen 40 percent in the past two years. . . . The Soviet Union, forseeing a reduced harvest, is back in the market in a big way. Bad weather could cause food shortages as soon as next year."

A Washington Post article of June 14, 1979, by Dan Morgan, reported that the possibility of a grain shortage was:

"A common theme of global projection issued in recent weeks by the Department of Agriculture, the Food and Agriculture Organization of the United Nations, the International Wheat Council, and private crop analysts."

"Grain stocks in exporting countries," Mr. Morgan observed, are at "about the level that existed in 1971." However, "these stocks may provide a somewhat smaller buffer now because of increases in population worldwide." This article also reminds of the disaster of a sudden, major Soviet intrusion into the grain market.

A July 1, 1979 New York Times article by Seth S. King points discouragingly to a sense of "deja vu," that "among those who buy, sell, and give grain away," "it was beginning to resemble 1972, 1974, and 1975." The article indicates that to the poor nations who depend on Public Law 480 loans to "fill a large portion of their food needs," "wheat and corn already $1 per bushel higher than a year ago . . . means that the amount they're able to buy with this year's loan is now 20 to 25 percent less."

Mr. Chairman, my statement clearly outlines the situation in which we now find ourselves: the need for a food security reserve will markedly increase, yet, unless the reserve is created in the very near future, it will become increasingly difficult for us to establish this reserve.

Our committees were farsighted in their wisdom last year to pass legislation similar to that under consideration today. I am confident that that same wisdom will prevail, and that Congress and the Administration will intensify their efforts towards quick enactment of the Food Security Act of 1979.

I thank the Chairmen of these two committees for the opportunity to testify in support of the legislation Mr. McHugh and I have introduced, and commend them for expeditiously bringing this matter before these committees.●

THE CASE AGAINST PUBLIC INTERVENOR FEES

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. RUDD. Mr. Speaker, a major argument against the use of taxpayer dollars to pay for the expenses of selected individuals and public groups who testify before Federal regulatory agencies is that the agencies themselves would abuse such a practice by "stacking the deck" in favor of a predetermined position or policy.

This does in fact happen, as Daniel J. Popeo, general counsel for the Washington Legal Foundation documented today in testimony before the Senate Judiciary Subcommittee on Administrative Practice and Procedure.

Aside from this one convincing reason not to provide what are termed "public intervenor fees," there are ample constitutional and other reasons not to allow taxpayer dollars to be used to pay for the participation of parties and vested interests in Government rulemaking proceedings. Mr. Popeo outlined some of these reasons in his congressional testimony, many of them based upon legal precedents.

I am pleased to be cosponsoring legislation to stop the use of Federal funds to pay so-called public intervenors (H.R. 4827), introduced by the gentleman from Ohio (Mr. HARSHA). For the benefit of Members of the House of Representatives who might not otherwise be aware of this good testimony before the other body, I would like to include the testimony at this point in the RECORD:

TESTIMONY OF DANIEL J. POPEO

On behalf of the Washington Legal Foundation, let me express my appreciation to the distinguished members of the Senate Judiciary Subcommittee on Administrative Practice and Procedure for this invitation to testify on legislative proposals which would provide financial assistance to parties appearing in agency rulemaking who represent the public interest.

The Washington Legal Foundation is a nonprofit corporation organized to engage in litigation and the administrative process in matters affecting the public interest. The Washington Legal Foundation currently has more than 60,000 members and contributors throughout the country. My comments reflect exclusively the interests of our members and the public as a whole, not any organizational interest of the Washington Legal Foundation. The Washington Legal Foundation is currently involved in litigation across the United States regarding government regulation, crime victims, major constitutional issues and other vital public interest legal matters.

Let me stress at the outset that we favor public participation in administrative and judicial proceedings and along with other public interest groups, the Washington Legal Foundation has compiled a record of active participation in such proceedings on behalf of the public interest. As a public interest organization, the Washington Legal Foundation would expect to benefit substantially from this proposed legislation. However after much reflection, we have come to the conclusion that it would not be in the public interest to provide financial assistance at the taxpayer's expense to the already thriving public interest community.

It is the prevailing rule in American law, as stated by the Supreme Court in *Alyeska Pipeline Service Company* v. *The Wilderness Society*, that a victorious litigant is not entitled to recover attorney's fees from the loser.[1] In federal administrative proceedings, as in federal courts, the victorious party cannot recover attorney's fees from the loser.[2] Only one agency, The Federal Trade Commission, is expressly empowered to provide compensation for parties participating in rulemaking proceedings.[3] There is some question as to whether other federal agencies are authorized to extend financial assistance to interested parties whose participation is considered necessary to the disposition of an administrative proceeding.

The conflicting decisions of courts and agencies on the question of government reimbursement for public participation in administrative proceedings clearly indicates the need for Congressional resolution of this issue. On February 19, 1976 the Comptroller General of the United States issued an opinion to the Nuclear Regulatory Commission approving agency assistance to participating parties when their participation is considered essential to a disposition of the proceedings and they lack sufficient funds.[4] Based on this opinion, the Second Circuit Court of Appeals, in *Greene County Planning Board* v. *Federal Power Commission* ruled that the Federal Power Commission was authorized to pay intervenor's expenses.[5] However the Court reversed itself in a later en banc rehearing, holding that it was not bound by the Comptroller General's opinion and denied the FPC the authority to reimburse public participants.[6] The Court based its decision on the principle that "no officer or agent of the United States may disburse public money unless authorized by Congress to do so."[7] Alluding to the *Alyeska* decision, the Court said:

In light of the Supreme Court's very broad language in *Alyeska Pipeline Service Co.* v. *The Wilderness Society*, . . . that "absent statute or enforceable contract, litigants must pay their own attorney's fees", a finding that the Federal Power Commission is empowered to reimburse intervenors for their legal expenses must await appropriate Congressional action.[8]

However in 1978, the United States District Court for the District of Columbia reached a different result in *Chamber of Commerce of the United States* v. *United States Department of Agriculture*.[9] In this case, the Court refused to grant an injunction prohibiting the Department of Agriculture from funding consumer participation in an administrative rulemaking. The decision was

Footnotes at end of article.

based on the broad authorizattion of the Department to expend money in the regulation of meat and poultry products.[10] The Court distinguished *Greene County* by pointing to the reluctance of the FPC in that case to pay an intervenor's fee, whereas in *Chamber of Commerce*, the Agriculture Department supported and wished to finance the consumer study in order to achieve a more balanced record in the rulemaking.[11] In addition, this case involved the funding of a study for the Department by an independent consumers group, which is clearly distinct from reimbursing participants in an administrative rulemaking who represent their own self interest. Perhaps because of these conflicting decisions, most federal agencies have been reluctant to establish programs providing financial assistance to participants in agency proceedings. This uncertainty will probably continue until Congress has clarified the issue by passing or rejecting legislation.

In *Alyeska Pipeline Service Company v. The Wilderness Society*, the Supreme Court expressed reluctance to establish a wide-ranging exception to the traditional rule against granting court costs.[12] The Court recognized that to do so would have the effect of overruling a federal statute[13] prohibiting the award of attorney's fees in a suit involving the United States unless the statute specifically provides. The Court realized that determining which statutes to award attorney's fees under is a policy matter best left to Congress for a decision on a case-by-case basis. An analysis by the Congressional Research Service found over sixty separate statutes in which Congress provided for the award of attorney's fees.[14] The Washington Legal Foundation believes the legislation pending before this committee would not be in the public interest, since a similar case-by-case approach should be made in providing federal assistance for participation in agency rulemaking.

In recent years, it has become increasingly apparent that government regulation imposes a substantial burden on the American economy. In addition to the costs of complying with government regulation, delays which result from drawn out administrative rulemaking proceedings also spur inflation. Environmental activists have been able to use administrative and judicial proceedings to delay, sometimes for years, government approval of needed business expansion. The Senate Judiciary Committee should think long and hard about this problem before approving a measure such as this bill which would encourage and even subsidize further delays in the regulatory process. The problem with federal administration today is not a lack of public intervenors, but the inability of regulatory agencies to cope with this increased participation and still provide for a prompt disposition of proceedings. It is our position that the regulatory process would be improved more by internal reforms which haste the completion of proceedings than by an increase in public participation which will further delay them.

As others have recognized, there is a substantial potential for collusion between agency bureaucrats and public representatives in the application of this legislation. Since a ceiling will be placed on the expenditures of each agency, then to the extent there are more qualified participants than funds available, agency bureaucrats will be put in the position of selecting among equally qualified participants. Bureaucrats who support a proposed regulation could arrange for like-minded public participants to be favored in receiving financial assistance. It should be recognized that no matter how stringent the regulations governing such financial assistance, abuses are inevitable. Even a separate, and theoretically independent, office within each agency responsible for payments to participants would not guarantee the absence of improper influence by agency officials.

Federal financial assistance may also destroy the incentive for public interest groups to develop and maintain their own sources of support. Private sources of support. Private sources of funds might dry up if people conclude that public interest groups do not need assistance since they are being financed by the federal government. A dependency on government funds will lead to a bias in favor of the agency viewpoint on many issues.

An example of how this legislation will be implemented can be found in the 1978 hearings held by the EPA on its proposed rule to reimburse expenses of public participants. Skip Laitner, Executive Director of the Community Action Research Group in Ames, Iowa, testified in support of the proposed rule by describing how he was induced to appear at the hearings:

I would not have been here today, even though I received a letter from Kay telling me about this hearing, until a Region VII staff member called me personally and talked to me about it and persuaded me that I ought to come and said, we'll pay your expenses, and that type of thing. I'm here.

Clearly, agency bureaucrats will make a regular practice of stacking the hearings with participants favorable to their point of view.

Furthermore, no evidence has been presented to indicate that public participation in administrative proceedings has been so inadequate as to require government subsidy. Rather the opposite seems to be true. In all proceedings of any consequence, public interest groups have been able to muster sufficient resources to adequately participate and put their views on record. Currently, individuals and groups unable to afford an appearance at hearings are provided with a procedure whereby they may present their views in writing at a fraction of the cost.[15] Furthermore, these public interest groups often have access to substantial funding from local lobbying groups and coalitions whose narrow interests they often represent. There is, in our opinion, no need to further subsidize these organizations with $20,000,000 of the American taxpayer's money.

We also question the value of the sort of "public" participation which this bill seeks to encourage. Many of the so-called public interest groups who appear in judicial and administrative forums are in reality special interest groups claiming to speak for the public. There has, in recent years, been a proliferation of narrow special interest groups who actually work to delay or sabotage necessary economic development which would benefit consumers and provide jobs. By what right should the taxes of all Americans be used to subsidize the operations of such special interest groups which command a minimum of support? Such groups ought to go out into the marketplace of ideas to find support for their actions. Most public interest groups, including the Washington Legal Foundation, have been able to attract sufficient contributions from private citizens to actively represent their view of the public interest. This essentially private function should not be made subject to government interference through selective financial assistance. We have learned that federal aid quickly leads to federal control.

This legislation promises to bestow great benefits on a select group of attorneys who will specialize in representing public interest groups before federal agencies. We seriously doubt whether the rule-making process will benefit by more lawyers and longer delays. What is especially ominous is the failure of this bill to place any limits on the amount of financial aid which may be awarded, either in hourly rates, or total billable hours on a given matter. As currently drafted, the cost of this legislation could far exceed the $20,000,000 proposed. There is substantial potential for abuse in this bill, which may provide extraordinary benefits for a few lawyers, without greatly improving public participation in administrative proceedings.

We would like to recommend several changes in the language of the bill which would decrease the potential for abuse and serve the public interest.

Financial assistance for participation should only be granted when the participating group is essential to the disposition of the proceeding. The bill as currently drafted would grant assistance if the intervention "could reasonably be expected to contribute substantially to a fair disposition of the proceeding." This language is exceedingly broad and would cause unnecessary delays and expense. It is possible that several participants, each representing similar viewpoints, would be given financial support. The language should be changed to provide assistance only for participation "necessary" to the disposition of the proceeding.

The bill should also be rewritten to provide that financial assistance can be granted only when the participating group does not command sufficient resources to appear without government aid. As currently drafted, a group could receive assistance if the economic interest it represents is small in comparison with the cost of effective participation, regardless of the funds it has available. A well financed interest group could therefore apply for and receive federal aid if the economic interest it represents is sufficiently small. If this legislation is passed, it should provide financial aid only for those groups which would be completely unable to participate otherwise.

We would also recommend that financial assistance payments only be made at the conclusion of proceedings, when the agency has had an opportunity to evaluate the contribution made by the participating group. This is the procedure now followed by courts when awarding attorney's fees. If financial assistance is not awarded until the completion of a proceeding, a participating group would be required to demonstrate some degree of public support. Without such a change, a group with no funds or public backing could collect financial assistance from the federal government for an appearance.

Speaking for the Washington Legal Foundation and its 60,000 members, I would like to reiterate my belief that this measure will not advance the public interest while wasting $20,000,000 of the taxpayer's money. I thank you, Mr. Chairman, for this invitation to testify before the Senate Subcommittee on Administrative Practice and Procedure on this proposed legislation.

NOTES

[1] *Alyeska Pipeline Service Company* v. *The Wilderness Society* 421 U.S. 240, (1975).

[2] *Turner* v. *Federal Communications Commission*, 514 F.2d 1354 (D.C. Cir. 1975).

[3] 16 C.F.R. § 1.17 (1978).

[4] In Matter of Costs of Intervention-Nuclear Regulatory Commission, Decision B-92288 (February 19, 1976).

[5] *Greene County Planning Board* v. *Federal Power Commission*, 559 F.2d 1227, 1235 (2nd Cir. 1976) (*en banc*), *cert. denied*, 98 S. Ct. 1280 (1978).

[6] Id. at 1238.

[7] Id. at 1239.

[8] Id. at 1239–1240.

[9] *Chamber of Commerce of the United States* v. *United States Department of Agriculture*, 459 F. Supp. 223 (D.D.C. 1978).

[10] 21 U.S.C. § 469, 680.

[11] *Chamber of Commerce*, supra note 9, at 221.

[12] *Alyeska*, supra note 1, at 271.

[13] 28 U.S.C. 2412.

[14] Proposed Public Participation in Federal Agency Proceedings Act of 1977: Hearings on S. 270 Before the Subcommittee on Administrative Practice and Procedure of the Senate Comm. on the Judiciary, 95th Cong., 1st Sess. (1977) (Congressional Research Service Report by Henry Cohen).

[15] Administrative Procedure Act, § 4, 5 U.S.C. § 533, (1978).●

TRIBUTE TO A LEADING KANSAS CITIAN, DUTTON BROOKFIELD

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. COLEMAN. Mr. Speaker, on Monday, July 23, 1979 Kansas City, Mo., lost one of its finest citizens, Dutton Brookfield. While never attaining the elective offices he sought, Dutton Brookfield exemplified the style of business and community leadership which has shaped Kansas City into a thriving metropolis.

Mr. Brookfield, 61, was president of the Unitog Co., which manufactures and services uniforms and business apparel that are sold and rented nationwide. His untimely death came as the result of complications that developed after a fire in which he was severely burned.

The loss of Dutton Brookfield leaves a void in the metropolitan Kansas City area which will be hard to fill. His civic contributions were numerous.

A native Kansas Citian, he was president of the Chamber of Commerce of Greater Kansas City in 1973 and the following year was named "Mr. Kansas City," the highest award bestowed by the chamber.

He was campaign chairman of the Heart of America United Way Campaign in 1961, president of the civil council in 1973–74, a trustee of Midwest Research Institute since 1965, president of Kansas City Rotary International in 1954–55, and a director of the American Royal Association and the Starlight Theater Association.

Mr. Brookfield held two gubernatorial appointments: A 4-year term on the Kansas City Police Board; and, the Jackson County Sports Authority on which he served as chairman during the successful $102 million bond issue campaign which culminated in the construction of the Harry S. Truman sports complex.

He lost two bids for mayor of Kansas City, first in 1963 and again in 1971. But, as his activities clearly indicate, he never lost his will to serve his fellow Kansas Citians.

In addition to his presidency of the Unitog Co., Mr. Brookfield was active in other business affairs. He was director of Northwestern Mutual Life Insurance Co., the First National Bank of Kansas City, the Kansas City Power & Light Co., the Southwestern Bell Telephone Co., and American Can Co. He was a member and director of the National Association of Manufacturers.

Dutton Brookfield possessed remarkable qualities of energy and leadership. He was a man who directed his own affairs, and those of his community, with skill and sensitivity. His loss to our city is incalculable. As a friend his loss is a very personal one for me. I ask my colleagues to join me in expressing our deepest sympathy to his family and countless friends.●

REMARKABLE PARENTS

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. MATSUI. Mr. Speaker, I would like to bring to the attention of my colleagues two remarkable parents who are constituents of mine. Masao and Sumako Itano of Sacramento have raised a family of four under most difficult circumstances, yet all four children have become outstanding citizens.

Though Masao attributes his children's success to their desire to study, I believe credit must be given to him and Sumako for encouraging their children to obtain an education. Learning had always been important to Masao, who left Japan at the age of 17 to seek an education in San Francisco. After attending high school there, he worked his way through the University of California at Berkeley, and graduated in 1917 with a degree in agriculture.

Masao and his young family moved to Sacramento where he did some farming, and he began an insurance business. However, the family was uprooted after Pearl Harbor, and Masao was forced into an internment camp for Japanese Americans.

Harvey, the eldest son, was a chemistry major at UC-Berkeley during that period. He wanted to come home to help his family, but his father wrote that he should never give up his education, and that Harvey should complete his courses.

Harvey graduated in 1942, but neither he nor his family was able to attend the ceremony because all had been confined to the internment camps. Yet even while imprisoned, Dean, Edith, and Masashi continued their education.

Upon their release, the children completed their formal education. Dean became a banker-lawyer, Edith a dietician, and Masashi a pathologist. Recently, Harvey became the first Japanese American to be named to the National Academy of Sciences.

Masao and Sumako can also take pride in their grandchildren among them including a Ph. D. in physics from Harvard, two fishery biologists, and an electrical engineer.

Such accomplishments by children and grandchildren can only come about by loving and supportive parents. It is fitting then, that Masao and Sumako be honored for all of their efforts.●

THE GASOLINE SHORTAGE

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. RAILSBACK. Mr. Speaker, I talked with many people in Illinois' 19th District during the Fourth of July recess. Most of the discussions centered on energy, and, particularly, the gas shortage. As you know, many blame the oil companies and the Federal Government for the shortage.

I understand that allocation, pricing, and environmental regulations have adversely affected supplies. However, the extreme drop in crude oil supplies from which the gasoline is made seems strange, and people are having trouble believing that an oil shortage actually exists.

I, too, have questioned the industry's explanation for the shortage and have wondered what, if anything, could have been done to soften or even halt it. While reading the July 1 Chicago Tribune, I came across an article by Donald L. Barlett and James B. Steele entitled "How Blunders Cut Our Supply of Gas." I found the article to be extremely informative, and I think it sheds some light on the issue. I am therefore submitting it for the RECORD so that others may have the opportunity to read it.

The article follows:

HOW BLUNDERS CUT OUR SUPPLY OF GAS

(By Donald L. Barlett and James B. Steele)

Federal Government decisions and American oil industry actions last year guaranteed the shortage of gasoline and other petroleum products that currently afflicts the nation.

What's more, those same actions by industry and government—aggravated by Congress' failure to develop a workable national energy policy after six years of debate—have virtually assured the nation of suffering at least spot shortages of home heating oil next winter.

The severity of shortages will depend upon whether the coming winter is colder than usual, and whether industry and government dramatically step up imports of heating oil in the coming months.

Whether the decisions by government and industry last year were made deliberately to create shortages, or resulted from simple miscalculation, bungling, and inept planning, is unclear.

What is clear is that as recently as early last year, the oil industry was faced with the "problem" of a huge surplus of oil—a surplus that some oilmen feared might last seven years.

In its 1977 annual report, published early in 1978, Gulf Oil Corp. told its stockholders: "The world crude (oil) surplus is expected to continue possibly through 1985. The 1978 surplus . . . is estimated at up to 3.5 million barrels per day."

What is also clear, our investigation has established, is that:

Both the Department of Energy and the oil industry knew last year—or certainly should have known—that they were embarked on a course that would reduce the supply of oil while demand was increasing; and would thereby send prices soaring.

Contrary to the repeated assertions of the secretary of energy, James Schlesinger, and

some oil company executives, that the current fuel emergency was triggered by the shutdown of Iranian oilfields, events leading to the shortage were set in motion by the oil industry and the federal government long before the revolution in Iran.

While the Iranian shutdown did disrupt world-supply patterns, it did not cause the long lines at gasoline stations, weekend closings or rising prices. It only exaggerated the situation.

Simply put, what happened was that an effort by the oil industry—with the Department of Energy idly looking on—to tighten up the oil market went awry.

The not-too-surprising results were skyrocketing prices at the gas pump and at the wellhead in member-nations of the Organization of Petroleum Exporting Countries (OPEC).

The year 1978 began, as Gulf Oil Corp. told its stockholders, "with a world (crude) oil surplus." Indeed, during the first three months of 1978, the Oil and Gas Journal, the industry's authoritative trade publication, reported:

"The international oversupply forced some of OPEC's producers with premium, higher-priced crude to cut prices during the first quarter by between 1 and 30 cents a barrel. . . . More cuts were made to apply to second-quarter sales." (A barrel contains 42 gallons—159.6 liters.)

Reviewing the global surplus of crude oil, the magazine noted that Nigeria was "one of the worst-hit countries with production of about 700,000 barrels daily without a market.

Venezuela had surplus production of 400,000 barrels daily, the magazine said, Iraq, 500,000 barrels, Iran, between 300,000 and 500,000 barrels, and Algeria and Libya, between 400,000 and 500,000 barrels.

In the United States, the market for all this excess petroleum was weak.

From January to April, 1978, the average price of a gallon of gasoline nationwide rose half a penny. And from April, 1977, to April, 1978, the price increase had amounted to just one-tenth of a penny.

By the last week in May, 1978, the price of gasoline in some cities had actually fallen from the same week a year earlier.

In Philadelphia, regular gas was selling for 65.5 cents a gallon, down from 65.9. In Charlotte, N.C., it was 66.6 cents, down from 67 cents. And in Chicago, it was 65.5 cents, down from 66.5 cents.

In response to the soft market, the oil companies began drawing down their inventories of gasoline and crude oil—this, despite the fact that inventories early in 1978 already were below the levels of some earlier years.

At the same time, the companies cut back on imports of refined products—such as residual and distillate fuel oils that are used to heat homes, run diesel engines and generate electricity—and slashed crude oil imports as well.

The decision a year ago to dramatically reduce crude oil imports, even though oil company inventories were already low, coincided with the international surplus that was forcing prices to inch down even in OPEC countries.

This reduction in crude imports meant that during 1978 American refineries received about the same volume of crude oil as they had the preceding year, even though demand—use of gasoline and other petroleum products by consumers—rose 1.7 per cent, from 18.43 million barrels a day to 18.74 million barrels a day, in the same year.

So it was that the United States ended 1978 with drastically depleted inventories, reduced imports of refined products and crude oil, and refineries operating at 88 per cent of capacity, down from 89.6 per cent in 1977.

To make matters worse, the Department of Energy in December of 1978 diverted the largest volume of crude oil ever to something called the Strategic Petroleum Reserve—the federal government's stockpile of oil set aside for distribution only in the case of dire national emergency.

The oil market in the United States was no longer soft.

Here, step by step, is how it all came about, as reconstructed from interviews and an examination of hundreds of industry and government documents:

During 1978, American oil companies imported crude oil at the rate of 6.048 million barrels a day. This was down 546,000 barrels from the 1977 crude oil import average of 6.594 million barrels daily.

While it is true that oil shipments from Iran dipped in December, for the full year imports of Iranian crude oil, and refined products processed from Iranian crude, were up by an average 9,800 barrels a day over 1977.

In stark contrast, petroleum imports from Saudi Arabia, the world's largest oil exporter and the OPEC country regarded as the United States' strongest ally in the Middle East, were slashed by 244,400 barrels a day from the rate of imports in 1977.

Imports from Nigeria also were cut, by 240,100 barrels a day. Imports from Venezuela were reduced 58,300 barrels daily. Even petroleum imports from Canada were down, falling 53,600 barrels from 516,900 barrels in 1977 to 463,300 barrels in 1978.

When added together, American oil companies actually sliced imports from Saudi Arabia, Nigeria, Venezuela, and Canada a total of 696,000 barrels daily all throughout 1978. At the same time Iranian imports were up by 9,800 barrels.

Interestingly, imports of crude oil into the United States during the first four months of this year—when the shortages were already in place, prices were rising and the nation ostensibly was feeling the brunt of the Iranian shutdown—actually increased 8.7 per cent over the same period in 1978, jumping 499,000 barrels from 5.716 to 6.215 million barrels daily, according to American Petroleum Institute statistics.

In addition to their sharply curtailed purchases of crude oil abroad in 1978, American oil companies also reduced their imports of refined products, such as home heating oil and diesel fuel.

These imports were cut back 211,000 barrels daily from 2.193 million barrels daily in 1977 to 1.982 million barrels last year.

The overall reduction in imports of refined products and crude oil at the very time there was a global glut of oil—totalled 757,000 barrels a day.

That 757,000 barrels a day would have been more than enough to eliminate the current gasoline shortage and avoid the series of events that have sent the price of gasoline soaring as much as 25 cents a gallon in the past six months, to levels of more than $1 a gallon in some cities.

The deliberate slash in imports by oil companies—the slash that brought on the current shortage and high prices—is even more dramatic when measured in historical terms.

In 1973, for example, American oil companies imported refined products at the rate of 2.767 million barrels a day—40 percent, or 785,000 barrels a day more than they brought into the country last year

Oil industry representatives have attributed the lower gasoline inventory late last year to a surge in demand during a warmer-than-usual fall that kept motorists on the highway.

As one industry spokesman put it: "Last fall has become known as the extended driving season."

While it is true that gasoline consumption was up 3.4 percent last year, compared to a 2.9 percent increase in 1977, it was still well below the 4.5 percent increase in demand posted in 1976, when there were no shortages.

What's more, while total demand for all petroleum products increased 5.6 percent during 1977, it rose just 1.7 percent last year.

Despite that modest increase in oil use, by October, 1978, all industry indicators pointed to spot shortages of petroleum products in the weeks and months to come.

Because demand increases each year, inventories of petroleum products must grow also, just to stay even. But inventories of gasoline dropped throughout last year. By October, inventories totaled 213,691,000 barrels—the smallest October volume since 1972.

Measured in terms of days of supply, the oil companies at that time had enough gas to last the country only 29 days—the first time in this decade that gasoline inventories had been allowed to drop below a 30-day supply.

Inventories of distillate—heating oil and diesel fuel—totaled 233,084,000 barrels, the first time since October, 1973, that the supply fell below 70 days.

It was the winter of 1973–74, of course, during the Arab oil embargo, that the United States was hardest hit by heating oil shortages.

Nonetheless, even with those numbers staring them in the face, government and industry late last year remained cheerfully optimistic about prospects of having adequate supplies in 1979 to meet the growing demand for oil products.

Even in December, when Shell Oil Co. announced that it intended to cut back on deliveries of gasoline, there was no undue alarm.

"Gasoline supplies appear adequate despite persistent rumors there may be shortages soon," reported the Wall Street Journal on Dec. 4, 1978. As the Journal spelled out the view of one high-level official in the Department of Energy on the Shell allocation plan:

"This is a corporate problem, not a national problem.

"It boils down to a few consumers who won't be able to buy their favorite brand."

One month later, in January, 1979, Texaco joined Shell in announcing a cutback in gasoline deliveries to its dealers as supplies across the country continued to tighten.

Still, the Department of Energy diverted 204,000 barrels of crude oil a day into the strategic petroleum reserve that month—the third largest shipment in the 17-month history of the project.

At the same time, the Energy Department repeatedly predicted that the price of gasoline would go up just 12.8 cents a gallon from the end of 1978 to the end of 1980 if price controls were removed, and only 9 cents a gallon if controls remained in effect. (In fact, of course, prices have risen by 12 cents a gallon, and more in some locations, just in the last five months.)

In February and March, there were further curtailments of gasoline deliveries to retailers by other major oil companies—including Exxon, Standard of California, and Mobil.

By April and May, the gasoline shortage was full-blown, as long lines at service stations became commonplace in California and stations across the country began closing on Sundays, limiting hours of operation on other days and limiting purchases.

There were shortages of diesel fuel, and business and industry were urged to reduce consumption of distillate fuel oil through conservation measures or by switching to natural gas.

All of this came about even though overall demand for petroleum products during the first four months of the year actually declined by 0.5 percent, falling from 19.470 to

19.366 million barrels daily, according to American Petroleum Institute figures.

By May, the average price nationwide for a gallon of regular gasoline had shot up 16.4 percent, going from 68.7 cents in January to 80 cents the last week of May. It has risen more since.

The 11.3-cent price increase during the four-month period far exceeded projections by the Energy Department of a 9-cent increase over two years.

From the last week in May, 1977, to the last week in May, 1978, when oil companies were awash in crude oil and gasoline—"We're drowning in crude," one oil industry executive put it in the summer of 1977—the average price of a gallon of regular gasoline went up only 0.6 percent, from 63.5 to 63.9 cents.

But from the last week in May, 1978, to the last week in May, 1979, when oil companies had made a conscious effort to reduce supplies of petroleum products, the average price of a gallon of gasoline soared 25.2 percent, from 63.9 to 80 cents.

By June, regular gasoline was selling for 93.9 cents a gallon in California, thereby virtually assuring permanent, $1-a-gallon gasoline before summer's end.

Throughout the weeks of steadily rising prices, both oil industry spokesmen and Energy Department officials attributed the move toward $1-a-gallon gasoline to the shutdown of Iranian oil fields.

But the industry's own statistics show the price increases actually were triggered by the decision to deplete the inventories during 1978—when crude oil was plentiful and comparatively cheap.

Martin Lobel, a Washington lawyer and former congressional aide who has specialized in oil industry policy, summed it up this way:

"Had the companies not drawn down their inventories, we would have had sufficient oil. There would have been little impact on price. There would have been enough cushion to absorb the Iranian cutback with minimum disruption."

Just as the major comoanies had simultaneously reduced imports all last year, they suddenly began increasing imports early this year. From January through April, imports of all oil were up 4.3 per cent from the same period last year; imports of crude oil were up 8.7 percent. Imports of refined products—gasoline and fuel oil ready for consumption—however still were down, lower by 7.1 per cent than they were in 1978.

But the increase in imports of all petroleum products taken together was enough to alert OPEC. And prices at the wellhead started heading straight up.

This spring, as it became apparent that American oil companies had slashed their inventories to precariously low levels by importing less oil all last year and that they therefore would need to sharply increase their imports in months to come, the Arab countries began adding surcharges to the contract price of their oil—oil that was suddenly in great demand. (The official price for Arab light oil, the bench mark crude, is $14.55 a barrel. Depending on quality, other countries price their oil proportionately higher.)

Kuwait imposed a $1.20-per-barrel surcharge, retroactive on all oil sold during the first quarter of the year. Oman added $1.02 a barrel. Other countries followed swiftly.

Algeria and Nigeria raised prices $2.45 a barrel, to about $21. Libya added $3.01 a barrel, bringing its price to more than $21 a barrel.

In addition to raising their contract prices, some OPEC countries also began setting aside larger quantities of oil for sale in the spot market—that is, sales not previously contracted.

Because of intensive bidding by American oil companies, and by foreign companies more directly affected by the Iranian cutoff, the price on the spot market rose to almost $40 a barrel.

The Energy Department, which had failed to take any action during 1978 when the oil industry was running down its inventories, responded by offering a $5-a-barrel subsidy to American refineries that needed it to buy, and pay for, the high-priced oil on the spot market. This response did bring more oil into the country, but it also helped drive up the prices Arab countries were charging for spot oil—and angered European countries, which now have to pay the new, higher price.

That decision, which served only to push world prices higher, was typical of policies initiated by the Energy Department—policies that not only contributed to the shortage in the first place, but aggravated it once it became a reality.

For several years now, Energy Department regulations have prohibited oil companies from charging higher prices for unleaded gasoline produced by expensive new refineries. Not too surprisingly, the industry has therefore failed to invest in new refinery equipment at precisely the time that such equipment is needed to increase the output of unleaded gas.

At the same time, one set of federal environmental regulations has required that auto companies produce cars that run on unleaded gas while another set of regulations has barred oil companies from using certain additives needed to produce unleaded gasoline in older refineries.

Newer refineries with more sophisticated equipment can produce high-octane unleaded gas without such additives. But it is precisely these refineries that oil companies have been discouraged from building because of federal price controls on unleaded gas.

Other Energy Department regulations also discourage gasoline production—such as various complex formula that permit oil companies to pass through more cost—that is, charge more—for petroleum products other than gasoline than for gasoline itself.

Further compounding the problem, when the lines began forming at gas stations early this spring, the Energy Department finally took note of the industry's low inventories of all petroleum products—and promptly and inexplicably ordered refineries to step up production of distillate fuel oil at the expense of gasoline.

Then, as it has done so many times in the past, the Energy Department a few days later reversed this policy and directed refiners to increase gasoline production.

All that exacerbated the problem. But did not cause it. The conflicting demands of government regulations aside, American oil companies during the five years after the oil embargo not only deliberately failed to increase their inventory levels, but in fact decreased their supplies in storage, as measured by days of supply on hand.

"If we had had decent inventories, the United States could have shrugged off the Iranian oil cutoff," said Dr. Joseph Lerner, a Washington energy economist, and retired Federal Trade Commission official, long active in government oil policy-making decisions.

Meanwhile, the government allocation of gasoline coupled with the panicky reactions of motorists who now keep their tanks full, have further exaggerated the present shortage.

Under Energy Department allocation rules, oil companies are required to set aside gasoline for individual states and priority users.

As for the oil industry, refiners operated at only 85 percent of capacity from January through April, up slightly from 84.3 percent during the same period last year.

But refinery production was held down in 1978, and operations were, and are, well below the peak levels of earlier years, when the utilization rate moved into the 90 percent range.

With U.S. refinery capacity now at about 17.3 million barrels daily, a shift of a single percentage point in operation means a difference in production of 170,000 barrels daily of refined products.

Because refinery utilization remained virtually static and imports of refined products were down, during the first four months of this year, spot shortage of gasoline are assured for the rest of this summer and fall, unless there is a marked reduction in demand.

Early in June, Energy Secretary Schlesinger noted that major oil companies had cut back the refining of gasoline in the last week despite a large increase in imports of crude oil available to refine.

Schlesinger said the Nation's refineries operated at only 84.5 percent of capacity in the week of June 4–11, a significant drop from the week before, when they operated at 87 percent of capacity—even though crude oil imports in the same week rose to 95 percent of last year's mid-June level.

Schlesinger said he found this situation "troublesome, disappointing and irritating," and said his department is pursuing a review along with the Justice Department, of charges that refineries have deliberately held down gasoline production to increase prices.●

REXFORD TUGWELL

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. GONZALEZ. Mr. Speaker, the news reports bring the sad notice of the passing of a most distinguished American, an original and seminal thinker, a man whose name is now etched indelibly in history. This man was Rexford Guy Tugwell. He was one of the charter members of the Franklin D. Roosevelt brains trust.

I was in school when he was a most active national public figure, but over the misty past clear in my mind. He it was who really saved Puerto Rico. He it was that demonstrated brilliance of mind and unshakeable faith in the American way and dream.

Mr. Speaker, I offer the New York Time's report on this event appearing today, Tuesday, July 24, 1979.

[From the New York Times, July 24, 1979]

REXFORD TUGWELL, ROOSEVELT AIDE, DIES

(By Albin Krebs)

Rexford Guy Tugwell, one of the three original members of President Franklin D. Roosevelt's New Deal "brains trust," died Saturday at Cottage Hospital in Santa Barbara, Calif.

Mr. Tugwell, who was 88 years old, had lived in the Santa Barbara area for a decade, and had been hospitalized with an undisclosed illness since June 19.

Mr. Tugwell was considered a brilliant economist, educator and political theoretician by Mr. Roosevelt and his colleagues. He never shied from controversy, seeming to relish his apparently self-chosen role as a sort of lightning rod to conduct criticism away from Mr. Roosevelt.

Although best remembered for his sometimes stormy New Deal days, Mr. Tugwell

enjoyed a long public career of diverse callings.

RECRUITED FOR INNER CIRCLE IN 1932

He was a 41-year-old economics professor at Columbia University in 1932 when he was recruited, along with two Columbia colleagues, Raymond Moley and Adolf A. Berle, to form the inner circle of Roosevelt planners and advisers. The group, which came to be known as the "brains trust," was charged with charting the quest of the then-Governor of New York for the Presidency.

After four years of service in the Roosevelt Administration, for the most part in the Department of Agriculture, Mr. Tugwell was chief planner for New York City, chancellor of the University of Puerto Rico, Governor of Puerto Rico, an official at the University of Chicago, and, finally a senior staff member of the Center for the Study of Democratic Institutions at Santa Barbara. In the last post he headed the study group that in 1970 proposed a new Constitution for the United States.

He was born July 10, 1891, to the former Dessie Rexford and Charles Henry Tugwell, a well-to-do farmer and cannery owner in Sinclairsville, N.Y., a small town 12 miles from Lake Erie. His father was able to send him to school in Buffalo and later see him through bacheior's, master's and doctoral degrees from the University of Pennsylvania's Wharton School of Finance and Commerce.

"MAGNIFICENCE OF PLANNING"

It was at Wharton that Mr. Tugwell became a passionate believer in what he termed "the magnificence of planning," which he thought could eliminate most economic ills, particularly in agriculture, which had always been plagued by cycles of scarcity and glut.

After teaching stints at Pennsylvania, the University of Washington and in Paris, Mr. Tugwell, in 1922, became an associate professor of economics at Columbia. He succeeded to full professorship in 1926.

The next year, in which the anarchists, Sacco and Vanzetti, were executed, Mr. Tugwell and a group of liberals visited the Soviet Union, and the trip generated a blaze of publicity. None of them were converted to Communism, they later reported, but many in the group, Mr. Tugwell among them, were impressed with what he called "the power of the collective will" in the Soviet Union.

The visit was to plague his political career. In the Roosevelt Administration, editorialists loathe to personally attack the popular President delighted in using the despised "brains trust" intellectuals as whipping boys. To these critics, Mr. Tugwell was "Rex the Red."

Mr. Tugwell, who was often prolix and divagative in his written and oral statements, had an atypically succinct answer to such charges: "Liberals like myself would like to rebuild the station while the trains are running; radicals prefer to blow up the station and forego service until the new structure is built."

Mr. Tugwell held the title of Assistant Secretary of Agriculture in the early years of the New Deal, but he advised Mr. Roosevelt on a wide spectrum of policies for recovery from the Depression.

He was credited with the idea of licensing, and thus limiting, the planting of many major crops in surplus, and of paying farmers for not growing some crops.

He was a zealous crusader for Government regulation of businesses, and his efforts in 1933 to strengthen the Food and Drug Administration delayed his confirmation as Under Secretary of Agriculture.

Mr. Tugwell was named to head the new Resettlement Administration in 1935, which sought to move farmers from worn-out to tillable land. The agency organized several experimental cooperative farms, and Mr. Tugwell also pumped millions of dollars and a considerable portion of his time and talents into the planning of four model "greenbelt" towns, designed to relieve urban congestion. His efforts were attacked by New Deal critics as "collectivist," however, and in the absence of Congressional support, the resettlement projects were liquidated by 1938 at a loss.

That year was an eventful one for Mr. Tugwell. He was divorced from his wife, the former Florence Arnold, with whom he had two children, Tanis and Marcia. He married his secretary, Grace Foulke, with whom he was to have two sons, Tyler and Franklin. And he became chairman of the New York City Planning Commission.

EFFORTS IN PUERTO RICO

In 1941 Mr. Roosevelt sent him to San Juan as chancellor of the University of Puerto Rico, and later that year appointed him Governor of the island. Mr. Tugwell worked vigorously toward achieving economic and social betterment for Puerto Ricans, dismaying powerful sugar plantation owners and bankers by enlisting the aid of Puerto Rican politicians.

When he left San Juan in 1946, Mr. Tugwell was 55, but he remained vigorous, salty and handsome, and refused to take a vacation. He served as director of the University of Chicago's Institute of Planning for four years, then stayed at the university as a professor of political science, retiring in 1957.

In the years that followed he held visiting professorships at a number of universities in the United States and abroad, while continuing to turn out books, many of them based on New Deal experiences. His 1968 volume "The Brains Trust" won the Bancroft prize in history. "In Search of Roosevelt" appeared in 1972, when Mr. Tugwell was 81.

HEADED CONSTITUTION PROJECT

With his well-known irreverence for sacred cows, Mr. Tugwell was perhaps a perfect choice for the task of supervising the drafting of a model new Constitution. When he accepted the post of senior fellow at the Center for the Study of Democratic Institutions, it was with the understanding that most of his time there would be devoted to the project.

A draft of the proposed charter was offered "for discussion" in 1970, and it provided for creation of "The United Republics of America," 20 regional republics carved out of "the former 50 states." It suggested restricting the President to a single nine-year term, abolishing the Supreme Court in favor of various "high and special courts," and converting the Senate into an advisory body similar to Britain's House of Lords.

These recommendations stirred some discussion, but not widespread controversy, in legal and academic circles. The criticism fazed Mr. Tugwell no more than any ever had, and in early 1975, he said he was "still tinkering with, still studying, still revising, still thinking about" Constitutional reform.●

SYNTHETIC FUEL SUBSIDIES: THE PORK BARREL GOES WHOLE HOG

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. KEMP. Mr. Speaker, Americans must question the wisdom of a proposal to cut our reliance on foreign energy imports by levying $140 billion in taxes in the next 10 years on American energy which can be produced more cheaply than imported oil—to subsidize synthetic fuels which cost more to produce than imported oil. Clearly, American consumers would end up paying for the scheme—both for additional imported oil to replace discouraged U.S. production, and to subsidize the uneconomical energy projects.

Yet when the first phase of just such a plan was put to a vote recently, as part of the Defense Production Act reauthorization, only 25 Members of this House opposed it. Representative TOBY MOFFETT's now-familiar statement, that "the synfuel thing is greased," is apt. The legislative lubrication for synthetic fuel subsidies comes straight from the pork-barrel.

In an outstanding article published in Inquiry magazine (August 6 and 20, 1979), Bruce Bartlett reviews the history of this not very new idea. He explains why such an unappealing and costly proposal has received widespread support in Congress, and argues convincingly that the refusal of private companies to build synfuel plants without heavy subsidies should be a warning to the Americans who will have to pay for them. I commend this excellent article to the attention of my colleagues.

The article follows:

SYNTHETIC FUEL BOOTY

(By Bruce Bartlett)

The long gas lines in the Washington, D.C., area and other parts of the country have put renewed pressure on Congress to "do something" about the energy shortage. Having proven itself incapable of, on the one hand, eliminating the price controls that discourage production, or, on the other, adopting restrictive energy conservation measures, Congress has instead turned to a new proposal. It is one beloved by the AFL-CIO, the U.S. Chamber of Commerce, the National Association of Manufacturers, the American Gas Association, and the oil shale industry: a $100 billion crash program to develop synthetic fuels. But the program probably won't work, and the U.S. consumer will be left holding the bag while big companies reap huge profits at no risk.

Synfuel is a broad term for usable oil and gas manufactured from coal, oil shale, tar sands, and other unconventional sources. The basic process through which this transformation takes place is not new. It was first developed by the Germans during World War II and is known as the Lurgi process. At present the South Africans and the Canadians are the only ones making large-scale use of synfuels. The South Africans have been manufacturing oil from coal since 1955 and are at present expanding their facilities, and the Canadians are engaged in making oil from tar sands. In both cases, however, the projects are heavily subsidized by government.

The reason why synfuels have never been developed by private industry in the United States (or anywhere else for that matter) is quite simply the cost. Even with the high OPEC price for oil, it is still about 50 percent more costly to manufacture synthetic oil from coal. And even this cost estimate may be optimistic, for as yet there have been no commercial-scale synfuel plants built in the United States that can yield cost data. Indeed, consistently, the more economists and engineers study the subject, the higher the cost estimates go. As Harry Perry, an engineer with Resources for the Future,

puts it: "The closer you get to building the plant the more you take a real hard look on the ground and the more the costs go up."

In order to get around this fundamental stumbling block, those favoring synfuel development have been trying for at least four years to get the government into synfuels in a big way. Back in 1975 Vice President Nelson Rockefeller first suggested the need for a massive synthetic fuel development program. He proposed a $100 billion package of grants, loan guarantees, subsidies, and price supports, with an Energy Independence Authority largely to launch synfuel and other new energy sources.

Hoping to be able to push the program through, one piece at a time, the administration proposed as a start a $6 billion loan guarantee program to build commercial-scale synthetic fuel plants. The measure was tacked onto the Energy Research and Development Administration authorization bill for 1976 by the Senate after the bill had already passed the House. There were no hearings, virtually no debate, and little opposition to the synfuel amendment in the Senate. The loan guarantee program was approved by a vote of 80 to 10.

Passage in the Senate put opponents of synfuels in the House in a difficult position. Because the synfuel amendment was retained in conference, they had to try to strike that section from the conference report on the House floor, a very difficult thing to do. Nevertheless, thanks to quick work by a coalition of fiscal conservatives and environmentalists opposed to the synfuel loan guarantees, and a timely editorial against the plan by the Wall Street Journal, the synfuel section of the bill was deleted by a vote of 263 to 140.

Undaunted by this setback the Ford administration returned the following year with a new request for a mere $2 billion to build two synthetic fuel plants. The House Science and Technology Committee, under the leadership of its strongly prosynfuel chairman, Olin Teague of Texas, doubled the size of the program and sent it on for additional consideration by the House Banking Committee and the Interstate and Foreign Commerce Committee.

As the loan guarantee bill moved through the committees the opposition increased. Environmentalists like Representative Richard Ottinger of New York argued that large-scale development of synfuels would be a disaster for the environment because such production will necessitate large-scale surface mining for coal and oil shale. They also argued that cleaner, more economical, second-generation synfuel processes are in the offing and that money invested in currently available synfuel technology would be wasted. Lastly they expressed fear that a heavy investment in synthetic fuels would close off development of solar energy and other alternative sources.

On the other hand, fiscal conservatives were largely concerned about three things: existing government policies such as price controls that discourage the development of conventional oil and gas, the use of government loan guarantees to finance the project, and the fact that synfuel is uneconomical to produce. Typical were the comments of Representatives James Broyhill, James Collins, Samuel Devine, and John McCollister, in dissenting from the Interstate and Foreign Commerce Committee report on H.R. 12112: "Such programs as H.R. 12112 will weaken the free enterprise system by artifically supporting the development of industries which are being stifled by overregulation. These same industries would most likely flourish in a free market environment. . . . The loan guarantee program is essentially a government subsidy to pay for government regulation."

Unfortunately for the supporters of synfuels, the General Accounting Office supported the critics on almost every point. In a report issued on August 24, 1976, the GAO said flatly that "government financial assistance for commercial development of synthetic fuels should not be provided at this time." The GAO report had a devastating impact on the synfuel bill, but what may have been the final blow was delivered by Representative Ray Madden of Indiana, chairman of the House Rules Committee. On September 23, 1976, the House took up consideration of a rule to provide for floor debate on the synfuel bill. In an unprecedented action Madden urged his colleagues to vote down the rule, which would effectively kill the bill. "This is not only a turkey, it's a gobbler," he said. The House then proceeded to vote it down by a one-vote margin, 192 to 193.

Nothing more was heard about synfuels during the Ninety-fifth Congress, but now, like a phoenix, the synfuel bill is back again. This time however the synfuel supporters are being much more clever and have successfully disarmed the opposition by selling the program as a defense measure.

For some reason, when the Defense Production Act of 1950 came up for reauthorization earlier this year it was referred to the House Banking Committee. There it was referred to the Economic Stabilization subcommittee chaired by Representative William Moorhead of Pennsylvania. Moorhead has long been a staunch supporter of synfuels and by coincidence among his constituents is the Koppers Company. The Koppers Company is heavily involved in coal gasification and has strongly backed earlier government synfuel proposals. Thus the Defense Production Act was linked to a new synfuel bill that included an open-ended loan-guarantee authority for the building of at least five synfuel plants capable for producing 500,000 barrels of synthetic crude oil per day by 1984.

The Moorhead bill moved quietly through the Banking Committee and was reported out on May 15 with only one dissenting vote. Apparently the combination of gas lines and alleged national security implications demolished the opposition. Moorhead's hometown paper, the *Pittsburgh Press*, for example, likened his bill to a necessary wartime measure. So closely was synfuel associated with American defense that Jack Anderson quoted one commitee member as saying, "By turning this into a defense bill I had to vote for it even though I'm dead set against it." This view seems to be widespread. Even Ottinger, who led the opposition in earlier years, has now climbed on the bandwagon.

The relative ease with which the synfuel bill seems to be advancing, in contrast to earlier years, has encouraged its supporters to push for even more. Thus Representative Jim Wright, House majority leader, pushed on the House floor for a massive expansion of the synfuel program. This action authorized an increase from a target of 500,000 barrels per day to 2 million per day. Since the Congressional Budget Office estimates that the Moorhead bill may cost as much as $22 billion, this puts the Wright plan in the $88 billion range at least. In addition, Senator Henry Jackson has come up with his own energy bill that would, among other things, authorize $5 billion to build fifteen synfuel plants. In order to spread the wealth around and attract cosponsors Jackson made a point of specifying the following projects:

$500 million for the Solvent Refined Coal I project in Kentucky (supported by Senators Wendell Ford and Walter Huddleston);

$700 million for the SRC II project in West Virginia (supported by Senator Robert Byrd);

More than $1 billion for high- and low-BTU coal gasification projects in Ohio and Louisiana (supported by Senators Howard Metzenbaum and Bennett Johnston);

Geothermal plants now tentatively set for Idaho, California, and New Mexico locations (supported by Senators Frank Church, Alan Cranston, and Pete Domenici);

$300 million in loan guarantees for an urban and industrial waste conversion plant (supported by Senator Bill Bradley of New Jersey); and

$250 million for a new fuel-cell demonstration program pushed by United Technologies Corporation of Connecticut (supported by Senator Lowell Weicker).

A rather ominous section of the Jackson bill would essentially abolish what protection from pollution we have now. Section 204 of Senator Jackson's bill gives the secretary of energy authority to classify a proposed energy facility as a priority project. When such determination is made the project becomes exempt from portions of environmental laws, and the right to challenge such action in court is severely limited. Certainly petty environmental rules have hampered energy production on numerous occasions, but giving Jim Schlesinger the sole power to authorize pollution or override environmental safeguards would hardly seem to be the best approach. Moreover, Senator Domenici and ten others have introduced a $75 billion synfuel plan to produce five million barrels of oil equivalent per day by 1990. And Representative Carl Perkins, who is from a coal-rich district in Kentucky, has rammed through the House Education and Labor Committee—of all places—a $200 billion synfuel program that would make extensive use of coal.

In order to build support for the Jackson-Moorhead-Domenici-Perkins energy plans a sophisticated public relations effort is being geared up. The same week that Jackson's bill was introduced, major articles and editorials in favor of synfuels appeared in the *Washington Post* (which had opposed synfuel editorially in previous years), *Newsweek*, and the *New York Times*. One proposal in particular that received wide attention was authored by three influential Washington, D.C., veterans: Paul R. Ignatius, former secretary of the air force; and Lloyd N. Cutler, senior partner in one of Washington's biggest law firms. Each piece essentially repeated the same line: Synfuels may be expensive but it is better to pay the price than to be dependent on OPEC any longer. As the *Times* put it:

The arguments against a crash program for synthetic fuels are strong, and until recently they would have been persuasive. Much of the money is likely to be wasted, since no one is sure which production techniques are cheapest or how best to manage their development. The opportunities for pork-barreling and corruption would be plentiful. . . .

But five years of dissension and half-measures have changed that outlook. Americans bitterly resist solutions that require them to face the limits of their influence over foreign energy suppliers. Synthetic fuels offer a way out that fits the nation's image of itself and allows the inevitable economic sacrifices to be seen as the consequences of American strength, not weakness.

One can have sympathy for the view that OPEC should not have the control it does over world fuel prices, without sinking $100 billion into questionable energy technologies. The arguments against the first two synfuel bills are still valid. It makes no sense to rush headlong into developing synthetic oil at a cost of $30 to $40 per barrel when the wellhead price of lower-tier domestic crude is held down to $5.75 per barrel and foreign oil can be purchased for about $20 a barrel.

The fact that loan guarantees would be

used to build these synfuel plants in no way diminishes their actual economic cost. As Assistant Secretary of the Treasury Gerald Parsky testified on an earlier synfuel loan guarantee program:

"Any type of federal financial assistance resulting in the undertaking of energy projects which would not otherwise have been undertaken will lead to some redirection of resources in our capital markets. Such incentives increase the demand for capital while, having little or no effect on the overall supply of capital. They tend to cause interest rates to rise and channel capital away from more economic uses to less economic uses. In short, the proposed program of Federal incentives will direct capital away from other areas of our economy into synthetic fuels production."

Many argue for this kind of redirection of capital as if there were a legitimate national-security factor involved, or as if we were dealing with businesses somehow barred from access to capital markets. Yet the military uses only about 2 percent of U.S. crude oil consumption, so it cannot be claimed that national security is involved. In fact, Department of Defense officials who testified on the Moorhead bill refused to endorse it as necessary for national defense. Moreover, the companies involved with synthetic fuels are among the largest, such as Gulf, Shell, Exxon, Amoco, and Occidental Petroleum.

It would appear, in the final analysis, that companies that might be interested in synthetic fuel development, especially as the price of foreign crude goes higher, may well hold out for government loan guarantees and price supports because they expect Congress will provide them. It would be foolish for a company contemplating the building of a synfuel plant to do so on its own when the government stands ready to assume all the risk. This is what primarily bothered the lone dissenter on the House Banking Committee, Representative Ron Paul of Texas, about the Moorhead bill.

"As a proponent of free enterprise capitalism," Paul said, "I find it quite disturbing that we are continuing on a course of subsidizing private corporations and creating government corporations to achieve the goals of the Defense Production Act. In view of the fact that the government, that is, the American taxpayer, is assuming the risks of both the lending institutions and the corporations themselves, this bill might better be called the 'Corporation Welfare Rights Act of 1979'. . . Beside HR 3930, the bailouts of Lockheed and Penn Central pale into insignificance. What we see in HR 3930 is a blueprint for the combination and collusion of big government and big business to exploit the American middle class, the American taxpayers."

Unfortunately, it seems very unlikely that Representative Paul's view will prevail. On June 26, the House of Representatives approved the Moorhead bill by the lopsided vote of 368 to 25. Conspicuously not among those who voted nay were such environmentalists as Ottinger, Patricia Schroeder, and Andrew Maguire, and such fiscal conservatives as John Ashbrook, Philip Crane, and Robert Dornan. The twenty-five dissenters, almost evenly divided between Republicans and Democrats, were a small but heroic band of the most resolute environmentalists and fiscal conservatives. Apparently Representative Toby Moffett was guilty of gross understatement when he said before the House vote, "The synfuel thing is greased. You've never seen such a locomotive."

The Senate's response now remains unclear. The Defense Production Act was passed by voice vote on June 20 without the synfuel section. On June 27 the Senate decided to hold additional hearings on the synfuel section of the Defense Production Act, but since the section was referred jointly to the Senate Energy Committee, the Governmental Affairs Committee, and the Banking Committee, this could turn into the biggest "Christmas tree" bill of all time, with every senator attaching his pet energy program as an ornament.●

HEALTH CARE IN RURAL AMERICA

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. NOLAN. Mr. Speaker, I would like to take this opportunity to alert my colleagues to a recent report released by the Department of Agriculture entitled "Health Care in Rural America."

The report, prepared by the Department's Economics, Statistics and Cooperatives Service, concludes that the health needs of rural citizens are not being adequately met. The report reveals that the major reason rural Americans have inadequate access to health care services is poverty.

Clearly, the time has come for the Federal Government to construct and implement a comprehensive rural development policy, which would recognize the special needs and problems of rural citizens. A key component of this policy should be a national strategy to eliminate rural poverty and thereby improve rural health care delivery.

I am inserting the press release from the Department of Agriculture announcing the release of the report.

The release follows:

USDA SAYS HEALTH CARE LAGS IN RURAL AMERICA

WASHINGTON, July 20.—Rural areas continue to have greater unmet health needs and "fewer health resources than any other area of the United States," says Mary C. Ahearn, an economist with the U.S. Department of Agriculture.

A report issued here today says every 100,000 metropolitan dwellers are cared for by 157 doctors, while every 100,000 nonmetropolitan Americans are served by only 71 doctors. In addition, rural areas have only about a third as many medical specialists per 100,000 population.

Ahearn said while distribution of hospital and nursing home beds per capita is more nearly equal between the two areas, rural facilities are generally older, are less likely to be accredited and often lack specialized services, such as respiratory, therapy and psychiatric services.

The recent reversal of the rural-to-urban population migration has increased the strain on the health care system in totally rural areas because the increase in the number of physicians in these areas between 1970 and 1975 did not keep up with population increases.

The report, "Health Care In Rural America," says poverty is a major obstacle to improved health care in rural areas since a disproportionately larger number of rural residents live in poverty.

According to Ahearn, "Poverty increases the incident of disease through its relation to poor nutrition, housing and sanitation, and as family incomes decrease, the average number of disability days per person per year tends to increase. Poverty also decreases an individual's ability to buy needed care, both directly, and indirectly through insurance plans."

The report, issued by the department's Economics, Statistics, and Cooperative Service, describes other special rural area health problems and some of the major government programs for dealing with them.

Single free copies of "Health Care in Rural America" (AIB-428) are available from ESCS publications, room 0054-S, U.S. Department of Agriculture, Washington, D.C. 20250. Please include your zip code.●

SURVIVAL OF U.S. LEATHER INDUSTRY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. RODINO. Mr. Speaker, later this week we are scheduled to consider the Export Administration Act Amendments of 1979. At that time an amendment will be offered to restrict cattle hide exports under certain conditions.

I have joined in cosponsoring this amendment, for I believe action is urgently needed if we are to prevent the demise of our domestic leather using industry and employment it generates. It is unconscionable to me that we should continue export policies that are causing irreparable damage to this industry and the thousands of jobs it provides while other countries refuse to cooperate in achieving an equitable trade arrangement.

The July 1 issue of Retailweek contains an excellent article outlining the problem and I ask that it be included in the RECORD for the information of my colleagues.

The article follows:

ON THE TRAIL FOR CATTLEHIDES

The recently launched Hide Action Program may turn out to be the domestic leather industry's last stand. Unless export controls are imposed, the U.S. leather industry won't be able to afford the price of U.S. cattlehides.

Time was, the leather industry—from tanning to turning out the finished product—was a major U.S. industry ranking right up there along with the likes of the steel industry. Today, those who are still left in the U.S. leather industry are finding it necessary to band together and attempt to impress upon Washington that this industry is in danger of becoming as extinct as the buggy whip.

Yes, everyone in Washington already knows that the shoe people in particular have been living with a knife in the back known as imports. But what the entire leather industry is trying to explain to Washington is that as difficult as it is to compete with imports of finished goods, the manufacturers of footwear as well as handbags, luggage, outerwear, sportswear *et al.* might as well throw in the sponge if they cannot buy the U.S. hides needed to make U.S. products because the majority of them are being sold to those same countries which produce the finished products, which come back to the U.S. to haunt the industry for the second time around.

The irony of the situation is that the United States is the major supplier of cattle hides to the world, representing about 15% of the world supply. But the majority are sold abroad with these exports representing about 75% to 80% of the world supply. This world-wide demand for U.S. cattlehides is exacerbated by the fact that other countries with substantial herds—such as all the South American countries—totally prohibit the export of hides; preferring to keep them at home to develop and protect their own leather industries. These restrictions create an inordinately high demand for U.S. cattlehides that has been abetted by the cattlemen's restrictions in the size of the cattle slaughter.

This combination of foreign demand, South America's refusal to sell hides, and a reduced U.S. cattle slaughter have caused the price of U.S. hides to skyrocket. The domestic industry's dilemma began in 1972 when Argentina cut off its sale of hides, eliminating about 12-million hides from the world market. Hide prices then jumped from 14 cents to 32 cents a pound, then stabilized in the area of 38 cents a pound. At that time the U.S. exported about 48% of its hide supply.

But between 1975 and 1977 U.S. cattlemen began to reduce the size of their herds. Cattle slaughter peaked in 1976 when 43.2-million hides were available, but it is estimated that the number of hides available in 1979 will be down to 34.2-million. While supply has been dwindling, however, world demand for U.S. hides has been escalating; exports are expected to take 24.5-million of the 34.2-million in 1979. This means that the U.S. in 1979 will be exporting 71.6% of its hide supply and supplying 75% to 80% of the world hide trade. This export level also means only about 10-million hides will be left for U.S. producers when domestic requirements for hides are between 18- and 20-million a year.

This shortage has created price levels that the industry cannot afford to pay, even if enough hides were available. The jump from 14 cents to 38 cents in the early 1970s looks like the good old days. By December 1978 prices reached 58 cents a pound; but between December 1978 and May 1979 prices zoomed to more than $1 a pound.

Neither declining supply nor higher prices have dampened the foreign appetite for U.S. hides. Where else are the Far Eastern and Eastern Bloc countries—anxious to build a business in finished leather goods but without a cattle supply of their own—to go for hides? The U.S. is virtually the only country left with both a large cattle supply and freebuying access to this supply.

The country taking the greatest advantage of U.S. policy is Japan. Though it closes its doors to U.S. finished leather products, Japan, nevertheless, has an insatiable appetite for U.S. hides; buying 35.9% of U.S. hide exports in 1978. The purchases of Japan and Korea combined account for more than 50% of exports with 30 other countries accounting for the rest. Due to an exchange rate advantageous for Japan, the price of U.S. hides has not deterred Japanese purchases. On the contrary, the Japanese have been buying more.

The upshot is that neither Brazil, Argentina, Uruguay, Mexico, India nor Pakistan—countries with substantial herds—will sell hides in the open market. They want to protect their domestic industries. Japan, Korea and the Eastern Bloc will buy almost all the hides the U.S. has to sell, but they will not take finished leather goods. They want to protect their domestic industries. That leaves countries such as Canada, Australia, New Zealand and those in western Europe as world markets for the sale of hides; but it is the U.S. that has the greatest supply. Now the U.S. leather industry is saying—enough is enough. It is saying it doesn't object to operating within the traditional laws of supply and demand; but it cannot survive when, in reality, this means only the U.S. has the supply and every other country makes the demand.

That is why several trade associations in the industry have banded together to launch what is called the Hide Action Program (HAP). This program is an attempt to bring the plight of the industry to the forefront through demonstrations in cities hosting leather-using industries and by blitzing members of Congress and President Carter with letters and personal visits. The program's goal is to convince Washington that action is needed now in the form of export controls on U.S. hides that would both bring down the price of hides and make more of them available to U.S. producers.

HAP's message is that the alternative to action from Washington is the ultimate extinction of the domestic leather industry with the resulting loss of thousands of jobs or, at best, price increases in leather products that the industry estimates could cost customers over $1-billion a year. Given the high U.S. hide prices and the fact that foreign countries are dependent on these hides, customers switching to imported leather products is no longer a viable alternative in an effort to economize. Neither U.S. nor imported leather goods may be affordable by U.S. consumers.

Unfortunately, this recent mobilization by the industry has only a slim chance of producing results. Though it has been aware of the hide situation since 1972, Washington has never displayed any great sense of urgency in alleviating the problem. In 1972, following Argentina's action, the concept of export controls was entertained and then quickly dropped. Since then, despite preferential tariff treatment for the so-called developing countries, these same countries have ignored Washington's efforts to persuade them to sell their hides on the open market. And, negotiations with Japan have extracted only an unofficial promise that it will reduce purchases of U.S. hides by 10 percent. But, even if Japan were to honor this 'promise'—which it hasn't—this 10 percent figure is meaningless since U.S. cattlehide supplies have decreased by much more than this 10 percent figure.

Leather industry members claim that it is only their current desperate plight and past failures in attempting to resolve the problem through negotiations with foreign countries that have left no choice but to push for export controls. If this means that the U.S. leather industry is going to have to explain this 'protectionist' move—so be it. The industry prefers free trade in hides but has been unable to achieve it. Understandably, the industry is now tired of being "the unwitting patsy in the international free trade game". So it is shooting for export controls because all else has failed.

Unfortunately, there is another and more powerful lobby in Washington; they know how to use a sixshooter, too. This lobby consists of the cattlemen, or as the leather industry prefers to call them, the cowboys. They have already made it clear to Congress and the Administration that they don't hanker for hide controls. They like things just the way they are. Evidently their message has been heard, for the Administration has already also declared itself against export control of hides.

But, never fear, Washington will concoct a solution, even if it is the wrong one. Right now Washington has suggested that it might be willing to provide subsidized loans to enable U.S. industry members to afford U.S. hides. Unfortunately, Washington has overlooked the fact that loaning money to U.S. manufacturers for the purpose of buying hides at already inflated prices will merely drive the price of hides ever higher, insuring that more and more of the domestic leather industry will surely go down the drain.

It is now high noon for the domestic leather industry. The HAP program is, at least, a sure sign that it intends to go down fighting.●

SPANISH SURNAMED WOMEN OF YESTERYEAR

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mrs. SCHROEDER. Mr. Speaker, my State of Colorado and other Southwestern States are particularly enriched by the influence and heritage of Hispanic peoples. Colorado's Hispanic women honor the historic cultural ties which bind them together. Today's active Chicanos, speaking out for their people, know well the stories of their mothers and grandmothers. Marcella Trujillo, in her article, "The Colorado Spanish Surnamed Woman of Yesteryear," shares the legacy of a past which continues to nourish the present.

The article follows:

THE COLORADO SPANISH SURNAMED WOMAN OF YESTERYEAR

(By Marcella Trujillo)

The history of the Spanish surnamed in Colorado has survived in our communities through the oral tradition or preservation of the archaic speech in Colorado dialect. If the older generation of the state were to compile autobiographies, we would have recorded a rich history of tradition, lifestyle and customs going back to the seventeenth century. In this preface to the contemporary Chicanos, I would like to offer some aspects handed down to me through oral tradition going back so far, it is untraceable, except to say that I am fifth generation, born in the San Luis Valley of Colorado.

My father has said to me as it was said to him, that Del Norte lost by one vote in becoming the state capitol. I often wonder if Del Norte had been the state capitol, our history might have been similar to that of New Mexico, with more emphasis on the Spanish speaking and our Indo-Hispanic culture.

I would like to comment on the earlier generations of women in the Valley, emphasizing this area since it was the oldest settlement in Colorado. Southern Colorado with northern New Mexico was the first European settlement in the United States. Although we can speak of earlier expeditions, we cannot talk of settlements because the earlier Spaniards such as Coronado returned, and did not settle here. Since there were not state boundaries at that time, to talk about northern New Mexico and southern Colorado is to speak about the same region even today. This Valley is 7,000 feet high, in a basin surrounded by mountains, causing an isolation that has caused this area to be exploited economically, causing the population to migrate into the larger cities. It is well known that politicians have not put industry into this area, one of the most picturesque in Colorado, with the end result that today, this area is economically depressed and the largest percentage of Chicanos on welfare rolls are from this area.

It is said that the Spanish who explored this area in the 16th and 17th centuries chose it as the site for settlement because the valleys, streams and mountains reminded them of the area they had come from. In 1598, Juan de Oñate with 300 families and Tlaxcaltecan Indians came into this area to homestead. While waiting in Mexico for permission to enter the territory, he had married a mestiza and brought her with him.

Both cultures, the Indian and the Spanish-American learned much from each other. From the Indians, the woman learned how to bake bread outdoors in adobe hornos, how to dry meat (charqui), today, called 'jerky,' and learned how to store the meat in sacks

for the winter. The Indians also showed how to make dyes for blankets and how to cure, using herbs.

The area was agricultural and included some land grants. In these tightly knit communities, neighboring farmers and their families helped each other harvest the crop. It was a communal and cooperative system, and up to 1968, the people in San Luis owned a common ejido where they grazed their cattle. At that time, there was a gun battle between the people of the ejido, and the New York anglo who put up a fence around it, claiming that the land was his through a recent sale.

It was common to have large families in earlier times so that each family could supply their own farmhands. As the people begin to lose their land through taxation or illegal manipulations of the gringo, they continued to have large families so that the whole family could provide an economic base of survival. Also, many children died in childhood, so having large families guaranteed that enough would survive to provide for the family and to take care of the parents in their old age since nursing homes were unheard of. It was not unusual to find three generations in one household. Later after the second World War, as we migrated to the urban cities, Pueblo or Denver, we kept contact with the relatives behind, renting houses in the neighborhood as they became available for those who were to follow the migration pattern.

In my own childhood, I remember that the women spent the summer drying fruits and vegetables, as well as canning before refrigerators came into use. It was common to have a casita for food and meat storage. Sometimes walk-in-holes were dug in the earth, called "subterraneos," which served as a cold storage area. Almost everyone in the neighborhood has a "huerta" in their yards, and water was supplied from artesian wells which irrigated the lawns and gardens. I remember that among my relatives and neighbors, it was a rare occasion for anyone to buy at the store since food was provided for by the garden, and meat from killing hogs, sheep or chickens was shared by all the relatives and the immediate neighbors. Dairy products were sometimes supplied by relatives living on the farm.

Curanderismo and the parters (Midwives) were common in my grandmother's day. My own grandmother, Martina Rendon Lucero, born in 1864 and died in 1950, had never been to the hospital in her life, except to die at the age of 86. Women had a knowledge of home remedies. Today, the herbs they planted still grow wild in the mountains and valleys by a generation of women who were used to caring for their own families, relatives and neighbors in their communities, rather than going to doctors.

The same beliefs that gave rise to the Penitents, a religious cult, produced legends about brujas (witches) and true stories about the gypsies who traveled in the Valley and were much feared because they had the reputation of stealing children.

The food that we ate was Indian and Spanish. It was Indian in the types of chili that we ate, some peculiar to this day to Colorado and New Mexico, such as the long green chili. Other regional foods include the chicos, pinon, panocha, cheese made from goat milk, requeson, sweet rice, corn, lamb, beef, capirote called "sopa" and flour tortillas, different than the thin kind made today, but which were thick and puffy.

The dating and marriage customs of earlier times were much different than today. Often, marriages were arranged between the families. If a suitor was rejected, it was customary to give him pumpkins. If he was accepted, he would read a long poem of eulogy, to the new lineage. In my grandmother's time, dating was not permitted, and even with the noviazgo (engagement) women were often chaperoned much as they were in Mexico or Spain.

Weddings generally lasted three days. Prior to the wedding, there were banquets hosted by each of the families. The gown and rings were paid for by the groom, the wedding by the bride's parents and the dance by the padrinos. During the wedding, the "versero" would sing the traditional coplas about marriage. These were verses handed down by oral tradition and performed at weddings. They remain alive in the Valley with the older generation and will probably die with them unless recorded. It was customary for the mothers of the bride to cry when the versero sang the copla starting with the line, "ya no hay madre, ya no hay padre . . ." The versero would also compose poems about the guests present and this would call for money to be thrown at his feet while he sang.[1]

During the wedding, the bride and groom's parents gave the "bendición"—blessing before the newly married couple left on their honeymoon. The wedding reception was full of ritual and ceremony, including the wedding march which was usually marched to the song, "Zacatecas."

Interestingly enough, the dialect which had persisted since the 16th and 17th century tells us something about Spanish surnamed women. They called their dresses "tunicos," a term that is old as Roman times—the tunic. "Downtown" was "la plaza" which tells us that the towns were constructed around squares. Beds were called "camaltas" (camaaltas) which tells us that the earlier beds must have been built higher than today's, since "camalta" means high bed. The mattresses were often made of goose feathers or sheep's wool.

Proverbs which are found in Don Quijote are still in use today. The fact that the dialect has persisted, but which is slowly dying out, tells us that another concept of the 16th Century lifestyle may still be eltant. I am referring to the 16th Century concept of honor which originated in Europe. "Honra" and "honor" were the 2 points of honor (pundonor) which governed the family institution. "Honor" was what a man thought of himself—"My name is my fame, i.e., reputation," and "Honra" was what others thought of him. As in Spain and Mexico, the women of the family were considered the repositories of that honor. If their behavior stained the family name, it was a "pundonor" and the men of the family were required to cleanse the family name by duels. While this was not the case in Colorado, it did put emphasis on the fact that it was a man's duty, husband, father or brother to watch carefully over the young women of the family. Hence a woman's activities were restricted so as not to provoke the men's machismo.

Whether this concept of honor reinforced machismo as we know it today, it is a fact that the ballad "Rosita Alvirez" is well known and perpetuated among the Chicanos of Colorado. The men identify with the young men in the ballad, Hipolito, the macho, and the women sympathize with Rosita, the victim of that machismo, killed for rejecting him publicly at a dance.

—Rosita, no me desaires
la gente lo va a nortar.
—Pues digan lo que digan
contigo no he de bailar.[2]

This concept of honor also manifested itself with the initiation of La Raza Unida Party in Colorado in 1970. The Democratic party had challenged the signatures of Raza Unida prospective voters because these people hadn't wanted to swear to God, but rather on their honor. We were even called "atheists" by the press, because the Anglo community didn't realize that honor was as sacred to us as the concept of God.

Corky Gonzales and I took the stand in court to explain this cultural difference, and ended with a quote from Pedro Calderon de la Barca's, concept of honor play, El Alcalde de Zalamea:

Con mi hacienda;
pero con mi fama no.
Al Rey la hacienda y la vida
se ha de dar; pero el honor
es patrimonio del almo.
y el almo solo es de Dios.[3]

After his testimony, having explained this cultural difference which dated back to the Siglo de Oro in Spain (ending c. 1682), La Raza Unida was granted admittance as a third party and the signatures of those who had sworn on their honor were accepted.

Although the Valley has often been called a culture of poverty by well meaning sociologists, this was not so in earlier times. The Spanish surnamed ancestors under the Spanish and Mexican dominion had prestige and wealth. A remnant of that prestige was noticeable in the use of "don" and "doña," titles of respect and used by everyone up the decade of the 40s.

Education was limited in the Valley, so the girls were sent to Loretto Heights Academy in Denver, or to the business schools in Denver. Boarding was provided by the nuns at St. Rose's home, formerly at 8th and Champa Sts. This was true in my mother's generation. She finished business school in Denver in the 20s, and this may have been the last generation to do so before the economic depression created the educational gaps between the 30s and 40s. The careers then sought were secretarial and nursing.

Knowing the English language was often the only qualification needed for the women to teach school, and these women were the teaching faculty for all grade levels in the Valley.

Nurse's training in the Valley sometimes meant internship at a doctor's office or traveling with him on his cases, as was the case of Gertrude Manzanares of Alamosa in the 30s as a Public Health nurse. While traveling in Texas, she was approached by an agent for a soda pop manufacturer for permission to use her picture on a soda pop bottle. She declined the offer because her mother told her that decent girls didn't do such things. The interpreters of the community were often drawn into fighting for social issues and cause because of their intermediary position.

Truly the Colorado women of the past were more repressed by families and society. The effects of that repression have been felt by today's Chicano.

It would be naive to think that only those women engaged in feminist organizations are activists for a social change. The mother in each family serves as a motivating factor for the whole family's success and only their children can speak to that and give credit where credit is due. Each family has an unsung heroine, but who must surely be praised individually, and not just on Mother's Day which is daily in our Colorado communities, wherever Chicanos live.●

[1] As an aside, the youngest verser I know is in his 40s, Paul Pacheco, of Monte Vista, Colorado, and being this young could well make him one of the last of the versero tradition.

[2] "Rosita, you have no right to reject me in public." "Well let them say what they want, I am not going to dance with you."

[3] "I will give the king my life and my property but not my honor since honor belongs to the soul and the soul belongs only to God."

THE DRAFT AND NATIONAL SERVICE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. PAUL. Mr. Speaker, the draft and national service are wrong morally, and on this ground alone should be opposed.

But they are also bad ideas economically, as a recent article in Reason magazine demonstrates.

We need a stronger, more effective national defense; compulsion would not achieve it. Nor will it increase public service by young people.

I would like to draw this article to my colleagues' attention. It contains information that we all should ponder carefully.

The article follows:

THE COST OF CONSCRIPTION

(By William P. Field, Jr., and Donald J. Boudreaux)

(NOTE.—Besides being immoral, forcing people into military or national service is not cost-effective.)

There is a great deal of disquieting talk in the United States these days about reverting to conscription of the nation's youth. This conscription is to be used not only to fill the military ranks but also, under the dubious title of "national service," to fill federal government jobs or jobs designated as desirable by the federal government.

Libertarians thought the battle against conscription had been won, but statists almost never give up on any possibility for increasing their power. Today, an alliance of conservatives (who want the military draft) and liberals (who want mandatory national service) has created a very real possibility that a proposal combining both could obtain the congressional votes necessary for passage.

Obviously, such a proposal is even more repulsive and immoral (if degrees of immorality are possible) than a proposal for a military draft alone. The technical skills of a philosopher are clearly not necessary in order to reject it on purely moral grounds. Our purpose here, however, is not to restate the moral arguments against this draft-national service proposal but rather to explain the economic falacies involved. Even these provide ample reason for opposition to the proposal.

NO MONEY MAGIC

Those wishing to reinstitute the draft (mostly conservatives) mainly emphasize the enormous and exploding costs of military manpower. They argue that these costs make it much more difficult for the United States to finance all its needs for military hardware and technology. This difficulty, in turn, makes it more likely that the United States will eventually fall behind the Soviet Union in both areas. Obviously, with a draft, wage rates for military personnel could be lowered and outlays for manpower reduced. This is what conservatives mean by their claim that use of the draft would lower defense costs. Thus, they conclude that "the military problem" could be solved, or at least substantially alleviated, by a return to military conscription.

This argument seems to have a kind of superficial validity, but it falls apart completely when subjected to economic analysis. Contrary to the claim of the conservatives, the reinstitution of the draft would not result in the true cost of military personnel being magically lowered from the cost of the present all-volunteer force. The true economic cost of having an individual in the military is not the wage he is paid but rather the goods and services he could have produced in the private economy—the opportunity cost, as it is called by economists.

The wage rate an individual earns in the private economy is a minimum indication of his productivity there. No businessman who expects to continue in operation can afford to pay a worker more than the value of his output. With an all-volunteer army, individuals must be paid at least what they could have earned in the private economy to induce them to volunteer. Thus, the taxpayer has to pay the true cost of having these individuals in the military.

The result of the use of the draft to obtain military personnel would be that the economic burden of the military, rather than being *reduced*, would simply be *shifted* from the general taxpayer onto the shoulders of the conscripted individuals. A tax break would be given to civilians at the expense of the draftees, who would pay a tax in the form of forgone wages and benefits. Obviously, this would reduce the size of the reported military budget, but it would not reduce the cost of the military to the society as a whole.

But the situation is actually much worse than this. The true economic cost to society of armed forces obtained through conscription would inevitably be much greater than the cost of an all-volunteer force, for at least two reasons.

GREATER COSTS

First, under an all-volunteer system, individuals with the poorest alternatives (the lowest opportunity cost) tend to be the ones who volunteer. Thus, the nation obtains military manpower at the least cost in sacrificed private output. With a draft, individuals would be forced by a set of arbitrary rules to join the military. Many of these individuals would have very high opportunity costs (some would have particular skills, either latent or already developed, in athletics, art, business, science, etc.). Consequently, the cost of obtaining the same amount of military personnel, in terms of lost private-sector output, would inevitably be much higher.

Another factor that would increase economic costs of the military if a draft were used to obtain personnel is the misuse of resources that would occur within the military. Since under a draft the explicit cost of manpower would be artificially lowered, those officers making decisions about how various tasks should be performed would think of manpower as a relatively cheap resource. This would lead to the overuse of manpower relative to machinery, as draftees would be used to perform all sorts of menial tasks. Consequently, more draftees would be needed, each costing the private economy much more than his military pay and each suffering the loss in the form of reduced wages.

The same argument can be extended to the decisionmaking process concerning appropriate battlefield techniques. Military commanders must choose among an almost infinite number of possible combinations of planes, tanks, ships, other equipment, and manpower. Inevitably, if the cost of one of these items is held down artificially, military decisionmakers will tend to overuse that item. Thus, with a draft, all planning for potential wars would tend to involve an overuse of manpower, and in an actual war inflated casualties would result. Notice that we are not assigning evil motives to anyone but rather simply pointing out that relative prices inevitably affect decisions.

In short, then, the draft, far from reducing the true economic cost of military operations, would only serve to substantially inflate that cost while imposing large, inequitable burdens on the unfortunate draftees. Those who wish to reinstitute the draft will find no support for their argument in economic analysis.

Turning now to the "national service" aspect of the current proposal (that portion appealing to liberals), we find that it is even more disastrous in economic terms than is the draft aspect. The implied assumption of the "national service" proposal is that every individual should have to do something for other Americans during at least some short period of his life and that only those individuals who work for the federal government or in jobs designated as desirable by the federal government do anything of benefit to their fellow citizens.

SERVICE FALLACIES

Those who accept this argument are obviously blind to the process that enabled the great wealth of the United States today to be created—the free market. They are obviously blind to the beneficial social effects of voluntary individual actions. Their argument implies that individuals working on a farm, in a factory, in a fast-food restaurant, or in any other form of private employment are performing no services of value to their fellow citizens.

As totally fallacious as that argument obviously is, think of the other side of it for a minute. According to the advocates of "national service," if we take millions of young Americans and force them to become federal government employees or to accept those jobs designated for them by the federal government, they are somehow to become highly productive individuals providing huge benefits to their fellow Americans. After all, if the Department of Energy just had another 20,000 employees, especially 18- to 24-year-olds with high school diplomas, just think how much more efficient it would be and what benefits it could offer Americans!

The economic fallacies here are so obvious that the temptation is to simply ridicule the proposal. Unfortunately and unbelievably, many politicians and citizens are taking the proposal quite seriously. Thus, it is essential that the economic arguments against compulsory national service be spelled out clearly.

THE EFFICIENT HAND

These arguments all revolve around the central point that the "invisible hand" of the free market is a more efficient allocator of resources than the "visible hand" of government. This one conclusion stands out unmistakably in even the most cursory study of economics. Whether you approach economics from theoretical, historical, or empirical perspectives, it is impossible to reach any conclusion but that the market almost always works and government planning almost never works. Different approaches to economics may involve different methods of reaching it, but the conclusion is crystal-clear. And why is the "invisible hand" superior to the "visible hand"?

First, as so eloquently explained time after time over the last 50 years by F. A. Hayek, there is no way for government planners to obtain all the information necessary to run the entire economy. The government cannot come close to gathering and analyzing all the relevant specific knowledge needed to enable it to act as an efficient allocator of human resources. With respect to compulsory national service, it would be impossible for government to figure out the most productive use of millions of young people, especially since they would all differ in skills and interests.

Second, even if the information problem could be solved, James Buchanan and other economists of the "public choice" school have pointed out that it is out of touch with reality to think that government decisionmakers are even concerned with taking whatever ac-

tion will most benefit all individuals in the United States. Those involved in government decisionmaking—whether they are politicians, bureaucrats, or special-interest groups—act in their own self-interest just as individuals in the private economy do. The traditional distinction between a selfish private sector and a selfless public sector is toally fallacious.

Decisions about what to do with all these "national service" workers would be made on the basis of the self-interest of the decision-makers. Politicians would want the workers used in such a way as to maximize the number of votes they would obtain from the services provided. Bureaucrats would want the workers used to increase the size and power of their particular agencies. Special-interest groups would want their own pet projects carried out. How could anyone believe that such a struggle for advantage could end up making efficient use of national service workers?

Other arguments could be marshaled against the "visible hand." We could look at past experience with programs creating government jobs and how they tend to become simply make-work projects. We could talk about how difficult it is to get rid of such programs once they are established, even if they were originally supposed to be temporary in nature. We could talk about specific cases of failure of the "visible hand" such as the postal service, public schools, urban renewal, and zoning. But surely the two arguments already discussed in some detail are sufficient to explain why government planning is inherently inefficient and "national service" would inevitably be disastrous.

There is only one conclusion to be drawn from economic analysis—any form of conscription is economically unwarranted and undesirable. The economic effects that necessarily accompany the use of conscription, whether for military manpower or national service, are undeniably harmful, rather than beneficial. The economic evidence is overwhelming—individual choice is much more efficent than government compulsion.

Of course, those who advocate conscription do not draw only from economics. Arguments based on morality and patriotism also appeal to many Americans. Economic arguments can be used to clear up some of the misunderstandings that make conscription seem attractive, but clearly the moral arguments must be attacked directly. The basic immorality of force and the absurdity of the idea that patriotism can be encouraged by the use of conscription must be emphasized again and again. In this case as in others, libertarians must continually restate the central point that individual liberty not only yields the most efficient economic results but also is the only truly moral system.●

AIRBAG DEBATE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. RINALDO. Mr. Speaker, when this body debates the appropriation for the Department of Transportation, an amendment will be offered by the gentleman from Michigan (Mr. DINGELL) to prohibit the National Highway Traffic Safety Administration from using any of the appropriate funds to implement and enforce an airbag standard during the upcoming fiscal year. There has been intensive lobbying on this issue and the Members have heard many arguments, both pro and con, on the issue of mandatory installation of airbags in this country's automobile fleet. After listening to both sides of the argument, I reached the conclusion that we just do not have enough information about the effectiveness of airbags to require their installation in all new cars. Therefore, I plan to vote for the amendment when it is offered on the floor.

There is, however, one argument which I find particularly persuasive which has not been widely discussed by the Members of this body and this is the product liability implications of mandating airbags at this time without sufficient real world knowledge of their effectiveness. The Consumer Protection and Finance Subcommittee, on which I serve as ranking minority member, is currently holding a series of hearings to examine the product liability problem now facing this country's manufacturers. We have seen that the incidence of product liability litigation has been rapidly increasing to the point that many manufacturers find it difficult to even obtain product liability insurance. Installation of airbags at this time would present unique product liability problems for this country's automobile manufacturers and I think that we need to be well aware of these problems before we agree to mandate airbags on this country's automobile fleet.

These problems were recently discussed in a study done by Harbridge House, Inc., a Boston, Mass., consulting firm under contract to the National Highway Traffic Safety Administration. Harbridge House concluded that:

Current trends in the tort litigation system, working on the high expectations likely to be aroused by compulsory passive restraint systems, will cause a considerably higher frequency of product liability suits to be launched against the auto makers and, very likely, a higher product liability related cost. The magnitude of this incremental cost remains virtually impossible to forecast.

To support this conclusion, Harbridge House made the following statement:

Although the treatment of product liability differs in the 50 different U.S. jurisdictions, in the past decade there has been a growing shift away from the concept of manufacturer negligence toward one of strict liability. As this has occurred defenses of abnormal use, assumption of risk, and contributory negligence have been diminished. According to Professor Richard Epstein of the University of Chicago Law School, a widely acknowledged expert in liability law, the tenor of the times is in favor of the plaintiff's recovery with the burden of proof on the defendant. This change in the interpretation of liability has been accompanied by the retroactive application of new interpretations. In addition, some jurisdictions are permitting the awarding of punitive damages.

The passive restraint systems to be implemented under MVSS 208, no matter what their degree of actual reliability in performance, are likely to arouse even higher levels of performance expectation. Because of the technical limitations of both air bags and passive seat belts, we believe that these expectations are likely to generate a high frequency of litigation. This appears to be already foreshadowed by the 1976 experience of General Motors in its ratio of lawsuits to air bag deployments. Concern about the unpredictability of the air bag product liability risk has been cited by Eaton Corporation as a principal reason for abandonment of its air bag program.

The uncertainty present in the rapidly shifting definitions of liability in many states presents a variety of issues in which risk forecasting becomes uncommonly difficult. The following are just a few illustrative hypothetical instances:

The owner of a car equipped with a passive seat belt system is injured and claims the use of deficient technology (i.e., the choice by the manufacturer of belts rather than air bags) because of the resultant cost saving.

The owner of a car equipped with an air bag is injured, primarily because that person did not affix the lap belt, but nonetheless claims manufacturer liability.

The owner of a car equipped with a passive restraint system disconnects the system, is injured, and claims manufacturer liability on the grounds that system should not have been so easy to disconnect.

Although passive restraint systems will generate fewer bodily injury claims, they also seem certain to generate many more product liability claims. Without major changes in the tort litigation system of the sort proposed by the Department of Commerce Interagency Task Force on Product Liability, the financial impact could reach massive proportions and hold broad implications as an issue of public concern.

Mr. Speaker, it would be sheer foolishness for the Members of this body to approve mandatory installation of airbags without thinking through all the ramifications of such action. By supporting the Dingell amendment, we will guarantee that needed research and development into any unanticipated problems with airbags will continue.●

STATEMENT ON THE EDUCATIONAL TESTING ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. WEISS. Mr. Speaker, I am today introducing the Educational Testing Act of 1979, also known as the truth in testing bill, along with Congresswoman SHIRLEY CHISHOLM and Congressman GEORGE MILLER.

This bill addresses the growing concern among parents, students, teachers, academic administrators and the general public about the appropriate uses of standardized tests in the admission process for postsecondary schools. The legislation is an extension of measures enacted in California last October and in New York 2 weeks ago.

Colleges and graduate and professional schools rely heavily on standardized test results in deciding which students to admit. These examinations have a profound impact on the educational and occupational future of millions of Americans.

Serious criticisms regarding the reliability and objectivity of standardized tests have been raised from many quarters in recent years. Studies have shown, for example, that the examinations are poor indicators of achievement in school and are marked by cultural, racial, and

geographic bias. A 1977 study by the California Postsecondary Education Commission demonstrated that the scholastic aptitude test (SAT), which is widely used as a criterion for admission by undergraduate institutions, discriminates against students from lower-income backgrounds. The study found that "the average family income for students who earned 650 or more points (out of 800) on the SAT was $26,400. Students in the lower range—below 350 or more—had a mean family income of $14,500."

A 1975 University of California at Berkeley study offers a similar conclusion. Students whose family income was below $6,000 scored 92 points lower on the SAT than did students whose family income was $30,000 or higher, the study said.

Another Berkeley report found that high school students with high grade point averages but low SAT's did as well in college as those students with high SAT's. In fact, according to study author Dr. Harrison Gough, "they were more apt to take the BA degree within 4 years."

Equally crucial is the admission by the testing industry itself that the standardized exams cannot measure creativity, judgment, determination, experience, or idealism—characteristics which will influence academic accomplishment and which should be considered as pertinent admission criteria.

It is not, however, the purpose of this legislation to tell the testing industry what questions to ask on the exams or to tell schools what weight to assign to test results. Instead, the bill is designed to alleviate bias inherent in the tests, to improve public accountability and to mandate financial disclosure.

One section of the legislation requires testing companies to send the U.S. Commissioner of Education studies or reports they compile on the tests and their results. This provision will foster a better understanding by institutions and the public of the uses and limitations of the tests. The bill also directs the Commissioner to assemble data on the income status and background of test takers in order to determine the fairness of the exams.

Another section of the legislation stipulates that students be given basic information before they take the test so that they will have a better understanding of the exam's purpose and the meaning of its results. The bill states that the registration form for the tests must state the following: the purpose of the exam; its subject matter; the knowledge or skills on which students will be tested; the predictive value of the test; the margin of error for the exam and an explanation of the scoring scale; the ability of preparation courses to improve scores; the test taker's privacy rights; the length of time for which results will be kept by the companies; the date on which a student will receive results; and testing facilities available to the handicapped.

The bill also mandates disclosure of the test questions and correct answers after an exam has been given if a test taker requests such information. Research on the validity of the tests and public discussion of the merits of the exams will be encouraged by this provision. This feature will likewise reduce the risk of computer error causing a test taker to be incorrectly scored.

It should be stressed that some students already have access to the questions used on previous tests. Companies specializing in preparation courses for the standardized exams routinely send employees to take the tests and to memorize or copy questions. Those students who can afford to enroll in these expensive coaching sessions then receive the benefit of taking practice tests that contain actual questions used on earlier exams.

The testing industry objected strongly to inclusion of the question and answer disclosure provision in the recently enacted New York legislation. Testing company lobbyists argued that this feature would increase the cost of preparing the tests. Indeed, administrators of national standardized tests for dental and medical schools are now threatening to stop giving the exams in New York State unless they are given a special exemption from this provision of the new law. Law school admission test administrators are likewise reported to be considering such a boycott of New York.

This is not only outrageous arrogance on the part of the testing companies, it is also a gross distortion of the true costs involved in preparing the tests.

The cost of exam development is actually quite small, and the development of new tests which may be necessitated by the answer-disclosure provision should not result in any significant increase, if any, in the fees for test taking. In 1976, for example, less than 3 percent of the income of the admissions testing program (SAT and achievement tests) was spent on test construction, according to information provided by the New York Public Interest Research Group (NYPIRG). A 1972 "activity analysis" prepared by the Educational Testing Service showed that less than 10 percent of total test cost is attributable to test development. According to NYPIRG study of Educational Testing Service data, question writing accounted for only 23 cents of the fee charged takers of the 1971 SAT exam, only 34 cents for the law school admission test, 56 cents for the graduate records examination and 34 cents for the graduate management admission test.

It should also be noted that between 1974–75 and 1976–77 the amount of revenues in excess of expenditures for the SAT exam ranged from $3,028,178 to $3,541,000, according to a NYPIRG study. Since the SAT and most other standardized tests are prepared by nonprofit companies, any additional costs could easily be absorbed through use of excess revenues.

The legislation likewise directs testing companies to disclose basic financial data concerning income and expenditures and to explain the way in which fee scales for the tests are determined. Students taking the law school admission test must, for example, pay a registration fee to the Law School Data Assembly Service, an arm of the Educational Testing Service, and pay a separate fee to ETS for the test itself. In return, ETS will send the results to no more than three law schools. A student must pay an additional $5 for each additional law school to which test results are to be sent. Perhaps disclosure of the fee scale information will help explain why $5 is charged for what would seem to be a rather inexpensive procedure.

Mr. Speaker, I believe for all these reasons that the Educational Testing Act of 1979 meets a clear and vital public need. I urge my colleagues to join us in moving toward prompt enactment of this bill.

A summary of the bill and a copy of the bill itself follow:

SECTION-BY-SECTION SUMMARY OF THE EDUCATIONAL TESTING ACT OF 1979

Sec. 1. States title.

Sec. 2. Findings and Purposes.

Sec. 3. Information to Test Subjects and Postsecondary Educational Institutions

States that each test agency shall provide to any test taker in clear and understandable language a minimum of information that should accompany the registration form.

Purpose of test;

Subject matter of test and knowledge and skills being tested;

Correlation of certain data concerning students' grades and test score and career performance and test score; margin or error and explanation of scoring scale;

Ability test preparation courses to improve students' scores;

How score will be reported;

How background information on student will be reported;

Privacy rights of students;

How long student scores will be kept;

Time period in which student will receive score;

Services for handicapped students;

Comparison of test score performance of students and major income groups;

Notice that upon request the student can receive a copy of his answer sheet with the answers revealed and the appeal or review procedure if student wishes to question his/her score;

Also requires that if scores of test subject is delayed over 10 days, the test subject and institution where score is sent will be notified of delay.

Sec. 4. Reports and Statistical Data and Other Information

Requires the Commissioner of Education to be provided the following:

Studies, evaluations or statistical reports pertinent to a test which are prepared by test agency. Requires specific names within studies, etc. to be protected;

A copy of contract for services between test agency that produces test and another test agency that sponsors or administers the same test;

Requires a report within a year by Commissioner on the above and other info. Requires all data submitted to Commissioner to be public record; and

The Commissioner must also include an evaluation of available data concerning relationship between test scores and the completion of test preparation courses.

Sec. 5. Promoting a Better Understanding of Tests

This section requires additional information to the Commissioner in order to promote a better understanding of standardized tests and stimulate independent research on such tests.

Each test agency must provide:

A copy of standardized test within 30 days after the results of such tests are released.

A copy of all test questions used in calculating test score (raw score).

Corresponding acceptable answers to those questions.

All rules for transferring raw scores into scores reported to the test subject and postsecondary educational institutions with an explanation of such rules.

Similar information should be made available to students if requested. The test agency should provide individual answer sheet of students as well if so requested.

The information submitted to the Commissioner shall be made available to the state education agencies or commissions and will be public record.

Sec. 6. Privacy of Test Scores

Clearly states that no test score of an individual can be released to anyone without a specific authorization from individual test subject.

Sec. 7. Testing Costs and Fees to Students

In order to ensure that tests are being offered at a reasonable and affordable costs to test subjects, certain financial information will be provided to the Commissioner by test agency.

Sec. 8. Regulations and Enforcement

Sets out that the Commissioner shall promulgate regulations for bill within 120 days after effective date of the Act and that failure of regulations to be promulgated in a timely fashion will not stop the bill from becoming effective.

Also sets a penalty for noncompliance with the Act and expresses severability.

Sec. 9. Definitions

Contains all key definitions of terms used in the Act.

Sec. 10. Effective Date—180 days after date of enactment.

H.R. —

A bill to require certain information be provided to individuals who take standardized educational admissions tests and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Educational Testing Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress of the United States finds that—

(1) education is fundamental to the development of individual citizens and the progress of the Nation as a whole;

(2) there is a continuous need to ensure equal access for all Americans to educational opportunities of a high quality;

(3) standardized tests are a major factor in the admission and placement of students in postsecondary education and also play an important role in individuals' professional lives;

(4) there is increasing concern among citizens, educators and public officials regarding the appropriate uses of standardized tests in the admissions decision of postsecondary education institutions;

(5) the rights of individuals and the public interest can be assured without endangering the proprietary rights of the testing agencies; and

(6) standardized tests are developed and administered without regard to State boundaries and are utilized on a national basis.

(b) It is the purpose of this Act—

(1) to ensure that test subjects and persons who use test results are fully aware of the characteristics, uses, and limitations of standardized tests in postsecondary education admissions;

(2) to make available to the public appropriate information regarding the procedures, development, and administration of standardized tests;

(3) to protect the public interest by promoting more knowledge about appropriate use of standardized test results and by promoting greater accuracy, validity, and reliability in the development, administration, and interpretation of standardized tests; and

(4) to encourage use of multiple criteria in the grant or denial of any significant educational benefit.

INFORMATION TO TEST SUBJECTS AND POSTSECONDARY EDUCATIONAL INSTITUTIONS

SEC. 3. (a) Each test agency shall provide to any test subject in clear and easily understandable language, along with the registration form for a test, the following information:

(1) The purposes for which the test is constructed and is intended to be used.

(2) The subject matters included on such test and the knowledge and skills which the test purports to measure.

(3) Statements designed to provide information for interpreting the test results, including explanations of the test, and the correlation between test scores and future success in schools and, in the case of tests used for post baccalaureate admissions, the standard error of measurement and the correlation between test scores and success in the career for which admission is sought.

(4) Statements concerning the effects on and uses of test scores, including—

(A) if the test score is used by itself or with other information to predict future grade point average, the extent, expressed as a percentage, to which the use of this test score improves the accuracy of predicting future grade point average, over and above all other information used; and

(B) a comparison of the average score and percentiles of test subjects by major income groups; and

(C) the extent to which test preparation courses improve test subjects' scores on average, expressed as a percentage.

(5) A description of the form in which test scores will be reported, whether the raw test scores will be altered in any way before being reported to the test subject, and the manner, if any, the test agency will use the test score (in raw or transformed form) by itself or together with any other information about the test subject to predict in any way the subject's future academic performance for any postsecondary educational institution.

(6) A complete description of any promises or covenants that the test agency makes to the test subject with regard to accuracy of scoring, timely forwarding or score reporting, and privacy of information (including test scores and other information), relating to the test subjects.

(7) The property interests of the test subject in the test results, if any, the duration for which such results will be retained by the test agency, and policies regarding storage, disposal, and future use of test scores.

(8) The time period within which the test subject's test score will be completed and mailed to the test subject and the time period within which such scores will be mailed to test score recipients designated by the test subject.

(9) A description of special services to accommodate handicapped test subjects.

(10) Notice of (A) the information which is available to the test subject under section 5(a)(2), (B) the rights of the test subject under section 6, and (C) the procedure for appeal or review of a test score by the test agency.

(b) Any institution which is a test score recipient shall be provided with the information required by subsection (a). The test agency shall provide such information with respect to any test prior to or coincident with the first reporting of a test score or scores for that test to a recipient institution.

(c) The test agency shall immediately notify the test subject and the institutions designated as test score recipients by the test subject if the test subject's score is delayed ten calendar days beyond the time period stated under subsection (a)(8) of this section.

REPORTS AND STATISTICAL DATA AND OTHER INFORMATION

SEC. 4. (a)(1) In order to further the purposes of this Act, the following information shall be provided to the Commissioner by the test agency:

(A) Any study, evaluation, or statistical report pertaining to a test, which a test agency prepares or causes to be prepared, or for which it provides data. Nothing in this paragraph shall require submission of any reports or documents containing information identifiable with any individual test subject. Such information shall be deleted or obliterated prior to submission to the Commissioner.

(B) If one test agency develops or produces a test and another test agency sponsors or administers the same test, a copy of their contract for services shall be submitted to the Commissioner.

(2) All data, reports, or other documents submitted pursuant to this section will be considered to be records for purposes of section 552(a)(3) of title 5, United States Code.

(b) Within one year of the effective date of this Act, the Commissioners shall report to Congress concerning the relationship between the test scores of test subjects and income, race, sex, ethnic, and handicapped status. Such report shall include an evaluation of available data concerning the relationship between test scores and the completion of test preparation courses.

PROMOTING A BETTER UNDERSTANDING OF TESTS

SEC. 5. (a) In order to promote a better understanding of standardized tests and stimulate independent research on such tests, each test agency—

(1) shall, within 30 days after the results of any standardized test are released, file or cause to be filed in the office of the Commissioner—

(A) a copy of all test questions used in calculating the test subject's raw score;

(B) the corresponding acceptable answers to those questions; and

(C) all rules for transferring raw scores into those scores reported to the test subject and postsecondary educational institutions together with an explanation of such rules; and

(2) shall, after the test has been filed with the Commissioner and upon request of the test subject, send the test subject—

(A) a copy of the test questions used in determining the subject's raw score;

(B) the test subject's individual answer sheet together with a copy of the correct answer sheet to the same test with questions counting toward the test subject's raw score so marked; and

(C) a statement of the raw score used to calculate the scores already sent to the test subject if such request has been made within ninety days of the release of the test score to the test subject.

The test agency may charge a nominal fee for sending out such information requested under paragraph (2) not to exceed the marginal cost of providing the information.

(b) This section shall not apply to any

standardized test for which it can be anticipated, on the basis of past experience (as reported under section 7(2) of this Act), will be administered to fewer than 5,000 test subjects nationally over a testing year.

(c) Documents submitted to the Commissioner pursuant to this section shall be considered to be records for purposes of section 552(a)(3) of title 5, United States Code.

PRIVACY OF TEST SCORES

SEC. 6. The score of any test subject, or any altered or transferred version of the score identifiable with any test subject, shall not be released or disclosed by the test agency to any person, organization, association, corporation, postsecondary educational institution, or governmental agency or subdivision unless specifically authorized by the test subject as a score recipient. A test agency may, however, release all previous scores received by a test subject to any currently designated test score recipient This section shall not be construed to prohibit release of scores and other information in a form which does not identify the test subject for purposes of research leading to studies and reports primarily concerning the tests themselves.

TESTING COSTS AND FEES TO STUDENTS

SEC. 7. In order to ensure that tests are being offered at a reasonable cost to test subjects, each test agency shall report the following information to the Commissioner:

(1) Before March 31, 1981, or within 90 days after it first becomes a test agency, whichever is later, that test agency shall report the closing date of its testing year. Each test agency shall report any change in the closing date of its testing year within 90 days after the change is made.

(2) For each test program, within 120 days after the close of the testing year the test agency shall report—

(A) the total number of times the test was taken during the testing year;

(B) the number of test subjects who have taken the test once, who have taken it twice, and who have taken it more than twice during the testing year;

(C) the number of refunds given to individuals who have registered for, but did not take, the test;

(D) the number of test subjects for whom the test fee was waived or reduced;

(E) the total amount of fees received from the test subjects by the test agency for each test program for that test year;

(F) the total amount of revenue received from each test program; and

(G) the expenses to the test agency of the tests, including—

(i) expenses incurred by the test agency for each test program;

(ii) expenses incurred for test development by the test agency for each test program; and

(iii) all expenses which are fixed or can be regarded as overhead expenses and not associated with any test program or with test development;

(3) If a separate fee is charged test subjects for admissions data assembly services or score reporting services, within 120 days after the close of the testing year, the test agency shall report—

(A) the number of individuals registering for each admissions data assembly service during the testing year;

(B) the number of individuals registering for each score reporting service during the testing year;

(C) the total amount of revenue received from the individuals by the test agency for each admissions data assembly service or score reporting service during the testing year; and

(D) the expenses to the test agency for each admissions data assembly service or score reporting service during the testing year.

REGULATIONS AND ENFORCEMENT

SEC. 8. (a) The Commissioner shall promulgate regulations to implement the provisions of this Act within 120 days after the effective date of this Act. The failure of the Commissioner to promulgate regulations shall not prevent the provisions of this Act from taking effect.

(b) Any test agency that violates any clause of any provision of this Act shall be liable for a civil penalty not to exceed $2,000 for each violation.

(c) If any provision of this Act shall be declared unconstitutional, invalid, or inapplicable, the other provisions shall remain in effect.

DEFINITIONS

SEC. 9. For purposes of this Act—

(1) the term "admissions data assembly service" means any summary or report of grades, grade point averages, standardized test scores, or any combination of grades and test scores, of an applicant used by any postsecondary educational institution in its admissions process;

(2) the term "Commissioner" means the Commissioner of Education;

(3) the term "postsecondary educational institution" means any institution providing a course of study beyond the secondary school level and which uses standardized tests as a factor in its admissions process;

(4) the term "score reporting service" means the reporting of a test subject's standardized test score to a test score recipient by a testing agency;

(5) the term "standardized test" or "test" means—

(A) any test that is used, or is required, for the process of selection for admission to postsecondary educational institutions or their programs, or

(B) any test used for preliminary preparation for any test that is used, or is required, for the process of selection for admission to postsecondary educational institutions or their programs,

which affects or is conducted or distributed through any medium of interstate commerce, but such term does not include any test designed solely for nonadmission placement or credit-by-examination or any test developed and administered by an individual school or institution for its own purposes only;

(6) the term "test agency" means any person, organization, association, corporation, partnership, or individual which develops, sponsors, or administers a standardized test;

(7) the term "test preparation course" means any curriculum, course of study, plan of instruction, or method of preparation given for a fee which is specifically designed or constructed to prepare a test subject for, or to improve a test subject's score on, a standardized test;

(8) the term "test program" means all the administrations of a test of the same name during a testing year;

(9) the term "test score" means the value given to the test subject's performance by the test agency on any test, whether reported in numerical, percentile, or any other form;

(10) the term "test score recipient" means any person, organization, association, corporation, postsecondary educational institution, or governmental agency or subdivision to which the test subject requests or designates that a test agency reports his or her score;

(11) the term "test subject" means an individual to whom a test is administered; and

(12) the term "testing year" means the 12-calendar months which the test agency considers either its operational cycle or its fiscal year.

EFFECTIVE DATE

SEC. 10. This Act shall take effect 180 days after the date of its enactment.●

CELEBRATION OF WEIRTONIAN LODGE NO. 183, ORDER OF THE ITALIAN SONS AND DAUGHTERS, EXPRESSES TRUE MEANING OF AMERICA AS LAND OF OPPORTUNITY

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 25, 1979

● Mr. RANDOLPH. Mr. President, the cohesive strengths of America far outweigh the divisive elements of our society. Those who decry the workings of our democratic system give too much credence to the strident voices of self-interest. A common bond of patriotism rests on our diverse heritage. There is a general recognition that the United States—with all its problems of inflation, energy shortage, unemployment, and poverty—is still the best country on Earth to enjoy freedom and seek greater opportunity. To properly assess the present, we must review our past.

Recently, it was my pleasure and privilege to attend the 25th anniversary celebration of Weirtonian Lodge No. 183, Order of the Italian Sons and Daughters of America in Weirton, W. Va. Chester Grossi is president of the Weirtonian Lodge.

It was an inspiring event. The descendents of immigrants proudly pointed to the successes of their peers. Their awareness that hard work, determination and, yes, a sense of gratitude for being a citizen of this land, was pervasive.

"We of the Weirtonian Lodge feel blessed to be citizens of a wonderful country," summed up former lodge president and program chairman Michael Sinicropi, "where anyone may walk in God's sunlight, or moonlight, with head erect, without rancor, distrust, or without fear."

The tide of millions of struggling immigrants helped to make this promised land richer, greater, and more beautiful, he stressed to the 400 persons present. Often they gave their lives in hard work, in the construction of bridges, highways, and down in treacherous mines. They were highly instrumental in the wonderful creation of the gigantic cities and powerful fleets, the greatest pride of the Americans, he continued.

Everytime America championed the cause of justice, freedom and right, the sons and daughters of Italian immigrants were the first and the most numerous to fight in America's wars. In World War II, 800,000 Americans died. Of these, 120,000 were sons of Italian immigrants. "This pure and inspiring love of both countries should be for every Italian an incentive to greater conquest in the future," he concluded.

This theme was extended by the remarks of two outstanding speakers, Representative MARIO BIAGGI and Guy V. Mendola, national president of the Order of Italian Sons and Daughters of America. I ask that their words be printed in the RECORD, so that my colleagues and other readers can share in the feeling of ethnic pride and patriotism of these good Americans.

The addresses follow:

STATEMENT BY MARIO BIAGGI

It is indeed a pleasure for me to be in "Almost Heaven—West Virginia." This term does in deed have a basis in fact. It has been a singularly distinct honor to be introduced by the illustrious senior senator of your state, Jennings Randolph, a man who for decades has distinguished himself in Washington as one of the preeminent legislators of this century. We have worked together over the years on issues related to the handicapped and occupational diseases such as black lung, to name but a few. He is highly respected by his colleagues in the Congress and is adulated in Washington.

It is also nice to be with my friends from the Wiertonian Lodge No. 183, Italian Sons and Daughters. This is a milestone event—the 25th anniversary dinner dance. It marks a quarter century of community involvement, of services to the Italian-American community. This is the very essence of the greatness of this nation, the dedication and power of the small organization and the club. You are to be congratulated on this momentous occasion and a special commendation goes to Michael Sinicropi, a leader in his own right and a man dedicated to the ideals which make the Italian-American community in this nation so vital. Again, I am most honored to be here with you on this joyous event.

To remember the words at the beginning of that classic novel, Tale of Two Cities, "It was the best of times, it was the worst of times." So it was with the millions of immigrants who flocked to America in the 19th and early 20th centuries. The best of times was reflected in the fact that many had escaped oppression, denial of opportunity and dire economic conditions. Yet for others, it was the worst of times. The golden dream was tarnished—defamation and abuse, all the attendant evils which made this such a dark era in American history.

Yet American immigrants triumphed despite adversity. They endured stoically, they sacrificed, they persisted and they built this nation. Happily, with the passage of time and the advancement and accessibility of education, this land became enlightened to a substantial degree. Later, immigrants and their descendants for the most part were not subjected to stereotype and abuse.

Yet in 20th century America, the perception of immigrants has changed—for the better. Blacks, once depicted as lazy and slovenly, are no longer subjected to this. The Irish, portrayed as inordinate consumers of alcohol are no longer seen in this light. Those of the Jewish faith, burdened over the years with the portrayal of being wily and conniving, happily are no longer characterized in this derogatory fashion.

All of the aforementioned groups and others have been successful in correcting this condition in all areas, especially in the vitally important area of media portrayal. I highlight this development to emphasize the plight of the Italian immigrant and the Italian-American of today. The problems today still exist, perhaps not to the same degree, but exist nonetheless—hardships, impediments, in the pursuit of careers.

It is a burden. The persistence of defamation and discrimination continues to burden the Italo-American community. Of course, there are some among us who were fortunate enough not to be affected. Hence, they chose not to regard it as their problem. However, it is incumbent upon all of us to address ourselves to the pursuit of a solution. Those who have experienced and have been burdened by the normal vicissitudes of general living could be and are as a result, demoralized. They are the ones which we have an obligation to act for. As one ancient Hebrew scholar once noted, "If I am not for myself, who will be for me? But if I am for myself alone, what am I? And if not now, when?"

Yes, ladies nad gentlemen, we must recognize the inherent power of the media in the area of portrayals and images. Let me recount a personal story. In my travels, I met a woman who had been told in advance that I was a New York City policeman for 23 years with many decorations and more than a dozen injuries incurred in the fight against crime. This woman revealed to me that I was the first Italian that she had ever met. The very first question she asked—was I a member of the Mafia? I threw up my hands in futility and realized that this woman was only reacting to a perception that had been developed by the media over the years in its depiction of Italo-Americans in a consistently negative light. This heightened very dramatically the power of the media and its subsequent responsibility to correct this deficiency.

The question is, What do we do? The answer is that much is being done. I have raised the issue of discrimination against ethnic Americans to new dimensions in this Congress. In this year, a real push is being directed at the media—why—because their bread and butter—the Communications Act of 1934 is coming up for Congressional reauthorization. Already, I have met with the President and senior officials of the ABC Television network to register our objections to some of their programming and choice of sponsors, both of whom often serve to depict Italian Americans in a disparaging light. A similar meeting was held with NBC officals. The remaining network will be met with later.

What is the objective? Fairness in media—a recognition of the inherent worth of ethnic Americans in this nation—a fervent initiative to remove the vestiges of discrimination from the shoulders of immigrants and their descendants. In light of past abuses, we have a right to expect positive portrayal of Italo-Americans by the media. Discrimination so runs against the grain of our nation—the greatest democracy in the world. Its solutions must be viewed as one of this nation's most overriding and compelling concerns.

STATEMENT BY GUY V. MENDOLA

It gives me great pleasure to be here tonight with the members, guests, and friends of Weirtonian Lodge to help them celebrate the 25th anniversary of one of the most vibrant lodges in our Order.

We are proud of the public service Weirtonian Lodge has extended to the community at large and of the fraternal service it is rendering to its members as a viable unit of our Order.

In writing about its history in the program book issued at the Order's 17th biennial convention in 1964, when the lodge was only 15 years old, their historian wrote:

"Weirtonian Lodge No. 183 does not have a motto. If it did, it would probably read 'Participation, Promotion, and Progress' or 'Service above self,' for this lodge has become one of the most respected organizations in Weirton, W. Va. for its leadership in civic affairs."

The resolution passed by the city officials of Weirton declaring the week of June 3 "Weirtonian Week" re-emphasizes that public service role.

I join with the Weirton city officials in expressing the price of the Order of Italian Sons and Daughters of America in the achievements of Weirtonian Lodge. We extend to the officers and members of this lodge—our fraternal brothers and sisters—our congratulations and best wishes during this celebration of their 25th anniversary. We salute them for bringing honor and distinction not only to themselves but to the Order of Italian Sons and Daughters of America as well.

Our Order was in existence 25 years when Weirtonian Lodge came into being. This year, as Weirtonian Lodge marks its 25th anniversary, the Order is celebrating its Golden Jubilee. During both these celebrations, Weirtonian Lodge and the Order are holding fast to the ideals of our founders—ideals which have not diminished in importance with the passing of the years.

Down through the years, ISDA has been dedicated to certain ideals—ideals which have provided us with the finest concepts of life and which have influenced us in aspiring for the pinnacle of achievement.

We are not an aged and decrepit fraternity whose usefulness has passed. Our growth has not slowed down with the passing of the years. In fact, it has increased. This fact alone provides us with dramatic proof that there very definitely is a place for ISDA in today's world—that the ageless ideals proclaimed by our founders still have merit.

In our programs to create cultural awareness and ethnic identity, ISDA is not trying to establish a superior ethnic role for American Italians. Into the rich tapestry of American life has been woven the story of the Italian immigrants who came to these shores to add their blood and their sweat to the building of a great nation. Our founders shared one thing in common with all Americans: belief in the greatness of our country. They always dared to dream great dreams, and their eyes sparkled as they envisioned the roles they and their children would play in making those dreams come true.

During our Golden Jubilee Celebration, while we salute our forebears and laud the accomplishments of the past, our sights are fixed on the progress we can achieve in the future. As we look forward to the start of a new half century in our Order's history, we call upon all Americans of Italian descent to join with us in the important work which still lies ahead. Now is the time for new leaders and new ideas to further enrich the Italian American dream of the future.

We still have a vital role to play in the building of a better America. As the leading fraternal organization of Americans of Italian descent in the nation today, ISDA is committed to achieving that objective in a very special way during our Golden Jubilee Celebration.

We cannot live in the past. We must live in the present. And we must live for the future as each of us brings out the best in ourselves so that America may be better for the coming of our fathers and our mothers and for the contributions we make to our society.

America is what we make it—in our communities—in our homes—in our hearts.

America means the living, striving dreams in the souls of men and women—the men and women who give it the wisdom of their heads . . . the skill of their hands . . . the beliefs of their hearts.

They dream of homes that are the very foundation of human society. They are homes where love and peace may reign. They plan for families where children can be taught tradition and the truth and the way. They designed a land where youth can stretch forth its arms to opportunity.

This was the American dream of our Italian mothers and fathers. They made that dream come to life for us. They nourished it in love. They preserved it in loyalty. They made a place of respect for us in our neighborhoods. They made a place of honor for us in our communities.

Tonight we acknowledge our debt to the fathers and mothers out of whose dreams we are here—Americans all.

They came here in the dawn of their American day perhaps with empty hands. But their hearts were filled with the hope of

opportunities here to be found. With their very hands they helped to fashion the earth of this—their adopted land. And they fashioned their children in fidelity to home—to faith in God—and to love of country.

Tonight—we pledge our love to those mothers and fathers if they are living. We pledge our loyalty to them if they have passed away and are remembered in cherished memories.

In the spell of this wonderful night—let our prayer for them—and let our pledge from ourselves—rise from our heart of hearts.

We must not—we shall not fail them.

God bless them.

And God bless the America which was good to them—which they taught us to love—and which now invites each of us to make the unique contributions only we can make as American Italians.●

INFANT FORMULA: PROBLEMS AND SOLUTIONS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. DELLUMS. Mr. Speaker, it is with great pleasure and relief that I announce today that the Infant Nutrition Act, H.R. 4093, a bill which I introduced 2 months ago, now has 50 cosponsors. I say relief because the need for this legislation is so urgent, and the more ardent supporters we have, the sooner that need can be allayed. The Infant Nutrition Act would, if passed, regulate the sale of infant formula to indigent nations, and put a halt to the overpromotion of that product which has been largely responsible for the death or near-death of some 10 million infants every year. If the U.S. Congress will only recognize the magnitude and urgency of this problem, I believe we can go a long way toward solving it, and toward setting an example for the other industrialized nations of the world to follow in terms of defining the role of corporate responsibility in a changing world.

Mr. Speaker, I note with interest that representatives of several infant formula companies—and indeed one Representative here in the House—have been referring widely to an article entitled "Babies in Poverty" by Mr. Lee Edson, which appears in the Lactation Review, volume IV, No. 1. They describe the Edson piece as a "well-balanced and objective treatment of this complex problem."

The frequency with which infant formula companies refer to the current Lactation Review article and to a previous study conducted by the Human Lactation Center—publishers of the Lactation Review—raises questions in my mind. Is the Human Lactation Center truly impartial? Do its publications really offer a "balanced" view of the infant formula controversy?

Very recently a copy of a memo written by Ms. Dana Raphael, the Lactation Center's director, and addressed to its board of directors, came into my possession. In this memo, dated November 20, 1978, Ms. Raphael discloses that she had recently consulted on a film prepared by the Nestle Corporation, the major distributor of infant formulas in the Third World.

In addition, the concluding paragraph in Ms. Raphael's memo reads as follows:

Lee Edson, a New York Times Magazine writer, has agreed to write the history of the breast/bottle controversy for us and we will put that out in a Lactation Review. I am guessing that the formula companies will want to buy this and distribtue it widely.

Mr. Speaker, my mind is still open on this subject, but I must say frankly that the preceding paragraph suggests a very strong possibility of a compromising conflict-of-interest situation. I would like to know more about the extent of Ms. Raphael's consulting work for the Nestle Corp. and any other infant formula maker with which she might have similar arrangements. I would like to know more about how many copies of the Lactation Review article and of the Center's previous publications have been purchased by infant formula manufacturers, and at what price.

To clarify my concern, I see nothing wrong with Ms. Raphael serving as a consultant for any or all of the infant formula makers or for anyone else. I see nothing inherently wrong with companies such as Bristol-Myers or Abbott Laboratories purchasing and distributing copies of the Lactation Review. Yet I have a very substantial objection when these companies and their consultants cloak their advocacy efforts with characterizations of "impartiality" and "well-balanced views."

I have asked my staff and several internationally recognized nutrition and health experts—two of whom resigned from the board of the Human Lactation Center because of its advocacy role—to prepare for me a detailed critique of the center's various publications on the subject of infant feeding. My colleague GEORGE MILLER is also involved in this effort, and has some further comments in today's CONGRESSIONAL RECORD. We will be pleased to share the result of this work today and in the near future. In essence, it is Ms. Raphael's contention that infants living in chronic poverty in less developed countries must have supplementary bottle feeding by the age of three months or they will die, and that formula makers are actually trying to save the lives of children fed by undernourished mothers. I am certain that executives of these companies do indeed have a humanitarian motive in promoting use of their products, but I am equally as certain that they wouldn't be in these countries unless it meant profits. If adequate nutrition were, as they claim, their main concern, they would focus on feeding the mother—at half the cost of infant formula—so that her milk would give the full nutritional benefits so superior to artificial feeding products.

What follows is an excerpt from a letter written by Ms. Raphael to our former colleague, Michael Harrington when he successfully offered an amendment to the 1978 foreign assistance appropriations bill:

EXCERPT

W.H.O. has begun an extensive study of breastfeeding. To my knowledge (we were together in New Delhi last month), they have just completed their first survey. The published reviews of the literature by the director of the W.H.O. Maternal and Child Division, Angel Petros-Barvazian, suggests that the data on the whole breast/bottle issue is what we call "soft" evidence. Researchers in England (Thomson and Black) also reviewed all the material that is easily available on breastfeeding and come to a similar conclusion. The Human Lactation Center made a comprehensive review of the same data and *we too have concluded that there are no studies which support (or deny) the claims that bottle feeding is damaging babies or that breastfeeding saves them.* (Emphasis added).

Chemical research of breast milk shows unqualified benefits of breast milk over cow's milk in laboratory studies. Equivalent studies on human babies have not been made. In fact, though we at the Center are the first group to do in depth studies of breastfeeding in the women's home environment, even we cannot make the statement that women are breastfeeding less.

The real problem is that babies in the LDCs born of mothers who are undernourished must have supplementary foods by three months along with breast milk or they stop growing. Very soon they weaken and become susceptible to diseases. Only well nourished Western women can feed their infants exclusively on breast milk for five or six months.

It is our fear that this information is not known to those who have the power to withhold export rights of critically necessary food. We therefore continue to offer further evidence.

Our field studies in Egyptian and Indian villages show that where breastfeeding women are too poor to supplement their infants' diet, mortality is highest (up to 60% despite breastfeeding). In more affluent groups everywhere, women have sufficient funds to buy supplementary foods, and the added nutrition is fed along with their breast milk. Most babies survive in such circumstances.

The remarkable research done for PAHO by Puffer and Serrano on the related "causes" of morbidity and, mortality in Latin American children bears out this finding. *The data show quite clearly that illness and death in children of poverty level parents are directly related to impure water supplies, lack of effective sanitation and an inadequate supply of supplementary food.* (Emphasis added.)

Please understand that I am not saying that breast-feeding is no good, nor should be stopped and replaced by bottle feeding. (Emphasis added.) Breast milk is essential for most infants in this world as is supplemental food. They complement each other.

In your committee's Report to the Congress there is an underlying assumption that children would not die if transnational products were removed from the view of poor women. This is far too simple a solution. For example, officials of the Amul Corporation, the huge Indian dairy cooperative, say only one percent of all the milk used in India to supplement breastmilk is commercial processed milk. They claim to have the major share of these sales. (The other 99% is fresh milk from bullocks, goats and cows.) The current price of each can of milk is about $2., and the average annual income of most Indian families is about $75. So this processed dairy milk is out of the question even though mothers know full well that, next to human milk, the milk of other mammals is by far the best supplementary food. What is feasible, though admittedly only a stopgap measure, is to reinstate or continue shipment of free or subsidized food.

I urge you to consider how much the information on this issue has become politicized, emotional and unfactual. For instance, we are asked to believe that women don't know how to use this Western invention. They don't clean bottles. They dilute the milk because they can't read the labels. Non-

sense. How can that be when mothers have been giving their children dry milk for thirty years (P.L. 480)? *They know all too well the dangers, the worst of which is not having anything to feed.* (Emphasis added.)

Take another example. There is a statement in the Report that "reliance on bottle feeding has contributed to a sharp rise in infant malnutrition (page 32)." Contradictory evidence exists on this claim. Once again, the data used to substantiate the rise in malnutrition is based on personal conversations or interviews with mothers of sick children in the hospital without proper safe guards to assure the validity of the questions or the reliability of the answers. For three decades during the period when these studies were made, infant mortality actually declined (U.N. Demographic Data) due in large part to greater availability of food combined with improved health care.

You can see why we urge your Committee to make sure no counter productive measures result from your work which reduce access to any foods, or tie policies about the export of foods to developing countries with the sentiments of government people about breast-feeding. Hunger should leave no room for paternalism, self-interests or lobbying for or against transnational food corporations.

If you are truly interested in protecting the basic human rights of parents to keep their children alive, you should consider amending Section 113 of your Report on Infant Nutrition so that (1) any causal relationships between infant food distribution and infant morbidity are spelled out, not just assumed; (2) any impression that our government's food export policies are tied to acceptance by other nations of breastfeeding as the only alternative must be eliminated; (3) a "strong" invitation is extended to the U.S. multinational food corporations to work cooperatively with government to help reduce the costs and increase the availability of supplemental food; (4) data on changes in feeding behavior are examined within the context of economic, political, health, educational environmental and social norms in these countries.

I would welcome communications with anyone on this issue by phone: 203-259-5995 or in Washington.

DANA RAPHAEL, Ph. D.,
Director.●

MORE ON INFANT NUTRITION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. MILLER of California. Mr. Speaker, my colleague from California, Mr. DELLUMS, has inserted in the RECORD today a letter written by Dana Raphael, the director of the Human Lactation Center. Statements in this letter have come under serious criticism by many well-respected medical and health professionals in the field of infant nutrition. I would like to share with you a letter responding to the concerns raised by the Human Lactation Center. The letter follows:

THE POPULATION COUNCIL,
New York, N.Y., May 4, 1978.

Representative MICHAEL HARRINGTON,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE HARRINGTON: We have recently had occasion to read the letter of January 5, 1978, addressed to you from Dana Raphael of the Human Lactation Center. We feel that the assertions made in this letter require a strong response from professionals who share an interest in issues of infant nutrition and health problems in the developing world. Dana Raphael does not document the alleged "grave errors of fact in the amendment" of your sub-committee, yet she herself commits grave errors of interpretation of existing data. The January 5 letter is thus a most misleading document which, unfortunately, purports to serve as technical advice to your committee.

It seems to us that several points require comment:

1. Ms. Raphael cautions against accepting the UNPAG's assertion of "documented adverse nutrition impact" of the substitution of bottle for breastfeeding. She asserts that no studies have proven such an association and that the International Pediatrics Association and the PAG do not conduct research. In fact, these two organizations are in a very strong position to review existing data, which is what they have done. While they have not mounted research programs, the PAG and International Pediatrics Association have performed a very valuable research service to the scientific community by looking at a range of existing evidence and forming sound conclusions based upon many studies, not just one. Raphael may be right that there are no experimental studies in which babies have been deliberately exposed to different types of feeding under controlled conditions, but there are an overwhelming array of studies done throughout the world[1] (using historical as well as contemporary data) which, regardless of methodology, all point in one direction: the best way to feed an infant to insure optimal health is breastfeeding alone for the early part of the first year. There are no studies which come to the opposite conclusion, i.e. that bottle-feeding would be a preferable practice from the point of view of the health of babies. A recent 2,000 mother prospective study conducted over two years in the Philippines once again establishes a bottle-milk/infant mortality linkage.[2]

2. It should be noted that the "well-meaning professionals" referred to in page one, paragraph three of Ms. Raphael's letter are also exceptionally well-informed. She herself, on the other hand, does not seem to be quite so well-informed. She noted that there are no studies where the "actual eating patterns of infants prior to hospital admission has been observed." This is misleading. There are many studies which document the "eating patterns of infants prior to admission" although these patterns may not have been observed by a study team in the home environment of the infant before the onset of illness. By this quibble does the author of the letter mean to discount entirely mothers' statements on whether their infants were being bottlefed or breastfed?

3. In the paragraph that refers to WHO's studies (page 2, paragraph 2) Ms. Raphael states that the data on breast/bottle feeding is "soft evidence." We agree that in some aspects of research on breastfeeding and breastfeeding trends, the evidence is "softer" than in other areas. For example, although it is widely accepted that there has been a decline in breastfeeding in developing countries, the pattern and nature of this trend remains largely unquantified by hard data. All attentive professional observers will agree, however, that a decline exists, albeit with differing patterns and proceeding at different rates in different environments. On the other hand, evidence on the health advantages of breastfeeding is quite firm—and evidence exists in widely divergent socioeconomic and environmental conditions.[3]

4. In the third paragraph on page 2, Ms. Raphael asserts that there are "unqualified benefits of breast milk over cow's milk in laboratory studies," but that "equivalent studies on human babies have not been made." What does this mean? Laboratory studies have demonstrated the reasons that breastfed babies are immunologically and nutritionally better protected from illness than non-breastfed babies: the immunoglobulins, active lymphocytes and other protective substances in human breast milk are ingested by babies who are breastfed. Scientists believe that these factors help to explain the better resistance to disease demonstrated by breastfed babies. The evidence for the immunologic protection comes from the better health status in the real world—where mothers and babies exist. What kind of "equivalent" studies in a laboratory does Ms. Raphael propose are necessary using human babies?

5. In the same paragraph, Ms. Raphael asserts that although the Human Lactation Center is doing in-depth studies of breastfeeding in women's home environments,[4] their researchers cannot state that "women are breastfeeding less." Of course! They are studying extremely small numbers of women who are, in fact, breastfeeding. Concerned professionals are worried about societal trends in breastfeeding: many women seem to be abandoning breastfeeding either altogether or very early in their infants' lives. These trends are clear to those who have spent many years working in health programs abroad, and who view with alarm the rapidity of decline in breastfeeding, especially in urban and periurban areas. The serious problem is caused by a change in patterns of behavior in large population groups; one can always find and study individual women who are breastfeeding as extensively and intensively as women in their mother's generation.

6. We agree with Ms. Raphael that a critical nutritional problem exists when infants who need supplemental food are either not given such food or given inappropriate dietary supplements (page 2). This is one of a number of very real and very serious nutritional problems which imperil the health of young children in developing parts of the world. It is not, as Ms. Raphael maintains, *the only* problem. The problem of inadequate and/or inappropriate supplementation of infants is *not the same problems* as the problem of decreased breastfeeding. Furthermore, there is no substantiation for Ms. Raphael's assertion that three months should be chosen as the optimum age for commencing supplementation. Khanjanasthiti and Wray[5] showed that Thai women, for example, are perfectly capable of fully nursing their babies for at least six months, with no supplementation needed to maintain adequate growth. Physicians disagree on details as to the *exact age* at which an infant needs supplementary feeding; in fact, the right time for supplementation probably varies somewhat in differing health and nutritional environments. The evidence to date, however, indicates that the age at which supplementation becomes necessary nutritionally is probably later than three months: five or six months are frequently suggested, and this conforms with our knowledge of infant development and maturation. Also, the earlier introductions of supplementary foods increase the risk of often lethal weanling diarrhea. In any event, *it is dangerous to confuse the issue of supplementation with the issue of breastfeeding.* Even when supplementation becomes necessary, breastfeeding can remain a significant part of the infant's diet and still provide an incomparable source of nutrition for the growing child.

The implication in Ms. Raphael's letter is, of course, that the infant formula feeds marketed by American international corporations stand as optimal supplements when babies are no longer able to derive all their nutrition from the breast. It is clear, however, that these infant formulas are probably *less* desirable as supplementary feeds than many indigenous products, already part of the family's diet, which could be used by mothers at far less cost and with more safety. Food from the spoon is less likely to be bacteriologically contaminated than milk in a bottle, and the mother may be more likely to continue breastfeeding if she is feeding her child a cereal supplement, instead of another milk product.

7. Ms. Raphael claims to know of a study that shows breastfed infants have a 60% mortality rate (page 3 last paragraph). This sounds, on the face of it, incredible. What study is she citing and how was the evidence compiled? If such a study exists, it must refer to very special population groups under extraordinary conditions of deprivation. Of course, as Raphael notes, the nutritional status of young children is better in more affluent groups—and so is survival. But affluence implies a host of important advantages aside from supplementary feeding. (In the United States, in fact, it implies a greater likelihood of breastfeeding!) Certainly, it is unscientific to state that the reason that affluence is beneficial to health is that babies in higher socioeconomic groups are supplemented with formula feeds. They also have cleaner environments, better housing, more available medical services, and healthier parents.

8. On page 3, Raphael states that the data of Puffer and Serrano from Latin America show that childhood morbidity and mortality are "directly related to impure water supplies." It is perhaps difficult to understand exactly what Ms. Raphael means by a "direct relation" between death and impure water supply. Clearly, poverty implies less adequate sanitation and less adequate water supply, both of which are potentially noxious to health. But the extent of the health injury imposed by such environmental conditions depends also upon the resistance factors in the host organism (in this case, the baby), and it is quite clear that one of the key determinants of resistance is nutritional status.[6] Good immunological defenses will help to keep to a minimum health problems from a noxious environment. In a very threatening environment, breastfeeding offers the best protection for an infant. This is borne out by the Puffer and Serrano study: the data show a very strong correlation between lack of breastfeeding and early infant mortality.

9. Raphael (page 3, paragraph 3) uses the simplistic and misleading argument that the extreme expense of commercial supplementary products will keep such supplements out of the hands of poor people who are unable to use them properly. Supplementary products, advertised to poverty groups, become desired objects and are used within the economic and environmental constraints of those groups. This means, stated simply, that the products are used, but used improperly and become real health hazards in themselves. High prices become incentives to use expensive products sparingly—not to abandon their use.[7]

10. Raphael asserts that the issue of breastfeeding has become politicized, emotional, and unfactual (page 3, paragraph 4). We agree. The issue has become politicized because there are deep, important vested economic interests involved. It is emotional because it involves the lives and deaths of small children. It has become unfactual because of arguments such as Ms. Raphael's. To wit, Raphael makes the incredible argument that because women in the LDC's have been exposed to American donations of dried powdered milk they could not possibly be misusing infant formula. This is illogic at its best. Ms. Raphael must have seen herself, in her travels, the extent to which unclean bottles with over-diluted formula are offered to infants. For Ms. Raphael to deny the serious problem of improper use of formula on the assumption that PL480 aid magically protects against misuse of milk products, casts doubt on the relevance and accuracy of all her other assertions.

11. At the bottom of page 3, Ms. Raphael asserts that contradictory evidence exists on the claim that bottle-feeding contributes to a rise in infant malnutrition. As stated above, we are not aware of any evidence which contradicts the claim or shows that infant malnutrition has been decreased by an increase in bottle-feeding. All of the data, to the present, seem to point in the same direction: that increased early use of bottle-feeding increases the extent and makes earlier the onset of infant malnutrition.

The fact that, worldwide, infant mortality rates have declined is often put forward in answer to the charge that bottle-feeding has caused infant malnutrition to increase. Yet, this decline in mortality rates is *irrelevant* to the bottle/breast controversy. Improved standards of living—better housing, water supplies, food and, in some cases, extension of health services and preventive health measures—can account for the lowered early mortality. The overall mortality statistics come from a data base very different from the breast/bottle studies and reflect powerful, macro-trends in society. These overall rates cannot separate out the individual effects of many positive and negative influences which, in combination, produce a societal infant mortality statistic. Finally, it is simply not true that infant mortality has declined everywhere. Brazilian data, for example, show that infant mortality has *risen* in the cities of Sao Paulo and Belo Horizonte, attributable most probably to increased malnutrition in periurban groups.[8]

12. We agree with Ms. Raphael (page 4) that your influential committee should continue to be vigilant in avoiding counterproductive recommendations. "Sentiments of government people about breastfeeding" (page 4) are not the issue, however. Facts are the issue, and the facts which are available point in one direction most strongly: breastfeeding is the optimum way to nourish human newborns and protect them from the ill effects of unhealthy environments; appropriate supplementary food must be introduced somewhere around the middle of the first year of life; and policies designed to promote healthful infant feeding patterns must be developed in concordance with socioeconomic realities in diverse parts of the globe. Sometimes, the choices for health are clear: the superiority of breastfeeding to any other mode of early infant nutrition is demonstrable and trends towards its abandonement should be combatted with vigor.

We hope that your committee will examine the issue of infant feeding carefully, taking into account the considered opinion of the scientific community and the weighty evidence on the benefits of breastfeeding in early infancy, as it continues to seek ways of protecting the health of infants in developing countries from deleterious social and economic trends.

Yours truly,

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Barry M. Popkin, Ph.D., Assistant Professor and Economist, School of Public Health, University of North Carolina.

FOOTNOTES

[1] R. R. Puffer and C. V. Serrano, *Patterns of Mortality in Childhood* (Pan American Health Organization-World Health Organization, Washington, D.C. 1973); J. B. Wyon and J. E. Gordon, *The Khanna Study: Population Problems in the Rural Punjab* (Harvard University Press, Cambridge, Mass. 1971); S. Plank and L. Milanesi, "Infant Feeding and Infant Mortality in Rural Chile," *WHO Bulletin* 48:203–210, 1973; J. Knodel, "Breast-Feeding and Population Growth," *Science*, 198, pp. 1111–1115, Dec. 16, 1977; also references cited in T. H. Greiner, "Infant Food Advertising and Malnutrition in St. Vincent" (thesis), Cornell University, August 1977.

[2] Barry M. Popkin, personal communication. Study done by Dr. Trinidad Osteria, currently with the Cholera Research Laboratory, Dacca, Bangladesh.

[3] Well-known beneficial aspects of breastfeeding include the provision of immunological protection to the infant, the stimulation of a desirable emotional linkage between the mother and the child, the supply of a low-cost nutritionally adequate diet for the infant, and the prolongation of the period of postpartum amenorrhea. Cunningham, *Journal of Pediatrics*, 19 May 1977; Goldman, *Journal of Pediatrics*, 1977; Hambraeus, *Pediatric Clinics of North America*, 1977; Klaus and Kennell, *Maternal-Infant Bonding: The Impact of Early Separation or Loss in Family Development*, Mosby, 1976; D. B. Jelliffe and E. F. P. Jelliffe, *Human Milk in the Modern World* (Oxford University Press, 1978).

[4] Incidentally, the Human Lactation Center is *not* unique in its in-depth studies of women who breastfeed. INCAP (in Guatemala) and Popkin et al. (in the Philippines) have also conducted such research. Other references to breastfeeding studies are cited in W. H. Mosley (ed.), *Nutrition and Human Reproduction* (Plenum Press: New York, 1978).

[5] P. Khanjanasthiti and J. D. Wray, "Early Protein-Calorie Malnutrition in Bangkok Slums, 1970–1971," *J. Med. Assoc. Thailand* 57:468–476, 1974.

[6] Scrimshaw et al. (N. S. Scrimshaw, M. Behar, M. A. Guzman, and J. E. Gordon, "Nutrition and Infection Field Study in Guatemalan Villages, 1959–1964," *Archives of Environmental Health* 18:51–62, January 1969) showed that nutritional supplementation was more effective in reducing mortality in a rural Guatemalan village than was a program of environmental sanitation and the provision of medical care.

[7] In fact, it is clear that foods which are expensive per calorie will lower nutritional intake in a poor population, because they displace cheap staple foods. Popkin ("Economics and Nutritional Policy," *Arch Latin de Nutr* 25:7, 1975) showed this with simulations, and it is discussed by Popkin and Latham ("The Limitations and Dangers of Commercioventic Nutritious Foods," *Amer J Clin Nutr* 26:1015, 1973). If the mother uses scarce family cash to supplement breast milk with formula, one bottle a day will cost more than all the extra calories needed to produce breast milk for the baby. The entire family's nutritional status is likely to decline, and the baby is likely to get sicker than ever from a contaminated bottle.

[8] C. H. Wood, "Tendencias de Mortalidade Infantil e Distribucão de Renda: Estudio Sobre Belo Horizonte e Sao Paulo" (mimeographed paper), Cedeplar, Faculty of Economics, Federal University of Minas Gerais, Brazil.●

Footnotes at end of article.

Footnotes at end of article.

NELLIE BLY: LADY JOURNALIST

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mrs. SCHROEDER. Mr. Speaker, today's Minutewoman is Ida Wells Barnett, a Memphis newspaper publisher, who spoke out against lynching and mob violence. Nellie Bly was another female journalist of the late 19th century. She, too, was a truthseeker with a compulsion to expose social injustice. Bly broke all the rules of the male-dominated newspaper world, thus changing the course of American journalism. I submit the following article by Edward C. Norton (from the summer 1979 issue of Nieman Reports) which describes the life and work of this most uncommon woman:

NELLIE BLY: LADY JOURNALIST

(By Edward C. Norton)

Nellie Bly's Sunday column was an innovation in newspaper publishing in 1893.

When she walked into the city room of The New York World that first day, half the derbies there must have swiveled to follow her voyage through the big, dusty, disheveled news factory.

Every few feet there were spittoons, targets for the cigar smokers and tobacco chewers. According to reliable historical reports it was not unknown for reporters and editors to swig a bit of whiskey while they worked in their all-male domain. The bottle was as much part of the trade as a wad of folded copypaper shoved into a reporter's coat.

But here was this young woman: she had checked and noticed that no receptionist barred entry to the newsroom. Publishers in 1887 didn't see any merit in paying someone just to sit outside the editorial department. The idea then was to lure news through the portals, but not necessarily in the form of a young lady.

The lass was fair-skinned, dark-haired and had a most straightforward pair of brown eyes. She wore a Paris dress, the best she could afford. She was on a most serious mission. She wanted Joseph Pulitzer to hire her as a reporter, and let her cover a balloon flight.

Elizabeth Cochrane, twenty-two, of Pittsburgh, was politely ushered out of the newsroom that first day, and was asked to put her request for a job in writing to Pulitzer. A few days later she received a note rejecting her application.

The World did not know Miss Cochrane, then. Donning another expensive dress, and realizing that she had to succeed this time because she had lost her purse with most of her savings, the young woman walked into The World's newsroom a second time, and barged into a meeting being conducted by the ailing, and noise-sensitive Pulitzer. A batch of stunned rewritemen and copy editors tried to bar her way, but it was impossible for them to give the bum's rush to a young lady.

Finally, an editor knocked at the press magnate's door, and told him he had an unannounced visitor. "The lady's name is Nellie Bly. She says she's a newspaperwoman and a good one. Maybe she is. She doesn't give up easy. I'll say that."

Pulitzer and his managing editor spoke with the attractive applicant. She plunked a batch of newspaper clippings on the desk before them. The clips were of stories she had covered in Pittsburgh and in Mexico. She had written about tenement life, millworkers and their families. In Mexico she wrote about peons, prisons and corruption in government.

Miss Bly—the name she chose in Pittsburgh to mask her real identity—was not one of the few women newspaper workers whose specialties were recipes or poetry. She was an honest-to-God street reporter who had covered mayhem in a tough American city, and in a neighboring nation where the sound of gunfire was common.

The young Pennsylvanian was hired. She suggested that her first assignment be an investigation of conditions in New York City insane asylum on Blackwell's Island. She would pretend to be insane and have herself committed as a destitute patient.

And that's what happened. Within three months Nellie Bly was a household name among New York newspaper readers. Within two years she became a worldwide figure for besting Jules Verne's fictional eighty-day circumnavigation by actually going around the world in seventy-two days.

Miss Bly knocked 'em dead, in an age when young women were expected to be "ladies" (the demarcation line was sharp), to be married by twenty-five and to be mothers, in that order. Any deviation from the program was not appreciated. And, while women could write discreet novels, their efforts were not expected or welcomed in the hurly-burly world of journalism. Like most other facets of late nineteenth century American life, newspapers were strictly a male preserve.

Nellie Bly single-handedly changed that.

Who was she? She was the daughter of an Irish immigrant who pulled himself up by his own work to become a judge. She was a straight-standing, no-nonsense young woman who left scores of stunned young men in her wake.

Nellie Bly went into the insane asylum, taking on faith that Mr. Pulitzer would remember her, and get her out. Nellie Bly found conditions to be scandalous, and even though she acted normally while inside the locked doors, no one paid any attention to her. About the time Nellie felt that she would really lose her mind, a lawyer arrived to spring her from the cage. The subsequent articles were, to use an over-worked word, a sensation.

Afterward Nellie looked around the throbbing city, crowded with daily boatloads of immigrants. For one article she played the role of stage performer. She interviewed the wives of Presidents, and she sought the big story. She was all of twenty-two.

After her escapades in the Blackwell's Island asylum, Miss Bly had become the story. She was a certain circulation booster for The World. She was fortunate in that the paper was able to use only line drawings of her face and figure. Thus she was able to pursue her stories without fear of being instantly recognized. When she would identify herself, many men and women refused to believe that such a youthful person could be the hard-nosed reporter.

What really put Miss Bly on the map was her trip around the world. She carried all she needed in a satchel, and were a checkered floor-length coat and a peaked cap which afterward set a fashion. Before she left, on October 10, 1889, along with forty-two year old Thomas A. Edison, she attended the dedication of the new World tower on Park Row. According to a biography of Nellie by Mignon Rittenhouse, the building was demolished in 1956—its era had passed—and the workmen who tore down the structure found the box which had been set in the cornerstone. It contained a copy of The World for October 9, 1889, and on its front page was another Nellie Bly interview, this time with a murderess in state prison.

Nellie's trip around the world was a stunt, pure and simple. When she started from a wharf in Hoboken there was much skepticism in the competitive press that she had actually left. Some press people even felt that Pulitzer had hired a squad of male reporters whose combined work was identified as that of Nellie Bly. The public was loyal, however, and wanted to believe in her.

Nellie found that travel in 1889 was hard work: rough ocean crossings, unwanted attention from would-be suitors, and rail and steamship connections that were haphazard at best. She met Jules Verne at his home and charmed him. She rushed off, through the Suez Canal, to Ceylon and on to Japan, the only pleasant stay on her voyage. She arrived home to be greeted with adulation from people, coast to coast, and for the better part of a year afterward she toured the lecture circuit and wrote a book. She was truly a media star and a darling, except that in those days it was "medium" star.

Nellie returned to the newsroom, but as the years rolled by she found the stories repetitive. There wasn't much difference in interviewing poor folks in the slums of the Lower East Side or the prairie state farmers wrecked by the Panic of 1893. In 1895 she married a seventy-two year old millionaire New York factory owner. Her husband died nine years later, in 1904, leaving her a thirty-seven year old widow with responsibility for a hardware business. She tried, but bad luck and thieving employees pushed the business to bankruptcy. Nellie went to Europe, returned in 1919, a legend in her own time, and in need of a job.

Arthur Brisbane, Hearst's editor-columnist remembered the pert young woman with whom he had worked on *The World*. He put her on *The Journal*, and gave her a column in which she wrote about homeless children. Nellie had done everything but have children. On January 22, 1922 in New York City she died of pneumonia. She received modest obituaries, but *The Journal* said she was considered to have been the best reporter in America.

After her passing, Nellie left a cliché phrase in the language, and added to journalism jargon, "Who do you think you are? Nellie Bly?" became a regular query to ambitious women editorial workers, and the term "sob-sister" came into the language, based partially on the emotional reportage of the woman who had broken all the rules.

In recent times Nellie has been forgotten by the public. A few years ago, the men and women of a New York press club contributed a new headstone for Nellie's grave, so she is still remembered by some in the news business.●

TWENTY-FIRST OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. ZABLOCKI. Mr. Speaker, it is a privilege to join my colleague in the 21st observance of Captive Nations Week—an event in which I have participated since its inception.

As the principal sponsor of House Joint Resolution 373, recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II, I am reminded once again—as are other Members of this Chamber—of what the concept of liberty means to those who have so long been denied it.

I support this observance as one who does not seek confrontation with the Soviet Union but as one who has long supported efforts, both by this administration and previous administrations, to negotiate meaningful agreements with other nations, including those nations who disagree with us, on a variety of issues involving our national security. Such support, however, should never be interpreted to mean that I, or my colleagues, condone repressive actions by the Soviet Government in other areas.

Mr. Speaker, there is an evident need to approach this subject responsibly and realistically—recognizing that progress in the human rights field will come in stages, if at all, and will require all of the perseverance and steadfastness of purpose which the nations of the free world can muster.

The year 1979 has, in fact, been an important milestone for Eastern Europe: The visit of Pope John Paul II to Poland had an uplifting effect on the human spirit—not only in that country but beyond its borders and around the world. I have already commented at some length about that historic visit and have specifically commended both the Vatican and the Government of Poland for the restraint which was generally exhibited on both sides—thus insuring its overall success. I should also mention at this time that Polish authorities have recently made important concessions in easing restrictions on emigration in specific cases. These are welcome gestures, indeed, and should contribute toward a more stable and positive relationship between Poland and the United States.

At the same time, it should be noted that ominous, darker clouds have recently appeared on the horizons of Czechoslovakia, where a renewed campaign against so-called dissidents appears to be in the offing. This wou'd clearly be a retrogressive move—leading inevitably to universal condemnation by the American people and increased tensions between our two nations. It is a situation which all freedom-loving peoples and especially we should monitor closely and react to with appropriate firmness and censure.

Mr. Speaker, Captive Nations Week serves as a reminder to all Americans of the goals and principles upon which this Nation was founded, as well as the basic human aspirations of others who are less fortunate but equally dedicated to them. It reminds us also that the cause of freedom requires patient and persistent effort, as well as "eternal vigilance."●

HONORING THE MORMON PIONEERS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. SYMMS. Mr. Speaker, July 24 is an important date in the settlement of the West. It was on that date 132 years ago that the Mormon pioneers first arrived in the Salt Lake basin, after a long journey to escape religious persecution.

Today members of the Church of Latter-Day Saints, the Mormons, observe July 24 as "Pioneer Day" in remembrance of their ancestors who forged a flourishing society out of the desert wilderness.

Led by Brigham Young, the new president of the church, the pioneers started to build a new city as soon as they arrived in the valley.

The land was vast and untamed. Lorenzo Young, brother of Brigham Young, described the valley in the journal he kept to recount the trip west:

The foothills skirting the valley yielded no timber except several scattered scrub cedar and pines. There were a few cottonwoods and a clump or two of willows along City Creek. The valley afforded no cooling forest shade, no green savannahs relieved the monotony of desolation. The most prominent varieties of vegetation were wild sunflowers with large yellow blossoms, and species of dwarf thistle peculiar to the uplands which grew thin on the dry benches, contending with the wild sage for the scanty nourishment afforded by arid soil.

These plants were loaded with hideous crickets, their black and brown bodies forming anything but a pleasing contrast with the yellow tint of the sunflower blossoms.

The air was almost painfully clear and the ground dry and parched. There was none of the haziness of lower altitudes to modify the sun's rays, and there was no shelter from them except under tents and wagon covers; still the heat was not as exhausting as in the lower regions.

Despite the many problems encountered by the settlers, Brigham Young promised:

As the Saints gather here and get strong enough to possess the land, God will temper the climate and we shall build a city and a temple to the Most High God in this place. We will extend our settlement to the east and west, to the north and south, and we shall build towns and cities by the hundreds, and thousands of Saints will gather in from the nations of the earth. This will become a great highway of nations.

Brigham Young's vision of the future has largely been fulfilled. The Mormons settled throughout the West and played key roles in establishing many Idaho communities. Liberty, Bennington, Paris, Montpelier, Ovid, St. Charles, Soda Springs, Lemi, Cambridge, and many others were strongly influenced by the Mormon pioneers who settled there.

The church has grown and now has a membership that spreads across the globe.

The Mormon pioneers who settled in the Salt Lake basin displayed an independent spirit, a strong belief in God, their families, and the country, and a determination that saw through the hardest of times.

The traits shown by those pioneers are needed today as the American people tackle new problems and new challenges.

One of the most inspiring aspects of the Mormon faith is the strong emphasis on individual initiative and private solutions. The Mormon faith exemplifies members of a religious community providing for each other's needs, instead of asking the Government to do it.

It is important that we pause and remember these traits as we honor the pioneers who helped settle the West. Their strong heritage can play an important role in the future of our country.●

COURT-ORDERED BUSING NOT DOING THE JOB

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. BONER of Tennessee. Mr. Speaker, after much research, consultation with many constituents and a conscientious review of the effects of court-ordered busing in Davidson County, Tenn., over the past 7 years, I will vote to send to the States this constitutional amendment to end mandatory busing.

Court-ordered busing in Davidson County has resulted in an erosion of support for public education, the loss of community cohesion and spirit, and the placing of the greatest burden on black pupils at their tenderest ages, in grades one through four.

High school students have been forced to ride the bus at 6 o'clock in the morning and elementary school students, during the winter months, have had to walk several blocks from their bus stops to their homes after darkness has fallen.

I would like to address the matter of the right of the American people to have a voice in this critical issue. I believe our citizens should have that voice. Passage of this amendment by the House and Senate will give the people a voice, through the participation of their State legislatures, in the ratification process. The crisis of confidence in government can be combated by involving citizens more directly in the democratic and governmental processes.

Mr. Speaker, underlying the busing question is a far more vital issue we must all address and that is insuring that all students in the Fifth District of Tennessee and across the Nation are able to receive the highest quality of education available to them within their communities.

I believe the highest quality of education must be provided to every student wherever he or she lives and wherever he or she attends school. Moreover, this education must be provided in an environment that accurately reflects the community in which our students live. As adults, we must meet a most critical need of our children by helping them to adjust to the society they live in. We must do this by assuring that they attend school with other children of all economic and ethnic backgrounds.

Mr. Speaker, I support an integrated school system in Davidson County. I believe such a system can best be achieved through the strategic placement of new schools and the proper and careful clustering of schools within the community. In voting for this amendment, I feel the need for a greater exercise of commitment and leadership throughout the entire community to finding new ways to

insure the best possible education for every student.

In conclusion, Mr. Speaker, I would like to underscore the underlying issue of providing our children with the highest quality of education, wherever they may live or go to school. We must seek policies that will contribute to the achievement of this high standard. I think we have found that busing has not made a positive contribution and that new alternatives must be developed.●

THE AGONY OF VIETNAM REFUGEE BOAT 0105

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. STARK. Mr. Speaker, I commend to my colleagues' attention the following article from the New York Times titled "The Agony of Vietnam Refugee Boat 0105." In graphic terms it describes why it is so necessary for all civilized nations to take immediate steps to end this tragedy.

THE AGONY OF VIETNAM REFUGEE BOAT 0105

(By James P. Sterba)

PASIR BATAT, INDONESIA, July 19.—They threw their dead overboard with enough regularity to attract a constant escort of sharks.

Altogether, 20 people died during the two and a half months it took Boat No. 0105 to get from Vietnam's Mekong Delta to this sandy cove in Indonesia's Anambas Islands. But death, which has been the fate of thousands trying to make the same journey, is only one reason other refugees here refer to No. 0105 as the "unlucky boat."

Boat 0105 left Kien Giang on April 4 with 380 people in 66 families. About half were ethnic Chinese and half were Vietnamese who had adopted false Chinese names and identification so they could leave with the Government's blessing from an unofficial exit center.

PRICE RISES DURING DELAY

Arrangements began in November, but before Boat 0105 could leave, local cong an, or security agents, said they had received orders to halt the unofficial exits temporarily. The freeze was lifted in March, but it took three weeks for would-be passengers to accumulate enough gold to pay the cong an. Between November and March the unofficial exit fee had risen to 10 taels of gold, from 8, or to about $3,000, from about $2,400.

Since only ethnic Chinese were allowed to leave this way, additional bribes had to be paid to keep the cong an from checking the passengers of 0105 too carefully.

About 10:30 P.M. on April 4, Boat 0105, which was designed to carry river cargo, pulled out of Kien Giang with a Government patrol boat escorting it. The next morning, in the South China Sea, the escort boat turned around and its crew waved goodbye.

Bac Minh Chai, a 39-year-old former teacher, said the engine stopped two days later and Boat 0105 bobbed through an overnight storm that left most of the people aboard terrified and sick. Some of their food and water was washed overboard.

The next morning, another boat approached. The refugees waved and smiled, said Mr. Bac, and so did the crew of the other boat, who turned out to be Thais. As soon as they were lashed alongside 0105, they brandished a pistol and several knives, axes and screwdrivers. They took the men from the refugee boat onto their own and took their watches and rings and the gold some of them had hidden in their clothing.

NIGHTMARE IS REPEATED

The Thais took necklaces, watches and rings from the women. The men, said Mr. Bac, tried to arrange a deal to pay off the pirates, but they could not communicate because of the language barrier.

While several Thais guarded the men on their boat, six others took Vietnamese girls below the deck of 0105 where, as children and other women looked on, they raped them. Then the Thai guards on the other boat switched places with those on 0105 and the acts were repeated.

It was the first of 23 boardings by Thai fishermen-turned-pirates as Boat 0105 floundered helplessly with an engine that would not run.

"Every day two or three boats came up," said Lam Quantri Toi, a 33-year-old electrical engineer from Ho Chi Minh City. "We tried to tell them we had nothing left, but they searched anyway. They took clothes and tools and even pencils."

Freighters passed, but they were always too far away and never stopped. After the sixth day, people started dying. There was no more fresh water. Food was all but exhausted. The first to die was an infant, then the elderly and young children.

ARRIVAL IN MALAYSIA

By the time all the valuables on board were gone, some of the Thai pirates who came aboard apparently felt sympathetic and gave the refugees a little food and water. One group even tried unsuccessfully to fix the engine.

On April 27, a small Malaysian fishing boat towed Boat 0105 to the Malaysian coast in the state of Kelantan, where the refugees were given food and water but confined by police to a holding camp and not allowed to communicate with the local people. They stayed there until June 17. In the interim, their Malaysian guards solicited and received sexual favors from girls in the holding camp. It was the only thing of value the members of Boat 0105 had left.

On June 17, the survivors of Boat 0105 were ordered back on board. For the next two days and nights, they were towed by a Malaysian Navy patrol boat. The navy crewmen then cut the tow rope and told the Vietnamese they were 18 miles from the Anambas Islands. Their engine ran for an hour, then quit again.

On June 23, they sighted Mubur Island, and an Indonesian fishing boat towed them to this refugee camp.

With no money or other valuables for food or shelter, the survivors of Boat 0105 stand out from the other refugees here in their poverty. Unlike many of the others, they do not criticize the relief supplies of food, paid for by the United Nations, when they arrive without cooking oil or fish. They smile more than the others and are much more courteous to the Indonesian hosts. And they do not complain.●

BELIEVES H.R. 7 WILL SOLVE PROBLEM

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. EVANS of Indiana. Mr. Speaker, it has been only a few days since the House passed H.R. 7, the Monetary Control Act of 1979. Support was overwhelming and hardly because it was a noncontroversial issue.

From the onset the problems were identifiable—the erosion of member banks from the Federal Reserve System and the commensurate lack of ability to control the money supply. It was only when the Banking Committee considered the possible solutions that the end became less fathomable.

Nevertheless, the struggle that commenced a year ago has finally culminated in a bill that I believe will solve the problem of Fed attrition and at the same time deal with the inflationary implications of lack of monetary control.

I commend Chairman HENRY REUSS and ranking minority member BILL STANTON for their stewarding of the ship. I wholeheartedly admire the chairman's diligence for not abandoning the cause even when it appeared we were headed for the Bermuda Triangle. But for those who know our distinguished chairman, the end hardly could have been otherwise. At times it was his sheer will to resolve this problem that kept it alive.

I would also like to recognize the diligence and perseverance of Chairman Miller and all the banking organizations. Many thanks also, to the experienced bankers in my own district who continued to monitor our progress in the Banking Committee and make their practical considerations known so that we could work out real concerns which they initially held.●

CAPTIVE NATIONS WEEK

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. McDADE. Mr. Speaker, this week marks the 20th Anniversary of "Captive Nations Week," observed in commemoration of those people still subject to the oppressions of tyranny. Although we, as American citizens, live in a society dedicated to the concepts of freedom and democracy, it is important to remember that all people do not exist in such an atmosphere. Millions of Americans today live and work in this free society, while in their native lands others continue to endure oppression.

I feel that "Captive Nations Week" is particularly important as it gives us time to reflect on our own hard won liberty. Too often, we take for granted or fail to exercise those rights and privileges which our forefathers fought so hard to obtain. And too often, we fail to remember that as a nation, we must work together to preserve those liberties to which we have grown so accustomed.

America is dedicated not only to freedom within its borders, but to freedom for all peoples everywhere. The atrocities we are still experiencing in the corners of the world serve as a reminder that Americans must continue to vigilantly defend and advocate the cause of freedom in the hope that "Free World" and "world" will someday become synonymous.●

LUMPKIN CITIZENS DO NOT QUIT

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. JENKINS. Mr. Speaker, I would like to share the following article which appeared in the Gainesville Times with my colleagues. The article tells about the unsinkable spirit of the people of Lumpkin County, an area nestled in the heart of the north Georgia mountains.

The article follows:

THEY DO NOT KNOW MEANING OF QUIT

(Alma Bowen, Times News Editor)

Don't ever tell Lumpkin County citizens they can't do something. That county apparently doesn't know the meaning of can't.

Consider, for example, the Lumpkin County Hospital. The hospital sits atop Crown Mountain off Highway 60, and passers-by can't tell that its walls are glued together with frazzled friendships, ulcers and mammoth headaches. Against all odds, the hospital was built because Lumpkin Countians refused to give in.

Money for the hospital was donated by practically every citizen in the county because they said they didn't want to speed down the winding highway to Gainesville with a loved one dying on the back seat. So battling tooth and toenail, they got a hospital which today is coming into its own as a good medical center drawing patients from surrounding counties.

Consider also that Lumpkin County doesn't have a manmade lake like so many other counties in North Georgia. The U.S. Corps of Engineers once mentioned putting a reservoir in southern Lumpkin County and started a fire in the hearts of Lumpkin's people that still blazes.

The lake would have supplied water for Atlanta and would have had an up-and-down water level. Dahlonegans quickly dubbed it the yo-yo lake and fought it so dramatically that months later a member of the Corps was overheard to say to another member of the Corps at an Atlanta meeting, "Oh, Lord, don't mention that Lumpkin lake. Don't even think about it. I don't want to get those people up there upset again."

Whatever the Corps had been thinking, the Lumpkin County people stopped, and they are ready to go to war today if anyone is thinking of putting a yo-yo lake in their vicinity.

Have you ever noticed a big green highway sign on Interstate 85 in downtown Atlanta that points tourists to Dahlonega. The sign has been there for years and looks out of place where it is located, but it didn't just happen there. The story is told that the sign was put there at the insistence of Dahlonega citizens who wanted tourist trade. A town that will tackle the barracuda that is the U.S. Corps of Engineers would find the Georgia highway department to be a piece of cake.

And consider Dahlonega and Georgia's capitol building. While the rest of the state may see Georgia's capitol as simply a building necessary to house Georgia lawmakers, if citizens elsewhere consider the building at all, Dahlonegans regard the capitol dome as their very own. Those who know the history of the gold roof on Capitol Avenue cannot view its gleam without thinking of the little mountain town and its citizens.

Dahlonega not only provided the first gold to cover the dome, but took it to Atlanta in a wagon train. After it covered the hemispheric roof with gold from their own ground, Dahlonega citizens become concerned with its preservation.

During the administration of Gov. Carl Sanders, 1960–64, they became alarmed about the starlings roosting on the precious metal. The late Ben Fortson, who served for so many years as secretary of state, had frightened the stubborn birds out of the trees with a gun, but the gun method didn't seem appropriate for a golden dome.

Dahlonegans knew there was more than one way to shoo a starling. They knew of a moonshine still which had produced a people-killing liquid, and they figured that anything that killed people could surely do in a bird. At least that's the way George Dover tells the story.

They put that whiskey still in a truck and hauled it to Atlanta. There wasn't time for a wagon train, and anyway, it was in the dead of winter. The Georgia State Patrol met them outside of town and escorted the citizens and their illegal still to the capitol. There on the snow-covered ground underneath their own regal dome the Dahlonegans cranked up their illegal moonshine still and proceeded to produce a brew guaranteed to kill people and hopefully starlings.

It isn't known if the brew worked, but the starlings had to have been impressed with the ingenious method. Those birds probably talked about the downright stubbornness of Dahlonegans when they set out to do something, and then took wing to easier times.

No doubt Dahlonega's latest project will be accomplished—the project spearheaded by the Dahlonega Jaycees to regild the old capitol dome. There's no record of Dahlonegans ever starting something, then giving up.●

LA PALMA RUNNING CELEBRATION

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. PATTERSON. Mr. Speaker, the impact of proposition 13 has been felt in Orange County cities in numerous ways since last June. Among budget cuts exercised by the city of La Palma was the decision to discontinue their Fourth of July parade and fireworks display. In seeking an alternative program to honor the birth of this country and to provide their residents with the traditional celebration they have come to anticipate, the city has come up with an innovative city-wide event.

This event, a 5K and 10K running celebration, will be cohosted by the La Palma Police Association, the city of La Palma, and Automatic Data Processing, Inc. Beginning runners and families are being encouraged to enter into the events, which will also include wheelchair athletes.

The actual run course which parallels the four main streets of the city will be incorporated into the La Palma Fitness Loop, a permanent recreation facility. This marked fitness loop will be available to residents as a permanent facility and as a sign of the city's commitment to physical fitness.

Mr. Speaker, I feel this event has captured the spirit of the Fourth of July. Civic organizations, local businesses, industry, and city staff have all worked together to create this event for La Palma and they have contributed to the development of a permanent facility for the better health and enjoyment of their residents.

I ask my colleagues to join with me in honoring the city of La Palma and the planners of this event for their innovative program, and the effective way in which they have maintained the Spirit of '76 in their Fourth of July celebration.●

ENERGY CONSERVATION

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. SWIFT. Mr. Speaker, when I was in my district during the most recent district work period I met with the chamber of commerce of my hometown, Bellingham, Wash. It boasts an exceptional group of community leaders and I was extremely pleased to find that this group of businessmen had joined together to form an energy conservation task force. While this action was no doubt prompted by our most recent gasoline shortages, it still reflects substantial leadership because it took place at a time when a great many Americans believed there was no real shortage and were loath to consider conservation measures.

This type of leadership at the local level is essential if the United States is to meet the twin goals of energy conservation and expanded energy production.

As a suggestion to others who may be interested in developing this kind of local program I would like to insert in the RECORD at this point a brief description of several of the projects that have been suggested by the task force:

Establishment of park-and-ride programs for the Bellingham Transit System and encouragement and support of the local mass transit programs.

Prepare a car pool model for the urban core of the city.

Focus attention on conservation programs of the several utility companys which serve our area.

Provide the local news media with information concerning energy consumption and ramifications of unlimited demand for energy supplies locally.

Organize public forums to inform and enlighten the business community and the general public.

Draw upon the expertise of industry, Western Washington University and other sources to prepare information that is of immediate use by local people.

Sponsor promotions that focus attention on energy conservation and how it can benefit the individual consumer, local business and industry.

Explore ways to mitigate the imoact of the gasoline shortage and inevitable shortages of other energy resources by plannig now and seeking alternatives.

These are interesting and innovative projects evolved at the local level that can be carried out at the local level to assure one community and one area's

business interests can be doing their part in a national energy conservation effort.

It might also be useful to state this task force's philosophy and objectives. In a memorandum to me they stated it this way:

As representatives of business and industry, the task force holds steadfast to its faith in the strength, innovation and courage of private enterprise to find answers to the so-called energy crisis. We believe that in partnership with government the problems we face can be turned instead into challenges awaiting our conquest. The result, we believe, is the continuation of an America that provides the maximum opportunity for every individual to share abundantly in the life, liberty and pursuit of happiness we presently enjoy.

In Bellingham, the task force is moving ahead under the sponsorship of the chamber, under the leadership of the chamber's president, Fielding Formway and the chairmanship of Chuck McCord. While I think these men, the other members of the task force and this effort are to be commended, it is more important that it be recommended to other communities throughout America. Conservation is only one of the two legs we need in order to meet our energy goals in the future. But it is the leg that will bring the most immediate relief from the problems we will be facing in the years immediately ahead while efforts to increase production of petroleum and electrical energy continue.

This is one community's effort. This is a very good beginning.●

TRIBUTE TO PAUL F. RIETZKE III

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. COURTER. Mr. Speaker, the American people have always placed special pride in the unique human qualities of courage and tenacity. Today I would like to recall an act of bravery and unselfish commitment to human life which can be cherished by all Americans.

Paul F. Rietzke III was an Air Force veteran, volunteer fireman, and resident of Lake Hopatcong, N.J. On his 45th birthday, Mr. Rietzke was working near the Raritan River when he suddenly heard the hollowing sound of six drowning voices. He turned toward the river and committed his life to rescuing the helpless waders. Five persons were saved; Mr. Rietzke died while trying to save the sixth, a young child.

Mr. Speaker, Paul Rietzke was a rare human being. His fearless action along the Raritan can only be described as valiant, bold, and courageous. It was an act dedicated to the sanctity of life.

The poet William Thackeray said a long time ago: "Bravery never goes out of fashion." This thought, more than anything else, must have been the personal credo of Paul F. Rietzke. Without concern for his own life, Mr. Rietzke plunged into the Raritan River to save the lives of others. He gave to us a visible definition of the word "valor."

To the widow and family of Mr. Rietzke, I offer my deepest condolences. Paul Rietzke loved his fellow man. His act of heroism will not easily be forgotten. The memory of the action itself, rather than the words I speak here today, will be the final tribute to Paul F. Rietzke.●

EMPLOYMENT FOR HANDICAPPED

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. MOAKLEY. Mr. Speaker, I rise to speak of a tragic problem our Nation faces that is both unfortunate and unnecessary: This is the plight of our qualified handicapped workers who are unable to find a job.

There are millions of disabled Americans who are well qualified to fill many productive jobs but are unable to find employment because of unfounded myths and misunderstandings which influence many employers' decisions concerning the hiring of the handicapped.

Fears of increased insurance rates, lower job performance and job stability, poor attendance, and the required physical adjustment turn employers away from hiring the handicapped.

However, a study conducted by the Du Pont Co. on their 1,452 employees with physical handicaps disproves all of these assumptions.

The survey established that there was no increase in compensation costs and no lost time injuries, there were minimal physical adjustments required, 96 percent rate average or better with respect to on and off the job safety, 91 percent rated average or better with respect to job performance, 93 percent rated average or better with respect to job stability, 79 percent rated average or better with respect to attendance.

It went on to add that there seemed to be a direct relationship between job performance and the severity of the ailment. Amputees, blind persons, and paraplegics were at the top of the job performance list. It is obvious that given the opportunity the handicapped can be an asset.

An article in the May 1979 issue of Nation's Business, entitled "Disabled Workers Are No Handicap to Business," emphasized that "[the handicapped] as employees are absent less, produce more and stay longer."

Many individuals interviewed in this article underscored the growing acceptance of employers of the handicapped worker and their potential service to business. The president and founder of Richmond Combined Enterprises, Inc., which employs 55 production employees of which 52 are disabled, said that the handicapped,

Are the best people on earth to hire. They take great pride in the quality of their work. Many of them feel this is the first time they have had the opportunity to do quality work and they also have a chance to be independent.

Donald S. Goering, general manager and part owner of GPK Product Inc. says his disabled employees are good business.

The handicapped are time and again faced with the dilemma of being discriminated against in employment opportunities because they are evaluated on the basis of false generalizations, misconceptions, and misinformation about their handicaps and not on the basis of their job skills, productivity, or performance. Our handicapped deserve the opportunity to be evaluated and hired on the basis of their ability and not their handicap.

When the problems of the handicapped are discussed, many people envision wheelchairs, and blind or deaf persons. But the term "handicapped" encompasses many other problems, such as heart disease, emphysema, arthritis, and even alcohol abuse. We must be aware of large differences between the types of handicaps and not assume all disabilities are incapacitating.

Today there are over 54 million Americans who are considered disabled throughout our country. This amounts to a startling 25 percent of our population. But what is more shocking, is that 40 percent of the disabled who have job skills and are employable cannot find work. This is a terrible waste of our country's human resources and talent.

We cannot allow this to happen. This great Nation has a commitment to helping those in need of assistance. We cannot turn our back on the handicapped. We must demonstrate this Nation's willingness to fight for the needs of all our people.

Mr. Speaker, I hope my colleagues will join with me in this vital struggle to give the handicapped an equal opportunity in employment.●

SUPPORT FOR AMTRAK

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. LUKEN. Mr. Speaker, it is important that Congress throw its full support behind the development of a passenger rail system which will meet our growing needs for an alternative to the use of the passenger car.

As a member of the Interstate and Foreign Commerce Committee, I can assure the other Members of the House that this bill gives Amtrak its first real chance to make a national passenger rail system work by giving it the business and financial tools it has not had before. For example, it gives Amtrak its first multiyear authorization, more flexible ridership criteria, and allows States to help the Federal Government fund Amtrak lines.

The bill also sets up a new route system for Amtrak that is more expansive than the drastic and unreasonable cuts proposed by the Department of Transportation. For example, there is $20 million included which will allow the continuation of five major trains, including one, the Shenandoah, which goes through my city of Cincinnati, Ohio.

I believe that we need to pass this bill as a signal to the Nation and the world that we are serious about doing something about our restricted ability to move people around with means other than automobiles during an energy crisis. We do not yet know to what extent we are going to have to rely on our passenger rail system in the future but we have had a vivid demonstration in the last few months that we are running short on fuel for cars, trucks, and planes and that people are willing to turn to the trains. In fact during June alone, 1,400,000 requests for space on Amtrak were denied because all the seats were filled. We have a strong responsibility to develop an excellent rail passenger system in this country to take care of our current need, and our future expanding need for good interstate mass transit.

I urge my colleagues to take meaningful action to restore the strength of our rail passenger system by passing this bill.●

A STRUCTURED FRAMEWORK FOR SALT DECISIONMAKING

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

Mr. SKELTON. Mr. Speaker, John M. Collins, Senior Specialist in National Defense of the Library of Congress Congressional Research Service, recently addressed a symposium here in Washington regarding the strategic arms limitation treaty. I found his remarks to be most informative, and I urge the Members to read them. They are as follows:

A STRUCTURED FRAMEWORK FOR SALT DECISIONMAKING

(By John M. Collins)

SALT II is so complicated and such an emotional matter that salient issues consistently get lost in the shuffle.

Still, the task confronting our Senate is straightforward, when defined in the following terms: should the pact signed by Presidents Carter and Brezhnev be approved in its present form?

I support Congress, which provides my paycheck. That inhibits me from publicly espousing a position, either pro or con, so my purpose at this symposium is simply to demonstrate a structured framework for decisionmaking. I'll stick strictly to military considerations, in conformance with my assigned topic, leaving political input to foreign policy experts.

There are fifty different ways to fill out Figure 1, depending on personal persuasion. Paul Warnke would postulate one set of problems, responses, and implications, Paul Nitze another. All sorts of shades are possible in between.

I've put my presentation together using composite viewpoints of SALT opponents, liberals along with conservatives, to show how the severest critics, even cynics, just possibly could arrive at unexpected conclusions, if they keep open minds.

INTERCONTINENTAL BALLISTIC MISSILES

Let me walk you through this sample assessment, starting with ICBMs.

Practical problem

Problem one, on the upper left hand side of the list is both pressing and practical.

Its cause is no secret. U.S. strategists stress a Principle of War called Economy of Force. The Soviet side stresses Mass. Those incompatible principles, applied to ICBMs, spawned diametrically different policies over the past two decades.

We chose quality instead of quantity. The Soviets chose both. We chose missile accuracy instead of size. The Soviets chose both. SALT II institutionalizes consequent U.S. inferiority in fixed-site ICBMs, especially "heavy" models with many large MIRVs that will soon be a Soviet specialty.

The payoff was predictable. Most students of the subject seeem to agree that a Soviet first strike could smother America's Minutemen by the mid-1980s. No SALT proposal over the past seven years would have prevented that predicament.

So what's the prognosis? Follow the figure from top to bottom and left to right to trace the present pact's influence.

SALT II, to start with, leaves us in the lurch, but it's better than nothing, because it limits the level of Soviet launchers and the stock of Soviet warheads with single-shot hard target "kill" potential. Put a check in the "SALT Helps" column.

U.S. abilities to verify the quantities and characteristics of Soviet ICBMs have always been imperfect at best, even with Iranian listening posts in place. SALT II, however, improves our prospects, because it prohibits deliberate interference with national technical means. It also simplifies surveillance, by insisting that some telemetry remain "in the clear," and so on. Chalk up a second plus for SALT.

Pre-launch survival for U.S. ICBMs would be better if we substituted mobile models for missiles in silos. The SALT II Protocol forbids flight-testing from mobile platforms before 1982, but lead times to produce components will take at least that long, so it doesn't make much difference.

The Soviets, however, may yet contend that U.S. systems under study, including "shell games" and trenches, are incompatible with the pact, because they depend on deliberate concealment for success. Acceptance of the Treaty, skeptics say, consequently should be contingent on public reconciliation of Soviet reservations. Otherwise, all bets should be off. Meanwhile, the spread sheet lists SALT II influence as a murky "Unknown."

Active defense plays almost no part in this country's deterent plans. Second-strike U.S. ICBMs depend entirely on silos for protection. That exposed posture, coupled with comparatively low U.S. force levels, makes Soviet missiles most dangerous.

SALT II, however, permits us to change our policy. SALT I is the only barrier to ballistic missile defense.

Perceptual problem

Problem Two, left-center on the slide, suggests that U.S. steps to duplicate Soviet countersilo capabilities, in conformance with our quest for "essential equivalence," might shore up perceptions of this country's strength, but would poorly serve practical purposes.

Disciples of that school concede that SALT in no way would keep the United States from installing large MX ICBMs in silos. Mobile missiles with the same wallop may also prove acceptable. Still, U.S. powers would by no means match Moscow's, even if our force equalled theirs exactly in quantities and characteristics.

This country, you see, is committed to a second-strike strategy. Cosmetic abilities to crack Soviet silos would lack much meaning, these seers say, if Soviet first strike missiles took flight before SAC's force arrived.

Countersilo inequities, caused by Soviet SS-18s and SS-19s, for which we have no counterparts, are consecrated by SALT. That shortcoming can be condoned, in this clique's opinion, provided the Administration swaps Minuteman in silos for some mobile model—not necesarily a semi-mobile system like multiple shelters or miles of trench.

Bonus effects could be considerable, because masses of Soviet MIRVs serve an important purpose only as long as U.S. ICBMs present static targets. Moscow's missiles would lose much of their practical punch if we went mobile. Real force reductions conceivably could result in the long run, since relatively few Soviet warheads would be required to cover U.S. cities and other countervalue targets. That's how the story goes.

HEAVY BOMBERS

So much for the land-based ballistic missile leg of the beleaguered U.S. triad. What about heavy bombers?

Something like 75 B-52Ds were delivered to SAC in 1957. The last B-52H models entered service in 1962. Those aging aircraft suffer from fatigue, and penetration probabilities are hard-pressed to keep pace with improvements in Soviet air defense.

Two possible solutions, singly or in combination, are most often posed.

We could deploy air-launched cruise missiles (ALCMs) in sufficient quantities to saturate Soviet air space. The most restrictive SALT II limit would allow 2,400 on 120 bombers which, so equipped, could cover many more targets than 300-odd B-52s in their present configuration. SAC could strike with well over twice that quantity on a combination of cruise missile carriers, as long as American ballistic missiles with MIRVs remain at present levels, which are well below allowable limits.

Alternatively, or in addition to ALCMs, we could develop and deploy superior manned penetrating bombers as a substitute for B-52s. The overall SALT II ceiling on launchers is the only control, and it wouldn't stop us. Budgetary limits are more likely.

SUBMARINE-LAUNCHED BALLISTIC MISSILES

U.S. ballistic missile submarines face no serious problems in the foreseeable future, with or without SALT II. Their survival at sea still seems assured. Our stock of 40 KT Poseidon warheads is sufficient to cover 200 Soviet cities, with many remaining for "soft" military targets.

That part of the Soviet population and production base in blast shelters would probably survive if we struck, but surface installations would suffer severely from SLBMs until Soviet active and passive protective measures degrade U.S. retaliatory powers more drastically than they do at present.

Higher SALT levels would do less to counter possible progress in Soviet civil defense than hard target capabilities for our SLBMs, a course that is technologically feasible and is not SALT constrained.

CONUS DEFENSE

No consideration of SALT would be complete without a look at strategic defense, a forgotten quantity in U.S. deterrent equations.

The Continental United States (CONUS) at this stage is nearly naked to nuclear attack. There is little protection of any kind for second-strike U.S. systems, the American people, or our production base. Collateral casualties and damage could be colossal, even in a carefully controlled counterforce war with the Soviets.

SALT II places no prohibitions on any steps to improve U.S. active or passive defense posture.

The SALT I antiballistic missile (ABM) Treaty of 1972, with its subsequent Protocol, would permit U.S. scientists and technologists to push research in that field to the fullest extent possible, confined solely by the state of our art. It does, however, exclude development of exotic systems and deployment, which is pay dirt. U.S. decision-

makers could abrogate the Treaty if America's "supreme interests" were deemed in jeopardy, but political repercussions would likely be immense and the military spinoff unpredictable. SALT I consequently shows as a culprit.

CONUS DEFENSE A DILEMMA FOR U.S. ALLIES

The absence of CONUS defense also creates dilemmas for this country's friends overseas, as the left hand column indicates.

The so-called "nuclear umbrella," which U.S. leaders still promise to allies, has leaked like a sieve since we lost nuclear superiority during the last decade. Massive Retaliation against the Soviet Union would no longer be a rational response for this unprotected nation if Moscow tried to seize NATO territory or struck U.S. consorts in other countries. That fact of life also dilutes deterrent powers of U.S. tactical nuclear weapons, because we cannot control escalation by threatening to strike the Soviet homeland with our Sunday punch.

No changes in SALT II ceilings to ensure "equality" could cure that situation. The crucial requirement is for CONUS defense, which is constrained by SALT I, not SALT II.

SOVIET MEDIUM-RANGE BOMBERS AND MISSILES

Some critics fault SALT II for failing to control theater nuclear systems, but not everyone considers those findings well founded.

Sophisticated Soviet Backfire bombers and SS-20 intermediate-range ballistic missiles (IRBMs) with MIRV warheads are basically problems for U.S. allies and associates along the Soviet periphrey, not the United States, according to the U.S. intelligence community. Our arms controllers have struggled unsuccessfully to limit "theater" systems of that sort since 1965, when we seriously started to pursue Mutual and Balanced Force Reductions (MBFR) in Europe. SALT II conferees struck the same stone wall, partly because of complications caured by U.S. forward-based fighter aircraft, which we have not considered negotiable for SALT purposes.

SALT II, however, does not restrain U.S. and allied strategists from creating comparable capabilities by installing MRBMs and more medium bombers (such as FB-111s) on allied soil. Intermediate-range ground-launched cruise missiles (GLCMs) would also be acceptable, once the Protocol expires in December 1981, provided development is complete.

The question, therefore, is not whether we can station new nuclear systems in Western Europe, with the express purpose of striking the Soviet Union. The question is whether we should.

Finally, better air defenses for U.S. allies are perfectly permissible as a means of balancing the Backfire menace. An ABM shield for friends remains beyond reach, because SALT I restrictions forbid us to pass them present or future technology in that field.

CONCLUSIONS

The foregoing summary of SALT implications culminates with seven conclusions concerning this country's nuclear strategy and force requirements, if the illustrative input suits your fancy, and you accept the procedures:

SALT II, in and of itself, does very little to enhance or undercut U.S. security. Almost every notation says "Neutral."

Serious U.S. problems prevail, with or without the proposed pact, but all can be solved without scrapping SALT.

SALT II constraints on the Soviets, however slight, would help curtail future U.S. force requiremnets and conserve costs.

SALT II verification clauses, however incomplete, would simplify intelligence estimates of Soviet strength and U.S. courses of corrective action.

Some form of mobile ICBM is essential to a U.S. triad with three dependable legs.

Allied problems are not soluble by SALT at this stage.

SALT I ABM restrictions should be reconsidered.

DECISION: Approve the SALT II pact in its present form, provided a mobile ICBM system of our choice is admissible, and the Administration takes immediate steps to install it.

CODA

The assessment I've presented is, of course incomplete. Many other military matters might be mentioned. Economic and political linkage, if you like, is missing.

I've made no attempt to sell SALT or scuttle it. The spread of opinion used for expository purposes was pulled from a broad spectrum. I could have drawn on a dozen other perspectives. My pitch, I repeat, was to demonstrate a decisionmaking technique, trying to show in the process that calculations concerning SALT can lead to sound conclusions only in context with strategies. Playing a simple "numbers game" is simply not enough.

FIGURE 1

Strategic nuclear problems (present or impending): Potential responses	SALT I, II Treaty influence: Helps	Hinders	Neutral	Unknown
U.S. Problems:				
Intercontinental ballistic missiles:				
Practical problem:				
Pre-launch vulnerability:				
Limit Soviet hard target capabilities	II			
Verify those limits	II			
Deploy mobile ICBM's			II	
Deploy ABM		I	II	
Perceptional problem:				
Superior Soviet countersilo capability:				
Equality in ICBM silos		II		
Deploy MX in silos			II	
Deploy mobile MX				II
Heavy bombers:				
B-52 post-launch vulnerability:				
Deploy sufficient cruise missiles and/or			II	
Bomber replacements for B-52			II	
Submarine-launched ballistic missiles:				
None serious:				
Planned improvements			II	

Strategic nuclear problems (present or impending): Potential responses	SALT I, II Treaty influence: Helps	Hinders	Neutral	Unknown
Conus defense:				
No protection for U.S. population, production base, or 2d-strike systems:				
Improve air defenses			II	
Improve civil defense			II	
Press ABM/ASW R. & D			I, II	
Deploy ABM		I	II	
Problems of U.S. Allies:				
U.S. nuclear umbrella leaks:				
Improve Conus defense		I	II	
Deterrent value of TAC nukes declines:				
Improve Conus defense		I	II	
Backfire bombers:				
Restrain deployment		II		
Improve allied air defense			II	
Soviet IRBM'S/MRBM's:				
Restrain deployment		II		
Deploy United States or Allied IRBM's/MRBM's			II	
Deploy GLCM's			II	
Deploy allied ABM		I	II	

TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO EXCLUDE FROM GROSS INCOME THE INTEREST ON DEPOSITS IN CERTAIN SAVINGS INSTITUTIONS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. BONKER. Mr. Speaker, today I am introducing a bill to exclude from gross income the interest on deposits in certain savings institutions.

We in Congress must do what we can to encourage savings on the part of the American public. The United States has one of the worst savings records of any of the major industrialized nations. There are many reasons for this, but one is clear: Our tax laws penalize the saver.

This bill would attempt to address that penalty. It is not complicated—gross income for tax purposes would not include amounts received as dividends or interest on deposits up to $500. The limit would be $1,000 in the case of a joint return.

As it stands now, our savers are being hurt twice. They are hurt by the ravages of inflation, which outstripes the interest rates banks can afford to pay, and they are hurt by the tax laws, which imposes another penalty on that interest.

I believe this legislation could go a long way in addressing both problems. It would encourage savings, thereby strengthening our lending institutions, which make home mortgage loans available for our American families.

A good savings plan has always made good sense for a family. It makes good sense for a nation as well. We in Congress should do what we can to support and encourage sound financial practices. I urge my colleagues to support this legislation.●

TONGUE-TIED AMERICANS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. SIMON. Mr. Speaker, I sometimes read "public service ads" put in by various companies which in fact are very self-serving.

Very much an exception to that rule is an ad which has appeared in some

American newspapers placed by United Technologies regarding our need for further knowledge in the field of foreign languages.

I hope my colleagues will take the time to read the ad of United Technologies.

The ad follows:

TONGUE-TIED AMERICANS

Travel abroad and you'll find, almost everywhere, people with enough grasp of English to give you directions, interpret a menu for you, or help with your travel schedule. But a non-English speaking visitor to this country is hard-put to find such help.

Among industrialized nations, the U.S. stands alone in its neglect of foreign language study. In the face of growing world interrelationships—political, diplomatic, economic—Americans' familiarity with the tongues of others is in sorry decline.

Last year the President's Commision on Foreign Language and International Study was formed to find ways to live up to international agreements in which the U.S. has pledged to encourage the study of foreign languages and civilizations. The commission's initial findings are dismaying:

Nine out of ten Americans cannot speak, read, or effectively understand any language but English.

About 90 percent of all colleges have no language requirements for admission. One-quarter of all high schools do not teach any foreign language.

College language enrollments have declined 21.2 percent in the past decade.

Foreign language enrollments dropped 15 percent among high school students between 1968 and 1974. Less than one-quarter of high school students now study a foreign language, as against 32 percent in the mid-1960s.

Only 17 percent of American foreign language students taught wholly in this country can speak, read, or write the foreign language easily.

The prevailing sense in this country toward those in other lands seems to be: Let'em speak English.

It's a foolhardy attitude. It ill serves America's interests and objectives in the world community. Unless it's changed, the U.S. will find itself at a disadvantage in grasping economic opportunities and meeting its diplomatic responsibilities around the world.

At a time of detente with Russia and rapprochement with China, an appallingly small number of American students are taking up those languages at the advanced levels necessary for fluency. One member of the presidential commission voiced distress on learning that the U.S. Foreign Service no longer requires any foreign language background for new service officers. Because so few Americans study foreign languages, he found, the State Department was forced to drop the requirement.

Much of America's economic growth in the years ahead will come from international trade. More and more people will be needed with skill in foreign tongues. By not pursuing language studies, many young people are cutting themselves off from rewarding careers in international business.

Knowledge of other languages and cultures is indispensable to fruitful international relationships. We in this country would do well to support and stimulate such knowledge, lest we find ourselves standing around with nobody to talk to except ourselves.●

COMMITTEE ON ENERGY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. ROTH. Mr. Speaker, our Nation has no higher priority than the development of an effective, comprehensive national energy program.

Energy is the lifeblood of our economy. The future of this Nation depends in large part upon the policies Congress adopts on energy.

Passage of the National Energy Act last year was an important measure. But other steps are required if we are to reach our energy goals.

Even now, Congress is considering energy legislation related to President Carter's July 15 speech, in which he outlined several key proposals and called for early action.

Despite the importance of energy, legislative jurisdiction is fragmented like no other subject in the House of Representatives.

JURISDICTION OVER ENERGY

Later this week, I will introduce a resolution providing for the creation of a Standing Energy Committee in the House of Representatives.

The new committee would have jurisdiction over all energy policy matters including those related to production, conservation, research and development, and energy regulation.

Passage of this resolution would, for the first time, place in a single committee responsibilities for energy that are now scattered among several committees of the House.

ENERGY COMMITTEE OVERDUE

There is an understandable and natural tendency among committees with responsibility for energy matters to schedule activities in order to have a piece of the action and to share the public spotlight.

As long as this situation prevails, energy policies and programs will suffer. So, too, will prospects for a solution to our energy problems.

Establishment of an energy committee in the House is long overdue. Congress must shoulder a major part of the blame for our not having a rational, effective energy policy in America before now. The way responsibilities have been fractionalized, perhaps we could not expect much. But the Nation's urgent need for action on the energy front—now—compels us to realize the institutions and structure of Government in order to respond to today's needs and to make timely and logical policy decisions that under the present House structure are virtually impossible. Why? Because such energy policy actions cut across jurisdictional lines of several committees.

PROOF OF NEED

In April 1975 the President submitted to Congress a proposal for a comprehensive energy program. There is general agreement that but for the creation of the House Ad Hoc Energy Committee the administration's proposal would not have made it through the House to be passed by the last session of Congress.

Now we learn that a special task force has been established in the House in order to handle energy proposals such as those related to President Carter's recent TV address to the Nation calling for action to help solve the country's energy problems.

Creation of the House Ad Hoc Energy Committee in 1977 and now the special task force are proof of the need which my resolution addresses.

The last Congress acted to create the Department of Energy. This action placed all the energy responsibilities in the executive branch in a single Cabinet agency. Also during the last Congress a reorganization in the Senate resulted in the placement of all responsibilities for energy in a single committee.

AREAS OF JURISDICTION

My proposal—the establishment of a House Energy Committee—would better enable this body to exercise its increasingly important responsibilities for energy. It would facilitate operations with the Senate, greatly aid the House in handling its oversight responsibilities of the Department of Energy, and provide a better means of handling the President's recently announced proposals for an energy mobilization board, an energy security corporation, and other specific energy proposals.

Under my proposal, the new Energy Committee's jurisdiction would include:

Energy policy (production and conservation); energy regulation; energy research and development; natural gas and oil production; coal production, distribution and utilization; hydroelectric power; solar energy systems; nonmilitary development of nuclear energy; naval petroleum reserves; and energy related aspects of deep water ports.

Study and review, on a comprehensive basis, matters relating to energy and report thereon from time to time.

TRANSFER OF RESPONSIBILITY

The resolution does not propose a wholesale reorganization of the House. Rather, it proposes establishment of an energy committee and the transfer to it of the above listed jurisdictions from the existing committees. Appropriate staff personnel from the existing committees who are performing such functions could also be transferred.

I urge my colleagues to join me in this effort to assure that the Nation's energy situation is given the priority consideration and treatment it deserves. This committee would be able to give its attention, solely and totally, to the solution of our energy problems. Its efforts would not be distracted, delayed, or diffused by other requirements as is now the case with the other existing committees who have multiple responsibilities.●

TAX CUT POSSIBILITIES

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. RHODES. Mr. Speaker, evidence is mounting that the economy is moving into rough waters. The need for a tax cut also becomes more clear. I believe the question now simply is when and what kind of tax cut Congress will enact.

In an interview published in the Chicago Tribune of July 23, Michael K. Evans of Evans Economics, Inc., discusses tax cut possibilities, and calls for a tax cut emphasizing individual savings accounts which would stimulate investment in the plants and facilities we will need to counter unemployment. By creating these IRA's, we would encourage savings, which now are less than 5 percent of total income.

It is obvious that the needed tax cut should be fashioned carefully, with the aims of helping to stimulate investment to pave the path to recovery.

I urge that my colleagues take time to read this brief analysis of the economic challenges that face our economy, the American people, and this Congress.

Text of the article from the Chicago Tribune is as follows:

TAX CUT POSSIBILITIES

Political events in Washington have overshadowed economic ones in recent days, but statistics on the nation's output of goods and services, released Friday, confirmed that the economy had turned sharply downward. Forecaster Michael K. Evans of Evans Economics, Inc., rules out a "soft landing" and urges a prompt tax cut aimed at stimulating savings and investment. The recession, he says, will be more severe than most during the postwar years, though not as deep as during the 1974–75 period. Evans was interviewed by Tribune business reporter Terry Atlas. The following is an edited transcript:

Q—What implications for the economy do you see in last week's Carter administration shakeup?

A—It reflects a man who's run amuck; he has absolutely no idea what he's doing. The big news is the GNP [gross national product], not Carter's musical-chairs game.

Q—Will the ouster of Treasury Secretary [W. Michael] Blumenthal and the move of Federal Reserve chairman [G. William] Miller to Treasury change economic policy?

A—It won't make any difference. Miller was a tool of the administration at the Fed, and at the Treasury he'll continue the same policies he would have anyhow, which are basically Mr. Carter's policies.

Q—Does that leave the economy directionless?

A—It's leaderless; the direction is clearly down.

Q—As you said, the news is the second quarter GNP figure. It was down (after removing inflation effects) at a 3.3 percent annual rate. How does that compare with expectations?

A—We were calling for a 3 percent drop, so we got this one right. The consensus forecast was for about a 1 percent decline, so therefore it's a lot worse than most people thought. Car sales was the major number that went down, but it was weak across the board, really. No major component of GNP went up except inventories, and of course they'll have to be reversed in the second half of the year.

Q—What does this signal for the remainder of the year?

A—I think real GNP will continue to decline through the first quarter of 1980 at a 3 percent annual rate. The unemployment rate should start rising sharply now and hit a peak of 8.5 percent in the middle of next year. Inflation will slow down, but not nearly enough. Inflation will slow to about 9 percent by the end of this year and to about 8 percent in 1980.

Q—What policy actions need to be taken? Is a tax cut appropriate?

A—We're going to have a tax cut next year, and that's obvious now that GNP has fallen as far as it has. But we need what I call a new-style tax cut, which is one that stimulates savings and investment as opposed to an old-style tax cut, which simply stimulates consumption.

Q—How do you do that?

A—Several possibilities have been suggested. One is to reduce the lives for depreciation allowances to 10 years for all structures and five years for equipment. The other possibility is what I call an "individual savings account," where the first $1,500 of interest income, dividend income, and capital gains would be exempt from tax.

If we do this, we can gradually work to get the rate of unemployment down over the long term. If we just have another consumption-style tax cut, we've accomplished nothing. We get ourselves out of the recession, but the inflationary spiral just goes on, and it's worse the next business cycle peak than it was this time, just as has been the case for the last five business cycles.

Q—When should a tax cut be put into effect?

A—Yesterday. Of course, you know what's going to happen: The cut will be passed the day the recession ends, more or less. This is the eighth postwar recession, and we've never had a tax cut before the recession was over.

Q—How serious is the recession that's begun? Will there be a "soft landing"?

A—We'll have the unemployment rate rising from 5.8 to 8.5 percent; that's more than usual but not as bad as in 1974–75. I can't call it a soft landing anymore, though. It will be more severe than the average postwar recession, but not as bad as 1974–75.●

CORPORATE RESPONSE TO ASBESTOS-RELATED HEALTH HAZARDS

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. KRAMER. Mr. Speaker, during the course of hearings before the Education and Labor Committee in recent months on the problem of occupational diseases, and particularly asbestos-related disease, a great deal of public attention has been focused on the issue of corporate responsibility for the problems and for the solutions. Unfortunately, reports of the health problems affecting workers in the asbestos industry and attempts to establish corporate culpability have overshadowed the many positive steps which the industry has taken over the years to advance the level of medical and scientific knowledge about the health effects of asbestos exposure and to protect the worker against possible hazards.

One company which has taken such steps over the years is the Johns-Manville Corp. The contributions this company has made, however, to advance the state of medical and scientific knowledge about the health effects of asbestos exposure, and the efforts it has made to protect its employees, have been largely ignored in the public accounts of the company's role in the asbestos health issue. Those who are quick to point an accusing finger at the company for not anticipating health effects on workers which did not become evident for many years after exposure ignore the simple fact that knowledge available to us now was not available at the time of exposure.

They ignore the fact the company did make substantial contributions over the years to the development of medical knowledge about the health effects of asbestos exposure and took steps to protect its workers against those hazards as they become known. And they further ignore the role of the U.S. Government in its regulation and use of asbestos materials, and in exposing Government workers to those materials during the time period when medical knowledge of the hazards of such exposure was incomplete for both Government and private industry.

In an effort to bring some balance to the public record, I would like to bring to the attention of my colleagues some of the arguments which the Johns-Manville Corp. has made in response to an article which appeared recently in the Washington Star and was reprinted in the CONGRESSIONAL RECORD. The following points were excerpted from a letter from John McKinney, chairman of the board of Johns-Manville Corp. to the editor of the Washington Star:

1. Early reports of disease resulting from the intense exposures in asbestos textile mills in England did not indicate that disease would be generated in the far lower exposure levels of other mining, manufacturing and insulating operations. Experience with other dust related diseases pointed to a contrary conclusion.

2. Medical and scientific studies were initiated by industry and participated in by the U.S. Public Health Service. These studies concluded in the recommendation by the U.S.P.H.S. of standards for exposure to airborne asbestos. These standards were adopted by the American Conference of Government Industrial Hygenists, and J-M operations met these standards.

3. Lung cancer among cigarette smoking asbestos workers was not predictable from earlier knowledge of the disease of asbestosis among abestos textile workers. The first such indication was developed in a Johns-Manville sponsored study in 1959 and confirmed in a Johns-Manville assisted study by Dr. Selikoff reported in 1964.

4. A total of about 250,000 people have been exposed to asbestos in private industry occupations. More than a million workers have been exposed in occupations controlled by the government—mostly World War II shipyards.

5. Government sponsored research of insulation workers in shipyards concluded in 1946 that insulation work was not an unreasonably hazardous occupation at exposure levels many times current standards. The study was subsequently recognized as faulty and the conclusions tragically incorrect.

6. At the time when industry is asserted to have withheld from workers knowledge of asbestos health hazards, Navy doctors were surgically implanting asbestos into the lung cavities of submariners in an effort to prevent collapsing of lungs.

7. Johns-Manville believes that the money now being spent in the third party litigation, with inconsistent and unpredictable results and with attendant high legal cost and court burdens, should better be spent in direct compensation programs.

8. Johns-Manville is willing to participate in a compensation program with respect to its own employees (in addition to workers compensation already provided by the company) if the government will accept responsibility for persons injured in environments controlled by the government. Johns-Manville is willing to participate in a program to provide additional funding to compensate those injured by asbestos who fit into neither industry employee nor government categories.

9. The use of asbestos insulation in ships being constructed and rehabilitated was critical to the nation's war effort in the 1940's. Its use was required by government specifications.

10. Much of the disease being experienced can be traced to the rip out of old insulation in ships being rehabilitated, rather than to the installation of new insulation products. Those work practices were under the direct control of the government.

11. Government knowledge of the incidence of asbestos disease and its causation has been as complete and as current as industry knowledge. Government's responsibility to workers in its own controlled work places is at least as great as the responsibility of industry to workers in the private sector.

12. The government has consistently for decades promoted the production and use of cigarettes without which over 97% of the asbestos workers who died of lung cancer would not have died of that disease.

13. The incidence of asbestos related disease has declined as a result of dust controls voluntarily developed and installed by industry. A Johns-Manville asbestos cement plant which began operations in 1958 has no cases of asbestos disease depite past exposure level exceeding today's standards.

In addition to these points. I would like my colleagues to be aware of some of the specific actions which the Johns-Manville Corporation has taken to advance medical knowledge of asbestos hazards and to protect its workers against those hazards. The following points are taken from the company's annual report for 1978:

1. Recognition in 1930 of the first American medical studies of possible health hazards from asbestos. This was in response to information that the heavy and constant asbestos exposure in the textile mills of England might be hazardous. These studies preceded by years any independent action by the United States Public Health Service or any medical organization.

2. Organization in the 1930's of industry support for extended research at the Saranac Laboratories of the Trudeau Foundation, a leading pulmonary disease research facility.

3. Voluntary adoption and adherence to the recommended exposure limits of the United States Public Health Service.

4. Physical examination programs available for employees continually since the 1930's; leading research reports in the early detection of disease.

5. Information prepared and distributed since the 1930's to inform employees of the work practices and protections necessary to eliminate the hazards recognized at the time.

6. Respirator programs installed where exposure might exceed "safe exposure levels."

7. Hundreds of engineering projects and millions of dollars spent for dust control, including the "invention" of equipment where none existed.

8. The first to place warning labels on asbestos insulation products in 1964 in response to the new evidence that dust from such products might create a hazard to people working with the products.

9. Continued funding of independent medical and scientific research including that of leading experts such as Dr. Irving J. Selikoff of Mt. Sinai Hospital in New York City.

10. Cooperative programs with industry and with labor organizations to disseminate information about asbestos and health, and to continue research.

11. Adoption of mandatory no-smoking programs for workers occupationally exposed to asbestos—the first broad-scale, anti-cancer program in American industry."●

MARIO POLVOROSA: MAN OF GOLDEN DEEDS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. STARK. Mr. Speaker, today I would like to place in the RECORD a few words about one of the leading citizens of San Leandro, Calif., Mr. Mario Polvorosa, a city councilman and vice-mayor.

Mario Polvorosa is one of those good humans who cannot resist the opportunity to help others. As a result, many, many San Leandrans—and others—have benefited. A list of funds raised, organizations benefited and people aided by Mario is truly impressive.

Mr. Speaker, I am not the only one who is aware of Mario's role in the community as a good Samaritan. On July 31, 1979, the Exchange Club of San Leandro will honor Mario Polovosa at a luncheon at which he will be presented with the Exchange Club Book of Golden Deeds. As Rene M. Moal, chairman of the Book of Golden Deeds program recently wrote to me:

The purpose of the Book of Golden Deeds is to recognize the good deeds of heroes and heroines of everyday life. It is exclusively an Exchange Club project that not only bestows contemporary honors upon worthy people, but also documents their accomplishments as an inspiration to future generations.

The Exchange Club could not have picked a finer person to honor. Mario is a public servant who goes beyond the normal duties of an elected public official to help those who need help. Whether it is raising money for jackets for the traffic cadets at St. Leanders School, getting blood donations for the seriously ill or getting equipment for a victim who suffered a severed spinal cord, Mario generously gives his time, efforts and special talents to the cause. And he is successful. In these days of "let Sam do it," Mario Polvoroea is a Sam for all seasons and all citizens. He delivers what he sets out to do. And what he delivers is aid to the afflicted and help for the hurting. He is a good public official and a good human. I am honored to count him among my friends.●

SOMOZA BETRAYED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. McDONALD. Mr. Speaker, the Department of State and our President have just completed the overthrow of President Somoza. American Ambassador Pezzullo is already bragging about our action in downing Somoza.

Ambassador Pezzullo professes not to know what kind of government will emerge in Nicaragua, but it is clear to anyone who has followed the issue. The simple fact is that the Sandinistas have the guns. The Sandinistas did not win a major military victory, but they won the political fight, and this they could not have done without U.S. help.

The Augusta (Georgia) Chronicle penetrated the fog created by our policymakers in a very succinct editorial printed on July 18, 1979. I commend it to the attention of my colleagues:

[From the Augusta Chronicle, July 18, 1979]

SOMOZA BETRAYED

The downfall of Nicaraguan President Anastasio Somoza Jr. is a blow to the West and the anti-Communist cause.

Most galling is that the Nicaraguan chief of state, who tried hard to be a friend of the United States, was stabbed in the back by the Carter administration and the State Department. Liberals in the State Department hated the anti-Communist Nicaraguan government, and ranked it side by side with such "ogres" as Taiwan, Chile, Rhodesia and South Africa. And, in recent years, these liberals have been harping on Somoza's "human rights" record as justification for his overthrow.

Granted, Anastasio Somoza was no Thomas Jefferson. He and his family ran Nicaragua for 42 years under an autocratic but industrially progressive regime. But compared to the Marxist government of Panama, which the Carter administration consistently praises and looks at "objectively," the Somoza regime was paradise!

What Americans are now witnessing during the current guerrilla war in Nicaragua—and during the vacuum that has now been created by Somoza's departure to the United States—is the Carter administration tendency, often displayed before, to cheer on enemies of the governments it hates. Tragically, in Nicaragua's case, the result of this overt and covert anti-Somoza campaign no doubt will be the installation of a new Marxist guerrilla government similar to that imposed on Panama by Gen. Omar Torrijos. The evidence is there for all to see that the Sandinista guerrillas who want to take power in much the same style as Fidel Castro did in Cuba are heavily armed by Cuba and the Soviet Union.

It was just in mid-June that over 125 U.S. senators and congressmen wrote a letter to President Carter urging that our government stop the arms embargo to Somoza's

national guard troops. They also advocated that Carter stop giving moral support to the Sandinistas. If Mr. Carter had thrown full arms and moral support behind the Nicaraguan government at that time, we believe that Somoza could still have militarily beaten the rebels.

The congressional letter also pointed out that the Communists could "control an area bordering on two oceans stretching from Panama to the vast oil reserves of Mexico. And at that point, this nation will bitterly regret the day it lacked the resolve and forcefulness to take proper action in support of President Somoza."

The shah of Iran, President Somoza and all too many Western leaders through the years can testify to U.S. abandonment and betrayal. What ally is next to be targeted? ●

BILL KAJIKAWA—FOUR DECADES OF FOOTBALL AT ARIZONA STATE UNIVERSITY

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. RUDD. Mr. Speaker, I would like to pay tribute to an outstanding Arizonan who has contributed immeasurably to athletics in my home State.

After more than four decades of football at Arizona State University—first as an All-Border Conference tailback at Arizona State Teachers College at Tempe, and then as coach of successor ASU's Sun Devils freshman football players—Bill Kajikawa has retired.

Bill Kajikawa came to Arizona in 1929, when the State was a mere 17 years old. It was not an opportune time, during the middle of the Great Depression, when the population of Phoenix comprised only 50,000 people. In the ensuing years, Maricopa County has grown to 1.6 million people.

Kajikawa was recruited as a varsity player for the ASTC Bulldogs by Vernon Tuckey, himself a Bulldogs player and ASTC student body president. He was aware of Kajikawa's outstanding football record at Phoenix Union High School.

Vern remembers going over to the Kajikawa home in downtown Phoenix. Bill was in Los Angeles. His mother spoke only very limited broken English, and Vern spoke no Japanese. But somehow Vern was able to make arrangements to meet Bill downtown when he returned to Phoenix the next day.

Tuckey hit the jackpot. Kajikawa was accompanied by two other All-State football players—Mutt Guthrie and Don Gillette—and Vern persuaded all three of them to come out to Tempe the next day, where he signed them up for the Bulldogs on the spot. This day signalled college football history in Arizona.

"Kaji," as a legion of former players affectionately call him, started out with the Bulldogs on a football scholarship that consisted of a room-and-board work program. This was enticing at a time when the Depression bread line was a common phenomenon.

He played three seasons at old Irish Field, where a crowd of 3,000 for a Bulldogs game was considered substantial. Not in his wildest dreams did he ever visualize an Arizona State University, now, Sun Devils game before 70,000 excited fans.

When he graduated in 1941, Kaji took his freshman coaching job which he held until this year. His dynamic coaching assured his position with the freshman squad through the tenure of eight varsity football coaches. Kaji also coached basketball and baseball.

Looking back on the four decades of football, Kaji has seen many changes in the game. He recently stated in an interview with the Arizona Republic:

It has become a business venture, and, perhaps in a way a vicious cycle. If you don't have the people [attending], you don't have the team, can't recruit and can't get the good coaches. Maybe there's a little over-emphasis, but it doesn't bother me. Arizona State has been fortunate to be able to keep up with the trends.

We, in Arizona, believe that we have indeed been fortunate to have had the benefit of Kaji's industry and leadership in molding the future of so many fine young men.

I would like to include the Arizona Republic's story on the occasion of Kaji's retirement at this point in the RECORD:

[From the Arizona Republic, July 22, 1979]

KAJIKAWA'S TENURE AT ASU SPANNED ERA OF GROWTH IN FOOTBALL

(By Verne Boatner)

When Arizona State football coach Frank Kush assembles his troops at Camp Tontozona next month, a major task will be to find adequate replacements for those who have departed.

One pair of shoes may be all but impossible to fill.

The shoes belong to 66-year-old Bill Kajikawa, who won't be on the sidelines this fall for the fist time in more than four decades.

After 41 years of coaching Arizona State's freshmen football players, Kajikawa has retired.

"Kaji," as a legion of former players call him, officially stepped down a year ago, only to heed Kush's plea for "one more year."

But now, claims Kajikawa, the former All-Border Conference tailback, the retirement is permanent.

"Nobody is indispensable," he said. "But it's going to be tough sitting in the stands after all these years."

After graduation in 1937 from the Tempe school that was known as Arizona State Teachers College, Kajikawa was hired to handle the freshmen by head coach Rudy Lavik.

He has held the position ever since, except for time out for World War II. Eight football coaches—Lavik, Dixie Howell, Hillman Walker, Steve Coutchie, Ed Doherty, Larry Siemering, Clyde Smith and Dan Devine—have come and gone while Kajikawa has remained. For the past 21 years, he has been grooming high school graduates for Kush.

He also coached baseball and was the head basketball coach when Ned Wulk appeared on the scene in 1957.

"It has been a wonderful experience," he said, "but all good things must come to an end."

The state of Arizona was only 17 years old when the Kajikawa family moved from California to Phoenix.

It was hardly an opportune time, 1929. Phoenix was a city of only about 50,000.

Kajikawa's stepfather opened a barber shop at Madison and Second Street.

Phoenix Union was the only high school in town when Kajikawa—who had missed a lot of schooling while touring Japan with his parents—enrolled as a 17-year-old freshman.

Age was no problem, for in those days athletes were eligible for high school sports until their 21st birthday.

Kajikawa, 5-foot-7 and 125 pounds, had never been exposed to organized sports. He was one of about three Japanese-American students "and probably the first to participate in sports at Phoenix Union."

With an enrollment of about 4,500, Phoenix Union was the kingpin of sports in the state. More than 200 students played football on either the varsity or in intramurals.

Kajikawa was one of the few sophomores ever to make the varsity. By graduation, he had earned nine varsity letters, in football, basketball and baseball.

"We went first class in every way," he recalled. "The varsity got new uniforms every year."

And in an era when Notre Dame was still traveling to Southern California by bus, the Phoenix Union Coyotes were chartering Pullman coaches for games in California, New Mexico and Texas.

While Arizona State and the Univeristy of Arizona were lucky to draw 3,000–4,000 fans, overflow crowds of more than 10,000 jammed Phoenix Union's newly erected stadium.

The Coyotes annually played Northern Arizona and the U of A's junior varsity, but ASTC was not deemed strong enough. In addition to the annual Thanksgiving Day game with the Phoenix Indians, the Coyotes even played their own postseason game—challenging top prep powers from out of state.

"I remember one year a team came out from Chicago," said Kajikawa.

An Arizona tSate football player and student body president, Vernon Tuckey, decided to do something aobut the deplorable state of football on the Tempe campus. He and his friends recruited nine all-staters, including Kajikawa, who by then was a robust 138 pounds.

"It was the middle of the Depression," said Kajikawa. "Some of the players had been out of school two or three years and couldn't get a job."

A "scholarship," which was actually a work program for room and board, sounded enticing at a time when bread lines were common.

"We had to work three hours a day for our meals," said Kajikawa. "None of the athletes could afford books. So we would wait until 10 o'clock at night, when the wealthy students were going to bed, and borrow their books to study."

Despite Tuckey's efforts and Kajikawa's individual achievements, the ASTC's Bulldogs were destined to remain the UofA's whipping boy for years to come.

He played three seasons on old Irish Field, before Goodwin Stadium was dedicated his senior year. A crowd of 3,000 was considered good.

"Not in my wildest dreams would I have ever visualized that one day Arizona State would play before 70,000 fans," he said.

Kajikawa was worrying over what he would do at graduation when Lavik offered him a job. He married his wife, Margaret, in 1941. They have two daughters.

Looking back at four decades of football, Kajikawa said, "The Peach Bowl (1970) was the turning point for ASU football. We left one era and entered a new one on the strength of that game.

"Another big game was when we beat North Carolina State (1960) when they had Roman Gabriel. There have been a lot of other great victories, but the climax was Southern Cal last season."

Kajikawa singled out Al Dalmolin ('34–'36), Whizzer White ('47–'50), Dave Graybill ('53–'56) and J. D. Hill ('67–'70) as the greatest ASU athletes he ever saw.

"But there were many others," he said. "Graybill and Hill had to be two of the greatest all-round athletes we ever had. J. D. could have excelled at basketball, baseball, anything."

Kajikawa has seen many changes in college football but nothing very alarming.

"It has become a business venture," he said, "and, perhaps in a way a vicious cycle. If you don't have the people (attendance), you don't have the team, can't recruit and can't get the good coaches. Maybe there's a little overemphasis, but it doesn't bother me.

"Arizona State has been fortunate to be able to keep up with the trends.

"I'm just proud to have been part of the growth. I really enjoyed all the years of working with players and coaches.

"And when I see a former player who has made good in his chosen field, I'm as proud as if he were my son. Hopefully, I helped a little bit along the way."●

OVERPOPULATION CAUSING PROBLEMS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. SIMON. Mr. Speaker, as we strive to solve the many great crises confronting the Nation and the world—energy shortages, skyrocketing inflation, poverty and hunger—one most conclude that the overwhelming majority of the most crucial problems can be traced to overpopulation.

Many developing nations are currently experiencing massive movements of people from the rural areas to already overcrowded cities. Recently, the distinguished Rafael Salas, Executive Director of the United Nations Fund for Population Activities, addressed himself to the highly disturbing consequences of what he terms the largest migratory movement in human history.

Frequently, we are so preoccupied with immediate problems that we overlook others that are growing and intensifying. The result is that remedies often arrive late and are almost invariably more costly both in human terms and in dollars and cents. For this reason, I call your attention to the remarks of Mr. Salas as they appear in the current edition of Popline, the world population news service, a monthly publication of the Population Action Council.

The article follows:

OVERPOPULATION CAUSING PROBLEMS

UNITED NATIONS, N.Y.—Mass migrations from rural to urban areas of the Third World are "setting the scene for insurrections in the years to come," asserts a leading United Nations spokesman.

The "migration syndrome" can become the seed of unrest in burgeoning areas undergoing fierce competition for jobs, housing and services, says Rafael Salas, executive director of the United Nations Fund for Population Activities.

The population shift in developing countries as seen by Salas as the largest migratory movement in human history.

Urban population, which has doubled since mid-century, may well double again before the end of the century, he says.

In less developed regions, the urban population has increased from approximately one-sixth of the total population in 1950 to nearly one-third today and could soar to almost one-half within the next three decades, Salas continues.

From 1950 to 1975, the urban population in Africa tripled and it is expected to triple again by the end of the century. Asia and Latin America will experience a slightly less but still dramatic urban population growth.

Some 60 percent of the urban expansion in the Third World is due to "natural population increase," Salas maintains.

However, a relatively new and potentially explosive factor in urban growth is the willingness of vast numbers of rural inhabitants to uproot themselves from their villages and farms and move to the cities.

The attraction to urban areas that has been developing over the past several decades is due to the promise of employment and improvements, no matter how little, in their lifestyles.

Many national governments view migration as one of their primary population concerns. It is becoming a serious obstacle to development goals, affecting industrial location policies and investment allocations for schools, housing and hospitals.

"The causes of migration are quite obvious," says Salas. "Conditions exist that make the village life of sheer subsistence in small-scale agriculture unbearable for more and more people."

Conversely, Salas points out, a certain "romantic attraction to the cities offsets the reality that most migrants are forced to live in shanty towns upon their arrival. Village life in the Third World cannot compare with what the big cities seem to offer."

Overcrowding is but one in "a complex web of problems" caused by migration, Salas emphasizes, adding:

"Most migrants come to find work, and many of them do. They earn more than they ever dreamed of earning in the village and are able to send money back home. As small as the amounts may be, this causes an economic imbalance to say nothing of restlessness at home.

"Younger sons and brothers are disinclined to till the soil as they dream of joining fathers and older brothers in the city. Wives wait in the villages for husbands to earn enough to send for them, and instead of training youngsters for a life of agriculture, the dream is of the city.

"They realize, too, that life in the city offers a better chance at education, diversification in employment and a different social life. The attraction is great. The city is a magnet."

Salas stresses that migration is not only a trend but also "a hard reality that governments must recognize before population problems become impossible."●

INTEND TO AMEND H.R. 4839

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. McCORMACK. Mr. Speaker, I wish to make it known that when the Department of Energy authorization bill (H.R. 4839) comes to the floor, I intend to offer an amendment to restore funding for certain civilian power applications under the inertial confinement fusion program. Several parts of this program, which had been included in the President's budget, have not yet been authorized either under this bill or under a separate bill reported out by the Armed Services Committee. My amendment will correct this omission.

The text of the amendment follows:

AMENDMENT

On page 12, line 7 strike "$10,400,000" and substitute in lieu thereof "$15,900,000".●

RESOLUTION TO REVITALIZE THE SOUTH BRONX

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. GARCIA. Mr. Speaker, the following resolution of the Synod of the Northeast of the United Presbyterian Church in the U.S.A. is a great credit to that Synod. The members have unabashedly expressed their belief that revitalization of our urban areas, particularly the South Bronx, must be a major priority.

The suffering and human degradation of those living in the South Bronx stand in stark contrast to the hope and promise of the American dream that this Nation has long cherished.

As the resolution so forcefully states, it must now fall to us in government, whether it be on the local, State, or Federal level, to recognize the plight of these people, hear their pleas, and help them to rebuild their areas. President Carter has noted that we must move ahead to establish an agenda for the 1980's. There is no issue which should be given greater priority in the coming decade than the rebuilding of our inner cities.

Our Nation cannot continue to be divided between those with unlimited opportunity and those with none. The unity which we all seek can be found in a concerted effort by the Federal Government to work together with local communities and community organizations to provide the opportunities for advancement that the residents of these areas are so anxious to achieve. We must move now to commit ourselves to do nothing less than make the fulfillment of the American dream a real possibility for a significant portion of our Nation.

The resolution referred to, follows:

RESOLUTION

Whereas the top-priority concern of the Synod of the Northeast of the United Presbyterian Church in the U.S.A. is the New York City Metropolitan Area; and

Whereas the area of the South Bronx is a vital part of that city; and

Whereas we have seen with our own eyes the deplorable shambles that this section of the city has become, and heard with our own ears of the human suffering and degradation that residents of that section must endure; and

Whereas we note that plans for renewal and rehabilitation seem to be at a standstill, even while arson, vandalism, and wholesale abandonment of buildings continues at an alarming rate;

Therefore, be it resolved that the Synod of the Northeast, composed of representatives of twenty-one presbyteries which con-

tain over 383,000 active members of the United Presbyterian Church in the U.S.A., from New York, New Jersey, and the six New England states, assembled at our annual meeting at Fordham University, Bronx, New York, June 13-16, 1979, do call upon public officials of the city, state, and federal governments to make every effort swiftly to formulate and implement a workable plan to renew the South Bronx and make it once more an area decent for human habitation.●

SYNTHETIC FUEL COST ESTIMATES UNDER REVIEW

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. ARCHER. Mr. Speaker, several weeks ago, in anticipation of an intensified debate in the Congress on alternative energy sources, I asked the Library of Congress to undertake a study of comparative fuel costs.

The first portion of that study, the segment dealing with synthetic fuels, has been completed—and in view of the President's proposal for an ambitious Federal synthetic fuels program, I feel it is most important that my colleagues in the Congress have an opportunity to see the estimated costs that are involved to the American consumer.

Please note that all estimates are in current 1979 dollars. Additional segments of the comparative costs study will be released as they become available.

The study follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., July 17, 1979.

To: House Ways and Means Committee, Attention: Representative Bill Archer.

From: Paul Rothberg, Analyst, Physical Sciences, Science Policy Research Division, and David Gushee, Chief, Environmental Policy and Natural Resources Division.

Subject: Cost Estimates: Synfuels That Might Be Commercialized Under the Provisions of the Proposed "Energy Trust Fund."

In response to your request, we have prepared a tabel of estimated capital costs and price per barrel of products for a variety of synthetic fuels made from coal and oil shale. These estimates are our "best guesses" arrived at on the basis of previous estimates made by, or for, the Department of Energy; selected industry estimates made before congressional committees, as modified by us on the basis of inflation rates; changes in OPEC oil prices since the original estimates were made; and our own judgments.

All estimates are in 1979 dollars and represent cost as of the initial period of operation. The estimated product and capital costs assume a constant OPEC price of $18 per barrel in 1979 real dollars. Should the OPEC price in real terms change during the period of construction, the product and capital costs would also rise.

We wish to emphasize that estimates of synfuels costs are subject to much uncertainty. These economic projections are likely to remain uncertain until several plants have operated and produced fuels on a reliable basis for a sufficiently long period of time. A discussion of major uncertainties facing a coal-based synfuels industry is given in CRS report No. 79-134.

We would also add that new detailed cost estimates, despite the time they take and the costs that they incur, would be unlikely to reduce the uncertainties in these estimates by very much, because of the uncertainties in the underlying assumptions.

SELECTED SYNFUELS TECHNOLOGIES THAT MIGHT BE COMMERCIALIZED UNDER THE PROPOSED "ENERGY TRUST FUND" [1]

Technology/Process	Estimated capital cost [2] [3]	Plant output	Economic incentives allowed under existing law (July 1979)	Estimated price of product at plant [2] [3]
A. Oil shale synfuels:				
Above ground oil shale processing retort/Tosco, Paraho, Union Oil Co. system.	$2 billion	50,000 barrels per day	Loan guarantees	$30 to $50 per refined barrel.
Multiple mineral oil shale processing/Superior Oil Co. system.	$2 billion	50,000 barrels per day	Loan guarantees	$25 to $45 per refined barrel.
Vertical modified in situ oil shale processing/Occidental Petroleum Corp.	$900 million	50,000 barrels per day	Loan guarantees	$25 to $45 per refined barrel.
B. Coal synfuels:				
Hi-Btu coal gasification/Lurgi	$2 to 2.5 billion	250 million cubic feet of gas	Loan guarantees, joint Federal industry cooperation, investment tax credits for synfuels.	$5 to $8 per mcf at plant gate.
Medium-Btu coal gasification/numerous processes available.	$250 million	75 billion Btu per day	Loan guarantees, cost sharing, investment tax credit for synfuels.	$4.75 to $6.50 per million Btu.
Low-Btu coal gasification/numerous processes available.	$4 to $5.5 million	1 billion Btu per day	Loan guarantees, cost sharing, investment tax credit for synfuels.	$4 per million Btu using $35 per ton coal.
Coal liquefaction/possibly Fischer Tropsch	$2 to $2.5 billion for a syncrude plant.	50,000 barrels per day	Loan guarantees, guaranteed prices, purchase of products, investment tax credit for synfuels.	$35 to $50 per refined barrel at plant gate.

[1] For synfuel technologies, e.g., oil shale processing systems and coal synfuels systems, it is difficult to estimate the project and product costs. Many uncertainties are associated with the economics of technologies that have not yet been commercialized. Economic projections on synfuels technologies are likely to remain uncertain until several plants have operated and produced fuels on a reliable basis for a sufficiently long period of time. Because of these uncertainties, the number presented in this table should be considered to be "best guesses" and are subject to much uncertainty.

[2] All cost and price figures are in 1979 dollars and are assumed to represent costs as of the period of initial operation.

[3] "Best guess" estimates, prepared by Rothberg and Gushee. ●

IN DEFENSE OF ISRAELI ATTACKS ON PLO INSTALLATIONS IN LEBANON

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. KEMP. Mr. Speaker, there has been considerable discussion in recent days about Israel's policy of conducting military operations against suspected PLO installations in Labanon. It is no secret that the PLO now uses Lebanon as its base for conducting terrorist operations against Israel. The PLO has infiltrated terrorists into Israel by land and sea, not to attack military installations, police facilities, or symbols of the Israeli Government, but to attack the most defenseless elements of Israeli society unarmed women and children.

The PLO terrorists frequently are "suicide squads" who have no expectation of completing their mission alive. Hence, they are trained and organized to inflict the greatest amount of damage on Israeli civilians possible, knowing that they will have no escape. To deal with the terrorist threat, Israel has adopted the only reasonable course. Israel is striking at the bases from which the PLO terrorists operate in Lebanon. To do otherwise would require nothing short of a police state in Israel.

Israel has conducted land, sea, and air raids into areas of Lebanon where PLO terrorists are known to be based. Since the Lebanese civil war, there has been a considerable movement of PLO bases from their original concentration around refugee camps to being widely dispersed throughout Lebanon. Thus, in order to strike at the bases from which the PLO terrorist operations originate, air and commando strikes must be made throughout Lebanon.

It is disappointing to hear statements made by Members of Congress, the State Department, and others who equate Israel's effort to strike at the source of terrorist assaults on Israeli civilians with the terrorist assaults themselves. To do so provides the terrorists with the very objective they seek. It equates self-defense with terrorism, thereby undermining the ability of a democratic society to defend itself against totalitarianism and subverts the meaning of the English language. I submit that the stakes in this issue are much larger than the survival of Israel: they are involved with the means by which any democratic society can defend itself against totalitarian mehods of warfare. The PLO is not a nationalist organization; it is a Communist organization whose exploitation by the Soviet intelligence apparatus is so well documented as to be beyond question.

I strongly support Israel's right to self-defense against terrorist attacks by means of bringing these attacks to the bases which support them. Only when democratic societies adopt a resolute posture against terrorism of the type Israel has pioneered, will there be some hope that the terrorist menace can be surpressed.●

DISSENTING VIEWS ON SACCHARIN

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. MAGUIRE. Mr. Speaker, the House of Representatives will soon vote on H.R. 4453—to amend the Saccharin Study and Labeling Act (Public Law 95-203) to extend the mortorium on the ban on saccharin. Mr. OTTINGER and I actively opposed this bill in the Committee on Interstate and Foreign Commerce and presented an alternative to the bill. Our bill—H.R. 3852—would allow the Secretary of Health, Education, and Welfare to reinitiate the proposed rulemaking to make saccharin available to consumers as an over-the-counter drug. These regulations would take place 3 years after their promulgation. If an alternative non-nutritive sweetener to saccharin is developed and regulations issued, saccharin would then be sold immediately as an over-the-counter drug. Our bill also provided for these regulations to take place "if the Secretary finds on the basis of new evidence that saccharin presents an unreasonable and substantial risk of illness."

I would like the Members of the House to recognize the strength of our commitment to this issue. I submit for the CONGRESSIONAL RECORD Mr. OTTINGER's and my dissenting views printed in the committee report (No. 96-348) on the saccharin extension to accompany H.R. 4453.

The dissenting view follows:

DISSENTING VIEWS

(By RICHARD L. OTTINGER and ANDREW MAGUIRE)

Two years ago Congress enacted the Saccharin Study and Labeling Act (P.L. 95-203) to prohibit the Food and Drug Administration from restricting the use of saccharin and to direct the National Academy of Sciences (NAS) to review all available information and report back to Congress regarding the carcinogenicity of saccharin.

At that time, we felt that with proper safeguards this 18-month moratorium made sense. In view of the lack of political and scientific concensus, the moratorium allowed continued marketing for the millions of Americans who felt the need for saccharin, while it gave industry time to develop a safe substitute for saccharin and the NAS time to evaluate the validity of the tests which had indicated saccharin was a carcinogen.

Unfortunately, two years have passed and we are no closer to the objective of finding a safe substitute than we were when we enacted the moratorium in 1977. In spite of this, the Congress now is considering extending the moratorium for two more years. We don't think this makes sense. It is time to take some positive steps to encourage the development of alternative sweeteners and to prevent the continuation of a known cancer-causing substance in our food.

The best solution is to find a safe substitute for saccharin. There would be no reason to require FDA to allow a proven carcinogen of any strength in our food supply if a safe substitute were available. Indeed, there was no action taken to interfere with the FDA when it banned cyclamates because saccharin was available.

In April, we introduced legislation to set a clear date for the phaseout of saccharin in order to put industry on notice that it must come up with a substitute and to provide a reasonable time and the incentive to do this. In addition this bill provided that FDA could take action sooner if a substitute were approved during this period. An amendment to allow this was not adopted by the committee.

H.R. 4453 as reported by the committee not only leaves the final disposition of saccharin up in the air, it delays the day when industry will introduce a safe substitute. In addition, it does nothing to protect millions of Americans from the continued consumption of a substance which the NAS report confirmed is a carcinogen.

Several of the arguments used in support of this legislation should be addressed.

It is alleged that overweight people and diabetics need saccharin to control their weight. The scientific evidence suggests, however, that saccharin raises the sugar level and thus stimulates the appetite.

Where a doctor feels that saccharin is medically necessary for his patient, there would be no problem having saccharin available as a prescription drug. We would have no problem making it available as an over-the-counter drug if it were properly labeled as to the risk involved with consumption. It is quite a different story, however, to have it included in food and soft drinks which people, particularly children, are likely to ingest oblivious to the risks.

It is argued that people should have freedom of choice, even though the sweetener unquestionably poses increased cancer risk. We don't believe the freedom of choice argument makes sense in this case. It would be more prudent to treat saccharin as we do prescription drugs, that is, restrict public access because of the serious risks involved.

Lastly, it is still argued that the carcinogenic risk from saccharin is unproven. But, as the NAS notes, saccharin has been controversial almost from its first introduction into food 70 years ago. In fact, there is considerable evidence, both suggestive and demonstrative, that indicates saccharin causes cancer in both animal and man. Relying upon epidemiological evidence, one notes that both the Canadian study by Howe (1977) and the Wynder study (1977) indicate saccharin's carcinogenic potential in human populations. Howe observed a causal relationship between bladder cancer and humans. Although the relative risk was small among the observed group, the fact that an increase could even be observed in a relative insensitive epidemiological study should red flag saccharin as a public health risk.

The Wynder study noted that: "The data appear to support the hypothesis of a statistical association between saccharin usage and bladder cancer in man even to the extent of exhibiting dose-response relationships with duration and usage."

Three standard animal tests for carcinogenicity have demonstrated that saccharin causes cancer in rats. These are the 1973 Wisconsin Alumni Research Foundation test, the Food and Drug Administration's 1973 test, and the 1977 test by the Canadian Government's Health Protection Branch. The NAS and the Congressional Office of Technology Assessment studies independently confirmed the scientific validity of all three tests.

Many people, both laypersons and legislators, are uncomfortable using inferences from epidemiological data and animal data to predict human cancer risk. Yet those agencies with the responsibility to regulate in the public interest—EPA, FDA, CPSC, and OSHA—must rely upon these data to protect the public from cancer because—due to cancer's long latency period—direct human evidence is impossible. And that reliance has been repeatedly upheld in the Courts.

There are substitutes for saccharin being tested. The Coca Cola Company has stated it could have a substitute on the market within 90 days if saccharin were banned. We should require a safe substitute be developed and marketed within the two year periods of this bill. That is the only way we will succeed in getting a substitute produced and get saccharin out of our food supply.●

AMTRAK AND POSTAL SERVICE SHOULD COOPERATE TO SAVE MONEY AND ENERGY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. JENRETTE. Mr. Speaker, DOT did not address one source of revenue that can have an economic impact on Amtrak—mail and express. Mail transportation has always been an instrumental part in making a passenger train economically viable. When passenger trains were profitable, it was due to a combination of passenger, mail, and express revenues, as well as overhead cost allocation based on frequent service. The present Amtrak system serves 20 of the Nation's 21 bulk mail centers. The DOT plan as passed by the House serves sixteen. Mail and passengers can be joint products; they can both pay toward the cost of the train. In fact, years ago rail passenger transportation in rural areas was often a byproduct of mail transportation. Amtrak should be encouraged to develop their services in concert with the needs of the U.S. Postal Service.

I have often wondered how we could heavily subsidize these two federal agencies without requiring that they cooperate. I believe both the Postmaster General, Mr. Bolger, and Amtrak's President, Mr. Boyd, would be agreeable to cooperation in this historically interrelated field if given the proper push or maybe a heavy shove by Congress.

Postal revenues give us a means to save money while maintaining a high level of service.

This amendment provides for a 5-year plan to maximize mail and express revenues. The plan will be furnished the Congress not later than March 31, 1980, and plan will address Postal Service and Amtrak cooperation including the extent that the authorized route structure can be used for mail and package express transportation. This study will be "nuts and bolts" and will state how many baggage cars can move how many tons of mail and packages and at what times.

A private study recently done by Frank Shaffer of Chicago demonstrated that coordination between the U.S. Postal Service and Amtrak for transportation of bulk mail on what is essentially the present Amtrak system, could provide $50 million in revenue to Amtrak. An injection of $50 million in yearly revenues could not help but improve Amtrak's

fiscal position, and certainly give us a better taste here in Congress. This does not include revenue from first-class mail.

Congress will be involved in this study and I believe we have a responsibility to act to save taxpayers money.●

THE PRESIDENT'S ADDRESS TO THE NATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 25, 1979, into the CONGRESSIONAL RECORD:

THE PRESIDENT'S ADDRESS TO THE NATION

President Carter's July 15 address to the nation was surely one of the most extraordinary speeches ever given by an American chief executive.

In opening paragraphs that can only be described as remarkable, the President came down very hard on his own performance in the White House. Indeed, he was tougher on himself than he was on anyone else. He listed and discussed a litany of criticisms of the job he had done as President, and he acknowledged that he had not closed the gap between the citizens of the country and the government. Citing the criticism that he was only managing the government, not leading the people, Mr. Carter tried to project the public image of a strong leader who had recognized his shortcomings and was ready to start anew. Speaking in the tones of a crusading evangelist, he exhorted the people to be proud of "hard work, strong families, close knit communities, and our faith in God." Americans have not often heard their Presidents say such words.

Although it is too early to judge, the address may have been a turning point for the President. It has been no secret that Mr. Carter is in deep political trouble. Public opinion surveys taken before the speech had dropped him to an historic low. The speech and his performance in the next few months will very likely determine his chances of remaining in office into the 1980s. When Mr. Carter spoke to the nation, he knew that the people doubted his leadership and would greet his words with a mixture of skepticism, hope, anxiety, and willingness to sacrifice. He also knew that failure to measure up would doom his approaching candidacy.

The President delivered the address not only to turn his political fortunes around, but also to turn the fortunes of the country around. Mr. Carter believes that the nation has lost confidence in its ability to overcome the obstacles that lie ahead. He sees not only the government, but also the major institutions of our society, scarred and deeply shaken by the assassinations, Vietnam, Watergate, and other troubling events. In his view, the challenge to his leadership is to begin to restore the nation's faith in itself. Mr. Carter noted time and again that the energy problem is subordinate to his main theme. It is symptomatic of a crisis of the American spirit and a breakdown of the cohesion and common purpose in the nation. The energy problem happens to be the one to grasp. Concerted national action to solve it can serve as the cutting edge for American resurgence in other areas. The President's task, then, is formidable: to rescue a faltering administration, to rekindle Americans' confidence in themselves, and to set the nation on the path to energy independence. The people have heard the promise. Now they will assess the performance.

Despite the expectations created by the "domestic summit" at Camp David, the energy program offered by the President contained no big surprises. The highlights of the program are a limit on imports of oil, the establishment of an energy security corporation to develop substitutes for oil and an energy mobilization board to expedite the construction of important projects, a requirement that utilities cut their consumption of oil, incentives for the development of heavy oil, unconventional gas, and oil shale, assistance for mass transit, and programs to aid low-income families hit by high energy prices. The total cost of these initiatives would be $142 billion, to be funded principally by a tax on the windfall profits of oil companies.

The President made an important energy commitment in his address: this nation is going to reduce its imports of oil. To fulfill the commitment, Mr. Carter is relying on conservation for the first few years, but his overall effort is designed less for the immediate energy problem and more for a long-term result. Although it will not be easy for the President to maintain public support in the months to come, most of the new energy legislation is already moving in Congress. I expect that the House of Representatives will have completed action on at least five major energy bills before the August recess. Congress has a responsibility to consider Mr. Carter's proposals promptly and fully, but it should not hesitate to choose other options if it finds them better.

My guess is that the President caught the nation's attention with his discussion of the crisis of confidence. Many Americans have been disturbed by our apparent drift, and Mr. Carter may have succeeded in expressing their concerns. These people know that the nation had to get together on a plan of action, so they may be with the President even if they do not agree with every detail of his program. I think that most Americans want the President to succeed. They feel better when he acts with decisiveness. It is obvious, however, that more than a single speech will be required to make a lasting impression.

At very least, the President has given the country a plan to free itself from dependence on foreign oil. There has really been no such plan until now. I believe that if the people get a renewed sense of direction from the plan, even if it is costly and difficult to implement, they will look at themselves and their nation in a new light.●

ORDINATION OF NEW BISHOPS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Ms. OAKAR. Mr. Speaker, the ordination of Bishop-elect James A. Griffin, Bishop-elect James P. Lyke, and Bishop-elect Anthony M. Pilla which will take place in St. John Cathedral, diocese of Cleveland, on August 1, 1979, is a time of great joy and celebration for people of all faiths.

The elevation to bishop of these three outstanding priests is a reflection of their humble dedication to God and to their fellow man. They are to be congratulated for receiving this honor in recognition of their untiring and unselfish service to the Catholic church.

Each one of the new bishops will bring to the diocese of Cleveland a variety of backgrounds and expertise that will enhance the church and draw closer her members in the common goal of peace and social justice for all people.

May I now join with the hundreds of well-wishers and extend my personal congratulations to Bishop-elect James A. Griffin, Bishop-elect James P. Lyke, and Bishop-elect Anthony M. Pilla, and pray for Godspeed in their holy work.●

THE LUCK OF THE OUTBACK

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. BINGHAM. Mr. Speaker, one of our good friends in the world, Australia, rarely gets attention in our media and most Americans know too little about it. A recent article in the Washington Star makes the same point vividly in connection with the fall of Skylab. The article, by John Shaw, a visitor in Washington and a former Time correspondent who now lives in Canberra, follows:

THE LUCK OF THE OUTBACK

(By John Shaw)

Praise be to Skylab—not for scaring the sharks and kangaroos in Australia but for putting that country on American front pages. This is an event so strange that you, or at least we Australians, will probably have to wait for another episode of comet-like rarity to experience it again.

Over at the Australian Embassy I'm sure they're framing the clippings, to be rushed off in the diplomatic pouch to Canberra. (Last time Australia made the front sections of the dailies hereabouts was during the 1977 Washington visit of Prime Minister Malcolm Fraser, when President Carter couldn't even get Fraser's first name right.)

But, you may say, lucky country that manages to stay *out* of American headlines. Who wants the attention paid to Nicaragua or Iran if the cost of admission is crisis?

I'm not advocating that American newspapers be only good-news papers. In fact, Australia, with its problems of inflation and unemployment, and controversies over nuclear power and the plight of its Aborigines, wouldn't rate space on that level. I'm aware, too, that the American press is so short of acreage that even such significant matters as the personal lives of Linda Rondstat, Bianca Jagger, and Jacqueline Bouvier Kennedy Onassis—people with relevance for all our futures—hardly get the space they merit.

And as a Georgetown hostess put it to me the other evening, "Australia is so far away from Washington." True—just as Washington is far away from Australia, and, indeed, often seems far away from anywhere.

So why should this faraway country, short on crisis and long on calm, rate the attention of American editors and their readers? One pointer: had Skylab crashed a few minutes earlier or later it might well have have plowed into one or other of the two most important American intelligence and military communications bases outside the United States These electronic security outposts are in the Australian outback, at Alice Springs and North West Cape. Since Iran fell out of American orbit, these have acquired an added significance not generally recognized in the U.S. Nor, may I add, by Australians themselves.

Now, Australia is not about to ask for the bases to be dismantled, or up the post-Iran ante for having them there. They are not at issue and there is bipartisan political approval for them.

But perhaps Americans should know more about the country that houses them. Until Skylab came down, like a gift from heaven for my cause, I had not seen in more than two weeks of reading the Star, that Other Paper, and that good, grey institution in New York, a single item about Australia. Not even a baseball score (yes, they do play more than cricket and croquet there). On U.S. television, John Newcombe, a transplanted tennis tycoon, keeps the Australian flag flying with his flat twang—but he's now so omnipresent that he passes for just another handsome local huckster. In the same period, there was zealous overkill coverage of the squalid and predictable internal politics of Nicaragua, a country which, in all seriousness, I doubt interests many Americans.

Until American editors can be persuaded to report regularly on Australia, the country will have to rely on the prize-winning novels of Patrick White and Thomas Kenneally and the sensitive movies of Peter ("Picnic at Hanging Rock") Wier to carry its message across the Pacific.

What is the message? It has many sides. Australia is big, rich, complex, replete with energy deposits, and increasingly involved with Japan, China, and, of course, the United States.

I suspect there's a good deal of unsatisfied curiosity about Australia in Middle America which, I gather, senses the similarities.

Australians, for their part, have a thirst for Americana which has, in recent years, led some Australian papers, which already have Washington and New York bureaus, to also appoint correspondents to report at length on the wonders and weirdos of the West Coast.

In short, Americans, often astonishingly well served with foreign news, are missing a story. Not one of crisis, but of progress and people (the latter far outnumbered by sheep and kangaroos, it is true) in a faraway country which, as I vainly search for news of it, seems even farther away than it really is from America and its national and human concerns.●

EMPIRE STATE FOUNDATION OF INDEPENDENT LIBERAL ARTS COLLEGES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. WYDLER. Mr. Speaker, in this day when corporations are so frequently criticized for lack of social responsibility, I believe it proper to balance the picture by calling attention to an area where the corporate world is helping to a great degree. I refer to the Empire State Foundation of Independent Liberal Arts Colleges and the support they are receiving from over 380 companies in the United States.

The Empire State Foundation is a consortium of 26 of the finest colleges in the world, all located in New York State. These colleges are Adelphi University, Alfred University, Bard College, Barnard College, Colgate University, D'Youville College, Elmira College, Hamilton College, Hartwick College, Hobart and William Smith Colleges, Houghton College, Iona College, Ithaca College, Keuka College, Manhattanville College, Nazareth College, College of New Rochelle, Roberts Wesleyan College, Russell Sage College, St. Lawrance College, College of Saint Rose, Sarah Lawrence College, Skidmore College, Union College, Wagner College, and Wells College. Through membership in the Empire State Foundation, corporations are contracted to contribute scholarship dollars to aid these colleges, which basically must exist without support from the public treasury. Today over 54,000 students are enrolled in these fine colleges and over 60 percent receive some type of scholarship aid.

The Empire State Foundation was founded 26 years ago and in that time $15 million has been distributed to colleges from this outstanding foundation, which has obtained its money solely from industry and business in the United States. A number of our leading corporations have recently given a challenge grant to the Empire State Foundation to match any new or increased gifts received from the business world.

I call attention to this all-important means of aiding independent colleges in our Nation and pay my respects to the Empire State Foundation and to the companies in New York State and throughout the Nation who are accepting the responsibility to help meet the needs of our Nation.●

PLO WELCOME MAT OUT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. FINDLEY. Mr. Speaker, unaccountably, the United States still declines to have any direct communication with the Palestine Liberation Movement. The willingness of the PLO to undertake talks is expressed in an interview with a prominent PLO official, as reported in the Manchester (England) Guardian by the distinguished journalist, David Hirst.

I have had direct confirmation myself on two different occasions of the willingness of the PLO to begin direct communication with the United States.

To me, it is astounding that the United States, having as it does such deep interests in advancing a comprehensive peace in the Mideast, would miss an opportunity to get firsthand the thoughts of a political organization which occupies a critical role in that region.

Anyone acquainted with the politics of the Mideast must accept the fact that the Palestine problem—that is, its insistence on self-determination for the people living within the West Bank and Gaza Strip—is the central, fundamental problem, and further, that the PLO is the unchallenged organization of Palestine interests. The United States cannot do an end-run around the PLO. The PLO will not wither away. At some time, direct discussions with the PLO must occur, and the sooner this begins, the sooner a just settlement of comprehensive nature will occur. A comprehensive peace is the key to lasting peace for Israel, as well as for other states of the region.

The Hirst interview shows clearly the PLO welcome mat is out. What is the holdup from the standpoint of the United States?

Here is the text of the Hirst interview:

WE DARE U.S. TO MEET US—PLO

"Who says that we refuse any dialogue with the United States? What angers us is that there is no dialogue. What organisation in the world would refuse a dialogue with a superpower? I dare the Americans to meet any PLO representative openly or secretly."

Abu Iyyad, the Fatah "second-in-command," threw down this challenge in an interview with the Beirut newspaper Al-Safir at the weekend.

It came amid reports that such a dialogue was already under way, and that this was in response to pressures exerted on the United States by such Arab "moderates," as Saudi Arabia Crown Prince Fahd insisted recently that it was "incumbent on the United States to talk to the PLO."

When President Sadat is not denouncing the Palestinian leadership for its denunciations of himself, he also urges the same thing—and renewed the plea during a session of the "autonomy" talks last week.

There have indeed been contacts between leading Palestinians, not formally members of the PLO, and the United States, but what the PLO really means by a dialogue is an encounter by which it achieves—or in the course of which it can reasonably expect to achieve—recognition of its claim to be the legitimate representative of the Palestinian people, the institutional expression of their legitimate aspirations.

According to the PLO, the existing "dialogue" is no such thing. It is, at the most, a sop to the Saudis and Sadat. The American side has to conduct it in such a furtive, noncommital manner as to reassure the Israelis that it remains faithful to the crippling pledge which Dr. Kissinger gave them in a memorandum of understanding attached to the 1975 Sinai disengagement agreement: namely, that the United States "will not recognise or negotiate with the PLO so long as the PLO does not recognise Israel's right to exist and does not accept Security Council Resolution 242. . . ."

For the Arabs, "talking to the PLO" is shorthand for adopting a serious, realistic approach to that whole complex of interlocking problems known as the Middle East crisis. It means an acknowledgement of what, to them, has always been the obvious: that the Palestinians are the heart of the matter. In their view, the Americans are attempting the impossible, or rather, for some reason or other—weakness, desperation, opportunism or ignorance—they are being misled by the Israelis into attempting it.

Through Sadat and his "separate peace," they are trying to build a structure of Middle East peace and security which, stripped of the necessary pieties, lacks the indispensable cornerstone of Palestinian acquiescences.

In Arab eyes, the chief symptom of this persistent American lack of realism is now the strenuous denials, by American officials such as "autonomy" negotiator Robert Strauss, that there is any link between and Arab-Israeli settlement and America's manifest self-interest in the shape of the continued flow of oil to Western markets.

There would, of course, still be an energy crisis if there were no such thing as a Palestine problem, but what Arabs of all

political persuasions—from the Saudi Oil Minister, Ahmad Zaki Yamani, to George Habash, leader of the Popular Front for the Liberation of Palestine—are in their various ways saying is that it is the endemic political instability of the oil-producing regions which lends the crisis such potentially explosive gravity, and that nothing contributes more to this instability than the unresolved conflict in Palestine.

Yamani said recently that he would not be surprised if the Palestinians, out of desperation, blew up a tanker or two in the Straits of Hormuz.

It was up to the United States to forestall such a calamity by getting the Israelis out of the occupied territories. Saudi Arabia has now followed this warning by increasing its oil output from 8½ to 9½ million barrels a day. Characteristically, it is using a carrot, not a stick. For the Popular Front, by contrast, the production increase is a "service to imperialism and a clear blow to the (anti-Sadat) Baghdad summit conference resolutions."

In fact, where Saudi Arabia raises or lowers production, the message is essentially the same: it has a unique, if diminishing, ability single-handedly to help or harm the Western economy. The decision to help is of itself a warning the next time it might be obliged to harm—and so on until it either induces the United States to act or, thanks to some Palestine-related upheaval such as a tanker or two sabotaged in Hormuz, it loses independent control of its resources.

The Arabs recall that before the October 1973 war, American leaders affected a somewhat similar outward imperturbability in the face of clear warnings about the Arabs' eventual resort to the "oil weapon." Since then the Saudis and other oil-producers have refrained from labouring the connection between oil and politics.

But is has always been at least implicit, and if Yamani is now making it explicit, that is not a change of policy, but merely a more rigorous application of it.

As the Arabs see it, the choice facing the West may not be an immediate one, but, the longer it is delayed the more dangerous the circumstances in which it will eventually be obliged to take it.

The Beirut Daily Loreint-le Jour put it this way: "Either the Americans baulk at paying any longer, in their daily life, for the Biblical conquests of Menachim Begin, or they (and with them, perhaps, a Europe impressed by Arab moderates but exasperated by cutback and fears for the future) give their support to military adventure among the oilfields."

At present, it appears to the Arabs that the second choice enjoys greater appeal than the first. Symptoms of this are the strength of those tendencies within the American Administration and public opinion which seek—in the words of Stuart Eizenstat, the head of President Carter's energy task force—to "Mobilise the nation around a real crisis with a clear enemy—OPEC."●

LEATHER SHORTAGE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mrs. SNOWE. Mr. Speaker, the domestic leather-using industry is facing a major crisis. The problem is an insufficient quantity of the industry's basic raw material, cattle hides, and skyrocketing prices.

So imbalanced has been the supply for domestic leather tanners and manufacturers that Americans now get fewer than one hide of every four sold by U.S. cattlemen, and cattlehide prices have tripled in the last 17 months, the highest inflationary increase of any raw material produced in our economy.

The consequence of this situation is the loss of American jobs which is just beginning to be evidenced. I would like to bring to my colleagues' attention an article which appeared in the Lewiston (Maine) Sun on June 28 and which exemplifies the severity of the crisis in this industry:

SHOE SHOPS EXTENDING LAYOFFS FOR MORE THAN 500 EMPLOYEES—LEATHER AVAILABILITY, PRICES ARE BLAMED

(By Tom Robustelli)

More than 500 Lewiston-Auburn shoe shop workers will suffer an additional week or two unpaid layoff during July, because of a shortage of leather, the managers of three local shoe manufacturing plants told The Journal today.

Stride Rite Corp. of the Hotel Road in Auburn will lay off its 200 employees four weeks, instead of the usual two weeks, Plant Manager Henry Venzlowsky confirmed.

Billen Shoe Co. of Oxford Street, Lewiston will close for two weeks during July, leaving its 300 employees without a paycheck for an additional week this summer.

And, about 20 employees of the Lawrence Shoe Co. in Lewiston will be out of work three weeks this summer, instead of the usual two, a plant official said.

News of the extended layoffs came just hours before a rally in Lewiston's Kennedy Park this afternoon, where hundreds of shoe workers were scheduled to protest a shortage in cow hides to make leather for U.S. shoe manufacturers.

Local shoe makers said today the extended layoffs were a short-term effect of the hide shortage. If the situation is not corrected in a matter of months, "it'll put some people out of business, you can bet on it," warned one plant manager.

Lewiston-Auburn Area Chamber of Commerce Executive Vice President Gary Cain said the shoe industry problems "are a concern of ours." "The Chamber is supportive of any action that is required to assure these people that their jobs will remain," Cain stated.

The extended layoffs were the immediate cause for worry among the affected manufacturers today.

Venzlowsky said Stride Rite will be closed from June 29 to July 30 this year because, "the quality of materials and the delivery of materials is terrible."

"The raw leather stock that the tanners have to work with is poor. The leather that we're getting is of much poorer quality than what we were getting six months ago," Venzlowsky explained.

Venzlowsky said some of Stride Rite's 200 workers will receive a week of vacation pay, and will be eligible for three weeks of unemployment compensation.

He said others not eligible for vacation pay, should be able to collect four weeks of unemployment. But some may get no compensation during the entire four-weeks layoff, Venzlowsky indicated.

"I don't know what these people are going to do. We had a meeting with the employees and tried to explain that this is not Stride Rite's fault. I think they understood, but they are not pleased," Venzlowsky remarked.

Billen Shoe Co. President Jerome Feinstein said the additional one-week layoff at his firm was also due to a shortage in leather goods.

"I can't get the right leather in here. I'm not getting enough of any kind, and when I do, the price is out of sight," Feinstein complained.

"We're going down for two weeks—that's all I hope we'll be forced into," he said.

Several other local makers of footwear said they had enough leather to continue regular production schedules, but plant managers warned of future disaster if more hides are not made available to U.S. manufacturers.

"One of the things that the leather shortage has done is that it has driven the price of leather up so high that it's hard to compete with foreign manufacturers," observed Joseph Chabot, vice president of manufacturing for the Charles A. Eaton shoe company.

The Eaton company employs about 900 people in Lewiston, Auburn and Richmond.

Chabot said American-made adult shoes have jumped from $5 to $10 per pair over the last year, and children's shoes are up $2 to $5 per pair. He said leather now costs U.S. shoe makers between $2.30 and $2.60 per foot, $1 more than a year ago.

The high price has forced some manufacturers to turn to vinyl and other synthetics, Chabot indicated. "We're trying to design around the problem" Chabot said of the Eaton's Bonon footwear division in Auburn, which manufactures golf shoes.

The synthetics, however, do not cut costs significantly, and are a poor substitute for leather, Chabot said. It's a situation that could affect shoe sales, the company executive acknowledged.

"We consider this hide situation very serious. No question, all of our jobs are threatened," he stated.

Other manufacturers whose production has not yet been affected, were just as skeptical.

"If this keeps up for another month or so it's really going to hurt," remarked Ray Thibault, manager of the Arno Moccasin Co. plant on Saratoga Street in Lewiston.

Thibault said the company might consider temporarily laying off 100 employees, about two-third's of its workforce, if leather did not become more available in coming months.

William Bartholomew, general manager of the Lewiston division of Timberland Co., said his firm bought enough leather in advance to remain in production through the summer. But he speculated the company could run into trouble this fall if leather is not more available.

Workers at many of the affected plants will protest at a "barefoot in the park" rally in Kennedy Park at 4 p.m. today.

The rally is being sponsored by the Hide Action Program, a national leather industry coalition brought together to lobby for a cut in hide exports.

A lobbyist for the group, Richard Ferry, said greater Lewiston-Auburn, with 22 shoe manufacturing plants, "is the greatest impacted area in Maine."

Chamber of Commerce executive Gary Cain, scheduled to speak at today's rally, expressed the concerns of the Lewiston-Auburn business community:

"I'll certainly let the people there know that the Chamber is interested in this thing. We're interested in the industry, and in the jobs provided by that industry." ●

CONSTITUTIONALITY OF DRAFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. PAUL. Mr. Speaker, in his new book, "The Warmongers," economist

Howard Katz discusses the constitutionality of the draft.

Conscription goes against all our traditions of respect for individual rights, and it would weaken us militarily, rather than strengthen us.

I would like to draw excerpts from Mr. Katz' writing on this subject to my colleagues' attention:

THE CONSTITUTIONALITY OF CONSCRIPTION

The U.S. Constitution is a document enumerating the powers of government. If a power has not been listed in the enumeration, it has not been granted. Thus the Federal Government is limited to the powers listed in the Constitution. The only exception to this is the doctrine of implied powers, but implied powers were not to be construed—as Jefferson had feared—as an open door to any action the government wanted to take. By Hamilton's (the originator of the concept of implied powers) own statement, implied powers were non-coercive in nature and did not extend to any power which abridged a right. From this we concluded that legal tender is not an implied power of the Government and that only a hard money system is in accord with the Constitution. . . .

Conscription, like legal tender, is not an enumerated power in the Constitution. Congress does have the enumerated power to raise an army, and the advocates of conscription argue that the draft is a means to effect this power. They thus rely on the doctrine of implied powers—that means to a constitutional end are themselves constitutional. . . . Hamilton himself was not so inconsistent. When he was arguing for the chartering of a national bank, that is, for the extension of a government power, he was careful to add the qualifying test: "Does the proposed measure abridge a pre-existing right of any State or of any individual?"[1] He was not prepared to assert the constitutionality of any measure which did.

That the doctrine of implied powers must be so qualified follows, not only from the authority of Hamilton, but from the very nature of government, which derives its power to abridge a person's rights from that person's consent. Consent is not to be understood as an abstract philosophical concept. Americans have a detailed bill of particulars enumerating the powers of their government to which they give their consent (when they come of voting age). This is the Constitution.

Conscription cannot be an implied power because it abridges the right of liberty, the right to simply conduct one's own affairs and mind one's own business with no harm to anyone else.

If we study the men who actually wrote the Constitution, we find a much greater appreciation of its proper meaning than in modern apologists for the state. For example, in 1814 President Madison was under tremendous pressure to use conscription to raise an army. The war was going badly, and the New England militia would not obey orders. But Madison never tried to claim that the Federal Government had the power to conscript. (In fact the Chairman of the Military Committee, in bringing out Madison's bill to raise an army stated: "I will not go into an argument to show that you can, like other Governments, resort to other modes of raising armies than that of voluntary enlistment."[2]

Madison's proposal to raise an army did not involve Federal conscription directly, but it did involve the use of the state governments to force men into the army; hence it was attacked by its opponents as a conscription bill. Congressman Miller of New York used the same reasoning in helping to defeat Madison's bill that Madison himself had used against the central bank, the argument of strict constructionism. He argued:

This conscription is unconstitutional. The Government of the United States is a Government of limited powers. You take by grant; your powers are special and delegated—that must be construed strictly. "All powers not delegated, are reserved to the States or the people." [This was the addition to the Bill of Rights which had been proposed by Madison himself.] Your authority is defined—you take nothing by inference or application, except what may be "necessary and proper for carrying into execution" the powers expressly granted.[3]

This was the same argument Madison had used 13 years earlier against Hamilton. Unfortunately, Madison as President did not live up to the principles which Madison as political philosopher has expounded.

A doctrine of strict construction is not needed to show Federal conscription laws to be unconstitutional. As noted above, Hamilton's doctrine of loose construction, properly understood, leads to the same conclusion. This was also the position of Chief Justice Roger Taney who wrote the following draft opinion on the Civil War conscription act:

It appears to me impossible to believe that a constitution and form of government framed by such men can contain provisions so repugnant to each other. For if the conscription law be authorized by the Constitution, then all of the clauses so elaborately prepared in relation to the militia, coupled as they are with the declaration "that a well regulated militia is necessary for the security of a free State," are of no practical value and may be set aside and annulled whenever Congress may deem it expedient.

The power to do this is, I understand, claimed under the clause which gives Congress the power to raise and support armies.

It is true that the power is delegated without specifying the manner in which the armies are to be raised. But no inference can be drawn from these general words that would render null and inoperative the plain and specific provisions in regard to the militia, to which I have above referred. No just rule of construction can give any weight to inferences drawn from general words, when these inferences are opposed to special and express provisions, in the same instrument.

But apart from this consideration the words themselves, even if they stood alone, will not, according to their known and established use and meaning in the English language, justify this construction.

During the period when the United States were English Colonies, the Army of England—the standing army.—was always raised by voluntary enlistments,—and the right to coerce all the able bodied subjects of the Crown into the ranks of the Army and subject them to military law, was not claimed or exercised by the English government—and when the power to raise and support armies was delegated to Congress, the words of the grant necessarily implied that they were to be raised in the usual manner.—And the general government has always heretofore so understood them and has uniformly by its own offices recruited the ranks of its "land forces" by voluntary enlistments for a specified period.[4]

While we are on the subject of Hamilton's doctrine of implied powers, it is worthwhile to note that another way in which the existing power structure violates the law is in its conception that foreign policy is exclusively the President's domain.

Under Hamilton's doctrine, granting a power implies the granting of the *means* to actualize that power (provided these means do not violate the purpose for which the power was given). If we look at the powers granted to Congress by the Constitution in the sphere of foreign affairs, they are as follows:

To regulate Commerce with foreign Nations . . . regulate the value . . . of foreign coin . . . To define and punish piracies and felonies committed on the high seas, and offenses against the law of nations; To declare war, grant letters of marque and reprisal and make rules concerning captures on land and water; To raise and support armies . . . To provide and maintain a navy.[5]

Since these are powers of Congress, it follows that *Congress* must exercise the means which relate to these as ends. For example, if a delicate negotiation can make the difference between war and peace, then it is representatives of *Congress* who should conduct the negotiation, not representatives of the President. Otherwise, the negotiation could present Congress with a *fait accompli* and make a nullity of the Constitutional provision giving Congress the power to declare war. This has in fact happened several times in American history, most notably where Lincoln's arming of Fort Sumter led to the Civil War (which began before Congress could even be called into session) and where F.D.R.'s pressure against the Japanese led to World War II.

As against these substantial powers, the President has few powers in foreign affairs. He has a few minor powers in conjunction with the Congress, and he is commander-in-chief of the Army and Navy. This latter is only a military office (akin to a six-star general); it carries no *political* authority, and if it were embodied in a separate individual, that person would be subordinated to both the President and Congress. Since each branch of government should exercise the means appropriate to its powers, it is the Congress which should be conducting most of America's foreign policy.

It may be felt that such considerations are legalisms, relevant only to lawyers, not to the average man. "It doesn't matter whether the draft *should be* constitutional," people say. "It is a fact that the Supreme Court has upheld the draft, and the Supreme Court's interpretation of the Constitution becomes the Constitution. The Constitution is what the Supreme Court says it is. That's the American system."

Fortunately it isn't the American system. . . . America's founding fathers did not invest the Supreme Court with the power to interpret the Constitution. They did not invest any person or group with such authority.

This seems difficult for some people to understand. Surely there must be some authority. How do disputes get resolved? But the Founding Fathers—whose ancestors had fought fiercely for the principle that each person must interpret the moral law in accord with his own conscience—intended that each person interpret the legal law in accord with his own conscience. Indeed, they could not have understood our modern view.

How could there be a supreme authority, they would ask if they were alive today? What will you do when, as you see it, the authority does wrong? Will you commit evil merely because the authority orders you to? Impossible! To say that it is always right to submit to the supreme authority is saying that it is right to do evil—a contradiction in terms.

What the Founding Fathers had in mind was a decentralization of power. Each individual had the obligation to interpret the Constitution in accord with his own conscience. If there was a disagreement, naturally each side would use its power to enforce its interpretation, and the more powerful side would win out.

Footnotes at end of article.

Of course this is what happens anyway, but the advantage of recognizing this and deliberately constructing a decentralized system of power is that under a decentralized system the neutral faction (too big and too diffuse to control) will generally decide the issue in as non-partisan a way as is humanly possible. But if a supreme authority exists, one faction will try to seize control of it, and then all interpretations will be made in terms of the view of this group; no opposing point of view will have a chance. This is what has occurred in the 20th century as the Constitution has been so tortured out of all resemblance to its original intent that in many respects we do indeed live under a system that says that black is white. Hamilton had an interesting comment on this: he said:

It may in the last place be observed that the supposed danger of judicial encroachments on the legislative authority which has been upon many occasions reiterated is in reality a phantom. Particular misconstructions and contraventions of the will of the legislature may now and then happen; but they can never be so extensive as to amount to an inconvenience, or in any sensible degree to affect the order of the political system. This may be inferred with certainty from the general nature of the judicial power, from the objects to which it relates, from the manner in which it is exercised, from its comparative weakness, and from its total incapacity to support its usurpations by force. And the inference is greatly fortified by the consideration of the important constitutional check which the power of instituting impeachments in one part of the legislative body, and of determining upon them in the other, would give to that body upon the members of the judicial department. This is alone a complete security. There can never be danger that the judges, by a series of deliberate usurpations on the authority of the legislature, would hazard the united resentment of the body intrusted with it, while this body was possessed of the means of punishing their presumption by degrading them from their stations.[6]

Here Hamilton was wrong as the barriers which he and the other Founding Fathers erected against judicial usurpation have failed. Yet we can see that Hamilton was wrong because he was too practical-minded, too realistic. When Hamilton points out that the Supreme Court does not have the capacity to support its verdicts by force, he has in mind a President like Andrew Jackson who would refuse to enforce a Supreme Court decision he thought was wrong. He has in mind a Congress which would impeach judges who violated the Constitution on a popular issue. He could not conceive of an abject and servile population which had the power to overturn Supreme Court usurpations but which was too awed by authoritarianisms to do anything about it and actually believed that black became white because the Supreme Court said it was.

FOOTNOTES

[1] Alexander Hamilton, "Opinion on the Constitutionality of the Bank," February 23, 1791. (author's italics)

[2] Mr. Troup, as quoted by Mr. Miller, *Congressional Record*, December 1814, H. of R., p. 775.

[3] Congressman Miller, speech to House of Representatives, December 1814, *History of Congress*, p. 778.

[4] Roger B. Taney, Thoughts on the Conscription Law of the U. States—Rough Draft Requiring Revision, by M. L. York for Geo. Bancroft, May 1886.

[5] United States Constitution, Article I.

[6] Alexander Hamilton, Federalist No. 81, *The Federalist Papers*, (New York, New American Library, 1961), pp. 484–85.●

HUMAN RIGHTS SAFEGUARDS—AN AMERICAN CONCERN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 24, 1979

● Mr. BIAGGI. Mr. Speaker, for the past 22 months, I have been chairman of the Ad Hoc Congressional Committee for Irish Affairs which today boasts 130 Members of Congress. We have successfully focused attention on the multifaceted issue of Ireland with an eye toward moving the Irish issue off dead center and in the direction of resolution with peace and justice.

Throughout this period and for years previous, I have found the existence of human rights violations to be a main contributor to the strife and violence which so afflicts Ulster. In the past several years, the human rights problem has been the focus of attention by the European Commission and Court of Human Rights as well as Amnesty International. Documented instances of inhumane practices were revealed and in the case of the European Court of Human Rights, Great Britain pleaded guilty to these violations of human and civil rights.

Dr. Fred Burns-O'Brien, an attorney who serves as the Deputy National Director of the human rights-based Irish National Caucus has prepared a paper entitled "Safeguards for Human Rights." It is a most reasoned and thoughtful presentation which describes the conditions necessary to institute such safeguards. For many in Ireland, these safeguards are nonexistent, beginning with the past and promoting the ongoing human right abuses which occur in Ulster.

I urge my colleagues to review this paper and to work with me on restoring human rights to all Ireland as a major step forward in the pursuit of peace and justice for this troubled land.

SAFEGUARDS FOR HUMAN RIGHTS

(By Dr. Fred Burns-O'Brien)

If legislation such as the Special Powers Act of 1920 in Northern Ireland or the Offences Against the State Act 1939 in Southern Ireland and other repressive laws replacing or supplementing these laws are to be condoned as basic and necessary for the security of a democratic nation, then legislation must provide absolute safeguards to insure that basic human rights or protected. Repressive legislation with provisions for internment without trial or non-jury courts, should not be necessary in any society holding itself democratic, but most states that claim to be democracies do have such legislation on the law books.

The right to some vestige of security within a society is a right which is essence for any scheme of ordered liberty rooted in the tradition and conscience of free human beings. It is fundamental to basic human freedom. A violation of security and ordered liberty must be brought to the attention of world justice under the protection of international law. The vehicle for such protection is the Universal Declaration of Human Rights. Nations that have repressive legislation offer the means of repression. The legislation is the vehicle by which security forces commit acts of brutality in the name of law and order.

Suspects should have absolute rights of protection from brutality in the interrogation process and general due process of law even where there is concrete evidence on which to base a future court case. Guilt cannot be predetermined. Guilt can be insured when there is the means for detention and interrogation whereby a confession may be gotten through coercion. In Northern Ireland such confessions are admissible as evidence to convict. It may be the only evidence proffered.

The arbitrary search of homes of citizens and arrests without charge, where there is no evidence is purely political harassment and not in the interests of justice. The excuse that people are suspected of terrorist activity or sympathizing with terrorists without courtroom evidence is a sham at best.

The right of every individual to be secure in his or her home is fundamental. To violate the security of the home or person, there should be probable cause of the suspicion of a crime at a minimum.

A search warrant should be necessary in order to violate a person's home. The search should be carried out at a reasonable time of the day or evening rather than the all too frequent entering a home by force in the middle of the night, and ripping apart walls and woodwork, and arresting inhabitants for no other reason than the most vague of suspicions. The element of surprise would not be lost, since those to be searched would not be aware of the date of the search.

If a search warrant were obtained and incriminating evidence were found pursuant to the warrant, there would be no rights violated and a "clean arrest" could be made. A valid arrest and trial would enhance respect for the judicial process and the criminal procedures would not be as suspect among the citizenry.

The legal system in Northern Ireland has been selectively and arbitrarily applied. In many instances, there are two legal systems, one for the Majority and one for the Minority. One can easily see the difference in the disparity of sentences for the same crimes. There is also the distinction lately of one system for the priviledged and one for the poor. To obtain the trust of the people, the legal system has to restore the word legal into that system.

There must be evidence of serious wrongdoing even in a political arrest. In fact there should be a higher standard for political arrests. This would at least be tolerable in a few instances.

If a warrant is unobtainable and an arrest is deemed necessary at the instant, a search incident to that arrest may be warranted, as long as the arrest is not arbitrary and political at the same time. There must be the standard of probable cause applied. The suspect should be suspected of more than just a misdemeanor.

Citizens should be protected on the streets as well as the home. Mobility should not be interrupted at a whim of a policeman or soldier on the streets. There is too much detaining people on the streets for "mere suspicion." Certainly, a member of the police may question any person who presents a danger to life or limb, and a search may ensue. But all standards previously enumerated apply.

If in fact a policeman were to find a weapon, then a person is of course subject to arrest, but not a beating which is far too often the case. Searching at random without a warrant is carte blanche for harassment and the police hold their activities up to suspicion.

There should be a reason to suspect any person halted for alleged unlawful conduct to justify an initial inquiry and a reasonable suspicion of danger to further warrant a search of his or her person for contraband. Safeguards should require a policeman or soldier to later justify his conduct if a citizen brings charges.

The violence in Northern Ireland does present certain circumstances under which a policeman might have to question and search people in justifiable circumstances presenting a probable cause for suspicion. However, in the society as it exists in Northern Ireland today, the security forces are far too often the initiators of violence institutionalized and otherwise.

The right to privacy is basic to the dignity of a human being and when removed, it takes a moral courage to disobey unjust laws. We who took part in the civil rights campaign in the United States know well civil disobedience. The law and ordered society cannot supercede the people who make up that society.

Any person who is arrested and detained, if this can be deemed acceptable, deserves an impartial trial by an impartial jury of his peers. The individual should be apprised of the charges and given immediate access to defense counsel so an adequate defense can be prepared.

The crime itself, assuming there is one, should not be vague or promoted by politics. An ascertainable standard of conduct is paramount. The crime itself must also be ascertainable. The law under which the individual is arrested should not be so vague as to encompass any and all activity. This would enable any member of society engaged in political dissidence to be arrested under vague legislation.

During trial there must be an impartial judge as well as an impartial jury. Under the Diplock Court system in Northern Ireland and the Special Court system in Southern Ireland, there are no true safeguards for the proper disposition of due process of law. Those the state wants to convict are convicted, and the systems guarantee that this is the case.●

BORIS AND YAKOV SOSNA

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. PEYSER. Mr. Speaker, in recent years, we have become increasingly aware that the Soviet Union is permitting more of its citizens to emigrate to other countries. For example, last year the Soviet Union issued 28 864 exist visas. Records show that as of June 30 of this year, almost 25,000 people have been allowed to leave the country. On the surface, this may seem that Soviet authorities are easing their emigration policies, but we must take into consideration the fact that thousands more are applying than in previous years. While this news is somewhat heartening, there are still thousands of individuals being denied their freedom. I would like to draw my colleagues' attention to the plight of two Russian Jews who have tried to emigrate to Israel.

Yakov and Rimma Sosna first applied for an exit visa in 1974. They have been consistently denied permission to emigrate ostensibly on the grounds that Rimma Sosna had access to state secrets while employed as a telecommunication engineer. She lost her job soon after their son, Boris, had applied for an exit visa in 1973.

Yakov Sosna, formerly chairman of the Soviet War Veterans of a factory employing over 30,000 is a much decorated army veteran. Because of repeated attempts to emigrate he has lost his job and is now earning meager wages at a rubber shoe factory. As a result of the enormous pressure incurred as a result of his desire to leave the country, he suffered a severe heart attack from which he never fully recovered.

At the present time, their son Boris is living in Israel and has since been reunited with Yakov Sosna's mother, who has not seen her son in more than 30 years. He continues to write to his American friends in the hope that enough pressure will be brought to bear so that his family can be reunited.

As a signatory of the United Nations Universal Declaration on Human Rights and as a party to the Helsinki Final Act, the Soviet Union had indicated its commitment to internationally recognized human rights. The world's regard can only decline as a result of the discriminatory treatment of the Sosnas.

I have written to Secretary General Brezhnev and various Soviet officials regarding this couple. I hope that my colleagues will take note of their situation and join me in this effort to allow them to emigrate.●

CHEAPER CRUDE OR NO MORE FOOD

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. NOWAK. Mr. Speaker as the price of imported oil continues to rise, we are hearing more and more about using U.S. food products as bartering items. "Cheaper crude or no more food"; A bushel of wheat for a barrel of oil"; and similar slogans are gaining popularity.

There is an undeniable appeal about these proposals, but they are not quite the simple solutions they seem at first glance. When some in-depth study is done on actually holding food hostage to the price of oil, other possible ramifications are discovered.

I am not convinced that there are insurmountable barriers to having the United States and other food-exporting nations use their production powers to greater advantage. But we should realize current drawbacks to "wheat cartels," bushel-for-barrel pricing, and so forth.

The Department of Agriculture has prepared an issue briefing paper on this subject, and I am placing it in the RECORD so that these issues can be kept in mind as Congress considers various proposals for maximizing U.S. agricultural exports:

JULY 18, 1979.

A BUSHEL OF WHEAT FOR A BARREL OF OIL

BACKGROUND

Between 1972 and 1978 the world price of oil quadrupled. During that period the cost to the U.S. of imported oil rose from $3 billion to $33 billion. In 1978 we imported 2.3 billion barrels compared with 810 million barrels in 1972. America's growing expenditures for oil have fueled inflation creating sizable deficits in our balance of trade. Increasing fuel prices have affected our standard of living.

THE ISSUE

In recent months, there have been a number of proposals to use food exports as a tool to offset the rising price of oil in world markets. The most common recommendations are to:

1. Trade a bushel of wheat for a barrel of oil.
2. Organize an international cartel to control the production, price and distribution of wheat.
3. Create a national grain board to control exports of U.S. grains.
4. Peg export prices of U.S. farm products to the price of imported oil.

This paper explores the pros and cons of these proposals.

TRADING A BUSHEL OF WHEAT FOR A BARREL OF OIL

Trading one commodity for another is nothing more than a barter, the oldest form of trade. Under existing legislation, the government has authority to enter into barter arrangements. However, there are specific restrictions on the use of that authority: We can barter only to meet critical strategic stockpile requirements, for foreign economic and military aid programs or to meet requirements of government agencies.

Barter arrangements are most attractive when one or both countries have balance of payments problems and at least one of the countries does not have adequate foreign exchange to purchase the needed supplies commercially. Another reason for bartering is that the products of either country may not be up to international standards, making it difficult to sell them in commercial markets under accepted terms and conditions.

A barter arrangement can also be entered into to guarantee a continuing flow of the commodities for the shipping as well as the receiving nation.

If the United States were to enter into a barter arrangement, it would most likely be on the basis of guaranteed supplies. How would it work, if in fact it would work at all? Suppose the United States and Mexico entered into negotiations for the exchange of grain, say for example corn, for oil.

First, both governments would have to guarantee each other specific quantities of these commodities on a continuing basis. Since the oil is government controlled the Mexican government presumably could make such a guarantee. But the U.S. government woud have to make arrangements to buy grain from farmers for future delivery in order to fix the terms of the barter arrangement. Such an arrangement would be difficult to make in the U.S.

A second issue would be the terms of trade. For example, how much corn would be exchanged for the oil, given the fact that commodity prices and international exchange rates are constantly changing? Working out equitable terms of trade that take into account shifting differentials between the price of corn and the price of oil would be extremely difficult, if not impossible.

A third issue would be methods to prevent barter arrangements from reducing expected commercial sales. In the case of Mexico, the U.S. has an advantage over most other suppliers due to lower transportation costs. Over the past several years, the U.S. has supplied nearly 90 percent of Mexico's grain import needs. It is doubtful, therefore, that Mexico would buy any more grain from the U.S. than is presently the case.

The amounts of oil and grain which would be exchanged would depend on their respective values. U.S. farmers, as well as the Commodity Credit Corporation (CCC), would

press to receive the greatest amount of oil possible for a given quantity of corn. Mexico would press just as hard for its oil price. Obviously, if grain buyers knew they could easily purchase grain from alternative sources or could increase production, they would adjust the bargaining process accordingly.

The CCC, an agency of the U.S. Department of Agriculture, was established to protect farm income, among other things.

The country whose commodity was in shortest supply would have the upper hand in any bargaining. At present grain is more readily available than oil.

Another complicating factor, according to USDA lawyers, is existing legislation that makes it doubtful whether the CCC would legally be able to buy enough grain in commercial markets to fulfill a barter agreement, if the price of grain were higher than the loan rate. Of course, such purchases by the CCC would be necessary only if CCC stocks were not adequate.

Countries that depend on us for grain would, in general, consider perhaps many alternatives. They would be concerned that trading oil for grain would displace domestic grain production. If it would, could the displaced resources be economically used in other ways?

Finally, if the U.S. did enter into a barter agreement with Mexico, the oil the U.S. received would become government property. Under existing authority, the President would then have to declare a national emergency to get the oil out of the government stockpile and into the domestic market.

ORGANIZING AN INTERNATIONAL CARTEL

There would be no point in a barter arrangement unless it improved the terms of at least one partner. To improve grain prices above current levels implies a cartel that can effectively limit supply.

In its basic form, a cartel is a combination of businesses or governments formed to regulate production, pricing and marketing of similar goods by its members.

Those who support the idea of a wheat cartel contend it would serve a number of useful functions: It could withhold wheat from oil-exporting nations until the world price of wheat rose to levels comparable with oil, protect wheat importing nations against sharp price fluctuations and increase farmers' prices.

Those opposed foresee a number of major administrative and economic obstacles. To begin with, participation in an international wheat cartel would require creation of a national wheat (or grain) marketing board.

Next, the government would have to implement a system of licensing or other export controls. And, the government would have to determine how much wheat each importing country would be allowed to receive. The licensing and allocation feature would represent a fundamental departure from the longstanding policy of free enterprise in the United States.

To be effective, an export cartel must be able to control supply. Together, the U.S., Canada, Australia and Argentina export three-fourths of the wheat that moves in world trade with the U.S. alone providing almost half. However, to make the cartel work, each member would probably have to reduce wheat exports and in all likelihood accumulate surplus stocks at the same time. A reduction in exports leading to stock accumulations might be contrary to government policy objectives.

For example, over 60 percent of the growth in world wheat trade during the past 10 years has gone to the U.S. Would this country be willing to accept a smaller share of growth in world wheat trade to benefit other cartel members? Australia is committed by law to holding down its wheat supplies by aggressively increasing its exports and would almost certainly regard the limitations imposed by cartel membership politically unacceptable.

Enforcement of such an arrangement would be important and difficult because the incentive to break the cartel's rules would be great. For each country that has surplus stocks and which is withholding supplies in order to increase prices, the incentive to sell otherwise low priced grain and capture markets from other cartel members would be expected to put severe strains on any such arrangement.

There are a number of smaller exporters such as Turkey, Greece, India, Romania and South Africa that collectively account for about 5 percent of world wheat trade. These countries export their wheat even when it must be subsidized and would undoubtedly find it impossible to adhere to cartel-imposed restrictions. They would probably operate outside the cartel, thereby disrupting prices and trade patterns.

A most significant factor affecting the success of a wheat cartel would be the reaction of wheat-importing nations. Some would strengthen domestic agricultural policies to achieve higher levels of production and reduced imports. Others, such as the Soviet Union, where wheat is an important feed grain, would look to alternative grains, thereby reducing demand for wheat. A number of developing countries that currently subsidize wheat consumption, such as Brazil and Egypt, would shift to such foods as rice or manioc to reduce their wheat imports.

The concept of a wheat cartel is not new. As long ago as 1933, some countries made an effort to establish one. The International Wheat Agreement was not a cartel and it still met stiff resistance from importers who felt wheat prices were pegged too high. During the 1960's the agreement was renegotiated with lower wheat prices. Nonetheless, the organization failed in 1967 when the U.S. and Canada became unwilling to continue carrying the burden of huge stocks and the wheat market was flooded with exports, largely from Australia. Historically, commodity agreements or cartels have been unsuccessful.

Finally, to compare a wheat cartel with an oil cartel such as the Organization of Petroleum Exporting Companies, is to ignore the fundamental differences between the products. Wheat is a renewable resource. It can be grown each year. It is grown in almost every country in the world so production can be greatly expanded. Unlike oil, there are effective substitutes and export trade does respond to prices. And the cost of storing excess wheat can be great.

Oil is not a renewable resource. A very large share of the supply is controlled by a small number of producers. There are few substitutes at competitive prices now and expanded production requires a long-term period and a large investment in research and development. Because there are so few substitutes for oil and because it is essential to the production of so many things, oil price increases do not reduce consumption very quickly. And oil can be stored indefinitely underground at very low cost.

CREATING A NATIONAL GRAIN BOARD TO CONTROL U.S. WHEAT EXPORTS

A national grain marketing board, as has been proposed, would be a federal agency empowered to handle all export sales of wheat, rice, feed grains and soybeans. The agency would negotiate sales for export of such commodities, barter for other goods, accept purchase bids from foreign purchasers and offer selling bids in the world market.

Those in favor of a National Grain Board cite the following advantages:

Some governments have expressed the desire to buy U.S. commodities on a government-to-government basis.

It is simpler to keep track of supplies of grain available for export if there is a single seller of U.S. grain on the international market.

It would be impossible for foreign buyers to deal secretively and, at times, simultaneously with different exporting companies.

It would be easier to negotiate long-term agreements with importers when desirable.

It would eliminate the need for the Export Reporting System since the National Grain Board, as the sole seller, would automatically have this information.

Those opposed to a national grain board pose the following objections:

It would involve a much greater degree of government control of the marketing system. A single exporting agency might be slow to respond to changes in international markets.

There would be less flexibility in responding to price changes as a method of resource allocation. Consequently, resource allocation would be less efficient than in an open marketing system.

The cost to the U.S. government of a national grain board could be high. The initial investment would have to be substantial to take over the present private system. The Canadian Wheat Board, for example, which exports only about 20 percent as much grain as the U.S., employs over 600 people and has many overseas offices.

Less innovation in the handling and marketing of grain would probably occur.

PEGGING THE PRICE OF WHEAT TO THE PRICE OF OIL

However much U.S. agricultural export prices have increased, they have lagged far behind the rising price of oil. As a result, there have been a number of proposals that the price of U.S. wheat be tied to the price of oil. Generally speaking, the recommendation is that if the price of oil is $15 per barrel, then the price of wheat earmarked for export to the oil exporting countries should be raised to $15 per bushel.

As simple as the proposal sounds, the enforcement of such a pricing strategy would be difficult if not impossible. The demand and supply characteristics of grain are not similar to oil, so it is unlikely that the prices can be linked.

U.S. agricultral exports have risen from about $6.0 billion in 1969 to more than $29 billion in 1978. They currently account for 20 percent of total U.S. exports. Furthermore, about one of every three acres of farm commodities produced in America is exported. This includes more than 50 percent of U.S. wheat, rice and soybean production and about one-fourth of corn.

In light of the large volume of U.S. farm exports, coupled with this country's historical role as a major supplier of food aid to needy countries, many people often assume that the United States controls the world's food supply.

Such is not the case.

The United States produces about 15 percent of the world's food. Although we are the leading exporter of farm products, we actually command only 17 percent of total world agricultural trade. Consequently, any major unilateral action by the U.S. such as raising the price of wheat to $15 per bushel could only backfire.

That is, importing countries could step up their own wheat production or else shift to substitute products. Since U.S. agriculture is heavily dependent on revenues derived from exports, the resulting decline in America exports could be disastrous.

Moreover, continuation of the current level of U.S. exports depends on this nation's ability to produce efficiently and sell abroad at competititive prices. Many nations are capable of expanding production to meet export opportunities and some, such as Brazil and France, are already doing so.●

GOVERNMENT IS THE REAL REASON FOR SHORTAGES, INFLATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. McDONALD. Mr. Speaker, one of the few bright spots in our Atlanta newspapers are the columns they print by Prof. James Green. Everyone is looking for a scapegoat for the gas lines, and inflation up here. They need look no further. "We have met the enemy and he is us," as Pogo Possum used to say. Professor Green explains in a column printed in the Atlanta Journal and Constitution for Sunday, July 8, 1979, why this is true. The column follows:

GOVERNMENT IS REAL REASON FOR SHORTAGES, INFLATION

(By James Green)

An executive called. He was angry. He was perplexed. "I simply don't know what lies behind the gas shortages, the rampant inflation, the strikes and shootings, the intense social tensions and the growing uncertainties which plague businessmen, investors and consumers. Oh, I know the explanations given us in the press, but I simply don't know what is really causing all these distortions in our work and lifestyles."

This call was not unusual. There is a growing crisis of confidence. Economist F. A. Hayek predicted exactly the current state of affairs back in 1946 in his book, The Road to Serfdom. Events are now fulfilling his prophecies of rampant inflation and excessive government interference.

Political theory today is undermining the market system. If government can't solve a problem, policies are adopted to make it worse. The government can then apply "crisis management" to direct use of resources, to direct capital investment and to apportion market opportunities.

Gas shortages at the pump are a prime example. Improvised rationing schemes and driver dissatisfactions abound. Recent polls indicate a preference for across-the-board rationing by government over market rationing through higher prices. Not surprisingly, we are being conditioned to think this way. The next step is a comprehensive federal rationing scheme extending government authority further over our work and consumption patterns.

Yet the facts are that the current gasoline shortages stem from the misallocation of supplies caused by Department of Energy regulations. Too much gasoline has been allocated to rural areas and too little to urban centers. Oil companies are not allowed to shift supplies from loose to tight market areas to correct demand/supply imbalances.

Energy regulations short-circuit the effective, rational distribution system developed over the past decades by the oil companies. Who gets the blame? The oil companies and the independent truckers, of course. Both have their hands tied by inflexible government-imposed rules.

About inflation, our most pernicious problem, government spokesmen point the accusative finger at businessmen who raise prices and unions that push up wages. But rising prices do not cause inflation, they merely report it.

The fact is that government has simply printed too much money, causing precipitous depreciation in its purchasing power. Higher prices and higher wages provide the only option open to maintaining one's real income. Government-imposed price and wage controls are merely an attempt to conceal government's disastrous confiscation of our purchasing power, our savings and our financial security.

Since 1967, government has increased the supply of money and credit at three times the rate the economy has been able to raise its output of goods and services. Responsibility for inflation is government's alone.

All you and I can do is use options at hand to minimize the negative impact on us individually. To reduce these options the government imposes wage and price controls. But no such controls can make our money worth more in terms of goods and services.

Government's capacity to undermine the economy and to blame it on one or another scapegoat is unlimited. If government is permitted to put an across-the-board ceiling on prices and a floor under wages, no independent businessman, investor or worker can stand erect for long in exercising his rights to choose where to work, what to produce, what to sell and what to buy.

I suggest that when Americans recognize and know what lies behind our ongoing problems they will refuse to abdicate their rights to the bureaucrats. Instead they will forthrightly tell their congressmen to get the government "off their backs."●

DONALD KENNEDY RETIRES AS FDA COMMISSIONER

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. BRADEMAS. Mr. Speaker, one of the ablest persons to serve in public life in recent years is Donald Kennedy, who recently retired as Commissioner of the Food and Drug Administration.

I take this time both to pay tribute to him for his outstanding service in this controversial but challenging position and ask unanimous consent to insert at this point in the RECORD an article by Nicholas Wade in the July 13, 1979 issue of Science magazine concerning Donald Kennedy.

The article follows:

KENNEDY LEAVES AS FDA COMMISSIONER—STANFORD BIOLOGIST BROUGHT NEW APPROACH TO AGENCY

"Balik basdan kokar," goes the old Turkish proverb—"A fish rots from the head down." It may be that resurrections, when they occur, proceed the same way. The Food and Drug Administration, a long despised bureaucracy in good odor with almost no one, has recently undergone a most surprising transformation, and the reason seems to lie in the brief but enlivening reign of its now departing commissioner, Donald Kennedy.

It was not that Kennedy made sweeping changes in the agency—his 2-year tenure of office did not allow time for that; nor did he succeed in his major legislative initiative of a drug regulatory reform bill. But his style produced an intangible change of great moment. He raised the esteem in which the agency was held by outsiders, and in doing so he transformed morale within.

"Public confidence is a very fragile and important thing, and he has worked on that very effectively. That is the most important thing he has done in the FDA," says the agency's former general counsel Peter Hutt.

Somehow or other, Kennedy managed to gain the respect of all the FDA's constituencies, a group whose members do not invariably see eye to eye with each other. "He has been a very good commissioner. I am saddened to see him go," observes Sidney Wolfe of the consumer oriented Health Research Group. "He brought an élan and brilliance to that organization which it needed. He turned a phrase as well as anyone I have ever heard in my life," remarks John Adams, scientific director of the Pharmaceutical Manufacturers Association.

Kennedy also enjoyed an unusually cordial relationship with Congress, a body accustomed to batting the FDA commissioner about like a shuttlecock. Unlike Energy Secretary James Schlesinger, whose approach to hostile questions is to intellectually demolish the questioner, and thus lose the battle, Kennedy's style was to disarm his interrogators with charm and a direct but tactful answer. Academic politics, he had found, was the best possible rehearsal for thinking on one's feet at a congressional hearing.

Kennedy arrived at the FDA in April 1977 from Stanford University, to which he is now returning as vice president for academic affairs. A neurobiologist and member of the National Academy of Sciences, he is the kind of scientist one expects to see around the National Institutes of Health or the President's science adviser. It was precisely this convention that Kennedy hoped to break. His goal in becoming commissioner of the FDA, he said in an exit interview, had been to make the process work, and to command the respect of the scientific community and most of the public in doing so. "But I had something secondary to prove. I am convinced that the better scientists in academic life have not had as great a respect for the regulatory process as they should. Academic scientists have preferred to fly into Washington to give some advice to government through the Academy and then fly out again. My argument is that more significant science policy is made every day at the working interface between the regulatory agencies and Congress, and that that too is worth the interest of academic scientists."

One seasoned FDA watcher suggests that although Kennedy's aim was to bring more and better science into decision-making, he may have been appalled to find how little science, and how much politics, is involved in major decisions. Kennedy concedes that "I think I probably had the idea when I came in here that the ratio of science to policy was higher than I have in fact experienced it." But his ideas about the nature of regulation do not seem to have changed much during his tenure: asked if he found the commissioner's job much as he expected, Kennedy says that "I have learned a lot, without being able to write down for you what it is. I have a sense of the roles of all the different actors—the White House, the Congress, the policy leadership as opposed to the career bureaucracy."

I guess a lot of the things I thought were comparatively simple I have learned to respect the comolexity of." As for decision-making, Kennedy has no magic formula: "I can't distill out a rule. You just have to look at every one and dig into the merits and consult widely. Academic scientists are are often telling me, 'How can you decide a matter like that when the data are not clear?' But often you have to decide when the data are not as good as you would like."

Kennedy has been surprised by how uncoupled the public impact of a decision and the difficulty of making it can be. Saccharin was one of the most troublesome issues that crossed his desk, but "only because of the political problems and public credibility problems—I never thought saccharin was one of the difficult problems to decide on the merits. The science was clear. I have not changed my view on that." Kennedy inherited and supported a decision to remove saccharin from the market, but Congress delayed the ban for 18 months.

Articulacy, charm, what one colleague calls his "fantastic ease at communicating with quite different audiences"—these have been Kennedy's weapons in dealing with Congress. He managed to make allies, even friends, out of natural critics of the FDA's regulatory policies, such as the congressmen

who represent agricultural interests. He tourer the poultry industry in North Carolina with Charles Rose, chairman of the House subcommittee on dairy and poultry. He went to a fundraiser for Fred Richmond, chairman of the domestic marketing and nutrition subcommittee.

Yet Congress on several occasions thwarted Kennedy's actions, often for reasons that seemed more obviously in sectional interests than the public's. It intervened in the FDA's attempts to control saccharin, nitrates, and antibiotics in animal feeds. Rose and Richmond used the political clout of the farm lobby in Congress to sandbag the FFDA on its new ice-cream regulations, an issue which on its merits the FDA should have won hands down. The agency proposed to let ice-cream makers use casein, the principal protein of milk, in their mixes. The dairy interests fought the measure on the grounds that it would reduce the nutritional quality of ice cream, although the real motive of their opposition was that it would have added to the politically already high cost of the federal milk support program (Science, 26 August 1977).

"I think that the whole staging of the ice-cream brouhaha, claiming to be in the interest of the consumers and in fact being in the interest of the dairy industry, was one of the more amazing examples of cynicism I have seen in this town," Kennedy says. In the view of some observers, he backed down from the ice-cream fight because he recognized the political reality: some of the most powerful members of Congress opposed him and there was no point going down fighting for principle on a relatively minor issue. Kennedy replies that the FDA didn't have a watertight case: "If we had, I would have pressed it further even though we would have been beaten anyway."

He is philosophical about his defeats. "A lot of people in agencies feel that any struggle of this kind is a victory you have to win. Many have said, 'Don't you feel awful about saccharin?' I don't see it that way. To the extent that saccharin has been a good national education on toxicology problems, I think it may have been beneficial, and similarly with the ice-cream confusion, if it had been able to play out a little longer on the real grounds of discussion."

If Congress was one constraint on Kennedy's freedom of actions, another, in many people's perception, was the dominating personality of Secretary of Health, Education, and Welfare Joseph Califano. Califano is said to put enormous heat on his key people and, say some observers, has intervened in areas of his department where no Secretary of HEW has gone before or should go again. Kennedy, however, seasons his praise of Califano with only the most delicate criticism: "He has done one or two things which I have disagreed with, and several things which have given me a momentary pang. What I have always said about Califano is that he is going to give you a pang every now and then. His values are terrific, as are his abilities and interests. We would never have gotten the whole question of drug regulatory reform to anything like the level of public and congressional interest that we have, without Joe's support. It just means enormously more when the Secretary is behind you. Given a choice between a Secretary who will let us alone and a Secretary who will just occasionally give us a little more help than we thought we needed, I wouldn't hesitate which to choose."

Kennedy declines to cite the two issues on which he disagreed with Califano. With two issues on which outsiders believe he was overruled—the banning of phenformin and the National Immunization Policy—he says he agreed completely with his Secretary.

Kennedy reports that he has "never had the slightest interference" in his freedom of action from either the White House or the Office of Management and Budget. He met Carter on only two occasions, both ceremonial.

Under his tenure the FDA may perhaps have moved to greater openness from a situation in which consumers tended to be heard less equally than other interests. Kennedy disagrees with the proposition that, as a protector of the consumer's interest, the agency should position itself nearer to the consumer than the industry: "I think the FDA should be open to all its constituencies on an even-handed basis." It did not look that way from the drug industry's lobbying arm, the Pharmaceutical Manufacturers Association. "He was falling over backwards to accommodate the consumer advocates," says the PMA's John Adams. "Wolfe [of the Health Research Group] seemed to have the hex on him. Kennedy's justification was that the FDA exists to protect the consumer. He bent over backwards to accommodate them at the expense of other groups such as doctors and industry."

"It's just not correct," says Kennedy, "that Sid Wolfe and I had any kind of private relationship. I made a number of decisions which he vigorously disapproved of, just as I made some decisions which the PMA vigorously disapproved of. I honestly thought I dealt pretty even handedly with these groups and called the issues as I saw them."

Kennedy's major clash with the PMA came in an area into which the FDA has not ventured before, because it has no statutory authority there—the economics of the drug industry.

Kennedy favored giving consumers more information about generic drugs, about the fact that the same chemical, under different brand names, may sell at very different prices. "That's none of his damned business," snaps Adams. The PMA recently lost this contention in court, Kennedy notes; in any case, "We were almost invited in by the PMA member firms because of their claim that there is a difference between brand names and generic drugs," Kennedy replies. He also differed with the PMA on his bill for drug regulatory reform, which aimed to encourage innovation in the drug industry and in return to exercise more control over drugs after they reached the marketplace. "The PMA may think we are stubborn and wrongheaded at looking at the economics of this industry. But I think industry has to get over with its sense that the world is a conspiracy between the public interest movement and the regulators," Kennedy suggests.

Two years is a short time in which to reshape an agency with 7500 people and an annual budget of $300 million. Kennedy had hoped to stay in a full 4-year term, but the Stanford job couldn't wait. A consequence of his leaving so quickly is that the changes he has made may not stick, a problem of which he is well aware: "The question of whether I have been successful here will depend on whether or not some things I think I have had a little effort on get made permanent." He lists among these some senior appointments he had made, and his healing of some old wounds created when a group of FDA employees found reason to protest that management was overruling their decisions. "I have tried to be a strong public advocate of the agency and I think that this has taken. If some of that holds, and if the people here believe in themselves, which they really deserve to, then that will be the most important thing I have done here."

"Now leadership in Government, I have learned, affects the public perception of organizations much more than it does their inherent worth," he wrote in a statement announcing his resignation. Kennedy's is a hard act to follow, and if it is too hard, his legacy may be shortlived. But he will at least have shown what a touch of style can do.

—NICHOLAS WADE.●

DESERVED RECOGNITION FOR PHILLIP BURTON

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. SEIBERLING. Mr. Speaker, there has come into my hands a list of awards received by our colleague PHILLIP BURTON, during the past 12 months, from various citizen organizations and local governments. We all know of the many achievements of our colleague in environmental and humanitarian legislation, but I am not sure many of us are aware how widely recognized he is in other parts of this country and the world.

It is gratifying that others have seen fit to pay tribute to his outstanding achievements. Accordingly, I am inserting the list of awards in the RECORD following these remarks:

AWARDS RECEIVED BY PHILLIP BURTON, M.C. DURING THE PAST 12 MONTHS

May 6, 1978: Sierra Club.—"Distinguished Achievement Award" for longstanding vision, dedication and commitment to the conservation of our Nation's natural resources—and with particular recognition of his indomitable efforts to establish the Greater Redwood National Park and the Golden Gate National Recreation Area.

June 26, 1978: National Newspaper Publishers Association.—"Outstanding Political Service Award" in grateful recognition of his highly significant contribution to the effectiveness of black Members of Congress. Presented—National Convention of Black Publishers, Cleveland, Ohio.

Sept. 11, 1978: Wilderness Society.—Life Membership in the Wilderness Society. Presented in Washington, D.C.

Oct. 16, 1978: National Recreation & Parks Association.—"National Congressional Award" for outstanding leadership in the Congress on parks and recreation matters. (Miami Convention)

Oct. 23, 1978: City of Los Angeles.—Special Recognition by Mayor Tom Bradley for Mr. Burton's successful efforts, "intensity and sheer energy" in establishing the Santa Monica Mountains National Recreation Area, which provides 90,000 acres of natural park and recreation preserve land—in the Omnibus National Parks and Recreation Act of 1978. Presentation at Los Angeles City Hall.

November, 1978: California Council of Landscape Architects.—Citation for dedication to humanity and commitment to public trust through environmental legislation.

Dec. 18, 1978: Guam Department of Parks and Recreation.—"Certificate of Award" in recognition of "Outstanding Support," of Guam. Sent via mail.

Jan. 5, 1979: Trust for Public Lands.—"Don Quixote Land-Saving Award". Presented in San Francisco.

Jan. 27, 1979: Friends of the Boundary Waters Wilderness.—Presentation of BWCA scenic print in appreciation of his authorship of Boundary Waters Wilderness legislation and his leadership efforts (along with Congressmen Don Fraser and Bruce Vento of Minnesota) to expand, protect and preserve the Wilderness in northern Minnesota. Presented in Minneapolis—State Meeting.

Feb. 27, 1979: FONO (Legislature of American Samoa).—Concurrent resolution of commendation for his efforts in authoring and

securing passage of legislation ("a political and historical milestone and achievement") in extending to American Samoa the right to elect its first delegate to the House of Representatives.

Mar. 24, 1979: National Wildlife Federation.—"Legislator of the Year" for outstanding contributions to the wise use and management of the nation's natural resources, and efforts in the National Parks and Recreation Act of 1978 and other legislation. (Toronto, Canada, convention)

Apr. 27, 1979: American Rivers Conservation Council.—"Distinguished River Conservation Award of 1978" in recognition of outstanding efforts to preserve rivers and other natural areas through the National Parks and Recreation Act of 1978 and other legislation.

May 5, 1979: Sierra Club.—1st recipient—Edgar Wayburn Award in recognition of distinguished public service in the protection of America's national parks and wilderness areas. Presented in San Francisco.●

DEAN RAFFAELE SURIANO: ALUMNUS OF THE YEAR; MAN OF THE YEAR

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. HYDE. Mr. Speaker, I am pleased to bring to the attention of my colleagues two distinctive honors recently conferred upon Raffaele Suriano, D.D.S., the dean of the Loyola University School of Dentistry in Maywood, Ill.

On April 19, Dr. Suriano was presented the Alumnus of the Year Award at the Loyola University Dental Alumni Association's 25th Annual Homecoming Dinner in Chicago. Dean Suriano was chosen for the award by the board of governors of the association for his contributions to the school, the alumni association, and the dental profession.

In addition to that auspicious honor, Dr. Suriano was also recently awarded the "Man of the Year" award at the 45th Annual Spring Dinner of the Arcolian Dental Arts Society. The society honored Dr. Suriano for his many years of devoted and unselfish efforts toward the advancement of dentistry.

A native of Kenosha, Wis., Dr. Suriano was graduated from Loyola University's College of Arts and Sciences in 1941, and then received his D.D.S. from the dental school in 1944.

Dr. Suriano was named dean of the dental school in 1973 after a 30-year-career in the U.S. Army Dental Corps where he retired with the rank of colonel. During his military career, he directed the educational and training programs for the health services and was also responsible for procurement and career management. His last assignment before retiring was as deputy chief of staff, Personal Health Service Command, Department of the Army.

Dr. Suriano is a member of the American Dental Association, and a fellow of the American College of Dentists and the International College of Dentists.

Dr. Suriano has not only distinguished himself among his peers in the dental profession, but he is a well known and widely respected member of his community.

As a personal friend of Dr. Suriano, I can attest to the fact that the honors recently bestowed on him were richly deserved. I know my colleagues in the House join me in extending congratulations to Dr. Suriano, as well as best wishes for future success and fulfillment.●

CLINCH RIVER EXTRAVAGANZA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. BINGHAM. Mr. Speaker, I would like all of my colleagues to read the compelling case made by the Washington Post for putting Clinch River behind us, and pursuing productive energy strategies instead.

Their arguments strongly favor the Udall/Bingham approach to nuclear breeders—which will be offered as an amendment tomorrow to H.R. 3000, the Department of Energy authorization bill.

We recommend a strong, broadly based R. & D. effort to find safe, proliferation-resistant and economically advanced nuclear alternatives. To waste scarce energy dollars now on unnecessary and dangerous commercial projects is energy foolhardiness.

PUTTING AN END TO CLINCH RIVER

Every year that the debate drags on, the case against the Clinch River Breeder Reactor gets stronger. The technical, economic and nonproliferation arguments are solid and persuasive. The large budgetary savings—$1.5 billion—should put the final nail in the Clinch River breeder's coffin.

The issue before Congress is not whether the country needs a breeder. That is a separate question. The issue now is whether the country needs this breeder and on the timetable that has been set for it. The right date for commercial deployment of a breeder depends on three key factors: demand for nuclear power; available uranium-ore resources; and the capital cost of the breeder in particular—how much more expensive it is than current reactor types. What do we now know about each of these?

In 1970, when the Clinch River breeder was first authorized, projected nuclear demand for the United States in the year 2000 was about 1 million megawatts. The most recent figures for that same year project about 20,000 megawatts. And these were calculated before Three Mile Island. Regarding resources, in 1970 the United States estimated its uranium reserves at 1.36 million tons. In 1979, the estimate is 4.3 million tons, of which 2.4 million fall into the most certain categories. So that even taking the most conservative view, our reserves of uranium ore have doubled in this decade, despite substantial production. Both these trends—the dramatic decline in demand and the growth in resources—have been mirrored worldwide.

The third factor, the likely cost of the breeder, is harder to predict. The administration's view, confirmed by many outside experts, is that the breeder will be between 1.2 and 1.7 times more expensive than current reactors. What all these numbers mean is that the breeder break-even point, the point at which a breeder becomes competitive and therefore economically justified, will come when uranium ore costs about $150 a pound. Today it costs $40 a pound. Putting these cost estimates together with the supply-and-demand figures, experts can calculate that the break-even point for breeders in this country will not come until after the year 2020—perhaps long after. Why then build the Clinch River breeder? It is a costly demonstration plant of a design that is almost 10 years old already. In the year 2020, its design will be 50 years old—a Model-T of reactors.

Supporters of Clinch River argue that if it isn't built, the United States will lose its leadership position in this potentially important technology. The opponents reply, soundly, that from a technological view money spent on the Clinch River breeder is wasted, since it is already an obsolete design, and that the U.S. position can be preserved and strengthened through a sensible R. & D. program that emphasizes safety and improved alternatives to current breeder designs. This makes good sense.

The administration's program, though still overfunded, will put the United States in a position to build a breeder reactor if and when it is needed. No one can responsibly predict today how far in the future that may be. But given the breeder's cost and undeniable proliferation risk, it would certainly be bad policy to encourage its premature use.

For far too long the Clinch River breeder has diverted the attention of Congress and the administration from other nuclear issues—especially safety and waste disposal—as well as from other energy issues that are far more important to the national welfare. This year Clinch River should be sent once and for all to its grave.●

CHICAGO TRIBUNE HITS SALT II DEBATE ON TARGET

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. CARR. Mr. Speaker, last month the Chicago Tribune printed an editorial supporting SALT II which is one of the most accurate and concise analyses I have had the pleasure to read. I will now insert it in the RECORD, and I commend it to the attention of my colleagues:

[From the Chicago Tribune, June 24, 1979]

THE SALT II DEBATE

It has taken more than six years of negotiation by three U.S. administrations to complete the strategic arms limitation treaty that now awaits its fate before the U.S. Senate. Every comma represents hours of discussion, every article months of bargaining. The combined intellects of some of America's most astute political and technical thinkers helped to shape its 40,000 words of text. Few, if any, international agreements have been as painstakingly drafted.

Now, the U.S. Senate is preparing to subject the treaty to yet another round of analysis and debate. That is as it should be. Not only does the Senate have a constitutional duty to examine each of the SALT II premises, it has a moral duty to ascertain whether the treaty does what it is intended to do: Slow the arms race without detriment to our national security.

After studying its text, and the many arguments for and against it, we are fully confident that the SALT II agreement can fulfill that goal without the need for Senate amendments.

That is not to say SALT is a perfect treaty. We would have liked substantial reductions in nuclear arsenals and constraints on the troublesome advances in warhead accuracy. But since those results proved impossible to

obtain, it is enough that the treaty achieves the desirable goal of limiting the total number of warheads as well as limiting missile numbers. That slows the arms race without interfering with our ability to develop systems to defend against increased accuracy.

The arguments advanced so far against the treaty have not been convincing. Some [such as Sen. Henry Jackson's intemperate accusations of "appeasement"] can be dismissed as mere political posturing. Others—although they represent sincere doubts on the part of responsible people—have been effectively answered. Some of the main arguments and answers are worth reiterating as the ratification debate begins.

A HEAVY MISSILE "GAP"?

This objection would have force if the advantage meant the Soviets could translate greater throw-weight into more warheads. But the treaty sets limits on the number of warheads carried on each missile, which means that heavy missiles cannot deliver significantly more weapons than lighter ones. Modern nuclear weapons depend for their effectiveness on accuracy and dependability, not megatonnage.

THE "BACKFIRE" QUESTION

The most modern Soviet bomber, the Tupolev 22M ("Backfire"), is not limited by the treaty although it can theoretically hit targets in the U.S.

This argument fails to recognize that the treaty documents' treatment of bombers, if they favor either side, favor the U.S. The Soviets agreed that they will not alter the Backfire bomber to improve its strategic value and will not significantly increase its production. It was advantageous for the U.S. to leave the TU-22M out of the treaty because its inclusion would have given the Soviets ground for insisting on limits to U.S. planes stationed in Europe and Asia and such U.S.-based planes as the FB-111 which have capabilities similar to the TU-22M. We made no promises on these aircraft similar to the promise the Soviets made on the Backfire.

CAN THEY CHEAT?

Critics claim the treaty is not sufficiently verifiable, especially since important monitoring stations in Iran have been lost.

Behind this objection is a fear that the Soviets might secretly develop a system in violation of the agreements and spring it on us suddenly as a full-blown operational threat. But weapons development involves activity on such a large scale that we are able to detect new systems long before they can be deployed operationally. Illegal development would be quickly spotted by methods as simple as old-fashioned cloak-and-dagger work and as sophisticated as satellite surveillance. The loss of the Iranian stations temporarily reduced our ability to detect certain narrow aspects of missile development, much like the loss of a piece in a jigsaw puzzle. As long as we have the rest of the pieces—and we do—the picture will be clear.

IS IT ENOUGH?

Other critics say the treaty not only fails to slow the arms race, it actually promotes it by forcing the U.S. (and probably the Soviets, too) to deploy an entirely new generation of weapons—the mobile missile.

It is the growing accuracy of Soviet missilery, not SALT II, that makes the U.S.'s mobile MX missile necessary—by the early 1980's Soviet missiles may be accurate enough to wipe out a large part of our present Minuteman force in a surprise first strike. The complexities of the accuracy problem were too great to be resolved in SALT II, so even if there were no treaty the problem would remain and MX would be necessary. [SALT II does, incidentally, make prospective MX systems simpler and cheaper, and it is a step toward future arms negotiations that may be able to resolve such qualitative problems as accuracy.]

SOVIET BEHAVIOR

Opponents insist that the treaty should be rejected because of the abysmal Soviet record on human rights and the Kremlin's adventures in Africa.

It is precisely these ideological and political differences that make SALT II important. A friendly nation does not pose a nuclear threat; a hostile one does. SALT II provides a mechanism for reducing the danger of localized conflicts escalating into nuclear holocaust.

There is a final anti-SALT II argument that is more metaphysical than technical. The argument makes the point that after three decades of clear strategic superiority the U.S. is now entering into an agreement that puts the two superpowers at parity. There are many in the Senate and across the country who fear SALT II is a sign that the American people are losing their will and, worse, that the treaty will lull us into such a false sense of security that we will refuse to provide adequately for our defense. SALT must be scrapped, they argue, to give us the freedom and the incentive to build up a strategic force that overmatches the Soviets' in size, megatonnage, and sophistication.

Since this is a metaphysical argument it requires a somewhat metaphysical answer. An excellent one was supplied by no less an authority on national strength than Dwight D. Eisenhower. In his final report as chief of staff in Europe, Ike wrote:

"National security does not mean militarism or any approach to it. Security cannot be measured by the size of munitions stockpiles or the number of men under arms or the monopoly of an invincible weapon. That was the German and Japanese idea of power which, in the test of war, was proved false. Even in peace, the index of material strength is unreliable, for arms become obsolete and worthless; vast armies decay imperceptibly while sapping the strength of the nations supporting them; monopoly of a weapon is soon broken. But adequate spiritual reserves, coupled with understanding of each day's requirements, will meet every issue of our time."

We firmly believe, as did President Eisenhower, that the United States possesses "adequate spiritual reserves" to meet the challenges of a totalitarian regime whose policies are designed to break its people's spirit. We have no need to terrify ourselves into doing what is necessary for our security.

There is no doubt that every member of the U.S. Senate also believes in the nation's inner strength. So we are confident that the senators, certain of the country's determination both to protect its liberty and to minimize the possibility of an unthinkable war, will ratify this honorable treaty.●

ANTI-OPEC STRATEGY

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. SCHEUER. Mr. Speaker, I am impressed with the thrust of the President's energy program and am prepared to support it. I am concerned, however, about the absence of an anti-OPEC cartel strategy.

I am pleased to have been joined by 32 of my colleagues in presenting a letter to the President outlining some of the anti-OPEC initiatives that I would like to see undertaken. I commend it to my colleagues' attention:

LETTER TO PRESIDENT CARTER

DEAR MR. PRESIDENT: We are greatly encouraged by your recent speeches on our nation's energy problems. Your proposals are solid. We believe that they could be strengthened by adding short-term program strategies aimed at:

Breaking the OPEC cartel's monopoly stranglehold over the price and supply of oil; and

Providing American consumers with abundant and secure supplies of energy at reasonable prices.

In dealing with the OPEC cartel, we have to recognize that it is not a solid bloc. Rather, it is made up of nations with very different political and economic interests:

Some of OPEC's members—Saudi Arabia, Kuwait, Libya—have very high per capita incomes and can feasibly reduce production and thereby leave oil in the ground for future generations to exploit

Other members of OPEC—Indonesia, Venezuela, Nigeria—have low per capita incomes; large and growing populations; and costly, urgently needed development programs.

The latter group of countries needs oil revenues now. Therefore, we should attempt to deal bilaterally with individual members of OPEC, applying one overriding criterion: are their actions consistent with U.S. security and economic interests?

Accordingly, we should not simply impose a blanket quota on our oil imports. Rather, our policy should discriminate between OPEC members and non-OPEC producers, and also between the members of OPEC. Therefore we should:

Emphasize imports from Western Hemisphere producers, both OPEC (Venezuela) and non-OPEC (Canada and Mexico). These supply sources are far more secure than those elsewhere.

Try to buy more oil from producers with low per capita incomes, like Venezuela, Mexico, Nigeria, and Indonesia. This would help somewhat to narrow the gap between "have" and "have not" nations.

Maintain a policy of denying tax credit for payments exacted by OPEC countries from the oil companies, to maintain the cartel price.

Do more to finance oil exploration and production in the developing countries, through the U.N., the World Bank, and the Inter-American Development Bank, for example.

Offer "minimum lifting agreements", contracts by the U.S. to take a certain minimum amount of oil each year, for a number of years at a "floor" price, or the world price, whichever is the higher.

Such agreements would enable the developing country oil producers to obtain the needed capital investment funds from private banks, the World Bank, or the regional development banks for Asia, Africa, and Latin America.

The U.S. Government should act as purchasing agent and give first option to non-OPEC producers, and next to OPEC producers not hostile to the United States. Any residual demand would then be open to bids by the other OPEC producers.

We commend you for your recent leadership on the energy issue. We would be happy to meet with you, to discuss our suggestions to strengthen further your generally excellent program.

With every warm best wish.

Yours,

James H. Scheuer, Michael D. Barnes, Anthony C. Beilenson, Jonathan B. Bingham, James J. Blanchard, Robert W. Edgar, Vic Fazio, Sam Gibbons, Albert Gore, William J. Hughes, James M. Jeffords, John J. LaFalce, Sylvio O. Conte, Brian J. Donnelly, Robert K. Dornan, Frank J. Guarini, John B. Anderson, Andy Ireland, Robert J. Lagomarsino, Jerry M. Patterson, Claude Pepper, Melvin Price, Charles B. Rangel, Benjamin S. Rosenthal, James M. Shannon, John B. Breaux, Charles Rose, Andrew Maguire, Doug Walgren, George Miller, Thomas J. Downey, Robert A. Young, Pete Stark.●

PIPELINE GAS FROM COAL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. SIMON. Mr. Speaker, the increasing concern about excessive reliance on imported oil continues to move the Nation closer to greater use of our most abundant and readily available energy resource, coal.

Representing southern Illinois, one of the Nation's major coal-producing regions I am only too well aware of the environmental problems that have been holding us back from using this tremendous reserve of energy.

But the environmental problem isn't the only thing holding us back. Greater use of coal has been hindered by a lack of foresight among those in Government responsible for shaping a strategy for alternatives to oil.

There has been too much talk and not enough action in developing processes for turning coal into clean-burning synthetic fuels.

This has been true for one of the most promising forms of synthetic fuel, high Btu gas from coal. In 1975, Congress first authority Government support for building a major plant to demonstrate the commercial feasibility of producing pipeline quality gas from the variety of coals mined in the United States. A second demonstration project was authorized in 1976.

Four years later, we are still engaged in design work on the first authorized plant. Not a dollar has been spent on the second proposed demonstration project.

If we were willing to make the commitment of resources, at least two of the "second generation" processes for turning coal into pipeline quality gas could be quickly moved to construction and demonstration. The COGAS process, proposed for demonstration at an Illinois site, and the Slagging Lurgi process, proposed for construction in Ohio, have been in competition for several years now for the demonstration project approved in 1975. A lesser degree of design work is also being supported by the Department of Energy on a third process, known as HYGAS, which could eventually be moved to construction and demonstration.

On a 50–50 cost-sharing basis with contractors, these potential demonstration plants would cost the Federal Government $200 or $300 million each, perhaps more with inflation. That is a lot of money, but there is also a lot of potential for reducing our oil imports by producing on a synthetic fuel that can be carried into our homes and factories through existing pipeline delivery systems.

I think we need to construct and demonstrate at least both of the plants that have been authorized by Congress. And we should consider building three plants using all three processes for which we have been supporting design work with Federal funds. The competition of techniques is necessary if we are to determine the most economic and technically reliable methods for producing high Btu gas from coal.

We know how to make gas from coal; the question we answer with demonstration plants is, "Can we manufacture synthetic gas at a price that makes it practical as a substitute for oil?"

I would like to offer some insight into the economics of synthetic fuels by reprinting in the RECORD the following paper produced by the COGAS Development Co. of Princeton, N.J., designer of one of the processes being supported by the Department of Energy.

The COGAS process would produce some synthetic liquid fuel—including home heating oil—as well as pipeline quality gas.

While the following paper is designed to promote a particular process, it demonstrates the fast-changing economics of oil pricing, which is making production of synthetic fuels attractive in the energy marketplace:

PIPELINE GAS FROM COAL—THE COGAS PROCESS

The Illinois Coal Gasification Group[1] (ICGG) demonstration plant project (Department of Energy budget item 76-1-b) uses the COGAS process developed by the COGAS Development Company[2] (CDC).

The objective of the project is to design, construct, and operate a plant to demonstrate this advanced American process. The demonstration plant will confirm the desirability of process commercialization and eliminate economic and technical uncertainties. It will show compatibility with environmental and regulatory requirements and develop performance and cost data for the design of full scale commercial plants having a total capital requirement exceeding $1.5 billion each.

This booklet underlines the importance and need for a Government-supported high-Btu gas-from-coal demonstration plant as a prelude to construction of commercial plants. It presents the advantages of rapid commercialization of the COGAS Process to produce gas and liquids from coal to replace imported oil.

SUMMARY

The ICGG demonstration plant project uses the COGAS Process. The advantages and benefits of the COGAS Process in transforming coal—our most abundant resource—into synthetic fuels to displace imported oil are unique. Cost-competitive and environmentally benign commercial production of pipeline gas, sulfur-free heating oil, industrial fuel oil and naphtha can be a reality within this decade.

Prompt construction of this demonstration plant is one of the most important actions that our nation can take to begin to reduce our reliance on imported oil. If the Department of Energy will make the decision necessary to start construction of the jointly funded (50/50 by ICGG and DOE) proposed ICGG demonstration plant in 1980, commercial plants could be in operation by 1989.

Over a 20-year period, the cost of producing these liquid and gas products from domestic coal in commercial plants will be no greater than the current cost for an equivalent amount of imported oil. Spending the money at home means jobs, in addition to a favorable impact on this country's balance of payments and overall economy.

The COGAS Answer to a New Urgency to Displace Imported Oil:

The energy problem

Dependence on foreign oil supplies which are subject to political upheaval.

Increasing OPEC prices.

Adverse balance of payments.

Meeting Basic Objectives:

To displace oil imports;

To maintain environmental standards;

To expand delivery of energy beyond the constraint of rail transport of coal; and

To expand the supply of domestic gas to its fullest market potential.

The COGAS process answer

Independence due to production from the abundant domestic U.S. coal resources.

Synthetic gas and oil at prices that are competitive.

Keeps money at home for a stronger dollar.

The COGAS Process:

Provides pipeline gas and synthetic oil which are directly substitutable for and interchangeable with refined oil products;

Production plant is designed to meet environmental standards. The clean fuel products avoid the added costs incurred in the direct use of coal;

Uses existing gas pipeline systems to transport energy; and

Produces substitute natural gas.

The Beneficially Unique COGAS Process:

Produces liquids which are readily marketable: sulfur-free, premium commercial-quality Heating Oil, Industrial Fuel Oil and Naphtha, in addition to Pipeline Gas.

Has no undesirable by-products and no emissions detrimental to health and the environment.

Can use any type of coal without pretreatment or size selection. Will process lignite, Western, Mid-Western and Appalachian agglomerating coals with a wide range of sulfur and ash contents.

Has a high safety factor because the process operates at low pressure.

Uses air instead of oxygen, which saves the energy and plant cost required to produce the oxygen.

Ground breaking could take place next year for the ICGG/DOE demonstration plant. Detailed construction design of this small but fully commercial-mode-plant will be complete in 1980 under the current schedule. Pilot proven and backed by a comprehensive data base, the COGAS process is well beyond the speculative and uncertain research and development stage.

A commercial COGAS Process plant, were it in operation today, would be supplying gas and oil dependably to commercial and industrial customers at prices competitive to the import-based oil they are now burning. As oil prices rise, the increasing income from the sale of COGAS oil helps reduce the price at which the pipeline gas must be sold.

The COGAS Process Products:

COGAS is the ideal process to produce Coal-Derived Fuels which displace imported oil in the Residential, Commercial

[1] ICGG Partners: Mid-Continent Gasification Company; Peoples Gas Light Coal Gasification Company, Inc.; CILCO Energy Corporation; CIPS Energy, Inc., and North Shore Coal Gasification Company, Inc.

[2] COGAS Partners: Consolidated Gas Supply Corporation a Subsidiary of Consolidated Natural Gas Company; FMC Corporation; Panhandle Eastern Pipe Line Company, and Tennessee Gas Pipeline Company, a Division of Tenneco Inc.

and Industrial Markets. Gas represents at least two-thirds of the energy output and the remainder is synthetic liquids interchangeable with commercial petroleum products.

Pipeline Gas—the environmentally best fuel.

Sulfur-free Heating Oil to extend domestic supplies. Also useable as transport fuel.

Sulfur-free Residual Oil to extend domestic supplies for use by industry.

High quality Naphtha to extend domestic supplies for producing Unleaded Gasoline and Chemical products.

THE MARKET FOR COGAS PROCESS PRODUCTS

Oil consuming sector	1978 domestic oil consumption [1] (million barrels/day)	Oil import reduction
Cogas process products can reduce oil imports:		
Residential and commercial—heating (space and water)	3.6	Cogas pipeline gas and fuel oils can replace all petroleum products used in this consuming sector.
Industrial—process and heating fuel; process raw material	3.3	Cogas pipeline gas, fuel oils and naptha can replace much of the petroleum products used in this consuming sector.
Transport	10.1	Cogas fuel oils and naphtha can replace a limited portion of the petroleum products used in this consuming sector.
Electricity generation	1.8	Cogas pipeline gas and fuel oils can replace all the petroleum products used in this consuming sector.
Total (of which imports averaged about 8)	18.8	

[1] DOE Monthly Energy Review, May 1979.

Note: More than ½ of U.S. oil consumption (for residential, commercial, industrial, and electricity generation) is replaceable with pipeline gas and synthetic oil from Cogas.
The Cogas process products can replace almost all of the imported oil.

TYPICAL COMMERCIAL COGAS PROCESS PLANT ECONOMICS [1]

[The money spent in the United States to pay for jobs, coal, plant, and equipment, and the cost of financing over a 20-year period to produce gas and oil products in a commercial Cogas plant is no more than the money that would otherwise be paid for foreign oil imports.]

Products	Daily production	Million barrels per year: Btu's	Million barrels per year: Fuel oil equivalent [2]
Pipeline gas (million cubic feet)	265	83.0×10^6	14.3
Fuel oil:			
Distillate (No. 2) (barrels)	12,450	24.5	4.2
Residual (No. 6) (barrels)	4,700	10.0	1.7
Naphtha (barrels)	3,800	6.4	1.1
Total annual energy yield		123.9×10^6	21.31

[Mid-1978 dollars]

Investment:	Millions
Plant cost	$1,185
Other capitalized costs	465
Total investment	1,650

Annual costs:	Billions per year
Bituminous coal at $22.50 per ton	$193
Production cost	44
Depreciation	81
Financial charges (20-yr average)	112
Total 20-yr average annual cost	430

Unit revenue required to cover 20-year average annual cost:	
Expressed as dollars per million Btu's	3.47
Expressed as dollars per barrels of fuel oil [2]	20.20

[1] After construction and operation of the demonstration plant.
[2] Distillate fuel oil at 5.825 million Btu per barrel.

Note: This analysis shows that over a 20-year period the average price of Cogas products is equivalent to 120.20 per barrel of fuel oil produced from imported crude and thus can replace such fuel oil without a cost penalty.

TYPICAL COMMERCIAL COGAS PROCESS COSTS VERSUS MARKET PRICES

Impact of oil market-price changes on commercial plant gas costs (hypothetical cases based on November 1978 and May 2, 1979 oil prices) (millions):		
Annual costs (20-yr average)	$430	$430
Market value of oil products [1]	116	162
Costs to be covered by gas	314	268
(Annual production of 83×10^6 million Btu's.)		
Unit gas cost, dollars per million Btu	$3.78	$3.24

[1] Value of fuel oil, New York Harbor and naphtha, Caribbean Cargo from Platt's Oilgram, derived as follows:

Product	Millions barrels per year	Nov. 1, 1978: Average price	Nov. 1, 1978: Value (millions)	May 2, 1979: Average price	May 2, 1979: Value (millions)
No. 2 fuel oil	4.1	$16.45	$68	$20.90	$86
No. 6 fuel oil	1.6	15.29	24	21.03	33
Naphtha	1.3	19.32	24	34.125	43
Total oil price impact			116		162

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MARK SANBORN

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. STANTON. Mr. Speaker, very recently we had a visit from the Future Farmers of America whose president, Mark Sanborn is a constituent of mine from East Orwel, Ohio. I am proud to bring to my colleagues' attention his remarks before the 1979 Congressional Breakfast on July 19, 1979. With persons like Mark Sanborn coming along in another generation America's future is bright, Mr. Speaker.

The remarks follow:

PRESENTATION TO THE 1979 CONGRESSIONAL BREAKFAST STATE FFA PRESIDENT'S CONFERENCE

(By Mark Sanborn)

The National Officers' International Goodwill Tour to Japan last February broadened our perspectives in many ways. Like most Americans who have the good fortune to travel internationally we returned to our native land with an even greater pride in our citizenship, but we also

carried back with us the realization that the United States doesn't have a world monopoly on "the best of everything." Japan's rapidly growing industrial power and their superiority in the export of finished goods was somewhat shocking. Obviously we live in a highly competitive world and it concerns me that no longer is the U.S. the world leader in as many areas as it once was. Russia now possesses a strategic advantage. China has always possessed greater manpower and the Japanese have taken the lead in International Trade.

There are, however, at least two great distinctions that the United States still maintains, and these are especially dear to the Future Farmers of America. These distinctions are agriculture and education.

No other farmers of the world can come close to comparing with the productivity of American farmers. In 1976 one American farmer produced enough food to feed himself and 56 others. Today, just three years later, he can feed a total of 59. Agricultural exports have been a vital stabilizing factor in our economy and Americans still spend a lesser percent of their disposable income on food than do other consumers of the world.

I personally doubt that there is anywhere in the world where a quality education is more readily available to every citizen than here in the United States. A shining star in the public instructional system is that of vocational education as evidenced by the fact that in Spring of 1978 unemployment of vocational educational students was 5.2 percent lower than that of youth in the same age range. Vocational Education Programs like Vocational Agriculture incorporate not only the teaching of knowledge but also the training of specific job skills as well as the development of attitude, leadership and character through vocational youth organizations such as the FFA. Vocational education is the most well received of all federally funded programs in that for every $1.00 provided federally is matched by an average of $9.00 at the state level.

Agriculture and education, America's great distinctions, complement each other. Our agricultural prosperity allows us to allocate resources to the development of areas such as education and certainly our public instructional program trains young people for the field of work and industries like agriculture benefit.

If agriculture and education are indeed America's great distinctions, then what is being done to strengthen and preserve them? It is irony in the deepest form that these two areas are often the most ignored and the first to feel the effects of reduced government spending.

Since its conception the FFA has utilized the concept of incentives as a stimulus for success. I am gravely concerned that the incentives that have made agriculture and education great are lacking in our present society. We have removed incentive from agriculture by ignoring the voice of farmers and agribusinessmen until crisis situation arose and by legislating volumes of unwarranted regulations.

I can think of no professionals more underpaid than teachers. They have the greatest impact on a young person's life than anyone outside the immediate family, yet we expect them to provide their services at a salary that prevents interested students from entering the profession. Recently, I heard of a legislator who commented that teachers just don't have the dedication that they once had, and that increases in salary were foolish. He thought they should teach on the basis of their dedication, not salary. This is only partially correct, for as important as personal satisfaction and dedication is, I can think of no other professionals, as in the field of medicine and law, who perform merely on this basis. People like this who provide such necessary services are well paid, and I think that teachers, and farmers are no different. Financial reward is an important incentive in any career.

The problems I mentioned are but a few and I am not suggesting that we should guarantee anyone a fixed profit or income. Rather, I suggest that we examine our priorities and address current problems faced by agriculture and education. What are you and I doing to advance America's great distinctions?

The Declaration of Independence has stood as one of the greatest documents of human freedom of all time. Perhaps it is time, in the interest of the freedom we enjoy, to declare our dependence on agriculture to provide life giving food and fiber and upon education to develop the most important resource our country possesses—our youths' minds. Once we have declared our dependence and acted accordingly, then we can go about successfully the business of continuing to build the greatest nation on earth—the United States of America.●

TRIBUTE TO W. E. WILLIAMSON

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. WAXMAN. Mr. Speaker, Ed Williamson, the chief clerk and staff director of the House Committee on Interstate and Foreign Commerce, lost his private battle with cancer on July 24. With his characteristic dutifulness, he worked until his very final days.

Ed Williamson served the Commerce Committee for 22 years. With legendary attention to detail and parliamentary skill he shephered through the Commerce Committee the key domestic programs of six Presidents.

He had the stirring voice of an orator, and his presence gave dignity to every meeting of the Commerce Committee. When he called the roll on key votes, his resonant tones and penetrating glance reminded every member another chapter in the Nation's history could be written that day. Ed Williamson monitored thousands of votes during the span of his career, yet he never treated bills perfunctorily. To him every piece of legislation was given importance.

Ed Williamson knew what it was to assume the responsibilities of elected office. He was mayor of Magnolia, Ark., at the time Oren Harris appointed him to the Commerce Committee staff. He had a strong sense of public service, and served from 1947 to 1950 as circuit and chancery court clerk in Magnolia. His military record was distinguished: He enlisted in the U.S. Army in 1942, and rose to the rank of captain at the time of his discharge 4 years later.

Ed Williamson believed in the integrity of Congress as an institution, yet he was always approachable and never pompous. He had a fatherly regard for new Members and staff, whom he systematically tutored on House rules and committee procedures, so that Commerce Committee business could always be conducted in an orderly manner. He gave us all a sense of history and purpose in the work we undertook; at the mention of medicare and medicaid, or new cabinet departments, Ed Williamson gently reminded us, "I was there. I remember the vote."

Ed Williamson shared with us all our legislative victories and defeats. His beaming smile of satisfaction when a bill was reported, and his compassionate glance to a chairman when months of work ended only in a narrow defeat, will never be forgotten. He was so much a part of the Commerce Committee that it will be hard for all of us to continue along without his strong voice announcing the day's agenda. He will be missed.●

CAPTIVE NATIONS WEEK

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. SENSENBRENNER. Mr. Speaker, I would like to take this opportunity to speak about the captive nations of the world during this very special Captive Nations Week.

Freedom is a condition so basic and necessary to human beings that any action restricting this God given privilege is a blatant violation of human rights. Our Nation was founded on the belief that all men are created equal and that freedom is an undeniable right of every individual. It is therefore my belief that we as a Nation have an obligation to encourage these ideals both in our own country and in others.

This week we are commemorating those people who have demonstrated their persistant struggle for independence in spite of mounting Communist oppression. The people of these nations endear themselves to us since our Nation was once subject to similar oppressive demands. The inexhaustible determination that these people have shown in their struggle for independence is a true indication of their love for the freedom of which they have been so unjustly deprived.

History books tell countless stories of individuals, as well as nations, whose drive for independence was never diminished in spite of mountainous difficulties. The determined efforts of the Polish generals Pulaski and Kosciuszko during the Revolutionary War are worthy of acknowledgement. Their actions clearly demonstrate the willingness of one nation to aid another when its individual freedoms are being denied. We should now do the same by assisting their people in their drive for independence from oppressive conditions. Newspapers today reveal moving stories of the plight of the Southeast Asian boat people, the indefatigable drive for freedom of Soviet Jews like Anatoly Shcharansky, and many other struggles for basic human rights. The morals and determination of these and many other individuals have fully enhanced the American ideology of individual freedom.

There has been little progress since World War I in improving the plight of those nations subject to the oppression of the Soviet Union. The number of nations succumbing to Communist advances is increasing at an alarming rate.

A large portion of the global population is now subject to the policies of Communist institutions. As of now, there is little evidence that the expansionistic Communist trend is dissipating.

America, in spite of its own hard-earned freedom, has been too complacent in dealing with the plight of other nations. Our foreign policy has changed from one of containment and active resistance to a policy based on negotiation and compromise, often at the expense of our Nation's ideals.

The United States is both capable of and responsible for actively attempting to prevent further Communist advances into nations too weak to defend their basic human rights. It is our further responsibility to try to help those nations now subject to these oppressive intrusions. We must immediately abandon our passive attempts at assuring human rights around the world, and instead actively promote the ideals which made this country a great protector of basic human freedoms.

Freedom is something which we must strive for; like many other things, it on survives when we work at it. We must wish for it with all our hearts and constantly remind ourselves that it is something very difficult to obtain and very easy to lose. As an active leader of the free world, we cannot be satisfied with passive denunciation of infringements upon individual freedom. We must instead demand total compliance with the Helsinki accord and actively promote those ideals upon which the agreement is based.

The many captive nations of the world will continue to demonstrate their love for the freedom of which they have been in July each year—Captive Nations deprived so unjustly. We commemorate their brave efforts during the third week Week. This week is not only for acknowledging their efforts, but also for reexamining our policies in order to assure ourselves and others of the ideals for which this country stands.●

COUNTRIES ILLS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. WYDLER. Mr. Speaker, Russell Baker who writes a regular column for the New York Times is known for his sharp wit and very humorous articles.

The one that follows is not very funny for the American people, but it does prove that there is a lot of truth told in jest.

The article follows:

PLAYING BY THE BOOK

(By Russell Baker)

The President started the week with a humble confession of inadequacy. Always be humble, especially if you are arrogant, goes the old political maxim. Mr. Carter's display of humility was one in which he could take not only pride but also satisfaction, since his popularity rating in the polls shot up several points almost immediately.

After the humility came the dynamism. Always be dynamic, especially if you don't plan to do much, goes the old political maxim. Mr. Carter boarded his dynamic Presidential jet, burned a large quantity of oil to go to Kansas City, and made a second speech on television in which he asked us to join him in "this war."

This accorded with the old political maxim, which states, always elevate intractable domestic problems to the level of "war," especially if you can't go on ignoring them without inviting defeat at the polls (cf. Lyndon Johnson's War on Poverty, Gerald Ford's War on Inflation).

The call for war support was issued in a louder voice than the President usually uses and by gestures with a clenched fist. Always look tough when you talk war, goes the old political maxim, especially if you are talking about intractable domestic problems instead of war.

For some reason, neither press nor television said that the humility, the dynamism, the war call, the raised voice and the clenched fist meant there was "a new Carter." This defied an old journalistic maxim which goes, always declare an old, familiar politician to be a new politician when he changes his voice level, speech writer or image technician (cf. The seven "new Nixons" created by journalism between 1963 and 1973).

Several journalists, however, did observe that Mr. Carter's conduct suggested he had been born yet again. Never pass up the chance for a wisecrack, goes the old journalistic maxim, especially if the polls show not many people are likely to be offended.

Continuing to charge off in all directions, the President flew back to Washington and collected the resignations of all his top hands, though he intended to keep all but a handful. Always charge off in all directions, goes the old political maxim, especially if you want to create enough headlines to conceal the fact that you are not going anyplace.

Press and television immediately said that calling for all hands to resign was unprecedented, although President Nixon had done the same thing after the 1972 election. Always convert a bemusing event into melodrama by calling it unprecedented, goes the old journalistic maxim, especially if it isn't.

Precisely who or what the enemy was in the war for which the President requested support was not clear. Stuart Eizenstat, in a famous memo to the boss, had wanted him to name OPEC the villain. The President did not. Never make an enemy who can give you more trouble than you can handle, goes the old political maxim, especially if you can take on an enemy who is a pushover.

Despite his humility, the President managed to identify several enemies who had failed the country much worse than he had. Among them were Washington, Congress and Big Oil.

All are pushovers, and the President pushed them over with much humility and fist-clenching. Washington, he suggested, was the worst. One had the impression he was being held prisoner in Washington and was being compelled by subtly sinister means into governing inadequately.

Making Washington the enemy of the people's goodness, of course, was a tactic he used successfully to get elected in 1976. Always go back to what worked in your first big success, goes the old political maxim, especially if nothing else seems to work (cf. President Nixon's efforts throughout Watergate to recreate his triumphant "Checkers" speech of 1952).

As for Big Oil, the President announced that he had squads of auditors poised to attack their books. There is no old maxim being observed here, but only a universal truth. Nobody loves a rich man, and almost everybody will pay good money to see banana peels placed under his Guccis.

As for Congress, its vulnerability is understood by small children. Always denounce the Congress, goes the old political maxim, especially if you are humble about your own inadequacies.

As the week ended, hints from the White House suggested that the President was also thinking of adding the Washington news industry to the list of opponents responsible for his inadequacies. There were complaints that these wretches "sensationalize" with wanton extravagance and impede and distort the President's efforts to communicate with the good people outside Washington.

Always blame the news industry for your inadequacies, goes the old political maxim, especially if it devotes as much attention to your inadequacies as it devotes to your humility (cf. John F. Kennedy, Lyndon Johnson, Richard Nixon).

The President, of course, is also waging a campaign to be re-elected in 1980. Washington is the only place on earth so despicable, goes the old political maxim, that people will struggle like tigers to get there and fight like lions to stay there.●

DICKINSON'S BILL TO HELP DOD AIR TRAFFIC CONTROLLERS HAS BROAD SUPPORT

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 1979

● Mr. DICKINSON. Mr. Speaker, during the past three Congresses I have introduced legislation which would give civilian air traffic controllers at the Department of Defense the same rights and benefits with regard to retirement and job retraining that were accorded air traffic controllers of the Federal Aviation Administration at the Department of Transportation under Public Law 92-297, which was enacted on May 6, 1972.

This legislation is, I believe, simply a matter of providing equity. The Congress has recognized the special problems encountered by the 17,000 FAA air traffic controllers and the need for a legislative remedy. The 200 DOD air traffic controllers have the same physical and mental stresses as the FAA controllers and ought to be accorded the same treatment under the law.

Hearings on my current bill, H.R. 1781, were held before the House Subcommittee on Civil Service on June 26, and July 13, 1979. I was very pleased with the gracious and courteous reception from my distinguished colleague who chairs the subcommittee, the Honorable PAT SCHROEDER of Colorado and the other members of the subcommittee who were most receptive to this legislation.

Favorable departmental reports have been received from the Office of Management and Budget and the Office of Personnel Management. Mr. Carl Clewlow, Deputy Assistant Secretary of Defense for Civilian Personnel Policy, testifying in support of the bill on July 13, 1979, said:

In the interest of equity, we believe that the Department of Defense civilian controllers who are actively engaged in the separation and control of air traffic, and who are performing like duties to those air traffic controllers in the Department of Transportation, should be treated the same as their counterparts in the Department of Transportation.

At the time I testified before the Civil Service Subcommittee, I was joined by Mr. Jerry Byrd, data systems officer, Cairns Army Radar Approach Control, Fort Rucker, Ala. Mr. Byrd made a very comprehensive and persuasive statement in support of H.R. 1781 which I would like to call to the attention of my colleagues.

STATEMENT OF JERRY BYRD

Most Honorable Chairwoman, Honorable Subcommittee Members, the Honorable Congressman Dickinson, Distinguished Counsel.

I consider it a great privilege and a distinct honor to appear before you today in behalf of approximately 200 Department of Defense civilian air traffic controllers stationed at ATC facilities throughout the United States. I truly hope that you will sense that there is something different about my being here today—something special. What is different and what is special is the thing which makes me most proud to be an American—and that is the opportunity that one has—no matter what his station in life, not only to express himself to his government—but to be heard. I truly believe that my being here today is "what it's all about"—for I come to you from the lowest level of government to present a petition for your honest and unbiased consideration. I am not a lobbyist, nor a Union official, and since I occupy a staff air traffic position, I will not be covered by this amendment. I do however, speak for a special interest group. That being those who have a special interest in seeing that all people are treated fairly and equitable under the law. Yes, I am prejudiced in my support of the DOD controllers urgent need for parity with his FAA counterpart. And quite frankly, I honestly believe that the decision that you will make on this issue is one of the easiest you'll ever have to make. We certainly recognize that many important measures are being studied by your committee, and that it may seem insignificant to be considering a proposition which affects only about 200 Civil Service employees. But "believe you me", if their need was not real and factually documented, I certainly wouldn't be here today.

It appears to me, that some of the questions you must answer in order to approve this bill are these.

1. Is there a demonstrated need for this legislation.
2. Is the need appropriately documented.
3. Is the proposed resolution equitable.
4. Does this bill have the support of those who will be affected, and by those who must administer it.

The answer to all of these questions is an unqualified "yes".

If you will please refer to the "Profile of an Air Traffic Controller": on page 7 of the report which I presented to you entitled The Case for Amending P.L. 92-297 to Include Department of Defense Civil Air Traffic Controllers, H.R. 1781, you will note the DOD controller, when compared with the FAA controller, is doing the same job, with the same civil service job series code (GS-2152), controlling the same aircraft, meeting and maintaining the same medical standards, and the same standards for certification and rating, while abiding by the same rules and regulations for the control of air traffic. This in itself is clear and convincing evidence of the oversight of not including DOD controllers under the provisions of P.L. 92-297.

One of our basic causes of concern is the discriminatory aspect of providing career benefits for civil service air traffic controllers employed by DOT and not providing like benefits for identically situated controllers employed by other Federal agencies. Although it is a gross inequity, it is not for this reason that the DOD controller requests coverage under the law, but rather because an actual, proven need exists!

The pressures associated with the air traffic control profession and the resultant early physical deterioration of controllers was first documented for the 92nd Congress in the "Courson Report" prepared by a blue-ribbon Air Traffic Controller Career Committee at the direction of the Secretary of Transportation. P.L. 92-297 is the result of this Committee's recommendations.

For years DOD controllers have been denied coverage under this law primarily because the Department of Defense, Civil Service Commission, and others, objected on the grounds that there was no specific evidence to justify their inclusion. However, in April of 1977, the Honorable Harold Brown, Secretary of Defense, requested Department of Army to again "look into this matter" and in May of that year, Congressman Dickinson was advised that Department of Army had been requested to examine the work of air traffic controllers at Fort Rucker, Alabama, in conjunction with representatives of the Civil Service Commission and the Department of Transportation. The purpose of the study was to "identify specific controller requirements and human factors to determine whether Defense Department controllers had a problem comparable to that in the Department of Transportation requiring a like solution."

This study was conducted during July and August of 1977 by a Team which gathered data from DOD installations employing air traffic controllers and which also accomplished on-site surveys at Fort Rucker, Alabama, Fort Hood, Texas, and the FAA ATC radar facility at Washington National Airport. This was done in order to compare Army Air Traffic Control operations with those of an FAA facility. The visit to Washington National Airport confirmed that controller duties performed and equipment used by FAA controllers was the same as those found at Fort Rucker and promoted this statement from the report. "The Study Team could discern no basic differences in duties between Army and FAA controllers who are actively engaged in the separation and control of aircraft." The assessment by the FAA Representative, who participated as a member of the study team, was that "Occupationally there is no basic difference between the duties being performed by FAA air traffic controllers and the civilian air traffic controllers at Fort Rucker and Fort Hood."

This report, entitled "The Study of Department of the Army Air Traffic Controller Duties and Human Factors," dated August 1977, is replete with affirmations of the virtual identical aspects of the FAA and DOD controller positions and of the physical demands of the occupation. However, it is significant that the report considered the matter of comparability or noncomparability of DOD controllers with DOT controllers, as an issue separate from the fundamental issue of whether there was a need to include DOD controllers under the law. This need was to be determined by assessing the actual duties being performed, problems of recruitment and retention, as well as medical evidence of "burnout" problems. The Report concludes by recommending, without qualification, that DOD controllers be covered by P.L. 92-297.

Another compelling reason for including DOD controllers under the provisions of this law is that some major insurance companies will not "write" disability income protection for air traffic controllers solely due to their occupation. Page 29 of the report which I have presented to this subcommittee contains a copy of a letter one of our controllers received from the Prudential Insurance Co. of America. I quote from the letter:

"Our underwriting rules prohibit us from considering air traffic controllers for disability pay coverage. Please be assured that no adverse medical information was received and that your application was declined solely due to your occupation."

If an employee of the Federal Government cannot obtain necessary insurance to protect his income because of the inherent debilitating aspects of the occupation, then surely the Federal Government has an obligation to provide appropriate protection. Public law 92-297 affords this protection.

Without question, there exists a precedent for providing these benefits to air traffic controllers staffing facilities located at military installations. In fact, the FAA itself staffs at least 21 air traffic control facilities located on military installations. Figure 3, page 31, of my report lists these facilities. It is indefensible that our Government would knowingly continue the discriminatory practice of providing these benefits to FAA controllers at military installations and not provide them to DOD controllers at identical facilities.

If you will indulge me, I would like to speak personally to this issue because I am not just a layman, but rather a professional air traffic controller with experience in many types of facilities, at all levels of operation.

I speak as one who has personally experienced the mental and physical strain of controlling aircraft in and out of busy airports; as one who has experienced the stress of staying on the radar scope or in the tower for long periods of time without a break; as one who has been confronted with the necessity of making successive decisions carrying life and death consequences—where the standard is always perfection; and finally, as one who has experienced the day-in-day-out wear and tear on the individual, and the disruption of a normal family life and social relationships, brought on by frequently changing shift requirements.

I also speak as one who has seen controllers break down and weep, on the job, as the result of the intense pressure and constant demand to speed the flow of traffic—knowing full well that the impending rush of air traffic will exceed his reasonable capacity, but also knowing that he must operate at the limits of his capabilities, on the brink of human disaster, for as long as necessary.

I've seen a controller get up from hours at a busy radar scope, walk to a wall and stand with his face only inches away, staring blankly at nothing and unconsciously remove his necktie—and not realize what he is doing.

I have seen the most confident, even-mannered controller turn into a growling, irritable, irascible controller—who snaps at other controllers and pilots as well, as the intense control pressure builds.

I have also seen the most boring, tedious air traffic situation change in an instant to a tense, harrowing, and grueling contest between man, machine, and time, as a controller and a pilot lock hands in a frightening effort to stave off disaster in an emergency situation. And I have seen man lose.

I beg of you, please don't let anyone sway you in your resolve to correct this inequity.

In conclusion, this Committee has within its power the means to correct an oversight of long standing. These controllers have been overlooked because their small number does not give them any political "clout"; because they do not have the powerful voice of the FAA, or the representation of a national labor union. But their need is real—it is irrefutably proven and unquestionably justified. The facts clearly support the proposition!

I would certainly be remiss if I did not publicly express the gratitude of DOD controllers throughout the U.S. to Congressman Dickinson, whose efforts in their behalf are a shining example of non-partisan representation. I would also like to express my

gratitude to this Subcommittee for giving us this forum.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 26, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 27

8:30 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on S. 1280, to provide financial and technical assistance to States and local governments in developing and expanding energy-related activities.
3110 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending committee business.
235 Russell Building

Foreign Relations
To continue closed hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-116 Capitol

Judiciary
To hold hearings on S. 680, to provide for the rights of citizens to sue in Federal courts for unlawful governmental action.
6226 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of government-sponsored inventions in order to encourage private industry participation in Federal research and development programs.
5110 Dirksen Building

Labor and Human Resources
Business meeting, to mark up S. 1075, to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and doctors, and to provide more education to doctors and health professionals regarding the use of approved drugs; and S. 446, to provide legal protection to the employment rights of handicapped citizens
4232 Dirksen Building

*Veterans' Affairs
To resume hearings on S. 870, to amend and extend education programs administered by the Veterans' Administration for veterans and dependents, and S. 881, to provide for the protection of certain officers and employees of the Veterans' Administration assigned to perform investigative or law enforcement functions.
412 Russell Building

9:45 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 524, 581, 730, 932 (as passed the House), 950, 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

10:00 a.m.
Armed Services
To continue closed hearings on the military implications of the SALT II Treaty.
S-407, Capitol

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To receive testimony from officials of the Harvard University, School of Business on a 6-year review of energy resources.
3110 Dirksen Building

Finance
To hold hearings on the nomination of William G. Miller, to be Secretary, Department of the Treasury.
2221 Dirksen Building

Foreign Relations
To hold hearings on S. 1450, to promote the foreign policy of the United States.
4221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 878 and 904, bills to simplify the administration of national policy requirements applicable to Federal assistance programs relating to State and local governments.
457 Russell Building

Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
224 Russell Building

Joint Economic
To hold hearings on the impact of inflation on the Federal tax system.
S-207, Capitol

2:00 p.m.
Appropriations
Transportation Subcommittee
To mark up the substance of H.R. 4440, making appropriations for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Conferees
On S. 544, to revise and extend, through fiscal year 1982, programs administered under the Public Health Service Act.
S-207, Capitol

2:30 p.m.
Foreign Relations
To hold hearings on pending nominations.
4221 Dirksen Building

3:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

JULY 28

9:30 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

JULY 30

8:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Charles W. Duncan, Jr., of Texas, to be Secretary of Energy.
3110 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings to examine the scope of current agricultural transportation problems.
322 Russell Building

9:15 a.m.
Governmental Affairs
To hold hearings on S. 930, to restrict free Federal employee parking.
3302 Dirksen Building

9:30 a.m.
Environment and Public Works
Business meeting on pending committee business.
4200 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
To resume hearings on S. 1246, to protect against the growth of a monopoly power among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.
2228 Dirksen Building

Select on Indian Affairs
To hold hearings to discuss alternative solutions to litigation to resolve water rights disputes between Indians and non-Indians.
5110 Dirksen Building

2:00 p.m.
Budget
Business meeting, to begin mark up of the second concurrent resolution on the congressional budget for fiscal year 1980.
6202 Dirksen Building

Judiciary
To hold hearings on the nominations of Richard D. Cudahy, of Wisconsin, to be U.S. Circuit Judge for the Seventh Circuit; and Edward C. Reed, Jr., to be U.S. District Judge for the District of Nevada.
6226 Dirksen Building

JULY 31

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue oversight hearings to examine the scope of agricultural transportation problems.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 663 and 875, bills to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
6226 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on proposed legislation to establish a home energy efficiency program.
3110 Dirksen Building

Judiciary
Business meeting, on pending calendar business.
2228 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue mark up of the second concurrent resolution on the congressional budget for fiscal year 1980.
6202 Dirksen Building

Governmental Affairs
To resume joint oversight hearings with the Subcommittee on Energy, Nuclear Proliferation, and Federal Services, on the activities of the Department of Energy.
3302 Dirksen Building

1:00 p.m.
Conferees
On S. 237, to clarify and expand jurisdiction of U.S. magistrates and improve access to the Federal courts.
S-207, Capitol

2:00 p.m.
Appropriations
Business meeting, to mark up the substance of H.R. 4440, making appropriations for fiscal year 1980 for the Department of Transportation, and to resume consideration of H.R. 4393, making appropriations for fiscal year 1980 for the Department of the Treasury, and the U.S. Postal Service.
S-128, Capitol

3:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

AUGUST 1

9:30 a.m.
Environment and Public Works
Business meeting on pending committee business.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To continue joint oversight hearings with the Subcommittee on Energy, Nuclear Proliferation, and Federal Services, on the activities of the Department of Energy.
3302 Dirksen Building

1:00 p.m.
Conferees
On S. 237, to clarify and expand jurisdiction of U.S. magistrates and improve access to the Federal courts.
S-207, Capitol

3:00 p.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on the management and implementation of hazardous waste programs under the Resource, Conservation, and Recovery Act, 1976.
1224 Dirksen Building

AUGUST 2

8:30 a.m.
Veterans' Affairs
To hold hearings on S. 1516, to allow for the disclosure of certain information by the Veterans' Administration to consumer reporting agencies in order to make assessments in cases of outstanding debts.
457 Russell Building

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of the second concurrent resolution on the congressional budget for fiscal year 1980.
6202 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
To hold hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the activities of the Indian Health Service, Department of Health, Education, and Welfare.
5110 Dirksen Building

AUGUST 3

10:00 a.m.
Budget
Business meeting, to continue markup of the second concurrent resolution on the congressional budget for fiscal year 1980.
6202 Dirksen Building

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed authorizations through fiscal year 1990 for airport development aide programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 11

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed authorizations through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 12

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
457 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed authorizations through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1979.
235 Russell Building

SEPTEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed authorizations through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
5110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 20

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 25

11:00 a.m.
Veterans' Affairs
To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.
5110 Dirksen Building

CANCELLATIONS

JULY 30

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

AUGUST 1

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

AUGUST 2

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1300, proposed International Air Transportation Competition Act.
235 Russell Building

SENATE—*Thursday, July 26, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9 a.m., in legislative session on the expiration of the recess, and was called to order by the Acting President pro tempore, Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

We thank Thee, O Lord, for Thy mercies which are new every morning and for every new opportunity to serve Thee by serving our Nation.

"If, on our daily course, our mind
Be set to hallow all we find,
New treasures still, of countless price,
God will provide for sacrifice.

"Only, O Lord in Thy dear love,
Fit us for perfect rest above,
And help us, this and every day,
To live more nearly as we pray."

Amen.

—John Keble, 1827.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MAJORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I believe I have just 2 minutes.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank my good friend, the majority leader.

OBJECTIONS TO THE GENOCIDE CONVENTION MADE IN 1950 ARE OUTDATED

Mr. PROXMIRE. Mr. President, today I would like to remind my distinguished colleagues of two of the important distinctions between the circumstances surrounding ratification of the Genocide Treaty in 1950 and ratification of the treaty in 1979.

In 1950, as a report from the section of individual rights and responsibilities of the American Bar Association points out, one of the objections to ratifying the treaty was that Government action by treaties was a "new concept." Their hesitancy was understandable in view of the Senate's lack of past experience with such matters. At that time their contention was valid.

However, since that time, the United States has entered into well over 4,000 international agreements "without any noticeable diminution of its sovereign independence, nor any noticeable debasement of its standards to an international average."

The point is that the United States has entered into many treaties. This is no longer a "new concept," but rather an effective means of establishing international law.

The report also points out that in 1950 some opposition to the treaty was based on the belief that the Genocide Convention would override the legislative power of Congress. There was concern particularly with respect to civil rights legislation. It was suggested in 1949 that the Genocide Convention would be used to rationalize Federal legislation in this area.

In 1949 that may have been a reasonable consideration. In 1979, 30 years later, it can be said without any degree of doubt that the Constitution is completely adequate to "sustain any civil rights legislation likely to be proposed and passed and certainly far more ample to coverage than any authority possibly derived from the Genocide Convention."

It is clear that in both instances that a cautious approach was necessary, but that with time such an approach no longer served any purpose or was in fact justified.

I strongly urge my fellow colleagues to look anew at the Convention on the Prevention and Punishment of the Crime of Genocide, to consider it by standards that are applicable today, and finally to ratify the Genocide Treaty.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the minority leader.

Mr. BAKER. Mr. President, I have no need for my time under the standing order. I yield it to the distinguished Senator from South Dakota.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized.

SNOWMOBILING

Mr. PRESSLER. Mr. President, there is a real need for recreation in our lives. As a consequence, there is also a real need to treat all recreation equitably in our energy actions.

Moreover, I am strongly in agreement with the new and important role played by recreation in the lives of my constituents.

I have been impressed by the changes which have taken place in snowmobiling.

It burst into the scene in the early 1960's, growing far more rapidly than anyone dreamed possible. The reason was clear; it tapped a very real and previously unmet need for active recreation during the winter months in the snowbelt.

There were three basic problems. The first was the machine itself. It was loud. It broke down. It bogged down in deep snow and steep terrain. The second problem was that there were no places designated for snowmobiles to be used safely and to avoid conflicts with wildlife and other human activities. Finally, there was no way to communicate with snowmobilers. They were those masked riders in the night, alone or in small groups.

All that has changed dramatically. Snowmobiling continues to grow rapidly. In fact, according to A. C. Neilsen, it is the third fastest growing recreational activity in America. The Department of the Interior tells us some 14,000,000 Americans now snowmobile. And everybody anticipates further growth. But the problems that emerged with the beginnings of snowmobiling have now disappeared.

Today's machine is a marvel. It is quieter than many cars. The safety record of the sport has improved greatly, so that it is now a family undertaking. And there are now all kinds of places to go by snowmobile. Many States have several thousands of marked and maintained public trails, many close to population centers and many of which are also available during warm-weather months for hiking, bicycling, and equestrian use.

Unlike some activities, snowmobiling has footed the bill for the development of these trails—tens of thousands of miles of snowmobile trails—across the snow belt. The trails were developed and are maintained by State registration fees on the vehicles and in some cases the State fuel tax on gas used in snowmobiles.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This success story is one in which we can take great pride.

It is an example of American ingenuity overcoming adversity. Certainly this body needs to make clear that we are not about to take inequitable actions on energy, land, or other matters which could seriously jeopardize the progress we have seen to date and the promise for still more to come.

(The remarks of Mr. PRESSLER in connection with the submission of a resolution are printed under routine morning business.)

Mr. PRESSLER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. PROXMIRE). Does the Senator from West Virginia yield to the Senator from Nebraska?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. EXON. Mr. President, I thank the Chair very much.

(The remarks of Mr. EXON in connection with the submission of a resolution are printed under routine morning business.)

RECOGNITION OF SENATOR JEPSEN

Mr. BAKER. Mr. President, I ask the Chair, is there a special order in my name this morning?

The PRESIDING OFFICER. The Senator from Iowa (Mr. JEPSEN) is to be recognized for not to exceed 10 minutes.

Mr. BAKER. Mr. President, I ask unanimous consent that I may yield the time allocated to me under the special order entered on yesterday to the distinguished Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized for 20 minutes.

NOMINATION OF PATRICIA WALD

Mr. JEPSEN. Mr. President, the Senate has confirmed the nomination of Patricia Wald to the District of Columbia Circuit Court of Appeals. I voted against her nomination, and I want to take a moment to explain my reasons for doing so.

If the Senate is to perform its duty of confirming Presidential nominations responsibly, it must not act simply as a rubberstamp. It must scrutinize the person and the person's background. This is particularly important in situations where the Senate is considering lifetime appointments to the Federal bench.

A position as judge on the U.S. Circuit Court of Appeals is a very influential and powerful one. The courts in general are often pressed by those seeking changes to social conditions to go considerably beyond what most jurists accept as their duty, namely, to interpret the laws as written by Congress within the confines of the Constitution. In effect, they are often asked to legislate by judicial fiat.

Over the years, the District of Columbia Court of Appeals, probably more than any other court, has transformed itself into a minilegislature. Many of its judges have shown no hesitation in using it as a forum from which to create new law in order to redress what they consider to be congressional inaction to redress society's social ills.

To a certain extent the judges cannot avoid making social policy. Legislation passed by Congress is oftentimes overly broad in character and vague in its language. Moreover, the intent behind a lot of legislation is left in serious doubt. As such, the courts and their judges for numerous reasons feel obliged to fill in the gaps.

Thus, Mr. President, my opposition to the nomination of Patricia Wald did not stem from any disagreement with her politically. Nor did her proposed solutions to the problems that children encounter as a normal part of growing up cause me to cast my disapproval, although I certainly disagree fundamentally with her assessment and approach. I objected to Mrs. Wald's nomination because of the single-minded devotion to ideological activism that is so readily apparent when one reviews her legal career. Most of all however, I objected to her nomination because of her demonstrated willingness, in the absence of legislation, to be a court activist in order to make her views the law of the land.

To substantiate this claim I would just like to cite a 1972 treatise on drug abuse, published by the Ford Foundation, in which Mrs. Wald said:

Many improvements in the present law-enforcement approach toward drug abuse may have to come from the courts . . . The adjustment of our now-primitive body of drug abuse laws to new medical developments in research and treatment *may well have to come about through a series of court cases as well as, and even in the absence of, legislative changes.* (Emphasis added.)

My criticism here is not in any way intended to question the sincerity with which Mrs. Wald has pursued her goals, nor could it ever detract from the many accomplishments she has made throughout her life, such as serving as articles editor of the Yale Law School Journal, clerking for Judge Jerome N. Frank on the Second Circuit Court of Appeals, and serving on such Presidential commissions as the Johnson Commission on Crime in the District of Columbia.

The fact still remains, however, that Federal judges are appointed for life. Once they are appointed, the Congress, the President, and more significantly, the voters have no control over them. If by judicial decree they happen to make a certian social policy the law of the land, and if such policy cuts against the grain of the will of the American people, they are accountable to no one, and the people are without recourse.

With this in mind, Mr. President, I could not in good conscience vote to approve of the nomination of Mrs. Patricia Wald to fill a vacancy in the District of Columbia U.S. District Court of Appeals.

POW–MIA RECOGNITION DAY

Mr. JEPSEN. Mr. President, last year the Congress, in the form of a joint resolution, established that the President of the United States shall proclaim July 18, 1979, as National MIA–POW Recognition Day in honor of the many members of the armed services who are or have been prisoners of war or missing in action as a result of our commitment to preserving the peace and in the defense of freedom around the globe.

On July 18, 1979, the Veterans' Administration office in Des Moines, Iowa, in accordance with the House and Senate joint resolution held civic activities in conjunction with the city of Des Moines.

Mrs. Jackie Day of the Veterans' Administration read a poem which was written by Mr. Robert Triplett, a veteran, who was a former patient in the Des Moines Veterans' Administration Hospital, but who is now deceased.

Mr. President, I am deeply concerned over the lack of attention, respect, and honor given to the many individuals who have served with honor in our armed services. We must as a Nation remind our youth and country as a whole of the great sacrifices and suffering that has preceded and maintained this Nation's strength and security.

I would like to read the poem:

WHITHER PATRIOTISM?

How pitiable are those
Too embarrassed to stand
And pay respect and honor
To the emblem of their land.
Some scarcely deign to look
At the flag that waves afar
And care less about the meaning
Of every stripe and star.

Others prefer to look away
And slyly taunt instead
Or heap a muttered insult
On those who bare their head.

A few have raised their fist aloft
In anger unrestrained,
What think those whose hallowed blood
Some foreign field has stained?

Don't they know the reasons
Behind their country's birth?
Do they fail to recognize
Their precious freedom's worth?

Thank God for the many
Who do what they should do
And proudly pay their due respect
To the red, the white, the blue.

I'm not a super patriot,
Just an ordinary guy,
Who appreciates our Nation's flag,
Forever may it fly!

S. 1576—STUDENT FREEDOM OF CHOICE ACT

Mr. JEPSEN. Mr. President, today I introduce a bill which would amend section 8(a)(3) of the National Labor Relations Act to exempt anyone employed on a part-time or temporary basis who is a student enrolled or registered to be enrolled in a full-time educational program in a high school, college, university, business or trade school. The purpose of this bill to insure our Nation's students' right to hold a job without being forced to join a union, but at the same time not interfere with their voluntary participation. A similar amendment

would be made to the Railway Labor Act. The effect of such an amendment would be to prevent employers from discriminating against any employee who is a qualified student and refuses to join or pay dues or fees to a union as a condition of employment.

Students are in a unique employment situation, Mr. President, because they are generally able to work less than 12 weeks out of the year. During the other 40 weeks they are continually incurring expenses that amount to far more than anything they are able to earn. Consequently, students need every penny they can earn during their short term of employment. Often the money has to last all year, and it is crucial to their continuing education

Presently many of our youth are running into an enormous problem while working part time. Under current laws, a single union may be selected to act as the sole bargaining agent for the entire work force of a company or an industry. Ordinarily workers join the union or pay dues or fees in lieu of membership within 30 days of employment. Students are not excepted from the union requirements and are expected to pay if they want to work. The irony here is that the unions are taking money away from people who do not intend to make such part-time employment their life's work. In addition, there is no thought on the part of these young men and women, or on the part of the unions, that they can participate in any of the benefits for which the money is paid—health insurance, pension plans, vacation, sick pay, and wage increases. Mr. President, in effect the unions are receiving a direct windfall subsidy from America's students without providing any services in return. The unions are simply taking advantage of their unwilling benefactors.

In response to the situation students find themselves in because of the inequities in present law, they are beginning to fight back. Student newspapers across the Nation have printed a myriad of letters and editorials supporting a student's right to work. In my own home State of Iowa, right to work essay contests draw hundreds of entries each year. Organized youth groups have adopted resolutions and drafted bills supporting an exemption for students from compulsory unionism.

Because of the efforts of many people, the right to work principle has received increasing support among the Nation's youth. Surveys have shown that 79 percent of all U.S. citizens between the ages of 18 and 29 opposed the forced unionism of public employees, and 69 percent of that same group opposed the compulsory unionism of industrial workers.

The argument for the Student Freedom of Choice Act stands on two substantial points. The first is that an employee's right to join or not to join a union is vital to the survival of personal freedom, and any attempt to deny that right is in direct opposition to our constitutional guarantees. Second, the student's short tenure of employment generally excludes him from the union benefits for which they have paid. Combining these two factors with the high cost of modern education, the argument for this bill is strong indeed, on both pragmatic and moral grounds.

Mr. President, in this country where we try to instill in our youth the finest of principles including the virtues of hard and honest work, and where we now have over $700 million outstanding on national direct student loans in default representing over 4 billion on matured principal, we should not allow labor unions to establish obstacles, economic disincentives, and even harassments against those students who want to work to support themselves and their education.

Students need an exemption from the compulsory unionism provisions of the National Labor Relations Act. This bill will provide that exemption and guarantee a student's right to work.

Mr. President I welcome and encourage the support of my colleagues.

S. 1577—NATIONAL RIGHT-TO-WORK ACT

Mr. JEPSEN. Mr. President, the bill I am introducing today amends section 7 of the National Labor Relations Act and section 2 of the Railway Labor Act by deleting those provisions which compel an individual employee to join or pay money to a labor union or any other private organization in order to hold a job. This legislation will benefit not only those employees falling under the Labor Relations Act and the Railway Act, but also airline employees as well, none of which are presently covered by State laws which favor right to work.

Officials of organized labor presently enjoy a combination of special privileges under law, and immunities from prosecution when violating the law.

Frederich Hayek puts the whole thing in perspective:

> We are indeed already experiencing a pronounced decline of the rule of law in the field of labor (sic). Public policy concerning labor unions has, in little more than a century, moved from one extreme to the other. From a state in which little the unions could do was legal if they were not prohibited altogether, we have now reached a state where they have become uniquely privileged institutions to which the general rules of law do not apply. They have become the only important instance in which governments signally fail in their prime function—the prevention of coercion and violence.

If the first amendment guarantee of "freedom of association" is to mean what it should, its converse, the right not to associate, must also be protected. Nowhere is this more important than in the field of employment. Just as one should not be prevented from joining a union while holding a job, neither should one be required to join a union in order to remain employed.

Is affiliation with a union a decision that should be made by the union? Should the management decide? Or should the individual be allowed to decide himself? For a union and employer to bind a worker in a contract, when he may not even be employed at the time of its signing, is a clear denial of his rights.

Mr. President, the principle of right to work does not interfere in any way with legitimate union activity. It only gives the individual worker a choice in deciding what is best for his own personal needs—a principle so fundamental to our society today.

Legislation based upon the principle of right to work is not a new idea. Right-to-work statutes or right-to-work amendments to State constitutions are in effect in 20 States today. My home State, Iowa, has one such statute, and has had since April of 1947.

Opponents argue that right to work has a depressing effect on the economy. This simply is untrue. Compulsory unionism is prohibited by law in 10 of the 13 States which had the lowest unemployment rates in 1978. Collectively, the 20 right-to-work States had an average unemployment rate of 5 percent, while the average rate for the remaining States was 6.2 percent.

The right-to-work States have healthier economies, wider employment, less poverty, and less unemployment than those States with no right-to-work laws.

Another argument opponents supply is that right to work has a despiriting effect on union membership. But, Mr. President, labor's own statistics refute this assumption. In the 20 right-to-work States, the AFL–CIO is doing proportionately better in terms of getting new members and sustaining its membership than it is in the old line industrial States that have no right-to-work laws.

That union affiliation should be voluntary, not compulsory, is the view of the great majority of the people as shown by every measure of public opinion—newspaper polls, public opinion surveys, congressional polls, editorial reaction. How can we deny support for right to work when a recent Roper survey showed that 69 percent of the American people favored such a proposal? Only about 1 out of 5 of the more than 90 million employed people in this country have chosen to join a union, although their right to join is guaranteed by Federal and State law. In NLRB-supervised elections in 1978, 218,280 workers voted for no union, 199,283 voted for unions.

Mr. President, their figures should not be surprising to any of us. Indeed, the hallmark of the courageous founder of the American labor movement, Samuel Gompers, was his undying devotion to the principle of voluntarism. His words are particularly well suited for today's setting:

> I want to urge devotion to the fundamentals of human liberty—the principle of voluntarism. No lasting gain has ever come from compulsion. If we seek to force, we but tear apart that which, united, is invincible. I want to say to you, men and women of the American labor movement, do not reject the cornerstone upon which labor structure has been built—but base your all upon voluntary principles and illumine your every problem of consecrated devotion to the highest of all purposes—human well being in the fullest, widest sense.

Mr. President, I welcome and encourage the support of my colleagues.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 9:30 a.m., with statements therein limited to 2 minutes each.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed, for not to exceed 1 minute, to the consideration of Senate Resolution 202.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, it is my understanding that this is necessary to consider the legislation which will be before the Senate today; and in that case we have no objection.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

The resolution (S. Res. 202) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 111, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 111, the Panama Canal implementing legislation. Such waiver is necessary to permit the consideration of legislation authorizing new budget authority for fiscal year 1980 for programs relating to the implementation of the Panama Canal Treaty. The Committee on Armed Services was unable to consider and dispose of the proposed legislation prior to May 15, 1979, because it was deemed prudent to await House passage of the legislation before marking up the Senate version.

For the foregoing reasons, pursuant to section 402(a) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act was waived with respect to H.R. 111 as reported by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PANAMA CANAL TREATY ACT OF 1979

The Senate proceeded to consider the bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977, which had been reported from the Committee on Armed Services with an amendent to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Panama Canal Act of 1979".

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STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to provide legislation necessary or desirable for the implementation of the Panama Canal Treaty of 1977 between the United States of America and the Republic of Panama and of the related agreements accompanying that treaty.

DEFINITIONS AND GENERAL PROVISIONS

SEC. 3. (a) As used in this Act, references to the Panama Canal Treaty of 1977 and related agreements mean the Panama Canal Treaty between the United States of America and the Republic of Panama signed September 7, 1977, the agreement relating to and implementing that Treaty signed on the same date, and any agreement concluded pursuant to the Exchange of Notes relating to Air Traffic Control Services signed September 7, 1977.

(b) The Canal Zone Code is hereby redesignated, and hereinafter in this Act referred to as, the Panama Canal Code.

(c) Except as otherwise provided in this Act or the amendments made by this Act, or where inconsistent with the provisions of this Act or the amendments made by this Act, or unless in the context the charge is clearly not intended or is used in reference to a time prior to the effective date of this Act (hereinafter in this Act referred to as the "effective date" unless the text indicates otherwise), the term—

(1) "Panama Canal Company" shall be deemed to mean "Panama Canal Commission".

(2) "Company" shall be deemed to mean "Commission" wherever such term has reference to the Panama Canal Company.

(3) "Canal Zone Government" shall be deemed to mean "Panama Canal Commission".

(4) "Governor" or "Governor of Canal Zone" shall be deemed to mean "Panama Canal Commission" wherever such term has reference to the Governor of the Canal Zone.

(5) "President" shall be deemed to mean "Administrator" wherever such term has reference to the president of the Panama Canal Company.

(6) "Government of the Canal Zone", or "Government", wherever the reference is to the Government of the Canal Zone, shall be deemed to mean "United States of America".

(7) "Canal Zone waters" and "waters of the Canal Zone" shall be deemed to mean "Panama Canal waters" and "waters of the Panama Canal", respectively.

(8) "Canal Zone Merit System" shall be deemed to mean "Panama Canal Employment System".

(9) "Canal Zone Board of Appeals" shall be deemed to mean "Panama Canal Board of Appeals". (d) Reference to the Canal Zone in provisions of the Panama Canal Code or other laws of the United States which apply to transactions, occurrences, or status after entry into force of the Panama Canal Treaty of 1977 shall be deemed to refer to areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

(e) The President shall, within two years after the Panama Canal Treaty of 1977 enters into force, submit to the Congress proposed legislation which would—

(1) amend or repeal provisions of law which in their present form are applicable only during the transition period prescribed in Article XI of that Treaty, and

(2) incorporate the remaining provisions of the Panama Canal Code into the United States Code, proposing any changes thereto considered advisable in light of the experience as of that time under that Treaty.

(f)(1) It is the sense of the Congress that the additional costs resulting from implementation of the Panama Canal Treaty of 1977 and related agreements should be kept to the absolute minimum level. To this end, the Congress declares that the direct appropriated costs of implementation to be borne by the taxpayers over the life of the treaty should be kept to a level no greater than the March 1979 estimate of those costs ($870,700,000) presented to the Congress by the administration during consideration of this Act by the Congress, less personnel retirement costs of $205,000,000, which were subtracted and charged to tolls, therefore resulting in the net taxpayer cost of approximately $665,700,000, plus appropriate adjustment for inflation.

(2) It is further the sense of the Congress that the actual costs of implementation be consistent with the obligations of the United States to operate the Canal safely and efficiently and keep it secure.

TITLE I—PANAMANIAN RELATIONS AND SECURITY MATTERS

CONSULTATIVE COMMITTEE

SEC. 101. (a) The President shall designate and the Secretary of State shall coordinate the participation of representatives of the United States to the Consultative Committee to be established under paragraph 7 of Article III of the Panama Canal Treaty of 1977.

(b) The Consultative Committee shall function as a diplomatic forum for the exchange of views between the United States and the Reoublic of Panama. The Committee shall advise the United States Government and the Government of Panama on matters of policy affecting the operation of the Canal. The Committee shall have no authority to direct the Panama Canal Commission or any other agency of the United States to initiate or withhold action.

JOINT COMMISSION ON THE ENVIRONMENT

SEC. 102. (a) The United States of America and the Republic of Panama, in accordance with the Panama Canal Treaty of 1977, shall establish a Joint Commission on the Environment (hereinafter in this section referred to as the "Joint Commission") to be composed of not more than three representatives of the Republic of Panama, or such other equivalent numbers of representatives as may be agreed upon by the Governments of the two countries. The United States members of the Joint Commission shall periodically review the implementation of the Panama Canal Treaty of 1977 with respect to its impact on the environment and shall, jointly with the representatives of the Government of Panama, make recommendations to the United States Government and the Government of Panama with respect to ways to avoid or mitigate adverse environmental impacts resulting from actions taken pursuant to such Treaty.

(b) Representatives of the United States on the Joint Commission shall be appointed by the President and shall serve at the pleasure of the President. Members of the Joint Commission shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 103 of this Act.

(c) Any Federal employee subject to the civil service laws and regulations who is detailed to serve with, or appointed by, the United States representatives on the Joint Commission shall not lose any civil service status or privilege on account of such detail or appointment.

(d) The United States representatives on the Joint Commission may, to such extent or in such amounts as are provided in advance in appropriation Acts, appoint and fix the compensation of such personnel as the representatives of the United States on the Joint Commission may consider necessary for the participation of the United States on the Joint Commission.

(e) The United States representatives on the Joint Commission may, in cooperation with the representatives of the Republic of Panama on the Joint Commission, establish rules of procedure, to be used by the Joint Commission in conducting its affairs, subject to the approval of such rules by the Governments of the United States of America and the Republic of Panama.

TRAVEL EXPENSES

SEC. 103. While away from their homes, regular places of business, or official stations in performance of services under this chapter, members of the Board of the Panama Canal Commission, and the representatives of the United States on the Panama Canal Consultative Committee and on the Joint Commission on the Environment shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

AUTHORITY OF THE AMBASSADOR

SEC. 104. (a) The United States Ambassador to the Republic of Panama shall have full responsibility for the coordination of the transfer to the Republic of Panama of those functions that are to be assumed by the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b)(1) The Panama Canal Commission shall not be subject to the direction or supervision of the United States Chief of Mission in the Republic of Panama with respect to the responsibilities of the Commission for the operation, management, or maintenance of the Panama Canal, as established in this or any other Act or in the Panama Canal Treaty of 1977 and related agreements, except that the Commission shall keep the Ambassador fully and currently informed with respect to all activities and operations of the Commission.

(2) Except as provided in paragraph (1) of this subsection, section 16 of the Act of August 1, 1956 (22 U.S.C. 2680a), shall apply with respect to the activities of the Panama Canal Commission.

SECURITY LEGISLATION

SEC. 105. (a) It is the sense of Congress that the best interests of the United States require that the President enter into negotiations with the Republic of Panama for the purpose of arranging for the stationing of United States military forces in the former Canal Zone after the expiration of the Panama Canal Treaty of 1977, and for the maintenance of installations and facilities, after the expiration of the treaty, for the use of United States military forces stationed in the former Canal Zone. The President shall report to the Congress in a timely manner on the status of negotiations conducted pursuant to this section.

(b) Sections 34 and 35 of title 2 of the Panama Canal Code are repealed.

(c) Section 1 of title II of the Act of June 15, 1917 (50 U.S.C. 191), is amended by (1) striking the second paragraph, and (2) striking out "the Canal Zone," in clause (b) of the third paragraph.

(d) Section 4 of the Act of November 15, 1941 (50 U.S.C. 191b), is repealed.

(e) Section 1 of title XIII of the Act of June 15, 1917 (50 U.S.C. 195), is amended by striking the term "the Canal Zone and".

(f) Section 1 of the Act of August 9, 1954 (50 U.S.C. 196), is amended by striking the term "including the Canal Zone,".

ARMS EXPORT CONTROL

SEC. 106. Section 38 of the Arms Export Control Act (22 U.S.C. 2778) is amended by striking out subsection (d) thereof.

PRIVILEGES AND IMMUNITIES

SEC. 107. The Secretary of State shall from among persons recommended by the Panama Canal Commission determine, and shall maintain and from time to time furnish to the Government of the Republic of Panama, the list of those officials and other persons who shall enjoy the privileges and immunities accorded under Article VIII of the Panama Canal Treaty of 1977.

TERMINATION OF CANAL ZONE GOVERNMENT; TRANSFER OF RECORDS

SEC. 108 (a) Chapter 1 of title 2 and sections 31, 32, 33, 333, and 334 of title 2 and sections 5081 through 5092 of title 6 of the Panama Canal Code are repealed.

(b) The Panama Canal Commission, any agency or department, or any United States court in the Republic of Panama is authorized to transfer to the Government of the Republic of Panama any record of such Commission, agency, department, or court, or copy thereof, including any record acquired from the Canal Zone Government or Panama Canal Company (including any vital statistics record) to any other agency, department, or court of the United States if such action is determined by the Commission, the head of the agency or department concerned, or the judge of the court concerned to be in the interest of the United States. Transfer of any record or copy thereof under this section to the Government of the Republic of Panama shall be accomplished under the coordination of and with the approval of the Ambassador.

PAYMENT TO PANAMA; REPEALER

SEC. 109. Title I of the Department of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1974 (87 Stat. 636), is amended by striking out the heading "PAYMENT TO THE REPUBLIC OF PANAMA" and the entire paragraph under such heading.

TITLE II—PANAMA CANAL COMMISSION

PART 1—ORGANIZATIONAL MATTERS

ESTABLISHMENT; PURPOSES; LOCATION OF OFFICES

SEC. 201. (a) Section 61 of title 2 of the Panama Canal Code is amended to read as follows:

"§ 61. Panama Canal Commission; establishment; purpose; offices; and residence

"(a) For the purposes of managing, operating, and maintaining the Panama Canal and its complementary works, installations, and equipment, and of conducting operations incident thereto, in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission (in this Code referred to as the 'Commission') is established as a body corporate and as an agency and instrumentality of the United States, and is declared to be the successor to the Panama Canal Company.

"(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for the use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish agencies or branch offices in such other places as it deems necessary or appropriate in the conduct of its business. Within the meaning of the laws of the United States relating to jurisdiction or venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia and of the eastern judicial district of Louisiana.".

(b) Subsection (a) of section 62 of title 2 of the Panama Canal Code is amended by striking out "Company" and inserting in lieu thereof "Panama Canal Company" and striking out "Panama Canal Company" and inserting in lieu thereof "Commission".

PAYMENT OF INTEREST TO THE TREASURY

SEC. 202. (a) Subsection (e) of section 62 of title 2 of the Panama Canal Code is amended to read as follows:

"(e) In order to reimburse the Treasury, as nearly as possible, for the interest cost of the funds or other assets directly invested in it, the Commission shall pay interest to the Treasury on the net direct investment of the Government in it as defined by subsections (a), (c), and (d) of this section, and shown by the receipt described therein at a rate determined by the Secretary of the Treasury. For the purpose of computing the interest payable in a given year, the average cash balance of the Commission on deposit with the Treasury in that year shall be subtracted from the net direct investment of the Government in the Commission, as defined in subsections (a), (c), and (d) of this section, and the interest cost shall be computed only on the balance of the net direct investment less the aforementioned cash balance. Payments of the interest charges shall be made annually to the extent earned, and if not earned, shall be made from subsequent earnings.".

(b) Subsection (f) of section 62 of title 2 of the Panama Canal Code is amended by striking out "account for its surplus" and inserting in lieu thereof "compute its capital surplus account".

(c) Section 70 of title 2 of the Panama Canal Code is amended by inserting "including operating expenses and payments required by paragraph 5 of Article III and paragraphs 4 (a), (b), and (c) of Article XIII of the Panama Canal Treaty of 1977," after "working capital requirements,".

EXPENDITURES AND PAYMENTS TO PANAMA

SEC. 203. (a) Subsection (g) of section 62 of title 2 of the Panama Canal Code is amended to read as follows:

"(g) The Commission shall pay directly from Canal operating revenues to the Republic of Panama those payments required under paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. In determining the adequacy of operating revenues for the purposes of payments to Panama under paragraph 4(c) of that Article, such operating revenues of a given fiscal period shall be reduced by—

"(1) all costs attributable to the operation, maintenance, and improvement of the Canal of that period including (i) operating expenses determined in accordance with generally accepted accounting principles, (ii) payments to Panama under paragraphs 4 (a) and 4(b) of that Article and under paragraph 5 of Article III of the Treaty, (iii) amounts in excess of depreciation and amortization programed to fund requirements for plant replacement, expansion, and improvements, and (iv) interest paid to the Treasury under subsection (e) of this section;

"(2) amounts allocated prior to the effective date of an increase in toll rates for the purpose of matching revenues with expenses during the period projected for the increase to remain in effect;

"(3) the accumulated sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of such cost requirements of the Panama Canal Commission over operating revenues; and

"(4) working capital requirements of the Commission as approved annually by its board of directors.".

(b) Any accumulated unpaid balance under paragraph 4(c) of article XIII of the Panama Canal Treaty of 1977 at the termination of the Treaty shall be payable only to the extent of any operating surplus in the last year of the Treaty's duration, and nothing in such paragraph may be construed as obligating the United States of America to pay after the date of the termination of the Treaty any such unpaid balance which shall have accrued before such date.

PUBLIC SERVICE PAYMENTS TO PANAMA

SEC. 204. Section 62 of title 2 of the Panama Canal Code is amended by adding a new subsection (h) to read as follows:

"(h) Payments by the Commission to the Republic of Panama for providing public services in accordance with paragraph 5 of Article III of the Panama Canal Treaty of 1977 shall be treated for all purposes as an operating cost of the Commission.".

BOARD OF DIRECTORS OF COMMISSION

SEC. 205. Subsection (a) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) A board of directors shall manage the affairs of the Panama Canal Commission. The President of the United States shall appoint the members of the board in accordance with pragraph 3 of article III of the Panama Canal Treaty of 1977. Nothing in this chapter or any other law shall be construed to prohibit the appointment of any officer or employee of the United States, or any person who is not a national of the United States, as a member of the board of directors of the Commission or as an officer of the Commission. The members of the board who are United States nationals shall be appointed by and with the advice and consent of the Senate. Each director shall, subject to paragraph 3 of article III of the Panama Canal Treaty of 1977, hold office at the pleasure of the President, and, before entering upon his duties, shall take an oath faithfully to discharge the duties of his office.".

QUORUM OF BOARD OF DIRECTORS

SEC. 206. Subsection (c) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(c) The directors shall hold meetings as provided by the bylaws of the Commission. A quorum for the transaction of business shall consist of a majority of the directors of which a majority of those present are nationals of the United States.".

ADMINISTRATOR AND DEPUTY

SEC. 207. Section 64 of title 2 of the Panama Canal Code is amended to read as follows:

"§ 64. Administrator and Deputy

"The President of the United States shall appoint the Administrator and Deputy Administrator of the Commission. The Administrator shall be appointed by and with the advice and consent of the Senate and, subject to the direction and under the supervision of the board, shall be the chief executive officer of the Commission. The Administrator and Deputy Administrator shall hold office at the pleasure of the President.".

OFFICE OF OMBUDSMAN

SEC. 208. (a) There is established within the Panama Canal Commission an Office of Ombudsman, to be directed by an Ombudsman, who shall be appointed by the board of directors of the Panama Canal Commission. It shall be the function of the Office of Ombudsman to receive individual complaints, grievances, requests and suggestions

of employees (and their dependents) of the Panama Canal Commission and other United States Government agencies acting in the area of the Canal Zone before the effective date of this Act, concerning administrative problems, inefficiencies, and conflicts caused within agencies of the United States Government as a result of the implementation of the Panama Canal Treaty of 1977 and related agreements.

(b) The Ombudsman shall make findings and render assistance with respect to the complaints, grievances, requests, and suggestions submitted to the Office of Ombudsman, and shall make appropriate recommendations to the Panama Canal Commission or any other agency of the United States.

(c) The establishment of the Office of Ombudsman shall not affect any procedures for grievances, appeals, or administrative matters in any other provision of this Act, any other provision of law, or any Federal regulation.

(d) The Ombudsman shall be a citizen of the United States.

(e) The Office of Ombudsman shall terminate at the expiration of the Panama Canal Treaty of 1977.

SUITS AGAINST COMMISSION

SEC. 209. Paragraph (3) of subsection (a) of section 65 of title 2 of the Panama Canal Code is amended to read as follows:

"(3) sue and be sued in its corporate name, except that—

"(A) its amenability to suit is limited by the immunities provided by Article VIII of the Panama Canal Treaty of 1977, and otherwise by law;

"(B) salaries or other moneys owed by the Commission to its employees shall not be subject to attachment, garnishment, or similar process, except as otherwise expressly provided by the laws of the United States; and

"(C) it is exempt from any liability for prejudgment interest;".

APPLICABILITY OF GOVERNMENT CORPORATION CONTROL ACT

SEC. 210. The matter preceding clause (1) in subsection (a) of section 66 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) Subject to the Government Corporation Control Act (31 U.S.C. sec. 841 et seq.), and to the Panama Canal Treaty of 1977 and related agreements, the Commission may:".

COMMISSION PROPERTY AND ASSETS; DEPRECIATION AND AMORTIZATION

SEC. 211. (a) Sections 67 and 73 of title 2 of the Panama Canal Code are repealed.

(b) Section 68 of that title is amended to read as follows:

"§ 68. Assets and liabilities

"(a) Property and other assets of the Panama Canal Company and of the Canal Zone Government which are not transferred to other United States Government agencies or to the Republic of Panama, or otherwise disposed of, shall, notwithstanding section 5 of the Act of July 16, 1914, as amended (31 U.S.C. § 638(a)), be the property and assets of the Commission from and after the effective date of the Panama Canal Act of 1979, and except as otherwise provided by law, the Commission shall assume the liabilities of the Panama Canal Company and Canal Zone Government then outstanding.

"(b) The Commission may depreciate the Panama Canal, its complementary works, installations, and equipment, and all other property and assets of the Commission, and may amortize over the life of the Panama Canal Treaty of 1977 the right to use certain assets such as housing made available to the United States under that Treaty and related agreements. The value of these use rights, as determined by the Commission, shall be established as an asset on the books of the Commission and amortized over the period of use. The basis of accounting for the assets transferred and to be depreciated should be the net replacement value of those transferred assets which will ultimately require replacement to maintain the service capacity of the Canal. Depreciation of these assets should be recorded ratably over their service lives.

"(c) The assets and liabilities referred to in this section shall be deemed to have been accepted and assumed by the Commission without the necessity of any act on the part of the Commission except as otherwise stipulated by section 62 of this title.".

REGULATIONS REGARDING NAVIGATION, PASSAGE, AND PILOTAGE

SEC. 212. (a) The introductory phrase to section 1331 of title 2 of the Panama Canal Code is amended by striking out "President" and by inserting in lieu thereof "Commission".

(b) Paragraph (1) of section 1331 of title 2 of the Panama Canal Code is amended by striking out "harbors and other waters of the Canal Zone" and by inserting in lieu thereof "waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal".

(c) Paragraph (4) of section 1331 of title 2 of the Panama Canal Code is amended by striking out "waters of the Canal Zone" and by inserting in lieu thereof "waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal".

FUNDS AND ACCOUNTS; FURNISHING OF SERVICES; REIMBURSEMENT

SEC. 213. (a) Section 231 of title 2 of the Panama Canal Code is repealed.

(b) Section 232 of title 2 of the Panama Canal Code is amended to read as follows:

"§ 232. Furnishing of services; reimbursements

"(a) The Department of Defense shall reimburse the Commission for amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

"(b) Such agency as the President may designate is authorized to provide educational and health care services to persons eligible to receive such services under the Panama Canal Treaty of 1977 and related agreements. Notwithstanding any other provision of law, funds appropriated to such agency shall be available for conducting educational and health care activities, including kindergartens and college, formerly carried out by the Canal Zone Government, and for providing the services related thereto. Notwithstanding any other provision of law, the agency or agencies designated by the President to provide health care services to those categories of persons referred to in this subsection shall do so on a basis no less favorable than that applied to its own employees and their dependents.

"(c) Amounts expended for furnishing such services to persons eligible to receive them pursuant to the Panama Canal Treaty of 1977 and related agreements, less amounts payable by such persons, shall be fully reimbursable to the agency furnishing the services, except to the extent that such expenditures are the responsibility of that agency. The appropriations or funds of the Commission shall be available for such reimbursements on behalf of employees of the Commission and other persons authorized to receive such services and eligible pursuant to the Panama Canal Treaty and related agreements. The appropriations or funds of other agencies conducting operations in the Republic of Panama, including the Smithsonian Institution, shall be available for reimbursements on behalf of employees of such agencies and their dependents.

"(d) The appropriations or funds of United States Government agencies conducting operations in the Republic of Panama shall be available to defray the cost of (1) health care services to elderly or disabled persons who were eligible to receive such services prior to the effective date, less amounts payable by such persons, and (2) educational services provided by schools in the Republic of Panama, which are not operated by the United States, to persons who were receiving such services at the expense of the Canal Zone Government prior to the effective date.

"(e) For purposes of the reimbursement of the United States of America by the Republic of Panama for the salaries and other employment costs of employees of the Commission who are assigned to assist the Republic of Panama in the operation of activities which are transferred to that Government as a result of the Panama Canal Treaty of 1977 or related agreements, which reimbursement is provided for in paragraph 8 of article 10 of that Treaty, the Commission shall be deemed to be the United States of America.".

(c) Section 233 of title 2 of the Panama Canal Code is amended by striking out "Canal Zone Government or the Panama Canal Company" and inserting in lieu thereof "Commission".

(d) Section 234 of title 2 of the Panama Canal Code is amended by striking out "Canal Zone" and by inserting in lieu thereof "Commission".

(e) Section 235 of title 2 of the Panama Canal Code is amended by striking out "Canal Zone Government and the Panama Canal Company" and inserting in lieu thereof "Commission".

PUBLIC PROPERTY AND PROCUREMENT; TRANSFERS AND CROSS SERVICING

SEC. 214. (a) Section 371 of title 2 of the Panama Canal Code is repealed.

(b) Section 372 of title 2 of the Panama Canal Code is amended to read as follows:

"§ 372. Transfers and cross-servicing between agencies

"(a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred, notwithstanding section 5 of the Act of July 16, 1914, as amended (31 U.S.C. § 638(a)), between departments and agencies, with or without exchange of funds, all or so much of the facilities, buildings, structures, improvements, stock, and equipment of their activities located in the Republic of Panama as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee. With respect to transfers without exchange of funds, transfers to or from the Commission are subject to section 62 of this title.

"(b) The Commission and other agencies of the United States may enter into cross-servicing agreements for the use of facilities, furnishing of services, or performance of functions.

"(c) The provisions of this section shall be applicable to the Smithsonian Institution.".

Subtitle B—Tolls

MEASUREMENT RULES; CHANGES IN RATES

SEC. 221. Section 411 of title 2 of the Panama Canal Code is amended to read as follows:

"§ 411. Prescription of measurement rules and tolls

(a) The Commission may prescribe, and from time to time change—

"(1) the rules for the measurement of vessels for the Panama Canal; and

"(2) subject to section 412 of this title, the tolls that shall be levied for the use of the Canal.

"(b)(1) The Commission shall publish in the Federal Register notice of any proposed change in the rules of measurement or rates of tolls referred to in subsection (a) of this

section. The Commission shall give interested parties an opportunity to participate in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the notice. The notice shall include the substance of the proposed change and a statement of the time, place, and nature of the proceedings. At the time of publication of such notice, the Commission shall make available to the public an analysis showing the basis and justification for the proposed change, which, in the case of a change in rates of tolls, shall indicate the conformity of the existing and proposed rates of tolls with the requirements of section 412 of this title, and the Commission's adherence to the requirement for full consideration of the following factors in Understanding (1) set forth in the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal:

"(A) The costs of operating and maintaining the Panama Canal.

"(B) The competitive position of the use of the Canal in relation to other means of transportation.

"(C) The interests of both parties in maintaining their domestic fleets.

"(D) The impact of such an adjustment on the various geographical areas of each of the two parties.

"(E) The interests of both parties in maximizing their international commerce.

"(2) After consideration of the relevant matter presented, the Commission may revise the proposed rules of measurement or rates of tolls, as the case may be, except that, in the case of rates of tolls if such revisions proposes rates greater than those originally proposed, a new analysis of the proposed rates shall be made available to the public, and a new notice of the revised proposal shall be published in the Federal Register appraising interested persons of the opportunity to participate further in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the new notice. The procedure set forth in this subsection shall be followed for any subsequent revision of the proposed rates by the Commission which proposes rates higher than those in the preceding proposal.

"(3) After the proceedings have been conducted pursuant to paragraphs (1) and (2) of this subsection, the Commission shall publish in the Federal Register a notice of the changes in the rules of measurement or rates of tolls, as the case may be, to be recommended to the President.

"(4) Upon publication of the notice pursuant to paragraph (3), the Commission shall forward a complete record of the proceedings, with the recommendation of the Commission, to the President for his consideration. The President may approve, disapprove, or modify any or all of the changes in the rules of measurement or rates of tolls recommended by the Commission.

"(5) Rules of measurement or rates of tolls prescribed pursuant to this chapter shall take effect on a date prescribed by the President which is not less than 30 days after the President publishes such rules or rates in the Federal Register.

"(6) Action to change the rules of measurement for the Panama Canal or the rates of tolls for the use of the Canal pursuant to this chapter shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code.".

SETTING OF RATES UNDER NEW TREATY

SEC. 222. In order to insure that the rates of tolls in effect on the effective date are adequate to meet the requirements of section 412 of title 2 of the Panama Canal Code, as amended by section 223 of this Act, the Panama Canal Company is authorized, in advance of that date to change the rates, effective on the effective date, such change to be subject to the approval of the President whose action in the matter shall be final. If and to the extent that time permits, the Company shall give three months' notice, by publication in the Federal Register, of such proposed changes in rates of tolls, during which period a public hearing shall be conducted.

BASES OF TOLLS

SEC. 223. (a) Subsection (b) of section 412 of title 2 of the Panama Canal Code is amended to read as follows:

"(b) Tolls shall be prescribed at rates calculated to cover as nearly as practicable all anticipated costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including interest, depreciation of assets as provided in section 68, amortization of use rights, and the payments to Panama pursuant to paragraph 5 of Article III and paragraphs 4(a) and 4(b) of Article XIII of the Panama Canal Treaty of 1977. In determining the rates of tolls, there may also be taken into account unrecovered past costs, funding required to establish or maintain a capital reserve account programed to fund requirements for plant replacement, expansion, and improvements, and the necessity of establishing reserves for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect. Tolls shall not be prescribed at rates calculated to produce revenues sufficient to cover payments to the Republic of Panama pursuant to paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977.".

(b) Subsection (c) of section 412 of title 2 of the Panama Canal Code is amended to read as follows:

"(c) Vessels operated by the United States, including vessels of war and auxiliary vessels, and ocean-going training ships owned by the United States and operated by State nautical schools, shall pay tolls.".

(c) Subsection (d) of section 412 of title 2 of the Panama Canal Code is amended—

(A) by deleting the words "of articles XVIII and XIX of the convention between the United States and the Republic of Panama concluded on November 18, 1903, and";

(B) by inserting a comma in place of the period at the end of the subsection; and

(C) by adding thereafter "and of Articles II, III, and VI of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977.".

Subtitle C—Claims

MEASURE OF DAMAGES; TIME FOR FILING; BOARD OF LOCAL INSPECTORS

SEC. 231. Chapter 11 of title 2 of the Panama Canal Code is amended as follows:

(a) The title of the chapter is amended to read "CLAIMS ARISING FROM OPERATION OF CANAL."

(b) Section 271 of title 2 of the Panama Canal Code is repealed.

(c) Section 291 of title 2 of the Panama Canal Code is amended—

(1) by striking out the period at the end of the first sentence and inserting in lieu thereof a comma and the following: "unless it is established that the injury was not proximately caused by the negligence or fault of any officer or employee of the company acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal."; and

(2) by striking out in the fourth sentence "the side" and inserting in lieu thereof "any portion of the hull".

(e) Section 293 of title 2 of the Panama Canal Code is amended to read as follows:

"§ 293. Measure of damages

"(a) In determining the amount of the award of damages for injuries to a vessel for which the Commission is determined to be liable, there may be included—

"(1) actual or estimated cost of repairs;

"(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for only the time the vessel is actually undergoing repairs, on drydock or otherwise;

"(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire, for only the time the vessel is actually undergoing repairs, on drydock or otherwise; and

"(4) except as prohibited by subsection (b) of this section, or by any other provision of law, other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

"(b) Agent's fees or commissions, general average expenses, attorney's fees, bank commissions, port charges or other incidental expenses of similar character, or any items which are indefinite, indeterminable, speculative, or conjectural shall not be allowed.

"(c) The Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the use of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary.".

(f) Section 294 of title 2 of the Panama Canal Code is amended by striking out "or" in paragraph (5), by renumbering the paragraph (6) as paragraph (7), and by inserting a new paragraph (6) to read as follows:

"(6) time necessary for investigation of marine accidents; or".

(g) Section 296 of title 2 of the Panama Canal Code is amended by striking out "United States District Court for the District of the Canal Zone" in the first sentence and inserting in lieu thereof "United States District Court for the Eastern District of Louisiana".

(h) Section 297 of title 2 of the Panama Canal Code is amended by inserting "(a)" before "Notwithstanding" and by adding at the end of such section the following new subsection:

"(b) Lack of knowledge on the part of the master, officers, crew, or passengers that an accident giving rise to a claim under this chapter has occurred does not excuse noncompliance with the requirements of this section.".

(i) Chapter 11 of title 2 of the Panama Canal Code is amended by adding at the end thereof the following new sections:

"§ 298. Time for presenting claim and commencing action

"A claim against the Commission under this chapter shall be forever barred unless it is presented in writing to that agency within two years after such claim accrues or unless action is begun within one year after the date of mailing of notice of final decision on the claim by the Commission.

"§ 299. Board of Local Inspectors

"(a) There is established a Board of Local

Inspectors of the Commission which shall perform, in accordance with regulations prescribed by the Commission—

"(1) the investigations called for by section 297 of this chapter; and

"(2) such other duties in matters of a marine character as it may be assigned by the Commission.

"(b) The Commission shall, by regulation, designate the members of the Board of Local Inspectors and establish procedures by which such board carries out its functions.

"(c) In conducting the investigations provided for by subsection (a) of this section, members of the Board of Local Inspectors may summon witnesses, administer, oaths, and require the production of books and papers necessary thereto.".

Subtitle D—Sea Level Canal Study

UNITED STATES-PANAMA JOINT COMMITTEE; STUDY

SEC. 241. (a) The President shall appoint the representatives of the United States to any joint committee or body with the Republic of Panama to study the possibility of a sea level canal in the Republic of Panama pursuant to Article XII of the Panama Canal Treaty of 1977.

(b) Upon the completion of any joint study between the United States and the Republic of Panama concerning the feasibility of a sea level canal in the Republic of Panama pursuant to paragraph 1 of Article XII of the Panama Canal Treaty of 1977, the text of the study shall be transmitted by the President to the President of the Senate and to the Speaker of the House of Representatives.

(c) No construction of a sea level canal by the United States in the Republic of Panama shall be undertaken except with express congressional authorization after submission of the study by the President as provided in subsection (b).

TITLE III—EMPLOYEES AND POSTAL MATTERS

Subtitle A—Panama Canal Commission Personnel

DEFINITIONS

SEC. 301. As used in this substitue, the term—

(1) "Executive agency" has the meaning given that term in section 105 of title 5, United States Code;

(2) "uniformed services" has the meaning given that term in section 2101(3) of title 5, United States Code;

(3) "competitive service" has the meaning given that term in section 2102 of title 5, United States Code; and

(4) "United States", when used in a geographic sense, means each of the several States and the District of Columbia.

APPOINTMENT AND COMPENSATION; DUTIES

SEC. 302. (a) Except as provided by section 64 of the Panama Canal Code and section 208 of this Act, and in accordance with this subtitle, the Panama Canal Commission may appoint without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, fix the compensation of, and define the authority and duties of, officers, agents, attorneys, and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

(b) Individuals serving in any other Executive agency or the Smithsonian Institution, including individuals serving in the uniformed services, may, if appointed under this section or section 64 of the Panama Canal Code, serve as officers or employees of the Panama Canal Commission.

TRANSFER OF FEDERAL EMPLOYEES

SEC. 303. (a) The head of any agency may enter into agreements for the transfer or detail to the Panama Canal Commission of any employee of that agency serving under a permanent appointment. Any employee who so transfers or is so detailed shall, upon completion of the employee's tour of duty with the Commission, be entitled to reemployment with the agency from which the employee was transferred or detailed without loss of pay, seniority, or other rights or benefits to which the employee would have been entitled had the employee not so transferred or been so detailed.

(b) For purposes of this section, the term "agency" means an Executive agency, the United States Postal Service, and the Smithsonian Institution.

(c) The Office of Personnel Management shall prescribe regulations to carry out the purposes of this section.

COMPENSATION OF INDIVIDUALS IN THE UNIFORMED SERVICES

SEC. 304. (a) Except as provided in subsection (b), any individual who is serving in a position in the Panama Canal Commission and who is a member of a uniformed service shall continue to be paid basic pay by such uniformed service and shall not be paid by the Commission for the period of the service in the uniformed service involved.

(b) If the individual appointed as Administrator or Deputy Administrator of the Panama Canal Commission is a member of a uniformed service, the amount of basic pay otherwise payable to the individual for service in that position shall be reduced, up to the amount of that basic pay, by the amount of the basic pay payable to the individual as a member of a uniformed service.

(c) The Commission shall annually pay to each uniformed service amounts sufficient to reimburse that uniformed service for any basic pay paid by that uniformed service to any member of that service during any period of service in the Panama Canal Commission by the member.

DEDUCTION FROM BASIC PAY OF AMOUNTS DUE FOR SUPPLIES OR SERVICES

SEC. 305. The Panama Canal Commission may deduct from the basic pay otherwise payable by the Commission to any officer or employee of the Commission any amount due from the officer or employee to the Commission or to any contractor of the Commission for transportation, board, supplies, or any other service. Any amount so deducted may be paid by the Commission to any contractor to whom it is due or may be credited by the Commission to any account from which the Commission has expended such amount.

COST OF LIVING ALLOWANCE

SEC. 306. Effective beginning October 1, 1984, each officer and employee of the Panama Canal Commission who is a citizen of the United States employed prior to the date of entry into force of the Panama Canal Treaty of 1977, or who is a person of any nationality recruited outside the Republic of Panama on or after that date, may be paid an allowance to offset any increased cost of living which may result from the termination of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges. The amount of the allowance may be determined by the Commission.

EDUCATIONAL TRAVEL BENEFITS

SEC. 307. (a) The Panama Canal Commission shall provide by regulation for round-trip transportation between the Republic of Panama and the United States or, in the case of a person described in subparagraph (2), between the Republic of Panama and the country in which such person is recruited, for undergraduate college education for dependents of individuals who—

(1) are United States citizens employed prior to the date of entry into force of the Panama Canal Treaty of 1977, or

(2) are recruited outside the Republic of Panama on or after the date.

(b) The regulations prescribed by the Panama Canal Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any one-year period.

TRANSFER OF CERTAIN FUNDS

SEC. 308. In order to reimburse the Treasury, as nearly as possible, for the cost of certain liabilities assumed by the Department of Defense because of the transfer to activities of the Department of employees from the Panama Canal Company and the Canal Zone Government pursuant to the Panama Canal Treaty of 1977, the Panama Canal Company shall pay into the United States Treasury—

(1) the amount of leave liability of the Panama Canal Company and the Canal Zone Government to such employees existing at the time of entry into force of the said Treaty, and

(2) the estimated amount that, except for the transfer of such employees, would have been paid by the Panama Canal Company and the Canal Zone Government for their repatriation travel and transportation upon entry into force of the Treaty.

INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NONCITIZENS

SEC. 309. (a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title 5, relating to civil service retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are inapplicable to any individual—

(1) who is not a citizen of the United States;

(2) whose initial appointment by the Panama Canal Commission occurs on or after October 1, 1979; and

(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements.

(b) Subparagraph (B) of section 8701(a) of title 5, United States Code, defining employee for purposes of life insurance, is amended to read as follows:

"(B) an individual who is not a citizen or national of the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution, in the area which was then known as the Canal Zone; or".

(c) Clause (ii) of section 8901(1) of title 5, United States Code, defining employee for purposes of health insurance, is amended to read as follows:

"(ii) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone;".

Subtitle B—Wage and Employment Practices

DEFINITIONS

SEC. 321. As used in this subtitle, the term—

(1) "agency" means—

(A) the Panama Canal Commission, and

(B) an Executive agency or the Smithsonian Institution, to the extent of any election in effect under section 322(b)(2) of this Act;

(2) "position" means a civilian position in the Panama Canal Commission, or in any other agency if a substantial portion of the duties and responsibilities are performed in the Republic of Panama; and

(3) "employee" means an individual serving in a position.

PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER EMPLOYMENT REQUIREMENTS

SEC. 322. (a) After considering any recommendations of the Panama Canal Commission, the President shall establish a Panama Canal Employment System. The Panama Canal Employment System shall—

(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this chapter, and any other applicable provision of law;

(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

(3) conform, to the extent practicable and consistent with the provisions of this Act, to the policies, principles, and standards applicable to the competitive service; and

(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service.

(b)(1) The Panama Canal Commission, and any Executive agency and the Smithsonian Institution to the extent of any election under paragraph (2), shall conduct their employment and pay practices relating to employees in accordance with the Panama Canal Employment System and regulations prescribed by, or under the authority of, the President in accordance with this subchapter.

(2) The head of any Executive agency and the Smithsonian Institution may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

(c) Subject to the provisions of this title, the President may, from time to time and after considering any recommendation of the Panama Canal Commission, amend or modify any provision of the Panama Canal Employment System, including any provision relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and candidates for employment.

(d) The President may, to the extent the President determines appropriate—

(1) exclude any employee or position from coverage under any provision of this subtitle; and

(2) notwithstanding section 302, extend to any employee, whether or not the employee is a citizen of the United States, the rights and privileges which are provided by applicable laws and regulations for citizens of the United States employed in the competitive service.

EMPLOYMENT STANDARDS

SEC. 323. The head of each agency shall establish written standards for—

(1) determining the qualifications and fitness of employees and of candidates for employment in positions; and

(2) selecting individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subtitle, any regulations prescribed thereunder, and the Panama Canal Employment System.

INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM

SEC. 324. Notwithstanding any repeal made by this Act or any provision of this title, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System, together with the regulations prescribed thereunder, as in effect on September 30, 1979, shall continue in effect and shall apply with respect to employees until the Panama Canal Employment System is established and in effect pursuant to section 322 of this Act.

BASIC PAY

SEC. 325. (a) The head of each agency, in accordance with the provisions of this subtitle, shall establish, and from time to time may revise, the rates of basic pay for positions and employees in the agency.

(b) The rates of basic pay may be established and revised in relation to the rates of basic pay for the same or similar work performed in the United States or in such areas outside the United States as may be designated in the regulations prescribed under section 333.

(c) The head of each agency may make adjustments in rates of basic pay established under subsection (b) in amounts not to exceed the amounts of the adjustments made from time to time by or under statute in the corresponding rates of basic pay for the same or similar work referred to in such subsection (b). The head of the agency may designate the effective date of any such adjustment, except that that date may not be earlier than the effective date of the adjustment in the corresponding rate of basic pay.

UNIFORM APPLICATION OF STANDARDS AND RATES

SEC. 326. The standards established pursuant to section 323 and the rates of basic pay established pursuant to section 325 shall be applied without regard to the citizenship of the employee or individual concerned.

RECRUITMENT AND RETENTION REMUNERATION

SEC. 327. (a) In addition to basic pay, additional compensation may be paid, in such amounts as the head of the agency concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) before October 1, 1979, was employed by the Panama Canal Company, by the Canal Zone Government, or by any other agency in the area then known as the Canal Zone;

(2) is an employee who was recruited on or after October 1, 1979, outside of the Republic of Panama for placement in the Republic of Panama; or

(3) is a medical doctor employed by the Department of Defense in the Republic of Panama or by the Panama Canal Commission;

if, in the judgment of the head of the agency concerned, the recruitment or retention of the individual is essential.

(b) Any employee described in more than one paragraph of subsection (a) may qualify for a recruitment or retention differential under only one of those paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic pay for the same or similar work performed in the United States by individuals employed by the Government of the United States.

(d) Subchapter III of chapter 59 of title 5, United States Code, relating to overseas differentials and allowances, shall not apply with respect to any employee whose permanent duty station is in the Republic of Panama and who is employed by an agency.

BENEFITS BASED ON BASIC PAY

SEC. 328. For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium pay;

(5) annual leave benefits; and

(6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section 325 plus the amount of any additional compensation provided under section 327.

SALARY PROTECTION UPON CONVERSION OF PAY BASE

SEC. 329. (a) In the case of any employee whose rate of basic pay is determined in relation to rates of basic pay for the same or similar work in the United States and is converted to a rate of basic pay pursuant to section 325(b) which is determined in relation to rates in areas other than the United States pursuant to that subsection, the employee shall continue to receive a rate of basic pay not less than that to which the employee was entitled immediately before the conversion.

(b) This section shall cease to apply with respect to any employee if the employee is placed in a position—

(1) for which the rate of basic pay is determined in relation to rates of basic pay in the United States pursuant to section 325(b); or

(2) which is of a lower grade.

REVIEW AND ADJUSTMENT OF CLASSIFICATIONS, GRADES, AND PAY LEVEL

SEC. 330. An employee may request at any time that the employee's agency—

(1) review the classification of the employee's position or the grade or pay level for the employee's position, or both; and

(2) revise or adjust that classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedures of the agency.

PANAMA CANAL BOARD OF APPEALS; DUTIES

SEC. 331. (a) Subject to the provisions of this subtitle, the President shall prescribe regulations establishing a Panama Canal Board of Appeals (hereinafter in this subtitle referred to as the "Board"). The regulations shall provide for the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 332. The decisions of the Board shall conform to the provisions of this subtitle.

APPEALS TO BOARD; PROCEDURE; FINALITY OF DECISIONS

SEC. 332. (a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made by an agency under section 330. The appeal shall be made in writing within a reasonable time (as specified in regulations prescribed by, or under the authority of, the President) after the date of the transmittal of the agency to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a), a personal appearance before the Board by the employee, or by a representative of the employee designated for that purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the agency concerned; and

(3) transmit copies of the decision to the employee concerned or to the designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The agency concerned shall take action in accordance with the decision of the Board.

ADMINISTRATION BY THE PRESIDENT

SEC. 333. (a) The President shall prescribe regulations necessary and appropriate to carry out the provisions of this title and coordinate the policies and activities of agencies under this title.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

(1) carrying out the President's coordination responsibility under subsection (a); and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in the President by this title and may provide for the redelegation of that authority.

APPLICABILITY OF CERTAIN LAWS

SEC. 334. This title does not affect the applicability of—

(1) the provisions of title 5, United States Code, which relate to preference eligibles;

(2) the provisions of title 5, United States Code, which relate to removal or suspension from the competitive service; and

(3) the provisions of section 5544(a) of title 5, United States Code, which relate to wage-board rates and overtime, with respect to classes of employees who were covered by those provisions on the date of the enactment of this Act.

Subtitle C—Conditions of Employment and Placement

TRANSFERRED OR REEMPLOYED EMPLOYEES

SEC. 341. (a)(1) With respect to any individual employed in the Panama Canal Company or the Canal Zone Government—

(A) who is transferred—

(i) to a position in the Panama Canal Commission; or

(ii) to a position in an Executive agency or the Smithsonian Institution the permanent duty station of which is in the Republic of Panama (including the area known before October 1, 1979, as the Canal Zone); or

(B) who is separated by reason of a reduction in force on September 30, 1979, and is appointed to a position in the Panama Canal Commission before April 1, 1980;

the terms and conditions of employment set forth in paragraph (2) shall be generally no less favorable, on or after the date of the transfer referred to in clause (A) of this paragraph or the date of the appointment referred to in clause (B) of this paragraph, as the case may be, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government on September 30, 1979, or, in the case of a transfer described in clause (A)(iii) of this paragraph which takes place before that date, on the date of the transfer.

(2) The terms and conditions of employment referred to in paragraph (1) are the following:

(A) rates of basic pay;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatement and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel, except as modified to provide equity with other employees within the agency to which the employee is transferred;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction-in-force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severance pay benefits.

(3)(A) No spending authority (as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974) provided for under this subsection shall take effect before October 1, 1979.

(B) Effective October 1, 1979, any individual who, but for subparagraph (B), would have been entitled to one or more payments pursuant to this subsection for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such payments.

(b) Any individual described in subsection (a)(1)(B) of this section who would have met the service requirement for early retirement benefits under section 8336(i) or 8339(d)(2) of title 5, United States Code, but for a break in service of more than 3 days immediately after September 30, 1979, shall be considered to meet that requirement. Any break in service by any such individual for purposes of section 8332 of such title during the period beginning September 30, 1979, and ending on the date of the appointment referred to in such subsection (a)(1)(B) shall be considered a period of creditable service under such section 8332 for such individual, except that such period shall not be taken into account for purposes of determining average pay (as defined in section 8331(4) of such title) and no deduction, contribution, or deposit shall be required for that period under section 8334 of such title 5.

(c)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama, until the rates of basic compensation established under section 5(c) of such Act equal or exceed the rates of basic compensation then in effect for teachers who were so transferred.

(2) Section 6(a)(2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 904(a)(2)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama.

PLACEMENT

SEC. 342. (a) Any citizen of the United States—

(1) who, on March 31, 1979, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(b) Any citizen of the United States—

(1) who, on March 31, 1979, was employed in the Canal Zone as an employee of an Executive agency (other than the Panama Canal Company or the Canal Zone Government) or the Smithsonian Institution;

(2) whose position is eliminated as the result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(c) The Office of Personnel Management shall establish and administer a Government-wide placement program for all eligible employees who request appointment to positions under this section.

Subtitle D—Retirement

EARLY RETIREMENT ELIGIBILITY

SEC. 351. (a) Section 8336 of title 5, United States Code, is amended—

(1) in subsection (c), by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) An employee is entitled to an annuity if the employee—

"(A) was a law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(B) is separated from the service before January 1, 2000, after becoming 48 years of age and completing 18 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 18 years."; and

(2) by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i)(1) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed by the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if the employee is separated—

"(A) involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service, if the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; or

"(B) voluntarily, after completing 23 years of service or after becoming 48 years of age and completing 18 years of service.

"(2) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed, at a permanent duty station in the Canal Zone, by any Executive agency other than the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if—

"(A) the employee is separated involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service; and

"(B) the separation is the result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements.

"(3) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Canal Zone Government, the Panama Canal Company, or the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the United States District Court for the District of the Canal Zone and the Smithsonian Institution.".

(b)(1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

EARLY RETIREMENT COMPUTATION

SEC. 352. Section 8339(d) of title 5, United States Code, is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraphs:

"(2) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government on September 30, 1979, is computed with respect to the period of continuous Panama Canal service from that date, disregarding any break in service of not more than 3 days, by adding—

"(A) 2½ percent of the employee's average pay multiplied by so much of that service as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of that service as exceeds 20 years.

"(3)(A) In the case of an employee who has service as a law enforcement officer or firefighter to which paragraph (2) of this subsection applies, the annuity of that employee is increased by $6 for each full month of that service which is performed in the Republic of Panama.

"(B) In the case of an employee retiring under this subchapter who—

"(i) was employed as a law enforcement officer or firefighter by the Panama Canal Company or Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(ii) does not meet the age and service requirements of section 8336(c) of this title;

the annuity of that employee is increased by $12 for each full month of that service which occurred before October 1, 1979.

"(C) An annuity increase under this paragraph does not apply with respect to service performed after completion of 20 years of service (or any combination of service) as a law enforcement officer or firefighter.

"(4) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the Smithsonian Institution.".

(b)(1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1), would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

RETIREMENT UNDER SPECIAL TREATY PROVISIONS

SEC. 353. (a)(1) Subect to subsection (b), and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8334(a)(2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual who—

(A) meets the requirements of paragraph (2);

(B) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(C) becomes employed in a position covered by the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least 5 years of civilian service under section 8332 of title 5, United States Code, relating to creditable service for purposes of civil service retirement;

(B) is not eligible for an immediate retirement annuity under chapter 83 of title 5, United States Code, relating to civil service retirement, and elects not to receive a deferred annuity under that chapter based on any portion of that service; and

(C) elects to withdraw from the Civil Service Retirement and Disability Fund the individual's entire lump-sum credit (as defined in section 8331(8) of title 5, United States Code) and to transfer that amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) shall not exceed the individual's entire lump-sum credit (as defined in section 8331 (8) of title 5, United States Code).

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, the President, or the President's designee, shall purchase from a source determined by the President to be appropriate, in accordance with such regulations as the President or the President's designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriation Acts, a nontransferable deferred annuity for the benefit of each employee of an agency or instrumentality of the Government of the United States, including nonapprooriated fund activities of the Department of Defense, in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on October 1, 1979, and during any period before that date by an agency or instrumentality of the Government of the United States at any permanent duty station in the Republic of Panama (including, with respect to employment before that date, the area then known as the Canal Zone);

(C) who, for any period of service with such agency or instrumentality before October 1, 1979, at any such permanent duty station was not covered, by reason of that service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) who, on October 1, 1979, is under a Federal retirement system and, on or before that date, has accrued in one or more agencies or instrumentalities of the United States a total of five years or more of service which—

(i) is creditable toward any Federal retirement system as in effect on October 1, 1979;

(ii) would have been creditable toward any such retirement system if the retirement system were in effect at the time of the service accrued by the employee; or

(iii) consists of any combination of service described in subclauses (i) and (ii) of this clause.

(2) The retirement annuity referred to in paragraph (1) with respect to any employee will cover retroactivity, from October 1, 1979, all periods of service, described in clause (D) of that paragraph, by that employee at any permanent duty station in the Republic of Panama (including the area known before that date as the Canal Zone) in agencies and instrumentalities of the Government of the United States during which that employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama.

OBLIGATION OF COMMISSION FOR UNFUNDED LIABILITY

SEC. 354. Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(i)(1) Notwithstanding any other statute, the Panama Canal Commission shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to or on behalf of employees and their survivors to the extent attributable to the amendments made by sections 351 and 352, and the provisions of sections 341(b) and 353(a)(1) of the Panama Canal Act of 1979.

"(2) The estimated increase in the unfunded liability referred to in paragraph (1) of this subsection shall be determined by the Office of Personnel Management. The Panama Canal Commission shall pay to the Fund the amount so determined in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System.".

CASH RELIEF TO CERTAIN FORMER EMPLOYEES

SEC. 355. (a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by rea-

son of mental or physical disability resulting from age or disease. Subject to subsection (b), that cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before October 1, 1979, pursuant to section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), nor be paid to any employee who, at the time of the termination of his services for disability prior to October 5, 1958, had less than ten years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same percent, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after October 1, 1979, as increased by annuity increases made after that date under such section 8340(b).

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a), under section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), or under the Act of July 8, 1937, referred to in subsection (a). The term "widow" as used in this subsection includes only the following:

(1) a woman legally married to such employee at the time of the termination of his services for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of the termination of his services had resided continuously with him for at least five years immediately preceding the termination of such employee's services under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 percent of the rate at which cash relief, inclusive of any additional payment under subsection (b), would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13 (a)(1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the Treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916

SEC. 356. Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds of the Commission.

Subtitle E—Leave

LEAVE FOR JURY OR WITNESS SERVICE

SEC. 361. Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "the Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subtitle F—Application to Related Personnel

LAW ENFORCEMENT; CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD; RELATED EMPLOYEES

SEC. 371. (a) For the purposes of sections 307, 341, 342, 351, and 352, including any amendment made by those sections, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in those positions before October 1, 1979, and as employees of the Panama Canal Commission with respect to service in those positions on or after that date.

(c) The provisions of this section shall take effect on the date of the enactment of this Act.

Subtitle G—Labor-Management Relations

LABOR-MANAGEMENT RELATIONS

SEC. 381. The provisions of chapter 71 of title 5, United States Code shall not apply to the Panama Canal Commission or to its personnel. In lieu thereof, the President shall establish a form of collective bargaining, applicable to the Commission's employees; into which is incorporated the substance of sections 7102, 7106, 7116, 7120, and 7131. The form of collective bargaining so established shall contain such other necessary provisions, and shall be administered, so as to provide the Commission's employees with the right to bargain collectively under the same conditions and with respect to the same subject matter that obtains where that right is exercised generally in the Federal service within the continental United States.

Subtitle H—Postal Matters

POSTAL SERVICE

SEC. 391. (a) The postal service established and governed by chapter 73 of title 2 of the Panama Canal Code shall be discontinued on October 1, 1979.

(b) The provisions of chapter 73 of such title 2 relating to postal-savings deposits, postal-savings certificates, postal money orders, and the accounting for funds shall continue to apply for the purpose of meeting the obligations of the United States concerning outstanding postal savings and money orders and disposition of funds.

(c) The Panama Canal Commission shall take possession of and administer the funds of the postal service and shall assume its obligations. The Commission and the United States Postal Service may enter into agreements for the transfer of funds or property and the assumption of administrative rights or esponsibilities with respect to the outstanding obligations of the postal service.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission shall furnish personnel, records, and other services to such military post offices to assure wherever appropriate the distribution, rerouting, or return of such mail.

(e)(1) The second sentence of section 403 (a) of title 39, United States Code, is amended by striking out "Except as provided in the Canal Zone Code, the" and inserting in lieu thereof "The".

(2) Section 3401(b) of title 39, United States Code, is amended—

(A) by inserting "or" before "the Virgin Islands"; and

(B) by striking out "or the Canal Zone,".

(3) Section 3402 of title 39, United States Code, is hereby repealed.

(4) Section 3682(b)(5) of title 39, United States Code, is amended by striking out "the Canal Zone and".

TITLE IV—TREATY TRANSITION PERIOD

Subtitle A—Laws Continued in Force

LAWS, REGULATIONS, AND ADMINISTRATIVE AUTHORITY

SEC. 401. (a) To the extent not inconsistent with the Panama Canal Treaty of 1977 and related agreements and the provisions of this Act, the Panama Canal Code and other laws, regulations, and administrative authority of the United States applicable in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in force for the purpose of the exercise by the United States of law enforcement and judicial jurisdiction during the transition period provided for in Article XI of the Panama Canal Treaty of 1977 (hereinafter in this title referred to as the "transition period").

(b) In accordance with paragraph 1 of Article IX of the Panama Canal Treaty of 1977, it is the sense of Congress that organizations and businesses operating and individuals living in the Canal Zone before the effective date of this Act should not be taxed retroactively by the Government of the Republic of Panama.

TRANSITION AUTHORITY OF PRESIDENT

SEC. 402. Except as expressly provided to the contrary in this Act, in any other statute, or in the Panama Canal Treaty of 1977 and related agreements, the authority necessary during the transition period to protect the rights and carry out responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 is vested in the President.

Subtitle B—Courts and Attorneys

JURISDICTION

SEC. 411. (a) During the transition period, the jurisdiction of the United States District Court for the District of the Canal Zone and the magistrates' courts under title 3 of the Panama Canal Code shall be continued, subject to the limitations set forth in Article XI of the Panama Canal Treaty of 1977.

(b) For purposes of the exercise of the jurisdiction provided in Article XI of the Panama Canal Treaty of 1977, the United States District Court and magistrates' courts referred to in subsection (a) shall construe the terms "United States citizen employees", "members of the United States Forces", "civilian component", and "dependents" as such terms are defined in the Panama Canal Treaty of 1977 and related agreements, and shall construe the term "areas and installations made available for the use of the United States" to mean (1) the Panama Canal operating areas and housing areas

described in Annex A to the Agreement in Implementation of Article III of that Treaty, (2) the Ports of Balboa and Cristobal described in Annex B to that agreement, and (3) the Defense Sites and Areas of Military Coordination described in Annex A to the Agreement in Implementation of Article IV of that Treaty.

DIVISION AND TERMS OF DISTRICT COURT

SEC. 412. The United States District Court for the District of the Canal Zone may conduct its affairs at such places within the areas made available for the use of the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

TERMS OF CERTAIN OFFICES

SEC. 413. Notwithstanding the provisions of sections 5, 41, 45, and 82 of title 3 of the Panama Canal Code, the term of office of a district judge, magistrate, United States attorney, or United States marshal shall extend for a period of thirty months beginning on the date on which the Panama Canal Treaty of 1977 enters into force, and any such term shall be subject to such extension of time as may be provided for the disposition of pending cases by agreement between the United States and the Republic of Panama, pursuant to the last sentence of paragraph 7 of Article XI of the Panama Canal Treaty of 1977.

RESIDENCE REQUIREMENTS

SEC. 414. Sections 5(d), 7(d), 41(d), and 45(d) of title 3 of the Panama Canal Code, the second sentence of section 42 of such title, and the second sentence of section 82(c) of such title, which provisions require that certain court officials reside in the Canal Zone, are hereby repealed.

SPECIAL DISTRICT JUDGE

SEC. 415. (a) Section 6 of title 3 of the Panama Canal Code is amended to read as follows:

"§ 6. Special district judge

"The chief judge of the judicial circuit of the United States in which the district court lies may designate and assign a special district judge to act when necessary—

"(1) during the absence of the district judge;

"(2) during the disability or disqualification of the district judge because of sickness or otherwise to discharge his duties; or

"(3) when there is a vacancy in the office of district judge.".

(b) Each designation and assignment by the chief judge under section 6 of title 3 of the Panama Canal Code, as amended by subsection (a) of this section, shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

MAGISTRATES' COURTS

SEC. 416. (a) The two magistrates' courts established pursuant to section 81 of title 3 of the Panama Canal Code and existing immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in operation during the transition period unless terminated during such period under subsection (b) of this section.

(b) During the transition period, the President may terminate one magistrate's court, together with the positions of magistrate and constable corresponding thereto, if the President determines that the workload is insufficient to warrant continuance of that court. If one of the courts is so terminated, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the terminated court and shall take custody of and administer all records of the terminated court.

OATH OF ATTORNEYS

SEC. 417. Section 543 of title 3 of the Panama Canal Code is amended to read as follows:

§ 543. Oath of attorneys admitted to bar

"Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge.".

Subtitle C—Prisons

PRISONS; PAROLE; PARDONS

SEC. 421. (a) Subsection (c) of section 6503 of title 6 of the Panama Canal Code is amended to read as follows:

"(c) Pursuant to the provisions of section 5003 of title 18, the United States Code, the Governor may contract with the Attorney General for the transfer to the custody of the Attorney General of prisoners sentenced by the United States District Court for the District of the Canal Zone to terms of imprisonment in excess of one year.".

(b) After entry into force of the Panama Canal Treaty of 1977—

(1) all prisoners imprisoned in United States prisons pursuant to contracts entered into pursuant to subsection (c) of section 6503 of title 6 of the Panama Canal Code, as amended by subsection (a) of this section, shall be committed to the custody of the Attorney General as if committed in accordance with part III of title 18 of the United States Code;

(2) all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment of one year or less, shall be committed to the custody of the Panama Canal Commission;

(3) the Panama Canal Commission shall prescribe, and from time to time may amend, regulations providing for the management of prisoners in the jails located in the areas and installations made available for the use of the United States pursuant to the Panama Canal Treaty and related agreements, including provisions for treatment, care, assignment for work, discipline, and welfare; and

(4) chapter 355 of title 6 of the Panama Canal Code is repealed.

(c) After the entry into force of the Panama Canal Treaty of 1977, all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment in excess of one year, shall be committed to the custody of the Attorney General pursuant to parts III and IV of title 18 of the United States Code.

(d) Sections 6501 through 6505 of title 6 of the Canal Zone Code are repealed.

(e) Subsections (c) and (d) of this section shall take effect ninety days after entry into force of the prisoner exchange agreement referred to in paragraph 11 of Article IX of the Panama Canal Treaty of 1977 but no later than ninety days prior to the end of the transition period referred to in paragraph 1 of Article XI of that Treaty.

TITLE V—SPECIAL IMMIGRANTS

SPECIAL IMMIGRANTS

SEC. 501. (a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)) relating to the definition of special immigrant, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by inserting after subparagraph (D) new subparagraphs (E) and (F) to read as follows:

"(E) an immigrant who is an employee of the Panama Canal Company or Canal Zone Government, who was resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year, or more, and his spouse and children who accompany or follow to join him; or

"(F) an immigrant, and his spouse and children who accompany or follow to join him, who is a Panamanian national and (i) who, prior to the date of entry into force of the Panama Canal Treaty of 1977, has been honorably retired from United States Government employment in the Canal Zone (or former Canal Zone) with a total of fifteen years, or more, of faithful service or (ii) who, on the date of entry into force of the Panama Canal Treaty of 1977, has been a faithful employee of the United States Government in the Canal Zone (or former Canal Zone) for fifteen years or more and who subsequently is honorably retired from such employment.".

(b) Section 212(d) of such Act (8 U.S.C. 1182(d)), relating to waivers of conditions of inadmissibility to the United States, is amended by adding after paragraph (8) the following new paragraphs (9) and (10):

"(9) The provisions of paragraph (7) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27).

"(10) The provisions of paragraph (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27) and who applies for immigration no later than thirty calendar months after the date the Panama Canal Treaty of 1977 enters into force.".

(c) Notwithstanding any other provision of law, not more than 25,000 individuals may be admitted to the United States as special immigrants under subparagraphs (E) and (F) of section 101(a)(27) of the Immigration and Nationality Act, as added by subsection (a) of this section, of which not more than 7,500 shall be admitted in any single fiscal year.

TITLE VI—MISCELLANEOUS PROVISIONS; TECHNICAL AND CONFORMING AMENDMENTS: EFFECTIVE DATE PROVISIONS

HEALTH DIRECTOR; HOSPITALS

SEC. 601. (a) In chapter 57 of title 5 of the Panama Canal Code, references to "hospitals", to the "Health Bureau", and to the "health director", shall be deemed to be, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date, to the organizational unit operating such hospitals, and to the senior official in charge of such hospitals.

(b) In section 4784 of title 6, section 2 of title 7, and sections 32, 35 through 38 of title 8 of the Panama Canal Code, reference the health director shall be deemed to be to the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date.

DISINTERMENT, TRANSPORTATION, AND REINTERMENT OF REMAINS

SEC. 602. (a) There are hereby authorized to be appropriated for the fiscal year beginning October 1, 1979, and subsequent fiscal years, such sums as may be necessary to carry out the purposes and provisions of reservation 3 to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, adopted by the United States Senate on March 16, 1978, such sums to be made available to those agencies that are directed and empowered by the President of the United States to carry out such purposes and provisions.

(b) With regard to remains that are to be reinterred in the United States, the United States shall not bear the cost of funeral home services, vaults, plots, or crypts unless otherwise provided for by law.

CANAL ZONE COLLEGE

SEC. 603. Notwithstanding any other provision of law, the President, through the appropriate department or agency of the United States, shall, until January 1, 2000, operate the educational institution known as the "Canal Zone College". Such institution shall continue to provide, insofar as practicable, the level of services which it offers upon the effective date of this Act.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 604. (a) The table of chapters at the beginning of part 1, title 2, of the Panama Canal Code is amended—

(1) by striking out the item relating to chapters 1, 3, and 7; and

(2) by striking out the item relating to chapter 11 and inserting in lieu thereof the following:

"11. Claims Arising From Operation of Canal ..... 271.".

(b) The chapter designation and table of sections at the beginning of chapter 3 of title 2 of the Panama Canal Code are repealed.

(c) The table of sections at the beginning of chapter 5 of title 2 of the Panama Canal Code is amended—

(1) by striking out the item relating to section 61 and inserting in lieu thereof the following:

"61. Panama Canal Commission; establishment; purposes; offices; and residence.";

(2) by striking out the item relating to section 64 and inserting in lieu thereof the following:

"64. Administrator and Deputy.";

(3) by striking out the item relating to section 67;

(4) by striking out the item relating to section 68 and inserting in lieu thereof the following:

"68. Assets and liabilities.";

and

(5) by striking out the item relating to section 73.

(d) Chapter 7 of title 2 is repealed.

(e) The table of sections at the beginning of chapter 9 of title 2 of the Panama Canal Code is amended—

(1) by striking out the item relating to section 231; and

(2) by striking out the item relating to section 232 and inserting in lieu thereof the following:

"232. Furnishing of services; reimbursements.".

(f) The chapter designation at the beginning of chapter 11 of title 2 of the Panama Canal Code is amended to read as follows:

"Chapter 11—CLAIMS ARISING FROM OPERATION OF CANAL".

(g) The table of sections at the beginning of chapter 11 of title 2 of the Panama Canal Code is amended—

(1) by striking out the item relating to section 271;

(2) by striking out the subchapter heading for subchapters I and II; and

(3) by striking out the item relating to section 293 and inserting in lieu there of the following:

"293. Measure of damages.".

(h) Chapter 11 of title 2 of the Panama Canal Code is further amended—

(1) by striking out the subchapter heading above section 271; and

(2) by striking out the subchapter heading above section 291.

(i) The table of sections at the beginning of chapter 13 of title 2 of the Panama Canal Code is amended by striking out the items relating to sections 333 and 334.

(j) The table of sections at the beginning of chapter 15 of title 2 of the Panama Canal Code is amended—

(1) by striking out the item relating to section 371; and

(2) by striking out the item relating to section 372 and inserting in lieu thereof the following:

"372. Transfers and cross-servicing between agencies.".

(k) The table of chapters at the beginning of chapter 1 of part 3 of the Panama Canal Code is amended by striking out the items relating to sections 2 and 3.

(l) The table of sections at the beginning of chapter 17 of title 3 of the Panama Canal Code is amended by striking out the item relating to section 543 and inserting in lieu thereof the following:

"543. Oath of attorneys admitted to bar.".

(m) Sections 2 and 3 of title 3 of the Panama Canal Code are repealed.

(n) The table of sections at the beginning of chapter 237 of title 6 of the Panama Canal Code is amended by striking out the items relating to sections 5081 through 5092 and by striking cut the subchapter heading for subchapter III above the item relating to section 5081.

(o) Chapter 237 of title 6 of the Panama Canal Code is amended by striking out the subchapter heading above section 5081.

(p) The table of chapters at the beginning of part 3 of title 6 of the Panama Canal Code is amended by striking out the item relating to chatper 355.

(q) Section 5102(c) of title 5, United States Code, is amended by striking out clause (12) and inserting in lieu therof the following:

"(12) any Executive agency to the extent of any election under section 322(b) (relating to the Panama Canal Employment System) of the Panama Canal Act of 1979;".

(r) Clause (87) of section 5316 of title 5, United States Code, is amended to read as follows:

"(87) Administrator of the Panama Canal Commission.".

(s) Clause (7) of section 5533(d) of title 5, United States Code, is amended—

(1) by adding "or" at the end of subclause (E);

(2) by striking out "; or" at the end of subclause (F) and inserting in lieu thereof a period; and

(3) by striking out subclause (G).

(t) Section 5583(b) of title 5, United States Code, is amended—

(1) by adding "and" at the end of clause (1);

(2) by striking out clause (2); and

(3) by redesignating clause (3) as clause (2).

(u) Section 8146 of title 5, United States Code, is amended—

(1) by striking out "Canal Zone" in the catchline and inserting in lieu thereof "Panama Canal Commission";

(2) by striking out "Canal Zone Government and of the Panama Canal Company are concerned to the Governor of the Canal Zone" in subsection (a)(1) and inserting in lieu thereof "Panama Canal Commission are concerned to the Commission";

(3) by striking out "or from funds of the Panama Canal Company" in the first sentence of subsection (b); and

(4) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The President may authorize the Panama Canal Commission to waive, at its discretion, the making of the claim required by section 8121 of this title in the case of compensation to an employee of the Panama Canal Commission for temporary disability, either total or partial.".

EFFECTIVE DATE

SEC. 605. (a) Except as otherwise provided in subsection (b) of this section and in section 421(d), the provisions of this Act shall take effect on the effective date of the Panama Canal Treaty of 1977.

(b) Sections 222, 341(a), 342, 351, 352, 371, 413, 421(a), 501, and 602 of this Act shall become effective upon the date of the enactment of this Act.

The ACTING PRESIDENT pro tempore. The time for debate on H.R. 111 is limited to 4 hours, to be equally divided and controlled by the Senator from Michigan (Mr. LEVIN) and the Senator from Texas (Mr. TOWER), with 1 hour on any amendment in the first degree, 30 minutes on any amendment in the second degree, and 20 minutes on any debatable motion, appeal, or point of order, and with the vote on final passage to occur no later than 6:30 p.m.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time designated to be under the control of Mr. TOWER be transferred to the control of Mr. LAXALT.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Michigan.

Mr. LEVIN. Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor for the consideration of H.R. 111: Bob Seltzer, David Hansell, Bruce Gregory, and Jim Crutchfield of my staff; John Roberts of the Armed Services Committee staff; Robert Dockery of the Foreign Relations Committee staff; and Scott Cohen of Senator PERCY's staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LAXALT. Mr. President, I ask unanimous consent that Al Drischler of my staff be granted the privilege of the floor during the consideration of this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, first, on behalf of Senator STENNIS, I wish to read a portion of his statement and submit the remainder for the RECORD. He is unable to be here this morning because of chairing a hearing of the Armed Services Committee relative to the SALT matter.

His statement reads as follows:

Mr. President, the bill before the Senate today is an important one—H.R. 111, a bill designed to implement the Panama Canal Treaties of 1977. Whatever your opinion of the wisdom of these treaties—and my colleagues will remember that I voted against them—everyone should agree that we must enact the legislation necessary to carry out our international obligations and provide for our citizens who will be living and working in Panama after the treaties go into effect. So this is not an occasion to debate the treaties again.

I can't stress enough how important it is that we dispose of this legislation promptly. The treaties go into effect on October 1, and a number of complicated personnel changes and administrative reorganizations must

take place on that date. The transition cannot be accomplished without this legislation, and there simply must be some reasonable lead time. If we can pass this bill promptly, we can get down to working with the House in conference so that the implementation of the treaties can be accomplished smoothly and on time.

This is a very complicated bill, and earlier this year I asked Senator Levin to take a special look at the issues for the committee and formulate some recommendations. He traveled to Panama for the Committee, and he has made himself an expert on this legislation.

I am blushing as I read this, Mr. President.

Early on, in our discussions, it became clear to us that there were some good ideas in the House-passed bill, which engendered a great deal of controversy among our colleagues in the other body. There were also good ideas in another bill, S. 1024, which had been proposed by the Administration. We set out to fashion a composite bill which incorporated large sections of the House bill, parts of the Administration bill, and some ideas of our own. Senator Levin proposed that composite bill as a substitute amendment for H.R. 111 in our markup, and after some excellent amendments, it was adopted. Members can look at the committee report on the substitute amendment for a detailed analysis of its provisions. Let me just make a few preliminary points.

First, we took care to reduce the cost to the American taxpayer just as much as possible. The bill reported by the Committee will cost the taxpayer much less than the Administration bill, because it incorporates the cost of early retirement plan into the toll base and because it continues the payment of interest to the Treasury. However, it is also a less expensive bill than the House-passed version, since it takes out several expensive personnel provisions added in the House that were not in the Administration bill. So it is the least-cost alternative. It also contains a Sense-of-the-Senate provision, introduced by Senator Exon, which expresses the Senate's concern that costs over the life of the treaty be kept at the minimum level consistent with our operational and defense responsibilities.

Second, we retained for the Commission which will operate the canal under the treaties the same government corporation form that has been so successful for the Panama Canal Company since 1951. We spent a good deal of time on this issue, and concluded that the Commission could operate best as a corporation, like TVA and similar enterprises. We also concluded that this form would be cheaper, and much less disruptive. I might add that the testimony overwhelmingly supported this conclusion—Governor Parfitt, the GAO, and an outside accounting consultant, all testified that the government corporation form was far preferable to the appropriated funds agency in the House-passed bill.

Third, the bill as it has come out of the committee is consistent with the treaties. As I said, it is important that we do not include any provisions that violate the spirit of the letter of the treaties, because it would put into jeopardy the rights that we worked so hard to safeguard by reservation last year.

This is a complicated bill, and there will be plenty of time today to go more deeply into its provisions.

At this point Senator Levin will outline in more detail what is in the committee substitute as reported to the Senate.

Mr. LEVIN. Mr. President, last year, after a long and vigorous debate, this body gave its advice and consent to two treaties, the Panama Canal Treaty and the treaty concerning the permanent neutrality and operation of the Panama Canal. On October 1, 1979, the three major existing treaties between the United States and the Republic of Panama, which date back as far as 1903, will terminate, and the new treaties will immediatley become effective. By agreeing to these treaties, we have initiated a transition to a new status for the Panama Canal, and a new partnership between the United States and Panama.

In order to carry out the commitments which the United States made by virtue of the ratification of the Panama Canal treaties, the Congress must now adopt legislation to implement those provisions of the treaties which require specific statutory changes. This bill which was approved by the Armed Services Committee, and which we are bringing to the Senate floor today, is intended to accomplish that purpose.

Some of the significant portions of the Panama Canal Treaty are self-executing—for example, the assumption of full Panamanian sovereignty over the Canal Zone on October 1, and the transfers of property and facilities from the United States to Panama over the 20-year life of the treaty. But legislation is required to establish the entity to operate the canal for the next 20 years, to provide equitable treatment for employees of U.S. agencies in Panama, and to make those changes in U.S. law which are necessary to accommodate the changes in the nature of the U.S. presence in Panama which are contemplated by the treaties, for example, the termination of U.S. judicial and other governmental functions in the Canal Zone.

The bill which the Armed Services Committee has reported is a composite, incorporating portions of the bill proposed by the administration, and portions of the bill passed by the House. Many provisions of both of those bills paralleled each other, and the committee chose what it considered to be the superior provision in those cases. On the issues of substantive disagreement, the committee chose in some areas to accept the administration proposal, in some areas the House version, and in several cases chose to formulate its own provision differing from both of the bills which were before it for consideration.

Before discussing the specific provisions of the legislation which is before us today, I would like to outline a number of general considerations which I believe should serve as a guide as we consider the implementation of these treaties.

COST

A paramount concern of all Members of the Senate, both this year and last, is the cost of the U.S. taxpayers of implementation of these treaties. Regardless of whether we favored or opposed the treaties themselves, all of us would like to see them implemented in a manner which imposes the least burden possible on the Federal Treasury consistent with our obligations. Moreover, this concern about cost was aggravated by the existence of a number of different and apparently conflicting cost estimates which were circulating both during the treaty debate last year and subsequent to it.

There are a few points which I think will help to clarify the situation. First of all, it remains true, as the administration testified last year, that U.S. tax revenues will not be used to make the payments to Panama mandated by the treaty. Those treaty payments to Panama will come entirely from toll revenues. However, there are of course expenses which will be borne by the Treasury which are necessary for the maintenance of a U.S. military presence in Panama, both for the protection of the canal itself and for the furtherance of our other defense objectives in Latin America. Other expenses which we will bear include the provision of those services which are necessary to keep a skilled American work force in Panama to operate the canal. In other words, the money which is required to implement the treaty is going to salaries of employees of and for the maintenance of facilities of the Department of Defense—and not to the Republic of Panama. Of course, no funds are appropriated in this bill. This is not an appropriation or authorization bill.

There has been concern about the information on the costs of the treaties which was available to members of the Senate prior to the ratification votes last year. Fortunately, the Senate did not have to rely on outside analyses, but had two "in-house" estimates of cost prepared by two of its own committees, the Senate Armed Services Committee and the Senate Budget Committee, prior to its vote. These estimates have, in many respects, turned out to be remarkably accurate, given the preliminary nature of the information with which those committees were dealing. On February 23, 1978, Chairman STENNIS presented to the Senate an estimate of "potential Cost to United States For Items Not Covered By Panama Canal tolls until 2000 A.D." which totaled $1,023 billion. Five days later, Chairman MUSKIE presented his committee's estimate that total treaty requirements would be in the range of $712.5 to $720.9 million. Both of these estmates were based on somewhat different assumptions and were presented well in advance of the votes on ratification, which took place on March 16 and April 28. It is significant to note that the State Department formally confirmed the accuracy of the Budget Committee's figures.

I do not believe that any useful purpose is served by debating today the question of who knew what and when last year. The task before us now is to write legislation which will implement the treaties in the least costly fashion, consistent with the obligations imposed upon us by the treaties. I believe that the Armed Services Committee has performed that task well, and has pared the cost to the bone. Let me describe the provisions of this bill which will keep costs to a minimum.

First, unlike the administration proposal the committee decided to require that the Commission continue the payment of interest on the U.S. investment in the canal. That requirement has resulted in the payment of over $371 million in interest to the Treasury from 1951 until now, and will mean about $300 to $400

million more over the life of the treaty. This action is in accordance with concerns expressed by many Members last year.

For instance Senator CANNON offered a reservation on the subject which was adopted relative to continuing the interest payments out of tolls. The Panama Canal Commission, operating as a government corporation, continues to have the use of certain assets of the U.S. Government, and the committee felt that the Treasury should continue to receive some compensation for the use of those assets.

Second, the committee decided to fund the employee early retirement system, which I will discuss in greater detail later, from toll revenues. The administration bill provided for this expense to come from the Treasury. The committee felt that the program was a legitimate operating cost of the Commission, and therefore that it could reasonably be charged to the toll base rather than the U.S. taxpayer. This action will save the Treasury roughly $334 million over the life of the treaty as well.

Third, the committee chose not to mandate the continuation of certain employee pay and benefit items, which would add significantly to the Defense Department costs under the treaty. The committee bill does not require payment of U.S. minimum wage to new employees of the Canal Commission or the Defense Department. Both agencies have promised that current employees will continue to receive minimum wage. Also, the bill would permit Defense to conform to its worldwide system certain pay and benefit items for employees who are transferred to it from the Panama Canal Company. Although it is difficult to project these items 20 years into the future, the cost savings of these decisions by DOD estimate will probably be in the $300 to $400 million range over 20 years.

Finally, the committee has attempted to protect against unanticipated cost increases in the future and to express the desire for a cap on costs by adding an expression of the sense of the Congress that the costs of implementation should not exceed those estimates presented by the administration in March of 1979, subject to the condition that the actual costs should be consistent with the obligations of the United States to operate a safe and efficient canal and to keep it secure. Those cost estimates, which totaled $870.7 million, were reduced by the cost of the early retirement program, which as I have indicated, the committee chose to fund through tolls, thus leaving an estimated cost to U.S. taxpayers, over the 20-year period, of $665.7 million, with appropriate adjustments for inflation. This provision was offered in committee by Senator EXON.

Mr. President, these cost-cutting actions have been made in full conformity with the terms of the Panama Canal Treaty. There is little else we can do to cut costs without reneging on our obligations under the treaties, which I am sure no Member of this body would want the United States to do. I might point out that the bill reported by our committee costs the taxpayer less over the 20-year life of the treaty, by as much as $400 to $600 million, than either the administration version or the version that passed the House.

OPERATION OF THE CANAL

A second objective of this legislation is to implement the treaties as smoothly as possible, with minimal disruption to the canal operation. In furtherance of this objective, the committee felt that prudence dictated that the fewest possible changes should be made in the operating structure of the canal entity, and only those necessary to accommodate the change from Company to Commission. In this regard, the committee decided that the Commission should continue to operate as a Government corporation.

There are a number of reasons for this decision, but perhaps the most persuasive of them is the splendid success with which the company has operated as a corporation over the past 28 years. Prior to 1951, the operation of the canal and related functions was carried on by an appropriated funds agency called the Panama Canal. In 1951, these functions were incorporated into the Panama Canal Company subject to the Government Corporation Control Act of 1945. The change was made because the prior mode of operation was considered to be chaotic, proper financial accounting impossible, and management flexibility inadequate for the running of what is essentially a business enterprise. Since its conversion to the corporate form, the company has not only operated within its revenues, but has returned to the Treasury over $331 million in interest and $40 million in dividends. The discipline of profit and loss accounting is the best guarantee we have that the Commission will not become a drain on the U.S. Treasury.

Moreover, the corporate form of operation, subject to the requirements of the Government Corporation Control Act, provides for strict congressional control and accountability, through annual submission and approval of the operating budget by the Appropriations Committees of both Houses, and through mandatory audits by the General Accounting Office. Also, reversion to the appropriated funds form would entail significant costs. Witnesses at the committee's hearings estimated those costs at approximately $5 million initially, to modify the accounting system, and some additional continuing cost because of the need to maintain two separate sets of books: those required of all Federal agencies, in obligations and expenditures form, and profit and loss accounting as well, for purposes of toll calculation and determination of whether money is owed to Panama under the so-called contingency payment. These witnesses also testified that these changeovers, if they were to be made, would require several years to implement fully, and simply could not be smoothly effected by the October 1 treaty date. If Congress were to mandate such changes, we would risk throwing the Commission in financial chaos, and jeopardize the success of the new operation from the start. For all of these reasons, and others, the committee proposes that the corporate form be retained by the Commission.

PROTECTIONS FOR OUR EMPLOYEES

We must be sensitive to the future well-being of the current employees of the Panama Canal Co., and of other Americans living and working in the Canal Zone. It is they who will perhaps suffer the most if we fail to fully and smoothly implement the treaties. If we do not make adequate provision for our employees, we risk creating severe discontent and administrative problems for the managers of the canal, and will make needlessly traumatic the transition for our loyal employees, many of whom will be needed to continue the smooth operation of the canal.

The committee bill provides a number of protections for U.S. employees of the Commission, and for those employees who will be transferred to the Department of Defense as a result of the treaty. The bill establishes a liberalized retirement program for those employees, as promised by the treaty, with the dual purpose of providing equitable treatment for those employees who do retire as a result of the treaty, and of encouraging essential employees to remain with the Commission, since the enhanced retirement option will remain open to them through the life of the treaty. The bill also authorizes a recruitment and retention differential, to compensate employees for the expense and hardship of overseas service, and a cost of living allowance, to compensate employees for the effective reduction in their standard of living which will occur in 1984, when they lose access to military PX, postal and other services. Also, the bill establishes a placement assistance program for those employees who are separated as a result of the treaty.

The bill also contains provisions which modify U.S. immigration laws in order to facilitate the immigration of certain Panamanian citizen employees of the United States who have served us loyally, but who may wish to leave Panama after October 1. These would be primarily people of West Indian descent who have or may have difficulty integrating themselves fully into Panamanian society as the United States presence in Panama diminishes.

INTERNATIONAL OBLIGATIONS

As we consider this legislation, we must be mindful of the international obligations which we have undertaken in consequence of our approval of the Panama Canal treaties. We have voluntarily entered into two international obligations, and the Panamanians and others in the world community have the right to expect that we will abide by the letter and spirit of our treaty commitments.

It is in our interest to maintain the security of the canal, and thus contribute to our own national security, by shaping legislation which insures that it will continue to be open to free and unobstructed use by vessels of the United States and other nations. In its consideration of the treaties last year, the Senate went to great lengths to protect U.S. rights as regards the defense of the canal, and Panama has agreed to Senate

amendments and reservations to the treaties which insure those rights. If we implement these treaties in a way which is consistent with the commitments we have made, then we will protect those treaty rights. If, however, we try to tack onto this legislation terms which violate the treaties, even for the ostensible purposes of strengthening our defense rights, we will only succeed in throwing those treaty-guaranteed rights into jeopardy.

The Armed Services Committee took great care to exclude from its bill any provisions which would be violative of the treaties. I believe that all Members of the Senate, even those who opposed the treaties last year, recognize that they have now been ratified in accordance with our constitutional processes, and that it would be inconsistent with our position as a great power, and irresponsible for us to pass implementing legislation which is in any way inconsistent with the provisions of those treaties. The treaties contemplate a new cooperative relationship between the United States and the Republic of Panama, in which both nations will work together to continue the smooth and efficient operation of the canal, and to maintain its security. This legislation, if fully consistent with the treaties, will further that cooperation, and thereby provide the best and most effective protection for the canal in the future.

OTHER PROVISIONS OF THE BILL

Although many of the provisions of the bill are detailed and technical, there are others, in addition, to those I have already mentioned, which deserve some comment. Let me now briefly discuss them.

COMMISSION BOARD

The treaty establishes a nine-member Board for the Panama Canal Commission, with the United States retaining a five-to-four majority over the life of the treaty. The committee bill leaves open to the discretion of the President the American membership of the Board. He would have the option to appoint Government officials or private citizens, but the committee urged in its report that the Board members he appoints, whatever their affiliation, should be prepared to be active, participating members of the Commission. The bill also provides for Senate advice and consent to the nomination of American members of the Board, and of the Administrator of the Commission. Under the treaty, the Administrator will be a U.S. citizen until 1990, and a Panamanian citizen thereafter. The members will serve at the pleasure of the President.

LABOR-MANAGEMENT RELATIONS

The committee bill gives the Commission and the Department of Defense the flexibility to design a labor-management system responsive to the needs of operations in Panama and a largely Panamanian work force. It does, however, retain some of the elements of the collective bargaining system for Federal employees established by title VII of the Civil Service Reform Act of 1978.

RESERVATIONS AND UNDERSTANDINGS

The committee incorporated into this bill several reservations and understandings offered by Members of the Senate to the resolutions of ratification of the two treaties last year. I have already mentioned the reservation by Senator CANNON, regarding the continuation of the payment of interest by the Commission. The committee also included the substance of a reservation offered by Senator NUNN to the neutrality treaty, allowing the United States and Panama to enter into negotiations to arrange for stationing U.S. troops and the maintenance of facilities in the former Canal Zone after the year 2000.

The bill includes an understanding offered by Senator LONG to the neutrality treaty, requiring the Commission to consider certain factors before making any toll adjustments. The bill also adopts two provisions dealing with the payments to Panama: A reservation proposed by Senators HOLLINGS, HEINZ, and BELLMON, stipulating that any unpaid balance due under the contingency payment to Panama, at the termination of the Panama Canal Treaty, would be payable only to the extent of any operating surplus in the last year of the treaty, and an understanding offered by Senator DANFORTH that toll rates would not be set at levels designed to cover the contingency payment.

Mr. President, that summarizes major provisions of the committee bill. In the course of this debate, I am sure we will have the opportunity to discuss other portions of the bill which are of particular concern to individual Senators.

Let me close by stating again that smooth implementation of the Panama Canal treaties is not only consistent with the obligations we assumed last year, but is entirely in our own self-interest. It will insure for us the defense rights which we secured under the treaties last year. It will protect our employees, and encourage them to remain with the Commission and to help keep it functioning efficiently. And, finally, it will help us to begin our new partnership with Panama on the right foot, and in a spirit of cooperation.

Mr. President, we in the Senate are rightfully proud of the long and honorable history of this body. I am confident that our actions on this legislation will reflect that pride and honor, and that having given our advice and consent to the Panama Canal treaties, we will now act to insure that they are carried out smoothly and in keeping with the letter and spirit of those treaties.

Mr. President, I ask unanimous consent that Donald Herr, of Senator JAVITS' staff, be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I yield to the junior Senator from Massachusetts (Mr. TSONGAS).

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me briefly?

Mr. LEVIN. I am happy to yield to the majority leader.

Mr. ROBERT C. BYRD. While the Senator from Massachusetts is responding to a telephone call.

The PRESIDING OFFICER (Mr. HOLLINGS). The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, on April 18, 1978, the Senate resolved, with two-thirds of the Senators present and voting having voted affirmatively, to advise and consent to the Panama Canal Treaty.

That action by the Senate was the culmination to one of the most lengthy and thorough debates in Senate history. The debate on the Panama Canal Treaty and the companion Neutrality Treaty began on February 8, 1978, and 38 days were spent by the Senate in considering the treaties. In Senate consideration of treaties, only the Treaty of Versailles in 1919 and 1920 consumed more time, and that treaty was not considered on an uninterrupted basis, as were the Panama Canal treaties.

During the course of its debate, the Senate added to the treaties, strengthening them and meeting legitimate concerns raised by Senators.

On June 16, 1978, President Carter and General Torrijos of Panama exchanged instruments of ratification in Panama, thus completing the ratification process.

On October 1 of this year, the Panama Canal Treaty will enter into force. Under the treaty, the United States will have the right to operate and protect the canal until the year 2000. Under the Neutrality Treaty, we have the permanent right to defend the canal against any threat to its open and secure operation.

It is our obligation to live up to the provisions of these treaties. They were fully considered and legally ratified according to our constitutional processes. The honorable and proper course is to see that the treaties are implemented in a manner fully consistent with the Senate's actions last year.

The legislation before us today is, I believe, equitable and consistent with the principles and provisions of the treaties. This implementing legislation would, as provided in the treaty, establish a U.S. agency, the Panama Canal Commission, to operate the canal. The Commission will be governed by a nine-member Board of Directors, composed of five American and four Panamanian members. Day-to-day administration will be provided for by an American Administrator and a Panamanian Deputy Administrator until 1990, after which the Panamanian will assume the Administrator's position.

The Committee on Armed Services, under the leadership of its chairman (Mr. STENNIS) has reported a bill which I believe is deserving of strong support. It corrects many of the serious defects in the legislation approved by the House of Representatives. The House bill contained a number of provisions which were simply not equitable and not consistent with the Senate-approved treaties.

It is particularly important to note that the version of the bill reported by the Armed Services Committee would entail less expense to the American taxpayer than either the House-passed bill or the administration's proposal. It is estimated that over the next 20 years, the administration bill would have cost $870 million and the House version $830 million. The bill reported by the Armed Services Committee would cost substan-

tially less—$650 million over 20 years. Thus, Mr. President, the committee has reported a bill that is less expensive than the other proposals while remaining consistent with the principles of the treaties.

Particularly, Mr. President, I want to take note of and to pay tribute to the role of the distinguished junior Senator from Michigan (Mr. LEVIN) in bringing this bill to the Senate and in his work in the committee in connection with the bill.

He has discussed this bill with me on several occasions. He has taken his responsibility in the utmost seriousness and he has discharged his responsibilities in helping to guide the bill through the committee processes in a very effective and skillful way.

I have been greatly impressed by the dedication and the high sense of purpose that have been demonstrated by the Senator from Michigan (Mr. LEVIN).

Mr. President, to pass legislation which would be inconsistent with the treaties would be counterproductive in many respects, undoing the Senate's careful and courageous action of last year. This legislation lays the foundation for the cooperative relationship with Panama provided in the treaties. It also enables us to deal fairly with our own employees who are associated with the Canal operation.

Again, I want to take note of and pay tribute to the role of the junior Senator from Michigan (Mr. LEVIN) in bringing this legislation to the Senate and managing the bill on the floor. This is an important and complex bill and Mr. LEVIN deserves major credit for his efforts. I know he will do an excellent job as he manages the bill today.

Mr. LEVIN. Mr. President, I thank the majority leader for his support, his remarks, and his personal remarks. They are most helpful and most appreciated.

Mr. President, I reserve the remainder of my time.

Mr. LAXALT. Mr. President, I yield the floor to Senator THURMOND for whatever time he may require.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend the able Senator from Michigan (Mr. LEVIN) for the dedication and intense interest and zeal he has shown in this important legislation.

He has given a great deal of time to it and is to be highly commended.

Mr. President, I also commend the able counsel who worked with him, Mr. John Roberts of the Armed Services Committee staff of the Senate. He is an able lawyer and has served in so many capacities on our committee.

Mr. President, I also commend the able Senator from Utah (Mr. LAXALT) again for the fight he led to defeat this treaty. It was only passed by two votes, I believe. If his wisdom and leadership had been followed, we would not be undertaking this task that we have today.

Mr. President, the Senate now has before it the Panama Canal implementing legislation which is required by the Panama Canal treaties proposed by the Senate in a close vote last spring.

The bill reported out by the Senate Armed Services Committee is a composite of H.R. 111 as passed by the House and S. 1024 as proposed by the administration.

CANNOT SUPPORT BILL

Mr. President, I did not support this bill in the committee and I cannot support it on the floor. In my judgment this composite bill lacks features which I consider vital to protect the interests of the American people and insure our national security.

While the Senate composite bill does include features which I consider better than certain House provisions it, at the same time, lacks various provisions of the House bill essential to maintain U.S. control in controversies certain to develop during the next 20 years.

Further, our hearings disclosed that the costs of these treaties will be far in excess of any figure even remotely suggested by the administration during the Senate debate when the treaties were proposed last year. In other words, the Senate acted without full knowledge of the costs of these treaties, and I place the responsibility for these miscalculations squarely at the door of the State Department and the administration. While some of us projected these astronomical costs during the treaty debates, our claims were denied by the administration.

TESTIMONY MISLEADING

Mr. President, I cannot help but look back upon the testimony given us last year by the administration. Secretary of State Cyrus Vance told Congress "the treaties require no new appropriations, nor do they add to the burden of the American taxpayer." Deputy Secretary of State Warren Christopher also testified last year that "the treaties will not require any appropriations from the American taxpayer." Even President Carter told the American people the treaties would place no burden on the American taxpayer.

It is inconceivable to me how the administration could have been so naive on these costs. Just prior to our hearings in 1978, the State Department finally admitted there would be $350 million in "certain expenses." Just prior to the House hearings in March of this year, these costs requiring direct appropriations were revised by the State Department to $870 million. This episode represents the poorest performance before Congress in cost estimating in my memory. The end result of these bad estimates was that the Senate last year ratified these treaties without fully realizing the direct or indirect costs to the American people.

COSTS OF $4.2 BILLION

Of course, these particular costs were those requiring appropriations from the U.S. Treasury. To focus on the total costs, we must include the $2.1 billion in canal revenues which will be paid to Panama, the value of the canal itself, and loss of revenue to the U.S. Treasury. The House Merchant Marine and Fisheries Committee has estimated these total costs at $4.2 billion, which is a figure even greater than I estimated during the consideration of these treaties, which was something more than $3 billion.

Mr. President, on top of these huge costs I am concerned that in the mid-1980's additional appropriated funds will be needed to keep the canal in operation. Previous testimony by the Governor of the Canal Zone and the Comptroller General has indicated this is a strong possibility.

ADDITIONAL COSTS LIKELY

In other words, should the canal be unable to remain a self-sustaining operation in the 1980's and 1990's, Congress will be called upon to appropriate additional funds which even the opponents of the treaties have not yet attempted to estimate.

Mr. President, there have been many warnings on the costs of these treaties. Earlier this session, the man who was vice president of the Canal Company for 20 years, Mr. Philip L. Steers, Jr., made a telling statement during hearings on this legislation in the House. He told the House Members we have seen only "the tip of the iceberg" when it comes to the costs of these treaties.

Thus, the costs of these treaties are a primary issue. This composite bill now before the Senate adds to those costs in some respects, and reduces them in others. The Senate should hold the cost to the taxpayer to a minimum. However if we burden the canal to the financial breaking point, what little money is saved initially will pale in significance to the costs which will fall upon the taxpayer in the 1980's and 1990's.

APPROPRIATED FUND AGENCY

Mr. President, another issue of great concern to me is the feature of the Senate bill based upon the administration recommendation that the new Panama Canal Commission be a corporate fund agency.

The administration wishes to continue the corporate fund approach which will give primary control of the Commission to the administration. It is my view that we should adopt the approach in the House bill—and I hope this can be accomplished in conference—which provides that the new Commission be an appropriated fund agency subject to authorization and appropriation by Congress.

It is my view that in the next 20 years, Panama will place great pressure on the administration in office to submit to their demands as issues come into dispute regarding operation of the canal. Under the corporate form, the administration is apt to see these issues as foreign policy questions rather than as ones which should rise or fall on their own merit.

It is my conclusion that if the appropriated fund agency is adopted, the administration will use the Commission more carefully, as they will know that any additional expenses will be subject to congressional approval. Thus, I would favor this transition taking place on October 1, 1980, and that an emergency fund be established for the appropriated fund agency to handle any unexpected operational problems.

Mr. President, I also favor more representation of the views of the U.S. ports and shippers than is allowed in the composite bill. These views could be important in enabling the canal to make its way in a self-sufficient manner.

Mr. President, these are a few of the issues which trouble me and others as regards this bill. Some of these issues may be addressed here on the Senate floor and others in the conference with the House.

However, regardless of the outcome of this legislation, I believe this entire episode represents one of the real tragedies in American history. The Senate made a grave mistake in approving these treaties, and the act was undertaken with more misinformation about the effect of our decision than in anytime in my memory. It was a sad day for the Senate, and I believe we will soon see the day when even those who supported the treaties will regret it.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, I yield to the distinguished Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I preface my remarks by pointing out that I am the only Member of this body who got here because he supported the Panama Canal treaties.

My decision to run and to give up my House seat was a direct result of my unhappiness with the incumbent's position on the Panama Canal Treaty. I felt that it was important that this country recognize the new realties in the Third World and that the State of Massachusetts should have a Senator who strongly supported the Panama Canal treaties. It was my unhappiness over the fact that that was not the case that precipitated my decision to run for this seat. Although the common wisdom is that if you ran on the basis of suporting the Panama Canal treaties, you lost, there is at least one instance in which someone is here for exactly opposite reasons.

Mr. President, I support H.R. 111 as amended and reported by the Senate Armed Services Committee. This bill of implementation is consistent with both the letter and spirit of the Panama Canal treaties ratified by the Senate on April 18 of last year. In considering this legislation, we must bear in mind the overriding concerns that were pivotal in the Senate Armed Services Committee's final determinations. The Senate must affirm the committee's measured view, which takes into account, first, possible violation of our Nation's commitment to Panama as articulated and agreed to in 1978; second, efficient administration and operation of the canal, guaranteeing uninterrupted U.S. access for the indefinite future, and third, the welfare and security of U.S. citizens and other persons working for the present Panama Canal Company and the Department of Defense in Panama.

Any attempt to amend this bill would lessen hopes for smooth transition under the treaty beginning October 1, 1979.

More importantly, attempts to attach crippling amendments to the implementing bill would negate the efforts of four Presidential administrations to establish a more viable partnership with Panama and the other nations in the Western Hemisphere, based on cooperation and mutual respect, not confrontation and domination. The United States must develop firmly rooted partnerships based on equity and international cooperation.

For 2 full months in the 95th Congress, the Senate engaged in a heated debate over the adoption of the Panama Canal Treaty and the accompanying treaty concerning the permanent neutrality and operation of the Panama Canal. As a Member of the House of Representatives at that time, I was not able to take an active role in that dialog. In considering this bill of implementation, it is vital that the Senate not lose sight of the objectives and ideals articulated in that debate. We have moved beyond the stage of treaty ratification to the stage of implementation of the treaty's intent. It is to this point that I would like to now speak.

Over the course of the past 75 years, Panamanians have sought territorial integrity, and the end of a foreign presence in what must be regarded as the internal affairs of their country. Panama deserves the right to assume the reins of national control. Dissatisfied with the original 1903 treaty and the subsequent treaties of 1936 and 1955, Panama has aired major grievances: U.S. control of its major economic resource; the presence of a foreign country behaving "as if it were sovereign" in part of its territory; the size of the U.S. military presence in the Canal Zone and the perceived meagerness of the U.S. annuity.

This dissatisfaction was driven home to Americans in 1964, when anti-American riots erupted over the display of American and Panamanian flags in the Canal Zone. The joint declaration of April 3, 1964, between representatives of the United States and Panama committed the nations to future negotiations. Although attempts to rectify this inflammatory situation never reached fruition in the ensuing decade of turmoil and resentment, Presidents Johnson, Nixon, and Ford pursued negotiations. The formal delivery of the ratification instruments for the two Panama Canal treaties by President Carter and General Torrijo in June of 1978 was the culmination of the efforts and commitments of three previous administrations.

During debate of the treaty last March and April, Senate Majority Leader BYRD pointed to what I think lies at the heart of antiratification, anti-implementation sentiment. Senator BYRD spoke of those who feel that—

> We are sliding down the mountain of greatness, that the Vietnam war—and now the possibility of what some of the opponents refer to as "giving up" the Panama Canal—are signs that our National fiber is being peeled away, that America is soft.

In responding to this sentiment, it is critical to emphasize America's changing role in a rapidly shifting world where the right of self determination and nonintervention is demanded loudly by many nations.

Smooth implementation of the treaties is essential to our good faith relationship with Panama, all of Latin America, and other Third World nations throughout the world. It is a test of U.S. commitment to equity and maturity in future global relationships.

Panama's right to exercise greater control over a canal which intersects and divides it both geographically and psychologically is self-evident. Attempts to violate the spirit and intent of the 1978 treaties through diluting amendments would undercut our integrity as a nation.

In addition to enhancing our position as a world leader and eliminating what many Latin American and Third World leaders regard as colonial holdover, successful implementation of the treaties would prevent deeper entrenchment of anti-American sentiment and the very real threat of violence. Failure to comply with the terms of the treaty would increase the likelihood of sabotage and guerrilla attacks, given the intensity of Panamanian nationalism. General instability in the canal area could be a major deterrent to world commerce. Our best guarantee of efficient canal management and an open, accessible, secure waterway is to insure Panamanian self-interest. As my colleagues are aware, the House passed H.R. 111 on June 21 by a vote of 224 to 202. The bill as adopted by the House differs substantially from the substitute we have before us today. In the eyes of the Carter administration and a majority of members of the Senate Armed Services Committee, many provisions of the House bill constitute a violation of the treaties, an attempt on the part of Congress to rewrite the treaties and give the United States a better deal. I concur with this judgment.

I believe the following provisions would violate the 1978 treaties:

Establishing the new Panama Canal Commission as a U.S. Government agency, subject to regular Congressional appropriation and authorization.

Placing the Panama Canal Commission under the direction of the Defense Department.

Requiring congressional approval of all property transfers to Panama.

Giving the United States military control of the canal during wartime.

Conditioning U.S. payments to Panama on whether our President and our Congress determine that Panama is interfering in the affairs of another nation.

America's right to retain operating control and protect the canal until the year 2000 is adequately assured under the treaty ratified by the Senate. Further, under the treaty concerning the permanent neutrality and operation of the Panama Canal, the United States and Panama are granted permanent rights to maintain the neutrality of the canal. As amended, the treaty clarifies these rights to provide that—

> Each of the two countries . . . shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the canal.

It also provides that "in the case of need or emergency" the war vessels of the United States and Panama would be permitted "to go to the head of the line of vessels in order to transit the canal rapidly."

Any attempts to extend America's role beyond the terms agreed to in rati-

fication is a breach of good faith. I will not be a part of that effort.

I urge my colleagues to support passage of the Armed Services Committee substitute for H.R. 111. I commend Chairman STENNIS, Senator LEVIN, and their colleagues on the committee in their efforts to report a bill that both protects U.S. interests and meets our obligations to the nation of Panama and to the developing world.

Mr. President, let me conclude simply by reflecting on the U.S. role in the third world.

I am the first Member of the Senate who has actually lived for an extended period of time in the third world, having served in the Peace Corps in Ethiopia. I am also one of the first Members, as is Senator LEVIN, who have come to this body of the so-called Vietnam generation. There are many members of our generation who are not alive today because Members of the Senate felt that the Vietnam war was an appropriate vehicle of policy in the third world. They did not look at Vietnam as a country with its own nationalism, with its own views, with its own pride, but rather looked at Vietnam as a kind of pawn between the United States and the Soviet Union.

We played out that policy, and people sitting in this Chamber during that period of time voted in such a way that 55,000 American lives were lost.

Most of those were young, and that indeed is history, but those of us who are older make policy. We make wars. It is the younger people of our society who get killed in them.

It is one thing to have a war when we are protecting interests of the United States. It is another thing to have a war when we are pursuing outmoded, outdated, and erroneous policies. I would have hoped that after Vietnam we would have learned something. I do not think we have.

We are still pursuing the old policies that the world is divided into two camps, ourselves and the Soviets, and nothing else matters.

Had the Senate turned down the Panama Canal treaty last year, who would have applauded? I will tell you who would have applauded. Fidel Castro. Fidel Castro would have loved to see the United States Senate reject the treaties, because that would have given him entree into Latin America. It is ironic that those who are so quick to criticize Castro would have been those who would have given him the greatest chance he could possibly have had of undermining U.S. relations in the third world.

It is not only Congress that finds itself subject to that 19th century Teddy Roosevelt view of the world; it is also the administration. Two examples in recent months come to mind. One is in Angola, where the president of Angola is seeking to withdraw from the Soviet embrace and is seeking recognition by the United States, and we do not give it. We do not give it because this administration, despite the advice it is getting, is afraid of conservative reaction. Are we to follow their leadership?

The second example is also in Africa. It is Ethiopia, where I spent 2 years of my life. In that case, we had a leader, Haile Selassie, whom we supported despite the fact that in part of that country, through corruption and circumstance, millions of people were dying from the droughts. We hung on to Haile Selassie for the simple reason that he was a friend of ours. Well, today Ethiopia is a Soviet client. We pursued that policy, and we are paying the price.

Indeed, there are those in this body who would have wanted us to support the Shah of Iran, as if somehow we could have waved a magic wand and saved him, or as if we could have waved a magic wand and saved Somoza.

I do not know how long it will take before another generation comes to this body which views the world as it now exists, and not with the views of the fifties. But I would hope that as time goes on, we would look at the Third World as a place where people have pride and as a place where people have their own views, and see that it is in the long-term interest of this country that we will have to recognize reality and deal with the world as we find it. Because our strength is not in stubbornness. Our strength is not in our Teddy Roosevelt approach to international politics. Our strength is in our Declaration of Independence, our Constitution, our morality, and our commitment to human rights. That, in the long term, is what the United States is all about, and it is certainly about time to recognize that.

I commend the Senator from Michigan for his leadership, and I thank the Senator from Nevada for allowing me to speak at this time.

The PRESIDING OFFICER. Who yields time?

Mr. LAXALT. Mr. President, I now yield the Senator from North Carolina whatever time he may require.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair, and I thank my friend from Nevada. I commend him not only on the fight that he waged last year, but on his leadership on the pending legislation.

Mr. President, as I have sat here this morning listening to the comments that have been made, I thought of my friend Jim Allen, the late distinguished Senator from Alabama, who stood for many hours over there last year in opposition to this treaty. Senator Allen is no longer with us, but I have the belief that he is watching these proceedings this morning, and it may be that he is chuckling a little bit at some of the statements that have been made.

We have a different Senate today, in contrast to the one which approved these treaties last year, and I have an idea that if the ratification of the treaties were now before the Senate as now constituted, in all probability they would not gain the necessary two-thirds vote. But that is speculation, and I cannot be proved right or wrong.

In any event, Mr. President, I for one miss the late departed Senator from Alabama. I wish he were here to participate in the debate on this legislation, as well as on many other issues coming before the Senate this year.

As for this legislation that is before us, Mr. President, the best that can be said for it is that it is deeply flawed. It fails to carry out some of the fundamental purposes of this body, which, in a departure from wisdom, last year approved the resolution of ratification to the Panama Canal treaties. This legislation does not acknowledge the fundamental principle of article IV, section 3 of the U.S. Constitution, which requires joint action by both Houses of Congress to transfer U.S. territory and property to another nation.

So the distinguished junior Senator from Michigan is in fact presenting us with legislation which breaks the most solemn commitments to the employees of the canal organizations, both U.S. citizens and Panamanian citizens. Moreover, it breaks the most earnest assurances of the Carter administration given time and time again last year, and of the proponents of the treaties that the U.S. taxpayers would "not have to pay a single dime" as the saying went for giving away our most sacred rights of sovereignty and the product of American engineering and organizational genius. Lastly, this bill seals our relationship with a nation, Panama, which has amply demonstrated that it has no intention of reciprocating the duties and obligation of the treaties—a nation ruled by an unelected dictatorship characterized not only by Marxist-Leninist adventurism but by crude and ruthless gangsterism.

Mr. President, that is not overstating the case. Those are the facts, and the Carter administration knows it. Therefore, any Senator who votes for this legislation today is putting himself in a most compromising position. Each Senator, of course, will have to analyze for himself the liabilities of support for this legislation. But I will tell Senators this: The American people have not forgotten the Panama Canal, nor is it going to fade from memory as some political circles evidently have hoped. Panama itself is going to see to that. And despite a massive coverup by the Carter administration, Panama's long and intimate relationship with Castro's Cuba, and its significant role as an eager and willing partner in the export of Communist revolution in Africa, not to mention Latin America, has now been proved beyond any reasonable doubt. So it is that scenario that Senators who vote to approve this bill must confront.

We knew before that the Torrijos family was deeply involved in gangster-style smuggling, international drug transfers, skimming gambling operations in Panama, and operation of prostitution rings. We knew that all the facilities of the Government of Panama were available to promote and further these sordid enterprises.

But now we know also that the Panamanian Government has been engaged in gunrunning—not just gunrunning for a profit, but gunrunning to fulfill the most ambitious plans of the Marxist-Leninist enclave in the Caribbean. Five men stand indicted in Miami for illegally smuggling military weapons to Panama—to a so-called

hunting and fishing club run by the notorious head of Panama's secret police, Col. Manuel Noriega. Testimony before the House Panama Canal Subcommittee has established that the total of these shipments reached $5 million over the past 2 years—and, incidently, that they all carried export licenses approved by the U.S. Department of State.

Four others stand indicted in Texas today for an attempt to smuggle $100,000 worth of machine guns to Panama—again, an indictment that is just the tip of the iceberg.

I say again it is this scenario that Senators must confront when they vote, if they do, to approve the pending bill.

These men who have been indicted will eventually come to trial; but the point is not the individual guilt or innocence of the accused. The point is that no one seriously questions the material facts of Panama's deep involvement, on an official governmental basis, in the smuggling racket. Some of the indicted principals have fled to Panama, and Panama has not offered to return them for trial.

And, of course, it is not just the smuggling that is at issue; it is the purpose of the smuggling. Some of the very arms which the U.S. State Department approved for export to Noriega's hunting and fishing club were captured from the Sandinista guerrillas in Nicaragua. The identical serial numbers have been matched.

There is no question about it. That is a part of the scenario Senators must confront in voting, if they do, to approve this legislation.

Nor were the guns smuggled from the United States the only ones that turned up in Nicaragua. Hundreds of other weapons, of a peculiar make made by a factory in Belgium for export only to Cuba, have also been found in Nicaragua. These guns had special identifying marks that conclusively established that they came to Nicaragua from Cuba.

The U.S. Government knew full well—right in the middle of the treaty negotiations, and the treaty debates in the Senate last year—that Panama was intimately involved in cooperation with Cuba's export of Marxism-Leninism. Our Government knew last year when these treaties were debated in this Chamber that these weapons were being transported from Cuba in Panamanian planes, and sent to Costa Rica by Panamanian planes. Our Government knew last year when these treaties were being debated in this Chamber that Panama was transporting the guerrilla leaders to Cuba for conferences with Castro and for training. Our Government knew last year when the Carter administration was saying it would not cost a thin dime to give away the Panama Canal that reinforcements—that reinforcements for the guerrillas were being carried on Panamanian planes to Costa Rican Sandinista bases. Our Government knew last year that Panama had organized, trained, and sent a volunteer brigade to fight in Nicaragua alongside the Marxists.

And there is more, Mr. President. We know now that Panama sent not only the highly publicized volunteer brigade, but also Panamanian regulars to fight in the Nicaraguan insurrection. And yet we hear today this was merely a matter of the people of Nicaragua speaking when a president friendly to the United States was overthrown by Marxist revolutionaries. This is nonsense. The truth is, our Government knew these things all along, even while the Carter administration was trying to convince the American people that it was a good thing to give the canal away. A courageous American, Lt. Gen. Gordon Sumner, has testified that as early as 1977, he had reported on his conversations with Torrijos to the U.S. Government.

General Sumner had warned our Government but he was ignored.

In those conversations, Torrijos bluntly said it was his intention to overthrow the Governments of Nicaragua, Guatemala, and El Salvador.

But General Sumner was pushed aside and his warnings were ignored.

The propaganda battle continued and this Senate, unwisely, approved the resolution of ratification.

Col. James Thomas is another courageous American who has testified that the U.S. Government had substantial information about the close and intimate liaison of Torrijos and Castro. But that information was kept secret by the administration.

Finally, we have the now well-known CIA memorandum, placed in the CONGRESSIONAL RECORD on July 9 by Congressman GEORGE HANSEN, that detailed the close collaboration of Castro, Panama, and the Sandinista revolution.

Mr. President, this is the kind of thing about which Jim Allen stood on the floor hour after hour pleading with the Senate to listen to and consider. But Jim Allen was ignored. The administration had its way. So we come to this day. What does all of the information to which I have just alluded mean, Mr. President?

It means obviously, that Panama will continue to pursue its revolutionary program against the interests of the United States and the neutrality of the canal.

Panama, in such activity, is violating the Rio Treaty and the OAS Charter. In such activity, Panama is violating the 1903 treaty which is still in effect. Panama, in such activity, is violating the 1977 Neutrality Treaty which she has ratified and under which she solemnly undertook the obligation to maintain the regime of neutrality in the canal.

For it is evident that once a position has been taken on the one side of a belligerency, Panama will eventually allow the canal to become involved. In fact, Panama already has done so.

On May 23, and on June 8, two private merchant vessels of the Mamenic Line suffered mutinies while anchored in Canal Zone waters in Balboa Anchorage. The vessels were then taken at gunpoint to Panamanian waters by the crew. On June 28, because the vessels were of Nicaraguan registry, the Panamanian press reported that Panama was expropriating the vessels for—guess what?—the Sandinista revolution.

Now there are two issues involved. One is that several serious crimes occurred in waters of U.S. jurisdiction—mutiny, piracy, assault with a dangerous weapon, and grand larceny. The perpetrators of those crimes should be returned to U.S. jurisdiction. Second, the vessels are private merchant vessels, and not the property of the Nicaraguan Government. Panama is using political criteria in expropriating the vessels for the Marxist revolution in Nicaragua. If Panama is applying political criteria to vessels transiting the canal, then Panama is already violating the Neutrality Treaty. We can well expect more incidents of that sort, as Panama moves more openly into the Marxist-Leninist revolution in the Caribbean.

Moreover, Mr. President, both ABC and CBS television networks have reported that between 4,000 and 8,000 combat-ready Soviet troops have moved into Cuba. This amounts to the command and control unit for a corps. No doubt we shall soon be seeing further Cuban adventures around the Caribbean perhaps with Soviet troops in the leadership cadres. The chances that Panama will slip more and more into the Soviet-Cuban orbit are increasing every day.

That is why I hope that Senators will think very carefully today before they vote to give away the canal.

There is an old saying in North Carolina; fool me once; shame on you. Fool me twice, shame on me. The Senate was fooled last year—some Members of it. That is one time. Is the Senate going to be fooled twice? If so, shame on the Senate.

I say again that this issue, this giveaway of the Panama Canal, this paying a Marxist-Leninist government in Panama to take it from us through blackmail, is going to remain a live issue in the minds of the American people the more that Panama stirs up anti-American revolution among her neighbors. The American people are not dumb. The American people have long memories, particularly when integrity is involved. But the American people will not need long memories if the headlines continually remind them of the mistake we made in turning the canal over to Torrijos.

We should not be rushed into making these important decisions today. The treaties are not—I repeat for emphasis, not—the law of the land. Unless a treaty is self-executing, it does not become the law of the land until the implementing legislation is passed. That is what we have before us. That means that the 1903 treaty will continue in effect until the implementing language is passed.

In the case *Whitney* v. *Robertson*, 124 U.S. 190 (1880), the court said:

> When the stipulations of a treaty are not self-executing, they can only be enforced pursuant to legislation to carry them into effect, and such legislation is as much subject to modification and repeal by Congress as legislation upon any other subject. If the treaty contains stipulations which are self-executing, that is, they require no legislation to make them operative, to that extent they have the force and effect of a legislative enactment. Congress may modify such provisions, so far as they bind the United States, or superseded them altogether.

Mr. President, there are also a number of other court cases which support

this contention, and I ask unanimous consent that three legal memorandums on this topic, including one by the Library of Congress, be printed in the RECORD at the conclusion of my remarks.

So the U.S. Senate need not be in any haste to approve this implementing legislation today. We owe it to the American people to reject this legislation, to reconsider the mistakes that have already been made, and to ponder the misrepresentations by the administration last year, when the American people were told, over and over again, that the giveaway of the Panama Canal will not cost the American taxpayers one thin dime.

How many times did we hear the President himself say that? And spokesmen for the administration fanned out across this land at taxpayers' expense to assure the American people that not one thin dime of the taxpayers' money would be spent.

The 1903 treaty, Mr. President, will continue in effect until the implementing language is passed by this Congres. The American people deserve better implementing language than this.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE COURTS SUPPORT CONGRESSIONAL FREEDOM TO ACT ON PANAMA CANAL TREATY

(Taylor v. Morton (2 Curt 454 1855) aff'd (67 U.S. 481–1862))

This case deals exclusively with the authority of the legislative branch in dealing with treaties. The entire decision deserves attention. The following exerpts give the salient points of the decision as they bear on the right of Congress to modify or repeal or fail to implement the Panama Canal Treaty of 1977. The case cited with approval *Foster v. Neilson*—27 U.S. 314, which stands for the proposition that where a treaty of the United States is not self-executing in its entirety, it lacks force and effect without the affirmative act of Congress.

Taylor goes beyond the Foster decision in setting forth clearly the autonomous power of the Congress to modify, repeal or to refuse to act with regard to treaties ratified in the normal course of events.

"It must be admitted also, that in general, power to legislate on a particular subject, includes power to modify and repeal existing laws on that subject, and either substitute new laws in their place, or leave the subject without regulation, in those particulars to which the repealed law applied. There is nothing in the mere fact that a treaty is a law, which would prevent Congress from repealing it."

"I think it is impossible to maintain that, under our Constitution, the President and the Senate exclusively, possess the power to modify or repeal a law found in a treaty. If this were so, inasmuch as they can change or abrogate one treaty, only by making another inconsistent with the first, the government of the United States could not act at all, to that effect, without the consent of some foreign government; for no new treaty, affecting, in any manner, one already in existence, can be made without the concurrence of two parties, one of whom must be a foreign sovereign. That the Constitution was designed to place our country in this helpless condition, is a supposition wholly inadmissible."

"To refuse *to execute* a treaty, for reasons which approve themselves to the conscientious judgment of the nation, is a matter of the utmost gravity and delicacy: but the power to do so, is prerogative, of which no nation can be deprived, without deeply affecting its independence. . . . That it (the power) must reside somewhere, *and be applicable to all cases*, I am convinced I feel no doubt that it belongs to Congress." (emphasis added).

"In conformity with these views was the action of Congress in passing the act of July 7, 1798 (1 Stat 578), declaring the treaties with France no longer obligatory on the United States."

"Is it a judicial question whether a treaty with a foreign sovereign has been violated by him; whether the consideration of a particular stipulation in a treaty, has been voluntarily withdrawn by one party, so that it is no longer obligatory on the other; whether the views and acts of a foreign sovereign, manifested through his representative have given just occasion to the political department of our government to withhold the execution of a promise contained in a treaty, or to act in direct contravention of such promise? I apprehend not. These powers have not been confided by the people to the judiciary, which has no suitable means to exercise them; but to the executive and legislative departments of our government."

No comment is needed beyond the clear and unequivocal statements in this decision. The American Law Division of the Library of Congress concurs in the clear meaning of the decision in a memo addressed to Congressman George Hansen, and dated July 17, 1979.

There is no question that the Congress is free of *any* restraints in dealing with this treaty other than the good of the country. It is legally free to work its will on both the desirability, merits and form of the treaty. Nothing contained in the Panama Canal Treaty is beyond the legal and proper acts of the Congress. The Panama Canal Treaty of 1977 is open to total review by the Senate and hereafter by the House upon consideration of the Conference report.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., July 17, 1979.

To: The Honorable George V. Hansen, Attention: Mr. McKenna.
From: American Law Division.
Subject: Analysis of two cases involving the Treaty power.

This memorandum is submitted in response to your request of July 13, 1979, and our conversations with Mr. McKenna on that date as well as on July 16, 1979.

The federal circuit court sitting in Massachusetts) decided the case of *Taylor v. Morton* (23 F. Cas. 784: Case No. 13,799) in 1855. That decision was later affirmed by the U.S. Supreme Court (67 U.S. 481). Per your request, we have analyzed the circuit court decision only.

The case involved an action in assumpsit for monies received, and was brought against the Customs Collector at the Port of Boston. The plaintiffs were importers of Russian hemp. They claimed that the duties owed on hemp imports should have been measured by an 1832 (U.S.-Russian) most favored nation treaty, rather than by the Tariff Act of 1842 which imposed a higher level of duties on all hemp products.

The court first noted that its judicial function did not include the duty to determine whether the legislation violated the treaty commitment, but only whether the treaty or the law governed this case.

The court then stated that the legislative power has the constitutional capacity to modify or repeal treaty made law. It pointed out that although the legislative power to regulate commerce and impose duties ". . . might be and was expected to be exercised in conformity with existing treaties" (page 786) no constitutional requirement mandated that the legislative power be obedient or subservient to the treaty power. Although recognizing that refusal to execute a treaty was a grave act, the court indicated that non-execution was an option available to the legislature.

Finally, the Taylor court commented that the question of whether a foreign sovereign has violated a treaty, or whether the acts of a foreign government are such as to justify withholding the benefits or obligations of a treaty provision, are questions that belong to the political branches of the government, and not to the judiciary.

Taylor v. Morton briefly discussed the concept of self-executing treaties which was considered in much greater length in the second case we were asked to analyze, *Whitney v. Robertson*, 124 U.S. 190 (1888).

The plaintiffs in Whitney were sugar importers, suing to recover customs duties paid under protest. Their claim was based on a most-favored nation clause in a treaty between the United States and the Dominican Republic, the exporting country. Although the treaty with the Dominican Republic predated the statute authorizing the impost, a subsequent treaty between the United States and the Hawaiian Islands, and appropriate implementing legislation, permitted Hawaiian sugar to enter the United States duty free. It was the plaintiffs' contention that the most-favored-nation clause in the Dominican treaty entitled Dominican sugar to equal treatment. The court found that the Hawaiian provision was a specically bargained-for concession, running only to the Hawaiian Islands, and that the clause in question in the Dominican treaty was not intended to prevent such special concessions. Whitney, at 192–93. As an alternative rationale for rejecting the plaintiffs' claim, the Court noted that the customs statute "[wa]s of general application," and that it was enacted subsequent to ratification of the Dominican treaty. *Id.* at 193–94. When the terms of a treaty are not "self-executing," implementing legislation is required. *Id.* at 194. Such legislation is always subject to congressional revision at a later date. The court noted that treaty terms which are "self-executing" require no implementing legislation, drawing their force as law directly from the supremacy clause of the Constitution. *Id.* Such treaty terms are not "superior," however, to ordinary legislative acts, and "[w]hen the two relate to the same subject . . . but . . . are inconsistent, the one last in date will control the other." *Id.* Courts are obliged "to . . . give effect to the latest expression of the sovereign will." *Id.* at 195.

If we may be of further assistance in this matter, please contact us.

KENNETH MERIN,
Legislative Attorney.

NOTE TO TESTIMONY ON POWERS OF CONGRESS TO MODIFY OR ANNUL TREATY PROVISIONS

The foundation issue involved in the passage by the House and the Senate of implementing legislation for the Panama Canal Treaty is whether the legislation can legally go outside the terms of the treaty or is bound to operate solely to put the treaty into actuality by merely setting into place what the treaty agrees to.

Even H.R. 111 carries elements which are not within the terms of the treaty and which in some items are in contravention of the treaty. You will remember that the question was raised whether the Congress had the power to pass implementing legislation which contained the so-called Pashayan amendment to H.R. 111. This amendment required that any payment required by Article XIII, section 4(c) be withheld from the government of Panama upon certification of a condition not contained within the terms of the treaty itself.

H.R. 111 itself contradicts the Treaty in withholding the transfer of certain property to Panama until December 31, 1999 while the treaty transfers all property on the entry into force of the treaty.

Reference has already been made to the case of Foster v. Nielsen, 27 U.S. 253 (1829). There the Supreme Court lays down a rule

which has not been subsequently abandoned or overruled:

"Our constitution declares a treaty to be the law of the land. It is consequently, to be regarded in courts of justice as equivalent to an act of the legislature, whenever it operates of itself without the aid of any legislative provision. But when the terms of the stipulation import a contract—when either of the parties engages to perform a particular act, the treaty addresses itself to the political, not the judicial department; and the legislature must execute the contract, before it can become a rule for the court."

To the same effect are the Head Money Cases, 112 U.S. 580 (1884) and *Taylor v. Morton*, Fed. Cas. No. 13,799 (1855), affirmed 67 U.S. 481 (1862). Throughout all these cases runs the single theme that a treaty is the law of the land in exactly the same manner as a Congressionally enacted statute. The clear implications of that comparison bear directly on the power of Congress to modify, repeal or refuse to execute a treaty.

Whitney v. Robertson, 124 U.S. 190 (1888) states the rule of law even more flatly: "When the stipulations (of a treaty) are not self-executing, they can only be enforced pursuant to legislation to carry them into effect, and such legislation is as much subject to modification and repeal by Congress as legislation upon any other subject. If the treaty contains stipulations which are self-executing, that is, require no legislation to make them operative, to that extent they have the force and effect of a legislative enactment. *Congress may modify such provisions, so far as they bind the United States, or supersede them altogether.* (Emphasis added).

I would point out to the Senate that the Department of State was early on questioned in detail on this very subject. Much effort was expended by the Counsellor to the Department in examining and explaining legal opinions on self-executing treaties. The Senate was never informed that there was a line of cases like the Taylor v. Morton, Head Money and Whitney v. Robertson cases which clearly recognize in Congress power to amend, repeal and act in effective scope on any treaty, self-implementing or not.

Finally, it is clear that the Congress is relatively unlimited in the scope of its review of any treaty and that modifications to the Panama Canal Treaty of 1977 are within the powers of Congress. H.R. 111, the Pashayan amendment to it and the Hansen (Honesty) amendment which lost by a narrow margin in the House are all within the power of Congress. Further, Congress can, if these cases are to be followed, even repeal the treaty entirely.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Nevada for yielding to me. Again, I commend him on his splendid leadership in this issue. I yield back such time as I may have remaining.

The PRESIDING OFFICER (Mr. SARBANES). The Senator from Nevada is recognized.

Mr. LAXALT. I thank the Senator from North Carolina.

Mr. President, as he indicated, we spent weeks and weeks on this floor a year or so ago fighting the Panama Canal Treaty and attempting to induce our colleagues to reject the provisions of that treaty. We were unsuccessful by a vote or two.

I might say that during the course of that period of time there were two men, the Senator from North Carolina and the Senator from Alabama, God bless him, Jim Allen, who were on this floor for literally hundreds of hours helping to assist in the development of the issues, the very complex issues, that flowed from the treaty.

I might say that, speaking for myself and for many others on this floor, we miss Jim Allen. Standing here on the floor, debating once again the Panama Canal Treaty, brings fresh to mind or memory the great contribution that this man made on the floor of this Senate for so many years.

Like so many matters in life, we really do not miss people until they are gone, we do not fully miss them.

But this man, and I can remember him as the Senator from North Carolina indicated, hour after hour after hour, week after week, month after month, literally gave his life to the floor.

There is not much glamour left on the floor of the U.S. Senate these days because it is transformed. We are so occupied now with our committee responsibilities and constituent responsibilities that the old days, when much of the life and work of the Senate was spent here on the floor, is no longer.

Couple that with the introduction of our electronic instrumentation and the debates on the floor can be piped all over the Capitol, into the various offices of the Senate, and everywhere else, and the attendance and the work on the floor has been diminished to the point, ordinarily, that only those who are directly involved in a piece of legislation as a matter of responsibility are here.

That is why, Mr. President, as far as I am concerned, and I am sure that this sentiment is shared by all my colleagues who were here at the time, we miss so much having Jim Allen being here on the floor, being one of the most efficient, one of the most conscientious, watchdogs that this body ever had.

I know the Presiding Officer shares in that view because he was across the aisle in those many months through which we extensively debated the many provisions of the Panama Canal treaties. To say the least, much of that time was spent in stimulating debate, with, most of the time, the Senator from Alabama, and always in a courtly, gracious manner.

Mr. President, I am strongly opposed to the implementing legislation on the Panama Canal treaties which is currently before us.

It may be said that whether or not we proceed with the treaties now is irrelevant, that is behind us, and I suppose in a psychological sense that is true.

When I look at the interest, the dramatic interest we had in terms of our colleagues on the floor, the public, the press, and all the rest of it, over a year ago, as compared to the lack of interest demonstrated on the issue this time, the message is clear.

As far as this body is concerned, it is "Panama-ed" out and when the final vote, on that dramatic evening, came on the second treaty, I think the Senate, for all intents and purposes, tuned out.

But as the Senator from North Carolina indicated, our job is not done because there are many provisions within the treaty itself which are not self-executing. That is the purpose for which this legislation is back here on the floor, in order to flesh it out in respect to those provisions that do not deal directly with execution within the four corners.

As we know, I was among the leaders of the opposition to the Panama Canal treaties of 1977 and, very frankly, I feel that it is my responsibility to do what I can to prevent these treaties from taking effect in their present form.

As I am sure that many of those in this body realize, this is precisely what is expected of us by the vast majority of our constituents, and anybody who thinks the Panama Canal issue is dead, out in the country, are absolutely mistaken.

We indicated here time after time that what the Senate was contemplating by way of ratifying those treaties was contrary to the will and intent of the vast majority of all Americans.

That was hotly disputed, and continuously, by the supporters of the treaty. But I think probably the proof of the eating in this situation resulted in the elections last time. I might say the casualty rate on the part of those who were promptly identified in support of the treaties, with rare exception, was exceedingly high.

The people in this country vented their strong displeasure with Senators on this floor who supported this treaty. As a result, several of our colleagues who were strongly in support of that treaty are no longer here.

As the Senator from North Carolina indicated, the interest of the people in the Panama Canal and the treaty and its implementation will be an interest of long standing.

I have a strong suspicion, for the reasons he asserted, that the concerns we had on this floor were that if we transferred the Canal facilities to the country of Panama it was only a matter of time before it fell within the Soviet orbit.

Since that time, there has been indication after indication after indication that that is probably what is happening.

Panama has been actively engaged, by objective evidence, in concert with Castro, in an effort to support the Sandanista movement in Nicargua.

I do not think anyone can seriously question that in substantial degree there is a vital connection between Soviet interests in that part of the world and, certainly, the Cuban interests and the Panamanian connection.

As the Senator from North Carolina indicated, within the last few weeks we have had indicted five people in the State of Florida for gun smuggling to a phony gun reservation of some kind run by Colonel Noriega, who was prominently mentioned in these debates, in Panama, for the avowed purpose of that smuggling, and shipment was to eventually get those arms in the hands of the Sandanistas in Nicaragua.

So the concerns we have had and expressed then continue to be expressed and are a matter of concern today, because I am absolutely convinced—I was then and I am even more now—that in approving these treaties we jeopardized very seriously our national defense.

It was indicated here time and time again that we had agreed that as to the Panamanians, historically, this was an opportunity to redress those grievances, that all would be well in Central and South America, that if we approved them that suddenly they would love us. It just has not happened. We knew it would not. Because if there is one thing in this world we should learn as a country, we just do not buy love and affection, and we certainly do not command love and affection, when we respond to the kind of extortion that was practiced upon this U.S. Senate in eventually approving those treaties.

I rather think that between now and 2000 there will be time after time after time that this Senate and this country will regret deeply the fact that we ever approved those treaties, because what we see now, as I see it, is only the tip of the iceberg.

I hope that this does not occur. But I rather suspect that it is only a matter of time that we will have de facto domination of that important defense facility by the Soviet Union through the Castro connection. Just a matter of time.

As we learned here through the course of hearings and certainly fully explored here on the floor, the canal is of vital, strategic importance to the United States and the free world.

Efforts were made during the course of the debate to degrade the importance of the canal: It was outdated; in this period of technology, it was not as important as it was before. But we had people like Tom Moorer who testified before the committees and all over this country on television, who indicated that the Panama Canal facility was of prime strategic importance and would continue to be so for many years.

Last year's treaties were approved in the teeth of popular opposition running in most cases 2 to 1 against relinquishing rights over the Panama Canal. Now we are here today discussing legislation designed to give practical effect to these unpopular treaties.

Proponents of H.R. 111 maintain that owing to the ratification of last year's treaties we now are somehow obligated to approve this year's implementing legislation.

The Senate approved. So the House and the Senate should lie down peacefully, accept the fact that rape is inevitable, and try to enjoy it. Well, this is one Senator who does not buy that. A number of House Members did not buy that, because the fact is that the final implementing vote in the House was a scarce two votes.

It may well be that if we in the Senate register strong opposition to the final implementation provisions, this will give some additional courage and a message to the House Members, so that when the conference report is presented, we finally will be able to kill these treaties then.

It is said that this would be a bad result. It is said that it would not make any difference, because the President, through his executive authority, could go ahead and implement the treaties himself. Fine. If that be the case, I will accept that. At least, that will not be our responsibility. That will be an executive responsibility, discharegd by the occupant of the White House.

I would think that in terms of what has developed since we approved these treaties, the known activity of Panama in concert with Castro, the known activity of Panama in connection with interfering in the internal affairs of Nicaragua, that would be a proper result.

I fail to see how doing something the American people did not want us to do last year compels us this year to repeat this mistake. Personally, I just cannot believe that somehow two wrongs make a right.

Last year, this Chamber resounded with calls to statesmanship and courage as treaty proponents reassured one another that what they were doing was somehow "right" even though their constituents strongly disapproved of it.

Treaty proponents echoing Edmund Burke argued that a Senator owed to his constituents his judgment. They maintained that a Senator was more than just a seismograph for registering the depth and intensity of his constituents' feelings.

Well, there might be some logic to that. I do not think we should be influenced and have our decisions here dictated by what the most recent poll results are. Too many of us do that already. If we were to do that, we could install 100 computers in these various chairs and feed the information into the computers and have a nice, clean computer result.

I note, too, that by virtue of the knowledge and information that comes to us every day, very often we do have information that is superior to that of our constituents; and in those cases, I suppose, we should take the point properly and lead our constituents.

However, I think the Panama Canal issue was different from most other issues; because in the years I have been in public life, I have yet to see an issue in which more concern or interest was reflected in the constituency than in the Panama Canal issue. I have yet to see an issue in which private citizens by the thousands and thousands wrote us letters analyzing the contents of the treaty and came forward with a better analysis and better conclusions than most so-called experts and pros that we have here in Washington.

So that we had out there a very interested and a very educated constituency. For that reason, I felt that this was one of those cases in which we, as Senators, should be particularly mindful of the wishes of our constituency, recognizing that it was a peculiar situation in which they were as well versed in the facts as we were.

So far as saying that we are more than just seismographs or computers here, so far as that statement is concerned, I suppose it is true. But the mere fact of being opposite one's constituents on an important issue cannot so lightly be assumed to be tantamount to good judgment, courage, or statesmanship. Quite the contrary. For those of us with strong faith in the character and good sense of the American people, it is a most perilous position and not one to be assumed without the deepest reflection and most serious conviction.

It is well for my colleagues to remember that the very same Edmund Burke whose quote on the judgment of the representative outweighing that of his constituents was so bandied about during the debate on the Panama Canal treaties also said in a letter to the Bell Club of Bristol on October 31, 1777

> We Members of the House of Commons are like other men who all want to be moved by praise or shame; by reward and punishment.

That is true. That is human nature. That certainly is political human nature. We do not like criticism. We like to be praised. We like to feel that our constituents and the people of the country like what we do.

> We must be encouraged by our constituents and we must be kept in awe of them or we shall never do our duty as we ought.

That is true. Essentially, he is saying that, by and large, we are here representing our constituents, and when that constituency is informed and believes strongly, we should be responsive, without being automatic to the will of our constituency.

The Panama Canal is a monument to American ingenuity and expertise. It is also vital to our national security and economic well-being. Even the treaty proponents of last year would not disagree with this assertion. They acknowledge the continuing strategic and commercial importance of this facility. And at least in theory, they claim that the treaties and this legislation are designed to safeguard our continuing use of it.

On the defense side of the issue, there can be no question of the canal's importance. I alluded to this before. The testimony of Thomas Moorer, former chairman of the Joint Chiefs of Staff, and Admiral Holloway, then Chief of Naval Operations, before the Senate Armed Services Committee, rendered a clear military judgment. As Admiral Moorer put it:

> In fact, there is no feasible war plan for the United States taking into account our reduced forces and extended commitments that does not assume that the Panama Canal will be available on a full-time priority use basis.

How strong can it be? Here is a man independent of the politics of Washington, independent of the policies of the White House, former chairman of the Joint Chiefs, doing his own thing as honestly as he could.

In much the same fashion, he is now seeking in terms of the SALT agreement. He has impressed me as much as any military person I have ever found around this town. He made as strong a statement as could be made in connection with the importance of the facility and its relationship to our national security. The implications of his statement are obvious.

The canal greatly enhances our naval flexibility. Indeed, it could be argued that whatever naval flexibility we still possess is a direct function of access to the Panama Canal.

It also allows us to forego the necessity

of using two entirely separate Atlantic and Pacific fleets. In wartime the speed with which men and material could be transferred is crucial and should the canal fall into hostile hands or be closed because of inept management, it is the people of this country who would pay the most immediate price.

The commercial importance of the canal is also quite significant. The increasing use of the canal to transport Alaskan crude to the gulf and east coasts of this country is just one example.

At the present time—and I am at times somewhat surprised by the law of knowledge of the American people generally as to what our oil import situation is, or how we transport our oil, but at the present time, in terms of our Alaskan crude, we are sending through the Panama Canal for east coast and gulf coast consumption 300,000 to 400,000 barrels per day. There is substantial activity in connection with the export of that oil from Alaska.

Given the ongoing importance of the canal, I believe it is relevant to ask why the United States would want to relinquish sovereign control. However, this question has unfortunately been put beyond our purview by the ratification of both Panama Canal Treaties last year.

But an important question from last year reoccurs: Why should the taxpayers of this country be charged to pay Panama to take the canal from us? There is no need at this point to list the numerous and vehement denials by key administration spokesmen in last year's hearings that there would be any appropriated funds involved in the Panama Canal Treaty implementation.

We heard time after time after time that the Panama Canal Treaty was not going to cost 1 nickel to the taxpayers of this country. Even the President, as the Senator from North Carolina indicated, stated that time after time, and the hordes of administration spokesmen that we had traveling the country in support of the treaties said the same thing: "It is not going to cost us a nickel."

It may be painful, but all this propaganda about giving the canal to Panama without cost to the taxpayers just was not going to happen. The provisions of this measure make it clear that is indeed a pay-away. They clearly indicate that the bottom line result of those treaties is that it is a pay-away, that we are not only giving the Panama Canal facilities to Panama, but we are paying them for the privilege of taking it away from us. They make it clear that there are taxpayer dollars being used, and the only question is as to the amount of those dollars.

Senator LEVIN indicates, if my figures are correct, that the figure is in the $750 million to $1 billion range. Yet we were assured last year, when we were debating this, that there would not be 1 nickel of taxpayer funds involved in this transaction.

Mr. President, on balance I believe this is a seriously flawed piece of legislation. I believe, as reported by the Committee on Armed Services, it contains a number of serious deficiencies. In order to economize on the time of the Senate, I will simply list those deficiencies at this point. However, later in the course of the debate my colleagues in opposition to this measure and I will speak specifically, in detail, to each one of these shortcomings.

First on the form of the Panama Canal Commission, the question is whether it should be continued as a Government corporation or converted to an appropriated funds agency. Section 232 of H.R. 111 as passed by the House, establishes the Commission as an appropriated funds agency subject to the usual appropriation and authorization procedures. The committee reported bill continues the Commission as a U.S. Government corporation in a kind of semiautonomous status. It is my feeling that for the United States to effectively undertake its treaty mandated responsibilities in both the defense and operations area, congressional oversight will prove necessary.

Well, the committee report from the Committee on Armed Services takes that matter into consideration, but not very seriously. They contend that by virtue of the fact that the Panama Canal Commission will be engaged in the accounting procedures, and with all the technical changes that would be required, it would make it unfeasible for it to be cleared here and subjected to the appropriations process.

I frankly do not see why, because it seems to me that during the course of these next several years it would be very effective, considering all the doubts we have heard expressed over these treaties, to have congressional oversight. I think it is far better than creating a semiautonomous agency which will be on its own, subject to very little oversight from this Congress. Therefore, I think it desirable that we have this kind of mechanism established.

A second deficiency concerns the question of implementation costs and whether or not such costs should be collected at the expense of the contingent annuity provided for under the treaties. As many of my colleagues know, article 13, section 4(c) of the treaty provides that Panama will receive an annual payment of up to $10 million from canal revenues to the extent they exceed expenditures. The House-passed version of H.R. 111 more realistically defines such expenditures, to include important costs to the United States such as the relocation of military bases by the Defense Department before authorizing payment to Panama of the contingent annuity. The committee reported bill provides for payment of such costs out of appropriated funds.

Now we get back to the original thesis. As Senator BURDICK will readily recall discussing, we were practically assured that we would not have to dip into the till in order to implement this treaty.

Mr. HELMS. Not one thin dime.

Mr. LAXALT. Not one dime. Not one nickel. So what is wrong, now, in at least taking the costs we are going to incur in implementing the treaty off the top, and subtracting that from the $10 million annually? To me it makes total, complete sense, because the bottom line result of doing it otherwise is that we will shift the benefit from these transactions from us—and we are entitled to that, I would think—to the Panamanians, thereby providing some decent political material for them to do as they will with, within the parameters of Panama, as opposed to saving the taxpayers of this country some money.

So I would think that the provisions of the House bill, which simply says that the costs that we are going to incur in connection with the transfer of the military facilities and other incidental costs should be borne from the toll costs and taken off the top, and subtracted from the annuity payment, make total fiscal sense; and I might say I am certain that the Senator from Connecticut would agree with that unassailable logic.

A third deficiency in the committee-reported bill is that it allows Panama to continue receiving payments of the contingent annuity and other payments even if it is interfering actively in the internal affairs of its neighboring countries. In view of recent revelations concerning Panamanian and Cuban involvement in Nicaragua, it is a very serious question as to whether treaty payments authorized by this legislation should be used to foster revolutionary unrest elsewhere in Central America. The House-passed version prohibits payments in the event that Panama is certified by the President or by concurrent resolution by the Congress, is interfering in the internal affairs of neighboring states.

What possibly could be wrong with that? The concern we expressed before was that Castro, acting as a stooge for Panama, would be interfering with the internal affairs of neighboring states, to the detriment of that part of the world. This would simply restrain them in the most effective manner possible, because if we caught them at it, we would simply cut off the funds.

It would seem to me that just as we do in the appropriations process there is no quicker way to get the attention of a government like Panama or an executive agency than to cut off their funding if a violation of congressional intent occurs.

Another deficiency concerns the question of transfer of canal property under the treaty. As is well known, this is an issue near and dear to the hearts of our colleagues in the other body. Section 373 of H.R. 111 as passed by the House prohibits all transfers of canal property to Panama except pursuant to an act of Congress and approves only those transfers which take place on the effective date of the treaty. Subsequent transfers during the life of the treaty and upon its termination would require further acts of Congress.

What is this all about?

Well, it is simply this: There has been a strong feeling and tradition in Washington for many, many years that even though you have a treaty of the type we passed on Panama, the principal function in terms of ratification constitutionally is ours. But there is also a strong feeling, as we all remember, that in connection with the property transfers that required joint concurrence and the House should be cut into the action. They were very distressed, and I think with good cause, that in terms of attempting to

have them consider only the transfer of property aspects they were literally cut off at the pass.

As I remember, they even initiated litigation and through technicalities they were deemed not to have a proper standing in court.

Well, now, through the implementing legislation they do have their shot at it, so to speak, and they do have an opportunity to speak to whether or not the transfer of properties is subject to congressional approval. Bearing in mind that those properties to be transferred at the time of the ratification of the treaty would be self-executing, this related only to future proposed transfer. They went ahead and wrote it into their bill, H.R. 111.

I think, frankly, this makes a lot of sense because it is their constitutional and statutory responsibility whenever this Government chooses to transfer property of the taxpayers' that it requires congressional concurrence. In the future, as we look at substantial transfers of property in Panama pursuant to the provisions of this treaty, that would require another look, the House of Representatives would be permitted to look at that transfer and consider whether or not it is fair and equitable, and eventually place on it its stamp of approval.

The House, being somewhat untrustful in this particular issue, saw fit to write it specifically in black and white within the four corners of the implementing legislation. I must say to my House colleagues I do not blame them a bit. So far as my approach to this treaty is concerned, I think that everything possible to safeguard the rights of this country should be written specifically within the four corners of the treaty as we attempted to do and certainly within the four corners of this implementing legislation. That is precisely what they did.

I think, as indicated before, that the bill, which has been passed out of the committee to the Senate, not taking the House provision, is seriously deficient in that respect.

Yet another deficiency and one which I will myself address somewhat later concerns the direction of the Panama Canal operations by a U.S. military officer in a time of war. Continuing a provision first established in the Panama Canal Act of 1912, section 108 of the House-passed version of the bill provides that when the United States is at war or the President determines war to be imminent, that he may authorize a U.S. military officer to assume control of the operations of the canal. The committee-reported bill lacks any such provision and allows even in wartime for a commercially oriented, split-commission approach.

I think the House is absolutely right in including this provision and we are going to press for it this afternoon by way of amendment. Why? Because that Commission, first of all, is business oriented. There will be, hopefully, military types within its composition. We attempted to direct and safeguard the appointment process but there has been resistance to that on the ground that it would make for less flexibility on the part of the appointing authority. That is an arguable point.

If we get to the point where we are at war or the President thinks we are near war, and recognizing, as I said, that our military people say this is a vital, strategic facility, I do not want a bunch of business people sitting on that board. I think that is a military judgment as opposed to a business judgment, to be made quickly and effectively. As I say, without taking too much more time on this particular matter, we will offer this amendment this afternoon and press for its adoption. I think the House was absolutely right in including it within the provisions of H.R. 111.

Mr. President, I have other matters to discuss, but I know that the Senator from Utah, who assisted so valuably during the course of the debates on the treaty, has now arrived on the Senate floor and I am certain that he would like to speak concerning this legislation. I commend him and thank him once again for the valuable help and assistance he provided in the handling of this legislation today.

Mr. President, I yield to the Senator from Utah, Senator HATCH, whatever time he may require.

The PRESIDING OFFICER (Mr. CHILES). The Senator from Utah.

Mr. HATCH. I thank my colleague and compliment him on his leadership today and in the prior debate on the Panama Canal Treaty. I do not think we could have had a better leader, a more sincere and dedicated leader, or a person who has spent more time in working with his colleagues with courtesy, dignity and self-restraint, under circumstances which were extremely difficult at the time.

Mr. President, with consideration of H.R. 111 by this body, Congress likely is bringing to an end one of the less illustrious episodes in our country's history. While this is not the place to repeat the same arguments, or raise the same objections, dealth with at such length in the last Congress, I would like to suggest that the concerns of many of us at that time have not subsided.

There were those of us who warned that the treaties symbolized the pattern and practice of retreat from world responsibilities that has marked the United States since Vietnam. This fear has not lessened in the past year. During that time, long-time Western allied governments in Iran and Nicaragua have fallen, at least partially as a result of political paralysis in the United States; we continue to give aid and comfort to hostile anti-Western elements in Southern Africa despite the appearance of a new, moderate, democratically elected regime in Rhodesia; A SALT treaty has been signed which, in the view of many, consigns the United States to permanent strategic inferiority.

A new Soviet puppet government has been installed in Afghanistan while the erratic policies of the United States sometimes seem aimed at encouraging similar results in nearby Turkey; pro-Western opponents of the Marxist regime in Angola go ignored by the United States; the Taiwanese people are betrayed; and the United States continues to view with equanimity the adventures of the Cubans around the world.

There is uncertainty and concern among our NATO allies. The Panama Canal treaties fit into this pattern of affairs all too neatly.

There were those of us who also warned during the debates that the present Panamanian Government was a contributor of instability in that part of the world, and that the orderly flow of commerce would never again be as well assured as it is today in U.S. hands. This concern, too, has been reinforced since that time. Overwhelming evidence has been presented, particularly to the House Panama Canal Subcommittee, that the Torrijos—or the Royo—government, has been actively involved in supporting guerrilla operations directed against the late Nicaraguan Government, a fellow member of the Organization of American States and an ally of the United States—or should I say, a former ally of the United States. Panama, in effect, has been serving as an intermediary in a arms smuggling operation in Central America, according to both Lt. Gen. Gordon Sumner, former chairman of the Inter-American Defense Board, and Col. Joseph Thomas, a former senior officer on Latin American Affairs in the Department of Defense.

This has occurred despite the express provisions of article I, section 2 of the Canal Treaty which states that:

> The Republic of Panama guarantees to the United States of America the peaceful use of the land and water areas which it has been granted . . .

At the time of the treaty debate, there were also those who warned of the extremely serious constitutional difficulties in ignoring the legitimate role of the House of Representatives in this critical debate. Much of the difficulty that has arisen with respect to the implementation legislation could well have been avoided had the House been accorded its proper constitutional role in the treaties themselves.

At the time, opponents argued that article IV, section 3 of the Constitution was specific with respect to the role of "Congress" in the process of disposing of territory and property belonging to the United States. In its entirety, the appropriate language reads:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

"Congress," of course, means the Senate and the House acting concurrently.

While it is clear that the Senate stands alone in its responsibility to offer "advice and consent" to the President in the area of treaty-making, it is just as true that some forms of treaties do not become fully operative without the action of both Houses of Congress. The canal treaties are a clear example of this.

I shall not retrace the constitutional development of the congressional role in the treaty-making process, except to say that it was the understanding, as far back as the 18th century, that, with respect to those treaties in which it played a part, the House was expected to bring to bear the same weight of judgment that it brings to bear on any other form of legislative action.

(Disturbance in the visitors' galleries)

The PRESIDING OFFICER. The Senator will suspend until the Sergeant at Arms has restored order in the gallery.

The Senator may continue.

Mr. HATCH. The House was not to be subject to the sort of legislative blackmail that characterized the Executive response to the debate there. Had the House, and therefore Congress, rejected the implementation legislation, and therefore the treaties, it would not have been the House that would have been responsible for the loss of U.S. rights in the Canal Zone that the administration has warned about; it would have been the responsibility of the executive branch. It is not the right or authority of the executive branch to default on its duty to maintain the property of the United States in the event that Congress chooses not to transfer it.

The House, in my opinion, has acted responsibly in according substantial discussion and debate to the canal treaties. The treaties have had a far more tortuous and difficult course in that body than if the President and this body had agreed last year to allow them the constitutional voice to which they were entitled.

The House, in my opinion, has acted with particular responsibility in pursuing their responsibilities under article I of the Constitution to protect the public Treasury. The relatively conservative estimates of the House Merchant Marine and Fisheries Committee have suggested that the cost of the treaties to U.S. taxpayers will be in the neighborhood of $720 million. In addition, canal users, which translates into American consumers, will be paying an additional $2.8 billion between now and the end of the century. Another $650 million in property transfers will be involved. All of this, despite the pious promises of the Carter adminstration that there would be no additional and no hidden costs to the treaty.

It is for exactly this reason—the revelations of the House concerning costs of the treaties—that the House is provided with an indirect role in the treaty-making process. It is a further illustration of the workings of the doctrines of checks and balances that the Founders were so careful to include within the fabric of the Constitution.

Mr. President, during the debate on the canal treaties in 1978, I remember our distinguished friend and former colleague, the late great Senator from Alabama (Mr. Allen) standing on the other side of the floor and arguing, as I had argued, that the canal treaties were going to cost us hundreds of millions, if not billions, of dollars. We were told we did not know what we were talking about. First, they denied that we were transferring American property, at least until Senator Allen, Senator HELMS and myself brought in the actual boxes containing the original fee simple deeds. Then they admitted we had the property.

We then indicated that these treaties were going to cost us hundreds of millions, if not billions, of dollars.

I remember the President going on network TV stating in no uncertain terms that the treaties would not cost the American taxpayers a cent.

Secretary Vance said the same thing as did other representatives of the State Department.

They had access to the same information that Senator Allen, Senator HELMS, and I had access to. They knew darn well that it was going to cost the American taxpayers hundreds of millions, if not billions, of dollars. Yet they denied it at the time.

If we cannot believe the representatives of Government with regard to something as clearcut as that, then how can we believe their assertions with respect to the SALT II treaties, because the American people saw the President make that comment after listening to the debate on the floor, where comments were made by Senators on both sides of the floor, but against the Panama Canal treaties.

Mr. President, I would briefly like to note that a number of new constitutional objections have been raised in recent months concerning the treaties. Most of these center around the propriety of the new Panama Canal Commission. The executive-appointed administrative agency to oversee canal affairs through the end of the century. The Commission is to be appointed partly from among U.S. citizens and partly from among Panamanian nationals.

Dr. Charles Breecher, a former State Department official and an officer of the American Society of International Law, has noted the following objection to the creation of this Commission: First, article 3, section 3 (establishing the Commission) invests in nonresident aliens the authority of the U.S. Government.

Second, it is violative of the 14th amendment's privileges and immunities clause by prohibiting American citizens from any opportunity of ever filling a specific number of positions on a U.S. Government agency; third, the Panamanian nationals on the Commission are not subject to Senate advice and consent, or impeachment, per article 2, section 2 of the Constitution.

Fourth, the terms of the Commission place unconstitutional restrictions upon the ability of the President to exercise his full article 2, section 2 appointment power.

Disregard for the clear terms of the Constitution has marked the history of our consideration of the canal treaties.

I happened to be the sponsor of the amendment bringing up the article 4, section 3, clause 2 argument that U.S.-owned property cannot be transferred without consent of both Houses of Congress, and not simply the Senate.

At that time, there were 232 Members of the House of Representatives, better than 50 percent of them, who called for the privilege—the right—to vote on the transfer of U.S.-owned property. They were ignored.

This is one reason, I presume, why it was such a difficult task for the President to get implementing legislation through the House of Representatives.

I suspect that if the Senate again heeds the President and approves implementing legislation without the Murphy amendments that there is going to be another battle in the House over this legislation.

If their legislation is not the legislation which comes from conference, I suspect the Panama Canal Treaty implementing legislation and the Panama Canal treaties may be a long time with us.

I also suspect that the effects of the treaties, if successfully implemented, will also be with us long after this Congress is part of the history books.

I would once again like to compliment my colleagues who have valiantly attempted to point out to the American people the problems with regard to the original Panama Canal treaties, as well as this implementing legislation, and compliment them for the work they have done in attempting to educate their fellow colleagues to the perils of our present course.

I was never one who said, "We bought it, we paid for it, and we should never have to give it back."

I thought that some form of treaty could have worked—reasonable, decent treaties that would have benefited not only Panama, but our great Nation as well.

(Mr. DECONCINI assumed the chair.)

Mr. LEVIN. Mr. President, the remarks here this morning reflect the deep divisions that existed in the Senate last year and that still exist, the deep divisions that exist in the country, and the differences that still exist relative to the Panama Canal.

A number of statements have been made that do require refutation. I happen to agree that the issue before us is the implementation legislation and not whether or not the ratification should have taken place last year. But so that the record can be clear in at least one respect, I would like to state to the Senate some of the figures which were estimated last year relative to the cost of treaty implementation.

In a letter dated February 10, 1978, from the Secretary of Defense, the Secretary of State, and the Secretary of the Army to all Senators, the implementation estimate—the total appropriations impact, as they put it—was unlikely to much more than $350 million. That estimate ignored—and I think improperly ignored—the loss to the Treasury of the interest payment which was going to be foregone.

If you added that foregone interest—which I think most Members of the Senate, as indicated during the ratification debate, felt should have been included—to the implementation cost estimated in February of last year, months before the ratification vote, the total figure was $728 to $770 million. That was one figure which was before the Senate a month or two before the ratification vote.

Another figure that was before the Senate before that vote was $1.23 billion, which our Armed Services Committee

estimated the implementation costs to be. A third figure which was before the Senate was the estimate of the Budget Committee on February 28, 1978, of $712 to $720 million.

So that the Senate did have before it various estimates last year, long prior to the ratification votes which took place on March 16 and April 18 of last year, relative to the implementation costs.

Mr. President, we are not here today to look at the wisdom of the treaty, to look at the election returns and judge who won and who lost based on the support of or opposition to the treaty. I do not believe we are here today to judge the Somoza regime or the Sandinista regime or what role governments, including our own, had in that episode in Nicaragua. We are not here to judge the past. We are here to judge the bill before us and the amendments which will be offered to it.

The bill we are offering to the Senate, Mr. President, saves $400 million to $600 million over the bill which was adopted in the House and over the bill which is recommended by the administration. So that the bill we are offering to the Senate is $400 million to $600 million cheaper than the alternatives which have been offered to this body by the House or by the administration.

In addition, the $667 million we are offering the Senate is $50 million less than the Budget Committee estimated the implementation would cost, and it is $350 million less than the Armed Services Committee estimated this treaty would cost when they made their estimates last year.

So that the bill we have before us is not only the cheapest of the three alternatives; it is also substantially less than the estimates that were made last year. But what it all comes down to is this: This is not an authorization bill; it is not an appropriations bill. The Senate is going to have many opportunities, at least 20 of them, one a year during each appropriations cycle, to approve the budget of the Panama Canal Commission.

If the Senate, when it comes time to approving that budget, does not want housing, does not want schools, does not want commissaries, does not want hospitals, which are provided for in that budget, the Senate will have an opportunity to reject those implementation costs when the Appropriations Committee bill comes in with those budgets, year after year, for 20 years.

The question has been raised about some of the amendments which will come up a little later today. The question is asked, What is wrong with getting our cost of implementation from the tolls? It violates the treaty; that is what is wrong.

What is wrong with a military officer operating the canal in a time of war and bypassing the Commission? It violates the treaty; that is what is wrong. There are ways of giving military control, if we want to, during time of war; but there are ways of doing it which are consistent with the treaty, without bypassing the board. Then there is the other way, which is going to be proposed in the amendment before us, which bypasses the board, which bypasses the Commission; and under the treaty, it is the Commission which must operate the canal.

The American people were divided on these treaties, Mr. President, as was the Senate. Where they are not divided is that the Senate keep its word and that this country keep its word. They are not going to support, and I do not believe the Senate is going to support, any amendment which violates the treaties which were ratified by this body.

I believe that the Senate, including Senators who were deeply opposed to this treaty, are going to carry out the commitments this country made, whether we like them or not, because they were made and because we want our word to be good in this world.

Mr. MATHIAS. I make the point of order that a quoroum is not present, and ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LAXALT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAXALT. I yield the floor to the Senator from Maryland (Mr. MATHIAS) for the purpose of proposing an amendment.

UP AMENDMENT NO. 453

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an unprinted amendment numbered 453.

On page 187 strike lines 3 through 15 and insert in lieu thereof the following:

"Sec. 381. Labor Management Relations

(a) Nothing in this Act shall be construed to affect the applicability of Chapter 71 of Title 5, United States Code, relating to labor-management and employee relations, with respect to the Panama Canal Commission or the operations of any other Executive Agency conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, except that in applying those provisions—

"(1) the definition of 'employee' shall be applied without regard to clause (i) of section 7103(a)(2) of such title 5 which relates to nationality and citizenship; and,

"(2) a unit shall be considered to be appropriate notwithstanding the fact that it includes any supervisor if that supervisor's position (or type of position) was, before October 1, 1979, represented before the Panama Canal Company by a labor organization that included employees who were not supervisors.

"(b) Labor management and employee relations of the Panama Canal Commission, other Executive agencies, and the Smithsonian Institution, their employees, and organizations of those employees, in connection with operations conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, shall be governed and regulated solely by the applicable laws, rules and regulations of the United States."

Mr. MATHIAS. Mr. President, I believe the pertinent provision of this amendment is that the provisions that would be affected by nationality should not be operative when this implementing legislation goes into effect.

The bill as reported by the committee omits the provision contained in the bill that was passed in the other body applying title VII of the Civil Service Reform Act of 1978 as the statutory foundation to govern union representation and collective bargaining for employees of the Panama Canal Commission in the area presently described as the Canal Zone.

In other words, we are abandoning the policy which has been adopted and which is part of the law as it applies to civil servants who work for the United States, we are abandoning that policy for American citizens who are working in the territory formerly known as the Canal Zone. And for this provision of existing law, for rights which exist today and which would be withdrawn by this legislation, this bill would substitute another policy under which the President would establish some kind or form of collective bargaining. We do not quite know, I do not believe, today, what that would be, but it would be something. It incorporates the substance, but it omits the substance of other provisions of title VII.

This, it seems to me, is a serious omission.

It omits, for example, the provision contained in the bill passed in the other body providing that labor-management relations affecting the Panama Canal Commission and other Federal agencies, their employees and the unions representing their employees shall be governed not by the administrative provisions of Panamanian law, but solely by the applicable laws, rules, and regulations of the United States.

This seems to me to create ethical as well as legal problems.

The ethical problems relate to the promises which were made here on the floor of the Senate, as well as elsewhere, that the American citizens who were employees of the Panama Canal, who wanted to continue in their professions and jobs in that employment, would not find their conditions of employment degraded by the provisions of the Panama Canal Treaty or any implementing legislation which might follow.

I think to deny these American citizens the protections of law which they have had, which every other American citizen who works as a civil servant still has, does raise some serious ethical questions.

This amendment would restore to the pending legislation the labor-management provisions that were adopted in the other body. It will continue to establish by law a firm foundation. I repeat again, it is nothing new, it is nothing different, it is nothing unique, it is nothing novel. It is the foundation which the Congress established last year for all Federal employees for constructive labor-management relations between the Panama Canal Commission and the other Federal agencies and their employees in the area presently designated as the Canal Zone.

Mr. HELMS. Will the Senator yield?

Mr. MATHIAS. Yes; I am happy to yield.

Mr. HELMS. Mr. President, I commend the Senator on his amendment. I submitted last evening for printing almost the same amendment. My amendment is No. 376. In light of the Senator having called up his amendment, for which I commend him, I wonder if he would make me cosponsor?

Mr. MATHIAS. I am very pleased to do so. Mr. President, I ask unanimous consent that the distinguished Senator from North Carolina be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. This demonstrates what the Senator from North Carolina and I know, but which a lot of other people do not know, that we agree on a lot more things than meets the eye.

Mr. HELMS. The Senator from Maryland believes in fairness, and I hope it can be said that the Senator from North Carolina does. What this amendment proposes to do is to treat the employees fairly in line with the promises made last year.

Mr. MATHIAS. That is correct. We do not want to make fish of one and fowl of another if we do not adopt this provision.

Mr. HELMS. Exactly.

Mr. MATHIAS. And I do not think we want to go back on the type of assurances which have been given. I am sure the Senator from North Carolina had, as I had, many letters from employees or their families last year.

Mr. HELMS. I did, indeed.

Mr. MATHIAS. Those assurances were given, that their positions would not be adversely affected.

Mr. THURMOND. Will the distinguished Senator yield?

Mr. MATHIAS. I am happy to yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, title VII applies to U.S. employees but not to noncitizen employees; does it not?

Mr. MATHIAS. That is my understanding.

Mr. THURMOND. And noncitizen employees have their own arrangement, their own setup.

Mr. MATHIAS. That is right. It would not apply to non-Americans.

Mr. THURMOND. This amendment would apply to the noncitizens; would it not?

Mr. MATHIAS. Will the Senator repeat that?

Mr. THURMOND. I said the amendment of the distinguished Senator from Maryland would apply to noncitizens.

Mr. MATHIAS. No; it would apply to citizens, not to noncitizens.

Mr. THURMOND. Would this apply to all employees in the Canal Zone?

Mr. MATHIAS. To the U.S. citizens employed by the Commission.

Mr. THURMOND. The Defense Department is strongly opposed to this and the administration is strongly opposed to it.

With this amendment, the Panamanian employees of the Commission and the Department of Defense would come under U.S. labor-management regulations for adjudication of labor-management disputes and thus be subject to U.S. laws although they are Panamanians.

Mr. MATHIAS. Let me put this proposition to the distinguished Senator from South Carolina. Let us suppose that, as a result of this amendment, the working conditions of some Panamanian employees of the Panama Canal Commission were to be improved. What would be the Senator's choice? Would he downgrade the conditions of employment of American citizens to the level of those of Panamanian citizens, or would he rather have a few Panamanians upgraded to protect the standard of employment of the American citizens who are employed there?

Mr. HELMS. If the Senator will yield, the compelling point, in the view of the Senator from North Carolina, is that a flat-out promise, unquestioned assurance, was given last year to the employees in this specific regard. Is that not correct, I ask my friend from Maryland?

Mr. MATHIAS. My recollection is that, many times, it was repeated that the conditions of employment of Panama Canal employees would not be adversely affected.

Mr. HELMS. I think that is indisputable. I think that the Government of the United States ought to keep its word. There may be some aspects along that line that I do not like, but I do like the idea of keeping our word. That is the reason I support this amendment.

Mr. Presidnt, the employees of the Panama Canal Company and the Canal Zone government represent one of the most highly skilled and motivated groups in the entire U.S. Government. They were called down to the Canal Zone to pursue lifetime careers in an enterprise of unique energy and skill. Many of them have devoted a lifetime to that pursuit, and they have a special pride in the American accomplishmnt on the isthmus.

When the Senate acted last year to give away the Panama Canal by abolishing the Canal Zone, the Senate also removed from the most loyal and dedicated group of U.S. employees the protections and security of U.S. law and the U.S. Constitution. Instead, they would be placed under one of the most arbitrary and ruthless dictatorships in the world, in a very uncertain atmosphere, with the threat of Communist takeover of the Panamanian Government hanging over their heads.

Indeed, the OAS found that Panama has a terrible record on human rights. I shall not take time to read the entire report, or even the summary which I hold in my hand, but it is worth perusing.

Mr. President, I ask unanimous consent that the summary of the OAS human rights report on Panama be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, what we have done, in effect, is to break our contract with this loyal and dedicated group. We have welshed on the bargain by which they were induced to dedicate their lives to this service. There is nothing that we can do to really make it up to these employees. However, certain concrete promises were made to the employees by the administration. A key promise was that the terms and conditions of employment would be no less favorable under the new setup than at present. That promise has not been kept in this legislation.

Last year, Congress passed the Civil Service Reform Act, covering all Government employees. In particular, title VII of that act set up uniform rules governing wage increases and other labor-management relations. At present, title VII covers Canal Zone employees because the Canal Zone is considered part of the United States.

However, the Civil Service Reform Act removes overseas employees from the uniform rules. The Senate bill treats canal employees as though they were overseas employees, not covered by title VII. But if the terms and conditions of employment are to be no less favorable, then the employees must have their title VII rights restored.

The amendment of the distinguished Senator from Maryland would make this issue uniform with the House bill. It would restore title VII rights to the canal employees, thereby keeping the bargain. I might add that this amendment is fully endorsed by the American Federation of Government Employees and the AFL–CIO.

EXHIBIT 1

[From the Human Rights Watch, No. 4, February 1979]

OAS REPORT CONFIRMS FLAGRANT VIOLATIONS OF HUMAN RIGHTS BY DICTATORSHIP

The Inter-American Commission on Human Rights of the Organization of American States reports on the grave "Situation of Human Rights in Panama". Approved in June 1978, released in November and printed in January 1979, the 122 page Report gives details of torture, murder, exiling forced labor by the National Guard, the police of the military dictatorship of General Omar Torrijos.

The Commission documents that the regime is guilty of violations of the full range of human rights. Recommendations for urgent reforms are noted in the Report. The study included a nine day "on site" visit by 3 members of the Commission, 3 staff attorneys and 2 assistants.

SUMMARY OF THE COMMISSION REPORT

Chapter 1. The Legal Framework.—

Panama is a signatory to over 20 international instruments relating to human rights. Panama's 1972 Constitution provides human rights protection, but the concentration of powers in the Executive permits suspension of guaranteed human rights.

Chapter 2. The Right to Life, Liberty and Personal Security.—

The Report details:

Cases of death or mysterious disappearance such as that of Father Hector Gallego (P. 19–21), a Catholic priest who "had organized peasant cooperatives that affected economic interests of the Torrijos family". He was arrested by the National Guard and never seen again. "As a consequence (of his death) there were created difficult problems between the Church and the Government." In this and the many cases of death atributed to the National Guard the Commission concludes "the Government of Panama did not carry out an impartial and exhaustive investigation."

Forced and unremunerated labor of unsentenced detainees.

Torture by the National Guard by such tactics as:

Electric shocks to vital parts of the body, ears, genital organs and the anus (as in the case of Leopoldo Aragon, P. 30).

Holding prisoners incommunicado for an indeterminate length of time.

Physical beatings of male or female prisoners, most often with a hose.

Fondling of private parts of female prisoners and threats of rape.

Subjecting prisoners to long interrogation periods while depriving them of rest, sleep, food or water.

The Commission concludes that the above charges are substantiated.

Chapter 3. The right of protection from arbitrary arrest (habeas corpus).—

Writs of habeas corpus are denied or avoided by keeping prisoners incommunicado. Unless someone outside knows of his predicament, a writ is an inaccessible remedy (as in the case of Eusebio Marchosky, P. 32).

The Commission concludes arbitrary arrests have occurred . . . the protection of habeas corpus has been ineffective.

Chapter 4. Right to due process and a fair Trial.—

The Constitution guarantees trial according to law, except that public officials may fine or arrest anyone who insults them or who is in contempt of their authority.

The lack of due process and a fair trial is very serious because the police right judges play a very important role in the criminal justice system of Panama. 46% of the 547 sentenced prisoners on the penal Island of Coiba had been sentenced by police night judges. Summary justice is illustrated by the fact that 98.5% of those had been arrested and sentenced the same night (10% sentenced apparently for nothing more than suspicion).

Of the total sentenced in 1977, almost 50% were sentenced in November when the Coiba penal colony requires harvest labor. None of the 251 appeals made were effective.

American citizens are arbitrarily arrested, jailed without trial, held incommunicado, habeas corpus denied, jurisdiction shifted, judicial orders illegally countermanded by the Chief of the Secret Police. The Report cites, as an example, the case of an American, Cassandra Lee Gosler, (P. 60–66), who was imprisoned for more than 6 months without trial, accused of international drug traffic. She was never tried but eventually freed. The Commission concludes, "The case of Cassandra Lee Gosler corroborates allegations that:

1. The legal process is not respected.

2. The judiciary and the public prosecutors do not have complete independence of action, and.

3. In some cases, the National Guard disregards the legal process and attempts to impose its will upon the courts and prosecutors."

Chapter 5. Right to freedom of investigatin, opinion, expression and dissemination.—

Freedom of expression is still "given with an eye drooper". The restrictive self-censorship Decree 343 was cancelled, in a cosmetic gesture, but it was soon replaced by Law No. 8, which among other improprieties, requires licensing of all newsmen.

The Report cites crackdowns on independent media and commentary; i.e., the stoning of radio station "Impacto"; the arrest and exile of its owner; shutdown of the station and arrest of employees. Earlier dictatorship threats to Radio Impacto had been triggered by its "coverage of student strikes against communist influence".

Press is controlled by the dictatorship either by its ownershito by members of the government or by business associates of the dictator. This results in "a uniform expression of the government's position", "absence of other points of view and a tendency to manipulate the news", and "initimidating and denigrating persons considered as opponents of the government." The Commission concludes that the right of investigation, opinion, expression and dissemination would be sufficiently protected only "if interpreted by an independent judiciary".

Chapter 6. Right of assembly and association.—

In today's Panama, labor groups are semi-officially forced to become part of the Federacion Sindical, a communist controlled labor federation created by the government to control organized labor. Independent labor groups fail to get favorable action on union matters at the Labor Ministry. New unions are not given the legal recognition or denial required by law. Professions (those) requiring license (to work) can only get renewals through government recognized unions.

Some political parties continue to exist and to hold meetings, but without their legal character they are subject to suppression at any time, and they cannot participate in elections as parties.

The Commission concludes "that the government of Panama has employed formal and informal means that make the parties feel insecure and inhibit the right of association."

Chapter 7. Right to residence and movement.—

Although the Panama Constitution specifically prohibits exile of Panamanian citizens, hundreds were exiled by threats or force.

Some exiles were allowed to return, but there was no general permission until April 14, 1978. Since then, the fact that many exiles fear to return or only make occasional visits to their homeland suggests their apprehension is based on the trumped up criminal charges still pending against them, and that there is no safety for dissidents under the continuing structure.

The Commission "has taken notice of the return to Panama of some of the exiles".

Chapter 8. The right to vote and participate in government.—

Gerrymandering (P. 108) results in the regime's self-perpetuation. Only 8 percent of the electorate—in sparsely, easily controlled rural districts—elect sufficient representatives so that by themselves they elect the President of the country.

Under the dictatorship, the legislature (Assembly) has lost or had drastically limited its check on the Executive, power of approval, investigatory or censure powers, appointive or judicial powers and power to enact legislation.

The Commission concludes "the average citizen may have an opportunity to participate in government through appointment, but his participation through suffrage counts for very little."

The report makes strong recommendations to the government and the Panamanian people.—

1. Insure effective independence of the judiciary and instruct officials to comply expeditiously with judicial order.

2. Protect persons in custody from "physical abuse", with particular efforts "to prevent sexual abuse of women".

3. Apply strictly . . . the norms prohibiting forced labor.

4. Provide persons accused of criminal offenses with adequate means to prepare and conduct their defense" and "elimination of the night court procedures which permit jailing without . . . opportunity to prepare their defense.

5. Implementation of international and Constitutional provisions and thus prevent exiling and expatriation of Panamanians.

6. To take steps which would allow judicial review of cases involving persons convicted by administrative action under Decree Law 342.

7. Guarantee "rights" to organize and assemble for peaceful political purposes and dissemination of views.

8. Apply generally recognized norms for classification and separation of persons in custody.

9. Relieve existing congestion in detention centers and prisons and to assure availability of adequate medical facilities . . . particularly on Coiba Island.

Comments and 1978 violations subsequent to the report.—

The Commission Report confirms the grave disparity between guaranteed human rights under Panama's Constitution and the systematic violations and denials of those rights by the Torrijos regime.

The Government of Panama, responding to the Commission's Report, takes issue with the cut-off date of June 1, 1978. It contends that thereafter changes have taken place. However the June 1st date, by strange coincidence, leaves unreported a shocking series of repressive and regressive violations which began the next day.

June 2, 1978: With the stoning of Radio Mia by a government instigated group. Reported reason and timing for the attack was the station's commentaries on increasing communist activities.

June 14: From Newsweek.—

Last week's violence erupted when students who support Torrijos—and whose leaders are paid out of state funds—attempted to break up a meeting of law students opposed to the treaties. The clash turned lethal when the progovernment students, joined by undercover agents of the G2, Panama's secret police, opened fire with small arms. As the fusillade continued, a gray pickup truck sped past the melee and a black-clad man crouching in the pack sprayed the anti-Torrijos students with bursts from an Israeli-made Uzi sub-machine gun.

"This country is finished," said a housewife who supports Arias's call for a return to democracy. "If Torrijos and the *Guardia Nacional* [the army] are willing to murder students two days before Jimmy Carter arrives, they'll hunt us down like dogs after he leaves." Arias himself told NEWSWEEK that a national committee uniting the country's numerous opposition factions had been formed. "Panama's problems are more economic than political," he said. "But the first step is to get rid of Torrijos . . . He's basically a policeman who has found himself in power. It's too much for him." Arias charged, "so he takes refuges in drinks and drugs and women."

June 16: In the village of Capira 12 supporters of former President Arias' Panamenista Party are arbitrarily arrested. Taken to the National Guard station, they are brutally tortured. One, Roman Rivera, was murdered. Rodolfo Bravo, near death, was finally hospitalized. This has become the Inter-American Commission's Case #2936.

June 29: The Panamanian Catholic Bishops Conference issues a Pastoral Letter on "The Situation of the Country". It condemns, among other government action, the brutal slaying of University students on June 14; the arrest and torture of the group of countryfolk at Capira; the fact that "certain Marxist elements speak not only for the government but for the whole nation". The Letter called for an open investigation of the above matters and for a correction of the serious defects of the structure of government which denies liberty and rights.

Though the Commission's Report touches on religious freedom, the report cuts off before the Pastoral Letter, nor does it cover the brief anti-semitic outburst (which Archbishop McGrath condemned from his pulpit). The anti-semitic incidents and press comments followed immediately after the April 16, 1977 signing of the Torrijos-Khadaffi "Mutual Support Treaty" in Libya, which Panama ratified in October 1977.

July: The recurring pattern of illegal arrests of members of the media and of students continues.

August: A repetition of the national election mockery in which political parties are denied participation.

September: The Panama Government, in a letter to the O.A.S. Commission, acknowledges National Guard Culpability for the tortures and murder of Case #2936; promises trial of the guilty, but exonerates commissioned officers in advance.

October: The newly elected National Assembly predictably elects Torrijos' selection for President of the country. Omar Torrijos remains Commander in Chief of the National Guard.

It is clear from the June through October actions of the Torrijos regime that there is a pattern of recurring outbursts of gross violations of human rights by murder, torture, arrests and threats, while simultaneously there is a continuing repression of rights to a free press and political freedom.

The Commission's Report corroborates the Panamanian Committee for Human Rights reports and testimony before Congressional committees on 5 occasions. With this official substantiation, various questions are raised:

1. Has faulty intelligence produced the distorted and often inaccurate Human Rights Reports and testimonies by the U.S. Department of State, thus allowing the Panamanian dictatorship to solidify its position?

2. Will Section 660 of the Foreign Assistance Act be enforced by this Congress? The section prohibits U.S. support for police and prisons. How can other denial of support for a repressive government help the freedom loving Panamanians in their struggle to regain their former democracy?

3. What measures can be taken to protect the civil and human rights of U.S. citizen employees of the Panama Canal from the arbitrary and capricious justice of Panama's present dictatorship?

Mr. HELMS. I thank the Senator from Maryland.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. MATHIAS. Yes.

Mr. THURMOND. As a matter of fact, 80 percent of the employees are Panamanians, are they not?

Mr. MATHIAS. A large percentage are.

Mr. THURMOND. In other words, this title 7 now applies to U.S. employees. If the amendment of the distinguished Senator passes, that will embrace the Panamanian employees, too, who constitute about 80 percent. Is that not correct?

Mr. MATHIAS. I posed a question to the distinguished Senator: If that is the effect, would he not rather have the positions of Americans protected, as we promised they would be, even if it means that it is some amelioration of the working conditions of the Panamanians?

Mr. THURMOND. Will the distinguished Senator cite to me where we promised that?

Mr. MATHIAS. I believe if the Senator would go back——

Mr. THURMOND. I am informed that we never made such a promise.

Mr. MATHIAS. Well, if the Senator will take the debate——

Mr. THURMOND. I should like the Senator to cite that, if he has authority for it.

Mr. MATHIAS. I believe if we peruse the record of what was said in this Chamber during the long debate in which we discussed the Panama Canal Treaty, in one way or another, it was said repeatedly that the position of the Americans who had devoted their lives as patriotic citizens to the service of their country, by working for the Panama Canal Commission, would not be jeopardized or downgraded as a result of that service.

Mr. THURMOND. What the Senator is doing is applying this to the Panamanians. He is bringing them under the rules and regulations of the U.S. labor relations system. There has been no such promise made along that line, so I am informed, I should like the Senator to cite his authority if there has been any promise made, and I understand it has not been made, to that effect.

Mr. MATHIAS. The Senator's recollection and mine differ to that effect.

Mr. THURMOND. I just consulted the counsel to the Committee on Armed Services, Mr. Roberts, and he says that the position I have taken is correct.

Mr. MATHIAS. That means the Senator is willing to downgrade the position of Americans who have devoted their lives patriotically to this service.

Mr. THURMOND. Not the Americans, no.

Mr. MATHIAS. That would be the effect of the Senator's opposition to this amendment.

Mr. THURMOND. U.S. employees will remain under it.

Mr. LAXALT. Will the Senator yield for a question?

Mr. MATHIAS. I am happy to yield, but first let me respond to the Senator from South Carolina.

Mr. LAXALT. Surely.

Mr. MATHIAS. On page 187 of the bill, it is provided that the Panamanians will be dealt with under an Executive order. What we are doing is simply providing by statute for what would otherwise be done by Executive order, thereby to get some certainty into the law.

Now I am happy to yield to the distinguished Senator from Nevada.

Mr. LAXALT. Mr. President, I just wondered, under the existing situation, are the employees who are American citizens covered under civil service?

Mr. MATHIAS. Certainly.

Mr. LAXALT. So the effect of this amendment——

Mr. MATHIAS. Is to preserve their position.

Mr. LAXALT. Not only that, but to expand the coverage to include Panamanians who are presently not covered under the umbrella of the Civil Service Commission. Is that where we are?

Mr. MATHIAS. If it has that effect, that would be the price of preserving the status quo for the Americans who are now there.

Mr. LAXALT. The one point I want to tie down for my own purpose is whether, under existing law, without any amendment of this kind being adopted, the employees of the the Panama Canal Commission who are American citizens are presently covered by civil service?

Mr. MATHIAS. Yes.

Mr. LAXALT. I thank the Senator.

Mr. MATHIAS. Mr. President, I want to point this out, in the time left to me: this amendment would involve no additional cost to the Government, since the agencies and officials who are administering and enforcing it—this is in further response to the Senator from Nevada—are already in place under the Civil Service Reform Act which was adopted here last year. So this would make good on the pledges which were given when the Panama Canal Treaty was negotiated and ratified, that the rights and benefits of employees maintaining and operating the canal would be no less than they were before October 1, 1979, which is the date the treaty goes into effect.

Mr. LAXALT. Will the Senator yield on one other question here?

Mr. MATHIAS. Surely.

Mr. LAXALT. Can the problem possibly be this, that the DOD employees, after the strike-off date of October 1, would continue to be protected by civil service?

Mr. MATHIAS. I am sure that is the case.

Mr. LAXALT. But as of October 1, those employees who are American citizen employees of the Canal Company, would not be. Is that where we are?

Mr. MATHIAS. The Senator is very perceptive.

Mr. LAXALT. Even though they are American citizens.

Mr. MATHIAS. So we could have American citizens working in the same office—in fact, at opposite sides of the same desk—one of whom would be protected by the law and one of who would lose that protection by virtue of the treaty. This amendment is designed to rectify that discriminatory treatment.

Mr. President, I reserve the remainder of my time.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time? The Senator from Nebraska has no time.

Mr. LEVIN. The Senator from Nebraska will be handling this for the majority side, Mr. President. I yield all the time to the Senator from Nebraska.

Mr. EXON. I thank my colleague from Michigan.

Mr. President, as a matter of explanation, the Senator from Nebraska has been asked to handle the position of the Committee on Armed Services on this measure because the Senator handling this on the floor was one of the four members of the Committee on Armed Services who did not go along with the majority of the Armed Services Committee when this issue was passed out to the floor. So I appreciate very much the opportunity to handle the majority recommendations of the Armed Services Committee.

At the outset, Mr. President, let me state that, while I was not here in the Senate last year, had I been here, I would not have voted to approve the Panama Canal Treaty.

But, as I have said before, that is water over the Panama Canal dam, so to speak, and, rightly or wrongly, the Senate did confirm that treaty.

My concern, therefore, has been to keep the commitments to the international community and, in particular, along with Panama.

At this time we have no choice, it

seems to me, but to move ahead with the decision of the U.S. Senate in its last session. Therefore, it has been my goal to try and do whatever I could to control the cost to the American taxpayer of the implementation of the Panama Canal treaties.

We had long hearings on this matter. The Senator from Michigan in his opening remarks this morning indicated that he and the committee agreed basically to an Exon amendment that reduced the overall costs of the implementation of this treaty far, far below what would have been allowed or authorized under the bill passed by the House of Representatives.

So the situation that we are in now, it seems to me, is that we must move ahead for the implementation of this treaty with the least cost and under the best terms possible under the circumstances.

Therefore, I rise in opposition to the amendment that has been offered by the Senator from Maryland.

I suspect we could debate this a long time, and I suppose we will use up the hours on each side. But, Mr. President, I will just run through some of the concerns and some of the thought processes that went into the thinking, I believe, of the majority of the members of the Armed Services Committee when we knocked out title VII of the House bill.

First, under treaty provisions, conditions of employment shall be the same for all nationalities. Therefore, application of title VII will constitute the first time that provision will apply to foreign nationals anywhere in the world.

I emphasize again, the first time.

I think it is important we underline those words because, of all the arguments against this matter, I believe that if we accept the amendment that has been offered by the Senator from Maryland we will be taking a first step that could have some important consequences on down the line.

Presently, foreign nationals employed at the U.S. Embassies and Defense Department facilities are not covered. If title VII were applied to Panamanian nationals who work for the Commission or DOD, it could set an unwanted precedent for the future, in my opinion.

The use of U.S. agencies to adjudicate labor disputes of even Panamanian employees makes very little sense.

The Panama Canal Commission should have the flexibility to design a labor-management system responsive to this unique situation—and it is a unique situation, and I suggest that it is important that we view that unique situation, certainly, in that context, because the labor force is mostly Panamanian and will become increasingly so for the next 21 years.

During the time when we finally turn over the Panama Canal in toto to Panama.

The planned system will incorporate most of the provisions of title VII which can logically be applied to the unique situation in Panama.

Both management and the unions in the Canal area recognize the need for locally based and wholly dedicated dispute resolution machinery, the necessary machinery that should and could be in place to resolve them.

Under proposals in the bill now, the President is authorized to establish a form of collective bargaining giving Panama Canal Commission employees the same conditions that generally exist in U.S. Federal service.

Placing Panamanian employees of the U.S. Government in Panama under a U.S. system would mean that Panamanian authorities would have no in-country control over or method of influencing the resolution of disputes involving their own citizens. The result could be escalation of many disputes to the political level, with State Department involvement. This could be a frequent irritant, complicate dispute resolution and be generally disruptive, during the terms as contained in the treaty, when we turn this over finally, in about 21 years.

In a related matter that is not involved in the treaty, but something I think is equally important, I suggest, Mr. President, that should we put title VII back in, we would, or at least we might, violate the status of forces agreement between Panama and the United States. That agreement states that labor-management provisions must conform to Panamanian law.

I emphasize that last point, however, is not in the treaty, but I think it very legitimately should be considered.

Therefore, I oppose, on behalf of the majority of the Armed Services Committee, the amendment offered by the Senator from Maryland.

Mr. SARBANES. Will the Senator from Maryland yield 3 or 4 minutes?

Mr. MATHIAS. I am happy to yield 4 minutes to the Senator from Maryland.

Mr. SARBANES. Mr. President, I think it is very important to make a fundamental point about this amendment. It is that, unlike some other amendments which I understand may be brought up later in the day, it does not in any way touch on the terms of the treaties that were ratified last year.

I was very pleased to hear the Senator from Nebraska underscore that point in the comments he just made.

The amendment deals with an aspect of the implementing legislation that is separate and apart from the American-Panamanian relationship as it is involved in carrying out the terms of the treaty.

It deals simply with how the United States is going to act in an employee-employer relationship. There are no treaty terms that bear upon the amendment that is pending.

We do not have here the issue we may have on other amendments which will be brought to the floor, that is amendments that run counter to or undercut or prevent us from carrying out, with full faith and credit, the terms of the treaties that were ratified by the Senate of the United States last year, the Neutrality Treaty and then the Panama Canal Treaty.

I think it is very important that that point be established and be clearly understood.

I think my distinguished colleague from Maryland has made some very strong arguments on behalf of this particular amendment, the rationale for it, and why there is merit to the proposition of placing labor-management relations in the framework and in the context in which this amendment sets them out.

It is very important, I think, again to underscore that one can judge the substance of this amendment without having to be concerned in any way as to whether the amendment is or is not consistent with the terms of the treaty, or whether we would be undercutting or undermining the obligation that we assumed last year.

It is my understanding that this is one of the points which the distinguished Senator from Nebraska was making with respect to this amendment.

Mr. STENNIS. Mr. President, will the Senator yield me 2 minutes on the bill?

Mr. EXON. Mr. President, I yield time to the distinguished chairman of the Armed Services Committee.

Mr. LEVIN. Mr. President, I ask unanimous consent at this time that the 2 minutes be charged against the bill rather than this amendment.

The PRESIDING OFFICER. Without objection, it is os ordered.

Mr. STENNIS. I thank the Senator.

Mr. President, first I thank Senator LEVIN for his outstanding work. He labored long and faithfully and conferred with every member of our committee before he started building the bill together. He was ably assisted from time to time by the Senator from Nebraska, Senator EXON, and others.

We had a very good around-the-table discussion on this bill as a whole. It is an implementation, primarily, of the treaty. I am talking about the bill as a whole.

Briefly put, there are good points in the original bill and in the House bill and represents our collective views rather well. We do know that there will be matters in conference about which there is honest disagreement with the present position of the House of Representatives. We think these should go on to conference. I certainly am grateful for all those who agreed that it be taken up today with a time limitation.

So, leaving out the present amendment now, I am supporting the bill as the best we could do at that point in meeting a practical situation that does require some legislation.

On this amendment itself, I think it is correct to say that it is entirely apart, as I understand it, from the treaty itself, that it is a policy question for us to decide here, and I expect to vote against the amendment. But really I am primarily interested in the bill and moving it on to conference where we will have a chance to work it out with the House of Representatives.

I thank the Senator, again, who has worked on this bill and the time yielded.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, will the Senator yield to me?

Mr. EXON. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment.

Under current law title VII would apply to U.S. employees on October 1. We must remember that we have control of this property until October 1. After then it becomes Panamanian property.

The Panamanian employees of the Commission and the Department of Defense agency will come under U.S. labor-management relations for adjudication for labor-management disputes and thus subject to U.S. laws in that respect.

While the Panama Canal Company employees are technically covered under title VII at present there is only a labor relations program based on an Executive order. This current program does not include an exclusive recognition of unions, grievance procedures and collective bargaining agreements. U.S. citizens would be covered under title VII as is now the case.

But there is no place in the world where foreigners would be covered by title VII unless we do it here.

About 57 percent of the employees within the Panama Canal operation at present are members of unions.

Title VII coverage is in conflict with the treaty status of forces agreement. Our people down there then would be under a status of forces agreement, and this is article 4, and this is a key point that I want the Senate to understand, that article 4 of this treaty provides that the terms of employment shall "conform with the general principles contained in the labor laws of the Republic of Panama."

That is as plain as can be.

A system is needed that conforms with Panama's customs and practices and not those of the United States, and that is what is proposed to be set up. That is what the administration wants done. That is what President Carter and the administration favors. They are opposed to this amendment.

Under the title VII approach disputes would be subject to judicial review of the U.S. Court of Appeals which would be unenforceable in a foreign country.

How are you going to get a foreign national, a person in another country subject to the U.S. Court of Appeals? Our people will be under title VII. They are subject to the court of appeals. But a foreign national would not be because this property goes over to Panama October 1.

The administration plan calls for labor relations policy incorporating certain sections of title VII but modified to meet the local situation and Panama's local situation. This is the case in other countries where we have a status of forces agreement and employ large numbers of foreign nationals.

Mr. President, I think it is very clear. The U.S. Court of Appeals will not have any jurisdiction over these people. Our people would be under title VII. All the Americans will be protected. But the Panamanians are under Panamanian law. It is the Panamanian country after October 1. Therefore, their law applies to them and there will have to be a status of forces agreement there just like in the other countries of the world.

For that reason, it seems to me that this amendment is completely out of order. It is contrary to the treaty and should not be adopted .

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield myself time.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, the distinguished Senator from South Carolina has stated that labor practices in the Canal Zone today are being administered under an Executive order and not under the provisions of title VII of the Civil Service Reform Act.

I do not think you can deprive U.S. citizens of the legal protection which the acts of Congress give them, and I am sure the Senator from South Carolina would not do that. Title VII provides by its language that it only will exclude an alien or noncitizen of the United States who occupies a position outside of the United States.

So clearly, American citizens working in the Canal Zone today are entitled to the protection of title VII, and they have that protection; and if we do not preserve that protection for them we will degrade their conditions of employment.

In the bill which the Armed Services Committee has sent to us and is presently being debated in the Chamber today, there is language on page 167 which I think responds to the question of the Senator from South Carolina to me a minute or two ago. He said point to the language which makes the promise that the conditions of employment will not be adversely affected. I referred him to the debate which we held here in the Senate, but that means going into the library and checking the indexes. But in this bill, the bill that is before us, on page 167, line 3, it says "* * * the terms and conditions of employment * * * shall be generally no less favorable, on or after the date of the transfer referred to"—and so forth—"than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government on September 3, 1979."

It seems to me that is a clear reference in the language of the bill itself to the kind of general understanding that we had here in the Senate at the time the treaties were ratified that we were not going to degrade the position of American citizens who were working there.

Mr. LAXALT. Mr. President, will the distinguished Senator yield for a question?

Mr. MATHIAS. I yield.

Mr. LAXALT. Senator THURMOND in his remarks indicated, and I want to know if I understood it correctly, that under the present situation without the amendment American employees of the Canal Company will be protected under title VII. But the coverage of the Panamanians is totally prohibited under the expressed terms of the treaty which provide that they should be covered under laws of Panama. What is the distinguished Senator's position on that contention?

Mr. MATHIAS. Well, I think, as my colleague from Maryland (Mr. SARBANES) just said here a minute ago, that the treaty is neutral on this subject.

Mr. LAXALT. Senator THURMOND spoke to that specifically. Is it your position that the language he expressed here is neutral in nature?

Mr. MATHIAS. I do not believe the language of the treaty would prohibit the kind of amendment we are considering here today.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LAXALT. Does the Senator from Nebraska wish time?

Mr. EXON. Does the Senator from Nevada want some time?

Mr. LAXALT. I am in control of the time.

Mr. MATHIAS. Mr. President, I yield myself some time.

In further response to the Senator from Nevada, I might say, if he will turn to page 187 of the bill, section 381, he will see the bill itself provides that the President "shall establish a form of collective bargaining, applicable to the Commission's employees," and what we are doing is doing it by statute instead of having the President do it by Executive order. It seems to me what is sauce for the goose is sauce for the gander, and we can establish this provision of law, which merely is a repetition of the policy the Congress has already established for every other civil servant, and we are doing it by statute instead of by Executive order.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield time to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I just want to repeat that the Americans will be under title 7. None of them is going to be excluded. Nobody is going to be hurt. But October 1 this country goes to Panama. It no longer is part of the United States. No longer do we own it. Therefore, we have no control over it, and that is the reason they wrote into the treaty article IV. This provides that "The terms of employment shall conform with the general principles contained in the labor laws of the Republic of Panama as to the Panamanians." It is recognized that we have no control over the Panamanians then and, therefore, this position was written into the treaty. The circuit court would have no control over Panamanians down there. It is not in our country. No Federal court in this country has jurisdiction over citizens of another country, and that is what you are putting the Panamanians here under the control of the courts of this country by this amendment. It would be a great mistake to attempt to do that, and it should not be done.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, will the Senator yield so that I can respond?

Mr. EXON. I will yield on the Senator's time.

Mr. MATHIAS. Very quickly. I point out again to the Senator from South Carolina the same passage I just referred

to a minute ago, that on page 187, section 381, it states:

The provisions of chapter 71 of title 5, United States Code shall not apply to the Panama Canal Commission or to its personnel.

That means they would not have the protection of title 7 by the terms of the bill itself.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. EXON. I yield some time to the Senator from South Carolina.

Mr. THURMOND. Mr. President, the distinguished Senator from Maryland purportedly read section 381 of this bill. However, he only read part of it. He did not read it all. In other words, I think the rest of it explains the situation. The part he did not read is:

The form of collective bargaining so established shall contain such other necessary provisions, and shall be administered, so as to provide the Commission's employees with the right to bargain collectively under the same conditions and with respect to the same subject matter that obtains where that right is exercised generally in the Federal service within the continental United States.

So it is recognized there is a difference there, and it sets out they can bargain collectively and that they can come in and deal with the unions on a situation that is similar. But you cannot put those people under title 7. Our courts have no jurisdiction.

Mr. MATHIAS. Why not? You can put them under an Executive order by the President. Why not?

Mr. THURMOND. Because we give up the property. We give it up. It is no longer ours. The Panama Canal now is——

Mr. MATHIAS. But the Senator——

Mr. THURMOND. I have not yielded yet—is not our property. October 1——

Mr. MATHIAS. Will the Senator now yield, Mr. President?

Mr. THURMOND. October 1 we give it up, and after that then the Panamanians are under the control of Panama.

Mr. MATHIAS. Mr. President, will you now yield for a question?

Mr. THURMOND. I am pleased to yield.

Mr. MATHIAS. Will the Senator tell me why it is wrong to establish a principle of law by statute when we are contemplating doing the exact same thing by Executive order of the President of the United States?

Mr. THURMOND. Because we are losing control of the property as of October 1. It no longer belongs to the United States. Our courts would have no jurisdiction there, and that is the reason why the administration is opposed to this, and they have provided in article IV of the treaty that the terms of employment shall conform with the general principles contained in the labor laws of the Republic of Panama. So it is very clear.

Mr. MATHIAS. Is the Senator suggesting—and I cannot really believe that he is—that the Executive order of the President of the United States has some extraterritorial effect that an act of Congress does not? I believe that would be an extraordinary provision of law.

Mr. THURMOND. Mr. President, it has no intention of covering employees of Panama.

Mr. MATHIAS. Well, we do not know that.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Maybe we can clarify this. There seems to be a difference of opinion on the floor of the U.S. Senate, which is not unusual, I might add.

Let me read section 381 in toto and see if we can come to some general agreement on what it does or does not say and what is implied.

SEC. 381. The provisions of chapter 71 of title 5, United States Code shall not apply to the Panama Canal Commission or to its personnel. In lieu thereof, the President shall establish a form of collective bargaining, applicable to the Commission's employees; into which is incorporated the substance of sections 7102, 7106, 7116, 7120, and 7131. The form of collective bargaining so established shall contain such other necessary provisions, and shall be administered, so as to provide the Commission's employees with the right to bargain collectively under the same conditions and with respect to the same subject matter that obtains where that right is exercised generally in the Federal service within the continental United States.

That means to me that, basically, what we are saying here, and what I think is a good condition, is that since we are making a change that the Senator from South Carolina has referred to, we are putting people in Panama in control of the collective bargaining process, as I think they should.

I just do not see how we can rationally accept the idea that since we are going to turn over this canal essentially on October 1, we should expect the Americans working in conjunction with those from Panama to come under the labor laws and rules and regulations of the United States of America. I do not think that is the way we should treat the Panamanians, with whom we are trying to get along.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. EXON. I yield.

Mr. MATHIAS. I thank the Senator for his instructive approach. I think he has made a good suggestion, to try to decide what we can agree on; then, if we narrow down the differences we have between us, perhaps we can resolve them.

However, going back to 187, can we agree, first of all, because that seems to be in dispute, that title VII will not apply?

Mr. EXON. I believe that is what it says.

Mr. MATHIAS. We can agree on that.

Mr. EXON. The Senator from Maryland and I can agree on that.

Mr. MATHIAS. I do not suspect that we can commit ourselves for the other 98 Senators. If the Senator from Nebraska and I can agree, we are doing pretty well.

Mr. SARBANES. Mr. President, if the Senator will yield for a moment, I agree with him, and I want to increase the number of people who agree by 50 percent. [Laughter.]

Mr. MATHIAS. That is a major step forward.

The Senator has read the further provisions of section 381, and that looks to the establishment by the President of some alternative form. The language is in lieu of the protection of chapter 7. All this amendment does is to provide for keeping chapter 7.

The question is raised as to the dual citizenship problem here, that it involves Panamanians and Americans. But under the provisions of section 381, no distinction is made between Panamanians and Americans.

In line 11, it says:

So as to provide the Commission's employees with the right to bargain collectively.

It does not say the Commission's U.S. employees or the Commission's Panamanian employees. It says the Commission's employees.

In the report of the committee on page 33, relating to section 381, it says:

This section would exempt the Panama Canal Commission and its United States citizen employees from Title VII of the Civil Service Reform Act of 1978. In its place, the President would be required to establish a system of collective bargaining, applicable to the Commission's employees, into which is incorporated the substance of certain sections of the statutory scheme and the same collective-bargaining rights as are exercised generally by employees in the Federal service in the United States.

It seems to me that if that was the intent of the committee, we can do it just as well by statute as we can by delegating that responsibility to the President. If we do it by statute, then it seems to me that we make good on the pledge which appears on page 167 of the bill, which is that the terms and conditions of employment shall be generally no less favorable on or after the date of transfer. That is really the whole purpose of this amendment.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. MATHIAS. The time is not mine.

Mr. EXON. I yield.

Mr. SARBANES. Mr. President, I want to underscore what the chairman of the committee pointed out, which is that the issue before us is a policy question with respect to the rights and the framework in which you wish to handle the employees of the Panama Canal Commission.

There is nothing in the terms of the treaty that precludes or argues against this amendment or that would render it inconsistent with its terms.

So it is a question, as the Senator from Maryland pointed out, of how you want to handle the employees. As he has ably pointed out, the provision contained in the bill permits the President to establish, by Executive order, a certain framework. Since that is permitted, we certainly can establish by statute the framework that we may consider desirable.

Mr. MATHIAS. Since the Senator has the floor, I wonder if I may interrupt him for 1 minute.

He is a distinguished member of the Committee on Foreign Relations. I am sure he will recall that article 3, section 3, of the treaty—and I hope the Senator from South Carolina will give us his attention on this—provides:

Pursuant to the foregoing grant of rights, the United States of America shall, in accordance with the terms of this Treaty and the provisions of United States law, carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission, which shall be constituted by and in conformity with the laws of the United States of America.

The laws of the United States of America.

Further, the treaty provides:

The right of employees to negotiate collective contracts with the Panama Canal Commission is recognized. Labor relations with employees of the Panama Canal Commission shall be conducted in accordance with forms of collective bargaining established by the United States of America after consultation with employee unions.

If the United States of America has the right to establish the "forms of collective bargaining," certainly we can do it by statute as well as by Presidential order.

Those are provisions of the treaty which I am sure my colleague from Maryland will recall, and it seems to me that they are very pertinent to the amendment which is now pending.

Mr. SARBANES. In fact, I think the provisions to which the Senator from Maryland has referred make it clear that this amendment is absolutely consistent with the terms of the treaty; and we are back to the matter that was raised by the chairman of the committee when he said that what is at issue with this amendment is a policy judgment. Members must make the policy judgment of how they wish to treat employees, both our citizens and other nationals who are employees, and what framework should be established for them in terms of labor-management relations. That is the only question.

It is a policy question, and I think the Senator from Maryland has well outlined the merits that lie behind the amendment he is offering.

The PRESIDING OFFICER (Mr. MELCHER). The time of the Senator from Maryland has expired.

The Senator from Nebraska has 5 minutes remaining.

Mr. EXON. Mr. President, I will make some closing arguments in this regard.

I point out that on page 187, in section 381, which we have discussed a great deal, there is a term in the last two sentences, lines 14 and 15: "Is exercised generally in the Federal service within the Continental United States."

We should recognize here that if we accept the amendment offered by the Senator from Maryland, we are running some grave risks, possibly with some diplomatic problems, sometime in the future.

In short, I do not think it is wise for us to run the risk of complicating this situation any more than it is right now. It does not seem correct to me to place Panamanian employees under U.S. law and open up the possibility of labor disputes becoming diplomatic disputes.

What happens if the Panamanians become upset at a U.S. appeals court ruling on a labor matter in Panama? Let us think about that.

Mr. President, I think we have covered generally all the issues very clearly. There are just two key closing points I would like to make.

Under the treaty provisions, conditions of employment shall be the same for all nationalities. Therefore, application of title VII, which would be reinstated if we adopt the amendment by the Senator from Maryland, would constitute, for the first time, a provision that would apply to foreign nationals anywhere in the world.

The last point, which I think is quite important——

Mr. MATHIAS. Mr. President, will the Senator yield for one point?

Mr. EXON. I will if I have some time, yes.

Mr. MATHIAS. Very briefly, the Senator may be right on that, but that is what the treaty provides we should do.

Mr. EXON. That is not the interpretation of myself or other members of the committee, and I just cannot agree with my distinguished friend from Maryland on that particular point.

Placing Panamanian employees of the U.S. Government in Panama under the U.S. system would mean that Panamanian authorities would have no way, no control or method of influencing the resolving of labor disputes.

I hope my colleagues will see fit to turn down the amendment offered by the Senator from Maryland.

Does anyone else seek time?

Mr. LEVIN. Mr. President——

Mr. EXON. I yield to the Senator from Michigan.

Mr. LEVIN. I thank the Senator from Nebraska.

Mr. President, the most important point in this debate is that whichever way we go on this amendment is consistent with the treaty. The chairman of the committee has made it clear, the Senator from Nebraska made it clear in opening up his remarks to the Senate, and I think it is abundantly clear that the policy option is there. We can provide these benefits either by statute or by Executive order.

In any event, they will be provided, and there are policy reasons pro and con to provide them either through statute or executively. But what has got to be left clear, so that it does not confuse later amendments this afternoon, is that whichever way we go on this vote is not mandated by the treaty. Either way we go is consistent with the treaty.

I want to make one clarifying point to what the Senator from South Carolina said. The Senator from South Carolina quoted article VII, section 2, and I believe mistakenly indicated that he was quoting from the treaty in support of his arguments. In fact, I believe the Senator would agree that he was not quoting from the treaty, but from an implementation agreement to that treaty.

So even his argument, I believe, is clearly a policy argument, and not one mandated by treaty language.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Alaska (Mr. STEVENS) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 453) of the Senator from Maryland (Mr. MATHIAS). The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

The PRESIDING OFFICER. Has every Senator in the Chamber voted?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 220 Leg.]

YEAS—53

Baker	Hatfield	Nelson
Bayh	Heinz	Pell
Bentsen	Helms	Percy
Biden	Humphrey	Pressler
Boschwitz	Jackson	Randolph
Bradley	Javits	Ribicoff
Burdick	Kassebaum	Riegle
Chafee	Kennedy	Roth
Church	Laxalt	Sarbanes
Cranston	Leahy	Sasser
Culver	Levin	Schmitt
Danforth	Magnuson	Schweiker
Durenberger	Mathias	Stafford
Durkin	McGovern	Stevens
Ford	Melcher	Stone
Gravel	Metzenbaum	Tsongas
Hart	Moynihan	Young
Hatch	Muskie	

NAYS—45

Armstrong	Garn	Proxmire
Baucus	Glenn	Pryor
Bellmon	Goldwater	Simpson
Boren	Hayakawa	Stennis
Bumpers	Heflin	Stevenson
Byrd, Harry F., Jr.	Hollings	Stewart
Byrd, Robert C.	Inouye	Talmadge
Cannon	Jepsen	Thurmond
Chiles	Johnston	Tower
Cochran	Long	Wallop
Cohen	Lugar	Warner
DeConcini	Matsunaga	Weicker
Dole	McClure	Williams
Domenici	Morgan	Zorinsky
Exon	Nunn	
	Packwood	

NOT VOTING—2

Eagleton	Huddleston

So Mr. MATHIAS' amendment (UP No. 453) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 454

(Purpose: To require congressional authorization to transfer Canal property to Panama)

Mr. STEVENS. Mr. President, I have an amendment at the desk which I ask to have considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 454.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 132, line 16, strike all through page 133, line 24, and insert in lieu thereof the following:

"(B) Section 68 of that title is amended to read as follows:

" 'Section 68. Assets and Liabilities

" '(A) All property and other assets of the Panama Canal Company shall revert to the United States on the effective date of this act, and, except as otherwise required by law, the United States shall assume the liabilities of the Panama Canal Company then outstanding. The Panama Canal Company may use such property, facilities, and records of the Panama Canal Company as is necessary to carry out its functions.

" '(B) In the interest of economy and maximum efficiency in the utilization of government property and facilities, there are authorized to be transferred between departments and agencies of the United States, with or without reimbursement, such facilities, buildings, structures, improvements, stocks, and equipment located in the Republic of Panama, and used for their activities therein, as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee.

" '(C) The Panama Canal Commission may enter into cross serving agreements with any other agency of the United States for the use of facilities, furnishing of services, or performance of functions.

" '(D) The Panama Canal Commission, any other agency or department of the United States, and any United States Court in the Republic of Panama may transfer any of the records (or copies thereof) of the Commission, or of such agency, department, or court, as the case may be, including records acquired from the Canal Zone Government or the Panama Canal Company (including vital statistics), to any other agency or department of the United States and, in coordination with the Ambassador and with his approval, to the Government of the Republic of Panama.

" '(E) The provisions of this section shall apply to the Smithsonian Institution.

" '(F) No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

" '(G) On the date on which the Panama Canal Treaty of 1977 enters into force, the Secretary of State may convey to the Republic of Panama the Panama Railroad and such property located in the area comprising the Canal Zone immediately before such date, which area is not within the land and water areas the use of which is made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. Property transfer pursuant to this section may not include buildings and other facilities, except housing, located outside such areas, the use of which is retained by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. With respect to fire protection installations referred to in paragraph 14 of the Agreed Minute to the Agreement in implementation of Article III of the Panama Canal Treaty, signed September 7, 1977, the United States shall not transfer to the Republic of Panama any such installation (other than the Balboa Fire Station and the Coco Solito Fire Station) until the Administrator of the Panama Canal Commission has determined that, because of voluntary transfers or voluntary separations, an adequate number of firefighters does not exist to sufficiently staff such installation and such installation is excess to the needs of the United States.' "

Mr. STEVENS. Mr. President, I have just been informed that there is a redundancy on page 2 of the amendment. Paragraphs (B) and (C) are already in the bill. I ask unanimous consent to modify my amendment by deleting paragraphs (B) and (C) and relettering the following sections accordingly.

The PRESIDING OFFICER. The Senator has that right.

The amendment was modified as follows:

Beginning on page 132, line 16, strike all through page 133, line 24, and insert in lieu thereof the following:

"(B) Section 68 of that title is amended to read as follows:

" 'Section 68. Assets and Liabilities

" '(A) All property and other assets of the Panama Canal Company shall revert to the United States on the effective date of this act, and, except as otherwise required by law, the United States shall assume the liabilities of the Panama Canal Company then outstanding. The Panama Canal Company may use such property, facilities, and records of the Panama Canal Company as is necessary to carry out its functions.

" '(B) The Panama Canal Commission, any other agency or department of the United States, and any United States Court in the Republic of Panama may transfer any of the records (or copies thereof) of the Commission, or of such agency, department, or court, as the case may be, including records acquired from the Canal Zone Government or the Panama Canal Company (including vital statistics), to any other agency or department of the United States and, in coordination with the Ambassador and with his approval, to the Government of the Republic of Panama.

" '(C) The provisions of this section shall apply to the Smithsonian Institution.

" '(D) No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

" '(E) On the date on which the Panama Canal Treaty of 1977 enters into force, the Secretary of State may convey to the Republic of Panama the Panama Railroad and such property located in the area comprising the Canal Zone immediately before such date, which area is not within the land and water areas the use of which is made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. Property transfer pursuant to this section may not include buildings and other facilities, except housing, located outside such areas, the use of which is retained by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. With respect to fire protection installations referred to in paragraph 14 of the Agreed Minute to the Agreement in implementation of Article III of the Panama Canal Treaty, signed September 7, 1977, the United States shall not transfer to the Republic of Panama any such installation (other than the Balboa Fire Station and the Coco Solito Fire Station) until the Administrator of the Panama Canal Commission has determined that, because of voluntary transfers or voluntary separations, an adequate number of firefighters does not exist to sufficiently staff such installation is excess to the needs of the United States.' "

Mr. STEVENS. Mr. President, this is an amendment to restore a provision that is in the House bill, requiring congressional authorization to transfer property in Panama. It is not a subject that I raise lightly, because I think there are tremendous implications in the provisions of the bill before us, suggesting that property and assets that belong to the United States can be transferred by a treaty. I have resided in a territory, which is now a State, my State is offshore from the contiguous 48 States and know from my service in the executive branch and here in Congress the totality of Federal ownership, and U.S. ownership of property and assets abroad. For this reason, I consider this provision to be one of the main provisions of the House bill.

It is not a question of the prerogatives of the Senate as against the prerogatives of the House. The question is whether it takes an act of Congress to approve the transfer of property owned by the United States. It should clearly be the position of the Senate, in my opinion, that Congress can transfer property, not the President by treaty.

The Senate committee bill does not protect the constitutional preogatives of Congress. The House had this provision in its bill, and it has been deleted.

This constitutional issue was discussed at length during the debate on the treaties. I do not think it necessary to repeat all of the points that were made at that time, but it is a most important question to those of us who do live offshore who might be subject to treaties purporting to dispose of our property. It is entirely possible that a treaty with Canada, for instance, could attempt to deal with some of the islands of the State of Alaska, or a treaty with one of the Pacific-rim nations could try to deal with a question of the property rights in the form of naval bases that the United States has on Guam. I could think of other places throughout the world where we have property rights and those property rights exist under the Constitution, as I view it. Article IV, section 3, clause 2, specifically states:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular state.

We all know the past record of litigation that was filed by 60 Members of the House on this question. The District Court of the District of Columbia dismissed the case for lack of standing. The court of appeals issued a split decision indicating that it could affirm the dismissal for lack of standing and stating that the House did not have exclusive power to dispose of American property, while the dissent said that the House did have exclusive power. On writ of certiorari, the Supreme Court denied the writ without comment or explanation.

It is not known, of course, on what grounds the Supreme Court denied that

petition. The issue that is not resolved because of the action taken by the Supreme Court.

We are considering a question of Presidential power versus the role of the Congress as an institution as opposed to the role of the Senate and its power to approve or to advise and consent to treaties entered into by the executive branch. In reviewing the question, I feel that the constitutional provision, which specifically deals with property and territory of the United States, ought to be clearly reaffirmed by Congress.

This amendment does not abrogate the treaties. The amendment authorizes the transfer required by the treaty for October 1, 1979.

Let me repeat that: The transfers that were to take place on October 1, 1979, are specifically protected by this amendment.

The House agreed to that and I agree with that, but subsequent transfers must be made by an act of Congress.

I voted against the Panama Canal treaties last year. I thought they were not in the best interests of the United States and that they were ambiguous. I still take that position and I would take that position again today.

But the treaties were ratified by the Senate and there is nothing we can do to change that ratification. However, we still have the obligation to protect the American constitutional system, and to defend the rights of the Congress as an entity, vis-a-vis the executive branch, when making decisions concerning the property of the United States.

What I am simply trying to do is to assure the Constitution is upheld and that the voice of both Houses of the Congress are involved. In dealing with disposal of and rules and regulations concerning the disposal of American property we should have an act of Congress and not a treaty negotiated by the State Department and presented to us by the President.

My amendment simply requires that the Congress exercise the powers that were granted it by the Constitution.

This is not a specious argument. For those who do not realize it, there were some treaty negotiations going on in Germany this year which dealt with a worldwide concept dealing with wildlife and the management of wildlife.

Under our traditional concept of law the States have the right to manage wildlife, not the President or the State Department.

Mr. President, the committee information given in the first section (a), (d), and (e) is redundant. So I apologize to the Senate and ask that the amendment be modified to strike that provision, also.

The PRESIDING OFFICER (Mr. PRYOR). The Senator has the right.

The amendment will be so modified.

The amendment, as further modified, is as follows:

Beginning on page 132, line 16, strike all through page 133, line 24, and insert in lieu thereof the following:

"(B) Section 68 of that title is amended to read as follows:

" '(A) No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

" '(B) On the date on which the Panama Canal Treaty of 1977 enters into force, the Secretary of State may convey to the Republic of Panama the Panama Railroad and such property located in the area comprising the Canal Zone immediately before such date, which area is not within the land and water areas the use of which is made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. Property transfer pursuant to this section may not include buildings and other facilities, except housing, located outside such areas, the use of which is retained by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements. With respect to fire protection installations referred to in paragraph 14 of the Agreed Minute to the Agreement in implementation of Article III of the Panama Canal Treaty, signed September 7, 1977, the United States shall not transfer to the Republic of Panama any such installation (other than the Balboa Fire Station and the Coco Solito Fire Station) until the Administrator of the Panama Canal Commission has determined that, because of voluntary transfers or voluntary separations, an adequate number of firefighters does not exist to sufficiently staff such installation and such installation is excess to the needs of the United States.' "

Mr. STEVENS. Mr. President, I will send to the desk a modification of the amendment so it is clear what my intent is as to the amendment that is before the Senate.

As I was saying, we discovered those treaty negotiations concerning international wildlife management and I was pleased we were able to send a member of my staff to the negotiations going on in Germany.

We have property rights in that wildborder with Canada and we have wildlife that transits the frozen part of the Bering Sea and goes to Siberia.

We have property rights in the wildlife and they are subject to our laws.

I think it is entirely possible that this precedent we are involved with now, a precedent which provides that the treaty power alone will dispose of property rights of the United States, will come back to haunt us.

The Constitution could not be more specific in dealing with the property belonging to the United States. It is a congressional power. It is not a power solely conferred to the President of the United States or to the Senate in its role in the ratification of treaties.

I would urge that the Members of the Senate consider this. This should not be an issue in the conference with Members of the House.

If I were a Member of the House, I would take affront at the Senate striking out. By striking this provision we are saying to the Members of the House that they do not have a constitutional role in dealing with the property of the United States when that property is subjected to the treaty power of the President.

I would hope we will have some discussion as to why the committee saw fit to take this action.

If there is a feeling that the House has no such role, then I think we ought to debate that. I hope former Members of the House will come over here to participate in this debate because this is one of the concepts that brings great division in the Congress.

There is a division between the two Houses right now.

I think they have invaded the prerogatives of the Senate with regard to the new Senate Building.

They certainly invaded the prerogatives of the Senate the other day with regard to the question of the pay that we had in a legislative appropriations bill for employees of the Senate.

It appears that they were even willing to go so far as to start investigating the individual details of our expenditures.

Now, this kind of division comes about because someone over here is rubbing them the wrong way.

I hope that is the case because if they are really intent on getting involved in the operations of the Senate, then, as a member of the Appropriations Committee, I intend to get fully involved in the operations of the House.

But, as a practical matter, I think it is a matter of comity and, in recent action we have taken, we have denied that comity with regard to the House of Representatives.

This provision being stricken from the bill, in my opinion, will create one of the worst relationships with the House of Representatives the Senate has fostered in my 11 years in the Senate. There is no reason for it, and it is a valid constitutional provision added by the House of Representatives.

So I would urge the Members of the Senate to consider this amendment to restore this provision of the House bill.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. I yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, the argument made by the able Senator from Alaska is very familiar to me because it was made repetitively in the course of the Senate's consideration of the Panama Canal treaties.

The argument was heard and then rejected by the Senate. The basis for the Senate's decision was well founded.

Time and time again, property owned by the United States, but located in foreign countries, has been transferred by a self-executing treaty.

The Panama Canal treaties do not represent the first time that property belonging to the United States has been transferred under the terms of a self-executing treaty properly ratified by the Senate alone.

In such cases, the law is clear. Concurrence by the House of Representatives is not necessary.

As recently as June 1, 1978, a Federal court has addressed itself to this issue, in the case of Edwards against Carter.

A group of Congressmen, Members of the House of Representatives, sought an injunction to block the transfer of the property conveyed to Panama under the Panama Canal treaties upon the ground that the Constitution states:

The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; . . .

The able Senator from Alaska also relies on this provision of the Constitution, arguing that both Houses of Congress must join in authorizing any conveyance of U.S. property.

The Court, however, held that the law of this country does not require, nor does the Constitution, the concurrence of the House of Representatives for the transfer of U.S. property, when that is accomplished through the terms of a self-executing treaty.

I quote from the précis of the decision of the U.S. Court of Appeals for the District of Columbia, which held that "the property clause of the Constitution is not the exclusive method for disposing of Federal property and the United States is not prohibited from employing an alternative means constitutionally authorized."

In that opinion, the Court also held that "the property clause of the U.S. Constitution does not prohibit the transfer of U.S. property to foreign nations through self-executing treaties."

That is the law, Mr. President, reaffirmed as recently as June 1978.

The Senate properly disposed of this question when we deliberated at length the Panama Canal treaties last year.

Our decision conformed with the law. Our position has recently been reaffirmed by the Court of Appeals of the District of Columbia. I, therefore, feel that it would flout the law, as well as create a very unhappy precedent for the Senate, if the amendment offered by the Senator from Alaska were to be adopted.

Mr. LEVIN. Mr. President, I yield to the Senator from Mississippi so much time as he may need.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. I thank the Senator who is the manager of the bill on the floor.

Mr. President, I am certainly not going to discount Alaska's present representation here in this Senate. I could not do that. We all knew that State would be well represented when these matters came up.

We have a legal situation here. I did not vote for the treaty when it was up on its merits but I think now where we know the treaty has passed, it seems to me like in the case of this kind it is settled law already. At least in a foreign country, the treaty process is a valid one, authorized under the Constitution and frankly, being in a foreign country that process in transferring property is the one that is most likely to be used.

We have other property in Panama, considering it a precedent is that country alone. We have other real property and if it does not pass under the treaty in these future years according to the formula, as I understand, we would have to come back here again and again and again in an effort to decide this matter.

Everything considered we decided firmy that as it applies here—we have these court dceisions already that have been presented here and will be discussed further—we have that precedent. We have this treaty and in this case at least, it having gone this route, there is no other way to go now. We cannot turn back. We should not turn back as a practical matter. It has already been decided.

So far as the House of Representatives is concerned, I will not yield to anyone being more concerned that all of their prerogatives be respected by this body, and we will have a conference here. If we can keep this bill in the form reported, this will be one of the major issues, and we will have to deal with it and with them the very best we can, and we will be prepared on that and they will be. Something will come back to this body that we hope will be acceptable to each body.

So let us not defeat this process now by anticipating some kind of a lack of comity that does not exist. There is no lack of comity on this subject, at least with the House of Representatives. These are the ordinary established processes and anyone who tries to tell me the House of Representatives will not approach it in a spirit of reconciliation if possible, or adjustment, into finality, is contrary to all the experience I have had with them. They are experts at comity. They do not run out on a duty or turn their back on something and say in an arbitrary fashion, "Get out of the way."

They will cross swords and try to work something out if this bill goes to conference the way it is now on this point, and this is a deliberate conclusion, and I hope that can be sustained by the Senate vote.

I have no objection to anyone proposing amendments, of course.

I thank the Senator for yielding.

Mr. LEVIN. Mr. President, I yield as much time to myself as I may need.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, the amendment of the Senator from Alaska violates the treaty. It is that simple. It is that important. It is that vital.

The treaty reads in article 13, section 2:

The United States of America transfers to the Republic of Panama all right, title, and interest the United States of America may have with respect to all real property as set forth below.

And it sets it forth below.

That treaty purports to be the document of transfer, including the property which is going to be transferred at the end of the year 1999 at which point all real property that was used by the United States for the purposes of the treaty is transferred to the Republic of Panama.

Article 13, section 2 of the treaty which this Senate has ratified transfers property to the Republic of Panama.

We may not have liked that, at which point we should have sought an amendment to the treaty. We may not agree with that and we may feel that the House of Representatives should have a part in this process. This is not the time to do that. This is the time to implement a treaty which has been ratified by the Senate.

The court, as Senator CHURCH has indicated, has ruled in this case, and this is an opinion which is not an abstraction in some other set of facts where the argument could be the facts in this case are different. The opinion in Edwards against Carter relates to the facts before us. It relates to the transfer of property in the Panama Canal pursuant to this treaty. And this opinion specifically on the point holds that the treaty power as contained in article 2 provides that property can be transferred from the United States.

This opinion of the court of appeals was an opinion which was in effect affirmed by the U.S. Supreme Court when they denied certiorari in this case on May 15, 1978.

So we do not have to argue about legal precedents in different cases and argue whether or not that precedent applies in this case or some other precedent. We have a court opinion in this case which rules that this treaty being a self-executing treaty can transfer property of the United States to Panama.

Now, the problem with H.R. 111 in this regard is that it sets up conditions on the transfer of property to Panama which the treaty provided for. Those conditions are that the U.S. Congress, by law, must provide for the transfer of property.

The specific section of H.R. 111 which is at issue here, and which this amendment would seek to attach to our bill, says that:

No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

In the face of a treaty which transfers that property without such legislation and in the face of an opinion by the Court of Appeals in Edwards against Carter, which says that that treaty is a proper way to proceed, there is more than one way to transfer property. You can transfer property by enactment of a law by Congress, and so said Edwards against Carter. But you also can transfer property by treaty which is self-executing, and so says Edwards against Carter. So the provision of H.R. 111 flies in the face of that court opinion, and I do not believe we are going to have a great problem with the House of Representatives on this, although we have a difference of opinion, and there is no reason to assume we cannot work out a proper disposition of this problem in conference as we have historically done with the House of Representatives.

This is not we interposing ourselves in front of the House of Representatives' wishes. It is the Constitution as interpreted by Edwards against Carter which has decided this very issue for us.

Mr. President, as I started off saying, this amendment is a treaty violation. If we begin down this road with a new partner, the Republic of Panama, the ends are not going to be pleasant, and we are going to be, by our starting on the treaty violation road, inviting treaty violations by the Republic of Panama.

I do not think it is in our interest to do that. It is in our interest to be circumspect, to be certain that the U.S. Government complies with the spirit and the law of this treaty, and it gives no

excuse, no excuse whatsoever, to the Republic of Panama for not living up to its obligations, because we have important rights under this treaty.

We have rights to run the canal until the year 2000, we have rights to use the property in the Canal Zone, including the right to station troops in the Canal Zone; and we cannot begin down the road of violating this treaty unless we want to invite the Republic of Panama to engage in treaty violations also. It is a dangerous road that this kind of amendment would have us try.

It not only invites treaty violations by the other side, but when you adopt amendments or laws which violate treaties it means this country does not take its obligations seriously. It signals to the world that we are not going to keep our word. Whatever we may agree or disagree on relative to the Panama Canal treaties in this body—and I was not here last year, although I know the passions which were expressed, and they are understandable—nonetheless, I think we would agree on one thing certain, all of us, whether we are for the treaties or opposed to the treaties, I think we would all agree that we cannot violate these treaties, that we cannot go back on our word; that we take our international obligations seriously.

Mr. President, the United States has always done this. We have been circumspect under the most difficult circumstances, and even down in Cuba where we have a base at Guantanamo Bay we have been able to preserve that base because we have been circumspect in our carrying out of the treaty even though Cuba has given us cause after cause for violating the treaty if we wanted to. Certainly Cuba has given us numerous times, numerous reasons, for backing away from that treaty, for withholding payments under that treaty, for engaging in violations of the treaty on our side because they violated the treaty on their side.

But what we have never done, even in Cuba, even with those provocations at Guantanamo Bay, is given Cuba the excuse to violate the treaty under which we occupied Guantanamo.

It would be self-defeating in the extreme if we added any amendment, including this one, to this bill which would give Panama justification for violating its obligations under the treaty.

Mr. President, I ask unanimous consent that an opinion which we have received from our general counsel to the Armed Services Committee, John Roberts, be printed in full in the RECORD.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, D.C., July 17, 1979.

Hon. CARL LEVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEVIN: You asked me, in preparation for committee markup of that bill, to review H.R. 111 and determine whether any of its provisions are inconsistent with the Panama Canal Treaty of 1977, which the bill is designed to implement. I have studied the provisions of H.R. 111 and I conclude that several provisions, falling into three major areas, are inconsistent with the letter or the spirit of the Treaty.

The first area involves new conditions on the payments to Panama. It is here where the bill most clearly conflicts with the plain words of the Treaty, in my opinion. Article XIII of the Treaty sets down in some detail the three types of payments Panama is to receive—$.30 per ton of traffic (adjusted over time), a $10 million fixed annual payment, and an additional $10 million to be paid only to the extent that revenues of the Commission exceed its expenditures in any given year. Section 250 of H.R. 111 sets three new conditions to be met before these payments are received. Section 250(c) provides that Panama is to receive no payments at all in any year that it levies retroactive taxes on former Canal Zone businesses, Section 250 (e) provides that no payments from surplus may be made until those surpluses have been applied to payment of all U.S. costs of Treaty implementation, and Section 250(g) provides that no payment from surplus may be made in any year that Panama is found by Congress or the President to be interfering in the internal affairs of another country.

It is an elementary and well-settled principle of international law that while domestic legislation may change the effect of a treaty inside the territory of one of the signatories, it may not affect the international obligations of the Treaty. Therefore, any attempt by legislation to impose new conditions on the payments to Panama laid down by the Treaty would be inconsistent with it. If the United States were to cause the Commission to withhold a payment under these provisions, the Treaty would be violated, and Panama could take such action under international law as it felt appropriate. This is likely to happen, particularly under Section 250(e).

A second type of Treaty violation or potential violation has to do with transfer of property. The Treaty itself purports to transfer property of the United States to Panama according to a specific schedule.

In Edwards v. Carter, the U.S. Court of Appeals for the District of Columbia held that the treaty power was sufficient to effect such a transfer. Thus the property transfers under the Treaty are self-executing, and require no further legislation. Sections 373 and 374 of H.R. 111, however, operate on quite another theory. Those provisions authorize transfers to be carried out on October 1, 1979, but provide that any further transfers under the Treaty must be specifically authorized by legislation.

These provisions are clearly inconsistent with the self-executing nature of the Treaty, and suggest to Panama that the United States may by subsequent legislation refuse to consent to certain transfers, including the final transfer of all remaining Canal assets in 1999. It is doubtful that these provisions could as a practical matter preserve for our use property that the Treaty purports to transfer on some specified date during the life of the Treaty, since the use rights would expire by operation of the Treaty and the United States would have no right to continue to use the property. Nonetheless, I view these provisions as clearly inconsistent with the Treaty, and if the United States were to refuse to turn over some piece of property designated for turnover on a specific date it would be in violation of its international obligations under the Treaty.

Finally, there is a group of provisions in H.R. 111 that relate to the same portion of the Treaty—that part of Article III which provides that the United States will carry out its responsibilities to operate the Canal until the year 2000 by means of a U.S. entity called the Panama Canal Commission. The Commission Board is to have minority representation by Panama and is to control the operation of the Canal. In several respects, H.R. 111 impinges on this clear delegation to the Panama Canal Commission. For example, Section 102 states that the Board "shall act under the direction of the Secretary of Defense." Moreover, Section 101 states that the Commission itself shall be "subject to the direction of the Secretary of Defense." Finally, Section 108 states that in time of war or imminent threat of war the President may designate a military officer to exercise "exclusive authority and jurisdiction over the operation of the Panama Canal."

The first two of these provisions are, in my view, inconsistent with the spirit of the Treaty, which is clearly premised on the operational authority of the Commission. They suggest that the Secretary of Defense may override the bi-national decision making authority of the Board, and even are subject to the interpretation that he could direct the actions of the Panamanian members, which is clearly inconsistent with the Treaty. The third provision, relating to wartime control by a military officer, is more clearly inconsistent with the Treaty, however, since it seems to contemplate a complete replacement of the Commission in that situation. Of course, these provisions involve potential violations, since the Secretary of Defense or the President may not take any action that displaces the authority of the Commission. Nonetheless, since they seem to add new conditions to the Treaty arrangements unilaterally, they are, in my view, inconsistent with the Treaty obligations of the United States.

Sincerely,

JOHN C. ROBERTS,
General Counsel.

Mr. LEVIN. One paragraph of that opinion as it relates to this particular amendment reads as follows:

A second type of Treaty violation or potential violation has to do with transfer of property. The Treaty itself purports to transfer property of the United States to Panama according to a specific schedule.

In Edwards v. Carter, the U.S. Court of Appeals for the District of Columbia held that the treaty power was sufficient to effect such a transfer. Thus the property transfers under the Treaty are self-executing, and require no further legislation. Section 373 and 374 of H.R. 111, however, operate on quite another theory. Those provisions authorize transfers to be carried out on October 1, 1979, but provide that any further transfers under the Treaty must be specifically authorized by legislation.

These provisions are clearly inconsistent with the self-executing nature of the Treaty, and suggest to Panama that the United States may by subsequent legislation refuse to consent to certain transfers, including the final transfer of all remaining Canal assets in 1999.

Mr. President, we had long and extended hearings on this bill in the Armed Services Committee, and we had a long markup on this bill in the Armed Services Committee, and we disagreed with each other on many issues. This was not one of them. As divided as the Armed Services Committee members were on policy issues, such as this one we just voted on as was contained in the Mathias amendment, where there was a divided vote in the committee no one on the committee offered any amendment, including this one, which would violate the terms of the treaty.

We discussed this amendment and other provisions of H.R. 111 because we knew they would be forthcoming or might be forthcoming in amendments on this floor.

We discussed them because we wanted to get a feel of the committee relative to

these matters, and although we did not take any vote, because nobody offered the amendment, there was no voice raised in the Armed Services Committee for this amendment or any other amendment again which is inconsistent with the terms of the treaty.

I hope the Senate will reject this amendment, Mr. President.

I yield the floor.

Mr. STEVENS. Mr. President, I understand the Armed Services Committee and I understand the Department of Defense and their feelings about this. It is just too bad that, having given away the Panama Canal once, they want to give the President authority now to give away all of the property that the United States is using in carrying out the purposes of the treaty between now and 1999.

The real question is who defines what the treaty means in terms of the property of the United States? Is it going to be the executive branch? We are going to give the President of the United States in 1999 or any official acting for him the power to define what was meant in 1977 when it says:

Upon termination of this treaty all real property and nonremovable improvements that were used by the United States of America for the purpose of this treaty or related agreements and equipment relating to the management, operation, and maintenance of the canal remaining in the Republic of Panama—

In other words, under that treaty someone is going to have to decide what was the real property or nonremovable improvements used for the purpose of this treaty or related agreements, or was equipment related to the management, operation, and maintenance of the canal remaining in the Republic of Panama.

That is a decision for Congress to make. That is what our amendment says. It does not reverse the treaty. I would be more than happy if we had a chance to vote again on the Panama Canal Treaty. I have a good idea some people have changed their minds about it in view of what they have seen. But this is a second giveaway. The bill allows the executive branch to decide what equipment and what property was related to the use and operation of the canal during the period of this treaty.

The Congress of the United States is not going to be involved with that at all. As a matter of fact, even the Senate is not going to be involved in it at this time.

Somehow, someone has to get hold of their senses here and realize what that treaty means as it is being interpreted. I understand the Department of Defense: All you have to do is get all the airplanes out of there by 1999 and Panama cannot take them. But what does it mean about equipment or property acquired between now and then? Do we really intend to give the Commission the right to spend money of American taxpayers to acquire property and then give it away? That is the interpretation of this treaty, and that is what the manager of this bill is saying.

That is what the general counsel of the committee is saying. We are being urged not to get involved in the congressional process or the constitutional issue. This treaty was ratified by the Senate once, and, having ratified it, we are being told we gave up all powers of Congress over property of the United States that was used in connection with the operation of that canal.

That is sheer stupidity, in my mind. I cannot understand why we, as Congress, should give up our powers, not only the powers of the House but also the powers of the Senate.

There will not be many of us sitting around here in 1999. But, I believe there will be some people who will wish we had preserved the role of Congress in the disposal of property.

Let me read it again, to make sure the manager of the bill understands what I am saying:

Upon termination of this treaty, all real property and nonremovable improvements that were used by the United States of America for the purposes of this treaty and related agreement and equipment related to the management, operation, and maintenance of the canal remaining in the Republic of Panama.

That, of course, is paragraph 2(d). The first part of it says:

The United States of America transfers, without charge, to the Republic of Panama all right, title, and interest the United States of America may have with respect to all real property, including nonremovable improvements thereon, as set forth below.

Just look at that:

. . . all real property and nonremovable improvements that were used by the United States of America for the purposes of this treaty.

Does that include the dock in New Orleans that the Panama Canal Company uses? The Senator from Louisiana is here, and he can confirm that the Panama Canal Company has a dock in New Orleans. Does it include that? Does it include the boat that goes back and forth from New Orleans to Panama?

What does it mean should be transferred to Panama in 1999? It does not even specify that it means real property located in Panama. It does say equipment located in Panama, but it does not say real property. It says equipment remaining in the Republic of Panama. It does not say real property in Panama.

I think it is high time some people put on their heads and look at what we are doing. We are trying to preserve the role of Congress in defining the terms of this treaty as it evolves.

I keep hearing the same thing I heard all during this debate: that we should genuflect to this little dictator in Panama because if we do not, the standing of the United States in the world is going to be diminished. That is what got us into trouble with SALT, so far as I am concerned. Having genuflected to him in Panama, we have to kneel and scrape to the Russians.

This is a serious legal proposition, and it is being tossed away as some sort of obeisance that we have to give to Panama.

This has to do with the role of Congress in interpreting the treaty as it evolves. It does not cancel the treaty. It gives Congress the power to determine what that term means.

Some day, someone will be standing on the floor of the Senate and say, "I am sure Congress never meant to use taxpayers' funds, funds derived from the management under the terms of this treaty, for real property," or, "We never meant to include real property outside of Panama."

But they already will have done it, because you are going to give them carte blanche. Having given away the Panama Canal, you are opening the door to giving away all real property, nonremovable improvements, and equipment related to the management, operation, and maintenance of the Panama Canal. Some executive officer is going to make the decision, and Congress will not be involved at all.

If I ever saw an abdication of congressional responsibility, this is it. The House of Representatives is absolutely right, in my opinion, to assert the role of Congress in the continuing definition of what is property of the United States that is subject to the terms of that treaty.

I am disturbed by the position of my good friend from Mississippi. I know what it means to have JOHN STENNIS either with you or against you. I feel as strongly about this as I do about anything else, and I fear it because of the precedent set under the treaty power.

We are saying that having once entered into a treaty that deals with the property of the United States, it then is subject to executive interpretation as to what it means in terms of what property is involved. We will rue the day we set this precedent, although it appears that we are going to do so.

I hope the House of Representatives prevails. I hope they stand firm in the role they have asserted for Congress as a whole. It seems to me to be very shortsighted not to do so.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 9½ minutes remaining.

Mr. STEVENS. I am prepared to yield back the remainder of my time.

Mr. LEVIN. I yield myself 2 or 3 minutes.

Mr. President, the question is not whether we genuflect to some foreign power, dictatorial or otherwise. We should not. I hope this body never will, and I know it never will. The question is whether we genuflect to the law, whether we genuflect to the Constitution. That is the genuflection that is at issue here.

We know what the Constitution says. And we know what the law says. We know what the Court has interpreted in this case the Constitution and this treaty to mean.

Article VI, paragraph 2, of the Constitution states:

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof, and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land.

This Senate and this Congress believe in the rule of law. I know it deeply. I knew it before I came to the Senate. I did not have to come here 6 months ago to find out that we believe in the rule of law.

This treaty is law; and whether or not this treaty is going to apply to a certain dock or a certain boat is a question of interpretation. Congress does not interpret law, nor does it interpret treaties. Courts interpret treaties and interpret law.

This treaty says that upon termination of this treaty, all real property and nonremovable improvements that were used by the United States of America for the purposes of this treaty and related agreements and equipment related to the management, operation, and maintenance of the canal remaining in the Republic of Panama shall be given to the Republic of Panama in the year 1999. That is what is stated in the treaty ratified by the U.S. Senate last year.

Again, whether that language applies to a specific piece of property in Florida or New Mexico or Texas or Panama depends upon the interpretation of those words, and Congress does not interpret treaties. Congress ratifies treaties—at least, the Senate does, if it wishes—and Congress passes laws.

I think the good Senator from Alaska has confused the role of Congress when he says that we are not going to have any role in deciding in 1999 whether or not a certain dock is going to be transferred. Whether or not it is transferred depends upon whether or not this treaty applies to it, and whether this treaty applies to it is a matter for judicial interpretation, if there is a dispute, not a matter of policy, which is what Congress is here for.

Mr. President, at this time, if the Senator from Alaska is willing to yield back the remainder of his time, I would be happy to do so.

Mr. STEVENS. I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

Mr. LEVIN. Regular order, Mr. President.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there any Senator in the Chamber wishing to vote who has not voted?

Mr. GRAVEL addressed the Chair.

The PRESIDING OFFICER. A rollcall vote is in progress. Is there any other Senator wishing to vote?

The result was announced—yeas 41, nays 56, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—41

Armstrong	Goldwater	Roth
Bellmon	Hatch	Schmitt
Boren	Hayakawa	Schweiker
Boschwitz	Heflin	Simpson
Byrd, Harry F., Jr.	Helms	Stevens
Cannon	Humphrey	Stewart
Cochran	Jepsen	Stone
Cohen	Laxalt	Talmadge
DeConcini	Long	Thurmond
Dole	Lugar	Tower
Domenici	Magnuson	Wallop
Ford	McClure	Warner
Garn	Melcher	Young
	Randolph	Zorinsky

NAYS—56

Baker	Gravel	Muskie
Baucus	Hart	Nelson
Bayh	Hatfield	Nunn
Bentsen	Heinz	Packwood
Biden	Hollings	Pell
Bradley	Inouye	Percy
Bumpers	Jackson	Proxmire
Burdick	Javits	Pryor
Byrd, Robert C.	Johnston	Ribicoff
Chafee	Kassebaum	Riegle
Chiles	Kennedy	Sarbanes
Church	Leahy	Sasser
Cranston	Levin	Stafford
Culver	Mathias	Stennis
Danforth	Matsunaga	Stevenson
Durenberger	McGovern	Tsongas
Durkin	Metzenbaum	Weicker
Exon	Morgan	Williams
Glenn	Moynihan	

NOT VOTING—3

Eagleton	Huddleston	Pressler

So Mr. STEVENS' amendment (UP No. 454, as modified) was rejected.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, under the agreement, the bill is to be disposed of no later than 6:30 p.m. today. There are several amendments still pending. The Senate has been taking quite a bit of time on each amendment thus far. I wonder if we could get an agreement to reduce the time on any amendment to 30 minutes. That would still leave the managers of the bill free to yield time from the bill on any amendment.

I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

AMENDMENT NO. 372, AS MODIFIED

(Purpose: To provide congressional participation in sea-level canal study)

Mr. GRAVEL. Mr. President, I send to the desk an amendment with a modified page 4, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes an amendment numbered 372, as modified.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

Strike out everything beginning with line 11, page 148, down through line 2, page 149, and insert in lieu thereof the following:

ESTABLISHMENT

SEC. 241. To implement that provision of paragraph 1 of Article XII of the Panama Canal Treaty in which the United States and Panama "commit themselves to study jointly the feasibility of a sea level canal in the Republic of Panama", there is hereby established the International Sea Level Canal Study Commission, hereinafter referred to as the "Commission".

DUTIES

SEC. 242. (a) IN GENERAL.—The Commission shall conduct such studies and investigations as may be necessary, including on-site surveys, and including an updating of the report of the Atlantic-Pacific Interoceanic Canal Study Commission (submitted pursuant to Public Law 88-609), to assess the feasibility of a sea level canal in Panama and to prepare an environmental report in accordance with section 102 of the National Environment Policy Act and in connection with such studies and investigations.

(b) REPORT OF COMMISSION.—Within three years after the date on which the initial appointment of all members of the Commission is completed the Commission shall submit to the President, the Congress, and the Government of Panama, a report of its findings and recommendations. The report of the Commission shall include, but not be limited to—

(1) an environmental report in accordance with section 102 of the National Environmental Policy Act;

(2) an inventory and assessment of flora, fauna, and ecosystems of Panama as they relate to the construction and operation of a sea level canal, including but not limited to—

(A) potential migration of marine organisms through a sea level canal and the potential ecological effects of any such migration;

(B) natural or manmade barriers that might mitigate the effects of any such migration; and

(C) other potential environmental effects of a sea level canal;

(3) an analysis of the best techniques and equipment presently available or which could be developed to excavate a sea level canal;

(4) the preparation of alternative designs for financing the construction of a sea level canal;

(5) an assessment of the economic feasibility of a sea level canal, including, but not limited to—

(A) an analysis of a sea level canal in relation to alternative transportation modes;

(B) an evaluation of the potential contribution of a sea level canal to alleviate the problem of world energy shortages;

(C) an assessment of the impact of a sea level canal on world commodity movements and world port development;

(D) an analysis of world ship population profiles associated with projected interoceanic trade flows;

(6) a review and assessment of alternate routes for the construction and operation of a sea level canal across Panama.

(7) an assessment of the national security and foreign policy ramifications of a sea level canal; and

(8) an assessment of the general interest expected by individuals, public and private organizations, and nations engaged in international commerce in connection with construction and operation of a sea level canal.

MEMBERSHIP

SEC. 243. (a) NUMBER AND APPOINTMENT.—(1) Except as provided in paragraph (2), the Commission shall consist of ten members as follows:

(A) One member appointed by the President pro tempore of the Senate.

(B) One member appointed by the Speaker of the House of Representatives.

(C) Three members appointed by the President.

(D) Five members appointed by the Government of Panama, which appointment shall constitute agreement by the Government of Panama that establishment of the Commission satisfies the provision of paragraph 1 of article XII of the Panama Canal Treaty.

(2) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) CHAIRMAN.—The Chairman of the Commission shall be elected by the Commission from among its members.

POWERS

SEC. 244. (a) HEARINGS.—The Commission or, if authorized by the Commission, any committee consisting of one or more members, may, for the purpose of carrying out the provisions of this part, hold such hearings and sit and act at such times and places as the Commission or such committee deems advisable. In the conduct of hearings, testimony and evidence may be given in either English or Spanish, and transcripts, reports, and materials of the Commission shall be made available in both languages.

(b) IN GENERAL.—For purposes of carrying out its duties under this title, the Commission may—

(1) secure directly from any department or agency of the United States information necessary to enable it to carry out such duties, and, upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to that body subject to applicable law;

(2) accept, hold, administer, and utilize funds and utilize services and property, both real and personal, provided by the host country or any international organization, in United States and the host country are both members, for the purpose of aiding or facilitating the work of the Commission;

(3) use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States;

(4) to such extent, or in such amounts, as are provided in appropriation Acts, enter into contracts, agreements, or other transactions without regard to section 4709 of the Revised Statutes of the United States; and

(5) utilize, on a reimbursable basis or otherwise, the personnel and facilities of other departments and agencies of the United States, and accept and utilize the services of voluntary and uncompensated personnel.

(c) ADDITIONAL POWERS.—(1) The Commission may utilize, on a reimbursable basis or otherwise, the personnel and facilities of any agency of the Government of Panama.

(2) The Commission may employ non-United States citizens or nationals of Panama, notwithstanding any other provision of law.

TERMINATION OF COMMISSION

SEC. 245. The Commission shall cease to exist sixty days following the submission of its report under section 242.

DIRECTOR AND STAFF OF COMMISSION

SEC. 246. (a) DIRECTOR.—The Commission shall appoint a Director who shall be compensated at a rate not to exceed that in effect for level II of the Executive Schedule.

(b) STAFF.—The Commission may appoint and fix the pay of such additional personnel as it deems desirable.

(c) APPLICABILITY OF CIVIL SERVICE LAW.—The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay in effect for grade GS-18 of the General Schedule.

(d) FEDERAL EMPLOYEES.—Any Federal employee subject to the civil service laws and regulations who may be detailed to the Commission shall retain civil service status without interruption or loss of status or privilege.

(e) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule.

PAY AND TRAVEL EXPENSES

SEC. 247. (a) IN GENERAL.—Except as provided in subsection (b), members (if citizens or nationals of the United States) of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for level II of the Executive Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Commission. The compensation, if any, of members of the Commission who are citizens or nationals of Panama for service thereon shall be the responsibility of the Government of Panama.

(b) EXCEPTION.—Members of the Commission who are full-time officers or employees of the United States or Members of Congress or full-time officers or employees of the Government of Panama shall receive no additional pay on account of their service on the Commission.

(c) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members thereof (whether or not citizens or nationals of the United States) shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

AUTHORIZATION OF APPROPRIATIONS

SEC. 248. There are authorized to be appropriated, effective October 1, 1979, and without fiscal year limitation, for purposes of carrying out the provisions of this title such sums as may be necessary, but not to exceed $8,000,000.

EFFECTIVE DATE

SEC. 249. The provisions of this title shall take effect upon enactment.

Mr. GRAVEL. Mr. President, before I explain the amendment, which is an amendment which passed the Senate before in close to its present terms, let me say the amendment is merely to provide a study of the possibility of building a sea-level canal across the isthmus, which I personally think, after some study, would be advantageous to the economy of the United States. I am not prejudging that issue. All I am suggesting is that we should make the study so that what we do is in the national interest.

This has been taken up by the Armed Services Committee. I know the Senator from Mississippi, the chairman of that committee, is knowledgeable on this subject, since he also passed through this body an appropriation to fund this study. I wish to yield to him at this time so he might explain his position.

Mr. STENNIS. Mr. President, if the Senator will yield to me quite briefly, we are holding hearings on the SALT matter and they are in progress now. I must return there.

Two years ago, Mr. President, in the Committee on Appropriations, we had this matter up and considered it and later, in that session, I was impressed with the idea of a sea-level canal. Later, here on the floor, there was a rollcall vote on the matter for a study—a study only. That is what applies here. That was approved by the Senate by a vote of 2 to 1. I know there were several who contributed in that debate, but I looked it up the other day, just to see about the vote. It was a rollcall, and was about that margin.

I thought then and I think now that the matter is far from settled by virtue of passing that treaty. It is going to be something that, in the future, we perhaps will need, and it is worth this study. So I am going to support the Senator's amendment on that basis and on that basis alone.

Mr. GRAVEL. I thank my colleague from Mississippi.

Mr. MAGNUSON. Will the Senator yield?

Mr. GRAVEL. I am happy to yield to my distinguished colleague, the Senator from Washington.

Mr. MAGNUSON. I want to associate myself with the Senator's amendment. I have a long history of interest in this matter. When Lyndon Johnson and I were in the House of Representatives, we were authorized by Carl Vinson, then chairman, to go down and look at the prospects of this second canal as it would affect our defenses. We did. We looked in Colombia, we looked in Nicaragua. We looked at the Gulf of Tehuantepec. We came to the conclusion then that a second canal should be built. Then World War II came along and the idea of the second canal died out. If we had built it then, we would probably have had it at a cost of about one-tenth of what it would cost now.

I voted for the Panama Canal Treaty mainly on the basis that we were not going to be giving Panama much of anything. The Senator from Alaska has gone into this in some detail. We figured out that by the year 2000, only about 20 percent—which will be 80 percent of the world's fleet then, the way they are building ships today—could use the Panama Canal. So I figured we were not giving them much by the year 2000. But we need a sea-level canal.

There was a commission appointed. Johnson then became President and he appointed a commission, headed by Bob Anderson of Texas, who was Secretary of

the Treasury. They went into the matter at some length and recommended a second, sea-level canal, to Johnson, who was then President. His interest never died in it, as mine never has.

I am hopeful that we can have another study and bring it up to date, because obviously, with the growth in maritime technology and the growth in ships and so on, the present canal is not going to be able to handle much shipping—as it cannot handle a lot of it now, as a military matter alone, a defense matter.

I am hopeful that the committee will accept this amendment and we can proceed with this very important study and bring it up to date.

The Commission made a great study. I think we can use a lot of the so-called Anderson Commission's work. Frankly, Lyndon Johnson and I recommended going through Nicaragua, going through the lake. We thought that was the best way to do it. And the Gulf of Tehuantepec is a good way to do it, but that is so costly now.

Technology now available can be used to build a second canal through mountainous territory north of the present canal. We can use nuclear explosions to level it off. I am hopeful that the committee will accept this amendment.

I did not want to take up the Senator's time.

Mr. GRAVEL. The Senator did not take up any of my time. His voice was an important one to have enunciate on this particular issue.

I ask the managers of the bill if they would have any objection to accepting this amendment, which I think is abundantly reasonable, asking us to study something that could possibly be in the enlightened self-interest of this great Nation of ours. To be opposed to acquiring knowledge strikes me as wrong. I ask the managers of the bill to propound their views, with the possibility of accepting this, since it has been passed once before and we would not be pioneering or breaking any ground.

Mr. MAGNUSON. If the Senator will yield, the present canal is only 114 feet wide at its widest point and abeam. Most ships now, particularly oil tankers, are much wider. A sea-level canal would solve that problem.

Mr. LEVIN. Mr. President, I should personally be happy to accept the amendment. The committee did vote on this matter and voted not to accept the amendment.

Mr. President, I am most impressed by the Senator from Washington, head of our Appropriations Committee, supporting this amendment, although there is an $8 million price tag to it, but because of the fact the Armed Services Committee specifically considered this amendment and rejected it, I am unable to accept the amendment.

I yield to my colleague from Nebraska all of the time we have on this amendment.

The PRESIDING OFFICER (Mr. STEWART). The Senator from Nebraska.

Mr. EXON. I thank my friend from Michigan.

Mr. President, I rise in opposition to the amendment offered by the Senator from Alaska.

As has been already said, the Armed Services Committee, among its other considerations and deliberations on this bill, rejected the proposition that has been offered again, in good faith, of course, by my friend from Alaska.

The Senator from Alaska came before the Armed Services Committee during our hearings on this and recommended specifically what he is recommending here today in the form of the amendment.

After due consideration, a majority of the Armed Services Committee rejected bringing that to the floor.

So I rise first in the representation of the majority on the Armed Services Committee in opposition.

There are several considerations I think we should bring into play here, despite the fact that I understand the U.S. Senate in several previous cases has, indeed, agreed to the funding of such a study, specifically not different from what is being suggested here today. It seems to me that there are some other considerations we should give to this.

There is a part of the treaty that says in anticipation of the action contemplated here today that before we even think about building another canal in Panama, that we have to get the approval of Panama.

In the first instance here, it seems to me that it would not be responsible for the U.S. Senate to spend $8 million to study construction of a new canal in Panama until such time as we first have discussed this with the Government of Panama to see whether or not they are interested, under any circumstances, of allowing us to build a new Panama Canal.

I guess, therefore, we are putting the cart in front of the horse by even considering the expenditure of $8 million.

Mr. GRAVEL. Will the Senator yield on that?

Mr. EXON. I am glad to yield on the Senator's time.

Mr. GRAVEL. I am happy to make a brief statement on that point. My colleague is very generous. So we can proceed in this colloquy in an orderly fashion.

But the Government of Panama signed in the treaty the possibility of making that study.

The amendment I sent to the desk had a provision added to it in writing on page 4 that after the five members from Panama have been selected by the Panamanians, and obviously one must presuppose that if they put five members up to serve on the Commission that they must be in favor of it. But I have added specific language, so there is no misunderstanding, that with the appointment this shall constitute an agreement by the Government of Panama that the language under paragraph 1 of article 12 is satisfied. The language in the treaty.

I also have a letter, which I did not bother to update for this debate, because I have spoken to the Chief of State Torrijos when he was in charge, and I have now spoken with the President personally when he was at Blair House here, and with the Ambassador, and there is great enthusiasm in Panama over the possibility of this study.

I will quote from one letter dated June 26, 1978, and there is no new information other than this:

> The Government of Panama is interested in the completion of a joint study which will update the Atlantic-Pacific Interoceanic Canal Study Commission Report and Evaluate the economic and environmental factors considered, the feasibility of a sea level canal.

Mr. President, I ask unanimous consent that the letter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EMBAJADA DE PANAMA,
Washington, D.C., June 26, 1978.

Hon. MIKE GRAVEL,
U.S. Senator, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR GRAVEL: Pursuant to your request and without any designs to intervene in the debate which is presently taking place around the Gravel-Magnum amendment to an act authorization certain Public Works on rivers for navigation (HR 8309), I have been instructed by my government to reply to you as follows:

The Government of Panama is interested in the completion of a joint study which will update the Atlantic-Pacific Interoceanic Canal Study Commission Report and Evaluate the economic and environmental factors considered, the feasibility of a sea level canal.

I take this opportunity to reiterate the assurances of my highest esteem and consideration.

R. A. BILONICK-PAREDES,
Charge D'Affaires.

Mr. GRAVEL. Mr. President, I just wanted to clear up the point the Senator made, that we need to stop everything and get their permission.

I would hope my colleague would accept this as permission for us to go ahead and authorize the study, so we can go ahead and find out what is in our interest.

I thank my colleague for permitting me to interrupt his presentation.

Mr. EXON. Will the Senator yield for a question on that very point?

Mr. GRAVEL. I am happy to, if the clerk could monitor the time spent on each side.

Mr. EXON. In the establishment of this Commission and the $8 million the Senator requests for funding, have the Panamanians played any role whatsoever in the determination of how the committee would be selected? Have they agreed what the duties of this Commission would be? Has there been any discussion other than the preliminary discussion the Senator has indicated with regard to the fact that they might not object to our, at least, going ahead with the study?

Mr. GRAVEL. If there is concern on the part of my colleague that they would not join us, then there is not a penny to be spent, because the Commission contemplates 10 people, 3 appointed by the President of the United States, 2 appointed by the Congress, and 5 appointed by the Panamanians.

So we will not even have the first meeting of that Commission if they do not put up their five members.

We are not intervening as to how they will select them. That is their busi-

ness. We are concerned about our five, and that is all laid out, and the duties, similarly.

The Commission would meet and act in their interests in the operation. We are merely outlining the procedures our Government normally uses for these types of studies.

Obviously, the American members of that Commission would be bound by this.

Mr. EXON. If I understand the basic thrust of the Senator from Alaska, it is that thus far the Panamanians have not given any indication whatsoever that they would be unalterably opposed to at least a study.

Mr. GRAVEL. That is right. In fact, I just quoted a paragraph that they are enthusiastic about the possibility of a study.

Mr. MAGNUSON. Will the Senator yield?

Mr. EXON. I will yield to the Senator from Washington.

Mr. MAGNUSON. They approved wholeheartedly of the Anderson Commission. We spent some time in Panama, and the Government of Panama, I think the President then, was all for it. They took the Commission out and surveyed the land, and they looked on the work with great enthusiasm.

I have not heard anything from Panama that they would be against looking at the possibility of a second canal. They realize that the old canal is getting outdated and that something is going to have to be done sooner or later.

Mr. GRAVEL. I really do want to represent fully to the Senate my concerns, with the President of Panama Torrijos' genuine enthusiasm, and to the point we discussed the possibility of an international seminar in Panama on the subject next year as a preliminary.

But, of course, this would be a more methodical approach, involving ourselves, since of the traffic that goes through the canal, one-third of all that traffic is goods destined to the American people, or from the American people, going from the east coast to the west coast, or from the west coast to the east coast.

So as to the consumers in the Senator's State, the farm products out of his State that go to the Orient, a good deal passes through the Panama Canal. He should have a vital interest that the cost of transportation of that product is as efficient as can be devised, and this might be the most efficient way to get the best price for commodities for his people.

I do not say it is. But I say that I have brought forth sufficient data to cause an interest on the part of the Panamanians and on the part of our Government that that study should be done.

Mr. EXON. I thank the Senator.

I think the point is well taken and well made by the Senator from Alaska. I will then follow up the comment from the Senator from Washington.

I certainly would agree with the Senator from Alaska that the Panama Canal and its ability to transport different types of goods, including grain—and a lot of grain goes through the Panama Canal—is of keen interest to the people of Nebraska. That is why the people of Nebraska though we should not have given the first canal that we built in Panama back to Panama. I am not surprised particularly to find out, therefore, that the Panamanian Government is quite enthused about the possibility of us making a study to build another canal.

It just seems inconceivable to me that at a time when we are thinking about implementing the Panama Canal Treaty and, as I said when I was on this floor about an hour ago, I do wish that I had had a chance to be here to vote against the Panama Canal Treaty, but since it has been passed by the Senate, I am going to do my best to implement that treaty so that we do not violate the commitment of the United States of America confirmed in the Senate last year.

But to think that we are here now implementing that treaty against the best wishes of many of us, against the interests of the people of the State of Nebraska, and I can tell you that they feel overwhelmingly against this, at the same time we are thinking about spending another $8 million to do a study to build another canal in Panama is almost inconceivable to me, and I hope that on retrospect the Senate will reject the amendment offered by the Senator from Alaska.

Mr. GRAVEL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2½ minutes remaining.

Mr. GRAVEL. Mr. President, I ask unanimous consent that I may proceed for 10 minutes. I want to make a summation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, to properly speak to the point of my colleague, I can understand his emotion because had he been here he would have voted against the treaty, and the fact he was not here, the treaty was passed and probably some of his constituents misunderstood the situation and they are opposed to the treaty.

What I cannot understand is the representation that is made that it would be in the best interest of the people of Nebraska to vote against an authorization of $8 million to study what might be in the interest of the people of Nebraska. I do not think the people of Nebraska are like that. I think the people in Nebraska think if they can save some money or improve their price advantage in the sale of their product, they would be for that, and I am sure my colleague would be for that if he could focus on the problem as it exists.

I am not advocating the United States go build the sea level canal. All I am advocating is that we get the data and find out if it is in our interest because if it is in our interest since we are a one-third user we have to assume that it would be in the interest also of two-thirds of the other users. That is not us. That is the rest of the world.

So if we are going to build a sea level canal it is not us. It is we as citizens of the world who are going to build it. So it is going to be a world canal, and it would be owned by the Panamanians. It will not be owned by us or any other country. So as far as they are concerned, they are thinking in terms of the present canal.

But if the figures I have are correct, they are going to break a leg to see that a new canal comes into being, and so are you going to break a leg to see that a new canal comes into being because the figures I have, and they have not been disputed in the 2 years that they have been available throughout the world, are to the effect that as to the present canal starting in 1966 roughly 90 percent of the world tonnage could go through that canal. Then all of a sudden in 1977 only 42 percent could go through that canal. If you take that trend line during that 12-year period and you were to extend it all the way out you would find out that most of the tonnage will not be able to go through the canal in very short order.

So to be very conservative, what I have done is I have just taken a third of that trend line and shown that at the year 2000 when you and some of the people in Nebraska may think that you gave a canal away, what you have given them is a canal where 90 percent of the world tonnage cannot even go through. You can fight all you want to keep that artifact of antiquity. But what you are interested in and what the people of Nebraska are interested in is the maximum utilization of efficiency in the transportation of your product. That is going to put bread on the table of the people of Nebraska and every other part of the country.

And not to spend the money to acquire that knowledge in my mind is suicidal in a very technological society.

This map here that I show you is the reason why I have an interest, coming from Alaska, in Panama. Right here on the North Slope in Prudhoe Bay one-third of all the oil of the U.S. reserve is right there on a little plot of ground of 190,000 acres, and one-fourth of all the natural gas. That is just the beginning, we hope, of what Alaska can provide in the way of energy security to this great Nation of ours.

How do we get it to the market? I have an Arthur D. Little study preliminary to the money we want to spend that indicates the cheapest way to get it to market is through supertankers. Not even the pipelines compare to the economic benefits of bringing it in.

You have already as a taxpayer spent $22 million studying the feasibility of a sea level canal. That money goes down the drain unless you can figure out if there really is a need for this. That study which was completed in 1970, 1 year or 2 years after the discovery of Prudhoe Bay, did not give proper consideration to the transportation of oil. They talked about 40 million tons. The potential here is 140 million tons of transportation.

So not to recalculate the situation and find out what is to our advantage literally is foolhardy because it is the Senator's people in Nebraska who pay the cost of gasoline. If that gasoline per barrel is an additional $1.50 a barrel, then the Senator is not doing his job in protecting their economic interests.

So I think the least we can do is make this study, not close our eyes to its possibility, and after we have the study the Panamanians can make their decision, we can make our decision, Japan can make its decision, and every other country.

Let me just add to the comments I made with respect to Japan. I have a letter from the President of the Chamber of Commerce of Japan. I have been to foreign powers and have made this presentation on the value of the Panama Canal to the world maritime community. I have been accepted in Germany, Japan, London, and Suez. And one of the results of his has been the interest in Japan which is the second largest non-South American user of the Panama Canal. I will just quote a few sentences that he makes:

> I have always kept in mind the possibility of the project since it was discussed during your visit to Tokyo . . .
>
> . . . the efficient traffic through the Canal is of great importance to Japan.
>
> If the project of constructing a new Canal can be realized, we hope that it would become a great monument to the cooperation between our two countries.
>
> Our rough draft of the project, while it is still in the embryonic and private stage, has been explained to our Prime Minister, Mr. Ohira, prior to his visit to the United States in late April of this year.

This is what they are talking about, and I will submit for the RECORD a proposal they are working on for the construction cost of $8.3 billion.

Mr. President, I ask unanimous consent that a letter to me from the Japan Chamber of Commerce and Industry, dated June 6, 1979, and an article entitled "Japanese Float $8.3 billion Sea Level Panama Canal Plan" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE JAPAN CHAMBER OF COMMERCE AND INDUSTRY,
June 6, 1979.

Senator MIKE GRAVEL,
U.S. Senate,
Washington, D.C., U.S.A.

DEAR SENATOR GRAVEL: Your enquiry with the Japanese Embassy in Washington concerning a new Panama Canal has been conveyed to us through the Ministry of Foreign Affairs. I have always kept in mind the possibility of the project since it was discussed during your visit to Tokyo in November, 1976.

I have had a good opportunity of visiting the Republic of Panama in March, 1977, and of observing the present operations of the Canal. More than half of the ships that go through the Canal carry the cargoes from or to Japan and the efficient traffic through the Canal is of great importance to Japan.

We Japanese businessmen are anxious that the close and friendly relations be maintained and improved upon between Japan and the United States of America. If the project of constructing a new Canal can be realized, we hope that it would become a great monument to the cooperation between our two countries.

Our rough draft of the project, while it is still in the embryonic and private stage, has been explained to our Prime Minister, Mr. Ohira, prior to his visit to the United States in late April of this year.

It would be best if we could talk about the idea but I am afraid that it would not be possible for me to visit the U.S. in the near future because of my tight schedule. If you have another opportunity of visiting Japan, please let me know.

I have written this letter in order to give you brief explanations of our present position. I believe that the response in the similar context has been made to you through our Ministry of Foreign Affairs.

Finally, I would look forward to realization of a concrete plan in the earliest possible future, and wish to have an opportunity of meeting with you again in the not too distant future.

Sincerely,

SHIGEO NAGANO,
President.

JAPANESE FLOAT $8.3-BILLION, SEA-LEVEL PANAMA CANAL PLAN

Another plan has surfaced for building a second canal through Panama. The latest proposal comes from the president of Japan's Chamber of Commerce who is promoting the new isthmus crossing as a means for shipping Mexican crude oil to Japan as well as a route for large crude carriers ferrying Alaskan oil to eastern and southern U.S. ports.

The Japanese proposal calls for construction of a new canal parallel to the north of the existing 65-year-old Panama Canal. The grand plan involves excavating a 54-mile-long, sea-level canal through the mountainous Panamanian terrain at an estimated cost of $8.3 billion. The proposed canal would be approximately 660 ft wide and need to an estimated 80 ft deep to accommodate oil tankers with a maximum carrying capacity of 300,000 dwt.

Japan is preparing to propose the plan to government officials in the U.S. and Panama under a major international undertaking as part of a wide-ranging economic cooperation program for the stabilization of the Central American area. The Japanese also view the proposed canal as one way to stabilize world energy supplies.

Mr. GRAVEL. Mr. President, if we want to back out of the world, if we want to step aside and say that we are no longer a major power concerned about major transportation elements in our society, particularly when we use a third of it and we are prepared to let the Japanese go forward in world macroleadership in this area, then shame on us if we have difficulties in the future. It is just a beginning of the end of our leadership in the world.

So I would hope that my colleague from Nebraska would realize the importance of what this possibly could be for his people in Nebraska, and recognize that I will not stand on the floor of the Senate 2 years from now or 10 years from now and ever ask that the United States build a sea-level canal. I would ask the world build a sea-level canal in partnership with the people of Panama because it is their land and it is an international waterway. It is not ours.

You may feel bad about your giving away something you did not want to give away, but let me tell you we have not been overly generous in what we gave them because it is not going to be too much by the time we do give it to them.

I reserve the remainder of my time.

Mr. EXON. How much time do I have?

The PRESIDING OFFICER. The Senator from Nebraska has 5 minutes remaining.

Mr. EXON. I thank the Senator from Alaska for his explanation.

I would just like to make a comment or two.

I expect at the time of debate over what the route from the Alaska oil fields to the United States would be—you will remember there was a great debate as to whether we should come across Canada with those lines or whether we should go across Alaska, put that oil in ships, and I will stand corrected if I am wrong, but I believe the idea was to bring those ships down to the west coast of the United States of America where we were supposed to build some refineries so that we would not have to take all of that oil down through the Panama Canal and up to the Gulfport refineries.

It might be that the people of the United States were not fully informed at that time, but I do not believe that when that matter was considered we thought about taking all of that oil through the Panama Canal.

I reserve the remainder of my time now, but I would like to yield, if I may, to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. The Senate Armed Services Committee defeated this amendment when it was before it. I do not think it is wise to pass and agree to the amendment. I do not believe we should study building a new canal, which we would have to spend billions on to construct and, undoubtedly, would have to give away to Panama, Nicaragua, or some other country in the future.

The American people are disgusted with the giveaway of the present canal. I think the Senate would be very unwise to set in motion another giveaway, the cost of which cannot even be imagined.

The argument is made, I believe, that the present canal will not take care of the big ships in the future. The present canal will take care of 98 percent of the naval ships.

I realize that some of the big oil tankers today go up to the canal and then they siphon oil into smaller ships and they go through. They can do that or if they have to go around the Horn it is true it costs more. But there is no emergency, and the fees they would pay when these fees are increased now—and they will be increased—to go through that canal will not cost any more than going around the Horn. There would be the time element involved, of course.

But considering all of the facts concerning the matter, in my opinion it would be a mistake to take any step at this time, especially with the mood of the American people now, because I can tell you the American people are still against giving away this Panama Canal, upon which we acted last year. I hope the amendment will be defeated.

Mr. GRAVEL. Mr. President, I will be very brief.

Mr. MAGNUSON. Mr. President, will you yield a half a minute?

Mr. GRAVEL. I yield to the Senator from Washington.

Mr. MAGNUSON. I question the Senator's statement that 98 percent of the military ships can go through the canal. Ninety-eight percent did he say or did I hear him wrong?

Mr. THURMOND. That is right, all but the big aircraft carriers.

Mr. GRAVEL. That is if you count all the PT boats we used in the Second World War.

Mr. MAGNUSON. We are dealing with tonnage and not number of ships.

Mr. GRAVEL. The point is we are dealing in tonnage rather than number, and I just want to close by stating very briefly to my colleague from Nebraska when he states the oil was to come down to the west coast, the companies involved well knew, and we knew this in debate, they were supposed to be able to build refineries and retrofit these refineries. The Federal Government would not let them take the cost of retrofitting, so the surplus of oil in the wells remained because—we imported because—the refineries could not handle Alaskan crude in the volume needed.

The markets are there. The problem is very simple. It is we, the Government, that caused that difficulty.

There is nothing we can do about it. There is nothing we can do about that problem.

The other thing is Alaska has a future in oil and gas, and Alaska can bring it to the south 48 through the canal. It has been repeatedly said that we are going to build it. I want to make the record clear once and for all that I have never stood here on the floor saying we should build it, and I hope I am never quoted as having said that, and I hope the argument will not continue in that vein.

What I am saying is we should study what our economic interest is, and then once we have that knowledge we can then make a determination of what we want to do with that knowledge. That might be that we do nothing. It might be that we suggest to Panama we might guarantee some financing. It might be we would take the issue to the United Nations and ask them to do the financing. But all of those options would be open to us. Until we know what is in our best economic interests, we can do nothing but live in ignorance.

The purpose of this amendment is to dispel the kind of life we would have in this country in abysmal ignorance.

I want to thank my colleague for his cooperation in this colloquy. I hope it has been enlightening. It is the first time we have been able to engage in colloquy on this subject on the floor, and it has not diminished my respect for him as a very fine Senator who has been making outstanding contributions in this body.

The PRESIDING OFFICER. The Senator from Alaska's time has expired.

Mr. EXON. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 2 minutes and 13 seconds.

Mr. EXON. Let me then close by saying that I appreciate the excellent explanation made by my friend from Alaska.

I suspect the Government has been part of the problem in not allowing us to build refineries on the west coast to use the crude that we get from Alaska, which we all understand is the type of crude that will not go to ordinarily what refineries we have there now.

But if the Government is the one standing in the way of building refineries on the west coast, refineries that could take that Alaskan crude instead of shipping it through the Panama Canal, then I would suggest that the Government is also the one that could correct that. So I am not prepared to buy the argument that we essentially need a new canal in Panama because we are going to have, as near as we can see into the future, to transport oil from Alaska.

I would agree there may be some other needs but, at a time when we are giving away one Panama Canal, whatever it is worth and, at the same time we are doing that, to tack on an $6 million study for a new canal in Panama, just seems to me to make no sense whatsoever.

I repeat, in closing, that the Armed Services Committee did study this and rejected it in a vote in committee, and I hope my colleagues on the floor will do likewise if and when this comes to a vote.

I reserve the remainder of my time, Mr. President.

Mr. GRAVEL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAVEL. I yield back the remainder of my time.

Mr. EXON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted and desires to do so?

The result was announced—yeas 43, nays 54, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—43

Baker	Heflin	Muskie
Baucus	Hollings	Nelson
Bayh	Inouye	Nunn
Bradley	Jackson	Packwood
Cannon	Javits	Pell
Chiles	Johnston	Randolph
Church	Kennedy	Ribicoff
Cranston	Levin	Sarbanes
Culver	Long	Sasser
DeConcini	Magnuson	Stennis
Durkin	Mathias	Stewart
Ford	Matsunaga	Tsongas
Gravel	McGovern	Williams
Hart	Melcher	
Hatfield	Moynihan	

NAYS—54

Armstrong	Cochran	Heinz
Bellmon	Cohen	Helms
Bentsen	Danforth	Humphrey
Biden	Dole	Jepsen
Boren	Domenici	Kassebaum
Boschwitz	Durenberger	Laxalt
Bumpers	Exon	Leahy
Burdick	Garn	Lugar
Byrd, Harry F., Jr.	Glenn	McClure
	Goldwater	Metzenbaum
Byrd, Robert C.	Hatch	Morgan
Chafee	Hayakawa	Percy
Proxmire	Stafford	Wallop
Pryor	Stevens	Warner
Riegle	Stevenson	Weicker
Roth	Stone	Young
Schmitt	Talmadge	Zorinsky
Schweiker	Thurmond	
Simpson	Tower	

NOT VOTING—3

Eagleton	Huddleston	Pressler

So Mr. GRAVEL's amendment (No. 372, as modified) was rejected.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DOLE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on any remaining rollcall votes today be limited to 10 minutes on each vote, and that the warning bell sound after 2½ minutes.

Mr. DOLE. Mr. President, will the majority leader yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. The Senator from Kansas has three amendments. I do not intend to take over a couple of minutes on each. I am not sure there will be a rollcall vote on each of them, but, if so, could they be back to back?

Mr. ROBERT C. BYRD. Shall we get consent for that, so that if the yeas and nays are ordered it can be done in that manner?

Mr. DOLE. Yes.

Mr. ROBERT C. BYRD. Mr. President, has the question been put on my first request, to limit rollcall votes to 10 minutes?

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if rollcall votes are ordered on the amendments by the Senator from Kansas (Mr. DOLE), on any or all of them, those rollcall votes be back to back to back; and I ask unanimous consent that the time on each amendment be limited to——

Mr. DOLE. I am willing to limit it to 10 minutes. They may want more.

Mr. LEVIN. One of them will require more time, depending on which order he brings them up.

Mr. LAXALT. The contingency amendment.

Mr. ROBERT C. BYRD. Shall we say 10 minutes on each amendment other than the contingency amendment?

Mr. LEVIN. Fifteen minutes on each.

Mr. ROBERT C. BYRD. Fifteen minutes on each amendment, to be equally divided, but with respect to the contingency amendment one-half hour?

Mr. DOLE. Mr. President, do I have 10 minutes on each of the others?

Mr. ROBERT C. BYRD. Seven and a half.

Mr. DOLE. All right.

The PRESIDING OFFICER. Will the Senator repeat his request?

Mr. ROBERT C. BYRD. Yes. Mr. President, the Senator from Kansas has three amendments. He may want rollcall votes, or someone may, on any or all of them.

The request is that on each of the two amendments there be 15 minutes, with the time equally divided in accordance with the usual form, that on the third amendment, the contingency amendment, there be a 30-minute time limitation on that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And that the votes be back-to-back, if there be rollcall votes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 455

(Purpose: To amend H.R. 111 to provide for the selection of the Five U.S. members on the Panama Canal Board of Directors of Commission)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of myself and the distinguished Senator from South Carolina (Mr. THURMOND) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) for himself and Mr. THURMOND, proposes an unprinted amendment No. 455.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 129, line 7, following "of the Senate" add the following:

"At least one of the members of the Board who are nationals of the United States shall be experienced and knowledge in the management of operation of an American flag steamship line which has or had ships regularly transiting the Panama Canal, at least one other such member shall be experienced and knowledgeable in United States port operations or in business of exporting or importing one of the regular commodities dependent on the Panama Canal as a transportation route, and at least one other such member shall be experienced and knowledgeable in labor matters in the United States. The three members referred to in the preceding sentence shall hold no other office in or be employed by the Government of the United States."

Mr. DOLE. Mr. President, I understand on this amendment there are 7½ minutes to a side, which is satisfactory to the Senator from Kansas. I will take about 2 minutes and then yield to the distinguished Senator from South Carolina.

Mr. President, in proposing that three of the five U.S. members of the Comsion's Board of Directors be individuals from outside the U.S. Government, with experience in the fields of labor, shipping and ports, and the export-import business, the Senator from Kansas appreciates the concern expressed in the Armed Services Committee "that members drawn from particular interest groups might tend to be more concerned with representing their interest group and not with the overall best interests of the enterprise."

Yet I also countenance the committee's concern "that a Board composed entirely of Government officials might well be unable to devote full attention to the business of the Commission and could even bring a departmental parochialism similar to that which the committee was concerned with avoiding in the House bill." I would add that this language is the same as the House bill. In direct response to this concern it is evident from review of that log book of Panamanian Directors now in charge that these officials are simply never there, consequently they are unable to devote full attention to their business.

Addressing the committee's first concern, it seems to me that including three members from the private sector on the Board is both a reasonable and potentially invaluable factor because representatives who are experienced and knowledgeable in canal shipping operations, exporting—importing operations and labor matters are inclined to be sensitive to two key aspects of canal operations—the financial viability of the canal and the economics of its use, and second, policies which promote a stable work force. The special expertise from which these members will draw will be vital to the successful operation of the canal, and will be in the best long term national interests of the United States. After all, the canal is essentially a commercial enterprise and therefore will need successful commercial experience.

PROVIDES BALANCED LEADERSHIP

Inclusion of these members and their private business and professional experience would contribute to and provide a good balance in the leadership of the Board. This balance is preferable to a parochial approach resulting from identification with the particular interests of one or another department of the Government. This concept of coordinating private sector members with Government agencies is not without precedent. For instance the U.S. Railway Association has private board members.

Appointing members with previous involvement in canal operations is advisable in light of Panama's unstable economic condition and past failure in economic management. Their finance sector has been called a "stone-age economy." In the recent House hearings the inclusion of a labor experienced member was strongly and substantially supported by port interests and union leaders. Many of the associated costs involved in the canal transfer have been tied to retention of skilled labor and the training and continued retention of a new labor force.

Mr. President, it is because of these concerns, which the Senator from Kansas feels would be considerably alleviated by the inclusion of these civilian members on the Board of Directors, that I send to the desk an amendment and ask for its immediate consideration. If the Senate acts favorably on this measure, which is consistent with the House version of the bill, the Congress will have acted to provide enhanced security for America's interests in the canal.

I now yield 3 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of this amendment. I am pleased to join the able Senator from Kansas as a cosponsor.

Under the administration bill, five U.S. Board members of the Commission will be subcabinet members of various departments, such as Commerce, Interior, Defense, and so forth. Mr. President, these members would have full-time jobs in their own departments and may lack the time and interest to make a real contribution to the Board. Further, they will look to a central figure in the administration for policy and guidance.

This amendment merely requires that three of the five U.S. Board members have experience in shipping, ports, and labor matters and not be officers of the U.S. Government.

Mr. President, I feel this is very important. I am hopeful that the able Senator from Michigan will see fit to accept it. It is very vital that we have people there who are familiar with this work. It will give expertise that we will not have in any other way.

Mr. DOLE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, we oppose this amendment. The committee considered but did not adopt this amendment. This amendment would deprive the President of the United States from picking the persons whom he feels best represent the interest of the United States on this Commission. We feel there is no basis to limit the President in that way. He ought to have the flexibility to select those people he thinks are best regardless of what particular segments of our community they happen to represent.

It introduces a new danger, that is, that the Board members see themselves as representing particular interest groups rather than the interests of the United States. One of the things we are all determined to do with the new operation of the canal is to make certain that the interests of the United States are maintained. We have a 5-to-4 majority on that Board.

We have given the President in this bill the power to select those members. They serve at the pleasure of the President. They are subject to the advise and consent of the Senate. We want to make certain that they represent the best interests of this country and that there be no restrictions on whom the President is able to select. We think it is unwise and unnecessary to place representatives of special interests on this board, to mandate that, by law, depriving the President of the power to select whom he will.

I think a good point is raised by the Senator from Kansas, relative to the amount of time put in by some of the public members. I think the point is well taken and we have addressed ourselves to that in our report with language mak-

ing that point very, very clear, and stating that the President should take steps to insure the Board members he appoints are prepared to be active and contributing members.

The Senator from Kansas is correct that too often members are appointed to a board and then do not take an active enough position.

Basically, we do not want to build in special interest representatives on this Board. We want people who are going to be subject to the direct control of the President in a very direct way.

He has indicated already that he is going to have representatives from the Secretary of Defense, the Secretary of State, the Department of Commerce, the Secretatry of the Treasury, and the Department of Transportation represented on this Board. This gives him an extremely tight control of the Board. Later on this afternoon we will probably be talking about amendments which would take powers away from the Board or give other persons power over the Board. Those amendments would violate the treaty.

This is an instance where we want to have the Board as tightly constructed as possible, subject totally to the control of the President of the United States, representing no special interests, so that the President of the United States can have the American interests expressed without any doubt on that Board.

In terms of representing a labor interest, labor is in through the collective bargaining, shipping and ports through the toll study procedure. We do not need assurances that the more narrow interests are going to be reflected on that Board and thereby change the focus of this Board, which is that they should represent the American interests in total and be subject to the total control of the President.

Mr. SARBANES. Will the Senator yield for a question?

Mr. LEVIN. Yes.

Mr. SARBANES. Will the report of the committee preclude the President from nominating and the Senate from advising and consenting to someone who fell into one or another of the categories contained in the amendment?

Mr. LEVIN. In no way. It leaves it open to the President to select whom he will, if the President wishes to select representatives or, more strictly speaking, persons with experience. We are not talking about representatives under this amendment but we are talking about limiting this to persons with experience in certain areas.

Mr. SARBANES. The difference is that under the committee bill this could be done if the President nominated or if the Senate insisted upon it in exercising the advise and consent function, but it is not mandated that it must be done. Is that correct?

Mr. LEVIN. Absolutely.

Mr. SARBANES. I thank the Senator.

Mr. THURMOND. Will the Senator yield?

Mr. LEVIN. I yield the floor.

Mr. THURMOND. Mr. President, the Senator from South Carolina does not recall that this was brought before the committee. I understood the able Senator to say that the committee did not act favorably on this. In fact, the committee did not act at all on this matter.

The Senator may have considered it himself, but I do not recall its coming before the committee.

Mr. LEVIN. I do thank the Senator for raising that question. I was very careful when I commented on this that this matter was raised before the committee—which I did; I am sure the committee records will reflect it—and that the committee did not adopt the House provision. The committee did not vote on this matter at all.

Mr. THURMOND. The committee did not take any action at all on it.

Mr. LEVIN. The committee did not take any action, but it took no action after I advised the committee of the action of the House and recommended against our taking any action.

I think the Senator is correct when he says that the committee took no action whatsoever and I think I am correct in saying it took no action after I fully advised it of the House provision.

Mr. THURMOND. I thank the Senator.

Mr. President, I want to say just a word.

The PRESIDING OFFICER. Who yields time to the Senator from South Carolina?

Mr. DOLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes.

Mr. DOLE. I yield 1 minute to the Senator from South Carolina.

Mr. THURMOND. Mr. President, Gulf and Atlantic Coast States strongly support this amendment, as their ports and shipping interests will be most impacted by toll increases and other decisions of the Board.

We understood from the testimony that the President would appoint these sub-Cabinet members and these people are all so busy with their work, we feel this is so important and means so much to the ports all along the east coast and down in the gulf, that it would be very helpful if this amendment were adopted.

I might say that they are not representing special interests; they are merely experienced members. They will be experienced in their line of work and should be able to run a more efficient operation.

Mr. DOLE. Mr. President, I appreciate the remarks of the distinguished Senator from South Carolina and also the comments of the Senator from Michigan and the Senator from Maryland. It seems to me that we all have had some experience on our own with commissions. The Senator from South Carolina just pointed out that these are very busy people we are talking about putting on the commission. It does seem to me that the House had considerable testimony on this matter. They did consider it carefully. It is identical to the House provision. After all, the canal is essentially a commercial enterprise and therefore will need successful commercial experience. I think the issue is drawn.

The Senator from Kansas is prepared to yield back the remainder of his time. First, I want to designate that the President will still have two appointments and he will still have total freedom in the areas we specify, so we are not trying to tie the President's hands. We are suggesting that three of the five should have some special expertise because of the importance of the canal and because of the importance of the operations and its financial base.

On that, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LEVIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute and 26 seconds.

Mr. LEVIN. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, this amendment relates to the appointment of the board. I never heard of any kind of request from the shippers or anybody like that. Certainly, they are entitled to be heard. Our purpose here was to stick to the idea of representation being chosen on the responsibility of the executive branch—that is the ordinary pattern—then have it come here for consideration of the legislative branch. In this field, the Senate from the beginning has had the responsibility of handling this. In that way, we would get a balanced situation.

If there were not ability enough or representation enough across the board, the Senate could turn them down. That is the system used ordinarily, and it works mighty well. In that way, some representation can be given. If it is proven to be those that more or less have the viewpoint of the shippers, there is nothing hidden in this bill. It is just a pure, plain, ordinary, tested, simple manner of trying to divide up these functions.

We can go to conference anyway. It will be left in conference for adjustment. I hope that the Senate can leave the bill in this condition.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. LEVIN. Mr. President, I yield myself 1 minute from the bill.

One of the additional difficulties of enumerating persons with this particular type of experience is that we have other people with other experiences which also, arguably, should be represented. How about somebody who has been involved in consumer affairs? Are we going to say one person should be representing consumer interests? The producers are going to say, "Why are not the producers represented on this Board?" So an added danger to all the ones which have been mentioned, particularly by the Senator from Mississippi, is the fact that once you start specifiying, you either have to explain to all the other interests why they are left out or you have to start incorporating them into the bill. Then everybody loses sight of what that commission should be, which is a reflection of the American interests.

That is the critical question in the amendment, whether or not we want in any way to imply that we are going to have representatives of special interests that must be appointed to that board.

This matter should be left to the President.

As the Senator from Maryland well pointed out, the President can appoint, under our bill, representatives of these interests or persons with experience in these lines of business or otherwise, if he wishes. But there is no requirement that should be imposed on the President.

The PRESIDING OFFICER (Mr. MUSKIE). All time has expired.

Mr. DOLE. May the Senator from Kansas have 1 minute on the bill?

Mr. LEVIN. I am happy to yield 1 minute on the bill.

Mr. DOLE. I think the point has been made. The Senator from Michigan and the Senator from Mississippi have explained their view. Rather than prejudice the conference, I think the better part of wisdom would be to withdraw the amendment, which I shall do at the end of this minute. The Senator from South Carolina and the Senator from Kansas have expressed what we think are the strengths of this proposal. It is in the House bill and, rather than lose the amendment, which I think would happen on the Senate floor, it is in my interest and the interest of what I think we are trying to achieve to withdraw the amendment.

Mr. President, the Senator from Kansas withdraws the amendment.

The PRESIDING OFFICER. The Chair states that unanimous consent is required.

Mr. DOLE. I ask unanimous consent to withdraw the amendment.

Mr. STEVENS. Reserving the right to object, where does that leave the proposed amendments? It does not affect the time agreement we have had?

Mr. DOLE. No, Mr. President.

Mr. STEVENS. I do not object.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment was withdrawn.

Mr. SARBANES. Will the Senator from Michigan yield me 30 seconds?

Mr. LEVIN. Yes.

Mr. SARBANES. I say to the Senator from Kansas that I think there is merit to the argument that the five Americans on the Board should not necessarily all come out of the Government. But I do not think it ought to be mandated in the legislation where they should come from. That question should be left to the interaction between the President and his nomination, and the Senate in the advise-and-consent function. I think if we leave it there, we shall be able to get a balanced board as we all perceive it and it ought not to be compelled or mandated in the law.

UP AMENDMENT NO. 456

(Purpose: To amend H.R. 111 to provide for the recovery of implementing costs under the Panama Canal Treaty of 1977)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk in behalf of myself and the Senator from Minnesota (Mr. BOSCHWITZ) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated:

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Mr. BOSCHWITZ proposes an unprinted amendment numbered 456.

Mr. DOLE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 128, after line 8, add a new subsection (c):

"No payments may be made to Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977 unless expended funds are used to reimburse the United States Treasury for all costs of implementation of the Panama Canal Treaty of 1977 as described by the Comptroller General in the report submitted to the Congress pursuant to section 236 of this Act, including costs previously paid by the Panama Canal Company and now assumed by other United States Government agencies. These costs are to be considered as operating costs of the Commission. All other operating costs shall be paid by the Commission prior to these costs. However, in computing the toll base under section 412 of the Panama Canal Code, no provision shall be made for the recovery of these costs."

The PRESIDING OFFICER. The Chair inquires whether this is the other 15-minute amendment?

Mr. DOLE. This is a 30-minute amendment, Mr. President, 15 minutes to a side. I shall take just a few minutes, then yield to the Senator from Alaska.

Mr. President, I think there is a feeling, whether it is totally accurate or not, that when we debated the Panama Canal treaties, and it took a great deal of time, weeks and weeks and weeks of the Senate's time, there is some concern now about whether or not we may have been misled about the costs involved in those treaties.

Mr. President, a major matter of concern to many of us in the Senate, representing the great interest the people of the United States have shown in the Panama Canal debate, has been the costs involved in implementing the treaties. As we all know, the treaties were approved in the Senate by the narrowest possible margin—a single vote—and there is great doubt whether or not the Senate would now find the necessary support to pass these treaties if they came before us today. The Senator from Kansas did not support those treaties then and probably, like most Americans, would not support them now, particularly in light of the estimates that have surfaced recently bearing on the costs to the U.S. taxpayer for giving our Panama Canal to Panama.

It is not too extreme a position to state that many of us were misled about the costs involved with those treaties. During the debates in the Senate, of paramount concern was the economic aspect of ratification. In the face of that concern, treaty managers on the floor of the Senate, the State Department, and the administration all made categoric and emphatic statements that the implementation of the treaty would not cost the taxpayers any money. They denied that tolls would be raised beyond 14 percent, which was in keeping with the rise in the CPI. A comparison of the near unanimous vote for the Cannon reservation, which required repayment of the interest on the U.S. investment in constructing the canal, and the Danforth understanding, limiting the base upon which toll computations could be made, with the ultimate vote on the treaty itself clearly underscores the Senatorial interest and concern in limiting the economic impact of the treaty on the American taxpayer.

RISING ESTIMATES

During the consideration on implementing legislation in the House, a strong case has been made that the cost of appropriations to implement the treaties will run between $2 and $6 billion and that the inflationary impact, while not yet precisely known, will be substantial.

The Senate voted consent to the treaties with a single vote margin. At the time of that vote, many Senators relied on the representations of the administration as to cost factors of the treaties. Whether intentionally or not, those representations were totally erroneous. There is some indication now that those estimates were less than accurate.

President Carter, in an interview with Barbara Walters, said:

We wanted a treaty that wouldn't cost taxpayers anything and we got it.

Secretary of State Vance and Secretary of the Treasury Blumenthal in February 1978, denied any cost to the taxpayer. Now the State Department indicates toll increases will be at least 50 percent higher than the cap of 14 percent as stated during the debate prior to the vote, and it may rise to as much as 35 precent.

PANAMANIAN DEBT TO RAISE TOLLS

We have had a lot of discussion on the House side and on the Senate side.

On April 10 of this year, a member of the House revealed a shocking and unfortunately deteriorating public debt situation in Panama that has a high degree of likelihood that it will affect Canal tolls in the future. I would like to quote the information this Congressman released:

The data transmitted just last month by the American embassy in Panama to the Secretary of State in Washington reveals a $2.4 billion debt level equalling the size of Panama's gross domestic product (GDP) with increases projected to push debt servicing to an incredible 71 percent of the consolidated budget by 1983.

So now we have rising tolls and rising energy costs. Continuing:

We see a dramatic potential impact on the advisability of implementing the Panama Canal Treaties of 1977 in the statement: The estimated $60-70 million yearly canal payment to the GOP (Government of Panama) under the new treaties rests on the assumption that probable toll increases over the next few years, aggregating upwards of 50 percent above present rates, will not reduce the current level of canal traffic.

In addition, we have another factor, and that is Alaskan crude and the costs of that, and the fact that as those costs and the tolls increase it will raise the energy costs for many Americans. I do not know of many Americans who do not think energy costs have about reached their peak at this moment.

ENERGY COSTS AND RISING TOLLS

When toll rates are increased—and this Senator believes that to be a safe prediction—it will have an immediate effect on the American consumer. En-

ergy is a good example. Right now tankers carrying Alaskan crude oil from the North Slope are steaming toward Panama. Up to 500,000 barrels per day of Alaskan crude oil is shipped through the canal to gulf coast refineries. These refineries supply the east coast with half its requirements for refined petroleum, and the proposed toll increases of 30 percent will drastically affect prices of heating oil and other products just prior to this 1979–80 winter season. This Alaskan crude is necessary to keep the refineries operating at a more economical capacity, and supplies 7 percent of the petroleum supply itself; therefore, any toll increase will be felt by the American consumer.

The State Department now admits treaty implementation will involve some taxpayer costs; for example, military facility relocations and Defense Department support functions for Americans. It appears that special employee benefits will be required to help retain the present skilled work force and to maintain efficient canal operations.

Payments to Panama are not part of that direct cost. They will come from canal revenues which the U.S. taxpayer will only see indirectly, but not, as I have mentioned insignificantly. It seems to this Senator that the costs to the United States ought to come also from canal revenues. These are legitimate costs associated with the security and continued smooth and profitable operation of the canal system. We are giving up the canal of our own volition. Why, especially in view of the arguments made before the Senate vote on ratification, should we pay for this "privilege"? These costs should be considered with the operating costs that are defrayed from operating revenues—not from the U.S. Treasury in Washington. We will be paying our share of the tolls anyway—much, much more than we are now as it turns out.

Estimates on the cost of implementing these treaties vary from nearly $1 to over $4 billion. The final figure is not as important as who ought to pay. The United States "bought" these treaties on the basis of zero cost. The Senator from Kansas believes we ought to do our best to keep it that way.

MAKING THE TREATIES EQUITABLE

For that reason, I have sent to the desk an unprinted amendment that was just read. The amendment simply provides that:

No payments may be made to Panama under paragraph 4(c) of article XIII of the Panama Canal Treaty of 1977 unless unexpended funds are used to reimburse the United States Treasury for all costs of implementation of the Panama Canal Treaty of 1977 as described by the Comptroller General in the report submitted to the Congress pursuant to section 236 of this act, including costs previously paid by the Panama Canal Company and now assumed by other United States Government agencies. These costs are to be considered as operating costs of the Commission. All other operating costs shall be paid by the Commission prior to these costs. However, in computing the toll base under section 412 of the Panama Canal Code, no provision shall be made for the recovery of these costs.

Article XIII(4)(c) of the treaty provides that Panama will receive an annual payment of up to $10 million from canal revenues to the extent that they exceed expenditures. The language above, taken from the House bill, this amendment was adopted by the House, effectively neutralizes the annuity by including as canal expenditures all costs to the United States, such as relocation of military bases by the Defense Department, whether related to the operation of the canal or not. This will allow recovery of U.S. treaty implementation costs at the expense of the contingent annuity payment to Panama provided for under the treaty, and is in keeping with the spirit of the treaties as most Senators believed them to be at the time they were ratified.

I yield the remainder of my time to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I would like to speak on the amendment offered by my distinguished colleague, Senator DOLE. As he is aware, there is no one in this body who was more opposed to the Panama Canal Treaties than I was. I believe that the United States made a grave mistake in ratifying those treaties and I believe that that mistake will haunt us for years to come.

The Panama Canal Treaties are already beginning to haunt Alaska on this issue of cost. Despite statements to the contrary by the administration during consideration of the treaties, the American taxpayer is being presented with a tremendous bill to implement these treaties. During Senate consideration of the documents, before us at the time of treaty ratification, I warned many of my colleagues in the Senate that the U.S. taxpayer would be forced to bear the burden of the transfer. I share Senator DOLE's concern about this burden but I am concerned with the Senator's amendment.

What this amendment will do is include all U.S. expenses, including the movement of military bases, and other installations, in the operating expenses of the Panama Canal Commission. It is true that these additional costs will prevent Panama from receiving the additional $10 million it may receive if there are moneys left over from the canal revenues, because there will not be any additional revenues, but it could have a more detrimental effect on the United States, by further increasing the price of our energy supply because of the increased cost in bringing Alaskan oil through the Panama Canal.

Let me point out, we are sending through the canal now 255,000 barrels per day, and that could increase to as much as 480,000 barrels per day soon. That oil is now being sent through at a cost of nearly 20 cents per barrel.

Under section 223 of this legislation, tolls would be prescribed at rates calculated to cover, as nearly as "practicable, all anticipated costs of maintaining and operating the canal."

In other words, tolls will be raised to cover all costs and the U.S. citizen will be paying those costs in the form of higher energy prices. At a time when the country is facing an energy crisis termed a "moral equivalent of war," when we should be trying to decrease our dependence on foreign sources of energy, it does not make sense to me to pass legislation which will surely increase the cost of domestic oil. Half of the oil from Alaska must pass through the canal on the way to refineries on the gulf coast and the eastern seaboard. The latest figure predicts a 50-percent increase in tolls, according to a March telegram from Ambassador Moss.

Mind you, these are treaties which we were told would not increase the revenues.

I shall read a paragraph from an unclassified telegram of March 2 of this year. It is a telegram in the form of a memo from Ambassador Moss to Secretary Vance. It is a very interesting paragraph.

It states this:

Looking ahead, the GOP—

I hasten to add that is the Government of Panama—

faces a very difficult fiscal situation over the next few years, stemming primarily from its debt burden which may become even more crushing than at present. Rising interest charges plus treaty implementation costs could easily absorb most of the increased income from the Canal, leaving little room for normal growth in Ministerial operations. The outlook is further clouded by economic and Canal Treaty uncertainties which have major financial implications for Panama. Of primary importance—economic growth must resume in order to bolster Panama's income tax base, which is essential to a rising revenue trend. Neither the timing nor extent of recovery is at all certain, however, even though the GOP looks for a substantial upturn beginning in 1979. This will hinge to an important degree on how well the GOP handles the railroad, ports, and its other treaty responsibilities, as well as on the various political and economic considerations which have been suppressing private investment/economic growth over the past four years. Moreover, the estimated $60 to $70 million yearly Canal payment to the GOP under the new Treaties rests on the assumption that probable toll increases over the next few years, aggregating upwards of 50 percent above present rates, will not reduce the current level of Canal traffic.

Mr. President, I can tell you that there is no way to reduce the canal traffic for Alaskan oil. If we are to reduce our dependency on foreign oil, we must increase the flow of Alaskan oil. It makes little sense for us to try to decrease our dependence on foreign oil by increasing the cost of transportation to American refineries.

Now, Ambassador Moss tells us we can expect upwards of a 50-percent increase in toll rates.

Mr. President, that is going to have a drastic effect on the price of Alaskan crude going through that canal. It is not a price that Alaskans are going to pay. It is a price that the people who consume oil on the east coast and the gulf coast of the United States produced in my State are going to pay.

I do not think the country can stand any further increase in energy costs, particularly just to give Panama a windfall payment of $10 million. That is what this is about. That is what the Senator from Kansas is addressing.

I hope that my distinguished colleague will tell me if his amendment could result in an additional cost which would raise the price of transportation of domestic

energy sources, and specifically I ask him if he would agree to a stipulation which would state, in particular, that no toll shall be raised on the cost of transport of any domestic energy.

Mr. President, I hope to have the comment of the Senator from Kansas on that matter. But I also hope to address the same question to the manager of the bill.

What is the Senate going to do in conference with the provision from the House of Representatives? It does not take into account the impact of these increases on the transportation of domestically produced energy. I point out it is not only oil from Alaska going to the canal eastward. It is coal produced in West Virginia.

The PRESIDING OFFICER. The time of the proponents has expired.

Mr. STEVENS. Is there any time remaining on the bill?

Mr. LEVIN. Yes.

Mr. LAXALT. Yes.

The PRESIDING OFFICER. There are 15 minutes remaining on the bill.

Mr. STEVENS. I ask for 5 minutes on the bill.

Mr. LAXALT. I yield 5 minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. STEVENS. Mr. President, is the Senator from Kansas willing to add a statement that, in particular no tolls should be raised on transport of domestic energy, to the end of his amendment?

Mr. DOLE. The Senator from Kansas has no objection.

I think it would read no increase in toll would be allowed under this amendment. What is the balance of it?

Mr. STEVENS. On the transportation of any domestic energy source.

I was just pointing out to the Senator from Kansas and the Senate that coal from West Virginia and from the East is transported through the canal, also. This is going to have an impact both ways on the transportation and the distribution of domestically produced energy. And it is something we warned the Senate about, Mr. President, something that the administration failed to consider at the time it gave away the canal and gave the tremendous power to that dictator down there.

If the Senator will modify his amendment to that effect I will appreciate it.

Mr. DOLE. Does the Senator from Alaska have some language there?

Mr. STEVENS. I do have.

My question to the manager of the bill is: Assuming that the amendment of the Senator from Kansas is not adopted, as I understand it, the issue of tolls will not be before the conference unless we do something here now to change the House version so that tolls in and of themselves will be at issue. I do not think this issue of the increased cost of energy to the consumer, not to the producer, but to the consumer, is going to be raised in conference.

Could the Senator from Michigan tell me? Am I incorrect about that?

Mr. LEVIN. Mr. President, the question of the tolls can be raised in conference. The impact on the tolls, the various amendments and various portions of the bill, are going to be in conference.

Mr. STEVENS. My interpretation of the treaty is that we cannot have discriminatory tolls. That is one of the provisions of the treaty.

Mr. LEVIN. That is correct.

Mr. STEVENS. Unless the amendment of the Senator from Kansas passes, which says no toll is going to increase and in particular tolls upon domestic energy, this will not be a conference item.

I urge the Senate, if the Senator from Kansas will adopt my amendment, to support the amendment of the Senator from Kansas in order to protect their constituents.

Again, let me point out that it is almost a half-million barrels a day and you are talking about an increase of a minimum of 10 cents a barrel. If my memory is correct that is about the equivalent of a half a cent at the pump. I would think twice about that if I were a Member of the Senate from any part of the United States.

Mr. DOLE. Mr. President, I ask unanimous consent that I may modify my amendment to include the following words:

After "costs," the last word in the amendment change the period to a semicolon and add "in particular no toll shall be raised on the transport of any U.S. domestic energy source."

Mr. STEVENS. I thank the Senator from Kansas and I thank the Senator from Nevada and the Senator from Michigan for yielding time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

On page 128, after line 8, add a new subsection (c):

"No payments may be made to Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977 unless expended funds are used to reimburse the United States Treasury for all costs of implementation of the Panama Canal Treaty of 1977 as described by the Comptroller General in the report submitted to the Congress pursuant to section 236 of this Act, including costs previously paid by the Panama Canal Company and now assumed by other United States Government agencies. These costs are to be considered as operating costs of the Commission. All other operating costs shall be paid by the Commission prior to these costs. However, in computing the toll base under section 412 of the Panama Canal Code, no provision shall be made for the recovery of these costs; in particular no toll shall be raised on the transport of any U.S. domestic energy source."

Mr. LEVIN. Mr. President, first of all, there is nothing in the amendment, as I read it, by the Senator from Kansas that relates to prohibitions on toll increases.

Second, there is such an amendment which I understand has been printed which has not yet been offered, and that issue could be taken up at that time.

The Governor of the canal is very much opposed to such a limit. They would not be able to operate under many circumstances if there were a prohibition against toll increases.

Third, the treaty specifically says that tolls must be just, reasonable, equitable, and consistent with the principles of international law, and those principles are such that you cannot have discriminatory tolls. You cannot have tolls which charge one price to the goods of one country and another price to the goods of another country.

So if the amendment is intended to set a different toll or result in a different toll for American goods than it does for other goods, that toll would be a violation of, certainly would be a violation of, the treaty. I do not think the Senate would want to adopt an amendment that is so clearly in violation of the treaty.

I now yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, let me try to get before you the picture of how this committee worked on this matter, gentlemen. After in-depth study by the committee counsel and by Senator LEVIN, who proved to be very adept in work of this kind, we had a full committee meeting and went over all these provisions, and then carried the matter over until the next week, time to elapse so that everyone would have a chance to make any suggestions he wished.

I am not suggesting anyone was derelict, but I am emphasizing we went at this thing methodically, and it was—may I have the attention of the Senator from Kansas when he can, I will wait until he can—and the questions here about how many changes could be made under the treaty and related matters about tolls, here is the position, in effect, that we took, that we will leave all those matters so that in all events they will be in conference, whether the Senate touches it or not; it is in the House bill according to certain calculations and language, and take the bill on, let it go to conference with those provisions in there, and then after further study and even a hearing, if necessary, by you gentlemen, a further in-depth legal study, and the presentation by the House conferees, we will have a better chance to find a way—I do not think we are very far apart—find a way here to go as far as possible in getting an adjustment to these matters that are complex at best.

I know that was the decision of our committee, and there was some reservation about some of these amendments. But, as a whole, that is the way we settled the matter. I still believe we have been helped here by the Senator from Kansas, the Senator from Alaska, and the Senator from South Carolina, and others, but we still need some flexibility to work this matter out with the House conferees to see what we can do in getting a just, proper, and legal adjustment of these matters.

We put a world of work into this bill. I was not for the treaty, not at all. But I know we have got to do something now in its implementation, and we all seem to agree on it.

So I submit that for the consideration of all those Senators present. I thank the Senator for yielding the time.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. LEVIN. I would be happy to yield.

Mr. SARBANES. Mr. President, I see some very severe difficulties in this amendment. In the first place, the treaty requires just, reasonable, and equitable tolls consistent with the principles of international law; that is, nondiscriminatory tolls, which is the present requirement under the Hay-Pauncefote Treaty. It was a concept we carried forward in the treaties we approved last year. So if we come in with favored tolls of a particular commodity of a certain country, then we violate the treaty that we agreed to.

Second, we will have established a terrible precedent. I mean, after the year 2000 the canal tolls are going to be in the hands of Panama, not even in the hands of the American-controlled commission, and we will have established for them just the reverse precedent. They can turn that precedent around at that point, and instead of charging lesser tolls for that particular commodity for the United States, charge higher tolls for that particular commodity for the United States.

So the last thing in the world we want to do, it seems to me, is to abridge the concept of nondiscriminatory tolls. In the long run the principle of nondiscriminatory tolls is to the advantage of the United States as a heavy user of this waterway for the shipping of commodities in which we are concerned.

Now, on the costs, there is no question that the more we load onto the costs and try to include in the operating costs, the higher we are going to push the tolls.

When we debated this last year, after we got over the somewhat extended language that the President used on one occasion and started analyzing the thing, I think we reached an understanding on the floor of the Senate—it was certainly my understanding—that the operating of the canal, the cost of operating the canal, and any payments provided for by the treaty to Panama, would come out of the toll structure; in that sense the statement that that aspect would not cost the American taxpayer anything was correct. Those costs are to be included into the toll structure.

It was not intended to include in and to have covered, once we analyzed the treaty and discussed them, the costs connected with the military in terms of their operations, which will continue in the Republic of Panama until the end of the century and may well continue beyond the end of the century, depending on whether the United States and the Republic of Panama agree on such continuation or not. That is 21 years down the road.

We do not know where we will be at that point, but if some of these arrangements work out well, we may indeed continue a military presence, although Panama would have to agree at that time or sometime prior to that.

I differ with those people who assert we understood that costs relating to military operations would be included in the tolls. I do not think that was the case—we finally clarified that—and now to load those costs onto the toll structure is going to drive your toll structure way, way up, and create the kind of problems that the Senator from Alaska referred to.

He seeks protection against that problem for Alaskan oil by including a discriminatory arrangement for that particular product into this amendment.

But if we try to do that we run counter to the treaty requirement of just, reasonable, equitable, nondiscriminatory tolls; second, we establish a precedent which would come back to haunt the United States many times over.

So I see those two very large defects in the proposal that is pending before us.

Mr. LEVIN. Mr. President, I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague and I express my appreciation to him for his management of this bill.

As I understand our duty now, it is to find a way to implement the treaty we have supported, and certainly to resist any effort to change and modify that treaty, so much so that it would look like it might be an act of bad faith on our part. That is why I am concerned about the pending amendment, because I think it would really change the terms of the treaty because payments were very much the essence of the consideration that was involved in all of the arrangements that were worked out.

I would, because I have not had the opportunity to speak on the treaty itself, like to comment first on the treaty and then go directly to the heart of the amendment, preceded by a comment as to why I think we have worked out now something that is in the national interest.

Mr. President, no matter what our individual positions were on the Panama Canal Treaties. The unfunded liability in our interest to enact the legislation necessary to implement the treaties and to enact as fair a bill as we can. I certainly do commend the fine work which has been done by the Senate Armed Services Committee, with the leadership of Senator LEVIN, in reporting out a responsible piece of legislation. It deserves the full support of the Senate.

I wish to offer my special thanks to the committee for agreeing to incorporate two amendments which I had introduced to bring about a more equitable arrangement for sharing some of the costs of implementing the treaties—specifically, the loss of revenues to the U.S. Treasury in the form of annual interest payments, and the cost of early retirement for canal employees. I believe these are costs which legitimately should be shared by all the countries which would benefit from continued use of the canal, and certainly that in no way changes the treaty itself, is within the authority, within the provisions of the treaty for us to implement those amendments which will raise the revenue, which will help share the cost, and have those users of the canal bear the costs of expenses incurred by the United States of America, and not shifted to the backs of the taxpayers, but have a good portion of that shared by those who are benefiting from the use of the canal.

Last year, after studying the excellent cost analysis done by the Senate Armed Services Committee, I stated my intention to work for such amendments. This year the House has already adopted similar provisions, and I am gratified that they have met the approval of the Senate committee.

As Senators know, the administration has opposed continuing the interest payments to the Treasury, currently about $20 million per year, or about $400 million between now and the year 2000. The Armed Services Committee's findings last year were that this loss of revenue to the U.S. Treasury must be viewed as a true cost of the treaties. As a former businessman, I heartily agree with this view and respectfully disagree with the administration. Last year, I was pleased to join my colleagues in overwhelmingly approving Senator CANNON's reservation No. 6 to the resolution of ratification of the Panama Canal Treaty, which calls for the continuation of the interest payment.

The second amendment involves the cost of early retirement for Panama Canal employees who would not be leaving had there been no Panama Canal treaties. The unfunded liability to the United States has been estimated at between $205 and $270 million. The lives of the employees who will participate in this early retirement program have been directly affected by the treaties. I think that this is another cost which should appropriately be shared by all the countries which will continue to benefit from the canal as a result of the new treaties.

The toll increase which can be expected as a result of these amendments falls in a range which has been described by Canal Zone Governor Parfitt as having only a "slight impact" on canal traffic.

While I continue to believe that the treaties serve our most important economic, security, and political interests, I think it is only fair that the U.S. taxpayer not be asked automatically to bear all the costs associated with the changeover of the control of the canal. This implementing legislation not only furthers our national interests in the Hemisphere, but it also serves the interests of the American taxpayer.

With respect to the pending amendment, Mr. President, I feel that this amendment risks a treaty violation. It will not result in any appreciable savings to U.S. taxpayers. Since the legislation requires that tolls be set at levels no higher than necessary to meet operating expenses, it is unlikely that any substantial surplus will ever be generated. The claim that the U.S. taxpayer will be greatly benefited by the application of this hypothetical surplus to U.S. costs is largely illusory. The amendment is an exercise in posturing. It risks a violation of the treaty and the resultant threat to U.S. rights without conferring any meaningful benefit on the United States.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Will the Senate yield me 1 additional minute?

Mr. LEVIN. I yield the Senator 1 minute.

Mr. PERCY. When we consider that the previous amendments I have mentioned result in substantial, measurable benefits to the taxpayer without in any way going against the grain of the Panamanians, who have labored with us so hard to find a treaty that could be fair and equitable by both sides, I think we risk a grave danger of having an amendment that may well be looked upon as a breach of faith.

The amendment is inconsistent with our obligation under article XIII(4)(c) of the treaty to pay to Panama the first $10 million of any surplus of revenues of the canal over expenditures. It is clear from this legislation and from the treaty that the United States need not set tolls at a rate sufficient to generate a surplus of revenues. It is equally clear that the United States is entitled to pay all costs of operating and defending the canal from toll revenues before any contingent payment to Panama is due. The amendment goes further than this, however. It requires that if any surplus is generated, it must first be applied against costs incurred by the United States which bear no relation to the operation, management, or maintenance of the canal.

I am all for every way we can possibly increase revenue to this country and to relieve the burdens on the taxpayer. But I think it would not be in our interests to do so in a way that might breach the good faith we have had over a period of years in negotiating this treaty.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. LEVIN. Mr. President, do I have time remaining on the bill?

The PRESIDING OFFICER. The Senator from Michigan has 57 minutes.

Mr. LEVIN. I yield myself 5 minutes on the bill.

Mr. President, first, I thank the Senator from Illinois for his kind comments. Most important, I thank him for his testimony before the Senate Armed Services Committee, when he eloquently and persuasively talked about the two money-saving items which he has just mentioned and described for all of us today.

His testimony certainly was a major part of our consideration in deciding to save the $400 to $600 million which this bill before the Senate does save the American taxpayer. This is because the early retirement benefits and the interest payments are going to come out of the tolls, as recommended last year in the reservation and as highly recommended by the Senator from Illinois in his testimony before the Senate Armed Services Committee.

Addressing myself now to the amendment before us, Mr. President, the amendment, as amended, contains two treaty violations. The amendment to it adds a treaty violation, and I shall address myself to each, because they really are two separate issues.

The first treaty violation was contained in the original amendment of the distinguished Senator from Kansas. That violation results from the amendment providing that no contingency payments may be made to Panama until after all the treaty implementation costs have been paid back to the United States.

First of all, as the Senator from Illinois pointed out, this is illusory. It is very unlikely that there will be any surplus from which any contingency payment could be made or from which the implementation costs of the United States would be reimbursed by the Commission. Those implementation costs are payments to American employees and contractors, not to Panama.

The costs are within the control of the Commission. For the next 20 years, year by year, an appropriation bill will have to come out of the Appropriations Committee approving the budget of the Panama Canal Commission. On each yearly action of the Appropriations Committee, they can decide and the Senate can decide whether or not the implementation costs in fact will be made. If they are made—and I think we want to maintain schools for our people down there, and hospitals for our people, and recreational facilities, and that is what we are talking about with implementation costs—if those costs are made, those costs are payments to American employees, not to Panama.

So there is no justification for those costs coming out of the tolls, in any event, and it is unlikely that those costs possibly could be reimbursed from the tolls. That would be a policy decision of the Commission.

The first problem with this amendment is that it conditions the contingency payment upon payment back to the U.S. Treasury of those implementation costs. That is a violation, a direct violation, of the treaty.

Mr. President, the treaty provides that the Republic of Panama shall receive from the Panama Canal Commission certain payments, and they are specified. There is an annual amount which is computed at the rate of 30 cents per Panama net ton which goes through the canal. Then there is a specific, fixed annuity that goes to Panama, out of operating revenues, of $10 million.

The third payment, the so-called contingency payment, of up to $10 million is then to be paid out of operating revenues "to the extent that such revenues exceed expenditures of the Commission."

In other words, if there is a surplus after the operating costs of the Commission are paid, then and only then could that contingency payment be made. But, then, under the treaty, the contingency payment would be made.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. LEVIN. I yield myself an additional 5 minutes on the bill.

Mr. President, the first problem with the amendment is that it attaches additional conditions.

It attaches additional conditions to the possibility that the contingency payment would be made.

We cannot unilaterally attach conditions to the payments that are owing contingently or as a matter of right to the Republic of Panama. We cannot sit here and rewrite a treaty and say, "Gee, we wish we would have added this other condition on getting reimbursement for implementing costs; we would have like to have done that."

This is not the time or the place to rewrite the treaty. This is the time to implement the terms of the treaty, and we cannot, as a matter of law, putting aside the matter of conscience and the matter of pride, attach new terms to this treaty.

We have already submitted for the record the opinion of the general counsel of the Armed Services Committee, Mr. Roberts, on this matter. He has rendered an opinion. I will read only one paragraph from it. The opinion, in relevant part, reads:

> Article XIII of the Treaty sets down in some detail the three types of payments Panama is to receive—

He then points out that a usual provision, which is similar to this amendment, provides that no payments from surplus may be made until those surpluses have been applied to the payment of all U.S. costs of treaty implementation, and then adds:

> It is an elementary and well-settled principle of international law that while domestic legislation may change the effect of a treaty inside the territory of one of the signatories, it may not affect the international obligations of the Treaty. Therefore, any attempt by legislation to impose new conditions on the payments to Panama laid down by the Treaty would be inconsistent with it. If the United States were to cause the Commission to withhold a payment under these provisions, the Treaty would be violated, and Panama could take such action under international law as it felt appropriate.

As I mentioned earlier, Mr. President, treaty violation begets treaty violation. If we start walking down the road of treaty violations, we have every reason to believe that Panama will do likewise; and we have vital interests in Panama, including the right to run that canal, including the use of property, including the right to station troops, and other vital interests.

If we adopt any amendment with a treaty violation in it, we have a right to assume that that will be done on the other side, and I do not think that is our interest.

The great objection to this amendment, as pointed out by the Senator from Maryland, is the added line that "no toll shall be raised on the transport of any U.S. domestic energy source."

That has a certain appeal, but I believe all of us realize that the way the canal has been operated under international law and under the treaty, which requires that international law be applied to see that the canal is operated in such a way that you cannot have discriminatory tolls, we should not, by a law written in this Chamber, adopt something which clearly violates this treaty and violates international law.

That part of the amendment as amended, that no toll should be raised on the transport of any U.S. domestic energy source, discriminates on its face between the way U.S. energy sources and other energy sources might be treated.

Because of those violations, Mr. President, I urge that the amendment be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 456).

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

Under the agreement, the vote will not actually take place until after we finish with the next amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, under the unanimous-consent agreement entered into, I think the Senator from Kansas now proceeds to his third amendment, on which there is a time agreement of 7½ minutes on a side; is that correct?

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 457

Mr. DOLE. I send my third amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and others, proposes an unprinted amendment numbered 467: On page 129, line 12, insert the following: section 206:

(a) The President is authorized to take any appropriate action to assure that the Panama Canal—

Mr. DOLE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 129, line 12, insert the following:

"SEC. 206. (a) The President is authorized to take any appropriate action to assure that the Panama Canal shall remain open, secure, neutral, and accessible pursuant to Reservation I of the Panama Canal Treaty of 1977.

"(b) The authority conferred by this section shall be exercised notwithstanding any vote by members of the Panama Canal Commission then in office.".

Mr. DOLE. I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment: Mr. TOWER, Mr. STEVENS, Mr. PACKWOOD, Mr. GARN, Mr. LAXALT, Mr. HATCH, Mr. HELMS, Mr. THURMOND, and Mr. JEPSEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, before addressing the merits of this amendment, let me say, with reference to the amendment just offered, that all that amendment would do is at least provide that some of those implementation costs of the United States be defrayed from operating revenues from the Panama Canal contingency fund. We do not say that tolls cannot be raised. We just say they cannot be raised just to make up the $10 million outlay to the Government of Panama. It seems to me that is not inconsistent with what we were talking about when the treaty was ratified.

But with reference to the amendment just offered by the Senator from Kansas, this amendment is a reinforcement of a number of discussions we had when we were considering the Panama Canal Treaties.

It grants to the President of the United States the authority to take any appropriate action to insure that the Panama Canal remains open, secure, neutral, and accessible in accord with reservation I of the Panama Canal Treaty of 1977.

It further states that any subsequent actions of the President, under these conditions, shall be exercised notwithstanding any vote by members of the Panama Canal Commission then in office. This provision insures our right to act independently to protect and defend the canal whenever its operations are threatened in any way.

As the Senator from Michigan has just said, we have a vital interest in the Panama Canal. It is a vital American interest, and it seems to me that these assurances are necessary as a step toward clarifying the confusion over our defense and passage rights granted the United States under the Panama Canal Treaty.

It has become a source of extreme concern to this Senator that statements by official sources in Panama and by our own administration officials have cast doubts—indeed have proven false—statements made before the treaties were ratified by the Senate on critical areas.

We have had what I think were inaccurate statements by Panamanian officials and officials of this Government with reference to costs, and it should be made clear that the defense provisions of the negotiated accords are not subject to these same misunderstandings or new interpretations.

We do not want to be forced to rely on "interpretations"—conflicting interpretations of America's rights to protect and defend the Panama Canal. In spite of the fact that President Carter told us the provisions were "clearly understood" by the leaders of our two nations, an "understanding" is not legally binding. Neither President Carter nor Gen. Omar Torrijos will occupy positions of authority during the decades when the treaty provisions become significant. There must be some basis in law to insure that their pledge will be honored.

Consider the ramifications of a conflicting "understanding." Our Nation's military leadership, which had endorsed the treaties, expressed their interpretation that "if neutrality is violated, then the United States has the responsibility to intervene in Panama and restore the neutrality regime of the canal." This from the testimony of Adm. James Holloway, Chief of Naval Operations, before the Senate Armed Services Committee in January 1978.

Yet Gen. Omar Torrijos states his interpretation that "it is necessary for the United States to be committed so that when we ring the bell here, when we push the button, a bell rings over there, and the United States comes in defense of the Panama Canal." General Torrijos' interpretation obviously contradicted that of our own military leaders, who believed in our administration's contention that the decision to defend the canal would be unilateral in nature.

Secretary of Defense Harold Brown has testified that "we feel strongly that the United States should take whatever action was necessary to maintain neutrality," and Ambassador Sol Linowitz insisted that "it is for the United States to make the determination as to how we should respond and how we should defend our rights." However, the chief Panamanian negotiator, Escobar Bethancourt, has stated that the United States will not determine when neutrality is violated, and that the treaty "does not establish that the United States has the right to intervene in Panama."

Secretary of State Cyrus Vance has also testified that "in practical terms, as I understand it, our ships can go to the head of the line," in gaining passage through the canal, yet the Panamanian negotiator has said, if "the gringos with their warships say 'I want to go through first,' then that is their problem with the other ships waiting there."

Mr. President, with a deep concern about these weaknesses and ambiguities, I say we should be bold enough to correct them in a straightforward and nonapologetic manner. This amendment will remove this doubt. The next generation may have to bear the consequences if we do not make our position clear now, and we will have failed our constitutional duty to the national interest and the American people.

It seems to me that this amendment states it very clearly.

Mr. President, I introduce this amendment with the belief that it will help to resolve this problem. The administration repeatedly told us how unnecessary it was to attach modifications to the Panama Canal Treaties because certain limitations and guarantees were understood by the leaders of the two countries. But the American people have since had a rude awakening and now feel the need for further insurance in meeting the best interests of our country in the future.

We had, as everyone knows, a great debate about that when we talked about the treaty itself.

It seems to me that we ought to speak very clearly and forthrightly, and not be apologetic. This amendment would remove any doubt, at least about what Congress authorizes the President to do. Whether or not the President does it would be a decision made by whoever the Executive might be at the time, but it seems to me that it is in the national interest. I introduced the amendment because I believe it might strengthen the President's hand, whoever the President might be.

It seems to me we went through the exercise about how we could not attach any limitations or any reservations or amendments to the treaty. We were told it would not cost anybody very much money, that it would not cost the taxpayers any money. We found out that that was not totally accurate, but we are not talking about the cost. We are just suggesting that by this amendment we are saying to the President of the United States, whoever that President might be, that he has that authority, and that he has the support of the Congress of the United States. I would hope the amendment would be adopted.

I reserve the remainder of my time.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

Mr. LEVIN. Mr. President, the amendment before us by the Senator from Kansas creates the same type of violation of the treaty which exists in other amendments which may be offered, which provide that a military officer run the canal during time of war.

Part A of this amendment says that the President is authorized to take any appropriate action to insure that the Panama Canal shall remain open and accessible pursuant to reservation 1. There is no problem in that regard, Mr. President.

The problem is in the next section, which is that the authority conferred by this section shall be exercised notwithstanding any vote by members of the Panama Canal Commission then in office.

Mr. President, article II of the treaty provides that the treaty shall be subject to ratification in accordance with the constitutional procedures of the two parties.

It then sets forth some rights for canal operation and management.

Then in article III, section 3, it states that pursuant to the foregoing grants of rights, the United States of America shall, in accordance with the terms of this treaty and provisions of U.S. law, carry out its responsibilities by means of a U.S. Government agency called the Panama Canal Commission, which shall be constituted by, and in conformity with, the laws of the United States of America.

Then the treaty goes on to say, Mr. President, that the Panama Canal Commission shall be supervised by a board composed of nine members, five of whom shall be nationals of the United States of America and four of whom shall be Panamanian nationals. The grant of rights to manage, operate, and maintain the Panama Canal are set forth in this treaty. Those rights must be carried out in the way which the treaty sets forth.

It says that that responsibility will be carried out by means of a Government agency called the Commission, the Panama Canal Commission, and that Commission shall be supervised by a board composed of nine members.

Not only are the rights specified, but the way in which those rights and obligations are carried out are also specified in this treaty.

The problem with the amendment before us is that it says, notwithstanding the vote of the Panama Canal Commission, that the President can act in any way he deems fit. It bypasses the Commission. This is a bypass-the-Commission amendment. Under the treaty, this simply cannot bypass the Commission.

The President has the right to control the Commission. He appoints the majority of its members. They serve at his will. He can replace them any time he wants. If they do not carry out what he deems to be important he can replace them all and he can put in anybody he wishes to carry out his orders. But the control of the canal, of its operations, must be through the Commission under this treaty. Innocuous as this sounds, and as superficially appealing as this amendment sounds, saying the President can act to protect the canal notwithstanding any vote by the Commission, it violates the essential provision of this treaty that the Panama Canal Commission, which is a partnership, a majority of Americans and four Panamanians, that partnership shall carry out the responsibilities of the United States, and a board of the Commission is going to be in operational control of this new canal arrangement.

So, Mr. President, as reluctant as I am, because of the apparent appeal of this, it seems innocuous, particularly in section A, the problem is it is a bypass-the-Commission amendment. No amendment which bypasses the Commission can be adopted without violating this treaty. It is a general principle which I hope will follow when other amendments are offered. No amendment which bypasses the Commission should be adopted by this Senate, because the treaty is so clear that it is the Commission which must carry out the responsibilities of the United States under this treaty.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOLE. I yield back the remainder of our time.

Mr. LEVIN. I yield back the remainder of my time.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the vote will occur first on unprinted amendment No. 456, on which the yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators who wish to vote?

The result was announced—yeas 34, nays 62, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—34

Armstrong	Garn	Roth
Baker	Goldwater	Schmitt
Boren	Hatch	Schweiker
Boschwitz	Heflin	Simpson
Burdick	Helms	Stevens
Byrd, Harry F., Jr.	Humphrey	Stewart
Cohen	Jepsen	Thurmond
DeConcini	Laxalt	Tower
Dole	Lugar	Wallop
Domenici	McClure	Warner
Ford	Melcher	Young
	Proxmire	

NAYS—62

Baucus	Hart	Nelson
Bayh	Hatfield	Nunn
Bellmon	Hayakawa	Packwood
Bentzen	Heinz	Pell
Biden	Hollings	Percy
Bradley	Jackson	Pryor
Bumpers	Javits	Randolph
Byrd, Robert C.	Johnston	Ribicoff
Cannon	Kassebaum	Riegle
Chafee	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Church	Levin	Stafford
Cochran	Long	Stennis
Cranston	Magnuson	Stevenson
Culver	Mathias	Stone
Danforth	Matsunaga	Talmadge
Durenberger	McGovern	Tsongas
Durkin	Metzenbaum	Weicker
Exon	Morgan	Williams
Glenn	Moynihan	Zorinsky
Gravel	Muskie	

NOT VOTING—4

Eagleton	Inouye	Pressler
Huddleston		

So the amendment (UP No. 456) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 457

The PRESIDING OFFICER. Under the previous order, the vote will now occur on UP amendment No. 457 offered by the Senator from Kansas. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators who wish to vote?

The result was announced—yeas 46, nays 50, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—46

Armstrong	Garn	Melcher
Baker	Goldwater	Morgan
Bellmon	Hatch	Packwood
Boren	Hatfield	Randolph
Boschwitz	Hayakawa	Roth
Burdick	Heflin	Schmitt
Byrd, Harry F., Jr.	Heinz	Schweiker
Cannon	Helms	Simpson
Cochran	Humphrey	Stevens
Cohen	Jepsen	Stewart
DeConcini	Johnston	Thurmond
Dole	Kassebaum	Tower
Domenici	Lavalt	Wallop
Durenberger	Lugar	Warner
Ford	Mathias	Young
	McClure	

NAYS—50

Baucus	Hart	Percy
Bayh	Hollings	Proxmire
Bentsen	Jackson	Pryor
Biden	Javits	Ribicoff
Bradley	Kennedy	Riegle
Bumpers	Leahy	Sarbanes
Byrd, Robert C.	Levin	Sasser
Chafee	Long	Stafford
Chiles	Magnuson	Stennis
Church	Matsunaga	Stevenson
Cranston	McGovern	Stone
Culver	Metzenbaum	Talmadge
Danforth	Moynihan	Tsongas
Durkin	Muskie	Weicker
Exon	Nelson	Williams
Glenn	Nunn	Zorinsky
Gravel	Pell	

NOT VOTING—4

Eagleton Inouye Pressler
Huddleston

So the amendment (UP No. 457) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there any further amendments to be proposed?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

AMENDMENT NO. 373

(Purpose: To prevent payments to the Republic of Panama if either the President or Congress determines that Panama is interfering in the affairs of another nation)

Mr. HELMS. Mr. President, I call up amendment No. 373 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 373:

On page 128, after line 8, insert the following new subsection:

(c) Upon a determination by either the President of the United States or the Congress by concurrent resolution that the Republic of Panama is interfering in the internal affairs of any other state, either directly or indirectly, no payments shall be made to Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977, and under the note regarding economic and military cooperation of September 7, 1977, or any other provisions, until a subsequent determination by either the President or the Congress by concurrent resolution that such interference has ceased.

Mr. HELMS. Mr. President, this amendment says what it means and it means what it says. It says simply if Panama fails to observe the key principles of international law regarding nonintervention and integrity of territory then the Panama Canal Commission is not authorized to make the payments required under the treaty.

Mr. President, earlier today on the Senate floor I discussed the actions of the Republic of Panama in shipping arms, materiel, and troops to the Sandinista rebellion. I pointed out that this was accomplished through a close and intimate cooperation with the Communist government of Cuba, and that it indicated that Panama would continue to support revolutionary activities for the overthrow of legally constituted governments.

Indeed, as I pointed out, the former head of the Inter-American Defense Board, Gen. Gordon Sumner, has testified that as early as 1977, Torrijos told him of his intentions to overthrow the legally constituted governments of Nicaragua, Guatemala, and El Salvador, and boasted of his efforts even at that time to undermine those governments. The evidence is overwhelming that Panama has been intervening in the internal affairs of other nations.

This afternoon I have received a letter from the Acting Governor of the Canal Zone, the Honorable James H. Tormsy. This letter confirms the information I discussed this morning concerning the seizure of private merchant vessels in the waters of the Canal Zone, and Panama's intention to turn them over to the revolutionary government. Governor Tormsy writes:

Your information is correct that the El Salvador arrived at Balboa on May 23 and that the Honduras arrived at Cristobal on June 8 and transited the following day. Both vessels were anchored within the confines of the Balboa Anchorage in the Canal Zone until they were moved to waters under Panamanian jurisdiction on June 22. Circumstances of these vessel movements are described in notarized statements of their respective masters addressed to Port Authorities, Canal Zone.

And then the Governor goes on:

According to a July 23 communique made public by the Panamanian Government, the vessels are being held in custody with an intention of ultimate relinquishment to the Nicaraguan revolutionary government . . . I am not aware of any process being initiated to restore the vessels to their owners.

Finally, he adds:

"I have been advised that the U.S. Embassy has information that the HOPE is in a Cuban port." That is another vessel.

Mr. President, once again we see confirmation that Panama is following the same revolutionary policies as Cuba; and while Cuba is an irritant and a danger, we by no means will ever have the close relationship which we will have with Panama. If Panama is going to continue to apply political criteria to vessels transiting the canal, then there can be no hope of neutrality.

Mr. President, it is clear that Panama is in violation of many solemn treaties in such actions.

Let us look, for example, at the principles of the OAS Charter. This is what Panama agreed to:

The American States reaffirm the following principles:

a) International law is the standard of conduct of States in their reciprocal relations.

International order consists essentially of respect for the personality, sovereignty, and fulfillment of obligations derived from treaties and other sources of international law . . .

e. The American States condemn war of aggression: victory does not give rights.

f. An act of aggression against one American State is an act of aggression against all the other American States.

Now let us look at chapter IV of the OAS Charter:

Article 12. The political existence of the State is independent of recognition by other States. Even before being recognized, the State has the right to defend its integrity and independence, to provide for its preservation and prosperity, and consequently to organize itself as it sees fit, to legislate concerning its interests, to administer its services and to determine the jurisdiction and competence of its courts . . .

Article 18. No State or group of States has the right to intervene, directly or indirectly for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force, but also any other form of interference or attempted threat against the personality of the State or against its political, economic, and cultural elements.

Article 20. The territory of a State is inviolable; it may not be the object, even temporarily, of military occupation or of other measures of force taken by another State, directly or indirectly, on any grounds whatever.

So we see, Mr. President, that Panama has been most flagrantly guilty of violating the rights of another member state.

Now, Mr. President, let us look at Panama's obligations under article 18 of the 1903 treaty—the treaty which currently governs Panama's actions. The 1903 treaty says:

The Canal, when constructed, and the entrances thereto shall be neutral in perpetuity.

Now look at the 1977 treaty, which is scheduled to go into effect on October 1:

Article IV. The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each Party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions, which threaten the security of the Panama Canal or of ships transiting it.

Is it too much to ask, Mr. President, that Panama already has a moral obligation to abide by this provision? And what about the 1977 Neutrality Treaty? Article II says:

The Republic of Panama declares the neutrality of the Canal in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason, and so that the Canal, and therefore the Isthmus of Panama, shall not be the target of reprisals in any armed conflict between other nations of the world.

How can Panama, therefore, seize the private merchant vessels of another nation and apply political criteria of expropriation?

If Panama does not live up to its side of the bargain, we have no obligation on our side. My amendment simply says that if Panama fails to observe the key principles of international law regarding nonintervention and integrity of territory, then the Panama Canal Commission is not authorized to make the payments required under the treaty.

It makes no sense whatsoever to pay another country that is violating international law to our disadvantage and to the disadvantage of all nations.

Now I might point out that this amendment does not violate the treaty, nor does it change its terms. As long as Panama lives up to its obligations, we are obliged to make the payments. But if Panama breaks the regime of neutrality, thereby inviting attack upon the canal, and disrupting harmony among nations, then it would be astonishing if we had to continue to make payments.

Panama itself has made this provision necessary. It has no impact if Panama fulfills its obligations; but it is extremely necessary if Panama does not.

Mr. President, I ask unanimous consent that the letter from Acting Governor Tormsy be placed in the RECORD at

the conclusion of my remarks. I further ask unanimous consent that an article from the journal American Relations entitled "Panama's New Concept of Neutrality," and two articles from Human Events on Panama's connections with Castro be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CANAL ZONE GOVERNMENT,
Balboa Heights, July 25, 1979.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: In the absence of Governor Parfitt who is in Washington in connection with a Board of Directors meeting, I am responding to your letter regarding Nicaraguan merchant vessels, El Salvador, Honduras and Hope.

Your information is correct that the El Salvador arrived at Balboa on May 23 and that the Honduras arrived at Cristobal on June 8 and transited the following day. Both vessels were anchored within the confines of the Balboa Anchorage in the Canal Zone until they were moved to waters under Panamanian jurisdiction on June 22. Circumstances of these vessel movements are described in notarized statements of their respective masters addressed to Port Authorities, Canal Zone. This is the only information I have concerning the incidents. I have no information indicating that either vessel was boarded by the Panamanian Guardia Nacional while in Canal Zone waters. An investigation was initiated by the Office of the United States Attorney promptly upon being informed of the statements of the two masters and I suggest that you might wish to refer your questions concerning possible mutiny or other violations of criminal statutes to the Department of Justice.

According to a July 23 communiqué made public by the Panamanian Government, the vessels are being held in custody with an intention of ultimate relinquishment to the Nicaraguan revolutionary government. I have been informed that the Panamanian Government has been helpful in assisting United States Embassy efforts to prevent loss or damage to cargo aboard the vessels. I am not aware of any process being initiated to restore the vessels to their owners. Neither am I aware of any determination being made that the incidents constituted a violation of the neutrality of the Canal nor of any protest being contemplated. However, I suggest you may wish to refer your inquiry on this point to the State Department.

I have been advised that the U.S. Embassy has information that the Hope is in a Cuban port. There is no indication it was involved in any incident in the Canal Zone.

I hope this information will be of assistance.

Sincerely yours,

JAMES H. TORMSY,
Acting Governor.

PANAMA'S NEW CONCEPT OF NEUTRALITY

The collapse of President Anastasio Somoza's government in Nicaragua on July 17 came about as the combined intervention of Cuba, Panama, and the United States, using Costa Rica as a staging area, with the secondary assistance of the Andean pact nations. The downfall of Somoza has established the disturbing precedent that a peaceful government which is under attack by subversive elements no longer has the right to defend itself and its people if it does not meet the test of leftist ideological purity.

The pressures applied to Somoza defied every standard of respecting the sovereignty of non-belligerent nations. To put it briefly, the United States, through diplomatic pressures, disarmed Somoza's National Guard at the same time that it turned a blind eye to the role of Panama as the agent of Panama in shipping arms, munitions, and guerrilla reinforcements to the Sandinista terrorists. Moreover, there is still an open question about U.S. State Department approval of export licenses for some $4 million worth of automatic weapons shipped to a so-called hunting and fishing club owned by Panama's notorious G-2 head, Col. Manuel Noriega—arms which later turned up in Sandinista hands in Nicaragua.

No one ever nominated the Somoza government as a model of democratic achievement. Yet, when compared to underdeveloped countries in Africa, Asia, and other Central American lands, it earned plus marks for stability, prosperity, education, distribution of wealth, clean elections, and regard for Constitutional procedures. On the negative side were authoritarian rule, stern repression of subversion, restriction of the political process, corruption of the National Guard, and self-aggrandizement of the ruling family. Yet the penchant of the President for owning a piece of key business enterprises in his country led to a vested interest in efficiency and development, and the creation of more jobs for his people, rather than to bureaucratic entanglement and collapse, as happened in Panama. Nor were the Somozas ever charged with operating international drug-running, gambling, and prostitution ventures, as did the Torrijos family in Panama.

Indeed, it is difficult to imagine any standard of political judgment by which the U.S. State Department could exonerate a corrupt and degenerate Omar Torrijos, best described as a common gangster even though he maintains impeccable Marxist connections, while at the same time turning the full fury of its diplomatic activity against Anastasio Somoza. Yet the State Department's investment of its credibility in the unpopular and unworkable Panama Canal treaties made it necessary to do so.

At one time during the Panama Canal treaty debates last year in the Senate, a mural appeared on a public wall in Panama City portraying the Sandinistas in the guise of heroic socialist realism. Cooler minds quickly saw to it that the mural was painted out over night, lest the Senate get some inkling of the true orientation of the Panamanian government. The whitewash of the Panamanian dictatorship has now worn thin, revealing even that the present regime is willing to apply political criteria to the passage of vessels in Canal waters. Panama's new concept of neutrality calls into question Panama's good faith in respecting the Neutrality Treaty. A close study of that new concept of neutrality therefore will tell us not only what happened to Nicaragua, but what might happen to the Panama Canal in the not-too-distant future.

I. PANAMA'S NEW CONCEPT OF NEUTRALITY

"The Panamanian people's and government's solidarity with the Nicaraguan people's struggle has not been maintained at an abstract or theoretical level. This is not the moment to show it, but the Panamanian people's and government's solidarity has been real, specific, and effective and will continue to be so until Anastasio Somoza is overthrown."—Adolfo Ahumada, Justice Minister of the Republic of Panama, June 8, 1979.

On March 13 and March 16, two vans with the markings of the Firestone Rubber Company slipped across the Nicaraguan-Costa Rican border. In each case they were intercepted by the Nicaraguan National Guard, acting upon an informer's tip. For inside, hidden under the tires, the guardsmen found carbines, rocket launchers, hand grenades, pistols, machine guns, dynamite, and ammunition intended for the Sandinista guerrillas.

Among the weapons in the vans were two groups of special significance.

In the first group were seventy .30 caliber M-1 carbines purchased from Johnson Firearms in New Jersey and Universal Firearms in Miami by the Panamanian Consul, Egardo Lopez. They had been shipped to a Panamanian hunting and fishing club, Casa y Pesca, S.A., according to U.S. government records of the serial numbers.

In the second group were 49 FAL 7.62 caliber rifles made in Belgium, of a unique model that was sold only to Cuba. They were of the same type as 181 identical rifles already captured from the Sandinistas. The same rifles had turned up earlier with Cuban troops in Angola, and in 1963 in an abortive Castro-sponsored plot to overthrow the Venezuelan government of Romulo Betancourt.

The Panamanian Consul, Egardo Lopez, was identified in 1975 as being the second most highly paid member of the Panamanian G-2, according to payroll documents leaked by opponents of the Torrijos regime. The most highly paid, of course, was the G-2 boss, Colonel Manuel Noriega, who happens to be a principal stockholder in Casa y Pesca. In short, it is a front for G-2 operations.

The Miami Indictments

Two months later, on May 15, the U.S. District Court of the southern district of Florida indicted five men in connection with the purchase and delivery of arms between September 1978 and January 1979. Those indicted were:

Jose Pujol, Miami air cargo manager for Air Panama.

Jose Antonio (Tony) Alvarez, a licensed Miami gun dealer and exporter, who is a Cuban exile married to a Panamanian wife.

Carlos Wittgreen, President of Casa y Pesca, S.A.

James Allen Howell, diplomatic security analyst and former lecturer in electronic security and police subjects at the National Intelligence Academy in Fort Lauderdale, a private police training and equipment research firm.

Walter Donald McComas, a Miami gun exporter.

Although the indictment technically charged the five with a conspiracy to export guns without keeping proper records—namely, suppressing the name of Wittgreen as the ultimate recipient—the overt acts alleged in the indictment covered a broader perspective. Although only $25,000 shipment of arms was actually seized, the indictment lists purchase after purchase of weapons destined for Wittgreen.

Moreover, it appears that the Panamanian Consul, Lopez, was omitted from the indictment only because of confusion over whether he had diplomatic immunity. According to the affidavit of Special Agent Donald R. Kimbler, of the Bureau of Alcohol, Tobacco and Firearms, Lopez signed the sales documentation for Pujol personally. Moreover, Pujol stated flatly that the arms purchases were part of $2 million in arms purchases which Panama intended to send to "Nicaraguan guerrilla forces."

On November 10, the day after the weapons were seized, Lopez was interviewed by Kimbler and told him, according to the Kimbler affidavit, that he, Lopez, had been involved in at least seven firearms transactions involving the purchase of over two hundred firearms to be exported from the United States. Lopez further told Kimbler that "he had received his instructions from an official of the Panamanian G-2, an intelligence agency of the Republic of Panama."

On May 11, President Aristides Royo of Panama said in Washington, D.C. that Lopez had been removed as consul on October 11, 1978. However, U.S. State Department records show that Lopez was replaced only in January 1979, and was still acting consul at the time he was interviewed on November 10. Moreover, the gun purchases by Pujol on behalf of Lopez began on September 20.

It is unlikely, however, that either Lopez or Wittgreen will face charges in U.S. courts for the transactions since both are now in Panama, and there is no extradition treaty with Panama.

The Texas indictments

On May 3, four Texas men were arrested by agents of the BATF after being indicted in an alleged gunrunning conspiracy involving 1,000 machine guns destined for Panama. Bail for the central figure in the conspiracy was set at $1 million.

During the investigation leading up to the arrests, BATF agents seized thousands of machine gun parts after serving a search warrant January 12 at a location in Devine, Texas. The parts, for military-type automatic weapons, were valued at more than $100,000.

Those arrested by BATF were:

Robert W. Bradsby, of San Antonio, arrested May 1.

Mortimer Fairchild, of San Antonio, arrested April 25.

Elmer Ballance, of Devine, Texas, arrested April 26.

Tibor Dombi, of Harlington, Texas, arrested May 1.

The four were indicted on April 24.

Cuban aircraft in Costa Rica and Panama

On May 30, observers in Panama reported the landing of a Cuban aircraft of Russian manufacture, an Ilyushin 62, in Panama, from which two hundred fully equipped men disembarked and boarded Panamanian Air Force trucks. On the same day a four-engined aircraft painted yellow with a red star on its tail was impeded from landing near Siena in northwest Nicaragua to give support to the Sandinistas. Later the same plane was spotted at the Rio Hato Air Force Base in Panama.

Nicaraguan intelligence reported that on June 4 a Panamanian Air Force plane landed at the Liberia airport in northern Costa Rica and discharged men and materiel to Sandinista forces fighting the Nicaraguan National Guard at "El Naranjo" just across the border in Nicaragua.

II. THE SUMNER REVELATION

Such events are no surprise to those within the Administration who are concerned about the drift of the situation, but are unable to speak out. One such man is Lt. General Gordon Sumner, USA, Ret., who retired last year after testifying against the Panama Canal treaties before the Senate Armed Services Committee. At that time General Sumner, who, as head of the Inter-American Defense Board had personal contact with all Western Hemisphere heads of state and defense authorities, testified that the overwhelming percentage of IADB members were deeply concerned over the transfer of the Canal to Panama.

During last year's testimony, however, Sumner was still on active duty. Last month, Sumner testified again before the House Panama Canal Subcommittee of the Merchant Marine Committee. At this time, Sumner testified that for two years he had been trying to get the Administration's attention to the fact that he had personal knowledge that Torrijos for two years had been conducting subversive actions against Nicaragua and El Salvador, even at the climax of the treaty negotiations with the United States.

Sumner told the Subcommittee:

"My personal knowledge of Panama's involvement came from a two hour conversation with General Omar Torrijos in November, 1977. He told me then of his intention to support rebellion in his neighbor republics. Following the bi-annual meeting of the Conference of the American Armies in Managua, Nicaragua, I traveled to Panama where a meeting with General Torrijos had been arranged by the Chief of Delegation from Panama.

"While attending the Conference of American Armies in Managua, I had several conversations with President Somoza during which he outlined in great detail the Sandinista subversive effort and the support they were receiving from Havana. According to Somoza and some of his staff, some of this support was being funnelled through the Guardia Nacional of Panama. Naturally, this was a very disturbing and potentially disruptive development for the IADB, to say nothing of the impact on the Panama Canal negotiations.

"During my meeting with General Torrijos, I brought up this subject, fully expecting a full-blown denial. Much to my surprise and chagrin, General Torrijos defended the Sandinistas and his support of their efforts. Further, he stated that he would continue and increase this support. . . .

"In addition to the Sandinistas, General Torrijos strongly defended the opposition that was developing in El Salvador and stated that he, too, would support and assist the insurgents in their efforts to unseat his classmate, General Romero."

After his discussion with Torrijos, General Sumner produced a memorandum which was forwarded to the late Chairman of the Joint Chiefs of Staff, General George Brown. The IADB, however, is an independent body like the OAS, and not under the command of the JCS, and Sumner received no response.

Later Sumner took up the matter in a personal conversation with Robert Pastor, of the National Security Council. Pastor, who has been known in the past to refer with contempt to important Latin American countries such as Brazil and Argentina, according to firsthand accounts by U.S. diplomats, responded in the same way to General Sumner's warning. Indeed, his reaction was to ask what the IADB was, and if there was any reason why it shouldn't be disbanded.

Pastor is a member of the Institute for Policy Studies Group, who worked with IPS to prepare for the Carter-Torrijos treaties. IPS has a far-left orientation. At the time Pastor was involved, its Latin American affairs were in the hands of Orlando Letelier, who was receiving money from Cuba for his work.

THE THOMAS TESTIMONY

Despite Sumner's testimony, a State Department official, J. Brian Atwood, protested sharply the fact that the hearings were being held at all, and denied that the U.S. government had any information that Cuba and Panama were funneling arms to the Sandinistas.

Yet still another retired military officer spoke up to the contrary. Colonel James C. Thomas, USAF Ret., resigned on May 1 after six years duty in the office of the Secretary of Defense with primary supervisory responsibilities for Latin American affairs. Thomas, in fact, took early retirement because he felt frustrated at the way the State Department ignored the realities of Cuban subversion.

Thomas told the Subcommittee:

"The Administration has long had extensive information indicating Cuban, Panamanian, Costa Rican and—at times, Venezuelan—support for the Sandinistas. Yet the Administration has been strangely quiet regarding this aspect of the problem. This Administration appears to be incapable of raising a strong voice of protest against the terrorism which emanates from the left, apparently feeling that to do so would somehow weaken its stance on human rights."

III. THE CIA MEMORANDUM

The truth of Col. Thomas's remarks was soon attested to by a CIA memorandum leaked to the Chicago Tribune on June 27. The memo, dated May 2—the day after Col. Thomas retired—demonstrated that the U.S. government had been following the Cuban-Panamanian activities for a long time. The memorandum made clear that Atwood's testimony on the lack of knowledge of Cuba's role was totally false.

Following the brief excerpts published in the Tribune, the entire text of the memorandum was placed in the Congressional Record by Congressman George Hansen of Idaho, who, together with Congressman Bob Bauman of Maryland, has been spearheading the fight to expose the Administration cover-up of Panamanian involvement in Caribbean subversion. Hansen and Bauman, more than any others in the House of Representatives, have been devoting long hours of investigation and political organization on the Canal questions.

Among the key points of the CIA memo were the following:

"Since late September our information indicates that Cuba has on at least two and probably three occasions supplied arms to the FSLN Sandinista Front for National Liberation. On each occasion Havana has limited its own direct involvement by relying on the Panamanian government to transport the arms. Reporting from several sources indicates that in late September Cuba shipped eight crates of arms—including 50-caliber machine guns designed to serve as an anti-aircraft weapon—to Panama via a Panamanian air force plane for later transshipment to FSLN forces in Costa Rica."

"In early November Cuba made its second delivery of arms destined for the FSLN. According to a reliable source, during the week of 5–11 November three Panamanian air force planes returned to Panama from Cuba carrying crates that contained AK–47 rifles, 50 caliber machine guns, and hand-held mortars. By the end of the month the Panamanians had flown these arms to Liberia, Costa Rica, where they were given to the FSLN."

"Members of the FSLN 'General Staff' reportedly stated at a meeting on 13 April that their inventory included an undisclosed number of antitank rockets of Soviet and French manufacture that Cuba has provided via Panama. Although the 'General Staff' members did not specify when Cuba had supplied the arms, other information indicates that Panama delivered arms to FSLN forces in Costa Rica about the time of the meeting."

"Training in Cuba of FSLN Guerrillas—which has continued at low levels for years—has apparently been on the upswing, especially since January. Early that month a Panamanian emissary reached an agreement with Fidel Castro to send to Cuba FSLN exiles who formerly would have been granted safe-haven in Panama. On 10 March a subordinate of Noriega's said the Panama is serving as a bridge to transport FSLN personnel to Cuba where they undergo training before returning to Nicaragua."

"Members of the FSLN 'General Staff' reportedly said on 13 April that Cuba has trained 300 of the FSLN combatants currently in the field. In early April an official of the FSLN Tercerario faction reportedly said that half of his faction's regular combatants have received training in Cuba."

"Havana especially wants regional Communist parties to support the Sandinistas. Toward that end the Cubans in early February promoted a meeting in San Jose, Costa Rica that was attended by the Communist parties from the Central American countries as well as from Mexico and Panama. Cuban delegates used the occasion to urge their counterparts to bolster their assistance to the FSLN by creating safehavens in their countries, providing facilities for military training and supplying arms and other equipment."

"Cuba reportedly also funnels assistance to the FSLN through two groups in Costa Rica. A member of the Central Committee of the Costa Rican Communist party—the Popular Vanguard Party—said in early March that Cuba had begun to channel limited financial assistance to the FSLN through his party. The Cubans may also be helping to fund a 'Committee of Solidarity with the Sandinista Front' headed by self-professed FSLN member Ernesto Cardenal, a Nicaraguan priest who resides in Costa Rica."

"In early March, leaders of the three major FSLN factions traveled to Cuba to meet with Castro. The Cuban leader is said to have spent nearly 48 hours over a four-day period helping to hammer out a basis for cooperation. As a result of the meeting a unified FSLN directorate was established containing three members from each faction."

"The Cubans have urged the Sandinistas to combine their efforts to intensify the guerrilla struggle with a highly pragmatic political approach designed to broaden the FSLN's base of popular support for a movement to oust Somoza. For example, during Castro's meeting with FSLN leaders in March, he reportedly urged them to play down the Marxist nature of their programs at this point and to offer to join with non-Marxists in forging a broad coalition. FSLN leaders have taken steps to comply with his request."

The Sandinista "Provisional Government"

Castro's advice to the Sandinistas was not long in bearing fruit. On June 16, a clandestine radio "somewhere in Nicaragua" announced the formation of a five-member provisional government to supplant the government of President Somoza. The make-up of the junta displays the typical characteristics of Marxist-controlled coalition governments throughout history, namely, a majority of Communists, with a sprinkling of collaborating figure-heads who have no power. The five are:

Violete Barrios de Chamorro, the widow of Pedro Joaquin Chamorro. Her husband was the dedicated opposition leader to President Somoza, even though Somoza apparently allowed his newspaper and political activities to flourish. Chamorro was mysteriously assassinated in a killing that was never solved, although no serious accusations were ever leveled against Somoza. His wife has no political experience, and her only base, the newspaper, was burned in recent fighting in Managua.

Alfonso Robelo, owner of a large cooking oil business. Robelo is the founder of an ineffectual opposition party, the Nicaraguan Democratic Movement, which was a member of the defunct Broad Opposition Front.

Sergio Ramirez, a member of the Marxist-oriented Group of Twelve, the first attempt to build a coalition. A Sandinista, Ramirez was one of the first to advocate the coalition strategy for a Sandinista takeover. He was also secretary-general of Educa, a publishing house sponsored by several Marxist Central American universities. He is regarded as an effective spokesman to deal with non-Marxists.

Moises Hassan, a university professor and a leader of the National Patriotic Front, the so-called political arm of the Sandinistas.

Daniel Ortega, a member of the Sandinista movement's nine-man National Directorate, established by Castro in Havana in March to coordinate the three factions. Ortega is a member of the Tercerario faction, half of which according to the CIA memo, has been trained in Cuba.

Panama welcomes the Sandinista junta

Panama, which was one of the first of the leftist Latin nations to break relations with President Somoza's government, was the first to recognize the new Sandinista junta. On June 21, Panama's delegate to the OAS, Foreign Minister Juan Antonio Tack (still implicated in the unresolved heroin-smuggling case involving Torrijos brother, Moises) announced that Panama was extending recognition.

Moreover, Torrijos immediately sent his private jet to Costa Rica to bring the junta to Panama City. Instead of landing at Tocumen International Airport, outside of the city, the jet brought the junta into the Guardia Nacional's Paitilla Point airport, where thousands of government workers, released for the occasion, welcomed their arrival.

As the caravan left the airport, it pulled up at Torrijos' private residence on 50th Street near Via Brazil, about two blocks away, for an unscheduled meeting with the supposedly retired Panamanian strongman.

Along with the junta came Hugo Spadafora, a former subcabinet member of President Aristides Royo's cabinet, who took a leave of absence to organize and lead a group of Panamanian "freedom fighters" to help the Sandinistas. Spadafora's group was given training, armament, and logistical support by the Panamanian government, and the government newspaper *Critica* frequently features accounts of his exploits. A few days after the Panama City meeting, for example, *Critica* featured a two-page interview with pictures of Spadafora in Sapao, Nicaragua after the Sandinistas had captured a Guardia Nacional headquarters there. Although it is difficult to judge the extent of involvement of Spadafora's unit, several Panamanians have been killed in the fighting.

Hijacking in Canal Zone waters

The extent of the Panamanian government's commitment to the Sandinista "government of national reconciliation" may be judged by the hijacking of three vessels which Panama says will be turned over to the Nicaraguan revolutionary junta. The vessels belonged to the Mamenic Line, personally owned by Anastasio Somoza. At least two of the three vessels were in Canal Zone waters when they were boarded by Guardia Nacional authorities. The vessels are:

"MV El Salvador" which arrived at Balboa at 5:14 AM on May 23, on a local call. It was due to return to Corinto, Nicaragua, when an alleged mutiny occurred while in port.

The "Honduras" arrived at Cristobal at 6:55 AM on June 8th, made the transit of the Canal on the ninth, and was bound for Corinto. It went to anchor in the Balboa anchorage "due to crew problems." The captain refused to go along with the mutiny, and was kidnapped.

The "Hope"—named after the President's wife—was "captured on the high seas" according to a Sandinista announcement made in Panama City on June 25. The vessel was boarded in an act of piracy by a Sandinista guerrilla group. The spokesman said that the vessel would be kept in a secret place until the Sandinista government took over in Nicaragua.

The Panamanian government announced that the other two vessels would also be given to the Sandinista government when it assumed control of Nicaragua.

The three incidents have cast a chill over the maritime world, for it is clear that the government of Panama has made itself an accessory to the worst crimes in maritime law—piracy, mutiny, hijacking, and kidnapping of a captain, without even a veneer of legality. Instead, Panama appears to be judging the incidents upon the emotional basis of revolutionary justice, without reference to the law of the sea.

Plainly, Panama has violated the neutrality of the Canal even before the Canal treaties go into effect. Yet the United States has made no effective protests because of the delicacy of the situation of the treaty implementing legislation in the U.S. Congress. Although Canal Zone witnesses are positive that the seizure of the first two vessels occurred in Canal Zone waters under U.S. jurisdiction, the issue does not even turn on that violation. Whether the incident occurred in U.S. waters or in Panamanian waters, Panama still has made no effort to return the vessels to their legal owner. If this is Panama's attitude now, what will it be when Panama controls the Canal?

IV. THE SITUATION IN PANAMA

Meanwhile, the situation in Panama continues to deteriorate. Panama seeks to play a large role in the meeting of the so-called "non-aligned states" headquartered in Havana. Panama was the first Latin American country to recognize the Polisario guerrillas, a Soviet-backed insurrection against the King of Morocco. An ambassador from the so-called "Saharan Arab Republic," Ahmedu Suilen, arrived in mid-June and presented his credentials.

Meanwhile, the Independent Lawyers Movement, in a daring move, made a public statement protesting a series of brutal incidents against their members, carried out apparently with the complicity of Noriega's G–2. One of their members was assaulted and beaten in front of his apartment by two masked youths. Another lawyer's office was invaded by masked thugs of the same description, holding a knife against the neck of one of the office workers. An insurance agency had its windows broken after the proprietors had sponsored a "God and Panama Rally" in Chiriqui.

Nor do the ordinary working people fare any better. On June 11, Panama City taxi drivers staged a protest demonstration against rampant inflation and a 22¢ a gallon leap in gasoline prices, without compensating increases in fares. The Guardia Nacional reacted violently after the taxis had tied up traffic for three hours. Using teargas and tow trucks, they smashed their way through the demonstration. That night the city was quiet, but while the cab drivers were meeting at their union hall, the police went out with heavy equipment and destroyed 120 taxicabs, leaving the wrecks littered around the city as "warnings." The result was a taxi, bus, and truck strike that paralyzed Panama's major cities.

Meanwhile, a Panamanian columnist, Miguel Gongora, wrote a column criticizing the government for the price increases. On June 12, Torrijos' agents jumped him in front of his house and beat him severely.

Another journalist, Ricardo Quiros, criticized the government on a radio program for the beating of Gongora. As Quiros signed off the air, assailants entered the radio station and beat him up, along with his secretary.

In Colon, where government economic policies had raised the jobless rate to 20 percent, the riots flared up again. According to the veteran Latin American analyst and reporter Virginia Prewett, four important buildings were burned, and the Guardia Nacional sprayed crowds with teargas and birdshot from U.S.-made Huey helicopters. One was killed, and many wounded. Six days later, a high school student demonstration

burst out to attack the Guardia. One was killed, and 27 wounded.

The Torrijos statement

Only a few days after the killing of the high school student, Torrijos issued one of his rare written statements, signed by him personally. "Somoza," he said, "is the epicenter of a criminal earthquake." Then he urged the Sandinistas to use moderation in their takeover of Nicaragua.

[From Human Events, July 14, 1979]

CASTRO'S PLANS TO CONQUER CENTRAL AMERICA

While Americans were joyfully celebrating their independence last week a serious new threat to their liberties was developing at their very own doorstep: a Cubanized Central America. Thanks to Jimmy Carter's enfeebled foreign policy, Fidel Castro, whom the Administration used to insist was something of a benign tumor in the Hemisphere, has been making significant inroads into virtually every nation between Mexico and Colombia. Those advances, furthermore, have now been confirmed by a May 2 Central Intelligence Agency report, a copy of which has been obtained by Human Events.

And if Central America, with its strategic Panama Canal, falls to the revolutionary left, can Mexico and Venezuela, with their strategic oil supplies, be far behind?

A quick look at Central America shows the following: Nicaragua is on the brink of a takeover by the Sandinistas, which are Cuban-spawned, trained and supplied. El Salvador is under mounting terrorist attacks, also fostered by the Cubans. Guatemala is now threatened by Cuba as well. Panama's rulers, of course, are working hand-in-glove with Castro, especially in the effort to topple Nicaragua's President Somoza.

The Administration, from the President on down, has aimed a few, low-keyed barbs at Castro, but its rhetoric, soft as it is, is still louder than its actions. There is some real concern, however, even in the most dovish quarter. Robert Pastor, the National Security Council's expert on Latin America, has sent a secret memorandum to the White House about Castro's rising influence and the deep fears of non-Communist leaders in the Caribbean area.

In a June 18 report prepared for the President, Pastor relayed information given him by Henry Forde, the foreign minister of Barbados, an island nation in the Caribbean. The secret report was first broken by the Chicago *Tribune's* John McClean. According to the Pastor memo, the "Cubans are all over the place in the Caribbean," and what especially worries Forde and such men as Prime Minister Eric Williams of Trinidad and Tobago and Premier Lee Moore of St. Kitts and Nevis is the total lack of an American response.

The May 2 CIA memo confirms that the Cubans are everywhere, but it also shows they are concentrating their fire on Nicaragua's President Somoza, believing him to be the linchpin that keeps Central America from falling into Communist hands. The memo also shows that the key vehicle Castro is using to try to knock off Somoza is the Sandinistas of FSLN, which, even the State Department acknowledged in 1977, "was founded in Havana in September 1962 by a group of leftist extremists who had been active for some years in revolutionary causes in Nicaragua. Carlos Fonseca Amador, perhaps their most significant leader, was a proponent of Marxist-Leninist theory."

According to the CIA memo, the Castro government believes that prospects for revolutionary upheaval in Central America have "markedly improved" because of the weakened position of Somoza and "the ripple effect his removal would have on other countries in Central America." As a result of this belief, Cuba has intensified its efforts to "unify insurgent groups not only in Nicaragua—where Cuba has concentrated its efforts—but in Guatemala and El Salvador as well."

Not only has Cuba "stepped up its on-island training of guerrillas from each of these countries," but, for the first time in several years, has begun to actively supply arms to the Sandinistas. It has also been successful in persuading leftist movements and parties in the Central American region to "increase their assistance to the FSLN" and to funnel Cuban aid to the Sandinista forces as well.

A reader could reasonably infer from the memo that, without Cuba's critical assistance, the FSLN threat to Nicaragua would be dramatically diminished. Indeed, it was Castro who managed to fuse the various FSLN factions into a relatively cohesive, anti-Somoza unit. In early March, leaders of the three major FSLN factions traveled to Cuba to meet with Fidel.

"The Cuban leader," notes the memo, "is said to have spent nearly 48 hours over a four-day period helping to hammer out a basis for cooperation. As a result of the meeting, a unified FSLN directorate was established, containing three members from each faction. In return, Castro reportedly promised that Cuba would increase its assistance in the form of money, arms and ammunition."

In addition, Castro "reportedly urged them to play down the Marxist nature of their programs . . . and to offer to join with non-Marxists in forging a broad coalition. FSLN leaders have taken steps to comply with his request."

Key passages from the memo suggest just how deeply Cuba is involved; they also show that Castro's major ally in the undermining of Somoza is Panama. Here are some of the memo's most important excerpts:

"Since late September, our information indicates that Cuba has on at least two and probably three occasions supplied arms to the FSLN. On each occasion, Havana has limited its own direct involvement by relying on the Panamanian government to transport the arms. Reporting from several sources indicates that in late September Cuba shipped eight crates of arms—including 50-caliber machine guns designed to serve as an anti-aircraft weapon—to Panama via a Panamanian air force plane for later transshipment to FSLN forces in Costa Rica."

"In early November Cuba made its second delivery of arms destined for the FSLN. According to a reliable source, during the week of 5–11 November three Panamanian air force planes returned to Panama from Cuba carrying crates that contained AK–47 rifles, 50-caliber machine guns, and hand-held mortars. By the end of the month, the Panamanians had flown these arms to Liberia, Costa Rica, where they were given to the FSLN."

"Circumstantial evidence indicates that the Cubans were involved in the recent activation of the Panamanian-Costa Rican resupply route to the FSLN. Members of the FSLN 'General Staff' reportedly stated at a meeting on 13 April that their inventory included an undisclosed number of anti-tank rockets of Soviet and French manufacture that Cuba provided via Panama."

"Training in Cuba of FSLN guerrillas—which has continued at low levels for years—has apparently been on the upswing, especially since January. Early that month a Panamanian emissary reached an agreement with Fidel Castro to send to Cuba FSLN exiles. . . . On 10 March, a subordinate of Noriega's [head of Panamanian intelligence] said that Panama is serving as a bridge to transport FSLN personnel to Cuba where they undergo training before returning to Nicaragua."

"Evidence on the total number of FSLN guerrillas who have received training in Cuba is spotty. Members of the FSLN 'General Staff' reportedly said on 13 April that Cuba has trained 300 of the FSLN combatants currently in the field. In early April, an official of the FSLN Terciario faction reportedly said that half of his faction's regular combatants have received training in Cuba."

"A major element in Cuba's approach to the Nicaraguan situation has been its effort to encourage leftist groups in neighboring Central American countries to aid the FSLN. Havana especially wants regional Communist parties to give support to the Sandinistas. Toward that end the Cubans in early February promoted a meeting in San Jose, Costa Rica, that was attended by the Communist parties from the Central American countries as well as from Mexico and Panama. Cuban delegates used the occasion to urge their counterparts to bolster their assistance to the FSLN by creating safe-havens in their countries, providing facilities for military training, and supplying arms and other equipment. Plans were also discussed for a follow-up meeting later this spring probably in Havana that would prepare a strategy for assisting revolutionary activity throughout Central America."

But Fidel has his eye focused on other areas as well. So far as Guatemala is concerned, says the CIA memo, the "main thrust of Cuban policy at this point—as it has been for several years—is to encourage the various insurgent groups to join together in a common effort to undermine the government."

Havana's closest links "are to the Guerrilla Army of the Poor (EGP), and the Cubans have used it as a hub to broaden their ties with other insurgent groups. According to a reliable Guatemalian source, on 12 January a Cuban official met in Guatemala with leaders of the EGP, the Rebel Armed Forces (FAR), and the dissident wing of the Guatemalan Communist party (PGT) to urge these three action-oriented groups to unify.

"The Cuban official counseled them to coordinate plans to factions, to integrate training of their respective members, and to make a greater effort to infiltrate labor movements. . . ."

In late January, a follow-up meeting was held at which two Cuban advisers offered to furnish training in Cuba for "PGT dissidents" and "FAR members." For some time, the Cubans have trained EGP guerrillas in Cuba, but are apparently branching out.

There is also evidence to suggest that the Cubans may be willing to take a more direct role in counseling Guatemalan insurgents. A reliable intelligence source says that "in late February, representatives of the EGP offered the services of three Cuban "experts" to work in Guatemala with the FAR and PGT dissidents to 'coordinate' the assassinations of several government security officials. . . . The Cubans have also worked hard to encourage the orthodox faction of the Guatemalan Communist party (PGT) to lend its support to local insurgent groups."

Cuban actions on behalf of insurgents from El Salvador have also been on the upswing. An untested CIA source reports, for instance, that in February "about 50 members of the military army of the Popular Liberation Forces (FPL)—the group with which Cuba has maintained the closest ties—were in Cuba receiving four months of military and ideological training. The source said that upon returning to El Salvador these guerrillas were slated to serve as leaders for a force of 2,000 newly trained Salvadorans representing the 'Popular Militia' of the FPL-dominated Popular Revolutionary Bloc.

"Cuba has also had links with at least one of the two smaller Salvadoran terrorist groups, the Armed Forces of the National Resistance (FARN). Eduardo Sancho Castaneda—reportedly the FARN's leading strategist—has apparently been his organization's chief conduit to the Cubans. He has maintained regular contact with Cuban officials in Costa Rica and Mexico and has occasionally travelled to Cuba. For some time the Cubans have also been pushing for greater cooperation between the El Salvadoran Communist party and the various insurgent groups."

In other words, Castro is on the march, and the question, as always, remains: what does Jimmy Carter propose to do about it other than talk or temporarily join hands with the Communists to call for the removal of right-ist Latin leaders?

[From Human Events, July 28, 1979]

COMMUNISTS POISED TO TAKE OVER NICARAGUA

Under tremendous military, economic, and diplomatic pressure from the United States, Gen. Anastasio Somoza Debayle, whose family ruled Nicaragua for more than 40 years, flew on July 17 to exile in Miami. Though U.S. policy-makers hoped this would finally resolve the civil war in that country, the blunt truth is that Somoza's departure will almost certainly make things worse, for poised to take over the nation Somoza left behind are the Cuban-spawned and Cuban-trained Sandinista forces.

Make no mistake: Nicaragua, which many geostrategists believe is the key to the control of Central America, has been removed from the pro-Western camp and is almost certain—barring a miracle—to become a Marxist state that marches in lockstep with Fidel Castro. And if Central America, with its strategic Panama Canal, falls to the revolutionary left, can oil-rich Venezuela and Mexico be far behind?

Much of this debacle can be laid at the doorstep of Jimmy Carter's foreign policy. Somoza may have been an unappetizing ruler from certain points of view, and not all of them left-wing. But he had his saving graces. He was subject to elections, and he allowed *La Prensa*, a vigorous anti-Somoza newspaper, to flourish in the capital of Managua until the recent escalation of the civil war. "The media are private and often highly critical," asserted the liberal Freedom House in 1978. Somoza was also pro-Western, anti-Communist and did not export revolution.

But the United States, which instituted an arms embargo against Somoza in 1977 and began to markedly reduce economic aid under President Carter, radically undermined his regime, making it so vulnerable to terrorist attacks that Somoza was eventually driven from power. Will a better regime materialize? Not likely.

Locked in a bitter civil war with the Sandinistas, who were getting arms, ammunition and training from Cuba, special help from Panama and even assistance from Costa Rica and Mexico, Somoza became increasingly unpopular, especially since he had to resort to repressive measures to counteract the Sandinistas. Moreover, he lost popularity as we continued to undermine his authority, and he, himself, made several mistakes.

To help "resolve" the situation, the United States in recent weeks led the drive in the OAS and elsewhere to force him out of his country. Initially interested in just seeing Somoza removed—without inviting the Sandinistas in as his replacement—the U.S. later, when Somoza himself appeared ready to go, began negotiating his departure with the five-man "Junta of the Government of National Reconstruction," which was a Sandinista creation that had surfaced this year in Costa Rica.

With Somoza's eventual agreement, the junta was officially scheduled to take over Nicaragua last week, within 72 hours after the President touched down in Miami, but Somoza's immediate successor, Francisco Urcuyo Maleano, tossed a monkey wrench into the formula by claiming he would refuse to relinquish the reins of government.

Urcuyo did not last long. First, the U.S. threatened to deport Somoza, who was believed to have been behind the Urcuyo maneuver, unless Urcuyo carried out the agreement. And as the junta entered Leon, a Sandinista stronghold, the National Guard, which had refused to surrender while Somoza was still in office, began to crumble before the Sandinista forces, with Urcuyo fleeing to Guatemala. How long the remnants of the Guard, whose top officers had fled the country with Somoza, would continue to resist the Sandinistas was unclear as we went to press.

When the junta assumes power, there is no reason to believe it won't try to impose a Communist state on the Cuban model. The junta is an official creation of the Communist born and bred Sandinistas. Of the five members, three are considered hard left.

One of the five, Daniel Ortega Saavedra, not only commands a Sandinista unit, but serves as a member of the nine-man Sandinista directorate that was forged by Fidel Castro in Havana this past March. Ortega is a member of the Sandinistas' Tercerario faction, half of which, according to a May 2 CNA memo, has been trained in Cuba. According to the Washington *Post's* Karen DeYoung, whose writings have been extremely favorable toward the Sandinistas, Ortegas came to Costa Rica to talk with the U.S. negotiator, William Bowdler, "and participated in drawing up the transition plan" ending in Somoza's departure.

Junta member Sergio Ramirez is also a member of the Marxist-oriented Group of Twelve, and is said to be a Sandinista member, though he does not say so publicly. In a floor speech last week, Sen. Jesse Helms (R.–N.C.), a member of the Foreign Relations Committee, called Ramirez a "Sandinista," saying he was "one of the first to advocate the coalition strategy for a Sandinista takeover. He was also secretary general of *Educa*, a publishing house sponsored by several Marxist Central American universities. He is regarded as an effective spokesman to deal with non-Marxists." The June 30 New York *Times* quotes Ramirez as denying he's a Communist, but admitting that the junta, which is to rule Nicaragua, "was prepared by the Sandinist Front."

Moises Hassan, a leader of the Sandinista-allied United People's Movement, is, according to DeYoung, "the junta's most radical member. . . ." Hassan has been quoted as calling for mass executions of those in the National Guard.

Yet this, as they say, is only the beginning. Under pressure from the United States to "broaden" its base, the junta on July 14 named a dozen members of a proposed 18-member cabinet. A number of the cabinet members were moderates and businessmen, but the key positions went to hard-line Communists and radicals.

Ernesto Cardenal, for instance, was named Minister of Culture. A radical poet and priest, Cardenal has been a major Sandinista spokesman. He is also a strong admirer of Fidel Castro. Cardenal has visited Cuba many times and according to a Feb. 11, 1978, Radio Havana broadcast, he personally briefed Castro on the Nicaraguan situation. From Cuba, Cardenal also gave three-times daily anti-Somoza newscasts. Author of the book, In Cuba, which, of course, sings Castro's praises, he has been quoted as saying, "there is only one Latin America, and that is Che Guevara's fatherland."

The Maryknoll priest, the Rev. Miguel D'Escoto, was selected as Foreign Minister. D'Escoto—see story below—is a hard-line radical who embraces revolutionary violence. In his introduction to the book, *Guardians of Dynasty*, D'Escoto discloses he wants to impose something akin to Communism on Nicaragua. He admits that the "overthrow of Somoza" is only a first step toward bringing about "the revolutionary changes" that "more socially concerned Nicaraguans would like to see," but he emphasizes that Somoza's removal is "an indispensable step in that direction."

Yielding possessions and privileges is difficult to do, he concedes, and "the construction of a just, noncapitalistic system can only be the result of a moral conversion." But if "the elite are not up to this kind of patriotic action, then their reluctance will only serve to prove that the Frente Sandinista de Liberacion Nacional had been right all along in choosing violence and guerrilla warfare as the only viable strategy to bring about change."

In other words, "Father" D'Escoto, a supposed disciple of Christ, doesn't bat an eyelash when condoning terror as a means of altering Nicaragua's economic system. In the same introduction, D'Escoto condemns the Somoza government for killing "martyrs" "like the Frente's Carlos Fonseca Amador." Fonesca, killed in a shootout with the Nicaraguan National Guard in November 1976, was, according to an April 19, 1977, memo from the State Department's Michele M. Bova, director, Central American Affairs, "a proponent of Marxist-Leninist theory who had closely followed the Castro revolution in Cuba and whose attachment to the Cuban revolutionary model strongly influenced" the development of the Sandinistas.

Far more ominous, however, is the appointment of Tomas Borge Martines as Minister of Interior. In her July 14 dispatch from Managua, Karen DeYoung acknowledged that Borge was "a self-described Marxist" who "heads the Prolonged Popular War faction of the Sandinista National Liberation Front, including much of the nucleus of the original, 17-year-old Sandinista organization. . . . As interior minister, political analysts said, Borge will also serve as director of police functions and thus will be in a better position to keep mavericks from his faction in line."

Miss DeYoung, however, omitted some critical details on Borge's background, including his well-established links with Cuba. A revolutionary who had engaged in subversion and terror, Borge was captured by the Nicaraguans and sentenced to a 30-year jail term in 1977. During his trial, Borge admitted he had spent several months in Cuba in 1960 receiving military training at the hands of the Cuban army. In 1967, he returned to Cuba with more than 15 terrorists for additional training. "This group," he said at the trial, "received the standard guerrilla course and certain special courses in communications, military sanitation, explosives and training in arms such as bazookas. . . ."

On Aug. 24, 1976, Borge, along with some 60 other revolutionaries, was released from prison, as a result of a deal Somoza made with the Sandinistas after they had seized the national legislature. On September 26 he arrived in Havana to begin a lengthy stay with Fidel Castro. When veteran liberal journalist Tad Szulc visited with Borge in Panama City just prior to Borge's trek to Cuba, Szulc noted that the long-time revolutionary had "emerged as the political and ideological leader of the Nicaraguan rebel movement that calls itself the 'Sandinist Front of National Liberation' (FSLN)."

With the aid of Borge, Castro managed to fuse the various FSLN factions into a relatively cohesive, anti-Somoza unit. In early March, according to a May 2 CIA memo (see July 14 issue, page 1), leaders of the three major FSLN factions traveled to Cuba to meet with Fidel.

"The Cuban leader," notes the memo, "is said to have spent nearly 48 hours over a four-day period helping to hammer out a basis for cooperation. As a result of the meet-

ing, a unified FSLN directorate was established, containing three members from each faction. In return, Castro reportedly promised that Cuba would increase its assistance in the form of money, arms and ammunition." A key leader of the directorate is Borge.

The junta, however, which is to become the provisional government of Nicaragua, has placed Borge in charge of the police.

Despite some accounts to the contrary, the Sandinistas are thorough-going Communists. The State Department's April 19, 1977, letter to then Rep. Ed Koch stated the guerrilla movement "was founded in Havana in September 1962 by a group of leftist extremists who had been active for some years in revolutionary causes in Nicaragua. Carlos Fonseca Amador, perhaps their most significant leader, was a proponent of Marxist-Leninist theory."

Wade H. R. Mathews, Director of the Office of Central American Affairs of the State Department, sent a letter to Sen. Jesse Helms (R.-N.C.) on Nov. 20, 1978, emphasizing that all factions of the Sandinistas were Marxists.

"The three factions," said Mathews, "differ primarily over tactics rather than ideology."

The guerrillas, noted Tad Szulc, after he had interviewed them, "left no doubt about their admiration for the Cuban revolution, whose influence is powerful within the movement . . . ."

The commander of the Sandinista armed forces, Eden Pastora Gomes, also told Szulc that when his group comes to power it would expropriate all of Somoza's property, nationalize natural resources and implant social justice along with the establishment of a "popular Democratic army."

In sum, communism has made a major new advance, right on our own doorstep, and a good share of the blame should be laid on Jimmy Carter.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I yield to the distinguished chairman of the Committee on Foreign Relations.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, it may come as a surprise to some Members of the Senate, but Panama is an independent country. It is not a satellite of the United States, it is not a territory of the United States, it is not a colony of the United States.

We have entered into a solemn treaty. It is the law of the land. It has been ratified by the Senate, and provides a fair and workable basis between two soverign governments, the United States and the Republic of Panama, for operating the canal between now and the end of the century.

We have committed the word of the United States as to how the tolls of that canal will be divided between the two governments.

I do not want the time ever to come when it is said of the United States that our treaties are not worth the paper they are written on. If this amendment is adopted, Mr. President, the treaty we have entered into with Panama will not be worth the paper it is written on, because the amendment busts the treaty wide open. It imposes a condition upon Panama by which the United States will determine whether or not the terms of the treaty will be honored, based upon the transfer of guns to Nicaraguans, a happening that came long after we ratified the treaty, and is not even contemplated by any provision of the treaty.

Many of us are concerned about what has happened in Nicaragua. I hope that out of the shambles and the savagery that have characterized the relationship between the Somoza regime and the people of that ravaged country there may emerge a government based upon democratic principles and controlled by moderate elements that are still participating in the political process there.

We hope for the best, but we cannot determine what will happen in Nicaragua by imposing an unlawful condition upon Panama.

We cannot exalt our influence in this hemisphere by breaking our solemn word. That is what we will be doing if we adopt this amendment. We will be tearing up the treaty, because we resent a revolution that has driven Somoza from power in Nicaragua.

Do not think that the adoption of this amendment will stop the transport of guns to Nicaragua. If there are Panamanians who favor the revolutionary movement in Nicaragua, and certainly there are many, do not think this amendment will stop them. It will have just the opposite effect, in my judgment. It will inflame them. It will make them all the more determined to spread revolution throughout Central America against rotten dictatorships of the Somoza character.

The United States cannot get its way by laying down demands upon other sovereign people, in violation of the solemn covenants contained in our treaties. We will only undermine our influence and make ourselves the object of their contempt.

So I hope that the Senate will resolutely defeat this amendment. We have pledged our word, and as we are an honorable people, I trust we will keep it.

Mr. LEVIN. Mr. President, the Senator from Idaho has stated as eloquently as possible the consequences of this proposed action, if the Senate takes it.

It has been suggested by Senator HELMS that there is no violation. I want to read to the Senate what the treaty says, and then I want to read to the Senate what the amendment of Senator HELMS would have us do.

The treaty says that the Republic of Panama shall receive an annual amount to be paid out of canal operating revenues at 30 cents per Panama Canal net ton; a fixed annuity of $10 million; the contingency payment, which we discussed previously here this afternoon.

I repeat: The treaty says that the Republic of Panama shall receive.

The amendment which has just been offered says that we are going to attach another condition—conditions above and beyond conditions set forth in the treaty—to the payments that the Republic of Panama is entitled to.

This amendment says that if either the President or Congress—if we decide unilaterally—decides that the Republic of Panama is interfering in the internal affairs of another State, either directly or indirectly, whatever that means, no payments shall be made to Panama under paragraph 4(c).

We cannot change the bargain. Many Americans did not like the bargain; other Americans did; and the Senate was deeply divided as to whether or not this was advisable. The ratification vote unleashed a tremendous emotional debate over the value of this treaty. But we cannot change the bargain unilaterally by coming here a year later and saying that although the treaty says you are going to get payments A, B, C, and D—shall receive—we are now going to attach a new condition if we, either the President or Congress, think you are even indirectly interfering in another country's affairs. We then are going to see to it that the Commission does not pay you what you are entitled to.

That is a material breach of the treaty. It is perhaps the most serious breach of any we have considered here today, because this goes to the question not of the contingency payment to Panama, which in all likelihood is not going to be paid anyway, but this goes to the payments to Panama to which they are entitled under the treaty.

Put ourselves in their shoes or reverse the scene. How would we like it if the Republic of Panama adopts a law unilaterally which says that the rights we are entitled to under the treaty—the right to station troops in Panama, the right to operate and maintain the canal until the year 2000— would be forfeited if they decided unilaterally—their President or their Congress decided—that we, directly or indirectly, interfered in the affairs of another country?

How would we like it if the Congress of Panama were to say that we intervened in the internal affairs of Vietnam and they were going to kick us out of the canal because they decided, unilaterally, that we had interfered, directly or indirectly, in the affairs of another country?

Mr. STENNIS. Mr. President, will the Senator yield me 2 minutes, without losing his right to the floor?

Mr. LEVIN. I yield 2 minutes to the Senator.

Mr. STENNIS. I appreciate the Senator yielding. I have asked for this time because I have to attend a SALT hearing.

Mr. President, I have been very much concerned about some of these provisions. We have never yielded one bit from the idea that we would give all the matters that were in the House bill full consideration at the conference.

On these money matters, this one is so plainly—I say this with great deference—beyond the call of the treaty, it goes so far and so plainly and for all those conditions, that, as strong as I was against the treaty and although I thought it was a mistake to enter into it, I have to yield to the idea that this language is far beyond the call of anything that is left for us to set.

We already have had our day in court, and we voted for that treaty. I think we should willfully carry this out. We would be hailed before the bar of justice in an international court, or whatever it is called, we would have committed a grave error and overrun our authority, and we would be declared in default.

If there is any segment of this amendment that is tied into matters that are already in the House bill, we can and will give the utmost consideration to it in conference. I am not saying we will bring back a magical bill, but we will bring back the best we can.

We have the benefit of the chairman of the Committee on Commerce, Mr. CANNON, who has part of the jurisdiction, under the Senate rules, with regard to matters of the canal. So we will have talent and knowledge on this matter among the conferees.

I believe we have to leave off the greater part of this amendment. But if there is any segment of it in there, it will receive the fullest consideration with the conferees in the House. They are going to be prepared, able, and willing to fight for their bill.

I hope the amendment, under these conditions, is not adopted.

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes and 14 seconds.

Mr. HELMS. Mr. President, I assure my friend from Mississippi for whom I have the deepest respect, that he will have a chance to evaluate this amendment because it is in the House bill, with the precise language of this amendment. This amendment is nothing new. It was deleted in committee in the Senate, unfortunately.

I hope I can make my point without appearing to be disrespectful to Senators who may disagree with me, but I am bewildered by the arguments that have been made against this amendment. I will tell Senators what the arguments amount to.

They amount to a concession that we should turn over Latin America to the Marxists, because we cannot do anything about it. Well, Mr. President, we can try.

They ask how we would like it if we were Panama. I will tell you how I would feel if I were Panama and I saw the United States of America rejecting this amendment. I would laugh my head off.

If this amendment is adopted, the Senate of the United States will be acting in the best interests not only of the United States of America but the free world as well.

Why, in the name of Heaven, should we even consider subsidizing lawlessness?

In the 1977 Neutrality Act, which Panama agreed to—and I call this to the attention of my friend, the chairman of the Foreign Relations Committee—the Republic of Panama declares the neutrality of the canal in order that, both in time of peace and in time of war, it shall remain secure and open to peaceful transit by the vessels of all nations.

That does not mean some nations, Mr. President. That means all nations. "On terms of entire equality, so that there will be no discrimination against any nation or its citizens or subjects."

That does not mean nations that happen to be allied with Fidel Castro or Omar Torrijos. It means all nations, Mr. President. I suggest that the vessels I discussed a moment ago had a right to transit that canal, and not be seized by Torrijos' henchmen and handed over to the Sandinistas.

Mr. President, let me make this clear: I may be the only Senator here who feels this way, but every time I get a chance to vote against the spread of Marxism, I am going to do it.

We should not have given away the Panama Canal last year, and we should not today adopt this implementing legislation, which just hands it all to Torrijos on a silver platter. It is just as simple as that. A little later on, before 6:30, I will offer some more details about that, Mr. President, but for the time being I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, under the terms of the Panama Canal Treaty, the canal itself is being operated by a commission which is controlled by the United States, and it will continue to be controlled by the United States between now and the end of the century. Any charges that the canal is being closed to any ship are charges that should therefore be directed toward the commission itself, over which we exercise effective control.

I do not know of any case where the canal has not been operated in a way consistent with the terms of the treaty as a neutral waterway, and if there is such a case, then the commission itself is answerable to us, for we not only possess but will continue to have controlling interest over the commission for the life of the treaty.

Mr. HELMS. Mr. President, when I hear such comments as that, I say, with deference and respect to my friend, that I am reminded of Lewis Carroll's Through the Looking Glass, when Humpty Dumpty said:

> When I use a word, it means just what I choose it to mean; neither more nor less.

A lot of words have been spoken here today, Mr. President, which fall into that category.

The Senator from Idaho surely knew that I was not talking about the Panama Canal Commission; I was talking about the Marxist leaders of Panama. Panama has officially announced the expropriation of two private merchant vessels for political reasons. What will happen when Panama has full jurisdiction? I hope my command of English is sufficient to have make that distinction clear, and I believe I did. I am astonished at the Senator's statement that he does not know about these episodes involving privately owned merchant vessels. I can provide him with the documentation, if he is interested.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. HELMS. I am sorry. Time is so limited. I hope the Senator will use the time on his own side. I know he will understand.

Mr. LEVIN. I am happy to yield to the Senator from Massachusetts.

Mr. TSONGAS. Mr. President, may I inquire how much time remains?

The PRESIDING OFFICER. The Senator from Michigan has 1 minute and 33 seconds remaining.

Mr. LEVIN. How much time on the bill, Mr. President?

The PRESIDING OFFICER. The Senator has 44 minutes remaining on the bill.

Mr. LEVIN. I yield the Senator such time as he may require.

The PRESIDING OFFICER. The Senator might consider the 6:30 cutoff for the final vote.

Mr. TSONGAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TSONGAS. Have I now been given 1 minute and 33 seconds in which to wax eloquent?

Mr. LEVIN. I am happy to yield the Senator additional time from the bill.

The PRESIDING OFFICER. The Senator now has 1 minute remaining.

Mr. TSONGAS. I ask unanimous consent that 4 of the remaining 44 minutes be available, under this time frame, to this Senator.

Mr. LEVIN. I am happy to yield the Senator from Massachusetts 4 minutes on the bill.

Mr. LAXALT. Mr. President, in terms of the agreement of a final rollcall vote at 6:30, as I understand it, the opponents have 11 minutes left. I would hope as a result of all this discussion we are not totally wiped out, because we are, in addition, looking at a final rollcall vote.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 4 minutes.

Mr. TSONGAS. I thank the Chair, and I will attempt to use a little less than the 4 minutes and make my points quickly.

Mr. President, I think the Senator from Michigan said it quite well. You can imagine what would happen here if the President of Panama announced in the morning that because of our involvement, for example, in Zaire, he has decided it is improper and we will no longer have access to the canal. The outrage in this body would be so thick you could bottle it. That is all right, because we are the big boys in the block; but if they do it, they are the Third World countries; my God, what could you expect?

When I came to this Chamber from the House side about a month ago, I tried to walk in that door with my 2-year-old child, and I was stopped at the door by the guard because I was violating the decorum of the Senate. Why my 2-year-old daughter would be such a national menace is beyond me, but we have decorum here.

What about a man's word? What about honor? When you give your word, does it not mean something?

Are we so heavily taken with the notion of turning our backs on our word? That is all right, but a 2-year-old child is somehow violative of the decorum of the body. What a strange set of values.

This is an attempt to kill the treaty; that is all it is, and it should be labeled as such. I can understand the reason. Think of the great patriots that we have supported in the last few years. Trujillo

in the Dominican Republic; there was a man who loved his people. Batista in Cuba; there was a great patriot. Lon Nol in Cambodia. Diem in Vietnam. Haile Selassie, in his last years in Ethiopia. When you look at that arrangement, and then along comes Somoza, you want to hang on to him, because that is what we have stood for.

Mr. President, that is not what we stand for. What we stand for are people who run governments who happen to care about their people, who get the support of the United States because of their principles, and not because they get up and mouth rhetoric about Marxism. Our strength is our Constitution, our morality, our human rights, and our set of beliefs. With those strengths we can take on anybody and handle him.

When we engage in this kind of paranoia about other countries that are acting like independent nations, of all things, we are diminished as a people and a country, and we provide the exact entree for the Soviets and Cubans that everyone is worried about.

If you want Castro to toast tonight, pass the amendment. If you want the Soviets to toast tonight, pass the amendment. If we are concerned about long-term American interests, why do we not concern ourselves about something as simple as honoring our word?

I yield back the remainder of my time.

Mr. HELMS. Mr. President, I am prepared to yield back the balance of my time, provided the opponents will do the same.

The PRESIDING OFFICER. The opponents have no time remaining on the amendment.

Mr. HELMS. Very well. I agree it is important to keep one's word, and I imagine my friend from Massachusetts would make that all-encompassing. I would just remind the Chair that on the television, I heard the President of the United States assure the citizens of this country that the Panama Canal treaties would not cost them one thin dime. All I want to do, again, is help the President keep his word.

I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Michigan, on the bill, yield to me for a question?

Mr. LEVIN. If I have time.

Mr. HARRY F. BYRD, JR. Looking at the clock, it would appear that following this rollcall there will be virtually no time left. The Senator from Virginia would like to address a few inquiries to the manager of the bill, and possibly present an amendment. Will that be possible under the existing conditions?

The PRESIDING OFFICER. The Senator would be able to offer an amendment. However, the Senator would not have time remaining to speak to the amendment.

Mr. HARRY F. BYRD, JR. That makes it quite awkward, because neither I nor anyone would know whether he should vote for or against the amendment. In the first place, the author of the amendment would like to have a colloquy with the manager of the bill to establish some facts in regard to it.

That cannot be done.

The PRESIDING OFFICER. The Chair informs the Senator that under the existing agreement, the vote on final passage must occur not later than 6:30. However, that will not preclude the offering of amendments.

The Senator from West Virginia.

Mr. RANDOLPH. Is there time remaining on the Helms amendment?

Mr. HELMS. I have yielded the remainder back.

Mr. RANDOLPH. I know, but that does not mean that the Senator cannot change his mind to give a colleague some time.

Mr. HELMS. Mr. President, I hope the majority leader can come to the floor and entertain a suggestion that there be a little time extension to take care of this situation.

The PRESIDING OFFICER. The Chair informs the manager of the bill that there is time remaining on the bill. There are 19 minutes remaining on the bill.

Mr. HARRY F. BYRD, JR. May I ask the Senator if time is to be made available? I will not press it at the moment, but I would hope that before the vote is taken, arrangements can be made for this Senator or others who may not have amendments, but who may want to direct inquiries to the managers of the bill.

Mr. LEVIN. I will be happy to yield 2 minutes to my colleague from Virginia from the bill and 2 minutes to my colleague from Massachusetts from the bill. I understand that would be agreeable with the minority. I hesitate to do that because of the shortage of time left, given the 6:30 time limitation agreed to by unanimous consent.

If there is no objection——

Mr. SARBANES. I suggest to the manager of the bill that we do that now, before we go to a vote.

Mr. LEVIN. That is exactly right.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. I would like to ask the majority leader whether he is willing to amend the unanimous-consent request so that after this vote is taken the Senator from Virgina might have an opportunity to query first the manager of the bill and, second, if necessary, to present an amendment. I am not certain I will present the amendment until I have had the opportunity to query the manager of the bill. If the amendment is presented, I would like to have at least enough time to explain the amendment and give the facts in regard to it.

Mr. HELMS. Mr. President, I ask unanimous consent that I may be able to reclaim the time I yielded back.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator has 2½ minutes remaining.

Mr. HELMS. Mr. President, I ask unanimous consent that I be able to lay aside my amendment so that the Senator from Virginia can call up his amendment. I ask for the yeas and nays on his amendment.

The PRESIDING OFFICER. Is there objection?

Mr. RIEGLE. Reserving the right to object to the unanimous-consent request, am I correct in understanding what is proposed would not take us past 6:30 for the final vote? If it had that effect, I would object.

Mr. HELMS. It will take us past 6:30 if people keep talking about it, I will say to the Senator. But I want the Senator from Virginia to have the chance to call up his amendment and make his inquiries.

Mr. HARRY F. BYRD, JR. I thank the Senator from North Carolina. The Senator from Michigan has yielded time on the bill.

May I ask the Senator from Michigan this question: As I understand it, the Panama Canal Company, all of the stock of which is owned by the United States, will have a balance of $88.1 million. Would there be any objection on the part of the manager of the bill to an amendment which, instead of permitting that $88.1 million to go into the new company on October 1, would take $15 million of that and let it go to the taxpayers of the United States, to let it come back to the Federal Treasury in the form of a dividend on the stock which the President of the United States, as the sole stockholder, now owns in the name of the people of the United States?

Mr. LEVIN. Those are revenues from the company that they pay to the Treasury. I do not think it is up to the Senate to disburse their bank account any more than to disburse their other assets. As much as I would like the Treasury to be enriched by using part of the assets of the Panama Canal Company, I do not think we can properly do that. If the new board, on October 1, assuming the board is in existence at that time, wants to make such a payment to the Treasury, that would be up to them. But I do not think we can take these assets and disburse them this way.

Mr. HARRY F. BYRD, JR. But that cash asset is owned by the U.S. Government. The U.S. Government is the sole stockholder and will be the sole stockholder until October 1. Why is it necessary? Why is it not possible? It does not violate any treaty at all. It does not have anything to do with the treaty. Why should that cash be turned over to another company when it is now the property of the American taxpayer?

Mr. LEVIN. Because all of the assets of that company are the property of the American taxpayers. That is their bank account. They need that for operating expenses. Some of that bank account is obligated. We have no more right to use that bank account than we do to seize any other asset of the company and sell it and take the proceeds into the Treasury.

Mr. HARRY F. BYRD, JR. Does the Senator from Michigan mean to say that the President of the United States as the sole stockholder, through his directors, cannot declare a dividend?

Mr. LEVIN. No. I agree with the Senator from Virginia. I think that the corporation, acting through its board of directors, can do whatever legally that board can do. But it is the Senate which

the Senator is suggesting to declare the dividend, not the board. It is the Senate which the Senator is suggesting use part of that company's bank account. I do not think it can happen that way because we are not the board of directors of that company.

Mr. HARRY F. BYRD, JR. That company is owned by the people of the United States.

Mr. LEVIN. That is correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRY F. BYRD, JR. May we have another 2 minutes?

Mr. LEVIN. If there is time remaining and no objection from the minority on this, I will be happy to yield an additional minute or two, but we will run close to the 6:30 time.

The PRESIDING OFFICER. Two minutes remain.

Mr. HARRY F. BYRD, JR. That $88 million as of today and until October 1 is an asset of the people of the United States.

Mr. LEVIN. It is an asset of the company which is owned by the people of the United States.

Mr. HARRY F. BYRD, JR. Assets of the company, which company is owned by the people of the United States.

Mr. LEVIN. Indeed it is like all the other assets of that company, which company is owned by the people of the United States.

Mr. HARRY F. BYRD, JR. My question is, Why should not the people of the United States have an opportunity to have some dividend from that money rather than turning the entire cash surplus over to another company which is not owned by the Government of the United States?

Mr. LEVIN. I am just repeating. I am afraid my answer to that is that there is a board of directors of that company which has been selected by the people through their president and that board of directors runs that company and disposes of or otherwise utilizes their assets. One of their assets is the bank account through the treaty. If the people through the representatives want to disburse those assets, they can do so, but we cannot.

Mr. HARRY F. BYRD, JR. We are not only giving away the Canal, but giving away $80 million with it.

Mr. LEVIN. No; not at all.

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from North Carolina.

Mr. ROBERT C. BYRD. Mr. President, is the vote about to occur on the amendment by Mr. HELMS?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, this amendment imposes or would attempt to impose a new condition on a treaty already agreed to by the U.S. Senate. It would be inconsistent with the mutuality of obligations undertaken by two sovereign nations when they ratified the treaties. I hope that the Senators will be well aware of what they are doing if they support this amendment. I earnestly hope it will be defeated.

The Senate has gone on record as having approved the ratification of the treaties. To come along now with a piece of legislation and adopt an amendment the effect of which would be to impose a new condition on a treaty which has already been agreed to, I think, would be unwise and would be a blot on the escutcheon of the U.S. Senate and this country.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator for Hawaii (Mr. INOUYE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER (Mr. CANNON). Are there any Senators in the Chamber desiring to vote?

The result was announced—yeas 22, nays 73, as follows:

[Rollcall Vote No. 225 Leg.]

YEAS—22

Armstrong	Hayakawa	Schmitt
Boren	Helms	Schweiker
Boschwitz	Humphrey	Simpson
Dole	Jepsen	Stone
Domenici	Laxalt	Thurmond
Garn	McClure	Tower
Goldwater	Morgan	
Hatch	Randolph	

NAYS—73

Baker	Glenn	Nunn
Baucus	Gravel	Packwood
Bayh	Hart	Pell
Bentsen	Hatfield	Percy
Biden	Heflin	Proxmire
Bradley	Heinz	Pryor
Bumpers	Hollings	Ribicoff
Burdick	Jackson	Riegle
Byrd, Harry F., Jr.	Javits	Roth
Byrd, Robert C.	Johnston	Sarbanes
Cannon	Kassebaum	Sasser
Chafee	Kennedy	Stafford
Chiles	Leahy	Stennis
Church	Levin	Stevens
Cochran	Long	Stevenson
Cohen	Lugar	Stewart
Cranston	Magnuson	Talmadge
Culver	Mathias	Tsongas
Danforth	Matsunaga	Wallop
DeConcini	McGovern	Warner
Durenberger	Melcher	Weicker
Durkin	Metzenbaum	Williams
Exon	Moynihan	Young
Ford	Muskie	Zorinsky
	Nelson	

NOT VOTING—5

Bellmon	Huddleston	Pressler
Eagleton	Inouye	

So Mr. HELMS' amendment (No. 373) was rejected.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, as one of eight members of the Senate Armed Services Committee who opposed H.R. 111, the Panama Canal implementing legislation as amended, I would like to advise the Senate that in my judgment this bill fails to provide adequate congressional control over the canal in the 20-year treaty period which begins October 1, 1979.

As the Senate is aware, on October 1 the Canal Zone ceases to exist and U.S. operation of the canal within Panama is granted to our Nation only by the treaty and only through 1999. Our military presence there to 1999 is also permitted by the 1977 Panama Canal Treaty which establishes a type of status of forces agreement similar to that which we have in other foreign countries around the world.

Therefore, in my judgment, it is essential that Congress implement these treaties in a manner which provides maximum control during our 20-year period of responsibility for operation and maintenance of the canal.

This bill fails to provide that control chiefly because it embraces the recommendation of the executive branch that the new Panama Canal Commission operate as a corporate agency. This approach does not permit the type of control embodied in the appropriated fund agency as included in the House version of H.R. 111 and rejected by our committee in the Senate.

Mr. President, the canal operated very successfully as an appropriated fund agency prior to 1951. Mr. Philip Steers, Jr., former financial vice president of the canal, strongly favors this approach. The House bill also provides for a $40 million emergency fund which gives the appropriated fund agency ample flexibility yet brings the actions of the Commission into close congressional scrutiny.

There are other provisions of importance lacking in this bill. It fails to provide adequate representation of maritime interests in the governing Commission; it fails to maintain the transfer-of-property provision of the House bill; it fails to provide for military control in wartime and it lacks other features which would strengthen control from a defense and administrative standpoint.

The control issue also goes to other provisions of this bill. For instance, the Commission Board under the Senate version will be made up entirely of sub-Cabinet officers rather than including some representatives of our ports and shippers as provided in the House bill. This feature is important because if tolls are to be maintained at a level necessary to keep the canal self-sufficient we must have the views of those most affected by these changes.

Mr. President, it should also be pointed out to the Senate that prior to action on the treaties last year many of us urged submission of the implementing legislation at that time. Instead the Senate was refused this legislation and therefore refused information which may have impacted on the votes of some Senators.

As the Senate knows, I opposed the treaties. Nothing has come to light since that time which persuades me my position was incorrect. In fact, the huge costs of these treaties—estimated by the House Merchant Marine Committee at $4.2 billion—and the conduct of Panama in the Nicaragua uprising amply fortify the position I took last year.

Mr. President, in conclusion I would like to stress to the Senate that the form in which these treaties are implemented will to a large part determine the future of the canal. Only through tight congressional control can the safety and efficiency of the canal be assured. For these reasons I believe this bill falls short in providing that tight rein we will need to manage what I believe will be a difficult 20-year period in which the interests of this country and Panama will frequently clash.

CANAL TREATIES NEED MORE THAN IMPLEMENTATION

Mr. DOLE. Mr. President, today the Senate is faced with an issue that once deeply divided this body—the Panama Canal Treaty give-away. I voted against and have seen little to make me doubt the wisdom of that vote. But we face the problem now with new knowledge and a new perspective. The dire predictions of those who opposed the treaties have started to come true. The Senate must remember its vote in order to be able to say it fulfilled its responsibility to the Nation. With two separate opportunities to consider the best interests of this Nation and the clearly expressed will of the people can we proceed in what is clearly an ill-considered disregard of the evidence? We shall, as a body, deserve the criticism of history and we shall not have the defense that hindsight has 20-20 vision.

This is our opportunity to exercise hindsight. I urge that we take the opportunity and reconsider a bad treaty and force the parties to make a better argeement through this implementing legislation. I believe everyone realizes that facts either not clear, or not made available last year make the need for reappraisal self-evident. Even the people of Panama who have been clamoring for more U.S. funds ever since it became clear that Uncle Sam and his pocketbook were really pulling out, realize all issues have not been adequately addressed. The majority of Americans were not willing to see us give Panama away last year and I do not think that they are any more willing this year to do it again and pay billions of dollars for the privilege.

The Senate voted consent to the treaties with a single vote margin. At the time of that vote, many Senators relied on the representations of the administration as to cost factors of the treaties. Whether intentionally or not, those representations were totally erroneous. It is difficult to conceive how the Senate, forced to rely on the expertise of the State Department can view the misrepresentations as being in good faith. If they were, where is the professional competence on which the Senate relied, not only in the economic sphere, but in the effect of the treaty on our relations with other nations and the necessity of the treaty for our defense posture? If the errors on the fiscal impact of the treaty were in good faith, then every aspect of the treaty is subject to the same margin of error as State's promises on the money aspects. If those representations were made in bad faith, then there is serious question of the nature of the advise and consent procured from the Senate on the treaty.

In either case, the consideration of the implementation legislation as it comes to us from the other body is the last chance of reconsidering the results of a vote made on representations which are now conceded to be false. The Senate may do anything from approving the administration's bill to voting to declare the treaty null and void. At least, we must review our vote in the light of the revelation that we were told what we wanted to hear during our advice and consent hearing. It is still within our power to stop implementation of the treaty, if we are satisfied that we were lied to for the specific purpose of inducing us to approve the treaty. The people of the Nation are still interested and concerned over the transfer to Panama of the canal. We cannot shirk a duty because it is unpleasant or reflects on the State Department's tactics. What we do about the Panama Canal and the legislation implementing its transfer is of crucial importance both to the United States and to the rest of the Western Hemisphere.

Mr. LAXALT. Mr. President, as we prepare to vote on this legislation, I feel that we must keep in mind four major premises which have long characterized our relationship with the Panama Canal. These are, first, the need to uphold the honor of the United States of America; second, to protect our workers in the Canal Zone; third, to provide for the defense of this major world asset; and finally, to maintain a free flow of commerce for the nations of the world. As I see it, H.R. 111 runs directly counter to each of these objectives.

Historically during our operation and ownership of the canal, we have emphasized each of these goals. It is a path that we should continue upon during the canal transition period. Certainly, during the debate on the treaties last year and during the present debate on the implementing legislation, it has been shown that significant differences on these premises exist between our understanding of our rights and obligations under the treaties and the interpretation that has been clearly articulated by the Panamanian leadership. At the very least, it is therefore incumbent upon Congress in this implementing legislation to come up with strong and clear legislative provisions in order to help clarify these potentially dangerous differences.

This is our obligation now. It certainly did not end in the spring of 1978 when the Senate approved the Panama Canal Treaties.

Mr. President, H.R. 111 should not be seen as an isolated act without ramifications. Proponents of this measure argue that we need to pass this bill in order to keep our word in the world. I see it as compounding a mistake.

As I mentioned earlier, the Panama Canal remains of overriding importance to the commerce and defenses of the United States. However, the question of what the treaties represent for us as a nation must be just as seriously considered. As I said last year, the Panama Canal Treaties set a defeatist tone for our overall foreign policy which is unworthy of our people and which we will likely be a long time living down. I believe that the legislation before us today simply continues us down this unfortunate road. U.S. policy in recent years seems to be characterized by continued retreat. We have the recent examples of Korea, Vietnam, Taiwan, Iran, Rhodesia, and before us today, Panama.

When the canal is turned over to Panama, supported by the action of this implementing legislation, the canal will be held hostage and at the whim of not only a Castro-leaning, if not Communist government, but by every dissident group in Panama now or in the future vying for political power. We can expect that the first target in Panama in time of any civil trouble will be the canal.

Half the oil from Alaska must pass through the canal on the way to refineries on the gulf coast and eastern seaboard. Yet we want to place the canal in the hands of a government that is friendly to Communist nations that follow a worldwide policy of encirclement, encirclement designed to allow crippling pressure to be placed on America and our allies at will. In this legislation we pay them to take it.

As our naval fleet has shrunk in numbers, the canal has increased in military importance. All but our largest ships can use it and U.S. defense strategy still depends on quick transit from Atlantic to Pacific that only the canal can provide. Yet we propose to relinquish control and pay Panama to take it. Considering the volatile history of this part of the world, we can expect that the commerce and stability of the canal will soon be in constant jeopardy.

Those who support this legislation, this sacrifice of interest to avoid the threat of trouble, engage in what I believe to be very fallacious reasoning.

Their argument goes like this:

Because we could not face Communist pressures in the Caribbean and Central America, the United States entered into the treaty highly beneficial to General Torrijos. The proponents of this legislation now say this is the law and that the Members of the U.S. Senate must implement it. We have no choice but to implement—by paving the likes of Torrijos to take what Americans once owned and many died to create. Needless to say, this argument is the purest sophistry, legal nonsense.

If this body, as elected representatives of the people, really had no choice but to accept this legislation, then the Constitution would not require us to be here today sitting in judgment on implementing legislation. Clearly our discretion is not limited as a matter of law by the action of the administration or the previous action of the Senate.

Mr. President, international politics in general is a notoriously treacherous business. Motivations and credibility of potential partners must be carefully assessed. I ask my colleagues to look at the state of the world, the state of America in the world. Unless we are very careful, radical opportunists will use the canal against us at the earliest opportunity.

Mr. President, as I put it earlier, the policy of the United States has become a policy of retreat and appeasement. I see no reason to continue it.

The American people sense this, know this. The U.S. Senate has already approved two poorly written and unpopular treaties. It is time for us to correct our past mistakes. It is time we in the Senate did what we are elected to do—vote the will of the people. It is time we stood up and protected our interests and preserved our control. We can start here and now with a "nay" vote on this legislation.

Mr. JEPSEN. Mr. President, I rise in opposition to this bill.

This country went through a long and emotion-charged debate last year. The question was whether or not the Senate should ratify the Panama Canal Treaty as it was proposed by the administration. I have consistently held the position that if I had been a Member of the Senate last year, I would have voted against the treaty. But, for good or bad, the Senate did ratify the treaty and now it is up to us to define the terms of its implementation.

In our desire to cooperate with the administration, however, we must not accept the position originally established by them that the implementing legislation should move along unamended. Everyone knows that the House has not done so, and because of its efforts, what many consider to be a superior bill has been adopted by its Members.

The Senate Armed Services Committee made substantive changes to the House version, changes which I feel diluted the protections offered to the American taxpayer by the House bill. For this reason, I voted against the bill in committee as it was finally marked up.

The following are some of the key areas in which the House-passed Murphy bill, H.R. 111, differs from the Senate Armed Services Committee proposal. They form the basis upon which I must object to the pending proposal.

First. Recovery of U.S. treaty implementation costs at the expense of the contingent annuity payment to Panama provided for under the treaty.

Article XIII(4)(c) of the treaty provides that Panama will receive an annual payment of up to $10 million for canal revenues to the extent that they exceed expenditures. Section 250(e) of H.R. 111 effectively neutralizes the annuity by including as canal expenditures all costs to the United States, such as relocation of military bases by the Defense Department, whether related to the operation of the canal or not. There is no corresponding section in the Senate bill.

Second. Bar to payments to Panama if the United State determines it is interfering in other countries.

Section 250(g) of H.R. 111 bars payments to Panama of the contingent or anything else if the President or the Congress determines that Panama is interfering in the internal affairs of any other state. The Senate bill, of course, imposes no such condition on Panama.

Third. Congressional authorization to transfer Canal property to Panama under the treaty.

Section 373 of H.R. 111 prohibits all transfers of canal property to Panama except pursuant to an Act of Congress, and approves only those transfers which take place on the effective date of the Treaty. Subsequent transfers during the life of the Treaty and upon its termination would require further acts of Congress. The Senate bill assumes this matter to be self-executing.

Fourth. Direction of canal operations by a U.S. military officer in time of war.

Section 108 of H.R. 111 provides that when the United States is at war or the President considers war to be imminent, he may authorize a U.S. military officer to assume control of the operation of the canal. The Senate bill lacks any such provision, assuming that the President has ample authority under the treaty to provide for the defense of the canal.

Fifth. Membership on the Canal Commission's Board of Directors.

In Section 102 of H.R. 111, it is provided that three of the five U.S. members of the Commission's Board of Directors will be individuals from outside of the U.S. Government with experience in the fields of labor, shipping and ports, and the export-import business. The Senate bill provides that the five U.S. members should be senior officials drawn from interested executive branch agencies.

Sixth. Direction of the Canal Commission and its Board of Directors by the Secretary of Defense.

H.R. 111 (sections 101 and 102) stipulates that the Commission and its Board of Directors will act under the "direction" of the Secretary of Defense. The Senate bill is more general, giving the Secretary of Defense oversight responsibility for the canal operation, but not clear direction.

Mr. President, in particular, I want to cite two principal features of H.R. 111 that are not included in the Senate version, and which I feel are fundamentally necessary for the protection of the American taxpayer.

The first deals with the form of the Panama Canal Commission, that is, whether or not it is to continue as a government corporation or be converted to an appropriated funds agency. Section 232 of H.R. 111 establishes the Panama Canal Commission as an appropriated funds agency subject to the usual appropriation and authorization procedures. The Senate bill continues the Commission as a U.S. Government corporation, the form under which the Panama Canal Company has operated since 1950.

The provision for a noncorporate agency subject to the financial controls applicable to the Government agencies has important subsidy effects in maintaining close congressional oversight over the canal operations, a matter that will assume increasing importance with the passage of time as a result of progressive changes in the organization and management of the canal contemplated by the treaty.

hearings that he favors the appropriated

Points in favor of the appropriated fund agency are:

First. The canal operated very successfully as an appropriated fund agency prior to 1951.

Second. The most qualified witness on financial matters, the former financial vice president of the Canal Company, Mr. Philip Steers, testified in the House fund agency.

Third. The $40 million emergency fund added by the House provides ample financial flexibility for the appropriated fund agency approach.

Fourth. The canal has a good record of forecasting revenues and expenses.

Fifth. The corporate agency is not exempt from a serious traffic downturn.

Sixth. The appropriated fund agency provides assurance that funds will be available to meet expenses even during variances in traffic.

Seventh. When asked why the House took the appropriated fund approach, Governor Parfitt stated he thought there were two main reasons:

First, money needed to operate the corporation would be misused by trying to accommodate Panama, and second, in 10 years the administrator of the Commission will be a Panamanian and he will be under great pressure to accommodate Panama's demands.

Mr. President, I believe these are good reasons why we need the accountability provided in the appropriated fund approach.

Second, Mr. President, section 253 of H.R. 111 insures that the U.S. taxpayers are protected and provides for congressional restraints on property transfers and tax expenditures. But the Senate committee version only gives limited assurances to the taxpayer by stating simply that the costs of implementation to be borne by the taxpayers over the life of the treaty should be kept to the absolute minimum.

As I stated earlier in my remarks, because the treaty has been ratified, we in fact are obliged to the people and country of Panama. We must honor that commitment. But this matter of honor cannot be a one-sided affair. As representatives of the people of the United States we owe as much to keeping our commitments to those we serve, the taxpayers of this Nation, as we do to the leaders of Panama.

Section 253 does no more than keep the promises that were made by the President of the United States, by Senators, and others who were proponents of the treaties. The promise was simply that the taxpayers would be immune from any costs in these treaties and that the tollpayers would have minimal obligations.

All I am saying is that since there seems to be considerable costs involved whether one uses the State Department figures where they minimize the figure down to $871 million, after saying that there would be no fees involved, or whether it is the high figure of $4 or $5 billion we have heard from various sources, our commitment to the people we are working for, the people we serve, the people whom we have a primary responsibility to, is at stake.

So, Mr. President, the question boils down to whether or not we are going to force the people of the United States who are clear up to their necks in fuel problems and inflation, and who did not want

this treaty in the first place, to pay for the privilege of Panama taking control of the canal. I think we should not, we can not.

As the pending legislation is drafted I do not think the kind of assurances that we should be giving the American taxpayer exist. At a minimum we should include the provisions of section 253 to H.R. 111 which in part prohibits payments to Panama where the money is derived from tax revenues of the United States unless certain conditions are met and unless such money is specifically authorized and appropriated by Congress. The taxpayers of America deserve at least this much protection and accountability.

The Senate is unlikely to agree to these things today, I am aware of that. For this reason, I cannot lend my support to the pending implementing legislation.

Mr. HELMS. Mr. President, in listening to some of the rhetoric on the floor this afternoon, defending what, in the opinion of the Senator from North Carolina, is the indefensible, I was struck by the tone of the rhetorics. There was a note, almost of desperation, to turn back amendments defending the rights of the American people. There seemed to be undue concern for offending the sensibilities of Panama, and an obvious fear that the Panama Canal Commission would fall under the undue influence of Congress.

Then, this afternoon, I received a copy of a very interesting letter. It is dated July 11, 1979, only 2 weeks ago. It is from Panama President Royo to President Carter.

In this letter, President Royo attacks the House version of H.R. 111, section by section. On page after page he claims that the United States will be violating the treaty if this legislation is passed. Throughout he interprets the treaty, not as a partner, but as a sovereign running the show. And obviously, this is exactly what he is doing.

What this letter says, Mr. President, is that there is no meeting of minds. The opponents of the treaty pointed this out time after time. When the resolution of ratification was approved, Panama issued a white paper rejecting most of the Senate amendments. I made a lengthy analysis of that paper on the Senate floor on June 5, 1978.

Last winter, the House Panama Canal Subcommittee, after a visit to Panama, found that there were wide areas of disagreement over basic points of the treaty. I wrote to the President and asked him to withdraw the treaty while there was still time.

Now we find that Panama is specifically rejecting the legislation passed by the House. Many of his criticisms apply also to the legislation which is before us today.

I think, therefore, that it is hopeless to find an agreement at this late date. This letter is not only an insult to Congress; it is an indication of the folly of the Panama Canal giveaway. If we wish to uphold the dignity of the United States then reject this legislation. It is so fatally flawed that no amendments can make it satisfactory.

Mr. President, I ask unanimous consent that the letter from President Royo to President Carter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INFORMAL TRANSLATION OF LETTER DATED JULY 11, 1979, FROM ARISTIDES ROYO, PRESIDENT OF THE REPUBLIC OF PANAMA, TO JIMMY CARTER, PRESIDENT OF THE UNITED STATES

ESTEEMED FRIEND: In the conversations we had in Washington, D.C., during my visit from May 9 to 11, I presented to you in detailed form the reasons for which my Government considered that the draft bill (H.R. 111) was not consistent with the letter and the spirit of the Torrijos-Carter Treaties.

On the same days as our White House meeting, this bill was being discussed in the House of Representatives. I have an intense and clear recollection of the sense and sincerity of your words. I recall the promise which you made to my country, through me as an intermediary, to the effect that you would work with all earnestness to arrange that the final text of the law to be approved by Congress should faithfully conform with what was agreed between our two countries. I am happy to know that you are continuing to maintain this honorable determination. I hope that, in its progress in the Senate and in the subsequent Conference of the Members of both Houses, the law that is approved will reestablish calm among the citizenry of Panama, who have observed with deep uneasiness the attempt to introduce in the law provisions which would injure the Treaties.

I therefore continue to be confident that our common efforts, joined with the common approach that will prevail to the Congress, will result in the law as enacted being consistent with its single purpose—facilitating the fulfillment by the United States of the obligations, and the exercise of the rights, which my country granted it in the Panama Canal Treaty.

Pursuant to the cordial relationships that exist between us, I regard it as a testimonial of friendship, as well as a duty of leadership, to share with you my reflections, observations and positions with respect to H.R. 111, which entails a reaffirmation of what I told you when I had the signal honor of conversing with you in your official residence.

1. A detailed and exacting examination of the provisions of H.R. 111 permits me to observe that many of them grant authority to the President of the United States, that is to say, that they are not mandatory but rather authorizations. This means that, to the extent to which these discretionary powers are not exercised, there would be no Treaty violations of the type suspected by the Panamanian people. Nothing would contribute so much to dissipating such thinking in my country—and I am only carrying out my duty in telling you this—as a timely declaration—that is, before October 1 next—to the effect that the President of the United States will not exercise such powers, having decided as always to proceed with respect to the Republic of Panama with total devotion to the provisions of the 1977 Treaties.

2. Before commenting on the various provisions that I consider violative of our compact, it is necessary to point out that the Treaties bind both countries and that neither Panama nor the United States, through legislative action, can alter what was agreed therein. For its part, the Government of the Republic of Panama, in the fulfillment of its duties and the exercise of its rights, will adhere exclusively to the substance of the Treaty agreement. United States internal legislation is not a source of law for the Republic of Panama, just as the laws which the Panama Assembly passes are not for the United States of America.

3. I will now detail the provisions which contradict the agreements signed by the two countries on September 7, 1977:

SECTION 3

Even though Subsections (a) and (b) therein state that the purpose of the Canal Zone Code is the exercise of the authority that Panama granted the United States under the Treaty and that it will not apply to matters in which the United States may not exercise jurisdiction pursuant to the "Panama Canal agreements," it must be pointed out that Article XI(1) [sic: actually Article IX(1)] of the Treaty says precisely and clearly that ". . . the law of the Republic of Panama shall apply in the areas made available for the use of the United States of America pursuant to this Treaty." Accordingly, Article XI establishes a transition period of 30 months, during which the laws of the United States will be applied concurrently with those of the Republic of Panama. In other words, the Canal Zone Code will only be valid until the end of the 30-month period which has been granted, and only to the extent that it does not contradict Treaty terms.

The Preamble of the Treaty states that it will serve "as the basis for a new relationship between the two countries . . . ." The definitions of Section 3 are therefore incorrect to the extent that they assume a mere change of names, so that what was formerly called "the Canal Zone Government" will now be termed "the United States of America" and so that what was called "the Governor" will now be read as "the Panama Canal Commission." Beneath these word changes there can be discerned a disregard of the fact that the Treaty is designed to produce a fundamental change in our relationships which, moreover, is in the mutual interest of our two countries.

It cannot be ignored that the Treaty is based on the sovereignty of the Republic of Panama, which as territorial sovereign grants a concession to the United States. The rights of the United States cannot be interpreted broadly but rather, narrowly. The United States has no more rights in Panama than those which the Treaty confers upon it. The jurisdiction of the United States in Panama will end forever from the first day of October next, and the United States will exercise only those powers which the Treaty gives it and which are carried out in conformity with the correct Treaty interpretation.

SECTIONS 101 AND 102

These Sections are consistent with Articles III(3)(a) of the Treaty stipulating that the Panama Canal Commission ". . . shall be supervised by a Board . . . ." Nevertheless, Section 101 places the Commission under the direction of the Secretary of Defense. The supreme authority for the Commission is the Supervisory Board and placing it under the direction of any other official denies what has been agreed upon.

Moreover Article III of the Treaty stipulates that the United States will carry out its responsibilities through a U.S. Government agency, which will be directed by a Supervisory Board. This fact demonstrates unequivocally that the agency in question should have its own identity and should not be a mere appendix of the Secretary of Defense.

SECTION 102

In Subsection (b) of this Section the law law states that "each Member of the Board shall hold office at the pleasure of the President (of the United States)." This is not correct as it applies to the Panamanian Directors, since Article III(3)(b) of the Treaty envisages that "in case of removal of a

Panamanian Member of the Board at the initiative of the United States of America, both parties will consult in advance in order to reach agreement concerning such removal. . . ." If this rule entails the necessity of agreement with Panama, it is not correct to stipulate that the Panamanian Directors may be removed from office at the discretion of the President of the United States.

Subsection (c) of Section 101 requires that a quorum of the Canal Commission must include the presence of a majority composed of the American Directors. This is an additional requirement not agreed to by the parties in Article III of the Treaty and thus amounts to an infraction of the Treaty.

SECTION 103

Since the Administrator will from 1980 be a Panamanian designated by Panama (Article III(3)(c)) it is evident that from that date forward the advice and consent of the Senate will no longer be required.

SECTION 104

It is appropriate to indicate that Article III(3)(c) of the Treaty creates the post of Administrator and Deputy Administrator of the Canal Commission and envisages that the Deputy Administrator will occupy the second-highest executive post and that no official not created by the Treaty can be placed on the same level with him.

SECTION 106

As Article VI of the Treaty does not specify the number of Members of the Joint Commission on the Environment, Panama interprets as a suggestion which might be made to it in due course, and to which it will duly respond, the reference to the figure three as the number of Members of this Commission.

SECTION 107

This Section provides for the payment of travel expenses to representatives of the United States in the Environmental Commission. In the opinion of my Government if the Panama Canal Commission is to pay these expenses, it will also have to meet the travel expenses of the Panamanian representatives. Otherwise there would be an act of discrimination not justified by the Treaty.

SECTION 108

The observations made with respect to Sections 101 and 102 are applicable here. There can be no authority above the Supervisory Board of the Panama Canal Commission. Thus this Section clearly conflicts with Article III(3)(a) of the Treaty.

SECTION 111

I consider it desirable to have the office of ombudsman, but since this is not mentioned in the Treaty, its creation should be left to the discretion of the Commission. Quite aside from this point, as more than 75 percent of the employees will be Panamanians, it seems logical that this official should also be a Panamanian, and that it would be correct to have one Panamanian and one American ombudsman.

SECTION 112

It is asserted here that the United States should negotiate with the Republic of Panama regarding the presence of American troops in the territory of my country after the Treaty expires. It is appropriate to quote Article V of the Neutrality Treaty: "after the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory."

It is also appropriate to note that the Protocol to the Neutrality Treaty remains open for the adherence of all countries of the Earth and that once other States adhere to it, this Treaty will no longer establish a bilateral relationship between the United States and Panama. Consequently, any modification of Article V quoted above would require not only the consent of Panama but the consent of all those other States with an interest in the Neutrality Treaty.

SECTION 121(B)

We consider it desirable that the freedom of the United States to name officers to serve in the Panama Canal Commission should be limited by the guidelines on labor matters contained in Article X of the Treaty. The legislation under consideration must give full force to these guidelines which were agreed upon for the defense of Panamanian employees.

SECTION 125

My Government considers the payment of an additional sum to workers who lose the right to buy in post exchanges, use the mail and buy in military commissaries to be very fair. But the Section grants this privilege only to American citizens. This becomes an injustice since we know that many Panama Canal Company employees currently live in the Canal Zone and enjoy the above-mentioned privileges. The additional sum [cost of living allowance resulting from the termination of these privileges after five years] should in justice be paid to all employees without regard to nationality. This is required by Article X(5) of the Treaty.

SECTION 126

This Section establishes educational benefits for American students who travel to the United States. This privilege too should be established on a non-discriminatory basis so as not to conflict with Article X(6) of the Treaty.

SECTION 153

This rule permits the President to prescribe regulations regarding the activities of an agency which would be established within the Panama Canal Commission. Since this agency is not authorized by the Treaty, there appears here a violation of Article III(3) which clearly states that the functions of the United States should be carried out under the direction of the Supervisory Board of the Panama Canal Commission.

SECTION 209

This establishes a cash assistance system for certain employees who contracted illnesses in the course of their work on the Panama Canal and have thereby been prevented from continuing their employment. This is an act of justice which deserves full support from my Government. I therefore request that it be incorporated in the draft in the Senate draft bill S. 1024.

SECTION 225

Subsection (b) stipulates that labor-management relations will be regulated solely by United States law. Clearly the Panama Canal Treaty is also a law of the United States, but the objective of this Subsection is to ensure that other labor laws of the United States should prevail to the detriment of the Treaty. Inasmuch as Article X of the Treaty and Article VII of the Agreement in Implementation of Article IV of the Treaty contain labor standards, these must necessarily be applied.

SECTION 232(C)(1)

In this provision the Canal Commission is barred from spending funds not appropriated by law. The Republic of Panama respects American Constitutional procedures; but in defense of its rights, it considers it appropriate to point out that, in accordance with Article III of the Treaty, the United States is to "provide for the orderly transit of vessels through the Panama Canal." In addition, Article III of the Neutrality Treaty requires the United States to maintain the security, efficiency and proper maintenance of the Canal. Further, Article XIII of the Canal Treaty imposes on the United States the obligation to turn the Canal over to Panama, in 1999, ". . . in operating condition. . . ." All of this leads unequivocally to the conclusion that it is the duty of the United States to make available each year the funds required to guarantee the effective operation of the Canal. Section 233 of H.R. 111 is thus correct in permitting the Commission to utilize an emergency fund to ". . . ensure continuous, efficient, and safe operation of the Panama Canal. . . ." I find objectionable Subsection (c)(2) [actually (a)(2)] insofar as it grants the Secretary of Defense the authority to determine the amount he deems appropriate for the use of the Canal Commission. Congress may not ignore the fundamental importance of Article III(3)(a) which stipulates that the Commission is to be directed by the Supervisory Board. The legislative provision under discussion appreciably reduces the authority of the Commission to issue its own budget.

SECTION 250(A)

The final portion of Subsection (a) of this Section changes what was agreed to in Article III (4) of the Canal Treaty. It was there agreed that whenever there was a surplus or a deficit with respect to the sum of $10 million that the United States is to pay to Panama for the services described in that Article, the surplus or deficit will be met, in three equal parts, during the three subsequent years. Subsection (a) of Section 250 envisages that Panama should repay any surplus in a single year, while granting the United States the right to compensate for any sum it may owe Panama with the credit established against Panama as a result of any payments [in excess of actual costs] made during the previous three years.

SECTION 250(B)

This provision is designed to nullify Panama's right under Article XIII (4)(c) of the Treaty to receive up to $10 million whenever there is an annual Canal operating surplus. The depreciation and interest included in Section 234 should be excluded in computing Canal operating expenditures. Nothing in the Treaty authorizes the United States to accumulate deficits over years of operation in order to reduce what is owed to Panama. Article XIII(4)(c) authorizes Panama to receive up to $10 million annually to the extent that revenues from the Canal operation exceed the expenses of the Panama Canal Commission, including sums paid in conformity with the Treaty. If unauthorized expenses are added in order to make the calculation in question, this obviously represents a breach of the word of honor given by the United States in the Treaty.

SECTION 250(C)

The objective of this provision is to deny to Panama payments to which it is entitled in accordance with the Treaty in the event that Panama levies retroactive taxes on certain persons. The correct interpretation of Article IX (1) was the object of an exchange of notes between our two countries, and there is no necessity for this provision. Panama considers it insulting and accordingly believes that its elimination from the text of the law should take place.

SECTION 250(E)

This provision would also deny to Panama the right to receive the sum specified in Article XIII(4)(c), in charging to operational expenditures of the Canal "all costs of implementation of the Panama Canal Treaty. . . ." This is not what we agreed to and Panama never assented to it, and could do so only by disowning its sovereign rights, in assuming the costs the United States incurs to carry out the Treaty. This provision is designed to artificially augment the operating costs of the Commission at the expense of Panama. This amounts to a unilateral modification of the

Treaty, an illegal endeavor under international law.

SECTION 250(f)

Through this provision unagreed conditions are added so that Panama would have to apply for title over property or rights which the United States might transfer to it. My Government maintains that the Treaty constitutes title through which the Republic of Panama acquires property rights over certain items specified in the Treaty. No other formality or instrument is necessary to attain this purpose, and Panama has sufficient legal means, without the necessity of any additional act by the United States, to inscribe in the name of the Republic of Panama, in the Public Register, the items whose ownership is gained through the Treaty.

SECTION 250(g)

The purpose of this provision is to impose a new condition on what was agreed in Article XIII(4)(c) of the Treaty before Panama may receive the amount therein provided. If Paragraph (g) is approved the contingent annuity payment would be conditioned upon the President of the United States and Congress deciding that Panama was not interfering in the internal affairs of another country. The truth is that this amounts to an intervention in the internal affairs of Panama and that the Congress of the United States is granting itself a judicial function which does not belong to it, in the international field. Moreover the result would be that this paragraph would put the United States in the reprehensible position of judge and party to a dispute, a situation exceedingly unjust and outside every consideration.

SECTION 253(b)

Study of this provision leads to the conclusion that its objective is to impose new conditions on Panama's acquiring the control or possession, as the case may be, of property to be transferred pursuant to the Treaty. It is the firm position of my Government that the Treaty provides sufficient title for the Republic of Panama to acquire the property included in the Treaty, and that consequently no additional formality or instrument is required to perfect this title.

SECTION 287

(Apparently Section 271)

My Government is satisfied with the structure of machinery designed to present claims against the Panama Canal Commission to the extent that it is immune from Panamanian jurisdiction pursuant to Article VIII(2) of the Treaty. Section 297 requires, for the presentation of claims against the Commission, that before the ship concerned leaves the Canal an investigation should have been made by "the competent authorities." But my Government thinks it necessary to point out that in applying Article 297, there should be taken into account:

a. That, in accordance with Article IX of the Treaty, Panamanian law should be applied in the area placed at the disposal of the United States for its use in conformity with the Treaty;

b. That the administration of justice by the United States should end in Panama 30 months from the entry into force of the Treaty (Paragraph 4(b)(ii) of the Annex to the Treaty); and

c. That the claims envisaged in Section 297 are those presented by private persons and not by the Republic of Panama which would be done through diplomatic machinery (Article XVIII of the Agreement in Implementation of Article III of the Panama Canal Treaty).

SECTION 298

Under this Section a Board of Local Inspectors is established to investigate accidents that occur in the Canal. It is given the authority to receive testimony, administer oaths, and require the production of books and papers necessary for the investigation. This means that the Board of Inspectors would have a judicial function. Therefore the comment with respect to Section 297 is pertinent as regards Section 298.

The Republic of Panama is modernizing its maritime legislation, having in mind that there are international conventions regulating navigation and maritime commerce, and that the Canal Zone courts have established very important precedents regarding responsibility in the Canal.

Moreover, it is a known rule of private international law that the substantive law applicable for courts in deciding on claims based on extracontractual fault is the *lex loci delicti commissi*, that is to say, the law of the place where the illegal deed occurred. Such substantive law can only be that of Panama because the Treaty has as its fundamental objective the recovery by Panama of its jurisdiction over the present Canal Zone. I must also reiterate that Panama agreed with the United States in Article III(3) of the Treaty that the United States would exercise its responsibilities through the Panama Canal Commission. Consequently the President of the United States is not authorized to grant powers to any Board. The exercise of the powers granted by Panama to the United States can only be effected by the Panama Canal Commission. Otherwise the functions of the four Panamanian Directors on this Commission would be enormously reduced.

SECTIONS 371 AND 372

These provisions state that the property of the Panama Canal Company should revert to the United States and that property would be transferred between various U.S. agencies. My Government affirms that what the parties agreed to in Article III(3) of the Treaty is that the United States will fulfill its responsibilities through the Panama Canal Commission. This means that the assets of the Panama Canal Company should be transferred to the Commission, which moreover should always possess sufficient funds for the Canal to function uninterruptedly, in an efficient way.

SECTIONS 373 AND 374

The intent of these Sections is to reopen the entire debate over American Constitutional law, which had already been decided by a United States court. The court decided that property of the United States can be transferred by Treaty. But these Sections stipulate that no property of the United States located in Panama may be transferred without a law enacted by the United States Congress, which is to say that the transfer of such property can only be feasible through action by the House of Representatives. My Government does not object to the House of Representatives deciding to confirm what the Senate has already done in granting its advice and consent to the Canal Treaty. But my Government does strongly object to any attempt to establish a new condition in the way of Panama's acquiring property transferred by the Treaty, which in its own terms becomes effective October 1 next. My comment with respect to Section 253(b) is pertinent here.

SECTION 411

Both countries have agreed that it is for the United States to fix reasonable tolls for the use of the Canal (Article III(2)). But as Panama has envisaged, this function can only be discharged by the Panama Canal Commission (Article III(3)). Since Section 411 authorizes the President of the United States to fix tolls, Panama must indicate its dissent from this Treaty violation which would prevent it from appropriately expressing, within the Panama Canal Commission and through its four Directors, its point of view on such an important matter.

SECTION (412)(c)

It is very clear in Article II of the Neutrality Treaty that tolls may not be discriminatory. We recall the great toll battle with Great Britain which President Wilson decided with great civic virtue in favor of the United Kingdom. Notwithstanding this weighty precedent, there is an attempt in this Section to authorize discrimination for the benefit of ships bound for Panamanian or American ports.

SECTION 412(d)

Here the President of the United States is authorized to exempt from the payment of tolls certain United States Government vessels, which represents a violation of Article II of the Neutrality Treaty.

SECTION 412(e)

The Treaty of November 18, 1901, known as the Hay-Pauncefote Treaty, was not signed by Panama. When Article I of the Canal Treaty of 1977 abrogated the Isthmian Canal Convention of 1903, all that remained was a link between the United States and the United Kingdom.

With respect to the Treaty of April 6, 1914 signed by Colombia and the United States, I must observe that this document was not signed by the Republic of Panama and does not bind it. The juridical-political problems created by this Treaty have been resolved in part by Article VI of the Neutrality Treaty. Moreover my Government is strongly desirous of solving this problem in a fraternal way through direct negotiation between Panama and Colombia. I consider it neither necessary nor appropriate to include Paragraph 412(e) in the legislation.

SECTIONS 701 AND 702

In the judgment of my Government the United States lacks the authority to regulate the transit of aircraft and the possession of alcoholic beverages, as well as the power to deport anyone from areas whose use Panama grants to the United States.

Section 702 gives the Commission such broad powers that it practically results in the reestablishment of the Canal Zone Government which both Governments agreed should cease to exist from the first of October next. The Annex to the Canal Treaty provides in Paragraph 2 that the Panama Canal Commission "shall not perform Governmental functions." Nor can the United States perform such functions through any other means or mechanism. Sections 701 and 702 are based on a presumed denial that the Treaty has terminated the Canal Zone and the Government of the Canal Zone. For this reason my Government considers them contrary to the Treaty.

SECTION 1331

My Government objects to granting the President power to make such regulations, because the Canal Commission alone has this power within the limits granted (Article III(3)). Moreover the technical authority granted by Panama to the United States, which the Commission will exercise as regards the navigation of vessels in the ports of Balboa and Cristobal, refers to the necessity that they be under the direction of pilots of the Commission (Article V(6) of the Treaty). But this authority does not extend, as Paragraph 5 of Section 1331 states, to the licensing of officers or other operators of vessels transiting the Canal or entering the ports of Balboa and Cristobal. This authority resides in the States of the nationality of the vessels using the Canal or the ports of Balboa or Cristobal.

Mr. President: I have written this letter taking very much into consideration that we have covenanted an association between our two countries and remembering the emphasis the United States gave to the concept of association as the key to the heart of the treaty.

The association referred to can only become effective if the powers which Panama conferred upon the United States in that Treaty are exercised by the Panama Canal Commission, as specified with complete clarity in Article III(3) of the treaty. The fundamental fault of H.R. 111 is that it substantially decreases the powers of the Commission in order to attribute such powers to the President of the United States. Anyone who reads the Treaty without prejudices or preconception will understand that this is not what was agreed.

Panama will assume exclusive control of the Panama Canal at the end of the present century or before, if so agreed. The accepted purpose for placing four Panamanian Directors on the Panama Canal Commission was and is to familiarize Panama with all the administrative and maintenance aspects of the Canal. This purpose would be frustrated if decisions on the management of the Canal were taken outside of the Commission. In this way such decisions would violate the letter and spirit of the Treaty. I trust that our concerted action will open avenues of cooperation within the Commission.

My country has an excellent record of adherence to its commitments. The Panamanian Government and people are ready to comply with the Panama Canal Treaty and the Treaty concerning the Permanent Neutrality of the Canal. We only hope that the United States will do the same. For this purpose it is necessary to make the adjustments in H.R. 111 which I have proposed in this letter, and to trust that, if provisions contrary to or destructive of what our two countries agreed to in the Treaties should remain in the law, the President of the United States will follow an appropriate policy in exercising the powers which the law in question grants him.

President Carter, on October 1 the Panamanian people will be jubilant, as after 75 years of strife it will be united from boundary to boundary and from coast to coast under one flag and one sole jurisdiction. And while Panamanians and Americans celebrate together the beginning of a new relationship, based on the respect for Panamanian sovereignty, Panamanian and American workers will continue working in harmony to offer to the world the opportunity of increasing commercial interchange through the use of the Panama Canal, which is an international public service.

I take this occasion to renew my best wishes for your personal success and for that of your distinguished family, as well as for the increasing prosperity of the United States of America.

ARISTIDES ROYO,
President of the Republic of Panama.

Mr. KENNEDY. Mr. President, I rise in support of the amended version of H.R. 111 as reported by the Committee on Armed Services. I believe the committee has done a commendable job of protecting the interests of the United States in a manner which is fully consistent with our treaty obligations.

However, the companion bill, as passed by the House, contains a number of provisions that not only will be detrimental to smooth operation of the canal, but to our relations with the Republic of Panama, and to our reputation as a nation that will keep its word, obey international law, and respect its treaty obligations. Provisions in the House bill also tend to undermine the constitutional role of the Senate of the United States. The Senate has given its advice and consent to the Panama Canal Treaties and the President has ratified them. The effect of the provisions of the House will be to revoke the decisions made in this Chamber last year, decisions that are ours alone to make.

It is my understanding that amendments will be offered today that will cause these provisions to be placed in the Senate version of H.R. 111. I must reiterate that our interests in the smooth operation of the canal, in the maintenance of good relations with Panama and Latin America, and our standing in the international community that respects its treaty commitments will be jeopardized by the provisions contained in the House bill. I urge my colleagues to vote against these amendments, and to send the Senate conferees into conference with a clear mandate to bring forth a bill that is in the spirit of the Panama Canal Treaties.

As chairman of the Senate Judiciary Committee, I am especially concerned with the implications of these amendments from the legal perspective—our country's standing under international law and the role of the Senate as laid down by our Constitution. What will be our standing in the international community if we, by adopting the provisions of the House bill, arbitrarily revoke the solemn obligations of a treaty negotiated in good faith, ratified by this body, and signed by the President? Furthermore, certain measures being proposed today fly in the face of decisions by U.S. courts and constitutional provisions concerning the duties of the Senate. Not only will we be undermining our credibility as a partner to international treaties, but we also undermine the duties and prerogatives of the Senate.

Not only is our credibility as a treaty partner and our relationship with Panama—our junior partner in the operation of the canal—at stake. For it is a fact that Latin Americans have for years viewed our Panama Canal policies as a litmus test of our relations in the Western Hemisphere. The canal has cut through not only Panama, but the hemisphere as a whole. American President after American President has talked about new relationships of equality and maturity. This is a critical opportunity for the United States to match words with deeds—not only to make Panama whole but to begin to make our relationships whole with all the peoples of Latin America.

A number of measures in the House bill, and their corresponding amendments before us today, are clearly inconsistent with the letter and the spirit of the treaty. One possible amendment would have the effect of incorporating section 250 of the House bill into the Senate version, to impose new conditions on the U.S. obligation to make payments to Panama—conditions which are not contained in the treaty. Among these is a provision that would cut off payments to Panama in the event that that Government were found to be interfering in the internal affairs of another nation. A second provision in section 250 effectively eliminates the so-called contingency payment—which under article XIII(4)(c) of the treaty allocates the first $10 million of canal profits to Panama—by diverting it to pay for the cost of maintaining a U.S. presence in Panama.

The treaty requires that the rights of the United States to operate, manage and maintain the canal be exercised through the new Panama Canal Commission under the supervision of the Binational Board composed of five United States and four Panamanian nationals. Section 101 of the House bill provides that the new Panama Canal Commission will be subject to the direction of the Secretary of Defense. Section 108 provides that in time of war, the President may designate a U.S. military officer to assume exclusive jurisdiction and control over the operation of the canal. Were these provisions adopted here in the Senate, it would imply that the United States can simply disregard or supersede the role assigned by the treaty to the Panama Canal Commission and its Board, thus depriving Panama of the minority role in canal management which it was guaranteed under the treaty. Neither of these provisions is necessary to protect U.S. interests.

The House bill, in sections 373 and 374, seeks to prohibit the transfer of any property to the Republic of Panama without specific approval by the Congress. Although it would authorize the transfers effected by the treaty on October 1, the subsequent transfers called for in the treaty would require additional legislation.

The provisions of the treaty which transfer property to Panama in accordance with a fixed schedule at the beginning of the treaty period, during the life of the treaty, and upon its termination are clearly self-executing. By adopting measures similar to those of the House bill, and requiring further action by Congress to effect the transfers, we imply that the United States had further discretion with respect to these transfers; and signals to the Panamanians that the United States may not act in good faith in carrying out its obligations.

All of these provisions have one thing in common—they seek to alter the solemn treaty signed by Panama and the United States last year. The consequences of such action on the part of the United States would be extremely serious. First, our relations with the Republic of Panama over the next 20 years would be adversely affected. Panama has thus far demonstrated a high degree of commitment to implementing these treaties fully and faithfully in accordance with both their letter and their spirit. Panama has exhibited an amazing degree of restraint and patience in view of all too often provocative statements which have been made in this country during the course of our domestic debate over the treaty itself, and over this legislation. On the part of some who opposed the treaty there seems to be a desire to punish Panama for having reached an agreement with the United States. I believe that Panama should be commended, not condemned, for having adopted negotiation rather than confrontation as a means for resolving its differences with the United States.

Can we reasonably expect Panama to continue carrying out its commitments under the treaties if we were to go on record in this legislation as claiming

the right to ignore the terms of the treaty whenever we consider that to suit our interests? I think not. The best means available to the United States for assuring Panama's continued full and faithful cooperation in pursuing our mutual interests in an efficient canal is for the United States to conduct its relations with Panama on the basis of full cooperation and complete respect for the spirit as well as the letter of the treaty.

Apart from the damage which we would do to our relations with Panama by departing from the treaty terms in this legislation, we would damage the reputation of the United States throughout the world as a reliable treaty partner and a nation which respects international law. What nation would be willing to enter into a treaty relationship with the United States if we publicly proclaim that we are not prepared to honor our obligations under international law?

More disturbing than the immediate impact which enactment of these House provisions would have on our relations with Panama and our stature in the world community is the long-term implication of such legislation for the constitutional role of the Senate in the treaty-making process. The Constitution is quite clear with respect to the process by which the United States undertakes treaty commitments. The President, by and with the advice and consent of two-thirds of the Senate, is empowered to enter into treaties which are binding legal obligations on the United States under international law and are the supreme law of the land under our domestic legal system.

Whatever the views of individual Members of the Senate with respect to the merits of the Panama Canal Treaties, I believe that the Senate as an institution cannot permit the treaty obligations of the United States to be tampered with through subsequent legislative action. To do so would be to establish a precedent that the advice and consent of the Senate is not the determinative step in establishing international commitments as provided in the Constitution, but rather that the actions of the Senate in the treaty-making process are subject to review and modification by the Congress as a whole.

Although this challenge to the constitutional role of the Senate is raised by all of the provisions of the House bill which are inconsistent with the international treaty obligations approved by this body, it is most apparent in the provisions of the House bill relating to transfer of property. These provisions seek to overturn the self-executing provisions of the treaty and to require that each piece of property to be transferred be approved by statutory enactment. Last year the Senate debated this issue for 3 days in connection with Senator HATCH's proposed amendment to the treaty which would have required House approval of property transfers.

The majority leader spoke eloquently of the damage which would be done to the constitutional prerogatives of the Senate if we were to accept such an amendment. I and a number of my colleagues pointed out on the floor of the Senate that the statements of the Founding Fathers in the debates which led to the adoption of the U.S. Constitution, opinions of the U.S. courts through the history of the Republic, and past treaty practice all supported the power of the Senate, through the treaty-making process, to dispose of U.S. property. After thorough and searching debate the Senate voted to reject the proposed amendment. The position taken by the Senate with respect to its authority under the treaty clause was upheld by the courts in the case of *Edward* v. *Carter* (580 F. 2d 1055, cert. denied, 98 Sup. Ct. 2240 (1978)).

The Circuit Court of Appeals for the District of Columbia addressed the constitutional issue on its merits and held that the President and the Senate clearly had the authority under the Constitution to dispose of U.S. property in the Canal Zone by treaty and that no further legislative act was required. Any amendment that held otherwise would be a direct challenge to the Senate, the courts, and the U.S. Constitution.

Having outlined the important concerns raised by its corresponding Senate amendment, I wish to praise Chairman STENNIS, Senator LEVIN and our other distinguished colleagues on the Armed Services Committee for their diligent study of the complex issues involved in this legislation and their perception of the dangers inherent in the House bill. The amended bill which they have reported clearly and effectively eliminates those aspects of the House bill which are inconsistent with the treaty.

I do not mean to imply that the House has no role to play with regard to the implementation of the Panama Canal Treaties. In fact, it has a very substantial role in contributing to the decisions in a wide variety of areas which are left open to the discretion of the United States by the treaty. For example, whether the new Panama Canal Commission should be established as a Government corporation like the present Panama Canal Company or whether it should be created as an appropriated funds agency is a legitimate policy matter to be decided by U.S. legislation. While I concur fully with the view of the Armed Services Committee that the corporate form is by far superior in terms of managerial and financial efficiency, the House is entitled to its own point of view on this matter within the framework of the treaty. What we cannot accept are those provisions that go beyond the discretion and authority reserved to the United States under the treaty and seek to change its terms. Such provisions are dangerous to our relations with Panama, to our standing in the world community, and to the role of the Senate under the Constitution.

I urge my colleagues to vote against any amendment that violates a treaty that has been negotiated in good faith by both signatories, has been ratified by the Senate, and signed by the President—and that has bound us under international law. I urge my colleagues to reject such amendments and to vote for final passage of S. 1024, thereby giving the Senate conferees a clear mandate to bring the conference version into compliance with the treaties. The continued operation of the canal, our relations with Panama and all of Latin America, and our standing in the international community as a nation that respects its treaty obligations, all depend on our accepting this responsibility and supporting the committee version of this bill.

Mr. MATSUNAGA. Mr. President, I rise in support of H.R. 111, as amended and reported by the Committee on Armed Services. The debates on the Panama Canal Treaties are now history, and the treaties are a reality. No last minute rhetoric can undo that, and any damaging amendment to this implementing legislation can only cause the credibility of the United States to suffer in the eyes of the world.

The primary aim of this body should be to facilitate, with rapidity and smoothness, the complex changeover establishing a U.S. Government instrument to operate the Panama Canal. I believe that the provisions of H.R. 111, as reported by the Armed Services Committee to maintain the features of the present Panama Canal Company, features that will enable the Panama Canal Commission to operate within the form of a corporate organization, rather than as an appropriated funds agency, will accomplish this purpose.

I also believe that any language that would stipulate operation of the canal, subject to the direction of the Secretary of Defense or that would make it possible for the President to appoint a military officer to operate the canal in the event that either the United States or Panama is engaged in war or such war is imminent, and that places an overriding emphasis on the role that will be played by the Department of Defense and the military in the operation of the canal, would be unnecessary and harmful.

Mr. President, in urging support of the pending legislation, I wish to emphasize the following four points:

First. On October 1, 1979, the Canal Zone will disappear and our own military forces will be operating in a foreign country with its consent.

Second. The treaties allow the United States to operate the canal with Panama's consent, and not as its sovereign owner.

Third. Panama will be receiving payments from tolls for use of their resources.

Fourth. The approximately $871 million of appropriated costs for implementation, over the life of the treaty that will be borne by taxpayers—a cost ceiling which is reemphasized in section 3(f)(1)—are primarily for U.S. workers and the deployment and equipping of U.S. military forces. The main point here is that this is money going to Americans and not to Panama.

It seems to me that we have a great opportunity to send a message to other nations, particularly those in the Western Hemisphere, that the days of big stick diplomacy are gone forever, and that there is no longer a need for the people of Latin America to distrust or fear the gringos of the North.

This is a time when the United States has the opportunity to contribute, through a smooth and graceful changeover, to the pride and dignity of the Panamanian people—feelings that can only improve the future relationship between our two countries, and perhaps work their way into other hemispheric relationships, as well.

Mr. President, I remember, so well, speaking before this august body, 1½ years ago, in support of the Panama Canal Treaties. At that time I recounted the ugly chapter in American history where the United States supported the creation of the Republic of Panama and its independence from Colombia in 1903, and then proceeded to negotiate a treaty with a French engineer, Philippe Bunau-Varilla, who had a financial interest in building the canal, without any representative of the new Panamanian Nation ever being present. Over half a century of enmity has been the sorry result.

However, in another vein, we must acknowledge that perhaps the Teddy Roosevelt days of swagger and bluster—of which the 1903 Panama Canal Treaty was a part—were a necessary step in our growth toward national maturity—part of fighting our way into the ring of international power that would enable us to protect our freedoms from tyranny. But there comes a time when the scale is tilted and power becomes oppressive.

The United States has suffered sorrow and agony in this decade—a moral civil war—and perhaps in the process we have gained a better perspective of who we are as a nation. Perhaps we not only know, but can find serenity in the knowledge, that we do not have to carry a big stick, and that other nations have the right to decide for themselves what their internal politics will be.

The President, in his press conference last night, reaffirmed our basic foreign policy of self-determination when he stated, in reference to allegations that the overthrow of the Somoza regime in Nicaragua was engineered by Cuba, that "It is a mistake for Americans to assume—that every time an evolutionary change takes place or even an abrupt change takes place in this hemisphere that somehow it is the result of secret, massive Cuban intervention. The fact in Nicaragua is that the incumbent government—the Somoza regime—lost the confidence of the Nicaraguan people." He concluded by saying that "the people of Nicaragua have got enough judgment to make their own decisions," and that the United States will use its efforts "in a proper fashion, without interventionism, to let the Nicaraguans, let their voices be heard in shaping their own affairs."

Mr. President, by approving the implementing legislation of the Panama Canal Treaties, we will place ourselves on the threshold of "setting things right"—a process viewed by my own native Hawaiian people with great reverence as "ho' oponopono." Let us do so and set ourselves firmly on the side of right.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment, as amended, and third reading of the bill.

The committee amendment, as amended, was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber desiring to vote who has not voted?

The result was announced—yeas 63, nays 32, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—63

Baker	Hatfield	Packwood
Baucus	Hayakawa	Pell
Bayh	Heinz	Percy
Bentsen	Hollings	Proxmire
Biden	Jackson	Pryor
Bradley	Javits	Ribicoff
Bumpers	Johnston	Riegle
Byrd, Robert C.	Kassebaum	Sarbanes
Chafee	Kennedy	Sasser
Chiles	Leahy	Stafford
Church	Levin	Stennis
Cochran	Long	Stevenson
Cranston	Magnuson	Stone
Culver	Mathias	Talmadge
Danforth	Matsunaga	Tsongas
DeConcini	McGovern	Weicker
Durenberger	Metzenbaum	Williams
Durkin	Morgan	Young
Exon	Moynihan	Zorinsky
Glenn	Muskie	
Gravel	Nelson	
Hart	Nunn	

NAYS—32

Armstrong	Garn	Randolph
Boren	Goldwater	Roth
Boschwitz	Hatch	Schmitt
Burdick	Heflin	Schweiker
Byrd, Harry F., Jr.	Helms	Simpson
	Humphrey	Stevens
Cannon	Jepsen	Stewart
Cohen	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClure	Wallop
Ford	Melcher	Warner

NOT VOTING—6

Bellmon	Huddleston	Pressler
Eagleton	Inouye	

So the bill (H.R. 111), as amended, was passed.

Mr. LEVIN. I move to reconsider the vote by which the bill was passed.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

An Act to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes.

Mr. LEVIN. Mr. President, I ask unanimous consent that the bill, as passed, be printed in full with amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I do want to briefly and quickly, because of the hour, thank a number of people who worked with me on the bill. First, Senators LAXALT, and THURMOND who were so cooperative and helped to create a good spirit here today.

I want to thank staffwise John Roberts, Frank Sullivan, Ed Kenney of the Armed Services Committee staff; David Hansell, Bruce Gregory, Peter Lennon, Bob Seltser and James Cruchfield of my staff; and Greg Pallas of Senator EXON's staff.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. LEVIN. I would be happy to yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, just 1 minute. I am delighted to commend Senator LEVIN for a masterful piece of work he did from the ground up on this bill.

I asked him to take the lead way back in January. He was not familiar with it even then, except in a general way. He studied it, he went to lawyers, went everywhere, he went down to Panama—came back speaking the language—he just really stayed with it, conferred with the Senators, and had suggestions to make, and I thank him and commend him highly.

Mr. PRYOR. I wonder if the Senator from Mississippi will yield to me? The Senator from Michigan has the floor. Mr. President, will the Senator yield to me?

Mr. LEVIN. I would be happy to yield, but I want to thank the Senator from Mississippi for his overly gracious comments. He has been extremely helpful to me.

Mr. PRYOR. Mr. President, I simply today would like, as a Member of the freshman class of Senators who came in just 6 months ago, to commend my friend, the junior Senator from the State of Michigan, for the way and manner in which he has managed and handled an extremely emotional and volatile issue with great skill and with great understanding, being fair to all sides in this debate which has taken place today.

I think it demonstrates his skill, and certainly his ability to grasp an extremely complex issue, and to learn very, very quickly what is necessary in the field of legislative debate.

I would like to commend my friend from Michigan for the manner and method in which he has handled himself, and which he has handled this very, very hard issue today.

Mr. LEVIN. I want to thank the Senator from Arkansas for those comments. It has been wonderful to be in this freshman class, and one of the best parts about it was coming in with him.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. LEVIN. I would be happy to yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I am so proud of this freshman class that I want to not only associate myself with the remarks of the distinguished Senator from Arkansas but also want to claim membership in that freshman class.

Mr. LEVIN. We can arrange that.

Mr. ROBERT C. BYRD. It is an outstanding class of Senators, and I have already commented today earlier on the leadership that was provided by the distinguished Senator from Michigan (Mr. LEVIN) on this bill.

I take the floor again to commend him, and I am delighted to see other Senators recognizing the kind of ability and skill, competence, and dedication demonstrated.

While the Senator is yielding to me, I want to also express my thanks to Senator LAXALT, Senator THURMOND, Senator HELMS, and other Senators who have been on the opposing side. They fought a good fight, they kept the faith, and they cooperated in connection with the agreement and with the leadership, and I am indebted to them.

Mr. President, I ask unanimous consent that when the Senator from Michigan yields the floor that there be a period for the transaction of routine morning business in which Senators may speak up to 15 minutes, with the period not extending beyond 45 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. I did want to thank my friend, the majority leader, for his remarks. His presence is supportive, whether he is here helping or back in his office; where we know he is there, and it is for all of us in the freshman class when we take these responsibilities, and we are indebted to him for the courtesies he has shown to us over these months.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

HIS NAME IS MUDD AND HE IS PROUD OF IT

Mr. MATHIAS. Mr. President, for 60 of his 79 years, Dr. Richard Mudd of Saginaw, Mich., has been struggling to clear the family name. He has been working to banish the expression "His name is Mudd" from the lexicon of infamies.

Yesterday, Dr. Mudd came within a hair's breadth of victory and, when I talked with him last night, he pronounced himself "very pleased indeed."

What pleased Dr. Mudd—and it pleases me too—was a letter from President Carter expressing his personal belief that Dr. Mudd's grandfather, Dr. Samuel A. Mudd, had been wronged by his contemporaries and by history. That Dr. Mudd, of course, was the Maryland physician, who set the leg John Wilkes Booth had broken in his jump from the Presidential box to the stage at Ford's Theater after assassinating President Lincoln and who, for his trouble, was found guilty of involvement in the assassination conspiracy by a military commission at a trial that was as unfair as it was illegal.

"I want to express my personal opinion," the President wrote Dr. Mudd's grandson, "that the declarations made by President (Andrew) Johnson in pardoning Dr. Mudd substantially discredit the validity of the military commission's judgment." The President closed his letter with these magic words:

> I am hopeful that these conclusions will be given widespread circulation which will restore dignity to your grandfather's name and clear the Mudd family name of any negative connotation or implied lack of honor.

Those are the words Dr. Mudd of Saginaw has, for so many years, longed to hear spoken by a President of the United States. I am very grateful to President Carter for finally giving him that satisfaction.

On August 18, 1977, Congressman PAUL SIMON and I sent a petition to President Carter stating our belief that Dr. Samuel Alexander Mudd was innocent of any involvement in the conspiracy to assassinate President Lincoln, and asking the President to use his authority as Commander in Chief to confirm Dr. Mudd's innocence by declaring his conviction null and void. Twenty-four of our colleagues joined with us in signing that petition and numerous other appeals have been made to the White House over the past several years.

In connection with our petition, the President was advised by the Justice Department that "all legal authority vested in the President to act in this case was exercised when President Andrew Johnson granted Dr. Mudd a full and unconditional pardon" and he was told that he "could not set aside the conviction." Considering this stricture on his options, the President has responded to the appeals presented to him generously and with compassion.

I am particularly grateful to the President for bringing the Mudd case to this happy conclusion because I have been pinch-hitting in the effort to clear Dr. Mudd's name for our late dear colleague and friend, Senator Philip Hart, who was a great personal friend of Dr. Richard Mudd and tireless in the defense of the Mudd family name. I inherited the Mudd case from him and when you bat in place of a giant like Phil Hart, you want a hit in the worst way. Thanks to President Carter's letter, we have got one that I think would please Phil Hart and satisfy his longtime desire to see justice done in the Mudd case.

I am sure my colleagues rejoice, as I do, that justice deferred is not justice denied and that they join me in congratulating Dr. Richard Mudd on this happy outcome to his lifelong struggle.

I want to thank the President for his eloquent letter to Dr. Mudd and I would also like to thank the President's Counsel, Robert J. Lipshutz, for his help and patience throughout the effort to achieve the objective which we celebrate today: Restoring to Dr. Samuel Alexander Mudd his good name.

Mr. President, I ask unanimous consent that Mr. Lipshutz' letter to me transmitting the news of our success and President Carter's letter to Dr. Mudd be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., July 25, 1979.

Hon. CHARLES McC. MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: As you now are aware, the President has acted upon the request to take action which would restore full dignity and respect to the name of Dr. Samuel Mudd. The very explicit letter which he has written to Dr. Richard Mudd is the very most that he is able to do under our laws, and I trust that the very sincere expressions in that letter meet fully with your approval.

Thank you very much for your patience and cooperation in helping to correct any remaining misperception about the honor of Dr. Samuel Mudd, as well as any reflection which this misperception might have had on the reputation of his descendants.

My warmest personal regards.

Sincerely yours,

ROBERT J. LIPSHUTZ,
Counsel to the President.

THE WHITE HOUSE,
Washington, D.C., July 24, 1979.

Dr. RICHARD MUDD,
Saginaw, Mich.

TO DR. RICHARD MUDD: I am aware of your effort to clear the name of your grandfather, Dr. Samuel Alexander Mudd, who set the broken leg of President Lincoln's assassin, John Wilkes Booth, and who was himself convicted as a conspirator in the assassination. Your persistence in these efforts, extending over more than half a century, is a tribute to your sense of familial love and dedication and is a credit to the great principles upon which our nation was founded.

Your petition and the petitions submitted to me on behalf of your grandfather by numerous members of Congress, several state legislatures, historians and private citizens have been exhaustively considered by my staff over the past two years. Regrettably, I am advised that the findings of guilt and the sentence of the military commission that tried Dr. Mudd in 1865 are binding and conclusive judgments, and that there is no authority under law by which I, as President, could set aside his conviction. All legal authority vested in the President to act in this case was exercised when President Andrew Johnson granted Dr. Mudd a full and unconditional pardon on February 8, 1869.

Nevertheless, I want to express my personal opinion that the declarations made by President Johnson in pardoning Dr. Mudd substantially discredit the validity of the military commission's judgment.

While a pardon is considered a statement of forgiveness and not innocence, the Johnson pardon goes beyond a mere absolution of the crimes for which Dr. Mudd was convicted. The pardon states that Dr. Mudd's guilt was limited to aiding the escape of President Lincoln's assassins and did not involve any other participation or complicity in the assassination plot itself—the crime for which Dr. Mudd was actually convicted. But President Johnson went on to express his doubt concerning even Dr. Mudd's criminal guilt of aiding Lincoln's assassins in their escape by stating:

". . . it is represented to me by intelligent

and respectable members of the medical profession that the circumstances of the surgical aid to the escaping of the assassin and the imputed concealment of his flight are deserving of a lenient construction, as within the obligations of professional duty and, thus, inadequate evidence of a guilty sympathy with the crime or the criminal;

"And . . . in other respects the evidence imputing such guilty sympathy or purpose of aid in defeat of justice, leaves room for uncertainty as to the true measure and nature of the complicity of the said Samuel A. Mudd in the attempted escape of said assassins . . ."

A careful reading of the information provided to me about this case led to my personal agreement with the findings of President Johnson. I am hopeful that these conclusions will be given widespread circulation which will restore dignity to your grandfather's name and clear the Mudd family name of any negative connotation or implied lack of honor.

Sincerely,

JIMMY CARTER.

THE PRESIDENT'S ENERGY MESSAGE

Mr. MATHIAS. Mr. President, last night in his televised press conference, President Carter forecast that the Senate would try "to gut" the windfall profits tax that he has proposed to finance his $142 billion energy program. I am sorry the President made that remark. Talk of that sort is unwise.

But since the President is borrowing trouble for his energy program in the Senate, I think I can identify several areas where trouble may lie. Tonight, in a talk to the board of directors of the Maryland Chamber of Commerce, I plan to discuss weaknesses that I believe mar the President's energy proposals. I ask unanimous consent that the text I have prepared for that occasion be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATHIAS. Mr. President, although I have serious reservations about aspects of the President's energy plan, I would like now to pledge my cooperation to the President in seeing that his proposals receive the serious attention they deserve in the Senate. And I pledge my best efforts to insure that the Congress sends to the White House for the President's signature an energy program that will reconcile the priorities of the present with the promise of the future.

EXHIBIT 1

ENERGY: FOOL'S PARADISE REVISITED

Tonight I want to talk a little about our energy problem and about how President Carter proposes to attack it. Then I'd like to move on to questions and answers because this is an area where there are a lot of questions that need answering.

Usually I don't go around quoting myself but, to make a point, I'd like to begin by reading you the opening lines of a speech I made to the Frederick County Chamber of Commerce five and a half years ago. On January 24, 1974, in the winter of the Arab oil embargo, I warned that:

"These are not shortages which have sprung upon us suddenly or that will pass with the coming of spring. We must consider all energy questions in the context of whether shortages are a temporary dislocation or a coming way of life."

I went on to make two predictions—one right and one wrong. My correct prediction was that the increasing world demand for oil would "bring higher prices and uncertain supply as the OPEC countries . . . will be in an increasingly strong position to dictate terms to the consuming nations."

My wrong prediction centered on an analogy I used to dramatize our energy dilemma.

"For the last 30 years," I said, "we have been on an energy binge and like anybody awakening with a hangover, there is the acutely painful moment when the window shade is raised and the bright sunlight pours in." Then I added: "We can never draw that shade again . . . we are on the wagon to stay."

But here I was wrong. Just as soon as the lines at the gas pumps disappeared and the embargo was lifted, we pulled the shade back down and resumed our interrupted binge. In the six wasted years since then, we have become more besotted with energy than ever.

Today new lines at the gas pumps warn us to sober up. And I hope we will take that warning seriously—it may be the last we get. But I am worried. I am worried because the President's interest in energy seems to be reactive; his concern seems to have been prompted largely by the concern of others, and I am afraid that, if the gas lines dissipate as they appear to be doing, his sense of urgency about energy independence may dissipate along with them.

When President Carter told the American people on April 20, 1977, that our diminishing energy resources and our inordinate energy consumption posed the greatest challenge we would face in the next decade, I applauded him. I was not among those who joked about his "moral equivalent of war."

But I told the President then that he would have to repeat and repeat his warnings until every voter and every taxpayer fully understood the subtle linkage between energy and modern civilization—that energy is not just an aspect of modern society—that it is society's lifeblood—that our economy . . . food, jobs, industry, income, homes, transportation . . . all of these and more depend on energy.

The President didn't do that. He said his energy piece and then put his cardigan sweater into moth balls. He gave his time and attention elsewhere.

Only this month, when the American people were fed up with the gas lines and with the double-talk they were getting from the Department of Energy, was the President's attention finally brought back to focus squarely on the energy problem.

What brought the President back on track was a memo from a White House assistant which explained the energy crisis to him not in terms of how it affects our national security, but in terms of how it affects the political career of Jimmy Carter.

The President got the message and in response he launched what one columnist called a "bizarre exercise in the conduct of the presidency"—the Camp David domestic summit. Since then, in three speeches, the President has outlined an energy program with a $142 billion price tag, and he has stage-managed a cabinet and White House staff purge.

But throughout this unfolding drama of born-again leadership, through all the sound and the fury, I have been straining to detect some sign that the hard energy decisions that must be made, have been made. And I have been waiting for the President to level with the American people about just how tough it's really going to be to become energy independent and to call on them to make the very specific sacrifices they will surely have to make now and for many years to come until alternate energy sources begin to produce.

In a letter to Thomas Jefferson, written just after the Revolution, John Adams observed that: "By the time the American revolution took place, a revolution had already taken place in the minds of the people."

I think we have the same sort of situation today. By the time the President got back from the Tokyo economic summit, the American people were way out in front on energy and the President is still scrambling to catch up. The American people are ready to conserve, to make sacrifices, to share discomforts, to do whatever is necessary to make this country energy-secure. But they want to know exactly what is necessary and why it is necessary. And they want the burdens, whatever they may be, to be shared equally and fairly.

As columnist Hobart Rowen observed, ". . . this is where Carter failed to be presidential, casting himself only in the role of candidate for renomination. On the conservation side, his proposals are far from enough."

You don't move a people primed for sacrifice and ready for action by oration, you do it by example. And if you don't set any examples to underscore your rhetoric, pretty soon the people stop listening and slide back into their accustomed way of doing things. That is what happened in 1974 and in 1977 and we can't let it happen again.

But, as it says in the Bible: "Hope long deferred maketh the heart sick." And already I see signs that disturb me. This week, for example, when I drove to Baltimore, I was only one of two drivers on the road observing the 55-mile speed limit.

Reflect for a moment on this contrast. On returning from the Tokyo summit, where the United States, Japan and the major Western nations agreed to a common goal of a five percent reduction in oil consumption, President Carter cancelled a scheduled energy speech and went directly to Camp David, where he remained for 10 days without saying a word to the American people about anything.

West German Chancellor Helmut Schmidt, on the other hand, went to the Bundestag as soon as he returned and from there appealed to Germany's auto industry to introduce cars with lower fuel consumption. The automakers could accomplish the job in less than 18 months, he said, and "take a leading international position in the area."

That's the kind of talk that makes sense in an industrial society. But so far we have not heard a single word from the President about what our automakers can do to contribute to the solution of this problem. Not even when he was right there in Detroit, making an energy speech last week, did the President think to challenge the American auto industry the way Chancellor Schmidt challenged German automakers.

A 2-mile-a-gallon increase in the average fuel economy of the American auto fleet in 1985 would equal the amount of output of 10 synthetic fuel plants, I am told. And yet the President has left the auto industry entirely out of his program.

Here again the people are out in front. Since the gas lines began forming, Cadillac sales in Maryland are down 44.6 percent and Volkswagen sales are up 71.9 percent, according to the Motor Vehicle Administration. But, of course, gas lines aren't visible from the windows of Air Force One.

The shift to energy-efficient cars is absolutely inevitable. What is not inevitable, and what we should avoid at all cost, is the shift to energy-efficient foreign cars, because that means American jobs. But, if Detroit isn't persuaded to come up with viable alternatives, that shift too will be inevitable.

Here's another sure thing: the automaker who comes up first with a car that gets 50 to 75 miles a gallon will corner the

world market. Last week gasoline prices in Israel went from $2.32 to $2.50. In Italy they are paying $2.25 a gallon for regular; in France $2.22 and in West Germany $1.80. In each of these countries, they pay more in tax on a gallon of gas than we're paying right now for a gallon of gas, tax and all. Our price per gallon is 90-odd cents for regular, including 13 cents tax. In Italy just the tax on a gallon of gas is $1.60; in France it is $1.53, and in West Germany it is $1.09.

Not only hasn't the President set any positive examples to capitalize on the public mood, but he has set some negative ones. Throughout the Camp David retreat, helicopters plied their way back and forth to Washington regularly ferrying White House staff and others to the mountain to advise the President. Each of these chopper trips—and there were dozens of them—consumed 150 gallons of fuel, or enough to take the average motorist about 3,000 miles. With that kind of an example before them, Americans are understandably reluctant to give up a once-a-year vacation trip by car in order to conserve gasoline.

The President himself made two energy-expensive plane trips away from Camp David to "listen" to people in Carnegie, Pennsylvania, and Martinsburg, West Virginia, when he could more easily have hiked over to Thurmont to accomplish the same thing. The good citizens of Thurmont, or Frederick, or any of a dozen nearby Maryland towns would have been happy to fill the President in on American attitudes at a fraction of the energy cost of his trips to Pennsylvania and West Virginia.

The President missed his best opportunity to get the American people on the conservation bandwagon when he ended his talk to 60 million Americans by asking them to "say something good about America." What he should have asked them to do was to show their support for an energy-secure America by taking public transportation to work the next day, or by walking, biking, skating, jogging, or carpooling.

An appeal of that sort would have brought a tremendous response. I think the streets of every city in America would have been full of people eager to prove their support for conservation. It would have been an outward and visible sign that we could and would work together for a common goal. And it would have said something good about America.

Or the President could have announced in his Sunday speech that in order to conserve energy he would not take Air Force One to Kansas City and Detroit the next day; that he would make his scheduled speeches by television hookup instead.

These may seem like small gestures. And maybe they would be, if you or I made them. But when the President of the United States makes that kind of a gesture, it is magnified many times. It commands attention and respect. It inspires. As Teddy Roosevelt pointed out: The White House is a bully pulpit.

The press has covered the substance of the President's proposals for solving the energy problem in detail, so I won't dwell on them. As Senate Majority Leader Robert Byrd pointed out in his analysis of the President's speech, "Congress is already well ahead in its development of most of the legislation to which (the President) referred."

I would like to mention three omissions, however, that I think cripple the President's plan:

(1) he did not call for immediate decontrol of the price of oil,

(2) he did not deregulate the price of gasoline, and

(3) when he said in Kansas City that nuclear power must play "an important role to insure our energy future," he did not say a word about our colossal nuclear waste disposal problem.

We must begin to pay the real price for the energy we consume and any program to make us energy-secure that doesn't come to grips with that notion is bound to fail. Our decades-long energy binge depended on artificially low prices. Letting prices rise to their natural level now would put the brakes on consumption. The unseen hand of the marketplace is a powerful force—far more powerful than any regulatory framework the Congress or the President could devise. It must be allowed to work its will.

The price I suggest is high. It will be high. But we must ask ourselves—"the price for what?"

Is it merely the price for pleasure driving or even commuting to work? Is it the price for the creature comfort of a warm house?

No—and this must be made crystal clear in the minds of the American people. What we aim to secure, for which we must be willing to pay the price, is jobs: jobs that support the working men and women of America. By making this sacrifice we aim to keep our factories running and to assure the survival of our industrial society. No less is at stake, and no less will save it.

It is equally urgent that we make a firm national commitment to solve our nuclear waste disposal problem. Right now there are 75 million gallons of high-level nuclear waste from atomic weapons production in temporary storage facilities. And there will be 40 million more gallons of military radioactive waste by the year 2000. In addition, each of the United States' 67 nuclear power plants produces about 30 tons of spent fuel a year. They have already accumulated about 4,000 tons of radioactive waste and by the year 2000 as much as 100,000 tons will have accumulated in that deadly stockpile.

The costs involved in a nuclear waste disposal program will be large but they must be paid. Nobody knows exactly what the bottom line will be, but $20 billion for the military waste alone is the most conservative figure you hear. An energy program that glosses over the facts of nuclear waste disposal does a disservice to the American people.

And finally, we must not let 15 or 20 years of environmental protection go down the drain in a frantic search for quick energy solutions.

The President has laid a heavy burden on the Congress. He proposes an Energy Mobilization Board to "cut through red tape, the delay and the endless roadblocks to completing energy projects." This board would be authorized to override federal, state and local laws if they delay construction of new domestic energy facilities. Like Pontius Pilate, he's washing his hands of due process.

Unfortunately, it is human nature when an emergency arises to underestimate the importance of the process created to solve the emergency. Contingency planning becomes the order of the day and quick results the object of the exercise. Such plans cancel, contradict and reinforce each other by accident. Few are related to one another and none to any overall image of what the future should be.

Congress should act expeditiously on the energy proposals before it, but it should not be stampeded into hasty judgment. Congress must produce an energy plan that establishes a healthy balance between competing demands on our limited resources. Undoubtedly much of the bureaucratic enforcement of environmental standards has lacked common sense and Congress will have to inject some common sense into these regulations. But I am not prepared to adopt a casual attitude toward the environment, as the President seems to have done.

We must not allow ourselves to be seduced into unwise and expensive crash programs by false hopes about the promise of synthetic fuels. We must find out just how many BTU's are burned up in making a BTU available from a new energy source. Obviously, if it takes 11 BTU's to make just 10 BTU's available, we're going to lose the energy battle. No resource, whether it be oil shale or coal, is adequate unless it can be mined, processed, transported, and the land affected properly reclaimed, for less energy than can be derived from the resource itself.

We must also recognize the tremendous strain that technologies such as oil shale, coal liquefaction and nuclear energy place on our land, air and water resources. Like oil, they are finite resources and all are in increasingly short supply. There's not a major city in America that doesn't have its share of air pollution alerts every year. Experts predict a water crisis just around the corner, too. And as Rog Morton said: To get a useful amount of oil from shale, you'd have to dig the Grand Canyon every afternoon.

The principal thrust of the President's program is toward expanding fossil fuel capacity. Such a policy ignores the finite nature of our world and the delicate balance that exists between the many elements of our ecosystem. Continued heavy use of fossil fuels jeopardizes the equilibrium that sustains all life. The potential effects on world climate alone from additional quantities of carbon and sulfur dioxide and particulates should give us pause before proceeding to expand energy use by burning fossil fuels.

Solar energy has long been the stepchild of our energy inventory. Yet all energy comes from the sun and is either transformed or reradiated. Solar energy is clean and it is infinite. Whatever crash energy programs we undertake now must be undertaken with the clear understanding that we are simply buying the time to develop the capacity to sustain our economy on renewable energy sources.

In weighing the various elements involved in a search for an energy-secure future, we should be guided by the knowledge that we must live within the limits of a finite world, mindful of our obligation to succeeding generations.

THE MARRIAGE TAX

Mr. STEVENS. Mr. President, I want to alert my colleagues to today's Washington Post in which appeared an editorial entitled "Sintax." Sintax refers to a provision in the Tax Code that often results in married, working couples paying higher taxes than two, single individuals with the same combined income. My good friend, Senator MATHIAS, has taken the lead to eliminate this marriage tax with legislation which permits married couples to file separate tax returns. Not only would this legislation remove the code's marriage tax, as mentioned in the Post editorial, but it would also be a step toward a more equitable Tax Code by which individuals are taxed on the basis of income, not marital status.

Senator MATHIAS has already enlisted the support of 20 Senate cosponsors and I understand that the Finance Committee will be holding hearings on this legislation sometime this fall. I hope that the committee will move expeditiously to report the legislation so that the Senate can demonstrate its support for removal of the sintax.

The editorial from the Washington Post follows:

SINTAX

Sen. Charles Mathias calls it the "sin subsidy." Rep. Millicent Fenwick says it's a "tax on marriage." Whatever it is, the provision in the Internal Revenue code that lumps together the incomes of husbands and wives for tax purposes is taking a beating on Capitol Hill this summer. About a fourth of the House and a fifth of the Senate have signed on as co-sponsors of the Mathias-Fenwick bill that would permit married couples to file separate tax returns.

The tax policy this bill attacks treats the income of a married couple as if one person had earned all of it. This means a family with a $20,000 income pays about $2,745 in taxes regardless of whether one or both spouses work. But it also means that if each spouse earns $10,000 they pay $400 more than they would if they were not married. That difference, which gets larger as incomes go up, is the "marriage tax." It occurs because combining incomes throws the second wage-earner into a higher tax bracket than he or she would otherwise be in.

This anomaly has existed for a decade, but the intensity of interest in it is new. Rep. Fenwick has a host of stories—of the young woman who said she and her boyfriend couldn't afford the $668 in taxes a marriage would cost, of the minister who advised a young couple to forgo marriage because of the additional taxes, and of the female judge in New York who weighed the prices, in taxes, of marriage against the disadvantages of simply living with him. "There are 1.1 million non-sanctified relationships in this country," Rep. Fenwick says. "Government ought not to be pressing people away from marriage."

This issue would seem a natural for the Carter administration. It was President Carter, after all, who warned his staff against the evils of living in sin and urged marriage upon some reluctant associates. But the administration, while sympathetic, has yet to embrace the Mathias-Fenwick bill.

There are problems, you see. The first is money. Eliminating the "marriage tax" would eliminate $4 billion or $5 billion in federal income taxes. The other problem is more intriguing. As long as tax rates are progressive, some group of taxpayers will be shortchanged. It's either married couples with two incomes (as the law stands) or married couples with one income (as the law would be if Mathias-Fenwick prevails) or single people (if all married couples were allowed to split the family income).

The choice is not easy. But Sen. Mathias probably has the best of it with his argument that tax policy should "shore up the American family." That much-battered institution is having a tough enough time as it is and needs all the help it can get.

CONGRESSIONAL SYMPOSIUM ON CO_2 AND ENERGY POLICY

Mr. RIBICOFF. Mr. President, the United States faces a serious dilemma. Our efforts to reduce our dependence on imported oil may include some exceptional dangers to our environment. Prominent scientists have brought this danger to my attention, and I think their concerns deserve to be shared with my colleagues.

The problem is the increased accumulation of carbon dioxide in the atmosphere caused by the use of fossil fuels. The buildup of CO_2 produces what is called a "greenhouse effect" which unnaturally warms the Earth's surface. This warming could reach the point of having a major impact on the world's climates, ocean currents, growing seasons, and sea level.

The dilemma between our energy shortage and CO_2 poisoning is triggered by the possibility that synthetic fuels exacerbate CO_2 production. I am deeply troubled by this possibility because I have strongly supported proposals to develop synthetic fuels.

The United States has no choice but to reduce our dependence on foreign oil. Senator DOMENICI and I have introduced and held hearings on S. 1377, a bill to produce several million barrels of synthetic fuels per day by 1990. Similar bills have been introduced in both Houses of Congress. Synthetic fuels and conservation are widely seen as possible avenues to alleviate our energy problem.

Mr. President, we have to consider the possible existence of a Faustian bargain in certain synthetic fuels. In the course of hearings on S. 1377 my committee received a report from scientists of high reputation in this field. Dr. Gordon MacDonald, chief scientist for the Mitre Corp., on leave from Dartmouth College, and a former member of the Council on Environmental Quality, presented testimony. Dr. MacDonald presented a report by him and three others:

Dr. George Woodwell, of the Woods Hole Oceanographic Institute;

Dr. Roger Revelle, of the University of San Diego; and

Dr. C. David Keeling, of Scripps Institute of Oceanography.

I ask unanimous consent that the report be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, the thesis of their report is that synthetic fuels produce 2.3 times more CO_2 than does an equivalent amount of natural gas. A massive synthetic fuels program would therefore accelerate accumulations of CO_2 into the atmosphere. The carbon dioxide content of the atmosphere will double by the year 2030 at present rates. Dr. MacDonald estimates that the doubling will occur in the year 2010 if we move to an economy based on coal and synthetics.

He amplifies his thesis in an editorial in the Washington Post today, and I ask unanimous consent that it be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. RIBICOFF. Mr. President, the Climate Board statement advises that,

> There should be clear recognition that the massive expenditures required to create a national synthetic fuels capability, desirable as that capability may be for the next few decades, do not necessarily commit our nation or others to large-scale dependence on coal for the indefinite future.

Mr. President, I am troubled by these sober assessments. Serious and knowledgeable people are warning us of a basic danger to this Earth on which we live. I first discussed CO_2 accumulation just recently with German Chancellor Schmidt, who brought the problem to my attention. The Chancellor believes that it is a major threat to the future of mankind. I have reviewed some of the work being done in Germany on the matter and find that Germany scientists regard it to be a potentially grave problem.

Mr. RIBICOFF. Mr. President, last week I sought advice from the President of the National Academy of Sciences, Dr. Philip Handler. When I reached him he was chairing a meeting of the Academy's Climate Research Board. Dr. Handler and the Climate Board sent me a preliminary statement of CO_2 and energy policy, and I ask unanimous consent that Dr. Handler's letter and the statement be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. RIBICOFF. Mr. President, the problem is particularly troublesome because these atmospheric effects may not be reversible. There may be no known remedy if we let CO_2 accumulation go too far. As a minimum procedural safeguards and climatic impact assessments are essential to insure that these problems are considered before we give synthetic fuels the green light.

We have to take a closer look at synthetic fuels. I have scheduled a symposium on the CO_2 effects of synthetic fuels in the proposed energy program for 10:30 a.m. next Monday, July 30, in the Governmental Affairs Committee Room, 3302 Dirksen. I have invited respected authorities to participate with Senators in an around-the-table setting. I invite my colleagues to attend. I will submit for the RECORD a list of experts planning to participate.

Mr. President, I am eager to find solutions to our grave and serious energy problems. If certain synthetic fuels involve extreme dangers whose effects are postponed until later years, we must know more about them.

I ask unanimous consent to have the list of experts printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

EXPERTS INVITED TO PARTICIPATE IN CO_2 SYMPOSIUM

1. Dr. Bert Bolin, Department of Meteorology, University of Stockholm, Sweden.
2. Dr. Wallace Broecker, Newberry Professor of Geology, Lamont-Doherty Geological Observatory, Columbia University.
3. Dr. Jules Charney, Alfred P. Sloan Professor of Meteorology, Massachusetts Institute of Technology.
4. Dr. Lester Machta, Director of Air Resources Laboratory, National Oceanographic and Atmospheric Administration.
5. Dr. Roger Revelle, Professor of Science & Public Policy, University of California-San Diego.
6. Dr. Ralph M. Rotty, Institute for Energy Analysis, Oak Ridge Associated Universities.
7. Dr. Steve Schneider, National Center for Atmospheric Research, Boulder, Colorado.
8. Mr. David Slade, Manager, Department of Energy CO_2 Climate Effects Research Program.
9. Dr. Joseph Smagorinsky, Director, climate modeling program, Princeton University and Director of Geophysical Fluid Dynamic Laboratory, National Oceanographic and Atmospheric Administration.,
10. Dr. George Woodwell, Director of the Ecosystems Center, Marine Biological Laboratory, Woods Hole Oceanographic Institute.

EXHIBIT 1

THE CARBON DIOXIDE PROBLEM: IMPLICATIONS FOR POLICY IN THE MANAGEMENT OF ENERGY AND OTHER RESOURCES

I. THE CO_2 PROBLEM

Man is setting in motion a series of events that seem certain to cause a significant warming of world climates over the next decades unless mitigating steps are taken immediately. The cause is the accumulation of CO_2 and other heat-absorbing gases in the atmosphere. The result is expected to be a differential warming of the atmosphere near the earth's surface, a warming that will probably be conspicuous within the next twenty years. If the trend is allowed to continue, climatic zones will shift, and agriculture will be displaced. Such a series of changes would have far reaching implications for human welfare in an ever more crowded world, would threaten the stability of food supplies, and would present a further set of intractable problems to organized societies. The best estimates suggest that there would be the least change in temperature in the tropics but polar regions would grow substantially warmer. With sufficient high latitude warming the ice cap in the western part of the Antarctic Continent could disappear in a period as short as two centuries, causing a 20-foot rise in sea level with resulting inundation of low-lying coastal zones. Enlightened policies in the management of fossil fuels and forests can delay or avoid these changes, but the time for implementing the policies is fast passing.

The carbon dioxide content of the atmosphere is increasing at an annual rate that is now about 1.5 ppm in a background of about 333 ppm. The increase since 1860 is at least 40 ppm, possibly as much as 70 ppm. Precise data on the increase are available since 1958 when monitoring stations were established on Mauna Loa in the Hawaiian Islands, at the South Pole, and intermittent sampling was intensified elsewhere. The data show that the rate of increase is accelerating as the world use of fossil fuels increases. The rates of both are between 3 and 4 percent annually. This rate means that in each period of between 18 and 23 years approximately twice as much CO_2 accumulates in the atmosphere as accumulated in the previous period.

The problem is that CO_2, in contrast to the major atmospheric components O_2 and N_2, absorbs infra-red radiation, which is the principal outgoing radiation from the earth's surface to outer space. Over any extended period the infra-red radiation emanating from the top of the atmosphere must balance the solar radiation absorbed by the atmosphere, the oceans, and the earth's surface. The increase in the CO_2 in the atmosphere can thus be expected to result in a rise in the surface temperature until the outgoing infra-red radiation comes into balance with the absorbed solar radiation. The extent of the heating that will result depends on many factors and is difficult to predict, but there is reasonable agreement that it will occur and will be conspicuous before the end of this century. The changes in climate that will follow such an increase in temperature are also elusive. The experience from models of world climate is that the warming may be as much as an average of 2–3°C for a doubling of the CO_2-content of the atmosphere and that the warming will be greater by a factor of three or four near the poles and less in the tropics.

There appear to be very few clear advantages for man in such short-term alterations in climate. The displacement of agriculture in a world constantly threatened by hunger would alone constitute an extremely serious international disruption within the lifetimes of those now living. The warming of the Antarctic could, according to some estimates, result in the disappearance of the West Antarctic ice sheet in a period as short as 200 years. Such a process could be started by an increase in summer temperatures in the Antarctic ocean surface waters of 5°C. Such an increase could occur in 50–75 years if current trends continue. A complete disappearance of the West Antarctic ice sheet would raise sea level by as much as 20 feet worldwide.

By itself the increase in atmospheric CO_2 would probably be beneficial for agriculture because the added CO_2 will act as a fertilizer for crop plants. But there is little basis for hope that a decades-long warming of the earth will result in benefit for man. Certain areas now suitable for agriculture will become arid, others, now limited by short season, will became arable.

The cause of the current increase in CO_2 in air is the oxidation of carbon compounds worldwide. Fossil fuels are one, probably the major, source. The harvest of forests and the decay of soil humus are thought by some to be an equally important contemporary source, although its importance will decline with time. The important fact, however, is that the atmosphere is a comparatively small reservoir. It contains about 700×10^{15} g of C. The biota is variously estimated as containing about 800×10^{15} g; the humus, $1000–3000 \times 10^{15}$ g; and the oceanic water nearly $40{,}000 \times 10^{15}$ g. Reserves of fossil fuels contain at least 5000×10^{15} g. The current use of fossil fuels is released $5–6 \times 10^{15}$ g C annually and the biota and humus are probably contributing an amount of similar order of magnitude. The combustion of fossil fuels has the potential for a greatly increased rate of release over the next years. The most remarkable aspect of the current circumstance is the fact that the CO_2 content of the air is as stable as it is. Clearly, a shift in any of these carbon pools or rates of transfer has the potential for altering the CO_2 content of the atmosphere. This series of shifts is already underway. For this reason, if for no other, the industrialized nations, now scrambling for policies in the management of increasingly scarce supplies of energy, should be considering the implications of their policies for the CO_2 balance of the atmosphere.

If we wait to prove that the climate is warming before we take steps to alleviate the CO_2 build-up, the effects will be well underway and still more difficult to control. The earth will be committed to appreciable changes in climate with unpredictable consequences. The potential disruptions are sufficiently great to warrant the incorporation of the CO_2 problem into all considerations of policy in the development of energy.

II. THE ELEMENTS OF POLICY IN MANAGEMENT OF THE WORLD CO_2 PROBLEM

The challenge is obviously worldwide. The problem cannot be resolved by one nation acting alone. However, the U.S. provides leadership on many international issues. The elements of policy proposed here in outline are for the U.S. They apply as well to the world.

1. Acknowledgement of the problem:

The CO_2 problem is one of the most important contemporary environmental problems, is a direct product of industrialization, threatens the stability of climates worldwide and therefore the stability of all nations, and can be controlled. Steps toward control are necessary now and should be a part of the national policy in management of sources of energy.

2. Conservation of fossil fuels:

The first element of any policy that offers the hope of being effective is conservation. Limitation of the rate of exploitation of fuels is possible. The rate is controlled currently by price, taxation, and regulation. It can be controlled as a matter of policy. All actions of government should be reviewed to determine effects on the total use of carbon-based fuels.

3. Choice of fossil fuels:

The choice of fossil fuels and the use made of them bears heavily on the amount of CO_2 released to produce a unit of energy. The production and consumption of liquid or gaseous fuels from coal (synthetic fuels), for instance, is estimated to release 3.4×10^{15} g C per hundred quads (10^{15} Btu) of energy as opposed to 1.45×10^{15} g C for an equivalent amount of energy from natural gas. The difference in CO_2 released is a factor of 2.3 times greater for the coal route to gas than by using natural gas alone. If the coal is burned directly, use of 100 quads of energy releases 2.5×10^{15} g C. These are merely examples. Details appear in Table 1, below.

TABLE 1.—*Carbon released in CO_2 per 100 quads of energy released as heat. (One quad = 10^{15} Btu.) (from MacDonald 1978)*

Fuel:	*Carbon in 10^{15} g.*
Oil	2.0
Gas	1.45
Coal	2.5
Coal: converted to gas or oil (synthetic fuels)	3.4

4. Reforestation:

It seems elementary that we have reached the point worldwide where the CO_2 problem alone dictates a need to balance the harvest and other transformations of forest with some other storage of carbon. The regrowth of forests is the obvious solution: total respiration, including fires, should be less than or equal to, but not more than, total photosynthesis on a regional and worldwide basis. There are many additional advantages in such a program, quite apart from the advantages gleaned from wise management of the CO_2 problem.

It is our conviction that an appropriate reaction to the mounting worldwide squeeze on supplies of energy requires consideration of the CO_2 problem as an intrinsic part of any proposed policy on energy.

George M. Woodwell, The Ecosystems Center, Marine Biological Laboratory, Woods Hole, Mass., Gordon J. MacDonald, Dartmouth College, Hanover, N.H., Roger Revelle, University of California-San Diego, La Jolla, Calif.; and C. David Keeling, Scripps Institute of Oceanography, La Jolla, Calif.

EXHIBIT 2

[From the Washington Post, July 26, 1979]

THE SYNFUELS MISTAKE

(By Gordon J. MacDonald)

The president and the Congress have presented the nation with the exciting prospect of solving the energy problem by building plants that will convert our abundant coal resources into more readily usable fuel, such as oil or "natural gas." In an almost crisis atmosphere of the moment, the true environmental and economic costs of synthetic fuels have been overlooked in the apparent desire to provide an easy answer to a complicated problem.

The most important environmental issue associated with a major commitment to synthetic fuel is the possible worldwide change in climate resulting from the loading of the atmosphere with carbon dioxide. This gas, present in minute amounts, absorbs heat that would otherwise radiate from the earth out into space. Carbon dioxide acts as a blanket keeping the earth warm. Increasing the carbon dioxide content of the atmosphere will increase the number of blankets and raise the temperature of the earth.

These changes in temperature could bring about significant world-wide changes in the

way people live. The changes are today poorly understood—but could have far-reaching implications for human welfare in an ever more crowded world, would threaten food supplies and present a further set of intractable problems to organized societies.

When will the carbon dioxide content of the atmosphere increase to levels where the effects become noticeable? The answer depends on how fast the world increases the use of carbon-based fuels, natural gas, oil and coal, and on whether or not synthetic fuels become an important element in the world fuel economy. To make synthetic fuels, energy must be used. That use of energy produces carbon dioxide, as does the burning of the synthetic product. The net result is that synthetic fuels produce two to three times more carbon dioxide than do the natural fuels.

If the world continues along the lines of the past 30 years, and if the current mix of gas, oil and coal is maintained, then the corbon dioxide content of the atmosphere will double in about 50 years. If, on the other hand, the world shifts to coal and synthetic, then the doubling will come in about 30 years. The 20+year acceleration may not seem large, but it could eliminate the time needed to develop the alternative fuel of the future—solar, fusion or nuclear.

The basic policy question associated with the climatic impact is that we may not be absolutely certain that the earth is warming up until 1990 or 1995. By that time, if synthetic-fuels investment and infrastructure are in place, it will be extraordinarily costly in economic and social terms to move away from a synthetic-fuel economy. Once hooked, the cure for synthetic-fuel addiction would be very costly.

The energy challenge is obviously worldwide and cannot be resolved by one nation acting alone. The communique from the Tokyo summit made it clear that the Western nations recognized the longer-term economic and environmental issues of using carbon-based fuels. However, the United States provides leadership on many international issues. The elements of policy I propose here are for the United States, but they apply as well to the world:

1. *Acknowledgement of the problem:* The CO_2 problem is one of the most contemporary environmental problems, is a direct product of industrialization, threatens the stability of climates worldwide and therefore the stability of all nations, and can be controlled by controlling fuel policies. No technical means of controlling carbon dioxide exist today. Steps toward control are necessary now and should be part of the national policy in management of resources of energy.

2. *Conservation of carbon-based fuels:* The element of any policy that offers the hope of being effective is conservation. Limitation of the rate of exploitation of fuels is possible. The rate is controlled currently by price, taxation and regulation. It can be controlled as a matter of policy. All actions of government should be reviewed to determine effects on the total use of carbon-based fuels.

3. *The choice of carbon-based fuels* and the use made of them bears heavily on the amount of CO_2 released to produce a unit of energy. Natural gas is by far the best carbon-based fuel for limiting carbon-dioxide production.

The proposals for a massive synthetic-fuels program arise from the misconception that the United States is running out of natural carbon-based fuels. That assumption is wrong. For example, over the past few years I have studied the probable reserves of natural gas. I am convinced from my work and that of my colleagues that, in the continental United States, there exist vast resources of natural gas in both shallow and deep basins that have not been exploited. The lack of exploitation flows from the fact that historically, in terms of constant dollars, the energy content of natural gas has been underpriced by 10 to 30 percent with respect to coal, 100 percent with respect to domestic oil and 200 percent with respect to imported oil. As a result, there has been little economic incentive to develop this resource, which in burning produces less carbon dioxide than any of the other carbon-based fuels. In the longer term, solar, fusion and nuclear power may provide alternative options that are both environmentally and economically compatible.

My idea is that before we commit ourselves to the construction of a major synthetic-fuels infrastructure involving the investment of billions of dollars, we should make every effort to understand not only the short term benefits and the costs, but also the longer-term consequences to the generation that must live with the decisions taken today.

EXHIBIT 3

NATIONAL ACADEMY OF SCIENCES,
Washington, D.C., July 19, 1979.

Hon. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: This will respond to your telephone call of 18 July concerning the seriousness of the carbon dioxide problem as it relates to a possible national synthetic fuels program. As it happens, our Climate Research Board is meeting at our Study Center at Woods Hole, Massachusetts this week. Accordingly, I brought your concerns to their attention. Regrettably, we did not have a copy of Gordon MacDonald's statement available and, hence, can make no comment thereon.

The Board discussed the matter and then asked a small panel to draft a statement for transmittal to your committee. That statement, attached, is not a formal report from the Academy since it has not gone through our normal review procedures. It does, however, convey the sense of the nation's most distinguished experts concerning these matters and is entirely in conformity with my own understanding of the situation in question.

Allow me a few extra comments.

1. Our assumption is that worldwide energy use will continue to increase, particularly in various developing nations, and that, in effect, use of both shale oil and liquefied coal would be an increment over the total worldwide use of fossil fuels (coal, oil, gas) that would otherwise occur. The consequences of CO_2 buildup are independent of where in the world fossil fuel combustion occurs.

2. All fossil fuels contribute to the buildup of CO_2 in the atmosphere, the effect being smallest for natural gas, greater for petroleum or shale oil, yet greater for coal and greatest for liquefied coal since one must use energy derived from coal to liquefy other coal in such processes. (This order is stated on a per BTU basis.)

3. The statement indicates that the CO_2 problem is real. CO_2 buildup is occurring due to fossil fuel combustion and it will have climatic consequences. But their exact nature and the balance of beneficial and harmful effects, and where they will occur, are not yet definitely predictable.

4. Given the immense scale of worldwide fossil fuel use, the potential scale of synfuel production from coal can make only a relatively small additional contribution to CO_2 accumulation in two or three decades. Given the exigencies of our national circumstances, this small increment does not appear to be a weighty deterrent to a national coal liquefaction or gasification effort. But it must be recognized that we must be willing to regard that capability as a medium term measure which the nation should view as, in effect, amortizable in about three decades and which the nation may have to abandon, or at least not expand further, when the consequences of CO_2 accumulation become more clear than they are today.

5. Three decades is a relatively short time in which to conduct the research and development which will position the nation to put in place the next generation of energy sources.

Sincerely yours,

PHILIP HANDLER,
President.

NATIONAL RESEARCH COUNCIL,
Washington, D.C., July 19, 1979.

A STATEMENT ON CO_2 AND ENERGY POLICY

We believe it to be important that the phenomenon of increasing carbon dioxide (CO_2) concentration in the atmosphere be widely understood as a major consideration in discussions of future energy policy. Major national* and international efforts are in progress with the goal of predicting the societal consequences of increasing levels of CO_2. Such consequences, of course, must be viewed against the background of a large number of other risks and benefits inherent in all energy supply systems.

The scientific basis for judging the consequences of increasing CO_2 emissions into the atmosphere is as yet quite uncertain. The associated increase of atmospheric concentrations can only be estimated approximately because of limited knowledge of the response of the oceans and the land vegetation to such an increase. Estimates of the possible climatic effects are likely toward the end of the century. CO_2-induced changes in temperature and rainfall patterns during the next century, with significant implications for the nations of the world, represent a definite possibility. Different people and regions may (or may perceive themselves to) be favored or harmed by either actual or predicted changes. An increased amount of CO_2 in the atmosphere and associated consequences, beneficial and deleterious, will most likely remain for several centuries.

The CO_2 problem arises from both the total amount of CO_2 added to the atmosphere and from the rate at which it is being added. If the rate were sufficiently slow, most of the CO_2 would be taken up by the oceans and there would be little effect on the atmosphere. If the rate is rapid and increasing geometrically, as has been the trend for the past 30 years with the ever increasing worldwide use of fossil fuels, a large fraction of the added CO_2 remains in the air. If this trend continues, the CO_2 content of the air will be doubled before the middle of the next century. By the year 2000, the projected increase over the present value of 335 parts per million will be much smaller, about 30 to 60 parts per million.

A major program of synthetic liquid fuel production from coal would somewhat speed up the rate at which CO_2 is added to the air, particularly if similar programs were followed by other industrialized nations, such as the USSR with its large coal reserves. For example, if five million barrels per day of synthetic liquid fuel were to be produced for the next 20 years and added to the world consumption of oil projected above, the atmospheric CO_2 content in the year 2000 would increase by about an additional two to three parts per million.

We recognize that a synthetic fuel program based on coal is a major energy supply

* The Congress and the Executive established the National Climate Program through the National Climate Program Act, Report No. 95–1489, August 1978, to help the nation understand and assess this and other issues.

option. If, in the future, it appears that continuing increases in atmospheric CO_2 are likely to have significant deleterious effects, then it may be necessary to shift to other alternatives which introduce less CO_2 into the atmosphere. We therefore urge that provisions be made now to assure that such other alternatives will be available if and when they are needed. There should be clear recognition that the massive expenditures required to create a national synthetic fuels capability, desirable as that capability may be for the next few decades, do not necessarily commit our nation or others to large-scale dependence on coal for the indefinite future.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT—PM 89

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I transmit herewith the Saint Lawrence Seaway Development Corporation's Annual Report for 1978. This report has been prepared in accordance with Section 10 of the Saint Lawrence Seaway Act of May 13, 1954, and covers the period January 1, 1978 through December 31, 1978.

JIMMY CARTER.

THE WHITE HOUSE, *July 26, 1979.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 9:06 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 4537. An act to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes;

H.R. 4591. An act to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other purposes; and

H.R. 4712. An act to delay conditionally the effective date of certain rules of procedure and evidence proposed by the United States Supreme Court, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. EXON).

The message also announced that the House insists upon its amendments to S. 544, an act to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. WAXMAN, Mr. SATTERFIELD, Mr. PREYER, Mr. BROYHILL, and Mr. CARTER were appointed as managers of the conference on the part of the House.

At 1:10 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to H.R. 4392, an act making appropriations for the Departments of State, Justice, Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SLACK, Mr. SMITH of Iowa, Mr. ALEXANDER, Mr. EARLY, Mr. HIGHTOWER, Mr. WHITTEN, Mr. O'BRIEN, Mr. ANDREWS of North Dakota, and Mr. CONTE were appointed as managers of the conference on the part of the House.

At 2:48 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3920. An act to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 3920. An act to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources, without amendment, adversely:

S. 1319. A bill to authorize certain construction at military installations, and for other purposes (together with minority views) (Rept. No. 96–259).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Patricia Roberts Harris, of the District of Columbia, to be Secretary of Health, Education, and Welfare.

(The above nomination from the Committee on Finance was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WARNER, from the Committee on Armed Services:

W. Graham Claytor, of the District of Columbia, to be Deputy Secretary of Defense.

(The above nomination from the Committee on Armed Services was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management. (Ex. Rept. No. 96–12.)

Jule M. Sugarman, of Virginia, to be Deputy Director of the Office of Personnel Management.

Vincent P. Barabba, of New York, to be Director of the Census. (Ex. Rept. No. 96–13.)

Leon B. Applewhaite, of New York, to be a Member of the Federal Labor Relations Authority.

H. Stephan Gordon, of Maryland, to be General Counsel of the Federal Labor Relations Authority.

John W. Macy, Jr., of Virginia, to be Director of the Federal Emergency Management Agency.

Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.

A. Lee Fritschler, of the District of Columbia, to be a Commissioner of the Postal Rate Commission.

(The above nominations from the Committee on Governmental Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEPSEN:

S. 1576. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. JEPSEN (for himself and Mr. THURMOND):

S. 1577. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Labor and Human Resources.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 1578. A bill for the relief of Doctor Halla Brown; to the Committee on the Judiciary.

By Mr. BOREN (for himself and Mr. LONG):

S. 1579. A bill to amend title IV of the Social Security Act to provide for a demonstration program of block grants to States in lieu of Federal matching for aid to families with dependent children; to the Committee on Finance.

By Mr. TALMADGE (by request):

S. 1580. A bill to amend the Plant Variety Protection Act to clarify its provisions; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CANNON (by request):

S. 1581. A bill entitled the "Airport and Airway Improvement Act of 1979."; to the Committee on Commerce, Science, and Transportation.

By Mr. CANNON (by request):

S. 1582. A bill entitled the "Airport and Airway Revenue Act of 1979."; to the Committee on Finance.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1583. A bill to amend Title V of the Motor Vehicle Information and Cost Savings Act; to the Committee on Commerce, Science, and Transportation.

By Mr. McGOVERN:

S. 1584. A bill for the relief of Flora Kalaydjian; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 1585. A bill for the relief of Yuk Yee Li; to the Committee on the Judiciary.

S. 1586. A bill for the relief of Jaime G. Vega and Paz Vega, husband and wife; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 1587. A bill to provide economic incentives for the production of alcohol fuels and for the construction and operation of alcohol fuel production facilities; to establish a system to assure a constant supply of stocks for the operation of such production facilities; to encourage and promote alcohol fuels, alcohol fuel blends and related research, and for other purposes; to the Committee on Finance.

S. 1588. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Governmental Affairs.

S. 1589. A bill to amend the Public Rangelands Improvement Act of 1978, to prevent the loss of economic grazing units, to prevent increased unemployment and food inflation, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SCHWEIKER (for himself, Mr. BELLMON, Mr. HATCH, Mr. COHEN, Mr. LAXALT, and Mr. SCHMITT):

S. 1590. A bill to amend the Public Health Service Act and the Internal Revenue Code of 1954 to provide for comprehensive health care reform, and for other purposes; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEPSEN:

S. 1576. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Labor and Human Resources.

(The remarks of Mr. JEPSEN when he introduced the bill appear earlier in today's proceedings.)

By Mr. JEPSEN (for himself and Mr. THURMOND):

S. 1577. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Labor and Human Resources.

(The remarks of Mr. JEPSEN when he introduced the bill appear earlier in today's proceedings.)

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 1578. A bill for the relief of Dr. Halla Brown; to the Committee on the Judiciary.

DR. HALLA BROWN

Mr. MATHIAS. Mr. President, I send to the desk, for myself and my colleague (Mr. SARBANES), a bill for the relief of Dr. Halla Brown. This bill is identical to a bill introduced in the House by Delegate FAUNTROY. The bill would require the Secretary of the Treasury to pay to Dr. Brown the sum of $700,000 to compensate her for injuries suffered in an automobile accident in the District of Columbia.

Over 5 years ago, a married couple—both promient Washington physicians—were driving in the District of Columbia when a car ran a red light and slammed into their car. Both drivers suffered painful injuries, but Dr. Brown, a passenger in the car that was struck, was the real victim. This tragic incident confined her to a hospital bed for over a year and a half. It rendered her a quadriplegic; it deprived the Washington area of a skilled doctor at the peak of her talents.

As a result of the accident, Dr. Brown will require round-the-clock nursing for the rest of her life. Her husband, Dr. Rosenbaum, notes:

She can't be left alone for a minute.

Nurses must change her position every couple of hours to prevent bed sores; her respiration is less than normal, causing her to run out of breath after only a few minutes of talking; she is subject to extreme fluctuations in blood pressure, which can cause brain damage if she is not immediately tilted backwards in her wheelchair. Being paralyzed from the neck down, she explains:

The only thing I can move is my head. But I can't move it normally.

As might well be expected, medical costs have been exorbitant. Although many bills were covered by medical insurance, costs continue to escalate and policies begin to expire. Round-the-clock nursing care costs have already risen from $114 to $165 a day, or over $60,000 a year. In addition, her annual lost earnings are conservatively calculated at $50,000 a year.

Ordinarily, it could be expected that compensation would be forthcoming from the offending driver or his insurance company to help defray these staggering expenses. But this was no ordinary case. The driver of the other vehicle was the cultural attaché of the Panamanian Embassy. Thus, he was fully shielded from legal liability by the doctrine of diplomatic immunity then in effect in the United States.

The saga of Dr. Brown's efforts to obtain adequate compensation makes depressing reading. At the time of the accident, our diplomatic immunity law, unchanged since 1790, provided absolute immunity from criminal, civil and administrative jurisdiction for all diplomatic personnel, regardless of rank or duties, and thus insulated all diplomatic personnel, such as the Panamanian cultural attaché, from becoming entangled in a legal suit.

Given the status of the law at that time, Dr. Brown's only recourse was to make repeated requests to the driver's embassy for indemnification. At first, the Panamanians refused to make such payments. It was only after intense pressure through State Department diplomatic channels that Dr. Brown finally obtained a belated and inadequate ex gratia payment of $100,000. Had the Panamanians fulfilled their moral obligation to compensate Dr. Brown fully, it would not be necessary for me to introduce the bill I have just sent to the desk.

Indeed, it was episodes such as that involving Dr. Brown which spurred congressional action to modernize our antiquated laws governing diplomatic immunity from criminal, civil and administrative jurisdiction. Public Law 95–393, approved by the President on September 30, 1978, finally brought our diplomatic immunity laws into the 20th century. The new act:

Repeals the 1790 statute;

Brings the United States in accordance with provisions adopted by 81 participating states at the 1961 Vienna Diplomatic Conference, and

Provides that the scope of the immunity conferred is commensurate with the rank and duties of the diplomatic personnel.

Equally important, it makes special provision to insure a means for injured Americans to obtain compensation from diplomatic personnel. Specifically, it:

Requires compulsory vehicle liability insurance for all diplomatic personnel;

Allows an injured party to bring an action directly against the diplomat's insurance company, and

Precludes the insurer from asserting the diplomatic immunity of the insured as a defense against any claim covered by such policy.

The enactment of the Diplomatic Relations Act of 1978 was clearly one of the major legislative achievements of the 95th Congress. It will work a profound reform in our diplomatic immunity laws. Above all, it will go far toward insuring that cases, such as Dr. Brown's, are not repeated in the future. But, it only operates in the future. It does not apply retroactively. Thus, it is of no direct benefit for those whose tragic injuries prompted congressional action in the first place.

The need for relief for Dr. Brown seems indisputable. Her injuries are permanent. Her expenses are far beyond the family's resources. She has exhausted all other avenues of relief. Moreover, the failure of the United States to act more promptly in modernizing its diplomatic immunity laws denied her the opportunity to seek compensation through traditional legal channels. A private bill is her final hope. I believe we have a clear responsibility in this case. Therefore, I urge your support of my bill as a fair indemnification

to Dr. Halla Brown for her personal suffering caused by a diplomat who, under our laws of the time, could not be held liable.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, as well as the reports of both the Departments of State and Justice on H.R. 3359, the House counterpart to the bill I introduce now.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury shall pay to Doctor Halla Brown, of the District of Columbia, out of any money in the Treasury not otherwise appropriated, the sum of $700,000, less any amount certified to the Secretary of the Treasury by the Secretary of State pursuant to subsection (b). Such sum represents the uncompensated portion of the loss incurred by Doctor Halla Brown for injuries suffered in an automobile accident on April 20, 1974, in Washington, District of Columbia, involving Alberto Watson-Pabrega, a diplomat accredited to the Republic of Panama, which loss is uncompensated by the Republic of Panama, or by personal insurance.

(b) The Secretary of State shall certify to the Secretary of the Treasury the amount, if any, paid in connection with the loss described in subsection (a) to Doctor Halla Brown by the Republic of Panama during the period of April 20, 1974, to the date of enactment of this Act.

(c) The payment made pursuant to subsection (a) to Doctor Halla Brown shall be in full satisfaction of all claims of Doctor Halla Brown against the Republic of Panama arising from such automobile accident.

(d) After the date of enactment of this Act, any amount paid by other parties in settlement of any claim of Doctor Halla Brown against the Republic of Panama arising from such automobile accident shall be subrogated to the United States.

SEC. 2. No amount in excess of 10 per centum of the sum paid to Doctor Halla Brown in accordance with the first section of this Act shall be paid to or received by any agent or attorney for services rendered in connection with this claim. Violation of this section is a misdemeanor, and any person convicted theref shall be fined not more than $1,000.

DEPARTMENT OF STATE,
Washington, D.C., July 3, 1979.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary,
House of Representatives

DEAR MR. CHAIRMAN: The Department of State supports the intent of H.R. 3359, a bill for the relief of Dr. Halla Brown, but cannot address itself to the equity of the amount of funds which the bill proposes to appropriate.

It has been the Department's position over the years that the Federal Government is not liable for the tortious acts of foreign governments or their personnel in this country. Moreover, the Department has consistently opposed approaches which would make the Government an insurer vis-a-vis claims brought by citizens who have been frustrated by the shield of diplomatic immunity.

Nevertheless, Dr. Brown's tragic accident is the most dramatic instance known to us of personal injury suffered by one of our citizens at the hands of a foreign diplomat. The fact that the diplomat was uninsured coupled with his entitlement to immunity resulted in a complete denial of relief from him. This led to efforts by the Department of State to induce his government to make an *ex gratia* payment, based on compassion and not on assumption of legal liability. These efforts were ultimately successful in bringing about a payment of $100,000, which we believe constitutes the most substantial compensation ever extended by a foreign government in a case of this kind. However, the sum appears to be insufficient to defray the heavy expenses of Dr. Brown's long-term care.

Dr. Brown's plight in a unique way served to underscore the lack of recourse available to innocent victims who may sustain personal hardship in certain cases involving diplomatic immunity. The reforms contained in the Diplomatic Relations Act of 1978 which require all foreign mission members to carry automobile liability insurance and which incorporate the "direct action" provision allowing an injured party to sue the insurance carrier directly in those instances where diplomatic immunity may continue to be involved, are in part responses to deficiencies in the justice system that had been dramatized by Dr. Brown's misfortune. Her inability to benefit personally from the legislation for which her tragic case was perhaps the prime motivation must only compound the poignancy of Dr. Brown's predicament. Taking all the exceptional circumstances into consideration the Department of State believes some compensation from the Treasury to be justified on humanitarian grounds.

The Office of Management and Budget advises that from the standpoint of the Administration's program, there is no objection to the submission of this report.

Sincerely,

J. BRIAN ATWOOD,
Acting Assistant Secretary
for Congressional Relations.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., July 5, 1979.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary,
Washington, D.C.

DEAR MR. CHAIRMAN: The Department of Justice would like to present its views on H.R. 3359, 96th Congress, a bill "for the relief of Doctor Halla Brown."

Subsection (a) of the bill would authorize a payment to Dr. Brown of $700,000 for injuries suffered by her as a result of a 1974 automobile accident caused by a Panamanian diplomat in the District of Columbia. Under subsection (b), the amount to be paid out of the Treasury would be reduced by any moneys which Dr. Brown may recover from the Panamanian Government.

The tragic case of Dr. Brown has received wide publicity and has been instrumental in inducing Congress to enact legislation to modernize our antiquated laws governing diplomatic immunity, and to impose upon the diplomatic body a mandatory insurance requirement. P.L. 95-393 was approved by the President on September 20, 1978. This Act:

(1) Codifies the privileges and immunities provisions of the Vienna Convention as the sole United States law on the subject;

(2) Repeals existing Federal legislation which is inconsistent with the Vienna Convention;

(3) Requires foreign diplomats in the United States to carry liability insurance against risks arising from the operation in the United States of automobiles, vessels, or aircraft, at a level to be established by the President; and

(4) Creates as a matter of Federal law, a substantive right of an injured or damaged party to proceed directly against the insurance company where the insured diplomat enjoys immunity from suit.

In the hearings leading up to the enactment of P.L. 95-393, Dr. Brown's case was discussed and documented in detail (see "Diplomatic Privileges and Immunities," Hearings and Markup before the Subcommittee on International Operations of the Committee on International Relations, House of Representatives, 95th Cong., 1st Sess., pp. 76-83). Dr. Brown, a physician and professor of medicine at George Washington University, was severely injured as a result of the negligent operation of a car by an uninsured Panamanian diplomat; Dr. Brown has been a paraplegic since 1974. At the time of the accident, and continuing until the present, the laws of the District of Columbia did not require operators of vehicles to take out liability insurance. The diplomat enjoyed immunity from suit in this country, and the Panamanian Government disclaimed responsibility for the damages.

The expenses incurred by Dr. Brown for medical treatments to date have exceeded $200,000; she incurs charges for nursing services at $126 per day (approx. $46,000 per year); her future medical expenses will be substantial; and her economic loss and impaired earning capacity is calculated at $50,000 per year.

Although there is no legal obligation on the part of the United States to compensate Dr. Brown for the damages which she suffered, we believe that her claim deserves the most compassionate consideration, particularly in view of the grave nature of her situation. We must note that it is in part the Federal Government's long inaction in failing to impose a mandatory insurance requirement on foreign diplomats which contributed to Dr. Brown's predicament. Although remedial legislative steps have now been taken with respect to the diplomatic community, such legislation will not benefit Dr. Brown.

This Department has no objection if Congress determines that relief for Dr. Brown is appropriate. We express no opinion on the reasonableness of the $700,000 amount other than to note that, in view of the gravity of Dr. Brown's injuries and her probable incapacity for the rest of her life, the amount is not out of line with judgments rendered by the courts under similar circumstances.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

ALAN A. PARKER,
Acting Assistant Attorney General.

Mr. SARBANES. Mr. President, I am pleased to join with my distinguished colleague, the senior Senator from Maryland, in cosponsoring S. 1578, a bill for the relief of Dr. Halla Brown.

My able colleague has fully described the gravity of Dr. Brown's injuries, sustained in April of 1974 when the automobile in which she was a passenger was struck by a vehicle driven by an uninsured foreign diplomat. Nothing can repair the physical harm which Dr. Brown has incurred, and the disability which she endures. Yet, even with the great and severe damage which she has suffered to her person, Dr. Brown is courageously trying to move ahead with her life. Using special equipment, she attempts to type and edit scientific manuscripts. Her sheer determination to survive serves as an inspiration and a model for many other people similarly afflicted.

The medical expenses faced by Dr. Brown and her husband are immense and crushing. Her precarious situation is worsened by her inability to proceed

legally against the negligent party. Let me point out that both the Department of Justice and the Department of State agree that it is both equitable and just for the United States, in this special case, to provide for Dr. Brown's compensation. Her plight stems from Federal law, dating back to 1790 and in effect until December of last year, which granted to all diplomatic personnel complete immunity from all civil, criminal, and administrative actions. This situation was exacerbated by the fact that no Federal law required diplomtic personnel enjoying immunity to carry liability insurance, and by the absence of any provision permitting an injured party to proceed directly against the insurance company of a diplomat responsible for an injury.

At the time of the collision, had the negligent party been an American, or a foreign national not covered by the diplomatic immunity statute then in effect, Dr. Brown could have proceeded directly against that party. It was only because of the diplomatic immunity laws in effect until last year that she was placed in legal limbo.

Her case illustrated the anomaly of the 1790 law, which accurately reflected diplomatic practices and conditions of an earlier era of our Republic. Then, the United States enjoyed diplomatic relations with only a few countries. Consequently, there were few foreign missions present, and they were represented by only a few people.

This law remained in effect for almost 200 years, despite the many changes in society, the growth in the number of foreign missions in the United States, and the fact that, in many cases, foreign missions now include significant numbers of personnel who are not diplomats.

The 1963 Vienna Convention, which more than 120 nations, including the United States, have signed, reflected the international consensus that modern conditions required a change in the regulations governing the status of diplomatic personnel. Its provisions formally recognize three diplomatic categories, only one of which—full-fledged diplomats and their families—is totally exempt from civil and criminal law. The other categories enjoy limited exemptions. Through a quirk, however, the 1790 law remained in effect here, because the Justice Department ruled that it overrode the more restrictive immunities granted by the Vienna Convention.

And so, our first task was to rewrite the law, and we have accomplished that. The Diplomatic Relations Act of 1978 does three things: First, it repeals the 1790 statute, so that the more limited privileges and immunities of the Vienna Convention are the sole law in the United States. Second, it requires foreign diplomats in the United States to carry liability insurance, at a level established by the President, against the risks arising from the operation in the United States of automobiles, vessels or aircraft. Third, it creates as a matter of Federal law a substantive right of an injured or damaged party to proceed directly against an insurance company where the insured diplomat enjoys immunity from suit.

Because the provisions of the new law are not retroactive, Dr. Brown has been unable to take advantage of the protection which it offers American citizens. Therefore, we must now embark on a necessary second step, to provide for the relief of Dr. Brown. We must act, not because we are legally obligated to compensate Dr. Brown, but because it is right and proper that we do so. We must act from a spirit of compassion and justice on behalf of one who has suffered tremendous bodily harm, without any recourse to remedial action.

That is the intention of H.R. 3359, and I strongly urge my colleagues to support this bill.

By Mr. BOREN (for himself and Mr. LONG):

S. 1579. A bill to amend title IV of the Social Security Act to provide for a demonstration program of block grants to States in lieu of Federal matching for aid to families with dependent children; to the Committee on Finance.

FAMILY WELFARE DEMONSTRATION PROGRAM ACT

● Mr. BOREN. Mr. President, I am today introducing the Family Welfare Demonstration Program Act. I am proud to be joined in this effort by the distinguished chairman of the Senate Finance Committee, RUSSELL LONG. This bill provides us an opportunity to utilize State and local units of government which are the most responsive, best equipped and most competent levels of government to develop programs to meet the needs of millions of families with children.

Recipients of aid to families with dependent children (AFDC), welfare administrators, elected officials and taxpayers have been disappointed and frustrated at our inability to accomplish needed reforms in this program. There is probably no single proposition which has met with more unanimous agreement than the need for welfare reform. Yet, for a decade, the debate has gone on about how to accomplish this end. During that time welfare reform proposals have run the gamut from total federalization of the program to minor tinkering with the current program to simple financial bail-out of States by changes in the Federal matching formula.

The Family Welfare Demonstration Program Act does not provide massive, permanent reformation of the welfare system of this country, nor does it pump more billions of Federal dollars into the existing system. It does not solve all the problems of many related programs such as food stamps, medicaid, social services and others. It does attempt to entice support by promising huge amounts of new Federal money for everyone. The bill which Senator LONG and I introduce today does, on the other hand, put us on the road to meaningful reform of the AFDC program which will result in a better program for recipients and taxpayers alike.

The Family Welfare Demonstration Program Act establishes a period of 5 years, beginning October 1, 1980, as an AFDC demonstration project period during which States could either continue to operate under current Federal requirements or could elect to conduct a block-grant demonstration project. The single requirement for States which elect to conduct a demonstration project would be that they conduct activities and provide assistance which in their judgment will most effectively benefit and promote the social welfare of children and families with children in that State. The amount of block-grant funds would be equal to their fiscal 1979 Federal AFDC funding adjusted annually for inflation and population changes. Evaluation studies of the projects would be conducted by the State and by the General Accounting Office with an interim report due by the end of 1984 and a followup report due by the end of 1985. At the end of the 5-year period, September 30, 1986, the current AFDC program and the demonstration project would both "sunset" unless specifically extended by Congress. At that time Congress will have the benefit of the State projects upon which to make an informed judgment on how to best meet the needs of these familes.

It is my firm belief that given the opportunity granted them in this bill, States will show overwhelmingly that they can deliver better benefits, respond quicker and more compassionately to the unique needs of the very people we are trying to help, and do it more efficiently and with greater administrative accuracy than can the Federal Government. Today, States literally find themselves in the worst of both worlds. They are told that AFDC is a State-administered program with Federal financial participation while at the same time they are deluged with hundreds of pages of regulations on minute administrative requirements and eligibility criteria. As recently as last week there was debate in this Chamber regarding AFDC error rates. I am told that a substantial part of these errors are themselves created by irrational administrative requirements.

Finally, Mr. President, I have recently learned of a situation in Oklahoma which underscores the need for us to reconsider the direction we are going with the AFDC program. While serving as Governor of Oklahoma, I initiated legislation which broadened the requirement for work registration and authorized a pilot project for work and training called the "work experience program." This program is voluntary and is available on a statewide basis. Statistics developed by the Oklahoma Department of Institutions, Social and Rehabilitative Services indicate that the percentage of those who desire to go to work when given the opportunity is close to 99 percent. The work experience program placements are solicited from nonprofit community resources and almost 4,000 individuals have been placed voluntarily in about 800 work sites. The length of placement rarely exceeds 6 months and in many cases results directly in employment or placement in other education or training programs. I was shocked when informed recently by State officials

that this highly successful program is now in jeopardy because of an HEW policy interpretation. Such a restriction on the State's ability to implement meaningful programs for recipients of AFDC is disappointing to me and, more importantly, to the thousands of potential beneficiaries of this and other innovative programs.

It is crucial that we get the welfare reform issue off high center and moving toward a solution. I believe the Family Welfare Demonstration Program Act provides an opportunity to do just that. This Congress has a responsibility to seek alternatives to the present welfare systems. For too long we have used Federal funding as a carrot and as a club and have compounded the problem with overregulation. We must continue our commitment to the poor of this country by providing funding of programs which are responsive to their needs. The AFDC program is uniquely suited to innovative and responsive programs which can be developed and administered by the States. I urge you to join with me in this effort to move forward in reforming our welfare system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Family Welfare Demonstration Program Act".

DEMONSTRATION BLOCK GRANT PROGRAM

SEC. 2. (a) Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION BLOCK GRANT PROGRAM

"SEC. 412. (a)(1) Any State may elect (subject to the provisions of this section) to participate in a block grant program and receive payments under the provisions of this section for any quarter beginning on or after October 1, 1980 and ending prior to October 1, 1986. Any State which elects to participate in such program for any quarter shall not receive any payment for such quarter under section 403 of this Act.

"(2) The Governor of any State which elects to participate in such program shall notify the Secretary of such State's election at least six months prior to the first day of the first quarter for which such State elects to participate in the program.

"(3) No State may begin to participate in such program in any quarter beginning on or after October 1, 1981.

"(4) A State may terminate its participation in such program beginning with any quarter that—

"(A) begins at least two years after the beginning of the quarter for which that State first participated in the program, and

"(B) begins at least six months after the date on which the Governor of the State notifies the Secretary of that State's election to terminate participation in the program.

"(5) This section and section 403 shall cease to be effective, and no payment shall be made under either such section, for any period after September 30, 1986, unless either or both such sections are specifically made effective for any such period by legislation enacted after the date of the enactment of this Act.

"(b)(1) Each State participating in the block grant program under this section for any quarter shall receive, for each such quarter, a payment in an amount equal to 25 percent of that State's adjusted base period amount for the fiscal year in which such quarter falls.

"(2) The base period amount for any State shall be equal to the total amount which the Secretary determines would have been payable to such State for the fiscal year beginning October 1, 1978 (hereinafter in this section referred to as the 'base period'), under paragraphs (1), (3), and (5) of section 403 (a), taking into account the provisions of section 1118 of this Act and section 9 of the Act of April 19, 1950 (64 Stat. 47), but computing such total amount without regard to subsections (c) through (j) of section 403, and increasing such total amount by the amount of expenses incurred for social and supportive services provided in accordance with section 402(a)(19)(G).

"(3) The adjusted base period amount for any State—

"(A) for the fiscal year beginning October 1, 1979, shall be equal to the base period amount, and

"(B) for the fiscal year beginning October 1, 1980, and each fiscal year thereafter, shall be equal to the adjusted base period amount for the preceding year as adjusted for such State in accordance with paragraphs (4) and (5).

"(4) The adjusted base period amount for any State as determined under paragraph (3) shall be increased for each fiscal year, starting with the fiscal year beginning October 1, 1980, by an amount equal to the product of—

"(A) the adjusted base period amount as determined (for such State) for the preceding fiscal year, and

"(B) a percentage equal to the percentage increase (if any) in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living increases under section 215(i) of this Act, for the second quarter of the preceding fiscal year as compared to such index for the second quarter of the second preceding fiscal year (rounded to the nearest one-tenth of 1 percent).

For purposes of this paragraph the Consumer Price Index for any quarter shall be the arithmetical means of such index for the three months in such quarter.

"(5) The adjusted base period amount as determined under paragraph (3) and increased under paragraph (4) for any State shall be increased or decreased (if such State has had an increase or decrease in population) for each fiscal year, starting with the fiscal year beginning October 1, 1980, by an amount equal to the product of—

"(A) the adjusted base period amount as determined (for such State) for the preceding fiscal year, and

"(B) a percentage equal to the percentage increase or decrease in the population of such State on January 1 of the preceding fiscal year as compared to the population of such State on January 1 of the second preceding fiscal year (as determined by the Secretary not later than April 15 of the preceding fiscal year, on the basis of the best estimates available from the Bureau of the Census, and rounded to the nearest one-tenth of 1 percent.)

"(c) Payments under this section shall be used by the State to conduct such activities and provide such assistance as in its judgment will most effectively benefit and promote the social welfare of children and families with children in that State, without regard to the requirements and limitations which would otherwise apply in the program of aid to families with dependent children under this part; and for this purpose the State may waive any or all of such requirements and limitations including those relating to the work incentive program under part C and the child support program under part D of this title.

"(d)(1) Any State participating in the block grant program under this section shall determine who among the individuals receiving assistance or participating in the activities conducted under the program shall be eligible for medical assistance under the State plan approved under title XIX of this Act.

"(2) Individuals determined to be eligible for such medical assistance shall, for purposes of title XIX of this Act, be deemed to be individuals receiving aid under this part; except that no such individual shall be so deemed if he would not be eligible for aid under this part, as in effect immediately prior to the enactment of this section, on account of his family status.".

(b) Section 403 of such Act is amended by adding at the end thereof the following new subsection:

"(k) The provisions of this section shall not apply to any State with respect to any quarter for which such State is receiving a payment under section 412 of this Act.

REPORT BY COMPTROLLER GENERAL

SEC. 3. (a) The Comptroller General of the United States shall conduct a study and evaluation of the block grant programs conducted by States pursuant to section 412 of the Social Security Act, and of the aid to families with dependent children programs carried out in States not participating in the block grant program.

(b) The Comptroller General shall submit to the Congress an interim report with respect to such study and evaluation on or before December 31, 1984, and shall submit to the Congress a final report on or before December 31, 1985.

(c) No payment may be made under part A of title IV of the Social Security Act to any State which fails to cooperate with the reasonable requests of the Comptroller General in carrying out his duties under this section, for so long as such failure to cooperate continues.●

By Mr. TALMADGE (by request):

S. 1580. A bill to amend the Plant Variety Protection Act to clarify its provisions; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. TALMADGE. Mr. President, I am introducing today, at the request of the administration, a bill to amend the Plant Variety Protection Act to clarify its provisions.

The Plant Variety Protection Act (Public Law 91-577), enacted into law on December 24, 1970, authorized the establishment of a Plant Variety Protection Office in the Department of Agriculture.

The office issues certificates of plant variety protection to assure developers of novel varieties of sexually reproduced plants exclusive rights to sell, reproduce, import or export such varieties, or use them in the production of hybrids or different varieties for a period of 17 years. Since implementation of the act, the Department has found it necessary to amend the act to refine and update the terminology so that it may be more easily understood by individuals using the act. This bill would allow publication of the name of the applicant and whether the applicant specified that the variety is to be sold by variety name only as a class of certified seed. In addition, the provisions of the Plant Variety Protection Act would be altered to conform with the International Union for the

Protection of New Varieties of Plants (UPOV).

Mr. President, no additional budget outlays would be required as a result of this bill.●

By Mr. CANNON (by request):

S. 1581. A bill entitled the "Airport and Airway Improvement Act of 1979"; to the Committee on Commerce, Science, and Transportation.

S. 1582. A bill entitled the "Airport and Airway Revenue Act of 1979"; to the Committee on Finance.

● Mr. CANNON. Mr. President, I am introducing today, by request, the administration's proposed bills to extend the Airport and Airways Development Act of 1970 and the Airport and Airways Revenue Act of 1970.

I do not intend to support these proposals in their present form. Rather I will be introducing, in the near future, my own bills to extend this important program. My proposal will include a dramatic new alternative to simply extending the existing ADAP system with only minor changes. However, both these proposals will be considered during hearings by the Aviation Subcommittee on a new airport development program.

Most objectionable in the administration bill is the level that has been proposed for FAA operations and maintenance funding. As I have said before, I am not philosophically opposed to reasonable increases in FAA O. & M.; however when the administration proposes a $7 billion increase in O. & M. while offering less than a third of that amount for improving the airport and airway system's safety, I do not consider such a proposal reasonable.

In fairness, I would note that a number of the other program changes and adjustments included in this proposal have merit, and show that a good deal of thought has been applied to making the program work more efficiently.

Because I believe that it is important to have the Senate consider a range of alternatives, I will introduce a bill that will include some of the administration's bills attractive features, and most importantly, will reflect my continuing commitment to eliminate Federal Government regulation and involvement whenever possible.●

By Mr. McCLURE:

S. 1587. A bill to provide economic incentives for the production of alcohol fuels and for the construction and operation of alcohol fuel production facilities; to establish a system to assure a constant supply of stocks for the operation of such production facilities; to encourage and promote alcohol fuels, alcohol fuel blends and related research, and for other purposes; to the Committee on Finance.

UNITED STATES MOTOR FUEL INDEPENDENCE ACT OF 1979

● Mr. McCLURE. Mr. President, over the past 2 years, this Nation has witnessed the rebirth of an alcohol motor fuel industry that many so-called authorities felt could never happen. But as the dreary facts of our energy crises—the fact that OPEC has raised their per barrel oil cost to $23.50 July 1; the fact that Libya, from whom we import 10 percent of our requirement, on Friday June 29 announced their possible intention to shut off all exports to the United States; and the fact that, despite everything else, we continue to halt exploration for and production of domestic energy sources—come more and more into focus, the immediate and absolute necessity of developing a viable domestic alcohol-gasohol industry has become of paramount importance.

Sensing the importance of this matter, many of us here in the Congress have introduced numerous alcohol fuel related bills. Similarly, several departments and agencies of the executive branch have gotten into the act by promulgating countless regulations which in one way or the other assist the development of a national alcohol fuels industry.

However, as is so often the case, many diverse individuals and organizations of government are taking significant actions without any one having full command of the "whole picture." The confusion created by this situation has thus obviously caused great frustrations among a large sector of our populace interested in being a part of the move to alcohol fuels.

In an effort to ease much of this confusion, and to further hasten our move to a large, nationwide alcohol fuels industry, I am today introducing the "United States Motor Fuel Independence Act of 1979."

Among the major elements of this bill is a provision requiring the Secretary of Energy to collect all alcohol-fuels-related information and make it available for distribution to the public. Not only will such a provision relieve much of the confusion and frustration that has developed, but will facilitate a larger and faster movement toward alcohol fuels by persons throughout the country.

Along the same lines, many public and private organizations are now making alcohol fuel related loans to individuals and businesses. However, the rules and regulations surrounding many are hazy at best, thus doing nothing but adding to the confusion of where to get funds to get into the alcohol manufacturing business. My bill again relieves this confusion by requiring a Government listing of all loans, grants, incentives, rebates, and other financial benefits so individuals can know immediately where best to pursue some of the financial resources necessary to begin construction and production facilities.

Other important sections of my bill will amend the Clean Air Act to guarantee that alcohol fuels will be legally acceptable; provides additional research into such areas as animal and human consumption of the alcohol byproducts and the reduction of the nitrous oxide emissions resulting from the combustion of alcohol fuels; further clarifies the use of set-aside and diverted acres for crops devoted to the production of alcohol; and provides an additional 10-percent investment tax credit for property associated with, and the actual production of, alcohol fuels.

In addition, this legislation indefinitely extends the 4 cents Federal fuel tax reduction for alcohol fuels and requires the Federal Government to reimburse to the States the amount of receipts lost because of their implementation of a similar tax reduction; relaxes the alcohol fuel production regulations imposed by the Government through the Bureau of Alcohol, Tobacco, and Firearms; and, finally, provides that petroleum be allocated on a priority basis to those persons engaged in the production of gasoline or special fuels which are to be mixed with alcohol.

In short, Mr. President, my bill is comprehensive in nature, combining a variety of original provisions and provisions authored by several of my learned colleagues. I feel it is particularly important that this comprehensive legislation be introduced and considered today, as the Senate Energy and Natural Resources Committee is even now considering action on title VIII, which deals with gasohol, of the Energy Supply Act.

While I firmly believe title VIII is an excellent vehicle from which to develop the essential alcohol fuels industry, every effort must be made to assure that the legislation that Congress will likely pass in this regard does not unjustly and unnecessarily prejudice—either positively or negatively—one sector of our economy over another.

While it makes sense to utilize the existing petroleum industry's network for distribution of motor fuels, it may not, indeed does not, seem to me to be desirable to require that production of alcohol should be in the hands of the oil producers and refiners exclusively. It would indeed be ironic if, in our haste, we created a gasohol monopoly in the hands of the existing oil industry.

The decision that Congress will make must rather be based on the principles of free enterprise—giving individuals throughout this country the ability to enter the alcohol-gasohol manufacturing business, while at the same time utilizing to the greatest extent possible the transportation and distribution facilities already within reach of our private and public business sectors.

With the proper addition of Government-sponsored loans, grants and tax incentives, I firmly believe this country could easily meet—indeed exceed—the alcohol motor fuel sales requirements found with title VIII. And, I firmly believe this legislation I am introducing today will significantly help to meet these goals.

We must all recognize that the days of cheap oil and gas are long gone, and while it seems unlikely we can significantly reduce the prices we pay, we are not too late to reduce our dependency on foreign oil imports. The fact is, gasohol will reduce our dependence on foreign petroleum. Gasohol will ease our current gas shortage and will reduce our trade deficit. The fact is, gasohol will help reduce overall auto emissions and, most of all, will help this Nation's farmers. Indeed, gasohol is one of America's fuels for the future, and we must take steps to assure its large scale development right now.

Mr. President, I ask unanimous con-

sent that the text of the "United States Motor Fuel Independence Act of 1979" be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Motor Fuel Independence Act of 1979."

FINDINGS

SEC. 2. The Congress finds that

(1) The United States currently imports excessively large quantities of crude and refined oil; and

(2) the importation of such large quantities of crude and refined oil has placed the United States in an unfavorable balance of trade situation; and

(3) the importation of such large quantities of crude and refined oil creates susceptability to foreign oil production and sales curtailments and artificially high world oil prices; and

(4) such curtailments and high prices could spell economic disaster for the United States and

(5) renewable resources in the United States can provide a source of alcohol suitable for blending with gasoline or special fuels to significantly decrease the need for imported oil; and

(6) the United States currently has an abundant supply of surplus renewable agricultural resources, and other renewable resources, which can be converted to alcohol; and

(7) the United States has the ability to produce for the future, quantities of renewable resources necessary for human and animal consumption and for the production of significant quantities of alcohol; and

(8) the United States is not currently producing and utilizing renewable resources to the greatest extent possible; and

(9) must take immediate steps to reduce the importation and utilization of foreign crude and refined oil products and increase the production and utilization of domestic alcohol fuel and alcohol fuel blends produced from renewable resources.

CLEAN AIR ACT AMENDMENT

SEC. 3. Section 211 of the Clean Air Act (42 U.S.C. 1857) as amended by inserting the following new subsection (h):

"(h) Notwithstanding any other provision of this Act or of any other provision of law, subsections (a), (c) and (f) of section 211 shall not apply with respect to the introduction of industrial hydrocarbons and alcohols into any fuel or to the increase in the concentration of industrial hydrocarbons and alcohols used in any fuel."

ALCOHOL FUEL INFORMATION

SEC. 4. (a) The Secretary shall, through the Department of Energy, make available to the public such public information concerning alcohol fuels as the Secretary may have at his disposal. Such information shall include, but is not limited to types and availability of all loans relative to the production of alcohol fuels and construction of alcohol fuel plants, technical information concerning such production and construction, and other such technical and nontechnical public information as may be requested.

(b) The Secretary may, at his descretion, assess reasonable charges for any printed information made available and distributed to the public under subsection (a) of this section. However, in no case will such charges be assessed in excess of the actual value of printing such information.

RESEARCH

SEC. 5. (a) Section 1419 of the Food and Agriculture Act of 1977 (7 U.S.C. 3154) is amended by striking the whole of Section 1419 and adding in substitution thereof the following new paragraph:

"SEC. 1419(a) The Secretary of Agriculture, following consultation with the Secretary of Energy and other appropriate officials, shall make grants under this section to colleges and universities, governmental and non-governmental and profit and non-profit institutions for the purpose of conducting research related to the production marketing of (1) coal tar, producer gas, and other coal derivatives for the manufacture of agricultural chemicals, methanol, methyl fuel and alcohol-blended motor fuel (such agricultural chemicals to include, but not be limited to fertilizers, herbicides, insecticides and pesticides), (2) alcohol made from agricultural commodities and forest products as a substitute for alcohol made from petroleum products, and (3) other industrial hydrocarbons made from agricultural commodities and forest products. The Secretary shall place special emphasis on making such grants available for research projects including but not limited to, (1) new and undeveloped agricultural crops highly suitable for conversion to alcohol fuels, (2) human consumption of all or part of the digestable by-products remaining from the production of alcohol, (3) animal consumption of all or part of the digestable by-products remaining from the production of alcohol, and (4) reduction of the nitrous oxide emissions resulting from the combustion of alcohol fuels or alcohol fuel blends.

(b) There are hereby authorized to be appropriated for the purposes of carrying out the provisions of this section $10,000,000 for each of the five fiscal years ending September 30, 1980, September 30, 1981, September 30, 1982, September 30, 1983, and September 30, 1984.

(c) Notwithstanding any other provision of law, the Secretary, when making research grants under subsection (a) of this section, shall make every effort to award such grants to as many colleges, universities and institutions nationwide as is economically and efficiently practical; provided that no limit shall be placed on the amount awarded to any one college, university or institution within any one State."

(b) Subsection (b) of Section 1420 of the Food and Agriculture Act of 1977 (7 U.S.C. 2669) is amended by striking out in the first line of subsection (b) the word "four" and inserting in lieu thereof the word "thirty-five."

(c) Subsection (b) of Section 1420 of the Food and Agriculture Act of 1977 (7 U.S.C. 2669) is further amended by adding at the end thereof the following new sentence:

"To the greatest extent possible, the Secretary of Agriculture shall award such pilot project guaranteed loans to public, private or cooperative organizations organized for profit or non-profit, or to individuals, in as many diverse geographic, economic, and climatic areas of the United States as practical, and shall, to the greatest extent possible, award such guaranteed loans to such organizations or individuals on a basis of diverse and innovative production or marketing plans, placing particular emphasis on the production of alcohol fuels from diverse agricultural commodities."

(d) Subsection (c) of Section 1420 of the Food and Agriculture Act of 1977 (7 U.S.C. 2669) is hereby repealed, and the remaining subsections (d), (e) and (f) shall be reassigned as (c), (d) and (e) respectively.

PRODUCTION FEEDSTOCKS

SEC. 6. (a) Subsection (a) of Section 112 of the Agriculture Act of 1949, as amended (7 U.S.C. 1445g), is further amended by (1) striking the word "may" and inserting in lieu thereof the word "shall"; (2) striking the words "(other than the commodities for which acreage is being set aside or diverted)"; and (3) striking the words "is not likely to increase the cost of the price support programs,".

(b) Subsection (b) of Section 112 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445g), is further amended by (1) striking the words "may" and inserting in lieu thereof the words "shall"; and (2) striking the words "is not likely to increase the cost of the price support programs,".

LOANS

SEC. 7. (a) Within 120 days of the date of enactment of this legislation, the Secretary shall submit to the Congress a comprehensive list of all types of loans, grants, incentives, rebates or any other such private, state, or federal economic or financial benefits now in effect or as yet undeveloped which can or have been used for the study, planning, construction and manufacturing facilities which will ultimately produce alcohol to be used as a motor fuel or motor fuel blend.

(b) (1) Based on such information developed pursuant to subsection (a) of this section the Secretary shall, within 120 days of the enactment of this legislation, formulate and submit to the Congress various proposals setting forth the pros and cons of such economic or financial incentives or benefits which can be utilized to promote and guarantee the immediate study, planning, construction and manufacturing facilities which will ultimately produce alcohol to be used as a motor fuel or motor fuel blend.

(2) The Secretary shall, at the time such various proposals are submitted, stipulate; (i) which proposal or propoals, in the opinion of the Secretary, will best serve to promote and guarantee the immediate study, planning, construction and manufacturing facilities which will ultimately produce alcohol to be used as a motor fuel or motor fuel blend, and (ii) which proposal or proposals, in the opinion of the Secretary, is the best course of action for the United States to take on a short and long term basis.

INVESTMENT CREDIT: PRODUCTION

SEC. 8. (a) IN GENERAL.—Paragraph (2) of section 46(a) of the Internal Revenue Code of 1954 (relating to amount of credit for current taxable year) is amended—

(1) by striking out "and" at the end of subparagraph (A)(ii),

(2) by striking out the period at the end of subparagraph (A) (iii) and inserting ", and",

(3) by inserting at the end of subparagraph (A) the following new clause:

"(iv) in the case of qualified alcohol fuel property, the alcohol fuel percentage.", and

(4) by adding at the end thereof the following new subparagrpah:

"(F) Alcohol Fuel Percentage.—For purposes of this paragraph, the alcohol fuel percentage is 10 percent with respect to the period beginning after December 31, 1979.".

(b) Definitions of Qualified Alcohol Fuel Property.—Section 48 of such Code (relating to definitions and special rules) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) Qualified Alcohol Fuel Property.—For purposes of this subpart, the term 'qualified alcohol fuel property' means section 38 property (determined without regard to this subsection and paragraph (11) of subsection (a)) which—

"(1) is used as an integral part of the manufacturing or production of gasoline or special fuels mixed with alcohol and with respect to which no tax is imposed by reason of section 4081(c) or 4041(k),

"(2) constitutes research facilities in connection with such manfacturing or production, or

"(3) constitutes a facility used in connection with respect to such manufacturing

or production for the bulk storage of such gasoline or special fuels.".

INVESTMENT CREDIT: BUILDINGS

SEC. 9. (a) Subsection (a) of section 48 of the Internal Revenue Code of 1954 (relating to definition of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(11) Buildings and structural components used in alcohol fuel production.—

"(A) IN GENERAL.—Notwithstanding the words '(other than a building and its structural components)' in subparagraph (B) of paragraph (1), a building and its structural components shall be treated as section 38 property to the extent of so much of the qualified investment (as determined under subsections (c) and (d) of section 46) is such building or its structural components as is attributable to qualified alcohol fuel expenditures paid or incurred with respect to such building and its structural components.

"(B) Definition of qualified alcohol fuel expenditures.—For purposes of this paragraph, the term 'qualified alcohol fuel expenditures' means amounts—

"(i) chargeable to capital account of such building and its structural components.

"(ii) paid or incurred for property or for additions or improvements to property (or related facilities) with respect to which depreciation (or amortization in lieu of depreciation) is allowable and which has a useful life of 3 years or more, and

"(iii) paid or incurred with respect to that portion of such building or its structural components which is used in connection with the production or manufacture of gasoline of special fuels mixed with alcohol and with respect to which no tax is imposed by reason of section 4081(c) or 4041(k).".

(b) Section 46(c) of such Code (relating to the definition of qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) Applicable percentage in the case of certain alcohol fuel property.—Notwithstanding paragraph (2), the applicable percentage in the case of property which is section 38 property by reason of section 48 (a)(11), the applicable percentage shall be equal to one-half of the applicable percentage determined without regard to this paragraph."

FUEL TAX REDUCTION

SEC. 10. (a) Section 221 of the Energy Tax Act of 1978 (26 U.S.C. 4041, 4081) is amended by adding the following new subsection at the end thereof:

"(e)(1) Notwithstanding any other provision of law, the Secretary of the Treasury is authorized and directed to make payments to any State which adopts and implements a fuel tax reduction on the sale of any gasoline or liquid fuel—

"(A) in a mixture with alcohol; if at least 10 percent of the mixture is alcohol, or

"(B) for use in producing a mixture at least 10 percent of which is alcohol.

"(2) Such payments shall be made in the amount that such States' fuel tax receipts have been reduced resulting from implementation of said fuel tax reduction.

"(3) Such payments shall be made on a quarterly basis unless otherwise arranged and agreed upon jointly by the State and the Department of the Treasury.

"(4) The Secretary of the Treasury is directed to submit, as part of each fiscal year budget to be presented to the Congress, his estimate of the amount of payment necessary to fulfill the purposes of this section.

"(5) There is authorized to be appropriated such sums as the Secretary of the Treasury deems necessary to fulfill the purposes of this section."

(b) Subsection (a)(2) of section 221 of the Energy Tax Act of 1978 (26 U.S.C. 4081) is amended by placing a period after the number "1978" and striking the words thereafter, "and before October 1, 1984."

(c) Subsection (b)(2) of section 221 of the Energy Tax Act of 1978 (26 U.S.C. 4041) is amended by placing a period after the number "1978" and striking the words thereafter, "and before October 1, 1984."

(d)(1) Subparagraph (H) of section 6416 (b)(2) of the Internal Revenue Code of 1954 (relating to specified uses and resales) is amended by inserting the words "or in a mixture described in section 4081(c)" after "section 4041".

(2) Paragraph (2) of section 4081(c) of the Internal Revenue Code of 1954 (relating to the later separation of gasoline) is amended by inserting the words "(or in respect to which credit or refund was allowed or made by reason of section 6416(b)(2)(H)" after "this subsection".

EMERGENCY ALLOCATION

SEC. 11. Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(f) to the extent practicable and consistent with the objectives of subsection (b), the mandatory allocation program established under the regulation under subsection (a) shall be so structured as to result in the allocation, during each period the regulation applies, of

(1) crude oil to refineries engaged in the production of gasoline or special fuels which are to be mixed with alcohol, and

(2) refined petroleum products to persons engaged in the production or marketing of such gasoline or special fuels,

which is sufficient to meet the demands for such products".

ALCOHOL FUEL PRODUCTION REGULATIONS

SEC. 12. (a) The Internal Revenue Code of 1954 is amended by redesignating section 5181 as section 5182 and by inserting in lieu thereof the following new section 5181:

"SEC. 5181. DISTILLED SPIRITS FOR FUEL USE.

"(a) Notwithstanding any other provision of this Title or of any other provision of law, the Secretary, upon application, shall issue operating permits for distilled spirit plants established solely for producing, procesing, storing, using, and distributing distilled spirits exclusively for fuel use.

"(b) Such application shall include the name and address of the applicant, the location of the plant, and the volume of distilled spirits anticipated to be produced. Based on such application, the Secretary shall issue within 30 days of receipt of such application said operating permit.

"(c) If, based on the application, the Secretary determines that said permit should not be issued, the Secretary shall, within 30 days of receipt of such application, give notice in writing to the applicant of the Secretary's determination; and such notice will include, in detail, the circumstances resulting in the Secretary's determination.

"(d) No determination made pursuant to subsection (c) of this section shall prejudice any further application for permit made by the same individual, individuals or organization whose application for permt had previously been denied.

"(e) If, within 30 days from the Secretary's receipt of said applications, said permit has not been received by the applicant and said notice of permit denial has not been received by the applicant, the applicant shall assume said permit has been issued and may lawfully commence operation.

"(f) Distilled spirits produced under this section shall be withdrawn free of tax from the premises of every distilled spirits plant exclusively for fuel use.

"(g) Distilled spirits produced under this section shall not be withdrawn, used, sold, or disposed of for other than fuel use. Distilled spirits produced under this section shall be rendered unfit for beverage use by addition of substances which will not impair the quality of the spirits for fuel use. Such substances must be added prior to withdrawal from the premises of a distilled spirits plant.

"(h) For purposes of this section, the term 'distilled spirits' does not include distilled spirits produced from petroleum, natural gas, or coal."

"(i) Notwithstanding any other provision of this Title or of any other provision of law, no bond shall be required for the production, processing, storage, use, or distribution of distilled spirits manufactured for fuel use.

(b) Section 5601(a) of the Internal Revenue Code of 1954 is amended by adding the word "or" after paragraph 14 and by adding a new paragraph 15 to read as follows:

"(15) UNAUTHORIZED WITHDRAWAL, USE, SALE OR DISTRIBUTION OF DISTILLED SPIRITS FOR FUEL USE.—Withdraws, uses, sells or otherwise disposes of distilled spirits produced under section 5181 for other than fuel use;".

(c) Section 5214(a) of the Internal Revenue Code of 1954 is amended by striking from paragraph (10) the period and inserting in lieu thereof a semicolon and the word "or" and by adding a new paragraph (11) to read as follows:

"(11) free of tax in the case of distilled spirits produced under section 5181.".

(d) Section 5004(a)(2)(B) of the Internal Revenue Code of 1954 is amended by striking out "or (3)," and inserting "(3), or (11),".

(e) Section 5005(d) of the Internal Revenue Code of 1954 is amended by striking out "or (3)," and inserting "(3), or (11),".

(f) Section 5025 of the Internal Revenue Code of 1954 is amended by redesignating paragraph (m) as (n) and by adding a new paragraph (m) to read as follows:

"(m) DISTILLED SPIRITS FOR FUEL USE.—The processing of distilled spirits exclusively for fuel use produced under section 5181 shall not be deemed to be rectification within the meaning of section 5021, 5081 and 5082.".

(g). Section 5063 of the Internal Revenue Code of 1954 is amended by adding a new paragraph (16) to read as follows:

"(16) Processing distilled spirits for fuel use, see section 5025(m).".

(h). The table of sections for subchapter B of chapter 41 of the Internal Revenue Code of 1954 is amended by redesignating section 5181 as section 5182 and by inserting after section 5180 the following:

"5181. Distilled spirts for fuel use.".

DEFINITIONS

SEC. 13. As used in this Act, the term—

(1) "alcohol" means ethanol, methanol, or any other alcohol which is produced from renewable resources and which is suitable for use by itself or in a blend with other fuels as a motor fuel;

(2) "motor fuel" means any substance suitable as a fuel for self-propelled vehicles designed primarily for use on farms, public streets, roads and highways;

(3) "motor fuel blend" means any fuel consisting of a mixture of alcohol and any other motor fuel;

(4) "special fuels" means any non-gasoline substance suitable as a fuel for self-propelled vehicles designed primarily for use on farms, public streets, roads or highways;

(5) "renewable resource" means any substance which is a source of energy, and which is now or can be produced in the future so as to be made available in adequate quantity on a yearly or semi-yearly basis;

(6) "Secretary", except where specifically

stated otherwise, means the Secretary of Energy.

EFFECTIVE DATES

SEC. 14. (a) The amendments made by sections 3, 4, 5, 6, 7, 10, 11, 12, and 13 of this Act shall take effect on the date of enactment of this Act.

(b) The amendments made by sections 8 and 9 of this Act shall apply with respect to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is begun or completed by the taxpayer after December 31, 1978, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection during such period,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after such date, and

(3) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsection (c) and (d) of section 46 of such Code) attributable to qualified progress expenditures made after such date.

APPROPRIATIONS

SEC. 14. There is hereby authorized to be appropriated for the purpose of carrying out the provisions of this Act $10,000,000 for each of the fiscal years 1980, 1981, 1982, and 1983.●

By Mr. McCLURE:

S. 1588. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Governmental Affairs.

● Mr. McCLURE. Mr. President, today I am reintroducing a bill which provides that a general election must fall between the time a congressional pay increase is voted upon and the time it goes into effect.

This proposal is particularly relevant at this time when the House has recently passed a 5.5-percent raise in lawmakers' pay from $57,500 to $61,650. The bill would eliminate charges of conflict of interest, as no Member of Congress could receive a pay raise in the same Congress in which the pay raise was enacted. Not until the first day of the following Congress could any pay increase for Members be paid. This legislation does not address the merits of any specific increase, but only the timing of any such pay increases.

A policy which allows no Member of Congress to receive a pay raise in the same Congress in which the pay raise is enacted is critical to the credibility of any Federal salary raise proposal. Many State legislatures have already made this stipulation in their legislative pay procedures.

The necessity to attract and retain people of high quality within the ranks of senior Federal officials and judgeships is obvious to us all. Because any pay raise proposals for Members of Congress are linked to increases for other top level Federal officials, there exists a built-in conflict; for the Congress must approve any such proposal. In addition to the mood of the American people on pay raises, is the damage which can be done to this country in lost talent if legislative representatives do not feel free to vote as objectively as possible on top level Federal pay raises. A delay in implementing a pay raise for elected officials gives the electorate the opportunity to express themselves on that issue and helps prevent this conflict of interest.

Many top level Federal employees and Federal judges have been penalized because of Congress inability to discuss pay proposals realistically. My bill would provide Congress and the American people with a much better way to deal with the question of pay raises.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1588

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraphs (1) and (2) of this subsection, section 225 of the Federal Salary Act of 1967, or any other provision of law, an individual referred to in paragraph (1) may not have his rate of pay increased—

"(A) by or under any law passed during a Congress;

"(B) under paragraph (2) of this section (except to the extent subparagraph (A) of this paragraph applies), if an alternative plan transmitted by the President under section 5305(c)(1) of title 5, United States Code, does not take effect by reason of the adoption during a Congress of a resolution disapproving such plan;

SEC. 2. The amendment by the first section of this Act shall apply with respect to laws passed by either House of Congress after September 30, 1976 and alternative plans and recommendations regarding pay transmitted by the President after such date.●

By Mr. McCLURE:

S. 1589. A bill to amend the Public Rangelands Improvement Act of 1978, to prevent the loss of economic grazing units, to prevent increased unemployment and food inflation, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. McCLURE. Mr. President, I am today introducing legislation designed to prevent the potentially catastrophic economic downfall of the Western U.S. livestock industry. Mr. President, we are already beginning to see the first hints of how this downfall will occur and it is absolutely imperative that it be stopped now.

Under the auspices of the National Environmental Policy Act and an infamous court decision which suggested the insufficiency of programmatic environmental reviews being conducted by the Bureau of Land Management, the BLM is currently in the process of preparing full-bore environmental impact statements on 212 grazing units throughout the West. Our experience with this process—some 22 have so far been filed—has been frightening at best, as the BLM has seemingly been intent on producing EIS's which ultimately force ranchers out of business.

I might add at this point that forcing ranchers out of business at a time when the Government is fighting to keep food inflation, particularly meat, down is totally contradictory. Yet it is occurring with apparently few people recognizing it.

The means by which our ranchers are being forced out is commonly known as grazing cuts—a phenomenon the BLM has employed extensively under the guise of being the only alternative available which will result in improved range conditions. Nothing can be further from the truth, as many of this Nation's most eminent range scientists have proved conclusively that cuts in cattle numbers absolutely do not have to occur in order to improve the range. On the contrary, conclusive evidence abounds that proper management of cattle left on the range can achieve good, if not better, range improvement results.

Excellent examples of what these cuts mean in terms of destroying the economic feasibility of a Western ranching operation—and thus putting operators out of business—can be found in the first two grazing units for which EIS's were filed in my own State of Idaho. Filed in 1978 after years of study, the Challis unit is now developing allotment management plans for each grazier based on the EIS. Because the EIS did not even consider any reasonable alternative other than cuts, each of the 38 permittees will be forced to graze fewer cattle on less land for the life of the 15 year EIS schedule. Seven of these 38 graze along the scenic East Fork of the Salmon River and are facing outrageous cuts of between 24 and 63 percent.

It doesn't take an economist to figure out a viable cattle operation generally cannot tolerate such cuts and these graziers along the East Fork seem to bear this out. Several thousand acres of this choice bottom land has already been sold to developers for subdivision of vacation homes, and more is destined to soon go the same road.

I might add that the BLM itself admitted that subdividing the land would likely increase pressure on the salmon fishery and disrupt critical spawning, cause tremendous degradation of water quality, increase critical water demand because of residential use, severely disrupt herds of deer, antelope and elk, and completely eliminate an entire herd of bighorn sheep residing along the East Fork. Despite these things—which the environmentalists and the graziers wanted to avoid—the BLM nevertheless is implementing exactly what will cause the most harm to everybody.

In the second example, the Shoshone grazing unit, implementation of the EIS would result in such devasting cuts that a Federal district court last month issued an injunction on further proceedings so that the graziers could have ample time to build an adequate defense against the BLM's plans. The total cut for the area is about 54 percent from present qualified use and some of the largest ranchers are facing cuts in excess of 70 percent.

The BLM feels a 54-percent cut in grazing—which, again, will simply make a great many operations noneconomical

units—will result in a loss of only 15 jobs and $203,550 in yearly income. These figures are ridiculously, almost humorously, low, and the more accurate figures from the various local lending institutions indicate that as many as 50 or more jobs will be lost if the plan outlined in the Shoshone EIS is put in effect. The actual amount of income lost to the area is anybody's guess.

These two examples are totally consistent with the type of situation developing on the various other grazing units as the allotment management plans as suggested by the EIS's are presented to the permittees. And, as I mentioned earlier, the price we pay for improved range through such drastic cuts will do nothing but give food inflation another shot in the arm. What is more, it will put more Americans out of work at a time when our unemployment figures are already too high and will totally disrupt many western communities. The Challis area is a perfect example of this.

Mr. President, the legislation I am introducing today amends the Public Rangelands Improvement Act of 1978, which the House and Senate passed overwhelmingly last year, so that no rancher will be forced to take more than a 10-percent cut in any one year nor more than a 20-percent cut in any period of 10 consecutive years (10 years is the typical life of an allotment management plan). This will allow small but meaningful cuts to be made when necessary but will prevent the callous, unnecessary drastic cuts that will destroy the economic viability of most western operations.

An added feature of my legislation allows such large cuts to be made in those unique situations when grazing cuts are, in fact, the only viable option available to improve the range. Proper hearings and the opportunity for appeal would, however, be made available to those ranchers who faced these drastic cuts.

It is extremely important to remember, Mr. President, that ranchers who graze on the public lands have the most to lose from poor range, and thus desire, perhaps more than all others, that the range does, indeed, improve as quickly as possible. Further, it is a recognized scientific fact that such improvement can come about without the drastic cuts proposed by the BLM. And, finally, if my legislation is not adopted and implemented favorably by the BLM, I can guarantee that many Western cattlemen will be a thing of the past—an unpleasant prospect that all Americans will be forced to pay for in more ways than one.

Mr. President, I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8(a) of the "Public Rangelands Improvement Act of 1978" (43 U.S.C. 1901), is amended by inserting the following new sentence after the words, "within the area to be covered by such allotment management plan.":

"Provided, however, no permit or license outstanding in any calendar year shall be reduced by more than ten percent in any one year or more than twenty percent in any period of ten consecutive years, unless it can be shown after reasonable notice to all interested parties and a proper hearing, that irreparable damage will occur to the rangeland involved unless a greater reduction in livestock grazing is effected."●

By Mr. SCHWEIKER (for himself, Mr. BELLMON, Mr. HATCH, Mr. COHEN, Mr. LAXALT, and Mr. SCHMITT):

S. 1590. A bill to amend the Public Health Service Act and the Internal Revenue Code of 1954 to provide for comprehensive health care reform, and for other purposes; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

COMPREHENSIVE HEALTH CARE REFORM ACT

● Mr. SCHWEIKER. Mr. President, I rise to introduce legislation addressing the pressing issues of health care cost containment, catastrophic health insurance, and preventive health care. I announced this proposal to the Senate on June 12 and am now happy to be joined by Senators BELLMON, HATCH, COHEN, LAXALT, and SCHMITT in presenting it in bill form. I am hopeful that the Subcommittee on Health and Scientific Research, on which I am the Ranking Republican, will hold hearings on this bill later this session.

COMPREHENSIVE HEALTH CARE REFORM PROPOSAL

Mr. President, I will ask that a detailed summary of this bill be printed in the RECORD at the conclusion of my remarks.

BASIC APPROACH

This comprehensive approach to the fundamental problems facing our health care delivery system will: First, reduce health cost inflation by encouraging large employers to offer their employees at least three competitive health insurance plans and by requiring that at least one plan offered by all employers contain a 25-percent cost-sharing provision for hospital services up to 20 percent of family income in order to be tax deductible; second, provide all Americans with protection against the costs of catastrophic medical expenses through tax incentives to the private sector and improvements in the medicare program; and third, encourage preventive health care by requiring that any tax deductible health insurance plan must contain a prescribed level of preventive benefits.

Our package is designed to respond to three pressing health care needs that are inextricably linked: Hospital cost containment, catastrophic health insurance, and preventive health care. Hospital cost containment has been the subject of intense debate in Congress for the past 2 years. Escalating medical costs have caused increased public demands for improved health insurance coverage, particularly against catastrophic health care expenditures. There is also growing awareness throughout our society of the advantages of preventive health care and the need to improve access to it.

Despite these clear public needs Congressional action in all three areas has been delayed by growing disenchantment with Government regulation as a solution to social problems, fewer Government dollars with which to attack them, and increased reluctance to pump scarce resources into the Washington regulatory pipeline. In the health field, more and more experts are concluding that fundamental reforms of the basic structure of our health care delivery system are imperative if permanent solutions to these problems are to be found.

I believe escalating health care costs result not from a lack of regulatory controls on the industry but from the noncompetitive structure of the third party health care reimbursement system. This system has been encouraged to spread by our Federal tax laws, which give generous deductions to individuals and employers for purchasing broad and inefficient health insurance coverage. To break this inflationary spiral, we need to encourage consumers to participate in health care pricing decisions and stimulate competition in the health insurance industry.

Our bill will change the nature of these tax incentives to encourage the patient to pay a larger share of short-term hospital care expenses, thereby bringing the patient back into pricing decisions. It will also reorient health insurance coverage to protect against the costs of high cost illness, and encourage better health through preventive care.

REDUCING HEALTH COST INFLATION

THE PUBLIC NEED

There is no question about the need to reduce the unacceptable escalation of medical costs in this country. In 1950, the average cost per patient day in one of America's hospitals was $15.62. By 1978, it had risen to $227.52, an increase of almost 1,400 percent. During that same period, consumer prices as a whole had risen by less than 200 percent. Thus, the cost of a day in a hospital from 1950 to 1978 rose by more than seven times the rate of all other prices in the economy. Within the last 5 years, moreover, the cost of an average patient day in one of America's hospitals has almost doubled, whereas overall prices during the same period increased by less than 50 percent. Rising hospital costs account for more than 40 percent of all health expenditures and have thus been a primary cause of comparable increases in all health care costs.

The Federal Government has a direct stake in this problem because of its impact on the Federal budget. The Federal Government will spend about $54 billion in fiscal year 1980 on various health-related programs. Of this amount, Federal expenditures for hospital care will be about $35 billion, an increase from 1969 of $28 billion or about 450 percent. By 1984, Federal taxpayer expenditures for hospital care will reach $48 billion, an increase of over 90 percent from their estimated 1979 level.

GOVERNMENT RESPONSE TO THE PROBLEM

In recent years Congress has not been unaware of growing public alarm over rising health care costs. As the ranking Republican of the Senate Human Resources Committee and its Health Sub-

committee, I have worked for years in searching for ways to attack it. One of our primary initiatives has been the Health Planning and Resources Development Act of 1974, which has attempted to encourage the States and local communities to make more effective use of our health care resources by reducing the duplication and proliferation of health services, facilities, and equipment. In addition, I have authored legislation to promote the growth of health maintenance organizations, which encourage more economical ways to deliver quality health care by emphasizing preventive and ambulatory services through internal cost containment mechanisms. Finally, recent medicare and medicaid legislation has attempted to discourage fraud and abuse and encourage greater efficiency in services reimbursed by the Government under these programs.

While I believe these avenues hold great promise, it must be admitted that their full impact will not be felt, nor their success known, for a number of years. Meanwhile, growing public concern over ever increasing rates of inflation requires more immediate action.

Earlier this session, the Carter administration sent to Congress the third in a series of legislative proposals designed to reduce hospital costs by Federal regulation. The bill would place hospitals under a form of price controls whenever their rate of expenditures rose by more than HEW-calculated standards. Thus, the administration's plan to reduce health care costs would focus on Federal revenue caps.

While I share the administration's goal of reducing hospital costs, I believe its proposed solution would do more harm than good. Aside from a disturbing number of technical difficulties in the way the program is designed, the administion's regulatory policy will do nothing to attack the fundamental causes of health cost inflation, which are rooted in the third-party reimbursement system. Establishing an HEW bureaucracy to control hospital expenditures will itself be inflationary. It will lead to anticipatory price increase and higher administrative costs.

It will adversely affect quality of care by arbitrarily limiting national health expenditures and will inject the Federal Government into medical decisionmaking. And it will preclude promising private sector efforts to attack the problem in a nonregulatory fashion such as the voluntary effort and devices promoted in the bill we introduce today.

The administration is attempting to build public support for this simplistic regulatory strategy by making it the centerpiece of its anti-inflationary program. It argues that we do not have time to attack the more basic causes of health care inflation because the problem of general inflation requires more immediate action. Recent evidence, however, has shown that this line of reasoning is deceptive, since the President's cost containment bill will have only a negligible impact on the rate of inflation in the economy as a whole. This point was originally argued by Prof. Martin Feldstein before our health subcommittee. A recent study by Data Resources, Inc., confirming his findings, estimates that the impact of the President's cost containment bill on inflation in the general economy over the next 5 years will be only one-tenth of one percent annually—see table 1. This is understandable since hospital expenses represent only 3.5 percent of the gross national product.

TABLE 1.—RATES OF INFLATION IN THE ECONOMY WITH AND WITHOUT THE ADMINISTRATION'S COST CONTAINMENT BILL

[Annual percentage rates of change CPI—All urban consumers]

	1979	1980	1981	1982	1983	1984
No cost containment program	8.9	7.6	7.1	7.0	6.8	6.6
Administration cost containment program	8.9	7.6	7.0	6.9	6.7	6.5
Difference	0	0	−.1	−.1	−.1	−.1

Source: The Macroeconomic Implications of the Hospital Cost Containment Act of 1979, prepared by Data Resources, Inc. (May 1979).

Thus, we should not be driven into a simplistic regulatory solution to a complex health care problem by the administration's argument. Health care cost inflation is a serious problem in its own right because of the devastating effects medical bills can have on those who bear the brunt of them. While the number of people who actually incur large medical bills is not large in number relative to the entire population, the fact remains that almost everyone in our society is a potential candidate for their devastating effects. As a result of this fear, many pepole are spending large amounts of money on inefficient health insurance protection. In addition, Government expenditures on health through medicare, medicaid, and other public programs are rising so quickly that precious resources are being diverted from other social problems. Thus, we should not be pushed into ineffective regulatory solutions in hopes that they will reduce inflation in the general economy. But we should look for effective long-term solutions to health cost inflation because it squanders resources badly needed in other areas.

THE FUNDAMENTAL CAUSES OF HEALTH COST INFLATION

Contrary to arguments made by the administration, escalating health care costs result not from a lack of regulatory discipline, nor from the unwillingness of the medical community to do something about them. They result from the fact that 90 percent of the Nation's hospital bills are paid by insurance companies or other third-party payors not directly involved in setting the price for that care. An arrangement in which the patient (or consumer) demands a level of service set primarily by the doctor (or supplier), with a third party picking up the tab, represents a "blank check" arrangement that is bound to be inflationary.

In addition, Federal tax laws which allow employers and employees to deduct cost of health insurance premiums have encouraged individuals to purchase as much insurance as possible for routine medical services. Over the last quarter century, the percentage of out-of-pocket expenses paid by the patient once he goes to the hospital has fallen from 50 to 10 percent. Patients, therefore, have little incentive to monitor the cost of services provided by the doctors and hospitals. By the same token, doctors and hospitals have little incentive to monitor costs since insurance companies or other third parties to the arrangement are paying the bills. Ultimately, the cost is borne by the patient in the form of increased insurance premiums.

Another reason for health care cost inflation is a lack of competition in the health care industry. While the reasons are varied and complex, a basic cause is the fact that few individuals have the opportunity to make price-conscious decisions between alternative insurance plans. Generally, an employer makes the choice of a health plan on behalf of his employees. Where alternatives are available, employees do not always realize direct financial benefits for choosing more efficient plans. This lack of competition gives insurers little reason to aggressively control costs.

Clearly, Government-imposed price ceilings will not be an effective solution to this problem. What is needed instead are incentives for the various parties in this structure—patients, doctors, hospitals, and insurance companies—to monitor costs and participate more effectively in health care pricing decisions.

PROPOSED COST CONTAINMENT STRATEGY

Mr. President, our bill will attack the problem of health cost inflation by stimulating competition and encouraging the patient to participate more actively in health care pricing decisions.

Our bill will require that employers with more than 200 full-time employees, as a condition of deducting premium contributions from their gross income, offer their employees the choice of at least three competing health plans.

In addition, certain new tax conditions would apply to any employer regardless of size. The employer would have to make the same dollar outlay for health benefits per employee, whether that outlay went entirely to the employee's insurance carrier or was divided between premium payments and rebates to the employee. If an employee chose a plan whose premium cost was less than the employer outlay per employee, he would be entitled to receive the difference between the outlay and the cost of the plan he chose on a tax-free basis. This would insure that employees receive some direct financial reward for choosing lower cost, more efficient health plans. Throughout this process, the role of collective bargaining agents would be preserved.

In order to encourage the consumer to participate in health pricing decisions, our bill will also require that one of the plans offered by all employers, and by the Government to its employees, contain substantial cost-sharing provisions. At least one offering must contain an annual copayment rate for hospital services of at least 25 percent, effective until an-

nual family medical expenses exceed 20 percent of the family's annual income from wages on self-employment. There is no requirement that any individual enroll in the high copayment option. It will be entirely voluntary. Frequently, however, this plan will have the least expensive premium payments of those offered by the employer. And where the cost is less than the employer outlay, a tax-free rebate would result.

Requiring three health plans to be offered to employees by large firms will work to lower health costs in several ways. Since it is generally the employer who makes the choice of a health benefits plan for his employees, the forces of competition are often precluded from operating within employee groups. If that choice is passed through to the employees themselves, more competitive alternatives will become available. Employees could compare notes and force insurance plans to improve benefits and lower premiums to accommodate their needs.

This process will be encouraged by the availability of tax-free rebates. Competition will also encourage health plans to provide clearer informational material to individual subscribers, thereby enhancing general understanding of the salient differences between various types of plans. "Multiple choice" marketing of health plans will force the insurers to monitor the cost, quality, and overall efficiency of doctors and hospitals in an effort to make premiums and benefits more competitive.

It will thus encourage people to choose the lower cost health plan and thereby promote cost containment even where the patient does not directly pay for the service or is otherwise indisposed to be conscious of price. Finally, multiple choice creates a climate in which innovative health care plans with internal cost containment mechanisms will flourish. Encouraging employees to select a high coinsurance plan will also have significant results.

Studies done by noted health economists have shown that reinvolving the patient in hospital care pricing decisions will result in considerable savings. If third-party payors picked up 85 percent of the hospital bill instead of the present 90 percent, then the dollar value of ineffectual hospital care and testing eliminated by doctors and patients acting together would exceed the Congressional Budget Office's estimates of the administration cost containment plan's savings.

Such a modest change in health care financing would save more than the administration's plan because patient cost-consciousness will be aroused. Currently, for every 10 cents a patient has to pay, a third party pays 90 cents. If the patient paid 15 cents for every dollar's worth of care he received, the third-party payor would finance 85 cents. The financial leverage facing the patient would be fundamentally altered. Instead of each $0.10 patient payment resulting in a $0.90 insurance-side payment, our plan would encourage a 25-percent patient payment and a 75-percent insurance company payment. Bearing a greater percentage of the direct cost, the patient would lower his demand for some health services. There are studies available, however, showing that this should not affect the quality of health care if it is appropriately linked to ability to pay. I have great confidence that patients and doctors working together will be better able to eliminate wasteful medical practices than the Department of Health, Education, and Welfare. One would certainly expect that those with the greatest amount of self-interest in cutting wasteful hospital expenses would do a better job than those far away from the scene. It is for this important reason that the bill rejects the regulatory approach suggested by the administration and seeks instead to increase patient cost consciousness.

COST IMPACT OF PROPOSED COST CONTAINMENT STRATEGY

Table 2 summarizes the estimated annual savings from the bill to Federal, State, and local governments, and to the private sector.

Table 3 states the estimated cost impact over the next 5 years, assuming gradually increased acceptance of the 25-percent copayment option.

TABLE 2.—*Annual fiscal impact of Schweiker comprehensive health plan*

	Billion
I. Federal Government:	
Savings from hospital cost containment [1]	−$2.5
Cost of medicare improvements	0.8
Reduction in tax revenue [2]	1.5
Net savings	0.2
II. State and local government:	
Savings from hospital cost containment [1]	0.7
Reduction in tax revenue [2]	0.2
Net savings	0.5
III. Private sector:	
Savings from hospital cost containment [1]	−4.3
Reduction in taxes	−1.7
Cost of preventive health programs [3]	2.0
Cost of catastrophic pooling program	1.0
Net savings	3.0
Summary of fiscal impact:	
Savings from hospital cost containment [1]	−7.5
Cost of medicare improvements	0.8
Cost of preventive health programs [3]	2.0
Cost of catastrophic pooling program	1.0
Net savings	3.7

[1] Assume that 41 percent of employed population enrolls in 25 percent copayment plan.

[2] Government revenues fall because business deductions rise by $8 billion, reflecting the cost of new expenditures for catastrophic health insurance premiums and preventive health initiatives. Government revenues rise because itemizable deductions for medical expenses falls due to universal catastrophic health insurance.

[3] It is believed that preventive health measures will result in significant systemwide savings due to lower expenses required to treat illness diagnosed early and a reduction in the amount of production lost because of worker illness. But no savings are included as an offset against $2 billion in new preventive expenditures.

TABLE 3.—ANNUAL HOSPITAL EXPENDITURES, 1980-84

[In billions of dollars]

	1980	1981	1982	1983	1984	Total
No plan	93.6	104.9	117.4	131.7	147.9	595.5
Schweiker plan	91.2	100.4	110.4	121.6	134.1	557.7
Savings	2.4	4.5	7.0	10.1	13.8	37.8

HOSPITAL SAVINGS UNDER THE SCHWEIKER COMPREHENSIVE HEALTH PLAN, 1980-84

[In billions of dollars]

Year	Total	Private sector	State and local government	Federal Government
1980	2.4	1.4	0.2	0.8
1981	4.5	2.6	.4	1.5
1982	7.0	4.0	.7	2.3
1983	10.1	5.8	1.0	3.3
1984	13.8	7.9	1.4	4.5
Total	37.8	21.7	3.7	12.4

ASSUMPTIONS

1. Enrollment changeover to 25-percent co-payment option—Percent of privately employed population in: 1980, 18; 1981, 29; 1982, 41; 1983, 53; 1984, 65.

2. Estimates of national hospital expenditures in 1979 and 1984 without a policy change are those provided by the administration.

3. Hospital expenses between 1979 and 1984 grow at a constant rate during the period.

4. An employee who elects the 25-percent co-payment option will order 20-percent less in hospital services than one who has an 18-percent co-payment policy.

5. Doctors will treat medicare and medicaid patients in the same manner as they will treat privately funded patients. Since private patients will be cutting back on their purchases somewhat, doctors will treat publicly funded patients with somewhat lower resources than otherwise, too.

While equal employer contributions with tax deductible premium rebates have not been made available nationally as an incentive to encourage conservation of medical resources, empirical examples do exist of savings being achieved through competition between various plans, copayments for medical expenses, and preventive coverage.

In 1978 the University of California offered several plans to its 80,000 employees. Included among them were first dollar coverage plans, health maintenance organizations (HMO's), and low-option plans with copayments and deductibles. The low-option plan required a $100 deductible and a 20-percent copayment up to a level of $3,100 in medical costs, for employee premium savings over a basic and major medical package of $61 per month. Of the 80,000 employees in the University of California system, 23,000 prefer this plan even though there were no provisions for tax-free premium rebates and they were losing an $11 subsidy per month from the university by choosing the high copayment plan. As an institution, the university did not provide self-insurance for the first $700 of out-of-pocket payment which was required before the plan 100 percent of medical costs, so individuals were willing to bear the risk of paying $700 in order to save $61 per month.

The State of Hawaii also offers an instructive case of competition in health care plans. Hawaii has two dominant medical insurance plans, Hawaii Medical Service Association (HMSA) and

the Kaiser Foundation Health Plan, Inc., an HMO. Competition between these two plans has required emphasis on appropriate utilization of services by its members and cost containment in all areas of health services. While HMSA has been functioning since the 1930's, the Kaiser Foundation only entered the Hawaiian market in 1958. Since the entry of Kaiser, HMSA has expanded its benefits and further emphasized cost containment in order to compete. In 1960 HMSA instituted first dollar coverage for such preventive services as biennial physical examinations, routine well-baby checkups, and immunizations. In addition, Kaiser's presence in Hawaii prompted HMSA to develop its own HMO package. Competition from HMSA, on the other hand, has forced Kaiser to keep its premium rates competitive.

CATASTROPHIC HEALTH INSURANCE

The bill will insure that all Americans have "minimum catastrophic protection" against the cost of all medical expenditures—other than long-term nursing care—over 20 percent of annual family income from wages and self-employment income. For the employed population, tax deductions for insurance premiums will not be allowable unless a plan contains this minimum level of protection. Additional Federal payments will finance catastrophic protection for the elderly under medicare; and a special insurance pooling arrangement will be used for small-firm employees, uninsurable risks, and those without access to health insurance.

CURRENT HEALTH INSURANCE NEEDS

Until recently, there were large numbers of Americans without health insurance. This led to a host of private and governmental efforts to increase the general availability of health insurance coverage. As a result of such efforts, we find that today more than 90 percent of all Americans have access to some form of public or private health insurance coverage. Much of that coverage is inadequate, but the fact that most Americans have some form of insurance coverage is quite significant. It means that the primary challenge facing us today is to reorient existing insurance arrangements rather than supplant them with a Government-run insurance program.

While there are many areas for possible improvement in insurance coverage across the Nation, available statistics indicate that a primary need is to improve protection against the expenses of catastrophic illness. Statistics on the number of Americans without catastrophic coverage range from the administration's figure of 40 percent to the Health Insurance Institute's estimate of 12 percent. Clearly, millions of Americans now live with the fear that a serious injury or illness will lead to bankruptcy, yet a large number of insurance plans do not contain adequate coverage of these costs. As my colleagues are aware, no feature of national health insurance has more popular support or is demanded more often than improved protection against catastrophic health costs.

The need for catastrophic insurance is particularly strong among our elderly citizens who tend to have higher medical expenses than other segments of the population. Current medicare benefits, with high copayments and deductibles, a 150-day hospital confinement limit, and no upper ceiling on patient cost-sharing, give our elderly citizens little protection against very high hospital bills.

Many Americans, moreover, are without any health insurance coverage, not because they do not have access to health benefits plans, but because changes in circumstances have caused their coverage to lapse. Individuals who fall into this "gap" include the temporarily unemployed, children previously covered under their parents' health plans who lose coverage upon reaching the age of majority, and spouses and children covered under a family plan whose health coverage ceases due to the death of an insured head of household. Additionally, many employer plans do not cover spouses and family members.

PROPOSED CATASTROPHIC PLAN

Our bill will insure the availability of catastrophic health insurance protection to the entire population without an additional Federal program and at a cost to the Federal Government of only $0.8 billion. This additional Federal cost will result almost entirely from adding catastrophic benefits to the medicare program. For the rest of the population, catastrophic coverage will be made available through some relatively simple adjustments in the existing private insurance market.

A. FOR EMPLOYED INDIVIDUALS AND THEIR FAMILIES

Rather than establish a Government-run catastrophic insurance program, the bill will utilize the tax code to require health benefits plans of employers with more than 50 employees to contain catastrophic benefits. Under current law, employers may for tax purposes deduct from their gross income any contributions they make for employee health benefits plans. In addition, these employer contributions are not included in the employee's taxable income.

The bill would require that any health benefits plan contain minimum catastrophic coverage if the employer and the employee were to continue to receive the benefit of these deductions and exclusions. For these purposes, minimum "catastrophic" coverage would be defined as complete coverage, without copayments, of medical expenses incurred annually by an individual and his family in excess of 20 percent of the family's annual income from wages and self-employment income. Relevant medical expenses would include inpatient hospital care and certain other medicare-covered expenditures.

The bill uses a percentage of annual income as the catastrophic threshold rather than a fixed dollar level because I believe any determination of which expenses are catastrophic in nature depends on family income. A $10,000 hospital bill might not impair the well-being of a wealthy family, but it would create unbearable financial strain for a family with a $15,000 income. For reasons of equity, then, catastrophic expenses should be measured in proportional terms, reflecting differences in the ability to pay a hospital bill of a given size. Moreover, by limiting the definition of income for wages, or income for self-employment in lieu of wages, problems of administering an income-related threshold should be minimized.

Available information indicates that catastrophic benefits, when added to existing health insurance policies, are relatively inexpensive, depending on the level of underlying basic coverage. Therefore, most large employers would probably be able to absorb the cost of these additional benefits without undue hardship. However, the bill would not specify who would pay the cost of these health insurance premiums. That decision would be left to the collective bargaining process.

B. FOR EMPLOYEES OF SMALL FIRMS AND OF THOSE WITHOUT EMPLOYER HEALTH PLANS

For those who work for small employers—fewer than 50 employees—and for those without access to any employer health benefits plan, my bill would use a "pooling mechanism" to provide catastrophic health insurance protection.

Toward this end, my bill would provide that insurance carriers would be required, as a condition of participating in Federal health programs such as medicare and medicaid, to enroll such individuals in proportion to their business in any State. States would be encouraged to set up programs to keep track of whether insurance companies were meeting this obligation and to assign to carriers individuals without access to employee health plans.

Alternatively, insurance carriers in a State could set up and administer their own pooling mechanism if they wished. Since its mechanism would in effect make these enrollees members of larger groups, the cost of their premiums would in most cases be low enough for them to afford. However, the bill would specify that premiums charged such individuals could be no higher than 125 percent above the rate charged to large group enrollees for similar protection in the same geographic area.

It is generally difficult for individuals who do not belong to large employee groups to purchase catastrophic or other health insurance protection at a reasonable premium. This is because large groups require lower marketing costs. They also enable insurance companies to estimate risks more accurately and spread those risks across a large number of individuals. Thus, in order to make catastrophic insurance available to individuals who are not members of large employee groups without resorting to a Government insurance program, a mechanism must be used to include small or nongroup enrollees in larger insurance pools.

An additional function of this mechanism would be to relieve small employers of the additional paperwork and cost of administering a catastrophic health benefits plan.

The pooling mechanism could not be used by individuals eligible for catastrophic insurance under Government plans, such at medicare, medicaid, or veterans' health benefits.

The catastrophic threshold and definition of medical services is defined in the same way as it is for large employer health benefits plans.

C. MEDICARE

Under current medicare law, an individual must not only pay a $160 deductible under part A and a $60 deductible under part b, but he must also continue to bear a portion of his hospital costs through ongoing copayments, regardless of how large his medical expenses become. These copayment rates include $40 per day for the 61st through the 90th day per benefit period and $80 per day for the 60-day lifetime reserve. Medicare will not pay hospital costs after the 150th day. These limitations clearly do not provide adequate protection against the costs of catastrophic illness for our Nation's elderly.

The bill would eliminate the 150-day hospital confinement limit and revise the current copayment provisions. An individual would have to pay 20 percent of the cost of hospital care regardless of how many days he was in the hospital except that once coinsurance payments under parts A and B reached 20 percent of income in any 1 year, all coinsurance requirements would cease.

The additional cost to the Federal Government of these provisions would be about $0.8 billion per year.

D. UNINSURABLE RISKS

Any individual who could not get catastrophic insurance in the private marketplace at a reasonable cost because of poor health would be eligible to participate in the pooling mechanism outlined above. A maximum premium cost would be defined as 125 percent of large group rates in the geographic area. Any additional expenses would be borne by the insurance plan itself but should not inordinately raise premium rates since the number of individuals involved is relatively small.

E. TEMPORARILY UNEMPLOYED, SPOUSES, DEPENDENTS, AND THOSE WHO LOSE COVERAGE DUE TO CHANGE OF CIRCUMSTANCES

The bill would further condition employer deductions and employee exclusions on "extension of coverage" provisions. An individual would have to remain covered for at least 6 months after termination of employment if he had been on the job and enrolled in the plan for at least 30 days. In addition, spouses and children under the age of 25 would have to be covered by catastrophic benefits and remain covered for at least 6 months in the event of the death of the employee-policyholder.

HEALTH PROMOTION—DISEASE PREVENTION BENEFITS

In addition to a cost containment mechanism and plans for catastrophic coverage, the plan contains a health promotion-disease prevention benefit package. Prevention is the most effective method for cost containment, and the cost of prevention itself is usually extremely low relative to the cost of medical care for the disease in question. Preventive measures are also indicated since for many diseases our therapies remain imperfect and total cures are not yet possible.

The bill includes six prevention benefits: maternal care, "well-baby" clinic services, childhood immunizations, hypertension screening, cervical cancer screening, and periodic health examinations.

The National Center for Medical Statistics reports that between 1930 and 1945 medical advances permitted the average life expectancy to increase by almost 6 years; during the 1945 to 1960 interval life expectancy increased by approximately 4 years; and most recently between 1960 and 1975 the increase was less than 3 years. Conversely, the cost of health care and hospitalization has increased exponentially in recent years. The total cost of illness, which includes estimates of the short- and long-term medical cost of disease as well as the wages lost to illness and the effect on gross national product, has increased dramatically. In 1963 the total cost of illness was $93.5 billion whereas in 1972 it was $188.8 billion. In summary, a dollar spent on medical care is buying less and less in terms of national health.

Two types of preventive measures offer great promise for containing health costs and improving both the length and quality of life. Primary prevention measures when applied to the healthy, general population prevent the development of certain diseases. Secondary prevention measures are screening procedures that detect the presence of early disease in the population, thereby permitting early treatment and preventing serious morbidity and mortality from the disease. At a time when Federal budgetary austerity is limiting the amount of resources available for national health missions, we must be diligent in our efforts to insure that these limited means are used to improve health in the most effective manner. It is interesting to note that in 1976 the Federal expenditure for all prevention and health promotion programs, including environmental programs, was only 2.6 percent of the total Federal expenditure for health care and research.

Prevention and promotion measures, aside from the traditional public health procedures that deal with sanitation and immunization, are a relatively new and underdeveloped approach to health. A number of preventive interventions, such as alterations in the environment, socioeconomic status or family structure, are beyond the scope of our current health care system or are not presently amenable to legislative action. In other health care areas we have not yet developed sufficiently reliable or proven prevention techniques for inclusion in a general health plan. For example, behavioral-based health problems such as smoking, alcohol, or drug abuse, and violence, are difficult to prevent by the available health education methods. Nevertheless, it makes no sense to wait for all of the answers; we should move ahead with preventive programs of proven value.

The six preventive health benefits in the bill must be provided in the insurance plans offered by employers who seek special tax status, as well as in plans offered under the State-administered pooling arrangements. These benefits offer a combination of primary and secondary preventive measures.

First, the health insurance plans will be required to offer maternal care, that is, medical examinations, treatment, and counseling for pregnant women, delivery service, and post partum care. Infant mortality in the United States is excessive: Over 50,000 infant deaths occur each year. One of several responsible factors is inadequate pre- and post-natal care. This tragic problem is also addressed by the second benefit is my plan: The provision of newborn care and well-baby clinic services during the first year of life. These measures are necessary to prevent and treat the nutritional and infectious problems that are a major health problem for infants and children.

In addition, well-baby services permit the detection of congenital deformities and diseases and allow the early application of corrective procedures to prevent lifelong disability. Also included in the benefit package are vision and hearing examinations for children between the ages of 2 and 6 years. The third benefit directed to child health is the provision for childhood immunizations including DPT, polio, measles, mumps and rubella. The value of this program for the prevention of death, suffering, and deformity has been proven over several decades. In the early 1950's, 20,000 Americans were afflicted each year with poliomyelitis and the consequent burden of illness in dollars and quality of life was enormous.

During the 1970's, following the use of polio vaccines, the total number of polio victims has been less than 100. Whooping cough, diphtheria, tetanus, and smallpox have been nearly eradicated by immunization. The incidence of measles has declined from 442,000 cases in 1960 to 24,000 cases in 1975. The importance of these statistics is illustrated by the fact that 1 of every 1,000 children with measles will die and in 1964 rubella caused 20,000 permanent congenital defects in the offspring of infected mothers. However, we must take note of a disturbing trend; namely, that participation in immunization programs is declining. If this trend is not reversed the unexposed and nonimmunized children will be at a risk for major and costly epidemics of these diseases.

The final three prevention benefits are directed to the adult population. Hypertension screening will be provided over the lifespan starting with teenagers. Cardiovascular disease is the leading cause of death and contributes the major burden of illness in this country; hypertension, in turn, is one of the most common and damaging forms of cardiovascular disease. It is estimated that over 25 million Americans have high blood pressure and that at best 40 to 45 percent of these are receiving adequate treatment. Hypertension was calculated to contribute $16

billion to the cost of illness in 1975. The estimated annual savings to the national economy by successfully treating all hypertensives would be approximately $6 billion. Since the cost of detection and treatment programs are estimated at about $5 billion, this translates to a net yearly benefit of $3 billion.

The second adult prevention program provides screening for cervical cancer in women by means of the pap smear test. Cancer detection and control studies indicate that the best cancer prevention investment, in terms of initial dollar effects on a cost-effective ratio, is the detection of cervical cancer.

Finally, the bill would provide periodic health examinations and counseling for the adult population. Counseling services include education about health promotion measures—that is, diets, methods to stop smoking or drinking and exercise programs—as well as the explanation of therapeutic programs for diseases discovered during screening—that is, blood pressure control programs or management of diabetes.

We have left the ultimate parameters of these preventive services flexible, to be updated by HEW regulations, so that the changing state of the art in preventive care can be accommodated.

Although the cost effectiveness of periodic exams in the well population is still controversial, the continuing advent of new diagnostic and screening techniques and continuing therapeutic advances should progressively enhance the potential benefits of periodic examinations.

A relative lack of previous experience with national efforts at providing prevention programs makes it very difficult to cost account this prevention-promotion package. Many people in the well population, particularly the young, are already receiving some of these services, but for the most part they are paying for this out of pocket or are receiving benefits as part of an HMO plan. The provision of these services as benefits in a health insurance plan would insure utilization of a wider scope of prevention programs by a larger segment of the population. Estimates provided by the private health insurance industry indicate a per capita cost of between $2 to $10 per year for adults and approximately $10 per year for children. I estimate that the total yearly cost to the private sector for this preventive package will be approximately $2 billion. The provision of counseling services as an adjunct to the medical and screening services contained in the package would probably cost an additional $7 per capita.

If these preventive health measures were followed nationwide, they almost certainly would pay for themselves. First, there is the obvious savings from the early diagnosis of a problem with minimal financial outlay, thereby eliminating large therapeutic and disability expenses in the future.

Second, preventive health programs eliminate some of the major reasons for lost production in our economy. Lost production from sick leave exceeds that from labor strikes by an overwhelming factor. Finally, there is the very human factor behind preventing illness. When the incidence of illness falls, fewer Americans must suffer its debilitating physiological and psychological effects. I feel these three savings make an overwhelming case for preventive medicine.

Cost effective studies are underway for prevention programs and clear effectiveness has been demonstrated for programs such as maternal care, immunization and hypertension screening. One must bear in mind that short-term savings in dollars are not likely with preventive measures. The payoff is long term through the prolongation of life—avoidance of premature death—and improvement in the quality of life. The bill recommends using the savings from hospital cost containment to finance this innovative preventive health program. Increasing patients' cost consciousness in the manner that I have outlined earlier will lower national hospitalization expenses by approximately 6 percent annually.

CONCLUSION

In sum, Mr. President, I believe that in national health policy we are faced with three primary interrelated needs—cost containment, catastrophic health insurance, and preventive care—which must be addressed with a unified, comprehensive program. Our bill will attempt to do just that.

The fundamental cause of rampant health cost inflation and lack of catastrophic and preventive health insurance benefits is a noncompetitive third party reimbursement system weighted too heavily toward first-dollar hospitalization coverage. Scarce resources and disenchantment with Government regulation make it unlikely that yet another public program will be the solution.

In this situation, we can use tax incentives to offer Americans a tradeoff: If they are willing to pay slightly more in copayments for low-cost medical care, they can save enough money to obtain catastrophic protection and preventive care. In addition, they can stop the health cost inflationary spiral without new Government regulation. We can also use tax incentives to help restore competition to health care by giving our citizens a greater variety of health insurance choices and insuring that they will save money on premiums if they choose more efficient providers of care.

I believe this approach to be more realistic, more effective, and clearly less costly than the Government regulation route. I look forward to working with my colleagues in the House and Senate, and with all interested parties, to further perfect the legislative language of the bill.

As we pursue the debate on hospital cost containment and national health insurance for the remainder of this session, I intend to advocate as forcefully as I can this nonregulatory approach to insuring that all Americans have access to quality health care at a reasonable cost.

Mr. President, I ask unanimous consent to print in the RECORD the text of the bill we introduce today at the conclusion of the detailed summary.

There being no objection, the summary and bill were ordered to be printed in the RECORD, as follows:

S. 1590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Health Care Reform Act".

TITLE I—COST CONTAINMENT INCENTIVES

SEC. 101. The Public Health Service Act is amended by adding the following new title at the end thereof:

TITLE XIX STANDARDS FOR HEALTH BENEFIT PLANS

"PART A—COST CONTAINMENT INCENTIVES

"CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1901. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contributions by an employer, to a health benefit plan for his employees, unless such employer meets the requirements of this part.

"COPAYMENT OPTION

"SEC. 1902. (a) An employer must offer to his employees at least one group health benefit plan for inpatient hospital services (notwithstanding any other health benefits available to an employee) having an annual copayment for hospital services, to be paid by the employee, of at least 25 percent, except as provided in subsection (b).

"(b) The copayment requirement of subsection (a) need not apply with respect to a period—

"(1) beginning with the date on which an employee and his spouse and dependent children covered under the plan have incurred out-of-pocket medical expenses during a calendar year in an amount in excess of 20 percent of the combined income of such individuals from wages and net earnings from self employment during the preceding calendar year, and

"(2) ending on the last day of such calendar year.

"(c) For purposes of this section, the term 'medical expenses' means expenses incurred for—

"(1) inpatient hospital services (as defined in section 1861(b) of the Social Security Act);

"(2) post-hospital extended care services (as defined in section 1861(i) of such Act);

"(3) home health services (as defined in section 1861(m) of such Act);

"(4) medical and other health services (as defined in section 1861(s) of such Act); and

"(5) prescription drugs and biologicals.

"(d) The requirements of this section shall apply to an employer only to the extent that such a plan is available.

"EMPLOYER CONTRIBUTION AND EMPLOYEE REBATES

"SEC. 1903. (a) If an employer makes an expenditure for any group health benefit plan offered by such employer on behalf of his employees, such employer shall make the same expenditure with respect to each plan per employee enrolled in such plan, regardless of the actual premium cost.

"(b) If an employer's expenditure under this section is more than the premium cost of the group health benefit plan selected by an employee, the employee shall receive the excess of the employer's expenditure amount over the premium cost, in cash or other benefits from the employer. Such amount

shall not be considered income to the employee in accordance with section 106 of the Internal Revenue Code of 1954.

"(c) No employer shall unilaterally lower the amount of his expenditure for health benefit plans per employee offered by such employer after the effective date of this title, except for the purpose of complying with subsection (d).

"(d) No employer shall expend an amount for a health benefit plan on behalf of an employee in excess of the premium cost of the most costly group health benefit plan offered by such employer in which at least 10 percent of his employees are actually enrolled at the time that the expenditure is made.

"MULTIPLE CHOICE OF HEALTH PLANS

"SEC. 1904. (a) Each employer having at least 200 full-time employees shall make available to his employees a choice of not less than three health benefit plans, each of which meets the requirements of this title and each of which is offered by a different carrier.

"(b) The requirements of this section shall apply to an employer only to the extent that such plans are available.

"(c) For purposes of this title the term 'full-time employee' means an employee who works for any one employer at a rate of at least 25 hours per week, and has been such an employee for more than 30 days.

"RIGHTS OF COLLECTIVE BARGAINING REPRESENTATIVE

"SEC. 1905. (a) If any of the employees of an employer are represented by a collective bargaining representative or other employee representative designated or selected under law, offer of the group health benefit plan described in section 1902—

"(1) shall first be made to such collective bargaining representative or other employee representative, and

"(2) if such offer is accepted by such representative, shall then be made to each such employee.

"(b) Failure of a collective bargaining representative to accept such a plan shall not relieve the employer or employees of any requirement of this title for purposes of the Internal Revenue Code.".

TITLE II—CATASTROPHIC ILLNESS INSURANCE

SEC. 201. Title XIX of the Public Health Service Act (as added by title I of this Act) is amended by adding at the end thereof the following:

"PART B—CATASTROPHIC ILLNESS INSURANCE

"EMPLOYER PLANS—CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1921. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contribution by an employer, having 50 or more full-time employees, to a health benefit plan for his employees, unless such plan meets the requirements of sections 1922 and 1923.

"MINIMUM CATASTROPHIC BENEFITS

"SEC. 1922. (a) A health benefit plan shall provide for payment, without any cost sharing by any individual covered under the plan, for medical expenses incurred by any employee or his spouse or dependent children covered under the plan with respect to any period—

"(1) beginning with the date on which such employee and his spouse and dependent children covered under the plan have incurred out-of-pocket medical expenses during a calendar year in an amount in excess of 20 percent of the combined income of such individuals from wages and net earnings from self employment during the preceding calendar year, and

"(2) ending on the last day of such calendar year.

"(b) For purposes of this section the term 'medical expenses' means expenses incurred for—

"(1) inpatient hospital services (as defined in section 1861 (b) of the Social Security Act);

"(2) post-hospital extended care services (as defined in section 1861(i) of such Act);

"(3) home health services (as defined in section 1861 (m) of such Act);

"(4) medical and other health services (as defined in section 1861(s) of such Act); and

"(5) prescription drugs and biologicals.

"COVERAGE FOR DEPENDENTS; CONTINUITY OF COVERAGE

"SEC. 1923. (a) (1) A health benefit plan shall provide the coverage required under section 1922 to the employee, and to his spouse and any of his dependent children (up to the age of 21) for whom he wishes to provide coverage under the plan, without regard to any pre-existing medical condition.

"(2) For purposes of this title a dependent child of an employee is an individual who is a child of such employee, and is a dependent of such employee within the meaning of section 152 of the Internal Revenue Code of 1954.

"(b) The plan shall continue coverage for covered individuals for a period of 6 months after the member employee becomes unemployed, ceases to be a full-time employee, or dies. Such coverage shall be continued in the same manner and subject to the same conditions as when such member employee was a full-time employee, but the plan may discontinue such coverage if the member employee becomes eligible to enroll in a plan as an employee of another employer or obtains equivalent catastrophic coverage. This subsection shall not apply to a member employee who was an employee for a period of less than 30 days.

"CARRIER POOLING REQUIREMENTS FOR CERTAIN INDIVIDUALS

"SEC. 1924. (a) Every carrier shall enter into an arrangement in each State in which it conducts business for the purpose of providing catastrophic illness insurance and preventive care coverage to those individuals in such State who are not eligible for a group health benefit plan meeting the requirements of this part and part C of this title, and are not eligible for a government program of health care. Such arrangements shall be made by the States or by mutual agreement among carriers.

"(b) Arrangements required under subsection (a) shall provide that—

"(1) individuals described in such subsection are assigned on an equitable basis to carriers;

"(2) each carrier shall provide coverage, which meets the requirements of section 1922 and part C of this title, to such individuals;

"(3) the proportion of such individuals assigned to a particular carrier in a State shall be equal to the proportion of the health benefit business provided in such State by such carrier; and

"(4) the premium cost to the individual for a health benefit plan under this section shall not exceed 125 percent of the premium cost of comparable group health benefit plans offered in the same geographic area.

"(c) For purposes of this title the term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the insurer, including a health benefit plan duly sponsored or underwritten by an employee organization.

"(d) Any carrier that fails to meet the requirements of this section shall not be permitted to participate in any health benefits program paid for in whole or in part with Federal funds.".

MEDICARE COVERAGE FOR CATASTROPHIC ILLNESS

SEC. 202. (a) Section 1812(a)(1) of the Social Security Act is amended to read as follows:

"(1) inpatient hospital services;".

(b) Section 1812(b) of such Act is amended—

(1) by striking out "(subject to subsection (c))";

(2) by striking out paragraph (1); and

(3) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) Section 1812(c) of such Act is repealed.

(d) Section 1812(e) of such Act is amended by striking out "(c)," and by striking out "inpatient hospital services,".

(e) Section 1813(a)(1) of the Social Security Act is amended—

(1) by inserting "(A)" after "SEC. 1813. (a)(1)";

(2) by striking out all that follows the first sentence thereof; and

(3) by adding at the end thereof the following new subparagraph:

"(B) Such amount shall be further reduced by a coinsurance amount equal to 20 percent of the charges imposed with respect to such individual for such services, but only for days which are not within a benefit period with respect to that individual (as defined in section 1861(bb)).".

(f) Section 1833(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) in the case of all services described in section 1832(a) which are rendered during a benefit period (as defined in section 1861 (bb)), 100 percent of the reasonable charge, reasonable cost, customary charge, or other criteria (as the case may be) as those criteria are otherwise determined for such services under this section.".

(g) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"Benefit Period

"(bb) The term 'benefit period' means, with respect to any individual, a period during any calendar year—

"(1) beginning with the day on which the total expenses incurred by that individual (and not reimbursed under this title) during the calendar year for services for which any benefits under this title are payable, exceeds 20 percent of such individual's income from wages and net earnings from self-employment for the preceding calendar year, and

"(2) ending on the last day of such calendar year.".

TITLE III—PREVENTIVE CARE

SEC. 301. Title XIX of the Public Health Service Act (as added by titles I and II of this Act) is amended by adding at the end thereof the following part:

"PART C—PREVENTIVE CARE

"CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1941. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business

expenses), and no exclusion shall be allowed under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contributions by an employer, having 50 or more full-time employees, to a health benefit plan for his employees, unless such plan meets the requirements of this part.

"PREVENTIVE CARE SERVICES

"SEC. 1942. (a) A health benefit plan shall provide coverage for the following services (as defined by the Secretary in regulations) to individuals covered under the plan—

"(1) comprehensive maternal care;

"(2) newborn and childhood screening and counseling for heritable and acquired diseases;

"(3) vision and hearing examinations for children;

"(4) childhood immunizations;

"(5) hypertension screening and counseling for adults;

"(6) screening and counseling for cervical cancer; and

"(7) periodic health examinations for adults.

"(b) The Secretary shall establish age and sex parameters with respect to the requirements of subsection (a), which shall be reviewed and updated where appropriate on a biennial basis.

"CARRIER POOLING REQUIREMENT

"SEC. 1943. Any carrier entering into an arrangement under section 1924 of this Act shall provide preventive care coverage meeting the requirements of this part to those individuals for whom such carrier is required to provide coverage under such arrangement.".

TITLE IV—INTERNAL REVENUE CODE AMENDMENTS

SEC. 401. Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and inserting after subsection (g) the following new subsection:

"(h) LIMITATION ON DEDUCTION OF COST OF HEALTH BENEFIT PLANS.—No deduction shall be allowed under subsection (a) for expenses paid or incurred by an employer in providing a health benefit plan for his employees, their spouses, or their dependents, unless such employer complies with the provisions of title XIX of the Public Health Service Act, to the extent such title applies to such employer. If a deduction is allowed under subsection (a) for such contributions, such deduction shall include any cash payment or other benefit made by the employer to the employee under section 1903 of the Public Health Service Act.".

SEC. 402. Section 106 of the Internal Revenue Code of 1954 (relating to contributions by employer to accident and health plans) is amended to read as follows:

"SEC. 106. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS

"(a) IN GENERAL.—Gross income does not include—

"(1) contributions by the employer to accident or health plans for compensation (through insurance or otherwise) to his employees for personal injuries or sickness, or

"(2) contributions by the employer to his employees as required under section 1903 of the Public Health Service Act.

"(b) PUBLIC HEALTH SERVICE ACT REQUIREMENTS.—The exclusion provided by subsection (a) shall not apply to contributions to a health benefit plan by an employer, or to contributions described in subsection (a)(2), unless such employer meets the requirements of title XIX of the Public Health Service Act, to the extent those requirements are applicable to such employer.".

TITLE V—EFFECTIVE DATES

SEC. 501. (a) Except as provided in subsections (b) and (c), the amendments made by this Act shall be effective with respect to taxable years beginning after December 31 of the year in which this Act is enacted.

(b) If, at the time the amendments made by this Act (other than those made by section 202) become effective, an employer has in effect a health benefit plan for his employees which is an item covered under a collective bargaining agreement, such amendments shall not be effective with respect to such employer until such time as the collective bargaining agreement expires, or January 1, 1982, whichever is earlier.

(c) The amendments made by section 202 of this Act (relating to title XVIII of the Social Security Act) shall become effective on the first day of the first calendar month beginning more than six months after the date of the enactment of this Act.●

SUMMARY OF THE COMPREHENSIVE HEALTH CARE REFORM ACT OF 1979

I. BASIC PRINCIPLES

The bill addresses the health care issues of hospital cost containment, catastrophic health insurance, and disease prevention in a comprehensive and consistent manner.

It does so, not with further regulation or by setting up costly new government programs, but by rearranging federal tax incentives to attack the root cause of all three problems: a third-party reimbursement system, subsidized by federal tax deductions for health insurance premiums, that is noncompetitive and too heavily oriented toward providing first-dollar insurance coverage used primarily for short-term hospital care.

Under this "third-party reimbursement system," 90 percent of all hospital bills are currently paid by insurance plans or government programs. Consequently, neither patients, doctors, nor hospitals have adequate incentives to hold down the prices of health care. Escalating costs, in turn, lead people to demand more insurance coverage for the relatively low-cost hospital services they encounter most often—broadening the range of services subject to third-party reimbursement but leaving people unprotected against the less frequently encountered catastrophic or preventive care expenses. Moreover, there is little competition in the health care system to help break this inflationary spiral.

The bill will change the third-party reimbursement system in a way that will attack the problems of rising costs, inadequate catastrophic coverage, and limited availability of preventive care.

(1) *To reduce health cost inflation, it will*—

(a) Encourage competition by requiring large employers, as a condition of deducting premium contributions from their gross income, to offer their employees the choice of at least *three* competing health plans.

(b) Encourage the patient to participate more actively in hospital service pricing decisions by requiring that at least *one* employee health plan offered by all employers contain a 25% cost-sharing provision for hospital services, effective until medical expenses exceed 20% of family income from wages and self employment. The employer would have to make this option available to his employees in order for the premium costs of any health plan he offers to be deductible from his gross income.

(c) Ensure that employees will receive a direct financial reward for choosing a high-deductible or other low-cost health plan in the form of tax-free premium rebates.

(2) *To provide all Americans with a minimum level of catastrophic protection*, the bill will utilize a combination of (a) additional prerequisites for tax deductible insurance plans, (b) state-administered insurance pooling arrangements, and (c) increased Medicare benefits.

(3) *To encourage preventive care* the bill will require that all insurance plans receiving favorable tax treatment contain a specified minimum level of health promotion/disease prevention benefits, without copayments.

COST IMPACT

Total new *federal outlays* under the plan would be approximately $.8 billion per year, primarily for new medicare benefits. Projected *savings* to the federal government from the additional copayment provisions alone would be $2.5 billion per year.

The *cost* to the *private sector* will be about $3 billion per year. This will be offset by projected savings to the private sector from the annual copayment provisions alone of approximately $5 billion per year.

Therefore, the bill will offer the American people a tradeoff: if they are willing to share a little more or their short-term hospital costs through copayments, they can save enough money to obtain catastrophic protection and preventive care.

II. COST CONTAINMENT PROVISIONS

A. *To encourage competition:*

In order for an employer to deduct his contributions to employee health benefits plans from his gross income for federal tax purposes—

1. If he has more than 200 full-time employees, he must offer them the choice of at least three health insurance plans. Each must be sponsored by an independent organizational entity.

2. An employer, regardless of the number of employees he has, must make the same dollar outlay for health benefits per employee (whether that outlay goes entirely to the employee's insurance company or is divided between premium payments to the insurance company and rebates to the employee.) An employer's outlay per employee for health benefits (though usually referred to as "employer contribution") is a known category and would not be hard to determine for purposes of administering the law. It is an amount set by the employer in advance on an annual basis through negotiations with employee representatives.

In addition:

Outlays per employee could not be lowered after the bill's effective date.

Outlays per employee could not exceed the amount of the highest cost plan actually selected by at least 10% of the employees. (This will ensure that an employer can not use an artificially high outlay level to funnel tax free income to employees.)

3. If an employee chooses a plan whose premium cost is less than the employer's outlay per employee, he will be entitled to receive the difference between the outlay and the cost of the plan on a tax-free basis (or he could receive the payment in the form of other tax-free fringe benefits). Currently, few employers pass on such premium savings directly to their employees, giving them little incentive to choose lower cost plans.

EXAMPLE 1

	Plan 1	Plan 2	Plan 3
Total premium cost	$2,000	$1,000	$500
Employer contribution to plan	2,000	1,000	500
Employee contribution to plan	0	0	0
Refund to employee (employer outlay minus total premium cost)	0	1,000	1,500

Note: Employer's total outlay per employee, $2,000.

EXAMPLE 2

	Plan 1	Plan 2	Plan 3
Total premium cost	$1,000	$500	$250
Employer contribution to plan	600	500	250
Employee contribution to plan	400	0	0
Refund to employee (employer outlay minus total premium cost)	0	100	350

Note: Employer's total outlay per employee, $600.

4. The definition of health plans that must be offered is very broad. Generally, it includes all standard insurance arrangements certified under state laws, as well as health maintenance organizations and prepaid group practices.

5. The rights of collective bargaining agents are preserved by requiring that health plan alternatives be offered to the employees through them.

B. *Consumer Cost-Sharing:*

In order for any employer to continue to deduct any health insurance contributions from gross income, he must offer his employees at least one plan which includes an annual copayment rate for hospital services of at least 25%, effective at least until annual medical expenses exceed 20% of family income from wages or self-employment. The availability of tax free rebates (described above) will encourage employees to select this option, since it will frequently have a much lower premium cost than the other plans offered. A 25% cost-sharing plan would also have to be offered to government employees.

Cost impact

Negligible cost to federal and state governments.

$7.5 billion per year *savings* to the health system as a whole ($2.5 billion to the federal government and $5 billion to the private sector.)

III. CATASTROPHIC PROVISIONS

A. *For large-firm employers and their families*—

1. In order for premium costs to be tax deductible by employers or employer contributions to be tax exempt for employees, the plan for which the premium was paid must contain a minimum level of catastrophic protection for the employees *and their families*. Also, catastrophic coverage *must* continue for at least 6 months after an employee left the job.

2. This requirement will apply only to firms with more than 50 full-time employees and only to policies covering full-time employees.

3. The minimum level of catastrophic coverage will be full payment of all "medical expenses" (as defined under Medicare, excluding long-term nursing home care) incurred annually in excess of 20% of family income from wages or self-employment.

Cost impact

Negligible cost to federal and state governments.

Negligible cost to private sector but $6 billion financing burden shifted from employees to employers.

B. *For small firm employees (less than 50 employees), uninsurable risks, self-employed, and those without government or private insurance*—

1. States in cooperation with insurance carriers, will be encouraged to set up a mechanism for equitably assigning such individuals to insurance companies or carrier-sponsored insurance pools.

2. In order to continue participating in federal programs, an insurance company will have to enroll assigned individuals to provide them at least with catastrophic protection (as defined in section A, above). The premiums charged to assigned individuals can be no more than 125% of their comparable large-group rates for similar protection in the same geographic area.

Cost impact

Negligible cost to federal and state governments.

$1 billion cost to private sector.

C. *For the Elderly*—

Medicare will be restructured to provide catastrophic benefits.

Under current law, an individual must pay a $160 deductible under part A (hospital insurance) and a $60 deductible under part B (physician services insurance). There are also copayment requirements for hospital care: $40 per day for the 61st through the 90th day, and $80 per day for days he draws from a 60-day lifetime reserve. There is also a 150-day limit on covered hospital days.

The bill eliminates the 150-day limit and revises the copayment rates. An individual will have to pay 20% of the cost of hospital care regardless of the number of days he is in the hospital. However, once part A and B copayments reach 20% of annual net income in any one year, all copayment requirements would cease.

Cost impact

$0.8 billion per year to federal government.

IV. PREVENTIVE BENEFITS

In order for an employer to deduct the costs of health insurance premiums or an employee to exclude employer contributions from taxed income, the plan for which the deduction is claimed must contain:

1. Comprehensive (prenatal and perinatal) maternal care;
2. "Well-baby" clinic services, newborn nursery screen, vision and hearing exams;
3. Childhood immunizations;
4. Hypertension screening;
5. Cervical cancer screening; and
6. Periodic physical examinations.

Cost impact

Negligible cost to state and federal governments.

$2 billion per year cost to private sector.

This requirement would apply only to firms with more than 50 employees. Employees of firms with less than 50 employees would receive these preventive benefits through the state-administered pooling mechanism described in section III. B above. The individuals eligible for the pooling arrangement would also receive the preventive benefits, with the same 125% premium cap that applies to catastrophic benefits.●

● Mr. BELLMON. Mr. President, I am pleased to cosponsor the comprehensive health care reform proposal offered by the distinguished senior Senator from Pennsylvania. I congratulate him for the leadership he has shown in developing an innovative approach to the problem of health cost containment and the need to restructure health financing in this country.

There can be no doubt that we must control spiraling health costs. Federal expenditures for health care have been doubling every 5 years since the enactment of medicare and medicaid legislation in 1967. Within the past 5 years, the cost of an average patient day in an acute care hospital has nearly doubled while the overall Consumer Price Index has increased less than 50 percent.

Mr. President, I am pleased that the proposal offered by Senator SCHWEIKER addresses the basic causes of health cost inflation. There is a widespread consensus among health economists that third party reimbursement has reduced incentives on the part of both providers and consumers to be cost conscious. Over the last quarter century, the percentage of out-of-pocket costs paid by patients admitted to a hospital has declined to about 10 percent. Thus, there is little incentive for patients to monitor costs or to seek low-cost options for either care or health insurance. Physicians and hospitals have little incentive to monitor costs since they are reimbursed for all costs regardless of whether or not these costs are competitive with other providers.

Several proposals have been offered to control health cost inflation. These can be classified into two basic approaches: greater governmental regulation and increased competition and market incentives. In the past few years, major attempts have been made to control costs through expanded Federal and State regulation. This includes various Federal limits on reimbursements and other attempts to "fine tune" reimbursement methods, professional standards reviews (PSRO's), health planning activities and State rate review programs.

To date, there is very little evidence that these efforts at cost containment have been effective in moderating the rate of inflation in health services. For example, a recent Congressional Budget Office study found little evidence that PSRO's were cost effective. I find it ironic, Mr. President, that there are strong efforts to expand Federal regulation in the health area at the same time that we are admitting that regulation in other sectors of the economy has failed to contain costs and maximize benefits to the public.

There is compelling evidence, however, that competition can be effective in containing health costs and promoting more efficient utilization of health resources. The State of Hawaii represents a clear case in which competition has served to keep costs under control. Hawaii has two large medical insurance plans, Hawaii Medical Services Association (HMSA) and Kaiser Foundation health plan, which compete for health business. As a result of this competition, hospital costs in Hawaii are only about 70 percent of the national average despite the fact that costs of other goods and services tend to be above averages on the mainland.

In the Minneapolis-St. Paul metropolitan area, seven HMO's compete with traditional fee-for-service providers for a share of the local health-care market. For 1979, total patient revenue for hospitals in this area is predicted to increase by about 9.8 percent compared to 12.8 percent nationally. This rate of increase is less than that being suggested by the administration in its proposed hospital revenue cap legislation. In addition to the Twin Cities area, there is evidence that growing competition between HMO's and traditional providers is helping to moderate costs in Seattle, Denver, and sections of California where HMO's have achieved significant penetration in the health care market.

Mr. President, the approach being proposed by Senator SCHWEIKER will be rel-

atively simple and easy to administer. It requires that any insurance program contain three basic provisions in order for the premiums to qualify for business or individual tax deductions. First, all large employers (over 200 employees) must offer at least three competitive health insurance plans, including, where possible, an HMO plan. The options offered to employees must include one which contains a 25 percent cost-sharing provision for hospital services up to 20 percent of total family income. Employer contributions must be the same regardless of which option the employee selects and employees who choose low-cost options receive any savings below employer contributions as nontaxable income. Second, all plans must include catastrophic protection for costs which exceed 20 percent of family income. (Medicare benefits are expanded to provide for a 20 percent copayment up to 20 percent of family income.) Third, all benefit plans must include certain essential preventive health services such as maternal and well-baby care, immunizations, hypertension screening, and cervical cancer screening.

Mr. President, I am convinced that increased competition and expansion of individual responsibility for health care decisons is the best route for us to follow in both controlling costs and in promoting more appropriate utilization of health resources. We must modify structural characteristics in the health-care market which promote cost-escalation, overutilization, lack of cost-consciousness, and redundant capacity. This bill represents a first step in modifying some of the perverse incentives in the present reimbursement system. It is essential that we not embark upon a major expansion of Federal regulations and controls without first attempting to control costs through competition and individual choice. It will be possible to impose controls at a later time if the market mechanism fails to contain costs or creates unusual hardships for certain individuals or groups.

I am afraid also that major expansion of Federal health-care financing as is now being considered will fuel an even higher level of inflation in this sector unless it is preceded by the reintroduction of competitive forces, as the Schweiker bill proposes.

Again, I wish to express appreciation to Senator SCHWEIKER for his initiative in developing this unique and innovative approach to the problem of financing health care. I look forward to working with him and other interested Members of the Congress in the development of this nonregulatory approach to health financing reform.●

● Mr. HATCH. Mr. President, as a member of the Senate Labor and Human Resources Committee and its Health and Scientific Research Subcommittee, I am pleased to join Senator SCHWEIKER in cosponsoring the "Comprehensive Health Care Reform Act." In these fiscally austere times, this is a commonsense approach to the problems facing our health care delivery system and a sane alternative to the $18 to $60 billion proposals now being bandied about congressional circles.

The Comprehensive Health Care Reform Act will address the health-care issues of catastrophic health insurance preventive medical care and hospital cost containment. The beauty of it is that it will do so not with further regulation or new government programs, but by using the tax system to promote more competition in health delivery and to put more emphasis on controlling costs.

The advocates of socialized medicine never point out that only 5 percent of Americans lack any health insurance, and a slightly higher percentage lacks catastrophic coverage. Both these groups could be protected by slightly expanding coverage of existing health programs. We are told that without more Government control, costs will go through the roof. But it was precisely when all the Government's programs, regulations, and paperwork began weighing down on the health care community that medical costs first took off. How will even more bureaucracy lead to lower costs?

We can solve the pressing problems of escalating medical costs, but only by reducing Government control and regulation and by simultaneously promoting more competition. The Comprehensive Health Care Reform Act is a sensible step in the right direction. I pledge to work with Senator SCHWEIKER and my other colleagues in the Labor and Human Resources Committee during the process of this legislation to assure that the final bill reflects the promise we make today—a fiscally painless, comprehensive health bill.●

● Mr. COHEN. Mr. President, I have been pleased by the recent attention Congress has paid to the issue of health insurance. Certainly, the goal of all proposals under consideration is to provide access to quality services at an affordable price. It seems to me that we have reached a crossroads on the path toward this goal. On the one hand, we can move toward a public-utility type of health delivery system based on regulation, or on the other hand, we can move toward a free-market system of health care based on competition.

We have produced the most sophisticated health-care delivery system in the world. Most citizens are covered for services and pleased with the care they receive. However, rising costs are interfering with the ability of the system to make further improvements in health benefits or status. Policymakers are frustrated when available funding is eaten up in the inflationary spiral, and individuals suffer when they fall between the cracks of available insurance coverage.

Currently, Government health costs paid through medicare and medicaid are rising by half again as much as those paid by all private insurers. It is not surprising then to see the Government leading the crusade to limit these increases. I agree that costs must be controlled, but suggest that there is a way to accomplish the goal through economic rather than political intervention. The administration's revenue control plan contains no basic reforms in the Government reimbursement system which has fueled inflation. It merely places a standby cap on the existing system.

The future of health care in America is contingent on our ability to control cost. No health plan will do a good job if it does not do a good job of cost control. Competition places the incentives to control costs on efficiency and effectiveness—regulation places the incentives on bureaucracy and redtape.

Today I have cosponsored two pieces of legislation, introduced by Senators SCHWEIKER and DURENBERGER, which clearly point us down the path of competition. While some specifics of the two proposals may differ, both bills would infuse the system with competitive features by requiring that the employers offer employees a choice of at least three alternative health-care plans; by requiring employers' contributions to premiums to remain the same, regardless of the employees' choice; and by rewarding employees who choose an economical plan by allowing them to keep the savings while employees who choose a more costly plan pay the additional cost. Furthermore, the bills protect consumers against plans which may not offer adequate coverage by requiring at a minimum that insurance plans cover catastrophic costs and preventive health services.

I believe that, as the debate on health issues intensifies, serious thoughtful debate should be given these constructive and worthwhile proposals.●

Mr. ROBERT C. BYRD subsequently said:

Mr. President, I ask unanimous consent that a bill introduced earlier by Mr. SCHWEIKER, for himself and others, to amend the Public Health Service Act and the Internal Revenue Code of 1954 for comprehensive health-care reform, and for other purposes, be jointly referred to the Committees on Finance and Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 246

At the request of Mr. BENTSEN, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 246, a bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

S. 655

At the request of Mr. WEICKER, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 655, the Small Business Investment Incentive Act.

S. 689

At the request of Mr. TALMADGE, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Florida (Mr. STONE), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Wyoming (Mr. SIMPSON), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. STAFFORD), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 689, the Veterans' Disability Compensation and Survivor Benefits Act of 1979.

S. 1070

At the request of Mr. PERCY, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 1070, to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require aliens admitted for permanent residency to have a sponsor who will contract to support them for 3 years, or to have other means of support.

S. 1295

At the request of Mr. CULVER, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of S. 1295, a bill to amend title XVIII of the Social Security Act to provide for a program of voluntary certification for health insurance policies sold in supplementation of medicare.

At the request of Mr. BAUCUS, the Senator from Delaware (Mr. ROTH), the Senator from Arkansas (Mr. PRYOR), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 1295, a bill to amend title XVIII of the Social Security Act to provide for a program of voluntary certification for health insurance policies sold in supplementation of medicare.

S. 1411

At the request of Mr. CHILES, the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 1411, the Paperwork and Redtape Reduction Act of 1979.

S. 1444

At the request of Mr. BAUCUS, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1444, a bill to amend the Internal Revenue Code of 1954 and title 28 of the United States Code to provide for the award of reasonable court costs, including attorney's fees, to prevailing parties in civil tax actions, and for other purposes.

S. 1465

At the request of Mr. TALMADGE, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

S. 1486

At the request of Mr. CHURCH, the Senators from South Carolina (Mr. HOLLINGS and Mr. THURMOND) were added as cosponsors of S. 1486, a bill to exempt family farms and non-hazardous small businesses from the Occupational Safety and Health Act of 1970.

S. 1523

At the request of Mr. THURMOND, the Senator from South Carolina (Mr. HOLLINGS), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Mississippi (Mr. COCHRAN), the Senator from Texas (Mr. TOWER), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 1523, a bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration.

S. 1542

At the request of Mr. PERCY, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 1542, the Small Savers Incentive Act of 1979.

S. 1549

At the request of Mr. BOREN, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 1549, a bill to amend the Internal Revenue Code of 1954 to change the period for the payment of taxes under section 4161(a) of such code.

AMENDMENT NO. 219

At the request of Mr. WEICKER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of amendment No. 219 intended to be proposed to S. 712, a bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

SENATE RESOLUTION 205—SUBMISSION OF A RESOLUTION RELATING TO EUROPEAN ECONOMIC COMMUNITY WHEAT EXPORT SUBSIDIES

Mr. PRESSLER submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 205

Whereas 30,600,000 metric tons of wheat, comprising 60 percent of the wheat harvested in 1978 in the United States, was sold in the marketing year ending in May 1979 for export from the United States;

Whereas the European Economic Community reimburses exporters for paying subsides to producers of wheat in the countries which are members of the European Economic Community, for the purpose of increasing the amount of wheat exported from such countries;

Whereas the reimbursement by the European Economic Community of exporters who pay such subsidies prevented the United States from selling for export an estimated 3,300,000 metric tons of wheat in the 1979 marketing year;

Whereas this loss of sales of wheat for export from the United States reduced the export earnings of the United States by approximately $885,000,000 in the 1979 market year;

Whereas increasing the production of wheat in the United States depends on expanding markets for wheat exports;

Whereas the Ministers of Agriculture of the European Economic Community met on June 2, 1979, and took no action to eliminate or limit the reimbursement of exporters for subsidies to be paid to producers of wheat for export from the countries which are members of the European Economic Community;

Whereas the General Agreement on Tariffs and Trade Subsidies Code establishes procedures to resolve disputes regarding the fairness and justification of the reimbursement of exporters for such subsidies; and

Whereas the Secretary of Agriculture has the authority to provide subsidies for the production of wheat for export from the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Special Representative for Trade Negotiations should consult with the Ministers of Agriculture of the European Economic Community to persuade them and, through them, the European Economic Community to cease reimbursing exporters for subsidizing the production of wheat for export from the countries which are members of the European Economic Community, and

(2) if the European Economic Community refuses to cease reimbursing exporters for subsidizing such production of wheat, then—

(A) the United States should take action in accordance with the General Agreement on Tariffs and Trade Subsidies Code to compel the European Economic Community to cease paying such reimbursements.

(B) the Secretary of Agriculture should implement a program to pay any subsidies necessary to make the price of wheat for export from the United States competitive with the price of wheat for export from the countries which are members of the European Economic Community.

SEC. 2. The Clerk of the Senate shall transmit a copy of this resolution to the President and to the Special Representative for Trade Negotiations.

EEC WHEAT EXPORT SUBSIDY

Mr. PRESSLER. Mr. President, my statement is brief, but I hope it clearly expresses some of the concerns which some of my South Dakota agricultural constituents have conveyed to me concerning the Tokyo Round Multilateral Trade Agreements.

First, it has been brought to our attention that the U.S. dairy industry will be the primary loser in these agreements. While the administration has attempted to portray the agreements in an all winners-no losers light, the testimony of U.S. dairy industry groups clearly argues otherwise.

The MTN agreements with European Common Market countries will substantially increase cheese imports into our food market. The result of that increase likely will be a decrease in earnings of dairymen and others connected with the production, processing, transportation, and sale of American cheeses.

The purported result of the increase in cheese imports is lower cheese prices for American consumers. But, if one keeps in mind that, of necessity, the American dairy industry will become more reliant on Government supports—supports provided by the taxpaying, consuming public—as the result of the industry's declining earnings, then I really wonder if American consumers will be getting the bargain cheese prices so highly touted by the administration.

There are also other U.S. dairy products which will be adversely affected by the trade agreements entered into in the Tokyo Round, as testified to by dairy industry spokesmen. Not only dairy products will be affected. It is my understanding that the agreements will permit larger quantities of EEC dried milk products into this country. These are products which, for example, can be used as substitutes for certain potato and grain products.

Second, I am concerned about the agreement to phase in a 60-percent tariff reduction on fine wool imports for the same reasons that I am concerned about increases in the cheese import quota. That is, the necessary reliance of our rapidly declining wool-growing industry on governmental incentives will increase as the importing of foreign wool

grows space. The proclaimed benefit to American consumers of finished fine wool products is therefore somewhat questionable. Certainly, there can be no question but that the United States must maintain a viable wool-producing industry—not only for the benefit of wool producers, but also for the thousands upon thousands of workers in our economy who need a steady and assured supply of American wool, and for an even larger number of American consumers who appreciate the tremendous value of wool products. We should not let happen to the wool industry nor to any part of our food and fiber production what has happened to our energy supplies.

A great nation cannot remain great if its energy, food, and fiber resources are the captive of alien economic and political whims and interests.

Third, I am not impressed that the Tokyo Round MTN accomplished enough with respect to increasing the export potential of American beef, which is universally recognized as the very best quality beef in the entire world.

What the trade agreements have done is to trade somewhat larger, but not enough larger, Japanese and other beef import quotas for the U.S. concession of a much larger U.S. minimum guaranteed beef import quota (1.2 billion tons annually) and a further lowering of beef import tariffs.

Fourth, the MTN legislation does not go far enough in protecting American grain producers and traders, but especially wheat producers, from the basic unfairness of exorbitant European Common Market export subsidies to European grain producers. The effect of those subsidies is to enable European wheat to sell at a lower price than American exported wheat in other countries of the world. We need to have equivalent standards of competition in world wheat trade which apply evenly to all grain exporting nations.

While the MTN legislation does contain new procedures in regard to export subsidies, the language in the bill still does not clearly enough specify the protection needed by U.S. grain industry against European primary export subsidy practices as they impinge on European versus U.S. grain export competition in third country markets.

Fifth, the MTN legislation treats highly subsidized European modified potato starches as industrial products. Yet these potato starches will be competing head-on with American corn producers and corn millers. Further, the tariff on these potato starches is to be substantially reduced—futher threatening the U.S. domestic market of American corn producers. With this and other provisions, how can the administration claim that the MTN resulted in "all winners and no losers"?

I am pleased to note that, in a recent statement by the Executive Council on Family Farmers of the AFL-CIO, the AFL-CIO recognized some of the problems of the American farm exports efforts.

That group had this to say about the export problems of American farmers in testimony before Senator Stevenson's Subcommittee on International Finance:

Family Farmers also face serious international trade problems. Other nations subsidize their agricultural exports heavily. Since they do not require the health and safety standards the United States imposes on domestic agriculture, we believe the same standards should be applied to imports, and agricultural imports labeled as to country of origin.

American farmers are glad to have that kind of understanding and support from their union friends and their industrial worker friends, and we hope that support and friendship continues.

What bothers me and many American farmers is that, after many years of trying to negotiate acceptable international trade agreements covering agricultural products, we are still so far short of agreements which protect the good health of American agriculture and a healthy and independent food supply for American consumers.

In view of some of the problems I perceive with the MTN implementation legislation, I hope that all Senators will appreciate the fact that remedial legislation for the support of the various sectors of American agriculture will continue to be necessary and crucial to the survival and the prosperity of the nation.

Mr. President, in view of the reasons I have suggested here for the enactment of certain remedial legislation where foreign trade practices impinge inequitably on American farm producers, I respectfully submit a resolution and request that it be given quick attention and support by my distinguished Senate colleagues.

SENATE RESOLUTION 206—SUBMISSION OF A RESOLUTION RELATING TO THE 1980 WHEAT CROP SET-ASIDE PROGRAM

Mr. EXON (for himself and Mr. BOREN) submitted the following resolution, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 206

Whereas, the Secretary of Agriculture has been given the responsibility by law to establish crop set-aside programs for the 1980 crop year for certain agricultural commodities; and

Whereas, the Secretary of Agriculture will be making his decision on the wheat set-aside program for the 1980 crop year on or before August 15, 1979; and

Whereas, the 1979 wheat harvest, which included a 20 percent set-aside, produced some 215 million bushels of wheat which will add to this Nation's current domestic surplus; and

Whereas, a decision to not have a wheat set-aside for the 1980 crop year can only result in a fence-row-to-fence-row planting practices similar to those that occurred in the mid 1970's and resulted in excessive surpluses during a time of reduced world demand and in financial ruin for a large segment of this Nation's wheat producers; and

Whereas, official Department of Agriculture estimates indicate that 78 million acres will be planted to wheat in the absence of a set-aside program, an estimate by industry of 82 million acres is far more realistic; and

Whereas, 82 million acres of wheat production in 1980, a substantial increase over the estimate of the Department of Agriculture, would drive market prices down from their presently improved level and result in significant savings only to foreign buyers at the expense of domestic producers; and

Whereas, it is the responsibility of the Secretary of Agriculture to use the authority granted him by law to protect the Nation's agriculture sector through the formulation of policies designed to improve production practices and ultimately eliminate the cheap food philosophy which has permeated our Federal Government for too many years: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture should, and is hereby urged and requested to, establish a minimum wheat set-aside for the 1980 crop year of not less than five percent of the 1980 wheat acreage.

Mr. EXON. Mr. President, I am submitting today a resolution expressing a sense of the U.S. Senate that the Secretary of Agriculture establish a 1980 set-aside for wheat of a minimum of 5 percent.

Mr. President, it is my understanding that the Secretary of Agriculture will be announcing his intentions for a set-aside for the 1980 crop year for wheat before August 15. A similar announcement will be made for feed grains later this year. These announcements will have a dramatic effect on our crop production for the next year. It will mean either continued improvement in market prices or a return to hard times. It is my opinion and the opinion of many major farm organizations that the decisions to establish a set-aside program for wheat and feed grains will be actions which will determine the future of our food plant in this Nation.

It is widely known among agriculture circles that in the near future, the Secretary intends to delete the set-aside for wheat and later this year for feed grains. Spokesmen for the Secretary cite vastly improved market prices coupled with strong export demand as their reasoning behind this policy. Nationally, we can realistically expect to see over 82 million acres of wheat planted in 1980, not the 78 million USDA estimates. This significant increase will only serve to drive wheat prices down to mid-1970 levels.

Mr. President, I am introducing this resolution expressing a sense of the Senate that the Secretary of Agriculture establish a minimum 5-percent set-aside for wheat during the 1980 crop year. This modest figure will insure continued participation in the program and keep wheat production at moderate levels. It will also provide our Nation with sufficient domestic reserves and allow us to meet world demand.

Mr. President, the Congress has provided the Secretary of Agriculture with the authority to establish policies to carry out its statutory directives which are in the best interests of agriculutre. There are times, however, when congressional directives must be clarified. It is

my view which is shared by many within the agriculture community that clarification is necessary on this vital issue. This resolution will provide the Secretary with the necessary will of the U.S. Senate and I ask that this matter be acted on as expeditiously as possible before the August 15 deadline.

SENATE RESOLUTION 207—SUBMISSION OF A RESOLUTION PROPOSING A SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. DECONCINI (for himself, Mr. FORD, Mr. LEAHY, Mr. HATFIELD, and Mr. SCHWEIKER) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 207

Resolved, That

(a)(1) There hereby is established in the Senate of the United States a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter in this resolution referred to as the "select committee"). The select committee shall be composed of nine Members of the Senate.

(2) Members of the select committee shall be appointed by the President Pro Tempore of the Senate. One member of the select committee shall be designated by the President Pro Tempore to serve as chairman of the select committee.

(3) At least one member of the select committee shall be chosen from each of the following committees of the Senate: the Committee on Armed Services, the Committee on Government Operations, The Committee on Foreign Relations, the Committee on Commerce, the Committee on Human Resources, and the Committee on the Judiciary.

(4) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

(b) The chairman of the select committee may establish such subcommittees of the select committee as he considers appropriate. Any such subcommittee shall be composed of not less than four members of the select committee.

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics abuse and control, including, but not limited to, international trafficking, enforcement, prevention, narcotics-related violations of the Internal Revenue Code of 1954, international treaties, organized crime, drug abuse in the Armed Forces of the United States, treatment and rehabilitation, and the approach of the criminal justice system with respect to narcotics law violations and crimes related to drug abuse; and

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics abuse or control.

SEC. 3. (a) For the purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee, may sit and act at such times and places as it considers appropriate whether the Senate is sitting, has recessed, or has adjourned.

(b) For the purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee to hold hearings, may hold such hearings, and may require, by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials, as it considers necessary. Subpoenas may be issued under the signature of the chairman of the select committee or any member of the select committee designated by him, and may be served by any person designated by such chairman or member.

(c) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may designate a lesser number as a quorum for the purpose of taking testimony. The chairman of the select committee, or any member of the select committee designated by him, may administer oaths or affirmations to any witness.

(d) The select committee and any subcommittee thereof and its staff may conduct field investigations or inspections. Members and staff of the select committee may engage in such travel as may be necessary to conduct investigations relating to the purpose of this resolution.

SEC. 4. The select committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out the purpose of this resolution. The select committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the select committee, other than expenses in connection with meetings of the select committee or any subcommittee thereof held in the District of Columbia.

SEC. 5. (a) The select committee shall report to the Senate with respect to the results of any investigation conducted by the select committee, or any subcommittee thereof, under section 3(d).

(b) The select committee shall submit an annual report to the Senate which shall include a summary of the activities of the select committee during the calendar year to which such report applies.

(c) Any report of the select committee under this section which is submitted during a period in which the Senate is not in session shall be filed with the Clerk of the Senate.

SELECT COMMITTEE ON NARCOTICS

● Mr. DECONCINI. Mr. President, on behalf of myself and four distinguished colleagues—Senators FORD, HATFIELD, LEAHY, and SCHWEIKER—I am submitting a Senate resolution to establish a Select Committee on Narcotics Abuse and Control.

There can be little doubt that illicit narcotics are one of the key elements affecting the entire range of societal problems that currently plague us. I view narcotics as the nexus or connect-point between organized crime and American society. Narcotics create unbelievable wealth that enables organized crime to infiltrate all segments of our society. In the process of creating that wealth, American citizens are reduced to psychological slavery—automatons who will rob, steal, and kill to support their habit. A vast proportion of the street crime that today makes American cities intolerable to decent citizens results from the slavery of heroin and associated drugs.

Illicit narcotics is big business. It employs more people than Exxon, the largest corporation in the world. No one knows for sure, but the most conservative estimates place the street value of illicit narcotics at $50 billion annually. For the most part, that money comes from other crime—robbings, burglaries, muggings, and so on. If we were reasonably successful in eliminating illicit narcotics, we would simultaneously have eliminated a large portion of what we generally refer to as "street crime."

During 1976, the FBI reports that there were 609,000 drug-related arrests. About 60,000 of those were heroin or cocaine related; 441,000 were marihuana related; 18,200 were connected with synthetic or manufactured narcotics; and 90,000 were associated with other dangerous drugs. But the cost to society exceeds both the cost of the narcotics and the number of arrests. We spend at least $1 billion for law enforcement and rehabilitation.

But why create a separate Senate committee to deal with this problem? As most of my colleagues are aware, the House of Representatives has already recognized the need for such an approach and it currently has a Select Committee on Narcotics Abuse and Control. Going through a process similar to our own, our House colleagues concluded that this was the only practical method for effectively dealing with the whole range of issues raised by illicit narcotics.

At present, jurisdiction over narcotics abuse and control is scattered among at least five standing committees. The Judiciary Committee oversees the enforcement aspect through its oversight of DEA and the FBI, as well as its control over criminal laws and penalties. The problems associated with drug rehabilitation and education are dealt with in the Human Resources Committee. The international aspects of narcotics control, especially the eradication program, is handled by the Foreign Relations Committee. The interplay between the different levels of government resides with the Governmental Affairs Committee. And finally, the Armed Services Committee handles narcotics problems as they relate to the Armed Forces.

Each of these jurisdictional designations is legitimate, and it is not our purpose to undermine them. The committee we are proposing would be nonlegislative, following the model of the Aging Committee rather than the Small Business Committee. However, the Select Committee on Narcotics Abuse and Control would be ideally situated to investigate the problems of illicit narcotics as an integral whole, a multifaceted problem requiring a coordinated approach. Thus, while it would not be legislative in a technical sense, it would be in a position to develop a coherent national strategy and then present its findings in the way of legislative proposals to the relevant standing committees.

The Select Committee would "conduct a continuing comprehensive study and review of the problems of narcotics abuse and control" and produce a record from which the standing committees can better perform their legislative responsibilities. More specifically, the Select Committee's activities would include—but not be limited to—international trafficking, enforcement, prevention, narcotic related violations of the Internal Revenue Code, international treaties, organized crime, drug abuse in the Armed Forces, treatment and rehabilitation, and the criminal justice system

as it related to narcotics laws violations and crimes related to drug abuse.

The time has come for the Senate to create within itself the machinery to deal effectively with narcotics related issues. Our present decentralized jurisdictional approach has not been particularly successful. Because each of the standing committees has only a small portion of the narcotics problem within its jurisdiction, none has a sufficiently strong base from which to develop a comprehensive and cohesive approach to the problem. The creation of a Senate Select Committee on Narcotics Control and Abuse may not be the ultimate answer, but it will advance our struggle to deal with this malignancy within our society. Thus, I urge my colleagues to support the proposal.●

SENATE CONCURRENT RESOLUTION 35—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SELF-DETERMINATION FOR PUERTO RICO

Mr. MOYNIHAN (for himself, Mr. JACKSON, Mr. HATFIELD, and Mr. MCGOVERN) submitted the following concurrent resolution, which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 35

Whereas, the people of Puerto Rico freely chose the present form of their association with the United States in a popular referendum in 1952; and

Whereas, successive United States administrations since that time have continued to be publicly committed to the fundamental principle of self-determination for the people of Puerto Rico; and

Whereas, certain other governments lacking in a clear understanding of the U.S. relationship with Puerto Rico have questioned the status of Puerto Rico and the extent to which its citizens enjoy the right to self-determination: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress takes this opportunity to reaffirm its commitment to respect and support the right of the people of Puerto Rico to determine their own political future and to change their relationship with the United States, through peaceful, open and democratic processes.

Mr. MOYNIHAN. Mr. President, I am submitting today a concurrent resolution which would reaffirm the view of the Congress that the people of Puerto Rico retain their right to self-determination, and that the Congress continues to respect and will respect, such decisions as Puerto Ricans properly make about their own political future.

It may seem odd that we would undertake to reaffirm what is to us an obvious point, but it is made necessary by the continuing efforts of the totalitarian states to distort and to defame the nature of the relationship between the citizens of Puerto Rico and their fellow citizens on the American mainland. And it is made necessary, too, by the commitment of the Democratic Party and the Republican Party—as expressed in both our national platforms in 1976—to the principles of self-determination and democratic process.

On September 12, 1978, the so-called Committee on Decolonization of the General Assembly of the United Nations voted 10 to 0, with 12 abstentions and 2 absent, to condemn, in effect, the relationship between the United States and the Commonwealth of Puerto Rico. The resolution, in effect, called for the separation of our two peoples. Now, of the 10 nations which voted against us, all were dictatorships of one form or another, all guilty of the violation of political and civil rights which they allege the United States to have committed in Puerto Rico.

When I served as Permanent Representative to the United Nations, we had confronted the same measure, and were able to kill a similar Cuban initiative by a vote of 11 to 9. Our failure to do so in 1978 obliged me to urge upon the administration a more vigorous defense not merely of America's interests in this matter, but of America's reputation. I consider the resolution I submit today to be part of that effort—but something more. For it is not merely the United States which is slandered by such egregious distortions of reality at the United Nations, but the people of Puerto Rico especially. They, who have attained to a level of self-governance and civil liberty which all those states which condemned ought properly to envy and respect, are entitled to a renewed congressional demonstration of praise and support.

I stress that this is not the responsibility of either of our political parties, but of both. This resolution has the support of Senator JACKSON, chairman of the Energy and Natural Resources Committee which has jurisdiction of these matters, and of Senator HATFIELD, the ranking Republican Member. Its simple and straightforward support for the right of the people of Puerto Rico "to determine their own political future and to change their relationship with the United States, through peaceful, open, and democratic processes" is the position of the President of the United States, unequivocally stated in his proclamation of July 25, 1978, upon the 80th anniversary of the association between Puerto Rico and the United States.

Mr. President, I believe it important that the Congress, in a demonstration of solidarity with our own principles and with the people of Puerto Rico take the simple step of once again endorsing this proposition. It must be made plain to the Cubans and the Soviets, that we remain unshaken in our conviction, and increasingly angered by their efforts to meddle in our affairs. It is more than past time for the United Nations to return to real abuses of political rights in this world—and they will be found in abundance in the totalitarian system of Cuba, surely not in the democratic system of Puerto Rico.

Mr. MOYNIHAN subsequently said: Mr. President, earlier today I submitted for myself, Senator JACKSON, Senator MCGOVERN, and Senator HATFIELD a concurrent resolution calling attention to the fact that once again this year the United Nations Committee on Decolonization, as it is called, will take up a resolution to be introduced by the Government of Cuba condemning the relationship between the United States and Puerto Rico.

Mr. President, a year ago this resolution was passed by the Decolonization Committee, the Committee of 24 as it is sometimes called, by a vote of 10 to nothing, with 12 abstentions and 2 absentees. We face the prospect that a similar outcome could take place this year.

This year the tenor of the resolution and the votes for it are even stronger in the case of the tone, and larger in the case of the supporters. It is my purpose, and the purpose of like-minded persons in the House of Representatives, to put those concerned on notice that the U.S. Congress severely disapproves of this farce, this travesty, whereby each year, with the one exception of 1975, the totalitarian nations of the world have gathered to condemn the democratic relations between the United States and Puerto Rico.

Every President in the United States since Dwight D. Eisenhower has asserted the commitment of the American people to self-determination for the people of Puerto Rico. This resolution merely restates that commitment.

Mr. President, there is a further fact this year. This year for the first time the nonalined nations, as they continue to call themselves, will be meeting in a Communist capital, in Havana. The resolutions of the nonalined, which will turn up in the coming General Assembly in New York, and the draft platform, are already circulating in the world. They have been drafted by the Cubans, no doubt in the closest consultation with their Soviet masters. We are going to face the prospect of an ostensibly nonalined caucus, doing the most explicit will of the Soviet Union in the United Nations, and it is time for the United States to say, "We won't have it."

In particular, Mr. President, I ask the attention of the Senate to the fact that the Committee of 24 this year, as for some years past, is chaired by Tanzania, represented there by a most distinguished Tanzanian diplomat, Mr. Salim Salim.

In the past it has been the practice of Tanzania to treat with very little interest what the United States might think on this matter. But I wonder if it would not be possible on this occasion to draw the attention of, both of the Department of State, which supports this resolution—Secretary Vance is altogether in favor of our adopting it—and the Government of Tanzania, to say that we regard this as an unfriendly act. We have so stated in the past, in 1975, and we shall state it again.

If the Government of Tanzania goes forward with the sponsorship of this Cuban resolution, does it really believe that it can then come to the Congress of the United States and ask the Congress of the United States to help pay for its invasion of Uganda?

We read every week that the finances of Tanzania are in the most desperate condition, that because of its wars they

have extended themselves and they have not been able to extricate themselves, and that they therefore are asking the help of the international community. That means they are asking the United States to pay for their war. It may well be that the international community owes a certain attention to this question. But if the country of Tanzania is going to associate itself with the totalitarian Communist effort to misrepresent and to condemn the relationships between the free peoples of Puerto Rico and the United States, then Tanzania should get its aid from Cuba.

Cuba seems to have an excess of resources, sending its armies here and there around the world to do the bidding of the Soviet Union. Perhaps if it saved on its military activities in Africa, it could provide the deficit which Tanzania needs so desperately to be made up.

The governments of the United Nations should understand that we take democracy seriously; and because they perhaps do not, because perhaps they do not understand it, because perhaps they are violently opposed to it, they should not be allowed to think we consider this resolution anything but an affront to our honor and that we will act accordingly.

The Department of State is capable of doing this, as it demonstrated in 1975; and if the honor of the American people means anything, it will do so again this year.

Mr. President, I ask unanimous consent that I be permitted to include in the RECORD a series of statements from the National Democratic Platform of 1976 and the National Republican Platform of 1976, and statements by President Carter and Ambassador Young concerning the American commitment to self-determination for Puerto Rico.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPENDIX

The proposed concurrent resolution on Puerto Rican self-determination is based upon the following excerpts:

National Democratic Party Platform, 1976:

"We are committed to Puerto Rico's right to enjoy full self-determination and a relationship that can evolve in ways that will most benefit U.S. citizens in Puerto Rico . . ."

National Republican Party Platform, 1976:

"The principle of self-determination . . . governs our positions . . . on Puerto Rico . . . as it has in past platforms. We again support statehood for Puerto Rico, if that is the people's choice in a referendum, with full recognition within the concept of a multicultural society of the citizens' right to retain their Spanish language and traditions . . ."

Question and Answer, Press Conference of President Carter, September 17, 1977:

"Q. Mr. President, I'm from San Juan, Puerto Rico. Buenas tardes.

"The President. Muchas gracias.

"Q. Would you object to a U.N. fact-finding team going to Puerto Rico to look into the idea, the charges that have been raised, that we are a colony of the United States?

"The President. Yes, I would object to that. I don't have any objection to any analysis of the question, but I think my own statement and the statement of all the leaders of our country that whatever Puerto Rico's people want to do is acceptable to me. If the Puerto Rican people want to be a commonwealth, I will support it. If the Puerto Rican people want to be a State, I will support it. If the Puerto Rican people want to be an independent nation, I would support it.

"Q. But the U.N. has no jurisdiction?

"The President. I don't think the U.N. has any jurisdiction. And particularly when this question is raised by Cuba, a government that has no respect for individual freedom or individual liberty and permits no vote of any kind in their own country, to accuse us of trying to subjugate the people of Puerto Rico, to me, is absolutely and patently ridiculous."

Proclamation of President Carter, on the 80th Anniversary of Puerto Rico's association with the United States; Commonwealth of Puerto Rico, July 25, 1978:

". . . I would like to emphasize that the United States remains fully committed to the principle of self-determination for the people of Puerto Rico. President Eisenhower made that commitment in 1953, and this has been the position of all U.S. administrations since that time. We continue to regard it as the fundamental principle in deciding Puerto Rico's future.

"My administration will respect the wishes of the people of Puerto Rico and your right to self-determination. Whatever decision the people of Puerto Rico may wish to take—statehood, independence, Commonwealth status, or mutually agreed modifications in that status—it will be yours, reached in accordance with your own traditions, democratically and peacefully.

"Governor Romero Barcelo has called for a referendum after the 1980 elections in Puerto Rico to decide Puerto Rico's future status. Should the government of Puerto Rico decide to hold a referendum, I will support, and urge the Congress to support, whatever decision the people of Puerto Rico reach . . ."

Statement of Ambassador Andrew Young, United States Representative to the United Nations, preceding consideration of Puerto Rico's "status as a non-self-governing territory" by the United Nations Committee of 24, August 28, 1978:

". . . The United States will respect and support the rights of the Puerto Rican people to determine again their political course through a free and democratic referendum. . . . Its present relationship with the United States was freely chosen by the people of Puerto Rico."

"Any change in this relationship will also be freely chosen. This has been the position of successive U.S. administrations. . . ."

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF HOUSING AND URBAN AFFAIRS APPROPRIATIONS, 1980—H.R. 4394

AMENDMENT NO. 385

(Ordered to be printed and to lie on the table.)

Mr. RANDOLPH (for himself, Mr. CRANSTON, Mr. DURKIN, Mr. THURMOND, Mr. STAFFORD, Mr. HUMPHREY, and Mr. STONE) submitted an amendment intended to be proposed by them, jointly, to H.R. 4394, an act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

AMENDMENT NO. 386

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself, Mr. RANDOLPH, Mr. DURKIN, Mr. MATSUNAGA, Mr. THURMOND, and Mr. STONE) submitted an amendment intended to be proposed by them, jointly, to H.R. 4394, supra.

● Mr. CRANSTON. Mr. President, I am today submitting an amendment to H.R. 4394, the Department of Housing and Urban Development-independent agencies fiscal year 1980 appropriations bill to add $25,096,000 to the Veterans' Administration medical care account. Joining me as cosponsors of the amendment are Veterans' Affairs Committee members, Senators RANDOLPH, DURKIN, MATSUNAGA, THURMOND, and STONE.

Mr. President, I am proposing this amendment to add sufficient funds to cover the fiscal year 1980 costs of implementing the Health Care Amendments Act of 1979 (Public Law 96-22), which was signed by the President on June 13, 1979. Effective October 1, 1979, this new law establishes new programs of readjustment counseling for Vietnam-era veterans and preventive health-care services for certain veterans with service-connected disabilities, expands the VA's alcohol and drug treatment program, and makes certain other improvements in the VA health-care system. The VA, in its fiscal year 1980 budget documents and testimony before the Committee on Veterans' Affairs indicated that 346 additional full-time equivalent employees (FTEE's) would be required in fiscal year 1980 for the new readjustment counseling program alone and would be requested when the authorizing legislation was enacted. The need for these additional personnel and the Administration's intention to request funding specifically for them were confirmed in a June 15, 1979, letter from the Administrator of Veterans' Affairs, to me, which was reprinted at page S7815 of the June 18, 1979, daily edition of the RECORD.

In a July 19, 1979, letter from Mr. John P. White, Deputy Director of the Office of Management and Budget, to the distinguished Senator from Wisconsin and very able chairman of the Appropriations Subcommittee on HUD-Independent Agencies (Mr. PROXMIRE), Mr. White reiterated the administration's intention to submit a budget amendment "very shortly" and stated that "the $25,000,000 for the Health Care Amendments Act includes funding for an additional 346 FTEE's".

Mr. President, the Appropriations Committee, in its consideration of H.R. 4349, added $76,380,000 to the President's budget request for the VA's medical care account. I had recommended the addition of that amount; and it is the same amount that was added in the House-passed version of this legislation. However, in adopting this add-on to the VA medical care account, it clearly appears, from the committee's report—Senate Report No. 96-258, at page 78—that the Appropriations Committee intended, as had the House of Representatives, the $76.4 million add-on to be used for an additional 3,800 FTEE's which the committee, as had the House Veterans' Affairs Committee, found were needed for the VA health care system so as to restore personnel cuts imposed by the administration in fiscal year 1979. I ap-

plaud the action by the Appropriations Committee in adding these funds because the VA health-care system is suffering from serious program reductions that were brought on by the administration's refusal to utilize a $55 million add-on to the medical care account appropriated by the Congress last year for additional personnel and other necessary expenses.

Neither committee report evidences any intention to provide for the additional personnel and other costs needed to implement Public Law 96-22. This seems due largely to the administration's inexplicable failure to submit, in time for the Senate Appropriations Committee markup of H.R. 4394, a budget amendment for the fiscal year 1980 costs of carrying out the extremely important programs established by Public Law 96-22.

Mr. President, if funds earmarked for Public Law 96-22 are not included in H.R. 4394 when it is enacted, the VA will face a Hobson's choice with respect to implementing the programs provided for the new law. Either it must violate the authorizing law and delay those programs—including the already far too-long delayed readjustment counseling program for Vietnam-era veterans—until a supplemental appropriations bill is enacted, which is not likely to occur until very late in fiscal year 1980; or it must, in contravention of the clear congressional intent expressed in the reports of the Appropriations Committees of both Houses, propose to divert resources appropriated for other purposes in order to carry out these programs.

Therefore, Mr. President, I am submitting this amendment to add an additional $25.1 million to the VA's medical care account for the specific purpose of funding the 450 additional FTEE's and other related costs associated with the implementation of the Health Care Amendments Act of 1979. This amount, approximately the same amount Mr. White indicated in his letter to the Senator from Wisconsin (Mr. PROXMIRE), is needed to implement Public Law 96-22.

The figure I am proposing, although approximately the same as the administration will apparently request, is alined somewhat differently. We have included $3,092,000 in funding for the preventive health-care program, including 104 FTEE's—the amount initially proposed by the VA—and have reduced the dental care add-on from $5,888,000 to $2,796,000 in view of the Veterans' Affairs Committee's express intent, in adding the new dental care eligibilities for totally disabled service-connected veterans and ex-POW's, that this care be provided largely by realining the responsibilities of existing in-house dental staff and with minimal expenditures for fee care.

In proposing to reduce the amount suggested by the Administration as necessary to fund dental treatment for the new eligibles, I believe that the administration's analysis is in error in two ways: First, the number of individuals the Administration believes will seek treatment under this new authority—19,480 out of 122,770 100 percent service-connected veterans and 8,000 out of 100,000 POWs—appears to be unrealistically low, and, second, the administration's estimate is based on an assumption that all new eligibles would be treated on a contract fee basis, a result clearly at odds with the committee's intent.

Thus, the amount I am proposing would not result in holding the new beneficiaries to such an unrealistically low estimate of those who would take advantage of the new eligibility so long as the provision of the necessary care is accomplished in accord with the recent amendments to section 612 of title 38 made by Public Law 96-22 which should greatly reduce the extent of dental care provided on a contract fee basis. Under my assumptions, less then 10-percent of the new eligibles would be handled on a fee basis and even this amount seems excessive if the criteria governing provision of contract fee care are properly applied as intended by the committee.

Mr. President, I strongly urge all of my colleagues to support this amendment.●

NOTICES OF HEARINGS

JOINT ECONOMIC COMMITTEE

● Mr. BENTSEN. Mr. President, on Wednesday, August 1, 1979, the Joint Economic Committee will hold a hearing to examine the proposal to establish a regulatory budget. The hearing will also consider the need for a cost effectiveness requirement for major government regulations. The witnesses will include the Honorable George Eads, member of the Council of Economic Advisers; Dr. Robert Crandall of the Brookings Institution; Dr. James Miller of the American Enterprise Institute; and Prof. Arthur Wright of Purdue University, who coauthored an upcoming study for the committee on the regulatory budget. Professor Wright will be accompanied by two other coauthors of the paper, Prof. Christopher DeMuth of Harvard University and Mr. Richard Shackson of the Carnegie-Mellon Institute of Research.

The hearing will begin at 10 a.m. in room 1202 of the Dirksen Senate Office Building. Persons interested in additional information may contact the Joint Economic Committee at 224-5171.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources of the Committee on Energy and Natural Resources.

The hearing is scheduled for August 6, 1979, beginning at 9 a.m. in the City Chambers, Las Cruces, N. Mex. Testimony will be heard on the grazing program of the Bureau of land Management.

For further information regarding the hearing, you may wish to contact Ms. Deborah Merrick at 224-7150.

Those wishing to submit a written statement for the record should write to the Subcommittee on Parks, Recreation, and Renewable Resources, room 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

● Mr. LEVIN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management of which I am chairman will conduct oversight hearings on EPA management of its hazardous waste program including implementation of the Resource Conservation and Recovery Act of 1976 on Wednesday, August 1, 1979, at 3 p.m. in room 1224 of the Dirksen Senate Office Building.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources will hold a field hearing in New Mexico.

The topic of the hearing will be coal development in New Mexico.

The hearing will commence at 10 a.m. on August 9, 1979, in the lecture room of San Juan College in Farmington, N. Mex. If there are any questions regarding this field hearing please contact Thomas L. Laughlin of the subcommittee staff at 202-224-2564.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the sessions of the Senate today, and tomorrow, July 27, to consider pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate today to hold a hearing on trade reorganization legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Practice and Procedure of the Committee on Judiciary be authorized to meet during the session of the Senate today to consider regulatory reform legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today to consider the proposed amendments to the Federal Election Campaign Act and other legislative and administrative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, August 1, 1979, to hold a hearing on EPA management of its hazardous waste program, including implementation of the Resource Conservation and Recovery Act of 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate today to hold a hearing on USDA research and extension programs as they apply to the family farm.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FBI AND CIA SHATTERED

● Mr. TOWER. Mr. President, the Dallas Morning News of June 16 carried a most disturbing article entitled, "FBI and CIA Shattered, Laird Warns," by Dick West, editorial director emeritus of the News.

Mr. West traces the decline of counterintelligence and espionage activities by the CIA and FBI in face of increases by the Soviet Union in its clandestine force in the United States. He points out that the Soviet Union has doubled the number of its intelligence officers in the United States while we have vetoed new personnel and facilities requested by the FBI and CIA.

I have great respect for Dick West and recommend this article to my colleagues. Mr. President, I ask that the article be printed in the RECORD.

The article follows:

FBI AND CIA SHATTERED, LAIRD WARNS

(By Dick West)

Sometimes, a former FBI agent reflected recently in a tone of discouragement, "you wonder if we deserve to survive."

In 1972, the FBI investigated nearly 18,000 cases involving suspected espionage against this country.

Because of hogtying legislation and Justice Department guidelines, last year the FBI investigated fewer than 200.

Four years ago it had constant contact with 1,100 informants risking their lives feeding our security system vital information about potential enemies.

Last year the FBI had only 41.

The CIA must now answer to eight—repeat, eight—congressional committees. Under oath, of course. And often with reporters present.

Can you imagine the Soviet Union washing such linen in public, deliberately announcing to the world what its foreign spies are doing?

It really doesn't matter how much gas we have for Sunday afternoon drives or how many color TV sets entertain us in the evening; it doesn't matter, if we are committing national suicide in the essential field of intelligence.

Any FBI or CIA agent—current or former—will give a lusty "amen" to the ominous warning by Mel Laird, former Secretary of Defense, that these agencies "have been shattered."

Writing in a recent Reader's Digest, Laird revealed that between 1971 and 1976 the number of people employed in clandestine (spying) services was cut in half; more recently, another 820—about 20 percent of the remaining force—were fired.

In the meantime, the Soviet Union has increased its clandestine force in the United States.

In 1978 the FBI asked for a slight increase in personnel for counterintelligence. Congress said no.

Can you believe that the number of communist spies in the United States now outnumber FBI counterintelligence agents by a "wide margin," to use Laird's phrase?

By now you who are reading this must be asking yourselves, "What's the point, what are we doing to ourselves?"

It's the continuation of a story which began during the Depression when a sizable element in this country became disenchanted with the American economic system and cast longing eyes toward some form of socialism.

What we now call bureaucracy or big government in Washington became a haven for the disenchanted, who worked overtime on social experiments and eventual adoption, in America, of a socialistic state.

The same element detested expenditures for national defense.

More recently—since 1974—the CIA has been the target of "blunderbuss" investigations; forums, according to Laird, "for lurid and wildly false allegations against our intelligence community."

"Congress and the administration overreacted by subjecting the CIA and FBI to severely restrictive legislation and enfeebling edicts."

Said former Secretary of State Henry Kissinger: "We have seriously damaged our entire intelligence capability."

Laird added: "Thus besieged, the CIA has been demoralized by its own leadership policies."

Both the CIA and FBI have made mistakes; but the mistakes were blown out of proportion by those who, in good conscience, don't believe in spending money on our own security.

The Soviet Union has doubled the number of its intelligence officers in the United States within the last five years; the known total is more than 900.

In the meantime, in this country, we veto new personnel and facilities requested by the FBI and CIA.

When some brave soul occasionally suggests we are flirting with national disaster, he is accused of being a freakish hangover from the Joe McCarthy days. (This is the modern version of guilt by association.)

In the field of intelligence, it is difficult for a democracy, such as ours, to compete with a dictatorship.

If a Russian newspaperman reveals a highly secretive military development, he can be sentenced to death or to hard labor on the frozen tundras in Siberia. His counterpart in America might with a Pulitzer prize.

Hitler warned what he would do. Lenin warned in the 1920s what communism would do.

Isn't it reasonable to ask: What are we going to do?●

THE SALT TRADE-OFF

● Mr. McGOVERN. Mr. President, the Senate debate on the SALT II Treaty should be an informative and conscientious consideration of one of the most important foreign and defense policy issues to come before Congress in this era. The Senate should be displaying its skill at examining the technical provisions of the treaty as well as the broad national security issues which form the foundation of our global posture.

But I confess I now watch with dismay as our consideration degenerates into a parliamentary version of the television program "Let's Make a Deal."

Behind the first curtain was the M-X ICBM.

Behind the second curtain is a new intermediate-range bomber.

Yesterday we learned that behind the third curtain is a $7- to $10-billion additional increase in military spending.

In the television version of "Let's Make a Deal," the players get to select only one of the prizes behind the curtains. But in the parliamentary version, the players get the prizes behind all the curtains. And I am sure we have not seen the end of the giveaways yet.

Mr. President, frankly I am appalled at this process. Some months ago, I had thought that the President would have to make a few side deals about the development of new weapon systems to win enough votes to ratify the SALT II Treaty. I was prepared to look at the barter arrangement and weigh these few new promises against the promise of future arms reduction in SALT III.

But the bargaining which is now going on—as exemplified by the demand yesterday for an additional $7 billion in military spending above the billions of dollars in real growth already committed to the military budget for next year—exceeds even my fears about the escalatory impact of the arms control ratification process.

Mr. President, with all due respect to the individuals who have proposed these new procurement and spending measures, let me state clearly that what we are witnessing is nothing less than parliamentary blackmail.

It is blackmail because the advocates of these deals are attempting to use one-third of the Senate to achieve what it should require one-half of the Senate to achieve.

We have a new budget process in Congress. We have an appropriations process. Let the advocates of higher military spending or new weapon systems make their case before the Budget and Appropriations Committees. Let them debate the national need for an additional $7 billion in real growth on the Senate floor. Let them try to win 51 votes just as every other appropriation must do.

But instead of taking that constitutional path, the big spenders are in essence telling us: "If we are not promised new military spending which normally requires a majority vote in the Senate, we will use our one-third vote to block ratification of the SALT II Treaty."

I do not regard it as democratic to allow one-third of the Senate to displace the majority of the Senate.

Mr. President, the hyprocisy of turning an arms control treaty into a military procurement bill is simply too much to stomach. I ask Senators to seriously consider how far down this road can we

go before the whole SALT process becomes so distorted that it loses all meaning. My position on this problem is well known.

But let me repeat once more: It will not improve American security to allow an arms control treaty to become a blank check for adding to our arsenals of nuclear overkill. And I am not willing to vote for the illusion of arms control.

Mr. President, at some point the administration is going to have to let me know just how far it is willing to go in this weapons marketplace to secure enough votes for ratification. President Carter apparently is trying to toughen up his image as a national leader. Well, this is a good place to begin. We have heard him taking on the special interests in the energy industry. Let him take on the special interests in the military/industrial complex as President Eisenhower, a great American and a great American general, did a generation ago.

Let him inform the American people that additional real growth funds are not required for our national defense, will waste the taxpayers' dollars, and will fuel the engine of inflation.

I agree that we should not import a single drop of oil more than we need.

But I also believe that we should not spend a single dollar more for wasteful and unwarranted military boondoggles.●

THE MAROON BERET

● Mr. STONE. Mr. President, in an era when this country spends millions every year to recruit young people into the Armed Forces, I am surprised to learn that in spite of the cries of past and present airborne troopers, the Secretary of the Army has refused to reinstate the traditionally accepted headgear of the Airborne Unit of the Army, the maroon beret.

It is the history of the maroon beret that makes this headgear a symbol of tradition and esprit de corps. The tradition started during World War II when tens of thousands of our military airborne were stationed in England. At that time, the British soldiers quite literally "took their hats off" to the American Military Airborne. They actually gave our men their British maroon berets.

This longstanding tradition was officially recognized in 1973 when the Department of the Army announced that "nonstandard" items were permitted with the sanction of the unit commander and the tacit consent of the Department of the Army.

However, in January of this year, the Secretary of the Army rescinded the order and announced that only items of uniforms authorized by regulation were to be worn.

Since that time, the maroon berets have fought hard for the reinstatement of their cherished cap, a symbol of their years of dedication, sacrifice, and pride in their uniform and their country.

Senate Concurrent Resolution 10 will remedy this situation as it will reinstate this symbol of pride and tradition.

Therefore, I urge my colleagues to support the reinstatement of the maroon berets.

Mr. President, I ask that an article from the July 23 edition of Forbes magazine on this subject be printed in the RECORD.

The article follows:

BRASS HATS ON EMPTY HEADS

You'd think the Army had trouble enough over grossly inadequate enlistments without compounding the problem with utter foolishness. In the Armed Forces, morale is, in essence, pride in one's unit. When the risks and challenges are greater, so too there's greater pride in achievement. The U.S. Marines are a case in point; so too the Army's Green Berets and the Rangers.

But when the paratroopers on the one hand and air assault troops on the other, plus the mountain troops based in Alaska and spearhead tank units as well, wanted to continue wearing their distinctive headgear, Pentagon Army brass said No.

If the Secretary of the Army doesn't have the good sense to overrule with a Yes, maybe Secretary of Defense Brown will realize how consequential such seemingly little things are in providing the spirit that helps to make up for inadequate numbers.

The Army should take a leaf from Navy Secretary W. Graham Claytor, who is returning to U.S. sailors their traditional uniform after they were briefly Zumwalted into outfits that had 'em all looking like movie theater ushers.●

RAISING THE QUALITY OF EDUCATION

● Mr. McGOVERN. Mr. President, occasionally good news raises more eyebrows than bad news, and the findings of a team of British experts heightens our expectations and our hopes for raising the quality of education in the United States. An article appearing in the New York Times reports the conclusions of a 4-year study, directed by Michael Rutter, professor of child psychiatry at the University of London, which found that schools do make a significant difference for the socially disadvantaged, as well as the socially privileged.

Contrary to the American theory espoused by Dr. James Coleman, the British study discounts his rigidly held view that schools can do little to overcome the deleterious effects of poor neighborhoods and poor families.

Too often the promise of education has been frustrated—and all we can do is wring our hands. But news from Britain might pull us out of a self-defeating acceptance of student performance which is entirely unacceptable: A functional illiteracy rate of 42 percent for black and 56 percent for Hispanic 17-year-olds. Their research proves that poor achievement for the disadvantaged is not the way it has to be, but more often is the way we expect it to be.

I urge my colleagues to give serious consideration to Professor Rutter's findings, and leave behind the low scores and the paralyzing effects of perceived incompetence.

Mr. President, I request that the following article be printed in the RECORD.

The article follows:

STUDY INDICATES WHY SOME SCHOOLS SUCCEED

(By William Borders)

LONDON.—What makes a child learn? What keeps him from it? Is it the school building or the pupil-teacher ratio? The mood of the classroom? The way the lessons are taught? Or, in the long run, do things like that really not matter much, and is a child's academic fate determined instead by such factors as his race, his family's social class and the condition of his neighborhood?

That traditional debate has been joined by a group of British experts in an important new book that disputes some well-established theories about elementary education.

After a four-year study of 12 schools in poor neighborhoods of London, they found that the way a school is run can make a huge difference in how much a child learns and how he behaves.

Their findings, backed up with impressive statistics, fly in the face of a popular American theory that holds that if a student body has too many social disadvantages, there is not much that can be done for it educationally:

"Our study should give hope to anyone who had despaired of improving the quality of education in inner cities," said Dr. Janet Ouston, one of the four co-authors of the book, which is called "Fifteen Thousand Hours" (a reference to the total amount of time that a child spends at school). "Simply put, we found that there really are ways that the schools can be improved to make them more effective."

What matters most, the researchers found, is what they called the ethos of a school—the general tone of the place—which seemed to have more effect on pupil performance than such factors as the age of the physical plant or how strictly the children were disciplined.

The finding that schools do make a difference may seem obvious; as the book concedes, it "will come as no surprise to parents, who often go to a good deal of trouble to get their children into schools of their choice."

But regardless of what parents have thought, a good many professionals on both sides of the Atlantic have been greatly influenced over the past decade by Dr. James Coleman and Christopher Jencks, two American educators whose writings led many to the conclusion that schools in the poorest neighborhoods are unlikely to do much for their pupils until the neighborhoods are improved.

"Variations in what children learn at school," Mr. Jencks wrote in 1972, "depend largely on variations in what they bring to school, not on variations in what schools offer them," and the result achieved by a school "depends largely on a single input—the characteristics of the entering children."

That theory, and what some see as the debilitating determinism that it encourages, are disputed by the London study.

"The findings showed that school differences were not just a reflection of intake patterns, and that much of the effects of schools were linked with their features as social organizations," the authors declare, and then set out to prove it, showing how similar schools only a few miles apart can produce radically different results.

If the Jencks theory is correct, two inner-city schools that take in the same proportion of boys with behavior problems should turn out about the same proportion of boys with behavior problems. But that is not at all what happened in the schools studied here.

VARIATION IN BEHAVIOR PROBLEMS

"Fifteen Thousand Hours" describes what it calls School A and B, in each of which one-third of the incoming 10-year-olds had exhibited behavior problems, such as truancy, vandalism or insubordination. Four years later, fewer than 10 percent of the boys at School A had behavior problems, whereas the proportion at School B had risen to 48 percent.

"Clearly, one school was doing the right thing and the other was not," Dr. Ouston said. "In other words, the school did make a difference."

The research team, which was headed by Michael Rutter, a professor of child psychiatry at the University of London, came to the same sort of conclusion in regard to academic achievement. Although the schools studied tended to have pupils of about the same intellectual range, as measured by independent tests at the age of 10, there was marked variation in how the children did a few years later.

In one of its most startling findings, the University of London team reported that children in the bottom aptitude rank of the best school did as well, in final examination scores, as the children in the top rank of the worst school. In other words, a dull child entering one of the better schools had statistically the same chance to make good grades as a bright child entering one of the worst ones.

Moreover, a school that was good in one area tended to be good in others as well, reinforcing the theory that how the school is run makes a difference.

The book did not try to comprehensively assess exactly what it is that makes good schools good, leaving that to future research. But Dr. Rutter's team tentatively concluded that a major factor in making schools good was what it called "their characteristics as social institutions," including the degree of academic emphasis, the degree to which teachers got involved in lessons, the availability of rewards for students, and the extent to which children were given responsibility.

PRAISE HELPED STUDENTS

Children tended to do better, for example, in schools where the classes began on time, where teachers gave immediate and frequent praise, and where the pupils were made to feel that success was expected of them.

Naturally, good teaching was of great importance. But the study found, in comparing the schools, that "it was very much easier to be a good teacher in some schools than others."

For example, it concluded that results were better in the schools in which the disciplinary policy and the curriculum were discussed and worked out together by the teachers, rather than being dictated from above.

"It was not just that this facilitated continuities in teaching—although it did—but also that group planning provided opportunities for teachers to encourage and support one another," the book concluded.

INEQUALITIES IN BEST SCHOOLS

In the best schools, though overall standards were higher, inequalities persisted. In the schools in which children of ordinary ability did better than usual, the able children also tended to do better. And it continues to be a built-in advantage to have well-educated parents.

The comparison is analogous, the book explains, to changes in body height: over the last 50 years, the height of the average British school child has increased by 9 centimeters (about 3½ inches), presumably because of better nutrition. But that does not mean, of course, that all children are now the same height. There have been "major changes in level, without any reduction in inequality."

The same thing can be done, "Fifteen Thousand Hours" maintains, with academic performance; schools can be improved to the benefit of everyone's performance.

"It is not argued that schools are the most important influence on children's progress," the book concludes. "Education cannot compensate for the inequalities of society. Nevertheless, we do suggest that schools constitute one major area of influence, and one which is susceptible to change."●

S. 344—THE BILLBOARDS ARE BACK

● Mr. STAFFORD. Mr. President, the Committee on Environment and Public Works last held 2 days of hearings on S. 344, my bill that would add flexibility in the billboard control law. Since those hearings, I have read a most interesting article that appeared in the June issue of the Progressive. The article is by William Steif, Washington correspondent for the Scripps-Howard newspapers.

In the article, Mr. Steif writes:

After thirteen years of controversy, billboard company lobbying and budget pressures not only have brought the sign-removal program to a virtual halt, but also threaten to reverse the trend so that more signs may spring up along the roads. . . . The new Federal legislation also adds a curious wrinkle to constitutional law: It overrides state and local billboard-zoning controls on all Federal-aid highways.

Mr. President, I ask that a copy of Mr. Steif's article be printed in the RECORD.

The article follows:

[From the Progressive, June 1979]

THE BILLBOARDS ARE BACK: AND SO ARE THE JUNKYARDS

(By William Steif)

When President Carter signed a highway bill last November, he doomed Lady Bird Johnson's chief contribution to her husband's "Great Society."

That was the Highway Beautification Act of 1965, designed to remove billboards and junkyards from the 42,000-mile Interstate Highway System and the 300,000-mile primary highway system.

After thirteen years of controversy, billboard company lobbying and budget pressures not only have brought the sign-removal program to a virtual halt, but also threaten to reverse the trend so that more signs may spring up along the roads. And the junkyard program is dead, left without legislative authorization.

That is the effect of amendments to the 1965 law included in the highway bill Carter signed.

The new Federal legislation also adds a curious wrinkle to constitutional law: It overrides state and local billboard-zoning controls on all Federal-aid highways. There are a million miles of such roads in the nation.

The triumph of the billboard lobby has been so complete that the White House's Office of Management and Budget recommended no funds be allocated in the President's budget for fiscal 1980, starting October 1, for the branch of the Federal Highway Administration which is supposed to enforce billboard and junkyard controls. Carter agreed, over the protest of Transportation Secretary Brock Adams, and that's the way his budget went to Congress. A result of this will be to scrap all enforcement action under the 1965 law.

And yet the 1965 law remains on the books, with the nation paying lip-service to controls on billboards and junkyards. The billboard industry, which grossed well over $500 million last year and which has shaken out from many small firms in the mid-1960s to a business dominated by a few large conglomerates today, is delighted to keep Lady Bird's law in place. The industry investment is now protected by the law.

That is because, under last November's amendments, at least 250,000 billboards are added to the 200,000 for which the Federal Government must compensate owners if the billboards are removed.

Present Federal liability for removing these billboards is estimated at $1.3 billion. Under the penurious funding Congress has been allowing the billboard-control branch of the Federal Highway Administration, it would take more than a century to buy up all the billboards.

Under the 1965 law, the Federal Government was to put up 75 percent of the funds needed to compensate owners for "non-conforming" signs on Interstate and primary highways, and the states 25 percent. The highways were and are mostly paid for by Federal funds but built by state engineers. It took years for the state laws to be changed to conform with the Federal billboard rules, but they finally were.

Also under the 1965 law, commercial and industrial zones were exempted from the Federal law so far as billboard controls went. That meant cities, counties, and states could zone areas commercial or industrial and control signs as they wanted. Many signs simply were declared "illegal" and could be torn down without compensation to owners.

Compensation on Interstate and primary roads now averages about $2,000 per billboard; but on secondary and urban Federal-aid highways, not covered until last November by law, compensation averages about $5,000 per billboard. Massachusetts recently paid more than $1 million to owners of thirteen billboards removed in the Boston area under state law.

Most of the signs that have come down over the years since the 1965 law went into effect have been the "illegals" scrapped under state powers. By contrast, in 1978 only 13,000 signs came down under the Federal compensation program, and in fiscal 1979 only about 2,000 will come down.

The companion program to screen, relocate, or remove junkyards has moved even more slowly than billboard removal. It costs about $37,000 to deal with the average junkyard.

Congress has been squeezing the billboard and junkyard-removal branch's budget, so that this year there is only $13.1 million for its work. Almost half of that goes to provide "bonus" payments to twenty-three states that agreed to billboard controls on the Interstate system before the 1965 law was enacted. Their "bonuses" are 0.5 percent of annual Interstate construction costs.

Adding the 250,000-plus signs in commercial and industrial zones to the compensation rolls would not only pinch the Federal treasury but also hurt many state treasuries.

But the Carter Administration has gone a step further, and now seems to be saying that it is perfectly all right to erect new billboards along the Interstate system. The Federal Highway Administration's chiefs have overruled lower-echelon officials and permitted construction of at least fifty-six new billboards along a stretch of Interstate 95 in southern Georgia, and possibly double that number.

Georgia is a test case. The tourist industry pressured the billboard industry, which pressured county and state officials for the billboard permits. Nine I-95 interchanges in the state's two southernmost counties were provided with commercial zoning of about 750 acres per interchange. This phony zoning—phony because there is so little commerce or industry in the two largely rural counties—then allowed local officials to issue billboard permits. When this was brought to the attention of Karl S. Bowers, head of the Federal Highway Administration, he decided the Georgia billboards probably violated the law "but not to the extent that they should be sanctioned. . . . I wouldn't want to characterize this as abuse."

That means that if the billboard industry can lobby successfully at the local level, the Federal Government won't interfere.

On the other hand, if environmentalists who want billboard controls win a local fight, they could lose at a higher govern-

mental level. Pennsylvania's legislature is considering a bill that permits the state to preempt local zoning which restricts billboards. That bill has been checked with George McInturff, "environmental consultant" of the Outdoor Advertising Association of America, and has received his blessing. The bill would enable signs to proliferate—and the Federal Government evidently will do nothing about it.

McInturff, a lawyer and former FBI man, is the guru of the industry. Until mid-1974, he was chief of the Federal Highway Administration's scenic enhancement division, which was supposed to control billboards. He retired and by the end of 1974 had been hired to "consult" on local zoning matters by the OAAA. The other major billboard lobby is the Roadside Business Association, primarily representing rural sign interests.

Behind OAAA and RBA are a few major companies. The biggest is National Advertising, a subsidiary of the 3M Co., with at least 50,000 billboards. Second is Foster & Kleiser, a subsidiary of the Metromedia television chain, and third is the outdoor advertising division of Combined Communications, a media conglomerate recently purchased by the Gannett Company, which owns seventy-nine daily newspapers. The billboard companies' sales have been rising about 20 per cent annually, and many of the companies operate with profit margins well over 20 per cent.

The big billboard companies have an advantage often unperceived by outsiders: They do a lot of business with politicians, and politicians are eager to curry their favor, for billboards are a favorite—and cheap—election medium.

The industry is well-connected on Capitol Hill, especially with the public works committees of the Senate and House. When Representative James C. Wright, Texas Democrat, was a member of the House Public Works Committee, he worked feverishly to water down Lady Bird's billboard-control law and set up a "commission" that was supposed to recommend changes in the 1965 law. Wright is now the Democratic majority leader.

Senator Jennings Randolph, the West Virginia Democrat who heads the Senate Public Works Committee, votes with the billboard industry, and Senatory Henry M. Jackson, Washington Democrat, is another influential friend. Jackson was behind an amendment in the bill Carter signed in November to lessen the law's ban on electronic billboards.

Electronic billboards—like giant, flashing television commercials along the nation's highways—may be the Ultima Thule of the nation's billboard industry, but they hardly jibe with what Lady Bird Johnson was thinking of in 1965. In those days some people, at least, still recalled the late Ogden Nash's prophetic lines:

I think that I shall never see
A billboard lovely as a tree.
Perhaps, unless the billboards fall,
I'll never see a tree at all.●

HOW THE SOVIET UNION LOOKS AT SALT

● Mr. McGOVERN. Mr. President, I would like to share with my colleagues one of the most helpful statements on SALT which has been presented to the Foreign Relations Committee thus far. The testimony was presented by Dr. Robert Legvold.

I regard it as important because it helps us avoid a narrow national perspective on these issues. In a bargaining or negotiating situation, you have to take account of how the other party views the issues. We have heard a great deal of discussion in the SALT debate about perceptions. Many analysts feel that what counts is not only the reality of force levels, but also the perception of these forces in the eye of the beholder, the Soviet Union. Yet we do not make a sufficient effort to understand how the beholder perceives the war scenarios, strategic doctrine, and so on.

Dr. Legvold's statement is a significant contribution to helping us understand Soviet perceptions. For this reason, I submit Dr. Legvold's statement to be printed in the RECORD.

The text of the statement follows:

TESTIMONY BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

(By Robert Legvold)

As someone interested in Soviet affairs, I think I can best aid you by focusing on the attitudes that the Soviet side brings to SALT. These, of course, are not easily determined, but neither are they so inaccessible as we sometimes assume. Nor are they so crude as we sometimes imagine for want of knowing. They are a mix of subtlety, ambivalence, assertiveness, and concern roughly consistent with the complexity of strategic trends and the challenge of SALT, and, in my judgment, they are important to consider.

THE SOVIET AND AMERICAN APPROACHES TO WAR AND ITS AVOIDANCE

No factor more vexes the effort to negotiate arms control with the Soviet Union than the differences between us. Not the differences in ideology or political order, though these matter ultimately. The more fateful differences are in the structure of our military forces, in the nature of the threats we face, and in the strengths and vulnerabilities of the alliances we rely on and mean to defend.

The United States has built forces stressing diversity, flexibility, and technological prowess; the Soviet Union, numbers, firepower, and redundancy. Our means of nuclear attack comprise a TRIAD, a concept that has come to have considerable importance to us. The Soviet Union has persisted instead with essentially a DYAD, one resting heavily on land-based ICBMs. But Soviet ICBMs, in turn, being larger than ours, will pose a threat to this part of our deterrent sooner than we can threaten any part of theirs. Should both countries develop the ability to destroy the others' fixed ICBMs, however, the implications are graver for the Soviet Union because roughly three and a half times more of its forces are ICBMs. And should the competition turn toward acquiring invulnerable counterforce weapons, an increasingly likely prospect, the superiority of our next generation of SLBMs and mobile ICBMs over theirs makes the implications graver still.

Discrepancies like these—the practical consequence of the differences in the throw-weight of each side's ICBMs, in the levels of their SLBM technology, and in the versatility of their delivery vehicles—are SALT's great burdens. Add to these the effects of geography, the China factor, and allies who bring vastly different resources and concerns to the common defense, and the plight of SALT II or any other attempt to reach meaningful and negotiable strategic arms limitations emerges more clearly.

The asymmetries in capabilities, enemies, and alliances deeply influence the perspectives each side brings to the SALT process. But there is still another important asymmetry—this, in the way the two leaderships think about war and its prevention. The contrast stems not from a more cynical or cavalier attitude on the part of one leadership toward the risks of war. Nor, as some seem to suggest, from a Soviet willingness to treat war, even nuclear war, as an acceptable means to their political ends. No such willingness exists, not as reflected in what they say and write.

The real contrast is in the way the two nations cope with the theoretical possibility of nuclear war. Given the suicidal implications of using nuclear weapons, American strategists have concentrated on the psychology and framework of deterrence—that is, on the process of dissuading the Soviet Union from risking nuclear war or, if war comes, on cutting it short. Strengthening our ability to dissuade has not been divorced from defense—that is, from developing the ability to fight a war—but the stress has been on structuring choice and, if you will, "bargaining" in the shadow of nuclear conflict. By this I mean spinning out scenarios designed to convince the Soviet leaders in advance that we can and will attach too high a price to any prize they may wish to capture with military force. In the process, the civilian strategists, game theorists, and scientists who dominate strategic thinking in this country have come to worry most about the credibility of our deterrent, the stability of the nuclear balance in moments of crisis, and the raising or lowering of the nuclear threshold.

In the Soviet Union, the task of dealing with the specter of nuclear war belongs to military men. They, by tradition and profession, make it a matter of waging war. By preparing to prosecute war successfully, they assume, they are both deterring war and putting their country in the best possible position should deterrence fail. Nuclear weapons have revolutionized warfare, and this they recognize. But their inclination is still to approach the problem as traditionally as possible, committing themselves to victory on the battlefield and, to this end, the destruction of the other side's war-making potential.[1] The more abstract notion that the outcome of a nuclear war can be decisively shaped by launching a limited number of nuclear weapons at a selected set of (military) targets and then waiting to see whether the other side will desist remains largely alien to their way of thinking. Thus where we tend to start with deterrence pressing on to defense, ultimately subordinating defense to deterrence, they skip the issue of deterrence and concentrate on defense, assuming deterrence will follow.

THE CONSEQUENCES FOR SALT

Inevitably the different way Soviet and American leaders think about nuclear war influences the way they judge the strategic balance, the trends altering it, and the process of regulating it. Inevitably it also shapes their perspectives on the SALT II accords.

Some say that our original goals in SALT were doomed to failure because, as events turned out, the Soviet Union did not share them. We envisaged SALT as a chance to reduce and stabilize the strategic nuclear balance, to turn the competition from arms building, and to shift these resources in other directions. The Soviet leaders, in contrast, it is said, viewed the SALT process not so much as a joint enterprise to manage the arms race as an opportunity to codify their superpower status and, if possible, to improve their military position by impeding U.S. defense efforts. We were simply working on different levels.

[1] "Winning" a nuclear war in this sense is scarcely as good in Soviet eyes. It is better than losing, but no Soviet leader in the last twenty years, military or civilian, has suggested that nuclear war would be anything than an unimaginable calamity, leaving victor and vanquished in virtually the same condition.

It seems to me that this misstates the problem. For the Soviet leadership SALT has been preeminently a political exercise, but in the sense of the contribution that arms efforts make to the over-all U.S.-Soviet relationship. From the beginning, the Soviet leaders have been more inclined to focus on the place of arms control in East-West relations than on the role of arms control in restructuring the military balance or in imposing a particular discipline on the arms competition. They have tended to urge SALT as a necessary and integral part of a broader process of easing tensions between our two countries, arguing the obvious proposition that not much progress can be made if both are locked in any unyielding arms competition. The challenge of using SALT to shape the strategic nuclear balance has concerned them less.

Indeed, by and large, their natural preference has been to define the objectives of SALT modestly, rather than get bogged down in the complexities and intractable dimensions of a far-reaching effort to regulate the strategic arms race. In SALT I, they would have been happy to settle for an ABM agreement, and it required considerable determination on the part of the Nixon Administration to negotiate the interim agreement limiting offensive weapons. In SALT II, they have generally sought the simplest and least arduous route to agreement, meaning inevitably a less ambitious one. They have not pressed to circumscribe or avoid new technologies, threatening to make the strategic arms competition more unmanageable, like MIRV or mobile ICBMs. And, when in March 1977 they were offered the opportunity to achieve major reductions, they angrily backed away. Their anger had to do with what they regarded as the one-sided nature of the 1977 proposals, but this did not fully explain their refusal to respond with counterproposals.[2]

This preference for unencumbered arms control, I think, in large part traces back to the Soviet Union's broader political stakes in SALT. True, another powerful syndrome is at work, a Soviet reluctance to constrain the other side if it means constraining yourself. But the same can be said of the American approach to SALT, and that has not prevented us from trying to push SALT in more ambitious directions. Rather, the further explanation is that the Soviet Union cares more about the political effect of a successful SALT process, and, for this, small steps, setting aside the hard choices that generate controversy, may be best.

It is also true that the Soviet Union has looked upon SALT as a mechanism for controlling American military programs. Preventing the United States from going forward with an elaborate ABM system was obviously a high priority for the Soviet Union in 1969. Limiting, even eliminating, the contemporary U.S. cruise missile program has also been a major Soviet objective in SALT. But, we, too, have sought to circumscribe through SALT Soviet weapons that are particularly disturbing to us. The ceiling on SS-9s in SALT I is a case in point and so is our attempt to impede the development of a fifth generation of Soviet ICBMs in SALT II. The attempt to use SALT to hamper the other side's defense efforts is not what divides us.

Neither the self-serving aspects of the Soviet aproach to SALT nor its political stake in SALT proves that the Soviet Union has no desire to stabilize the nuclear balance or to shrink both countries' strategic arsenals. The problem is in defining what it means to stabilize the balance, a problem that ultimately traces back to our contrasting way of thinking about nuclear war and its avoidance.

It is not merely that our attempts to give stability to the nuclear balance, that is, to reduce the incentives to squeeze the trigger first in crisis situations, come across to Soviet observers as self-seeking. Thus, from the original Option E proposed in the opening rounds of SALT I to the March 1977 scheme for "deep cuts," our efforts to increase crisis stability have seemed distinctly in our favor. Again and again we have come back to the notion of abandoning potentially vulnerable ICBMs, where so much of the Soviet effort is focused, and moving the competition to less vulnerable SLBMs, weapons of a more clearly second-strike character, but in which we hold a clear technological edge, not the least in the race to turn them into first-strike weapons. On the other hand, a Soviet might note, when the most "destabilizing" weapon of the last decade was introduced, that is, MIRV, we introduced it and we did so without giving much thought to SALT and an agreement to banish MIRVed forces on both sides.

There is, however, a more profound problem than notions of stability that appear to Soviet leaders as discriminatory and calculated to enhance U.S. advantage. The problem is that our notions of what is stabilizing and destabilizing in the strategic arms competition, to a large degree, remain alien to them. This, some would argue, arises out of the Soviet tendency to equate stability with the growth of Soviet military power. The point is not made derisively: Soviet speakers do suggest that a stronger Soviet Union is the surest guarantee of nuclear stability; indeed, it is the way they most commonly discuss the issue. (To say the least, it is not an approach that will get the two sides very far.)

Still, this does not gainsay the extent to which our own concept of stability is a function of the way we happen to think about nuclear deterrence. Worrying about a Soviet ability to destroy 90 percent of our fixed land-based ICBM force, while we can destroy only 60 percent of theirs, makes sense at a certain level of abstraction. For us, the abstraction is important, because we have predicated deterrence on ensuring that the Soviet Union cannot come out ahead in any nuclear exchange. This proposition has a significance of its own, independent of the question of what objective could activate a chain of events resting on this 30 percent margin, what fortuities would threaten to undo any calculus based on the 30 percent, and what other dimensions of war might prove more decisive.

For the Soviet leaders, however, given their approach to nuclear deterrence, this proposition has no significance independent of these other considerations. They are less sensitive to and, happily, less emboldened by Minuteman vulnerability, because of the difference in approach. Less sensitive, because they are inclined to view their ability to destroy a large part of the Minuteman force as simply one component in a war-fighting strategy—that is, a measure, albeit a critical one, for reducing the damage a foe can inflict in the course of a war. They are less emboldened, because, as they judge matters, this ability affords them little leverage as long as they cannot launch and win a war at a tolerable cost.

By the same token, I think they are baffled by and more than a little mistrusting of the concern expressed by many in this country over trends in so-called "static indicators." They understand the psychological problem. They understand that numbers and seeming inferiorities in the tally of weapons—megatonnage, throw-weight, total warheads, numbers of delivery vehicles, and so on—have an impact on the public mind. But, when serious defense planners and analysts make the gap in the throw-weight of the two countries' forces decisive, arguing that by this gift the Soviet Union can launch a nuclear attack knowing that after each exchange its remaining forces will be fractionally larger than American forces, Soviet observers suspect ulterior motives.

Because Soviet defense planners make do with the science of war, abjuring the development of "strategic doctine," they look upon our attention to doctrine as politically inspired. That is, they think the fussing we do with declaratory policy, replacing the "doctrine of massive retaliation" with "flexible response," modified by the "doctrine of limited nuclear options," is designed to squeeze the maximum political-psychological leverage out of a defense posture. Talk about the meaning of the discrepancy in throw-weight, translated into a concept like "escalation dominance," the language of American strategists, is lumped into the same category.

Soviet and American views of SALT II also derive to an important degree from their respective views of military trends, a further dimension shaped by our contrasting approaches to the challenge of nuclear war. In this country what different people think about the SALT II accords follows closely from their apprehension over the comparative momentum of Soviet and American military efforts. The fears generated by recent trends impinge constantly and heavily on judgments about SALT II, even where the connection, both for good and ill, is nearly nonexistent.

Not surprisingly, in the Soviet Union, the link between the evolution of the military balance and SALT matters less. Whatever the defects of the agreements—and from the Soviet perspective there are a number—these are softened by the general context. SALT or no SALT, the Soviet Union has made enormous strides in overcoming its strategic nuclear inferiority. In these circumstances, even the most equitable agreement looks different to the side losing ground than to the one gaining ground.

But the contrast has still deeper sources. Because we and our NATO allies place so much weight on U.S. strategic forces, accepting the abstractions of deterrence theory and neglecting other dimensions of our common defense, the erosion of our comfortable advantages in the nuclear competition is particularly disturbing. SALT may have very little to do with this situation and it may offer little solution—short of the futility of expecting it to re-establish American strategic superiority—but it becomes its victim. Suddenly everything, even at the margin, acquires significance: the chance that the Soviet Union could use its large medium-range BACKFIRE bombers in a nuclear attack on the United States, the chance that a disputed interpretation of the SALT protocol might impede our efforts to rectify a deteriorating theater nuclear balance, and the chance that the Soviet Union would cheat under the terms of SALT and, escaping detection, produce a larger and more accurate successor to the SS-19 two or three years earlier than it could if it waits for the Treaty to expire.

Both in its posture and in its concepts, the Soviet Union is less dependent on carefully calculated nuclear deterrence. Because the Soviet Union believes the decisive feature of any general war will be the ability of one side to triumph at all levels, from conventional to nuclear, and has designed a posture around the integration of capabilities for fighting at all levels, it worries less about the precise calibration of the nuclear balance. Or, to put the matter another way,

[2] They also resented the way the proposal was sprung on them and objected to an attempt, as they saw it, to throw over Vladivostok and the laboriously negotiated compromises of the intervening two and a half years. Still, the Soviet reaction was so swift and sharp that obviously they had not even paused over the prospect of making more of SALT.

it has a different sense of what constitutes the basis for "nuclear blackmail." To a Soviet mind it is not the ability to wipe out one leg of a TRIAD that counts most, and even less is it a gap in throw-weight, translated into a scenario in which one of two devasted countries after a series of nuclear exchanges ends up with a fraction more weapons. Rather, the decisive consideration in the Soviet perspective is the over-all military balance. Provided one has a sufficient ability to survive a nuclear attack and strike back with a certain level of viciousness, the key concern is with prosecuting war, and that involves something much beyond the refinements of nuclear strategy.

Not that the Soviet Union has ceased to worry about trends in the strategic arms competition. In a looser fashion, the Soviet leaders do apparently fear the twists and turns that the competition may yet take. They are concerned with the implications of cruise missiles and what the introduction into Europe of large numbers of these weapons, blurring the line between conventional and nuclear, will mean. They are beginning to stir at the prospect of a race in counterforce weapons. And, in general, they continue to watch warily for the new directions in which we, with our technological superiority, will push the nuclear arms competition. But these are concerns for the future, for SALT III, and the Soviet leaders do not feel them so acutely as we feel ours. For the moment, the two countries' anxiety over military trends is out of phase.

I have chosen not to address more directly the concerns that are usually debated, because I believe the problem runs more deeply. I could have made the case that, whatever our image of emerging Soviet superiority, the Soviet leadership does not share the same perception. I could have summarized for you the defects that the Soviet leaders see in the treaty. I could have reviewed for you the compromising the Soviet Union did to get this agreement, by way of disproving the impression that we have let ourselves be slickered. I could have commented on the faithfulness with which the Soviet Union keeps the contracts it signs or the likelihood that it wants an inadequately verifiable agreement. The reality in all these cases, I am convinced, is more reassuring than assumed by many of those who oppose SALT II or who would substantially rewrite it.

I did not because I think the factors that lead the two countries to view strategic trends and SALT II so differently—that make these agreements so controversial in our country and not in the Soviet Union—flow from far deeper considerations. Much of the trouble SALT II is in stems from our basic outlook, from the way we choose to define what counts in the nuclear balance, from the way we choose to define Soviet calculations, and, ultimately, from the way we choose to cope with the specter of nuclear war. Much of the trouble with SALT—and a challenge that we must deal with more effectively if the process is to come to really matter—stems from the fact that the Soviet Union does each of these things another way.●

INSTITUTE OF SCIENTIFIC AND TECHNOLOGICAL COOPERATION

● Mr. DECONCINI. Mr. President, an article appeared in today's Washington Post which I believe merits some reflection by my colleagues. The Senate recently voted to eliminate the authorization for the Institute of Scientific and Technological Cooperation. This was a reasoned first step toward stemming the tide of our burgeoning Federal bureaucracy.

Written by Werner Fornos, the article discusses what is in my view the crux of the present foreign aid debate: "Should foreign aid be spent on research in laboratories at home, or on effective programs within the countries it is intended to help?"

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

JUST ANOTHER RESEARCH SUBSIDY

(By Werner Fornos)

A House-Senate conference committee will meet within the next few days to consider reviving the administration's proposal for an Institute for Scientific and Technological Cooperation, defended in a Washington Post editorial ["A Modest Aid Proposal," July 7]. In pleading the case for building yet another federal bureaucracy, the editorial argued that "the ISTC idea strikes a lot of thoughtful people as lawfully promising." It further contends that because "only $25 million" was requested for establishing the agency "the very modesty of the idea . . . made it so attractive."

There are also many thoughtful people who understand that the initial price tag for creating any new federal bureaucracy is but a small fraction of what it inevitably becomes within a few short years.

At a time when federal funds are being withdrawn from lunch programs for needy children and when Congress considers rolling back benefits for survivors of Social Security recipients, a $25 million federal revenue-sharing program for colleges is out of order.

In attempting to characterize opponents of ISTC as those who would turn their backs on the less fortunate people of the world, The Washington Post is particularly unfair. Among the members of the Senate who voted against the proposal were such champions of humanitarian assistance as Sens. Inouye, Bayh, Leahy, Nelson, Proxmire and Weicker. U.S. aid to the Third World is necessary and should be delivered to programs directly helping the poorest of the poor break the cycle of deprivation and misery destined to continue unless a helping hand is extended by an enlightened, developed world proceeding on a course of compassion, understanding and common sense.

Perhaps it is only coincidental, but nevertheless relevant to the debate, that the same Senate Foreign Relations Committee that recommends approval of a $25 million expenditure to establish ISTC, saw fit to cut $23 million from the administration's request for one of the most vital and proven foreign-aid efforts—world population assistance.

The question underlying the ISTC issue is: Should foreign aid be spent on research in laboratories at home, or on effective programs within the countries it is intended to help?

Certainly, there is much vital research warranting expenditures of federal dollars but not at the expense of much needed humanitarian efforts already under constant attack by those still clinging to the antediluvian concept of isolationism.

The Senate, which last month defeated the ISTC proposal, would be well-advised to finally reject any conference report containing efforts to resurrect it.●

THE PROGRESSIVE MAGAZINE CALLS SALT II A DELUSION

● Mr. MCGOVERN. Mr. President, the Progressive magazine in its August issue calls the SALT II Treaty a fraud and a delusion because it institutionalizes the steady buildup toward nuclear disaster rather than reversing the arms race. The editorial is very uncompromising. It calls for the rejection of SALT as a means of waking up the public to the fact that the nuclear arms race is out of control. I am not yet prepared to subscribe to the Progressive's nuclear medicine but I think it has accurately diagnosed the disease. It states a blunt truth: That SALT thus far has failed to control, much less reduce, the creation of ever more destructive nuclear stockpiles on both sides. Regardless of the soundness of its advice about rejecting the treaty, the editorial conveys an important sense of frustration about SALT which I believe the administration needs to address more persuasively than it has thus far. For this reason, the editorial is important enough to share with my colleagues and I ask that it be printed in the RECORD.

The text of the article follows:

THE IRRELEVANT SALT DEBATE

With the opening of Senate debate on ratification of the second Strategic Arms Limitation Treaty (SALT II), signed a few weeks ago by the two nuclear superpowers, Americans face a momentous choice affecting the peace and security of the world. But it is not the kind of choice the proponents and opponents of SALT II would have us believe.

If it were simply a question of whether the United States should step up or cut back the nuclear arms race—the issue pictured by both sides—there could be no doubt what the Senate should do. It should vote overwhelmingly for ratification.

If SALT II, even with all the loopholes the negotiators found it necessary to leave for the nuclear weapons makers, were the only feasible alternative to unrestrained competition, a plausible case could still be made for ratification.

If SALT were no more than a symbol of America's firmly grounded intention to achieve nuclear arms reductions at some later and more propitious time, then the symbolic act would be worthy of support.

But the treaty is none of those things. It is neither a cutback nor a freeze nor even the faint promise of a slowdown of the deadly enterprise to which this nation and its rival seem alterably committed. It is, in fact, a further cementing of that commitment.

As an instrument for effectuating nuclear arms reductions, SALT is a fraud and a delusion. It deserves to be rejected—not because there is any merit in the claim of those who profess to see in it a threat to "national defense" but because that claim is irrelevant to the real issue that demands attention.

The issue the Senate should be considering is not by what means and to what ends and under what terms strategic arms will be controlled, as the SALT debate would have it. The issue is whether such weapons serve the national interest. That issue can best be raised—perhaps it can only be raised—through rejection of a premise which, by accepting and regulating nuclear weapons, serves only to institutionalize them.

To side with those who excoriate SALT for opposite reasons may seem unthinkable to some. But it must be remembered that the nuclear weapons makers and their lobbyists are not the only threat to peace. Equally dangerous is the notion that the threat can be averted through a process of accommodation.

As the quickening tempo of the nuclear arms race has made increasingly clear, SALT is the culmination of an accommodation process that goes back many years.

Two decades ago, outraged public opinion forced the superpowers to suspend nuclear weapons tests which were polluting the atmosphere with radioactive fallout. But rather than a comprehensive test ban that would have curtailed weapons development as well, the world settled for a treaty that permitted the testing to continue underground—and development has been escalating ever since.

A few years later, mounting concern about the worldwide proliferation of nuclear weapons was effectively dissipated by the signing of the Nuclear Non-Proliferation Treaty, which since 1970 has been scattering nuclear power technology and nuclear weapons know-how to the four corners of the earth.

The Nuclear Non-Proliferation Treaty focused attention and concern on the growing stockpiles of the nuclear weapons states, to which the superpowers responded with the concept of "strategic arms limitation," once again lulling the world community into inaction.

From a total of three or four thousand warheads when the SALT negotiations began in 1969, the U.S. strategic stockpile rose to 6,800 in 1972, when SALT I was signed. It now stands at 9,500 with the signing of SALT II, which permits it to rise to 14,000 by 1983. The Soviet stockpile, though smaller, has climbed correspondingly.

The allowance of such comfortable numerical ceilings—as high as either side could wish—is only one of SALT's many accomplishments. The SALT process has also permitted the nuclear establishments to introduce, bargain for, win, and then develop whole new weapons systems—the multiple warhead missile, the cruise missile, and now the mobile missile, a thirty-billion-dollar boondoggle extracted by the Pentagon as its price for accession to SALT II.

SALT has been equally successful in drawing attention away from nuclear weapons research and development (the mainspring of the arms race) and from burgeoning systems of tactical nuclear warfare—both conveniently excluded from the arms limitation agenda.

But SALT's most enduring and deadliest contribution has been its impact on the opposition to the arms race. Having claimed and won acceptance as the central framework for nuclear weapons policy debate, it has come close to destroying the only solid base from which a real alternative to nuclear war can be created.

The alternative to the nuclear arms race is not SALT or other forms of "arms control" which serve only to legitimize the steady buildup toward nuclear disaster. The alternative is nuclear disarmament. Its cause would be better served by defeat rather than victory for a policy which offers only the semblance of arms limitation.

If the United States and the Soviet Union are to continue their deadly game of "nuclear chicken," let them do so openly without the flim-flam of strategic arms limitation talks. The full realization that the arms race is out of control may be what the public needs to spur it to action.

If, as Alan Wolfe suggests in a recent issue of the Nation, SALT II is "the attempt of two declining superpowers to maintain their hold on a world that is slipping out of their control," then let the world thwart that effort while there is still time.

For Americans, let the demand for an accounting begin now, before the Senate is done debating irrelevancies. The accounting will matter little in years to come, when, from the rubble of the next world war, the accusing finger points not just to those who engineered the nuclear arms race but to those who always meant to stop it.●

THE EFFECT OF FEDERAL POLICIES ON SMALL FAMILY FARMS

● Mr. HATCH. Mr. President, over the last 2 days the Select Committee on Small Business, on which I serve, has held joint hearings with the Agriculture Committee on the impact and effect that Federal agricultural research and extension policies have had on small family farms. According to testimony in these hearings, nearly 70 percent of the Nations farmers can be classified as small, with gross sales at less than $20,000 per year. Yet these same farms receive less than 25 percent of the benefits of federally supported agricultural research. It is not surprising, therefore, to learn that these small family farms are being extinguished at a rate of over 5,000 per week.

Mr. President, this Nation thrives on technological innovation, and we have not lived up to our commitment to provide the genious needed to let the individual farmer compete. I do not think I am bold in suggesting that the private sector might have success where the Government has failed. As in any monopoly dominated field, however, agricultural research leaves little reward for the entering competition.

But agricultural research is beginning a new age, and big business would be wise to learn a new form of economic morality. Control Data Corp. has undertaken an agricultural research program which could set the trend in reversing the flow of family farm extermination.

The CDC program can identify, collect, package, and distribute specific crop and livestock technologies designed to achieve optimum use of available resources. These technologies, together with a companion use of individualized, computerized "how to" information will deliver a package of information to the small family farmer that, for the first time in years, can make a small family farm profitable.

The rewards for CDC are not extensive, nor are they imminent. But the broad social benefit of this venture belies attitudes of managerial greatness. Mr. President, this type of responsible, moral enterprise is the foundation of our great land. Risk, for the hope of freedom when the stakes are high, that is America.

Mr. President I would like to thank Mr. Ralph J. Thomson, general manager of corporate strategy implementation at Control Data Corp., for his testimony before our joint hearings. And I applaud CDC for boldly showing that true enterprise spirit of venturing where they have not been.

Mr. President, I commend the testimony of Mr. Thomson of CDC to my colleagues, and ask that the text of his testimony be printed in the RECORD.

The testimony follows:

CDC SMALL FAMILY FARM OPERATIONS: PRIVATE SECTOR APPROACH

As the number of U.S. farms has drastically declined in the post-war period (3.5 million lost), it has been conceded that much social and political benefit to rural communities would be derived through improving the lot of small farmers. However, very few voices were raised to claim that smaller farm units would produce attractive economic benefits to their operators, or that they could become significant contributions to the food chain.

In light of recent economic events (largely induced by the energy crisis), there is a growing body of evidence that better solutions to many of the basic problems plaguing the nation's agricultural sector can be realized by means of the small family farm than can be achieved through the large capital-intensive operations so highly dependent on fossil fuels.

In many kinds of production, if given the right tools of resource management, education and innovative appropriate technology of operations, the small scale farm makes maximum use of the nation's agricultural resources with the least amount of environmental damage, and with the least expenditure of energy and capital. Thus, these hearings on the adequacy or inadequacy of current federal research and extension efforts are timely and vital.

Before processing further, I should provide my frame of references for discussing the term "small family farm" and what I mean by small farm "viability". Of the many definitions, I favor National Rural Center's broad working thesis, which highlights the entrepreneurial nature of the small agricultural unit:

The family or individual relies on farm income for a substantial part of its (his) livelihood.

The operating family or individual manages or controls the farm business and contributes the majority of the farm labor.

Family or individual income is moderate or less.

The "economic viability" of a full time small family farm should be defined as the ability of the operation to generate enough revenue on a continuing basis to meet all operating costs, service its debts, and provide a competent farmer with a reasonable standard of living. Instead of concentrating on farming operations with gross sales of under $20,000 (or $40,000 for that matter), it is more meaningful to focus on net income, with the goal of providing at least the economic equivalent of the national median annual income (currently $17,000).

It is a commonplace to note that America's small farm sector has been neglected and underserved by federal agriculture research and education/training programs. The basic orientation of agricultural research and extension policy has been to maximize returns on farm investments through the support of large-scale operations;

There have been some scattered "pluses" amidst the generally negative approach to small family farms:

(1) The effective paraprofessional programs in several states, as exemplified by the Missouri experience;

(2) The research programs on Integrated Pest Management;

(3) The recent increasing conceptual attention devoted by Secretary Bergland to the structural policy hindrances embodied in post-war farm Acts which provide payments and benefits based on large volumes of production;

(4) The low-interest limited resource farmer loan programs of the Farmers Home Administration; and

(5) New interagency emphasis on farm-sized energy production.

However, the basic pattern of neglect of the small farm still predominates. Federal policies continue to reveal a fragmented, piecemeal response to small-scale agricultural needs. Notwithstanding the landmark legislation of the 1970 Agriculture Act, 1972 Rural Development Act and the 1977 Food Development Act—all of which made special provision for small farm research and model/demonstration projects—no actual funds were authorized until fiscal year 1979, and then a mere $3 million.

The current Title V research program is at best moribund in its underfunded state.

The asymmetry between large scale and small-scale-oriented research and extension is vividly highlighted in the assignment of only $5 to $20 million (depending on the measuring rod) to small farms-related programs within the current $700 million research and extension budget. In short, either less than 1 percent or, at best 3.3 percent of that budget is allocated to programs serving 72 percent of the U.S. farm population. The Administrator of the USDA Extension Service, himself, recently admitted that only 5 percent of agriculture extension services and 25 percent of agriculture research services are of direct assistance to small operators.

And yet, there never has been any lack of substantive small-scale agriculture problems to address and to correct. We can start with the continuing rapid decline in the numbers of farms, much of it due to inefficient "know-how" in production technology, management of small enterprises and marketing of small farm products (to my mind, the most difficult issue). We continue with the increasing OPEC-punctuated menace of U.S. energy profligacy (including inefficiencies within the agricultural sector), the increase in bland, sometimes less nutritious foods put on American tables and the need for small-scale local or regional production/marketing to alleviate high packaging and shipping costs. We observe with mounting alarm rising costs of equipment and land, as well as the continuing environmental degradation through top-soil erosion, losses in fertility, pesticide contamination of our waters, and water scarcity—all by-products of large-scale, chemically-based farm operations. We view the limited market access for small producers who now face the loss of traditional, open, competitive markets because of contractual arrangements which limit or exclude the smaller operator. This list, regrettably, can be added upon substantially.

Thus, there is a demonstrated need to change the focus of current Federal programs in agriculture research and extension toward an increased emphasis on strengthening the position of the small family farm and associated small food processing operations.

My firm believes that such a shift is not only a reasonable and supportable, but an imperative proposition—one which will yield substantial dividends, not only to the small farmer or food processor, but to American agriculture in general (including large operators), the urban dweller, and the American consumer, wherever he may live.

We further believe that a key element in bringing about an effective re-direction is technology, broadly defined as knowledge or "Know-How", not merely information or data. And when we speak of assembling agriculture technology, we refer to "competencies" in three basic areas:

(1) Production, (2) small enterprise management and planning, and (3) marketing, especially regional and local. Capital, government policies pertaining to commodity prices, tax structure, inheritance laws, investment tax credit, etc., and other factors are important, but without technology appropriate to the task, capital and government policy cannot have the desired effect.

We are convinced that available technology (if properly packaged and disseminated) and future research (if vigorously and intelligently pursued) will lead to profitable and viable small family farm operations (without benefit of subsidies). The very existence of substantial numbers of currently available appropriate technologies holds the promise of the development of many more. More important the very existence of a number of successful small farm operations currently employing appropriate technologies, holds the promise of replication. These objectives cannot be accomplished overnight, but there is enough existing applicable technology to get meaningful results in a few years and—with adequate and continuing research support—reach national significance within ten to fifteen years.

Control Data is sufficiently dedicated to this idea that it will provide substantial seed monies to establish a degree of private sector momentum for initial activities, with a view to future joint funding and in kind inputs from public sources.

Our seed monies are directed to selected institutions and groups to stimulate the following areas:

1. Agriculture development programs emphasizing the comprehensive collection and packaging of sets of existing intensive crop, livestock and equipment technologies for viable small family farm operations and optimized for each U.S. agricultural geography.

2. Corollary agriculture research programs for ongoing R. & D. in environmentally protective, low-cost, energy-efficient farming practices and vertically integrated businesses.

3. Education and training programs based upon an extensive, yet focused, curriculum development project which will transmit skills associated production technology marketing and management package described in Item 1 above, and, as they become available, those referenced in Item 2. This generation of "How-To" curricula (which assumes productive links between the considerable expertise available in USDA Cooperative Extension programs, colleges and industry) will provide the foundation for a systematic educational resource, bringing to the small family farmer tools of production and management technology currently available mainly to large-scale operators. Education/training packages will be delivered principally through the flexible and transportable medium of individualized instruction and computer based education.

The first actual functional step in our small farm program will be the establishment of Control Data's initial AG Development Center in Central Minnesota. This will be an operational family farm project, which will assist in developing commercially and environmentally successful small farms and food processing buinesses. Utilizing the computer, this, and other planned AG Centers, will identify, then collect, package and distribute specific crop and livestock technologies. Each set of these technologies will be optimized to achieve maximum use of land, equipment, labor and capital for a specific geography, taking into account available processing, distribution and market demand. Companion, computer-managed individualized curricula will be used in training the farmers on the "How To" elements of employing each new technology or knowledge skill.

The services to be provided through this and subsequent AG Centers throughout the U.S. will include:

A. The establishment of model small farm operations reflecting new technology consistent with high production/acre, low capital investment, and decreased consumption of fossil fuels;

B. The provision of a full range of individualized, multi-media-based education and training courses to enable application of these technologies.

C. The creation of a mechanism to reserve large tracts of land for beginning and entry-level farm families, which will be transferred following subdivision into affordable smaller farms.

D. Assistance in the organization of efficient, centralized purchasing and the establishment of smaller processing units (and other related agribusinesses) which are essential to the profitable marketing of the agricultural crops.

E. Assistance in obtaining necessary financial services, both public and private.

F. Access to a computer which catalogs technologies and management applicable to small scale farming.

In the next few months we will provide an opportunity for at least ten entry farmers in Minnesota to start up and own small farms ranging from 30 to one hundred fifty acres and to employ all appropriate technologies necessary to produce crops which will provide a minimum net family income equal to the national median. Initially, the farms will concentrate on specialty products and small-scale animal agriculture involving intensive farming techniques.

After the proper processing and marketing infra-structures are in place, the opportunity will also be provided for several entrepreneurs to start up small point-of-production food processing businesses.

There are several other small farm projects to mention. One is the Pine County small farm project which Control Data has established at the request of sixteen existing Central Minnesota small farmers to help them improve operations and make a decent on-farm living.

The second is a small farm improvement project with Sterling Institute in Vermont. Sterling is a Vocational School that operates a small farm. This is the first step in my firm's investigation of the establishment of a series of competency-based small farm oriented short course agriculture institutes in selected U.S. rural locations.

A third program contemplates the establishment of AG Centers on two or three Indian Reservations.

In addition, two computer-based education and training centers in Louisiana and Mississippi will be established to assist southern (principally Black) small farmer organizations with basic mathematical and reading skills, as well as practical agricultural vocational technical training.

In addition to the supporting research grants and these small farm projects, my firm is sponsoring the start-up of several small urban food growing and processing businesses and investing in small companies developing products useful in small-scale agriculture.

What has been described in Phase 1 of our small scale agricultural program.

In a second phase to begin in late 1979, Control Data will solicit the involvement of other organizations in a rural development consortium called Rural Venture, Inc. which will expand the ranges and number of small scale operations to include other crops and products in additional areas of the U.S., and equally important, to plan and manage the implementation of comprehensive regional programs to improve rural living. Currently, no single entity—public or private—is capable of planning, distributing, and managing development resources, initiating business ventures, and stimulating applied research on a scale adequate to deal with the problems of rural America. The consortium will be similar to its existing urban counterpart, City Venture Corporation, which is composed of 13 businesses, professional and religious organizations now planning and managing implementation of the comprehensive programs for revitalizing blighted urban areas.

The Rural Venture consortium will not be a "developer" in the classic sense. Principal revenue will not come from ownership, construction and appreciation of land values. Rather, Rural Venture's main earnings will come from royalty income on technologies furnished, service income from training and education fees for providing farm management and production assistance, and fees from contracts with Federal, regional and state governments for developing and managing the implementation of programs for rural and community aid.

Rural Venture will market its services to community groups, towns, state and federal agencies. Where appropriate, investments

will be made by the consortium in private, mainly small business opportunities and innovative projects to demonstrate advanced technologies related to rural development. Rural Venture will demonstrate that the building and rebuilding of the American countryside is a growth industry, providing opportunities for private enterprises to realize reasonable, long-term return on investments.

We believe that initiatives such as Rural Venture will magnify the impact of federal and other public resources. Acting as "private sector packagers," they can combine a variety of federally funded programs with private initiative, thus helping a community to build more self-reliance and the ability to better respond from within to its own changing needs rather than continuing to have so much dependence upon government programs and/or philanthropy.

SOME RECOMMENDATIONS

As I mentioned earlier, there is enough existing and emerging technology to make a meaningful start, but ongoing R&D is needed for small farms to achieve attractive profitability and to become significant food producers.

We would hope that funding for Federal agriculture and education will be redirected toward smaller scale operations in gradually, but significantly increasing amounts. The first year, for example, the need might be estimated at an additional $4–5 million, and thereafter increasing incrementally so that over a five-year period total new expenditures might be around $100 million. Perhaps as much as half would be required to augment education and training programs for small family farmers. But direction and management are more important than total dollars.

The current technical base for small farms and food processors must be broadened. The research and educational agenda is still considerable. Following are a few key categories for suggested new or ongoing R&D attention, many of which will be equally useful to the American farm community at large:

1. Renewable Energy Sources.
2. Energy self-sufficient farms.
3. Reduced energy Techniques.
4. Organic techniques/fertility cycling.
5. Alternative (minimum) tillage techniques.
6. Interplanting/Intercropping.
7. Reduced Water Techniques.
8. Alternative fertilizers, pest controls.
9. Small-scale farm implements.
10. New low-cost-small-scale food preservation and storage processes.
11. New plant varieties for high-value crops.
12. Improved biological nitrogen fixation.
13. Year-round, energy-efficient greenhouses..
14. Small farm management techniques.
15. Small farm marketing systems, outlets.
16. New small farm organizations and models.
17. Comparative analyses of successful small farmers in developing countries as well as Israel, Japan and Western Europe.
18. New methods of disseminating information to small operators.

With the promise of new research breakthroughs, and the attendant social benefits of technological innovation on American small farms, it seems appropriate to close by citing a section of the 1977 National Science Foundation study on "Appropriate Technology and Agriculture": The resource, environmental and economic concerns which have surfaced in the U.S. over the past several years impact significantly on agriculture. No longer can one assume that the present agricultural methods are the sole way to produce food. The problems which confront a resource-constrained economy demand viable agricultural alternatives to large-scale energy and resource-intensive agriculture. The National Science Foundation, the Department of Agriculture, and other agencies such as the Environmental Protection Agency should build on current research efforts in this field. They should also support new research projects . . . leading to the evolution of an agriculture which is highly productive, environmentally sound and economically feasible.●

SYNFUELS

● Mr. McGOVERN. Mr. President, I have become increasingly concerned about the administration's recent energy proposals which focus on a massive synthetic fuel development program.

I concur wih the mood of Congress and the American public, that the Federal Government must take swift action on our worsening energy situation, however, it is apparent that our new-found passion for synfuels comes not from any deeply considered perception of our energy crisis, but from OPEC price rises and our constituent complaints about gas lines. Yet, absent any comprehensive understanding, the administration is prepared to embark on a synfuel program which will cost the taxpayer $140 billion.

Perhaps the greatest indicator of uncertainty in synfuels development, is that the coal industry, which should stand to benefit, and private investors have been hesitant in their support for synthetic fuels.

Another factor causing sizable concern, is that the administration is prepared to overlook the serious environmental problems associated with deriving liquid and gaseous fuels from fossil fuels. The President made it clear that environmental regulations must be bent or broken to accommodate rapid synfuel development. I am sure that many of my colleagues and I would be willing to allow for some loosening of environmental restrictions if we were assured that the President's program was an affirmative step toward energy security. However, as Richard Corrigan recently observed in a National Journal article on synfuels, "if these proposed plants are still regarded as lemons in the eyes of the private sector, it does not follow that they merit subsidies from the Government."

As an alternative, I strongly urge my colleagues to consider a national energy program which will provide substantial short term contributions to our energy supply picture. Such a program cannot focus upon those technologies which remain uncertain or policies that will promote dissent among the public. While it may be necessary to move ahead with synthetic fuels, such action should continue to be of an exploratory nature. Immediate gains can be made through a strong commitment to conservation and renewable energy, as discussed in the recent Harvard Business School study.

Mr. President, I request that an article, "Synfuels in Haste, Repent at Leisure," which appeared in the July 13, 1979 issue of Science magazine be printed in the RECORD.

The article follows:

[From Science magazine, July 13, 1979]

SYNFUELS IN HASTE, REPENT AT LEISURE

A moonshot-style technical venture which could cost several times more than did the Apollo program seems likely to emerge in the next few weeks as Congress's response to the national energy situation.

Synfuels fever has hit Capitol Hill. On 26 June the House passed a bill committing the government to purchase 500,000 barrels a day of synthetic fuels by 1985 and 2 million barrels a day by 1990. The aim is to reduce reliance on imports, now running at 8.5 million barrels a day.

Building the plants to satisfy even the first production target could cost the taxpayer from $18 to $22 billion, the Congressional Budget Office estimates. An even more ambitious synfuels program is being pushed by Senator Henry Jackson in a bill already endorsed by 14 of the 19 members of his energy committee. One section of the bill authorizes nearly $5 billion for constructing 15 synthetic fuel demonstration plants. The full costs of the bill have not yet been estimated, but even supporters concede that they would be colossal.

Synfuels are the liquid and gaseous fuels that can be derived in a variety of forms from solid fossil fuels such as coal, oil shale, and tar sands. A handful of small commercial plants produce (synthetic) natural gas from coal in the United States, but so far the only liquid fuel plant operating on a commercial scale is the Sasol I plant in South Africa.

Congress's newfound passion for synfuels is viewed by energy analysts with a spectrum of emotions that runs from qualified enthusiasm to outright dismay. What is remarkable is that the coal industry, which should be the leading beneficiary of any crash synfuels program, has serious doubts as to whether Congress's various schemes will do more good than harm in making synfuels commercially viable. A confidential review prepared on 18 June by the staff of the National Coal Association suggests that the bills under consideration "may do little to speed up the commercialization of coal gasification or liquefaction. This evaluation does not square with either the professed desire of many members of Congress to move ahead with Synfuels or widespread perception in Washington that the legislative proposals are major steps forward—with great benefit to the coal industry. Thus, any position taken by the coal industry that doesn't square with popular wisdom may be difficult to explain."

Congress certainly believes it is doing the coal industry a big favor. Speakers in the House debate last month referred to America's commanding position in owning one third of the world's known supply of coal. "We could be the Middle East of the world in coal," proclaimed House majority leader Jim Wright of Texas, a leading instigator of Congress's backing of synfuels. Why then are the coal analysts so lukewarm about having Congress pump billions of dollars into their industry."

The problem lies not with synfuels but with Congress. The spur for action comes not from any deeply considered perception of the energy situation but from OPEC price rises and constituents' complaints about gas lines. Having done little about energy this year except reject the President's conservation and rationing plans, Congress wants urgently to be seen as taking positive action of some kind. "The American people are in the mood to do something, even if it is wrong," Senator Dale Bumpers, a supporter of the Jackson bill, said at a news briefing last month.

For the last 7 years, synfuels have been an idea whose time has never quite come. Somehow or other, the estimated price at

which synfuels would become competitive with oil has steadily risen, always dancing a few dollars above the current world price of oil. In 1973, when crude was $3.50 a barrel, the cost of making oil from shale was reckoned at $4.50. With crude up to $17 before last month's OPEC price hike, synfuel oil from shale was estimated by the Department of Energy to cost up to $25 a barrel, and oil from coal even higher.

Uncertainty about the long-term price advantage of synfuels over crude is presumably one reason why the oil companies—which own 20 percent of the coal in the United States—continue to show so little interest in building synfuel plants. According to a study done by the Census Bureau for the National Science Foundation, private industry spending for research and development in synfuel production amounted to only $201 million in 1978, whereas $7.8 billion of private money was spent the previous year in exploring for oil and gas in the United States.

Exxon, which recently laid out more than $1 billion to buy an electric motor firm, is moving slowly on coal liquefaction, and then only with the help of Department of Energy contracts. "If these proposed plants are still regarded as lemons in the eyes of the private sector, it does not follow that they merit subsidies from the government," observed Richard Corrigan in the National Journal.

The Office of Management and Budget evidently shares the oil companies' judgment that synfuels' hour has not yet come. It slashed the fiscal year 1980 budget request for all synfuel projects down to $285 million—$70 million less than in 1979. Congress considered synfuels in 1975, when the House killed a Senate proposal authorizing $6 billion in loan guarantees; similar legislation failed by a one-vote margin in the House in 1976.

Up until 7 May 1979, when the second National Energy Plan was sent to Congress, the Administration's policy toward synfuels was to support a group of demonstration projects so that significant capacity could be built by private industry when oil prices rose high enough. Synthetic liquids, the energy plan predicted, would not make a significant contribution to national supply until 2000, when they would produce from 300,000 to 1 million barrels a day.

But at a breakfast meeting on 2: June with congressional leaders, Carter was persuaded to lend his support in principle to the Moorhead bill, a legislative sleeper which had suddenly come to life. The bill takes the arcane form of an amendment to the Defense Production Act of 1950. Its purpose is to guarantee a market for 500,000 barrels a day of synthetic fuels by requiring the Department of Defense to purchase that much by 1985. It passed the House by a margin of 368 to 25, including an amendment from Jim Wright—adopted by voice vote which raised the production target to 2 million barrels a day by 1990.

In the mind of its sponsor, Representative William S. Moorhead of Pensylvania, a major purpose of the bill is "to send a message" to the world that the United States is resolved to stand up against OPEC by increasing its energy supply. "We have had enough blackmail and extortion threats, we are fed up with our apparent inability or unwillingness to do something meaningful. And we are not about to go the way of ancient Rome." Moorhead explained in introducing his proposal to the House.

For those in desperate straits, synfuels are a technically viable option. The Sasol 1 plant in South Africa already produces 10 percent of the country's liquid fuel needs from coal. A work force of 20,000 is struggling to complete a second plant, the $1.2 billion Sasol 2, by 1981, and work has already been started on the $3.8 billion Sasol 3, to come on stream in 1982. The three plants will provide 47 percent of the country's current oil consumption. The contractor for Sasol 2 and 3 is the Fluor corporation of Irvine, California. The cost of production is classified information, but South African sources suggest that it is as low as $25 a barrel.

The United States, however, has a broader range of choices than South Africa. Critics of Congress's approach to synfuels believe a crash program to produce synfuels offers numerous opportunities for disaster. "People want action, but let's have action that doesn't involve shooting ourselves in the foot," says one synfuels expert. In his view, more demonstration plants need to be built before launching into mass production of synfuels. "The basic fact of the matter is that we don't know if shale oil costs $15 or $30 a barrel, if coal oils cost $35 or $50. Before you make major commitments you need to know where you are at."

Administration officials are willing to yield to the congressional penchant for synfuels to the extent of increasing the Department of Energy's synfuel plant demonstration program from two to perhaps five or ten plants, but they hope to avoid getting into any crash production program. "The stuff coming out of Congress is uncoordinated and not very well thought out, but nevertheless reflects an obvious groundswell of public feeling, and we have to do something more dramatic," says an Administration energy expert.

Outside Washington, however, some energy analysts believe strongly that development of synfuels should be left almost entirely to the private sector, and that the government's most useful contribution would be to stop interfering in the market mechanisms which otherwise would bring synfuels on stream in an orderly and efficient way. For the last several years U.S. energy policy has been to keep the domestic price of energy well below the world level. The policy has stimulated energy demand, discouraged domestic production, and in the process has had the effect of subsidizing oil imports from OPEC. Of the 8.5 million barrels a day imported by the United States, no less than 5 to 6 million are directly attributable to the low price policy, according to MIT energy analysts Paul I. Joskow and Robert S. Pindyck. They object to the Department of Energy's synfuels commercialization program because "offering government subsidies of one form or another to developers of new energy forms means requiring the nation to pay much more for energy than is necessary. This is exactly what government policy should avoid."

New York consultant Irwin Stelzer is another economist who opposes government subsidies for synfuel plants. Regardless of how much capital is needed, the market will find the money if it sees the profit there but not otherwise. "That's what economics does. It stops projects that nobody wants to pay for," he told the Energy Daily.

The reason why the coal industry is so lukewarm about Congress's synfuels visions is really that it perceives Congress as acting from motives of panic and political grandstanding rather than serious analysis. What will happen when the summer gas lines shrink and Congress recovers from synfuels fever? With the atmosphere of crisis past, Congress might not be willing to pass the further appropriations necessary to complete the projects. Such uncertainty about congressional resolve is unlikely to encourage investors. Even the possibility of government involvement can retard ventures by private industry, notes a staff review prepared for the National Coal Association, because private investors may not wish to assume the risk if there is any chances of the government doing so for them.

The review, a private report to the board of the National Coal Association suggests three possible postures that coal producers should take toward the bill designed to make America the Middle East of the world in coal. One course is to oppose the Moorhead bill outright on various grounds including that it "involves the government excessively in synfuels and may even be counterproductive," as well as distracting Congress's attention from action needed to permit increased coal use, a second course is to "explain why the bill provides little if any help," and a third is to support the bill "on the grounds that it is intended to be supportive of synfuels in general and possibly synfuels from coal, and may provide some new encouragement."

The review offers similarly underwhelming endorsement for the Jackson bill in the Senate, suggesting that the board of the National Coal Association either support selectively the bill's sensible provisions, if any, or else opposes the bill on the grounds that "many of its features have little or no promise."

In supporting synfuels Congress has its eye on national security as much as anything, and its fears are partly shared within the Administration. Synfuels could not help energy supplies for several years, but a crash program is seen by some as a signal of national resolve to deal with the energy problem. "OPEC takes our threats about synfuel production far more seriously than what we say about conservation," explains one Administration analyst. Others view the possible contribution of synfuels to national security as beside the point, since for its own security, let alone that of its more oil-dependent allies, the United States could not allow Middle Eastern resources to fall into the wrong hands: "We are not planning to abandon Western Europe and Japan just yet," says a congressional aide opposed to the synfuels proposals.

For congressmen, a crash synfuels program offers many temptations: thousands of new jobs, the appearance of dramatic action, no unpopular decisions. But the government has to appear credible in what it does, particularly to the private investors whom it wishes to help launch a synfuels industry, and to foreign observers. The problem is that credibility comes with making hard choices, and a moonshot-style synfuels program, at least in the forms Congress is now considering, could be just too easy.●

EDITORIAL FROM MITCHELL, S. DAK., ENDORSES NUCLEAR ARMS MORATORIUM

● Mr. McGOVERN. Mr. President, last week I announced my intention to offer legislation to the resolution of ratification for SALT II which would instruct our negotiators in SALT III to seek an immediate freeze or moratorium on additional deployments of nuclear weapons by the Soviet Union and the United States and an annual program of 10 percent reductions in all the aggregate and sublimit launcher totals for 3 years. A summit conference would be convened after 3 years of these percentage annual reductions to evaluate the process.

Shortly after I made this proposal, Vice President MONDALE visited South Dakota to present the administration's position on the SALT II Treaty. Several of the participants at the meetings with the Vice President as well as several editorials noted my concern that SALT may not be achieving its arms control and reductions purpose. I was especially pleased to read the editorial comment

on SALT in the Daily Republican, published in Mitchell, S. Dak., which concludes that my moratorium and reductions proposal is "important to the pact—an assurance that we do not find ourselves getting into a bigger race than we have now with the Soviets."

For the consideration of my colleagues, I ask to have printed in the RECORD the Daily Republican editorial on SALT.

The text of the editorial follows:

[From the Daily Republic, July 21, 1979]

SALT II: THE DOUBTS

SALT II might not rate in the top two crisis areas when we talk about the problems of President Carter, but it does have a good deal of impact on the future of our defense posture.

With that in mind, Vice President Mondale is doing his best to convince the American public that the intentions are good and that the end result will be an agreement of positive nature.

But the concerns of a good many senators, including those of our state are genuine. There is—in the mind of the vice president—very few in the elite 100 Club who have made up their mind on how they will vote.

While the Administration is hopeful that the vice president's trip will help impress upon the constituents of those senators the value of the treaty, it is unlikely that there will be much input from the public when it comes to voting for or against ratification.

Sen. McGovern has questioned the pact even though he is one person the Carter camp thought they could count on. While McGovern has always maintained a dovish stance on arms buildup, his points of concern are legitimate.

He asks that the treaty go further in reducing the super power arsenals. The loophole to his support would be the simultaneous passage by the senate of a resolution calling for negotiations to work on a moratorium on a new arms system plus ten per cent overall cuts of strategic arms over the next three years.

His view that the treaty could be interpreted as a arms buildup rather than control is shared by other undecided senators. While the administration's intentions might seem good, there is enough evidence in the wording of the treaty that can justify that fear.

We believe the resolution is important to the pact—an assurance that we do not find ourselves getting into a bigger race than we have now with the Soviets.

We agree with the vice president in his analysis that there has to be trust in treaties though.

"If we take the position that treaties are meaningless then we might as well forget them."

True. We need treaties and we need treaties based on their ability to gain maximum amount of impact. We also have to negotiate them with the idea that the other party can be trusted in the keeping of the provisions of that document. In the case of Russia, we have no greater a gamble with guarantees than we have with others whom we ink treaties with. But regardless of who we make them with, we must be assured without doubt, that our position is the one that can give us the most reassurance that we are getting a fair deal.●

ADDRESS OF DR. AURELIO PECCEI, THE RECIPIENT OF THE CHARLES A. LINDBERGH AWARD FOR 1979

● Mr. PELL. Mr. President, on May 22, 1979, Dr. Aurelio Peccei of Turin, Italy, received the Charles A. Lindbergh Award. This honor is presented anually to a person who, in the judgment of the board of directors of the Charles A. Lindbergh Fund, has dedicated himself to achieving a balance between technological growth and environmental protection. The fund, itself, was established in the 50th anniversary of Lindbergh's solo flight across the Atlantic.

Dr. Peccei is only the second person to receive the Lindbergh Award. The first international award went to Robert O. Anderson, chairman and chief executive officer of the Atlantic Richfield Co., chairman of the Aspen Institute for Humanistic Studies, and a supporter of numerous civic, educational, and cultural endeavors.

Aurelio Peccei is indeed a distinguished and highly qualified individual, and is certainly most deserving of this very high honor. His business career is one of outstanding achievement. Dr. Peccei joined the Fiat Co., of Turin in 1930 and has been a member of its management committee since 1950. He heads the Latin American affairs division, and is chairman of the board of Fiat Concord of Argentina. He is also chairman of Italconsult, which is the foremost firm of engineering and economic consultants in Italy, and has served as president since its incorporation in 1957. From 1964 to 1967 Dr. Peccei was president and chief executive of the Olivetti Co. of Ivrea, and today serves as vice chairman.

During World War II, Dr. Peccei was active in the Resistance Movement of Italy and served 1 year in jail as a result of those activities.

Dr. Peccei is equally well-known as the founder and a member of the Club of Rome, which was established in 1968 by 30 people from 10 countries. These people shared a mutual concern that the problems confronting our world were inextricably bound together and that solutions could be sought only on a world basis involving the cooperative efforts of all nations.

Mr. President, as a member of the Club of Rome, I have long been impressed by the breadth of knowledge and the far-sighted wisdom of Dr. Peccei. I had the privilege of speaking at the ceremony at which Dr. Peccei was presented the Lindbergh Award and the pleasure of hearing his remarks on accepting the award.

Those remarks are an indication of this man's extraordinary talents. His words, however, are meant for much more than simply a demonstration of his considerable abilities. They have a particularly meaningful ring for our Nation, which today finds itself in the midst of a national crisis, the roots of which go far beyond the question of energy. The crisis, as Dr. Peccei points out so clearly, is the direct result of an untrammelled, headlong rush on behalf of technological advancement without concern for the exhaustion of resources and destruction of our environment. It is a crisis which has reached the point where the very existence of all mankind and the planet we inhabit is at stake. If we are to survive, the need to balance knowledge and nature is not only critical but essential.

Dr. Peccei's message is one of urgency. It merits both thoughtful consideration and careful action by all of us, and I ask that the text of Dr. Peccei's address be printed in the RECORD.

The address follows:

REMARKS BY AURELIO PECCEI

Like many other millions, I first heard of Charles Lindbergh when he had just started his solo flight over the Atlantic, and already was between stars and ocean, alone with his soul and his daring. He suddenly conquered our hearts and imagination. We felt we belonged with him in his hour of triumph; and this occurred again after a few years, in his hour of grief and tragedy. Only much later we learned of his commitment to and love for Nature.

Now, in retrospect, he appears to us as one of those rare individuals who, endowed with special gifts, are capable of encompassing within their sights a great many facets of our polymorphic life and of making a synthesis which escapes the vision of other people. And since a holistic approach has patently become indispensable, one begins also to realize how great Lindbergh's merit really was, for he perceived all this so many years ago.

If I may say a word of appreciation for the promoters and directors of the Charles A. Lindbergh Fund as well, it is for the purpose which inspired them in wanting to make these ideas known among the public at large, bestowing grants and awards on people who in meritorious though different ways try to apply the teachings of Lindbergh. I am profoundly grateful and moved for having been selected this year as one of those to receive this high honor.

Lindbergh grasped the need for a balance between technological progress and protection of the environment way before modern technologies acquired the tremendous potency they have today or the ecological conscience became the strong motivating force it has come to be. He said this more poetically and more precisely with the words which have been adopted by the Fund as its motto: "The human future depends on our ability to combine the knowledge of science with the wisdom of wildness".

With your permission, I will try to interpret the message Lindbergh entrusted to this simple and comprehensive equation, and use it to cast light on some flaws which render our current thinking so inadequate for facing up to the unprecedented challenges of our time. This may be my modest contribution to the updating and upgrading of this thinking.

When reasoning about the human future, it certainly is inappropriate and unwise to refer to science in a reductionist manner. This is, however, what invariably is being done. The usual shortcut is to consider science as constituted by just a few disciplines singled out to represent it, such as the exact sciences or the hard and biological sciences alone. Whatever the breadth of the boundaries one may wish to assign to these elite sciences, such an approach is erroneous and misleading. To exclude from the "inner realm" of sciences the human and moral sciences or any other branches of knowledge is not only unwarranted but also likely to perpetuate attitudes riddled by preconceptions and misconceptions. Our vision of the state of our terrestrial abode and our condition in it has in fact become partial and distorted and, as a consequence, incomplete or slanted is also our action, to the point that what we often consider to be "problems" or "solutions" have instead little connection with reality.

A reason one sometimes hears to justify why the so-called soft sciences are kept in the background is that they cannot be, or have not yet been, systematized like the hard ones, and thus are more prone to subjective or controversial formulations. While this may be true, it is no less true that this

is to a large extent precisely due to the way our material civilization has neglected ideas and programs which have to do with "the soft underbelly of society", investing instead almost all available time, talent and treasure on those which hold a promise of "progress and growth". There are thus at present gross imbalances between different branches of knowledge, and yet we tend to concentrate almost exclusively on the development of some, while disregarding the bulk of the others. The detriment of this ill-advised stance is aggravated by the prevailing technological trends, because it is technology which has the greatest impact on world developments, and its polarization toward certain sectors is even more accentuated than that of science.

Poor judgment and misplaced priorities have put humankind in a spot. Using the science-technology complex as its cutting edge, in a couple of decades humankind has made fantastic breakthroughs in some directions though remaining stagnant on other fronts. Such a very uneven performance has created socio-cultural distortions and disorder throughout the whole system. From institutions to the economy, from urban settlements to the remotest villages and their environment, from the productive establishment to modes of life, disharmony reigns supreme.

The need to revise the scope and the very concept of science and technology has been recognised and reiterated time and again, particularly since science policy has become an important item of debate. If science is to serve humanity as a whole and if its applications through technology are to be developed so as to ensure the maintenance of a social and natural environment suitable for human life, the entire enterprise will have to undergo a major reorientation in terms of objectives and practices very different from the present.

If I may be allowed to imagine what Lindbergh had in mind mentioning "the knowledge of science" as the first term of the equation, I submit that it is "human knowledge" in both its full theoretical sweep and practical implementation. As English is not my mother tongue, I often turn for linguistic support to Webster's. This defines knowledge as "the sum total of what is known; the whole body of truth, fact, information principles or other objects of cognition acquired by mankind". This is, truly, knowledge. There is no limitation in this concept. I believe that Lindbergh, accustomed as he was to the wide-open spaces, would not have wished to put limits to it.

This interpretation leads by necessity to a similarly broad one of the second term of the equation. Lindbergh called it "the wisdom of wildness". We may call it the wisdom of Nature, for wilderness is the very heart of Nature. No doubt, this wisdom dwarfs any human knowledge. We are steadily unveiling the mysteries of life and matter but all we are actually able to do is merely to scratch at their surface. For sure, the ways of Nature have been developing unceasingly by trial and error and a myriad other processes for many thousand million years, while only relatively recently homo sapiens, Nature's last child, succeeded in struggling out from the family of hominids to start his own, unique venture.

Even if his appearance dates, say, as far back as 500,000 years, or 5,000 centuries, initially he was just a weakling on the defensive, and his presence in the world was scanty and scattered. He was, however, developing a cunning mind and peculiar skills by which to pile up knowledge and apply it at will, in order to increase his capacity in the struggle for life and protect himself from the hazards of the environment. But it is only in the last period of his existence—by and large 100 centuries, which correspond to what we generally call historical times—that he set out in earnest to explore and colonize the planet, enhancing his rule or proving his worth by founding mighty empires and shining civilizations, and lifting his spirit to conceive great religions. This is the period in which he asserted himself as the dominant species among all others.

During the last two centuries, however, things started to change again, first slowly, then ever more rapidly and drastically. Having taken command, man began to launch one revolution after the other—the industrial, the scientific and the technological revolutions in succession, which all but mutated the order and nature of things on Earth. Indeed, the tremendous accomplishments achieved by these revolutions are so far-reaching that man's previous painstakingly acquired experience has been rendered utterly irrelvant practically overnight.

The watershed between the two epochs was marked by the appearance in recent decades of high technologies and complex artificial systems—in aerospace, defense, production, transport, communications, information, data storage and retrieval, etc.—which have radically transformed life on the planet. The man-made world soon became not only gigantic and formidable, but even monstruous. That is why man found himself increasingly unable to adapt to the extraordinary transformations, wrought by him. And he was confronted by another unexpected and bewildering development. Though the increasingly more complex systems he was able to engineer were interlocked with the ecosystem's delicate networks, they lacked the latter's self-regulating and self-healing, homeostatic qualities, and thus began to destabilize the ensemble.

Not even Nature's experience and wisdom were prepared for such an onslaught. It was now the turn of Nature to be on the defensive; and if it were itself thrown off balance, the consequences would be unfathomable—perhaps not for some lesser species, but almost certainly for the arrogant homo sapiens.

A moment of truth is thus approaching and may arrive even before the end of the century—just a tiny instant in the clock of the universe, but enough for humankind to jump from four to six thousand million and escalate its formidable might to a new acme. It is therefore essential and urgent for man to realize that he has to undertake responsibility for these regulatory functions concerning the entire natural-artificial system complex which he previously thought were the domain of Nature or of Providence. According to Julian Huxley, "his role, whether he wants it or not, is to be the leader of the evolutionary process on Earth, and his job is to guide and direct it in the general direction of improvement".

Is not this the essence of Lindbergh's message? The lesson we all have to learn from it and from our own reasoning is that never before has human fate depended so decisively on our collective attitude toward the natural world. It is in fact up to us to choose and shape our own future on this beautiful but vulnerable planet. By living in harmony with the texture of life on Earth, we can do what is required not only to sustain our present swollen population but even to accommodate decently the even greater numbers expected in the foreseeable future; or, we can do the opposite and continue to sap this planet's life-supporting capacity, ending by wiping out our own species by creeping ecocide, as thoroughly as we now can with a bang by nuclear suicide.

As I have mentioned, the appearance and expansion of our species, viewed in perspective, is just a brief episode in the majestic evolution of Nature which begot it, perhaps in a spring of glory or maybe in a season of confusion. It would be—or, simply and very plainly, it is—supremely foolish of us to disregard the fact that we are part and parcel of this immense evolving whole which not only brought us about but unceasingly provides the conditions which permit us to remain alive, or even to entertain the illusion that we have unlimited proprietory rights over it, but no liability at all. Our belongingness to Nature, as the primary fact of our existence, is fraught with obligations. Anything we do to weaken Nature, ultimately weakens us.

The pervasive human crisis of our time has profound roots in the incoherence of our thinking and behaviour with respect to this overarching reality. What is more, our present thrust is directed at changing this reality in a way which widens still further the gap between us and it. This is a disastrous course indeed. It would however be premature to draw the conclusion that it can end only by our own ending. For all its gravity, the situation is still manageable because the human creature, who has become the main agent of change on Earth, has still other and largely unused reserves of intelligence and moral resources in his inner self, which can lead him to discover his own foolhardiness, and thus set out to catch up with the degrading global situation and turn it around before it is too late.

Let me conclude with this hopeful note. The conviction that our terrestrial salvation lies within our reach inspires the latest project sponsored by The Club of Rome on the human learning capacity or learnability. A Report will be presented on June 6–8, 1979 at a large international meeting in Salzburg, Austria. The ideas it brings forth support and complement Lindbergh's message.

To apply "the knowledge of science" to understand the depth and breadth of our interconnections with Nature is to take a first, essential step toward redressing our lopsided condition. The clarification it will produce, tremendously important in itself, will almost inevitably trigger off a chain reaction of other steps and clarifications enabling human kind to establish responsibility its course toward the future. To put fresh order into our relations with Nature is therefore tantamount to laying the foundations for another phase of human ascent and self-fulfillment.●

SKYROCKETING HEALTH COSTS

● Mr. HEINZ. Mr. President, a nation battling a major economic recession cannot sidestep the issue of skyrocketing health costs. All Americans have found themselves seeking substantive cutbacks of every sort, and nowhere are we more conscious of fiscal restraint than in the area of health care. Patients, doctors, hospital administrators, and legislators are learning to overcome the myth that whenever the medical community provides a service accompanying costs must be exorbitant.

I have consistently fought to lower health care costs and to eliminate waste. In this session of Congress, I cosponsored the Health Insurance Reform Act to amend the Internal Revenue Code of 1954 and the Social Security Act to encourage competition in the health industry and to induce employers to offer catastrophic health insurance to workers. My reading of a recent article by Robert M. Heyssel on "The High Cost of Health" has led me to reflect in greater depth on the complicated issues associated with reducing profligacy in health care without jeopardizing the provision of the best possible health services for all Americans.

Equity and practicality should direct all efforts by this Congress as we move toward the adoption of some form of national health insurance, but the question of whether the long-term problems of inflationary health costs can be eliminated remains. The suggestions which Mr. Heyssel has mentioned are noteworthy and seem to support my belief that the Health Incentives Reform Act is moving in the right direction. Only by building on a successful model of a health maintenance organization, by opening up free market competition in hospital care, by establishing "a basic but clearly limited set of covered benefits that all third-party payers must offer," and by stimulating new knowledge and new technology can this Nation overcome the high costs of health care. I believe that Mr. Heyssel's article is cogent and ask that the text be printed in the RECORD.

The article follows:

THE COST OF HEALTH

(By Robert M. Heyssel)

BALTIMORE.—The debate over the medical-care "crisis" and how to solve it may well have reached a crisis of its own.

Out of sheer frustration with the plethora of conflicting facts, polls and proposed solutions, we may find ourselves willing to adopt a "do something—anything" approach in order to put an end to this confusing and exhaustive debate.

It would appear that no problem or issue in American society today can be characterized as other than a "crisis." Perhaps the attention of the citizenry can only be gained by warning it that all or part of the Republic is in danger of imminent collapse.

To ignore the health-care-cost problem or deny that it is of concern to Americans would be wrong.

But to tell the American people that a comprehensive national health insurance program will get them more medical care at no more cost or only slightly more is equally wrong.

To argue that costs will not rise as rapidly with a full-blown system of national health insurance ignores the experience of other nations.

There is a series of problems in American medicine today, not a "crisis." These problems are not peculiar to any of the highly developed countries, nor difficult to understand in a historical context.

The fact is that our problems grow directly out of a broad range of scientific discoveries, of societal change and political decisions.

All of them stem from success: success in biology and physics, and the application of that knowledge to medicine.

While it's popular to blame the doctors, medical schools and the hospitals for the "crisis," one might as well blame the physicists. They, after all, helped put together the framework of understanding and the technology that made possible modern biological investigation.

This, in turn, led to the explosion of medical technology that we have today and the demand of the people that it be made widely available to everyone, a demand responded to by the Government.

Research and technology have changed the product and the results of medical care in the last two decades. We are not paying for iron lungs and orthopedic repair of polio-damaged limbs. Pneumonia does not kill 30 percent of its victims. But we are paying for kidney transplants, total hip replacements, coronary bypass procedures, and radiation treatments, along with sophisticated emergency care of severe trauma patients. A day in a cancer hospital can cost up to $600.

Each new medical or scientific breakthrough improves the quality and the outcomes of care, but in most instances the cost of care rises proportionately.

Incorporating the latest advances in medical treatment while combating the forces of inflation in supplies, labor and energy is a daily challenge for hospital administrators and others seeking to provide quality care at a reasonable cost.

Solving the health care cost problem may be difficult, but we should capitalize on present strengths and not be crisis-oriented.

Stimulating competition, forcing some changes in the current system where needed, is in the long run a less risky and better alternative than the proposals that seek wholesale change under the legislative and regulatory aegis of the Federal Government.

We should not set out to dismantle the system we've put in place with great effort and at great expense.

First, there is a need to change the way the medical system pays both physicians and hospitals. The customary fee-for-service system for surgeons and physicians is a mechanism constructed to lead to over-use of many available procedures. We have a successful model of one alternative—the health maintenance organization—and we should build on it. There is evidence that competition will work and can provide high-quality accessible care.

Second, we must move away from cost reimbursement for hospitals and toward incentives and pricing policies that create something more akin to a free market.

Third, we need to establish an element of personal choice and responsibility in the payment system. We need to establish a basic but clearly limited set of covered health benefits that all third-party payers must offer. There should be sharp limitation on hospital coverage, based on diagnostic and medical condition, with no or partial payment for purely elective or cosmetic procedures or treatment, and full coverage for necessary or vital care related to disease or illness. Purchase of insurance to cover the elective or cosmetic care must be paid for by the recipient or counted wholly as taxable income if provided as a fringe benefit.

Finally, we need to understand that our way out is not through cutting off research money, maintaining the status quo through regulation, or sliding into a federally dominated system through federally financed and regulated national health insurance.

Rather, relief will come by stimulating new knowledge and new technology and through increased competition brought about by restructuring the incentives and choices for hospitals, physicians, and the consumers of medical care.●

THE BENEFITS OF HOME INSULATION

● Mr. CULVER. Mr. President, I would like to share with my colleagues a revealing column published recently in the Washington Post regarding the vast potential for energy savings in America's homes. The column focuses on the need for widespread weatherization of our Nation's residences, and suggests that current levels of home weatherization are very inadequate.

As we all know, the price of crude oil is at an all time high and likely to climb higher. Currently, foreign oil is selling for around $20 a barrel and further increases may be only months away. In less than 2 years, the price of domestically produced oil will be reaching the level of foreign crude, which by then some say could be selling for $30 or more. As far as synthetic fuel is concerned, the cost of deriving liquid fuel from coal is estimated between $27 and $45 per barrel, and shale oil is expected to cost $25 to $35 a barrel. In stark contrast is the cost of conserving a barrel of oil through residential conservation: Recent administration figures put the estimated cost of saving the equivalent of a barrel of oil a day at less than $10.

As the column points out, home weatherization improvements include calking, weatherstripping, adding storm windows and doors, tuning up furnaces, insulating attics and sidewalls, and covering various openings with plastic or other materials to stop air leakage. Some, or all, of the home repairs may reduce heating fuel consumption by perhaps a fourth to as much as three-fourths. The potential energy savings from eliminating energy waste in American homes is estimated around 1.6 million barrels a day, which is more than half the world shortage of oil in recent months.

The immediate and permanent advantages of insulating one's home include the obvious savings of perhaps hundreds of dollars a winter in heating bills, an increase in the value of the home, as well as a cooler home in the summer, meaning reducing air-conditioning bills in many homes. This type of conservation does not involve personal sacrifice such as enduring colder home temperatures or reducing one's amount of driving. In fact, it actually saves money over a period of years.

But besides being less expensive, conserving a barrel of oil through home weatherization has many other benefits over importing or producing another barrel of oil. Full-scale home weatherization would create hundreds of thousands of productive jobs. It would reduce our dependence on foreign oil, lessening our vulnerability to foreign pressure and disruptions in a steady supply of crude oil. It would lessen our reliance on an expensive synthetic fuels program.

Widespread weatherization offers the potential of dramatic short- and long-term payoffs in energy conservation, instead of waiting until the late 1980's or the 1990's to realize significant returns. And by lessening demand on the world oil market, strengthening the dollar overseas, and freeing Federal funds—in addition to lowering utility bills—residential conservation would reduce inflationary pressures.

Mr. President, since 1973 the Federal Government has been operating a very promising low-income home weatherization program, of which I have been a strong supporter. Although it has weatherized some 500,000 homes at no charge to the poor and elderly owners, that represents only a dent compared to the estimated 8 million substandard homes in need of such improvements. We in the Congress must insure that this vital program operate at maximum efficiency, unhindered by shortages of funds, materials, or labor.

Also, Congress has created a tax credit of up to $300 for 15 percent of the cost of energy saving home improvements,

such as insulation, storm windows and doors, efficiency-enhancing furnace modifications, and related measures. This serves as an added incentive and savings for taxpayers to undertake such needed home improvements.

Mr. President, the fundmental imbalance in energy consumption and supply that is causing our energy crisis will not be solved quickly, easily, or through one or two measures. Increased conservation or production alone will not do the job. We should not view full-scale home weatherization as an alternative to any other approach—indeed the more sound strategies we adopt the sooner we can correct the energy shortage and ultimately achieve energy independence. But neither can Congress afford to consider any realistic energy package that underemphasizes the vast energy-saving potential home weatherization has to offer—particularly given the fact that it is more economical, relatively painless, less inflationary, and has dramatic short- and long-term payoffs.

Mr. President, I urge my colleagues to give this article their close attention and consider the vital role home weatherization can play in solving our energy crisis. The authors are with Princeton University's Center for Energy and Environmental Studies. I ask that this column from the July 24, 1979, Washington Post be printed in the RECORD.

The column follows:

SAVING ENERGY AT HOME

(By Lawrence J. Becker and Gautam S. Dutt)

Lost in all the talk about new and exotic energy sources—synthetic fuels from coal, oil from tar sands and shale, electricity from the sun, etc.—is a less exciting but very real and practical way to increase our energy availability. This energy resource comes not from the sky or from under the ground but from our homes. By eliminating energy waste in home heating, the equivalent of 1.6 million barrels of oil a day becomes available for gasoline and other energy needs. This is three times as much oil as we imported from Iran before their revolution, and almost half of what we now import from Arab and Iranian sources.

Despite the great potential that exists in boosting residential energy efficiency, relatively little attention has been paid to this alternative. Perhaps this is because people are not aware of how much could be saved. Perhaps energy efficiency is linked in people's minds to conservation, and to many people conservation means freezing in the dark. Or maybe it is because improving energy efficiency does not catch the imagination like advanced-technology programs, such as landing a man on the moon.

Although there has been no concerted effort to improve residential energy efficiency, the need for such improvement has not gone totally unrecognized. The Department of Energy has proposed a program to encourage the installation of energy-conserving measures in existing homes. The program is centered around "energy audits," similar to those being offered by some utilities. During an audit, a technician examines a home for energy-wasting defects, such as inadequate insulation, cracks around doors and windows and the lack of storm windows. The resident is left to follow up on the auditor's recommendations. DOE expects the program to benefit only a quarter of U.S. households and to save 200,000 barrels of oil a day by 1985. This is only one-eighth of the savings that could be achieved economically.

There are several reasons why DOE so greatly underestimated energy savings. A major reason is that its audit focuses only on some of the more obvious areas of energy waste. However, studies conducted by Princeton University researchers have shown that greater waste occurs because of heat lost through obscure air leakage paths. Although most obscure heat losses are difficult to detect, they can be eliminated with little extra effort when they are identified.

We recommend the following prescription for saving energy in the home. A pair of "house doctors," trained technicians, enter a house carrying diagnostic equipment and about $10 worth of building materials. As they walk through the house looking for obvious defects, they identify and eliminate obscure heat-loss paths. For example, when checking insulation levels in the attic, they seal openings around flues and pipes by stuffing them with glass fiber and close small cracks with caulking compound.

They close larger air-leakage paths, such as those above dropped ceilings and stairwells, by taping or stapling a sheet of polyethylene over the opening. They install foam gaskets to reduce air leagage through electrical switches and outlets on outside walls. They also tune up the furnace. According to our experiments, about 20 percent of the space heat may be saved in a typical house by just these on-the-spot improvements. Thus, sizable energy savings will be achieved in all houses visited, even if residents themselves take no followup action.

How can residents be encouraged to achieve the large energy savings that are nationally desirable? One way is to permit utilities to finance the conservation measures and to include the investment in their rate bases. The resident would pay for the conservation measures only when the house was sold, presumably at a higher price that reflected the improvements. Utilities would also benefit, because financing these improvements would be cheaper than expanding supply. A form of this plan is being tried in Oregon.

The process of upgrading the nation's homes can start today and yield results much sooner than most supply-increase options. The house-doctor calls would cost residents $10 billion, but would save them $102 billion at today's price of imported oil. This would be cheaper than importing oil at $2 a barrel! If all oil- and gas-heated homes were upgraded to the cost-effective limit, the nation would save $173 billion in foreign exchange over the life of the improvements. The fuel savings per household would average $280 per year.

Conservation through improved energy efficiency has many advantages. People will not have to sacrifice comfort or convenience to save energy. Increasing energy efficiency will also reduce pollution and inflation, create jobs and, perhaps most important, reduce our dependence on foreign oil. Given these benefits, can we afford not to undertake a major program to make our homes more energy-efficient?●

HOW TO OBTAIN A GOVERNMENT PERMIT TO START A STILL

● Mr. BAYH. Mr. President, interest and enthusiasm over alcohol fuels has increased steadily over the last several months as gasoline available to motorists has steadily decreased and prices have risen. President Carter indicated in his energy speech of July 15 that his administration plans to make significant strides toward the goal of alleviating our Nation's dependence on foreign oil imports by encouraging the use of alternative fuels, including alcohol fuels. I was encouraged by the President's mention of gasohol in his speech, as it is the only alternative petroleum substitute immediately available to the Nation.

As Chairman of the newly established National Alcohol Fuels Commission, and in my capacity as Senator from Indiana, I have received numerous requests for information about Government procedures for granting permits for the production of alcohol fuels. Many of these requests are from individuals who would like to produce enough alcohol to run their own vehicles. However, the instructions issued by the Government to date have been discouraging in their complexity. I have been working with the Bureau of Alcohol, Tobacco and Firearms to insure that the Government assists citizens interested in this new alternative energy source, rather than discouraging them with complex and fruitless regulatory burdens and jargon.

On April 22, along with 20 of my colleagues, I introduced S. 1200, the Alcohol Fuels Regulatory Simplification Act of 1979, which will grant the Secretary of Treasury the authority to waive needless regulations for alcohol fuel production as well as to streamline those that are necessary.

Until the time that S. 1200 passes the Congress, and needless redtape can be cut, the best option available to individuals who want to establish a still is to obtain an "experimental" permit. This can be done by writing a letter to the appropriate regional regulatory administrator of the Bureau of Alcohol, Tobacco and Firearms describing, in detail, where the still will be located, what use will be made of the alcohol, and the process that will be used to produce it. Upon receipt of this letter, the ATF will issue an experimental permit which allows the production of alcohol for use on the owner's property only. Additional forms are also required by law to report on the still's impact on environmental and water quality. This procedure is a considerable improvement over the steps required of large commercial producers, and can easily be utilized by small scale alcohol fuel producers who would like to make their own energy.

The Bureau of Alcohol, Tobacco, and Firearms recently issued information explaining clearly, but in detail, the necessary procedures to follow when an experimental permit is sought and ATF's regional office addresses. I ask that this information be printed into the RECORD.

The material follows:

GASOHOL AND ATF

The Bureau of Alcohol, Tobacco and Firearms (ATF) is responsible for administering the laws in the Internal Revenue Code which relate to distilled spirits (alcohol).

THE LAW

The Internal Revenue Code of 1954, 26 U.S.C. 5171 states:

(a) "Every person shall, before commencing . . . the business of a distiller . . . make application for and receive notice of the registration of his plant."

(b) "Every person required to file for registration . . . shall, before commencing any . . . operations, apply for and obtain a permit . . ."

APPLICATIONS FOR DSP PERMITS

The law provides for two types of distilled spirits plant (DSP) permits. The operating permit authorizes alcohol to be produced for sale or any nonexperimental purpose. The experimental DSP permit authorizes experimentation and development of distillation and industrial uses of alcohol. The experimental DSP permit does not authorize the sale of alcohol.

Qualification of a DSP for an operating permit is an extensive procedure which requires preparation of numerous forms and the conduct of investigations to determine whether operation of the DSP can be legally approved.

Qualification for an experimental DSP, which would authorize production of alcohol for personal fuel use, not for sale, is much abbreviated. There are no prescribed forms. Write a letter to the Regional Regulatory Administrator for the region where the plant is to be located.

Your letter must completely describe all land, buildings, and equipment (stills, vats, tanks) that will be utilized in producing the alcohol. The letter should also describe the planned uses of the alcohol (e.g., heating fuel, lawnmower or other engine fuel, etc.). If you intend to use the alcohol as a fuel in a motor vehicle, you should describe the property on which the vehicle will be operated. You may describe the portion of your property which you wish to comprise your experimental plant by a drawing. You should describe the process you will use to produce alcohol including feedstocks, yeasts, enzymes, and distillation method. Describe the type of security you will use to protect the alcohol you produce from theft or other unauthorized removal from your premises.

Include in your letter application your estimate of the amount of alcohol you intend to produce during any period of 15 consecutive days. If your application to operate an experimental plant is approved, you will be required to file a distiller's bond in an amount sufficient to cover the liability for Federal tax on alcohol you produce during any 15-day period. You must also provide environmental and water quality information relating to your proposed plant. The bond form ATF F 2601, and Environmental forms ATF F 4805 and ATF F 4871, may be obtained from the regional office.

Alcohol produced may be used only at the plant premises (i.e., the land which your application describes as experimental distilled spirits plant premises) in experimental processes; none may be sold or given away. Any alcohol removed from your premises must be taxpaid at the rate of $10.50 per proof gallon or completely denatured in accordance with one of the formulas listed below.

A permit or authorization issued by ATF does not relieve you of responsibility for complying with any state and local requirements concerning the production and use of ethyl alcohol.

Please contact us or our office in your region if you need further assistance.●

WINDFALL PROFITS TAX

● Mr. DOLE. Mr. President, last night at the President's news conference, an assault was launched against the Congress and specifically the Senate Finance Committee on the so-called windfall profits tax. The President has called for a massive public effort to pressure the Senate in its deliberations.

The President stated he needed in excess of $140 billion to promote his program. This money, he claims, must be raised by the windfall profits tax. The President failed to mention, however, that the decontrol of oil and increases in world price will raise $173.5 billion in new revenue through the Federal income tax and Federal royalties by the end of 1990.

Mr. President, as I have stated before, the term "Windfall profits tax" is a misnomer. The tax is levied on the domestic production of crude oil without any correlation to the concept of profit. Several days ago, at a meeting with the President, I stated my intent to support a tax which emphasizes production. In my opinion, the crisis in confidence is not with the people of this country or the Congress of the United States.

I ask that the accompanying table be printed in the RECORD.

The table follows:

INCREASE IN FEDERAL REVENUE AS A RESULT OF DECONTROL WITHOUT A WINDFALL PROFITS TAX

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Federal income tax revenue	3.0	8.1	11.3	12.5	13.9	15.0	16.5	18.1	20.1	22.0	23.9
Federal royalty payment increase	.2	.5	.6	.7	.8	.8	.9	1.0	1.1	1.2	1.3
Total	3.2	8.6	11.9	13.2	14.7	15.8	17.4	19.1	21.2	23.2	25.2
Total 11-yr income in revenue without windfall profits tax (billions)	173.5										

Source: Prepared by minority staff, Senate Finance Committee, from information supplied by Joint Committee July 26, 1979.

AUGUST 21—DAY OF SHAME: HOUR OF HOPE

● Mr. BAYH. Mr. President, this August 21 will mark the 11th anniversary of the Soviet invasion of Czechoslovakia—a Czechoslovakia at that time on the road to a "different path" of socialism. Such political diversity was deemed at that time intolerable to the continuing hegemony of the Soviet Union over the Warsaw Pact countries. It might therefore be appropriate to reflect on the kind of stability which the brutal Soviet military invasion and military occupation has wrought.

Perhaps the foremost lesson which the Soviets should have learned from their brutal suppression of the Czech and Slovak people's unquestionable display of courage during the "Prague Spring," was that all the tanks and troops and bullets and bombs cannot extinguish the desire of a people to be free. The human spirit is beyond the power of the spiritless to subdue and less within the control of Marxist-Leninists to defeat. The emergence of the "Charter 77" human rights group is evidence of this and the nearly 1,000 courageous Czechoslovak men and women, intellectuals and workers are certain proof of this continuing struggle. At a time when our President talks to the American people about the "crisis of confidence" and spirit in this country, we can be proud of those Americans of Czech and Slovak descent whose relatives still bear witness to the proposition that freedom for some is still a dream which requires relentless dedication.

It could be that 1979 may mark a turning point in the fortunes of human rights in Czechoslovakia and elsewhere. Who can ever forget the touching scene of Czech Catholics within view of Pope John Paul II during his triumphant visit to his native land holding high a message not to forget his Czech brothers and sisters.

I believe that message was not just for the Pontiff but for all men and women who value human rights and human dignity, whatever their race or religion.

So the stability which the rumble of tanks sought to bring to the "socialist commonwealth" appears now to be threatened by the refusal of those in Czechoslovakia to reject religious beliefs and their quest for basic political liberties. To the extent that other nations behind the Iron Curtain have now awakened should make the planners in the Kremlin who desire to develop the "new Soviet man" all that much more nervous as trouble in their own provinces threatens the yoke of Russian Sovietism. In the 19th century, Karl Marx decried Russia as the prison house of nations. That description is no less true today and it is no less vulnerable to the power of political forces advocating nonviolent change.

Mr. President, it is a privilege today to commemorate the victory of the Prague Spring. Yes, a new political order is not installed in the capital of Czechoslovakia. Yes, there have been victims in this heroic struggle of the Czech and Slovak people. But those who might believe that the flame of freedom died in that country on August 21, 1968, ignore the real historical significance of the event we are reflecting upon. And that significance rests in the fact that a thousand days of shame can never for one instant erase the power of a single hour of hope.●

AMENDING THE SALT TREATY

● Mr. HEINZ. Mr. President, I want to bring to the attention of my colleagues an article that recently appeared in the Economist concerning the SALT Treaty, and specifically the amendment process. I found the article most interesting and useful both in its discussion of the proper congressional role in providing advice and consent to treaties—which the President does not seem to fully understand—and in its listing of areas said to be in need of amendment. I commend that article to the attention of Senators, and I ask that it be printed in the RECORD.

The article follows:

A-WASTIN' CHRISTIAN KISSES

President Carter has been wasting Christian kisses on a heathen idol's foot. Except for the Salt-2 treaty, about which more anon, Mr. Carter flew home on Monday from his weekend with President Brezhnev in Vienna with a virtually empty briefcase.

No progress in cutting the armies confronting each other in central Europe; in banning chemical or radiological warfare; in limiting the two superpowers' sales of weapons to gun-hungry small countries; even in prohibiting satellites which could shoot down other satellites carrying the wrong flag. No progress, above all, in persuading Mr. Brezhnev to understand that "the code of detente"—Mr. Zbigniew Brzezinski's phrase—is going to have to mean fewer Cuban troops, Soviet advisers and assorted communist armaments plonked down in delicate parts of Africa and Asia. Mr. Brezhnev, who was there for the Salt, brushed aside these matters almost contemptuously. The only other item in Mr. Carter's home-coming briefcase, nestling alongside the signed Salt treaty, was that photograph of the president yielding to a well-planned Brezhnev kiss: misleading symbol of a peacemaking that did not happen.

The judgment of Vienna therefore turns on the value of Salt, the strategic arms limitation treaty. The document signed on Monday, as Mr. Carter himself told congress that evening, is imperfect. So is any result of prolonged international bargaining; but this one's imperfections are large.

IT KEEPS A FRAMEWORK

Two things should be said in defence of the text signed in Vienna, one negative and one positive. The negative one is that the recent growth in Soviet nuclear power—to the point where it will be able, by around 1982, to destroy almost all America's land-based missiles at a single stroke—is not the fault of the Salt negotiations. It is the product of Russia's mammoth weapons-building programme over the past decade, which a United States wrangling with itself spectacularly failed to match or counter. Once that had happened, the Americans never really had a chance of persuading the Russians to give up all the new missiles they had spent years of costly effort to build. The positive virtue of Salt-2 is that—unlike the Salt-1 predecessor of 1972—it does go most of the way towards establishing the principle that each side may have the same numbers of major nuclear weapons. The disturbing main exception to this principle of equality is the provision which allows the Russians to have 308 super-big missiles, and the United States none.

Even with warts, provided the warts are not large, a Soviet-American agreement on nuclear weapons is manifestly desirable. It is the centerpiece of the superpowers' relationship. The limits it sets on how many nuclear weapons each country may build and deploy give the military planners of both sides a broad measure of the power of the adversary they face. The agreement imposes on Russia an obligation not to conceal its nuclear weapons, which the New York Times, the Washington Post and the rest of America's open society prevent America from doing. It also—most important of all, perhaps—gives each power the right to monitor the other's weapon developments and force levels, a legal mutual involvement in the rival planning processes. If Salt dies, the Soviet-American relationship will pass through a period of nervous uncertainty until a new centerpiece for the relationship can be found.

BUT DOES IT KEEP THE BALANCE?

The basic criticism of Salt-2, at a time of emerging Soviet neo-imperialism, is that it is not really an equal treaty, and could therefore create a false sense of security in American public opinion which could affect America's defense policy in the coming years. It is probably going too far to say that the euphoria created by Salt-1 was the main reason why the United States has let itself be dangerously overtaken in nuclear weapons in the past few years; but there is no doubt that Salt-1 contributed to the process. Salt-2, which is said by its proponents to put a "cap on the arms race", could have an even more damaging effect. There is, in fact, no real cap, because both sides are proceeding briskly with the development of new weapons. Salt-2 will halt the nuclear competition no more than Salt-1 did.

The matter now goes to the American senate. The debate which will decide whether Salt-2 lives, dies or survives after senatorial surgery has so far been stronger on emotion than on reasoned argument. The words "warmonger" and "appeasement" have been flung to and fro. The pro-Salt lobby has come perilously close to saying that it is the duty of the senate to approve the treaty so that the president will not lose credibility. There are indeed groups for arguing that the senate should not reopen negotiated packages, but Mr. Carter's personal position is not one of them. The anti-Salters have deployed the equally specious but slightly more sophisticated proposition that the treaty is defective because the United States had to make more and bigger concessions during the negotiations. This may be true, but it is not central. The main issue is whether this document helps to keep the Soviet-American balance of power.

Two things could destroy that balance in the Salt-2 years under Salt-2s terms. One is the arrival of a moment when Russia could feel strong enough to destroy the core of the American nuclear force with a single cataclysmic attack, while still holding enough weapons in reserve to carry out a devastating second strike should the United States retaliate. For the loss of part of Russia, the Soviet leaders might believe they could destroy the United States and gain the world. Even if they do not go to that horrific extreme, the evident superiority in nuclear weight they will acquire in the early 1980s, plus their growing superiority in non-nuclear weapons, may tempt them to put intolerable pressure on the west at various vulnerable points in Asia, Africa and Latin America. There is no question that, mainly because of the sheer size of its missiles, Russia will come to surpass the United States in most categories of nuclear strength—including deliverable megatonnage and the number of missile warheads—during the life of the Salt-2 treaty. That will change the east-west relationship in a fundamental way, and make the world a more dangerous place.

TO AMEND, OR NOT TO AMEND

So can Salt-2 be improved by the senate? Article 18 of the treaty says that it may be amended, and prescribes how. But it is not quite as simple at that.

The objections to senatorial amendment are not to be dismissed lightly. The less compelling one is that Russia would not allow it. Mr. Brezhnev, who would obviously prefer Salt-2 as it is, did indeed say threateningly on Sunday that "any attempt to modify one of its elements would be a perilous exercise." But other spokesmen for the Soviet position have said privately that the Russians will not reject the idea of amendment out of hand, provided the changes do not cut too deep into the Soviet interest. The Russians like Salt-2 because it is a good treaty for them, which is precisely what makes so many Americans suspicious of it. This is an American tactical advantage. The Russians will probably, when the harrumphing is over, agree to consider amendments rather than see the whole thing lost. That will take time, but time does not matter all that much so long as both sides continue to act as if Salt-1 were still in force, as they have been doing since Salt-1 formally expired nearly two years ago.

The more powerful objection to amending is that many of America's friends—not just admirers of Salt-2, but some of its critics too—are worried by the prospect of a senate which wants to untie and re-knot complicated agreements which the administration has laboriously worked out with foreign governments. This senatorial interference is not a new phenomenon. The senate's power to give advice and consent to the executive branch of the government when it makes international treaties is a familiar part of the American constitution. Between 1789 and 1929, according to E. S. Corwin's history of the constitution, the senate agreed to roughly 900 proposed treaties, but killed another 200 either by rejecting them outright or amending them so much that they were abandoned. Most of the dead 200 were relatively minor matters; some, such as America's part in the Treaty of Versailles in 1919, were not.

This built-in complication to the American government's dealings with the world has, however, loomed larger lately: partly because America matters so much more these days; partly because, since Vietnam and Watergate, the congress has asserted its authority against the president more vigorously. There have been a number of occasions recently—last year's tax treaty squabble still rankles in Britain—when the administration has been obliged by congressional pressure to change its negotiating position desperately late in the day. Nothing unique about that, for foreign policy is not and cannot be conducted in any democracy without reference to parliament; it just happens more often with America. But if a treaty text on a subject as important as Salt-2, and as sweatily wrestled through to signature, were now reopened by the senate, a lot of people might wonder whether they could ever negotiate coherently with America: whether, indeed, they have two competing Americas to deal with.

NO CHANGE COULD MEAN NO TREATY

Against this, there are two arguments in favour of amending the present Salt-2 text. The first is that the decision to amend or not to amend any treaty has to take into account the desirability of the specific proposed changes as well as the diplomatic consequences of making any change; and some of the proposed changes to Salt-2 would be welcome improvements. The second is that, if Mr. Carter tells the senate he will contemplate no amendments whatsoever, he will certainly increase the vote in favour of rejecting Salt-2 entirely. That is important: no Salt at all would be a pity.

Mr. Carter's Panama treaty had to go through much the same amendment hoop before it was, by the narrowest margin, ratified. That did little harm because Panama took the amendment with good grace. To be sure, a major amendment of Salt-2 would be another matter if, despite the present hints of Soviet flexibility, it in fact killed the treaty. But the ensuing patch of turbulence in east-west relations could no doubt be survived. The larger worry is that the affair would disturb America's generally pro-Salt allies, who also dislike the prospect of senatorial amendments to major treaties becoming a habit.

A senate lesson to Mr. Carter might have the desirable effect of making the executive branch of the government learn—as it has not done with Salt-2—to build the views of congress into its negotiations with foreign countries, before it signs on the dotted line. It is also likely that American public opinion will eventually turn against the sort of anarchy in foreign policy that an excessively pugnacious congressional attempt to bring the "imperial presidency" of Lyndon Johnson and Richard Nixon under control is liable to cause. But that, for America's negotiating

partners, may be a somewhat distant consolation.

SOME OF THE POSSIBLE CHANGES

The main suggested amendments over which this argument of advantage and counter-advantage will be fought out are as follows:

Keeping Minuteman alive. If America's land-based Minuteman missiles are to be protected against the danger of an obliterating Soviet attack in the early 1980s, part of the Minuteman force may have to be made mobile. The Russians have said that they would regard some methods of making Minuteman mobile—methods the Americans may decide they want to use—as unacceptable. Rather than build a future crisis into Salt-2, the critics say this should be sorted out now: for instance, by defining the (still, astonishingly, undefined) word "launcher", dotted all over the treaty.

Heavy missiles. The treaty allows the Russians to possess 308 SS-18 monster missiles—each with up to 10 warheads, each warhead bigger than almost any existing American warhead—but does not allow the Americans to have any. The United States does not need such missiles at the moment, and could not in fact build any for deployment in the lifetime of Salt-2. But the critics argue that it may need them after Salt-2, and that the present ban on them—an exception to the treaty's rightly applauded principle of equality—should be removed, less the Russians use it as a precedent when Salt-3 comes to be negotiated.

The protocol. This curious sub-treaty appended to the main treaty, to last until the end of 1981 (the main treaty goes on through 1985), prohibits the testing of mobile missiles before 1982, and sets a limit on the range of ground-launched and sea-launched cruise missiles until then. The critics say that the Russians will try to squeeze America into continuing the protocol after 1981, which would stop the Americans providing their European allies with the right sort of cruise missile technology to balance the growing power of Soviet missiles aimed at western Europe. It is therefore suggested that either (a) the protocol should be scrapped or (b) the unilateral statement the Americans plan to make, saying that the protocol will definitively expire after 1981, should be embodied in the treaty, to have equal force with the rest of the document.

The Backfire bomber. This long-range supersonic bomber is not at present going to be included in the Salt count, because the Russians say that it does not have "strategic"—meaning intercontinental—range, though it can in fact get to the United States by refueling in the air. It is covered by a separate Russian statement, which promises not to build more than around 350 Backfires by 1985, outside the Salt rules. The critics wonder why the Russians insist on this distinction. They want the Backfire numbers to be controlled by the treaty—if necessary by raising the permitted number of launchers, and by also hauling into Salt the rather similar American FB-111 bombers assigned to the Strategic Air Command.

Verification. Some critics say the present methods of checking that the rules are being respected need to be strengthened.

If Mr. Carter is to get Salt-2 through the Senate, he will clearly have to pay a price. The steady growth of Soviet military power, the swelling confidence this gives to Soviet diplomacy, and Mr. Carter's failure at Vienna to make the slightest dent in this Soviet confidence, all point to the necessity of pinning the Carter administration down to a programme of counter-measures. These include ensuring the survival of the Minuteman force, and the earliest possible deployment of the Trident missile submarine and the (post-Salt-2, alas) M-X missile, or a combination of two of these three; strengthening the alliance's Europe-based nuclear forces; and continuing the belated non-nuclear rearmament of Nato, begun this year after a dozen years of 3-5%-a-year growth in Russia's military spending.

Over and above this deployment of military hardware to counter Russia's arsenal, the Carter administration has to be prodded and pushed by congress into defining a way of exacting a price from the Russians if they and their allies will not behave with more restraint in Africa, south-east Asia and elsewhere. A practical means of applying leverage to Mr. Brezhnev—the ratification of Salt-2 itself apart—has yet to be found. The search for it should be American's foreign policy priority as it goes into the worrying 1980s.

These conditions can, and should, be hung on the Salt treaty as it stands. The question now to be decided is whether this is enough: or whether the treaty itself, for all the raised eyebrows, should be amended.●

DELTA SIGMA THETA

● Mr. BAYH. Mr. President, during the week of August 11–17, Delta Sigma Theta, a public service sorority will celebrate its 35th annual convention in New Orleans, La. On the eve of their convention, it is only fitting that we take a few minutes to commend this organization, consisting of over 95,000 college-educated women, who are predominantly black.

For over 50 years Delta Sigma Theta has been in the forefront of the struggle to improve the quality of life for our citizens. In their efforts to bring human dignity to all Americans, they have undertaken an array of activities such as educational improvement, economic development, and improved housing for our poor, our elderly, and our handicapped.

One need only examine some of their activities to realize that these dedicated and concerned women are accomplishing many great things. Recently, they received a $134,000 grant from the Department of Health, Education, and Welfare, for the purpose of developing a women's educational equity training and assessment program. The goal of this worthwhile project is to develop and test materials to be used by personnel in public and private institutions and community groups in an effort to combat sex stereotypes and promote educational equity for women. This program has been quite successful and they deserve credit for their commitment to eradicate sex discrimination by attacking sex stereotypes.

Delta Sigma Theta has also received a $2.76 million grant from the National Science Foundation, for the purposes of establishing a resource center which will identify potential scientists and engineers from the minority and low-income communities.

At a time when education is so key to the successful integration of minorities and low-income citizens into the mainstream of the American economy, such a project is commendable. Furthermore, Delta Sigma Theta has been involved in a program offering counseling services, tutorial assistance, career testing and evaluation services, and financial aid services to minority high school students in an effort to improve their chances of successfully completing a college education.

Not only has Delta Sigma Theta been actively involved in the area of education, they have also taken an active role in all our efforts to ratify the equal rights amendment as well as the District of Columbia Voting Rights Act. During their 1978 regional conferences, more than 4,000 letters were written by their members across the country in support of the ERA. They have also been active in the various States in the effort to ratify the District of Columbia Voting Rights Act, which would give the voting franchise to over 650,000 American citizens residing in the District.

Many of these accomplishments are due to the outstanding leadership of one person, Mrs. Thelma Thomas Daley. Under her able leadership, this organization has become one of the leading advocates of rights for minorities and other low-income citizens of this country. Our congratulations go out to this outstanding lady as she prepares to relinquish the mantle of leadership to one of her colleagues whom we know will continue to lead this organization in a direction of outstanding service to our community.

Finally, Mr. President, I would like to congratulate the Delta Sigma Theta chapters located in Anderson, Muncie, Bloomington, Evansville, Fort Wayne, Gary, Indianapolis, and South Bend, Ind., and located on the campuses of Purdue University, Indiana State University, Indiana University, and Ball State University, for their contribution to the success of this very important organization.●

VETERANS' ADMINISTRATION REHABILITATION CONFERENCE

● Mr. KENNEDY. Mr. President, recently our colleague, Senator RANDOLPH addressed the Rehabilitation Conference sponsored by the Veterans' Administration. During the week of July 9–13 conference participants analyzed and formulated Veterans' Administration program needs, opportunities and future directions as they related to the "concept of rehabilitation" in the Veterans' Administration.

As chairperson of the Senate Human Resources Subcommittee on the Handicapped, Senator RANDOLPH has provided sensitive and outstanding leadership on the issues affecting millions of this Nation's handicapped citizens.

I ask that there be printed in the RECORD Senator RANDOLPH's remarks to the Veterans' Administration Conference.

The address follows:

REMARKS BY SENATOR JENNINGS RANDOLPH

It is gratifying to be with you this evening and to be a part of this important Conference on the Rehabilitation of America's Disabled Veterans. You are participating in an exciting task during this conference, and I am pleased to have the opportunity to share this occasion with you.

As a member of the Veterans Affairs Committee and as chairman of the Subcommittee on the Handicapped, I commend you, Administrator Cleland, and indeed all of you

for the work you are doing on behalf of disabled veterans by providing comprehensive rehabilitation services: That is a noble goal and one which I share with you.

This is an era of challenge and opportunity for handicapped Americans and for those committed individuals who believe in the capability of this Nation's handicapped citizens. We are all challenged to provide equal opportunities for handicapped citizens, and there is much work to be done if America is to fulfill its promise to all of its citizens.

The time is right, however, for following through and expanding on program initiatives which so vitally affect handicapped individuals. In this country today, there is a growing awareness that the presence of a disability should not limit an individual's opportunities. There is an increasing recognition and understanding that a handicapped individual has the same needs and desires as a nonhandicapped individual to achieve appropriate education and training, to be employed, to live in the community, and to enjoy leisure activities. Attitudes are changing towards this Nation's handicapped citizens. Attitudes are changing because of the impact of rehabilitation programs which have been demonstrated that handicapped people "can do". Handicapped citizens, if given the appropriate training, services and opportunity can be a vital part of American society. Attitudes are changing because handicapped children now have a right—established by Federal law—to go to school. Attitudes are changing because of the public awareness created by the convening of a White House Conference on Handicapped Individuals in May of 1977. Attitudes are changing, also, because of the work of dedicated individuals such as yourselves who believe that the capabilities of an individual should be recognized and developed. Recognizing and developing the capabilities of the individual represents the essential concept behind rehabilitation programs for handicapped Americans.

Rehabilitation programs for handicapped individuals have a long and illustrious history. As you know, in 1920, with the passage of the Smith-Fess Act, a State-Federal partnership in vocational rehabilitation was initiated. This 1920 Act was stimulated, of course, by the World War I vocational rehabilitation program for veterans. Today, the State-Federal vocational rehabilitation program and the veterans vocational rehabilitation program play important roles in preparing handicapped individuals for employment.

These programs are more than service programs; these programs are a demonstration of a commitment made by this Government to assure individual rights for all Americans. Individual rights must begin with the right to grow and develop as an independent, self-supporting person. To violate this right is to ignore the mandates of dignity, respect, and opportunity accorded all citizens by the freedoms enumerated in the United States Constitution. Americans deprived of this right and whose life choices have been affected by a quirk of birth or fate must have assurances that they will have a chance to maximize their capability to work and live independently. Rehabilitation programs are one of the primary means of achieving this goal. Together, the State-Federal vocational rehabilitation program and the veterans rehabilitation program substantially impact on the needs of handicapped Americans.

You are here to determine how that already positive impact can even more effectively address the needs of handicapped veterans.

It was reassuring to read the document "concept of rehabilitation in the Veterans Administration" sent to me by your able Administrator, Max Cleland. I was again reminded by the similarity in goals shared by veterans rehabilitation program and the State vocational rehabilitation program.

Members of the Veterans Affairs Committee and the Subcommittee on the Handicapped, have been very much aware of two major needs for many years: The need for comprehensive services and the need for individualized services. Both the Veterans' Administration and the Rehabilitation Services Administration are increasing their efforts towards these two critical needs.

As many of you know, in 1978, the Rehabilitation Act of 1973 was substantially amended. A major new program was initiated: comprehensive services for independent living. This program will be targeted at those very severely handicapped persons who may have been overlooked in the past because of the severity of their disability. Vocational potential is not a requirement for eligibility. The goal of the program is to enhance a handicapped individual's capacity to live independently, and if possible, to obtain appropriate employment. This new programmatic thrust, coupled with the vocationally oriented State grant rehabilitation program offers a comprehensive approach for meeting the multitude of needs of handicapped Americans. This same comprehensiveness is set forth as a basic principle in the Veterans' Administration concept of rehabilitation. The Veterans' Administration recognizes that a "disability . . . affects multiple areas of a person's life" and that "comprehensive rehabilitation services should begin at the earliest point possible after impairment and continue until the objective is achieved." This is so very important. A comprehensive service approach, which intervenes as soon as possible after identification of a handicapped condition, is crucial to the individual's well being.

The Veterans' Administration also advocates that "the underlying philosophy of rehabilitation is that each individual is viewed as possessing unique assets and should have the full opportunity to participate in and contribute to society to the maximum extent possible." As chairman of the Subcommittee on the Handicapped, it has also been my goal to emphasize and address the individual needs of everyone served under the Rehabilitation Act of 1973, as amended.

The Education for all Handicapped Children Act and the Developmental Disabilities Act is the goal of these programs to bring into the mainstream of American Society handicapped persons, and the best way to accomplish this goal is by individualized services. It is gratifying to see that the individual needs of disabled Americans are being addressed by these programs. The Veterans' rehabilitation program, the State vocational rehabilitation program, the special education programs, and programs for developmentally disabled individuals. It is exciting to see the handicapped individual respond to this individualized attention which seeks to draw forth and maximize his or her talents.

The Veterans Administrations' principles of rehabilitation—comprehensiveness, integration, flexibility, and individuality—will create a climate in which services will be even more meaningful to the disabled veteran. The Veterans' Administration rehabilitation objective of "physical, social and vocational independence to the maximum extent possible" is a goal which all of us here seek for handicapped Americans.

You are here to develop new strategies to meet the rehabilitation needs of disabled veterans. You are engaged in an exciting task, and I am honored to have had the opportunity to contribute to this occasion. It has been a privilege to have shared this time with you. I commend you for your efforts on behalf of disabled veterans.●

THE DANGERS OF "PROGRESSIVE GOALS"

● Mr. HUMPHREY. Mr. President, in this time of America's crisis, I am heartened by the increasing legion of young Americans who, despite their exposure to the liberal litany peddled in most of our schools and universities, see clearly the cause of our economic, political, and spiritual malaise.

Today an article written by Roger Barris, a college student and summer intern on Capitol Hill, was published in the Washington Star. I am pleased to print it in the RECORD so that the incisive thoughts of Mr. Barris can be read throughout the land.

Mr. President, I ask that the article to which I have referred be printed in the RECORD.

The article referred to follows:

THE DANGERS OF "PROGRESSIVE GOALS"

As a member of the so-called "Me-Generation," I wish to offer an alternative explanation for the present political scene, one that does not rely on any assumptions of narcissism.

It has been almost 40 years since Friedrich Hayek, an Austrian economist and future Nobel Prize winner, published his prophetic work, *The Road to Serfdom*. Based on his experiences with Nazi Germany, it warned of "dangers to freedom inherent in social planning." Hayek noted that it was one of the supreme virtues of a free-market economy that it requires only minimal societal consensus to function.

But, in opposition to this, he noted that as a government undertook to direct the resources of society, the need would arise to hierarchically rank the ends to which those resources would be directed. It is the essence of the economic problem that there are never enough resources to satisfy all ends simultaneously. It is a fallacy, however, to assume that society will be able to reach a broad consensus on this ranking.

To paper over this fact, governments adopt the vague formulae of the "common good" and "reasonableness." These ambiguities are passed on in the form of general vaguely-worded "laws" which delegate their specific implementation to "experts." The representative bodies themselves fall into disrepute, since they reflect the indecisiveness of society in general, and increasingly the call goes out to circumvent the "talk shops."

Soon minorities or "special interests" begin to exercise control far beyond their numbers, representing a cohesive view amid the vacuum. The culmination of this trend is the nihilistic call for some "leader" to "do something," though society could never agree on what he should do. These are the conditions for a Hitler.

Does this sound familiar? Do we not find Congress increasingly fragmented and ruled by special interests as it marches along the path toward economic control and intervention? Do not the apathetic voting records indicate disgust with this "talk shop," and is not the growing tendency to rely on the executive a harbinger of the call for an economic dictator?

Do we not increasingly chafe under the arbitrary delegation of power to regulators? In fact, was not Jimmy Carter's campaign, where so much emphasis was placed on form over substance, the first sign of the cry to "do something," though we could never agree on what?

Perhaps before we rush to blame the "Selfish Generation" for our present woes, we should examine our "progressive" goals and realize that they are incompatible with democracy and, ultimately, individual liberty.●

NCOA 18TH ANNUAL INTERNATIONAL CONVENTION

● Mr. DOLE. Mr. President, at the recent Noncommissioned Officers Association of the United States of America (NCOA) 18th International Convention held in New Orleans, La., Mr. Normand M. Gonsauls, NCOA president, presented me with the association's prestigious "L. Mendel Rivers Award for Legislative Action."

At the same time, NCOA's 150,000—plus members also honored our colleague, Senator ROBERT MORGAN from North Carolina. The NCOA's Special Vanguard Award was presented to him for his efforts in establishing equity in many personnel policies that are currently unfair to enlisted men and women of the Armed Forces. Assisting Mr. Gonsauls in presenting the award was former Sergeant Major of the Army, Leon Van Autreve who is the association's vice president.

In accepting his award, Senator MORGAN offered comments on the current issue of draft legislation. Although I may not fully agree with the Senator's comments concerning the need to restore mandatory peace-time registration, the Senator spoke very convincingly on the need to reestablish the position and prestige of our noncommissioned and petty officers in the U.S. Armed Forces.

Mr. President, I request that Senator MORGAN's remarks given at the NCOA's 18th Annual International be printed in the RECORD.

The remarks follow:

A PROFESSIONAL NCO CORPS

"I am personally very grateful that you have chosen to give me the coveted Vanguard Award of the Non Commissioned Officers Association.

"But more than that, I am grateful because this may send a signal to the civilian and military leaders, and to my colleagues in the Congress.

"The signal is that we still have a dedicated professional NCO Corps that recognizes what improvements are necessary if we are to have a strong, reliable military.

"For too long now, I have watched as the morale and discipline of our military has been chipped away little by little. The penny-wise, pound-foolish actions of people who believe that the military is just another job—the people who believe that patriotism, discipline, and fighting spirit can be bought by salary alone.

"By your support of me in my efforts to provide conditions of dignity, fairness and equity for our military people, we can show others what you as professionals know to be true—that we must re-create a mood in this country where service to the country and disciplined behavior as citizens and soldiers are recognized as the minimum requirements for enjoying the benefits of this land.

"That is one of the primary reasons why I have attempted to restore registration for Selective Service. We do need it for potential mobilization reasons. But an even more basic reason is that we need to remind our youth that there is no free ride. That citizenship, and its benefits, carry with it the duty to serve.

"I don't want a generation of American youth growing up not having a basic respect for the duty and privilege of serving their country and respect for those people of exceptional dedication who make it their lives.

"Another signal that I want people to get from this occasion and this organization is that the position and prestige of the NCO Corps must be restored and enhanced if we are to cure those problems of discipline and morale that so concern us all.

"Some of the attitudes in our military leadership must be changed if we are to restore pride and leadership to our troops. There is currently an attitude that everything must be handled at the highest levels.

"In at least one of our services, people of any rank, at any post, are encouraged to call duty officers in Washington directly if they think they have a problem. I could not think of a quicker way to destroy the leadership relation of the NCO to the troops than by this encouragement to bypass the very person who has the best knowledge of the situation and the best capability to solve any existing problem. If the problem cannot be solved by the NCO on the spot, he is also the one to know where to get help for the solution. "We must abandon this idea that only Washington knows best and restore the NCO to his rightful place as the leader of his men.

"You will note that I say 'leadership' and not 'management' or 'command.' Anyone can command. All it takes is force behind you. Management is something you do in a civilian organization. But leadership is that special quality of inspiration and care that characterizes the good NCO. This is the person who must be restored to his rightful place.

"I accept this Vanguard Award from NCOA with gratitude to you and your devotion to your country. I will try to help you in creating the military we all need."●

(The remarks of Mr. MOYNIHAN in connection with the introduction of legislation are printed under Routine Morning Business.)

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAVEL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—H.R. 4394

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the HUD appropriation bill, H.R. 4394, there be a time agreement as follows:

Three hours on the bill to be equally divided between Mr. PROXMIRE and Mr. MATHIAS; 30 minutes on any amendment; 1 hour on an amendment by Mr. PROXMIRE to cut assisted housing; 1 hour on an amendment by Mr. MATHIAS and Mr. BAKER on revenue sharing; 1 hour on an amendment by Mr. JAVITS on the section 236 flexible subsidies; and 20 minutes on debatable motions, points of order or appeals, if the Chair submits the point of order to the Senate for its discussion; and that the agreement be in the usual form with respect to the division and control of time.

Mr. BAKER. Mr. President, will the Senator yield to me a moment?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I thank the majority leader. I wonder could it be possible, in view of the requirements of some Senators on this side, if we could put the Mathias-Baker amendment on revenue sharing first in the list of amendments to be considered under this order?

Mr. ROBERT C. BYRD. Mr. President, in response to the distinguished minority leader, I add that to my list.

I add two provisions to my request, one that immediately upon the conclusion for the orders of recognition of Senators on tomorrow morning, the Senate proceed to the consideration of HUD appropriations bill, and, second, that the amendment by Mr. BAKER and Mr. MATHIAS be the first amendment on the floor.

Mr. MAGNUSON. Mr. President, do I understand the Senator intends to bring up the HUD appropriations bill tomorrow?

Mr. ROBERT C. BYRD. The first thing tomorrow.

Mr. MAGNUSON. Tomorrow?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. All right.

We made an announcement that we were going to bring it up Monday. But instead we are going to push it ahead to tomorrow?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. I think that is good.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair and thank all Senators, and I thank the distinguished minority leader.

The text of the agreement follows:

Ordered, That on Friday, July 27, 1979, following the disposition of any special orders, the Senate proceed to the consideration of H.R. 4394 (Order No. 273), making appropriations for the Department of Housing and Urban Development, with 30 minutes on any amendment (except an amendment by the Senator from Wisconsin (Mr. Proxmire) relative to cutting assisted housing by $700 million, on which there shall be 1 hour; an amendment by the Senator from Maryland (Mr. MATHIAS) and the Senator from Tennessee (Mr. BAKER) relative to revenue sharing, on which there shall be 1 hour, and which shall be the first floor amendment to be taken up under this agreement; and an amendment by the Senator from New York (Mr. Javits) relative to flexible subsidies, on which there shall be 1 hour), to be equally divided and controlled the mover of such and the manager of the bill, and with 20 minutes on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from Wisconsin (Mr. Proxmire) and the Senator from Maryland (Mr. Mathias): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

NO SATURDAY SESSION

Mr. ROBERT C. BYRD. Mr. President, if the Senator will allow me further to

state, there will be no session of the Senate on this Saturday.

SPECIAL ORDERS FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the leaders are recognized under the standing orders, Messrs. DANFORTH, BAKER, STEVENS, TOWER, and ROBERT C. BYRD be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for 1 minute to consider the nominations on the Executive Calendar beginning with Calendar No. 271 and going through Calendar No. 276, with the exception of Calendar No. 274.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—these items are cleared on our Executive Calendar. We have no objection to proceeding to their consideration and their confirmation.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations which were considered and confirmed en bloc are as follows:

RAILROAD RETIREMENT BOARD

Charles J. Chamberlain, of Illinois, to be a member of the Railroad Retirement Board.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Daniel Edward Leach, of Virginia, to be a member of the Equal Employment Opportunity Commission.

CONSUMER PRODUCT SAFETY COMMISSION

Stuart M. Statler, of the District of Columbia, to be Commissioner of the Consumer Product Safety Commission.

SECURITIES INVESTOR PROTECTION CORPORATION

Brenton H. Rupple, of Wisconsin, to be a Director of the Securities Investor Protection Corporation.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Leroy D. Clark, of New York, to be General Counsel of the Equal Employment Opportunity Commission.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the votes by which the nominations were confirmed en bloc.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. Then I ask unanimous consent that immediately following the recognition of the two leaders under the standing order, the Senate proceed to the consideration of the HUD appropriation bill.

The PRESIDING OFFICER. That order has been entered.

Mr. ROBERT C. BYRD. No; the previous order, I believe, was following the orders for the recognition of any Senators, but there are none entered, so I thought I had better modify the request.

The PRESIDING OFFICER. If there are none, then that request is in order. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of the HUD appropriations bill under a time agreement. There will be rollcall votes, and hopefully tomorrow it will be possible to complete action on that bill, and also on the D.C. appropriation bill.

As for the D.C. appropriation bill, that has not yet been cleared for action on tomorrow and a time agreement has not been entered into; but it is hoped that overnight there might be some progress in those directions.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 7:12 p.m. the Senate recessed until tomorrow, Friday, July 27, 1979, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 26, 1979:

RAILROAD RETIREMENT BOARD

Charles J. Chamberlain, of Illinois, to be a Member of the Railroad Retirement Board for the term of 5 years from August 29, 1979.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Daniel Edward Leach, of Virginia, to be a Member of the Equal Employment Opportunity Commission for the term expiring July 1, 1984.

CONSUMER PRODUCT SAFETY COMMISSION

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission for the remainder of the term expiring October 26, 1979.

SECURITIES INVESTOR PROTECTION CORPORATION

Brenton H. Rupple, of Wisconsin, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1981.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Leroy D. Clark, of New York, to be General Counsel of the Equal Employment Opportunity Commission for a term of 4 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Thursday, July 26, 1979*

The House met at 10 a.m.

Dr. Carroll Hubbard, Sr., the Southern Baptist Theological Seminary, Louisville, Ky., offered the following prayer:

O Lord, our Lord, how majestic is Thy name in all the Earth.

Thou hast been our help in generations past: Thou art our hope for the future. We implore for ourselves and our Nation Thy grace and guidance.

Grant us a new awareness that government is by divine appointment and that those elected to high office are servants of God. May these representatives of the people be able to perceive issues clearly, to make decisions judiciously, and to act courageously for the common good. Bestow upon them spiritual strength and a wisdom far above their own.

Let us all experience a fresh dedication to the ideas and institutions which have made America great.

Create in us today the purpose of mind "to do justice, and to love kindness, and to walk humbly with our God" (Micah 6: 8).

We pray in the name of the Lord Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4392. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4392) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLINGS, Mr. MAGNUSON, Mr. EAGLETON, Mr. INOUYE, Mr. BURDICK, Mr. DECONCINI, Mr. BUMPERS, Mr. SASSER, Mr. WEICKER, Mr. HATFIELD, Mr. STEVENS, Mr. LAXALT, Mr. GARN, and Mr. YOUNG to be the conferees on the part of the Senate.

DR. CARROLL HUBBARD, SR.

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUBBARD. Mr. Speaker, naturally, it is a real joy to have with me in the House Chamber today my father, Dr. Carroll Hubbard, Sr., of Louisville, Ky., who led the prayer for us today and serves as guest chaplain for today.

One limitation regarding being a Member of Congress is that service at the Nation's Capital requires almost all of us to move from our home area and be in the Washington area most of the time. This causes, for example, my wife Joyce and our daughters Kelly and Krista and me to spend most of our time in the Washington area, with a home in McLean, Va., and away from my parents, Dr. and Mrs. Carroll Hubbard, Sr., and my wife's parents, Mr. and Mrs. Floyd Hall, of Metropolis, Ill.

One of the joys of summertime is that my wife's parents and my parents visit us and together we can enjoy the beauty and thrills of our Nation's Capital and Washington, D.C. That special occasion of togetherness is ours this week here.

APPOINTMENT OF CONFEREES ON H.R. 4392, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. SLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. SLACK, SMITH of Iowa, ALEXANDER, EARLY, HIGHTOWER, WHITTEN, O'BRIEN, ANDREWS of North Dakota, and CONTE.

JEANNETTE RANKIN, 1880–1973

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the day after Pearl Harbor, the U.S. House of Representatives voted 388 to 1 to declare war on Japan. The dissenting vote was that of Congresswoman Jeannette Rankin from Montana. This was the second time she had voted against U.S. entry into a world war. In her first term in Congress she voted against U.S. entry into World War I. She stated:

The first time the first woman has a chance to say no to war she should say it.

In 1916, Jeannette Rankin was the first woman elected to the House of Representatives. Defeated in a bid for the Senate in 1919 she continued to work for peace. She attributed her setbacks to flaws in the machinery of the democratic process, never to democracy itself.

In 1968, at age 87, Jeannette Rankin came to Washington one more time. She led 5,000 women, the Jeannette Rankin Brigade, in protest against the war in Vietnam. Jeannette Rankin was an ardent pacifist who boldly declared the futility of war:

You can no more win a war than you can win an earthquake.

TRIBUTE TO AMA FRANCES HICKS

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I was saddened to learn about the recent death of Mrs. Ama Frances Hicks on July 12. Luke Hicks, staff assistant in the Office of the Doorkeeper and a close personal friend, told me of his mother's death in Mill Valley, Calif., which had been her home for 25 years.

Mrs. Hicks was a native of Tennessee, and moved out West with her husband to California in 1957. In Mill Valley, she was active in several community organizations: She was president of the sewing club, and active in the Methodist church. In 1965, she became grand noble of the Blysthesdale Lodge of the Rebekahs. Mrs. Hicks was respected and loved in her community—her vigor and enthusiasm was unsurpassed. I feel that Mrs. Ama Hicks embodied the true spirit of American womanhood in all of her endeavors.

Mrs. Hicks led a rich, full life. On October 12, she would have celebrated her 85th birthday. In her lifetime, she witnessed the passing of the last century into this one, and saw the many changes and events that took place in this country over the decades.

I know that she was proud of Luke, her only son. Luke said that, "when my mother died, I lost my best friend." Mrs. Hicks was survived by a sister, Mrs. Arizona Leutke. I would like to pay my respects to the passing of Ama Frances Hicks, and extend my condolences and warm aloha to her family.

MAGNETIC FUSION ENERGY PROGRAM

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, 2 days ago I wrote to Acting Under Secretary of Energy, John Deutch, requesting that the Department of Energy consider an aggressive acceleration of the magnetic fusion energy program. The goal of this accelerated effort would be to have a magnetic fusion electric demonstration plant on the line before the end of the century. I consider nuclear fusion to have the greatest future potential of any advanced energy technology; and I believe that we must move forward aggressively to realize the promise of this infinite and cheap supply of usable energy.

REPRESENTATIVE BROYHILL SUPPORTS GILMAN CONGRESSIONAL REVIEW AMENDMENT

(Mr. BROYHILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROYHILL. Mr. Speaker, I was amazed last night to hear the President's response during his press conference to a question about the Gilman amendment which we added to the Emergency Energy Conservation Act, S. 1030. I must take strong issue with the President's interpretation of Representative GILMAN's amendment.

The President seemed to be confused and misinformed as to what this amendment would do. He implied that the amendment ties his hands in the event of a national emergency, that it would interfere with his power to implement a gasoline rationing plan in the event of a national emergency. The inference is that the House has acted irresponsibly in adopting the Gilman amendment.

This simply is not the case.

Under the committee bill, the President is able to devise the gasoline rationing approach he prefers, put this plan on the shelf and store it for future implementation. Then, if he finds that fuel shortages hit 20 percent below average supplies, he can pull this plan he has devised off the shelf and put it into use. Congress would then have 15 days to review the President's decision to implement the plan.

The catch is this: In its review Congress would be focusing, not on the details of the plan, but on whether the severity of the energy emergency warranted the implemention. In other words, the substance of the plan itself would not be considered.

The Gilman amendment lets Congress have a reasonable, logical look at the plan before it is stored away for possible future use. Under the terms of Mr. GILMAN's amendment, Congress has 30 days in which to review the President's plan subsequent to its submission. This period

would be used to review the actual content of the plan itself to make certain the plan is a responsible and equitable approach to a very serious problem. If Congress does not act on the proposal within 30 days, under the Gilman approach the plan is set on the shelf and is subject to the same 15-day veto provision as in the committee bill.

Under the terms of the Gilman amendment, we are only asking that Congress have the right to review the details of the plan the President devises. Obviously, such a plan would be put into reserve until an energy emergency occurs.

Frankly speaking, we must all concede that the provision of S. 1030 we are questioning here is not the result of a well thought-out energy policy. Rather, this is a mere reaction to the fact that a gasoline rationing plan has already been submitted to this body and has been rejected. Now we are asked to endorse sight unseen, blindfolded if you will, a future plan as yet to be devised by the President. Further, we will not be able to question the specifics of that proposal unless a critical shortfall of fuel forces our hand and the President invokes a rationing plan.

It only stands to reason, Mr. Speaker, that Congress should consider a rationing plan in the cool and calm atmosphere afforded by the Gilman amendment rather than wait until necessity compels Congress to debate this issue in the heat of an emergency.

Let me underscore one important point. A vote for the Gilman amendment is not a vote against the idea of preparing a contingency plan to be held for use in the unfortunate eventuality that gasoline rationing must be considered.

But there are so many variables here. We have heard a multitude of criticisms about possible components of the plan. Some Members have expressed concerns that different regions of the country would not be treated fairly under a plan, that urban areas would receive too much gas, that rural areas would not receive enough.

Some Members have expressed concern about a possible "white market" in rationing coupons which would drive costs up and make gasoline affordable principally for the well-to-do.

Yet others have expressed the belief that the costs associated with such a program would run into the hundreds of millions of dollars. Or that such a plan could not be implemented quickly enough during a time of emergency. The list goes on and on.

In all fairness to everyone, and in light of the controversy which has already been proven to surround rationing, why is there objection to a review of the content of the plan prior to its promulgation?

I have listened to the debate, and one thing I notice is that the term "special interests" has been tossed about continuously.

Is a person about to lose his or her job because of rationing a special interest?

Is a person who sees his small business fail because of the effects of rationing a special interest?

Is a traveling salesman who relies on gasoline to perform his job a special interest?

Is the person who lives in a rural area with no access to public transportation and inadequate supplies of gas for ranching or farming a special interest?

These are the questions I put to my colleagues.

In all our fervor over sections and paragraphs and titles of subsections, are we forgetting those we represent? Gasoline use touches upon the everyday life of almost all American citizens. These citizens sent us here to look out for their best interests. Let us use some commonsense here. Let us do the job we were sent here to do and make certain a rational approach is adopted. Only the elected officials, responsible to the public, should make the kinds of decisions needed here, rather than turn dictatorial powers over to an imperial Presidency while a blindfolded, bound, and gagged Congress stands helplessly by.

A COURAGEOUS CONGRESS

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, last night, the deliberations of the House were the subject of some "instant analysis" by the President, who characterized as "timidity" the adoption of my amendment providing for a one-house veto of the provisions of any gas rationing plan.

I would respond to the President that the timidity, if any, is on the part of the administration, which apparently is unwilling to subject its rationing plans to congressional scrutiny.

The House action providing for a congressional veto demonstrated that there are those of us in the Congress who wish to act responsibly and are courageous enough to consider the merits of any rationing plan prior to placing it in a stand-by status.

I was heartened, Mr. Speaker, to hear the President indicate that his major concern was the quick implementation of rationing under emergency conditions.

I re-emphasize that my congressional veto amendment contains no roadblocks to implementation. Since a congressional approved plan will be in place "on the shelf" when any emergency occurs, any debate will focus only on the most immediate problem—whether or not the emergency warrants rationing, rather than on the substance of the plan.

□ 1010

THE CONGRESSIONAL BASEBALL GAME

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I am pleased to report that the media-interest in tonight's congressional baseball game is at a fever pitch.

And, is there any wonder that the media is interested in the 18th Annual Roll Call Congressional Baseball Game? It has all the ingredients of the major news stories of the summer: It is as filled with tension and anticipation as the Skylab landing. It has produced tempers as hot as a mile-long gas line. It has all of the drama of a week's seclusion at Camp David. And, I can promise you that tonight my fine-tuned Republican team will demonstrate such razzle-dazzle on the bases that last week's Cabinet shuffle will pale in comparison.

I would like to remind my colleagues that the game will be played tonight at Four-Mile Run Stadium—home of the Alexandria Mariners—at 7:15 p.m. I also would like my Republican colleagues to recall the old saying "He also serves who only comes and cheers." I ask them all to come to witness our 15th drubbing of the Democrats.

UNRESPONSIVENESS OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, more than a month ago, I wrote to the Secretary of Health, Education, and Welfare to register some serious concerns and complaints from my constituents over failure of the Central Arizona Health Systems Agency to act according to public needs.

To date, I have received no response from the Secretary.

It is almost too coincidental that the response to these documented irregularities made known to the Secretary was delayed so that it would not arrive until after the House had considered legislation extending and expanding the authority for federally chartered health planning agencies such as CAHSA.

Such dilatory tactics by Federal officials should not be tolerated.

I believe that Congress should consider a statutory time limit on executive branch responses to congressional inquiries.

Substantial penalties should be imposed when Federal officials fail to take appropriate action when requested to do so in behalf of the public by elected representatives.

CONGRESS WOULD LIKE A SHARE IN APPROVAL OF STANDBY RATIONING AUTHORITY

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, we join our colleague the gentleman from Kentucky, CARROLL HUBBARD, in welcoming his father, Dr. Hubbard, who once again as guest chaplain delivered the very beautiful prayer.

Mr. Speaker, 11 days ago our President told the Nation the critical situation our Nation is in, particularly concerning energy. Again last night, for the first few minutes of his press conference, he once again identified energy as the Nation's No. 1 problem.

Yet, last night when this body was considering what the President and the Democrat leadership of this Congress identify as an important part of the President's program, standby authority to ration, the bill was abruptly removed from the program and at this point, has not been replaced on the calendar. Why? Because this body about 4 weeks ago rejected one of the President's standby authority rationing programs. Angrily, he said, "Let Congress write it."

That is all we asked last night was to have a share in the approval of a standby authority before we ever have to consider putting it in place.

CONGRESS AND PRESIDENT SHOULD STEP ASIDE AND LET AMERICA PRODUCE ITS OWN ENERGY

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LIVINGSTON. Mr. Speaker, 2 weeks ago the President had a clear choice to make on energy: Get the Government out of the business or get it further in. Unfortunately for everyone, he chose more Government.

Government does not produce energy. Geologists, engineers, drillers, investors—these are the people who produce energy. And the President has chosen to attack those people, labeling them the "oil lobby" and charging that they wish to rob the American people.

Constantly pitting one part of America against another part is not the way to win the energy war—or any war. It is sometimes the way to win an election, but it is no way to run the country.

How can the President expect us to pull together when he constantly pulls us apart? Attacking Congress is no way to get a coherent energy policy—and attacking the oil companies is no way to produce more oil.

I believe in the ability of America to produce its own energy, and I believe that Congress and the President ought to get out of the way so we can do just that.

BICENTENARY-ERA COMMISSION

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RHODES. Mr. Speaker, I am pleased to cosponsor legislation to establish the Citizens' Commission for the Commemoration of the Federal Government Bicentenary Era.

The purpose of this bill is to focus public awareness on our heritage—on the trials, tribulations, sacrifices, and courage that went into forging the Government of this Republic between 1776 and 1800.

It has become apparent that millions of Americans take our liberties for granted, and are oblivious to the obligations of citizenship such as voting and participation in the political process. Today, with TV and print media, the story of the founding of representative government can be presented for mass circulation, in fascinating ways.

The legislation that my colleague from Texas, Mr. WRIGHT, and I are sponsoring, would launch an official Federal effort to stimulate and coordinate observances of the anniversaries of significant dates in our Nation's struggle to become a functioning republic.

This approach resulted in a gala celebration of our bicentennial year. Certainly, there is a demonstrated need for more awareness by more Americans of the unique Government we have, and the fierce challenges our forefathers and mothers overcame to pass on to us this priceless legacy of freedom and opportunity.

I urge my colleagues in the House to rally around this bill, to help us launch an appropriate tribute to the founding of the United States of America.

CAN YOU BELIEVE THAT THE PRESIDENT CHARGES CONGRESS WITH TIMIDITY?

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I rise in defense of the Speaker and of the majority leader, and of the gentleman from Michigan (Mr. DINGELL), my good friend and of all my colleagues here in the House who were being kicked around by the President of the United States during his press conference last night.

How dare the President charge us with timidity? How dare he say this about his own leaders with a 2-to-1 majority in this House?

I think it is unfortunate that the President of the United States, who should bring people together, should try and divide his own ranks by these constant attacks on the Congress of the United States, which is controlled by you, Mr. Speaker, obviously—that was shown last night—and by the Democratic Party's majority.

I looked up the word "timidity," and found the definition—"lacking in courage, or self-confidence; easily frightened or overawed."

At least the President does know the English language, and he ought to know the meaning of the word "timidity" very well.

THE PLIGHT OF IOSIF MENDELEVICH

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEVITAS. Mr. Speaker, I am pleased to join my colleague, Mr. HOWARD, and others in participating in the "Shatter the Silence Vigil, 1979," in an effort to improve emigration for Soviet Jews.

Today, I would like to discuss the case of Iosif Mendelevich. His case presently has two significant aspects. With the release this past April of seven of the Prisoners of Conscience convicted in the infamous Leningrad Trial of 1970, there remains in prison three from that trial, two non-Jews and Mendelevich. It is unjust for some who received harsher sentences than Mendelevich's to have been freed, and to keep him and the others incarcerated.

Second, and perhaps this is one of the reasons why the Soviets chose not to release Mendelevich along with the others, he is an observant Jew. He eats only kosher food, thus limiting an already paltry diet upon which he must subsist while working at hard labor. He insists on wearing the traditional skullcap, and works extra hours 6 days a week so that he does not have to work on the Jewish Sabbath. This, apparently, does not sit well with the Soviets.

Born into a family close to Jewish traditions, the 31-year-old Mendelevich and his family were refused permission to emigrate to Israel three times between 1967 and 1970. On June 15, 1970, he was arrested at the Leningrad airport for the alleged attempt to steal a plane to Israel. Simultaneously, Soviet Jewish activists were apprehended in cities throughout the Soviet Union. After worldwide expressions of outrage Mendelevich's original sentence of 15 years was reduced to 12. He is scheduled to be released from prison in 1982. We must continue to cry out for justice, and, once again, I say it is unjust for this man to have to continue to work at hard labor for several more years while some of his fellow prisoners, a number of whom received harsher sentences than his, are now enjoying freedom from prison.

Certainly, it would be in the spirit of the Helsinki Conference for the Soviets to review this case and others mentioned above. I urge my colleagues to be continually aware of human rights violations, not only in the Soviet union, but elsewhere—wherever they exist.

THE BRAVERY OF VIKTORAS PETKUS

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to review and extend his remarks.)

Mr. DORNAN. Mr. Speaker, many of us in this House are trying to, over the next month, hopefully not years, mention each morning one of the prisoners of conscience who are held in the Soviet Gulag concentration camps.

This morning I would like to speak of Viktoras Petkus, the 50-year-old Lithuanian Catholic and present cellmate of Anatoly Shcharansky, has now completed over one year of his current sentence—10 years hard labor in Chistopol prison and 5 years of enforced exile from Lithuania.

Petkus is no newcomer to the struggle for human rights. Eighteen years after his birth in 1929, in Raseiniai, Lithuania, he was arrested for his activities in a Roman Catholic youth organization which opposed Lithuania's annexation by the U.S.S.R.

When not in prison, Petkus courageously fought for basic human rights. He distributed reading materials to interest fellow Lithuanians in native history, religion and literature. He assisted the mother of Simas-Kudirka in working for Kudirka's release from a Soviet prison, and also attempted to attend the trial of Sergei Kovalev in Vilnius, but was detained by the KBG.

The efforts of Petkus, as well as Shcharansky, in founding the Moscow Lithuanian Helsinki Monitoring Group, are well-known to all of us. Petkus went on to prepare twelve of the Helsinki Group documents, as well as to attempt organizing a "Supreme Committee on the National Movements of Estonia, Latvia and Lithuania."

My colleagues, though you are well aware of the details of the work of Petkus as a leader in the Lithuanian Catholic movement, I cannot impress upon you enough the severity of his situation now. Having no known relatives to plead his case, he fights solely for the only family he has—the Lithuanian people. However, it is not his own people who can free him from the deplorable conditions under which he is forced to live and work. It is only the Western world that can secure his release and freedom.

It is of utmost importance that we not let our familiarity with the Petkas case dissipate. His fate is in our hands. The more we learn of such Soviet dissidents the more we must impress Soviet authorities with our dedication to the release of these heroic people.

Mr. Petkus was designated a "Prisoner of Conscience." Let us also become "prisoners" of our consciences. Let us never forget the plight of Petkus or the other imprisoned Helsinki Monitors. The actions that we take to help free Petkus will set the stage for future releases. And it is only through our unrelenting concern that we can free our own consciences.

□ 1020

THE LATE W. E. "ED" WILLIAMSON

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I take this time to announce to the House the sad news that the longtime counsel to the Interstate and Foreign Commerce Committee, Ed Williamson, has passed away. His funeral is going to be today. He was a good friend to many of us and a tremendous help and guide to the committee. I am sure we will all miss him and extend our sympathies to his family.

AFTER GOOD SUMMIT MEETING DEMOCRATIC BASEBALL TEAM REORGANIZED

(Mr. CHAPPELL asked and was given permission to address the House for 1 minute.)

Mr. CHAPPELL. Mr. Speaker, I take this time to speak briefly on the ball game coming up tonight. The gentleman from the other side of the aisle, Mr. CONTE, has been doing a lot of big talk about how the Republicans are going to take on the Democrats tonight. I am here to tell him if he wants to stay out of the loss column, the only chance he has is to pray for rain so the game will be postponed.

Mr. Speaker, we have reorganized the Democratic team. We know we have not had the best of luck in the past 2 or 3 years. But we want the Members to know we have been up to the summit. We have held a good summit meeting, and closed the confidence gap. Our players turned in their contracts and we have renegotiated them. We needed more weight so we have brought MENDEL DAVIS back for heavy work. We needed stronger leadership so we drafted our majority leader, JIM WRIGHT, as our chief of staff. The Members would be surprised how that has improved the attendance of our baseball team at the practices. He is going to be out there in full uniform, and he is going to be directing the team. I guess we are just going to call him "Chairman of the Joint Chiefs of Staff."

We have had some problem on the bases in the past. Some players were so fast they overran the other runners on the bases. So this year we have decided to put earphones on our players to receive the signals from the bench. We first planned to use two signals "whoa" and "Go." But surmising the independence of our players we determined that one signal is preferable. So the signal will be "Go" all the way—and "Whup" the Repubs good.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. CHAPPELL. Not at this time.

The SPEAKER. The gentleman's time has expired.

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent to have 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. CONTE. Mr. Speaker, reserving the right to object, I am sorry, but the gentleman under the rules of the House cannot have it.

Mr. KAZEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. CONTE. Reserving the right to object, Mr. Speaker——

The SPEAKER. The gentleman reserves the right to object. Does the gentleman object?

Mr. CONTE. I reserve the right to object, Mr. Speaker. The last week when I made my speech about the coach of the Democratic team——

Mr. KAZEN. Nobody questioned the gentleman, sir, nobody interrupted him.

Mr. CONTE. Last week, I fear I may have made a mistake when I said that my Democratic opponents would rely solely on fossil fuel. From the remarks of the gentleman from Florida, it is clear that they will also have plenty of windpower and hot air.

The SPEAKER. The gentlemen can argue in the bus on the way to the game.

PROVIDING FOR CONSIDERATION OF H.R. 3000, DEPARTMENT OF ENERGY AUTHORIZATION ACT FOR FISCAL YEARS 1980 AND 1981—CIVILIAN APPLICATIONS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 379 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 379

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one and one-half hours, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, and thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. In lieu of the amendments recommended by the Committees on Science and Technology, Interstate and Foreign Commerce, and Interior and Insular Affairs now printed in the bill, it shall be in order to consider, immediately after the enacting clause of the bill is read, the text of the bill H.R. 4839 as an amendment in the nature of a substitute for the bill, said substitute shall be considered for amendment by titles instead of by sections and each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, and clause 5, rule XXI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN) and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 379 provides for the consideration of H.R. 3000, Department of Energy civilian programs authorization for fiscal year 1980.

Mr. Speaker, before I proceed further I have an unanimous consent request with regard to this resolution. I ask unanimous consent that the resolution be amended by striking out the words "for amendment" on page 2, lines 22 and 23, and inserting in lieu thereof the following language: "as an original bill for the purpose of amendment under the 5-minute rule." Mr. Speaker, this phrase was inadvertently left out of the rule as reported. This will simply allow for a more orderly procedure when the bill is being considered for amendment.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MURPHY of Illinois. Mr. Speaker, House Resolution 379 provides for an open rule with 1½ hours of general debate to be divided as follows: 30 minutes to the Committee on Science and Technology, 30 minutes to the Committee on Interstate and Foreign Commerce, and 30 minutes to the Committee on Interior and Insular Affairs. In each instance the time is to be equally divided and controlled by the chairman and the ranking minority member of the respective committees.

The rule provides for a waiver of section 402(a) of the Congressional Budget Act since one of the committees did not meet the May 15 reporting date requirement. However, the Budget Committee supports the granting of the waiver in this instance since that committee, the Committee on Foreign Affairs, decided not to report the bill because of its limited jurisdiction over certain titles of the bill. The other committees did satisfy the May 15 reporting requirement. Thus, the Budget Committee has no objection to the waiver.

In addition, House Resolution 379 makes in order H.R. 4839 as an amendment in the nature of a substitute for the original bill to be read by titles instead of by sections. Each title shall be considered as read. H.R. 4839 is the compromise bill agreed to by the three committees to resolve many of their jurisdictional problems. Since the resolution has been amended, this substitute will be considered as an original bill for purposes of amendment under the 5-minute rule. Points of order are waived against the substitute for failure to comply with clause 7, rule XVI—the germaneness rule—as well as with clause 5, rule XXI, which prohibits appropriations in an authorization measure. House Resolution 379 also provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 3000 authorizes appropriations of $6.9 billion for several department of energy civilian programs in fiscal year 1980. The bill provides for programs in research and development in nuclear, solar, fossil and other energy sources and includes funding for the Clinch River breeder reactor. In addition, the bill authorizes funds for the Federal Energy Regulatory Commission, the Economic Regulatory Administration, the Energy Information Administration and the strategic petroleum reserve.

Mr. Speaker, I wish to commend these committees for working so well together in resolving many of their jurisdictional differences on this very complex but necessary piece of legislation. I know of no opposition to the rule, although some Members are concerned with various provisions in the bill. I urge the adoption of House Resolution 379 in order that we may discuss and debate this legislation.

Mr. Speaker, I yield to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Illinois (Mr. MURPHY) has explained the provisions of the rule very thoroughly and very accurately.

□ 1030

Mr. Speaker, it is time for action by this House to solve the energy problem without so much comment or criticism emanating from the White House. So, today, as we face this measure on the floor, it is time for action. It is time for more nuclear energy; for more solar energy, both research and technology; it is time for more geothermal energy. It is time for more coal gasification; it is time for basic research; it is time for action.

Without any lengthy speech I am going to commit myself to its time for action by reserving the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 404, nays 6, not voting 24, as follows:

[Roll No. 389]

YEAS—404

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes

Stratton	Vander Jagt	Wilson, Tex.
Studds	Vanik	Winn
Stump	Vento	Wirth
Swift	Volkmer	Wolff
Symms	Wampler	Wolpe
Synar	Watkins	Wright
Tauke	Weaver	Wyatt
Taylor	White	Wydler
Thomas	Whitehurst	Wylie
Thompson	Whitley	Yates
Traxler	Whittaker	Yatron
Trible	Whitten	Young, Fla.
Udall	Williams, Mont.	Young, Mo.
Ullman	Wilson, Bob	Zablocki
Van Deerlin	Wilson, C. H.	Zeferetti

NAYS—8

Bauman	Crane, Daniel	Paul
Burton, Phillip	Crane, Philip	Weiss

NOT VOTING—24

Bolling	Forsythe	Rosenthal
Burton, John	Hall, Ohio	Santini
Chisholm	Holland	Treen
Conyers	Lee	Walgren
Davis, S.C.	McDonald	Walker
Drinan	Mitchell, Md.	Waxman
Emery	Moffett	Williams, Ohio
Flood	Pepper	Young, Alaska

□ 1040

The Clerk announced the following pairs:

Mr. John L. Burton with Mr. Emery.
Mr. Mitchell of Maryland with Mr. Forsythe.
Mr. Santini with Mr. Walker.
Mr. Walgren with Mr. Williams of Ohio.
Mrs. Chisholm with Mr. Young of Alaska.
Mr. Davis of South Carolina with Mr. Lee.
Mr. Flood with Mr. Hall of Ohio.
Mr. Pepper with Mr. McDonald.
Mr. Moffett with Mr. Rosenthal.
Mr. Conyers with Mr. Waxman.
Mr. Holland with Mr. Drinan.

Mr. PAUL changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1050

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 3000.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DEPARTMENT OF ENERGY AUTHORIZATION ACT FOR FISCAL YEARS 1980 AND 1981—CIVILIAN APPLICATION

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FUQUA).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3000, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. FUQUA) will be recognized for 15 minutes; the gentleman from New York (Mr. WYDLER) will be recognized for 15 minutes; the gentleman from Michigan (Mr. DINGELL) will be recognized for 15 minutes; the gentleman from Ohio (Mr. BROWN) will be recognized for 15 minutes; the gentleman from Arizona (Mr. UDALL) will be recognized for 15 minutes; and the gentleman from Idaho (Mr. SYMMS) will be recognized for 15 minutes.

The Chair recognizes the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I urge the support of all Members today for what I think is the most significant energy bill to come before this Chamber this year. I say this because the programs and projects authorized in this bill are designed to develop our domestic resources and improve our technologies for the short, medium, and long term. It has required a great deal of work within our Committee on Science and Technology to bring before the House a bill which will spend the money wisely and accelerate areas such as photovoltaics, coal liquid demonstration plants, fusion technology, and conservation.

The work has been broader than our committee because the Department of Energy has other functions to perform which are handled by the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs. Mr. DINGELL and Mr. UDALL and their staffs have been most cooperative in working with us and the fruits of our labors are reflected in the fact that there are no disagreements between the committees in the bill before us today.

Mr. Chairman, now is the time to act. We need assured sources of energy supply and we must develop the technologies to take advantage of our abundant coal reserves, oil shale reserves, and agricultural land skills that are underutilized. The Congress has an excellent record in accelerating these technologies. Our committee first authorized demonstration plants for high-Btu and low-Btu gas in fiscal year 1976. Those plants have not yet been built. In that year, we also authorized two coal liquefaction pilot plants and I am pleased to report both of them are completing construction at this time and should be operating in the near future. The technologies contained in this bill are geared to the production of energy domestic resources. This is the key to achieving our energy independence.

Our Nation is blessed with vast resources in many regions of our country. We have the technology and scientific skills that cover a broad range of potential applications. This bill keeps our scientists working on these applications while at the same time, providing for the construction and operation of plants which are on the forefront of technology and from which decisions about commercial plants can be made.

Mr. Chairman, I hope these brief remarks serve to indicate that Congress has been toiling in the vineyards these past several years. This bill seizes that initiative and presents an aggressive Federal program. I am personally proud of our record and can only say that we would be far better off today if the several plants that have been authorized in the past were built, or at least under construction.

The cooperation we have had with others in understanding the situations we face has been outstanding, and I urge your cooperation in supporting this bill which is absolutely vital to achieve the goals of energy production we jointly seek.

On the 1st of May, the Committee on Science and Technology reported favorably on H.R. 3000, the initial bill introduced to authorize appropriations for fiscal year 1980, for consideration by the House. The Committee on Science and Technology shares jurisdiction over this legislation with the Commerce and Interior Committees. In order to simplify consideration of the bill on the House floor, the committees have worked together to resolve differences and overlaps which came about as a result of each committee's separate actions. The committees, at the suggestion of the Parliamentarian, have introduced a bill, H.R. 4839, which represents a resolution of those differences.

H.R. 3000 contains an authorization for Department of Energy research, development, and demonstration programs of approximately $6.1 billion, an increase of $241 million above the administration's authorization request of January 1979. The work on our part of this bill has been carried out by our distinguished subcommittee chairmen: MIKE MCCORMACK, who handled the nuclear, geothermal, low-head hydro, electric and storage systems and basic research programs; RICHARD OTTINGER, who has worked on the fossil, solar, and conservation programs; JEROME AMBRO, who worked on the environmental research and development programs; and TOM HARKIN, who handled transportation and energy conservation programs.

The committee made significant changes in the bill as it was submitted by the administration. In the nuclear fission programs, the committee funded the Clinch River breeder reactor project at $183.8 million; it increased the DOE request for civilian nuclear waste treatment technology by $6.75 million, and added $5 million to begin demonstration of high level waste solidification at the nuclear fuel services facility at West Valley, N.Y. It added $27.4 million to the converter reactor program to bolster the effort in reprocessing of converter reactor spent fuel and to develop high-temperature gas reactor technology.

In the fusion energy program, the committee recommended modest changes that would accelerate development of the most promising magnetic fusion alternatives in an effort to proceed more quickly to the successful demonstration of a fusion power reactor. Thus, the committee increased the development and technology subprogram by $4.3 million and decreased the applied plasma physics program by $5.5 million. It also added $10.4 million to the inertial confinement—or laser—fusion program, for civilian power applications.

In geothermal energy, the committee added $4 million for a second hydrothermal demonstration powerplant, an important project which was previously authorized by Congress, but has yet to be initiated by the administration. The committee decreased the geopressured resource activity by $4 million, which will have the effect of reducing the number of new geopressured wells to be drilled from five to four.

In electric energy and storage systems the committee restored funding to critical programs to develop efficient and safe high-voltage transmission lines, to control the transfer of bulk electrical power to different regions on the Nation's utility grid system, and to continue development of advanced energy storage systems.

In fossil energy programs, the committee added a total of $45 million for the solvent refined coal demonstration plants—$20 million for SRC-I and $25 million for SRC-II. These propects are aimed at converting coal to clean solid and liquid fuels for boiler use.

Looking to the long-range technologies which will use coal and other fossil fuels more efficiently, we added $4.5 million for thermionics and $9 million for fuel cells.

Although we are interested in developing synthetic fuels from coal, we recognize that in the next 25 to 30 years the primary use of coal will be direct combustion, for generation of electricity and for industrial process heat. Since the Department of Energy focus has been on energy production technology rather than on end uses, we added $2 million for a program plan and a technical implementation plan for coal-fired electric power generation technologies.

In conservation, we added $29 million for urban-waste-to-energy grants and loan guarantees. This will have a twofold effect—in disposing of our urban waste and in using it as a resource to generate energy. This is a specific mandate to the DOE to take action in this direction.

The committee also added $26.75 million for industrial energy conservation, specifically for industrial process efficiency and industrial cogeneration of heat and electricity.

In solar applications, we added $25 million for photovoltaics and another $15 million for solar heating and cooling demonstration systems development. Our recommendation for the Federal photovoltaic utilization program of $10 million, which was not requested by the Department of Energy, is an indication of our desire that photovoltaic technology be demonstrated as soon as possible.

Turning to the environmental area, I am pleased to report that the administration's proposed budget reflected recommendations made by the committee in previous authorizations. The major change made by the committee was the addition of $2.5 million in authorization for research into appropriate cleanup procedures following a nuclear accident. The committee believes that the restoration of contaminated areas to productive use has not been adequately examined and that research into this area is essential.

Finally, we have approved the administration's request for a healthy basic energy research budget, so essential to our long-term goals. These programs include materials science, chemistry, geological science, and energy-related aspects of the biological sciences. We have also approved the request for a strong general science program in the areas of high-energy and nuclear physics, assuring that our Nation will continue to be a world leader in the search for new knowledge about the fundamental nature of matter and energy.

Mr. Chairman, the energy research, development, and demonstration authorization bill reported by the Committee on Science and Technology represents a strong effort to get this Nation's energy program on track and moving toward a solution of our many energy problems. I urge my colleagues to adopt this important piece of legislation.

Mr. WYDLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill we are going to consider here today is an important bill for our Nation because it deals with the question of supply of energy. This is one vote that members of the committee and of the House can cast knowing that they are coming to grips with the supply issue, and I hope every Member will consider that most seriously as we consider the bill and some of the amendments that are going to be offered to the bill this afternoon.

There is an urgent need to pass the second energy supply bill of this Congress in the form of H.R. 3000. As I said before, we must demonstrate the seriousness with which the Congress approaches the question of energy supply by ratifying this bill. We must then exert the utmost pressure on the other body to do the same with their version, S. 688.

Just as in the Moorhead synthetic fuels bill, which the Congress overwhelmingly approved a few weeks ago, we here are answering the need for energy supply by setting forth congressional policy in the absence of a firm commitment on this front by the administration. The administration's recent push for synthetic fuels is a blatant attempt to catch up with the Congress after the Moorhead initiative. In this bill we are putting more distance between ourselves and the administration on the question of nuclear policy.

The major focus of controversy in this bill, as it has been for the last 3 years, is the Clinch River breeder reactor project. We have strong reasons for proceeding with this project and the objections to it by the administration have been literally shot full of holes in every aspect. The General Accounting Office has strongly confirmed the position of our committee and the whole House that this country must retain a commitment to build a breeder and demonstrate that this important energy supply technology is available when we need it.

□ 1100

I have discussed this matter with the Japanese, the Germans, the British and the International Atomic Energy Agency. The United States remains a minority of one on this issue, standing against the development of a breeder reactor.

On the Committee on Science and Technology we have also taken an initiative to hammer out a viable program in nuclear fuels reprocessing research and development.

Unfortunately, the administration has chosen not to request any funds for the Barnwell nuclear fuels plant, despite all indications that it should be the developing countries first international reprocessing plant with programs conducted under advanced nuclear safeguards.

Neither have we neglected the long term nuclear option in magnetic fusion. There have been recent breakthroughs in this most promising technology. It will present a savings in time and money if we can move now and move boldly to augment the fusion budget and push the promising Tokamak concept toward technology demonstration. The administration, unfortunately, seems to continue to lag behind in this area also. So, we must lamentably conclude that the administration feels no urgency to push ahead on the advanced technology fronts in either fission or fusion.

In the area of civilian waste management, there is overwhelming evidence that the technology for safely isolating nuclear waste for long periods of time is at hand. Our Subcommittee on Energy Research and Production documented this view conclusively in hearings this May. We must get on with demonstrating to the citizenry that the technology is indeed here and that the corresponding geological work at specific alternative sites must now be done.

I will be supporting the Goldwater-Dannemeyer amendment to this bill to assure that this end is achieved on a reasonable timetable.

The additional requirements for nuclear safety R. & D. have emerged clearly from our committee hearings on this topic held in late May. We heard from representatives of the nuclear industry, nuclear critics, the Nuclear Regulatory Commission, State representatives and Adm. Hyman Rickover, head of the naval nuclear propulsion program. We also received testimony from Dr. George Low, the former deputy administrator at NASA, who gave us an aerospace perspective.

I was particularly interested in what Admiral Rickover and Dr. Low had to say so we might set a new benchmark for nuclear safety systems. We identified several specific areas where DOE is now prepared to move out with an enhanced program. I shall offer an amendment to this bill to provide $5 million for the following technical program elements:

First. Improved methods of risk assessment.

Second. Improved safety systems including component and plant layout approaches.

Third. Refined methods of safety data analysis and studies of hydrogen explosions and related reactor systems problems.

I believe that this add-on complements the $5 million authorization in title VII of this bill which the committee provided for DOE to develop a program to train nuclear operators. That program should incorporate the latest advances in our knowledge of the man-machine interaction.

In my opinion, these new thrusts should follow through on our commitment to make the Three Mile Island accident the "Apollo 204 Fire" for the nuclear industry. I believe this will be a basis for constructive utilization of all the data derived from this accident.

As the members of this committee may remember, we did in the middle of the Apollo program have a very serious accident occur, an accident in which three of our astronauts were killed in training. There were some in those days that said we should end that program and not take any more risks, but instead of doing that we pulled our program together, improved the safety of the program and went on from that accident to make the program a better program and a successful program. That is what we should be doing with what we have learned from the Three Mile Island accident as well.

Mr. Chairman, there are many important provisions in this bill that will help to increase the energy supply for our Nation in the years to come. I hope the members of this committee will give this bill the support it needs to indicate to the President and the administration that we mean business in increasing energy supply. The funding of general science and research in this bill is quite healthy and basic energy sciences have been increased from fiscal year 1979 by over 20 percent.

Our committee intends to pursue closely the important relationship between these programs and the early phases of technology development programs in nuclear, fossil, geothermal, and the other energy sources. The major amendments to this bill adopted by the Science and Technology Committee and, in some cases modified in joint jurisdictional negotiations with the other two committees, are significant. I should mention that the West Valley solidification demonstration project on nuclear waste is to be an important milestone in that area.

Mr. Chairman, the thrust of this bill can be summarized in three words: supply, supply, supply.

Mr. HOLLENBECK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New Jersey.

Mr. HOLLENBECK. Mr. Chairman, I want to rise in support of the legislation and to commend the gentleman from New York (Mr. WYDLER) on the gentleman's work as ranking minority member of the full committee and on the Subcommittee on Energy Research and Production and most particularly for the gentleman's pragmatic and farsighted approach to the energy dilemma.

Mr. Chairman, as a member of the Science and Technology Committee I would like to speak today in support of H.R. 3000, the Department of Energy authorization bill.

This Nation is facing a serious and complex energy dilemma, and disagreements abound on possible solutions to the problem. No panacea has been discovered, no single answer is most appealing. But there are several energy sources which have a great deal of potential, and this bill is notable for the fact that it emphasizes the most promising of these, although admittedly we must proceed cautiously in some areas.

The committee has once again acted in support of the development of the breeder reactor. The margin this year was wider than last, reflecting this body's awareness of the increasing necessity for new energy-producing methods and the debate reflected the body's recognition of environmental factors. Arguments for the breeder have already been advanced which have pointed to its technological benefits and the energy needs in this Nation that the breeder could fill, recognizing the finite nature of other energy sources and the time needed to develop others. But energy issues touch on all sectors of American life, so I would like to mention a subsidiary result of safe breeder development which supports its use. Simply put, reactor construction means jobs. Organizations with a tradition of concern about unemployment, such as the AFL-CIO, have publicly advocated the advancement of safe breeder technology. It would be foolish for us to ignore an industry which would have a doubly beneficial impact on our Nation's economy.

The widespread use of the breeder reactor and other alternate sources would not only reduce our dependence on foreign oil and our trade imbalance which fuels inflation, but also could help diminish the unemployment rate in certain regions of the Nation and ameliorate social ills, such as crime, which are aggravated by a high jobless percentage.

Magnetic fusion is another important energy field which is advanced by our committee in this bill. The work at the Princeton Plasma Physics Laboratory has been especially exciting. They have achieved higher temperatures and have come closer to energy breakeven than most people expected. Construction of a new fusion machine, the Tokamak Fusion Test Reactor, was begun at Princeton before these achievements. I strongly support the committee's initiatives to fund an upgrading of this new facility which will allow these achievements to be taken into consideration in the new facility's design. If we do this, I hope to be able to announce in the near future that more breakthroughs have occurred at Princeton and that they have demonstrated the temperature and confinement period necessary to extract more energy from a fusion reaction than we initially supplied in heating the gas.

In coal gasification and liquefaction, the committee authorized adequate funds for further research and development, but I would like to see signs of a stronger commitment to certain features of these technologies. In gasification, we should not ignore schemes for making low Btu gas for utility use and conversion to electricity. And as far as liquefaction is concerned, the gasoline crunch in the Northeast has convinced many residents of that region of the pressing need to develop alternate fuel sources. I would like to see this urgency reflected in the pace of the adaption of this technology to the fossil energy program.

I am in support of the committee in its recommendation of $2 million more for direct combustion than was directed by DOE. This year, as in last year's authorization bill, particular emphasis had been placed on the application of fluidized bed combustion to clean coal burning. It is imperative that atmospheric and pressurized fluidized bed approaches be pushed to commercialization. Advanced environmental control technology must be considered in the course of this research and development so that sensible clean air provisions are applied to new concepts.

I will conclude with a few cautionary remarks about our spending on energy development. The temptation on some funding programs for energy, with long range potential but relatively minimal results in the short term, is to subject them to less rigorous cost benefit inspection and this, too, frequently results in a waste of public money. We cannot allow this to happen with solar energy and geothermal energy, for example, although properly funded and supervised by a Congress mindful of its oversight role, solar and photovoltaic programs can make a valuable, marketable contribution in coming decades.

Mr. Chairman, I must restate my support of H.R. 3000, and urge all Members concerned about the formulation of a coherent and practical energy policy to join me in voting for this legislation.

Mr. WYDLER. Mr. Chairman, I thank the gentleman for his kind comments.

Mr. FUQUA. Mr. Chairman, I yield 4 minutes to the gentleman from Washington (Mr. MCCORMACK).

Mr. MCCORMACK. Mr. Chairman, this legislation is divided into many parts. We present it according to subcommittee jurisdiction. The Subcommittee on Energy Research and Production deals with nuclear energy, geothermal energy, low head hydroelectricity, basic energy sciences, high energy psysics, nuclear physics, electric energy systems and electric energy storage.

I congratulate Chairman FUQUA and the ranking minority member on our committee, the gentleman from New York (Mr. WYDLER) for the tremendous efforts they have put forth in coordinating and pulling this bill together, along with the chairmen of the other committees who will be sharing responsibility for the bill.

I think this is one of the most important energy bills this Congress will handle this year. I completely agree with what the gentleman from New York has just said about energy supply. The thrust of this legislation is that we must produce energy from domestic sources. This is what we are talking about, and it is the only way that we are ever going to relieve our dependence upon imported oil. In spite of any conservation program, no matter how successful, we must produce energy from domestic sources, and there are only two significant energy sources for this Nation for the balance of this century and early next century. They are nuclear fission and clean fuels made from coal. We must rely heavily upon these. That is why this legislation, moving forward aggressively with our nuclear programs is so important to the Nation.

As the gentleman from New York has mentioned, in our nuclear program we fully funded the Clinch River breeder reactor project. This is a continuing project which was, in its budget request, totally ignored by the administration. No funding was requested, either to discontinue it or to continue the CRBR.

The Committee also funded the Barnwell reprocessing plant in South Carolina, continuing the research and development programs related to nuclear fuel reprocessing, not only for a breeder program, but also for conventional nuclear powerplants.

□ 1110

In addition the committee set aside a million dollars for a special study of an internationally managed nuclear fuel reprocessing center at Barnwell. In addition to that, we took an important policy position which I believe the Members of this House will overwhelmingly endorse, and that is that we established that spent nuclear fuel elements would not be thrown away as if they were waste.

Ninety-eight percent of the contents of a spent fuel element is fuel, and a spent fuel element about 6 inches across and about 10 feet high, as it comes from a nuclear powerplant still contains the energy equivalent of 8 million to 10 million barrels of oil, if used in a breeder program. I repeat, 8 to 10 million barrels of oil equivalent from each spent fuel bundle.

So the committee has taken a strong policy position that spent fuel shall not be considered as waste which may be stored temporarily, but not thrown away, as assumed in the words "permanent storage."

On the other hand, we have moved forward aggressively with a waste disposal program, accepting an amendment from the gentleman from New York, STAN LUNDINE, who proposes to glassify the liquid wastes in storage at West Valley, New York. The committee is sponsoring this program as a demonstration to show that indeed this Nation does have the technology to totally remove all high level nuclear wastes from the biosphere forever.

The committee added funds for a safety research program for nuclear powerplants and for the training of nuclear powerplant operators. It became very evident to the committee in its investigation that one of the great weaknesses in the Three Mile Island accident was the inability of the operators to handle nuclear accident situations because of inadequate training and inadequate discipline. So we have increased funding for a training program—for nuclear plant operators.

We have also funded programs to increase the mid-term efficiency of our nuclear powerplants and make them more efficient. Making our nuclear powerplants 10 percent more efficient by the year 1985 will have the effect of adding almost a half a million barrels of oil a day to our energy supply. That is the result of just having our nuclear powerplants 10 percent more efficient.

Mr. Chairman, I rise in support of H.R. 3000.

The events of this summer have brought home with a vengeance how much we need a coherent energy policy; and how much we need an effective energy research, development, demonstration, and production program. We simply cannot afford to continue to drift from year to year while oil gets more expensive, OPEC gets more powerful, and the economy staggers from the hammer blows of repeated energy famines. There are major R. & D. policy decisions that need to be made now. They should be made through a fully supported authorization bill that forcefully communicates the will of the Congress to pursue a course that will lead us out of the energy bind in which we find ourselves.

The Committee on Science and Technology has looked long and hard at the energy program submitted to the Congress by the administration. In a number of areas we have found it grossly deficient, and these deficiencies have been corrected by committee actions. The bill that stands before us represents a major step in the direction of a comprehensive and coherent energy program.

Mr. Chairman, before I move into a discussion of the specific provisions of this bill, I would like to express my thanks to the gentleman from Florida (Mr. FUQUA), for his dedicated efforts in guiding this piece of legislation from its initial unimaginative beginnings to its present form. His leadership as chairman of the Committee on Science and Technology, his fairness, and his determination to consider all aspects of the problem have been essential to the formation of an innovative and responsible energy bill.

I would also like to note the very substantial contributions of our ranking minority member, Congressman JOHN WYDLER, whose constructive actions have served to strengthen this bill in many ways.

The programs I will discuss today are those that are under the jurisdiction of the Subcommittee on Energy Research and Production of the Committee on Science and Technology, which I have the honor to chair. Those sections cover DOE's programs in nuclear fission, including civilian waste management and uranium enrichment and resource assessment; fusion energy; geothermal and low-head hydroelectric energy; electric energy systems, and storage systems; basic research, and general science and research.

NUCLEAR FISSION AND URANIUM ENRICHMENT ACTIVITIES

For the nuclear fission and uranium enrichment programs, the Committee on Science and Technology voted to authorize appropriations of $2,263,773,000, an increase of $202,850,000 over the amount requested by the administration. A large fraction of this increase goes to support the Clinch River breeder reactor project (CRBRP), which the administration chose to ignore completely in submitting its budget request to the Congress.

Within the nuclear fission program, the committee voted to increase authorization for conventional nuclear plant systems research by $27.7 million; for civilian waste management by $13.25 million; for breeder reactor systems by $91.9 million; and for uranium enrichment and resource assessment activities by $70 million. I would like, Mr. Chairman, to briefly describe these changes.

CONVENTIONAL NUCLEAR PLANT RESEARCH

In the nuclear plant program, the committee increased authorization for reactor technology by $32.4 million, and decreased authorization for advanced reactor systems by $4.7 million. The reactor technology increases included the following actions:

Safety programs were increased from $3.5 to $8.5 million, to enable DOE to establish an operations training program for civilian nuclear powerplant operating personnel. This program would draw on DOE's experience with the naval reactor operator training program, but would be compatible with existing civilian operator training programs. Its purpose would be to provide intensive training for nuclear plant, operators, with particular emphasis on dealing with a wide range of operational anomolies.

Light water nuclear fuel cycle R. & D., which was dropped from the fiscal 1980 budget request, was restored by the committee at a level of $10 million. This funding allows for continued work in coprocessing and refabrication begun in fiscal 1979, and complements the fuel cycle effort in the breeder reactor program. The committee directed that $1.0 million of this increase be used to study options available for using the Barnwell nuclear fuel plant as an international facility at the conclusion of the international nuclear fuel cycle evaluation.

The high temperature gas-cooled reactor (HTGR) programs was increased by $13 million, for a total authorization of $25 million. The administration proposed to close out the program to develop gas-cooled reactor steam cycle work in fiscal 1980, and to limit work on the HTGR to direct-cycle gas turbine plants and process heat applications. Both of these advanced technologies are being developed also in the Federal Republic of Germany. The committee increase will make it clear that the United States will be a strong partner with that nation in the development of high temperature gas-cooled reactors.

The committee also provided $4.4 million for HTGR thorium cycle research

and development, which restores this program, dropped by the administration, to half the level of funding for fiscal 1979. In its action on this program, as well as on LWR fuel cycle R. & D., the committee is affirming its belief that the administration's decision to halt the reprocessing of converter reactor spent fuel is premature and contrary to the most informed views offered to the committee in its hearings on the present bill.

Funding for a new program called advanced reactor systems was cut by $4.7 million, to a level of $5.3 million. Much of this program is aimed at developing low-enriched fuel for research and test reactors, as a means of reducing the risk of proliferation of nuclear weapons. The committee noted that these reactors, most of them 1 megawatt or smaller, are not considered to be major proliferation threats. The committee action is made with the understanding that only one reduced enrichment demonstration core should be fabricated, installed and tested.

WASTE MANAGEMENT

In the area of civilian nuclear waste management, Mr. Chairman, the committee has made relatively few changes. Nevertheless, the changes that have been recommended reflect the committee's deep dissatisfaction with the slow and uncertain pace at which the administration is moving in this critical area. Despite a budget of almost $200 million per year for the past several years, the waste management program still consists of study after study, panel after panel, and deferral after deferral of the demonstration of a technology that is in hand now and has been in hand for years.

In an effort to get this program moving, the committee voted to increase its authorization by $13.25 million. Specifically, two areas have been increased:

The civilian waste treatment technology program was increased by $8.25 million, including $6.75 million for operating expenses and $1.5 million for the environmental and energy technology facility at Richland, Wash. The operating expense increase restores funding cut from the civilian high-level waste technology program in the fiscal 1980 budget request. DOE justified the cut on the basis that part of the waste vitrification effort had been transferred to the defense waste management program. However, there are substantial differences between civilian and defense high-level waste, and separate development programs are necessary for each.

A nuclear waste solidification demonstration program at the West Valley Nuclear Center was funded by the committee at a level of $5 million. The high-level liquid nuclear wastes stored there resulting from the operation of the nuclear fuel services reprocessing facility at West Valley present an unusual opportunity to demonstrate solidification of liquid wastes on a large scale. A recently completed DOE study acknowledges Federal responsibility for this high-level waste, and indicates that a vitrification demonstration project will be a 10-year effort costing about $130 million to complete. It is essential that this project be started immediately.

In addition to these budget changes, the committee adopted an amendment discouraging the wasteful practice of burying spent fuel elements before all the useful energy value is extracted from them. Underground tests simulating the irretrievable storage of spent fuel assemblies from nuclear reactors are to be prohibited. The once-through fuel cycle extracts only about 2 percent of the potential energy value contained in the uranium in spent fuel assemblies. Throwing them away is completely contrary to the national commitment to conservation of needed energy.

The committee's amendment is not intended to prohibit the demonstration of permanent disposal of nuclear isotopes which are truly wastes. The committee is strongly in favor of placing canisters of glassified wastes in deep geologic repositories or test facilities at the earliest possible date.

NUCLEAR BREEDER REACTORS

When we speak of breeder reactors, we are dealing with the heart of the nuclear development program. Here, as in the case of the waste management program, the committee is concerned with the slow pace pursued by the administration, and particularly with its efforts to abandon the centerpiece of the program, the already authorized Clinch River demonstration facility, and to substitute a vague and unsatisfactory alternate design, with no commitment to build a plant. Once again, as in the last 2 years, the committee has voted full funding for the Clinch River project, and this action increases the plants project's subprogram of the liquid metal fast breeder reactor program by $183.8 million.

At the same time, the committee reduced the administration request for the conceptual design study for an advanced breeder plant from $55 million to $15 million. This activity involved personnel who are also working on the CRBR, so the CDS cannot proceed at the $55 million level with CRBR proceeding as the committee believes it should.

The committee made changes in the authorization of a number of construction projects in the breeder program. It increased the fiscal 1980 authorization of project 78-6-e, Energy Technology Engineering Center—ETEC—Facility modification at Santa Susana, Calif., from $5.5 to $9.5 million to provide for continuity of the project, which had been delayed for 8 months. The additional $4 million will result in a total authorized amount through fiscal 1980 of $16.9 million. This increase also represents a $1.8 million increase in the total estimated cost.

At the request of the Department of Energy, project 78-6-f, Fuels and Materials Examination Facility, and project 77-4-c, High Performance Fuel Laboratory, at Richland, Wash., have been combined into a single project to effect a cost savings. These two projects have therefore been deauthorized and a new project, 80-ES-16, Fuels and Materials Examination Laboratory, has been created. The new project was authorized through fiscal 1980 for $53 million. This represents an increase of $17 million over DOE's budget request. The total estimated cost of the new project—FMEL—$139.8 million.

Project 78-6-c, safety research experimental facilities, at Argonne Laboratories in Idaho, has been authorized at $3.6 million for fiscal 1980, bringing the total authorized amount through fiscal 1980 to $27.7 million. This amount represents full authorization for that part of the safety research experimental facilities which is known as "Phase I—Treat Upgrade." DOE requested transfer of previous appropriations from Project 78-6-d, EBR II safety research modifications, to project 78-6-c. The committee has no objection to the transfer of $5 million of appropriations to 78-6-c, but did not completely deauthorize 78-6-d. It thus left $1.5 million in the EBR II safety research modifications project.

The operating expense authorization for the water cooled breeder program was increased by $3 million to $60.9 million. This increase resulted from moving the proof-of-breeding activity from fuel cycle research and development to the water cooled breeder program, since this activity supports the Shippingport atomic power project.

The gas-cooled fast reactor program was left unchanged at a total authorization of $26 million. Also, fuel cycle R. & D. operating expenses were increased by $10.5 million, to permit continued testing and studies at the Barnwell Nuclear Fuel Plant in South Carolina. Of this amount, $10 million is directed toward continuing the ongoing research program at Barnwell with an emphasis toward utilization of the facility in a coprocessing mode. The other $500,000 is authorized to be spent at Barnwell to undertake preliminary conceptual engineering studies on waste vitrification, plutonium conversion and mixed oxide fuel fabrication facilities. These preliminary conceptual studies will help prepare Barnwell to be used as an international fuel cycle center should the decision be made to use the facility in that way. Finally, the $3 million proof-of-breeding activity moved to water cooled reactor programs resulted in a net increase in fuel cycle R. & D. of $7.5 million.

URANIUM ENRICHMENT

Enrichment of uranium is a DOE activity in which revenues received go far to offset the costs of operating existing facilities and constructing new facilities as needed. In some years, including fiscal year 1980, the projected enrichment revenues exceed the budgeted cost of enrichment activities.

At one time, the revenues received for enrichment for private nuclear facilities, both domestic and foreign, were retained by the Department's predecessor agencies and made available to fund agency programs. This practice permitted very wide discretion on the part of the agency as to the application of these funds. In the last Congress, the enactment of Public Law 95-238 directed that the revenues received from the sale of enrichment services be used to offset the cost of providing the service.

In its fiscal 1980 budget request, however, the Department would use enrichment revenues, not only to offset enrichment activities, but also to support the national uranium resources evaluation (NURE) program. The budget request for the NURE program is exactly $84,303,000—the amount by which enrichment revenues are projected to exceed the requested funding of enrichment activities.

The Department thus appears to be justifying its expenditures for both enrichment and the NURE program on the basis of revenues received, rather than on the basis of need and cost. The committee has reservations about this "justification by revenue" argument; it considers it important that these activities be reviewed and funded like any other budget activity. To do otherwise obscures the true cost of the program. The committee therefore intends to review the present practice during the coming months to determine if the treatment of enrichment revenues should be further amended.

In other action on the enrichment budget, the committee increased the construction authorization for project 78-8-g, the add-on centrifuge enrichment facility at Portsmouth, Ohio, by $70 million. In submitting its budget request for this project, DOE assumed that the fiscal 1979 authorization was valid. Since the fiscal 1979 authorization bill did not become law, the budget request was understated by $70 million.

FUSION ENERGY

The second major DOE activity I would like to describe today is the fusion energy program. This great prospective source of essentially unlimited energy is being pursued in two forms: magnetic confinement fusion, in which fusion energy is released by confining highly energetic ionized gas within strong magnetic fields; and, inertial confinement fusion, which uses powerful laser or particle beams to initiate the fusion reactions in fuel pellets.

MAGNETIC FUSION

For the magnetic fusion program in fiscal 1970, the committee voted to authorize $343,058,000, a decrease of $15.55 million from the administration's request. However, this decrease is a result of the committee's approval of only partial authorization for several construction projects, rather than the full authorization requested by DOE. In terms of budget authority for fiscal 1980, the committee recommended an increase of $12.3 million, for a total of $376,358,000.

The magnetic fusion program is divided into four subprograms: Confinement systems; development and technology; applied plasma physics; and reactor projects.

For the confinement systems subprogram, DOE requested $103.55 million in authorization and $136.75 million in the authorization figure unchanged, but recommended decreasing budget authority by $5 million. This cut will slow the pace of the mirror fusion test facility construction, while the important tandem mirror experiment and Beta II field reversal experiments go ahead on schedule.

The committee voted to increase the authorization for development and technology by $4.8 million, for a total of $62.35 million, and to redirect an additional $4 million. These actions support the engineering test facility and the conceptual design of the chief alternate concept, the Elmo Bumpy Torus (EBT). These are the two most critical activities in the mainline Tokamak program, and yet there is no explicit delineation of funding for them in the fiscal 1980 budget.

The committee reduced the authorization for applied plasma physics subprogram by $5.5 million, to $70.15 million. The reduction would cut back certain experimental activities and delete the stellerator and certain generic theory efforts. The rest of the reduction would be spread across the board within the applied plasma physics subprogram.

In the reactor projects subprogram, the committee recommended increased budget authority of $15 million for the fusion materials irradiation test facility, but provided only partial authorization for the project by reducing authorization by $17.85 million. As the fusion program develops—and significant and encouraging progress has been made in the past several years—the engineering of facilities that can convert fusion energy into useful forms becomes more and more urgent. Testing and verification of appropriate materials for fusion reactors is an important part of this process, to be carried out at the FMIT facility, and the committee action will accelerate its construction by 1 year. The committee also added $3 million to the operating expenses authorization for reactor projects for the development and testing of the prototype accelerator for the FMIT facility, to keep it in phase with accelerated construction of the facility.

INERTIAL CONFINEMENT FUSION

The bulk of the development effort in inertial confinement, or laser, fusion is carried out by DOE's defense program. For fiscal 1980, however, the Committee on Science and Technology has added $10.4 million to provide support for civilian power applications at two operating facilities. The laser users facility at the University of Rochester was funded with an additional $5.6 million to assure that scientific experiments that support civilian applications can be performed at high power levels. Funding of $4.8 million was also provided for civilian power applications at the KMS laboratories.

GEOTHERMAL AND LOW-HEAD HYDROELECTRIC ENERGY

Geothermal energy offers a large but underutilized potential of energy, both for electric power generation and for direct heat applications. The geothermal energy development program is beginning to show substantial results, with commercial geothermal projects moving beyond the conventional dry steam facilities, such as the Geysers facility in northern California, to begin using the water-dominated heat sources that are much more common. This commitment to geothermal resources has been made more practical by incentives and demonstration projects under the DOE program, and by the economic incentives such as investment tax credits, depletion allowances, and intangible drilling cost deductions provided by the 1978 National Energy Act.

There are three principal types of geothermal energy resources. In increasing order of estimated size, they are hydrothermal, geopressured, and hot dry rock. The budget request for fiscal 1980 for hydrothermal resources program is $59.1 million, down sharply from the $70.9 million of the previous year. DOE justified this reduction by arguing that the hydrothermal technology is ready for commercialization, so that the need for developmental efforts on the part of the Federal Government are not as great. However, the committee restored $4 million of the cut and reauthorized a second 50-megawatt hydrothermal demonstration plant, previously authorized in Public Law 95-238. Despite the appropriation of funds for this project in fiscal 1979, DOE has not proceeded with the project.

The committee believes that two demonstration plants are needed, using different technologies and located in different geologic formations. There is little evidence that private industry will commit to this plant without Government involvement.

The fiscal 1980 budget request for geopressured resources was $36 million, an increase of $8.3 million over the previous year. The committee voted to decrease this request by $4 million, cutting back the number of new geopressured wells to be drilled from five to four. The committee believes that with rapid expansion of the program proposed by DOE, drilling would likely outpace the collection, analysis and assimilation of the information gained in earlier drilling, as well as that from new wells. Moving too rapidly also seems unwise in view of the difficulty in drilling DOE's first geopressured wells. The committee endorses the expanded activities in the geopressured resource program, but believe that success in determining the economic potential of the resource is more likely if the program is paced to take optimum advantage of all new information.

The third subprogram in this activity is geothermal technology development, for which the fiscal 1980 budget request was $43.9 million, a $13.7 million reduction from the previous year. Much of the technology development subprogram is concerned with hydrothermal resource development, and the cut in the budget request parallels the reduction in that program. However, the technology subprogram also includes the work on hot dry rock, and the committee voted to increase the authorization by $500,000 for that activity. The increase will meet the rapid escalation of drilling costs for the geothermal exploratory well at Los Alamos Scientific Laboratory. This well is proposed for use as a hot dry rock resource to heat laboratory buildings at the site.

LOW-HEAD HYDROELECTRIC POWER

The small-scale hydropower development program seeks to revitalize an energy resource that was essentially abandoned over the past several decades. At

one time, small dams provided water power for the generation of a modest amount of electricity for small communities and individual manufacturing operations. Many of these facilities were abandoned because of the availability of low-cost electricity resulting from increasingly efficient central-station powerplants and low-cost fuels. With the increased cost of imported oil, the economics of power production have changed, and it is believed that many dams could be redeveloped to install generating facilities capable of providing competitive electric power.

The fiscal 1980 budget request for the low-head hydropower program was $8.486 million, a decrease of about $10 million from the previous year. The cut was justified on the basis that the technology for low-head hydro is well advanced, and the program already has underway eight demonstration projects. The committee left the DOE request unchanged.

ELECTRIC ENERGY SYSTEMS

The electric energy systems program is concerned with the integration of new technologies such as solar power into the electric energy network, and with expanding the capability of the Nation's electric energy transmission networks. It is broken down into two subprograms; power supply integration and power delivery.

The committee increased the power supply integration subprogram by $3 million to $19.9 million. This increase restores funding for the systems development and control function, for which no funds were included in the fiscal 1980 budget request. The funds would support electric service reliability studies requested by the Economic Regulatory Administration, as well as studies for interregional power transfer and electric grid system stability. Both these activities were mandated by the Public Utilities Regulatory Policies Act of 1978.

The power delivery program is concerned with three areas: The effects of electric fields resulting from high-power transmission lines; the development of underground cables and compact stations, and high-voltage direct current technology. The administration's 1980 budget request has cut this program to the bone, from $24.5 million in fiscal 1979 to $9 million. It proposes to eliminate all work on high-voltage direct current technology and reduce support of underground cables and compact stations by more than 60 percent.

The committee does not agree with this policy. It voted to increase this program by $10 million, including $6.7 million for underground transmission and compact stations, and $3.3 million for the high-voltage direct current subprogram. The work on underground transmission and compact stations is important because of a serious shortage in available overhead transmission corridors in some areas, and because of environmental concerns about high-voltage overhead cables. Regarding high-voltage DC lines, the results of the National Grid Study suggests that these systems would be advantageous for inter-regional grid connections. The funds would support work on component technology and would also support work on underground DC cable systems.

ENERGY STORAGE

The energy storage program has two major components: Battery storage technology and thermal and mechanical energy storage. Battery storage activities include development of near-term batteries, advanced batteries, solar applications, and electrochemical systems research. The committee made no change in the administration's proposed $32 million for these activities.

Among the activities in the thermal and mechanical storage subprogram are thermal storage, chemical and hydrogen storage, mechanical storage, magnetic storage, and utility applications.

The budget request for the thermal and mechanical storage subprogram for fiscal 1980 is $30.84 million. The committee voted to increase this amount by $4.7 million. The increase would provide $4 million for the chemical/hydrogen activity, which was reduced in the fiscal 1980 budget request by two-thirds compared to fiscal 1979. The fiscal 1980 budget request would support only hydrogen production work, and would postpone hydrogen storage, transmission, and distribution work. In order to provide continuity in the development of hydrogen technology, the committee recommends maintaining the pace of hydrogen storage, transmission, and distribution activities in the overall DOE hydrogen program.

In addition, the increase provides $700,000 for the magnetic storage activity. This activity was also reduced in the fiscal 1980 budget request by two-thirds, which would result in a slowdown in the construction schedule for the 10 kWh superconducting magnetic energy storage unit (SMES) for electric transmission line stabilization. The unit, to be installed on the Bonneville Power Administration transmission line between Washington State and California, would be the first utility application of a superconducting magnetic storage device. The committee recommends maintaining a modest level of effort in the SMES activity.

BASIC RESEARCH

The basic research program has four major components: Basic energy sciences, technical assessment projects, university research support and technical program and policy analysis. The basic energy sciences activities are subdivided into materials sciences, nuclear sciences, chemical sciences, engineering, mathematical and geosciences, advanced energy projects, and biological energy research. The fiscal 1980 budget request for these activities is $250 million, and the committee recommends that this amount be authorized.

The technical assessment projects subprogram provides a vigorous assessment of a broad range of energy technologies, including both existing and proposed initiatives, by means of studies, workshops, panels and other mechanisms. Also included in this subprogram is the solar-power satellite (SPS) activity, which was formerly included under the solar R. & D. budget. The SPS effort was transferred to the basic research program because it is currently an evaluation activity only. The fiscal 1980 budget request for the technical assessment projects subprogram was approximately $11.5 million, which the committee left unchanged.

University research support consists of a number of activities that had previously been budgeted and managed separately under various other programs. It includes university institutional agreements, university reactor fuel assistance, and university coal research laboratories.

The university institutional agreements activity provides support at universities and colleges for energy-related research focused on longer term research problems, many of which cut across individual energy technologies. In addition to research awards to a small number of major universities with significant energy programs, this activity includes a minority institutions research program to develop new energy research capability at smaller, traditionally minority universities and colleges.

The university reactor fuel assistance program supports specialized nuclear energy research facilities which are not duplicated elsewhere in National Laboratories or in private industry.

The fiscal 1980 budget request for university research support is $4.171 million in authorization, and an additional $5 million in budget authority for the coal research laboratories activity. This last activity was previously authorized by the Surface Mining Control and Reclamation Act of 1977, and amended by the Public Utilities Regulatory Policies Act of 1978, and requires no further authorization for fiscal 1980.

The committee left unchanged the budget request for this program. With regard to the coal research laboratories activity, however, the committee expressed its strong interest that the establishment of these laboratories be made in such a way as to increase the number of universities that are capable of making significant contributions in basic coal research.

The technical program and policy analysis subprogram, the fourth component of the basic research program, provides the personnel resources to see that research and development activities are properly balanced and coordinated. The fiscal 1980 request for this activity is $2.417 million, which the committee left unchanged.

GENERAL SCIENCE AND RESEARCH

Included in the general science and research program are high energy physics and nuclear physics.

The high energy physics program conducts research on the fundamental nature of matter and energy. It has as its goal the exploration and understanding of the properties of matter and energy in their most basic forms. It also develops new technologies needed for particle acceleration and detection, which frequently find application in other DOE programs. The program also plays a role

in developing and maintaining talented scientific manpower for the Nation's future needs in this important field of science.

The DOE program now includes four large accelerator centers—at Argonne and Brookhaven National Laboratories, at the Fermilab accelerator in Illinois, and at the Stanford Linear Accelerator Center (SLAC) in California. The Zero Gradient Synchrotron (ZGS) at Argonne will be shut down in fiscal 1979. A broad base of experimental user groups located at 6 DOE laboratories and 42 universities, theoretical groups at 6 DOE laboratories and 36 university campuses, and a program of advanced technology R. & D. focused largely at the four accelerator centers and the Lawrence Berkeley Laboratory, make up the rest of the program. Three major new facilities are under construction or due for completion: A 15 GeV by 15 GeV positron-electron colliding beam facility at SLAC; the "energy saver" project at Fermilab, which will provide 500–1,000 GeV protons interacting on fixed targets; and the 400 GeV by 400 GeV Isabelle proton-proton colliding beam facility at Brookhaven.

The program has three components: physics research, which supports theoretical work and the planning and design of experiments; facilities operations, which supports the operation of the accelerator centers; and high energy physics technology, which supports advanced accelerator R. & D. and associated projects.

The administration's authorization request for fiscal 1980 for the high-energy Physics research, which supports theorequest includes $241.5 million for the Isabelle accelerator at Brookhaven, which would fully authorize the project. The committee voted to authorize the project only partially, and reduced the authorization by $151.5 million. This decrease will have no effect on the project's total cost and completion date. It will not affect the obligations and outlays for fiscal 1980 and is not intended to affect the obligations and outlays in future years. Isabelle is a $275 million project, and is scheduled to be completed in fiscal 1986. By partially authorizing the project, the committee and the Congress will be assured a continuing role in reviewing it while the facility is under construction.

The nuclear physics program has three major components: medium energy nuclear physics; heavy ion nuclear physics; and nuclear theory.

Medium energy nuclear physics is concerned with experimental research aimed at improving our understanding of the atomic nucleus and of the interaction of nuclear and subnuclear particles with atomic nuclei. The principal facilities used for these experiments are the Clinton P. Anderson Meson Physics Facility (LAMPF) at Los Alamos National Laboratory, and the William H. Bates Linear Accelerator at the Massachusetts Institute of Technology. All accelerator operations costs for these facilities are supported by the medium energy nuclear physics activity. For fiscal 1980, two projects to improve the two accelerators are included in the authorization request: a project to increase the Bates accelerator power from 400 MeV to 700 MeV, and an expansion of critically needed offline space for operations prior to the final positioning of equipment at LAMPF.

Heavy ion nuclear physics studies the atomic nucleus through the use of probes of heavy ions, which are projectiles of nuclei heavier than the helium nucleus. The use of these massive—on the nuclear scale—and complex projectiles creates new conditions for the study of nuclear phenomena. Beams of heavy ions are produced by accelerator facilities, the major ones being the superHILAC and Bevalac at Lawrence Berkeley Laboratory and the Holifield Heavy Ion Facility at Oak Ridge. The National Superconducting Cyclotron Laboratory at Michigan State University will provide a major expansion of heavy ion research capabilities at the existing laboratory. This new facility will be built by the Department of Energy and then turned over to the National Science Foundation for operation.

The nuclear theory activity has as its goal the development of physical theories that can describe a system in a comprehensive way and predict results which are in accord with experimental measurements. The characterization of properties of objects such as mass, charge, and angular momentum and the identification of the forces of nature such as gravitational, electromagnetic, and nuclear, allow the theorists to describe physical systems with the use of mathematical formulas.

The fiscal 1980 authorization request for the nuclear physics program is $104.768 million. The committee recommends that the full amount requested be authorized.

Mr. Chairman, that concludes the summary of the programs under the jurisdiction of the Subcommittee on Energy Research and Production. Together with the programs presented by the other subcommittees of the Committee on Science and Technology, they represent what I believe is a forceful and efficient means of grappling with the ever-increasing dilemma of our modern civilization: The need for energy in a period of rapid transition. I urge the Congress to adopt this bill without any major amendments.

Mr. ROE. Mr. Chairman, I rise in support of the Department of Energy fiscal year 1980 authorization bill. This bill provides funding for programs that create the technology to enable us to break the economic stranglehold being placed on this Nation by the cartel of oil producing nations. The very future of our great Nation depends on how successful we are in that endeavor.

I strongly endorse the proposals called for in this legislation for a strong commitment to the development of synthetic fuels. I have introduced legislation in this House calling for the construction of synthetic fuel plants in the near future.

Solar technologies involving direct energy production and photovoltaic cells are emerging as are other developmental technologies. Although it is difficult to see how they may be developed into large scale systems in the near future, it is important to insure that there is adequate funding for their continued development.

But we must also insist that there is a balanced approach to our energy future and that "mix" must include a significant increase in the use of nuclear energy.

The most practical method of insuring guaranteed long-term nuclear energy supplies is the development and construction of breeder reactors. The Clinch River Breeder Reactor program is one of vital importance and we must insure in this legislation that its construction goes ahead without any further delay.

Some of my colleagues though do not agree with that assessment. They would have us go back to the drawing board and spend millions more for "breeder studies," even though more than a billion dollars has already been invested in the Clinch River program.

My good friends would suggest that the breeder reactor program be stopped and that we go into a long, drawn out term of looking, reviewing and asking what do we do next? They are literally saying to the Nation that we will not go with the breeder reactor at all, but that we are going to do a little more research on the subject.

Meanwhile, we are encouraging other nations like France and Japan to go into advanced breeder study. We have provided the Japanese with plutonium and told them to move ahead with breeder technology and that we do not want to handle that in this country. You can bet the Soviet Union is not taking that same approach.

Let me say that it is tragic, if not totally damnable that 40 percent of the inflation that is economically strangling our country is due to energy disruption.

Every dollar increase in the cost of energy increases the cost of production in this country. Virtually everything that we touch, or that touches us, everything that is manufactured by mankind—the clothes we wear, the cars we drive, the food we eat—involve the input of energy. We cannot increase energy input in excess of 400 percent over a period of several years and not expect, if not invite, catastrophic economic dislocation in virtually every segment of our society as well as in every American home.

Not only Clinch River, but the breeder reactor program in general, represent a tremendous source of energy and a highly significant technological advance for our country. Breeders can extend our uranium resources sixtyfold. The energy value of uranium already mined and above ground—the byproduct of our enrichment operations that can only be used in breeders—is roughly equal to our total unmined coal resources or at least three times the total OPEC oil resources.

To ignore or simply walk away from the continued demonstration of this vital energy source would be criminal. To kill Clinch River would assuredly be a clear sign to energy consumers worldwide that we are not concerned about pursuing alternate energy resource recovery programs, achieving increased

energy production or eliminating our critical dependence on foreign energy sources. As Members of Congress we cannot, we must not, take the responsibility of throwing $1.5 billion in taxpayer dollars and 20 years of invaluable research out the window.

This committee and the Congress have demonstrated tremendous courage and great vision in the past in developing advance designs and technologies throughout this Nation which ultimately have touched the lives of each and every man, woman, and child. On behalf of the American people and the Nation as a whole, we have exercised our prerogative and responsibility as legislators and made that investment.

Let us not forget that in 1776, Thirteen Colonies took a stand against tyranny and oppression and made a commitment to seeking independence. Their road to independence was not an easy one.

Over 200 years later, we are being asked by the President and by the American people to make a similar and equally critical commitment to energy independence from the economic oppression and tyranny of foreign energy sources such as the OPEC cartel. Few would disagree today that our road to energy and economic independence will be an easy or short one. However, it is encumbent on every Member of Congress who shares this goal to protect the technological investment and advances we have made to date. As a nation we can afford to do no less.

Mr. WYDLER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, as the ranking minority member on the Subcommittee on Natural Resources and Environment, I would like to take this opportunity to commend our subcommittee chairman, the gentleman from New York (Mr. AMBRO), for the excellent work that he and other members of the subcommittee did during the course of our hearings and consideration of the activities of the Assistant Secretary for Environment and the programs under the jurisdiction of our subcommittee. I would also like to commend my chairman and the other members of the subcommittee for the strong sense of fiscal responsibility they have shown in the consideration of this bill.

Within the scope of our subcommittee jurisdiction we labored long and hard to make sure the meritorious programs were funded and that all available resources were put toward their highest and best use, I think it is fair to report to the House that our efforts this year have been largely successful.

There is one particular issue that I would like to discuss briefly before the House today. As many Members of the House recall, last March 28 the United States suffered the worst nuclear accident in American history at the reactor located just south of Harrisburg, Pa., on Three Mile Island. During the course of that accident we were all aware of the potential threat not just to people in the immedate area of the reactor itself, but people far down wind.

As a result of the Three Mile Island reactor accident and of my deep and abiding concern for the health and the safety of the American people, I offered an amendment to the bill today before the House to provide $2,500,000 for studies to be conducted by the Assistant Secretary of Energy for Environment to determine precisely what contingency planning is necessary to help us mitigate the consequences of similar accidents in the future should they ever occur, and also to help us make contingency plans for recovery efforts. Both the Subcommittee on Natural Resources and Environment and the full Committee on Science and Technology overwhelmingly supported this amendment. In fact, there were indications at the time that such efforts were desperately needed on the Federal level.

Since that time, our Subcommittee on Natural Resources and Environment journeyed to the Three Mile Island nuclear plant on June 1, 1979, and toured that facility and had an opportunity to discuss informally the accident itself and the contingency plans which were in place at the time of the accident and modifications since then. The next day, Saturday June 2, 1979, our subcommittee spent all day on a hearing held nearly in the shadow of the cooling towers of Three Mile Island, to address the environmental and health impacts of that accident.

One of the witnesses to appear before our subcommittee that day was the Honorable Ruth C. Clausen, the Assistant Secretary for Environment of the U.S. Department of Energy. At that time, I asked Mrs. Clausen whether or not she and her staff had determined if that $2.5 million was necessary, and if so, how it would be spent. Her testimony to the subcommittee was that yes such a study was indeed necessary, and that she saw the product of this study as a comprehensive report that would be fully coordinated with the appropriate agencies and organizations of the Federal Government, and that it would include such things as a review and analysis of existing Federal and State capabilities for responding to major nuclear accidents, an analysis of the required radiation monitoring equipment, and the methodology currently in use to provide common data to be able to estimate levels of radiation exposure to the public and to determine environmental contamination. She went on to say that she would review the various radiation protection guides and protective action guidelines which currently exist for recontamination of restoration of property. Mrs. Clausen indicated that there is a need for a review and analysis of decontamination and restoration methodology including the kind of equipment which would be used, plans and resource requirements needed for recovery from an accident situation, and restoration of land use. She also said that she wished to identify further research and analytical efforts associated with the development of emergency planning.

Mr. Chairman, for many years the attitude of the Government has been that Federal responsibility for disasters in nuclear plants regulated by the Federal Government ends at the fence line. The one clear lesson of Three Mile Island, is that the protection of the American public in this area is clearly a responsibility of the Federal Government. I do not believe that it is the sole responsibility of the Federal Government, but only at the Federal level can we make the type of emergency contingency plans which will cover accidents uniformly throughout the United States. The $2.5 million included in this bill is a small step in the right direction.

Mr. FUQUA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, my Subcommittee on Energy Development and Applications has what I consider the most exciting part of the budget for new energy in the research and development area. We have fossil fuels and the new technologies for using those in a clean manner. We have both the solar applications and the solar technology programs to bring along these most promising areas for the future.

This bill is not merely a supply bill in the sense of producing new energy resources, but it is also a supply bill in a very major way by means of developing new conservation technologies by which we can save and use more efficiently the energy we already have. We have made major increases in that area.

We also have the very interesting and promising area of biomass.

Mr. Chairman, I would like to acknowledge the tremendous help we had on this from all the subcommittee members and particularly from the ranking minority member, my colleague, the gentleman from New York (Mr. FISH). He has been very helpful. He has gone over all the programs with us in detail, and he has made many worthwhile initiatives. He gets credit particularly for moving ahead very fast in the promising technology of waste energy where his efforts brought many of the possibilities of this technology to the attention of the committee.

We have also had marvelous support from the chairman of the full committee and the ranking minority member of the full committee, the gentleman from New York (Mr. WYDLER), and from a staff that I think is incomparable anywhere in the House of Representatives. They have, under tremendous time constraints, done a most tremendous job, and I must thank them very personally for their help.

Finally, I want to commend the Chairmen of the Interstate and Foreign Commerce Committee, Mr. STAGGERS, their Energy and Power Subcommittee, Mr. DINGELL, and the Interior and Insular Affairs Committee, Mr. UDALL, for their superb cooperation in getting these three important committees together to present this critical authorization bill before the House. We may have had our differences in the past but we are here today together in mutual support of this important legislation to see that our country has the proper resources to do the job ahead. This work has had bipartisan

support by all committees and deserves the serious consideration by all Members.

I think that we have done a responsible and a very useful job for the country in this bill. In the area of fossil fuel energy, perhaps the most important action that we have taken is to fully fund the SRC technologies, both SRC–1 and SRC–2. This gives us the promise of clean solids in the case of SRC–1 and clean liquids, particularly for utility applications, with SRC–2.

We have also made very substantial increases in the fuel cell area, which is exciting for our cities because it promises a clean resource for producing electricity without pollution in the major cities of the United States.

With respect to the solar part of the budget, of course, as the Members of the House know, this is a particular area of concern and interest on my part. We have increased the total budget from $763 million in the DOE request to $873 million, and that is an increase of over $110 million in the solar area.

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We have pushed that just as hard as we felt that it could be pushed. We held more hearings on photovoltaics than perhaps any other subject because the Department of Energy failed to come in with a program to proceed with the Photovoltaic Act which was authored by my friend and colleague, the gentleman from Washington, (Mr. MCCORMACK), and the gentleman from California, (Mr. GOLDWATER). That was an excellent piece of legislation, and we have insisted that that be proceeded with.

As we consider this bill, I would like to share with you my thoughts about the role of R. & D. with respect to the energy problem as well as a description of the committee's actions on the fossil, solar, and conservation programs, and why these actions will be an important contribution to the Nation's energy problem in the short as well as the long run.

We have known for a long time, at least since 1973, that we have an energy problem. It is clear that the energy problem has become an energy crisis which certainly needs both long- and short-term solutions. Those near-term efforts must include aggressive conservation requirements and incentives for the residential and commercial sector, more stringent requirements for automotive fuel efficiency, and firm examination of the oil industry to insure that the Nation's refinery capacity is used optimally.

We often hear that conservation will produce unendurable changes in lifestyle: for many of us gaslines and higher prices are changing our lifestyles now. Uncertainties in winter heating oil supplies may mean disastrous changes for some this winter. What is vividly clear this summer is that whatever happens, our lives and lifestyles will be changed. This new air-conditioning limit is the first example of this change that comes to mind.

Sensible but aggressive conservation policies are vital in the short term to lessen our dependence on imported oil and the economic havoc that results. However, we will still be faced with future supply problems, as domestic oil supplies decrease, no matter how quickly we integrate conservation measures in our lives. Thus, whatever Congress and the administration acts on now, we must bear in mind that our energy policy must be seen within a timespan of decades, not just months. Within such a context, research, development, and demonstration have both a natural and a necessary place.

Of course, we must also realize that research is only one tool and the problems of society are too complex to be solved with one approach. Nonetheless, it is a powerful tool and one of the most important for examining and solving our energy situation. The Government has a tremendous obligation to support the long-range research and development on technologies to address energy production and conservation. The Government also has the obligation to evaluate the research and development that has already been pursued; it must also set priorities and make program choices for those technologies which are ready to be demonstrated. There are a number of such technologies available to us now in renewable energy resources, the fossil energy area, as well as in conservation where decisions to demonstrate are appropriate and the administration has been slow to make commitments.

The question then arises as to what should be the balance between R.D. & D. programs for energy conserving technologies and the programs for energy production technologies. Without doubt, this country has used its energy in ways that in the context of today's energy prices are unacceptably wasteful. In the past, our industries used the cheap energy available without regard for its nonrenewable nature and society accepted this practice. Clearly this cannot continue.

Great strides have been made in the past 5 years to increase the efficiency of industrial energy use; yet, much can still be done, although it will require substantial improvements in technology and large capital investments. In addition, we need to address the areas of residential and commercial space heating and cooling as well as transportation, if we are to have any significant impact on our nonindustrial energy use. Further improvements will require technological ingenuity to develop housing, automobiles, and new industrial processes which will use whatever fuels are available to us in the most efficient way possible and seek alternatives to oil. At this time the possible advances in this sector are very exciting.

We cannot separate our solutions to the energy problem from environmental issues. We may not be able to live in a world if the production of that energy means ruined landscapes and deadly air and water. Whatever energy production technologies are devised, whether renewable or nonrenewable, they must be clean. I reserve my strongest support for the renewable energy production technologies—active solar, hydroelectric, passive solar, wind and biomass—because they are the most environmentally acceptable, as well as the most affordable and job intensive. At some future time, I would hope that solar energy and advanced conservation technologies might provide all of our energy needs, and I support an aggressive policy to achieve that goal.

However, in the next 20 to 30 years, it appears that we will need to expand our domestic sources of energy in addition to solar and conservation, particularly in view of the great difficulty of persuading the administration, Congress, and the public of the opportunities and needs for a sufficiently aggressive program for conservation and renewables. The most promising candidate seems to me to be our fossil energy sources and in particular, natural gas and coal. Fortunately, the ingenuity of our scientists and engineers are exploring ways to utilize coal in a more environmentally acceptable manner, although most in place technology for coal use demonstrates that it is not by nature a clean fuel.

At this point I would like to take some time to describe to you in more detail the committee's actions in the areas of research, development, and demonstration for the Department of Energy's conservation, fossil, and solar programs.

Conservation is a blanket term that covers energy use efficiencies in many economic sectors, such as transportation, industry, and buildings, and many different kinds of decisionmaking. It is difficult therefore for public policy to grasp, but the potential effect of utilizing existing energy supplies more efficiently is equivalent to 7.5 million barrels of oil per day. This is the finding of the National Academy of Science and the American Physical Society has arrived at an even higher figure. These results fly in the face of conventional wisdom; yet the lifestyle changes and economic impacts will be considerably less daunting than massive coal, nuclear, or synthetic fuels.

For these reasons and many others the Science Committee added $91,950,000 to the President's request. The additions are to the following programs: Waste-to-energy, cogenerating fuel cells, district heating, industrial process efficiency, industrial cogeneration, appropriate technology, alternate fuels, and vehicle propulsion research.

The DOE waste-to-energy research and demonstration program has become critical because of the Ocean Dumping Act of 1972 and because cellulose, a major component of urban waste, can be used as a feedstock for synthetic fuels. The Ocean Dumping Act of 1972 (Public Law 92–532) forbade ocean disposal of urban solid and sewage waste after 1981. This deadline makes alternate waste disposal methods essential, particularly for the large coastal urban areas which have practiced ocean dumping for years. DOE waste-to-energy programs offer promise in providing an answer to this problem but also of mitigating our energy supply problem as well.

In the fiscal year 1978 DOE authorization (Public Law 95–238) the Science Committee instituted a loan guarantee

program for alternative fuels which directly applied to waste-to-energy technologies demonstrations. In the same bill, the committee also legislated a direct grant program for municipalities so that they could utilize these technologies to solve their own waste and energy problems. The committee thus has added $29 million to the conservation budget; $19 million would implement the direct grant program for municipalities, $10 million is added to underwrite the loan guarantee program, which would permit $100 million of loans to be guaranteed by the Federal Government.

Neither of these programs were budgeted by DOE for fiscal year 1980. The committee is aware of overlapping jurisdictions in this area between the Department of Energy and the Environmental Protection Agency, but the committee feels strongly that the efforts of both agencies are needed—an EPA program to enable municipalities to utilize existing technology and the DOE program to demonstrate new technologies.

Another technology to increase our efficient utilization of both natural gas, coal based synthetic gas and the naphtha byproduct of petroleum are phosphoric acid fuel cells. At a relatively small size, these fuel cells can be utilized in a cogenerating mode for residential, commercial and small industrial users for the production of both electricity and heat. Though there is still opportunity for the development of these fuel cells, it was clear to the committee that the current generation is ready for field testing and demonstration now. To accomplish this, the committee added $10.5 million to the conservation program for field testing a number of these fuel cell systems.

The area of industrial conservation also offers an opportunity for Federal investment that would provide a most cost-effective return to the American people for energy savings. Major energy savings are available, if new industrial processes are developed and cogeneration technologies are utilized.

The industrial sector has by far led the other energy consuming sectors of our economy in the efforts to conserve energy; further conservation in this sector requires changes in production and processing technologies. The development of new processes will entail both technical risks and capital investment of such a magnitude that the committee thinks the industrial sector will be unlikely to undertake these improvements for some time without Federal support. However, it is also the opinion of the committee that the energy savings from such development is by far the most promising opportunity for the mid-term. Thus, the committee added $12,750,000 for a number of projects to improve industrial process efficiency.

The committee acted to expand the advanced development and demonstration work in industrial cogeneration by $11,500,000. The advantages of cogeneration are substantial—about half as much fuel is used to produce electricity and steam as would be needed to produce the two separately. Unfortunately many firms perceive the technology risk as too high compared to the projected return on investment. Additionally, the Nation as a whole suffers because the equivalent cost of saving fuel through cogeneration is far below the cost of new fuel supplies or new synthetic fuel production. The committee's improved funding hopefully will reduce the technical risks and improve the reliability of cost estimates so that industry can move with greater confidence into cogeneration.

Another area which the committee looked at carefully was appropriate technology. The appropriate technology program is an effort which reaches out to communities to develop energy saving and production technologies that meet the real life needs of people. It is the poor that are hardest hit by energy price increases, and the appropriate technology program is directed toward low-cost approaches to energy conservation, solar utilization and the like.

During 1978, a pilot program was executed in region IX, primarily in California and has since been expanded nationwide. In response to a request for proposal, for example, the DOE received some 3,300 proposals in the Northeast alone; within the current DOE request for funding in fiscal year 1980, only 130 of these could be funded. The committee has added $15 million to permit a more adequate expansion of the appropriate technology program to all regions of the country and to enhance its ability to fund a larger portion of successful proposals. This is the only Federal program which has been available directly to individuals, local nonprofit organizations, State and local agencies, Indian tribes, and small businesses. The committee feels emphatically that this program should be expanded.

I have said before that in the long term I hope that solar technologies and renewable resources will satisfy the bulk of our energy needs. However, solar technology is not simply a long term option. In the very near term, solar space and hot water heating can serve to displace imported oil currently used for those purposes. Since reliable storage systems are not yet available, current solar technologies are intermittent energy suppliers and must be backed up with conventional energy production.

This fuel saving function of solar technologies links them naturally to conservation efforts. The part of the Department of Energy programs which address the problems of current solar technologies is called solar applications. The committee has taken special care and attention with these programs.

Within the solar applications efforts, the systems development program received special attention. There are four main subprograms in this area: Passive heating and cooling, solar industrial process heat, active heating, and active cooling.

The committee examined each of these subprograms through oversight activity during the past year and during the authorization hearings and acted to add a total of $15,500,000. In the committee's view passive heating and cooling and industrial process heat deserve the top priority. The delay in recognizing the potential of these applications has left a considerable investment and development momentum in danger. The committee recognizes that active cooling systems for buildings are in the component and prototype development stage despite the many prototype systems that have been incorporated into demonstration buildings. All too often such demonstrations have indicated the present high cost of systems presently commercially available and the clear need for further systems development activities to develop lower cost approaches to active solar hot water and space heating.

The committee added $7.0 million to allow R. & D. to continue but at a reduced pace compared with prior years. This increase will permit final assembly and field testing work on eight systems which would not otherwise have proceeded in fiscal year 1980. The systems mentioned during full markup are as follows: Two 3-ton residential cooling systems, three 75-ton industrial cooling systems and three 25-ton commercial building systems. This action will preserve the technology already developed with $20.0 million of prior year expenditure.

The committee added $3.5 million to accelerate hybrid passive-active systems according to the national plan for passive solar systems.

The committee also added $2 million to advance the field testing of solar-assisted heat pumps with emphasis on the solar components. Improved performance which is the goal of design revision, and field testing will speed commercial market introduction. Thirteen systems designs are ready for field testing; the committee's addition will allow all to move into field testing.

The committee also added $3 million to meet the urgent need for component cost reductions and performance improvements and to identify the technical and cost problems associated with solar system components.

The committee also reviewed the outcome of the solar buildings demonstrations program which were pursued under the mandate of the Solar Heating and Cooling Demonstration Act of 1974. To date, the results of the demonstration have been mixed. Both highly successful systems performance and disappointing engineering and institutional practices have been demonstrated.

The committee desires that the lessons learned during equipment design, manufacture and installation for these projects are not lost through abrupt program termination. The committee added $4.5 million to the authorization request for fiscal year 1980 is to provide manufacturers and building contractors the opportunity to modify systems components which have been installed in demonstration buildings. Such actions should yield improved solar systems and enhance the performance of many demonstration buildings.

Further, the committee extended the Solar Heating and Cooling Demonstration Act of 1974 for 1 year. This will enable the Department of Energy to continue work on combined heating and cooling systems to bring the Department's efforts on competitive combined systems closer to realization.

A rational energy future for this country will also depend upon innovative developments in solar thermal collectors, solar electric technologies, including advances in photovoltaics and storage systems, as well as the use of the resources available in the wind and ocean. Further, we must pay careful attention to the use of the nation's biological resources of energy as well. In examining the Department of Energy's solar technology programs, the committee paid careful attention to certain areas. In the case of solar thermal systems, which utilize lenses or mirrors to focus sunlight onto receivers, which produce high temperature heat for conversion to electricity or mechanical power, the Committtee acted modestly. It incerased the authorization by $900,000 for completion of phase I and initiation of phase II of the Crosbyton Solar Power Project, which consists of a 65-foot diameter fixed spherical bowl solar concentrator. This project not only explores a novel solar concept but also could provide 5 megawatts of electric power to a municipal system as well as powering irrigation systems at its location.

Last year the Congress overwhelmingly passed into law the Solar Photovoltaic Energy Research Development and Demonstration Act of 1978 (P.L. 95-590). This law which was authored by Congressmen MIKE MCCORMACK of Washington and BARRY M. GOLDWATER, JR., of California, established an aggressive $1.5 billion 10-year program to develop low cost photovoltaic systems and to utilize these systems in a gradually increasing scale to develop a strong competitive photovoltaic industry. The photovoltaic program that was presented to the committee by DOE in the fiscal year 1980 budget was not consistent with the congressional intent as called for by the legislation. The photovoltaic budget presented to us contained an aggressive research and development effort for advanced photovoltaic materials which have the potential of major cost reductions in the long term. However, there was no clear commitment by the administration to develop and utilize the photovoltaic technologies presently being pursued by the photovoltaic industry. There are a wide variety of applications where photovoltaic systems are presently cost effective, and with the cost reductions that are likely with refinements and mass production of the present technology a strong industry can be established. This integrated program approach of aggressive advanced material R. & D. coupled with the full development and utilization of the present photovoltaic technology will most optimally hasten the day when photovoltaics will significantly contribute to this Nation's energy needs.

It was in this light that the committee reviewed the DOE photovoltaic program budget request. The actions taken by the Committee on this program are in the area of near term photovoltaic technology development and utilization.

The Committee's action on the solar photovoltaics program was to increase the administration's request by $25 million; $20 million of this increase in funding is for the test and applications element of the program to fund the completion of additional first-cycle photovoltaic flat plate and concentrator experiments. This increase restores the funding that was originally planned for this activity, but had been diverted by DOE to fund several unsolicited proposals and international photovoltaic projects. The additional experiments that will be completed through construction will provide valuable data on: First the systems integration of photovoltaics in the private sector; second, the actual balance of systems requirements and costs; third, the reliability of photovoltaic systems; and fourth, their public acceptance in these high-visibility experiments. This level of procurement in the test and applications area will also assist in creating a marketplace for introduction of photovoltaics recommended in recent studies by Westinghouse, General Electric, Texas Instruments, MIT, and industry.

The remaining $5 million of the increase is earmarked for the low-cost silicon array (LSA) project, managed by the Jet Propulsion Laboratory. The LSA project is developing the production technology necessary for all the steps in the production process for photovoltaic arrays. This increase will permit the scaling up of promising production technologies which have been proven technically feasible in laboratory-scale processing units and will keep the project on schedule for attaining its cost reduction goal of 50 cents per peak watt (Wp) in 1986.

The committee has taken special care with the wind program, because it represents the renewable resource, which could make the largest energy impact in the least amount of time. The committee added a total of $8,400,000 to the program, the total figure consists of both increases and decreases; the increases total $15.4 million and the decreases amount to $7 million. In the near to mid-term, wind technology is limited by the lack of reliable storage systems. However, like these other technologies, wind turbines offer a significant opportunity for saving oil reducing our dependence on oil imports. One of the most attractive markets for the use of wind turbines will be for dispersed utility applications.

To encourage this application the committee added $4 million for a fourth MOD-2 wind turbine, which would be integrated with three other machines at a single site. This would provide a 10 megawatt station to yield data on problems associated with both a multi-wind turbine unit as well as the interface with a utility grid. In addition, such a configuration would provide the program with a unit that is more consistent with utility needs and would more easily compare to other solar electric technologies, which are aimed at the same utility market.

In addition to this demonstration effort the committee added $10 million to support a parallel design and development effort leading to the testing of two prototypes for the MOD-3 megawatt scale wind turbines. This would allow two contract teams to be involved in the development work, which would offer a reduction in the cost of power that would significantly broaden the utility and direct-site markets for wind energy systems.

Finally, the committee added $1,400,000 to accelerate the wind resources assessment efforts, which could provide additional detailed assessments of regions of the country where there is believed to be high wind energy potential.

The reductions of $7 million were taken from three wind program activities. The committee reduced the authorization for the field testing of small wind machines by $4 million, having observed that the Department of Energy appears to have evolved an overly lavish and costly program to field test small wind machines. The testing program should be targeted on several promising high wind resource utility areas, instead of the Department's present approach of testing two machines per State and U.S. territories. This would allow the examination of the effects of significant concentrations of wind energy being added to a local utility grid, rather than the DOE plan which would result in limited useful information on small wind machine interface with utilities. The committee also reduced the technology development programs and innovative concepts programs.

The fossil energy research and development program in the Department of Energy is one of its largest. This is appropriate given the important role that our fossil resources must play in the coming years. The lion's share of this $786,642,000 authorized by the committee goes to the coal research and development program. A smaller share goes to the oil and gas programs.

In large part, this arises because there is significant industrial participation and willing investment in the areas of enhanced oil and gas recovery. The appropriate government role in these areas is being carefully assessed by the Department as well as the committee. The committee's major action in this area was to add $5.5 million for enhanced gas recovery program to support improved resource characterization of what may be abundant gas reserves in the Western Tight Sands and the Eastern Devonian Shales.

The committee placed great stress on the coal program, the committee added a total of $33,500,000 to the coal program. This addition represents a combination of specific increases and decreases. The major decreases represent construction projects, such as the high Btu pipeline demonstration plant. The requested authorization for this project would have been in excess of the required appropriations. The committee decreased the requested authorization for this project by $27 million, which will not affect the requested appropriation.

Another example of a decrease was $10 million for the low-medium Btu fuel/gas small industrial demonstration project, which the Department of Energy has decided will not continue, since the budget request was submitted. Other programs were cut because it was the committee's judgment that they were

not sufficiently promising, or that they were accelerated in excess of the Department's ability to manage them or that the Federal role in the programs has not been sufficiently demonstrated.

For example, in the area of chemical coal cleaning the committee decreased the program by $2 million, since there is not yet any clear indication that chemical coal cleaning will be economically competitive with other methods of coal preparation. In the area of advanced environmental control technology, the committee decreased the budget for lime/limestone reliability by $5 million, since the program addresses currently available technology whose improvement should be addressed directly by the utilities.

The committee's positive actions on the coal program reflect its views on the two major strategic goals of coal utilization. The coal program should be directed toward two goals: First, the use of coal for the clean and efficient production of electric power and second, the conversion of coal to synthetic liquids and gases as substitutes for those markets which currently use imported oil.

In its authorization hearings, the committee received testimony from the Department of Energy stating that the major thrust of the fossil program for fiscal year 1980 was to be the direct combustion coal. This strategic emphasis was reflected in new programs and increased efforts in the combustion systems area and the advanced environmental control technology programs. The committee agrees with the importance attached to these areas, but the committee feels strongly that the emphasis should not simply be on combustion but rather on the use of the coal for electric power production and to some extent for industrial process heating.

The major use of coal for the next 25 years will be the environmentally acceptable production of electric power. This can be carried out either in a centralized or decentralized fashion with or without cogenerating capabilities for process heat. The Department has a number of technologies in addition to combustion technologies and post-combustion and cleanup technologies, which belong in such an overall strategy. These include gasifier combined cycle systems with present-day turbines and later with advanced high-temperature turbines; fuel cells also offer the option of decentralized use and/or cogeneration. The MHD technology is also an option for the production of electric power generation.

The committee added $2 million for the Department to develop an integrated program management plan and technical implementation plan to establish departmental priorities and criteria for the various technologies for the production of electric power. In addition to this overall strategic plan, which must be developed the committee added $3 million for the MHD program, which will permit the integrated operation of a prototype MHD combustor with the currently available MHD channel. This will permit experience to be gained before the installation of the 50 megawatt combustor and channel at the Component Development and Integration Facility at Butte, Mont.

The committee also added $9 million for the development of fuel cells for utility applications as well as advanced development for the on-site cogenerating fuel cell. The committee also increased the thermionics program by $4,500,000 to continue the work on this advanced coal-fired electric power generating technology. Within the gasification program, the committee redirected $7 million for entrained bed gasification technology; the intent of this increase was to provide a gasifier that could be used in combination with a gas turbine/steam turbine combined cycle generating system for electric power production.

The committee is also dramatically aware of the need to use the Nation's coal resources to provide synthetic substitute liquids and gases. This need is twofold: First, alternative fuels may replace substantial amounts of imported oil which have put our national economy in jeopardy and second, defense requirements will need assurance of sufficient domestically controllable resources to fuel our defense mobility forces which may otherwise be in a perilous situation.

Major initiatives which the committee took in the coal area added a total of $54 million for both the SRC-I and SRC-II demonstration projects. The demonstration of these coal conversion technologies will help to establish the infrastructure necessary to utilize coal for synthetic fuels. Ultimately they will lead to the development and utilization of technologies that will not only provide clean fuels for our electrical and gas utilities, but will also provide a model for those technologies producing fuels that will directly impact our transportation sector, the major consumer of our petroleum supplies.

Another area in the synthetic fuels production technologies, which the committee chose to emphasize was peat gasification. The Nation has approximately 1,400 quads of energy stored in its peat resources. However, peat is located often in areas where there is not a lot of energy utilization; for example, in Alaska there are 700 quads of peat alone. To utilize this resource on a national basis requires the conversion of peat into an easily transportable fuel. Thus, gasification of the highly reactive peat to methane would allow it to be shipped in our conventional gas pipelines. Thus, the committee added $6,700,000 to continue the development of peat gasification technology.

I have tried here to hit the highlights of the committee's actions in the conservation, solar, and fossil areas. I have tried to give you a sense of the approach which the committee took and which I believe in with respect to these technologies. I would like to note in closing our close cooperation with the Interior and Energy and Water Development Subcommittees of the Appropriations Committee. I wish to thank my colleagues, TOM BEVILL and SID YATES, whose time and attention are very much appreciated. Finally, I would like to acknowledge the many hours of thought and work which my fellow members of the Science and Technology Committee and our excellent staff put into the formulation of this legislation. I hope that our colleagues here today will carefully consider this bill and vote for it overwhelmingly.

Mr. WYDLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Chairman, I rise in support of the bill H.R. 3000, authorizing appropriations for the Department of Energy for fiscal year 1980 as reported from the Science and Technology Committee, and urge my colleagues to support this legislation. I must admit that the bill before us is not perfect, but it is imperative that Congress pass a DOE authorization bill this year because we were unable to pass one last year. It is necessary that the Department be guided by congressional intent on its overall program.

We are all aware that the Speaker has called for the 96th Congress to emphasize the oversight functions of the legislative branch. In keeping with the role of the "oversight Congress," we should avoid becoming too picky in considering the Department's program as laid out in this authorization bill, and should remember that all of the energy subcommittees in the House have committed themselves to close scrutiny of the operations of the departments under the DOE budget for fiscal 1980. It would therefore seem advisable to pass this authorization bill as promptly as possible and to fine-tune the DOE program through the fiscal year 1981 authorization after a year of intensive oversight of the Department by all relevant subcommittees.

This oversight should by no means be unfocused or undirected. One of the primary areas for consideration should be the management problems at DOE, about which I am greatly concerned. In the R. & D. area, Congress should emphasize the balancing of research efforts so that most of the appropriated funds are dedicated to programs dealing with energy sources from which we will be obtaining most of our energy in the medium range and long-term future. We should look specifically at our projected needs for electricity, residential and commercial heating and cooling, and transportation fuels, and plan our legislative program accordingly. This means that Congress should avoid the temptation of devoting our money and effort to popular technological fads and other marginal energy sources.

I regret to say that this standard was not rigidly adhered to in this year's DOE budget, and that disproportionate amounts of money were appropriated for certain programs which involve important technologies that are politically attractive but not our most promising energy technologies of the future. For instance, I note that research in the field of ground-based solar energy accounted for $864 million. I am in favor of meaningful development of solar energy to take care of its fair share of our energy problems, but I do not feel it is a panacea, and the usefulness of ground-based solar energy as an electricity source is particularly overrated.

On the other hand, there are energy technologies which have not, unfortunately, been emphasized in the past but which are now gaining well-deserved attention, particularly from the Science and Technology Committee. For example, I am quite pleased that our committee voted to increase the authorization for development of biomass energy from $42 to $57 million. I was also glad to see the formation of the National Alcohol Fuels Commission, which will explore the energy potential of gasohol. Although the contribution of alcohol fuels in the mid-1980's is not likely to be substantial, DOE reports that "they represent an important energy component and building block for the longer term." In addition, this impact in particular regions may be quite significant—much greater, in fact, than national figures would suggest.

In summary, I would ask at this time that Congress leave the more picayune details of the Department of Energy to subcommittee oversight and move with a sense of urgency to get the fiscal year 1980 DOE authorization signed into law.

Mr. WYDLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. ROTH).

Mr. ROTH. Mr. Chairman, I would like to compliment the chairman of our Committee on Science and Technology, the gentleman from Florida (Mr. FUQUA), and also the subcommittee chairman, the gentleman from Washington, (Mr. MCCORMACK), who has done an outstanding job; and our minority leader, the gentleman from New York (Mr. WYDLER), for their vision and their dedication.

I know of no Members in the House who work harder than they do, and I think the House can recognize their contribution.

Mr. Chairman, the debate on H.R. 3000 is far greater than the question of simply appropriating funds for the Department of Energy. It is far greater than a debate of whether or not the benefits of the bill outweigh the unjustified increases in spending for more regulatory functions within the Deartment.

Today, we decide whether we as a Congress assembled, and we as a nation are willing to look at the 21st century. Today, we decide whether or not we believe enough in the quality of life to invest in some efforts to maintain it for our future generations.

We who live in the great Badger State often live by what we proudly call "the Wisconsin tradition." Simply defined, the "Wisconsin tradition" is a belief in the future that justifies an investment today.

Wisconsin is a State almost totally energy dependent. Yet, we are also a people who strive to build and maintain a quality of life. We believe in education. We believe in technology. And we are willing to combine the two with government and private dollars to accomplish our goal.

One such example is energy. Today Wisconsin receives over 33 percent of its energy from nuclear power. We have found that this new technology in energy production can blend with our farmlands and industrial parks for the good of all. We have found that most citizens have come to recognize the joint partnership required for a better life.

In H.R. 3000, we invest over $6 billion in energy research and production. We do so because we believe Americans want energy, and they want a quality of life. Today, we invest the majority of those funds, almost $3 billion in nuclear research and development. Today, we show the country and the world that we believe nuclear power can and will be a viable source of our energy. Today, we bring the Wisconsin tradition to the U.S. House of Representatives.

Mr. WYDLER. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, I rise in support of the bill H.R. 3000, authorizing appropriations for the Department of Energy for fiscal year 1980, but in opposition to the decision of the Committee on Science and Technology to provide funds for the Clinch River breeder reactor for yet another year. My feeling is that if we should decide to spend the amount of money authorized for this project, it would be far more beneficial to our Nation to invest this money in the development of other alternative energy resources.

BACKGROUND

We are facing perhaps one of the most serious crises ever to confront our Nation. Our Nation's inability and unwillingness to face the energy issues squarely and to take drastic action in the last 5 years have now come to haunt us. This energy crisis has drained the financial strength of our country and now seriously threatens our national security. I fear that our current trends which have new led us to import almost half of our daily consumption of petroleum could soon have serious repercussions on our military posture. Guaranteed access to an insured supply of energy is essential to insure our national defense.

Our Nation has only recently awakened to our pressing energy problems. The long lines at the gasoline stations and the dramatic increases in the price of gasoline have made us painfully aware of their seriousness. Developments in Iran, Saudi Arabia, and elsewhere, as well as the crude oil price increases recently passed by the OPEC cartel, have served notice that our Nation can no longer afford to be as dependent on foreign supplies of oil. As we have seen, OPEC prices will continue to increase, and we will spend more than $60 billion this year for foreign crude oil and crude oil supplies, a staggering blow to our balance of trade position.

These events have made it imperative that we press forward with the development of our domestic energy resources, particularly solar and fossil. We must now take advantage of the potential billions of barrels of oil shale, tar sands and heavy oil deposits, and the vast abundance of coal reserves which lie in our country. The question has become not whether we will need to develop our alternative energy resources, but instead, when will they be needed. If they are not developed in a timely fashion. I am afraid that our Nation may suffer a severe economic and political crisis by the late 1980's or early 1990's.

Those of us who have frequently urged a commitment to solar, are pleased to see the President establish a national goal of deriving 20 percent of the Nation's energy needs from the Sun by the year 2000. To attain this goal or better will require funding levels which parallel the historical attention which has been heaped on the nuclear industry. Solar energy offers us a virtually inexhaustible energy source that can be developed in a manner consistent with our environmental goals. In fact, it might just be the deciding factor in whether we can truly ever become energy independent.

In the near term, we have now recognized that conservation offers us the most promising potential to reduce our vulnerability to uncertain foreign oil supplies, and to help us meet our future energy demands. The myth that energy conservation may lead to a reduced standard of living and unemployment must be laid to rest.

In recent reports, the Council on Environmental Quality and the Harvard Business School Study clearly point out the numerous benefits that could be obtained from existing and additional conservation measures. I am hopeful that the bill before us now will help us accelerate the development of more energy-efficient technologies that will allow us to take advantage of these benefits.

It is against this background that we must consider H.R. 3000, the legislation which authorizes funding for the Department of Energy, and in particular, for its research, development and demonstration programs. This legislation contains many essential elements that must be passed if we are to ever become energy independent. After much effort and careful review of the administration's request, the Committee on Science and Technology has structured a piece of legislation which will give our energy programs the momentum they need to help us accelerate the development of our inexhaustible energy resources.

I am pleased to see that our committee is reporting a bill which, for the second year in a row, authorizes more dollars on nonnuclear research and development than it does on nuclear fission research and development. I wholeheartedly support this trend. Our past governmental policies have made it much more difficult for solar and renewable resource technologies to compete. I am hopeful that this new trend of enhanced funding of solar energy and other alternative technologies will help these technologies become competitive with nuclear fission technologies, and allow us to reap the enormous benefits which they have to offer. In this regard, I have recently introduced a resolution to encourage the President to develop an accelerated conservation and alternative energy program.

Before discussing the specifics of the bill, I would like to compliment the distinguished chairman of our committee, the gentleman from Florida (Mr. FUQUA), the ranking minority member of our committee, the gentleman from New York (Mr. WYDLER), and the chair-

man of our subcommittee (Mr. OTTINGER) for their fine leadership in bringing this bill to the floor. They have worked many long and hard hours on this bill, and they should be commended for their efforts. As a result of their hard work, I am confident that we have structured a well-balanced, aggressive program that will allow us to effectively accelerate the development of our energy resources.

SOLAR, BIOMASS, FOSSIL, AND CONSERVATION PROGRAMS

As to the specific features of the bill, the committee has added over $24 million for the solar technology and applications programs, with significant increases in solar systems development and the solar photovoltaics program. These changes will help the Department of Energy have a more balanced and effective solar program, both for dispersed and central applications.

In biomass, our committee has authorized over $57 million for the fuels from biomass program. Of this amount, close to $25 million is devoted specifically to alcohol fuels activities. These fuels show much promise for providing a portion of our energy needs in the transportation sector. With these funds, I hope that the Department of Energy will place the emphasis on the biomass program that it deserves.

In the fossil program, the committee authorized over $805 million for fossil energy research, development, and demonstration, and resource applications, an increase of $41 million over the administration's budget request. I was particularly pleased that the committee has added over $45 million for the two solvent refined coal (SRC) demonstration projects. The SRC program shows much promise for allowing us to utilize our enormous coal resources in an efficient and environmentally acceptable manner. These two projects can provide us with the needed information for determining investment costs for commercial-sized plants using the SRC process.

In the conservation area, the committee has authorized a total of $437 million, a dramatic increase of approximately $102 million over the administration's budget request. As I stated earlier, our Nation has much to gain from accelerated conservation measures and these increases will help us to sooner reap these benefits. Of particular importance is the municipal waste-to-energy program, which offers the potential for making fuel out of waste materials that would otherwise be discarded, and at the same time helping us solve our disposal problems. The committee has authorized an additional $19 million for the financial support effort, with $5 million specifically earmarked for construction activities, and an additional $10 million for loan guarantees to construct municipal waste-to-energy demonstration facilities. Without this funding, I am afraid that municipalities will not press forward at the present time with the construction of these facilities.

OTHER ENERGY PROGRAMS

The committee has authorized many other energy programs which I believe are of particular significance. For fiscal year 1980, the committee has authorized $8 million for small-scale hydroelectric power research, development, and demonstration activities. In addition, $10 million is provided for loans for studies to determine the feasibility of undertaking small hydroelectric power projects at existing dams. The committee has added $9.7 million to expedite development and bring down costs of underground transmission cables and high voltage d.c. cables for the transmission of electricity from powerplants. An additional $8 million will also be spent for expanded work on the possible environmental effects of the electric fields associated with high voltage overhead transmission lines in New York and other States.

CLINCH RIVER

Mr. Chairman, I would like to go on record as opposing the funding provided by the committee for the Clinch River breeder reactor project. I believe that it would be unwise at this time to authorize $183.8 million for Clinch River in light of the President's intent to terminate the project.

We have visited the Clinch River breeder reactor issue many times before. The pros and cons are well known. The proliferation risks, enormous costs, environmental concerns, and safety problems with this project have been outlined in detail, and I do not think it is necessary to discuss these problems in detail again.

I believe that the Committee on Science and Technology has made a tactical error in not terminating this project. The need to get an authorization bill enacted into law is even more pressing than ever. On numerous occasions, the President has stated his intent to veto an authorization bill that contained funding for Clinch River, and has instead offered a compromise to strengthen the breeder base research and development program. This compromise will provide for a stronger breeder program, which will, in fact, enhance the program by allowing for a more rational design. The fact that an authorization was not passed into law last year is clear evidence of what will happen again this year if we continue to insist on authorizing Clinch River.

Mr. Chairman, Clinch River was originally authorized as a crash project in response to our diminishing supply of uranium. Utilities, however, have encountered numerous licensing difficulties for new nuclear plants, causing the cancellation of many of these plants, resulting in a corresponding reduced use of uranium. Preliminary reports from the NURE program have indicated that our domestic uranium resources are larger than we originally thought. Thus, the original breeder demonstration schedule no longer makes economic or technical sense. The Clinch River project is now an anachronism and should be treated as such.

After 9 years, ground has not been broken on the project, and we have no right to expect ground to be broken while Jimmy Carter remains our President, be it 2 or 6 years, and restarting the licensing will take even more time. Key employees working on the project have been leaving, which is to be expected. We cannot expect highly skilled and motivated individuals at the peak of their careers to stick to a project that is indefinitely stuck in the mud. We clearly continue to be in a no-win situation. We cannot afford to wait any longer to cut our losses.

Mr. Chairman, let us face the energy future, stop living in the past, and push ahead with an aggressive energy research package that the President can live with.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from New York (Mr. WYDLER) and the gentleman from Washington (Mr. MCCORMACK) especially as they pertain to support for the Clinch River project.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. RITTER), a member of the committee.

Mr. RITTER. Mr. Chairman, I think the American people have an opportunity here, through the judicious actions of their Representatives on the Committee on Science and Technology, to move ahead and solve some of our energy problems. The considerations of the Committee are well deliberate and oriented toward practical solutions.

I urge the support of my colleagues for H.R. 3000 and its substitute H.R. 4839 to provide the United States with an energy future that is real, not blue sky.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, I rise in support of the DOE authorization bill for fiscal year 1980. It is doubtful whether the energy situation in the United States has ever been more critical than it has been so far this summer, and shortages could very possibly get even worse. Gasoline lines are the most striking signs of the makeshift, improvised and impractical energy policy which the United States has had in recent years, and which the Carter administration has done nothing to improve. It is ridiculous for a world power such as the United States to allow itself to remain enslaved by OPEC. This bill is an admirable attempt to deal with our problem in a rational and progressive fashion and judiciously utilize our resources on a short and long-term basis. I have comments to make about several sections of the bill.

I would first like to discuss the need for this country to develop its geothermal energy resources. They are found in at least 37 States, and in especially large quantities in California. I support the combined efforts of Federal, State, and local governments to turn the promise of geothermal energy into reality. I also agree with the action by the Science and Technology Committee to add to the DOE request $4 million for design studies and procurement of long-lead materials for a second 50 megawatt demonstration plant, which I think is necessary to assure the effectiveness of a binary cycle energy conversion system. I feel that we should insist that this plant be funded,

even if it means a confrontation with the administration.

The issue on which my views are furthest from the administration position, however, is the Clinch River breeder reactor. Frankly, I am amazed that we cannot arrive at a middle ground on the breeder question. As the administration continues its ill-considered policy, other nations are leaving us far behind in developing this valuable technology and our energy situation is becoming more and more crucial. Our committee has voted to continue this project and study prospects for future breeders, and I heartily endorse this action.

I am also pleased to note that the committee authorized $10.5 million to be spent in fiscal year 1980 at the Barnwell Nuclear Fuel Plant in South Carolina, with $10 million going to the ongoing research program and the other half million to conceptual engineering studies. DOE did not request any funds this year for this project, for which about $16 million was appropriated in fiscal year 1979. I feel that the committee is following the proper course in keeping the reprocessing option open.

All of this is not to say that nuclear energy is the only remedy available to us. Other technologies have great potential and our committee has made appropriate recommendations as to the funding of these projects. One of these involves the innovative method of coal gasification, converting abundant coal supplies to replace dwindling natural gas supplies. Of particular interest to me is the development of the molten salt gasification process. The Science and Technology Committee wisely added $4 million to explore the production of medium Btu gas with this process. For example, the use of this method allows the gasification of a wide variety of coals with a high purity product gas, and it makes possible other uses besides gasification. For example, the transformation of nuclear waste into a more compact and easily disposable waste form. This is high-leverage research and development funding.

Coal liquefaction and biomass are other technologies which are intended to use abundant materials such as coal and alcohol to replace or supplement scarce resources such as gasoline. Anyone who has waited in 90 degree heat in a gasoline line knows the necessity of researching and developing alternative fuels, and our committee has agreed. It has recommended an expenditure of $51 million more than DOE requested for coal liquefaction, and has concurred with DOE on an expenditure of almost $58 million for biomass development. The economics of these energy sources are presently uncertain, but their potential is unquestioned, and further research must be done.

The technology which I would like to discuss in concluding my remarks is one about which I have always been optimistic: solar energy. I am interested in seeing further research and development of both central station and distributive applications of solar power, and both fields are adequately funded in this bill. Central station systems are exemplified by the pilot central receiver plant under construction near Barstow, Calif., which is to be tied in with a fossil field electric plant already existing nearby. This complex will utilize the approach known as solar retrofit repowering, in which a fossil-field plant is provided with a supplementary solar fixed energy source. Photovoltaic solar cells, on the other hand, are examples of distributive solar applications, and I am pleased that the committee has authorized $25 million more for this project than DOE requested. Photovoltaic solar cells directly convert sunlight into electricity, and comprise a technology worthy of much long-range consideration and deserving of the money which the committee recommended.

Mr. Chairman, this is a good bill, and our committee has done a fine job in preparing it for consideration. I recommend its passage.

Mr. FUQUA. Mr. Chairman, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BOUQUARD) a very distinguished member of the committee.

Mrs. BOUQUARD. Mr. Chairman, although there are some points of disagreement on specific projects contained in this legislation, I want to take this opportunity to commend my chairman for the effort that he has put forth to bring to the House floor a bill which is truly responsive to the energy needs of this Nation. Chairman FUQUA has worked diligently to solve a number of jurisdictional disputes associated with this measure.

I cannot recall a single instance during the consideration of the bill where he did not make every effort to be fair and evenhanded in his treatment of the issues involved. I want to express my appreciation to him. Mr. WYDLER, the ranking minority member of the committee, has also distinguished himself in the contribution that he has made to this legislation. I also want to express my appreciation to the committee staff for the assistance they have given to the members in the preparation of the bill and the committee report. My friend and esteemed subcommittee chairman from Washington, Mr. MCCORMACK, has devoted an enormous amount of time and effort and expertise to bringing the best possible piece of legislation to the House floor. This body should be grateful to these individuals for the job they have done.

Mr. Chairman, earlier this year President Carter called for an emergency program which stressed both long and short term needs. This bill amply meets the requirements set down by the administration. The President defined our long term energy program to include solar-photovoltaic, fusion, and advanced fission breeder reactors. This bill carefully addresses each of these areas. This bill merits the strong and active support of this House. This bill is an excellent one and I hope it can enjoy overwhelming support. We have made a conscious effort to accelerate the development of those programs which are capable of meeting energy needs in the near future, and we have supported reasonable and prudent funding levels for those programs which will yield energy only in the more distant future.

This bill strongly supports the rapid development of solar power. We have, in anticipation of the President's emphasis on synthetic fuels pushed for further development of coal, and improved conservation technology. And we have continued to support the orderly development of nuclear power.

There are a number of areas in this bill which are deserving of special comment, I was especially pleased with the attention given by the committee to the development of fusion power, and the emphasis on improvement of our uranium enrichment policy. But I am equally proud of the budget conscious attitude displayed by the committee.

There are many projects which I would personally like to see funded at higher levels, but the committee has worked diligently to bring forth a bill which remains within the budget guidelines and still meets the funding needs for a responsible, productive energy program.

The bill is an excellent one, and I would hope that it can enjoy overwhelming support in the House.

Mr. FUQUA. Mr. Chairman, I yield 1 minute to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I rise in support of H.R. 3000 the 1980 DOE authorization.

I would call the attention of my colleagues to a relatively small, but very important part of the bill. On page 3, line 13, of the substitute text (H.R. 4839) the Science Committee has authorized $113 million for transportation conservation.

Included in this figure are two very important programs:

First. The electric vehicle program; and

Second. Research on alternate liquid-fuel automotive engines, such as the gas turbine and the Stirling.

Both of these efforts are aimed at reducing our dependence on foreign oil, without forcing us to give up the freedom of personal mobility that we now enjoy. I believe that it is essential to move aggressively in this area. Americans want and, in fact, our whole economy depends on personal transportation.

Yet, the gas lines that we have seen this summer, clearly show that something is going to change. Either we improve the automobile or we will be forced to accept a drastically altered lifestyle.

Let me point out further that money invested in conservation research, such as this, is extremely cost effective. If we can improve the average mileage of our cars by only 10 miles per gallon, we can save 4 million barrels of oil a day.

These programs cannot only do this but will enable us to move to alternate energy sources for transportation as well. So, they fit perfectly with the call that President Carter recently made for energy security. I urge my colleagues to approve this bill.

Mr. Chairman, transportation uses more petroleum-derived fuel than all other energy-consuming sectors in the United States combined and accounts for about 26 percent of all energy consumed in this country. Energy consumption in

transportation is increasing more rapidly than in any other sector—9 percent between 1975 and 1977.

The Department of Energy has a small but cost-effective program aimed at developing more energy-efficient technology for this important sector. The goals of the program are to improve the energy efficiency of transportation by: First, achieving a 10-percent reduction in the level of gasoline consumption projected for 1985; and second, reducing total energy use in the sector by 25 percent from the 29 quads now projected for the year 2000. Ultimately, the goal is to reduce the transportation sector's almost total dependence on petroleum. Specific reduction goals are 500 barrels per day by 2000 and 4,600 barrels per day by 2000.

For fiscal year 1980, the Department requested $95,861,000. To this amount was added $20,900,000 for a total of $116,761,000 in the Science Committee's portion of the bill.

Most of these funds will be directed at improving the fuel efficiency of light-duty vehicles because they currently consume 35 percent of all petroleum used in the United States, at a rate of 5,750,000 barrels a day. Program objectives include:

First. Demonstrate by 1983, as required by the Automotive Propulsion R. & D. Act of 1978 (Public Law 95-238, Title III), new automotive engine options (gas turbine and Stirling) for industry commercialization decisions that are 30 percent more fuel efficient than projected conventional 1983 engines with comparable performance, have a multifuel capability, and meet the most stringent proposed emission standards.

Second. Accelerate commercialization of electric/hybrid vehicles by at least 10 years through research, development, demonstrations, incentives, removal of barriers, and other related activities in accordance with the Electric and Hybrid Vehicle R.D. & D. Act of 1976 (Public Law 94-413, as amended).

Third. Develop and test batteries, components, and vehicle systems which will improve the performance, increase the reliability and reduce the cost of electric and hybrid vehicles. Near-term efforts (through 1985) are focused on special-purpose, electric vehicles; long-range efforts (through 1990) are on hybrids and general-purpose electrics.

Fourth. Develop and demonstrate energy saving propulsion system options for large trucks and buses for industry commercialization by 1983.

Fifth. Complete solutions to operational and reliability problems with the use of alcohols (straight and blends) in conventional spark-ignition engines for highway vehicles by 1983.

Sixth. Establish by 1985 appropriate fuel/engine combinations to optimize the resource/process/fuel engine system for oil shale and coal derived fuels; develop by 1985 one or more practical hybrid fuels consisting of a combination of petroleum and unconventional materials from nonpetroleum resources.

The Science and Technology Committee took action to increase funding in three areas:

First. Vehicle propulsion R. & D. (heat engine program)—mandated by Public Law 95-238, title III, this program is focused on development of two alternative automotive engines, the gas turbine and the Stirling engine.

In the gas turbine program, work has concentrated on concept formulation. Three contractor teams have been involved: GM-Detroit Diesel Allison/Pontiac Division; Ford/Air Research Corp.; and Chrysler/Williams Research. Fiscal 1980 will be the year the program moves into hardware development. Two different concepts are being proposed. One is the well-established two-shaft, two-turbine machine with a conventional transmission. The other has a single turbine with a continuously variable transmission.

Originally, plans called for selection of two contractors in June 1979 to proceed with hardware development. OMB directed that a single-contractor approach be used. An additional $7 million in fiscal year 1980 would support a second contractor, utilizing the same work scope and schedule as the first.

The situation in the Stirling program is somewhat different. Two contractors had been involved in concept formulation with fiscal year 1980 planned as the year for start of hardware development. Unfortunately Ford pulled out in late 1978 citing other business pressures, not technology shortcomings. This left the MTI/United Stirling AMC combine as the only variable Stirling contractor in the world. Nevertheless, DOE feels it would be possible to educate a second contractor to the point where further development of the Ford hardware could proceed.

Such a contractor would have to operate to a lesser work scope and a stretched out timetable. But the committee felt that the advantages to be gained from competition and the reduced risk to eventual commercialization justify the special treatment. An additional $5 million is needed in fiscal year 1980 to conduct such a program.

Second. Electric vehicle program. Established by Public Law 94-413, the EV program called for cost shared purchase and demonstration of 1,700 vehicles in fiscal year 1980. The law allows DOE to reduce this number if adequate justification exists.

DOE proposed a buy of 700 vehicles, citing insufficient U.S. industrial capacity to meet the larger number. The committee disagreed, in part, with this conclusion and increased the budget request by $8 million to support a buy of 1,100.

Third. Alternate fuels utilization. The DOE program as proposed emphasized testing of alcohol fuels only. The committee added $900,000 to include testing of oil-shale and coal-based fuels.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. CARNEY).

Mr. CARNEY. Mr. Chairman, I rise in support of the Department of Energy authorization bill for fiscal year 1980. This bill is a balanced piece of legislation reflecting many days of hard work on the part of three committees. The bill as reported does a good job of balancing priorities and making sure that none of the important developing technologies, that we need so badly, is neglected. I want to especially commend the efforts of Chairman DON FUQUA and ranking minority member JOHN WYDLER on their untiring efforts in bringing forward this complex legislation in a timely, fair manner.

I think by this point everyone realizes that this country is in a tremendous energy bind. Our problem is much greater than gas lines and temporary inconvenience in not being able to spend leisure hours exactly as we wish. We are heavily dependent on foreign nations for much of the energy which is the lifeblood of our industry, our jobs, our transportation, and our comfort. This is a critical situation, as serious as we have faced in peacetime, and one which we must overcome if we are to revive our economy and retain our position of leadership in the world.

This legislation is a step in the direction of relieving our dependence on foreign oil and building a new energy future for this country. It contains vigorous programs for the development of all the emerging energy technologies which are now seen as being viable within the next 40 years. There are healthy programs in developing improved solar energy systems with a major effort in photovoltaics, and responsible programs in wind, solar heating and cooling, biomass, and several other solar technologies. One of the biggest areas of increase is in energy conservation research, finding more efficient processes in all energy consuming sectors of our economy. The long-range options like fusion and the breeder reactor also receive reasonable allocations of funds under this legislation. I feel this approach is crucial; we cannot permit any of these technologies to slip until we know for sure where, from domestic sources, we can meet all our energy needs.

I am a fiscal conservative and it may seem strange to some to see me speaking strongly in favor of a major spending proposal. Here, however, we have a prudent expenditure for the future of our Nation. When compared with our needs and the relationship of secure energy supplies to the well-being of our Nation, the amount requested here is certainly reasonable. Furthermore, the programs are not designed for long-term Federal control. There is a conscious effort to work in partnership with industry, with heavy Government involvement in the early stages when the risks are great but with greatly increasing private sector influence and cost sharing as we approach the development stages where we are preparing for complete industry takeover of the technologies. We are not going to get out of this situation unless we have industry and Government working hand-in-hand on responsible programs.

Therefore, I urge all my colleagues to support this important legislation.

Mr. FUQUA. Mr. Chairman, I yield the remainder of my time to the gentleman from New York (Mr. LUNDINE).

The CHAIRMAN. The gentleman from New York (Mr. LUNDINE) is recognized for one-half minute.

Mr. LUNDINE. Mr. Chairman, I would like to compliment the chairman and the ranking minority member of the full committee and the Subcommittee on Energy for the work they have done in fashioning I think a very constructive bill. I am very interested in the waste demonstration solidification project at West Valley in New York State, which I believe will be a major contribution to America's effort to develop a nuclear waste management program.

Mr. Chairman, title I of the substitute version of H.R. 3000, which has been endorsed by the Science and Technology, Interior, and Interstate and Foreign Commerce Committees for consideration on the floor, contains authorization for the Department of Energy to carry out a nuclear waste management demonstration project on the high level liquid nuclear wastes at the Western New York Nuclear Service Center in West Valley, N.Y.

The Western New York Nuclear Service Center is the site of the only commercial nuclear reprocessing operation ever undertaken in this country. This undertaking was encouraged by the Atomic Energy Commission as a first step toward commercialization of the back end of the nuclear fuel cycle. In fact, over 60 percent of the spent fuel reprocessed at West Valley was provided by the Federal Government from operation of the N reactor at the Hanford, Wash., Federal installation. The operation has been closed down since 1972 and will never be reopened as a nuclear reprocessing facility. Located on the site are approximately 600,000 gallons of high level liquid nuclear waste resulting from reprocessing operations, two solid nuclear waste burial grounds, a reprocessing facility, and a spent fuel receiving pool.

An amendment I authored to authorize the Department of Energy to carry out a nuclear waste demonstration project on the high level liquid waste at the site was adopted by the House Science and Technology Committee during their consideration of H.R. 3000. To accommodate several concerns raised by members of the Interior and Interstate and Foreign Commerce Committees changes have been made in the original amendment which I sponsored and which was adopted by the Science and Technology Committee.

The major change which has been made in my original amendment is the addition of a requirement for a cost-sharing arrangement to finance the project. Under the joint committee substitute version, a non-Federal share of the cost of the project not to exceed 10 percent is required. The Department of Energy estimate to complete this project, including the respository fee, is $130 million.

Although the Federal Government's key role in encouraging this venture and promoting its development establishes the responsibility of the Federal Government to provide for the safe and permanent disposal of these high level liquid nuclear waste at the site, the colicensees of the site, New York State and Nuclear Fuel Services, Inc. have some responsibility in this regard as well. Many interests, including the Federal Government, State of New York, commercial operator, and the public will benefit from successful completion of this project. For this reason I do not regard the cost-sharing arrangement being suggested here today as an unacceptable concession.

Beyond acknowledgement of some non-Federal cost-sharing responsibility, the practical effect of this substitute amendment should be the same as the original amendment adopted by the Science and Technology Committee. There is clear intent to acknowledge Department of Energy management and financial responsibility to implement a program to safely dispose of these high level liquid wastes. The project shall move forward in the upcoming fiscal year with appropriations which have already been approved by this legislative body a few weeks ago, through initiation of environmental, safety, and engineering work as well as conclusion of contracts to insure a cost-sharing arrangement, transfer of title to the high level liquid nuclear waste to the Federal Government, and utilization by the Department of Energy of property and facilities at the center. The project should be completed in a timely and uninterrupted manner.

Beyond this, there is one distressing aspect of the legislation under consideration here today about which I am deeply concerned. That is, the economic, social, and safety impact of this project on the West Valley community which I represent in Congress. This tiny community of less than 2,000 in population has already borne the brunt of what has turned out to be a major national experiment in nuclear reprocessing and now must provide the support services and community cooperation for this—another first step in nuclear technological development.

A provision considered by the Science and Technology Committee during debate on this matter, to authorize the Department of Energy to conduct a fiscal impact study of the effect on the local community from this project, was narrowly defeated. At this time, I want to reiterate my strong belief that in carrying out this project, the Department of Energy, State of New York, and commercial operator, should give consideration to the needs of this tiny community in upstate New York. Beyond this, as a matter of national policy, it is important that the Federal Government begin to focus on the related impacts on communities across the country with similar experiences. As this project goes forward, I intend to continue to be an advocate for the best interests of the West Valley community above all else.

As I noted, in addition to the high level liquid nuclear waste and reprocessing facility at the site, there is also two low level nuclear waste burial grounds and a spent fuel holding pool. The future disposition of these aspects of the site remains unresolved and will be determined independent of this project after careful consideration has been given to available alternatives. This determination will remain that primarily of the people of New York State, the owner of the site. I am encouraged that the future disposition of these other aspects of the site can be resolved in time on their own merits.

The unresolved problem of nuclear waste handling and disposal is a serious national concern which must be addressed without delay. The West Valley demonstration project authorized in the legislation before you today is an important link in the overall evolution of an acceptable national nuclear waste management policy. The Federal Government will benefit substantially from the successful demonstration of waste-handling techniques for the high level liquid nuclear waste at the site and will gain invaluable first-hand experience that can be applied to other nuclear waste management problems resulting both from our national defense program and commercial applications. Utilization by the Federal Government of the facilities at the West Valley site offers a unique opportunity to gain this knowledge and experience in a practical and cost-effective manner.

I urge your support for the joint committee substitute language under consideration today.

The CHAIRMAN. All time of the Committee on Science and Technology has been utilized.

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in support of the bill, H.R. 3000, which provides authorizations to the Department of Energy for fiscal year 1980. Through the cooperative efforts of Chairman STAGGERS, UDALL, and FUQUA, and ranking minority members, Messrs. CLAUSEN and WYDLER, as well as the chairman and ranking minority members of the affected subcommittee, we have been able to present to the House a revision of the original bill, which has been introduced as H.R. 4839, and which reflects the views of the various committees while avoiding jurisdictorial problems and duplication.

As to matters within the jurisdiction of the Interstate and Foreign Commerce Committee, title II of the bill before you today would authorize appropriations to the regulatory programs within the Department of Energy which would include the Energy Regulatory Administration, the Federal Energy Regulatory Commission, and the Energy Information Administration. In addition, the bill would provide $3 million for the Office of Hearings and Appeals and $8.3 million for the strategic petroleum reserve, which is the amount requested by the administration for this program. However, the bill does not authorize any additional funds for the operation and implementation of this program and specifically provides that of the funds which were appropriated in fiscal year 1979 for petroleum purchases, not more than $110 million may be used for fill and leach operations, standby operational storage, planning and facility or equipment site design, construction and acquisition.

Mr. Chairman, some months ago, the administration sought to reprogram more than $700 million of the funds ap-

propriated to this program. This reprograming would have covered funds for both fiscal years 1979 and 1980. Our committee was greatly concerned about the reprograming and indicated to the administration that we support a certain level of funding for 1979 and a certain level for 1980. But, more importantly, we did not want the Department to use the funds specifically authorized and appropriated for the purchase of oil for other purposes. We believe very strongly that if the administration wants to increase the funding for other programs, it should specifically request funds for those purposes and through the normal authorization process and not try to raid petroleum purchase funds. The SPR program is important; it must be completed. We must take steps now to complete it. We must fill the reserve. The appropriations that we have provided are designed to fill the reserve. They should not be used for other purposes.

We want to also stress that we are not satisfied with the way the Department has handled this program. Improvements have been made in this program since our hearings of last December and earlier this year, but much more needs to be done, and the agency must move more rapidly to complete the program.

Title III of the bill includes funds for solar commercialization and for certain conservation programs, as well as funds for State and local conservation functions under the Energy Policy and Conservation Act and the Energy Conservation and Production Act. I would point out to the Members that the Department has recommended that the State funds be made a part of other legislation which the administration has submitted to Congress. This committee will consider that other legislation, but we could not do so prior to the enactment of this legislation.

Title V of the bill has been referred jointly to our committee and to the Committee on Interior and Insular Affairs. Our committees are fully in accord with the amounts authorized for the uranium resource assessment program, spent fuel disposition, and decontamination and decommissioning activities. In addition, this title includes a section 502 in which we have provided a procedure for dealing with away-from-reactor storage of spent fuel. This provision directs the Department to conduct specific studies and provide a mechanism for the selection and designation of away-from-reactor storage sites with the full participation of the Governors of the affected States and the public and for the issuance of a final report concerning the designation of sites. That report will also include recommendations concerning the modification and expansion of existing sites at reactors. An additional report will be provided concerning the cost of both on-site and away-from-reactor storage, and the fees to be charged to the utilities for this purpose. I emphasize that the bill makes it very clear that no funds can be used for the acquisition of a site, or for the construction of any facility on any site, before all of these activities are taken and a subsequent act of Congress is enacted which specifically authorizes funds for this purpose.

Mr. Chairman, I think this is a very important provision and has been carefully crafted so the Department can continue its efforts to identify and resolve the problem without prematurely committing the Congress or the administration to a specific course of action until we know the parameters of the problem, and whether the proposed sites can be readily available for use. It also provides the State and the public with a significant role in the decisionmaking process.

Section 503 is an amendment which was offered by my distinguished colleague from Tennessee, Mr. GORE, to have the Secretary of Energy conduct a study to determine whether Federal assistance similar to that provided under the Uranium Mill Tailings Radiation Control Act of 1978 should be provided to the Tennessee Valley Authority to conduct remedial action at the uranium mill tailing site at Edgemont, S. Dak., which TVA purchased after the previous owners ceased mill operations at the site.

Section 504 provides for the Secretary of Energy to study and devise a plan for the emergency removal from foreign countries of spent fuel of U.S. origin where necessary. The steps should include, where appropriate, the initiation of specific detailed feasibility studies for receiving such fuel, and in accordance with applicable provisions of law, the acquisition of such spent fuel of the physical capability for implementing a retrival operation. I stress the point that all of these activities must be carried out in accordance with applicable provisions of law, including various statutes relating to the use of foreign vessels.

Title VI, which was referred to our committee and the Committee on Science and Technology, includes authorizations for funding for buildings and community systems for the extension service, for appropriate technology, for urban waste energy conservation, fossil energy activities, solar application, and industrial conservation.

Title VII generally provides funds for various departmental activities, particularly administrative-type activities, including funds for the program and management and for the Office of Inspector General, the Secretary, and other offices within the Department. It also provides funds for the uranium enrichment program and for in-house energy management. Section 702 of this title directs the Secretary of Energy to conduct a study to develop a program to be conducted by the Department of Energy which would provide for retraining and training of civilian nuclear reactors operators. The training program must be in accordance with applicable requirements of law and regulations, and the responsibility for establishing regulatory requirements would remain with the Nuclear Regulatory Commission. The Secretary of Energy would provide a report of this study to the Congress, and it could be implemented, unless the Congress disapproves of the idea.

Section 703 provides for a commercial waste management report and section 704 relates to international energy assistance.

Title VIII of the bill provides general limitations on activities of the Department such as road reprograming, use of unexpended balances, and limitation of use of revenue. The committees felt that these were all important to carry out the programs of the Department.

Mr. Chairman, I urge support for this very important energy bill which provides an opportunity for this country to move forward in energy development.

□ 1130

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I want to just at this point commend my mentor and chairman, the gentleman from Michigan (Mr. DINGELL), and also the gentleman from Florida (Mr. FUQUA) for a job very well done.

Later in the day we will have under the amendments a proposed amendment to continue decontrols on oil and this debate on decontrolled prices raises a number of very, very important issues which the House will be addressing at that point.

Mr. Chairman, the debate on oil decontrol raises a number of important issues that all Members of the House need to address—and which deeply affect our country and our future. As a supporter of phased decontrol of oil prices, I want to share with my colleagues the conclusions which I have reached during 4 years of membership in the Subcommittee on Energy and Power.

In the opening of the recent Democratic caucus debate, the question was raised: Who controls oil prices? The implication of the question is that if oil prices are decontrolled, we are only further playing into the hands of the OPEC cartel. The reality of the situation is that, like it or not, the cartel already effectively controls the price of oil. And, like it or not, existing price controls only reinforce the power of the oil cartels. And that price—or cartel—is not going to be broken until we face the energy issue squarely. No amount of rhetoric or political maneuvering in the Congress will dent the cartel.

The point was also raised that the proposed windfall profits tax is simply a politicians protection device. Let me again suggest the reality: The real politicians protection device is the orchestrated assertion that increased oil prices are the problem. The clear implication of the arguments of those who support continued controls is that we have an energy policy that works, and that any change is a sellout to the oil companies. The policy suggested by the resolution debated in the Democratic caucus (to continue controls on oil) is the real political protection device. Rent price controls have not created more apartments in New York, and oil price controls will not create more oil. Instead of facing the reality of a declining energy supply, the proponents of continued controls view price increases as the problem. I do not impugn their motives: I just think they are wrong.

The problem is not price increases; the problem is economic and geological. Price increases are a response to a diminished supply, a failure to conserve, and a continued dependence on one energy source of which OPEC controls the marginal supply. Artificially regulating these prices subsidizes additional consumption, inhibits exploration, creates distortions in our energy distribution system, and reflects the impact of economics on alternative energy sources.

How to analyze the conflicting arguments? Let us first try to escape the emotionalism of the past energy holy wars which have swept the Congress, and let us try to avoid the certainty which flows from holy positions. Above all, let us not be misled by those who argue that there are simple answers or obvious villains here. I have found it to be useful to balance the cost of decontrol against the benefits of decontrol—let me share my analysis with you:

The Cost of Decontrol: Decontrol will cause higher prices, but this should be put in context. First, higher prices would occur—as they have in past years—even with continuation of price controls. Second, the debate over decontrol concerns somewhat less than 40 percent of all the crude oil we use—the rest is already at or near world prices.

Forty-three percent of our oil is imported (world price).

Seven and one-half percent is from Alaska, or the Naval Petroleum reserve (including transportation, Alaskan oil is effectively at world price).

Seven and one-half percent is stripper oil (which has been, for sometime, effectively at world price).

About 6 percent is deep stripper and marginal wells, which will now go to the world price, along with newly discovered oil under proposed DOE regulatory changes distinct from legal decontrol.

Thus, more than 60 percent of our total crude oil supply is already at or near world price. This leaves less than two-fifths of our crude oil supply under price controls. Further, it should be noted that all products from refineries except for gasoline are presently decontrolled. Despite some controls on crude, therefore, consumers are paying decontrolled product prices for middle distillates and residual fuel oil. These make up about 50 percent of the barrel. The other half is gasoline. With full decontrol we can expect these decontrolled prices to rise somewhat as the cost of crude to refineries increases, but it will not be a dollar-for-dollar increase. Combined with other slippage in the regulatory structure, by the time oil gets to the consumer, we are now left with 15 to 20 percent of our oil effectively under price regulation.

Thus, I believe that the present debate over decontrol is often couched in somewhat specious terms. This is not an all or nothing arrangement, or a debate of control or decontrol. The reality of the situation is that relatively little of our oil—15 to 25 percent—is under price controls. Thus, the debate should focus on the costs of decontrolling this remaining oil, compared to the benefits that will result from this decontrol. I think the evidence clearly indicates that the benefits far outweigh the costs, and that we should immediately confirm the administration's policy on decontrol.

The projected inflationary impact of decontrol is relatively small and therefore is not a convincing argument for maintaining controls. Under the President's proposal, decontrol is phased in over nearly 3 years, so that the inflation impact is .03 percent in 1979; 0.2 percent in 1980; 0.2 percent to 0.3 percent in 1981 or a cumulative 0.5 percent to 0.7 percent over the 3 years. Major future price increases by OPEC would increase this impact.

There is no question that in these troubled economic times, with sharp inflation, these are real costs and they cannot be ignored. A rational analysis has to measure what we get for this increased cost. Let me present what I believe to be the five areas of return to the economy and to the American people:

One, Supply: There is a temptation to misinterpret the projected supply response, just as there is a temptation to overemphasize the new oil supplies that will result from decontrol. We have estimates ranging from 400,000 to 2 million barrels extra per day by 1985, because of the economic stimulus of decontrol. No matter what numbers you choose, there are several factors that must be kept in mind:

First, we have to find new reserves of oil and decrease the decline of production which has been dropping dangerously since it peaked in 1970 at 11.3 million barrels per day (including natural gas liquids). Production dropped to 9.8 million barrels per day in 1977 but increased to 10.3 million barrels per day in 1978 as a result of increasing Alaskan production. Alaskan production has now leveled off as limited by the transAlaskan pipeline and total U.S. production will again show a decline.

Are additional incentives necessary? I believe so. New exploration is expensive; tertiary recovery techniques are expensive. Most of the easy finds in this country have been made, and new oil is going to cost more. There is also another valid answer to this question. At present, oil and gas production companies' returns on equity are slightly below the national industrial average. Certainly rates of return for this sector of the economy—which should be a national priority—should not be below the national average for industry as a whole.

Second, we cannot ignore the value of the additional production projected from decontrol. The administration's projections of 300,000 barrels per day by 1982, and 700,000 barrels per day by 1985, is oil that we would otherwise import. And the amount relative to our needs is not insubstantial, particularly when we recognize that the over 500,000 barrel shortfall resulting from Iran shutdown caused severe shortages that are felt.

Third, the argument that an increased price produces relatively little new production is a narrow argument; it neglects the return from conservation, economic efficiencies in supply allocation, impact on alternative energy supplies, and the strength of the dollar in foreign markets, which are the other benefits of decontrol.

Finally, an answer should be given to the question most often asked by the opponents of decontrol: "Don't the oil companies already have enough incentive?" I believe that this is the wrong question. The question most fundamental is: "What is the marginal cost of each extra barrel of oil to the U.S. economy, and to whom will this be paid?" The marginal cost is the world price. Each additional barrel that we do not produce domestically is imported at the world price. With decontrol the user of the marginal barrel of oil will pay its true price, and that cost will be reflected in energy and investment decisions throughout the economy concerning conservation and alternative energy sources.

At present, no one in the United States pays the marginal cost of oil. Through the convoluted entitlements system, those who import that extra barrel of oil are subsidized by those who do not, and—theoretically—every refinery has an average cost of oil. This is bad economics, and bad public policy.

Second. Conservation—We can divide oil use into three different economic sectors: Industrial, 35 percent; commercial and residential, 15 percent; and transportation, 50 percent. Each of these sectors should be examined separately to understand the potential conservation effects of decontrol.

Industrial. A major energy conservation effort is successfully underway in American industry. Total industrial energy use—not just oil—has decreased by 6 percent since 1973, while the economy has grown 12 percent in real terms. Industrial energy use in the United States has decreased more than in any other major industrial economy since 1973; our energy use overall has increased by only 1 percent a year since 1973, compared to an average of 3½ percent per year over the previous 20 years. Our overall energy use is over 10 percent lower than it would have been had we followed the 1953–73 trend line. Clearly, the economy is responding to increased prices. Industrial capacity does not turn over quickly, but we can expect significant future savings as architects, engineers, and managers factor in the cost of energy, something they generally have not done until recently.

Commercial and residential. Here the record is not as good, but the incentives are not as clear, either. An industry can invest scarce capital in energy conservation, and realize a predictable rate of return on that investment. The homeowner too often does not have the available capital; or the cost of borrowed capital is far higher in the short term than the dollars saved from decreased energy use. There is significant long-term conservation potential here, however, as builders and architects adjust, spurred by various regulatory and tax incentives. How soon and how strong will we send the conservation signal to this community? If we delay the difficult decision on price, the response will also be delayed.

Transportation. The argument for higher prices as an incentive for conservation is also less clear in the trans-

portation sector. Fifty percent of our oil goes to transportation use, compared to about 25 percent in Germany and 15 percent in Japan.

Unfortunately, gasoline consumption continues to increase despite the need for conservation and perceived higher prices. Part of the explanation is that the real price of gasoline has not increased since 1974; in constant 1972 dollars, a gallon of regular cost 44.8 cents in 1974, and 41 cents in April 1979. The only time the real price of gasoline rose—from 36 cents in 1973 to 44 cents in 1974—consumption declined. But the evidence is conflicting and claims about the conservation effect of higher gasoline prices are mixed.

More promising developments are the fact that new autos are now 50 percent more efficient than they were in the early 1970's. According to most estimates, this efficiency will result in a net 5-percent reduction in gasoline consumption below current levels by 1985, despite the increase in the numbers of automobiles on the road. Again, this is a long-term issue—smaller, more efficient cars, more mass transportation, changes in our love affair with the automobile.

The summary of the conservation issue is best found in these statistics: The American economy is 35 percent more energy intensive than Germany's and 67 percent more than Japan's. The biggest differences are in the transportation and commercial/residential sectors, and these will require significant changes over the long run.

Third. Regulation. A significant positive result from decontrol will be the flushing of the present regulatory structure. Current oil regulations are inefficient, shot through with exceptions and cause major distortions in the petroleum sector of our economy.

For example:

The present entitlements program subsidizes imports in the neighborhood of $5 billion per year;

The small refiner bias has created a good deal of inefficient refinery capacity. Since the present law was passed, many new, small refineries have been built, many of which cannot efficiently refine the supplies of increasingly heavy and high sulfur crude oils, nor make unleaded gasoline. Yet these small, inefficient refineries are subsidized by the large ones;

Utilities, which should have the incentive to move to coal-fired electricity have no incentive to do so as long as the price of residual fuel oil is kept unrealistically low, at the average rather than the marginal price;

Under current entitlement program regulations, all domestic oil is assumed to be of the same quality although it is not. Until recently California refineries, which depend on heavy California crude stock, were paying the same entitlements subsidy as other refineries using higher quality crude, a windfall for the latter group;

At a time when we need new processing units in refineries, to produce lead free gasoline and to process heavy and high sulfur crudes, Government regulations allow the refiner to recapture only the cost of borrowed principal and interest, not a return on equity, and therefore leaves little incentive for needed new construction;

Because production qualifies for the higher price of the stripper category if it is less than 10 barrels per day from a well, there is a great incentive for the producer to reduce production from 14 or 15 barrels to 10. One proposed solution is to expand the definition of stripper to 20 barrels per day. What will then happen to those wells which are now producing 25 barrels? The production disincentive will be moved but maintained; and

A warning: When the crude decontrol issue is behind us, the next major energy issue facing the Congress and the administration will concern refineries. As outlined above, the present regulatory structure has badly skewed the investment in new refinery capacity and efficient use of our existing capacity. In the future, the unmet demand for unleaded gasoline, and for gasoline altogether, is going to create a net set of refinery-related problems that will demand our early attention.

The examples go on and on in this encrusted, outmoded, and inefficient regulatory structure. They exist for refineries, producers, pipelines, marketers, and ultimately for all consumers. We keep patching up the leaky system, granting a price increase for Long Beach's municipally owned lower tier oil, because the profits will accrue to a city, not a company; making small refiner millionaires, and developing bizarre stripper definitions. If we continue this archaic and inefficient regulatory policy, we will simply see more and more exceptions to try to make the regulations work, or in response to them. For example, Louisiana and Texas have considered State excise taxes on exported oil, which will move oil right back into the interstate versus intrastate complexities that plagued natural gas for years.

Regulation breeds economic inefficiency and inequality, and it is time to flush the system. Decontrol will accomplish this end; the maintenance of controls will only serve to magnify the existing problems.

Fourth. Alternative energy supplies. How long are we going to put off the day of energy and economic reality? Energy is a long-term problem—when are we going to start? Decontrol will provide more price certainty, against which alternative energy investment decisions can be made. Until the price of oil is high enough, investment and changes in our energy infrastructure will not be made. A good example of the validity of price incentives are found in natural gas. Until recently the price controls on conventional gas discouraged independent drilling for gas, as opposed to associated gas—produced along with oil.

As oil prices are decontrolled, we begin to approach the window where alternative energy sources become viable. Arabian crude is now selling for close to $20 a barrel. The following are some ball park estimates in current dollars of the thresholds for alternative energy sources; capable of producing the energy equivalent of a barrel of oil:

Coal liquefaction (nonmethanol), $30–$35.

Shale oil, $22–$26.

Very heavy crude, $20.

Solar collector, $30.

Methanol, $25–$35.

Unconventional gas, $20–$30.

We are nearing the economic threshold for the development of alternative energy sources. Decontrol will help to stimulate investments that should have been made long ago.

And, because it will take a decade or more before alternative energy sources can have a major impact on the Nation's energy supply, each day we delay in stimulating investments in these alternative energy resources means 1 day longer before these sources becomes available. We can postpone this thrust, or we can accept the reality that tomorrow's issue will be supply, not simply price.

Fifth. Value of the dollar. The best economic testimony indicates that last year 1 percent of our total inflation rate was caused by the decreased value of the dollar. While the specific economic trail, from decontrol to increased production and conservation, to lessened imports and a slowed dollar flow overseas is complex, it is very real. We paid about $45 billion for oil imports in 1978. Without that huge transfer abroad we would have had a positive balance of trade. The United States this year will pay about $50 billion for oil imports, by 1985 the cost of imports will probably double to $100 billion. This enormous drain will keep continuing pressure on the dollar in overseas markets and could cause disastrous weakening of the currency. The country cannot afford to permit this situation to continue indefinitely. It is probably fair to estimate that the cost of decontrol in inflation from higher costs—discussed earlier—will in part or in whole be offset by a strengthened dollar.

In addition, we cannot quantify the value of signalling to the world the intent of the United States to become serious about energy. Our failure to raise domestic oil prices to world levels to date has meant that neither our European allies nor the OPEC nations take our oil conservation protestations seriously. And we know that OPEC will continue to take advantage of our increasing dependency.

SUMMARY

The question of decontrol is an economic and a political question. In the foregoing I have attempted to outline what I believe are the compelling economic arguments for decontrol. Hopefully they speak for themselves.

The political argument is harder to quantify. But it is easy to outline what the political argument is not—or should not be.

This is not an argument for or against big oil and small oil, for or against Marcor or J. C. Penney's. While there has unquestionably been some very poor management by the industry, we should not reply in kind.

This is not an argument for or against the Department of Energy or bureaucrats. It is an argument about public policy which, once resolved, must then be executed by the executive branch with

aggressive and effective oversight by the Congress.

Finally, this is not an argument about price increases, nor should we view price increases as the sole problem. It is an argument about supply, about economic and about geological problems.

The political issue is whether we have the foresight to focus on our future problem, on the need to pay more and use less. If we refuse to do so, if we refuse to take the difficult and unpopular position, then we will not be exercising our responsibilities, nor will we be leading the country. I would hope that responsibility and leadership would characterize the ultimate decision of the House of Representatives on the issue of energy.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 4839, an amendment offered in the nature of a substitute to H.R. 3000. Many of the titles of H.R. 3000 were concurrently referred to the Committee on Interstate and Foreign Commerce, the Committee on Science and Technology, and the Committee on Interior and Insular Affairs. The many differences in the provisions which were reported out by the various committees have been negotiated among the committee staffs, and a workable compromise bill, H.R. 4839, has been forged.

While I personally feel that more and more should be done to reduce the massive spending which is authorized under this legislation, I do accept, in the spirit of compromise, the authorization levels reached in H.R. 4839. It must be remembered that the DOE has never had an authorization bill since its not-so-immacuate inception. I do believe that the time is right to have a DOE authorization bill made into law. I urge my colleagues to support the compromise bill, H.R. 4839.

There are two additional matters which I would like to address before yielding to my colleagues. The first deals with the authorization for the uranium enrichment add-on facility at Portsmouth, Ohio. This plant, using the energy saving gas centrifuge method of enriching uranium, has been plagued by slippages in its completion schedule. The first module of this add-on, originally slated for mid-1986, is now due in mid-1988. Completion of the facility is now set for 1993. I have been assured that the money authorized in this bill is sufficient to meet this goal. I have also been assured that no further schedule slippages will occur, and that if the schedule can be accelerated, it will be. I am in favor of that, and I am glad that sufficient money has been authorized to complete rapidly this efficient new technology at Portsmouth.

Second, I believe that we need to understand the limited nature of section 702 of the bill, which deals with the establishment of a training program for nuclear reactor operators. Under this program, the Department of Energy is to develop a program to train nuclear reactor operators. The program is to be nonmandatory and must train the operators in accordance with the licensing requirements established by the Nuclear Regulatory Commission. The program also is to be submitted to the Congress and will begin operating unless it has been disapproved by either House of Congress.

Several points need to be made. First, I do not believe anyone in this Congress is against improving the training of nuclear reactor operators. I certainly favor improving that training because I believe it will result in safer operation of our nuclear powerplants. Second, I am not at all convinced that the DOE is competent enough to do the job right. However, I believe that DOE should be given the opportunity to develop a training program. If it is good enough, it will be patronized by the industry. If it is not, then perhaps the research and development could be used by the private sector. It is critical, therefore, that it is understood that this program is not mandatory—a reactor operator may still be licensed by the NRC if he receives his training elsewhere and meets the NRC licensing requirements.

Finally, although I would not have involved the DOE in training operators at all, I agreed to include this provision in the compromise bill with the understanding that the DOE's role is to be strictly limited to developing and running a training program. DOE is not to insinuate itself into the NRC rulemaking procedures. DOE is not to review the work of the NRC. DOE is not to establish operator licensing requirements. DOE is to use whatever expertise it has at its disposal, however limited, to develop an operator training program in accordance with the applicable requirements of law and regulations which govern the granting of operating licenses to nuclear reactors. That is the assurance I have been given in agreeing to include this provision in this bill, presented as a compromise among the three committees having jurisdiction over DOE authorizations.

□ 1140

Mr. Chairman, I yield to the gentleman from Illinois (Mr. CORCORAN) 5 minutes.

Mr. CORCORAN. Mr. Chairman, if there is one thing that we should have learned from the gasoline shortages throughout the United States this year, I think it is that we have to anticipate the requirements and the needs in the field of energy that we have as a country and plan ahead in order to provide adequate solutions for those needs. It seems to me that movement from crisis to crisis by this Congress or by the executive branch on any issue of importance such as energy, the environment, the economy, foreign affairs, or any other public policy issue that confronts the United States, we should always anticipate what the problem will be and move appropriately in time to provide adequate solutions. Nowhere is this more true, it seems to me, than with respect to nuclear waste management.

One of the reasons in my second term in Congress I sought and was selected to join the Interstate and Foreign Commerce Committee was to serve on the Energy and Power Subcommittee because of its responsibilities for nuclear waste management, something that in 30 years of commercial use of nuclear power our country has not addressed adequately.

For the benefit of my colleagues, I would like to briefly review our current status as it relates to proceeding with the implementation of the President's spent fuel program. What we have pending before us is a slightly revised version of section 403 of H.R. 11392, the fiscal year 1979 DOE authorization reported by the Commerce Committee in the last Congress. The current bill contains language relating to the commercial spent fuel storage program in section 502. Principal elements include:

First. A requirement to complete and publish a need study on interim spent fuel storage within 30 days of enactment;

Second. Initiation of hearings in each State selected as a candidate for any regional facilities;

Third. An expression of the need to complete these hearings by March 1, 1980, in order to report to Congress by approximately April 15, 1980; and

Fourth. Transmittal to Congress by February 1, 1980, of a report discussing costs of acquisition or construction and criteria for determining the one-time fee for interim storage and final disposal.

As I will review for the RECORD later in more detail, the Department of Energy has fulfilled essentially every requirement called for and is in a position to proceed with State hearings tomorrow. There have been extensive NEPA (National Environmental Policy Act) related activities beginning in late 1977, which have led to the release of several environmental impact statements from the Department of Energy and related agencies. These public documents cover domestic spent fuel storage, foreign spent fuel storage, charges for storage and disposal, and the overall commercial waste management programs.

An important aspect of what we will vote on is a direct and early involvement of the States that may be candidate sites for spent fuel storage. The Governors of these States will play a formal role in developing the local plans for acquisition and operation. This aspect of the program has already been undertaken by Department officials on a limited basis and certainly should continue aggressively. I would hope the Department will not read the pending legislation as any constraint in this regard, but rather as an encouragement to continue what they have been doing in this respect.

My colleagues should also be aware that the Senate has addressed the spent fuel storage issue in their version of the fiscal year 1980 DOE authorization bill, S. 688. The Senate has opted to use the statutory vehicle of the construction line item, project 79–1–P, which was first approved in 1979 to assure continuity as well as important progress toward the goal of providing initial off-site storage capacity by the early eighties. The Senate Energy Committee has proposed that $25 million of the $300 million requested for the facilities by the President be made available in fiscal year 1980 for specific site activities short of actual acquisition. Of the approved funding, $5

million is set aside for the study of cost and potential sites.

I personally feel that many elements of the House and Senate provisions are compatible. Both bodies are committed to the sense of urgency in taking the initial steps required to advance the program. I trust that my colleagues will support this vitally needed program both now and in any supplementary legislation treating the mechanics of transfer of title and refund for recovered fuel value.

Before I conclude, Mr. Chairman, I would like to address a couple of questions to the distinguished chairman of the Energy and Power Subcommittee, the gentleman from Michigan (Mr. DINGELL).

If the gentleman will respond, Mr. Chairman, am I correct in stating for the record that the Subcommittee on Energy and Power will proceed expeditiously to conclude the hearing record on H.R. 2586, the Spent Nuclear Fuel Act of 1979?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I will be happy to yield.

Mr. DINGELL. Mr. Chairman, the gentleman has provided valuable leadership in this and we are going to move just as soon as possible on the legislation referred to.

Mr. CORCORAN. I thank the chairman.

One other question I have is whether or not the Commerce Committee intends that the Department of Energy pursue all aspects of this program, including review of candidate sites to assure a timely submittal of their initial report which is called for in section 502 of this legislation?

Mr. DINGELL. The answer to that question is yes.

Mr. CORCORAN. I thank the chairman for his assurances.

Mr. Chairman, in conclusion I would just hope that my colleagues would recognize the urgency that we in the United States have with respect to nuclear waste management and also accept the recommendation of the committee that section 502 does address the problem. In my judgment it is the minimum course that we should take at this time in order to get on top once and for all of the very serious problem of storing on both an interim and a permanent basis the nuclear wastes which have been accumulating in this country for many, many years.

□ 1150

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. Chairman, if the gentleman will yield, I yield 1 extra minute first to express to my colleagues how effective the gentleman's work has been on the Energy and Power Subcommittee, the minority side, of the Commerce Committee, and also to express my appreciation for the cooperation we received from the majority side, the chairman of the committee, the gentleman from Michigan (Mr. DINGELL), in fashioning this legislation. I also want to say a kind word about the members of the Science and Technology Committee, both the majority and minority, who have been so cooperative. I also want to express my real appreciation for the help we received from the minority side of the Interior Committee, for their help in our consideration of this bill.

It is a complex proposition that we are into, where a piece of legislation is referred to three different committees, and jurisdiction must be shared. There were some tensions in past years on the resolution of these problems between the committees, but I think this year a good job has been done by all three committees in trying to work out these problems. I, for one, am deeply appreciative, because it makes a difficult job, the job we are trying to do here, much easier.

Mr. Chairman, I wanted to say that, while the gentleman from Illinois was in the well.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Chairman, I do not ask for additional time because of the comments made commending the gentleman from Illinois, but I certainly would agree and underscore the comments of the gentleman from Ohio about our colleagues who have been involved in this difficult process.

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I would like to commend the gentleman from Illinois (Mr. CORCORAN) for specializing in this area and providing us with his leadership. I would like to point out to my colleagues on the floor and for the record the difference between spent fuel and nuclear waste. As I understand it, this legislation deals with the commodity of spent fuels and it is important that spent fuels should not be classified as waste. Indeed, if the policy of the present administration is changed, or a subsequent administration changes that policy, those spent fuels can serve as the energy equivalent of billions of barrels of oil through the technique of reprocessing.

So, the storage of those spent fuels is putting aside in a safe and effective way, energy for the future. They are not wastes.

Mr. CORCORAN. I thank the gentleman for his comment.

Mr. DINGELL. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, today we will have an amendment to reimpose EPCA crude oil controls until October 1, 1981. I hope the House will support the amendment. Inflation is currently running at an annualized rate of over 14 percent, and energy is the principal driving force. In May, energy prices added 4.31 percentage points to the annual rate of inflation, a large impact than during any month following the October 1973 embargo.

Since February, total consumer energy prices and wholesale figures have both increased at an average annual rate in excess of 50 percent, and that rate was in excess of 100 percent during the month of June. The costs of decontrol will be added on to these runaway consumer costs. Moreover, with the most recent OPEC price increases the President's decontrol program will cost much more than anticipated when he proposed it.

Based on current world prices, the Congressional Budget Office has estimated that decontrol will cost $27.8 billion through 1981, and $135 billion through 1985. With the OPEC price increases, those numbers become $40.7 billion through 1981 and $209 billion through 1985. That last figure calculates out to about $2.5 billion a month in increased costs to consumers and inflationary pressures in the economy.

Across-the-board decontrol allows already discovered oil to receive cartel-set prices even though the investments have already been made and little additional oil would be produced. Old oil would go from about $6 a barrel to $20, a 230-percent increase. Paying that additional money for old oil which would have been produced in any event will not significantaly reduce imports.

Decontrol eliminates any connection between cost of production and price even for new oil. The Harvard Business School Energy Future Report shows that since 1973 the regulated price of newly-found oil has already more than tripled while drilling costs have only doubled. So decontrol does not help produce much new oil either. The incentives are already there, as study after study has showed.

According to the Congressional Budget Office, decontrol would increase domestic production by only 2.9 percent of projected 1985 demand. And it would cost us $135 billion to bring in that additional 2.9 percent. According to Administration estimates, we could make nearly as much oil available if we adopted residential and commercial conservation programs at a cost of only $2 billion through 1990 as opposed to the $135 billion figure through 1985 for marginal increases in production.

Now, people will say that if we do not decontrol we are going to lose the revenues from the windfall profits tax. Let us look at that. Assuming the House passed version, the windfall profits tax between now and 1981 would collect only $11 billion. After 1981, between 1982 and 1985, it would collect $30 billion. The key point to understand is that that $30 billion will be collected regardless of the action we take today on decontrol between now and 1981. If we keep controls, when the synfuels program that the President has proposed comes on line in the 1980's we will still be collecting a substantial windfall profits tax on domestically produced oil that is sold at

world prices. That money will in fact be there even if we prevent decontrol from going through today.

I have received 17,000 letters against decontrol from citizens in my State of New Jersey and across the country which I presented to the Speaker earlier today. Americans do not want more unnecessary inflation when they do not get any substantial benefits in either production or conservation in return.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I appreciate very much the subcommittee allowing me to take some time to discuss what I found out about the Department of Energy in my position as subcommittee chairman on the Civil Service Committee.

Mr. Chairman, on March 29, 1979, the Subcommittee on Civil Service, which I chair, held hearings on personnel management at the Department of Energy. What we found was a disorganized, poorly run Department. After 18 months of operation, the Department of Energy seemed to lack the goals necessary to structure the agency. Agency management appeared incapable of putting to constructive use the talents and energies of its 19,000 employees.

Within the next month, the staff of the subcommittee will go back to DOE to find out whether improvements have been made. Our return visit was going to be sooner. Every time when a reexamination seemed timely, however, another cloud burst over the top of the Forrestal Building. Crisis after crisis prevents the Department of Energy from ever getting on an even keel.

At our March 29 hearings, we found the following personnel management problems at DOE:

Below the Assistant Secretary level, the organizational structure was not clearly articulated. The Department conceded that the conservation and solar and defense programs lacked fully approved organizational structures. Our staff investigation revealed that, in other areas as well, the organizational structure was not clear to the employees. Complaints were received from branch chiefs and similarly situated officials that no organizational structure was evident to them in any part of the Department.

A very high proportion of branch chief, division director, and office director positions was filled on an acting basis. As of April 1, 164 of the 424 filled branch chief positions were filled by people in acting capacity. One hundred and seventeen of the 354 division-director and 52 of the 211 office-director jobs were filled in the same way. Employees filling positions on an "acting basis" have no job security or tenure. They can be removed from their position without an adverse action or any cause. An employee in such a vulnerable position, especially if he or she is interested in gaining a permanent appointment, is likely to be excessively compliant with the wishes of management.

As of the time of the hearing, a full one-third of the positions in DOE lacked position descriptions and approved classifications. While the number has creeped up since then, large numbers of positions are still not under approved position descriptions. Without a position description, there is no way to know whether the job is classified at the proper grade level. Furthermore, employees are unable to tell whether they are fully performing all the functions of their position. They do not know what the critical elements of performance are. They do not know whether they have been subjected to reductions in grade. Such a situation results in a scared work force, extremely responsive to the whims of management.

The old Civil Service Commission performed a personnel management evaluation on DOE a year ago. In the course of this study, CSC found that nearly 30 percent of a representative sample of DOE jobs were misgraded, with most being overgraded. This costs the taxpayer a large amount of money. CSC found that DOE lacked a serious classification maintenance system. In our hearings, it was revealed that the Department is contracting out for the services of classifiers. Subsequently, DOE has attempted to cure the actual cases of misclassification which the Civil Service Commission found. I was upset to find out that the misclassifications were corrected not by downgrading the position but rather by abolishing the position, creating a new employee into that job. This is just about the most blatant example of grade creep I have seen.

Minority representation in DOE is abysmal. While the Department claims to have the best affirmative action program in the Government, equal employment complaints linger on far longer than the 180-day statutory deadline. Women are only 35 percent of the whole workforce at DOE, compared with 43 percent of the Government as a whole, and over 50 percent of the population. Blacks are virtually unrepresented in higher level positions in DOE, comprising only 1.4 percent of the supergrades.

Employees complain about extended details, frequent transfers, and details to positions with no work. If these allegations are true, it indicated that the Department of Energy does not know what to do with its employees.

I am concerned, Mr. Chairman, with the chaos at the Department of Energy. My subcommittee will continue to look into this problem. The Office of Personnel Management plans a nationwide personnel audit of DOE next year. In the meanwhile, I urge the authorizing committees to keep a keen eye on the Department of Energy. If the mismanagement, confusion, and misuse of employees continues for another year, some of us might start rethinking the utility of having a separate Department.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, the Department of Energy fiscal year 1980 authorization bill and fiscal year 1979 supplemental authorization bill will be considered by the House today and tomorrow. It is likely that an amendment that would take away the President's power to gradually remove crude oil price controls will be offered. Such an amendment would seriously impair our efforts to meet our international obligations to the other Western industrialized nations and would deal our country a serious blow as it attempts to formulate a rational and effective energy policy. For these reasons, I urge my colleagues to oppose vigorously any such amendment.

Crude oil prices have been legislatively controlled since 1973 under the authority vested in the President by the Emergency Petroleum Allocation Act. In 1975, the EPAA was amended by the Energy Policy and Conservation Act. At the time that the crude oil pricing system was established, its proponents stated that it was designed with two goals in mind; providing producers with adequate incentives to search for and produce additional oil supplies while at the same time protecting the consumer from price increases. This pricing policy has failed miserably in both respects. The impact of these prices controls on our domestic crude oil production particularly has been devastating.

In 1973, the year controls were imposed under the EPAA, lower-48-State production averaged 9.2 million barrels per day. By the end of 1978, lower-48 production had declined by over 20 percent—to only 7.2 million barrels a day. At the same time price controls were discouraging domestic production, they also had the effect of artifically subsidizing imports through the complicated entitlements program which transfers money from domestic oil users to imported oil users. As a consequence, while our domestic production was declining, use of more expensive and less dependable imported oil increased by 23 percent between 1973 and January 1979.

Today, despite 1.2 million barrels of production per day from Alaska, we meet only about 50 percent of our crude oil needs from our own production as compared with 1970 when the United States produced enough oil to meet some 76 percent of its crude oil needs.

It is without question that our crude oil pricing policy has failed to provide us with the crude oil we need to keep our economy running smoothly. This pricing policy has been an even larger failure, however, in its impact on consumer prices.

Since 1972 the amount of dollars the United States has spent on imported petroleum has increased from slightly over $3 billion to an estimated 1979 import bill of a staggering $60 billion. In this same time frame, average retail gasoline prices in the United States have increased from 36 cents a gallon to over 85 cents—and this is under price controls.

By discouraging investment in domestic production and alternative technologies, by encouraging consumption, and by subsidizing foreign imports, we have tightened the supply-demand balance in the world oil markets, thus allowing OPEC to charge more for its oil than it would have been able to in the absence of price controls. This has detrimentally affected our balance of payments and has contributed to the rate of inflation.

Thus, far from protecting the consumer, price controls have had the effect of driving up the prices for goods and services throughout the economy. Perhaps the Washington Post said it best when it concluded that the protection afforded by price controls "is, in fact, spurious. Because controls have held domestic prices low, Americans have used much more than otherwise they would have done, and that in turn has made it much easier for the oil-exporting countries to keep raising the world prices that are now feeding back into the American economy. It is quite possible that Americans are paying higher oil prices today, after 8 years of controls, than they would be paying if there had been no controls at all."

On April 5, the President announced his program for phasing out crude oil price controls. This phaseout can begin without legislative action under the terms of the Energy Policy and Conservation Act which was passed in 1975. Under EPCA, crude oil price controls became discretionary with the President as of June 1, 1979. After that time, the President has the options of allowing controls to lapse altogether or continuing them in whatever form he chooses. All legislative authority for crude oil price controls expires on September 30, 1979, unless, of course, this authority is legislatively extended.

The President's program is the best approach for ending the damaging effects of regulation. First, the President's program calls for a gradual increase in the price of the third of our total crude oil consumption that is under price control. During the period June 1, 1979, through September 30, 1979, the controlled price will rise to world market levels. This decision to gradually permit prices to return to world market levels will add a total of only about 0.6 percent to the Consumer Price Index by the end of 1981, as compared with over 1.7 percent if prices were immediately decontrolled. In addition, this steady escalation in prices over 28 months gives consumers time for additional conservation efforts. Conservation by price does work, as evidenced by the experience of Germany and Japan, neither of which have petroleum price controls. Since 1973, the economies of these countries have grown without an overall increase in crude oil consumption. Data Resources, Inc., estimates that decontrol will reduce U.S. consumer demand by 300,000 barrels a day by 1981.

Second, the President's decontrol program will provide additional capital and price incentives to U.S. firms to increase exploration and production efforts. Oil and gas are getting hard to find and much more expensive to produce—deeper wells, expensive techniques to produce, and expensive platforms for offshore production. As a general matter, higher prices will allow producers to assemble the capital needed to increase U.S. supplies. Moreover, the President's program provides several specific incentive programs to encourage increased production.

The administration estimates that between 740,000 and 840,000 barrels a day more crude oil will be produced during 1985 under its decontrol program as compared with continued controls. Chase Econometrics, Inc., estimates the U.S. supply response at 2,400,000 barrels per day in additional crude oil by 1985. Every one of these barrels would replace foreign oil imports—which might not be available to the United States in 1985.

In June, at the economic summit in Japan, the President promised the leaders of the other Western industrialized nations that the United States would take strong steps to reduce our oil imports between now and 1985. Only if we allow the President to gradually remove crude oil price controls can this commitment be met.

It is clear that decontrol is necessary for the long-term health of the U.S. economy. Extension of controls will have a disastrous impact on U.S. production and consumption. In addition, it would demonstate to the rest of the world that the United States does not take its international obligations seriously.

I strongly urge my colleagues to vote against any attempts to trade away the future economic welfare of this country and vigorously oppose extension of price controls on crude oil.

Mr. Chairman, I would like to take just 1 minute to say a word with reference to our colleague, the gentleman from Pennsylvania (Mr. RITTER).

The gentleman from Pennsylvania (Mr. RITTER) as many of my colleagues know, is unusual in that he is one of the very small handful of Congressmen with technical backgrounds. As such, he offers a different and valuable insight to the legislative process, especially on issues such as energy and technology, about which his background gives him a special familiarity.

For my colleagues' information, I might note that Mr. RITTER received his doctor of science degree from the Massachusetts Institute of Technology. He has served as a professor on the faculty at a university which is distinguished nationally for the excellence of its scientific and technical programs, namely, Lehigh University in Bethlehem, Pa. More recently, Mr. RITTER managed the development of new research programs for nearly 10 years at Lehigh across a broad cross-section of fields, in science and technology as well as the social sciences and humanities, before his election to Congress last year. Previously, he had also served as an engineering consultant to various firms in the materials field.

I would suggest that the Congress has too few of such technically trained Members—we can count them on the fingers of one hand. We could use more people of his quality and ability in the Congress.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I want to compliment the gentleman from Ohio for the leadership he has given to the House with respect to the decontrol question. I think it is not only paramount that the amendment to stop decontrol is defeated, but actually what we should be doing here is to take out this entire section of the bill where we have given the Department of Energy the ability to go in and allocate and disrupt the retail distribution and wholesale distribution of petroleum products in the country. That part of the bill is the part I find very obnoxious, and it is unfortunate that it is in the bill. If anything, we ought to be getting rid of the entire segment immediately, now, and get those people out in the private sector doing something worthwhile.

I thank the gentleman for his leadership on this.

Mr. DINGELL. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. PRICE) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 25, 1979:

H.R. 4289. An act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

On July 26, 1979:

H.R. 4537. An act to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENT OF ENERGY AUTHORIZATION ACT FOR FISCAL YEARS 1980 AND 1981—CIVILIAN APPLICATIONS

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I rise in support of H.R. 4839 as an amendment in the nature of a substitute for H.R. 3000, the Department of Energy authorization for fiscal year 1980. This is a clean bill representing the substantive agreements of the chairmen of three committees of jurisdiction and I think it is a good and comprehensive recommendation.

I want to briefly discuss some provisions of the bill of particular interest to the Committee on Interior and Insular Affairs. Perhaps our most concerted effort went toward development of an amendment requiring the Secretary to provide us with a justification and cost report on Federal and private provision of away-from-reactor interim spent fuel storage. I worked with my colleague Mr. SHARP and with the Commerce Committee to send a clear message to the Department. This committee is interested in helping to solve a problem which the nuclear industry has at least in part as a result of Federal policies or lack of

action. The committee is willing to support Federal provision of away-from-reactor storage space for nuclear spent fuel if it is necessary. But the committee believes the Department in its spent fuel storage proposals has not given adequate consideration to the extent to which the nuclear industry is undertaking to solve its own problem, or of the additional measures realistically available to the utilities. We did not have enough information on storage capacity requirements, possible storage sites, or storage costs to proceed this year with a program. We hope that the Department will complete the study and have the results back to us in time to allow us to make a decision on this issue for next year's authorization.

With regard to foreign spent fuel, H.R. 4839 includes a $5 million authorization for the Secretary to begin immediately preparing to receive any nuclear fuel which might have to be removed from foreign reactors for nonproliferation reasons. Although the Secretary is authorized to undertake certain kinds of construction activities, which might include physical modifications of existing federally owned facilities, the provision is not in any way intended to authorize the Secretary to acquire or construct new storage capacity for spent fuel.

No changes were made in the administration budget for requested civilian waste management programs, although the Secretary is required to report to the Congress with regard to its progress in selection of sites for commercial high level waste repositories, and with regard to its activities resulting from the recommendations of the Interagency Review Group on Nuclear Waste Management.

H.R. 4839 does include a new program to begin cleaning up high level wastes resulting from a commercial reprocessing operation at the West Valley, New York Nuclear Fuel Services Center. The Committee on Interior and Insular Affairs held a hearing on the amendment proposed by the Science Committee and received testimony from the Department and from the Nuclear Regulatory Commission, among others, explaining the remedial and the research and development aspects of the project. The Committee feels that Federal assistance to the State of New York represented by the amendment serves three purposes: First, Appropriately involves the Federal Government in helping to pay for certain clean-up activities at the site, including waste solidification and transportation and facility decommissioning; Second, Helps to remedy what is over the long term a serious health and safety problem, and Third, Provides an opportunity to conduct research and development activities relating to liquid high level waste solidification which will be useful to our national waste management program. The Committee will continue to oversee the regulatory, remedial and health and safety aspects of this program.

The budget for another remedial program, the uranium mill tailings cleanup, was increased by $5 million, to bring the total for decontamination and decommissioning activities in title V of the bill to $28,000,000. The committee believes that carrying out the mandates of the Uranium Mill Tailings Control Act should be a top priority of the Department since it clearly affects the health and safety of populations now exposed to tailing piles.

The Committee agreed to an amendment recommended by the Commerce Committee requiring the Secretary to study a uranium mill tailings pile at Edgemont, S. Dak. for possible eligibility for remedial action under the Uranium Mill Tailings Control Act. The Committee notes that the site could only be included if inclusion were consistent with the provisions of the act. The act prohibits inclusion of tailings piles under license by the Nuclear Regulatory Commission and contains other constraints on eligibility.

Funding for the uranium enrichment program is recommended to be increased for fiscal year 1980 by $70 million, applicable to the Portsmouth gas centrifuge project. This increase corrects an error in the administration budget request and does not change the total project authorization.

Section 702 of the bill would require the Secretary to develop a program to improve the training of commercial nuclear reactor operators. The Interior Committee is continuing its oversight of the recent nuclear accident at the Three Mile Island plant in Pennsylvania, where inadequate operator training contributed significantly to the severity of damage. The Committee hopes that in developing a training program, the Department will pay special attention to the lessons of Three Mile Island as determined by the congressional inquiries, the President's Commission and the Nuclear Regulatory Commission. Five million dollars is recommended to be authorized to carry out this program.

The Department's budget for international activities is recommended to be increased by $10 million to provide energy planning assistance primarily for less developed countries.

For programs in titles IV, V, and VII of H.R. 4839, the Interior Committee and the other committees of jurisdiction are recommending budget increases totaling $103,281,390. Of that, as noted above, $70 million for uranium enrichment programs does not represent an increase over the President's budget but rather corrects an arithmetical error by the Department.

Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. SHARP) and wish to thank him for the outstanding work he has done on our committee on this legislation.

Mr. SHARP. I thank the chairman of the Committee on Interior and Insular Affairs and just wish to add my voice in support for H.R. 4839, the amendment in the nature of a substitute for H.R. 3000, the Department of Energy authorizations for fiscal year 1980.

I would just briefly like to call the attention of our colleagues to title V regarding spent fuel. We have worked out an arrangement between the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs to address for the orderly and expeditious consideration of the serious question of what to do about spent fuel, how to provide for interim storage in this country. We have set up a procedure to help us identify more clearly the need for away-from-reactor storage, to see to it that the Department of Energy is able to identify potential sites for such storage, and to place the Congress in the position next year, when we consider the authorization bill for 1981, of being able to make a decision as to whether or not to purchase one or more of these sites and in what manner we should proceed with the serious question of away-from-reactor storage.

I thank the gentleman for yielding.

Mr. UDALL. Mr. Chairman, I reserve the balance of my time.

Mr. SYMMS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in reluctant support of H.R. 3000 and more particularly the substitute amendment, H.R. 4839, which represents a consensus between the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

I must say, Mr. Chairman, that although the committees have reached a consensus on substantive issues and funding levels for the various DOE programs in fiscal year 1980, the House should look closely into the jurisdictional issues that seem to delay the authorization process and consider ways to more rationally delineate committee jurisdictions to the extent that overlaps and joint referral situations are minimized. We are criticized because we cannot report authorizing legislation in a timely fashion, and the result is that the appropriating committees are acting in the absence of guidance from the authorizing committees. This situation appears to be the rule rather than the exception. I would urge the Speaker to take steps to remedy this problem before the 1981 fiscal year authorization is before us.

Having said that, Mr. Chairman, I would like to make a few comments regarding the authorization measure before us. I will comment on two sections of the bill in which I have a particular interest. One of these sections that I believe is important is section 502 of H.R. 4839. In this section we authorize $5 million for a study to look into the need for interim storage of spent fuel from nuclear reactors in the near term. While I am not one who supports studies by the bureaucracy in general, I do believe that we must look into this very real and serious problem. Estimates from the nuclear industry indicate that if we do not have the capability to store on an interim basis spent fuel from commercial reactors by 1984, at least three nuclear facilities will have to shut down.

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I do not have to tell my colleagues the seriousness of having such situation arise. I believe that the study called for in section 502 will provide information upon which we can act to develop such storage capacity and, thereby, avoid shortfalls of electrical generating capacity by 1984.

Another important section of this bill upon which the Committee on Interior

and Insular Affairs and the Committee on Science and Technology have worked closely is section 105. Of particular importance is the provision dealing with the West Valley, N.Y., service center and the nuclear waste issue associated with that facility. I believe that this provision marks one of the first real attempts to come to grips with the nuclear waste issue.

As my colleagues know, this section authorizes the Secretary of Energy to carry out a high-level nuclear waste management demonstration project whose purpose is to vitrify the liquid waste at the center and, thereby, provide a safer means for transporting and disposing of it in the future. Of course, none of this would have been necessary if the current administration in their antienergy policies would not have abandoned our capability to reprocess nuclear waste and to further utilize the same waste in breeder reactors which we appear to have abandoned also.

I would urge my colleagues to support this provision.

The foregoing are two provisions of the measure before us which I specifically wanted to comment on, although I do support several of the other research and development projects.

I think in general this bill is a Catch-22 situation, as the gentlewoman from Colorado mentioned. The gentlewoman mentioned some of the mismanagement of the Department of Energy. I think we all know the nightmare DOE has caused in their allocation and price regulation in the retail and wholesale distribution of petroleum products. Certainly that part of the Department of Energy should be abolished. It should not be out into the future, it should have happened yesterday. I think it does put those of us in the Congress in a Catch-22 situation since this is all one big package.

I believe personally we were in a much better position as a country to come to grips with those things where we wanted Government involvement in basic research and development with the old ERDA Administration, rather than trying to put all of this business into one big department and have it managed under a multibillion-dollar package which makes it much more confusing and much more difficult and allows for much more bureaucratic slowdown.

Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico (Mr. LUJAN).

Mr. LUJAN. Mr. Chairman, I support H.R. 3000, the DOE authorization bill, which I feel sets a reasonable agenda for the department on the coming fiscal year. However, I must qualify my endorsement of this legislation by expressing concern with the fact that it does not go far enough in some areas. My remarks today will concentrate on the breeder reactor, reprocessing, high temperature gas cooled reactors, and geothermal energy.

BREEDER REACTOR TECHNOLOGY

I wish to express my opposition to the counterproductive breeder reactor policy of the Carter administration. If the United States follows such a policy it will permanently surrender world leadership in the use of a very valuable energy source. The breeder's proliferation risks are definitely manageable under modern safeguards and these concerns do not justify scrapping research and development of this nearly limitless source of energy.

REPROCESSING

We have a recommendation that $10.5 million be spent on research and conceptual engineering studies at the Barnwell Nuclear Fuel Plant in South Carolina. This plant uses a process whereby fast reactor fuels, which are generically similar to light water reactor fuels, are reprocessed by using the same base technology. Although new equipment concepts and additional process steps must be developed, long-range additional process steps must be developed, long-range considerations make this project an integral part of a viable nuclear program sustained by the Congress.

On the other hand, I was dismayed to see the committee allow a considerable reduction in the development of the high temperature gas-cooled reactor fuel recycle program. Although there are some points in favor of reorienting this program to the direct-cycle concept, on balance I think that this technology is more efficient and marketable than its detractors contend and that funds earmarked to it will barely sustain a "critical mass" of talent.

In section 124 of this bill, the committee has taken a strong position on the question of spent fuel versus high level waste. We have included a prohibition on deep geological burial of spent fuel under any of the authorized research, development, and demonstration activities in civilian waste management. This Nation cannot afford to even consider wasting the precious energy in the uranium and plutonium of spent fuel assemblies.

Also, although there is no provision on this bill for funding the Rigatron concept, I am consoled by the fact that DOE has promised to review this concept carefully because of its great potential.

GEOTHERMAL ENERGY

Another source which this Nation has in ample supply is geothermal energy. In modifying the administration's budget for various programs, the committee recommended an increase of $500,000 over the DOE request for geothermal. I was particularly pleased by the increase in the authorization for technology to extract energy from hot dry rock where my amendment was adopted at full committee. The purpose of this add-on is to cover the rapid escalation of drilling costs for the geothermal exploratory well at Los Alamos Scientific Laboratory, where significant progress in this technology has been made.

Mr. Chairman, I must say that although certain funding does not go as far as I would like, it is a very good bill and should be given the strong support of my colleagues in the House.

Mr. UDALL. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. BLANCHARD).

Mr. BLANCHARD. Mr. Chairman, I rise in support of H.R. 3000. One area I would like to focus on is the area of wind energy. Our Nation has traditionally depended upon fossil fuel resources to meet its energy needs. Now we are caught in a situation where the availability of those fossil fuel sources is declining and their cost is soaring to unbelievable heights. We must find viable alternatives and we must do so now. Perhaps we will find that there is no one answer to the energy problem. But it is incumbent upon us to explore all possible alternative energy sources to assess the contribution each might make toward meeting our energy needs.

The winds which blow over the United States provide a virtually inexhaustible source of energy, with a total power capacity estimated at 100,000 gigawatts of electricity.

Experts believe that if this resource could be tapped successfully it alone could provide at least 2 percent of our national energy needs by the year 2000—or as much as the Alaskan North Slope oil fields.

The DOE wind energy program is seeking ways to efficiently and cost-effectively harness this energy. A measure of the importance the Science and Technology Committee attaches to these efforts can be seen in the committee's approval of wind energy authorizations for fiscal year 1980 which, at $75.4 million, are more than double the authorization for fiscal 1978.

As an indication of the level of development which wind energy has reached, I would like to cite the final report of the Research, Development and Demonstration Panel of the President's Domestic Policy Review of Solar Energy.

The panel found that, and I quote, "there are no technological breakthroughs necessary" for development of wind energy. It said further that DOE anticipates that "advanced systems currently in the conceptual state will be capable of producing electricity at a cost of from 1½ to 3 cents per kilowatt hour." If the low end of that range is reached, wind energy will be competitive with our least expensive sources of conventional power.

The DOE program is well underway. By this fall, DOE will have three 200-kilowatt wind machines installed and producing electricity, as well as its first megawatt-scale machine, a 2-megawatt system located in Boone, N.C.

In considering the DOE budget request of $67 million, the committee judged that the interests of the wind program would be best served by selected increases, decreases, and rearrangements of support for different program elements.

I strongly support the accelerated efforts called for by the increase in funding for the MOD-2 wind farm which will be comprised of four 2½-megawatt machines—an increase of $4 million—advanced work on the MOD-3 advanced megawatt wind generator—$10 million—and the additional funding of $1.4 million for wind characteristics studies. These increases, I believe, will serve to fund those efforts which will give us the greatest return on our dollar investment in wind energy.

I might also add that I have been sufficiently impressed by the potential of wind energy to join with Mr. MINETA and Mr. JEFFORDS in introducing H.R. 3558, the Wind Energy Systems Research, Development and Demonstration Act of 1979, which would establish a $1 billion 7-year research and development program aimed at making wind energy cost-competitive and bringing it into widespread use. To date, we have been joined in that effort by 81 other Members of the House.

Mr. Chairman, I am convinced that the increase in wind energy funding called for in H.R. 3000 is essential to a balanced wind energy program. I urge my colleagues to support this measure and its provisions funding this promising technology.

Mr. SYMMS. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I take this time to say that during the 5-minute rule I am going to offer an amendment cosponsored on behalf of myself and my California colleagues (Messrs. LEWIS, THOMAS, LUNGREN, COELHO, MINETA, CLAUSEN, and ROUSSELOT) that will earmark some funds in the bill for development of refinery techniques for heavy oil.

As the Chairman and my colleagues know, the President in his energy message of July 15 proposed special treatment for heavy oil—immediate decontrol and exclusion from the windfall profits tax. Inasmuch as estimates are that there are some 100 billion barrels of heavy crude oil in place in the United States, and inasmuch as there are some 1 trillion barrels of such oil in Canada, we can see that this is a very important potential energy resource. However, Mr. Chairman, unless this oil can be refined the resource is going to go largely untapped, unused, and will not add to the energy base.

Mr. Chairman, I think this amendment will go a long way in at least helping to demonstrate Government concern. I had originally intended to offer an amendment providing some $30 million. In discussions with the committee we have agreed to lessen that amount to $2 million, but at least that will start the process and perhaps in the Senate additional time will be available to work out something that will be of more immediate help.

□ 1220

Mr. SYMMS. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding. I do not know to whom to address these questions, but I have questions.

I notice here that we are taking immediate steps to prepare for removal of U.S. spent fuel from foreign countries.

How can it be that we are intending to give asylum or to act as a place for refuge for the waste nuclear products of other countries?

I understand that the reason given is because we turn off their supplies of uranium if they do not send the spent fuel back; but we still have not solved to the satisfaction of everybody in this country the disposal of our own waste.

How can it be that we are still intending to give asylum and to store the wastes of foreign countries who happen to buy our uranium? That is question No. 1.

The other program I would ask about is the $2.7 million for nuclear energy programs and only $1.3 million, less than half, for renewable sources and for conservation.

Now, that seems to me not a very fortunate division of resources. I ask for the reasons for that.

I would like to know how much is going into the fusion program, which I suppose is under the nuclear energy umbrella of $2.7 million. These are some of the questions and I would be grateful for answers.

Could we have them?

Mr. McCORMACK. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I would be happy to yield.

Mr. McCORMACK. Mr. Chairman, the program to store spent fuel from foreign countries is an administration program which is designed to attempt to dissuade certain foreign countries from reprocessing their own fuels. It makes sense from whichever way you approach the question. The administration is trying to reduce the potential for weapons proliferation. I applaud the attempt. I think it is rather meaningless, because I do not expect anybody is going to try to make weapons from nuclear fuel. It is too expensive and the weapons quality is too poor.

On the other hand, some foreign nations may only have 1, 2, 5, or even 10 nuclear powerplants and that does not justify a reprocessing plant.

Mrs. FENWICK. But what are we going to do with it?

Mr. McCORMACK. Well, ultimately it will be reprocessed in this country and the 98 percent of the fuel that is still there will be reclaimed.

It is important to understand that each spent fuel bundle has the energy equivalent of between 8 and 10 million barrels of oil. It is an extremely valuable energy process.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. FENWICK) has expired.

Mr. SYMMS. Mr. Chairman, I yield my 1 remaining minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. McCORMACK. Mr. Chairman, will the gentlewoman yield for the other half of the gentlewoman's question?

Mrs. FENWICK. I yield.

Mr. McCORMACK. Mr. Chairman, the gentlewoman mentioned the ratio of the cost of nuclear energy research and development demonstration as compared to renewable resources. The nuclear energy program includes all the fission program and all the fusion research and all the uranium enrichment for our nuclear powerplants. It is all included in that one big block of money.

It is not nearly so lopsided as one would expect if one breaks it down.

Mrs. FENWICK. How much is for fusion?

Mr. McCORMACK. About $343 million for magnetic fusion and then about $156 million for inertial confinement fusion, part of it in this bill and most of it, $146 million, in another bill.

Mrs. FENWICK. Something over $500 million, then?

Mr. McCORMACK. Approximately, yes, all told.

I should point out that nuclear energy is much further advanced than solar or geothermal energy and this means.

Mrs. FENWICK. I know.

Mr. McCORMACK. For this reason, because nuclear energy is more advanced, we are now at the point in time where the facilities needed to support the nuclear program are much larger and inherently more expensive.

For this reason the larger nuclear expenditures are justified. While these larger projects cost more, the payback is more energy per dollar later on; so you cannot really compare nuclear technology with a younger technology. It is an apples and oranges comparison.

You can do solar energy research in your garage, but it takes $50 million to even start a nuclear research laboratory.

● Mr. CLAUSEN. Mr. Chairman, the bill contains funding for our civilian energy programs.

Of particular importance is the emphasis the bill places on general energy conservation and the use of renewable energy technology. These programs are an essential part of our drive toward energy independence.

The bill authorizes the funds needed by our various power marketing administrations to undertake programs to promote energy efficiency and to allow them to purchase and construct facilities which use sources of energy such as wind, geothermal, solar, and wood waste.

The use of these renewable, clean energy sources is consistent with our environmental objectives as well as our goal of our energy independence.

The bill also addresses a very important nuclear issue, the future of our nuclear waste management program. The problem of permanent, safe disposal of nuclear waste is one of several key issues which needs to be resolved before we consider moving ahead with further development of nuclear power.

Our bill directs the Department of Energy to provide a report on its implementation of the recommendations of the President's Interagency Review (IRG) Group on Nuclear Waste Management.

Foremost among these policy questions is whether or not we should move ahead quickly to choose a permanent storage repository. Our report provisions will allow us to closely monitor the Department's activities in this field.

An interim issue is the question of the away-from-reactor storage of spent fuel. I concur with the position taken by our distinguished chairman of the full Interior and Insular Affairs Committee (Mr. UDALL) that we must have access to adequate storage facilities to meet our domestic and nonproliferation goals.

If there is any possibility or threat of

the misuse of fuel of U.S. origin from foreign reactors, we must be prepared to move swiftly to withdraw the fuel, return it to the United States, and safely store it in existing Government facilities. Five million dollars is authorized in our bill to permit the preparation of these emergency contingency plans.

Our portion of the authorization adequately addresses our vital civilian energy programs under the jurisdiction of DOE, and I urge my colleagues to join our committee in supporting this important legislation.●

Mr. ROSTENKOWSKI. Mr. Chairman, as my colleagues are aware, the subject of the various applications of atomic power is most timely. Related to this fact is the complexity of this issue. In particular, H.R. 3000 had to be addressed by four standing committees of this body. At the outset, I want to express my appreciation to the four committee chairmen for their efforts to bring this measure before us today.

Mr. Chairman, I want to voice my strongest support for a vigorous continuation of the Clinch River breeder reactor project. The information which this project will provide us is essential to the development of an effective national energy policy. If we are ever to achieve our goal of energy independence, we must act now to insure that we will have the option of deploying the commercial breeder reactor in the next decade. I am as concerned as any about the horrors of plutonium proliferation, and I am anxious to see strict international safeguards agreed upon, but I cannot let the doors be closed on two decades of breeder research when the energy needs of this Nation are so pressing.

I strongly believe that the future of this Nation is linked to the discovery of a commercially feasible, virtually inexhaustible energy source. That source appears to be the breeder reactor. We know that the breeder is an inexhaustible source of energy. The crucial Clinch River project will tell us if it is commercially feasible. This is not an outright commitment to commercialization. The Clinch River project is designed only to demonstrate and determine the feasibility of producing electricity with a commercial-scale breeder reactor.

This Nation is in the midst of a worsening energy crisis. As elected representatives, we have a responsibility to vigorously pursue alternative energy source research. We can no longer depend on exhaustible fuel sources—be they fossil fuels or uranium—to satiate our growing energy needs. It would be folly to become dependent on another exhaustible resource when we have the alternative of a virtually inexhaustible form of energy.

At present, the breeder reactor is the only nondepleting energy system in the later stages of development. While conventional reactors use only 1 to 2 percent of the potential energy in uranium, breeder reactors will use as much as 60 percent of this precious energy source. In addition to their very obvious advantages in fuel economy and conservation, breeder reactors also have environmental advantages. Breeders discharge less heat than current nuclear reactors and, unlike conventional reactors, they do not pollute the air with combustion products. Breeders will also eliminate the need for large-scale mining operations which scar the land. Indeed, much of the uranium for breeder reactors has already been mined and is available in residue and tailing reserves.

To abandon Clinch River now would be to throw away 25 years of research. We must realize that if we terminate or defer the project now, it will be more difficult to reassemble the scientists and technicians at a later date.

Construction costs, and other related expenses, will only rise the longer this essential project is delayed. Presently, the total cost of the Clinch River project will only be a fraction of our annual expenditures for OPEC oil. This comparison is even more poignant when we realize that the breeder would tap an energy source immeasurably greater than all known OPEC reserves.

The dangers of a plutonium economy are not significantly greater than those of a conventional uranium economy. Though uranium does not offer an instant weapons capability, weapons can be made from enriched uranium or the plutonium currently being produced as a byproduct of fission in conventional reactors. In fact, the nuclear weapon fabricated by India was made with plutonium from a conventional Canadian light water reactor.

It is unreasonable to assume that Western European nations and Japan will abandon, or even defer for any lengthy period of time, their breeder research programs when 80 to 90 percent of their energy is dependent on imported oil. In fact, since the President announced his decision to curtail our breeder program, Western European nations have signed a pact to continue their own breeder research programs regardless of the American position.

The fact that other nations are pursuing policies which might lead to proliferation of weapons-grade plutonium does not make it right for us to pursue a similar policy. But we cannot hope to stop proliferation by unilaterally withdrawing from the breeder community. And we cannot expect a strong voice in international nonproliferation negotiations if we are not on the breeder team.

Mr. Chairman, I want to see an America strong enough to stand free of the tight reins of OPEC oil, strong enough to take a lead in offering developing nations needed energy security, and most importantly, strong enough to make a commitment to energy independence. To take these leads, we must vote for full funding of the Clinch River Breeder Reactor project.

● Mr. SANTINI. Mr. Chairman, I rise in opposition to the amendment offered by Mr. GOLDWATER to H.R. 3000 which would require the Department of Energy to construct a nuclear waste facility by 1985.

I am particularly disturbed by the provision mandating that DOE examine the Nevada test site and Hanford, Wash., locations. The purpose of this amendment is not clear. DOE is already spending considerable time and energy studying the feasibility of locating a long-term storage site in Nevada as well as other locations. The following is a response by the Department of Energy to several questions I asked in June 1979. It indicated why no decision can be made on the specific location of a waste site prior to 1984.

WASTE MANAGEMENT QUESTIONS ON NEVADA FROM CONGRESSMAN JAMES SANTINI

Q1. What is the expected date of selection for the sites?

A1. The primary mission of the Nevada Test Site (NTS) is to provide a location for testing of nuclear weapons. It has been agreed between the Waste Management Program and the Weapons Test Program that areas available for consideration for a radioactive waste repository would be limited to the southwest corner of NTS. A major Waste Management Program Milestone for NTS is the determination at the end of FY 1979 whether any major hydrologic or geologic impediment existed at the NTS that would preclude its selection as a location for a repository. At this time several specific sites on NTS have been considered, evaluated and rejected on a technical basis as potential locations. They include Syncline Ridge, Calico Hills, Topopah Wash and Wahmonie Stock (see Tab A). If no major impediments are identified, evaluation of the remaining areas could result in a positive determination on site selection by 1984. The current area of consideration is limited to Yucca Mountain.

Q2. Is any preliminary data available on whether Nevada meets hydrological and geothermal criteria?

A2. Preliminary data is available that indicates that Nevada has many attractive areas from a hydrologic and geotechnical viewpoint. However, since the bulk of the work has been limited to the NTS, it is not possible to indicate whether Nevada meets hydrological or geothermal criteria. On the NTS several areas, as noted in the answer to Question 1, have been shown to be unacceptable from a geological viewpoint. For the remaining area on NTS all the data will not be available to make a positive decision to the acceptability until 1984. However, it could be possible before 1984 to make a determination that there is some impediment that would disqualify it.

Q3. Has a decision been made to use granite formations rather than salt formations for storage?

A3. A decision to use granite formations rather than salt formations for storages has not been made. While questions have been raised about the use of salt formations no decision has been made concerning its use. Research work is still underway to provide answers to the questions that have been raised. Granite formations have been suggested as potential geologic media that would be suitable for disposal of radioactive waste. Research work, including that at NTS, is underway to determine if granite can provide the isolation of radioactive waste. The Climax Stock granite, site of the spent fuel test, is an area which has been reserved for nuclear weapons testing and is not available to the waste program on a long-term basis for consideration as a potential repository location.

Q4. Would the site of a storage facility in or near the Nevada Test Site preclude the use of the site for continued weapons testing?

A4. Technical studies indicate that, with proper siting and design of a repository, long-term isolation of radioactive waste and continued use of the NTS for weapons testing could be compatible. In addition, administrative action has also been implemented that reserve the northern quadrants of the site for future weapons shots.

Q5. I understand that spent fuel from

Turkey Point, Florida will be transported to Nevada this summer for use in an experiment. Are similar experiments being conducted in other locations? If not, is this an indication that Nevada is high on the list of sites to be selected? What precautions are being taken to prevent accidents?

A5. Thirteen (13) commercial spent fuel assemblies will be transported to Nevada from Turkey Point, Florida this summer and fall. These assemblies will be canistered in stainless steel containers at the Engine-Maintenance and Disassembly (E-MAD) Facility and, at any one time, eleven (11) will be emplaced at the Spent Fuel Test Facility which is located in the Climax Stock granite formation at NTS. The purpose of this experiment is to obtain generic, not site-specific, data on the physical response of a large granitic rock mass to thermal and radiation effects from emplacement of radioactive waste (see Tab B). Similar experiments have been performed in a bedded salt formation at Lyons, Kansas and are being planned in a basalt formation at the Hanford Site in Richland, Washington. NTS has been chosen because the facilities are available to conduct the test, not because of repository siting considerations.

Our shipments of spent fuel assemblies will be made in a Nuclear Regulatory Commission (NRC) approved and certified shipping container (casks). Such shipments will comply with the requirements of the certificate of compliance governing the use of the cask and will be made in accordance with all Federal, state and local regulations applicable to the transport of hazardous materials. The transport carrier responsible to accomplish the transport of the cask containing the spent fuel assemblies has trained drivers who are knowledgeable of the rules and regulations applicable to shipments of hazardous materials. As the shipments move from origin to destination, as in the past, the Nevada Operations Office will require the carrier's central dispatch office to furnish in-transit passing reports so that the general location of each shipment will be known each time the report is provided.

Precautions are also being taken to prevent accidents associated with spent fuel transportation, operations, and testing performed on the NTS. A comprehensive Safety Assessment Document is being prepared and is scheduled to be published in January 1980 which will address all of the safety-related issues of the Spent Fuel Test—Climax (SFT-C). This document is presently in preparation and is scheduled to be published in January 1980. A Table of Contents for this document is enclosed for your information (see Tab C).

The receipt and canistering of the spent fuel for the SFT-C to be performed later this year will be carried out in accordance with procedures established and approved for the Spent Fuel Handling and Packaging Program Demonstrations. NVO-198, "Safety Assessment Document for the Spent Fuel Handling and Packaging Program Demonstration at the Nevada Test Site," December, 1978 provides the published assessment of the safety-related issue of the operations conducted at the E-MAD Facility including canistering the spent fuel and placement in lag storage. The Safety Assessment Document for the SFT-C will address the safety-related issues pertinent to the operation commencing with loading the canistered spent fuel at E-MAD for transport to the SFT-C storage location. No spent fuel assemblies will be moved to the Climax Stock without completion and approval of the Safety Assessment Document and procedures applicable to the SFT-C.

Q6. Will the governor of each state have the right to approve or disapprove site selection?

A6. The DOE supports the Interagency Review Group (IRG) position on this question, which is that the technical and social-political and social-political success of the waste management program will largely depend on effective state participation in the process and is committed to provide the states a substantive, participatory role in the program. The IRG has recommended that the President establish by executive order an Executive Planning Council to consist of selected governors, selected Indian nation representatives, officials of national organizations of state and local governments and representatives of DOE and other Federal agencies. This Executive Council will (1) identify joint Federal-state planning activities in nuclear waste management and (2) identify and agree on the appropriate existing or new mechanisms and time tables for carrying out such joint activities.

By use of the expression "state veto" the IRG means the possibility that a state could at one specific moment approve or disapprove Federal site investigation activities or a proposal to site a repository or other facility. This veto concept as used did not include an ongoing dialogue and cooperative relationship between Federal and state authorities. By contrast the suggested program of "consultation and concurrence" implies an ongoing dialogue, and the development of a cooperative relationship between state and all relevant Federal agencies during program planning and the site identification and characterization programs on a regional basis. Under this approach the state effectively has a continuing ability to participate in activities at all points throughout the course of the activity and if it deems appropriate, to prevent the continuance of Federal activities. The IRG believes that such an approach will lead to better protection of the states' interests than would a system of state veto.

The Nevada Operations Office of DOE has for many years maintained good communications with officials in the State of Nevada government. This spring Governor List received a complete briefing on the commercial nuclear waste storage investigations in Nevada. Members of the Governor's staff including officials of the Nevada Department of Energy and the State Planning Coordinator's Office have been invited to all of the formal technical review sessions on the nuclear waste program conducted by the Nevada DOE office before technical experts from the scientific community who are not part of the nuclear waste program. In addition, one half of the technical reviewers themselves are made up of experts from the Nevada scientific community including the University of Nevada, Las Vegas, the Desert Research Institute of the University of Nevada, Reno and the Mackay School of Mines. The involvement of these Nevada personnel from the early days of this program and the inclusion of their comments on the program's work from the beginning will help assure that if a repository site is found on NTS, it will be acceptable to the State of Nevada.●

● Mr. GONZALEZ. Mr. Chairman, this morning I received a letter from the President, which I assume each of my colleagues also received, in which the House is urged to reject the Moffett amendment. That amendment would restore price controls on domestic oil production.

In order that the record can be clear on the President's position, I ask consent to make his letter part of the RECORD. Further, to make clear my own feeling about the energy program in general and the question of controls in particular, I ask consent to enter my reply to the President in the RECORD.

It is important to understand that oil prices have always been administered, and not subject to market forces, since the emergence of the industry in its modern form. Originally, the industry was monopolized by Standard Oil. After Texas became the dominant producer of oil in this country, production levels were determined through monthly action of the Texas Railroad Commission, which worked closely with the oil industry. This control of production levels maintained prices at the levels desired by the industry. In today's world the floor price of oil is set by OPEC. In short, decontrol of domestic prices does not mean a return to the market as the term is normally used; it merely means letting American prices enjoy the floor set by OPEC. The question is really one of whether our oil production will be priced through a public mechanism or through one controlled by the world oil cartel.

Beyond that, of course, there is the bald fact that decontrol is intended as much to discourage consumption as anything else. The misnamed and misdirected windfall profits tax assures that any production incentives afforded by higher prices will be minimized. Meanwhile, the tax will reward foreign production.

The control of oil prices holds no charm for me, since I oppose price controls in the general sense. But we are not dealing here with a commodity whose price has ever, in modern times, been set by the forces of a free market.

THE WHITE HOUSE,
Washington, D.C., July 26, 1979.

Hon. HENRY B. GONZALEZ,

TO MEMBERS OF CONGRESS: Soon the House of Representatives will consider an amendment to the Department of Energy Authorization Act designed to repeal the program of phased decontrol of crude oil which I announced last April 6 and which began June 1.

I urge you in the strongest terms to join me in opposition to this amendment. Phased decontrol involves sacrifice. But it is and must be a critical component of our national effort to achieve energy security. As such, phased decontrol is essential to our national security.

By itself the decontrol program I am implementing will increase production by 1 million barrels per day by 1990. It will also encourage conservation and use of alternate forms of energy, such as solar power.

In combination with a fair windfall profits tax such as I have proposed and the House has enacted, phased decontrol permits the major national investment required to cut our oil import needs in half over the next decade, and to help our neediest citizens meet the burdens of rising energy prices. The $140 billion of investments I have proposed over the next ten years—in alternate energy sources, in conservation, in mass transit and auto efficiency, and in aid for those in need—are critically dependent on oil decontrol and an adequate windfall profits tax.

The war against energy dependence will involve all of the citizens of our country—in their homes, in their workplaces, in their communities. But it must begin with you. With your help, I am convinced that the House of Representatives will act with courage in the national interest.

Sincerely,

JIMMY CARTER.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 26, 1979.

Hon. JAMES E. CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have just been handed your letter asking that the House defeat amendments to the Department of

Energy authorization bill, which are intended to keep oil price controls in effect.

You recognize, I know, that your legislative program has been one that I have consistently supported. I voted for the standby gasoline rationing program; and for many other proposals that required me to face considerable opposition. I point this out so that you will understand that my position on decontrol has nothing to do with what you have called "timidity" on the part of the Congress in dealing with energy issues.

I understand clearly that higher energy prices will tend to discourage consumption, simply by pricing fuel out of reach of those least able to afford it. And I, likewise, understand that higher prices should encourage greater efforts toward production. But there are so many inconsistencies in the energy program that I feel compelled to vote for the amendment on maintenance of price control.

For many months, I have patiently tried to explain to your advisers that the coal conversion policy is in direct conflict with transportation policy, and that coal conversion is, in fact, being hampered, if not defeated outright, by high transportation costs allowed by the Interstate Commerce Commission, costs which are supported by the Department of Transportation and opposed (correctly) by the Department of Energy. Most recently, I wrote to ask that you take a personal interest in this policy conflict, and that you settle firmly on the side of coal users. I hope that you will do this.

With respect to oil pricing, it is clear that higher prices will discourage consumption by those who are least able to afford higher prices. Yet, you have also proposed that certain consumers be given subsidies. I submit that it makes little sense to subsidize consumers in one part of the country while throwing the full burden on others who are equally in need of help. People in my part of the country have seen their home heating bills triple, and quadruple, without a glimmer of concern from official Washington, a record that stretches through three administrations. Now it is proposed to subsidize still further users of imported heating oil. This is blatantly unfair. Meanwhile, the ordinary working people of my area, and the poor, not only are to have no utility help, but are to have no help with rising transportation costs. These consumers have suffered in patience, only to see an energy program that clearly ignores their needs, even as it provides help to others, in other parts of the Nation. I cannot explain in any satisfactory way how this can be fair. Clearly, it is not fair.

The windfall profits tax passed by the House is not, I feel, a constructive one. It is, in fact, not a tax on excess profits, but a severance tax. The tax strikes at the producer level, which is where the greatest incentives need to be, instead of at the integrated oil company level, which is where the excess profits lie. Indeed, by failing to address excess profits, the tax exempts foreign production and thereby creates a double disincentive for oil independence. It discourages independent domestic exploration and production even as it rewards foreign production.

Please be assured that I have no doubt of your sincerity. You know that I have supported you on many difficult issues, without regard to my own political interests. My position is, I emphasize, one of disagreement, not political timidity.

Like you, I believe that this country has no choice but to do those things which will weaken the power of oil exporting countries over us. Like you, I believe that the task is urgent. Like you, I believe that the struggle will be long and hard, and that it must involve each one of us. It is a matter of the most profound regret that I must say that I cannot support you on this particular issue. Though my feelings are not in conformance with yours, I trust that you will accord my position the same consideration and respect that I have given yours. Most of the time, you and I have agreed. It is most likely that I will be among your most consistent supporters in the future. For that reason, I am confident that you will accept my candor as a mark of my respect for you, something that you would expect from one who honestly and earnestly wishes you well.

Respectfully,

HENRY B. GONZALEZ,
Member of Congress.●

● Mr. McKAY. Mr. Chairman, I rise to support continued funding of the Clinch River Nuclear Breeder Reactor. It seems to me that the issue we decide here today is whether or not we are going to continue to pursue the continued development of an essential energy source of the future.

The issue is one of foresight. Back in the 1950's with the Paley Commission report we were warned of a serious shortage of oil as an energy source by the 1970's. Had the Congress then realized the critical domestic and strategic crisis we now face, no doubt they would have proceeded to develop synthetic fuels. We are now rushing this synfuels alternative a decade late.

We must move ahead now with development of this breeder reactor so that by the 1990's, we can make intelligent decisions concerning commercialization of the breeder program and on to fusion.

Upon my recent trip to Europe with my friend the majority leader, JIM WRIGHT, I observed firsthand the priority placed by England on developing nuclear power as the answer to energy needs of the future. I visited the breeder reactor at Dounreay, Scotland, and observed the advances they have made with their technology.

America cannot afford to bypass any safe alternative to OPEC oil including the development of the Clinch River Breeder Reactor. For these reasons I urge my colleagues to support the funding recommendations of the Science and Technology Committee.●

Mr. UDALL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, all time has expired.

Pursuant to the rule, in lieu of the amendments recommended by the Committees on Science and Technology, Interstate and Foreign Commerce, and Interior and Insular Affairs now printed in the bill, it shall be in order to consider by titles the text of the bill, H.R. 4839, as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate the enacting clause.

The enacting clause reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy Civilian Programs 1980 Authorization Act".

The CHAIRMAN. The Clerk will designate title I.

Title I reads as follows:

TITLE I—RESEARCH AND DEVELOPMENT

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following fossil energy coal programs:

(A) Mining research and development, $48,000,000.

(B) Coal preparation research and development, $12,150,000.

(C) Coal liquefaction, $96,006,000.

(D) Surface coal gasification, $88,150,000.

(E) In situ coal gasification, $9,900,000.

(F) Advanced research and technology development, $38,500,000.

(G) Advanced environmental control technology, $37,450,000.

(H) Heat engines and heat recovery, $52,300,000.

(I) Combustion systems, $36,603,000 including $2,750,000 for alternative fuel utilization.

(J) Fuel cells, $28,500,000.

(K) Magnetohydrodynamics, $75,000,000.

(L) Personnel resources, $11,057,000.

SEC. 102. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following fossil energy oil and gas programs:

(A) Enhanced oil recovery, $20,900,000.

(B) Oil shale, $27,000,000.

(C) Drilling and offshore technology, $3,000,000.

(D) Advanced process technology, $3,500,000.

(E) Enhanced gas recovery, $32,410,000.

(F) Personnel resources, $1,069,000.

SEC. 103. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following conservation R.D. & D. programs:

(A) Building and community systems, $99,300,000.

(B) Industrial energy conservation, $51,150,000.

(C) Transportation, $113,245,000.

(D) Conservation multisector:

(1) Inventors program, $3,200,000.

(E) Personnel resources, $7,662,000.

SEC. 104. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following solar technology programs:

(A) Solar thermal, $73,805,000.

(B) Photovoltaics, $147,700,000.

(C) Wind, $43,260,000, including $500,000 for innovative technology for vertical axis systems.

(D) Ocean systems, $23,600,000.

(E) Personnel resources, $3,144,000.

SEC. 105. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following solar applications programs:

(A) Systems development, $61,500,000.

(B) Demonstrations, $52,000,000.

(C) Personnel resources, $2,860,000.

SEC. 106. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following biomass research and development programs:

(A) Biomass research and development, $54,500,000.

(B) Personnel resources, $838,000.

SEC. 107. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following nuclear fission energy programs:

(A) Converter reactor systems:

(1) Thermal reactor technology, $63,900,000, including the following amounts for—

(a) LWR fuel cycle R. & D., $10,000,000;

(b) HTGR thorium recycle, $4,400,000.

(2) Advanced reactor systems, $5,000,000.

(3) Advanced isotope separation technology, $46,200,000.

(B) Civilian waste management—operating expenses, $182,450,000, including the following amounts for—

(1) Terminal isolation research and development, $156,500,000.

(2) Waste treatment technology and other activities, $20,950,000.

(3) West Valley Project—

(a)(1) The Secretary of Energy (hereinafter in this section referred to as the "Secretary") shall carry out, in accordance with the provisions of section 107(B)(3) of this Act, a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, New York (hereinafter referred to as "the project"). The Secretary shall carry out the project by vitrifying the high-level liquid nuclear wastes located at such Center or by employing the most effective technology for solidification available. The Secretary shall, as part of the project, also (A) as soon as feasible transport such solidified wastes, in accordance with applicable provisions of law, to an appropriate Federal repository for long term burial, and (B) decontaminate and decommission facilities, materials, and hardware used in connection with the project.

(2) During the fiscal year ending September 30, 1980, the Secretary shall:

(A) prepare a plan for safe removal of such wastes from tank numbered 8D-2 and any other storage tank at the Center containing such wastes, including safely breaching the tanks, operating waste removal equipment, and sluicing techniques, and

(B) determine the feasibility of immobilization and waste handling techniques required by the unique situation of such wastes at the Center, including initiation of detailed engineering and cost estimates as well as safety analyses and environmental impact analyses.

(3) Title to the high level liquid wastes at the Center shall be transferred to the United States upon payment by the State of New York and other appropriate persons of an appropriate fee, as determined by the Secretary, for the perpetual care and maintenance of such wastes.

(b) There is authorized to be appropriated to the Secretary not more than $5,000,000 for the fiscal year ending September 30, 1980 for the project. Funds authorized and appropriated in subsequent fiscal years for the project shall not be used by the Secretary for such purpose until the Secretary, the State of New York, and other appropriate persons enter into such contracts and agreements as may be required—

(1) to provide for the transfer of title of such wastes and the payment therefor,

(2) to enable the Secretary to utilize property and facilities at the Center for the project,

(3) to share the costs of the project, except that the non-Federal share of such costs shall be limited to no more than 10 per centum thereof and in determining such share the Secretary shall consider the utilization of such Center by the Secretary for the project, the amount of money in the existing perpetual care fund originally designated to provide for ultimate disposition of the high level liquid nuclear waste at the Center, and such other factors as the Secretary deems appropriate, and

(4) to otherwise provide for the conduct of the project in a timely manner.

(c) In carrying out the project, the Secretary shall consult with the Nuclear Regulatory Commission, the Administrator of the Environmental Protection Agency, the Secretary of Transportation, the Director of the Geological Survey, the State of New York, and the commercial operator of the Center.

(d) Not later than February 1, 1980, and on February 1 of each calendar year thereafter during the term of the project, the Secretary shall transmit to the Committee on Science and Technology, the Committee on Interior and Insular Affairs, and the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate an up-to-date report containing a detailed description of the activities of the Secretary in carrying out the project, including the costs incurred, and the activities to be taken in the next fiscal year and the costs thereof. Any contract or agreement executed under subsection (b) of this section, together with summaries thereof, shall be promptly transmitted to such committees for their information and review.

(e) Other than the costs and responsibilities established by section 107(B)(3) for the project, nothing in such section shall be construed as affecting any rights, obligations, or liabilities of the commercial operator of the Center, the State of New York, or any person, as is appropriate, arising under the Atomic Energy Act of 1954 or under any other law, contract, or agreement for the operation, maintenance, or decontamination of any facilities or property at the Center or for any wastes at the Center. Nothing in such section shall be construed as affecting any applicable licensing requirements of the Atomic Energy Act of 1954 or the Energy Reorganization Act of 1974. The provisions of section 107(B)(3) shall not apply or be extended to any facility or property at the Center which is not used in conducting the project.

(C) Spent fuel storage R. & D.—operating expenses, $4,700,000.

(D) Advanced nuclear systems:

(1) Advanced systems evaluation, $2,600,000.

(2) Space and terrestrial applications, $34,300,000.

(E) Breeder reactor systems:

(1) Liquid metal fast breeder reactor plant projects:

(a) Fast flux test facility, $76,200,000;

(b) Clinch River breeder reactor, $183,800,000; and

(c) Breeder reactor studies, $15,000,000.

(2) Liquid metal fast breeder reactor technology, $142,400,000.

(3) Liquid metal fast breeder reactor test facilities, $75,300,000.

(4) Water cooled breeder reactor:

(a) Shippingport atomic power, $12,600,000.

(b) Light water breeder reactor, $30,900,000.

(c) Advanced water breeder applications, $14,400,000.

(d) Proof of breeding, $3,000,000.

(5) Gas cooled fast reactor, $19,988,000.

(6) Fuel cycle reasearch and development:

(a) Reprocessing, $18,100,000.

(b) Barnwell nuclear fuel plant, $10,500,000.

(F) National uranium resource assessment research and development, $7,000,000.

(G) Personnel resources, $17,344,000.

SEC. 108. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following nuclear fusion programs:

(A) Magnetic fusion:

(1) Confinement systems, $83,500,000.

(2) Development and technology, $52,300,000.

(3) Applied plasma physics, $56,600,000.

(4) Reactor projects, $42,100,000.

(B) Inertial confinement fusion (civilian applications), $10,400,000.

(C) Personnel resources, $3,158,000.

SEC. 109. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following geothermal energy research and development programs:

(A) Hydrothermal energy, $37,850,000.

(B) Geopressured resources, $31,700,000.

(C) Geothermal technology development, $42,300,000.

(D) Personnel resources, $2,215,000.

SEC. 110. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following low head hydroelectric development programs:

(A) Low head hydroelectric development, $8,000,000.

(B) Personnel resources, $468,000.

SEC. 111. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following electric energy systems programs:

(A) Power supply integration, $19,900,000.

(B) Power delivery, $18,300,000.

(C) Personnel resources, $1,466,000.

SEC. 112. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following energy storage systems programs:

(A) Battery storage, $32,000,000.

(B) Thermal and mechanical storage, $35,540,000.

(C) Personnel resources, $1,425,000.

SEC. 113. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following basic energy sciences programs:

(A) Nuclear sciences, $30,700,000.

(B) Materials sciences, $81,300,000.

(C) Chemical sciences, $58,800,000.

(D) Engineering, mathematical and geosciences, $23,900,000.

(E) Advanced energy projects, $16,600,000.

(F) Biological energy research, $6,900,000.

(G) Personnel resources, $2,570,000.

SEC. 114. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following supply research and development programs:

(A) Technical assessments projects, $10,500,000.

(B) University research support, $4,000,000.

(C) Technical program and policy analysis, $2,417,000.

(D) Personnel resources, $637,000.

SEC. 115. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following high energy physics programs:

(A) Physics research, $71,850,000.

(B) Facilities operations, $105,100,000.

(C) High energy technology, $37,050,000.

(D) Personnel resources, $1,133,000.

SEC. 116. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following nuclear physics programs:

(A) Medium energy nuclear physics, $41,700,000.

(B) Heavy ion nuclear physics, $33,600,000.

(C) Nuclear theory, $6,100,000.

(D) Personnel resources, $368,000.

SEC. 117. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the uranium enrichment process development program, as follows:

(1) Uranium Enrichment Process Development operating expenses, $77,400,000.

SEC. 118. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the following environmental research and development programs:

(A) Overview and assessment, $60,900,000.

(B) Environmental research, $154,170,000.

(C) Life sciences research, $40,500,000.

(D) Decontamination and decommissioning research and development, $9,000,000.

(E) Personnel resources, $12,825,000.

SEC. 119. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for capital equipment expenses not related to construction for the following energy research and development programs:

(A) Fossil:

(1) Coal, $3,000,000.

(2) Oil and gas, $2,600,000.

(B) Conservation:

(1) Building and community systems, $1,000,000.

(2) Industrial energy conservation, $500,000.

(3) Transportation, $1,100,000.

(4) Solar applications, $3,000,000.

(C) Solar, $12,700,000.

(D) Biomass, $500,000.

(E) Nuclear fission:

(1) Converter reactor systems, $8,800,000.

(2) Civilian waste management, $11,800,000.

(3) Spent fuel, $2,000,000.

(4) Advanced nuclear systems, $2,100,000.

(5) Breeder reactor systems:

(a) Liquid metal fast breeder reactor, $22,000,000.

(b) Water cooled breeder reactor, $2,100,000.

(c) Gas cooled breeder reactor, $1,500,000.

(d) Fuel cycle research and development, $2,500,000.

(F) Nuclear fusion:

(1) Magnetic fusion:

(a) Confinement systems, $10,950,000.

(b) Development and technology, $8,050,000.

(c) Applied plasma physics, $4,450,000.

(d) Reactor projects, $6,850,000.

(G) Geothermal, $3,200,000.

(H) Electric energy systems, $800,000.

(I) Energy storage systems, $2,160,000.

(J) Basic energy sciences programs, $14,050,000.

(K) Technical assessment projects, $500,000.

(L) High energy physics, $36,000,000.

(M) Nuclear physics, $8,200,000.

(N) Uranium enrichment process development, $5,030,000.

(O) Environmental programs, $16,000,000.

SEC. 120. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for supply research and development plant and capital equipment, including planning, construction, acquisition, or modification of facilities, including land acquisition, as follows:

(A) Fossil:

(1) Project 80-FE-1, Technology transfer building, Bartlesville, Oklahoma, $3,000,000.

(2) Project 80-FE-2, Renovation and upgrading of Building B-1, Morgantown, West Virginia, $1,750,000.

(3) Project 80-FE-3, Program support facility, Pittsburgh Energy Technology Center, Bruceton, Pennsylvania, $1,700,000.

(4) Project 80-FE-4, Gasification test facility, site undetermined, $15,000,000.

(5) Project 80-FE-5, Pressurized fluidized bed utility engineering development system, $10,000,000.

(6) Project 80-FE-6, Catalytic gasification pilot plant, site undetermined, $4,700,000.

(7) Project 80-FE-8, H-Coal Liquefaction pilot plant, Catlettsburg, Kentucky, $27,000,000, for a total project authorization of $131,200,000.

(8) Project 80-FE-9, Exxon donor solvent pilot plant, Baytown, Texas, $5,000,000, for a total project authorization of $61,300,000.

(9) Project 80-FE-10, Atmospheric fluidized bed component test and integration unit, Morgantown, West Virginia, $9,297,000, for a total project authorization of $39,860,000.

(10) Project 80-FE-11, Pressurized fluidized bed combined cycle pilot plant, Woodridge, New Jersey, $3,500,000, for a total project authorization of $29,800,000.

(11) Project 80-GPP-1, General plant projects for energy technology centers, six locations, $5,600,000.

(12) Project 76-1-b, High Btu synthetic pipeline gas demonstration plant, site undetermined, an additional sum of $28,000,000 for a total project authorization of $122,000,000.

(13) Project 78-2-d, SRC-I (Solids) Demonstration Plant, $20,000,000, for a total project authorization of $60,000,000.

(14) Project 79-1-r, SRC-II (Liquids) Demonstration Plant, $25,000,000, for a total project authorization of $75,000,000.

(B) Conservation:

(1) Project 80-C-1, Black-liquor hydro pyrolysis recovery system, $1,000,000.

(2) Project 80-C-2, Cogeneration demonstration, $4,500,000.

(3) Planning and Design Project 80-C-3, Acid or Enzymatic Hydrolysis, Process Development Facility, for the conversion of urban waste and biomass-derived cellulose via a continuous process to alcohol. The Secretary of Energy shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, no later than six months following the date of the enactment of this Act, an independent evaluation study of the need for two facilities of this type.

(4) Project 80-C-4, Waste-to-Energy Demonstrations, various locations, $5,000,000.

(C) Solar:

(1) Project 80-ES-1, Wind energy systems test center building, Rocky Flats, Colorado, $2,140,000.

(2) Project 80-ES-2, Shenandoah large scale experiment, Shenandoah, Georgia, $4,800,000, for a total project authorization of $9,060,000.

(3) Project 80-ES-19, Small communities systems applications experiment No. 1, location to be determined, $3,795,000, for a total project authorization of $4,610,000.

(4) Project 80-ES-20, Multi-unit Mod 2, wind farm site undetermined, 10 MWe, $18,300,000, for a total project authorization of $30,900,000.

(5) Project 80-ES-21, Mod 3, Advanced megawatt scale, two wind turbines, $10,000,000.

(6) Project 79-1-m, OTEC-1, Ocean test facility, Keahole Point, Hawaii, $10,700,000, for a total project authorization of $33,000,000.

(7) Project 79-1-q, Solar Energy Research Institute facility, Golden, Colorado, and additional sum of $15,000,000 for a total project authorization of $18,000,000.

(8) Project 76-2-b, Ten megawatt central receiver solar thermal power plant, Barstow, California, an additional sum of $36,500,000 for a total project authorization of $108,000,000.

(D) Biomass:

(1) Project 80-B-1, Biomass thermochemical experimental facility, site to be determined $2,000,000.

(E) Nuclear Fission:

(1) Project 80-ES-3, Physical security and safeguards project, test reactor area, Idaho National Engineering Laboratory, Idaho, $1,200,000.

(2) Project 80-ES-4, Laundry decontamination facility, Idaho National Engineering Laboratory, Idaho, $2,200,000.

(3) Project 80-ES-5, Modifications to reactors, various locations, $2,800,000.

(4) Project 80-ES-6, Boilers, heating and ventilating, and fuel tank and roof replacement, Idaho National Engineering Laboratory, Idaho, $1,900,000.

(5) Project 80-ES-7, Plant operation maintenance facility, Richland, Washington, $2,000,000.

(6) Project 80-ES-11, Idaho Laboratory facility, phases I and II, Idaho National Engineering Laboratory, Idaho, $22,000,000.

(7) Project 80-ES-12, Near surface test facility, phase II (spent fuel), Richland, Washington, $3,600,000, for a total project authorization of $8,015,000.

(8) Project 80-ES-13, Near surface test facility, phase I (electric heaters), Richland, Washington, $2,900,000, for a total project authorization of $12,430,000.

(9) Project 80-ES-14, Core flow test loop, Oak Ridge, Tennessee, $3,212,000, for a total project authorization of $9,089,000.

(10) Project 80-ES-15, Gas reactor in-pile safety test loop, INEL, Idaho, $1,300,000, for a total project authorization of $3,583,000.

(11) Project 800-GPP-1, General plant projects, breeder program, $12,300,000.

(12) Project 80-GPP-1, General plant projects, Richland, Washington, $3,300,000.

(13) Project 80-GPP-1, General plant projects, advanced nuclear systems, $800,000.

(14) Project 78-6-e, Energy technology center facility modifications, Energy Technology Engineering Center, Santa Susana, California, an additional sum of $9,500,000 for a total project authorization of $16,900,000.

(15) Deauthorize Project 78-6-f, Fuels and materials examination facility, Richland, Washington, in the sum of $104,600,000, for an outstanding project authorization through fiscal year 1980 of $30,200,000.

(16) Deauthorize Project 77-4-c, High performance fuels laboratory, Richland, Washington, in the sum of $5,000,000, for an outstanding project authorization through fiscal year 1980 of $6,500,000.

(17) Project 80-ES-16, Fuels and materials examination laboratory, Richland, Washington, $53,000,000, for a total project authorization of $53,000,000.

(18) Project 80-ES-24, Environmental and engineering technology facility, Richland, Washington, $1,500,000, for a total project authorization of $2,500,000.

(19) Project 78-5-b, Fuel cycle R&D integrated equipment test facility (IET), Oak Ridge National Lab, $6,400,000, for a total project authorization of $15,400,000.

(20) Project 79-1-c, Safeguards and security improvements, Richland, Washington, $7,500,000, for a total project authorization of $12,000,000.

(21) Project 79-1-h, Maintenance and storage facility, Richland, Washington, $13,700,000, for a total project authorization of $16,700,000.

(22) Project 78-6-c, Safety research experimental facilities (TREAT upgrade), Argonne National Laboratory West, Idaho, $3,600,000, for a total project authorization of $27,700,000.

(23) Project 78-6-d, Experimental breeder reactor (EBR-II), Argonne National Laboratory West, Idaho, for fiscal year 1980, deauthorize the sum of $5,000,000, for a total authorized amount through fiscal year 1980 of $1,500,000 for A-E only.

(F) Nuclear Fusion:

(1) Project 80-GPP-1, General plant projects, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $1,400,000.

(2) Project 80-GPP-1, General plant projects, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $3,500,000.

(3) Project 80-MF-1, PDX Neutral Beam, Princeton Plasma Physics Laboratory, New Jersey, $6,600,000.

(4) Project 80-MF-2, Double-III neutral beams, San Diego, California, $2,500,000.

(5) Project 80-MF-3, EBT-proof of principal experiment, location to be determined, $9,100,000.

(6) Project 80-MF-4, Large Coil Test facility, Oak Ridge, Tennessee, $2,000,000, for a total project authorization of $5,300,000.

(7) Project 78-3-b, Fusion materials irradiation test facility, Richland, Washington, an additional sum of $50,000,000 for a total project authorization of $71,300,000.

(G) Geothermal:

(1) Project 80-G-1, 50 MWe geothermal demonstration, Valles Caldera, New Mexico, $20,450,000, for a total project authorization of $39,851,000.

(2) Project 80-G-2, second 50 MWe demonstration power plant, $4,000,000, for a total project authorization of $8,000,000.

(H) Basic energy sciences:

(1) Project 80-ES-9, Intense Pulsed Neutron Sourse-I (IPNS-I), expanded experimental capabilities, Argonne National Laboratories, Argonne, Illinois, $2,400,000.

(2) Project 80-ES-10, Chemical and materials sciences laboratory, Lawrence Berkeley Laboratory, Berkeley, California, $12,600,000.

(3) Project 80-GGP-1, General plant projects, various locations, $250,000.

(I) High energy physics:

(1) Project 80-GS-1, Accelerator improvements and modifications, various locations, $6,000,000.

(2) Project 80-GPP-1, General plant projects, various locations, $5,000,000.

(3) Project 78-10-b, Intersecting storage accelerator (ISABELLE) 400x400 GeV, Brookhaven National Laboratory, Upton, New York, an additional sum of $90,000,000 for a total project authorization sum of $123,500,000.

(4) Project 79-9-b, Energy saver, Fermi National Accelerator Laboratory, Batavia, Illinois, an additional sum of $26,900,000 for a total project authorization of $38,900,000.

(J) Nuclear physics:

(1) Project 80-GS-2, Bates Linear Accelerator Beam Recirculator Project Middleton, Massachusetts, $1,800,000.

(2) Project 80-GS-3, Experimental support addition, Los Alamos Scientific Laboratory, Los Alamos, New Mexico, $2,400,000.

(3) Project 80-GS-4, Accelerator improvements and modifications, various locations, $1,600,000.

(4) Project 80-GS-5, National Superconducting Cyclotron Laboratory, Michigan State University, East Lansing, Michigan (A-E and long-lead procurement only), $6,000,000.

(5) Project 80-GPP-1, General plant projects, various locations, $3,000,000.

(K) Uranium Enrichment:

(1) Project 79-2-d, Technology test facilities, various locations, and additional sum of $13,000,000 for a total project authorization of $20,000,000.

(L) Environmental:

(1) Project 80-ES-8, Modification to life sciences and environmental research facilities, various locations, $3,500,000.

(2) Project 80-GPP-1, General plant projects, related to life sciences and environmental research, $2,500,000.

SEC 121. (a) With respect to Department of Energy civilian research and development programs, the Federal share of each plant and capital equipment construction project, other than a construction project for which funds are authorized under section 107(E)(1)(b) of this Act, shall be funded exclusively from an account separate from operating expenses; and, for purposes of the President's annual budget submission and of related reports submitted by the Secretary to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, each plant and capital equipment construction project shall be assigned or reassigned to one of the following categories:

(1) MAJOR CONSTRUCTION PROJECTS.—All construction projects having a total estimated Federal cost of $5,000,000 or more. Each such project shall be set forth by name, location, total estimated cost, total estimated Federal cost, description, justification, cost details, and outlays for pertinent fiscal years. Appropriate documentation shall also be provided.

(2) MINOR CONSTRUCTION PROJECTS.—All construction projects having a total estimated Federal cost between $1,000,000 and $5,000,000. These projects within each program area may be submitted in combined form. Accompanying documentation shall include the name, location, description, total estimated cost, and total estimated Federal cost of each project. By December 1 of each year, the Secretary shall issue a report to each such Committee describing all changes in the list of these projects and in the funding among them.

(3) GENERAL PLANT PROJECTS.—All general plant construction projects having a total estimated Federal cost of up to $1,000,000. These projects within each program area may be consolidated into one item.

(4) PLANNING AND DESIGN.—The architect and engineering phase for construction projects (title I design and title II design) within each program area may be combined into one item. Site work or other construction activities may not be included. Accompanying documentation shall include a description by subprogram of the effect, purpose, and estimated cost of such planning and design.

Notwithstanding the preceding provisions of this section, operating expenses may be used for (A) any construction project having a total estimated Federal cost of $500,000 or less, (B) the conceptual design of any project, (C) the procurement and installation of individual components fabricated for research and development or testing when such components are not an integral part of a basic facility or construction project, (D) experimental test equipment to conduct specific investigations but not for long-term research and development use, and (E) solar heating and cooling demonstrations.

For major construction projects where it is in the national interest to initiate construction in advance of the next annual budget cycle, the Secretary or Under Secretary shall notify the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate sixty days in advance of commencing construction under this section, shall provide those committees with a detailed justification for commencing construction in advance of such cycle, shall (subject to the applicable limitations in title VIII) reprogram necessary funding from other major construction projects, and shall inform those committees of the sources of the funding and of the effect on the particular projects from which the funding was taken.

(c) For purposes of this section—

(1) the term "total estimated Federal cost" with respect to a construction project means the most current estimate of the cost which will be borne by the United States Government of all activities ultimately constituting a part of the project;

(2) the term "total estimated cost" with respect to a construction project means the most current estimate of the cost of all activities ultimately constituting a part of the project;

(3) the term "construction project" means the design, construction, or modification of a Department of Energy civilian research and Technology of the House of Representatives and the Committee on Energy and plants, processing and reprocessing plants, utilities, and improvements; and for this purpose (A) only facilities uniquely related to a larger construction project may be combined with that project, and (B) when minor construction projects or general plant projects are submitted in combined form, completed projects including all dedicated equipment must always be used in these submissions;

(4) the term "conceptual design" means the formative stage in the design of a facility leading to preliminary estimates of size, capabilities, and design criteria and an initial understanding of the interrelationships among the facility's significant features;

(5) the term "title I design" means the refinement of the design concept by means of preliminary engineering drawings, outline specifications, cost estimates, and schedules, the identification of long-lead procurement, site improvements, and applicable code standards, and the consideration of structural, hydraulic, chemical, mechanical, and electric constraints and capabilities; and

(6) the term "title II design" means the development of the details of each aspect of title I design to the point where a contractor can order the components and proceed with construction, including complete engineering calculations considering all applicable codes, standards, and contract provisions, detailed specifications, dimensioned drawings, and procurement data, a precise cost estimate, and a firm-construction schedule.

(d) As used in this section, the term "program" includes any of the categories listed in subsection (a) of this section, and any construction project included in the category of major construction projects as described in paragraph (1) of such subsection. *Provided*, That if the current total estimated Federal cost of any major construction project exceeds the original estimated Federal cost by more than 10 percent, such funds may be acquired from other major construction projects upon written notice to the Committee on Science and Technology of the House of Representatives and the Energy and Natural Resources Committee of the Senate.

(e) Whenever the provisions of this section conflict or are inconsistent with any other provision of this Act or the Energy Reorganization Act of 1974, Public Law 93-438, as amended, the provisions of this section shall govern.

SEC. 122. (a) No funds appropriated pursuant to any authorization contained in this title may be obligated for expenditure or expended for long-lead procurement, land acquisition, or construction for any plant and capital equipment project listed in subsection (b), where the estimated total Federal cost of the project is greater than $50,000,000 unless—

(1) the Secretary has submitted to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report showing the nature, purpose, and amount of the proposed obligation or expenditure and its relationship to the overall project plans; and

(2)(A) a period of sixty calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has elapsed after the submission of such report, or

(B) each such committee (before the expiration of such period) has transmitted to the Secretary written notice to the effect that it has no objection to the proposed obligation or expenditure.

(b) The projects to which subsection (a) applies are as follows:

Project 76-1-b, High Btu Pipeline Gas Demonstration Plant.

Project 78-2-d, SRC-I (Solids) Demonstration Plant.

Project 79-1-r, SRC-II (Liquids) Demonstration Plant.

Project 79-1-9, Solar Energy Research Institute, Golden, Colorado.

Project 80-FE-4, Gasification Test Facility; Site Undetermined.

Project 80-FE-5, Pressurized Fluidized Bed Utility Engineering Development System.

Project 80-FE-6, Catalytic Gasification Pilot plant; Site Undetermined.

Project 80-G-2, Second 50 MWe Geothermal Demonstration Plant, New Mexico.

(c) In order to facilitate the early activation of solar experiments, long lead procurements of a computer, commitment of title I and title II design, and site construction consisting of roads and utilities on Project 79-1-9, Solar Energy Research Institute, Golden, Colorado, may proceed prior to the submissions required by subsection (a)(1) of this section.

SEC. 123. In any case where—

(1) funds appropriated to the Department of Energy for fiscal year 1979 or any prior fiscal year under the heading "Operating expenses" were specifically assigned to a particular project,

(2) a portion of the funds so assigned for such project remained unexpended on March 1, 1979, and

(3) funds are appropriated to the Department for such project (for fiscal year 1980), pursuant to the authorization contained in paragraphs (A) (4), (5), (6), (7), (8), (9), or (10), (B) (1) or (2), (C) (2), (3), or (4), (D)(1), (E) (7), (8), (9), or (10), (F) (3), (4), (5), or (6), or (G)(1) of section 120 of this Act, under the heading "Plant and Capital Equipment" instead of for "Operating expenses",

the unexpended amount described in paragraph (2) (or so much thereof as remains available for such project and unexpended on September 30, 1979) when so specified in an appropriation Act shall be transferred to the new appropriation account established for such project pursuant to the Act making the appropriations described in paragraph (3), and the amount so transferred shall be merged with any funds in such new account and thereafter accounts for as one fund.

SEC. 124. No funds appropriated pursuant to any authorization in this title may be obligated for expenditure or expended by the Secretary to place, bury, or store in any subsurface geologic repository for research, development, and demonstration purposes any irradiated nuclear fuel assembly, or part thereof, from any nuclear reactor unless the geologic repository is designed so that all fuel assemblies, or parts thereof, to be placed, buried, or stored can be easily and economically retrieved. Nothing in this section shall be construed to prohibit the placement, burial, or storage of reprocessing wastes which have been glassified, vitrified, or otherwise appropriately treated to provide long-term isolation from the biosphere.

SEC. 125. Section 19(c) of Public Law 93-409 is amended by striking out "and 1979, $50,000,000 in the aggregate" and inserting in lieu thereof "1979, and 1980, such sums as may hereafter be authorized in annual authorization Acts".

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: Page 37, after line 15, add the following new section:

SEC. 126. (a) As soon as practicable and not later than February 1, 1980, the Secretary of Energy shall submit to the Congress a plan for the termination of the performance of work of the Department of Energy at the Ernest Orlando Lawrence Berkeley Laboratory under contract numbered W-7405-ENG-48 between the United States and the Regents of the University of California (a corporation of the State of California). Such plan shall include provisions to assure that such a termination of work would be conducted in accordance with the terms of such contract.

(b) The Secretary of Energy shall study the types of contracts that would best provide for the continued performance of the work performed under the contract referred to in subsection (a). The Secretary shall include in any contract proposed to replace such contract terms to assure that—

(1) the paramount objectives and missions of such laboratory continue to be in the field of basic scientific research;

(2) the transition from management of such laboratory by the University of California to management by any new contractor will be orderly, inviove a minimum of uncertainty, and provide employee rights and benefits with respect to pensions and retirement) reasonably comparable to those currently provided employees of the laboratory by the Regents of the University of California; and

(3) any new contractor may retain as many of the current management officials and employees of the laboratory as may be consistent with maintaining and fostering excellence in carrying out the functions assigned to the laboratory.

(c) The Ernest Orlando Lawrence Berkeley Laboratory at Berkeley, California, shall after the date of the enactment of this Act be known and designated as the "Ernest Orlando Lawrence Berkeley National Laboratory". Any reference in any law, map, regulation, document, record, or other paper of the United States to the Ernest Orlando Lawrence Berkeley Laboratory shall after such date be considered to be reference to the Ernest Orlando Lawrence Berkeley National Laboratory.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous censent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, does this amendment relate to the Lawrence Laboratory?

Mr. FUQUA. Mr. Chairman, if the gentleman will yield, this relates to the Lawrence Berkeley Laboratory, which is in the State of California.

Mr. ROUSSELOT. And the one managed by the University of California?

Mr. FUQUA. Yes.

Mr. ROUSSELOT. Mr. Chairman, I know the gentleman is going to explain it, but just for now, so that we make sure the House has read the fine type, what does it basically do?

Mr. FUQUA. Mr. Chairman, if the gentleman will yield further, I intend to explain the amendment. This requires a study only by the Department of Energy to review the possibilities in case that contract were ever terminated by the State of California, as has been proposed by the Governor.

Mr. ROUSSELOT. I see. Well, as the gentleman knows, the board of regents voted last week to continue the Lawrence Laboratory. Is there anything in here that would be an encouragement to the Federal Government to terminate it?

Mr. FUQUA. There is not in any way anything intended either way; but I think there should be a contingency plan.

Mr. ROUSSELOT. This amendment is basically neutral as it relates to the continuation at the University of California as a manager of these facilities.

Mr. FUQUA. The gentleman is correct.

Mr. ROUSSELOT. I appreciate the gentleman's explanation.

Mr. Chairman, I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida (Mr. FUQUA) that the amendment be considered as read?

There was no objection.

Mr. FUQUA. Mr. Chairman, the amendment has partially been explained to the gentleman from California (Mr. ROUSSELOT).

There has been some concern expressed by the Governor to the board of regents in California about the operating conditions of these laboratories, that I might add are great national resources and assets, about the work that they may be doing in the area of weapons research and that this should be separated. These research programs are very integral parts of the programs that are being carried on at all three of the laboratories, the Livermore, the Berkeley, as well as the Los Alamos laboratories.

This contract with the Department of Energy has been working very well. It has been going on for some time and it expires in September of 1982.

Since this concern has been expressed, and particularly since it is of such vital importance to this country and to the Committee on Science and Technology, I proposed the amendment so that the Department of Energy could review some contingency plans that they may have in the event that this contract was terminated and also what type of transition might take place and if there were other interested parties entering into such a contract in this area.

I have talked to several of my colleagues from the State of California, to reassure them that this is not an attempt to summarily sever that contract that has been going on for a long time; but I think the Department of Energy needs to have a contingency plan in case events should occur that that contract was terminated.

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. FUQUA. I will be happy to yield to the distinguished ranking minority member of the Committee on Science and Technology.

Mr. WYDLER. Mr. Chairman, I am trying to read through this amendment and trying to comprehend exactly what we are intending to do here today. The little information that I have about this problem is gained from reading newspapers.

□ 1230

The story that went around regarding the situation was that the Governor of California, Governor Brown, as a member of the board of regents of California, within the last few weeks made a request to the board of regents that they terminate all activities of this laboratory and in effect terminate the contract. Then, as a result of that request the board of regents rejected his motion or suggestion and voted to continue the activities of the laboratories of the University of California.

But I also understand—and I am sure it is a fact—that the Governor has the

power to continuously appoint new members of the board of regents, and so the danger to the laboratories continues, and there might come a situation where he will get a majority vote of the board of regents and in effect terminate the contracts of the laboratories.

Is that what the situation actually is? As I understand it, that is where we are today.

Mr. FUQUA. Mr. Chairman, that is my understanding. By a vote of 15 to 7 and 1 abstention, the board of regents just recently, last week, voted to continue the contractual obligation to the Department of Energy. Now, that may change, but I think in a situation such as this we need a contingency plan. This is true of all our laboratories, not necessarily just these laboratories. Should there be a potential problem with the contractor, the Department of Energy or the laboratory—and this is true whether it be Brookhaven or Argonne or Oak Ridge or one of the other laboratories which are operated on a contract basis with some type of university affiliation; and I concur with this wholeheartedly because I am not proposing the Government take over these laboratories—there should be some type of contingency plan for somebody to operate these laboratories without an interruption in the very valuable work that is going on there.

Mr. WYDLER. Mr. Chairman, if the gentleman will yield further, I tend to agree with the gentleman, but the question I would ask is: Why should the Government not at this point start to consider seriously changing its relationship with the existing laboratories if the Governor is going to insist they be taken out of the university system? If that is the threat, why do we not just accommodate him and protect our own interests in that way? That would seem to be the sensible way for the Federal Government to proceed.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FUQUA) has expired.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like to say to my colleague, the gentleman from New York (Mr. WYDLER), that several of us from California have talked to the board of regents. As a matter of fact, some of them called us, and they were rather concerned that the signal would go out that the Governor represents the mainstream of thought in California on this issue.

He does not, and I think the vote of the board of regents, regardless of the fact, reflects that attitude, even though several of those appointments were the Governor's. So I think that the fact that the board of regents has flatly rejected this idea and the fact that they gave it very careful consideration should be some proof that just because the Governor is on the board of regents does not mean that he is the whole and only factor in determining what the University of California in all of its activities does.

So I really do not believe that the Congress today should believe that the Governor is representing the main thought in California. I think just the opposite is true, and I think the board of regents reflected that in its vote. As a matter of fact, I know that it is true. They gave this issue very thorough and complete thought. They considered this for better than 2 weeks. The first time they did not vote on it; they just passed it over for another time.

I think it would be wrong to interpret that our Governor on this issue represents what the board of regents or the majority thought is in California on this subject. I do not think he does.

On the other hand, I think that the gentleman from Florida (Mr. FUQUA) is right, that maybe the Government should protect itself in having some kind of contingency in case—and we pray that it does not happen—Governor Brown does in fact get a majority of people on the board of regents who think as he does or as Jane Fonda does.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FUQUA) has again expired.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, the only thing I can say to the Governor of California—and I am glad his view is not the view of the members of the board of regents and, I hope, not the view of the people of the State of California—is that this laboratory is a very valuable asset to our country and it is also a very valuable asset to the State of California. If they do not appreciate it and do not want it, I am personally convinced there are many States in the Union that would be just delighted to be hospitable to the Federal Government in establishing laboratories in their States.

If the Governor wants to bring that about as a result, then I think he is heading in the right direction. I think there are plenty of places that would be delighted at that outcome. There are plenty of States that would be delighted and overjoyed to have this great national asset and this great State asset established in their States.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

I understand what my colleague, the gentleman from New York (Mr. WYDLER) is saying. I want to say that I think the majority of the people in California understand that this is a valuable asset for both the country and the State. Before the gentleman gets a gleam in his eye to take it away and put it in New York, I think I am safe in saying that we would be delighted to keep it in California for now.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I would like to ask the gentleman why the study indicates only this particular contract with this particular laboratory. We have other laboratories that are under contract with the University of California that face the same problem. For example, we have the Lawrence Livermore Laboratory and the Los Alamos Scientific Laboratory.

Why is it particularly limited to this, or is that perhaps the contract that governs the overall situation?

Mr. FUQUA. Mr. Chairman, I might respond to the gentleman from New Mexico (Mr. LUJAN) and say that that would be in the Department of Energy National Security authorization bill. That is the Department which has the primary jurisdiction over those laboratories where the weapons work is conducted. So a similar amendment might be offered to that bill.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FUQUA) has again expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mr. FUQUA was allowed to proceed for 4 additional minutes.)

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I thank the committee chairman for yielding.

I just want to indicate my support for this amendment. I think this kind of contingency plan is consistent with a number of other initiatives being taken by the Department of Energy, specifically the reanalysis counts that are going on relating to the Rocky Flats Plant in Colorado. I think this is consistent with that, and I commend the gentleman for offering this amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

I just want to make it clear that the amendment does not in fact terminate the contract. It only provides for a standby mechanism for the University of California to do so.

Mr. FUQUA. That is correct.

Mr. LAGOMARSINO. Mr. Chairman, I certainly concur in what my friend, the gentleman from California (Mr. ROUSSELOT) said, and I hope the amendment will be adopted.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I rise in support of this amendment. Under the current structure of the management of these laboratories, I do not think it is quite clear as to the process of the termination of contracts. In fact, in California our Governor raised this question, and probably appropriately so.

With this particular study, we can create an orderly process if in fact a termination is decided upon. So I think this is good, because these laboratories

are an integral and an important part of not only our national defense but of our energy concerns, and to have a premature disruption in the operation of those facilities would, I think, be disastrous.

So, Mr. Chairman, I think this amendment offered by the chairman of our committee is a good one. It will bring consistency and orderliness to the process of managing these laboratories.

Mr. FUQUA. Mr. Chairman, I thank the gentleman for his contribution.

Mr. Chairman, I might point out again in the remainder of my time that this does not sever that relationship. It only provides for a contingency plan for some laboratories that have contributed very greatly to the enhancement of the well-being of this country in a great many research and development projects. They have been very well operated, and this is to ensure that there will not be any interruption in this service.

Mr. Chairman, I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The amendment was agreed to.

AMENDMENT OFFERED BY LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Page 3, line 3, strike out $3,500,000 and insert in lieu thereof "$5,500,000."

Mr. LAGOMARSINO. Mr. Chairman, I am today offering an amendment to H.R. 3000 (H.R. 4839) as a substitute authorizing funds for the purpose of heavy oil conversion technology. I offer this amendment on behalf of myself and my colleagues, Congressman LEWIS, THOMAS, LUNGREN, COELHO, MINETA, CLAUSEN and ROUSSELOT.

Estimates indicate that there are 100 billion barrels of heavy crude oil in place in the United States and 1 trillion barrels of heavy crude oil reserves in Canada. Although this resource is vast, most of it is presently unrecoverable because current refining methods are inadequate, costly, and environmentally hazardous. Presently, refining techniques produce unacceptable levels of difficult to dispose of waste, including threatening sulfur emissions. New and innovative refining techniques could permit us to utilize this wealth of crude oil at our disposal, to meet present and future energy demands.

As you know, the President, in his energy message July 15, proposed to immediately decontrol heavy oil, exempting it from the windfall profits tax. This action will, of course, result in long-term incentives for heavy crude refining investment, as well as production. However, it has come to my attention that there is already a cost-effective technology to facilitate the development of heavy crude oil refining methods. One such project, proposed by a small refiner in my district in California, provides an encouraging approach to manufacturing gasoline feedstock and other high value products from the thick high sulfur crude oils, abundant in our Nation, without producing hard to dispose of wastes and significant environmentally threatening emissions. This demonstration refinery plant in California has the capacity to convert 5,100 barrels of heavy crude oils and residual oils a day into valuable natural gas and gasoline, while removing sulfur. All residual oil is eliminated and, as already mentioned, the process is nonpolluting.

Unfortunately, the project was presented late in the DOE budget process. Although DOE has expressed strong interest in this concept it simply does not now have the funding with which to proceed. My amendment would allow DOE to assist in developing this technology. At a time when we cannot afford to overlook any technologies which might assist in enhancing vital domestic energy supplies, it is crucial that we expedite those projects which are economically and environmentally appropriate. This process, in fact, would be possible on a quicker time scale and at a lower cost than massive coal conversion programs.

Mr. Chairman, unless the fiscal year 1980 DOE authorization bill is amended to enable DOE to fund such projects, at least one crucial year will be wasted in developing technology paramount to tapping our vast domestic heavy crude oil reserves. However, this vitally important project came to our attention only within the last several days. Although I had originally intended to offer an amendment authorizing $30,000,000 for the purpose of developing heavy oil conversion technology, I realize that the Subcommittee on Energy Development and Applications and the full Science and Technology Committee (responsible for this portion of the bill) has not had an ample opportunity to explore and review this project.

However, I do understand that the committee would be willing to accept an additional $2,000,000 to get this project off the ground. While I believe that the project would need substantial additional funds. I nevertheless accept the committee's recommendation. But, of course, I would hope that the other body might be able to work out additional funding so that this important technology might get started.

Mr. Chairman, I would strongly urge that my colleagues support this amendment to the DOE authorization legislation.

□ 1240

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, the subcommittee and the full committee have had a chance to look at the amendment. We think it makes a very useful contribution to the DOE research program, particularly setting up the design on which we can go further in the near future for conversion of heavy oils to more usable fuels, which is a very worthwhile thing, and we are prepared to accept the amendment.

Mr. LAGOMARSINO. I thank the gentleman for his remarks.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Chairman, the minority also accepts this amendment. I recognize this as a very peculiar problem in heavy oils. In California there is a great resource there, but it needs the research and development to be extracted safely and in environmentally sound ways. It does have the potential to add greatly to our energy in the future.

Mr. LAGOMARSINO. I thank the gentleman.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I have no objection to the amendment, but I really do not fully understand what we mean when we talk about heavy oil. Will the gentleman explain what makes oil heavy oil? What makes it become heavy oil?

Mr. LAGOMARSINO. The term "heavy oil" refers to its specific gravity. I guess the best way to describe it is that light oil is something like gasoline; heavy oil would be more like tar. As a matter of fact, some of the heavy oil we are talking about, if you look at it, cannot be distinguished from tar. It is very heavy, very hard to refine, almost useless unless you can find a way to refine it.

Mr. WYDLER. How do you mine it? How do you get it to the surface?

Mr. LAGOMARSINO. It can be produced by tertiary methods of production, steam, primarily, heat, fire sometimes, flooding in other cases. It depends on how heavy it is. It is a very heavy oil. It probably requires some application of heat to melt it, and also dilutants are used, which, of course, are very expensive.

Mr. WYDLER. Am I correct in thinking that this is one of the items that the President mentioned in his speech as something he is going to give tax incentives, to promote its production?

Mr. LAGOMARSINO. Yes. As a matter of fact, the President proposed immediate decontrol of heavy oil and also that they not be subject to the windfall profits tax. He has not so far specifically defined heavy oil for that purpose, but it would be in the range we have been talking about.

Mr. WYDLER. I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Mr. Chairman, I appreciate the gentleman offering the amendment because, as we both know, there are new ways being developed to extract this very heavy oil about which the gentleman from New York has inquired as to how we know what it is we are talking about. I compliment the gentleman for bringing it up, because I think it is an important area. There are vast reserves, as the gentleman has already mentioned, not just

in California, but in other places, and I think it is a resource of which we should make use, and so I do support the amendment.

Mr. LAGOMARSINO. I thank the gentleman for his contribution.

Mr. LEWIS. Mr. Chairman, I strongly support research and development for all potential domestic energy sources, and I am especially pleased that the DOE authorization bill has been amended to include an initial, though extremely small, effort to promote development of technology to better utilize our heavy oil resources.

As the world has exploited petroleum deposits, the most economical approach has been to develop the most easily refined deposits first. Most of the Nation's, and the world's, refinery capacity has been designed for and works best on "light" (easily flowing) and "sweet" (low-sulfur) crude oils.

As domestic U.S. oil production decreases and we become more dependent upon imported oil, we face the choice of either developing our ability to tap our deposits of relatively heavy, or thick and viscous, oil, or seeing our imports increase at a more rapid rate than they otherwise would, while also becoming more vulnerable to price hikes than we would be with greater internal supply capacity.

California has an estimated 20 billion barrels of recoverable heavy crude oil and the United States has a total of over 40 billion barrels of known recoverable oil. It is estimated that there are over 100 billion barrels in place in the United States. Canada has an estimated 1 trillion barrels of heavy oil reserves.

These heavier crudes will become much more readily available if they can be processed without leaving a large residue of low-value, sludgy "residual" oil. Further, the very thick hydrocarbon materials found in "tar sands," such as those in Utah and Canada, are of the sort requiring refining techniques other than those developed for light and "sweet" crude oils.

Thus, we are forced to find ways to develop the capacity to refine the more viscous crude oils, with their heavier burdens of carbon, sulphur, and metals, without causing environmental problems.

Because the western United States has the largest deposits of heavy oils, the need for "retrofits" of refinery capacity to handle such oils is greatest there. California is in an anomalous position It has more crude oil underground than is needed to supply its petroleum product needs. Much more crude oil is north of it in Alaska. But California imports crude oil from overseas and in addition imports gasoline from other portions of the United States. Further, we are under pressure to export our Alaskan crude oil to Japan, instead of using it to supply the Western United States, including the Pacific Northwest and the Mountain States. This pattern of lack of proper domestic refining capacity for the west coast crude oils strains our balance of payments and, in a shortage situation such as today, drains gasoline supplies from other States.

Boosting our capacity to use heavy crudes for automobile and household heating purposes, without creating surplus "residual" oil, will give us more elbow room as we work through our transition to greater reliance upon coal, solar energy, and other alternative sources.

One project being undertaken by a small California refinery has demonstrated an ability to convert heavy oil into naptha (the basic constituent of gasoline), distillates (of the sort used for home heating), and gases of the sort used in the manufacture of fertilizer and commercial heating. Pure sulfur was separated out, in a form suitable for commercial use, rather than being left in the petroleum products or vented to the atmosphere. There was no coke residue, no heavy residual materials.

This unique reactor design can be combined with complementary hardware standard in refinery operations—which supplies the oxygen and steam needed, separates out sulfur, and channels the major products into separate streams for storage and use.

While the design is advanced, it works from well recognized principles. An outstanding advantage of this process is that there are no significant emissions into the atmosphere.

Increasing our ability to use "heavy" domestic crude oil with technology such as this would make the United States less vulnerable to instability overseas and the profit-maximizing price and supply moves of the OPEC countries. We cannot expect to avoid substantial dependence upon offshore supplies of oil for the foreseeable future. But every bit of elasticity helps. Every bit of inelasticity hurts: In the pocketbook.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LAGOMARSINO).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: Amend H.R. 4839 by:

(a) Deleting, at page 10, lines 22 through 25, inclusive; and

(b) Adding, immediately after line 15, page 37, a new section 126, to read as follows:

SEC. 126. (a) Notwithstanding section 106 of Public Law 91-273, as amended, or any other law, the Secretary of Energy (hereinafter referred to as "the Secretary") is authorized and directed to complete only—

(1) systems design for the Clinch River breeder reactor project; and

(2) procurement and testing of such components as he determines to be useful in conducting research and development on advanced fission technology or otherwise in the public interest, including, but not limited to, the prototypic sodium pump and pump drive, the prototypic steam generator, the in-vessel transfer machine, and the prototypic secondary control rod systems.

(b) The Secretary of Energy is directed to take such action with respect to contractual instruments previously entered into in connection with the Clinch River breeder reactor project pursuant to section 106 of Public Law 91-273, as amended, as in his judgment are necessary or appropriate to carryout this section: *Provided, however,* That nothing in this section is intended in any way to affect, modify, or prejudice any existing rights of any party, under any such contractual instrument.

(c) The Secretary shall assure that any generic environmental or technical issues related to carrying out the elements of the Clinch River breeder reactor project described in subsection (a) of this section are fully documented and discussed with the staff of the Nuclear Regulatory Commission. The Secretary may initiate any necessary and appropriate modifications in any existing liquid metal fast breeder reactor facilities to test, and shall provide for the testing and evaluation of components which are completed pursuant to subsection (a)(2) of this section:

(d) The Secretary is directed to initiate a conceptual design study of a new breeder reactor test plant. The conceptual design effort will focus on a liquid metal fast breeder reactor plant. This design effort shall include the conceptual planning, conceptual studies, systems studies, and systems designs. The conceptual design effort shall also include preliminary costs analyses, engineering drawings, utility interconnect studies, and consultations with the Nuclear Regulatory Commission staff on generic environmental and safety issues. In preparing the conceptual design the Secretary shall take into consideration criteria including, but not limited to, ability to test alternative fuels of the reactor for proliferation-resistance and other factors, economic factors, safety, and the technical viability of the technology.

(e) The Secretary shall undertake to identify and evaluate a reasonable number of alternative sites potentially appropriate for a new breeder reactor test plant and shall include his assessment in the report submitted pursuant to subsection (f).

(f) The Secretary is directed to submit to the President and to the Congress, no later than March 31, 1981, a final report containing the conceptual design, together with his recommendations and additional documentation necessary to support his recommendations. In reaching his recommendations, the Secretary shall consider other breeder and advanced reactor concepts to more efficiently utilize uranium, in addition to the liquid metal fast breeder reactor.

(g) The Secretary shall utilize existing contract design personnel to the maximum extent practicable in carrying out the provisions of subsections (a)(1), and (d) of this section.

(h) In addition to the reappropriation of unexpended funds previously appropriated for the Clinch River breeder reactor project, which is hereby authorized to carry out this section, there is hereby authorized to be appropriated an additional sum of $107,000,000 to carry out this section.

(i) This section shall take effect upon the date of enactment.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, our distinguished colleague, the gentleman from California (Mr. BROWN), joins with me in offering this amendment this afternoon. This is the third time in recent years that I recall that we have been involved in a debate on whether or not to continue with the Clinch River breeder reactor project. We have been up and down this hill. We voted for it and against it.

I might point out that I have supported the Clinch River in the past, but I

have realized since that time that that was the wrong position. Changing my mind did not come easy. It was not something that I took lightly; it was something that was done after a great deal of study and careful thought.

Let me say that I am speaking of a project, not the breeder reactor. I support the concept of the development of a breeder reactor and a breeder reactor program. I think it is essential for this country to meet our long-range energy goals that we must have a very strong, highly technical development program for the breeder. But do not confuse Clinch River with killing the breeder.

Clinch River is a project that happens to be named and proposed for location in Tennessee on the Clinch River. But I might further point out that the licenses have not even been approved for this project. There is no construction going on, no ground construction going on. The site has not been approved by the NRC yet. And if, for some reason, they should decide that it should not be there at this particular site in the district of our distinguished colleague and very valuable member of our committee, a member who I am very happy to know, my friend, the gentlewoman from Tennessee (Mrs. BOUQUARD), it is estimated it will cost between $700 and $900 million to change the location to some other site.

Since the time back in the 1960's, when the cost of energy in this country was very cheap, when people were promoting the utilities, when they were promoting the Gold Medallion Homes, all electric, when we thought that an energy crunch was totally out of the question and that was the last thing on the mind of the American people, we had a tremendous growth in this country, both economically as well as population during that period of time.

But what has happened since that time? We have had an energy crunch. Since 1973 people have become more concerned about the cost, as the OPEC prices increased, the domestic prices increased. People began to decide, "Well, maybe natural gas is not such a bad thing to heat my home with or my hot water with." We have had the beginning of a rapid increase in solar hot water heaters throughout the country. We have decided that it is important to put insulation in our homes. And since that time in the middle 1960's, when our projections were then estimated to be some fantastic figure, the projections today are less than half of what they were at that time.

The question comes up: Well, listen, who are you trying to kid? The French and the Japanese are going ahead full force, the U.K. is going ahead full force with a breeder reactor.

Mr. Chairman, I say to my colleagues to look at the resources in these countries. Both Japan and France have no uranium, they have no coal, they have no alternative but to try to preserve the uranium sources that they have today and to go to a breeder reactor. If I were in that country, I would be an avid supporter of moving ahead today, if not yesterday, in the development of a demonstration project or breeder. But we do not have that problem in this country today. We have a problem, but we have vast resources of coal. This House has already passed a synthetic fuels bill that will move forward with the development of synthetic fuels for coal. We have vast sources of uranium. As a matter of fact, we have a considerable amount of uranium in this country. I am sure that reference will be made to a GAO report. I have supported and opposed GAO reports, too, depending upon what my philosophy was on how I supported that project. But the GAO even admitted in their report that the uranium rich countries, such as Canada and Australia, could continue using uranium intensive converter reactors for many, many years. But the United States, quoting the GAO report, is not in either class, the class being that of France and Japan.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FUQUA) has expired.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 5 additional minutes.)

Mr. FUQUA. Mr. Chairman, I quote from the GAO report:

> It has significant quantities of uranium and other resources, such as coal. As a result, the decision to commercialize the breeder is not so clear cut, resting on a complicated set of assessments of the U.S. energy situation.

□ 1250

Now, we have proposed a very strong program. We are spending more money in this country in this bill that we have before us today for breeder technology than all of Western Europe put together.

Someone suggested, well, we need to go ahead with it, even if it is old technology.

My friends, for those of us who may be old aviation buffs, it is about like using an old Ford trimotor compared to a new Boeing 767 that is on the drawing boards.

What we are proposing is that we utilize the component parts of the current Clinch River project, that we have a study to see just exactly what we do need, what are our future requirements? What size should we have?

We realize now that our scientists have said that we can build a much larger project than the 385-megawatt project that the Clinch River project is, that we can go with a much larger project. We do not have to go back with that. We can come up with the concepts and how to better utilize uranium, and what type of project do we need in the future.

When I first came to Congress in 1963, one of the biggest issues in my State at that time and also in New England was whether or not we would lift the import quotas and tariffs on imported oil coming into this country. It was very cheap a barrel then, but today in that short period of time, from 1963 to 1979, look what has happened to this country.

If you have a crystal ball, I hope yours is better than mine, because I get little cataracts on it before it gets fuzzy when you look down the road as to what exactly our energy needs are going to be, what the projections are that the people have had in this country, the requirement for a Clinch River type for a breeder today is not here.

We can build at a future date a much more advanced project than we have to date. This amendment does not kill. This amendment does not impede. It strengthens the breeder technology program that we need in this country so much.

The President has said repeatedly that he does not think it is necessary. This is one occasion I happen to agree with him. I think he is absolutely right.

We had a distinguished group of Nobel laureates before our committee recently. One of the things they said—and these are some very eminent men. I think this was Dr. Bethe who made the comment that Clinch River was an outdated project, that we ought to go forward with a more advanced program than the Clinch River project. I agreed with him. I think this is what we need to do.

My friends, the Clinch River project is dead. It is dead. We are wasting our time if we think we can keep resurrecting this project every year. The President is not going to sign the bill with this in there. We are going to be in a stalemate as we have been before and marching up and down this Hill before.

What we should do is have a decent funeral today and go on with a much more advanced program. I think it is in the national interest, and I think it is in the interest of this Congress to move on and quit fooling with this project and advance our thinking to much and better in the years to come rather than working with outdated programs.

I urge the adoption of the amendment.

Mr. GOLDWATER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, 11 days ago, President Carter came down from the mountain and announced again that this Nation must resolve to find alternatives to oil and gas and do everything possible to develop our domestic energy resources.

Here we are again debating the future of an energy source which should be one of this Nation's key hopes for solving the energy problem. Without nuclear energy, the United States last year might have had to burn an additional 470 million barrels of oil to make electricity.

This amount of oil could be converted to at least 12 billion gallons of gasoline, a year's supply for 17-some million automobiles.

Nuclear power's contribution will nearly triple by 1985 as plants now under construction come into operation. I shudder to think about the real crisis we would be in if all that oil had to be used to generate electricity instead of fueling our cars and heating our homes.

Here again we come to the question of one of several energy alternatives, nuclear energy, and specifically whether or not we should continue a significant level of research and development and demonstration of breeder technology.

It has been pointed out many, many times on this floor and during our hearings that this particular project of breeder technology development—and the demonstration of CRBR has been going on for some 25 to 30 years, it is not a recent phenomenon, it is not a recent

start—we have already spent over $700 million on breeder technology.

At some point in time, whether it is solar energy or geothermal energy or biomass conversion, we have got to stop studying and demonstrate the state of the art as it exists at that time to see if it answers a lot of the questions, social, economic, licensing, or whether that technology is compatible with our needs.

That is precisely the function of the Clinch River breeder reactor, to demonstrate after 30 years of development a technology and find out whether in fact it works or does not work.

Now, the Clinch River project is some 75 percent completed. The only reason it has not been licensed is because the administration has decided not to license it. That is not to say that it could not be. It certainly could be. It has been carefully designed. It has been carefully thought out. Component parts are practically all built and stored in a variety of places around this country.

As we sit discussing this year after year after year, we are continually losing our leadership in nuclear technology.

Looking back on the history of nuclear energy and the atom, back in the fifties under Eisenhower, we exported nuclear technology. We brought scientists and engineers here. We taught them about the atom and its peaceful uses. Today in other countries, in Japan, Russia, the U.K., France, and Germany, they are proceeding full bore ahead on developing this breeder technology.

As we sit here discussing whether we should or should not, we are losing our leadership, and in that loss I think goes also the high standards of safety and technology superiority. I think it is premature. I think it is an act of folly to put our heads in the sand and deny this opportunity of demonstrating this particular technology.

I would suggest, Mr. Chairman, that we should continue with this funding irrespective of whether the President is not enlightened to it or not, but certainly we should proceed as a body of separate authority and responsibility in pushing ahead this technology, which we could, yes, study and study and study; but at some point in time, we have got to see whether it works or not.

I think it is a wise course of action to take. I would suggest we vote down this amendment by my very able chairman, the gentleman from Florida (Mr. FUQUA) who has in the past, over years and years and years rose in support of the Clinch River breeder reactor, and for some reason today he decided to change his mind.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I will yield to the gentleman from New York.

Mr. WYDLER. I have the greatest respect for the gentleman from Florida. I think in his enthusiasm, in his presentation to the committee, though he might have just given some people a false impression that somehow by voting against the Clinch River breeder reactor we were going to help the breeder program.

The CHAIRMAN. The time of the gentleman from California (Mr. GOLDWATER) has expired.

(At the request of Mr. WYDLER and by unanimous consent, Mr. GOLDWATER was allowed to proceed for 2 additional minutes.)

Mr. WYDLER. Mr. Chairman, if the gentleman will continue to yield, let us get it absolutely clear that what the administration is proposing, and that is his amendment, is to terminate the one real demonstration program that we have in our country, to demonstrate the practicality of taking a breeder reactor and producting electricity from it, something useful for mankind and for our country.

□ 1300

That is the purpose of this amendment. If we pass this amendment we are left with nothing but a program of pieces and parts and a vague hope that we are going to do something in the future and whatever that is nobody knows. That is really the choice that the members of this committee and this House are going to have to make today, whether we want a real program of demonstration or a vague promise, meaning really nothing. Does not the gentleman agree that is what we are voting on when we vote on the amendment proposed by the gentleman from Florida (Mr. FUQUA)?

Mr. GOLDWATER. The gentleman is absolutely correct. We all know we have been trying to reach a compromise with the White House for many, many years. We have said to them, OK, we can go along with your study, but how about a commitment? That is the failure of this amendment. All it does is further study this issue without a commitment certain to proceed with demonstration.

If we had a commitment I would suggest to the gentleman that perhaps we could get a consensus on the committee for making a change in the direction in this demonstration. But all we are asked to do is approve another study without any commitment to demonstrate, and actually build some kind of facility to demonstrate a technology that has been ongoing for over 30 years.

The CHAIRMAN pro tempore. The time of the gentleman from California has again expired.

(At the request of Mr. MCCORMACK and by unanimous consent Mr. GOLDWATER was allowed to proceed for 1 additional minute.)

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman.

Mr. MCCORMACK. The point the gentleman made about working toward a compromise is very well taken. Perhaps it would be well for all of the Members to know that the gentleman from New York (Mr. WYDLER), the ranking minority member of the committee, and I wrote a formal letter to the President suggesting a compromise in which we agreed that we would support the President in designing his own liquid metal fast breeder reactor for construction sometime in the 1980's, and that under those conditions we would agree with him to terminate the Clinch River breeder reactor. He refused any sort of an accommodation on this; refused to even talk about it at all. Accordingly, administration amendment being presented by the chairman of the committee, with all due respect, represents a position that says we must kill the Clinch River breeder reactor and kill the forward movement of our breeder program, all in exchange for nothing but a promise of a study.

Mr. GOLDWATER. The gentleman is absolutely correct. I know the gentleman has been down to the White House on many, many occasions trying to work out a compromise.

The CHAIRMAN pro tempore. The time of the gentleman from Arizona has again expired.

(At the request of Mr. FUQUA and by unanimous consent Mr. GOLDWATER was allowed to proceed for 1 additional minute.)

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the chairman of the committee.

Mr. FUQUA. I asked unanimous consent that the amendment not be read because it was rather long, but I would like to point out to the gentleman that in subparagraph (f) of the amendment is the statement, and I will read it to the gentleman, that after the report is reported back in March of 1981 "a final report containing the conceptual design, together with his recommendations," speaking of the Secretary, "his recommendations and additional documentation necessary to support his recommendations."

Now, the Secretary can recommend we go to site selection, and in reaching his recommendations the Secretary shall consider "other breeder and advanced reactor concepts to more efficiently utilize the uranium, in addition to the liquid metal fast breeder reactor."

So we are making some progress, and I would prefer maybe that we went ahead on a demonstration project at this time, but I think it destroys the study if we are going to make a conclusion before the end of the study. I think the Secretary is mandated in this to come back with those recommendations and supporting documentation.

The CHAIRMAN pro tempore. The time of the gentleman from Arizona has again expired.

(By unanimous consent Mr. GOLDWATER was allowed to proceed for 30 seconds additional.)

Mr. GOLDWATER. I appreciate what the Chairman is talking about, but again, some of our great concerns here, really all the gentleman is asking for is to study a larger concept in a breeder demonstration program, and we do not have too much problem with that. But again, there is not an established policy that we are going to proceed. The study is just to see what kind, and what fuels, and what shape and form, and maybe perhaps where it should be located. We want an affirmative commitment that we are going to do it, and I think until we get that we have to hang onto what we have. I think that has been the big problem.

AMENDMENT OFFERED BY MR. UDALL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FUQUA

Mr. UDALL. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL as a substitute for the amendment offered by Mr. FUQUA: Page 10, lines 22 and 23, strike out "Clinch River breeder reactor, $183,800,000" and insert in lieu thereof "Activities related to the termination of the Clinch River breeder reactor project, $52,000,000".

Page 10, line 24, insert after the comma "including the study described in subsection (f) of this section,".

Page 11, line 2, strike out "$142,400,000" and insert in lieu thereof "$107,000,000".

Page 11, line 4, strike out "$75,300,000" and insert in lieu thereof "$50,300,000".

Page 11, line 15, strike out "$18,100,000" and insert in lieu thereof "$12,000,000".

Page 11, strike out lines 16 through 17.

Page 11, insert after line 20 the following new subsection:

(f) The Secretary of Energy shall conduct a comprehensive study on advanced fission energy strategies and shall submit a report of the results of the study to the Congress not later than March 31, 1981. In conducting the study, the Secretary of Energy shall review the potential role of nuclear energy for supplying electricity in the United States for periods of fifty and one hundred years into the future. The study shall include an examination of alternative advanced fission energy strategies, including strategies designed around breeder reactors, particularly the liquid metal fast breeder reactor, and those based on reliance on advanced converter reactors which provide for more efficient use of uranium (including advanced light water reactors, high temperature gas-cooled reactors, and heavy water reactors). With respect to each strategy reviewed under the study, the Secretary of Energy shall examine matters relating to research and development, budgetary considerations, safety, proliferation of nuclear materials, and licensing. The report submitted to the Congress shall contain recommendations of the Secretary of Energy regarding the possibility of reprograming funds authorized to be appropriated under this section for the purpose of conducting studies respecting the safety of light water reactor technology. The Secretary shall consult with the heads of other appropriate Federal departments and agencies in carrying out the study.

Page 16, line 22, strike out "$22,000,000" and insert in lieu thereof "$17,400,000".

Page 17 line 4, strike out "$2,500,000" and insert in lieu thereof "$1,200,000".

Page 22, line 10, strike out "$2,800,000" and insert in lieu thereof "$2,000,000".

Page 23, line 12, strike out "$12,300,000" and insert in lieu thereof "$6,000,000".

Page 23, strike out lines 17 through 21.

Page 22, line 22, strike out "(15)" and insert in lieu thereof "(14)".

Page 24, line 3, strike out "(16)" and insert in lieu thereof "(15)".

Page 24, line 8, strike out "(17)" and insert in lieu thereof "(16)".

Page 24, lines 11 and 12, strike out "$53,000,000" each place it appears and insert in lieu thereof "$21,000,000".

Page 24, line 12, strike out "(18)" and insert in lieu thereof "(17)".

Page 24, line 16, strike out "(19)" and insert in lieu thereof "(18)".

Page 24, line 18, strike out "$6,400,000" and insert in lieu thereof "$3,000,000".

Page 24, line 19, strike out "$15,400,000" and insert in lieu thereof "$12,000,000".

Page 24, line 20, strike out "(20)" and insert in lieu thereof "(19)".

Page 25, strike out lines 1 through 3.

Page 25, line 4, strike out "(22)" and insert in lieu thereof "(20)".

Page 25, line 8, strike out "(24)" and insert in lieu thereof "(22)".

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Chairman, I thought the distinguished gentleman from Florida (Mr. FUQUA) gave a very compelling and moving address in support of his amendment. But I agree with him that the Clinch River breeder reactor is dead, the practicalities are that the Persident is not going to sign legislation that contains further funding for the Clinch River. I think we would all be wise if we would give this project a decent burial and comfort the widows and maybe let the gentleman from Washington (Mr. MCCORMACK) be one of the pallbearers, and get on with the business of the country.

The time has come to make hard energy decisions and to readjust our expectations and our energy programs to face tough new realities. The amendment offered by myself and Mr. BINGHAM is an attempt to do that. It offers Congress a chance to look at our breeder development program as part of our national nuclear energy program and as part of an international effort to focus on energy sources that are economic; that are reliable, and that fit the difficult situations we are in.

The Udall/Bingham proposal would have the effect of putting on "hold" to the obsessive preoccupation with development of the commercial liquid metal fast breeder reactor technology, which is only one—only one of many possible means to expanding the use of uranium resources. I would liken it to the decision by the United States to forego the race with Europe to develop the SST and to work instead to improve our more economical and environmentally benign jumbo jet. Our amendment puts the liquid metal fast breeder reactor technology where it belongs: As a potentially promising technology in competition with other promising advanced reactor technologies, which may be ready and necessary at some point after about 2020 but which have not yet shown a clear winner among them.

STAKES ARE HIGH AND DIFFICULT TO STOP

In taking this stand Mr. BINGHAM and I are up against billions of dollars invested in this one technology to date.

One point should be perfectly clear: Breeder reactor development does not have now and will probably never have any effect on our national energy independence or on our liquid fuels problem; that is, gasoline lines. Today the total amount of our crude oil used for electric power generation is only 10 percent. By the time a breeder reactor is likely to be on line for commercial purposes, our national fuel conversion policy will have brought that amount down substantially. Therefore, even if replacing our entire electrical generating capacity with breeder reactors would have an insignificant effect on our oil import, or oil consumption rates.

The breeder program included in the science and technology proposal is grossly inflationary: It includes massive sums of money to continue building and testing components for a liquid metal fast breeder reactor when the national program may be headed in a different direction. The time to make a real commercialization decision will be several years down the road.

The Fuqua/Brown proposal is presented as resulting in a savings of billions of dollars as a result of termination of the Clinch River project. The fact is that Fuqua/Brown sets us up for a commitment to a larger and more expensive breeder program than Clinch River; if we really want to save money we have to either cut both projects, which Udall/Bingham would do, or go ahead and build Clinch River and hope we can get away without ever having to fund the new project.

Our amendment leaves us the a breeder development budget larger than that of any European country. The Udall/Bingham amendment provides DOE with nearly $350 million to study not only plutonium-based breeder technologies but all promising advanced fission ideas so that if and when we do need to extend our uranium supply, and when doing so is economically feasible, we will have chosen the technology best adapted to our society's goals of safety and security as well as energy sufficiency.

I urge support of the substitute amendment and the defeat of both the Fuqua and the Science and Technology Committee proposal.

□ 1310

Mr. LUJAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I find myself in a particularly difficult position on these two amendments. I was reminded of the TV series of William Bendix in "The Life of Riley." When things got a little bit difficult, the program would always end with, "What a revolting development."

I find myself in that position, having to oppose the amendments offered by not only the chairman of the one committee, but the chairmen of both committees on which I serve. But, Mr. Chairman, this has been a most confusing chain of events on the whole breeder program.

On the one hand we are told by the administration and by the amendment offered by Mr. FUQUA that, "If only you will not persist in this business of the breeder, we will give you a bigger and better one."

It does not really make a lot of sense. If we are going to talk about proliferation, which was the original argument as to why we should not go ahead with breeder technology, is not the fuel in the "Carter Bigger and Better Breeder" just as subject to proliferation problems as the fuel in the Clinch River breeder reactor? So, I cannot understand why this new track has come about.

On the other hand, if we completely ignore the question of going into breeder technology, how is that going to help the problem? Other countries are moving right ahead with it, and the only thing that we will find is that we will lag behind the rest of the world in this technology. I cannot see where that is to the benefit of this country.

It is not a thing that we are just asked to abandon a thought that we had of going into breeder technology. This thing has been going on for a long time, and we have some responsibilities to the people who have joined us in this effort. The utilities that were asked to join us as partners in this endeavor have put up over $100 million already in cash, and one of the things that we are going to have to do is give them back that money if we do not follow through, or even if we change concepts and try to go on to the "Carter Bigger and Better Breeder."

Parts have been ordered already for Clinch River. As a matter of fact, it is my understanding—I have not seen it—but there is a tremendous warehouse that costs over a million dollars, just the warehouse alone, to keep some of the materials that will be used in this project. And so, to abandon all of that and start all over, to start reviewing a new concept, I think is just not in the best interests of this country.

Mr. Chairman, I would urge the defeat of both amendments that my two chairmen have offered to this bill.

Mrs. BOUQUARD. Mr. Chairman, I move to strike the last word, and I rise in opposition to the substitute amendment.

Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Arizona (Mr. UDALL). He forthrightly tells us that his amendment intends to terminate the Clinch River breeder project, but in order to clarify his position for Members of this body, I wonder if I might address one or two questions to my good friend from Arizona, who chairs the Committee on Interior and Insular Affairs. From his position on this distinguished panel, he does exercise great influence and great authority over the use of public lands in this Nation.

I wonder if the gentleman is aware of the fact that, according to the Department of Energy, about 40 percent of the uranium ore in this Nation lies beneath the surface of our national parks, our wilderness areas, our wildlife refuges, and our national forests? I wonder if the good chairman of the Interior Committee would be supportive of efforts to open up these facilities in our national parks, our wilderness areas, our wildlife refuges, and our national forests for uranium mining in order to meet the demands for nuclear fuel which will result from our failure to develop a breeder reactor.

Mr. UDALL. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from Arizona.

Mr. UDALL. I do not know whether we are going to have to have more breeders down the road or the exact role nuclear power is going to play in our future, but I suspect that it has a role. The uranium is where the Almighty put it, and, as the gentlewoman indicated, a lot of it is on public lands. In our committee in recent years, we tried to get on these parks, wilderness areas, so that we could make out what we needed to get on the public lands in an orderly way in order to develop our resources.

Mrs. BOUQUARD. I appreciate my friend's response. I would like to remind my colleague that I joined with him a few weeks ago in supporting the "conservation vote of the century," the Udall substitute to the Alaska lands bill. So, I wonder if the gentleman has any estimates of the lands with uranium ore in those lands.

Mr. UDALL. In the Alaskan lands legislation we were very careful to draw boundaries so that two-thirds of all the mineral sources were outside the boundaries. We cannot do much about the Great Smokies, the Grand Canyon, the national parks in the country. I do not think the country is ready to turn them loose.

Mrs. BOUQUARD. So the gentleman does not support opening these areas for mining. The reason I asked this question is, in my congressional district we have rock formations known as the Chattanooga shale deposit. That deposit contains very minute quantities of uranium ore. They are so minute that for every 200 tons of this rock, they can only produce 1 pound of uranium ore. Yet, the Department of Energy includes these deposits in their resource estimates. Really and truly, I do not want to see one-third of the State of Tennessee strip mined to provide this fuel. But this will be the inevitable impact of termination of the breeder reactor project. Without the Clinch River project, there will be no effective nuclear program.

Now, it is possible that the gentleman from Arizona feels that we would be better off simply ignoring the contribution that nuclear power can play for our energy independence, because I know that he is very concerned about the requirements of the Clean Air Act. But, if we do not use nuclear fuel and nuclear plants, then we will either burn more coal or we are going to have to do without electrical energy. Two million barrels of oil every day go to produce electricity, and that same electricity can be produced by either coal or by nuclear power. Now, if we are forced to burn more coal, then we are going to have to relax the clean air standards. This is due to the fact that the areas that are most dependent on oil-generated electricity are generally the areas that have the most significant air pollution problems.

For example, today California generates about 55 percent of their electricity from oil; New York, 35; and several New England States have 60 percent of their electrical power generated from oil. These are the areas, my colleagues, where we are going to have to put the coal plants.

So, I wonder if my colleagues would be supportive of efforts to relax the clean air standards and environmental reviews and appeals processes to bring these plants on-line in the shortest time possible?

□ 1320

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mrs. BOUQUARD was allowed to proceed for 3 additional minutes.)

Mrs. BOUQUARD. I was wondering if the gentleman from Arizona (Mr. UDALL) would be inclined to relax environmental standards so we could put more coal plants on line.

Mr. UDALL. If the gentlewoman would yield, there are very serious trade-offs. We have got to do something to work it out. If we do not go nuclear, we have to go coal. People are going to be killed in coal mines and suffer from bad air. We have to work it out, and I think we can do it. But I am not in favor of relaxing the Clean Air Act. From what I have seen up to today, it is not necessary.

Mrs. BOUQUARD. I will say to my friend, the gentleman from Arizona, if he does wish to protect the wilderness lands in this country from mining for uranium and coal, and if he wants to maintain the existing standards for clean air, and if he wants to end the Nation's dependence on the foreign supply of oil, the only mechanism we have to reach these goals lies in the continued development of nuclear energy generating capacity. This is a position which requires a prompt, orderly introduction of the breeder reactor or, to put it quite simply, our Nation is going to have to do without. I do hope that this puts into proper perspective the meaning of the proponents of this amendment.

I urge the defeat of this amendment.

The CHAIRMAN pro tempore. The time of the gentlewoman has expired.

(At the request of Mr. MCCORMACK, and by unanimous consent, Mrs. BOUQUARD was allowed to proceed for 1 additional minute.)

Mr. MCCORMACK. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from Washington.

Mr. MCCORMACK. I thank the gentlewoman for yielding. I want to emphasize one point that the gentlewoman from Tennessee has made, and I want to confirm her in this debate. We are talking about the availability of nuclear fuel. The administration projects up to 395 nuclear powerplants on the line in this country by the year 2000. The known and probable reserves of uranium are about 2,400,000 tons A nuclear plant operating for 50 years requires about 10,000 tons. So we have only enough nuclear fuel for 240, or perhaps 300 plants. The fact is that, given the presumed life of nuclear plants, and our known and probable reserves—and we now have already explored all of our most promising known

areas for uranium—we have enough fuel for no more than about 300 plants without a breeder program. This is what we are talking about, and it demonstrates why we should support continuation of the Clinch River breeder project.

Mrs. BOUQUARD. I thank the gentleman.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman—and those who are watching the proceedings on closed circuit television sets, which I am told I am not supposed to mention but I do not think it is any secret that that is what many of the Members do and must do—I just want to set the stage so everybody is very clear first on what we are voting on probably within the next hour.

The amendment was offered by the gentleman from Florida, which is the administration amendment or the Carter amendment. That amendment in effect would stop the Clinch River project. It terminates the project in clear words. It terminates the Clinch River project and brings into immediate effect all the results that will flow from that termination in the way of legal obligations owed by the U.S. Government which, in my judgment, and I am going to demonstrate this before this debate is over, will probably cost our Government about $1.5 billion for nothing. We will get nothing for it, but that will be the result of terminating the Clinch River project. The hope that his amendment offers to us is that the same President apparently who has decided to kill the Clinch River project, no matter what, will allow his administration to propose a bigger and better breeder reactor for our country. I do not know how many people really believe that. It is a nice hope. It is a nice thing to put out as a possibility, but it is not realistic, and I think any Member here who thinks about it knows that if we are not going to build the rather modest Clinch River breeder reactor project, we are not going to build any breeder reactor project, at least not as long as the present occupant of the White House is there. We have been offered a substitute for that amendment, and that is the substitute offered by the gentleman from Arizona (Mr. UDALL) and that is the vote that will come first. That amendment, I would say, is more honest than the other amendment in that it sets the matter clearly before this body. He not only wants to terminate the Clinch River project and kill it and finish with it, but in effect he wants to totally and utterly gut our breeder program as a nation so that we would be out of the breeder business almost in a total fashion. But it is a more honest amendment, because the first amendment will really have the same effect although it is done in a more subtle fashion.

I urge the House, those Members who are concerned about the supply of energy for our Nation, not to take this step backward. I say to those who are supporting fusion, those who are supporting fusion energy, do not take this step backward because I ask you this: If our need for energy is down and our need for electricity is down, as these people tell us, and that we will not need so much in the years ahead, why are we going to spend a half billion dollars to try to develop fusion energy, whose main purpose is to produce electricity, is basically the same time frame as the breeder reactor? Why would we go ahead and spend a half billion dollars for this very chancy, untried new source of power to produce electricity if we buy the arguments that they are making here to us today that the need for electric power is going down and, therefore, we do not need the breeder? If we do not need the breeder, we do not need the fusion program either. Let us face that fact and look it right in the face.

What we are being asked to do here today is turn our backs on the new and real technology of the future—that is what this vote is all about—and that is what this President has done in many areas of our national endeavors. He has asked us to turn our backs on the technology of the future. If we as a body do that today, we are going to make our country a second-rate one in the years ahead. We will certainly not be able to compete with the breeder-oriented countries of the world, which will include the major countries of the world. They are going ahead with their breeder programs. The only country—the minority of one country—in the world saying no to the breeder today is our country. France is saying "Yes" to the breeder; England is saying "Yes" to the breeder; Japan is saying "Yes" to the breeder. West Germany is saying "Yes" to the breeder.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. WYDLER was allowed to proceed for 5 additional minutes.)

Mr. WYDLER. The Soviet Union is making an all out effort to not only develop the breeder but put it into use and practice in their country. In the face of this we are being asked to go ahead and have a coal economy—or last week it was changed to a synthetic fuels economy. The President, who blinks at trying to demonstrate on a small scale the practicality of using a breeder reactor is asking this Nation to commit itself to an $88 billion commercialization synthetic fuels program. He wants to go all out in total commercialization of synthetic fuels, spend $88 billion for that, and blinks because maybe in this case we will have to spend a billion or two dollars to build a small demonstration project to prove the viability of the breeder reactor for commercial purposes. It is an insane type of policy that he is calling on for this House and this Committee to pass.

The committee this year, I would say, did a great job on the breeder reactor. The committee chairman, as we saw, was opposed to the continuation of the mittee vote was stronger for the breeder project in the committee, but the comreactor program this year than it was last, and I think it is because they realize the realties of the situation that we face.

The General Accounting Office—and I do not ask the Members to take my word for this—has analyzed the administration arguments and found them totally wanting and has strongly suggested to the Congress that if we want a breeder program, we continue the Clinch River breeder reactor project. I hope that type of advice, coming from the source that it is, will be listened to very seriously by this House today.

□ 1330

This is the argument that gets me the best of all, this project is dead because the President said so, and we should lie down and let it die. We should be parties to the murder. I say, let us not be a timid Congress. Let us say to the President we have the courage of our convictions, to say to him in this country: We are going to try to increase the supply of energy from our own sources in every way we can. We are going to test and try to demonstrate it and wherever we can help to make our country now and in the future independent of foreign sources of energy.

If you say that to yourself—and so many Members do say that to themselves—then I ask you how can you turn your back on one of the most realistic, proven potential sources of energy for the future of our Nation?

I just want to speak for a few minutes to the newer Members of this body who were not here in the last few years to give them a few minutes of the history of where we are today. This is not a fight brought about by the Congress, this is a fight insisted upon by the President of the United States.

Let us think how this project came into existence. Many years ago the President of the United States, a different President of the United States, asked American industry to join together with the Government in a project to develop a new source of energy, the breeder reactor. Industry said yes and joined with him. Today we have a President of the United States who suggests that industry join together with Government to develop another new source of energy, synthetic fuels. A very great parallel.

The breeder reactor project started, American industry involved itself and has invested $100 million in this project to date. The President supported the program, the Congress supported the program, the program moved forward.

So it did under Presidents Nixon and Ford. Then when President Carter came to office he submitted his first budget to our committee which reduced the spending for the Clinch River breeder reactor. It did not cut it out, it just reduced the spending a small amount to slow the project down. A few months later the President submited a new budget to our committee and asked us to, in effect, terminate this project. The reason he gave to the Congress and to the American people at that time was the danger of proliferation of the plutonium in the world's economy. That was the reason he

gave when he first asked that the Clinch River breeder reactor be stopped.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. WYDLER was allowed to proceed for 3 additional minutes.)

Mr. WYDLER. That is a very inconsistent argument, of course, today because he is now proposing, if we can believe the gentleman from Florida, to build us a bigger and better breeder reactor.

Be that as it may, at that time he said the reason he wanted it stopped was to stop the danger of proliferation in the world. That argument fell flat on its face, mainly because all of the other countries of the world said they did not understand the argument, they were going to go ahead and develop their own breeder reactors.

Last year the President did not use that argument at all to the Congress of the United States. Instead he came in and he said to us, "The reason I don't want Clinch River, it is an uneconomical project to build." They tried to prove to us with dollars and cents it did not pay to build the project. The problem with that argument is the Clinch River breeder reactor project is not a commercial project, it is a demonstration plant. It is not supposed to come out on the bottom line. So that argument has been abandoned as well and we are down to the argument the gentleman from Florida made and I was with the President when he made that argument. His argument was, "If I were the President of France I would build the breeder reactor but I am the President of the United States and I don't think we need it. Our problems in energy are not as severe as the energy problems of France."

How many of us believe that? I think our energy problems are just as severe as the energy problems of France and we need to utilize every form of possible energy we can utilize in our Nation, and I certainly do not want to be second in this world to the French Government and I surely would not want to be second in this world to the Soviet Union in the development of new sources of energy.

All the arguments have been specious. The President wants to kill this project. The Congress can roll over and play dead if it wants to. It will be doing a serious disservice to the American people if it does so.

I ask the members of this committee and this House to stand up and be heard in favor of increased supplies of energy for the future of our country.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am honored to be a cosponsor of the Udall amendment. I believe that the issue before us at this time is not nuclear energy versus no nuclear energy, and it is not breeder versus no breeders. The issue is essentially whether we are going to move ahead now or very soon in the next year or two with a decision for the commercialization, the development on a commercial scale of breeder reactor technology. It is our position that that decision not only need not be made now, because we have time to make it. The time when breeder technology may become economically sensible, the experts have generally agreed, will be sometime after the turn of the century. It would be undesirable and wasteful to make that decision now, on the basis of the technology which is probably already obsolete if not obsolescent. Why go ahead with the development of a large-scale, expensive reactor with serious safety problems? Why go ahead with that now rather than pursue the more fundamental research and development activities which our amendment contemplates and which are included in the bill if you adopt the Udall-Bingham amendment?

We would still have the largest breeder R. & D. program in the world, assuming the adoption of the Udall-Bingham amendment. It would amount to some $350 million and because it stays at the R. & D. stage and does not move to the commercialization stage, that program is in a position to take advantage of such technological developments and improvements as are made throughout the world from time to time.

Let us just have a look at safety. Many people in this country are concerned about light-water reactors today, and with good reason after Three Mile Island. Do you know what the Clinch River type of breeder uses for a coolant? It uses sodium for a coolant. Do you recall from your elementary chemistry days what it was like to handle sodium? Sodium was something you could not permit to have any contact with air or with water, or you were in serious trouble.

There are other aspects of the Clinch River-type of design that are dangerous. It is capable of producing an explosion that could rupture the containment. That is not true of your light-water reactor, but a breeder reactor of that type is so capable. That is another reason to defer the decision on the type of breeder reactor with which we are going ahead.

I would like to take just a little time to quote from a letter which you all have, which you probably have not had a chance to read, from the National Taxpayers' Union. This is an organization I must say I have not always agreed with but in this case I think they are on target. They urge you as representatives to vote for the Udall-Bingham amendment. The Udall-Bingham amendment, it points out, would leave us with the largest breeder R. & D. program in the world, and at the same time avoid wasteful spending—up to $200 million—on premature, Clinch River—related oriented breeder fuels and components. This would be in addition to saving $184 million by putting an end to the Clinch River project itself.

The letter says:

> One of Congress' present highest priorities is the development of an adequate energy program for the future. However, in attempting pursue this goal one should not throw all common sense and fiscal rationality to the wind. Because of cost and technical reasons the Clinch River Breeder Reactor is simply no longer needed. We cannot afford to allow panic over energy to force us into a needless and wasteful expenditure on this outmoded and technically obsolete demonstration projects.

And going on with what the National Taxpayers' Union has to say:

> Taxpayers' dollars can also be saved by cutting the overall LMFBR R&D program by $200 million. This cut in the breeder program would not jeopardize the solution to long term energy programs nor would it delay the commercialization of the breeder. In fact, according to estimates the decision on the commercialization of the breeder can be deferred until the first quarter of the 21st century.

□ 1340

That is the National Taxpayers Union talking.

Now, what that would do is open up for use toward other much more necessary energy programs, such as those we have been talking about in this Congress, somewhere in the neighborhood of $300-plus million that we can save.

This, Members of the Committee, is a good economy vote.

I urge support for the Udall-Bingham amendment.

Mr. FISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my remarks will start off as one of our colleagues had already stated, that we have visited the Clinch River breeder reactor issue many times before. The pros and cons are well known. The proliferation risks, enormous costs, environmental concerns, and safety problems with this project have been outlined in detail, and I do not think it is necessary to discuss these problems in detail again.

I believe that the Committee on Science and Technology has made a tactical error in not terminating this project. The need to get an authorization bill enacted into law is even more pressing than ever. On numerous occasions, the President has stated his intent to veto an authorization bill that contained funding for Clinch River, and has instead offered a compromise to strengthen the breeder base research and development program. This compromise will provide for a stronger breeder program, which will, in fact, enhance the program by allowing for a more rational design. The fact that an authorization was not passed into law last year is clear evidence of what will happen again this year if we continue to insist on authorizing Clinch River.

Mr. Chairman, Clinch River was originally authorized in 1971 as a crash project in response to our diminishing supply of uranium. Utilities, however, have encountered numerous licensing difficulties for new nuclear plants, causing the cancellation of many of these plants, resulting in a corresponding reduction in the use of uranium. Preliminary reports

from the NURE program have indicated that our domestic uranium resources are larger than we originally thought. It is generally agreed that estimates of uranium reserves have almost doubled in the last 9 years. We have learned today that we have a 50-year supply of uranium for 240 nuclear plants. Thus, the original breeder demonstration schedule no longer makes economic or technical sense. The Clinch River project is now an anachronism and should be treated as such.

We have heard and will hear repeatedly during this debate that the United States needs a breeder program; that other countries are far ahead of us; and that we are headed for a second-rate position in breeder technology.

Mr. Chairman, the fact is that funding Clinch River does not address any of these valid concerns. Dependence on foreign breeders is not the issue before us. Breeders themselves are but one option among the so-called inexhaustibles.

Clinch River's 10-year-old design is already obsolete. The U.S. position in this technology will be better served through a sensible R & D. program, rather than funding a program that is already out of date.

Let me repeat—construction of Clinch River will not move us to the forefront of breeder technology. Rather, it will merely demonstrate our capacity to build a Model T breeder.

We have the alternatives before us to maintain a strong breeder program. The Fuqua-Brown amendment contemplates a larger breeder plant design study. It will focus on more promising breeder technologies than that technology to be employed at Clinch River.

We have nothing to fear from foreign competition. We are outspending all European nations together on breeder R. & D. Certainly, this is true if we enlist our technological genius in a new design study to consider different breeder technologies and alternate fuel cycles.

After 9 years, ground has not been broken on Clinch River, and we have no right to expect ground to be broken while Jimmy Carter remains our President, be it 2 years or 6 years, and restarting the licensing will take even more time. We clearly continue to be in a no-win situation. We cannot afford to wait any longer to cut our losses. Those who believe a balanced energy program should include the breeder, will serve their conviction and their view of the national interest by joining in the new direction promised in the Fuqua-Brown amendment.

Mr. Chairman, let us face the energy future, stop living in the past, and push ahead with an aggressive energy research package that the President can live with.

Mr. ROE. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I want to compliment, of course, the distinguished chairman of my Committee on Science and Technology and certainly my good friend and distinguished chairman of our Committee on the Interior, the gentleman from Arizona (Mr. UDALL) and the gentleman from Florida (Mr. FUQUA) and, of course, the ranking minority member (Mr. WYDLER) of the Committee on Science and Technology.

We have listened for 6 months, and I usually get to the floor and I am filled with fire and brimstone because I do not like to speak about things that I do not know something about and I do not like to speak about things that I do not really believe in one way or the other; but I also have a sense of humor that I would like to share with the House.

We started out this momentous debate on the point of view that we were serving a funeral mass. I think if we are going to have a funeral mass, then what we ought to be doing is putting on our black coats and ties and we ought to be joining here together and we ought to invite our brethren who are watching us today from the heights of their castles in the air and looking at the television and they follow the debate, and I say that with the greatest of respect, because we are really having a funeral mass. Both of our distinguished chairmen and my dearest friends came up and said, "It's dead, it's dead. Let's bury it."

Well, I do not think it is dead. I do not think it is dead any more than any other piece of the programing for energy development of this Nation.

Now, we sat here for 6 months. I have fought on the side, arm in arm, with the chairman of the Committee on the Interior and arm in arm with the chairman of the Committee on Science and Technology; but think with me a minute. Review with me a minute what we have done. "What hath thou wrought?"

Every single energy issue that has come before this House from January to now, whether it had to do with oil shale, tar sands, hydroelectric power generation, nuclear generation, there have been vast coalitions that have been opposed.

What new energy have we put into place in the last 6 months or the last 4 years or anything in production to provide 1 new ounce, 1 kilowatt of energy for the Nation?

□ 1350

I say to the Members, "You answer that." What have we put into place? Nothing; and the Natlcn comes and looks at this debate, and the people say, "What will we do?"

Now we hear the taxpayers' groups that come out, and we are asked, "Why should we panic over energy?" I say, "Great Scott, don't panic over energy?"

All right, except for the point of view that in my State and in other States people are not only burning up internally themselves with anger and distrust and perhaps misjudgment, but they are waiting in those gas lines and they cannot even get their much needed fuel supply.

Why should we panic over energy? Why do we not just turn the temperature up to 90 degrees in here and maybe we can smoke out some energy decision in all our buildings?

The people are panicked over energy. The Nation is panicked over energy and rightfully so.

Do we concur in this point of view that if our Saudi Arabian friends or the people in Iran or any of the OPEC nations cut off our oil supply, we are in trouble? Nigeria announced this morning maybe they will cut back on production. What would it mean to the United States? What would it mean to those gas lines and the energy needs of our people?

We can forget the gas lines. What would it mean to the productivity of goods and services in the United States? So many people think of gasoline as being the problem of energy. That is not the only issue.

The fundamental, basic issue in the Nation with inflation and the fundamental basic issue in the Nation with the energy situation is that we cannot increase the cost of energy by 500, 600, or 700 percent in a matter of 5 years and not have an enormous impact upon the cost of production of goods because energy is production. And those people who are concerned about the United States becoming second rate because we do not control our energy supply for production are most real in what they are speaking of.

Mr. Chairman, we come back and we talk further in some of this debate and we are saying, "You know, this is what the experts say." Let me tell the Members what an expert is. I will ask the Members how many experts testify before their committees and before my committee?

The opposition goes and gets one set of experts, and they become the experts in their field and they are the soothsayers with the tablets coming down from the mountain top. Then those of us who disagree hire the economists and the experts on the other side, and they wrangle before the committee.

But what have the experts done to us? Those very came experts who have testified time and time again are the know-it-alls who never have had the responsibility of running for office or of having people come out and support what they believe in or of staying on one side of an issue. Many of these experts are for sale. It depends on how much money they are paid to appear and testify before respective committees. They are not lobbyists; they are experts.

Oh, yes, we are told the experts have said we do not need nuclear energy, we do not need the breeder reactor, that we can wait until the year 2000.

The CHAIRMAN pro tempore (Mr. NATCHER). The time of the gentleman from New Jersey (Mr. ROE) has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 3 additional minutes.)

Mr. ROE. So, Mr. Chairman, the experts come aboard. They have now testified again, and we debate this issue today, and the experts say to us, "You know, what Mrs. BOUQUARD said, you are

all wrong." The others say, "You know what Mr. UDALL said. You don't know the facts." The experts disagree.

Mr. Chairman, I know Members want me to yield, but let me finish my dissertation, and then perhaps I will give up some of my time.

Mr. Chairman, one of my good friends, my delightful friend, said that we really do not have to cross that bridge until the year 2000. But there is also a bridge we have to cross known as the "Rubicon." It is an "economic Rubicon," and any time we falter and fall apart in developing the technical expertise and endanger the freedom of this nation and the knowledge of this nation technologically, we are continuing to depend on the rest of the world. Must we look to them for breeder knowledge, or must we develop it here?

We are not talking about commercializing the breeder reactor. That is nonsense. It is not obsolete. Nothing is obsolete that has not yet been born.

People will tell us there will be plenty of time. We have already waited too long in America. They say that there will be plenty of time to develop new technology. I say that we will go to hell in a handbasket, and the people will throw this Congress out unless that decision is made now.

That is what the issue is about. We cannot turn out our ideas, our dimensions, and our technologies. We do not have the vehicles to do it.

We spent a billion dollars on this program. Do we have the right to throw it down the drain and say that we will develop something else in the next 10 or 15 years? This is not an issue of Democrats versus Republicans or the President versus the Congress. We have in place in our hands the technology of the breeder reactors which is crucial to the energy supply of this Nation.

What will our answer be to our constituents when we come back if they come to us and say, "Well, they cut off our oil supply."

Who is going to answer for that in the fall on the heating oil supply that we may not have? One oil supply disruption can happen in the world, and where are we then?

We are going to study and debate and study and debate some more, but, God, let us get on with it. This is one thing we have in our hands. It is the high technology of the breeder reactor, not the vehicle but the technology itself to place into focus the program and move ahead with it.

Mr. Chairman, this does not mean that the fierceness of my response is one of lack of respect and decency and honesty to every Member in this room, but I must point out that there is always a great challenge in life. We hear it said that "the operation was a success, but the patient died." Or we hear, "if I had only made the decision when the decision had to be made."

Or how about the fact of this statement: "More mistakes are made from the lack of facts than from poor judgment."

Here we sit with technological information ready to go ahead, ready to start. We fought this issue for 5 or 6 years. This is not a debate on technology; it is a debate on the future economic policy and sovereignty of this Nation.

Mr. Chairman, to let this get away from us now would be one of the greatest travesties of justice I can imagine.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let me say to my fellow colleagues what brings me to the well is to clarify some points that were brought up by the gentlewoman from Tennessee (Mrs. BOUQUARD) and the chairman of the Committee on Interior and Insular Affairs concerning the lands which are not available for the production of the very important uranium that exists within the State of Alaska.

My good chairman and I have discussed this many times before—and I refer to the gentleman from Arizona (Mr. UDALL)—concerning the whereabouts of the known mineral resources within my State. In fact, contrary to his statement, one of the largest, if not the largest, single uranium finds in the United States is within one of the monuments designated by the President of the United States. I think that should be made clear. It is a valid existing right. It is there, but it will not be able to be mined because of its classification by the President of the United States.

I would also like to remind the Members—and I say this respectfully because on the floor of the House I have a great deal of respect for other people's beliefs—that the people who are promoting this amendment, this amendment that would kill a project that this Nation does need, are the same people who also spoke so reverently about locking my great State up.

I could not agree more with the gentleman who spoke just previously from the well. This Congress must act on the production of all facets of energy, including the breeder reactor, including the dams that must be built, including the wells that must be drilled, including the coal that must be mined, and yes, including geothermal and solar and all the other sources of energy. But, as the gentleman just said previously, this Congress in 8 years' time and certainly during the time I have served here has not passed but one piece of legislation that has produced 1 Btu. We did that because of an environmental lawsuit against the Alaska pipeline. We had to have a special act of Congress to override the special interest groups that have brought this great Nation of ours to a grinding halt under the guise of clean air and clear water and all of those good things that we hold dear to our hearts. But in the meantime not one new refinery has been built, not one new dam has been built, no oil of any significant value has been found, and the coal mines are below the level they were before World War II.

That, I say to my good friends, is what is wrong with this Nation today. Yet I hear someone tell me that we do not need all these different facets of energy, that we can wait. We can wait, but still we are sending $75 billion abroad to buy oil from the foreign countries.

I listened to the President who attacked the oil companies last night and placed the blame on their shoulders. Let me tell the Members where the blame lies. It lies upon our shoulders because we have responded to a special interest group, a group that is really the zero growthers, the nonexpansionists, this diverse group that says we cannot allow a man to reach his zenith.

And let me say to the Members that if we listen to them and do as they say, I hope the people will throw us all out because we do not deserve to represent this great Nation, we do not deserve to be here to put our people coming in future generations at the total mercy of those countries in the world that have really made us dope addicts. We depend upon energy.

So, Mr. Chairman, I say to the Members that to take away whatever facet we have to produce that energy is wrong. I urge the Members to consider carefully not only this amendment and defeat it, but, when we get to this floor in future months, as we must, to quit responding to that group that says, "no, no, no," and to this administration and the people who have surrounded the President and have given him ill advice. Let us get on with our act of producing energy.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I thank the gentleman for yielding.

The point the gentleman makes is, I think, extremely significant, and every Member of the Committee should understand this.

□ 1400

The administration's argument this year is that we have a plentiful supply of uranium to continue to build and supply light water reactors for many years to come and, therefore, the conclusion is that we do not have to go ahead with the breeder. But they are assuming that every ounce of uranium can be used. And that means, at the gentleman is pointing out, we have to go into the monument areas of Alaska and mine the uranium, we have to go into the other national parks of our country and mine the uranium, we have to go into every community where it exists and mine it all, so that we could continue to run our light water reactor plants. I do not think that is a choice that the American people would like to make when, instead of that, we could take the used fuel, which today we do not know what to do with, and turn it into fuel to run a breeder re-

actor. We could take our spent fuel—it is not waste, but many people think it is waste—and turn it into a natural resource.

Mr. YOUNG of Alaska. I agree with the gentleman.

Mr. LLOYD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I cannot believe that we are hearing these arguments with regard to energy. Every Member in this room—every Member in this room—has gone home time and time again and told the people at home, "I am doing my level best to produce the energy that this Nation so sorely needs." And yet here we are, saying that there is a quality to the energy that the United States needs. One is good quality, if it is produced a certain way, apparently if it comes from the oil out of OPEC nations, but if it could come from another source, we ought to consider that source, because that alone somehow makes a difference in the needs of this Nation with regard to its energy needs. And, frankly, I cannot believe that we are engaged in this kind of a discussion.

I have in the past had my doubts about this reactor, as some of the Members here know, and I am in no way the expert that some of the Members in this room really are, and I have never pretended to be; but I will tell the Members one thing—I did agree with the President when he spoke just a few short days ago, when he said that we must solve the energy problem.

Here is a potential of another solution. Let us assume—which I do not believe—but let us assume that it will not work. I do not think that is the case. Even if it would not work, it is still worth the money to go forward, it is worth the effort to go forward, to try to achieve a solution to the problems of energy in the United States today.

Also all those Members who are experts in this room today pro or con know that this process will indeed work. When you walk right over there to that door and flick the switch, when electrical energy comes through those lines and the lights go on, I doubt seriously that there is a man or woman in this Chamber who can tell you the origination of that power. Or, for that matter of fact, care a great deal.

Do the Members know what we spent so far? A little over $700 million.

Now let us talk about what it will cost to shut it down. It will cost, roughly, a quarter of a billion dollars, $250 million. This is nonsensical at a time when we are faced with problems in our economic world, it is nonsensical at a time when energy is of the utmost importance to this country, because Clinch River breeder reactor represents a solution. The abundance of energy represents a solution to many of our economic problems.

I cannot believe the insanity that we go forward with around here at times.

I am not asking for something that is unreasonable. I am asking for energy. And the American public is asking for energy. At this point I really beg of you, I truly beg of you, would you just reconsider what it is you are really doing here. Are you producing the energy that this Nation needs, or are you somehow involved in some emotional process? Maybe your egos are on the line. I honestly do not know what it is. All I know is, I told the people who elected me that I would do my best, my level best, to find the energy that is so important for this country to go forward—and by God, I am going to do it.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I do not know whether the gentleman from Alaska (Mr. YOUNG) is still in the Chamber.

Mr. YOUNG of Alaska. I am here.

Mr. SEIBERLING. I wonder if the gentleman can enlighten us as to where is this great uranium find he was referring to.

Mr. YOUNG of Alaska. If the gentleman will yield, it is north of Fairbanks. In fact, if the gentleman wants the specific location, it is north of Fairbanks, in the middle of the Yukon monument location. And when you pass the bill you cannot mine in a monument that is a refuge.

Mr. SEIBERLING. I thought that was what the gentleman was referring to. It is in the White Mountains area.

Mr. YOUNG of Alaska. It is beyond the White Mountains, farther north than the White Mountains.

Mr. SEIBERLING. The boundaries of the monument and the boundaries of the national wildlife refuge monument in the bill that passed the House are both drawn so as to exclude the great, vast bulk of the uranium finds in the White Mountains area. I just finished rechecking that point with the staff of the subcommittee. There is absolutely no question to it. I think it is important to set the record straight. We have taken great pains in the drawing of the national monuments in Alaska to exclude areas of high mineralization, as the gentleman knows.

Mr. YOUNG of Alaska. We have discussed this before, and I do not want to use up the time of the gentleman from California (Mr. BROWN). The boundaries may be outside of it, but you cannot cross the monuments. There is no way you can mine that mine. As I said before, you can have land on the Moon with uranium, but if you cannot get to it you cannot use it. I do not want to use up the time of the gentleman from California, but I will say to my good friend, the gentleman from Ohio, that we have discussed this back and forth and back and forth. All I know is this: If the gentleman is truly sincere in this, when this bill finally comes back to the floor there will not be any question in anybody's mind, including mine, that this mine can be mined for the needs of this Nation.

Mr. SEIBERLING. I am glad to hear such assurances from the gentleman, but let me say that the matter is already accomplished, as the House knows, having debated it at great length. There is full access guaranteed to all mineral claims within or without the national monuments in Alaska.

Mr. Chairman, if the gentleman will yield for just one other point which I think is important, there is more than enough uranium outside any national parks, outside any wilderness areas, to take care of the needs of this country far beyond the end of this century.

The gentleman from Arizona is absolutely right. We do not need to cross that bridge for a long, long time to come.

Mr. BROWN of California. Mr. Chairman, I appreciate the contribution that both Members have made on my time.

Mr. Chairman, I have a great deal of difficulty in getting emotional about this subject, having been through this argument so many times in the past. In fact, I have some difficulty in even developing the motivation to impose upon the time of the House to discuss it further. But I think it is important that we try to have a balanced discussion between the proponents and opponents of the Clinch River breeder reactor.

I began my relationship with the Clinch River breeder as a supporter. I served on the Joint Committee on Atomic Energy during a brief period of time when the Clinch River project was within that jurisdiction, and since then, on the Science and Technology Committee. I have been persuaded by the facts, what I consider to be the facts, that it is not timely to go forward with the Clinch River project, but that it is important that we maintain a strong breeder research and development program and include in that program the preliminary design work on the next generation of breeders and on alternative methods of breeder design and operation.

This position has led me to join with my distinguished colleague who spoke so eloquently on this matter, the gentleman from Florida (Mr. FUQUA), chairman of the Committee on Science and Technology, in offering the amendment which he has presented. I cannot at this time go so far as to support the amendment offered by the gentleman from Arizona and by the gentleman from New York, the Udall-Bingham amendment, although I recognize that this amendment does reflect a growing sentiment within the Nation, a growing sentiment that is antagonistic to further development of any nuclear programs, at least until we can demonstrate that we have solved the problems of the light water reactor technology which we have in place in his country.

The CHAIRMAN. The time of the gentleman from California (Mr. BROWN) has expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 5 additional minutes.)

□ 1410

Mr. BROWN of California. Mr. Chairman, I do not think that the majority of the House is ready to support the Udall-Bingham amendment, but I hope that a majority will recognize the wisdom of supporting what I feel is the sensible and moderate position represented by the Fuqua-Brown amendment.

I think we have to have a nuclear program. I think we have to have a breeder program. The two are inseparable. You cannot have a permanent nuclear program without breeders.

All of those who have studied the situation even to a slight degree, agree on this. But I do not think that it is necessary to deploy for commercial demonstration purposes a breeder reactor at the present time. We have 30 years' experience with breeders. We have built breeders since the early fifties. We have built experimental breeders.

At one point, as I think most of you know, the utility industry thought they were ready to proceed with breeders without further Government help. They built the Fermi plant in Detroit.

That plant proved to be a failure. It had a partial core melt down during the process of testing after it was completed, and it was never put into service.

In fact, that is the reason for the Government in effect mounting a rescue operation for the utility industry by going into the Clinch River reactor program.

We would take over where the private utility industry failed, and we would build, primarily at the taxpayers expense, the next generation of breeders. Well, at that time we thought it was necessary. The evidence today is that it is not necessary.

What we are doing today in this House, as the debate amply demonstrates is that which the House does so well. We are going to gallop full speed ahead to solve an energy problem which does not exist. We are going to "fix" something that needs no fixing.

We all want to solve the energy problem, but the energy problem is not a shortage of electricity now or in the foreseeable future. Our energy problem is a shortage of liquid fuel, largely for transportation purposes. Only a small percentage of oil is used to generate electricity, and by the time and breeder technology can be deployed, it will be far less than it is today.

This shortage of oil is where our present energy crisis is. It will not be solved by generating breeder electricity. All available studies now indicate that we have ample resources of uranium and coal to meet our electrical generating needs until well into the next century.

Mr. RITTER. Mr. Chairman, will the gentleman yield ?

Mr. BROWN of California. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I would like to point out to my distinguished subcommittee chairman and to my colleagues in the House that the electricity generated in this country is composed of, some 17 percent, of about 600 million barrels of oil a year and that any electricity that is not generated by one of these other technologies or the coal that is not coming out of the ground must be made up for. Unless the lights are going to go out, that electricity or brand new forms of storage are developed, it must be generated by imported Middle Eastern oil, which is exactly what we are doing today.

Many regions all over the country are definitely dependent on Middle Eastern oil or OPEC oil that is coming in this country at vast and strangulation prices.

I thank the gentleman.

Mr. BROWN of California. I thank the gentleman for his contribution. His facts on the current situation are correct. We still today generate a small portion of our electricity from oil. We will not, by the time this Clinch River plant is on line or any future breeder technology, be doing that, which is the basis for my statement that the Clinch River breeder will not replace any oil, and it is oil that we are short of. It is oil that we have to have today.

If we go back to our constituents and tell them we have solved the energy problem by voting for Clinch River, if they know anything, they are going to laugh in our face.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Why do we set the temperature in this room at 78 degrees, and we are advised all over the country that public buildings set them at that, and set them back to 65 in the winter if there is no oil shortage? Why are we concerned about electrical energy then?

Mr. BROWN of California. I expect that it may be that it is good for your soul to suffer, more than anything else.

Let me make one or two other points as long as I have taken the liberty of usurping the time of the House in this fashion.

There are several other points that need to be made about this program.

The CHAIRMAN. The time of the gentleman from California has again expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 2 additional minutes.)

Mr. BROWN of California. The GAO report has been referred to, and the GAO does support a continuation of the Clinch River project, but the report is worth reading, because it makes a number of points which should be made.

It says, for example, because of the uncertainties inherent in forecasting electrical demand rates, it is difficult to predict when commercial liquid metal fast breeder reactors will be needed.

This is true. We thought they would be needed in the eighties when this program was originally planned. Today, it is inconceivable that they will be needed before the year 2000, probably closer to 2020. The GAO report recognizes this.

It also says, for those of you who are wondering about the cost, that it will cost the Federal Government between $1.3 billion and $1.5 billion more to build the Clinch River breeder plant, than to scrap it. If you can save up to $1.5 billion by terminating a project which has no economic justification you are going to have a difficult time explaining to your constituents why you went ahead and wasted that extra $1½ billion.

The point has been made that the other nations are going ahead with these programs. Yes, some of them are. But not nearly as fast as you might think.

For example, the statement in the GAO report says that Britain is going ahead with the construction of a program. The fact is Britain is not going ahead. They are in a holding pattern right now. They have not selected a site. They do not have an approved site for their next generation of breeders. They will not even begin construction until they select such a site, and go through a lengthy public hearing process. It is indefinite at the present time as to when they are going to do that.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Washington.

The CHAIRMAN. The time of the gentleman from California (Mr. BROWN) has again expired.

(At the request of Mr. McCORMACK and by unanimous consent, Mr. BROWN of California was allowed to proceed for 30 additional seconds.)

Mr. McCORMACK. What the gentleman is talking about with respect to Great Britain is the British decision to proceed with a 1,000- to 1,200-megawatt commercial breeder plant. The fact is the British have had their equivalent to Clinch River, their breeder of the same size, in operation since 1973.

If we get ours on the line by 1987, which is the nearest estimate if we start now, we would only be 14 years behind the British.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 2 additional minutes.)

Mr. BROWN of California. The status of the United Kingdom program is that no decision on future commercial breeder plants will be made until a public inquiry on that subject is concluded, and that public inquiry has not even begun. The gentleman is right. They have a plant of the size the gentleman indicated. I might say that the gentleman has in his own district a fairly good-sized breeder plant. We call it a fast-flux test facility, but it is a moderate-sized breeder reactor incomplete only to the extent it is not intended to supply power in a power network, but it is a breeder reactor.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Washington.

Mr. McCORMACK. I am sorry to again rise to correct a point. The fast-flux test facility has no breeding blanket. It is a test bed only. It is one-third the size of the Clinch River plant, and of course, about one-tenth the size of a commercial plant.

Mr. BROWN of California. The point that I would like to make in conclusion is the point that I have already emphasized. We want to solve an energy problem. We want to do it in a timely, cost-effective way. Clinch River is not the way to do it.

The continuation of a sound, properly directed, research and development program as contemplated by the administration and as contained in the Fuqua-Brown amendment is the proper course to follow at the present time.

To do otherwise would be to seek to solve the wrong problem in the wrong way and at the wrong time and at a cost which cannot be justified.

I ask my colleagues to vote yes on the Fuqua-Brown amendment.

□ 1420

Mr. WEAVER. Mr. Chairman, I move to strike the last word and I rise in support of the Udall substitute amendment.

Mr. Chairman, several distinguished speakers have discussed the economics of energy and of the nuclear system, and I would like to address that subject.

We seem to be perplexed in this Nation as to why we have such things as inflation and recession at the same time. We do not seem to know what is wrong with our economy.

Actually, the answer is a rather simple one. The gentleman from New Jersey mentioned it. The fact is that energy costs in this Nation, and I am talking about almost all new forms of energy, from imported oil to nuclear energy, have increased as if they were on skyrockets. They have not increased over old forms of energy 10 and 20 percent, they have increased fourfold, sixfold, eightfold, all in the last few years. This has sent enormous shock waves throughout our economy, adding to the price of almost everything we use and everything we buy. Therefore, the Consumer Price Index has gone up at rates of 10, 12, and 14 percent a year.

Inflation, however, is the increased amount of money in the economy. What has happened is as the sharply increased costs of energy have occurred, the Government, we, have, through deficit spending and other devices, put the money out into the marketplace into the hands of people in order to cover the costs of this increased energy. Otherwise we say we would go into recession so, therefore, we have deficits and we increase the money supply causing inflation. The money has been increased to cover the cost of this increased energy.

Today we have a weak dollar and are slipping into recession at a time of staggeringly high inflation. Our Government's response is not to deal with the real problem, which is the high cost of energy. Instead, they deal with the symptoms. They have just raised interest rates once again to protect the dollar, and they are buying dollars on the foreign currency markets in order to keep the dollar from falling further. These are both highly detrimental to our economy. They will mean that the recession we are going into will be deeper, and longer and more dangerous.

There is an answer. The answer is obvious. The answer is clear. Our people today are continuing to live as if oil were $2 a barrel, not $20. Our people are continuing to live as if electricity were still 5 or 10 mills a kilowatt hour instead of 60, 80, and 100 mills a kilowatt hour. That is the reason we have turned down the lights and that is the reason that we must not squander energy in this Nation any more as we have done in the past when oil was $2 a barrel and electricity was 5 mills a kilowatt hour. We can no longer afford that.

The single most inflationary way to meet the energy problem today would be, of course, new production, because new production is extraordinarily more expensive than what we have today. Synfuels will cost probably twice as much as foreign oil. The fast breeder reactor will be so expensive, as we have already heard testimony, that people could not even afford to buy the electricity produced by the fast breeder reactor today, even with today's high energy costs.

There is one simple answer and that is addressed by the Udall-Bingham substitute amendment today, and that is do not go into these extremely inflationary new energy forms today, but to conserve what we do use.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

(By unanimous consent, Mr. WEAVER was allowed to proceed for 2 additional minutes.)

Mr. WEAVER. The breeder we all know is 25 or more years away. Nuclear plants take 10 years to build. But conservation can be implemented today, tomorrow, within 6 months, and it can cure our economic problems, the problem of inflation and recession at the same time. It is conservation which is the cheapest, safest and most immediate form of energy. We do not need to change our lifestyle. Both Dr. Schlesinger and the new book "Future Power" says we can cut down 30 percent of our use of energy in this country today, and they outline the details of how to do it without changing our lifestyle in any way. As a matter of fact, we would live better lives, cleaner lives, more disciplined lives and we would be a stronger Nation, and less dependent, of course, on foreign oil.

Just to conclude, I simply would say that that is the answer, the Udall-Bingham substitute amendment is the answer to really solve the real problems of this Nation. And if we do not, if we do not we are going into a depression. I am serious, we are going into a depression that will make the 1930's look like a pink tea party.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. I think that the points made by the gentleman from Oregon are the most telling in this debate.

What we are about to do now is pour extra hundreds of millions of dollars into a technology which the recent Harvard Business School Energy Report indicates, contrary to widespread impression, "Even the world's most technically advanced breeder reactor development program (in France) is decades away from making any significant addition to that country's nuclear power supply." Today we have the opportunity of taking those extra hundreds of millions of dollars and not pouring them down a rathole into this technology. The breeder program is a bridge to our energy future that we do not have to cross until at least the year 2000. Let us cut through the haze and realize that we are speaking of long-term energy solutions, and that anything we discuss today will mean nothing for the short-term energy crisis of gasoline lines and shortages of oil. We need a coherent, intelligent productive, and safe energy system in the next century and today as well. The amendment offered by the gentleman from Arizona and the gentleman from New York would do so.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

(At the request of Mr. MARKEY and by unanimous consent, Mr. WEAVER was allowed to proceed for 30 additional seconds.)

Mr. MARKEY. Will the gentleman continue to yield?

Mr. WEAVER. I yield to the gentleman.

Mr. MARKEY. All we are saying is that when we must make that decision we do not want this bridge to be littered with white elephants like Clinch River or other near-term commercial breeder technologies that make it impossible for us. We would be far wiser today if instead we were voting to increase programs for energy efficiency and energy productivity, which do not receive the incentives and subsidies that the fast breeder reactor has traditionally received. So I thank the gentleman for yielding.

Mr. STOCKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is an old debate, and unfortunately it gets less, rather than more, enlightening as time goes on.

But I would like to ask that today, just for a moment, we step down off this plane of vague rhetoric and sweeping ideological assertions about energy, and that we desist for a moment at least in the implication that support for the Clinch River breeder project is a test of our energy manhood.

I support the Fuqua amendment for one simple reason. It is simply too early

to commercialize breeder reactors and the breeder technology. I would suggest to my colleagues that they can support that position, the Fuqua amendment, without fear of being antiproduction or antienergy.

I happen to think that my proproduction credentials are about as good as anybody else's. If I had my way, I would decontrol oil now, I would decontrol natural gas now, and I would start digging for coal anywhere around this country Mr. UDALL would allow me to dig.

We do not have to worry if we support this amendment about being accused of being antinuclear. I happen to support careful development of nuclear power. And I have two plants in my district.

I took some satisfaction a couple of weeks ago when in committee we had a moratorium amendment, and I was able to help defeat that amendment.

□ 1430

I think what we have to recognize is, despite the severity of the energy problem we have in this country, we are not going to solve it by throwing globs of money at any project or any idea that comes down the pike.

I think we have to recognize that the problem is not entirely to maximize production, but it is equally important to minimize the cost of additional energy supplies we get in the future. I would like to suggest to the House today that we are not dealing with energy in the abstract; we are not dealing with energy independence; we are not dealing with gasoline lines or liquid fuel operations. We are talking about one simple question; that is, in the next two decades do we have the resources and technology online presently to produce the electrical power we are likely to need without commercializing the breeder in the nineties. I would suggest that we clearly have it in the form of coal and other technology, and we ought to get moving.

I think we need to recognize that this annual debate we have on Clinch River is simply a rear guard effort to keep a project alive that was conceived before 1973, and we have to recognize finally, after 6 years, that the energy world has changed entirely and completely; indeed, has been revolutionized, since 1973 when this whole project and this whole commercialization time schedule was designed. In fact, the insistence on building the Clinch River project or retaining that old commercialization time schedule reminds me of the flat Earth folks' insistence that Columbus was wrong.

There are three major things that have changed radically since the 1969–73 period when this time schedule and this project was designed. First, the rate of growth in electricity demand, and therefore all forecasts or projections for the year 2000, have collapsed, utterly collapsed. This project was based on the scenario of 7-percent growth annually in electrical demand. The fact is, it is growing at less than half that today, and the growth rate is likely to decline even further.

So therefore, instead of talking about the year 2000 in terms of 2,000 gigawatts of electrical demand, in terms of 1,000 gigwatts of nuclear capacity, today as we look ahead to the year 2000 we are talking about 800 to 1,000 gigawatts, half the electrical power. If we are talking about half of that from nuclear—and I do not see that given the regulatory crisis and the climate we have today—the fact is that we have more than enough uranium resources today in this country and around the world to support 2,000 gigawatts of nuclear capacity. If we do not start changing the regulatory process, we are not going to reach that at this rate. And new orders, in the last 36 months have been practically zero.

The second thing is a static thing. In 1970, the projected total rose 1.4 million tons. Today it has increased threefold, to 4.3 million tons. The fact is that when we hear this 2.4 million figure, that is the proven inventory. It is like saying that when you run a candy store, when you run out of candy on the shelves there will never be anymore candy.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. STOCKMAN was allowed to proceed for 3 additional minutes.)

Mr. STOCKMAN. The second thing we have to remember about the uranium supply is that the technological possibilities have improved, the efficiency of the enrichment process, and therefore our yield of nuclear fuels is increasing and will improve as we move toward the year 2000.

The third fact is that they are discovering large amounts of new uranium around the world, as was indicated by the Canadian discovery last year and renewed activity in Australia. As a matter of fact, it would be well worthwhile for Members of the House to pick up a copy of today's Wall Street Journal, where they will find that the market is predicting a collapse of the $40 uranium price because demand is continuing to erode and supply prospects improve.

The third thing that has changed is, simply and unfortunately, that the nuclear climate in this country has soured. That means that if we are to move from the current generation of technology we have proven, and hopefully we can license, into a totally new generation technology, by the time we get a licensable commercial breeder the costs are going to have escalated so violently that they will be well beyond the range anybody imagined in 1973 or in 1970.

That brings us to the bottom line. We are switching the technology of the relatively low-priced uranium, due to the fact that the demand was lower than was projected and the supply is likely to be better, and we are going to face, on the other hand, excessively high and uncertain costs for the advanced new technology embodied in this generation of breeders.

I suggest, therefore, that it is simply premature to move toward commercialization at this time. Let me conclude by saying that if one is a member of the pro-production group do not be intimidated by all this fierce rhetoric we have heard here today. Do not vote to waste $1.5 billion on a commercialization program.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I just wanted to associate myself with the gentleman's remarks relating to the Clinch River breeder reactor. It seems to me he very effectively exposed three of the myths which surround the construction of the Clinch River reactor.

First, he talked about the energy manhood argument; if the Europeans are doing it, if the British are doing it, if the French are doing it, therefore we should do it. That is like saying that if they continue to use sail for vessels, that we should continue to use sail. That is myth No. 1.

The second relates to demand for electricity. The gentleman's figures, which Members should look at carefully, he is absolutely correct in saying that the situation has changed remarkably. We do not have that demand for electricity unless by building the breeder we are going to back out of oil.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. WIRTH and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 2 additional minutes.)

Mr. WIRTH. The first myth is the energy manhood myth. The second myth is the demand for electricity myth. The third is the uranium myth. As the gentleman correctly points out, we now have very significant supplies of uranium. As the price has gone up in the Rocky Mountain area, we are in the process of mining the tailings, and doing so at a profit.

Mr. STOCKMAN. I think that is a good argument. One of the reasons this is happening is that we do not have price controls on uranium. If we want to really get the breeder built, put price controls on uranium and we will have a supply shortage.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I would just like to make one point. The gentleman is entitled to his point of view. However, the gentleman talked about the Clinch River breeder reactor as being a commercialization project. I think the gentleman's assumption, if I can suggest it to him, is all wrong. The Clinch River breeder reactor is not a commercialization project. It is a demonstration project which is trying to help us to find out whether we should in fact try to commercialize a breeder reactor.

We are trying to learn whether this very important step is bad or whether we should go to commercialization. In fact, the gentleman may be right; it may be that when we build it and test it and find out what the problems are, what the commercial aspects are, we will find out that it is not a sensible policy. So, it is not a commercialization project. We had this argument 2 years ago. I thought that was done with by then. We were thinking of tomorrow's problems.

Mr. STOCKMAN. I would say that I understand the gentleman's argument perfectly. If I misspoke, then I apologize for that. But, clearly we are building a demonstration plant of this magnitude as the first step in a commercialization track that would begin in the nineties. I would like to make the point to the gentleman that there are literally hundreds of technologies we could possibly commercialize.

□ 1440

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 1 additional minute.)

Mr. STOCKMAN. The point remains that we cannot spend a billion dollars to build a demonstration plant for every one of these technologies to find out whether it ought to be commercialized or not. We have to make some hard judgments ahead of time like the kind we have been discussing here this afternoon.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Colorado.

Mr. WIRTH. I think the gentleman from New York (Mr. WYDLER) just made a case about the fourth myth of this debate, and that myth is that somehow we are killing the breeder reactor. That is not the case at all. We are just going from a first generation to the next generation. Whether or not this is commercial is not the point. The point is, let us go with the most far-out, modern technology and not a technology of the 1960's. We are continuing the breeder technology; we are not killing it. And every Member who says we are killing it is absolutely incorrect.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding. I want to associate myself with the gentleman in the well and the gentleman from Colorado (Mr. WIRTH). I think this has been a most informed and informative discussion.

Mr. STOCKMAN. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, first of all, we are talking about two amendments that do just about the same thing. The Brown-Fuqua amendment would kill Clinch River, very seriously weaken our energy program and make the United States look absolutely foolish all over the world. The Udall-Bingham amendment does that, but it does something more. After all they would kill the Clinch River, they would want to jump up and down on the corpse for awhile. But both amendments are killing it. I think it is important to understand that both of the amendments are equally damaging, equally destructive, and equally unacceptable. When we come to vote on them, I hope no one will say, well, I voted against that terrible Udall-Bingham amendment, but I am going to vote for that nice, soft, Fuqua-Brown amendment. Remember, the nice, soft, Fuqua-Brown amendment still leaves the corpse on the floor; and all of us embarrassed as can be, because the Clinch River project will have been killed, and we will be standing here with blood on our hands for it.

To speak just a minute to the Udall amendment, it not only kills Clinch River, it dramatically cuts the base program, cuts out funding for the Barnwell nuclear fuels plant, and then proposes to spend more money expanding the research and development programs that have been rejected, after thousands of scientific man-years of research and development have been conducted all across the world. Talk about Model T's. We went through two whole decades of figuring out which was the best breeder technology, and now as an excuse to kill Clinch River just because he assumes—maybe he does not know—he assumes we do not know, but all of this research has been done already, it is an excuse to do it all over again so we do not have to move for a breeder program, and we can spend another 20 years in research.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

The fact of the matter is that the Udall-Bingham amendment does not propose any expenditures already in the committee bill. It is simply cutting them.

Mr. McCORMACK. I believe the gentleman will find that his amendment expands into other technologies, other breeder technologies, whether it is in the money or the words.

Let me talk just a minute about the costs involved in this thing. We act as though just cutting this program is going to allow us to walk away from it. There are various estimates as to how much it will cost to kill the Clinch River project. They vary from a billion and a quarter dollars to $1.5 billion. That is what we have got in it, and what it would cost to pay for our debts, probably to have some moderate lawsuits, pay interest on money that is invested, to do some testing on component parts that would have to be done, and so on. We would then have to start all over again to start another breeder project, which would be another LMFBR with exactly the same technology which we now have. I think it is important to understand that.

The next point is that they have been trying to scare us with the safety argument. The gentleman from Arizona (Mr. UDALL) talked about the safety of nuclear powerplants and the terrible uncertainty of this thing. The fact is that liquid metal nuclear plants are probably even safer than the extremely safe light-water plants we have today. The fact is that liquid metal does not boil away. You cannot lose it. When you put it down in the pot, it is simply there, and acts as a tremendous heat sink. It is a tremendously forgiving material. A liquid metal-cooled plant is a very safe machine. This is why all of the industrialized nations of the world—England, France, Germany, Japan, and Russia, and the low countries of Western Europe and Italy—all have agreed to go with the LMFBR.

The gentleman from New York (Mr. BINGHAM) is trying to scare us with the terrible word "sodium." Remember your high school days when you put sodium on the stove and watched it boil. Gasoline is a terrible scare word. Put it on your skin, and it will burn. The point is, we are not going to put sodium in the water. We put it inside the LMFBR, and we seal it up in there. Let us keep our thoughts in context here.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Would the gentleman recommend using gasoline as the coolant for reactors?

Mr. McCORMACK. No. Sodium is much better. Gasoline is a fine coolant. Sodium is much better.

The point has been made that liquid fuel is our problem; electricity is not our problem. I would like to point out to the Members that this building is now running at an uncomfortably high temperature, and all public buildings are in this country, because we presumably do not have enough fuel for our electricity. I have a map here put out by the New York Times earlier this week that shows how much oil is being used on the west coast to generate electricity: 60 percent in New England; 35 percent in the Middle Atlantic States; 22 percent in the South Atlantic States; 77 percent in California. This is oil, most of it OPEC oil, being imported into this country and being used to generate expensive electricity.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McCORMACK was allowed to proceed for 5 additional minutes.)

Mr. McCORMACK. The fact is, as someone has said, they threw a red herring across the trail and said CRBR is not going to replace any oil. Do not go home and tell your folks it is. Of course it is not. It is an experimental test bed, a research reactor, to demonstrate how we would generate electricity with this particular size machine, this particular type technology. What it does is it gives the foundation for a decision to commercialize at some future date with intelligent information.

Over and over again we have had this

red herring about we should not be commercializing the breeder. Of course we should not be commercializing the breeder. We do not know enough about it. That is why we want to build this plant, so we can test it out and have the experience of building it and operating it, and have the engineering knowledge and the operational knowledge that would come from this operation, so that when we have to make the decision, when the fuel crunch is so tight, that we are going to know we are either going to have to stop building nuclear plants and start building breeder plants, and we are going to have adequate experience and knowledge to make an intelligent decision.

In spite of statements made on this floor earlier in this debate, the General Accounting Office report makes it quite clear, and over and over and over again in our hearings the testimony has made it quite clear, that that decision will very likely come in the early 1990's. By that time all of the uranium that is available, the known and probable reserves, will have been committed by the nuclear plants in operation or under construction at that time. By that time they will have been committed, and they will still be far short of requirements for energy, even with the most successful of conservation programs.

The point has been made that our electric growth rate has collapsed. The fact is that it is still 3.5 percent per year. It has been 7 percent, and it is now way down—all the way down to 3.5 percent per year. Do the Members recognize that a 3.5-percent-per-year growth rate still means that it doubles in 20 years?

"Oh, McCORMACK, that is just your opinion," somebody says. Just remember that is straight, pure mathematics, just as simple and basic as 2 and 2 are 4. A 3.5-percent-per-year growth rate means doubling within 20 years. By the end of this century, at the rate we are now going and with this colossal growth rate, we still must double our energy production capacity. These are facts we are facing.

The General Accounting Office report points out that we will not have enough uranium. It makes it quite clear. The question is, Why should they not kill Clinch River? Why should they not just take the easy way out? The fact is that we do not have an ongoing breeder program. Sure, we still have a basic program under the Fuqua amendment. But it would not be moving forward. We would not have the engineering experience and the operating experience we need to make intelligent decisions. And if we do not have that, we will not have the fuel when we need it and we would be putting ourselves in exactly the same position with respect to uranium in 1990 as we are today with oil, because we did not take intelligent steps 10 years ago. That is what this issue is all about.

There is another reason we should not kill this project: because of its impact on the free world. I have photographs here of all the other breeders across the world that I will share with anybody who wants to see them.

□ 1450

Breeders have been operating for as long as 7 years in England, France, and Russia. Russia is now building and finishing its second, and scoping a bigger breeder than anyone else in the world. And France, where they are building a 1,200 megawatt commercial breeder which will be on the line 4 years before we can have the Clinch River breeder on the line.

What about the impact on OPEC, and our friends who are depending on us? Killing Clinch River will be saying to them, we are really not serious about solving the energy problem. We really do not care. We ignore the fact that nuclear is one of the only two important energy resources we have to solve our problems in the present century and the early part of the next century. We ignore the fuel supply.

The question has been made there will be no benefits now from CRBR, so we should not waste the money. Yet we are spending $500 million for fusion research. All of which I applaud, which I supported, which I put in my bill. We are spending $1.5 billion over the next 10 years for photovoltaics research, under a bill that I sponsored, a bill I believe in. We have to do this with new technologies. They are expensive.

It is fundamental to understand that the GAO, writing for us, our GAO, the GAO of the Congress, has said that the administration's arguments on this issue are phony, they are unreliable, that we will need the breeder, we will need to make intelligent decisions on the breeder by the early 1990's and we cannot intelligently get there without CRBR. I suggest we kill both amendments. Vote no on both the Brown amendment and the Udall amendment.

Mr. UDALL. Mr. Chairman, we have had a long debate and there are other titles to get to. I would ask, for myself and the gentleman from Florida (Mr. FUQUA), unanimous consent that all debate on the Udall substitute and all amendments thereto close at 3:05.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona (Mr. UDALL)?

Mr. BADHAM. Mr. Chairman, reserving the right to object, there have been many of us, unfortunately, who, for one reason or another, were not members of the committee and I think a little more time would be in order.

Mr. UDALL. Mr. Chairman, I would revise my request that all debate on the Udall substitute and all amendments thereto close at 3:20.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona (Mr. UDALL)?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for just a little over 1 minute each.

The Chair recognizes the gentleman from Michigan (Mr. WOLPE).

(By unanimous consent, Messrs. UDALL, BINGHAM, and WEAVER yielded their time to Mr. WOLPE.)

Mr. WOLPE. Mr. Chairman, I rise in support of the Udall-Bingham substitute, but want to spend just a moment talking about the important points of agreement between the two amendments that are before us today.

First, Mr. Chairman, both amendments that are being offered, both the Fuqua-Brown amendment and the Udall-Bingham amendment, agree and would mandate that the Clinch River breeder be killed. It should be killed because it is an obsolete technology.

If there is any question about that, the Committee on Science and Technology received direct testimony just a few weeks ago from Dr. Hans Bethe, one of the world's leading nuclear scientists who is certainly an advocate for the development of nuclear power and an advocate, moreover, for the development of the breeder concept and design.

Let me quote from Dr. Bethe's testimony before our committee:

> In my opinion, we shall need something like the breeder sooner or later. Perhaps a little later now than we thought a while ago, because the demand for power has increased less fast than we anticipated. But sometime in the not-too-distant future, we shall need a breeder or a similar device.
>
> Now, that breeder does not need to be the Clinch River breeder. In fact, the Clinch River breeder is rather obsolete. Such a long time has elapsed between the design of that reactor and the building, so that we would probably be better off to start from the beginning and to have a new design for the breeder.

The fact of the matter is we are being asked today to commit ourselves to an additional $1.5 billion expenditure for an obsolete technology that is incredibly wasteful and cannot be justified to the taxpayers of this country.

A second important point of agreement between the two amendments before us is that breeder research should, in fact, continue. Neither of the amendments that are before us today would even touch the $330 million authorization for the continuation of breeder research. That breeder research program would still represent the largest breeder research program in the entire world. So those who would argue that a vote for one of these amendments is a vote to kill a breeder research program are simply misleading this body.

There are two points of difference, however, between the two amendments. The first is that the Brown-Fuqua amendment mandates that we commit ourselves today to the development of a demonstration commercial breeder reactor. By 1981, under the terms of the Fuqua-Brown amendment, the Government would have to come forward with a specific concept, with a specific design, even recommendations for a specific site. The Udall-Bingham substitute amendment would postpone that decision to move toward commercialization of the breeder technology.

The second major point of difference between the two amendments concerns money. The Udall-Bingham amendment is $200 million less costly than the Fuqua-Brown amendment. That is $200 million that can be either returned as a saving to the taxpayer or set aside for the development of energy research

and development that would far more effectively address this country's most immediately pressing energy problems.

Much has been said about the relationship between oil and the proposal to commercialize the breeder reactor. The fact of the matter is today, only 9 percent of all of our petroleum resources are going to the generation of electricity. Fifty-four percent of our petroleum resources are going to transportation. Does this not suggest that our greatest research and development priority ought to be the development of alternative transportation fuels to reduce our petroleum dependency?

The end product of the breeder reactor is electricity. That is the least demanding end use toward which our available petroleum supplies are directed. I submit that to pretend that somehow we are impacting upon our petroleum dependency by commercializing the breeder reactor technology is simply, again, misleading. It is, rather, diverting scarce dollars that should be used to impact on the immediate energy requirements of this country.

This body is going to be tested many times in the weeks ahead. We are going to be told that the effort to use discretion, the effort to attempt to establish our energy priorities is somehow irresponsible. Every time there is a program that is going to be offered up in the name of energy, we are going to be told that our failure to support such a program is unpatriotic.

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I submit that we simply cannot allow ourselves to be intimidated by that kind of demagogic appeal. We do no one any favor—not ourselves, not our constituents, not our country—when we abrogate our responsibility to establish our energy priorities and to insure that taxpayers dollars are used wisely and effectively. Just as other problems our country is facing will not be solved by throwing money at them indiscriminately, so the energy problem will not be solved by wasteful and irresponsible expenditures.

The test we need to apply in determining our energy research and development priorities is whether or not a proposed expenditure on one technology offers greater or lesser potential for reducing our dependence on petroleum than alternative expenditures. Our criterion, I submit, should be what research and development initiatives offer the greatest potential for displacing petroleum. What technologies and approaches will accomplish this goal most quickly, most cheaply, and with least public health and environmental damage?

In my judgment, the Clinch River breeder reactor and related proposals for "bigger and better" breeders badly fail this test.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. DOUGHERTY).

(By unanimous consent, Mr. DOUGHERTY yielded his time to Mr. BADHAM).

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, we have been discussing the future of America and what type of America we will have. We have been talking about what size and shape of America we are going to have in the future: Whether we are going to have a smaller America that is going to settle for hotter houses and buildings in summers and colder houses and buildings in winters and less food and less transportation and less production; or, whether we are going to have a greater and stronger America that can meet the challenges that we face now, have faced in the past, and will face in the future.

The Clinch River breeder reactor is just one symbol of this. Will we or will we not use technology and technological advances that we have at hand. The anti's say, "No, we should not." It is like saying there is no sense in having an army until we have a war or no sense in building a B-1 until the Russians are on the way to attack. Foolish.

Now, what we are talking about is a technology that Japan, the Soviet Union, France, Great Britain, and Germany, are all using and they are laughing at the United States of America because we will not use what we developed. Why not? Because we say that would be proliferation.

Well, what does that mean, proliferation, if the technology is already fact, existant, and used by friend and foe alike?

THE ENERGY VALUE OF BREEDER REACTORS

Breeder reactors represent a tremendous source of energy. They can extend our uranium resources by a factor of about 60 times. The energy value of uranium already mined and above ground—the byproduct of our enrichment operations that can only be used in breeders—is roughly equal to our total unmined coal resources or at least 3 times the total OPEC oil resources.

To walk away from demonstration of this vital energy source would be a clear signal to energy consumers and other nations that we are not serious about pursuing increased energy production to reduce worldwide shortages and perilous and costly dependence on foreign energy sources, such as the OPEC nations.

Almost every other industrialized nation is actively engaged in a strong breeder research and development program centered on an intermediate scale demonstration plant. These nations fully recognize the dramatic resource utilization potential of breeders compared to light water reactors (sixtyfold increase). France, Britain, and Russia are currently operating CRBR scale plants.

GENERAL ACCOUNTING OFFICE VIEW

On May 7, 1979, the General Accounting Office issued a detailed report entitled "The Clinch River Breeder Reactor—Should the Congress Continue to Fund It?" Some of its highlights are:

> The Clinch River Project is not technically obsolete, and its intermediate size is a logical and prudent step in developing liquid metal fast breeder reactor technology.
>
> Terminating the Clinch River Project accomplishes very little in the area of nonproliferation.
>
> If the Clinch River Project is terminated, much of the $674 million already spent on it may be wasted.
>
> . . . it will be difficult at best and perhaps impossible to maintain a strong liquid metal fast breeder reactor program without building the Clinch River Project.

On May 11, 1979, the administration released a white paper detailing its criticism of the CRBR plant. GAO was asked to do an analysis of this document and issued its report entitled "Comments on the Administration's White Paper—The Clinch River Breeder Reactor—An End to the Impasse" concluding:

> GAO found that the Administration's presentation of several key issues and facts could have been more balanced and informative.

In reference to the White House paper, the GAO report is replete with words such as "misrepresentation," "omission of facts," "invalid assumption," and "highly questionable."

In another GAO report dated May 23, 1979, entitled "Nuclear Reactor Options To Reduce the Risk of Proliferation and To Succeed Current Light Water Reactor Technology," the liquid metal fast breeder reactor, or more specifically Clinch River, was clearly placed on an equal or preferred footing when compared on a number of bases with nine other advanced reactor concepts.

Specifically, the report calls for consideration of the next generation of nuclear power to be assessed against a broad range of social, political, economic, environmental, and technical factors—a path endorsed strongly by an international nuclear fuel cycle evaluation working group in a recent report. The report states that,

> No fuel cycle should be avoided solely on proliferation grounds if there are good and prudent economic and energy strategic arguments in favor of introducing it on an industrial scale.

THE CHALLENGES TO CLINCH RIVER

A number of the allegations which have been made by opponents of the CRBR demonstration plant should be kept in perspective:

Clinch River is the right plant: After 3 years of rigorous licensing review by the Nuclear Regulatory Commission, the CRBR design has been updated to reflect safety standards consistent with conventional nuclear plants. CRBR represents a prudent 2½ times scale-up beyond the fast flux test facility and is a necessary low-technological risk, high-confidence step in the development of breeder technology. Many new technological advances are being incorporated into the CRBR design such as the new heterogeneous core announced only several months ago. Additionally, the abundant flexibility in the reactor provides the opportunity for U.S. leadership in demonstrating the practicability of fuel cycles which might come from the international nuclear fuel cycle evaluation (INFCE).

Clinch River will be operating at the right time: Experience in licensing, building, and operating an intermediate scale breeder demonstration plan will be

needed in the mid-1980's if prudent decisions are to be made by utilities about the long-term need for inexhaustible energy from breeders. Even if one were to accept the argument that commercialized breeders would not be needed before 2020, as maintained by the administration, we are already late with progress on CRBR.

Clinch River can be built at the right cost: It has been estimated that cancellation of CRBR would cost the American taxpayer more than $1.4 billion. This compares to a cost of going ahead with the project of $2.5 billion in year of expenditure dollars. More than 70 percent of the value of CRBR components has been ordered and fabrication of the order is half completed. Scrapping Clinch River and starting over on a new plant will undoubtedly cost a great deal more. The utility contribution to Clinch River is the largest commitment ever made by the industry-at-large—753 utilities participating—cancellation of the project would jeopardize the possibility of any future joint ventures involving private funds.

Clinch River is the right place: As a result of extensive review by the Nuclear Regulatory Commission, the Clinch River site was given approval as suitable from both a public health and safety and an environmental impact standpoint. The hearings, suspended by the administration, will provide the opportunity for full weighing of any remaining public concerns regarding the plant and its operation.

The Clinch River breeder reactor demonstration project is a vital element of the U.S. energy future—it deserves strong continued congressional support.

The Clinch River breeder reactor puts us on the road to the technology of the future which we must have. We cannot retrench. We do not want a smaller America. Americans might want somebody else to sacrifice, but Americans do not want to sacrifice themselves.

I do not want less. I want more. I think Americans want more, more production, more energy and the way to do it is not just with Clinch River, not just with nuclear power, not oil, not coal, not shale, not synfuels; we have to have them all.

Depleted uranium, not usable for light-water reactors in use today, is stored in canisters in Portsmouth, Ohio, Paducah, Ky., and Oak Ridge, Tenn. This uranium in energy equivalent is worth $20,000,000,000,000—that's right, $20 trillion. It is owned by the U.S. taxpayer and is already mined. The breeder reactor unlocks this energy source.

Three Mile Island, the most serious nuclear accident which ever occurred, resulted in no loss of life or injury to the public, and the investigation of this accident doubtless will further improve nuclear safety.

What are we telling private industry? We have encouraged them, "Come on out on the end of the gangplank with hundreds of millions of dollars to go in partnership with the Federal Government for a Clinch River breeder reactor."

What we are going to do? We will get you out there and cut off the gangplank.

Do you think any other private company in this United States is going to advocate going into partnership with the Federal Government that does that, constantly, time after time? The answer is "No." Clinch River is another symbol because of that.

We have a technology. For heavens' sakes, America, let us use it.

I do not want the lights to go out. America does not, either.

If you want to sit here and preside over a dark and cold America, be my guest, but I will not be with you. And America has more sense than to accept that archaic, head-in-the-sand-type leadership, or I should say nonleadership.

(By unanimous consent, Mr. GORE yielded his time to Mrs. BOUQUARD.)

(By unanimous consent, Mr. FISH yielded his time to Mr. COUGHLIN.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, today the House once again must debate and vote on the Clinch River breeder reactor demonstration project. This issue occurs at a particularly appropriate time when the United States must rally to meet the challenge of tighter world oil supplies and rising energy costs. We must decide today whether we continue with the full funding of our commercial liquid metal fast breeder program or reallocate our energy research and development dollars to other energy alternatives.

I rise in support of the Udall-Bingham amendment which would terminate the Clinch River breeder reactor project and throttle down the headlong rush for early commercialization of the LMFBR.

As my colleagues are well aware, the LMFBR program has claimed a disproportionate share of the U.S. energy R. & D. funds since 1969 and represents the single largest expenditure of nuclear fission research dollars.

It is the subject of huge cost overruns. Clinch River from $400 million in 1971 to $2.5 billion today. Engineering corps to design and build it cost-benefits "out of control."

The Udall-Bingham amendment would establish a technological design study which would require a careful and thorough study of all advanced fission technologies and not commit us directly to a plutonium reactor. In addition, the amendment includes $330 million for a broad, intensive research and development program on breeders, while deleting $200 million for the premature development of commercial LMFBR components and fuels. It also urges the Secretary of Energy to increase efforts on the light water reactors in order to address the safety problems highlighted by the Three Mile Island incident and which threatens the future operation of LWR's.

I have been in the forefront on efforts to terminate the CRBR project since 1974. I can imagine that my colleagues are well aware of the economic, technological, safety, and security arguments which I have repeatedly brought before you, so I will not address these points yet again.

However, I urge my colleagues to give very careful consideration to all three options which are open to the U.S. nuclear breeder program. Today this Nation faces an energy crisis. This shortage is in liquid fuels. Plutonium breeders will not displace the use of liquid fuels or be commercially feasible until after 2020. This Nation must find answers to the energy shortage over the next 10 to 20 years.

The committee bill will spend $670 million this year for the breeder development program with this amount increasing annually. The Clinch River breeder reactor project would consume almost half of this amount. I do not believe that this is the wisest use of our limited energy R. & D. funds. With an annual inflation rate of over 10 percent, the need to control unnecessary Federal spending becomes more critical. We must avoid overcommitment to a program which will preclude alternative energy development programs which could more immediately answer our energy needs.

I urge your support of the Udall-Bingham amendment. It provides a reasonable insurance policy for the United States in funding the world's largest breeder R. & D. budget, but avoids a commitment to an expensive and dubious demonstration project. This allows the United States to probe more economical, secure and safer breeder designs, and redirect energy R. & D. funds to encourage additional nuclear technologies and strengthen nuclear safety programs.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, I rise in opposition to the amendment and in support of the action of the Committee on Science and Technology in providing full funding for the Clinch River breeder reactor.

Mr. Chairman, the Clinch River breeder reactor demonstration plant represents only one of several energy options this country is looking at to replace its dependence upon fossil fuels, especially oil and gas. It is an important option, because as we move forward in the next decade or so, it is going to be more important than ever that we begin right now to find substitutes for the diminishing supply of the world's oil and gas.

Nuclear energy is one of our most significant options. As we look back a number of years to the 1950's, we see that the United States was truly the originator and developer of nuclear energy. We were unquestionably the leader in this field. In the atoms for peace program of that decade, we felt it was important to share our technology and our knowledge with the rest of the world, and we began a concerted effort of exporting nuclear technology. We invited to this country literally thousands of foreigners to be trained in our expertise of nuclear energy.

We have gone along during these years with a very aggressive program, and in

fact today, because of our leadership, the world enjoys a movement toward the use of nuclear energy, a safe use of the atom that will make up for the diminishing supplies of oil and gas.

Now we come to this administration, which all of a sudden has decided to change the policy of this country, to change the policy of nuclear energy use, and to precipitously close our doors to the advancement of atomic energy. It is strange that the United States is pursuing a unilateral energy disarmament policy and abrogating its leadership in breeder technology. It is understood that most other countries do not share our abundance of knowledge and our large resources of oil and gas, and so, therefore, these other countries are not following our leadership but are pursuing their own course in developing, demonstrating, and in fact building breeder reactors.

It is also very strange that this administration takes an entirely different approach than it does for the breeder regarding conventional nuclear powerplants, which I might remind the Members also can produce weapons-grade material.

The President has changed this country's position on breeder technology primarily based on his legitimate concern over the possibility of proliferation. And then, when that concern was proved to be basically false, he changed his reasoning to one of economics, an argument which is certainly debatable.

But how can you debate the worth of an energy alternative until we know by actual demonstration, by actual online effort, whether it is going to be economically feasible for this country to depend on it?

In my opinion, the answer to proliferation is one of action instead of default. We need a parallel technology effort in as well as diplomacy in order to dampen down the threat of proliferation of weapons-grade material.

Mr. Chairman, I say to my colleagues that I support the continuation of Clinch River for many reasons. Let me cite just a few.

We have so far spent over $700 million on this demonstration project, and it represents the culmination of some 25 or 30 years of research and development on breeder technology. So far, 75 percent of the equipment for the Clinch River breeder reactor has been ordered. The design is almost complete. All of the materials for the 11 steam generators to be required have been ordered, most of them have been received, and they are just now being fabricated and put together. If you kill this project, you will kill and destroy the many millions of dollars that have been so far spent on this plant. We will not receive commensurate value in return.

Mr. Chairman, in addition, there are over 753 utilities which have committed themselves to this project and have recently reaffirmed their support, and have already committed some $254 million to this project.

In addition to that, it is interesting to note the bipartisan support that has developed for the breeder. In addition, the NAACP, many labor organizations, business, the American people, and certainly the National Governors' Council support continuation of this demonstration program.

I say to my colleagues that one of the main reasons I think we need to demonstrate this technology is because the breeder reactor does represent an increased utilization of the available uranium supplies in this country and in the world. And let me point out that there is debate, there is uncertainty as to the amount of uranium left in the world. Some people will put the assured and probable reserves at a low figure of 1.8 million tons, as does the National Academy of Sciences. On the other hand the administration is very liberal and generous, and they peg it at 3.1 million tons, thereby saying we have sufficient uranium to delay the need for the breeder. But I think that uncertainty makes it even more compelling to vote down this amendment.

In my opinion, in order to assure the safe utilization of nuclear energy worldwide, the United States must continue its leadership. By voting this amendment in and canceling Clinch River, we would abrogate our leadership, our knowledge, our technical expertise, and certainly our ability to guide the rest of the world in the safe use of nuclear energy and the high standards that we have supported to date.

In addition to that, by canceling the Clinch River breeder reactor we would disrupt an industrial base which has been put together over the years. Termination of the Clinch River Breeder reactor would result in a significant loss in the program, more than 10 years' delay, and certainly an added significant cost. I think it is time, after all these years, to go ahead with this project.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. JENRETTE).

Mr. JENRETTE. Mr. Chairman, I have heard a great deal today in the debate about where we should be, where we are and where we should be going.

I think that we must look at it very closely as it relates to the complete cutoff of all of our programs.

I would say particularly, "Woe unto Moe," as far as the gentleman's amendment is concerned.

We must look at where we are going in the future. I think a meat ax approach of cutting it off completely would be irrational and would be wrong and I would ask particularly the Udall-Bingham amendment be voted down.

The CHAIRMAN. The Chair now recognizes the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Chairman, I rise in strong opposition to both the amendments that are pending.

I became a member of the Appropriations Committee that funds Clinch River 8 years ago. Up until the past 2 years every year since that time we have had requests for modifications and changes in the plan, modernizing, updating the plans for Clinch River.

Now we are being asked again today to wait to vote for an amendment that would provide for a study to come in 1981. When was the last time you remember a study being brought to us timely, on time?

The issue today is do you want an alternative? If you do, you had better vote down both of these amendments, because a vote for these is only a further delay in coming forth with a badly needed alternative to our energy problems today.

(By unanimous consent, Mr. BAILEY yielded his time to Mr. MCCORMACK.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, an aspect of this problem that I think has been overlooked, and I rise in support of the Udall amendment and that failing, in support of the Fuqua amendment; an aspect of that that has been overlooked has been the role of the United States attempting to carry on in regard to proliferation of nuclear weapons internationally. If Clinch River continues we will be in a much weaker position to exert an influence against the spread of nuclear weapons.

There is no hurry about the development of the breeder reactor, the commercialization of that approach. There is ample time. There is no real shortage that impels us to move in this direction. What we need is to wait for a technology that will give timely warning of diversion of the byproduct of the breeder reactor for weapons grade plutonium. That time will come. It is not yet at hand, but we ought to wait until it does arrive.

The CHAIRMAN. The Chair now recognizes the gentlewoman from Tennessee (Mrs. BOUQUARD).

Mrs. BOUQUARD. Mr. Chairman, we truly are a great country and we are a free count. But one of the major reasons is because we are blessed with an abundant supply of energy. Our continued greatness is tied to the use we make of this energy abundance. Certainly the world looks to us as the technological leader, as the provider of technology to aid in the development of their Nation. We cannot abdicate our responsibility to our own country, or to our neighbors throughout the world. We have an obligation to develop and deploy technologies that meet the common needs of mainkind. Clearly, one of the foremost of those needs is the availability of reliable, cost-efficient, abundant energy.

□ 1510

We know that we only have enough uranium, in assured reserves, to fuel about 250 light water reactors. Now if we limit our annual growth in energy demand to 4 percent per year, which is going to be a great accomplishment indeed; and, at the same time if we save through conservation one-third of our present energy consumption; if we look to solar for 5 percent of supply, if we

look to hydroelectric for 2 percent, and if we look to coal for one-third of our projected needs and we cut our imports of oil by one-half.

If we continue our domestic production at two-thirds at the rate we produce at the present time; if we can do every one of these things; we are still going to require some 400 light waterplants on line by the year 2000, if we are serious about meeting energy consumption need, and we simply do not have an assured supply of uranium, sufficient for even this highly optimistic projection.

Reference has been made to the issue of proliferation. I agree that this is a matter of concern but I truly believe if we can assure the world of an adequate supply of relatively inexpensive, abundant energy, this is going to be a far greater source of strength and stability that we can share with the rest of the world, than any nation can provide to its people from the acquisition of atomic weapons.

This certainly is the area in which we must work to see that not only do we have the vital energy supplies that we need, but at the same time we can say to the neighbors, "We will share our knowledge with you," we will also continue to have the energy we need not only for our technological advances but for our economic and military strength as well.

(By unanimous consent, Mr. HILLIS yielded his time to Mr. WYDLER.)

The CHAIRMAN. The Chair now recognizes the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I rise in strong opposition to the Udall-Bingham amendment.

Some 10 years ago, when Clinch River was born, I was the manager of a rural electric cooperative. Our members invested their money in that project at that time, and I say at this time the rural electric cooperatives of America still believe that it is in the best interests of America to go on with the project.

Twenty-five years ago we were warned by responsible people that if we do not change our attitude toward energy, the day would come when we would be dependent on foreign sources. We are here.

I ask all the Members here, with the punitive attitude we have toward the oil and gas industry, if we eliminate the breeder reactor from our future energy sources, what will the price of coal be in 1990? What will the price of electricity be in 1990?

Competition is the best friend of the consumer.

Mr. Chairman, compared to a $60 billion foreign oil bill and compared to an $88 billion investment in synthetic fuels, a $1.5 billion additional investment in Clinch River for this country, with a $183 million downpayment, could be the best fiscally prudent decision that we can make for energy in America this year.

(By unanimous consent, Mr. WYDLER yielded 1 minute of his time to Mr. RITTER.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Chairman, I rise in opposition to the amendment. The GAO was set up to provide the Members of this body with information, with as objective and critical an eye toward the value of our expenditures as they possibly could provide. The GAO report makes mincemeat out of the Carter administration attack on the breeder program. The GAO report, in effect, says "Go ahead."

I notice that a lot of Members here who are constantly referring to GAO reports in other areas are ignoring this particular GAO report.

Mr. Chairman, what kind of energy we have in the year 2000 depends so much on what we do today, tomorrow, next week, and next month. Technology is not just a few hundred million dollars here and a few hundred million dollars there. Technology is people. It is time, what we have assembled, what this Congress has assembled in Clinch River, Tennessee, is more than just $700 million worth of hardware, $300 million in obligations, or $400 million worth of closing costs added on. What is there is teams of individuals who have dedicated a whole segment of their lives to making a reality out of a plan.

The breeder technology involves a human effort, a community effort, a commitment. To rip and rend asunder that kind of basic human team effort and community effort goes well beyond its dollar cost, and I advise the Members to watch with great caution that their vote on this amendment does not have the effect of performing deadly surgery on the Federal Government's ability and reputation to live up to its obligations.

I urge my colleagues to support it.

(By unanimous consent, Mr. ROE yielded his time to Mr. MCCORMACK.)

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. MCCORMACK).

Mr. MCCORMACK. Mr. Chairman, CRBR is not obsolete. It is not an obsolete technology, it is not an obsolete design. The GAO report makes that abundantly clear. Even the core has been redesigned during the last year.

While we have been moving along on this project, we have been updating it all the time. The technology is no different from that being studied for nuclear plants in France, in Russia, in Great Britain, and so on.

My next point deals with the suggestion that the gentleman from Illinois (Mr. FINDLEY) made about the threat of producing weapons-grade plutonium in CRBR. That argument had not been brought out before, and I am sorry it comes so late. I will try to respond to it with this one simple fact:

The conventional nuclear powerplants that will be on line in this country before Clinch River could be built will routinely produce 500 times as much plutonium as CRBR will produce. That is the same kind of plutonium in the same physical form. Those nuclear plants will produce 500 times more than CRBR.

To pretend that the Clinch River project by itself uniquely contributes to weapons proliferation is nonsense, and we should treat it as such.

We need to worry about weapons proliferation throughout the nuclear program, whether associated with breeders or conventional plants, but the fact is that the key to preventing diversion is not at the nuclear plant. It is at the fuel reprocessing center. This should be an international center, supervised by the IAEA, and with appropriate institutional and technological safeguards. This we can do without great difficulty. It is important that we not be frightened by the fact that the CRBR will produce plutonium.

This is not weapon-grade plutonium, even though it is plutonium. It is heavily contaminated with plutonium 240, and nobody has ever made a weapon with such material.

The next point is this: The administration's argument, which is the position of the Fuqua-Brown amendment, is that we should delay the decision to move forward with the breeder program. This, in turn, is based on the administration's forecast of what our electric energy requirements would be in the year 2020. That is 41 years in the future. So they are saying we should not start before 1985 because they know what our demands will be in the second decade of the 21st century.

How would you like to go back 41 years to 1938 and project our energy requirements and energy problems of today, and make policy on such predictions?

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WYDLER).

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I rise in opposition to the Udall amendment.

Mr. Chairman I rise in opposition to the Udall and Fuqua amendments to delete funds for the Clinch River breeder reactor project.

We are in the midst of the most severe energy crisis our Nation has ever experienced. Instead of hiding our heads in the sand about possible alternatives to expensive petroleum-based energy sources, we need to be continuing our efforts to develop alternative sources that will help to decrease our dependence in foreign supplies. The passage of this amendment would not help us to accomplish this goal.

The President has been very careful to try to agree with the energy proposals of the major energy-consuming nations of Great Britain, France, West Germany, and Japan. Yet he has not wanted to go along with their approach to breeder plants. These nations have been willing to take upon themselves some of the

obvious risks associated with the development of nuclear breeder reactors because of the significant contribution they can make to supplying electrical energy for their citizens.

If the United States is to free itself from its petroleum operated electrical generating plants and dependence on a nonrenewable source of energy, we must proceed with the development of a safe and efficient breeder reactor. How do we know the full potential of this type of energy source unless we are willing to take advantage of the opportunity to continue to construct and refine the ability of this unique form of energy production to continue to contribute to the energy needs of our Nation?

I can certainly understand the fear and emotionalism of many opponents to nuclear energy. But we cannot allow these feelings to cause the scientific possibilities to be ignored and result in this project being dismantled. We have invested too much time, money, and effort in this development to scrap Clinch River. If there are substantial dangers associated with the breeder reactor that warrant substantial concern, we certainly cannot solve them by shutting down the project.

We can only find these answers to these problems by working on them at the same time that the breeder reactor program is continuing. We cannot afford to close our eyes to this type of positive program. What we need is to take the concern of nuclear opponents and work on rational and realistic solutions to these concerns. No one ever solved this type of complex problem by running away and ignoring it.

The energy future of our Nation must not be allowed to be held hostage to any unfounded suggestions that we are playing with potential national disaster with breeder reactors. I do not deny that there are problems that do not exist, but I do deny that nuclear power cannot play an important role in America's future energy dependence. Just as we cannot afford to go into further nuclear development with a closed mind to past nuclear problems, we cannot go into our energy future with a closed mind about the contributions that the breeder can make.

Nuclear fission is the cheapest, safest, and cleanest source of energy available to help gain our energy dependence. We cannot suppress the technology that will be necessary to insure that this is also one of the safest sources of energy once the best and most appropriate safeguards are instituted. This can be assured only through continued work and development.

□ 1520

Mr. WYDLER. Mr. Chairman, I think the Members should be well aware of what they are incurring in the way of costs by terminating the Clinch River project. I would say to the gentleman from New York (Mr. BINGHAM), who said it is an economy vote, that the gentleman should listen very carefully as to

The contract termination costs—and what it will cost the American taxpayers. I am being very, very conservative in this estimate—would be $135 million. You would have to modify the fast flux test facility so that you could test the components that we have built already and have for the project. That would cost about $300 million. The cost to cover the utility payback—and, of course, they have to be paid back, they have put in the money—and litigation over other uncompleted contracts will be about $375 million. The total termination costs would be $810 million. The funds we have spent on this project to date is $700 million. It would cost the taxpayers $1,500,000,000 for nothing.

I hope the Members will vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. FUQUA) to close the debate.

Mr. FUQUA. Mr. Chairman, we have been debating two amendments simultaneously. The Udall-Bingham amendment I think goes too far, and I urge a "no" vote on that amendment. The Fuqua-Brown amendment is the middle position. It provides us an opportunity to leap forward.

The Clinch River, if it went today, would not go into effect and operation until approximately 1987. It would take another 7 years after that before we have a commercial project. So if someone is trying to lead you to believe that the lights are going to dim because you voted for the Fuqua amendment, that is absolutely wrong. We have to rely on other near-term sources of energy before we get into the exotic technology that we are working on in the breeder.

So I urge a "no" vote on the Udall amendment and an "aye" vote on the Fuqua amendment, and let us get on with the business of this country's energy needs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL) as a substitute for the amendment offered by the gentleman from Florida (Mr. FUQUA).

The amendment offered as a substitute for the amendment was rejected.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in light of the strong decision of the committee, those who were here during the debate on the Udall-Bingham amendment, I strongly support now the Fuqua proposal. It is far superior to what the Science and Technology Committee brought in.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Arizona (Mr. UDALL) and urge a vote for the Fuqua-Brown amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FUQUA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 182, noes 237, not voting 15, as follows:

[Roll No. 390]

AYES—182

Albosta, Ambro, Applegate, Ashley, Aspin, AuCoin, Baldus, Barnard, Barnes, Beard, R.I., Bedell, Bellenson, Biaggi, Bingham, Blanchard, Boland, Bonior, Bonker, Brademas, Brinkley, Brodhead, Brown, Calif., Burton, John, Burton, Phillip, Carr, Cavanaugh, Clay, Conte, Corman, Cotter, Coughlin, D'Amours, Danielson, Daschle, Davis, S.C., Deckard, Dellums, Diggs, Dingell, Dixon, Dodd, Donnelly, Downey, Drinan, Early, Eckhardt, Edgar, Edwards, Calif., Emery, English, Ertel, Fascell, Fazio, Fenwick, Ferraro, Findley, Fish, Fisher, Fithian, Florio, Ford, Tenn., Fowler, Frost, Fuqua, Garcia, Gephardt, Gilman, Glickman, Gonzalez, Goodling, Gray, Guarini, Hall, Ohio, Hamilton, Harkin, Hawkins, Heckler, Hefner, Heftel, Holtzman, Howard, Huckaby, Hughes, Ireland, Jacobs, Jeffords, Jenkins, Kastenmeier, Kemp, Kildee, Kogovsek, Kostmayer, LaFalce, Leach, Iowa, Lehman, Leland, Levitas, Long, La., Long, Md., Lundine, McDade, McHugh, McKinney, Madigan, Maguire, Markey, Marlenee, Matsui, Mattox, Mavroules, Mica, Mikulski, Mikva, Miller, Calif., Minish, Mitchell, Md., Mitchell, N.Y., Moakley, Moffett, Mottl, Natcher, Neal, Nedzi, Nelson, Nolan, Nowak, Oakar, Oberstar, Obey, Ottinger, Panetta, Patterson, Paul, Pease, Pepper, Petri, Peyser, Pritchard, Quayle, Rahall, Rangel, Ratchford, Reuss, Richmond, Rodino, Rose, Rosenthal, Roybal, Sabo, Scheuer, Schroeder, Seiberling, Sensenbrenner, Shannon, Sharp, Simon, Skelton, Solarz, St Germain, Stack, Stark, Stockman, Stokes, Studds, Swift, Synar, Tauke, Thompson, Traxler, Udall, Van Deerlin, Vanik, Vento, Waxman, Weaver, Weiss, Williams, Ohio, Wirth, Wolff, Wolpe, Wylie, Yates

NOES—237

Abdnor, Addabbo, Akaka, Alexander, Anderson, Calif., Anderson, Ill., Andrews, N.C., Andrews, N. Dak., Annunzio, Anthony, Archer, Ashbrook, Atkinson, Badham, Bafalis, Bailey, Bauman, Beard, Tenn., Benjamin, Bennett, Bereuter, Bethune, Bevill, Boggs, Boner, Bouquard, Bowen, Breaux, Brooks, Broomfield, Brown, Ohio, Broyhill, Buchanan, Burgener, Burlison, Butler, Byron, Campbell, Carney, Carter, Chappell, Cheney, Clausen, Cleveland, Clinger, Coelho, Coleman, Collins, Ill., Collins, Tex., Conable, Corcoran, Courter, Daniel, Dan, Daniel, R. W., Dannemeyer, Davis, Mich., de la Garza, Derrick, Derwinski, Devine, Dickinson, Dicks, Dornan, Dougherty, Duncan, Oreg., Duncan, Tenn., Edwards, Ala., Edwards, Okla., Erdahl, Erlenborn, Evans, Del., Evans, Ga., Evans, Ind., Fary, Flippo, Foley, Ford, Mich., Fountain, Frenzel, Gaydos, Glaimo, Gibbons, Gingrich, Ginn, Goldwater, Gore, Gradison, Gramm, Grassley, Green, Grisham, Gudger, Guyer, Hagedorn, Hall, Tex., Hammer-schmidt, Hance, Hanley, Hansen, Harris, Harsha, Hightower, Hillis, Hinson, Hollenbeck, Holt, Hopkins, Horton, Hubbard, Hutto, Hyde, Ichord, Jeffries, Johnson, Calif., Johnson, Colo., Jones, N.C., Jones, Okla., Jones, Tenn., Kazen, Kelly, Kindness, Kramer, Lagomarsino, Latta, Leach, La., Leath, Tex., Lederer, Lee, Lent, Lewis, Livingston, Lloyd, Loeffler, Lott, Lowry, Lujan, Luken, Lungren, McClory, McCloskey, McCormack, McDonald, McEwen, McKay, Marriott, Martin, Mathis, Michel, Miller, Ohio, Mineta, Mollohan, Montgomery, Moore, Moorhead, Calif., Moorhead, Pa., Murphy, Ill., Murphy, N.Y., Murphy, Pa., Murtha, Myers, Ind., Myers, Pa., Nichols, O'Brien, Pashayan, Patten, Perkins, Pickle, Preyer, Price, Quillen, Railsback, Regula, Rhodes, Rinaldo, Ritter, Roberts, Robinson, Roe, Rostenkowski, Roth, Rousselot, Royer, Rudd, Runnels, Russo, Satterfield, Sawyer, Schulze, Sebelius, Shelby, Shumway, Shuster, Slack, Smith, Iowa, Smith, Nebr., Snowe, Snyder, Solomon, Spellman, Spence, Staggers, Stangeland, Stanton, Steed, Stenholm, Stratton, Stump, Symms, Taylor, Thomas, Treen, Trible, Ullman, Vander Jagt, Volkmer, Walker, Wampler, Watkins, White, Whitehurst, Whitley, Whittaker, Whitten, Williams, Mont., Wilson, Bob, Wilson, C. H., Wilson, Tex., Winn, Wright, Wyatt, Wydler, Yatron, Young, Alaska, Young, Fla., Young, Mo., Zablocki, Zeferetti

NOT VOTING—15

Bolling, Chisholm, Conyers, Crane, Daniel, Crane, Philip, Flood, Forsythe, Holland, Jenrette, Marks, Mazzoli, Pursell, Santini, Stewart, Walgren

□ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Walgren for, with Mr. Santini against.

Mrs. Chisholm for, with Mr. Philip M. Crane against.

Mr. Conyers for, with Mr. Flood against.

Mr. Marks for, with Mr. Daniel B. Crane against.

Mr. LIVINGSTON changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1540

AMENDMENT OFFERED BY MR. MAVROULES

Mr. MAVROULES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAVROULES: Page 2, line 17, strike out the period and insert "and $27,400,000 for atmospheric fluidized bed system."

Mr. MAVROULES. Mr. Chairman, before I get into my statement I wish to commend the chairman of our Committee on Science and Technology, the gentleman from Florida (Mr. FUQUA) and also the subcommittee chairman and the members for a commendable job in their performance in bringing this bill to the floor.

Mr. Chairman, I offer an amendment to set aside $1.5 million to cover the cost for an additional project for small scale atmospheric fluidized bed combustion technology, by redirecting already existing funds within the combustion systems programs.

The advancement of such a technology is in the interests of this Nation as it strives for energy independence.

Industrial steam generation consumes one-sixth of this Nation's energy. I am talking about over 4 million barrels of imported oil a day.

As a step in remedying this situation, the fuel use act and the Department of Energy's industrial applications program are directed at converting utilities and large industrial boilers from oil or natural gas to an alternative fuel like coal.

But no consideration has been given to the possibility of converting the small industrial and commercial boiler market.

Such boilers, as well, consume a large percentage of foreign oil imports each day, and unlike the larger boilers that use residual oil, these smaller ones use precious distillate fuels.

Our course of action should be clear: We must advance the small scale technology proposed in this amendment.

For if coal could be burned in small industrial and commercial boilers, the large volume of distillate presently consumed in these systems could be directly converted to heating oil, gasoline, or diesel fuel—areas where it is most needed.

In the past, the reasons why the small boiler market was not targeted for conversion to coal was largely economical. But the technological advances in second generation fluidized bed combustors have changed all of that.

Today is our opportunity to promote this technology and call for demonstration projects for small, clean, coal-burning systems.

One final point, Mr. Chairman.

Some of the criticism leveled at the Department of Energy has been its failure to bring more small business participation into its research development, and demonstration programs.

And yet these smaller concerns play an important role in our economic development as a whole and can play an even greater role in dealing with the energy problems shared by every man, woman, and child in America.

They should be encouraged.

The funds I ask for would speed up significantly the availability of this technology, which is a positive step toward our energy independence.

Almost as important, these funds bring the resources of the small business concerns to bear on a problem of national dimension.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the distinguished chairman of the committee.

Mr. FUQUA. I also hope the gentleman will yield to the gentleman from New York (Mr. OTTINGER). We have had a chance to examine the gentleman's amendment. I think he makes a good point and the fluidized bed for small boilers is a technology that we need to put some additional emphasis on as far as I am concerned, and I am willing to accept the amendment. I think the gentleman from New York feels likewise.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to my distinguished chairman.

Mr. OTTINGER. I agree with the gentleman and the chairman and I congratulate the gentleman on his amendment. This amendment would provide for a redirection of $1½ million from a pressurized fluidized bed project which is to be canceled and thus it will add no additional funds. The funds would be utilized for an innovative, small atmospheric fluidized bed combustor, producing less than 20,000 pounds per hour of steam and utilizing a 2-stage combustion approach. The project has many advantages. It would be of a size of interest to small users, smaller than those currently marketed. It develops a concept that permits efficient operation at low-load factors, which has been a problem for most fluidized bed units.

It is sufficiently developed in small sizes to have application within the next 5 to 7 years. I think it is a worthwhile project and I am happy to support the gentleman's amendment.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I am pleased to yield to the ranking minority member.

Mr. FISH. Mr. Chairman, I want to say on behalf of the minority that we have no objection to the redirection of funds. I compliment the gentleman on his amendment.

Mr. MAVROULES. I thank the gentleman very much. With those statements, Mr. Chairman I would yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. MAVROULES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GOLDWATER

Mr. GOLDWATER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOLDWATER: Page 10, after line 10, insert the following:

(4) Intermediate Scale Technology Demonstration Project (site unspecified)—

(a) The Secretary shall promptly initiate and carry out a project, as provided in this section 107(B)(4), to construct a technology demonstration repository capable of receiving up to one thousand (1000) tons of solidified nuclear wastes. The Secretary shall take the steps necessary to insure that such repository shall be capable of operating by September 30, 1985.

(b)(1) As soon as practicable, but no later than six months after the date of enactment of this Act, the Secretary shall make a preliminary determination on (A) the location of one or more sites suitable to serve as a technology demonstration repository, and (B) suitable techniques and methods for the design, construction, and operation of a technology demonstration repository. In making such determination, the Secretary shall specifically consider candidate sites located on Federal Government lands in basalt media at Hanford, Washington, and in tuff or granite media within or immediately contiguous to the Nevada Test Site.

(2) The Secretary shall report his preliminary determination to both Houses of Congress by written communication within fifteen days after the date such determination is made.

(c)(1) Within six months after the preliminary determination required under subsection (b), the Secretary shall select a specific site for a Federal technology demonstration repository and suitable techniques and methods for the design, construction, and operation of such repository. Upon selecting such site, techniques, and methods, the Secretary shall (A) submit a report to both Houses of Congress specifying the reasons for making such selection and an estimate of the total costs of such repository, and (B) authorizes the initiation of detailed design activity and completion of site—specific geology directed toward the ultimate construction and operation of such repository.

(2) Any actions taken under this subsection shall take into account, as fully as possible, the preliminary determination made by the Secretary under subsection (b).

(d) The Secretary shall authorize construction of the technology demonstration repository if he finds that there is reasonable assurance that the detailed design for the construction of the repository, including necessary structures related thereto, can be implemented in a manner compatible with the use of such site for such repository.

(e) The Secretary shall submit to both Houses of Congress a report, by not later than September 30, 1980, specifying the construction schedule for the technology demonstration repository; Provided, That such schedule shall insure that the repository is in operation by September 30, 1985. Such schedule shall, to the maximum extent possible, include specific dates for the commencement and completion of construction on such repository.

(f) As soon as he deems necessary, the Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, operate, and maintain such facilities, major items of equipment, and real property (including, where appropriate, any interest therein) as may be necessary to meet the objectives of this section. Fee title to all such facilities, items of equipment, and real property shall be vested in the United States.

(g)(1) The Secretary shall provide funds, by contract (to the extent provided in appropriation Acts), to initiate, continue, supplement, and maintain research, development, and demonstration activities which are necessary to carry out his duties under this section. The Secretary may enter into such contracts with any person.

(2) Each contract under this section shall be entered into in accordance with such rules as the Secretary may prescribe under the provisions of this section. The Secretary may enter into contracts under this section without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(h) In carrying out the project, the Secretary shall consult with the heads of appropriate Federal agencies and other persons as he deems fit.

(i) For the purposes of this section 107(B)(4)—

(1) the term "nuclear wastes" means the high-level radioactive wastes, and transuranium contaminated wastes, resulting from civilian nuclear fuel reprocessing operations;

(2) the term "technology demonstration repository" means a federally owned and operated test facility in the form of a physical structure or earthwork capable of permanently disposing of nuclear wastes, and shall include underground and supporting facilities necessary to receive, prepare, conduct tests with, and permanently store such materials; and

(3) the term "operation" means testing carried out in the technology demonstration facility to insure that nuclear waste management technology is demonstrated in an integrated fashion.

(j) There is hereby authorized to be appropriated to the Secretary not to exceed $5,000,000 for the fiscal year ending September 30, 1980, to carry out the project. Any amount appropriated pursuant to this paragraph shall remain available until expended, and any amount authorized for any fiscal year prior to the fiscal year ending September 30, 1981, but not appropriated, may be appropriated for any succeeding fiscal year through the fiscal year ending September 30, 1983.

Mr. GOLDWATER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GOLDWATER. Mr. Chairman, I rise to offer an amendment that will help us press forward with our energy program. I offer this amendment jointly with my distinguished colleague from California (Mr. DANNEMEYER). Our amendment would direct the Secretary of Energy to build and operate a demonstration test repository for the long-term disposal of nuclear wastes by no later than September 30, 1985.

The issue of nuclear wastes is of considerable importance to the Nation, and is a problem which has already been neglected for too long a period of time. Our Nation must face this problem now or we may have to face the prospect of closing our nuclear plants in the near future. We have already been forced to limit construction of new nuclear plants in some areas of the country due to the public's perception of the nuclear waste problem, and we must act now to assure that this situation gets better, not worse.

During our hearings on the DOE authorization bill, I was disappointed to see that the Department of Energy has still failed to establish a comprehensive nuclear waste management program. We have heard the administration talk for quite a long time now about their intention to develop such a program and build a permanent repository, but as far as I can tell, no actions have yet been taken to get the job done.

We in Congress must take the necessary actions now to help our Nation solve its energy problems. Our amendment allows us to proceed with the construction of a critical energy project. It sets the timeframe for building the nuclear waste test repository that this Nation badly needs. Under this amendment, the Secretary is also directed to consult with the Nuclear Regulatory Commission, EPA and other appropriate parties in carrying out the nuclear waste project.

Mr. Chairman, we believe that we need to take these actions now. The Nation needs a firm policy to manage our nuclear wastes. Our amendment would help us to establish that policy. For this reason, we urge our colleagues to support this amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I would be happy to yield to the distinguished gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, we have had this amendment under consideration for a number of days. In our subcommittee we had hearings on legislation similar to this, but for a somewhat more aggressive program and a larger facility. Because of the fact that the administration has been so slow, and because of the fact that the technology does exist, I am going to accept the gentleman's amendment.

I think everyone will agree that it is, if anything, an optimistic amendment in its goals, but I think the time has come for this country to set out to develop a waste repository and to demonstrate that we have the technology for totally removing all of the nuclear wastes from the biosphere whatever, and this amendment will accomplish that goal. I support the amendment.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. McCORMACK and by unanimous consent, Mr. GOLDWATER was allowed to proceed for 2 additional minutes.)

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I will be happy to yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I think the gentleman's amendment comes at a very appropriate time. As the gentleman pointed out, various States are taking the position that until the waste disposal problem is solved, whatever that might mean, they do not want to go ahead with nuclear development.

I think it is incumbent on the Federal Government to start moving forward with a demonstration project. I think the amendment the gentleman has offered gives us that opportunity. I am pleased to accept it on behalf of the minority.

Mr. Chairman, this amendment is tailored to address the real need for a solution to the nuclear waste dilemma without getting bogged down in more studies. The Congress has been presented with overwhelming evidence that technology can assure safe isolation of nuclear waste in a "permanent" repository; that is, for periods of hundreds to several thousand years, is well in hand.

The technical experts agree that the time is ripe for action on the front. However, the administration's Interagency Review Group (IRG) on Waste Management has neither set a firm goal for demonstration of such waste isolation nor stressed in a positive manner the tremendous depth of experience of the Federal Government in nuclear waste technology. This amendment presumes that such a reasonable goal should be set and on that basis mandates a timetable for construction of and testing in an intermediate scale technology demonstration repository. It is fitting that this be described as a technology demonstration facility because it is indeed a first-

of-a-kind facility. It will be built at a scale large enough to demonstrate that we have the technological answers in hand.

The selection of sites for this important facility is based on the fact that these two areas have been heavily subjected to either extensive nuclear weapons tests (Nevada) or to experiments involving handling of nuclear materials (Hanford) to such a degree as to be considered contaminated. The GAO pointed out this preference in their report on waste management. This concept of a technology demonstration repository is perfectly consistent with the strong congressional sentiment which has emerged for "fast-track" or "priority" energy projects.

There is no reasonable basis, I believe, for objecting to the inclusion of nuclear projects, particularly one as critically needed as this, in the category of "fast-track" activities.

Thus, Mr. Chairman, it is clear that all the pieces are ready to be fit together. The technology for packaging the waste has been demonstrated, the site-specific geology on the location of the demonstration repository is straightforward and remains to be done. It is time that we proceeded to integrate these answers on technology and geology.

I hope my colleagues will support this in the spirit of enhancing the nuclear energy supply option.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I want to join in congratulating the gentleman from California for offering his amendment, and particularly for getting it accepted. I have joined with the gentleman from California in introducing legislation which does substantially what his amendment would do.

I think we ought to recognize that in this period when we are facing an energy crisis, that we cannot afford to put any kind of energy to one side, particularly nuclear energy. Until the Three Mile Island incident came along, which gave the antinuclear people a new shot in the arm, the major objection to nuclear power was the fact that we had no way to dispose of the waste products. That was a misunderstanding. There is no problem with disposing of the waste products. The experts tell us that these can be encased in glass, for example, and buried in the desert and be perfectly safe.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. STRATTON and by unanimous consent, Mr. GOLDWATER was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. If I can conclude my remarks, there is no problem about getting the waste situation solved. The problem has been, as the gentleman from Washington has said, in the leadership. There has been no effort to mobilize the resources of the country to deal with this problem of collecting the wastes and burying them somewhere. This is exactly what the gentleman's amendment would do. I think it is a major step forward.

Mr. GOLDWATER. I thank the gentleman.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to my colleague from California.

Mr. DANNEMEYER. Mr. Chairman, I rise to speak in favor of the amendment offered by my friend and esteemed colleague from California. I would like to commend him on his remarks that speak so clearly to the heart of this issue. I would like to take a few moments of the time of the House to further discuss this issue which is so crucial to the long-term energy security of the Nation.

At the outset, it should be clearly understood that this amendment is a recognition of a political impasse insofar as development of adequate nuclear waste storage facilities is concerned. There is no technological impasse that can reasonably be construed as standing in the way of this measure. The interagency review group, set up by the President to study this issue, would like to create the feeling that there is a fog of technological uncertainty surrounding the question of nuclear waste storage. Nothing could be further from the truth.

The House has heard ample testimony from a wide variety of sources, that we presently possess the know-how to safely and economically deal with nuclear wastes. The reprocessing and long-term storage of nuclear wastes is going on at this very moment in Japan and France and the irony of it is that they are employing technology that has its roots, if you will, right here in the United States. Yet here we sit without so much as a pilot project to facilitate further study and implementation of nuclear waste disposal. It is an unfortunate state of affairs when a small group can paralyze the Nation's progress on establishment of needed nuclear waste storage.

Allow me, if you will, to illustrate the degree to which this problem at the Federal level has spread to the States. As a member of the Resources, Land Use and Energy Committee of the California State Legislature, I was close to the energy issue and the questions surrounding nuclear power generation in particular. In 1978, the California State Assembly considered a bill which would have exempted the Sun Desert nuclear reactor near Blythe, from a 1976 State law, precluding the further licensing of nuclear power plants in California until the Federal Government has demonstrated the technology for long-term storage of nuclear waste. The State senate overwhelmingly passed the legislation to exempt this particular project from the State law, but the bill became bogged down in the assembly energy committee. The rationale used to kill this bill was that there was no Federal effort directed at solving the nuclear waste issue.

This situation in California illustrates two problems created by this Federal inaction. First, the absence of a demonstration program has placed many States in the position of uncertainty regarding long-term nuclear waste disposal. Second, the lack of progress on this issue has created an aura of doubt surrounding the disposal of nuclear wastes, doubt that has raised concern over the use of nuclear energy per se. This baseless fear has acted to delay the development of a sorely needed alternative energy supply.

There is the additional danger that this inaction, spawned by ignorance of the facts surrounding nuclear waste disposal, could result in a real crisis by the middle of the next decade. Testimony by the Nuclear Regulatory Commission has indicated that storage capacity for spent fuel rods will be exhausted at many reactors by the mid-1980's and that these reactors will have to be shut down if an alternative means of storage of nuclear wastes is not established. This bill is designed to alleviate this problem by mandating that a demonstration nuclear waste facility be completed by September 30, 1985.

This amendment proposes the most basic of nuclear waste storage facilities that can be used to demonstrate the feasibility of dealing with such waste. The amendment calls for the Secretary of the Department of Energy to select either Hanford, Wash., or the Nevada Test Site as a site for the demonstration repository. The facility must be operational by September 30, 1985. The amendment calls for the Secretary of DOE to report to Congress upon determination of a site and when a construction schedule is determined. These last provisions insure close congressional oversight of the project and will enable us to monitor the progress of DOE in complying with the mandate of the amendment.

In his recent address to the Nation, the President stressed the need for "fast tracking" vital energy related projects. I feel that this emphasis on his part is a recognition of the present and future problems that this Nation faces. This amendment is, in a sense, a "fast track" solution of a future dilemma that deserves the support of the House. I strongly urge your support of this amendment.

Mr. BADHAM. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to my colleague from California.

Mr. BADHAM. Mr. Chairman, I thank the gentleman for yielding. Just very briefly, I am advised and informed and persuaded that if we are able to reprocess the so-called spent fuels that we are generating from nuclear power plants that are on line today, that will be a very valuable source of energy for the future. I hope that the gentleman in his amendment would make sure, through langauge or through report language or further amendment, that the spent fuels and the long-term storage will take advantage of this tremendous pool of energy, and that the energy so stored therein would be retrievable so that it would not be stored in such a way that it would not become retrievable, as it

would be if it were stored willy-nilly and be irretrievable.

Mr. GOLDWATER. The gentleman makes a good point. It is a point that once we decide on a policy of reprocessing, we should be able to retrieve those fuels from the repositories.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding. I rise in support of his much needed amendment.

Let me ask my colleague, because I was not present at the committee hearings, why no later than September 30, 1985? Why not 1982 or something to speed up the process?

Mr. GOLDWATER. I feel the same kind of urgency.

Mr. ROUSSELOT. Especially in California.

Mr. GOLDWATER. It is just a matter of the facts. The 6-year period was chosen because it is the current best estimate of the time required for site selection, architects, engineering, and construction. The administration is talking about a longer period, but I personally think we have studied this to the point where we are able now to proceed in a minimum amount of time, which would be 6 years.

Mr. ROUSSELOT. So the gentleman is setting 6 years, which is in fact the quickest time?

Mr. GOLDWATER. I think that is a reasonable time frame.

Mr. ROUSSELOT. I thank the gentleman for offering the amendment.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. DANIELSON and by unanimous consent, Mr. GOLDWATER was allowed to proceed for 2 additional minutes.)

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I thank the gentleman for yielding. I support the amendment. We have not done enough in the disposal area. We must take the lead. This demonstration project is a good first step. I hope it will lead to many more important steps in this area. I think the gentleman is on the right track.

Mr. GOLDWATER. I thank the gentleman.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Chairman, I certainly join in the gentleman's amendment and compliment him.

I was just wondering if he has decided in whose district the disposal site would be. Maybe the gentleman would like to have it in his district.

Mr. GOLDWATER. That decision is left up to the Department of Energy in consultation with the gentleman from California, as well as myself.

Mr. DANIELSON. There will be a lot of consultation.

□ 1600

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to my colleague from California.

Mr. LEWIS. I thank the gentleman for yielding. I would like to compliment the gentleman on his amendment and associate myself with his remarks.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I read in the gentleman's amendment as follows:

(f) As soon as he deems necessary, the Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, operate, and maintain such facilities, major items of equipment, and real property (including, where appropriate, any interest therein) as may be necessary to meet the objectives of this section. Fee title to all such facilities, items of equipment, and real property shall be vested in the United States.

First of all, can the gentleman tell me, the amount authorized in the amendment is $5 million; is that correct?

Mr. GOLDWATER. For 1980, yes.

Mr. DINGELL. Can the gentleman tell me what is the total cost of the land acquisition, the construction, and the other things that would go with the plant?

Mr. GOLDWATER. It is anticipated, although not specifically stated in the amendment, that it would be on Federal land. There are suggestions in the amendment that sites be examined in Nevada as well as the State of Washington. The estimated total cost is approximately $350 million, based on architectural-engineering estimations on salt depositories.

Mr. DINGELL. What is the date of those previous estimates? When were those estimates made?

Mr. GOLDWATER. Those estimates, according to my facts, were made within the last 3 or 4 years.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DINGELL, and by unanimous consent, Mr. GOLDWATER was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. What is the date of those estimates?

Mr. GOLDWATER. The estimates are based on the last 1 or 2 years. I do not know the exact timing, but they are recent studies.

Mr. DINGELL. Recent studies? Is it years? A couple of years ago?

Mr. GOLDWATER. I do not have the dates.

Mr. DINGELL. There is a tremendous importance in the costs, in the dates of the studies.

Mr. GOLDWATER. Obviously, the costs are very important. The best estimates I have are approximately $350 million. Obviously, when we get into the engineering program, we are going to be able to pin costs down more closely.

Mr. DINGELL. But it is not a new estimate.

Mr. GOLDWATER. It is not an estimate based on today. It was based on, several years ago.

Mr. DINGELL. If this is going to be placed on Federal land, why is condemnation authority needed?

Mr. GOLDWATER. The amendment does not proscribe precisely the location.

Mr. DINGELL. I thought the gentleman had advised me that this was to be on Federal land.

Mr. GOLDWATER. It is not specified in the amendment. However, even though it is anticipated that it would be on Federal land, it is possible that the site would not be. This authority is made available in the latter case.

Mr. DINGELL. What the gentleman is really telling me is he is not sure where it is really going to be put, whether it is on Federal land or not.

Mr. GOLDWATER. No, I am not.

Mr. DINGELL. Can the gentleman tell me whether any studies have been made or any criteria laid down with regard to what would be the area or the kind of area, or the kind of structures in which the repository of this nuclear waste would be placed?

Mr. GOLDWATER. To my knowledge, it could be in a number of locations or geological formations that have been studied, such as the salt formations located at the Hanford facility or the salt formations in New Mexico.

Mr. DINGELL. Have these studies been completed with regard to the different formations and where they would be?

Mr. GOLDWATER. These studies have been completed, and there have been ongoing studies, and they will continue to be studied.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Washington.

Mr. McCORMACK. I thank the gentleman for yielding. I think I can help clarify this. The fact is that the Department of Energy is presently conducting studies in different parts of the country in different types of rock formations, in very large salt formations at the Hanford project, the granite formations in Nevada, and a couple of other formations, in tuffs, which is a type of volcanic rock. At the present time these studies have been, of course, going on for a long time, and they are continuing. They are expanding.

Mr. DINGELL. Are they complete?

Mr. McCORMACK. They will probably never be complete, I suspect, not for 50 years.

This year they will be putting heaters, electric heaters, in these facilities to study the effect of heat, and within a year they will be putting in canisters of waste that have already been made for a demonstration in research, canisters of spent fuel just for research purposes. But, after all, it is a fairly simple

concept. One digs a shaft like a mine shaft several thousand feet into the Earth in a stable geologic formation, pushes tunnels in the side, and then puts holes in for these canisters to be put into. It is handled by remote-control equipment. We are really ready to go ahead with the project; otherwise I would not have agreed with the amendment.

Mr. GOLDWATER. I thank the gentleman from Washington.

Mr. DINGELL. Can the gentleman from California tell me, these studies have not yet been completed?

Mr. GOLDWATER. I think the gentleman from Washington addressed himself to that particular question.

Mr. DINGELL. Have there been any recommendations from the DOE, from the NRC, or from the USDA with regard to this matter?

Mr. GOLDWATER. This is a subject that is not new. I am sure the gentleman is well aware of that. It has been discussed. There have been recommendations.

Mr. DINGELL. Are there any official recommendations?

Mr. GOLDWATER. The point of my amendment is to quit discussing it and quit recommending and to proceed with a definitive program. That is the purpose of the amendment.

Mr. DINGELL. Have the States been consulted with regard to this?

Mr. SHARP. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from California (Mr. GOLDWATER) has raised a very significant issue that clearly must be dealt with by our Government in order to meet the needs of a nuclear program.

This amendment directly affects the jurisdiction of the Interior Committee and the committee chairman must regretfully object to it and urge my colleagues to reject it. The Interior Committee has jurisdiction over the siting and construction of permanent repositories for nuclear waste. Mr. GOLDWATER has introduced a bill similar to the amendment before us today, H.R. 1852, which has been referred to our committee, along with the Science and Commerce Committees. The amendment includes provisions which are highly controversial and which should be fully considered prior to enactment. These include:

First. A deadline by which a repository must be constructed which is 7 years earlier than the most optimistic projections of when that could be accomplished.

Second. A requirement that the Government pay for construction of a small-scale repository which would only hold 1,000 tons of waste. Such an idea was rejected by interagency review because it would be a huge investment for too small a use. Repositories are expected to be designed to hold about 10,000 tons of waste.

Third. The repository could only accept for storage wastes from civilian reprocessing operations. We do not have enough such waste to fill the repository. The repository could accept neither defense high level waste nor spent nuclear fuel from power reactors.

I hope the House will agree that this amendment is not an appropriate addition to the DOE authorization.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I would be happy to yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

I think the gentleman may be a little bit misled here as to what is going on. The gentleman from California (Mr. GOLDWATER) did have a bill of his own, which is one bill, but the amendment he is offering today is not similar to the original bill that the gentleman from California (Mr. GOLDWATER) submitted to the House. The bill today is similar to H.R. 4818, which was referred by the Parliamentarian of the House to the Committee on Science and Technology only. So there is no question of jurisdiction involved in this amendment. I think there is confusion in the gentleman's mind, and if he would check it, he would see that this problem really does not exist in this particular amendment.

Mr. SHARP. I will tell the gentleman from New York that the Committee on Interior and Insular Affairs, among others, has jurisdiction over licensing and siting of some of these projects and will clearly have a role to play in this. I am sure if the gentleman from Arizona (Mr. UDALL) were here, he would vigorously defend that role.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Minnesota.

Mr. VENTO. I appreciate the gentleman's yielding. I think the gentleman points out a very important problem. It is not enough just to solve these problems by rewriting the Federal statute. In other words, the problems that affect nuclear storage, that is to say, long term or, as the gentleman from California (Mr. GOLDWATER) pointed out, permanent, is a very serious problem. For instance, the gentleman from Washington points out that these shafts are sunk through, I guess the testing he is talking about, rather stable geologic formations. But the thing is we are talking about tens of thousands of years that these materials would have to remain in a semipermanent type of repository. We are not talking about a very light topic.

□ 1610

In addition, of course, we are saying we should demonstrate this and we should demonstrate this capability very quickly, but we also ought to do it on the basis of what we know and what we do not know about this period.

As the gentleman from Washington pointed out, there are a number of studies that are going on, the salt depository studies that are carried on show a certain amount of plasticizing of the material. These salt caverns which were at one time thought to be bone dry have water going through them. Also hydration, as my colleague, the gentleman from Michigan (Mr. DINGELL), indicates.

This is not a simple "yes, we ought to go ahead; no, we ought not." The problems that emanate from a permanent disposal site will be with us for a very long time. Everyone would like to solve that problem. We would like to solve that threshold thing. I think the Committee on Interior and Insular Affairs and the Committee on Interstate and Foreign Commerce have worked out away-from-reactor storage proposals in this measure which will provide the most prudent way to go so we can meet the near-term needs in terms of spent fuel.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. VENTO, and by unanimous consent, Mr. SHARP was allowed to proceed for 5 additional minutes.)

Mr. SHARP. Mr. Chairman, I yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I think we should have a look at that proposal as being a near-term solution and then let the studies go on, as the gentleman from Washington pointed out, with the heat and the different geologic formations, the chemistry and minerals and substances in these rocks so we do not end up creating any more problems.

We have temporary storage on site, for instance, which has been expanded, it is controversial, it ought to be controversial; we are talking about away-from-reactor storage here and this proposal which will negate any negative effect that is coming with regard to nuclear power in terms of meeting the storage needs.

I agree there has been a great deal made out of long-term or permanent storage and, indeed, there ought to be. There is a basic question about whether we are going to reprocess materials or go into long-term storage. Those are questions that are of some moment and we are not going to solve that problem by just setting up another problem with a demonstration, permanent type of storage which will create more problems than it will really solve.

I appreciate the gentleman from Indiana (Mr. SHARP) yielding. I would urge we vote against the Goldwater amendment at this time and deal with the type of solution that has been thought out and constructed in this bill with regard to the away-from-reactor storage.

Mr. SHARP. Mr. Chairman, I would just add I think a vote against this amendment in no way suggests an absence of commitment and an absence of concern about getting on with a clear-cut policy on permanent storage of waste materials in this country. I think it is a question of the prudence with which we move on the issue and, therefore, I would urge that the amendment be rejected.

Mr. DINGELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

Mr. DINGELL. Mr. Chairman, I have great respect and affection for the author

of the amendment. I also have great respect for the committee system. I am not able to tell the House where this amendment would go. A more careful reading of the amendment and an analysis of the comments made by the gentleman from California indicates the House should proceed with rare care in adopting this amendment.

The gentleman tells us on the basis of surveys this program is going to cost $350 million. However, he said that the surveys and studies are old. This means we may be taking on a liability of double that or triple that and, if the gentleman from California can deny we are taking on a $700 million to $1 billion liability, I will yield to him right now so he can deny it.

Mr. Chairman, a reading of the amendment is very interesting. The gentleman from California says that the storage program will take place on public lands. However, later he tells us that the Secretary—as the language of the amendment reads, that as soon as he deems necessary the Secretary is authorized to acquire by purchase, lease, condemnation or otherwise, construct, operate and maintain such facilities, major items of equipment, real property including, where appropriate, any interests therein which may be necessary to meet the objectives of this section. Free title to all such facilities, items of equipment and real property shall be vested in the United States.

So, essentially, we are taking on apparently a large land acquisition program. Now, there are some other things about this. The Department of Energy shows us the program cannot be completed in terms of preparing the studies necessary until 1984 or 1985. This means that we will not be ready to engage in a sensible program of site selection, which is authorized by this construction, which is authorized by this, reprocessing of the waste or converting it into solids until at least that time.

Let me read you the last paragraph, if you want to hear some curious language. This is curious language that literally sets my hair on end as a legislator.

I read from paragraph (j) of the amendment:

> Any amount appropriated pursuant to this paragraph shall remain available until expended—

Now, that is all right. It is subject to a point of order but it is all right—

> and any amount authorized for any fiscal year prior to the fiscal year ending September 30, 1981, but not appropriated, may be appropriated for any succeeding fiscal year through the fiscal year ending September 30, 1983.

Now, we have here a proposal which falls in the jurisdiction of three committees, the Committee on Science and Technology, the Committee on Interior and Insular Affairs, the Committee on Interstate and Foreign Commerce. It must be pointed out while hearings have been held in each of these committees, no hearings have been held on this particular proposal. The Department of Energy tells us they are not ready to go forward on the program and, indeed, there are provisions made for going forward in an intelligent and a rational way in connection with the West Valley program. We have programs to permit the vitrification of waste up there and to finally move toward an intelligent resolution of the handling of that particular waste.

The program calls for only 1,000 tons, but it is not beyond the realm of possibility, given the amount of waste that is here and everything else, that we might wind up with a 10,000-ton program.

If we are troubled about the fact we are setting up a large program we might think about where we are going to put it. It has been said that it could be put in salt domes. Well, all of a sudden we find out salt domes are not dry, that water exists in the salt domes, that salt domes exist in the region of aquifers. The heat of these processes which go on in connection with nuclear wastes will cause it to melt down through the salt and will cause water hydration which is present in the salt to release itself with the result that these bodies of solidified waste will sink to goodness knows where, perhaps until they go down to some aquifer.

Now, perhaps that is not a problem here, I do not know. Perhaps we have ourselves a very nice and tidy resolution by simply saying we will have a program in place by 1985.

Mr. Chairman, I would prefer to think the Congress of the United States would want to proceed on the basis of careful studies which would analyze and find out where this is going to be done. In other words, whose State, whose geographical area, whose congressional district is going to be blessed with this? What kind of formation is going to take place?

Mr. WYDLER. Mr. Chairman, would the gentleman yield to me?

Mr. DINGELL. Yes, I will yield to the gentleman from New York. Perhaps he wants to tell me he wants it in his district. I will yield to him if he does want it.

Mr. WYDLER. No, and I do not think those kinds of remarks really help the Committee arrive at a sensible solution to a problem.

Mr. DINGELL. Well, I am raising questions.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

(On request of Mr. SHARP, and by unanimous consent, Mr. DINGELL was allowed to proceed for 5 additional minutes.)

Mr. WYDLER. Mr. Chairman, will the gentleman continue to yield?

Mr. DINGELL. I will be glad to yield to my friend from New York.

Mr. WYDLER. Mr. Chairman, I do not think that those kind of comments really help.

What I tried to do is give the gentleman some thought. This amendment is, in effect, a bill that was introduced here in the House of Representatives. I tried to tell the last gentleman, the number of the bill is H.R. 4818——

Mr. DINGELL. And no hearings have been held on it.

Mr. WYDLER. No, that is true, but it was referred to the Committee on Science and Technology.

Mr. DINGELL. And what the gentleman is telling me is that in its wisdom the Committee on Science and Technology has not gotten around to considering legislation. And that wisdom, I must confess, I probably applaud.

Mr. WYDLER. If the gentleman will let me finish he might want to agree with me, I do not know, but at least if he would let me finish my thought.

Mr. DINGELL. I am always anxious to agree with the gentleman when he is right.

Mr. WYDLER. If the gentleman would let me finish my thought it might be helpful.

Mr. Chairman, this was sent to our committee so there is really no jurisdictional question here. The reason it was sent to our committee is that this is not the American program for waste disposal. This proposes a demonstration project so that we can try to find out how a waste disposal system might work so that the gentleman's committee, in due course, in considering how to proceed with the matter, might have this experience in its possession so it could make a wise and informed judgment.

□ 1620

Mr. DINGELL. Mr. Chairman, I thank the gentleman for the point the gentleman raises; but will the gentleman deny that we have a demonstration project here in the form of the West Valley project which the gentleman supports?

Mr. WYDLER. Well, I certainly do.

Mr. DINGELL. Does the gentleman disagree with the project?

Mr. WYDLER. Of course, I disagree with it. If the gentleman would consider the fact that at West Valley what we are proposing to do, and this would be part of that if the gentleman would think about it.

Mr. DINGELL. I am not aware that this says this will be the West Valley project or that it shall be joined with the West Valley project.

Mr. WYDLER. I am trying to tell the gentleman——

Mr. DINGELL. If the gentleman will permit, the way I read it, the way it says we are going to have two projects.

Now I yield to the gentleman.

Mr. WYDLER. What we are trying to do at West Valley, and that is proposed in this bill, too, is to take the liquid waste at West Valley and solidify that waste and put it somewhere, so we are going to have to take it somewhere. It would be very nice if we were to have a project where we could take it and deposit it to find out how the waste disposal system works.

Mr. DINGELL. I do not have any problem with that.

Mr. WYDLER. Then why not support the bill?

Mr. DINGELL. But as I read this, this amendment also authorizes a program of solidification and other things with regard to waste.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Minnesota.

Mr. VENTO. There are places we can put that waste. We can put it in Hannaford, we can put it in Sheffield, Ill. There are a number of sites where it can be placed.

What we are talking about here is a permanent disposal site for nuclear waste. I guess that is the intent of it. That is the way I read it.

The point is that if we would use basic logic, if we would use the best information that we had available at one particular time and the dominant concept in what was the appropriate waste, we would not put it in some salt domes that ended up having water come into them, which definitely represented a danger in terms of the problem, in terms of permanent waste.

Now, in addition to that, I do not think we need that type of experiment or demonstration with regard to this type of waste. I think that the author of this amendment and I have the same goal; that is, of course, to eventually solve the problem of permanent or long term storage of nuclear waste.

It does not do us well, we are really going to set back the cause of solving that if, indeed, we create another problem when we dump into this before we have all the information, before the studies are done, before we give the opportunity to the departments to come up and testify.

Mr. Chairman, I appreciate the gentleman yielding.

Mr. DINGELL. I think the gentleman raises an excellent point. There are several points here.

One thing that my good friend, the gentleman from New York ignores is that in the amendment it authorizes practically a whole duplication of the West Valley project; so instead of one demonstration project—well, I will refer the gentleman to section G(1).

If the gentleman will read it, the gentleman will find he is authorizing a whole other project. So now we have the West Valley project and we have another project.

The author of the amendment says it is going to cost $350 million. The gentleman says it is going to be on the basis of old figures. I do not know how old the figures are, but I know that old figures have a way of doubling and redoubling when you talk about estimates.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I will yield to the gentleman.

Mr. VENTO. In reading the amendment, it talks about there is hereby authorized to be appropriated by the Secretary not to exceed—you know, that sounds to me like an appropriation bill in an authorization bill. That is what it sounds like to me. I think the gentleman read that and meant to make that point.

Mr. DINGELL. I read that and I am referring to subsection J, which is the last paragraph in the amendment.

The responsibilities we are assuming here in this amendment, which has never been heard by any of the committees of jurisdiction on which the Department of Energy indicates they cannot meet the deadlines, that they have no talent to carry this matter forward in the time fixed, when we have other demonstration projects under consideration, makes very poor sense and the amendment should be rejected.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I think it is important, a couple of things are important to understand. First of all, we are talking about a test facility. We really are not getting into the turf of other committees with a test facility. We have already determined that in our agreements on this bill that we have before us today.

Second, we have had hearings in the committee on the Goldwater bill from which this amendment was redrafted into a much smaller proposal and a much smaller operation.

In the testimony before our committee, the representative of the Department of Energy said in response to this sort of a discussion:

> We think that the use of intermediate scale facilities if such an acceptable opportunity were available would be useful from a technical point of view in terms of the knowledge generated.

And so on.

Mr. Chairman, I think this is the key point. We are talking about a small technical facility, some place in the country where using whatever the Department of Energy believes is the best rock formation for this test at this time, we make a small facility and take the waste that we have available and put it in as a test.

Now, we will have the West Valley waste and when it is classified under the West Valley program, it will simply be stacked in the canyon at West Valley in the canyon building there. We will want to move it someplace. It is a beautiful opportunity to test out the concept of storing this waste underground.

Now, I think one may legitimately criticize the idea of bringing up this big package as an amendment to a bill on the floor. I wrestled with this problem myself. I toyed with the idea of what to do with this, because I think that we have to move forward, and yet I have problems with putting this big an amendment on a bill.

I think the thing to remember is this. We are not going to have another opportunity at this this year. If we do not put this amendment for this test facility on this bill now, we are going to lose a year in the United States in demonstrating the storage of nuclear waste.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I would be glad to yield.

Mr. ROUSSELOT. Is my understanding correct that this committee has had two sets of hearings on this issue this year and last year? Is that correct?

Mr. McCORMACK. Yes, that is correct.

Mr. ROUSSELOT. Twice?

Mr. McCORMACK. That is correct.

Mr. ROUSSELOT. So that the argument that there have been no hearings is not true.

Mr. McCORMACK. It is not correct. There have been hearings held on this subject.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I would be glad to yield.

Mr. WYDLER. Mr. Chairman, I think the committee and the House have to consider the quandry we are in as a nation if we ever want to solve the nuclear waste problem. I am sure all of us realize that those who do not want nuclear energy use the argument that we have a waste problem and we have not solved it yet as a very good argument against nuclear energy in general. It is a very good argument.

The proponents of nuclear energy want to solve the waste problem; but then when we try to solve it, we immediately run into a question where somebody comes forth, as we have it now, saying that unless you can solve the whole problem here and now with a total answer to every question that can be raised, we are not going to go forward.

Well, we are putting ourselves in a situation where we will never deal with this problem. We have got to take it one step at a time, and this is an intelligent first step from which we will learn and from which the other committees will be able to exercise their jurisdiction wisely and well.

So I would only suggest to the House, this is an important first step on a long road that this country and the world has to follow to totally solve the nuclear waste problem; but if we do not take the first step, we are not likely to make much progress at all; so I hope the House and the committee will adopt the amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I think it is important that we solve that probblem; but I would ask that we not be quite as irrational as those that suggest we oppose nuclear power.

Yes, it is being used, because it is somewhat a legitimate argument; but it is not a threshold decision right now in terms of whether we build or do not build nuclear powerplants; but there has to be a resolution of it. By crowding this in, you are liable to do more damage to your cause than if you actually agree with the proliferation of nuclear powerplants than you are to do good.

You are not going to solve this simply by adding this language.

So I would ask the gentleman from Washington and the gentleman from New York to wrestle a while more with their consciences and I want to assure them that the Interior Committee has had innumerable hearings on waste disposal over the last years. Let us continue the research work in this area. We have somewhat of a start and let us continue it.

The CHAIRMAN. The time of the gentleman from Washington (Mr. McCORMACK) has expired.

(At the request of Mr. VENTO, and by

unanimous consent, Mr. McCORMACK was allowed to proceed for 5 additional minutes.)

Mr. McCORMACK. Mr. Chairman, I thank the gentleman for his point.

I think there is one thing that we have to remember here. I do not think I am exaggerating the case when I say this is our only chance this year. If we do not do it now, we lose it this year. I think we are all of us adults enough to know that this bill has got a long way to go.

□ 1630

It is going to go into conference, and the Committee on Interior and Insular Affairs and the Committee on Interstate and Foreign Commerce are going to be involved in the conference with a bill from the Senate which has similar figures in it. I am anxious to work with the Members of the other body in conference on agreeing to a compromise and responding to the issues that have been expressed. But we should do something now, and I think if we recognize this as a vehicle and a starting point, we can work together and get something that is worthwhile passed this year.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think that if wishing could make it so, then we would have a solution right now to the long-term waste disposal problem in this country and in other countries. But we have not yet had any conclusive proof that there is a satisfactory long-term answer which scientists can even agree that we ought to go forward on, on a permanent basis.

There is still a substantial difference of opinion in the scientific community as to whether or not there is either a facility or a technique which deserves to have a consensus of opinion from the scientific community. Instead, there is substantial opposition from within that scientific community.

I think this amendment proposes the people who live near Hanford, Wash., the Nevada test site, and possibly Carlsbad, N. Mex., among others, will be subjected to an experiment. I fear that the areas that are proposed for the construction of these facilities would be endangered by the repositories, and they may become the victims of a dangerous thermonuclear Ponzi game.

While we enjoy the political benefits of claiming to have solved the nuclear waste problem, we are saying to other people, "We are going to experiment with you in long-term waste disposal." And then if it does not work out in 10, 20, or 30 years, we would say that today we were simply not willing to accept the fact that we can store nuclear wastes away from reactor sites or in expanded on-site storage. Indeed, we can do this for another 10, 15, or 20 years by reracking the spent fuel storage pools and licensing away from reactor facilities. But no, this amendment would rush pellmell into an ostensibly long-term solution of this question without having had a sufficient scientific, investigatory analysis of the prospective sites now being analyzed by the Department of Energy and other Federal agencies. If this amendment is approved today, I think what we may have done is rush to judgment without any need to do so.

Those Members who are proponents of nuclear power can stand here and say to those of us who believe that there has not been a satisfactory answer to many questions that we are being obstructionists, and that we are being in our own way reactionary. That is not the case at all.

What we are saying is that the Department of Energy, the Environmental Protection Agency, the U.S. Geological Survey, and the Nuclear Regulatory Commission, as part of the Interagency Review Group on Nuclear Waste Management, all say that proceeding to a first repository in the next year would be a very dangerous proposition. There is major scientific field work, there are field investigations, and there are engineering studies which are all necessary prerequisites before we can assure the safety of that first site.

Let me call your attention to the final report of the Interagency Review Group, which was comprised of 14 Federal agencies and chaired by the Department of Energy. They just returned in March of this year their final report, and it is the most definitive work which to this point has been done. It states that there are major scientific, engineering, and institutional questions with respect to long-term nuclear waste disposal. The earlier Federal mood of easy optimism has now clearly changed.

The Interagency Review Group analysis states that the first permanent waste repository could not be completed until 1988 or 1992 at the earliest. I think this finding is something that should not be taken lightly. It should not be dealt with in an on the floor, lack of full analysis manner, with no scientific environmental analysis, and with the offering of this kind of an amendment.

I think that continued surface storage of nuclear waste is possible through the period of time that the gentleman from California (Mr. GOLDWATER) is addressing. I think the gentleman indeed is the one who is prejudging this question.

I think it is important for us to understand that surface waste disposal will bring us to 1985, the period with which the gentleman is concerned. We have the time needed to allow us to make a careful analysis of all the technologies which are being considered. At the same time, surface storage will preserve the gentleman's right to continue to be an advocate of the nuclear industry. But based upon the facts that are arrived at by the National Academy of Sciences, by the Nuclear Regulatory Commission, by the Department of Energy, the U.S. Geologic Survey, the EPA. I remain at this point unconvinced that it is possible for us to have a site on line by September of 1985, much less than that proposed for later years, which is what the agencies which have responsibility for this are recommending. In fact, on June 27 before the Energy and Power Subcommittee hearing on nuclear waste storage, Dr. Worthington Bateman, Acting Deputy Under Secretary of the Department of Energy, testified that the 1988-92 time frame is optimistic.

So I would urge all of those Members, whether they be nuclear proponents or opponents, to recognize that any judgment which is made at this time is premature and it is ill-conceived. The amendment which is being proposed here by the gentleman from California (Mr. GOLDWATER) is ill-advised at this point in time.

Mr. Chairman, I believe it will ultimately lead to an endangering of the environment and those human beings who are in the near vicinity of any waste disposal facility which is selected.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. MARKEY) has expired.

(On request of Mr. SHARP, and by unanimous consent, Mr. MARKEY was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Massachusetts (Mr. MARKEY) and point out that this amendment requires that the Department of Energy establish a nuclear waste repository to be in operation no later than September 30, 1985. And that is so whether or not we have adequate information and whether or not the studies that are still on-going at that time are favorable or unfavorable.

Furthermore, I point out that this is hardly just a small demonstration, and that the facility contemplated here, which is called a technological demonstration repository, is to be capable of receiving up to a thousand tons of high-level radioactive wastes and transuranium contaminated wastes resulting from civilian nuclear fuel reprocessing operations.

This is a very substantial facility indeed, going well beyond any scientific demonstration stage.

Lastly, I would like to express my severest concern about short circuiting or the possible short circuiting of NRC licensing review. I think that the NRC is gradually building for itself some credibility in the field of assuring public safety. Short circuiting that agency is going to lead to grave doubts in people's minds about whether indeed the public is being safeguarded.

The amendment does not indicate whether the repository should be licensed by the NRC. However the time frame indicated by the amendment would not enable the NRC to conduct a thorough licensing investigation and review of the proposed site or facility, even if it were decided that NRC should make that review. So the licensing has not been mandated.

Mr. Chairman, I think for even the proponents of nuclear energy it would be unwise to proceed with a large-scale facility of this kind before the studies are actually in.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I agree that this is not really a pro or con position on the question of nuclear power. The question is how we are going to move prudently to solve the critical pollution problems that we face.

It is very clear in this bill that we provide for the conducting of tests on how to handle the storage of nuclear wastes in the ground. It is clear that we move ahead with $70 million for permanent sites for the storage of nuclear waste. It is also clear that the proposal pending before us is not simply a research and development project; it is a full-fledged facility that has to be licensed.

This clearly falls in the jurisdiction of other committees outside the Committee on Science and Technology. It should be reviewed thoroughly by them.

The amendment has the question of a deadline in it, and it establishes the construction of a considerable and sizable facility at considerable expense. I do not think that we should set a waste disposal deadline, Mr. Chairman, and the adoption of this amendment, I believe, would only feed the fuels of public doubt.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. MARKEY) has again expired.

(On request of Mr. OTTINGER, and by unanimous consent, Mr. MARKEY was allowed to proceed for 2 additional minutes.)

Mr. MARKEY. Mr. Chairman, in conclusion, I should say that this is not a pronuclear or an antinuclear question. It is a prosafety question.

We have ample facilities already with reactor storage and onsite storage which makes it possible for us to keep securely and safely the waste which we have right now, and we can do that into the indefinite future—50 years or a hundred years, if we have to, until we establish a safe method of permanent underground disposal.

I think a judgment which we would make right now would be premature. It is a judgment that does not have to be made. It confuses decisiveness with a logical decisionmaking process. I think for us to make a decision right now would be to prejudge criteria which are made by people far wiser than those of us on the floor of the House of Representatives during a debate which takes place in half an hour or an hour on this question and which has such long-term ramifications for the health and safety of the people of this country. We do not need a crash project. We need a safe project.

Mr. Chairman, I strongly oppose the adoption of this amendment.

□ 1640

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from California.

A few facts: Cost of facility:

The DOE Generic Environmental Impact Statement on Waste Management, April 1979, serves as the basis of the $350 million cost figures.

Thus, we are within 3 months of that time.

Site selection. The two priority sites are Hanford, Wash. (basalt formations) and the Nevada "test site" (granite). These are already contaminated areas and they do not now involve Federal intrusion, condemnation, buying up of other private lands, and so forth.

Mr. Chairman, all of us are being asked by our constituents: What about the waste disposal problem? What are you doing about the waste disposal problem?

I think we have made some progress in this energy bill. I think this amendment goes a long way toward furthering that progress. This amendment is not pulled out of thin air. The Committee on Science and Technology and the Subcommittee on Energy, Research, and Production have gone over the question of waste management and disposal time and again in the last several years. This amendment results not from in haste, as the opponents state, but over time, with a studied consideration of the different variables.

It is so interesting, to me, that some of the biggest opponents to progress in the area of nuclear energy, of moving ahead with safety, are the same people who have time and again risen on the floor of this House to kill one element or another of our energy supply, our energy production future. I was just thinking about New England. New England gets right now 60 percent of its electricity from oil, and that oil is imported oil. New England, 60 percent; the Mid-Atlantic region 35 percent; and California 70 percent, need to give their people—California, in particular since they have a State law currently blocking new licenses—the kind of intelligent reassurance that the waste disposal problem is being handled. That we are making progress, that we in the Congress are not just bogged down in study after study after study and jurisdictional disputes among committees with differing philosophies toward the very technology itself. The people want to see a clean start on waste management and this Nation has the goods to do the job.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. VENTO. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank my colleague for yielding.

Mr. Chairman, I have had a chance to compare the language of H.R. 4818 against the amendment that has been offered by the gentleman from California (Mr. GOLDWATER).

We have been advised—and I think in good faith—by our colleagues that these two are the same. They are emphatically not. For example, in connection with the authorization appropriation, section 7, such funds as are necessary to carry out the purposes of the act may be authorized. The appropriation provisions of this authorized appropriation, reappropriation, authorization of any funds that have ever been appropriated here.

In addition to this, there are to be fees paid.

In addition to that, I would point out that there is to be a site selection of three candidate areas under the proposal which is in H.R. 4818. There is only one in the proposal here before us. They are not the same. I imagine there are other differences that have not come to the attention of my dear friend, the gentleman from New York, and I am sure that he may, perhaps, on more careful scrutiny, tell us what they are.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, what I said, and what I am saying again, is that the amendment that has been offered to the bill before the committee today is based on the bill that the gentleman is holding in his hand, and which I gave him just a few moments ago, and that the substance of the two are identical.

Mr. DINGELL. They are not identical.

Mr. WYDLER. There obviously have to be some differences between an amendment and a piece of legislation. But the substance of the two is identical.

Mr. DINGELL. If the gentleman will yield further, they are not identical. They are most emphatically not identical. As a matter of fact, it has this extraordinary language, which says:

> There is hereby authorized to be appropriated to the Secretary not to exceed $5,000,000 for the fiscal year ending September 30, 1980 to carry out the project. Any amount appropriated pursuant to this paragraph shall remain available until expended, and any amount authorized for any fiscal year prior to the fiscal year ending September 30, 1981, but not appropriated, may be appropriated for any succeeding fiscal year through the fiscal year ending September 30, 1983.

There are other differences. I would be glad to read them to the gentleman. I know the gentleman says in good faith they are the same. They are not.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, I would like a clarification from the author of the amendment or the gentleman from Washington, with respect to the requirement that the NRC license such a facility. It was not specific in my previous statement, but as I have been told later, it may indeed specifically say that the NRC licensing procedure is not required.

Mr. VENTO. If the gentleman from California would respond to the gentleman, I think the gentleman from New York raises a very good question. Does the NRC have the authority to license the demonstration facility that he proposes in his amendment?

Mr. GOLDWATER. If the gentleman

will yield, according to the Reorganization Act of 1974, a research and test demonstration facility, a research and test facility, does not need to be licensed. There is no requirement for licensing.

I think this would, in fact, this low-scale demonstration project, provide some questions that I am sure the regulatory process would be asking and, therefore, another reason why we need to proceed ahead.

Mr. OTTINGER. If the gentleman will yield just briefly, I have here a fact-sheet that I presume has been distributed by the gentleman from California, saying what the amendment will do and what it will not do. It says it will not provide a legislative veto for the States, it will not require the facility to obtain a license.

Mr. VENTO. I think that the gentleman from California has agreed with the fact that it would not be licensed. I think that the safeguards contained in the licensing process are put in place for a very good reason.

I will be as brief as I can. I think that the proposal here is brought forth in good faith. There is a lot of criticism with regards to the solving of the permanent disposal problem, but I think the net effect of this amendment might very well cause a greater loss of credibility than nuclear power even suffers from today. I think that if the Members would stop and think: yes, there is a great hue and cry about the safety of nuclear power plants—and maybe in your minds it is justified, maybe it is unjustified—but why raise the possibility of causing another incident in terms of permanent disposal, which indeed will not only seal the fate, in terms of the waste, but would seal the fate of finding a solution to this problem.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. VENTO) has expired.

(By unanimous consent, Mr. VENTO was allowed to proceed for 1 additional minute.)

Mr. VENTO. Mr. Chairman, I would submit to my colleagues there are two proposals, there are two measures, which I think are positive steps toward solving this problem, the West Valley proposal, in terms of vitrification, and, of course, away from reactor storage. There are no special problems with regard to storage, and the decisionmaking process with regards to whether we trust or do not trust commercial nuclear plants. There are no real limitations in that particular sense. So I do not think we ought to grasp at irrational proposals to solve this problem simply because opposition seems to be irrational. In other words, this body has a responsibility to be very prudent, to be very careful. These decisions will indeed seal the fate of nuclear power if they are made in the wrong context. So I do not see what the rush is to make this decision. We have no threshold problems with regard to the construction of nuclear powerplants. So let us move ahead. We are moving ahead with research in terms of these questions, and we ought to really resolve those questions.

AMENDMENT OFFERED BY MR. FUQUA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. GOLDWATER

Mr. FUQUA. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA as a substitute for the amendment offered by Mr. GOLDWATER: Page 10, after line 10, insert the following:

(4) Intermediate Scale Technology Demonstration Project (site unspecified)—

(a) (1) As soon as practicable, but no later than six months after the date of enactment of this Act, the Secretary shall make a preliminary determination on (A) the location of one or more sites suitable to serve as a technology demonstration repository, and (B) suitable techniques and methods for the design, construction, and operation of a technology demonstration repository. In making such determination, the Secretary shall specifically consider candidate sites located on Federal Government lands in basalt media at Hanford, Washington, and in tuff or granite media within or immediately contiguous to the Nevada Test Site.

(2) The Secretary shall report his preliminary determination to both Houses of Congress by written communication within fifteen days after the date such determination is made.

(b) (1) Within six months after the preliminary determination required under subsection (b), the Secretary shall recommend a specific site for a Federal technology demonstration repository and suitable techniques and methods for the design, construction, and operation of such repository. Upon selecting such site, techniques, and methods, the Secretary shall (A) submit a report to both Houses of Congress specifying the reasons for making such selection and an estimate of the total costs of such repository, and (B) authorize the initiation of detailed design activity and completion of site—specific geology directed toward the ultimate construction and operation of such repository.

(2) Any actions taken under this subsection shall take into account, as fully as possible, the preliminary determination made by the Secretary under subsection (b).

(c) The Secretary shall submit to both Houses of Congress a report, by no later than September 30, 1980, specifying the construction schedule for the technology demonstration repository; *Provided*, That such schedule shall insure that the repository is in operation by September 30, 1985. Such schedule shall, to the maximum extent possible, include specific dates for the commencement and completion of construction on such repository.

There is hereby authorized to be appropriated to the Secretary not to exceed $2,000,000 for the fiscal year ending September 30, 1980 to carry out the project.

□ 1650

Mr. WYDLER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GOLDWATER. I reserve the right to object, Mr. Chairman.

The CHAIRMAN. The gentleman will state his objection.

Mr. GOLDWATER. Mr. Chairman, I have not had an opportunity to see this amendment. I have no idea what it does to the original amendment. So therefore, I would like to have the Clerk read it unless I can get a copy of it.

The CHAIRMAN. The Clerk will read.

(The Clerk concluded the reading of the amendment.)

The CHAIRMAN. The gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes in support of the substitute.

Mr. FUQUA. Mr. Chairman, it is with reluctance that I offer the amendment, but it is one of the problems that we get into when very complex amendments are offered to bills, and when they really have not been thoroughly considered in hearings.

I think what we have, and I do not object to the thrust of the amendment originally offered by the gentleman from California (Mr. GOLDWATER), that we should move forward and do something about waste management. But I think what we have here in the substitute amendment that has been offered, offers a study to be made by the Secretary of Energy and to go into really copying some of the language that the gentleman from California offered about the location of different sites, suitable techniques and methods and design and construction and the operation of some of the demonstration repositories and in the other preliminary determination sent to both Houses of the Congress and then this report be submitted to the Congress, both Houses, by September 30, 1980, specifying a construction schedule and technology demonstration depository to determine if they can be in operation by the time specified in here and that may not hold true, and to include specific dates and so forth, and really a plan of action and authorizing $2 million for the first year to carry out this act.

I think this gets us out of some of the problems that we were in earlier. I think that it simplifies the amendment to the point that I hope that the Members could agree to it, and I think it will ultimately accomplish the same purposes that the gentleman from California intended to do with the amendment that he offered.

I urge the adoption of the substitute amendment.

Mr. GOLDWATER. Mr. Chairman, I rise in opposition to this substitute amendment.

Mr. Chairman, this amendment completely guts the whole intent of the original amendment, which was designed to stop studying this question and begin doing something about it. I am only taking the lead of the President of the United States as addressed to the Congress, a need to expedite as soon as possible some of our major energy sources, one of which, the President emphasized, is nuclear energy.

One of the great stumbling blocks in nuclear energy development is what we do with waste.

We have in California a number of nuclear facilities which have been jeopardized, as well as if in fact killed, because we do not have in this Nation any means of handling nuclear high-level waste.

The waste efforts and intentions of this gentleman, taking the lead of the President, are to offer a very small-scale technology demonstration project, which would have in place in a specific time a repository for high-level waste.

It just seems to me that if we adopt the substitute offered by my chairman, that once again, we are going to have another study.

I point out to my colleagues that this issue has been studied to death. The Congress, and our own Science and Technology Committee, has had 2 years of hearings on waste management. We have before us an interagency review group draft and final report that was issued in the spring of 1979 on this issue, requested by the President. The Batelle Institute has made numerous studies of it. The ARC has studied this thing to death. The AEC has studied this thing to death.

There is currently in place in a variety of locations around the country measure devices, geologists and other scientists studying this question of waste disposal.

Now, how long do you want to study it? That is the question.

If we accept the amendment, we are going to study it some more. If you adopt my amendment, we will begin, and have by 1985, a small-scale test facility to demonstrate this question of whether we can safely store waste material.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Florida.

Mr. FUQUA. I might point out to my good friend that in the substitute amendment I have offered there is nothing in here that does any less than your amendment would have done by September of 1980, and then at that time hopefully, after a plan has developed similar to what we are doing at West Valley, then we can move forward with a specific plan of action to implement the recommendations that they make.

So, if we adopted the gentleman's amendment, it would not accelerate anything any faster than it would be by the substitute.

Mr. GOLDWATER. Well, I would suggest that it does do substantial damage to my amendment, if for no other reason than my amendment says it shall be built by 1985.

All we do with the gentleman's substitute is to study it and report to the Congress by 1980, and at that point we can decide whether we are going to proceed or not. That is the major difference. If we want to build it, if we want to initiate and put in place a program that will ensure that there is a repository for nuclear waste, then we vote down the substitute amendment of the gentleman from Florida (Mr. FUQUA) and adopt the Goldwater amendment.

If we are interested in more studies, then we adopt the substitute amendment. That is basically the difference between the two.

□ 1700

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the substitute.

Mr. Chairman, last year it was my privilege to serve as a member of the assembly in California on the energy committee, and that is where I got started on this issue of nuclear energy and disposal of waste. It was fascinating to me to listen to the scientists who came before our committee last year on the issue of whether or not we would go forward with the building of a Sun Desert facility way down in the south of California near Blythe. The scientists told us, one after another in our committee deliberations, that the evidence is that we have the technological capacity at the present time to store waste safely and on a long-term basis; that we have a political decision or a political problem which prevents us from reaching a very necessary step on the part of the National Government; hence, this amendment that the gentleman from California (Mr. GOLDWATER) and myself have offered.

I would like to just read to the Members very briefly some of the comments by several of the scientists of repute who have given us the benefit of their judgment.

In our judgment, there exists sufficient confidence in glass as a waste encapsulent system that it should be used to begin a national waste solidification program as soon as possible.

Those are the words of Dr. Larry Hench of the University of Florida.

Dr. Raul Deju, director of the basalt waste isolation program at Hanford, said as follows:

In conclusion, investigations to date give further confidence that dry storage of various waste forms is feasible and that ultimate disposal of nuclear waste can be ascertained regardless of the solid waste forms being considered for disposal.

In other words, the scientific evidence is overwhelming that we have the capacity to store this waste on a long-term basis. I say we should in this forum have the courage politically to go down the road of laying the foundation for storing waste. We can do it at one of the facilities designated in the amendment, not the substitute. We do not have to go out and buy more land. There are existing at least two Federal facilities where this waste storage capacity can take place.

The substitute of the gentleman from Florida is quite clear. He seeks to establish another study. I say we do not need another study, we have studied it enough. It is time to get on with this project of deciding that we are going to store long-term waste.

I sometimes suspect, although I cannot prove this, that there are those around who seek to use the issue of not having solved the storage of waste on a long-term basis as a means of preventing further utilization of nuclear energy in our country. I cannot really say that is true, but sometimes I suspect that. I am satisfied there are none of those in this Chamber, and for that reason I am sure they will base their vote solely on the basis of the scientific evidence that we can do that and defeat the substitute and adopt the amendment offered by the gentleman from California (Mr. GOLDWATER).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA) as a substitute for the amendment offered by the gentleman from California (Mr. GOLDWATER).

The question was taken; and on a division (demanded by Mr. GOLDWATER) there were—ayes 38, noes 32.

So the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. GOLDWATER), as amended.

The amendment, as amended, was agreed to.

Mr. FUQUA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST H.R. 4930, DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 96–391) on the resolution (H. Res. 389) waiving certain points of order against the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending

September 30, 1980, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION'S ANNUAL REPORT FOR 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers; referred to the Committee on Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Saint Lawrence Seaway Development Corporation's Annual Report for 1978. This report has been prepared in accordance with Section 10 of the Saint Lawrence Seaway Act of May 13, 1954, and covers the period January 1, 1978 through December 31, 1978.

JIMMY CARTER.

THE WHITE HOUSE, *July 26, 1979.*

□ 1710

REQUEST FOR PERMISSION TO APPOINT CONFEREES ON H.R. 4389, DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4389), making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

LEGISLATIVE PROGRAM

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, I ask for this time only to ask what the program for tomorrow is going to be.

Mr. WOLPE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Speaker, responding to the gentleman from Maryland, the program for tomorrow is as follows:

H.R. 2462, maritime authorizations, fiscal year 1980;

H.R. 3633, nurses training amendments;

H.R. 4034, Export Administration Act Amendments of 1979.

Mr. BAUMAN. I thank the gentleman.

PERSONAL EXPLANATION AS TO VOTES

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives during two rollcall votes on Monday, July 23, 1979, and during one rollcall vote on Wednesday, July 25, 1979. I would like to announce how I would have voted on each of these had I been present.

Rollcall No. 369, July 23, 1979, the House agreed, by a vote of 314 yeas to 4 nays, to resolve itself into the Committee of the Whole. I would have voted "yea."

Rollcall No. 370, July 23, 1979, the House agreed, by a vote of 217 yeas to 5 nays, to resolve itself into the Committee of the Whole. I would have voted "yea."

Rollcall No. 377, July 25, 1979, the House agreed, by a vote of 387 yeas to 5 nays, to resolve itself into the Committee of the Whole. I would have voted "yea."

ORANGE COAST NATIONAL URBAN PARK

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PATTERSON. Mr. Speaker, today I have introduced a bill with my colleague from California, ROBERT BADHAM, which provides for the stablishment of the Orange Coast National Urban Park. The purpose of the bill is to protect the rich natural and cultural resources of the Irvine Coast, Laguna area of California, including the last remaining portion of undeveloped shoreline along the Irvine Coast.

The bill will provide for the urban recreation needs of millions of people and it will assist the State and local governments in providing for a balance of planned urban development and open space and recreational opportunities.

This legislation recognizes the need to exercise fiscal restraint at the Federal level. It authorizes $38 million in matching Federal funds for the acquisition of lands within the park.

This authorization will match the commitment by the State of California to purchase portions of land within the boundaries of the proposed park.

In addition, the bill requires the Secretary of the Interior to negotiate a cooperative agreement with the State of California to manage and administer the park. This joint pooling of State and Federal funds should insure maximum protection and preservation of the area with the limited amount of Federal dollars provided for in the bill.

The proposed Orange Coast National Urban Park encompasses approximately 19,000 acres of land that stretches 3.5 miles along the Irvine Coast between Corona Del Mar and South Laguna Beach, Calif., and reaches as far as 3 miles inland. The terrain includes steep walled canyons, ridges, marine terraces, sea cliffs, beaches, and two inland lakes and offers vistas of both the ocean and inland portions of the county.

The sea coast and marine resources in the area are of national significance and should be protected. Fossil records have been identified in the area which date back as early as 17,000 years ago. The proposed park contains numerous known archeological and paleethnological sites which can provide us with valuable information pertaining to the occupational history of the region.

Five rare and endangered species of birds are known to have ranges within portions of the proposed park and the cottage community of Crystal Cove, which is in the proposed park, has been nominated to the National Register of Historic Places as an historic district.

In addition to its natural and cultural resources, the proposed site for the Orange Coast National Urban Park can offer a diversity of recreational opportunities to serve the needs of southern California residents.

The park is within 1 hour's drive of at least 10 million people and will be easily accessible to many forms of mass transit.

In this time of energy conservation and gasoline shortages it is necessary to redirect our Federal park acquisition funds away from the great open spaces which are far away from centers of populations, to areas where they are accessible to the 70 percent of Americans who live in urban areas.

A national urban park will help to make up the deficit in parks and recreation areas which currently exists in the area. The Southern California Association of Governments projected in 1978, that Orange County will need an additional 33,250 acres for regional parks by the year 2000.

The Federal interest in urban recreation and in the Irvine Coast Laguna area, dates back to 1976 when Congress mandated the Interior Department to take a close look at recreation in the county's urban areas to determine the appropriate role of the Federal Government in providing for these needs. The heritage conservation and recreation service and the National Park Service in its national urban recreation study, listed the site of the Orange Coast National Urban Park as,

One of the most significant open space and recreational resources which should be preserved and developed for recreational use.

There is widespread support for a national urban park in Orange County. The area has, for years, been the subject of much controversy at the local level. The demand for housing and urban growth has put tremendous pressure on local governments to intensively develop this only remaining open space area. It is increasingly evident that local land use regulations and ordinances will no longer be an effective means for preserving the area. In addition, the local budgetary restraints imposed by proposition 13 will further threaten the Irvine Coast Laguna area.

The legislation Congressman BADHAM and I are introducing today meets this concern by sharing the responsibility to protect and manage the area with the State of California. The bill will also insure that the transportation needs of the region will not be hindered by a national urban park.

The major landowners, the Irvine Co. and the Aliso Viejo Co., have been extremely cooperative and supportive of efforts to preserve the land. A national urban park has widespread public support. A number of private conservation and public interest groups have been working actively for years to preserve and protect the area.

The State of California has been interested in the area for several years and is in the process of negotiating with the Irvine Co. to acquire $38 million worth of land within the park. The California Coastal Commission, under the mandate of the California Coastal Act of 1976, is interested in preserving much of the proposed park and is currently reviewing development plans prepared by the Irvine and Aliso Viejo Companies.

The Federal interest in the area came to a focus last year when Congress passed the National Parks and Recreation Act of 1978. The act authorized the Park Service to study the area to determine the feasibility and desirability of including it as a part of the National Park System. The Park Service study, which comprised about 24,000 acres in the Irvine Coast Laguna area, identified four alternatives as feasible strategies for preservation and use of the areas significant land resources. The bill I am introducing today is a combination of several of the alternatives proposed by the Park Service.

The 19,000 acres of land in my bill represents the greatest area of concern for preservation and protection and reflect a variety of diverse and often conflicting interests. It is intended that this bill will provide the necessary vehicle for further consideration and study of the area, by the public, the Congress, and the administration, to determine exactly how much of the land can be and should be acquired by the Federal Government for a national urban park.

Mr. BADHAM. Mr. Speaker, will the gentleman yield?

Mr. PATTERSON. I will yield to the gentleman from California.

Mr. BADHAM. Mr. Speaker, it is a rare occasion when the gentleman who represents California's 38th Congressional District (Mr. PATTERSON) and I agree on issues which come before this House. However in the case of legislation to establish an Orange Coast national urban park in California, we are in full agreement—thus the joint sponsorship of the measure we are introducing today.

My support for a park in the Irvine Coast area of southern California dates back to the late 1960's. As a member of the California State Assembly, I and then State Senator Dennis Carpenter were responsible for obtaining $7.6 million in earmarked State park funds to purchase the Irvine Coast and two main canyons for 50 percent of the appraised value. This, incidentally, represented practically all of the useful parkland in the area. Unfortunately, this purchase was blocked.

Today that $7.6 million is part of the State's $38 million which has been designated for land acquisition in the Irvine Coast area. The legislation we are jointly introducing today authorizes the Federal Government to match the State of California's appropriation of $38 million for the purchase of some truly beautiful acreage in Orange County for the purpose of a national urban park.

The National Park Service recently completed a congressionally mandated study of the proposed park area. Negotiations between Mr. PATTERSON and me have resulted in what I consider to be a fair and equitable bill which will protect the taxpayers' pockets, while protecting the Irvine Coast area for all to enjoy. I hope this legislation will receive the swift and favorable consideration of my colleagues.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Kansas (Mr. JEFFRIES) is recognized for 5 minutes.

● Mr. JEFFRIES. Mr. Speaker, although I was present to vote on all of the amendments to the Amtrak authorization bill, I was detained yesterday and unable to vote on its final passage. Since my constituents have a right to know my position on the bill, I would like to enter in the record that I would have voted "yes" for passage of H.R. 3996 as amended.●

LEGISLATION TO AUTHORIZE MEDAL OF HONOR TO HERMAN MILLER

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

● Mr. BOB WILSON. Mr. Speaker, I am today introducing legislation to authorize the President to present the Medal of Honor to Mr. Herman Miller, a centenarian and long-time resident of San Diego County.

Mr. Miller was recommended for the Medal of Honor on May 18, 1900, by his company commander for heroism during a 3-day engagement against Philippine insurgents in the village of Batac in mid-April 1900. Unfortunately, the recommendation was apparently swallowed up in the morass of military paperwork and subsequently shunted aside by the growing unpopularity of the U.S. involvement in the Spanish-American War. His last hopes were dashed when Congress in 1918 wiped the slate clean on unresolved Medal of Honor requests.

Mr. Miller and his daughter, Mrs. Eva McGinnis, have waged a battle over a period of years for his Medal of Honor, but without success, despite indications of interest and support from a wide variety of individuals and organizations. Former Congressman Edouard Victor Michel Izac introduced a private bill in Mr. Miller's behalf during the 77th Congress. The measure was dropped into the hopper on December 9, 1941, but, needless to say, was put aside in the sequence of events which followed the Japanese attack on Pearl Harbor 2 days earlier.

When Mr. Izac left Congress after World War II, the matter was put to rest for a number of years. I am today reintroducing the identical language of Mr. Izac's bill. With the recent renewed interest in several individuals who were denied the Medal of Honor because of a lack of timeliness in presenting their cases to the chain of command, I feel that the time is ripe for a reconsideration of Mr. Miller's case. He is a spry and personable gentleman whose patriotism and national pride would bring tears to your eyes. In these days of national self-denigration, it is important to remember that it is men and women like Mr. Miller who have made America strong and free.

It is an honor to represent Mr. Miller's Medal of Honor request to the Congress and I would urge favorable consideration.●

THE REGIONAL ENERGY CORPORATION BILL

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WYDLER) is recognized for 5 minutes.

● Mr. WYDLER. Mr. Speaker, I introduce legislation to create regional energy corporations.

These regional energy corporations may be formed by three or more eligible States. An "eligible State" is defined in the bill as—

A State which is adjacent to two or more States . . . two States should be deemed to be adjacent if such States have a common boundary.

This bill proposes to facilitate, finance, and stimulate projects with a regional impact on the cost, supply and efficient use of energy. The corporations proposed by this bill would contribute to the work of all areas of the partnership—Federal, State, private—and hopefully do away with many of the stumbling blocks now slowing or interfering with energy development.

This bill is different from H.R. 2511, introduced on February 28, 1979, in that H.R. 2511 is restricted to the Northeast while the bill which I introduce today is national in character; in short, all 50 States stand to benefit from it and not those confined to one region of the Nation.

This bill also provides production facilities for nuclear energy; H.R. 2511 does not mention nuclear.

The Congress will create the corporations and clearly set forth the areas of their jurisdiction and power. The Corporations will be quasi-public in character. They will be responsible to and administered by a board of directors which will consist of five members appointed by the President, subject to Senate approval; a member appointed by the Governor of each State which joins the Corporation; and finally, the private sector which will select two members.

A corporation may be organized when three adjacent States enact the legislation necessary for that purpose. The board of directors will prepare the terms and conditions which financial institutions and private industry located or involved in the region may subscribe to the corporation's capital stock.

The bill authorizes the corporations to take part in financing energy-related projects through guarantees, loans and equity investments or other forms of aid. Funds for this purpose will be available by borrowing through the issuance of bonds or notes, which will be secured by a Federal guarantee at a ratio of 15 to 1 which will be established on the basis of capital contributions.

Projects which will be encouraged include transportation and distribution facilities; promotion or production of conservation techniques; new technological developments related to energy; and production facilities for coal, and optimum siting decisions on nuclear plants.

The environmental regulations promulgated by the National Environmental Policy Act as well as all other Federal regulatory requirements and all other laws must be adhered to by the corporation.

What is the Federal role? Simply stated, it is to authorize formation of the corporations, and to provide capital for desirable projects in those cases where there is inadequate private support; and to provide necessary oversight through constant scrutinization of audits and reports.

Mr. Speaker, the corporations, then, will not supersede Government agencies already in existence, they will supplement them. Their purpose is to assist desirable projects in those instances which private business, standing by itself, cannot implement. In every instance, the corporations will work side by side with private financial institutions, and assist them in every reasonable way.

My bill is also intended to encourage State participation in regional efforts to commercialize synthetic fuels technology and speed the utilization of these new fuels by industry. Certain regions must await resolution of specific technical problems before synthetic fuels can be produced at commercial scale.

Caking coals mined in the Eastern United States, for instance, cannot be converted to gas with off-the-shelf technology. The States should have the capability to fund planning to encourage gasification projects for pipeline quality product tailored to these needs. The regional corporations should engage in cost sharing with the Department of Energy and regional industries.

The corporations should provide the States with the capability to work with the proposed Federal Energy Security Corporation in meeting the administration's goal of 2½ million barrels per day of oil substitute by 1990. Unconventional gas from the shales of the East, the tight sands of the West, and the brine off the gulf is to provide 20 percent or more of that goal. The corporations should be involved in these enhanced recovery projects and should address the questions of distribution of this gas as well as the desired overall fuel mix by State.

Liquefaction is the crucial technology which provides a direct oil substitute for the transportation sector. The Energy Security Corporation is to provide up to $88 billion of backing for synthetic fuels production chiefly through construction of full-scale plants. Regional corporations must participate in evaluating the tradeoffs to be made in determining which liquefaction technology is preferable. There is considerable opportunity for the regional energy corporations to serve as a sort of commercialization broker between regional industries and the Department of Energy.

I also envision the States working with the Energy Mobilization Board through the corporations. The board is intended to eliminate redtape by assuring that decisions on energy projects are made in a timely fashion. The States have a major stake in seeing that such projects go ahead without compromising public health and safety. The Board will have the right to establish schedules for Federal, State, and local permit processes. The corporations should provide a regional perspective that will reduce parochialism in siting and scheduling such priority energy projects.●

U.S. CAPITOL POLICE

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, August 1 marks an important date in the history and progress of the U.S. Capitol Police Force, which began when the seat of our Federal Government was moved from Philadelphia to Washington, D.C., in 1801. I feel that the Members of the House of Representatives should be fully informed about this event for it is only with their support and cooperation that it has been achieved, and the progress obtained can be continued.

Mr. Speaker, on August 1, the results of the second Capitol Police biennial promotional process will become effective. The first competitive promotion examination was an experiment only 2 years ago. In May of 1977, the Capitol Police Board, with the encouragement of the Committee on House Administration and the concurrence of the House, adopted the policy that promotional matters for members of the Capitol Police force shall be governed by a competitive process, based entirely upon merit, and without regard to means of appointment or political affiliation.

It was not until 1965 with the appointment of James M. Powell as chief of police that the U.S. Capitol Police began to come into its own as a respected member of the law enforcement community. In less than a decade and half, much progress has been made. With the advent of our new promotional system, we have journeyed a long way toward the professionalization of our police force.

Today the U.S. Capitol Police has an authorized strength of over 1,000. Today, we have a modern, up-to-date program for both academic and firearms training. Today, we have our own special operations unit for use in time of disturbances and disorders. We have one of the most modern communications systems in the area. We have a patrol detail consisting of foot patrolmen, K-9 patrols, scout car patrols, as well as motorbike patrols. We have a well-trained professional photographic and identification section, as well as an investigations division.

In brief, here, as reported by Chief of Police Powell, is how the new promotional policy will be implemented to assure fairness and equity for all police officers:

In the most recent process, 473 candidates openly competed for numerical eligibility rankings in the grades of Sergeant, Lieutenant and Captain. The process consisted of a potential evaluation of candidates by their supervisors and a written examination. An additional Oral Review Board was required for candidates competing for the grade of Captain.

Each participant will be personally apprised of his composite score and a list will be published, with the identity of the participants encoded in such manner as to ensure the confidentiality of the individual, in order that the participants will be fully aware of their standing in relation to the remaining participants for the same rank.

As openings in various ranks become available through attrition, retirements, etc., the Chief of Police will submit the names of the first three individuals on the list to the Capitol Police Board for consideration. As

promotions are made, interdepartmental memoranda will be published, identifying the individuals promoted, by their encoded designation. This will enable each member of the force to compare his composite score with that of the individual receiving the elevation in grade.

If there should be any appeal by members of the force as a result of this procedure, it will be addressed to the Capitol Police Board for resolution.

As I have indicated, we are extremely proud of the progress made by the Capitol Police in recent years. We believe the combined capabilities and professional expertise of the force are equal to any law enforcement agency in the Nation.●

THE SYNFUELS MISTAKE

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

● Mr. WEAVER. Mr. Speaker, the House has passed a bill to develop synfuels and more legislation in this area is on the way. However, the development and use of synfuels in sufficient quantities to offset our insatiable demand for foreign oil is not without serious problems. To clearly explain some of these problems, I heartily recommend to my colleagues the consideration of the following article by Gordon J. MacDonald, which appeared in the Washington Post on July 26, 1979. The author is a former member of the Council on Environmental Quality and is a professor of environmental studies at Dartmouth College.

The article follows:

THE SYNFUELS MISTAKE

(By Gordon J. MacDonald)

The president and the Congress have presented the nation with the exciting prospect of solving the energy problem by building plants that will convert our abundant coal resources into more readily usable fuel, such as oil or "natural gas." In an almost crisis atmosphere of the moment, the true environmental and economic costs of synthetic fuels have been overlooked in the apparent desire to provide an easy answer to a complicated problem.

The most important environmental issue associated with a major commitment to synthetic fuel is the possible worldwide change in climate resulting from the loading of the atmosphere with carbon dioxide. This gas, present in minute amounts, absorbs heat that would otherwise radiate from the earth out into space. Carbon dioxide acts as a blanket keeping the earth warm. Increasing the carbon dioxide content of the atmosphere will increase the number of blankets and raise the temperature of the earth.

These changes in temperature could bring about significant worldwide changes in the way people live. The changes are today poorly understood—but could have far-reaching implications for human welfare in an ever more crowded world, would threaten food supplies and present a further set of intractable problems to organized societies.

When will the carbon dioxide content of the atmosphere increase to levels where the effects become noticeable? The answer depends on how fast the world increases the use of carbon-based fuels, natural gas, oil and coal, and on whether or not synthetic fuels become an important element in the world fuel economy. To make synthetic fuels, energy must be used. That use of energy produces carbon dioxide, as does the burning of the synthetic product. The net result is that synthetic fuels produce two to three times more carbon dioxide than do the natural fuels.

If the world continues along the lines of the past 30 years, and if the current mix of gas, oil and coal is maintained, then the carbon dioxide content of the atmosphere will double in about 50 years. If, on the other hand, the world shifts to coal and synthetics, then the doubling will come in about 30 years. The 20-year acceleration may not seem large, but it could eliminate the time needed to develop the alternative fuel of the future—solar, fusion or nuclear.

The basic policy question associated with the climatic impact is that we may not be absolutely certain that the earth is warming up until 1990 or 1995. By that time, if synthetic-fuels investment and infrastructure are in place, it will be extraordinarily costly in economic and social terms to move away from a synthetic-fuel economy. Once hooked, the cure for synthetic-fuel addiction would be very costly.

The energy challenge is obviously worldwide and cannot be resolved by one nation acting alone. The communiqué from the Tokyo summit made it clear that the Western nations recognized the longer-term economic and environmental issues of using carbon-based fuels. However, the United States provides leadership on many international issues. The elements of policy I propose here are for the United States, but they apply as well to the world:

1. *Acknowledgement of the problem:* The CO_2 problem is one of the most contemporary environmental problems, is a direct product of industrialization, threatens the stability of climates worldwide and therefore the stability of all nations, and can be controlled by controlling fuel policies. No technical means of controlling carbon dioxide exists today. Steps toward control are necessary now and should be part of the national policy in management of resources of energy.

2. *Conservation of carbon-based fuels:* The element of any policy that offers the hope of being effective is conservation. Limitation of the rate of exploitation of fuels is possible. The rate is controlled currently by price, taxation and regulation. It can be controlled as a matter of policy. All actions of government should be reviewed to determine effects on the total use of carbon-based fuels.

3. *The choice of carbon-based fuels* and the use made of them bears heavily on the amount of CO_2 released to produce a unit of energy. Natural gas is by far the best carbon-based fuel for limiting carbon-dioxide production.

The proposals for a massive synthetic-fuels program arise from the misconception that the United States is running out of natural carbon-based fuels. That assumption is wrong. For example, over the past few years I have studied the probable reserves of natural gas. I am convinced from my work and that of my colleagues that, in the continental United States, there exist vast resources of natural gas in both shallow and deep basins that have not been exploited. The lack of exploitation flows from the fact that historically, in terms of constant dollars, the energy content of natural gas has been underpriced by 10 to 30 percent with respect to coal, 100 percent with respect to domestic oil and 200 percent with respect to imported oil. As a result, there has been little economic incentive to develop this resource, which in burning produces less carbon dioxide than any of the other carbon-based fuels. In the longer term, solar, fusion and nuclear power may provide alternative options that are both environmentally and economically compatible.

My idea is that before we commit ourselves to the construction of a major synthetic-fuels infrastructure involving the investment of billions of dollars, we should make every effort to understand not only the short term benefits and the costs, but also the longer-term consequences to the generation that must live with the decisions taken today.●

SHATTER THE SILENCE, VIGIL 1979

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, as sponsor of the project "Shatter the Silence, Vigil 1979" I come before you today to add the names of Solomon Inditsky and his family to our list of Soviet Jews who have been denied permission to emigrate from the U.S.S.R.

Solomon Inditsky, his wife, Khana, and daughter, Isabella Novikova, and her 13-year-old son, Mark, applied for permission to emigrate to Israel in 1971. During the last 6 years they have received five refusals for a variety of reasons including secrecy, although there was nothing classified about the work Solomon Inditsky was involved in as an electrical engineer. Other reasons for refusal have ranged from technical excuses to: "You'll be here a long time to come."

Because the family applied for exit visas, family members lost their jobs and have since been unable to work despite the fact that they possess skills which are valuable assets to the labor force: Khana is a pediatrician and Isabella is an electrical engineer.

Last October, young Mark was to become a bar mitzvah in Moscow. Soviet authorities would not allow him to be called to the Torah in the synagogue because he is a "refusenik"—one who has applied to emigrate and has been refused. Mark's bar mitzvah had to be held in secrecy, in a private apartment.

The Inditsky family has committed no crime. The family simply wishes to live in Israel with close relatives and among the people in the land of their fathers. It would seem that no one and nothing should prevent the achievement of such an aspiration, since it complies in full with Soviet laws and does not harm Soviet interests.

It is my hope that "Shatter the Silence, Vigil 1979" will help improve emigration for Soviet Jews who find themselves in situations similar to the Inditsky family. To date 38 Members of Congress have participated in the 1979 vigil, each pleading the case of a "refusenik" before the House of Representatives.

There is a great need to ease the exit requirements for Soviet Jews and to end the official and unofficial harassment of people who strive to gain their individual freedom. My colleagues and I pray that

the appeals we have made in behalf of the "refuseniks" will assist these noble people in their struggle for freedom.●

SALT II AND THE POLITICS OF FEAR

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

Mr. AuCOIN. Mr. Speaker, despite the passing of weeks since the national debate on SALT II began, I have read few pieces that put the case against SALT II in better frame than a recently rediscovered column by Seymour Weiss in the Wall Street Journal. The fundamentally flawed antitreaty arguments, which lean on fear of Russians for credibility, are reproduced again and again. And no scrutiny of new information seems to be able to affect the pace and pitch of the old hawkish cant.

Seymour Weiss warns us (Wall Street Journal May 24), that being afraid of the epithet "warmonger" is no reason to buy SALT, suggesting such a fear motivates the administration and those who see benefit in SALT II. He parades before us a litany of past Soviet sins that presumably disqualifies the Soviet Union as a partner to any treaty, ever. Mr. Seymour ties the beginning of this rancorous doubt to the end by invoking "political context," which he alleges to be lacking, except in the form of another buzz-word, "appeasement," and completes his overkill with rhetorical references to Hitler, Munich, and totalitarianism.

In a climate of mutual suspicion, the easiest choice is continued mistrust. Therefore, it is a cheap effort to prey on the American public's fear and suspicion of Soviet intentions and to encourage the false belief that by signing SALT II President Carter compromises national security, or that by stalling ratification a vaguely defined danger is averted.

Moreover, it is irresponsible to exploit the administration's commitment to honesty by alleging that the admitted "imperfections" in SALT II are invalidating. Negotiation between two parties necessarily involves compromise in both directions. And, in negotiation between heavily armed antagonists an agreement will be of value to the extent that it limits destructive capability and the likelihood of conflict: In theoretical terms it will be "imperfect" to the extent that it fails to disarm the potential adversaries. Therefore, the argument as to whether or not a treaty is "good" must hinge on an analysis of what the agreement does and does not accomplish. SALT II does:

Set a weapons ceiling on intercontinental nuclear weapons for the first time ever, with a further decrease of 150 nuclear launchers in force by 1982;

Oblige an actual decrease in the total number of Soviet nuclear delivery systems now arrayed against American targets;

Allow the United States to deploy an additional 190 ICBM launchers—if we wish—including the MX mobile missile capable of carrying up to 10 separately targetable nuclear warheads;

Force a deceleration on rapid Soviet progress in the technology of nuclear delivery systems by limiting both signatories to one new type of intercontinental ballistic missile;

Open the way for further negotiation in the direction of nuclear weapons control and on other important matters; and

Reduce uncertainty and the possibility of a calamitous "mistake."

SALT II does not:

Forbid deployment of the air-launched cruise missile;

Alter the present status quo of rough parity between the United States and U.S.S.R. in favor of the Soviet Union;

Limit American surveillance; it enhances data collection;

Compromise the ability of the United States to respond to nuclear assault with so great a counterattack as to make the "first strike" option impossibly costly to the Soviets. (Both superpowers now have the nuclear might to obliterate all life on this planet several times over); and

Cost more in taxpayer dollars than without SALT II, at a time of budget constraint and inflation. (Actually, under the treaty the Pentagon could spend an estimated $30 billion less for strategic weapons over the next 10 year.)

Many Americans will find it difficult to accept the idea that the Soviets fear U.S. strategic strength, that the Russian leadership could feel wary of the intention of such a well-meaning people as we believe ourselves to be. That others view us in this different light is uncomfortable at best, but to ignore the reality of the Kremlin's concern is a case of very risky myopia. And if overwhelming superiority in nuclear armaments is so significant an enhancement of our interests, how do SALT opponents interpret America's humiliating failure to work its will in Hungary, Czechoslovakia, and Southeast Asia in the years of undisputed American strategic superiority? We ought to have derived something from our recent history besides a more exercised attitude of antagonism.

The relationship of the two superpowers is of vital concern to all nations. The entire planet would pay the price of instability if it led to nuclear confrontation. If Mr. Weiss seeks the political context of SALT II, he may take stock of the politics of planetary survival as the sufficient context for United States-Soviet negotiation. Therefore, the moral responsibility we share with the Soviet Union in concluding the interim pact known as SALT II would be best served if the U.S. Senate ratifies the treaty.

On May 27, Rev. Jesse Jackson told a crowd of 13,000 at the University of Rhode Island commencement:

> There are few issues, if any, that are more critical to our two countries and the world than that SALT II be ratified.

He is right. Members of the House and Senate must support the treaty.

BILL INTRODUCED TO AMEND CHARTER OF TRINITY COLLEGE

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. Pease) is recognized for 5 minutes.

● Mr. PEASE. Mr. Speaker, the purpose of the bill H.R. 4976, which I am introducing today, is to amend in several respects the corporate charter granted to Trinity College in Washington, D.C., by the act of April 8, 1935, 49 Stat. 113:

First, to increase the number of persons who may serve as trustees of the college.

Second, to clarify that the board of trustees shall elect officers of the board of trustees as well as officers of the college.

Third, to provide that the officers of the college need not be members of the board of trustees.

Presently, the trustees must number not less than 8 nor more than 15. The present charter does not specifically grant the trustees the power to elect or appoint officers of the board of trustees but does provide that the officers of the college must be members of the board of trustees.

This bill was introduced at the request of the board of trustees and officers of Trinity College. These changes in the charter are proposed as part of an extensive self-evaluation and improvement of the college's administration structure pursuant to a grant under title III of the Higher Education Act of 1965, Public Law 89-329, as amended. The proposed changes will permit the election or appointment of additional trustees to meet the increased workload of the evaluation and the resulting proposals. The removal of the officers of the college from membership on the board of trustees will avoid the overlapping of roles, responsibilities and interests of these separate and distinct components of the administrative structure.

BACKGROUND

Trinity College of Washington, D.C., was founded in 1877 for the higher education of women. It is located on Michigan Avenue and Franklin Street NE. More than 800 students are enrolled in the college primarily in undergraduate studies in the liberal arts, and in graduate programs in professional fields. Graduate programs are coeducational.

Trinity College was originally organized and operated under certificate of charter filed in 1897 pursuant to the incorporation provisions of subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia. In 1935, Congress enacted the special Charter Act of April 8 (49 Stat. 113), which was similar to legislation enacted for the benefit of other colleges and universities in the District of Columbia.

From its founding, Trinity College has drawn students from all over the United States as well as from many foreign countries. The college has become a national institution recognized for the excellence of its programs. Accredited in 1917 by the Association of American Universities, it was in 1921 accredited by the Middle States Association of Colleges and Schools.●

CONFERENCE REPORT ON H.R. 4388

Mr. BEVILL submitted the following conference report and statement on the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

Conference Report (H. Rept. No. 96-388)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 15, 25, 26, 33, 34, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 12, 13, 18, 19, 27, 28, 29, 32, and 36, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,371,147,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$226,279,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$588,249,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$36,015,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$142,145,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,451,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$213,053,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,761,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,614,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 3, 7, 8, 9, 14, 17, 22, 24, 30, and 37.

Tom Bevill,
Edward P. Boland,
John M. Slack,
Lindy (Mrs. Hale) Boggs,
Bill Chappell,
John W. Jenrette, Jr.,
Julian C. Dixon,
Jamie L. Whitten,
John T. Myers,
Clair W. Burgener,
Virginia Smith,
Silvio O. Conte
(except as to amendments Nos. 18, 30, and 37),

Managers on the Part of the House.

J. Bennett Johnston,
John C. Stennis,
Warren G. Magnuson,
Robert C. Byrd,
Ernest F. Hollings,
Walter D. Huddleston,
Quentin N. Burdick,
Jim Sasser
(except amendment No. 30),
Dennis DeConcini,
Mark O. Hatfield,
Milton R. Young,
Richard S. Schweiker,
Henry Bellmon,
James A. McClure,
Jake Garn,
Harrison Schmitt,

Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4388) making appropriations for energy and water development for fiscal year ending September 30, 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

Report language included by the House which is not changed by the report of the Senate, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein.

TITLE I—DEPARTMENT OF ENERGY

OPERATING EXPENSES

Energy supply, research and development activities

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $2,048,523,000 for Operating Expenses, Energy Supply, Research and Development Activities, instead of $2,050,623,000 as proposed by the House and $2,053,823,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The funds appropriated for Operating Expenses, Energy Supply, Research and Development Activities are allocated as shown in the following table:

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT—OPERATING EXPENSES

	Fiscal year 1980	
	Budget estimate	Conference allowance
Solar applications:		
Systems development	$46,000,000	$52,000,000
Demonstrations:		
Buildings	33,500,000	35,750,000
Agricultural and industrial process heat	14,000,000	14,000,000
Federal photovoltaics demonstrations		10,000,000
Market development and training	24,300,000	20,500,000
Program direction	2,341,000	2,341,000
Total, solar applications	120,141,000	134,591,000
Solar technology:		
Solar thermal electric power systems	72,905,000	72,905,000
Photovoltaics energy development	122,700,000	139,700,000
Wind energy conversion system	48,860,000	45,260,000
Ocean systems	23,600,000	28,600,000
Program direction	2,892,000	2,892,000
Total, solar technology	270,957,000	289,357,000
Geothermal:		
Hydrothermal resources	37,850,000	42,250,000
Geopressured resources	35,700,000	35,700,000
Geothermal technology development	41,800,000	41,800,000
Program direction	1,802,000	1,802,000
Total, geothermal	117,152,000	121,552,000
Biomass:		
Technology support	$16,000,000	$16,000,000
Production systems	5,700,000	5,700,000
Conversion technology	23,000,000	22,500,000
Research and development	8,300,000	7,800,000
Support and other	1,500,000	1,500,000
Program direction	796,000	796,000
Total, biomass	55,296,000	54,296,000
Hydropower:		
Low head hydroelectric development	8,000,000	8,000,000
Feasibility studies loan program	10,000,000	10,000,000
Program direction	324,000	324,000
Total, hydropower projects	18,324,000	18,324,000
Nuclear fission:		
Converter reactors:		
Thermal reactor technology	36,500,000	69,000,000
Advanced reactor systems	9,700,000	4,700,000
Program direction	2,016,000	2,016,000
Total, converter reactors	48,216,000	75,716,000

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT—OPERATING EXPENSES—Continued

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Nuclear fission—Continued		
Commercial waste management:		
Terminal isolation research and development	$158, 100, 000	$146, 350, 000
Waste treatment technology	14, 200, 000	14, 200, 000
Support programs	2, 100, 000	2, 100, 000
Program direction	1, 365, 000	1, 365, 000
Total, commercial waste management	175, 765, 000	164, 015, 000
Spent fuel storage:		
International spent fuel storage	4, 200, 000	3, 000, 000
Domestic spent fuel storage	13, 800, 000	8, 000, 000
Program direction	482, 000	482, 000
Total, spent fuel storage	18, 482, 000	11, 482, 000
Advanced nuclear systems:		
Space and terrestrial applications	34, 300, 000	34, 300, 000
Advanced systems evaluations	2, 600, 000	2, 000, 000
Program direction	1, 206, 000	1, 206, 000
Total, advanced nuclear systems	38, 106, 000	37, 506, 000
Breeder reactors:		
Liquid metal fast breeder reactor base program	348, 900, 000	308, 900, 000
Water cooled breeder reactor	57, 900, 000	57, 900, 000
Gas cooled breeder reactor	19, 988, 000	19, 988, 000
Fuel cycle research and development	21, 100, 000	21, 100, 000
Program direction	11, 398, 000	11, 398, 000
Total, breeder reactors	459, 286, 000	419, 286, 000
Total, nuclear fission	739, 855, 000	708, 005, 000
Magnetic fusion:		
Confinement systems	83, 500, 000	83, 500, 000
Development and technology	48, 000, 000	48, 000, 000
Applied plasma physics	62, 100, 000	56, 600, 000
Reactor projects	39, 100, 000	42, 100, 000
Program direction	2, 905, 000	2, 905, 000
Total, magnetic fusion	235, 605, 000	233, 105, 000
Electric energy systems and storage:		
Electric energy systems power supply:		
Power supply and system management	16, 900, 000	16, 900, 000
Power delivery	8, 600, 000	18, 300, 000
Program direction	1, 340, 000	1, 340, 000
Total, electric energy systems	26, 840, 000	36, 540, 000
Energy storage systems:		
Battery storage	32, 000, 000	32, 000, 000
Thermal, mechanical and other storage	30, 840, 000	30, 840, 000
Program direction	1, 302, 000	1, 302, 000
Total, energy storage systems	64, 142, 000	64, 142, 000
Total, electric energy systems and storage	90, 982, 000	100, 682, 000

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Environment:		
Environmental research and development:		
Overview and assessment	$58, 400, 000	$55, 000, 000
Biomedical and environmental research:		
Human health studies	30, 280, 000	26, 580, 000
Health effects research in biomedical systems	47, 790, 000	47, 790, 000
Environmental studies	46, 160, 000	45, 660, 000
Physical and technical studies	23, 880, 000	23, 880, 000
Carbon dioxide effects research/assessment	6, 280, 000	6, 280, 000
Subtotal, biomedical and environmental research	154, 390, 000	150, 190, 000
Program direction	9, 369, 000	9, 369, 000
Total, environmental R. & D	222, 159, 000	214, 559, 000
Decontamination and decommissioning:		
Management of surplus radioactively contaminated DOE facilities	9, 000, 000	9, 000, 000
Remedial action for former DOE contractor installation MED/AEC sites	11, 500, 000	11, 500, 000
Remedial action for inactive uranium mill tailing sites	11, 500, 000	11, 500, 000
Program direction	199, 000	199, 000
Total, decontamination and decommissioning	32, 199, 000	32, 199, 000
Total, environment	254, 358, 000	246, 758, 000
Basic energy research:		
Basic energy sciences:		
Nuclear sciences	30, 700, 000	30, 700, 000
Material sciences	81, 300, 000	79, 000, 000
Chemical sciences	58, 800, 000	55, 100, 000
Engineering, mathematical and geosciences	23, 900, 000	20, 100, 000
Advanced energy projects	16, 500, 000	10, 000, 000
Biological energy conversion and conservation	6, 900, 000	6, 000, 000
Program direction	2, 116, 000	2, 116, 000
Total, basic energy sciences	220, 316, 000	203, 016, 000
Technology assessment projects:		
Assessment projects	3, 000, 000	2, 500, 000
Solar powered satellite	7, 500, 000	5, 000, 000
Program direction	466, 000	466, 000
Total, technical assessment project	10, 966, 000	7, 966, 000
University research support:		
University institutional agreements	2, 300, 000	2, 300, 000
University reactor fuel assistance	1, 700, 000	1, 700, 000
Program direction	171, 000	171, 000
Total, university research support	4, 171, 000	4, 171, 000
Tech program and policy analysis	2, 417, 000	2, 000, 000
Total, basic research	237, 870, 000	217, 153, 000
Total, operating expenses	2, 140, 540, 000	2, 123, 823, 000
Unobligated balances		−75, 300, 000
Total, energy supply, research and development—operating expenses	2, 140, 540, 000	2, 048, 523, 000

The conferees agree with the Senate report language which recognizes the market potential of solar thermal repowering. Repowering oil and gas-fired plants in the Southwestern States could provide a sufficient initial market for commercialization of the central receiver system and substantially reduce foreign oil imports. The Department is directed to proceed in fiscal year 1980 with a solar repowering experimental program and make sufficient funds for that purpose available from within the large thermal power systems program.

The conference allowance of $139,700,000 for Photovoltaics is to provide the funds recommended by both Houses for additional flat plate and concentrator experiments, as well as funds to continue those development and demonstration projects expressly noted in the House and Senate reports accompanying the fiscal year 1979 appropriations bill. Before proceeding to construction of the solar national exemplar project, the Department is directed to submit the report of the results of the studies for this project for approval by the Committees on Appropriations.

The conferees agree with the Senate report language requesting the Department to analyze the need for a national wind energy test facility.

The conferees also agree with the Senate report language with regard to the Hydropower small-scale construction loan program.

The conferees' allowance of $69,000,000 for Converter Reactors, Thermal Reactor Technology provides $3,600,000 for light water reactor reprocessing and refabrication technology at Hanford, Washington, $11,500,000 for the Barnwell Nuclear Fuels facility as provided in the Senate allowance and $4,400,000 for Thorium Recycle as provided in the House allowance. As reflected in the Senate report, the Department is directed to evaluate possible international and domestic uses for the Barnwell facility at the conclusion of the International Fuel Cycle Evaluation (INFCE) and report to Congress on those possible uses no later than April 1, 1980.

Within the funding provided for commercial waste management, the Department is directed to provide necessary technical support to study and recommend a nuclear waste solidification program at West Valley, New York, and to assist the State of New York as appropriate in developing such a program.

The conferees agree to the redirection of $2,500,000 in Energy Storage Systems as reflected in the Senate allowance. This redirection provides $2,000,000 for hydrogen storage and $500,000 for magnetic storage concepts.

The conferees agree with the Senate report language regarding the Department's role as lead agency for the nuclear medicine program.

OPERATING EXPENSES

Uranium supply and enrichment activities

Amendment No. 2: Appropriates $60,523,000 for Operating Expenses, Uranium Supply and Enrichment Activities, as proposed by the House instead of $64,523,000 as proposed by the Senate.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes anticipated revenues from enrichment services available for obligation for the purposes of 31 U.S.C. 665 in order to insure continuity of production activities.

The funds appropriated for Operating Expenses, Uranium Supply and Enrichment Activities, are allocated as shown in the following table:

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES—OPERATING EXPENSES

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Uranium resource assessment	$74, 415, 000	$56, 415, 000
Program direction	4, 108, 000	4, 108, 000
Total, uranium resource assessment	78, 523, 000	60, 523, 000
Advanced isotope separation technology	46, 200, 000	46, 200, 000

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Uranium enrichment	$764, 283, 000	$780, 068, 000
Program direction	2, 326, 000	2, 326, 000
Total, uranium enrichment	766, 609, 000	782, 395, 000
Less uranium enrichment revenues	−782, 542, 000	−828, 595, 000
Unobligated balance carried forward	−63, 000, 000	
Total, uranium supply and enrichment activities—Operating expenses	45, 790, 000	60, 523, 000

OPERATING EXPENSES

General science and research

Amendment No. 4: Appropriates $336,900,000 for Operating Expenses, General Science and Research, as proposed by the Senate instead of $334,050,000 as proposed by the House. The funds are allocated as shown in the following table:

GENERAL SCIENCE AND RESEARCH—OPERATING EXPENSES

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
BASIC SCIENCES		
Life sciences research and biomedical applications:		
General Life Sciences	$22, 910, 000	$22, 910, 000
Biomedical Applications	17, 590, 000	17, 590, 000
Program Direction	237, 000	237, 000
Total, life sciences research	40, 737, 000	40, 737, 000
High energy physics:		
Physics Research	71, 850, 000	71, 850, 000
Facility Operations	105, 100, 000	105, 100, 000
High Energy Technology	37, 050, 000	37, 050, 000
Program Direction	589, 000	589, 000
Total, high energy physics	214, 589, 000	214, 589, 000

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Nuclear physics:		
Medium energy physics	$41, 700, 000	$41, 700, 000
Heavy ion physics	33, 600, 000	33, 600, 000
Nuclear theory	6, 100, 000	6, 100, 000
Program direction	174, 000	174, 000
Total, nuclear physics	81, 574, 000	81, 574, 000
Total, general science and research—Operating expenses	336, 900, 000	336, 900, 000

OPERATING EXPENSES

Atomic energy defense activities

Amendment No. 5: Appropriates $2,371,547,000 as proposed by the House and $2,388,147,000 as proposed by the Senate. The funds are allocated as shown in the following table:

ATOMIC ENERGY DEFENSE ACTIVITIES—OPERATING EXPENSES

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Inertial confinement fusion	$108, 890, 000	$111, 890, 000
Naval reactors development:		
Submarine propulsion reactors	160, 100, 000	160, 100, 000
Surface ship propulsion reactors	55, 600, 000	55, 600, 000
Supporting R. & D	16, 900, 000	16, 900, 000
Program direction	8, 767, 000	8, 767, 000
Total, naval reactors development	241, 367, 000	241, 367, 000
Weapons activities:		
Research and development	421, 143, 000	415, 000, 000
Testing	198, 000, 000	213, 000, 000
Production and surveillance	732, 000, 000	718, 000, 000
Program direction	34, 958, 000	34, 958, 000
Total, weapons activities	1, 386, 101, 000	1, 380, 958, 000
Verification and control techology	36, 800, 000	36, 800, 000

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Materials production:		
Production reactor operations	$170, 800, 000	$180, 000, 000
Processing of nuclear materials	77, 200, 000	81, 600, 000
Supporting services	55, 714, 000	64, 000, 000
Flourinel processing of nonproduction fuels and related activities	21, 390, 000	21, 390, 000
Program direction	944, 000	944, 000
Total, materials production	326, 048, 000	347, 934, 000
Defense waste management:		
Interim waste operations	125, 851, 000	120, 000, 000
Long-term waste management technology	94, 449, 000	74, 449, 000
Terminal storage	20, 800, 000	6, 000, 000
Decontamination and decommissioning	2, 000, 000	2, 000, 000
Transportation R. & D	5, 000, 000	5, 000, 000
Program direction	1, 522, 000	1, 522, 000
Total, defense waste management	249, 622, 000	208, 971, 000
Nuclear materials security and safeguards	43, 227, 000	43, 227, 000
Total, atomic energy defense activities—Operating expenses	2, 392, 055, 000	2, 371, 147, 000

For inertial confinement fusion, the conferees have provided $44,200,000 for glass laser experiments; $29,300,000 for gas laser experiments; $12,200,000 for electron and particle beam experiments; $5,000,000 for the national laser users laboratory; $7,900,000 for the industrial laser program; $12,200,000 for other supporting research; and $1,090,000 for program direction.

The allowance of $6,000,000 for terminal storage research in Defense Waste Management is to provide operations through March 31, 1980. This will allow ample time for resolution of program goals and objectives in authorizing legislation. The conferees have provided these funds solely for the purpose of continuing activities for the long-term storage of defense wastes.

OPERATING EXPENSES

Departmental administration

Amendment No. 6: Appropriates $228,279,000 for Operating Expenses, Departmental Administration, instead of $237,329,000 as proposed by the House and $228,029,000 as proposed by the Senate.

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks $6,165,000 in the bill for the Office of Inspector General.

The funds are allocated as shown in the following table:

DEPARTMENTAL ADMINISTRATION—OPERATING EXPENSES

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
SALARIES AND EXPENSES		
General management:		
Office of the Secretary	$2,544,000	$2,544,000
Office of the Controller	7,959,000	7,959,000
Inspector General	3,357,000	4,977,000
Procurement and Contracts Management	6,517,000	6,399,000
Administration	16,990,000	16,525,000
General Counsel	11,091,000	10,439,000
Assistant Secretary for Intergovernmental and Institutional Relations	8,262,000	7,800,000
Assistant Secretary for Policy and Evaluation	5,652,000	5,652,000
Assistant Secretary for International Affairs	4,170,000	4,170,000
Subtotal, general management	66,542,000	66,465,000
Program administration:		
Assistant Secretary for Energy Technology	1,946,000	1,441,000
Assistant Secretary for Resources Applications	661,000	544,000
Assistant Secretary for Environment	2,800,000	2,420,000
Assistant Secretary for Defense Programs	2,140,000	1,751,000
Assistant Secretary for Conservation and Solar Applications	519,000	455,000
Office of Energy Research	1,192,000	779,000
Subtotal, program administration	9,258,000	7,390,000
Field offices:		
Operations offices	50,651,000	50,351,000
Regional representatives	5,698,000	5,229,000
Regional counsels	3,347,000	3,066,000
Power marketing coordination	436,000	436,000
Subtotal, field offices	60,132,000	59,082,000
Other expenses:		
Other salary expenses	17,491,000	17,102,000
Benefits	14,825,000	15,594,000
Travel	5,312,000	5,600,000
Services	89,906,000	89,906,000
Subtotal, other expenses	117,534,000	118,202,000
Total, salaries and expenses	253,466,000	251,139,000
Program support:		
Policy analysis and systems studies	16,500,000	16,500,000
Intergovernmental and institutional relations	35,906,000	32,546,000
International cooperation in nonnuclear technologies	2,000,000	2,000,000
International policy studies	1,500,000	1,500,000
In-house energy management	3,600,000	3,600,000
Security investigations	16,400,000	16,400,000
Cost of work for others	24,994,000	24,994,000
Miscellaneous revenues	−109,754,000	−121,660,000
Changes in inventories	19,260,000	16,260,000
Total, program support	10,406,000	−7,860,000
Total, operating expenses	263,872,000	243,279,000
Unobligated balances		−15,000,000
Total, departmental administration—Operating expenses	263,872,000	228,279,000

For Salaries and Expenses the conferees have provided $251,139,000 as proposed by the Senate instead of $247,233,000 as proposed by the House.

The conferees recognize that the Department will undoubtedly have to have some flexibility to redirect, or reallocate positions in order to respond to potential energy initiatives by the Congress and the Administration, and in order to meet other circumstances and changed conditions that may evolve. Therefore, the Committees on Appropriations will carefully consider any proposed changes in yearend strengths from the allocations shown in the following table and which will not exceed a total end strength of 4,677 full-time positions.

DEPARTMENTAL ADMINISTRATION SUMMARY OF STAFFING

	Fiscal year 1979	Fiscal year 1980 Request	Fiscal year 1980 Recommendation
YEAREND POSITIONS			
Office of the Secretary	85	85	85
General Counsel	311	361	350
Inspector General	100	100	155
Administration	715	715	696
Procurement	218	222	217
Controller	300	299	299
International Affairs	131	131	131
Policy and Evaluation	190	176	176
Intergovernmental and Institutional Relations	292	263	250
Subtotal	2,347	2,352	2,359
Assistant Secretary for Energy Technology	47	47	44
Assistant Secretary for Resource Applications	19	18	18
Assistant Secretary for Environment	71	71	71
Assistant Secretary for Defense Programs	62	60	60
Assistant Secretary for Conservation and Solar Applications	15	15	15
Office of Energy Research	30	25	23
Subtotal	244	236	231
Operations offices	1,816	1,806	1,806
Regional counsels	75	119	109
Regional representatives	264	157	157
Power marketing coordination	15	15	15
Subtotal	2,170	2,097	2,087
Total	4,761	4,685	4,677

The allowance includes $6,165,000 and 155 positions for the Office of Inspector General.

The conferees have provided $32,546,000 for Intergovernmental and Institutional Relations instead of $32,296,000 as proposed by the Senate and $33,596,000 as proposed by the House. The allowance provides:

$10,874,000 for Technical Information Services;

$10,000,000 for Education, Business, Industry and Labor Affairs;

$2,550,000 for Consumer and Public Affairs;

$750,000 for Indian Affairs; and

$8,672,000 for Community Assistance.

The Committees on Appropriations will favorably consider a reprogramming request from the Department to insure sufficient funds for Los Alamos community assistance in the event that impact aid under Public Law 874 is reduced below levels anticipated in the formulation of the fiscal year 1980 budget request made to the Department by Los Alamos.

PLANT AND CAPITAL EQUIPMENT

Energy supply, research and development

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment appropriating $448,478,000 for Plant and Capital Equipment, Energy Supply, Research and Development, instead of $413,678,000 as proposed by the House and $444,478,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The funds are allocated as shown in the following tables:

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT PLANT AND CAPITAL EQUIPMENT—CAPITAL EQUIPMENT

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
SOLAR APPLICATIONS		
Systems development	$1,000,000	$1,000,000
Demonstrations: Buildings	2,000,000	1,000,000
Total, solar applications	3,000,000	2,000,000
SOLAR TECHNOLOGY		
Solar thermal electric power system	3,000,000	3,000,000
Photovoltaics energy development	7,300,000	7,300,000
Wind energy conversion system	1,400,000	1,400,000
Ocean systems	700,000	700,000
Total, solar technology	12,400,000	12,400,000
GEOTHERMAL		
Hydrothermal resources	800,000	800,000
Geopressured resources	300,000	300,000
Geothermal technology development	2,100,000	2,100,000
Total, geothermal	3,200,000	3,200,000
Biomass	500,000	500,000
NUCLEAR FISSION		
Converter reactors:		
Thermal reactor technology	500,000	500,000
Advanced reactor systems	300,000	300,000
Total, converter reactors	800,000	800,000
Commercial waste management:		
Terminal isolation R. & D	9,300,000	9,300,000
Waste treatment technology	2,500,000	2,500,000
Total, commercial waste management	11,800,000	11,800,000
Spent fuel storage: Domestic spent fuel storage	2,000,000	2,000,000
Advanced nuclear systems: Space and terrestrial applications	2,100,000	2,100,000
Breeder reactors:		
Liquid metal fast breeder reactor base program	22,000,000	22,000,000
Water cooled breeder reactor	2,100,000	2,100,000
Gas cooled breeder reactor	1,500,000	1,500,000
Fuel cycle research and development	2,500,000	2,500,000
Program direction	21,000	21,000
Total, breeder reactors	28,121,000	28,121,000
Total, nuclear fission	44,821,000	44,821,000
MAGNETIC FUSION		
Confinement systems	$10,950,000	$10,950,000
Development and technology	7,550,000	7,550,000
Applied plasma physics	4,450,000	4,450,000
Reactor projects	6,850,000	6,850,000
Total, magnetic fusion	29,800,000	29,800,000
ELECTRIC ENERGY SYSTEMS AND STORAGE		
Electric energy systems power supply:		
Power supply and system management	100,000	100,000
Power delivery	400,000	700,000
Total, electric energy systems	500,000	800,000
Energy storage systems:		
Battery storage	1,100,000	1,100,000
Chemical mechanical and other storage	1,060,000	1,060,000
Total, energy storage systems	2,160,000	2,160,000
Total, electric energy systems and storage	2,660,000	2,960,000
ENVIRONMENT		
Environmental research and development:		
Overview and assessment	2,200,000	2,200,000
Biomedical and environmental research	11,900,000	11,900,000
Total, environmental R. & D	14,100,000	14,100,000
Decontamination and decommissioning: Management of surplus radioactively contaminated DOE facilities	400,000	400,000
Total, environment	14,500,000	14,500,000
BASIC RESEARCH		
Basic energy sciences:		
Nuclear sciences	1,300,000	1,300,000
Material sciences	6,500,000	6,300,000
Chemical sciences	4,200,000	3,600,000
Engineering, mathematical, and geosciences	1,450,000	1,250,000
Advanced energy projects	200,000	200,000
Biological energy conversion and conservation	300,000	300,000
Other capital equipment	100,000	100,000
Total, basic energy sciences	14,050,000	13,050,000
Technology assessment projects: Solar-powered satellite	500,000	500,000
Total, basic research	14,550,000	13,550,000
Total, capital equipment	125,431,000	123,731,000

ENERGY SUPPLY RESEARCH AND DEVELOPMENT PLANT AND CAPITAL EQUIPMENT

Project No.	Construction projects	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	SOLAR TECHNOLOGY		
	Solar thermal electric power systems:		
76-2-B	10 MWe central receiver solar thermal powerplant, Barstow, Calif.	$36,500,000	$36,500,000
80-ES-2	Shenandoah large scale experiment, Shenandoah, Ga.	4,800,000	4,800,000
80-ES-19	Small communities systems application experiment No. 1.	3,795,000	3,795,000
	Total, solar thermal electric power	45,095,000	45,095,000
	Wind energy conversion systems:		
80-ES-1	Wind energy systems test center building, Rocky Flats, Colo.	2,140,000	2,140,000
80-ES-20	Multiunit mod 2 wind farm 10 MWe	14,600,000	14,600,000
	Total, wind energy conversion system	16,740,000	16,740,000
79-1-M	Ocean systems: Ocean test facility	10,700,000	10,700,000
79-1-Q	Solar energy research institute facility: Solar energy research institute facility.	27,000,000	10,000,000
	Total, solar technology	99,535,000	82,535,000
	GEOTHERMAL		
	Hydrothermal resources:		
80-G-1	50 MWe geothermal demonstration, Valles Caldera, N. Mex.	20,450,000	20,450,000
80-G-2	Second 50 MWe demo powerplant, site undetermined.		4,000,000
	Total, geothermal	20,450,000	24,450,000
	BIOMASS		
80-B-1	Thermo chemical experimental facility	$2,000,000	$2,000,000
	NUCLEAR		
	COMMERCIAL WASTE MANAGEMENT		
	Terminal isolation R. & D.:		
80-GPP-1	General plant project (1979—$0)	500,000	500,000
80-ES-12	Near surface test facility phase 2, Richland, Wash.	3,600,000	3,600,000
80-ES-13	Near surface test facility phase 1, Richland, Wash.	2,900,000	2,900,000
	Total, terminal isolation R. & D	7,000,000	7,000,000
	Waste treatment technology:		
80-GPP-1	General plant project (1979—$0)	2,800,000	2,800,000
80-ES-7	Plant operation maintenance facility, Richland, Wash.	2,000,000	2,000,000
	Total, waste treatment technology	4,800,000	4,800,000
	Total, commercial waste management	11,800,000	11,800,000
	SPENT FUEL DISPOSITION		
79-1-P	Domestic spent fuel storage: Spent LWR fuel storage facility, site undetermined.		5,000,000

ENERGY SUPPLY RESEARCH AND DEVELOPMENT PLANT AND CAPITAL EQUIPMENT—Continued

Project No.	Construction projects	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	BREEDER		
	Liquid metal fast breeder reactor:		
80-ES-3	Test reactor area physical security and safeguards, INEL, Idaho Falls, Idaho.	$1,200,000	$1,200,000
80-ES-11	Idaho laboratory facility, phase I, Idaho Falls, Idaho.	4,000,000	4,000,000
80-ES-4	Laundry decontamination facility, Idaho National Engineering Laboratory, Idaho Falls, Idaho.	2,200,000	2,200,000
80-GPP-1	General plant project (1979—$14,985)	12,300,000	16,300,000
80-ES-5	Modifications to reactors, various locations	2,800,000	2,800,000
80-ES-6	Boilers, heat ventilating, fuel tank, and room replacement.	400,000	1,900,000
79-1-C	Security improvements, Richland, Wash	4,500,000	4,500,000
79-1-H	Maintenance and storage facility, Richland, Wash.	13,700,000	10,700,000
78-6-C	Safety research experimental facility, Idaho, National Engineering Laboratory, Idaho (A. & E., long-lead procurement and limited construction only).	3,000,000	8,000,000
78-6-E	Liquid metal engineering center modifications, Santa Susana, Calif., (A. & E. and long-lead procurement only).	5,500,000	5,500,000
78-6-F	Fuels and materials examination facility, Richland, Wash.	36,000,000	53,000,000
77-4-D	Fuel storage facility, Richland, Wash	5,500,000	5,500,000
	Total, liquid metal fast breeder reactor	91,100,000	111,600,000
	Gas cooled breeder reactor:		
80-ES-14	Core flow test loop, Oak Ridge, Tenn	3,212,000	3,212,000
80-ES-15	In pile safety test loop, INEL, Idaho	1,300,000	1,300,000
	Total, gas cooled breeder reactor	4,512,000	4,512,000
78-5-B	Fuel cycle research and development: Advanced fuel recycle integrated equipment test facility, Oak Ridge, Tenn.	6,400,000	6,400,000
	Total, breeder	102,012,000	122,512,000
	Total, nuclear	113,812,000	139,312,000
	MAGNETIC FUSION		
	Confinement systems:		
80-MF-1	PDX neutral beams, Princeton, N.J	6,600,000	6,600,000
80-MF-2	Doublet-III neutral beams, San Diego, Calif	2,500,000	2,500,000
78-3-A	Mirror fusion test facility, Livermore, Calif	33,200,000	28,200,000
	Total, confinement systems	42,300,000	37,300,000
80-MF-4	Development and technology: Large coil test facility, phase I, Richland, Wash.	12,000,000	12,000,000
80-MF-3	Applied plasma physics: EBT—Proof of principal experiment.	9,100,000	9,100,000
	Reactor projects:		
80-GPP-1	General plant project (1979—$1,400)	4,900,000	4,000,000
78-3-B	Fusion materials irradiation test facility, HEDL, Washington (A. & E. and long-lead procurement).	10,000,000	10,000,000
76-5-A	Tokamak fusion test reactor, Princeton, N.J	30,100,000	30,100,000
	Total, reactor projects	45,000,000	44,100,000
	Total, magnetic fusion	98,400,000	92,500,000
	ENVIRONMENT		
	Biomedical and environmental research:		
80-ES-8	Modifications and additions to biomedical and environmental research facilities, various locations.	3,500,000	3,500,000
80-GPP-1	General plant project (1979—$16,000)	2,500,000	2,500,000
	Total, environmental research and development.	6,000,000	6,000,000
	BASIC RESEARCH		
	BASIC ENERGY SCIENCES		
	Materials sciences:		
80-ES-9	Intense pulsed neutron source-1 upgrade, Argonne National Laboratory, Argonne, Ill.	2,400,000	2,400,000
80-GPP-1	General plant project (1979—$0)	250,000	250,000
78-13-A	National synchrotron light source, BNL, Upton, N.Y.	9,000,000	9,000,000
	Total, materials sciences	11,650,000	11,650,000
80-ES-10	Chemical sciences: Chemical sciences addition, LBL. Berkeley, Calif.	6,300,000	6,300,000
	Total, basic energy sciences	17,950,000	17,950,000
	Total, construction	358,147,000	364,747,000
	Unobligated balances		—40,000,000
	Total, capital equipment	125,431,000	123,731,000
	Total, energy supply, research, and development—Plant and capital equipment.	483,578,000	448,478,000

The conferees agree to the deletion of funding proposed by the House for Project 80-EE-21, Mod 3, advanced megawatt scale, two wind turbines in the wind energy program with the understanding that the parallel development of this system technology will proceed in the development program funded under Operating Expenses.

The managers are in agreement that the Department of Energy should proceed without further delay with the development of a 50-MW binary-cycle conversion geothermal demonstration plant as authorized in P.L. 95-238 and for which $4 million is appropriated in this bill for architect/engineering design studies and long lead-time materials. To this end, the managers direct the Department of Energy to select a site for this demonstration plant within three months.

PLANT AND CAPITAL EQUIPMENT

Uranium supply and enrichment activities

The conferees agree with the allocations proposed by the Senate for Plant and Capital Equipment, Uranium Supply and Enrichment Activities, instead of those proposed by the House.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes anticipated revenues from enrichment services available for obligation for the purposes of 31 U.S.C. 665 in order to insure continuity of production activities.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES PLANT AND CAPITAL EQUIPMENT

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
CAPITAL EQUIPMENT		
Uranium resources assessment	$3,110,000	$2,500,000
Advanced isotope separation technology	8,000,000	8,000,000
Uranium enrichment	23,430,000	23,430,000
Less uranium enrichment revenues	—26,540,000	—31,430,000
Total, capital equipment	8,000,000	2,500,000

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES PLANT AND CAPITAL EQUIPMENT

Project No.	Construction projects	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
80-GPP-1	Uranium resource assessment: General plant project (1979—$1,500).	$2,500,000	$1,500,000
80-GPP-1	Advanced isotope separation technology: General plant project (1979—$10).	800,000	800,000
	URANIUM ENRICHMENT ACTIVITIES		
	Gaseous diffusion operations and support		
0-UE-1	Control of gaseous effluents, gaseous diffusion plants.	2,300,000	2,300,000
80-UE-2	Control of water pollution, gaseous diffusion plants.	7,500,000	7,500,000
80 UE-3	Plant facilities security improvements, gaseous diffusion plants.	4,500,000	4,500,000
80-UE-4	Power recovery demonstration cells, gaseous diffusion plants.	3,500,000	3,500,000
80-UE-5	Motor and switchgear upgrading, gaseous diffusion plants.	7,900,000	7,900,000
80-GPP-1	General plant project	16,200,000	16,200,000
80-UE-6	UF6 tails cylinders and storage yards, gaseous diffusion plants.	7,000,000	7,000,000
71-1-F	Process equipment modifications, gaseous diffusion plants.	164,600,000	164,600,000
	Total, gaseous diffusion operations and support.	131,500,000	113,500,000
	Gas centrifuge operations and support:		
79-2-D	Techology test facilities, various locations (A. & E. and long-lead procurement only.)	13,000,000	13,000,000
76-8-G	Enriched uranium production facilities, Portsmouth, Ohio.	322,675,000	322,675,000
	Total, gas centrifuge operations and support.	335,675,000	335,675,000
	Revenues	—500,918,000	—449,975,000
	Unobligated balance end of year	49,243,000	
	Total, uranium enrichment activities	—2,500,000	—800,000
	Total construction	800,000	1,500,000
	Total, capital equipment	8,000,000	2,500,000
	Total, uranium supply and enrichment activities—plant and capital equipment.	8,800,000	4,000,000

PLANT AND CAPITAL EQUIPMENT

Atomic energy defense activities

Amendment No. 10: Appropriates $588,249,000 for Plant and Capital Equipment, Atomic Energy Defense Activities, instead of $546,249,000 as proposed by the House and $618,249,000 as proposed by the Senate. The funds are allocated as shown in the following tables:

ATOMIC ENERGY DEFENSE ACTIVITIES PLANT AND CAPITAL EQUIPMENT—CAPITAL EQUIPMENT

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Inertial confinement fusion	$8,500,000	$8,500,000
Naval reactors development:		
Submarine propulsion reactors	10,725,000	10,725,000
Surface ship propulsion reactors	3,900,000	3,900,000
Supporting research and development	1,175,000	1,175,000
Total, naval reactors development	15,800,000	15,800,000
Weapons activities:		
Research and development	55,990,000	48,990,000
Testing	21,810,000	21,810,000
Production and surveillance	26,200,000	26,200,000
Program direction	164,000	164,000
Total, weapons activities	104,164,000	97,164,000
Verification and control technology	1,060,000	1,060,000
Materials production:		
Production reactor operations	$10,400,000	$10,400,000
Processing of nuclear materials	9,800,000	9,800,000
Supporting services	9,800,000	9,800,000
Flourinel processing of nonproduction fuels and related activities	5,000,000	5,000,000
Total, materials production	35,000,000	35,000,000
Defense waste management:		
Interim waste operations	8,575,000	7,000,000
Long-term waste management technology	2,985,000	2,985,000
Terminal storage	440,000	440,000
Total, defense waste management	12,000,000	10,425,000
Nuclear materials security and safeguards	3,400,000	3,400,000
Total, capital equipment	179,924,000	171,349,000

ATOMIC ENERGY DEFENSE ACTIVITIES, PLANT AND CAPITAL EQUIPMENT

Project No.	Construction projects	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	Inertial confinement fusion:		
80-PE&D-1	Plant engineering design	$1,500,000	$1,500,000
80-AE-11	Target fabrication facility, Los Alamos Scientific Laboratory, New Mexico.		1,000,000
80-AE-12	Target fabrication facility, Lawrence Livermore Laboratory, California.		1,000,000
78-4-A	High energy laser facility (NOVA), Lawrence Livermore Laboratory, California.	56,000,000	56,000,000
75-3-B	High energy laser facility, Los Alamos Scientific Laboratory, New Mexico.	12,000,000	12,000,000
	Total, inertial confinement	69,500,000	71,500,000
	NAVAL REACTORS DEVELOPMENT		
	Submarine propulsion reactors:		
80-AE-1	Fluids and corrosion test facilities upgrading, various locations.	12,100,000	12,100,000
80-GPP-1	General plant project (1979—$0)	2,300,000	2,300,000
	Total, submarine propulsion facilities	14,400,000	14,400,000
	Surface ship propulsion reactors:		
80-AE-1	Fluids and corrosion test facilities upgrading various locations.	4,425,000	4,425,000
80-GPP-1	General plant project	800,000	800,000
	Total, surface ship propulsion reactors	5,225,000	5,225,000
	Supporting research and development:		
80-AE-1	Fluids and corrosion test facilities upgrading, various locations.	1,375,000	1,375,000
80-GPP-1	General plant project (1979—$200)	200,000	200,000
	Total, supporting research and development	1,575,000	1,575,000
	Total, naval reactors development	21,200,000	21,200,000
	WEAPONS ACTIVITIES		
	Weapon research and development:		
80-AE-4	Addition to computer facility, Sandia Laboratories, Livermore, Calif.	2,800,000	2,800,000
80-GPP-1	General plant project (1979—$18,400)	25,400,000	22,400,000
79-7-B	Fire protection improvements, Los Alamos Scientific Laboratory.	2,500,000	2,500,000
79-7-C	Proton storage ring, Los Alamos Scientific Laboratory, New Mexico.	14,700,000	14,700,000
79-7-L	Systems research and development laboratory, Sandia Laboratory.	12,000,000	12,000,000
78-16-C	High explosive flash radiography facility, Lawrence Livermore Laboratory, California.	2,000,000	2,000,000
78-16-G	Radioactive liquid waste improvement, Los Alamos Scientific Laboratory, New Mexico.	4,000,000	4,000,000
78-16-I	Laboratory support complex, Los Alamos Scientific Laboratory, New Mexico.	3,000,000	3,000,000
	Total, weapons research and development	66,400,000	63,400,000
	Weapons production and surveillance:		
80-AE-5	Ground launch cruise missile, production facilities, various locations.	7,000,000	4,000,000
80-AE-6	Utilities restoration, equipment replacement upgrade, various locations.	39,400,000	25,000,000
80-AE-7	Relocate water towers, Mound Laboratory, Miamisburg, Ohio.	1,400,000	
80-AE-8	Advanced size reduction facility, Rocky Flats Plant, Golden, Colo.	5,000,000	5,000,000
80-AE-9	New polymer production facility, Kansas City, Mo.	1,400,000	1,400,000
80-AE-10	Additional loading facilities, Savannah River, S.C.	3,500,000	3,500,000
80-PE&D-1	Plant engineering and design (1979—$10,000)	3,600,000	2,500,000
79-7-E	Production and assembly facility, Pantex Plant, Amarillo, Tex.	8,000,000	8,000,000
79-7-N	Utilities system restoration, Y-12 plant, Oak Ridge, Tenn.	$13,300,000	$13,300,000
79-7-O	Universal pilot plant, Pantex Plant, Amarillo, Tex.	3,900,000	3,900,000
78-16-D	Weapons safeguards, various locations	2,000,000	2,000,000
77-11-C	8-inch artillery fired atomic projectile production facilities, various locations.	4,600,000	4,600,000
71-9	Fire safety and adequacy or operations condition project, various locations.	7,000,000	7,000,000
	Total, weapons production	100,100,000	80,200,000
	Total, weapons activities	166,500,000	143,600,000
	MATERIALS PRODUCTION		
	Processing of nuclear materials:		
80-AE-2	Replace obsolete processing facilities, H-B line, Savannah River, S.C.	8,200,000	8,200,000
78-18-E	Environmental safety and security improvements to waste management and materials processing facilities, Richland, Wash.	17,000,000	17,000,000
	Total, processing of nuclear materials	25,200,000	25,200,000
	Supporting services:		
80-GPP-1	General plant project (1979—$1,500)	13,000,000	13,000,000
80-PE&D-1	Plant engineering design (1979—$1,500)	2,400,000	2,400,000
79-7-I	Transmission and distribution systems upgrading, Richland, Wash.	11,400,000	11,400,000
	Total, supporting services	26,800,000	26,800,000
	Flourinel processing of nonproduction fuels and related activities:		
80-AE-3	Steam generation facilities, Idaho Chemical Processing Plant, Idaho Falls, Idaho.	10,000,000	10,000,000
80-GGP-1	General plant project (1979—$0)	2,000,000	2,000,000
80-PE&D-1	Plant engineering and design (1979—$0)	1,000,000	1,000,000
79-7-H	Utilities replacement and expansion, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho Falls, Idaho.	3,200,000	3,200,000
77-13-A	Flourinel dissolution process and fuel receiving improvement, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho.	53,400,000	53,400,000
	Total, flourinel processing of nonproduction fuels and related activities.	69,600,000	69,600,000
	Total, materials production	121,600,000	121,600,000
	DEFENSE WASTE MANAGEMENT		
	Interim waste management:		
80-GPP-1	General plant project (1979—$2,000)	8,880,000	4,000,000
80-PE&D-1	Plant engineering and design (1979—$0)	6,820,000	2,000,000
79-7-K	Waste management facilities, Savannah River, S.C.	14,000,000	14,000,000
78-18-B	High level waste storage facilities, Savannah River, S.C.	11,000,000	11,000,000
	Total, interim waste operations	40,700,000	31,000,000
80-PE&D-1	Long term waste management technology: Plant engineering and design (1979—$6,000).	14,500,000	6,000,000
77-13-F	Terminal storage: Waste isolation pilot plant, Delaware Basin, Southeast New Mexico.	55,000,000	22,000,000
	Total, defense waste management	110,200,000	59,000,000
	Total, construction	489,000,000	416,900,000
	Total, capital equipment	179,924,000	171,349,000
	Total, atomic energy defense activities—plant and capital equipment.	668,924,000	588,249,000

The conferees have provided $5,000,000 in Operating Expenses for the National Laser Users Facility, which was not requested in the President's budget, and $7,900,000 in Operating Expenses for the industrial laser program, an increase of $300,000 over the budget. The conferees consider that these funds will allow pursuit of aggressive laser fusion programs at these facilities and have deferred, without prejudice, for future consideration funds for further facility upgrading.

The conferees have provided $6,000,000 for Project 80-PE&D-1, Plant Engineering and Design for the Defense Waste Management program, the same level as in FY 1979 pending resolution of the construction program in authorizing legislation.

Considering the significant differences in authorizing legislation being considered in the House and in the Senate, $22,000,000 has been provided for Project 77-13-F, Waste Isolation Pilot Plant, Southeast New Mexico, to continue selected project activities through March 31, 1980. This will permit resolution of project status and objectives by the Congress in the authorizing legislation. The $22,000,000 includes $10,000,000 for land acquisition and $12,000,000 for project design and development. These funds are provided solely for the purpose of continuing project activities related to the storage of defense wastes.

PLANT AND CAPITAL EQUIPMENT

Departmental administration

Amendment No. 11: Appropriates $36,015,000 for Plant and Capital Equipment, Departmental Administration, instead of $31,015,000 as proposed by the House and $40,515,000 as proposed by the Senate. The funds are allocated as shown in the following tables:

DEPARTMENTAL ADMINISTRATION—PLANT AND CAPITAL EQUIPMENT

	Fiscal year 1980	
	Budget estimate	Conference allowance
CAPITAL EQUIPMENT		
Program support:		
General support	$4,305,000	$4,305,000
Intergovernmental and institutional relations	510,000	510,000
Total, program support	4,815,000	4,815,000

DEPARTMENTAL ADMINISTRATION—PLANT AND CAPITAL EQUIPMENT

Project No.	Construction projects	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	PROGRAM MANAGEMENT AND SUPPORT		
	In-house energy management:		
80-DA-1	Modifications for energy management, various locations.	$19,700,000	$15,000,000
80-DA-2	Automated energy management system, Argonne National Laboratory, Illinois.	4,500,000	
80-DA-3	Process waste heat utilization, Portsmouth Gaseous Diffusion Plant, Ohio.	4,200,000	4,200,000
80-DA-4	Automated energy management system, Pantex Plant, Amarillo, Tex.	4,000,000	4,000,000
80-DA-5	Conversion of boiler No. 5 to high sulfur coal firing, Argonne National Laboratory, Illinois.	5,000,000	5,000,000
	Total, in-house energy management	37,400,000	28,200,000
	OTHER SUPPORTING ACTIVITIES		
80-PE&D-1	Plant engineering and design—Nondefense plant engineering and design (1979—$3,000).	$9,000,000	$3,000,000
	Total, construction	46,400,000	31,200,000
	Total, capital equipment	4,815,000	4,815,000
	Total, departmental administration—plant and capital equipment.	51,215,000	36,015,000

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

Amendment No. 12: Deletes language proposed by the House permitting the purchase of one fixed wing aircraft.

Amendment No. 13: Appropriates $122,800,000 for Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration, as proposed by the Senate instead of $124,900,000 as proposed by the House.

The managers agree with the Senate report language expressing concern regarding the cost of space for WAPA Headquarters, and the Senate position that none of the funds provided are to be used to pay for space in Denver if the costs are higher overall than locating near the Federal Center.

GENERAL PROVISIONS, DEPARTMENT OF ENERGY

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which permits transfer of not to exceed 5 percent of selected appropriations between such appropriations with the prior approval of the Committees on Appropriations.

Amendment No. 15: Deletes language proposed by the Senate to reduce the total amount of budget authority for the Department of Energy by $6,880,000 for reduction of motor vehicle use. The Department has extensive responsibilities for transportation of special nuclear material, the guarding and protection of sensitive sites and construction and maintenance of key electricity transmission systems, all of which must be provided for in DOE appropriations to meet essential needs.

The conferees encourage the Department to achieve at least a 10 percent reduction in the use of motor vehicle fuels, including fuels for all vehicles owned by the Federal Government, commercial rental, leased, trip and interagency motor pool vehicles as defined in the Federal Motor Vehicle Fleet Report, dated September 1978, of the General Services Administration. The Committees on Appropriations intend to review further the Department's efforts and achievements in reduction of motor vehicle fuel consumption in connection with the review of the FY 1981 budget.

PROGRAM COSTS

The following table reflects the program cost and outlay level associated with appropriations provided for in the bill.

DEPARTMENT OF ENERGY—PROGRAM COSTS

[In thousands of dollars]

Program	Fiscal year 1980 Budget estimates	Fiscal year 1980 Conference allowance
OPERATING EXPENSES		
Energy supply, research and development:		
Solar applications	$132,360	$143,260
Solar technology	263,004	277,229
Geothermal	113,377	116,337
Biomass	53,838	53,838
Hydropower projects	17,568	17,568
Fission	755,590	741,349
Fusion	234,158	242,858
Electric energy systems and storage	89,441	96,691
Environment	244,958	239,258
Basic research	234,024	227,061
Total, energy supply R. & D.	2,138,327	2,155,449
Uranium supply and enrichment activities:		
Uranium resources assessment	74,293	60,793
Advanced isotope separation technology	48,500	48,500
Uranium enrichment	763,949	763,949
Less uranium enrichment revenues	−782,542	−812,809
Total, uranium supply and enrichment activity	104,200	60,433
General science and research	332,038	329,188
Atomic energy defense activities:		
Inertial confinement fusion	$114,490	$119,240
Naval reactors development	249,567	249,567
Weapons activities	1,341,941	1,349,700
Verification and control technology	35,600	35,600
Materials production	308,948	339,312
Defense waste management	230,286	195,548
Nuclear materials, security, and safeguards	39,227	39,227
Total, atomic energy defense activities	2,319,959	2,328,194
Departmental administration	259,114	245,571
Total, operating expenses	5,153,638	5,118,835
Capital equipment	324,382	317,289
Construction	970,730	908,585
Total, plant and capital equipment	1,295,112	1,226,874
Power marketing	75,786	77,886
Federal Energy Regulatory Commission	86,406	59,600
Special Foreign currency	883	883
Geothermal resources development fund	1,000	1,000
Grand total	6,582,825	6,485,078

TITLE II—DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

General investigations

Amendment No. 16: Appropriates $142,145,000 for general investigations instead of $142,296,000 as proposed by the House and $140,795,000 as proposed by the Senate.

The conferees have provided $200,000 under the Big Sandy River study to continue the reevaluation of the Hayai Lake, Virginia project.

Within available funds, the Corps should review the report of the Chief of Engineers on the Los Angeles and San Gabriel rivers and Ballona Creek, California published as House Doc. 838, 76th Congress, and any other pertinent reports, with a view to determine whether a modification of any of the recommendations contained therein are advisable at the present time, in the interest of landslide, soil erosion, and drainage problems, and related matters with particular reference to the Baldwin Hills area, vicinity of Los Angeles County, California.

The conferees agree with the Senate report language which directs the Corps of Engineers to utilize available operation and maintenance funds to develop a comprehensive plan for control and treatment of wastewater that flows into Greer's Ferry Lake, Arkansas, and a plan for solid waste management in the area around the lake.

The conferees have recommended $400,000 to continue the Ben Franklin Lock and Dam study. However, the conferees are aware of the objections that have been raised to the proposed Lock and Dam and emphasize that inclusion of these study funds does not represent a determination that the project should, in fact, be built. Among the items to be studied are the impacts the proposed project would have on fishery resources, ground water tables in the Hanford area, future uses of the Hanford site, cultural resources, and the unimpounded reach of the Columbia River.

The conferees agree with the Senate report language regarding the Kentucky River and tributaries, Ky. study and the Green and Barren Rivers, Ky., navigation study.

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts language relating to the study of the diversion of Lake Michigan water at Chicago.

The funds appropriated are to be allocated as shown on the following table:

GENERAL INVESTIGATIONS—STATE AND PROJECT

Type of project		Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	ALABAMA		
(FDP)	Brewton and East Brewton	$69,000	$69,000
(N)	Little Lagoon at Gulfshores		62,000
(N)	Mississippi River Navigation System—Adequate mooring facilities for watercraft.	200,000	200,000
(SPEC)	Tennessee-Tombigbee Waterway	477,000	900,000
(N)	Warrior-Tombigbee Rivers, Ala. and Miss.	200,000	200,000
	ALASKA		
(FDP)	Kuskokwim River basin—Bethel Bank stabilization		260,000
(FDP)	Small hydroelectric plants	350,000	350,000
(FDP)	South-Central Railbelt area	385,000	385,000
(N)	South-Central region of Alaska	308,000	308,000
(N)	St. Paul Island Harbor		100,000
	AMERICAN SAMOA		
(N)	Harbors and rivers	200,000	200,000
	ARIZONA		
(FDP)	Gila River and tributaries, Arizona and New Mexico	430,000	550,000
(FDP)	Metropolitan area of Tucson	330,000	330,000
	ARKANSAS		
(N)	Arkansas River hydro study		300,000
(FDP)	Arkansas River in the vicinity of Fort Smith-Van Buren.	50,000	50,000
(FDP)	Little Rock metropolitan area	180,000	180,000
(FDP)	Ouachita River basin	730,000	1,200,000
(FDP)	Pine Bluff metropolitan area	90,000	90,000
(FDP)	Poteau River, Arkansas and Oklahoma		170,000
(COMP)	Red River below Denison Dam authorization report Arkansas, Louisiana, Oklahoma and Texas.	145,000	145,000
(N)	St. Francis River navigation	109,000	139,000
(COMP)	White River Basin authorization report, Arkansas and Missouri.	150,000	150,000
(FDP)	White River basin reservoirs, Arkansas and Missouri.	250,000	250,000
	CALIFORNIA		
(FDP)	Alameda Creek upper basin	140,000	140,000
(N)	Bolinas Lagoon		55,000
(FDP)	Calleguas Creek (phase I)	120,000	120,000
(FDP)	Carmel River and tributaries	255,000	255,000
(SP)	City of Alameda shoreline		95,000
(N)	Coast of northern California (harbors for light-draft vessels).		70,000
(N)	Crescent City Harbor		100,000
(FDP)	Eel River		160,000
(FDP)	Guadalupe River	242,000	242,000
(N)	Humboldt Harbor and Bay		190,000
(FDP)	Los Angeles County drainage area review	400,000	400,000
(N)	Los Angeles-Long Beach Harbors (including San Pedro Bay model study).	100,000	100,000
(FDP)	Morrison Creek stream group (phase I)	300,000	300,000
(FDP)	Northern California streams	125,000	125,000
(N)	Oakland inner harbor		100,000
(N)	Oceanside Harbor	95,000	95,000
(FDP)	Sacramento River and tributaries (bank protection and erosion control).		600,000
(N)	Sacramento Valley navigation	115,000	115,000
(FDP)	Sacramento-San Joaquin Delta	150,000	150,000
(FDP)	San Diego County streams	285,000	285,000
(N)	San Francisco Bay area (in depth)	280,000	280,000
(FDP)	San Francisco Bay shoreline		150,000
(FDP)	San Joaquin River basin	475,000	700,000
(FDP)	San Lorenzo River		75,000
(N)	San Pedro Bay ports	400,000	400,000
(FDP)	Santa Ana River basin and Orange County	400,000	400,000
(FDP)	Santa Ana River (phase I)	680,000	680,000
(FDP)	Whitewater River	640,000	640,000
	COLORADO		
(FDP)	Arkansas River and tributaries above John Martin Dam (phase I).	$200,000	$200,000
	CONNECTICUT		
(N)	Bridgeport Harbor	115,000	115,000
(COMP)	Connecticut River basin authorization report, Connecticut, Massachusetts, New Hampshire.	85,000	85,000
(SPEC)	Long Island Sound—dredged material containment study.	350,000	350,000
(FDP)	Rippowam River	126,000	126,000
	DELAWARE		
(N)	Delaware Estuary, salinity intrusion	100,000	100,000
	DISTRICT OF COLUMBIA		
(SPEC)	Metropolitan Washington water supply	700,000	700,000
	FLORIDA		
(N)	Apalachicola River below Jim Woodruff lock and dam	100,000	100,000
(FDP)	Bayou Texar		100,000
(FDP)	Canal 18—Jupiter inlet—Loxahatchee River, central and southern Florida	150,000	150,000
(FDP)	Central and southern Florida water supply	200,000	200,000
(N)	Choctawhatchee River and tributaries (Pea River), Florida and Alabama		58,000
(SP)	Dade County (north of Haulover Beach Park)	99,000	99,000
(N)	Fort Pierce Harbor	125,000	125,000
(SP)	Flagler County Beach		20,000
(N)	Golden Gate Estates		100,000
(N)	Gulf Coast Passes, IWW, Calcoosahatchee River to Anclote River		80,000
(N)	Jacksonville Harbor	170,000	170,000
(FDP)	Jacksonville Metropolitan Area	172,000	172,000
(FDP)	Kissimmee River—Lake Okeechobee	150,000	150,000
(SP)	Martin County	63,000	63,000
(N)	Okeechobee Waterway (St. Lucie Canal)	131,000	481,000
(N)	Pensacola Harbor	60,000	60,000
(FDP)	Pinellas County		80,000
(SP)	Sarasota County		50,000
(FDP)	Shark River slough area		100,000
(FDP)	Withlacoochee River region		100,000
(N)	Tampa Harbor study		30,000
	GEORGIA		
(FDP)	Metropolitan Atlanta area	251,000	251,000
(FDP)	Metropolitan Savannah area	250,000	250,000
(N)	Savannah Harbor comprehensive study	70,000	100,000
	GUAM		
(N)	Harbors and rivers	330,000	330,000
	HAWAII		
(FDP)	Harbors and rivers in Hawaii	200,000	200,000
(N)	Hilo area comprehensive study	325,000	325,000
(FDP)	Kihei District	100,000	100,000
	IDAHO		
(FDP)	Columbia River and tributaries, Idaho, Montana, Oregon, Washington	1,150,000	1,250,000
			20,000
(FDP)	Heise-Roberts area		
(FDP)	Upper Snake River and tributaries, Idaho and Wyoming	450,000	450,000

GENERAL INVESTIGATIONS—STATE AND PROJECT—Continued

Type of project		Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	ILLINOIS		
(SPEC)	Carlyle Lake and Lake Shelbyville	150,000	150,000
(FDP)	Chicago—south end of Lake Michigan, Ill. and Ind.	200,000	200,000
(FDP)	Chicago and underflow plan (phase I)	1,500,000	1,500,000
(FDP)	Degognia and Fountain Bluff lock and dams and Grand Tower D. & LD.	147,000	147,000
(SPEC)	Diversion of Lake Michigan water at Chicago	100,000	100,000
(FDP)	East Cape Girardeau, Clear Creek, N. Alex, Prestoe, and Miller, D. & LD.	70,000	70,000
(FDP)	Fox River and tributaries, Illinois and Wisconsin	420,000	420,000
(FDP)	Illinois shore of Lake Michigan		200,000
(N)	Illinois shore from Waukegan to Illinois-Wisconsin State line.		100,000
(FDP)	Mississippi River, Coon Rapids Dam to Ohio River, Illinois, Iowa, Missouri, and Wisconsin.	300,000	300,000
(N)	Mississippi River, year-round navigation, Illinois, Iowa, Minnesota, Missouri and Wisconsin.	98,000	98,000
(FDP)	Quad-Cities urban study	247,000	247,000
(FDP)	Richland Creek	270,000	270,000
(FDP)	Rock River at Rockford	175,000	175,000
	INDIANA		
(FDP)	Little Calumet River (phase I)	750,000	750,000
(COMP)	Wabash River Basin authorization report, Indiana and Illinois.	150,000	150,000
	IOWA		
(FDP)	Des Moines River bank erosion, Iowa, Missouri	178,000	
(FDP)	Iowa and Cedar Rivers, Iowa and Minnesota	150,000	150,000
(FDP)	Metropolitan Sioux City and Missouri River, Iowa, Nebraska, and South Dakota.	149,000	149,000
	KANSAS		
(FDP)	Arkansas River, Great Bend, Kans. to John Martin Dam, Colo.	155,000	155,000
(FDP)	Arkansas River, Great Bend, Kans. to Tulsa, Okla.	270,000	270,000
(FDP)	Grand (Neosho) River, Kans. and Okla.	100,000	100,000
(FDP)	Kansas and Osage Rivers	850,000	850,000
(FDP)	Stranger Creek basin	100,000	100,000
(FDP)	Verdigris River, Kans., Okla	160,000	160,000
	KENTUCKY		
(FDP)	Camp Ground Lake, Ky. (phase I)		250,000
(FDP)	Kentucky River and tributaries		150,000
(N)	Lower Cumberland and Tennessee Rivers below Barkley Canal, Ky. and Tenn.	125,000	125,000
(FDP)	Tug Fork Valley, Ky., Va., and W. Va. (phase I)	283,000	283,000
(FDP)	Upper Cumberland River Basin, Ky. and Tenn.	150,000	150,000
	LOUISIANA		
(FDP)	Atchafalaya Basin		150,000
(N)	Gulf IWW Louisiana-Texas section, Louisiana, Texas.	370,000	370,000
(FDP)	Louisiana coastal area	100,000	150,000
(FDP)	Mermentau, Vermilion, and Calcasieu Rivers and Bayou Teche.	100,000	100,000
	MAINE		
(N)	Eastport	60,000	60,000
(SPEC)	Passamaquoddy Tidal power	860,000	860,000
(N)	Portland Harbor (debris study)	20,000	20,000
(N)	Searsport Harbor	30,000	30,000
(FDP)	St John River	76,000	76,000
	MARYLAND		
(SPEC)	Chesapeake Bay study, Maryland and Virginia	2,515,000	2,515,000
(N)	Chesapeake City Bridge	72,000	72,000
(FDP)	Monongahela-Youghiogheny River Basin, Md., Pa., W. Va.	436,000	436,000
(N)	Smith Island		95,000
	MASSACHUSETTS		
(N)	East Boat Basin		35,000
(FDP)	Housatonic River Basin, Mass. and Conn.	180,000	180,000
(N)	Lynn Harbor	60,000	60,000
	MICHIGAN		
(N)	Great Lakes connecting channels and harbors, Mich., Ill., Ind., Minn., Ohio, Pa., N.Y., Wis.	740,000	740,000
(FDP)	Great Lakes, particularly Lakes Ontario and Erie, Mich., Minn., N.Y., Ohio, Pa., Wis.	613,000	613,000
(SPEC)	Great Lakes-St. Lawrence Seaway navigation SSN extension, Michigan, Illinois, Indiana, Minnesota, New York, Ohio, Pennsylvania, Wisconsin.	2,300,000	750,000
(N)	Little Girls Point	108,000	108,000
(SPEC)	Water levels of the Great Lakes, Mich., Ill., Ind., Minn., N.Y., Ohio, Pa.	550,000	550,000
	MINNESOTA		
(SPEC)	Great River resources management study, Minnesota, Illinois, Iowa, and Wisconsin.	1,423,000	1,423,000
(FDP)	Minnesota River Valley	365,000	365,000
(N)	Reservoirs at Headwaters of Mississippi River	230,000	230,000
	MISSISSIPPI		
(N)	Biloxi Bay to East Harrison County industrial park		150,000
(N)	Mississippi Sound and adjacent areas	$486,000	486,000
(FDP)	Pascagoula River Basin	276,000	276,000
(N)	Pascagoula Harbor		35,000
(N)	Pearl River, Miss. and La	80,000	80,000
(FDP)	Pearl River Basin, Miss. and La		500,000
(FDP)	Sowashee Creek (phase I)	250,000	250,000
	MISSOURI		
(FDP)	Cape Girardeau-Jackson metropolitan area	263,000	263,000
(FDP)	Metropolitan region of Kansas City, Mo. and Kans.	65,000	65,000
(FDP)	Plattin Creek	46,000	46,000
(FDP)	Prosperity Lake (phase I)	150,000	150,000
(N)	St. Louis Harbor, Mo. and Ill	371,000	371,000
(FDP)	St. Louis metropolitan area, Mo. and Ill	450,000	450,000
(FDP)	White River Basin, county line lake	100,000	100,000
	MONTANA		
(FDP)	Flathead and Clark Fork River Basins	173,000	
	NEVADA		
(FDP)	Truckee Meadows	275,000	275,000
	NEW HAMPSHIRE		
(N)	Portsmouth Harbor and Piscataqua River, N.H., Maine.	110,000	110,000
(FDP)	Southeastern New Hampshire	128,000	128,000
(FDP)	Winnipesaukee River	80,000	80,000
	NEW JERSEY		
(SP)	Barnegat Inlet (phase I)	200,000	200,000
(FDP)	Cape May Inlet—Lower township (phase I)	80,000	80,000
(FDP)	Hackensack River, N.J. and N.Y.	255,000	255,000
(FDP)	Passaic River basin, N.J. and N.Y. (phase I)	2,500,000	2,500,000
(FDP)	Raritan River basin	380,000	380,000
(N)	Raritan River, Washington Canal and South River	80,000	80,000
(FDP)	Third River	120,000	120,000
	NEW MEXICO		
(FDP)	Rio Grande and tributaries (Rio Puerco/Rio Salado) (phase I).	580,000	580,000
(FDP)	Rio Grande and tributaries, New Mexico and Colorado.	430,000	430,000
	NEW YORK		
(N)	Buffalo Harbor		100,000
(FDP)	Delaware River tributaries in New York State	170,000	170,000
(N)	Great Lakes to Hudson River (All-American Canal)	200,000	200,000
(N)	Hempstead Harbor		55,000
(N)	Howland Hook channel area		50,000
(FDP)	Irondequoit Creek	150,000	150,000
(N)	Jones Inlet and Freeport, Long Island		40,000
(SP)	Lake Ontario shoreline study		300,000
(FDP)	Morrisonville and vicinity	26,000	26,000
(FDP)	Oswego River Basin	300,000	300,000
(N)	St. Lawrence Seaway, additional locks	500,000	500,000
(COMP)	Susquehanna River Basin authorization report, New York, Pennsylvania, and Maryland.	200,000	200,000
(FDP)	Upper Allegheny River Basin, N.Y. and Pa	250,000	250,000
(FDP)	Wallkill River (black dirt area), New York and New Jersey (phase I).		200,000
(FDP)	Westchester County streams, New York and Byram River, Conn.	74,000	74,000
	NORTH CAROLINA		
(SP)	Bogue Banks and Bogue Inlet	130,000	130,000
(FDP)	Lumber River, N.C. and S.C	175,000	175,000
(FDP)	Roanoke River (South Boston and vicinity), North Carolina and Virginia.	260,000	260,000
(SP)	West Onslow Beach and New River Inlet		20,000
(SP)	Wrightsville Beach	153,000	153,000
	NORTH DAKOTA		
(FDP)	Grafton (phase I)	200,000	200,000
(FDP)	Pembina River (phase I)	300,000	300,000
(FDP)	Red River of the North, N.D. and Minn	624,000	770,000
	OHIO		
(FDP)	Central Ohio survey	300,000	300,000
(N)	Cleveland Harbor (phase I)	245,000	245,000
(N)	Gallipolis locks and dam, Ohio and West Virginia (phase I).	450,000	450,000
(FDP)	Grand Lake St. Marys	150,000	150,000
(SPEC)	Lake Erie—wastewater managment, Ohio, Michigan, New York, Pennsylvania, and Indiana.	652,000	652,000
(N)	Lorain Harbor	275,000	275,000
(FDP)	Miami River, Little Miami River and Mill Creek	300,000	300,000
(FDP)	Western Lake Erie shore	210,000	210,000
	OKLAHOMA		
(FDP)	Canadian River and tributaries, Oklahoma, New Mexico, and Texas.	190,000	190,000

GENERAL INVESTIGATIONS—STATE AND PROJECT—Continued

Type of project		Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
(FDP)	Red River and tributaries above Denison Dam, Okla. and Tex.		$150,000
(FDP)	Tenkiller Ferry Lake	1230,000	230,000
(FDP)	Tulsa urban study	300,000	300,000
	OREGON		
(N)	Columbia River at the mouth, Oregon and Washington.	100,000	100,000
(FDP)	Days Creek Lake (phase I)		400,000
(N)	Rogue River at Gold Beach		260,000
(COMP)	Willamette River basin authorization report	156,000	156,000
	PENNSYLVANIA		
(FDP)	Beaver River Basin, Pa. and Ohio	150,000	150,000
(FDP)	Chartiers Creek	50,000	50,000
(FDP)	Clarion River acid mine drain (phase I)	150,000	150,000
(FDP)	Delaware River Basin, Pa, N.J. N.Y., Del	170,000	170,000
(N)	Delaware River dredging disposal study, Pennsylvania, New Jersey, and Delaware.	200,000	200,000
(FDP)	Kiskiminitas River Basin	100,000	100,000
(FDP)	Lehigh River Basin		50,000
(FDP)	Lock Haven (phase I)	75,000	75,000
(SP)	Presque Isle Peninsula (phase I)	500,000	500,000
(N)	Schuylkill River review	64,000	64,000
(FDP)	Wyoming Valley (phase I)	200,000	200,000
	PUERTO RICO		
(N)	San Juan Harbor (phase I)	170,000	170,000
	RHODE ISLAND		
(FDP)	Pawcatuck River and Narragansett Bay drain, basin, river, Massachusetts.	350,000	350,000
	SOUTH CAROLINA		
(N)	Charleston Harbor	100,000	100,000
(N)	Georgetown Harbor		100,000
(FDP)	Lynches River	40,000	40,000
(FDP)	Waccamaw River		40,000
	SOUTH DAKOTA		
(FDP)	Eastern South Dakota and Upper Big Sioux River, S. Dak. and Iowa.	243,000	243,000
(FDP)	Missouri River, S. Dak., Neb. N. Dak. and Mont.	500,000	500,000
(FDP)	Western Dakotas region of South Dakota	225,000	225,000
	TENNESSEE		
(FDP)	Memphis metropolitan area	200,000	200,000
(FDP)	Metropolitan region of Nashville	375,000	375,000
	TEXAS		
(FDP)	Brazos natural salt pollution control (phase I)	300,000	350,000
(FDP)	Brazos River and tributaries	70,000	70,000
(FDP)	Buffalo Bayou and tributaries	300,000	300,000
(FDP)	Colorado River and tributaries	260,000	260,000
(FDP)	Denison Dam—Lake Texoma, Tex. and Oka	50,000	50,000
(N)	Galveston Bay area navigation	255,000	300,000
(SP)	Galveston County shore erosion		300,000
(N)	Guadalupe River, channel to Victoria	200,000	200,000
(FDP)	Lake Texoma water supply facilities, Texas and Oklahoma.	115,000	200,000
(FDP)	Little Cypress Creek		125,000
(FDP)	Nueces River and tributaries	191,000	191,000
(FDP)	Palo Blanco Creek and Cibolo Creek	160,000	160,000
(N)	Sabine River navigation	400,000	600,000
(FDP)	San Diego Creek		100,000
(FDP)	San Jacinto River and tributaries	39,000	150,000
(FDP)	Walnut Branch		50,000
	UTAH		
(FDP)	Colorado River and tributaries above Lee's Ferry, Utah, Ariz., Colo., N. Mex., Wyo.	50,000	150,000
(FDP)	Jordan River basin	150,000	150,000
	VIRGIN ISLANDS		
(FDP)	Puerto Rico—Virgin Islands pipeline study, Virgin Islands and Puerto Rico.	$400,000	$400,000
	VIRGINIA		
(FDP)	Chowan River, Va. and N.C	88,000	88,000
(N)	Deep Creek, Newport News	100,000	100,000
(N)	Hampton Roads drift removal	110,000	150,000
(N)	Norfolk Harbor, Craney Island	67,000	67,000
(SP)	Norfolk vicinity Willoughby Spit	265,000	265,000
(FDP)	Richmond (phase I)	189,000	189,000
(FDP)	Roanoke River, upper basin	140,000	140,000
(FDP)	Virginia Beach (phase I)	200,000	200,000
	WASHINGTON		
(N)	Ben Franklin lock and dam		400,000
(FDP)	Chehalis River and tributaries	200,000	300,000
(COMP)	Puget Sound and adjacent waters	809,000	1,152,000
(FDP)	Puyallup River		120,000
(N)	Seattle Harbor, Duwamish Waterway	200,000	450,000
	WEST VIRGINIA		
(N)	Big Sandy River, W. Va., Ky., Va	300,000	500,000
(FDP)	Guyandotte River Basin, vicinity of Logan and Mullens.	125,000	125,000
(COMP)	Kanawha River Basin authorization report, West Virginia, North Carolina, and Virginia.	230,000	230,000
(FDP)	Metro region of Huntington, W. Va.; Ashland, Ky.; Portsmouth, Ohio.	200,000	200,000
	WISCONSIN		
(FDP)	Wisconsin River at Portage	127,000	127,000
	Total, all States	58,736,000	68,905,000
	Coordination studies with other agencies	5,665,000	5,665,000
	NATIONWIDE STUDIES		
(SPEC)	Hydropower resources study	2,900,000	2,900,000
(SPEC)	National waterway study	2,045,000	2,045,000
	REVIEW OF AUTHORIZED PROJECTS		
	Restudies of deferred projects	168,000	253,000
	Review of completed projects (sec. 216, Public Law 91-611).	267,000	342,000
	Neches River Basin, additional hydropower at Town Bluff Dam, Tex.		(75,000)
	Review for deauthorization (sec. 12, Public Law 93-251).	100,000	100,000
	Total, review of authorized projects	535,000	695,000
	COLLECTION AND STUDY OF BASIC DATA		
	Stream gaging (U.S. Geological Survey)	550,000	550,000
	Precipitation studies (National Weather Service)	300,000	300,000
	International water studies	105,000	105,000
	Flood plain management services	8,510,000	8,510,000
	Hydrologic studies	330,000	330,000
	Scientific and technical information centers	300,000	300,000
	Coastal data collection	1,550,000	1,550,000
	Transportation systems	400,000	400,000
	National program of inspection of dams	30,000,000	30,000,000
	Total, collection and study of basic data	42,045,000	42,045,000
	Research and development	20,240,000	20,240,000
	Reduction for anticipated savings and slippages		−350,000
	Total, general investigations	133,166,000	142,145,000

Type of project:
(N) Navigation
(FDP) Flood Damage Prevention
(SP) Shoreline Protection
(SPEC) Special
(COMP) Comprehensive
(Phase I) Authorized for Phase I Stage of Advance Engineering and Design in the Water Resources Development Act of 1974 or 1976

Construction, general

Amendment No. 18: Appropriates $1,467,566,000 for construction, general as proposed by the Senate instead of $1,440,481,000 as proposed by the House.

The conferees have not included funds for the Burlington Dam project in North Dakota based on testimony by the Corps of Engineers that previously appropriated funds are sufficient to complete current preconstruction planning efforts involving design improvements to be included in forthcoming reauthorizing legislation.

None of the funds provided in fiscal year 1980 may be used for the construction of the reregulating dam portion of the Libby Additional Units and Reregulating Dam, Montana.

The conferees agree that the allowance of $5,000,000 for the Aquatic Plant Control Program should be used for the most critical needs nationwide.

The conferees agree with the Senate report language regarding the Continuing Authorities Program. It is the conferees intent that projects approved by the Chief of Engineers, for which firm local cooperation agreements are available, proceed to construction in a timely manner. Toward this end, the Corps should exercise the same transfer procedures between the continuing authorities programs as are used for individual projects in the regular construction program.

The funds appropriated are to be allocated as shown on the following table:

CONSTRUCTION GENERAL—STATE AND PROJECT

Type of project		Fiscal year 1980			
		Budget estimates		Conference allowance	
		Construction	Planning	Construction	Planning
	ALABAMA				
(MP)	Jones Bluff lock and dam	$3,500,000		$3,500,000	
(N)	Mobile Harbor (Theodore ship c hannel)	8,300,000		10,300,000	
(N)	Montgomery to Gadsden, Coosa River channel				$1,000,000
(N)	Tennessee-Tombigbee Waterway, Ala. and Miss	165,000,000		165,000,000	
(FC)	Fort Toulouse Bank stabilization			1,000,000	
	ALASKA				
(MP)	Bradley Lake power project		$1,700,000		1,700,000
(FC)	Chena River lakes	27,500,000		27,500,000	
(N)	Hoonah Harbor	2,793,000		2,793,000	
(N)	Kake Harbor		195,000		195,000
(N)	Metlakatla Harbor	3,705,000		3,705,000	
	ARIZONA				
(FC)	Indian Bend Wash	2,300,000		2,300,000	
(FC)	Phoenix and vicinity (stage 2 and remaining work)	208,000,000		3,400,000	
	ARKANSAS				
(MP)	Degray Lake	800,000		800,000	
(N)	McClellan-Kerr Arkansas River navigation system, locks and dams, Arkansas and Oklahoma	5,500,000		5,500,000	
(FC)	McKinney Bayou, Ark. and Tex		155,000		155,000
(MP)	Norfork Lake—Highway bridge	6,800,000		6,800,000	
(MP)	Norfork Lake—Power units 3 and 4		200,000		200,000
(N)	Ouachita and Black Rivers, Ark. and La. (1960 act)	400,000		20,400,000	
	CALIFORNIA				
(FC)	Alhambra Creek		200,000		100,000
(FC)	Bear River				340,000
(N)	Bodega Bay		106,000		106,000
(FC)	Cottonwood Creek		1,100,000		1,100,000
(N)	Crescent City Harbor	1,100,000		120,000	
(FC)	Cucamonga Creek	13,000,000		13,000,000	
(FC)	Dry Creek (Warm Springs) lake and channel	49,300,000		49,300,000	
(N)	Fishermans Wharf				200,000
(FC)	Goleta and vicinity		100,000		100,000
(N)	Los Angeles—Long Beach Harbors	4,000,000		4,000,000	
(FC)	Merced County Streams		880,000		880,0000
(MP)	New Melones Lake	12,000,000		12,000,000	
(N)	Noyo River and Harbor		240,000		240,000
(FC)	Pajaro River		135,000		135,000
(FC)	Sacramento River and major and minor tributaries	200,000		200,000	
(FC)	Sacramento River Bank protection project	2,900,000		2,900,000	
(FC)	Sacramento River, Chico Landing to Red Bluff	1,500,000		400,000	
(N)	San Diego River and Mission Bay	220,000		220,000	
(N)	San Francisco Bay to Stockton (J. F. Baldwin and Stockton ship channels)	650,000		460,000	
(FC)	San Luis Rey River		300,000		300,000
(FC)	Santa Maria Valley levees	2,000,000		150,000	
(FC)	Walnut Creek	6,400,000		6,400,000	
(FC)	Wildcat and San Pablo Creeks	11,200,000		650,000	
	COLORADO				
(FC)	Bear Creek Lake	2,400,000		2,400,000	
(FC)	Trinidad Lake	1,260,000		1,260,000	
	CONNECTICUT				
(FC)	New London	900,000		900,000	
(FC)	Park River	8,800,000		8,800,000	
	DISTRICT OF COLUMBIA				
(FC)	Potomac Estuary pilot water treatment plant	2,100,000		2,100,000	
	FLORIDA				
(BE)	Broward County (reimbursement)	2,850,000		2,850,000	
(FC)	Central and Southern Florida	6,300,000		6,300,000	
(FC)	Dade County	2,600,000		2,600,000	
(BE)	Fort Pierce Beach	923,000		923,000	
(FC)	Four River basins	6,000,000		6,000,000	
(N)	Port Everglades Harbor	11,300,000		11,300,000	
(N)	St. Lucie Inlet (sec. 201)	3,300,000		3,300,000	
(N)	Tampa Harbor (main channel)	23,100,000		23,100,000	
	GEORGIA				
(MP)	Hartwell Lake, Ga. and S.C. (5th unit)	2,800,000		2,800,000	
(MP)	Richard B. Russell Dam and Lake, Ga. and S.C	45,000,000		45,000,000	
(N)	Savannah Harbor extension	9,100,000		3,000,000	
(MP)	West Point Lake, Ga. and Ala	1,000,000		1,000,000	
	HAWAII				
(N)	Barbers Point deep draft harbor, Oahu	10,000,000		6,000,000	
(N)	Honolulu Harbor, Oahu	4,716,000		1,716,000	
(FC)	Kahoma Stream, Maui		150,000		150,000
(N)	Kikiaola small boat harbor, Kauai		85,000		85,000
(N)	Maalaea small boat harbor, Maui		95,000		95,000
	IDAHO				
(MP)	Dworshak additional unit		275,000		275,000
(MP)	Dworshak Dam and Reservoir	7,200,000		7,200,000	
(MP)	Lewiston-Clarkston Bridge, Idaho and Washington			8,500,000	
(FC)	Placer Creek		280,000		280,000
	ILLINOIS				
(FC)	East Moline	1,200,000		1,200,000	
(FC)	East St. Louis and vicinity	1,800,000		1,800,000	
(FC)	Eldred and Spankey drainage and levee district		325,000		325,000
(FC)	Fulton	3,900,000		3,900,000	
(FC)	Hartwell drainage and levee district		200,000		200,000
(FC)	Hillview drainage and levee district		220,000		220,000
(N)	Illinois Waterway, Dresden Island lock and dam (rehabilitation)	2,500,000		2,500,000	
(N)	Illinois Waterway, Starved Rock lock and dam (rehabilitation)	3,000,000		3,000,000	
(FC)	Keskaskia Island drainage and levee district	13,200,000		3,300,000	
(N)	Kaskaskia River navigation	5,200,000		5,200,000	
(FC)	Little Calumet River			50,000	
(N)	Lock and dam 26, Mississippi River, Alton, Ill. and Missouri	20,000,000		20,000,000	
(N)	Locks and dam 52, Illinois and Kentucky (rehabilitation)	720,000		720,000	
(N)	Locks and dam 53, Illinois and Kentucky (rehabilitation)	290,000		290,000	

CONSTRUCTION GENERAL—STATE AND PROJECT—Continued

Type of project	Construction, general—State and project	Fiscal year 1980			
		Budget estimates		Conference allowance	
		Construction	Planning	Construction	Planning
(FC)	McGee Creek drainage and levee district	$2,000,000		13,500,000	
(FC)	Meredosia, Meredosia Lake and Willow Creek D & LD		$200,000		$200,000
(FC)	Meredosia, Willow Creek and Coon Run drainage and levee district		200,000		200,000
(FC)	Milan	12,045,000		400,000	
(N)	Mississippi River between the Ohio and Missouri Rivers (regulating works), Illinois and Missouri	3,000,000		3,000,000	
(FC)	Moline	20,468,000			250,000
(FC)	Nutwood drainage and levee district		230,000		230,000
(FC)	Rock Island	780,000		780,000	
(FC)	Rock River, areas 2, 3, 4, and 5		150,000		150,000
(FC)	Rockford	1,600,000		1,600,000	
(N)	Savanna Harbor		50,000		50,000
(N)	Smithland locks and dam, Illinois, Indiana, and Kentucky	8,800,000		8,800,000	
(FC)	South Beloit		75,000		75,000
	INDIANA				
(FC)	Evansville	2,900,000		2,900,000	
(N)	Newburgh locks and dam, Indiana and Kentucky	1,068,000		1,068,000	
(FC)	Patoka Lake	1,494,000		1,494,000	
(N)	Uniontown locks and dam, Indiana and Kentucky	1,467,000		1,467,000	
	IOWA				
(FC)	Clinton	3,000,000		3,000,000	
(FC)	Coralville Lake	500,000		500,000	
(FC)	Evansdale (sec. 201)		65,000	265,000	
(N)	Mississippi River, old lock 14 (rehabilitation)	2,492,000		2,492,000	
(FC)	Missouri River levee system (L611–614 only)	12,130,000		2,300,000	
(FC)	Missouri River levee system, Iowa, Nebraska, Kansas, and Missouri	3,300,000		3,300,000	
(N)	Missouri River, Sioux City to mouth, Iowa, Kansas, Missouri, and Nebraska	2,600,000		2,600,000	
(FC)	Red Rock Dam—Lake Red Rock	1,300,000		1,300,000	
(FC)	Saylorville Lake	3,000,000		3,000,000	
(FC)	Waterloo	4,900,000		4,900,000	
	KANSAS				
(FC)	Big Hill Lake	4,000,000		4,000,000	
(FC)	Clinton Lake	2,253,000		2,253,000	
(FC)	El Dorado Lake	10,800,000		10,800,000	
(FC)	Hillsdale Lake	6,800,000		6,800,000	
(N)	Kansas River navigation		140,000		140,000
(FC)	Onaga Lake		275,000		275,000
(FC)	Towanda Lake		300,000		
	KENTUCKY				
(FC)	Big South Fork National River and Recreation Area, Ky. and Tenn	13,600,000		13,600,000	
(FC)	Cave Run Lake	3,300,000		3,300,000	
(FC)	Dayton	3,300,000		3,300,000	
(MP)	Laurel River Lake	3,600,000		3,600,000	
(FC)	Paintsville Lake	4,700,000		4,700,000	
(FC)	Southwestern Jefferson County	5,100,000		5,100,000	
(FC)	Taylorsville Lake	3,000,000		10,000,000	
(MP)	Wolf Creek Dam—Lake Cumberland (rehabilitation)	6,200,000		6,200,000	
	LOUISIANA				
(N)	Atchafalaya River and Bayous Chene, Boeuf, and Black	4,900,000		4,900,000	
(FC)	Grand Isle and vicinity (sec. 201)		107,000	157,000	
(FC)	Lake Pontchartrain and vicinity (hurricane protection)	11,000,000		11,000,000	
(FC)	Larose to Golden Meadow (hurricane protection)	7,800,000		7,800,000	
(N)	Mermentau River	2,370,000			
(N)	Mississippi River, Baton Rouge-Gulf Mexico—SW pass and bar	400,000		400,000	
(N)	Mississippi River, gulf outlet	1,000,000		1,000,000	
(FC)	New Orleans to Venice (hurricane protection)	2,200,000		2,200,000	
(N)	Overton-Red River Waterway (lower 31 mi only)	5,800,000		5,800,000	
(N)	Petit Anse, Tigre, and Carlin Bayous		120,000		120,000
(N)	Red River emergency bank protection, Louisiana, Arkansas, Oklahoma, and Texas	3,900,000		3,900,000	
(N)	Red River Waterway, Mississippi River to Shreveport	70,000,000		70,000,000	
(FC)	Red River Waterway, Shreveport, La., to vicinity of Index, Ark		200,000		200,000
(N)	Vermilion lock (replacement)	3,400,000		3,400,000	
(FDP)	West Aguts levee				50,000
	MAINE				
(MP)	Dickey-Lincoln School Lakes		710,000		710,000
	MARYLAND				
(FC)	Bloomington Lake, Md. and West Virginia	18,300,000		18,300,000	
	MASSACHUSETTS				
(N)	Cape Cod Canal highway bridges (rehabilitation)	4,100,000		4,100,000	
(FC)	Charles River natural valley storage areas	1,400,000		1,400,000	
(FC)	North Nashua River	600,000		1,000,000	
(BE)	Revere Beach		100,000		100,000
	MICHIGAN				
(N)	Cedar River Harbor		50,000		50,000
(N)	Cross Village Harbor		70,000		70,000
(N)	Muskegon Harbor (rehabilitation)	250,000		250,000	
(FC)	Red Run drain and lower Clinton River		550,000		550,000
(FC)	Saginaw River	500,000		500,000	
	MINNESOTA				
(FC)	Bassett Creek		280,000		280,000
(FC)	Big Stone Lake—Whetstone River, Minn. and S. Dak	708,000		708,000	
(FC)	Cheska		220,000		220,000
(FC)	East Grand Forks		165,000		165,000
(FC)	Mankato and North Mankato	5,000,000		5,000,000	
(N)	Mississippi River, lock and dam 1 (rehabilitation)	7,800,000		7,800,000	
(FC)	Rochester (phase I)		270,000		278,000
(FC)	Roseau River	500,000		500,000	
(FC)	Wild Rice River, South Branch and Felton ditch	1,400,000		1,400,000	
(FC)	Winona	2,800,000		2,800,000	
	MISSISSIPPI				
(N)	Yazoo River, Belzoni Bridge (advance participation)	3,000,000		3,000,000	
(N)	Yazoo River		200,000		200,000

CONSTRUCTION GENERAL—STATE AND PROJECT—Continued

Type of project		Fiscal year 1980			
		Budget estimates		Conference allowance	
		Construction	Planning	Construction	Planning
	MISSOURI				
(FC)	Blue River channel, Kansas City	$2,500,000		$2,500,000	
(MP)	Clarence Cannon Dam and Reservoir	12,600,000		12,600,000	
(MP)	Harry S. Truman Dam and Reservoir	33,000,000		33,000,000	
(FC)	Little Blue River channel	1,600,000		1,600,000	
(FC)	Little Blue River Lakes	13,000,000		13,000,000	
(FC)	Mississippi River, agricultural area No. 8, Elsberry	675,000		675,000	
(FC)	Perry County drainage and levee districts 1, 2, and 3	2,200,000		2,200,000	
(FC)	Pine Ford Lake		$500,000		$500,000
(FC)	Smithville Lake	7,000,000		7,000,000	
	MONTANA				
(FC)	Flathead River at Kalispell		100,000		100,000
(FC)	Great Falls	2,000,000		2,000,000	
(MP)	Libby additional units and reregulating dam	20,000,000		20,000,000	
(MP)	Libby Dam, Lake Koocanusa	6,100,000		6,100,000	
	NEBRASKA				
(FC)	Bank stabilization and recreational development (sec. 707, Public Law 95-625), Nebraska and South Dakota				500,000
	NEVADA				
(FC)	Humboldt River and tributaries				200,000
	NEW JERSEY				
(FC)	Elizabeth	8,000,000		6,200,000	
(N)	Manasquan River (rehabilitation)	3,055,000		3,055,000	
	NEW MEXICO				
(FC)	Abiquiu Dam (rehabilitation)	1,970,000		1,970,000	
(FC)	Los Esteros Lake	3,240,000		3,240,000	
(FC)	Rio Grande Floodway, Truth or Consequences (Hot Springs) unit		100,000		100,000
(FC)	Santa Fe River and Arroyo Mascaras		395,000		395,000
	NEW YORK				
(FC)	Ardsley (sec. 201)		100,000		100,000
(N)	Cattaraugus Harbor	1,500,000		1,500,000	
(FC)	Dansville and vicinity		90,000		90,000
(N)	Dunkirk Harbor	800,000		800,000	
(BE)	East Rockaway Inlet—Rockaway Inlet and Jamaica Bay (part I)	1,000,000		1,000,000	
(FC)	Ellicott Creek	100,000		100,000	
(FC)	Fire Island Inlet—Montauk Point		600,000		600,000
(N)	Irondequoit Bay	170,000		170,000	
(N)	New York Harbor collection and removal of drift, New York and New Jersey	2,000,000		2,500,000	
(N)	Port Ontario Harbor		210,000		210,000
(FC)	Saw Mill River at Elmsford and Greenburgh		71,000		71,000
(FC)	Scajaquada Creek	1,000,000		1,000,000	
(FC)	Yonkers	3,200,000		3,200,000	
	NORTH CAROLINA				
(N)	AIWW—Replacement of Federal highway bridges	1,270,000		1,270,000	
(FC)	B. Everett Jordan Dam and Lake	5,500,000		5,500,000	
(FC)	Falls Lake	27,700,000		27,700,000	
(BE)	Fort Fisher and vicinity		300,000		300,000
(N)	Manteo (Shallowbag) Bay			2,000,000	
(N)	Masonboro Inlet jetties	2,145,000		2,145,000	
(FC)	Randleman Lake		650,000		650,000
	NORTH DAKOTA				
(FC)	Missouri River, Garrison Dam to Lake Oahe	120,000		120,000	
(FC)	Sheyenne River		240,000		240,000
(FC)	Williston, N. Dak., water intake			480,000	
	OHIO				
(FC)	Alum Creek Lake	2,400,000		2,400,000	
(FC)	Caesar Creek Lake	7,700,000		4,400,000	
(FC)	Chillicothe	3,000,000		3,000,000	
(N)	Cleveland Harbor (rehabilitation)	5,300,000		5,300,000	
(FC)	Cuyahoga River basin	1,800,000		1,800,000	
(FC)	East Fork Lake	5,079,000		5,079,000	
(N)	Geneva-on-the-Lake (sec. 201)		140,000		140,000
(FC)	Muskingum River lakes (rehabilitation)	4,500,000		4,500,000	
(FC)	Newark	1,560,000		1,560,000	
(FC)	Point Place, Toledo	1,000,000		1,000,000	
(FC)	Reno Beach—Howard Farms area		50,000		50,000
(N)	West Harbor			100,000	
	OKLAHOMA				
(FC)	Arcadia Lake	59,600,000		3,900,000	
(FC)	Arkansas—Red River basins chloride control, Oklahoma, Kansas and Texas		3,185,000		2,200,000
(FC)	Candy Lake	4,800,000		4,800,000	
(FC)	Clayton Lake	11,300,000		11,300,000	
(FC)	Copan Lake	11,600,000		11,600,000	
(MP)	Lake Texoma (perimeter access roads), Oklahoma and Texas				50,000
(MP)	Fort Gibson Lake—Power units 5 and 6		280,000		280,000
(FC)	Skiatook Lake	9,400,000		9,400,000	
	OREGON				
(FC)	Applegate Lake	30,000,000		32,000,000	
(MP)	Bonneville 2d powerhouse, Oreg. and Wash	126,000,000		126,000,000	
(N)	John Day lock (rehabilitation)			1,700,000	
(MP)	John Day lock and dam—Lake Umatilla, Oreg. and Wash	1,433,000		1,433,000	
(FC)	Lower Columbia River Bank protection, Oreg. and Wash	1,400,000		1,400,000	
(MP)	McNary lock and dam, Lake Wallula, Oreg. and Wash	4,700,000		4,700,000	
(N)	Nehalem Bay (rehabilitation)			3,000,000	
(N)	Umpqua River	9,800,000		9,800,000	
(FC)	Willamette River basin bank protection	1,100,000		1,100,000	
(FDP)	Willow Creek Lake			3,200,000	
	PENNSYLVANIA				
(FC)	Chartiers Creek	2,000,000		2,000,000	
(FC)	Cowanesque Lake	9,500,000		9,500,000	
(N)	Emsworth locks and dam (rehabilitation)	2,500,000		2,500,000	
(FC)	Hay Creek, Birdsboro		100,000		100,000
(N)	Monongahela River, locks and dam 3 (rehabilitation)	4,200,000		4,200,000	
(BE)	Presque Isle Peninsula	750,000		750,000	
(FC)	Tamaqua		75,000		75,000
(FC)	Tioga—Hammond Lakes	2,400,000		2,400,000	

CONSTRUCTION GENERAL—STATE AND PROJECT—Continued

Type of project		Fiscal year 1980			
		Budget estimates		Conference allowance	
		Construction	Planning	Construction	Planning
	PUERTO RICO				
(N)	Ponce Harbor		$150,000		$150,000
(FC)	Portugues and Bucana Rivers	$7,300,000		$7,300,000	
	RHODE ISLAND				
(N)	Bristol Harbor		100,000		100,000
	SOUTH CAROLINA				
(N)	Cooper River, Charleston Harbor	15,900,000		26,000,000	
(N)	Little River Inlet, S.C. and N.C	3,300,000		3,300,000	
(N)	Murrells Inlet	2,220,000		2,220,000	
	TEXAS				
(FC)	Aquillia Lake	5,000,000		5,000,000	
(FC)	Arkansas-Red River basins chloride control, area 8	7,600,000		7,600,000	
(FC)	Aubrey Lake			500,000	
(FC)	Baytown	34,000,000		5,000,000	
(FC)	Big Sandy Lake		350,000		350,000
(N)	Brazos Island Harbor	3,600,000		3,600,000	
(FC)	Buffalo Bayou and tributaries	300,000		300,000	
(FC)	Buffalo Bayou and tributaries—Addicks and Barker Dams (rehabilitation)	800,000		800,000	
(FC)	Clear Creek		300,000		300,000
(FC)	Cooper Lake and channel			500,000	
(N)	Corpus Christi ship channel	2,450,000		1,700,000	
(FC)	El Paso	8,200,000		8,200,000	
(FC)	Freeport and vicinity (hurricane flood protection)	1,353,000		1,353,000	
(N)	GIWW—Chocolate Bayou	840,000		840,000	
(FC)	Highland Bayou	1,100,000		1,100,000	
(FC)	Lakeview Lake	32,000,000		32,000,000	
(FC)	Lavon Lake modification and East Fork Channel improvement	3,500,000		3,500,000	
(FC)	Lewisville Dam (rehabilitation)	2,000,000		2,000,000	
(FC)	Millican Lake		300,000		300,000
(N)	Mouth of Colorado River	1,400,000		1,400,000	
(FC)	Naches River and tributaries salt water barrier		500,000		500,000
(FC)	Port Arthur and vicinity (hurricane flood protection)	2,800,000		2,800,000	
(FC)	Red River levees and bank stabilization below Denison Dam, Ark. and La	5,000,000		5,000,000	
(FC)	San Antonio channel improvement	2,200,000		2,200,000	
(FC)	San Gabriel River	5,231,000		5,231,000	
(FC)	Texas City and vicinity (hurricane flood protection)	3,500,000		3,500,000	
(N)	Texas City channel industrial canal	3,500,000		3,500,000	
(FC)	Three Rivers	1,500,000		1,500,000	
(FC)	Trinity River project		840,000		840,000
(FC)	Vince and Little Vince Bayous	830,000		830,000	
	VIRGINIA				
(N)	Elizabeth River, Southern Branch (sec. 201)	3,425,000		3,425,000	
(FC)	Four Mile Run	2,638,000		2,638,000	
(FC)	Richmond filtration plant		225,000		225,000
(FC)	Virginia Beach streams, canal No. 2		80,000		80,000
(BE)	Virginia Beach (reimbursement)	200,000		200,000	
	WASHINGTON				
(MP)	Chief Joseph Dam additional units	17,000,000		17,000,000	
(N)	Grays Harbor				600,000
(MP)	Ice Harbor additional units	1,700,000		1,700,000	
(MP)	Little Goose additional units	2,400,000		2,400,000	
(FC)	Lower Granite lock and dam			1,400,000	
(MP)	Lower Monumental additional units	1,600,000		1,600,000	
(MP)	Lower Snake River F & WL compensation, Washington, Idaho, and Oregon	9,100,000		9,100,000	
(FC)	Mill Creek Lake (rehabilitation)	700,000		700,000	
(FDP)	Skagit River levee and channel improvement			1,000,000	
(MP)	The Dalles additional units, Washington and Oregon	1,119,000		1,719,000	
(FC)	Willapa River at Raymond		160,000		210,000
(FC)	Yakima River at Ellensburg		120,000		120,000
	WEST VIRGINIA				
(FC)	Beech Fork Lake	1,100,000		1,100,000	
(FC)	Burnsville Lake	3,450,000		3,450,000	
(FC)	East Lynn Lake	1,464,000		1,464,000	
(FC)	Oceana		280,000		280,000
(FC)	R. D. Bailey Lake	6,800,000		6,800,000	
(FC)	Stonewall Jackson Lake	9,100,000		9,100,000	
	WISCONSIN				
(N)	Green Bay Harbor		30,000		30,000
(FC)	Prairie Du Chien	875,000		875,000	
(FC)	State road and Ebner Coulees		150,000		150,000
	MISCELLANEOUS				
(N)	Small navigation projects (sec. 107)	6,500,000		7,500,000	
(FC)	Small flood control projects (sec. 205)	18,000,000		18,000,000	
(BE)	Small beach erosion projects (sec. 103)	2,000,000		2,000,000	
(FC)	Emergency streambank and shoreline protection (sec. 14)	3,700,000		3,700,000	
	Recreation facilities at completed projects	16,000,000		16,000,000	
	Small snagging and clearing projects (sec. 208)	500,000		500,000	
	Mitigation of shore damages attributable to navigation projects (sec. 111)	1,300,000		2,300,000	
	Streambank erosion control evaluation demonstration (sec. 32, 1974 act)	5,350,000		7,500,000	
	Shoreline erosion control demonstration (sec. 54, 1974 act)	1,500,000		1,500,000	
	Aquatic plant control (1965 act)	3,980,000		5,000,000	
	Employees compensation	4,536,000		4,536,000	
	Reduction for anticipated savings and slippages	−96,626,000		−81,426,000	
	Subtotal	1,752,255,000	22,439,000	1,443,444,000	24,122,000
	Total, construction, general	1,774,694,000		1,467,566,000	
	Full funding requested for new construction starts not included in allowance	−354,943,000			
	Total, net construction, general (excluding full funding)	1,419,751,000		1,467,566,000	

Note: Type of project: (N) Navigation, (FC) Flood control, (BE) Beach erosion control, (MP) Multiple-purpose, including power.

Flood control, Mississippi River and tributaries

The conferees earmark, within available funds, $750,000 for the Atchafalaya Basin, Louisiana project as proposed by the Senate.

The Chief of Engineers is directed to review the current flood control regulation procedures for the Yazoo Basin Headwater lakes with a view toward determining whether modifications should be made in these procedures that would increase the downstream flow in the rainy nonfarming season so as to decrease soil erosion from the foothill area and enable the Corps to retard or stop the flow at such times as may improve the planting, cultivation and harvesting of crops on lands below the reservoirs.

No part of the funds in this bill shall be used to acquire flowage rights or property rights of any kind in connection with the Grenada Lake, Mississippi project, except upon the voluntary agreement of the owner of such property.

The Corps is urged to review the flood control problems associated with 20 Mile Creek and Little Browns Creek, Mississippi, and report back to the Committees on Appropriations with appropriate solutions to the problems.

Operation and maintenance, general

Amendment No. 19: Appropriates $848,500,000 for operation and maintenance as proposed by the Senate instead of $850,314,000 as proposed by the House.

The funds appropriated are to be allocated as shown on the following table:

OPERATION AND MAINTENANCE—STATE AND PROJECT

Type of project		Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	ALABAMA		
(N)	Alabama-Coosa rivers	$2,575,000	$3,500,000
(N)	Bayou La Batre	156,000	336,000
(N)	Black Warrior, Warrior and Tombigbee Rivers	5,414,000	8,000,000
(N)	Dauphin Island Bay	99,000	152,000
(N)	Dog and Fowl River	168,000	252,000
(N)	Gulf intracoastal waterway, Alabama, Florida, and Mississippi (Mobile District).	2,601,000	4,600,000
(MP)	Jones Bluff lock and dam	1,881,000	2,400,000
(MP)	Millers Ferry lock and dam—William "Bill" Dannelly Reservior.	2,429,000	2,429,000
(N)	Mobile Harbor	4,215,000	4,215,000
(N)	Perdido Pass	147,000	300,000
(N)	Removal of aquatic growth (Hyacinths)	35,000	35,000
(N)	Tennessee-Tombigbee Waterway, Ala. and Miss	1,915,000	1,915,000
(MP)	Walter F. George lock and dam	3,026,000	3,026,000
	ALASKA		
(N)	Anchorage Harbor	1,149,000	1,149,000
(N)	Dillingham Harbor	461,000	461,000
(N)	Homer Harbor	287,000	287,000
(N)	Ninilchik Harbor	208,000	208,000
(N)	Nome Harbor	447,000	447,000
(N)	Skinke River	43,000	43,000
	ARIZONA		
(FC)	Alamo Lake	512,000	512,000
(FC)	Painted Rock Dam	277,000	277,000
(FC)	Whitlow Ranch Dam	52,000	52,000
	ARKANSAS		
(MP)	Beaver Lake	1,513,000	1,513,000
(MP)	Blakely Mountain Dam—Lake Ouachita	2,151,000	2,151,000
(FC)	Blue Mountain Lake	455,000	455,000
(MP)	Bull Shoals Lake	2,199,000	2,199,000
(MP)	Dardanelle lock and dam	2,458,000	2,458,000
(MP)	Degray Lake	2,439,000	2,439,000
(FC)	Dequeen Lake	473,000	473,000
(FC)	Dierks Lake	387,000	387,000
(FC)	Gillham Lake	313,000	313,000
(MP)	Greers Ferry Lake	2,364,000	2,364,000
(N)	Helena Harbor	188,000	188,000
(N)	McClellan-Kerr Arkansas River navigation system, Arkansas and Oklahoma.	12,709,000	13,000,000
(FC)	Millwood Lake	700,000	700,000
(MP)	Narrows Dam—Lake Greeson	1,670,000	1,670,000
(FC)	Nimrod Lake	600,000	600,000
(MP)	Norfork Lake	1,602,000	1,602,000
(N)	Osceola Harbor	245,000	245,000
(N)	Ouachita and Black Rivers, Ark. and La	2,700,000	2,700,000
(MP)	Ozark—Jeta Taylor lock and dam	1,989,000	1,989,000
(N)	White River	925,000	925,000
	CALIFORNIA		
(FC)	Black Butte Lake	1,024,000	1,024,000
(N)	Bodega Bay Harbor	270,000	270,000
(FC)	Buchanan Dam—H. V. Eastman Lake	555,000	555,000
(N)	Channel Island Harbor	650,000	1,000,000
(FC)	Coyote Valley Dam (Lake Mendocino)	1,445,000	1,445,000
(N)	Crescent City Harbor	630,000	630,000
(FC)	Farmington Dam	71,000	71,000
(FC)	Hidden Dam—Hensley Lake	562,000	562,000
(N)	Humboldt Harbor and Bay	1,187,000	1,187,000
(FC)	Isabella Lake	1,293,000	1,293,000
(FC)	Los Angeles County drainage area	2,334,000	2,334,000
(N)	Los Angeles—Long Beach Harbor model	75,000	360,000
(FC)	Merced County Stream group	131,000	131,000
(FC)	Mojave River Dam	207,000	207,000
(N)	Moss Landing Harbor	80,000	80,000
(N)	Napa River	1,315,000	1,315,000
(FC)	New Hogan Lake	972,000	972,000
(MP)	New Melones Lake (downstream channel)	191,000	191,000
(N)	Noyo River and Harbor	340,000	340,000
(N)	Oakland Harbor	886,000	886,000
(N)	Oceanside Harbor	600,000	600,000
(N)	Petaluma River	588,000	588,000
(FC)	Pine Flat Lake	866,000	866,000
(N)	Redwood City Harbor	20,000	20,000
(N)	Richmond Harbor	642,000	642,000
(N)	Sacramento River and tributaries (debris control)	355,000	355,000
(N)	Sacramento River	1,773,000	1,773,000
(N)	San Francisco Bay and Harbor (drift removal)	1,035,000	1,035,000
(N)	San Francisco Bay—Delta model structure	400,000	1,450,000
(N)	San Francisco Harbor	1,126,000	1,126,000
(N)	San Joaquin River	100,000	100,000
(N)	San Pablo Bay and Mare Island Strait	1,435,000	1,435,000
(N)	San Rafael Creek	350,000	350,000
(FC)	Santa Ana River Basin	2,181,000	2,181,000
(N)	Santa Barbara Harbor	400,000	400,000
(N)	Santa Cruz Harbor	$590,000	$590,000
(FC)	Success Lake	883,000	883,000
(N)	Suisun Bay channel	240,000	240,000
(FC)	Terminus Dam (Lake Kaweah)	766,000	766,000
(N)	Ventura Marina	2,000,000	2,000,000
(N)	Yuba River	25,000	25,000
	COLORADO		
(FC)	Bear Creek Lake	125,000	125,000
(FC)	Chatfield Lake	297,000	297,000
(FC)	Cherry Creek Lake	187,000	187,000
(FC)	John Martin Reservoir	590,000	590,000
(FC)	Trinidad Lake	267,000	267,000
	CONNECTICUT		
(FC)	Black Rock Lake	170,000	170,000
(FC)	Colebrook River Lake	178,000	178,000
(N)	Connecticut River below Hartford	364,000	364,000
(FC)	Hancock Brook Lake	47,000	47,000
(FC)	Hop Brook Lake	271,000	271,000
(FC)	Mansfield Hollow Lake	286,000	286,000
(FC)	Northfield Brook Lake	94,000	94,000
(N)	Norwalk Harbor	331,000	331,000
(N)	Stamford Harbor	404,000	404,000
(FC)	Stamford Hurricane Barrier	128,000	128,000
(FC)	Thomaston Dam	289,000	289,000
(FC)	West Thompson Lake	188,000	188,000
	DELAWARE		
(N)	IWW, Chincoteague Bay to Delaware Bay	6,000	6,000
(N)	IWW, Delaware River to Chesapeake Bay, Del. and Md.	7,919,000	7,919,000
(N)	IWW, Rehoboth Bay to Delaware Bay	210,000	210,000
(N)	Lewes Harbor of Refuge		700,000
(N)	Murderkill River	100,000	100,000
(N)	Wilmington Harbor	965,000	965,000
	DISTRICT OF COLUMBIA		
(N)	Anacostia River basin, D.C. and Md	710,000	710,000
(N)	Potomac and Anacostia Rivers drift removal, District of Columbia, Maryland, and Virginia.	350,000	350,000
(N)	Washington Harbor	460,000	460,000
	FLORIDA		
(N)	Apalachicola Bay	519,000	519,000
(N)	Apalachicola, Chattahoochee and Flint Rivers, Fla. and Ga.	2,691,000	2,691,000
(N)	Canaveral Harbor	1,185,000	1,185,000
(FC)	Central and southern Florida	3,839,000	3,839,000
(N)	Charlotte Harbor	463,000	463,000
(N)	Clearwater Pass	220,000	220,000
(N)	Cross-Florida barge canal	816,000	816,000
(N)	East Pass Channel	151,000	151,000
(N)	Fernandina Harbor	1,742,000	1,742,000
(N)	Fort Pierce Harbor	225,000	225,000
(N)	IWW, Caloosahatchee to Anclote River	496,000	496,000
(N)	IWW, Jacksonville to Miami	1,789,000	1,789,000
(N)	Jacksonville Harbor	2,325,000	2,325,000
(MP)	Jim Woodruff lock and dam—Lake Seminole	4,026,000	4,026,000
(N)	Longboat Pass	250,000	250,000
(N)	New Pass, Sarasota	710,000	710,000
(N)	Okeechobee Waterway	1,366,000	1,366,000
(N)	Okiawaha River	36,000	36,000
(N)	Palm Beach Harbor	415,000	415,000
(N)	Panama City Harbor	218,000	218,000
(N)	Pensacola Harbor	1,136,000	1,136,000
(N)	Ponce de Leon Inlet	611,000	611,000
(N)	Port Everglades Harbor	300,000	300,000
(N)	Port St. Joe Harbor	400,000	400,000
(N)	Removal of aquatic growth (Hyacinths)	1,745,000	2,500,000
(N)	St. Augustine Harbor	882,000	882,000
(N)	St. Lucie Inlet	215,000	215,000
(N)	Tampa Harbor	1,294,000	1,294,000
	GEORGIA		
(MP)	Allatoona Lake	2,887,000	2,887,000
(N)	Atlantic intracoastal waterway (Savannah District)	1,035,000	1,035,000
(N)	Brunswick Harbor	1,729,000	1,729,000
(MP)	Buford Dam—Lake Sidney Lanier	3,783,000	3,783,000
(MP)	Carters Lake	2,944,000	2,944,000
(MP)	Clark Hill Lake, Ga. and S.C.	2,896,000	2,896,000
(MP)	Hartwell Lake	4,443,000	4,443,000
(N)	Savannah Harbor below Augusta	1,537,000	1,537,000
(N)	Savannah Harbor	4,777,000	8,000,000
(MP)	West Point Lake, Ga. and Ala	2,379,000	2,379,000

OPERATION AND MAINTENANCE—STATE AND PROJECT—Continued

Type of project		Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	HAWAII		
(N)	Hilo Harbor	$1,200,000	$1,200,000
	IDAHO		
(MP)	Albeni Falls Dam	1,393,000	1,393,000
(MP)	Dworshak Dam and Reservoir	3,541,000	3,541,000
(FC)	Lucky Peak Lake	512,000	512,000
	ILLINOIS		
(N)	Calumet Harbor and River, Ill. and Ind	325,000	325,000
(N)	Calumet Harbor and River, Ill. and Ind. (diked disposal).	660,000	660,000
(FC)	Carlyle Lake	1,870,000	1,870,000
(N)	Chicago Harbor (diked disposal)	280,000	280,000
(N)	Chicago River (diked disposal)	660,000	660,000
(FC)	Farm Creek reservoirs	080,000	80,00
(N)	Illinois Waterway, Ill. and Ind. (LMVD)	841,000	841,000
(N)	Illinois Waterway, Ill. and Ind. (NCD)	13,270,000	13,270,000
(N)	Kaskaskia River navigation	780,000	780,000
(FC)	Lake Shelbyville	2,628,000	2,628,000
(N)	Mill Creek and South Slough	30,000	30,000
(N)	Mississippi River between Missouri River and Minneapolis, Minn.—Illinois, Minnesota, Wisconsin, and Iowa (LMVD).	9,634,000	9,634,000
(N)	Mississippi River between Missouri River and Minneapolis, Minn.—Illinois, Minnesota, Wisconsin, and Iowa (NCD).	24,564,000	24,564,000
(N)	Mississippi River between the Ohio and Missouri Rivers.	8,185,000	8,185,000
(FC)	Mouth of Sangamon River	75,000	75,000
(FC)	North Branch Chicago River		150,000
(N)	Ohio River locks and dams, Illinois, Pennsylvania, Indiana, Ohio, West Virginia, and Kentucky.	24,293,000	24,293,000
(N)	Ohio River open channel work, Illinois, Pennsylvania, Indiana, Ohio, West Virginia, and Kentucky.	4,602,000	4,852,000
(FC)	Rend Lake	1,567,000	1,567,000
(N)	Waukegan Harbor	380,000	380,000
	INDIANA		
(FC)	Brookville Lake	275,000	275,000
(N)	Burns Waterway Harbor	2,215,000	2,215,000
(FC)	Cagles Mill Lake	242,000	242,000
(FC)	Cecil M. Harden Lake	513,000	513,000
(FC)	Huntington Lake	290,000	290,000
(N)	Indiana Harbor	1,325,000	1,325,000
(N)	Indiana Harbor (diked disposal)	85,000	85,000
(N)	Michigan City	135,000	135,000
(FC)	Mississinewa Lake	294,000	294,000
(FC)	Monroe Lake	278,000	278,000
(FC)	Patoka Lake	248,000	248,000
(FC)	Salamonie Lake	279,000	279,000
	IOWA		
(FC)	Coralville Lake	956,000	956,000
(FC)	Missouri River, Kensiers Bend, Nebr. to Sioux City, Iowa, Nebraska, and South Dakota.	58,000	58,000
(N)	Missouri River, Sioux City, Iowa to the mouth	9,836,000	9,836,000
(FC)	Rathbun Lake	1,159,000	1,159,000
(FC)	Red Rock Dam—Lake Red Rock	922,000	1,480,000
(FC)	Saylorville Lake	1,051,000	1,414,000
	KANSAS		
(FC)	Clinton Lake	659,000	659,000
(FC)	Council Grove Lake	311,000	311,000
(FC)	Elk City Lake	273,000	273,000
(FC)	Fall River Lake	359,000	359,000
(FC)	John Redman Dam and Reservoir	432,000	432,000
(FC)	Kanopolis Lake	653,000	653,000
(FC)	Marion Lake	379,000	379,000
(FC)	Melvern Lake	709,000	709,000
(FC)	Milford Lake	1,227,000	1,227,000
(FC)	Perry Lake	1,034,000	1,034,000
(FC)	Pomona Lake	663,000	663,000
(FC)	Toronto Lake	247,000	247,000
(FC)	Tuttle Creek Lake	787,000	787,000
(FC)	Wilson Lake	585,000	585,000
	KENTUCKY		
(MP)	Barkley Dam—Lake Barkley	3,313,000	3,313,000
(FC)	Barren River Lake	557,000	557,000
(FC)	Buckhorn Lake	347,000	573,000
(FC)	Carr Fork Lake	443,000	443,000
(FC)	Cave Run Lake	270,000	270,000
(FC)	Dewey Lake	618,000	618,000
(FC)	Fishtrap Lake	561,000	561,000
(FC)	Grayson Lake	421,000	421,000
(N)	Green and Barren Rivers	777,000	777,000
(FC)	Green River Lake	571,000	721,000
(N)	Hickman Harbor	130,000	130,000
(N)	Kentucky River	2,542,000	2,542,000
(MP)	Laurel River Lake	462,000	502,000
(FC)	Martins Fork Lake	147,000	207,000
(FC)	Middlesboro	46,000	46,000
(FC)	Nolin Lake	628,000	628,000
(FC)	Rough River Lake	689,000	689,000
(MP)	Wolf Creek Dam—Lake Cumberland	2,049,000	2,049,000
	LOUISIANA		
(N)	Atchafalaya River, Morgan City to Gulf of Mexico	640,000	640,000
(N)	Barataria Bay Waterway	645,000	1,000,000
(FC)	Bayou Bodcau Reservoir	190,000	190,000
(FC)	Bayou Pierre	15,000	15,000
(N)	Bayou Teche and Vermilion River	40,000	40,000
(N)	Bayou Teche	$185,000	$185,000
(FC)	Caddo Lake	80,000	80,000
(N)	Calcasieu River and Pass	7,827,000	7,827,000
(N)	Freshwater Bayou	900,000	900,000
(N)	Gulf intracoastal Waterway	6,708,000	6,708,000
(N)	Houma Navigation Channel	485,000	1,135,000
(N)	Lake Providence Harbor	165,000	165,000
(N)	Mermentau River	2,550,000	2,550,000
(N)	Mississippi River outlets, vicinity of Venice	510,000	510,000
(N)	Mississippi River, Baton Rouge to gulf	19,515,000	25,915,000
(N)	Mississippi River, gulf outlet	5,595,000	5,595,000
(N)	Red River Waterway, Mississippi River to Shreveport	975,000	975,000
(N)	Removal of aquatic growth, Louisiana and Texas	1,163,000	1,163,000
(FC)	Wallace Lake	180,000	180,000
(N)	Waterway from intracoastal waterway to Bayou Dulac	520,000	520,000
	MAINE		
(N)	Portland Harbor	1,874,000	1,874,000
	MARYLAND		
(N)	Baltimore Harbor and Channels	2,470,000	3,470,000
(N)	Baltimore Harbor (drift removal)	125,000	125,000
(N)	Baltimore Harbor (prevention of obstructive deposits)	180,000	180,000
(FC)	Cumberland, Md. and Ridgeley	36,000	36,000
(N)	Lower thoroughfare and Deal Island	175,000	175,000
(N)	Ocean City Harbor and Inlet and Sinepuxent Bay	300,000	300,000
(N)	Parish Creek	185,000	185,000
(N)	St. Peters Creek	185,000	185,000
	MASSACHUSETTS		
(FC)	Barre Falls	236,000	236,000
(FC)	Birch Hill Dam	193,000	193,000
(FC)	Buffumville Lake	210,000	210,000
(N)	Cape Cod Canal	2,665,000	2,665,000
(FC)	Conant Brook Dam	77,000	77,000
(FC)	East Brimfield Lake	162,000	162,000
(FC)	Hodges Village Dam	292,000	292,000
(N)	Green Harbor		225,000
(FC)	Knightville Dam	232,000	232,000
(FC)	Littleville Lake	179,000	179,000
(FC)	New Bedford, Fairhaven and Acushnet hurricane barrier.	111,000	111,000
(FC)	Tully Lake	187,000	187,000
(N)	Wellfleet Harbor		280,000
(FC)	West Hill Dam	103,000	103,000
(FC)	Westville Lake	203,000	203,000
	MICHIGAN		
(N)	Arcadia Harbor	76,000	76,000
(N)	Big Bay Harbor	128,000	128,000
(N)	Black River (Port Huron)	265,000	265,000
(N)	Black River Harbor	128,000	128,000
(N)	Caseville Harbor		100,000
(N)	Channels in Lake St. Clair	774,000	774,000
(N)	Charlevoix Harbor	865,000	865,000
(N)	Cheboygan Harbor	87,000	87,000
(N)	Detroit River	6,565,000	6,565,000
(N)	Detroit River (diked disposal)	7,124,000	7,124,000
(N)	Frankfort Harbor	965,000	965,000
(N)	Grand Haven Harbor and Grand River	405,000	405,000
(N)	Grand Marais Harbor	121,000	121,000
(N)	Grand Traverse Bay Harbor	122,000	122,000
(N)	Harbor Beach Harbor	425,000	425,000
(N)	Holland Harbor	207,000	207,000
(N)	Inland route	160,000	160,000
(N)	Keweenaw Waterway	300,000	300,000
(N)	Leland Harbor	118,000	118,000
(N)	Little Lake Harbor	145,000	145,000
(N)	Ludington Harbor	136,000	136,000
(N)	Manistee Harbor	148,000	148,000
(N)	Monroe Harbor	683,000	683,000
(N)	Monroe River (diked disposal)	4,800,000	4,800,000
(N)	Muskegon Harbor	169,000	169,000
(N)	Ontonagon Harbor	315,000	315,000
(N)	Pentwater Harbor	120,000	120,000
(N)	Portage Lake Harbor	97,000	97,000
(N)	Presque Isle Harbor	86,000	86,000
(N)	Rouge River	596,000	596,000
(N)	Rouge River (diked disposal)	2,275,000	2,275,000
(N)	Saginaw River	3,021,000	3,021,000
(FC)	Sebewaing River	56,000	56,000
(N)	Sebewaing River	653,000	653,000
(N)	St. Clair River	752,000	752,000
(N)	St. Joseph Harbor	178,000	178,000
(N)	St. Joseph Harbor (diked disposal)	1,772,000	1,772,000
(MP)	St. Marys River	8,673,000	8,673,000
(N)	Whitefish Pointe Harbor	117,000	117,000
	MINNESOTA		
(FC)	Big Stone Lake-Whetstone River	87,000	87,000
(N)	Duluth-Superior Harbor, Minn. and Wis	1,041,000	1,041,000
(N)	Grand Marais Harbor	57,000	57,000
(N)	Knife River Harbor		89,000
(FC)	Lac Qui Parle Lake	173,000	173,000
(FC)	Lake Traverse, Minn. and S. Dak	297,000	297,000
(N)	Minnesota River	177,000	177,000
(FC)	Orwell Lake	99,000	99,000
(FC)	Red Lake Reservoir	48,000	48,000
(N)	Reservoirs at headwaters of Mississippi River	1,240,000	1,240,000
(N)	St. Croix River, Minn. and Wis	118,000	118,000
(N)	Two Harbors Harbor	243,000	243,000
(N)	Warroad Harbor		347,000

OPERATION AND MAINTENANCE—STATE AND PROJECT—Continued

Type of project		Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
	MISSISSIPPI		
(N)	Biloxi Harbor	$394,000	$394,000
(N)	Cadet Bayou	148,000	148,000
(N)	Gulfport Harbor	1,219,000	1,219,000
(FC)	Okatibbee Lake	521,000	521,000
(N)	Pascagoula Harbor	2,536,000	2,536,000
(N)	Pearl River, Miss. and La	99,000	99,000
(N)	Rosedale Harbor	91,000	91,000
(N)	Yazoo River	55,000	55,000
	MISSOURI		
(MP)	Clarence Cannon Dam and Reservoir	1,045,000	1,045,000
(FC)	Clearwater Lake	1,576,000	1,576,000
(MP)	Harry S. Truman Dam and Reservoir	2,650,000	2,650,000
(FC)	Long Branch Lake	345,000	345,000
(FC)	Meramec Park Lake	185,000	185,000
(N)	New Madrid Harbor	142,000	142,000
(FC)	Pomme de Terre Lake	941,000	941,000
(FC)	Smithville Lake	410,000	410,000
(MP)	Stockton Lake	1,384,000	1,384,000
(MP)	Table Rock Lake	2,446,000	2,446,000
	MONTANA		
(MP)	Fort Peck Lake	1,855,000	1,855,000
(MP)	Libby Dam-Lake Koocanusa	2,051,000	2,051,000
	NEBRASKA		
(MP)	Gavins Point Dam-Lewis and Clark Lake, Nebr. and S. Dak.	4,197,000	4,197,000
(FC)	Harlan County Lake	1,370,000	1,370,000
(FC)	Papillion Creek and Tributaries Lakes	156,000	156,000
(FC)	Salt Creek and Tributaries Lakes	290,000	290,000
	NEVADA		
(FC)	Martis Creek Lake, Nev. and Calif	185,000	185,000
(FC)	Pine and Mathews Canyon Lakes	51,000	51,000
	NEW HAMPSHIRE		
(FC)	Blackwater Dam	156,000	156,000
(FC)	Edward MacDowell Lake	223,000	223,000
(FC)	Franklin Falls Dam	964,000	964,000
(FC)	Hopkinton-Everett Lakes	408,000	408,000
(FC)	Otter Brook Lake	249,000	249,000
(N)	Portsmouth Harbor and Piscataqua River	475,000	475,000
(FC)	Surry Mountain Lake	327,000	327,000
	NEW JERSEY		
(N)	Absecon Inlet	305,000	305,000
(N)	Barnegat Inlet	310,000	310,000
(N)	Delaware River, Philadelphia to sea, New Jersey, Delaware, and Pennsylvania	16,841,000	16,841,000
(N)	Delaware River, Philadelphia to Trenton	1,560,000	1,560,000
(N)	Keyport Harbor	336,000	336,000
(N)	Manasquan River	155,000	155,000
(N)	Matawan Creek	336,000	336,000
(N)	New Jersey Intracoastal Waterway	702,000	702,000
(N)	Raritan River	1,200,000	1,200,000
(N)	Shrewsbury River	403,000	403,000
	NEW MEXICO		
(FC)	Abiquiu Dam	382,000	382,000
(FC)	Cochiti Lake	660,000	660,000
(FC)	Conchas Lake	539,000	539,000
(FC)	Galisteo Dam	91,000	91,000
(FC)	Jemez Canyon Dam	160,000	160,000
(FC)	Los Esteros Lake	248,000	248,000
(FC)	Two Rivers Dam	92,000	92,000
	NEW YORK		
(FC)	Almond Lake	192,000	192,000
(FC)	Arkport Dam	73,000	73,000
(N)	Bay Ridge and Red Hook Channels	1,008,000	1,008,000
(N)	Black Rock Channel and Tonawanda Harbor	1,180,000	1,180,000
(N)	Bronx River	358,000	358,000
(N)	Browns Creek	60,000	60,000
(N)	Buffalo Harbor	1,270,000	1,270,000
(N)	Cape Vincent Harbor	590,000	590,000
(N)	East Rockaway Inlet	501,000	501,000
(FC)	East Sidney Lake	243,000	243,000
(N)	Hudson River Channel	1,898,000	1,898,000
(N)	Hudson River	1,735,000	1,735,000
(N)	Jamaica Bay	600,000	600,000
(N)	Jones Inlet	836,000	836,000
(N)	Long Island Intracoastal Waterway	460,000	460,000
(N)	Mamaroneck Harbor	1,120,000	1,120,000
(N)	Mattituck Harbor	143,000	143,000
(FC)	Mount Morris Lake	570,000	570,000
(N)	New York and New Jersey Channels, N.Y. and N.J.	956,000	956,000
(N)	New York Harbor	1,898,000	1,898,000
(N)	New York Harbor (drift removal)	2,426,000	2,426,000
(N)	New York Harbor (prevention of obstructive deposits)	590,000	590,000
(N)	Newtown Creek	168,000	168,000
(N)	Oswego Harbor	150,000	150,000
(N)	Rochester Harbor	1,140,000	1,140,000
(FC)	Southern New York flood control projects	272,000	272,000
(N)	Westchester Creek	840,000	840,000
(FC)	Whitney Point Lake	398,000	398,000
	NORTH CAROLINA		
(N)	Atlantic Intracoastal Waterway (Wilmington District)	13,669,000	13,669,000
(FC)	B. Everett Jordan Dam and Lake	255,000	255,000
(N)	Beaufort Harbor	262,000	262,000
(N)	Cape Fear River above Wilmington	314,000	314,000
(N)	Channel Back Sound to Lookout Bight	138,000	138,000
(N)	Lockwoods Folly River	219,000	219,000
(N)	Manteo (Shallowbag) Bay	967,000	967,000
(N)	Morehead City Harbor	1,890,000	1,890,000
(N)	Ocracoke Inlet	591,000	591,000
(N)	Silver Lake Harbor	430,000	430,000
(FC)	W. Kerr Scott Dam and Reservoir	705,000	705,000
(N)	Wilmington Harbor	2,345,000	2,345,000
	NORTH DAKOTA		
(FC)	Baldhill Dam-Lake Ashtabula	500,000	500,000
(FC)	Bowman-Haley Lake	68,000	68,000
(MP)	Garrison Dam-Lake Sakakawea	4,150,000	4,150,000
(FC)	Homme Lake	97,000	97,000
(FC)	Pipestem Lake	252,000	252,000
	OHIO		
(FC)	Alum Creek Lake	313,000	313,000
(N)	Ashtabula Harbor	715,000	715,000
(N)	Ashtabula Harbor (diked disposal)	2,400,000	2,400,000
(FC)	Berlin Lake	993,000	993,000
(FC)	Caesar Creek Lake	224,000	224,000
(FC)	Clarence J. Brown Dam and Reservoir	271,000	271,000
(N)	Cleveland Harbor	5,733,000	5,733,000
(N)	Conneaut Harbor	175,000	175,000
(FC)	Deer Creek Lake	439,000	439,000
(FC)	Delaware Lake	344,000	344,000
(FC)	Dillon Lake	199,000	199,000
(FC)	East Fork Lake	248,000	248,000
(N)	Fairport Harbor	787,000	787,000
(N)	Huron Harbor	376,000	376,000
(N)	Lorain Harbor	420,000	420,000
(FC)	Massillon	10,000	10,000
(FC)	Michael J. Kirwan Dam and Reservoir	361,000	361,000
(FC)	Mosquito Creek Lake	358,000	358,000
(FC)	Muskingum River reservoirs (14 reservoirs)	3,109,000	3,109,000
(FC)	Newark	10,000	10,000
(FC)	North Branch of Koskosing River Lake	93,000	93,000
(FC)	Paint Creek Lake	354,000	354,000
(N)	Rocky River Harbor	680,000	680,000
(FC)	Roseville	10,000	10,000
(N)	Sandusky Harbor	725,000	725,000
(N)	Sandusky Harbor (diked disposal)	200,000	200,000
(N)	Toledo Harbor	2,385,000	2,385,000
(C)	Tom Jenkins Dam	160,000	160,000
(FC)	West Fork of Mill Creek Lake	217,000	217,000
	OKLAHOMA		
(FC)	Arkansas-Red River Basins chloride control data stations, Oklahoma, Kansas, and Texas	547,000	547,000
(FC)	Birch Lake	319,000	319,000
(MP)	Broken Bow Lake	745,000	745,000
(FC)	Canton Lake	518,000	518,000
(FC)	Clayton Lake	74,000	74,000
(FC)	Copan Lake	233,000	233,000
(MP)	Denison Dam-Lake Texoma, Okla. and Tex	2,875,000	2,875,000
(MP)	Eufaula Lake	1,876,000	1,876,000
(MP)	Fort Gibson Lake	1,574,000	1,574,000
(FC)	Fort Supply Lake	265,000	265,000
(FC)	Great Salt Plains Lake	235,000	235,000
(FC)	Heyburn Lake	214,000	214,000
(FC)	Hugo Lake	627,000	627,000
(FC)	Hulah Lake	394,000	394,000
(FC)	Kaw Lake	672,000	672,000
(MP)	Keystone Lake	1,156,000	1,156,000
(FC)	Ologah Lake	759,000	759,000
(FC)	Optima Lake	248,000	248,000
(FC)	Pensacola Reservoir-Lake O' the Cherokees	5,000	5,000
(FC)	Pine Creek Lake	389,000	389,000
(MP)	Robert S. Kerr lock and dam and reservoir	1,666,000	1,666,000
(MP)	Tenkiller Ferry Lake	1,171,000	1,171,000
(FC)	Waurika Lake	299,000	299,000
(MP)	Webbers Falls lock and dam	1,711,000	1,711,000
(FC)	Wister Lake	238,000	238,000
	OREGON		
(FC)	Blue River Lake	85,000	85,000
(MP)	Bonneville lock and dam	5,325,000	5,325,000
(N)	Chetco River	289,000	289,000
(N)	Columbia and lower Willamette Rivers below Vancouver, Wash. and Portland	4,217,000	4,217,000
(N)	Columbia River at the mouth Oregon and Washington	4,433,000	4,433,000
(N)	Columbia River between Vancouver, Wash. and The Dalles, Oreg.	219,000	219,000
(N)	Coos and Millicoma Rivers	100,000	100,000
(N)	Coos Bay	3,095,000	3,095,000
(N)	Coquille River	208,000	208,000
(FC)	Cottage Grove Lake	425,000	425,000
(MP)	Cougar Lake	580,000	580,000
(N)	Depoe Bay	84,000	84,000
(MP)	Detroit Lake	1,320,000	1,320,000
(FC)	Dorena Lake	210,000	210,000

OPERATION AND MAINTENANCE—STATE AND PROJECT—Continued

Type of project		Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
(FC)	Fall Creek Lake	$385,000	$385,000
(FC)	Fern Ridge Dam and Lake	485,000	485,000
(MP)	Green Peter—Foristar Lakes	1,100,000	1,100,000
(MP)	Hills Creek Lake	655,000	655,000
(MP)	John Day lock and dam, Oregon and Washington	5,688,000	5,688,000
(MP)	Lookout Point Lake	1,735,000	1,735,000
(MP)	Lost Creek Lake	1,430,000	1,430,000
(MP)	McNary lock and dam, Oregon and Washington	6,298,000	6,298,000
(N)	Port Orford	418,000	418,000
(N)	Rogue River Harbor at Gold Beach	1,044,000	1,044,000
(N)	Siuslaw River	973,000	973,000
(N)	Skipanon Channel	352,000	352,000
(N)	Tillamook Bay and Bar	423,000	423,000
(N)	Umpqua River	1,069,000	1,069,000
(N)	Willamette River above Portland and Yamhill River	71,000	71,000
(N)	Willamette River at Willamette Falls	365,000	365,000
(FC)	Willamette River bank protection	105,000	105,000
(N)	Yaquina Bay and Harbor	1,048,000	1,048,000
	PENNSYLVANIA		
(N)	Allegheny River	3,274,000	3,274,000
(FC)	Alvin R. Bush Dam	138,000	138,000
(FC)	Aylesworth Creek Lake	67,000	67,000
(FC)	Beltzville Lake	311,000	311,000
(FC)	Blue Marsh Lake	238,000	238,000
(FC)	Conemaugh River Lake	313,000	313,000
(FC)	Cowanesque Lake	82,000	82,000
(FC)	Crooked Creek Lake	370,000	370,000
(FC)	Curwensville Lake	409,000	409,000
(FC)	East Branch Clarion River Lake	459,000	459,000
(N)	Erie Harbor	365,000	365,000
(FC)	Foster Joseph Sayers Dam and Reservoir	309,000	309,000
(FC)	Francis E. Walter Dam	272,000	272,000
(FC)	General Edgar Jadwin Dam and Reservoir	67,000	67,000
(FC)	Johnstown	9,000	9,000
(FC)	Kinzua Dam and Allegheny Reservoir	1,156,000	1,156,000
(FC)	Loyalhanna Lake	497,000	497,000
(FC)	Mahoning Creek Lake	322,000	322,000
(N)	Monongahela River	4,450,000	4,450,000
(FC)	Prompton Lake	175,000	175,000
(FC)	Punxsutawney	14,000	14,000
(FC)	Raystown Lake	1,085,000	1,085,000
(N)	Schuylkill River	577,000	577,000
(FC)	Shenango River Lake, Pa. and Ohio	1,079,000	1,079,000
(FC)	Stillwater Lake	100,000	100,000
(FC)	Tioga-Hammond Lakes	437,000	437,000
(FC)	Tionesta Lake	632,000	632,000
(FC)	Union City Lake	208,000	208,000
(FC)	Woodcock Creek Lake	352,000	352,000
(FC)	York, Indian Rock Dam	139,000	139,000
(FC)	Youghiogheny River Lake	893,000	893,000
	SOUTH CAROLINA		
(N)	Atlantic Intracoastal waterway (Charleston District)	2,560,000	2,560,000
(N)	Charleston Harbor	3,945,000	3,945,000
(N)	Georgetown Harbor	2,270,000	3,020,000
(N)	Little River Inlet, S.C. and N.C	138,000	138,000
(N)	Port Royal Harbor	450,000	450,000
(N)	Shipyard River	330,000	330,000
(N)	Town Creek	160,000	160,000
	SOUTH DAKOTA		
(MP)	Big Bend Dam—Lake Sharpe	2,865,000	2,965,000
(FC)	Cold Brook Lake	72,000	72,000
(FC)	Cottonwood Springs Lake	179,000	179,000
(MP)	Fort Randall Dam—Lake Francis Case	3,880,000	3,880,000
(MP)	Oahe Dam—Lake Oahe, S. Dak. and N. Dak	4,055,000	4,055,000
	TENNESSEE		
(MP)	Center Hill Lake	1,649,000	1,649,000
(MP)	Cheatham lock and dam	2,243,000	2,243,000
(MP)	Cordell Hull Dam and Reservoir	1,811,000	1,811,000
(MP)	Dale Hollow Lake, Tenn. and Ky	1,881,000	1,881,000
(MP)	J. Percy Priest Dam and Reservoir	1,486,000	1,486,000
(MP)	Old Hickory lock and dam	2,549,000	2,549,000
(N)	Tennessee River, Tenn., Ky., and Ala	4,339,000	4,339,000
(N)	Wolf River	209,000	209,000
	TEXAS		
(FC)	Bardwell Lake	419,000	419,000
(FC)	Belton Lake	668,000	668,000
(FC)	Benbrook Lake	739,000	739,000
(N)	Brazos Island Harbor	4,000,000	4,000,000
(FC)	Buffalo Bayou and tributaries	427,000	427,000
(FC)	Canyon Lake	485,000	485,000
(N)	Channel to Port Bolivar	55,000	55,000
(N)	Clear Creek and Clear Lake		140,000
(N)	Corpus Christi ship channel	5,484,000	5,484,000
(N)	Double Bayou		160,000
(FC)	Estelline Spring experimental project	44,000	44,000
(FC)	Ferrells Bridge Dam—Lake O' the Pines	1,200,000	1,200,000
(N)	Freeport Harbor	2,130,000	2,130,000
(N)	Galveston Harbor and channel	4,300,000	4,338,000
(FC)	Granger Lake	371,000	371,000
(FC)	Grapevine Lake	878,000	878,000
(N)	Gulf Intracoastal waterway	6,135,000	7,000,000
(FC)	Hords Creek Lake	291,000	291,000
(N)	Houston ship channel	5,175,000	6,000,000
(FC)	Lake Kemp	169,000	169,000
(FC)	Lavon Lake	735,000	735,000
(FC)	Lewisville Dam	1,302,000	1,302,000
(N)	Matagorda ship channel	2,790,000	2,790,000
(FC)	Navarro Mills Lake	489,000	489,000
(FC)	North Fork Lake	227,000	227,000
(FC)	O.C. Fisher Dam and Lake	$373,000	$373,000
(FC)	Pat Mayse Lake	313,000	313,000
(FC)	Proctor Lake	393,000	393,000
(N)	Sabine-Neches Waterway	5,800,000	5,800,000
(MP)	Sam Rayburn Dam and Reservoir	1,879,000	1,879,000
(FC)	Somerville Lake	550,000	550,000
(FC)	Stillhouse Hollow Lake	551,000	551,000
(N)	Texas City channel		25,000
(MP)	Town Bluff-B.A. Steinhagen Lake	398,000	398,000
(N)	Trinity River and tributaries	653,000	653,000
(FC)	Waco Lake	636,000	636,000
(MP)	Whitney Lake	1,433,000	1,433,000
(FC)	Wright Patman Dam and Lake	1,220,000	1,220,000
	VERMONT		
(FC)	Ball Mountain Lake	368,000	368,000
(N)	Narrows of Lake Champlain	23,000	23,000
(FC)	North Hartland Lake	341,000	341,000
(FC)	North Springfield Lake	472,000	472,000
(FC)	Townshend Lake	275,000	275,000
(FC)	Union Village Dam	145,000	145,000
	VIRGINIA		
(N)	Appomattox River	628,000	628,000
(N)	Atlantic intracoastal waterway	2,064,000	2,274,000
(N)	Chincoteague Inlet	280,000	280,000
(FC)	Gathright Lake	709,000	709,000
(N)	Hampton Roads, Norfolk, and Newport News Harbors (Drift removal)	186,000	186,000
(N)	Hoskins Creek		300,000
(N)	James River	1,006,000	1,006,000
(MP)	John H. Kerr Dam and Reservoir, Va. and N.C	2,801,000	2,801,000
(FC)	John W. Flannagan Dam and Reservoir	457,000	457,000
(N)	Norfolk Harbor (prevention of obstructive deposits)	210,000	210,000
(N)	Norfolk Harbor	2,190,000	2,190,000
(FC)	North Fork of Pound River Lake	340,000	340,000
(MP)	Philpott Lake	953,000	953,000
(N)	Waterway on the coast of Virginia	1,380,000	1,380,000
(N)	Wishart Point		200,000
	WASHINGTON		
(N)	Bellingham Harbor	440,000	440,000
(MP)	Chief Joseph Dam-Rufus Woods Lake	3,593,000	3,593,000
(N)	Columbia River at Baker Bay	155,000	155,000
(N)	Columbia River between Chinook and Sand Island	615,000	615,000
(N)	Cowlitz River	170,000	170,000
(N)	Ediz Hook	25,000	25,000
(N)	Grays Harbor and Chehalis River	3,490,000	3,490,000
(FC)	Howard A. Hanson Reservoir	444,000	444,000
(MP)	Ice Harbor lock and dam	2,335,000	2,335,000
(N)	Lake River	13,000	13,000
(N)	Lake Washington ship canal	2,498,000	2,498,000
(N)	Lewis River	81,000	81,000
(MP)	Little Goose lock and dam—Lake Bryan	1,434,000	1,434,000
(MP)	Lower Granite lock and dam	2,382,000	2,437,000
(MP)	Lower Monumental lock and dam	3,137,000	3,137,000
(FC)	Mill Creek Lake	480,000	480,000
(FC)	Mud Mountain Dam	845,000	845,000
(N)	Nesh Bay	1,200,000	1,200,000
(N)	Puget Sound and its tributary waters	1,055,000	1,055,000
(N)	Quillayute River	475,000	475,000
(N)	Seattle Harbor	255,000	255,000
(N)	Skamokawa Creek	25,000	25,000
(FC)	Stillaguamish River	30,000	30,000
(N)	Swinon ish Channel	235,000	235,000
(FC)	Tacoma, Puyallup River	25,000	25,000
(MP)	The Dalles lock and dam Washington and Oregon	4,352,000	4,352,000
(N)	Willapa River and Harbor and Naselle River	110,000	110,000
(FC)	Wynoochee	544,000	544,000
	WEST VIRGINIA		
(FC)	Beech Fork Lake	332,000	332,000
(FC)	Bluestone Lake	466,000	466,000
(FC)	Burnsville Lake	539,000	539,000
(FC)	East Lynn Lake	553,000	553,000
(FC)	Elkins	105,000	105,000
(N)	Kanawha River	3,580,000	3,580,000
(FC)	R. D. Bailey Lake	317,000	317,000
(FC)	Summersville Lake	615,000	615,000
(FC)	Sutton Lake	1,217,000	2,000,000
(N)	Tygart Lake	407,000	407,000
	WISCONSIN		
(N)	Ashland Harbor	111,000	111,000
(N)	Cornucopia Harbor	64,000	64,000
(FC)	Eau Galle River Lake	374,000	374,000
(N)	Fox River	2,545,000	2,545,000
(N)	Green Bay Harbor	560,000	560,000
(N)	Kenosha Harbor	90,000	90,000
(N)	Kewaunee Harbor (diked disposal)	1,580,000	1,580,000
(N)	La Pointe Harbor	36,000	36,000
(N)	Manitowoc Harbor	305,000	305,000
(N)	Fensaukee Harbor	400,000	400,000
(N)	Port Wing Harbor	73,000	73,000
(N)	Saxon Harbor	72,000	72,000
(N)	Sheboygan Harbor (diked disposal)	1,735,000	1,735,000
	MISCELLANEOUS		
	Environmental and water quality operational studies	5,730,000	5,730,000
	Inspection of completed works	2,863,000	2,863,000
	Scheduling flood control reservoir operations	979,000	979,000

OPERATION AND MAINTENANCE—STATE AND PROJECT—Continued

Type of project	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
PROTECTION OF NAVIGATION		
Removal of sunken vessels and obstructions	$2,000,000	$2,000,000
Protection, clearing, and straightening channels (sec. 3).	200,000	200,000
Prevention of obstructive and injurious deposits	(980,000)	(980,000)
General regulatory functions	40,000,000	40,000,000
Drift removal	($4,122,000)	($4,122,000)
Removal of aquatic growth	(2,943,000)	(2,943,000)
Project condition surveys	3,379,000	3,379,000
Surveillance of northern boundary waters	1,000,000	1,000,000
General reduction for savings and efficiencies		−4,747,000
Total, operations and maintenance	825,500,000	848,500,000

Type of Project:
(N) Navigation
(FC) Flood Control
(BE) Beach Erosion Control
(MP) Multiple-Purpose, Including Power

Alaska Hydroelectric Power Development Fund

The conferees agree with the Senate report language regarding the Alaska Hydroelectric Power Development Fund.

Revolving Fund

The conferees direct that prior to the acquisition of new automatic data processing equipment the Corps is to submit a detailed plan to the House and Senate Committee on Appropriations for approval.

TITLE III—DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

General Investigations

Amendment No. 20: Appropriates $34,451,000 for general investigations instead of $36,905,000 as proposed by the House and $34,176,000 as proposed by the Senate.

The appropriations are to be allocated as shown on the following table:

GENERAL INVESTIGATIONS—STATE AND PROJECT

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
ARIZONA		
Boulder Canyon, Hoover powerplant modifications	$252,000	$252,000
Colorado River storage project power peaking capacity (see Utah).		
Energy research and development program, geothermal (see California).		
Geothermal resource investigations (see California).		
Lower Colorado River water conservation and efficient use program (see California).		
Reclamation and energy resources, LMNRA Wilderness designation.	610,000	610,000
Water conservation opportunities, Imperial District (see California).		
Whipple Wash pumped-storage (see California).		
CALIFORNIA		
Central Valley:		
Fish and wildlife management study	200,000	200,000
Sacramento River division, Red Bluff diversion dam powerplant.	80,000	80,000
Sacramento River division, West Sacramento Canal unit reformulation.	95,000	145,000
Shasta division, Keswick powerplant enlargement	40,000	40,000
Delta support studies	700,000	835,000
Energy research and development (geothermal) (see Colorado).		
Geothermal resource investigations	910,000	910,000
Lahontan basin total water management study (see Nevada).		
Lower Colorado River water conservation and efficient use program.	30,000	30,000
Orland Stony Gorge-East Park powerplants	85,000	85,000
Susanville geothermal investigations	325,000	325,000
Truckee River basin study, Boca-Prosser powerplants	90,000	90,000
Ventura County water management	120,000	120,000
Water conservation opportunities, Imperial Irrigation District.	50,000	50,000
Whipple Wash pumped-storage	200,000	200,000
Wind-hydroelectric opportunities study	50,000	100,000
COLORADO		
Colorado River storage project power peaking capacity (see Utah).		
Dominguez Reservoir	100,000	100,000
Energy research and development	677,000	677,000
Front Range unit (Long's Peak division, P-SMBP)	105,000	105,000
Grand Mesa reformulation	100,000	100,000
Llano Estacado, Playa Lake water resources study (see New Mexico).		
Low-head hydroelectric evaluation and inventory	421,000	421,000
Platte River study (see Nebraska).		
Republican River Basin water management study (see Nebraska).		
Upper Colorado resource study	10,000	10,000
Water resources planning and engineering research	2,962,000	2,962,000
Wind-hydroelectric energy (see Wyoming).		
IDAHO		
Boise, Anderson Ranch powerplant—3d unit	10,000	10,000
Boise power and modification study	370,000	370,000
Minidoka, Minidoka powerplant rehabilitation and enlargement	35,000	35,000
Owyhee powerplant	106,000	106,000
Palisades powerplant enlargement	79,000	
Southwest Idaho water management study	105,000	105,000
Upper Snake River, Oakley fan division reformulation	10,000	10,000
Upper Snake River water management study	110,000	100,000
Llano-Estacado Playa Lake water resources study (see New Mexico).		
KANSAS		
Solomon River Basin water management study (P-SMBP)	$243,000	$243,000
MONTANA		
Republican River Basin water management study (P-SMBP) (see Nebraska).		
Canyon Ferry powerplant	95,000	95,000
Fort Benton reformulation	75,000	75,000
Gibson powerplant study (Sun River)	100,000	100,000
Hungry Horse, Hungry Horse powerplant enlargement and reregulating reservoir	50,000	50,000
Tiber powerplant study (Marias River)	75,000	75,000
Total water management study (P-SMBP) (see South Dakota).		
Yellowtail afterbay powerplant study (Bighorn River)	75,000	75,000
NEBRASKA		
Farwell unit water conservation study (P-SMBP)	40,000	40,000
Little Blue unit reformulation (Blue division, P-SMBP)	150,000	150,000
Otoe-Cass unit (P-SMBP)		75,000
Platte River study (formerly Platte River water management study)	450,000	450,000
Republican River Basin water management study (P-SMBP)	255,000	255,000
Sparks unit (P-SMBP)	150,000	150,000
NEVADA		
Boulder Canyon, Hoover powerplant modification (see Arizona).		
Geothermal resource investigations (see California).		
Lahontan Basin total water management study	75,000	75,000
Lower Colorado River water conservation and efficient use program (see California).		
Reclamation and energy resources, LMNRA wilderness designation (see Arizona).		
NEW MEXICO		
Energy research and development program (see California).		
Geothermal resource investigations (see California).		
Llano-Estacado Playa Lake resources study (formerly Llano-Estacado total water management study)	200,000	200,000
Lower Colorado River water conservation and efficient use program (see California).		
Raton water supply	80,000	80,000
Santa Cruz Dam and Reservoir		50,000
Tularosa Basin water and energy study	200,000	200,000
NORTH DAKOTA		
Apple Creek unit (P-SMBP)		100,000
Garrison diversion unit, M. & I. water facilities (Garrison division, P-SMBP)	100,000	100,000
Total water management study (P-SMBP) (see South Dakota).		
OKLAHOMA		
Geary	100,000	100,000
Llano Estacado Playa Lake water resources study (see New Mexico).		
Norman water augmentation study (formerly Norman modification)	8,000	8,000
Seward	70,000	70,000
OREGON		
Boise power and modification study (see Idaho).		
Grande Ronde River study		100,000
Klamath, Butte Valley division	30,000	30,000
Klamath project, main division, A-canal		50,000

GENERAL INVESTIGATIONS—STATE AND PROJECT—Continued

	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
Lower Deschutes River study	$125,000	$125,000
Owyhee powerplant (see Idaho).		
Rogue River basin, Grants Pass division	95,000	95,000
Rogue River basin, Medford division reformulation	129,000	129,000
Siletz River basin	75,000	75,000
Umatilla basin	180,000	180,000
Upper John Day	125,000	125,000
SOUTH DAKOTA		
Eastern South Dakota M. & I. studies, James division (formerly Oahe unit, M. & I. water facilities)	100,000	
Lower James, Fort Randall water diversion proposal	300,000	300,000
Kaspapi unit	75,000	75,000
Oahe riverside irrigation study	150,000	100,000
Total water management study, Missouri River upstream of Gavins Point (P-SMBP)	120,000	120,000
Web domestic water pipeline		100,000
TEXAS		
Llano-Estacado total water management study (see New Mexico).		
Nueces River Basin study	200,000	200,000
Texas Basin, Big Cow Creek	150,000	150,000
Texas Basin, Bon Wier	200,000	200,000
UTAH		
Colorado River storage project power peaking capacity	855,000	855,000
Energy research and development program geothermal (see California).		
Geothermal resource investigations (see California).		
Lower Colorado Basin water conservation and efficient use program (see California).		
Upper Colorado resource study (see Colorado).		
Wind-Hydroelectric energy integrated study (see Wyoming).		
WASHINGTON		
Yakima, Cle Elum and Tieton powerplants	210,000	210,000
Yakima Valley water management study	131,000	131,000
WYOMING		
Colorado River storage project power peaking capacity (see Utah).		
Palisades powerplant enlargement (see Idaho).		
Minidoka powerplant rehabilitation and enlargement (see Idaho).		
Upper Snake River, Oakley fan division (see Idaho).		
Upper Snake River water management study (see Idaho).		
Wind River Basin water supply study	$40,000	$40,000
Total water management study (P-SMBP) (see South Dakota).		
Platte River study (see Nebraska).		
Wind-hydroelectric energy integrated study	5,946,000	3,946,000
VARIOUS		
Colorado River water quality improvement	2,456,000	2,615,000
General engineering and research:		
Atmospheric water resources management	7,871,000	9,371,000
Development of cloud seeding techniques	(500,000)	(2,000,000)
General planning studies	250,000	250,000
Special investigations:		
Environmental and interagency coordination activities	2,095,000	2,095,000
Investigations of existing projects	499,000	499,000
Minor work in connection with completed project investigations	915,000	915,000
Technical assistance to States	105,000	105,000
Print reports	35,000	35,000
Projects not yet identified	25,000	25,000
Total, various	14,260,000	15,910,000
Distributive charges for service facilities, unliquidated obligations, etc.	−54,000	−54,000
General reduction due to slippage, savings, and carryover balances	−1,250,000	−1,250,000
Classified pay raise (Executive Order 12087)	500,000	500,000
Total, general investigations	34,320,000	34,451,000

Construction and rehabilitation

Amendment No. 21: Appropriates $213,053,000 for construction and rehabilitation instead of $215,453,000 as proposed by the House and $205,953,000 as proposed by the Senate.

The conferees direct that of the funds previously appropriated for the Auburn Dam, California, $20 million is to remain available pending completion of the study of the safety aspects of the project.

The conferees agree with the Senate report language regarding the Garrison Diversion Unit, N.D. and American Falls Dam, Idaho.

The conferees recommend an appropriation of $1,500,000 for the O'Neill Unit in Nebraska The Bureau of Reclamation is under court injunction prohibiting further project construction until additional information regarding site geology and dam stability is developed. Based on the current information it will take most of fiscal year 1980 to develop the information required by the court, thereby reducing the funding needed by $4,500,000. The amount recommended is required to develop and prepare a supplement to the final environmental impact statement. This action is based solely on budgetary grounds and is not to be construed as diminished support for this project. The conferees direct that within sound engineering practice and insofar as is reasonable and does not violate state law, minimal stream flow from the Norden Dam in the O'Neill unit complex shall be no less than 100 cubic feet per second (cfs) when water supplies permit and no less than 50 cfs even in time of drought or water scarcity as determined by the Bureau of Reclamation. The conferees hereby refer to Federal Government control over releases of water from Federal projects and do not intend to imply any change in the historic right of a state to allocate its own water supplies.

The appropriations are to be allocated as shown on the following table:

CONSTRUCTION AND REHABILITATION—STATE AND PROJECT

	Fiscal year 1980 Budget estimates Construction	Budget estimates Planning	Conference allowance Construction	Conference allowance Planning
CALIFORNIA				
Central Valley project:				
Allen Camp unit		$75,000		$75,000
Sacramento River division	$27,704,000		$27,704,000	
San Luis unit	4,810,000		4,810,000	
Auburn-Folsom South unit:				
Auburn Dam and Reservoir	926,000		926,000	
Auburn area facilities	100,000		100,000	
Folsom South area facilities	100,000		100,000	
All other Auburn-Folsom South unit facilities	11,779,000		11,779,000	
Subtotal, Auburn-Folsom South unit	12,905,000		12,905,000	
Miscellaneous project programs	12,077,000		12,077,000	
San Felipe division	20,884,000		20,884,000	
Total, Central Valley project	78,380,000	75,000	78,380,000	75,000
COLORADO				
Fryingpan-Arkansas project	24,727,000		24,727,000	
San Luis Valley project, closed Basin division	4,168,000		4,168,000	
IDAHO				
Teton Basin project, lower Teton division	500,000		500,000	
NEVADA				
Southern Nevada water project	$41,041,000		$41,041,000	
NEW MEXICO				
Brantley project	6,000,000		1,000,000	
OKLAHOMA				
McGee Creek project	115,400,000		9,000,000	
TEXAS				
Nueces River project	15,470,000		15,470,000	
Palmetto Bend project	2,560,000		2,560,000	
WASHINGTON				
Chief Joseph Dam project, Oroville-Tonasket unit	2,000,000		2,000,000	
Columbia Basin project:				
Irrigation facilities	30,736,000		30,736,000	
Block 26 laterals			1,500,000	
East High area environmental impact statement			100,000	
Third powerplant	9,100,000		9,100,000	
Total, Columbia Basin project	39,836,000		41,436,000	
Yakima project, Kennewick division		$300,000		$300,000

CONSTRUCTION AND REHABILITATION—STATE AND PROJECT—Continued

	Fiscal year 1980			
	Budget estimates		Conference allowance	
	Construction	Planning	Construction	Planning
VARIOUS				
Colorado River comprehensive environmental statement		$900,000		
Drainage and minor construction:				
Boise project, Payette division, Idaho	$504,000		$504,000	
Klamath project, Oregon-California	1,626,000		1,626,000	
Leadville drainage tunnel project, Colorado	25,000		25,000	
Little Wood River project, Idaho	100,000		100,000	
Mann Creek project, Idaho	100,000		100,000	
Minidoka project, American Falls Dam, Idaho	224,000		224,000	
Miscellaneous engineering services, Colorado	10,000		10,000	
Mountain Park project, Oklahoma	100,000		100,000	
Recreation facilities at existing reservoirs, various States	240,000		240,000	
Rogue River basin project, Savage Rapids Dam fishway modifications, Oregon	193,000		193,000	
San Angelo project, Texas	1,000,000		1,000,000	
Solano project-Lake Berryessa recreational facilities, California	1,329,000		1,329,000	
Tualatin project, Oregon	600,000		600,000	
Ventura River project-Casitas Reservoir open space, California	4,510,000		4,510,000	
Washita basin project, Oklahoma	500,000		500,000	
Washoe project, Nevada-California	735,000		735,000	
Total, drainage and minor construction	11,796,000		11,796,000	
Rehabilitation and betterment:				
Carlsbad project, New Mexico	450,000		450,000	
Central Oregon irrigation district, Oregon	344,000		344,000	
Central Valley project, Georgetown divide public utility district, California	1,594,000		1,594,000	
Crooked River project, Ochoco Irrigation District, Oreg.	24,000		24,000	
Huntley project, Montana	600,000		600,000	
Lower Yellowstone project, Montana	500,000		500,000	
Minidoka project, Burley irrigation district, Idaho	195,000		195,000	
P-SMBP, Frenchman-Cambridge division, Nebraska	700,000		700,000	
Roosevelt water Conservation District, Ariz	700,000		700,000	
Salt River project, Arizona	942,000		942,000	
Shoshone project, Garland division, Wyoming	600,000		600,000	
Shoshone project, Wilwood division, Wyoming	100,000		100,000	
Sun River, Greenfield division, Wyoming	900,000		900,000	
Yakima project, Grandview Irrigation District, Wash	100,000		100,000	
Total, rehabilitation and betterment of existing projects	7,749,000		7,749,000	
Safety of dams:				
American Falls Dam, Idaho			$19,200,000	
Bartlett Dam, Ariz			3,000,000	
Boise project, Black Canyon Dam, Idaho	$250,000		250,000	
Minidoka project, Jackson Lake Dam, Wyo	200,000		200,000	
Minidoka project, Island Park Dam, Idaho	1,761,000		1,761,000	
Newlands project, Lahontan Dam, Nev	2,076,000		2,076,000	
Orland project, Stony Gorge Dam, Calif	1,155,000		1,155,000	
Rapid Valley project, Deerfield Dam, S. Dak	700,000		700,000	
Safety of dams, miscellaneous construction, various States	1,000,000		1,000,000	
Sun River project, Gibson Dam, Mont	450,000		450,000	
Sun River project, Willow Creek Dam, Mont	500,000		500,000	
Total safety of dams	8,092,000		30,292,000	
PICK-SLOAN MISSOURI BASIN PROJECT				
MONTANA				
Lower Marias unit, Tiber Dam modifications	5,770,000		5,770,000	
NEBRASKA				
North Loup Division	11,950,000		11,950,000	
O'Neill unit	6,000,000		1,500,000	
SOUTH DAKOTA				
Oahe unit	180,000		180,000	
Pollock-Herreid unit		$200,000		$200,000
WYOMING				
Riverton unit	4,517,000		4,517,000	
VARIOUS				
Drainage and minor construction:				
Dickinson unit, North Dakota	1,255,000		1,255,000	
East Bench unit, Montana	100,000		100,000	
Frenchman-Cambridge unit, Nebraska	134,000		134,000	
Helena Valley unit, Montana	100,000		100,000	
Owl Creek unit, Wyoming	70,000		70,000	
Yellowtail unit, Montana-Wyoming	300,000		300,000	
Total, drainage and minor construction	1,959,000		1,959,000	
Total, Pick-Sloan Missouri Basin program	30,376,000	200,000	25,876,000	200,000
Unidentified anticipated unobligated balance brought forward	−56,000,000		−56,000,000	
Undistributed reduction based upon anticipated delays	−20,417,000		−27,517,000	
Subtotal	311,678,000	1,475,000	212,478,000	575,000
Total, construction and rehabilitation	313,153,000		213,053,000	
Full funding requested for new construction starts not included in allowance	−106,400,000			
Total, net construction and rehabilitation (excluding full funding)	206,753,000		213,053,000	

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts language relating to American Falls Dam, Idaho.

Colorado River Basin salinity control projects

Amendment No. 23: Appropriates $34,761,000 for Colorado River Basin salinity control projects instead of $38,194,000 as proposed by the House and $32,348,000 as proposed by the Senate.

The funds appropriated are to be allocated as shown on the following table:

Colorado River Basin salinity control—State and project	Fiscal year 1980 Budget estimate	Fiscal year 1980 Conference allowance
TITLE II		
COLORADO		
Grand Valley systems improvement and management unit	$7,071,000	$3,650,000
Paradox Valley unit	3,175,000	3,163,000
NEVADA		
Las Vegas Wash unit	4,573,000	573,000
Subtotal, title II	14,819,000	7,386,000
VARIOUS		
TITLE I		
Measures below Imperial Dam	23,000,000	27,000,000
Classified pay raise (E.O. 12087)	375,000	375,000
Subtotal, title I	23,375,000	27,375,000
Total, Colorado River Basin salinity control	38,194,000	34,761,000

Operation and maintenance

The conferees call attention of the Department of Interior to the Senate report language regarding the Washoe Project, Nevada (Stampede Division) and agree that nothing with respect to this appropriation should be construed as ratification or approval of the current or past operations of the Stampede Division of the Washoe project.

Loan program

The conferees have included, within available funds, $368,000 for the Lewiston Orchards Irrigation District, Idaho, as proposed by the Senate.

General provisions

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the per acre repayment obligation in Block 26 of the Columbia Basin

project, Washington, shall be the same as those set forth in repayment contract 11 B 1444, dated October 9, 1945, as amended.

TITLE IV—INDEPENDENT AGENCIES

FUNDS APPROPRIATED TO THE PRESIDENT

Appalachian regional development programs

Amendment No. 25: Appropriates $356,500,000 for the Appalachian regional development programs as proposed by the House instead of $358,600,000 as proposed by the Senate.

Amendment No. 26: Earmarks $229,000,000 for the Appalachian development highway system as proposed by the House instead of $224,000,000 as proposed by the Senate.

The conferees agree with the report language of the House, including $14,300,000 for the recently authorized Corridor X development highway.

DELAWARE RIVER BASIN COMMISSION

Contribution to Delaware River Basin Commission

Amendment No. 27: Appropriates $257,000 for the contribution to the Delaware River Basin Commission as proposed by the Senate instead of $383,000 as proposed by the House.

NUCLEAR REGULATORY COMMISSION

Salaries and expenses

Amendment No. 28: Appropriates $363,340,000 for salaries and expenses of the Nuclear Regulatory Commission as proposed by the Senate instead of $358,340,000 as proposed by the House. The conference agreement includes a total of 3,034 permanent positions for fiscal year 1980.

TENNESSEE VALLEY AUTHORITY

Payment to Tennessee Valley Authority Fund

Amendment No. 29: Appropriates $148,677,000 for payment of the Tennessee Valley Authority Fund as proposed by the Senate instead of $146,177,000 as proposed by the House.

Amendment No. 30: Reported in disagreement.

WATER RESOURCES COUNCIL

Water resources planning

Amendment No. 31: Appropriates $34,614,000 for water resources planning instead of $37,556,000 as proposed by the House and $24,002,000 as proposed by the Senate.

Amendment No. 32: Earmarks $2,788,000 for expenses to administer the act as proposed by the Senate instead of $4,330,000 as proposed by the House.

Amendment No. 33: Earmarks $3,112,000 for preparation of assessments and plans as proposed by the House instead of $2,815,000 as proposed by the Senate.

Amendment No. 34: Earmarks $3,134,000 for expenses of river basin commissions as proposed by the House instead of $3,119,000 as proposed by the Senate.

Amendment No. 35: Earmarks $21,000,000 for title III grants to States as proposed by the House instead of $10,700,000 as proposed by the Senate.

Amendment No. 36: Earmarks $4,000,000 for the Upper Mississippi Comprehensive Management Plan as proposed by the Senate instead of $5,400,000 as proposed by the House.

TITLE V—GENERAL PROVISION

Construction of an extension to the New Senate Office Building

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $57,480,700 for continued construction of the Hart Senate Office Building, establishing a ceiling on the total cost of the building of $142,627,700, providing for the transfer of personnel and property from existing buildings to the new building upon completion and directing the Architect of the Capitol to submit a report to the Senate on the costs of razing and/or renovating certain existing buildings.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follow:

New budget (obligational) authority, fiscal year 1979	[1] $10,381,887,900
Budget estimates of new (obligational) authority, fiscal year 1980—All titles	[2] [3] 11,051,972,700
Titles I through IV	[3] (10,994,492,000)
House bill, fiscal year 1980—All titles	10,685,930,000
Titles I through IV	(10,685,930,000)
Senate bill, fiscal year 1980—All titles	10,886,495,700
Titles I through IV	(10,829,015,000)
Conference agreement—All titles	10,856,475,700
Titles I through IV	(10,798,995,000)
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1979—All titles	+474,587,800
Titles I through IV	(+417,107,100)
Budget estimates of new (obligational) authority, fiscal year 1980—All titles	−195,497,000
Titles I through IV	(−195,497,000)
House bill, fiscal year 1980—All titles	170,545,700
Titles I through IV	(+113,065,000)
Senate bill, fiscal year 1980—All titles	−30,020,000
Titles I through IV	(−30,020,000)

[1] Includes supplemental appropriations (H.R. 4289) amounts.
[2] Includes request of $57,480,700 for New Senate Office Bldg. not considered by the House.
[3] Excludes $505,092,000 not allowed for full funding.

TOM BEVILL,
EDWARD P. BOLAND,
JOHN M. SLACK,
LINDY (MRS. HALE) BOGGS,
BILL CHAPPELL,
JOHN W. JENRETTE, JR.,
JULIAN C. DIXON,
JAMIE L. WHITTEN,
JOHN T. MYERS,
CLAIR W. BURGENER,
VIRGINIA SMITH,
SILVIO O. CONTE
(except as to amendments Nos. 18, 30, and 37),
Managers on the part of the House.

J. BENNETT JOHNSTON,
JOHN C. STENNIS,
WARREN G. MAGNUSON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
WALTER D. HUDDLESTON,
QUENTIN N. BURDICK,
JIM SASSER
(except amendment No. 30),
DENNIS DECONCINI,
MARK O. HATFIELD,
MILTON R. YOUNG,
RICHARD S. SCHWEIKER,
HENRY BELLMON,
JAMES A. MCCLURE,
JAKE GARN,
HARRISON SCHMITT,
Managers on the part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. CHISHOLM (at the request of Mr. WRIGHT), for July 26, 27, and 30, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma), to revise and extend their remarks, and to include extraneous matter:)

Mr. JEFFRIES, for 5 minutes, today.
Mr. BOB WILSON, for 5 minutes, today.
Mr. MILLER of Ohio, for 10 minutes, today.
Mr. WYDLER, for 5 minutes, today.

(The following Members (at the request of Mr. WOLPE) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. HOWARD, for 5 minutes, today.
Mr. AUCOIN, for 5 minuutes, today.
Mr. PEASE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROE, immediately following the remarks of Mr. MCCORMACK during consideration of H.R. 3000 in the Committee of the Whole today.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous matter:)

Mr. SHUSTER in two instances.
Mr. SYMMS in three instances.
Mr. ANDERSON of Illinois in two instances.
Mr. DERWINSKI in two instances.
Mr. MILLER of Ohio in three instances.
Mr. COURTER.
Mr. VANDER JAGT.
Mr. FINDLEY.
Mr. PHILIP M. CRANE in two instances.
Mr. MCKINNEY.
Mr. BROYHILL in two instances.
Mr. DOUGHERTY in two instances.
Mr. MICHEL.

(The following Members (at the request of Mr. WOLPE) and to include extraneous matter:)

Mr. GUDGER in two instances.
Mr. MCCORMACK.
Mr. RANGEL.
Mr. MAVROULES.
Mr. FORD of Tennessee.
Mr. FORD of Michigan.
Mr. WIRTH.
Mr. ROSENTHAL.
Mr. MINISH.
Mr. LAFALCE.
Mr. WEAVER.
Mr. MILLER of California.
Mr. SANTINI.
Mr. DINGELL in five instances.
Mr. HOWARD.
Mr. SCHEUER.
Mr. SHANNON.
Mr. CHARLES H. WILSON of California in two instances.
Mr. LONG of Louisiana.
Mr. OBEY.
Mr. MARKEY.

ADJOURNMENT

Mr. WOLPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, Friday, July 27, 1979 at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2122. A communication from the President of the United States, transmitting proposed supplemental appropriations language for fiscal year 1979 and amendments to the requests for appropriations for fiscal year 1980 (H. Doc. No. 96–168); to the Committee on Appropriations and ordered to be printed.

2123. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize additional appropriations for the Department of State for Migration and Refugee Assistance for fiscal years 1980 and 1981; to the Committee on Foreign Affairs.

2124. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2125. A letter from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2126. A letter from the president, U.S. Capitol Historical Society, transmitting the Society's audit report for the year ended January 31, 1979, pursuant to section 13(a) of Public Law 95–493; to the Committee on the Judiciary.

2127. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting the seventh annual report on the ocean dumping permit program, covering calendar year 1978, pursuant to section 112 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended; to the Committee on Merchant Marine and Fisheries.

2128. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement and supplemental information on the Kaskaskia Island Drainage and Levee District project, Illinois, pursuant to section 404(r) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Omitted from the Record of July 25, 1979*]

Mr. ULLMAN: Committee on Ways and Means. H.R. 2172. A bill to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes; with amendment (Rept. No. 96–125, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted July 26, 1979*]

Mr. CONYERS: Committee on the Judiciary. S. 961. An act to amend the Speedy Trial Act of 1974; with amendments (Rept. No. 96–390). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 389. Resolution waiving certain points of order against H.R. 4930. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96–391). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FORD of Tennessee:

H.R. 4967. A bill to authorize the Commissioner of Education to make grants to Fisk University, Nashville, Tenn., for the William Levi Dawson Institute of Public Affairs; to the Committee on Education and Labor.

By Mr. FOWLER:

H.R. 4968. A bill to amend the Internal Revenue Code of 1954 to provide that in certain cases the net operating loss carryover period for a taxpayer who ceases to be real estate investment trust shall be the same as the net operating loss carryover period for a taxpayer who continues to be real estate investment trust; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 4969. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

By Mr. OBEY (for himself, Mr. RAILSBACK, Mr. THOMPSON, Mr. CONABLE, Mr. BRADEMAS, Mr. ANDERSON of Illinois, Mr. PHILLIP BURTON, Mr. BUCHANAN, Mr. UDALL, Mr. FISH, Mr. GIAIMO, Mr. TAUKE, Mr. BARNES, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BERGLAND, Mr. BEILENSON, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BURLISON, Mr. BUTLER, Mr. CARR, Mr. COUGHLIN, Mr. D'AMOURS, Mr. DANIELSON, Mr. DASCHLE, Mr. DELLUMS, Mr. DICKS, Mr. DODD, Mr. DONNELLY, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. ERLENBORN, Mr. ERTEL, Mr. FASCELL, Mrs. FENWICK, Ms. FERRARO, Mr. FINDLEY, Mr. FISHER, Mr. FLOOD, Mr. GEPHARDT, Mr. GILMAN, Mr. GLICKMAN, Mr. GORE, Mr. GUARINI, Mr. HALL of Ohio, Mr. HARKIN, Mr. HARRIS, Mr. HOLLENBECK, Mr. HORTON, Mr. HUGHES, Mr. HUTTO, Mr. JACOBS, Mr. JEFFORDS, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LELAND, Mr. LOWRY, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MCKINNEY, Mr. MADIGAN, Mr. MAGUIRE, Mr. MARKEY, Mr. MAVROULES, Mr. MICA, Mr. MINETA, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. NELSON, Mr. NOLAN, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PEASE, Mr. PETRI, Mr. PRITCHARD, Mr. PREYER, Mr. PRICE, Mr. QUAYLE, Mr. REGULA, Mr. REUSS, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SHARP, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STACK, Mr. STARK, Mr. STUDDS, Mr. SWIFT, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS of Montana, Mr. WIRTH and Mr. WON PAT):

H.R. 4970. A bill to amend the Federal Election Campaign Act of 1971 to reduce campaign contributions by nonparty multicandidate political committees for election for the House of Representatives, and for other purposes; to the Committee on House Administration.

By Mr. HOWARD (for himself and Mr. JOHNSON of California):

H.R. 4971. A bill to promote commercial motor vehicle safety, to prevent injury to commercial motor vehicle operators, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LAFALCE:

H.R. 4972. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. MILLER of California (for himself and Mr. CONYERS, Mr. GORE, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BEILENSON, Mr. BONIOR of Michigan, Mr. BROWN of California, Mr. BUCHANAN, Mr. CARR, Mrs. CHISHOLM, Mr. DELLUMS, Mr. DIXON, Mr. DORNAN, Mr. DOWNEY, Mr. ECKHARDT, Mr. EDGAR, Mr. EDWARDS of California, Mr. GLICKMAN, Mr. GRAY, Mr. GUARINI, Ms. HOLTZMAN, Mr. LENT, Mr. LONG of Maryland, Mr. MAGUIRE, Mr. MARKEY, Mr. MCHUGH, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. NOLAN, Mr. OTTINGER, Mr. PEPPER, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, and Mr. WOLPE):

H.R. 4973. A bill to amend title 18 of the United States Code to impose penalties with respect to certain nondisclosures by business entities as to dangerous products; to the Committee on the Judiciary.

By Mr. NEAL (by request):

H.R. 4974. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PATTERSON (for himself and Mr. BADHAM):

H.R. 4975. A bill to establish the Orange Coast National Urban Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEASE (for himself and Mr. HOWARD):

H.R. 4976. A bill to amend the act of April 8, 1935, to increase the powers and the number of members of the board of trustees of Trinity College of Washington, District of Columbia; to the Committee on the District of Columbia.

By Mr. ROE:

H.R. 4977. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service connected; to the Committee on Veterans' Affairs.

By Mr. TREEN:

H.R. 4978. A bill to establish minimum periods of time for the completion of the consultation procedure required by the Fish and Wildlife Coordination Act in the case of permits related to drilling for oil or gas, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 4979. A bill to establish minimum periods of time for the issuance of permits under section 404 of the Federal Water Pollution Control Act relating to drilling for oil or gas, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. VANDER JAGT:

H.R. 4980. A bill to amend the Internal Revenue Code of 1954 to exempt certain coin-operated gaming devices from taxation; to the Committee on Ways and Means.

By Mr. WRIGHT (for himself, Mr. RHODES, Mr. BENNETT, Mr. CONABLE, Mr. DERWINSKI, Mr. FISHER, Mr. HARRIS, Mr. PICKLE, Mr. RODINO, Mrs. SPELLMAN, and Mr. UDALL):

H.R. 4981. A bill to establish the Citizens' Commission for the Commemoration of the Federal Government Bicentenary Era for the purpose of encouraging and providing activities to commemorate the development of the Federal Government during the period 1776–1800; to the Committee on Post Office and Civil Service.

By Mr. WYDLER:

H.R. 4982. A bill to authorize the creation of Regional Energy Corporations and to authorize the Secretary of the Treasury to provide guarantees for the obligations of such corporations and other financial assistance to such corporation; jointly to the Committees on Interstate and Foreign Commerce, Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. DANIELSON (for himself, Mr. MOORHEAD of California, and Mr. MCCLORY):

H.J. Res. 381. Joint resolution to amend the Ethics in Government Act of 1978; to the Committee on the Judiciary.

By Mr. SAWYER:

H.J. Res. 382. Joint resolution to proclaim March 20, 1980, as "Agriculture Day"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

271. By the SPEAKER: Memorial of the Legislature of the State of Louisiana, relative to dredging of the Amite and Comite Rivers; to the Committee on Public Works and Transportation.

272. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to national health insurance; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

273. Also, memorial of the Legislature of the State of Louisiana, relative to the standards of eligibility for medicaid assistance; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WEAVER:

H.R. 4983. A bill for the relief of Ishrat Rahim and Umair Rahim; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 4984. A bill to authorize the President of the United States to present, in the name of Congress, a Medal of Honor to Herman Miller; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2118: Mr. MATSUI.

H.R. 2414: Mr. ANDERSON of Illinois.

H.R. 3053: Mr. DRINAN, Mr. FAZIO, and Mr. WIRTH.

H.R. 3106: Mr. PETRI, Mr. JEFFRIES, Mr. HEFTEL, and Mr. SHARP.

H.R. 3227: Mr. HANLEY, and Mr. FLORIO.

H.R. 3255: Mr. SCHEUER, Mr. NEAL, Mr. CLAY, Mr. ROYBAL, and Mr. STARK.

H.R. 3286: Mr. WILLIAMS of Montana, and Mr. JENRETTE.

H.R. 3349: Mr. HALL of Texas.

H.R. 4215: Mr. KOGOVSEK.

H.R. 4367: Mr. BROYHILL, Mr. MCDONALD, Mr. LOTT, Mr. TAUKE, Mr. CHAPPELL, Mr. ROBINSON, Mr. MYERS of Indiana, and Mr. HYDE.

H.R. 4685: Mr. LOWRY and Mr. MCCLOSKEY.

H.J. Res. 230: Mr. CAMPBELL, Mr. CORRADA, Mr. DOUGHERTY, Mr. ERTEL, Mr. FAZIO, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FROST, Mr. GUDGER, Mr. HEFNER, Mr. HINSON, Mr. HUGHES, Mr. HUTTO, Mr. HYDE, Mr. JACOBS, Mr. JONES of North Carolina, Mr. KEMP, Mr. KINDNESS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEACH of Louisiana, Mr. LEWIS, Mr. LOTT, Mr. MADIGAN, Mr. MURPHY of New York, Mr. NEAL, Mr. PATTERSON, Mr. PEPPER, Mr. PREYER, Mr. RUDD, Mr. SEBELIUS, Mr. SIMON, Mr. SKELTON, Mr. WOLFF, Mr. WOLPE, and Mr. GRAY.

H. Con. Res. 102: Mr. ATKINSON and Mr. PATTERSON.

H. Res. 302: Mr. MITCHELL of Maryland, Mr. BONER of Tennessee, Mr. BINGHAM, Mr. MOAKLEY, Mr. MINISH, Mr. MURPHY of Pennsylvania, Mr. DRINAN, Mr. CONTE, Mr. FORSYTHE, Mr. EDGAR, and Mr. DOWNEY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 79

By Mr. TAYLOR:

—Page 21, after line 13, insert the following new section:

LOCAL RESIDENT PREFERENCE FOR APPOINTMENTS OF POSTMASTERS IN SMALL COMMUNITIES

SEC. 3. Section 1001(b) of title 39, United States Code, is amended—

(1) by striking out "Officers" and inserting in lieu thereof the following: "(1) Subject to the provisions of paragraphs (2), (3), (4), and (5) of this subsection, officers"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) In making any appointment to the position of postmaster at any post office serving a delivery area which has a population of 25,000 or less, the Postal Service shall appoint to such position—

"(A) an individual who—

"(i) for the one-year period ending on the date on which such appointment is made, has been an employee of the Postal Service in such post office and resided within the delivery area of such post office or the city or town in which such post office is located; and

"(ii) otherwise qualifies for appointment to such position; or

"(B) in any case in which, at the close of the period during which applications for such position are accepted, no individual described in subparagraph (A) of this paragraph has applied for such position, an individual who—

"(i) for the one-year period ending on the date on which such appointment is made, has resided within the delivery area of such post office or the city or town in which such post office is located; and

"(ii) otherwise qualifies for appointment to such position;

unless, at the close of the period during which such applications are accepted, no individual described in subparagraph (A) or (B) of this paragraph has applied for such position.

"(3) The Postal Service shall publish in the Federal Register its list of qualifications for appointment of an individual to a position of postmaster. Such qualifications may not limit consideration to an individual who is already a postal employee.

"(4) In any case in which the position of postmaster becomes available at any post office described in paragraph (2) of this subsection, the Postal Service shall provide to postal patrons of such post office adequate notice that such position is available and that any individual may apply for such position. At a minimum, such notice shall—

"(A) be displayed in a conspicuous place in such post office for the thirty-day period ending on the last date on which applications will be accepted for such position; and

"(B) include a list of the qualifications for appointment of an individual to such position, a description of the duties and responsibilities of the individual appointed to such position, and an explanation of the procedures which will be followed in making the appointment.

"(5) The determination of the population referred to in paragraph (2) of this subsection shall be based on the most recent census taken by the Secretary of Commerce under section 141 of title 13, United States Code.".

Redesignate the subsequent sections accordingly.

H.R. 3000

By Mr. HEFTEL:

—Page 40, after line 23, insert the following new subsection:

(c)(1) There are authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, an amount not to exceed $2,000,000 for the purposes of developing a plan for the consideration, establishment, and implementation of a reserve under the Strategic Petroleum Reserve Plan in the State of Hawaii in order to provide substantial protection against the interruption or reduction of petroleum imports to such State.

(2) The Secretary of Energy shall transmit a copy of such plan to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate before the earlier of March 31, 1980, or the expiration of 180 days after the date of the enactment of this Act.

By Mr. KOSTMAYER:

—Page 79, insert after line 25, the following:

SMALL BUSINESSES

SEC. 814. (a) In order to carry out a policy that the Department maximize procurements of research and development from small businesses, not less than 25 percent, determined on the basis of value, of research and development projects and services procured by the Department with funds authorized to be appropriated under this Act shall be procured from small businesses, except as provided in subsection (b). The preceding sentence shall apply notwithstanding section 15 of the Small Business Act.

(b) If the Secretary determines that compliance with the 25 percent requirement set forth in subsection (a) is impracticable, the Secretary shall transmit to the Committees on Science and Technology, Interstate and Foreign Commerce, Small Business, and Government Operations of the House of Representatives, and to the Committees on Energy and Natural Resources, Governmental Affairs, and Small Business of the Senate, a report which—

(1) apprises such Committees of the impracticability of compliance with such requirement,

(2) lists the reasons for such determination of impracticability, and

(3) presents the measures to be implemented by such Department in order to meet such requirement in subsequent years.

(c) For purposes of this section, the term "small business" shall have the meaning given such term under section 3 of the Small Business Act.

By Mr. RAHALL:

—Page 2, line 4, strike out "$48,000,000" and insert in lieu thereof "$56,000,000".

By Mr. SYMMS:

—Page 40, after line 23, insert the following new subsection:

(c) Notwithstanding the provisions of sub-

section (a)(2), no funds authorized to be appropriated pursuant to this section may be used to promulgate, administer or enforce any regulation or to issue or enforce any order which would have the effect of continuing any mandatory allocation or price controls for crude oil or any petroleum product.

By Mr. VENTO:

—Add the following new section 202:

SEC. 202. (a) There are authorized to be appropriated such funds as may be necessary to the Department of Energy for the fiscal year ending September 30, 1980, for the promulgation and implementation of a regulation under authority available to the President under the Emergency Petroleum Allocation Act of 1973 (Public Law 93-159) providing for the mandatory allocation of middle distillate fuels in amounts specified in (or determined in a manner prescribed by) and at prices specified in (or determined in a manner prescribed by) such regulation. Such regulation shall apply to all middle distillate fuels produced in or imported into the United States.

(b) The regulation under subsection (a) shall take effect not later than fifteen days after its promulgation and, except as provided in subsection (c), may thereafter be amended by the President as provided for in the Emergency Petroleum Allocation Act of 1973.

(c) Any amendment to the regulation under subsection (a) of this Act which, with respect to a class of persons or class of transactions (including transactions with respect to any market level), exempts middle distillate fuels from the provisions of such regulation may take effect only as prescribed in subsections (c), (d), and (e) of section 12 of the Emergency Petroleum Allocation Act of 1973.

H.R. 4034

By Mr. MILLER of Ohio:

—Page 8, add the following after line 24:

"(3) In issuing rules and regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting critical technologies to military use, the difficulty of devising effective safeguards to protect critical goods, and the need to take effective measures to prevent the reexport of critical technologies from other countries to countries that pose a threat to the security of the United States. Such regulations shall not be based upon the assumption that such effective safeguards can be devised.

—Page 37, at the end of line 3, add the following new sentence: "If the President, upon receiving a recommendation from the Secretary of Defense under this subsection, does not notify such office or agency within thirty days after receiving such recommendation that he disapproves such export, the President shall notify Congress of the recommendation of the Secretary of Defense that such export be disapproved and that he has not disapproved such export.".

—Page 55, after line 10, insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(2) There is authorized to be appropriated to the Department of Defense to carry out its functions under section 5 of this Act the sum of $2,500,000 for the fiscal year 1980.

By Mr. SHANNON:

—Page 45, insert the following section after line 21 and redesignate subsequent sections accordingly:

EXPORTS OF HIDES AND SKINS

SEC. 110. Subsection (f)(1) of section 7 of the Export Administration Act of 1969, as such section is redesignated by section 104 (a) of this Act, is amended—

(1) by inserting "(A)" after "(f)(1)"; and

(2) by adding at the end thereof the following:

"(B) Notwithstanding the provisions of subparagraph (A), in order to carry out the policy set forth in section 3(7) of this Act with respect to cattle hides and skins, cattle hides and skins may not be exported in any year in an amount which is a greater percentage of the total supply of cattle hides and skins produced in the United States than the percentage of the total supply of cattle hides and skins produced in the United States which were exported during the years 1974 through 1978. The limitation set forth in the preceding sentence shall not apply if the President, after receiving the recommendations of the Secretary and the Secretary of Agriculture, determines that—

"(i) countries which are major producers of cattle hides and skins and which, on the effective date of this subparagraph, have in effect restrictions on the export from those countries of cattle hides and skins resume reasonable levels of exports of cattle hides and skins; or

"(ii) during the last calendar year ending before such determination is made, the supply of cattle hides and skins produced in the United States, after deducting the amount of such hides and skins exported during that calendar year, was sufficient to meet the demands of the domestic economy.

The Secretary and the Secretary of Agriculture shall submit to the President recommendations so that the President has sufficient information to make the determination described in this subparagraph. Before making such recommendations, the two Secretaries shall hold public hearings, after providing reasonable notice thereof, and shall afford interested parties an opportunity to submit written comments, with or without oral presentation, at such hearings. Any determination of the President made under this subparagraph shall be valid for a period of one year.".

H.R. 4040

By Mr. CLAY:

—Page 28, line 6: strike the words "male persons" and insert in lieu thereof "citizens".

Page 28, line 17, strike the words "prepare and".

Page 28, line 18, strike the word "Congress" and insert in lieu thereof "states".

Page 28, line 23, strike the word "automatically" and insert in lieu thereof "magically".

Page 29, line 4, strike the word "induct" and insert in lieu thereof "invite".

Page 29, line 16, strike the word "also" and insert in lieu thereof "probably".

Page 29, line 18, strike the word "discretion" and insert in lieu thereof "mood".

Page 30, line 3, strike the word "considers" and insert in lieu thereof "dreams".

Page 30, line 6, strike the words "revise and modernize" and insert in lieu thereof "rehabilitate".

Page 30, line 20, strike the word "periodic" and insert in lieu thereof "spontaneous".

Page 30, line 20, strike the words "training exercises" and insert in lieu thereof "dress rehearsals".

Page 30, line 21, strike the words "training exercises" and insert in lieu thereof "dress rehearsals".

Page 30, line 23, strike the word "shall" and insert in lieu thereof "should".

Page 31, line 6, strike the words "further declares that" and insert in lieu thereof "thinks".

Page 31, line 8, strike the word "other" and insert in lieu thereof "government".

Page 31, line 12, strike the word "functions" and insert in lieu thereof "imagination".

Page 31, line 14, strike the word "reorganization" and insert in lieu thereof "modernization".

Page 31, line 5, strike the word "new" and insert in lieu thereof "special".

By Mrs. SCHROEDER:

—Page 28, strike out line 3 and all that follows down through line 24 on page 30 and insert in lieu thereof the following:

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

SEC. 812. (a) The President shall prepare and transmit to the Congress a plan for reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of resuming registration under the Military Selective Service Act as in existence on the date of enactment of this Act.;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using existing records, together with a discussion of the impact of alternative methods of establishing such a registration system on privacy rights under the Constitution and under statutes protecting such rights (including section 552a of title 5, United States Code), and the impact of such alternative methods on other constitutional issues.

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible;

(8) the desirability, in the interest of preserving discipline and morale in the Armed Forces, of establishing a national youth service program permitting volunteer work, for either public or private public service agencies, as an alternative to military service.

(9) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate; and

(10) other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

Redesignate the succeeding sections accordingly.

By Mr. WOLPE:

—Page 23, line 25, after the word "Appropriations" add the words "Foreign Relations".

Page 23, line 25, after the word "Appropriations" add the words "Government Operations".

Page 24, strike line 11.

Page 24, strike lines 12–15.

Page 24, strike line 16.

Page 24, strike lines 17–18.

Page 24, strike lines 19–21.

Page 24, strike line 22.

Page 24, strike line 23.

Page 25, strike lines 1–3.

Page 25, strige line 4.

Page 25, strike lines 5 and 6.

Page 25, strike lines 7 and 8.

Page 25, strike lines 9 and 10.

Page 25, strike lines 11–13.

Page 25, strike lines 14–16.

Page 25, strike lines 17–19.

Page 25, strike lines 20–22.

Page 25, strike lines 23–25, and lines 1–3, page 26.

Page 29, line 1, strike the words "school records and".

Page 29, line 1, strike the words "school records" and insert in lieu thereof "FBI files".

H.R. 4440

By Mr. ANDERSON of California:

—Page 13, line 16, strike out "$4,000,000" and insert in lieu thereof, "$10,000,000".

Page 13, line 17, strike out "$2,000,000" and insert in lieu thereof, "$5,000,000".

EXTENSIONS OF REMARKS

WHY THE UNITED STATES NEEDS A NEW OIL IMPORTING SYSTEM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. ROSENTHAL. Mr. Speaker, the New York Times yesterday printed under the caption "Why the U.S. Needs a New Oil Importing System" a letter from our distinguished colleague, JOHN CONYERS. I also believe the letter to be noteworthy and, accordingly, bring it to the attention of my colleagues.

The letter follows:

To the Editor:

President Carter's July 15 speech to the nation, to the extent that it dealt with the energy crisis, was riddled with inaccuracy and evasiveness, despite his assertion that the American people want honest answers, not easy or evasive ones. His view that we can substantially reduce our use of foreign oil over the next several years is highly misleading.

His assertion the next day in Kansas City that the world lacks enough oil to meet demand is diversionary cant. His lack of any reference to the role of the oil industry, alongside the OPEC cartel, in engineering shortages, impeding new crude oil development in non-OPEC countries as well as heavy oil production on Federal lands in the U.S., and in promoting exorbitant prices is a glaring evasion.

The public anxiety about oil is not only directed at its soaring price and uncertain supply, but more profoundly reflects their perception of the lack of control over this basic resource. The picture of small number of oil-producing countries and a handful of multinational oil companies arrogantly lording over this essential wealth is understandably an infuriating one.

The latest OPEC prices for oil are a hundred times or more the cost of its production put aboard a tanker. This extraordinary spread between cost and price and the remarkable absence of any competitive challenge is the measure of the price-fixing, supply-restricting powers of the OPEC cartel and the market power of the big oil companies. The greatest fear of both is another world oil glut that would depress prices and undermine their control over supply. A recent study commissioned by the World Bank indicates there are vast untapped petroleum reserves outside of OPEC that could sustain current demand for another few hundred years.

After all, over 80 percent of all oil wells ever drilled exist in North America. The cartel could not survive without the support of "big oil," so heavily committed to the OPEC states through ownership, investment, contractual service and privileged markets, and its collaboration in synchronizing worldwide production, shutting down operating wells, and limiting purchases from non-OPEC producers.

Nothing can be of greater importance than to devise an alternative to the existing oil import structure. That alternative has to create four things: (1) an independent purchasing agent for all foreign oil used in the U.S.; (2) a capability to engage in government-to-government purchases from OPEC countries and create long-term contracts with non-OPEC producers in order to spur development of their reserves; (3) a Federal authority to oversee imports and their allocation in times of shortage, that the U.S. alone among the industrial powers lacks; and (4) a public oil corporation to develop the half of all our domestic energy resources, including competitively priced heavy oil, that exist on Federally owned lands.

The Oil Imports Act of 1979 (H.R. 3604), which Representatives Benjamin Rosenthal, Charles Rose, and myself, along with 42 other members, have sponsored, provides that workable alternative. It would establish a Federal nonprofit corporation whose sole responsibility is to purchase foreign oil at the lowest prices and from the most diverse sources. It would resell the oil in the U.S. in ways that spur competition among domestic marketers, insure equitable distribution and maximize domestic refining capacity.

A new system of oil importing is needed to curb the cartel's pricing power. A public energy corporation to develop energy resources on Federal land would furnish the competitive force so lacking in the industry today. Presidential disregard of the oil market marriage of OPEC and "big oil" is bound to lead to still-born policy.

JOHN CONYERS,
Member of Congress,
First District, Michigan.●

LOUISIANA "MINUTEWOMAN"—HARRIET DAGGETT

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. LONG of Louisiana. Mr. Speaker, I applaud Congresswoman SCHROEDER's "Minutewomen" series and join her celebration of America's outstanding women and their contributions to our history and heritage.

One of Louisiana's energetic daughters, Harriet Spiller Daggett, was the first woman to hold a full-time professorship at a law school accredited by the American Association of Universities and Colleges. As professor of law at Louisiana State University, she produced hundreds of articles and eight books; taught more than a thousand fledgling lawyers; and became the Louisiana authority on mineral law, community property, successions, donations, and laws affecting children. Her book, "The Community Property System of Louisiana" was published in 1931, reprinted in 1945, and is still the basic authority on Louisiana community property law.

At President Harry Truman's invitation; Dr. Daggett acted as technical specialist for the midcentury White House Conference on Children and Youth in 1950. She also worked with the Louisiana Library Commission and the Children's Code Commission and was instrumental in establishing the family court of East Baton Rouge Parish which now serves as a sort of living monument to her energy and competence.

Coming from an oil-rich State, her contributions to mineral law were especially valuable. In 1953, she founded the Louisiana State University Mineral Law Institute to help acquaint lawyers with mineral rights in Louisiana. She was one of the principal architects of the Louisiana Mineral Code.

Dr. Daggett died in 1966 and is honored by a formal portrait in the law building at Louisiana State University. Her contributions to Louisiana jurisprudence and her eloquent defense of the rights of women and children have earned her a place of high regard in Louisiana's history.●

SPEEDING UP OUR PROGRAM FOR FUSION ENERGY

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. McCORMACK. Mr. Speaker, 2 days ago I wrote to acting Under Secretary of Energy, John Deutch, requesting that the Department of Energy consider an aggressive acceleration of the magnetic fusion energy program. The goal of this accelerated effort would be to have a magnetic fusion electric demonstration plant on the line before the end of the century. I consider nuclear fusion to have the greatest future potential of any advanced energy technology; and I believe that we must move forward aggressively to realize the promise of this infinite and cheap supply of usable energy.

A copy of the letter follows:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

COMMITTEE ON SCIENCE AND TECHNOLOGY,
Washington, D.C. July 24, 1979.

Dr. JOHN M. DEUTCH,
U.S. Department of Energy,
Washington, D.C.

DEAR JOHN: As you are aware, the Subcommittee on Energy Research and Production spent several days last week in meetings with its newly formed Fusion Advisory Panel. I was pleased that you had an opportunity to have dinner with the Panel members and to sense the urgency the members of the Panel and I feel with regard to moving forward aggressively with the Magnetic Fusion Program.

The presentations made to the Panel and the Subcommittee by Mr. Kintner and Dr. Canavan of the Department of Energy were extremely helpful and informative. The facts they presented, along with the existing familiarity with the subject by the Panel members, led us to conclude that we must at once explore the possibility of substantially increasing the pace of the Magnetic Fusion Program; much faster than is apparently being contemplated by the Administration. The members of the Panel and I were indeed distressed to hear that the Administration's target date for getting a magnetic fusion electric generation demonstration facility on the line has slipped to the year 2015.

Accordingly, I would like to take this opportunity to formally request that the Department of Energy explore the details of a substantially more aggressive scenario for reaching our goal of commercial fusion electricity. Will you please prepare for the Subcommittee a detailed schedule, including all significant steps and the cost of each, for getting a magnetic fusion electric demonstration plant on the line by the year 1995; and a similar schedule, with details and costs, by the year 2000?

I should advise you that we are completely sincere about moving forward with such a program. I believe that the Congress is prepared to authorize and appropriate the extra funds necessary to accomplish this goal. I see no reason why the Subcommittee would not authorize $250 million more than the Administration's present plan for magnetic fusion for fiscal 1981; and equivalently increased sums for the following fiscal years in order to have a demonstration plant on the line before the end of the century.

We consider the potential contribution of fusion electricity to our society to be of such great importance that it must not, under any circumstances, be limited by routine budgetary considerations.

May I hear from you soon on this matter?

Sincerely,

MIKE MCCORMACK,
Chairman, Subcommittee on Energy Research and Production.●

"BUDGET OF HOPE" STILL THE BEST HOPE FOR OUR COUNTRY

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. VANDER JAGT. Mr. Speaker, at yesterday's news conference Frank Cormier of the Associated Press asked the President, "Republicans in the House are talking about introducing a Budget of Hope as contrasted with what they are calling your Budget of Despair, which is roomy enough to accommodate a large election year tax cut—that will be hard to vote against in an election year, won't it?" The President's response was very distressing. He said, "You can't get something for nothing," and that this was no time for "wastefulness" and "destroying the budget."

The President's attitude sums up the whole Democratic approach—sit tight and pretend the recession will go away. Pretend that if we do nothing new, we can fight an annual inflation rate of 13 percent.

The new Secretary of the Treasury predicts that unemployment may go up to 8.25 percent. What does that mean? It means that 2 to 2¼ million Americans will be out of work. Instead of getting something, they will get nothing.

As for wastefulness, I want the Democrats to ask the American families who worry about filling a grocery cart every week. "Is it wasteful for you to have a 10 percent tax cut? Is it wasteful for you to get more take-home pay?"

The Republicans are offering much more than a tax cut—we are offering an entire "Budget of Hope." That budget is a new vision—that this country can be better governed.

We are offering a budget of real hope and opportunity—not the phony hope which the Democrats offer of sitting tight while the unemployment line grows, and your only hope is that the line does not reach you.

The Democrats' Budget of Despair promises us: Less real take-home pay; 2 million more unemployed; energy prices which will go up 30 percent and the concern if you will be able to even get fuel for your home and your car.

During the last two Carter budgets, the average working American has lost ground—even with cost-of-living increases, they are taking home $6 a week less in real money.

Our Budget of Hope offers help to the family who is worried about filling a grocery cart. It offers a real tax cut—creating more jobs and fighting the recession.

I call on my Republican colleagues in the Congress and, yes, my Democrat colleagues as well, to speak out on the "Budget of Hope" in the weeks to come. It is a budget that offers a sound program to fight the recession and provide real and meaningful hope and confidence for our Nation's future well-being.●

A TRIBUTE TO PAUL F. RIETZKE III

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. COURTER. Mr. Speaker, the American people have always placed special pride in the unique human qualities of courage and tenacity. Today I would like to recall an act of bravery and unselfish commitment to human life which can be cherished by all Americans.

Paul F. Rietzke III was an Air Force veteran, volunteer fireman, and resident of Lake Hopatcong, N.J. On his 45th birthday, Mr. Rietzke was working near the Raritan River when he suddenly heard the hollowing sound of six drowning voices. He turned toward the river and committed his life to rescuing the helpless waders. Five persons were saved; Mr. Rietzke died while trying to save the sixth, a young child.

Mr. Speaker, Paul Rietzke was a rare human being. His fearless action along the Raritan can only be described as valiant, bold, and courageous. It was an act dedicated to the sanctity of life.

The poet William Thackery said a long time ago: "Bravery never goes out of fashion." This thought, more than anything else, must have been the personal credo of Paul F. Rietzke. Without concern for his own life, Mr. Rietzke plunged into the Raritan River to save the lives of others. He gave to us a visible definition of the word valor.

To the widow and family of Mr. Rietzke, I offer my deepest condolences. Paul Rietzke loved his fellow man. His act of heroism will not easily be forgotten. The memory of the action itself, rather than the words I speak here today, will be the final tribute to Paul F. Rietzke.●

DAWSON INSTITUTE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. FORD of Tennessee. Mr. Speaker, presently, there is no facility in this country dedicated primarily to giving the black person an equal opportunity to learn both the rudiments and the refinements of public administration. Yet, more and more black citizens are being elected or appointed to positions of responsibility and leadership within their communities, their States, and their country. In many, if not most instances, they must cope with complex administrative problems without the benefit of either formal preparation or prior participation in Government at the management level.

That is why I am introducing a bill today to authorize the Commissioner of Education to make grants to establish the William Levi Dawson Institute for Public Affairs, to be based at Fisk University in Nashville, Tenn.

The Dawson Institute will offer two kinds of programs:

First, undergraduate study leading to a degree in public administration, and second, summer workshops in policy administration for public officials, especially those in small communities.

The former would be developed for full-time undergraduate students who seek managerial-level careers in public life, and the latter would address itself to the needs of practicing officials who wish to increase their administrative ability for the benefit of the local citizenries they serve.

Fisk University, an institution long committed to educational opportunities for all citizens, and a university where every curricular decision and every funding appropriation is made with the welfare and advancement of the black citizen in mind, now proposes to establish this public affairs institute.

It is altogether fitting that such an undertaking should be dedicated, as a living monument, to a public servant such as William Levi Dawson.

Congressman William Levi Dawson, elected to the House in 1942, worked his way through both Fisk University and Kent Law School in Chicago. He is one of Fisk's most distinguished alumni, graduating magna cum laude in 1909.

William Levi Dawson believed that the business of politics was public service. He felt that "participation in politics is the crowning glory of an American citizen and is the greatest weapon to gain and safeguard the rights of citizens."

With such a conviction, William Levi Dawson would be pleased indeed to see an institute which bears his name rising to meet the needs of both aspiring and practicing officials who desire to serve well in the public cause. Although he appreciated the contributions of professionals in other fields, he was adamant that "we should develop political leaders in their own right."

The objective of the Dawson Institute is to produce knowledgeable, skilled, sensitive leaders. Moreover, it will pursue that goal in an area, and among the very people whom Dawson himself saw as being so in need of such training.

The Dawson Institute for Public Affairs at Fisk University now comes forward to meet a critical and growing need. With the very essential financial support of the Congress of the United States, a body whose membership has known well the devoted service of William Levi Dawson, the goals of this Institute can become real.

The Dawson Institute can provide trained public administrators for careers in public service, increase the opportunities for black men and women in this field and pay lasting tribute to the career of a dedicated Congressman, a loyal son of Fisk University and a devoted American.●

GREAT DECISIONS 1979 OPINION BALLOTS

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. GUDGER. Mr. Speaker, it has been my pleasure to receive the Great Decisions of 1979 Opinion Ballots from the Foreign Policy Association (FPA) which conducts this survey annually.

The FPA is well known to all of us here and across the Nation for its service in helping to broaden the public's perception of the U.S. role in the world and is relation to world peace.

Among the findings in this year's ballot: Strong, even "painful and unpopular" measures may be necessary to uphold the world value of the dollar and U.S. world economic leadership; a negotiated reduction of forces on both sides in Europe is a preferred way to keep the East-West military balance—but meanwhile, strengthen NATO to catch up with the Warsaw Pact arms buildup; take special steps to help developing countries through trade preferences and technology to serve "basic human needs" of the poor; in black Africa, concentrate more on problems of the countries in the area than on opposing Soviet-Cuban influence.

I found the opinions expressed in the poll highly informative and commend them to my colleagues and I would like to commend the FPA for another outstanding ballot.

Mr. Speaker, at this time I am pleased to insert into the RECORD the results of the Great Decisions 1979 Opinion Ballot:

[In percent]

	Approve	Go along without enthusiasm	Oppose	No opinion
TOPIC 1: THE TECHNOLOGY EXPLOSION (Ballots tabulated: 5,649)				
1. The basic U.S. policy on applying science and technology to the needs of the less-developed countries (LDC's) should be to:				
(a) Treat science and technology as bodies of knowledge to be used for the benefit of all mankind, and work out ways of sharing this knowledge with the LDC's	65	21	8	6
(b) Endeavor to safeguard the U.S. technological lead, and make commitments for sharing technology and skills only when concessions of equal value can be obtained in return	27	27	31	15
2. In sharing technology with the LDC's, the United States should:				
(a) Work primarily through governmental agencies, such as the proposed Foundation for International Technological Cooperation	31	35	19	15
(b) Work primarily through the U.N. and its agencies	32	31	21	16
(c) Minimize governmental involvement and leave the job mainly to business and the market economy	23	22	36	19
3. Insofar as the U.S. Government is involved in sharing technology with the LDC's, it should:				
(a) Emphasize simpler technologies which enable LDC's to cope with basic human needs and help their populations escape from poverty	70	14	4	12
(b) Take the position that it is up to the governments of the LDC's to decide what technologies they require, and then try to meet their requirements	26	31	23	20
TOPIC 2: TRADE AND THE DOLLAR (Ballots tabulated: 5,405)				
1. In the short term, to protect the world value of the dollar and bring imports into balance with exports, the United States should:				
(a) Encourage worldwide reduction of trade barriers, even though some American industries and workers will suffer hardships	51	29	13	7
(b) Raise trade barriers to protect our industries, even though other nations are likely to increase barriers against our exports, and prices paid by American consumers are likely to rise	10	20	52	18
2. With regard to products manufactured in developing countries, the United States should:				
(a) Maintain and extend U.S. tariff preferences that favor importation of such products, even when these compete with some U.S. industries	31	36	21	12
(b) Raise barriers against importation of such products, especially when produced with low-wage labor	19	22	40	19
3. Over the long term, U.S. economic policy should be designed to:				
(a) Protect the world value of the dollar and U.S. world leadership by taking measures to control inflation, increase productivity, and reduce our balance-of-payments deficit, even if these measures prove painful and unpopular	66	17	6	11
(b) Accept a pluralistic world economic system in which the dollar would no longer occupy a central position	28	31	22	19
(c) Make the United States more self-sufficient and less dependent on international trade, even if this meant a lower standard of living for Americans	33	44	26	17
TOPIC 3: NATO AND THE RUSSIANS (Ballots tabulated: 5, 120)				
1. In order to maintain the military balance in Europe, the United States should:				
(a) Give first priority to strengthening NATO	40	33	15	12
(b) Give first priority to concluding agreements with the Soviet Union that would lead to the reduction of military forces on both sides in Europe	53	24	12	11
(c) Work to develop a nuclear capability that would be under NATO control, rather than exclusively under United States control	16	25	44	15
(d) Rely mainly on the U.S. strategic nuclear capability to deter Soviet pressure in Europe	19	24	41	16
2. If it becomes clear that NATO can be strengthened only at the cost of a larger budget deficit, increased taxes, or reduction of expenditures to maintain the quality of life in the United States, the United States should give priority to:				
(a) Strengthening NATO regardless of cost	11	30	34	15
(b) Maintaining the quality of life in the United States	30	33	16	21
(c) Holding the line on taxes and the budget deficit	42	29	11	18
TOPIC 4: DEALING WITH CHINA (Ballots tabulated: 3,884)				
1. In deciding on policies to be followed with regard to the People's Republic of China (PRC), the United States should:				
(a) Use the prospect of closer relations with the PRC primarily as a "lever" in order to obtain more satisfactory terms in negotiations with the Soviet Union	22	33	28	17
(b) Develop our relations with the PRC primarily on the basis of China's increasing importance in world affairs	73	17	4	6
2. With regard to the People's Republic of China (mainland China) and the Republic of China (Taiwan) the United States should:				
(a) Continue present policies: i.e., maintain full diplomatic relations with Taiwan; liaison office in Peking; defense treaty with Taiwan; encourage trade with both	[1] 22(42)	15(26)	32(19)	31(13)
(b) Give full and unconditional recognition to the People's Republic of China, sever diplomatic relations with Taiwan, and renounce bilateral defense treaty with Taiwan	14(13)	15(20)	43(53)	28(14)
(c) Give full recognition to People's Republic of China on condition that it provide firm assurances it will use peaceful means only to resolve the status of Taiwan	64(51)	15(23)	7(14)	14(12)
(d) Give full recognition to People's Republic of China while giving Taiwan guarantees United States will use force, if necessary, to defend it against aggression by Peking	14(18)	16(25)	42(40)	28(17)
3. Regarding export to the People's Republic of China of arms and technologies that have major military applications, the United States should:				
(a) Facilitate such exports	11	14	36	39
(b) Limit such exports	58	13	10	19

Footnote at end of table.

[In percent]

	Approve	Go along without enthusiasm	Oppose	No opinion
TOPIC 5: THE U.S. AND LATIN AMERICA (Ballots tabulated: 3,613)				
1. In its policy toward Latin America, the goals to which the United States should give the main emphasis are those relating to:				
(a) Military security	13	29	38	20
(b) Advancement of human rights and social progress	47	31	9	13
(c) Mutual economic benefit through trade and investment	80	12	2	6
(d) Maintaining friendly relations with leading nations in the region	66	18	3	13
2. In pursuing its goals in Latin America, the United States should follow the strategy described in the text (see pp. 51–52) under the heading of:				
(a) Regional supremacy	8	16	46	30
(b) Idealistic leadership	20	31	21	28
(c) World cooperation	70	14	5	11
(d) Minimum commitment	28	26	29	25
3. If a situation seriously affecting United States interests arises in Latin America, the United States should:				
(a) Restrict itself to diplomatic and economic measures in dealing with the situation	61	17	9	13
(b) Retain the option of using military measures, if necessary, in addition to other measures	23	27	30	20
TOPIC 6: BLACK AFRICA (Ballots tabulated: 3,318)				
1. With regard to black Africa, the United States should:				
(a) Use all necessary means, short of sending American military personnel, to oppose Soviet and Cuban influence in the area	27	23	36	14
(b) Work with black African nations, regardless of their attitudes toward the Soviet Union, to assist them in solving their problems and achieving stability	66	21	7	6
(c) Reduce United States involvement in black Africa	12	22	48	18
(d) Repeal congressional restraints on U.S. Executive action in black Africa, and give the President a free hand to deal with each situation as he finds appropriate	17	25	40	18
2. If guerrilla warfare in Rhodesia (Zimbabwe) continues and escalates, the United States should:				
(a) Support the present regime in its effort to make the "internal settlement" succeed	21	24	33	22
(b) Persist in working to settle the conflict by compromise between white and black factions, including the Patriotic Front	51	25	11	13
(c) Cease all U.S. involvement in efforts to settle the conflict, and prepare to accept whoever wins as the legitimate leadership of an independent nation	18	23	41	18
3. With regard to South Africa, the United States should:				
(a) Maintain cool, correct relations while continuing to oppose apartheid	55	21	9	15
(b) Work closely with South Africa to maintain stability in southern Africa	32	25	25	18
(c) Support a full-scale, mandatory U.N. economic embargo against South Africa until it abandons apartheid and adopts majority rule	20	21	40	19
TOPIC 7: WORLD LAW OF THE OCEANS (Ballots tabulated: 2,945)				
1. In its policy at the U.N. Conference on the Law of the Sea (UNCLOS III), the United States should:				
(a) Accept the best compromise treaty that can be reached, even though in the American view it has imperfections, in order to safeguard agreements already arrived at and move closer to the international rule of law	60	22	12	6
(b) Seek conclusion of a treaty confined to those articles on which consensus can be reached, even if this means leaving major issues of international law unsettled	40	36	14	10
(c) Abandon the conference if no agreement is reached by the end of 1979 and protect U.S. interests through bilateral negotiations	12	12	64	12
2. Specifically in regard to exploitation of the deep seabed, the United States should:				
(a) Accept the proposed provisions as they now stand with only minor modifications	29	30	23	18
(b) Unless the proposed provisions are substantially modified in the interest of developed countries and private seabed mining firms, reject them and proceed to mine the seabed unilaterally	19	20	43	18
TOPIC 8: INTERNATIONAL TERRORISM (Ballots tabulated: 2,936)				
1. The position of the U.S. Government in regard to terrorism should be that:				
(a) Terrorism is never justified	57	17	15	11
(b) Terrorism may be justified against repressive governments when all other means to remove these governments or change their policies have failed	22	29	32	17
2. In dealing with terrorist incidents, the United States should adopt—and try to get other nations to adopt—a policy of:				
(a) No compromise: no ransom, no negotiations, no political concessions	33	20	30	17
(b) Flexibility, depending on the circumstances of each incident, not giving in completely but not necessarily refusing to make concessions	50	25	15	10
(c) Stronger counterterrorist preventive measures, including use of spies, paid informers, computerized dossiers, etc	42	27	16	15
(d) Laws restricting the publicity that may be given to terrorist incidents by the mass media	35	23	28	14
3. In regard to international terrorism in general, the United States should:				
(a) Work for worldwide areement in the U.N. on sanctions against nations tolerating terrorists, even though the agreement may not be as strong as we would like	74	13	3	10
(b) Work for agreement on a strong sanctions policy, even though some nations refuse to join the agreement	61	19	5	15
(c) Concentrate on efforts to eliminate the grievances throughout the world that give rise to terrorism	55	17	14	14

[1] Numbers in parentheses below are from the 1977 opinion ballot on the same options.

●

COAST GUARD DRUG LAW ENFORCEMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. GILMAN. Mr. Speaker, because of commitments in my congressional district, I was unable to be present on Monday, July 23, 1979, during the consideration of H.R. 2538, facilitating increased enforcement, by the Coast Guard of laws relating to the importation of controlled substances, a measure that I helped coauthor. I want to commend my colleague from New York, the distinguished chairman of the Subcommittee on Coast Guard and Navigation (Mr. BIAGGI) for his leadership in bringing this measure to the floor and to all of my colleagues who helped obtain passage of this legislation: especially members of the Coast Guard Subcommittee and its distinguished ranking minority member (Mr. TREEN), and the members of the Committee on Merchant Marine and Fisheries and its distinguished chairman and ranking minority member (Mr. MURPHY and Mr. MCCLOSKEY, respectively).

H.R. 2538 is a revision of H.R. 10371 and H.R. 10698, measures that the distinguished gentleman from New York (Mr. BIAGGI) and I respectively authored during the 95th Congress and supported by the Select Committee on Narcotics Abuse and Control in its recent report on drug traffickers in south Florida. It closes a glaring loophole in Coast Guard seaborne drug interdiction on the high seas that under the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91–513) prohibited the importation of dangerous drugs into the 12-mile U.S.-customs zone, but omitted making possession of controlled substances on the high seas a Federal offense. This omission required our drug law enforcement authorities to prove that the drug traffickers conspired to import dangerous drugs * * * a burden difficult to establish.

H.R. 2538 closes that loophole. Its fourfold purpose is to prohibit first, any person on board a vessel of the United States (or on board a stateless vessel), on the high seas from manufacturing, distributing, or possessing (with the intent to manufacture or distribute), a controlled substance; second, a U.S. citizen on board

any vessel from committing this same offense; third, any person on board any vessel within U.S.-customs waters from manufacturing or distributing (including possessing with intent to manufacture or distribute), a controlled drug; and fourth, any person from possessing, manufacturing, or distributing a controlled substance, including the intent to import a controlled drug into the United States or knowing that the controlled drug will be unlawfully imported into the United States.

Penalties for violating this legislation are prescribed under existing law, specifically up to 15-years imprisonment, a maximum fine of $25,000, or both, for narcotic drug violations and an imprisonment of up to 5 years, a maximum fine of $15,000, or both, for certain nonnarcotic drug violations. Repeated convicted drug violators would be punished by twice the penalties authorized under the Comprehensive Drug Abuse Prevention and Control Act.

H.R. 2538 also prohibits and penalizes the attempt or conspiracy to commit drug proscribed conduct and provides for the seizure and forfeiture of property involved in illicit drug trafficking.

Mr. Speaker, our Nation's borders have become an open sieve for a multibillion dollar narcotics trafficking business. Illicit drugs are no longer trickling into our Nation. Rather, it is a global tidal wave of epidemic proportions estimated to exceed $45 billion just in the United States alone.

Hardly a day goes by that narcotics traffickers are not able to penetrate our borders, infect our citizens with their deadly drugs and reap millions of dollars in untaxed profits. Hardly a day goes by that Federal, State, and local law enforcement agents do not seize some marihuana, cocaine, heroin, and Phencyclidine (commonly known as "angel dust" or "PCP"), not by the pound but many times by the ton and by the boatload and the planeload.

In 1978, the U.S. Coast Guard participated in the seizure of 167 vessels, the arrest of 867 drug traffickers, the seizure of more than 3.5 million pounds of marihuana worth more than $1.3 billion, compared to the seizure in 1977 of 58 vessels, the arrest of 294 drug traffickers and the seizure of more than 1.2 million pounds of marihuana (or approximately 34 percent of the 1978 seizure) worth more than $425 million.

As of July 20 of this year, the Coast Guard participated in the seizure of 62 vessels, the arrest of 274 drug traffickers, the seizure of more than 1.2 million pounds of marihuana, 41,580 pounds of hashish and other contraband worth an estimated street value of more than $628 million.

Mr. Speaker, if our Nation is going to effectively interdict narcotics trafficking, then statutes under which our law enforcement agencies operate must be perfected to permit our dedicated law enforcement agents to properly perform their dangerous tasks. H.R. 2538 is a step in that direction.

I urge my colleagues in the other body to join with their colleagues in the House of Representatives in supporting this legislation, thereby enhancing the Coast Guard's authority to interdict drug traffickers on the high seas and imposing stiff penalties upon the convicted drug violators.●

ENERGY AND EMPLOYMENT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, I want to call the attention of my colleagues to an important report recently issued by a special panel of the United Nations Association, charged with looking into the relationship between energy and employment. The full report is available from UNA offices in Washington and New York, but I ask permission to place the summary here in the RECORD. It represents the thoughtful findings of a distinguished group drawn from labor, business, and academia, and of intensive discussions over a number of months.

SUMMARY

As has been demonstrated so dramatically in recent years, *energy* is more important to the health of the global economy and to individual nations than any of us suspected even five years ago, after the jolting effects of the OPEC oil embargo. While recognizing that most developing countries (LDCs) face very different problems from those of the advanced countries, particularly the U.S., we thought useful lessons for both ourselves and others could be learned by examining certain aspects of U.S. energy and employment policy. With this purpose in mind the Economic Policy Council formed the Energy and Jobs Panel in May 1978.

What we discovered was that distressingly little study had been given at any level to the employment aspects of an effective national program to conserve energy and develop alternate fuel sources. Inquiries directed to public and private agencies by the Panel indicated that there is now a modest start toward assessing the potential impact on jobs and jobholders of various possible approaches to the energy problem, but it would be misleading to suggest that any discernible sense of urgency yet seems to enliven these efforts. This situation persists, despite extensive prior hearings and final passage of the National Energy Act of 1978 and likely decontrol of oil prices. Both can be expected to speed the transition, already under way, to reduced growth in energy use and to a different mix of energy supply.

It is evident that changes in the level and distribution of employment, including significant dislocation, are certain to accompany basic changes in existing energy patterns and that responsible planning is essential to minimize the hardships such adjustments would otherwise occasion for workers and their families when overall needs for personnel or for specific skills are drastically altered. The need for such planning is heightened by the probability that the impact is likely to be decidedly uneven, with certain industries and regions much more heavily affected than others.

In the present mood of public skepticism about proposals for large-scale extension of Government responsibilities or spending, the soundness of programs designed to train or retrain workers, to move them to distant locations, and/or to provide financial assistance for family needs will rightly be subjected to intense scrutiny. That questioning spirit undoubtedly will apply to each specific proposal for a carry-over to workers displaced by shifts in energy policy of the principle long recognized in legislation affecting trade policy, i.e., that Federal adjustment assistance is required to cushion the adverse impact that certain employers and their employees must bear in furtherance of the national welfare. (At the very least, however, it strengthens the case for more intensively examining programs enhancing labor mobility.)

Public policymakers should therefore be expected to make a good-faith effort to assess the job implications of energy strategies for pricing, conservation, alternate energy development, and expansion of conventional energy production. Greater knowledge of potential job impacts would allow planning to maximize favorable employment effects and minimize adverse effects. Such anticipatory actions could forestall the need for after-the-fact dislocation assistance, identify areas of substitute employment (such as railroad rehabilitation, which has social as well as economic benefits, design training programs to fill changing occupational requirements, and so forth.

Research on energy-jobs relationships is thus necessary in a number of broad areas, as outlined in the Report which follows. We recommend that highest priority be given to studies in these fields:

The degree to which capital, energy, and labor are substitutable or complementary;

Geographic and industrial shifts in demand, production, and employment associated with changing energy supply and price;

Employment effects of conservation and of changing the energy mix—either through alternate technologies or by substitution of coal for oil and gas.

Whatever be the agenda or order of priority, the urgency of focusing top-level attention on the job aspects of the nation's search for energy self-sufficiency is the most insistent recommendation to emerge from our study. That is the blankest of blank spots in all current U.S. planning, and we suspect in other nations, both developed and developing, as well.●

RALPH R. SCALZO

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. GONZALEZ. Mr. Speaker, I am sorry to know that Lt. Ralph R. Scalzo will be retiring from the U.S. Capitol Police on August 8.

I have known Lieutenant Scalzo since I arrived to serve in the House in 1961 and have known him to be a dedicated law enforcement officer.

Lieutenant Scalzo has given 39 years of service to the Federal Government, beginning with World War II when he served with the Army in Europe. Twenty-five of these years have been spent on Capitol Hill where he had the pleasure to participate in the inaugural ceremony of six Presidents as well as serve under five Speakers of the House.

I take this opportunity to commend

Lieutenant Scalzo for the fine service he has given to the Nation and wish him well in his retirement years.●

CAPTIVE NATIONS WEEK RESOLUTION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. DERWINSKI. Mr. Speaker, last week the 20th anniversary of Captive Nations Week was commemorated by rallies, church services, and other activities across our country. One such rally was held in the Richard J. Daley Plaza in Chicago.

I direct the attention of the Members to the Captive Nations Week resolution adopted by the Chicago Captive Nations Week Committee and a special resolution adopted by that group dealing specifically with the new Soviet citizenship law which declares Soviet citizenship for all persons born in or descended from those born in Russia or any other lands occupied by the Soviet Union, regardless of their present residence or true citizenship status. I wish to insert both of these resolutions into the RECORD at this point:

RESOLUTION COMMEMORATING CAPTIVE NATIONS WEEK

Whereas, the Senate and the House of Representatives have authorized the President of the United States of America to proclaim the third week of July as Captive Nations Week, and

Whereas, Communist Imperialism has already enslaved one third of mankind and is making further inroads in Asia, Southern Europe, Africa and Latin America, and

Whereas, the military strength of the Western Powers is declining relative to the strength of the Soviet Union, making it harder to deal from a position of strength, and

Whereas the United States as a member of the United Nations has pledged to uphold the ideals of the United Nations Charter and to take joint and separate action to promote universal respect for all without distinction as to race, sex, language, or religion.

Now, therefore *be it resolved* by the Chicago Captive Nations Week Committee, to urge the United States to assume real and moral leadership in dealing with these problems. We urge the United States to consider beforehand, the effect any of its agreements and policies with the Soviet Union may have on the oppressed people of Eastern Europe, Asia and Cuba. We remind the United States and the Western countries that, agreeing to the Soviet Unions illegal annexations and occupations would set a precedent for accepting international lawlessness.

Be it further resolved, That the restoration of the sacred rights of all nations based on principles of democracy, self-determination, and sovereignty within their respective boundaries, must become the goal of Western and Soviet Policy. Only then will the world have a chance for a just and lasting peace. The United States is deceiving itself if it thinks it can bring peace to Europe as a partner of the Soviet Union while ignoring the wishes of the captive people of Europe.

Be it further resolved, That the President, in order to assure true and genuine peace in the Baltic region in particular and in Europe in general, should instruct the United States delegation to the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe to seek full implementation of Principle VIII of the Helsinki Final Act, concerning equal rights and self determination of peoples to the end that the right of self determination be returned to the peoples of Lithuania, Latvia and Estonia.

Be it further resolved, That the United States stop selling equipment and technology to the Soviet Union and Red China, which enhances the ability of an oppressive Soviet Government to stay in power.

Be it further resolved, That the United States, build up its military power relative to the Soviet Union. The present decline in United States power, if it continues, could prove fatal to the United States.

Be it further resolved, That is committee, once again urge the establishment of the permanent Captive Nations Committee (House Resolution 211) and Freedom Academy, which, is long overdue.

RESOLUTION DENOUNCING NEW SOVIET CITIZENSHIP LAW

Whereas, on July 1, 1979 a new law took effect in the Soviet Union purporting to effect the citizenship of all persons born in or descended from those born in Russia or any of the lands occupied by the Soviet Union alleged to be states of the Soviet Union; and,

Whereas, this new law declares all such persons to be citizens exclusively of the Soviet Union, regardless of their present residence or true citizenship status; and,

Whereas, this exclusive Soviet citizenship status is being forced on millions of people against their will, even those living outside the claimed borders of the Soviet Union; and,

Whereas, this new law would give the Soviet rulers an alleged excuse to harass citizens of other nations, including the United States, under the guise of exclusive Soviet citizenship; and,

Whereas, this harassment could be particularly acute and potentially threatening to the life and liberty of any such persons traveling to their land of heritage to visit relatives or to witness the Olympic Games; and,

Whereas, the inhibition of travel by such persons is a violation of the Helsinki Accord, to which the Soviet Union is a signatory; and,

Whereas, these newly claimed alleged "Soviet Citizens" feel intimidated by the new law even in their own homes outside the reaches of territory occupied by the Soviet Union; now therefore,

Be it resolved, By the Captive Nations Committee of Chicago Illinois, U.S.A., that we do denounce the new Soviet citizenship law and call upon rulers of the Soviet Union to repeal it; and,

Be it resolved, That we do call upon the United States Department of State to protest the refusal of the Soviet Union now to recognize the proper and legal citizenship of American citizens and urge the State Department to seek repeal of the law; and,

Be it further resolved, That we beseech our fellow American citizens to join us in protesting this dangerous injustice.●

MOTOR CARRIER SAFETY BILL

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. HOWARD. Mr. Speaker, today I am introducing legislation designed to improve safety in the trucking and bus industries. Chairman JOHNSON is joining me in sponsoring the bill. The purpose of the bill is to foster better safety conditions for our Nation's highways, and for those who work in these industries.

The bill represents one suggested manner for achieving better safety conditions. I am completely open to any recommendations that will help to create safer conditions in those industries. Therefore, my hope is that there will be broad participation in the consideration of this proposal.●

SYNTHETIC FUELS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. WIRTH. Mr. Speaker, with all of the discussion about synthetic fuels, I thought my colleagues would be interested in some further information on the issue. One of the potential sources for synthetics is oil shale.

While I have long believed that we must develop oil shale (to see if it can work), we must be aware of the problems that stand in the way. Some of these are outlined in the following letter.

We can sort out these problems, but only if we first recognize that they exist. Much of the proposed legislation ignores the problems, or waives the safeguards and substantive provisions of law that allow the framework for solving these problems.

I hope my colleagues will join me in developing an orderly process for the development of synthetic fuels.

The letter follows:

STATE OF COLORADO,
DEPARTMENT OF NATURAL RESOURCES,
Denver, Colo., July 19, 1979.

EDITOR, THE DENVER POST,
Denver, Colo.

DEAR SIRS: I would like to clarify some of the comments and conclusions reported in the article entitled "Peril to Colorado Agriculture Seen In Carter Energy Plan," Tuesday, July 17th, on page 1.

The Colorado Department of Natural Resources' evaluations indicate that an oil shale industry of about 500,000 barrels per day (including the associated population growth) could be developed in Colorado without reductions in the amount of surface water presently used by, or projected for use by, irrigated agriculture on the western slope. This is because oil shale companies, as well as others, own numerous surface water rights which can be used to develop the water supplies needed for that size industry without injury to irrigators. While oil companies have already purchased small amounts of water from ranchers and farmers, the amount of water involved is not great when compared with that presently consumed by irrigated agriculture on the west slope.

If oil shale development were to exceed about 500,000 barrels per day, questions about the availability of surface water for the industry would be encountered. The matter is, however, exceedingly complex. Unresolved issues concerning the interpretation of interstate compacts, hydrologic variations, environmental contraints, differences in oil shale technologies, uncertainties as to the level of development of competing water uses, and several other factors make it difficult to predict the circumstances which Colorado may ultimately face. However, in the event that a growing oil shale industry were to find that the water rights which it owns are insufficient, then it is probable that the industry would purchase additional water rights from irrigated agriculture.

The level of oil shale production contemplated by the Carter Administration over the next decade (400,000 barrels per day) is not likely to require significant trade-offs between the use of water for irrigated agriculture and energy development. However, if the size of the oil shale industry continues to grow over time, we anticipate that purchases of agricultural water may increase, thereby affecting the future of western Colorado's irrigated agricultural economy. Thus, the state intends to continually evaluate the potential water demands of the Carter Administration's proposals and those of others as well.

There are other relationships between west slope agriculture and oil shale development that will be equally important in the years ahead. These will include the impacts on small, rural communities of large and sudden influxes of people, potential urbanization of agricultural lands, changing social and cultural values, potential migration of workers out of the agricultural labor force, and many other factors that must be carefully and thoughtfully evaluated. Any federal program to develop Colorado's oil shale resources must address itself to these concerns and provide the budgetary commitment necessary to permit local communities to deal effectively with the growth which they will experience.

Sincerely,

HARRIS D. SHERMAN,
Executive Director,
Colorado Department of Natural Resources.●

ON BEHALF OF THE CAPTIVE NATIONS

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. DOUGHERTY. Mr. Speaker, I would like to add my voice to those participating in the 20th anniversary of Captive Nations Week.

It is 20 years since President Eisenhower signed Public Law 86-90 to honor and commemorate those nations under Communist control or occupation. May of these nations are still dominated by that control. In fact, since 1959 we have had more peoples added to the list in such places as Cuba, Vietnam, and Cambodia. For the people of Eastern Europe and the Baltic States, however, the wait for freedom has been the longest and most painful. They have systematically been denied their political, cultural and, oftentimes, religious rights. It is because many of these people risk severe consequences for speaking out against Communist tyranny that I feel compelled to commemorate their struggles by speaking out in support of them. I also see this as a happy occasion in the sense that after 20 years we have not forgotten the people of the captive nations nor do we intend to forget them. Furthermore, it is good to see many of my colleagues participating in this anniversary with

their own statements of support. I do not underestimate the strength and moral force of the Congress. The Soviet Union hears our voice on Anatoly Shcharansky; the West German Government hears our voice concerning the continued prosecution of Nazi war criminals. So, I am honored to join with my colleagues' voices on behalf of those millions under Communist domination who yearn to be free.●

BULK MAIL CENTER MECHANIZATION CANNOT HANDLE FILM CASES

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. FORD of Michigan. Mr. Speaker, the Postal Service and its customers were in for a surprise several years ago when the 21 new bulk mail centers came on line. They discovered—apparently by trial and error—that the Rube Goldberg-like mechanical mail-processing equipment with which the BMC's are equipped could not handle a substantial portion of the kind of parcels for which the bulk mail centers were specifically designed. For example the BMC's are unable to process film cases—ordinary plastic and fiber film shipping cases used by thousands of libraries, senior citizens' homes, centers for the deaf and handicapped, colleges, vocational training schools, and dozens of other local organizations.

According to Postal Service officials, the plastic cases slide down the mail chutes fast enough to damage other parcels or even endanger postal workers. They say that the straps binding together the fiber cases become entangled in the machinery and render the cases nonmachineable. The fact remains that plastic and fiber cases have been in use for many years—since well before former Postmaster General "Red" Blount ever dreamed of building the $1 billion bulk mail centers. While the centers were supposedly designed to handle these film containers, the design proved faulty. The result of this design failure—a failure of the Postal Service, not of film shippers—is that many films are not being machined but must be hand processed, a time-consuming and inefficient way to get the job done.

Faced with this problem back in 1976, the Postal Service considered requiring new packaging standards for films. These standards would have meant scrapping all existing fiber and plastic cases, an expense that most film shippers—including libraries, colleges, schools, and nonprofit groups—could not have borne. Fortunately, the Postal Service reconsidered and did not require the new kind of package.

More recently, the Postal Service has proposed a $1.50 surcharge on single piece, parcel post, zone-rated mail. The new surcharge would not include film cases. Nevertheless, I am advised by the National Audio-Visual Association (NAVA), speaking for itself and a dozen other organizations, that the Postal Service does not rule out the possibility of a film surcharge sometime in the future. Such an added cost of doing business would hurt a lot of county service organizations and some film distributors, most of which are small businesses, and would force others out of business.

What is needed is a permanent solution to the problem. Working with NAVA, the Postal Service has found that plastic cases weighing 5 pounds or less can be machined at some of the bulk mail centers. The lightweight cases are mixed with other parcels which serve as cushions and slow the cases as they go down the chutes. So far, however, the Postal Service has refused to modify the BMC machines or adapt them to film cases. In all equity, a comprehensive engineering study to achieve this end should be undertaken before a surcharge is considered and before new packaging standards are investigated.

I hope the Postal Service will work on correcting the faults in the bulk mail centers' mechanization before placing the heavy burden of a surcharge on film users across our land.●

SOVIETS DISREGARD HELSINKI ACCORD

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. SHANNON. Mr. Speaker, all the nations that signed the Helsinki accord and the United Nations Declaration of Human Rights agreed to permit families to emigrate to the country of their choice. The Soviet Union, which has signed both of these agreements, has failed to live up to its obligations. Many Jewish families live in constant danger of arrest and cruel harassment. The failure of the Soviet Union to abide by accord promises necessitates action by Members of Congress.

I would like to bring to mind the plight of Grigory and Natalia Rosenstein and their two sons who have been denied emigration since 1974. Both parents strongly desire to bring up their family in Israel. As Mrs. Rosenstein asserts:

> It is important for us and for our children to be brought up in our homeland, studying the language, history, life and culture of our people. Here, my husband is not even allowed to work. . . . I appeal for support to all my colleagues, all those bringing up children and those who understand suffering and pain. . . .

Mr. Rosenstein, 33, a cyberneticist, has been senselessly jailed numerous times in an attempt by Soviet leaders to diminish Jewish activism.

This flagrant violation of human rights must be curtailed. I call upon my fellow colleagues to exert pressure on the Soviet Government in order to alleviate the unnecessary suffering and oppression of Soviet Jews.●

RESOLUTION FOR CAPTIVE NATIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. DERWINSKI. Mr. Speaker, at a time when the Soviet Union is intensifying its efforts to bring more peoples under dictatorial control as shown in their proposed citizenship laws, it is important that we recognize that our encouragement and support of the national observance of Captive Nations Week and our year-long emphasis of its concept does much to blunt the machinations and propaganda practices by the Soviet Union.

I wish to direct the attention of the Members to a resolution adopted by the South Florida Capitive Nations Committee and to insert the program of the rally held by that organization in Miami on July 21, to commemorate the 20th anniversary of Captive Nations Week.

The resolution follows:

RESOLUTION

We the officers and leaders of the member organizations of the South Florida Captive Nations Committee gathered at the Torch of Friendship, Biscayne Boulevard, Miami, Florida, Saturday, July 21, 1979.

We hereby resolve that:

Because; the Soviet Communists have continuously violated all agreements protecting basic freedoms, most recently the Helsinki Agreements.

Because; the threat of Communism is subjugating more persons in developed and underdeveloped nations to an oppressed slave-type existence each year.

Because; a threat to freedom and liberty at any part of the world diminishes our own freedom and liberty,

Therefore; this Captive Nation Observance at the Torch of Friendship should bring to the minds of the President of the United States, the Secretary of State, and other government officials the plight of the captive nations of the world. This Committee urges our government to restore our military to its highest level of preparedness to insure that we do not become victims of Soviet aggression and become another captive nation such as: Afghanistan, Albania, Angola, Armenia, Bulgaria, Byelorussia, Cossackia, Croatia, China, Czechoslovakia, Cambodia, Estonia, East Germany, Georgia, Hungary, Idel-udel, Jamaica, North Korea, Latvia, Lithuania, Laos, Poland, Roumania, Serbia, Slovenia, Tibet, Turkestan, Ukraine, North Viet Nam, South Viet Nam, and closest to our borders, Cuba.

Be it resolved that we pledge our full support to the defense of the United States of America and we condemn all forms of government that deny freedom, liberty, and equality to people. With this annual observance of Captive Nations Week we join our silenced brothers and sisters behind the curtains of the world in the cause of freedom, liberty and justice for all. We ask almight God, under whose providence and blessings we enjoy our freedoms and human rights, to help us and all free nations to bring justice, liberty, and peace to all mankind.

In witness whereof, the South Florida Captive Nations Committee has caused this Resolution to be executed and attested to this 21st day of July, 1979, A.D.

Rev. John Paul Nagy, General Chairman; Omelan Hrab, Co-Vice Chairman; Earle Silver, Secretary; Andrew Gromadski, Co-Chairman; Petras Silas, Vice Chairman; Longina Brylewski, Treasurer.

CAPTIVE NATIONS WEEK OBSERVANCE, BY THE SOUTH FLORIDA COMMITTEE

Miami, Florida, July 21, 1979, 10:30 A.M.—torch of friendship. The Twentieth Annual Observance, according to Public Law 86-90, 1959.

THE PROGRAM

Procession of the Nationality Groups from the Main Library to the Torch of Friendship.

National Anthem—Let by Olga Pavlova, Ukranian Soprano, concert and recording artist.

Pledge of Allegiance: John Paul Nagy Jr., Vice President, Coral Gables Jaycees.

Invocation: The Rev. John Paul Nagy M. Div.—Hungarian Church of Reformation.

Presentation of colors and anthems (first stanza) of each Nation. Musical Selection: Olga Pavlova, accompanist: Joseph Nagy, kantor. "God Bless America."

Principal address: Professor Peter Hargitai, Florida International U. Musical Selection: Olga Pavlova. Ukrainian Song. Prayer by N. Fornco.

Greetings and introduction of guests: From Mayor Stephen P. Clark—Commissioner, William Oliver, from Mayor Maurice Ferre.

Presentation of the Joint Resolution: Earl Silver, Committee's Secretary.

Prayer for the Captive Nations: The Rev. Fr. John J. Vereb, from Hollywood, Representing the Archdiocese of Miami.

Hymn to be sung in unison by all participants: "America".

My Country 'tis of thee, Sweet land of liberty; Of thee I sing; Land where my fathers died, Land of the Pilgrims pride, From ev'ry mountain side Let freedom ring.

Closing Address—Olga Maksimovich—visiting teacher.

Closing Prayer: The Rev. Martin N. Anorga, First Spanish United Presbyterian Church, Miami.

At this twentieth observance we remember the following Captive Nations and people:

Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, Ukraine, Far Eastern Republic, Turkestan, Mongolia.

Estonia, Latvia, Lithuania, Albania, Bulgaria, Yugoslavia/Serbes Croats and Slovenes/Poland, Rumania, North Korea.

Hungary, East Germany, Mainland China, Tibet, North Vietnam, Cuba, Cambodia, South Vietnam, Laos.

Who's next? Ethiopia? Afghanistan? South Yemen? Rhodesia? Republic of China? South Korea? Zaire? Nicaragua?

South Florida Captive Nations Committee's officers:

General Chairman, Rev. John Paul Nagy; Co-chairman: Andrew Gromadski; Secretary, Earl Silver; Vice Chairman, Omelan Hrab; Treasurer, Longina Brylewski; Public Relations, Katherine Hodivsky, Petras Silas.

We shall remember, and we shall remind all Americans year after year of the unbearable life which the Captive Nations must endure on their God given land!

From: South Florida Captive Nations Committee—Rev. John Paul Nagy, General Chairman, 2924 West Flagler Street, Miami, Florida 33135. Phone: 864-6095—642-0511; Earl Silver, Secretary—Phone: 531-2640.

"FOR IMMEDIATE RELEASE"

What: Annual Observance—South Florida Captive Nations Week—The constituent organizations of the Committee of Captive Nations of South Florida will meet in a march and rally to present to the public a resolution asking for support for the captive nations of the world. This resolution will be sent to the President of the United States, U.S. Senators LAWTON CHILES and RICHARD STONE, U.S. Representatives DANTE FASCELL, WILLIAM LEHMAN, and CLAUDE PEPPER, and local governmental officials. We join captive nations observances in progress all over the nation in a common plea for freedom for the enslaved peoples of the Communist world.

Principal Speaker: Professor Peter Hargitai—FIU.

Closing address: Olga Maksymovich, Visiting Teacher of Dade County Public Schools.

Greeting from: Mayor Stephen Clark and Mayor Maurice Ferré.

Patriotic Songs by: Olga Pavlova, Ukrainian Soprano.

The officials and honoured guests will lead representatives of each Captive Nation group in a formal observance, from the Main Library.

When: 10:30 a.m., Saturday, July 21, 1979.

Where: Torch of Friendship, Biscayne Boulevard, Miami, Florida.

On Radio WKAT a formal consultation will be held by Sherley Spelerberg on July 19, 1979, Thursday from 10 P.M. to 1 A.M.

The representatives of Captive Nations Committee will be: Rev. John Paul Nagy, General Chairman; Earl Silver, Secretary; Andrew Gromadski, co-chairman; Polish-American Congress, Professor Peter Hargital, of FIU; Omelan Hrab, Ukrainian Congress; Vytauntas Semaska, Lithuanian American Congress.

SOUTH FLORIDA CAPTIVE NATIONS COMMITTEE, 2924 W. FLAGLER ST., MIAMI, FL.

His Excellency The Arch Bishop, The———. The Moderators, The Deans, The Rabbis, the Pastors of all faiths, serving God's Kingdom in South Florida.

Fathers, Brothers, Sisters!—July 1979.

This year, the twentieth annual Captive Nations Observance will be held in Miami on July 21, 1979 in Bayfront Park at 10.30 A.M., with a procession from the Main Library to the Torch of Friendship, where a program will be presented by the participating representatives of different nationalities.

The purpose of this observance is to remember those who are subjugated by Communist dictators and to remind Christians, Jews, Moslems, Buddhists and other religious groups and organizations about the plight of those—deprived of their freedom. On July 17, 1959, there were 22 Captive Nations around the world. Today the number has increased to 30 captive nations.

In view of this no freedom loving man or organization can be indifferent to the plight of the captive nations.

America, as a nation, has always defended the persecuted and oppressed. Today, when more and more peoples are being enslaved, it is more important than ever to avow and reaffirm our firm belief in "Liberty and Justice for all."

We must never forget the savage suppression of the Hungarian Freedom Fight of 1956, the Posnan Revolt the same year in Poland the Invasion of Czechoslovakia in 1968 and the most recent Communist atrocities in Combodia, South Vietnam and Laos. The sufferings of these innocent peoples should not be allowed to fade into history, but should inspire us to further effort to bring Freedom and Peace to our world.

We know that the captive nations in the USSR and in the subjugated countries are true allies of the United States of America and to the American people. They are ceaselessly struggling against a brutal and merciless oppressor.—They need our moral support, our sympathy and prayers.

During this 20th Observance of Captive Nations Week, we must show our unfortunate brethren that they are not forgotten by the American people. . . . that we sympathize with their plight and will stand by them and help them to achieve freedom and independence.

Everybody's support and prayer is needed.—Please let your people know the time and place of this Observance, either in your bulletin or from your pulpit. We ask for your special prayer for all captive nations on July 22, 1979.

In the name of the Committee: Andrew Gromadski, Co-Chairman; Rev. John Paul Nagy, General-Chairman; Earl Silver, Secretary.●

HOUSE OF REPRESENTATIVES—*Friday, July 27, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Truly my soul waiteth upon God; from Him cometh my salvation. He only is my rock and my salvation; He is my defense; I shall not be greatly moved.—Psalms 61: 1, 2.

O Lord, in the concerns and cares of this life, we remind ourselves that You are the Creator and Redeemer and it is in Your providence that we look for refuge. We rejoice that whatever our situation or need, You have promised to be with us—to forgive, to heal, to restore, to strengthen, and finally to assure us with the gift of life eternal.

Bless all Your people this day, and keep us in Your everlasting arms. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 111. An act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977.

DEMOCRATS TRIUMPH GLORIOUSLY OVER REPUBLICANS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, initially I took this time to express my surprise and dismay at what I perceived to be the absence of the gentleman from Massachusetts (Mr. CONTE), who always on the morning after the annual baseball game between the Democrats and the Republicans takes the floor to extol the virtues of that great American game and to report upon its outcome. Now, just as I rose to make that comment, down the aisle walked said gentleman from Massachusetts (Mr. CONTE) and I shall, therefore, retract anything that I might have said of an unkind nature about his absence. I see that he is here, which proves that he is a great, good sport, for the Democrats triumphed gloriously 7 to 3 over the Republicans last night.

I think it worth mentioning that the gentleman from Ohio, Mr. MOTTL, last night went all the way. Also it might be observed that the Republican pitcher, Senator BILL COHEN, obviously had great fear of my batting prowess, since he never threw the ball where I was swinging.

Mr. DAVIS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from South Carolina, whose smashing double to center field was one of the heroic highlights of the game.

Mr. DAVIS of South Carolina. I thank the gentleman for yielding. I rise to associate myself with the words of the distinguished majority leader and to tell the Chair that for the first time in history the rollcall trophy belongs to the Democratic Party. After many years of defeat, we snatched it from them. The gentleman from Massachusetts (Mr. CONTE) was great, but he just could not pull one more out.

Let me say, Mr. Speaker, there was great leadership having our majority leader in right field, a place where no balls were hit—thank goodness. But we did come back with a great victory, and say to the other side of the aisle, who fought valiantly, who put up a good fight, that we hope that they can continue their losing tradition as we go toward November of 1980.

APPOINTMENT OF CONFEREES ON H.R. 4389, DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. NATCHER, FLOOD, SMITH of Iowa, PATTEN, OBEY, ROYBAL, STOKES, EARLY, WHITTEN, MICHEL, CONTE, O'BRIEN, and PURSELL.

CONGRATULATIONS ON THE CONGRESSIONAL BASEBALL GAME VICTORY

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I want to congratulate the gentleman from Florida (Mr. CHAPPELL) and the gentleman from South Carolina (Mr. DAVIS) on their victory last night. I can take nothing away from them. It was a hard fought contest. Both sides showed flashes of brilliance on the diamond.

I caution them, however, from making too much of this unexpected turn of events. I have sent the word out that this should not signal a crisis of confidence in our squad. I have asked my teammates to rally and, whenever they can, to "Say Something Good about the Republican team." I would like to start it off. I say—RON PAUL and his two-run, out-of-the-park homer; I say DON CLAUSEN and his hot bat that got us into the game in the third; I say the lightning speed of JOEL PRITCHARD on the bases; I say that valiant fielding effort of Senator THAD COCHRAN, who sustained an injury in the cause, but who is back at his desk this morning ready to fight again; I say the mighty arm of Senator BILL COHEN; I say the never-say-die spirit of the entire team that produced a rally in the sixth; and I say, watch out for us in 1980.

SOVIET CITIZENSHIP LAW

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, on July 1, the Soviet Government promulgated a new citizenship law that is frightening to many Americans. This law states that anyone born in the Soviet Union retains Soviet citizenship regardless of citizenship in another country. Once a Soviet citizen, there is no way an individual can renounce this citizenship. He or she is permanently subject to the full extent of Soviet law. Our office has repeatedly attempted to get an interpretation of

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

this law from the Soviet Consulate and the State Department without any success.

This new Soviet law is a direct threat to the American citizenship of hundreds of thousands of Americans of Eastern European ancestry. If they travel to the Soviet Union they do so under the threat of harassment to themselves and to their relatives. The arrogance and insensitivity that lies behind such a law is unbelievable to me.

Equally unbelievable has been the inability of our State Department to respond officially to repeated requests of Members of Congress and their constituents for clarification on this matter. If the administration cannot get the Soviets to talk about this citizenship issue, it is difficult to believe that the Russians would be more forthcoming on strategic arms matters. Finally there should be no MFN treatment for the Soviet Union until they resolve this citizenship issue.

SUPPORT THE COAST GUARD

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I would like to voice my strong support for the Coast Guard Drug Law Enforcement Act. As the Nation's primary maritime enforcement agency, we must give the Coast Guard sufficient powers if their efforts against the infiltration of illegal drugs are to be successful. H.R. 2538 would prohibit all trafficking of illicit drugs on the high seas which the United States can reach under international law. The possession or dispensing of drugs for legitimate medical purposes would not be prohibited.

This law is especially important to the State of Hawaii. The House Select Committee on Narcotics Abuse and Control has documented Hawaii's role as a transshipment point to the mainland for Southeast Asian heroin. In a report on hearings held in Hawaii in 1978, the committee found that the amount of air and sea traffic passing through Honolulu makes it difficult to intervene in drug smuggling. It is important to recognize that the consequences of this drug trafficking are felt in all 50 States. I therefore urge my colleagues to support H.R. 2538 because better drug enforcement will protect the Nation's youth from drug abuse.

□ 1010

SUPPORT FOR THE SALT II TREATY

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEASE. Mr. Speaker, former CIA Director William Colby is not a man that one would describe as "soft" on the Soviets. Because of his familiarity at the highest level with the systems of American intelligence gathering, his observations about SALT II are especially enlightening. In the July 17 Washington Post Mr. Colby points out an important consideration that has not received attention commensurate with its significance. That consideration is the importance the Soviet Union has attached to attaining the stature of an equal partner in the SALT process, a psychological factor that makes it possible to bargain with sufficient credibility to accomplish a real agreement. In a position of perceived inferiority the Soviet Union has traditionally shied away from the negotiation process. The perception of rough equivalence is a factor for stability since it reduces fear, that is, the awareness of one partner that the other cannot be equally constrained by the terms of an agreement.

Of course the technical details of military hardware are the meat of the treaty before the Senate. But perceptions of approximate parity within the Soviet Union have shaped the spirit of SALT and have been pivotal in achieving real agreement. Thus while one-sided agreements may seem to favor the United States, they include the intense incentive for the Soviets to sneak in an advantage at every point so as to achieve the stature of a peer in the process.

Crippling amendments make some Americans feel more secure about their ability to bluster. Many of us, however, see them as destroying an element of stability that is the crux of SALT II.

I include for the benefit of my colleagues this article to be inserted in the RECORD:

SOVIET SALT POLITICS

(By William E. Colby)

Weapons systems, military forces and intelligence machinery are the stuff of SALT II. Debate rages over each of these to the bewilderment of the public and the delight of the experts. But there is another dimension to the debate, which is as important as any single detail. The political background of the treaty, within the Soviet Union and in the international arena, must be factored into the eventual decision on ratification, amendment or rejection. Only by including this dimension can its individual details be given their proper weight.

The Soviet Union's political process is certainly different from the American. But different interests and points of view do exist in the Soviet system, and there are procedures for resolution of those differences within the bureaucracy, the party apparatus and the leadership council. From the record of negotiations of SALT II, it is clear that a number of balancing trade-offs took place in the Soviet negotiating position and in Soviet acceptance of the final version. Hardheaded Soviet insistence on retaining the heavy missile was balanced by Soviet acceptance of equal aggregate force totals, despite earlier arguments that our Europe-based and allied nuclear forces that can strike the U.S.S.R. should be included in the American count. American insistence on counting rules was accepted despite their penalizing some single-warhead Soviet missiles and launchers by counting them as multiples, because their prototype was so tested.

Some Soviet concessions were more apparent than real, such as the agreement to abandon the mobile SS16, which was apparently a dud. But others will require substantial changes in established Soviet practices, such as the destruction of 250 existing Soviet launchers, the limit to one new missile instead of the usual four per generation, the exchange of data on forces and test notifications despite longstanding Soviet paranoia about secrecy, and the restriction of the heavy missile to 10 warheads rather than allowing it to be improved to carry its full capability of 30 or more. The final text also represents Soviet acceptance of future improvements in America's forces through the MX missile and cruise missiles, the latter compromise balancing American agreement that the Soviet Backfire not be counted, with limitations imposed on each side's weapon.

These Soviet concessions reflect a Soviet political decision that the benefits of SALT II to the U.S.S.R. outweigh them. The primary benefit was the cap it put on the American arms race and the danger that the American sleeping giant might arise and outdistance the Soviets in this technology in the same dramatic way it did in the 1960s space race. Recognition as an essentially equal superpower also represents a long-sought Soviet goal, and SALT II's numerical and qualitative provisions make this plain.

But a sense of the bargaining that occurred among Soviet decision-makers can be seen from the Soviet reaction to President Carter's March 1977 suggestion to "amend" the agreements reached in 1974 at Vladivostok to reduce the Soviet heavy-missile force from 300 to 150 launchers. The reaction was sharp and harsh, showing that the 1974 trade-offs were viewed as firm rocks in the negotiated balance, not subject to later rearrangement. Americans blithely contemplating similar amendments now should recall the criticism of the naiveté and brashness of the American diplomacy in that instance.

The final text of SALT II reflects these compromises made within the Soviet government, just as it reflects the compromises made within the U.S. government. The treaty before the Senate thus does not satisfy every Soviet interest, as it does not satisfy every American. But it is the culmination of a series of mutual compromises and concessions, to which the Soviets contributed in substantial measure. The Soviet political consensus this reflects is a fact that must be weighed as the Senate now judges the treaty.

Ratification, of course, is a different subject in the two countries, but the review required for Senate ratification could find an analogy on the Soviet side if the treaty is not ratified and an obviously ailing President Brezhnev dies. The succession crisis then would seize the Soviet leadership. Previous successions suggest that this would produce an interim period of confusion and maneuvering, followed by the rise a few years later of a new leader and the possible adoption of new policies.

Failure of U.S. ratification thus could open a political interstice in which strategic weapons would be without agreed controls during a Soviet succession struggle. Wholly new policies and positions could be advocated by contenders for power and for support within the Soviet leadership. An agreement fully ratified before the passing of Brezhnev could, of course, be subject to actual if not legal repudiation by his successor, but that would be a much more difficult and dangerous defiance of American power than drastic proposals for Soviet "amendments" of a text still not formally adopted by the two governments.

American allies, the Soviet Union and its allies and the uncommitted nations closely observe the firmness and competence of the

American management of the strategic arms relationship between the United States and the U.S.S.R. Brinksmanship and provocation would draw criticism, but indecision and weakness would create doubts. As concern has grown over American leadership in the fields of energy, international finance and assistance to embattled friends, so disarray and lack of an American consensus in the strategic nuclear field could cause qualms about basic alliance relationships and could bring about shifts in the center of political gravity from the United States toward the U.S.S.R.

As the debate moves to include these broad political dimensions beyond the details of SALT II, it should also stimulate consideration of the other problems America faces with respect to the Soviet Union. These must include our conventional-force imbalance and the problem of dealing with Soviet subversion and Cuban proxies. We must also face up to the need for firm support of our friends and allies against outside siren songs or internal turmoil, despite cries for our noninterference.

This dimension need not "link" all our problems with the Soviets to SALT II and make it hostage to our satisfaction across the board. But it should alert us to the need to fashion appropriate policies, programs and weapons to protect ourselves and our allies at each level of threat. In this larger political dimension, the benefits of SALT II can be better appreciated for the talents and resources it will free to devote to other purposes. The "small step for man" presented in SALT II can then be firmly taken by Americans as a component of a "giant step for mankind" that a stable U.S.-U.S.S.R. relationship could produce.

SUPPORT FOR STANDBY GASOLINE RATIONING PLAN

(Mr. FISHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISHER. Mr. Speaker, it is imprudent and unconscionable that this country does not yet have a standby gasoline rationing plan. The gaslines may have diminished, but our tenuous energy circumstances more than likely will result in sudden disruptions of supply in the future. We should be prepared to act in a way that assures proper management of severely reduced supplies.

Right now, in the absence of severe crisis, is the best time for the President to develop a plan for use in an emergency. It is not the time for the House to continue to wrangle over details. The Congress will still have veto power over any rationing plan the President puts forward.

The House has had two go-rounds on this legislation already. I urge my colleagues to approve next week legislation that will give the President the authority to move ahead on a standby rationing plan.

PERSONAL EXPLANATION

(Mr. HALL of Texas asked and was given permission to address the House for 1 minute.)

Mr. HALL of Texas. Mr. Speaker, I ask that the RECORD show that I support the amendment offered by my colleague, the gentleman from New York (Mr. GILMAN), on Wednesday, July 25, 1979, to S. 1030, the Emergency Energy Conservation Act of 1979. I inadvertently voted "nay" but it was my intent to vote for the gentleman's amendment. This is a fair and equitable amendment that helps to restore the role of Congress in the decisionmaking process of Government, and I am pleased that it passed. I commend the gentleman from New York for offering his amendment.

CONGRESSMAN GREEN SALUTES NEW YORK "MINUTEWOMAN"

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, it is appropriate that Members of the House are using the month of July to bring attention to women who have made substantial contributions to our history. In a month when we celebrate our Nation's birthday and, in the instance of this year, when our Government issued the Susan B. Anthony dollar coin, I am pleased to join in Representative SCHROEDER's effort to highlight certain of our country's "minutewomen."

In consultation with Sister Rita Arthur of Marymount Manhattan College, I have decided to recognize and salute Leonora O'Reilly, whose record is representative of the many women of accomplishment from the history of Manhattan's East Side.

As a labor leader, social reformer, civil rights activist and suffragette, pioneer in vocational education, and rank-and-file organizer, this valiant woman devoted her life to improving the status of women in the labor market. In 1886 at the age of 16 and working a 10-hour day in a Third Avenue shirtwaist factory, Leonora O'Reilly organized the Working Women's Society, which in 1890 became the New York Consumer's League. In 1897 she organized a women's local of the United Garment Workers of America and in 1902 began her career in vocational education for women, a cause in which she firmly believed.

O'Reilly was a charter member of the National Women's Trade Union League, a founder of the National Association for the Advancement of Colored People and chair of the industrial committee of the New York City Woman Suffrage Party. Her investigation of the Triangle Shirt Waist Co. fire in 1911 in which 146 women burned to death led to improved safety laws, regulations, and methods of enforcement. An East Side resident from 56th, 60th and 80th Streets, Leonora O'Reilly warrants our recognition and esteem today as a little known heroine and pioneer in the women's movement from the 18th Congressional District of the State of New York.

STANDBY GASOLINE AUTHORITY

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, last Wednesday the President accused the Congress of timidity because this body insisted that Congress have the opportunity to review any standby gasoline plans and have the right to approve or disapprove. Since that time, the President has been calling some of the Members, I understand. Then, yesterday, the Democrat leadership of this body said it was not timidity that caused the Members to vote the way they did, particularly on the Democrat side; the leadership said they did not know what they were doing.

Mr. Speaker, I am sure that the American people, particularly the constituents back home, will be watching next week to see just who are those individuals who may change their vote from "yes" to "no" identifying themselves as the ones who did not know what they were doing when they voted for the Gilman amendment.

□ 1020

REQUEST FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 111, PANAMA CANAL ACT OF 1979

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York (Mr. MURPHY)?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I do so to propound an inquiry to the Chair.

Under the rule which allows wide discretion to the Speaker to appoint conferees on any bill, the Speaker may designate certain conferees to deal with only limited portions of the bill.

The bill that is the subject of the request of the gentleman from New York, H.R. 111, had a joint referral to four different committees, the Committee on Foreign Affairs, the Committee on Post Office and Civil Service, and the Committee on the Judiciary and the Committee on Merchant Marine and Fisheries. Those first three committees had very limited jurisdiction over parts of the bill. If this request is granted, is it the intention of the Chair to designate conferees limited to the jurisdiction of the committees which they represent, rather than to permit all conferees to vote on the entire bill?

The SPEAKER. The Chair will appoint the conferees from all committees and they will have authority to negotiate on the entire bill.

Mr. BAUMAN. Mr. Speaker, I object to the request.

The SPEAKER. Objection is heard.

MARITIME AUTHORIZATIONS, 1980

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2462) to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2462, with Mr. YATES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, July 20, 1979, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1980".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1980, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $101,000,000;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $256,208,000;

(3) For expenses necessary for research and development activities, not to exceed $16,360,000;

(4) For maritime education and training expenses, not to exceed, $25,874,000, including not to exceed $17,132,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $6,785,000 for financial assistance to State marine schools, and $1,957,000 for supplementary training courses authorized under section 216(c) of the Merchant Marine Act, 1936; and

(5) For operating expenses, not to exceed $35,598,000, including not to exceed $6,377,000 for reserve fleet expenses, and $29,221,000 for other operating expenses.

SEC. 3. There are authorized to be appropriated for the fiscal year 1980, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows.

Committee amendments: On page 2, line 13, immediately after the colon, insert ": *Provided*, That no funds authorized by this paragraph may be paid to subsidize the construction of any vessel which will not be offered for enrollment in a Sealift Readiness program approved by the Secretary of Defense: *Provided further*, That in paying the funds authorized by this paragraph, the construction subsidy rate otherwise applicable may be reduced by 5 percent unless the Secretary of Commerce, in his discretion, determines that the vessel to be constructed is part of an existing or future vessel series".

On page 3, line 1, immediately before the semicolon, insert ": *Provided*, That no funds authorized by this paragraph may be paid for the operation of any vessel which is not offered for participation in a Sealift Readiness program approved by the Secretary of Defense".

On page 3, line 8, strike out "$25,874,000" and insert in lieu thereof "$29,374,000".

On page 3, line 11, strike out "$6,785,000" and insert in lieu thereof "$10,285,000".

On page 4, after line 2, insert the following:

SEC. 4. During fiscal year 1980 the aggregate amount of new loan guarantees authorized by title XI of the Merchant Marine Act, 1936, shall be limited to $1,500,000,000.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, printed in the RECORD, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 2, line 13, strike $101,000,000" and insert in lieu thereof "$32,000,000".

Mr. McCLOSKEY. Mr. Chairman, this amendment was thoroughly debated in the general debate. It cuts $69 million from the ship construction subsidy fund, $23 million each for the construction of three $46 million bulk carriers.

The program under which these funds are requested has been characterized by Chairman MURPHY as a failure.

More than that, by the American shipowners who are required to operate ships that are constructed with construction subsidies; the program has been characterized as an albatross about their necks.

In the recent study by Harbridge House, which was made under the direction and supervision of former Maritime Administrator, Andrew Gibson, Mr. Gibson pointed out that in many instances the 50-percent subsidy does not equalize the cost of a U.S. vessel with foreign building alternatives.

Mr. Gibson pointed out that this program under which we ask $69 million today be deleted, if unchanged, there continues to be a trend which causes ship operating companies receiving operating differential subsidies to bear heavier and heavier burdens of supporting the shipbuilding industry. In a healthy industry, such a result might be of little concern; however, the state of the operating differential subsidized industry today is far from healthy. Two companies have gone bankrupt; three others operated at a loss last year. The remaining five subsidized liner companies are not operating in a state to attract new capital.

The one U.S. company that is making large sums of money, that is interested in expanding its operation, Sea Land, is building its ships in Japan or Korea at a cost of less than 50 percent of what they would have to pay in the United States.

I would like to quote from Sea Land's letter, already published in the RECORD, of Sea-Land as to why they were building foreign. They said this in a letter dated March 29 of this year:

The D-9 class vessels were contracted for $30 million each in a fixed dollar contract. Our ship construction department estimates that U.S. construction costs of about $80 million per vessel. The differential is $50 million; but section 502 of the 1936 Act permits a maximum subsidy of 50 percent of the U.S. cost or $40 million.

Therefore, even with a 50-percent construction differential subsidy, our company would have paid a penalty of about $120 million to get later delivery of 12 ships from yards with little or no experience in building the required machinery plants. In addition, there would have been a further penalty of a delay of about 12 months in starting the service. Added to that, the sequence of delivery from American yards would have been at least every 90 days versus every 30 days.

Now, this question forces the House to a decision as to whether we will support shipyards in the United States or whether we will support the concept of a competitive flag merchant marine capable of carrying the 40 percent of our bulk cargo that the chairman and I have agreed upon.

Now, if we pass this comprehensive bill with a goal of 40 percent of our bulk cargo being carried on U.S.-flag ships, rather than the 1 percent that is carried today, the question comes that by building these three ships at a cost of $46 million, rather than buying the same ships or ships similar to them for perhaps $20 million in the public market, we are creating a disadvantage for the U.S. companies that we are seeking to make profitably competitive.

I would submit, Mr. Chairman, that this program which is clearly discredited should not be continued. To cut the $69 million as my amendment proposes is merely to affirm what the Appropriations Committee bill did 2 weeks ago when the proposed appropriation of $101 million was cut back to $32 million by a 2-to-1 vote by this House.

□ 1030

Mr. Chairman, it is true that since that vote the administration has proposed a program to get statutory authorization for these three bulk carriers, but no hearings have yet been held, and if the past record is any indication, there is no guarantee they will build the ships even if we authorize the construction of these three bulk tankers in further legislation.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(By unanimous consent, Mr. McCLOSKEY was allowed to proceed for 1 additional minute.)

Mr. McCLOSKEY. Mr. Chairman, to continue, even if we authorize in a future piece of legislation these three bulk carriers, the past record of the Maritime Administration on building the ships they have asked for authority to build would give us no assurance that they would build these ships.

In 1976 they requested $195 million for a similar purpose; they deferred $247 million. They received no money in 1977, but they still deferred $201 million. In 1978 they requested $135 million, but they deferred $122 million. Last year they requested $157 but spent $23 million. Thus in the last 4 years the Maritime Administration has deferred more money than has been requested in legislation such as this, legislation that has not even reached a hearing before our committee.

Mr. Chairman, I would suggest that my amendment be adopted, confirming the action we took in the Committee on Appropriations 2 weeks ago.

Mr. ZEFERETTI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the construction differential subsidy is aimed at erasing the inequity in construction costs between foreign and American shipyards. It is extended to any qualified vessel operating in U.S. foreign trade constructed in a U.S. shipyard. Subsidy payment is generally based on the difference between United States and foreign shipbuilding prices.

Without the CDS program, our shipyard mobilization base, necessary to the defense and security of the United States would be seriously endangered.

Foreign governments have acknowledged the importance to their economic and defense stature of a national shipbuilding capacity. Many nations aid shipbuilding industries by developing new merchant subsidies and providing direct governmental funding. This makes it increasingly difficult for U.S. yards to compete.

Continued loss of shipbuilding orders and contracts will result in a significant reduction in shipyard employment, but throughout our economy as well. An economic impact study prepared last year for the Maritime Administration indicates that every dollar of sales by the shipbuilding industry produces a total output of $2.10 in the economy. Approximately 50 percent of the cost of a U.S.-built ship consists of purchased materials and components which come from all areas of the United States. A decrease of 50,000 in shipyard employment would result in the loss of another 150,000 jobs in supporting industries.

In early May, Seatrain Ship Building Corp. of Brooklyn, N.Y., laid off 1,300 of its 1,450 workers as a result of large financial losses in operations. Included in Seatrain's reasons for closure were: Lack of sufficient subsidy programs and cohesive U.S. maritime policy. As a result, the yard could not compete on world terms. It would be an irreversible error to allow our vital shipbuilding base to further erode. We cannot allow CDS funds to be cut back by even 1 cent.

For that reason Mr. Chairman, I urge my colleagues to oppose this amendment.

Mr. GAYDOS. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I rise to oppose the amendment offered by the gentleman from California.

The Merchant Marine Act of 1970 established as a national policy the maintenance of a base of efficient shipbuilding and ship repair facilities. Specifically, the act expanded the construction differential subsidy program to all qualified U.S.-flag vessels engaged in our foreign trade. I support this policy and our Nation's effort to rebuild our merchant marine fleet.

MERCHANT MARINE FLEET

Reducing the $101 million construction differential subsidy to $32 million as provided for in this amendment, would both compromise our national security and have serious economic repercussions.

In order to be eligible for funds under the CDS program, a vessel must be constructed in a U.S. shipyard, owned by U.S. citizens, manned by an American crew, and operated under the U.S. flag. As a result, shipyard construction promoted by this act has significant positive ripple effects throughout the economy. This construction program, as authorized in H.R. 2462, will provide $114 million in new construction support and generate $228 million in new shipbuilding activity. An economic impact study indicates that the $228 million in shipyard business which would be brought about by this program will result in a national economic impact of $783 million and 16,200 man-years of employment for the U.S. labor force.

As chairman of the Steel Caucus here in the House, as well as the Representative of a district deeply involved in the production of steel. I am painfully aware of the serious consequences that this amendment could have for the steel industry in this country. Shipyard construction under the CDS program so far has involved over a million tons of steel. The American steel industry can ill afford to lose this source of demand for steel products. Currently, inflation and the gas shortage are forcing the automobile industry to cut back on production, thus reducing domestic demand for steel.

Concurrently, predatory pricing policies by foreign steel producers are cutting into our export market. At this time of economic difficulties for our steel industry, any action by the Congress which would produce further hardship could be considered ill timed, to put it mildly, or reckless, to put it accurately. Many European shipbuilding nations and Japan have realized the importance of maintaining a strong domestic fleet and have taken steps to achieve that goal. I can only hope that we will see fit to do the same for our own domestic fleet, as well as for all those industries which will be affected by this legislation.

In sum, let me reiterate that H.R. 2462, in its present form, represents an investment in the American economy and our national security. Therefore, I urge my colleagues to defeat this damaging amendment and to support this much needed piece of legislation.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. It is my pleasure to yield to the gentleman from California (Mr. McCLOSKEY), the sponsor of this amendment.

Mr. McCLOSKEY. Mr. Chairman, I just want to say respectfully to the chairman of the Steel Caucus that it is true that this would affect roughly 27,000 long tons of steel if the ships are not built in U.S. shipyards. But against that 27,000 long tons of steel that we may not use, if the synfuel bill passes, the bill which overwhelmingly passed this House, we are going to have a requirement for an incredible 191,000 long tons of steel. That is about six or seven times as much in steel orders that will be added to the gentleman's industry than will be taken away if by this amendment we take away this 27,000 long tons.

Therefore, this Congress, during this year, is certainly not being unkind to the steel industry. We are giving seven times as much to the steel industry as we are taking away by this amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Mr. Chairman, I will respond to the gentleman from California (Mr. McCLOSKEY). First let me say I know he is sincere in offering that explanation, and I believe it has some merit.

However, the argument does not stand up to scrutiny. As far as the steel industry generally is concerned I find that the suggestion at best is conjectural. There is no real substance to it, and there is the possibility it may not come about and we may never have synfuel.

I know the gentleman is trying to respond to an argument that I think is very positive and logical as far as shipbuilding is concerned, but I think it is too conjectural to depend on something that may not occur.

Let me say this as well: It may occur, and if it does occur, the steel industry has lost so much over the last 10 years to predatory foreign trade practices that this is going to be just one scintilla—a smidgen, to put it more accurately—a smidgen of relief, because we need not only this production for our steel industry we need all the synfuel possibilities and anything else the steel industry might get accidentally or on purpose through this Congress or on its own initiative.

□ 1040

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Mr. Chairman, I strongly suggest to the gentleman that it is so unfair at this time that the overall philosophy prevail in the amendment as it is offered by the gentleman.

Mr. LIVINGSTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

With due respect to my good friend from California (Mr. McCLOSKEY), I must take exception to his assertion that "shipbuilding subsidies promote inefficiency, incompetence, and featherbedding in U.S. shipyards."

The inference here is that the availability of construction-differential subsidy provides U.S. shipyards the opportunity to "pad" their bids and to produce ships in a lackadaisical manner. This simply is not true. Even a cursory examination of historical prices for U.S.-built ships, both subsidized and unsubsidized, will show that prices of like ships do not vary, with or without subsdiy.

The source or sources of funding does not dictate price. Shipbuilding in the United States is a matter of private enterprise in which competitive forces, not the availability of construction-differential subsidies, dictate the price of a ship. For each new contract, each competing shipyard must develop their most efficient production plan to produce a winning bid. In the performance of a contract, the shipyard must be diligent and competent to insure cost control to avoid financial loss.

It would therefore be grossly inappropriate and wholly inaccurate to infer that construction-differential subsidies promote inefficiency or incompetency or featherbedding.

It also needs to be pointed out that a study for the Presidentially appointed Commission on American Shipbuilding in 1973 by Lester B. Knight & Associates, Inc., found no evidence that "on a man-hour basis, U.S. shipbuilding is less productive than foreign shipbuilding." A preponderance of professional opinion continues to support this conclusion that U.S. shipbuilding efficiency is by no means second rate.

I therefore oppose the amendment to cut shipbuilding subsidies in the pending measure.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, to the gentlewoman from Louisiana and to the gentleman in the well I have to say that my remarks that were quoted do not really apply to the Avondale Shipyard. Quoting from Business Week of July 16, 1979, the President of Avondale, which is located in Louisiana, stated that Avondale is "15 percent cheaper than anyone else in the number of man hours required to build a ship."

The article states:

> The only commercial shipbuilding company in the U.S. that is now adding to backlog is Avondale Shipyards Inc. . . . Avondale has 1.1 billion in orders that will keep it busy through 1982. But the key to Avondale's success . . . is that in addition to its main shipyard, it operates another profit-making yard that makes oil rigs and a third that repairs boats operating on the Mississippi River.
>
> . . . and even more important, Avondale is not unionized. Its management can get higher productivity from workers (who are paid from 30 cents to 60 cents an hour higher than other shipyard workers) because it can shift them from one trade craft to another.

We are not going to keep shipyards in business by not adopting this amendment. One shipyard will get the contract, presumably, to build the ships. That shipyard will be in the South, presumably Texas, Mississippi, or Louisiana. Possibly it will be Avondale.

I can well understand why shipbuilders around the country will join in league with one another, come to each other's defense, but the last people who need this $69 million are the people from Louisiana, because they have the only competitive or at least the most competitive shipyard in the country and they are not going to get that money; and, if they do, it is not going to save our shipyard people.

Mr. LIVINGSTON. I appreciate my colleague pointing out the great advantages of our shipyards down there in the South, and I think the gentleman has accurately pointed out that we have a tremendous asset. I am sure with the gentleman's comments there will be a lot of contractors looking forward to giving Avondale a lot of business. But in addition to that, the shipbuilding industry needs the subsidies to survive.

Mrs. BOGGS. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong opposition to the amendment offered by the gentleman from California.

As I pointed out during the debate last Friday, this effort to reduce the funding of the construction-differential-subsidy program is most premature. The Merchant Marine Committee is working on its own omnibus legislation; the Senate Subcommittee has its own plans; the administration's maritime initiative is long overdue; and my colleague, PAUL TRIBLE, and I are getting ready to introduce our proposals. The CDS program has worked reasonably well in the past. Let us not short-circuit it before we know what we are getting into.

The gentleman from California has left the implication that the proposed ships to be financed in fiscal year 1980 by the CDS program cannot be built with less than a 50-percent subsidy. In response I can only point to the facts: the CDS program provides up to 50 percent of construction costs to help make U.S.-flag ships cost competitive with other nations. At present, there are 31 vessels under CDS assisted contracts. Estimated total cost of these vessels is $2 billion. The percentage of CDS assistance ranges from 16.5 percent to 49.95 percent.

Mr. Chairman, I would like to insert for the RECORD, a list of ships currently under construction that utilize the CDS program:

Ships under construction or contracted for construction using the construction differential subsidy program

	Estimated total cost (in millions)	Percentage of CDS support
Avondale Shipyards, Inc.:		
Liquefied natural gas tankers (3)	$309.0	16.50
Lighter-aboard ships (LASH) (2)	139.5	40.08
Tug barges (3)	156.2	49.39
Containerships (3)	272.0	49.98
Bath Iron Works Corp.: Containerships (2)	86.4	49.64
Bethlehem Steel Corp.: Containerships (2)	156.6	49.64
Equitable Shipyards, Inc.: Cargo ships (3)	28.5	48.52
General Dynamics Corp.: Liquefied natural gas tankers (2)	310.0	25.48
Levingston Shipbuilding Co.: Dry bulk ships (5)	200.0	49.95
Newport News Shipbuilding & Drydock Co.:		
Liquefied natural gas tanker (1)	94.2	25.74
Crude tanker (1)	138.2	36.75
Peterson Builders, Inc.: Roll-on/Roll-off ship (1)	16.7	42.15
Seatrain Shipbuilding Corp.:		
Tug barges (2)	42.5	38.05
Roll-on/Roll-off barge (1)	12.7	41.34
Sun Shipbuilding Corp.:		
Roll-on/Roll-off containerships (2)	137.4	48.85
Roll-on/Roll-off containership (1)	70.0	49.36

Source: U.S. Merchant Marine Data Sheet, U.S. Department of Commerce, Maritime Administration, June 1, 1979.

This amendment would eliminate funding for three bulk cargo vessels. It is important to note that the U.S. bulk cargo fleet is in an abysmal state. Currently, American ships carry less than 2 percent of the dry bulk cargo and less than 4 percent of the liquid bulk cargo transported in the U.S. foreign trade. In light of increased future reliance upon foreign sources for strategic materials, we must strengthen our bulk carrier fleet. If this amendment prevails, we will severely cripple this important effort.

Worldwide, shipbuilding is reeling from the worst depression it has ever known. Shipyards through the world are closing. In almost every Western nation, governments are stepping in to try to maintain their own shipbuilding base, in recognition of the strategic importance of shipbuilding and, most important, in recognition of the contribution of shipbuilding to their national economy. Our colleague from California proposes that we rush in to take advantage of this situation and snap up low-priced ships.

This might make some sense, superficially, but what would be the long-term costs to the Nation's Treasury? What would be the social costs that the American people will have to pay?

Mr. Chairman, an economic study conducted by a highly respected research firm, Data Resources, Inc., shows the of construction costs, the fiscal year 1980 CDS program will have on our national economy. In conjunction with carryover funds and the 50-percent private share of construction costs, the fiscal year 1980 CDS program represents a total of new shipbuilding activity on the order of $228 million. DRI, utilizing its macroeconomic and input-output models, that this would yield a total national economic impact of $782.9 million and some 16,200 man-years of employment in the U.S. labor force. This impact results from the interaction of the shipbuilding industry with other sectors of the U.S. economy. Actual expenditures would extend very probably over a 3-year period and would flow to every part of the country.

Mr. Chairman, we are talking about American citizens and American jobs. This is probably one of the best (or worst) examples of shipping American jobs to foreign countries. Latest projections of foreseeable merchant and naval ship construction prospects, by government and industry alike, indicate that the present U.S. shipyard work force will drop by nearly 66,000 before 1985. It is important to note that about 47,000 of these will be skilled production workers, many of whom come from minority groups in areas of chronic unemployment. Another 200,000 workers in supporting industries will be similarly affected.

In sum, this amendment would result in the progressive degradation of American shipbuilding and would require the American merchant marine to rely on foreign shipyards. We must not gloss over the domestic economic and strategic consequences of this action:

An essential national capability would not be assured;

The balance of international payments would be negatively effected;

Employment for skilled shipyard craftsmen would decrease;

Tax revenues would diminish; and

Reliance on foreign shipyard sources could only herald the doom of other essential national needs—U.S. shipbuilding and U.S.-flag shipping among them.

I urge the defeat of this amendment. Thank you.

□ 1050

Mr. GAYDOS. Mr. Chairman, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Does the gentlewoman agree with me when I take the position that this is a free enterprise story as suggested by the maker of the amendment when he brings in the productivity aspect, and by that implication union and nonunion, closed or open shop. He talks about the shipyards in Avondale being more competitive. Does the gentlewoman share my observation in this matter that we are talking about foreign competition?

I do not care about internal competition, whether Avondale or other Louisiana shipyards can build a ship better or cheaper than any in the Northeastern States. I do not care about that. I am talking about putting the American production and the American maritime industry on an equal, fair competitive basis in order that they are able to compete fairly in the international competition.

The CHAIRMAN. The time of the gentlewoman from Louisiana has expired.

(By unanimous consent, Mrs. BOGGS was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Does the gentlewoman share my feelings in this matter?

Mrs. BOGGS. I share the feeling of the gentleman most specifically. I would like to say to the gentleman that whatever affects shipping anywhere affects shipping in our areas, in our particular areas. The very fact that perhaps Avondale Shipyard does not need the work or perhaps would not be the recipient of the contracts, would certainly prove that I am for shipyards and shipping and American jobs and American shipping capabilities in every part of the country.

I thank the gentleman.

Mr. McCLOSKEY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from California.

Mr. McCLOSKEY. Since my name was mentioned for the first time as the "maker of the amendment," I saw our Chaplain blush in the corner, but I want to point out that this question that has been raised about technology, that a study for Maritime Administration in January of 1979 came to the conclusion that in spite of $1.6 billion in subsidies, our shipbuilding program is failing.

The CHAIRMAN. The time of the gentlewoman from Louisiana has expired.

(At the request of Mr. McCLOSKEY and by unanimous consent, Mrs. BOGGS was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 391]

Abdnor	Derrick	Hughes
Addabbo	Derwinski	Hutto
Akaka	Devine	Hyde
Alboste	Dickinson	Ichord
Alexander	Dicks	Ireland
Ambro	Dixon	Jacobs
Anderson, Calif.	Donnelly	Jeffords
	Dornan	Jeffries
Andrews, N.C.	Downey	Jenkins
Andrews, N. Dak.	Duncan, Oreg.	Johnson, Calif.
	Duncan, Tenn.	Johnson, Colo.
Annunzio	Early	Jones, N.C.
Anthony	Eckhardt	Jones, Okla.
Applegate	Edgar	Jones, Tenn.
Ashbrook	Edwards, Ala.	Kastenmeier
Aspin	Edwards, Okla.	Kazen
Atkinson	Emery	Kelly
AuCoin	English	Kemp
Badham	Erdahl	Kildee
Bafalis	Erlenborn	Kindness
Bailey	Ertel	Kostmayer
Baldus	Evans, Del.	Kramer
Barnard	Evans, Ga.	LaFalce
Barnes	Evans, Ind.	Lagomarsino
Bauman	Fary	Latta
Beard, R.I.	Fascell	Leach, Iowa
Beard, Tenn.	Fazio	Leach, La.
Bedell	Fenwick	Leath, Tex.
Bellenson	Ferraro	Lederer
Benjamin	Findley	Lee
Bennett	Fish	Lehman
Bereuter	Fisher	Leland
Bevill	Fithian	Lent
Biaggi	Flippo	Levitas
Bingham	Florio	Lewis
Blanchard	Foley	Livingston
Boggs	Ford, Mich.	Lloyd
Boland	Fountain	Loeffler
Boner	Frenzel	Long, La.
Bonior	Frost	Long, Md.
Bonker	Fuqua	Lowry
Bouquard	Gaydos	Luken
Bowen	Gephardt	Lungren
Brademas	Giaimo	McClory
Breaux	Gilman	McCloskey
Brinkley	Gingrich	McCormack
Brodhead	Ginn	McDonald
Broomfield	Glickman	McEwen
Brown, Calif.	Goldwater	McHugh
Brown, Ohio	Gonzales	McKay
Buchanan	Goodling	Madigan
Burgener	Gore	Markey
Burlison	Gradison	Marks
Burton, Phillip	Gramm	Marlenee
Butler	Grassley	Marriott
Byron	Gray	Martin
Campbell	Green	Matsui
Carney	Grisham	Mattox
Carr	Gudger	Mavroules
Carter	Guyer	Mica
Cavanaugh	Hagedorn	Michel
Cheney	Hall, Ohio	Mikulski
Clausen	Hall, Tex.	Miller, Ohio
Clinger	Hamilton	Mineta
Coelho	Hammer-schmidt	Minish
Coleman		Mitchell, Md.
Collins, Ill.	Hance	Mitchell, N.Y.
Collins, Tex.	Hanley	Moakley
Conable	Hansen	Mollohan
Conte	Harkin	Montgomery
Corcoran	Harris	Moore
Coughlin	Hawkins	Moorhead, Calif.
Courter	Hefner	
Crane, Daniel	Heftel	Mottl
D'Amours	Hillis	Murphy, Ill.
Daniel, Dan	Holland	Murphy, N.Y.
Daniel, R. W.	Hollenbeck	Murphy, Pa.
Danielson	Holt	Murtha
Dannemeyer	Holtzman	Myers, Ind.
Daschle	Hopkins	Myers, Pa.
Davis, Mich.	Horton	Natcher
de la Garza	Howard	Neal
Dellums	Hubbard	Nedzi

Nelson	Royer	Synar
Nichols	Rudd	Tauke
Nowak	Runnels	Taylor
O'Brien	Russo	Thomas
Oakar	Sabo	Thompson
Oberstar	Sawyer	Traxler
Obey	Schroeder	Trible
Panetta	Schulze	Ullman
Pashayan	Sebelius	Van Deerlin
Patten	Seiberling	Vander Jagt
Patterson	Sensenbrenner	Vanik
Paul	Shannon	Vento
Pease	Sharp	Volkmer
Pepper	Shelby	Walker
Perkins	Shumway	Watkins
Petri	Simon	Waxman
Peyser	Skelton	Weaver
Preyer	Slack	Weiss
Price	Smith, Nebr.	White
Pritchard	Snowe	Whitehurst
Pursell	Snyder	Whitley
Quayle	Solarz	Whittaker
Quillen	Solomon	Whitten
Rahall	Spellman	Williams, Mont.
Railsback	Spence	Wilson, Tex.
Ratchford	St Germain	Winn
Regula	Stack	Wirth
Reuss	Stangeland	Wolff
Rhodes	Stanton	Wolpe
Rinaldo	Stark	Wright
Ritter	Steed	Wyatt
Roberts	Stenholm	Wydler
Robinson	Stewart	Wylie
Roe	Stockman	Yates
Rose	Stokes	Yatron
Rosenthal	Stratton	Young, Fla.
Rostenkowski	Studds	Young, Mo.
Roth	Stump	Zablocki
Roybal	Swift	Zeferetti

□ 1100

The CHAIRMAN. Three hundred sixty-two Members have answered to their names, a quorum is present, and the Committee will resume its business.

□ 1110

The Chair recognizes the gentlewoman from Louisiana (Mrs. Boggs).

Mr. McCLOSKEY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from California.

Mr. McCLOSKEY. In trying to respond to the gentlewoman's argument that U.S. shipyards were hurt by foreign shipyard labor costs, in a study by the Maritime Administration in January of this year, they pointed out that the reason for the failure of this program—and it is conceded to be a failure by Chairman MURPHY—the study found that the problem was as much in obsolete technology as in excess labor costs. In 70 elements examined, foreign shipyards, based on overall evaluation, employ a higher level of technology in 51 cases of the 70 than do U.S. shipyards.

In a review of 16 critical elements, the study found that improvement in 9 of those 16 would not require more than minor capital investment, but would depend primarily on management initiative. It would appear that we are destroying the competitive nature of our shipyards by this subsidy program because, if they get the subsidy, then they need not compete and they become noncompetitive.

Ms. MIKULSKI. Mr. Chairman, I move to strike the last word, and I rise to oppose the McCloskey amendment.

The two main elements of this annual authorization of appropriations for maritime programs are the construction and operating differential subsidy amounts. With respect to construction-differential subsidy, the Merchant Marine and Fisheries Committee favorably reported the administration's fiscal year 1980 request of $101 million, a decrease of $56 million from the amount authorized last year. These funds, together with the $23 million carried forward will provide a total construction program level of $124 million, to fund the construction of four vessels; three dry bulk vessels, and one LASH for the Waterman Steamship Corp. called for under an existing operating-differential subsidy contract.

This is indeed a modest vessel construction program, Mr. Chairman, and modest funding, especially when one considers the present marginal status of the U.S.-flag merchant fleet.

Mr. Chairman, I hope the committee bill is adopted and the McCloskey amendment is defeated.

Mr. EDGAR. Mr. Chairman, will the gentlewoman yield?

Ms. MIKULSKI. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I rise in opposition to the proposal of the gentleman from California (Mr. McCLOSKEY) to eliminate the construction-differential subsidy funds in H.R. 2462.

In recent months, he has been particularly vocal in voicing criticisms of the U.S. shipbuilding industry which are debatable to say the least.

For example, the gentleman from California says:

> The requirement to buy U.S.-built ships puts an albatross around the necks of U.S. steamship companies.

He neglects to point out that the "requirement" for U.S.-built ships in foreign commerce occurs only when world market forces disadvantage the U.S. owner/operator and operating-differential subsidy is available to equalize that disparity.

U.S. owner/operators have long been free to purchase their ships wherever they wish. In fact, roughly 700 vessels of 1,000 gross tons and over were built for U.S.-based companies or their affiliates in the years 1958–78, while in the same period, U.S. shipbuilders delivered 447 merchant ships of 1,000 gross tons and over to U.S. owner/operators. In other words, about 60 percent of shipping requirements from U.S. owners over a span of 20 years has been built abroad.

Few of the foreign-built vessels have been registered under the American flag for the reason that the existing Internal Revenue Code permits deferral of current taxation on foreign-flag shipping income by U.S.-owned foreign corporations to the extent that these earnings are reinvested in qualified shipping assets, including construction of vessels by foreign shipbuilders. By another incongruity in the Internationl Revenue Code, foreign-built merchant ships when U.S. documented are entitled to the existing 10-percent investment tax credit which was originally intended to stimulate domestic industrial production.

Of the 447 vessels constructed for U.S.-flag registry, 234 (4,926,100 gross tons) involved construction-differential subsidy and 205 (4,892,700 gross tons) were unsubsidized. Interestingly, in terms of numbers and tonnage, the split has been very nearly 50/50.

From all of this, one can readily and reasonably conclude that there is no, and there has been no, albatross present to impede U.S. owners. They have been free to acquire their ships here or abroad as they wish, but if they want Government furnished operating-differential subsidy they must build in this country to preserve a modicum of shipbuilding capability for national security purposes. That has historically been the thrust of U.S. maritime subsidies.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from California (Mr. McCLOSKEY), which would result in a major and damaging change in the present and long-standing ship construction subsidy program.

The amendment would delete the CDS element of the bill.

We oppose this negative and destructive amendment for the following reasons:

The CDS element in the bill would not be eliminated because it would damage our marginally adequate shipbuilding industrial base.

First. The national security of the United States requires that we maintain our own shipyard mobilization base.

Second. Our shipbuilding industrial base is currently only marginally adequate.

A Navy/Marad study completed in 1977 and updated in 1978 indicates that the current U.S. shipbuilding mobilization base of between 60 and 70 construction and repair yards would be only marginally adequate to meet U.S. needs in a short NATO war and would require augmentation in a long war. This study will be updated again, this year, to reflect new Navy estimates of the ship loss and damage to be expected in a NATO war.

Third. One of the functions of the construction-differential subsidy program is to support our shipbuilding industrial base.

The CDS program now accounts for about 10 percent of the capacity of the U.S. construction shipyards and unsubsidized commercial work for another 20 percent, with the Navy accounting for the remainder.

Fourth. Elimination of the CDS program would seriously impact on our shipbuilding industrial base.

Elimination of the CDS-supported shipyards would materially degrade our shipbuilding industrial base. Even with continued CDS funding, it is likely that several U.S. shipyards will go out of business within the next few years of anticipated low-level contracting for new U.S.-built ships. Therefore, it is crucial that the CDS program be continued if we are to maintain the shipbuilding industrial base required by our national security.

During the debate pertaining to fiscal year 1980 appropriations for construction-differential subsidy (CDS), the gentleman from California (Mr. McCLOSKEY) indicated that the shipbuilders council had stated that the present U.S. industrial shipbuilding base of 26 shipyards will be reduced to 8 by 1985. This misrepresentation is compounded by his further indication that we should "all concede that the number of shipyards in America are going to drop from 26 to 8 or 12 or 13 * * *"

The testimony of the shipbuilders council made earlier before the subcommittee on merchant marine of the Committee on Merchant Marine and Fisheries took note of the fact that absent any change in current U.S. maritime/naval strategy, "it can be predicted that no more than eight or nine shipyards will hold major shipbuilding contracts in 1984." There was no prediction of wholesale shipyard closings as Mr. McCLOSKEY implied on several recent occasions.

The above underscored statement was intended as a warning that failure to pursue a judicious revision of U.S. maritime policy would result in a contraction of the Nation's capability to build major commercial and naval ships. Skilled manpower would dissipate; more ominously, the manufacturers of ship components, equipment or essential spare parts would turn away from marine business; and shipyard facilities would be diverted to less specialized uses.

The purpose of H.R. 2462 is to provide the necessary, but minimum funding for the basic maritime programs of the Commerce Department which support the U.S.-flag merchant fleet. Mr. McCLOSKEY's amendment runs directly contrary to the object of H.R. 2462, and would destroy the basic support for aid for the construction of U.S.-flag ships.

Boiled down to its essence, this McCloskey amendment would eliminate the CDS program which has been in place since 1936. As a concomitant to this precipitate action, and as a substitute, the amendment would have us purchase our vessels for the U.S.-flag fleet from foreign sources.

It is claimed, in support of the amendment, that there are all kinds of bargain basement vessels floating idly about the waters of the world waiting to be purchased—but this is not true.

The purchase by China of many of its merchant vessels from foreign sources is cited as an example for the United States to do the same. However, China is not the United States and the Chinese merchant fleet is not the U.S. merchant fleet. Most of these Chinese foreign purchased merchant vessels are small and uneconomical. They simply are not at all useful for our merchant fleet needs and do not fit our trades.

The scheme envisioned in this McCloskey amendment would mortally cripple our shipbuilding capability, quickly resulting in the destruction of our shipbuilding yards. It would destroy any future U.S. shipbuilding capability and leave us helpless in this regard in the event of a national emergency. It would provide us with secondhand, used, foreign vessels instead of new capital equipment, and nothing depreciates faster than a used, sophisticated, ocean-going vessel. The practical results of this amendment are inimical to the best interests of the United States in every aspect.

Finally, the gentleman from California (Mr. McCLOSKEY) in support of his amendment, argues that there are no contracts for the construction of bulk carriers and no bulk carrier building. This is simply not so. I have a letter from the Levingston Co. in Texas to the Maritime Administration indicating that the Point Shipping Corp. and the Levingston Shipbuilding Co. have reached an agreement in principle to construct two 36,000 deadweight tons bulk carriers. Not only are the gentleman from California's facts wrong, but his amendment would terminate such U.S. shipbuilding as the two bulk carriers in question.

In addition, Mr. McCLOSKEY, has argued constantly that there is no dry bulk vessel program so that we therefore do not need this subsidy money. The Appropriations Committee deleted $69 million from the CDS funding contingent upon the administration sending up its dry bulk vessel program. The administration sent this program up to Congress on Tuesday, July 24. Thus, the Appropriations Committee contingency has been met and the gentleman from California (Mr. McCLOSKEY) can no longer argue that there is no dry bulk vessel program.

This subsidy program should be scrutinized, and may need overhauling, but this is certainly not the place or time for such a major undertaking. In fact, this is being done right now by our committee in comprehensive hearings on H.R. 4769, the omnibus maritime bill. The amendment is bad, it is ill-timed, negative and destructive and must not be adopted.

I urge my colleagues to vote against this ill-considered amendment.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. I thank the gentleman for yielding.

I would like to ask the chairman, what logical reasons are there in support of Japan's being the leading shipbuilder? She has no natural resources as a nation. She has no particular geographic location. She has no special skills. Why should Japan be building 41 to 45 percent of all the ships built in all of the world and the United States building went down under this yoke and is not permitted to exercise our free enterprise system and our own international competitive position?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GAYDOS, and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. If the gentleman will yield further, is there an explanation for that, I ask the chairman?

Mr. MURPHY of New York. Yes, there is an explanation for that. It is because the Japanese Government and the Japanese industry and the Japanese political structure and the Japanese workers are joined together to build a fabulous shipbuilding industry, and they reserve cargo for their fleet. They carry at least 40 percent of their foreign water-borne commerce in their own fleets, and they are built on a deal basis. In fact, the United States goes to Japan to find out the cost of the construction of a vessel so that when our subsidy programs are applied, we take the basic cost in the Japanese yard compared with the American cost, and then we add that differential as the subsidy. But the Japanese are aggressive, and they are the world's major shipbuilding country today. We are not asking to be the major shipbuilding country; all we are asking to do is to have the necessary shipbuilding industrial base necessary for the security of America, both military and economic.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DICKS, and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 2 additional minutes.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

I am very concerned about the pending amendment particularly from a national security viewpoint. Is it not true that in World War II one of the major reasons the United States prevailed in that conflict was because of the fact that we had an industrial base here to produce ships both in the merchant marine and also for our Navy? I am very concerned that the way we are going, we are not going to have that industrial base. We are not going to have the ability to respond.

I can say, as a member of the Defense Subcommittee on Appropriations, one of the things that we are most concerned about is how we are going to resupply NATO, how we are going to be able to get personnel and equipment abroad. I think the pending amendment will do damage to that shipbuilding base. The gentleman has described this very well. I certainly hope the House will reject the pending amendment.

Mr. MURPHY of New York. The gentleman brings up a very, very important point. In my city alone during World War II there were seven major new construction yards. One of them employing 75,000 workers. It was called the Brooklyn Navy Yard. That yard was closed 10 years ago, along with many other yards, and we have almost lost our public construction yards in this country through various downturns and lack of focus on defense problems within our country. The gentleman knows we are at a critical turning point as far as Navy construction is concerned.

Mr. DICKS. If the gentleman will

yield, I also point out to the gentleman that our public shipyards around the Nation today do not do any new construction of merchant ships. It is all done in private yards. So if anybody thinks we are going to be able to turn to our public shipyards to do new construction, they simply are not aware of the facts. That is why this kind of amendment is very dangerous.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I am also concerned about the defense aspect, but I would like to speak also to what our colleague, the gentleman from Pennsylvania (Mr. GAYDOS) said.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mrs. FENWICK, and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 2 additional minutes.)

Mrs. FENWICK. If the gentleman will yield further, China has apparently just bought 228 ships with millions of tons of capacity for $1 billion, and that would pay for only about 20 U.S. ships. But leaving that aside, why can we never get from the Department of Defense any word as to what ships they need?

The last time we had a cargo preference bill here on the floor, it was for tankers, and the Department of Defense testified that they did not need tankers. We are always talking about defense, but we never have a concrete suggestion from the Department of Defense as to what we should be doing.

Mr. MURPHY of New York. There is a reason for that.

Mrs. FENWICK. We can justify endless expense on the basis of defense, perhaps, but we cannot justify it on the basis of a free enterprise economy.

Mr. MURPHY of New York. The reason for what the gentlewoman just said is that the Navy concentrates on fighting ships, and it will only focus on fighting ships because it is in the dollar battle before the Appropriations Committee at all times. Unless it focuses on those fighting ships, it cannot say what support units, tankers along with cargo ships will be needed. That is not their primary interest. They want those CVN's and other military vessels. The gentlewoman will have an opportunity very shortly to express herself on this defense matter.

Mr. DICKS. If the gentleman will yield, the gentleman from New York is absolutely correct on this. We simply do not have enough money in the defense appropritions bill to even take care of the ships that we need for fighting purposes. We are so far behind, it is shocking, and yet it is necessary that we have a strong merchant marine capacity.

Mrs. FENWICK. If the gentleman will yield, if the Department of Defense will tell us what cargo ships they need in case of an emergency, we would not have to put it in a defense bill, we could put it in the maritime bill. But if we are going to justify it on defense, let us get some information from Defense.

Mr. DICKS. I think we can get that from the Chiefs of Naval Operations.

Mrs. FENWICK. Never, never. Ever since I came down here, I have been asking for it. Never.

Mr. TRIBLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from California.

The maritime legislation now before the House will authorize $438 million for maritime programs operated by the Department of Commerce. This money will be used for the construction and operation of U.S.-flag ships, for maritime education and training, and for the national defense reserve fleet.

America's merchant fleet is in a deplorable state. All of these programs are vital if we are to keep our present fleet afloat and revitalize our merchant shipping. A strong merchant marine is all important to our Nation's economy and security.

The construction differential subsidy is an important part of our maritime program and should be fully funded. At a time when merchant and naval ship construction prospects are down and when thousands of shipyard and other related workers are losing their jobs, we cannot afford to lose a single contract to build a single ship in an American shipyard. That is why the amendment of the gentleman from California must be defeated.

Make no mistake about it, the CDS program makes a substantial contribution to our maritime industry and to our Nation's economy. According to the U.S. Department of Commerce the shipyard and supporting industry employment that is currently attributable to the CDS program totals 27,000. In addition, the tertiary employment induced in the economy as a whole by this maritime industry employment is estimated at 65,000, yielding a total of 92,000 jobs attributable to the CDS program at the present time.

The gross national product contribution generated by the CDS program in fiscal year 1979 is estimated to be about $1.1 billion. This total, reflecting ongoing economic activity generated by 1979 work on all CDS ships under construction in the year, cannot be tied to any one year's appropriation. The contracting level, as you know, has varied from year to year and the order book in the aggregate generates a continuing stream of significant economic activity. The construction work expected to be generated by the $101 million requested for fiscal year 1980 should add about $400 million to that stream of economic activity, or GNP, during the years between ship contracting and delivery.

In summary, Mr. Chairman, let me say that the CDS program is an important part of this maritime legislation and is making an important contribution to U.S.-flag shipping. This is the time to encourage the building and operation of U.S.-flag ships and we should do nothing to discourage these important activities.

□ 1130

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I will be happy to yield to the gentleman.

Mr. McCLOSKEY. I thank the gentleman for yielding, particularly because we are in disagreement on this amendment.

I rise to try to respond to the question of the gentleman from Washington (Mr. DICKS): "If we adopt this amendment will we not hurt our national shipyard base from a national defense standpoint?"

The fact of the matter is the Defense Department has never been able to tell us how many shipyards they need. We presently have 26. It is conceded by every element in the industry that that number of shipyards will drop to 16 or 13 or perhaps even 8 over the next 10 years.

If this amendment is adopted, one contract for three ships will be denied to a yard in Livingston, Tex., that the chairman referred to. One yard will be preserved with jobs in Livingston, Tex., but those other 25 yards will get no benefit from this amendment and no longer today do we need the shipbuilding base we needed for World War I or World War II. We never plan again to send 3 million or 5 million men in an expeditionary force in a conventional war in either Europe or on the Asian continent. We are in a new ball game. The chairman has admitted that this program is a failure. He wants to continue it 1 more year while he presents, and I agree with him that we present, a new program to modify a law which is no longer workable.

If you vote for this amendment today the vote merely confirms the 2-to-1 vote in the House 2 weeks ago to cut $69 million out of the appropriations process. It is only happenstance that the authorization bill comes up after the appropriation. We have already cut the $69 million by a 2-to-1 record vote in this House.

Mr. Chairman, it is understandable to me that the shipyard lobby, that the steel lobby, would come forward to try to defend this program. I pointed out to our friends in the steel industry that they are going to get seven times as much steel from one synfuel plant as they will from these three ships if we adopt this amendment.

If we are going to balance the budget as the Committee on the Budget suggested, a cut of $50 million in maritime subsidies, if we are going to confirm the Committee on Appropriations' $69 million cut, then this amendment cuts the same $69 million we cut 2 weeks ago.

Mr. TRIBLE. Let me say in response to my colleague from California that I think it would be premature for us to act here today to weaken this maritime program until we have an opportunity to answer the very questions the gentleman poses.

What is the shipyard base required to meet the needs of this Nation in time of war and national emergency? The fact is we have been unable to receive that information from the Navy. I believe it is important that the Committee on Merchant Marine and Fisheries and the Committee on Armed Services, and I serve on both of these committees, act

in concert to require an answer to these very important questions.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. TRIBLE was allowed to proceed for 2 additional minutes.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

The gentleman from California (Mr. McCLOSKEY) consistently says that this program has been a failure. The gentleman quotes the chairman as saying it has been a failure.

The program has been a failure to the extent it has not produced the amount of shipping we thought it would produce in 1970 and we envisioned some 30 vessels a year. We all hoped that perhaps the maritime industry in this country would once again be rehabilitated.

The fact is, it has not produced those kinds of numbers, simply because we did not provide sufficient moneys.

Now, there may be some criticism of the construction differential subsidy. I may share that criticism with the gentleman from California but this is not the way to correct whatever inequities or whatever wrongs or whatever faults we find in that program.

The Subcommittee on Merchant Marine is currently embarking on hearings on the maritime omnibus bill, which is the proper place to correct whatever faults we have. Not here. Not through this amendment.

The gentleman refers to a point that one shipyard will be the beneficiary. In the light of the disastrous activities and the dire predictions of the fate of shipyards, to help one this time would to me be salutary. If we continue and we provide sufficient funds, we will continue to help the shipyards and prevent that very drastic reduction that we anticipate.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BIAGGI, and by unanimous consent, Mr. TRIBLE was allowed to proceed for 2 additional minutes.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield further?

Mr. TRIBLE. I yield to the gentleman from New York.

Mr. BIAGGI. There is a large picture here. There is a picture here of the United States and the entire maritime industry. We have Japan, which has moved right to the forefront for no special reason.

We have the raw materials, we have the expertise, we have the manpower and very interestingly, Mrs. Thatcher of the United Kingdom has just announced she is going to denationalize all of the industries, all of them save one, and that one is shipbuilding. You know what that means. They are going to subsidize and subsidize and subsidize so they can regain and enjoy a prominent position in that arena of business to the detriment of the United States, unless we, in turn, respond in similar fashion.

This amendment would reek havoc on whatever little hope we may have.

I remember that in 1970 the administration said we would have a maritime service that we, as Americans, could all be proud of and we on that committee said, "Hopefully; at last," and we had faith and we voted accordingly. Some of us exercised some doubts and reflected them in comments, but at least we had hope. Well, the hopes were dashed. That administration did not respond and administrations thereafter did not respond. To attempt to take away these three bulk cargo vessels at this time, in my judgment, is very poor, poor judgment and conduct.

I thank the gentleman for yielding.

Mr. TRIBLE. Mr. Chairman, I thank the gentleman for his contribution.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I yield to the gentleman from Pennsylvania.

Mr. BAILEY. Mr. Chairman. I oppose the amendment to H.R. 2462, offered by the gentleman from California (Mr. McCLOSKEY), to eliminate construction-differential subsidy and to make operating-differential subsidy available to foreign-built merchant vessels.

Elimination of construction-differential subsidy is fraught with the boomerang potential of substantial social costs to the public treasury. For example, in late March of this year, the Department of Labor certified that "workers and former workers engaged in the construction of oceangoing ships at the Sparrows Point, Md., shipyard of Bethlehem Steel Corp., displaced by reason of 'dumping' by foreign shipbuilders offering below-cost prices, are entitled to adjustment assistance under section 222 of the Trade Act of 1974."

The procurement of 12 large containerships from shipyards in Japan and South Korea by Sea-Land Service, Inc. was cited by the Labor Department as a primary justification for this determination favoring U.S. shipyard workers who could be entitled to 70 percent of their average weekly wages up to a maximum of $250 per week for as long as 52 weeks. Assuming this finding would apply to all of the 47,000 production workers now facing unemployment in this country by 1985 (workers in at least two other yards are already formulating similar appeals to the Labor Department), the maximum cost to the Federal Treasury could exceed $600 million—nearly twice the amount Sea-Land is allegedly committed to pay Far East shipyards.

In other words, by discarding construction-differential subsidies and approving operating-differential subsidies for foreign-built ships, not only will opportunities for U.S. shipbuilders and their employees be foreclosed but also opportunities to minimize very probable extra costs to the public treasury will be foreclosed.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. PRICE) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MARITIME AUTHORIZATIONS, 1980

The Committee resumed its sitting.

Mr. BOWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would simply like to reemphasize the remarks just made by the chairman of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries, the gentleman from New York (Mr. BIAGGI) regarding British shipbuilding.

Prime Minister Margaret Thatcher, in her sharp cutbacks on government subsidies and support for private industry in Britain, has seen fit to exempt the shipbuilding industry. In fact, she has committed 250 million pound sterling, which is the equivalent of about 550 million U.S. dollars, for the purpose of subsidizing shipbuilding in Britain.

Bear in mind that the British merchant fleet is only about one-fourth the size of America's, but, yet, Britain has seen fit to devote this large amount to subsidies for that fleet.

Mr. Chairman, today we are seeking but $101 million, a very low figure, well below the $300 million to $400 million per year we have devoted to this program in past years.

I want to commend the gentleman from California for cosponsoring the new omnibus maritime bill which addresses the entire question of reorganization, reform, and revitalization of the maritime industry.

Mr. Chairman, I submit that that legislation which will be before us in only a few months is the appropriate vehicle to deal with this major issue. This annual maritime authorization bill is not the place to cut the heart out of our maritime subsidy program.

When the new legislation is presented, that will be the time and place when the Congress should consider a major issue such as the one which we are being asked to vote upon at this time.

Mr. Chairman, I urge Members to vote against this amendment.

□ 1140

Mr. PATTEN. Mr. Chairman, I move to strike the requisite number of words. I rise to speak against the amendment.

Mr. Chairman, I well remember in 1916 the Kaiser was sinking our ships. He was starving England and most of Europe and President Woodrow Wilson in this body declared war in 1917 because the subs were sinking our ships in the Atlantic and all over the world.

I well remember 1939 when the policy to kill the lifeline of our country and England was to sink our ships.

I was in Madison Square Garden, Jimmy Walker was in charge, there were 20,000 people trying to cheer our merchant men to sail to the North Sea to help feed Russia to keep her in the fight. It was a terrible struggle.

Take those shipyards in my area—50,000 workers. We could not get lead. We could not get wood. Under the most trying conditions we built ships. They were phenomenal.

Our lifeblood as a nation today looks to the Pacific. We are so undermanned in every ship that it is not even funny.

The very security of our Nation depends upon the high seas. Some of the remarks made here hurt me. In my lifetime I have seen the sea lanes make the difference between me being a free man and surviving in this country—so I am against this amendment.

Mr. WYATT. Mr. Chairman, I move to strike the requisite number of words. I am opposed to the amendment.

Mr. Chairman, the purpose of H.R. 2462 is to provide the necessary, but minimum, funding for the basic maritime programs of the Commerce Department which support the U.S.-flag merchant fleet. Mr. McCLOSKEY's amendment runs directly contrary to the object of H.R. 2462, and would destroy the basic support for aid for the construction of U.S.-flag ships.

Boiled down to its essence, this McCloskey amendment would eliminate the CDS program which has been in place since 1936. As a concomitant to this precipitate action, and as a substitute, the amendment would have us purchase our vessels for the U.S.-flag fleet from foreign sources.

It is claimed, in support of the amendment, that there are all kinds of bargain basement vessels floating idly about the waters of the world waiting to be purchased—but this is not true.

The purchase by China of many of its merchant vessels from foreign sources is cited as an example for the United States to do the same. However, China is not the United States and the Chinese merchant fleet is not the U.S. merchant fleet. Most of these Chinese foreign purchased merchant vessels are small and uneconomical. They simply are not at all useful for our merchant fleet needs and do not fit our trades.

The scheme envisioned in this McCloskey amendment would mortally cripple our shipbuilding capability, quickly resulting in the destruction of our shipbuilding yards. It would destroy any future U.S. shipbuilding capability and leave us helpless in this regard in the event of a national emergency. It would provide us with secondhand, used, foreign vessels instead of new capital equipment, and nothing depreciates faster than a used, sophisticated, oceangoing vessel. The practical results of this amendment are inimical to the best interests of the United States in every aspect.

Finally, the gentleman from California, in support of his amendment, argues that there are no contracts for the construction of bulk carriers and no bulk carrier building. This is simply not so. I have a letter from the Levingston company in Texas to the Maritime Administration indicating that the Point Shipping Corp., and the Levingston Shipbuilding Co. have reached an agreement in principle to construct two 36,000 DWT bulk carriers. not only are the gentleman from California's facts wrong, but his amendment would terminate such U.S. shipbuilding as the two bulk carriers in question.

This subsidy program should be scrutinized, and may need overhauling, but this is certainly not the place or time for such a major undertaking. In fact, this is being done right now by our committee in comprehensive hearings on H.R. 4769, the omnibus maritime bill. The amendment is bad, it is ill-timed, negative, and destructive and must not be adopted.

I urge my colleagues to vote against this ill-considered amendment.

Mr. LUKEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, from the heartland of America where there is no shipbuilding industry that I know of, I also oppose the amendment.

Mr. Chairman, I oppose this amendment because we need to maintain a construction differential subsidy, and a preference for U.S. ships in carrying Government cargoes in order to keep the U.S. shipbuilding industry competitive with foreign shipbuilders.

In the past decade, the U.S. shipbuilding industry has increasingly been undercut by foreign builders, especially by those in Japan. It is imperative that we keep the U.S. shipbuilding industry from being undercut in this way for two main reasons.

First, the American economy is not hurt by these subsidies as proponents of this amendment claim, but is actually stimulated because the $101 million we spend on this subsidy will ultimately contribute nearly $2.7 billion to the national GNP and provide 230,000 jobs nationwide. It also provides the majority of these jobs in the Northeast/Midwest area of this country which has for several years been facing an economic decline.

Second, a strong shipbuilding industry—thus a strong U.S.-based merchant marine fleet—is indispensable to a strong U.S. defense structure. In event of a major war, we have to have a strong shipping capability because it is impossible to send the heavy materials, or the quantity of materials necessary to defend this Nation's and the free world's freedom by air. It will have to go by ship. The Soviet Union recognizes the importance of this and has been greatly expanding their merchant marine fleet over the last two decades so that it is now one of the largest and most up-to-date merchant fleets in the world. We cannot let our shipping capacity decline in view of this fact.

I urge my colleagues to vote against this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McCLOSKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 139, noes 246, not voting 49, as follows:

[Roll No. 392]

AYES—139

Archer
Badham
Bafalis
Barnard
Bauman
Bedell
Bellenson
Bereuter
Bethune
Blanchard
Brodhead
Broomfield
Brown, Ohio
Campbell
Carney
Carr
Cartar
Cheney
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Dannemeyer
Deckard
Derwinski
Dickinson
Eckhardt
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Frenzel
Gephardt
Gingrich
Glickman
Goldwater
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hamilton
Hance
Harris
Hillis
Hopkins
Horton
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kelly
Kemp
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lewis
Loeffler
Lujan
Lungren
McClory
McCloskey
McDonald
McEwen
McHugh
Marriott
Martin
Mica
Michel
Mikva
Miller, Ohio
Mineta
Moorhead, Calif.
Myers, Ind.
O'Brien
Obey
Panetta
Pashayan
Paul
Pease
Petri
Pursell
Quayle
Quillen
Regula
Rhodes
Ritter
Roberts
Royer
Rudd
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Simon
Smith, Nebr.
Solomon
Stangeland
Stanton
Stenholm
Stockman
Stump
Synar
Tauke
Thomas
Vander Jagt
Vanik
Walker
Whitley
Whittaker
Winn
Wirth
Wydler
Wylie
Yates
Young, Fla.

NOES—246

Abdnor
Addabbo
Akaka
Alboeta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Cavanaugh
Clausen
Clay
Clinger
Coelho
Collins, Ill.
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Devine
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Emery
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Frost
Fuqua
Gaydos
Gilman
Ginn
Gonzales
Goodling
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hammer-schmidt
Hanley
Hansen
Harkin

Harsha
Hawkins
Heckler
Hefner
Heftel
Hinson
Holland
Hollenbeck
Holt
Holtzman
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kazen
Kildee
Kogovsek
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCormack
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mikulski
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Ottinger
Patten
Patterson
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Rahall
Rallsback
Ratchford
Reuss
Rinaldo
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Runnels
Russo
Sabo
Satterfield
Scheuer
Seiberling
Shannon
Shelby
Skelton
Slack
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Taylor
Thompson
Traxler
Trible
Udall
Van Deerlin
Vento
Volkmer
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wolff
Wolpe
Wright
Wyatt
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—49

Anderson, Ill.
Bolling
Brooks
Broyhill
Chappell
Chisholm
Cleveland
Conyers
Corman
Cotter
Crane, Philip
Diggs
Dougherty
Downey
Edwards, Calif.
Evans, Ga.
Flood
Ford, Tenn.
Forsythe
Fowler
Garcia
Giaimo
Gibbons
Hightower
Huckaby
Jenrette
Lott
Lundine
McDade
Maguire
Mathis
Mazzoli
Miller, Calif.
Moffett
Nolan
Pickle
Rangel
Richmond
Rodino
Rousselot
Santini
Smith, Iowa
Symms
Treen
Ullman
Walgren
Williams, Ohio
Wilson, Bob
Young, Alaska

□ 1150

Mr. SAWYER changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1200

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 2, line 23, after "series" insert: ": *Provided further*, That no funds authorized by this paragraph may be used to construct any vessel which will have a subsidized manning level 50 percent above the minimum determined by the Coast Guard to be necessary for the safe operation of the vessel".

Mr. McCLOSKEY. Mr. Chairman, I know when I am licked by the steel caucus and the shipbuilding caucus in combination. I want to assure the steel caucus and the shipbuilding caucus that this amendment in no way harms them. What this amendment does is to require that if we are going to spend subsidy funds to subsidize the crew costs on a ship, that the manning level of that for which we are expending taxpayers' money be no higher than 50 percent above the Coast Guard manning level for the safety and the security of the vessel.

Let me cite to the committee the precise reasons why I offer this amendment. Last year, Pacific Far East Lines went into bankruptcy. One of the reasons Pacific Far East Lines stated to our committee that they went into bankruptcy was because the union on the west coast forced them to carry a crew of 40 on a ship where the Coast Guard manning level was 22. This is the LASH ship of the kind we are funding in this program, and the Coast Guard said that to operate this ship safely you had to have a crew of 22. The same LASH ships operating out of New Orleans carry a crew of 32, 10 above the minimum level for safety purposes. This amendment would limit the crew of that LASH ship to a crew of 33, 1 above the level at which it is being operated profitably. The difference is that Pacific Far East Lines was forced by this union to featherbed and to carry a crew well above 50 percent over the safety level. In fact, a crew of 40 is 25 percent higher than the crew that that same ship was carrying out of gulf coast ports. Where the rub comes is that those 8 additional crew members are paid for by taxpayers of the United States through an operating differential subsidy, this year about $250 million. All this amendment does is to say that if we are going to subsidize the operation of U.S. ships carrying U.S. crews, they cannot be subsidized at a level 50 percent higher than the safety level set by the Coast Guard.

I submit there can be no argument against this amendment except to argue that there should be featherbedding, because the Coast Guard is the agency designated by our Government to say how many crew members are needed to operate our ships safely. To have the taxpayers pay more than 50 percent above the safe minimum is an outrage.

Mr. BIAGGI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it would seem to me that if this amendment was introduced 10 years ago, I would certainly have supported it. To construe that opposition to this amendment would be to favor featherbedding I think is an excursion into the realm of fantasy. But the fact of the matter is, the amendment is needless. There has been substantial progress made. The Coast Guard establishes its manning standards, minimum manning standards. I think those are the critical words, "minimum standards." The Coast Guard does not make any provision for the personnel in the steward's department. The limitation of 50 percent above the Coast Guard minimum may or may not be adequate, depending upon the type of vessel, trade, and other operational factors, again placing emphasis on minimum standards. It does not give recognition to the modern day vessels and their operations where different manning levels are required.

With relation to featherbedding, I said before that in yesteryear and ancient history it would have been applied, that criticism was sound. Where you do have occasional abuses, it should be addressed. It does develop as a result of the collective bargaining process, where people sit down and agree. But there may be an occasional abuse. It does not run rampant. The fact of the matter is, the record speaks for itself. In 1968, there were some 54,000 seagoing vessels. Today there are 20,000. Today a 250,000 deadweight-ton tanker has a crew of 30, compared with a 15,000 deadweight T-2 tanker with a crew of 45. There is a reduction. Automation has come into play. The consequence, naturally, is a diminution of the need for personnel and is reflected by reduction in numbers. The first new container ships, with a crew of 37, replace the C-2 type, each with a crew of 47.

The National Maritime Union testimony showed the following levels of operating costs: rails, 51 percent, motor carriers, 50 percent, airlines, 41 percent, and maritime, 20 percent.

Vessel-manning is too serious a question to be dealt with in an arbitrary fashion. The number and qualification of crew members have to be carefully reviewed and based upon operational and maintenance procedure. This is currently being done by the Maritime Study Board.

Consideration should also be given to the possible impact of the Subcommittee on Standards and Training, which met in London on January 22–26 of this year. The most significant item considered was manning, and there was a general agreement for the development of a document covering principles and guidelines for manning on a universal basis.

In light of the above, the amendment, frankly, is outdated, and it borders on the mischievous. I know the author of the amendment would hardly have introduced one knowingly, but I think the statements speak for themselves. Ten years ago it would have been welcomed, and I would have been a strong supporter, but today it is really needless.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Kentucky.

Mr. SNYDER. We are talking now about the commercial carriers and factors to be considered that do not have to be considered with regard to the Coast Guard, such as trade routes on which they are traveling, what they are carrying, the number of ports of call at which they have to stop, things of this nature, which are not factors in the Coast Guard minimum manning levels.

Mr. BIAGGI. That is true. But these are matters of collective bargaining, and that is the practice, ofttimes, which we abide by and, sometimes, are burdened by. But I think it clearly sends a message that, when the collective bargaining process is under way, it should be a very realistic process, considering all of our concerns.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, I think the gentleman was present in the committee room with myself 3 years ago when the *Monterey* and the *Mariposa*, the last two subsidized U.S. passenger ships were going out of operation because they were losing millions of dollars a year that the taxpayers were subsidizing. And what happened was that the unions that manned the *Mariposa* and the *Monterey* came before our committee and said to us, "Congress, if you will continue the subsidy to operate these U.S. passenger ships, we can cut our manning level as much as half." The operators of the lines said, "The reason we are losing so much money is because we are having to accept these manning levels negotiated by the unions."

The gentleman is correct, this would be a cap on the union's ability to force featherbedding above 50 percent over what the Coast Guard requires. If the Coast Guard and IMCO come out and say that only 30 people are needed to safely operate a ship, why should we authorize Government funds to pay more than 45, more than 50 percent higher?

Mr. BIAGGI. Except that applying uniform standards and giving consideration to all of the variables that do enter into the operation would be, I think, restrictive, and that would place a hardship. It might even raise some question of safety.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken; and on a division (demanded by Mr. McCLOSKEY) there were—ayes 27, noes 26.

□ 1210

RECORDED VOTE

Mr. BIAGGI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 183, not voting 55 as follows:

[Roll No. 393]

AYES—196

Abdnor	Carter	Fish
Andrews, N.C.	Cavanaugh	Fithian
Andrews, N. Dak.	Cheney	Fountain
Anthony	Clinger	Frenzel
Archer	Coleman	Gingrich
Ashbrook	Collins, Tex.	Glickman
Ashley	Conable	Goldwater
Aspin	Conte	Goodling
Badham	Corcoran	Gradison
Bafalis	Coughlin	Gramm
Barnard	Courter	Grassley
Beard, Tenn.	Crane, Daniel	Green
Bedell	Daniel, Dan	Grisham
Bellenson	Dannemeyer	Gudger
Benjamin	Davis, Mich.	Guyer
Bennett	Derrick	Hagedorn
Bereuter	Derwinski	Hall, Tex.
Bethune	Devine	Hamilton
Boland	Dickinson	Hammer-schmidt
Bonker	Dornan	Hance
Bouquard	Drinan	Hansen
Brademas	Duncan, Tenn.	Heckler
Brinkley	Edwards, Ala.	Hefner
Broomfield	Edwards, Okla.	Hillis
Brown, Ohio	English	Hinson
Burgener	Erdahl	Holt
Butler	Erlenborn	Hopkins
Campbell	Evans, Del.	Horton
Carney	Evans, Ind.	Hughes
Carr	Fenwick	Hyde
Ichord	Mitchell, N.Y.	Sharp
Jacobs	Montgomery	Shumway
Jeffords	Moorhead, Calif.	Shuster
Jeffries	Myers, Ind.	Simon
Jenkins	Neal	Skelton
Johnson, Colo.	Nelson	Smith, Nebr.
Jones, Okla.	O'Brien	Solomon
Jones, Tenn.	Panetta	Spence
Kastenmeier	Pashayan	St Germain
Kelly	Paul	Stangeland
Kemp	Pease	Stanton
Kindness	Petri	Stenholm
Kostmayer	Preyer	Stockman
Kramer	Pursell	Studds
Lagomarsino	Quayle	Stump
Latta	Quillen	Tauke
Leach, Iowa	Railsback	Taylor
Leath, Tex.	Regula	Thomas
Lee	Rhodes	Udall
Levitas	Ritter	Vander Jagt
Lewis	Roberts	Volkmer
Loeffler	Robinson	Walker
Lujan	Rose	Wampler
McClory	Roth	Watkins
McCloskey	Royer	White
McDonald	Rudd	Whitley
McHugh	Runnels	Whittaker
Marlenee	Satterfield	Whitten
Marriott	Sawyer	Winn
Martin	Scheuer	Wirth
Mattox	Schroeder	Wydler
Mica	Schulze	Wylie
Michel	Sebelius	Yates
Mikva	Seiberling	Young, Fla.
Miller, Calif.	Sensenbrenner	
Miller, Ohio		

NOES—183

Addabbo	Frost	Nedzi
Akaka	Fuqua	Nichols
Albosta	Gaydos	Nowak
Alexander	Gephardt	Oakar
Ambro	Gilman	Oberstar
Anderson, Calif.	Ginn	Obey
Annunzio	Gonzalez	Ottinger
Applegate	Gore	Patten
Atkinson	Gray	Patterson
AuCoin	Guarini	Pepper
Bailey	Hall, Ohio	Perkins
Baldus	Hanley	Peyser
Barnes	Harkin	Price
Bauman	Harris	Pritchard
Beard, R.I.	Harsha	Rahall
Bevill	Hawkins	Ratchford
Biaggi	Heftel	Reuss
Bingham	Hollenbeck	Rinaldo
Blanchard	Holtzman	Roe
Boggs	Howard	Rosenthal
Boner	Hubbard	Rostenkowski
Bonior	Hutto	Roybal
Bowen	Johnson, Calif.	Russo
Breaux	Jones, N.C.	Sabo
Brown, Calif.	Kazen	Shannon
Buchanan	Kildee	Shelby
Burlison	Kogovsek	Slack
Burton, John	LaFalce	Snowe
Burton, Phillip	Leach, La.	Snyder
Byron	Lederer	Solarz
Clausen	Lehman	Spellman
Clay	Leland	Stack
Coelho	Lent	Staggers
Collins, Ill.	Livingston	Stark
D'Amours	Lloyd	Steed
Daniel, R. W.	Long, La.	Stewart
Danielson	Long, Md.	Stokes
Daschle	Lowry	Stratton
Davis, S.C.	Luken	Swift
de la Garza	McCormack	Synar
Dellums	McKay	Thompson
Dicks	McKinney	Traxler
Dingell	Madigan	Trible
Dixon	Markey	Van Deerlin
Dodd	Marks	Vanik
Donnelly	Matsui	Vento
Dougherty	Mavroules	Waxman
Downey	Mikulski	Weaver
Duncan, Oreg.	Mineta	Weiss
Eckhardt	Minish	Whitehurst
Edgar	Mitchell, Md.	Williams, Mont.
Emery	Moakley	Wilson, C. H.
Ertel	Mollohan	Wolff
Fary	Moore	Wolpe
Fascell	Moorhead, Pa.	Wright
Fazio	Mottl	Wyatt
Ferraro	Murphy, Ill.	Yatron
Fisher	Murphy, N.Y.	Young, Mo.
Flippo	Murphy, Pa.	Zablocki
Florio	Murtha	Zeferetti
Foley	Myers, Pa.	
	Natcher	

NOT VOTING—55

Anderson, Ill.	Ford, Tenn.	Moffett
Bolling	Forsythe	Nolan
Brodhead	Fowler	Pickle
Brooks	Garcia	Rangel
Broyhill	Giaimo	Richmond
Chappell	Gibbons	Rodino
Chisholm	Hightower	Rousselot
Cleveland	Holland	Santini
Conyers	Huckaby	Smith, Iowa
Corman	Ireland	Symms
Cotter	Jenrette	Treen
Crane, Philip	Lott	Ullman
Deckard	Lundine	Walgren
Diggs	Lungren	Williams, Ohio
Early	McDade	Wilson, Bob
Edwards, Calif.	McEwen	Wilson, Tex.
Evans, Ga.	Maguire	Young, Alaska
Flood	Mathis	
Ford, Mich.	Mazzoli	

□ 1220

Messrs. DEVINE, ABDNOR, KEMP, and DAVIS of Michigan changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SNYDER

Mr. SNYDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SNYDER: On page 3, line 4, after "Defense" insert: ": *Provided further*, That an operator receiving funds under this paragraph may elect, for all or a portion of its ships, to suspend its operating differential subsidy contract with all attendant statutory and contractual restrictions, except as to those pertaining to the domestic intercoastal or coastwise service, including any agreement providing for the replacement of vessels, if:

"(a) the vessel is less than ten years of age,

"(b) the suspension period is not less than twelve months, and

"(c) the operator's financial condition is maintained at a level acceptable to the Secretary of Commerce.

Any operator making such an election is entitled to full reinstatement of the suspended contract on request until October 1, 1984. The Secretary of Commerce may prescribe rules and regulations consistent with the purpose of this provision".

Mr. SNYDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

□ 1230

Mr. SNYDER. Mr. Chairman, two of the basic objectives of H.R. 2462 are to promote the maintenance of a U.S. merchant marine fleet capable of providing essential shipping services and to insure our national security.

It was in an attempt to achieve these objectives that the operating differential subsidy program was initially instituted. The operating differential subsidy provides for payment of Government funds to private U.S. ship operators in an effort to close the gap between the costs of operation by U.S. operators and the lower costs of operation by foreign ship operators.

After listening to the testimony of the Maritime Administration, as well as the subsidized and unsubsidized operators during the hearings on the authorization,

I came to the conclusion that something was wrong with the operating subsidy program.

I learned that in spite of $2.8 billion in subsidy since 1970 our subsidized fleet had declined in size and the profit picture was bleak. In fact, in the last 20 months 2 of our 10 subsidized steamship companies went bankrupt, 3 operated in the red, and 1 was taken over. Our small subsidized bulk carrier fleet has not done much better. In the last year, 4 of the 12 companies operating subsidized bulk carriers lost money or broke even. Five of the remaining eight made a total profit of only $700,000 after operating subsidies of $10 million.

And, that is not because the market is bad. During the same period our unsubsidized companies were making money. The evidence of this is clear: Two of the three largest unsubsidized operators are embarked on major expansion programs.

The reasons for this soon became obvious: The subsidy programs had too many strings attached. The restrictions on the operators actually prevented them from going out into the free market and competing for cargo.

After realizing this, I thought it would be valuable to conduct an experiment. We would allow subsidized operators to give us their subsidy in exchange for dropping the operating restrictions on those vessels they took off subsidy. If the operator, unemcumbered by Government redtape, can then compete, make money, and stay off subsidy, it will also be relieved of its vessel replacement obligation. But, if before October 1, 1984, the operator found it cannot make money without subsidy it can reinstate its subsidy contract, with all restrictions, including the replacement obligation.

In drafting this amendment I included several safeguards which, I do not believe are too onerous.

First, the only vessels which would be eligible would be those less than 10 years of age. This provision protects against a situation where an operator could avoid its replacement obligation on a vessel which was almost at its replacement age.

Second, the minimum suspension period is 12 months. I added this safeguard because I wanted to avoid a situation where an operator would jump in and out of the subsidy program in order to "skim" a few lucrative cargoes. I also wanted to avoid a situation which would create an inordinate amount of paperwork for the Maritime Administration.

Third, the suspended restrictions are only those which exist because of the receipt of operating subsidy. If an operator suspended operating subsidy for ships which were built with construction subsidy, it could not use this amendment to escape the restrictions which limit the right of ships built with construction subsidy to serve the domestic trades.

The final safeguard is that an operator who elects to suspend its subsidy must maintain its financial condition at a level acceptable to the Secretary of Commerce. I believe this condition is appropriate to protect the substantial financial interest which the Government has in most subsidized steamship companies.

I do not know how many operators will take advantage of this program, however, I believe it is important that we try something new. It is clear that something has to be changed.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK TO THE AMENDMENT OFFERED BY MR. SNYDER

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York to the amendment offered by Mr. SNYDER: Insert after the word "Commerce" first appears a new paragraph (c) as follows:

(d) The owner agrees to pay the Secretary, upon such terms and conditions as he may prescribe, an amount which bears the same proportion to the construction-differential subsidy paid by the Secretary as the portion of the suspension period during which the vessel is operated in any preference trade from which a subsidized vessel would otherwise be excluded by law or contract bears to the entire economic life of the vessel.

Mr. MURPHY of New York. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kentucky.

The Subcommittee on Merchant Marine, on May 24, 1979, held hearings on the proposal of Mr. SNYDER to provide greater flexibility to operators of vessels in the U.S. merchant marine who receive operating differential subsidy, under the provisions of a program whose funding is the subject of the authorization measure now before the House.

The issues considered during our hearings were raised originally during the committee's consideration of the authorization for fiscal year 1980. Because of the uniqueness of the recommendation and the fact that ample time could not, at that time, be devoted to adequate review of the amendment, we held hearings specifically to explore the merits of proposals designed to make more flexible the operations of carriers who participate in our subsidy programs.

The Maritime Administration during the hearing supported "the concept of maximizing the operational flexibility of its subsidized fleet," and with the safeguards included in the amendment, I believe we have before us a concept which can be implemented.

This amendment is premised on the assumption that the restrictions attached to the receipt of subsidy, while necessary to the integrity of the current maritime programs, may prevent operators from moving into trades where the cargo is and where their profitability may be enhanced. The options in the 5-year experiment will provide the Congress and the administration with an empirical as well as conceptual base upon which to determine the course of our maritime policy.

The amendment of the gentleman from Kentucky is designed to accord subsidized companies greater operating flexibility by releasing them from contractual sailing obligations if they in turn suspend their right to receive operating subsidies. In certain instances, such companies have been prevented by their contracts from operating in preference trades reserved for American ships. They would now be allowed to do so through the suspension of these contracts.

However, since their vessels will be competing in such trade not with foreign ships, but only with unsubsidized American vessels, it would not be proper to allow them to retain their construction subsidies, which would give them an unfair advantage against vessels built at full American cost—almost double the cost of construction with subsidy. Hence, I offer to further amend the amendment of my colleague from Kentucky to require repayment of construction subsidies in proportion to the time spent in a previously unauthorized preference trade.

The 1936 act itself provides for such proportional repayment when subsidized ships are permitted to engage in the related coastwise trade, which like the offshore preference trades has no foreign competition and in which no construction subsidy is allowed to American vessels.

In his state of the Union message, the President stated: "We must improve the ability of our merchant marine to win a fair share of our cargo." It is my belief that the provisions of the amendment offered by Mr. SNYDER will improve the ability of our subsidized carriers to become more commercially self-reliant by allowing them to enter, without subsidy support, the open marketplace where they may compete for cargoes.

It has been long alleged that receipt of subsidy payment carries with it a burden which, in many instances, is greater than the benefits which are conferred by the program. The measure before us creates an opportunity for our subsidized carriers to demonstrate their capacity to compete equally with all other carriers, whether flying the U.S. flag or not. I assure my colleagues, that, with the safeguards Mr. SNYDER has included in his amendment, this parity is not being bought at the expense of domestic trade or other nonsubsidized operators, nor will the utilization of the provisions of the measure have anything but the most salutary effect on the cost effect on the cost of moving waterborne cargoes.

I urge my colleagues to join in supporting the initiative of my colleague from Kentucky, and I urge the adoption of this amendment.

□ 1240

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

As I understand the gentleman's amendment to the principal amendment, it would require a proportional payback of the construction subsidy for the time during which one of these ships would

be engaged in the very profitable preference trade. I think that this amendment to the principal amendment is probably fair in consideration of this new competition and its possible effects. Otherwise the original amendment could result in an operator receiving an unfair advantage. As the sponsor of the principal amendment, I have no objection to the acceptance of the gentleman's perfecting amendment.

Mr. MURPHY of New York. My colleague states the case equitably, and I appreciate his support of the amendment to the amendment.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding. The minority accepts the amendment to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY) to the amendment offered by the gentleman from Kentucky (Mr. SNYDER).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. SNYDER), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. SNYDER

Mr. SNYDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SNYDER: On page 4, after line 5, insert:

SEC. 5. Section 27 of the Merchant Marine Act, 1920, as amended, 46 U.S.C. 883, is hereby further amended by adding the following new clause at the end thereof: ": *Provided further*, That until October 1, 1984, and notwithstanding any other provisions of this section, any vessel documented under the laws of the United States and owned by persons who are citizens of the United States may, when operated upon a voyage in foreign trade, transport merchandise in cargo vans, lift vans, and shipping tanks between points embraced within the coastwise laws for transfer to or when transferred from another vessel or vessels, so documented and owned, of the same operator when the merchandise movement has either a foreign origin or a foreign destination. This proviso shall not apply to movements between points in the contiguous United States and points in Hawaii, Alaska, the Commonwealth of Puerto Rico and United States territories and possessions.".

Mr. SNYDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SNYDER. Mr. Chairman, my second amendment represents an attempt to allow U.S. operators to use certain U.S.-flag vessels between U.S. ports to relay cargo enroute to foreign destinations. Under the current law, a subsidized operator may stop in U.S. ports while enroute to a foreign destination, if it pays back a pro rata portion of its subsidy. However, as the law now stands, a foreign built, U.S.-flag vessel operating without any subsidy cannot transfer loaded containers moving in the U.S. foreign commerce at an interim U.S. port on their journey between another U.S. port and a foreign port. This impediment obviously goes to the benefit of the foreign-flag lines which now provide all water services on the routes where U.S.-flag carriers are now prevented from operating a transfer service.

This amendment is intended to correct this problem.

It is also important to note that the American-flag, American-owned containerships involved in such a movement under this amendment will have to be under the common operation of a single U.S. carrier and the cargo must have either a foreign origin or destination. Consequently, this amendment will not intrude on the Jones Act's coverage of domestic cargo.

As well as encouraging U.S. operators to bring their foreign built vessels under the U.S. flag and thus strengthening the ranks of the now dwindling U.S. merchant fleet this amendment will also create additional employment at U.S. transfer ports.

Consider, as an example, the trade between the U.S. west coast and Europe. There are no U.S.-flag containership operators offering direct all-water service in that trade.[1] However, there are four foreign-flag operators or consortia of foreign-flag operators providing direct service on this route. Sea-Land currently provides limited service in that trade by moving containers by rail between the west coast and the east/gulf coasts. Next year, Sea-Land would be in a position to provide a new U.S.-flag all-water service in this trade by relaying cargo at east coast ports. This new U.S.-flag service would be competitive with the foreign-flag operators in the trade. Section 27 prohibitions, however, prevent them from offering the service.

The latest available Maritime Administration statistics show that U.S.-flag participation in the west coast-Europe trade (TR 26) are as follows:

Cargo (long tons), U.S.-flag

[In percent]

1976:	
1,152,000	2
1975:	
1,076,000	1
1974:	
1,350,000	1
1973:	
1,433,000	1
1972:	
1,355,000	1

This proposed amendment to H.R. 2462 would amend section 27 without in any way detracting from the U.S.-flag, U.S.-built requirements for carriage of domestic cargoes. It will allow certain additional U.S.-flag vessels, sailing in foreign commerce, to provide additional service by transfer of containerized import/export cargo as part of the transportation by water in the foreign commerce.

Because this amendment is heretofore untested, I have placed the same time limitations on this amendment that appear in my first amendment. I believe this time constraint will give these American-flag operators an opportunity to demonstrate that this amendment is in the best interest of the American merchant marine.

Mr. MURPHY of New York. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kentucky, which would permit the transfer of containers in foreign commerce between U.S.-flag ships in U.S. ports.

At the present time, the existing section 27 of the Merchant Marine Act of 1920 (the Jones Act) has the effect of diverting cargo from U.S.-flag carriers to foreign carriers, or to highway and rail modes. This is so because American companies operating unsubsidized U.S.-flag (foreign built) vessels are precluded by section 27 from transferring loaded containers moving in the U.S. foreign commerce at an interim U.S. port on their journey between another U.S. port and a foreign port.

The amendment under consideration would change the above mentioned proscription and would permit an unsubsidized U.S.-flag carrier with a foreign built vessel to transfer its loaded containers, moving in the U.S. foreign commerce, at an interim U.S. port on their journey between other U.S. ports and ultimately a foreign port.

The objective of this amendment is to remove unintended impediments to the efficient operation of these U.S.-flag operators, and to provide them with the necessary flexibility in their operations. This amendment will provide this needed flexibility by allowing these U.S.-flag vessels, involved in foreign commerce, to transfer containerized import/export cargo as part of the transportation by water in the foreign commerce.

While providing this necessary flexibility it is nevertheless necessary to exempt certain noncontiguous offshore domestic trade areas from the application of this amendment because of the implications of the Jones Act in the amendment. Without these exceptions the amendment would permit a foreign built vessel to go from the continental United States to Guam, Alaska, the Marianas, Hawaii, and Puerto Rico, in violation of the traditional and longstanding U.S. cabotage laws. For this reason, the amendment will specifically exclude from its application the areas mentioned above, while at the same time providing the desired flexibility by permitting the carriage of cargo between domestic continental U.S. ports in a U.S. foreign commerce movement.

For the reasons mentioned above, I would urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. SNYDER).

[1] U.S. Lines provides a service in the trade by relaying cargo at East Coast ports using its Pacific and Atlantic service vessels.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 3, line 4, after "Defense" insert: ": *Provided further*, That no funds authorized by this paragraph may be paid for any item of wage costs that is paid to the Transportation Institute, the Joint Maritime Congress, the American Maritime Officers Service, or to any other organization which engages in lobbying activities".

Mr. McCLOSKEY. Mr. Chairman, this amendment is intended to close one last area of public financing of lobbying activities. For those who are unfamiliar with the operating subsidy program, the way it operates is that if a U.S. seaman on a subsidized line is earning $20,000 a year and a foreign seaman is earning $8,000 a year, the U.S. Government under the operating subsidy pays the additional $12,000 so that the U.S. company is not penalized by having to pay for more expensive labor.

What has happened is that the maritime unions have negotiated, as part of their labor contracts in several instances, a required payment by the company into a so-called Research Institute, and the cost that is contributed to that Research Institute adds, of course, to the wages paid to those seamen as an operating cost and is paid for by the U.S. taxpayers.

Two years ago when we had the cargo preference fight, two such research organizations, the Joint Maritime Congress and the Transportation Institute, contributed $100,000 and $50,000, respectively, into the campaign for cargo preference. We could thus trace directly taxpayers' funds into seaman's wages that were subsidized, into an institute which then lobbied on bills before the Congress.

All this amendment does is prohibit any taxpayers' funds paid through the operating differential subsidy to be paid into an institution which is engaged in lobbying activities.

□ 1050

This does not prevent the lobbying activities, it merely prevents Government funds from being used as part of those lobbying activities.

I yield back the balance of my time.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment on its surface has some appeal but suppose we examine just what it does.

We have an operational differential subsidy program that is designed for one specific purpose and that is to take care of the imbalance in pay between the pay of foreign seamen to the pay of American seamen. It is a differential carefully arrived at by the Department of Commerce. Then a subsidy is paid to 8 U.S. companies that apply for that subsidy so the United States can maintain an American flag fleet. Because the U.S. Government recognizes that imbalance in payment and we feel that the American seaman should be paid at a commensurate American industrial wage and that is where that subsidy figure comes from. It comes from an across-the-board evaluation of the industrial wages of American workers and we treat our American seamen the same way.

Mr. Chairman, we have many collective bargaining agents and agencies and unions involved in the seafaring trade. We have the Marine Engineers Beneficial Association, we have the Seafarers International, the National Maritime Union, all of these unions that properly represent members in the true and open American collective bargaining process. They represent hundreds of companies, not just the eight subsidized companies but hundreds of companies. These hundreds of companies sit down and they bargain collectively through the American free and open collective bargaining process.

In that process the Transportation Institute and certain other organizations that will speak definitively to the issues of that industry and labor industry, a certain portion of funds from all of those companies will go to support those activities.

This is a wholesome activity. I would support it. I think to say we do not want any ODS funds to be spent for this type of lobbying activity is almost a tertiary way of getting in a third-handed way at America's organized labor unions. I frankly do not think it is fair.

I think if we said to the teachers, "You can't have the United Federation of Teachers down here and you cannot permit any of the subsidy funds that go to American education that assist the teachers and the teaching profession and you cannot have a lobbying organization," that would not be acceptable. We pour billions of dollars into States and billions of dollars into cities and we should tell the National League of Cities that none of the funds that go to the cities can be used to support the National League of Cities, so that the voice of the cities could be heard in the national legislatures? I think it is a grossly unfair amendment and, therefore, I would hope that the committee would defeat it.

Mrs. FENWICK. Mr. Chairman, would the gentleman yield?

Mr. MURPHY of New York. I would be happy to yield to my colleague.

Mrs. FENWICK. I thank my colleague for so graciously yielding.

I would like to draw attention to the fact that the Federal Elections Commission has found that the action of the National Education Association in contributing some $400,000 in campaign funds was not desirable and not quite according to what they would hope.

I, therefore, Mr. Chairman, think it is clear that things like dues and wages and things cannot be really used for lobbying in that way.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I would be happy to yield to my colleague from Kentucky.

Mr. SNYDER. I was just looking at the amendment and recalling how the gentleman from California laid out what ODS is. That, if a foreign company pays $8,000 wages and we have to pay $20,000 then the subsidy is $12,000 or something like that.

As I read the amendment, even if it is adopted the contract could say, "OK, we are going to pay the fees to the respective organizations out of the $8,000 factor in their $20,000 wage and none out of the $12,000," and, therefore, it would be ineffective anyway. Am I correct?

Mr. MURPHY of New York. I think it would be discriminatory against the workers in those eight companies. They would be treated as second-class seamen.

Mr. SNYDER. Is it not also true that they could still go ahead and do it even if the amendment is adopted, just by allocating the fees out of the portion of the salary that is not subject to subsidy?

Mr. MURPHY of New York. It is possible they could do it but it would be a gross inequity and unfair to the workers in those eight companies.

Mr. McCLOSKEY. Mr. Chairman, would the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield.

Mr. McCLOSKEY. Just to try to explain the amendment, all it does is, it would deny Federal subsidy for that portion of the negotiated wage which is going into the institute which engages in lobbying activities.

The gentleman is correct. The company could still pay it. They just would not receive a subsidy from the Federal Government. As it is now, this is Federal money.

Mr. SNYDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. McCLOSKEY'S amendment states, "Provided further no funds authorized for this paragraph may be paid for any item of wage costs that is paid to TI, JMC," and so forth. If three-fourths of the total wage is the amount of the subsidy, then that is the amount of funds authorized by this paragraph. Consequently, I think that the one-fourth that is not a portion of the subsidy could be used and earmarked for the purpose of paying these fees. That was the subject of my question. It strikes me it could still be accomplished that way.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from California.

Mr. McCLOSKEY. I would respectfully say the gentleman is in error. In $20,000 of that wage cost, let us say $50 goes toward one of these institutes, instead of getting $12,000 from the Government subsidy, they would get $11,950. It would just mean the company would have to pay.

Mr. SNYDER. They could also say, "We are not going to pay any of the $50 out of the $12,000 but we are going to pay it all out of the $8,000."

Ms. MIKULSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the McCloskey amendment.

Mr. Chairman, the United States is the single largest importing and exporting country in the world and yet less

than 5 percent of our total commerce is carried on U.S.-flag ships.

These facts are staggering and embarrassing. They are embarrassing because the preamble of the Merchant Marine Act of 1936 clearly states that the United States shall have a merchant marine sufficient to carry a substantial portion of the waterborne export and import foreign commerce of the United States. I suggest that less than 5 percent is not a "substantial portion."

Mr. Chairman, I agree with the purpose of the Merchant Marine Act and I believe we have the capability of fulfilling these goals. What we need is the will.

Mr. Chairman, I would like to highlight the work of the Transportation Institute and the Joint Maritime Congress. These organizations fill the need for research and education organizations to analyze and offer solutions to the problems faced by a deteriorating maritime industry.

Both the Transportation Institute and the Joint Maritime Congress were created pursuant to a collective-bargaining agreement and they are exclusively funded and administered by ship operators. The structure and integrity of the collective-bargaining process has been protected from intrusions which violate fundamental rights of American workers through section 7 of the National Labor Relations Act. Any attempt to prohibit their activities by limiting their funding sources would, in fact, revise the basic structure of our collective-bargaining system and I do not believe that Congress intends to do that.

Let me remind my colleagues that in 1970 Congress specifically addressed the issue of subsidy payments and the uses to which they could be put. To create an incentive to hold down wages, Congress created an index system—wage increases above a certain amount would reduce the subsidy. It was thought that it would be unfair for Marad to determine that a collective bargaining agreement was "unreasonable" after negotiations had been conducted in good faith. Thus, subsidies would be based on collective bargaining costs rather than fair and reasonable wage costs. The Merchant Marine Act was then amended in 1970 so that the new operating subsidy provision clearly stated that all costs required of operators by collective bargaining agreements shall be part of collective bargaining costs and, therefore, eligible for subsidies. Note that a U.S. court of claims, in a ruling on this issue, concluded that the Federal Government is legally bound to subsidize collective bargaining costs which are negotiated at arms' length and in good faith.

Mr. Chairman, I support our merchant marine, the Transportation Institute and the Joint Maritime Congress, which are its research and education instruments, and I call upon my colleagues to do the same.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken; and on a division (demanded by Mr. McCLOSKEY) there was—ayes 9, noes 4.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EMERY: On page 3, line 6, strike "$29,374,000" and insert in lieu thereof "$31,372,000".

On page 3, line 12, after "schools," insert "$1,998,000 for fuel oil for State marine school training vessels,".

Mr. EMERY. Mr. Chairman, I am introducing an amendment to H.R. 2462, the maritime authorization bill, to provide $1,998,000 to State marine schools for the purpose of purchasing fuel for training vessels.

The Maritime Administration projects that fuel costs will increase over the next year by at least 10 percent. Given our recent experience, this is a conservative estimate, indeed. Using last year's consumption as a basis for computing the cost and multiplying that figure by the current fuel price plus 10 percent, MarAd estimates that $1,998,000 must be spent in fiscal year 1980 in order to operate the marine school training vessels.

Many Members may remember that the fiscal year 1979 maritime authorization bill contained a provision which provided for increased fuel costs in the amount of $1.1 million. This aspect of State marine school expenses was not addressed this year, and consequently, unless my amendment is accepted, the schools have to come up with the amount themselves.

As a member of the Ad Hoc Select Subcommittee on Maritime Education and Training, I have had the opportunity to review the operation of many marine schools, and I have been impressed by the cost effective operation of most of them. They have, in my opinion, exhibited the ability to revise their budgets in light of increasing inflation and, yet, continue to train merchant seamen to a high level of excellence and competence. The training vessels are an integral part of a seaman's curriculum at the schools and cannot be dispensed with or minimized. For this reason, I feel that we should authorize $1,998,000 for State marine schools in order that they may purchase fuel for training vessels during fiscal year 1980.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the gentleman has brought up a very salient point when he offered this amendment, which the Committee supports. The cost of fuel for the State schools particularly has risen exorbitantly and the amendment is a necessary amendment.

□ 1300

Mr. EMERY. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 4, after line 5, add:

"SEC. 5. Notwithstanding any other provision of law, the Secretary of Commerce may, under the same terms and conditions applying to vessels built in the United States, make the operating-differential subsidy provided for in section 601 of the Merchant Marine Act, 1936 (46 U.S.C. 1171), and government-impelled cargoes provided for in section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241), available to any vessel that is contracted for or purchased by a United States citizen in fiscal year 1980 and subsequently documented under the laws of the United States.".

Mr. McCLOSKEY. Mr. Chairman, this amendment would allow U.S. steamship companies to purchase foreign built vessels for operation under the U.S. flag with U.S. crews while receiving operating subsidies and carrying preference cargoes.

The basis for this amendment lies in the admitted failure of the ship construction subsidy program to allow U.S. companies to purchase vessels at costs equivalent to their foreign competition.

We have authorized today three ships costing $46 million. Those same ships could be purchased for $20 million today, but they cannot be operated under operating differential subsidies.

The intent of this amendment is consistent with the intent of the omnibus bill that the chairman and I have joined in sponsoring.

I am hoping that the majority might accept this amendment, because it will allow us to get some experience in fiscal year 1980 with the effect of the bill that we are trying to pass.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I am glad to yield to the gentleman.

Mr. MURPHY of New York. I was going to ask the gentleman to withdraw the amendment in the same spirit as the gentleman's request to me, because of the fact that when the gentleman and I and the distinguished gentleman from Kentucky introduced the omnibus maritime bill just 2 weeks ago, this was one of the key provisions of concern to all segments of this industry.

We have already embarked on an in-depth set of hearings in the next 2 months, that is in September and October. We will have 15 hearings where we will develop this program. We will bring the private sector in. We will bring in Government witnesses. We will bring in labor. We are going to bring in the representatives, the American representatives of foreign flag interests and foreign commercial interests, to try and develop in this area a program to do exactly what the gentleman is trying to do, that is to unite the construction costs and the exorbitant construction costs that have made it virtually impossible for American flag operators to build in America without construction subsidies.

We have the Ways and Means Committee that has already finished the Rostenkowski task force report.

Chairman ULLMAN will take up the tax incentives to the American shipbuilding industry.

I would hope that we would wait until the maritime omnibus bill is moving into its final fruition, so that then we can try and test this concept and not have it interfere in a 1-year authorization bill that would interfere with the construction subsidy contracts that are tied and geared into the ODS programs on a 20-year basis.

Mr. McCLOSKEY. Well, Mr. Chairman, I value the point the gentleman makes. The operating subsidy application that has been made has been predicated on existing companies, both liner and bulk and the subsidies that they will ask for.

Presumably, if we include this in the authorization bill, this may stimulate some U.S. company to buy a foreign built ship, seek to bring it under the operating differential subsidy and ask for a supplemental appropriation this year.

I have no objection at all to what the gentleman is saying. This will not interfere with any existing operating subsidy. It might stimulate a company to try to buy a foreign built ship, put it under a U.S.-flag and get the advantage of this subsidy.

I do not think the gentleman and I are in any disagreement.

Mr. MURPHY of New York. Yes; but the gentleman's amendment would permit it like that and there would be no sanitizing period and they would be in on preference cargoes right away at this juncture before we had had the opportunity to fully analyze the impact of the proposal.

Mr. McCLOSKEY. Let me say to the gentleman, I agree with that, but I do not think any U.S. company may take advantage of this; but I think they will come before our committee and tell us why they will not take advantage of it. It will stimulate the testimony. It will stimulate the consideration of this bill from a practical standpoint.

I am afraid to buy a foreign built ship, we are going to have to remove that requirement of Coast Guard certification, for example, and accept a business standard as to whether the vessel is built to class, rather than to U.S. Coast Guard standards. If so, this kind of addition to the bill will stimulate a real look at the problem, rather than a theoretical look.

Mr. MURPHY of New York. I think the only thing it will stimulate would be a few coronaries in the industry.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The amendment was rejected.

Mr. EVANS of Delaware. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since the Congress enacted the Fisheries Conservation and Management Act establishing the 200-mile economic zone, foreign catches of fish within that zone have declined substantially. Even so, seafood consumption in this country is largely provided for by import products.

There is much we can do to more fully realize the potential of the domestic seafood industry. At a recent Mid-Atlantic Fisheries Development Conference sponsored by the Department of Commerce much discussion focused on the need to develop shoreside commercial fisheries facilities. According to a resolution approved by the seafood committee of the Delmarva Advisory Council, a recent National Marine Fisheries Service study shows "that lack of processing capacity and shoreside fisheries facilities is high among those factors that are impeding the development of our seafood industry."

Mr. Chairman, when the Senate passed the Maritime Authorization Act of 1980, two amendments to the Merchant Marine Act of 1936 were approved pertaining to the financing of shoreside commercial fisheries facilities. In the Senate version, the loan obligation guarantee and capital construction fund sections of the Merchant Marine Act were amended to extend the benefits of those sections beyond commercial fishing vessels to include actual shoreside fisheries facilities. These provisions could provide a real boost to our domestic seafood industry.

The amendments as approved by the Senate will be considered in conference following passage of the House version of the Maritime Authorization Act. I urge those of my colleagues who will sit on the conference committee to recognize the importance and need for shoreside fisheries facilities.

● Mr. ANDERSON of California. Mr. Chairman, I rise in opposition to the proposed amendment of the gentleman from California (Mr. McCLOSKEY).

This amendment says that no operating subsidy funds may be paid for any item of wage costs paid to the Transportation Institute, Joint Maritime Congress, American Maritime Officers' Service, or to any other organization which engages in lobbying activities.

This amendment should be defeated for various reasons, the foremost being that it is based on the misconception that the named organizations in fact receive funds from the Federal Government. In reality, these worthwhile organizations which do engage in legitimate legislative activities have never received any funds from the U.S. Government.

In exchange for providing certain services and undertaking certain obligations, American shipping companies receive operating subsidy funds from the Federal Government. These companies, when paid by the Government upon the fulfillment of their ODS contractual obligations, have the same rights as all other American companies to use their lawfully earned income for any other legitimate and legal purpose.

These companies, pursuant to collective bargaining agreements with maritime unions, have agreed to make contributions to and to support the organizations named in this amendment. They contribute to these organizations like they pay employee wages—as determined through the federally protected collective bargaining process.

It is the longstanding policy of our Government to refrain from intruding into this process and from imposing unnecessary restrictions on the parties engaged in collective bargaining. I do not believe this policy should be violated in this case.

I would urge my colleagues to defeat this amendment.●

□ 1310

The CHAIRMAN. If there are no other amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. YATES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2462) to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes, pursuant to House Resolution 283, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 640) to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

S. 640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1980".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1980, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $101,000,000;

(2) For payment of obligations incurred for operating differential subsidy, not to exceed $256,208,000;

(3) For expenses necessary for research and development activities, not to exceed $16,360,000;

(4) For maritime education and training expenses, not to exceed $25,874,000, including not to exceed $17,132,000 for maritime training at the Merchant Marine Academy at

Kings Point, New York, not to exceed $6,785,000 for financial assistance to State marine schools, and not to exceed $1,957,000 for supplementary training courses authorized under section 216(c) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1126(c)); and

(5) For operating expenses, not to exceed $35,598,000, including not to exceed $6,377,000 for reserve fleet expenses, and not to exceed $29,221,000 for other operating expenses.

SEC. 3. There are authorized to be appropriated for the fiscal year 1980, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. Section 30 of the Merchant Marine Act of 1920 (46 U.S.C. 922(a)(5)), is amended by inserting after the words "United States" the words "or a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States".

SEC. 5. (a) Subsection (a) of section 607 of the Merchant Marine Act, 1936 (46 U.S.C. 1177) is amended to read as follows:

"(a) AGREEMENT RULES.—Any citizen of the United States owning or leasing one or more eligible vessels (as defined in subsection (k)(1)), or one or more fisheries facilities (as defined in subsection (k)(9)), may enter into an agreement with the Secretary of Commerce under, and as provided in, this section to establish a capital construction fund (hereinafter in this section referred to as the 'fund') with respect to any or all of such vessels or fisheries facilities. Any agreement entered into under this section shall be for the purpose of providing—

"(1) replacement vessels, additional vessels, or reconstructed vessels, built in the United States and documented under the laws of the United States for operation in the United State, foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States, or

"(2) replacement, additional, or reconstructed fisheries facilities in the United States, and shall provide for the deposit in the fund of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f). The deposits in the fund, and all withdrawals from the fund, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary of Commerce may by regulations prescribe or are set forth in such agreement; except that the Secretary of Commerce may not require any person to deposit in the fund for any taxable year more than 50 percent of that portion of such person's taxable income for such year (computed in the manner provided in subsection (b)(1)(A)) which is attributable to the operation of the agreement vessels or fisheries facilities or from the sale or marketing of fish or fish products (as defined in paragraphs (11) and (12) of subsection (k))."

(b) CEILING ON DEPOSITS.—Subsection (b) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or which is attributable to the operation of the agreement fisheries facilities or from the sale or marketing of fish or fish products" before the comma at the end thereof;

(2) in subparagraph (B) of paragraph (1) by inserting "or fisheries facilities" after "vessels"; and

(3) in subparagraph (C) of paragraph (1) and in paragraph (2) by inserting "or fisheries facility" after "vessel" each place it appears.

(c) QUALIFIED WITHDRAWALS FROM THE FUND.—Subsection (f) of section 607 of such Act is amended—

(1) in subparagraph (A) of paragraph (1) by inserting "or a fisheries facility," after "vessel"; and

(2) in subparagraph (C) by inserting ", a fisheries facility," after "reconstruction of a qualified vessel".

(d) TAX TREATMENT OF QUALIFIED WITHDRAWALS.—Subsection (g) of section 607 of such Act is amended—

(1) in paragraphs (2) and (3) by inserting "fisheries facility," after "vessel," each place it appears; and

(2) in paragraph (4) by inserting "fisheries facilities," after "vessels,".

(e) DEFINITIONS.—Subsection (k) of section 607 of such Act is amended by adding at the end thereof the following new paragraphs:

"(9) The term 'fisheries facilities' means new or used landing, receiving, processing, storage, and distribution facilities, together with all necessary equipment, including land where appropriate.

"(10) The term 'agreement facility' means any fisheries facility which is subject to an agreement entered into under this section.

"(11) The term 'fish' means any species of living aquatic resources excluding aquatic mammals and birds.

"(12) The term 'fish products' means any product which is made wholly or in part from any fish or portion thereof, except products which contain fish only in small proportions and which are exempted from definition as a fishery product by the Secretary.".

SEC. 6. Section 1104(a) of the Merchant Marine Act, 1936 is amended by—

(1) redesignating paragraph (4) as (5);

(2) inserting after subparagraph (3) the following:

"(4) financing or refinancing fisheries facilities;" and

(3) inserting after paragraph (5) (as redesignated by this section) the following: "For the purpose of this paragraph (4) the term 'fisheries facilities' means new and used landing, receiving, processing, storage and distribution facilities together with all equipment, including land where appropriate.".

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY of New York moves to strike all after the enacting clause of the Senate bill, S. 640, and to insert in lieu thereof the provisions of H.R. 2462, as passed, as follows:

That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1980".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1980, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $101,000,000: *Provided*, That no funds authorized by this paragraph may be paid to subsidize the construction of any vessel which will not be offered for enrollment in a Sealift Readiness program approved by the Secretary of Defense: *Provided further*, That in paying the funds authorized by this paragraph, the construction subsidy rate otherwise applicable may be reduced by 5 per centum unless the Secretary of Commerce, in his discretion, determines that the vessel to be constructed is part of an existing or future vessel series: *Provided further*, That no funds authorized by this paragraph may be used to construct any vessel which will have a subsidized manning level 50 percent above the minimum determined by the Coast Guard to be necessary for the safe operation of the vessel;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $256,208,000: *Provided*, That no funds authorized by this paragraph may be paid for the operation of any vessel which is not offered for participation in a Sealift Readiness program approved by the Secretary of Defense: *Provided further*, That an operator receiving funds under this paragraph may elect, for all or a portion of its ships, to suspend its operating differential subsidy contract with all attendant statutory and contractual restrictions, except as to those pertaining to the domestic intercoastal or coastwise service, including any agreement providing for the replacement of vessels, if:

(a) the vessel is less than ten years of age,

(b) the suspension period is not less than twelve months,

(c) the operator's financial condition is maintained at a level acceptable to the Secretary of Commerce, and

(d) The owner agrees to pay to the Secretary, upon such terms and conditions as he may prescribe, an amount which bears the same proportion to the construction-differential subsidy paid by the Secretary as the portion of the suspension period during which the vessel is operated in any preference trade from which a subsidized vessel would otherwise be excluded by law or contract bears to the entire economic life of the vessel.

Any operator making such an election is entitled to full reinstatement of the suspended contract on request until October 1, 1984. The Secretary of Commerce may prescribe rules and regulations consistent with the purpose of this provision: *Provided further*, That no funds authorized by this paragraph may be paid for any item of wage costs that is paid to the Transportation Institute, the Joint Maritime Congress, the American Maritime Officers Service, or to any other organization which engages in lobbying activities;

(3) For expenses necessary for research and development activities, not to exceed $16,360,000;

(4) For maritime education and training expenses, not to exceed $31,372,000, including not to exceed $17,132,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $10,285,000 for financial assistance to State marine schools, $1,998,000 for fuel oil for State marine school training vessels, and $1,957,000 for supplementary training courses authorized under section 216(c) of the Merchant Marine Act, 1936; and

(5) For operating expenses, not to exceed $35,598,000, including not to exceed $6,377,000 for reserve fleet expenses, and $29,221,000 for other operating expenses.

SEC. 3. There are authorized to be appropriated for the fiscal year 1980, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. During fiscal year 1980 the aggregate amount of new loan guarantees authorized by title XI of the Merchant Marine Act, 1936, shall be limited to $1,500,000,000.

SEC. 5. Section 27 of the Merchant Marine Act, 1920, as amended, 46 U.S.C. 883, is hereby further amended by adding the following new clause at the end thereof: ": *Provided further*, That until October 1, 1984, and notwithstanding any other provisions of this

section, any vessel documented under the laws of the United States and owned by persons who are citizens of the United States may, when operated upon a voyage in foreign trade, transport merchandise in cargo vans, lift vans, and shipping tanks between points embraced within the coastwise laws for transfer to or when transferred from another vessel or vessels, so documented and owned, of the same operator when the merchandise movement has either a foreign origin or a foreign destination. This proviso shall not apply to movements between points in the contiguous United States and points in Hawaii, Alaska, the Commonwealth of Puerto Rico and United States territories and possessions."

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2462) was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PROPOSED CONSIDERATION OF RESOLUTION IN THE MATTER OF REPRESENTATIVE CHARLES C. DIGGS, JR.

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. BENNETT. Mr. Speaker, I take this time to advise my colleagues that it is my intention to call up as the first order of business next Tuesday House Resolution 378, in the matter of Representative CHARLES C. DIGGS, JR.

It is my understanding that the House will convene at 10 a.m. on that day.

House Resolution 378 is a privileged resolution which, under the rules, may be discussed for 1 hour.

Because of the importance of this matter, I believe it would be proper that we have as full an attendance of the membership as possible when House Resolution 378 is under consideration. Copies of the report and the resolution were sent to the offices of all Members on Wednesday of this week.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE REPORT ON H.R. 4955, MIGRATION AND REFUGEE ASSISTANCE AUTHORIZATION FOR ADDITIONAL AUTHORIZATION, 1980 AND 1981

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill (H.R. 4955) to authorize an additional appropriation of $207,290,000 for the fiscal year 1980 and $203,610,000 for the fiscal year 1981, for migration and refugee assistance.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION TO HAVE UNTIL MIDNIGHT MONDAY, JULY 30, 1979, TO FILE CONFERENCE REPORT ON H.R. 3363, DEPARTMENT OF STATE AUTHORIZATION ACT, 1980 AND 1981

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight, Monday, July 30, 1979, to file a conference report on the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROPOSED AGREEMENT BETWEEN THE UNITED STATES AND AUSTRALIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–169)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123 d of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(d)), the text of the proposed Agreement Between the United States and Australia Concerning Peaceful Uses of Nuclear Energy and accompanying annex and agreed minute; my written approval, authorization and determination concerning the agreement; and the Memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views of the Members of the Nuclear Regulatory Commission are also enclosed.

The proposed agreement with Australia is the first such agreement submitted to the Congress since enactment of the Nuclear Non-Proliferation Act of 1978, which I signed into law on March 10, 1978 and which, among other things, call upon me to renegotiate existing peaceful nuclear cooperation agreements to obtain the new provisions set forth in that Act. In my judgment, the proposed agreement for cooperation between the United States and Australia, together with its agreed minute, meets all statutory requirements.

I am particularly pleased that this first agreement is with Australia, a strong supporter of the Non-Proliferation Treaty and of international non-proliferation efforts generally. The proposed agreement reflects the desire of the Government of the United States and the Government of Australia to update the framework for peaceful nuclear cooperation between our two countries in a manner which recognizes both the shared non-proliferation objectives and the close relationship between the United States and Australia in the peaceful applications of nuclear energy. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give it favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *July 27, 1979*.

REQUESTS TO MAKE IN ORDER ON JULY 31, 1979, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT ON H.R. 3363, DEPARTMENT OF STATE AUTHORIZATION ACT, 1980 AND 1981

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that it shall be in order on Tuesday, July 31, 1979, or any day thereafter, to consider the conference report on the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and any amendment reported from the conference in disagreement between the two Houses of Congress, and said conference report or amendment in disagreement shall be considered as read when called up for consideration.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BAUMAN. I object, Mr. Speaker.

The SPEAKER. Objection is heard.

REPORT ON RESOLUTION PROVIDING FOR SENDING H.R. 111, PANAMA CANAL ACT OF 1979, TO CONFERENCE

Mr. ZEFERETTI, from the Committee on Rules, submitted a privileged report (Rept. No. 96–392) on the resolution (H. Res. 390) providing for sending the bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977, to conference,

which was referred to the House Calendar and ordered to be printed.

NURSES TRAINING AMENDMENTS OF 1979

Mr. WAXMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3633) to amend title VIII of the Public Health Service Act to extend for 1 fiscal year the program of assistance for nurse training, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. WAXMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3633, with Mr. SEIBERLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on Monday, July 23, 1979, all time for general debate on the bill had expired.

Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 3633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—NURSE TRAINING

SEC. 101. (a) This title may be cited as the "Nurse Training Amendments of 1979".

(b) Whenever in this Act (other than sections 205 and 314) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) (42 U.S.C. 296) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $2,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) (42 U.S.C. 296d) are each amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (e) of such section is amended by inserting after "in fiscal year 1978" the following: "and in each of the next two fiscal years".

SEC. 104. Subsection (f)(1) of section 810 (relating to capitation grants) (42 U.S.C. 296e) is amended by inserting after "fiscal year 1978" the following: "and $24,000,000 for the fiscal year ending September 30, 1980".

SEC. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $17,000,000 for the fiscal year ending September 30, 1980".

SEC. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) (42 U.S.C. 296l) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $13,500,000 for the fiscal year ending September 30, 1980".

SEC. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) (42 U.S.C. 296m) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 108. Subsection (b) of section 830 (relating to traineeships) (42 U.S.C. 297) is amended by striking out "and" after "1977," and by inserting before the period ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 109. (a) Subsection (b)(4) of section 835 (relating to loan agreements) (42 U.S.C. 297a) is amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Section 837 (relating to authorizations for student loan funds) (42 U.S.C. 297c) is amedned (1) by striking out "and" after "1977," in the first sentence and (2) by inserting before the period in the first sentence ", and $13,500,000 for the fiscal year ending September 30, 1980", (3) by striking out "fiscal year 1979" and inserting in lieu thereof "the fiscal year ending September 30, 1981", and (4) by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) (42 U.S.C. 297e) is amended by striking out "September 30, 1980, and not later than September 30, 1977" and inserting in lieu thereof "September 30, 1981, and not later than December 30, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and inserting in lieu thereof "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and inserting in lieu thereof "1983".

SEC. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) (42 U.S.C. 297j) is amended (1) by striking out "next two fiscal years" in the first sentence and inserting in lieu thereof "next four fiscal years", (2) by striking out "1979" and inserting in lieu thereof "1981", and (3) by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (c)(1) of such section is amended (1) by striking out "next two fiscal years" in subparagraph (A) and inserting in lieu thereof "next four fiscal years", (2) by striking out "1978" in subparagraph (B) and inserting in lieu thereof "1980", and (3) by striking out "1979" in such subparagraph and inserting in lieu thereof "1981".

(c) The amendments made by subsections (a) and (b) do not authorize appropriations for the fiscal year ending September 30, 1979, for scholarships under section 845 of the Public Health Service Act in addition to the amount available for such scholarships under section 101(a) of Public Law 95-482.

SEC. 111. Subpart I of part B of title VIII (relating to traineeships) is amended by adding after section 830 (42 U.S.C. 297) the following new section:

"TRAINEESHIPS FOR TRAINING OF NURSE ANESTHETISTS

"SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the Commissioner of Education, of licensed, registered nurses to be nurse anesthetists.

"(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

"(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980.".

SEC. 112. Section 836(b)(3) (relating to student loans) (42 U.S.C. 297b(b)(3)) is amended (1) by inserting after "(3)" the following: "In the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979,", and (2) by striking out "any such loan" and inserting in lieu thereof "any such loan made before such date".

SEC. 113. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study to determine the need to continue a specific program of Federal finanical support for nursing education, taking into account—

(1) the need for nurses under the present health care delivery system and under that system as it may be changed by the enactment of legislation for national health insurance,

(2) the cost of nursing education, and

(3) the availability of other sources of support for nursing education, including support under general programs of Federal financial support for postsecondary education, under State and other public programs, and from private sources.

(b)(1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study, required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an arrangement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(3) Upon completion of the study, the entity conducting the study shall report the results of it to the Secretary and shall include in such report any recommendations for legislation which the entity determines are appropriate.

(4) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(5) The Secretary shall undertake such preliminary activities as may be necessary to enable the Secretary to enter into an arrangement for the conduct of the study at the earliest date authorized by subsection (d).

(c) Not later than six months after the date the arrangement for the conduct of the study is entered into under subsection (b), the Secretary shall report to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives preliminary recommendations respecting the need to continue a specific program of Federal financial support for nursing education and, if there is a need, the form in which the support should be provided. Not later than two years after such date, the Secretary shall report to such Committees recommendations respecting such need and form of support and the basis for such recommendations.

(d) The authority of the Secretary to enter into any contract for the conduct of the study under this section shall be effective (1) only on and after October 1, 1979, and (2) for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—OTHER HEALTH PROFESSIONS PROGRAMS

SEC. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) (42 U.S.C. 294b(a)) is amended—

(1) by inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education at such schools requires such increase"; and

(2) by inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools requires such increase".

SEC. 202. Section 752(b)(5)(A) (relating to service requirements for National Health Service Corps scholarships) (42 U.S.C. 294u (b)(5)(A)) is amended by striking out "(not to exceed three years)" and inserting in lieu thereof "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

SEC. 203. Subsection (b) of section 756 (42 U.S.C. 294y) is amended to read as follows:

"(b) Of the sums appropriated under paragraph (1), not less than 9 percent shall be obligated for scholarships for dental students.".

SEC. 204. Section 781(c) (relating to requirements for participation of schools in area health education center programs) (42 U.S.C. 295g-1(c)) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

SEC. 205. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transitional provisions on area health education centers) is amended—

(1) by striking out "for the next fiscal year" and inserting in lieu thereof "for the next three fiscal years";

(2) by striking out "no payment shall be made to an entity under such a contract" and inserting in lieu thereof "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) by inserting before the period at the end thereof the following: ", or (2) for any fiscal year beginning after September 30, 1979".

SEC. 206. Paragraph (4) of section 788(b) (42 U.S.C. 295g-8(b)(4)) is repealed.

SEC. 207. Subparagraph (B) of section 788 (e)(2) is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

SEC. 208. (a) Section 748(b)(3)(B) (42 U.S.C. 294e(b)(3)(B)) is amended (1) by striking out "or" at the end of clause (iv), (2) by striking out the period at the end of clause (v) and inserting in lieu thereof ", or", and (3) by adding after clause (v) the following:

"(vi) maternal and child health.".

(b) Section 792(a) (42 U.S.C. 295h-1(a)) is amended (1) by striking out "or" at the end of paragraph (3), (2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", or", and (3) by adding after paragraph (4) the following new paragraph:

"(5) maternal and child health.".

TITLE III—PUBLIC HEALTH SERVICE ADMINISTRATION

SEC. 301. This title may be cited as the "Public Health Service Administrative Amendments of 1979".

SEC. 302. (a) Section 203 (42 U.S.C. 204) is amended by adding at the end thereof the following new sentence: "Warrant officers may be appointed to the Service for the purpose of providing support to the health and delivery systems maintained by the Service and any warrant officer appointed to the Service shall be considered for purposes of this Act and title 37, United States Code, to be a commissioned officer within the commissioned corps of the Service.".

(b) Section 205(b) (42 U.S.C. 206(b)) is amended by striking out "six" and inserting in lieu thereof "eight" and by inserting after "the Chief Dental Officer of the Service," the following: "the Chief Nurse Officer of the Service, the Chief Pharmacist Officer of the Service,".

SEC. 303. Section 205(c) (42 U.S.C. 206(c)) is amended to read as follows:

"(c)(1) The Surgeon General, with the approval of the Secretary, is authorized to create special temporary positions in the grade of Assistant Surgeons General when necessary for the proper staffing of the Service. The Surgeon General may assign officers of either the Regular Corps or the Reserve Corps to any such temporary position, and while so serving they shall each have the title of Assistant Surgeon General.

"(2) Except as provided in this paragraph, the number of special temporary positions created by the Surgeon General under paragraph (1) shall not on any day exceed 1 per centum of the highest number, during the ninety days preceding such day, of officers of the Regular Corps on active duty and officers of the Reserve Corps on active duty for more than thirty days. If on any day the number of such special temporary positions exceeds such 1 per centum limitation, for a period of not more than one year after such day, the number of such special temporary positions shall be reduced for purposes of complying with such 1 per centum limitation only by the resignation, retirement, death, or transfer to a position of a lower grade, of any officer holding any such temporary position.".

SEC. 304. (a) The third sentence of subsection (a) of section 206 (42 U.S.C. 207(a)) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Officers of the assistant grade—first lieutenant;

"(6) Officers of the junior assistant grade—second lieutenant;

"(7) Chief warrant officers of (W-4) grade—chief warrant officer (W-4);

"(8) Chief warrant officers of (W-3) grade—chief warrant officer (W-3);

"(9) Chief warrant officers of (W-2) grade—chief warrant officer (W-2); and

"(10) Warrant officers of (W-1) grade—warrant officer (W-1).".

(b) Section 206(c) (42 U.S.C. 207(c)) is repealed.

(c) The first sentence of section 206(d) (42 U.S.C. 207(d)) is amended by striking out "junior assistant grade" and inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 305. (a) Section 207(a)(1) (42 U.S.C. 209(a)(1)) is amended by inserting immediately after "original appointments to the Regular Corps may be made only in the" the following: "warrant officer (W-1), chief warrant officer (W-2), chief warrant officer (W-3), chief warrant officer (W-4),".

(b)(1) Section 207(d)(1) (42 U.S.C. 209 (d)(1)) is amended to read as follows:

"(d)(1) For purposes of basic pay of any person appointed under subsection (a) or (b), and for purposes of promotion of any person appointed to the Regular Corps under subsection (a) or any person appointed under subsection (b), such persons shall, except as provided in paragraphs (2) and (3) of this subsection, be considered as having had on the date of appointment the following length of service: Three years if appointed to the senior assistant grade, ten years if appointed to the full grade, seventeen years if appointed to the senior grade, and eighteen years if appointed to the director grade.".

(2) Section 207(d)(2) (42 U.S.C. 209(d)(2)) is amended by striking out "to the grade of senior assistant in the Regular Corps, and any person appointed under subsection (b)," and inserting in lieu thereof the following: "or (b)".

(3) Section 207(d)(3) (42 U.S.C. 209(d)(3)) is amended by striking out "to the senior assistant grade or above".

SEC. 306. Section 209(c) (42 U.S.C. 210b(c)) is amended by striking out "assistant grade" and by inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 307. (a) Section 210(d)(1) (42 U.S.C. 211(d)(1)), is amended by striking out "Officers in the junior assistant grade" and by inserting in lieu thereof the following: "Officers in the warrant officer (W-1) grade, chief warrant officer (W-2) grade, chief warrant officer (W-3) grade, chief warrant officer (W-4) grade, and junior assistant grade".

(b) Section 210(g) (42 U.S.C. 211(g)) is amended—

(1) in the first sentence by striking out "an officer of the Regular Corps in the junior assistant grade" and inserting in lieu thereof the following: "an officer of the Regular Corps in the warrant officer (W-1) grade or junior assistant grade";

(2) in the second sentence by striking out "an officer of the Regular Corps in the assistant, senior assistant," and inserting in lieu thereof the following: "an officer of the Regular Corps in the chief warrant officer (W-2), chief warrant officer (W-3), assistant, senior assistant,";

(3) in paragraph (1) by striking out "if in the assistant grade" in inserting in lieu thereof the following: "if in the chief warrant officer (W-2) or assistant grade"; and

(4) in paragraph (2) by striking out "if in the senior assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-3) or senior assistant grade".

SEC. 308. Section 211(e) (42 U.S.C. 212(e)) is amended by striking out "a part of a year of active service of six months or more shall be counted as a whole year and a part of a year of active service which is less than six months shall be disregarded" and by inserting in lieu thereof the following: "a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded".

SEC. 309. (a) Section 214(c) (42 U.S.C. 215 (c)) is amended by striking out the comma immediately after "nonprofit educational research" and inserting immediately after "Service" the following: "to any appropriate committee of the Congress".

(b) Section 214(d) (42 U.S.C. 215(d)) is amended by inserting after the first sentence the following new sentence: "In the case of detail of personnel under subsections (b) or (c) to be paid from applicable Service appropriations, the Secretary may condition such detail on an agreement by the State, subdivision, or institution concerned that such State, subdivision, or institution concerned shall reimburse the United States for the amount of such payments made by the Service.".

SEC. 310. (a) The first sentence of section

218(b) (42 U.S.C. 218a(b)) is amended to read as follows: "Any officer whose tuition, fees, and other necessary expenses are paid pursuant to subsection (a) while attending an educational institution or training program for a period in excess of thirty days shall be obligated to pay to the Service an amount equal to two times the total amount of such tuition, fees, and other necessary expenses received by such officer during such period, and two times the total amount of any compensation received by, and any allowance paid to, such officer during such period, if after return to active service such officer voluntarily leaves the Service within (1) six months, or (2) twice the period of such attendance, whichever is greater.".

(b) The third sentence of section 218(b) (42 U.S.C. 218a(b)) is amended by striking out "reimbursement" wherever it appears and by inserting in lieu thereof the following: "payment".

SEC. 311. Section 219(c) (42 U.S.C. 210–1 (c)) is repealed

SEC. 312. Section 221(a) (42 U.S.C. 213(a)) is amended by adding at the end thereof the following new paragraphs:

"(12) Section 1552, Correction of military records: claims incident thereto.

"(13) Section 1553, Review of discharge or dismissal.

"(14) Section 1554, Review of retirement or separation without pay for physical disability.".

SEC. 313. The Public Health Service Act is amended by inserting immediately after section 227 (42 U.S.C. 236) the following new section:

"RESERVE CORPS OFFICERS; SEVERANCE PAY UPON INVOLUNTARY RELEASE FROM ACTIVE DUTY

"SEC. 228. (a) Except as provided in subsection (b), a commissioned officer of the Reserve Corps of the Service who is released from active duty involuntarily pursuant to (1) program abolition or contraction requiring a reduction in strength of the commissioned corps, (2) nonavailability of other assignment or failure of promotion, or (3) any other reason other than separation for cause or retirement, and who has completed, immediately before such release, at least five years of continuous active duty in the commissioned corps of the Service, is entitled to a severance payment computed by multiplying the years of active service in the commissioned corps of such officer (other than in time of war or national emergency declared by Congress after January 1, 1979) by two months basic pay of the grade in which such officer is serving at the time of such release, except that no such severance payment to any officer shall exceed an amount equal to the amount of two years of basic pay of the grade in which such officer is serving at the time of such release. For purposes of this subsection—

"(1) a period of active duty is continuous if it is not interrupted by a break in service of more than thirty days; and

"(2) in the computation of severance pay, a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded.

"(b) Subsection (a) shall not apply with respect to any officer referred to in such subsection who—

"(1) is released from active duty at the request of such officer;

"(2) is released from active duty for training;

"(3) upon release from active duty, is immediately eligible for retired pay from the Service; or

"(4) upon release from active duty, is immediately eligible for severance pay based on this section and any other provision of law and who elects to receive such severance pay under such other provision of law.

"(c) Any severance payment to which an officer becomes entitled under this section shall be reduced by the amount of any previous payment made to such officer under this section.".

SEC. 314. (a)(1) The table in section 201 (a) of title 37, United States Code, is amended by striking out "Surgeon General." in the fourth column of such table and by inserting in such column to correspond with pay grade O–9 the following: "Surgeon General.".

(2) Section 205(a) of such title is amended by striking out "and" at the end of clause (8), by striking out "Corps." at the end of clause (9)(C) and inserting in lieu thereof "Corps;", and by inserting immediately after such clause (9)(C) the following new clauses:

"(10) for a commissioned officer of the Public Health Service, other than a medical or dental officer named in clause (7) or (8) or an officer who attains a doctoral degree named in clause (11), who attains a masters degree before entry or re-entry into active service where such degree is required for appointment—one year; and

"(11) for a commissioned officer of the Public Health Service, other than a medical or dental officer named in clause (7) or (8) or an officer who attains a masters degree named in clause (10), who attains a doctoral degree before entry or re-entry into active service where such degree is required for appointment—three years.".

(b)(1) Section 1006(a) of title 37, United States Code, is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(2) Section 1006(b) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(3) Section 1006(c) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(4) Section 1006(c) of such title is amended by inserting immediately after "members of the armed forces" the following: "or of the Public Health Service".

(5) Section 1006(d) of such title is amended by inserting immediately after "from his armed force" the following: "or from the Public Health Service".

(6) Section 1006(e) of such title is amended by inserting before the period the following: "and the Public Health Service.".

(7) Section 1006(h) of such title is amended by inserting immediately after "members of an armed force" the following: "or of the Public Health Service".

(c) Section 415(d) of title 37, United States Code, is amended to read as follows:

"(d) An allowance of $250 for uniforms and equipment may be paid to each commissioned officer of the Public Health Service who is—

"(1) on active duty or on inactive duty training status; and

"(2) required by directive of the Surgeon General to wear a uniform.

An officer is not entitled to more than one allowance under this subsection, except that an officer who has received one such allowance under this subsection may, upon transfer to or from the United States Coast Guard, be paid one additional such uniform and equipment allowance if pursuant to such transfer a different uniform is required.".

□ 1320

Mr. WAXMAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, will the gentleman tell us how many amendments he knows of that are to be offered?

Mr. WAXMAN. Mr. Chairman, if the gentleman will yield to me, as I understand it, I am aware of four, only four amendments that will be offered.

Mr. BAUMAN. Further reserving the right to object, there will be no effort to close off debate on those amendments?

Mr. WAXMAN. No.

Mr. BAUMAN. Mr. Chairman, with that assurance, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 10, strike out "the Secretary shall report" and insert in lieu thereof "the Secretary and the entity conducting the study shall each report".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 14, strike out "preliminary recommendations" and insert in lieu thereof "their respective preliminary recommendations".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment

The Clerk read as follows:

Committee amendment: Page 8, insert before the period in line 23 the following: "and shall include in that report the report submitted to the secretary pursuant to subsection (b)(3)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, line 24, insert "(a)" after "202."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: After line 4 on page 10 insert the following:

(b)(1) Such section 752(b)(5)(A) is further amended by adding after the first sentence the following: "With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of such period of time, as determined by the Secretary by regulation but not less than one year, as is required for the individual to complete an internship, residency, or other advanced clinical training".

(2) The last sentence of such section is amended by striking out "such".

(3) Section 752(b)(5)(B) is amended by striking out "other than a school of medicine, osteopathy, or dentistry" and inserting in lieu thereof "other than a school referred to in subparagraph (A)".

The committee amendment was agreed to.

The CHAIRMAN. Are there other amendments?

AMENDMENT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DANNEMEYER: Page 2, strike out lines 9 through 24.

Page 3, line 1, strike out "105" and insert in lieu thereof "102".

Page 3, line 4, strike out "$17,000,000" and insert in lieu thereof "$1,743,000".

Page 3, strike out lines 6 through 10.

Page 3, line 11, strike out "107" and insert in lieu thereof "103".

Page 3, line 14, strike out "$15,000,000" and insert in lieu thereof "$13,000,000".

Page 3, strike out line 21 and all that follows through line 7 on page 6.

Page 6, line 8, strike out "112" and insert in lieu thereof "104".

Page 6, line 15, strike out "113" and insert in lieu thereof "105".

Mr. DANNEMEYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANNEMEYER. Mr. Chairman, this amendment, I think, illustrates something that is well known in this institution; namely, when a program gets started in law for a very good reason, it builds its own constituency, and then, even though the reason which brought it into existence no longer is around, it is almost politically impossible to stop the program. It is with pleasure this afternoon that I can, in all candor, say to the Members that I am supporting my President in this amendment, because what I seek to do with this amendment is to, in effect, give life to what the President asked be done in this area for nurses training.

To give a little explanation, the committee has recommended that we spend some $103 million. My amendment would reduce that to some $14,700,000. That figure, by the way, is consistent with the amount that the President recommended in his budget for fiscal year 1980 for this program.

Historically, the authorization in fiscal year 1979 for this program was $106,250,000. Our President, on November 10, 1978, vetoed that authorization. In his letter of veto, he said, in part, as follows:

Although I support a number of its provisions, this bill would continue several Federal nurse training programs whose objectives have been accomplished and for which there is no longer a need. Moreover, the funding authorizations are excessive and unacceptable if we are to reduce the budget deficit to help fight inflation. For the past 22 years, the Federal government has provided substantial financial support for nursing education. From 1956 through 1977, almost $1.4 billion was awarded for student traineeships, loans and scholarships for construction and basic support for nursing education programs or for projects to improve nursing education and retirement.

Then he goes on to conclude that, even though the scholarship money was eliminated by his projection for 1980, those who wanted to pursue nurses training would be able to do so by obtaining student loans, as any other student may do under those programs that are available.

He pointed out in his letter that from 1957 to 1978, one million nurses were trained in our country. Ten years ago, in 1968, there were 300 active nurses for 100,000 population. By the beginning of 1977, this ratio had risen to 395 per 100,000 population.

As a result, I submit that all that is needed now in the way of Federal assistance is precisely what the President has recommended, namely, $14,743,000. Most of that amount, $13 million, would go for nurse practitioners, and the rest, $1.743 million, would be for special projects—also as the President has recommended.

You may ask what happened to the Presidential veto of the authorization bill last November. I am told that before the pocket veto took place, the House passed a special supplemental appropriation to continue the program at the preceding level, so that act of continued appropriation is the reason that the program is continuing in the level that it is today.

If we are truly concerned about reducing public spending, where better is there a cause than a program that has been fulfilled by its very existence?

Our President has said to us he wants to reduce spending, so as to help fight inflation, and this is a good chance for the Members of the House to be consistent with what the President has asked. The basic purposes of the new training program have been served, which is the reason for this amendment.

I ask, in closing, for its adoption.

Mr. WAXMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the support of the gentleman from California for the administration, but I think that he ignores the clear determination of the Subcommittee on Health and the Environment, the clear determination of the Committee on Interstate and Foreign Commerce, and the overwhelming sentiment expressed on the floor of the House in the last Congress in support of continuing programs of nurse training.

Our subcommittee carefully considered the proposal that the gentleman is now advancing, and we rejected it. Instead of drastically reducing the program, the committee took the more prudent course of bringing the authorization and the appropriation levels more realistically in line with one another.

I urge my colleagues to continue this course and to allow our very real health manpower needs to be met with realistic Federal expenditures.

I would like to remind my colleagues that the subcommittee has already cut the fiscal year 1980 authorization level by more than 50 percent of that authorized in the bill vetoed by the President last year.

□ 1330

Last year's Congress, by a vote of 393 to 12, passed a nurse training act, which unfortunately was vetoed, but its authorization for fiscal year 1980 was more than twice the amount that is now being proposed to continue those programs of nurse training for the next fiscal year.

Let me point out to my colleagues the impact of the gentleman's amendment, which I believe to be quite destructive. It would have the following consequences: Over 1,000 nursing schools will summarily lose a total of $24 million. This loss would take place at once and would place an unreasonable burden on institutions already pressed financially.

Almost 28,000 students would lose an important source of funds for student loans. Special projects such as upgrading the skills of paraprofessional personnel, developing training programs for nursing home employees and continuing education programs would drastically be cut back.

In the past few months, I have seen some 48 editorials and articles in California newspapers depicting a shortage of nurses in hospitals in California, my home State, and the home State of the gentleman who has offered this amendment.

The amendment would only increase an already acute problem in California and a problem throughout the Nation.

I urge my colleagues to reject the amendment.

Mr. GREEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it was my opinion that the President's veto of last year's legislation was ill-advised, shortsighted, and in the long run would be costly rather than economical.

I say that because it seems to me very clear that if we are ever going to have an economical system for delivering medical care, we are going to have to do things like emphasizing preventive medicine. We are going to have to do things like deinstitutionalizing the elderly wherever possible. We are going to have to achieve economies generally in the delivery of health care.

I submit that the only way we are going to be able to achieve those results on a cost-effective basis is to make far more use of nurses and nurse practitioners in order to achieve these goals, because I think that is the only way we can have the broad network of health care that we need and at the same time achieve it in an economic way.

If we are going to move in the direction of better but more economical health care, I think we are going to have to rely increasingly on the nursing profession.

If that is the case, it would be foolish indeed to cut back on funds to see that we have the nurses there when we need them in order to deliver good health care.

Consequently, I was pleased to cosponsor the nurses training amendments earlier this year. The amendment before us would follow President Carter's request and drastically reduce the amount of money authorized for programs in this bill and I urge my colleagues to reject this amendment and vote yes on final passage of the bill.

Mr. CARTER. Mr. Chairman, I rise in strong opposition to the amendment.

If we look at the statistics, we find that

at the present time there are 1,011,000 registered nurses in our country; however, of this total only 854,000 are "full-time equivalents." HEW projections show that we will need between 1.2 million and 1.7 million nurses by 1985.

Mr. Chairman, we must not discontinue a program which would deny us the nurses we need. Moreover, Mr. Chairman, we have had a shortage of nurses for many years and which continues in many parts of this country.

The gentleman from Texas (Mr. GRAMM) mentioned such shortages during our subcommittee's hearings; as did the gentleman from Texas (Mr. LELAND).

I find in my own State that we cannot get enough nurses. I understand in the great State of New York that they do not have sufficient nurses.

This legislation, Mr. Chairman, provides scholarships for poor individuals from disadvantaged backgrounds. It provides about 9,000 scholarships at a rate of $1,000 per year, for a total of $9 million, which would be taken away by this amendment from our needy youngsters.

We also have a loan program under this legislation. Approximately 66 percent of the $13.5 million authorized for loans goes to people whose incomes are under $10,000.

Not only that, Mr. Chairman, the amount of each loan is only about $800 per year. I would say, Mr. Chairman, that if we were to deny these funds to some of the finest young people in the world in my opinion, who become nurses and then take care of us when we are ill and who rub the sweat from our fevered brows, then certainly we would do a great disservice to wonderful people.

In addition, as I said in my statement Monday, this is a reasonable bill and one that has taken fiscal constraints into account.

The authorization for fiscal 1980 is one-half of the comparable amount included in last year's nurse training bill which was overwhelmingly approved by this Congress but later pocket-vetoed by the President.

The authorization level in this bill closely parallels fiscal 1979 appropriation and it is the same amount as the Senate has approved for nurse training programs.

To cut back to the levels proposed in this amendment would cause a severe and unwarranted hardship for our Nation's nursing programs.

So I stongly oppose the amendment of the gentleman from California, Mr. DANNEMEYER.

Mr. PURSELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, with due respect to the gentleman who offered this particular amendment, when the President vetoed the previous bill, it was done so on the basis of congressional budget information and data that was actually out of date, based on 1972 statistics.

There is more current data, and as a member of the Subcommittee on Labor-Health, Education, and Welfare, appropriations, I have arranged a series of meetings with Dr. Foley, key members of the Office of Management and Budget, and appropriate people in the Department of Health, Education, and Welfare, to reveal new statistics and data that have been prepared and presented. This data updates the current definition of the so-called shortage of nurses of the United States.

I discover that there is insufficient evidence of a surplus. However, it is a fact that there exists a distribution problem.

OMB and HEW supported the President's veto, but that support was based on inaccurate information. The justification for the $103 million authorized in this bill is evident after review of the more current data.

I rise in strong opposition to this amendment.

Mr. O'BRIEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am fortunate in my office to have a young woman working for us part time who is also a registered nurse, a nurse practitioner. She works half a day in a hospital here in Washington.

I asked her some time ago to take on an assignment and see how this bill would affect the district in which I live and which I serve. Let me give my colleagues some of the statistics as they relate simply to the territory about which I think I know the most.

There are approximately 3,000 nurses in the 17th Congressional District of Illinois. A brief survey of our hospitals show there is approximately an 8 to 10 percent shortage. The 1979 spring survey by the Illinois Hospital Association indicated that there are currently 3,570 vacant nursing positions in Illinois.

Of the seven colleges and universities within the 17th District, five would be so severely affected if the funding was cut, that these programs would most likely have to close.

According to the Illinois Nursing Association and HEW, Illinois is currently lacking one-third of the professional personnel needed. That is to say university-degree RN's, masters and doctorates, administrators, educators, and researchers.

The increased education of the nurse has demonstrated the increase of quality patient care, cost effectiveness, particularly in the realm of prevention, including patient care, teaching, and education.

Therefore, to me it seems essential this effort be continued.

I urge the defeat of this amendment.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment.

I have spoken many times on the floor of this House about the need for nurses in this country.

You know, it is not until we get sick that we really realize we need a doctor or nurse. Just as soon as we get out of the hospital and begin to mend, we forget about the doctor and nurse and say, "You go on your own way," but when we are in the hospital and we need nurses, we certainly are very grateful that they are there to be with us and help us along to get well.

□ 1340

I think it certainly would be very shortsighted to vote for this amendment. I do not believe anyone who has been in the hospital recently and had nursing care of any kind, or has nurses in their part of the country that go into homes, that visit the elderly and help take care of them, could vote for this amendment. This amendment could hurt the nurse-practitioner, and also would cut out the money for those we are going to train to be the teachers of nurses in the future. If we adopt this amendment we would cut out all of those things and all of those who are going to be training our nurses in the training schools.

It would also hurt the training schools all over this land. I know in my State I have been told that one of our nurse training schools would probably have to close if this amendment would go into effect. We do need nurses in this country.

Just recently I was requested to help get eight nurses from Canada into America, which I did. Because of getting those eight nurses from Canada, a hospital was able to open up another floor, a floor for obstetrics that they could not have opened had it not been for those eight nurses. They could not get the nurses anywhere else, so the Immigration Service, recognizing the need, allowed the eight nurses to come in.

We do have a shortage of nurses. I think it would be very shortsighted to vote for the amendment to cut out nearly all of these programs.

We have a man at home in my district who is 104 years old. A nurse comes to visit him once a week. The family could not afford this at all, but she comes and takes care of him. His senses are good, he walks around and is able to do things, but without this nurse he would be just helpless.

There are plenty of other elderly people that I know all over America that need the help of nurses. Certainly I would not want to vote in any way to hurt this group and I would urge the House to overwhelmingly defeat this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DANNEMEYER).

The question was taken; and on a division (demanded by Mr. DANNEMEYER) there were—ayes 3, noes 26.

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Evidently a quorum is not present. A quorum is not present.

Mr. WAXMAN. Mr. Chairman, if the gentleman will withdraw the motion for a quorum we will give him a vote.

Mr. DANNEMEYER. Mr. Chairman, I withdraw my point of order that a quorum is not present.

The CHAIRMAN. The Chair has already announced that a quorum is not present. Did the gentleman demand a recorded vote?

Mr. DANNEMEYER. Mr. Chairman, I demanded a recorded vote.

The CHAIRMAN. The Chair has already announced that a quorum is not present, it is too late to withdraw the point of order.

A quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The Chair will announce this is a regular quorum call followed by a 5-minute vote.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 394]

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boner
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Roth
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

□ 1400

The CHAIRMAN. Three hundred fifty-one Members have answered to their names, a quorum is present, and the Committee will resume its business.

The pending business is the demand of the gentleman from California (Mr. DANNEMEYER) for a recorded vote.

A recorded vote was refused.

Mr. DANNEMEYER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DANNEMEYER and Mr. WAXMAN.

RECORDED VOTE

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent that we have a recorded vote.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

A recorded vote was ordered.

The CHAIRMAN. Members will have 5 minutes within which to record their votes.

The vote was taken by electronic device, and there were—ayes 12, noes 341, not voting 81, as follows:

[Roll No. 395]

AYES—12

Badham
Bauman
Collins, Tex.
Crane, Daniel
Dannemeyer
Hansen
Ichord
Kelly
McCloskey
McDonald
Miller, Ohio
Paul

NOES—341

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDonald
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Purcell
Quayle
Rahall
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rosenthal
Roth
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walker
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—81

Addabbo	Forsythe	Murphy, N.Y.
Anderson, Ill.	Fowler	Nolan
Bedell	Garcia	Pickle
Biaggi	Gibbons	Quillen
Boland	Goldwater	Railsback
Bolling	Hanley	Rangel
Bowen	Hightower	Richmond
Brooks	Hillis	Rodino
Broyhill	Holland	Rose
Chappell	Horton	Rostenkowski
Chisholm	Huckaby	Rousselot
Cleveland	Jacobs	Russo
Conable	Jenrette	Santini
Conyers	Johnson, Colo.	Sawyer
Corman	Latta	Skelton
Cotter	Lee	Smith, Iowa
Crane, Philip	Lott	Stockman
Davis, S.C.	Lundine	Symms
Devine	McDade	Thomas
Diggs	McEwen	Treen
Duncan, Tenn.	Maguire	Vander Jagt
Early	Martin	Walgren
Edwards, Calif.	Mathis	Wampler
Evans, Ga.	Mazzoli	Weiss
Fish	Moffett	Williams, Ohio
Flood	Mollohan	Wilson, Bob
Ford, Tenn.	Murphy, Ill.	Zeferetti

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1410

AMENDMENT OFFERED BY MR. LEDERER

Mr. LEDERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEDERER: Page 12, insert after line 20 the following:

SEC. 209. Section 771(d)(5) (42 U.S.C. 295f-1(d)(5)) is amended by striking out "may waive (in whole or in part) application to a school of dentistry of the requirement of any paragraph of this subsection if the Secretary" and inserting in lieu thereof "may—

"(A) in the case of a school of dentistry which increased its enrollment of full-time first-year students in accordance with paragraph (3), waive (in whole or in part and under such conditions as the Secretary may prescribe) application of the requirement of subsection (a)(1) that it maintain its increased enrollment of such students, and

"(B) in the case of any other school of dentistry, waive (in whole or in part) application of the requirement of any paragraph of this subsection,

if the Secretary determines".

Mr. LEDERER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. LEDERER)?

There was no objection.

Mr. LEDERER. Mr. Chairman, last year an amendment to the health manpower law was enacted which permits the HEW Secretary to "waive" the enrollment increase requirements of the capitation grant program when it is determined that compliance with this requirement would adversely affect a dental school's accreditation. Unfortunately, the waiver authority which I have described was not enacted until several months after the date on which schools of dentistry were required to accept the additional first year students. As a consequence, one dental institution which was forced to comply with the enrollment increase provisions of the capitation grant program is now threatened with a loss of its accreditation. The purpose of my amendment is to allow a school of dentistry which is faced with such a dilemma to return to its original entering class size without jeopardizing its eligibility for future capitation grant support by applying to the Secretary of HEW for a waiver. This amendment authorizes the Secretary of HEW to grant such a waiver under such conditions as he or she may prescribe.

I have discussed this matter with my distinguished colleagues on the Subcommittee on Health and the Environment, Chairman HENRY WAXMAN, and ranking minority member, Dr. TIM LEE CARTER, both of whom, I understand, find this amendment an acceptable version of the nurse training amendments. I think it important that the House of Representatives also go on record against this practice of discrimination.

I urge my colleagues to support this amendment and end such discrimination that I have described.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I am willing to accept the amendment offered by the gentleman because of the unique situation he describes. No one wants to see a major health professions educational institution lose its accreditation if it can be prevented.

However, I am concerned both by the circumstances which lead to this particular problem, and the public policy implications it presents. I can assure you that the Subcommittee on Health and the Environment intends to carefully review the long-range implications of the program of capitation support for health professions education when we deal with the entire issue of health manpower later this year.

In that regard, I understand my distinguished friend and colleague, the ranking minority member of the subcommittee, Dr. CARTER, has additional comments he wishes to offer, and I am pleased to yield to him.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, I am willing to accept the amendment offered by the gentleman from Pennsylvania but I would like to provide some clarification of its intent, which I understand is acceptable to the gentleman, and to our subcommittee chairman, Mr. WAXMAN.

First, it is not our intent by including this waiver provision to authorize substantial numbers of dental schools to receive capitation funds—without meeting any requirements to serve national health manpower needs.

Rather, we expect this waiver to be applied only in instances in which it can be shown that compliance with the capitation requirement or requirements—would have a direct—adverse effect on the accreditation status of the institution.

Second, it is our intent that should the Secretary decide to exercise this authority to grant a waiver we expect the Secretary to work closely with the school to identify particular activities which the institution should undertake to help meet national health manpower goals as long as these activities do not jeopardize the institution's accreditation status.

Thus it is our expectation that the Secretary would impose some reasonable conditions on the school should he decide to grant the waiver.

Finally, I would like to point out that our subcommittee will be reviewing the health manpower legislation later this year and we will be considering among other issues the capitation grant authority.

It is very possible that the subcommittee may make changes in the capitation authority as well as in the waiver provision—assuming it is approved by the Congress.

In fact, in my view this waiver should not be granted for more than 1 year to any dental school.

Mr. Chairman, I would just like to confirm that the distinguished gentleman from Pennsylvania and the distinguished chairman of our Health Subcommittee, Mr. WAXMAN, are in agreement with the intent of the amendment as I have explained it.

Mr. LEDERER. Mr. Chairman, that is the understanding and I thank the gentleman for his cooperation and support.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. LEDERER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LEDERER

Mr. LEDERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEDERER: Page 12, insert after line 20 the following:

SEC. 209. Section 401 of the Health Programs Extension Act of 1973 (42 U.S.C. 300a-7) is amended by adding at the end thereof the following new subsection:

"(e) No entity which receives, after the date of enactment of this paragraph, any grant, contract, loan, loan guarantee, or interest subsidy under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Assistance and Bill of Rights Act may deny admission or otherwise discriminate against any applicant (including applicants for internships or residencies) for training or study because of the applicant's reluctance, or willingness, to counsel, suggest, recommend, assist, or in any way participate in the performance of abortions or sterilizations contrary to his religious beliefs or moral convictions.".

Mr. LEDERER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. LEDERER)?

There was no objection.

Mr. LEDERER. Mr. Chairman, this amendment is an important one. Its purpose is to prevent medical schools from asking prospective applicants what their views on abortion are.

A similar motion was approved by both Houses of Congress 2 years ago. At that time, the conference committee called

for a study to be conducted on this problem.

HEW reported the findings of this study in August of last year. The conclusions of this study, subject to its limitations, are clear: that there is a small amount of overt discrimination against applicants on the basis of their personal or professional convictions regarding abortion.

Mr. Chairman, I think it should be pointed out that this discrimination can be practiced in two ways. Both proponents and opponents of abortion can be victims of these questions.

This two-edged sword was borne out by the results of this study. In general, HEW reported that the nature of discrimination evidenced itself in rejection of pro-abortion applicants at nursing schools and rejection of antiabortion applicants at medical schools.

Mr. Chairman, I find this evidence abhorrent. Such discrimination serves no purpose. Applicants should not be accepted or rejected because their personal beliefs happen to correspond or contradict those of the admissions office. Applicants should be accepted on the merits of being able to handle the work load of the medical or nursing school.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, we are willing to accept the gentleman's amendment and urge our colleagues to vote for it.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. LEDERER. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, this amendment has already been approved by the Senate and is part of the Senate's nurse training bill. I have no objection to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. LEDERER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN: Page 23, add after line 24 the following new section:

SEC. 315. The amendments made by sections 303, 304, 305, 306, 307, 313, and 314 shall take effect on October 1, 1979.

Mr. WAXMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. WAXMAN)?

There was no objection.

Mr. WAXMAN. Mr. Chairman, this amendment is simply a technical correcting amendment requested by the Committee on the Budget to bring this title into compliance with the provisions of the Budget Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. WAXMAN).

The amendment was agreed to.

Mr. PURSELL. Mr. Chairman, I move to strike the last word. Usually when a Member rises to speak in support of a piece of legislation under consideration by the House, it is because he is thinking of those Members who may not favor it and wants to help convince them to join in voting with him. This is not the case today. I would like to speak briefly at this time, not because I think the Nurse Training Amendments of 1979 now before us will fail to be passed, but because I am confident that they will be approved.

What concerns me is a situation that has become an all too common ritual during recent years—attempts by the administration to drastically reduce Federal support for nurse training, with Congress subsequently coming to the rescue of these vital programs.

Both Republican and Democrat Presidents have vetoed necessary authorization bills, including the Nurse Training Amendments of 1978, which were unanimously approved by the Senate and passed by the House on a vote of 393 to 12. Meanwhile, Congress has increased appropriations for programs in this area over administrations requests by 318 percent in fiscal year 1976, 344 percent in fiscal year 1977, 501 percent in fiscal year 1978 and almost sixfold in the current fiscal year.

As a new member of the House Appropriations Labor/HEW Subcommittee this year, I have been trying hard to determine why administration officials of both political parties have come to such different conclusions concerning this issue than have most Members of Congress, regardless of their party affiliation.

Frankly, after extensive discussions with many of those directly involved, I am convinced that, for the most part, both "sides" are trying very hard to do what is "right" to insure an adequate supply of competent nurses throughout the Nation. Unfortunately, despite all good intentions, the executive and legislative branches of the Federal Government have not been able to get their act together and agree upon a consistent, comprehensive, and effective approach for reaching this worthy goal.

I believe that one reason for this is the lack of a commonly accepted base of data. The administration asserts that there is no shortage of nurses—only various types of maldistributions. However, virtually every major newspaper across the country contains want ads for nurses, while the Government's own Occupations Outlook Handbook projects that "Employment opportunities for registered nurses are expected to be favorable through the mid-1980's" with growth expected to be faster than that predicted for the average of other occupations. Enactment of some form of national health insurance, continued inflation and other factors could very well lead to even greater demands for nurses.

In my view, another problem has been a lack of significant opportunities for participation of representatives from the nursing profession in the formulation of policy within the administration. It is my understanding that there are no nurses on the management staff of the Health Resources Administration, or at any level above HRA where decisions in this area are made. In this regard, I am pleased that a number of administration officials—at my request—have met with nurse leaders within the past few months.

The bill (H.R. 3633) before us today, provides a 1-year extension of nurse training authority, in effect creating a "holding pattern" while Congress examines and reevaluates the Federal program of support for nursing, as well as for medicine, dentistry, osteopathy, and all other health professions schools and students. One of the most important features of H.R. 3633 is the requirement that the Secretary of Health, Education, and Welfare arrange for "a study to determine the need to continue a specific program of Federal support for nursing education" mostly probably to be conducted by the National Academy of Sciences. It is intended that this study concentrate on an analysis of "ongoing studies and available information * * * rather than (be) a wholesale duplication of present undertakings," and that representatives of the nursing profession be included in the study group.

In their recent book, "The Advance of American Nursing," Phil and Bea Kalisch of the University of Michigan wrote:

> In the final analysis, the state of health care in the United States has always been and will continue to be strongly influenced by nursing. Highly developed nursing talent will remain essential for performing civilian nursing service, satisfying the requirements of national defense, and educating future generations of nurses. Because nurses are the largest and most inclusive health care providers, the nation's decisionmakers, in order to promote the health of the United States, have and will continue to have a particular responsibility to maintain the stability and advance of nursing education, research and practice.

It is my hope that the study provided for in this legislation will provide information necessary to enable the Nation's leaders to replace the atmosphere of confrontation that has characterized the decisionmaking process with respect to nursing training in the past and replace it with one of cooperation that will maintain a consistent, comprehensive, and effective national policy. For as the Kalischs went on to say:

> The investment made today in nurses and in the development of the future nursing talent is an investment in tomorrow—an investment which will have a tremendous impact on the basic quality of the lives of all Americans.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: At page 9, following line 3, add the following new section:

"SEC. 114. Subsection (b)(5) of section 802 (relating to construction grants) is repealed."

Mr. ASHBROOK. Mr. Chairman, again I am offering an amendment to strike the Davis-Bacon Act. This one issue everyone understands. As has been pointed out, there is only $2 million

worth of construction in this particular project but the principle is exactly the same.

I ask my colleagues to vote for this amendment and I yield back the balance of my time.

Mr. WAXMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the gentleman from Ohio stated, this is an amendment which the gentleman has introduced many other times on the floor in connection with other pieces of legislation. It would repeal the Davis-Bacon Act which provides that the prevailing rates of wages will be paid to people in the area on construction projects. In this case, it is construction for schools of nursing.

□ 1420

For all the reasons that we have voted in the past to reject this amendment, we ought to again vote to reject it. It is inappropriate to have it stricken from this present law.

I would urge my colleagues to join me in opposing this amendment.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I would be pleased to yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I would also like to join my colleague in this. I notice the other body just recently this week was presented with this same amendment again and defeated it overwhelmingly, as I think we should defeat it right now.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for his comments.

I have lost count of how many times we have already defeated this amendment on this House floor. Let us do it again.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was rejected.

● Ms. MIKULSKI. Mr. Chairman, I rise to speak in strong support of the 1-year extension of the Nurse Training Act. During the past 6 months, as a member of the Health Subcommittee, I have been impressed with the expanding role that nurses are playing in our health care delivery system. I would like to share with my colleagues some of the information that I have learned so that they will understand how important it is that we continue to increase the number of nurses. I am convinced that the role of nurses will continue to grow as we work toward the goal of providing quality health care for all Americans at a price they can afford. We must have an adequate supply.

For example, there are now 2,000 nurse-midwives—the number has doubled since 1970—who are caring for mothers during pregnancy, managing the labor and delivery and providing immediate care for the newborn. Many more women are choosing nurse-midwives, not because they are less expensive, but because they are getting better and more personal care.

According to one pediatrician, the pediatric nurses are capable of handling 70 to 80 percent of the problems that come to his office. It is not unusual for a pediatric nurse to conduct the major part of a routine physical, including weighing the child, testing reflexes, motor skills, mental perceptions, taking their blood pressure, and giving inoculation.

And the number of nurse practioners is expanding at an amazing pace. Many continue to work in cooperation with doctors and under their supervision, but about 15,000 have rejected the traditional concept of the nurse as handmaiden of the physician and are setting up independent practices. These nurses have moved in to broad range of services, particularly those relinquished by doctors in many areas, such as basic family care or care of the poor. In Memphis, for example, health care for the city's indigent population of 200,000 is provided mainly by public health nurses, with the city hospital serving as a back-up when needed.

From these few examples, I think that my colleagues can understand how important it is to the health of our society to insure that a sufficient number of nurses are trained. I urge my colleagues support for this legislation.●

The CHAIRMAN. Are there any further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. SEIBERLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3633) to amend title VIII of the Public Health Service Act to extend for 1 fiscal year the program of assistance for nurse training, and for other purposes, pursuant to House Resolution 306, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 344, nays 6, not voting 84, as follows:

[Roll No. 396]

YEAS—344

Abdnor
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Flippo
Foley
Ford, Mich.
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walker
Watkins

Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—6

Collins, Tex.
Crane, Daniel
Dannemeyer
Kelly
McDonald
Paul

NOT VOTING—84

Addabbo
Albosta
Anderson, Ill.
Bedell
Biaggi
Boland
Bolling
Bowen
Brooks
Broyhill
Butler
Chappell
Chisholm
Clay
Cleveland
Conable
Conyers
Corman
Cotter
Crane, Philip
D'Amours
Devine
Diggs
Early
Edwards, Calif.
Evans, Ga.
Fish
Fithian
Flood
Florio
Ford, Tenn.
Forsythe
Fowler
Garcia
Gibbons
Hanley
Hansen
Hightower
Hillis
Holland
Horton
Huckaby
Hutto
Jenkins
Jenrette
Johnson, Colo.
Latta
Leach, La.
Lee
Lewis
Lott
Lundine
McDade
McEwen
Madigan
Maguire
Mathis
Mazzoli
Moakley
Moffett
Motti
Nolan
Pickle
Quillen
Railsback
Rangel
Richmond
Rodino
Rousselot
Russo
Santini
Sawyer
Skelton
Smith, Iowa
Symms
Traxler
Treen
Vander Jagt
Walgren
Wampler
Weiss
Williams, Ohio
Wilson, Bob
Zeferetti

□ 1430

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Treen.
Mr. Chappell with Mr. Railsback.
Mr. D'Amours with Mr. Vander Jagt.
Mr. Rodino with Mr. Forsythe.
Mr. Walgren with Mr. Conable.
Mr. Richmond with Mr. Anderson of Illinois.
Mr. Hanley with Mr. Broyhill.
Mr. Motti with Mr. Rousselot.
Mr. Zeferetti with Mr. Butler.
Mr. Moakley with Mr. Cleveland.
Mr. Jenrette with Mr. Devine.
Mr. Rangel with Mr. Philip M. Crane.
Mr. Hutto with Mr. Fish.
Mr. Leach of Louisiana with Mr. Williams of Ohio.
Mr. Jenkins with Mr. Hansen.
Mr. Lundine with Mr. Hillis.
Mr. Mathis with Mr. Latta.
Mr. Nolan with Mr. Sawyer.
Mr. Pickle with Mr. McEwen.
Mr. Early with Mr. Lee.
Mr. Maguire with Mr. Madigan.
Mr. Evans of Georgia with Mr. Lewis.
Mr. Edwards of California with Mr. McDade.
Mr. Fithian with Mr. Quillen.
Mr. Mazzoli with Mr. Lott.
Mr. Diggs with Mr. Symms.
Mr. Florio with Mr. Bob Wilson.
Mr. Moffett with Mr. Horton.
Mr. Garcia with Mr. Johnson of Colorado.
Mr. Flood with Mr. Wampler.
Mr. Hightower with Mr. Smith of Iowa.
Mr. Russo with Mr. Weiss.
Mr. Fowler with Mr. Holland.
Mr. Traxler with Mr. Gibbons.
Mr. Ford of Tennessee with Mr. Huckaby.
Mr. Skelton with Mr. Bowen.
Mr. Biaggi with Mr. Clay.
Mr. Boland with Mr. Conyers.
Mr. Albosta with Mr. Bedell.
Mr. Brooks with Mrs. Chisholm.
Mr. Corman with Mr. Cotter.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the provisions of House Resolution 306, the Committee on Interstate and Foreign Commerce is discharged from further consideration of the Senate bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike out all after the enacting clause of the Senate bill, S. 230, and to insert in lieu thereof the provisions of H.R. 3633, as passed, as follows:

TITLE I—NURSE TRAINING

SEC. 101. (a) This title may be cited as the "Nurse Training Amendments of 1979".

(b) Whenever in this Act (other than sections 205 and 314) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) (42 U.S.C. 296) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $2,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) (42 U.S.C. 296d) are each amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (e) of such section is amended by inserting after "in fiscal year 1978" the following: "and in each of the next two fiscal years".

SEC. 104. Subsection (f)(1) of section 810 (relating to capitation grants) (42 U.S.C. 296e) is amended by inserting after "fiscal year 1978" the following: "and $24,000,000 for the fiscal year ending September 30, 1980".

SEC. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $17,000,000 for the fiscal year ending September 30, 1980".

SEC. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) (42 U.S.C. 296) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $13,500,000 for the fiscal year ending September 30, 1980".

SEC. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) (42 U.S.C. 296m) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 108. Subsection (b) of section 830 (relating to traineeships) (42 U.S.C. 297) is amended by striking out "and" after "1977," and by inserting before the period ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 109. (a) Subsection (b)(4) of section 835 (relating to loan agreements) (42 U.S.C. 297a) is amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Section 837 (relating to authorizations for student loan funds) (42 U.S.C. 297c) is amended (1) by striking out "and" after "1977," in the first sentence and (2) by inserting before the period in the first sentence ", and $13,500,000 for the fiscal year ending September 30, 1980", and (3) by striking out 'fiscal year 1979" and inserting in lieu thereof "the fiscal year ending September 30, 1981", and (4) by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) (42 U.S.C. 297e) is amended by striking out "September 30, 1980, and not later than September 30, 1977" and inserting in lieu thereof "September 30, 1981, and not later than December 30, 1982".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and inserting in lieu thereof "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and inserting in lieu thereof "1983".

SEC. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) (42 U.S.C. 297j) is amended (1) by striking out "next two fiscal years" in the first sentence and inserting in lieu thereof "next four fiscal years", (2) by striking out "1979" and inserting in lieu thereof "1981", and (3) by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (c)(1) of such section is amended (1) by striking out "next two fiscal years" in subparagraph (A) and inserting in lieu thereof "next four fiscal years", (2) by striking out "1978" in subparagraph (B) and inserting in lieu thereof "1980", and (3) by striking out "1979" in such subparagraph and inserting in lieu thereof "1981".

(c) The amendments made by subsections (a) and (b) do not authorize appropriations for the fiscal year ending September 30, 1979, for scholarships under section 845 of the Public Health Service Act in addition to the amount available for such scholarships under section 101(a) of Public Law 95-482.

SEC. 111. Subpart I of part B of title VIII (relating to traineeships) is amended by adding after section 830 (42 U.S.C. 297) the following new section:

"TRAINEESHIPS FOR TRAINING OF NURSE ANESTHETISTS

"SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the Commissioner of Education, of licensed, registered nurses to the nurse anesthetists.

"(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

"(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980.".

SEC. 112. Section 836(b)(3) (relating to student loans) (42 U.S.C. 297b(b)(3)) is amended (1) by inserting after "(3)" the following: "in the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979,", and (2) by striking out "any such loan" and inserting in lieu thereof "any such loan made before such date".

SEC. 113. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study to determine the need to continue a specific program of Federal financial support for nursing education, taking into account—

(1) the need for nurses under the present health care delivery system and under that system as it may be changed by the enact-

ment of legislation for national health insurance,

(2) the cost of nursing education, and

(3) the availability of other sources of support for nursing education, including support under general programs of Federal financial support for postsecondary education, under State and other programs, and from private sources.

(b)(1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study, required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an agreement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(3) Upon completion of the study, the entity conducting the study shall report the results of it to the Secretary and shall include in such report any recommendations for legislation which the entity determines are appropriate.

(4) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(5) The Secretary shall undertake such preliminary activities as may be necessary to enable the Secretary to enter into an arrangement for the conduct of the study at the earliest date authorized by subsection (d).

(c) Not later than six months after the date the arrangement for the conduct of the study is entered into under subsection (b), the Secretary and the entity conducting the study shall each report to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives their respective preliminary recommendations respecting the need to continue a specific program of Federal financial support for nursing education and, if there is a need, the form in which the support should be provided. Not later than two years after such date, the Secretary shall report to such Committees recommendations respecting such need and form of support and the basis for such recommendations and shall include in that report the report submitted to the Secretary pursuant to subsection (b)(3).

(d) The authority of the Secretary to enter into any contract for the conduct of the study under this section shall be effective (1) only on and after October 1, 1979, and (2) for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—OTHER HEALTH PROFESSIONS PROGRAMS

SEC. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) (42 U.S.C. 294b(a)) is amended—

(1) by inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education at such schools requires such increase"; and

(2) by inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools requires such increase".

SEC. 202. (a) Section 752(b)(5)(A) (relating to service requirements for National Health Service Corps scholarships) (42 U.S.C. 294u(b)(5)(A)) is amended by striking out "(not to exceed three years)" and inserting in lieu thereof "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

(b)(1) Such section 752(b)(5)(A) is further amended by adding after the first sentence the following: "With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of such period of time, as determined by the Secretary by regulation but not less than one year, as is required for the individual to complete an internship, residency, or other advanced clinical training.".

(2) The last sentence of such section is amended by striking out "such".

(3) Section 752(b)(5)(B) is amended by striking out "other than a school of medicine, osteopathy, or dentistry" and inserting in lieu thereof "other than a school referred to in subparagraph (A)".

SEC. 203. Subsection (b) of section 756 (42 U.S.C. 294y) is amended to read as follows:

"(b) Of the sums appropriated under paragraph (1), not less than 9 percent shall be obligated for scholarships for dental students.".

SEC. 204. Section 781(c) (relating to requirements for participation of schools in area health education center programs) (42 U.S.C. 295g-1(c)) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

SEC. 205. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transitional provisions on area health education centers) is amended—

(1) by striking out "for the next fiscal year" and inserting in lieu thereof "for the next three fiscal years";

(2) by striking out "no payment shall be made to an entity under such a contract" and inserting in lieu thereof "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) by inserting before the period at the end thereof the following: ", or (2) for any fiscal year beginning after September 30, 1979".

SEC. 206. Paragraph (4) of section 788(b) (42 U.S.C. 295g-8(b)(4)) is repealed.

SEC. 207. Subparagraph (B) of section 788 (e)(2) is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

SEC. 208. (a) Section 749(b)(3)(B) (42 U.S.C. 294e(b)(3)(B)) is amended (1) by striking out "or" at the end of clause (iv), (2) by striking out the period at the end of clause (v) and inserting in lieu thereof ", or", and (3) by adding after clause (v) the following:

"(vi) maternal and child health.".

(b) Section 792(a) (42 U.S.C. 295h-1(a)) is amended (1) by striking out "or" at the end of paragraph (3), (2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", or", and (3) by adding after paragraph (4) the following new paragraph:

"(5) maternal and child health.".

SEC. 209. Section 771(d)(5) (42 U.S.C. 295f-1(d)(5)) is amended by striking out "may waive (in whole or in part) application to a school of dentistry of the requirement of any paragraph of this subsection if the Secretary" and inserting in lieu thereof "may—

"(A) in the case of a school of dentistry which increased its enrollment of full-time first-year students in accordance with paragraph (3), waive (in whole or in part and under such conditions as the Secretary may prescribe) application of the requirement of subsection (a)(1) that it maintain its increased enrollment of such students, and

"(B) in the case of any other school of dentistry, waive (in whole or in part) application of the requirement of any paragraph of this subsection,

if the Secretary determines".

SEC. 210. Section 401 of the Health Programs Extension Act of 1973 (42 U.S.C. 300a-7) is amended by adding at the end thereof the following new subsection:

"(e) No entity which receives, after the date of enactment of this paragraph, any grant, contract, loan, loan guarantee, or interest subsidy under the Public Health Service Act, the Community Mental Health Centers Act or the Developmental Disabilities Assistance and Bill of Rights Act may deny admission or otherwise discriminate against any applicant (including applicants for internships or residencies) for training or study because of the applicant's reluctance, or willingness, to counsel, suggest, recommend, assist, or in any way participate in the performance of abortions or sterilizations contrary to his religious beliefs or moral convictions.".

TITLE III—PUBLIC HEALTH SERVICE ADMINISTRATION

SEC. 301. This title may be cited as the "Public Health Service Administrative Amendments of 1979".

SEC. 302. (a) Section 203 (42 U.S.C. 204) is amended by adding at the end thereof the following new sentence: "Warrant officers may be appointed to the Service for the purpose of providing support to the health and delivery systems maintained by the Service and any warrant officer appointed to the Service shall be considered for purposes of this Act and title 37, United States Code, to be a commissioned officer within the commissioned corps of the Service.".

(b) Section 205(b) (42 U.S.C. 206(b)) is amended by striking out "six" and inserting in lieu thereof "eight" and by inserting after "the Chief Dental Officer of the Service," the following: "the Chief Nurse Officer of the Service, the Chief Pharmacist Officer of the Service,".

SEC. 303. Section 205(c) (42 U.S.C. 206(c)) is amended to read as follows:

"(c)(1) The Surgeon General, with the approval of the Secretary, is authorized to create special temporary positions in the grade of Assistant Surgeons General when necessary for the proper staffing of the Service. The Surgeon General may assign officers of either the Regular Corps or the Reserve Corps to any such temporary position, and while so serving they shall each have the title of Assistant Surgeon General.

"(2) Except as provided in this paragraph, the number of special temporary positions created by the Surgeon General under paragraph (1) shall not on any day exceed 1 per centum of the highest number, during the ninety days preceding such day, of officers of the Regular Corps on active duty and officers of the Reserve Corps on active duty for more than thirty days. If on any day the number of such special temporary positions exceeds such 1 per centum limitation, for a period of not more than one year after such day, the number of such special temporary positions shall be reduced for purposes of complying with such 1 per centum limitation only by the resignation, retirement, death, or transfer to a position of a lower grade, of any officer holding any such temporary position.".

SEC. 304. (a) The third sentence of subsection (a) of section 206 (42 U.S.C. 207(a)) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Officers of the assistant grade—first lieutenant;

"(6) Officers of the junior assistant grade—second lieutenant;

"(7) Chief warrant officers of (W-4) grade—chief warrant officer (W-4);

"(8) Chief warrant officers of (W-3) grade—chief warrant officer (W-3);

"(9) Chief warrant officers of (W-2) grade—chief warrant officer (W-2); and

"(10) Warrant officers of (W-1) grade—warrant officer (W-1).".

(b) Section 206(c) (42 U.S.C. 207(c)) is repealed.

(c) The first sentence of section 206(d) (42 U.S.C. 207(d)) is amended by striking out "junior assistant grade" and inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 305. (a) Section 207(a)(1) (42 U.S.C. 209(a)(1)) is amended by inserting immediately after "original appointments to the Regular Corps may be made only in the" the following: "warrant officer (W-1), chief warrant officer (W-2), chief warrant officer (W-3), chief warrant officer (W-4),".

(b)(1) Section 207(d)(1) (42 U.S.C. 209(d)(1)) is amended to read as follows:

"(d)(1) For purposes of basic pay of any person appointed under subsection (a) or (b), and for purposes of promotion of any person appointed to the Regular Corps under subsection (a) or any person appointed under subsection (b), such persons shall, except as provided in paragraphs (2) and (3) of this subsection, be considered as having had on the date of appointment the following length of service: Three years if appointed to the senior assistant grade, ten years if appointed to the full grade, seventeen years if appointed to the senior grade, and eighteen years if appointed to the director grade.".

(2) Section 207(d)(2) (42 U.S.C. 209(d)(2)) is amended by striking out "to the grade of senior assistant in the Regular Corps, and any person appointed under subsection (b)," and inserting in lieu thereof the following: "or (b)".

(3) Section 207(d)(3) (42 U.S.C. 209(d)(3)) is amended by striking out "to the senior assistant grade or above".

SEC. 306. Section 209(c) (42 U.S.C. 210b(c)) is amended by striking out "assistant grade" and by inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 307. (a) Section 210(d)(1) (42 U.S.C. 211(d)(1)) is amended by striking out "Officers in the junior assistant grade" and by inserting in lieu thereof the following: "Officers in the warrant officer (W-1) grade, chief warrant officer (W-2) grade, chief warrant officer (W-3) grade, chief warrant officer (W-4) grade, and junior assistant grade".

(b) Section 210(g) (42 U.S.C. 211(g)) is amended—

(1) in the first sentence by striking out "an officer of the Regular Corps in the junior assistant grade" and inserting in lieu thereof the following: "an officer of the Regular Corps in the warrant officer (W-1) grade or junior assistant grade";

(2) in the second sentence by striking out "an officer of the Regular Corps in the assistant, senior assistant," and inserting in lieu thereof the following: "an officer of the Regular Corps in the chief warrant officer (W-2), chief warrant officer (W-3), assistant, senior assistant,";

(3) in paragraph (1) by striking out "if in the assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-2) or assistant grade"; and

(4) in paragraph (2) by striking out "if in the senior assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-3) or senior assistant grade".

SEC. 308. Section 211(e) (42 U.S.C. 212(e)) is amended by striking out "a part of a year of active service of six months or more shall be counted as a whole year and a part of a year of active service which is less than six months shall be disregarded" and by inserting in lieu thereof the following: "a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded".

SEC. 309. (a) Section 214(c) (42 U.S.C. 215(c)) is amended by striking out the comma immediately after "non-profit educational research" and inserting immediately after "Service" the following: "to any appropriate committee of the Congress".

(b) Section 214(d) (42 U.S.C. 215(d)) is amended by inserting after the first sentence the following new sentence: "In the case of detail of personnel under subsections (b) or (c) to be paid from applicable Service appropriations, the Secretary may condition such detail on an agreement by the State, subdivision, or institution concerned that such State, subdivision, or institution concerned shall reimburse the United States for the amount of such payments made by the Service.".

SEC. 310. (a) The first sentence of section 218(b) (42 U.S.C. 218a(b)) is amended to read as follows: "Any officer whose tuition, fees, and other necessary expenses are paid pursuant to subsection (a) while attending an educational institution or training program for a period in excess of thirty days shall be obligated to pay to the Service an amount equal to two times the total amount of such tuition, fees, and other necessary expenses received by such officer during such period, and two times the total amount of any compensation received by, and any allowance paid to, such officer during such period, if after return to active service such officer voluntarily leaves the Service within (1) six months, or (2) twice the period of such attendance, whichever is greater.".

(b) The third sentence of section 218(b) (42 U.S.C. 218a(b)) is amended by striking out "reimbursement" wherever it appears and by inserting in lieu thereof the following: "payment".

SEC. 311. Section 219(c) (42 U.S.C. 210-1(c)) is repealed.

SEC. 312. Section 221(a) (42 U.S.C. 213a(a)) is amended by adding at the end thereof the following new paragraphs:

"(12) Section 1552, Correction of military records: claims incident thereto.

"(13) Section 1553, Review of discharge or dismissal.

"(14) Section 1554, Review of retirement or separation without pay for physical disability.".

SEC. 313. The Public Health Service Act is amended by inserting immediately after section 227 (42 U.S.C. 236) the following new section:

"RESERVE CORPS OFFICERS; SEVERANCE PAY UPON INVOLUNTARY RELEASE FROM ACTIVE DUTY

"SEC. 228. (a) Except as provided in subsection (b), a commissioned officer of the Reserve Corps of the Service who is released from active duty involuntarily pursuant to (1) program abolition or contraction requiring a reduction in strength of the commissioned corps, (2) nonavailability of other assignment or failure of promotion, or (3) any other reason other than separation for cause or retirement, and who has completed, immediately before such release, at least five years of continuous active duty in the commissioned corps of the Service, is entitled to a severance payment computed by multiplying the years of active service in the commissioned corps of such officer (other than in time of war or national emergency declared by Congress after January 1, 1979) by two months basic pay of the grade in which such officer is serving at the time of such release, except that no such severance payment to any officer shall exceed an amount equal to the amount of two years of basic pay of the grade in which such officer is serving at the time of such release. For purposes of this subsection—

"(1) a period of active duty is continuous if it is not interrupted by a break in service of more than thirty days; and

"(2) in the computation of severance pay, a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded.

"(b) Subsection (a) shall not apply with respect to any officer referred to in such subsection who—

"(1) is released from active duty at the request of such officer;

"(2) is released from active duty for training;

"(3) upon release from active duty, is immediately eligible for retired pay from the Service; or

"(4) upon release from active duty, is immediately eligible for severance pay based on this section and any other provision of law and who elects to receive such severance pay under such other provision of law.

"(c) Any severance payment to which any officer becomes entitled under this section shall be reduced by the amount of any previous payment made to such officer under this section.".

SEC. 314. (a)(1) The table in section 201(a) of title 37, United States Code, is amended by striking out "Surgeon General." in the fourth column of such table and by inserting in such column to correspond with pay grade O-9 the following: "Surgeon General.".

(2) Section 205(a) of such title is amended by striking out "and" at the end of clause (8), by striking out "Corps." at the end of clause (9)(C) and inserting in lieu thereof "Corps;", and by inserting immediately after such clause (9)(C) the following new clauses:

"(10) for a commissioned officer of the Public Health Service, other than a medical or dental officer named in clause (7) or (8) or an officer who attains a doctoral degree named in clause (11), who attains a masters degree before entry or re-entry into active service where such degree is required for appointment—one year; and

"(11) for a commissioned officer of the Public Health Service, other than a medical or dental officer named in clause (7) or (8) or an officer who attains a masters degree named in clause (10), who attains a doctoral degree before entry or re-entry into active service where such degree is required for appointment—three years.".

(b)(1) Section 1006(a) of title 37, United States Code, is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(2) Section 1006(b) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(3) Section 1006(c) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(4) Section 1006(c) of such title is amended by inserting immediately after "members of the armed forces" the following: "or of the Public Health Service".

(5) Section 1006(d) of such title is amended by inserting immediately after "from his armed force" the following: "or from the Public Health Service".

(6) Section 1006(e) of such title is amended by inserting before the period the following: "and the Public Health Service.".

(7) Section 1006(h) of such title is amended by inserting immediately after "members of an armed force" the following: "or of the Public Health Service".

(c) Section 415(d) of title 37, United States Code, is amended to read as follows:

"(d) An allowance of $250 for uniforms and equipment may be paid to each com-

missioned officer of the Public Health Service who is—

"(1) on active duty or on inactive duty training status; and

"(2) required by directive of the Surgeon General to wear a uniform.

An officer is not entitled to more than one allowance under this subsection, except that an officer who has received one such allowance under this subsection may, upon transfer to or from the United States Coast Guard, be paid one additional such uniform and equipment allowance if pursuant to such transfer a different uniform is required.".

SEC. 315. The amendments made by sections 303, 304, 305, 306, 307, 313, and 314 shall take effect on October 1, 1979.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3633) was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3633, the bill just passed.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 230

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill, S. 230, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and, without objection, appoints the following conferees: Messrs. STAGGERS, WAXMAN, SATTERFIELD, PREYER, BROYHILL, and CARTER.

There was no objection.

□ 1440

CONFERENCE REPORT ON H.R. 4057, FOOD STAMP ACT AMENDMENT OF 1979

Mr. FOLEY submitted the following conference report and statement on the bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program:

CONFERENCE REPORT (H. Rept. No. 96-394)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

INCREASE IN 1979 AUTHORIZATION FOR APPROPRIATION; REPEAL OF AUTHORITY FOR CARRYOVER OF APPROPRIATIONS; METHOD OF REDUCING ALLOTMENTS IF APPROPRIATIONS ARE INSUFFICIENT

SECTION 1. Section 18 of the Food Stamp Act of 1977 is amended by—

(1) striking out "$6,158,900,000" in the first sentence of subsection (a) and inserting in lieu thereof "$6,778,900,000";

(2) striking out the third sentence of subsection (a) and inserting in lieu thereof two new sentences as follows: "The Secretary shall, by the fifteenth day of each month, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each monthly report, the Secretary shall also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section.";

(3) striking out "If" in the second sentence of subsection (b) and inserting in lieu thereof "Notwithstanding any other provision of this Act, if"; and

(4) adding at the end thereof new subsections (c) and (d) as follows:

"(c) In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under sections 5(d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions are otherwise determined under this section.

"(d) Not later than sixty days after the issuance of a report under subsection (a) of this section in which the Secretary expresses the belief that reductions in the value of allotments to be issued to households certified to participate in the food stamp program will be necessary, the Secretary shall take requisite action to reduce allotments in accordance with the requirements of this section. Not later than seven days after the Secretary takes any action to reduce allotments under this section, the Secretary shall furnish the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.".

EXCESS MEDICAL EXPENSE AND EXCESS SHELTER EXPENSE DEDUCTIONS FOR ELDERLY PERSONS AND PERSONS RECEIVING SUPPLEMENTAL SECURITY INCOME BENEFITS OR SOCIAL SECURITY DISABILITY PAYMENTS

SEC. 2. Section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) inserting in the fourth sentence after "Households" the following: ", other than those households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act,"; and

(2) adding at the end thereof a new sentence as follows: "Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act shall also be entitled to—

"(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by household members who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act, exclusive of special diets, that exceed $35 a month;

"(B) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of the preceding sentence, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

"(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.".

DEFINITION OF ALLOWABLE MEDICAL EXPENSES

SEC. 3. Section 3 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (q) as follows:

"(q) 'Allowable medical expenses' means expenditures for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding the costs of health and accident or income maintenance policies), (5) medicare premiums related to coverage under title XVIII of the Social Security Act, (6) dentures, hearing aids, and prosthetics (including the costs of securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.".

PROVISION OF INFORMATION

SEC. 4. Section 16 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (f) as follows:

"(f) The Secretary and State agencies may (1) require, as a condition of eligibility for participation in the food stamp program, that each household member furnish to the State agency their social security account number (or numbers, if they have more than one number), and (2) use such account numbers in the administration of the food stamp program. The Secretary and State agencies shall have access to the information regarding individual food stamp program applicants and participants who receive benefits under title XVI of the Social Security Act that has been provided to the Secretary of Health, Education, and Welfare, but only to the extent that the Secretary and the Secretary of Health, Education, and Welfare determine necessary for purposes of determining or auditing a household's eligibility to receive assistance or the amount thereof under the food stamp program, or verifying information related thereto.".

REPAYMENT FOR FRAUDULENT CONDUCT

SEC. 5. Section 6(b) of the Food Stamp Act of 1977 is amended by adding at the end thereof two new sentences as follows: "After any specified period of disqualification pursuant to findings under clauses (1) or (2) of this subsection, no disqualified individual shall be eligible to participate in the food stamp program unless such individual agrees to (A) a reduction in the allotment of the household of which such individual is a member or (B) to repayment in cash, in

accordance with a reasonable schedule as determined by the Secretary that will be sufficient over time to reimburse the Federal Government for the value of the coupons obtained through the fraudulent conduct. If any disqualified individual elects repayment in cash under the provisions of the preceding sentence and fails to make payments in accordance with the schedule determined by the Secretary, the household of which such individual is a member shall be subject to appropriate allotment reductions.".

STATE SHARE OF RECOVERIES

SEC. 6. Section 16(a) of the Food Stamp Act of 1977 is amended by inserting before the period at the end thereof the following: ", as well as to permit each State to retain 50 per centum of the value of all funds or allotments recovered or collected through prosecutions or other State activities directed against individuals who fraudulently obtain allotments as determined in accordance with this Act. The officials responsible for making determinations of fraud under this Act shall not receive or benefit from revenues retained by the State under the provisions of this subsection".

GROUP LIVING ARRANGEMENTS FOR THE DISABLED OR BLIND

SEC. 7. Section 3 of the Food Stamp Act of 1977 is amended by—

(1) striking out in subsection (g) "and (5)" and inserting in lieu thereof "(5), and (7)";

(2) striking out in subsection (g) "and (6)" and inserting in lieu thereof "(6)";

(3) inserting immediately before the period at the end of subsection (g) the following: ", and (7) in the case of disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that serves no more than sixteen residents and is certified by the appropriate State agency or agencies under regulations issued under section 1616 (e) of the Social Security Act,

meals prepared and served under such arrangement";

(4) inserting in subsection (1) after "elderly" the following: ", disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that serves no more than sixteen residents and is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act,";

(5) inserting immediately before the period at the end of subsection (1) the following: "and shall be considered individual households"; and

(6) amending clause (2) of subsection (k) to read as follows: "(2) an establishment, organization, program, or group living arrangement referred to in subsections (g) (3), (4), (5), and (7) of this section,".

SEC. 8. Section 10 of the Food Stamp Act is amended by inserting after "programs" the following: ", and public or private nonprofit group living arrangements that serve meals to disabled or blind residents,".

DENIAL OF BENEFITS TO CERTAIN HOUSEHOLDS

SEC. 9. Section 6 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (l) as follows:

"(l) No household that contains a person involved in a labor-management dispute shall be eligible to participate in the food stamp program unless the household meets the income guidelines, asset requirements, and work registration requirements of this Act.".

IMPLEMENTATION

SEC. 10. (a) The provisions of sections 2 and 3 of this Act shall be implemented in all States by January 1, 1980, and shall not affect the rights or liabilities of the Secretary, States, and applicant or participant households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

(b) Notwithstanding any other provision of law, the Secretary of Agriculture shall issue final regulations implementing the provisions of sections 4 through 6 of this Act within one hundred and fifty days after the date of enactment of this Act.

(c) The provisions of sections 7 and 8 of this Act shall be implemented in all States by July 1, 1980, and shall not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

THOMAS S. FOLEY,
E DE LA GARZA,
ED JONES,
DAWSON MATHIS,
FREDERICK W. RICHMOND,
RICHARD NOLAN,
TOM HARKIN,
LEON E. PANETTA,
DAN GLICKMAN,
DANIEL K. AKAKA,
WILLIAM C. WAMPLER,
STEVEN D. SYMMS,
MARGARET M. HECKLER,
CHARLES E. GRASSLEY,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
RICHARD STONE,
PATRICK J. LEAHY,
JOHN MELCHER,
JESSE HELMS,
S. I. (SAM) HAYAKAWA,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text. The committee of conference recommends a substitute for both the House bill and the Senate amendment.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

(1) EXCESS MEDICAL AND SHELTER EXPENSE DEDUCTIONS FOR HOUSEHOLDS WITH ELDERLY PERSONS OR PERSONS RECEIVING SUPPLEMENTAL SECURITY INCOME BENEFITS OR SOCIAL SECURITY DISABILITY PAYMENTS

Both the House bill and the Senate amendment provide an excess medical expense deduction for households containing a member who is age sixty years or older.

(A) Eligibility for excess medical expense deduction

The Senate amendment also makes eligible for this deduction households containing a member who receives supplemental security income benefits or social security disability payments.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(B) Scope of excess medical expense deduction

The House bill allows eligible households to deduct the medical expenses of all household members.

The Senate amendment allows eligible households to deduct the medical expenses of the elderly and disabled household members.

The conference substitute adopts the Senate provision.

(C) Amount of excess medical expense deduction

The House bill allows the deduction of medical expenses in excess of $10 a month.

The Senate amendment allows the deduction of medical expenses in excess of $35 a month.

The conference substitute adopts the Senate provision.

(D) Indexing

The Senate amendment provides that the $35 a month threshold for the excess medical expense deduction will be indexed semiannually beginning July 1, 1979, in the same manner as the standard deduction—according to Consumer Price Index changes for items other than food.

The House bill contains no comparable provision.

The conference substitute deletes the Senate provision.

(E) Definition of "allowable medical expenses"

The Senate amendment defines "allowable medical expenses," for purposes of determining the excess medical expense deduction, to include all medical expenses previously allowed by the regulations and guidelines issued under the Food Stamp Act of 1964.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(F) Duration of the excess medical expense deduction

The House bill makes the excess medical expense deduction effective for fiscal years 1979 and 1980.

The Senate amendment makes the excess medical expense deduction permanent.

The conference substitute adopts the Senate provision.

(G) Excess shelter expense deduction

The Senate amendment removes the ceiling on the allowable amount of the excess shelter expense deduction (currently $90 a month) for households containing a member who is age sixty or older or who receives supplemental security income benefits or social security disability payments.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(H) Effective date

The Senate amendment provides that the provisions for the excess medical expense deduction and removal of the ceiling on the excess shelter expense deduction will take effect on the first day of the first month beginning after the date of enactment.

The House contains no comparable provision. The conference substitute adopts the Senate provision, but changes the date by which the deductions are to be implemented to January 1, 1980, with the understanding that every State should implement the new medical deduction and remove the shelter deduction ceiling as promptly as possible. However, no household would be entitled to use the new deduction system until such time as the State has implemented it. Thus, the Secretary and State agencies are not to provide retroactive benefits to applicant or participant households solely because of the implementation schedule for the excess shelter and medical expense deductions. In light of the urgent need for these new de-

ductions, the conferees expect that every State will implement the deductions by January 1, 1980, and that the Secretary will vigorously pursue implementation and appropriate remedies to ensure compliance. To accomplish implementation in the swiftest manner possible, the Department of Agriculture should proceed quickly to complete the regulatory process for issuing the necessary regulations, including, where appropriate, waiver of notice and comment procedures under the Administrative Procedure Act as contrary to the public interest and unnecessary in light of the emergency and automatic nature of these provisions.

(2) PROVISION OF INFORMATION

The Senate amendment authorizes the Secretary and State agencies to (A) require submission of social security numbers as a condition of food stamp program eligibility and (B) have access to the data from other Federal programs regarding individual food stamp program applicants and participants who receive supplemental security income benefits that have been provided to the Secretary of Health, Education, and Welfare.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision with clarifying language limiting the access to data pursuant to regulations that specify when such access is necessary for purposes of determining or auditing a household's eligibility to receive food stamp assistance or the amount thereof or verifying information related thereto.

(3) REPAYMENT FOR FRAUDULENT CONDUCT

The Senate amendment requires that individuals disqualified because of fraud who wish to reenter the program after the period of disqualification must agree to repay the value of the food stamps fraudulently obtained, through either a cash payment or a reduction in the household's allotment, under a reasonable schedule prescribed by the Secretary. If a disqualified individual agrees to repayment in cash and fails to make the payments, that household's allotment will be subject to appropriate reductions.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(4) STATE SHARE OF RECOVERIES

The Senate amendment allows each State to retain 50 percent of the funds it recovers or collects through prosecutions or other State activities directed against individuals who fraudulently obtain their food stamps. The Senate amendment further provides that the officials responsible for making determinations of fraud under the Act will not receive or benefit from State fraud recoveries.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

(5) ELIGIBILITY VERIFICATION

The Senate amendment prohibits the Secretary from precluding the State agencies from implementing verification procedures in addition to those issued by the Secretary under the Act. The Senate amendment requires that any supplemental State verification standards be (A) in the State's plan of operation, and (B) reasonably related to the Secretary's national standards. The Senate amendment also prohibits supplemental State verification standards from (A) resulting in violation of the Secretary's standards for timely provision of benefits; (B) subjecting households to home visits conducted in an unreasonable manner or during unreasonable hours; (C) being used for those persons whose State or Federal cash welfare eligibility has already been verified, or is being verified; (D) resulting in a denial or reduction of benefits because a household cannot verify matters outside of its control; and (E) resulting in households having to make unreasonable additional trips to the welfare office.

The House bill contains no comparable provisions.

The conference substitute deletes the Senate provision.

(6) REMOVAL OF AUTHORIZATION FOR APPROPRIATIONS CEILING FOR 1980 AND 1981

The Senate amendment removes the specific dollar authorization for appropriations ceilings for fiscal years 1980 and 1981.

The House bill contains no comparable provision.

The conference substitute deletes the Senate provision.

(7) GROUP LIVING ARRANGEMENTS FOR THE DISABLED OR BLIND

The Senate amendment makes blind and disabled residents of small State-certified group living arrangements eligible for participation in the food stamp program under conditions equivalent to those applicable to narcotics addicts or alcoholics participating in treatment programs.

The House bill contains no comparable provisions.

The conference substitute adopts the Senate provisions.

In making residents of small group living arrangements eligible, the Senate amendment—

(a) includes within the definition of "household" disabled or blind recipients of social security disability payments or supplemental security income benefits who are residents in public or private nonprofit group living arrangements serving no more than sixteen residents, so long as they are certified by State agencies under section 1616(e) of the Social Security Act;

(b) provides that disabled or blind residents in small public or private nonprofit State-approved group living arrangements will be considered individual households;

(c) includes within the definition of "food," meals prepared and served to disabled or blind persons in small public or private nonprofit group living arrangements that are certified by State agencies under section 1616(e) of the Social Security Act;

(d) includes small, State-certified public or private nonprofit group living arrangements that serve meals to disabled or blind residents within the definition of "retail food store";

(e) provides that public or private nonprofit group living arrangements that serve meals to disabled or blind residents may not redeem those residents' food stamps through banks; and

(f) sets forth that the provisions dealing with group living arrangements for the disabled and blind will be implemented by July 1, 1980, and will not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

(8) EFFECTIVE DATE FOR ANTIFRAUD PROVISIONS

The Senate amendment requires the Secretary of Agriculture—within 150 days after the date of enactment of the bill—to issue final regulations implementing the sections of the bill on provision of information, repayment of fraud, State share of recoveries, and eligibility verifications.

The House bill contains no comparable provision.

The conference susbtitute adopts the Senate provision, with an amendment deleting the reference to eligibility verification.

(9) STRIKER ELIGIBILITY

The Senate amendment specifically provides that no household that contains a person involved in a labor-management dispute shall be eligible to participate in the food stamp program unless the household meets the income guidelines, asset requirements, and work registration requirements of the Food Stamp Act of 1977.

The House bill contains no comparable provision.

The conference substitute adopts the Senate provision.

THOMAS S. FOLEY,
E DE LA GARZA,
ED JONES,
DAWSON MATHIS,
FREDERICK W. RICHMOND,
RICHARD NOLAN,
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JOHN MELCHER,
JESSE HELMS,
S. I. (SAM) HAYAKAWA,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE CONFERENCE REPORT ON H.R. 3324, INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a conference report on the bill (H.R. 3324) to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 96-397)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3324) to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development Cooperation Act of 1979".

TITLE I—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $659,000,000 for the fiscal year 1980.".

(b) Section 103(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.".

(c) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

"(f) The Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of United States development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor in such countries. Therefore, United States bilateral assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, and United States participation in multilateral institutions, shall emphasize policies and programs which assist developing countries to increase their national food security by improving their food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing postharvest food losses, and improving food distribution.".

POPULATION AND HEALTH

SEC. 102. (a) The first sentence of section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $201,000,000 for the fiscal year 1980 to carry out subsection (b) of this section; and

"(2) $141,000,000 for the fiscal year 1980 to carry out subsection (c) of this section, of which amount not less than $4,000,000 shall be made available to assist in the development of the John Sparkman Center for International Public Health Education to be located at the University of Alabama at Birmingham.".

(b) Section 104(d)(1) of such Act is amended by inserting immediately before the period at the end of the second sentence the following: ", and through community-based development programs which give recognition to people motivated to limit the size of their families".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $105,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

(b) Section 105(b) of such Act is amended by adding at the end thereof the following new sentence: "Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.".

DEVELOPMENT OF INDIGENOUS ENERGY RESOURCES

SEC. 104. (a) Section 102(b) of the Foreign Assistance Act of 1961 is amended—

(1) in paragraph (5) by striking out "and" immediately after the last semicolon and by inserting "; and energy development and production" immediately before the period; and

(2) in paragraph (7) by inserting "the development, production, and" immediately after "promotes".

(b) Section 106 of such Act is amended—

(1) in subsection (a)—

(A) by striking out paragraph (2), and

(B) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(2) by redesignating subsections (a) and (b) as subsections (c) and (d), respectively; and

(3) by inserting the following new subsections (a) and (b) immediately after the section caption:

"(a)(1) The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scarce foreign exchange will increasingly have to be diverted to oil imports, primarily to the detriment of long-term development and economic growth.

"(2) The Congress recognizes that many developing countries lack access to the financial resources and technology necessary to locate, explore, and develop indigenous energy resources.

"(3) The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

"(A) The world's energy supply would be increased and the fear of abrupt depletion would be lessened with new energy production. This could have a positive impact upon energy prices in international markets as well as a positive effect upon the balance of payments problems of many developing countries.

"(B) Diversification of the world's supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

"(C) Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

"(4) Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

"(b)(1) In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources to produce the energy needed by their economies, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production.

"(2) Of the funds made available to carry out this section, up to $7,000,000 for the fiscal year 1980 shall be used for purposes of paragraph (1) to facilitate geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves in developing countries which are not members of the Organization of Petroleum Exporting Countries.".

(c) Section 119(a) of such Act is amended by amending the first sentence to read as follows: "The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 105. Section 106(d) of the Foreign Assistance Act of 1961, as so redesignated by section 104(b)(2) of this Act, is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $125,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

HUMAN RIGHTS STUDIES AND ACTIVITIES

SEC. 106. Section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "the fiscal year 1979" and inserting in lieu thereof "the fiscal year 1980".

RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

SEC. 107. (a) Section 119 of the Foreign Assistance Act of 1961 is amended by redesignating existing subsection (a) as subsection (b) and by inserting the following new subsection (a) immediately after the section caption:

"(a) The Congress finds that energy production and conservation are vital elements in the development process and that energy shortages in developing countries severely limit the development progress of such countries. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand

the energy resources of developing countries, primarily through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.".

(b) Such section is further amended by redesignating existing subsection (b) as subsection (d) and by inserting the following new subsection (c) between subsections (b) and (d), as so redesignated by this subsection and subsection (a) of this section:

"(c) Such programs may include research on, and the development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 108. Section 121(c) of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "In addition to the amount authorized in the preceding sentence and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $25,000,000.".

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 109. Section 124(c)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "Amounts due and payable during fiscal year 1980 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be approved for use, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $18,800,000.".

DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION

SEC. 110. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 126. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.—(a) The Congress recognizes that illicit narcotics cultivation is related to overall development problems and that the vast majority of all individuals employed in the cultivation of illicit narcotics reside in the developing countries and are among the poorest of the poor in those countries and that therefore the ultimate success of any effort to eliminate illicit narcotics production depends upon the availability of alternative economic opportunities for those individuals, upon other factors which assistance under this chapter could address, as well as upon direct narcotics control efforts.

"(b) In planning programs of assistance under this chapter for countries in which there is illicit narcotics cultivation, the agency primarily responsible for administering this part should give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

"(c) In furtherance of the purposes of this section, the agency primarily responsible for administering this part shall cooperate fully with, and share its expertise in development matters with, other agencies of the United States Government involved in narcotics control activities abroad.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 111. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $25,000,000 for the fiscal year 1980, which are authorized to remain available until expended.".

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 112. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the second sentence by striking out "$1,180,000,000" and inserting in lieu thereof "$1,555,000,000"; and

(2) in the third sentence by striking out "until September 30, 1980" and inserting in lieu thereof "through September 30, 1982".

(b)(1) Section 222A(a) of such Act is amended by striking out "five" and inserting in lieu thereof "six".

(2) Section 222A(c) of such Act is amended by striking out "$15,000,000" and inserting in lieu thereof "$20,000,000".

(3) Section 222A(h) of such Act is amended by striking out "until September 30, 1979" and inserting in lieu thereof "through September 30, 1982".

(c) Section 223(f) of such Act is amended—

(1) by striking out everything after "not" in the first sentence through "exceeds" in the second sentence and inserting in lieu thereof "exceed"; and

(2) by striking out "such Department" and inserting in lieu thereof "the Department of Housing and Urban Development".

(d) Section 223(j) of such Act is amended—

(1) in the first sentence, by striking out "(1)" and all that follows through "(3)" and inserting in lieu thereof "are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "Of the total amount of housing guaranties authorized to be issued under section 222 through September 30, 1982, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.".

FAMINE PREVENTION AND FREEDOM FROM HUNGER

SEC. 113. Section 297 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a)(3) by inserting ", in the developing countries themselves to the maximum extent practicable," immediately after "university research"; and

(2) by amending subsection (c) to read as follows:

"(c) To the maximum extent practicable, activities under this section shall—

"(1) be directly related to the food and agricultural needs of developing countries;

"(2) be carried out within the developing countries;

"(3) be adapted to local circumstances;

"(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

"(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 114. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $267,280,000 for the fiscal year 1980, of which not to exceed $52,000,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees, except that not more than $42,500,000 of this amount may be obligated unless the President certifies to the Congress that any contributions above this level have been matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries.".

(b) Notwithstanding any other provision of law, funds appropriated for the fiscal year 1979 to meet the annual obligations of membership of the United States in the United Nations and its specialized agencies may be made available for the furnishing of technical assistance by the United Nations and its specialized agencies.

INTERNATIONAL DISASTER ASSISTANCE

SEC. 115. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1979" and inserting in lieu thereof "$21,800,000 for the fiscal year 1980".

ASSISTANCE FOR AFRICAN REFUGEES

SEC. 116. Section 495F of the Foreign Assistance Act of 1961 is amended in the second sentence—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

(2) by striking out "$15,000,000" and inserting in lieu thereof "$14,920,000".

COMPLETION OF PLANS AND COST ESTIMATES

SEC. 117. Section 611(b) of the Foreign Assistance Act of 1961 is amended by striking out "Memorandum of the President dated May 15, 1962" and inserting in lieu thereof "Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973".

REPRESENTATION OF THE DEPARTMENT OF ENERGY ON THE DEVELOPMENT COORDINATION COMMITTEE

SEC. 118. Section 640B(a) of the Foreign Assistance Act of 1961 is amended in the third sentence by inserting "Energy," immediately after "Agriculture,".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 119. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979" and inserting in lieu thereof "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980".

OPERATING EXPENSES

SEC. 120. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1979" and inserting in lieu thereof "fiscal year 1980"; and

(2) in paragraph (1) by striking out "$261,000,000" and inserting in lieu thereof "$263,000,000".

REGISTRATION OF PRIVATE VOLUNTARY AGENCIES

SEC. 121. Sections 123(b), 607(a), and 635(c) of the Foreign Assistance Act of 1961 and sections 104(f) and 202(a) of the Agricultural Trade Development and Assistance Act of 1954 are amended by striking out "Advisory Committee on Voluntary Foreign Aid" and "Advisory Committee" wherever they appear and inserting in lieu thereof "Agency for International Development".

MISCELLANEOUS REPEALS

SEC. 122. Section 105(c), the last sentence of section 111, sections 113(b) and (c), and section 118(c) of the Foreign Assistance Act of 1961 are repealed. Subsection (d) of section 113 of such Act is redesignated as subsection (b).

MINORITY RESOURCE CENTER

SEC. 123. Section 133 of the International Development and Food Assistance Act of 1977 is amended by adding at the end thereof the following new subsection:

"(c)(1) Upon the enactment of the International Development Cooperation Act of 1979, the section on minority business established pursuant to subsection (a) shall be redesignated as the Minority Resource Center

(hereafter in this section referred to as the 'Center') which shall be responsible for increasing the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 (hereafter in this section referred to as the 'agency').

"(2) The Center shall—

"(A) establish, maintain, and disseminate information to, and otherwise serve as an information clearinghouse for, economically and socially disadvantaged business enterprises regarding business opportunities in development assistance programs funded by the agency;

"(B) design and conduct programs to encourage, promote, and assist economically and socially disadvantaged business enterprises to secure direct contracts, host country contracts, operation expatriate contracts, indefinite quantity contracts, subcontracts, projects, grants, and research and development contracts in order for such enterprises to participate in such development assistance programs;

"(C) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities in such development assistance programs;

"(D) develop support mechanisms which will enable socially and economically disadvantaged businesses to take advantage of business opportunities in such development assistance programs; and

"(E) enter into such contracts (to such extent or in such amounts as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its functions under this section.

"(3) The Administrator of the agency and the Secretary of State shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to development assistance programs funded by the agency, as may be requested by the Center in connection with the performance of its functions under this section.

"(4) There shall be a Director of the Center who shall be the chief executive officer of the Center. The Director shall be appointed by the Administrator of the agency.

"(5)(A) For the purposes of this section, the term 'economically and socially disadvantaged enterprise' means a business—

"(i) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

"(ii) whose management and daily business operations are controlled by one or more such individuals.

"(B) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

"(C) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities, the Administrator of the agency shall consider, but not be limited to, the assets and net worth of the socially disadvantaged individual.

"(6) Not later than February 1 of each year, the Administrator of the agency shall submit to the Congress a report concerning the activities of the Center during the preceding fiscal year.

"(7) Of the funds available to the agency for operating expenses, up to $950,000 for fiscal year 1980 may be allocated to the Center to carry out its functions under this section.

"(8) If the Administrator of the agency determines that such a consolidation would significantly further the purposes of this section and would eliminate unnecessary duplication of activity, the Administrator may consolidate the Center with the Office of Small and Disadvantaged Business Utilization established in the agency by section 15(k) of the Small Business Act. Any such consolidation shall ensure that all the functions specified in paragraph (2) of this subsection continue to be carried out. Before implementing any such consolidation, the Administrator shall submit to the Congress a detailed report setting forth the reasons for the proposed consolidation.".

PROHIBITION ON ASSISTANCE TO PANAMA

SEC. 124. None of the funds authorized to be appropriated by this title may be made available for assistance to the Republic of Panama, its agencies or instrumentalities, unless the President determines that assistance to Panama is in the national interest of the United States.

ASSISTANCE TO LATIN AMERICAN AND CARIBBEAN COUNTRIES

SEC. 125. It is the sense of the Congress that the United States should place greater emphasis on public and private resources for development programs in Latin America and the Caribbean which address problems common to the Western Hemisphere. It is further the sense of the Congress that provision of such assistance to Latin American and Caribbean countries, including transitional developing countries, is consistent with the purposes of part I of the Foreign Assistance Act of 1961.

INCREASED CONTRIBUTIONS FOR DEVELOPMENT ASSISTANCE

SEC. 126. In recognition of the rapidly growing economic strength and ability to contribute to international development and security efforts of other nations, it is the sense of the Congress that the President should take all appropriate steps to negotiate with those nations with adequate financial resources to provide assistance to increase their contributions for development assistance through multilateral programs as well as through bilateral efforts.

TITLE II—FOOD FOR PEACE

INCREASING DEMAND FOR FOOD AND ENCOURAGING LOCAL FOOD PRODUCTION

SEC. 201. Section 103(f) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(f) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;".

ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

SEC. 202. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to assess nutritional and other needs of beneficiary groups, help these groups design and carry out mutually acceptable projects, recommend ways of making food assistance available that are most appropriate for each local setting, supervise food distribution, and regularly evaluate the effectiveness of each project.".

ALLEVIATING THE CAUSES OF THE NEED FOR TITLE II ASSISTANCE

SEC. 203. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending clause (3) of the first sentence to read as follows: "(3) such agreement provides that the currencies will be used for (A) alleviating the causes of the need for the assistance in accordance with the purposes and policies specified in section 103 of the Foreign Assistance Act of 1961, or (B) programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided under this title to the neediest individuals in recipient countries.".

INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

SEC. 204. (a) Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in the first sentence, by inserting ", or the dollar sales value of the commodities themselves," immediately after "the local sale of such commodities"; and

(2) in the second sentence, by striking out "of funds from the sale of such commodities in the participating country" and inserting in lieu thereof "in the participating country of funds from the sale of such commodities or of the commodities themselves".

(b) Section 305 of such Act is amended by adding at the end thereof the following new subsection:

"(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.".

(c) Section 303(a) of such Act is amended by striking out "for each year such funds are to be disbursed" in the second sentence.

PARTICIPATION OF AMERICAN AGRICULTURE IN FOOD FOR DEVELOPMENT PROGRAMS

SEC. 205. Section 302(c) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new paragraph:

"(4) In developing and carrying out Food for Development Programs under this title, consideration shall be given to using the capability and expertise of American agriculture, in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.".

FULL FORGIVENESS OF REPAYMENT OBLIGATIONS UNDER FOOD FOR DEVELOPMENT PROGRAMS

SEC. 206. Section 305(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following: "Disbursements of funds from the special account in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title.".

REPORTS UNDER TITLE III

SEC. 207. (a) Section 306 of the Agricultural Trade Development and Assistance

Act of 1954 is amended by inserting in the first sentence "a detailed description of how the commodities were used or" immediately before "a specific".

(b) The first sentence of section 307(a) of such Act is amended to read as follows: "Each year the President shall review all agreements providing for the use under this title of the proceeds from the sale of agricultural commodities, or of the commodities themselves, with respect to which there was not full disbursement during the preceding fiscal year.".

AVOIDING INTERFERENCE WITH PRODUCTION OR MARKETING IN RECIPIENT COUNTRIES

SEC. 208. Section 401(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended in clause (2)—

(1) by inserting "or interference with" immediately after "to"; and

(2) by inserting "or marketing" immediately after "production".

DETERMINATION OF COMMODITY NEEDS AND PROGRAM BENEFICIARIES IN EACH COUNTRY

SEC. 209. Section 404 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"SEC. 404. (a) The programs of assistance conducted under this Act, and the types and quantities of agricultural commodities to be made available, shall be directed in the national interest toward the attainment of humanitarian and developmental objectives as well as the development and expansion of United States and recipient country agricultural commodity markets. To the maximum extent possible, either the commodities themselves shall be used to improve the economic and nutritional status of the poor through effective and sustainable programs, or any proceeds generated from the sales of agricultural commodities shall be used to promote policies and programs that benefit the poor.

"(b) Country assessments shall be carried out whenever necessary in order to determine the types and quantities of agricultural commodities needed, the conditions under which commodities should be provided and distributed the relationship between United States food assistance and other development resources, the development plans of that country, the most suitable timing for commodity deliveries, the rate at which food assistance levels can be effectively used to meet nutritional and developmental needs, and the country's potential as a new or expanded market for both United States agricultural commodities and recipient country foodstuffs.".

COMMODITIES FOR MULTIYEAR DEVELOPMENT PURPOSES

SEC. 210. Title IV of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 413. In order to best meet the humanitarian and developmental purposes of this Act, commodities provided under this Act for developmental purposes shall be made available, to the maximum extent practicable, on a multiyear basis when necessary for the most effective accomplishment of these purposes.".

TITLE III—PEACE CORPS

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 3 of the Peace Corps Act is amended—

(1) in subsection (b), by striking out the matter before the first proviso and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the purposes of this Act for fiscal year 1980 not to exceed $105,404,000"; and

(2) in subsection (c), by striking out "for fiscal year 1978 $1,069,000, and for fiscal year 1979" and inserting in lieu thereof "for fiscal year 1980".

PEACE CORPS PERSONNEL

SEC. 302. Section 7(a) of the Peace Corps Act is amended by adding at the end thereof the following new paragraph:

"(4) Until such time as the Congress enacts Foreign Service personnel reform legislation which amends or otherwise supersedes this paragraph, a person who has received a Foreign Service Reserve or staff appointment or assignment under this subsection may, not later than three years after the effective date of this paragraph or after separation from such appointment or assignment, whichever is later, be appointed to a position in any United States department, agency, or establishment—

"(A) in the competitive service under title 5, United States Code, without competitive examination and in accordance with such regulations and conditions consistent with this subsection as may be prescribed by the Director of the Office of Personnel Management, or

"(B) in an established merit system in the excepted service,

if such person (i) served satisfactorily under the authority of the subsection, as certified by the President, for not less than thirty-six months on a substantially continuous basis, and (ii) is qualified for the position in question.".

TITLE IV—INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

STATEMENT OF POLICY

SEC. 401. As declared by Congress in the Foreign Assistance Act of 1961, a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives. The Congress reaffirms the profound humanitarian and foreign policy concerns of the United States in the economic and social progress of the developing countries and in the alleviation of the worst physical manifestations of poverty in these countries.

In furtherance of that objective, the Congress recognizes that developing countries require extensive scientific and technological capacity in order to deal effectively with their development problems, relate to the industrialized nations, and constructively participate in the shaping of a stable world order.

It is therefore in the mutual interest of the United States and the developing countries to increase scientific and technological cooperation and jointly to support long-term research on critical problems that impede development and limit the efficient use of the world's human, natural, and capital resources.

PURPOSES AND ESTABLISHMENT OF THE INSTITUTE

SEC. 402. (a) To strengthen the capacity the people of developing countries to solve their development problems through scientific and technological innovation, to foster research on problems of development, and to facilitate scientific and technological cooperation with developing countries, the President is authorized to establish an Institute for Scientific and Technological Cooperation (hereafter in this title referred to as the "Institute"), which shall be subject to the foreign policy guidance of the Secretary of State.

(b) The Institute shall be guided by the policies set forth in sections 101 and 102 of the Foreign Assistance Act of 1961 and shall direct a substantial share of its resources to those objectives.

FUNCTIONS OF THE INSTITUTE

SEC. 403. (a) In carrying out its purposes, the Institute shall—

(1) assist developing countries to strengthen their own scientific and technological capacity in order for them to undertake the research and experimentation necessary for development;

(2) support research, in the United States and in developing countries, on critical development problems, with emphasis on research relating to technologies which are labor-intensive or which do not generate additional unemployment or underemployment and with emphasis on those problems which are the greatest impediment to improvement in the lives of the majority of the poor;

(3) foster the exchange of scientists and other technological experts with developing countries, and other forms of exchange and communication to promote the joint solution of problems of mutual concern to the United States and developing countries;

(4) advise and assist other agencies of the United States Government in planning and executing policies and programs of scientific and technological cooperation with developing countries;

(5) facilitate the participation of private United States institutions, businesses, and individuals in scientific and technological cooperation with developing countries; and

(6) gather, analyze, and disseminate information relevant to the scientific and technological needs of developing countries.

(b) In carrying out the functions specified in subsection (a), the Institute shall take particular care to review all of its programs, projects, and other activities to ensure that technologies which are developed, utilized, or promoted are assessed with regard to minimizing any new problems and that participants in such programs, projects, and activities are fully aware of the need for such review with respect to any technology-related activities for which they are responsible.

(c) For purposes of carrying out the functions of the Institute, the President may utilize, in addition to authorities conferred by this title, such authority contained in the Foreign Assistance Act of 1961, the Foreign Service Act of 1946, title V of the Foreign Relations Authorization Act, Fiscal Year 1979, and title IV of the International Development and Food Assistance Act of 1978, as the President deems necessary.

(d) The Institute shall carry out its functions in consultation and cooperation with the agencies of the United States Government, international organizations, and agencies of other governments engaged in promoting economic, social, and technological development in developing countries.

(e) The President shall prescribe appropriate procedures to assure coordination of the activities of the Institute with other activities of the United States Government in furthering the use of science and technology in the cause of development.

GENERAL AUTHORITIES

SEC. 404. (a) To carry out the purposes and functions of the Institute, the President may—

(1) make and perform contracts and other agreements with any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and with governments or government agencies, domestic or foreign;

(2) make advances, grants, and loans to any individual, institution, corporation, or other body of persons however designated, within or outside the United States, and to governments or government agencies, domestic or foreign;

(3) employ such personnel as necessary and fix their compensation;

(4) make provision for compensation, transportation, housing, subsistence (or per diem in lieu thereof), and health care or health and accident insurance for foreign nationals engaged in activities authorized

by this title while they are away from their homes, without regard to the provisions of any other law;

(5) accept and use money, funds, property, and services of any kind by gift, devise, bequest, grant, or otherwise in furtherance of the purposes of the Institute;

(6) acquire by purchase, lease, loan, bequest, or gift and hold and dispose of by sale, lease, loan, or grant, real and personal property of all kinds;

(7) prescribe, amend, and repeal such rules and regulations as may be necessary to the conduct of the business of the Institute;

(8) utilize information, services, facilities, officers, and employees of any agency of the United States Government;

(9) establish a principal office in the United States and such other offices within or outside the United States, as may be necessary;

(10) make such expenditures as may be necessary for administering the provisions of this title;

(11) adopt, alter, and use an official seal for the Institute, which shall be judicially noticed; and

(12) take such other actions as may be necessary and incident to carrying out the functions of the Institute.

(b) Any authority provided by this section involving the expenditure of appropriated funds shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

DIRECTOR OF THE INSTITUTE

SEC. 405. (a) There shall be a Director of the Institute (hereafter in this title referred to as the "Director") who shall be the chief executive officer of the Institute. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate payable for level III of the Executive Schedule under section 5314 of title 5 of the United States Code.

(b) The President may exercise any authorities conferred upon him by this title through the Director or any other agency or officer of the United States Government as he shall direct. The Director or head of any such agency or any such officer may delegate to any of his subordinates authority to perform any of such functions.

DEPUTY DIRECTOR AND OTHER STATUTORY OFFICERS

SEC. 406. (a) A Deputy Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall receive compensation at the rate payable for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code.

(b) The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe.

(c) The President may establish up to two additional positions in the Institute to be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5 of the United States Code.

COUNCIL ON INTERNATIONAL SCIENTIFIC AND TECHNOLOGICAL COOPERATION

SEC. 407. (a) In order to further the purposes of the Institute, the President is authorized to establish a Council on International Scientific and Technological Cooperation (hereafter in this title referred to as the "Council").

(b)(1) The Council shall—

(A) advise the Director with respect to the policies, programs, planning, and procedures of the Institute;

(B) make recommendations to the Director on the use of the resources available to the Institute; and

(C) advise the Director on matters involving the activities of the Institute overseas and appropriate relationships with the private sector, within and outside the United States.

(2) The Council shall prepare an annual report setting forth the major recommendations made and advice given pursuant to paragraph (1) of this subsection.

(c) The Director shall seek the advice of the Council before making any decision with respect to the selection or termination of, or any significant change in, the areas and issues in which the Institute conducts its activities, and with respect to the transfer of specific programs and projects from any other Government agency to the Institute. The Council shall have the authority to review all new programs and initiatives before their implementation and to make recommendations with regard to the approval or disapproval of new programs and initiatives having a cost in excess of $500,000 or a duration greater than two years.

(d) The Council shall consist of up to twenty-five members appointed by the President, one of whom the President shall designate as Chairman. The members of the Council shall be appointed for terms of four years, except that the members first appointed shall be appointed for terms of one, two, three, or four years, as designated by the President at the time of their appointment, so that the terms of approximately one-fourth of the members of the Council expire in any year. The members of the Council shall be selected from among—

(1) citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, science and technology, or their interest in the scientific and technological problems of developing countries;

(2) citizens of foreign countries who by their knowledge and expertise are capable of providing advice and guidance to the Institute on the application of science and technology to the problems of developing countries, except that not more than one-third of the membership of the Council shall consist of members who are citizens of foreign countries; and

(3) officials of the United States Government, except that not to exceed five members of the Council may be appointed under this paragraph, one of whom shall be the Secretary of State or his designee.

(e) Members of the Council who are not officials of the United States Government shall be entitled to compensation, not to exceed the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code, while in the performance of their duties under this title, and to reimbursement for expenses and per deim in lieu of subsistence while away from their homes or regular places of business in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code. Members of the Council who are not officials of the United States Government shall not be deemed officers, employees, or otherwise in the service or employment of the United States Government for any purpose, except that members of the Council who are United States citizens shall be deemed Government employees for the purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(f) The Council may appoint from among its members an Executive Committee, and such other committees it deems necessary, to assist it in exercising its powers and functions. The Executive Committee shall consist of seven members, one of whom shall be the Chairman of the Council and not more than three of whom shall be employees of the United States Government. The Executive Committee shall exercise such powers and functions as are delegated to it by the Council.

INSTITUTE FELLOWSHIPS

SEC. 408. (a) The President is authorized to award up to twenty fellowships annually for periods up to two years, such awards to be renewable for an additional period not to exceed two years, to individuals who have demonstrated exceptional competence and ability in the fields of scientific, technological, economic, or social endeavor selected by the Institute for concentration. The awards shall be made so as to encompass a wide diversity of disciplines and backgrounds, and shall be made on the basis of criteria established by the President upon the advice of the Council. Up to ten of the awards in any year may be made to citizens of countries other than the United States. Individuals awarded fellowships shall be designated as Institute Fellows.

(b) The President may assign Institute Fellows to undertake such activities, in the United States or abroad, as will further the purposes of the Institute.

(c) The amount of the awards made pursuant to this section shall be established by the President, but shall not in any case exceed the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5 of the United States Code. In addition, where appropriate, the President may make provisions for transportation, housing (when assigned outside country of residence), subsistence (or per diem in lieu thereof), and health care or health or accident insurance for Institute Fellows and their dependents while engaged in activities authorized by this title.

(d) Except as provided otherwise in this section, Institute Fellows shall not be deemed employees or otherwise in the service or employment of the United States Government. Institute Fellows shall be considered employees for purposes of compensation of injuries under chapter 81 of title 5 of the United States Code and the tort claim provisions of chapter 171 of title 28 of the United States Code. In addition, Institute Fellows who are United States citizens shall be considered Government employees for purposes of sections 202, 203, 205, 207, 208, and 209 of title 18 of the United States Code.

(e) Alien participants in any program of the Institute, including Institute Fellows and their dependents, may be admitted to the United States, if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

CONFLICT OF INTEREST

SEC. 409. Members of the Council and Institute Fellows shall avoid any action, in their activities with respect to the Institute, which might result in, or create the appearance of, a conflict of interest, including but not limited to—

(1) using their office or position for private gain;

(2) giving preferential treatment to any person;

(3) making recommendations or decisions relating to any activity authorized by this title in other than an impartial and independent manner;

(4) misusing Government property or official information obtained through their office or position which has not been made available to the general public; or

(5) affecting adversely the confidence of the public in the integrity of the Institute.

AUTHORIZATION OF APPROPRIATIONS

SEC. 410. There are authorized to be appropriated to the President to carry out this title, in addition to funds otherwise available for such purpose, $23,750,000 for the fiscal year 1980. Funds appropriated under this

section are authorized to remain available until expended.

ANNUAL REPORT

SEC. 411. (a) Within ninety days after the end of each fiscal year, the President shall submit to Congress a complete and detailed report of the Institute's operations during such fiscal year. Each such report shall include a detailed discussion of the impact of the programs of the Institute on development and shall specify what percentage of the Institute's funds (excluding funds used for operating expenses) were used during such fiscal year for activities which further the policies set forth in section 102 of the Foreign Assistance Act of 1961.

(b) Each such report shall include the report prepared by the Council pursuant to section 407(b)(2).

CONFORMING AMENDMENTS

SEC. 412. (a) Section 5314 of title 5 of the United States Code, relating to level III of the Executive Schedule, is amended by adding at the end thereof the following:

"(70) Director, Institute for Scientific and Technological Cooperation.".

(b) Section 5315 of title 5 of the United States Code, relating to level IV of the Executive Schedule, is amended by adding at the end thereof the following:

"(128) Deputy Director, Institute for Scientific and Technological Cooperation.".

(c) Section 5316 of title 5 of the United States Code, relating to level V of the Executive Schedule, is amended by adding at the end thereof the following:

"(152) Additional officers, Institute for Scientific and Technological Cooperation (2).".

ESTABLISHMENT IN INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

SEC. 413. Upon the establishment of the United States International Development Cooperation Agency pursuant to Reorganization Plan Numbered 2 of 1979, the Institute shall be established within such Agency.

EXPIRATION OF AUTHORITIES

SEC. 414. The authorities contained in this title shall expire on September 30, 1984.

TITLE V—MISCELLANEOUS PROVISIONS

EARMARKING FOR LEBANON OF UNOBLIGATED BALANCES IN THE MIDDLE EAST SPECIAL REQUIREMENTS FUND

SEC. 501. Of the funds continued available for the fiscal year 1979 for the Middle East Special Requirements Fund by section 103 of the Foreign Assistance and Related Programs Appropriations Act, 1979, which are unobligated on the date of enactment of this Act, $5,000,000 shall be available only for Lebanon and may hereafter be continued available only for such country.

MILITARY ASSISTANCE TO SUDAN

SEC. 502. In addition to the amount authorized to be appropriated for grant military assistance for the fiscal year 1980 by section 504(a)(1) of the Foreign Assistance Act of 1961, there is authorized to be appropriated to carry out the purposes of chapter 2 of part II of that Act for the fiscal year 1980 $1,700,000. Not more than $1,700,000 of the funds available to carry out that chapter for the fiscal year 1980 may be allocated and made available for assistance for Sudan. For purposes of the last sentence of section 504(a)(1) and for purposes of section 515(b)(1) of the Foreign Assistance Act of 1961, this section shall be deemed to be part of such section 504(a)(1).

UNIFIED PERSONNEL SYSTEM

SEC. 503. (a) Section 401(a) of the International Development and Food Assistance Act of 1978 is amended by striking out "March 15" and inserting in lieu thereof "May 1".

(b) The amendment made by subsection (a) shall be effective as of March 15, 1979.

HUMAN RIGHTS REPORTS

SEC. 504. (a) Paragraph (1) of section 116 (d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

"(A) in countries that receive assistance under this part, and

"(B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act; and".

(b) Not later than November 15, 1979, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on the impact on the foreign relations of the United States of the reports required by the Foreign Assistance Act of 1961 on the human rights practices of foreign governments.

PROHIBITION ON ASSISTANCE TO AFGHANISTAN

SEC. 505. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 620D. PROHIBITION ON ASSISTANCE TO AFGHANISTAN.—(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under this Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

"(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

"(2) the Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

"(b) The provisions of subsection (a) shall not apply if the President determines that such assistance is in the national interest of the United States because of substantially changed circumstances in Afghanistan.".

PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, AND CUBA

SEC. 506. Funds authorized to be appropriated in this Act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature, to the Socialist Republic of Vietnam, Cambodia, or Cuba.

NON-PROLIFERATION OF NUCLEAR WEAPONS

SEC. 507. (a) In accordance with the Nuclear Non-Proliferation Act of 1978, the Congress strongly urges all nations which are not parties to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that treaty.

(b) Not later than November 1, 1979, the Secretary of State shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, a report specifying, on a country-by-country basis, what efforts the Department of State has made to encourage nations which are not parties to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to that treaty.

ACCELERATED LOAN REPAYMENTS

SEC. 508. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 110 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 127. ACCELERATED LOAN REPAYMENTS.—The Administrator of the agency primarily responsible for administering this part shall conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.".

(b) The annual reports on foreign assistance which are submitted to the Congress in 1980 and 1981 pursuant to section 634 of the Foreign Assistance Act of 1961 shall describe the efforts made to negotiate accelerated loan repayments in accordance with the amendment made by subsection (a) of this section.

REFUGEE CRISIS IN SOUTHEAST ASIA

SEC. 509. (a)(1) The refugee crisis in Indochina is unfolding as one of the great human tragedies of our time.

(2) At least seven hundred and fifty thousand human beings have fled Vietnam, Kampuchea, and Laos since the spring of 1975.

(3) Approximately three hundred thousand human beings currently remain in refugee camps throughout Southeast Asia.

(4) As many as two hundred and fifty thousand human beings may have perished in their attempts to reach freedom and many thousands more face death should the present situation continue.

(5) The international borders are closing to the refugees fleeing from Indochina.

(6) The international community has failed to respond adequately to the crisis, despite the existence of adequate mechanisms to respond.

(b) It is the sense of the Congress that the President should continue to support the efforts of the Secretary General of the United Nations to use appropriate fora to deal with the refugee crisis in Southeast Asia.

(c) The President shall study the prospects for permanent resettlement of Indochinese refugees, in conjunction with bilateral and multilateral development assistance programs, so that no disruption of the economy of a host country would result. The President shall periodically report the results of this study to the Congress, with a preliminary report to be submitted no later than one hundred and twenty days after the date of enactment of this Act.

CERTAIN TRAVEL EXPENSES

SEC. 510. Section 5924(4)(B) of title 5, United States Code, is amended by striking out "one annual trip each way for each dependent of an employee of the Department of State or the United States Information Agency, or" and inserting in lieu thereof "(i) in the case of dependents travelling to obtain secondary education, one annual trip, or in the case of dependents travelling to obtain undergraduate college education, two annual trips, each way for each dependent of an employee of the Department of State, of the International Communications Agency, or of the Agency for International Development, or (ii)".

HUMAN RIGHTS

SEC. 511. Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, funds authorized to be appropriated under part I of this Act may be made available for the furnishing of assistance to any country with respect to which the President finds that such a significant improvement in its human rights record has occurred as to warrant lifting the prohibition on furnishing such assistance in the national interest of the United States.".

EFFECTIVE DATES

SEC. 512. (a) Except as provided in subsection (b) of this section and in section

503(b), this Act shall take effect on October 1, 1979.

(b) Sections 114(b), 123, 501, and 509 of this Act shall take effect on the date of enactment of this Act.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
CHARLES C. DIGGS, JR.,
LEE H. HAMILTON,
CARDISS COLLINS,
JONATHAN B. BINGHAM,
DON BONKER,
D. J. PEASE,
WM. BROOMFIELD,
PAUL FINDLEY,
JOHN BUCHANAN,
LARRY WINN, JR.,
Managers on the Part of the House.

FRANK CHURCH,
C. PELL,
GEORGE MCGOVERN,
JOHN GLENN,
J. JAVITS,
CHARLES PERCY,
HOWARD BAKER,
For consideration of Public Law 480 amendments:
HERMAN E. TALMADGE,
GEORGE MCGOVERN,
RICHARD (DICK) STONE,
THAD COCHRAN,
BOB DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3324) to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1980

The conference substitute contains authorizations for fiscal year 1980 appropriations of $1.979 billion: $1.848 billion for economic development assistance, $23.75 million for the Institute for Scientific and Technological Cooperation, $105.4 million for the Peace Corps, and $1.7 million for a military assistance program for the Sudan. The amount authorized to be appropriated in the conference substitute is $143.5 million less than the original House authorization or $38.7 million less than the House authorization as calculated with a 5 percent cut, $130.8 million more than the Senate authorization, and $230.6 million less than the original executive branch request.

The amounts contained in the conference substitute compared to the amounts requested by the executive branch and recommended by the House and Senate follow:

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1980

[In thousands of dollars]

	Executive branch request	House bill	Senate amendment	Conference substitute
Title I:				
Agriculture	715,366	716,131	583,548	659,000
Population	216,321	216,321	193,630	201,000
Health	146,573	150,301	[1] 128,731	[1] 141,000
Education	119,497	132,004	87,646	105,000
SDA	136,122	136,122	119,747	125,000
Sahel Development	160,000	30,000	30,000	25,000
ASHA	15,000	25,000	25,000	25,000
International organizations	277,190	277,190	279,590	267,280
Disaster assistance	25,000	25,000	25,000	21,800
Assistance to African refugees		15,000		14,920
Operating expenses	268,000	268,000	268,000	263,000
Subtotal, title I	2,079,069	1,991,069 [2] (1,892,765.55)	1,740,892	1,848,000
Title IV: ISTC	25,000	25,000 [2] (23,750)		23,750
Title V: Peace Corps	105,404	105,404 [2] (100,133.8)	105,404	105,404
Other:				
Sudan MAP		950.	1,700	1,700
Minority Resource Center		[2] (902.5)		(4)
Total	2,209,473	2,122,423 [2] (2,017,551.85)	1,847,996	1,978,854

[1] Includes $4,000,000 earmarked for the John Sparkman Center for International Public Health Education.
[2] Numbers in parentheses calculate the impact of the House 5-percent cut provision.
[3] House bill also included $1,895,000,000 for economic support fund for fiscal year 1980. The committee of conference agreed to include the fund in H.R. 3173, the International Security Assistance Act of 1979.
[4] The Minority Resource Center will be funded from existing funds, with a ceiling of $950,000.

The committee of conference is aware that the executive branch is considering the submission to Congress of requests for supplemental authorizations of appropriations to meet unexpected program requirements in several countries. The authorizations of appropriations included in this bill take into account those additional program requirements. The committee of conference strongly urges the executive branch to provide any funds required for these unexpected program requirements through the reprogramming of fiscal year 1979 or 1980 funds rather than through the submission of a request for additional authorizations of appropriations.

FIVE-PERCENT REDUCTION

The House bill provided for a 5-percent cut in expenditures under each title of the bill, with the exception of section 111 (American Schools and Hospitals Abroad), and funds earmarked in section 302 (Economic Support Fund assistance to Israel and Egypt).

The Senate amendment did not contain a similar provision.

The committee of conference agreed to the Senate position, with the impact of the 5-percent reduction reflected in the conference agreement on the total authorization level.

POPULATION

The House bill included, as an additional factor in the exemplary list of activities designed to build motivation for smaller families, community-based development programs which give recognition to people motivated to limit the size of their families.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision.

HIGHER EDUCATION

The Senate amendment specified that assistance under section 105 of the Foreign Assistance Act shall include assistance for advanced education and training in disciplines required for planning and implementation of development activities.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

The committee of conference is of the opinion that the effectiveness of development assistance funds will be improved if the Agency for International Development uses the authorities provided in section 617 of the Foreign Assistance Act for orderly termination of programs, to continue supporting bona fide students studying abroad through the completion of their studies or training for students whose course of study or training program began before aid was terminated.

ENERGY PROGRAMS

Capital and technology needs

The House bill noted that many developing countries lack the investment capital, as well as technology, necessary to exploit their energy resources.

The Senate amendment noted that many developing countries lack the technology and financing necessary to develop their energy resources.

The conference substitute combines the House and Senate provisions into a single provision—"(2) The Congress recognizes that many developing countries lack access to the financial resources and technology necessary to locate, explore, and develop indigenous resources."

Potential for production increases

The House bill recognized that there is "good potential" for production increases by 1990.

The Senate amendment recognized the "potential" for such increases.

The conference substitute is the same as the Senate provision.

Benefits of energy production

The House bill noted that the world's energy supply would be increased and fear of depletion lessened with "new energy production."

The Senate amendment did not mention "with new energy production".

The conference substitute is the same as the House provision.

Authorization of assistance

The House bill authorized assistance for energy programs involving research, pilot

projects, and the collection and analysis of certain information.

The Senate amendment contained a comparable provision, authorizing assistance generally for energy resource development for commercial purposes and including specific reference to data collection and personnel training.

The conference substitute is the same as the Senate provision with an amendment adding the House list of ways in which the authority can be carried out to the Senate list and removing the language "for commercial purposes".

Funding levels

The House bill made up to $9 million specifically available to facilitate survey work and encourage exploration for energy reserves. Any Foreign Assistance Act section 106 funds could be used to provide assistance for development of energy resources.

The Senate amendment made available up to $5 million for assistance for the development of energy resources.

The conference substitute is the same as the House provision with an amendment reducing the funding level to $7 million and providing that the money will be used "for purposes of paragraph (1)". The principal purpose stated in paragraph (1) is to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources to produce the energy needed by their economies.

Renewable resources

The House bill amended Foreign Assistance Act section 119(a) to specify that authority under that section is only for renewable energy resources.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision.

Title

The House bill retained the existing Foreign Assistance Act section 119 heading, "Renewable and Unconventional Energy Technologies".

The Senate amendment redesignated Foreign Assistance Act section 119 to read "Energy Programs".

The conference substitute is the same as the House provision.

Department of Energy representation on the DCC

The House bill amended Foreign Assistance Act section 640B(a) to include a representative of the Department of Energy on the Development Coordination Committee.

The Senate bill did not contain a comparable provision.

The conference substitute is the same as the House provision.

FUNDING FOR HUMAN RIGHTS ACTIVITIES

The House bill authorized and encouraged the President to use not less than $1.5 million of development assistance funds in fiscal year 1980 for programs and activities to encourage or promote increased adherence to civil and political rights, as set forth in the Universal Declaration of Human Rights.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision.

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

Productive credit guaranty program

The House bill amended Foreign Assistance Act section 22A(a) to increase from five to six the number of Latin American countries in which the productive credit guaranty program operates and to raise the ceiling on the program from $15 to $20 million.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision.

HIG programs in Israel and Egypt

The Senate amendment raised the guaranty ceiling by an additional $50 million and provided $25 million each for Housing Investment Guaranty projects in Israel and Egypt.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

TITLE XII—AGRICULTURAL RESEARCH

The Senate amendment amended Section 297 of Title XII (Famine Prevention and Freedom from Hunger) of the Foreign Assistance Act in two respects: first, in subsection (a)(3) of that Section, after the words "university research", it inserted "in the developing countries themselves"; second, in subsection (c) of that section, it amended that section to state that to the maximum extent practicable, activities under that section shall be directly related to the food and agricultural needs of developing countries, be carried out within the developing countries, be adapted to local circumstances, provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries, and emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of developing countries.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision, with an amendment adding "to the maximum extent practicable" to the amendment to Subsection (a)(3) of Section 297. The committee of conference adopted the amendment to the Senate amendment to make it consistent with the amendment to section 297(c) and to avoid any complete prohibition against program support for long-term collaborative university research in the United States under Subsection (a)(3), while retaining the emphasis in the Senate amendment on closely and directly relating Title XII activities to the needs of developing countries.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

U.N. Relief and Works Agency for Palestine Refugees (UNRWA)

The Senate amendment put a $52 million ceiling on a fiscal year 1980 U.S. contribution to UNRWA, with contributions above $42.5 million to be made available only upon Presidential determination of matching contributions from members of the Organization of Petroleum Exporting Countries.

The House bill did not contain a similar provision.

The conference substitute is the same as the Senate provision. The committee of conference noted that the Executive branch should take into account pledges of contributions to UNRWA from OPEC member states in determining the U.S. matching contribution.

U.S. contributions to the United Nations Organizations for Technical Assistance

The House bill superseded the provision of the fiscal year 1979 State, Justice, Commerce, the Judiciary and related agencies appropriations act which prohibited use of the U.S. assessed contributions to United Nations organizations for technical assistance.

The Senate amendment did not contain a similar provision.

The conference substitute is the same as the House provision.

Contributions to UNEP and UNCDF

The committee of conference intends that, of the funds appropriated for international organizations programs, not less than $10 million shall be made available to the United Nations Environmental Program and not less than $3 million to the United Nations Capital Development Fund.

Organization of American States

Notwithstanding the funding cut below the executive request for voluntary contributions for international organizations, in fiscal year 1980, the committee of conference intends that not less than $17.5 million be allocated for the U.S. contribution to the programs of the Organization of American States. The committee applauds the efforts of the U.S. Ambassador to the OAS to reduce the U.S. percentage of the total assessed contribution to that organization.

ASSISTANCE FOR AFRICAN REFUGEES

The House bill amended Section 495F of the Foreign Assistance Act to authorize $15 million for fiscal year 1980 for the relief and rehabilitation of African refugees and other needy people located in Africa.

The Senate amendment did not contain a comparable provision.

The conference substitute authorizes $14.92 million for fiscal year 1980 for African refugees.

REPORTS ON EXCHANGES OF MATERIALS

The House bill required the President to report by February 1 of each year on steps taken to implement section 663 of the Foreign Assistance Act, which authorizes the President to provide foreign assistance or defense articles in exchange for necessary or strategic raw materials.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the Senate position.

The committee of conference recommends that any use of section 663 be reported in the annual report required by section 634 of the Foreign Assistance Act.

MINORITY RESOURCE CENTER

The House bill established a Minority Center in the Agency for International Development, with an authorization of $950,000 for fiscal year 1980 and $1,030,000 for fiscal year 1981, to serve as an information clearinghouse for minority business enterprises and to develop support mechanisms which would enable minority businesses to take advantage of the business opportunities involved in the implementation of AID programs.

The Senate amendment did not contain a comparable provision.

The conference substitute incorporates the House provision, with an amendment which eliminates the proposed Advisory Committee, reduces the reporting requirements, provides that the Minority Resource Center may be incorporated into the Agency for International Development's Office of Small and Disadvantaged Business Utilization, deletes the fiscal year 1981 authorization and changes the fiscal year 1980 authorization of appropriations to an authority to allocate to the Center up to $950,000 from funds authorized for the Agency for International Development's operating expenses.

The committee of conference intends that the Minority Resource Center direct its efforts primarily to small minority business enterprises, rather than to the wider range of economically and socially disadvantaged enterprises, in accordance with the original objectives of section 133 of the International Development and Food Assistance Act of 1977. The committee of conference notes that the Minority Resource Center should assist small minority business enterprises to compete for contracts in the full range of programs of the Agency for International Development of which an illustrative list is provided in subsection (c)(2) of the conference substitute.

PROHIBITING AID TO COUNTRIES SEIZING U.S. FISHING VESSELS

The Senate amendment contained a provision repealing section 620(o) of the Foreign Assistance Act. This section directs that in determining whether to furnish assistance under the Act, consideration shall be given

to excluding from such assistance any country which seizes or penalizes any U.S. fishing vessel because of its fishing activities in international waters.

The House bill did not contain a comparable provision.

The conference substitute is the same as the House position.

ASSISTANCE TO PANAMA

The House bill prohibited fiscal year 1980 development assistance to the Republic of Panama, its agencies or instrumentalities.

The Senate amendment did not contain a comparable provision. The Senate committee report, however, recommended that no assistance be provided to Panama.

The conference substitute is the same as the House provision, with an amendment providing for a Presidential waiver if the President determines that it is in the U.S. national interest to provide assistance to Panama.

ASSISTANCE TO HAITI

The Senate amendment authorized up to $16.4 million in fiscal year 1980 development programs for Haiti if the President determines that Haiti has shown good faith in implementing fiscal reform and human rights measures.

The House bill did not contain a comparable provision.

The conference substitute is the same as the House position. The committee of conference notes the action taken by the executive branch postponing the implementation of a Public Law 480 Title III agreement with Haiti because long promised fiscal reforms have not been carried out. The committee also notes adverse comments concerning certain human rights practices by the Government of Haiti included in the annual human rights report produced by the Department of State. The committee questions whether U.S. development assistance can achieve its objective of helping poor people in Haiti if the fiscal reforms are not undertaken and the human rights record of the Government of Haiti is not improved. Although no part of this bill prohibits the provision of aid to Haiti, the committee of conference urges the U.S. Government and other donors to continue efforts to encourage the Government of Haiti to implement promised fiscal reforms and to improve its human rights record.

ASSISTANCE TO LATIN AMERICAN AND CARIBBEAN COUNTRIES

The House bill states the sense of Congress that U.S. development aid to Latin American and Caribbean countries should be increased.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision, with an amendment to replace the directive to "provide significantly increased resources" which "place greater emphasis on public and private resources."

BURDEN SHARING

The Senate amendment stated the sense of Congress that the President should negotiate with other developed countries to increase their aid contributions.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision, with an amendment removing the reference to industrial and developed countries and inserting "nations with adequate financial resources to provide assistance".

PUBLIC LAW 480 FOOD FOR PEACE

Increasing demand for food and encouraging local food production

The House bill made no change in the existing section 103(f) of Public Law 480, 83rd Congress, the Agricultural Trade Development and Assistance Act of 1954 (hereinafter referred to as Public Law 480). The existing section 103(f) directs the President, in exercising Public Law 480 title I authorities, to "give special consideration to the development and expansion of foreign markets for United States agricultural commodities, with appropriate emphasis on more adequate storage, handling, and food distribution facilities as well as long-term development of new and expanding markets by encouraging economic growth".

The Senate amendment amended section 103(f). It deleted the word "special". Instead of "foreign markets for United States agricultural commodities", it substituted "markets for United States agricultural commodities and local foodstuffs". It also inserted "equitable" before "economic growth".

The conference substitute is the same as the Senate provision.

Role of indigenous institutions and workers

The House bill amended section 202(b)(2) of Public Law 480 to provide that in order to assure use of title II commodities effectively and in the areas of greatest need, the entities through which the commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to assess nutritional and other needs of beneficiary groups, to help these groups design and carry out their own projects, to recommend ways of making food assistance available which are most appropriate for each local setting, and to regularly evaluate the effectiveness of each project.

The Senate amendment was identical to the House provision except that it used the phrase "mutually acceptable projects" instead of "their own projects", and included supervision of food distribution among the indigenous activities to be encouraged.

The conference substitute is the same as the Senate provision.

Alleviating the causes of the need for title II assistance

The House bill did not change the existing section 206 of Public Law 480. This section prohibits agreements permitting foreign currency sales of title II commodities except under certain conditions. Clause (3) of these conditions requires that such agreements provide that the currencies generated from such sales will be used to increase the effectiveness of the programs of food distribution and to increase the availability of title II food commodities to the neediest individuals.

The Senate amendment amended section 206 of Public Law 480 to broaden the authority for local currency sales of title II commodities. It did so by amending clause (3) to allow title II commodity sales to be used for alleviating the causes of the need for assistance in accord with the policies and purposes of section 103 of the Foreign Assistance Act (which is designed to promote agriculture, rural development, and nutrition in developing countries). The amendment would continue the section 206 clause (3) authority to permit foreign currency sales for increasing the effectiveness of food distribution and increasing title II food commodity availability to the neediest individuals.

The conference substitute is the same as the Senate amendment.

Incentives for entering into food for development programs

Both the House bill and the Senate amendment contained comparable provisions amending various sections of title III of Public Law 480 so as to clarify that either the value of the commodities themselves or the proceeds from their sale may qualify for debt forgiveness if they meet the other criteria under food-for-development programs. Sections 204 and 207 of the conference substitute are a technical combination of the House and Senate provisions dealing with this issue.

Participation of American agriculture in food-for-development programs

The Senate amendment amended section 302(c) of Public Law 480 to provide that in developing and carrying out Food for Development programs under title III, consideration shall be given to using the capability and expertise of American agriculture in such programs in partnership with local individuals and organizations.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate amendment.

Full forgiveness of repayment obligations under food-for-development programs

The House bill amended section 305(a) of Public Law 480 to provide that disbursement of funds from the special account described in that subsection, as of the date of their original deposit, in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under a Food-for-Development program, shall be deemed to be payment of all installments of principal and interest payable by the participating country on the commodities bought for the program.

The Senate amendment was identical to the House provision except that it made no reference to the date of original deposit.

The conference substitute is the same as the Senate provision. It provides that full forgiveness applies to all interest charges accruing after the date of the original dollar credit, and that the participating country in receiving full forgiveness should not be affected by currency rate changes occurring after payment has been made into the special account. Thus if all proceeds are disbursed, there will be full forgiveness. It is intended that full forgiveness be applicable to disbursement of the commodities themselves, as well as by proceeds from their sale, as provided for under sections 204 and 207 of the conference substitute.

Avoiding interference with production or marketing in recipient countries

The House bill amended Section 202(a) of Public Law 480 to require the President to take reasonable precaution to assure that Title II commodities furnished in emergency situations will not displace or interfere with local food production and marketing in the recipient country.

The Senate amendment amended section 103(n) of Public Law 480 to direct the President to take maximum precautions to assure that Title I shipments do not interfere with local food production and marketing in the purchasing country. The Senate amendment also amended section 107(b) of Public Law 480, to provide that in carrying out that section, the Secretary of Agriculture shall take reasonable precautions to safeguard the usual marketings of the agricultural commodities of the recipient country. Additionally, the Senate amendment amended Section 202(a) of Public Law 480 to require that the President shall take reasonable precaution to assure that the furnishing of Title II commodities, both in normal and in emergency situations, will not displace or interfere with local food production and marketing in the recipient country.

The conference substitute is an amendment to section 401(b) of Public Law 480. The existing section 401(b) provides that no agricultural commodity may be furnished under Public Law 480 except upon a determination by the Secretary of Agriculture that "the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production in that country". The conference amendment amends section 401(b) to require that no Public Law 480 commodity may be furnished except upon a determination by

the Secretary of Agriculture that "the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country".

Determination of commodity needs and programs beneficiaries in each country

Public Law 480 Objectives

The House bill made no change in the existing section 404 of Public Law 480 which provides that Public Law 480 assistance shall be directed toward attaining the humanitarian objectives and national interest of the United States.

The Senate amendment amended section 404 to provide that Public Law 480 assistance shall be directed toward attaining humanitarian and developmental objectives as well as the development and expansion of U.S. and recipient country agricultural commodity markets. To the maximum possible extent, either the commodities themselves, or the proceeds from their sales, are to be used for programs that benefit the poor.

The conference substitute is the same as the Senate amendment with an amendment retaining a reference to the national interest.

Country Assessments

The Senate amendment added a new subsection to section 404 of Public Law 480, providing that country assessments shall be carried out whenever necessary in order to determine what agricultural commodities are needed, the conditions under which they should be supplied, the relationship between U.S. food aid and other development resources, the development plans of the recipient country, the most suitable timing for commodity deliveries, the rate at which food assistance levels can be effectively used to meet nutritional and developmental needs, and the recipient country's potential as a market for U.S. and recipient country agricultural commodities.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate amendment.

Commodities for multiyear development purposes

The House bill did not amend the existing section 401(a) of Public Law 480, which provides that no commodity may be supplied under Public Law 480 if the Secretary of Agriculture determines such disposition would reduce the domestic supply of the commodity below that needed for domestic requirements, adequate carryover, and anticipated commercial exports. An exception to this limitation is authorized when the Secretary determines the Public Law 480 assistance should be used to carry out urgent humanitarian purposes of the law.

The Senate amendment added to the exception in section 401(a), the provision of Public Law 480 assistance for developmental purposes and provided that in periods of short supply, urgent humanitarian concerns will be given priority over developmental concerns. The Senate amendment also added a new section to title IV of Public Law 480 providing that in order to best meet the humanitarian and developmental purposes of the law, there shall be a relatively constant supply of commodities thereunder, to the maximum extent possible.

The conference substitute adds a new section to title IV providing that to the maximum practicable extent, Public Law 480 commodities provided for developmental purposes shall be made available on a multi-year basis when necessary for the most effective accomplishment of these purposes.

PEACE CORPS

Peace Corps organization

The House bill established the Peace Corps within the International Development Cooperation Agency, with authority to exercise the functions under the Peace Corps Act reserved to the Peace Corps Director and the Peace Corps Board of Directors established by the provision.

The Senate amendment did not contain a similar provision.

The committee of conference agreed to the Senate position. In reaching a decision on this issue, the committee of conference noted that it strongly supports maximum autonomy for the Peace Corps. In order to determine the extent to which Executive Order 12137 will effectively serve this end, the conferees request that a report on the steps taken to implement the Executive order be made to the House Foreign Affairs Committee and the Senate Foreign Relations Committee no later than January 1, 1980. This report should address in detail the reasons for continuation of any shared functions between Peace Corps and other branches of ACTION, the mechanisms by which Peace Corps' share of the budget for any such functions is to be determined and the division of authority between the Peace Corps and ACTION directors. The committee of conference recognizes that cost savings may be an argument for continuing some shared functions, but concern is expressed that in the long run effectiveness in meeting the needs of Peace Corps, particularly in a vital area such as recruitment, should be the dominant consideration.

The committee of conference requests the President to prescribe appropriate procedures to be followed by the Director of the International Development Cooperation Agency and the Peace Corps Director to assure coordination of Peace Corps development activities with other development activities which are carried out by the United States or in which the United States participates.

In the judgment of the committee of conference, the Peace Corps must be free from politicization to be effective. While the committee recognizes that the Peace Corps operates under the foreign policy guidance of the Secretary of State, the committee emphasizes that to the maximum extent possible Peace Corps must operate independently of short term foreign policy objectives. The committee of conference also agreed that the Director of the Peace Corps should determine what Peace Corps personnel will represent Peace Corps in meetings and conferences which may affect Peace Corps operations.

The committee of conference indicates the intention of the House Foreign Affairs Committee and the Senate Foreign Relations Committee to review carefully the reports requested above, and to reconsider the action taken by the House in H.R. 3324 if implementation of the Executive order does not provide sufficient autonomy and alleviate the problems which Peace Corps has been facing in recent years.

Peace Corps personnel

The Senate amendment waived the Civil Service competitive examination requirement and provided for appointment in established merit systems for former Peace Corps Foreign Service Reserve or staff personnel with 36 months of satisfactory, substantially continuous service with the Peace Corps.

The House bill did not contain a similar provision.

The committee of conference amended the Senate provision. As adopted by the conference, the provision gives the Director of the Office of Personnel Management authority to establish rules and conditions for such entry into the competitive service, and remains effective until such time as the Congress enacts foreign services personnel reform legislation which amends or otherwise supersedes this provision. The committee of conference notes that extension of this provision beyond that date is to be considered in conjunction with congressional action on the Foreign Service Reform legislation.

The committee of conference also stated its intention that nothing in this provision shall be interpreted to deprive any person of a competitive status acquired, prior to the date of enactment of this legislation, in the competitive service or in any established merit system in the excepted service.

INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

The House bill contained a provision establishing an Institute for Scientific and Technological Cooperation to assume responsibility for A.I.D.'s development-related research with a global focus and to develop cooperative research and development arrangements with developing countries.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision.

BUDGET ACT REQUIREMENTS

The House bill provided that the authority to make payments for salaries and other personnel expenses under various sections of Title IV (institute for Scientific and Technological Cooperation) of the House bill apply only to payments provided for in advance by appropriation acts, and it prohibited fiscal year 1979 appropriations for fiscal year 1979 under section 501(d) (Peace Corps) of the bill.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the Senate position.

MESRP EARMARK FOR LEBANON

The House bill provided that of the funds continued available for fiscal year 1979 for the Middle East Special Requirements Fund by section 103 of the Foreign Assistance and Related Programs Appropriations Act, 1979, and which were not obligated on the date of enactment of this Act, $5 million shall be available only for Lebanon.

The Senate amendment did not have a comparable provision.

The conference substitute is the same as the House provision.

MIDDLE EAST PEACE DEVELOPMENT FUND

The House bill stated the sense of Congress that the President shall take all appropriate steps to negotiate an agreement with other industrial nations for the creation of a Peace Development Fund to underwrite the costs of implementing a Middle East peace.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the Senate position. The conferees did not adopt the House provision in view of a similar provision already having been enacted by the Congress in the Special International Security Assistance Act of 1979.

MILITARY ASSISTANCE TO SUDAN

The Senate amendment provided for an increase of $1.7 million in the fiscal year 1980 authorization of appropriations under section 504(a)(1) of the Foreign Assistance Act, which authorizes military assistance funds, the increase to be for Sudan.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision, with technical changes.

UNIFIED PERSONNEL SYSTEM

The House bill changed from March 15 to May 1, 1979, the date for Presidential submission of regulations establishing a unified personnel system for AID.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision.

FOREIGN LANGUAGE REQUIREMENT

The House bill required that designated positions in the executive branch authorized by this legislation, the Foreign Assistance Act of 1961, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, or the Arms Export Control Act, be filled by persons having the appropriate area and language knowledge.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the Senate position.

The committee of conference notes that the Foreign Assistance Act of 1961 already contains a similar provision, section 625(1), which provides that—

"* * * to the maximum extent practicable officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience. * * *"

However, the committee of conference recognizes the importance and desirability of U.S. officials serving abroad attaining language competence and area knowledge relevant to their responsibilities. The committee of conference requests the heads of agencies responsible for maintaining missions abroad to review their requirements for language competence and area studies, and to report to the Congress any need for statutory changes which would improve the language capability and area knowledge of U.S. missions abroad.

HUMAN RIGHTS REPORTS

The House bill required annual reports by the Secretary of State on human rights conditions in all countries which are members of the United Nations and which are not otherwise the subject of a human rights report required in the Foreign Assistance Act.

The Senate amendment contained a similar provision.

The conference substitute is nearly identical to the House and Senate provisions. The substitute states specifically that reports are required for "other foreign countries which are members of the United Nations."

HUMAN RIGHTS STUDY

The Senate amendment directed the Secretary of State to report to Congress by September 15, 1979, on the impact of human rights reports required in the Foreign Assistance Act on U.S. foreign policy.

The House bill did not contain a comparable provision.

The conference substitute is similar to the Senate provision, with an amendment setting November 15, 1979, as the reporting date.

ASSISTANCE TO AFGHANISTAN

The House bill prohibited fiscal year 1980 development assistance to Afghanistan unless the President determines that such assistance would be in the U.S. national interest.

The Senate amendment prohibited assistance under the Foreign Assistance Act, including funds authorized before October 1, 1979, to Afghanistan until the President has certified that the Government of Afghanistan has apologized officially and assumed responsibility for the death of Ambassador Adolph Dubs, and has agreed to provide protection for U.S. personnel in that country; or until the President has determined that furnishing assistance is in the U.S. national interest because of substantially changed circumstances in Afghanistan.

The conference substitute is the same as the Senate provision.

PROHIBITION ON AID TO VIETNAM, CAMBODIA, AND CUBA

The House bill stated that notwithstanding any other provision of law, appropriations authorized by this act shall not be used for any form of aid to Vietnam, Cambodia, or Cuba.

The Senate amendment did not contain a comparable provision.

The conference substitute is the same as the House provision, with an amendment deleting the notwithstanding clause. The amendment was agreed to in order to clarify that the aid prohibition is not intended to override the disaster assistance authority contained in sections 491 and 492 (chapter 9 of part I, International Disaster Assistance) of the Foreign Assistance Act.

NON-PROLIFERATION OF NUCLEAR WEAPONS

The Senate amendment contained a Congressional plea to all nations which are not parties to the Treaty on Non-Proliferation of Nuclear Weapons to become parties to the treaty; and directed the Secretary of State to submit a report by September 1, 1979, to the Senate Foreign Relations Committee and House Foreign Affairs Committee chairmen, on State Department activities to implement this provision.

The House bill did not contain a comparable provision.

The conference substitute is similar to the Senate provision, with an amendment changing the reporting deadline from September 1, 1979, to November 1, 1979.

ACCELERATED LOAN REPAYMENTS

The Senate amendment added a new section to the Foreign Assistance Act directing the Administrator of the Agency for International Development to review concessional loan balances annually to identify countries with which accelerated loan repayment schedules may be negotiated and to require an annual report to Congress on the status of accelerated loan repayments.

The House bill did not contain a comparable provision.

The conference substitute is essentially the same as the Senate provision with an amendment establishing the reporting requirement for only 2 years.

INDOCHINA REFUGEES

Prospects for refugee resettlement

The House bill required the President to report periodically on prospects for permanent resettlement of Indochina refugees, in conjunction with bilateral and multilateral development assistance programs.

The Senate amendment did not contain a similar provision.

The conference substitute is the same as the House provision.

International consideration of Indochina refugee problems

The Senate amendment contained a sense of the Senate provision urging the President to call for an emergency session of the U.N. General Assembly or to use other appropriate fora to deal with the refugee crisis in Southeast Asia.

The House bill did not contain a similar provision, although the House previously had passed House Resolution 321, containing similar language in a sense of the House resolution.

In recognition of the recent Geneva conference on refugees called by the U.N. Secretary General, the committee of conference agreed to a sense of the Congress provision urging the President to continue to supoort the efforts of the Secretary General to use appropriate fora to deal with the refugee crisis in Southeast Asia.

DEPENDENTS TRAVEL ALLOWANCE

The Senate amendment provided for travel expenses for up to two annual round trips to the United States of college student dependents of personnel of the Agency for International Development, the Department of State, or the International Communication Agency, stationed abroad.

The House bill did not contain a similar provision.

The conference substitute is the same as the Senate provision.

HUMAN RIGHTS WAIVER

The Senate amendment provided that notwithstanding any other provision of law, funds authorized under part I of the Foreign Assistance Act may be made available to any country the President finds has made significant improvement in its human rights record warranting lifting prohibitions in furnishing such assistance in the national interest of the United States.

The House bill did not contain a similar provision.

The conference substitute is the same as the Senate provision.

ECONOMIC SUPPORT FUND

The House bill included provisions for the Economic Support Fund in fiscal year 1980.

The Senate amendment did not contain ESF provisions. (The Senate included ESF provisions in security assistance legislation for fiscal year 1980).

The conference substitute is the same as the Senate position.

In agreeing that for fiscal year 1980, ESF will be in the security assistance rather than the economic assistance bill, the conferees decided that for fiscal 1981, authorizations under and amendments to the Foreign Assistance Act and to the Arms Export Control Act should be in one bill. The conferees therefore request the Executive branch, in its request to the Congress for fiscal year 1981, to submit draft legislation affecting the Foreign Assistance Act and the Arms Export Control Act in a single bill.

The decision of the conferees includes reaffirmation of Congress' intent that ESF accounts are designed to promote political and economic stability in areas where the United States has important economic, political and security interests. The conferees also reaffirm that, to the maximum extent feasible, that part of ESF assistance designed to promote economic development be consistent with the policy directions of section 102 of the Foreign Assistance Act.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
CHARLES C. DIGGS, Jr.,
LEE H. HAMILTON,
CARDISS COLLINS,
JONATHAN B. BINGHAM,
DON BONKER,
D. J. PEASE,
WM. BROOMFIELD,
PAUL FINDLEY,
JOHN BUCHANAN,
LARRY WINN, Jr.,
Managers on the Part of the House.

FRANK CHURCH,
C. PELL,
GEORGE MCGOVERN,
JOHN GLENN,
J. JAVITS,
CHARLES PERCY,
HOWARD BAKER,
For consideration of Public Law 480 amendments:
HERMAN E. TALMADGE,
GEORGE MCGOVERN,
RICHARD (DICK) STONE,
THAD COCHRAN,
BOB DOLE,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 1019, REMOVING PROHIBITIONS RELATING TO UGANDA

Mr. SOLARZ submitted the following conference report and statement on the Senate bill (S. 1019) to amend the In-

ternational Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act of 1979, by striking out certain prohibitions relating to Uganda, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 96-395)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That (a) the International Development and Food Assistance Act of 1978 (Public Law 95-424) is amended—

(1) in the section heading of section 602, by striking out "UGANDA,"; and

(2) in section 602, by striking out "Uganda,".

(b) Section 108 of the Foreign Assistance and Related Programs Appropriations Act, 1979 (Public Law 95-481), is amended by striking out all that follows after *"Provided, however,"* and inserting in lieu thereof the following: "That such prohibition with respect to Uganda shall apply only to funds appropriated or otherwise made available pursuant to this Act to carry out the Arms Export Control Act or part II of the Foreign Assistance Act of 1961 (other than funds appropriated or otherwise made available to carry out chapter 4 of part II of such Act).".

SEC. 2. (a) Subsection (a) and subsections (c) through (e) of section 5 of the Act entitled "An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund", approved on October 10, 1978 (Public Law 95-435), are repealed.

(b) Subsection (m) of section 4 of the Export Administration Act of 1969 (as added by section 5(d) of the Act entitled "An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund", approved on October 10, 1978 (Public Law 95-435)) is repealed.

And the House agree to the same.

CLEMENT J. ZABLOCKI,
STEPHEN J. SOLARZ,
CHARLES C. DIGGS, Jr.
CARDISS COLLINS,
DONALD J. PEASE,
WM. H. GRAY,
HOWARD WOLPE,
FLOYD FITHIAN,
WM. BROOMFIELD,
BILL GOODLING,
JOHN BUCHANAN,
MILLICENT FENWICK,
Managers on the Part of the House.

FRANK CHURCH,
C. PELL,
GEORGE MCGOVERN,
JOHN GLENN,
JACOB K. JAVITS,
CHARLES H. PERCY,
SAM HAYAKAWA,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes, submit the following joint statement to the House and to the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the committee of conference, and minor drafting and clarifying changes.

PROHIBITIONS ON ASSISTANCE TO UGANDA

International Development and Food Assistance Act of 1978 (Public Law 95-424)

The Senate bill repealed the fiscal year 1979 prohibition on development assistance to Uganda.

The House amendment authorized the President to waive this prohibition on assistance to Uganda if he determines and reports to the Congress that the Government of Uganda does not engage in a consistent pattern of gross violations of internationally recognized human rights and that furnishing assistance would further the foreign policy interests of the United States.

The conference substitute is the same as the Senate provision.

The committee of conference noted that on May 15, 1979, the President determined and certified that the Government of Uganda is no longer committing a consistent pattern of gross violations of human rights.

Foreign Assistance and Related Programs Appropriations Act, 1979 (Public Law 95-481)

The Senate bill repealed the fiscal year 1979 prohibition on all economic and military assistance to Uganda.

The House amendment authorized the President to waive this prohibition on assistance, except for assistance under the Economic Support Fund program; the International Military Education and Training program; and the Foreign Military Sales program, if he determines and reports to the Congress that the Government of Uganda does not engage in a consistent pattern of gross violations of internationally recognized human rights and that furnishing assistance would further the foreign policy interests of the United States.

The conference substitute is a compromise which would lift the prohibitions on assistance, including Economic Support Fund programs, but would prohibit assistance under the International Military Education and Training program and under the Foreign Military Sales program.

Trade restrictions

The Senate bill repealed the prohibitions on trade with Uganda.

The House amendment did not contain a similar provision.

The conference substitute is the same as the Senate provision.

The committee of conference noted that trade restrictions have already been lifted by Executive order, as permitted by the legislation which established those restrictions.

CLEMENT J. ZABLOCKI,
STEPHEN J. SOLARZ,
CHARLES C. DIGGS, Jr.
CARDISS COLLINS,
DONALD J. PEASE,
WM. H. GRAY,
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JACOB K. JAVITS,
CHARLES H. PERCY,
SAM HAYAKAWA,
Managers on the Part of the Senate.

AUTHORIZING APPROPRIATIONS FOR INTERNATIONAL AFFAIRS FUNCTIONS OF DEPARTMENT OF TREASURY, 1980

Mr. NEAL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 976) to authorize appropriations for the International Affairs Functions of the Department of the Treasury for fiscal year 1980, with a Senate amendment to the House amendment, and concur in the Senate amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendment, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment, insert:

That section 5 of the Act of November 8, 1978 (92 Stat. 3092) is amended—

(1) by inserting "(a)" after "SEC. 5.";

(2) by inserting "and $22,375,000 for fiscal year 1980," after "1979"; and

(3) by adding at the end thereof the following:

"(b) In addition to the amount authorized by subsection (a), there are authorized to be appropriated for fiscal year 1980 not to exceed $800,000 which shall be available only for the payment of (1) any increase pursuant to the Federal Pay Comparability Act of 1970, or section 5382(c) of the Civil Service Reform Act of 1978, in salaries of employees engaged in the functions described in subsection (a) and for the payment of increases in agency contributions attributable thereto; and (2) any increases in allowances and benefits arising from increases in the cost of living authorized to be provided pursuant to section 2.".

Mr. NEAL (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment to the House amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. WYLIE. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman from North Carolina (Mr. NEAL) if an amendment which I offered here on the House floor, which would close the open end authorization, was accepted by the Senate and is now in the bill.

Mr. NEAL. If the gentleman will yield, the answer is yes.

Mr. WYLIE. Further reserving the right to object, I understand, also, that the House Banking Committee reduced the authorization by some $337,000. Is that correct?

Mr. NEAL. If the gentleman will yield, I believe that figure is correct, but I would urge my colleague to refer to my statement which fully details the particulars of this bill.

Mr. WYLIE. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. LEACH of Iowa. Mr. Speaker, further reserving the right to object, the minority members of the subcommittee are particularly pleased that the Wylie amendment, in essence, was maintained, and a large majority, if not the entire members of the minority on the subcommittee, do support the gentleman's unanimous consent request.

Mr. Speaker, I withdraw my reservation of objection.

Mr. CAMPBELL. Mr. Speaker, reserving the right to object, I do so for the purpose of engaging in colloquy with the gentleman from North Carolina (Mr. NEAL).

Is it my understanding that, as the bill came out of conference, we retained the cut that was put in on the House side and that that closed the open-ended funding mechanism that was originally in the bill?

Mr. NEAL. If the gentleman will yield, the answer to the gentleman's question is yes.

Mr. Speaker, this bill implements legislation enacted last year which requires that the administrative expenses for the international affairs functions of the Treasury Department be specifically authorized and appropriated by the Congress. In the past, those expenses were paid out of the Treasury's Exchange Stabilization Fund, with no oversight or control by the Congress.

For fiscal year 1979, the Congress authorized $24,000,000 for those expenses. The administration orginally requested, for fiscal year 1980, an authorization of $22,752,000, plus an open-ended authorization for such sums as might be necessary to cover nondiscretionary increases in those expenses, such as cost-of-living pay increases. It was, therefore, not possible to make a strict comparison between the sum authorized for fiscal year 1979, and the sums requested by the Treasury Department for fiscal year 1980. The former was a flat $24,000,000. The latter was a smaller number—$22,752,000—but included unspecified sums for nondiscretionary increases. An early estimate of what those increases might be was in the range of $1,500,000. If that estimate were correct, the original Treasury request would have represented, in effect, an authorization of $24,252,000 for fiscal year 1980, and thus a small increase over the $24,000,000 authorized for fiscal year 1979.

The Banking Committee, following the recommendation of its Subcommittee on International Trade, Investment, and Monetary Policy, voted to pare down Treasury's request for fiscal year 1980, even though that request represented, at most, a very modest increase over fiscal year 1979. The bill reported by the Banking Committee to the House cut Treasury's request from $22,752,000 to $22,375,000. Adding in the original estimate of about $1,500,000 for nondiscretionary increases would have yielded an estimated authorization of $23,875,000 for fiscal year 1980.

That represented a small cut from the $24,000,000 authorized in fiscal year 1979. Nonetheless, the House was wary of any open-ended authorization for "such additional sums" as might be necessary to cover nondiscretionary increases in administrative expenses, and struck from the bill the language authorizing those "additional sums." Thus, the House sent to the Senate a simple authorization of $22,375,000 for fiscal year 1980, with no scope for additional sums that would be required for nondiscretionary increases required by law. As it stood at that point, the House authorization represented a very significant cut below the fiscal year 1979 authorization.

The Senate has agreed that there should be no open-ended authorization of additional sums for nondiscretionary increases. It also agreed that, at present, the $22,375,000 for fiscal year 1980 is an appropriate level for the administrative expenses incurred by the Treasury Department in carrying out its international affairs functions. That level is a stringent ceiling, less than the amount authorized for fiscal year 1979, despite the high rate of inflation over the past year. The Senate also recognized, however, that there will be legally mandated increases in the Treasury's administrative expenses, and some provision should be made for them. Otherwise, those increases would all have to come out of the authorized $22,375,000, and would force an unreasonably drastic cutback in Treasury's ability to carry out its international functions. Thus, the Senate added an additional $800,000, and specified very carefully that it could be used only to meet nondiscretionary increases arising from cost-of-living adjustments mandated by law, or by the provisions of the Civil Service Reform Act of 1978.

The Senate action is a very reasonable approach. It provides some scope, though very modest, to meet nondiscretionary increases required by law. It also accepts the will of the House that there should be a real reduction in total Treasury administrative expenses for its international functions, compared to fiscal year 1979. Adding the Senate's $800,000 to the House's $22,375,000 yields $23,175,000 for fiscal year 1980, which is less than the $24,000,000 for fiscal year 1979. We now have, I think, a fine compromise on a real budget cut, and we should accept this bill, S. 976, as amended by the Senate.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

NATIONAL GRANDPARENTS DAY

Mr. JOHN L. BURTON. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 244) to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, speaking as a grandfather, I would like to ask my colleague, the gentleman from California (Mr. JOHN L. BURTON), what this is and what he is going to do for us.

Mr. JOHN L. BURTON. If the gentleman will yield, this is the resolution that the gentleman cosponsored, so I am certain he is aware of what is in it. It has the necessary signatures of more than one-half of the Members of the House and about 90 percent of that side of the aisle. It clearly is a repetition of last year's measure, only this would allow the President to annually proclaim the first Sunday after Labor Day as Grandparents Day. It costs no money. It perhaps would be beneficial to those of us who have a little bit of Hallmark greeting card stock or FTD delivery.

We have to do this before the first Sunday after Labor Day or it will not happen this year.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I would like to put a question to the gentleman from California that was put to me by my mother-in-law when she heard that this had been passed last year. She is a grandmother of six or seven children. She said: "Doesn't the Congress have anything better to do?"

Mr. JOHN L. BURTON. Yes. Unfortunately, this seems to be something that we can all agree on.

Mr. BAUMAN. Mr. Speaker, in that spirit, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 244

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the first Sunday of September after Labor Day as "National Grand-

parents Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 1786 NATIONAL AERONAUTICS AND SPACE ADMINISTRATION APPROPRIATIONS, 1980

Mr. FUQUA. Mr. Speaker, I call up conference report on the bill (H.R. 1786) authorizing appropriations for the National Aeronautics and Space Administration for fiscal year 1980.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 20, 1979.)

The SPEAKER pro tempore. The gentleman from Florida (Mr. FUQUA) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. WINN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Conference on the bill H.R. 1786, authorizing funds for the National Aeronautics and Space Administration for fiscal year 1980 has successfully concluded its work. The conference report before you includes changes in six NASA research and development program line items. The net result of the House and Senate conference is to increase the NASA amended budget request of $4,945,000,000 by $16,000,000 for a total recommended authorization of $4,961,000,000. This represents an increase of approximately three-tenths of 1 percent (0.32 percent) in the amount requested by the administration.

The original NASA budget request was for $4,725,000,000. On March 28, 1979, the House passed H.R. 1786, and authorized a total of $4,762,000,000 for NASA in fiscal year 1980 which amounted to a $37,000,000 increase over the administration's original request.

On May 14, 1979, the President transmitted to the Congress an amendment to the NASA 1980 budget which would increase by $220,000,000 the amount recommended for the Space Shuttle stating that the additional resources were needed to maintain the development and production pace necessary to meet civil and military requirements. The original budget request and the budget amendment request resulted in a total budget request of $4,945,000,000 for NASA in fiscal year 1980.

The conference report authorizes $1,586,000,000 for the Space Shuttle program which includes the $220 million budget amendment and deletes the $27,000,000 previously authorized by the House to maintain an option for a fifth Space Shuttle orbiter vehicle.

Five other items of disagreement were resolved by the conferees. The conferees adopted the House position on two items including a $4,000,000 reduction in space flight operations and a $4,000,000 addition for space applications to complete system definition studies and to conduct initial work on instruments for a national oceanic satellite system. The conferees adopted the Senate position on three items including a $9,000,000 increase in the administration request for aeronautical research and technology, a $3,000,000 increase to space research and technology for additional work on the development and testing of large space structures, and an addition of $2,000,000 to energy technology applications.

In conclusion, the conferees on both sides of the aisle are to be congratulated for their efforts in bringing the conference report to the floor. The conference report before you reflects the need to exercise prudent economy while encouraging full utilization of the potential of space. I urge adoption of this report.

COMPARISON OF BUDGET REQUEST, HOUSE ACTION, SENATE ACTION, AND CONFERENCE ACTION ON H.R. 1786, FISCAL YEAR 1980 NASA AUTHORIZATION

[Amount in dollars]

	Budget request	House action	Senate action	Committee of Conference
Research and development:				
Space Shuttle	1,586,000,000	1,393,000,000	1,586,000,000	1,586,000,000
Space flight operations [1]	467,300,000	463,300,000	467,300,000	463,300,000
Expendable launch vehicles	70,700,000	70,700,000	70,700,000	70,700,000
Physics and astronomy	337,500,000	337,500,000	337,500,000	337,500,000
Planetary exploration	220,200,000	220,200,000	220,200,000	220,200,000
Life sciences	43,900,000	43,900,000	43,900,000	43,900,000
Space applications [1]	332,300,000	338,300,000	334,300,000	338,300,000
Technology utilization	12,100,000	12,100,000	12,100,000	12,100,000
Aeronautical research and technology [1]	300,300,000	308,300,000	309,300,000	309,300,000
Space research and technology [1]	116,400,000	116,400,000	119,400,000	119,400,000
Energy technology [1]	3,000,000	3,000,000	5,000,000	5,000,000
Tracking and data acquisition	332,800,000	332,800,000	332,800,000	332,800,000
Total	3,822,500,000	3,639,500,000	3,838,500,000	3,838,500,000
Construction of facilities	157,600,000	157,600,000	157,600,000	157,600,000
Research and program management	964,900,000	964,900,000	964,900,000	964,900,000
Grand total	4,945,000,000	4,762,000,000	4,961,000,000	4,961,000,000

[1] Items in conference.

□ 1450

Mr. WINN. Mr. Speaker, I yield myself as much time as I may consume.

The chairman of the full committee (Mr. FUQUA) has done an excellent job of explaining what is in this conference report. Mr. Speaker, the minority has worked hard to bring this authorizing legislation to the floor. We were somewhat disturbed by the fiscal year 1980 budget amendment for the Space Shuttle program which was added after the House action. However, after an extensive evaluation by the subcommittee, including hearings, we feel that the additional $220 million is warranted. Let me state publicly, however, that this type of action is not condoned. It is imperative that NASA make realistic estimations of their annual funding requirements and avoid these costly overruns.

I am in support of the conference report. The compromise which has been established is reasonable and satisfies the objectives of the House. I encourage my colleagues to support this conference report on the National Aeronautics and Space Administration fiscal year 1980 authorization.

Mr. FUQUA. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—yeas 72, nays zero.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida (Mr. FUQUA)?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute.)

Mr. MYERS of Indiana. Mr. Speaker, I ask to address the House at this time for the purpose of inquiring of the distinguished acting majority leader, the gentleman from California (Mr. MINETA) what the program will be for the remainder of this week and next week.

Mr. MINETA. If the gentleman would yield, the legislative calendar for today is complete.

For Monday, July 30, the House will meet at noon and vote on the following suspensions:

H.R. 4811, for the relief of Nenana, Alaska;

H.R. 3361, to establish the boundary location of Angeles National Forest;

H.R. 3509, safe drinking water authorizations; and

H.J. Res. 381, Ethics in Government Act amendments.

Then we will complete consideration on H.R. 4440, Transportation appropriations, fiscal year 1980, and also the conference report on H.R. 4388, energy/water appropriations, fiscal year 1980.

On Tuesday, July 31, the House will meet at 10 a.m. and consider H. Res. 378, in the matter of CHARLES C. DIGGS, JR.

Then there are three suspensions to be voted on:

S. 961, Speedy Trial Act amendments;

H. Con. Res. 80, Martin Luther King statue; and

H.R. 4476, Higher Education Technical Amendments of 1979.

The House will then complete consideration on S. 1030, gas rationing authority and conservation and then take up H.R. 4930, Interior appropriations, fiscal year 1980.

On Wednesday and Thursday, August 1 and 2, the House will meet at 10 a.m.

We will consider the following bills:

H.R. 3434, social services and child welfare amendments, under a modified rule, with 2 hours of general debate;

H.R. 4473, foreign assistance appropriations, fiscal year 1980, and complete consideration;

H.R. 3000, DOE authorizations, fiscal year 1980, on which we will complete consideration;

H.R. 3180, DOE authorizations, fiscal year 1979, with an open rule, with 1 hour of debate.

We will then take up:

H.R. 4040, DOD fiscal year 1980 authorizations, which is an open rule, with 4 hours of debate. The rule has already been adopted;

H.R. 3236, Disability Insurance Amendments of 1979, with a modified rule and 1 hour of general debate;

H.R. 4034, Export Administration Act Amendments of 1979, on which we will complete consideration;

H.R. 79, Postal Service Act of 1979, which has an open rule, with 1 hour of general debate.

Following that will be the conference report on H.R. 3224, International Development Cooperation Act of 1979.

The House will be in session until at least 7 p.m. on Monday and Tuesday.

At the close of business Thursday, August 2, 1979, the House will adjourn until noon on Wednesday, September 5, 1979, for its August district work period.

Conference reports may be brought up at any time. Any further program will be announced later.

Mr. MYERS of Indiana. Mr. Speaker, several questions arise.

First, there has been some discussion there is a possibility that there might be a motion to send the implementation of the Panama Canal Treaties to conference as well as the adjournment resolution. I notice both of those are left off of the program, as has been presented by the acting majority leader.

Would the gentleman give us some clarification if there is a possibility of those coming up, and if so, when?

Mr. MINETA. The plan and hope for both of those items, the adjournment resolution as well as the Panama Canal, will be for Monday.

Mr. MYERS of Indiana. We can be sure to depend that they will come up Monday. Will it come before the suspensions?

Mr. MINETA. I am not sure as to when they would be coming up, but they are planned for Monday.

Mr. MYERS of Indiana. We can depend on their coming up Monday?

Mr. MINETA. Yes, that is the plan.

Mr. MYERS of Indiana. The next question I have, Mr. Speaker, is the fact that from Wednesday on, I note that we have no time limitation. What would be an expectation of the leadership about what normal time we might expect to adjourn on those two evenings, particularly on Thursday when some Members may wish to have some plane schedules to get out of town?

Mr. MINETA. As the gentleman can see from the schedule, it is a very busy schedule, and so, on both of those evenings, they will be late sessions.

Mr. MYERS of Indiana. Thursday evening we can expect a late session, too, so possibly we will not be getting out of here until Friday then? Would that be a reasonable assumption?

Mr. MINETA. We could very well be late on Thursday as well.

Mr. MYERS of Indiana. I also note that from Wednesday on, it is a rather ambitious schedule. For example, foreign assistance appropriations, we have already spent the best part of two days already on that particular bill. In what particular order will these be taken up? In the order they are presented here? If so, what about DOE appropriations? It looks like they have a low priority.

Mr. MINETA. The present plan is to take them up in order as they are printed on this schedule.

Mr. MYERS of Indiana. It is going to be real late Thursday evening, it looks like to me.

I thank the gentleman for his comments.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would like to ask the gentleman further about the suspensions, H.J. Res. 381, I believe I heard him read the number, to separate certain former Presidential appointees. Am I correct this bill would in effect change the effective date of the Ethics in Government Act and would therefore permit Mr. Califano, Mr. Blumenthal, and Mr. Adams and others who have been fired in the massacre, to therefore practice law, engaging the agencies they have just been fired from? I think the Members should know that.

Mr. MINETA. It is my understanding that the gentleman from Maryland is correct.

Mr. BAUMAN. I thank the gentleman.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman for his response. Wish us well next week.

HOUR OF MEETING ON TUESDAY, JULY 31, 1979

Mr. MINETA. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, July 30, 1979, it adjourn to meet at 10 a.m., Tuesday, July 31, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, I reserve the right to object.

Is that to come in at 10 a.m. on Tuesday?

The SPEAKER pro tempore. Tuesday, July 31.

Mr. BAUMAN. I object, Mr. Speaker.

Mr. MINETA. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 noon, on Monday, July 30, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

INTRODUCTION OF TRADE REORGANIZATION ACT OF 1979

(Mr. LONG of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Louisiana. Mr. Speaker, I rise today to introduce a major alternative to proposals already advanced to reorganize U.S. trade functions and responsibilities. The legislation I introduce today is titled the Trade Reorganization Act of 1979; it is a bill designed to centralize responsibility and authority for the formulation and direction of U.S. trade policy in a strengthened office of the Special Trade Representative.

I submit that a comprehensive and consistent trade policy for the United States—with clear lines of authority and responsibility—is long overdue. We have seen our share of the world export market decline steadily over the past two decades: from a 20-percent share in 1960 to 14 percent in 1978. We have seen the value of our dollar decline, and the trade role of the United States erode.

For many years, the United States was a successful "better mousetrap" country; we counted on American ingenuity and inventiveness, and on high technology production, to attract the world to our trade door.

Mr. Speaker, that era has passed.

In bare outline, the proposal I offer today will accomplish the following objectives. It will retain Cabinet-level status for the Special Trade Representative, and expand his duties to include enforcement against unfair trade practices, increased responsibility for all trade negotiations, and clear authority for development of export policy.

Like the plan introduced last week by the President, the Trade Reorganization Act I introduce today would transfer substantial trade authority out of the Departments of State and Treasury, but it would also leave trade functions of the International Trade Commission and the Department of Agriculture completely intact.

Although the Department of Commerce would lose principal responsibility for development of export policy, it would gain functional authority over foreign commercial attachés currently assigned to the Department of State.

I also propose to severely limit the number of people that the strengthened Special Trade Agency can employ, helping to insure, I hope, against a vast new Federal bureaucracy. The Department of Commerce currently has hundreds of people who are involved, in one aspect or another, in trade matters. Most, however, are involved at the functional, or operational level. Transfer of these workers, who are essentially implementers, to the strengthened agency would considerably, and unnecessarily, expand the number of the agency's employees, and expand the administrative workload. As long as the Commerce employees—including those transferred from State—implement an established policy, there is, at least for the immediate future, no compelling reason for transfer.

Mr. Speaker, the United States is the only major industrial nation in the world that does not have a centralized system—with clear leadership responsibility—for the conduct of trade negotiations, enforcement of mechanisms against unfair trade practices, and policy formulation.

The United States, on the contrary, has fragmented responsibility and functions among a number of Departments and Agencies, including the Department of State, Department of Commerce, Department of Treasury, Department of Agriculture, Export-Import Bank, Overseas Private Investment Corporation, International Trade Commission, and so forth. Some of these Departments—notably Agriculture—and agencies—notably the ITC—seem to be performing their missions adequately. Others, however, do not focus on trade as a primary mission. For instance, because of either competing interests, institutional constraints, or bureaucratic lethargy, both the Departments of State and Commerce have failed to play aggressive trade roles; similarly, the Department of Treasury has not proved to be an effective administrator or enforcer of U.S. laws against unfair trade practices.

As the result of competing missions and of dispersed functions, the United States does not have a comprehensive or consistent trade policy. The country, very simple, does not speak with a single trade voice. Because functional responsibility is divided, authority is similarly dispersed, making it easier for all involved to "pass the buck." The unasked question which President Truman's desk sign answered is, "Who is in charge?"

The President, on recommendation from the Office of Management and Budget, has presented his own trade reorganization plan which would transfer enforcement functions from Treasury to Commerce, commercial attachés from State to Commerce, and certain trade negotiations from State to the Special Trade Representative.

I applaud the President's initiative; reorganization is, I think we all agree, absolutely essential. I am happy to see that the President has recognized the utility of transferring certain functions out of State and Treasury.

Unfortunately, however, it seems to me as though the purpose of reorganization has been lost somewhere in the shuffle.

The purpose of reorganization—OMB's mission notwithstanding—is not to abolish the jobs, or to save the jobs, of a couple hundred federal employees. The purpose, I submit, is to establish a rational, consistent, and strong overall national trade policy for our country. The purpose is to help our country compete—compete fairly under international rules, to be sure—but nevertheless to compete for our fair share of the world trade pie. That, I submit, is the bottom line justification for reorganization and centralization of authority.

There is, under the President's proposal, still no single official who can be identified as the senior trade official. Is it the Secretary of Commerce? The proposed Undersecretary of Commerce for Trade? The STR? No clear answer can be found in the President's plan.

The division between policy development negotiations and enforcement envisioned in the President's proposal is, in the last analysis, inadequate and inefficient; it does not satisfy the purpose of reorganization. Institutionally, it is not defensible because it does not address the essential problem; the United States badly needs a trade advocate and an administrator of consistent policy.

The Department of Commerce currently administers a number of seemingly unrelated programs which distract attention from the primacy that trade deserves. From census counts to counts of whales, Commerce has become a "dumping ground" for programs that do not really "belong" anywhere. It has become a kind of "grandmother's attic" for various bits of miscellany and whimsy, and appears singularly inadequate as a structure for new trade initiatives.

Finally, few people either on Capitol Hill or in the private sector have confidence in Commerce's ability to conduct U.S. trade policy effectively or efficiently. There is little prospect for a rapid improvement in Commerce's efficiency or capability.

I am aware that other proposals introduced in the other body have recommended—in view of the importance of the matter—that the Congress create a Department of Trade instead of an agency. It seems to me that two arguments militate against creation of a new Department at this time—one political and one practical.

First, the President has stated firmly and repeatedly that he is opposed to the creation of any new Departments at this time.

Second, Congress is reluctant to create a new Department in view of the perceived inefficiencies and the problems associated with some of the newer departments. It seems more efficient, at least at this point, to expand—in a limited fashion—an existing agency with a proven leadership record: STR. If the delegation of primary authority and responsibility to STR proves by experience to be successful in the short term, then perhaps a further concentration and expansion can be considered by the Congress at a later date.

Mr. Speaker, my primary purpose in introducing this legislation is to help create a system that works. Because of conflicting missions or lack of interest, neither Commerce, State nor Treasury has exercised the kind of leadership, or performed its appointed tasks in the field of trade in a manner that is comprehensive or consistent. Complaints from the users of the services—mostly private business—are manifold and well documented. We cannot, I submit, continue to function in the international arena in a "business-as-usual" basis, because business has been off for us, and will not improve until we put our trade house in order.

THE PRESIDENT'S DEMAGOGUERY ON ENERGY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, President Carter's further blast against the oil company whipping boys and their profits failed to acknowledge one important fact.

The $12 billion Department of Energy bureaucracy and the new energy agencies that the President has proposed to create cost more to run each year than the combined profits of 94 oil companies.

Furthermore, the oil companies use their profits to conduct the very risky business of finding and producing more energy supplies for our people.

Despite the billions spent by the Department of Energy, this Federal Agency has not added a single Btu of energy in its 2 years of existence to the Nation's needs.

The President's demagoguery on the energy issue, and the massive bureaucratic failure of the Department of Energy, were succinctly stated in two recent editorials in the Arizona Republic.

I include them at this point in the RECORD:

[From the Arizona Republic, July 26, 1979]

CARTER'S DEMAGOGY

President Carter's first press conference in almost two months was an exercise in demagogy.

It's now clear what his strategy is. It's to

attempt to rally public opinion behind his energy program by making the oil companies a whipping boy.

The president as much as charged that, if the Senate amends his windfall profits tax in any way, it will be doing so because of the oil industry's pressure. And he called on his listeners to exert counterpressure on the legislators.

He then went further, predicting dire consequences if the windfall tax bill is amended.

There will not then be enough money for the rest of his energy program, including the creation of a synthetic fuels industry and the expansion of mass transit.

This will cause the dollar to decline further, and inflation to continue, and the nation to plunge into a recession, and unemployment to mount, he said.

And it will all be the doing of the "oil lobby."

It was a horrendous scenario the president unfolded, with the oil industry playing the part of a reborn Dracula, sucking the nation's blood.

The strategy could work. The unthinking always look for a whipping boy on whom to place the blame for whatever ails the nation. And the oil industry has always been unpopular since the days of John D. Rockefeller Sr.

The fact is, the oil industry has a very plausible argument against the windfall profits tax, which neither Carter nor any of the men around him has ever even attempted to answer.

It needs the profits it will get from deregulation for increased exploration and development of both domestic oil and natural gas resources and oil and gas resources in non-OPEC countries.

Other critics of Carter's energy program have equally plausible arguments against his plan to use $88 billion of the revenue the windfall profits tax would bring to develop a huge synthetic fuel industry.

They cite the enormous technical, economic and environmental problems that must first be overcome, and they are dubious about the ability of a government bureaucracy to deal with them.

Nor can anyone blame them for their doubts. What has the Department of Energy, with its 20,000 employees and its $12 billion budget, done to alleviate the energy crisis?

The president's demagogy is compounded by the fact that creation of a synthetic fuels industry actually would be a bonanza for the oil companies.

Most of the major oil companies own coal companies that would profit immensely from the building of plants to produce oil from coal.

It's truly a cockeyed situation. On the one hand, Carter depicts the oil companies as consumed with greed for opposing his windfall profits tax; on the other, he proposes to give them windfall profits from coal.

Carter's energy program was ill-conceived. His demagogy doesn't make it look any better.

[From the Arizona Republic, July 26, 1979]

REMEMBER DOE?

Little wonder that President Carter's advisors are pleased with a new opinion poll showing 36 percent public support for his so-called new energy program.

What pleases them is that they've fooled so many people and gotten away with it.

The most convincing evidence that the president is playing politics with the public's gullibility is in the empire of energy bureaucracies he wants to build.

Indifferent to what he said as a candidate about bureaucracies, Mr. Carter has told Congress that if it will give him a new Energy Security Corp., and a new Energy Mobilization Board, the battle to save America from energy waste and shortages will be won.

He asks $142 billion over the next 10 years, money he would transfer from the profits and therefore further production incentives of oil companies, and into the hands of bureaucrats.

But the president and his advisers have studiously ignored talking about the existing Department of Energy, an agency he implored Congress to create in 1977 to end the energy crisis.

DOE now has 20,000 employees, and an annual budget of just over $12 billion a year—about the same funding as his new agencies will receive per annum. DOE's annual budget, moreover, is only a billion dollars or so below the total combined profits of 94 oil companies.

And, after two years, what has the Carter DOE done to solve the energy crisis?

Nothing.

It has not added a single BTU of energy to the nation's needs.

To the contrary, busybody auditors and inspectors have created confusion and spawned more paperwork. DOE's layers of rules and regulations have discouraged production, and shaved profits that could have gone into new exploration.

As a result, DOE has driven the nation deeper into the arms of foreign oil producers.

Now, if the dreary record of DOE is any indication of what an energy bureaucracy does, what can the nation expect of two new energy agencies with combined budgets equal to DOE's and powers more awesome?

America's energy problems are the byproducts of Mr. Carter's own Department of Energy. Its ineptness, its strangling redtape and its bureaucratic trifling are tributes to the economic illiteracy that abounds in Washington.

Rather than fund Mr. Carter's new bureaucracies, Congress could perform a service by yanking DOE's $12 billion budget, and allow natural forces of supply and demand lead the nation back to common sense distribution and energy resource development.

BRING ON THE 97TH CONGRESS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, if Ralph Nader were really serious, he would want to send the 96th Congress back to the factory. I rise today to express what I feel to be the sentiment of the American people, the same people who sent us here to represent them. I rise to say, "Bring on the 97th Congress."

This Congress was elected in the wake of proposition 13. When the voters in California wisely chose to slash their own taxes, the American people applauded. They want the same thing and this Congress has failed to grant their wish.

It is clear that the American people want a balanced budget. This Congress has failed to do that.

The American people did not want to give away the Panama Canal but the 96th Congress did it anyway.

It has been shown that 81 percent of the American people oppose the forced busing of their children. This week, the House of Representatives voted down a constitutional amendment which would outlaw this travesty.

An overwhelming majority of Americans opposed the recognition of Communist China at the expense of selling out our friend and ally on Taiwan. This Congress went along with the Carter-Vance sellout lock, stock, and barrel.

The American people have grave concerns about the Soviet threat to our freedom, yet everyday we heard of one more Senator who is getting ready to support SALT II no matter in what shape or form it ultimately comes before them.

The American people want to pay a lower price for consumer goods. Take chrome for instance. This Congress has approved continued sanctions against free Zimbabwe-Rhodesia, the nation which has the chrome. The Russians buy the chrome from Rhodesia and we buy the chrome from the Russians. That make sense, does it not?

The American people want to support our allies around the world yet this Congress has looked the other way while Iran falls to the bloodthirsty Khomeini and Nicaragua falls to the Marxist Sandinistas.

The American people want gasoline so that they can get to work in the morning. This Congress has watched while the Carter administration bungles our national energy nonpolicy.

Our elderly constituents want inflation to level off so that their fixed incomes can meet their basic human needs—needs like food, water, electricity. This Congress has continued to deficit spend in order to fuel inflation. This Congress has refused to grant them a tax break.

The business people of this Nation want less paperwork, less redtape, less regulation. This Congress has looked on while the bureaucracies in Washington create more.

This Nation wants to return to the work ethic which made us the greatest Nation on Earth. This Congress has increased welfare spending and food stamp appropriations at their expenses.

Mr. Speaker, the list goes on and on. I have only highlighted a few issues, a few of the taxpayers' concerns. Again, I say "Bring on the 97th Congress." It could not be much worse and it is bound to be a little better working partner for our new President in 1980.

HOW TO PRODUCE MORE U.S. OIL

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the newspaper headlines this past week shouted "Oil Company Profits Soar."

This liberal Democrat majority, which has controlled Congress for 25 years, is trying to pin the gasoline shortage onto the big oil companies back. So we ask, What are the facts?

I analyze the statement of Exxon which is the largest oil company in the United States. Here are some of the direct quotes:

Worldwide operating earnings increased 27 percent. Earnings from oil and gas operations again decline in the U.S.

Exxon's net income rose from the prior year primarily on the strength of the higher earnings from foreign operations. Earnings

from U.S. oil and natural gas operations in the quarter and the six months were below those of the comparable periods of 1978.

Commenting on the second quarter U.S. petroleum earnings, Mr. C. C. Garvin, Jr. Chairman of the Board, said: "In the U.S., Exxon's costs in the second quarter and year-to-date have risen much more than selling prices. As a result, U.S. refining and marketing earnings in the quarter were less than one-half those in the second quarter of 1978."

Earnings from total U.S. petroleum and natural gas operations were down 5 percent from first half of 1978. The decline was in U.S. refining and marketing earnings which were dollars 68 million, down from dollars 133 million in the prior year.

Foreign exploration and production earnings were up 18 percent to dollars 750 million. The major factor in the increase was higher crude oil production volume in Malaysia and the North Sea and higher natural gas production volume in Europe, the latter due in large part to an exceptionally cold winter.

Earnings from worldwide chemical operations were up 76 percent to dollars 217 million.

What these key statements report is that Exxon is doing great financially around the world. But here in the United States, they are not as successful in generating the cash needed for capital development.

When I saw Gov. Bill Clements, of Texas, he told me that Texas oil production was down 600,000 barrels a day from 3 years ago even though the industry is producing 100 percent.

As we use up oil, we need to produce new wells to take their place. Six years ago, the United States imported $33 billion in oil, yet this year, the United States will import $60 billion in oil.

The answer is the Plowback Tax Credit. Let the U.S. oil companies plowback all their U.S. earnings into producing more oil and gas in the United States.

SOLID WASTE DISPOSAL AND ENERGY PRODUCING FACILITIES

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I am today introducing a bill with my colleague, Mr. WHITEHURST, which will facilitate the development of solid waste disposal and energy producing facilities through the clarification of the existing tax laws.

The General Accounting Office in February issued a comprehensive report on the need for the development of urban waste to energy systems.

The GAO identified 131 municipal solid waste energy projects in the United States, 20 operational, 10 under construction, 30 in the planning stage, and 71 in preliminary study stages. The GAO estimated that if these 131 projects could become operational by 1985 they could process about 36 million tons or 18 percent of the urban waste produced and the Nation could realize energy savings equivalent to over 100,000 barrels of oil daily.

The bill which my colleague and I are introducing today provides that industrial development bonds issued by a tax exempt State or political subdivision may be used as a means of financing solid waste disposal facilities where steam or electric energy produced at such facilities are sold to and used by the Federal Government. The bill provides further that tax exempt industrial development bonds may be used to fund facilities which combine both solid waste disposal and energy production.

A project in Tidewater, Va., is in the group of those to which the Comptroller General refers as in the planning stage. The Southeastern Public Service Authority covers a combined population of approximately 750,000. It will collect solid waste from seven participating cities and counties, process the solid waste, convert it into steam which will then be converted to electricity, and sell the electricity to the Norfolk Naval Shipyard in Portsmouth, Va.

The local political subdivisions have already spent over $2.2 million in local tax dollars for feasibility studies and engineering design work. However, unless current tax provisions are clarified the plant may never be built.

If the authority were selling a product to a private user there would be no question as to its tax exempt status.

In view of the urgency of developing alternative sources within the Government, it seems logical to provide in the tax law that solid waste disposal facilities which sell their product to the Federal Government may be financed on a tax exempt basis.

Under Internal Revenue Service regulations tax exempt status is limited to the solid waste portion of the facility. Electrical generators, an integral part of the facility, are not currently permitted to be tax exempt under the regulations. If the entire facility is not tax exempt, the project would not be economically feasible.

The bill therefore permits tax exemption for the entire facility when it is an integrated process such as the Southeastern Public Service Authority.

Because of the importance of providing new sources of energy and of the urgent need for a new facility for providing energy to the Naval Shipyard in Portsmouth, Va. I urge the Committee on Ways and Means to give prompt attention to this bill.

INTRODUCTION OF BILL PROVIDING FOR TIMELY INFORMATION ON EXPORT SALES OF CERTAIN AGRICULTURAL COMMODITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 15 minutes.

● Mr. GRASSLEY. Mr. Speaker, I introduce for appropriate reference a bill to provide family farmers and others with timely information concerning export sales of certain agricultural commodities. I am pleased to be joined on this measure by my distinguished colleague from Iowa (Mr. SMITH).

Ever since my election to the Congress, I have been interested in seeing that the export sales reporting system of the Department of Agriculture provides as accurate and timely information on foreign sales of U.S. agricultural commodities as is possible. Enacted as a part of the Agriculture and Consumer Protection Act of 1973 and as an aftermath of the 1972–73 grain sales to the Soviet Union, the export sales reporting requirement was designed to assure that American commodity exporters would promptly report their sales, thus providing an accurate picture of foreign demand for our crops. Unfortunately, the system has fallen short of expectations.

From my discussions with farmers, there is a general concern that there just is not adequate information available on export sales of grain. If my colleagues talk to their farmers back home about this, I think they will find that the farmers are convinced that people who are connected with the big grain companies or with the Department of Agriculture know more of what is going on in the grain trade than the individual farmer does. They feel, and I certainly agree, that the farmers are as much entitled to this information as the big grain traders or USDA.

There have been a number of studies which have pointed out some of the problems with the current system. In January of 1977 the Department of Agriculture's Office of Audit wrote a report calling for revisions and strengthening of the program. Five months later, in May 1977, the General Accounting Office issued an in-depth report, which concluded that the system "falls short of providing timely, accurate, reliable and complete agricultural export data."

As a result of these reports, and testimony on this matter before a House Agriculture Subcommittee, I introduced an amendment last year to the agricultural export promotion legislation intended to correct the defects in the reporting law. That amendment was approved by the Subcommittee on Department Investigations, Oversight, and Research. The full Agriculture Committee, however, substituted an amendment mandating still another study analyzing the effectiveness of the reporting system. Pursuant to this provision the Secretary of Agriculture appointed an interagency task force and an Advisory Committee.

The Advisory Committee issued its report on February 27 of this year. While the Advisory Committee recognized the important issues with regard to this matter, its primary recommendation to expand the export sales reporting system only in times of extremely tight United States or world supplies just does not, in my opinion, go far enough. Therefore, I have decided to introduce a bill which would basically require daily reporting of export sales by the large traders, whether located in this country or not, and deny use of our futures markets to such firms for failure to do so. In order to have all proposals considered by the Agriculture Committee, however, I would be willing to introduce the Advisory Committee proposal when it is drafted.

Mr. Speaker, now is an important time to expand the requirements of the export

sales reporting system. Over the last few months brisk demand and reduced crop expectations have combined to create what some observers have described as the tightest world grain market since 1975. One cause of this tight situation has been the estimated reduction in the Soviet Union's 1979 grain crop. The Department of Agriculture in early June sharply reduced its estimate of such crop to between 170 and 210 million metric tons. Just a couple of weeks ago the Department reduced that estimate even more to between 165 and 195 million metric tons. This compares with last year's record crop of 237 million metric tons and an announced goal for 1979 of 226 million. As of last week, Soviet purchases of U.S. corn and wheat in the current buying year now total 14.8 million metric tons. This is higher than the 13.5 million metric tons the Soviets bought in 1972–73. Also, a USDA official has recently predicted that U.S. wheat exports in 1979–80 to all countries could top the 33 million metric ton record set in 1973.

As all of us are well aware, this kind of situation produces a very volatile market. At a time like this it is particularly important for producers and others to have accurate information with regard to the export sales that are made in order to be able to make informed decision concerning the marketing of their crops. Exports are a significant factor in the market. As Mr. Varel Bailey, vice president of the National Corn Growers Association, told USDA's Advisory Committee:

> For every forty million bushels exported, it changes the domestic price of corn about eight cents.

One of the problems with the current reporting system is its limited coverage. Under the present law, sales by foreign firms, including subsidiaries and affiliates of American firms, are not required to be reported. Under Secretary of Agriculture Dale E. Hathaway testified recently that it is possible for these firms to cover their sales in the international resellers market or to hedge them on our commodity futures markets. The basic transactions would not be reported until the foreign firm enters our cash market to purchase the commodity from a U.S. exporter. Mr. Hathaway admitted that this situation often results in significant delays in reporting information on the sale to the public.

In a recent study by USDA of the relationships between large export sales and futures trading, it was found that the futures market was used less than expected to cover export sales during the week the sale was reported. A possible explanation for the small amount of hedging observed was that futures were purchased several weeks before the sales were reported. This time lag was possible when the exporter's overseas affiliate made the sale. As Mr. Hathaway recently testified, in general the results of the study lend some support to the argument that exporters were able to benefit through the use of the commodity futures market between the time their sales were made and information with respect to such sales was included in summaries of export sales published by USDA. In my opinion, this kind of situation is extremely unfair to producers and users of agricultural commodities produced in this country.

In addition, the practice by many of our domestic concerns of having a foreign affiliate or other foreign firm make the sale has, in effect, practically converted a mandatory reporting system into a voluntary one. The pattern of sales to the Soviet Union is a good example of what has been happening. In recent years there has been a tremendous decline in the amount of grain sales made directly to the Soviet Union through the U.S. offices of domestic firms. In 1976–77, 35 percent of these sales were made directly. In 1977–78 this was down to 8 percent. In the current marketing year there are virtually no sales being made directly to the Soviet Union by domestic firms.

Mr. Speaker, the bill I am introducing today would close this glaring loophole. It would extend the current reporting requirement to foreign firms which use our futures markets and which hold positions on those markets in excess of the speculative limits established by the Commodity Futures Trading Commission. This same coverage would apply in the case of domestic firms. I believe this is the only equitable way to handle this situation. Requiring all of the large firms to report their export sales will eliminate the disadvantage American firms are now operating under and will provide sufficient information to the American people. It is my understanding that the bill would require reporting by approximately 30 large firms. In the case of grains 8 to 10 of the largest traders handle over 80 percent of the export sales.

This legislation would facilitate extension of the reporting requirements to foreign firms by changing the current criminal penalties to civil penalties which would be imposed by the Secretary after notice and opportunity for a hearing. Criminal penalties are just not effective in reaching persons located outside the United States. There is precedent, on the other hand, in statutes such as the antiboycott provisions of the Export Administration Act and the Commodity Exchange Act, for the application of civil penalties to foreign firms. My bill would authorize the Secretary to impose a civil penalty of $25,000 per day or 5 cents times the number of bushels involved for any violation of the reporting requirements.

Also, either in lieu of or in addition to this penalty, the Secretary would be authorized to issue an order finding that a person had violated the law and this order would be enforced by the Commodity Futures Trading Commission by denial of the right to trade on our commodity futures markets.

Furthermore, the Secretary would be authorized to submit a complaint to the CFTC which could deny trading privileges pursuant to such expedited procedures as it may establish. The CFTC has authority to deny foreign firms the use of our futures market and has recently done so. It took such action against Wiscope, S.A., a Swiss firm, which refused to provide information on its clients' involvement in the coffee futures market. Thus, there is a direct precedent for this aspect of the bill.

I believe that this combination of penalties will provide the Secretary and the CFTC with a sufficient arsenal to effectively enforce the expanded reporting requirements.

Since only the large traders would be required to report under my bill, the legislation requires daily reporting. This is important to farmers since our markets can move significantly in just a few days causing farmers to lose substantial amounts on commodities sold prior to public knowledge of export sales. Also, my bill would require reporting not only of actual sales for export but of agreements to sell for export. This would cover agreements which are firm enough that they will undoubtedly result in an export sale. Furthermore, the bill would provide for disclosure of the identity of the buyer and the buyer's relationship to the exporter. This should help improve export data reliability.

It is important to note that my bill retains the export sales reporting system in the Department of Agriculture. I think that this is important to farmers. The Department is currently responsible for providing the public with various kinds of statistics and projections with regard to production, supply, demand, and prices of agricultural commodities. To remove the export sales reporting function from the Department would run counter to efforts to develop a more comprehensive system of export market intelligence and forecasting.

The primary concern of those who oppose expanding the export sales reporting system is that they fear that requiring foreign entities to report sales of U.S. commodities may result in the loss of export markets for the United States. If I thought this were true, I would not be offering this bill. Frankly, I think that those who raise this issue have the wrong perception of how this would work.

While the Advisory Committee for some inexplicable reason concluded that expansion of the reporting system to foreign firms could result in loss of U.S. sales, the committee also found that:

> No objectively verifiable evidence was presented to the committee to either support or refute the connection that U.S. exports might be reduced by more complete and timely export sales reporting.

Mr. Speaker, that is the real key. No one is able to present any objective evidence that expansion of the reporting system will cause a loss of sales. Furthermore, many foreign buyers have nowhere to go but to the United States to obtain the grain that they need. For example, an official of USDA's Foreign Agricultural Service recently stated that if the Soviet Union is forced to import 30 million tons of grain next season, the bulk of it would have to come from the United States. Under these circumstances there is not going to be any loss of sales.

Mr. Speaker, timely and accurate export sales data are important to the American people. My bill would provide

that kind of data. It does only what is necessary to achieve this result. It will not be burdensome to the exporters nor interfere in their legitimate activities. It will not cause any reduction in the volume of our agricultural exports. The basic question is whether we should make the export sales reporting system work, whether we should make it effective, and whether we should make it meaningful. I believe we should. Now is the time to act. I will be pressing for prompt consideration of this measure by the House Agriculture Committee.●

SELECT COMMITTEE ON ASSASSINATIONS AND GOVERNMENT PRINTING OFFICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 5 minutes.

● Mr. STOKES. Mr. Speaker, I would like to draw the attention of my colleagues to the excellent work the Government Printing Office did in publishing the 28 volumes of hearings, staff reports and the final report of the Select Committee on Assassinations.

I am told that commercial publishers sometimes take 6 to 9 months to publish a single volume. Yet the small holdover staff of the select committee and the Government Printing Office printers were able to write and publish more than 17 volumes of materials since December. They must be congratulated for their herculean efforts.

I want to single out particularly Ben Guthrie of the Clerk's office and Larry Stickler and George R. Stephens of the Government Printing Office staff for their yeoman efforts to get our volumes printed. It was a job well done.●

THE 20TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, the recent commemoration of the 20th anniversary of Captive Nations Week, July 15–21, was from all reports a huge success. The week was observed across the Nation and in foreign countries. Many segments of our society have not forgotten the captive nations in Central Europe, within the U.S.S.R., in Asia and in Cuba. Doubtlessly, this augurs well for our own future.

The following reports and proclamations indicate the extent of the week's observance: First, proclamations by Governors Edwin Edwards of Louisiana and Edward J. King of Massachusetts; Second, proclamations by Mayors Stephen P. Clark of Metropolitan Dade County, Fla., Marion Barry, Jr., of the District of Columbia and Gil Gunn of Sunnyvale, Calif.; Third, the program of the Captive Nations Congressional luncheon and co-hosts and cooperating organizations; Fourth, a letter to the editor by Vera A. Dowhan, executive secretary of the National Captive Nations Committee in the Catholic Standard and Fifth, two items from the July 19 issue of the News World in New York.

PROCLAMATION OF THE STATE OF LOUISIANA

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples,

Now, therefore, I, Edwin Edwards, Governor of the State of Louisiana, do hereby proclaim that the week commencing July 15, 1979, be observed as "Captive Nations Week" in Louisiana, and call upon the citizens of Louisiana to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

EDWIN EDWARDS,
Governor.

PROCLAMATION OF THE COMMONWEALTH OF MASSACHUSETTS

Whereas: The week of July 15–21, 1979, is observed nationally as "Captive Nations Week", in accordance with Public Law 86–90; and

Whereas: This year marks the 20th anniversary of the Captive Nations Week, which was enacted by U.S. Congress on July 17, 1959; and

Whereas: The captive nations of Central and Eastern Europe—Armenia, Byelorussia, Estonia, Latvia, Lithuania, Ukraine, Georgia, and others—have not accepted the status of Soviet Russian enslavement and continue to struggle for their national and independent States; and

Whereas: The establishment of national and independent States by all captive nations and the decolonization of the Soviet Union Empire would contribute significantly to a just and lasting peace in the world and to the freedom of all nations; and

Whereas: The 1979 "Captive Nations Week" serves as an appropriate forum to manifest public support for all captive nations;

Now, therefore, I, Edward J. King, Governor of the Commonwealth of Massachusetts, do hereby proclaim the week of July 15–21, 1979, as "Captive Nations Week" and urge all citizens of the Commonwealth to take cognizance of this event and to participate fittingly in its observance.

EDWARD J. KING,
Governor.

PROCLAMATION OF THE BOARD OF COUNTY COMMISSIONERS, DADE COUNTY, FLA.

Whereas: Imperialistic policies of International Communism have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba and others, and

Whereas: The enslavement of a substantial part of the world's population and the depravation of basic human rights have resulted in a constant threat to the security of the United States and all the free peoples of the world, and

Whereas: These enslaved people have kept a constant vigil of hope for freedom and look towards the United States as a stronghold of liberty, freedom and human rights, and

Whereas: It is vital to the national security of the United States that the desire for liberty, freedom and human rights of these conquered nations should steadfastly be kept alive;

Now, therefore: be it resolved that I, Stephen P. Clark, mayor of Metropolitan Dade County, Florida, do hereby proclaim the week of July 15–21, as "Captive Nations Week."

In observance thereof: I call upon the people of Metropolitan Dade County to join with me in saluting the bravery and courage of these peoples as they constantly strive to oppose International Communism and seek the freedom and rights which are theirs by birth.

STEPHEN P. CLARK,
Mayor.

PROCLAMATION: CAPTIVE NATIONS WEEK, JULY 15–21, 1979

Whereas, by a joint resolution approved July 17, 1959, the Congress authorized and requested the President of the United States of America to issue a proclamation designating the third week in July as "Captive Nations Week," and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all captive nations of the world; and

Whereas, there is a strong belief that the observance of "Captive Nations Week" throughout our country and our community will serve the cause of America and the entire free world; that the keeping alive of the spirit of liberation is the free world's most effective instrument; and

Whereas, it is deemed appropriate and proper for the people of our community to extend to the peoples of the captive nations our support and sympathy for their just aspirations for freedom and national independence:

Now, therefore, I, the mayor of the District of Columbia, do hereby proclaim the week of July 15–21, 1979 as "CAPTIVE NATIONS WEEK" and invite the people of the Nation's Capital to participate in the observance of this period by offering prayers in their churches and synagogues for the peaceful liberation of the peoples throughout the world who are denied their fundamental human rights.

MARION BARRY, Jr.,
Mayor.

PROCLAMATION OF SUNNYVALE, CALIF.

Whereas, the republican form of government has resulted in the development of sympathy for the aspirations for freedom of peoples everywhere; and

Whereas, the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful co-existence between nations; and

Whereas, since 1918 the aggressive policies of the military depotisms of International Communism have resulted in the creation of a constant threat to the security of all the free peoples of the world; and

Whereas, it is vital to the national security of the United States and the other free nations of the world that the desire for liberty and independence on the part of the peoples in conquered nations should be steadfastly kept alive:

Now, therefore, I, Gil Gunn, Mayor of Sunnyvale, do hereby designate the week of July 15–21, 1979 as CAPTIVE NATIONS WEEK. Declared this 5th day of July, 1979.

GIL GUNN,
Mayor.

CAPTIVE NATIONS CONGRESSIONAL LUNCHEON, JULY 18, 1979, COMMEMORATING THE 20TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

PROGRAM

Welcome: Dr. Lev E. Dobriansky, Chairman, National Captive Nations Committee.

Pledge of Allegiance: Lee Edwards, Secretary, American Council for World Freedom.

Invocation: The Rev. Edward Elson, Chaplain, U.S. Senate.

Remarks: Rep. Edward J. Derwinski of Illinois.

Luncheon

"Liberty Award" to Valentyn Moroz.
Response by Mr. Moroz.
"Liberty Award" to Ku Cheng-kang.
Response by Dr. Ku.

Cooperating organizations

AFL–CIO.
Alliance For Freedom, A Project of the American Conservative Union.
American Council For World Freedom.
The American Legion.
Cardinal Mindszenty Foundation.
Catholic War Veterans of the United States, Ladies Auxiliary—Department of D.C.
The Committee to United America, Inc.
Council Against Communist Aggression.
Council for Inter-American Security.
Freedom Leadership Foundation.
Institute of American Relations.
Young Americans for Freedom.
Co-hosted by: National Captive Nations Committee and Ukrainian Congress Committee of America.

[From the Catholic Standard, July 12, 1979]

WHO ARE THE CAPTIVE NATIONS? AND WHY SHOULD WE CARE?

The week of July 15th is Captive Nations Week.

Three years ago we had a spectacular birthday party; we celebrated our bicentennial. As a free people, we were all of 200 years old. That's really quite young. What many people don't realize is that some of these captive nations have existed as independent states for centuries.

Georgia in the USSR dates back to the 6th century; Ukraine to the 9th; Lithuania, the 13th. Yet, I've read reports on "the former nation of Lithuania." There's nothing former about it. Lithuania was, is and shall continue to be a nation. Her criteria for nationhood, as with all the captive non-Russian nations in the USSR were met long ago. It's independent statehood that has been lost.

This, then, obfuscates completely such yarns as "USSR," "Russia," and "Soviet Union" used interchangeably by far too many who regard them as one and the same. Or "Soviet people," "Soviet nation," "Soviet athlete," "Soviet dissidents" or "The Soviets" to automatically mean "Russia" or "Russian." In the April 27 exchange of five dissidents from the USSR for two Russian spies, Valentyn Moroz, one of the five, in one of his first press conference on free soil stressed, "I am not a Russian dissident, I am a Ukrainian."

For some reason, it is the captive non-Russian peoples in that land mass called the Union of Soviet Socialist Republics (and note that "Union" and "Republics" signify plurality) that far too many Americans refuse to recognize as the first victims, between the 1917–20 period, of the last remaining empire, the Soviet Russian Empire.

The Russian people, too, are victims of their own repressive system of government, else why would an Andrei Sakharov at great personal risk to his life, and Aleksandr Solzhynitsin, a Valdimir Bukovsky or an Andrei Amalrik speak out on violations committed against their own Russian people, yet never failing to mention the non-Russian peoples whose only crime is nationalism.

Pope John Paul II, at his investiture as pontiff of the Universal Catholic Church, gave his papal blessing in many languages, including a number of the languages of the non-Russian Republics in the USSR. During his recent triumphal visit to his native Poland, he fully recognized the suffering Church under Russian Communist domination by alluding to those of the faith who were not free to travel to Poland, or those of the "Silent Church." Ever cognisant of this, he mentioned Ukrainians, in his wisdom knowing all too well the complete genocide perpetrated against the Ukrainian Orthodox and Catholic Churches.

Captive Nations Week is an observance which reminds the free world of tyranny versus freedom. Thaddeus Kosciuszko, a Pole, and the Marquis de Lafayette, a Frenchman, volunteered their services to a fledgling young land whose people dared to want freedom, independence and self-government, a people who dared severance from an empire. Their distinguished services are recorded in the annals of our history. We gained our freedom but the captive nations, long before us, enjoyed this freedom.

By coercion, political chicanery or outright aggression and invasion, they were stripped of these inherent God-given rights. In our American tradition, it would seem terribly selfish for us as a people still fortunate enough to possess these rights to view them as our privilege alone.

Are we our brother's keeper? Why should this affect us? I think Thomas Jefferson answered this best when he said, most eloquently, ". . . have sworn upon the altar of God, eternal hostility against every form of tyranny over the mind of men . . ."

VERA A. DOWHAN,
Executive Secretary, National Captive Nations Committee, Inc.

WASHINGTON.

CAPTIVE NATIONS WEEK PUTS SPOTLIGHT ON OPPRESSION

(By Hal McKenzie)

To oppose Soviet Russian imperialism, which has led to the subjugation of at least 1.5 billion people under totalitarian communist control, Captive Nations Week was established 20 years ago by an act of Congress signed into law by President Eisenhower. The resolution, signed on July 17, 1959, called on the president to issue a proclamation declaring the third week in July as Captive Nations Week every year "until such time as freedom and independence shall have been achieved for all the captive nations of the world."

President Jimmy Carter's proclamation this year, however, does not mention the Soviet Union by name, although a "captive nation" is defined by Dr. Lev Dobriansky, the author of the Captive Nations Week resolution and chairman of the National Captive Nation Committee (NCNC), as "any nation which has fallen under communist domination primarily as the result of Soviet Russian imperialism." Carter's proclamation extols "liberty and national independence" in general but can be applied to any nation in the world.

This retreat from America's original opposition to Soviet imperialism reflects the extent to which the U.S. government has accommodated itself to a modern empire which rivals any in history in the extent of territory and proportion of the world's population it controls. The NCNC's official list of captive nations, which includes Red China and its tributary Tibet, adds up to 30 nations with a population of at least 1.5 billion.

This list does not include the recently established Marxist states of Mozambique, Angola, Ethiopia, and Afghanistan which were taken over by local Soviet-backed Marxist dictators. Adding those countries to the list would tip the balance of people in captive nations to around half of the world's population—about 1.9 billion. This doesn't include the other countries that are threatened by Marxist takeovers, especially Rhodesia and Nicaragua.

But history has shown that every imperialist system has fallen apart eventually, and the Soviet empire is no exception. Behind the Iron Curtain, nationalist sentiment is gaining strength, despite decades of Soviet domination and attempts at "russification" of the national minorities, which make up nearly half of the Soviet Union's population.

RELIGION'S VOICE HEARD

Religion is a powerful nationalistic influence among all of the captive nations. This was demonstrated most forcefully in April by Pope John Paul II's visit to his homeland Poland. Religion is also a potent force in the Muslim areas of Turkestan, Soviet Armenia and Azerbaijan in Central Asia, as well as in Chinese-dominated Tibet, a country which for centuries was ruled by Buddhist lamas.

As Valentyn Moroz said at a dinner yesterday in Washington, D.C., to commemorate Captive Nations Week, "Nationalism is a great weapon in the hands of the West against the Kremlin." It is a weapon, however, which the Carter administration has decided not to use.

CAPTIVE NATIONS WEEK

Through 20 years, 11 congresses and six presidents, Captive Nations Week has been observed every year by tens of thousands of patriotic Americans. And, in accordance with the Captive Nations Week resolution passed by Congress and signed by President Eisenhower in April 1959, the president has issued a proclamation in honor of the occasion. President Carter issued the yearly proclamation, but with a curious omission. He did not mention the Soviet Union by name, although that country is the specific target of the Captive Nations Week resolution.

Carter's reticence reflects the extent to which the United Sattes has accepted the Soviet domination of Eastern Europe, China's subjugation of Tibet, the Soviet-Cuban armed intervention in Africa and the Mideast, and countless other examples of Soviet imperialism, including infiltration and espionage in our own country. America is concluding an arms limitation agreement with the Soviets, is continuing to expand trade and cultural exchanges, and is seriously considering giving the Soviet Union "most favored nation" status. Yet Soviet imperialism is as aggressive as ever. It hasn't changed—American policy has.

Nevertheless, the Captive Nations Week rises up every year like Banquo's ghost, reminding this country of its responsibility to the nearly 2 billion people throughout the world who have lost their freedom and national identity to totalitarian communism. As long as the United States keeps the hope of enslaved nations alive by observing Captive Nations Week, the communist giants can never be confident of ultimate victory.●

CONSERVATION IS THE KEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

● Mr. WEAVER. Mr. Speaker, the

United States is plagued by inflation caused largely by excessive consumption of high-priced energy. This excessive consumption continues, despite growing public awareness of the importance of conservation as a means to increase energy supplies without increasing inflation. Conservation is absolutely necessary if this country is to safeguard its economic strength.

I highly recommend to my colleagues an editorial from the July 26, 1979, edition of the Christian Science Monitor, entitled "Conservation is the Key." This extremely insightful article exposes the problem most central to our energy dilemma—excessive consumption—and presents the most economic and energy-efficient alternative available, conservation.

CONSERVATION IS THE KEY

Is that a Papermate pen in your pocket? It can now be produced for 30 percent less energy than in 1973. Is it a sacrifice to make or use such a pen? No. But somehow the idea of conserving energy has become confused with the idea of sacrifice, penalty, loss, lack of growth. A pocket pen is a tiny example of a message that is being written large in Washington this week. The Congress, the President, and the American people ought to read it carefully. For there are realistic limits on the conventional and new-form fuel production increases over the next decade, even with massive governmental support. Conservation produces more for less—immediately. It must have high priority both to get the United States through the transition period to reduced dependence on imported oil and to make sure that the energy of the future is used wisely and well.

A major disappointment in Mr. Carter's new energy proposals is the scant encouragement ($2 billion) given to conservation in comparison to, say, synthetic fuels ($88 billion). While direct comparison is difficult, his predicted conservation goal (500,000 barrels of oil a day) seems an obvious bargain compared to the synfuel goal of 2½ million barrels for 44 times that $2 billion conservation budget figure.

Now, indeed, the President seems more concerned about conserving the energy of Congress. After trying to make the nation believe it is in a state of crisis, he says it's okay with him if Congress takes August off and gets back to the crisis in the fall.

Fortunately some parts of Congress have not lost interest in developing an effective energy program. They are this week considering the views of a Harvard Business School team some of whose members are testifying on Capitol Hill on their report on a six-year project, "Energy Future," which is officially published today. They take account of all the possibilities for increased production but come back to conservation as "the key energy source."

Congress also has just been offered a legislative proposal on conservation by Senators Kennedy and Durkin. It would offer, among other things, quick and direct payments to people who insulate their homes, somewhat in the manner of a Canadian program that has resulted in substantial savings of fuel, according to a Canadian official involved.

The Harvard and Kennedy-Durkin proposals on conservation follow a growing cry from environmentalists and others to use the earth's resources with care. But sometimes the cry has been dismissed as romanticism or no-growth philosophy. We do feel that there is a moral question here. Waste by the affluent cannot be tolerated in a world haunted by poverty. Thrift, nonmaterialism, voluntary simplicity, as it has been called—these are virtues. Yet there is also a hard-nosed, dollars-and-cents, enlightened-self-interest case to be made for conservation. This is what is being made in Washington now.

Canada's experience with grants is instructive. When the national program began in 1977, the response fell far below forecasts. As fuel prices increased and energy became world topic number one, the response has increased. By the end of last year, some 60,000 grants had been made, and inquiries are coming in at the rate of 1,400 a day. In Nova Scotia and Prince Edward Island, particularly dependent on imported oil, grants were made nontaxable, and virtually all the homes in metropolitan areas are or will be insulated. But people seemed to need the push of higher prices with or without government help.

In the US an added question is—why should there be this kind of government expenditure for certain people and industries, including, say, the insulation industry which is benefited by residential insulation subsidies? The answer depends on how the public feels about any government subsidy for energy purposes. We believe the need is such that taxpayers will have to bear some of the load. If they are to underwrite industries producing fuels, they also ought to underwrite the saving of fuels, with its higher proportionate payoffs. Not only is the owner of the insulated home benefited but so are other Americans who now share in the extra energy released to go around.

Then comes the argument that America's way is to produce its way to the future, not to cut back its way to the future. Here is where the Harvard scholars and others demonstrate that economic growth is not incompatible with efficient use of energy and can indeed be enhanced by it. They cite examples abroad. They cite periods in US history when economic growth at lower expenditures of energy was higher than at times when energy expenditures were higher. There is a flexibility here that can be exploited.

Capital investment is required in many cases. But there is also much that can be done with little of it. For example, Colgate-Palmolive cut energy use by 18 percent over three years by "mostly housekeeping," according to Harvard. Western Electric's Kansas City plant cut by 38 percent in five years with "almost no investment."

Each of us around the house is finding out how much can be cut by better housekeeping. How a little more can be saved with weather-stripping. How another jump can be taken with insulation. As for those gas-hungry cars: It may be a sacrifice to sit in a gas line, but there is really no sacrifice in driving a car that gets good mileage. Keeping Detroit up to mileage standards required over the coming years is another way government can help. It is a common enterprise of the sort President Carter called for even if he has not yet gone to bat for conservation itself as we hope he will.●

THE SUCCESSFUL EXPERIMENT IS EXTENDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, yesterday the Subcommittee on Financial Institutions completed its action on H.R. 3864—the Consumer Checking Account Equity Act of 1979. As I said on July 16, consumers throughout this Nation should have the benefits which consumers in New England and New York have had. Interest-bearing transaction accounts—NOW accounts and credit union share drafts—have proven themselves. And consumers want to utilize that type of account.

In the markup the subcommittee approved the substitute amendment I offered. That substitute authorizes all federally insured credit unions to offer share drafts, authorizes federally chartered savings and loans to establish remote service units and to offer loans tied to NOW accounts, and extends the authority for commercial banks, savings and loans, and mutual savings banks to offer NOW accounts from New England and New York to the rest of the Nation. As amended by the Patterson amendment the bill authorizes automatic transfer accounts at commercial banks and delays the startup of NOW accounts until September 1980.

Mr. Speaker, this action is a victory for the consumers of this land who deserve the right to have ready access to their funds and to earn interest on them. The bill as reported provides the groundwork for such a choice.

At this point I include a section-by-section analysis and the text of the bill as reported by the subcommittee for the RECORD. For any of my colleagues who wish to cosponsor this bill, please call the subcommittee at 225-3851.

SECTION-BY-SECTION ANALYSIS OF BILL REPORTED BY SUBCOMMITTEE

SHORT TITLE—CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

Sec. 2. (a) Amends section 19(i) of the Federal Reserve Act by adding a proviso that the prohibitions on paying interest on demand deposits shall not apply to automatic transfer accounts (checking accounts linked automatically to a savings account, provided the accounts are held by individuals) authorized by regulations of the Federal Reserve but overturned by the Court of Appeals for the District of Columbia.

(b) Amends section 18(g) of the Federal Deposit Insurance Act by adding a proviso that the prohibitions on paying interest on demand deposits shall not apply to automatic transfer accounts authorized by regulations of the Federal Deposit Insurance Corporation but overturned by the Court of Appeals decision.

Sec. 3. Amends Section 2(a) of Public Law 93-100 to authorize nationwide NOW accounts for commercial banks, savings and loan associations, mutual savings banks, and savings banks, limited to individuals and charitable organizations.

Sec. 4. (a) Amends Section 5(b)(1) of the Home Owners Loan Act to expressly authorize remote service units by Federally-chartered savings and loan associations.

(b) Amends Section 5(c)(1)(A) of the Home Owners Loan Act to allow pre-authorized extensions of credit tied to a NOW account at Federally-chartered savings and loan associations.

(c) Amends Section 5(A) of the Federal Home Loan Bank Act to require that members of the Federal Home Loan Bank system must maintain reserves against their NOW deposits in amounts determined by the Federal Home Loan Bank Board after consultation with the Board of Governors of the Federal Reserve System. The reserves would be held in the Federal Home Loan Banks.

Sec. 5. (a) Amends Section 101(5) of the Federal Credit Union Act to include the term "share draft deposit" in the definition of the term "member account".

(b) Amends Section 107(6) of the Federal Credit Union Act to expressly authorize the acceptance of share draft deposits by Federal credit unions.

(c) Amends Section 116 of the Federal Credit Union Act to require Federal credit unions to maintain reserves against their share draft deposits in amounts determined by the National Credit Union Board after

consultation with the Board of Governors of the Federal Reserve System.

(d) Amends Section 117 of the Federal Credit Union Act to make technical and conforming changes in the dividend authority for Federal credit unions to reflect the authorization to accept share draft deposits.

(e) Amends Section 205 of the Federal Credit Union Act to expressly authorize the acceptance of share draft deposits by federally insured credit unions, from individuals and charitable organizations.

Sec. 6. Provides that the effective date of the Act will be December 31, 1979 with the exception that the authority to utilize NOW accounts in the remaining 43 States shall not be effective until September 30, 1980.

H.R. 3864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Checking Account Equity Act of 1979".

SEC. 2. (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, a member bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board.".

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following:

"(2) Notwithstanding the provisions of paragraph (1), an insured nonmember bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board of Directors.".

SEC. 3. Section 2(a) of the Act entitled "An Act to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes", approved August 16, 1973 (12 U.S.C. 1832(a)), is amended to read as follows:

"(a)(1) Except as provided in paragraph (2), a depository institution may permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to deposits or accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 4. (a) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464 (b)(1)) is amended by adding at the end thereof the following: "This section does not prohibit the establishment of remote service units by associations in accordance with regulations prescribed by the Board.".

(b) Section 5(c)(1)(A) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(A)) is amended by striking out the period at the end thereof and inserting in lieu thereof "and loans specifically related to negotiable order of withdrawal accounts.".

(c) Section 5A of the Federal Home Loan Bank Act (12 U.S.C. 1425a) is amended by adding at the end thereof the following new subsection:

"(g) Every member shall maintain reserves against its negotiable order of withdrawal accounts as defined by the Board in amounts not less than such percentages of its aggregate amounts of deposits in such accounts as may be prescribed by the Board, after consultation with the Board of Governors of the Federal Reserve System. Reserves held by a member to meet the requirements of this subsection shall be in the form of—

"(1) balances maintained for such purpose by such member in the Federal Home Loan Bank of which such member is a member; and

"(2) the currency and coin held by such member, or such part thereof, as the Board may prescribe by regulation.".

SEC. 5. (a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended by striking out "or share certificate" each place it appears therein and inserting in lieu thereof ", share certificate, or share draft deposit".

(b) Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by striking out "credit unions serving" and all that follows through the end thereof and inserting in lieu thereof "credit unions serving predominately low-income members (as defined by the Board) payments on—

"(A) shares which may be issued at varying dividend rates;

"(B) share certificates which may be issued at varying dividend rates and maturities; and

"(C) share draft deposits authorized under section 205(f);

subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the board.".

(c) Section 116 of the Federal Credit Union Act (12 U.S.C. 1762) is amended by adding at the end thereof the following new subsection:

"(c) Each Federal credit union shall maintain reserves against its share draft deposits as defined by the Board in amounts not less than such percentages of its aggregate amounts of such deposits as may be prescribed by the Board, after consultation with the Board of Governors of the Federal Reserve System. Reserves held by Federal credit unions to meet the requirments of this subsection shall be in a form specified by rules and regulations prescribed by the Board.".

(d) Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended—

(1) in the first sentence—

(A) by striking out "and" the second place it appears therein and inserting in lieu thereof a comma; and

(B) by inserting ", and at different rates on different types of share draft deposits" before the period at the end thereof; and

(2) in the second sentence, by striking out "and share certificates" and inserting in lieu thereof ", share certificates, and share draft deposits".

(e) Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every insured credit union is authorized to receive short draft deposits in accordance with rules and regulations prescribed by the Board. Except as provided in paragraph (2), an insured credit union may pay dividends on share draft deposits and may permit the owner of such share draft deposit to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to accounts which consist solely of share draft deposits in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 6. The amendments made by this act shall take effect on December 31, 1979, except that the amendments made by section 3 of this Act shall take effect on September 30, 1980.●

INTRODUCTION OF LEGISLATION VALIDATING CERTAIN PLAN FOR THE DISTRIBUTION OF INDIAN JUDGMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I have introduced today a joint resolution to validate several plans for the use and distribution of Indian judgment funds. This is emergency legislation, which is requested by the administration, and I hope to have the resolution reported by the Interior Committee on August 1.

From 1960 to 1973, special legislation was necessary to authorize the distribution of any money awards made to Indian tribes against the United States. This took a considerable amount of the time of the House and Senate committees responsible for Indian matters.

In 1973, we enacted legislation delegating much of that authority to the Secretary of the Interior. Under that act, the Secretary was required to develop a plan for use and distribution of such funds in consultation with the relevant Indian tribe or tribes.

He is required to submit such plans to the Congress within 180 days after appropriation of the funds. The act authorizes an extension of 90 days. After submission, either House may disapprove the plan by simple resolution within 60 days. If neither does, the plan becomes effective.

Since the passage of the act, approximately 54 such plans have been submitted to Congress. Almost without exception, the Secretary failed to meet the statutory deadlines. However, the plans were approved and, in most cases, the funds have been disbursed, either per capita to individual Indians or to tribes for tribal programs or both.

Early this year, the Seminole Tribe of Florida filed suit in the Federal district court against the Secretary of the Interior challenging the validity of a plan for the distribution of a judgment award to the Seminole. The plan provided for the division of the award between the Seminole of Oklahoma and the Seminole of Florida. The Florida Seminole contended that the plan was void for failure of the Secretary to meet the statutory deadlines for submission of the plan to Congress.

On July 9, 1979, the U.S. District Court for the District of Columbia, in an action entitled *Seminole Indian Tribe of*

Florida v. *Andrus* (Civil Action No. 78-994), held that the plan was void for failure to meet the deadlines and enjoined the Secretary from implementing the plan.

This decision has serious potential for the United States. Since the Secretary failed to meet the deadlines on most of the 54 plans submitted, even though technically approved by Congress, it is conceivable that these plans could be upset in litigation. In those cases where the funds have already been disbursed, the United States could possibly be liable for considerable monetary damages.

The joint resolution I have introduced will preclude that by congressionally validating all such plans, with the exception of the Seminole plan and a plan for the distribution of funds awarded to the Indians of the Warm Springs Reservation in Oregon, which is also in litigation.

We have the assurances of the administration that they will later be submitting legislation to amend the Indian Judgment Distribution Act to prevent any further occurrences of this nature.●

HEW REPORT ON HEALTH EFFECTS OF TOXIC WASTES AT THE LOVE CANAL, NIAGARA FALLS, N.Y.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Mr. Speaker, in March of this year I requested the Secretary of HEW and the Administrator of EPA to review diverse interpretations of health data collected at the Love Canal which had been rendered by the New York State Department of Health and Dr. Beverly Paigen, a scientist at the Roswell Park Memorial Institute.

HEW Secretary Joseph Califano released its findings yesterday. The report does offer great hope for future victims of hazardous waste exposure throughout the United States. However, it does pose a series of unanswered questions with regard to those residents of the "wet" areas surrounding the Love Canal.

I applaud HEW's creation of a task force of professional scientists to review the impacts that chemical dumps pose nationwide to public health. This is of great importance to the people living near the 50,000 chemical dumps across the Nation. I have called for such a nationwide approach to the problems of toxic wastes for some time, and HEW's order implementing my suggestion is good news. Over the long term, only a thorough national study of these problems can help resolve the questions of health problems and environmental damage due to hazardous waste dumping. I expect this study to be thorough both in its national scope and its scientific approach, and will expect the task force's report and recommendations to be completed in a timely fashion, according to them, 6 months.

However, I do have serious questions about other aspects of this report. When I called for this study, it was a result of discrepencies in studies done by the State Department of Health and Dr. Beverly Paigen. Although today's report clearly indicates that serious health dangers confront these residents, its recommended actions—to minimize exposures to the extent feasible—are too cloudy for public policy actions. Therefore, I have asked HEW to collaborate with the New York State Department of Health to define more specifically what actions ought to be taken to achieve this minimization of exposure, and then to inform all concerned parties.

Mr. Speaker, I am inserting the HEW-EPA report for the record so that my colleagues can be aware of the findings and recommendations of the EPA-HEW Scientists in detail and have a better understanding of the continued efforts of our Government to tackle the difficult questions involved concerning the effects of toxic wastes on the public health and welfare.

The report follows:

REPORT OF MEETINGS BETWEEN SCIENTISTS FROM HEW AND EPA, AND DR. BEVERLY PAIGEN AND SCIENTISTS OF THE STATE OF NEW YORK DEPARTMENT OF HEALTH CONCERNING LOVE CANAL

BACKGROUND

The Love Canal was to be a privately-owned, navigable, electric power producing canal that bypassed Niagara Falls. The Canal was begun in 1894, but the company went bankrupt after only a short section of the Canal had been dug. By the 1920's the excavation was used as a disposal site by chemical companies and the City of Niagara Falls. In 1953 chemical waste disposal ceased and the site was covered with earth and sold by the Hooker Chemical Company to the City of Niagara Falls Board of Education. A few years later, houses and eventually an elementary school were built at the site. Ultimately, almost 500 single family homes and a garden apartment complex of about 200 units (Griffin Manor) were built in this area.

Although residents sporadically noticed chemical odors in the area, heavy rainfall and the blizzard of 1977 exacerbated the problem. Residents' complained of odors and health problems led to the New York State Departments of Health and Environmental Conservation to begin a program of environmental sampling and health surveillance in the early spring of 1978.

Almost 100 chemicals, including 12 known carcinogens, were identified in the soil, air, and in the basements of some of the houses. Governor Carey announced in early August 1978 that the State would purchase the 239 houses in the first two rings of houses adjacent to Love Canal and would assist in relocating the families.

In addition to these houses, there is concern regarding the possible exposure to chemicals in houses in other "wet" areas—that is, houses located along swales and pond areas which may also be contaminated with toxic chemicals. These wet areas extend beyond the two rings of houses adjacent to the canal.

The Department of Health continued to survey the health of the residents in the area and hypothesized that excess health problems were associated with about 100 houses located in "wet" areas. However, the Love Canal Owners and Love Canal Renters Association felt that they were aware of health problems unrecognized by the State. Dr. Beverely Paigen of the Roswell Park Memorial Institute assisted the residents, tentatively identified additional houses as "wet" ones, and raised the question of moving more families or women of childbearing age from the Love Canal area, particularly from the "wet" areas.

Congressman John LaFalce requested that HEW and EPA assess the problems suggested by Dr. Paigen. A committee of scientists from HEW and EPA reviewed data developed by Dr. Paigen and the New York State Department of Health on the medical condition of residents living around Love Canal. The HEW and EPA scientists met with Dr. Paigen on April 12, 1979, and with representatives of the New York Department of Health on April 26.

COMMITTEE MEMBERS

The HEW and EPA scientists involved in this review were Dr. David P. Rall (Chairperson), Director, National Institute of Environmental Health Sciences (NIEHS), HEW; Dr. Robert S. Gordon, Jr., Special Assistant to the Director, National Institutes of Health (NIH), HEW; Dr. Robert A. Goyer, Deputy Director, NIEHS; Dr. Walter Rogan, Medical Officer, Biometry Branch, NIEHS; Dr. Carl A. Keller, Chief, Epidemiology Branch, National Institute of Child Health and Human Development, HEW; Dr. Philip B. Landrigan, Chief, Special Studies Branch, Chronic Diseases Division, Center for Disease Control, HEW; Ms. Kathleen Conway, Health Effects Division, U.S. Environmental Protection Agency (EPA); and Dr. Shelly Williamson, Epidemiologist, Health Effects Division, EPA.

SCOPE

The committee's review was directed solely to the data on the medical conditions of residents living around Love Canal, particularly those living in "wet" areas, and to recommendations arising therefrom.

FINDINGS

It was the consensus of the Committee that:

1. Data developed by the New York State scientists show an increase in miscarriages and the incidence of low birth weight babies in the "wet" areas. These studies are the product of state-of-the-art methodology which is necessarily conservative. Excess miscarriages reported by the New York State Department of Health may have been understated because the State included only those miscarriages confirmed by physicians whereas control groups used by the State had included self-reported cases.

2. Seventeen miscarriages were recorded by the State among residents in the first two rings of houses around the canal whereas only eleven or twelve would be expected in a control population. This is about 1.5 times the rate expected among members of the general population, and is 1.8 times the rate that these women experienced before moving to the Love Canal area. Both of these rates are statistically significant.

3. According to the New York State Department of Health, there was about a two-fold excess of children with low birth weight born to women living in the "wet" areas as compared to children born to women living in other parts of New York State (exclusive of New York City) or in the "dry" part of the Love Canal area.

4. Dr. Paigen has developed data that show an apparent increase in incidence of miscarriages, birth defects and various chronic diseases among residents of the Love Canal area, particularly those living in "wet" areas. Dr. Paigen's data were obtained indirectly from information collected by telephone interviews of residents. Although these data may be incomplete and contain potential biases, the concerns and questions raised by Dr. Paigen are important and merit attention.

5. Dr. Paigen has requested that studies be conducted to investigate the prevalence of chronic diseases and disorders, such as epilepsy, nervous breakdowns and urinary tract disorders. The Committee believes that there is not now sufficient data for it to reach a conclusion on whether the incidence of such disorders has been higher than normal. The New York State Department of Health has been conducting such studies on these disorders, but they are incomplete to

date. The committee believes that at this time measures of miscarriage rates and the birth weight of infants are the most sensitive indices of potential adverse health effects in this case, because these effects occur with little time lag. Birth weight is easily and accurately measured, though accurate recording of the number of miscarriages is more difficult.

The health effects data, including miscarriage rate data, are not likely to have sufficient statistical precision to serve as the sole criterion for defining which houses should be evacuated. This is because the population of the Love Canal is small and the occurrence or non-occurrence of relatively rare events such as miscarriages is not a suitable method for identifying individual homes with excessive exposure to chemicals.

7. Preliminary data from the State suggest that "wet" areas may not be contaminated as a result of surface water flow but rather as a result of use of contaminated Love Canal material as fill, and a continuing underground transport of chemicals due to water seepage. Geochemical mapping should serve to identify those areas which are contaminated by chemicals, and therefore are likely to cause adverse health effects in residents. Decisions regarding the Griffin Manor area should be based primarily on geochemical findings and not observed health effects since the population living there may be too mobile for the results of health effects studies to be meaningful.

8. It is acknowledged that the scientists conducting the ongoing studies are State employees. Therefore, although they are highly competent and are held in high esteem by their peers, the public may perceive a conflict of interest. For this reason, the involvement of outside scientists both in the interpretation of data and the formulation of recommendations to the State should be continued. In order to assure that all health effects are disclosed and considered, and to assure public confidence in findings, the State may also wish to include non-scientists, local residents and others in future deliberations.

CONCLUSIONS

1. From the health studies available for our review, particularly the miscarriage data, we conclude that the population in the Love Canal area has suffered certain adverse health effects as a consequence of exposure to a chemically contaminated environment. The data suggest a gradient of health effects, with the most severe occurring in residents of houses immediately adjacent to the Canal and in "wet" areas.

2. Prudent public health practice dictates that these exposures be minimized to the extent feasible.

3. Geochemical mapping should be pursued. These results, correlated with health effects data, should be helpful in determining where dwellings should be prohibited, or what other steps would be warranted.

4. Every effort should be made to find and utilize a suitable control population in order to assess precisely the health effects on the population. Studies of miscarriages and low birth weight rates should be continued.

5. In order to assure that the full health effects of Love Canal can be assessed, a mechanism for providing consistent, long-term health care to the residents, and a registry regarding medical information should be developed.

DAVID RALL,
Chairperson.●

SPINAL CORD INJURY GROUP OPPOSES DINGELL ANTIAIRBAG AMENDMENT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I wish to offer for the perusal of our colleagues a letter I received from the National Spinal Cord Injury Foundation. This group opposes the Dingell antiairbag amendment to the Department of Transportation appropriation bill. Their opposition is based on the fact that automobile crash injuries are the greatest cause of quadraplegia and paraplegia in this country.

They point out that the major reason for these spinal cord injuries in auto accidents is the failure of people to wear seatbelts. That is why the foundation is supporting passive belt systems or airbags, which will operate automatically in an accident.

The text of the letter follows these remarks.

JULY 23, 1979.

DEAR MEMBER OF CONGRESS: The National Spinal Cord Injury Foundation strongly opposes Mr. Dingell's proposed amendment to the Department of Transportation's Appropriations Bill (HR 4440).

Motor vehicle accidents are the single greatest cause of all quadraplegia and paraplegia in this country. The tragedy of these injuries is compounded by the fact that most of those who experience spinal cord injury are young people; sixty percent are between the ages of 16 and 30 at the time of injury. A wheelchair becomes their only way of getting about. A person injured at the age of twenty may face fifty or more years in a wheelchair.

The major reason for spinal cord injuries in auto accidents is that people refuse to wear safety belts. Efforts to educate, legislate or coerce people into wearing safety belts have been fruitless. Automatic crash protection, such as that offered by passive belt systems or air cushions, holds the greatest hope for preventing these catastrophic injuries.

Sincerely,

ROBERT R. JACKSON, M.D.,
President.●

LEAVE OF ABSENCE

Leave of absence was granted as follows:

To Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

To Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

To Mr. FORD of Tennessee, from 4 p.m., July 26, 1979, for an indefinite period, on account of medical attention.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 20 minutes, today.

Mr. GRASSLEY, for 15 minutes, today.

(The following Members (at the request of Mr. HANCE) to revise and extend their remarks and include extraneous material:)

Mr. STOKES, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. DINGELL, for 60 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. LAFALCE, for 20 minutes, today.
Mr. UDALL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. STOKES, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,351.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous matter:)

Mr. COLLINS of Texas in two instances.
Mr. FINDLEY in two instances.
Mr. SYMMS in three instances.
Mr. MYERS of Indiana.
Mr. DERWINSKI in two instances.
Mr. LEE.
Mr. MICHEL.
Mr. SNYDER.
Mr. SAWYER.
Mr. GOODLING.
Mr. CONTE.
Mr. LENT.
Mr. WYDLER.
Mr. DORNAN in two instances.
Mr. DICKINSON.
Mr. HAMMERSCHMIDT in five instances.
Mr. BERREUTER.
Mr. ROUSSELOT.
Mr. SHUSTER in two instances.

(The following Members (at the request of Mr. HANCE) and to include extraneous matter:)

Mr. EDWARDS of California.
Mr. ST GERMAIN.
Mr. SIMON in three instances.
Mr. WAXMAN in three instances.
Mr. MCDONALD.
Mr. YATRON.
Mr. OTTINGER in two instances.
Mr. TRAXLER in two instances.
Mr. GARCIA.
Mr. OBEY.
Ms. FERRARO.
Mr. MARKEY.
Mr. FOUNTAIN.
Mr. SKELTON.
Mr. DINGELL in two instances.
Mr. ROSENTHAL.
Mr. BONKER.

ADJOURNMENT

Mr. HANCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until Monday, July 30, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2129. A communication from the President of the United States, transmitting a draft of

proposed legislation to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes (H. Doc. No. 96–170); to the Committee on Banking, Finance and Urban Affairs and ordered to be printed.

2130. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with ALIA-The Royal Jordanian Airline Corporation exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2131. A letter from the Acting Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a copy of the recent Supreme Court decision in *Andrus* v. *Sierra Club*, supporting the Council's regulations interpreting the National Environmental Policy Act; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZEFERETTI: Committee on Rules. House Resolution 390. Resolution providing for sending H.R. 111 to conference. A bill to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977 (Rept. No. 96–392). Referred to the House Calendar.

Mr. POLEY: Committee on Agriculture. H.R. 996. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt State prison farms from paying of marketing quota penalties; with amendment (Rept. 96–393). Referred to the Committee of the Whole House on the State of the Union.

Mr. POLEY: Committee of conference. Conference report on H.R. 4057 (Rept. No. 96–394). Ordered to be printed.

Mr. SOLARZ: Committee of conference. Conference report on S. 1019 (Rept. No. 96–395). Ordered to be printed.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. Second Report on Monetary Policy for 1979 (Rept. No. 96–396). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee of conference. Conference report on H.R. 3324 (Rept. No. 96–397). Ordered to be printed.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 4955. A bill to authorize an additional appropriation of $207,290,000 for the fiscal year 1980 and $203,610,000 for the fiscal year 1981 for migration and refugee assistance (Rept. No. 96–398). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. UDALL (for himself, Mr. CARR, Mr. CLAUSEN, Mr. LUJAN, Mr. BINGHAM, Mr. ECKHARDT, Mr. SANTINI, Mr. MILLER of California, Mr. FLORIO, Mr. SHARP, Mr. KOSTMAYER, Mr. CONRADA, Mr. MURPHY of Pennsylvania, Mr. VENTO, Mr. HUCKABY, Mr. GUDGER, Mr. HOWARD, Mr. PATTERSON, Mr. SENELIUS, Mr. YOUNG of Alaska, Mr. SYMMS, Mr. JOHNSON of Colorado, Mr. LAGOMARSINO, Mr. MARRIOTT, Mr. MARLENEE, Mr. EDWARDS of Oklahoma, Mr. CHENEY, Mr. PASHAYAN, Mr. WHITTAKER, Mr. BERKLEY, and Mr. EVANS of the Virgin Islands):

H.R. 4985. A bill to establish a coordinated, prompt, and simplified process for decisionmaking in regard to significant nonnuclear energy facilities, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. ST GERMAIN (for himself, Mr. WYLIE, Mr. REUSS, Mr. STANTON, Mr. MOORHEAD of Pennsylvania, Mr. GONZALEZ, Mr. MINISH, Mr. HANLEY, Mr. MITCHELL of Maryland, Mr. FAUNTROY, Mr. PATTERSON, Mr. BLANCHARD, Mr. LAFALCE, Mrs. SPELLMAN, Mr. EVANS of Indiana, Mr. D'AMOURS, Mr. LUNDINE, Mr. CAVANAUGH, Ms. OAKAR, Mr. VENTO, Mr. BARNARD, Mr. WATKINS, Mr. GARCIA, Mr. LOWRY, Mr. MCKINNEY, Mr. HANSEN, Mr. LEACH of Iowa, Mr. EVANS of Delaware, Mr. GREEN, Mr. PAUL, Mr. CAMPBELL, Mr. RITTER, Mr. HINSON, Mr. ROUSSELOT, Mr. BEARD of Rhode Island, and Mrs. FENWICK):

H.R. 4986. A bill to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order of withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish savmote service units, and to authorize federally insured credit unions to receive share draft deposits, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ASHLEY (by request) (for himself, Mr. REUSS, Mr. MOORHEAD of Pennsylvania, Mr. ST GERMAIN, Mr. HANLEY, Mr. FAUNTROY, Mr. PATTERSON, Mr. AUCOIN, Mrs. SPELLMAN, Mr. BLANCHARD, Mr. LUNDINE, Ms. OAKAR, Mr. VENTO, Mr. GARCIA, Mr. MCKINNEY, and Mr. GREEN):

H.R. 4987. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROBERT W. DANIEL, JR. (for himself and Mr. WHITEHURST):

H.R. 4988. A bill to amend the Internal Revenue Code of 1945 with respect to interest on certain governmental obligations the proceeds of which are to be used to provide solid waste disposal facilities; to the Committee on Ways and Means.

By Mr. ERDAHL:

H.R. 4989. A bill to amend the Mine Safety and Health Act by clarifying certain definitions; to the Committee on Education and Labor.

By Mr. GEPHARDT (for himself, Mr. DODD, Mr. DOWNEY, Mr. GLICKMAN, Mr. HEFTEL, Mr. HOLLAND, Mr. JENKINS, Mr. MATTOX, Mr. MINETA, Mr. OBEY, and Mr. WIRTH):

H.R. 4990. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for Social Security taxes paid in 1980 and 1981; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 4991. A bill to provide for the recomputation of the annuities of certain individuals retiring under the Policemen and Firemen's Retirement and Disability Act of the District of Columbia as a result of a disability, and of the annuities of the survivors of such individuals; to the Committee on the District of Columbia.

By Mr. GRASSLEY (for himself and Mr. SMITH of Iowa):

H.R. 4992. A bill to provide family farmers and others with timely information concerning export sales of certain agricultural commodities; to the Committee on Agriculture.

By Mr. HANSEN (for himself and Mr. SYMMS):

H.R. 4993. A bill to amend the Public Rangelands Improvement Act of 1978, to prevent the loss of economic grazing units, to prevent increased unemployment and food inflation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JENRETTE:

H.R. 4994. A bill to amend the Safe Drinking Water Act to provide Federal financial assistance to public water systems required to remove naturally occurring fluoride from drinking water; to the Committee on Interstate and Foreign Commerce.

By Mr. LONG of Louisiana:

H.R. 4995. A bill to reorganize various international trade functions of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. MARRIOTT:

H.R. 4996. A bill to restore the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah as a federally recognized sovereign Indian Tribe, to restore to the Cedar City, Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah and its members those Federal services and benefits furnished to federally recognized American Indian tribes and their members, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MITCHELL of Maryland (for himself, Mr. NEAL, Mr. D'AMOURS, Mr. BARNARD, Mr. MATTOX, Mr. CAVANAUGH, Mr. HANSEN, and Mr. PAUL):

H.R. 4997. A bill to amend the Federal Reserve Act respecting the positions of chairman and vice chairman of the Federal Reserve Board; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MITCHELL of Maryland (for himself, Mr. D'AMOURS, Mr. BARNARD, Mr. MATTOX, and Mr. CAVANAUGH):

H.R. 4998. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PETRI:

H.R. 4999. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of malthouses for purposes of the investment tax credit; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 5000. A bill to amend title 39, United States Code, relating to nonprofit service clubs qualifying for third-class nonprofit rates of postage; to the Committee on Post Office and Civil Service.

By Mr. QUILLEN:

H.R. 5001. A bill to amend the tax laws of the United States to encourage the preservation of independent local newspapers; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 5002. A bill to establish a Commission on a North American Economic Alliance; jointly, to the Committees on Foreign Affairs, and Ways and Means.

By Mr. RUNNELS (by request):

H.R. 5003. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; to the Committee on Interior and Insular Affairs.

By Mr. STOKES (for himself, Mr. BEVILL, Mr. BUCHANAN, Mr. CLAY, Mr. CONYERS, Mr. DELLUMS, Mr. DICKINSON, Mr. DIGGS, Mr. DIXON, Mr. EVANS, of the Virgin Islands, Mr. GRAY, Mr. HAWKINS, Mr. LELAND, Mr. MITCHELL of Maryland, Mr. NICHOLS, and Mr. RANGEL):

H.R. 5004. A bill to authorize the Commissioner of Education to make a grant for the purpose of constructing a building at Tuskegee Institute in memory of General Daniel "Chappie" James Jr.; to the Committee on Education and Labor.

By Mr. UDALL:

H.J. Res. 383. Joint resolution to validate the effectiveness of certain plans for the use or distribution of funds appropriated to pay judgments awarded to Indian tribes or groups; to the Committee on Interior and Insular Affairs.

By Mr. GILMAN (for himself, Mr. HANLEY, and Mr. DERWINSKI):

H. Con. Res. 167. Concurrent resolution expressing the sense of Congress that the President should express to the Government of the Soviet Union the disapproval of the American people concerning that Government's systematic nondelivery of international mail addressed to certain persons residing within the Soviet Union, that the Department of State should pursue this matter at the diplomatic level with the Soviet Union and other countries, and that the U.S. delegation to the next Congress of the Universal Postal Union seek the compliance of the Government of the Soviet Union with the acts of the Universal Postal Union; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of the rule XXII,

Mr. HARRIS of Virginia introduced a bill (H.R. 5005) for the relief of Harry Stanley Spaulding, Jr., which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 160: Mr. LEWIS.

H.R. 204: Mr. RUDD, Mr. LENT, and Mr. PAUL.

H.R. 209: Mr. DORNAN.

H.R. 1603: Mr. FRENZEL, Mr. JONES of North Carolina, Mr. LONG of Maryland, Mr. QUILLEN, and Mr. BROYHILL.

H.R. 1918: Mr. WEAVER, Mr. SABO, and Mr. WYATT.

H.R. 2157: Mr. EVANS of Delaware, Mr. EVANS of the Virgin Islands, and Mr. DECKINSON.

H.R. 2158: Mr. EVANS of Delaware and Mr. EVANS of the Virgin Islands.

H.R. 2734: Mr. BEDELL, Mrs. CHISHOLM, Mr. CLAY, Mr. DIGGS, Mr. EDGAR, Mr. EDWARDS of California, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GILMAN, Mr. GRAY, Mr. GUARINI, Mr. LAFALCE, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. PATTERSON, Mr. RICHMOND, Mr. SCHEUER, Mr. SIMON, Mr. STOKES, Mr. VENTO, and Mr. WEISS.

H.R. 3034: Mr. RUDD.

H.R. 3056: Mr. SIMON.

H.R. 3407: Mr. STENHOLM.

H.R. 3612: Mr. ROYBAL.

H.R. 3832: Mr. ATKINSON, Mr. BEDELL, Mr. BONIOR of Michigan, Mr. CAMPBELL, Mr. CARR, Mr. COLLINS of Texas, Mr. DEVINE, Mr. DORNAN, Mr. DOUGHERTY, Mr. FINDLEY, Mr. GUDGER, Mr. HUGHES, Mr. HUTTO, Mr. JENRETTE, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LEWIS, Mr. MAZZOLI, Mr. PRICE, Mr. RAHALL, Mr. SPENCE, Mr. SYMMS, Mr. WOLPE, Mr. WYLIE, and Mr. HUCKABY.

H.R. 4484: Mr. PERKINS and Mr. ICHORD.

H.R. 4512: Mr. SEIBERLING.

H.R. 4760: Mr. MOTTL, Mr. FLOOD, Mr. CARTER, Mr. MCEWEN, Mr. OBERSTAR, Mr. APPLEGATE, Mr. FASCO, Mr. LONG of Maryland, Mr. EMERY, Mr. ADDABBO, Mr. GRADISON, Mr. GILMAN, Mr. HAMMERSCHMIDT, Mr. MONTGOMERY, Mr. LEWIS, Mr. ANNUNZIO, Mr. PRICE, Mr. MURTHA, Mr. LEDERER, Mr. MINETA, Mr. STANGELAND, Mr. KINDNESS, Mr. PAUL, and Mr. GREEN.

H.R. 4827: Mr. MONTGOMERY, Mr. REGULA, Mr. BURGENER, Mr. BADHAM, Mr. RUDD, Mr. ANDREWS of North Dakota, Mr. CLEVELAND, Mr. BEVILL, Mr. SOLOMON, and Mr. CHAPPELL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

183. The SPEAKER presented a petition of the Rocky Mountain Coal Mining Institute, Denver, Colo., relative to regulatory impediments to increased coal production and usage, which was referred to the Committee on Interior and Insular Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4034

By Mr. BUCHANAN:

—Page 44, insert the following section after line 2 and redesignate subsequent sections accordingly:

PETITIONS FOR MONITORING OR CONTROLS

SEC. 109. Section 7 of the Export Administration Act of 1969, as redesignated by section 104(a) of this Act, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1)(A) Any entity, including a trade association, firm, or certified or recognized union or group of workers, which is representative of an industry or a substantial segment of an industry which processes any material or commodity with respect to which an increase in domestic prices or a domestic, shortage has or may have a significant adverse effect on the national economy or any sector thereof, may transmit a written petition to the Secretary requesting the monitoring of exports, or the imposition of export controls, or both, with respect to such material or commodity, in order to carry out the policy set forth in section 3(2)(C) of this Act.

"(B) Each petition shall be in such form as the Secretary shall prescribe and shall contain information in support of the action requested. The petition shall include any information reasonably available to the petitioner indicating (1) that there has been a significant increase, in relation to a specific period of time, in exports of such material or commodity in relation to domestic supply and (2) that there has been a significant increase in the price of such material or commodity which may be related to exports.

"(2) Within fifteen days after receipt of any petition described in paragraph (1), the Secretary shall publish a notice in the Federal Register. The notice shall (A) include the name of the material or commodity which is the subject of the petition, (B) include the Schedule B number of the material or commodity as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported from the United States, (C) indicate whether the petitioner is requesting that controls or monitoring, or both, be imposed with respect to the exportation of such material or commodity, and (D) provide that interested persons shall have a period of thirty days commencing with the date of publication of such notice to submit to the Secretary written data, views, or arguments, with or without opportunity for oral presentation, with respect to the matter involved. At the request of the petitioner or any other entity described in paragraph (1)(A) with respect to the material or commodity which is the subject of the petition, or at the request of any entity representative of producers or exporters of such material or commodity, the Secretary shall conduct public hearings with respect to the subject of the petition, in which event the thirty-day period shall be extended to forty-five days.

"(3) Within forty-five days after the end of the thirty or forty-five-day period described in paragraph (2), as the case may be, or within seventy-five days after the publication in the Federal Register, pursuant to paragraph (2), whichever occurs later, the Secretary shall—

"(A) determine whether to impose monitoring or controls, or both, on the exportation of such material or commodity, in order to carry out the policy set forth in section 3(2)(C) of this Act; and

"(B) publish in the Federal Register a detailed statement of the reasons for such determination.

"(4) Within fifteen days after making a determination under paragraph (3) to impose monitoring or controls on the exportation of a material or commodity, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within thirty days following the publication of such proposed regulations, and after considering any public comments, the Secretary shall publish and implement final regulations.

"(5) For purposes of publishing notices in the Federal Register and scheduling public hearings, the Secretary may consolidate petitions, and responses thereto, which involve the same or related materials or commodities.

"(6) If a petition has been fully considered under this section and a notice has been published with respect to a particular commodity or group of commodities and in the absence of significantly changed circumstances, the Secretary shall have authority to determine that a petition for monitoring or control of such commodity or commodities does not merit the full consideration mandated under this section.

"(7) The procedures and time limits set forth in this subsection with respect to a petition filed under this subsection shall take precedence over any review undertaken at the initiative of the Secretary with respect to the same subject as that of the petition.

"(8) The Secretary may impose monitoring or controls on a temporary basis after a petition is filed under paragraph (1)(A) but before the Secretary makes a determination under paragraph (3) if the Secretary considers such action to be necessary to carry out the policy set forth in section 3(2)(C) of this Act.

"(9) The provisions of this subsection shall not apply in the case of any agricultural commodity which is subject to subsection (f) of this section.

"(10) The authority under this section shall not be construed to affect the authority of the Secretary under any other provision of this Act.".

Page 58, line 23, strike out "(d),".

Page 58, line 24, insert "(d)," after "(c)".

Page 59, line 3, strike out "and (h)" and insert in lieu thereof "(h), and (i)".

H.R. 4839

By Mr. KRAMER:

—Page 40, after line 23, insert the following:

"(3)(A) No amount appropriated pursuant to this Act shall be used to enforce or administer any regulation promulgated by the Secretary of Energy on or after the date

of enactment of this Act unless any such regulation is approved by a majority vote of either the House or the Senate within 60 days of the date of promulgation of such regulation by the Secretary.

"(B) If neither the House nor Senate provides for the approval of such regulation during the applicable period following its promulgation, no amount appropriated pursuant to this Act shall be used to enforce or administer any identical or substantially similar regulation which has the same effect as the regulation terminated as a result of the operation of Section 201(b)(3)(A)."

S. 1030

By Mr. BIAGGI:

—Page 21, line 17, strike out the quotation marks and the period which follow:

Page 21, after line 17, insert the following: "In the determination of need pursuant to subparagraph (B), the President shall, to the maximum extent practicable, adjust the total volume of supply available to end-users in any State to take into account both consumption levels and any reduction in energy demand which is attributable to programs and guidelines development and implemented as part of the State energy conservation plan.".

By Mr. WYLIE:

—Page 43, after line 11, add the following new subsection:

(f) LIMITATION ON MEASURES REGULATING THE TEMPERATURE IN ANY BUILDING.—

The plan established under subsection (a) may not provide for any measures that would regulate building temperatures unless such plan permits an exemption for any building affected by such restrictions, to achieve an equivalent reduction in energy consumption by other means.

SENATE—*Friday, July 27, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. CARL M. LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Our Father-God, help us this day to remember Thy Son who went about doing good. Give us His strength, His courage, His wisdom, His winsomeness. Keep our faces toward the light of His presence and our feet from paths of failure. Walk with us. Work with us. Be our guide, our counselor, and our friend that nothing we say or do may need redoing. At the end grant us Thy peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 27, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL M. LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REASONABLE SURFACE MINING REGULATION

Mr. ROBERT C. BYRD. Mr. President, on Wednesday, July 25, a Federal district court judge extended an important deadline under the Surface Mining and Reclamation Act of 1977. He ordered that the States have until March 3, 1980, to submit surface mine reclamation plans to the Department of the Interior for approval. Prior to his ruling, States were faced with an August 3, 1979, deadline.

I raise this issue to focus attention on a thorny problem which is responsible for this delay in the implementation of the act. The clear intent of Congress when it fashioned the Surface Mining Act was to provide a set of specific guidelines which each State would use to craft its own reclamation plan. That plan would be tailormade for each State taking into account the special needs and unique features of each State. In this way, Congress sought to protect the environment and, at the same time, respect the rights and responsibilities of the States.

Unfortunately, Mr. President, the States have been unable to exercise the discretion due them under the act. The act has been interpreted by the Department of the Interior as requiring the States to comply with, and, in effect, duplicate every jot and title of the Federal regulations.

There are 115 performance standards contained in the Surface Mining Act. The entire act itself is far more detailed than the great bulk of statutes which we consider and approve every year. It is, in fact, a regulatory scheme in itself, not a broad outline of various environmental goals.

Laid on top of this already complex statute are literally thousands of regulations which must be copied by all the States, one at a time. Variations to the Federal rules and regulations are almost impossible for the States to justify, as the burden of proof has been incorrectly shifted to them from the Department of the Interior, where it belongs.

Faced with the prospect of an interminable stalemate or, worse, with the imposition of a burdensome Federal program on each State, the Committee on Energy and Natural Resources acted last week by ordering reported a bill to amend the Surface Mining Act. The bill contains provisions which will insure that each State has an opportunity to construct its own reclamation plan. The act would be, as Congress intended, the standard against which each State plan would be judged. If found wanting, the plan would be returned to the State for corrective action. That, Mr. President, is the system which Congress envisioned when the Surface Mining Act was adopted.

The Governors of the major coal-producing States, including Governor Rockefeller of West Virginia, support that process.

The distinguished Senator from Kentucky (Mr. FORD) and the distinguished Senator from Oregon (Mr. HATFIELD) have put forth great efforts in this matter.

Mr. President, let me say that I hope that all Senators will devote serious thought to this matter. We all recognize the contribution which coal will have to make to our energy future. Given a fair chance, I am confident that coal will be able to fulfill our expectations.

Mr. President, I yield back the remainder of our time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

SENATE REPUBLICAN ECONOMIC PROGRAM

Mr. BAKER. Mr. President, yesterday all 41 Senate Republicans reached agreement on a Republican economic policy statement—a "program for the decade."

Senator JAVITS was chairman of the Economic Policy Subcommittee of the Republican Policy Committee, and was accorded responsibility for guiding the development of this Republican economic statement.

In essence, it represents a declaration by Senate Republicans that our numerous and complex economic problems—including the acceleration of inflation; the stagnation of productivity; the fall of the dollar; the erosion of personal disposable incomes; the decline of real GNP; and, prospectively, the surge in

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

already unacceptable unemployment—are not insolvable. They will yield to a creative program based on the fundamental resiliency and vitality of our economic and political system and to the cooperative action of Government and private industry.

The Republican economic program seeks to balance the Federal budget, reduce personal and business taxes to increase incentives for investment and improvement of productivity and curtail the regulatory excesses of the Federal Government.

The economic crisis of simultaneous recession and inflation into which we have now entered, coupled with the energy crisis was not inevitable. It is the direct result of deliberate and misguided policies. It will result in the loss of billions of dollars in personal incomes and of human and other productive resources, and it will expose our already weakened economy to the perils of a major downturn.

The present focus on the energy crisis has helped expose the fundamental structural weakness in our economy. Until we put in place effective, long-term programs to deal with these structural weaknesses, we will find ourselves prisoner to the twin evils of continued stagflation: Severe recession and endemic inflation.

Our position in the world economy, while still strong, is being severely challenged both by the strong competition of our trading partners and by the huge real transfers of income to the OPEC countries that the high energy prices are causing. Attempts to compensate for the damage caused to the U.S. economy by this competition and by high energy prices through quick-fix measures, such as tariffs, subsidies, and across-the-board tax cuts, will only paper over the problem and simply further fuel the fires of our double-digit inflation. Our freedom of economic action is further circumscribed by the dollar's role as the major key currency of the international monetary system and, hence, by our need for a strong and stable dollar.

While economic policy cannot be subservient solely to the dictates of the foreign exchange markets, the behavior of the dollar on these markets is an excellent litmus test of our economic performance. We must, therefore, mold our economic policies with one eye on their effect on the dollar.

Most importantly, the rampant inflation is having a debilitating effect on the social fiber of the American people, pitting one group against the other for a greater share of the shrinking real economic pie and submerging the national interest, which has guided this country for more than 200 years, to conflicting self-interests. All these factors make it imperative that economic policy focus on wringing inflation out of the economy.

Based upon these considerations and upon the present unstable economic environment, Senate Republicans have proposed a comprehensive economic policy program—an economic program for the decade—founded upon four principal themes:

The control of the present double-digit inflation is critical to the long-term health of the U.S. economy and depends importantly upon the adoption of policies—first, to foster improved capital investment, productivity, research and development and personal saving and investment in order to expand the productive capacity and efficiency of our economy; and second, to bring the Federal budget into balance as soon as possible as an integral component of stable monetary and fiscal policies;

The present and prospectively worsening problem of unemployment, bearing so heavily on minorities and youth newly entering the labor force can be remedied by placing greater reliance upon the private sector of our economy through expanded use of jobs tax credits for employers and vouchers for the structurally unemployed;

The crisis of confidence which has arisen in our country is reflected in a crisis of confidence in the health of the U.S. dollar, which has been battered by our inability to deal with the new wave of inflation and by a fundamental erosion in the overall position of the United States in the world. Restoration of the strength of the dollar internationally is of paramount importance and will require better control of domestic inflation, a massive export development drive and the establishment of a world capital fund to move capital for productive purposes to cooperating developing countries.

The U.S. tax system should not operate to reduce the real standard of living of the American people. Accordingly, Republicans support substantial phased reductions in Federal income taxes to encourage incentives for economic growth and job opportunities without inflation and to limit the growth rate of Federal spending.

Republicans in the Senate believe that the present high rate of inflation is the result both of economic mismanagement in the past 3 years and of deeply rooted structural deficiencies in the U.S. economy which have not been attended to by the present administration. Consequently, purging inflation and establishing a firm foundation for economic recovery will require time and a steady course for our country.

Senate Republicans present this Republican economic policy statement as a pledge of their intention to introduce, work for and implement economic policies which truly are designed for the decade to come.

The statement follows:

REPUBLICAN ECONOMIC POLICY STATEMENT

INTRODUCTION

Today, a lack of confidence in the ability of the present Administration to develop consistent and reliable economic policies has bred a climate of uncertainty about the health of the U.S. economy and even about the position of the U.S. in the world.

Controlling inflation, cutting taxes, and increasing our national productivity are the main economic concerns of the American people. Senate Republicans are prepared to furnish fresh, optimistic, and decisive leadership to accomplish these objectives.

Our program for balancing the federal budget, reducing personal and business taxes to increase incentives for investment and improved productivity, curtailing regulatory excesses, and other measures to increase investment and job opportunities is in sharp contrast to current economic policies.

In recent months, economic uncertainty has yielded to genuine concern about the danger of a severe recession because:

(1) Inflation has reaccelerated to double-digit levels in this year,

(2) Unemployment has remained very high, and

(3) There is an almost total absence of a coherent national economic strategy and energy policy.

Inflation is eroding the value of savings and wiping out recent increases in personal incomes, while simultaneously increasing the tax burden by forcing Americans into higher tax brackets. Unemployment has persisted in the range of 6 percent for the last year and shows no signs of improvement any time soon. Indeed, it is now expected to worsen considerably. And youth unemployment continues at intolerable levels, particularly in the older cities.

Compounding the problems of worsening inflation and unemployment are the continuing weakness of the U.S. dollar; very high interest rates; the sharp fall-off of R. & D. investment; and the virtual stagnation of U.S. productivity growth—the key to jobs, rising standards of living and stable prices.

The economic danger before us is very real, therefore, but the Administration seems to lack either the ability or the will—or both—to deal with it. Instead of formulating the needed economic initiatives—to restrain inflation by increased productivity and enterprise; reduce unemployment; reduce the trade and payments deficits; increase the real GNP by bringing the national books into balance; and restore domestic and world confidence in the dollar—the Administration has seemingly chosen a policy of papering over the basic economic illness by market manipulation of the dollar, wage and price exhortation and surrendering on energy policy.

The Administration continues to rely principally upon an almost unintelligible, already unsuccessful program of half-mandatory/half-voluntary wage and price controls and a series of energy programs by which, even if approved, little will be gained in energy sufficiency. The economic history of the world proves the folly of continuance of wage and price controls which distort the economy and incur ultimately greater inflationary pressures. The imposition of wage, price or credit controls cannot be justified except in a time of true national emergency.

Clearly the loss of confidence in the leadership of the U.S. has its roots in a fundamental skepticism about the effectiveness of U.S. leadership.

Senate Republicans believe action is needed now, to avert what could be a major domestic and world economic disaster early in the course of the next decade. There is a need to put before Congress and the people an action program which would be directed to: securing the living standards of the people; reducing unemployment by providing permanent private sector jobs, particularly among minorities and youth; restoring confidence in the U.S. dollar; stimulating capital formation and U.S. productivity as the only enduring approach to stable prices and full employment; reducing the burden of unadjusted federal tax brackets on individuals and corporations; balancing the federal budget; and reducing our dependence on foreign energy sources.

Accordingly, Senate Republicans put forward this "Economic Program for the Decade"—an action program to begin to make right what is so wrong with the U.S. economy.

Budget and taxes

1. It is vitally important that the tax system not operate to reduce the real standard of living of the American people. Therefore, we support substantial phased across-the-

board reductions in federal income taxes to encourage incentives for economic growth and job opportunities without inflation and to limit the growth rate of federal spending.

2. Our objective must be to bring the federal budget into balance and to curb future deficits.

3. There should be a mandatory limit on federal spending. A policy of no "real" growth in federal spending through FY 1982 is desirable. The spending limit needs to be sufficiently flexible to allow for national economic and other emergencies.

4. The excessive burden of the national debt must be reduced. Budgets must provide surpluses for this purpose. Receipts from the sale of certain federal assets such as oil leases and surplus federal properties could help accomplish this goal.

5. A thorough review of all federal entitlement programs is necessary to help reduce the rapid growth of federal spending.

6. It is of the utmost urgency that the Social Security system be reviewed and revised so as to ensure the continuation of our financial commitment to our older citizens, the solvency of the trust fund, and to be fair to our younger workers, with particular regard for eliminating fraud and abuse in the disability program and providing relief from escalating payroll taxes.

7. Federal accounting procedures must be changed. The hidden spending of "off-budget" agencies through loans and credits should be highlighted in the Congressional budget.

8. There should be a thorough review of federal budgetary and accounting procedures, with consideration given to applying the accounting procedures of the private sector to the operation of the federal government, to obtain a more accurate picture of the federal budget in terms of capital assets as well as outlays. In this connection, a Task Force on the Federal Budget should be formed to review and make recommendations to Congress and the people on federal budgetary concepts, procedures and standards.

9. To further reduce federal indebtedness, the U.S. should be more vigorous in the collection of its debts, domestic and foreign.

Capital formation and productivity

1. Personal savings and investment should be encouraged by incentives, rather than penalized through taxation. There should be universal eligibility for Individual Retirement Accounts of up to $1,500/year. By saving for their own future, Americans would be investing in a stronger, healthier economy.

2. As an incentive for greater savings and investment, a savings interest exclusion should be provided and the present dividend exclusion from federal personal income taxes should be expanded.

3. Government at all levels should revise regulatory systems which presently divert investment capital away from productivity and job creation and divert business enterprise into non-productive purposes.

4. Improved levels of productivity in the private sector are paramount if the United States economy is to make progress in winning the inflation battle. Business incentives toward increased capital formation and investment must be encouraged through business tax reductions, tax credits, and accelerated depreciation allowances. Realistic tax incentives spur investment. Depreciation allowances for plants and equipment, including equipment to meet environmental regulations, should be accelerated and adjusted for inflation, in order to permit depreciation allowances to approximate more closely the true replacement costs rather than historical costs of capital equipment.

5. To increase productivity, the United States must recover its former place as the world's leader in industrial research and development. Tax credits for new R & D expenditures would provide a significant incentive for improved research and development spending. The United States must increase properly conceived federal expenditures for accelerated research and development in order to replenish the nation's reservoir of technology and energy alternatives.

6. Sunset legislation for all federal regulatory agencies should guarantee the periodic review and, if necessary, adjustment of their scope and purpose.

7. The Congress should exercise effective but practicable control over proposed federal regulations to ensure that they carry out the intent of Congress. On the federal level, every proposed regulation should be subject to cost-benefit analysis to ensure that potential benefits are not outweighed by its economic impact.

Employment and unemployment

1. Full encouragement should be given to the highest priority need for work-study programs in high schools and colleges to attack the basic problems related to the high levels of unemployment among several groups, i.e., those lacking the training, education, and the desire to achieve the needed skills for productive employment.

2. Targeted tax credits for hiring the structurally unemployed—similar to the Targeted Jobs Tax Credit enacted last year—provide an important incentive to employers to hire the economically disadvantaged. Full use should be made of these and similar tax credit incentives to reduce unemployment among those segments of the labor force—youth—with disproportionately high unemployment.

3. Cash bonuses for employers should cover part of the costs of bringing jobless Americans into the productive economy. In this regard, CETA's voucher demonstration project, helping the private sector hire trainees most in need of jobs, should receive a greater percentage of CETA funds.

4. Labor and management should cooperate to strengthen and expand training and apprenticeship programs in the skilled crafts, especially in small businesses, and measures to improve productivity with appropriate participation by each in the avails of such improvements.

5. Labor-management councils, bringing employers and employees together to improve working life conditions, should be encouraged.

6. The Private Sector Initiative Program (Title VII of CETA) should be expanded, so that persons trained in this program can have better opportunities for career development.

7. The charter of the U.S. Employment Service should be revised to foster better coordination with other federal activities, especially those conducted under CETA.

8. Part-time and flexi-time work schedules deserve greater use to accommodate workers and their families with special economic and domestic situations.

9. A youth differential in the Minimum Wage, with appropriate safeguards against displacement and only for a limited period of time, could have a significant impact on youth employment.

10. Regulation and paperwork requirements must be simplified for all business and construction activities in order to increase employment opportunities through reduced overhead costs.

International trade and monetary policy

1. The Federal Government, with active participation by leadership from the private sector, should develop and implement a comprehensive national export policy to promote aggressively the export of U.S. goods and services and to defend U.S. trade interests.

2. Export licensing procedures should be simplified, streamlined, and better defined. There should be a firm commitment to control the export of advanced technology to non-market nations in accordance with the provisions of the Export Administration Act. We remain committed to the principles of free emigration before Most Favored Nation Status can be extended.

3. A broad effort should be launched to assist smaller businesses to participate in exporting, beginning with reform of the Webb-Pomerene Act.

4. We advocate elimination of export subsidies through international negotiations, acknowledging the impediments to this process. Until such subsidies are eliminated, we should take appropriate steps to support American industry in world markets through organizations such as the Export-Import Bank and the Commodity Credit Corporation.

5. Improved trade relations within the Americas are urgent and necessary for our States must begin to emphasize the importance of hemispheric trade. To that end, we urge the creation of a Western Hemispheric Economic Commission to study ways and means of joining together with our neighbors to ease and facilitate such trade to our mutual benefit.

6. The U.S. must work actively with Japan and other surplus countries to check continued undisciplined trade surpluses and also to remove nontariff barriers to trade. Failure to resolve this problem may cause political pressure for protective measures to become irresistible.

7. The DISC tax incentive for U.S. businesses should be retained, and other tax incentives for exports should be provided, as long as our overseas competitors maintain similar export subsidies. Special provision for U.S. citizens working abroad is essential to maintain our competitive position.

8. The Federal Government should systematically monitor imports to anticipate future trade problems before they cause the shutdown of American plants and the loss of jobs. To this end, we recommend trade adjustment assistance to provide more timely and equitable relief to labor and industry.

9. U.S. monetary policy must be based on a firm commitment to a strong and stable dollar. This means money supply growth based upon the real growth in the economy. A strong dollar requires improvement in our economic fundamentals: a lower inflation rate, an improved trade balance, and a significant reduction in oil imports through domestic production, conservation and effective measures to deal with the OPEC Trust.

10. In protecting the dollar from sudden or severe fluctuations on foreign exchange markets, we should support vigorous intervention in the operations of the foreign exchange markets. High interest rates are a direct result of inflation with its excess money supply growth. A strong dollar will mean lower interest rates and less inflation. To this same end, the desirability of gold sales by the Treasury and the policy of "demonetization" of gold should be reevaluated.

11. The International Monetary Fund should exercise more effective surveillance of surplus economies and should work more closely with commercial banks.

12. The transactions of U.S. banks in the Eurocurrency markets should be more closely evaluated.

13. The U.S. should resume its leadership role in the international monetary system. We should convene world financial leaders to develop a long-term plan for the evolution of the present monetary order into a true multi-currency reserve system characterized by stability in exchange rates and minimal world inflation.

DEATH OF MRS. ANN MELL, MOTHER-IN-LAW OF SENATOR RIBICOFF

Mr. BAKER. Mr. President, it was with a special sense of sadness that Mrs. Baker and I learned of the death of the mother-in-law of our friend, the distinguished Senator from Connecticut, Mr. RIBICOFF.

It is well known to many of my colleagues that Joy Baker and Casey Ribicoff are close friends. In the last few months they have been brought even closer together by common personal trial and loss.

Both of their mothers were seriously ill for several months. Only last week, Joy's mother, Mrs. Louella Dirksen, passed away. And now we have the sad news of the passing of Mrs. Ribicoff's mother, Mrs. Ann Mell.

These days of common concern have also been days of mutual consolation. It is, I believe, a tribute to this institution that its Members and their families can rely on each other's strength, compassion, and friendship in difficult times.

I know all my colleagues will join me in expressing our deepest sympathy to Casey and ABE RIBICOFF in their time of sorrow.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed with the consideration of H.R. 4394, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development and for sundry agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments as follows:

On page 2, line 12, strike "$1,160,474,000" and insert "$1,140,661,000";

On page 2, line 13, strike "$37,500,000" and insert "$50,000,000";

On page 2, line 17, after the colon, strike through and including the colon in line 25;

On page 3, beginning with line 5, insert the following:

RENT SUPPLEMENT

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is reduced in fiscal year 1980 by the uncommitted balances of authorizations provided for this purpose in Appropriation Acts.

On page 5, line 19, strike "$77,000,000" and insert "$82,000,000";

On page 7, line 11, beginning with the comma after "1982" strike through and including "106(d)(2)" in line 14;

On page 8, line 4, strike "$400,000,000" and insert "$675,000,000";

On page 8, line 8, strike "$35,000,000" and insert "$50,000,000";

On page 8, line 13, strike "$140,000,000" and insert "$130,000,000";

On page 9, beginning with line 14, insert the following:

LIVABLE CITIES PROGRAM

For contracts, grants, and other assistance, not otherwise provided for, as authorized by the Livable Cities Act of 1978 (Title VIII, Housing and Community Development Amendments of 1978, Public Law 95-557), $3,000,000, to remain available until September 30, 1981.

On page 10, line 5, strike "$49,000,000" and insert "$50,300,000";

On page 10, line 20, strike "$543,495,000" and insert "$536,120,000";

On page 11, line 14, strike "$8,186,000" and insert "$7,603,000";

On page 12, line 13, strike "$41,250,000" and insert "$40,600,000";

On page 12, line 23, strike "$8,326,000" and insert "$7,611,000";

On page 13, line 15, strike "$506,748,000" and insert "$515,319,000";

On page 13, line 17, strike "$233,568,000" and insert "$232,568,000";

On page 13, line 21, strike "$475,809,000" and insert "$515,592,000";

On page 14, line 9, after "Expended" insert a colon and the following:

Provided, That none of the funds provided under this Act shall be used to enforce any regulation issued under the construction grants program which has the effect of retroactively applying project requirements or conditions not in effect at the time the grant for a project is awarded.

On page 14, beginning with line 15, strike through and including line 25;

On page 15, line 4, strike "$2,238,000" and insert "$3,238,000";

On page 15, line 20, strike "$3,026,000" and insert "$3,126,000";

On page 16, line 4, strike "$2,725,000" and insert "$2,625,000";

On page 16, line 23, strike "$131,121,000" and insert "$129,621,000";

On page 17, line 17, strike "$119,109,000" and insert "$118,709,000";

On page 19, line 9, strike "$3,799,500" and insert "$3,822,500";

On page 20, line 15, strike "$954,900,000" and insert "$964,900,000";

On page 21, line 7, strike "$5,000,000" and insert "$5,500,000";

On page 21, line 15, strike "$7,000,000" and insert "$8,900,000";

On page 22, beginning with line 3, strike through and including line 13, and insert in lieu thereof the following:

The amount which may be borrowed, from the public or any other sources except the Secretary of the Treasury, by the Central Liquidity Facility as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed $300,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 1980 shall not exceed $1,756,000.

On page 23, line 2, strike "$718,000" and insert "$750,000";

On page 23, line 14, strike "$56,600,000" and insert "$59,600,000";

On page 23, line 19, strike "$896,800,000" and insert "$915,300,000";

On page 23, line 20, strike "That not more than $59,400,000 shall be available for Applied Science and Research Applications: *Provided further*,";

On page 25, line 18, strike "$9,500,000" and insert "$12,000,000";

On page 26, line 16, strike "$6,854,924,000" and insert "$6,170,924,000, of which not to exceed $1,599,333,000 shall be allocated to State governments pursuant to 31 U.S.C. 1226, notwithstanding any other provision of law";

On page 27, line 5, strike "$1,034,000" and insert "$1,022,000";

On page 27, line 11, strike "$50,000,000" and insert "$48,100,000";

On page 29, line 10, strike "$127,847,000" and insert "$122,847,000";

On page 30, line 5, strike "$584,967,000" and insert "$588,392,000";

On page 31, line 21, strike "$1,700,000" and insert "$1,000,000";

On page 40, beginning with line 16, insert the following:

SEC. 409. None of the funds provided in this Act may be used to pay for travel if the employee elects to take annual leave while away from the official duty station.

The ACTING PRESIDENT pro tempore. Time for the debate under this bill is limited to 3 hours, to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Maryland (Mr. MATHIAS); with 30 minutes' debate on any amendment except an amendment by Senator PROXMIRE on cutting assisted housing by $700 million, on which there shall be 1 hour; a Mathias-Baker amendment on revenue sharing on which there shall be 1 hour and which shall be the first floor amendment taken up under this agreement; and the Javits amendment on flexible subsidies on which there shall be 1 hour; with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the HUD-independent agencies appropriation bill for fiscal year 1980, as reported by the Senate Appropriations Committee, provides total new budget authority of $71,356,151,000, which is $607,324,000 below the amount contained in the House-passed version of the bill and $1,594,710,000 less than the budget estimate.

With budget authority of $71.4 billion, this is one of the biggest appropriation bills the Senate will consider this year. In fact, I think the only bills that are larger are the Defense appropriation bill and the HEW appropriation bill.

It is absolutely essential we make some reductions in the bill as reported by the committee because we are bound to be, before we are through this year, well over the budget resolution if we do not.

I say that in spite of the fact that the

bill as reported, without regard to supplemental budget requests in the HUD-independent offices area, is $607,324,000 below the amount approved by the House-passed version of the bill and about $1.6 billion less than the budget estimate.

But I am going to explain shortly why despite those cuts we are going to have to make further sharp reductions, or exceed the budget resolution and accept a deeper deficit than we had promised with our budget resolution vote in May.

This legislation provides funding for the Department of Housing and Urban Development, the Veterans' Administration, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Department of the Treasury's revenue sharing operations, and a number of smaller agencies, offices, and councils.

Each Senator will find on his desk an errata sheet that corrects certain minor mistakes in the committee's report on the bill, Report 96–258. As some of my colleagues may know, the report was filed shortly after the full committee acted on the bill last Tuesday, and these minor errors were inevitable under the circumstances. By making corrections through the use of an errata sheet rather than completely reprinting the committee's report, my colleagues will be happy to know that we have saved the American taxpayers $5,000.

That is a beginning, anyway.

Before I turn to a discussion of the bill as reported I want to serve notice on my colleagues that I intend to call up an amendment later in the debate to cut $34,300,000 in annual contract authority and $700,000,000 in new budget authority for assisted housing from the bill as it now stands. I will explain this proposed cut in more detail when I call up the amendment.

It is important that I point out to my colleagues that the budget authority recommend in H.R. 4394 as reported is only $44 million under the first concurrent resolution on the budget. I say that this is important because we can expect to consider an additional $1.1 billion in supplemental budget requests for veterans benefits, disaster relief and pay raise costs before the fiscal year is out. Virtually all of that supplemental money is going to be uncontrollable entitlement spending that we simply cannot turn down.

This means that we have the potential for being at least $1 billion above the first budget resolution even if the Senate approves the bill as reported. It is important to keep this in mind as we act on the legislation before us today.

REVENUE SHARING

Mr. President, I would normally begin my discussion of the bill with an explanation of the committee's actions with regard to the Department of Housing and Urban Development, but before I go into the intricacies of the bill let me mention the most significant change made by the committee in the bill as passed by the House—namely a $684,000,000 cut in the general revenue sharing program. This reduction is to be applied solely against payments to the States under the program and is made in recognition of the fact that a great number of States—19 to be precise—have cut taxes in the last 18 months because of surpluses while all of the States are taking in more money than they are spending.

I repeat that all States are taking in more money than they are spending.

The reduction would cut the State share by one-third, and not touch the counties, not touch the cities, but it would make a very substantial reluction in the overall obligations the Federal Government would have otherwise. After all, that is two-thirds of a billion dollars.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By the largest portion of the budget authority provided in the bill is devoted to the activities of the Department of Housing and Urban Development. This is because we are requirel by the Budget Act to provide long term budget authority for periods of up to 40 years for housing subsidy pograms. For example, although the total recommended by the committee for the Department's activities in fiscal year 1980 is $33,637,451,000 in new budget authority, most of this amount—$26,680,128,000 to be exact—represents the authority to enter into long-term con.racts for assisted housing.

The committee has recommended two changes in the assisted housing program as approved by the other body. We have eliminated House language mandating that 60 percent of the units subsidized be new units and that 40 percent be existing units and have, instead, left this decision to local communities through their housing assistance plans. The current mix under the local plans is 66 percent new housing, 34 percent existing housing. The committee also increased the amount recommended for public housing modernization from $37,500,000 to $50,000,000.

The most significant change we have recommended in HUD's budget is an increase of $275,000,000 over the House bill for the urban development action grant program. That is what the President recommended. He recommended an increase in the UDAG program from $400,000,000 to $675,000,000. That is an assertion of faith in a brandnew program that has had only a year or so to get moving and has not given us the kind of results some of us expected to have. That was the committee's decision.

As a result of the committee's increase, the total recommended for UDAG is $675 million—an increase of almost 70 percent above current levels, and it is a mammoth increase.

The committee also has recommended the rescission of $5 million in annual contract authority and $200 million in long-term budget authority for the rent supplement program. This is a rather tentative rescission because it is based on HUD's assumptions as to how much contract authority will be recaptured under the program next year. In any event, since this is a rescission of existing contract and budget authority it does not affect the new budget authority figure recommended by the committee.

Other significant changes in the House-passed bill include: An increase of $15 million to a total of $50 million for the section 701 comprehensive planning grant program; the proposed initiation of a $3 million livable cities program; an increase of $5 million for the troubled projects operating subsidy program; a reduction of $10 million in the rehabilitation loan program in line with the housing authorization bill recently passed by the Senate; and a reduction of $7,375,000 in the amount provided by the House for HUD's salaries and expenses.

The total amount recommended by the committee for the Department of Housing and Urban Development is a mere $4,700,000 under the Department's budget request. That means that we have given them, in dollars, just about exactly what they requested. We have recommended much less than a 1-percent reduction. As I say, we are virtually giving them all they asked for.

RELATED AGENCIES

Turning now to the other agencies supported through this legislation, the most significant changes the committee has recommended are in appropriations for the Environmental Protection Agency, the National Aeronautics and Space Administration, and the National Science Foundation. We have proposed increases above the House-approved amounts for each of these three agencies.

The Environmental Protection Agency administers a great many extremely complex programs and the committee has recommended a number of changes in the EPA portion of the bill as approved by the House. The total EPA budget in the bill as reported is $4,668,142,000.

The committee increased the amount provided by the House for the Agency's abatement and control programs by $39,783,000. A significant part of this increase is attributable to a $19,429,000 budget amendment that was not considered by the House and which would be used to meet the problems created by hazardous waste sites. The committee also endorsed a $10,000,000 add-on to the House-approved appropriation for the section 208 areawide waste treatment management program. This would bring total funding for the program in fiscal year 1980 up to the budget estimate of $40,000,000. Other increases in the abatement and control account include an additional $5,600,000 for State air control agency grants resulting in a total recommendation of $85,600,000 for that program; the restoration of the $4,400,000 cut by the House from the administration's $7,795,000 request for the underground injection control grant program; $2,500,000 for spill prevention and response under section 104 of the Clean Water Act; $1,000,000 for the administration of the ocean outfall permit program under section 301(h) of the Clean Water Act; and $354,000 for a study of the Flathead River basin in Montana.

The committee also recommended the restoration of $6,000,000 in personnel compensation cut by the House from EPA's salaries and expenses request as well as the restoration of a House reduction of $6,000,000 in anticipatory research under the agencies research and development budget. The anticipatory research increase is offset in part by minor reductions in the amounts approved by the House for integrated pest management and air health and ecological effects research.

The most significant program funded by EPA is, of course, the waste treatment construction grant program. The committee has concurred with a House reduction of $400,000,000 in that program. The committee has included language in its report endorsing the so-called two-tier proposal, which would reward States effectively obligating their construction grant dollars with an additional allocation of grant support. Finally the committee has recommended the inclusion of language in the bill which would prohibit EPA from retroactively applying newly promulgated regulations to construction projects that have already been approved.

The committee has recommended an increase of $33,000,000 in the House-approved budget of the National Aeronautics and Space Administration with the bulk of the increase coming in NASA's research and development programs. The committee has included $17,000,000 for a number of activities that were not included in the President's budget including additional funding for a variable cycle engine, support for advanced rotorcraft technology and a budget add-on for a national oceanic satellite system. The bill as reported also restores $10,000,000 cut by the House from NASA's research and program management budget. The total of $4,943,500,000 recommended for NASA includes a budget amendment of $220,000,000 necessary because of cost overruns in the Space Shuttle.

Turning now to the National Science Foundation's budget, the committee has recommended the restoration of $18,500,000 cut by the House from research and related activities. This increase would make the NSF a billion dollar agency for the first time, with a budget of $1,005,500,000 in fiscal year 1980.

The committee has recommended relatively few changes in the Veterans' Administration budget as approved by the House. The total of $20,316,624,000 recommended by the committee is $2,750,000 below the House level because of the committee's decision to hold medical and prosthetic research to the budget request of $122,847,000, which is $5,000,000 below the House. Although the committee has made other minor changes in the VA portion of the House-passed bill, the most noteworthy action we took was to endorse a House add-on of $76,380,000 to the budget request for medical care. These added funds would support an additional 3,800 positions.

Of course, the bill before us today includes a number of smaller agencies. For example, the bill provides $441,930,000 for the new Federal Emergency Management Agency, a cut of $16,500,000 below the budget estimate and $1,900,000 below the House-approved amount. This total includes $6,114,000 for the staffing of the newly relocated Fire Academy—funds that were requested in a budget amendment that was not considered by the House.

Finally, the bill as reported contains general language which would prohibit agency employees from taking annual leave in the course of traveling on agency business. This limitation is the direct result of a committee investigations staff report which indicated that in a number of cases agency employees were taking extensive periods of annual leave following brief business visits to such distant points as the west coast of the United States and Western Europe.

Mr. President, that summarizes the major actions the committee has recommended. Obviously, there are a multitude of minor changes that time prevents me from discussing.

Before I relinquish the floor, I thank my distinguished colleague Senator MATHIAS, who not only is a highly capable Senator, but also is a joy to work with.

He has a great sense of humor. He also, unfortunately, has a knack for winning on almost all occasions and defeating the chairman of the committee. This is more of a Mathias bill than a Proxmire bill by a considerable amount.

I have great admiration and envy for his success, and I am going to do my very limited best to try to combat the damage he has done to this bill so far, but I am not too optimistic about the prospects for my success.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill, as thus amended, be regarded, for purposes of amendment, as an original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. I reserve the remainder of my time.

Mr. MATHIAS. Mr. President, let me first address myself to the very thoughtful and kind comments made by the distinguished Senator from Wisconsin. He has raised his reputation for charity and generosity, but he has done it by putting at risk his reputation for veracity, because he has been entirely too generous in his comments.

I do think we have a rather unusual climate in the subcommittee, in which we very vigorously disagree, but so far we have been able to avoid heat and anger in our disagreement. It is a great pleasure to work under those conditions, because we can hammer out intellectually our differences and then put them on the anvil of the voting process and bring them to some resolution.

I do not take quite as pessimistic a view of this bill as does the Senator from Wisconsin in terms of its frugality, because the record here is not bad. The bill recommends $71,356,151,000 in new budget authority, and that is an enormous sum of money. It is beyond the realm of the imagination of the average person, certainly beyond my imagination, to really conceive of $71,356,151,000.

Mr. PROXMIRE. Mr. President, if the Senator will yield, let me point out when I first came to the Senate—it seems only yesterday but it was a few years ago—$71.4 billion was virtually the entire budget of the United States. That would have taken care of all of HEW. It would have taken care of the entire Defense budget. It would have taken care of HUD, of course, and every other agency. That $71 billion is a mammoth amount, it is concentrated in a relatively few agencies, and this is only the third largest appropriation bill. It is a mammoth amount and it is too big.

Mr. MATHIAS. Mr. President, it is a mammoth amount. The question of whether or not it is too big or just enough or not quite enough is, of course, the issue that we are going to resolve today. In measuring that I think we have to keep in mind that that figure has been very carefully calculated by our colleagues in the Appropriations Committee and their calculations are so precise that this is $44 million below the first concurrent resolution. It is $1.6 billion below the budget estimate, $1.6 billion below the figure that the President of the United States requested to run the Department of Housing and Urban Development, and it is $607 million, more than half a billion dollars, less than the House of Representatives appropriated for the operation of the programs that are comprised within this bill.

I think that is a test of our concern about economy. It is a measure of our success in trying to meet the prudent objectives of fiscal restraint, which have been before us throughout this budget process. And I think the fact that we were able to do a little better than the President, a little better than the House of Representatives, and a little better than the Budget Committee is noteworthy. I think we should keep that in mind as we assess where this bill is strong and where it is weak, where it should be supplemented and when we give it final approval.

GENERAL COMMENTS

Mr. President, the bill recommends $71,356,151,000 in new budget authority, this is $44 million below the first concurrent resolution, $1.6 billion below the budget estimate, and $607 million below the House bill.

I would like to point out that the budget targets for the HUD Subcommit-

tee assumed that $600 million in budget authority would not have been required due to anticipated legislation action—this action never materialized. The Budget Committee has also identified another $400 million that might have been added to the first concurrent resolution had the committee been aware of the changing requirements of several programs. Thus, for these two reasons alone, the assumptions made by the Budget Committee have resulted in a target $1 billion below what might otherwise have been expected. It is unfortunate that because of these assumptions made by the Budget Committee, there has been pressure to reduce some of the worthy programs contained in the HUD bill.

I do not believe that because asumptions made in good faith, but proven by events to have been made in error, should be allowed to shorten the appropriations for urban America which are absolutely necessary. After all, 85 percent of all Americans live in cities and I take very much to heart what the Senator from Wisconsin said about the fact that when he came to Congress the whole budget for the Nation could have been comprised within this single budget for one executive department today.

But for good or evil, for better or worse, we have assumed some national responsibilities for the cities. The national program itself reflects a concern for cities and responsibility for cities.

We having assumed that responsibility I think should do it well, or else we should waive that job, discharge ourselves from that obligation, disband the Department of Housing and Urban Development, and go back to an earlier period in American history. Until we do that, I think we should provide sufficient support for the programs that we undertake so that they can reach their objectives and not fail short of exactly what we hope to attain by those programs.

I shall comment very briefly on some of the points in dispute in this bill. When I discuss the points in dispute I wish to make it clear, Mr. President, that most of this bill has been written on the consensus principle, but there are some places where we still disagree, and one of those is in the level for housing assistance payments. The appropriation for housing assistance payments for the fiscal year 1980 is identical with the President's request. We are asking no more than the President's budget suggests is necessary, and that will be able to assist approximately 265,000 low- and moderate-income families to acquire basic shelter housing. Two hundred sixty-five thousand is less than half the national goal that Congress established for itself and tried to meet national housing needs. Housing, that fundamental necessity of human life in this climate, is a product in short supply in America. There are millions of American families who either do not have a home or who have inadequate homes, and this shortage was viewed by Congress as one of our serious national deficiencies. We set as a goal for ourselves the construction of 600,000 housing units a year. We have fallen far short of that goal, and this year in this bill we are only providing for 265,000 low- and moderate-income units. That is not a great deal considering the need. It is not a great deal particularly considering the current state of the housing market, where it is very difficult for young people just starting out or for elderly people whose incomes are severely limited to find reasonably priced rental units. I think that this particular program of 265,000 units for housing assistance payments is absolutely necessary, and I hope that the Senate will resist the suggestion that will be made shortly by my friend from Wisconsin to reduce that particular item in this budget.

We have another area of disagreement which will come to the Senate either by way of an amendment or by way of a point of order to certain language in this appropriations bill, and that is a section which the committee, after some vigorous debate, voted to reduce the share of the States in the general revenues by the amount of nearly $700 million. I am not going to go into detail on that point at this moment, because it will be discussed later at length but I wanted to put the Senate on notice that there will be a vote at some point on the question of the level of revenue sharing with the States, and this is a matter of vital concern to every State in the Union, and every Governor of every State I think has been alerted to the serious consequences if we do not restore the level of revenue sharing which was originally contemplated in the bill.

The portions of the bill which deal with the Veterans' Administration are, of course, of enormous concern to every Member of Congress because they deal with the commitment of the American people to the men and women who served in the Armed Forces and who have given a part of their lives in this patriotic service.

It is my philosophy that the veterans program should not only aim at compensation for the time spent in the armed services and for the hazards and hardship that may have been implicit in that service, but also for the loss of opportunities which young Americans necessarily experience when they give 2, 3, 4, 5 years of their most productive parts of their lives to military service.

So I feel we should provide adequately for the services which we have committed to the veterans of America. I believe this bill does reflect that kind of concern and a fulfillment of that kind of promise we have made.

The bill contains over $20 billion for the various programs of the Veterans' Administration. This is about $70 million above the President's budget request, and I think in this instance the judgment of the committee is better than the judgment of the administration, because we will take account of what we feel are certain needs, certain deficiencies in the veterans program, and I think we have strengthened the program by providing additional funds and additional personnel to serve the veterans' needs.

Now I would like to briefly highlight some of the major provisions in the HUD and related agencies appropriations bill.

HOUSING AND URBAN DEVELOPMENT

The bill includes $33,637,451,000 in budget authority for HUD. This is $4,699,750 less than the budget request.

In a major statement of policy the committee took exception to the House action which would change the mix of assisted housing. The House action would federally mandate a national ratio for new construction/substantial rehab and existing housing. The committee believed, as I do, that the Department should utilize the local housing assistance plans to determine the mix and distribution of subsidized housing. The Housing and Community Development Act of 1974, as amended, specifies that these local plans should be used "to the maximum extent practicable." The most recent data available to the committee indicates that 27 States have a need for a larger percentage of new/rehab units than would be permitted by the House action. In addition, many cities within the remaining 23 States have new/rehab goals above the 60 percent target established in the House bill. The House action was motivated by the belief that it would be less costly to meet the housing needs by using existing housing rather than by constructing new housing. Unfortunately, there is not sufficient existing housing to meet the need. For example, over the last 3 years the net annual loss of rental housing has been 2 percent. This translates to about 20,000 units lost last year. The loss of multifamily housing has been largely due to a decline in new production of rental units, abandonment and foreclosure of older dwellings and conversion of rental units to condominiums and cooperatives. It is estimated that vacancy rates of 5 percent to 9 percent are needed to provide normal housing mobility. Currently the Nations rental vacancy rate is below 5 percent, with an effective rate of 2 percent to 3 percent. This is the lowest it has been in 24 years for which the Census Bureau has kept such statistics. The consequences of this housing shortage translate to increased competition and demand for the shrinking number of existing units which will push rents upward and thus, will ultimately increase housing costs for the Department. It is important to highlight that HUD's multifamily programs are a basic force in maintaining the level of multifamily starts in this country. The most recent estimates are that about 50 percent of all multifamily activity is directly dependent upon HUD's insurance and subsidy programs. Once again, I believe that the subcommittee and the committee acted wisely in not additionally reducing the availability of housing in an already tight housing market. It is quite clear to me that in order

to have a workable assisted housing program we must depend heavily upon a local assessment of suitability and availability of housing.

In a related issue, the subcommittee and the full committee rejected attempts to reduce the budget authority for section 8 assisted housing by $700 million. Such a reduction would preclude the reservation of approximately 15,000 housing units in fiscal year 1980. This would come on top of an estimated reduction of 60,000 units already included in the President's budget. The administration estimates that in fiscal year 1979 it will reserve a total of approximately 360,000 units. The fiscal year 1980 request is estimated by the Department to result in a reservation of 300,000 units—and this estimate is considered optimistic by the Congressional Budget Office by approximately 34,000 units. A further reduction in housing units at this time would go completely counter to the current trends in the housing market.

The committee has also recommended the full budget request of $675 million for the urban development action grants program. This is $275 million more than provided in the House bill. This program, authorized under the 1977 Housing and Community Development Act, is designed to encourage joint public-private ventures to combat local, economic and physical stress. To date the program has been one of HUD's most successful efforts, achieving a leverage of 6 to 1. For the 398 action grants awarded to date over $4.5 billion in private investment has been leveraged on the basis of $734 million in Federal funding. Based on 181 of these projects a total of $2.2 billion in increased property value and $80 million in property tax have resulted In addition, over 170,000 permanent jobs will be created through these existing projects and more than 78,000 jobs will be retained in distressed areas. Data on the 192 projects which have housing components indicate that over 24,000 housing units will be constructed and almost 27,000 units will be rehabilitated.

Currently there is a great unmet demand for additional funding in this program. HUD's projections indicate that requests totaling approximately $1 billion from 250 large cities are expected by September 30, 1979 and requests in excess of $500 million from approximately 300 smaller cities. In both the subcommittee and the full committee amendments were offered to reduce the action grants program below the amount requested. On both these occasions these amendments were rejected. If this amendment was accepted the estimated effect on the program would have been as follows:

It would reduce the number of additional projects that could be started by 75.

It would decrease the amount of private capital that could be levered by $775 million.

It would reduce the number of additional new permanent jobs by over 23,400.

It would reduce the number of housing units constructed or rehabilitated by 8,000.

It is also important to note that the pending "pockets of poverty" legislation, would require over $100 million to implement, leaving little or no funds to meet the demands of distressed cities and urban counties had the proposed cuts been sustained.

In addition to the above major actions, the committee has also recommended an additional $5 million for the troubled projects operating subsidy account. This important program provides operating subsidies for financially troubled multifamily subsidized projects where it can be demonstrated that projects are well managed or where improvements in management will be made. The purpose of the program is to insure the financial stability of existing rental housing projects and to prevent potential losses to the FHA fund resulting from project insolvency. The $4 million added by the committee brings this account up to the budget request for fiscal year 1980.

In another action the committee recommended an increase of $15 million for HUD's comprehensive planning grants program over the $35 million provided by the House. The amount recommended, while $10 million above the budget request, is $3 million below last year's appropriation. The committee recognizes that this program is the only Federal program which supports comprehensive planning assistance and that such assistance has played a vital role in the State and local decisionmaking for 25 years. These additional funds should help the Department to focus on such national policy objectives as the elimination of racism and discrimination, the development of efficient land settlement patterns, and the coordination of Federal funds from all sources.

The committee also provided $3 million for the livable cities program. The administration had requested $5 million for this program but the House failed to provide any funding. This program represents an important means of involving community-based organizations and the nonprofit sector in stimulating urban revitalization and in complimenting our efforts under the community development block grant program and the urban development action grant program. There is no doubt that art projects can be a catalyst for neighborhood revitilization, can build neighborhood and community identity, and expand economic opportunities for low- and moderate-income persons.

The committee also provided an additional $1.3 million above the House for HUD's research and technology program. With the additional funds provided by the Senate this account is still $2,700,000 below the administration's budget request. The additional funds provided by the Senate would, however, allow the Department to undertake high priority R. & D. activities which would not have been performed otherwise.

ENVIRONMENTAL PROTECTION AGENCY

The committee provided $4,668,142,000 for the Environmental Protection Agency. This is $441,096,000 less than the budget request and $46,354,000 greater than the House allowance. For salaries and expenses the committee has recommended an additional $8,571,000 above the House. Of this amount $2,571,000 was provided for enforcement actions against uncontrolled hazardous waste sites which pose an imminent hazard to public health or the environment. This item was not considered by the House. The remaining $6 million restores the cuts made by the House in personnel compensation and benefits. Had these funds not been restored EPA would be forced to reduce their work force by 245 work years. This, in effect, would eliminate the 237 work-year increase which was proposed for all EPA activities. If the House cut was sustained it would have severely curtailed EPA's ability to implement the Toxic Substances Control Act.

In the research and development account the committee has recommended full funding for the EPA's critical anticipatory research program. The House saw fit to reduce this program $6 million below the budget request. The House reduction, if sustained, would have prevented the start of five institutional centers of excellence, would have slowed the expansion of important research on environmentally caused cancer and acid rain and would have limited support for outside scientists to propose new and innovative approaches to identifying environmental problems and solutions.

Under EPA's abatement, control, and compliance account the Senate has recommended additions of $39,783,000 above the House. Of this amount, $19,429,000 and 70 positions was included in a budget amendment not considered by the House. This budget amendment covers the development and implementation of a program to discover, investigate, and take action to correct uncontrolled hazardous waste sites which are substantially endangering public health and the environment. EPA estimates that this budget amendment will enable the agency to discover and preliminarily investigate up to 500 sites and to fully investigate and take enforcement or other remedial action on as many as 70 sites. Currently there is no inventory of abandoned and inactive hazardous waste facilities, and in fact, there is precious little readily available information on past hazardous waste disposal practices. Rough preliminary estimates reveal, however, that there may be 32,000 to 50,000 abandoned and inactive hazardous waste sites, and as many as 2,000 of these sites could pose a significant threat to the public health and welfare. In funding this request, the committee realizes that this is a first phase of an effort in a longer term more intensive program involving hazardous waste sites.

Within the abatement control and compliance account the committee has also included the full $40 million request for the water quality management program. Under the House cuts of $10 million some of the agricultural and ground water projects to be undertaken in this program would not be funded. The Department's $40 million request for this

program was already $12 million below last year's level of funding. It is quite clear that much needs to be done in this area to prepare local management agencies to adopt management practices suited to specific water quality problems and to develop ordinances and technical information which will sustain legal challenges.

The committee has also restored the $5.6 million cut by the House for air control grants. The Clean Air Act Amendments of 1977 have increased the responsibility of State and local air control agencies to develop and submit implementation plans to meet ambient air quality standards in nonattainment areas. As a result, almost all States must submit new plans which require extensive State and local agency planning. The preparation of such plans place a substantial drain on State and local resources. It was the committee's belief that failure to restore the House cuts would impede the development or approval of these plans. The committee also restored $4.4 million for the underground injection control grants program. The committee did not agree with the House action which recommended a cut of almost 60 percent in the $7.8 million request for this program.

In the construction grants area the committee recommended a funding level of $3.4 billion. This is $400 million below the budget request and $800 million below the 1979 level. Members of the committee expressed concern about the unobligated balances in this account and included language in the committee report noting that legislation is currently being considered which will provide a two-tier system of funding. The report further notes that the committee "would be prepared to look sympathetically on a supplemental appropriation which would be designed to restore full second-tier funding" for those States that have succeeded in obligating their full entitlement of funds under this account. Last year, the President announced a 10-year, $45 billion program to help clean up our Nation's rivers and streams. There is no question that we have a tremendous task in front of us and it is important that we resolve any difficulties that may exist in the administration and funding of the construction grants program in order that we may move ahead rapidly.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Within the hazard mitigation and disaster assistance account of the Federal Emergency Management Agency, the committee has provided $6,114,000 and 49 positions for the National Fire Academy. The budget request for the Academy was signed by the President after the House had acted on the bill. The National Fire Academy will conduct courses in fire loss prevention, fire science technology and in other management and technical areas having to do with fire control and loss reduction. Fires in the United States cause almost 9,000 deaths annually and result in property loss of over $20 billion. I personally look forward to the Academy's leadership in this area to reduce the loss and human suffering association with fires of all type, whether accidental or deliberate.

NASA

Mr. President, in a recent article by Arthur C. Clarke, the great science writer, entitled "The Best Is Yet To Come," he makes the following profound and thoughtful observations concerning the future of our space program:

> We have bequeathed the solar system to our children, not our great-grandchildren, and they will be duly thankful. At the very least, this gift will enable them to look back on such transient crises as energy and material shortages with amused incredulity.
>
> For the resources of the universe that is now opening up are, by all human standards, infinite. There are no limits to growth among the stars. Unfortunately, there is a tragic mismatch between our present needs and our capabilities. The conquest of space will not arrive soon enough to save millions from leading starved and stunted lives.
>
> Thus it is all the more urgent that we exploit to the utmost the marvelous tools that space technology has already given us. Even now, few Americans realize that the skills, materials and instruments their engineers devised on the road to the moon have paid for themselves many times over, both in hard cash and in human welfare.

The NASA budget as presented to Congress was a unique one, but unfortunately its uniqueness was due to the fact that there were no new starts recommended for this vital program. The program can stand this perhaps for 1 year, but I earnestly hope that when we are presented with the budget next year it is not again one which includes no new starts.

Mr. President, I am pleased to note, however, that the recommendations adopted by the committee do include items, which although not new starts, are initiatives which will surely demonstrate the truth of Clarke's statement that "the best is yet to come."

The committee's recommendation for NASA is $1.5 million below the budget request, but the committee has recommended some changes in the estimate.

It has included an additional $4 million for the variable cycle engine program which will allow us to begin the demonstration of the variable cycle propulsion concept, which is extremely important not only for the second generation of supersonic aircraft, but also important to subsonic flight. This particular item, which has been strongly supported by the authorizing committees, is the most advanced aeronautical propulsion system ever worked on.

The committee is recommending an unbudgeted $2 million for the multispectral resources sampler, a pointable remote sensing instrument that will obtain high resolution segments of Earth resources data. We need to initiate this in order to minimize the number of satellites in future systems, and this technology will result in an instrument with less complexity and hence lower cost and higher reliability.

We are recommending $4 million for the National Oceanic Satellite System (NOSS). This is a follow up to the SEA SAT program. The system is designed to provide ocean condition data on an operational basis, similar to weather data received from the operational weather satellites. NASA will develop the space system and other agencies, mainly the National Oceanic Atmosphere Administration and the Department of Defense, will provide for the ground system.

The most graphic illustration of the need for the additional $5 million the committee recommends for advance rotorcraft technology is a graph which appeared in the NASA task force report on advanced rotorcraft technology which shows that through 1976 free world helicopter production was 84 percent U.S. designed, whereas the current forecast of free world helicopter production, 1977 to 1983, shows a U.S. design percentage figure of 62 percent. Unless we do something now the Europeans, who have caught up to us in this technology, will surpass us with an obvious adverse effect on our balance-of-payments, and of course, the jobs involved with the production of helicopters.

Mr. President, the technology NASA has developed over the years, as pointed out in Clarke's article, has greatly affected our daily lives. On a very current topics, energy, the committee has recommended $2 million for energy technology, identification, and verification. Simply, this money will be used by NASA to identify technology that they have developed which may be applicable to our energy needs.

Mr. President, because we desire to stay within the President's budget these additions are off-set by reductions to programs which will not be harmed by a minor adjustment. I would like to point out at this point, and emphasize, that NASA's budget was severely cut on its trip through the Office of Management and Budget (OMB). OMB cut the overall NASA request by $208,200,000, including cuts to items added by the committee.

The overall recommendation will provide for the entire request for the shuttle, NASA's major development objective. We are also providing for the continued development of the space telescope, the Galileo mission, and the international solar polar mission.

Mr. President, I would again like to express the hope that future years will be better ones for NASA, and with the 10th anniversary of the Moon walk we will commit ourselves to this program, mainly and especially because of the applications it will have to better our lives on Earth. Let me refer to the account by Armstrong, Aldrin, and Collins on their mission to the Moon when they said:

> It may be that the old astrologers had the truth exactly reversed, when they believed that the stars controlled the destinies of men. The time may come when men control the destinies of stars.

NATIONAL SCIENCE FOUNDATION

Mr. President, if ever there was a time to support basic and applied research, such as is done by the National Science Foundation, now is such a time. I think most of my colleagues have heard from groups, both conservative and liberal, about the importance of basic research. This, of course, is the Foundation's mandate and it is estimated that NSF provides approximately 34 percent of all Federal support for basic research going to academic institutions. In some fields it provides the dominant share, such as 69 percent in ground based astronomy,

60 percent in environmental sciences, and over 50 percent in mathematics and engineering.

Mr. President, more and more we are coming to recognize that the path to solving so many of our problems is research, research, research. I am pleased to report that the committee has recommended virtually all of the administration's requests. It did go along with the House by making a minor reduction in the scientific activities overseas, special foreign currency program, but otherwise this bill calls for full funding.

Mr. President, I know that my colleagues are aware of the good and vital work NSF does so I do not think it is necessary at this time to detail those achievements. Suffice it to say that we must continue our efforts in these areas.

NEIGHBORHOOD REINVESTMENT CORPORATION

The committee has also included an additional $2.5 million over the House allowance for the Neighborhood Reinvestment Corporation. The committee believes that the Corporation's activities in establishing and supporting neighborhood housing services programs and preservation projects has paid significant dividends in the past.

REVENUE SHARING

Mr. President, the committee adopted an amendment which reduces the States allocation of general revenue sharing payments by one-third. The amount of funds involved in this amendment amount to $684 million. It is my position that this action by the committee was a most unfortunate one and I am prepared to offer an amendment to restore these funds. However, the amendment offered in committee is unquestionably legislation and I will be making a point of order against it on the basis that legislation is not in order on a general appropriations bill. Subsequent to that time I will have more to say about this issue.

VETERANS' ADMINISTRATION

The bill contains $20,316,624,000 for the various programs of the Veterans' Administration. This is $70,425,000 above the President's budget request. In the medical care account the committee has recommended concurrence with the House figure of $5,671,119,000. This amount will provide the funding for an additional 3,800 personnel during fiscal year 1980. At the end of fiscal year 1978 the VA staffing in the medical care area amounted to approximately 185,000 person years. At the end of fiscal year 1979 it is estimated that this will drop to around 181,000. This result is an actual decrease of around 3,700 staff years. The committee's action in providing the 3,800 staff years will serve to offset this reduction. The VA intends to use 1,500 staff years to remedy staffing deficiencies in their field operations, 1,000 staff years to provide additional services where workloads have increased, and 1,300 staff years to support new facilities.

The committee has also provided an additional $1,823,000 over the House allowance for the vet rep program. The committee believes that the outreach services provided through this program have been particularly useful in informing veterans as to their eligibility for benefits.

The bill also contains $75,090,000 for the VA replacement hospital in Baltimore, Md. In its report the committee voices it's concern about the future of the Fort Howard medical facility in Baltimore County. The report states "In light of the projected increase in the average age of the veteran population, the committee urges the VA during this interim period to continue to review the needs of the health care delivery system for veterans in the Baltimore area to insure that the VA is appropriately providing for it's health care problems with an eye toward keeping the Fort Howard facility open." I believe that in these days of rising costs, and increasing demand for services, it is important that we make full use of existing facilities as a way of meeting our future needs.

Mr. President, I will reserve the remainder of my time.

Mr PROXMIRE. Mr. President, I will reply just very briefly to my good friend from Maryland.

No matter what his arguments may be about how this is a fiscally responsible bill as it comes to the floor, and it is almost precisely on target with the budget resolution, he overlooks the fact that supplementals, which we simply cannot say no to—and I challenge my good friend from Maryland to agree to say he would now oppose—are going to come up, and they are going to raise by $1.1 billion the amount provided in this appropriation.

The expected requests are for veterans' benefits, for disaster relief and for pay raise costs. They are, as I say, inevitable; they are certain, they are sure, they are going to come, they are going to be affirmed, and the result is we are going to be nearly $1.1 billion over the budget resolution.

If, on top of that, the amendment which the Senator from Maryland indicates he is going to offer to eliminate our reduction in revenue sharing—this bill contains a $684 million cut in revenue sharing—is agreed to, then we will be about $1.7 billion over the mark we promised the country about 2 months ago we would try to adhere to in this one budget.

I think it has been the experience of Members of the Senate that this is typical. I have talked to the Senator from Maine (Mr. MUSKIE) about this, and the Senator from Oklahoma (Mr. BELLMON), and they are extremely concerned. I think most Senators have received a letter from them calling their attention to what is happening here.

I think the Senator from Maryland has made a marvelous argument for the programs funded by this bill. I am enthusiastically with him on this. We would like to be more generous. We would like to go higher if we possibly could. But I think we have to recognize we have a very clear responsibility to this country with respect to inflation. The overwhelming majority of the American people feel, and I think they are right about it, that excessive Federal spending is one important element—not the only one, but one important element—in the rise in prices, in keeping them as high as they are, and in keeping Government big, burdensome, and often as inefficient as it is.

For that reason, Mr. President, I do hope we will resist any additional burdens that will be imposed, and I hope Senators will do their best to support whatever measures are offered—if there are such measures—to reduce what is in the budget.

Incidentally, I expect to offer an amendment to do that. I am very hopeful that I can win majority support in cutting $700 million for assisted housing. We were not successful in the committee, and it is going to be an uphill battle on the floor. That is all the more reason why it is very important that we resist the effort to restore the $684 million the committee cut in revenue sharing.

Mr. President, I reserve the remainder of my time. I think the Senator from Maryland may want to call up his amendment now or take some other action with regard to revenue sharing.

Mr. MATHIAS. Mr. President, first of all let me just say to my chairman and to other Members of the Senate that we are all concerned about the necessity for fiscal restraint. But I think that the distinguished Senator from Wisconsin is stating the case in too stark terms. He says we are below but close to the first concurrent resolution, and he is, of course, absolutely right. We are $44 million below the first concurrent resolution, which, in dealing with figures of this size, is about as close as you can get to complying with the strictures of the resolution.

But what he does not explain to the Senate is that this is the first concurrent budget resolution. The Budget Committee is pragmatic. It understands that not all of the assumptions it makes when it begins a budget cycle are necessarily going to work out, and in this case, as I have already pointed out, the assumptions did prove to be in error, and therefore, in accordance with the regular practice of the Budget Committee, there will be another concurrent resolution somewhere later in the year, and it will contemplate the very needs which the Senator from Wisconsin has accurately predicted will arise.

I agree with him absolutely that there are going to be some other means which will arise in the general areas that are covered by this legislative bill, and the Budget Committee will assess those needs, and the Senate will then pass upon it, and then we will be at that time under a new legislative mandate to address the provision of the funds to meet those needs.

So while I think it is a prudent thing always to look ahead and see what kind of problems lie down the road, I think you do not want to look so far ahead that we become paralyzed and not be able to deal with the problems that are immediately ahead of us.

We do not want to be like the farmer with the load of hay who saw a bridge way, way down the road that looked so narrow to him that he just stopped the hay wagon then and there because he was sure he could never get that big

wagon through that narrow bridge. Had he gotten up to where he saw it in close view, instead of in distant perspective, he would have seen there was plenty of room on that bridge for two or three hay wagons to pass without any difficulty.

I think that is the kind of trap that we want to avoid here today. Let us deal with the problems that are before us now. And there are real problems. The cities of America are, I think, making gallant and a valiant effort to revitalize middle America. Certainly I am extremely proud of what the city of Baltimore has done, and largely on its own initiative. The ideas and the creativity have come largely from within the city. The mayor of Baltimore, Bill Schaefer, has been largely the sparkplug for that revitalization of Baltimore.

But I say to you, Mr. President, the cities of America cannot do it alone. They have to provide their own initiative, vitality, and creativity, but they need the Federal Government to help bring those ideas to realization, to make it work.

That is all I am suggesting we should be doing in this bill: providing that absolutely vital element of help to make it work, so that the cities can do what they need to do for themselves.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I would like to call to the attention of the Senator from Maryland and other Senators the results we have had with the fantastic increase we have provided in funds for our cities.

In the last 20 years, the Federal Government has increased the amount of spending in cities from $2 billion a year to $85 billion a year. A Brookings Institution study indicates that back in 1957, the Federal Government contributed $1 for every $100 the cities raised themselves from property taxes and other revenues. Today the Federal Government contributes almost as much as the cities raise themselves.

The Senator might ask, "Well, what is wrong with that, if our cities are doing well?"

A study by Dr. Richard Nathan of the Brookings Institution indicated, just about 6 weeks ago, that on the basis of three objective criteria, jobs, housing, and the cost of living, the cities are doing worse.

Of course, that is not universally true. The Sun Belt cities, such as Houston and some others in the southern part of our country, may be doing a little bit better; but the overwhelming majority of the cities, including the cities of the Northeast, the Midwest, and elsewhere, are doing a good deal worse.

We are not solving this problem by just throwing more and more money at the cities. Some people may argue that the cities would have been doing even worse if we had not spent the money. I am not sure that is true. But we should be very hesitant about continuing or increasing the community support programs funded through this bill. I am not going to offer an amendment to change the UDAG figure. Perhaps other Senators will. But this bill, as I have pointed out, provides a 70-percent increase in 1 year for UDAG, from $400 million to $625 million.

We are 70 percent over the House in the UDAG program. That is a mammoth increase in spending for our cities in that particular area. I think we ought to put in perspective this notion that we are going ahead with a simpatico program that is going to be of help. The program has hurt the taxpayers and increased inflation, but it has not done very much for our cities. It is not working.

We need some hard, thoughtful, intelligent programs that do not cost so much, necessarily, but will do the job. If we simply move ahead as we have in the past, and give more and more money to these programs that are not working, it seems to me we are not performing as we should.

If the Senator wants to offer an amendment to actually raise the huge amount we are spending in our cities, I will be interested in hearing his proposal. I assume that is the first amendment we will have up.

Mr. MATHIAS. Before we get to that, the Senator has quoted Dr. Richard Nathan. He is a very persuasive witness, in my book; I have known him for many years, and I have high regard for his knowledge. I do not think I would have any quarrel with his conclusions, because it is obvious that cities in many parts of the country are in trouble.

Again I would like to point to the example of Baltimore, where we have had a maximum of local initiatives with Federal assistance, which is working out in a very successful way. Not everything is perfect by a long shot, but there is a remarkable movement in Baltimore; and I will take this opportunity to invite the Senator from Wisconsin to come to Baltimore with me, and we will take a look at some of those projects. I would remind the Senator that Baltimore is the gastronomical capital of the Union; we will have dinner, we will have Chesapeake Bay seafood, and the Senator will see, I think, that there is a good urban atmosphere developing in the city of Baltimore, which is the thing that has been missing in American cities for so many years.

But why has it been missing? Consider the magnitude of the problem that the cities of America have faced. There has been a migration in this country of between 20 million and 30 million agrarian workers, who have come to the cities of the North. This is one of the greatest migrations of human beings in the history of the human race.

There has been very little written about it; oh, there have been some stories about the "chicken bone special" which runs on a regular run from the South to the cities of the North, but we have had one history. Twenty million to 30 million of the greatest human migrations in history. Twenty million to 30 million people who, over a relatively short span of time, have moved from the agrarian South into the urban North, and this has presented the cities of this country with social and economic strains that were incredible. I think, as historians look back on this period of American history, they are going to wonder that the cities did as well as they did. It has been an extraordinary kind of scene.

So I think this is not the time to cut back on our support for cities, but rather to encourage them to go forward.

The Senator has raised the question of UDAG. I think it is an interesting case study in exactly the sort of thing we are talking about. If you put in $275 million for the urban development action grants program, you get a very different kind of result because the leverage in UDAG is about 6 to 1. For an investment of $125 million, we could get 75 additional projects, but for $275 million we get 175.

What does that mean in terms of stimulation of the economy? For $125 million, we would provide leverage of $775 million in private investment, but for the larger sum we would get $1.7 billion in private investment. That would mean if we provide the full request of $275 million over the House amount we would create about 50,000 additional jobs, produce over 17,000 new or rehabilitated housing units. This is the very kind of encouragement that the cities need in terms of private investment. This is what I think we should provide for in the appropriations process.

Mr. President, I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time to the Senator?

Mr. PROXMIRE. How much time does the Senator wish?

Mr. MOYNIHAN. Ten minutes will be more than enough.

Mr. PROXMIRE. I yield 10 minutes. I am sure the Senator will support my position. I yield 10 minutes to the Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 10 minutes.

Mr. MOYNIHAN. I thank the Chair and I thank our distinguished chairman, who has been such a good friend of my city of New York and of cities throughout this Nation.

I rise to suggest that 10 minutes is more than sufficient for the purpose that I require, which is to say that I will be supporting the amendment restoring revenue sharing funds which our friend, the distinguished senior Senator from Maryland, has submitted on behalf of a group of us.

I would like to make a simple point, which is that one of the things which we do not do well in our country, at least in some respects, at this level of Government, is staying with an adopted policy.

A most recent example of this kind of almost fecklessness is that we have no more than resolved that we will reduce the Federal deficit to a manageable or nonexistent level over a period of 2½ years and that we will restrain new initiativeness, but suddenly we hear talk of a tax cut coming from both sides of the aisle.

Another thing we do not do well is when we experiment, as we frequently do, and we have been experimenting for most of American politics, we have great difficulty undoing or discarding, or accepting, experiments that do not succeed and letting them go.

Mr. MATHIAS. Will the Senator yield at that point?

Mr. MOYNIHAN. I yield.

Mr. MATHIAS. I think that is an extremely important point.

If a great corporation tries a new product line and it fails, the public does not buy it, it does not make economic sense, it is just written off in a quarterly report as a line that did not sell and there is no big deal about it. They say, "We are sorry, the dividend is off a few pennies this quarter but we are going to do other research, we are going to go on with other things." Nobody gets terribly excited about that. It is done by General Motors, General Electric, and Westinghouse. Why is there reason to believe that the Government, which is not any more immune from making error than the corporate world, will not also have this kind of experiment failure?

Mr. MOYNIHAN. There is no reason at all, and it does. The great problem in Government is that experiments, once begun, tend to perpetuate interests which far exceed what they should be. A good example is the flood plain management of the Federal Government. It has been disastrous for several years, but it seems likely to go on for a full century of calamity. But the most bizarre thing is that when we do come upon a program that does work and works very well, some almost perverse instinct tells us this is the place to cut whenever the mood is upon us to reduce expenditures.

One of the reasons revenue sharing is under attack is that it works. It is not attacked, per se, because it works, but, rather, because it works, it is attackable. Let me explain this in a simple irony. Revenue sharing is simple, it is easy to understand, its benefits are conspicuous and direct, and it has created no bureaucracy. There is no bureau of revenue sharing. It is very small. It takes up about 5 percent of the time of an Assistant Secretary of the Treasury, who does it beautifully.

It has not created a large Federal establishment. One more harmonious fact: Because it was done for the precise reason that we did not want more large Federal establishments to transfer resources, it is widely accepted. It is beautifully efficient, and, therefore, it is attackable, unlike those endless prehistoric bureaucracies that inhabit the stygian glooms of the lower reaches of our departments like some still persisting paleolithic organism.

Remember why we developed revenue sharing. There were two reasons: One, we found that it was the nature of the Federal fisc and the progressivity of the income tax that for every 1-percent increase in GNP the Federal revenues increased by about 1½ percent. That 1-percent increase in GNP generates about a 1-percent increase in demand for government around the country, 1 percent more cars meaning 1 percent more roads, that kind of thing. But the revenues of local governments and State governments often fare at no more than unity and sometimes fare at less than unity. So as success drew power to Washington the Federal system was getting out of balance by virtue of its very success.

So we hit upon revenue sharing as a means for returning some measure of it. It has been successful. It ought not to be held against this measure that it has been successful. It will be held against us, if we should now, in a wholly inappropriate way, decide to discontinue or cut this program. We are not going to discontinue it.

I would remind my friend, the Senator from Wisconsin, that any number of State legislatures have already closed out the year and have gone home, and they have put in their budgets money that was expected under revenue sharing. It attains a condition of entitlement that the State and local governments know is coming to them. If it turns out to be a sum in response to whatever erratic enthusiasm seizes the Appropriations Committee, we will have spoiled one of the finest instruments ever sustaining federalism that was achieved during this decade. We do not have that much to show for the 1970's. For heaven's sake, let us not wreck one of the really fine pieces of intergovernmental exchange machinery which we have created. It seems to me to be an important point.

Mr. President, I am pleased to join Senator MATHIAS in the sponsoring of the amendment to restore the full funding of general revenue sharing to the States. I believe the action taken in the Appropriations Committee to be hasty and untimely. Hasty because the Senate Finance Committee, which has jurisdiction over the authorizing legislation, has not held hearings on this matter. These hearings are to be held in 1980, when the current authorizing legislation for all revenue sharing, not just States' share, expires. At that time, the entire program should be evaluated.

The action is also untimely, because we will be indiscriminately reducing payments to the States just at a time when the economy is heading toward a recession. It is well known that because of their dependence on sales and real estate taxes, States, and localities suffer more during recessions. Indeed, many of our cities have not yet recovered from the last recession, and look to both the State and Federal Government for assistance in maintenance of essential services. In recognition of this, just this week the Finance Committee reported out a bill establishing a standby countercyclical revenue sharing program to provide States and cities with additional funds when the recession occurs. In taking this action, the Appropriations Committee will have undone the actions of the Finance Committee, leaving many areas little or no better off than they were.

The justification for the committee's action is the tax reductions enacted in 19 States since January 1978, and the budget surpluses that some States are alleged to have. However, for many States, including my own, whose tax rates are among the highest in the Nation and which rates inhibit local economic growth and development, such tax cuts were long overdue. A tax foundation study notes that State and local income tax collections rose 59 percent between 1971 and 1976.

Further, although the Federal income tax bite has remained relatively constant over the last two decades, State and local income taxes measured as a percentage of personal income has tripled. Concurrently, the States have become more dependent on revenue sharing. The States got 23 percent of their general revenues from the Federal Government prior to the enactment of general revenue sharing. By 1976, this figure was up to 28 percent. It is logical to conclude that without this revenue sharing, there would have been even further increases in State income taxes.

The committee report also suggests that States are awash with billions of surpluses while the Federal Government is impoverished. This is a myth that would make CPA's shudder. At least part of this surplus arises from differences in bookkeeping methods. Many States are constitutionally required to maintain a balanced budget in their general funds. Hence, surpluses in these funds are a common phenomenon. At the end of its 1978 fiscal year even New York had a surplus of $5 million in this fund. However, the States also have capital funds, where all their debt is reflected. The debt does not count as an offset to the surplus that these States show. For New York, this was $4 billion. How much would our Federal deficit be reduced, if not eliminated, if its accounting method paralleled that of the States—if debt incurred to finance Federal buildings and highways, for tanks and destroyers, for planes and missiles, were not counted in our deficit.

All of this was confirmed by a January 1979 study of the Joint Economic Committee which concluded:

> The surplus that now exists in State and local budgets is not all it's cracked up to be, once appropriate adjustments are made in the data, and even then it is probably a transitory phenomenon * * * the surplus always seems to bounce around in the short run. It may rise today, but it seems likely to fall tomorrow. This is another reason for not altering policy judgments of underlying fiscal or economic needs because of short-term bulges in the surplus.

Mr. President, I urge us for once not to act precipitously in these matters and to defer any decisions until the matter can be fully explored.

I thank my friend from Wisconsin for his close attention. He knows that we are right in principle. I hope he can be persuaded to follow us in practice.

The PRESIDING OFFICER (Mr. FORD). The Senator from Maryland.

Mr. MATHIAS. Mr. President, following the eloquent remarks of the distinguished Senator from New York, I think it is appropriate to put to the Senate the issue that he has been illuminating. That is the question of the level of revenue sharing. This is a critical question for Governors, for State governments, for people all over the country. It is a critical question because there has been a certain degree of reliance upon the levels of revenue sharing. To alter those levels at this point would be to shake confidence in the whole system of revenue sharing and in the philosophy which induced us originally to create the system of revenue sharing.

I know it can be said, and I predict

that my friend from Wisconsin will say it, that the Federal Government is running a deficit and that the State governments are running in the black, and, therefore, they ought to be helping us rather than the Federal Government helping them, I think you have to be very, very careful about that argument, because that can be an apples-and-oranges comparison. The method of accounting can make a very great difference as to whether they use red ink or black ink.

The Federal Government, prudently, discounts its capital investments in preparing its annual fiscal reports. The enormous public works projects, of enormous value, incalculable value, acquired every year by the Federal Government do not show up as revenues or as increases in our revenues. Yet practically every State in the Union—I cannot testify to every one of the 50, but I understand it is common State practice to include the capital side of the account in calculating whether there is or is not a State deficit.

If the States were to operate on the Federal principle or if the Federal Government were to operate on the State principle, I think we might find a very different view of what the real fiscal situation of the country is. So I do not think we can say, just blithely, that there is no need for revenue sharing in the States.

But even if that argument would hold water, to suddenly and drastically reduce revenue sharing would be, a breach of faith with the people of the country who have been led to expect this as an ongoing program.

That does not mean we cannot change it. It does not mean it cannot be cut off totally some day if conditions require that it be cut off. But it should not be cut off at a point of time when there is not adequate lead in which local and State governments can prepare themselves for other means of financing the vital services of government.

We have two means of approaching this problem, Mr. President. One is by way of an amendment, which Mr. BAKER, Mr. MOYNIHAN, Mr. RIEGLE, Mr. BRADLEY, Mr. JAVITS, Mr. PERCY, Mr. MCCLURE, Mr. GARN, and Mr. HAYAKAWA have all indicated they are anxious to cosponsor. However, it occurs to me that there is another way to approach it, which is preferable, from a parliamentary point of view. That is to note that the language by which the Senator from Wisconsin would reduce revenue sharing is subject to a point of order.

I think we should address ourselves to that point of order and by supporting the point of order, by opposing any question of germaneness which the Senator from Wisconsin may raise, we shall negate his reduction of revenue sharing and we shall restore the sum of $684,000,000 to the revenue sharing fund, a sum which is vital to the operation of the States of the Union.

Does the Senator from Kentucky wish some time?

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Kentucky.

Mr. FORD. Mr. President, I am compelled to ask for a minute to express my strong support for the amendment which restores the $684 million which the Senate Appropriations Committee cut from the general revenue-sharing allotment to the States. I join my distinguished colleague from New York when he says we always want to cut from the projects that are working and continue those which are not. I say that this is one that I believe is working. I support his remarks.

I certainly can appreciate the rationale behind the recommendation for this spending reduction, because there is not a Member of this body who is not attuned to the demand for fiscal responsibility in the expenditure of Federal tax dollars.

Time and time again, I have joined in supporting proposals that would help us accomplish that goal. But, Mr. President, this time I cannot go along because this is one of the few Federal programs that I can confidently say is working and fulfilling the expectations of those who created it.

As Governor of Kentucky from 1971–74, I saw how this program, through both the local and State allotments, filled many vital needs in community after community across my State. There are several other former Governors in this Chamber today—and they know as I do that the Federal revenue sharing program works because it shifts the decisionmaking process back to the local level where it should be. These are the people closest to the situation. They know what their commmunity goals and needs are—and they do not need Washington stepping in and pulling rank.

The general revenue sharing program is one program where the average citizen feels that he is receiving a good return on his Federal tax dollars. Here we have a program with no Federal strings attached and no Federal bureaucracy with which to deal.

This program has been immensely successful and I, for one, do not want to see it weakened. Even in the midst of this so-called austerity movement, I continue to support the general revenue sharing program because I believe in the concept on which it is based.

Instead of aiming our budget-cutting scissors at those programs which are productive and worthwhile, we should be paring those many other programs which have been shown to be riddled with fraud, mismanagement, and waste.

Shortsighted budget cuts are not the answer to our fiscal dilemma. Too many good programs—like Federal revenue sharing—will suffer irreparable harm.

Finally, Mr. President, let me say that approval of this amendment will not mean an increase above the fiscal year 1979 appropriations. Approval of this amendment simply will mean that the program will continue to be funded at current levels, in concurrence with the House of Representatives as well as the administration.

I urge that my colleagues show their support for the Federal revenue sharing program by casting their vote in favor of this amendment.

Mr. MATHIAS. Mr. President, I thank the Senator from Kentucky for his support, which has extra force, because of his experience as Governor of Kentucky.

Mr. PROXMIRE. Mr. President, I know Senator MUSKIE and Senator RIEGLE both would like to speak as soon as they can.

Mr. MATHIAS. And Senator BAKER.

Mr. PROXMIRE. They all have demands on their time. And Senator BENTSEN wishes to speak, too. Could the Senators indicate how much time they want so we can make it as convenient as possible?

Mr. RIEGLE. Seven minutes in my case.

Mr. MUSKIE. I think I can perhaps do mine in 7 minutes or less. This is an opening statement designed to put this bill into context with the budget resolution. I think that, given the nature of that relationship——

Mr. PROXMIRE. Will the Senator from Michigan permit the Senator from Maine to go ahead, because I think his comments relate to the overall bill, not to this specific amendment.

Mr. RIEGLE. Yes; I think it makes good sense for him to go ahead.

Mr. PROXMIRE. I yield whatever time he may require to the Senator from Maine.

Mr. MUSKIE. Mr. President, I thank the distinguished floor manager of the bill and also Senator RIEGLE for their understanding. Senator RIEGLE is, of course, a member of the Budget Committee and Senator PROXMIRE has been very supportive of the objectives of the budget process.

Mr. President, the bill as reported by the Appropriations Committee provides $71.2 billion in new budget authority. Outlays associated with the bill total $48.1 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution for fiscal year 1980. The Appropriations Committee has allocated $71.4 billion in budget authority and $48.5 billion in outlays to the HUD-Independent Agencies Subcommittee.

The funds provided by H.R. 4394, plus other action completed or underway, put the subcommittee $0.2 billion under its section 302(b) budget authority allocation and $0.4 billion under its outlay allocation. However, possible later requirements which can be anticipated, could boost the subcommittee above its 302(b) allocation by $0.9 billion in budget authority and $0.6 billion in outlays. This outcome would seriously threaten the targets in the first budget resolution.

Mr. President, I ask unanimous consent that a table showing the relationship of this bill and possible later requirements be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD as follows:

H.R. 4394, HUD/INDEPENDENT AGENCIES APPROPRIATIONS BILL—RELATIONSHIP TO SUBCOMMITTEE ALLOCATION

[In billions of dollars]

	Budget authority	Outlays
Subcommittee sec. 302(b) allocation	71.4	48.5
Action completed or underway	------	17.6
H.R. 4394	71.2	30.5
Amount over (+) or under (−) subcommittee allocation	−.2	−.4
Possible later requirements:		
Function 450: Disaster relief	.2	.1
Function 700: Veterans compensation cost-of-living increase	.7	.7
Unallocated: October 1979 pay raises	.2	.2
Total, possible later requirements	+1.1	+1.0
Possible amount over (+) or under (−) subcommittee allocation	.9	.6

(Mr. FORD assumed the chair.)

Mr. MUSKIE. The details are spelled out in that table, Mr. President, and I shall be glad to go over them specifically, if Members wish.

Because of the potential threat of this bill to the budget targets, I must oppose it as reported by the Appropriations Committee. I will vote for it only if amendments are adopted by the Senate which reduce the bill's cost enough to eliminate the subcommittee's potential overage.

I understand that the distinguished floor manager of this bill (Mr. PROXMIRE) will sponsor an amendment to reduce the funding for assisted housing by $0.7 billion—to the level assumed in the first budget resolution.

While this amendment will not completely eliminate the HUD Subcommittee's potential budget overage, it will substantially reduce it. Therefore, I support this amendment and urge all Senators to do the same.

Furthermore, Mr. President, I urge Senators to join me in opposing any amendments to increase funding for any program in this bill unless such amendments include compensating reductions in other programs.

The likelihood that the HUD/Independent Agencies Subcommittee will exceed its section 302(b) allocation leads me to point out, as I have in connection with previous appropriations bills, that we now have several appropriations subcommittees that are likely to exceed their 302(b) allocations.

Further, it is likely that other subcommittees will exceed their allocations. And it appears very unlikely that the remaining subcommittees will have sufficient surpluses within their 302(b) allocations to compensate for these excesses.

It now appears that the Appropriations Committee may exceed the amount allocated to it in the first budget resolution by $6 billion in budget authority and almost $5 billion in outlays when all the regular appropriations bills and the fiscal year 1980 supplemental requirements are taken into account. As a result of these appropriations excesses, the fiscal year 1980 deficit may increase by almost $3 billion.

I recognize that this situation is to a large degree caused by the failure of other committees to realize savings assumed in the first budget resolution.

For example, $0.2 billion of the potential HUD Subcommittee overage is due to the failure of the Veterans Affairs Committee to report legislation reforming veterans entitlement programs. The first budget resolution assumed savings of this magnitude from such legislation.

As a result, the Appropriations Committee must provide $0.2 billion in funding that was not included in its crosswalk under the first budget resolution.

Mr. President, I have sent letters to other committees reminding them of their responsibility to report legislation reducing the cost of programs in their jurisdiction.

However, the Appropriations Committee cannot be held harmless for the failure of authorizing committees to achieve savings in entitlement programs.

I can understand the reluctance of the Appropriations Committee to act as the fall guy when other committees do not do the job called for by the budget resolution. But the Appropriations Committee alone has the power to do the job shirked by other committees.

For example, if the budget resolution calls for savings in an entitlement program which are not reported by the authorizing committee, the Appropriations Committee has two choices.

First, it can find compensating reductions in more directly controllable programs by including legislative language in appropriation bills.

The committee took this latter course of action in this bill in reducing the cost of the general revenue sharing program. While I generally oppose such action because it invades the prerogatives of authorizing committees, I regretfully come to the conclusion that no other course of action is available if authorizing committees refuse to carry out their responsibilities to enforce the Congressional Budget.

Mr. President, I wish to point out that two programs which I sponsored and I have strongly supported over the years would be funded in this bill at levels which I consider undersirably low.

The first of these programs is the general revenue sharing program, which the full committee cut by $0.7 billion. In my mind such a reduction amounts to reneging on a Federal commitment to the States.

The second program is the EPA wastewater treatment construction grant program. This bill funds this program at a level $0.4 billion less than was requested by the President and assumed in the first budget resolution, and $1.6 billion less than the estimated need when we last reauthorized the program in 1978. This level of funding could seriously slow our national commitment to clean up our Nation's waterways.

However, Mr. President, my strong concern over the proposed appropriation level in this bill for these programs is offset by my even stronger concern over the tight budgetary situation in which the Congress finds itself. While I regret that important and needed programs such as State revenue sharing and wastewater treatment plants should fall victim to spending excesses elsewhere in the budget, I will not attempt to add to the already too high fiscal year 1980 budget deficit by proposing an amendment to increase the funding for these programs.

As I have said time and time again, bringing Federal spending under control and balancing the Federal budget will not be easy. It is not simply a matter of cutting out a few programs that are clearly unnecessary or wasteful.

It means making deep and painful sacrifices in each and every area of Federal activity. Each of us here must accept such sacrifices in programs which we hold near and dear, or we will never get this budget under control.

One closing observation, Mr. President. Next week the Budget Committee begins markup of the second budget resolution. CBO's estimates indicate already that budget authority will be $9 billion in excess of the first budget resolution, not counting these excesses which I have been talking about here this morning.

It looks as though the deficits of the second budget resolution will approach $35 billion to $40 billion. The Senate will remember that after the conference on the first budget resolution we had reduced the deficit to $23 billion. We are unlikely to be able to reduce the deficit to a figure below that of 1979, the way we are going, and the way the economy is headed.

So, Mr. President, I want Senators to understand, they may challenge my numters, they may challenge the assumptions, they may disagree with my conclusions, but I would find myself remiss if I waited until after the fact, after markup of the second budget resolution, to inform the Senate our deficit had climbed $10 billion to $12 billion.

Mr. President, I think the Senate would find that unacceptable. I think they would hold me responsible for not warning them in advance.

This constitutes such a warning, and if it means I must sacrifice my vote on two programs to which I have made a deep commitment over many years, so be it.

I must not only warn the Senate, but I must also set an example. I am going to do my best in the consideration of this bill before us today.

What I have had to say is not denigration of the position of Senator PROXMIRE. He is as unhappy with aspects of this pending bill as I am, I take it, and he is going to offer an amendment to reduce the housing by $700 million. That is an expression of his concern which parallels mine.

I simply want to indicate my support for that amendment and my effort, wherever my vote can make a difference, to hold down any increases in the present bill and to support decreases.

Mr. PROXMIRE. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. PROXMIRE. Mr. President, I warmly commend the Senator from Maine for doing what he has done so often. I hope and pray what he is saying will be heeded by Members of the Senate.

What he is telling us, as I understand it, is that unless we hold down spending in this bill, unless we find ways to reduce it, in fact, we are going to be about a

billion dollars over the budget resolution

billion dollars over the budget resolution which we passed only a couple of months ago.

Furthermore, that means we are going to deepen the deficit for the coming year. That means, far from being in any position to balance the budget or fight inflation by holding down spending, we will feed the fires of inflation, contradicting what we have done.

It is very painful, as the Senator points out, to make these reductions. All of us favor the programs in this bill. But I think what the Senator from Maine is telling us is right on target.

I hope Members recognize that however important it is for us to provide assistance for our cities, assistance for States and localities, and so forth, that our No. 1 priority is to find a way of fighting inflation, of holding down spending reasonably, and coming in with a fiscally responsible bill.

Nobody in the Senate, nobody in my knowledge, certainly, in the recent history of the Senate, has contributed more to this debate in a responsible way than the Senator from Maine. I think we are all in his debt for the statement he has just made.

Mr. MUSKIE. I thank my good friend from Wisconsin.

Mr. MATHIAS. Mr. President, I yield 5 minutes to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator.

Mr. President, I strongly support this amendment to restore full funding to the general revenue sharing program.

The bill now before the Senate would provide $684 million less than State governments are entitled to under the Intergovernmental Fiscal Assistance Act of 1976. That would mean that the general revenue sharing grant going to each State would be cut by one-third.

That cut was not proposed by the administration. It was not assumed in the first budget resolution that passed the Senate, and is not required by the first resolution conference agreement.

This cut was not approved by the House. It was not recommended by the Senate Appropriations Subcommittee, and it should be rejected today by the full Senate.

Mr. President, the Senate in recent months has been made very aware of the need to hold down Federal spending. Inflation remains a dangerous problem. It is important that Congress help cool inflationary expectations by showing a steady, long-term commitment to reduce waste and restrain spending. But we send out the wrong signals when we reduce the Federal deficit with rash, unexpected spending cuts that pass off the problem to others.

Mr. President, it is clear to everyone that the general revenue sharing program presents a very tempting target. At $6.9 billion, it is a big chunk of the Federal budget. Many in Congress have opposed it because it is "no strings" assistance. Many of our colleagues in Congress also resent the fact that some State and local officials have made cheap shot attacks on Federal deficits while their own budgets are balanced by the Federal grants they receive and by the way they keep their books. But this cut is an unjustified and gratuitous slap at State governments. The arguments for making this cut at this time are not sound.

First, Mr. President, it has been argued that the cut is necessary to remain within the first budget resolution targets. I would remind my colleagues that during the first resolution markup the Senate Budget Committee considered the possibility of a cut in the State share of general revenue sharing. The Budget Committee and then the full Senate adopted targets for function 850, mission 1 that would accommodate full funding of general revenue sharing. The House cut $2.3 billion from that mission, largely as a reaction to the move for a balance-the-budget amendment to the Constitution. The conference agreement essentially dropped the House position but assumed a $0.4 billion reduction in general revenue sharing.

Everyone was aware, Mr. President, that such savings were unlikely and could only be realized if the Finance Committee began to review and amend the Intergovernmental Fiscal Assistance Act this year, rather than when the law is due for reauthorization in the next session of Congress. The Finance Committee has not recommended amendments to this entitlement legislation. The impact of this cut has not been properly considered.

Moreover, as has been explained repeatedly in this Chamber, the budget resolution does not include line item decisions. The Appropriations Committee is already straining its first budget resolution allocation.

There are also possible later requirements that could cause the first resolution targets to be breached. But the first resolution does not require any specific cut. In fact we have a second resolution precisely because the Congress has a need to take a second look and consider these later requirements in light of later developments. The Budget Committee will begin to take that second look only 3 days from now.

This cut, therefore, is not required by the first budget resolution.

Second. Mr. President, it has been argued that this cut would give State government advance notice that they should not routinely build revenue sharing funds into their budgets beyond fiscal year 1980. However, the timing could hardly be worse for such a signal.

The cut is too early. We do not yet know how Congress will act on the reauthorization of general revenue sharing. Current law could be changed in many different ways. I, as one Senator, would prefer to have the fiscal assistance targeted better where it is needed. The program could be expanded, it could be reduced.

Hearings and debate on the reauthorization will properly give State and local budget officials advance notice of likely changes.

But this cut is also too late. By the middle of next week, 43 State legislatures will already have adjourned. Most State budgets have already been developed and enacted. A $684 million reduction in general revenue sharing funds would throw many State budgets into a deficit. That is not permitted by the States' constitutions.

I know that my own State of Michigan has built a carefully balanced budget that reflects months of planning and debate. The bill now before us would remove $32 million in revenues from that budget. Provisions of the State constitution would prevent those amounts from being raised elsewhere and would cause other imbalances in the budget. Program management would be disrupted.

It is clear that many other States would be forced into similar problems.

I believe it would be particularly unwise for Congress to make this cut now that evidence of a recession is beginning to emerge. State and local officials are increasingly concerned that revenues may fall below and expenditures may rise above projected levels. A large unexpected cut in general revenue sharing could trigger hasty decisions throughout the State and local sector that would complicate the efforts of Congress to maintain a measured, moderate Federal response to the recession.

Third, Mr. President, it has been argued that large surpluses in the State and local sector of the National Income and Product Accounts indicate that State governments can easily sustain an across-the-board cut in their general revenue sharing receipts. That argument could hardly be more misleading.

It is misleading because the State and local sector does not now have a large surplus. After social insurance funds are excluded, the fiscal position of State and local governments did swing from a deficit of almost $8.3 billion in the first quarter of 1975 up to a surplus of about $15.8 billion in the fourth quarter of 1976. The Bureau of Economic Analysis estimates:

> State and local governments will remain in surplus on the NIPA basis, but only because of the surpluses generated by the social insurance funds. The all-other-funds measure, which probably recorded a small deficit in the fourth quarter of 1978, will record a larger deficit in the first quarter of 1979, and remain in deficit throughout the year.

The argument is misleading because the NIA accounts cannot be used as a measure of State government fiscal health. The NIA accounts are based largely not on reports from individual governments, but on statistical projections of national data. Much of the base data is 2 to 3 years old, and NIA estimates must often be revised substantially as more reliable data becomes available. Initial estimates of State and local purchases in calendar 1975 were almost $8 billion too low.

A surplus of other funds in the NIA State and local government sector does not necessarily indicate that these governments have excess resources. The NIA differ from operating budgets in important ways. Even a financially distressed government can show a surplus calculated on an NIA basis.

It increases its surplus when it makes

sharp cuts in construction because of a reaction to the coming recession, adverse bond markets voter resistance to bond referenda.

A distressed government increases its surplus when it tries to repay previously heavy borrowing or tries to return to return to prudent levels of financial reserves. These are priority uses of funds by governments in anticipation of a recession or inflation although they are not counted as expenditures in the NIA.

A distressed government also increases its NIA surplus when it makes cuts in services and increases in tax rates. During the recession some of the most hard-pressed governments were forced to take measures that improve their 1976 and 1977 finances but may be damaging in the long run.

Finally, the argument is misleading because there are sharp differences in the fiscal health of States. I ask unanimous consent to have printed in the RECORD at this point a table that shows the fiscal year 1979 operating funds for each of the 50 States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE GENERAL OPERATING FUND RESOURCES, EXPENDITURES AND BALANCES, FISCAL YEAR 1978

[Dollar amounts in millions]

State	1978 resources (including 1977 balances forward)	1978 actual expenditures	1978 actual balance [1]	1978 actual operating balance as percentage of 1978 expenditures
Alabama	$1,354.6	$1,269.4	$85.2	6.7
Alaska	1,767.0	1,115.9	651.1	58.4
Arizona	1,063.0	1,030.7	32.3	3.1
Arkansas	690.2	690.2	0	0
California	15,561.1	11,875.0	3,686.1	31.0
Colorado	1,106.0	1,002.0	104.0	10.3
Connecticut	2,011.5	1,917.8	93.7	4.9
Delaware	521.0	495.6	25.4	5.1
Florida	2,969.9	2,849.8	120.1	4.2
Georiga	2,399.8	2,262.9	136.9	6.0
Hawaii	864.9	862.5	2.4	.3
Idaho	291.0	291.0	0	0
Illinois	6,395.0	6,309.0	86.0	1.3
Indiana	1,769.2	1,550.8	218.4	1.4
Iowa	1,483.6	1,381.1	102.5	7.4
Kansas	995.8	840.9	154.9	18.4
Kentucky	1,583.9	1,496.3	87.6	5.8
Louisiana	3,729.1	3,667.6	61.5	1.6
Maine	451.4	416.2	35.2	8.4
Maryland	2,193.8	2,008.6	185.2	9.2
Massachusetts	4,194.0	3,974.6	219.4	5.5
Michigan	3,894.1	3,871.8	22.3	.6
Minnesota	2,867.0	2,841.0	26.0	1.0
Mississippi	865.6	761.6	104.0	13.7
Missouri	1,557.2	1,422.9	134.3	9.4
Montana	251.8	218.2	33.6	54.0
Nebraska	$512.1	$482.2	$29.9	6.2
Nevada [2]				
New Hampshire	236.0	212.0	24.0	11.3
New Jersey	4,128.8	3,859.0	269.8	7.0
New Mexico	687.0	608.2	78.8	13.0
New York	11,182.1	11,176.9	5.2	.1
North Carolina	2,347.4	2,162.5	184.9	8.5
North Dakota [2]				
Ohio	4,367.0	4,232.5	134.5	3.2
Oklahoma	747.2	674.6	72.6	10.8
Oregon	1,250.6	1,035.8	214.8	20.7
Pennsylvania	5,330.0	5,368.0	(−38.0)	(−.1)
Rhode Island	587.1	566.4	20.7	3.7
South Carolina	1,271.9	1,229.6	52.3	4.3
South Dakota	189.8	180.4	9.4	5.2
Tennessee	2,179.5	2,178.9	.6	0
Texas	4,020.0	3,344.1	675.9	20.2
Utah	567.3	545.8	21.5	4.1
Vermont	203.9	198.9	5.0	2.5
Virginia	2,101.6	2,061.9	39.7	1.9
Washington	2,753.1	2,488.4	264.7	10.6
West Virginia	949.2	896.1	53.1	5.9
Wisconsin	4,358.3	3,998.3	360.0	9.0
Wyoming	197.0	152.0	45.0	30.0
Total	113,008.4	104,075.9	8,932.5	8.6

[1] Balance does not equal resources minus expenditures in some States in view—of statutory provisions to transfer part or all of the year-end balance to separate fund for uses including debt service, capital outlay, tax refunds or rebates, and future-year expenditures.

[2] The reports from these States were incom l te and therefore were not included in this report North Dakota reported for fiscal year 1978 only. FY 1979 resources were $456,500,000, expenditures were $263,400,000, year-end balance was $193,100,000, balance as percent of expenditu. es was 73 percent. No data were available for fiscal year 1979.

Mr. RIEGLE. This table shows, Mr. President, that over 50 percent of the total operating surplus of all State governments was generated by only three States: California, Texas, and Alaska. The surplus in California is evaporating in the light of proposition 13. But even if it remained large, a big surplus in California does not help Michigan or any of the many other hard-pressed States pay their bills. The table also shows that many States have operating balances well below the 5 to 7 percent expenditures that is recommended by leading bond analysts. States also differ greatly in their tax effort and in the burdens placed upon them for services.

Mr. President, cutting the general revenue-sharing quota of all States by one-third would, therefore, be highly inequitable.

For these reasons I will vote for this amendment, and I urge my colleagues to support it, also.

Mr. MATHIAS. Mr. President, our distinguished Senator from Tennessee, the minority leader, is one of the advocates, sponsors, and authors of this proposal to restore the revenue sharing funds, and I yield him such time as he may request.

Mr. BAKER. Mr. President, I thank the Senator from Maryland.

I am pleased and honored to be a cosponsor with him and with other Senators on this amendment.

Mr. President, one of the first major political initiatives in my career was a proposal for what I then referred to as Federal tax sharing in my campaign for the U.S. Senate in 1964. I will not dwell on the fact that in 1964 I was not successful and neither was my proposal.

But there was another political opportunity for me, and I considered myself fortunate in that respect. I ran in 1966 for the Senate and was elected. One of the principal planks in my platform was support for Federal revenue sharing, as it became known by then and is known today.

I am not going to recount the history of the evolution and development of revenue sharing as such.

I wish to cite one or two points, however, that are useful, I believe, to this debate and important to the argument I am going to try to make in just a moment.

Revenue sharing is not nor has it ever been a partisan initiative. Indeed one of the major criticisms leveled against me by members of my own party in 1964 and 1966 was that Faderal tax sharing and later Federal revenue sharing was a Democratic initiative, having been first proposed by the chairman of the Council of Economic Advisers for President John F. Kennedy.

Revenue sharing has had a broad base of support among Republicans and Democrats, witness the fact that the late Senator Hubert Humphrey and I prevailed on both national conventions in 1968, to adopt identical platform planks in support of their proposal, as they did substantially in 1972 as well. I believe I am correct in saying that that is the only plank in the platforms of the two political parties that was not partisan.

It was my pleasure to stand in this Chamber with the late Senator Humphrey and with others to urge the adoption of revenue sharing as the initiative of President Richard Nixon and to see the broad base of support that developed for it.

In brief, Mr. President, this is not just another Federal program. This, in my view and judgment, was a determined bipartisan and sustained effort over the period of years to change the direction of the growth of the Government in the United States and to rebalance the relationship between the central government and State and local government.

I believe it was a significant, indeed a major effort to meet the criticism leveled by so many that the Federal Government had grown too big and too powerful and was too far in debt. Moreover, in supporting revenue sharing I felt that we could do something to refute the argument that local officials could not or would not govern.

That sentiment sometimes spoken, more often unspoken but implied in the action of the Federal system, was the biggest political mistake this country made in this century. Revenue sharing has been an effort to redress that imbalance.

Now, Mr. President, we are meeting the first significant challenge to that effort to strengthen the partnership of governments in this country. The challenge will come today in an amendment by the Senator from Wisconsin, which will be subject to a point of order in a few moments.

Mr. President, I am sure we will deal with this issue again as the Federal revenue-sharing program is reauthorized, as I trust it will be, and as we rebate the appropriateness of this program to these times, but I must say now and in advance I support the continuation of revenue sharing. I think rather than reduce it we should increase it. I think it was a step in the right direction and there should be more revenue sharing instead of less, for I have faith in the ability of the local government to share the responsibility for the creation of an orderly and beneficial society.

But at this moment, Mr. President, I would focus my attention on the narrower issue of the effect of this cut proposed by the amendment were it permitted to stand.

I was speaking to the National Conference of State Legislatures in San Francisco when I received word of the actions of the Appropriations Committee, and the reaction to that news was shock, dismay, and even anger among State legislators there in attendance.

Most of the Nation's State legislatures have already adjourned for this year. They have already allocated these revenues in their State budgets for the next fiscal year. They have a promise from the Federal Government through next year that they will receive a substantial sum of money in revenue sharing and we are being asked to renege on that promise.

In my State of Tennessee $43 million in general revenue sharing funds are scheduled to be spent in the next fiscal year by the State government and of that $43 million some $12 million would be forfeited if we adopted the Proxmire cut. Most of that money has been earmarked for funding of the Tennessee teachers retirement pension fund. Forty percent of it is to be passed through to local governments.

My State and virtually every State in the Union will be thrown into financial turmoil if we were to permit these cuts to stand today.

Mr. President, State tax collections were down last month in Tennessee, and the Governor of Tennessee informs me that they will be down again this month. And if the widely predicted recession hits with the full force that we expect, they will be down for a long time to come. The "surplus" being roundly denounced in this Chamber will evaporate very quickly in these States which have them, with or without revenue sharing.

We are approaching a time, Mr. President, when revenue sharing will be needed most to meet the very challenge it was designed to meet, to help States become and remain fiscally solvent. To abandon this program at this crucial time, when States have made good-faith efforts to use these funds wisely and well and when they face certain economic hardship in the months ahead, I believe is an irresponsible act.

Mr. President, the 40 percent pass-through to local governments is not peculiar to Tennessee. It is the national average for all 50 States. In short, if we adopt the Proxmire cuts, almost 40,000 units of local and State governments will be adversely affected, will be thrown into fiscal turmoil and will fail to meet the needs of their States, communities, and counties as they had planned to meet them in good faith.

We cannot allow this kind of national confusion and chaos to occur by our hands, and I urge that this amendment be supported or that the test on germaneness result and the restitution of the funds be reduced.

Mr. LONG. Mr. President, will the Senator yield at this point?

Mr. BAKER. I yield.

Mr. LONG. Let me commend the Senator for a fine statement. It seems to me that the Senator's statement very well points up the reason why it was thought by the President who first recommended this revenue-sharing program, which was President Nixon, that this should not be a matter subject to annual appropriations, that it should be a matter of the Federal Government sharing some revenue with the States and it should be over a long period of time so the States could plan on it.

The approach being suggested here in the Appropriations Committee bill is just what the President thought we should try to avoid where no one can depend on it. They might get something to help; then again they might not. The whole idea of the revenue-sharing bill was that this would be something that belonged to the States. It was their money.

The taxpayers who support the States are the same taxpayers who support the Federal Government, and in view of the fact that the Federal Government had the right to preempt all of these revenues, we would share some of that with the State governments.

The idea of saying, "Well, yes, we will share it but don't count on it, any day it might be cut off or might be reduced," is just the kind of thing we sought to avoid when we enacted the program. I think the Senator is right.

Mr. BAKER. Mr. President, I think the Senator is right. I remember distinctly working with him when our colleague, Senator MOYNIHAN, then a Presidential adviser, pointed out that this program had to be permanent and dependable.

The effort to cut these funds today and make them unreliable to States would result in turning general revenue sharing into a grant system, subject to the vagaries of every Congress. I think that would be a huge mistake, and I think we ought to defeat this effort.

Mr. PROXMIRE. Mr. President, I yield 7 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas has 7 minutes.

Mr. BENTSEN. I listened to a lot of talk about what great turmoil it would cause to the State governments if they lost an extremely small portion of their expenditures.

I think we have a tendency to overlook where the real problem is and that is the financial situation of our Federal Government. Look what has happened to the value of the dollar. The dollar is in serious trouble, and we are facing inflation and a large deficit. The chairman of the Budget Committee has just told us they have very little chance of cutting the Federal deficit below what it was last year. Since we are going into a recession, you are going to have less income to the Federal Government than you had last year, so the budget deficit is going to increase some more.

There seems to be some kind of mystique about the fact that you can take this money and bring it up to Washington and, supposedly, it has gained weight before you send it on back to the State.

But I remember too often my distinguished friend from Louisiana telling his story about the fellow who said, "Next time. Dear Lord, don't send it through Washington; send it to me direct because something seems to happen to it when it comes through the Washington hands."

Now, my friends, I heard one of my distinguished colleagues, a former Governor, saying that he had a personal experience in this. But I know we have other Governors in this Chamber who feel just the contrary, who also have had their personal experience with revenue sharing.

I proposed eliminating the State portion of revenue sharing earlier this year. I did it at the time that the Governors' Conference was being held here in Washington, and I heard from Governors immediately. They were outraged. I can understand that. What is the easiest money to spend? Money you do not have to raise, money you are not accountable for raising. It is great fun to go down there and cut a ribbon and get the television cameras turned on to you and take full credit for it when you have used Federal revenue sharing and you are a Governor, and you have not had to tax the people to raise that money. That is money you get credit for.

Then you turn around and just really raise cain with those "spendthrifts in Washington" who are spending the taxpayers' money on all of these extravagances.

Well, I do not think you can have it both ways. As soon as I proposed cutting back revenue sharing for the States in S. 263, whom did I have before the Joint Economic Committee? I had three Governors representing the Governors' Conference.

They said, "Senator, you can't touch revenue sharing. Cut the categorical grants. That is what you ought to do."

I said, "Fine. Tell me which ones."

They said, "Oh, we wrote a letter on that one to the OMB, to Jim McIntyre."

I said, "But I read that letter."

And I said, "I know what categorical grants you said in that letter ought to be cut out."

They were listed this way: Cut out

waste, cut out extravagance, be prudent. I said, "That is what you said. You did not list one. Now tell me which categorical grants you want to cut."

I had them there for 2 hours. I asked that question time and time again. You know how many they listed? None, zilch, not one.

I said, "Well, maybe it takes some time for you to think that one out. So why don't you write me a letter and list the categorical grants that you think we should cut."

I know the mail is slow these days, but that has been several months, and I have not received that letter yet before the Joint Economic Committee. [Laughter.] So here we come up with a modest proposal, modest when you are talking about the individual States and how much it means for them, $684 million, but major when you are talking about the Federal budget and how much it means when we have this kind of a deficit facing the Nation.

Nineteen States cut taxes since January 1978. That is great fun for the Governors because they had surpluses. As of March of this year the cumulative State surplus was $2.6 billion. It makes little sense for the Federal Government to worsen its deficit position by paying billions of dollars in revenue sharing funds to States that are cutting taxes and running large surpluses. The $684 million reduction would be a constructive step toward eliminating this inequity.

You bet I oppose the State portion of revenue sharing. The Appropriations Committee has been very careful to avoid reducing revenue sharing for the cities and the towns where you have some real problems. The city of New York is a prime example of that. But that is not the same situation in the States where you have seen this kind of a surplus across the country.

I would strongly urge my colleagues to support the Appropriations Committee. It is my understanding that a point of order is going to be made on the question of germaneness, but the distinguished Senator from Wisconsin is going to come back with an amendment to cut this amount, and I think it is long overdue. I think it is a modest approach in the direction of fiscal responsibility in the Federal Government.

I would strongly urge the Members of the Senate to support the move of the distinguished Senator from Wisconsin and to back up the language of the chairman of the Budget Committee in trying to promote fiscal responsibility. I thank the Senator.

Mr. PROXMIRE. Mr. President, I want to thank the Senator from Texas for an outstanding statement. I deeply appreciate it. I think what he said is absolutely correct and unanswerable.

I have a little more to say myself, but I think he made about 90 percent of the answer to these arguments that we have to continue providing money to the States, money which was described by one witness as "put it on the stump and run," a complete lack of accountability.

The League of Women Voters made a 2-year study and they found most people, most members of the legislatures, most press people who cover the legislatures, most Governors, did not know where the money went.

Mr. President, I have a little study here I am going to refer to in a few minutes after other Members have had an opportunity to speak.

Mr. BENTSEN. Mr. President, will the Senator yield so that I can make a unanimous-consent request?

Mr. PROXMIRE. Yes.

Mr. BENTSEN. Mr. President, I ask unanimous consent that my staff member, Marty Clayton, be granted privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland.

Mr. MATHIAS. Mr. President, I think the managers of the bill hope to bring this matter to an issue by around 11 o'clock.

I would only say to the distinguished Senator from Texas that it is not only the States that are involved here. Forty percent of this money passes through to the cities and towns of this country, and the uncertainty referred to by the Senator from Louisiana would be particularly devastating to these municipal budgets.

But the Senator from Texas referred to the experience of the Governors. We are fortunate that one of the sponsors of this effort is, in fact, a former Governor, a very distinguished former Governor, the former Governor of Akansas (Mr. PRYOR). I am wondering if 3 minutes would be adequate for the distinguished Senator from Arkansas?

Mr. PRYOR. I will say to the Senator that I will take only 2 minutes.

Mr. President, I rise in support of the amendment of the Senator from Maryland, and the Senator from Tennessee. I support this amendment basically on two grounds: First, I think it is untimely. We have a program that is about to expire, as I understand it, in 1980, and it is impractical and unfair for us to suddenly come in here and take this money away that has already been allocated to the States.

As a former Governor, I know what happens in a small State and a rural State like the State of Arkansas. I can only assume that we are going to see about 50 special sessions of the respective State legislatures in order to make up this balance.

Second, it has been stated on the floor of the Senate just a few minutes ago that many of the parties to this argument and many of the parties who make the observations on the whole process of revenue sharing do not know where the money goes. But in Arkansas we can speak to where the money goes, because in 1977 the State legislature said that the first $20 million that comes into the State of Arkansas in revenue sharing is put into the State highway program, and the spillover from that goes to a fund that promotes local, State, and Federal cooperation in highway construction.

The cities and counties in our State use this money and make it work in order to come back and match other State and Federal programs, and when we talk about losing just $7 million in the State of Arkansas, Mr. President, we are talking about losing a lot more than that, because of the multiplying factor.

In closing, Mr. President, I wish to say that I feel that taking away this program at this time is very unfair, because I know for a fact it is the heart and soul of many State highway programs in this country, especially in States like the State of Arkansas.

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the ranking minority member of the Appropriations Committee, the Senator from North Dakota (Mr. YOUNG).

Mr. YOUNG. Mr. President, I opposed revenue sharing from the start, because I did not think the Federal Government had any money to give away to the States. But when it was first proposed by President Nixon, it made some sense. He first wanted to do away with some Federal programs, and this revenue-sharing was to be in lieu of payments to the States for these programs.

But that concept was soon forgotten, and it has become a pure gift in the years since then.

In my own State of North Dakota, in the last 3 years, by initiative measures, they have reduced the State income tax, and they still had a big surplus. Later they reduced the sales tax, but on July 1 this year the end of the fiscal year we came up with a big surplus again. And that is not just the situation in my State. As I understand from the speech by the Senator from Texas, all the States have had balanced budgets now.

So the States can far better absorb the added cost than can the Federal Government. The deeper the Federal Government goes into debt, the less value the dollar has, the more inflation we have, and the more fiscal problems we have. So I think this is a good beginning, to take some of this money and pay for this program and let the States absorb some of the costs themselves.

Mr. PROXMIRE. I thank the Senator from North Dakota very much for his fine statement.

Mr. TSONGAS. Mr. President, I have been watching a number of urban legislative programs as they wend their way through the Congress.

It would appear that the administration and the Congress have found a mutually agreeable scapegoat: urban affairs. The cities of this country, and the people in those cities, are taking it on the chin.

Housing, mass transit, action grants, urban parks, CETA, revenue sharing are on a long list of programs singled out for an unfair share of our efforts to balance the budget.

We are expected to approve massive cuts in every key program affecting the cities of this country, and yet I hear few in this Senate willing to approve comparable cuts in the military budget. We are engaging in cost-cutting for certain citizens who happen to be poor, and for certain places which happen to be in economic distress. We are not suggesting that our defense establishment

make the same sacrifices for the good of the national economy.

I suggest that the Senate has a very distorted sense of priorities. We are playing a dangerous and shortsighted game. The cities of the United States are at stake; the long-term losses will be irreparable.

The appropriation of HUD and for revenue sharing is a classic case in point.

Let me point out four areas where we can take action to maintain key urban programs.

Housing for low-income people. For 6 months, we have been debating whether or not we will continue our commitment to provide decent housing for the elderly and the poor. There are very few programs so needed, and yet so neglected.

HUD's assisted housing program has been reduced by 42 percent since 1976. This year the Senate Banking Committee authorized 300,000 units, but that level was reduced on the floor of the Senate to the administration's request for 264,000 units. The Appropriation Committee has given us a bill which also reflects the administration's request for 264,000 units. This figure is already too low, and it is vital that we prevent further reductions.

Urban development action grants. The President asked Congress for an increase of $275 million for a program to create jobs and foster economic development in our distressed cities. UDAG is the most important economic stimulus program that Congress has given to distressed areas. It has generated 171,511 new jobs and leveraged $4.5 billion in private investments during the first year of operation.

The Senate Banking and Appropriations Committees both have approved the President's request. The Senate should now follow this lead, and vote against any effort to delete the increased funds from the Appropriations bill.

General revenue sharing. The Appropriations Committee voted to cut $684 million from the general revenue sharing program, and to have the States absorb the entire reduction in funds. This cut represents a 30 percent reduction in the State revenue sharing program.

There seems to be a misconception about where State revenue sharing funds are spent. Over two-thirds of those funds go directly to local governments, for such programs as aid to education. The balance of the funds support vital services of benefit to the entire State population.

There has been discussion about a few States with surplus revenue sharing funds The way to solve that problem is not to cut off aid to States where every dollar is spent, and every dollar is needed.

There are many Members of the Senate, including myself, who have served in either State or local government. Any Member who thinks that revenue sharing is not critical should talk to those of us who have been through the process of providing the services, balancing the budget, and holding down the tax rate. Revenue sharing is an important tool which State and local governments must have to prevent economic collapse.

Assistance for State 236 projects. The appropriations bill has no provision for State participation in the troubled projects program. This is despite the fact that for 10 years, Congress has made it clear that this program should be available to State and Federal projects without distinction.

Without going into the court suits or the round-by-round sparring between the administration and the Congress on this issue, let me point out that once again this year, the Senate and House Banking Committees both made it absolutely clear to HUD that the States were to participate.

There are two basic issues here:

The first is a simple question of equity to the tenants. In Massachusetts we have a large number of both State and Federal troubled projects. The tenants in the State projects are bearing the same rental burden as their neighbors across the street in the Federal projects. It is ridiculous to arbitrarily say that State tenants cannot get help because their building happens to be insured by the wrong government.

The second point is that we have depended heavily on the States for the implementation of Federal housing programs. In Massachusetts, assisted housing is being developed almost exclusively through the State. The State is a partner to the Federal Government in housing, and we need that partnership.

Now, when State housing is undergoing the same difficulties as Federal housing, we are essentially telling the State to drop dead.

This is not an honorable way to treat the States, and it does not make sense to eliminate the States from this program if we want to rely on them for continued help in other areas of housing.

I hope that the Senate can begin today to reverse the mean-spirited trends in this Congress, by making a number of sensible decisions on urban programs.

If we fail, we will have an even greater urban crisis to deal with in years to come.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I would note that in addition to the distinguished Senator from Arkansas (Mr. PRYOR), Mr. LEVIN, Mr. PRESSLER, Mr. JEPSEN, and Mr. DURENBERGER have all indicated their strong support and sponsorship for our effort to restore these vital revenue-sharing funds.

POINT OF ORDER

At this point, Mr. President, to bring this issue to a decision by the Senate, I make the point of order that the committee amendment, on page 26, lines 16 through 19, is general legislation and not in order in a general appropriations bill under the provisions of rule XVI of the U.S. Senate.

The PRESIDING OFFICER. The item does contain language that makes it legislation on an appropriation bill, and the Chair sustains the point of order made by the Senator from Maryland.

Does the Senator from Maryland wish to be recognized under the order to offer the first floor amendment?

Mr. MATHIAS. Mr. President, in view of the fact that we have had an extended discussion on this subject, I will waive putting in the first amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. As I understand the decision of the Chair, which has not been contested and will not be as far as I am concerned, it simply knocks out the reduction made by the Appropriations Committee, also knocks out the language, and restores the sum to $6,854,924,000; is that correct?

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 458

Mr. PROXMIRE. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 458:

On page 26, line 16, strike "$6,854,924,000" and insert in lieu thereof "$6,170,924,000, of which not to exceed $1,599,333,000 shall be allocated to State governments pursuant to 31 U.S.C. 1226."

Mr. PROXMIRE. Mr. President, what this amendment does is simply change the figure in the bill from $6,854,924,000 to $684 million less than that and apply this cut to the State share. The $684 million cut is precisely what the Appropriations Committee did, except my amendment knocks out the language which was the point-of-order language and made the action taken by the Appropriations Committee vulnerable to a point of order.

So what we now have before us is a straight up and down reduction of 10 percent in revenue sharing funds, with the intention as expressed in the committee report and the language of the amendment that it be taken out of the States' share.

Mr. President, we have already had a spirited debate on this matter. One or two other Senators, I think, want to come to the floor to speak on it. I will speak briefly. Then I would suggest we can have a vote shortly. As I understand, there is a half-hour equally divided on this amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I think that the case for this amendment is clear on several fronts. In the first place, all of us are aware—heaven knows, the taxpayers are aware and the citizens of this country are aware—of out of the last 17 years we have had deficits. We have had expressions by State out of the last 17 years we have had deficits. We have had expressions by State legislatures; we have had expressions in California, in the Proposition 13 vote, and in many other States that the people are fed up with excessive Federal spending.

The Governors have zeroed in on the Congress particularly, and told us that we ought to cut back spending. They have called us wastrels. The Governor of New York has said that the Federal legislators ought to come to New York and find out that Government is not a growth industry. The Governors have been in the forefront, and I think they are right, that we should cut spending.

What spending, then, should we cut? It is hard to find a place more logical to consider reductions than revenue sharing. I say that for many reasons: First, because this is money that does not require accountability. As I remember, the League of Women Voters made a study and found that a very large portion of those most responsible for State expenditures could not say where the money went.

With that in mind, we required, in 1976, that there be an audit of revenue-sharing funds, to provide an accountability, so that at least there would not be corruption, so that people would not take the money and put it in their pockets, so that a mayor would not build a golf course near his home, use the money to buy Lincoln and Cadillac automobiles, or for other such purposes. We found that many employees in many States figured, "This is money with which we can increase our pay envelopes." They did not want to take it from other sources, because people would get rather testy about that.

Mr. President, this morning there was an article published in the New York Times, written by John Herbers, entitled "Revenue-Sharing Auditing Held Defied, Fraud Feared." Let me quote from that article:

Auditing requirements enacted in 1976 to prevent misuse of general revenue sharing funds have been so widely flouted by state and local governments that a considerable amount of corruption may well have been concealed in the $7 billion a year program, according to a new study.

The study was conducted by the Council on Municipal Performance, a non-profit research organization based in New York.

Every state or local unit receiving $25,000 or more is required to provide an independent audit of its financial statements conducted "in accordance with generally accepted auditing standards, not less than once every three years." Failure to comply is ground for cutting off funds. So far, there has been no cutoff.

T. Jack Gary, audit manager of the Office of Revenue Sharing, confirmed in a telephone interview that only half of the 11,700 required audits had been received.

Most of the audits are done by independent accountants. A sampling of 200 of the audits showed that 100 were unacceptable and would have to be done over.

So, No. 1, half of the audits are not being complied with at all, and, in addition to that, those that are done are unacceptable.

Continuing:

But John T. Marlin, president of the performance council and author of a paper on the study, wrote: "The requirements are being flouted." An undetermined number of municipalities are making no effort to comply, some states have unacceptable standards, and a large proportion of audits that have been made are being rejected for a number of reasons, he said.

"This is an invitation to corruption," he said in a telephone interview. "It is like a broom that is not being used."

Mr. President, if there is any kind of spending which I think the overwhelming majority of taxpayers would agree should be reduced or eliminated, it is spending that permits corruption and fraud. Here we have the clearest kind of evidence that this unaccountable money, this money which can be taken and used for whatever purpose the States wish to use it, is being abused.

As has been said, this is a modest cut. It is a cut of only 10 percent. It is a cut which, as applied to the States, they can all handle. But it is a cut that means a great deal in this budget.

As I pointed out, we are well over the budget resolution. As Senator MUSKIE the chairman of the Budget Committee pointed out, we are getting to be in real trouble. We face a situation where we are likely to have a bigger deficit this coming year than we had last year. We are reversing all the good work we did earlier this year when we had a budget resolution which was responsible and which held down spending.

In the revenue sharing area, nobody can say that the funds go to the poor, nobody can say that they go to the needy, nobody can say that they go to a specific useful purpose, because nobody knows where they go. They cannot tell us.

The study I quoted from tells us that there is just no compliance with this audit requirement. We do not know where the money goes. So, Mr. President, I would hope that the Senate would support this limited amendment that does save $684 million.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Maryland.

Mr. MATHIAS. Mr. President, I oppose the amendment for reasons which have already been stated by the minority leader (Mr. BAKER), by a number of other speakers such as the distinguished Senator from New York (Mr. MOYNIHAN), the former Governor of Arkansas (Mr. PRYOR), and others in the Senate. But I oppose it not only because of the reduction in the dollar figure but because of the consequences which could flow.

I am a country lawyer, and I do not understand all of the fine points which may be involved in this amendment. It looks so simple. It looks so easy. But what would be the effect of this amendment if the words which were included in the original committee amendment, "notwithstanding other provisions of law," are omitted? Those, of course, are the words to which the ruling of the Chair addresses itself. Can the Senator from Wisconsin tell us what would be the result of trying to reduce revenue sharing without specifically addressing the conflicts which would occur as a result of other provisions of law?

It seems to me that we might be faced with the absolute necessity of coming back and appropriating this money at a later date if the Senator's amendment were to prevail, or, if we did not do that, there would be a proliferation of lawsuits on behalf of States, cities, and towns all over the country who feel that they are entitled as a matter of right to these moneys.

It seems to me that not only is this amendment unwise in introducing that element of fiscal uncertainty which the Senator from Louisiana has raised, but it is also unwise as a matter of law because it is going to raise legal uncertainties.

Mr. President, for that, and for the reasons I have already stated, I oppose the amendment and hope the Senate will defeat it.

Mr. EXON. Will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. EXON. Mr. President, I wish to add my voice in support of full restoration of revenue sharing for fiscal year 1980. As a former Governor, I know how valuable revenue sharing has been to State and local governments, and I believe the concept of revenue sharing should be continued at least through 1980. I have always believed in providing State and local governments with maximum possible flexibility in the use of Federal funds, and the general revenue-sharing program meets this standard.

This is not to say, however, that I will always be in a position to support this program in the future. In fact, my patience is being tried on this very vote, for the promises of revenue sharing have not been fulfilled, and growing surpluses in some States make this a very tempting budget item to cut.

If it were not for the fact that many States have no significant surpluses, and have already budgeted revenue-sharing funds in their fiscal plans for the upcoming year, and could be faced with special legislative sessions or the cutting off of revenue sharing flow-through funds to local governments, I might support this reduction proposed by the Senator from Wisconsin.

When the Senate Budget Committee meets next week to consider revenue-sharing funds for 1981, I will have to reevaluate my support for the revenue-sharing program become of at least two factors: First, many States are accumulating large surpluses in their general fund, and I have difficulty sending Federal revenue sharing to a State which has a large surplus when I am committed to a balanced Federal budget, a goal I believe is achievable.

It is naturally of great concern to many of us when a large majority of the States have written us saying, "We want you to balance the Federal budget." Yet it is the same Governors and the same State legislatures which appeal to us time and time again for more and more money from the Federal Treasury which comes, of course, from Federal taxpayers.

Second, what has happened to the cutbacks and consolidations in Federal categorial grants which were to accompany the Federal revenue-sharing concept? Instead of cutting back on categorical grants, the Congress has continued both categorial and general revenue-sharing programs. One or the

other has to go, and while I will continue to advocate categorial grant consolidations and cutbacks, if these are not achieved, I will have to support a phaseout of general revenue sharing, and view it as a noble effort that did not work. And maybe not just for States but local governments as well.

My main point here is I believe not enough consideration has been given to this matter, and I believe that the amendment offered by the Senator from Wisconsin would be particularly crippling and most difficult for the States at this particular time.

Mr. President, I certainly support the good efforts of my distinguished colleagues who, once again, are trying to face revenue sharing realistically at this time, but I will have to see some dramatic changes to be made by the Congress and in some of the States before I likely can support the continuation of the full revenue-sharing program for the next budget on which we are now working.

I thank my friend from Maryland.

Mr. MATHIAS. I thank the Senator for his contribution which is even more valuable because he speaks with his years of experience as a Governor, administering the affairs of a great State. I think he brings a very pragmatic point of view to this debate.

Mr. PROXMIRE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes remaining and the Senator from Maryland likewise has 8 minutes remaining.

Mr. PROXMIRE. Mr. President, I have a request for time. I ask unanimous consent that we can have a short quorum call with the time not to be taken from either side until a Senator can come to the floor.

The PRESIDING OFFICER. Is there objection? If not, without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, may I ask the Senator from Oregon how much time he wishes?

I have only 8 minutes left. I will give him whatever he wishes.

Mr. HATFIELD. Four minutes.

Mr. PROXMIRE. I yield 4 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 4 minutes.

Mr. HATFIELD. Mr. President, I thank the Senator from Wisconsin for providing this opportunity for me to say a few words.

I only indicate that I happen to have been one of the Governors who exercised his responsibilities and duties providing sufficient revenues for State programs before revenue-sharing, not after revenue-sharing.

I must say that I have very strong philosophical viewpoints that when we separate the tax collecting from the tax spending responsibilities and authorities, we have not strengthened federalism, but we have weakened federalism, by making Governors and local governments more dependent on central Government, rather than less dependent.

I think we have to be realistic to recognize that where the purse string and management money is spent or granted, that there is power and authority that is yielded by the State and local governments to obtain that revenue, that money.

I voted against revenue sharing on this basic philosophical principle when it was proposed intially to this body. But I did also feel that it was improper to cut off the revenue sharing without due notice given the States and local governments to prepare for that day when they would have to assume those responsibilities themselves.

So, as we recall, we authorized a 5-year extension in 1976 and at that time it was the first of the 5 years we had a distribution of over $30 billion.

This money was distributed over 39,000 local government units, and today we are talking about money the States are entitled to—that is the statement I have heard most frequently. Yesterday I was informed by a Washington lobbyist that my State had obligated its share of revenue sharing for 1980.

Senator RIEGLE has discussed the possibility of reauthorizing of revenue sharing next year. Let me remind ourselves this morning that when we reauthorized this program in 1975, if my memory is correct, we said it was for the last time.

It seems to me, from talking to members of my State and local governments and other State agency representatives, that there is the same view given toward the action they will expect at the end of this period that they got at the end of the first period, that we will automatically, or with debate and discussion, ultimately renew.

They look upon it about as seriously as we look on the so-called debt ceiling limitation.

Therefore, it seems to me this is the first step to really tell the States and local governments we mean business, we are not going to reauthorize, and that we take the step to reduce the revenue sharing this year. Then it is a more honest approach than to dangle the States up to the last minute to the point of reauthorization becoming a reality, or if there are cuts. Then they will have to try to turn around and pick up the pieces and deal with the situation they find themselves in.

So I support the effort today to reduce the amount of revenue sharing as the most honest, forthright, frank manner to deal with this issue as a signal to the States and local governments that we are serious about the fact that when we reauthorized for another 5 years, that that was for the last time.

If it is not for the last time, if we really are playing games, let us be honest today and say that we are going to reauthorize and let the States plan ahead for it.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. MATHIAS. I am happy to.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I think the point already made about States' surpluses has been clarified. But I simply wish to clarify it in my own name. That is, the surplus States we are talking about are food producers and energy producers, and not States like mine with enormous populations and nothing but trouble.

In addition, the fact that States by their constitution, like my own, are not permitted to have a deficit and, hence, not only have to have a balanced budget, but have to carry a cushion.

Mr. President, the main point I would like to make is that the reason the revenue sharing was such a gifted proposition was that it was the only way in which the Federal Government could really be a barrier to maintain federalism, exactly the thing Senator HATFIELD spoke about, and I know of no authority more prestigious on that subject than himself, because if the States are going to have anything left to local government, and their own government, they have to have the means to finance it and carry their responsibilities.

We can talk forever about the fact we want to break down government to the resource level, especially as to families, children, and so on, but if they do not have the resources, they cannot do it.

Many of them, including my own, do not have the resources to put up matching funds for Federal programs to which they are entitled.

For all these reasons, I will vote against the amendment.

The subcommittee report paints an incorrect picture of financially healthy States spending or returning giant surpluses in the face of a constrained Federal fiscal circumstance. Nothing could be further from the truth. It is crucial that the Congress understand clearly the nature and basis of State financial conditions today.

First, States do not have budget deficits because their constitutions generally prohibit such financing. Second, because of these constitutional restrictions, States are required to keep some cushion against cyclically declining revenues so that mandated expenditures do not force their treasuries into illegal deficit spending.

The size of that surplus is crucial to the judgment financial interests make in underwriting State obligations. And the measure of a "solid" surplus is better than a 5-percent surplus, according to Standard & Poor, the nationally recognized bond rating service.

Mr. President, only 15 States have such a surplus—and all but 2 are major energy and/or food producers, so their revenues may be expected to have risen with the skyrocketing inflation in these basic commodities. I ask unanimous consent that a table listing the 1979 surplus balances be printed in the RECORD as it shows how many States are in truly marginal financial condition.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1979 "SURPLUS" BALANCE AS A PERCENT OF EXPENDITURES

0 to 1 percent	1.1 to 3 percent	3.1 to 5 percent	Over 5 percent
Alabama	Arizona	California	Alaska
Arkansas	Illinois	Colorado	Indiana
Connecticut	Kentucky	Delaware	Iowa
Florida	Massachusetts	Georgia	Kansas
Hawaii	Rhode Island	Maine	Maryland
Idaho	Utah	Montana	Mississippi
Louisiana	Wisconsin	Nebraska	Missouri
Michigan		Ohio	New Hampshire
Minnesota		West Virginia	New Mexico
New Jersey			Oregon
New York			South Dakota
North Carolina			Texas
Oklahoma			Washington
Pennsylvania			Wyoming
South Carolina			
Tennessee			
Vermont			
Virginia			

Note: Nevada and North Dakota do not have completed reports.

From: National Governor's Association "Understanding the Fiscal Condition of States", 1979.

Mr. JAVITS. Not only must the fallacy of current State fiscal health be dispelled, but we must also analyze the final prospects for these governments. The figure has been used of a $2.6 billion State surplus in first quarter of 1979, to show how well States are fairing. Now, I must first point out that this indicator is claimed for it; $2.6 billion represents the revenue inflows greater than outflows for all State and local units of governments for quarter 1979 as reported by the Commerce Department Bureau of Economic Analysis. The correct way to find out a State's fiscal position is not to look at taxes paid in in one quarter versus the same 3 months' expenditures; rather one should examine the balance of revenues over total annual expenditures and only for States not including local units.

However, to take on the subject on its own grounds, for these sets of figures prove our point rather than the contrary. State governments are being undermined by the encroaching business slowdown. The same data series shows a $6.7 billion deficit for the second quarter of this year. While this figure could fall to as low as a $6 billion deficit when adjusted for some uncounted corporate tax receipts, the economic trend is clear—State and local government revenues are beginning to suffer a drastic reversal.

While these precise figures are not accurate reflections of true State balances, experts at the Department of Commerce Bureau of Economic Analysis have made it clear to us that these are clear indicators of fiscal trends. These sad events were foreseen in the 1978 "Survey of Business" issued by the Department of Commerce which predicted in 1979:

> State and local governments will remain in surplus only because of the surpluses generated by the social insurance funds (pension accounts), all other funds, which probably recorded a deficit in 4th quarter 1978 will record a larger deficit in 1st quarter 1979 and remain in deficit throughout the year.

Similarly, Robert Muller of Standard and Poor has suggested that the fiscal condition of States is far weaker today in real dollar terms than it was in 1973.

Mr. President, it should be clear by now that most States are in fiscal trouble and that their troubles will deepen with the coming recession. The question of whether they are moving to help themselves has also been raised. It is alleged States are cutting taxes, although the aggregate recent evidence is unclear. But Senators know full well that State tax structures are designed to be flexible and responsive. There have, indeed, been 25 cuts in State sales tax, 53 State income tax cuts, and 14 State corporate tax cuts since 1970, but there have also been 25 sales tax increases, 30 individual income tax increases, and 38 corporate tax increases in that period. State tax policies are rollercoaster-like, and designed to respond to current needs. Everyone admits the net effect of State tax reforms over the past decade is to make State tax systems infinitely more progressive and equitable than before. However, this also makes them more venerable to recessionary effects. And many States are seeking not to put their citizens in higher tax brackets as a sole consequence of inflation. I must add that, in the same decade, the fiscal courage of the Congress resulted in four tax cuts and not tax increases.

Mr. President, State government prosperity is a dangerous illusion. The States are entering a twilight economic period in which continued and stable Federal support is indispensable. There could be no worse moment to eliminate this vital assistance.

The PRESIDING OFFICER. The time has expired.

Mr. MATHIAS. I yield 2 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I thank the distinguished Senator from Maryland.

Mr. President, I oppose the amendment of the distinguished Senator from Wisconsin.

I do, however, support a reduction in the State governments' position of general revenue sharing funds. It makes little sense to continue massive amounts of unrestricted funds to State governments that have fully recovered from the 1974–75 recession and that are now in sound financial condition while the Federal budget deficit continues to be $30 billion this year.

Mr. President, it seems to me we ought to rename this program, and call it general deficit sharing.

As far as I can determine, no State government will have an operating fund deficit this year. State government operating fund surpluses should instead be in the range of $4 to $6 billion. And as a result of improved finances, 36 State governments have been able to cut taxes by about $2.3 billion in 1978 according to recent information published. Indeed, indications are that aggregate State tax cuts, after all legislative sessions are finished this year, may run over $3 billion.

So, I congratulate State governments for showing fiscal restraint and reducing taxes. The Appropriations Committee vote to reduce the State portion of revenue sharing by over $600 million indicated that we would like to exhibit similar fiscal restraint in holding down the Federal deficit and eventually reaching a balanced budget—something which 30 State legislatures has asked us to do, indicating that unless a balanced budget is achieved, they will support a constitutional amendment to mandate that goal. Something, I might also add, Mr. President, that the National Governors' Conference has voted to ask us to do.

During the markup of the HUD appropriations bill I voted for the Proxmire position to reduce the State share of revenue sharing by $684 million. It was clearly the intent of the amendment that no funds were to be cut from local units of government, who need general revenue sharing funds to provide essential services and to prevent increases in the local property tax.

I have consequently reviewed the effect of this amendment. Currently about 35 to 40 percent of State general revenue sharing funds are passed through to local jurisdictions. So while the Proxmire amendment is aimed at reducing the State portion of revenue sharing it also potentially reduces revenue-sharing funding to local governments.

Because of this situation, I must vote against my distinguished colleague, the chairman of the Subcommittee on HUD Appropriations. I certainly support the intent of his position—to cut the State share of revenue sharing. But because the cut is provided on the appropriations bill in this manner and because there may not be an opportunity to make corrective changes in the authorization legislation this year, this bill could reduce local revenue sharing funds. Therefore, I must vote to restore these funds at this time.

However, Mr. President, I want to say that I will support future efforts to address this problem when the Senate considers the reauthorization of the general revenue-sharing program next year. I believe that the reauthorizing legislation can be amended to reduce the State portion of general revenue sharing without reducing support to local units of government. The Senate Subcommittee on Intergovernmental Relations which I chair is currently conducting oversight hearings on the general revenue sharing program, and I assure you that I plan to work on this matter in the future with the distinguished chairman of the subcommittee on HUD Appropriations so that we may be prepared to make the necessary corrective changes in the general revenue-sharing legislation early next year.

Mr. MATHIAS. Mr. President, I yield 2 minutes to the Senator from Utah.

Mr. GARN. I thank the distinguished Senator from Maryland.

Mr. President, I am opposed to the Proxmire amendment, not on the basis of the amount of money involved.

The argument being made here today—whether the States need it or not, whether they are in a surplus or in a deficit position—is not the line of argument I want to make.

When I was a mayor, we fought very hard for the principle of revenue sharing, because it was relatively free of strings and dictation by the Federal Government. That proved to be true.

We had a model cities program of $3.8

million in my city, when $3 million of it was used for administration and complying with the Government mandates. We had $4 million worth of revenue sharing, and we hired not one employee, no administration. The entire $4 million was used in programs. That has been essentially true at the State level, too.

There may be some argument for cutting aid to States, but if it comes, it should be categorical programs, where there is a great deal of waste when too much of the money is used for administration.

So I oppose the cutting of revenue-sharing funds on the basis of destroying a principle that many of us in local government worked very hard to achieve—to cut down the influence of Congress and the Federal Government dictating to locally elected officials and State-elected officials. That is why I oppose this amendment, without even dealing with the amount of dollars. We are starting to chip away at that principle.

My distinguished friend from Oregon said we are not going to reauthorize. I think it is a tragedy if we go away from that principle, and I am surprised that a former Governor wants to do away with it.

On the basis of dollars, maybe we are allocating too much to State and local governments, but let us cut them in the categorical programs, where all the strings are and where the Feds dictate, and not destroy a principle for which local government worked hard, to have less interference by the Federal Government.

Mr. MATHIAS. Mr. President, I yield 2 minutes to the distinguished Senator from New Jersey.

Mr. BRADLEY. Mr. President, I oppose the amendment before the Senate, to cut the States share of general revenue sharing for fiscal year 1980.

Proponents of the reduction have cited a figure which indicates a $2.6 billion surplus in State and local budgets for the first quarter of 1979. Such isolated figures provide an inadequate measure of the fiscal conditions of States. In its report of January 12, 1979, the Joint Economic Committee recommended against "altering policy judgments of underlying fiscal or economic needs because of short-term bulges in the surplus," because such surpluses are a transitory phenomenon, soon to be erased in later quarters. Figures prepared by the Bureau of Economic Analysis indicate that State and local surpluses available to support government programs have been decreasing. During the first quarter of 1978, the surplus was $7.9 billion, as compared with the $2.6 billion surplus reported in the same quarter this year. Also, the National Governors' Association reports that a $6 to $7 billion budget deficit for State and local governments can be expected in the second quarter of this year with reasonable certainty, resulting in part from the recent slowdown in the economy.

As noted in the Economic Report of the President of 1979:

> Movements in this aggregate state and local surplus or deficit are dominated by national trends but conceal great diversity across states and among cities and areas within states . . . extreme care must therefore be used in drawing general conclusions about the fiscal condition of the state and local sector, or of individual areas within it, from the aggregate surplus or deficit.

A look at the unique fiscal conditions of States supports this position. Surveys conducted by the National Governors Association have shown that the bulk of the aggregate State surplus—indeed, a full one-half—is in three States. As many as 34 States accrued 1979 balances of less than 5 percent of operating fund expenditures, which is widely regarded as the minimum protection against unanticipated expenditures for emergencies.

My own State of New Jersey is among those States which have maintained austere budgets. And it would be affected seriously by a reduction in the State share of general revenue sharing. New Jersey's budget for fiscal year 1980 already has been approved. Out of a $4.6 billion budget, New Jersey's fiscal year 1980 budget surplus is projected to be $40 million, or less than 1 percent of total operating expenditures. This cannot be considered a surplus; it is the barest margin of safety for a State which is required by law to maintain a balanced budget. If the State share of funds cut by the committee is not restored, New Jersey would stand to lose almost $25 million, putting vital State and local programs in jeopardy.

Currently, the State budget supports more than one-third of all public spending in our major urban centers, including 76 percent of the Newark school budget and 79 percent of the budget in the city of Camden. Fifty-five percent of total State resources is paid out in direct aid to local communities, including 100 percent of the State income tax. A reduction in the State share would undermine both State and local programs across the board. Similar effects can be expected in other States which have finalized their budgets with the expectation of receiving their full entitlement of general revenue sharing funds for fiscal year 1980.

The State share of revenue sharing is used for vital State programs. Nationwide, 35 percent of the funds are earmarked for education; 26 percent for a variety of social services ranging from care to elderly and indigent to environmental health programs, to emergency medical services. Seven States—Arkansas, Kentucky, Louisiana, Massachusetts, Mississippi, Missouri, and West Virginia—use all of their revenue sharing funds for vital construction projects, such as vocational-technical schools, public hospitals and universities, and flood alleviation programs. Many States allocate revenue sharing funds directly to local governments.

Mr. President, I also suggest, as the chairman of the Subcommittee on Revenue Sharing of the Finance Committee, that this is an unnecessary and hasty response to the proposition 13 mentality. I hope that over the next year, when we are considering general revenue sharing, we will be able to have a full hearing and discuss the issue in full detail, and not rush to this judgment on the floor of the Senate in response to proposition 13.

REVENUE SHARING AND A BALANCED FEDERAL BUDGET

● Mr. CULVER. Mr. President, I hope that the Senate will agree to retain $684 million in the State portion of general revenue sharing funds. Such action would be consistent with both the President's recommendations and the House-passed measure.

Mr. President, during my service in the House of Representatives, I was a cosponsor of the legislation which created revenue sharing and I have supported it ever since. The basic argument for revenue sharing—that the Federal tax system is a superior mechanism for efficiently raising funds while States, counties, and cities can better administer them to meet local priorities—has not lost validity. Nor has there been any diminishment in the useful contribution which revenue sharing makes toward meeting State commitments in education, health, transportation, and tax relief.

What have changed are the tactics and rhetoric concerning the desirable goal of bringing the federal budget into balance. The rhetoric persistently points to a cumulative surplus in State and local government coffers as evidence of laudable frugality and fiscal restraint. The deficits which have characterized the federal budget in recent years, in contrast, are cited as proof of extravagance and insensitivity to inflation on the part of Congress and the President.

The facts, of course, are very different. That the bulk of the State surplus is concentrated in a very few States, that it might well disappear if Federal accounting methods were used, that the latest projections show an emerging deficit in State and local budgets have all been mentioned on this floor and in other forums. Whether they have made much impact on the debate is open to serious question.

But the factor most relevant to the issue we are debating this morning is the degree to which Federal deficits and State and local surpluses reflect revenue transfers from the Federal to State levels. The $6.85 billion in general revenue sharing—federally raised dollars used exclusively for State and local needs—is ony the most obvious example. Approximately $80 billion in grants in aid goes from the Federal Government to State and local units. Elimination of this cash flow would wipe out the Federal deficit overnight and allow us to make the superficially appealing claim to our constituents that we were paradigms of fiscal virtue. It would, at the same time, have devastating effects on the national economy, wreak havoc on vital domestic commitments, and throw into disarray the fiscal systems of our State and local governments.

The Appropriation Committee's recommended $684 million reduction in the State portion of general revenue sharing is, in my judgment, a predictable response to the movement by State legislatures to require a balanced Federal

budget by constitutional amendment. When the Iowa Legislature was considering such a resolution just a few months ago, I noted to some of its members that revenue sharing, which has been a popular and useful program in our State, was likely to be one of the first targets for a cut. That was not a threat; it was a conclusion that followed reasonably from the logic of an amendment insisting on a balanced Federal budget. It is instructive, I believe, that fuller reflection after passing a balanced budget constitutional amendment resolution led a majority of the members of the Iowa Senate to repudiate publicly that action.

Mr. President, if this amendment is accepted, Iowa will lose almost $10 million which the Governor's office informs me is used largely for Iowa's homestead and agricultural land tax credits, high priority contributions to State property tax relief. With this amendment, the unpleasant choices are higher State taxes or an erosion of scarce operating funds.

Similar detrimental effects will be felt in other States. In some States, legislatures will have to come back into emergency session to rework budget plans. These States—and Iowa is among them—have completed action on their budgets. They have made reasonable assumptions based on the authorized levels of revenue sharing and the historical record of appropriations for that program. To force them to go back to the drawing boards at this late date is to invite fiscal chaos. The alternative is that the decision may have to be made for urgent needs to go unmet. I do not believe that these results are ones we should vote for.

In conclusion, Mr. President, I can understand what prompted the reduction in State revenue sharing funds recommended by the committee but I do not think the cut is in the interest of either State and local governments nor in the interest of the United States. I urge my colleagues to retain the full funding.●

● Mr. STEVENSON. Mr. President, I oppose the amendment offered by the distinguished manager of the bill, Mr. PROXMIRE. The amendment would reduce $684 million from the portion of the general revenue sharing program allocated to State governments. Though I do not believe revenue sharing funds should be dispensed to State governments, I oppose the amendment because of the manner in which the reduction would be imposed.

Revenue sharing has been perceived as an entitlement program on which State and local governments could rely to finance a wide range of programs. While I believe revenue sharing is flawed in concept, the program has nevertheless been perceived as one immune from review in the appropriations process. To adopt the amendment of the Senator from Wisconsin would be to take an action both unprecedented and unexpected. Until this week, State governments had every reason to believe they would receive their full revenue sharing allocations for fiscal year 1980. Many States had prepared their budgets accordingly. A sudden reduction in the funds would require a number of States to convene special legislative sessions in an attempt to alter their budgets. Hasty actions of this nature are rarely conducive to rational public policy.

Mr. President, I continue to oppose participation by the States in revenue sharing, and I intend to vote accordingly when the authorization for revenue sharing expires at the end of fiscal year 1980. I see no justification for increasing the Federal budget deficit in order to contribute to State budget surpluses. However, I do not favor reducing State revenue sharing funds now. To make a revenue sharing cut now would damage States which have relied in good faith on receipt of those funds during fiscal year 1980.●

● Mr. WILLIAMS. Mr. President, I rise in opposition to this amendment cutting general revenue sharing funds.

The Congress specifically enacted this program as an entitlement in order to provide advance assurance to States and localities of the moneys they could depend on when planning their fiscal affairs.

The dilemma of my own State illustrates why we should not take this type of action on an entitlement program. New Jersey will, in fiscal 1980, run a budget surplus of less than 1 percent—if it receives its full allocation of revenue sharing funds. If we accept this amendment the State legislature will have to come back into special session to rewrite the 1980 budget. New Jersey will already suffer a loss of 1980 Federal revenues of about $25 million because of our failure to continue the countercyclical antirecession assistance program, and of about $40 million due to changes in the social security deposit regulations.

This amendment will reduce Federal aid to the State by an additional $25 million. More than half of that money would ordinarily be allocated to local governments.

Mr. President, I believe that once we incur obligations for entitlement programs we should follow through on them, and not leave those who depend on these funds hanging in the lurch. Therefore, I oppose this amendment.●

● Mr. CRANSTON. Mr. President, I will support the Proxmire amendment to cut $684 million in general revenue sharing funds going to State governments.

It is not my intention to reduce any revenue sharing funds to county, city, and other local governments.

Unlike local governments, the states have full taxing powers. Their sources of revenue are many. Their needs can be met in ways far more equitable than by increasing property taxes—the primary source of local government revenue.

The States have been piggy-backing on the Federal deficit long enough. The Federal Treasury has been borrowing money and deepening the Federal deficit year after year while cash piles up in State treasuries.

Congress is not helping the States when it increases the deficit. The State governments are not immune from inflation. To the extent that an unbalanced budget contributes to inflation, it also contributes to a long-range worsening of State finances. The effort to balance the Federal budget is forcing those who are best able to sustain the necessary cuts in Federal funds to do so. This must include the State governments.

The proposed cut is modest in terms of its overall impact on any State. It is far less than the $2.3 billion cut I called for when I cosponsored S. 263 to eliminate completely the State share of general revenue early this year.●

● Mr. CHAFEE. Mr. President, I applaud Senator PROXMIRE's vigilant and constant efforts to hold down the cost of Federal programs, but I must oppose his amendment to cut $684 million from the general revenue sharing program.

This cut comes at a time when economic recession is a certainty and when, according to the National Governors Association, the States are projecting budget deficits for the rest of the year. If the Senator's amendment were adopted, the State of Rhode Island would lose $3 million to $4 million which it has already budgeted for the next fiscal year. And, Mr. President, like most other States, the Rhode Island Legislature has adjourned and would have to be reconvened to deal with this unexpected problem.

I am among the budget watchers in the Senate who look with dismay upon the proliferation in recent years of entitlement programs and State assistance programs provided by the Federal Government. But, Mr. President, by attacking the revenue sharing program, I believe we are attacking the wrong animal. Revenue sharing is the model we should be using for other fiscal assistance programs to provide the States a greater degree of flexibility to meet their own particular needs and priorities, whether in health, law enforcement, education or other public services. In fact, Mr. President, if we would apply the more flexible revenue sharing model to other areas of Federal assistance we would be much more effective in helping the States meet their needs, and as a result, I am confident that the Governors of our 50 States would be willing to forgo even more than $684 million a year in Federal assistance. If we would do that, we could save more than the sum Senator PROXMIRE seeks to save by his amendment.

As you know, Mr. President, later this year and next year the Finance Committee will be considering the reauthorization of the general revenue sharing program. Clearly, this would be the best time to study the ways in which we might reform the program. There have been suggestions that it would be better to target revenue sharing to the States and towns which have the more severe economic problems, rather than showering revenue sharing dollars on virtually every State government and municipality, regardless of need. This, too, could save the taxpayers a substantial sum of money. But I do not think the amendment offered today by the Senator from Wisconsin would be particularly constructive given our economic situation, and I will vote against it.●

The PRESIDING OFFICER. The

question is on agreeing to the amendment.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Mississippi (Mr. STENNIS), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 31, nays 59, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—31

Bayh	DeConcini	Proxmire
Bentsen	Glenn	Ribicoff
Biden	Hart	Schmitt
Boren	Hatfield	Schweiker
Burdick	Helms	Simpson
Byrd, Harry F., Jr.	Humphrey	Stafford
Byrd, Robert C.	Johnston	Stevens
Cannon	Metzenbaum	Stone
Chiles	Muskie	Talmadge
Cranston	Nelson	Young
	Nunn	

NAYS—59

Baker	Hatch	Morgan
Baucus	Hayakawa	Moynihan
Boschwitz	Heinz	Packwood
Bradley	Hollings	Pell
Bumpers	Jackson	Percy
Chafee	Javits	Pryor
Church	Jepsen	Randolph
Cochran	Kassebaum	Riegle
Cohen	Kennedy	Roth
Culver	Laxalt	Sarbanes
Danforth	Leahy	Sasser
Dole	Levin	Stevenson
Domenici	Long	Tower
Durenberger	Lugar	Tsongas
Durkin	Magnuson	Wallop
Exon	Mathias	Warner
Ford	Matsunaga	Weicker
Garn	McClure	Williams
Goldwater	McGovern	Zorinsky
Gravel	Melcher	

NOT VOTING—10

Armstrong	Huddleston	Stewart
Bellmon	Inouye	Thurmond
Eagleton	Pressler	
Heflin	Stennis	

So Mr. PROXMIRE's amendment (No. 458) was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator wish me to yield to him?

Mr. SASSER. Will the distinguished majority leader yield for a 30-second amendment which, I am told, the managers of the bill will accept?

Mr. ROBERT C. BYRD. Mr. President, I yield for that purpose.

UP AMENDMENT NO. 459

(Purpose: To prohibit the use of appropriated funds to contract for plant care or watering services)

Mr. SASSER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. NELSON). The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. SASSER) proposes an unprinted amendment numbered 459.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following new section:

SEC. 410. No part of any appropriation for the fiscal year ending September 30, 1980, contained in this or any other Act shall be used to contract with private firms to provide plant care or watering services.

Mr. SASSER. Mr. President, I am offering an amendment that would prohibit Federal agencies from using appropriated funds to contract with private firms to provide plant care and watering services.

Mr. President, on February 21, 1979, the Legislative Branch Appropriations Subcommittee—which I chair—conducted a hearing on the fiscal year 1980 budget of the Copyright Royalty Tribunal. This is a small Federal agency employing only 11 people. The function of the agency relates to certain aspect of the new copyright law which went into effect on January 1, 1979.

During the course of the hearing, I had occasion to inquire into a proposed expenditure of $2,000 for—and I quote—"other services, miscellaneous."

Mr. President, it was with some chagrin that I verified that this small agency—employing only 11 people—was spending eleven hundred dollars a year on—and you will not believe this—a plant care and watering service for their office plants: $632 for the plants and $468 a year for "maintenance."

At that time, Mr. President, I stated that I believe that almost any Government funds expended to purchase plants or to hire people to water them appears to be out of line.

Why not use homegrown plants? I water my own plants.

Subsequently, Mr. President, I contacted the General Accounting Office. I requested a listing of Federal agencies contracting with private firms for acquiring and maintaining indoor office plants.

In response to my request, the GAO provided a list of 26 Federal agencies. These agencies had spent $816,700 of taxpayers' funds during the period 1974 to 1978 on contracts with private firms—for acquiring and maintaining indoor office plants.

Mr. President, the average taxpayer from Tennessee pays $2,000 in Federal income taxes a year.

I wonder how those families from Tennessee would feel—to know that an amount equal to the entire tax bill—paid by 100 Tennessee families—over a period of 4 years—had been used by their Government to contract with private firms for acquiring and maintaining indoor office plants for Federal employees.

Mr. President, I ask unanimous consent that the tabulation appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SASSER. Mr. President, I am aware that—from time to time—there are reports in the media that Congress is guilty of acquiring "free plants" from the Botanic Garden.

Before bringing the whole matter of the taxpayers paying for plants to the attention of my colleagues, I took up the Senate experience with the distinguished chairman of the Joint Committee on the Library (Mr. PELL) whose committee has jurisdiction over these matters. The joint committee staff subsequently took the matter up with the Architect of the Capitol, who has jurisdiction over the Botanic Garden. The Architect has reported that no "free" plants are given to Members and their staffs. However, some of the plants grown at the Botanic Garden are, indeed, loaned to the various offices of the Senate under procedures approved by the Joint Committee on the Library.

Whereas, under existing procedures established by the joint committee, approximately $30 in plant material could be loaned to a Senate office in a year—this hardly compares with the expenditure of $1,100 for one small Federal agency with only 11 people.

Mr. President, in the final analysis, the question comes down to "Should the taxpayers pay for office plants for Federal employees."

Consequently, Mr. President, I am offering an amendment that would prohibit Federal agencies from using appropriated funds to contract with private firms to provide plant care and watering services.

With all the emphasis on cutting Federal spending to balance the budget, this certainly is one area where we can make progress. I am hopeful, Mr. President, that the distinguished manager of the bill will accept this amendment.

EXHIBIT 1

LISTING OF AGENCIES CONTRACTING WITH PRIVATE FIRMS FOR ACQUIRING AND MAINTAINING INDOOR OFFICE PLANTS DURING FISCAL YEARS 1974–77

Agency	1974	1975	1976	1977	Total
Department of the Treasury	$90,400	$74,000	$45,600	$12,700	$222,700
Department of the Interior	200	900	53,300	54,000	108,400
United States Postal Service	12,000	18,000	24,500	18,900	73,400
Department of Energy	3,500	4,500	34,200	30,600	72,800
Department of Transportation	5,300	16,400	16,000	15,900	53,600
Veterans' Administration		14,300	6,300	24,800	45,400
Department of Health, Education, and Welfare	4,400	13,700	12,700	8,800	39,600
Environmental Protection Agency	1,600	1,400	7,300	19,000	29,300
General Services Administration	10,000	1,100	9,500	8,400	29,000
Department of Agriculture		13,600	3,900	11,100	28,600
Department of Justice	4,300	2,400	8,600	8,500	23,800
Federal Reserve System			4,000	13,500	17,500
Department of Commerce	2,600	2,600	2,700	6,100	14,000
Inter-American Foundation	2,500	2,600	4,400	3,500	13,000
Farm Credit Administration	1,900	2,100	3,000	2,500	9,500
Federal Deposit Insurance Corporation	400	1,200	1,900	5,700	9,200
Department of Labor		$5,300			$5,300
Consumer Product Safety Commission	$2,200	800	$1,200	$1,000	5,200
Small Business Administration			1,900	2,000	3,900
Department of Housing and Urban Development			2,500	1,380	3,880
National Aeronautics and Space Administration		600	2,100		2,700
Federal Trade Commission		800	400	900	2,100
Federal Mediation and Conciliation Service				1,500	1,500
Federal Election Commission		500	300	500	1,300
District of Columbia	1,000				1,000
Pennsylvania Avenue Development Corporation		100			100
Total	142,300	176,900	246,300	251,200	816,700

Mr. PROXMIRE. Will the Senator give us some idea what savings will be involved in this amendment, roughly?

Mr. SASSER. I will advise the distinguished manager of the bill that—based on past experience—this would save approximately $200,000 per year.

Mr. PROXMIRE. Would this amendment apply to activities that would be conducted in city parks, and so forth?

Mr. SASSER. No; this would be activities which are conducted in the offices of various agencies wherein they contract with a private plant service to come by and water their plants.

Mr. PROXMIRE. I have no objection to the amendment, but I have not had a chance to discuss it with the Senator from Maryland, who is the ranking minority member of the subcommittee.

Mr. MATHIAS. Mr. President, I have not had the opportunity to review the matter carefully, either. I would not want to do anything that would impose upon the rights of cities, States, or counties to maintain their parklands. If it is limited, as the Senator says, to simply offices, I would see no great difficulty with it, but I think the legislative record ought to be clear.

Mr. SASSER. I would point out that it applies only to Federal agencies, and I was under the impression that it had been discussed with the distinguished manager of the bill, and he was agreeable to accepting it.

Mr. MATHIAS. It would not prevent the distinguished Senator from West Virginia, the Senator from Wisconsin, or the Senator from Maryland from watering the plants in our offices, would it?

Mr. SASSER. No; because the amendment goes only to contracts with private firms.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. PROXMIRE. I yield to the Senator from West Virginia.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the HUD appropriation bill now be temporarily laid aside, and that the Senate proceed to the consideration of Calendar Order No. 272, H.R. 4580, the District of Columbia appropriations bill, with the following provisos: That there be a time limitation on the District of Columbia appropriation bill of 1 hour, to be equally divided between and controlled by the Senator from Vermont (Mr. LEAHY) and the Senator from Maryland (Mr. MATHIAS); that there be a time limitation on any amendment of 30 minutes; that there be a time limitation on any debatable motion or appeal or point of order, if such is submitted to the Senate, of 10 minutes; that on an amendment by Mr. HELMS dealing with abortion, there be an up or down vote; that that amendment not be subject to amendment; and that the agreement be in the usual form as to the division and control of time; and furthermore, that the D.C. appropriation bill not be subject to being pulled down by a call for the regular order during the consideration of the D.C. appropriation bill.

Mr. STEVENS. Mr. President, reserving the right to object, will the Senator from West Virginia leave his request pending and allow me 3 or 4 minutes to check with one Member on this side?

Mr. ROBERT C. BYRD. Yes. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I withdraw my reservation of objection to the time agreement. I have no objection.

Mr. ROBERT C. BYRD. I thank the distinguished assistant minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. MATHIAS. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on final passage of this measure.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MATHIAS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I am pleased to have the opportunity to present to the Senate the committee recommendations on the District of Columbia Appropriations Act for fiscal year 1980. The recommendations are the result of 9 days of hearings to consider the city's request and the views of many citizens and taxpayers that wished to be heard. In addition to reviewing the original request contained in the President's budget, the committee also considered an $86.5 million budget amendment transmitted to Congress on May 31.

As you know, Mr. President, the lateness of the city's budget transmittal in the past has made it nearly impossible to consider enacting an appropriation bill in a timely manner. One reason that we are able to be here today with a bill is the fact that last year the committee insisted on a general provision establishing a due date of February 1 for submission of the city's budget to Congress. That date was met for the fiscal year 1980 budget, and because it was the committee has been able to act in a timely manner.

The District of Columbia's budget request for fiscal year 1980 is $1,657,046,000, of which $1,480,505,700 is for operating expenses and the remaining $176,540,300 is for capital improvements. The committee analyzed these requests in great detail and the budget we are recommending is fully balanced and provides full funding for all the basic city needs. I would also point out that while the target ceiling in the first concurrent resolution for budget authority for the District of Columbia was $500 million, the total Federal funds recommended by the committee is $385 million, or $115 million less than the budget ceiling.

There are two major reasons why the committee is able to recommend a Federal funds total less than the target ceiling. First, the President's budget included a request of $317 million for the Federal payment, $17 million of which was subject to authorization. To date, no authorization increase has been proposed in the Senate. Accordingly, the commit-

tee sought the advice of the Mayor as to where the budget should be reduced by $17 million. In addition, the city will be able to fund some of the programs in fiscal year 1980 with cash balances remaining from previous years, thereby further reducing the need for a large Federal payment. These actions can be taken while providing for all the basic needs of the city and doing so with a fully balanced budget.

For fiscal year 1980 the committee recommends a total budget of $1,561,110,200, of which $1,395,754,900 is for operating expenses and $165,355,300 is for the capital improvements program. This represents an increase of $60,008,500 over the level provided last year for operating expenses and an increase of $88,140,300 over the level for capital outlay for a total increase of $148,148,800 compared with the level provided in fiscal year 1979. Although the recommended budget totals are higher than the House passed bill, it should be pointed out that the Senate committee has considered the $86.5 million budget amendment not considered by the House.

Instead of taking the Senate's time in going over each and every detail of the bill, I would like to provide a brief summary. The recommended Federal payment for fiscal year 1980 is $249,121,500, a reduction of nearly $68 million below the amount requested. As stated earlier, $17 million of the amount requested is not authorized, and further reductions were possible because of anticipated cash balances remaining at the end of the current fiscal year. This level for the Federal payment is only $3.4 million less than the amount provided in the current year. At the same time, it is the level necessary to provide for the basic needs of the city.

One of the major items the committee has included in its recommendation is funding for the implementation of a comprehensive financial management system for the District of Columbia. After years of planning, the efforts of the temporary commission on financial oversight for the District of Columbia and the D.C. Office of Financial Management will implement such a system on the first of October of this year. For the first time, the District's financial condition will be determined on a comprehensive basis. It is a much needed improvement, and Senator EAGLETON has worked hard over the years to see that it is done. The bill provides 44 permanent positions, 50 temporary positions, and $5.4 million to insure that the system is properly implemented during the critical first-year period.

The committee has recommended additional funding for the advisory neighborhood commission program and for the D.C. Commission on the Arts and the Humanities. The levels recommended are $150,000 over the House marks for the ANC program and $190,000 over the House mark for the Arts and Humanities Commission.

The recommendation includes funding for a summer jobs for youth program for the summer of 1980 as well as funding to initiate a jobs program for adults with dependents. The Committee plans to conduct hearings later this year to review the success of this year's summer youth jobs effort, and bill language has been included making the funding for next year's effort contingent upon approval of a plan for proposed expenditures by both the House and Senate Appropriations Committees.

Mr. President, there are several significant areas in which the committee is in agreement with the House. The first action relates to the city's police and fire retirement program. Although some improvement has been made in the past year, significant problems still exist. The committee believes that more could be done on the part of the city to correct serious deficiencies in administration of the disability retirement program. When compared with 15 other major U.S. cities, the number of disability retirements in the District rates poorly. Overall, disability retirements averaged 36 percent among the 15 cities compared with 79 percent in the District of Columbia. Accordingly, the committee has agreed with the House recommendation to reduce funds available for disability retirements by $5 million and has directed the city to implement needed administrative reforms.

Second, there is the matter of the welfare program in the District of Columbia. Mr. President, the committee was shocked to learn in hearings that the city had diverted employees assigned to uncover welfare fraud to other, less important work. Several years ago, the Congress specifically allowed 45 positions and related funding solely for the purpose of investigating welfare fraud cases. The city apparently thought that these positions could be better used elsewhere. How much the city lost by not being able to identify and recover erroneous payments is indeterminable. The committee has directed that these positions be used for the purpose intended by Congress. In addition, the additional $5.7 million requested for welfare payments has been denied, in agreement with the House.

Finally, Mr. President, the committee has deleted two general provisions added on the House floor related to funding for abortions. Due to the unique character of the District of Columbia, the annual appropriation bill includes not only Federal funds, but also locally generated revenues. Before the city can spend one dollar of its property tax, or its sales tax, or its local income tax, the Congress must appropriate the money. The provisions added by the House would deny the District's right to determine if its own money should be spent on abortions. Mr. President, the Congress has no right to make such a determination for any of the 50 States, and would never attempt to do so. The same argument, that of interfering with the rights of the States, should apply here. We have abortion restrictions on Federal funds granted through the Department of Health, Education, and Welfare, and these restrictions apply to the District as well as any of the States. These provisions are not an attempt to place the same restrictions on the District, but rather an attempt to place additional restrictions on the use of funds. On that basis, the Senate Appropriations Committee rejected a proposed amendment by a 2-to-1 margin.

Mr. President, I would at this point like to thank Senator MATHIAS, the ranking minority member of the subcommittee, for his excellent assistance and support in preparation of these recommendations. I would also be remiss if I did not compliment the committee staff who worked long, hard hours in an effort to get this bill before the Senate today; John Gnorski, the subcommittee clerk; Betty Hoem, his administrative assistant; and James Bond, the minority counsel.

Mr. President, I ask unanimous consent that a table detailing the committee recommendations be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980

Agency and item	New budget (obligational) authority fiscal year 1979	Budget estimates of new (obligational) authority fiscal year 1980	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended by the Senate committee	Senate committee recommendation compared with— New budget (obligational) authority fiscal year 1979	Budget estimates of new (obligational) authority fiscal year 1980	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I—TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA							
Salaries and expenses	$7,500,000	$500,000	$500,000	$500,000	−$7,000,000		
TITLE II—DISTRICT OF COLUMBIA FEDERAL FUNDS							
Federal payment	252,565,000	317,000,000	191,500,000	249,121,500	−3,443,500	−$67,878,500	+$57,621,600
Payment in lieu of reimbursement for water and sewer services to Federal facilities	12,200,000	10,500,000	10,300,000	10,500,000	−1,700,000		+200,000
Federal payment to retire RFK Stadium bonds	9,900,000				9,900,000		
Loans for capital investment		159,391,700	125,725,700	125,000,000	+125,000,000	−34,391,700	−725,700
Total, Federal funds to District of Columbia	274,665,000	486,891,700	327,525,700	384,621,500	+109,956,500	−102,270,200	+57,095,800

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980—Continued

Agency and item	New budget (obligational) authority fiscal year 1979	Budget estimates of new (obligational) authority fiscal year 1980	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended by the Senate committee	Senate committee recommendation compared with— New budget (obligational) authority fiscal year 1979	Budget estimates of new (obligational) authority fiscal year 1980	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
DISTRICT OF COLUMBIA FUNDS OPERATING EXPENSES							
Governmental direction and support	($66,397,900)	($70,983,200)	($67,399,700)	($64,879,000)	(−$1,518,900)	(−$6,104,200)	(−$2,520,700)
Economic development and regulation	(15,070,000)	(25,673,700)	(13,810,900)	(16,009,700)	(+939,700)	(−9,664,000)	(+2,198,800)
Public safety and justice	(291,569,100)	(303,024,900)	(293,247,700)	(296,177,800)	(+4,608,700)	(−6,847,100)	(+2,930,100)
Public education system	(309,564,000)	(326,162,300)	(310,596,700)	(317,379,500)	(+7,815,500)	(−8,782,800)	(+6,782,800)
Human support services	(335,498,700)	(374,156,900)	(329,110,500)	(350,432,400)	(+14,933,700)	(−23,724,500)	(+21,321,900)
Transportation services and assistance	(83,797,900)	(95,717,600)	(91,280,100)	(92,858,600)	(+9,060,700)	(−2,859,000)	(+1,578,500)
Environmental services and supply	(76,273,200)	(81,519,200)	(77,137,800)	(79,206,100)	(+2,932,900)	(−2,313,100)	(+2,068,300)
Personal services	(34,610,600)	(81,610,600)	(47,354,500)	(58,354,500)	(+23,743,900)	(−23,256,100)	(+11,000,000)
Repayment of loans and interest	(120,400,000)	(121,657,300)	(120,457,300)	(120,457,300)	(+57,300)	(−1,200,000)	
Demonstration expenses	(2,565,000)				(−2,565,000)		
Total, operating expenses	(1,335,746,400)	(1,480,505,700)	(1,350,395,200)	(1,395,754,900)	(+60,008,500)	(−84,750,800)	(+45,359,700)
CAPITAL OUTLAY							
Capital outlay	(77,215,000)	(176,540,300)	(132,830,200)	(165,355,300)	(+88,140,300)	(−11,185,000)	(+32,525,100)
Total, District of Columbia funds	(1,412,961,400)	(1,657,046,000)	(1,483,225,400)	(1,561,110,200)	(+148,148,800)	(−95,935,800)	(+77,884,800)
RECAPITULATION							
Grand total, new budget (obligational) authority	282,165,000	487,391,700	328,025,700	385,121,500	+102,956,500	−102,270,200	+57,095,800
Consisting of:							
Temporary Commission on Financial Oversight of the District of Columbia	7,500,000	500,000	500,000	500,000	−7,000,000		
District of Columbia:							
Federal funds to the District of Columbia	274,665,000	486,891,700	327,525,700	384,621,500	+109,956,500	−102,270,200	+57,095,800
District of Columbia Funds	(1,412,961,400)	(1,657,046,000)	(1,483,225,400)	(1,561,110,200)	(+148,148,800)	(−95,935,800)	(+77,884,800)

Mr. LEAHY. That summarizes the committee action on this bill. Before I yield to the distinguished ranking minority member (Mr. MATHIAS), who has been, as always, extraordinarily helpful, I ask unanimous consent to correct one matter.

In the printing of the committee amendments, a minor error was made. On page 7, line 20, the amount of the Senate amendment should be $18,691,800 instead of $18,191,800, as printed. I ask unanimous consent that that error be corrected.

The PRESIDING OFFICER. Without objection, it will be corrected.

Does the Senator wish to request that the committee amendments be considered en bloc?

Mr. LEAHY. I was just about to make that request. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc for the purpose of further amendment, and that the bill as thus amended be considered as original text for the purpose of further amendment, provided that no point of order shall be waived by reason of such agreement.

Mr. HELMS. Mr. President, reserving the right to object, and I shall not object, the previous unanimous-consent request propounded by the distinguished majority leader did not include the provision that no point of order would lie in connection with my amendment.

Mr. LEAHY. Mr. President, I make that request, that no point of order lie by reason thereof.

Mr. HELMS. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 25, strike "$191,500,000" and insert "$249,121,500";

On page 3, line 4, strike "$10,300,000" and insert "$10,500,000";

On page 3, line 14, strike "$125,725,700" and insert "$125,000,000";

On page 3, line 24, strike "$67,399,700" and insert "$64,879,000";

On page 4, line 2, insert the word "and" immediately after the word "Mayor,"

On page 4, line 3, strike "and $300 for each member of the Council of the District of Columbia";

On page 4, line 23, strike "$13,810,900" and insert "$16,009,700";

On page 5, line 6, strike "$293,247,700" and insert "$296,177,800";

On page 6, line 5, strike "$310,596,700" and insert "$317,379,500";

On page 6, line 8, strike "$230,975,300" and insert "$236,540,700";

On page 6, line 10, strike "$47,115,200" and insert "$48,011,600";

On page 6, line 11, strike "$9,639,700" and insert "$9,770,700";

On page 6, line 12, strike $"161,500" and insert "$351,500";

On page 7, line 7, strike "$329,110,500" and insert "$350,432,400";

On page 7, line 20, strike "$20,919,500" and insert "$18,691,800";

On page 7, line 23, after "compensation" insert a colon and the following:

Provided further, That none of the funds appropriated for the summer youth jobs program shall be obligated until the Subcommittees on the District of Columbia Appropriations of the House of Representatives and the Senate have approved a plan submitted by the Mayor and the City Council detailing proposed expenditures.

On page 8, line 10, strike "$91,280,100" and insert "$92,858,600";

On page 8, line 19, strike "$77,137,800" and insert "$79,206,100";

On page 9, line 7, strike "$47,354,500" and insert "$58,354,500";

On page 10, line 5, strike "$132,830,200" and insert "$165,355,300";

On page 10, line 5, strike "$4,906,700" and insert "$5,288,100";

On page 14, line 23, strike "37,886" and insert "38,230";

On page 15, line 4, strike "33,659" and insert "34,003";

On page 15, line 5, strike "9,652" and insert "9,694";

On page 16, line 11, following the period, strike through and including the word "pertains" in line 16;

On page 17, beginning with line 7, strike through and including line 12.

Mr. LEAHY. Mr. President, I had earlier sent out a list asking unanimous consent for floor privileges for two staff members. Apparently there has been some confusion at the desk outside. Therefore, I ask unanimous consent that Martin Franks and Harry Jaffe of my staff have access to the floor throughout all matters involved in the consideration of the District of Columbia appropriations measure.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LEAHY. As soon as I get that unanimous consent request agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, the Senate is now considering H.R. 4580, which appropriates funds for the District of Columbia for fiscal year 1980. The bill is fiscally responsible and I support it.

I will just take a moment to point out the budgetary implications of the bill.

Mr. President, H.R. 4580, as reported, provides $0.4 billion in new budget authority. Outlays associated with the bill, including outlays from prior-year appropriations for these programs, also total $0.4 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated $0.5 billion in budget authority and $0.5 billion in outlays to the D.C. Subcommittee.

The funds provided by H.R. 4580 as reported, plus prior action, put the subcommittee under its 302(b) allocations by $0.1 billion in both budget authority and outlays. I congratulate the subcommittee and its chairman, Senator LEAHY, for staying within its allocation.

Mr. President, I ask unanimous consent that a table showing the relationship of this bill to the subcommittee allocation be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 4580—DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FISCAL YEAR 1980—RELATIONSHIP TO SUBCOMMITTEE'S SEC. 302(b) ALLOCATION

[In billions of dollars]

	Budget authority	Outlays
Subcommittee's sec. 302(b) allocation	0.5	0.5
Action completed		(1)
H.R. 4580, as reported	.4	.3
Amount over (+) or under (−) subcommittee allocation	−.1	−.1
Possible later requirements: None anticipated.		
Possible amount over (+) or under (−) subcommittee allocation	−.1	−.1

[1] Less than $50,000,000.

Note: Details may not add to totals due to rounding.

Mr. MUSKIE. I also note that the bill has been reported early enough to permit enactment of the District of Columbia budget before the fiscal year begins. That is an important benefit of the timetable specified under the congressional budget process.

Although the subcommittee is likely to be below its allocation, I want to remind the Senate of the point I made when previous fiscal 1980 appropriation bills were before us. It appears that the full Appropriations Committee could exceed the amount allocated to it under the first budget resolution by about $6 billion in budget authority and $5 billion in outlays when all the regular appropriation bills and expected supplemental requirements are taken into account.

At the risk of belaboring the point, I note again that, taken altogether, these additional appropriations could increase the fiscal 1980 deficit by as much as $4 to $5 billion. In fact, the combination of these additional appropriations and the apparent economic slowdown threaten to drive the fiscal 1980 deficit higher than that of fiscal 1979.

Mr. President, as I have said before, I recognize that the failure of other committees to achieve savings in appropriated programs, uncontrollable increases in some programs, and new Presidential energy initiatives, are beyond the control of the Appropriations Committee. But I again urge the Senate to make appropriate reductions in future bills to avoid a significant increase over the first budget resolution targets. I also urge the Senate conferees on this bill to carefully consider the arguments of the House conferees for additional restraint in the Federal payment to the District of Columbia.

In conclusion, Mr. President, I repeat that I intend to vote in favor of H.R. 4580 as reported. I urge my colleagues to do likewise.

I congratulate the floor manager and the ranking minority member on bringing to the floor an appropriation bill that fits within the budget requirements.

Mr. LEAHY. I thank the distinguished chairman of the Budget Committee. I yield to the distinguished ranking minority member (Mr. MATHIAS).

Mr. MATHIAS. I thank the chairman of the committee, the distinguished Senator from Vermont (Mr. LEAHY), not only for his remarks here today but for his continuing interest in the problems of the District of Columbia. He leads this subcommittee with thoroughness and fairness, and I think it would not be inappropriate to add, courage. I look forward to our continuing work together on matters that deal with the District of Columbia.

Mr. President, I will not deal at any great length on the points of this bill except to note that while the bill appears to be over the sum appropriated by the other body, it must be pointed out that the Senate was faced with $86 million in budget amendments which were not considered by the House. Therefore, we must necessarily have had to deal with problems that were not before the other body.

Second, the recommendations contained in this bill are, in fact, $113 million under the District of Columbia's allocation for budget authority, and $121 million under the allocation for outlays. So, as the Senator from Maine, the chairman of the Budget Committee, has just pointed out, we have done our best to observe the principles of fiscal prudence here. It is, in fact, $102,270,200 below the budget estimate.

So by all the various tests of fiscal prudence, I think this budget is a lean one and I hope it is an adequate one.

The committee is recommending added resources to various offices in line with the appeals we have had from Mayor Barry and from the president of the City Council, Mr. Dixon. We are recommending all the funds that were requested for the D.C. General Hospital for, I believe, reasons which are obvious, and, likewise, we have provided the Department of Human Resources with the funds necessary to adequately carry out those vital programs.

The one thing that I would mention in particular concerns a recommendation for funding summer jobs for youth programs in the summer of 1980, not the current summer, but next year. I want to thank the chairman for planning to conduct hearings later this year to review the operation of the current program and to see what changes, if any, may be necessary. We ought not to get again into the kind of situation we found ourselves in this year when we were attempting to fund the summer jobs program when the temperature was rising, when the spring flowers had not actually only bloomed but had faded and we were really into the summer. That creates an atmosphere of uncertainty which we believe defeats the whole purpose of the summer jobs program.

I am happy that the committee will recommend full funding of the summer jobs program, and that bill language has been included which conditions funding upon approval by both the House and Senate Appropriations Committees.

Mr. President, I want to take particular note of the contributions which have been made to this bill by Members of the Senate staff, without whom we would have great difficulty in dealing with the bill as efficiently and as effectively as we have.

Mr. President, I reserve the remainder of my time.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Maryland. I should say that I am also appreciative of the staff. Also, the matter of the summer jobs program could not possibly have gotten through as quickly as it did in the Senate without the strong support of the Senator from Maryland. I look forward to working with him in reviewing the program.

Mr. President, I understand that our distinguished colleague from North Carolina has an amendment. There is time reserved on that. I will reserve the remainder of my time and yield to the Senator from North Carolina.

UP AMENDMENT NO. 460

(Purpose: To conform funding of abortions in the District of Columbia to those funded under the Medicaid program)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment No. 460:

On page 17, line 7, insert the following:

"SEC. 220. None of the funds appropriated under this Act shall be used to pay for abortions for which Federal funds are not available under the Medicaid program."

Mr. HELMS. Mr. President, again this month it is necessary for the Senate to consider the use of taxpayers' money to finance the intentional destruction of innocent human life. It is nothing less than a scandal that last year there were 30,000 abortions performed in the Nation's Capital. Among residents of the District of Columbia there were 13,000 abortions performed. At the same time there were only 10,000 children born in this city. Among residents there were 130 percent more abortions than live births.

Mr. President, when will this discretionary killing of unborn children by means of abortion be ended? Thirty thousand abortions per year cannot by any stretch of the imagination be described as medically necessary abortions or abortions to save the life of the mother. These are simply convenience abortions.

Now it may very well be that there is some feeling that if the Federal Government is going to promote a policy of abortion on demand through the use of taxpayers' money that the District of Columbia is a good place to begin. But, Mr. President, a life is a life. And this Senator is going to fight just as hard for the right to life of children in the District of Columbia as he is going to fight for these children in other parts of this country.

Those of us who have continued to fight for the Hyde amendment in the House and the Helms amendment in the Senate continue to be told what a bargain abortions are for the poor. It is repeatedly said that abortions are the most efficient and effective way of dealing with the welfare problems which confront the District of Columbia. Even Albert Russo, Director of Human Resources for the District of Columbia, has reminded us of how much cheaper it is to pay for abortion rather than child care for the poor.

The basic implication of that argument is clear. It says, in other words, it is cheaper to the State to kill the unborn children of the poor than to let them be born.

Rev. Richard Neuhaus has been an outspoken critic of what he describes as "waging war on the poor" by means of abortion. Some of my colleagues may remember that Reverend Neuhaus was a founder of Clergy and Laity Concerned Against the War. He has written:

A new twist in the debate is that pro-abortionists are becoming more candid about the usefulness of abortion in limiting the number of poor people in America. For a long time, Black leaders such as Jesse Jackson and Dick Gregory have contended that abortion on demand is a "genocidal" program aimed at Black America.

This Senator is going to be consistent in the defense of innocent human life wherever found.

Mr. LEAHY. Mr. President, I understand the concern of my colleague from North Carolina, but I will oppose this amendment, as I did a similar amendment in the committee markup. I would suggest to my friends and colleagues in the Senate that we are not dealing with the abortion question, as such, but basically what would be a States' rights question if it would fall any place but the District of Columbia.

This body and the other body voted for home rule, albeit a limited and hybrid type of home rule but home rule nonetheless, for the District of Columbia. Last year, we also went further and voted in this body, and in the other body, by the requisite constitutional number, for a constitutional amendment to give representation in the Congress to the District of Columbia.

Basically, I do not in any way fault the intentions of my distinguished colleague from North Carolina in this amendment. Essentially, this amendment would tell the District of Columbia that they cannot use their money for abortions, money they raised from the sales tax, from the corporate tax, from whatever source. Except for the anomaly of the home rule charter, I see no difference in that than for us to have an amendment here to say that the legislature of the State of Vermont could not determine how it would spend the money it collected from Vermonters for purposes within the borders of Vermont determined by the Vermont Legislature.

Basically, that is what we would be saying to the District of Columbia, that they could not determine how to spend their own money. They are restricted in medicare and medicaid funds by the same law which restricts the State of Wisconsin, the State of Vermont, or any other State in the use of medicare and medicaid funds on abortion. Those restrictions will apply no matter what we do today. Those restrictions will apply to medicaid funds used within the District of Columbia.

I would oppose this amendment on the basis that it interferes with the home rule rights of the District of Columbia. Aside from any other reason I might oppose it, I think that is justification enough to defeat it.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE. Will the Senator yield?

Mr. LEAHY. Yes.

Mr. RIEGLE. I must say to my friend from North Carolina I am astonished to see him offer an amendment which would attempt to dictate, which is what this does, dictate to a State or local unit of government, because it runs contrary to virtually everything else I have seen him try to do. I must say I am having a hard time reconciling because I do not think it is philosophically consistent with position after position after position that I have seen the Senator take. I, frankly, am very reluctant to see the Federal Government intrude in the decisions that I think are properly State or local decisions, whether it is in the areas of educational policy or whether it is the question of moneys that other jurisdictions might choose to spend on matters as sensitive as abortion, or anything else. How the Senator can, on one day, come in and take such a strong position against Federal intervention and, the very next day, be in here arguing for, in a sense, a very direct intrusion by the Federal Government is really beyond me. I would be opposed to the Senator's amendment, in part, for that reason. I hope that maybe, in the course of his comments, he can help at least this Senator understand how to make sense out of what I really think is a contradiction that just befuddles me.

Mr. HELMS. Mr. President, I yield myself such time as I may require. I shall be glad to try to make the Senator understand. I may not be successful.

In the first place, the District of Columbia is not a State, it is unique in one sense that the Senator should bear in mind: No other city, no other unit of government in the United States, has its budget reviewed by Congress.

I expected, Mr. President, that the question of home rule would be brought up by those who oppose this amendment, and what I am about to say I say with all deference to and respect for those who differ with me.

If the Senator from Michigan is going to be consistent, then he has to go through this entire bill and strike out a lot of things. The fact is that this bill contains page after page of restrictions approved by the committee, which makes similar limitations on the use of these funds. If the Senator wants some examples, section 205 reads:

Appropriations in this title shall not be used for . . . the installation of meters in taxicabs.

Where did the Senator get the authority to do that? Why did he not respect home rule on that? The Senator from North Carolina is saying that the preservation of human life is a lot more important than a meter in a taxicab.

Mr. LEAHY. If the Senator will yield, I point out that provision has been included in this bill for several years. I should be happy to entertain an amendment to take it out.

Mr. HELMS. I leave that to the Senator's good judgment.

Mr. RIEGLE. I would cosponsor that amendment.

Mr. HELMS. I am simply saying that the arguments based on home rule do not hold water.

Mr. President, section 206 reads: "Appropriations in this title shall not be available for the payment of rates for electrical current for street lighting in excess" of congressionally set limits.

Section 210 reads: "No part of any funds appropriated by this title shall be used to pay compensation" for chauffeurs other than those for the Mayor, Fire Chief and Chief of Police.

These are just some of the restrictions contained in this bill which are similar in nature to the pending amendment.

Mr. President, why is it that the principle of home rule—which has risen to such lofty heights—does not bar the committee from regulating the most minute matters such as the operation of D.C. taxicab meters, electrical rates for street lighting and the number of chauffeurs government officials may have?

If the principle of home rule cannot tolerate any exception, then all of these provisions should be struck from the bill.

How can we say: Yes, we have the power and responsibility to regulate taxicabs and chauffeurs, but we are powerless to affirm the basic, fundamental responsibility of Government—the protection of innocent human life?

Do not let the issue of home rule be used as a smokescreen to hide the reality of the discretionary killing of thousands of innocent unborn children, Mr. President.

The problem is that the Federal contribution to the D.C. budget is so commingled with district revenues that a limitation restricted only to the Federal contribution is merely the illusion of a restriction.

Mr. President, there is no inconsistency whatsoever. I am delighted to hear the affirmation of States' rights by my friend from Michigan. I look forward to having him vote with us on questions that truly address themselves to States' rights in matters of future legislation. In this case, Congress has the authority and, I think, the duty to take the action contemplated by this amendment.

Mr. President, the yeas and nays have been ordered on the amendment, is that correct?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. LEAHY. Mr. President, I am will-

ing to yield back the remainder of my time.

Mr. HELMS. I shall yield back the remainder of my time after I say to my friend, the distinguished Senator from Vermont that I deeply appreciate his cooperation in this matter, even though I know he is opposed to it. I am grateful to him.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 34, nays 55, as follows:

[Rollcall Vote No. 228 Leg.]

YEAS—34

Biden	Ford	McClure
Boren	Garn	Melcher
Boschwitz	Goldwater	Proxmire
Cannon	Hatch	Randolph
Church	Hatfield	Roth
Danforth	Helms	Schweiker
DeConcini	Humphrey	Stennis
Dole	Jepsen	Stone
Domenici	Johnston	Wallop
Durenberger	Kassebaum	Zorinsky
Durkin	Laxalt	
Exon	Lugar	

NAYS—55

Baker	Hayakawa	Pell
Baucus	Heinz	Percy
Bayh	Hollings	Pryor
Bentsen	Jackson	Ribicoff
Bradley	Javits	Riegle
Bumpers	Kennedy	Sarbanes
Burdick	Leahy	Sasser
Byrd, Harry F., Jr.	Levin	Schmitt
Byrd, Robert C.	Magnuson	Stafford
Chafee	Mathias	Stevens
Chiles	Matsunaga	Stevenson
Cochran	McGovern	Talmadge
Cohen	Metzenbaum	Tower
Cranston	Morgan	Tsongas
Culver	Moynihan	Warner
Glenn	Muskie	Weicker
Gravel	Nelson	Williams
Hart	Nunn	Young
	Packwood	

NOT VOTING—11

Armstrong	Huddleston	Simpson
Bellmon	Inouye	Stewart
Eagleton	Long	Thurmond
Heflin	Pressler	

So Mr. HELMS' amendment (UP No. 460) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, the distinguished Senator from Missouri (Mr. EAGLETON) is currently in his home State on important business. I have discussed at some length the matter of adding an amendment to the District of Columbia bill, the amendment that eventually was proposed by Mr. HELMS.

I wish to announce that were Senator EAGLETON here, he would have voted in favor of the Helms amendment.

UP AMENDMENT NO. 461

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 461.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, strike all after the enacting clause and insert the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1980, and for other purposes, namely:

TITLE I—TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Act creating the Temporary Commission on Financial Oversight of the District of Columbia (Public Law 94–399), $500,000, which shall be available until expended: *Provided*, That the Temporary Commission on Financial Oversight of the District of Columbia shall have the power to appoint, fix the compensation of, and remove an Executive Director and additional staff members without regard to chapter 51, subchapters III and VI of chapter 53, and chapter 75 of title 5, United States Code, and those provisions of such title relating to the appointment in the competitive service. For purposes of pay (other than pay of the Executive Director) and employment benefits, rights, and privileges, all personnel of the Commission shall be treated as Congressional employees. The Executive Director may be paid compensation at a rate not to exceed the rate prescribed for level IV of the Federal Executive Salary Schedule.

TITLE II—DISTRICT OF COLUMBIA

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1980, $191,500,000, as authorized by the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended (D.C. Code 47–2501d); and $10,300,000 in lieu of reimbursements for charges for water and water services and sanitary sewer services furnished to facilities of the United States Government as authorized by the Act of May 18, 1954, as amended (D.C. Code 43–1541 and 1611).

LOANS TO THE DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY

For loans to the District of Columbia, as authorized by the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended, $125,725,700, which together with balances of previous appropriations for this purpose, shall remain available until expended and be advanced upon request of the Mayor.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided:

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $67,399,700, of which $300,000 shall be payable from the revenue sharing trust fund: *Provided*, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia and $300 for each member of the Council of the District of Columbia shall be available from this appropriation for expenditures for official purposes: *Provided further*, That for the purpose of assessing and reassessing real property in the District of Columbia, $5,000 of this appropriation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not in excess of $100 per diem: *Provided further*, That not to exceed $7,500 of this appropriation shall be available for test borings and soil investigations: *Provided further*, That not to exceed $500,000 of this appropriation shall be available for settlement of property damage claims not in excess of $1,500 each and personal injury claims not in excess of $5,000 each: *Provided further*, That $500,000 of this appropriation, to remain available until expended, shall be for the District of Columbia's contribution toward the expenses of the Temporary Commission on Financial Oversight of the District of Columbia, as authorized by Public Law 94–399, approved September 4, 1976.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, $13,810,900.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of one hundred and thirty-five passenger motor vehicles for replacement only (including one hundred and thirty for police-type use and five for fire-type use without regard to the general purchase price limitation for the current fiscal year); $293,247,000, of which $5,863,400 shall be payable from the revenue sharing trust fund: *Provided*, That the Police Department is authorized to replace not to exceed twenty-five passenger carrying vehicles, and the Fire Department not to exceed five such vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths the cost of the replacement: *Provided further*, That funds appropriated for expenses under the Criminal Justice Act of 1974 (Public Law 93–412) for fiscal year 1980 shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That not to exceed $200,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That $50,000 of any appropriations available to the District of Columbia may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness for the purchase of civil defense equipment and supplies approved by the Department of Defense, when authorized by the Mayor.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $310,596,700, of which $8,164,100 shall be payable from the revenue sharing trust fund, to be allocated as follows: $230,975,300 for the District of Columbia Public

Schools; $22,705,000 for the Teachers' Retirement Fund; $47,115,200 for the University of the District of Columbia; $9,639,700 for the Public Library, and $161,500 for the Commission on the Arts and Humanities: *Provided*, That the District of Columbia Public Schools are authorized to accept not to exceed thirty-one motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed $1,000 for the Superintendent of Schools and $2,500 for the President of the University of the District of Columbia shall be available from this appropriation for expenditures for official purposes: *Provided further*, That the $22,705,000 of this appropriation allocated for the Teachers' Retirement Fund shall be transferred to the Teachers' Retirement Fund, in accordance with the provisions of section 7 of the Act of August 7, 1946 (60 Stat. 879, as amended; D.C. Code, sec. 31–727): *Provided further*, That not less than $7,257,800 of this appropriation shall be used exclusively for maintenance of the public schools.

HUMAN SUPPORT SERVICES

Human support services, including care and treatment of indigent patients in institutions under contracts to be made by the Director of the Department of Human Resources, $329,110,500, of which $6,728,200 shall be payable from the revenue sharing trust fund: *Provided*, That the inpatient rate under such contracts shall not exceed $76 per diem and the outpatient rate shall not exceed $12 per visit except for services provided to patients who are eligible for such services under the District of Columbia plan for medical assistance under title XIX of the Social Security Act, and the inpatient rate (excluding the proportionate share for repairs and construction) for services rendered by Saint Elizabeths Hospital for patient care shall be at the per diem rate established pursuant to 24 U.S.C. 168a: *Provided further*, That total reimbursements to Saint Elizabeths Hospital, including funds from title XIX of the Social Security Act, shall not exceed $20,919,500: *Provided further*, That $5,807,100 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

TRANSPORTATION SERVICES AND ASSISTANCE

Transportation services and assistance, including rental of one passenger-carrying vehicle for use by the Mayor and purchase of one hundred and twenty-nine passenger carrying vehicles, of which seventy-eight shall be for replacement only, $91,280,100, of which $7,444,300 shall be payable from the revenue sharing trust fund: *Provided*, That this appropriation shall not be available for the purchase of driver-training vehicles: *Provided further*, That $2,900,000 of this appropriation shall be available for the fiscal year 1978 Metrobus operating subsidy: *Providing further*, that $4,890,400 of this appropriation shall be available for the fiscal year 1979 Metrobus operating subsidy.

ENVIRONMENTAL SERVICES AND SUPPLY

Environmental services and supply, $77,137,800, of which $1,500,000 shall be payable from the revenue sharing trust fund: *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business or from apartment houses with four or more apartments, or from any building or connected group of buildings operating as a rooming or boarding house as defined in the housing regulations of the District of Columbia.

PERSONAL SERVICES

For pay increases and related costs, to be tranferred by the Mayor of the District of Columbia to the appropriations for the fiscal year 1980 from which employees are properly payable, $47,354,500.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with the Act of August 7, 1946 (60 Stat. 896), as amended; sections 108, 217, and 402 of the Act of May 18, 1954 (68 Stat. 103, 109, and 110), as amended; the Act of July 2, 1954 (68 Stat. 443); section 9 of the Act of September 7, 1957 (71 Stat. 619), as amended; section 1 of the Act of June 6, 1958 (72 Stat. 183), as amended; section 4 of the Act of June 12, 1960 (74 Stat. 211), as amended; and section 723 of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93–198), as amended, including interest as required thereby, $120,457,300.

CAPITAL OUTLAY

For construction projects as authorized by the Acts of April 22, 1904 (33 Stat. 244), May 18, 1954 (68 Stat. 105, 110), June 6, 1958 (72 Stat. 183), August 20, 1958 (72 Stat. 686), and the Act of December 9, 1969 (83 Stat. 321); including acquisition of sites; preparation of plans and specifications; conducting preliminary surveys; erection of structures, including building improvement and alteration and treatment of grounds; to remain available until expended, $132,830,200: *Provided*, That $4,906,700 shall be available for construction services by the Director of the Department of General Services or by contract for architectural engineering services, as may be determined by the Mayor, and the funds for the use of the Director of the Department of General Services shall be advanced to the appropriation account "Construction Services, Department of General Services": *Provided further*, That the amount appropriated to the Construction Services Fund, Department of General Services, be limited, during the current fiscal year, to ten per centum of appropriations for all construction projects, except for Project Numbered 24–99, Permanent Improvements, for which construction services shall be limited to twenty per centum of the appropriation: *Provided further*, Notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968 (Public Law 90–495, approved August 23, 1968), for which funds are provided by this paragraph, shall expire on September 30, 1981, except authorizations for projects as to which funds have been obligated in whole or in part prior to such date. Upon expiration of any such project authorization the funds provided herein for such project shall lapse.

GENERAL PROVISIONS—DISTRICT OF COLUMBIA

SEC. 201. Except as otherwise provided in this title, all vouchers covering expenditures of appropriations contained in this title shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 202. Whenever in this title an amount is specified within an appropriation for particular purposes or object of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount which may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 203. Appropriations in this title shall be available, when authorized or approved by the Mayor, for allowances for privately-owned conveyances used for the performance of official duties at 17 cents per mile but not to exceed $60 a month for each automobile and at 11 cents per mile but not to exceed $40 a month for each motorcycle, unless otherwise therein specifically provided, except that one hundred and thirteen (eighteen for venereal disease investigators in the Department of Human Resources) such automobile allowances at not more than $935 each per annum may be authorized or approved by the Mayor.

SEC. 204. Appropriations in this title shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor.

SEC. 205. Appropriations in this title shall not be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Service Commission requiring the installation of meters in taxicabs, or for or in connection with the licensing of any vehicle to be operated as a taxicab except for operation in accordance with such system of uniform zones and rates and regulations applicable thereto as shall have been prescribed by the Public Service Commission.

SEC. 206. Appropriations in this title shall not be available for the payment of rates for electric current for street lighting in excess of two cents per kilowatt-hour for current consumed.

SEC. 207. There are hereby appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments which have been entered against the government of the District of Columbia: *Provided*, That no part of any funds so appropriated shall be used for the payment of any judgment entered by any court against the government of the District of Columbia requiring the payment for electric current for street lighting at a rate in excess of two cents per kilowatt-hour for current consumed: *Provided further*, That nothing contained in this section shall be construed as modifying or affecting the provisions of paragraph 3, subsection (c) of section 11 of title XII of the District of Columbia Income and Franchise Tax Act of 1947, as amended.

SEC. 208. Appropriations in this title shall be available for the payment of public assistance without reference to the requirement of subsection (b) of section 5 of the District of Columbia Public Assistance Act of 1962 and for the non-Federal share of funds necessary to qualify for Federal assistance under the Act of July 31, 1968 (Public Law 90–445).

SEC. 209. No part of any appropriation contained in this title shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 210. No part of any funds appropriated by this title shall be used to pay the compensation (whether by contract or otherwise) of any individual for performing services as a chauffeur or driver for any designated officer or employee of the District of Columbia government (other than the Mayor, Chief of Police, and Fire Chief), or for performing services as a chauffeur or driver of a motor vehicle assigned for the personal or individual use of any such officer or employee (other than the Mayor, Chief of Police, and Fire Chief). No part of any funds appropriated by this title, in excess of $1,000 per month in the aggregate ($12,000 per annum) shall be used to pay the compensation (whether by contract or otherwise) of individuals for performing services as a chauffeur or driver for the Mayor, or for performing services as chauffeur or driver of a motor vehicle assigned for the personal or individual use of the Mayor.

SEC. 211. Not to exceed 4½ per centum of the total of all funds appropriated by this title for personal compensation may be used to pay the cost of overtime or temporary positions.

SEC. 212. The total expenditure of funds appropriated by this title for authorized travel and per diem costs outside the District

of Columbia, Maryland, and Virginia shall not exceed $225,000.

SEC. 213. Appropriations in this title shall not be available, during the fiscal year ending September 30, 1980, for the compensation of any person appointed—

(1) as a full-time employee to a permanent, authorized position in the government of the District of Columbia during any month when the number of such employees is greater than 37,886: *Provided*, That—

(A) positions within this city employment limitation shall be set aside as the maximum number of permanent, authorized employees as follows: Appropriated positions, 33,659 of which 9,652 shall be for Public Schools; reimbursable and revolving fund positions, 1,090; capital outlay positions, 781; District of Columbia General Hospital, 2,356; and

(B) the District of Columbia Public Schools and the District of Columbia General Hospital shall not exceed their respective employment limitations and are hereby required to report monthly to the Mayor, for the purpose of maintaining controls on city-wide employment, regarding the total number of current employees and the total number of separations and filling of positions within their respective employment limitations; or

(2) as a temporary or part-time employee in the government of the District of Columbia during any month in which the number of such employees exceeds the number of such employees for the same month of the preceding fiscal year.

SEC. 214. No funds appropriated in this title, for the government of the District of Columbia for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community group during non-school hours.

SEC. 215. Appropriations in this title shall be available for services as authorized by 5 U.S.C. 3109, at rates to be fixed by the Mayor.

SEC. 216. The annual budget for the District of Columbia government for fiscal year 1981 shall be transmitted to the Congress by not later than February 1, 1980. Supplemental requests and budget amendments shall be transmitted to the Congress in a timely manner. Such supplementals duly submitted may be considered by the Congress in connection with a Federal supplemental or in a separate District of Columbia supplemental. Budget amendments duly submitted may be considered as a part of the annual District budget to which the amendment pertains.

SEC. 217. There are hereby appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, D.C. Law 2-20, approved September 23, 1977.

SEC. 218. None of the funds contained in this Act shall be made available to pay the salary of any employee of the government of the District of Columbia whose name and salary are not available for public inspection.

SEC. 219. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

This Act may be cited as the "District of Columbia Appropriation Act, 1980."

Mr. ROTH. Mr. President, this amendment would reduce the Federal payment recommended in this bill by $57.5 million. An appropriation of this amount was recommended by the House committee and passed by the House. I consider the $57.5 million increase recommended by the committee drastic and unwarranted.

Both the District's budget and the Federal payment have precipitously increased over the past 10 years. The District's operating expenses have increased at an average annual rate of 21 percent each year over the last decade.

Federal funds comprise almost one-fifth of the District's operating expenses. For all areas of the District's budget, the House bill allows generous increases which the Senate ought not to exceed.

Today, the District's budget supports over 46,000 permanent employees and about 9,000 temporary workers. The District government has 46 percent more employees per capita than the national average for State and local employees.

The city's population has decreased by 100,000 since 1969; nonetheless, over the last decade the Federal payment has increased from $131.0 million to the $249.1 million recommended in this bill. Both the General Accounting Office and the District government agree that personnel costs account for 57 percent of the annual D.C. budget. Personnel costs continue to absorb more and more of the budget. Consequently, public service funds have been jeopardized; the District has had to request increases in Federal moneys each year over the last decade far in excess of the inflation rate. The Federal Government must not continue to pay for the city's overblown payroll. It is imperative that sharp restraints be imposed on the growth of the District's government. We must not sponsor the unwarranted expansion of the District's governmental employment base beyond its already bloated size.

Mr. President, many of us in this body believe that the unnecessary growth of the Federal Government must be curtailed. More importantly, taxpayers all across this Nation demand we scrutinize the appropriations' process to more effectively insure the efficient expenditure of their tax dollars. We must encourage belt tightening and fiscal restraint in the District's government.

We must limit any further expansion of the District's already bloated bureaucracy. We must not promote unwarranted budget expansion. Mr. President, my amendment is modest; I strongly urge its adoption.

Mr. LEAHY. Mr. President, I oppose the amendment offered by the Senator from Delaware, for a number of reasons.

The committee has already made substantial reductions to the Federal funds portion of the budget. The Federal payment has been reduced $68 million from the city request. This represents a 22-percent reduction below the request.

The city has requested the authority to borrow $159,391,700 from the U.S. Treasury for the capital improvement program. The Senate has reduced this request by $34.4 million since cash balances are available to fund this program from previous borrowings due to the delay of several capital projects. This amounts to a 22-percent reduction.

The ceiling in the first concurrent resolution for the District of Columbia includes $500 million for new budget authority. The committee has recommended $384,621,500 of this total which is $102,270,200 less than the ceiling, or a 21-percent reduction in the ceiling.

The committee has done its work with great care. We have made these reductions only after hours of hearings and still more hours of analysis and great deliberations.

Further reductions would not be justified.

As the Members know, these Federal funds in the District of Columbia bill are just one source of funding and $1,067,000,000 of the funds for this bill come from local sources.

The budget recommended by the committee reverses the trend of the city's increasing and growing dependence on Federal funds. The recommended Federal payment is 17.85 percent of the total budget, the lowest percentage since 1966.

The Members should know that while the city will receive an estimated $795.5 million in Federal funds in fiscal year 1980 that only $384.6 million, or 48 percent, are appropriated through the District of Columbia bill. The balance of these Federal funds come to the District of Columbia from the various Federal agencies and we have no control over that in this bill.

Mr. President, I point out that the percentage of the Federal payment to the overall budget is the lowest since 1966.

Senator MUSKIE has noted, on behalf of the Budget Committee, that this is one of the few budgets to come through that is substantially below the Budget Committee's targets. The Federal payment is substantially below the request of the President. It is substantially below the amount that OMB recommended. It is substantially below the amount recommended by the authorizing committee.

I feel that I am in a somewhat anomalous situation. I do not think that by my recommendations I ever have been considered by the city as some sort of Santa Claus with respect to this budget. I know that has been the attitude of the two newspapers in Washington in this regard. I have cut and cut and cut in this budget.

We have considered amounts that the House did not have before it. I know the House has taken a very conscientious, very serious, very studious, and very careful look at this budget. We did have matters to consider that they did not have to consider. Of course, we still have the conference committee to go to.

So I hope that, inasmuch as we are so far below the budget targets already voted on and set by this body, this amendment will be rejected and that we will be allowed to take this bill to conference and work out the differences there.

I yield to the distinguished Senator from Maryland.

Mr. MATHIAS. Mr. President, I rise to oppose the amendment. I am wondering of the Senator from Delaware is advised that one of the principal reasons for the difference between the amount

appropriated in the other body and the amount recommended by the committee here is the fact that there were budget amendments between the consideration in the other body and the consideration in the Senate. Those budget amendments totaled $86.5 million, and were legitimate requests, necessarily requests that the other body did not have an opportunity to act on because the budget amendment had not been made at the time that the House of Representatives acted.

So, even with that the Senate did not grant all of those budget requests, only a portion of them representing the difference between what the other body did and what the Senate did.

I think in addition to what the Senator from Vermont, the chairman of the committee, has already said about the frugality of this appropriation, which has been praised by the chairman of the Budget Committee, which is within the budget, which is within the first concurrent resolution, which is within the authorization, all of the tests of fiscal prudence have been met here, but even more than that I hope that the Senator from Delaware will not be trying to reach beyond a cut in the Federal funds, because under the principles of home rule what the City Council does in raising and expending revenue is certainly entitled to comity.

If the Senator from Delaware will look at the figures in the committee report, it will be clear that this appropriation represents more than a 20-percent cut in Federal funds requested by the budget. We have already cut the Federal share of this appropriation by more than 20 percent. We have already cut the District's share by 6 percent. So there has already been a substantial attempt to economize. It is my honest belief that any further cuts here are bound to represent a significant slash in services which can only be detrimental to the National Capital of this country.

Mr. LEAHY. Mr. President, I am ready to yield back my time, if Senator ROTH is, and take a rollcall vote on his amendment.

Mr. ROTH. Mr. President, I say to the distinguished manager, and I will take only a couple additional minutes, I congratulate the committee, particularly the manager, who has been taking a hard look at many of the expenditures of the District of Columbia government. At the same time, I think it is only fair to point out that the House bill, together with the expenditures of the District of Columbia, amounts to over an 8.8-percent increase.

I do think that it is important that we recognize that GAO has reported that the District error rate in welfare payments exceed the national average two-fold. I have already mentioned that they have the highest per capita employment in the country. According to the GAO, the District has no work force management system.

I personally think that as it is the Nation's Capital, the budget should be adequate, but we should have efficiency as an example for the remainder of the country.

I urge the adoption of my amendment.

I yield back the remainder of my time.

Mr. LEAHY. I yield back the remainder of my time.

I understand the yeas and nays have been ordered?

Mr. ROTH. I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. BURDICK). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER (Mr. BRADLEY). Have all Senators in the Chamber wishing to vote done so?

The result was anounced—yeas 28, nays 60, as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—28

Bentsen	Ford	Metzenbaum
Boren	Garn	Nunn
Boschwitz	Goldwater	Proxmire
Byrd, Harry F., Jr.	Hatch	Roth
Cannon	Helms	Stone
Chafee	Humphrey	Tower
Danforth	Jepsen	Wallop
Dole	Johnston	Warner
Exon	Laxalt	Zorinsky
	McClure	

NAYS—60

Baker	Hatfield	Packwood
Baucus	Hayakawa	Pell
Bayh	Heinz	Percy
Biden	Hollings	Pryor
Bradley	Jackson	Randolph
Bumpers	Javits	Ribicoff
Burdick	Kassebaum	Riegle
Byrd, Robert C.	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Church	Levin	Schmitt
Cochran	Lugar	Schweiker
Cohen	Magnuson	Stafford
Cranston	Mathias	Stennis
Culver	Matsunaga	Stevens
DeConcini	McGovern	Stevenson
Durenberger	Melcher	Talmadge
Durkin	Morgan	Tsongas
Glenn	Moynihan	Weicker
Gravel	Muskie	Williams
Hart	Nelson	Young

NOT VOTING—12

Armstrong	Heflin	Pressler
Bellmon	Huddleston	Simpson
Domenici	Inouye	Stewart
Eagleton	Long	Thurmond

So Mr. ROTH's amendment (UP No. 461) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, H.R. 4580, which the Senate passed today, makes appropriations for the District of Columbia for fiscal year 1980, serves two very important functions. First, it provides a Federal payment to the city which is intended to help it meet its obligations as the Nation's Capital. Second, it provides funds for local programs operated by the city government.

I want to compliment the distinguished Senator from Vermont (Mr. LEAHY), who is chairman of the District of Columbia Subcommittee, and the members of the subcommittee for the thorough and careful attention they have given to each of these areas.

As the Nation's Capital, Washington, D.C., plays a role unlike that of any other city. That is, it serves not only District of Columbia residents but also every citizen in the United States. Every Federal building, every national monument is maintained for the benefit of all Americans.

At the same time, however, the District must be responsive to the local community. Local agencies such as the Metropolitan Police Department, the Board of Education, the Department of Human Resources, and others, are responsible for seeing that local services are rendered efficiently and effectively.

In keeping with its twofold responsibility of addressing both the needs of the District of Columbia as it applies to its residents and as it applies to the Nation, the subcommittee, under the very able leadership of Senator LEAHY and the ranking minority member, Senator MATHIAS, has reported a bill which is balanced in its budget targets and realistic in its recommendations.

Having served for 7 years as chairman of the District of Columbia Appropriations Subcommittee, I feel a kinship with, and a great respect for the accomplishments of Senator LEAHY and Senator MATHIAS. Each has demonstrated great skill in tackling some complicated and longstanding problems concerning the relationship of the Federal Government to the District of Columbia.

The subcommittee has reviewed the budget requests for the District of Columbia item by item. As the report accompanying the bill indicates, every reduction in funds and every increase in funds is well documented.

Careful review of all areas led the subcommittee to recommend increases in selective areas. For example, additional funding is recommended for the Office on Aging. The elderly are among those hardest hit by inflation. The increases recommended by the subcommittee will go toward improvements in legal and long-term care services for the District's elderly, as well as toward improvements in transportation services for the elderly.

The committee recommends the requested amount for the new Pre-Voca-

tional Center for the Handicapped, which is planned as a barrier-free facility that will serve the special needs of handicapped students seeking career educations.

The committee also made some very important recommendations in the bill. In an effort to avoid unnecessary administrative costs and duplication, the fiscal year 1980 budget proposes that consolidation efforts of recent years be continued.

Another recommendation, again reflective of the committee's interest in seeing the city government operate smoothly and efficiently, includes a directive that the Department of Human Resources continue to improve its welfare payment system and reduce erroneous welfare payments.

Mr. President, the District of Columbia appropriations bill for fiscal year 1980 is a well-balanced bill. It has been carefuly reviewed and contains important recommendations for more efficient operations of agencies and departments of the District government. Again, let me thank Senators LEAHY and MATHIAS and the members of the committee for their fine work.

Mr. LEAHY. Mr. President, I suggest a third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. LEAHY. Mr. President, the yeas and nays have been ordered. I yield back my time.

Mr. MATHIAS. I yield back all our time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. LONG), the Senator from Hawaii (Mr. INOUYE), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Are there any Senators in the Chamber who desire to vote who have not done so?

The result was announced—yeas 77, nays 12, as follows:

[Rollcall Vote No. 230 Leg.]

YEAS—77

Baker	Eton	Moynihan
Baucus	Ford	Muskie
Bayh	Glenn	Nelson
Bentsen	Goldwater	Nunn
Biden	Gravel	Packwood
Boren	Hart	Pell
Boschwitz	Hatfield	Percy
Bradley	Hayakawa	Pryor
Bumpers	Heinz	Randolph
Burdick	Hollings	Ribicoff
Byrd, Harry F., Jr.	Jackson	Riegle
Byrd, Robert C.	Javits	Sarbanes
Cannon	Johnston	Sasser
Chafee	Kassebaum	Schmitt
Chiles	Kennedy	Schweiker
Church	Leahy	Stafford
Cohen	Levin	Stennis
Cranston	Lugar	Stevens
Culver	Magnuson	Stevenson
Danforth	Mathias	Stone
DeConcini	Matsunaga	Talmadge
Dole	McClure	Tsongas
Domenici	McGovern	Warner
Durenberger	Melcher	Weicker
Durkin	Metzenbaum	Williams
	Morgan	Young

NAYS—12

Cochran	Humphrey	Roth
Garn	Jepsen	Tower
Hatch	Laxalt	Wallop
Helms	Proxmire	Zorinsky

NOT VOTING—11

Armstrong	Huddleston	Simpson
Bellmon	Inouye	Stewart
Eagleton	Long	Thurmond
Heflin	Pressler	

So the bill (H.R. 4580), as amended, was passed.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. BRADLEY) appointed Mr. LEAHY, Mr. BUMPERS, Mr. DURKIN, Mr. MAGNUSON, Mr. MATHIAS, Mr. SCHMITT, and Mr. YOUNG conferees on the part of the Senate.

Mr. LEAHY. Mr. President, again I thank my colleagues, but especially I thank Senator MATHIAS, the ranking minority member of the subcommittee, for his help and consideration on this measure. I also especially thank Mr. Bond, Mr. Gnorski, and Ms. Hoem and others on the committee staff for their fine work.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1980

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 4394.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Vermont.

Mr. LEAHY. Mr. President, I call attention to an appropriation item included in the HUD-independent agencies appropriation. It is my feeling that this issue did not receive the close attention it deserves during committee deliberations. Therefore, I would like to speak briefly to the question at this time with the hope that Senate conferees will be mindful of my concern at the time they meet with House Members to resolve differences on the appropriations bill.

The appropriations request that I address is that for the President's Regulatory Council. The Council's budget is included as a line item within the larger budget of the environmental protection agency. It is my understanding that the budget request was handled in this manner because Mr. Doug Costle, the head of the Environmental Protection Agency, is also the designated head of the President's Regulatory Council. For reasons of convenience, the Council budget was included within EPA's larger request.

Mr. President, the Regulatory Council was created by Presidential directive on October 31, 1978. In conjunction with the President's Executive Order 12044 on regulatory reform, the Council was established for the very laudatory purpose, I believe, of providing coordination in the development and exercise of regulatory policy between executive agencies and departments. High ranking officials of all executive departments and certain executive agencies were made members of the Council and a small staff was created. As stated by the President in his Regulatory Council directive, the purpose of the Council is to "help insure that regulations are well coordinated, do not conflict, and do not impose excess burdens on particular sectors of the economy." An express role of the Council in this regard is to publish semiannually a regulatory calendar listing major regulations that agencies and departments intend to publish.

To assist in the larger and more complex task of regulatory reform, the Council is designed as an interagency coordinating mechanism. The President has wisely recognized that in light of the fact that departments and agencies often have overlapping jurisdiction in substantive policy areas, there is a need to coordinate regulatory policies so as to avoid economic waste caused by inefficient and duplicative regulations.

I heartily support the President's efforts for regulatory reform, and I do not disfavor the concept of a regulatory council. I do, however, urge the Senate conferees to take a closer look at the amount of money that is being requested for operation of the Regulatory Council.

As a member of the Senate Judiciary Subcommittee on Administrative Practice and Procedure, I am very interested in the substantive issues of regulatory reform. I am a supporter and cosponsor of bills on this subject, and I endorse the idea of a regulatory council.

Mr. President, the amount of money involved in the Council's appropriation request is small. They are asking for $3,238,000—a pittance, to be sure, in view of the dollar figures that are being discussed here today.

While the dollar figure involved here may be small, I would submit that the principle is significant. As we strive to simplify and make the regulatory policies of our Government more efficient and workable, we must be mindful of repeating the historic mistake of throwing money at our problems.

Approximately $1 million of the appropriation requested by the Regulatory Council is intended for the purpose of paying outside consultants to prepare studies of Federal Government regulatory policy in certain substantive areas. The Council requests money in incremental amounts ranging from approximately $65,000 to $268,000 to hire consultants to study so-called regulatory policy in areas such as the following: Steel, nonferrous metals, automobiles, carcinogens, hospitals, and housing.

Mr. President, the money requested for these consultant studies comes to approximately $1 million, and I think it is a waste. I urge Senate conferees to follow the House Appropriations Committee in their cut of the Regulatory Council budget request by $1 million.

The Council was created as an executive branch study group to assist executive department heads in coordinating regulatory policy. They were not created for the purpose of developing substantive policy expertise for certain regulatory subjects.

Without disputing the contention that perhaps there may be a need for consultant or Presidential task force studies such as the above, I strongly dispute that such a role was properly intended for this Council.

The Council argues that they cannot provide adequate advice from a coordination point of view unless they have in-depth knowledge of the substance of certain policy areas. My response is that their hiring of outside consultants to print up reports that will likely go unused by the relevant departments is a monstrous boondoggle. The departments themselves already have the capability to do such studies. The Regulatory Council's involvement in this area is duplicative to the tune of $1 million, and they should be cut back by this amount.

The executive branch of this Government, Mr. President, has traveled the "consultant road" too many times already. In the interest of saving shelf space and conserving on Government monuments for the collection of dust, I urge Senate conferees to follow the wise lead of the House committee in cutting the Regulatory Council's line item request along the lines I have suggested.

UP AMENDMENT 462

(Purpose: Reduction of $700 million in Assisted Housing)

Mr. PROXMIRE. Mr. President, I send and amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 462.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 12, strike "$1,140,661,000" and insert "$1,106,393,000".

On page 2, line 17, strike "$26,680,128,000" and insert "$25,980,128,000".

Mr. PROXMIRE. Mr. President, this, as I understand it, is a 1-hour amendment.

The PRESIDING OFFICER. The Senator has the right to offer one 1-hour amendment, with a half-hour on each side.

Mr. PROXMIRE. This is the amendment that may consume an hour. I hope it will consume substantially less.

I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Tony Arroyos may have the privilege of the floor for the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, this amendment would cut annual contract authority under the assisted housing program by $34.3 million and as I think I can explain, would have a minimal impact on the HUD's ability to reserve assisted housing units, certainly for the next year or so. Following congressional budget cuts in fiscal year 1977 and 1978 the Department carried over $98.6 million in unused annual contract authority from 1977 into 1978.

They carried the funds over and did not use them. I am proposing to cut only about a third of what they have carried over in the past. They carried over $84.8 million in unused authority in 1978 into the current fiscal year.

Although the amount of annual contract authority cut by this amendment is small, the amendment would reduce budget authority by $700 million over periods of up to 40 years, thus conforming this part of the bill to the assumptions made in the first concurrent resolution on the budget. To put the reduction in perspective it is a cut of only 2.6 percent in the request for assisted housing—less than 3-percent and a reduction of a mere 9,037 assisted housing units.

Despite past cutbacks, the Department has had great difficulty in effectively using the funds the Congress has made available to the section 8 program. For example 64 percent of all section 8 new construction/substantial rehabilitation reservations in fiscal year 1978 took place in the last month of the fiscal year.

Let me repeat that. Sixty-four percent—two-thirds—of the reservations—that is, of the commitments to build housing by HUD—took place in the last month of the fiscal year, the last one-twelfth of the fiscal year.

In the first three-quarters of the current year, 24,777 net new construction/substantial rehabilitation reservations were made while more than 25,000 past reservations fell out of the system.

They had made reservations because they were pushed to make them and they felt they had to spend the money that Congress had provided. Although they made commitments to spend the money, now they have found out that those commitments had been made so hurriedly in order to make a good record on spending the money, getting the money out, getting rid of it, that they were not able to follow through and deliver on the housing.

That indicates that many past reservations have been highly questionable. Furthermore the Department would have to reserve a net total of over 156,000 new construction/substantial rehabilitation units (86 percent of the total) in the last quarter of the fiscal year to meet its goals.

In the first place, Mr. President, I do not think they could make that many reservations. In the second place, if they could, they could only do so, on the basis of the past record, in a wasteful, extravagant way.

Last year, Mr. President, the Department was only able to reserve 110,000 units in the last quarter. It makes little sense in this context to give the Department the full amount they have requested.

What we are doing here is to make a practical effort to reduce the program, as I say, by only 9,000 assisted housing units and save in the long run, over the 40-year period to which contract authority applies, a total of $700 million.

Mr. President, this amendment would conform this part of the bill to the first concurrent budget resolution. It would move us in line with what we promised in that resolution with respect to housing. We are already way over the resolution in view of the action that we took on revenue sharing. We are way over it in view of the other spending decisions that the committee decided to make in the bill. My amendment would mean that, at least as far as housing is concerned, we would conform to what the budget resolution and a majority of Senators committed the Senate to 2 short months ago.

Finally, Mr. President, I call the attention of the Senate and the attention of my colleague from Maryland to the headline in the Washington Star tonight: "Six-Month Inflation Worst Since 1951."

That was a war year, the Korean war.

But right now, inflation is the worst it has been since 1951. Somehow, Members of the Senate are forgetting the fact that the No. 1 domestic issue facing this country, by far, is inflation. If we are going to continue to violate our promises of only 2 months ago and to violate them by hundreds of millions of dollars, there is no way we can say that we are meeting the fundamental problem that faces this country—inflation.

I agree that there are other elements that cause inflation besides government spending, but certainly that is a central element. The overwhelming majority of the American people, on the basis of every survey, feel it is the most important element.

Under those circumstances, what I am asking for is a relatively limited sacrifice—as I say, a cut of less than 3 percent in assisted housing. It would permit us to cut $700 million in budget authority, and would permit us to conform to the budget resolution we passed in May.

Mr. President, I reserve the remainder of my time.

Mr. MATHIAS. Mr. President, the headline that the Senator from Wisconsin has held up is a very alarming headline—"Six Months Inflation the Worst Since 1951." It is discouraging and I think alarming.

But it seems to me that cutting an appropriation, which does not put this bill beyond the bounds of the rather strict fiscal limits that we have placed around it, is not an adequate response to that headline because inflation, of course, is the result of more than one factor.

Government spending is certainly one factor. But productivity, the level of imports as it relates to the level of exports, are equally important factors in creating inflation.

What this part of this appropriation bill is concerned with is providing sufficient housing for the people of the United States.

A long time ago, Congress looked at the housing shortage in this country and decided it was one of the most serious shortages that existed. We established for ourselves the goal of the construction of 600,000 new housing units per year. We have not met that goal. Very frankly, it would be a subject of real national concern if this amendment were to pass.

There is a rumor around the Senate today that my old friend, Moon Landrieu, the former Mayor of New Orleans, is at the White House looking over the prospects for his job, or perhaps being looked over.

Mr. PROXMIRE. Will the Senator yield on that subject?

Mr. MATHIAS. Yes.

Mr. PROXMIRE. I understand that at noon today the President announced the appointment of Mayor Moon Landrieu of New Orleans to be the new Secretary of HUD.

Mr. MATHIAS. Let me say that if I were Moon Landrieu and this amendment passed, I would reconsider my decision to accept that appointment because this would be a very tough program to administer with the kind of slash that would be made by this amendment.

I think Moon Landrieu, as talented as he is, and the genial and persuasive fellow that he is, would have a tough time in keeping peace either within HUD or in the cities of America if we had reduced the program to the inadequate levels that this amendment would result in doing.

First of all, I think we ought to take note of the fact that the housing portion of this bill represents less than 50 percent of the funds appropriated. We very carefully deliberated in both the subcommittee and in the full committee about the balance between the needs of all of the programs that were contained in the bill. This deliberation resulted in a recommendation of $1.5 billion below the budget for the nonhousing parts of the bill.

This was a tough value judgment and many valuable programs were sacrificed, but a hard sacrifice was made, hard choices, and $1.5 billion was saved.

So the committee has already explicitly recognized the importance of these housing programs.

Mr. PROXMIRE. Will the Senator agree that $684 million of that amount has just been put back into the budget, with the Senator leading the fight to do so? Does that not wipe out almost all of our reduction, about 95 percent of what the Senator has been——

Mr. MATHIAS. Less than 50 percent.

Mr. PROXMIRE. A sum of $684 million is about 95 percent of $700 million, is that not right?

Mr. MATHIAS. I think, perhaps, we are dealing with a slightly different set of figures. But I think we understand each other perfectly well.

But I would say further that the amendment comes at the wrong time.

We have, as I have just said, given our measure of the priorities here. Let us look at the timing, because there is not sufficient housing now to meet existing needs.

Over the last 3 years, the net annual loss of rental housing has been 2 percent. Here the population has been growing, but we have lost rental housing in this country, and particularly elderly people on limited incomes need rental units, new families just forming, young couples just married need rental units, and we have a loss of rental units.

This 2-percent loss translates to about 420,000 units lost last year.

The loss of multifamily housing has been largely due to a decline in new production of rental units, abandonment and foreclosure of older dwellings and conversion of rental units to condominiums and cooperatives. That spread like wildfire through this country. People who could formerly rent now find they are expected to buy their apartments, and a great many people do not have the capital to buy an apartment.

It is estimated that vacancy rates of 5 percent to 9 percent are needed to provide normal housing mobility. Currently, the Nation's rental vacancy rate is below 5 percent, with an effective rate of 2 percent to 3 percent. This, I believe, is the lowest it has been in 24 years for which the Census Bureau has kept such statistics.

Mr. President, I do not know what the correlation between the Washington Star headline on inflation and that fact is, but perhaps the economists might find some relationship, that the shortages—the shortages—of housing may be affecting the historically high cost of housing.

I think it is important to recall that HUD's multifamily programs are a basic force in maintaining the level of multifamily starts in this country. The most recent estimates are that about 50 percent of all multifamily activity is directly dependent upon HUD's insurance and subsidy programs. I believe that the subcommittee and the committee acted wisely by not additionally reducing the availability of housing in an already tight housing market.

Such a reduction would preclude the reservation of approximately 15,000 housing units in fiscal year 1980. This would come on top of an estimated reduction of 60,000 units already included in the President's budget. The administration estimates that in fiscal year 1979 it will reserve a total of approximately 360,000 units. The fiscal year 1980 request is estimated by the Department to result in a reservation of 300,000 units—and this estimate is considered optimistic by our advisers in the Congressional Budget Office by approximately 34,000 units—optimistic by perhaps as much as 30,000 to 35,000 units.

A further reduction in housing units at this time would go completely counter to the current trends in the housing market.

The consequences of this housing shortage translate to increased competition and to increased demand for the shrinking number of existing units. In fact, this will do just what I am fearing we will see as a result of the trends that the Star reports tonight: We will push rents upward and thus will ultimately increase housing costs, which is another way of saying we will fuel the fires of inflation. Of course, that does not even contemplate the human effects on the families that will not be able to obtain adequate housing.

Mr. President, during the course of the hearings on this subject, I addressed several questions to the Department on the exact needs in this area, and I ask unanimous consent to have those questions and the detailed answers printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS

Question. Has the Department looked at the aggregate need for low- and moderate-income housing in this country as spelled out in local Housing Assistance Plans? And if so, could you tell us, in approximate terms the magnitude of that need. How much of that total national low- and moderate-income housing need is proposed to be met through the Section 8 new construction/substantial

rehabilitation program? How much of the national need is proposed to be addressed by the Section 8 existing housing program? How much through public housing? (*In percentages*). What percentage of that total national need will be met by the President's proposed budget?

Answer. The total annual housing goal identified in the latest available Housing Assistance Plan (HAP) data is 408,606 units. The FY 1980 Budget proposes the reservation of up to 300,000 units of Section 8 and Public Housing. This includes 147,400 units of Section 8 new construction and substantial rehabilitation, 102,600 units of Section 8 existing housing, and 50,000 units of Public Housing. The proportion of new and existing housing (68–34) is determined by the HAP ratio.

The estimates of total annual housing need range from 2.2 million units to 2.8 million units. The needs of low-income households (which include areas not covered by HAPs) is estimated at between 780,000 to 1,000,000 units. Total reservations under all housing assistance programs are estimated at 325,000 units in FY 1980, or 42 percent of the estimated 780,000 units needed.

Question. You have stated on several occasions that the Department's budget request for FY 80 is "lean." Further, the FY 80 request is the lowest since your arrival to the Department in 1977. I am deeply disturbed, then, that the Senate Budget Committee chose to cut budget authority for assisted housing even further—from $27 billion to $22.6 billion. Assuming the CBO's cost estimates and the current mix of new and existing housing units, that amount of budget authority will only produce 220,000 units—of which 145,000 would be new and substantial rehab. Would you please comment on this situation—and how these budgetary actions will affect the Department's mission of providing housing for low- and moderate-income people?

Answer. Regardless of which assumptions on average unit cost are utilized, the action by the Senate Budget Committee in reducing the amount of new budget authority available for the Subsidized Housing programs in FY 1980 from the Administration's request of $27 billion down to $22.6 billion would reduce substantially the Department's ability to provide additional Subsidized Housing in FY 1980.

The Administration's FY 1980 request for additional authority to support a program of up to 300,000 subsidized rental units in FY 1980 does represent a relatively lean budget and includes the impact of a number of proposals to hold down the spiraling cost of housing construction. In comparison with the current FY 1979 reservation estimate of approximately 360,000 units, the FY 1980 request already is a significant reduction. Although an increased level of activity could be justified, the Administration's Budget request ensures that the highest priority needs can be addressed within the context of the current requirement to constrain overall Federal spending.

The Administration's Budget request includes up to 197,400 new construction and substantial rehabilitation units with the remaining balance of 102,600 units representing moderate rehabilitation and existing housing. Utilizing the Department's assumptions on unit costs, the Senate Budget Committee action would reduce the program level to be supported to roughly 248,000 units. This reduction of approximately 52,000 units could involve a decrease of up to 34,400 units under the new construction and substantial rehabilitation components.

The Department believes that the Senate action, particularly with respect to the impact of new construction and rehabilitation activity, would simply add to the pressures already created by the tightening rental housing market. Rental housing vacancy rates on a national basis are below five percent which is a twenty year low.

It currently is estimated that, given current assumptions on new households entering the rental market, an additional 410,000 to 440,000 rental units must be added to the national housing inventory each year during the decade of the 1980's. In addition, the replacement or rehabilitation of substandard rental stock will add up to 156,000 units annually to this need. A substantial portion of this projected need represents low- and moderate-income households who, given the economics of housing construction, will not be served without Government intervention.

The Administration's Budget recognizes this need and represents an acceptable level of assistance for keeping pace with demand while recognizing the requirement for overall Federal fiscal restraint. Further reductions in the current production program will simply add to the need for additional rental units in the future.

Mr. PROXMIRE. Mr. President, I will reply briefly to the distinguished Senator from Maryland.

He has suggested a new and interesting economic theory: that the way to stem inflation is to spend more money, that we are not spending enough. He says we should spend more on housing and housing costs would go down. That is an interesting theory. He might be able to find some economists to support it. It is said that if you look hard enough, you can find an economist who will support any theory.

This headline says "6-Month Inflation Worst Since 1951." The Senator's argument is that one of the reasons for inflation is that we have not been spending enough money. He says we would not have as bad inflation if we spent a little more.

Is that the Senator's argument?

Mr. MATHIAS. I think the Senator has not listened accurately to what I said.

I said that the shortages of housing were causing rents to go up. The Senator could hardly contest that most ancient rule of the marketplace—that supply and demand affect price; that when there is a surplus of supply, prices tend to go down and that when there is a shortage, prices tend to go up.

We are seeing now a shortage of housing in America. I am not saying that spending money will reduce inflation. I am saying that productivity in the housing market, providing housing to meet the existing shortage, will relieve some of the economic pressure.

Certainly, one of the elements in this headline tonight is the cost of housing, the basic cost of shelter, which in this climate is an absolute necessity of life.

Mr. PROXMIRE. Absolutely; and all the evidence we have indicates that what is happening is that housing costs have risen when we have poured more and more money into housing in the government sector. This type of expenditure has driven up land costs, material costs, labor costs, financing costs all along the line. All those elements have risen as the Federal Government has gotten more into the housing picture.

Mr. MATHIAS. I ask the Senator this question: What is his solution? You can go around the world and find people living under a sheet of tin, with a little fire, and some mud piled up on the sides to keep out the wind. Is that the kind of solution?

We have to have housing for the human beings in existence. We are not talking about needs of a generation hence. We are talking about men and women in America who live here today.

Mr. PROXMIRE. I say to the Senator from Maryland that he knows I have supported housing, some housing, adequate housing, housing that made sense. But here we have a situation in which the administration has not been able to spend the money we have given them. Now, once again, we are going to provide more funds than they can spend.

The fact is that my amendment would cut $34 million next year. That is less than 3 percent of this program, as I say. In the past year, HUD carried over—they could not spend out of this program—$85 million. The previous year, 1977, they carried over $99 million.

Obviously, more houses are not going to be built if they cannot spend the money.

Furthermore, this is only a 9,000 unit cut in a program which involves 300,000 units. But in the long run, over the 40-year period for which this appropriation-authorization is effective, it will save $700 million, which will enable us to conform to the promise we made in the first budget resolution with respect to this particular program.

It obviously is a responsible posture for the Senate to take and for Senators to take. In my judgment, my amendment would provide—on the basis of the record in 1977, 1978, and 1979—all the money that HUD is likely to spend on assisted housing. But at the same time, it would provide a very practical, useful opportunity for us to hold down spending in this area, as we promised to do.

Mr. MATHIAS. Mr. President, I do not want to prolong this debate, because I suspect that the Senate already is thoroughly familiar with the basic principles that are involved here.

However, I have to question the wisdom of this amendment—and I am perfectly willing to be viewed as parochial in this matter—when we have a housing rate down to 1 percent in the city of Baltimore, Md. That is an indication that there is not adequate housing in this great city. That is not so only in Baltimore, Md. You can go around the country in such places as Hartford, Reno, Albuquerque, or Tulsa, and find areas where the vacancy rates are below what is considered to be the safe statistics to provide adequate housing choices for people.

Further, I think we should address the objection the Senator from Wisconsin has made to the existing programs on assisted housing.

I have checked the latest statistics on this, the latest available statistics.

For this year, it is indicated that HUD will convert into housing starts a higher percentage of its assisted housing reser-

vations, on hand at the beginning of the year, than in any previous year. In fiscal 1976, 44 percent of the units in the pipeline at the beginning of that year were converted to starts. In fiscal year 1976 61 percent were moved to starts. This year—and I hope the Senator will listen—HUD will convert between 72 and 77 percent of the pipeline into starts.

There is a consistent record of improvement, from 44 to 61 percent somewhere in the neighborhood of 75 percent.

What about termination? It is said that they go ahead and put the starts in, but how many become terminated? How many really go on and provide walls and a roof for families to live in? Only 7.5 percent of all the units reserved in fiscal year 1976 and the prior years were terminated. That is for a period of 3 years. For reservations made in fiscal 1977, the percentage of units terminated went down from 7.5 to 6.5 percent. For reservations made in fiscal year 1978, it was down to 3.5 percent.

So here we see the steady rates of improvement in this program, in which the number of starts were moved up each year and the number of terminations has gone down each year.

I think that should get us the kind of confidence in the program which justifies the amount appropriated by the committee.

Mr. President, I yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I ask time in opposition to the amendment, and I ask how much time remains, so that I will not take all the time, because I know others will want to speak.

The PRESIDING OFFICER (Mr. (BOREN). The Senator from Maryland has 17 minutes, and the Senator from Wisconsin has 21 minutes.

Mr. MATHIAS. I am happy to yield 5 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. WILLIAMS. Mr. President, I certainly start with applause for persistence of the Senator from Wisconsin. He stays with it. This has been a subject which in this form has been heard at various levels, and has not been successfully heard, but here we are again. So my good friend, the chairman of the committee I have the honor to sit on, gets the golden award, for persistence.

Mr. PROXMIRE. We won on the budget resolution and I am hopeful we can win today.

Mr. WILLIAMS. Yes.

I want to give the reasons within this limited time why I feel strongly that it should be resisted.

Mr. MATHIAS. Mr. President, will the Senator yield for a minute?

Mr. WILLIAMS. I yield.

Mr. MATHIAS. Mr. President, following the remarks of the Senator from New Jersey, I yield 5 minutes to the Senator from Massachusetts (Mr. TSONGAS).

Mr. WILLIAMS. Mr. President, in my judgment this amendment is extreme and unnecessary, and I certainly strongly oppose it.

Misconception is usually born of truth, and the reasoning that spawned this proposal is a classic example. It is true that reduced Federal spending, under various conditions, can be a helpful response to inflationary pressures in the economy. Unfortunately, the sponsors of this amendment have taken this reality and twisted it out of shape. They would have us believe that cut backs in housing assistance beyond the already minimal amounts contained in the committee bill will somehow signal a victory in the fight against inflation. However, as a legislative body, we have a responsibility to base our actions on fact, not fiction and properly balance conflicting priorities of Government. We must lay bare the idea that the road to reduced inflation lies through greater hardship for the poor. We must expose this line of argument for the fraud it really is.

In plain truth, the sponsors of this amendment are trying to prescribe the wrong medicine for the wrong patient. The amendment seeks to force arbitrary budget cuts on a sector of the economy already reeling from depression. Earlier this year, witness after witness, in hearing after hearing before our Housing Subcommittee, attested to the deep trouble afflicting the multifamily housing industry. Rental housing is suffering from a critical lack of production. At the same time, the loss of rental units from the existing stock due to abandonment, conversion, and deterioration, is constricting still further an already tight supply.

The dimensions of this crisis in supply are alarming for renters of all income levels, but especially for low- and moderate-income people whose choices are always the narrowest. I have outlined some of the statistics in previous debates, and would like to reemphasize them because they are so important.

As many as 420,000 rental units are lost to the stock every year. Rental vacancies have plummeted to their lowest point in 24 years. Meanwhile, according to a Library of Congress report issued this month, the Nation must produce an average of 670,000 new and substantially rehabilitated units annually over the next 10 years, just to meet the needs of low and moderate income people. An additional 570,000 units a year, on the average, will need moderate rehabilitation.

Now, as any schoolchild knows, when demand goes up and the supply goes down, inflation results. This is basic economics and it describes conditions in the multifamily rental market today. Yet, despite the unchallenged fact that the supply of decent, affordable rental housing for moderate incomes is shrinking, the sponsors would cut back our already inadequate efforts to encourage multifamily housing production. What could be more inflationary than this? I cannot conceive of a proposal which contradicts its own purpose more than this one. The idea that less Federal housing assistance in the face of a housng shortage will somehow reduce inflation defies all reason.

This "less is more" philosophy has produced some other strange arguments. During the debate over the housing authorization bill, it was pointed out that inflation hurts the poor the most and that the best assistance we can provide them is to reduce inflation. This is true enough, and I am sure that this point will be made often today. However, there is a wide gap between an earnest desire to control inflation, and the notion that denial of rental assistance to 10,000 poor households will benefit us all.

The PRESIDING OFFICER. The time has expired.

Mr. WILLIAMS. Will the Senator yield 2 additional minutes?

Mr. PROXMIRE. I yield 2 minutes from my time to the Senator from New Jersey.

Mr. WILLIAMS. The average income of an assisted housing tenant is only about $4,500 a year, a marginal living at best. More than 12.9 million households in this country pay more than 25 percent of their income in rent, and among some groups the rent burden is devastating. People aged 75 and above typically pay out almost half their income in rent. Can anyone seriously believe that cutting back our housing budget will really make these individuals and all the other poor as well more financially secure?

The fact of the matter is that the sponsors of this amendment would have us enter a world of fantasy. According to them, if we can just cut the budget, our anti-inflation dreams will come true. Well, saying it does not make it so. Those who have strived over the months to slash housing funds have never presented one shred of worthwhile evidence that their efforts will produce anything but continued hardship for the most vulnerable members of our society.

It would be enlightening to examine the relationship between budget cuts and inflation. According to the Congressional Budget Office, in its report to the Budget Committee on the fiscal policy response to inflation, an across-the-board cut of $15 billion in Federal outlays for fiscal year 1980 could reduce inflation by a paltry .2 percent by the end of 1981. Of course, this spending reduction would not produce an equivalent reduction in the deficit. The resulting slowdown in economic activity would push up unemployment, and actually increase automatic payments, such as food stamps and unemployment compensation.

The amendment before us would reduce outlays by only $350,000 in fiscal year 1980. Even if we were to reduce housing assistance outlays for fiscal year 1980 by an amount equal to the long-term budget authority which the amendment proposes to save, the effect on inflation would be virtually immeasurable. In the final analysis, cuts in housing assistance on the order of this amendment would have painful impact for thousands of people while benefiting no one.

Another point that supporters of this amendment have made on several occasions is that we are really not cutting anything, that the number of federally assisted units will be increased. Again we must separate myth from reality. Housing is like any other consumer good in the sense that units wear out, are destroyed, or are converted to other uses. Units that are lost must be replaced and additional ones must be built to handle a growing population. One of the yardsticks by which we measure a progressive society is how well its people are housed. The true measurement of our federally assisted housing efforts is not how many units we have in place or whether we are adding to that number, but whether or not these efforts are making progress toward meeting the need—and by all accounts we are not, even under the appropriations committee bill.

Before I close, I would like to offer some perspective on the argument that the integrity of the congressional budget process is at stake here. It is not. The budget process was deliberately structured to be flexible, and to respect the independent judgments of the authorizing and appropriating committees about how specific programs are to operate.

This is the reason for at least two budget resolutions. The first budget resolution was never meant to be a rigid, unbending instrument of policy that takes precedence over all committees in the establishment of budget priorities. It was meant to be a guide, not an overseer. It is not infallible. In the area of assisted housing, the budget resolution makes assumptions that are inconsistent with the true housing needs of the country, and this body has a right to make the necessary corrections.

The real issue in the continuing debate over budget figures is whether or not the Federal Government will do its job with a maximum of efficiency at the least possible cost. The public has clearly expressed its desire for lean and thrifty Government budgets. In reporting this bill, the Appropriations Committee has responded vigorously to the public. In fact, in the area of housing assistance, I believe that the committee has overreacted in light of the housing market conditions we know to exist. Even without the proposed amendment, the committee bill provides the lowest level of housing assistance appropriated during this decade, yet at a time when we face the highest level of low income family formation in recent history. This bill involves $9.5 billion less in budget authority than would be needed to achieve the level of reservations HUD projects for fiscal year 1979.

Mr. President, this amendment is wrong, not just because it hurts only the poor, which it does, but also because it holds itself out as necessary to our effort to cut inflation, which it is not. The amendment substitutes appearance for substance. It is mistaken in concept and harmful in its consequence. This very amendment was rejected twice during Appropriations Committee markup. By putting it to rest once and for all, we do ourselves and our country a great service.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. TSONGAS. Thank you, Mr. President.

Let me just make a couple points. First, I am also intrigued by the issue of fighting inflation by cutting back on housing. Obviously the people who need housing the most—I do not know a U.S. Senator in public housing—are the poor people. And the way we are going to help them with inflation is to give them less housing. I submit that, since the other issue they have to be concerned with is food, why do we not help them with their hunger by producing less food? And we could pursue that to its equally illogical conclusion.

Let us talk about the figure of 264,000 units, which is, as you know, historically the lowest in 10 years with the exception of what happened in 1974. In the committee which I serve on and which my chairman obviously is the distinguished chairman, the committee authorized 300,000 units, and we were on the same floor in which the chairman came before the Senate and reduced that down to 264,000 despite the eloquence of myself, the Senator from New Jersey, and others. So all of a sudden 264,000, rather than being as it was indicated by my chairman a reasonable figure, is now excessive, and if we have 264,000 we will have more headlines like the one in the paper today. That argument obviously has no end.

Two hundred and sixty-four thousand units are what the Senate passed. It is what the Appropriations Committee has passed. It also, by the way, is what the President has requested. And to drop it down to 250 at this late stage is perhaps an interesting exercise, but it certainly violates any theory as to what authorization committees are all about and what the Appropriations Committee is all about. We could all stop here and simply have a Budget Committee and let it go at that.

The other thing that I wish to raise is the question of inflation in the budget and the issue of Federal spending.

There was an article in the paper yesterday in which one Senator indicated that he might support the SALT Treaty if, and the figures vary, there is a guaranteed 5-percent real growth in defense spending. And the President has indicated to NATO that he is prepared for a 3-percent real growth increase in defense, and I believe this is one issue in which the chairman and I are in reasonable accord. And that is how do you tell people who live in cities who cannot make it, who cannot afford housing, "Well, we are going to cut your housing back, but we are going to provide serious real growth in defense spending"?

How can you possibly argue that that enhances our national security? It seems to me if we are going to fight inflation by reduced Federal spending that that should not be limited to those programs that affect the poor. Indeed, as has been said, inflation affects the poor the most.

It seems to me that housing would be the last place we would go to cut back, not the first place. You go through this budget and you will find virtually no programmatic area that has been as severely slashed as housing. I think that is a rather sad commentary to make in both the Senate and in the country at a time when our cities are desperately crying out for revitalization.

I thank the Senator for yielding, and I yield back the remainder of our time.

Mr. PROXMIRE. Mr. President, I yield such time as the Senator from Maine may require.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I rise not so much to discuss the merits of this particular program as to remind the Senate that the budget implications have changed since I discussed the subject earlier today. We have already added to this bill $700 million in budget authority and outlays by restoring the full amount of revenue sharing to the States.

Now, that revenue-sharing program happens to be a program which I support. As a matter of fact, I think I introduced perhaps the first revenue-sharing bill ever introduced in the Senate, and conducted the first hearings in the Government Operations Committee. Yet I supported the amendment of the Senator from Wisconsin holding the amount for that program to the amount approved by the committee because this bill as it came to the floor, together with later requirements in these areas, threatened, and indeed, inevitably breached the budget targets.

Now we have added that $700 million and the numbers now are $1.6 billion in budget authority over the 302(b) allocation when you take into account later requirements, and $1.3 billion in outlays.

Mr. President, we started out this year with a program of fiscal restraint because we all believed, I thought, that inflation was the No. 1 problem facing the country.

Well, at the beginning of this fiscal year the annual rate of inflation was 9 percent. It is now between 13 and 14 percent. Has inflation become less important? And yet what we have already done prior to action on this bill threatens to breach the budget targets by $6 billion in budget authority and $5 billion in outlays independent of this bill—independent of this bill, let me repeat.

I was assured that when I raised this specter at the time we debated the first three appropriation bills it would be taken care of, it would be taken care of before the appropriations process was over.

Now, the District of Columbia appropriations bill, which we acted on a little while ago, is the only one that has not added to the problem, and I do not see any prospect that any of the remaining appropriation bills will alleviate the problem. So you cannot dodge the problem by saying, "Well, I will vote for this bill because I will take care of it later." It will not be taken care of later.

If the Senate votes for this bill with full knowledge of what I have just said, that is the Senate's prerogative. But I want to make it as clear as I can that this is the consequence, the budgetary consequence.

In addition, may I point out to my colleagues we are going into a markup on the second budget resolution next week. CBO reestimates—those reestimates are related to actual experience since the May 15 budget resolution—plus the worsening economic picture, show that we will go up by possibly $9 billion in

outlays independent of what we do on the appropriation bills.

So what we are looking at when the second budget resolution is marked up by the Budget Committee is a deficit at least at the $35 billion figure, and probably higher, and when we passed the first budget resolution we reported a deficit of $23 billion.

If the Senate wants that, if that is the price the Senate is willing to pay, in order to follow its heart, to follow the pressures, to respond to the appeals, that is the Senate's prerogative. But I do not want somebody, I do not want any Senator, not a single one, coming up to me after we report the second budget resolution and saying to me, "Senator, why did you let that deficit climb from $23 billion to $35 billion or more?"

If that is what I am forced to do, because of the actions of this body and the other body in the meantime, I will do it, because that is my job. But I will not accept full responsibility for it, and I am going to share that responsibility with my colleagues by reminding them of what the computers show is the result, the potential result, of what we are doing on these appropriation bills, and of the deteriorating economy.

I like these housing programs, as the floor manager knows. I served with him on the Banking, Housing and Urban Affairs Committee when it was known as the Banking and Housing Committee, indeed when it was known as the Banking and Currency Committee, and I got involved deeply in these housing programs, and they helped my State. This amendment will hurt my State, but I do not know how you make cuts in any area of the budget with programs that are worthwhile without hurting somebody. There is not any way.

So either we stick to our fiscal policy of budgetary restraint or we abandon it, and once we abandon it, why then, Mr. President, should I not be able to restore the $400 million in waste treatment funds that this bill cuts from a program that had already been cut by $1.2 billion out of $5 billion? I accepted the cut to $3.8 billion without a murmur, in the name of budget austerity. Now it has been cut by $400 million more, and again I accepted it in the name of budget austerity.

If that same philosophy is not going to inhibit and restrain other programs, then I will be tempted to some back and start fighting for a restoration of those funds, and then where will we be? We will be the Senate of the pre-budget process days, each of us voting for every goody that comes along, keeping a mental budget in our minds with the determination somewhere down the line to vote for cuts that we can then justify to our constitutents as representing budget prudence.

It did not work then, and it will not work now, and that is the sum and substance of it.'

Mr. CHILES. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, before the Senator yields, may I ask for the yeas and nays on this amendment?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. I yield 2 minutes to the Senator from Maine for the purpose of a colloquy.

Mr. CHILES. I just want to ask the Senator, I continue to hear people characterize what we have done in the Budget Committee figures that we had and what now is proposed in this amendment as being a cut in housing. You know, I think it is very hard to sort of get that across, but I note that we are talking about 286,000 units in our Budget Committee figures. This would be in addition to the 898,000 units that are already being assisted. Therefore, we are talking about from our budget resolution of a 32-percent increase in the number of households to be assisted under section 8, and a 32-percent increase at a time when we are talking about austerity, at a time when we are talking about how we can kind of hold the line, and at the same time we are talking about cash outlays to be upped 23 percent over 1979.

We talked about inflation or we put in a figure of 8 percent; we talked about real growth on top of that of 1 percent for programs, which would be 9 percent. Here we have a program that under our Budget Committee figures would be a 23-percent increase in cash, a 32-percent increase in assisted families, and yet we are sort of combatting what goes out saying this is a cut, this is a slash, we are cutting back on the housing programs, and again at a time where we are just trying to hold the line during a period of time where we are saying these units, not having been taken up, that we have a pipeline full.

This is one area that we do not cut. We are adding this amount, and it should be sufficient to add, and yet we are told it is not enough, that they have to have additional amounts of money. I just do not understand it.

Mr. MUSKIE. Mr. President, the Senator's statement illustrates a very frustrating fact. The fact is that the budget as a whole does not represent a cut. It represents a smaller increase than at any time, I think, overall, since the budget process came into being. But that was because the Senate mandated us to produce a balanced budget.

Mr. CHILES. Right.

Mr. MUSKIE. In 1981 if possible, and by 1982 at the latest, the Senate mandated a balanced budget, and in order to get it, you have to start by deescalating, not rolling back but deescalating the amounts of increases.

That is what we did. We did not put any cuts in here, or any slashes. The growth may not be as much as some Senators would like, but it is certainly not a cut.

Mr. PROXMIRE. Mr. President, I very much appreciate this colloquy. I think the Senator from Maine has told us exactly the correct story. The fact is that we are over the budget resolution by $6 billion in outlays, and this bill makes a colossal increase in that it is $1.6 billion over the budget resolution in budget authority and $1.3 billion over this resolution in outlays.

The Senator from Florida made the excellent point that the level recommended in the budget resolution for assisted housing is not a cut but an increase. Outlays are going up by 23 percent. Twenty-three percent. How can you say a proposal is unfair, is cutting back, is hurting housing, when it allows an increase of 23 percent?

The fact is that we have before us a 6-months inflation figure that is the worst since 1951, and 1951 was a war year. We were in the middle of the Korean war the last time we had the current rate of inflation. We have never had such inflation in peacetime, and we have to recognize that if we are going to do anything about it, we have to start right now.

Mr. MATHIAS. Mr. President, I take a somewhat different view of the answers to the Senator from Florida's questions.

The fiscal 1981 request actually reflects a net reduction when the prior year carryover is taken into account. From fiscal year 1979, approximately $34.2 billion will be available for new authority from prior years. In 1980, the comparable amount is $26.9 billion. I think the distinguished chairman of the Budget Committee will understand the impact of those figures.

Again let me address myself to the Senator from Florida's question. The committee bill is already one-fourth less than HUD's 1979 request. We are going downhill. We have already cut this program. The arguments of the Senator from Maine are very forceful, telling arguments, but we have already followed his advice. We reduced the units from 300,000 to 265,000. We did that in the authorization; we cut that. Now we are going to make a cut on top of a cut, and add, on top of a 15-percent cut, another 6- or 7-percent cut.

And who are the people who are being cut? The poor people of America, who need to have housing units.

I think we have to consider all of the elements that create inflation.

Mr. WILLIAMS. Mr. President, may I just ask the Senator a question?

Mr. MATHIAS. I yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS. All of you—the Senator from Maine was honest, as always, when he said he is not going to deal with the merits here, but only the budget figures.

Mr. MATHIAS. That is right.

Mr. WILLIAMS. It is almost like with blinders on, looking only at the Budget Committee numbers, the columns of figures. He is giving us these——

Mr. MATHIAS. But they do it in the interest of fighting inflation.

Mr. WILLIAMS. If we do not get some rental housing out there for poor people, the supply is going down——

Mr. MATHIAS. And rents are going up.

Mr. WILLIAMS. And rents are going up; and if that is not inflation, I do not know what is. That is not the kind that is an academic exercise, out of a big volume of numbers in a book. These are

poor people. The rents go up and up. People with 25 percent of their income already going for rent. That is hitting people with the worst kind of inflation.

Mr. MATHIAS. And hitting people where they are hurt the worst.

Mr. President, I ask unanimous consent to have printed in the RECORD a fact sheet on housing assistance payments provided in comparison with the need.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET FY 1980 HOUSING ASSISTANCE PAYMENTS

Senate Appropriations Committee request level: $1.140 billion.

The entire HUD/Independent Agencies appropriations bill is: $44 million under the first concurrent budget resolution; $1.594 billion under the President's request; $607 million under the House appropriations level.

Low and moderate income households to be assisted by Sec. 8 in fiscal year '80: 265,000 households (C.B.O. estimate).

A sum of $1.140 billion includes: 6,000 units of Indian housing construction; 50,000 public housing units.

Estimated need: 670,000 units per yr. for next 10 years, low and moderate income families (C.R.S. estimate).

Who program serves: the poor, the senior citizen, those earning less than $4,500 per year (C.B.O. estimate).

Declining rental housing stock: an estimated 420,000 units are lost from the rental stock each year due to: razings, abandonment, and condominium conversions.

Private sector is no longer building rental housing because of limited return on investment, threat of rent control, more lucrative investments.

Vacancy rates in rental housing are at their lowest level since World War II. Apartments for rent are almost impossible to find in many metropolitan areas.

NOTE.—This is the lowest assisted housing request level by HUD since 1970, with the exception of the "housing freeze" year of 1973.)

Mr. MATHIAS. I yield the remainder of my time to the Senator from Minnesota (Mr. DURENBERGER).

Mr. DURENBERGER. Mr. President, I join the Senator from New Jersey and the Senator from Maryland in insisting that we not look at this in terms of budgetary figures, but in terms of the inflation that the gentlemen on the other side of the aisle are fighting to protect us from. I am going to give you a few statistics from a State that is probably rarely looked at as a very impoverished State.

Two weeks ago, the Senate reduced the funding for assisted housing from 300,000 units to 266,000 units. Now, we in the Senate are being asked to make further reductions in the section 8 assistance level. These additional cuts would have the effect of reducing the total units for assisted housing to about 255,000.

I opposed the earlier budget reduction and I am adamantly opposed to the cut in funding proposed today.

Adequate and affordable housing is essential to the welfare of all people. Yet, the housing assistance program has come under repeated attack and has borne more than a fair share of budget reductions. We cannot, in good conscience, accept further cuts at a time when there are increasing housing needs and extremely low vacancy rates.

The proposal before us today will have the effect in Minnesota of knocking out an estimated additional 150 housing starts. In addition to the previous cuts, today's measure would eliminate 400 new and badly needed units in my State.

In the Twin Cities metropolitan area, to cite but one example, there are very few vacancies for persons with low or moderate incomes. In 1973, there were 45 subsidized apartment complexes that had about 590 vacant units. In June of 1979 a survey of 82 developments indicated that there were only 23 vacant units.

In addition, the metropolitan HRA has a waiting list of over 4,000 persons needing subsidized housing. The story is much the same throughout the State. We will be fortunate if we are able to meet about 35 percent of the housing needs for low and moderate income persons.

There are no new apartment units being built to meet this need by the private sector without assistance. The section 8 new construction program has provided needed additional units and has assured adequate housing for the segment of our population in need of assistance.

The Minnesota Housing Finance Agency has been able to make the section 8 program work. Section 8 is the only program we have to meet our special housing needs. Further curtailment only serves to ignore a problem that will eventually have to be met, but at increased costs to all concerned.

Mr. President, there is no question, in the State of Minnesota, but that this cut, on top of the one we took several weeks ago, will have a substantial impact on my State.

I thank the Senator very much.

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, I find it interesting that the Budget Committee is accused of being focused on narrow numbers, and insensitive to human needs.

I do not know what kind of mail other Senators get on this question of inflation, but that mail comes from people, and particularly from the people that the opponents of this amendment are seeking to help. Because the people most vulnerable to inflation are the poor, the working poor, senior citizens, the beneficiaries of Federal programs like food stamps, assisted housing and on down the line.

With inflation increasing at the rate that it is this year, there is no way for Government spending programs to protect them against next month's increase in inflation. I mean, the idea that somehow there is a way for Government or those of us who have political muscle in this society to protect against inflation is the most old-fashioned, outdated, unworkable idea I have ever heard.

The Budget Committee is not a narrowly focused committee. I have never had a broader education into the workings of our Government, the interrelationship of programs, the impact of agencies upon each other and upon people, than I have had in my 5 years on the Budget Committee.

Let me tell you, gentlemen, I do not know how long I will be in politics or in this body, but I am sure that I will look back upon this period, when policymakers will determine whether or not inflation will become a permanent part of our economic lifestyle, as the most critical of my public career.

I have seen from a distance what inflation does to countries, to economies, to societies, and so have all of you. And it is threatening us. An inflation rate of 13½ percent, an inflation rate that makes an interest rate of 12 percent look reasonable because the lender cannot recover the rate of inflation from his money, is not sound public policy.

What I am talking about is not that more housing is inflationary. What I am saying is that an abrupt departure from a policy of budgetary restraint will raise inflationary expectations throughout the economy, and if the Congress calls off the signals in the fight against inflation, every labor contract in this country is going to see an escalation in demands to protect not against last year's inflation but against next year's and the year after and the year following that. So you are going to have written into these contracts assured inflation for as many years into the future as the labor negotiators can persuade industry to accept in order to get the bargaining over. That is the kind of a threat we are fighting.

Let us get that threat dealt with and licked. Then we can build housing, we can build waste treatment plants, to match the need. But ignore inflation, treat it as something that somebody else has to worry about, that some other program ought to absorb rather than your particular one, Mr. President, and we are not going to lick it.

Mr. President, that is my preoccupation. I do not want to leave my kids the legacy of permanent inflation, and we are threatened with that now.

● Mr. STEVENSON. Mr. President, I oppose the amendment offered by the distinguished manager of the bill to reduce funds for assisted housing. During consideration of the HUD authorizing legislation 2 weeks ago, the Senate reduced the 300,000 assisted housing units recommended by the Committee on Banking, Housing and Urban Affairs to 265,000 units. Today we are asked to cut housing even more; we are asked to reduce funding for the 265,000 units approved by the Committee on Appropriations. If we make this reduction, we ignore both sound economics and the housing needs of disadvantaged Americans.

Not even the 326,000 units we have funded for the current fiscal year can satisfy the housing needs of the poor. Though the amendment now before the Senate is offered in the name of combating inflation, cuts in housing are false savings which ignore long-term implications for the economy. We cannot dampen inflation in the housing market by restricting housing supply. The only long-term solution to inflation is to assure adequate supply. The housing dol-

lars we spend today will boost supply, save money in the long run and provide useful, productive jobs for those who might otherwise be jobless. We cannot afford to deny these long-term economies to the Nation any more than we can afford to deny decent housing to the disadvantaged.

Mr. President, I urge my colleagues to reject the amendment.●

● Mr. BRADLEY. Mr. President, I rise in opposition to the Proxmire amendment.

I fully realize and commend the distinguished Senator from Wisconsin for his desire to combat inflation and keep excessive spending under control.

Yet, as much as I applaud the Senator, and his efforts, I feel a drastic mistake would be made in any further cuts to the section 8 program. It is important for the Senate not to lose focus of its objectives, of its responsibilities; and, by considering this amendment, we are doing just that.

We must not lose focus of our goal of 600,000 units of annual assisted housing production, established by the 1968 Congress. We must realize that over the course of a decade this figure has been cut by one-third, to the 400,000 units the administration had requested for fiscal year 1979. And finally, we must not allow any further reduction in the now dangerously low level requested by the administration.

The amendment before us would mean an additional reduction from the administration's figure. This reduction will not reduce inflation, but will only add to the increasing burden we are placing on our poor and elderly. For it is they who are affected the most by cuts in assisted housing.

I can safely say it is not the interest of this Senate to use its power in any way detrimental to the poor and elderly of this country. Yet, this is exactly what this amendment would do. Our Nation's vacancy rate is now less than 5 percent, the lowest figure in the 24 years that the data has been kept. The net annual loss of rental units is 2 percent; 20,000 thousand units were lost last year. These facts coupled with the administration's low level of units, the lowest in 10 years, and 400,000 units short of what the Library of Congress estimates to be our annual low income housing requirements for the next 10 years, puts our lower income citizens in a bind that is both unfair and un-American.

The poor of our country have suffered enough. We must prevent further suffering. There are 5.4 million low income persons living in substandard housing; 12.9 are paying excessive rent; 3.5 million people in this country are paying 50 percent, and I repeat, 50 percent of their income for rent.

The elderly are facing similar hardships. While they account for only one-ninth of our population, they constitute one-third of those HUD says are in need of assisted housing. Assisted housing is a necessity for these people. New Jersey, the State Division on Aging, Department of Community Affairs, shows in 1978 that there were 35,561 applicants on waiting lists for subsidized housing. This represents an increase of 4,833 since the previous study in 1975, while there was only a 3,423 increase in available units. Thus, the longer waiting lists and the decreased availability of assisted housing are having a double disaster effect on our elderly.

This trend of legislation is also catastrophic for multifamily housing. Again in the States of New Jersey the State Housing Finance Agency has 5,000 to 6,000 units of multi-family housing in the pipeline, ready to go. Yet, these units can not be constructed because New Jersey received only 2,000 units from this year's level of 366,000 units. Cuts, already made this year, could reduce our allocation to 1,500 units.

It is our duty to justly represent the poor and elderly, those whose voice so often lacks the strength it needs. High mortgage rates, low vacancy rates, and historically low levels of assisted housing are forcing these groups into substandard housing. It is time we open the door we are now closing on this program. It is time we get our priorities straight and start assuring these people of safe, decent housing, but it is not time to make further cuts in a program which so directly aids those who need aid the most.

I strongly urge the defeat of this amendment.●

● Mr. ROTH, Mr. President, I support Senator PROXMIRE's amendment to decrease appropriations for assisted housing programs. This reduction allows appropriations for the assisted housing programs to met their first budget resolution targets.

Assisted housing programs involve tremendous funding and are among the fastest growing Federal programs. It is staggering to read that without a single additional housing unit added beyond 1980, the Federal Government is committed to pay out approximately $231 billion for subsidized housing assistance over the next 40 years. The Congressional Budget Office estimates that the direct subsidy costs for one unit of section 8 new construction under 30 year commitments vary from $161,000 to $343,000.

We must stop committing ourselves to an ever increasing debt for housing without the assurance that housing programs are conducted in the most efficient and least costly manner. This amendment will force more wise and efficient spending, and it will encourage the use of less costly existing housing units, rather than new units, wherever possible. This decrease in funds should not jeopardize the availability of housing for the needy but should encourage a better allocation of resources.

I am concerned for the housing needs of the disadvantaged. However, no citizen can afford the inefficient use of taxpayers' dollars. Inflation is hurting the American people, particularly the poor, and Government deficit spending is largely responsible for our high rate of inflation. We must try to retard inflation by reducing Federal spending to help all our citizens, especially the poor.

Mr. President, I urge the Senate to adopt this amendment. In the time of budget austerity such cuts are necessary.●

Mr. PROXMIRE. Mr. President, if the Senator from Maryland is ready to yield back the remainder of his time, I am ready to yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. The yeas and nays have been ordered and and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. STENNIS (after having voted in the affirmative). Mr. President, on this vote, I have a pair with the Senator from Louisiana (Mr. LONG). If he were present and voting, he would vote nay. I had already voted "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from South Dakota (Mr. PRESSLER), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators present desiring to vote?

The result was announced—yeas 36, nays 52, as follows:

[Rollcall Vote No. 231 Leg.]

YEAS—36

Bentsen	Helms	Percy
Boschwitz	Hollings	Proxmire
Bumpers	Humphrey	Roth
Byrd, Harry F., Jr.	Jepsen	Schmitt
Cannon	Johnston	Simpson
Chiles	Kassebaum	Stafford
Church	Laxalt	Stone
DeConcini	Lugar	Tower
Exon	McClure	Warner
Garn	Morgan	Young
Glenn	Muskie	Zorinsky
Hatch	Nelson	
	Nunn	

NAYS—52

Baker	Ford	Moynihan
Baucus	Goldwater	Packwood
Bayh	Gravel	Pell
Biden	Hart	Pryor
Boren	Hatfield	Randolph
Bradley	Hayakawa	Ribicoff
Burdick	Heinz	Riegle
Byrd, Robert C.	Jackson	Sasser
Chafee	Javits	Schweiker
Cochran	Kennedy	Stevens
Cohen	Leahy	Stevenson
Cranston	Levin	Talmadge
Culver	Magnuson	Tsongas
Danforth	Mathias	Wallop
Dole	Matsunaga	Weicker
Domenici	McGovern	Williams
Durenberger	Melcher	
Durkin	Metzenbaum	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stennis, for.

NOT VOTING—11

Armstrong	Huddleston	Sarbanes
Bellmon	Inouye	Stewart
Eagleton	Long	Thurmond
Heflin	Pressler	

So Mr. PROXMIRE's amendment (UP No. 462) was rejected.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, without losing my right to the floor, I yield to the distinguished Senator from Maine (Mr. MUSKIE).

UP AMENDMENT NO. 463

Mr. MUSKIE. Mr. President, I have an amendment and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MORGAN). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) proposes an unprinted amendment numbered 463:

On page 14, line 9; beginning with the word "Provided" strike out all the language through line 14.

Mr. MUSKIE. Mr. President, this is not a money amendment and it should not take much time.

Mr. President, during full committee markup of H.R. 4394, Senator BELLMON offered language to amend the construction grant portion of the appropriation to the Environmental Protection Agency. Senator BELLMON's language was accepted by the full committee and appears in the bill in italics on page 14, lines 9–14.

Mr. President, I ask unanimous consent that that language be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

$1,500,000,000, to remain available until expended: *Provided*, That none of of the funds provided under this Act shall be used to enforce any regulation issued under the construction grants program which has the effect of retroactively applying project requirements or conditions not in effect at the time the grant for a project is awarded.

Mr. MUSKIE. Mr. President, what Senator BELLMON is concerned about is that after a grant is approved and the project underway, under construction, often EPA imposes new requirements that slow down the project, add to costs, and create problems especially for small towns.

The language as continued in the bill created some problems. So, at Senator BELLMON's request, I contacted EPA, with Senator BELLMON's agreement, and I received a letter from EPA proposing that, administratively, if construction begins within 6 months after a grant is approved, no additional requirements can be added.

I have discussed this matter with Senator BELLMON, and he is satisfied with EPA's commitment as expressed in the letter from Administrator Costle. Therefore, at my request, Senator BELLMON has agreed to withdraw the language he offered in committee. I have further assured Senator BELLMON that the Subcommittee on Environmental Pollution will review this problem when the Federal Water Pollution Control Act is next reauthorized.

Mr. President, I ask unanimous consent that the letter from EPA and Senator BELLMON's approval of the arrangement be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., July 26, 1979.

Hon. EDMUND S. MUSKIE,
Subcommittee on Environmental Pollution, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Senate Appropriations Committee, in the HUD-Independent Agencies Appropriations Bill for FY 1980 (H.R. 4394), included a provision which would retroactively apply project requirements or conditions not in effect at the time the grant assistance for a project is awarded. This prohibition could create severe confusion and disruption in the grants program and we believe that there is an administrative solution to the problem which would avoid a legislative change.

The purpose of the prohibition, as I understand it, is to avoid imposing new requirements which would delay projects that are quite far along in the process. The Agency agrees that delays of this kind must be avoided if the pollution control goals of the Clean Water Act are to be achieved. We have tried to conform with a similar policy for some time in the grants program. Our experience, however, is that on occasion a serious problem arises which requires immediate attention in all projects in the planning stage. We currently have over 6700 projects in planning and design. A restriction of our ability to change the course of this planning could affect adversely several billion dollars of new construction.

It is also possible that our policy on advanced treatment could be affected by the amendment. We required, in program guidance issued in 1978 and 1979, an intensive review of all grants projects involving treatment more stringent than secondary to ensure that the treatment level would result in substantial water quality improvement. This review resulted from growing concerns within EPA and restrictions placed on the Agency's FY 1979 funds by the Appropriations Committee. We feel it has already resulted in considerable savings to the communities.

In order to deal with the problem administratively, I will instruct the program that no new requirements are to be applied to a project with Step 3 grant assistance where construction is underway or likely to be underway within six months of the grant award. This approach would give communities an assurance that they can complete arrangements to finance the local share of their projects and move expeditiously through building, local contracting and construction without fear of costly delays from new requirements.

Sincerely yours,

BARBARA BLUM,
(For Douglas M. Costle, Administrator).

STATEMENT BY SENATOR BELLMON

It is of great concern to me that the construction of sewage waste treatment systems to clean up the nation's waters are being delayed because of retroactive changes in plans and design. The bureaucrats have a poor track record in not recognizing the problems of small communities in complying with the same requirements as cities with much more time and expertise.

Mr. Muskie, the Chairman of the Environmental Pollution Subcommittee of the Senate Committee on Environment and Public Works, has been reassuring in stating that his committee will, during the next authorization of the Federal Water Pollution Control Act, take steps to correct this problem. The Administrator of the Environmental Protection Agency has taken positive action by his directive to the agency that no retroactive design changes will be applicable to the construction grant phase as long as construction is underway within six months of the date of the grant award.

The recommendation by Mr. Muskie to delete the language inserted into the HUD-Independent Agencies Appropriations bill and Mr. Costle's action is reassuring and acceptable to me. Along with others, I will continue to monitor this problem and will recommend further action if that appears necessary. I thank my colleague, the distinguished Senator from Maine, for his attention to this matter.

Mr. MUSKIE. Mr. President, I also assured Senator BELLMON that if the 6-month period proves with experience to be too short, we would look at it again; and when we come to a reauthorization of the Water Quality Act, we will look at it again at that time.

The whole idea is to help problems move forward, avoid the redtape that frustrates small communities especially, and get the job done without adding to costs and slowing down the program.

I think Senator BELLMON's objective was a sound one and we seem to have agreed on a formula that deals with the problem effectively.

Mr. PROXMIRE. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. PROXMIRE. Mr. President, I recall very vividly that when Senator BELLMON raised this point in the Appropriations Committee I specifically asked if he had discussed it with the Senator from Maine. He said that he had not had a chance to do that but that he would.

I am sure, as the Senator from Maine has said, that this arrangement will meet the objectives of Senator BELLMON.

I understand he has agreed to the withdrawal of his language, which is exactly what the amendment of the Senator from Maine would accomplish.

So I am happy to accept the amendment.

Mr. SCHMITT. Mr. President, there is no objection on our side to it.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Maine.

The amendment (UP No. 463) was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 386

Mr. CRANSTON. Mr. President, I call up amendment No. 386 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and Messrs. RANDOLPH, DURKIN, MATSUNAGA, and THURMOND, proposes an amendment numbered 386.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 4, strike out "$5,671,119,000" and insert in lieu thereof "$5,696,215,000".

Mr. CRANSTON. Mr. President, this amendment, cosponsored by Veterans' Affairs Committee members, Senators TALMADGE, RANDOLPH, STONE, DURKIN, MATSUNAGA, and THURMOND, and also by Senators MCGOVERN, PRESSLER and HEINZ, would add $25,096,000 to the Veterans' Administration medical care account.

Mr. President, we are proposing this amendment to add sufficient funds to cover the fiscal year 1980 costs of implementing the Veterans' Health Care Amendment of 1979—Public Law 96-22—which was signed by the President on June 13, 1979. This new law, effective October 1, 1979, establishes new programs of readjustment counseling for Vietnam-Era veterans and preventive health-care services for certain veterans with service-connected disabilities, expands the VA's alcohol and drug treatment program, and makes certain other improvements in the VA health-care system. The VA, in its fiscal year 1980 budget documents and testimony before the Committee on Veterans' Affairs, indicated that 346 additional full-time equivalent employees—FTEE's—would be required in fiscal year 1980 for the new readjustment counseling program alone and would be requested when the authorizing legislation was enacted. The need for these additional personnel and the administration's intention to request funding specifically for them were confirmed in a June 15, 1979, letter from the Administrator of Veterans' Affairs to me, which was reprinted at page S7815 of the June 18, 1979, daily edition of the RECORD.

In a July 19, 1979, letter from Mr. John P. White, Deputy Director of the Office of Management and Budget, to the distinguished Senator from Wisconsin and very able chairman of the appropriations subcommittee on HUD-Independent agencies (Mr. PROXMIRE), OMB reiterated the administration's intention to submit a budget amendment very shortly and stated that "the $25,000,000 for the Health Care Amendments Act includes funding for an additional 346 FTEE's."

Mr. President, the Appropriations Committee, in its consideration of H.R. 4394 added $76,380,000 to the President's budget request for the VA's medical care account. I had recommended the addition of that amount; and it is the same amount that was added in the House-passed version of this legislation. However, in adopting this add-on to the VA medical care account, it clearly appears, from the committee's report, that the Appropriations Committee intended, as had the House of Representatives, that the $76.4 million add-on be used for an additional 3,800 FTEE's The Senate Appropriations Committee has found, as the House Veterans' Affairs and Appropriations Committees had found, that these additional employees are needed—personnel cuts already made in the VA health-care system so as to restore personnel cuts imposed by the administration in fiscal year 1979.

I emphasize that they are to restore personnel cuts already made in the VA medical care system. I applaud the action by the Appropriations Committee in adding these funds because the VA health-care system is suffering from serious program reductions that were brought on by the administration's refusal to utilize a $55 million add-on to the medical care account appropriated by the Congress last year for additional personnel.

Neither Appropriations Committee report, however, evidences any intention to provide for the additional personnel and other costs needed to implement public Law 96-22. This is due largely to the administration's inexplicable failure to submit, in time for the Senate Appropriations Committee markup of H.R. 4394. A budget amendment for the fiscal year 1980 costs of carrying out the extremely important programs established by this new public law.

Mr. President, if funds to implement Public Law 96-22 are not included in H.R. 4394 when it is enacted, the VA will face a Hobson's choice with respect to carrying out the programs provided for the new law. Either it must violate the authorizing law and delay those programs—including the already far-too-long delayed readjustment counseling program for Vietnam-era veterans far too many of whom badly need this long overdue readjustment assistance—until a supplemental appropriations bill is enacted, which is not likely to occur until late in fiscal year 1980; or it must, in controvention of the clear congressional intent expressed in the reports of the Appropriations Committees of both Houses, propose to divert resources appropriated for other purposes in order to carry out these programs.

Therefore, Mr. President, we are proposing this amendment to add an additional $25.1 million to the VA's medical care account for the specific purpose of funding 450 additional FTEE's and other related costs that we believe are necessary to begin implementation of the Veterans' Health Care Amendments of 1979. This amount is approximately the same amount that OMB indicated in its letter to Senator PROXMIRE is needed to implement Public Law 96-22.

The figure we are proposing, although approximately the same as the administration will apparently request, is to be allocated somewhat differently. We have included $3,092,000 in funding for the preventive health-care program, including 104 FTEE's—the amount initially proposed by the VA—and have reduced the dental care add-on from $5,888,000 to $2,796,000 in view of the Veterans' Affairs Committee's express intent, in adding the new dental care eligibilities for totally disabled service-connected veterans and ex-POW's, that this care be provided largely by realining the responsibilities of existing in-House dental staff and making minimal expenditures for fee care. We propose this $3.1 million reduction to the amount suggested by the administration as necessary to fund dental treatment for newly eligible veterans, because we believe that the administration's cost analysis of implementing this program is in error in two ways:

First, the number of individuals the administration believes will seek treatment next year under this new authority—19,840 out of 122,770 veterans with total service-connected disabilities and 8,000 out of 100,000 former POW's—appears to be unrealistically low; and, second, the administration's estimate is based on an assumption that all new eligibles would be treated on a contract fee basis, a result clearly at odds with our committee's intent. Thus, the amount we are proposing would not result in holding the new beneficiaries to such an unrealistically low estimate of those who would take advantage of their new eligibility so long as the provision of the necessary care is accomplished in accord with the recent amendments to sections 601 and 612 of title 38 made by Public Law 96-22 which are designed to reduce greatly the extent of dental care provided on a contract fee basis.

Under our assumptions, less than 10-percent of the newly eligible veterans would be handled on a fee basis, and even this amount of fee basis care seems excessive if the criteria governing provision of contract fee care are properly applied.

For all these reasons, Mr. President, and with this logic behind this approach, I strongly urge all my colleagues to support the amendment.

I am delighted to yield to the Senator from Pennsylvania, who is a staunch supporter of this effort.

Mr. HEINZ. I thank the Senator from California, the author of the amendment.

I compliment him on not only offering this amendment, which I wholeheartedly support, but also for having successfully brought about the enactment of absolutely vital health care legislation affecting the lives of millions of Vietnam-era veterans, who, as the Senator from California well knows, have been grievously ignored—not by the Senator from California but by this administration and others.

The money for the appropriation that the Senator from California is proposing is absolutely necessary to implement the readjustment counseling program that the Senator was instrumental in bringing into being through his actions on the Veterans' Health Care Amendments of

1979, which we passed in this body several weeks ago, and which was subsequently signed into law.

I hope we will see rapid action by the administration in implementing this program.

It has been some 5 or 6 years since all Americans left Vietnam. It is something of a tragedy, a great waste of human resources, that so many Vietnam-era veterans, so many men who fought in combat, who were stationed in Southeast Asia, have had to wait so long for the rather modest but significant help that the Senator from California has been able to provide through his actions as chairman of the Veterans' Affairs Committee.

Because of the divisive national debate on the Vietnam war, Vietnam-era veterans have, in many cases, experienced substantial psychological and readjustment problems. Veterans returning from Southeast Asia came home either to be scorned for participating in a conflict some considered immoral or to be ignored and forgotten in our haste to put the war behind us. During hearings on the Veterans' Health Care Amendments of 1979, psychiatrists and other mental health experts testified before the Veterans' Affairs Committee that Vietnam-era veterans have suffered enormously because of society's indifference and open hostility to the sacrifices these men and women suffered during their military service.

We have an unfulfilled obligation to these veterans, and I firmly believe that it is time that we act to meet that obligation. It is time we extend to these veterans the assistance they need to overcome their readjustment problems. It is time that we take steps to enable them to lead a productive life. It is time that we help them restore their full capacity, reduced as a result of the psychological impact of their experiences in Southeast Asia, to make a contribution to our Nation. They already have made a profound contribution, but in giving of themselves, many of them have lost the ability to realize their potential. It is time to remedy that loss and to restore that ability.

The Veterans' Health Care Amendments of 1979 correctly recognized the unique problems of Vietnam-era veterans. The legislation established a program of readjustment counseling for these veterans. Additionally, it provided for a pilot program for the treatment and rehabilitation of veterans with alcohol and drug problems. Although the legislation, in my view, did not go far enough, it was unquestionably a step in the right direction.

Thus, it is essential that the Senate appropriate the funds necessary to implement the programs authorized in the Veterans' Health Care Amendments of 1979. This amendment accomplishes that result by adding $25.1 million to the appropriation for veterans' medical care. If the Senate does not adopt this amendment, there will simply be no funds to implement essential veterans' programs authorized by existing law. This amendment will enable us to move forward with programs which are needed and which are reasonable.

So, Mr. President, I strongly support this initiative, and I ask unanmious consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I thank the Senator very much for his very gracious words about my efforts. I also thank him for his cooperation and his support, which can be very helpful, and for all he has done for veterans.

Mr. HEINZ. I thank the Senator from California. He is most generous and kind and wise.

Mr. PROXMIRE. Mr. President, I think this is an excellent program. I am all for it, but I think we should fund it out of the funds that are already in the bill. I think we can do that.

In its present form, I have to oppose the amendment by Senator CRANSTON. We are currently $76 million over the President's budget in medical care, and the amendment proposed would result in a total increase over the budget request for medical care of $100 million and would put the bill itself $700 million over the budget resolution.

However, I wonder if the senior Senator from California would consider a compromise. As the Senator knows, the funds we added for medical care in committee are for the purpose of increasing medical care staffing by 3,800 positions. As the Senator also knows, the administration is committed to a 2,000-position increase but is highly unlikely to provide the additional 1,800 positions. Would the Senator be willing to drop his amendment if he were able to get a commitment from the committee and the Senate that $25 million of the $76.4 million increase we have already approved is intended for the implementation of the Veterans' Health Care Amendments of 1979?

In this way, we could achieve the increase the Senator seeks—achieve funding for the program for which he has made an appropriate and eloquent plea—and at the same time not increase the total in the bill, which is already over the President's budget request in this particular category.

The administration is not going to spend this money, anyway, I say to the Senator from California, for 1,800 additional personnel. So why not use the amount currently in the bill for the purposes the Senator is asking? Would the Senator consider that?

Mr. CRANSTON. Mr. President, let me say I fully understand the Senator's concern about the size of the budget. I share those concerns. I voted for an important amendment of his a little while ago that was designed to come to grips with one form of expenditure, revenue sharing to the States, that I think is not consistent with our efforts to move toward a balanced budget. And I am sure I will be with him on many other budget-cutting efforts.

I share the Senator's concerns on this front, and I fully understand his concern about the increase already provided by his committee to the VA medical care account and about any expansion at this point. However, I really cannot accept the proposed compromise, and let me spell out very briefly why I cannot.

Both the House Appropriations Committee and the Senate Appropriations Committee have found that there is a need for 3,800 additional FTEE's to provide necessary staffing for the VA health-care system. I want to emphasize both the House and Senate Appropriations Committees have reached that conclusion. I do not believe that it is appropriate to fund the various programs authorized by the Veterans' Health Care Amendments of 1979 at the expense of personnel needs, as so clearly identified by the two committees, in other sections of the VA health-care system. Such an approach would exacerbate an already unacceptable situation in the VA's provision of medical care, and I just cannot agree to that kind of a result.

Moreover, I cannot agree with the Senator's suggestion that the administration is unlikely to provide the additional 1,800 positions. To the contrary, it is my understanding that, if Congress makes a decision, clearly and unambiguously stated, to provide additional funding for VA medical care staff, the administration will abide by that decision and provide the positions.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. CRANSTON. I yield.

Mr. PROXMIRE. Last year we did exactly that. We said we wanted more personnel and we made it clear that we were adding money for that specific purpose, but the administration simply refused to add the personnel. They used it for a pay raise. They did not use it for additional personnel. So we have the experience that maybe the faith of the Senator from California which in his judgment is awfully good, but on the basis of the record it is clear when they say they do not want to add more than 2,000 people that they are not going to. And, therefore, we can use this money for the very constructive purpose the Senator is proposing.

Mr. CRANSTON. It is true that they may not want to add them; but I am convinced, based upon my discussions, that the Administration will add the staff, if Congress makes plain that it wishes to have them added.

I also make the point that the President in a budget amendment that will be forthcoming shortly will be covering the sums that I am proposing now be added, and the only reason they are not in the bill is the failure of the administration to come up with a budget amendment in time for it to be considered in the Appropriations Committee's processes.

So I am not able to accept the Senator's proposed compromise, and I urge that we adopt this amendment and that the additional $25.1 million specifically to fund the provisions of Public Law 96-22 be earmarked in that way.

I point out that this morning our committee ordered reported the GI bill legislation with a net cost savings. So we are trying to be prudent and to recognize the need for savings wherever appropriate savings can be found.

Included in the bill we reported this morning, are provisions to prevent abuse

and misuse of certain GI Bill programs with a cost saving of $31 million.

I have engaged, recently on the floor on another bill, in strenuous efforts that we made—successfully to some degree—to make other cuts were appropriate. But in this case I feel that we need the 3,800 additional personnel to insure quality care by restoring staffing cuts that were unwisely made and to insure that we have the personnel to carry out a law that has recently been enacted by Congress, that the administration supports, the funding for which it supports, and a program that is desperately needed by those veterans who have not yet been able to readjust after their Vietnam experience.

Mr. PROXMIRE. Mr. President, what I wish to do when the Senator completes his presentation and all time is yielded back is to offer an amendment to the Senator's amendment which would achieve what I have been arguing we should do so that instead of adding $25 million it would say on page 29 line 5 "including not less than $25 million for the implementation of Public Law 96-22," which would accomplish exactly what the Senator wants, put it right into the bill and achieve all this without an additional $25 million being appropriated.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. SCHMITT. Mr. President, I hope that the distinguished Senator from Wisconsin will not offer that amendment.

I think that the Appropriations Committee was quite explicit in its support for the $76.4 million for the particular purpose that we voted and considered and not in the least because of the eloquent letters and statements that the Senator from California made in support of that addition to budget.

I am afraid that if we earmark $25 million out of that $76.4 million we are going to complicate matters, not only on the issue of health care for veterans but also with our colleagues from the other body. So I hope that the Senator from Wisconsin will allow the Senator from California to have an up and down vote on his proposal to add things on. I am not saying how I will vote on that, but I think it would be better to do it that way than to try to earmark and complicate the process of the conference and also the process of just implementing the Appropriations Committee's position.

Mr. CRANSTON. I say that I welcome the statement by the distinguished Senator from New Mexico very much. I shall just read one paragraph from the report of the Committee on Appropriations that is relevant to this discussion:

> The Committee agrees with the House that an additional $76,380,000 above the budget request is needed to provide sufficient health care personnel for the VA's medical care activities. The action of the Committee will result in an additional 3,800 health care personnel (staff-years) during fiscal year 1980. The Committee shares the concern expressed by the House regarding the Administration's decision not to release any of the 2,375 staff-years added above the budget in fiscal year 1979. The Committee also notes that the fiscal year 1980 request proposes a further reduction in health care personnel. Additionally, the VA proposes reprograming staff-years from existing facilities in both 1979 and 1980. The Committee has included funds to restore these reductions and urges the Administration to release sufficient employment ceilings to make use of the increased staff-years provided in this bill.

So unless my amendment is adopted either this approach, endorsed by the Appropriations Committee in its report calling for 3,800 additional health care personnel, will be cut into and not met, or we will not have personnel to carry out the purpose of the readjustment counseling provisions of the other bill that needs implementation.

The only reason we do not have that in this bill, I am absolutely convinced, is the failure of the administration to come up with a budget amendment in time. So we are now seeking to remedy that deficiency in the actions of the administration.

Mr. President, in closing I would like to take this opportunity to note some other provisions in H.R. 4394 that differ from the House-passed provisions which I believe are very beneficial to the VA and which I urge the Senate conferees to defend very vigorously. The Appropriations Committee included funds in the VA's general operating expenses account to provide for an additional 30 FTEE's for the VA's Office of General Counsel to enable the General Counsel to establish a pilot program at 10 stations under which VA attorneys would manage files involving overdue debts to the Veterans' Administration, including litigating such cases in local courts. I believe there are many problems associated with the collection of overdue debts to Federal Government agencies and I believe that an appropriate pilot effort could provide significant information not only to the VA but to other agencies as well and therefore believe these positions should be added.

Mr. President, the Appropriations Committee also included funds for an additional 30 positions for the staff of the VA's Inspector General. I am a strong advocate of the new inspectors general in the Federal Government and believe Mr. Reynolds has made an excellent start at the VA. I support this effort to provide additional staff and will continue to monitor closely the staffing needs of the VA Inspector General's Office to determine if its staffing is adequate.

Finally, Mr. President, the Appropriations Committee differed from the House by providing for a more gradual phase-out of the vet rep program. I applaud the foresight this represents. I recognize that a reduction in the staffing of this program seems indicated as GI bill enrollments decline, but I believe that the Senate committee's proposed more gradual phase-down is by far the more appropriate course and urge the conferees to insist on that position in conference.

Mr. President, I ask unanimous consent that the text of my July 17 letter to the distinguished floor manager, containing recommendations for funding to which the pending measure is, I am delighted to say, very responsive, be printed in the RECORD at this point.

The letter follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., July 17, 1979.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on HUD-Independent Agencies, Committee on Appropriations, Washington, D.C.

DEAR BILL: I am writing to provide you with my recommendations on fiscal year 1980 appropriations for the Veterans' Administration. As you know, I greatly appreciate the close cooperation between our committees in pursuing our common goal of better serving the Nation's 30 million veterans.

With respect to fiscal year 1980, I strongly support the add-ons to the VA budget request for the various VA accounts as passed by the House on June 27 in H.R. 4394, and would like to stress in particular the great need for the $76.4 million added by the House over the President's request for the medical care account. This added funding is critical to the VA's ability to provide quality health-care services. As you know, the Administration required that $98.3 million of the amount provided in fiscal year 1979 appropriations for the VA's medical care account be diverted to pay for part of the costs to the VA of the October 1978 pay raise. The resulting reductions in personnel and other support for VA health-care programs, together with other administrative restrictions that were placed on those programs, have seriously impaired the VA's ability to meet the needs of our Nation's service-connected disabled, needy, and elderly veterans.

The House increase is intended by the House Appropriations Committee to be used for "an additional 3,800 health care personnel (staff years)" (H. Rept. No. 96-249, page 48). As I indicated during the June 18 debate on S. 1039, I believe that not less than 2,000 full-time equivalent employees (FTEE's) in addition to those provided for in the President's budget request are critically needed. In fact, the Administration confirmed the need for these additional employees in Administrator of Veterans' Affairs Max Cleland's June 15, 1979, letter to me (copy enclosed).

In addition, I urge that additional medical care account funds be provided for staff to implement Public Law 96-22, the Veterans' Health Care Amendments of 1979, signed by the President on June 13, 1979, which establishes new programs of readjustment counseling for Vietnam-era veterans and preventive health-care services for veterans with service-connected disabilities, expands the VA's alcohol and drug treatment program, and makes certain other improvements in the VA health-care system.

The VA, in its fiscal year 1980 budget documents and testimony before our Committee, indicated that 346 additional FTEE's would be required in fiscal year 1980 for the new readjustment counseling program alone and that the Office of Management and Budget had previously approved adding that number of FTEE's for this purpose when the legislation is (as it has been) enacted.[1] Based on those representations and the statements in Administrator Cleland's June 15 letter making clear that staffing to implement this legislation should be in addition to the other 2,000 FTEE's mentioned above, I expect the Administration to submit a budget amendment for those 346 FTEE's and other additional staff needed to carry out the other provisions of Public Law 96-22.

To assure effective implementation of this legislation without any adverse impact on existing programs, I strongly urge that the necessary funding be included in the regular appropriations for fiscal year 1980.

The additional medical care funds added by the House over and above the amounts

needed for 2,000 FTEE's plus those needed for implementation of Public Law 96-22, are—in light of the reductions imposed during fiscal year 1979 and the very austere nature of the Administration budget request for fiscal year 1980—badly needed and should be provided for either additional employees or other program expenses that the VA may consider even more important to its ability to provide quality care.

With respect to the VA's medical and prosthetic research account, I believe that the modest $5 million increase approved by the House—over the fiscal year 1979 appropriations level and the President's "straight-line" request—is fully warranted for the VA's extremely valuable, successful health-care research program. I believe that this add-on is especially justified in light of the clear frustration of Congressional intent last year in adding $10.2 million to the fiscal year 1979 research appropriation. Despite the clear Congressional intent to provide for the enrichment of VA health-care research through this increase and vigorous protests on my part, the Office of Management and Budget directed that $4.2 million of that increase be used to pay for October 1978 pay raise costs and placed restraints on the manner in which the remaining $6 million could be used.

Thus, in order to provide, belatedly, for at least part of the program enrichment for VA health-care research that the Congress intended to provide for in fiscal year 1979, I fully support the House-passed level of appropriations for this account.

In one respect—the grants for construction of State extended-care facilities account—I recommend an increase over the House-passed level. The Congress appropriated $10 million for this account for fiscal year 1979; and both Houses have passed legislation, in H.R. 3892, authorizing appropriations of $15 million for fiscal year 1980. However, the President has requested and the House has approved appropriations of only $5 million for fiscal year 1980. I see no justification for such a reduction for this proven and cost-effective means of providing extended care for the substantial and growing numbers of eligible elderly veterans for whom the VA has insufficient capacity in its own extended-care facilities. In fact, the VA has assured the Veterans' Affairs Committee that applications in hand and expected from States willing to provide the 35-percent matching funds required will far exceed $10 million in fiscal year 1980. I, therefore, strongly urge a continuation of the $10 million level for fiscal year 1980.

With respect to the general operating expenses account, I fully suoport the President's request and recommend additional sums sufficient to enable the VA to initiate activity to pursue the collection of debts in amounts less than $600.

Thank you very much, Bill, for your interest and attention. I'd be happy to discuss these matters with you further, if you so desire.

Warm personal regards,

Cordially,

ALAN CRANSTON,
Chairman.

OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., June 15, 1979.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to advise you that the Director of the Office of Management and Budget, by authority of the President, has approved my request for submission of a budget amendment for fiscal year 1980 to add an additional 2,000 full-time-equivalent-employees (FTEE's) for the Veterans' Administration's medical care account, subject to the enactment of certain cost-savings legislation which I will outline later. It is understood that this 2,000 staffing increment will be over and above the 356 additional FTEE's contemplated in the President's budget in connection with the enactment of S. 7.

The Director has likewise agreed, again subject to the enactment of the cost-savings legislation, to my request that this staffing add-on would be annualized in fiscal year 1981 for the purpose of maintaining the existing program level and that staffing needed for such new activations as may be proposed later would be considered separately from this employment base.

The request for additional staffing, however, is expressly contingent upon the enactment of the cost-savings provisions initially proposed by the Administration as they are included as part of S. 1039 as reported (and proposed to be further modified in your floor amendment) regarding beneficiary travel reimbursement, nonprescription drugs, medicines, and supplies, and dental benefits pertaining to the care of veterans without compensable service-connected disabilities.

We therefore strongly support the provisions in sections 201(a), 203, 204, and 207 of S. 1039 as reported and with the modifications which we have developed together to be presented when the bill is considered on the Senate floor.

Enactment of these provisions will free up resources to make possible additional VA medical facility staffing to assure a more adequate level of health care services for our Nation's veterans. The Administration is committed to a comprehensive budgeting effort to reassess existing programs in light of changing circumstances and economic constraints.

We appreciate your cooperation in working closely with us to develop this compromise which we believe will apply available resources in the most effective manner to strengthen the VA health care program.

Sincerely,

MAX CLELAND,
Administrator.

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[1] The Congressional Budget Office estimated that enactment of P.L. 96-22 would require $37.2 million in budget authority in fiscal year 1980.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that time be taken equally out of both sides on the bill.

The PRESIDING OFFICER. In this situation the quorum call is not charged.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 464

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 464.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 29, line 5, following the word "reimbursements" insert the following: "including not less than $25,000,000 for this implementation of Public Law 96-22."

Mr. PROXMIRE. I have already explained the purposes of the amendment. I discussed this approach a moment ago. All this amendment would do would be to achieve the purposes that the Senator from California has argued so well for along with the Senator from Maryland and other Senators.

The PRESIDING OFFICER. The Chair would advise the Senator from Wisconsin that the amendment is not in order and that it does not address a pending amendment.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 465

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 465.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 29, line 4, strike out "$5,671,119,000" and insert in lieu thereof "5,671,119,000, including not less that $25,000,000 for the implementation of Public Law 96-22."

Mr. PROXMIRE. As I started to explain earlier, what this amendment does is to keep the money amount at the same level it was at before. It does not add $25 million. It provides, in effect, that the money provided for the hiring of an additional 1,800 personnel, which the administration has indicated they will not hire, would be used for the purposes the Senator from California has just described.

Mr. President, in view of the discussion we have had, I do not think it is necessary to have a long debate on this amendment. I am ready to yield back my time and have a vote on it. In the event, which may develop, that I lose on this substitution, then we can have a voice vote on the amendment of the Senator from California.

Mr. CRANSTON. I am ready to yield back time.

Mr. PROXMIRE. I yield back my time on the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PROXMIRE. Yes.

The PRESIDING OFFICER. Does the Senator ask for the yeas and nays?

Mr. PROXMIRE. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. (Putting the question.)

The amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from California. (Putting the question.)

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, if there are no further amendments, I suggest the absence of a quorum, and I ask that it be taken out of the time of neither side. I think there are other amendments Senators want to offer, but they are not on the floor at the moment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 466

(Purpose: To reinstate eligibility of State-assisted section 236 projects for flexible subsidies)

Mr. JAVITS. Mr. President, on behalf of myself and Senators MOYNIHAN, MATHIAS, WILLIAMS, TSONGAS, RIEGLE, SARBANES, BRADLEY, KENNEDY, and LEVIN, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and others, proposes an unprinted amendment numbered 466:

On page 5, line 15, after the word "projects", insert "assisted,".

The PRESIDING OFFICER. The Chair would inquire of the Senator from New York if this is the amendment on which he desires 1 hour.

Mr. JAVITS. It is.

The PRESIDING OFFICER. The Senator is recognized.

Mr. JAVITS. I yield myself 5 minutes.

Mr. President, this amendment raises the issue as to whether uninsured but assisted housing projects which exist under section 236, which are in 12 States, shall be entitled to participate in this aggregate relief fund for those that have trouble in terms of operation.

The authorizing statute of which this appropriation is the implementation permits exactly such assistance, but it has been omitted from the appropriations bills, and it is that which we are seeking to restore. That is the essence of our problem.

Mr. President, we do not feel, all of us, that this is equitable, that is, that the authorizing legislation has admitted the projects, which are essentially State projects, some of them insured by States, others assisted so they can be called State projects generically—we do not believe that it is fair, having been qualified under the authorizing legislation, for them to be barred from the appropriating legislation.

Let me emphasize that there is no additional money involved. All we ask is to be qualified so that we, too, in our respective States may seek this kind of assistance.

I respectfully submit that any third and fourth party arguments really should not be considered relevant. The fact is that the direct claims on this fund will not in any way increase the funding. There may be more claimants, but, again, it remains within the discretion of those administering the law to decide among various claimants. All we seek is to be eligible.

The States which have this kind of situations are Connecticut, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Pennsylvania, Virginia, and Wisconsin.

Mr. President, I think that one thing is clear in this particular matter beyond all others, and that is that we are seeking to develop housing with all kinds of assistance that we can; and the section 236 program has had a beneficial effect in reaching out for more units than would otherwise have been possible under it, because it has encouraged States to come along with their own programs, and it is a fairly appreciable operation.

The fact is that there are now about 500,000, in round figures, section 236 projects. Of these projects, roughly 20 percent, or roughly 100,000—the exact count is allegedly 115,000—would qualify to seek some kind of help from the fund, and about 40 percent of those, to-wit something like 40,000, are projects which, if this amendment were adopted, would be eligible to seek that kind of assistance.

Mr. President, the reason that this section 236 interest subsidy program was set up was exactly as I said: To have more governmental entities brought in to encourage, develop, and assist housing, and specifically to encourage State housing finance agencies to provide financing; so Congress allowed subsidies to the State-financed projects that were not FHA-insured. Yet this appropriation seeks to confine the benefits of this particular section; notwithstanding the mandate of the authorizing legislation, this appropriation bill seeks to confine it only to the FHA-insured projects.

We believe that by recognizing what the authorizing legislation provided, the intent and purpose of the Congress in section 236 may be better attained, because it expands the availability of housing.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. JAVITS. I yield myself 3 additional minutes, Mr. President.

It extends the availability of housing for low- and moderate-income persons without bearing the risk of loss, which is passed on to the State if the project fails.

Mr. President, last year, in 1978, the housing authorization legislation created a new program for operating assistance to these troubled projects. It was only after extensive negotiations that the Housing and Urban Development Department agreed to support inclusion of State-assisted projects if participation were delayed until fiscal 1980 while data were collected and the extent of the need determined.

I agreed to this proposal, as did my colleagues from New York (Mr. MOYNIHAN), Senator WILLIAMS of New Jersey, Senator HEINZ of Pennsylvania, and then Senator BROOKE of Massachusetts, who joined me in offering an amendment to that effect, and the Senate concurred, as did the conferees. Earlier in this year, when the HUD-drafted reauthorization legislation was introduced, HUD had proposed deletion of the provision for State assisted project participation. Both the authorizing committees opposed the HUD proposal and supported inclusion, and we were upheld in both Houses of the Congress.

Now, if we do not uphold this agreement now, the people who will suffer will be the tenants because they, like tenants in the Federal projects, face escalating operating costs exactly the same way, and if the noninsured are not included in the flexible subsidy program the tenants will be faced with exceedingly high rents while similarly situated tenants in exactly the same kind of insured units will get relief, which they desperately need just like our constituents in the State projects need, too.

So, Mr. President, I strongly urge the Senate to make good on what our purpose and intent was in the authorizing legislation, pointing out again that it in no way increases the amount of money. It simply makes fair the participation which has already been assured by the authorizing legislation, but which is defeated and frustrated by this provision in the appropriations bill.

I am pleased to report that the National Governors Association and the Council of State Housing Agencies support our amendment, and I deeply feel that the adoption of this amendment would insure that the agreement originally made that come 1980 these projects of the States will be treated like the Federal projects will be kept if this amendment is carried as I hope the Senate will carry it.

Mr. President, I yield such time as he may desire to my colleague, Senator MOYNIHAN.

Mr. MOYNIHAN. Mr. President, I thank my distinguished senior colleague for giving me this moment to join with him on behalf of myself and a number of colleagues.

Mr. President, I am alarmed that a wedge is being driven between the Federal Government and the States in our efforts to meet the Nation's housing needs. I think that more, not less, effort should be made to foster cooperation between the two government levels, that the States should be encouraged, not

discouraged, to continue and expand their role in providing housing.

Over the last 10 years more than half a million units of section 236 housing for low- and moderate-income people have been built nationwide. Over 100,000 of these units were constructed under a Federal financing scheme which the States were encouraged through the late 1960's and early 1970's to use, whereby a State would become the principal financial supporter of a project while the Federal Government provided the much needed additional assistance of an interest subsidy. Such substantial State participation in addressing the national housing goal has been, I think, a distinct asset to the national attempt to provide housing.

The precipitous rise in inflation since 1974 has hurt all the 236 projects, whether strictly Federal (FHA insured) or State assisted. Operating costs have risen so sharply that the increased rents needed to pay for them have often reached beyond the means of the tenants. An increasing number of both FHA-insured and State-assisted projects have been faced with default and foreclosure. Foreseeing this eventuality, the Congress in 1974 created an operating subsidy program intended to assist projects unable to meet the unexpected cost increases.

This assistance was redesigned in 1978 into a 2-year flexible subsidy program, under which State-assisted projects were to be eligible for assistance in fiscal year 1980. (The wholly Federal projects were eligible as of fiscal year 1979.)

Now we undertake the fiscal year 1980 HUD appropriations bill only to find that the House Appropriations Committee, after both the House and Senate authorizing committees emphasized the need for maintaining eligibility in State-assisted projects, has acted to exclude these projects from any chance for the operating assistance.

It must be kept in mind that all section 236 projects were built under the same Federal program and were intended to meet the needs of the same group of tenants, that inflation has been quite impartial in affecting the projects, and that operating assistance is needed by both FHA-insured and State-assisted projects and has in fact been available to both for years.

Suddenly to exclude section 236 projects built under one of the two financing mechanisms available for them in the National Housing Act will result in cutting off 20 percent of the Nation's total projects and leaving them to face a national inflation problem alone. Of course States ought also to assist these projects wherever they can. No one disputes that. But the Section 236 program has been a national effort in which—let us be thankful for it—many States have played an important part. We have instituted a national operating assistance program for section 236 projects; let us keep it open for use where the need is greatest, regardless of the auspices under which a project was constructed.

Our policy should be to ward off foreclosure wherever we can, as it is far less expensive to maintain existing housing than to build replacements after foreclosure. This much is common sense.

I suggest it is also wise to support a policy that encourages States to participate vigorously in meeting the Nation's housing needs, and to oppose one that would discourage their activity by mandating the Federal Government's withdrawal from cooperative efforts when problems arise. Federal policy is responsible for the decision of many States to share in the national program to construct and operate subsidized housing. To deny those State efforts the troubled projects subsidy that has been until now available for all the 236 projects is to discourage future State participation and State initiative, and to hasten the day when ony the Federal Government involves itself with important human needs.

There is a further argument to be made, that we are faced here with a question of equity. This appropriations bill before us would write into law a situation where a family in one 236 building is charged significantly different rental payments from a family of the same size and financial means living in an otherwise identical 236 building across the street.

Why the difference? It is not because one building has better management, or is better able to meet increased operating costs, or would benefit more from the limited assistance that is available. The two families will pay greaty differing rents—indeed, the one family may be pushed to the edge of insolvency—only because one happened to move into a building financed under subsection (j) of section 236, while the other family moved into a subsection (b) building.

Mr. President, this is indefensible. It is undoubtedly the case that we are short of funds, and must allow HUD the discretion to put what funds we have where they would be the most effective. But to exclude by policy a group of some 100,000 units of housing from any consideration for operating assistance—this is indefensible.

We must adhere to policies that encourage State participation in our national housing program, and that do not mandate glaring inequities for individuals living in the housing we are able to provide. I strongly urge my colleagues to support our efforts today to amend this bill in order to protect one such policy.

Mr. President, we will not detain the Senate overly long in this matter. There was one point not made by the senior Senator from New York that I wish to make, which is that he was the author of the amendment in 1968, which made possible the participation of States in the 236 program, and that it was part of a longstanding commitment of my senior colleague to enable State governments to do those things they can do as well or better as the Federal Government but for which they need certain resources which the Federal Government can provide by such simple measures as the one Senator JAVITS made possible in 1968.

Early today we heard from the Senator from Maryland, the distinguished comanager of this legislation, about the importance of revenue sharing as a principle of federalism, the effort to take an overloaded national Government and put at the State level functions that the States are entirely capable of performing and do perform. Under this program which Senator JAVITS made possible, they have performed, and a portion of those projects are having the same difficulties which the Federal projects are having. But for some bizarre reason the Office of Management and Budget has chosen to cast them aside at this moment, a very poor precedent for Federal-State partnerships in anything, a precedent which the U.S. Senate should reject—and reject, perhaps, with an element of censure of those who undertook it.

In good faith the State governments took the opportunity proposed to them by the Federal Government; now they are told they made a mistake. If it is our object to see that nothing is done in this country except by the Federal Government and at Federal expense, this bill as written is an excellent precedent for sending out that signal.

It was precisely to send the opposite message that Senator JAVITS rose on the floor of the U.S. Senate 11 years ago and commenced this sensible, modest, and constructive program.

Mr. President, I cannot imagine but that the Senate would wish to keep faith with the States that took the Federal Government at its word and took the initiative to do on their own things which they are perfectly capable of doing with moderate assistance.

I do not know that more need be said in such a case of obvious equity, excepting once again to thank my revered senior colleague for his initiative in the first instance and for his vigilance in this one.

Mr. WILLIAMS. Will the Senator yield?

Mr. JAVITS. I yield such time as the Senator may desire.

Mr. WILLIAMS. I will not take long, Mr. President, because I believe that everything that could be said to indicate the equities here has been said.

I would like to associate myself with the remarks of my distinguished colleague from New York. I support this amendment and believe that it is simply a matter of equity and consistency to include State-financed section 236 projects as well as HUD-insured projects in the flexible subsidy program.

It was, after all, the Federal Government which encouraged States to produce section 236 units, and then relied and depended upon these same States to implement these projects. The Congress itself deemed that fairness required the eligibility of State financed 236 projects for these very reasons in the Housing and Community Development Amendments of 1978.

Thus, with the concurrence, and, indeed, the combined backing of the administration and the Congress, at that time, State Agencies began working with HUD in January of this year to bring about the implementation of this program. Denial, now, of this assistance to handle costs beyond the control of State housing finance agencies would jeopard-

ize the good faith reliance upon which these programs have been implemented. It would set a bad precedent.

The tenants of these State-uninsured 236 projects are, after all, of the same low-income level as in the HUD-insured projects. The income qualifications are identical. The flexible subsidy program was meant to be a means of maintaining housing opportunities for low- and moderate-income persons. If that is the case, how can we possibly deny or discriminate against those living in State-financed projects?

In my State of New Jersey, for instance, 63 percent of all the section 236 units authorized have been uninsured, State-financed. In very great measure, the New Jersey State Housing Finance Agency had alleviated a considerable burden from the Federal Government's shoulders in sponsoring these projects. My State had acted to further HUD's goals, and has acted in good faith. Without passage of this amendment, we will meet my State's good will and trust unfairly. We will surely jeopardize the futures of the tenants living in the 11,984 uninsured State-financed units in my State.

As a matter of equity, I hope my colleagues will join me in supporting this amendment. Let me emphasize that this amendment will add no money, only eligibility.

Mr. PROXMIRE. Mr. President, unfortunately, I must resist this amendment. The distinguished senior Senator from New York said that it would not cost any money. No, not yet, but just wait.

Mr. President, the committee has recommended limiting the troubled projects operating subsidy program to multifamily housing projects insured only under the Federal Housing Agency. We recognize that many of these State projects are viable and well managed. We also know that some are not. That is the principal reason we have taken this action. While many of these State projects were developed with Federal-State involvement, the important point is that the States were responsible for the underwriting of the projects and they alone have the sole responsibility for overseeing and controlling project management and operations.

The only Federal obligation to these projects was its commitment to make interest reduction payments.

While the Federal Government is doing that, and will continue to do it for the balance of the contracts, we ought to keep in mind that what the troubled projects operating subsidy program is designed to do is to restore financial soundness to a project in order to protect the Federal Government from potential claims if a federally-insured project should fail to meet its mortgage payments. The key to the effectiveness of the flexible subsidy is the control over improvements in the management of projects. The Federal Government in insured projects has a direct relationship with the owners. It monitors operating expenses. It approves rent increases and disbursements from reserve funds. Therefore, it knows at first hand the operating details of the project. And it can determine the need for additional subsidy, if any exists.

How about State projects? The problem with State projects is that no such relationship exists between the Federal Government and the States. The whole purpose of the troubled projects operating subsidy is to upgrade the management of these projects in exchange for a Federal subsidy. How can we upgrade the management of the State projects when we have no control over that management, when that is a State responsibility?

With regard to State financed projects, if we make this subsidy available to them, the Federal Government has no control, no say, over the ultimate management improvements which may be required in those projects.

The Senator from New York says opening the program will require no more money but it will produce more claimants. But there obviously will be more pressure to provide more money under those circumstances, or what happens? In the 12 States which are eligible under the proposed language, some State projects will get benefits, but that means projects in the 38 other States will be hurt. They will have less of an opportunity.

The essential difference is, as I say, that we do not have control over the State projects and we do over the Federal projects, which the bill would cover and which the administration's budget request will cover.

(Mr. BAUCUS assumed the chair.)

Mr. JAVITS. Will the Senator yield?

Mr. PROXMIRE. In just a minute, I shall yield.

Mr. President, if the States want to, they have ways to assist projects financed by State agencies, either directly by providing rental subsidies to tenants or indirectly by providing relief through tax abatements or mortgage modifications.

But again, the point is that the States have direct management control over these projects. The Federal Government does not—and thus, it has no way to insure that these flexible subsidies are being used in the way the program was designed.

It is true that the authorizing committee, of which I am chairman, did provide that State troubled projects could be funded. But the fact, the important point, is that we are in the middle of a terrible battle to control inflation. The President took a long, hard look at the 1980 budget. He had to make some choices on how we are going to spend Federal dollars. One of those choices was that we would not use this program—troubled projects operating subsidies—to assist uninsured State projects.

The President had to make some choices. Not everything that he or other members of this administration or the last administration indicated we may fund one day. Not everyone of those things can be funded. By opening this program up to State projects, we are committing ourselves and the American taxpayer—just as surely as I stand here today—to a permanent new operating subsidy program—that in the case of State projects may have nothing to do with how they are managed. What we are trying to do here is simply to say—wait a minute—let us not make that commitment at this time.

We have to draw the line somewhere. I propose that we do it here. If we do not, we are going to commit ourselves to an additional $10 or $15 or $20 or $30 million of Federal subsidies, or, on the other hand, we are going to have a situation where FHA-insured projects simply do not get the share they are entitled to get.

Now I yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, the Senator does not deny at all that when this was authorized, the intention was that it should be implemented by appropriation?

Mr. PROXMIRE. That is true.

Mr. JAVITS. He does not deny it?

Mr. PROXMIRE. I do not deny that. When we authorize programs, we put a ceiling on the authorization. The distinguished chairman of the Appropriations Committee has told us many times that there is no way we can fund the full implementation of all these programs. If we did, we would not have a $500 billion budget but a $1 trillion budget right now.

Mr. JAVITS. I think the Senator knows me well enough to know that I do not argue in the air; I am going to get to a point.

The point I am trying to make is that I think we may have a basis for fairness, because this is a generic exclusion. This is not a matter of having authorized $100 and appropriating $65. It is a generic exclusion. They are all excluded. That is what is troublesome.

When we debated originally, in July of 1978, this very amendment, I said the following about it because, remember, all we are doing is authorizing. We are not compelling the housing people to give this assistance to State projects. We are allowing them to try to qualify. When almost this argument was made at the same time—by the Senator from Wisconsin, by the way—this is what I said. This is at page S11264 of the RECORD:

> The amendment is conditioned upon the fact that within the discretion of HUD the owner or mortgagee of such State-backed projects should show their good faith by a contribution satisfactory to HUD. This assistance could take the form of the provision of various services, forbearance on delinquencies, tax considerations, rental subsidies, or capital contributions.

That was written in as the intention of the provision.

By the way, maybe the Senator would like to have a look at it.

Mr. PROXMIRE. I think that is fine as long as it does not include an operating subsidy. We have no objection.

Mr. JAVITS. I know that, but what I am getting to is the fact that, sometimes, it is necessary, in order to bail out some of these projects, to put a deal together in which the Federal Government, even if it took a very small part, would facilitate the continuance of a project.

I understand the Senator's objection. I do not agree with it, but I understand it. What I am trying to get at is whether

or not, at the very least, it might not be fair to implement that particular opportunity so that if the administrators have the right to write the ticket for what is expected of the owner and the mortgagee, at least the door would be opened—perhaps—to be of some assistance, however marginal it might be, which would make it possible to preserve a project otherwise not preservable.

Mr. PROXMIRE. That might be possible. The Senator is suggesting a modification of his amendment.

Mr. JAVITS. That is right. Senator MOYNIHAN has such a modification. I have gone over it and, as I listened to the Senator, it struck me that might be the basis of his objection; because then, if a State project came in for this kind of help, it would be subject to the conditions and the controls and the stipulations which the housing authorities would make. So I respectfully suggest that the Senator might, as he and I have done these things before right on the floor, look at that and see if that is not worthy of being considered and accomplished.

Mr. PROXMIRE. I am still not clear as to the import of this modification.

Mr. JAVITS. Could we take a minute if I got unanimous consent to have a quorum?

Mr. PROXMIRE. Let us have a little discussion first; then I think a quorum might be appropriate before we decide what to do with this proposal.

First, I should like the Senator to indicate why a State project, where the State has all of the authority and responsibility for management and oversight, should get assistance from a limited fund when, obviously, it is not possible to help all of the Federal projects that need assistance.

Mr. JAVITS. For two reasons. One, because the authorizing legislation says so and it is the business of the authorizing committees to determine what shall be the policy of the United States. They have specified the policy of the United States.

Second, because the purpose of 236 was to get more housing and the States stepped into that breach—12 of them—and did give us more housing.

Third, the protection which the Federal Government needs against imposition is built into that concept which I have just described, so that, if it considers something worthy of some assistance, it can make that marginal difference.

The Senator may remember that I was the author of a great project called the ADELA investment, which was designed to encourage greater investments in development in countries which we were helping through a marginal investment. Often, they invested as little as 3 percent, sometimes as much as 20 percent, in order to get something going, to get it underway, to be the initiator of an effort which otherwise would not have happened. That is the same concept— and it is not mine. I credit Senator MOYNIHAN with it fully. It is so relevant to the argument which the Senator made that I propose it as a way which would be fair to us because of the original intention of the Congress as expressed in the authorizing legislation, often at no real risk to either the other projects or to the administrator of the law.

He would have complete discretion. I have read the amendment carefully.

Mr. PROXMIRE. I think the Senator's proposal is something we might be able to consider and discuss during quorum call, but I would say I am very troubled. The Senate has just voted to maintain what I think is a very high level of revenue sharing. The States are in excellent fiscal shape compared to the Federal Government. The Governor of New York, in his inaugural address, said that Federal officials should come to New York to see that their government is not a growth industry and learn how to hold down spending. Then he comes to us and says, "We want you to spend an additional $7 billion in revenue sharing to help out New York."

Mr. JAVITS. I say to Senator PROXMIRE, nobody knows about New York better than he. He does not need an education on that one.

Mr. PROXMIRE. The point is that the Federal Government is providing, as the Senator from New York knows very well, tremendous support for housing, including the section 236 program, which is a strictly federally funded program.

For that reason, I do have considerable reluctance.

But, Mr. President, I suggest the absence of a quorum so that we may discuss this, and I ask unanimous consent that the time not be taken out of either side on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the senior Senator from New York is withdrawn.

UP AMENDMENT NO. 467

(Purpose: To assist State-assisted troubled projects)

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment on behalf of Senator JAVITS and myself, and I ask that the same cosponsors on the previous amendment be made cosponsors on this amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New York (Mr. MOYNIHAN), for himself and Messrs. JAVITS, MATHIAS, WILLIAMS, TSONGAS, RIEGLE, SARBANES, BRADLEY, KENNEDY, and LEVIN, proposes an unprinted amendment numbered 467.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 5, line 21, before the period insert ": *Provided*, That assistance payments to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development".

Mr. MOYNIHAN. Mr. President, this is a more modest and nonbinding measure to accomplish the purpose of the amendment of my senior colleague.

It will give the Secretary of HUD the opportunity to negotiate with and to set terms under which Federal assistance to troubled projects that are State financed under this Federal program would be possible.

It is my understanding that the distinguished managers of the legislation see the equity in it and are willing to accept this matter, for which we certainly accept their graciousness.

Mr. PROXMIRE. Mr. President, this is, I think, a much more moderate approach. It is a permissive approach.

Mr MOYNIHAN. It is.

Mr. PROXMIRE. It is not mandatory, as the Senator already pointed out. It does not require action by the Federal Government, but it does permit them to help in the event we have a catastrophic situation.

I cannot resist pointing out, however, that the two great Senators from New York are about as skilled at getting action out of the Federal Government as any two Senators I have ever seen.

Once again, they have been triumphant. I congratulate them.

Mr. JAVITS. That is why we get such huge salaries.

Mr. MATHIAS. Mr. President, it seems to me this compromise does reach what is one of the very important purposes of this whole program, and that is to provide some incentive for the States to get into the business.

If a State administrator were to observe that he had a project which was beyond all help from this source, it would be a very discouraging prospect. It would be a disincentive to having the States carry some of this housing load.

So, at least, we have kept the door open. We have kept hope alive. I hope, as a result of this discussion in the Senate today, those who administer the program would understand that it is the purpose of the Senate that we should provide some equity between the projects federally sponsored and those State sponsored, because the people who live in them are very much the same people, and the burden should not fall unequally between them.

● Mr. BRADLEY. Mr. President, the flexible subsidy program should be made available to all projects developed under the Federal 236 program, be they insured or uninsured. With this view in mind, I support the amendment to include State-financed uninsured 236 projects in the flexible subsidy program.

The flexible subsidy program, formerly called the troubled projects program, was authorized as a part of the Housing and Community Development Amend-

ments of 1978. This program addresses deferred maintenance problems and operating deficits in multi-family housing projects under the HUD 236 program. As initially proposed, 236 projects financed by State agencies without Federal insurance were not included in the program. The program was originally limited only to federally insured 236 projects. During the deliberations on the 1978 housing bill, it was pointed out that there were no essential differences between the uninsured (State) and insured (HUD) projects except for the insurance factor. All 236 projects are designed for low and moderate-income persons, and the same basic contract procedures apply. As part of this agreement accepted by the Conference Committee on the Housing and Community Development Amendments of 1978, Congress decided to fund the insured projects only in fiscal year 1979, and to allow the State agency-financed uninsured projects to qualify beginning in fiscal year 1980.

S. 1149, the Housing and Community Development Amendments of 1979, passed by the Senate 2 weeks ago, also affirms the right of State-financed uninsured projects to be included in the program for fiscal year 1980. This position is identical with the House-passed version of the Housing and Community Development Amendments of 1979.

It was largely through the efforts of State agencies that the 236 program was begun more than 10 years ago. As the Congress fashions a program to assist projects developed under the 236 program, we should not make artificial distinctions between those which are insured or uninsured. Those who have made a good-faith effort to make the 236 program work should not be denied assistance when it is made available.

The New Jersey Housing Finance Agency has produced almost 12,000 units housing approximately 30,000 tenants under the 236 program. All of these units have been uninsured. The flexible subsidy program aims to help projects developed under the 236 program. If we are excluding a majority of the units developed under the 236 program, we cannot be devising a sound basis for the distribution of flexible subsidy assistance. Yet, this is precisely what we are doing in New Jersey's case.

I support the amendment to include State-financed uninsured 236 projects in the flexible subsidy program. Without this amendment, the Congress will be unfairly discriminating against thousands of 236 tenants across the Nation.

Mr. JAVITS. Mr. President, I yield back my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New York.

The amendment (UP No. 467) was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 385

Mr. RANDOLPH. Mr. President, I have a printed amendment at the desk, No. 385, and I ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH), for himself and Messrs. CRANSTON, DURKIN, THURMOND, STAFFORD, HUMPHREY, and STONE, proposes an amendment numbered 385.

The amendment is as follows:

On page 31, line 11, strike "$5,000,000" and insert in lieu thereof "$10,000,000".

Mr. RANDOLPH. Mr. President, I ask unanimous consent that Senators MATSUNAGA and SIMPSON be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, these two additional cosponsors join myself and Senators CRANSTON, DURKIN, THURMOND, STAFFORD, HUMPHREY, and STONE.

Mr. President, I have had the privilege of discussing this subject with the Senator from Wisconsin, the chairman of the committee (Mr. PROXMIRE). He told me that he would consider the amendment very carefully.

We desire in the amendment to extend the matching grant program for construction of State extended care facilities by $5 million.

Section 5033(a) of title 38 authorizes appropriations for the program of matching grants of up to 65 percent of the costs to the States for the construction of State home facilities for furnishing hospital, domiciliary, and nursing home care to veterans who are eligible to receive similar Veterans' Administration care.

Congress appropriated $10 million for this account for fiscal year 1979. Earlier this year both Houses passed legislation, H.R. 3892, authorizing appropriations of $15 million for fiscal year 1980. However, the President requested $5 million for fiscal year 1980 and the House on June 27 and the Senate Appropriations Committee on July 24 agreed to the President's request of $5 million.

Mr. President, the administration position to cut the appropriation for the State home program directly contradicts the Veterans' Administration assertion that we need to expand existing facilities to accommodate the increasing number of elderly veterans who will need nursing home and domiciliary care. The Veterans' Administration has said that present VA facilities are not adequate to cope with the special needs of today's elderly veterans in that the VA's 88 nursing homes are filled to capacity with extensive waiting lists for admittance. The State nursing homes and domiciliaries also are operating at near capacity, at almost 100 percent capacity.

In testimony before the Veterans' Affairs Committee on April 10, 1979, the Veterans' Administration testified that there are approvable applications from 17 States on hand willing to provide the 35-percent matching funds required for participation in the program. These requests total $18,560,000 as of March 31, 1979. The VA testified it would only be able to fund three States' requests if the proposed $5 million appropriation is approved. During the next 12 months the VA expects 22 States to submit applications totaling $29.2 million.

The amendment I am proposing today would add $5 million to the House-approved level placing the fiscal year 1980 appropriation at the present funding level, $10 million.

Today's veterans population numbers 30 million. A year ago the number was 29,879,000. The increase is due to the fact that discharges from military service have been exceeding the number of deaths among veterans. The lower death rate, in turn, is a reflection of the increased life expectancy in the past few years.

The largest group of living veterans are those who served in World War II. These numbered 12,866,000 in November and their average age was just over 58 years. Only 653,000 veterans of World War I are still alive, with their average age 83.

The number of veterans 65 years of age or over will grow from 2.2 million in 1975 to 7.8 million by the year 2000. Assuming we are able to avoid major armed conflicts in the remainder of this century, these 7.8 million veterans will constitute almost 60 percent of all veterans.

These statistics justify a greater commitment to this program than the $5 million that has been approved to date.

It was my privilege to chair a Veterans' Affairs Committee field hearing in Beckley, W. Va., on January 11, 1978. At the hearing we focused on the greatest challenges facing the VA and the aging veteran. The Veterans' Affairs Committee has committed itself—as Senator STAFFORD and others know—to the improvement of long-term care and the care of our elderly veterans.

A recent National Academy of Science report found the quality of VA nursing home care—particularly in its own facilities, and in community nursing homes with which it contracts—superior to the care provided in community nursing homes generally. Specifically, it found the overall quality of care to be adequate or better in half the VA nursing homes that it surveyed.

Health, education, and welfare data shows that the need, by men, for nursing home care increases from 0.06 percent before age 65, to 1.1 percent between ages 65–74, 4.1 percent between ages 75–84, and 18.0 percent after age 85. The need, by veterans, will increase throughout the remainder of this century and into the next. The VA has a large and growing program of long-term care. The State home program is a cost effective means of providing extended care for the substantial and growing numbers of eligible veterans.

Since enactment of legislation authorizing VA participation in the cost of constructing State nursing home care

facilities in August 1964, the VA has obligated funds in the amount of $68,303,597 to support construction of 5,403 nursing home care beds. This averages $12,642 for the VA's share of the cost of a bed, less than a third of what it would cost the VA to construct a similar facility.

The American Legion, Disabled American Veterans, and the Veterans of Foreign Wars support our amendment. Some might say that is natural, but these are the organizations that know the needs of the veterans. These are the organizations which, through their spokesmen, came before the Veterans' Committee and told us of these problems.

I urge my colleagues to support the amendment to add $5 million to the committee approved level of $5 million for a fiscal year total of $10 million. In so doing, justice will be served.

Mr. PROXMIRE. Mr. President, I think we can act on this amendment one way or the other, up and down, very quickly. However, I do want to indicate why I must reluctantly oppose the amendment.

I have great respect for the Senator from West Virginia, and I think he made a most eloquent plea for helping our veterans. We should do so whenever we can.

We have to recognize, however, that this bill is already $95 million over the amount the President requested for the veterans. This will make a $100 million increase. The amendment would double the particular amount. It would raise it from $5 million to $10 million.

So I must resist the amendment, although, as I say, it certainly is for a superb purpose, and the Senator argues his case very well.

I think we can all agree that the construction of State extended care facilities for our veterans is most important. However, the amendment would double the administration's budget request for this program at a time when we are facing a $1.7 billion increase in the amount allocated to us by the first concurrent resolution on the budget. Furthermore, I understand the VA plans to submit a more generous budget for this program in fiscal year 1981. Finally, a reauthorization of this program is currently pending before the Congress. As we indicate in our report, the committee is prepared to re-evaluate the needs of the program after the pending legislation passes. Given all of these circumstances, I would hope that the Senator would not press his amendment, and that we could wait until we have an opportunity to reconsider it as a part of the 1981 budget.

Mr. STAFFORD. Mr. President, will the Senator from West Virginia yield me 1 minute?

Mr. RANDOLPH. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. RANDOLPH. I yield the Senator from Vermont, a member of the Committee on Veterans' Affairs, such time as he requires.

Mr. STAFFORD. I appreciate the Senator's yielding to me.

Mr. President, the Senator from Vermont is a coauthor of the pending amendment, and I had hoped that the managers of the bill might accept this amendment.

I say to the distinguished manager on the majority side that I marched in his column twice this afternoon on very large amounts, and I regret that we did not win.

With respect to this very small amount, the Senator from Vermont thinks we are being pennywise and pound foolish if we do not make this extra $5 million available for the purposes intended.

There is a State extended care facility for aged veterans in the State of Vermont, and our experience with it has been very good. Provision of living quarters and nursing care in this type of facility, as the distinguished Senator from West Virginia has pointed out, is much less expensive than doing it directly through the Veterans' Administration, with Veterans' Administration nursing homes.

In this particular instance, I hope that, in view of the sum involved, in part, the manager of the bill might see fit to accept the amendment.

Mr. PROXMIRE. Mr. President, I am ready to yield back the remainder of my time if the Senator from West Virginia is ready to yield back his time. We could then have a voice vote.

Mr. RANDOLPH. Mr. President, I appreciate the careful attention given to this amendment by Senator PROXMIRE and Senator MATHIAS.

I do not want to be one to stand here and say that if we do not do this, we are letting the veterans down. I do not want to do that. But I think the need for the kind of care that the amendment proposes for the veterans will help us in a continuing commitment for justice to the men and women who served in the armed forces of the United States, to keep our Nation free and safe from outside interference.

I am very grateful for the consideration of my colleagues and for the cooperation of Senator STAFFORD and others.

● Mr. CRANSTON. Mr. President, I join the distinguished Senator from West Virginia (Mr. RANDOLPH), my colleague on the Veterans' Affairs Committee, in the amendment to add $5 million to the amount approved by the Appropriations Committee in the HUD-independent agencies appropriation bill for fiscal year 1980 for grants for construction of State extended-care facilities.

Mr. President, I realize that this amount is an increase over the $5 million amount requested by the administration and approved by the House of Representatives and recommended by the Senate Appropriations Committee for this account. However, I believe such an increase is necessary. The funds under this account are used to assist States to construct extended-care facilities which, once constructed, provide badly needed facilities for a substantial and growing population of eligible elderly veterans. The funding of the construction of these State homes is on a matching fund basis with participating States paying 35 percent of the total costs.

Mr. President, for fiscal year 1979, the Congress appropriated $10 million for this account. In this Congress, both Houses have passed legislation, in H.R. 3892, authorizing appropriations of $15 million for fiscal year 1980. I can see no justification for a reduction to only $5 million for fiscal year 1980. This program is a proven and cost-effective means of providing extended-care facilities for our elderly veteran population. In fact, the VA has assured the Veterans' Affairs Committee that applications in hand and expected from States willing to provide the matching funds will far exceed even the $10 million level in fiscal year 1980.

Mr. President, in my July 17 letter to the distinguished floor manager, I urged that this amount be appropriated. I regret that the committee did not agree.

Therefore, Mr. President, I strongly urge my colleagues to support the amendment which the Senator from West Virginia (Mr. RANDOLPH) and I are offering to add an additional $5 million to the account for grants for construction of State extended-care facilities.●

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 468

Mr. WILLIAMS. Mr. President, I send an amendment to the desk and ask the clerk to state it.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) (for himself, Mr. DOMENICI, Mr. SARBANES, Mr. RIEGLE, Mr. KENNEDY, Mr. MCGOVERN, Mr. RANDOLPH, Mr. STEWART, Mr. SCHMITT, Mr. CRANSTON, Mr. WEICKER, Mr. BAYH, Mr. TSONGAS, Mr. HEINZ, and Mr. LEVIN) proposes an unprinted amendment numbered 468:

On page 3, line 18, strike out "$800,000,000" and insert in lieu thereof "$860,000,000".

Mr. WILLIAMS. Mr. President, this amendment is cosponsored by the distinguished ranking minority member of the Committee on Aging (Mr. DOMENICI) and 13 more of our colleagues. It will add to the fiscal 1980 loan fund for the section 202 elderly and handicapped housing program that amount of money which, according to the Congressional Budget Office, is necessary to reserve the same number of units in 1980 as we will in 1979.

This is not an expansion of this program. It is, rather, a modest—7½-percent—increase in funding to counterbalance the effect of inflation

This increase is less than the overall rate of inflation.

This increase is less than inflation in housing construction costs.

The $860 million loan figure which

we are proposing is less than the authorization level in both the bills that have been reported out, gone to the floor, from the Senate Committee and the House Committee on Housing. The authorization bill is higher than this figure that is in this appropriations amendment.

It is, I reiterate, a modest increase over last year. But it is needed to stabilize production under the 202 program while Congress awaits the cost reduction study and recommendations from HUD which were mandated by the 1979 housing authorization bill. And it is also needed as a sign that Congress wants to draw the line against the year-by-year cutbacks which have been eating away at this program.

I wish to briefly review the production record for my colleagues, for this RECORD, and for this debate.

In 1976, the year in which Congress reactivated section 202, funds were provided sufficient to reserve 29,857 units. This was close to the 30,000 annual unit level which had been envisioned by Congress.

By 1978, actual reservations had dropped by one-third, to 19,973 units.

The Congressional Budget Office estimates that the $800 million appropriated for fiscal 1979 will reserve only 18,800 units. Thus, in 4 years the program has already been cut back nearly 40 percent.

CBO informed the Banking Committee that, if we do not go beyond the $800 million level, we can expect section 202 reservations in 1980 to drop again, by nearly 10 percent, to 17,400 units.

There is certainly nothing in the record of this program to justify this constant attrition, year by year, cutting it back. In fact, there is wide agreement that the 202 program may well be HUD's finest. The quality of the housing built is exceptional, and there have been virtually no sponsor defaults in its entire history. This exemplary record is largely due to the high degree of community participation which is guaranteed through the sponsorship of dedicated, expert, nonprofit service organizations.

And the need of the elderly and the handicapped for decent, affordable, and appropriate shelter is certainly not declining.

In the case of the elderly, we know that their numbers will steadily increase through the end of this century and into the next. We know that housing is the number one expense for older Americans, and that 5 million elderly have been identified by HUD as in need of housing assistance. We know that waiting lists for existing 202 projects range in length from 2 to 5 years around the Nation. And we know that older homeowners are in need of shelter alternatives as the cost of maintaining their homes goes up due to increased energy and maintenance costs, and as our supply of rental housing is reduced by abandonment and conversions to condominiums.

This amendment will not meet all of the need that is out there. It will not get us back to the 30,000-unit level at which the program started. It will not even begin to move us toward the 120,000 annual unit level which was recommended by the 1971 White House Conference on Aging. But at least it will hold the line against further cutbacks.

We may hear objections that this amendment will put the Housing appropriations bill above the budget. It is my understanding—and I know that Senator DOMENICI can with authority, add to this, as he was there—that the Budget Committee, during its markup, envisioned an $875 million funding level for section 202 housing. Further, the budget impact will be mitigated. First, none of this money will be laid out for several years—initial project costs, such as land acquisition and site preparation, are paid out of the revolving fund consisting of repayments on past 202 loans. Second, all of this money will be repaid to the Federal Government, with interest equal to our cost of borrowing.

We should also keep in mind that constantly declining levels of production discourage the submission of applications to this program by those groups with limited financial resources—specifically, minority and rural sponsors, organizations seeking to assist the handicapped, and community groups wishing to use 202 projects as a centerpiece for neighborhood revitalization.

This level of 202 funding has been endorsed by the ad hoc Coalition for Housing for the Elderly—a group of 20 national organizations representing more than 15 million older Americans—and by the task force on housing of the consortium concerned with the developmentally disabled.

Mr. President, I ask unanimous consent that a communication dated July 27, 1979 to me from the American Association of Homes for the Aging and the ad hoc Coalition for Housing for the Elderly be printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF HOMES FOR THE AGING,
Washington, D.C., July 27, 1979.

Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate, Chairman, Subcommittee on Housing and Urban Affairs, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR WILLIAMS: On behalf of the American Association of Homes for the Aging and the Ad Hoc Coalition for Housing for the Elderly, we write to encourage your continued efforts to increase the borrowing authority for the Section 202 Housing for the Elderly and Handicapped program from the Senate Appropriations Committee recommended level of $800 million in fiscal year 1980 to $860 million during the fiscal year.

The proposed slight increase in borrowing authority for the Section 202 program will just about sustain a current year operation production level of 18,860 units during the coming year. Inflation has seriously eroded the purchasing power of the Department. Per unit costs have escalated twofold during the past five years. The Section 202 program confronts an uncertain future where quality projects might be squeezed out of the marketplace, and/or reliable community responsive not-for-profit providers might be forced not to apply for funds because of the fiscal constraints imposed. The slight adjustment proposed by Senate advocates of quality housing programs makes a modest cost-of-living increase to the appropriation level. The economic impact of this proposed change is slight, in as much as the Section 202 program is repaid by the sponsor. Additionally, as housing is an investment and a source of employment, the total macroeconomic impact is favorable.

Considerable public attention has been directed at the development of non-institional alternative living arrangements for the elderly. The Senate has directed sizable investments in community service programs. In perspective, however, unless there is suitable housing, these approaches will suffer. The basic cost-conscious alternative to medical institutionalization for the elderly is quality housing. The Section 202 program has produced such quality shelter.

Your continued advocacy on behalf of older Americans is deeply appreciated.

Respectfully,

DAVID C. CROWLEY,
ACSW Executive Vice President, The American Association of Homes for the Aging.

WILLIAM D. HUGHES,
AAHA Director for Housing and Executive Secretary, Ad Hoc Coalition for Housing for the Elderly.

Mr. WILLIAMS. Mr. President, everyone of us is aware of the need for fiscal restraint in this time of inflation. But, in our efforts to curb the increase in the cost-of-living, we must be careful not to cut back on our assistance to those Americans most in need, and these are the young handicapped, and the older Americans struggling to make ends meet on small, fixed retirement incomes. So I urge upon my colleagues this amendment and their support. It is a modest step to prevent further declines in production in one of our best and most needed housing efforts.

I am very pleased again this year to have been joined in this effort by the most able Senator from New Mexico, Senator DOMENICI.

Mr. President, I ask unanimous consent to point out and correct a technical flaw and modify the amendment to read, "on page 4, line 5," rather than "on page 3, line 18".

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The modified amendment is as follows:

On page 4, line 5, strike out "$800,000,000" and insert in lieu thereof "$860,000,000".

Mr. DOMENICI. Mr. President, will the Senator yield me 5 minutes?

Mr. WILLIAMS. I will yield as much as the Senator needs that I may allow.

Mr. DOMENICI. Mr. President, I am pleased to join my good friend the distinguished Senator from New Jersey (Mr. WILLIAMS) in offering this amendment to provide $860 million for section 202 housing for the elderly and handicapped.

As everyone is aware, the section 202 program is the Department of Housing and Urban Development's primary Federal financing vehicle for providing specialized housing for the elderly and handicapped under nonprofit sponsorship. As I stated during the debate on the authorizing legislation, this program has been HUD's most successful housing effort because of the absence of defaults, and because tenant turnover in existing projects is extremely low, indicating that

the section 202 projects and programs are meeting a real need in a cost-effective manner.

Our aging population is growing at a rapid rate, and yet we are not providing a supportive and specialized living environment so they can remain self-sufficient and independent members of our society.

In spite of a committee directive during the 1976 reauthorization of the section 202 lending authority that a minimum of 35,000 new units be constructed annually, the program peaked at a mark nearly 10,000 units fewer than the congressional mandate. In 1977, only 24,791 units were funded; in 1978, 19,973 units; and in 1979, 21,200 units. The administration's proposed 1-year reauthorization of the program is estimated to fund approximately 19,700 units in fiscal year 1980. However, even this proposal for a decrease in the Federal commitment is overly optimistic, since HUD has used an inflation rate for only 4 percent in making its calculations. Thus, in the 3 years since the previous reauthorization, production of units under the section 202 program has fallen nearly one-third short of its target.

The impact of this failure to comply with the congressional mandate falls heavily on the scores of elderly individuals who are in desperate need of suitable housing. And the situation can only get worse:

By the year 2000, 30.6 million people will be age 65, or over, one in 9 Americans. This constitutes a 35 percent increase (8 million persons) over the current population.

In 1975, four-fifths of all older persons living alone or with non-relatives had annual incomes under $6,000, while less than one-half of non-elderly individuals are in that income category. Combining "poor" and "near poor" categories, we find 25 percent of all elderly in this category, versus 17 percent for the non-elderly.

Five million of the fifteen million households identified by HUD as in need of housing assistance are elderly. Their problems include both physically-deficient housing—a potential threat to health—and housing which costs more than they can afford.

Elderly households comprise 17 percent of all renter households, but they account for 35 percent of those with incomes below $3,000. In 1976, 1.4 million elderly renters were at this very low income level. Similarly, elderly households are 22 percent of all owners, but 53 percent of all owners with incomes below $3,000. In 1976, there were 1.6 million elderly owners with incomes below $3,000.

Housing is the number one financial expenditure for the elderly. It accounts for over one-third of their budget. The very old—age 75 and over—pay 48 percent of their income for housing on the average.

Mr. President, these facts argue persuasively for the development of a specialized housing program for elderly persons. If the acute housing needs of the elderly in our country are going to be recognized and attempts made to alleviate them, then we in Congress must pay close attention to the needs of our rapidly rising elderly population and the effectiveness of our public policies in meeting those needs. Surely we have room to improve our commitment to the elderly in terms of providing more suitable housing.

Mr. President, I believe this amendment enhances our commitment to continue to provide adequate housing for elderly individuals desperately in need of such assistance. I respectfully urge my fellow colleagues to give their support to this amendment.

We are going to hear over the next few months, constant and repeated concern about the impact of ever-increasing energy costs on our senior citizens. We are going to hear proposals to provide help through the energy crisis. I think it would be rather ironic if while we attempted on the floor of the Senate and in the House to develop new programs to assist our senior citizens on fixed incomes through the energy crisis, that we cut the program that provides housing at a reasonable cost through nonprofit institutions and did not maximize the utilization of it for our senior citizens.

I understand this program also will help our handicapped. But, for the most part, it is the senior citizen on fixed income. I think we ought to go ahead with those programs such as section 202 that work, even if we had to say that part of this program would come out of the funds that we hope someday to be spending for senior citizens and our poor people who are adversely affected by the energy crisis.

But since we do not have that all put together, it seems to me we ought to support the Williams amendment today and set a higher rather than a lower goal for this type of housing.

Mr. President, I hope the Senate will go along with this amendment. As I indicated, it is a viable and successful program. The aforementioned usually indicates that it is being managed well. Those who live in 202 housing are responding well to the program.

I hope the Senate will adopt the Williams amendment. I thank him for yielding.

Mr. PROXMIRE. Mr. President, I will be very brief. I realize the arguments for this amendment are very appealing. All of us have 202 programs in our States. They are very successful. The elderly who will occupy them are delighted with them. The communities all welcome them, and they are probably the happiest and most successful housing programs we have ever had. They are good and wholesome programs, and it is tough to oppose them. But, once again I must point out that we already have a bill here that is $1.7 billion over the budget resolution and the cruelest thing we can do to our senior citizens is to fuel the fires of inflation by spending more money.

The fact is more than 9 out of 10 of the elderly do not participate in the section 202 program and are not going to be in this program. They are outside of this program. They are going to be hit by inflation and are not going to be helped by this kind of additional funding.

Furthermore, Mr. President, of all those who need housing, the elderly are the ones who have been given the greatest consideration and the greatest help. The Government provides long-term loans to finance the construction and management of elderly housing projects under the section 202 program and the section 8 program, also funded through this bill, and provides the tenants of these projects with a rental subsidy. So we should not further sweeten the pot and burst the budget by increasing the section 202 portion of this equation above the President's budget request.

This amendment provides $60 million more than the President has requested, and it busts the budget.

Furthermore, every housing expert I have talked to has indicated that the one needy group that has been most helped by our housing programs has been the elderly. Eighty percent of the new section 8 units made available for occupancy since the program began have been for the elderly. Families are, of course, less attractive to the community because they bring with them education burdens, crime problems, and so forth. Their children have energy, and many of them create problems of various kinds. Families are not wanted, and family housing programs move very slowly. But the elderly are welcome and, consequently, those programs move ahead. We should not further skew the housing mix away from families and toward the elderly by boosting funding for the section 202 program above the budget request.

Incidentally, the Appropriations Committee acted on a similar amendment by voting against it, and I think we should consider that we have, as I said, done our best already for the elderly. They are taxpayers, too. Most of them would not benefit from this program, and would be hurt by the inflation, the additional taxes, and the additional burden that this program represents.

So I must rise in opposition to the program.

Mr. President, I think I am ready to yield back my time if the Senator from New Jersey is ready to yield back his time. I think there will be a substitute amendment for his amendment, if he is ready for that. It cannot be offered until our time is yielded back.

Mr. DOMENICI. Do we have the yeas and nays on our amendment? Has anybody asked for it?

Mr. PROXMIRE. We will not have to.

Mr. WILLIAMS. We need to yield back time to get to the substitute.

I think the Senator from Michigan wanted to speak, perhaps now or on the substitute, either way.

Mr. RIEGLE. I think I prefer to wait.

Mr. WILLIAMS. I yield back my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PROXMIRE. Yes, all time is yielded back.

I understand the Senator from Florida has a substitute amendment.

UP AMENDMENT NO. 469

Mr. CHILES. Mr. President, I send to the desk an amendment, an unprinted amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES) proposes an unprinted amendment numbered 469.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 4, line 5, strike "$800,000,000" and insert in lieu thereof "$860,000,000."

Page 2, line 12, strike "1,140,861,000" and insert "1,135,191,000"

Mr. CHILES. Mr. President, the effect of this amendment would be to add 1,300 units of 202 funds and to cut 1,300 units of section 8 funds, so the effect of it would be—the numbers actually differ from that in order to get that kind of a substitution.

Mr. President, I listened to the arguments of the distinguished Senator from New Jersey. I agree with those arguments. I listened to the arguments of the distinguished Senator from New Mexico, and the ranking member of the Committee on Aging, and I certainly agree with those. I want to associate myself with the arguments.

I think 202 is the most effective and efficient program we have had. Certainly in section 8 and certainly for subsized housing, it has been a boon to the elderly, and it needs more units, and it is not a program we should be cutting back. It is a program that I certainly want to see have more units, and I strongly want to support it having more units.

But the one thing the elderly in this country need in addition to housing, and many of them need that, is that they need some relaxation on inflation, and they certainly do not need any addition of inflation.

The thing that hurts the elderly more than anything else is the continually increasing and escalating rate of inflation. For us to be dealing with a budget here today that is adding to the inflationary pressures—and that is what this budget overall is doing—and to see that we have been unable to make any kind of cuts, whether they be revenue sharing or whether they be section 8 grants or whether they be anything else, and then say, "We are going to do something great for the elderly because we are going to add some more housing," you would be doing something good for the people who would get those houses, and it would be great for them, but you sure would not be giving a boon or a favor to the elderly, because you are saddling additional rates of inflation on them, and they are choking to death on it now.

I have had an opportunity, from the platform of sorts which I now have as chairman of the Senate Committee on Aging, to listen to many of the aging groups. The No. 1 problem that they raise, whether it is the National Council of Senior Citizens or any of the others that come before me, is the one on the basis of which they are choking, and they continually ask why are we not doing something about inflation, and they now talk more and more about doing something about this problem as well.

Mr. President, I think we will be able to provide those additional needs, to see that we do not cut back on the number of 202 units, which I do not want to do and I do not believe most Senators want to do, and at the same time at least not inflate this bill any more; we will at least be able to stay within the numbers that have come out of the committee. And those numbers, I remind the Senate, are above the budget figures, the figures on which we based our budget.

We are now getting ready to move to the consideration of the second budget resolution, and we have already been told by the chairman of the committee that we are getting ready to face a $35 billion deficit on the basis of the increases in some of the economic assumptions, the fact that many of the budgets are going above what was targeted for in the first budget resolution, and the fact that we have not been able to achieve the savings that we were projecting in the first budget resolution.

It seems to me that if we are concerned about keeping the 202 program at least at the level where it now is—and I am concerned about that—then we would want to adopt this substitute amendment, because we would keep it at that level and at the same time not be inflating this budget any further.

I would remind the Senate again that we had an amendment to cut section 8, because it was above the Budget Committee recommendation, and that amendment failed. This would mean that again we would stay with that overall number on section 8, but we would be transferring or at least reserving a portion of those funds, to see that we were going to build the right number of 202 units.

Mr. President, I reserve the remainder of my time.

Mr. WILLIAMS. Mr. President, I know it is important to be very brief, because some who want to vote on this measure will not be here.

The PRESIDING OFFICER. The Chair must inform the Senate that the amendment offered by the Senator from Florida is not in order as a substitute. It is broader than the pending amendment in that it purports to amend a portion of the bill not touched by the amendment offered by the Senator from New Jersey.

Therefore, the amendment is not in order.

Mr. WILLIAMS. I call for the yeas and nays on the amendment I have offered.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time not be taken out of either side. Only for a couple of minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Is the parliamentary situation that, the Chair having ruled that the Chiles amendment was not in order, the question reverts to the Williams amendment that was pending?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. The vote is up or down on the Williams amendment?

The PRESIDING OFFICER. On the Williams amendment.

Mr. PROXMIRE. Mr. President, I guess all remaining time is yielded back and we are ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey (Mr. WILLIAMS).

The amendment (UP No. 468, as modified) was agreed to.

Mr. PROXMIRE. Mr. President, as I understand it, there are no more amendments. We had a list of amendments. If any Senator has additional amendments, I assume he will let us know.

Does the Senator from Maryland know of other amendments?

Mr. MATHIAS. I know of no further amendments.

Mr. PROXMIRE. If there are no further amendments, let me make one brief statement before I yield back the remainder of my time. With a heavy heart I am going to vote against the bill that I managed, a bill that came out of the subcommittee of the Appropriations Committee of which I am chairman.

I know it is unusual for a bill manager to vote against his own bill but I have no other alternative. This bill is $1.8 billion over the budget resolution. Today we added $684 million in revenue sharing funds, $25 million for veterans medical care, $5 million for veterans State homes and $60 million for the 202 housing program. That excessive amount over the budget resolution just makes it impossible for me to support this bill. I say so with reluctance but I must take that position.

Mr. MUSKIE. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MUSKIE. I appreciate the statement the Senator has made. As I indicated in my statement earlier this morning, if the bill was not reduced, I, too, would oppose it. It has been increased by some $700 million, so I will join the Senator in voting against the bill. I know of no other way to indicate that we are going to substantially breach the budget if we start with this momentum in the first appropriations bill and we are continuing. I do not know what the end will be, but I expect the Senate will be shocked when we get to the second budget resolution which will increase a sharply increased budget deficit.

Mr. PROXMIRE. I yield to the Senator from Idaho.

Mr. CHURCH. I have just listened to the statements made by the manager of the bill and by the able chairman of the Budget Committee. I am inclined very much by the force of their argument to follow their example. I do not know how we are going to bring Federal spending under control unless we heed our own actions when we pass the budget resolutions.

In view of the provisions now in the bill before the Senate—$700 million over the budget resolution—the course of action decided upon by the two Senators to vote against this bill is one that I, too, will follow.

Mr. MATHIAS. Mr. President, I respect, certainly, the concern which has been expressed by the distinguished Senator from Wisconsin, the manager of the bill, the distinguished Senator from Maine, and the distinguished Senator from Idaho because the concerns they express are very real and they are concerns that I share. But it seems to me we have to look at life as it is, not as life has been portrayed somewhere.

In looking at the housing needs of the country, the President sent us a budget request which was almost $800 million more than the bill as it stands at this moment in the Senate. The President's judgment as to what we were going to need to spend were nearly $800 million more than the Senate at this point is being asked to appropriate. The committee has worked its way through the bill at various committees levels. The Senate has taken some actions today which have affected the spending levels in the bill. These are the corporate judgments of this institution as to what we need to do to provide shelter for Americans, a very basic human need.

The fact that it is exceeding the budget resolution is a matter, I think, that we can take for granted, but we are talking about two different legislative actions. There is the legislative action involving the budget resolution and there is the legislative action that we are proposing to take here. Both of them cannot be right. It may be that we are more nearly right in our judgment here than we were in the budget resolution. In fact, it is perfectly clear that there were some assumptions which went into the first concurrent budget resolution which have proven to be in error. Those assumptions, having proven to be in error, should not necessarily be the criteria by which we make our decision here today. This decision, it seems to me, has to be governed by that careful balance of fiscal prudence and human need which is represented by the final version of this bill which is now before the Senate, and which, in about 60 seconds, will be voted upon.

Before we close this debate, however, I want to renew my thanks not only to my distinguished colleague from Wisconsin but also to the members of the staff without whom I think we could hardly have brought this bill to this point. It has taken many, many hours of arduous work on behalf of the staff. Their contribution here should certainly be recognized. I want to express my appreciation to them.

Mr. President, I think this bill, as finally worked out, certainly is not going to satisfy everyone. It is not going to satisfy a lot of the people of America looking for shelter. It is not going to satisfy those who would like to see the Federal pursestrings tighter than they are. But it does represent the best compromise, the best balance, that we could achieve. I think it is deserving of support from a majority of the Members of the Senate.

Mr. PROXMIRE. Mr. President, I want to say what a pleasure it always is to work with the Senator from Maryland. He is tremendously effective, wise, and intelligent—even though he is often wrong, as he is in this case. I admire and respect him. I am ready to yield back my time, if the Senator is willing to yield back his. I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, I am pleased to support this bill to appropriate funds to meet this Nation's housing and community development needs for 1980.

As Chairman of the Subcommittee on Housing and Urban Affairs, I have a very specific and profound concern for the needs of our citizens, especially those who are forced to live in inadequate, substandard shelter or shelter beyond their financial means.

As we enter a period of continuing and even increasing inflation, the cost of decent housing has become almost prohibitive for many Americans. Many families' ability to set aside even a constant proportion of their budget for shelter has been eroded, especially in light of steep rises in energy costs. More than any other segment of our society, the elderly, the unemployed, the handicapped, and those on fixed incomes are the most susceptible, and, increasingly, the displayed victims of an unstable economy.

Mr. President, those factors, brought out in testimony before my subcommittee, created apprehensions on my part when efforts were made in this body to change the mix of unit types from the Department's proposed levels as reflected in the housing assistance plans. These recommendations, had they been accepted, would surely have exacerbated the pattern of problems which have had such an effect on housing in this country.

We developed the concept of housing assistance plans initially to provide a mechanism to reflect local housing requirements. In this way, we could respond flexibly to each community's need, rather than imposing an inflexible and unresponsive Federal standard. It was made clear to our committee that we have a grave shortage of housing stock in virtually every region of this country. If changes in this legislation, to reduce assistance for new and substantially rehabilitated units, were to be enacted, it would not only be a repudiation of our recognition of local requirements and expertise, but would have an immediate as well as long-term adverse impact on all of us. By not increasing the housing stock in a manner consistent with needs, we would surely inflate housing costs in nearly every community where we were unable to approach the HAP goals. Not only would those in need of shelter have a smaller market to choose from, but as vacancies dried up, costs for all housing would almost surely increase at a level much more rapid than even the distorted rate of the last 18 months.

Consequently, I am pleased at the committee bill's retention of the HAP mix, just as I commend the committee members for rejecting the attempt to lower still further the level of assisted housing.

Although the committee level for assisted housing represents a higher amount than some Members had sought, it is nowhere near adequate to meet the estimated annual requirements over the next decade. Thus, although I recognize the need for prudent Federal spending, I am concerned that this year will see a shortfall of some 300 to 400,000 units. Many of those excluded by this shortfall will be newly formed families with few, if any, alternatives but to join the long line of those who have been promised decent shelter, but have never received more than a promise. It is tragic that rather than making progress toward our commitment, it appears we are straying farther and farther from our goals of providing decent shelter to all Americans in need.

I would like to mention other areas of the bill about which I am particularly concerned.

The urban development action grant program has been increased by $275 million to reflect the substantive benefits this program has demonstrated in establishing a partnership between the private sector and the Federal Government to rejuvenate our distressed urban areas. This program has brought unique opportunities for employment and new life to many inner city areas that would, prior to this program, simply have been written off, and forgotten.

The committee also wisely funded the congregate housing services program, which I was pleased to author last year. This program is an effort to prevent the unnecessary and costly institutionalization of our elderly and handicapped. It is designed to encourage the development of specially designed residential housing through the guarantee of long-term support services. The funding approved by the committee will allow the program to continue for a second year.

Appropriations for the troubled projects program has been maintained. Although I am disappointed that State housing finance agency projects are excluded, this program will serve to insure the financial stability of existing rental housing projects, thereby protecting tenants from higher rents: It will preserve and improve existing projects and their impacted neighborhoods, and it will prevent potential losses to the insurance funds resulting from project insolvency.

I am grateful for the committee's inclusion of $3.7 million for fair housing. Despite the existence of fair housing laws in 37 States which reflect the intent of title VIII, only 9 States have had the financial resources to accept cases referred by HUD. Many State and local fair housing agencies have done outstanding jobs, such as the Fair Housing Council of Bergen County in my State of New Jersey, but these efforts to assist women, to assist the handicapped, to assist minorities have been severely hampered by the lack of adequate resources. Through the committee's actions—and particularly thanks to Senator BAYH and Senator MATHIAS—many of

these agencies will now be given an opportunity to carry out the Federal law.

Finally, I would like to commend the committee for its appropriation of construction funds for the Veterans' Administration hospital planned for Camden, N.J. This project has been envisioned by the people of my State for almost a decade, and it is indeed gratifying to see it move significantly closer to reality as a result of the committee's endorsement.

The hospital is to be built in conjunction with the Cooper medical facility and the southern extension of the New Jersey School of Medicine, thereby providing a fine, new and badly needed modern medical complex for veterans and others throughout southern New Jersey. The medical facility will also mean new jobs and economic activity in a city that has more than its share of problems.

Mr. President, the committee has produced a bill that contains the funding necessary to maintain a variety of essential agencies and programs. While I personally feel that some issues addressed by the bill should have received additional appropriations in light of the pressing needs that exist, particularly in the area of housing, I am willing to lend it my support, and urge my colleagues to do the same.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Maryland (Mr. SARBANES), the Senator from Arkansas (Mr. PRYOR), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

On this vote, the Senator from Illinois (Mr. PERCY) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from Illinois would vote "yea" and the Senator from South Carolina would vote "nay."

The PRESIDING OFFICER (Mr. TSONGAS). Are there other Senators who wish to vote?

The result was announced—yeas 60, nays 25, as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—60

Baker	Durkin	McGovern
Baucus	Ford	Melcher
Bayh	Glenn	Metzenbaum
Biden	Gravel	Morgan
Boren	Hart	Moynihan
Bradley	Hatfield	Nelson
Bumpers	Hayakawa	Packwood
Burdick	Heflin	Pell
Byrd, Robert C.	Heinz	Randolph
Cannon	Hollings	Ribicoff
Chafee	Jackson	Riegle
Cochran	Javits	Sasser
Cohen	Johnston	Schmitt
Cranston	Kassebaum	Schweiker
Culver	Kennedy	Stafford
Danforth	Leahy	Stevens
DeConcini	Levin	Stewart
Dole	Magnuson	Talmadge
Domenici	Mathias	Tsongas
Durenberger	Matsunaga	Williams

NAYS—25

Bentsen	Helms	Roth
Boschwitz	Humphrey	Simpson
Byrd, Harry F., Jr.	Jepsen	Stone
Chiles	Laxalt	Tower
Church	Lugar	Wallop
Eton	McClure	Warner
Garn	Muskie	Young
Hatch	Nunn	Zorinsky
	Proxmire	

NOT VOTING—15

Armstrong	Inouye	Sarbanes
Bellmon	Long	Stennis
Eagleton	Percy	Stevenson
Goldwater	Pressler	Thurmond
Huddleston	Pryor	Weicker

So the bill (H.R. 4394), as amended, was passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. TSONGAS) appointed Messrs. PROXMIRE, STENNIS, BAYH, HUDDLESTON, LEAHY, SASSER, DURKIN, MAGNUSON, MATHIAS, BELLMON, WEICKER, LAXALT, SCHMITT, and YOUNG, conferees on the part of the Senate.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, today the Senate has completed action on H.R. 4394, the fiscal 1980 appropriations bill for the Department of Housing and Urban Development and 20 independent agencies.

None of us need to be reminded that the chairman of the Appropriations Subcommittee with jurisdiction over this area, and able manager of the bill, Mr. PROXMIRE, also serves as chairman of the Banking, Housing, and Urban Affairs Committee. Senator PROXMIRE thus brings unique expertise leadership to the area of housing and community development policy.

Two weeks ago the Senate passed the authorizing legislation for housing and community development programs. In considering that bill, Members were of different minds as to what the optimum funding levels should be. The quality of debate which ensued could not have been more informative for those Senators, such as myself, who do not serve on the Housing Committee. The issues involved in balancing the need for fiscal restraint against the needs of the housing assistance, particularly for the poor and elderly living on fixed incomes, are not easily resolved.

The measure which passed the Senate represented a lower level of authorization than the bill reported. However, it was a good bill when it was reported and a good bill when it was passed.

The bill before the Senate is a complicated bill. It provides funding for a wide range of programs in addition to those of housing and community development. Senator PROXMIRE and Senator MATHIAS, the ranking minority member of the Department of HUD and Independent Agencies Appropriations Subcommittee, have effectively worked together to produce an excellent bill. The two Senators often find themselves in friendly disagreement. Once again, the Senate and public benefit from a process which encourages expression and resolution of competing and innovative ideas. The expertise and concern which Senators PROXMIRE and MATHIAS bring to this area—and their different viewpoints—have constructively helped shape this bill.

Funding provided by the bill will touch the lives of many Americans. It provides sufficient funding to continue the Federal commitment to help both urban and rural Americans find a decent place to live. It continues the Federal effort to fight for and maintain the quality of this country's air and water. It funds medical and other services to this Nation's veterans. It continues Federal research efforts in such agencies as the National Science Foundation and the National Aeronautics and Space Administration.

I want to thank the members of HUD and Independent Agencies Subcommittee, and of the full Appropriations Committee for the time and efforts they have devoted to reporting this bill.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RULES COMMITTEE ACTS ON AIRLINE COUPONS—COMMENDATION TO SENATORS PELL AND HATFIELD

Mr. PERCY. Mr. President, I would like to commend the Senate Rules and

Administration Committee for its action on July 13 when it adopted an amendment to the travel regulations of the Senate regarding the use of discount coupons received by Senators and Senate employees when on official travel.

On June 6 I introduced, along with Senator GOLDWATER, a resolution directing Senators and Senate employees to turn in any discount coupons received during official travel to offset the cost of further official trips. At that time, I was concerned that these coupons, obtained with public funds, might be used to purchase airline tickets at reduced cost for personal travel, depriving the taxpayers of savings that are rightfully their own. My intention was to bring this matter to the attention of my colleagues and ask the Senate to adopt a clear-cut policy on the use of these coupons so there would be no misunderstanding about who should be the proper beneficiary of future discount travel.

On June 14 in a meeting of the Senate Rules Committee, the distinguished chairman and ranking minority members, Senators PELL and HATFIELD, addressed the subject of this resolution and agreed that an amendment to the Senate travel regulations would be appropriate to clarify and reinforce Senate policy on this matter.

At its next meeting, which was July 13, the committee adopted the amendment and the text reads as follows:

> Discount coupons or other evidence of reduced fares, obtained on official travel, shall be turned in to the office for which the travel was performed, so that they may be utilized for future official travel.

This new regulation clearly states the policy of the Senate regarding the use of these coupons or any other form of discount fares for all modes of public transportation.

Again, Mr. President, I commend Senators PELL and HATFIELD for their leadership in this matter and the Rules Committee as a whole for its action on behalf of the taxpayers of this country.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

AGREEMENT BETWEEN THE UNITED STATES AND AUSTRALIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT—PM 90

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Foreign Relations, the Committee on Governmental Affairs, and the Committee on Energy and Natural Resources, jointly by unanimous consent:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123 d of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(d)), the text of the proposed Agreement Between the United States and Australia Concerning Peaceful Uses of Nuclear Energy and accompanying annex and agreed minute; my written approval, authorization and determination concerning the agreement; and the Memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views of the Members of the Nuclear Regulatory Commission are also enclosed.

The proposed agreement with Australia is the first such agreement submitted to the Congress since enactment of the Nuclear Non-Proliferation Act of 1978, which I signed into law on March 10, 1978 and which, among other things, calls upon me to renegotiate existing peaceful nuclear cooperation agreements to obtain the new provisions set forth in that Act. In my judgment, the proposed agreement for cooperation between the United States and Australia, together with its agreed minute, meets all statutory requirements.

I am particularly pleased that this first agreement is with Australia, a strong supporter of the Non-Proliferation Treaty and of international nonproliferation efforts generally. The proposed agreement reflects the desire of the Government of the United States and the Government of Australia to update the framework for peaceful nuclear cooperation between our two countries in a manner which recognizes both the shared nonproliferation objectives and the close relationship between the United States and Australia in the peaceful applications of nuclear energy. The proposed agreement will, in my view, further the nonproliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give it favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *July 27, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President of the United States, received earlier today, relative to a proposed agreement between the United States and Australia concerning peaceful uses of nuclear energy, be jointly referred to the Committees on Foreign Relations, Governmental Affairs, and Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:28 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to H.R. 4389, an act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. NATCHER, Mr. FLOOD, Mr. SMITH of Iowa, Mr. PATTEN, Mr. OBEY, Mr. ROYBAL, Mr. STOKES, Mr. EARLY, Mr. WHITTEN, Mr. MICHEL, Mr. CONTE, Mr. O'BRIEN, and Mr. PURSELL were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4453. An act to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin.

At 3:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 1786, an act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3996. An act to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4453. An act to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin; to the Committee on Labor and Human Resources.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and placed on the calendar:

H.R. 3996. An act to amend the Rail Passenger Service Act to extend the authorizations of appropriations for Amtrak for 3 additional years, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which are referred as indicated:

EC–1870. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Family Farmers Need Cooperatives—But Some Issues Need to be Resolved," July 26, 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1871. A communication from the Assistant Administrator for Management, Policy, and Budget, General Services Administration, transmitting, pursuant to law, a Statistical Supplement Stockpile Report, October 1978 through March 1979; to the Committee on Armed Services.

EC–1872. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, on corporations which come under the provisions of Office of Management and Budget Policy Letter No. 78–6, Wage and Price Standards for Federal Contractors; to the Committee on Armed Services.

EC–1873. A communication from the President of the United States, transmitting a draft of proposed legislation to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–1874. A communication from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a statement with respect to a credit of $63,750,000 available to ALIA—The Royal Jordanian Airline Corporation (ALIA) to facilitate the purchase in the United States by ALIA of four new Boeing 727–200 jet aircraft, spare engines and related parts and services; to the Committee on Banking, Housing, and Urban Affairs.

EC–1875. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice that the Commission is unable to render a final decision in Docket No. 37105, Increased Rates on Coal, Colstrip and Kuehn, MT to Minnesota, within the initially specified 7 month period; to the Committee on Commerce, Science, and Transportation.

EC–1876. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice that the Commission is unable to render a decision in Docket No. 37093, Joint Rates Via the Ann Arbor Railroad System, December 1978, within the initially specified 7 month period; to the Committee on Commerce, Science, and Transportation.

EC–1877. A communication from the Secretary of the Interior, transmitting, for the information of the Senate, his views on the bill S. 14 (which amends the Reclamation Act) and possible amendments thereto; to the Committee on Energy and Natural Resources.

EC–1878. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application by the Lewiston Orchards Irrigation District of Lewiston, Nez Perce County, Idaho, for a loan under the Small Reclamation Projects Act; to the Committee on Energy and Natural Resources.

EC–1879. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement (FEIS) and supplemental information on Kaskaskia Island Drainage and Levee District, Illinois, project; to the Committee on Environment and Public Works.

EC–1880. A communication from the Acting Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize additional appropriations for the Department of State for Migration and Refugee Assistance for fiscal years 1980 and 1981; to the Committee on Foreign Relations.

EC–1881. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Civilian Audit Organizations Have Often Been Unsuccessful in Obtaining Additional Staff," July 27, 1979; to the Committee on Governmental Affairs.

EC–1882. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a summary of responses (proposals for action or reasons for inaction) for the report of the Board of Visitors to the United States Air Force Academy made to the President on 22 December 1977; to the Committee on Governmental Affairs.

EC–1883. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–1884. A communication from the Comptroller General of the United States, reporting, pursuant to law, on a comprehensive study of the Senate's and House's financial disclosure systems; to the Committee on Governmental Affairs.

EC–1885. A communication from the Director, Office of Administration, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–1886. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–1887. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Passive Restraints for Automobile Occupants—A Closer Look," July 27, 1979; to the Committee on Governmental Affairs.

EC–1888. A communication from the President, United States Capitol Historical Society, transmitting, pursuant to law, the Society's financial report for the year ended January 31, 1979; to the Committee on the Judiciary.

EC–1889. A communication from the Director, National Institute of Corrections, transmitting, pursuant to law, the Institute's third annual report; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–408. A resolution adopted by the Senate of the Legislature of the State of Massachusetts; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent:

"RESOLUTIONS

"Whereas, many Americans are denied medical treatment because of the escalating costs of hospitalization, physician fees and insurance coverage; and

"Whereas, the health plan of President Carter would use private insurance firms to finance health care with the premiums coming mostly from employers, employees and general tax revenues with no increase in payroll taxes; would include steps to control costs and stress preventive medicine, including a pilot program in preventive care; would expand coverage for the poor, the nearly poor, the elderly and disabled; would expand and reform medicaid and medicare; would cover catastrophic costs of a family above twenty-five hundred dollars a year; and would be the basis for a later comprehensive program; now, therefore, be it

"Resolved, that the Massachusetts Senate wholeheartedly applauds President Carter's tireless efforts and endorses the Carter health plan as best addressing the goal of health care for all Americans, and respectfully urges the United States Congress to enact such legislation this year; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the clerk of the Senate to each Member of Congress from the Commonwealth."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a resolution adopted by the Massachusetts State Senate, relative to the President's national health plan, be jointly referred to the Committees on Finance and Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

POM–409. A resolution adopted by the City Council of Lakewood, Ohio, urging the appropriate elected representatives to the Congress of the United States to support H.R. 2215 to eliminate the reduction in Social Security benefits for spouses and surviving spouses receiving certain Government pensions; to the Committee on Finance.

POM–410. A petition of the Passaic County Grand Jury, Paterson, New Jersey, relating to the presentment of the Paterson Task Force for Community Action, Incorporated; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment and an amendment to the title:

S. 689. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children, and for other purposes (Rept. No. 96–260). Referred to the Committee on Appropriations for not to exceed 15 days, pursuant to section 401 (b)(2) of Public Law 93–344.

FOOD STAMP ACT AMENDMENTS OF 1979

By Mr. McGOVERN, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4057, an act to increase the fiscal year 1979 authorization for appropriations for the food stamp program (Rept. No. 96–261).

By Mr. RIBICOFF, from the Committee on Governmental Affairs, with an amendment:

H.R. 3824. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval (Rept. No. 96–262).

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid

transit system of the National Capital Region (Rept. No. 96–263).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 196. A resolution increasing the limitation on expenditures by the Select Committee on Intelligence for the procurement of consultants (Rept. No. 96–264).

S. Res. 201. A resolution increasing the limitation on expenditures by the Committee on Commerce, Science, and Transportation for the training of professional staff (Rept. No. 96–265).

S. Res. 204. A resolution increasing the limitation on expenditures by the Committee on the Budget for the procurement of consultants and authorizing expenditures by such committee for the training of its professional staff (Rept. No. 96–266).

S. Res. 208. An original resolution relating to the purchase of calendars (Rept. No. 96–267).

S. Res. 209. An original resolution authorizing the printing of a compilation of materials entitled "History of the Committee on Rules and Administration," as a Senate document (Rept. No. 96–268).

S. Res. 210. An original resolution temporarily suspending paragraph 1 of rule IV of the Rules for the regulation of the Senate Wing of the United States Capitol to permit a photograph of the Senate in session.

S. Res. 211. An original resolution to pay a gratuity to Johanna B. Salvetti.

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

Special Report entitled "Allocation of Budget Totals for Fiscal Years 1979 and 1980" (Rept. No. 96–269).

By Mr. BURDICK, from the Committee on Environment and Public Works and the Committee on Banking, Housing, and Urban Affairs, jointly, with an amendment:

S. 914. A bill to provide public works, business financing, and other development assistance to alleviate economic distress (together with additional views) (Rept. No. 96–270).

By Mr. FORD, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 1403. A bill to amend sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87), and to provide a 7-month extension for the submission and approval of State programs or the implementation of a Federal program (together with additional and minority views) (Rept. No. 96–271).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. Res. 212. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 914. Referred to the Committee on the Budget.

Mr. PROXMIRE. Mr. President, the Senator from West Virginia is a tremendously persistent and more effective majority leader, and I say that because he has been so persistent getting me to get some action on this EDA bill, and I am delighted to tell him I am filing a budget waiver resolution right now to permit us to act on the EDA bill very promptly.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. PROXMIRE. I am doing that primarily because the majority leader has been so insistent in asking that we get action on it.

So I send a waiver to the desk and ask for its appropriate reference.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Wisconsin has always been most cooperative and understanding of the problems and cooperative with the leadership in attempting to expedite the legislation in a reasonable way, and I think what he has done in this instance is typical and demonstrative with his fine attitude and splendid worksmanship and teamwork that he demonstrates.

Mr. PROXMIRE. I thank the Senator.

Mr. ROBERT C. BYRD. I thank him for his good work.

The PRESIDING OFFICER. The resolution will be received.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

George Herbert Patrick Bursley, of Maryland, to be a Member of the National Transportation Safety Board.

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CANNON. Mr. President, as in executive session, I also report favorably sundry nominations in the National Oceanic and Atmospheric Administration and the Coast Guard which have appeared previously in the RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on July 9 and July 16, 1979, at the end of the Senate proceedings.)

AUTHORITY FOR COMMITTEE ON ENERGY AND NATURAL RESOURCES TO FILE A REPORT UNTIL 7:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources have until 7:30 p.m. this evening to file the report on S. 1403, a bill to amend the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STONE:

S. 1591. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct separately-stated State and local utility taxes on amounts paid for heating and cooling their homes, whether or not they itemise deductions; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. HEINZ and Mr. LUGAR):

S. 1592. A bill entitled the "Financial Regulation Simplification Act of 1979"; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATHIAS:

S. 1593. A bill for the relief of Panivons Norindr; to the Committee on the Judiciary.

S. 1594. A bill for the relief of Panisovk Norindr; to the Committee on the Judiciary.

By Mr. MORGAN (for himself and Mr. TSONGAS) (by request):

S. 1595. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PELL:

S. 1596. A bill to consent to the institution of an action in the United States District Court for the District of Rhode Island for the adjudication of the claim of Charles E. Day, Sr. and Mary Day, husband and wife against the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STONE:

S. 1591. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct separately-tested State and local utility taxes on amounts paid for heating and cooling their homes, whether or not they itemize deductions; to the Committee on Finance.

● Mr. STONE. Mr. President, today I am introducing legislation which would provide for a Federal tax deduction in the amount of State and local taxes individuals must pay on their utility bills for heating and cooling their homes. This deduction would be available for those taxpayers who do not itemize their deductions as well as those who do.

Mr. President, in this time of spiraling energy costs, especially utility bills, my bill is one way we can ameliorate the impact of these costs, especially for those living on low or fixed incomes. In Florida, for example, the average utility customer would be permitted a deduction of $37 in computing his Federal income tax liability.

With taxes so high, in addition to unrestrained inflation, it is unfair for taxpayers to have to pay taxes twice on the same income. Under present law individuals pay State and local utility taxes and then are required to pay Federal tax on that same income, which is used to purchase needed electricity or gas. We must relieve this burden.

I believe we must provide relief, espechally to our elderly who are on fixed incomes. These people must heat and cool their homes. With double-digit inflation, how can we expect them to continue to meet the costs of these necessities? Unfortunately, it is unlikely that fuel prices themselves can be controlled in the short term. Therefore, we must look for every reasonable approach to ease the burden of utility expenses for the American consumer.

Mr. President, my bill is not a great drain on the U.S. Treasury. For fiscal

year 1980, the revenue loss is estimated to be less than $128 million. The following table gives the calendar year and fiscal year revenue loss estimates for 1980–84. These estimates are overstated because telephone utility taxes are included, and they will not be deductible under my bill.

Given the fairly low revenue loss estimates, I feel that this is a must-pass piece of legislation. We have to assist our low-income and fixed-income families to meet their energy needs without suffering undue sacrifices and hardships.

Mr. President, I ask unanimous consent that the table and the text of my bill be printed in the RECORD.

There being no objection, the table and bill were ordered to be printed in the RECORD, as follows:

Estimated Revenue Loss *

[Dollars in million]

	1980	1981	1982	1983	1984
Calendar	778	933	1,120	1,344	1,612
Fiscal	128	803	964	1,157	1,388

* Source: Joint Committee on Taxation.

S. 1591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF DEDUCTION.

(a) IN GENERAL.—Section 164 of the Internal Revenue Code of 1954 (relating to taxes) is amended—

(1) by inserting immediately after paragraph (4) of subsection (a) the following new paragraph:

"(5) Certain State and local utility taxes.", and

(2) by adding at the end of subsection (b) the following new paragraph:

"(6) CERTAIN STATE AND LOCAL UTILITY TAXES.—The term 'certain State and local utility taxes' includes only a separately-stated State or local tax imposed on or for the use of electrical energy, gas, or steam for heating and cooling the principal residence of an individual.".

(b) DEDUCTION WITHOUT REGARD TO ITEMIZED DEDUCTIONS.—

(1) IN GENERAL.—Section 63 of such Code (relating to definition of taxable income) is amended—

(A) by striking out "and" at the end of subparagraph (A) of subsection (b)(1),

(B) by inserting after subparagraph (B) of subsection (b)(1) the following new subparagraph:

"(C) the deduction allowed by section 164 with respect to certain State and local utility taxes, and",

(C) by striking out "and" at the end of paragraph (1) of subsection (f),

(D) by striking out the period at the end of paragraph (2) of subsection (f), and inserting in lieu thereof a comma and the word "and", and

(E) by adding at the end of subsection (f) the following new paragraph:

"(3) the deduction allowed by section 164(a)(5) with respect to certain State and local utility taxes.".

(2) Conforming amendment for withholding purposes.—Subsection (m) of section 3402 of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(A) the sum of—

"(i) the estimated itemized deductions, and

"(ii) the deduction allowed by section 164 (a)(5) with respect to certain State and local utility taxes, over", and

(B) by striking out "section 151" in paragraph (2)(A) and inserting in lieu thereof "section 151 and section 164(a)(5)".

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1978, and with respect to State and local utility taxes paid or incurred after that date.●

By Mr. DOLE (for himself, Mr. HEINZ, and Mr. LUGAR):

S. 1592. A bill entitled the "Financial Regulation Simplification Act of 1979": to the Committee on Banking, Housing, and Urban Affairs.

● Mr. DOLE. Mr. President, today I am introducing the Financial Regulation Simplification Act of 1979. This bill was originally introduced in the House by Congressman STANTON, the ranking minority member of the House Banking Committee, and has received broad support there.

Our bill is aimed at eliminating unnecessary costs and burdens imposed on the economy by Federal regulation.

Mr. President, this bill both complements and corrects an omission of President Carter's Executive order of March, 1977, "improving government regulation," by requiring the Financial Regulatory Agencies to initiate the same type of regulatory reform as all other executive agencies are now required to undertake.

The Financial Regulation Simplification Act requires that the Federal Financial Regulatory Agencies periodically review existing regulations in light of the bill's policy goals. Six specific policy criteria must be used as a standard in issuing any new regulations.

First, the need for and purpose of the regulation are to be established clearly.

Second, meaningful alternatives to the regulations must be considered before any regulation is issued.

Third, compliance costs, paperwork, and other burdens on the financial institutions, consumers, and public are to be minimized.

Fourth, conflicts, duplications, and inconsistencies between the regulations issued by the Federal financial regulatory agencies are to be avoided.

Fifth, participation and comment by other agencies, financial institutions, and consumers must be available. This does not mean, however, that formal, trial-type hearings on each and every proposed regulation are required.

Finally, when regulations are issued they shall be as simple and clearly written as possible and understandable by those who are subject to the rules.

Each agency is required to establish a program to insure the periodic review of existing regulations in order to achieve the objectives of the bill. So that agencies are held accountable to the Congress for implementing the provisions of this bill, each agency is to provide an annual report of its progress to the House and Senate Banking Committees. I would like to emphasize that we are not looking for another major report from the financial regulatory agencies. The required progress report can be included in the regular annual report each agency submits to Congress.

COSTLY AND DUPLICATIVE REGULATIONS

Over the years, financial regulations have provided significant benefits to consumers. But, at the same time, Federal financial regulatory agencies have not achieved their regulatory objectives in an efficient and cost-effective manner. The result, all too often, has been the imposition of costly, duplicative and unnecessary burdens on both financial institutions and consumers. At least 83 Federal agencies now issue regulations which directly affect financial institutions, and 216 Federal Government agencies have issued regulations which indirectly affect them. There are 64,000 pages of regulations which constitute an excess of 4,000 regulations that are time consuming and often inconsistent.

There is a growing library of research which demonstrates how staggering are the costs of Government regulation of business. However, the most disturbing aspect of this trend is that much more is involved than just direct costs of regulatory activities. Regulations contribute to our Nation's severe inflation problem. Productivity growth, a necessary ingredient of a healthy economy, is eroded. Innovation is stifled because of the smothering effect of cumbersome regulations.

While no accurate data is available as to the total cost of Federal financial regulation, the costs are certainly substantial. It is clearly a responsibility of Congress in its oversight activities of financial regulatory agencies to carry the regulatory process only to the point where these added costs equal the added benefits of regulation. This legislation would help do that by requiring the agencies to consider the impacts of regulations on the financial community and consumers.

This bill has received broad, bipartisan support in the House, where the Banking Committee passed it unanimously last fall only to see it lost in the end-of-the-year crunch. It also has the backing of every major financial regulatory agency—the Federal Depository Insurance Corporation, the National Credit Union Administration, the Federal Reserve Bank and the Federal Home Loan Bank Board. This support indicates a growing awareness that this type of reform is much needed.

By approving this bill, we can confidently say that we have contributed to restoring our Nation's economic health. We can begin to ease the regulatory burden facing our financial institutions and streamline the regulatory process that now binds them in redtape at every turn. I urge my colleagues to adopt this legislation for the sake of both our financial institutions and the American consumer.●

By Mr. MORGAN (for himself and Mr. TSONGAS) (by request):

S. 1595. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation

of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR ENERGY DEVELOPMENT BANK

● Mr. MORGAN. Mr. President, I am today introducing with great pleasure and pride the President's promised Solar Energy Development Bank Act. I am proud to be joined in this effort, on behalf of the administration, by Senator TSONGAS, my colleague on the Senate Banking Committee which should be considering the bill shortly.

Earlier this year, Representative STEVE NEAL and I introduced identical bills in the House and Senate (H.R. 605 and S. 524) to set up a solar bank that would make long-term, low-interest loans to people who want to utilize solar energy in their homes or places of business. The President in June, in his solar energy message to the Congress, called for creation of a national solar bank similar in many respects to that proposed by Representative NEAL and me. While today's bill differs in some ways with the earlier proposals, I want to stress that we all now agree on the essentials. The bank would be authorized to provide interest subsidies for home improvement loans and mortgages to finance the purchase and installation of approved solar energy systems. The bank would pay upfront subsidies to banks and other lending institutions which would in turn permit them to make home improvement and mortgage loans for solar investments at interest rates below the prevailing market rates.

Moreover, the interest subsidy would be provided for only that part of the home improvement or mortgage loan which directly finances the solar investment. The availability of the subsidy would be conditioned on an appropriate warranty against defects. At least 60 percent of the bank's subsidy payments would have to go to residential loans.

The bank would be established within the Department of Housing and Urban Development, with corporate powers similar to the Government National Mortgage Association—"Ginnie Mae"—and the Secretaries of Housing, Treasury, and Energy would be ex officio members of the bank's board, along with board members chosen from the public.

The President estimated that in its first year of operation, the solar bank would be able to finance over 100,000 new and retrofitted solar units, if funding for the bank at the recommended level of $100 million is provided by the Congress. The solar equipment contemplated is any equipment which uses either active or passive solar design and construction technologies; for example, solar hot water heating, solar heating and cooling, passive solar design, or some combination of these.

Utilizing solar energy in place of precious fossil fuels, particularly imported oil, is an objective, I believe, with which none of us disagrees. In the months and years ahead, we must find alternatives to oil and decrease our dependence on foreign governments for our energy supplies. Developing solar energy seems one of the best substitutes if we can find a way to use it effectively. Its applications in the home benefit citizens directly.

We in the Senate Banking Committee this week have heard testimony from the Congressional Office of Technology, the Congressional Budget Office, and the Harvard Business School energy project that solar technologies are available now for ready application, and that what is necessary are the proper Government incentives. A solar bank which can disperse low-interest loan funds for energy-saving solar installations is one of these appropriate incentives. Moreover, tax credits for solar equipment—one of the existing incentives to move solar energy—have not been of much benefit to moderate- and low-income families. I believe the loan provisions of the Solar Bank Act will help overcome this problem and that the two incentives working together will be effective.

No one item, program, or single technology will resolve America's present energy problems. As the President announced in his oil import reduction program 2 weeks ago to the Congress and to the American people, we must look to many actions, programs, and technologies: better conservation, increased recovery from domestic oil and gas deposits, applications of new technologies in the synthetic fuels area, increased utilization of our abundant coal resources, and applications of alternative energy forms, such as wind, ocean thermal, geothermal, and solar. Our proposed solar bank will assist significantly and immediately in this endeavor.●

ADDITIONAL COSPONSORS

S. 1075

At the request of Mr. KENNEDY, the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 1075, the Drug Regulation Reform Act of 1979.

S. 1328

At the request of Mr. HATFIELD, the Senator from Michigan (Mr. LEVIN) and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 1328, a bill to amend the Water Pollution Control Act to provide an additional allotment of funds to certain States, and for other purposes.

S. 1411

At the request of Mr. CHILES, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 1411, a bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management.

S. 1488

At the request of Mr. NELSON, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1488, the Individual Savings Act of 1979.

S. 1543

At the request of Mr. NELSON, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1543, a bill relating to the tax treatment of qualified dividend reinvestment plans.

SENATE JOINT RESOLUTION 41

At the request of Mr. BURDICK, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of Senate Joint Resolution 41, to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 206

At the request of Mr. EXON, the Senator from Nebraska (Mr. ZORINSKY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. PRYOR), the Senator from South Dakota (Mr. PRESSLER), th eSenator from Mississippi (Mr. COCHRAN), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Wyoming (Mr. WALLOP), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Resolution 206, relating to the set-aside program for wheat for the 1980 crop.

SENATE RESOLUTION 208—ORIGINAL RESOLUTION REPORTED RELATING TO THE PURCHASE OF CALENDARS

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 208

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $52,000 for the purchase of one hundred and four thousand calendars. The calendars shall be distributed as prescribed by the committe.

SENATE RESOLUTION 209—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE PRINTING OF "HISTORY OF THE COMMITTEE ON RULES AND ADMINISTRATION" AS A SENATE DOCUMENT

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 209

Resolved, That a compilation of materials entitled "History of the Committee on Rules and Administration", prepared by Floyd M. Riddick with the assistance of Louise M. McPherson, be printed, with illustrations, as a Senate document, and that there be printed one thousand seven hundred additional copies of such document for the use of that committee.

SEC. 2. The document specified in section 1 of this resolution shall be printed and bound with a paperback cover of the style, design, and color as the Committee on Rules and Administration shall direct.

SENATE RESOLUTION 210—ORIGINAL RESOLUTION REPORTED TO PERMIT A PHOTOGRAPH OF THE SENATE IN SESSION

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 210

Resolved, That paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate chamber) be temporarily suspended for the sole purpose of permitting the United States Capitol Historical Society to photograph the United States Senate in actual session.

SEC. 2. The Sergeant at Arms of the Senate is authorized and directed to make necessary arrangements therefor, which arrangements shall provide for a minimum of disruption to Senate proceedings.

SENATE RESOLUTION 211—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 211

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Johanna B. Salvetti, widow of Amelio Salvetti, an employee of the Architect of the Capitol assigned to duty in the Senate Restaurant at the time of his death, a sum equal to eleven months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 212—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 212

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 914. Such waiver is necessary because this legislation was not transmitted to the Congress until April 4. This did not allow sufficient time for the Committee to give full consideration to the bill before May 15. The Committee notified the Budget Committee of this fact and, as an interim measure, reported by May 15 a bill, S. 1150, containing the major authorizations but leaving other matters unresolved. S. 914, as amended, provides for a slightly higher authorization level but is still substantially below the amount provided in the First Congressional Budget Resolution.

The effect of defeating consideration of this authorization will be to impede the extension of the Public Works and Economic Development Act and to prevent the establishment of a major new development financing program under that Act.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, the Governmental Affairs Committee hearing regarding oversight of the Department of Energy Organization Act has been changed from 10 a.m. to 2 p.m. on Tuesday, July 31. There will be two witnesses: James Schlesinger, Secretary of Energy, and Charles Curtis, Chairman of the Federal Energy Regulatory Commission. The hearing will take place in room 3302, Dirksen Senate Office Building. The DOE oversight hearing scheduled for Wednesday, August 1, has been canceled.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Small Business Committee will hold a hearing on August 2, beginning at 9:30 a.m., in the Russell Building, room 424, on small business and innovation. Witnesses will include the Small Business Administration's Chief Counsel for Advocacy, Milton Stewart, and innovation task force members.

Further information on the hearing is available from the committee office, 224-5175.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Science, Technology, and Space Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a hearing on S. 1215, the patent policy bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, July 31, 1979, beginning at 2 p.m. to hold an oversight hearing on the Department of Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 1, 1979, to hold an executive session on the SALT II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, August 2, 1979, to hold a hearing on SALT II.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JOHN CONNALLY

● Mr. McGOVERN. Mr. President, sometimes in politics our personal passions take precedence over objective judgment. May I cite a case in point.

In 1972 when I was the Democratic Presidential nominee, Mr. John Connally headed an organization called Democrats for Nixon. This group sponsored a series of television ads depicting me in what I thought then and still think was a painful distortion of my views. I was angry at the whole operation. So, when Mr. Connally announced his candidacy for the Republican Presidential nomination a few months ago, I "lowered the boom." I frankly overdid it. John Connally is not as bad a candidate as I made him out to be.

In any event, I have just finished reading an interview of Governor Connally by Alan Baron which appeared in the May–June 1979 issue of Politics Today. While I disagree with some of Mr. Connally's points, I find much of what he says to be good commonsense.

I request that Mr. Connally's interview with Mr. Baron be printed in the RECORD.

The interview follows:

JOHN CONNALLY

"If you were producing a movie and asked central casting to send over a president," observes Washington political consultant Mark Shields, "they would probably send John Connally."

Indeed, Connally does look "presidential." His healthy complexion, excellent build, silver-white hair and pin-striped suits are part of it. But Connally also walks, talks and acts like a leader. And the qualities we usually identify with strong leadership—self-confidence, determination, toughness—come through in every appearance he makes. No one ever accused Connally of being a lightweight.

During the last presidential campaign, Connally's image might have conveyed a bit of arrogance too. Back then, Americans were still recovering from Lyndon Johnson and Vietnam and Richard Nixon and Watergate. They were looking for other qualities—humility, decency, humanity and normalcy—in their candidates.

Thus, Gerald Ford made headlines when he buttered his own toast in the White House breakfast room. Jimmy Carter carried his own luggage and received high marks on the editorial pages of the New York Times for staying overnight in the spare bedrooms of supporters, and making his own bed the next morning. Carter, in fact, carried humility and decency further than anyone else. He promised never to tell a lie. And he told audiences that he was "no more qualified than many of you to be president."

Now, however, the polls report that people have concluded Carter was *indeed* telling the truth—that he is no more qualified than many of them for the presidency. But they no longer find that an advantage. Americans are reacting against the very qualities they said they were looking for in 1976. Now they're seeking the strength, determination, shrewdness and political savvy that frightened them in candidates the last time around.

They want a leader. And politicians who give off leadership "vibes" appear to be doing very well. In the Democratic party, Sen. Edward Kennedy is drawing far stronger responses than he did when he tested the waters, briefly, in 1974. Chappaquiddick seems less important now than then. In the Republican party, more and more pros are turning to Connally and downplaying his indictment over the "milk fund" scandal and his identification with the Nixon administration.

Americans are a bit schizophrenic on the integrity-in-government issue. They want leaders who are honest, but they also want leaders who are shrewd. Ask a resident of a small town whether he believes his banker or his minister is more honest, decent, humble, open and fair, and chances are he'll say his minister. But ask him who he wants running the government and odds are he'll say his banker.

It is the "banker" in John Connally to which his rise can be attributed. During Connally's various terms in public office—as Secretary of the navy under President

Kennedy, governor of Texas and secretary of the treasury under President Nixon—he made both friends and enemies; he was loved and hated; but never was he called naive, or indecisive, or wishy-washy.

By Republican standards, John Connally is a moderate. The CBS News poll taken in March at the Midwestern Republican Leadership Conference in Indianapolis showed him doing better among former Ford backers than among former Reaganites. But he didn't do badly with any ideological subgroup, a fact that brings to mind another Connally asset. Like Carter in 1976, Connally is not clearly identified with either of the ideological factions of his party. He is, in fact, drawing support from the broad middle of the Republican party—the same people who provided Richard Nixon's base.

Connally's positions on the issues bear out the "moderate" tag. He opposes big government on grounds of efficiency rather than ideology. On the social issues (ERA, abortion, marijuana, gays), his positions are similar to those of Jimmy Carter. On foreign policy, he talks very tough—but few Connally supporters believe his policies on such issues as the Panama Canal and SALT would be different than those of Jerry Ford.

Because of some of these positions, and because he was a Democrat until a few years ago, Connally is particularly disliked by rightwing purists in the GOP. They are expected to launch an anti-Connally campaign fairly soon (although one key conservative, direct mail czar Richard Viguerie, won't be part of it; he likes Connally).

The conservatives will, no doubt, concentrate on the ethics issue. Connally has a good answer—he tells audiences he is the only candidate who has been proven not guilty and he reminds them that his jury was mostly black. But questions are still being raised whose real impact may not be felt until next year's primaries.

Until then, Connally will be traveling throughout the country, meeting with GOP pros and potential 1980 delegates. Recently he did just that in Boston and New Hampshire. This interview was conducted in his car and his hotel suite by Alan Baron, who is Washington editor of *Politics Today*.

POLITICS TODAY: Let's start with foreign policy. Few people have been publicly critical of the president's role in the recent Middle East negotiations, but a lot of private doubts are being expressed. What do you think the president's role should be from here on in?

CONNALLY: I would like to see the president's withdrawal from the direct personal role that he is playing. Of course, withdrawal is not easy when one has been heavily involved. But I would like to see it happen because I think the ultimate solution is going to have to be one arrived at between the Arabs and the Israelis. In the meantime, we have to recognize that the Israelis occupy a strategic position in the Middle East today that is far more critical for our nation than even the strategic position they occupied in the past.

PT: What about our relations with the Arab states other than Egypt?

CONNALLY: I had hoped that this agreement could have been brought about in such a way that at least the Saudis would have supported it. I certainly don't want to try to second-guess what the president has done. I just think that Americans should not assume that the problems in the Middle East have been solved. We will have to continue to work on them.

PT: Do you agree with those who blame the shah's fall on the Carter administration's pressure on him to loosen up his control of the country?

CONNALLY: I think that certainly contributed to it. And I think President Carter's indecision in the final days was a clear signal that we were abandoning the shah. I don't remember the precise words, but you'll recall that the president was saying that we strongly support the shah, then in a matter of a week was saying he doubted that the shah could survive. Well, this was interpreted as a clear signal to the shah's enemies. Perhaps that is what the president intended, although he gave the impression to most of us that he was trying to support the shah.

I doubt that, in the final days, there was anything the president or anyone else could have done, because the United States itself was almost as much a target as the shah, and the mobs were in the streets at that point. I think they probably were uncontrollable, although who knows? I am not privy to everything that went on. But we certainly played a role in it. I am not criticizing that interference, I am just saying that we can't wash our hands and say we had no part of it.

It seems to me that the decision should have been under consideration at least a year ago. Other countries of the world knew the shah was in trouble. The Israelis knew it six months or a year ago, I know. So did the French. And we should have known it. We should have been dealing with the shah then. We should have been telling him to hold his ground or leave the country or broaden his government or relinquish the throne or something, if we were indeed going to protect our own interests. We should have had some policy, which obviously we didn't.

PT: But our failure to foresee developments in Iran cannot be placed solely with Carter, can it?

CONNALLY: No, I suspect that part of it goes back to the time when we were instrumental in reestablishing the shah on the throne. I am sure some of it went back that far, so I don't intend to imply that all of it is President Carter's fault. Not at all. I think some of the underlying weaknesses of the shah's position certainly predate President Carter's inauguration.

PT: How do you feel about our policy in Africa?

CONNALLY: I think the policy with respect to South Africa, Southwest Africa and Rhodesia is all wrong. All three countries are trying to bring about democratic rule. We insist on a one-man, one-vote concept, yet when they had an election in Southwest Africa—in which 80 percent of the people voted—we claimed it didn't count, that it would have to be done under UN supervision. We want to bring in a Marxist terrorist from Angola and have him participate. In Rhodesia, Ian Smith, however belatedly, came to recognize that he had to change his structure of government and turn over control to the blacks in his country. So he got an interim settlement, but we say that's not good enough, that we're not going to support that interim settlement until they bring in a self-confessed Marxist terrorist operating out of Mozambique.

Now there's pressure for economic sanctions against South Africa, and I think it's counterproductive. I don't think it helps the black man of South Africa one bit and that's who we're trying to help. We are trying to bring about a change in the structure of that government. I think it's a legitimate objective of this nation to try to see that there is an expansion of human rights and human freedoms. But we ought not to confuse our commitment to principles with the application of policies against particular countries where it is counterproductive and harmful to that country and to ourselves as well.

PT: Let's switch to some domestic issues. Some people have suggested that American wheat should be used as a weapon in world trade, much as the Arabs use oil. Would you favor a "wheat cartel"?

CONNALLY. I don't like cartels. And I have to say that I would not want to see us initiate nor create a wheat cartel. But I think we, in this country, are first going to have to learn the *value* of economic power. Second, we're going to have to learn how to use economic power. We still live with the myth that foreign policy is dictated solely by armies or by the mystique of diplomacy. The truth is that armies are maintained by sound economies. If you don't have a sound economy and a sound currency, you're not going to have any of the other things.

PT: Governor Brown and others are pushing for a constitutional convention. What's your view?

CONNALLY. I don't favor a constitutional convention unless it can be limited to one item relating to deficit spending.

PT: You were a friend and supporter of Lyndon Johnson's. What do you think—in retrospect—of the Great Society? Was the concept wrong, or the implementation?

CONNALLY. Unfortunately, I think President Johnson's motives were never quite translated into effective action. During the mid-sixties, when I was governor of Texas, I tried to tell him then that he was passing too many programs, instituting too many changes. We had to administer many of these programs, but we were not equipped to effectively and efficiently administer them. They came too fast. People couldn't assimilate them. We couldn't organize to cope with them. Expectations were built beyond the hope of realization. It resulted not only in frustrations, but inficiencies, fraud, corruption and waste.

The assistant attorney general told a congressional committee, just a few days ago, that the Justice Department could turn in any direction and find fraud and corruption. He estimated that loss to the government might run as high as 10 percent of the total budget. That is an incredible figure—$50 billion a year. Congress has to make up its mind that it must now reconstitute the administration of those programs, redefine the purposes of many of them, tighten the entire operation from the congressional act itself right through the entire administration of the programs to the ultimate beneficiary.

PT: Then is your basic objection to these programs pragmatic—or do you oppose them on a conceptual or ideological basis?

CONNALLY. I think that there is a role for government to play and that the human needs of some people in this country have to be met. I think there are certain people in this society who can't provide for themselves, and I think we've progressed as a people and a society to the point where none of us want to see them heartlessly dealt with.

I do think there are limits, so my argument is not with the stated purpose of many of these programs. My argument is that they have gone to excess, they're too expensive, the administration is too loose, there's too much fraud, waste and inefficiency in the whole system and it has to be curtailed because it puts a tax burden on too many people who don't deserve it.

We ought to approach our problems basically from the standpoint that we're going to try to provide an economic system in this country that's expansive enough to give everybody who's able-bodied and wants to work an opportunity to find a productive job. That ought to be our principal goal. That perhaps, once we've done that, we ought to have criteria that do not reward the indolent, the lazy, the shiftless or the chiseler. But on the other hand, we ought to devise criteria that make available governmental programs to the truly needy of this country.

PT: Some conservative Republicans say you're not really one of them. How would you categorize yourself politically?

CONNALLY: Well, you know, I've always tried to refrain from categorizing myself. I don't like people who try to put you in little pigeonholes. What is a conservative? What is a liberal? What is a moderate? What is a libertarian? Everyone has their own definition of those terms. I've always tried to avoid that. I simply say, "Ask me whatever you like, whatever issue concerns you. I'll give you my views. You then make up your own mind what I am." Because on some things, on financial matters, no question but what I'm conservative. On many of the so-called libertarian civil rights issue, I think I'm a liberal in the Jeffersonian sense. I'm not a collectivist. This is where I fall out with those who today call themselves liberals. I don't think they're liberals; I think they're collectivists. Here again, I'm using one of those expressions, but I believe in individual human rights, personal freedoms and personal opportunities. Individual opportunities.

PT: Let me ask you about some specific civil rights and civil liberties issues. To start with, the voting rights act, which allows the federal government to supervise election rules in areas where a low proportion of the population votes—was it needed?

CONNALLY: I don't really know. I think in a way it was an attempt on the part of a lot of politicians to point the finger at certain parts of the country and I certainly don't think we needed to apply it to Texas. Blacks were voting there and had been for a long, long time. The very idea that we were put under it I thought was ridiculous. I don't think it hurt us any, but I just thought it was an insult to the state that need not have been.

PT: But outside of Texas . . . what about in Georgia, where only about 5 percent of the blacks voted before the federal law?

CONNALLY: If indeed there was some state restriction, either expressed or implied, that either prevented them from voting or made it uncomfortable for them to vote, then I think it might well have been justified. I think we have long since passed the point where we can justify any restraints on the right of people to vote in this society.

PT: The Supreme Court's Bakke decision outlawed quotas in university admissions policies, but it allowed race to be taken into consideration on an individual basis. How did you feel about that decision?

CONNALLY: I think I agree with the Bakke decision, although I think that some of the criticism from both sides is probably justified—which tells me that the Bakke decision was probably a wise one. I'm not sure it's wise to determine entrance requirements solely on the basis of students' ratings on particular tests. When we look at young lawyers coming into our law firm, our tendency is to take the easy route, to look at grades. But grades don't always tell the story and many of the best lawyers in our firm made mediocre grades in law school. People develop differently and at different stages of their lives. So I think there's some justification for giving the university latitude in applying standards other than grades alone. The part of the Bakke decision that particularly appeals to me is the outlawing of quotas. I'm against quotas and I don't think we ought to establish quotas in any sense, in any form, in any situation that I know of.

PT: As governor of Texas, did you take affirmative action—did you make special efforts to reach out to minorities?

CONNALLY: I did. I appointed the first black ever to serve on the Board of Corrections, which governed our prison system. I found a very qualified black and when I first announced the appointment, the feeling in the State Senate (which had to confirm him) was overwhelmingly negative. We worked, we worked and we worked and—I've forgotten the precise vote—but I think there were only three votes against him. I named the first Mexican-American secretary of state, which was my top appointment. I made a number of other appointments, particularly from the black community, and I named four women to the boards of regents at universities.

PT: Let me ask you about some of the so-called social issues, such as marijuana . . .

CONNALLY: I don't know enough about marijuana. If I thought somebody were pushing it, somebody were importing it, yes, I'd throw them in jail. If I thought it was an innocent kid smoking it for the first time, or smoking it for a kick, or to see what effect it would have on him, no, I wouldn't. But I don't want to leave the thought that I'd be permissive. I'm a square when it comes to things like that.

PT: How about the issue of gay rights? California rejected a proposal to ban gay teachers from the schools. Those in opposition to the proposal included both Ronald Reagan and President Carter. How do you feel?

CONNALLY: Theirs would be my position too, although again, I'm not comfortable with the idea that things such as homosexuality should be treated permissively. It's not normal, natural human behavior. But I know that there are a number of homosexuals in society and I certainly don't think that they ought to be denied the right to make a living. I think it is a question of individual behavior. If they don't bring it into their classrooms, if it doesn't influence their teaching, and particularly if it doesn't result in any kind of an impact on the students, then I certainly don't think that they ought to be prevented from teaching. But if indeed it does have some impact on children, particularly young children, then I would look at it differently.

PT: Abortion?

CONNALLY: I am against any federal funding of abortions. I'm also against any constitutional amendment relating to the subject in one way or the other.

PT: The ERA?

CONNALLY: I'm for it.

PT: You're known to have some strong feelings about reforming governmental processes. How do you feel about the investigation into Carter's peanut operations? Do you think a special prosecutor is needed?

CONNALLY: My basic feeling is that Griffin Bell and the people in the Justice Department are competent, that they are able, that they're honest and that they have a duty to investigate such things. I think they have the capacity to do it, I think they have the courage to do it, and I think they have the dedication to do it. I'm not opposed to a special prosecutor, but I'm not advocating one.

PT: You've made some suggestions about limiting the terms of elected officials . . .

CONNALLY: I think, frankly, that we've reached the point where the country would be better served by a president serving one six-year term, who didn't have to run for reelection. At the same time, though, I don't think we ought to restrict just the president, who's already restricted to two four-year terms. I think we ought to restrict senators to one six-year term or one eight-year term and representatives to four two-year terms.

I think this would change the whole process of government. It would have an enormous impact on the number of bills that are considered, the manner in which statutes are written, the manner in which regulations are permitted. I think it would have an impact on the size of congressional staffs.

If a senator never had to be reelected and had an eight-year term, I think that he would then be willing to address himself to the fundamental problems of this country such as energy, an intelligent farm program, programs that encourage savings and reinvestment, programs that stimulate research and development that will have an impact five, ten, fifteen years from now. Under the present system, officials constantly look at a problem in terms of how it's going to impact their own political future. I think it's time we quit looking at the political future of individuals and started looking at the national interest of the country.

PT: Wouldn't that cut into the power of unions and other interest groups?

CONNALLY: I don't think it necessarily would, no. They would all have an opportunity to elect the senators. They'd probably study them a little closer than they do now.

PT: One final question. You've talked quite a bit about reforming the system. If you're the nominee, would you change the current system, if that's what it can be called, for selecting vice-presidential nominees?

CONNALLY: Yes. At least 30 days before the date of the convening of the convention, I would submit three names, any of which would be perfectly agreeable with me, and then let the delegates and the press have 30 days to look at them, to write about them, to question them, to probe their backgrounds. That's a minimum. I haven't fully decided, but I might go even further.

I think the matter of the selection of a vice-president has been both haphazard and unfortunate—haphazard in nearly all cases and unfortunate in some recent instances. I think it is a job that should have more deliberate consideration by the convention and I would certainly do at least that much.

As to who I'd choose, I would want someone that I think would make an excellent president. And I wouldn't be the least concerned about him being smarter or more able than I was, or more politically acceptable. I think this idea of a president being afraid of his vice-president is ridiculous. I would choose the ablest man I could get my hands on.●

THE SENATE REPUBLICAN LEADER

● Mr. LUGAR. Mr. President, the July 30, 1979, issue of U.S. News & World Report contains an excellent article which gives well-deserved recognition to our distinguished Republican leader, HOWARD BAKER. The article, written by John W. Mashek, reviews events and accomplishments in HOWARD BAKER's life, as well as some of the positions he has taken as a U.S. Senator. I know that there will be great interest in this article, and I ask that it be printed in the RECORD.

The article follows:

HOWARD BAKER TAKES AIM AT CARTER'S SOUTHERN TURF

Howard H. Baker, Jr., is all for keeping a Southern accent in the White House—his own, not Jimmy Carter's.

The boyish-looking Tennessean is promoting himself as the Republicans' best hope in 1980 of wiping out the President's vital power base in Dixie, an edge that enabled Carter to nearly sweep the South and Border states en route to a narrow victory over Gerald Ford in 1976.

Baker's team today concedes only Georgia, Carter's home state, in a match-up between the two below the Mason-Dixon Line. "We'd give Carter fits in the South, and the White House knows it," an aide asserts.

In the expanding field of nine Republican candidates, Baker lacks the strong name identification of frontrunner Ronald Reagan, the aggressive flamboyance of John Connally or the experienced campaign staff of George Bush.

Yet many analysts are predicting that when the race for the presidential nomination goes down the stretch, Baker will be one of the contenders.

Cited as the Senator's prime assets: A centrist political approach that is acceptable to a broad range of Republicans, a campaign style described by admirers as one of "quiet and reassuring competence" and an enviable public pulpit as minority leader for 41 GOP members of the Senate.

SALT OPPONENT

In that leadership capacity, Baker already has announced his opposition to the strategic-arms-limitation treaty with the Soviet Union. The 53-year-old lawmaker denies that his decision is tied to his presidential campaign or is an attempt to placate GOP voters still angry over his vote last year to approve the Panama Canal treaties.

While Baker does not plan to enter the presidential race officially until autumn, he makes clear on the campaign trail that his announcement is only a formality. As he told an audience in New Hampshire recently: "I am a candidate for the Republican nomination, and I plan to win. I think I have the best chance of being elected."

Baker's political career has come a long way since he was elected to the Senate in 1966. Although that victory marked the first popular election of a Republican senator from Tennessee, he was known primarily in those days as "Ev Dirksen's son-in-law."

In 1951, Baker married Joy Dirksen, daughter of Senator Everett McKinley Dirksen of Illinois. Dirksen, who died in 1969, served as Senate Republican leader for 10 years and was acclaimed by friends and foes as one of the most gifted orators in congressional history.

It wasn't until 1973 that Baker became a national figure in his own right—then under distasteful circumstances as ranking Republican on the select Senate committee investigating the Watergate scandal and its cover-up in the Nixon White House.

"WHAT . . . WHEN?"

Millions watching the televised hearings saw Baker prod patiently and persistently into the tangled case, finally—in the most remembered question of the investigation—demanding of John Dean, Nixon's chief accuser: "What did the President know, and when did he know it?"

Zealous Nixon supporters accused Baker of hounding the President, while Nixon foes complained that he leaned in favor of the White House in the committee's closed sessions. The senator insisted that he viewed his Watergate role as a "down the middle" interrogator, playing no favorites.

Throughout the investigation, one of Baker's associates recalls, "It was painful for him to see friends come up to testify and unravel the story."

In speeches today to Republicans, Baker recalls the "humiliation and embarrassment" he felt for his party during the Watergate period. But he quickly adds that, with a conservative trend, the GOP not only survived, but "today the country is singing our song," and Republicans have an opportunity in 1980 to win the White House and control of the Senate.

Baker is no stranger to the rigors of public life. His family is rich in political tradition in the mountains of East Tennessee, and he often refers to himself as a "congressional brat."

Baker's father was elected seven times as U.S. representative from Tennessee's second district. When the lawmaker died in office in 1964, Baker's stepmother, Irene Bailey Baker, won a special election and completed the term. Both of Baker's grandfathers held public office; one as a judge, the other a sheriff.

ORATOR AT 11

It wasn't surprising when Howard H., Jr., born in Huntsville, Tenn., on Nov. 15, 1925, won a public-speaking contest at age 11. In such a politically oriented family, he recalls, it was necessary to speak up.

Baker attended public schools in Huntsville but finished high school in 1943 at a military academy in Chattanooga. He volunteered at 17 for the Navy's V-12 program during World War II to study electrical engineering. He went on to serve aboard a PT boat in the South Pacific and was discharged as a lieutenant (junior grade) in 1946.

When he returned from service and entered the University of Tennessee, Baker says, he intended to get an engineering degree. "The engineering line was too long on registration day," he reports. "The line for law school wasn't, so I ended up there. I'm ashamed to admit it, but it's true."

Baker got his LL.B. degree in 1949, having served as president of the student body in his final year.

Joining a Huntsville law firm started by his grandfather in 1885, Baker gained such a courtroom reputation as an able speaker and tough cross-examiner that several times the state hired him as a special prosecutor.

In one case, Baker represented four major coal companies against the United Mine Workers and won a 1-million-dollar settlement. He also found time to engage in banking and land-development businesses.

Under a federal ethics law, Baker recently filed a financial statement that reported assets of at least $625,000. His income from January 1, 1978, to April 30, 1979, was $313,000, in addition to his senator's salary of $57,500 annually.

Baker's first run for public office was unsuccessful. He passed up near-certain election to his father's House seat to run for the Senate in 1964. In a special election for the late Senator Estes Kefauver's seat, Baker lost by 50,000 votes to Democrat Ross Bass but piled up a record vote total for a Republican candidate in Tennessee.

Two years later, Baker came back to win a Senate seat by defeating former Democratic Governor Frank Clement by 100,000 votes.

Baker went on to two comfortable reelection victories, beating Democrat Ray Blanton in 1972 by some 275,000 votes and turning back a challenge by wealthy Democrat Jane Eskind last fall by more than 175,000 ballots.

In the Senate, Baker has focused more on the Republican leadership and organization than issues, although he took a top role in winning approval of legislation for revenue sharing.

Baker attempted to succeed father-in-law Dirksen as minority leader in 1969 and ran again in 1971, losing narrowly both times to Senator Hugh Scott of Pennsylvania. Baker won the post by one vote in 1977 by defeating Senator Robert Griffin of Michigan after Scott retired. He was re-elected earlier this year without opposition.

As GOP leader, Baker has cultivated friendships in all wings of his party. Three close Senate associates are liberal Charles Mathias of Maryland, moderate Bob Packwood of Oregon and conservative John Tower of Texas.

An admiring colleague says that Baker "does not lead by forcing people together and leading a charge, but leads more by nudging people from the side." A conservative senator, however, criticizes him for being too cautious and not partisan enough at times.

Baker's voting record over the years matches his philosophical image. The conservative Americans for Constitutional Action has given him a 67 percent rating while the liberal Americans for Democratic Action has scored him with 13 percent.

BLACK SUPPORT 30 PERCENT

Baker calls himself a moderate. He has opposed busing for integration of schools but has favored open housing and voted for the constitutional amendment giving congressional representation to residents of the District of Columbia. In Tennessee, Baker was able to capture some 30 percent of the black vote in his last Senate race.

Baker's support last year of the Panama Canal treaties remains a sore point among some conservative activists, who view it as a disloyal act to the Republican Party. Questioned about it now, Baker responds: "I think it was the right vote, not a Republican or Democratic vote. I was not pulling Jimmy Carter's chestnuts out of the fire."

On the stump, Baker is an articulate, but low-key, performer. He ad-libs most speeches, at times with his hands stuffed in his pockets. He rarely raises his voice—to the despair of some backers who think that he should be more animated.

PARTY UNITY STRESSED

Baker likes to tell jokes and is not reluctant to make himself the target. A theme that he keeps bringing up on the road is the necessity for party unity, reminding fellow Republicans of their disputes of the past: "The only way we can snatch defeat from the jaws of victory in 1980 is through intraparty savagery."

A favorite Baker sally on the issue of inflation: "It's the biggest unpunished crime in the country today."

At 5 feet 7 inches tall, Baker can get lost in a crowd. But he handshakes his way comfortably through a mob of voters, makes small talk with ease and has a good memory for names.

Baker is aware of another problem that he may have to confront in the campaign—gossip about his wife who is a reformed alcoholic and has publicly acknowledged her battle with the bottle. Friends report that she hasn't had a drink in more than three years.

Intimates say that Mrs. Baker blamed her drinking problem for her hubsand's being passed over for the GOP vice-presidential nomination at the Kansas City convention in 1976. Baker was widely known to be one of the finalists, but President Ford finally chose Senator Bob Dole of Kansas for what insiders say was Dole's strength in the farm belt.

"It was the low point of his political career," recalls a Baker aide.

Although a dedicated and ambitious politician, Baker doesn't spend all his time on public platforms or in smokefilled rooms. He is an avid photography buff who maintains darkrooms in his Washington and Huntsville homes and has exhibited his photographs, with older people and historical landmarks as specialties. He likes to turn the tables on the press and snap pictures of startled reporters when they approach him.

Baker makes frequent trips to his Huntsville home to stay in contact with Tennessee voters.

The Bakers have a married son, Darek, 26, working in a bank in Murfreesboro, Tenn., and a daughter, Cynthia, 23, who is an assistant television producer in Nashville.

Fighting a tendency to grow pudgy, Baker turns to tennis for exercise. He is a nonsmoker but will drink an occasional gin and tonic.

Associates report that the senator prefers to deal with staff members in person rather than by memorandum. He has a temper, aides say, but it usually is confined to quick bursts of anger when confronted by what he regards as sloppy work.

Most recent public-opinion polls rank Baker second or third among Republican presidential candidates—not bad, his strategists say, for a man who still has not officially announced.

While Baker's name is hardly a household word across the country, his supporters were cheered by a recent ABC News-Harris survey that showed the Tennessean edging Carter

46 percent to 45 percent in a head-to-head test.

Thats' just a sample, say the senator's backers, of why Republicans should select their kind of Southerner—Howard Baker—to lead them back into the White House in 1980. ●

ILLINOIS BRICK DECISION

● Mr. HART. Mr. President, S. 300, legislation designed to reverse the Supreme Court's decision in Illinois Brick Co. against Illinois, is once again on the Senate Calendar. I am a cosponsor of this bill and urge my colleagues to give it careful consideration.

In Illinois Brick, the Supreme Court held that indirect parties, such as State governments, do not have the right to sue and seek damages for violations of Federal antitrust laws. This decision has had serious consequences for State governments across the Nation. Its effect has been to put an end to a long and responsible history of State antitrust enforcement activity.

S. 300 is supported by all 50 State attorneys general. In a recent letter, J. D. MacFarlane, the attorney general of my own State of Colorado, summarized the ways in which the Illinois Brick decision affects the State of Colorado and its citizens. His letter vividly demonstrates what is at stake for every State in the Nation and every American taxpayer. This letter makes a compelling case for the passage of legislation to overturn Illinois Brick. I urge my colleagues, in the course of the debate on this issue, to consult with the attorney general of their own State to see just what their State has to lose if the Illinois Brick decision is not reversed. I request that Attorney General MacFarlane's letter be printed in the RECORD.

The letter follows:

THE STATE OF COLORADO,
DEPARTMENT OF LAW,
Denver, Colo., July 12, 1979.

Re S. 300 Illinois Brick Legislation.

Hon. GARY HART,
Washington, D.C.

DEAR SENATOR HART: I am writing to encourage your continued support for S. 300, the bill which you are co-sponsoring for the purpose of overturning the Supreme Court's 1977 decision in the Illinois Brick case. As you know, the Illinois Brick case, which took away from indirect purchasers the right to recover damages under the antitrust laws, has seriously impeded antitrust efforts at the state level. I want you to know exactly how serious that impact has been in the State of Colorado.

The State of Colorado has benefited significantly from its antitrust program. For example, in the Tetracycline litigation, in which the state and consumers within the state who purchased price-fixed drugs were all indirect purchasers, the state and consumers recovered $754,274.00. The unclaimed portion of the Colorado fund has been used for a number of years as a trust fund for drug rehabilitation within the state.

In the recent Master Key antitrust litigation the State of Colorado participated in a distribution of over $15 million to states and local governmental entities throughout the nation who had purchased, indirectly, master key systems and finish hardware for use in public buildings. Colorado was allocated $186,167.06, which was distributed to all public entities within the state. The distribution amounts ranged from a low of a few dollars to certain small towns up to significant amounts for school districts within the state (e.g., Jefferson County School District received $15,923.57, Denver schools received $13,707.69). Not one cent of these recoveries would have been possible had the Illinois Brick ruling applied to the Master Key case.

Fortunately, the case was settled during the trial in late 1976 before the Supreme Court decided Illinois Brick. Attached to this letter is a list of institutions of higher education and school districts in a great number of states which received significant amounts of money in the Master Key settlement. Each school district and institution of higher education listed in the enclosure would have been unable to recover a single dollar of its taxpayers' money if the same case were filed today.

The Illinois Brick rule significantly impacts on pending cases also. Faced with dismissal of all indirect claims in the Western Sugar Antitrust Litigation, Multidistrict Litigation No. 201, the State of Colorado together with nine other states recently entered into a settlement agreement with the defendant sugar companies. The amount of the settlement was significantly lower than we had anticipated would be the recovery at the outset of the case in 1975. However, the vast majority of states had no direct purchases at all, and Colorado had an extremely limited number of such purchases. Therefore rather than face virtually certain dismissal of the indirect claims by the judge in the case, we agreed to settle with the defendants at what we considered a significant discount on our anticipated return in that litigation.

We face similar problems in our Cement litigation and Fine Paper litigation. Thus far we have been able to stay alive, for example, in the Cement litigation because of a number of cost-plus contracts which are a significant exception to Illinois Brick. However, it is too early in either of those cases to determine whether or not we will be able to press our claims since a great number of our purchases are, at least in traditional terms, indirect purchases.

The Illinois Brick rule also significantly impacts upon the decisions our office makes regarding cases in which we will become involved. For example, the United States Department of Justice has in the past several months filed a criminal antitrust action against major manufacturers of gas meters, and another against manufacturers of water heaters. It goes without saying that the end users of each of these products—the persons who absorb the overcharge without having the ability to pass it on—are consumers. Yet there has not been one consumer action filed under the Sherman Act against these manufacturers because consumers always purchase these items indirectly, through retailers or other middlemen.

Let me summarize, then the ways in which the Illinois Brick rule significantly impacts the State of Colorado and its citizens:

(1) Colorado citizens and governmental entities who absorb overcharges from antitrust violations cannot recover those overcharges.

(2) Substantial recoveries from earlier cases which have been returned to consumers and local governmental entities can no longer be recovered in future cases.

(3) Antitrust enforcement at the state level, particularly against large manufacturers who sell into the state, is significantly weakened.

(4) Collusive activities which prior to Illinois Brick could have been stopped or would have been discouraged by the threat of treble damage actions by indirect purchasers may now flourish.

(5) An important inflation-fighting tool has been removed from those most likely to use it.

(6) Pending cases have been seriously affected and in some instances compromised at far less than they might have been without the advent of Illinois Brick.

It goes without saying, of course, that every state with an active antitrust program is suffering the same disabilities as a result of Illinois Brick.

It is important to emphasize that reversal of Illinois Brick will simply return the law to what it was prior to June, 1977. It is not true that S. 300 creates a novel and horrendous anti-business procedure. There is nothing new about injured parties recovering damages from price-fixers—no matter where the injured party appears on the chain of distribution. Innumerable cases during the sixty-five years of the Clayton Act demonstrate that far from being a novel procedure indirect purchaser suits have a time-worn heritage.

I appreciate your strong support for this important legislation.

Very truly yours,
J. D. MACFARLANE,
Attorney General,
State of Colorado. ●

TIME BOMB

● Mr. HUMPHREY. Mr. President, we are all concerned and saddened by the tragedy of hundreds of Utah citizens who were exposed to heavy doses of radiation fallout during tests of atomic bombs by the Government of the United States in the 1950's. During the recent congressional hearings before the Subcommittee on Health of the Senate Judiciary Committee, many of these great Americans testified to what had befallen them and reiterated their continued belief in the good of our Government and country.

Senator ORRIN HATCH, my gracious colleague who works so long and hard to represent the good people of Utah, recently wrote an article that appeared in the Washington Post which dealt with the character of these people who have suffered so much. I was moved by the words spoken by the fallout victims, by their sincerity and patriotism, and I was moved as well by the empathy and caring so well expressed by my colleague as he pondered the sacrifices and resolution of his fellow Utahans. I commend this article to all of my colleagues.

The article follows:

TIME BOMB

The radiation issue drags on.

Last week, those of us on the health subcommittee of Sen. Edward Kennedy's Judiciary Committee held further hearings on the problem. Everyone is doing their best. Yet we have not yet satisfactorily resolved what I personally find the most distressing political question of my career.

I usually get up early. But at 5 a.m. on April 20, even my metabolism was unsure about the new day. It wasn't helped by technical difficulties with the feed to ABC's "Good Morning America" show in New York, which had us waiting on camera for 25 minutes in KTVX's Salt Lake City studio, grimly contemplating the subject of the upcoming interview—the increasing evidence that fallout from atomic weapons tests in Nevada in the 1950s has been responsible for abnormal rates of cancers and leukemia in southern Utah.

On the show with me was Elmer Pickett, a farmer from the small town of St. George, Utah. St. George has been hard hit. I had held a town meeting there three days earlier, and knew Pickett had lost nine members of his family to these diseases.

Yet when the program began and host Tom

Schell finally turned to him, Pickett leaned forward and with great natural dignity emphasized that he still believed there was a need for the nuclear tests. Obviously, things had gone wrong. But he wanted it understood that he was not bitter against America, the greatest country in the world.

It is one thing to read, in the clinical language of the Atomic Energy Commission's Fallout Branch, that "if, for certain purposes, the RBE [Relative Biological Effectiveness] of alpha rays is taken to be 10, this implies that, for these processes, an alpha ray dose of one-tenth Rad will produce the same degree of biological effect as an X-ray dose of one Rad . . . Dose in 'Rem'=Dose in Rad x RBE. . . ."

It is another to see consecutive sections of your audience break down in tears as the terminal sufferings of their loved ones, who were in some cases exposed in one day to 12 times the millirems now considered permissible for a whole year, are recalled from the witness stand.

The issue is particularly agonizing for conservatives like myself. (In 1978, the quarterly magazine "Politics" ran a survey and awarded me the ambiguous accolade of being one of the five most conservative senators). For years, we have advocated a strong national defense. We have instinctively tended to favor the tough-minded practical and economic case for nuclear power over the frequently emotional counterarguments. Now, the contentions of those we dismissed have apparently returned to haunt us, in peculiarly horrible form.

Even worse, we can see no easy escape from the nightmare. Our need for energy cannot be solved without nuclear power. The defense fears of the early 1950s, when weapons testing began, were very real. Contemporary scientific opinion was sincerely mistaken about the risk—and some risk is unavoidable, as it is in most human activity. The sort of bureaucratic coverup that seems to have continued under every administration since then, while appalling, cannot ultimately be eradicated without a change in the nature of men—or, at any rate, of civil servants.

I have proposed blanket compensation for victims of cancer in the affected area. This is admittedly a profligate, Great Society-type approach. It has been criticized, fairly, by those who point out that it is impossible to distinguish between radiation-caused cancers and ones that would have occurred anyway. I find myself on the left of permanent officials at HEW, a rare moment that is disorienting to all of us.

Even my press aide, the 1972 McGovern delegate of whom we are very proud—we keep him in a special glass display case, and he worries about the environment—has reservations. These, incidentally, are shared surprisingly widely in Utah itself.

Yet how else can we treat a community of Elmer Picketts? For, despite all the publicity, southern Utahans have remained calm. They are not even making any concerted demand for help with their medical bills, asking only that a medical center specializing in cancer be established nearby. In an era when patriotism has been unfashionable, they still remember their country. In a society where importunity is institutionalized and rewarded, they have remained patient. Other nations need whips and scorpions to inspire this sort of social discipline.

Forget about the ideology and the agitated politicians. The forbearance of ordinary Americans in the face of all their government's vacillations and mistakes is on any reckoning an awe-inspiring phenomenon that truly distinguishes this country.

At the climax of "The Bridges at Toko-Ri," James Michener's powerful novel of the Korean War, when the Navy pilot is shot down and killed, in a war he questions, of which his countrymen are barely aware, his admiral asks rhetorically, "Why is America lucky enough to have such men? They leave this tiny ship and fly against the enemy. Then they must seek the ship, lost somewhere on the sea. And when they find it, they have to land upon its pitching deck. Where did we get such men?"

In the stoicism with which these men and women of southern Utah are facing the most profound personal tragedies, we see again the same ultimate political mystery. ●

SOVIET SALT POLITICS

● Mr. KENNEDY. Mr. President, the current debate over the SALT II Treaty has thus far paid too little attention to Soviet SALT politics. Some seem to feel that the only relevant political process on SALT takes place here in the United States.

In a recent op-ed article in the Washington Post, former CIA Director William Colby effectively counters this self-centered view. Mr. Colby points to Soviet concessions during the SALT II negotiations and states that the new SALT Treaty "is the culmination of a series of mutual compromises and concessions, to which the Soviets contributed in substantial measure." He warns, I believe correctly, that a failure to ratify SALT II could seriously affect a future leadership transition in the Soviet Union.

Failure of U.S. ratification thus could open a political interstice in which strategic weapons would be without agreed controls during a Soviet succession struggle. Wholly new policies and positions could be advocated by contenders for power and for support within the Soviet leadership. An agreement fully ratified before the passing of Brezhnev could, of course, be subject to actual if not legal repudiation by his successor, but that would be a much more difficult and dangerous defiance of American power than drastic proposals for Soviet "amendments" of a text still not formally adopted by the two governments.

Mr. President, I request that this thoughtful and important article be printed in the RECORD.

The article follows:

SOVIET SALT POLITICS

(By William E. Colby)

Weapons systems, military forces and intelligence machinery are the stuff of SALT II. Debate rages over each of these to the bewilderment of the public and the delight of the experts. But there is another dimension to the debate, which is as important as any single detail. The political background of the treaty, within the Soviet Union and in the international arena, must be factored into the eventual decision on ratification, amendment or rejection. Only by including this dimension can its individual details be given their proper weight.

The Soviet Union's political process is certainly different from the American. But different interests and points of view do exist in the Soviet system, and there are procedures for resolution of those differences within the bureaucracy, the party apparatus and the leadership councils. From the record of negotiations of SALT II, it is clear that a number of balancing trade-offs took place in the Soviet negotiating position and in Soviet acceptance of the final version. Hard-headed Soviet insistence on retaining the heavy missile was balanced by Soviet acceptance of equal aggregate force totals, despite earlier arguments that our Europe-based and allied nuclear forces that can strike the U.S.S.R. should be included in the American count. American insistence on counting rules was accepted despite their penalizing some single-warhead Soviet missiles and launchers by counting them as multiples because their prototype was so tested.

Some Soviet concessions were more apparent than real, such as the agreement to abandon the mobile SS16, which was apparently a dud. But others will require substantial changes in established Soviet practices, such as the destruction of 250 existing Soviet launchers, the limit to one new missile instead of the usual four per generation, the exchange of data on forces and test notifications despite longstanding Soviet paranoia about secrecy, and the restriction of the heavy missile to 10 warheads rather than allowing it to be improved to carry its full capability of 30 or more. The final text also represents Soviet acceptance of future improvements in America's forces through the MX missile and cruise missiles, the latter compromise balancing American agreement that the Soviet Backfire not be counted, with limitations imposed on each side's weapon.

These Soviet concessions reflect a Soviet political decision that the benefits of SALT II to the U.S.S.R. outweigh them. The primary benefit was the cap it put on the American arms race and the danger that the American sleeping giant might arise and outdistance the Soviets in this technology in the same dramatic way it did in the 1960s space race. Recognition as an essentially equal superpower also represents a long-sought Soviet goal, and SALT II's numerical and qualitative provisions make this plain.

But a sense of the bargaining that occurred among Soviet decision-makers can be seen from the Soviet reaction to President Carter's March 1977 suggestion to "amend" the agreement reached in 1974 at Vladivostok to reduce the Soviet heavy-missile force from 300 to 150 launchers. The reaction was sharp and harsh, showing that the 1974 trade-offs were viewed as firm rocks in the negotiated balance, not subject to later rearrangement. Americans blithely contemplating similar amendments now should recall the criticism of the naiveté and brashness of the American diplomacy in that instances.

The final text of SALT II reflects these compromises made within the Soviet government, just as it reflects the compromises made within the U.S. government. The treaty before the Senate thus does not satisfy every Soviet interest, as it does not satisfy every American. But it is the culmination of a series of mutual compromises and concessions, to which the Soviet contributed in substantial measure. The Soviet political consensus this reflects is a fact that must be weighed as the Senate now judges the treaty.

Ratification, of course, is different subject in the two countries, but the review required for Senate ratification could find an analogy on the Soviet side if the treaty is not ratified and an obviously ailing President Brezhnev dies. The succession crisis then would seize the Soviet leadership. Previous successions suggest that this would produce an interim period of confusion and maneuvering, followed by the rise a few years later of a new leader and the possible adoption of new policies.

Failure of U.S. ratification thus could open a political interstice in which strategic weapons would be without agreed controls during a Soviet succession struggle. Wholly new policies and positions could be advocated by contenders for power and for support within the Soviet leadership. An agreement fully ratified before the passing of Brezhnev could, of course, be subject to actual if not legal repudiation by his successor, but that would be a much more difficult and danger-

ous defiance of American power than drastic proposals for Soviet "amendments" of a text still not formally adopted by the two governments.

American allies, the Soviet Union and its allies and the uncommitted nations closely observe the firmness and competence of the American management of the strategic arms relationship between the United States and the U.S.S.R. Brinksmanship and provocation would draw criticism, but indecision and weakness would create doubts. As concern has grown over American leadership in the fields of energy, international finance and assistance to embattled friends, so disarray and lack of an American consensus in the strategic nuclear field could cause qualms about basic alliance relationships and could bring about shifts in the center of political gravity from the United States toward the U.S.S.R.

As the debate moves to include these broad political dimensions beyond the details of SALT II, it should also stimulate consideration of the other problems America faces with respect to the Soviet Union. These must include our conventional-force imbalance and the problem of dealing with Soviet subversion and Cuban proxies. We must also face up to the need for firm support of our friends and allies against outside siren songs or internal turmoil, despite cries for our noninterference.

This dimension need not "link" all our problems with the Soviets to SALT II and make it hostage to our satisfaction across the board. But it should alert us to the need to fashion appropriate policies, programs and weapons to protect ourselves and our allies at each level of threat. In this larger political dimension, the benefits of SALT II can be better appreciated for the talents and resources it will free to devote to other purposes. The "small step for man" presented in SALT II can then be firmly taken by Americans as a component of a "giant step for mankind" that a stable U.S.–U.S.S.R. relationship could produce.●

CAPTIVE NATIONS WEEK

● Mr. SCHWEIKER. Mr. President, 20 years ago, President Eisenhower instituted the celebration of Captive Nations Week as an annual tribute to the peoples of Eastern Europe who were forcibly subjected to Soviet-style totalitarian communism and denied the development of their cultural identities. Belying their official designation as "people's democracies," Soviet satellite states have systematically suppressed the human rights of their citizens and deprived them of those political liberties central to genuine democracy. Attempts to cast off the stifling yoke of tyranny or otherwise promote gradual social and political reform have been brutally crushed by governments who perceive in these yearnings an unacceptable challenge to their own legitimacy. Hungary in 1956 and Czechoslovakia in 1968 stand as but two testaments to the valor of those willing to suffer in pursuit of freedom as well as to the ruthlessness of those desperate to eradicate it.

Nevertheless, it is a revealing commentary on the resilience of this undying quest for a liberalized system—and the bankruptcy of the Communist system itself—that, even as the forces of repression have grown more pervasive and sophisticated in their application, the spirit of freedom is not destroyed but rekindled. While the West seems transfixed by the specter of enhanced Warsaw Pact military power in Europe, a Polish Pope elicits frenzied acclamations in his native land by observing simply that no political regime can deny the spiritual essence of freedom. The aspirations embodied in the human rights provisions of the Helsinki Final Act cannot be restrained by cynical governmental resistance to honoring international obligations.

On this 20th anniversary of the proclamation of Captive Nations Week, the United States must reaffirm its commitment to encouraging political liberalization in Eastern Europe and respect for basic human rights. Indeed, the progress made to date in relaxing state control appears an inevitable concession to the intensity of popular feeling and expression. Unlike the pious but unrealistic declarations of the past concerning physical rollback of the Iron Curtain, the liberation we see unfolding involves the more immediate and effective manifestation of an unfettered will to survive in freedom. No measure of physical oppression, however ruthlessly enacted, can quell the independent spirit nourishing hopes for a life free of coercion. The governments of Eastern Europe contemplate with trepidation the restiveness of ethnic minorities and others whose indomitable yearning for independence threatens a supposedly tightly woven political fabric. Each act of repression only encourages further defiance and inflames nationalist sentiment.

In commemorating Captive Nations Week, we honor our own commitment to democratic pluralism and the extension of political liberties to those unjustly deprived thereof. Beyond a natural defense of the democratic concept, our concern for the welfare of "captive" peoples reflects an appreciation of the enormous contributions made toward strengthening our own democracy by those Eastern Europeans who emigrated to our shores. Our efforts today testify to the courage of those "prisoners of conscience" who share with us the hope that the chains of political and cultural bondage will someday be broken and the freedoms we cherish will be realized.●

THE FRAUD HOTLINE

Mr. SASSER. Mr. President, I wish to take this opportunity to report to my colleagues on the progress of the fraud hotline established last January.

My colleagues will recall that this hotline was established at my request, and with the strong support of the former ranking member of our Legislative Appropriations Subcommittee, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

The hotline was installed at the General Accounting Office with the cooperation of Comptroller General Elmer Staats.

I first made the suggestion for the hotline at a December 4, 1978 hearing which we conducted on fraud in Government.

The hotline allows any concerned citizen with knowledge of fraud and abuse—in any Federal program—to report that knowledge to a General Accounting Office Special Task Force for the Prevention of Fraud. The anonymity of any caller will be respected—the name of the caller need not be given to the task force. In 62 percent of the cases, the caller has chosen to remain anonymous.

Mr. President, I ask unanimous consent that the fraud hotline number be printed in the RECORD.

There being no objection, the number was ordered to be printed in the RECORD, as follows:

FRAUD HOTLINE

The national toll free fraud hotline is 800-424-5454. In the Washington, D.C., metropolitan area the number is 633-6987.

Mr. SASSER. Mr. President, I ask unanimous consent that a description of the GAO fraud hotline procedures be printed in the RECORD at this point.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

GAO TASK FORCE HOTLINE PROCEDURES

Each caller on the GAO "Fraud Hotline" is interviewed following the general format of a data collection form, with a separate control number assigned to each call. This will be used to track those allegations which appear substantive through later verification of facts and investigation if warranted. The type of information GAO is attempting to record is:

Federal agency or source of Federal funds/material involved in the allegation.

Specific locations where the action is alleged to be taking place.

Recurring or one time?

Length of time activity has been going on.

Extent of activity (some idea of number of people involved).

Estimate of dollar value involved.

The GAO Task Force will provide an initial screening of the calls to eliminate those which are obviously non-substantive. Those which appear to be substantive but relate to program effectiveness and efficiency rather than fraud will be referred to the operating divisions of GAO for consideration in their audit work. Those which appear to be allegations of fraud will be coordinated with the appropriate agency Inspector General for investigation. In the event the agency Inspector General is unable to respond in a timely manner because of manpower limitations or priority of on-going work, GAO will perform a verification of facts relative to the allegation utilizing regional offices. This data will be evaluated by GAO and a decision made relative to referral to the Department of Justice for possible prosecution.

FIRST 6 MONTHS PROGRESS

Mr. SASSER. Mr. President, during the first 6 months of operation—the period of January 18 through July 23, 1979—over 6,000 allegations had been written up by GAO Task Force personnel.

The task force is now in the process of classifying the 6,000 allegations—as to materiality, agency, and program involved, and geographic location.

Initial computer analysis of the first 5,437 allegations is complete. The follow-up on these hotline leads has begun. Additional calls are being received daily, and will be handled by the same process.

MIX OF CALLS

Of the 5,437 allegations reviewed so far, 3,611 or 66 percent appear to have sufficient substance to merit further consideration for audit or investigation.

(The other 34 percent relate to non-Federal activities or lack sufficient factual information to justify further consideration for audit or investigation at this time.)

The 3,611 allegations that merit further consideration for audit or investigation have been received from 50 States, the District of Columbia, and overseas locations.

Mr. President, I ask unanimous consent that a State-by-State listing of the locations of these 3,611 hotline allegations be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

Location of reported activity

Washington, D.C.	207
Alabama	72
Alaska	12
Arizona	50
Arkansas	47
California	366
Colorado	74
Connecticut	21
Delaware	6
Florida	180
Georgia	108
Hawaii	7
Idaho	17
Illinois	97
Indiana	53
Iowa	31
Kansas	18
Kentucky	56
Louisiana	59
Maine	18
Maryland	87
Massachusetts	73
Michigan	121
Minnesota	26
Mississippi	52
Missouri	120
Montana	23
Nebraska	17
Nevada	10
New Hampshire	16
New Jersey	74
New Mexico	25
New York	177
North Carolina	68
North Dakota	16
Ohio	180
Oklahoma	54
Oregon	27
Pennsylvania	177
Rhode Island	14
South Carolina	20
South Dakota	19
Tennessee	158
Texas	133
Utah	15
Vermont	1
Virginia	146
Washington	86
West Virginia	30
Wisconsin	44
Wyoming	2
Overseas	18
Missing State Codes	84

AFFECTED FEDERAL AGENCIES

Mr. SASSER. Mr. President, the 3,611 hotline allegations that have been selected for further consideration for audit or investigation affect virtually every major department or agency in the Federal Government. We have compiled a list of the affected Federal agencies. I ask unanimous consent that an agency-by-agency listing of the affected Federal agencies be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

LIST OF AFFECTED FEDERAL AGENCIES

Department of Agriculture	132
Department of Commerce	41
Department of Defense (other than Air Force, Army, Navy)	96
Department of the Air Force	120
Department of the Army	182
Department of the Navy	199
Department of Energy	42
Department of Health, Education and Welfare (other than SSA, OE)	299
Social Security Administration (Welfare SSI)	501
Office of Education	39
Department of Housing and Urban Development	263
Department of the Interior	126
Department of Justice	92
Department of Labor	331
Department of State	16
Department of Transportation	102
Department of the Treasury (other than IRS)	51
Internal Revenue Service	236
Community Services Administration	36
Environmental Protection Agency	60
General Services Administration	98
National Aeronautics and Space Administration	17
Small Business Administration	28
Tennessee Valley Authority	18
United States Civil Service Commission	19
United States Postal Service	134
Veterans Administration	184
All other	149

TYPES OF ALLEGATIONS RECEIVED

Mr. SASSER. Of the 3,611 allegations selected for further consideration, about 38 percent are instances of apparent mismanagement. Generally, these allegations will be dealt with through the audit process rather than the investigative process.

In contrast, the remaining 62 percent—2,249 allegations—appear to be instances of intentional wrongdoing or fraud.

Mr. President, I ask unanimous consent that a table and a short narrative categorizing the 2,249 allegations of intentional wrongdoing be printed in the RECORD.

There being no objection, the table and narrative were ordered to be printed in the RECORD, as follows:

	No. of Allegations	Percent of total
Participant category:		
1. Federal employees only	693	30.8
2. Federal employees in conjunction with others	212	9.4
3. Federal contractors or grantee organizations	523	23.3
4. Corporate recipients of Federal financial assistance	11	.5
5. Individual recipients of Federal financial assistance	500	22.2
6. Other individuals or corporate entities	310	13.8
	2,249	100.0

The "Federal employees only" category included 84 allegations of theft, 68 allegations of private use of government property, 178 reports of employee working hour abuses, 178 reports of improper financial transactions, and 185 reports of other improper activities.

The "Federal employee in conjunction with others" included 122 allegations of a bribe or kickback having been paid, 3 allegations of extortion and 87 miscellaneous other allegations.

The "Federal contractor/grantee" category included 208 allegations of improper expenditure of Government grant funds, 47 allegations of contract nonperformance, 52 reports of the theft of Government funds or property and 216 other allegations of various natures.

The category "Corporate recipients of Federal financial assistance" involved 11 instances of improper receipt of subsidy funds.

The "Individual recipients of Government financial assistance" included 133 allegations of welfare cheating, 95 of cheating on social security benefit eligibility, 94 of collecting inappropriate disability benefits, 35 of cheating on veterans benefits, 24 instances of food stamp cheating, 38 of medicare/medicaid cheating and 81 miscellaneous allegations.

The sixth and final category, "Other individuals or corporate entities" included 186 allegations of personal and corporate income tax cheating and 124 other allegations of improper activity.

WIDESPREAD REPORTS OF WRONGDOING

Mr. SASSER. Mr. President the instances of alleged intentional wrongdoing is widespread throughout the Federal Government. Intentional wrongdoing has been reported involving the funds of every one of the 12 Cabinet departments of the Federal Government. These cases involve activity in all 50 States and the District of Columbia.

REFERRAL OF CASES TO AGENCY INSPECTORS GENERAL

Mr. President, we are now getting close to the bottom line. I hope my colleagues will be encouraged to hear that the General Accounting Office has already referred 1,174 of these cases to agency Inspectors General for their action.

What this means is that there are 1,174 cases of intentional wrongdoing now in the hands of Inspectors General—cases that probably would never have been investigated had it not been for the establishment of the fraud hotline in January 1979.

LIST OF REFERRALS

I ask unanimous consent that an agency by agency list of the 1,174 cases that have been referred to agency Inspectors General or their equivalents be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Department or agency and cases referred

Health, Education and Welfare	284
Labor	141
Housing, Urban Development	171
Defense	154
IRS	76
Veterans Administration	56
General Services Administration	58
Agriculture	43
Post Office	26
Interior	27
Environmental Protection Agency	23
Transportation	19
Energy	13
Commerce	11
Justice	15
Treasury	16
Small Business Administration	8
NASA	7
Law Enforcement Assistance Administration	11
GAO	10
Community Services Administration	4
Office of Manpower and Budget	1
Total referrals	1,174

In addition, 15 cases have been referred directly to the Department of Jus-

tice of their investigation or prosecution.

Mr. President, I urge the various agency Inspectors General to actively follow these cases to their conclusion.

Mr. President, I want to extend my thanks to the Comptroller General, Mr. Elmer Staats, who has aggressively pursued our suggestion for a nationwide hotline.●

HEALTH CARE

● Mr. DURENBERGER. Mr. President, sometimes our best intentions go awry. Try as we might to build a better life for all citizens, we occasionally find ourselves with egg on our faces and asking, "What went wrong?"

Such is too often the case with our confusing system of health care. The irony and waste of our present system is not hidden in pages of statistics. Examples abound in our everyday world. Just ask 66 Roman Catholic priests in Spokane, Wash., who are required by a Supreme Court decision to pay for maternity insurance as part of their group policy.

The changes in Roman Catholicism during the past two decades have been dramatic. Among other innovations, we have a Polish Pope and English has replaced Latin. I will guarantee you, however, that maternity insurance for priests is as unnecessary as a gold watch for extended service for members of President Carter's Cabinet.

Our health care system too often treats everyone the same. Consumers of health care have too few choices. For most of us our health care costs are covered by a single group policy offered by our employer or by medicare. The options are few. We pay for benefits we do not need, as in the case of the 66 priests, or we are unable to obtain benefits that are necessary.

The results are unnecessary expenses or inadequate coverage for consumers and extra costs for employers and the Government.

On July 12 I introduced the Health Incentives Reform Act of 1979 that would change this system. Under this proposal, consumers would have the option of choosing the best coverage for their situations. Their benefits would be no more and no less than they actually need. Once we have given consumers the ability to choose the plan that suits their purposes, we have established a system in which all members of the health care industry are competing for the available business. Time and again we have seen the effects of competition in the marketplace—better quality service and lower costs.

An important goal of the Health Incentives Reform Act is to make the consumer's choice a knowledgeable one. According to this plan, most consumers will be able to select from among three competing options—each one printed in easy-to-understand language.

Mr. President, the inherent waste in our present system must be eliminated. As a reminder of the state of our current system, I ask that the story of the 66 priests as related in the July 27 Washington Post be printed in today's RECORD.

The article follows:

POLICY FORCES PRIESTS TO PAY FOR MATERNITY

SPOKANE, WASH., July 26.—The comptroller of Spokane's Roman Catholic Diocese says he nearly "fell off his chair" when he learned that all 66 priests covered on a group medical policy now have to pay 30 cents a month extra—for maternity benefits.

The priests are required to pay because a U.S. Supreme Court antidiscrimination ruling mandates that employers holding a group medical policy covering 15 or more workers must pay for maternity benefits for all employees, the same coverage as for any other illness.

Since there are 66 priests on the diocesan policy, they must pay for the maternity benefits even though they do not need them.

"It's crasy. I just about fell off my chair. It is silly to be paying for benefits we will never collect," said the Rev. Theodoric DeJong, diocesan comptroller. "We are paying something for nothing. It's not so much the money, it's the principle of the thing."

"It would have to be a double miracle," DeJong said jokingly. "First of all a priest would have to have a baby, and then—because of the cellibacy vows—it would have to be an 'Immaculate Conception'."

The priests were covered by a plan that excluded maternity coverage until April 1977 when Blue Cross of Washington and Alaska incorporated the diocesan policy with policies covering about 1,600 other groups in a community rating package.●

NATIONAL HEALTH INSURANCE AND RURAL AMERICA

● Mr. BAUCUS. Mr. President, the United States Department of Agriculture just released a report entitled "Health Care in Rural America." This report confirms that nonmetropolitan areas have fewer health resources available to them than metropolitan areas. Nonmetropolitan residents have greater unmet health needs than metropolitan residents. These special needs include larger aged populations, lower incomes, hazardous occupations, and lower educational levels.

Mr. President, we are failing to improve conditions for those areas greatest in health needs—this Nation's rural areas.

Congress will continue to debate the issue of a national health insurance program. The Finance Committee, of which I am a member, will be intimately involved with the development of some form of program designed to provide greater health insurance coverage to Americans.

Central to the discussion over the parameters of expanding the Federal Government's role in health care is the issue of cost and affordability. How much can we afford to invest in a new venture and is our goal to make health care financially affordable to every United States resident?

A less obvious issue, but just as crucial, is improving the availability of health care to those located in medically underserved rural areas. If these residents do not have access to basic primary health services, then all the money in the world will not improve their health status.

The Health Care in Rural America report demonstrates once again that we have failed to attract and retain health care providers in rural areas in an effort to raise the health status for rural America.

This fact, this reality, must be a key component of our dialog over enlarging the Government's participation in health care. I would urge that any new program address the acute health care shortages for rural communities.●

NOTICES OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Mr. Murray Zweben, Parliamentarian of the Senate, to participate in the visitors program of the press and information section of the Federal Republic of Germany during the period from August 20 to September 1, 1979. It has been determined that Mr. Zweben's travel, at the expense of the Government of the Federal Republic of Germany, is in the interest of the Senate and the United States.

Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Frank Bray of Senator HUMPHREY's staff and Nancy Wolicki of Senator DECONCINI's staff, to participate in a program sponsored by a foreign educational organization, Tunghai University, Taipei, Taiwan from August 10 to August 18, 1979. It has been determined that traval by the above-named individuals, at the expense of the University, is in the interests of the Senate and the United States.

Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics had received a request for a determination under rule 43 which would permit Abe Shulsky of Senator MOYNIHAN's staff, to participate in a program sponsored by a foreign educational organization, Soochow University, Taipei, Taiwan from August 5 to August 13, 1979. It has been determined that Mr. Shulsky's travel at the expense of the University, is in the interest of the Senate and the United States.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. KENNEDY. Mr. President, a short while ago my colleague, Senator METZENBAUM, inserted in the RECORD numerous editorials published in newspapers throughout the country urging congressional action on trucking deregulation. At a time when Members of Congress are being lobbied extensively by representatives of the trucking industry and the Teamsters Union, it is important that we realize the overwhelming support for deregulation among opinion leaders in the media and in vast segments of the public.

Numerous additional editorials have appeared in recent months which underscore the importance of this issue and its broad public support. In the coming days, I will be inserting in the RECORD, for the benefit of Members and their staff, these editorials and other materials which indicate why decisive congressional action is so urgently needed.

The editorials I am today inserting are from the States of Alabama, Arizona, California, and Colorado.

Mr. President, I ask that they be printed in the RECORD.

The editorials follow:

[From the Huntsville (Ala.) Times, June 29, 1979]

ANOTHER DEREGULATION

Just as deregulation of airlines brought immediate savings to American travelers, the deregulation of the trucking industry could bring widespread changes to both manufacturers and consumers, and certainly to the industry itself.

Some of the regulations that govern the trucking business are simply archaic and should have been repealed years ago. For instance, some trucks can haul two gallon cans of paint but cannot transport five-gallon cans of paint. One truck line can haul pineapples only if it carries a load of bananas at the same time.

Truckers often drive hundreds of miles with their trucks empty simply because another line has the authorization to travel over the same highway with goods. The regulations of the Interstate Commerce Commission, like those of the airline industry, have tended to restrict and stifle the trucking industry and to maintain artificially high rates.

President Carter's suggestions for dropping many of the federal controls on the trucking industry, outlined Thursday afternoon, will alleviate some of the problems truckers have been protesting for the last several weeks. There is no reason why the trucking industry should be exempt from competitive rules that govern other industries.

In almost any situation in which the government seeks by deliberate regulation to protect some industry from imagined ills or faults, the consumer ends up footing the bill. The greater flexibility offered in the trucking business as a result of the proposed changes could reduce the cost of transporting thousands of products. That savings could end up benefitting the consumer who is now paying for the archaic rules the ICC has been enforcing.

The deregulation of the trucking industry follows promises made by Carter when he was campaigning to make competition—and not government protection—a major part of American business life. The latest proposals are sound and should be implemented.

[From the Phoenix Republic, Mar. 10, 1979]

ON THE RIGHT TRACK

Unlike the airlines industry, which fought deregulation, and the trucking industry, which is fighting it now, the nation's railroads have launched a drive to get out from under the iron hand of the government.

The Association of American Railroads has come up with a deregulation plan that goes far beyond anything the Carter administration has contemplated.

The railroads were largely responsible for the creation of the Interstate Commerce Commission in the first place, and for years, they prospered under regulation, but they have since fallen on hard times. They are now the sick man of the U.S. economy.

During the past decade, the rate of return on the investment of Class I railroads in transportation property has averaged 2.8 percent. This is not enough to enable them to maintain adequate service. In the Northeast, the once mighty Penn Central and five other Class I railroads are in bankruptcy.

Not all the railroads' troubles are the result of government regulation. Bad management, surrealistic work rules, imposed by the unions, competition from trucks, airlines and barges, and changes in the economy also play a part.

However, the majority of the members of the AAR have finally come to the conclusion that getting rid of regulation would be a major step toward solving their other problems.

The AAR plan calls for a major relaxation of the ICC's control of railroad rates, freight-car operations, efforts to abandon unprofitable business, and plans for mergers.

The railroads believe this would make it possible to integrate on a more rational basis, and thus save money while at the same time improving service. This would make them more capable of competing with trucks and barges.

They also believe it would result in a rate structure based on economic rather than political considerations.

The AAR plan is bound to run into opposition from small towns, which believe they might lose rail service, from small shippers, who fear they would have to pay higher rates from barge owners and from truckers. Some railroads, which look on the ICC as a security blanket, also will fight it.

In addition, the administration may find some of the specific AAR provisions objectionable.

The small towns can switch to trucks for transportation. The small shippers will suffer, true, but there's no valid reason for a rate structure that, in effect, subsidizes them. Nor is there any valid reason for preventing the railroads from competing with other forms of transportation on a more equal basis.

A healthy railroad system is essential to the economy. Some of the specific AAR proposals may not be wise, but the railroads are on the right track.

[From the Phoenix Gazette, July 2, 1979]

TRUCKING TRAUMA

Trucks are as big in the news as they are on the highways. In the midst of a nationwide independent truck strike, President Carter and Senator Kennedy shifted into high promotion gear on their proposals to deregulate the trucking industry.

While there are connections between the strike and deregulation, they are basically separate issues. The shutdown by the independent truckers is an explosion of protest over fuel policies.

Deregulation is a long-simmering issue, brought to boil by the success of deregulation of the airlines last year.

By breaking the distribution link in the nation's food supply chain, the truck strike poses the more pressing danger. This break must be repaired quickly by Carter and the Democratic-controlled Congress lest it wreck the economy.

Deregulation of the trucking industry is not of such immediate concern. But, in the long run, it is as essential to maintaining the economy in good running condition as is ending the truck strike emergency.

There's a grand irony to the coincidence of these two trucking traumas. Carter, Kennedy, et al, not known as defenders of the free enterprise system, want to deregulate trucking for the very good reason that it will foster competition in the marketplace, tending to produce lower prices and better services.

But this same crowd of Democratic leaders has been regulating fuel supplies and prices with a passion. The result has been the mess that has led frustrated independent truckers to stage their massive, self-destructive protest.

Let Carter, Kennedy and Congress get together and demonstrate their belief in the value of deregulation by ending their efforts to control energy supplies and prices. A free market would soon sort things out.

[From the Fairfield (Calif.) Republic, June 28, 1979]

PUBLIC INTEREST

It's hard to believe that the U.S. government is interested in fighting inflation and conserving fuel when its own regulations can force a truck bound from Denver to Albuquerque to go by way of Salt Lake City—a 300-mile detour. But that's the kind of costly and wasteful nonsense that occurs with the blessing of the Interstate Commerce Commission.

President Carter has now added deregulation of the trucking industry to the agenda of the 96th Congress. It should get a high priority to bring its benefits to bear as quickly as possible. The president estimates that over-regulation and lack of competition in truck transportation are costing consumers as much as $5 billion a year.

Among other things, the deregulation plan would allow easier entry into the trucking business, and provide greater freedom in raising and lowering rates. It would end many restrictions on what trucks can carry, permit them to take the most direct routes to a destination, and lift the rules which often force trucks into long "deadhead" runs carrying no cargo.

The case for a free, competitive market in the truck industry speaks for itself, but major trucking companies and the Teamsters Union, which represents most of their drivers, are digging in for a fight. Deregulation would end route monopolies and the legalized price-fixing which protect established operators. On the other hand the president's plan is supported by independent truck operators who stand to gain from being able to compete with bigger companies.

[From the Los Angeles Herald-Examiner, June 26, 1979]

LET'S KEEP ON TRUCKIN'

"Cheaper crude or no more food": we've heard the song, now we're learning what it really means. It means that the nation's independent truckers, pushed to the wall by soaring fuel prices and an unresponsive regulatory system, have decided to deny food—not to the Arabs but to us.

This simply does not make sense. The truckers are understandably incensed with the high cost of diesel, and with the Interstate Commerce Commission's (ICC) inability to approve rate changes with the same speed the Arabs are raising the price of fuel.

The price problem is compounded by short diesel supplies, which add costly hours to trips and thus eat up even more profits. The obvious solution to the problem is to dismantle the maze of regulations which governs the trucking industry. Those regulations date back to—and reflect the leisurely pace of supervision warranted by—an era of 2 percent inflation, 70-mph speed limits, gas wars and nickel coffee. But those days are gone—and with them have gone the rationale and relevance of a regulated trucking industry.

The situation demands the kind of reforms presented to Congress by President Carter in his truck deregulation package. Carter's improvements would end authorized price-fixing in the regulated sector of the market; would make it easier to get into the business; would facilitate fluctuating rate changes resulting from increased competition; and would eliminate some of the industry's more Byzantine practices.

Instead of constructively lobbying for deregulation, the independents are goring themselves and the economy by going on strike. The strike isn't going to affect OPEC one way or the other; just as Washington's order to change diesel priorities isn't going to make more gas available. Meanwhile, food rots in the fields, slaughterhouses close down, workers all across the country are laid off, and what promises to be but the first of the stragglers is shot. Republic Van Lines announces it is going out of business.

We would suggest that the appropriate target for the independents' wrath is that sector of the market which is regulated. That is the sector of the market which is staunchly opposed to deregulation: the influential American Trucking Associations, Inc., and the highly visible Teamsters Union. While the independents go broke trying to cope with the mindless and mindboggling regulatory caveats institutionalized by these groups, the regulated truckers insist that all is well. In fact, they go one step further. They invoke the specter of disaster if regulation ends.

Needless to say, this is precisely what the airlines predicted when the government started talking about deregulating the wings of man. But the airlines weren't ruined by deregulation. Not at all.

The trucking industry desperately needs the same kind of flexibility that our airlines now have. That's why we're supporting the president's truck deregulation plan, and urging Congress to do the same. Given current government policies, we cannot expect to exert meaningful downward pressures on the world price of oil. So if diesel prices are high now, they're only going to get higher. Therefore, we should do everything in our powers to make the trucking industry as flexible and responsive to those fuel price pressures as we can. The president's plan is the best solution to those pressures we've seen yet.

[From the Sacramento (Calif.) Bee, July 6, 1979]

TRUCKING DEREGULATION

If ever an industry is ripe for deregulation, it is trucking. For 40 years it has been subject to Interstate Commerce Commission regulations which have kept competition low and freight rates high.

Approximately 16,000 interstate motor carriers are licensed by the ICC, which seems to suggest there's a lot of competition in the business. But the fact is that under ICC regulations truckers are allowed to set rates jointly, immune in this respect from antitrust laws, and that a few large trucking companies carry the bulk of the freight. A study done several years ago estimated that less than 1 percent of the regulated carriers earn more than half of the trucking industry's revenues.

Federal regulations now make it difficult for newcomers in the industry to obtain licenses to transport goods. This increases the value of existing franchises. The result is that persons wanting to enter interstate trucking frequently have to buy licenses, at high prices, from those who hold them.

Some regulations require truckers to take circuitous routes when shorter and cheaper runs could be made. Others prohibit certain truckers carrying one kind of goods to a city or a town from picking up a load of some other kind of goods for the return trip. The result is that many trucks make the return trip empty.

Recognizing these things and fulfilling a pledge he made more than two years ago at a town meeting in Clinton, Mass., where he said his administration favored deregulation of all aspects of the transportation industry, President Carter has submitted proposed legislation which would stimulate competition in the trucking industry and save consumers $5 billion a year in shipping costs.

Carter's proposals would outlaw the now-legal price fixing among truckers and would remove the restrictions that bar truckers from carrying certain commodities or taking the most direct routes. They would allow easier entry into the trucking business and give greater freedom in raising and lowering prices without ICC approval.

Although Carter has been joined by Sen. Edward Kennedy in his efforts to deregulate the industry, and the president's proposals are endorsed by the Independent Truckers Association, the National Association of Manufacturers, the National Farmers Organization and Common Cause, it won't be easy to get the bill through Congress.

Trucking interests that thrive under federal regulation, such as the large firms represented by the American Trucking Association, and the Teamsters Union whose members drive for them, are sponsoring an all-out lobbying campaign against the bill. If they are successful in defeating the measure, the $100 billion industry will be free to set rates and continue charging what the traffic will bear. Nonetheless, there is a good possibility that under the growing political pressure to stem inflation the legislation will pass. Carter and Kennedy may thus be able to accomplish a task that should have been undertaken long ago.

[From the Sacramento (Calif.) Union, June 25, 1979]

CARTER PROPOSAL: TRUCKING DE-CONTROL PROMISES BIG FIGHT

Aside from the merits of the plan, President Carter had two good reasons for proposing gradual deregulation of the nation's trucking industry. One, it would benefit many of the 100,000 independent truck owner-operators, who have been conducting violent strikes and blockades in support of demands for more and cheaper diesel fuel. Maybe this would encourage them to go back to work.

Another reason was that deregulation could be expected to be welcomed by consumers, i.e. voters, and thus perhaps bolster the president's sagging popularity. In a message to Congress, Mr. Carter said his Council on Wage and Price Stability estimates that consumers pay some $5 billion extra each year because of federal regulations that protect the trucking industry.

Administration aides are quick to remind us that Mr. Carter supported and signed legislation deregulating airlines last year. The result has been dramatic reductions in some air fares and increases in service on many routes. Airline company profits soared as ridership skyrocketed.

Whether truck deregulation would have the same happy result is difficult to forecast, but the prospects seem bright. Mr. Carter's plan includes ending legalized price-fixing among trucking owners, a phase-out by 1984 of all federal restrictions on the commodities they may carry and the routes they must follow, and authorization to cut rates as much as 20 percent a year without government interference.

One obvious saving would result from eliminating restrictions on "backhauls," the loads truckers seek to carry on return trips. The Interstate Commerce Commission (ICC) says more than 20 percent of all truck miles are driven empty because of regulatory restrictions.

Ending restrictions on commodities by Dec. 31, 1983, would mean, for example, an end to such foolishness as allowing one trucker to haul pineapples only if they are mixed with a load of bananas. Another can haul two-gallon paint cans but not five-gallon paint cans.

ICC activities and red tape would be drastically curtailed. Truckers applying to offer a new service would not have to prove in years-long trials that the service is required for the public's convenience and necessity.

The "agricultural exemption" would be expanded, allowing unregulated hauling of many more food and farm products than at present.

Many airlines originally opposed deregulation, and truckline owners don't like the idea either, calling it counter-productive. Industry spokesmen believe federal regulations have prevented cutthroat competition that would enable strong firms to drive out competitors and raise prices to new highs.

We foresee a battle of economic theories as the administration and trucking industry argue the issue before congressional committees. But based on the experience of airline deregulation and, indeed, the history of the American free enterprise system, we come down on the side of the principle that the more competition, the better.

[From the San Diego (Calif.) Tribune, June 26, 1979]

TRUCK COMPETITION WILL HELP CONSUMER

The recent airport trading in "half-price coupons" issued by two major airlines is merely the most dramatic of the consumer bonuses resulting from the lifting of regulations on the airline industry.

Fares have dropped. Routes and schedules have been made more responsive to passenger needs.

Now President Carter and Senator Edward M. Kennedy, D-Mass., have proposed similar deregulation of the trucking industry, which would eliminate mandatory practices that place a burden on both truckers and their clients.

If Congress concurs, legalized price-fixing will be phased out by 1984. Restrictions on what cargoes truckers may carry will be lifted. The truckers will be able to follow the shortest routes. They will be allowed to cut rates by as much as 20 percent a year.

The American consumers will share in an estimated $5 billion savings in trucking charges every year. The president's Council on Wage and Price Stability estimates the average benefit to each family at $100 a year.

The Carter plan will allow independent truckers access to new markets and permit more minorities to enter the business.

The powers of the Interstate Commerce Commission to control trucking operations too often have been used to inflate industry profits and stifle competition. Consumers have little voice in the regulatory process.

Deregulation in the trucking industry will help break the stranglehold on markets enjoyed for years by firms protected from competition in price and services by a federal umbrella.

But these firms and the Teamsters who work for them will not release their stranglehold willingly or easily. The truckers association and the labor union have threatened to launch an all-out campaign to block congressional approval of deregulation of the industry. They fear that competition will impair their "sweetheart" deal, and they couch their opposition in high-sounding terms. But nothing should be allowed to conceal their naked self-interest.

Congress should respond quickly and positively to the president's plan in the interest of its constituency—the consumers.

[From the San Diego (Calif.) Union, Mar. 17, 1979]

THE GOLDEN GOOSE

There are disquieting reports out of Washington that the White House is holding back on legislation to deregulate the trucking industry because of current contract talks between the Teamsters and the industry.

We are told that the administration hopes the Teamsters will abide by the President's voluntary wage guidelines, which include a seven percent ceiling on annual increases in wages and benefits. With the two-million member Teamsters union vehemently opposed to deregulation, the White House apparently believes that delaying introduction of the legislation might moderate the union negotiators' wage and benefit demands.

There is nothing new, of course, about such political trade-offs. They are the meat and potatoes of Washington politics. And, if a modest delay in introducing the administration's deregulation bill could, in fact, induce the Teamsters to settle for a non-inflationary three-year contract, the public interest would be well served.

However, as the President and his aides cannot have but noticed, the Teamsters appear decidedly unmoved by the administration's stalling on deregulation. It has been learned that the Teamsters are demanding a wage and benefit package that adds up to a whopping 71 percent increase over three years. So much for observance of President Carter's seven percent per year voluntary guidelines.

Frankly, we never entertained any great hope that the Teamsters' traditional militance at the bargaining table would be bartered away for anything as transitory as a delay of a few months in the administration's laudable drive to deregulate the nation's trucking industry. Nevertheless, it is hardly fair to rebuke the administration for trying. After all, the inflationary effects of a new Teamster contract anything like the one put forward by the union would be considerable.

These new inflationary pressures would far outweigh the deleterious effects of a brief delay in introduction and enactment of trucking deregulation legislation. But now that the administration's strategy has proved barren, we see nothing to be lost by prompt introduction of the deregulation measure. Indeed, that is what we expect.

The only other possibility is that the administration might decide to scrap its deregulation proposal altogether in exchange for incremental moderation in the zeal with which Teamster negotiators pursue their 71 percent wage and benefit package. We worry about this because it would be a deal the Teamsters might conceivably accept.

The Interstate Commerce Commission's regulation of the trucking industry shields Teamsters from the competitive pressures that help restrain wages in other industries. Regulation is a golden goose for the Teamsters no less than for their protected employers. Union negotiators might well be tempted to settle for much less than a 71 percent increase should the Carter administration quietly promise an indefinite stay of execution for their regulatory goose.

The Teamsters would be happy and the administration could claim a "victory" for the President's battered anti-inflation campaign.

Should signs of such a deal develop, Congress and the country ought to rise in indignation. Washington's maladroit regulation of the trucking industry costs consumers up to $3 billion a year in unnecessary costs. For the Carter administration to perpetuate this burdensome waste for the sake of an, at best, partial triumph in the Teamster-industry negotiations would amount to a surrender of the public interest.

[From the Santa Ana (Calif.) Register, Mar. 14, 1979]

TRUCK GROUP DEFENDING REGULATION

(By Sam Campbell)

Politics is the art of depriving your enemies, rewarding your friends and looting the neutrals.

And government is mostly politics.

Sometimes the reward is conferred by means of a congressional appropriation which, like a heavenly blessing, may seem to shower dispassionately upon all alike. But on closer examination, you characteristically find that a favored few were more blessed than others.

In other instances, legislation is used to prohibit the many from a specific line of work or market activity in order that the few will not be overly pressed by hungry competitors. Unions undertake to mark off an employment preserve for themselves without express legislation. Businessmen occassionally strive to ensconce themselves by direct anointment of Congress, or to maintain themselves in such a favored status.

An example of such a business combine is the membership of the American Trucking Association, Inc. You can't really blame them for being "in." That's the way the system was set up when most of them were born. The only alternative that any of them had was to conform to the existing rulebook or stay out of the transportation business.

The real surprise is not that numbers of businessmen have learned to live with the coercive system, but that any of them would have the gall to defend it. Yet that is exactly what happened.

Such a defense came Monday from Donn McMorris, chairman of the American Trucking Associations, Inc. Addressing the Air Freight Motor Carriers Conference, McMorris attacked individuals who happen to oppose his particular point of view.

"Deregulation is becoming an obsession with certain people in this country," he declared, "and they are determined to force their obsession on the rest of us whether needed or not."

He noted that the trucking industry continues to oppose deregulation efforts supported by the Carter adminisrtation and Sen. Ted Kennedy.

If you read McMorris' statement carefully, you will find a basis for harmony. Obviously, there are two opinions on the subject. Some—like McMorris—wish to continue regulation; others would prefer to end it. McMorris indicates that he doesn't want the deregulators to force their obsession on him. Just as obviously the deregulators don't want McMorris to force his viewpoint on them.

In the interest of peace, therefore, the deal could be this: If McMorris and company will stop enforcing regulation on others as they have been doing for the last 50 years, they who favor deregulation will not insist that McMorris et al be deprived of it. In other words, neither party forces his will upon the other. Let all compete, and may the best set of operators win.

If coercion is as offensive to McMorris as he indicates, he won't be able to turn this offer down.

[From the Vista (Calif.) Press, June 25, 1979]

DEREGULATE TRUCKING INDUSTRY

There can be no doubt that President Carter's proposals to deregulate the trucking industry are sound and should have been carried out years ago. It is nothing short of amazing how such nonsensical New Deal regulations could have endured for the past 40 years.

One of the most ridiculous regulations is the fact that the Interstate Commerce Commission won't allow truckers to return home with a load. That is, a trucker making a haul from Atlanta to San Diego is not allowed to haul goods on his return trip to Atlanta.

Another ridiculous regulation of the ICC is that of not allowing truckers to go directly from one point to their destination, but take a round-about route which sometimes adds thousands of miles to their trip, and therefore to their costs.

President Carter cited one example of these senseless regulations where an ICC license required one trucker to go from Denver to Albuquerque, N.M., by way of Salt Lake City, detour of 300 miles.

All this regulation not only is unnecessary, but downright foolish and expensive. All the costs added to the shipment of goods and materials in this country are added to the price of products which the consumer pays. This unnecessary cost adds an estimated $5 billion a year to consumer prices.

In addition, among the regulations proposed by Mr. Carter is one that would outlaw large trucking firms from getting together and fixing prices, a practice that has been going on for many years.

In spite of the common sense embodied in the deregulation proposals, they were immediately attacked by the large carriers that have benefited from the regulations and by the Teamsters Union whose members drive for them.

The president of the American Trucking Associations is quoted as saying Mr. Carter's proposals were a "radical approach" and could lead to waste instead of efficiency. This is reminiscent of the anguished cries heard a few years ago when demands escalated to deregulate the airlines, which was done.

And Sen. Howard Cannon of Nevada, chairman of the Senate Commerce Committee, predicted it might take two years to get the Carter proposals to a vote.

We believe the Congress should make this a priority item and get to work on it immediately. It is nothing short of insanity to continue such harmful regulations which benefit the big firms and the Teamster drivers.

[From the Colorado Springs (Colo.) Gazette-Telegraph, July 3, 1979]

FREE THE TRUCKERS!

As produce spoiled in the fields, as truckers became more violent in their protestations, as the truck strike began to be felt by the consumer, President Carter stepped forth with his deregulation plan.

It seemed to be a masterful job of timing.

That recent afternoon in the rose garden at the White House, the president told what he wanted Congress to do in the trucking industry: gradually end the federal regulations that protect the industry from competition and cost consumers an estimated $5 billion a year.

Administration officials say the proposals will save consumers money, conserve fuel and help blacks and other minorities get into the trucking business.

The proposals would end legalized price-fixing among truckers, phase out by 1984 all federal restrictions on the commodities they may carry and the routes they must follow, and allow rate cuts of up to 20 percent a year without government interference.

They also would make it far easier for truckers to offer new services and greatly increase the kinds of agriculture products that may be hauled without federal rate regulation.

Truckline owners who have grown lazy depending upon regulations to protect them

from competition will put up a fight to kill the bill but a good portion of the nation's 100,000 independent owner-operators, some of whom are now involved in protests, generally would benefit from a greater operating flexibility they would have under the Carter plan.

The truckerline owners have said they are against deregulation because they believe many small towns and cities no longer would be served if the law did not require it.

They have been regulated so long they forget that free enterprise has worked, does work and will continue to work. If there is a need for a service, someone will step forth and offer it at a reasonable price. And somebody else will be there to see if it can be done a little better at a little better price.

The big truckers might not like the idea of having to fight to hold on to what they have but that's what makes for strong companies. It's when the government steps in with rules and regulations that industrial sinews grow weak and limbs grow flabby.

For once, Carter is on the right track.

Free the truckers and let the free market work.

[From the Colorado Springs (Colo.) Sun, June 24, 1979]

TRUCKERS AND OWNERS FEAR THE EFFECTS OF DEREGULATION

Deregulation of the interstate trucking industry, which was proposed—perhaps promised is not too strong a term—by President Carter this week is long overdue, as anyone who has examined the effects of the myriad regulations involved will agree.

But it is not going to be accomplished easily. Its primary opponents are the very people who might be expected to rejoice in the prospect—almost everyone in the trucking industry, from drivers to the owners of the major truck lines.

Whenever the obsolete, never-sensible practice of featherbedding is discussed, the railroads usually come in for some of the criticism. They still have a few examples to cite. But the worst case of featherbedding in America today is probably in the truck industry—except that it does not prevent overwork, long hours of overtime, or any of the other abuses which were the basis of the original featherbed rules of long ago.

The regulations are, as President Carter said, a case of government regulation gone wild. They specify what cargo can be picked up, what can be deposited, what routes must be taken, and thousands of other details. If the routing were merely a matter of weight, considering the capacity of pavements and bridges, it would fall within the bounds of what most of us consider necessary regulation. But one truck line, for example, may have a shipment from Dallas to Memphis, and not be licensed for the direct route. It can, however, haul the goods from Dallas to St. Louis and then down to Memphis, quite legally. Multiply this by tens of thousands of similar rules and you begin to understand how much fuel waste is involved, in a time of fuel shortages.

A 1975 study, after the oil embargo crisis, reported that as much as 30 percent of the fuel used by interstate trucks is burned on trips that produce no revenue, because the trucks cannot haul return loads. That was apart from the inability, under the regulations, to schedule all shipments by the most direct routes.

At first glance, it would seem that all truckers would be eager to be rid of such regulations. But that padding which burns all that extra fuel also requires many extra drivers and helpers. It keeps a lot of extra trucks on the roads. The Teamsters, quick to cry "Foul!" at Carter's suggestion for decontrol, fear that many jobs would be lost if the industry were able to contract itself into the most efficient possible truck fleets. Related to this fear is the secondary worry that if many unnecessary or uneconomical runs are eliminated, there will be a surplus of drivers, and that could lead to lower wages—although that is an unlikely scenario today.

Owners of truck lines worry that major parts of their expensive fleets might become surplus property, although many rigs are not paid for and carry substantial mortgages. The bankers who have financed the purchases of those fleets are also worried, and thus tend to favor continued regulation.

Add all these to the inertia of bureaucracy where regulations are concerned and it becomes apparent that Carter is not going to secure deregulation of the truck industry overnight.

[From the Denver (Colo.) Rocky Mountain News, Mar. 1, 1979]

OPEN ROAD FOR TRUCKERS

The Interstate Commerce Commission has taken another step toward encouraging greater competition in the trucking industry.

The ICC has already lowered some of the barriers that restrict competition among intercity truckers and tend to keep out new owner-operators. It now says that, beginning about the middle of March, when considering applications for operating rights it will give preference to truckers who pledge to provide cut-rate service.

The commission believes the new policy will stimulate innovative pricing and service options by trucking companies, and at the same time promote efficient and well-managed operations.

Predictably, the announcement brought groans from the industry. Some spokesmen called the ICC's action a kind of end run around Congress, which this session is expected to take up the issue of deregulation.

Viewing that prospect, trucking executives have been ringing many of the same alarm bells sounded by the airline executives when deregulation of their industry was first proposed a few years ago.

According to Bennett C. Whitlock, president of the American Trucking Associations, deregulation would "plunge the trucking industry into chaotic rate wars, drastically reducing the number of firms engaged in the business."

This would hurt many small towns, whose only link with the outside economy is truck transport, he says. Moreover, it would be impossible for the shipping public to know with any degree of certainty the transportation charges on the thousands of commodities which the 16,500 ICC carriers regularly transport throughout the country.

In short, regulation has served both the industry and the nation well. Don't mess with it.

Pardon us if we don't buy these arguments. "Chaos and confusion" presently reign among the airlines, but it is a kind we think the flying public rather likes. We know the airlines are enjoying it, for the advent of more open route and fare competition has resulted in the biggest boom in their history.

We agree, of course, that truckers and airlines can't be compared exactly, and certainly don't advocate that all the regulations be wiped out in one fell swoop.

But as for the general concept of deregulation, we say to the trucking industry: Try it. We think you'll like it, too.●

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from South Dakota.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, and upon the recommendations of the majority and minority leaders, pursuant to Public Law 86-42, appoints the following Senators to the Canada-United States Interparliamentary Group, to be held August 9-17, 1979, in Canada/Alaska: the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. BAUCUS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Rhode Island (Mr. CHAFEE).

FOOD STAMP ACT AMENDMENTS OF 1979—CONFERENCE REPORT

Mr. McGOVERN. Mr. President, I submit a report of the committee of conference on H.R. 4057 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the Bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. McGOVERN. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of the conference report on H.R. 4057: Henry Casso, Carl Rose, Bill Lesher, Steve Storch, George Dunlop, and John Bode.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, H.R. 4057, as reported by the committee of conference, addresses the two immediate emergencies that face the food stamp program. The emergencies are that changed economic conditions have rendered the existing ceiling on the authorization for appropriations for the 1979 food stamp program insufficient to provide full benefits to program participants for the remainder of the fiscal year, and the changes contained in the Food Stamp Act of 1977 regarding program eligibility and benefit levels, which have only recently been implemented, are causing severe hardships for elderly and disabled recipients who have high medical or shelter expenses.

I believe the conferees dealt in a fair and equitable manner with these two matters as well as the program integrity.

H.R. 4057 addresses both of these emergency situations. It would raise the 1979 appropriations ceiling on the food stamp program to a point where current food stamp benefits may continue through this fiscal year. Further, it includes provisions that should help deal with this type of situation in the future. Under the conference substitute, monthly reports on food stamp program expenditures will forewarn Congress of any future funding shortfalls.

The emergency situation now being faced by elderly and disabled recipients with high medical and shelter costs—forcing them to choose between food and absolutely necessary medical or shelter expenses—is ameliorated by providing that these expenses can be deducted when they consume excessive amounts of recipients' income.

PROGRAM INTEGRITY

In addition, H.R. 4057 makes a number of significant changes in the operation of the food stamp program.

The conference substitute contains three antifraud provisions that would—

Allow the Secretary and State agencies to require the presentation of social security numbers as a condition of program eligibility;

Make repayment of fraudulently obtained food stamps a prerequisite to reentry into the program for individuals who are found to have fraudulently obtained stamps; and

Allow States to retain 50 percent of the funds they recover from prosecutions or other State activities directed against individuals who fraudulently obtain their food stamps.

These three provisions will provide the impetus and the means to attack the perceived fraud in the food stamp program.

The conference substitute also removes the carryover authority contained in existing law.

The Lugar amendments on reporting requirements and the method of reducing allotments if appropriations are insufficient are included in the conference substitute. The report of the Senate Committee on Agriculture, Nutrition, and Forestry on S. 1309, a bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, contains a discussion of these provisions. In implementing these provisions, it is intended that the Department of Agriculture be guided by that language. I request unanimous consent that the pertinent language from the committee report be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Under the amendment, the Secretary is also required to submit reports, by the 15th day of each month, on food stamp program costs for the second preceding month. In each monthly report, the Secretary is to state whether there is any reason to believe that reductions in the value of allotments will be necessary due to any insufficiency of appropriated funds.

Not less than 60 days after the issuance of a monthly report in which the Secretary expresses his belief that reductions in allotments will be necessary due to the insufficiency of appropriated funds, the Secretary is required to take the requisite action to reduce allotments.

Within 7 days of taking any action to reduce allotments due to the insufficiency of appropriated funds, the Secretary would be required to submit a statement to the congressional agriculture committees setting forth the basis for his determination, the manner in which allotments will be reduced, and the action he has taken to reduce the allotments.

The Secretary would, of course, be expected to exercise reasonable judgment in arriving at a belief that benefit reductions would be necessary. In this regard, the Secretary may consider a variety of factors, including seasonal fluctuations in program participation, economic forecasts, cumulative expenditures, and supplemental appropriations. Obviously, reductions in benefits should not necessarily commence after the first monthly report showing that more funds were expended in a particular month than an amount equal to 1/12 of the funds previously appropriated for the program for that fiscal year.

The Lugar amendment—while authorizing the Secretary to develop a manner for reducing food stamp allotments on other than a pro rata basis and requiring monthly reports from the Secretary intended to keep Congress informed of program expenditures and the availability of appropriated funds—does not change the standard to be followed by the Secretary in making a finding that the requirements of participating States will exceed available appropriations. Section 18(b) of the act currently requires the Secretary to direct State agencies to make reductions in the value of allotments to be issued to households certified as eligible to participate in the food stamp program, if the Secretary finds that insufficient appropriations are available. In this connection, the committee notes that the Acting General Counsel of the Department of Agriculture, in his memorandum opinion of March 16, 1979, to Assistant Secretary Carol Tucker Foreman, stated that "the Secretary would be expected to make such finding at such time as he has information reasonably leading him to the conclusion that it is necessary to act in order to avoid exceeding the statutory limitation."

GROUP LIVING ARRANGEMENTS FOR THE DISABLED AND BLIND

Mr. McGOVERN. Mr. President, the conference substitute contains the amendment offered by Senators STAFFORD and DOLE, which makes blind and disabled residents of small State-certified living arrangements eligible for participation in the food stamp program under conditions equivalent to those applicable to narcotics addicts or alcoholics participating in treatment programs. Under the provisions of the amendment, the Department would treat disabled recipients of social security disability payments or supplemental security income benefits who are residents in small State-approved public or private nonprofit group living arrangements as independent households if they, for example, purchase or prepare their own food.

CONCLUSION

The House conferees were unable to accept the provision in the Senate amendment that would have removed the ceilings on the authorization for appropriations for the 1980 and 1981 fiscal years. While I am disappointed that these provisions are not included in the conference substitute, I am confident that this issue will be satisfactorily resolved and Congress will provide the necessary funds to run the food stamp program.

Mr. President, of the four amendments that were offered in the substitute bill on the Senate floor by the Senator from North Carolina (Mr. HELMS), we retained three and yielded on the fourth one, which has to do with the State verification procedures.

By and large, I believe the Senate conferees represented the wishes of the Senate very well. We did yield on perhaps a very fundamental point: The lifting of the ceiling on the fiscal 1980 and 1981 programs. But that was necessary in view of the very firm commitments that had been made by the House conferees to their colleagues.

I thank the other Senate conferees on H.R. 4057 for their excellent efforts. Senator STONE authored and guided through the Senate and conference the provisions on the excess medical and shelter expense deductions for the elderly and disabled. Senator HELMS, the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry, made valuable contributions to the conference deliberations. Chairman TALMADGE, and Senators LEAHY, MELCHER, LUGAR, and HAYAKAWA aided in assuring the acceptance of the overwhelming protion of the Senate provisions by the conference committee.

I would be remiss if I did not congratulate Chairman FOLEY of the House Committee on Agriculture, who chaired this conference, for his management of the conference. His efforts and the cooperation of the House conferees allowed us to consider systematically and thoroughly the complex issues before the conference.

I urge my colleagues to join me in supporting the conference report on H.R. 4057.

I request unanimous consent to have printed at this point in the RECORD a section-by-section analysis of H.R. 4057, as agreed to by the committee of conference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF H.R. 4057, AS REPORTED BY THE COMMITTEE OF CONFERENCE

Section 1(1).—Increase in the fiscal year 1979 authorization for appropriations for the food stamp program.

Section 1(1) amends the first sentence of section 18(a) of the Food Stamp Act of 1977 to increase the fiscal year 1979 authorization for appropriations by $620 million. The new appropriations ceiling for the 1977 program would be $6,778,900,000.

Section 1(2).—Removal of carryover authority; Secretary's reporting responsibilities.

Section 1(2) strikes the third sentence of section 18(a) of the Food Stamp Act of 1977 to remove the specific language, beginning with fiscal year 1980, providing for the carryover of unexpended appropriated funds from one fiscal year to the next, and inserts two new sentences. The Secretary of Agriculture would be required to file monthly reports, by the 15th day of each month, setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the current fiscal year. In each monthly report, the Secretary would also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the program will be necessary due to any insufficiency of appropriated funds. (It is anticipated by the committee that each monthly report will include the number of individuals participating in the program and the cost of administering the program at the State level and at the national level.)

Sections 1(3) and 1(4).—Manner in which allotments may be reduced when appropriated program funds are insufficient.

Section 1(3) amends the second sentence of section 18(b) of the Food Stamp Act of 1977 to remove the requirement that the

only available method for reducing program benefits when insufficient funds are available is on a pro rata basis.

Section 1(4) would add new subsections (c), and (d) to section 18 of the Food Stamp Act of 1977. New subsection (c) would require the Secretary to ensure that reductions in the value of allotments, when required under section 18(b), will reflect, "to the maximum extent practicable," the ratio of household program income to the income standards of eligibility for households of the same size with higher-income households bearing more of the reductions. The Secretary may establish (1) special provisions for the elderly, handicapped, and disabled and (2) minimum allotments after any reductions are otherwise determined.

New subsection (d) requires the Secretary to take the requisite action to reduce the value of allotments issued to households certified to participate in the food stamp program within 60 days after the issuance of a report, under section 18(a) as amended by the bill, in which the Secretary expresses his belief that such reductions will be necessary.

New subsection (d) also requires the Secretary, within 7 days of any action to reduce the value of allotments issued to households certified to participate in the program, to furnish the congressional agriculture committees with a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the value of the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.

Section 2. Deductions for households containing an elderly person or a person receiving Supplemental Security Income benefits or social security disability payments.

Section 2 amends section 5(e) of the Food Stamp Act of 1977 to provide households that contain an elderly person (60 years of age or older) or a person receiving Supplemental Security Income benefits, including those who receive only State supplementary payments, under title XVI of the Social Security Act or social security disability payments under title II of the Social Security Act with an excess medical expense deduction and to remove the ceiling on the excess shelter expense deduction for those households.

In addition to the standard deduction and the dependent care deductions, these households would be entitled to (1) an excess medical expense deduction for the actual cost of allowable medical expenses incurred by the elderly or disabled recipient household member that exceed $35 per month and (2) an excess shelter expense deduction to the extent that the monthly amount expended by the household for shelter exceeds 50 percent of monthly household income after all other applicable deductions have been allowable. Currently, there is a ceiling of $90 per month on the amount of the excess shelter expenses deduction that may be claimed.

Section 3. Definition of "allowable medical expenses."

Section 3 adds a new subsection (q) to section 3 of the Food Stamp Act of 1977 to define "allowable medical expenses" as used to determine the excess medical expense deduction.

New subsection (q) defines "allowable medical expenses" as expenditures for (1) medical and dental care (this would include other remedial care recognized by State law), (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding costs of health and accident or income maintenance policies), (5) medicare coverage, (6) dentures, hearings aids, and prosthetics (including securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aid, housekeeper, or child care services due to age, infirmity, or illness.

Section 4. Provision of information.

Section 4 adds a new subsection (f) to section 16 of the Food Stamp Act of 1977.

New section 16(f) authorizes the Secretary and State agencies to (A) require submission of social security numbers as a condition of food stamp program eligibility and (B) have access to the data from other Federal programs regarding individual food stamp program applicants and participants who receive supplemental security income benefits that have been provided to the Secretary of Health, Education, and Welfare (but only to the extent that the Secretary and the Secretary of Health, Education, and Welfare determine necessary for purposes of determining or auditing a household's eligibility to receive assistance or the amount thereof under the food stamp program, or verifying related information).

Section 4 would permit an individual to be barred from receiving food stamps if that individual has been assigned a social security number but refuses to provide it to the State agency. Individuals not previously assigned a social security number could also be prevented from participating in the program unless the individuals apply for and subsequently furnish social security numbers. They would be eligible to participate while waiting for the numbers to be assigned.

The income and resources of the individual disqualified for failure to provide a social security number would be counted in the same way an individual's income and resources are counted when a person is disqualified for fraud or for failure to meet the student work registration requirement during the school year. New section 16(f) will facilitate the use of computer matching techniques that compare the earnings reported by food stamp households against available wage records and thus allow States to identify more readily those households that have unreported earnings or have reported their earnings incorrectly.

In addition, States will be able to match social security numbers to prevent duplicate participation. An individual entitled to emergency service under section 11(e)(9) of the Act would be permitted to furnish a social security number after receiving his first allotment. In this way, an individual who cannot furnish his social security number, or the numbers of all members of his household, before the timeliness standard elapses for providing expedited service will not have benefits delayed simply because a social security number cannot be immediately furnished.

Section 5. Repayment for fraudulent conduct.

Section 5 amends section 6(b) of the Food Stamp Act of 1977 to require that individuals disqualified because of fraud who wish to reenter the program after the period of disqualification must agree to repay the value of the food stamp fraudulently obtained, through either a cash payment or a reduction in the household's allotment, under a reasonable schedule prescribed by the Secretary. If a disqualified individual agrees to repayment in cash and fails to make the payments, that household's allotment will be subject to appropriate reductions. The income and resources of the individual disqualified for failure to repay the fraud claim would be counted in the same way an individual's income and resources are currently counted when that person is disqualified for fraud or for failure to meet the student work registration requirement during the school year.

In order to collect fraud claims, States must currently rely on voluntary repayment by the household or incur the expense of initiating a civil court action to obtain repayment. Section 5 provides a simple and efficient mechanism for collecting fraud claims and provides a penalty if repayment is not made. As a result, it is anticipated that the percentage of fraud claims collected will substantially increase without increasing the administrative costs of collecting these claims. These collection procedures should also discourage persons from committing fraud.

Section 6. State share of recoveries.

States are currently required to return to the Federal Government all funds collected from households that have repaid the value of any food stamps overissued to them. Section 6 would amend section 16(a) of the Act to allow each State to retain 50 percent of the funds it recovers or collects from persons that have committed fraud as determined in accordance with the Act. This provision will provide an incentive for States to pursue collection of fraud claims, particularly in those cases where recoupment or disqualification is ineffective because the household is ineligible.

The amendment provides that persons involved in making fraud determinations are not to benefit from the amount of such recoupments or collections. This prohibition on the use of revenues collected in this manner will assure the impartiality of officials making fraud adjudications.

Sections 7 and 8. Group living arrangements for the disabled or blind.

Sections 7 (1), (2), and (3) amend section 3(g) of the Food Stamp Act of 1977 to include within the definition of "food" meals prepared and served to blind or disabled persons in public or private nonprofit group living arrangements that are certified under regulations issued under section 1616 (e) of the Social Security Act.

Section 7(4) amends section 3(i) of the Food Stamp Act of 1977 to include, and thereby make eligible for food stamp program participation, within the definition of "household" disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement (which serves no more than sixteen residents) that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act.

Section 7(5) further amends section 3(i) to provide that residents of federally subsidized housing for the elderly, disabled or blind residents in public or private nonprofit groups living arrangements that are certified under regulations issued under section 1616(e) of the Social Security Act, and narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program, will be considered individual households. This amendment is in accord with current program practices for the elderly and narcotics addicts and alcoholics in treatment programs.

Section 7(6) amends section 3(k) of the Food Stamp Act of 1977 to include public or private nonprofit group living arrangements that serve meals to disabled or blind residents within the definition of "retail food store".

Section 8 amends section 10 of the Food Stamp Act of 1977 to provide that public or private nonprofit group living arrangements that serve meals to disabled or blind residents may not redeem those residents' food stamps through banks. This is the same prohibition that is currently applicable to drug addiction or alcoholic treatment and rehabilitation programs.

Section 9. Denial of benefits to certain households.

Section 9 adds a new subsection (1) to section 6 of the Food Stamp Act of 1977.

New subsection (1) provides that no household that contains a person involved in a labor management dispute shall be eligible to participate in the food stamp program unless the household meets the income guidelines, asset requirements, and work registration requirements of the Food Stamp Act of 1977.

Section 10. Implementation.

Section 10(a) provides that the provisions of sections 2 and 3 of the bill (the provisions for the excess medical expense deduction and removal of the ceiling on the excess shelter expense deduction for households containing an elderly or disabled member) will be implemented in all States by January 1, 1980, and will not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

Section 10(b) requires the Secretary of Agriculture—within 150 days after the date of enactment of this bill—to issue final regulations implementing sections 4 through 6 of the bill, the provisions of the bill on provision of information, repayment for fraud, and State share of recoveries.

Section 10(c) provides that the provisions of 7 and 8 of the bill, the provisions dealing with group living arrangements for the disabled and blind, will be implemented in all States by July 1, 1980, and will not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

Mr. MCGOVERN. Mr. President, I yield to the Senator from North Carolina (Mr. HELMS).

Mr. HELMS. Mr. President, I say to the Senator from South Dakota that it has been a pleasure to work with him on this measure. We have had some differing opinions; but, as always, we have agreed to disagree agreeably. I congratulate him for the fine work he has done.

I join him in paying tribute to other Senators on the committee and to the conferees of the House and the Senate, because a great deal of work was involved.

Mr. President, I am pleased with some improvements in this bill as reported by the conference committee. The Senate's three antifraud amendments with the amendment requiring early implementation of those provisions, will save millions of tax dollars and help establish credibility with the food stamp program by reducing fraudulent participation.

Also, the bill still contains some worthwhile program improvements that were adopted in the Senate. Senator LUGAR's amendment to the bill protects the truly needy in the event of benefit reductions. Also, it makes clear Congress intention of tolerating no more contortions on the part of the Food and Nutrition Service in order to delay benefit reductions until the point of crisis is reached, as Assistant Secretary Foreman and FNS did earlier this year. Senator TALMADGE's amendment changed the program so that unused budget authority will revert at the end of each fiscal year, thus lending greater significance and practical support to the concept of the spending ceiling.

Though some reservations are in order because the food stamp program is perhaps not the proper vehicle for such a provision, relief for the high medical costs of our Nation's elderly is provided in this bill in the form of the Stone amendment.

Finally, the House conferees also accepted the Stafford-Dole amendment, which permits the blind and disabled residents of small State-certified group living arrangements the same benefits in the program as are afforded narcotics addicts or alcoholics participating in treatment programs.

It is interesting that the House conferees also recognized the value of the Senate's eligibility verification amendment. But to the frustration of the House conferees the proxies of absent Senate majority conferees rejected the proposed compromise by receding to the House position. This meant no provision of this type at all.

I cannot understand how Members of this body can oppose verification of eligibility in the food stamp program when those verification procedures are subject to the approval of the Secretary of Agriculture. Clearly, dedication to the prevention of overissuances in this program is lacking on the part of those Members.

I am also pleased that the House conferees could not accept the Senate's hastily conceived and, I feel, unwise decision to eliminate authorization limits on the program for fiscal years 1980 and 1981. So, Senate conferees receded to the House position on this matter and, thereby, preserved that important congressional budgetary control.

Finally, Senator MCGOVERN's substitute for Senator THURMOND's so-called striker amendment was adopted as a clear restatement of present program operations. As a condition to accepting that amendment, Senator THURMOND was assured that Senator MCGOVERN and I would exhort the Secretary to provide information detailing program participation and cost impacts that result from the eligibility of households with Members who have voluntarily stopped working because of a labor-management dispute. I ask unanimous consent that the letter sent by Senator MCGOVERN and me requesting such reporting be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, a point remains that should not go unmentioned. This bill authorizes the expenditure of funds that would not have been needed had it not been for the inept administration of the program. Assistant Secretary Foreman and FNS officials have consistently disregarded fiscal responsibility in administering this program. Their decision to ignore congressional intent by eliminating the purchase requirements months before implementing participation-restricting provisions of the 1977 act—that is, not implementing those features simultaneously—cost in excess of $275 million, according to the Congressional Budget Office. This sort of mismanagement continues and is reflected in the program's regulations.

Mr. President, because of this serious problem, I pledge to my colleagues and constituents my continued activity in this legislative area. This program is in need of the closest legislative oversight. I intend to do my part to insure that the Senate has ample opportunity to exercise its responsibilities in the future.

I regret that I cannot support this bill.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C. July 26, 1979.

Hon. BOB BERGLAND,
Secretary, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: During its consideration of the bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, the Senate debated several issues. Of interest and concern was the fact that persons may be participating in the food stamp program or receiving larger benefits as a result of participating in a labor-management dispute.

Among those Senators active in floor debate, there seemed to be a consensus that the mere fact that a household member is involved in a labor-management dispute should not render that household ineligible for food stamps. However, many of those Senators raised questions about the number of households that participate, and how many households receive increased food stamp benefits because a household member is participating in such a dispute (lockouts excluded), as well as the resulting costs.

In order that Congress may be better informed on this issue, we would appreciate your providing the Committee by November 1, 1979, and semi-annually thereafter, your best estimate of actual program participation and costs attributable to household members participating in a labor-management dispute for the previous one-half fiscal year.

With every good wish, we are

Sincerely,

GEORGE S. MCGOVERN,
JESSE HELMS.

● Mr. TALMADGE. I support H.R. 4057 as reported by the committee of conference.

I am pleased that three of the four antifraud provisions that were offered by Senator HELMS and included in the substitute that passed the Senate are also contained in the conference substitute.

The food stamp program works. It allows the truly needy to obtain food purchasing assistance. However, it has gotten out of hand in many instances. The adoption and implementation of the antifraud provisions contained in the conference substitute will, hopefully, go a long way toward rooting out persons who wrongfully receive program benefits.

These provisions, when coupled with the Lugar amendment and the repeal of the authority for the carryover of appropriated funds, strengthen the program and give Congress a better handle on evaluating program performance. I would hope that the Department of Agriculture moves quickly to get these provisions implemented. The congressional Agricul-

ture Committees and Congress as a whole want the integrity of the food stamp program restored. Only through effective administration at the Federal, State, and county levels can this goal be achieved. If the actual, as well as the perceived, abuse of the program is to be removed, vigorous administration will be necessary.

Only two provisions of the Senate amendment are not included in the conference substitute. Those are the provisions first, removing the ceilings on the authorization for appropriations for fiscal years 1980 and 1981 and second, allowing the States to adopt supplemental eligibility verification procedures. I support both of these provisions. While I favor full funding for the food stamp program, I also want program benefits to go only to the truly needy. When these objectives are joined together, lower total program funding will be necessary.

The increase in the authorization for appropriations for the 1979 program and the provisions on the excess shelter and medical expense deductions are necessary to address immediate concerns. The provisions on the "cap" and allowable deductions contained in the Food Stamp Act of 1977 were based on estimates and assumptions on the economic circumstances in the Nation during the period of 1977 through 1981. These estimates and assumptions were wrong. We cannot close our eyes to the needs of others or to changing circumstances. The conference substitute addresses these issues in a responsible manner.

Chairman FOLEY of the House Committee on Agriculture presided over the conference in his usual efficient and professional manner. Senator MCGOVERN is to be congratulated for his fine work on this legislation. Senator HELMS was most cooperative during all deliberations and his suggestions have greatly improved this bill. Senators STONE, LEAHY, MELCHER, LUGAR, and HAYAKAWA ably represented the Senate in the conference.

I urge my colleagues to join me in supporting the conference report on H.R. 4057.●

Mr. MCGOVERN. Mr. President, I urge my colleagues to join me in supporting the conference report, and I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. MCGOVERN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The moton to lay on the table was agreed to.

NOTIFICATION FROM EXPORT-IMPORT BANK REGARDING EXPORT OF AIRCRAFT

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit of $126,405,000 to assist the export from the United States of two 747-200B jet aircraft and related spare parts and engines to China Air Lines (CAL), the government-held commercial air carrier of Taiwan. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of $100,000,000 or more, at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to cover 90 percent of the 747 transaction and the loan will be unconditionally guaranteed by the Coordination Council for North American Affairs, acting on behalf of the governing authorities of Taiwan. The sale has a total estimated U.S. export value of $140,450,000. Moreover, in addition to the two above-mentioned aircraft, CAL is also purchasing two Boeing wide-bodied jet aircraft without Eximbank financing. The Eximbank credit will bear interest at the rate of 8¼ percent per annum and be repayable in 20 semiannual installments beginning December 15, 1981.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., July 13, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Taiwan:

A. Description of Transaction.

1. Purpose: Eximbank is prepared to make a credit of $126,405,000 available to China Airlines Limited (CAL) to facilitate the purchase in the United States by CAL of two new Boeing 747-200B jet aircraft, related spare engines and parts. The engines for the aircraft are manufactured by Pratt and Whitney, a subsidiary of United Technologies Corporation. The total U.S. export value for this transaction is estimated to be $140,450,000.

2. Identity of the Parties.

(a) Borrower:

CAL is the commercial air carrier of Taiwan and its shares are held by its directors and senior officers on behalf of the government. Eximbank has previously made eleven loans to CAL and repayments have been made on a timely basis. CAL currently flies to 16 cities in 10 countries, mainly in the western Pacific but also in the Middle East, and to Honolulu, Los Angeles and San Francisco in the United States. The Eximbank credit will be made through a U.S. commercial bank or, as permitted under the Taiwan Relations Act and Executive Order No. 12143 through the American Institute on Taiwan to the Coordination Council for North American Affairs on behalf of CAL.

(b) Guarantor:

The Coordination Council for North American Affairs, acting on behalf of the governing authorities on Taiwan, will unconditionally guarantee payment of CAL's indebtedness under the direct credit.

3. Nature and Use of Goods and Services.

The principal goods to be exported from the United States are two commercial jet aircraft to be used by CAL on its western Pacific and Middle East routes. The airframes for the 747's will be manufactured in the Seattle-Renton-Everett area by The Boeing Company of Seattle, Washington. The engines for the aircraft will be manufactured by the Pratt and Whitney Aircraft Group of United Technologies Corporation in Hartford, Connecticut. In addition, other U.S. firms will furnish spare parts.

B. Explanation of Eximbank Financing.

1. Reasons:

The Eximbank credit of $126,405,000 will facilitate the export of $140,450,000 of United States goods. Sales, profits and employment for U.S. aircraft manufacturers and their subcontractors are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market for commercial jet aircraft.

Boeing estimates that the export of the two financed aircraft will provide 2.9 million man/hours of work for Boeing and its subcontractors. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

It should be pointed out that due to the nature of CAL's routes, where many of its long distance flights are broken by intermediate stops, CAL seriously considered the purchase of the Airbus Industrie's A-300. CAL was offered more generous financing terms for the competing aircraft than those offered by Eximbank for the U.S. aircraft. CAL currently operates a nearly all U.S. manufactured fleet of aircraft, with past Eximbank support having financed many of these aircraft.

Moreover, in addition to the two aircraft to be financed by the Eximbank credit, CAL is also purchasing two Boeing wide-body jet aircraft, a 747 freighter and a new Boeing 747SP, which together with related spares have an estimated U.S. cost of $128,000,000, without Eximbank's financial support. CAL intends to use these two aircraft on long distance routes on which the A-300 could not be used, and therefore Eximbank offered only its guarantee and not a direct credit to finance these two aircraft. CAL decided to finance this purchase without the Eximbank guarantee. Boeing estimates that the export of these two aircraft will provide 2.9 million man/hours of work for Boeing and its subcontractors.

Furthermore, Eximbank has issued a preliminary commitment in connection with the potential sale to SAL of two Boeing 767-200 jet aircraft and related spare parts.

2. The Financing Plan.

The financing plan for the total U.S. procurement supported by Eximbank is as follows:

Percentage of U.S. Costs	*Totals*
Cash Payment 10.0 percent	$14,045,000
Eximbank Credit 90.0 percent	126,405,000
Total	$140,450,000

(a) Eximbank Charges.

The Eximbank credit will bear interest at the rate of 8¼ per annum, payable semiannually. A commitment fee of ½ of 1 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms.

The Eximbank credit will be repaid by CAL in 20 equal semiannual installments beginning December 15, 1981.

Sincerely,

JOHN L. MOORE, Jr.

EVENTS IN AFGHANISTAN SHOW NEED FOR U.S. HUMAN RIGHTS COMMITMENT

Mr. PROXMIRE. Mr. President, reports have recently come to the attention of U.S. officials concerning gross violations of human rights in Afghanistan. The July 22 edition of the Washington Post carried an account of the harsh conditions under the present regime. According to the Post, over 300 religious business leaders were taken to a prison in Kabul last October following uprisings in one of the provinces. They were subsequently blindfolded, robbed, beaten, and executed by firing squads.

The United States has begun to take significant action against the Government of Afghanistan, particularly after the assassination of Ambassador Adolph Dubs this past February. Among other things, we have halted new aid to the country and recently have voted against granting it loans from various international agencies.

Of course, Mr. President, the United States has the moral duty to take such actions. Not only because of the tragic loss of Adolph Dubs but also because of the gross abuses of human rights in Afghanistan, we are right in showing that we will not tolerate such actions.

Yet, if we are to take such steps in the name of basic human rights, then I have a request of my colleagues: Let us act from a position of maximum credibility in this area. If we are to comment on the atrocities in other nations, we must first demonstrate our own commitment to the most basic of all rights—the right to live. We can show our commitment by ratifying the Genocide Convention.

Mr. President, I do not intend to equate the events in Afghanistan with genocide. As deplorable as they are, they do not fit the accepted definition of the crime.

Rather, I cite them because they remind us of the need for an even greater commitment to human rights by our Nation. Let us begin this commitment by ratifying the Genocide Convention.

I ask that the text of the Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS IN AFGHANISTAN STIR STATE DEPARTMENT CONCERN

(By Don Oberdorfer)

More than 3,000 political prisoners have been executed and many thousands more locked up in overcrowded prisons by the shaky revolutionary regime in Afghanistan, according to reports reaching U.S. officials.

The reports depict regular executions, estimated at 20 to 50 a night, at Pol-I-Charki prison outside Kabul, capital of the remote, mountainous country. Victims of the imprisonment and executions, according to the reports, are military personnel, religious leaders, major figures in previous governments, large land owners and a variety of others considered hostile to the rulers.

"We are deeply concerned about the situation," said Assistant Secretary of State Patt Derian, who heads the State Department's human rights activities. "The human rights situation in Afghanistan is not widely known, but we are receiving continuing reports of mass arrests and executions."

A leftist government headed by Nur Mohammed Taraki, a former press attache in the embassy in Washington, took power in a coup in April 1978. The new regime quarreled with traditional leaders and with many tribal groups, conducted internal purges against factions of the small revolutionary party, and turned increasingly for support to the Soviet Union.

American officials estimate that the ruling regime now controls less than half the country and much of that only in daylight hours. A variety of insurgent groups, including tribal units based in neighboring Pakistan, are reported taking a heavy toll of embattled government forces.

American officials believe the Taraki government is under subtle or overt pressure from the Soviets to broaden the regime rather than risk collapse in the deepening insurgency. With the past several weeks Soviet news media have begun speaking of an Afghan "united front," though none is visible to other observers.

Soviet pilots have been reported flying helicopters and transport aircraft, but there is no indication that the Taraki regime has turned to the Russians for combat or occupation troops. Such an action would be a desperation move with uncertain consequences among the independent-minded Afghans, according to American observers.

Many prominent Afghans reportedly were executed shortly after last year's coup. Roundups of opponents and executions are reported to have continued as the regime faced growing conflict with broad segments of Afghan society. According to the reports reaching American officials:

Some 390 religious and business leaders from Kandahar Province were taken to Pol-I-Charki prison last October after uprisings in that area. They were blindfolded, their watches and money removed, then beaten and executed by firing squads 10 at a time. Their bodies were thrown into a common grave and bulldozed.

Two busloads of condemned military officers overpowered their guards on the way to the execution site two months ago. More than 80 persons were killed in the ensuing battle, which spread into the prison and was suppressed by government troops. Some of the prisoners escaped.

Pol-I-Charki prison, originally built for no more than 6,000 persons, is overflowing with about 15,000. Prisoners sleep on a rotation system.

Among the few positive signs are recent reports that around 70 members of the Parcham party, one of two original factions of the ruling regime, have been released from prison. A number of Parchamite leaders, who were initially posted as ambassadors after the revolution, have taken refuge in East European countries.

The United States has cut off all new aid to Afghanistan, withdrawn the Peace Corps and reduced official personnel, especially after the killing of U.S. Ambassador Adolph Dubs in Kabul last Feb. 14. The United States recently voted against several loans for Afghanistan in international financial agencies and made high-level presentations in Kabul about human rights abuses.

UNITED NATIONS EMERGENCY FORCE

Mr. HATCH. Mr. President, the mandate of the Security Council of the United Nations Emergency Force, better known by its abbreviated name, UNEF, that was set up in 1973 to supervise the two Sinai disengagement agreements negotiated by then Secretary of State, Dr. Henry Kissinger, expired on July 24, 1979. The Carter administration's hope that the Security Council of the United Nations would renew this mandate was dissipataed by the Soviets firm refusal to go along with the American proposal. The latest rejection came in Vienna where Carter failed to convince Soviet President Brezhnev of the positive effect that such an eventual Soviet approval would have on the SALT debate in the United States. The Soviet Union maintained her well-known position which condemns the separate peace treaty negotiated with American help between Egypt and Israel. Because of this Soviet approach, the United States did not introduce any proposal to the Security Council concerning the renewal of the mandate of UNEF.

On the other hand, President Carter deeply committed himself to the idea of an armed force supervising all of the steps taken in accordance with the treaty in a letter to Israeli Prime Minister Menachem Begin on March 26, 1979. In this letter which accompanied the treaty, President Carter confirmed the strong desire of the United States for provision of such armed forces to insure the implementation of the peace treaty. The letter also included a promise that, if the Security Council would reject an American proposal to renew the mandate of the UNEF, the United States would take steps to set up a multinational military force.

In light of these facts, the Israeli Government requested the establishment of a multinational military force. This request was rejected by the White House and the State Department as contrary to the intention of the United States. American officials claim that the letter written by President Carter provided for such a measure only after the expiration of 3 years from the signing of the peace treaty. The Israelis deny any such interpretation and emphasize the need for a military force that is capable of stopping terrorist intrusion along the borders.

Most recently, the Carter administration came up with a proposal that is clothed in the guise of a private diplo-

matic agreement reached with the Soviet Union. The gist of this agreement would include a provision to turn over initial supervision of the Egyptian/Israeli peace treaty to a few hundred United Nations truce observers. Israel immediately asked the United States to abandon any such agreement.

The Carter administration refused, and, according to the Washington Post, said it would push ahead with its efforts to implement the Russian-approved observers plan which both superpowers apparently hope will improve the chances of Senate approval of the Strategic Arms Limitation Treaty.

The facts described above indicate that the Carter administration has not yet learned its lesson from events like the Communist takeover in Afghanistan, the collapse of the Shah of Iran, and the most recent political changes in Nicaragua. By pushing both Egypt and Israel too hard, President Carter appears to be more concerned about his personal political success than the well-being and the vital interests of this country.

As a result, the United States faces a situation that can easily destroy the achievements of the peace treaty. First, the Carter administration, unnecessarily and against the will of the parties involved, linked the success of the implementation of the peace treaty with the entirely detrimental political intentions of the Soviet Union. Thus, the United States unnecessarily and unwisely brought into this process the Soviet Union, a superpower openly hostile to both Egypt and Israel. This was done contrary to the expressed desire of Egyptian President Sadat and Israeli Prime Minister Menachem Begin. A direct Soviet involvement at this stage would be also contrary to the best interests of the United States.

Second, in the private diplomatic agreement proposed, truce observers would be responsible to the Secretary General of the United Nations and not to the Security Council. This, in turn, would create a volatile political situation in which the Secretary General would become extremely vulnerable to direct Soviet and, through it, to indirect Arab pressure.

Third, the Carter administration again managed to push the United States into a very precarious situation in which it can easily again appear as a country that does not live up to its commitments. These are grave concerns that obviously cannot only hurt the United States, Egypt, and Israel but also the cause of peace in the Middle East.

For these reasons, I believe that it is time for a more sober analysis of the entire situation in this part of the world. Such an analysis must start with closer cooperation among the countries immediately involved and not by exporting problems which arise out of the implementation of this treaty. The involvement of the Soviet Union, which does not even recognize the State of Israel, can only have a detrimental effect on any peaceful effort in the Middle East.

MORMON PIONEERS 132D ANNIVERSARY

Mr. HATCH. Mr. President, this week is a special week for the people of Utah, being the 132d anniversary of the entrance of the Mormon Pioneers into the Great Salt Lake valley on July 24, 1847. This event is commemorated annually by Utahans as well as the 4 million members of the Mormon Church worldwide, I join my fellow Utahans and other Americans in extending tribute and reverence to those hardy pioneers who took a desert no one wanted and transformed it into the beautiful place it now is.

The Mormon religion has deep roots in American history, having had its origin on American soil. It was organized with six members in 1830 by Joseph Smith in western New York, which at that time was on the edge of the American frontier. The new church grew rapidly, buoyed by the successes of hardy church missionaries who carried the message of the church across America and to many foreign nations. In spite of misunderstanding and religious persecution that developed because of the beliefs of this new religion, the Mormons united behind their leaders and moved west, settling at different times in the bountiful State of Ohio, Missouri, and Illinois. Although eventually forced to abandon these settlements, the industrious Mormons made lasting contributions toward frontier America in their search for religious freedom.

These tenacious souls followed the traditions of earlier "pioneering" ancestors who had migrated from the Old World to the New World in order to practice their religious convictions in peace.

Eventually settling in Illinois, the Mormons took a swamp on the banks of the Mississippi River no one else wanted and transformed it into a beautiful and progressive city named Nauvoo, then the largest city in the State. However, their peaceful stay in Nauvoo did not last for long. Following the murder of their leader, Joseph Smith, the Mormons chose to leave their comfortable homes and newly-built temple behind rather than compromise their cherished convictions. Forced by mob pressure to abandon their beloved city in the middle of February, the residents of Nauvoo crossed the Mississippi and sought refuge in Indian territory on the other side before beginning their arduous treck to the Rocky Mountains.

Brigham Young, perhaps the greatest organizer in U.S. history, led the group of Mormon pioneers westward. Folk songs from these pioneers tell of the trials and tribulations and of sickness and death that accompanied that excursion as they trod the hot, dusty trails with only scanty preparations. The dead were buried in shallow, often unmarked graves along the way as the survivors were forced to leave the bodies of their loved ones behind.

But it was the character of these American pioneers to make the best of any situation. Despite near starvation the first winter and a grasshopper plague that nearly destroyed the crops of the second summer, the Mormons once again transformed a land, this time a land considered as uninhabitable, arid wasteland, referred to on maps of the day as the great American desert, into a thriving State. In time, the first 143 Mormons who arrived in the Salt Lake valley on July 24, 1847, were joined by thousands from every corner of the world. Some could not afford wagons and had to push their belongings in wheel-like handcarts. Although one handcart company alone lost one-third of its members when they were caught in the snows of an early winter, the dangers of crossing the Great Plains did not deter them. The flow continued until Mormons settled every corner of the West and played an enormously important role in the early histories of Arizona, New Mexico, Colorado, Wyoming, California, Idaho, and Nevada.

Life was not easy for these early pioneers. Snakes, sagebrush, and Indian skirmishes were only some of the problems they faced. Yet they confronted these obstacles with a cheerfulness and optimism that remains a shining example for us today. At every crisis, their unity as families and as a people helped them to triumph over every difficulty. Even today the Mormon people continue this tradition of family unity by emphasizing the importance of strong families as the foundation of a great nation.

The example of the early Utah pioneers is an inspiration for us to follow in conquering the problems we face as a nation. These courageous people never lost faith in their religious beliefs or in the constitutional privileges that they sacrificed to preserve. By following their example, this great Nation will also be able to overcome any adversities that confront us. I join others throughout the land at this time in commemorating this holiday and acknowledging the great contributions of the Mormon pioneers to our American heritage.

LOW LEVEL RADIATION HEALTH EFFECTS

Mr. HATCH. Mr. President, many of us have been concerned about the health effects of low level radiation. The Health Subcommittee of the Labor and Human Resources Committee, on which both Senator HUMPHREY and I serve, has held two hearings on the subject this year alone. Senator HUMPHREY and I have been investigating this problem in depth, especially as it affects our constituents. I have been concerned about civilians exposed to fallout during bomb tests in Utah in the 1950's, while the distinguished Senator from New Hampshire has been investigating claims that radiation exposure at the Portsmouth Naval Shipyard in New Hampshire has harmed workers there.

Senator HUMPHREY has written an excellent article, appearing in the June 29, 1979, edition of the Portsmouth Herald, which addresses many of the issues that are raised about low level radiation exposure. This article brings the problem into perspective, and I commend it to

the attention of my colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RADIATION SCARE STORIES

Many have been misled in the past year or two about the health effects of low level radiation. To be sure, no excess of radiation is completely safe.

But scare stories concerning radiation in the Three Mile Island incident and Dr. Narjarian's supposed findings at Portsmouth Naval Shipyard have misled the public. Facts not hysteria, must win out.

First, let's review the facts about radiation exposure to the population surrounding the Three Mile Island nuclear facility.

The current best estimate of the highest possible dose to any one individual is 83 millirem.

This is the dose that would have been received by a hypothetical person standing out-of-doors the entire week of the incident at the spot of highest concentration of radiation. Of course, no one was at this spot, but this will allow estimates of risk to err on the high side. Now, 83 millirem is a hard concept to grasp.

Let's look at it this way. The risk associated with radiation at this level is comparable to the risk of an individual smoking fourteen cigarettes.

Another way of looking at this risk is to examine radiation dosage received from natural background radiation such as cosmic rays. Such radiation cannot be avoided. A person living in Pennsylvania receives about 125 millirem-year of this background radiation.

Such a person would receive an additional 85 millirem, the excess dose received by our hypothetical individual at Three Mile Island, simply by living for one year in North Dakota. Natural background radiation in North Dakota is 210 millirem.

Preceding the scare stories on Three Mile Island was the inaccurate study of Portsmouth Naval Shipyard by Dr. Thomas Najarian. This study, which received spectacular treatment by the Boston Globe and grabbed headlines in other papers across the country, claimed that workers exposed to occupational levels of radiation were dying of cancer at twice the national average.

Last week, Dr. Najarian came before the Health Subcommittee on which I serve, and told the committee that his earlier results were in error. A more careful reanalysis of his data by Dr. Colton of Dartsmouth showed no significant statistical difference in overall cancer rates. Thus, Dr. Najarian's earlier study has been substantially repudiated.

The shipyard has an excellent safety record, and its radiation protection procedures are first-rate. The average lifetime exposure to workers exposed to shipyard radiation is less than these same personnel have from exposure to natural background radiation or to medical sources such as X-rays.

I submit that this risk is small compared to the risks in other industrial activities and is small compared to the risks normally accepted in daily life outside work.

Let me add two items of personal interest. My office building here in Washington is constructed of granite blocks which contain a small amount of uranium. The measured radiation from these blocks combined with the natural background radiation and the radiation I have received from X-rays is about the same as the exposure that shipyard workers receive.

In addition, the radiation I received from cosmic rays as an airline pilot exceeds the levels which most shipyard workers receive. Because I flew at altitudes where there was less protection from these rays, I often received higher-than-average doses of radiation. Radiation has become a fact of life for many occupations.

My purpose in this article is not to dismiss the risks of low level radiation. Every activity has risks. Americans must weigh the risks versus the benefits with all the information available. We must not let scare stories blind us to the real benefits of nuclear power.

Mr. HATCH. I thank the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, all the nominations with the following exceptions: Calendar Order No. 270 and Calendar Order No. 274.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, all of the items identified by the majority leader are cleared on our calendar, and we have no objection to proceeding to their consideration and their confirmation.

I observe, Mr. President, that one of the names included in the request, the list identified by the majority leader, is that of W. Graham Claytor, which is one of those positions recently filled by the President, pursuant to his request that we try to move these new nominations as soon as possible and in any event prior to the August recess.

I am happy to say that we are in a position to clear that.

But there is another item on the Calendar, and that is the nomination of Mrs. Patricia Roberts Harris.

Did I understand that the majority leader did not include that one at this time?

Mr. ROBERT C. BYRD. Yes, I did include it.

Mr. BAKER. That is included?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. We are pleased to report, Mr. President, that there is no objection to that.

I see, further, that the distinguished Senator from North Carolina is present, and maybe he wishes to reserve on that particular one.

Mr. HELMS. Mr. President, if the Senator will yield, I met with Mrs. Harris this afternoon in my office. We had a frank and candid discussion about a number of issues, two of which particularly are of concern to me, one being the tobacco campaign conducted in a way that resembled vendetta by Mrs. Harris' predecessor, and the other is the difficulty between the Department of Health, Education, and Welfare and the University of North Carolina.

Mrs. Harris and I discussed this issue, as I say, quite extensively, and I was very pleased with the assurances that she gave me.

This lady strikes me as being not only intelligent but levelheaded. She has agreed that the Federal Government is not competent to run the University of North Carolina, and she has no obsession about the tobacco issue that would prompt her to refuse even to listen to opinions and facts with which she may differ.

With that in mind, Mr. President, I am delighted to have the majority leader call up the Harris nomination, and I am sure it is reported in good faith just as I accepted her assurances in good faith earlier this afternoon.

I have no objection to her nomination.

The PRESIDING OFFICER. There being no objection, the Senate proceeded to the consideration of executive business.

The nominations will be stated.

NATIONAL AERONAUTIC AND SPACE ADMINISTRATION

The assistant legislative clerk read the nomination of Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The assistant legislative clerk read the nomination of Patricia Roberts Harris, of the District of Columbia, to be Secretary of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed out of order to the consideration of Calendar Order No. 258.

There being no objection, the Senate proceeded to consider the nomination.

The PRESIDING OFFICER. The nomination will be stated.

The assistant legislative clerk read the nomination of W. Graham Claytor, of the District of Columbia, to be Deputy Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining nominations, with the exception of Calendar Nos. 270 and 274 on the Executive Calendar be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

OFFICE OF PERSONNEL MANAGEMENT

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management.

Julie M. Sugarman, of Virginia, to be Deputy Director of the Office of Personnel Management.

FEDERAL LABOR RELATIONS AUTHORITY

H. Stephen Gordon, of Maryland, to be General Counsel of the Federal Labor Relations Authority.

Leon B. Applewhaite, of New York, to be a member of the Federal Labor Relations Authority.

POSTAL RATE COMMISSION

A. Lee Fritschler, of the District of Columbia, to be a commissioner of the Postal Rate Commission.

DEPARTMENT OF COMMERCE

Vincent P. Barabba, of New York, to be Director of the Census.

FEDERAL EMERGENCY MANAGEMENT AGENCY

John W. Macey, Jr., of Virginia, to be Director of the Federal Emergency Management Agency.

DEPARTMENT OF LABOR

William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there are, I believe, five orders, are there not, for the recognition of Senators on Monday?

The PRESIDING OFFICER. That is right.

ORDER FOR THE RECOGNITION OF SENATORS JAVITS, PACKWOOD, AND DOLE ON MONDAY, JULY 30, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that preceding those five orders the following Senators be recognized, each for not to exceed 15 minutes: JAVITS, PACKWOOD, and DOLE.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr President, does that make a total of seven orders for the recognition of Senators, each order being for 15 minutes?

The PRESIDING OFFICER. I believe it is eight.

Mr. ROBERT C. BYRD. Eight. I thank the Chair.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, JULY 30, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that whatever time remains between the completion of the orders for the recognition of Senators on Monday, and the hour of 12:30 p.m., that such time be utilized for the transaction of routine morning business, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, I believe I am authorized, after consultation with the minority leader, to call up the military construction authorization bill at any time at the beginning of Monday?

The PRESIDING OFFICER. The Senator is correct.

AUTHORIZATION FOR THE MAJORITY LEADER TO CALL UP THE MILITARY CONSTRUCTION AUTHORIZATION BILL ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I have consulted with the distinguished minority leader, and so I will proceed to call that bill up at 12:30 p.m. on Monday.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the Senator.

I will advise him that the Member on this side who will manage this bill is apprised of that fact and will be on notice.

Mr. ROBERT C. BYRD. Very well. Just to make it by unanimous consent, I ask unanimous consent that at 12:30 p.m. on Monday the Senate proceed to the consideration of the military construction authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 490

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 190, S. 490, the archeological resource bill, is made the pending business before the Senate that there be a time agreement on it as follows: 30 minutes on the bill to be equally divided between Mr. BUMPERS and Mr. HATFIELD; that there be a 20 minute limitation on any amendment, debatable motion or appeal; a 10 minute limitation on any point of order if such be submitted to the Senate for discussion, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 490 (Order No. 190), debate on any amendment debatable motion or appeal shall be limited to 20 min., to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any point of order, which is submitted or on which the Chair entertains debate shall be limited to 10 min., to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 30 min., to be equally divided and controlled, respectively, by the Senator from Arkansas (Mr. Bumpers) and the Senator from Oregon (Mr. Hatfield): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday the Senate will convene at 10 a.m., following the recess. There are orders for the recognition of eight Senators, each for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business during which Senators will be permitted to speak up to 5 minutes each. That period will end not later than 12:30 p.m.

At 12:30 p.m., in any event, the Senate will proceed to the consideration of the military construction authorization bill. There is a time agreement thereon. Rollcall votes will occur.

Next week shapes up as another busy week. It is hoped that during the week the Senate can dispose of, among other things, S. 1145, a bill to amend the Public Works and Economic Development Act; S. 1150, a bill to provide business financing and other development assistance to alleviate economic distress; S. 835, a bill to extend the Appalachian Regional Development Act, and for other purposes; S. 490, a bill to protect archeological resources owned by the United States; S. 712, a bill to amend the Rail Passenger Service Act; the Treasury-Postal Service appropriation bill; hopefully the Military Construction appropriation bill, if the House acts thereon and sends the bill over in time; the Transportation appropriation bill, if the House acts on that bill; and other measures that may be cleared for action.

It is possible that the House will act on a standby gasoline rationing program, and I hope the House will do that. If that occurs, it is possible that the Senate would have an opportunity to take up that measure and dispose of it before we go out.

I would anticipate some long days next week, with rollcall votes daily, because there remains a good bit of work to be done.

RECESS UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 o'clock on Monday morning next.

The motion was agreed to; and at 6:05 p.m. the Senate recessed until Monday, July 30, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 27, 1979:

NATIONAL CONSUMER COOPERATIVE BANK

The following-named persons to be Members of the Board of Directors of the National Consumer Cooperative Bank for terms of 3 years (new positions).

William A. Clement, Jr., Associate Administrator for Minority Small Business and Capital Ownership Development, Small Business Administration.

Graciela (Grace) Olivarez, Director, Community Services Administration.

FEDERAL RESERVE SYSTEM

Paul A. Volcker, of New Jersey, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1978, vice G. William Miller.

Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years (new position).

THE JUDICIARY

Gene E. Brooks, of Indiana, to be U.S. district judge for the southern district of Indiana, vice a new position created by Public Law 95-486, approved October 20, 1978.

DEPARTMENT OF STATE

The following-named Foreign Service officers for promotion from class 1 to the class of Career Minister:

John Gunther Dean, of New York.
Samuel W. Lewis, of Texas.
Stephen Low, of Ohio.
William H. Luers, of Illinois.
Richard W. Murphy, of Maryland.
James W. Spain, of Florida.

O. Rudolph Aggrey, of the District of Columbia, a Foreign Service information officer of class 1, for promotion to the class of Career Minister for Information.

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Adams, Frank S., 526-50-8493.
Akin, Jere H., 252-58-3705.
Alexander, Joseph D., 220-36-4075.
Alhouse, Robert D., 106-28-0494.
Allen, Kenneth D., 055-30-8532.
Allen, Lee, 554-52-4900.
Allen, Richard H., 222-22-9644.
Allen, Wayne C., 386-32-7633.
Amend, William B., 445-30-3167.
Andreson, Ronald K., 262-48-6580.
Appling, David A., 564-46-6082.
Apruzzese, Vincent, 041-28-2372.
Archer, John R., 252-46-9325.
Arnold, Wallace C., 227-48-9324.
Arwood, Thomas B., 283-30-0658.
Bair, Arthur H., 204-28-3668.
Baker, Larry A., 507-34-2236.
Banks, John W., 070-28-5846.
Banning, Robert D., 488-40-5437.
Barkley, Craig C., 224-44-7177.
Barnes, William R., 239-56-6969.
Barrere, Richard P., 557-32-1590.
Barrett, William M., 422-52-3412.
Barrow, John P., 160-30-1733.
Bauer, Anthony G., 081-32-5512.
Baxter, Thomas R., 145-28-9693.
Bayha, William T., 185-28-7212.
Beavers, Leslie E., 233-56-8171.
Behm, Peter S., 297-28-4133.
Bellows, Ronald L., 161-26-8161.
Bennett, Richard C., 313-36-5532.
Berdux, Sylvester C., 348-26-0218.
Best, James W., 458-52-5722.
Bihn, Marvin A., 282-32-4167.
Bissell, Norman M., 019-30-0829.
Blair, John D., 237-60-6910.
Blakely, Clyde H., 459-48-6379.
Bliss, Richard A., 369-36-8917.
Bloedorn, Gary W., 346-26-8043.
Bloom, John D., 311-36-7498.
Boes, Richard W., 270-28-6964.
Bogart, William V., 211-28-1063.
Boice, Craig H., 123-28-3938.
Boice, William M., 467-60-9579.
Boles, Wayne T., 458-48-4589.
Bomar, Hobby J., 248-66-6603.
Bond, Nelson B., 028-30-7793.
Bons, Paul M., 528-46-2159.
Boyd, Leo S., 587-46-7209.
Bovlan, Peter J., 391-30-2528.
Bovlan, Steven V., 042-32-5473.
Bradin, James W., 258-48-9820.
Bradley, William A., 265-48-9820.
Brailsford, Marvin, 452-60-6421.
Bridgwater, Tom W., 450-50-0649.
Brintnall, Clarke M., 505-30-1659.
Broocke, Nathan I., 526-72-3114.
Brooks, Colleen L., 572-38-1965.
Brown, Charles L., 405-46-1293.
Brown, Harold L., 377-34-0533.
Brown, Joe M., 261-46-7565.
Browning, David B., 242-60-1758.
Browning, Philip Y., 465-62-8228.
Brownlee, Romie L., 456-60-0409.
Brunelle, Pierre V., 012-26-8263.
Brunkow, Richard O., 506-34-2258.
Bubon, John J., 380-26-8610.
Buczek, Richard C., 194-28-0954.
Bullard, Monte R., 560-44-4198.
Bunting, Willis R., 221-24-0004.
Buono, Daniel P., 233-50-7048.
Burke, Allan R., 318-28-7716.
Burleson, Grady L., 261-50-5593.
Burrell, Raymond E., 265-60-0068.
Burrus, William S., 245-20-8754.
Byrd, Melvin L., 225-36-2403.
Byrom, Sevmour B., 250-52-2259.
Cadoria, Sherian G., 439-62-5942.
Callender, William, 417-42-4379.
Campbell, George C., 173-32-3179.
Campbell, John G., 453-52-8796.
Campbell, Luther U., 255-50-4774.
Cancienne, Louis G., 436-46-2156.
Carbone, Anthony J., 019-26-3901.
Carlton, Terry M., 461-58-0463.
Carmichael, Roderick L., 262-48-9609.
Carney, Thomas P., 297-34-4061.
Carpenter, Maxey B., 577-46-1103.
Carter, Bobby J., 461-46-9054.
Cavoli, Ivo J., 075-28-4845.
Chaudrue, Robert G., 274-30-0066.
Chavis, Langley J., 240-44-6579.
Chelberg, Robert D., 386-36-5984.
Chesher, Phillip B., 456-48-7932.
Chesney, Ted S., 333-26-6578.
Childers, Jerry W., 414-58-2278.
Chisholm, John J., 034-24-9003.
Clark, Howard W., 036-24-5393.
Clark, Niles C., 250-60-9459.
Clarke, Robert G., 460-48-1070.
Cloy, Richard C., 428-58-5227.
Cockill, Michael J., 214-32-7530.
Cockly, Dale S., 263-60-6203.
Cole, John W., 219-32-7814.
Cook, Donald M., 438-50-1002.
Cook, Larry Jr., 428-60-6428.
Cook, Robert W., 449-56-0279.
Corcoran, Gordon G., 393-32-4488.
Corliss, William D., 022-26-8268.
Cote, Joseph R., 003-26-1481.
Cotta, David G., 390-32-3576.
Courts, Philip E., 541-40-6296.
Covault, Marvin L., 479-44-6364.
Covington, Henry H., 229-42-6528.
Cox, Ronald D., 497-34-6686.
Cox, Wallace R., 447-32-8316.
Cramer, Rockwell C., 567-42-3092.
Creighton, Francis, 093-30-3051.
Cremer, John C., 173-30-5488.
Creviston, Mark S., 347-28-5368.
Crysel, James W., 422-42-6710.
Cummings, Ezra C., 578-50-9004.
Custer, Leslie L., 499-32-1586.
Daley, John M., 133-30-4302.
Daniel, Howard, Jr., 456-62-0341.
Daniel, William D., 431-60-8984.
Danner, Billy G., 432-46-8227.
Dantzscher, David D., 064-30-0585.
David, Ronald C., 287-30-6472.
Davis, Roy J., 538-32-8033.
Deamusategul, Joseph, 556-54-8832.
Deasy, William T., 554-46-8858.
Dechristopher, Edward, 100-28-6924.
Delbuono, John A., 049-28-1244.
Delrosso, Louis J., 056-28-9689.
Delumpa, Felix M., 257-50-4758.
Dembinski, Mark L., 124-26-4757.
Demyanenko, Serge P., 556-48-8562.
Dethlefsen, James D., 146-32-5613.
Detlie, Douglass S., 393-32-1027.
Dey, Robert A., 506-42-1819.
Dice, Jack W., 227-48-2242.
Dicke, Diane, 340-26-1378.
Dickinson, Kenneth, 307-34-9890.
Digiacinto, Joseph, 131-26-1416.
Dimauro, Philip V., 142-24-0884.
Dixon, Leon E., 232-54-5514.
Doehle, Douglas A., 540-38-8254.
Dominy, Charles E., 053-34-1565.
Donlon, Roger H., 056-26-3687.
Donovan, Robert T., 069-28-7409.
Downing, Wayne A., 323-32-7002.
Downing, William R., 416-42-9093.
Dreska, John P., 058-30-0455.
Drosdeck, John S., 047-28-3365.
Dunham, David L., 382-34-3438.
Dunn, Earl N., 062-30-2519.
Durham, James M., 435-52-4348.
Durian, Ronald S., 396-34-2313.
Dyer, Travis N., 411-58-5479.
Edwards, Richard I., 226-42-9811.
Eggleston, Howard C., 490-42-2165.
Endy, Clarence E., 195-30-9012.
Ennis, Harry F., 101-30-9315.
Enright, Joseph F., 577-50-1540.
Espin, Howard E., 530-20-3226.
Estep, Ronald C., 221-18-5183.
Evans, Francis T., 003-24-6922.
Evans, George O., 194-28-3209.
Evans, Jacky R., 430-60-0822.
Evans, Robert D., 167-30-7699.
Farquharson, William, 208-28-9621.
Felter, Joseph H., 008-32-1226.

Ferguson, James C., 509-34-8462.
Fernandez, Virgil S., 015-28-9045.
Ferrick, John F., 178-28-6628.
Field, Charles N., 032-24-4171.
Fielden, William C., 525-40-8020.
Fields, Clinton A., 251-58-6826.
Fiero, Robert S., 520-38-5847.
Filer, Robert E., 518-32-9469.
Fisher, Luke C., 465-48-6772.
Flanagan, Thomas P., 027-28-6477.
Foley, Thomas C., 032-26-2554.
Foote, Evelyn P., 579-36-3463.
Forbes, Maynard C., 016-28-1067.
Fowler, John G., 010-26-1551.
Fox, James H., 531-36-4816.
Foy, William H., 451-52-3262.
Freeman, Bobby H., 406-38-3446.
Freitag, Merle, 503-40-7089.
Friedenwald, Robert, 101-28-4775.
Frink, Robert K., 279-28-5216.
Funk, David L., 459-58-0826.
Fyffe, Carroll M., 405-44-8182.
Galbreath, Carlton, 414-52-0960.
Gall, Robert P., 260-60-1996.
Galliers, Richard J., 269-34-3109.
Gallo, Anthony J., 008-24-7339.
Gardella, John L., 553-42-7779.
Garlick, Richard D., 555-38-9675.
Gaspard, Galudis P., 437-42-6003.
Gauntner, Donald E., 185-26-3332.
Gear, Edward R., 532-32-9519.
George, James T., 231-42-6101.
Gergulis, John G., 049-28-5006.
Gess, William D., 491-38-4282.
Gibbings, Leslie G., 027-24-9683.
Gingras, Ronald W., 015-28-9152.
Gongola, Victor J., 018-26-0256.
Good, William K., 516-34-5820.
Gorden, Fred A., 375-40-3823.
Gordon, Thomas B., 093-32-3969.
Grabowski, Norbert, 436-46-7516.
Graham, Joseph E., 132-22-5199.
Granrud, Jerome H., 499-38-2710.
Gray, Joseph M., 411-56-2163.
Gray, Michael K., 533-36-5625.
Gray, Peter A., 549-48-2379.
Gray, Ted J., 531-34-3912.
Green, Charles S., 437-50-7847.
Greenberg, Paul L., 410-52-6776.
Greene, Therman R., 423-44-0103.
Greenwalt, Randall, 532-30-8022.
Griffin, Turner D., 435-46-1238.
Griffith, Allen L., 305-42-0242.
Griffith, Jack H., 464-52-6542.
Grifith, Jerry R., 442-36-0686.
Griffitts, Richard, 519-42-1200.
Groh, Peter J., 277-36-8243.
Gross, Gerald D., 458-54-6923.
Grove, Robert N., 178-28-8573.
Guglielmo, Eugene M., 083-28-5631.
Guild, William B., 032-28-5329.
Guillory, Kenneth R., 433-52-3391.
Gustafson, Carl S., 040-28-5095.
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Harris, Cecil B., 104-30-2256.
Hayes, John D., 281-30-5703.
Heiser, Carl W., 366-36-2479.
Herek, Robert L., 507-36-5174.
Jackson, Thomas C., 277-30-6775.
Jones, Ronald C., 530-20-2084.
Joyce, Brendan E., 060-26-2766.
Kennan, James S., 229-46-7320.
Korte, Thomas H., 156-26-8686.
LaFleur, George J., 001-24-4217.
Ockert, Carroll A., 458-66-6443.
O'Donnell, Frank P., 350-28-7053.
Pedersen, Edward R., 048-22-6264.
Picha, Norbert O., 387-30-1386.
Pollock, Archie D., 405-48-5231.
Redman, David E., 340-30-2697.
Rengstorff, Roy H., 148-26-2766.
Reuter, Leroy H., 295-30-8891.
Roberts, John E., 074-28-2542.
Schiefer, Donald D., 501-28-2407.
Slyman, George L., 448-30-3962.
Sobocinski, Philip, 010-28-3749.
Story, Jack P., 257-46-6694.
Summary, Robert J., 353-26-5342.
Taylor, Edward J., 115-28-5967.
Tuten, William R., 263-44-0276.
Uemura, Edward H., 575-38-3622.
Wilson, Jack R., 232-54-4415.
Wood, Malcolm H., 445-30-4669.

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Appleby, Howard A., 021-22-6576.
Carmona, Louis S., 119-24-1218.
Fritsch, Ann D., 395-20-4179.
Iacoboni, Frances A., 023-28-0722.
Mount, Dorothy M., 264-52-8413.
Sakson, Donald A., 145-16-6009.

VETERINARY CORPS

To be colonel

Bellamy, Albert D., 291-24-5689.
Carraway, Claude W., 249-46-1781.
Clark, William H., 255-54-5376.
DePaoli, Alexander, 139-28-1906.
Droite, James E., 511-30-9866.
Huxsoll, David L., 307-42-8653.
Keefe, Thomas J., 040-30-6375.
Kovatch, Robert M., 394-34-6144.
Loiseaux, Peter S., 216-30-6304.
Ottenberg, John C., 506-40-5685.
Stedham, Michael A., 539-32-0434.

ARMY NURSE CORPS

To be colonel

Butkiewicz, Edward, 202-28-7307.
Frederico, Anna K., 031-22-8890.
Goshling, Bernadine, 086-30-7655.
Hammer, Joyce A., 329-32-5067.
Harvey, John J., 154-22-6237.
Hill, Perry J., 522-46-2356.
Hoover, Mary P., 117-18-9663.
Hoppe, Jeanne, 561-28-8737.
Huber, James O., 516-32-6620.
Jones, Addie B., 069-26-0752.
Messerschmidt, Mary, 296-32-8018.
Miller, Teryl R., 356-26-2736.
Romeo, James J., 107-26-2727.
Seufert, Helen J., 006-34-0083.
Sinclair, Janie A., 472-44-6302.
Soltys, Anthony W., 020-28-6403.
Sullivan, Barbara A., 084-26-2669.
Vineys, Eugenia A., 549-48-3698.

ARMY PROMOTION LIST

To be lieutenant colonel

Deuarona, Jose R., Sr., 412-64-9701.
McGrail, Francis J., 003-26-3376.
Middleton, Thomas C., 248-68-3931.
Mize, William F., Jr., 404-50-6801.
Reid, John P., 230-52-0398.
Watt, Murray B., 018-28-4315.

IN THE NAVY

The following-named commanders of the U.S. Navy for temporary promotion to the grade of captain in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Adkins, James N., Jr.
Adler, Roy W.
Akers, Max N.
Albrecht, Carl J.
Alexander, Edward E., Jr.
Alexander, Hershel D.
Alexander, Corington A., Jr.
Allender, George R.
Alvarez, Raoul
Anckonie, Alex III
Anderson, Bryan R.
Anderson, Donald R.
Armbruster, William A.
Bailey, Fred W.
Ball, Ronald F.
Barnes, Fletcher J., III
Barnhart, Don H.
Barringer, Larry E.
Bennett, David G.
Bennett, David M.
Berg Robert P.
Bitoff, John W.
Blasch, Lynn P.
Blatt, Russel N.
Bloh, William C.
Boecker, Donald V.
Boland, Joseph E., Jr.
Boorda, Jeremy M.
Borcik, David E.
Bowles, Vivian K.
Brandt, Robert T.
Brickner, John S.
Briggs, Roger C.
Brooks, Paul E.
Brown, Michael J.
Brown, Ronald L.
Bruce, Malvin D.
Brune, Charles M.
Bull, Lyle F.
Bunting, Keith M.
Burcher, Philip E.
Burns, Charles E.
Burns, John J.
Buss, Richard H.
Butcher, Bradley A.
Butterfield, John A.
Calhoun, John F.
Calvert, John F.
Calvin, Donald U.
Carlson, William C.
Carpenter, John E.
Carson, Aubrey W.
Carson, Richard L.
Catalano, Peter R.
Chadick, Wayne L.
Chambers, Leroy
Chiles, Henry G., Jr.
Christensen, Robert
Clardy, Herman S., Jr.
Clarity, Michael G.
Clinton, John C.
Coldwell, Thomas
Cole, Gerald L.
Colley, Michael C.
Collins, James E.
Collins, John F.
Connerton, James E., Jr.
Cox, David R.
Cox, Kenneth H.
Coyne, George K., Jr.
Crowninshield, George W.
Curry, James D.
Curtin, James M.
Dafoe, James L.
Daniels, Shane P.
Davis, Walter J., Jr.
Dawson, William H.
Delpercio, Michael, Jr.
Desko, Daniel A.
Dipalma, Robert F.
Dittrick, John J., Jr.
Dombrowski, Renry R.
Dressler, Joseph A.
Driver Ace C., Jr.
Drude, Leonard J.
Duff, Earl M.
Duffey, Russell G.
Dunbar, Douglas P., Jr.
Dundon, Alan M.
Dykeman, Charles J.
Edgemond, John W., III
Eglin, James M.
Eikel, Harvey A.
Elliott, George M.
Ellison, Paul E.
Evans, Ronald A.
Farnham, David W.
Farrar, Bobby C.
Ferguson, Robert H.
Fisher, James R.
Fitzgerald, Thomas A., Jr.
Flanagan, George T.
Fleming, James J.
Fleming, Thomas E.
Forst, Ronald J.
Franklin, John S.
Gamboa, John F.
Gatje, Peter H.
George, Hugo C.
Gerrish, Donald A., Jr
Gibson, David B.
Gies, Leo C.
Gillett, Robert M., Jr.
Given, Philip R.
Goldenstein, Gordon R.
Gomez, Alvaro R.
Goodwin, Robert L., Jr.
Gorham, David S.
Gorham, Milton R., Jr.
Grafel, Lynn H.
Gram, Emil G.
Guilbault, Roland G.
Gunter, Billie G.
Haag, Ernest V.
Hagan, Wayne E.
Hahn, Donald L.
Hahn, Dwight E.
Haines, Donald A.
Hallier Manuel A.
Halye, Lawrence A.
Hardy, Ray S., Jr.
Harrison, Joe P.
Harriss, David J.
Hayes, William V.
Hebert, Larry
Henderson, Arnold H.
Hendricks, Paul V.
Henry, Robert L.
Hernandez, Jesse J.
Herold, Lance
Heuberger, Nathan A.
Hill, Martin G.
Hill, Virgil L., Jr.
Hilt, John W.
Hoech, Donald G.
Holland, John D., Jr.
Holt, William C.
Horn, Leslie J.
Howard, William S., III
Huff, Douglas
Hunter, Harold C.
Huntington, Stuart L.
Jackson, Milton, Jr.
Jacobs, Paul H.
Jacobs, Selby W.
Jampoler, Andrew C. A.
Jones, Arden W. F., Jr.
Jones, Howard R., Jr.
Kaup, Robert C.
Kelley, Robert D.
Kenney, James A.
Kerr, Daryl L.
Kersh, John M.
Kight, James R.
Kilielea, Francis R.
Kinnier, John W.
Kirby, Raymond E.
Kletter, David M.
Klinedinst, Paul R., Jr.
Knott, Richard C.
Konkel, Harry W.
Kuhlke, Robert E.
Kunkel, Barry E.
LaChance, George M., Jr.
Lamoureux, Robert J.
Langdon, Stewart D.
Larzelere, Charles W., III
Lavallee, William F.
Lee, Leonard F.
Lehmberg, George R., Jr.
Lesesne, Henry D.
Leshko, Thomas J.
Lineberger, Preston H.
Lisle, George F.
Lloyd, George T.
Lowe, Larry T.
Lowery, Needham H.
Lucas, Robert P.
Ludwig, Ronald E.
Lyon, Edward, III
Macke, Richard C.
Mackenzie, Franklin F.
Magee, James A.
Maier, Peter T.
Major, James A.
March, Daniel P.
Mathews, James P.
Matthews, Gary D.
Maus, Henry H., Jr.
May, Wesley
Mayo, Ned H.
McCandless, Bruce, II
McCartney, Roy S., Jr.
McCarty, Kenneth R.
McCorry, John H.
McCullough, Martin L.
McEwen, Robert M.
McFerren, Robert W.
McGhee, Kenneth B.
McGuire, Michael L.
McKinney, Charles J., Jr.
McLaughlin, Bruce C.
McNulla, James E., III
McVadon, Eric A., Jr.
Melanson, Edward J., Jr.
Mercer, Thomas A.
Merriken, Stuart A.
Meyer, Dale A.
Mezzadri, Francis X.
Midgarden, Peter N.
Midtvedt, Harold L.
Miller, Hawkins G.
Miller, Robert D.
Milligan, Richard D.
Molenda, Paul H.
Monroe, Philip A.
Monteath, Gordon M., Jr.
Moore, James B.
Moore, Thomas J.
Morris, Clyde C.
Mosher, Norman G.
Moseman, Donald E.
Munsinger, Melvin D.
Murphy, John C.
Musgrove, Robert W.
Nakagawa, Gordon R.
Nash, Norman B.
Newton, George B., Jr.
Nutting, Roger M.
Obeirne, Frank, Jr.
O'Neal, Edward A.
Ong, Richard E.
Osborne, Robert B.
Otto, Carl H.
Pabst, Howard L.
Pape, Jerry L.
Parcells, Paul W.
Patrick, Meredith W.
Pauole, Alvin H.

Pearce, Michael A.
Pease, Charles C.
Peden, Joe D.
Pellerin, Alfred E., III
Peltz, Theodore A.
Penny, Lawrence A.
Perkins, Robert S., Jr.
Peters, John D.
Peterson, Charles A.
Petroske, Kenneth C.
Phelps, George T.
Phillips, Robert E.
Pippenger, William W.
Pivarnik, William D.
Polski, Paul A.
Powell, Richard A.
Proctor, Robert R.
Putnam, Wayne A.
Pyle, Ronald W.
Rager, Richard R.
Rasmussen, John D.
Rauch, Leo A.
Ready, John R.
Reed, William H., Jr.
Rehder, William A.
Reister, Walter A.
Render, Ronald W.
Renner, William S.
Ressler, Paul M.
Rice, William L.
Riley, Roy G.
Riley, William E.
Robinson, Kenneth F.
Roche, James G.
Roder, Peter S.
Rodgers, John M.
Rogers, Gerald W.
Rohrbough, John D.
Roper, Vincent W.
Rose, Clifford A., Jr.
Rosen, Robert S.
Roth, James E.
Runzo, Melvin A.
Ruppert, Noel L.
Russell, Harold B.
Sawdey, Phillip G.
Sawyer, Tommy D.
Schluntz, Frank R.
Schmidt, Arnold C.
Schramm, William G.
Schroeder, Gerard R.
Schulz, William J.
Searcy, William P.
Sheehan, James E.
Sherburne, Douglas M.
Sherman, John E.
Shope, Theodore L.
Silverman, Richard A.
Skezas, George C.
Slaven, Robert K., Jr.
Slye, Richard E.
Smith, John S.
Smith, Leighton W., Jr
Smith, Nepier V.
Smith, Ralph E.
Smith, William P.
Sorensen, Richard S.
Sorna, Ronald E.
Springer, Judson H.
Starbird, Gary L.
Staudenmayer, Frederick G.
Steckler, Charles T.
Stokes, Carl J., Jr.
Streeter, Gregory F.
Strickland, Virgil E., Jr.
Strohsahl, George H., Jr.
Stubbs, George R.
Stumcke, Frederick B., Jr.
Sullivan, Gerald F.
Sullivan, George E., III
Summers, Carl R.
Susag, Gary R.
Svoboda, Henry D., Jr.
Taft, Denis J.
Taggart, Donald J.
Taylor, James R. C.
Taylor, Jimmie W.
Taylor, John K.
Taylor, Raynor A. K.
Tedder, James E.
Templeton, Felix E.
Tenefrancia, Ambrose J., Jr.
Terry, Bert D.
Thomas, James P. L.
Thomas, Richard W.
Thomas, Robert D.
Triebes, Carl J., Jr.
Troutman, Darrell C.
Truesdell, William M.
Truly, Richard H.
Tucker, Robert E., Jr.
Tuft, Markham D.
Turpin, Thomas J., Jr.
Vanatta, Jerry L.
Vaught, Clarence T.
Vick, John C.
Victor, Alfred E.
Vogt, Larry G.
Waples, John M.
Warren, Robert L.
Watson, Ian M.
West, Ward L.
Whitby, Ralph E., Jr.
White, Steve C.
Whitmire, Robert L.
Whittaker, Thomas K.
Wile, Alan R., Jr.
Wiley, Robert C.
Wilson, Alger L.
Wilson, Richard J.
Witherspoon, Emanuel E.
Wood, Phillip R.
Woodbury, David E.
Wright, Arthur S.
Wright, Leo C.
Wright, William A.
Young, Ernest T., Jr.
Young, Howard L., Jr.
Young, Robert B.
Yow, John S.
Zimdar, Robert E.

The following-named women commanders of the U.S. Navy for permanent promotion to the grade of captain in the line, pursuant to title 10, United States Code, section 5771 and 5791, subject to qualification therefor as provided by law:

Acosta, Delores Y.
Dupes, Yvonne M.
Suse, Barbara J.
Vail, Doris R.
Yeomen, Majorie A.

Lt. Robert L. Caldwell, Medical Corps, of the Reserve, of the U.S. Navy for temporary promotion to the grade of lieutenant commander, in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5793 and 5791, subject to qualification therefor as provided by law.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), and 5791, subject to qualification therefor as provided by law:

LINE

Arterburn, George K., Jr.
Bentleysmith, Thomas G.
Butcher, Marvin E., Jr.
Gustafson, Walter A.
Reish, Robert A.
Wells, Roderick A.

SUPPLY CORPS

Mullen, Peter L.
Newell, William M.
Schneeberger, Rudy L.
Skinner, Thomas B., Jr.

CIVIL ENGINEER CORPS

Kucinski, John M.

The following-named lieutenant (junior grade) of the line, of the U.S. Navy, for appointment in the Supply Corps as permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, section 5582(b) and 5791, subject to qualification therefor as provided by law:

Presto, Anthony F.

The following-named lieutenant (junior grade) of the Supply Corps, of the U.S. Navy for appointment in the line, as permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, section 5582(a) and 5791, subject to qualification therefor as provided by law:

Russell, Henry G.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 27, 1979:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Patricia Roberts Harris, of the District of Columbia, to be Secretary of Health, Education, and Welfare.

OFFICE OF PERSONNEL MANAGEMENT

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management for a term of 4 years.

Julie M. Sugarman, of Virginia, to be Deputy Director of the Office of Personnel Management.

FEDERAL LABOR RELATIONS AUTHORITY

Leon B. Applewhaite, of New York, to be a member of the Federal Labor Relations Authority for a term of 3 years.

H. Stephan Gordon, of Maryland, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years.

POSTAL RATE COMMISSION

A. Lee Fritschler, of the District of Columbia, to be a Commissioner of the Postal Rate Commission for the term expiring October 14, 1982.

DEPARTMENT OF DEFENSE

W. Graham Claytor, of the District of Columbia, to be Deputy Secretary of Defense.

BUREAU OF THE CENSUS

Vincent P. Barabba, of New York, to be Director of the Census.

FEDERAL EMERGENCY MANAGEMENT AGENCY

John W. Macy, Jr., of Virginia, to be Director of the Federal Emergency Management Agency.

DEPARTMENT OF LABOR

William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

THE OLYMPIC PRISON AT LAKE PLACID

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share with my colleagues an article which appeared in last month's issue of Politics Today dealing with the issue of the "Olympic Village" at Lake Placid.

The article follows:

GOLD MEDALS, STEEL BARS

(By Cary Goodman)

(NOTE.—After the athletes go home from the 1980 winter games, Lake Placid's Olympic Village will become a federal prison—a plan that's attracted an international chorus of critics.)

It's to be called a village, and the press guide describes it as a campus. But, in fact, the athletes' quarters for the 1980 Winter Olympics in Lake Placid, New York, will be a prison. Construction is 70 percent complete, and already there are steel bars on the windows and doors of 1½-inch heavy metal frames. The electrical outlets will be "tamper-proof." Everything down to the blue, rust and gold graphics used to decorate the buildings has been chosen by the site's owner, the Federal Bureau of Prisons.

The bureau is not normally in the business of providing opportunities for Nordic skiing or housing accommodations for the world's best athletes. When it comes to famous whitecollar criminals like Mitchell, Haldeman and Dean, there might be some golf or tennis provided at a "resort" like Allenwood. But, for most of the 23,000 inmates in the federal system, recreation is usually confined to boxing and basketball. Typical of the federal system, the medium security facility at Ray Brook, near Lake Placid, is designed for younger felons serving time for crimes like car theft, bank robbery and drug dealing. It is not the sort of place the U.S. Government would go out of its way to show to foreign visitors. Yet, through the eyes of participating athletes and the TV cameras that will cover the 1980 Winter Olympics, Ray Brook will do much to shape America's image abroad.

The rooms that will house nearly 1,000 of the expected 1,800 competitors and coaches are only 13 feet long, 7 feet wide and 9½ feet high, with a single, barred 14-inch window. Two international sportsmen or women are expected to occupy whatever space is left after each room is furnished with a writing desk, chair, closet, toilet, and bunk bed. There won't be room for skiers or bobsledders to check their equipment. For that,

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

athletes will have to leave the turret-shaped buildings, trek outside through snow and subzero temperatures, and enter a trailer where their equipment will be stored.

Although conditions in the 7-x-13-foot rooms will be far from ideal, some Olympic teammates will have even worse accommodations. At least 500 skiers, skaters and sledders will be housed in what will eventually become the industrial area of the federal prison. They will sleep sometimes three to a room in a space 13 by 11 feet. These quarters resemble the interrogation rooms shown in grade-B prison and police movies. In one corner of the ceiling is a five-inch exhaust fan. In the middle hangs a single 60-watt bulb. There are no toilets, sinks, showers or windows in these room, although some have "pass-throughs"—heavy iron trays used to pass food through the door.

Many athletes and delegation officials are appalled by the facilities. "Just about every country has taken a shot at us," says Tom Hanrahan, who works in public relations for the Lake Placid Olympic Organizing Committee. Despite the criticism, he believes that most will find it "comfortable, very enjoyable and different."

Horst Heinlein, a four-time Olympian (twice as a bobsledder and twice as a bobsled coach) from East Germany, agreed that the facilities will be different. "The rooms have not enough light or space," he said with a grimace. "There are many problems for athletes." Another bobsledder, Helmuth Saischek of the Austrian team, said, "The rooms are too small for us, our luggage and our equipment." Bruce Kidd, a professor of physical education at the University of Toronto, and himself a former world-class athlete, summed the problem up this way:

When an athlete wants to compete at his best, he needs to be completely at ease before competition, so he can rest and prepare himself mentally for maximum effort. Different athletes prepare themselves in different ways, but almost all need the assurance that when necessary they can rest or read without being unduly disturbed, or let off steam without interfering with anyone else. Athletes in Lake Placid will have to contend not only with the noise, long lineups for washrooms and lack of privacy, but also with the knowledge that they're living in cages designed to remove other human beings from all normal social contact. Hardly the atmosphere conducive to feeling their best.

Peter Spurney, a 44-year-old attractions consultant who is being paid $100,000 to coordinate the 1980 Winter Games, disagrees with Kidd, Heinlein and the others who've criticized the dormitory/cellblock accommodations. He sees the conversion of the Olympic site into a prison as a plus. "By being built here and by being modified, the structure provides a village format. The village will become the major area of staging and training for the athlete. Incorporated in the facility will be massage rooms, whirlpools and those types of things, and there'll also be major dining facilities, a bank, a post office and a discotheque." All this, as Spurney and the other hosts of the Lake Placid games contend, will enable the athlete to attain what they call "the perfect performance state."

Spurney and the 32-member Lake Placid Olympic Organising Committee (LPOOC) think the idea of a prison is a unique solution to the "after-use" problem. When Congress initially earmarked over $49 million for the '80 Winter Olympics back in 1976, it specified that any facility built needed to have an "after-use," a purpose for the time beyond February 1980 when the games will close. Spurney and the LPOOC believe that the Ray Brook after-use meshes perfectly with the security needs of the games. "I needn't remind you of Munich," Spurney says. "We have a responsibility to those athletes—to provide them with a living forum and also to protect them."

But some say that the security question has been stretched too far in an effort to draw public attention away from a bizarre mismatching of institutions. One critic on the security issue is Brian Wilson, founder and cochairperson of an organization called STOP, which stands for Stop the Olympic Prison. "This whole Munich thing is a scare tactic," said Wilson, speaking for his group, which includes the New York State Council of Churches, the Fortune Society, the ADA, former Attorney General Ramsey Clark, Rev. William Sloan Coffin and the American Friends Service Committee. "The security issue is sheer poppycock. The Lake Placid Committee has confused the total construction of a prison and its interiors with the International Olympic Committee requirements for external security." "The IOC," according to Wilson, "requires three security elements: (1) a perimeter fence which is flood-lit, (2) a single entranceway, and (3) 24-hour security at the entrance." He feels these requirements could easily have been met by encircling a group of buildings constructed as a senior citizen center, a college dormitory or a permanent training site for year-round athletic training. "This is not an Olympic Village planned for and by athletes," he notes angrily. "It's a prison built for and by the managers of prisons, on loan to the games for a month. The LPOOC and Congressman Robert McEwen (R-New York) wanted the games so badly, they were so greedy for the big media event and the money it would mean, that they were willing to do anything to get the games." What they've done, according to the STOP people, is "insult the Olympic ideal."

Dr. Phil Shinnick, a two-time Olympian and a former world-record holder in the long jump, agrees with STOP. He recently testified before the U.S. Olympic Committee's Athlete's Advisory Council that the after-use plans are "a grotesque mockery of the essences of international sport, namely cooperation, peace and harmony. Sport," he said, "is intended to create community whereas prisons destroy it or serve as the most visible signs of its destruction."

Kerry Baker, a rabbi from Plattsburg, New York, who also serves as chaplain at the Clinton Correctional Facility at Dannemora, agrees with Shinnick's concern for community. "Lake Placid, like its sister village, Saranac Lake, is a dying community," according to Rabbi Baker. "For years, these two places have been in economic decline. People talk about the place as if it were dead, and there is a sense of despair, decay and hopelessness which permeates the atmosphere. This aura," he predicts, "will be reinforced—not eradicated—by reliance on a prison for what some believe will be the economic salvation of the town. At Dannemora, where the whole town is dependent on the prison for its livelihood, a pall hangs over the community. The guards see the prison as the prisoners do, 'as a dungeon,' and they carry the feelings of being in a dungeon around with them even after work. The end result is a narrowing of life, a death of the human spirit." Rabbi Baker and 61 other clergy from northern New York have signed a statement of conscience calling upon President Carter to intervene and change the proposed after-use.

The townspeople of Lake Placid don't express themselves as eloquently as Rabbi Baker, but they are nonetheless upset. They're upset about having another prison in the area. They're worried about possible escapes, as well as damage to the town's image as a resort. And, they're both angered and concerned about the chaos when the Winter Olympics open next January.

Ray La Hart is a 72-year-old semiretired handyman who was a bellhop during the 1932 Winter Olympics in Lake Placid. Those games took place in the middle of the Depression and are best remembered for the charm of Norwegian gold-medalist Sonja Henie, the "problems" caused by Prohibition, and the relatively cosy small-town atmosphere that the area provided for the international games. Those games put Lake Placid on the map and brought a sense of pride to its residents. "Now," according to Ray La Hart, "it's gonna be a helluva pain in the ass during and after the games. I certainly don't like the idea of a prison, and what about the traffic? It will be tough to even cross the street, because there's not enough space. People will park their cars on the sidewalks and to get around 'em you'll have to go out in the road. It's dangerous." La Hart feels so betrayed that he refuses to believe that the people on the Olympic Committee are "from around here. If they were, I'd think they'd be against it."

He's not the only one who feels deceived. Lena Downie, the owner of Ruth's Diner, down the hill from the Town Hall, says she's sorry she voted for the games. She—along with 54 percent of her fellow villagers who voted for the Olympics—was unaware of the Olympic Committee's plans to build a prison. In fact, the after-use question wasn't settled until well after the games had been awarded to Lake Placid by the International Olympic Committee back in 1974. "I don't like the idea of the prison being so close. I'd rather see a college or a housing development," said Lena, who's lived in Lake Placid for 55 of her 61 years. "It's a beautiful site; it's a beautiful town; it's too bad they're gonna use it as a prison."

Lena is upset both about the prison and the effect of the games on everyday life in the town. "It's chaos here now," she says. "Prices are going up all the time—food, gas, rent. My help can't afford to live here no more. Every day last summer there was another person leaving because the Olympics was driving the rents up so high that they had to move out of town."

But for those who will be able to cash in on them, the 1980 winter games make a lot of sense. For the exclusive TV rights, ABC has forked over $15 million. The federal appropriation is steadily climbing and, as of mid-February, stood at a whopping $73 million, a full $24 million above the original authorization. Everything seems to be up for sale. Coke is the official soft drink; a Japanese-made car has been designated as the Olympic auto; and other manufacturers have acquired the official seals of approval on skis, hamburgers and clothing. Private homeowners are renting their homes to tourists during the games, at rentals as high as $35,000 a month. The pursuit of the fast buck has engulfed Lake Placid. In fact, the situation has gotten to the point that even Rev. Bernard Fell, a former policeman who is now executive director of the LPOOC, has become disgruntled. He told one reporter, "No, I'm not happy with what's come with the Olympics. In some people it has generated avarice and greed and a meanness you didn't expect to exist here." With this criticism, Reverend Fell joins his archenemy, Brian Wilson of STOP, who said, "The Olympics represent something profound, lasting. I don't think Coke and prisons piggybacked on that meaning can do anything but erode it."

The way in which the Olympic games and the federal prison wound up in the same place goes to the very nature of both institutions. Both are political creations. Nowhere is this more evident than in the international gold rush called the Olympics. Every four years, people wearing sneakers and short pants from one part of the world

compete against similarly dressed folk from elsewhere. The outcome is hailed as proof of the superiority of one ideology over the others. During the Winter Olympics, the same scenario is played out on skis, skates and bobsleds, with cold-weather gear replacing shorts. This emphasis on national political ideology, which has been around since at least the thirties and the Berlin Olympics, will certainly be on display at Lake Placid.

The site selection process itself is a political issue. In this quiet corner of upstate New York, just as in the rest of the United States, the local congressman plays the role of procuring patronage. Elsewhere, defense plants, army bases and federally funded programs owe their lives and locations to astute members of Congress motivated by desire to "do something for my district." When it came to the needs of Lake Placid, Congressman McEwen rose to the occasion. Never mind that a prison built at Lake Placid would be over 300 miles from the homes of the inmates. Never mind that such a location would contravene existing guidelines established by the Bureau of Prisons itself. And never mind that most of the prisoners would be blacks and Hispanics guarded by rural whites with only limited contact with minorities. The bureau needed a new northeastern facility; Lake Placid needed some year-round jobs; and Congressman McEwen needed an afteruse for the games that would showcase his district. It was, as one congressional staffer put it, "a marriage of convenience."

The courtship began nearly 30 years ago, when Lake Placid pursued designation by the US Olympic Committee as the site for the 1960 winter games. Failing in this attempt, they sought selection for the 1968, 1972 and 1976 games. Each effort was either rebuffed by the US Olympic Committee or by the International Olympic Committee. Finally, in 1974 they were awarded the games for 1980, and one year later Gov. Hugh Carey committed New York to support of at least $13 million. In the same year, 1975, the Lake Placid Committee approached the federal Economic Development Administration for approximately $50 million.

The final plan for the village had not actually been decided when President Ford signed the Olympic Games Authorization Act of 1976, committing $49 million to the project. The Office of Management and Budget was concerned about after-use; the Environmental Council had general concerns about housing in the area and the "lack of choice . . . especially for elderly and low-income families" and a "shortage of rental units"; Congressman McEwen's main concern involved mating the needs of his constituents with the federal government's demand that Olympic housing be of utility after the games. In the spring and summer of 1976, the idea of a federal prison became attractive to McEwen when he learned that the bureau was searching for a northeast venue. He took immediate action. According to Mike Awn, a public information officer for the bureau, "(McEwen) honchoed the project through."

And, as far as STOP and members of Congress like Elizabeth Holtzman (D-New York) and Robert Drinan (D-Massachusetts) are concerned, McEwen's rush might just be the prison's undoing. From the spring of 1976 until the spring of 1977 when construction began, there was, according to the Lake Placid News, "no community consultation, debate, or approval whatsoever." True, the voters had approved a referendum on the Olympics back in 1973, but the after-use matter was not considered at the time, nor did it ever become a matter of public debate before the decision was made. Similarly, there was little opportunity for those in Congress to oppose the prison plan. As Congressman Drinan put it, "This decision (to build the prison in tandem with the Olympic village) was made without the benefit of a full and open discussion." Representatives Yvonne Burke (D-California) and Joseph Early (D-Massachusetts) were also troubled by what they called "the lack of documented planning or a record of public discussion concerning . . . the intended uses." But the outcry was too little, too late.

On February 9, 1977, the House Appropriations Subcommittee on State, Justice, Commerce and Judiciary approved the Bureau of Prison's request for $4.75 million in construction start-up funds for the Lake Placid site. With only the dissent of members Burke and Early, the subcommittee voted up the bill the same day it was introduced. Ordinarily, a prison requires many stamps of approval before it can be built. Part of this process is review by the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice. However, because only the "primary use," that of housing for athletes, required congressional authorization, the "secondary use" as a prison was not reviewed by this subcommittee or its counterpart in the Senate. Thus, once McEwen and the bureau got past the House Appropriations Subcommittee, they were home free. The funding then became merely a shuffling of paper.

In addition to their earlier objections, critics are now pointing to some serious new problems with the project. The original concept was an Olympics in perspective, with cost containment taken as seriously as the correct angle of a ski jump. But, true to form, cost containment has been abandoned for cost overruns and fiscal permissiveness. New York state has contributed over $19 million, $6 million more than it initially intended. Salary increases ranging from 12.5 to 44 percent have been granted to top LPOOC officials by other top LPOOC officials. The entire Olympics budget—including federal funds, private contributions, state allocations and the Olympics lottery—now totals $200 million plus, a far cry from the original plan of spending no more than $75 million. Another sour note is the projected prices of tickets for Olympic events, with some as high as $60.

Opposition is also growing to the plan to utilize the village as a medium security prison for offenders. A host of foreign newspapers, including some in Canada, England, and Germany, have editorialized against the prison plan. The *New York Times* has endorsed Lake Placid as "a sensible site for the permanent winter sports training camp long sought by the United States Olympic Committee" instead of as the home for some 500 inmates. And New York state Sen. Carl McCall of Harlem recently offered an amendment to the New York state deficiency budget that would have blocked the use of "additional state funds for the Olympic site development . . . unless plans for post-Olympics use of it as a youthful offender prison are changed." The amendment failed, garnering 20 votes of the 31 necessary for passage.

The issues in the battle over the facility's after-use are both penological and political. STOP and its various supporters contend that the United States has a surfeit of prisons to begin with, and that the Lake Placid prison is just one more example of our misguided criminal justice policies. Only 11 percent of all the people incarcerated each year, according to Michael Kroll of STOP, are committed for violent offenses. "Most prisoners should be given jobs, not jails," he says. The proposed Lake Placid prison is seen as particularly odious by Kroll, former Attorney General Ramsey Clark and other antiprison advocates. In being so far from the homes of the people who will be imprisoned there, it will deny them contacts with their families and their communities—contacts which most penologists agree are necessary for rehabilitation.

Most who will come into Lake Placid when the athletes go out will be minority young men from New York City, Boston, Washington and perhaps Philadelphia. "In effect," according to Senator McCall, "the complex will become an isolated ghetto for minority youngsters from inner cities." There's no railroad into Lake Placid and only two buses arrive per day. For a friend or a family member who wants to travel from Harlem, Roxbury or El Barrio to Lake Placid, it will mean an eight-hour trip one-way and the cost of bus tickets, taxis to the site, lodging and meals eaten out in restaurants with inflated prices.

"If we accept the idea of rehabilitation, and we agree that a prisoner's connection to his community and family is crucial in rehabilitation, then this prison," says Rabbi Baker, "is an outrage."

On the other side are the arguments put forward by the Bureau of Prisons, McEwen and the LPOOC. All admit that the Ray Brook site is not "ideal." But, they claim, it is not nearly as remote as some of the other prisons in the system. "The bureau has been looking for years to build a facility in the Northeast," says bureau PIO Mike Awn, "but we've had great difficulty getting local acceptance. People want prisons, but they don't want them in their backyard." Another argument McEwen advances for the prison is that it will create new jobs for the severely depressed economy of the region.

In fact, the prison will create over 100 new jobs for local residents, but STOP members have argued that the mix of white, rural prison guards with minority prisoners makes for a racist atmosphere that breeds confrontation. "We think our staff is professional enough to swallow whatever prejudices they have and treat the inmates fairly," says Awn. Finally, the group asserts that this new prison will do much to relieve the terrible overcrowding that plagues the system as a whole and that the modern facility will be better for people who must be under lock and key.

Despite the claims and counterclaims in the realm of corrections philosophy, it is on the political side of the ledger where the Lake Placid prison argument will be resolved. Congressman Robert Kastenmeier (D-Wisconsin) regards the prison proposal as a bad idea, and that might be the key. Kastenmeier is chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice. In that capacity, he has the power of authorization for all subsequent Bureau of Prisons requests. If he is moved to make a stand on the Lake Placid prison, he could use his leverage as chairman to force the bureau to reconsider the site. With bars removed and walls knocked out, prison critics feel it might still make a workable year-round athletic training center. As of the end of March, Kastenmeier was saying that he "wasn't happy with the Lake Placid plan," noting that it "defies all present guidelines on new facilities." He said that it was a "bad idea to build a prison and use it for Olympic athletes," and one of his aides noted that the controversy about the prison has generated a tremendous amount of mail. But, Kastenmeier also seems reluctant to lead congressional action against the prison. The STOP people are hoping that if he won't take the lead, then at least he'll follow someone like Rep. Elizabeth Holtzman, who is sending out signals that she's ready to act on this issue.

And, of course, there's the White House and what remains of President Carter's human rights campaign and its credibility. The Lake Placid prison has started to become an embarrassment to the administration, especially when seen in the light of the 1980 summer games. Moscow is planning to turn the Russian Olympic village into a model Soviet city, and the athletes' housing will

become an apartment complex immediately after the games. Their efforts at projecting a positive image of their country are proving so successful that Colonel F. Don Miller, executive director of the United States Olympic Committee, was moved to say, "The Olympic village in Moscow is the best that I have ever seen. Everything that is being provided is outstanding."

The United States may have more to lose than a few races and jumps in 1980. While budget watchers may applaud the ingenious after-use of the Lake Placid village, US critics abroad will be quick to point out the Olympic hosts' poor hospitality, and America's lapse from the Olympic ideals.●

THE GOAL OF NONPARTISANSHIP IN THE SALT II DEBATE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. McKINNEY. Mr. Speaker, the Senate is currently scrutinizing the Strategic Arms Limitation Treaty recently signed by President Carter and Brezhnev in Vienna. Congress and the public at large are aware of the importance of that agreement and the weight it will have in determining the development over the next 6 years of our international relations and national security. In the past, the success of U.S. foreign policy has always rested heavily on the ability of those in public life to cast aside political self-interest and join together in pursuit of the long-term interests of the country. A matter of such overriding concern as SALT II cannot be constrained by the narrow indentification of party affiliation.

Testifying in support of SALT II before the Senate Foreign Relations Committee last Thursday, Ambassador Averell Harriman demonstrated his continuing concern for the Nation's security by advising the committee of the great value for European allies place on the treaty's ratification. He spoke from the view of one who had an outstanding diplomatic career spanning 10 administrations, Democratic and Republican. The Ambassador recalled the late Republican Senator Vandenberg's observations on a similar effort launched in the Senate some 30 years ago to establish the North Atlantic Treaty Organization. It was not, the Senator explained, an issue important enough merely to warrant bipartisan support, but rather an issue so vital as to remove the considerations of party affiliation completely from the process. As a student of history, I can say that the Senate at that time did indeed put aside the narrow and limited perspective of elective politics to summon the vision and courage required to consummate that undertaking. I exhort my colleagues in the Senate now to do the same, and examine the SALT II agreements solely on the basis of whether they will serve the purpose of slowing the proliferation of nuclear armaments without diminishing our capacity for national defense. I firmly believe the treaty does, and I trust in the ability of the Senate to follow the example of previous generations to recognize the ultimate sense and responsibility of the approach taken by the Strategic Arms Limitation Treaty.

FINANCIAL TROUBLES AT LAKE PLACID

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share with my colleagues an article which appeared in this morning's edition of the Philadelphia Inquirer. The article deals with the lack of accountability with regard to the Lake Placid Olympic budget.

LAKE PLACID BOARD REJECTS MOVE FOR FINANCIAL REVIEW

LAKE PLACID, N.Y.—The full board of the Lake Placid Olympic Organizing Committee handily defeated a move Wednesday night calling for additional scrutiny of its finances.

But the committee's chief executive then promised that he would make more financial information available to board members in the future.

Debate preceding the 33-9 defeat of a motion to appoint an independent group to review the committee's budget with outside professionals was unusually lengthy and heated for a public session of the privately run group.

"There is no budget," complained Jack Wilkins, one of only three board members to back the resolution.

During the debate, Wilkins, a member of the LPOOC's finance and executive committees and head of a splinter faction on the board, which strongly opposed hiring Peter Spurney as LPOOC general manager, said he had "never seen a line-item budget."

Wilkins said he had been shown was what Spurney termed a "rolling budget."

"There's no accountant that I've been able to ask yet that knows what a rolling budget is," Wilkins said.

Although the motion was defeated, Spurney promised that in the future he would give regular board members some of the same information he provides to the executive and finance committees that watch over the LPOOC's spending. He explained that a "rolling budget" was one that was amended regularly as conditions changed.

Jim Brooks, an executive board member who voted against the motion, said the U.S. Economic Development Administration and Peat, Marwick and Mitchell, one of the world's largest accounting firms, had found nothing wrong with the committee's accounting.

Although state and federal money will pay roughly two-thirds of the cost of staging the 1980 Winter Olympics in Lake Placid, the LPOOC must privately raise between $40 million and $50 million to pay administrative expenses.

Spurney said he was trying to reduce administrative expenses from their current level of $46 million so they would not exceed expected revenues of $43.6 million.

The LPOOC's operating money is from private sources such as the sale of television rights and concessions for the Games, which will be held in February. The committee has declined to open its financial books to the public.●

CAPTIVE NATIONS WEEK ADDRESS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, throughout the long course of human history, freedom has been on the defense. Wherever strict totalitarian regimes arise, they tend to oppress human liberties in order to maintain their own power. The peoples of the captive nations, whom we now salute, are today's unfortunate evidence of this.

The United States is dedicated to the principle that without freedom, a man is not receiving all that he is entitled to as a human being. This dedication has led us to open our doors to the friendless of the world. It has led us to extend a helping hand to the suffering on every continent. Grateful for our own lot, we have traditionally felt it a duty to seek freedom for those less fortunate than us; to thwart the spread of tyranny; and to carry liberty to the far corners of the Earth. Perhaps John F. Kennedy best articulated the profoundness of the American will to fend for freedom:

> Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.

To my dismay, I now submit to my colleagues that this high spirit of America seems to be slipping away. No longer do we appear willing to be the upholders and guarantors of liberty. In the recent past, we merely dawdled as nations such as Hungary, Czechoslovakia, and Poland rebelled against the Soviet's neocolonial empire. And today, we watch in repose as nations in Africa and Southeast Asia fall subject to Communist imperialism. At every turn, we now appear inclined to turn a passive back on those who ask only for our vigilance and support.

I call on the Nation to strongly rededicate itself to the ideals of its republican heritage. It is time for us to undertake a strong commitment to foster world freedom. At present, Mr. Carter's foreign policy is random and ineffective. Too often he treats our friends as enemies, and our enemies as friends. Unfortunately the President, who time and again has professed his devotion to human rights, has not improved the lot of any of the peoples of captive nations. Clearly Mr. Carter must now hasten to mark out a bold and serious course, make it known that we will oppose all enemies of freedom, and begin to heed the cries of the oppressed around the world. Mr. Carter must again manifest the American belief that all men everywhere have the same inherent right to freedom that we enjoy today.

As well, to effectively counter the aggressive totalitarian states, I feel that it would be wise to join in our endeavor with the other free nations of the world. Since it is the immediate challenge of the free world to collect itself, perhaps even a confederation of free nations is in order. As the great Spanish philosopher, Salvador de Madariaga said:

> The trouble today is that the Communist world understands unity but not liberty, while the free world understand liberty but not unity.

He continued:

> Eventual victory may be won by the first of the two sides to achieve the synthesis of both liberty and unity.

Finally, I suggest that, as the leaders of this great Nation, we are to display not only industry and intelligence, but more importantly, courage. So too, it is courage, not hesitation, which we must display in leading the free nations of the world in the fight against oppression. Courage is what the more than 100 million people in Eastern Europe who have lost their personal and national freedom so desperately need from us. Courage is what the dissident in a Soviet jail needs from us. Courage is what the family in a totalitarian state wanting, but unable, to emigrate, needs from us. Indeed, it is the courage we show in countering tyranny which will sustain the hopes of the oppressed for freedom.

Mr. Speaker, we do a great disservice to the peoples of the captive nations, to the cause of freedom, and to humanity herself, if we continue to shrink from the challenge which confronts us. We must recommit ourselves to that great dedication which made this Nation a beacon of hope to mankind. Let us address a richer support to the millions who refuse to resign themselves to the oppressive plans of the aggressive totalitarian states. This task is ours, for again in the words of John F. Kennedy:

> We in this country, in this generation are—by destiny rather than choice—the watchmen on the walls of world freedom.●

COL. HOLLIS D. MESSER, U.S. ARMY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. ANDERSON of California. Mr. Speaker, early next month San Pedro, Calif., will lose one of its finest community leaders when Col. Hollis D. Messer, U.S. Army, relinquishes his duties as commander of Fort MacArthur. Colonel Messer will be departing for specialized training in Washington, D.C., before assuming his new duties as the U.S. Defense Attaché in Saudia Arabia. With great pleasure, I bring to the attention of my colleagues the military career of this fine officer. It is a record of accomplishment which exhibits the best qualities of dedicated service.

Colonel Messer has served in a variety of command and staff positions. Before assuming command at Fort MacArthur on March 27, 1978, he was Director of the Fort Knox Directorate of Reserve Components. He has also commanded a tank platoon and company, an armor battalion, and the support battalion of an infantry brigade. His staff assignments include service with the Army's Office of Personnel Operations and the Four-Party Joint Military Commission in Vietnam.

He has received numerous awards attesting both to his courage and capability. They include two awards of the Silver Star for heroism in combat, two awards of the Bronze Star, the Combat Infantryman's Badge, two awards of the Meritorious Service Medal, the Air Medal, Army Commendation Medal, and several other foreign awards and service medals.

Though Colonel Messer's term of service at Fort MacArthur has been a brief one, it has been a beneficial one, not only to the installation itself, but also to the surrounding community. In following orders from the Pentagon to wind-down the fort's operations for its eventual closing in 1982, he showed a genuine concern for what this would mean to the people of San Pedro. He has worked closely with local business and government leaders to make the transitional period smooth and orderly.

My wife, Lee, joins me in congratulating Colonel Messer on his impressive tenure as commander of Fort MacArthur. We hope his new assignment in Saudia Arabia is equally successful. We also extend our best wishes for a bright and prosperous future to his wife, Alyce Joe; their daughter, Sharon; and their two sons, David and Randy.●

MORRIS WENICK COMMITTED CIVIL SERVANT

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. DOUGHERTY. Mr. Speaker, after 35 years of devoted service with the Federal Government, Morris Wenick of Philadelphia, Pa., deserves commendation. Before retiring from the position of contract administrator for the Department of Defense in Philadelphia in January 1977, Morris Wenick achieved numerous awards and honors in recognition for his services beyond duty. Mr. Wenick is the proud recipient of the "Suggestor of the Year" for his adopted suggestions that promoted efficiency and economy in Government operations. In addition, Mr. Wenick received citations from the Commonwealth of Pennsylvania, recognition from the Department of Defense and from the mayor of the city of Philadelphia for excellent service to the Federal Government. He was chosen as the "Man of the Year" by the Military Order of the Purple Heart and has been appointed to the "Legion of Honor." Thus, time and again, Morris Wenick has been unselfish in the sharing of himself through his creativity and imagination as a civil servant.

In these days of questions, evaluations in regard our civil servants, a more timely recognition could not be given to Mr. Morris Wenick for his devotion, patriotism, and accomplishments as a civil servant of the American people.●

WALL STREET JOURNAL SUPPORTS DINGELL/BROYHILL PASSIVE RESTRAINT AMENDMENT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. DINGELL. Mr. Speaker, I enclose in the RECORD the following editorial from the Wall Street Journal which is an excellent commentary on the basic reasons why the House should adopt the amendment we are offering to the Department of Transportation appropriations bill for fiscal year 1980, H.R. 4440.

Our amendment does exactly what the Wall Street Journal editorial board calls for and agrees with—more research, testing, and development of passive restraint devices, such as air bags, which are mandated for installation on model year 1982 passenger automobiles. Our amendment also provides for such research and development on the passive safety belt system.

We especially question whether the device known as the air bag is or will be developed to the degree that it can be assured to be safe, reliable, and effective for motorists in the front seat positions where the bag is only designed to afford protection. Safety belts, of course, afford the best all around protection.

We are committed to improving automobile safety for motorists with proven devices that are safe and effective.

We urge support, with our cosponsors, of the amendment.

LIST OF COSPONSORS

James T. Broyhill, Thomas L. Ashley, William M. Brodhead, Carl D. Pursell, John B. Anderson, James J. Blanchard, Clarence J. Brown.

John D. Dingell, Lucien N. Nedzi, Bob Traxler, Bob Carr, Phil Gramm, Carlos J. Moorhead, Tim Lee Carter.

William D. Ford, James M. Collins, David Satterfield, Dave Stockman, Samuel L. Devine, Matthew J. Rinaldo.

The Wall Street Journal editorial follows:

THE AIR BAG IN HOT WATER

The House will get a chance today or tomorrow to put Ralph Nader's and Joan Claybrook's favorite invention, the automobile air bag, on hold for yet another year. We would urge it to do exactly that and save itself from a great deal of future embarrassment.

The opportunity will come in the form of an amendment offered by John Dingell of Michigan to the Department of Transportation appropriations bill. It would extend for another year the present ban that prohibits Ms. Claybrook's National Highway Traffic Safety Administration from enforcing or implementing its occupant restraint rule as it applies to air bags.

There are very sound reasons for not pushing the auto industry into making air bags standard in the 1982 model year, as NHTSA has hoped to do. Indeed, there have always been such reasons, but NHTSA has chosen to ignore them out of its blind fervor for this particular invention.

The core reason is that the air bag is expensive and unreliable. Ford Motor Co. has just estimated that the air bag if installed on 1982 model cars would cost buyers $825. And should the air bag deploy in a small

collision, it would cost some two and a half times the original cost, or $2,100, to replace, according to General Accounting Office investigators, who will soon release a major study of the air bag's problems.

More importantly, the air bag does not afford the kind of safety its proponents have claimed for it. First of all, it does not deploy in other than frontal crashes. Second, passengers in the front seat who are out of position—small children in particular—are put at risk by the air bag itself, according to recent studies. General Motors and Volvo have conducted tests using pigs as surrogates for small children that show very serious dangers with the air bag when a child is standing at the dashboard or lying on the front seat. Nine pigs have been killed in these tests.

Mr. Dingell is only asking to delay the implementation of any air bag standard until there is further research on its problems. It is a small thing to ask, considering the findings that already are coming to light, as well as the progress that auto makers are making on other forms of restraint, such as passive belts that fasten automatically when car doors are closed. Congress would be wise indeed to support the delay he requests.●

PURPLE WORDS OF POPULISM

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. PASHAYAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

PURPLE WORDS OF POPULISM

The Carter administration, speaking through Secretary of the Interior Cecil Andrus, is unwisely taking a stand in full opposition to modernization and reform of the 1902 Reclamation Act with its 160-acre limitation provisions.

Andrus has written a letter nine pages long denouncing a bill by Senator Frank Church that would lift many of the 1902 act's restrictions on farms benefiting from federally subsidized water. There is a lot of populist cant in these nine pages, and we are disappointed to hear that kind of rhetoric from Andrus.

His warning that the reclamation program Church is sponsoring "would become enshrined as a bastion of special interests, of a few, large, wealthy firms privileged by special subsidies from the federal government" is hackneyed and inexcusably unrealistic. No one in the Agriculture Department or anywhere else in government with an appreciation of how California's agricultural industry is organized to take advantage of the "economy of scale" could be persuaded by such a gallus-snapping, purple-phrased statement of the issue.

The Church bill modernizes 1902 law by setting a limit of 1280 acres for family land irrigated by the Bureau of Reclamation's subsidized water. It allows leasing of unlimited acreage on a yearly basis—in this way corporate farms could take up leases depending on water availability without harm to the "family farm" ownership concept, which would enjoy water priority, and with benefit to the state's total farm production.

This is so sensible an accommodation that Church's bill has won the support of Governor Brown, in a turnaround from his former position in the matter, and of Senator Alan Cranston, the Senate majority whip.

Church's bill abolishes the unworkable, therefore unjustified, requirement that owners live on the land they farm. It also resolves a very old controversy by exempting the Imperial Valley from acreage limits.

This issue has been many years coming to a head. The 1902 act goes back to a day when Americans still thought in terms of homesteading the great open spaces of the West. In an August, 1977, comment on the 160-acre straightjacket, The Chronicle said:

"What we need is a new law from Congress, one that matches the modern agricultural economy and that gets away from the unreal ideology that deludes its true believers with the notion that the tremendous, world-important job of California agriculture can be done perfectly well by family-size units." In the Church bill, S. 14, we have such a measure. Congress should overrule the Carter administration and pass it.●

IS HUMPHREY ATKINS THE ANSWER IN NORTHERN IRELAND?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of the considerable number of my colleagues interested in Northern Ireland a recent editorial which appears in the highly respected London Economist. The editorial provides an assessment of the new Secretary of State for Northern Ireland, Mr. Humphrey Atkins. The assessment indicates that Mr. Atkins has a long way to go before he will positively impact on the effort to bring peace and justice to Ireland.

The message at this point is sadly clear—there is no new initiative forthcoming from the new British Government on Ulster. Mr. Atkins prefers to plod onward with quiet personal type of initiatives and have them magically turn into a plan. The fact is the Ulster problem has been permitted to fester by 10 years of British Government indifference. There were hopes that the new Secretary of State might bring with him new ideas. Thus far, these have been false hopes.

I am chairman of the 131-member Ad Hoc Congressional Committee for Irish Affairs. In that capacity I am working on what I consider to be an essential ingredient to moving the Irish question off of dead center—American involvement. An example of this is our committee's plan to conduct a peace forum in late September where all parties to the dispute in Ireland would be invited to present and discuss peace proposals. Our function would be as sponsors. No position or support would be given to any group or proposal.

Further in the months ahead I will be working for the passage of House Concurrent Resolution 122 which calls upon the British Government to embark on a new initiative for Northern Ireland which restores human rights and promotes self-determination.

At this point in the RECORD I wish to insert the article entitled "Try Harder: The Northern Ireland Secretary Should Put More New Ideas for Ulster Up His Sleeve Than He Was Able To Display This Week":

TRY HARDER: THE NORTHERN IRELAND SECRETARY SHOULD PUT MORE NEW IDEAS FOR ULSTER UP HIS SLEEVE THAN HE WAS ABLE TO DISPLAY THIS WEEK

The week before Protestant loyalists in Ulster celebrate Orange Day, the new Northern Ireland secretary has made what was rumoured official: there will be no new political initiative on Ulster in the foreseeable future. Mr. Humphrey Atkins, in his first formal statement to the British house of commons on Ulster policy, declared that there is still too much disagreement between the two political traditions and two sets of aspirations in Northern Ireland for him even to suggest the possible shape of an acceptable structure of government for the province.

So direct rule, from Westminster, introduced in 1972, lives on—and with it the Emergency Provisions Act that allows detention without trial or bail and trial without jury.

Mr. Atkins accuses some of the confusing "initiative" with a "solution" for Ulster. He believes that he is making quiet initiatives of his own that could yield a plan—in time. It was, he reminded his hearers, the Conservatives, who had tried before and would try again. (In 1974 they created a Northern Ireland assembly, which survived for five months into Mr. Wilson's vacillating government until Protestant hostility to sharing power with Catholics brought it down, and direct rule had to be reintroduced.)

But Mr. Atkins, a former chief whip, is in danger of being over-cautious. He needs soon to make a clear attempt to revive Ulster's political life, either in the 26 local district councils, in regional councils or in a new assembly—even if sectarian opinion threatens to sabotage his efforts. The province cannot continue indefinitely in the limbo of direct rule. As things stand, the district councils have hardly more power than to collect rubbish and mow grass, while neither locally nor in Belfast do young Ulster politicians have a forum where they can confront each other and mature.

So far, Mr. Atkins has retreated even from the promises of restoration of local government made by Airey Neave, who would have become Northern Ireland's secretary had he not been assassinated by the Irish National Liberation Army. (Neave had incorporated the prospect of regional councils into the Conservative election manifesto but Mr. Atkins withdrew it from the Queen's speech, not wanting to be tied down.) It now seems that any new ideas Mr. Atkins may come up with on a lower tier of administration will not be ready in time for Ulster's local government elections in 1981.

REALISTIC EXPECTATIONS

So what can the new secretary do to justify the expectations that accompanied him into office? These have been real, if not high, not only in Britain but in the Irish republic and the United States. For unlike his predecessor, Mr. Roy Mason, Mr. Atkins has a solid party majority behind him, a secure stretch of office ahead of him and no need to court favour among the 12 Ulster MPs sitting round him.

Many practical suggestions have accumulated in the long waiting period for a new government that could act. None of them needs be burdened with the label of "initiative". Some have come from this newspaper, others from quasi-official bodies such as the Northern Ireland Economic Council and the Standing Commission on Human Rights. Some of the most solid came from Mr. Garret FitzGerald, leader of Fine Gael, the Irish republic's main opposition party, earlier this year. (1) Why not, for example, design a unique-to-Ulster Tory economic policy? Allow it to offer even more generous and clearer (instead of the present complex) investment incentives to compete with the highly successful tax holidays offered to new industry by the republic south of the border. (2) Why not alleviate the harshness of the non-jury courts in Ulster, by letting three judges sit on cases instead of only one? (3) Why not build every imaginable bridge to cross-border cooperation—from agriculture to electricity to tourism to border police? A network of these arrangements could lead gradually, provided both sides want it, toward a loose confederation of independent states of north and south, whose community of interests is accentuated within the EEC. And in a lower key, why not improve the two universities in Northern Ireland, to attract more foreign students and research grants?

Mr. Atkins has already taken some useful steps. He has accepted, almost in their entirety, the recommendations of the Bennett report on improving the interrogation procedures of the Royal Ulster Constabulary. He visited Dublin last week and brought home some hopeful new possibilities of north-south co-operation in catching terrorists (whose resurgence, in a new more virulent form, is a common problem to the police forces of north and south).

But "buts" remain. He could have moved further on civil liberties. The Royal Ulster Constabulary is still permitted to question suspects for 48 hours before they can see a solicitor (and under the emergency laws in Northern Ireland, suspects can be convicted on the strength of a confession during questioning). Mr. Atkins has so far rejected a special economic treatment for Ulster; the overall Tory budget strategy, he said, should be sufficient to stimulate small business in the province. He was unable to shield Ulster from its share—£35m—of cuts in government expenditure.

Mr. Atkins has what it will take in Ulster. He is an engaging, mannerly Tory who should go down well with the Catholic Social Democratic and Labour party (which did better under the Tories than under Labour, which gave the Protestant unionists more seats in Westminster) and with the present Dublin government. That government says openly (Irish-Americans, please note) that a united Ireland is attainable only with the consent of the majority in Northern Ireland. All in all, Mr. Atkins has an opportunity for boldness which he eventually must seize and be seen to seize.●

REPRESENTATIVE JACK KEMP PRAISES THE TUITION TAX CREDIT EFFORTS OF SENATOR PAT MOYNIHAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. KEMP. Mr. Speaker, Henry George once warned that we cannot safely leave politics to politicians, or political economy to college professors. He said this, undoubtedly, not having known the likes of a DANIEL PATRICK MOYNIHAN.

For years now Senator MOYNIHAN has, with great verve and wit and forthrightness, confronted a number of key issues crucial both to New York and to our Nation. Nowhere have his insights been more perceptive or his arguments more challenging than with the issue of tuition tax credits.

In the August 3, 1979 issue of the National Review, the Senator writes of the constitutional smokescreen now surrounding the tax credit issue:

There can be few areas of public policy as muddled as that of government aid to non-government schools, and perhaps only an unwary person in public life will venture too far into the field.

I wonder if others have been struck, as I have been, by the contradictions of public policy in this area. For a generation now, from the time the Supreme Court called for severe restraints on public assistance to non-public schools, various levels of government have both imposed these restraints and fairly excelled themselves in devising ways, small or even symbolic, to get around them. One would say there is a considerable disjunction between what we say and what we do in this field, save that the whole business is so muddled as to preclude the very thought of anything being distinct.

Mr. Speaker, as an advocate of tuition tax credits, and a sponsor of a tax credit plan in the House of Representatives, I believe it is time for Congress to clear the contradictory and muddied thinking surrounding this important educational proposal.

As I said in this chamber slightly less than a year ago in strong support of tuition tax credits they would help us "honor our tradition of plurality and freedom of choice in directing the education of our children."

Last year, at the time tuition tax credits were being considered in the Senate, Senator MOYNIHAN said:

This is an historic vote. The House of Representatives has overturned the religious bigotry of the 19th century, and I am sure that the Senate will now do the same.

As we all know, tuition tax credits were defeated in the Senate, and many have described the tremendous pressure from the Carter administration and from individuals in Congress as the anti-Catholic sentiment. I would call it antifamily sentiment as well. Every American family, no matter what race or religion, will lose out if we allow the option of participating in the richness of private and parochial education to fall by the wayside.

But as Senator MOYNIHAN points out:

There are those who just don't like church-related schools and aren't going to change their minds. But many more persons are genuinely worried as to what might happen to the public schools if aid is provided to what they see as a competing system.

They need answers, too. Our job today is to "begin with a common concern for education." And with that concern, we need to clear the air of the confusion, and make a firm and sound decision on this important issue.

At this time, I would like to submit Senator MOYNIHAN's outstanding article for the RECORD:

PRIVATE SCHOOLS AND THE FIRST AMENDMENT

(BY DANIEL PATRICK MOYNIHAN)

There can be few areas of public policy as muddled as that of government aid to non-government schools, and perhaps only an unwary person in public life will venture too far into the field.

I wonder if others have been struck, as I have been, by the contradictions of public policy in this area. For a generation now, from the time the Supreme Court called for severe restraints on public assistance to non-public schools, various levels of government have both imposed these restraints and fairly excelled themselves in devising ways, small or even symbolic, to get around them. One would say there is a considerable disjunction between what we say and what we do in this field, save that the whole business is so muddled as to preclude the very thought of anything being distinct.

Such murkiness is properly a warning to office-holders. Even so I have become involved—perhaps to my cost, perhaps not—out of a combination of personal experience and public concerns which it may be useful to explain more fully, if only that others might understand why I go on so about this issue.

My experience begins with my having attended such schools—specifically the Catholic parochial schools of New York City—as a child, and the fact that when I did so there seemed nothing in the least unusual about them. They were the normal schools of my youth, in every sense parochial, and to the child's perception entirely public. Like prephylloxera wine, you might say I was a pre-*Everson* parochial-school student. I was an adult before that Supreme Court decision in 1947 placed these schools, inevitably imbued with a public purpose, in a defensive, almost suspect position.

In the 1950s, with Nathan Glazer, I began to study ethnic relations in the United States and learned how greatly different both doctrine and practice were in the early history of the nation, indeed almost into the twentieth century. Thus it was fairly easy for me to feel that the Supreme Court rulings of the 1940s and after were ahistorical.

Allow me to call attention to this point. There are two kinds of people: those who believe that the Court's decisions in the school cases reflect a clear or at least discoverable purpose of the First Amendment, and those who think that much of what the Court has said, as Erwin Griswold has it, is "sheer invention." As between such persons there is a considerable gulf of understanding.

My concern in this area has different origins. We face a great contraction in the non-government sector in education. I feel this will be a loss to pluralism, and yet another instance of the conquest of the private sector by the public sector about which Schumpeter wrote a quarter-century ago. I also feel that this contraction poses fundamental problems for many cities in the Northeast, and perhaps especially for those of my own state.

Hence I have been an advocate of tuition tax credits, which almost passed in the last Congress and may well pass in the present one. In the meantime, I have become ever more aborbed by the contradictions in public policy even at the level of the national government.

This came to me with special force on April 9, on the occasion—the second within a week's span—when the Senate voted to deny the Supreme Court jurisdiction over questions concerning prayer in the public schools. Now this action seemed to me genuinely to involve—and probably to violate—the basic law of the land. Prayer prescribed by public authorities, whether voluntary or not, gets very close to the notion of the establishment of religion, which the Constitution forbids. Publicly prescribed prayer is, for practical purposes, what established religion is all about. On that we need not have the least doubt concerning the intentions of the framers of the First Amendment. (In the course of our debate that day, one of my colleagues rose "to speak as a Christian" about what he called the "secular humanism that abounds in our children's schools today." He did not like this and thought "we Christians" should do something about it. It seemed to me that constitutional niceties were rather absent from our deliberations that day.)

The Vice President was present, on hand to cast a vote in the unlikely event of a tie.

(The outcome was 51 to 40 in support of school prayer.) He and I talked a bit about the debate, and I remarked that while I was opposed to the amendment I could readily understand how Americans, a religious people, would be uncomprehending of a government that seemed to deny them what they would regard as the free exercise of religion in the schools, which they would regard as the most important of all government institutions.

I said to the Vice President that it was with just this difficulty in mind that Senator Packwood and I had introduced legislation in the previous Congress calling for tuition tax credits. A plural school system, with a strong church-related sector, would avoid just the kind of agonizing choice the Senate was facing that day, the choice between seeming to thwart the religious preferences of the people and seeming to circumscribe the power of the Supreme Court to rule on whether our fundamental rights are being infringed by government. There was the Vice President vainly trying to prevent the latter. Perhaps, I said, the Administration should not have been quite so vehement and quite so complacent in its opposition to tuition tax credits.

Vice President Mondale is a friend of diversity and pluralism and, if my impression is not mistaken, one of the few friends we have in the Administration in this matter. (I say this from a long acquaintance rather than from any specific undertaking. Of course he supports the President on the specific issue.) I having mentioned tuition tax credits, he proceeded to say that the Administration could do a great deal more than it does to provide assistance to Catholic schools. He mentioned a provision of the Emergency School Assistance Act of 1970, which he helped draft, which he said could provide aid for inner-city Catholic schools with large minority enrollments. He urged me to get on to the Department of Health, Education, and Welfare and ask them to put up $25 million for this purpose, which he said they could easily do, and do with complete legality.

I called HEW. They fumbled and mumbled, which is what they do at HEW. Yes, there is such a provision. Yes, there is such money. Perhaps church-related schools would get some. At least perhaps their students can obtain "educational services" with the help of this money.

The money is not important. The point I am trying to illustrate, however, is important.

Observe the Vice President sincerely trying to get more money for Catholic schools, when scarcely six months earlier the Administration of which he was a member had allied itself with a coalition of groups opposed to tuition tax credits that denounced our purposes in language that was not at all restrained and sometimes scarcely civil. The least that was implied of Catholic schools by this coalition was that they harbor "ideological viewpoints in violation of the Constitution and American principles." The least the Administration could have done was to dissociate itself from such rhetoric. It did nothing of the sort. Yet here was the Vice President proposing to help the very cause which his Administration had been so determined to hinder.

How did we get into these seeming contradictions as to the direction of public policy?

A conundrum?

I think not. Such at least is my impression after a long and lengthening involvement with the subject.

To recapitulate, it was only in 1947 that the Supreme Court ruled on public aid to non-public schools, setting up standards that were considerably at odds with long and varied practice.

In the years since 1947, seeking to accommodate theory to practice (by which I imply that the Court has steadily retreated from its original position), the Court's decisions have become ever more confused and contradictory, so much so that Philip Kurland of the University of Chicago could write that "the Court is thoroughly unprincipled in the area" of public aid to church-related schools (by which, of course, he means that the decisions reveal no coherent principle). In testimony before the Senate Committee on Finance in January 1978, his colleague Professor Antonin Scalia—who was previously the Assistant U.S. Attorney General, Office of Legal Counsel, and thus the senior constitutional authority in the Executive Branch—stated, "It is impossible, within the time allotted, to describe with any completeness the utter confusion of Supreme Court pronouncements in the church-state area. . . ."

These pronouncements contain a series of extraordinary distinctions. In Tilton v. Richardson (1971), for example, the Chief Justice ruled that it is permissible to provide federal aid to church-related colleges and their students but not to parochial high schools and their students because, he wrote, "There is substance to the contention that college students are less impressionable and less susceptible to religious indoctrination." Now if you will believe that, in the sense of believing there is a scientifically valid distinction between the susceptibility to indoctrination of 18-year-olds as against 19-year-olds, you will believe anything. And, of course, there is not.

In Wolman v. Falter (1977), Mr. Justice Blackmun on behalf of the Court found it constitutional to provide non-public-school pupils with "books" but unconstitutional to supply them with "instructional materials and equipment." In other words a book may be provided, but not a map. The Court has yet to rule on atlases, which are books of maps.

I have offered the thought that the rulings of the Supreme Court on the establishment clause and on the issue of aid to church-related schools are strikingly parallel to the long, tormented, and in the end absurd rulings concerning the Fourteenth Amendment and labor legislation.

From the last decade of the nineteenth century on into the fourth decade of the twentieth century, the United States Supreme Court solemnly declared that the due-process clause of the Fourteenth Amendment forbade labor legislation. Thus the State of New York, for example, could not require that bakers work no more than ten hours a day.

This was solemn nonsense, as Holmes tried in vain to point out as early as 1905 in Lochner v. New York. But it had to run its course. By the 1930s almost everyone knew it was solemn nonsense, and eventually the Court realized it also. In 1955, in Williamson v. Lee Optical Co., Mr. Justice Douglas declared:

"The day is gone when this Court uses the Due Process Clause of the Fourteenth Amendment to strike down state laws, regulatory of business and industrial conditions, because they may be unwise, improvident, or out of harmony with a particular school of thought."

Or, as Mr. Justice Black put it in 1963 in Ferguson v. Skrupa:

"The doctrine that prevailed in Lochner, Coppage, Adkins, Burns, and like cases—that due process authorizes courts to hold laws unconstitutional when they believe the legislature has acted unwisely—has long since been discarded."

I stress this because it is sometimes necessary to remind ourselves that the Supreme Court does change its mind, a point on which we have long had Mr. Dooley's testimony. I spoke to this matter in an address to the Scripps-Howard Foundation Awards Luncheon on April 27 and put it as plainly as I know how:

"Our first duty to the Court is to obey it, and this we do with loving fealty. But a second duty, surely, when we think the Court to be wrong, is to seek to persuade it of this."

The point is that any mildly diligent scholarship would have established that the Fourteenth Amendment had nothing to do with labor legislation. But for a complex of reasons the Court, for a period, said that it did. I hold that in just this way the First Amendment has nothing to do with schools. It says that there shall be no established national church. Nothing more, nothing less. Nothing, certainly, to prohibit public aid to the only kind of schools which existed at the time the First Amendment was adopted. Edwin Griswold, then Dean of Harvard Law School and later to be Solicitor General of the United States, wrote in the Utah Law Review in 1963:

"It is perfectly true, and highly salutary, that the First Amendment forbade Congress to pass any law "respecting an establishment of religion or prohibiting the free exercise therof." These are great provisions, of great sweep and basic importance. But to say that they require that all trace of religion be kept out of any sort of public activity is sheer invention."

Even so, here has arisen, in the course of recent generations, a body of opinion in our society which is sincerely opposed to the influence of religious belief and religious institutions in the secular activities of the society. In some cases it is particular religious beliefs and particular religious institutions that are objected to, but it is the more general attitude that is the more important. One has the impression that this attitude is not so self confident today as it may once have been, but surely it persists. The attitude is nowhere so strong as in education. It has produced, unwittingly perhaps, the conviction that education is not safe until it is a public monopoly free altogether of "pre-modern" religious practice or profession.

I would wish to stress that in my view it is entirely legitimate to raise this proposition. There is a clear argument to be made for a single secular school system, just as an equally clear argument can be made for a plural school system. My objection is to the use of the constitutional issue to prevent resolution of the issue of public policy.

I dare to say I speak from some experience. I was a member of the Administration of President Kennedy and involved with the issue then. His effort to establish federal aid to education came to stalemate because his advisors would not include church-related schools, and the churches would not support his legislation without it.

In 1964 I was involved in the negotiations which led up to the inclusion, in the Democratic platform of that year, of the simple plank which stated:

"New methods of financial aid must be explored, including the channeling of federally collected revenues to all levels of education, and, to the extent permitted by the Constitution, to all schools."

This removed opposition to federal aid, and within months the Elementary and Secondary Education Act of 1965 (ESEA) was law.

The law was passed with the support of the non-public schools, and could not have been passed without that support.

The ESEA was a promise. Was it kept? No.

I offer you the observations just last year of Monsignor Francis B. Shulte, Superintendent of Schools of the Archdiocese of Philadelphia, urging the House Ways and Means Committee not to make Congress "a party to pledges of improved ESEA benefits offered as a sop" to the parents of Catholic-school children. "Such a parent," Monsignor Shulte explained, "knows that, after 13 years, Health, Education, and Welfare is only now getting the first benefits to eligible non-public-school students in several of our states; he knows how limited the number of

beneficiaries of that law are; and that ESEA will not help his burden of tuition and taxation."

Why? Because the education professionals who took over the program, and the extensive support networks in the nation at large, did not as a matter of policy want assistance to go to non-public schools. I truly believe that there are those who in fact would as soon see these schools more or less disappear as a major educational alternative. And indeed these schools are, if not disappearing, then surely declining. In 1965 there were 13,292 of them, enrolling 5.6 million students. In 1977, there were only 9,797 schools with 3.3 million pupils.

In the meantime, however, the influence of others—of people who want to see the non-public schools survive and even prosper—is also to be seen at work. Successive national political candidates, successive national party conventions, successive national Administrations have endorsed such measures.

Our beloved former colleague, the late Senator Hubert Humphrey, who was the Democratic candidate for the Presidency in 1968, stated: "I favor the creation of a system where parents would be able to receive a tax credit when their children attend approved private schools." He was a co-sponsor of the tuition-tax-credit bill which Senator Packwood and I introduced in the 95th Congress.

In 1972, Senator George McGovern, the Democratic Party's presidential candidate of that year, declared his "support of the tax-credit approach to aid the parents of children attending parochial and other bona-fide non-public schools." In 1973, Treasury Secretary George Shultz, testifying on behalf of the Nixon Administration, stated: "The non-public school system educates a tenth of our schoolchildren. In order to preserve this vital national asset and to provide needed tax relief for the many low- and middle-income families who bear a large part of the cost, we recommend enactment of a refundable income-tax credit for non-public elementary and secondary school tuition."

In 1976, both party platforms promised aid to non-public education. The Republicans said: "We favor consideration of tax credits for parents making elementary and secondary school tuition payments. . . . Public schools and non-public schools should share an education fund on a constitutionally acceptable basis." The Democrats said: "The party renews its commitment to the support of a constitutionally acceptable method of providing tax aid for the education of all pupils in non-segregated schools in order to ensure parental freedom in choosing the best education for their children."

On October 19, 1976, Jimmy Carter wrote to the Chief Administrators of Catholic Education about his own support for aid to non-public education. He said: "Throughout our nation's history, Catholic educational institutions have played a significant and positive role in the education of our children. . . . Therefore, I am firmly committed to finding constitutionally acceptable methods of providing aid to parents whose children attend parochial schools."

Yet here we are two and one-half years later, and once again nothing has happened.

Although it will seem presumptuous, I think finally that I understand why.

The opponents of aid to non-government schools have once again effectively blocked consideration of the issue as public policy—i.e., the question whether it is desirable to provide such aid—by interposing the question of whether it is constitutionally possible to do so.

This is a repeated pattern. Whenever the issue of aid to non-public schools arises, those who are opposed to such aid manage to interpose the question of constitutionality. Invariably, at least until now, this has smothered the issue of public policy.

And this is the point I wish to make. As I see it, the issue of public policy properly comes first. Until that is settled, there can be no resolution of the issue of constitutionality. But by insisting on the primacy of the constitutional issue, the opponents of aid to non-public schools have effectively prevented either issue from ever being settled.

What are we to do?

I have two comments, and one proposal.

My first comment is that supporters of non-public schools would be within their rights to grow just a shade less patient. Ours, after all, is the only English-speaking democracy in the world that does not provide public assistance to church-related schools.

Not long ago I was discussing these matters with Professor Edward Shils, the distinguished sociologist, who was in Washington to deliver the Jefferson Lecture, the most prestigious lectureship in the gift of the United States Government. His topic was the relationship between education and the Federal Government. I spoke with him about some of the Supreme Court decisions in this area. He replied, in his direct way, that, very simply, Catholic schools in the United States are "persecuted."

Certainly some of the Supreme Court decisions verge on being troubling. Consider the instances in which Mr. Justice Douglas supported his opinions with references to a book called Roman Catholicism by Loraine Boettner, published in Philadelphia in 1962. (Presumably, all church-related schools are governed by these decisions, but one would have to be blind not to see that, alas, Catholic schools seem to be the issue.) This volume has been characterized by Professor Douglas Laycock of the University of Chicago Law School as an "elaborate hate tract." Mr. Boettner's views on Catholicism generally may be summarized in the following brief quote:

"Our American freedoms are being threatened today by two totalitarian systems, Communism and Roman Catholicism. And of the two in our country Romanism is growing faster than is Communism and is the more dangerous since it covers its real nature with a cloak of religion."

That particular passage is not cited by Mr. Justice Douglas, but here is one that he quotes in footnote 20 of his concurring opinion in Lemon v. Kurtzman (403 U.S. 602, 635, 1971):

"In the parochial schools Roman Catholic indoctrination is included in every subject. History, literature, geography, civics, and science are given a Roman Catholic slant. The whole education of the child is filled with propaganda. That, of course, is the very purpose of such schools, the very reason for going to all of the work and expense of maintaining a dual school system. Their purpose is not so much to educate, but to indoctrinate and train, not to teach Scripture truths and Americanism, but to make loyal Roman Catholics. The children are regimented, and are told what to wear, what to do, and what to think."

Ponder the implications of Mr. Boettner's charge that Catholic schools do not teach "Scripture truths"!

One cannot easily imagine such "evidence" being used against the interest of any other major religious or ethnic group in our nation without raising puzzled eyebrows, if not indeed holy hell.

Here—my second point—there is a task of advocacy which advocates of tuition tax credits, or whatever, must assume. Let me illustrate. On Tuesday, April 3, the New York Times reported the Supreme Court's refusal the preceding day to "continue a lower-court order that has prevented New York State from reimbursing parochial schools for complying with state-mandated tests and record-keeping tasks." Some paragraphs later the article stated, "The federal Constitution specifically forbids aid to parochial schools. . . ." Of course the Constitution does no such thing. There is no mention either of schools or of education in the Constitution.

Upon encountering this, my first and probably professorial impulse was to write a letter to the Times, pointing out the error. Then I thought no, I would wait to see if the Times would correct itself, or if some representative of Catholic education—or someone—would write in to say, "But this isn't so." To my knowledge, no one has. At least I have seen no correction in the Times, which would have been more than willing, would have been actively desirous of correcting an innocent but not unimportant mistake. And so one asks: If we do not respond, who will do it for us? If we are so lax in our reading of the Constitution, who will counter those who use the Constitution to avoid discussing social policy?

To repeat, if our experience with tuition tax credits in the 95th Congress taught us anything, it is that those who prefer not to help our schools are wont to interpose the Constitution between any specific proposal and the issue of social policy that it properly addresses. It is not that we wish to avoid the constitutional question to the contrary, we welcome the court test, and have asked only that we be given our day in court. But the constitutional issue cannot be resolved until appropriate enabling legislation is passed, and legislation will not be passed until our proposition is dealt with in the domain of public policy.

In this regard, I believe one must fault President Carter. In 1976 he declared himself in favor of "finding constitutionally acceptable ways of providing aid to parents whose children attend parochial schools." This could only mean one thing: tuition tax credits. But when the opportunity presented itself of finding out whether tax credits are constitutional, the President, through his Secretary of HEW, asserted they were not, and so opposed enactment of our bill, which was the only possible way of finding out whether they were. To repeat, the pattern persists.

Hence I would hold that those who, as a matter of policy, do not favor educational pluralism, or who do not want public funds to assist non-public schools and their students, should be obliged to say so and not be permitted to avoid that question by substituting predictions of what the Supreme Court would or would not say if in fact legislation were passed to provide such assistance.

Unless legislation passes in this Congress, the issue will, unavoidably, be raised in the 1980 election. I remind you that the last three Democratic candidates pledged to provide aid in some form. Republican candidates have done the same. They will be asked to do so again, and in all likelihood will.

I would like to suggest that this time around the questioning be a bit more sophisticated. I do not conceal my feelings that the commitments made by my party's platform in 1964 were not kept by President Johnson. Nor has President Carter kept the commitment he made—not in any meaningful sense.

If, then, the matter is not resolved beforehand, I would suggest that in 1980 it ought not to be enough for candidates simply to indicate a warm disposition toward a popular cause. Candidates who wish to be understood as favoring some form of aid should be expected to say just what form they intend, and then to say that they will press the matter through Congress in order that it may be tested in the Supreme Court. They should be asked to specify that they will not use the constitutional question as an excuse to avoid the question of public policy.

It seems to me that this is a reasonable expectation. It may be that when it is put

in this manner no candidate will want to be associated with support for non-public schools. In which event, fair enough. It is an important issue, and very much an urban issue. (I happen, for example, to think the survival of the Catholic school system in New York City is essential to the future of the city.)

This would scarcely be the only issue in an election, and I would certainly hope that it does not join that growing list of "single issues." If we are disappointed, so be it. But that is better than being misled. There is too much of that: probably always has been, but there is no point settling down to a kind of agreed-upon deception such as is practiced in the quadrennial pledge to repeal the Taft-Hartley Act.

The springs of democracy should run clear. We have rather muddied them in this matter, and should do better.

Finally, I would hope we all might be a bit more ecumenical on this issue than we have been. There are those who just don't like church-related schools and aren't going to change their minds. But many more persons are genuinely worried as to what might happen to the public schools if aid is provided to what they see as a competing system. (They deserve answers, just as we do.)

We begin with a common concern for education. Surely that should lead to a shared dialogue on how best to advance it.●

AMERICA'S MINUTEWOMEN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. FINDLEY. Mr. Speaker, I welcome this opportunity to participate in Congresswoman PAT SCHROEDER's recognition of America's minutewomen. It presents me with an opportunity to call the attention of the House to the brave and selfless deeds of two American heroines who made their homes in west central Illinois and who are laid to rest there.

The first is Mary Harris Jones, known as Mother Mary Jones. Like Johnny Appleseed, she traveled America planting seeds. But rather than apple trees, hers were seeds of hope and courage planted in the hearts of working men and their families. We see the fruit of her toil in today's vigorous labor union movement, improved working conditions, reasonable working hours, and a higher standard of living for all.

Mother Jones was particularly interested in calling attention to the evils of child labor. In 1903 she led a 145-mile march of striking children who worked in the mines to President Theodore Roosevelt's home at Oyster Bay, N.Y. The President refused to see Mother Jones and "her" children, but they won the hearts of the people. They had to return to the 10-hour work shifts in the mills but Congress eventually outlawed child labor.

What an inspiration Mother Jones offers today's labor leaders. She went where she was needed and did what she had to do without complaint or hesitation. She had no fancy offices, no army of staff assistants, no salary. She was motivated by love for the workers she called her sons. Just as Lincoln serves as an example for those who hold public office, Mother Mary Jones provides a similar example for those who hold union office. History must not lose appreciation for Mother Jones, the undaunted sower of future prosperity and well-being. She now lies buried in a small cemetery in Mount Olive, Ill. I welcome this opportunity to keep her memory alive.

Lesser known but equally as heroic was Annie Louise Keller of Centerville, Ill. When she awoke on that warm spring morning in 1927, this midwestern school teacher had no warning of impending disaster. However, as she walked to school, the day turned dark, with noise in the distance like a freight train.

Cyclones are no strangers to Midwesterners and most of us have seen the destructive results. When, during the school lunch period, the pony shed blew away, a look at the southwest told Annie what was coming. She rushed the children to safety, but tragically did not have time to do as much for herself. The building was demolished before she could escape and the falling center beam struck her across the shoulders, killing her instantly.

It has been more than 50 years since Annie took that brave action and sacrificed her own life for the children in her school. We are still blessed by the inspiring example of love that she gave to each of us.●

TRIBUTE TO W. E. "ED" WILLIAMSON

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. BROYHILL. Mr. Speaker, W. E. "Ed" Williamson, the clerk of the Committee on Interstate and Foreign Commerce for the last 22 years, has left us. He fought a valiant battle with that scourge of mankind so much in the view of and on the minds of the members of the committee—cancer. Ed asked no quarter, made no complaint and for many, many months seemed to fight the killer to a standstill. At the same time, he continued to be the efficient, amiable, congenial staff leader that he has been through the years.

Much could be written about Ed Williamson as a coach, a soldier, a county official, a mayor, a master of ceremonies for any and all occasions and a general hail fellow well met. No one who met Ed and certainly no one who came to know him well could ever find a harsh thing to say about him. Conversely, Ed was never known to say harsh things about anyone else. You might be the momentary victim of his sharp, but gentle wit and his gift of repartee, but never of his anger or disdain. Ed loved all people and they loved him.

It is not uncommon for the minority member of a committee, and more particularly, the minority staff of a committee to be constantly and pointedly reminded that they are the minority and should expect treatment accordingly. To Ed, members were members and staffers were staffers and if he could help them, he would. No one got short shrift from Ed.

Life will go on and the committee will function, but after 22 years of Ed and the imprint which he has made upon its operation, it can never again be quite the same.

We mourn the loss of a good man and a good friend.●

CORPORATE RESPONSIBILITY AND HAZARDOUS MATERIALS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. MILLER of California. Mr. Speaker, nearly 40 years ago, Dr. Wilhelm C. Hueper, commonly regarded as the father of environmental cancer prevention, wrote:

> Industrial concerns are in general not particularly anxious to have the occurrence of occupational cancers among their employees or of environmental cancers among the consumers of their products made a matter of public records. Such publicity might reflect unfavorably upon their business activities and oblige them to undertake extensive and expensive technical and sanitary changes.

Over 200 years earlier, the Italian physician Bernadino Ramazzini, who is considered the founder of occupational medicine, noted:

> 'Tis a sordid profit that's accompanied by the destruction of health . . . Many a workman has looked upon his craft as a means to support life and raise a family, but all he has got from it is some deadly disease, with the result that he has departed this life cursing the craft to which he has applied himself.

Today, we must face a fact which is both chilling and depressing: A number of products and industrial processes pose enormous health hazards to millions of people who work with them, purchase them, live near the sites where they are manufactured or disposed of.

In recent months, we have become aware that corporate officials, in numerous cases, have known about these hazards, sometimes for decades, and yet have remained silent. As a result, hundreds of thousands, even millions, of people have been exposed to hazardous materials and processes which can cost them their health and even their lives.

There are many reasons why this situation has developed and why it has continued largely unchecked for so many years. One of the major reasons is that the responsible individuals who have consciously made these decisions to cover-up hazards have little to fear from the justice system. Too often, offending companies have been fined nominal amounts; in some cases, they have been awarded tax benefits allowing them to write off liability losses. This situation cannot continue.

When someone makes a decision to conceal information about a product or an industrial process, knowing full well that the product or processes jeopardizes

someone's life, health or safety, I believe a criminal act has occurred. Consequently, I am today introducing legislation which would make such concealment a criminal offense, punishable by a substantial fine and/or jail term. I am very proud to have as cosponsors of this landmark legislation 41 of my colleagues, including the distinguished chairman of the House Judiciary Subcommittee on Crime, JOHN CONYERS, JR., who has led a major investigation into corporate white-collar crime in this country, and who, for the past 2 years, has been conducting several lines of inquiry which have helped establish the basis for this legislation.

ASBESTOS COVER-UPS

Over the course of the past year, I have personally led the investigation of health hazards in the asbestos industry. Relying on documents and statements of the companies themselves, we have pieced together a legacy of four decades of cover-up which has resulted in the exposure of millions of people to cancer-causing asbestos materials.

As long ago as the mid-1930s, the attorney for one of the major asbestos companies commented on medical studies on asbestos recently conducted at the Saranac Laboratory in New York:

> My own idea is that it would be a good thing to distribute the information among the medical community, *providing it is of the right type and would not injure our companies.* [Emphasis added]

The cover-up continued through the following decade. In the early 1950s, the medical director of one of the major companies recommended that a warning label be placed on asbestos; his advice was rejected by the corporate officials who had hired him for his medical expertise:

Later that decade, the Asbestos Textile Institute rejected a recommendation by Dr. Kenneth Smith of Johns-Manville that the institute fund a study of the correlation of asbestos exposure in nonprimary workers and lung cancer. His recommendation was rejected, among other reasons, because ATI feared that it would "stir up a hornet's nest."

Although some in the asbestos industry claim that no certain correlation between asbestos and lung cancer was proven prior to Dr. Irving Selikoff's study of insulation workers in 1964, documents of the British Thermal Insulation Contractors Association illustrate that this information was being discussed in the trade in the mid-1940's.

Executives of the Johns-Manville Co. have testified that a formal corporate policy required that employees whose chest X-rays revealed abnormalities be told of the problem and relocated to less dusty areas of the factory. Yet documents, including the minutes of the Health Review Committee from the Manville, N.J. plant, and the testimony of the former manager of the Pittsburg, Calif., plant, indicate that these policies were not followed. In fact, many individuals were not told that their X-rays indicated possible lung damage attributable to asbestos exposure.

As late as last summer, there was a discussion among the members of the European Advisory Committee of the Asbestos International Association at which corporate representatives discussed ways to minimize hazard warning labels on asbestos products shipped to the European continent because—

> A label would put the continental industry in a difficult position . . . (There are) countries where it was felt it was still too early to start voluntary labelling, in fear of a possible negative influence on sales." (Emphasis added.)

POISONING OF WATER WELLS

Asbestos is not the only example of this kind of corporate indifference to human health and safety. Recently, subcommittees of this Congress revealed the longstanding poisoning of underground water wells by the Occidental Chemical Corp. in Lathrop, Calif., beginning in 1973. In April, 1975, a memo had been circulated within the company noting,

> Our laboratory records indicate that we are slowly contaminating all wells in our area.

By June, 1976, the company was discharging 10,000 tons of waste water per year containing five tons of contaminants into the ground. "I believe that we have fooled around long enough and already overpressed our luck," a company official warned in an internal memo. Almost a year later, the State Water Quality Control Board, the appropriate regulatory agency, had still not been warned, according to the company's own memos, and the dumping continued for more than another year.

DBCP AND STERILITY

The pesticide DBCP has also been associated with causing sterility in workers. As early as 1957, chemical producers knew that DBCP was dangerous. In 1961 and 1962, physicians found that DBCP caused testicular atrophy, liver and kidney damage in laboratory animals. Yet the manufacturing continued and workers were not warned.

KEPONE

Even before kepone was marketed, the Allied Chemical Co. subjected the substance to extensive laboratory tests which revealed its potential for causing cancer, liver damage and reproductive system failure. Despite tests which suggested numerous problems, Allied increased its production of kepone in the mid-1960s. Heavy amounts were dumped into the James River. In 1975, workers at the subcontracting factory, LSP Co. became ill, and in the resulting inspection, 75 cases of acute kepone poisoning were documented. Soil, air and water in the vicinity were contaminated.

BENZIDENE

In 1936, Dr. Wilhelm Hueper told officials of the DuPont Co. that benzidene was carcinogenic. At the time, Hueper was an employee of DuPont.

In 1948, the chief medical officer of the DuPont Co. presented a paper at an international medical conference in London at which he argued that benzidene was not a carcinogen. Three years later, according to Dr. Michael Williams, the medical officer to the Imperial Chemical Industries Dyestuffs Division, was told by the same company official that,

> We here know very well that benzidene is causing bladder cancer, but it is company policy to incriminate only the [other] . . . substance, Beta-naphthylamine.

TIRES

Product hazards and cover-ups are not limited to carcinogens like asbestos or chemicals. In 1973, 1 year after production of the Firestone 500 tire began, that company's director of development was given a memo in which he was warned,

> We are making an inferior quality radial which will subject us to belt-edge separation at high mileage.

Nevertheless, Firestone produced 24 million such tires over the subsequent 5 years, insisting publicly that there were no design defects in the tire. In 1977, a company memo noted that over a quarter of the 500s had been returned to the manufacturer in 1 year.

PINTO AUTOMOBILES

In late 1977, "Mother Jones" magazine reported an alleged 8 year cover-up by Ford of a design flaw in the siting of the gas tank on Pinto automobiles. It has been estimated that 500 deaths, or more, could be attributed to the improper location of the gas tank, which may rupture, causing the gasoline to ignite.

In an internal corporate memo, entitled "Fatalities Associated with Crash Induced Fuel Leakage and Fires," a Ford employee reportedly argued there was no financial benefit in complying with Government safety standards. Allegedly, someone believed that it was cheaper to cover-up the hazard and even to pay the liability claims than to retool the production machinery or retrofit the unsafe automobiles.

Mr. Speaker, these case histories describe a pattern of corporate behavior which cannot be tolerated. Let me state very clearly that I do not believe that these sorts of cover-ups constitute a normal practice for most industries or most businessmen in the United States. But neither can one conclude, given the collective evidence, that Love Canal, or asbestos, or DBCPs, or Pintos, or any of the others, that these are merely isolated incidents.

There are numerous reasons why these hazards were not fully disclosed. As Dr. Hueper wrote in 1943,

> It is, therefore, not an uncommon practice by the parties financially interested in such matters to keep information on the occurrence of industrial cancer well under cover.

In several situations, corporate officials cited fears of possible litigation or compensation claims by affected workers; in other cases, the costs of cleaning up or fixing a product was a factor. But in each case, certain corporate officers made a conscious decision to subject unsuspecting and innocent people to hazards which could imperil their safety and even their lives.

The legislation which we are introducing today is targeted at the serious situations I have described. Failure to notify employees and appropriate regulatory agencies can lead to the exposure of millions of individuals to hazardous materials, as in the case of asbestos where as many as 11 million people may have been exposed in the last 30 years. Who

knows what limitations might have been placed on its use had manufacturers shared information they possessed about asbestos' carcinogenic properties? Would we have installed it in schools? Would we have used it in hair dryers? Would we have waited until the toll of potential cancer deaths had grown to such proportions before undertaking safety precautions?

This legislation does not require any additional testing of products; it does not expand Government regulatory activity; it does not impose exhaustive paperwork burdens on companies.

All this legislation requires is this: When a corporate manager, officer, or director, possesses information concerning the hazards of his product or industrial process, he must notify potentially affected employees and the appropriate Federal regulatory authorities.

We cannot depend on Government to identify each hazard in every product or process which emerges. There are already 43,000 chemical compounds on the market, and 1,000 new ones appear annually. The entire Environmental Protection Agency spends just $103.3 million annually to regulate the $126 billion a year chemical industry.

Unless we are prepared to advocate a massive increase in Federal regulatory activities, we must find alternative ways to assure that serious hazards are brought to public attention. I believe that burden properly belongs with corporate officers who are aware of these problems.

This legislation is very timely. A uniform Federal statute is needed to protect unsuspecting employees and the general public. This legislation, which has been carefully drafted with the comments and recommendations of criminal justice experts, occupational safety specialists, and others is a concept which must be incorporated into the Federal code. I look forward to hearings in the House Subcommittee on Crime on this legislation in the near future, and I welcome additional support from other Members of the House.

The text of the bill and the list of cosponsors follow:

H.R. 4973

A bill to amend title 18 of the United States Code to impose penalties with respect to certain nondisclosure by business entities as to dangerous products

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 89 of title 18 of the United States Code is amended by adding at the end the following new section:

"§ 1822. Nondisclosure of certain matters by certain business entities and personnel

"(a) Whoever—

"(1) is an appropriate manager with respect to a product or business practice;

"(2) discovers in the course of business as such manager a serious danger associated with such product (or a component of that product) or business practice; and

"(3) knowingly fails to so inform each appropriate Federal agency in writing, if such agency has not been otherwise so informed, and warn affected employees in writing, if such employees have not been so warned, before the end of 30 days after such discovery is made;

shall be fined not less than $50,000 or imprisoned not less than 2 years, or both, but if the convicted defendant is a corporation, such fine shall be not less than $100,000.

"(b) As used in this section—

"(1) the term 'appropriate manager' means a person having management authority in or as a business entity with respect to a particular product or business practice, if such authority extends to informing Federal agencies and such business entity's personnel about serious dangers associated with such product (or any component of such product) or such business practice;

"(2) the term 'product' means a product of the business entity with respect to which the relevant accused person is the appropriate manager;

"(3) the term 'business practice' means a business practice with respect to which the relevant accused person is the appropriate manager;

"(4) the term 'discovers', used with respect to a serious danger, means obtains information that would convince a reasonable person in the circumstances in which the discoverer is situated that it is probable the serious danger exists;

"(5) the term 'serious danger', used with respect to a product or business practice, means that the normal or reasonably foreseable use of, or the exposure of human beings to, such product or such business practice will cause death or serious bodily injury to an individual;

"(6) the term 'serious bodily injury' means an impairment of physical condition, including physical pain, that creates a substantial risk of death or which causes serious permanent disfigurement, unconsciousness, extreme pain, or permanent or protracted loss or impairment of the function of any bodily member or organ;

"(7) the term 'warn affected employees', used with respect to a serious danger, means give sufficient description of the danger to all individuals working for or in the business entity who are likely to be subject to the serious danger in the course of that work; and

"(8) the term 'appropriate Federal agency' means a Federal agency having regulatory authority with respect to the product or business practice and dangers of the sort discovered.".

SEC. 2. The table of sections for chapter 89 of title 18 of the United States Code is amended by adding at the end the following new item:

"1822. Nondisclosure of certain matters by certain business entity personnel."

ADDITIONAL COSPONSORS

Mr. Conyers, Mr. Gore, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Bellenson, Mr. Bonior of Michigan, Mr. Brown of California, Mr. Buchanan, Mr. Carr, Mrs. Chisholm, Mr. Dellums, Mr. Dixon, Mr. Dornan, Mr. Downey, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Glickman, Mr. Gray, Mr. Guarini, Ms. Holtzman, and Mr. Lent.

Mr. Long of Maryland, Mr. Maguire, Mr. Markey, Mr. McHugh, Mr. Mitchell of Maryland, Mr. Neal, Mr. Nolan, Mr. Ottinger, Mr. Pepper, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stokes, Mr. Vento, Mr. Waxman, Mr. Weaver, Mr. Weiss, and Mr. Wolpe.●

HAPPY BIRTHDAY GERRI MAJOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. RANGEL. Mr. Speaker, I rise to inform my colleagues that on Sunday, July 29, Gerri Major celebrates her 85th birthday.

Gerri's career spans more than 60 years as a publicist, journalist, and writer-editor for such publications as the Pittsburgh Courier, Amsterdam News, Ebony, and Jet. During these decades of active communications service, Gerri has been a model of inspiration to those thousands of people who have come to know and love her. Gerri has provided guidance to all of us in her ending quest for truth in journalism.

We should all celebrate the birthday of this great American, because she represents the hard work and dedication that this country is built on. I hope my colleagues appreciate the tremendous contributions made by Ms. Major and will join with me in this tribute.●

TEACHER BURN-OUT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. MICHEL. Mr. Speaker, one of the untold stories of our time, one of the real crises that we rarely hear about is what has happened to American education in the past 10 or 15 years. It is no exaggeration to state that at no previous time in our history has education, at every level, been so threatened with disaster. Violence in the schools, a decline in standards, low test scores, parent and taxpayer dissatisfaction: These have been among the problems facing American education in the brave new world of increased Federal interference and increased teacher militancy.

The Wall Street Journal recently discussed one of the major problems: Teachers are "burning-out", for example, the pressures of teaching in today's schools are so great that many teachers lose their energy and enthusiasm.

At this point I wish to insert in the RECORD, "Teacher Burn-Out", the Wall Street Journal, July 25, 1979:

TEACHER BURN-OUT

A movie called "The Blackboard Jungle" caused a bit of a stir back in 1955. It was about a group of delinquents who relentlessly terrified a high-school teacher. The film was scary because the sense of terror in its classrooms was so far from ordinary experience. But it is now evident that a substantial number of high-school teachers and principals believe the atmosphere in their schools is approaching or even exceeds the tension in "The Blackboard Jungle." Many want to quit. The National Education Association says a third of the teachers they polled wish they could be doing something else. Another association, representing high-school principals, is about to report that many principals will quit this year. The latest Gallup survey of public confidence in major institutions shows the schools falling further out of favor with the public.

To explain the increasing despair of its members, the NEA cites a new phenomenon called "teacher burn-out." A burned out teacher is one in whom the energy and enthusiasm needed to teach children is going

or gone. It is probable that a lot of teachers are holding on now mainly for their paychecks and union benefits. Even those incentives are losing their power. When the New York City and Los Angeles school systems opened last year under court orders to reassign teachers to achieve racial balance, thousands of teachers quit, fearing physical assault in inner-city schools.

The NEA cites a number of reasons for teacher burn-out, but the big one is the pervasive sense that teachers have lost effective control of their classrooms. There is general agreement that as in the past the major disruptions are caused by a small percentage of the school population. The difference now is that it is very difficult to bring those students under effective control. The result is that more inner-city schools are in a state of recurring chaos, with weapons prevalent, often carried for self defense. Fewer physical assaults occur in suburban schools, but the level of unruliness is without precedent, and vandalism against school property and teachers' property is a serious problem. At the suburban extreme, parents have consented to unannounced police searches for drugs inside schools.

The bitter irony of this state of affairs is that it is a direct result of efforts by good-minded people who in the 1960s decided that the public-school system was so imperfect that it required large-scale reform. They initiated the student's rights movement. Its purpose, explained the ACLU, was to challenge "practices which school administrators claim are necessary to control their schools." The movement took the schools to court. As a result, a large and complicated body of state and federal law now governs what schools can or cannot do to students. The most important Supreme Court decision in this area established that a suspended student has a right to an official hearing. It seems that school officials in New York State were getting around the hearing requirement by transferring undisciplined students to another school, but Gov. Carey has just signed a bill requiring a due-process hearing for these transfers. The ACLU says such requirements curb "administrators' moral and political judgments about students' lives [which] had little to do with education."

The practical effect of these lawsuits was not foreseen by their supporters. Teachers do not know the details of all the law regulating their conduct. Unsure of their own rights, many teachers now impose less discipline or none at all. Teachers believe that the once-reliable principle of *in loco parentis* has been abolished. Meanwhile, the kids know they have the courts behind them in some vague way and challenge teachers more often and with less restraint.

The NEA says a major complaint of teachers is that principals won't back them up. That is because the reform movement has given principals other, presumably more important things to do. Deciding whether to suspend a bad student and commit work time to a due-process hearing is but one of the principal's new duties. He is now on the front line administering nearly every new program, rule and law mandated by federal and state agencies and the courts. There are detailed regulations for affirmative action on teacher recruitment, special education, school-lunch programs and more. This used to be a prestigious job, but many principals now feel they've become low-level bureaucratic robots at the beck of legislators, parents and pressure groups. Thus, more are closing their doors on the hallway chaos, or quitting.

Not much will change soon. The new regulations must be complied with to the last time-devouring letter. Teachers' unions will not take action to protect their members against the worst students in city schools for fear of being called racist, though we suspect much teacher burn-out is caused in no small part by the frustration of seeing the lives of so many intelligent minority kids chewed up by this mess. All of this has been a favorite subject for dinner-party debate between conservatives and reformers for some time now. But if too many good teachers and principals walk away from the schools or "burn out," the debate will become academic.●

ORIGINS OF THE DAVIS-BACON ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. LaFALCE. Mr. Speaker, during this Congress, many business organizations have made the repeal of the Davis-Bacon Act one of their major priorities. Essentially, this is the act which requires the payment of prevailing wages in construction contracts involving Federal funds.

In the discussions that are taking place concerning the act, several assumptions concerning its origins seem to be prevalent. For example, since the act was signed into law in 1931, it has been assumed that it was addressed to the conditions that existed during the great depression. Similarly, it is assumed that this was New Deal legislation. And finally, it is often claimed that it was intended primarily as pro-labor union—and implicitly anti-industry—legislation.

During a recent seminar held by the Congressional Research Service, a presentation was made by William G. Whittaker, a CRS staff analyst, which seriously questioned each of these assumptions. To help "set the record straight" concerning the genesis of the Davis-Bacon Act, I believe it to be worthwhile to reprint Mr. Whittaker's presentation. I sincerely hope that any debate concerning the repeal and/or modification of the Davis-Bacon Act will take place based upon the facts, not on mere rhetoric, and I urge our colleagues to review this study carefully.

Mr. Whittaker's statement follows:

COMMENTS UPON THE ORIGINS OF THE DAVIS-BACON ACT [1]

Often, in contemporary comment about the Davis-Bacon Act, one finds, either directly or by inference, several assumptions about the origins of the Act: (a) that it was Depression-inspired legislation and, therefore, by implication, that it is out-of-date and ought to be repealed; (b) that it was New Deal legislation—if not directly so, then at least in spirit; and (c) that it was primarily a labor/trade union act, by inference, Democratic and anti-industry.

If fact, it would appear, each of these assumptions is subject to question.

The roots of the Davis-Bacon Act go back into the late 19th century and are an outgrowth of a variety of wage and hour statutes enacted by the several states. While the states (and the Federal Government) encountered constitutional problems in the creation of wage and hour standards applicable to the private sector, they found less difficulty in establishing such protections for their own direct employees. In part, since higher standards thus obtained for public employees than for private sector employees, state agencies, in order to cut costs, began to contract-out construction and related public work, frequently to the lowest private bidder. By means of the contracting-out process, government found itself a party to the promotion of sub-standard conditions of labor—ultimately, it would appear, to the profit of "fly-by-night" contractors little concerned with the quality of construction, the stability of the industry or the welfare of the workers.

In 1891, Kansas adopted a law which required that "not less than the current rate of per diem wages in the locality where the work is performed shall be paid to laborers, workmen, mechanics, and other persons so employed by or on behalf of the State of Kansas" or of other local jurisdictions. At least six other states enacted prevailing wage statutes for public construction prior to the enactment of the Davis-Bacon Act at the Federal level in 1931. The effect, often, of the several statutes was to remove direct wage costs very largely as an element of competition among contractors bidding for public work.[2]

Early in 1927, Congressman Robert L. Bacon (R-N.Y.), a banker prior to his election to Congress, introduced legislation to require that local prevailing wage standards be met in Federal public construction—a precursor of the Davis-Bacon Act of 1931.

This was not a period of depression.

William J. Tracy, Secretary-Treasurer of the Building Trades Department of the A. F. of L., writing in the January 1927 *American Federationist*, observed:

"The building industry is, at the present time, enjoying the greatest prosperity in its history—with wages and hours of labor and improved working conditions better than ever before." [3]

Tracy's views were echoed by Frank Duffy, General Secretary of the United Brotherhood of Carpenters and Joiners of America. "Altogether, 1926 has been a very prosperous year," Duffy noted, "and 1927 holds the glowing promise of becoming equally as prosperous if not more so." [4]

During hearings before the House Committee on Labor in February of 1927, Congressman Bacon emphasised not depression but, rather, the maintenance of prevailing local standards and the stability of the industry.

Labor standards, then, in New York, were high, the Congressman affirmed, "wages are fair and there has been no difficulty in the building trades between employee and employer . . . for some time." When construction of a veteran's hospital in Bacon's district was announced, local contractors submitted their bids taking into account wages prevailing locally. But the award, Bacon explained to his colleagues,

". . . was let to a firm from Alabama who brought some thousand non-union laborers from Alabama into Long Island, N.Y.; into my congressional district. They were herded onto this job, they were housed in shacks, they were paid a very low wage and the work proceeded. Of course, that meant that the labor conditions in that part of New York State where this hospital was to be built were entirely upset. It meant that the neighboring community was very much upset."

In Bacon's view, the very least the Federal Government could do, when engaging in construction work, "is to comply with the local standards of wages and labor prevailing in the locality where the building construction is to take place." In drafting his bill, Bacon sought not to inflate wages artificially but, rather, to define the prevailing

Footnotes at end of article.

local standard so that the Federal Government might adhere to it.[5]

Similar prevailing wage legislation was introduced again in 1928—still prior to the Great Depression. This time, Bacon won strong support from the Department of Labor in a memorandum to Labor Secretary James J. Davis—a Republican—the Commissioner of Labor Statistics, Ethelbert Stewart, pointed out:

"The essence of the thing as I see it is: Is the Government willing for the sake of the lowest bidder to break down all labor standards and have its work done by the cheapest labor that can be secured and shipped from State to State?"

Commissioner Stewart expressed his full support for the Bacon bill—and Secretary Davis concurred.[6]

Although apparently enjoying wide bipartisan support (and support from industry and from labor) the Bacon proposal of 1928 was not enacted. Nor was parallel legislation, offered in 1930 by Bacon and by Congressman Elliott Sproul (R.-Ill.), the latter a Chicago-area building contractor prior to his election to the House.[7]

Late in 1930, after nearly a decade as Secretary of Labor in three Republican administrations,[8] James J. Davis was elected to the U.S. Senate from Pennsylvania. Among his first acts was to introduce prevailing wage legislation—a companion bill being offered in the House by Congressman Bacon. The precise language of the Davis-Bacon legislation had been worked out in an interdepartmental committee "representing all the departments" of the Hoover administration and had been "unanimously agreed on" by that committee.

William N. Doak, Davis's successor in the Hoover cabinet as Labor Secretary,[9] testifying for the Davis-Bacon legislation, advised the Senate Committee on Manufacturers that current contracting practices were "not only disturbing to labor but disturbing to the business community as well."[10] The Committee, presided over by Senator Robert LaFollette (R-Wisc.), in reporting the legislation, agreed:[11]

"Local artisans and mechanics, many of whom are family men owning their own homes, and whose standards of living have long been adjusted to local wages scales, can not hope to compete with this migratory labor. Not only are local workmen affected, but qualified contractors residing and doing business in the section of the country to which Federal buildings are allocated find it impossible to compete with the outside contractors, who base their estimates for labor upon the low wages they can pay to unattached, migratory workmen imported from a distance and for whom the contractors have in some cases provided housing facilities and food in flimsy, temporary quarters adjacent to the project under construction."

The report noted that the Secretary of Labor and representatives of the Treasury and War Departments had appeared before the Committee to emphasize the Hoover Administration's support for the legislation, that representatives of labor had "indorsed the measure as it stands" and that builders from "throughout the country have advised the committee that they favor the principle involved in this bill." The Committee report concluded:

"This measure does not require the Government to establish any new wage scales in any portion of the country. It merely gives the Government the power to require its contractors to pay their employees the prevailing wage scales in the vicinity of the building projects. This is only fair and just to the employees, the contractors, and the Government alike. It gives a square deal to all."[12]

The House Committee on Labor, Chaired by Congressman Richard J. Welch (R-Calif.), filed a similar report.[13]

Although there was dissent and although amendments were urged (notably concerning the manner and timing of wage rate determinations), the Davis-Bacon Act was adopted by both the House and the Senate without rollcall votes and, on March 3, 1931, was signed into law by President Herbert Hoover.[14]

While the Davis-Bacon Act was ultimately passed during the Great Depression, its roots clearly go much further back. The immediate conception of the legislation by Congressman Bacon was in response to conditions which pre-dated the Depression and which obtained during a period of prosperity.

Equally clear, the Davis-Bacon Act would not qualify in any strict sense as "New Deal" legislation—except that it dealt with economic problems which prevailed through that era.

Finally, the Republican influence in the origins of the Davis-Bacon Act appears clear as does the view, based upon current research, that the sponsors were as concerned with the stability of the construction industry as with the level of wages to be paid to the construction workers.

Whether conditions now, in the 1970s' justify the continued application of the principles set forth in the Davis-Bacon Act, is currently a subject of dispute, the resolution of which must be left to the judgment of the Congress. The issues, pro and con, we will leave to our distinguished guests this evening, Mr. Philip Abrams of the Associated Builders and Contractors and Mr. Robert Georgine of the Building and Construction Trades Department, AFL–CIO.

FOOTNOTES

[1] Comments made during the Congressional Research Service seminar/dinner for Members of Congress, on "The Viability of the Davis-Bacon Act," June 25, 1979, by William G. Whittaker, CRS Analyst in Labor Economics, edited from the oral presentation.

[2] David B. Johnson, "Prevailing Wage Legislation in the States," Monthly Labor Review, August 1961, pp. 839–845.

[3] William J. Tracy "The Building Trades," American Federationist, January 1927, p. 39.

[4] Frank Duffy, "A Happy New Year," The Carpenter, January 1927 p. 36.

[5] Hours of Labor and Wages on Public Works, Hearings before the Committee on Labor, U.S. Congress, House of Representatives 69th Congress, Second Session, on H.R. 17069, February 16, 1927 p. 2.

[6] Preferences in the Employment of Labor on Federal Construction Works, Hearings before the Committee on Labor, U.S. Congress House of Representatives, 70th Congress, First Session, on H.R. 11141, March 19, 1928, pp. 4–5.

[7] Employment of Labor on Federal Construction Work, Hearings before the Committee on Labor, U.S. Congress, House of Representatives, 71st Congress, Second Session, on H.R. 7995 and H.R. 9232, March 6, 1930. Concerning Congressman Sproul, See Biographical Directory of the American Congress, 1774–1961 (Washington: Government Printing Office, 1961), p. 1641.

[8] Davis had been appointed Secretary of Labor in 1921 by President Warren Harding (a choice about which the American Federation of Labor seems not to have been especially enthusiastic). He was reappointed by Presidents Calvin Coolidge and Herbert Hoover, serving until late 1930 when he was elected to the United States Senate from Pennsylvania—as a Republican. See Robert H. Zieger, "The Career of James J. Davis," The Pennsylvania Magazine of History and Biography, January 1974, pp. 74–76.

[9] William N. Doak, a Virginian out of the railway brotherhoods, sometimes described as a "conservative Republican," was appointed Labor Secretary over the rumored objections of the AFL, winning the nod over John L. Lewis of the United Mine Workers of America who seems to have been a leading candidate for the post. See Robert Sobel (ed.), Biographical Directory of the United States Executive Branch, 1774–1977 (Westport, Conn.: Greenwood Press, 1977), pp. 97–98; James P. Egan, "Comment on the National Show," Machinists' Monthly Journal, January 1931, p. 45; David Burner, Herbert Hoover: A Public Life (New York: Alfred A. Knopf, 1979), pp. 208–209; and Melvyn Dubofsky and Warren Van Tine, John L. Lewis: A Biography (New York: Quadrangle/The New York Times Book Co., Inc. 1977), pp. 172–173.

[10] Wages of Laborers and Mechanics on Public Buildings, Hearings before the Committee on Manufactures, U.S. Congress, Senate, 71st Congress, Third Session, on S. 5904, February 3, 1931, pp. 2–3.

[11] Although Senator LaFollette chaired the Committee on Manufactures, the report was actually filed by Senator Davis.

[12] Regulation of Wages Paid to Employees by Contractors Awarded Government Building Contracts, U.S. Congress, Senate, Committee on Manufactures, Report No. 1445, 71st Congress, Third Session, to accompany S. 5904, January 26, 1931. Reference to "a square deal," one might argue, could link the Davis-Bacon Act philosophically to turn-of-the-century Republican President Theodore Roosevelt rather than to the New Deal of President Franklin Roosevelt, a Democrat.

[13] Regulation of Wages Paid to Employees by Contractors Awarded Government Building Contracts, U.S. Congress, House of Representatives, Committee on Labor, Report No. 2453, 71st Congress, Third Session, to accompany H.R. 16619, January 31, 1931.

[14] Congressional Record, permanent set, February 4, 1931, pp. 3918–3919, February 26, 1931, pp. 6504–6521, and March 3, 1931, p. 6906.●

TONY GALENTO: MORE THAN JUST A BOXER

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. MINISH. Mr. Speaker, I rise to pay tribute to my friend and constituent, Tony Galento.

Like most people, I first heard of "Two Ton" Tony Galento in 1939 when he fought Joe Louis for the heavyweight championship of the world. The parallels between this fight and the contemporary movie "Rocky" are obvious—a supposedly outclassed opponent, an invincible champion, and an unbelievable knockdown. But anyone who has seen the films of the Galento-Louis fight knows that drama pales in comparison to the real life events that took place in the second round of that fight. The electricity of that moment leaps across 40 years as Galento, bald and carrying his usual 240 pounds on a 5-foot, 8-inch frame flattens Louis with a single, lunging left hook. Never mind that Louis gets up, never mind that he goes on to knock Galento out two rounds later. That one moment has to be one of the greatest in boxing.

The newspaper stories that reported his death all dealt with the public Tony Galento—his beer drinking, his blustering. Over the years, I came to know another man—the private Tony Galento, who did so much for the kids in his neighborhood, who was deeply involved with our community. Unlike some of the

wealthy professional athletes of today, Tony always seemed to be spending what money he had on others.

In the last year of his life, Tony proved once again just how tough he really was. He had a worsening case of diabetes which required the amputation of one of his legs. He came back from that, learned to walk with an artificial limb and continued to live his life. He was a fighter to the very end.

When Tony Galento died, I lost a friend. I join the rest of the world in mourning his passing.

At this point, I would like to insert in the RECORD several articles about him which appeared in the Newark Star Ledger:

[From the Star Ledger, July 22, 1979]

GALENTO DIES; FLOORED LOUIS

"Two-Ton" Tony Galento, the stocky, beer-guzzling bartender from Orange who—40 years ago last month—was nine seconds away from the most unbelievable boxing upset in heavyweight championship history, died early yesterday of a heart attack. He was 69.

Galento, whose "I'll moider da bum" infuriated opponents, was just another "bum of the month" when he fought Joe Louis in a June 28, 1939, Yankee Stadium title fight. He reached the apex of his career by flooring Louis before being knocked out in the fourth round.

Galento had just undergone surgery last week for the amputation of his right leg after losing his left foot in a similar operation one year ago. A circulatory disorder, caused by a worsening diabetes condition, led to Galento's death, which occurred at 4:50 a.m. in St. Barnabas Medical Center, Livingston.

Just another "easy mark" for Louis, the 5-8 Galento, who weighed between 233 and 255 pounds for his fights, had one great asset—a left hook that could knock down a horse.

Galento tagged Louis squarely on the jaw with one of those hooks in the second round of their title bout at Yankee Stadium.

Louis went down and 34,852 persons rose as one to see the supposedly-invincible champion on the canvas. And over him was a funny looking fat man, who predicted before the bout "I'll moider the bum."

It was the greatest moment of Galento's career but he paid dearly for it. Rising from the canvas, Louis backpedaled through the round and then, in the fourth, rained blow after blow on the out-classed Galento. One veteran boxing writer calculated that Louis landed 27 consecutive blows without a return. Finally, the fat man went down, his arms clutched around Louis' legs, and was counted out by referee Arthur Donovan.

One of the longest shots in boxing history, Galento had failed by nine seconds to pull off what might have been regarded as the sport's greatest upset.

Galento, who liked to amuse patrons in his Orange gin mill by popping the caps off beer bottles with his thumbs, became one of boxing's showcase individuals after that bout. He traveled to hundreds of hospitals, rest homes and Army camps—always at his own expense—telling the story of that single spine-tingling moment.

Galento was an unorthodox fighter. He chewed on cigars he never lit and usually could be found the night before a bout in the local tavern of the town in which he was fighting.

Carmine Bilotti, the only public relations man Galento ever employed, recalled "Two-Ton's" scheme for getting free beer sent his way.

"Before we checked into a town for a fight, Tony would find out the name of the local brewery," Bilotti related. "He would be interviewed on the radio before the fight and always said, 'I love coming here because I love such and such beer.' The next day Tony would receive a couple of cases at the hotel."

What Galento lacked in ring finesse he more than made up for in punching power. He registered 59 of his victories by knockout and holds the record for the quickest KO in history, stopping his opponent with one punch at four seconds of the first round.

"I belted him across the chops with my first punch and down he went like a sack of beans," Galento said then. "I fought the best of them, like Lou Nova and Max Baer. I KOd Nova, but busted my left hand on Baer's thick skull and lost by a TKO in the eighth round."

Galento always felt he was born too soon. Recently retired heavyweight champion Muhammad Ali was the man he would have liked to have fought.

"Why I'd moider de bum," Galento said in a recent interview. "I'd knock the bum out in three. Rope-a-dope with me? If I hit him on the arms he'd have his arms in splints."

After retiring from boxing, Galento appeared with Marlon Brando in "On The Waterfront," had a role in the movie, "The Everglades," and played Nathan Detroit in a road show of "Guys and Dolls."

He teamed with the late promoter Willie Gilzenberg during his final years in the ring and the two put Galento's name to good use after his retirement. Galento fought wrestlers, bears and even an octopus.

"Gilzenberg was sitting in a restaurant in Washington getting drunk with some writers in the '40s," Bilotti said. "There was this 100-pound octopus in the window. The writers had Gilzenberg arrange a fight between Galento and the octopus.

"Tony was told he was fighting an octopus and he thought it was the name of a local wrestler," he continued.

"When we got to the restaurant, Galento tried to get out of going into the water with the octopus. Gilzenberg told him he was getting $1,500 for the fight. He got in the water and the octopus scratched him on the head. Galento got out of the water and Gilzenberg forced him back in.

"Tony then got cut on the arm and had to go to the hospital for shots. The octopus died a week later," Bilotti said.

To impress the world with his boxing abilities, Max Waxman, his sixth manager, signed him to fight three heavyweights in Detroit on the same night. He knocked out Joe Brian and Frankie Kits, each in a single round, and Paul Thierman in three on Aug. 6, 1931.

Funeral mass for Galento is scheduled for Wednesday morning at Our Lady of Mt. Carmel Church in Orange. Burial will be at St. John's Cemetery in Orange following the Mass.

Galento is survived by his wife, Mary, his son, Anthony, his brother, Russell and sisters Jenny Aiello Pino and Lena Petrillo.

In all, Galento fought 112 bouts, scored 59 knockouts, won 22 decisions and also won one fight on an opponent's foul. He fought six draws, lost 17 decisions, two bouts by fouls and was knocked out six times.

Recalling the great Louis in later years, Galento always had the same comment.

"I'd have moidered the bum," he'd say, "if my manager had let me fight my own fight."

Manager Joe Jacobs had Galento fighting in a crouch against Louis. Galento's natural style was stand-up with a devastating left hook off a short lunge.

Galento was a stickler for training. He was always in the gym and played handball—four-wall-style—for hours on end. The only unorthodox part of his training was doing roadwork at 3 in the morning.

He'd tell you, "I fight at night so what's wrong with doing roadwork at night?" But everyone knew that Galento waited to check out the cash registers at his bar before going out on the road.

Galento's first fight came by accident. He had just finished working on his father's ice truck and gone to see a movie in Orange. Suddenly he was tapped on the shoulder and told "Tony, there's a break in the fight card tonight. Do you want to sub?" Tony jumped out of the seat, walked to the arena and kayoed Babe Farmer in three rounds to start his career.

Galento changed managers often. He had nine in all. "If you can't get me the title bout you're through," he would tell them. Jacobs was able to get Tony the Louis fight. So Jacobs was able to keep his job. Jacobs died before Galento was to meet the late Max Baer in Jersey City.

In later years, Galento and Louis became fast friends. Only a year ago Louis made a special trip from Las Vegas to Newark to attend a Galento testimonial. Asked how much his expenses for the trip were, Louis answered, "Nothing. I wouldn't miss my pal Galento's dinner."

[From the Star-Ledger, July 26, 1979]

GALENTO EULOGIZED AS FRIEND OF ALL

Two-Ton Tony Galento went out the way he always wanted to go. "I was born here, raised here and one day I'll die here." Galento, who stunned the boxing world when he floored Joe Louis in their 1939 Yankee Stadium title bout, was buried yesterday at St. John's Cemetery, just a few hundred yards from where he was born in Orange.

People from all walks of life were among his mourners during the time his body was on view at the Ippolito Funeral Home. There were church people, lawmen, politicians, boxing commissioners, businessmen and, of course, boxers past and present.

"He was truly a famous citizen of this city," said Dr. Alexander Cecere, a retired dentist who had seen Galento grow through a successful career as an amateur boxer to heavyweight contender in the pro ranks in an era when the incomparable Louis ruled the roost.

"It was one of the biggest funerals ever here," said Paul Ippolito, the funeral home proprietor. "Auxiliary Bishop John J. Dougherty, former president of Seton Hall University, was here last night."

Former world heavyweight boxing champion Jersey Joe Walcott, now the state athletic commissioner, escorted the widow, Mary. Former world welterweight champion Fred Cochrane, ex-champion Tippy Larkin, and ex-outstanding boxers Mario Centi, Ernie Durino, Champ Snell, Joe Bonito and Wallace Cross were pallbearers.

So was Abe J. Greene, former state boxing boss and now commissioner of the World Boxing Association, who played a large role in Galento's climb to the top. "I recall that my predecessor had barred Galento for life because he was a disgrace to boxing," Greene noted.

"I sent for Tony. I held a hearing. I lectured him, counselled him. You want to be a boxer, but you can't do it by being offensive. He raised his hand to me and said commissioner you'll never have any trouble with me. On that promise I reinstated him."

At the graveside after funeral services at Our Lady of Mt. Carmel Church, mourners stood by as Mario Centi, secretary of the New Jersey Boxing Hall of Fame, gave the eulogy. He said, "A quiet death in St. Barnabas Hospital in Livingston was a dignified end to a celebrated life. The infection after surgery had spread, streaking through his once strong legs. But he did not need a ticker-tape parade to see that he is without a doubt a legend."

Rev. Charles Mott presided at the church services, praising Galento for his humanity and kindness to others.

"Tony was a man who loved and did wonderful things people don't know about," Mott said. "It's not in any history books. But recorded in the book of life. He admired all members of society and God blessed him with qualities that made him an outstanding pugilist."

The highlight of Galento's boxing career came on June 28, 1939, against Louis. "Two-Ton" Tony, a fitting name considering his 5-9 frame which carried anywhere from 230 to 254 pounds, knocked Louis to the canvas in the third round. But the "Brown Bomber" staggered to his feet. Then Louis, who didn't take Galento seriously up to that point, regrouped in time to stop Galento in the fourth round. Louis didn't attend yesterday because of illness.

"He earned more money after he retired from the ring," recalled his one and only press agent, Carmine Bilotti. "He turned into a one-man sideshow, boxing bears, kangaroos, an octopus. He turned to wrestling and had parts in films, including "On The Waterfront," and "The Everglades." He also toured as Nathan Detroit in the stage play, "Guys and Dolls."

Galento is gone, but the legend will live forever.●

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION REPORT MISLEADS CONGRESS AND THE PUBLIC ON AIRBAG EFFECTIVENESS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. DINGELL. Mr. Speaker, in April 1979, the National Highway Traffic Safety Administration published what can only be called a self-serving and misleading document that results in a fraud against the Congress and the public. The document, entitled "Occupant Protection Program Progress Report No. 2," purports to describe the current status of research and development of passive automobile restraint systems, including airbags and safety belts.

A serious flaw in the NHTSA document that misleads Congress and the public is the reproduction of a table of statistics, taken out of context, from an analysis by University of Michigan, researchers entitled, "Effectiveness of Current and Future Restraint Systems in Fatal and Serious Injury Auto Crashes." The authors are D. F. Huelke, H. W. Sherman, M. J. Murphy, R. J. Kaplan, and J. D. Flora, Society of Automotive Engineers paper No. 790323, February 1979.

The University of Michigan study shows that in reducing both fatalities and serious injuries, belt systems and airbags are nearly equal in protection.

However, upon a careful reading and evaluation of the NHTSA April 1979 progress report, it is apparent that NHTSA has carefully selected certain statistics which tend to suggest that adequate testing of the reliability, effectiveness, and safety of airbags has been accomplished, and that airbags are shown to be far better at insuring motorists life saving protection in automobile crashes.

This is not true.

The illustrative case in point appears on page 12 of the NHTSA report citing the University of Michigan study of February 1979. The study is described under the caption "Other Air Bag Effectiveness Studies." NHTSA states that it addresses air bag effectiveness and compares this effectiveness with the other restraint systems. According to the data published by NHTSA, the study showed air bags to be 56 percent effective in right side impacts while lap-shoulder belts are 52 percent effective. In frontal crashes, NHTSA reports that the study found air bags to be 71 percent effective over 68 percent for lap-shoulder belt systems.

But, this data is not what NHTSA says it is.

Mr. Harold Sherman, coauthor of the Michigan study, informed us this week that "without the assumptions stated in the full (University of Michigan) study, the table used by NHTSA is misleading when taken alone."

According to Mr. Sherman, there was no independent testing of airbags or any other restraint system. The University of Michigan study was simply an evaluation of 80 crashes involving 101 front-seat occupants to determine on a purely judgmental basis whether various restraint systems might have saved lives or prevented serious injury.

The projections of success in various crash directions, such as frontal, left side, right side, rollover, or rear end, were based on the assumption that the airbags were fully deployed in all accidents. The author acknowledges that this is not representative of the way airbags are designed to operate or protect but was used by the University of Michigan researchers as an assumption for their study. Airbags, of course, deploy only in frontal collisions.

It must be pointed out that:

First. In the university's study, there was no testing involved of any of the restraint types;

Second. The statistics of effectiveness in the university's study are based only on the judgment of the authors as to what might have happened if airbags or belts had been used;

Third. That the results published by NHTSA in its April 1979 progress report purports to be valid tests of effectiveness and no mention of the faulty assumption that airbags offer protection in all car crash collisions was stated by NHTSA; and

Fourth. NHTSA selectively included only the table on serious injuries of the Michigan study and not the table on fatalities.

The effectiveness in fatal accidents, according to the Michigan study, shows a significantly poor performance of airbags in rear end and rollover crashes, based on the researchers' judgment, compared to safety belts. In these crash situations according to the University of Michigan study, and assuming the airbag is fully deployed, the airbag is only effective in 4 percent of the cases while lap-shoulder belts are judged effective in 36 percent of the cases. The researchers judged the airbags and safety belts equally effective in preventing death in frontal crashes as well as right side crashes. On left side crashes, they judged the airbags effective in only 9 percent of the crashes while lap-shoulder belts were judged effective in 20 percent.

NHTSA has distorted the truth of the airbag research and real world testing of airbags. It appears NHTSA only wants to release information supportive of airbags.

This kind of statistical and factual manipulation by NHTSA is misleading and raises serious questions as to the accuracy of information on this issue from NHTSA upon which Congress is expected to make sound decisions.

The truth is that airbags have not been sufficiently tested and developed. All the tests to date say the same thing—that there is still much we do not know and more research and testing is needed. The General Accounting Office report confirms this.

That is the reason for the Dingell-Broyhill amendment providing for more testing of passive restraints to be conducted during fiscal year 1980. We must have answers to the reliability, safety, and effectiveness questions facing us today before the mandate for airbags in millions of our Nation's cars takes effect.

It is the safety of motorists and their confidence in the reliability, safety, and effectiveness of this airbag system that Mr. BROYHILL and I and others are so concerned about.

NHTSA is and has been overzealous in its lobby effort and drive to insist on a conclusion not based on facts and test results.●

CAPT. JAMES E. KAUNE, USN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. ANDERSON of California. Mr. Speaker, in 1949, the Congress recognized the need for a naval shipyard on the west coast and authorized the establishment of the naval dry docks at Terminal Island, Calif. Its mission was to provide top quality ship overhaul, maintenance, repair, and modernization work—all so vital to keep our U.S. Navy vessels "at the ready."

Throughout the years, the naval dry docks, now known as the Long Beach Naval Shipyard, has carried out this heavy responsibility, contributing greatly to our national defense. From personal observations and knowledge of the shipyard's performance, I know that the mission assigned long ago continues to be carried out in an exemplary fashion.

But success such as this does not come easy. It takes tremendous leadership to pull together millions of dollars of material and a work force of over 7,400 employees to accomplish a mission. Today, I would like to share with my colleagues the career of one individual, Capt. James E. Kaune, who has demonstrated just such leadership capabilities as commander of the Long Beach Naval Shipyard for the past 2 years and throughout his entire 34 years of service in the U.S. Navy.

James E. Kaune first enlisted in the Navy in 1945. A year later, he received a fleet appointment to the U.S. Naval Academy. Following his graduation in 1950, he was assigned to a tour of duty aboard the destroyer U.S.S. *Floyd B. Parks*.

Ed Kaune's formal education was continued by the Navy at the Massachusetts Institute of Technology, where he earned the degree of naval engineer, and later at the Carnegie Institute of Technology where he was awarded a degree in metallurgy.

His military assignments immediately prior to assuming command of the Long Beach Naval Shipyard in 1977, were as production officer at the Philadelphia Naval Shipyard, and as ship material officer with the Naval Air Forces Command, Atlantic.

At each step of his career, the U.S. Navy recognized Captain Kaune's outstanding performance. Fortunately for us in California's South Bay area, he was assigned as commander of the Long Beach Naval Shipyard. In 2 years' time, he put to use his vast knowledge and experience, and brought about tremendous improvements in the shipyard's productivity. His work alone with the use of computers in automatic data processing yielded significant dollar savings to our taxpayers while enhancing the yard's cost effectiveness. He strove for standardization of the overhaul and planning process to improve reliability and completion of yard work on or ahead of schedule. He greatly advanced professionalism of the naval shipyard work force by the fostering of employee development and recruitment of graduate engineers.

To the people of Long Beach and the surrounding harbor area communities, the benefits of this man's dedication are readily apparent. The tight management he brought to the shipyard insured its continuation as an active naval shipyard, and thus maintained it as a welcome source of thousands of jobs and millions of dollars in income to the South Bay area. His retirement from the military service on September 1, 1979, will also have a significance for all his fellow countrymen. His achievements and contributions to shipyard operation will have left long-lasting benefits to a profession vital to the security of our Nation.

My wife, Lee, joins me in congratulating Captain Kaune on the completion of a most successful career in the military service. As he moves on to other endeavors, we hope he and his wife, Pauline, their children, Bradford, Audrey, and Jason, enjoy a future of continued prosperity and happiness. And we are certain they will continue to make significant, meaningful contributions to their country.●

SEVENTEENTH ANNUAL QUESTIONNAIRE RESULTS

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. BROYHILL. Mr. Speaker, I am pleased to take this opportunity to share the results of the 17th annual public opinion poll which has been conducted over the past couple of months in the 10th Congressional District of North Carolina. In my first campaign for the U.S. House of Representatives in 1962, I promised to solicit the opinion of my constituents, and I have done this each year. I have always found this grassroots opinion to be very helpful to me, and I hope that it will be of interest to my colleagues in the House.

For the second time, I utilized a different format which asked 10 questions and gave a brief discussion on both sides of each issue. I hoped that this would result in more interest and more informed answers to the questions. My constituents seemed to like this format, and a number of them wrote comments to that effect.

Approximately 14,200 of my constituents took the time to answer my request for their views and several thousand gave me the benefit of more detailed thinking on a number of questions by writing the reasons for their answers.

The strongest sentiment in my district was the opposition to partial public financing of congressional campaigns and to foreigners purchasing U.S. farm land. Also receiving a heavy dose of opposition were the Mideast Peace Treaty and the proposed Department of Education.

Receiving heavy support were the reinstitution of the draft and the continuation of nuclear power. There has been considerable debate and publicity about both of these issues, and the heavy degree of support for these two issues was surprising.

A majority of my constituents also oppose mandatory controls on prices and wages and do not favor raising the speed limit on intrastate highways. The margin of support for both was relatively close.

The controversial question concerning whether Federal action requiring bottle deposits is necessary drew the closest tally, with 7,475 supporting Federal action and 6,468 opposing it. However, a number of those who voted "no" indicated that they favored State action along the same lines.

The question on abortion drew a mixed reaction. Supporting the right of the individuals involved and their doctors to decide were 7,034 respondents. Drawing the second highest number of answers, 4,996, was the position that abortions should be illegal except when pregnancy endangers the mother's life or if the pregnancy were the result of incest or rape. One thousand and thirty-seven said abortions should be illegal except when the life of the mother would be endangered if the pregnancy were carried to term. Only 634 said abortions should be illegal in all cases.

I am very pleased, Mr. Speaker, with the responses which we received this year. The responses and the detailed opinions will be very helpful to me as I study the issues during the 96th Congress.

The detailed results of the poll are as follows:

WHERE DO YOU STAND?

(1) Legislation has been introduced which would use taxpayers' money to partially finance Congressional campaigns. Proponents feel it would reduce the influence of special interest groups because candidates would be less dependent on their financial assistance. Opponents argue existing law limiting contributions and requiring full reporting of all expenditures and contributions are sufficient. Also they feel taxpayers should not be financing the candidacies of people who might represent a different political philosophy. Should Federal tax dollars be used to finance campaigns for the U.S. Congress?—Where do you stand? Yes 1,430; no 12,636.

(2) The President has instituted a voluntary program of wage and price guidelines in an effort to reduce double-digit inflation. Some have proposed that mandatory controls be placed on wages and prices. Proponents of that position argue that voluntary controls are not working and action is needed to hold down the cost of living. Opponents of wage and price controls say they have not worked in the past, would take a huge bureaucracy to enforce them, and there would be inequities as thousands of bureaucrats attempted to enforce such a program. Should mandatary controls be placed on prices and wages?—Where do you stand? Yes 5,925; no 7,568.

(3) Since 1972, the United States has maintained its military force on a volunteer basis. Proponents of reinstituting the draft claim that the volunteer concept is not working and the Armed Forces have severe deficiencies in their state of readiness. They also point out that almost 40 percent of those who enlist fail to finish their first term. Opponents of the draft state that the volunteer force is working well and that the program has not been in effect long enough to prove its worth. Should the draft be reinstituted?—Where do you stand? Yes 9,263; no 4,313.

(4) Legislation setting the maximum speed limit on all highways throughout the United States at 55-miles-per-hour was passed in 1974. Proponents say that continuing that speed limit saves energy and lives. Opponents feel the 55-mile-per-hour limit is too low, is not being enforced, and is unfair to those who drive for a living. Should the 55-mph speed limit be increased on Interstate highways?—Where do you stand? Yes 5,456; no 8,503.

(5) Federal legislation has been introduced to control the disposal of beverage containers through a refundable deposit, such as five cents on all beer and soft drink containers. Proponents feel a cleaner countryside would result. Opponents believe that such a law would lead to higher costs to consumers, while failing to substantially reduce the amount of litter. Do you favor Federal legislation requiring bottle deposits?—Where do you stand? Yes 7,475; no 6,468.

(6) Egypt and Israel have signed a peace treaty which should end 30 years of war and hostility. Costs to the U.S. taxpayers may approach $4.8 billion in direct aid loans. Proponents state this is a small cost compared to the effect continued war in the Mideast will have on the U.S. economy because of the possibility of another oil embargo. Opponents state that spending the money will not guarantee that lasting peace will result and that it is an unfair burden on the U.S. taxpayers.

Should the Congress approve the appropriation of funds for the treaty?—Where do you stand? Yes 3,796; no 9,692.

(7) The President has proposed the creation of a new, separate Department of Education. Proponents feel that such an agency would reduce the mass of bureaucracy which presently exists in the Department of Health, Education, and Welfare, streamlining operations so as to give education its proper visibility and emphasis within the governmental structure. Opponents feel that such an action would mandate unneeded, increased federal involvement in education and would increase federal bureaucracy without certainty of better education since this is primarily the responsibility of state and local governments. Do you favor the creation of a separate Department of Education?—Where do you stand? Yes 3,620; no 9,880.

(8) The issue of abortion continues to be a concern to many Americans. Do you feel abortions: (A) Should be left up to the individuals involved and their doctors? (B) Should be illegal in all cases? (C) Should be illegal except when the life of the mother would be endangered if the pregnancy were carried to term? (D) Should be illegal except where pregnancy endangers the mother's life or if the pregnancy were the result of incest or rape? Where do you stand? A 7,034; B 634; C 1,037; D 4,996.

(9) Recent reports indicate that foreign acquisition of U.S. farm land is increasing, prompting some to suggest placing a limit on foreign ownership of U.S. land. Proponents point out that foreign purchases of U.S. farm land limit opportunities for U.S. investment and could drive up real estate prices. Opponents feel that the percentage of U.S. land owned by foreign entities is not large enough to threaten our economy. They point out that Congress enacted a law last year to require reporting, and they feel no further action should be taken until these results are in and are analyzed. Should Congress act at this time to limit foreign purchases of U.S. farm land?—Where do you stand? Yes 12,441; no 1,519.

(10) As energy problems continue to grow, the issue of nuclear power remains of great interest. Proponents of nuclear power point out that closing down nuclear power plants will result in substantial blackouts since 13 percent of our power is nuclear, no fatalities have occurred as a result of nuclear power, and it is considerably cheaper to consumers. Opponents point to the recent accident at Three Mile Island which they say raises serious questions about the safety of nuclear power. Should the United States continue to use nuclear power?—Where do you stand? Yes 11,000; no 2,515.●

TESTIMONY OF LT. GEN. EDWARD L. ROWNY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, on July 12, 1979, the Senate Foreign Relations Committee met to hear testimony regarding the SALT II Treaty. An enlightening session was provided by Gen. Edward L. Rowny, U.S.A. (Ret.), an accomplished and oft decorated senior officer, who exemplifies the spirit and zeal of a great American.

He was a negotiator on the SALT II negotiations for the Joint Chiefs of Staffs the past 6 years. He sacrificed his illustrious career to make known his concerns with the SALT II agreement and the shotgun politics employed to package this accord. He is uniquely suited to offer criticism. Moreover, he succinctly offered the viewpoint of an "insider." He delivered an excellent argument against the SALT II Treaty.

His firsthand knowledge sheds important light on the vital issue of Strategic Arms Limitation Talks. I take great pleasure in submitting his testimony for the RECORD. I recommend it to one and all.

The testimony follows:

TESTIMONY OF LT. GEN. EDWARD L. ROWNY

Mr. Chairman: For more than six years I was the Representative of the Joint Chiefs of Staff at the Strategic Arms Limitation Talks. I was told I had been selected for this job because of my experience as Chief of the Mutual and Balanced Force Reductions (MBFR) Working Group in NATO and because I had on numerous occasions expressed my belief in the utility of limiting strategic arms. I continue to hold this belief.

As the representative of the Joint Chiefs of Staff I have tenaciously supported their goals aimed at achieving significant reductions in strategic arms consistent with maintaining our security. If such goals were to be achieved, our longterm objectives of enhancing deterrence and strengthening global stability would be served. I believe that an agreement which reduces the strategic arms of the Soviet Union—equal to those of the United States in numbers as well as in overall capability—is in our nation's interest.

Over the six year period that I was the JCS Representative to SALT, I expressed my views to the Joint Chiefs of Staff in numerous messages and memoranda. At their request I submitted an assessment of SALT in a classified memorandum dated 6 January 1978. I brought that assessment up to date on 5 January 1979 and again on 27 March 1979. On 21 May 1979, after the announcement that "agreement in principle" had been reached on the remaining issues of SALT II, I made a final assessment. I concluded that—even though the contributions to the negotiations by the Joint Chiefs of Staff made it a considerably better Treaty than would have otherwise emerged—that this Treaty does not meet minimally acceptable standards. The agreement we now have before the Senate and the Nation establishes the conditions which threaten our security for the years to come. I stated in my assessment that it was my judgment, based on years of continuous negotiation with the Soviets, that a Treaty meeting the criteria of the Joint Chiefs of Staff was—and is—attainable. However, as negotiations were concluded on less than satisfactory terms, I asked to be relieved of my duties and requested retirement. My request was approved and I was retired from active military service on 30 June.

I would like to state at the outset that there are some positive aspects of the Treaty which was signed in Vienna on 18 June 1979. The Treaty establishes the principle that there should be equal and lower ceilings of strategic offensive arms. It calls for numerical reductions that will bring the Soviet Union down to levels closer to our own. It would establish, to the extent that numerical limitations contribute to that goal, a degree of increased predictability concerning the strategic programs of the Soviet Union. It limits the Soviet Union's heavy missiles and new light ICBMs to a maximum of ten warheads per missile. In theory, the Soviets are limited to one new light ICBM for the period of the Treaty. The Treaty contains certain provisions which are an aid to verifiability of missile launchers. Finally, for the first time, a strategic arms limitation treaty provides for an exchange of data concerning numbers of strategic offensive arms.

However, most of these positive features are, regrettably, more theoretical than actual, and moreover have serious negative aspects. Additional other useful features which a second arms control treaty could and should have treated, were not dealt with because of Soviet intransigence which could in my opinion have been overcome.

The agreement in principle that there be equal ceilings of strategic arms remains an achievement more in theory than in practice because a significant number of Soviet strategic systems are allowed to go uncounted. Moreover, the ceilings are set at such high levels—again at Soviet insistence—as to be virtually meaningless. Indeed, the JCS were in the forefront in seeking substantially larger reductions for both sides. Further, the capabilities of the Soviet systems are so great that the reductions agreed upon have little military significance. The Soviets will have to reduce to the lower ceiling of 2250 by 1982. The United States, having at that time only about 2050 less capable operational systems, would still need to build up if it were to achieve equality with the Soviet Union. Since qualitative improvements are virtually unrestricted by the Treaty, the numerical limitations imposed upon the Soviet Union will not give us any meaningful degree of predictability. That is, the qualitative improvements allowed, because they are more difficult to verify, could afford us less predictability and hence less stability. The freeze on the number of warheads per existing MIRVed missile and the limitation to ten warheads on a new type ICBM allows the Soviets a total number of warheads far greater than are needed by the USSR to destroy the ICBMs and other military and hard targets in the United States. There is an important point with regard to the fractionation limits which is frequently overlooked: these are limits which expire with the Treaty in 1985.

While it is our hope that these fractionation limits can be extended beyond the expiration of the Treaty, it is difficult to imagine what leverage the United States will have for assuring that these fractionation limits are continued. Moreover, in view of our argumentation that the Protocol should not establish precedents for the future, it is clear the Soviets will apply this same argument to the post-Treaty period and argue that fractionation limits expire after 1985. After 1985 the current throw-weight potential of Soviet missile systems will permit them to deploy still greater numbers of reentry vehicles on their ICBMs and up to 20 to 30 on their heavy ICBMs. In sum, it may be a relatively meaningless limitation. By 1985 the Soviets will have been permitted under the Treaty a level of MIRVed warheads which places the U.S. in jeopardy while leaving them in the position to go even higher. While the Treaty in theory limits the Soviets to one new type of light ICBM, in practice the provisions of the Treaty permit the Soviets to deploy several new types of missiles. Finally, the provisions regarding verifiability are insufficient to make the Treaty adequately verifiable.

The net result, therefore, is an agreement which gives a superficial impression of being a positive step in the direction of arms control but which in fact contravenes fundamental and vitally important arms control principles—such as securing meaningful reductions and leaving the signatories with a stable strategic balance. The following paragraphs develop these views in more detail.

A sound, objective, and unemotional approach would be to test the Treaty against standards by which its worth could be measured. The Joint Chiefs of Staff, establishing such criteria, have maintained that a SALT

Treaty would enhance our military security and hence would be in our national interest if it were equitable and verifiable, if it contributed to deterrence and stability, if it strengthened European security, and if it contributed to Allied coherence.

The emerging Treaty, in my view, is not in our interest since it is inequitable, unverifiable, undermines deterrence, contributes to instability and could adversely affect NATO security and Allied coherence.

Let me look at each of these points in greater specificity.

First, the Treaty is not equitable. To cite only three major examples:

(1) The Treaty grants the Soviet Union a unilateral right to 308 launchers for heavy ICBMs. While the Joint Chiefs of Staff recognized from the outset that Soviet heavy missiles would pose a serious problem, we did not press hard enough for the elimination of the SS-9s and SS-18s. Further, the United States was not even compensated for this large asymmetry. These 308 Soviet heavy missiles alone possess more detructive power than all of our ICBMs and SLBMs combined. To say that the Soviets can have heavy missile launchers and we cannot is comparable to having said in the naval disarmament conference in the 1930s: "You can deploy battleships but we agree only to deploy destroyers."

It has been stated that we accepted this inequality in a trade for the Soviets not counting our so-called "forward-based systems" (FBS) and the nuclear systems of our Allies. Evidence of such a trade is not supported by the record. I personally clearly recall the days just before Vladivostok when the Soviets sent us signals in Geneva that they would drop their FBS arguments. Once they were told that by insisting on including our FBS, the Soviets would be required to count their more numerous systems (which could strike our systems and our troops in Europe, as well as our NATO partners), the Soviets realized it was to their advantage to drop the FBS argument.

(2) The second example of inequity is that the Treaty fails to count in the aggregate some 375 Soviet BACKFIRE bombers with intercontinental capability. These BACKFIRE bombers, which our intelligence community estimates can strike targets in the US on one-way unrefueled missions, will thus not be counted and will be allowed to run free while all our bombers (to include mothballed B-52s and prototype B-1s) will be counted. The record shows that the Joint Chiefs of Staff gave consistent advice that the BACKFIRE should be counted in the Soviet aggregate. The principle violated in this Treaty is that all intercontinental systems should be counted in the aggregates. The so-called "assurances" on BACKFIRE are militarily worthless. It has been stated that the BACKFIRE would add only a marginal capability to the total Soviet capability for causing destruction in the United States. To add one-third to the already large destructive power that the Soviets can inflict upon the United States can hardly be called marginal. Importantly, by not being required to count these 375 central systems, the Soviets will then not need to reduce an equal number of ICBMs or SLBMs from the 2250 total. Those who would denigrate the BACKFIRE as a slow-arriving, follow-on strategic force would then have to accept that our own B-52s are in a similar second-class category. Those unfamiliar with the negotiating record tend to sell the FBS horse again and again and have used it here again as a rationalization for not counting BACKFIRE. The simple fact is that the Soviets dropped their FBS argument because it was in their own self-interest to do so. If we were to count our FBS the Soviets would be required to count their systems. These Soviet systems are several times as numerous and an order-of-magnitude greater in destructive power than our FBS and Allied nuclear systems combined. To give credence to the Soviet FBS argument—which is not an issue with the Soviets in this SALT agreement—is to undermine our support to NATO and our commitment to Article V of the NATO Treaty that an attack on one of our Allies is an attack on all.

(3) The third major inequality is that the Treaty, even if one believes overall equal aggregates are achieved—a point I have just disputed—still fails to provide, as called for in Public Law 92-448, for equal levels of strategic forces. Under the Treaty's provisions as written, the Soviet Union will stay ahead of the United States in strategic capability. Even the limits on the number of warheads per missile will still afford the USSR significant advantages—at least three-to-one—in the most critical area, that is, the ICBM reentry vehicle category. The definition of a new type light ICBM is so loosely drawn that during the life of the Treaty it will not effectively preclude the USSR from developing and deploying more than one new type of ICBM. Thus the large unconstrained potential of the USSR which will put the USSR strategically ahead of the U.S. in the early 1980s can be further exploited once the Treaty expires.

The Treaty is not sufficiently verifiable. Certain aspects of the Treaty are simply unverifiable, for example, cruise missile ranges. Moreover, many of our difficulties in verification stem from the differences between the closed society of the USSR and the open society of the U.S. The Soviets play their poker hands close to the chest whereas our cards are face-up on the table. Soviet intelligence collectors have relatively free access to our defense plans and activities, while we must rely upon highly sophisticated but vulnerable national technical means for our verification. The Soviets' penchant for secrecy has prevented the inclusion in the Treaty of cooperative measures which would greatly improve the ability to verify the provisions of the agreement. The USSR has consistently refused to agree to provisions necessary to assure sufficient verification of mobile ICBMs, MIRVed ICBMs and SLBMs, new types of ICBMs, heavy bombers, and cruise missiles. Moreover, the USSR unlike the US, has been encrypting telemetry of its ICBM tests. The Treaty expressly permits the Soviet Union to encrypt telemetry in the future, thus seriously inhibiting our ability to verify that not more than one new type of ICBM is being tested. Encryption has only one purpose: to deny information. Moreover, using verification as a pretext, the Soviets have obtained our agreement to provisions that could restrict not only strategic but our non-strategic systems—for example, conventionally-armed cruise missiles.

The Treaty undermines deterrence. It permits the USSR a three-to-one numerical and five-to-one throw-weight asymmetry in ICBM warheads—the quickest arriving, the most powerful and the most destabilizing of all strategic systems. Rapid improvement in Soviet ICBM forces is causing our ICBMs to become increasingly vulnerable, further undermining deterrence. This vulnerability will not be corrected during the life of the Treaty. Even our plans to deploy the M-X missile do not help, as it cannot be deployed in a multiple basing mode until 1986 at the earliest.

My main concern with deterrence is not that a future Soviet leader may feel he can launch an all-out attack against the United States. I believe any rational Soviet leader would know that such an action would wreak untold damage on the Soviet Union by our survivable remaining forces. What I am concerned with is that a future Soviet leader, looking at the overall strategic calculus, would be encouraged to take greater risks in pursuing his political goals than he might otherwise be. Thus, I link deterrence closely to restoring stability in the event of the inevitable crises which will occur.

The Treaty does not contribute to stability. Because the Treaty does not actually put a brake on the momentum of the massive Soviet buildup, the United States will for the first time not be able to maintain essential equivalence or nuclear parity. This, and forcing Soviet efforts into unconstrained and unverifiable qualitative improvements, will undermine predictability and hence stability. This strategic inferiority will inhibit favorable solutions in any future crises, such as the Cuban missile crisis, the Berlin crisis, or the October 1973 War. There will be a growing realization at home and abroad that the Soviet Union has a decisive advantage in capabilities which allow it to be more confident and thus less inhibited in its foreign policy initiatives and to move against nations friendly to the United States with greater certainty.

The Treaty could weaken NATO. The Protocol to the Treaty constrains, for the most part, United States systems; precedents established by that Protocol constraining our systems are, at the insistence of the Soviets, likely to be carried forward after expiration of the Protocol. These dangers, magnified by the ambiguity in the Treaty's provision on non-circumvention, could preclude the transfer of technology and weapons to our Allies and thus weaken NATO.

The crucial problem facing the United States is the large and continuing buildup of Soviet strategic forces. This momentum has continued unabated while SALT I and SALT II were being negotiated and there is no evidence it will slacken as a result of agreement on SALT II. The false expectation that the strategic arms negotiations would result in constraining Soviet momentum explains in part the cancellation of the B-1 and delays in U.S. programs such as cruise missiles and M-X. Even if SALT did not explicitly prohibit any of our programs, the greater momentum of the USSR will cause the United States to fall behind the USSR strategically. By any objective measure the United States will become strategically inferior to the Soviet Union in the early 1980s. Thus, the Treaty would sanction and codify the strategic inferiority of the United States. This is not only important to our own political relationship with the Soviet Union but to our relationship with our Allies as well. We must recognize that since its inception, NATO has recognized that it must rely upon the strategic power of the United States to deter a theater nuclear war in Europe, or indeed, even a conventional war.

It has been stated that without this SALT II agreement the Soviet Union could increase their number of strategic nuclear delivery systems by a third—to 3,000. While theoretically possible, the Soviets would in my judgment not choose to increase the number of their strategic systems. Why? Simply because we expect them to have by the early 1980s sufficient numbers of warheads to place at least two powerful and accurate ICBM weapons on every hard target, and sufficient numbers of SLBM and bomber weapons to cover all the other targets in the United States. I cannot over-emphasize the importance of the consequences of the Soviet Union having by 1985 three times as many RVs and ICBMs as will we. Each of these Soviet reentry vehicles will be more powerful and as accurate as our ICBM reentry vehicles. Reentry vehicles on ICBMs are much more significant than other nuclear weapons because they are the ones possessing greater destructive power, high accuracy, and almost complete reliability.

A prudent Soviet planner would not increase his numerical advantage any fur-

ther—he would move into the relatively uninhibited area of enhancing qualitative improvements. Thus, in the absence of a Treaty the Soviets probably would not increase numerically because they have no need to do so and can prepare to exploit their large throw-weight potential by improving their existing forces qualitatively. Thus, as I mentioned earlier, they will be able to quickly deploy a greater number of SNDVs shortly after 1985 when the Treaty expires. Accordingly, it behooves us to act now to convince the Soviets that it is in their long-term interest to curb their continued buildup in Soviet strategic offensive arms and to divest themselves of their huge potential for further qualitative improvements which this Treaty sanctions.

The challenge facing us, therefore, is to make it clear to the Soviet Union that the United States will not enter into a Treaty which is unequal and which will sanction their strategic superiority. The Soviets want and need a SALT Treaty because of their desire to be recognized as a superpower and because it will allow them to enjoy the advantages they receive from a continuation of détente. Moreover, they feel a Treaty is a necessary step on the way to achieving most-favored nation status and acquiring credits. Finally, SALT legalizes a condition they will soon achieve: strategic superiority. President Breshnev is personally committed to pursuing a SALT agreement and thus we can expect him to enter into a more evenhanded agreement—one which is equal and which provides for essential equivalence on both sides.

The Soviets will only do so, however, if we make it clear that the United States will do whatever is necessary to stay even. We must make it clear we will not accept strategic inferiority. The less expensive solution for the United States and the Soviet Union as well—indeed the more sensible solution—is for the Soviets to scrap those systems which give them strategic superiority. Should they elect not to do so, then we have no choice but to enter into a vigorous program to restore parity. From my experience in dealing with the Soviets they understand and even respect this kind of stance.

If they think we are bluffing, we possess the capability to prove them wrong. We can afford to do so—in fact we cannot afford not to. Otherwise the risks which a prolonged period of United States inferiority will bring about will prove destabilizing and entail serious military and political consequences. If we succeed in persuading the Soviets to slow down and to reverse their momentum, we can then start on the road towards achieving the type of arms control which is consistent with maintaining our security. If we fail we must take immediate and vigorous steps to insure our security as an overriding priority.

Six years at the negotiating table convinces me that a Treaty meeting the criteria of acceptability established by the Joint Chiefs of Staff was—and still is—attainable. Like the Joint Chiefs of Staff, I strongly favor arms control. I do not accept the view that attempting to improve a flawed Treaty will result in any more than a temporary hiatus in the relationship between the United States and the Soviet Union. Nor will it for long keep the two sides from returning to the negotiating table to seek a more even-handed agreement which will be in the long-term interest of both sides.

My assessment of this SALT Treaty indicates that it contains pluses and minuses. Something as complicated as this SALT Treaty cannot be—nor should it be—characterized in black or white terms. Having said this, the Treaty, as it now stands, heavily tilts the balance against the United States. This Treaty will not enhance our security. I am concerned that if SALT is a continuing process of which this agreement is an example, then our weaker leverage and negotiating power in SALT III will only result in a continuation of the strategic inferiority of the United States. Agreeing to a bad agreement is worse than no agreement: a poor SALT II will make it impossible to negotiate a good SALT III.

Mr. Chairman, I repeat my previously stated considered and professional military judgment that as currently drafted this Treaty is not equal and not adequately verifiable. It will neither enhance deterrence nor add to stability. It could detract from NATO security and Allied coherence. This SALT Treaty is not in the interest of the United States.

Thank you, Mr. Chairman.●

INTRODUCTION OF CAMPAIGN CONTRIBUTION REFORM ACT OF 1979

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 26, 1979

● Mr. OBEY. Mr. Speaker, it is my honor today to introduce, on behalf of more than 120 Members of the House, the Campaign Contribution Reform Act of 1979.

This measure is designed to restrain the increasing role of special interest money in House elections and, as a result, in the legislative process.

Candidates for the House are becoming increasingly dependent on interest group money to finance their campaigns. Consider, for example, the following facts:

The amount of PAC money in House campaigns in 1978 totaled $25 million—an increase of 70 percent over the $14.7 million in 1976 and 400 percent over 1972 when PAC spending in House races totaled $5 million.

In 1972 special interest money represented 14 percent of the campaign funds of House candidates; in 1978 it represented more than 25 percent of the campaign dollar for all House candidates and 33 percent of the campaign funds of incumbents.

The number of candidates receiving more than $50,000 in PAC money has increased dramatically—from 57 in 1976 to 176 in 1978.

Twenty-two candidates (14 incumbents and 8 nonincumbents) received over $100,000 in PAC funds. One candidate received $172,000; another $153,000.

The average freshman Member elected in 1978 received more interest groun money than the most powerful Members of the House—committee chairmen. Freshmen received an average of $54.00^ each while committee chairmen received an average of $42,000.

Better than half of the 1978 freshmen Members (45 of 77) received in excess of $50,000 from special interest PAC's. In 1976, only 5 of 66 freshmen Members received more than $50,000.

Freshmen elected in 1978 received more than twice the amount of special interest contributions received by freshmen elected in 1976 ($54,000 to $24,000).

There is nothing improper about business, labor, trade associations, and professional groups supporting candidates who are sympathetic to their concerns and opposing those who are not. Such groups represent the legitimate concerns of millions of American citizens.

However, while we support this legitimate role of special interest groups, we also believe their role must be kept in balance to protect the integrity of the congressional process and the rights of all Americans.

The Supreme Court agreed with this point of view 4 years ago when it upheld the constitutionality of limits on the amount a special interest group may contribute to a candidate for the House or Senate.

These limits, however, are only a partial safeguard against undue influence because PAC giving is giving with a purpose. It is money given by groups who then follow up their contribution with lobbying activities in behalf of their particular interests. Frequently, however, these interests coincide, such as when an issue effects an entire industry and all of the companies and labor unions in that industry.

When that occurs, when a large number of groups which have made substantial contributions to Members are all lobbying on the same side of an issue, the pressure generated from those aggregate contributions is enormous and warps the process. It is as if they had made a single, extremely large contribution.

And occasionally interest groups will attempt to maximize their combined influence by collaborating in joint lobbying efforts even though some of the groups involved do not have a strong interest in the issue at hand.

The result of such activities is to negate the basic purpose of contribution limits on individual PAC's, and the only effective way to deal with such a problem is to put an overall limit on such contributions such as is proposed in the Campaign Contributions Reform Act of 1979.

The bill would apply to House candidates only and would accomplish the following objectives:

First. Cut in half the maximum amount a PAC may contribute to a candidate for the House. Presently PAC's may give a candidate $5,000 per election (primary, runoff, general) or a maximum of $15,000. Under the proposed change, PAC's would be limited to a maximum contribution of $5,000 overall unless the candidate was involved in a runoff in which case the PAC could contribute up to $7,500.

Second. Limit the aggregate amount a House candidate may receive from all interest group PAC's combined to $50,000 per election sequence (that is from one general election to the next).

Third. Prohibit PAC's, political consultants, and other vendors from extending credit or otherwise incurring a debt in excess of $1,000 for more than 30 days with respect to campaign services involving media advertising or direct mail fundraising for a House candidate.

We believe these are reasonable restraints which will allow special interests to play an appropriate role in the political system while protecting the integrity of the legislative process and the rights of all citizens.

But we must act now because the longer we wait, the harder it will be to kick the PAC habit. In fact, there is legitimate concern that unless PAC's are restrained now, they may become too influential to curb in a few years.

Fortunately, the prospects for approval are excellent. The bill has broad bipartisan support led on the Republican side by my colleague, Congressman TOM RAILSBACK, plus the strong support of House Administration Chairman THOMPSON who is one of the prime sponsors of the bill. Other prime sponsors are Representatives BARBER CONABLE, JOHN BRADEMAS, JOHN ANDERSON, PHILLIP BURTON, JOHN BUCHANAN, MORRIS UDALL, HAMILTON FISH, JR., ROBERT GIAIMO, and THOMAS TAUKE.

Second, there is the fact that even Members who are major recipients of PAC funds recognize the need for this legislation. In fact, 30 of the sponsors received more than $50,000 in PAC contributions in the 1978 election and numerous other Members who received more than $50,000 in PAC support have indicated they would vote for the bill.

Following, Mr. Speaker, is a complete list of the sponsors of the Campaign Contribution Reform Act of 1979:

Mr. Obey, Mr. Railsback, Mr. Thompson, Mr. Conable, Mr. Brademas, Mr. Anderson of Illinois, Mr. Phillip Burton, Mr. Buchanan, Mr. Udall, Mr. Fish, Mr. Giaimo, Mr. Tauke, Mr. Barnes, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Bereuter, Mr. Bellenson, Mr. Bingham, Mr. Blanchard, Mr. Bonior.

Mr. Bonker, Mr. Brodhead, Mr. Brown of California, Mr. Burlison, Mr. Butler, Mr. Carr, Mr. Coughlin, Mr. D'Amours, Mr. Danielson, Mr. Daschle, Mr. Dellums, Mr. Dicks, Mr. Dodd, Mr. Donnelly, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Emery, Mr. Erlenborn.

Mr. Ertel, Mr. Fascell, Mrs. Fenwick, Ms. Ferraro, Mr. Findley, Mr. Fisher, Mr. Flood, Mr. Gephardt, Mr. Gilman, Mr. Glickman, Mr. Gore, Mr. Guarini, Mr. Hall of Ohio, Mr. Harkin, Mr. Harris, Mr. Hillis, Mr. Hollenbeck, Mr. Horton, Mr. Hughes, Mr. Hutto.

Mr. Jacobs, Mr. Jeffords, Mr. Kastenmeier, Mr. Kostmayer, Mr. LaFalce, Mr. Leach, Mr. Lehman, Mr. Leland, Mr. Lowry, Mr. Lundine, Mr. McCloskey, Mr. McHugh, Mr. McKinney, Mr. Madigan, Mr. Maguire, Mr. Markey, Mr. Mavroules, Mr. Mica, Mr. Mikva, Mr. Miller of California.

Mr. Mineta, Mr. Mitchell of Maryland, Mr. Mitchell of New York, Mr. Moakley, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Nelson, Mr. Nolan, Ms. Oakar, Mr. Oberstar, Mr. Ottinger, Mr. Panetta, Mr. Pease, Mr. Petri, Mr. Pritchard, Mr. Preyer, Mr. Price, Mr. Quayle, Mr. Regula, Mr. Reuss.

Mr. Richmond, Mr. Rosenthal, Mr. Roybal, Mr. Sabo, Mr. Scheuer, Mrs. Schroeder, Mr. Seiberling, Mr. Sharp, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stack, Mr. Stark, Mr. Studds, Mr. Swift, Mr. Vento, Mr. Walgren, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Williams of Montana, Mr. Wirth, Mr. Won Pat.●

DR. MUDD CLEARED IN LINCOLN ASSASSINATION

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. TRAXLER. Mr. Speaker, I am very pleased to call my colleagues' attention to recent action taken by the President of the United States to correct one of the greatest miscarriages of justice imposed on any citizen of this country. President Carter has formally expressed his belief that Dr. Samuel Mudd, the physician who set the broken leg of Lincoln assassin John Wilkes Booth, was innocent of any involvement in the assassination of President Lincoln.

The President's declaration came in a July 24 letter to my constituent Dr. Richard Mudd of Saginaw, Mich., grandson of the late Dr. Samuel Mudd. For more than 50 years, Richard Mudd has called upon Presidents to clear the name of his grandfather. The phrase "His name is mud" grew out of the erroneous conviction of Dr. Samuel Mudd.

Dr. Samuel Mudd, a civilian, was the victim of an unfair military commission which convicted him as an accomplice to the Lincoln assassination and sentenced him to life in prison. Although Mudd had met Booth prior to the assassination, Booth was in disguise when Mudd treated him. The next day Mudd learned of the assassination and reported the suspicious Booth visit to soldiers. Eight days later Mudd was arrested.

Dr. Samuel Mudd was held for 19 days before any formal charges were brought against him. The trial began the next day and Mudd was unable to get a lawyer until after the trial began. They were not given any time to prepare a defense.

Dr. Mudd spent 4 years in prison, where he administered aid to prisoners during a yellow fever outbreak, before he was granted a pardon by President Andrew Johnson.

The expression of President Carter this week indicating his belief in Dr. Mudd's total innocence is the strongest action ever taken by a President to clear the Mudd name. Finally, the highest office of the Nation has recognized the unfairness and error of Dr. Mudd's conviction. This action is a tribute to the more than 50 years of hard work and tireless efforts of Dr. Richard Mudd and other descendants of the wronged doctor to set the record straight once and for all.

Following is the text of the letter from President Carter to Dr. Richard Mudd:

THE WHITE HOUSE,
Washington, D.C., July 24, 1979.

To DR. RICHARD MUDD: I am aware of your efforts to clear the name of your grandfather, Dr. Samuel Alexander Mudd, who set the broken leg of President Lincoln's assassin, John Wilkes Booth, and who was himself convicted as a conspirator in the assassination. Your persistence in these efforts, extending over more than half a century, is a tribute to your sense of familial love and dedication and is a credit to the great principles upon which our nation was founded.

Your petition and the petitions submitted to me on behalf of your grandfather by numerous members of Congress, several state legislatures, historians and private citizens have been exhaustively considered by my staff over the past two years. Regrettably, I am advised that the findings of guilt and the sentence of the military commission that tried Dr. Mudd in 1865 are binding and conclusive judgments,' and that there is no authority under law by which I, as President, could set aside his conviction. All legal authority vested in the President to act in this case was exercised when President Andrew Johnson granted Dr. Mudd a full and unconditional pardon on February 8, 1869.

Nevertheless, I want to express my personal opinion that the declarations made by President Johnson in pardoning Dr. Mudd substantially discredit the validity of the military commission's judgment.

While a pardon is considered a statement of forgiveness and not innocence, the Johnson pardon goes beyond a mere absolution of the crimes for which Dr. Mudd was convicted. The pardon states that Dr. Mudd's guilt was limited to aiding the escape of President Lincoln's assassin and did not involve any other participation or complicity in the assassination plot itself—the crime for which Dr. Mudd was actually convicted. But President Johnson went on to express his doubt concerning even Dr. Mudd's criminal guilt of aiding Lincoln's assassins in their escape by stating:

". . . it is represented to me by intelligent and respectable members of the medical profession that the circumstances of the surgical aid to the escaping of the assassin and the imputed concealment of his flight are deserving of a lenient construction, as within the obligations of professional duty and, thus, inadequate evidence of a guilty sympathy with the crime or the criminal;

"And . . . in other respects the evidence, imputing such guilty sympathy or purpose of aid in defeat of justice, leaves room for uncertainty as to the true measure and nature of the complicity of the said Samuel A. Mudd in the attempted escape of said assassins . . ."

A careful reading of the information provided to me about this case led to my personal agreement with the findings of President Johnson. I am hopeful that these conclusions will be given widespread circulation which will restore dignity to your grandfather's name and clear the Mudd family name of any negative connotation or implied lack of honor.

Sincerely,

JIMMY CARTER.●

WYANDOTTE WELCOMES KOMAKI, JAPAN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. DINGELL. Mr. Speaker, the city of Wyandotte, Mich., which is in my 16th Congressional District, has for several years participated in a unique program fostering friendship and understanding between peoples of all nations. This year the city is hosting representatives from Komaki, Japan, in celebration of the International Year of the Child. I would like to insert in the RECORD a welcoming letter prepared by City Councilman Richard T. Kelly:

WYANDOTTE, MICHIGAN, *July 25, 1979.*

Hon. JOHN D. DINGELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DINGELL: The City of Wyandotte, Michigan, is pleased to host representatives from its Sister City, Kamaki, Japan, in celebration of the International Year of the Child. These representatives will arrive in Wyandotte on August 4th and will remain until August 8th. We ask that every privilege and courtesy be extended to these guests while they are in the United States.

Wyandotte and Komaki entered into the Sister City Exchange in March of 1963 and we welcome our friends from Komaki as a part of our continuing program.

Sincerely,

RICHARD T. KELLY,
Councilman.●

NATIONAL AGRICULTURE DAY

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SAWYER. Mr. Speaker, I wish to call to my colleagues attention House Joint Resolution 382 which I have introduced to proclaim March 20, 1980, as National Agriculture Day.

"Thought for Food" is 1980's theme for Agriculture Day, March 20, 1980—sponsored by the nonprofit Agriculture Day Foundation to salute agribusiness and make the nonfarming consumer aware of agriculture's importance.

Agriculture Day's main goal is to alert 96 percent of the American population that does not farm, aware of the challenges facing agriculture and its impact on all of our lives. In addition, Agriculture Day alerts the American public of the challenges agriculture faces in continuing to meet the world's food and fiber requirements. Consumers must be made aware of pressing farm issues, such as marketing restrictions, environmental pressures, inflation, fuel shortages and shrinking farm land, and the impact these issues have on each individual's life.

Although only 4 percent of the American population actually farms, 4 out of 10 Americans are involved in the food and fiber production and distribution chain. American agriculture has assets nearly equal to the total assets of all the stocks listed on the New York Stock Exchange ($790 billion) and is the Nation's largest employer.

Across the Nation, activities to increase "agriculture awareness" such as shopping mall displays, radio and television interviews, and agriculture equipment parades are being planned by farm youth, civic and agribusiness groups. Agricultural Day, launched in 1973 by a Minneapolis agribusiness publishing firm, is coordinated on a regional and local level by National Agri-Marketing Association (NAMA) chapters across the country.

The J. I. Scott Co. of Grand Rapids, Mich. has volunteered its creative efforts to develop a comprehensive consumer education campaign for the March 20 observance. I commend, Jim Scott who will serve as National Agriculture Day Chairman and Vice President of the Agriculture Day Foundation.

A copy of my resolution follows:

H.J. RES. 382

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 20, 1980 is hereby proclaimed National Agriculture Day," and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities.●

PARISH CELEBRATES 75 YEARS OF COMMUNITY SERVICE

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Ms. FERRARO. Mr. Speaker, next month marks the 75th anniversary of an outstanding parish in my district, the St. Mary Gate of Heaven Parish in Ozone Park. This church, which was founded on August 11, 1904, by the Reverend Rene LeClair, is one of the oldest and most active in the area. It serves over 3,500 families and also provides an education to 679 students through its school.

In these days of high inflation, social turmoil, and the psychological malaise that has afflicted so many of us, it is helpful for us to step back and take a look at the values of the people who built our great Nation. Primary among those values was the belief in the forceful role the church has in the cohesiveness of a community.

St. Mary Gate of Heaven Parish has a long record of community service. It was originally organized to serve the spiritual needs of the Irish and German immigrants living in the area. Following World War I, the church reached out its arms to the influx of Italian families which arrived in the country at that time. The commitment this church made to unifying the many diverse ethnic groups in the community during those days has been carried on throughout the years.

The Reverend Eugene Lynch, the 17th pastor of St. Mary Gate of Heaven, firmly believes that the church has an invaluable contribution to make not only in its traditional role of spiritual guidance, but in the promotion of community harmony and in providing a focal point for family unity as well. His commitment to the tradition of community and spiritual services provided by the church is evidenced by the prominent role Father Lynch has assumed in promoting efforts to preserve the economic and social stability of Ozone Park.

For the past 75 years, St. Mary Gate of Heaven has been remarkably well attuned to the total needs of its community. I am proud to have such an active parish in the Ninth Congressional District.●

REPORT ON SENIOR INTERN PROGRAM

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. OTTINGER. Mr. Speaker, in May, I was pleased to have Mr. and Mrs. Samuel Schmuckler of New Rochelle, N.Y., join my staff as part of the annual senior citizen intern program. Upon returning home, Mr. and Mrs. Schmuckler prepared a comprehensive report on their internship. I would like to include this report in the CONGRESSIONAL RECORD for the benefit of my colleagues:

CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

(By Miriam and Sam Schmuckler)

Two vital weeks in May, 1979 will become a time to remember for 165 older Americans from 46 states of the United States who have assembled in Washington, D.C. for participation in the 7th Annual Congressional Senior Citizen Intern Program. Over 100 House and Senate members have sponsored this group, whose members comprised senior power and leadership from the grassroots. They are here to learn from top government officials what can be done legislatively to remedy problems facing the Nation's aging population.

A red carpet welcome was afforded us by Congressman Richard Ottinger and his office staff. We were to begin an enriched series of meetings with top government agencies and Congressmen. This has been a "filled to the brim" learning project; as former educators, we feel this intern program to be an example of excellent teaching. It is an entirely creative action-oriented project, focusing on future positive accomplishments. Numerous concomitants have evolved as a result of this education. Discussions through questions and answers; suggestions; collecting and researching materials; interviewing members of our intern group; getting to see some Senators and Representatives all became daily procedure.

Indicative of the positive aspect of internship enthusiasm is the seven-year period over which this yearly two-week spring session program has occurred. Starting with the sponsorship of four members of Congress, nine interns participated; this year many more senior advocates applied for internships than could be accommodated. Congressman Elwood Hillis, a sponsor of the program, is seeking support for legislation which will make the plan an official and permanent function of the House and Senate. Identical bills in the Congress are S. Con. Res. 1 and H. Con. Res. 15.

The need to establish communication between older Americans and lawmakers is a significant fact when one considers that the elderly population has more than doubled since 1900, growing from 4.1 percent to a projected 10.6 percent by the year 2000. By then senior power might well become viable enough to elect a President of the United States!

SERVICES TO THE AGING

Increased services to the aging have been provided, particularly under provisions of the Older Americans Act of 1965, as amended. New emphasis in gerontology has the goal of improving the quality of life for a graying population who do not want to count the years but rather make the years count.

An "Aging Overview" was presented by a panel of speakers, who keynoted our sessions. The Honorable Claude Pepper, chairman of the House Select Committee on Aging; Nelson

Cruikshank, Counsellor to the President on Aging; and Dr. Clark Tibbets, Special Assistant to the Commissioner on Aging, proposed the following legislation: elimination of requirements on earnings by seniors on Social Security, expansion of Health Maintenance Organizations (HMOs), increased availability of part-time work, and extension of mandatory retirement beyond 70 years.

We have heard that seniors are becoming a new national resource as advocates for better living and humaneness. Our achievements can negate stereotypes of the older population. We are being challenged to accomplish good for all citizens. Edmund Burke said it well, "All that is necessary for evil to triumph in this world is for good men to do nothing."

Unfortunately, one-sixth of our aged live below the poverty line. Further, 23 million older people have vital needs for health, social services, nutrition programs, counseling, housing and transportation. Expenditures on Social Security have been referred to as a "graying of the budget," when, in fact, elderly persons themselves have contributed to the benefits they receive.

"Older Americans have given more to our society than any other age group. Yet they have less than ½ of the national median income and often are forced to retire at 70," said Congressman Pepper. He urged an end to age discrimination in retirement, expanded home health and mental health care under Medicare, protection in the sale of "medigap" health insurance, elimination of Social Security earnings limitations, and improved nursing home care by setting up stricter standards. Inflation is enemy number one for older persons, especially those on fixed incomes.

There has been no containment for soaring hospital costs; this is evidenced enough in inflation effects. A strong example of tremendous medical price increases can be noted in a General Motors statement that it paid more for hospital bills of workers than is paid out for steel in its cars!

THE CONGRESSIONAL SCENE

Another session explored the Congressional scene, during which we heard the Honorable Lawton Chiles, chairman of the Senate Special Committee on Aging, and others speak on the prevention of fraud and abuse in the sale of private health insurance to supplement Medicare which has been proposed by the "Medigap" bill, H.R. 2602; abolition of mandatory retirement for all ages is the essence of H.R. 4; H.R. 638 which would permit Medicare payments for HMOs; H.R. 640 would sanction Medicare payments for mental illness and H.R. 2565 would expand counselling for the elderly under the Older Americans Act. Naturally, priorities will be decided by the Appropriations Committee.

ADMINISTRATION ON AGING

The need for comprehensive data in the area of aging has been growing for many years. The Older Americans Act of 1965 specified that the Administration on Aging should serve as a clearinghouse for materials relating to problems of the aging. Donald Smith, director of the National Clearinghouse on Aging, cited Congressional interns as a group of perceptive seniors who could utilize the services of a data center.

With the 4th White House Conference on Aging set for 1981, materials on income, taxes, energy, inflation, home care for ill, health, crime, consumer aids, employment, etc. will be compiled by the clearinghouse. We made a visit to Mr. Smith's office, where we had the opportunity to have a further discussion with him and receive considerable statistical data.

CONSUMER PROBLEMS

There is no dearth of information in the halls of government. Midge Shubow, director of consumers information and education for the White House, suggested we write the Consumer Information Center in Pueblo, Colorado 81109 for a free copy of "National Consumers' Buying Alert." This is a must publication for seniors, containing tips on auto repairs, hospital costs, energy, simple language for insurance policies, boycotting of high priced items, etc.

HEALTH/MEDICARE/MEDICAID

Continuing our group meetings we attended a session on Medicare, Medicaid and health. Patricia Schoeni, director, Office of Public Affairs, Health Care Financing Administration, explained the high costs attributed to doctors' services to be caused by lack of competition among doctors. We do not shop for doctors. While Medicare won't cover costs of catastrophic illness, such insurance is being considered in a National Health Plan proposed by several representatives.

The possible alternatives must be studied. Would a national health plan cost less in a time period? Are the Administration and Representatives ready for a complete changeover in health care? Are medical lobbyists blocking national health insurance? How much assistance would catastrophic illness insurance offer the average person? The questions are many.

The costs of health care, according to our research, have increased over 275 percent in the last 10 years and, if present rates continue, 10.2 percent of the Gross National Product will be committed to health care by 1985. At these rates, cost increases are averaging $1 million per hour! Within the last 2 years, the costs of the Medicare and Medicaid programs have risen over 40 percent, mostly due to inflation and not to the costs of new beneficiaries or new benefits.

Out-of-pocket costs for the elderly have more than doubled in the 10-year period from 1967-77. The Medicare hospital deductible has almost quadrupled in the years from 1969-79. These costs have outpaced the increases in prices of other goods and services. The Hospital Cost Containment Act of 1979 would allow hospitals to bring their costs down voluntarily during 1979, with mandatory controls imposed only if the voluntary action fails to meet the reasonable goals established in the bill.

Our further research concerned catastrophic coverage needed by the elderly. The National Retired Teachers Association and the Association of Retired Persons would like a restructuring so that more money is diverted to less expensive alternatives, such as home health care and health maintenance organizations.

The opinion expressed is that catastrophic plans would not cover the costs of nursing home care. In the long run the cost of providing catastrophic protection would inevitably exceed the cost of providing the same protection under a national health plan.

TRIP TO THE WHITE HOUSE

As a rare interlude between the end of our first week of meetings and the beginning of our second week of sessions, we were privileged to meet with President Carter in the Rose Garden of the White House. Hemmed in by security guards, the President greeted us most graciously.

He stressed the solvency of Social Security funds; this would be true for many years to come.

Urging our support for passage of the Hospital Cost Containment Act and S.A.L.T. agreement, he told of their impact on older people. As a first group of senior interns to be greeted by a President of the United States, President Carter hoped we would continue to learn about government and would have the benefit of our educational experiences here.

The President considered us a vigorous and aware group of concerned citizens. Younger generations can benefit greatly from what we can suggest. He cited his 81-year old mother for her activities. As he talked, we were reminded of that quotation from Oliver W. Holmes—"I had much to learn at 85 and found new business opening all around me."

VOLUNTEER PROGRAMS

While all older citizens are aware of the soaring cost of living, some "well heeled" seniors comprise a group of persons relatively better off than their predecessors; nevertheless, retirement for many persons still significantly increases the probability of severe income loss, decline in living standard and impoverishment. Six million older citizens exist at the poverty level.

Twenty states do not offer supplementation of SSI. Poverty among America's aged, as researched by Rep. Pepper's Committee, deserves Congressional action to alleviate this situation.

Yet economic trials do not keep seniors from their vital work as volunteers in so many public service areas. The federal agency ACTION sponsors older American volunteer programs. These include: Foster Grandparents (FGP), Retired Senior Volunteers Program (RSVP), Service Corps of Retired Executives (SCORE) and Action Corps of Executive (ACE).

Erma Bombach, in a serious vein, calls the volunteer program, "the last dream of a decent civilization." Perhaps, the way to really transmit values in our society is through our senior volunteering. What better way to work with intergenerational groups of individuals, offsetting stereotyping of older people. It is significant that senior volunteers save our taxpayers thousands of dollars through their efforts in assisting others.

"Seniors have been becoming inflation reducers," said Congressman Elwood Hillis. Older citizens can claim to be non-self-serving. Aristotle said it meaningfully, "The measure of a man lies in that part of himself that he gives in service to his fellowmen."

HOUSING

One more primary illustration for improving senior living conditions was given by HUD. Housing is one of the major expenditure items in the budgets of older Americans. With demand outstripping housing supply, adequacy of housing has become an issue, particularly for the low-income elderly. Federal loans are being made for construction or rehabilitation of multi-family rental housing for the elderly (age 62 and over). Tenants may qualify for rent supplements under the Section 8 program of the amended 1959 Housing Act—Section 202.

The federal government insures against loss on mortgages for construction and rehabilitation of multi-family rental housing for the higher income elderly (section 231, of the 1959 act). The federal government makes direct and guaranteed insured loans to construct, improve or repair rental or cooperative housing in rural areas for low-income seniors.

Local housing authorities receive federal loans to aid in purchase, rehabilitation, leasing or construction of multi-family housing for low-income families or individuals 62 or older. Rents may not be more than 25 percent of the family's income (1937 Housing Act, amendment, section 504).

Federal loans and grants are given low-income homeowners, age 62 and over, to repair or rehabilitate their homes so as to remove dangers to health and safety. (Housing Act of 1949 as amended, sec. 521). Helen Holt, Departmental Advisor for Consumer Affairs and the Elderly, Department of Housing and Urban Development, and Robert Wilden, Director, Program Development of the same department were our speakers on housing.

TRANSPORTATION

Still, another illustration for improving senior living conditions lies in the transportation area. Kay Regan, of the Urban Mass Transit Authority, spoke to us. She felt adequate transportation is an essential service and must be part of all state-funded programs for the elderly.

The Urban Mass Transportation Act of 1964, as amended, authorizes UMTA to make capital grant funds available for equipment for the elderly. Under the Capital Assistance Program (sec. 3) grants are made to states and local public agencies to provide transportation. Applications for such grants may be made to UMTA regional offices. Grants are also made under Section 16(b)(2) of the UMTA for private non-profit organizations.

These funds are only made available through the states. Under the act, mass transportation companies receiving federal funds for either capital or operating expenses must charge elderly no more than ½ fare during off-peak hours. A listing of state contacts may be received from the Urban Mass Transportation Administration, 400 7th Street, SW., Washington, D.C. 20590.

CLOSING BREAKFAST

Robert Ball, senior Scholar, Institute of Medicine, National Academy of Sciences and former long-term Social Security Commissioner, gave us good and bad news concerning the future of Social Security. Echoing President Carter's optimism, he said the Social Security system is on a sound financial basis for 50 years, at least. But tension, he feels, exists between the desire to improve the system, on one hand, and to fence it in, on the other.

There are four categories that can influence negative results for the elderly:

Reduce rights of seniors by direct reduction of benefits.

Increase age of eligibility.

Lower paid people on Social Security to be paid minimum amount, regardless of earnings.

Stabilize benefits to recent wages.

Dr. Ball says that seniors sustain losses of many kinds as they age, why add more through Social Security losses. There is a real danger of pitting workers against the recipients—this must be avoided.

OUTLOOK FOR THE FUTURE

It has been gratifying to hear how many of the speakers who addressed our group showed genuine concern for human needs. It's as though there is a Renaissance, an awakening to age and its dignity. Following passage of the Older Americans Act amendments, the Administration on Aging considered its major objective to be the provision of a network on aging, offering the opportunity for those who wish to voice their needs and concerns.

These could be considered when drawing up regulations for implementing new amendments. Since it became law, almost 14 years ago, the Older Americans Act has become the focus of federal activity on behalf of the elderly.

As seen by the National Aging Clearinghouse, the outlook for senior priorities over the next two years include: (1) restructuring Social Security, (2) insulation of financing of programs and incomes for seniors from present high inflation, (3) discouraging of early retirement and elimination of age discrimination, (4) humane and cost-effective health care for all, a national health insurance program, and (5) home health care implementation, drugs, lab tests, costs supplementation under Medicare.

Certainly implementation of the priorities listed above would offset the Catch 22, 1984 Orwellian situation that older Americans on limited incomes are now facing. A 206 percent increase in hospital costs in the last 10 years is a prime example of an "Alice in Wonderland" America.

As Senator Ted Kennedy has said, "Special interests are doing their best to buy every Senator and Representative on issues. Corporations have been creating political action lobbies this year at the rate of one a day." With a growing over 65 population, for example, it is unbelievable to find only one endowed chair of geriatric medicine in the United States; it is established at the Cornell Medical Center in New York.

It is also startling to realize that drug companies spend $2,400 per doctor in their advertising and in advising the medical profession to use brand name drugs rather than their generic equivalents in prescribing medications.

"If I want to know what the future will be, we had better have a hand in shaping it," said Eric Hoffer, longshoreman philosopher. Certainly our two-week Congressional Senior Citizen Internship program has offered us the knowledge and inspiration to reach out to other seniors in arriving at enriched living for all Americans.

Certainly our people-to-people conferences with government leaders and local community workers for senior citizens' welfare have generated our increased interest and enthusiasm to bring back to our community the many facts and ideas we gleaned for the purpose of keeping our older citizens young. It has been especially gratifying to note how much our Representatives and interns care about building a better society for seniors, strengthening senior rights thereby. This has been the humanities in action.

May we express our deep appreciation to Congressman Richard Ottinger for inviting us to participate in this unique and excellent Congressional Senior Intern program. We are most grateful to Jo Merrill and Oren Teicher for their gracious welcome. They assisted us beyond the call of duty during our stay here.

The experience has motivated us to implement the many ideas gathered here. T. S. Eliot's poem has lines in "The Hollow Man" which might be rephrased to describe an optimistic attitude expressed by many in our group, as our sessions here conclude: "The world ends not with a whimper but with a bang," for we are not apathetic but eager to accomplish results.

MAY 18, 1979.●

FAYETTE FIRE DEPARTMENT MARKS 50TH ANNIVERSARY

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. LEE. Mr. Speaker, it is a high personal privilege to call to your attention the anniversary of a fine organization that has been of service to its community night and day for over one-half century.

This year marks the 50th anniversary of the Fayette Volunteer Fire Department, Inc., from Fayette, N.Y. I ask you to join with me in recognizing the achievements of an organization that exemplifies the true spirit of volunteerism in America.

In 1929 a group of men joined together and formed a volunteer unit to provide mutual fire protection to their families, friends, and neighbors. They did so without Government handouts or interference.

During the next five decades the Fayette Volunteer Fire Department has grown and prospered. Through the years a formal fire protection district was formed, fire trucks, alarms, pumps, and uniforms were purchased, and a firehouse bought, renovated and paid for. All this growth can be attributed to the hard work and dedication of its members. The vast majority of the money the department has received comes from fundraising functions like chicken barbecues, where the members of the company pitch in to do the cooking. These same members are called on day and night, winter, and summer to fight fires, protect property, and often save lives.

Much has changed in this country over the last 50 years. It is good to note the spirit of cooperation, volunteerism, and community pride still flourishes.

The present officers of the department are:

Lewis J. Sorrentino, chief; Leland J. Abbott, assistant chief; Kenneth Poorman, first assistant chief; James Brown, second assistant chief; Arthur Davis, secretary; Howard E. Poorman, treasurer; Clare Stahl, director; Victor Stahl, director; Howard Poorman Sr., director; Leon Litzenberger, finance committee; William Trout, Jr., finance committee.●

PRESIDENT, CONGRESS, TOO RELIANT ON POLLSTERS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SIMON. Mr. Speaker, in my weekly column written for my constituents in southern Illinois, I have suggested that President Carter would have been well-advised to begin his staff shakeup by getting rid of his pollster, Patrick Caddell.

As I state in the column, I like Pat Caddell but the President seems to be relying too much on poll results to determine national policy rather than on a careful assessment of national needs

And let me hasten to add that we in the Congress are often guilty of the same thing.

I would like to share the full text of my column with my colleagues:

A NATIONAL NEED: MORE LEADERSHIP, LESS POLLING

Washington continues to rock from the President's cabinet actions, and while Washington is not typical of the nation, attitudes developed by political leaders and media people here gradually filter out to the rest of the nation.

What does it all mean?

It is too early to judge the significance of the change at the Federal Reserve, but otherwise it must be said that the new people selected will run things pretty much as before, with the exception of the Department of Energy where substantial improvement is hoped for.

There will, however, be greater top-level reluctance to differ with the President, privately or publicly, and that will hurt President Carter somewhat.

But my conclusion is that one change could have done much more good than all the other much-publicized changes. He should have quietly dropped pollster Pat Caddell.

I like Pat Caddell. He is also one of the best pollsters in the nation.

But the Carter administration, to much too great a degree, has been determining national policy by studying national polls rather than national needs. And that does not result in effective leadership.

If the media reports are correct, the Carter decision to have a Camp David Summit, and to fire some cabinet members after asking all to submit resignations, grew out of recommendations made by Carter's pollster.

Two days after his resignation, Secretary of the Treasury Michael Blumenthal spoke in Chicago, generally supportive of the President's fiscal policies, but he carefully worked in a criticism of "timid politicians and mindless pollsters."

And while this particular criticism is directed at the President and Pat Caddell, the same criticism can be leveled at much of Congress. We are collectively holding our finger to the wind to learn the latest direction in public opinion. And then we act, or decline to act.

The nation is ill served by that shaky type of performance.

In the recent issue of the magazine *Foreign Affairs*, former Sen. J. William Fulbright speaks about this problem, and while he is writing of Congress, his words apply with eual validity to the presidency.

He writes:

"Our elected representatives . . . study and analyze public attitudes by sophisticated new techniques, but their purpose has little to do with leadership. . . . Their purpose, it seems, is to discover what people want and fear and dislike, and then to identify themselves with those sentiments. They seek to discover which issues can be safely emphasized and which are more prudently avoided. This approach to politics is the opposite of leadership; it is followership, for purposes of self advancement . . ."

The President could etrixcate himself from the problem by stopping all poll-taking and simply ask himself two basic questions: What are the most pressing needs of this country? How can we in government help to meet those needs?

Interestingly, in the area where the President relies least on polling for establishing policy—foreign affairs—in that area he has done best. Where he is weak—domestic policy—he relies heavily on the polls.

I doubt that the President will move away from his polling reliance. And Congress will have an equally hard time extricating itself from the polling quicksand.

Because members of the House and Senate have discovered that polling breeds success—if you measure success by winning elections.

But it does not breed quality leadership. And unfortunately I could cite some "good" examples.

We need people—in the executive branch and in Congress—who are willing to sail against the winds of public opinion, who are willing to make the tough decisions this nation needs.

Whether President Carter has it within himself to really become an effective leader it is difficult to know. He is a decent man with fundamentally good instincts, but that does not automatically equal leadership.

My feeling is that whatever leadership potential he has is being impaired by those who hand him endless reams of polling statistics.

We yearn for effective leadership, and polls will not provide it.●

CANCER-CAUSING CHEMICALS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. OBEY. Mr. Speaker, there has been a very heated and longstanding controversy within the scientific community over an issue which is of immense importance in the policies established to protect the public from cancer causing chemicals.

One side in this controversy has argued that chemicals proven to cause cancer in heavy dosages do not necessarily cause cancer at more typical low-dose levels, and that for many or perhaps all cancer causing chemicals there is a level of exposure low enough to pose no risk to human beings or in other words a "safety threshold." This would mean that requiring industry to reduce exposure to known carcinogens to the lowest possible level would be placing an unnecessary burden on industry. The regulation would be more severe than needed to protect the health of consumers or workers and that would be a strong argument to require regulatory agencies to establish safe threshold levels with each chemical proven to be cancer causing at high exposure levels.

Others have argued that any chemical that causes cancer at one level of exposure can be expected to pose some risk of cancer causation at any level. If millions of Americans are exposed to an air pollutant or food additive in only trace amounts we have only two ways to estimate whether significant harm is being done—either test a number of animals equal to the number of people exposed at precisely the same exposure level or test a small number of animals at a considerably higher exposure level. Since the first alternative would use all of the Nation's laboratories, toxic chemical researchers, and test animals for conducting a test on a single chemical, it really is not practical at all. So currently there is potentially only one way to identify such a hazard, feed it in heavy doses to a relatively small number of test animals and then make the assumption that a risk exists at lower exposure levels. It is precisely such tests and precisely that assumption that has been at the root of all the controversy.

The National Center for Toxicological Research, under the Food and Drug Administration, has recently conducted a massive and unprecedented experiment to examine the validity of the "threshold" and "no threshold" theories. A report on that experiment was printed in the June 28, 1979, "Occupational Safety and Health Reporter."

The report follows:

NO CARCINOGENESIS THRESHOLD FOUND AT LOW DOSAGE LEVELS IN NCTR STUDY

The theory that there is no "threshold dose level" below which a carcinogenic substance would be safe was supported by a recently completed carcinogenesis study using more than 24,000 mice.

The study, conducted by the Food and Drug Administration's National Center for Toxicological Research (NCTR) "has provided a massive and overwhelming experimental profile and data base which lends support to regulatory policies," according to Thomas Cairns, NCTR acting director.

One such regulatory policy is the Occupational Safety and Health Administration's proposal for regulating carcinogens in the workplace, which states "there is presently no means to determine a safe exposure level to a carcinogen."

"Explanation of the dose-response relationship at low doses is fundamental to the regulatory agencies' posture that there is no threshold level below which a carcinogen cannot exert its carcinogenic effect." Cairns said at June 15 symposium in Washington, D.C., announcing the preliminary results of the study.

The study, using the carcinogen 2-acetylaminofluorine (2-AAF), was designed to determine with precision the effects of a known carcinogen at low dose levels, according to NCTR.

Among significant findings of the study were the following:

No threshold response effect was found at the lowest dose level used in the study.

The mice in the study developed a significant number of liver tumors which did not appear until after 18 months, at which point many current bioassay tests are ended.

The incidence of bladder tumors in the dosed mice dropped substantially when feeding of 2-AAF was stopped after the first nine months of the study. However, liver tumors continued to develop after 18 months, even when dosage was ended at nine months.

800 CANS OF DIET SODA

The concept of a threshold dose level has been debated by regulatory agencies and industry groups concerned with cancer risk assessment.

The controversy arises from the standard practice of testing suspected carcinogens by administering massive doses of a substance to a relatively small number of test animals. The results of such experiments are extrapolated to predict the effect of very low exposure levels on human populations.

Such tests, Cairns said, "have been challenged on scientific grounds and are confused, even distrusted, by laymen who see only the differences between the experimental process and ordinary life situations."

"The '800 cans of diet soda' perception of toxicological research and its validity is undoubtedly a serious impediment to the credibility of our research and the regulatory decisions that may be based on it," Cairns said.

NCTR scientists are still examining the data generated by the study. Detailed results will be reported in scientific journals.

For further information, contact Jeffrey Staffa, Associate Director for Research Operations and Planning, NCTR–FDA, Room 9–39, 5600 Fisheries Lane, Rockville, Md., 20857, telephone (301) 443-3155.●

LETTER OF EXPLANATION

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SKELTON. Mr. Speaker, I wish to explain to you and my colleagues the reason for my absence from activities of the House of Representatives during the week beginning July 9, 1979. A death in the family necessitated my being in Missouri for several days. All votes missed during the week of July 9 are a result of this personal loss.●

A WRONG TURN ON THE ROAD TO OUR ENERGY FUTURE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. MARKEY. Mr. Speaker, yesterday, by a voice vote, the House defeated an amendment which was crucial for our energy future. I refer to the Udall-Bingham substitute to the Fuqua-Brown amendment to title I of H.R. 3000, the Department of Energy Authorization Act for fiscal year 1980. This amendment would have deleted funds for premature deployment of breeder reactors, a technology which is decades away from being needed.

We heard much debate claiming that, since there is now an energy shortage, we need to produce energy. We cannot reject, we heard, any measure that would establish an energy production plant, no matter what the problems with it might be, no matter if it is really needed, no matter when it would be needed, and no matter how much it diverts us from confronting today the real opportunities within our grasp for providing necessary energy resources for Americans.

Let us cut through the haze and realize that the breeder option is a long-term energy solution, and anything we discuss today will mean nothing for the short-term energy crisis. We need a coherent, intelligent, productive, and safe energy system in the next century. We are beginning to plan for that now. Let us not waste billions of dollars on short-term, irrelevant answers, like building a breeder today.

The administration was absolutely correct when it said it wanted to eliminate the Clinch River breeder reactor program. By all reliable estimates, breeder reactors will not be commercially viable for at least 20 years; some say as many as 40. As the Harvard Business School points out,

> Even the world's most technically advanced breeder reactor development program (in France) is decades away from making any significant addition to that country's nuclear power supply.

Why, then, should we invest hundreds of millions of dollars now in a commercial plant? Technology, particularly in this industry, moves at a rapid pace. Are we so prescient that we can predict what will be technically optimal 40 years hence?

Some, including the Department of Energy, say that Clinch River is already outmoded. The Department concluded that:

> It would not be a sound candidate for deployment in the post-2020 period.

This conclusion followed a detailed discussion of components which are already obsolete.

I see no reason why taxpayers should pay another $183.3 million into this doomed project. They will reap absolutely no benefits from this investment. This Congress will justly be called the greatest wastrels in history since we authorized that money.

The administration made sound recommendations concerning Clinch River. Yet it, and the authors of H.R. 3000, wanted to spend an additional $200 million on another commercial breeder design. Yesterday we voted to authorize that money. I fail to see why this year's model will be any more technically viable in the year 2020 than Clinch River would be.

Obsolescence is not the only issue here. The current state of the art, which is what Clinch River and the administration's proposed design are based on, is a big safety question mark. We have seen the uncertainty that surrounded the Three Mile Island accident; we may not be able to afford to make the same mistake twice. Why rush headlong into something that could result in a disaster?

Breeder reactors contain 4 to 5 tons of plutonium, one of the most deadly substances known to man. The dangers inherent in plutonium, from the standpoints of domestic safety and world proliferation, are unconscionable. We must commit ourselves to a better technology, one which is less dependent on, if not completely independent of, plutonium.

We have the luxury of time. Breeder reactors only produce electricity. Breeders would not solve our present oil crisis. Anyway, oil will only produce 5 percent of our electricity by 1985.

With this breathing room, we should concentrate our efforts on a large, broad-based nuclear breeder research and development program. That is exactly what the Udall-Bingham amendment would have provided. The $330 million that that amendment would have authorized would have guaranteed that the United States has far and away the largest breeder R. & D. budget in the world.

As Senator Everett McKinley Dirksen used to say, spend a billion here and a billion there, and pretty soon you are talking about real money. Well, we are talking about real money. We should have spent where it will do the most good—in research and development. We would not see the fruit of our efforts for another 40 years, but we must look carefully down that road. It would be dangerous to have white elephants standing in our path.

The Clinch River project and the other $200-million commercial project are nothing more than white elephants. This House misdirected our energy program yesterday, and in so doing will waste hundreds of millions of taxpayers' dollars, all in the illusion that it will solve our very real energy crisis. In the Senate, I believe, wisdom on this matter may yet prevail, at least with respect to the proposed building of Clinch River. At the time of the conference committee on this bill, I sincerely urge my colleagues to reconsider their unfortunate action in yesterday's vote. The breeder reactor today marks a tragic wrong turn on our path to a sane future.●

BUSING

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. STOKES. Mr. Speaker, last Tuesday was one of the most gratifying days I have had in my years in the House of Representatives. On that day, my colleagues in the House overwhelmingly defeated one of the most insidious threats to our Constitution and to equal rights in the history of this country. I refer, of course, to the Mottl anti-busing constitutional amendment proposal.

I think it fair to say that the margin by which that measure was defeated was a very pleasant surprise to many of us. The convincing margin of victory was largely due to the superb lobbying efforts by such groups as the American Civil Liberties Union, the Society of American Law Professors, the NAACP, the National Bar Association, the National Conference of Black Lawyers, and the Greater Cleveland Interchurch Council. That pressure consisted both of stimulating citizen input into the debate and of preparing excellent policy analyses on the issue.

I would like to introduce for my colleagues' benefit some examples of those position papers. The analyses, prepared by some of the organizations which I have mentioned and by Harvard law Prof. Laurence Tribe, are excellent examples of the type of citizen input and assistance which is so vital to all of us.

JULY 19, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: As practitioners and teachers of law, we are profoundly concerned about House Joint Resolution 74, a proposed constitutional amendment which would undermine the principle of racial equality in this nation by banning the use of busing to desegregate public schools. Because it would eviscerate the Fourteenth Amendment's guarantee of equal protection of the laws and unwisely tamper with the Constitution itself, we strongly urge the defeat of H.J. Res. 74.

There are several reasons why the proposed amendment represents a dangerous and ill-considered assault on the Constitution.

A constitutional change affecting the slow process of school desegregation would counteract efforts made in the past three decades to eliminate racial discrimination in the United States. Equality in this country is dependent on equal educational opportunity. Equal opportunity in employment and in the society as a whole hinges upon the availability of education in the public schools which do not discriminate. This is the meaning of the Supreme Court's historic 1954 decision in *Brown v. Board of Education* and the efforts in the federal courts over the last twenty-five years to implement that decision. In 1955 the Court explained in Brown II that every municipality in the country must "effectuate a transition to a racially nondiscriminatory school system". H.J. Res. 74 would reverse this important process.

This point was forcefully repeated by the Supreme Court just this month in two major desegregation decisions involving the school

systems of Columbus and Dayton, Ohio. In the Columbus case, seven members of the Court recognized that if the promise of equality in the Fourteenth Amendment is to have any meaning at all, citizens and municipalities must be held to "a continuous obligation" to integrate their schools. Pupil assignment policies and transportation plans are constitutional remedies for enforcing racial equality where systematic and intentional discrimination has been proved and no other desegregation remedies are available.

Finally, and above all, the process of amending the Constitution was meant to be slow and deliberate. If that process can be circumvented by a "discharge petition" which forces Congress to consider making a fundamental change in the Bill of Rights without any legislative record and after only eighty minutes of debate, the constitutional process itself will be severely damaged. If this kind of hasty and haphazard tinkering with the Constitution is permitted when H.J. Res. 74 comes to a vote next week, the door will be opened to amending or eliminating any number of unpopular constitutional provisions to protect minority rights. Once opened to speedy and ill-considered changes by Congress, the Bill of Rights could become a political football which competing interests would seek to control through constant amendment.

The House of Representatives should reject H.J. Res. 74. Otherwise, it will reverse more than a quarter century of constitutional development, sweep away slow and long-overdue gains in achieving equal rights under the law for all citizens in this country, and place in jeopardy the careful and deliberate process of amending the Constitution itself.

Yours sincerely,

John H. F. Shattuck, American Civil Liberties Union; Merrill E. Clark, Jr., Association of the Bar of the City of New York; Charles A. Bane, Lawyers Committee for Civil Rights; John Crump, National Bar Association; Theodore C. Miller, National Conference of Black Lawyers; David Chambers, Society of American Law Teachers; Elaine Jones, NAACP Legal Defense Fund; Esther Herst, National Committee Against Repressive Legislation; Brookaley Landau, Former Chairperson, Individual Rights and Responsibilities Section, American Bar Association (identification only); Wiley A. Branton, Dean, Howard University Law School; Chesterfield Smith, Lawyer.

SOCIETY OF AMERICAN LAW TEACHERS,
Ann Arbor, Mich., July 16, 1979.

STATEMENT OF THE BOARD OF GOVERNORS OF SALT

The Board of Governors of the Society of American Law Teachers opposes House Joint Resolution 74, the so-called anti-busing amendment. This amendment seeks to reimpose and solidify racial separation in the public schools by depriving the Federal Courts of perhaps the most effective means of eliminating illegal racial segregation. Today, under Supreme Court decisions, decrees imposing student transportation—busing—may be issued only when other methods will not be effective and only when the time and distance involved will not have any adverse effect on the children or on the educational process. In this setting, H.J. Resolution 74 simply seeks to permit states to maintain illegally segregated schools, which the Supreme Court has found to deny minority children equality of educational opportunity.

The Board of Governors of the Society of American Law Teachers strongly urges its rejection by the House.

DAVID L. CHAMBERS,
President.

AMERICAN CIVIL LIBERTIES UNION,
New York, N.Y.

H.J. RES. 74 COMPOUNDS THE MYTHS ABOUT SCHOOL DESEGREGATION

Some proponents of H.J. Res. 74 will premise their support upon one or several of the many myths which have been created to undermine support for desegregation. Chief among the myths about school desegregation are: that desegregation interferes with our long tradition of walk-in neighborhood schools; that most busing is caused by desegregation; that busing is dangerous; and that desegregation harms the educational achievement of white students. Each of these myths is directly contrary to fact. Based on the facts, H.J. Res. 74 can be supported only by proponents of legally enforced segregation.

A. NEIGHBORHOOD SCHOOLS

Quite apart from school desegregation, the majority of school children in the United States do not walk to school. They ride, usually on a school bus.

Decades ago, during the tremendous growth of public education in this country, parents demanded and received free school bus transportation for their children. Responsive state legislatures across the country enacted state laws ensuring the availability of free busing for any student attending school more than a mile-and-half from home. With white families moving to the suburbs following World War II, low density required more busing.

Studies performed by HEW and by the Metropolitan Applied Research Center show that busing doubled in the 1930s, increased 70% during the 1940s, and increased by yet another third during the 1950s; by the 1960s, the rate of increase had slowed considerably. Nonetheless, by the 1973–74 school year, 52% of all public school students rode buses. Another 15% rode public transportation or were driven in cars. None of these students can be tied to the model of the neighborhood school.

According to the Brookings Institution, fewer than half of all children at the elementary school level and only one-fourth of the older students attend neighborhood schools.

To be sure, there are neighborhood schools. But most students do not attend them. Regardless of desegregation, most students ride some form of transportation out of their neighborhood to attend school.

B. STUDENT BUSING

The overwhelming majority of students who ride buses to school are not being bused for purposes of desegregation.

The studies performed by HEW and by the Metropolitan Applied Research Center indicate tremendous increases in the amount of busing from the 1930s through the 1950s. By the 1960s, the growth had slowed. This latter period, of course, is when school desegregation finally began to be implemented. During the five years after desegregation busing began, the annual increase in the nation's school bus fleet remained exactly the same as during the previous five years. Moreover, the proportion of school funds spent on busing declined between 1965 and 1971, down from previous years.

Overall, the studies performed by HEW and by the U.S. Commission on Civil Rights, show that less than 5% of all students who are bused to public schools are bused for purposes of school desegregation. And most of the students who do ride buses for school desegregation are minority students.

The overall statistics on public school busing do not accurately reflect the entire scope of school busing. Millions of students, including many who have fled temporarily from desegregated public school, attend private schools. On the average, private school students must travel considerably further to school than their public school counterparts. According to the Department of Transportation, fully 81% of all high school level students in private schools reside more than two miles from their school. And many private school students ride buses on public funds. In fact, the number of private school students bused on public funds increased from 146,000 in 1955 to more than 600,000 during the 1973–74 school year.

The foregoing studies rather conclusively demonstrate that there actually can be little opposition to busing per se. Rather, the opposition is only to that form of busing used for desegregation.

A study for the National Science Foundation, reviewing the creation of private "segregation academies" in eight southern states, confirms this conclusion. According to the study, less than 50% of all public school students were riding buses to school, while the average segregated private school bused 62% of its students. Additionally, the bus rides to the segregation academies averaged 70% longer than the public school bus rides.

In the late 1960s, a number of Georgia politicians followed Lester Maddox's lead by decrying busing for public school desegregation. They apparently were not interested in the facts. A study of forty-two desegregating school districts conducted by the U.S. Commission on Civil Rights from the onset of desegregation in 1965 through its near completion in 1969, showed that, although total public school enrollment had increased by 92,000, total busing mileage had decreased 473,000.

C. BUSING SAFETY

The widespread existence of busing, apart from busing for desegregation, obviously enjoys a certain popularity with parents. That popularity flows at least in part from the proven safety record of school busing.

Reports by the National Highway Traffic Safety Administration from the early 1970s show that more than 50,000 people, including a substantial number of children walking to and from school, were killed by automobiles. During the same years, the total number of passengers killed annually in the operation of more than a quarter of a million school buses was seventeen persons.

According to a study by the National Association of Motor Bus Owners, people traveling in buses are much less likely to be killed or injured than those engaged in other forms of transportation. People traveling in airplanes and by railroad are twice as likely to be killed; for those in automobiles, the fatality rate is forty times higher.

Busing for school children has been shown to be much safer for them than walking to school. The Pennsylvania Department of Education has found that children who walk to school are in three times more danger than children who ride buses. The National Safety Council confirmed this by reporting that children walking to school face two to three times the danger of an accident than those who ride buses.

Busing is hardly dangerous. As millions of parents know, it is the safest means for children to get to school.

D. STUDENT ACHIEVEMENT

A final myth is that white students perform less well on achievement tests in desegregated settings than in all-white segregated schools. Christopher Jencks, an opponent of busing for desegregation, believes that this myth is based primarily upon white parents' perceptions that black schools are inferior places to be. As Jencks points out, these white parents tend to see schools as physical entities, and not as social institutions made up of students, teachers, and administrators. When desegregation occurs,

the composition of the social institutions change: there are new students, teachers, and administrators. In this new desegregated setting, white students continue to obtain high achievement scores while minority students increase their scores.

In the most comprehensive study of the literature ever undertaken, Nancy St. John concluded that desegregation has no adverse affects on white achievement. In her words, the data show "in every case that racial mixture in the schools had no negative consequences for majority group pupils."

The findings reported by Nancy St. John are agreed with by two of the nation's most vocal opponents of busing for desegregation. Christopher Jencks, in his book Inequality, reported that although desegregation has only a limited positive affect on black achievement scores, it has no negative effect whatsoever on white scores. David Armor, another opponent, also has conceded that the evidence shows "no worsening of achievement for white students" in desegregated schools.

Some studies of performance in desegregated schools have shown increases in white achievement. For example, a study by Thomas Pettigrew, a proponent of desegregation, shows that the achievement not only of blacks but also of whites actually increases in desegregated classrooms, a fact that he attributes to the general educational improvements usually adopted at the same time as desegregation.

On the bottom line, there is an overwhelming consensus in the literature: white achievement is not adversely affected by desegregation.

Without the support of myths, we are back to square one. Based on the facts, the proponents of H.J. Res. 74 can premise their support only by favoring racially separate educational facilities.

AMERICAN CIVIL LIBERTIES UNION
New York, N.Y.

H.J. RES. 74 UNDERMINES THE CONSTITUTIONAL PRINCIPLE OF EQUAL PROTECTION OF THE LAWS

The purpose of H.J. Res. 74 is to prevent public school desegregation, that is, to deny equal treatment under law to minority students and to white students alike. H.J. Res. 74 thus directly undermines the constitutional principle of equal protection of the laws established by the Fourteenth Amendment.

Adopted in 1868, the Fourteenth Amendment enshrined as constitutional doctrine the promise of equality made nearly a hundred years earlier in our Declaration of Independence. In the words of our Fourteenth Amendment, no state shall "deny to any person within its jurisdiction the equal protection of the laws."

Despite the intent of its framers, the Fourteenth Amendment lay dormant for nearly sixty years. From *Plessy* v. *Ferguson* in 1896, until *Brown* v. *Board of Education* in 1954, racially segregated public schools were somehow thought to be consistent with the guarantee of equal protection of the laws. Belatedly, Brown recognized reality. There, the Supreme Court unanimously recognized that "[s]eparate educational facilities are inherently unequal." The following year, in 1955, the Court in Brown II explained that every school district that practiced intentional segregation was required to "effectuate a transition to a racially non-discriminatory school system."

Despite the clarity and correctness of these principles, implementation of equal protection in the twenty-five years since Brown has met with repeated white resistence. In 1958, in the Little Rock case, the Court was forced to chastise defiant local officials by stressing that the "constitutional rights of [black children] are not to be sacrificed or yielded" because of opposition to those rights. In 1963, the Court reemphasized the affirmative duty of local school systems by rejecting voluntary transfer plans that allowed white students to transfer out of desegregated schools. A year later, the Court required the reopening of a school system which chose to close its schools rather than to desegregate. In 1965, the Court banned the use of a new delaying strategy, one-grade per-year desegregation plans. In 1968, the Court invalidated freedom-of-choice plans, reminded school districts of their "affirmative duty" to desegregate their schools "root and branch," and emphasized that school districts were required "to come forward with a plan that promises realistically to work, and promises realistically to work now." Rejecting other delaying tactics, the Court in 1969 reiterated that the duty of every school board was to desegregate its classrooms "at once."

In 1971, the Court reviewed and approved an effective desegregation plan, feeling constrained to add that a desegregation plan must "be judged by its effectiveness." In 1973, the Court made clear that intentional school segregation in the North, just as in the South, required immediate desegregation. And most recently, in 1979, the Court again was constrained to remind school boards that they have "an affirmative duty to desegregate."

With considerable prodding from the Supreme Court, thousands of school districts across the country have desegregated their previously segregated school systems. In these school districts, hundreds of thousands of school children are being given an integrated education. They are, in short, being provided equal protection of the laws.

H.J. Res. 74 seeks to turn back the clock. It would allow school boards to engage in intentional school segregation. It would in effect prohibit desegregation. And, because some families tend to reside close to where their children attend school, it would facilitate even greater residential appartheid than currently exists.

In 1857, Dred Scott was resolved with a declaration that black people were "altogether unfit to associate with the white race." For years thereafter, our nation was in the throes of a bloody civil war.

In 1896, Plessy eviscerated the Fourteenth Amendment by declaring that segregation of the races was not a denial of equal protection. For decades thereafter, legally enforced segregation became the norm not only in the South, not only in our nation's capital, but throughout most of the United States.

Now, in 1979, H.J. Res. 74 seeks to open the doors once again to legally enforced segregation. This invitation, should it be engrafted onto our Constitution, is one from which our nation may never recover.

Twenty-five years ago, in Brown, the Supreme Court recognized the special place that education has in our society:

"Today, education is perhaps the most important function of state and local governments. Compulsory school attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education to our democratic society. It is required in the performance of our most basic public responsibilities, even service in the armed forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms."

Recognizing the considerate importance of public education in American life, the Brown court compassionately understood that "we cannot turn the clock back to 1868 when the [Fourteenth] Amendment was adopted, or even to 1876 when *Plessy* v. *Ferguson* was decided."

Twenty-five years later, H.J. Res. 74 now seeks to turn the clock back to 1868 and earlier. It disputes the unchallengeable wisdom in Brown that "[s]eparate educational facilities are inherently unequal."

AMERICAN CIVIL LIBERTIES UNION,
New York, N.Y.

H.J. RES. 74 CREATES IMPOSSIBLE STANDARDS FOR PUBLIC EDUCATION

A major problem with H.J. Res. 74 does not directly concern school desegregation at all. Rather, it pertains to the Resolution's imposition of impossible standards for public education.

Proponents of H.J. Res. 74 appear to have blinded themselves to the practicalities of public education. They seem to believe, contrary to practice and often contrary to feasibility, that every student would be assigned to the school nearest to his/her residence which provides the course of study pursued by such student—were it not for desegregation. So strong is this belief that the proponents of H.J. Res. 74 would prohibit school boards from assigning any student to a school other than the one nearest to his/her residence which provides the desired course of study.

The practical infeasibility of this approach is suggested by the actual way in which school zones are drawn, the unanticipated growth or decline of neighborhoods, the unexpected destruction or deterioration of a school building, and the enormous costs to school districts of maintaining underused schools while having to construct new ones.

School zones and feeder patterns (grade schools feed into junior high schools which in turn feed into a high school) are drawn only very roughly around existing school facilities. Many factors enter into the drawing of such zones, e.g., natural boundaries such as rivers, lakes, and major highways; the student capacity of the school facilities; and all too often, the racial composition of neighborhoods (with zone lines being drawn between a white and black neighborhood). Although the latter is an element of intentional segregation, the former factors often are matters of legitimate educational planning. Under H.J. Res. 74, these factors would become irrelevant. School zones would have to be precisely drawn, maybe even with a tape measure. Despite the presence of a highway a block away, and despite the overcrowding at a school one block past that highway, a grade school student nonetheless could not be assigned to another school if that overcrowded school in fact is nearest to his/her residence.

Residential patterns are constantly changing in the United States. A new highrise apartment building may add hundreds of school children to a neighborhood. Commercial development in another part of town may drain school children from a neighborhood. If students had to be assigned only to the nearest school—as they are not now—both overcrowded and underutilized schools would result. Educational planning would become irrelevant. Distance would become the sole criterion.

School facilities sometimes are damaged in part by fires or by natural causes. School facilities, like buildings in general, deteriorate and need rehabilitation. If assignment by distance is the only criterion, students in these schools could not be assigned to any other school when partial restoration takes place. Again, local planning and discretion become irrelevant.

School districts try to minimize costs while maximizing education by maintaining their school facilities at close to enrollment capacity. Overcrowded schools hamper effective education. Underutilized schools increase educational costs and raise local taxes. H.J. Res. 74 deems these considerations irrelevant. The resulting educational costs of bringing school to students rather than students to schools would be overwhelming.

The impracticality of H.J. Res. 74 could have a potentially devastating impact on compulsory education in this country. Legally unable to assign students to schools farther than the nearest school, financially unable to build new school buildings while maintaining underutilized ones, and educationally unwilling to assign students to nearby overcrowded schools, school districts would be unable to provide any education at all for unforeseen numbers of students. And it is the school children who would suffer.

H.J. Res. 74 represents an unconscionable and unwarranted interference with local schools.

AMERICAN CIVIL LIBERTIES UNION,
New York, N.Y.

HOUSE JOINT RESOLUTION 74: WHY IT MUST BE OPPOSED

H.J. Res. 74, a proposed amendment to the United States Constitution, states: "No student shall be compelled to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student."

This Resolution, offered to the House of Representatives during the 25th anniversary of *Brown* v. *Board of Education*, seeks to return our country to the pre-Brown days of legally enforced, separate educational facilities. Nothing could more quickly accelerate the return of our nation to the "two societies, one black, one white—separate and unequal" warned against a decade ago by the Kerner Commission. And nothing could more visably demonstrate to the predominantly non-white population of the world a totally bankrupt human rights policy here at home.

H.J. Res. 74 must be defeated—not just because it eviscerates the Fourteenth Amendment's guarantee of equal protection of the laws but because it unwisely tampers with the Constitution itself.

1. WEAKENING THE PRINCIPLE FOUNDATIONS OF OUR CONSTITUTION

Our Constitution is not a statement of social policy. It is an expression of principles guaranteeing the rights of individuals against the tyranny of the majority.

Our Constitution has survived largely because the Founders, in their wisdom, enacted no specific social or economic dogma but rather only defined the structures by which we govern ourselves and proclaimed the fundamental human rights that government must respect.

There is no room in our Constitution for permanent enshrinement of divisive social policy. Those who believe otherwise should recall that slavery is the only social arrangement our Constitution ever endorsed and that prohibition is the only social policy it expressly sought to implement.

H.J. Res. 74 is not legislation. It is a proposed constitutional amendment that seeks to engraft the social policy of segregation onto our Constitution.

2. PAVING THE WAY FOR QUICKLY CONSIDERED CONSTITUTIONAL AMENDMENTS

School desegregation is hardly the only social event that has met with unpopularity. Thirty years ago, during the McCarthy era, there was an overwhelming majority that may have wanted to repeal the First and Fifth Amendments. In earlier times, there have been majorities that would have withdrawn constitutional protections for persons of Japanese descent, for Jews, for Catholics.

In times ahead there may be majorities favoring a constitutional amendment limiting federal spending, an amendment prohibiting any woman from obtaining an abortion, an amendment prohibiting the use or development of nuclear power, and so on.

Depending upon the mood of the people, we could legislate by constitutional amendment. H.J. Res. 74 would create a dangerous precedent.

3. ADOPTING INSTANT CONSTITUTIONAL AMENDMENTS

Major and even minor bills ordinarily are subject to months and even years of consideration by Congress. Proceeding through a discharge petition, proponents of H.J. Res. 74 seek to amend our Constitution with only several hours of debate in the house. Adoption of the Resolution not only would demean the legislative process but would open the way for instant constitutional amendments.

4. UNDERMINING THE CONSTITUTIONAL PRINCIPLE OF EQUAL PROTECTION OF THE LAWS

In *Brown* v. *Board of Education*, the Supreme Court unanimously recognized that "[s]eparate educational facilities are inherently unequal." In the twenty-five years since Brown was decided, the Court has repeatedly emphasized the affirmative duty of school boards to desegregate their intentionally segregated school districts.

The Brown decision was based on the unassailable wisdom that "education is perhaps the most important function of state and local governments," and that education is "a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment."

Just as the Court recognized in Brown that "we cannot turn the clock back to 1868 when the [Fourteenth] Amendment was adopted, or even to 1896 when *Plessy* v. *Ferguson* was decided," we today cannot allow the clock to be turned back to segregation through adoption of H.J. Res. 74.

5. REPEALING THE GAINS MADE THROUGH SCHOOL DESEGREGATION

School desegregation already has been implemented throughout most of the South and in fact throughout most of the country. To be sure, pockets of school segregation remain. But for the most part, school desegregation has already occurred throughout most of the United States.

H.J. Res. 74 seeks to undo twenty-five years of history. It would force a return to segregation from the current reality of desegregation.

6. COMPOUNDING THE MYTHS ABOUT SCHOOL DESEGREGATION

There are many prevailing myths about school desegregation. Chief among the myths are: that desegregation interferes with our long tradition of walk-in neighborhood schools; that most busing is caused by desegregation; that busing is dangerous, and that desegregation harms the educational achievement of white students. Each of these myths is directly contrary to fact.

H.J. Res. 74 compounds these myths. Adoption of the Resolution would, in Orwellian fashion, create a new reality.

7. CREATING IMPOSSIBLE STANDARDS FOR PUBLIC EDUCATION

The distance of a school from a child's home is only one element in school zoning and student assignment. Very often, school zoning follows natural barriers such as rivers and highways. And student assignment is primarily a factor of capacity.

Blind to the realities of the practicalities of public education, H.J. Res. 74 would require students to be assigned according to a single criteria: distance. Under H.J. Res. 74, children would have to be assigned to the nearest school even though it is across a river or a highway, and even though it is overcrowded.

H.J. Res. 74 is detrimental to education. It represents an unprecedented interference with local control of public education.

HARVARD UNIVERSITY LAW SCHOOL,
Cambridge, Mass., July 2, 1979.

MEMORANDUM

Re: Proposed Constitutional Amendment to Prohibit Busing

To: Congressman Don Edwards, Chairman, House Judiciary Subcommittee on Civil and Constitutional Rights

From: Laurence H. Tribe, Professor of Law

As you requested, I have reviewed the text of the proposed anti-busing amendment. I have considered its implications for the Constitution as a whole and am setting forth my conclusions in this memorandum, copies of which I am sending to Senators Birch Bayh and Edward Kennedy. I have deliberately confined my attention to the constitutional dimension, and have omitted consideration of the pros and cons of busing as such, both because my expertise is as a constitutional scholar rather than as an educational sociologist or as an urban planner, and because it seems vital for members of Congress to think seriously not only about which policies they favor but also about what sorts of goals should be sought through constitutional amendments and what sorts should not.

Whatever views any member of Congress might hold on the complex policy issues posed by court-ordered school busing to achieve racial integration, I believe that all members should vote against the proposed amendment for three distinct, and independently compelling, reasons of constitutional principle.

First, the amendment would make the grave error of writing a detailed social policy preference into the Constitution. As Justice Holmes stressed at the turn of the century, our Constitution has endured as a source of unity rather than division largely because it has enacted no particular social or economic dogma and has gone no further than to define the structures by which we govern ourselves and to proclaim the most fundamental human rights that government must respect. Those who would depart from this wise precedent should recall that slavery is the only social arrangement our Constitution has ever specifically endorsed, and prohibition the only social policy it has ever expressly sought to implement. An anti-busing amendment would be an anomaly not only in view of the Constitution's mission, but also in light of its history.

Second, the specific policy embodied in the amendment would unavoidably erode principles of equality under the law—principles the amendment's proponents claim they respect. For the amendment would forbid pupil assignments beyond nearby schools even when it is demonstrable that no alternative exists to remedy de jure segregation by one or more of the school districts involved. The Supreme Court has held, as recently as today, that busing may at times be required to eliminate racial segregation from a previously unlawful system. When nothing less will suffice to honor the mandate of *Brown* v. *Board of Education*, enshrining an anti-busing policy in the Constitution means at least a partial sacrifice of the Brown decisions' basic promise. It is one thing to specify, by legislation, that busing must truly be a last resort; it is quite another to mandate, by constitutional amendment, that even when needed to eliminate deliberate segregation, busing is ruled out.

Third, the amendment would ironically undermine not only principles of equality

but norms of state and local autonomy fundamental to our governmental structure. By mandating pupil assignment to the nearest in-district school which provides the pupil's course of study, the amendment would prevent school districts and other local bodies from taking such temporary measures as assigning some students to more distant schools to cope with overcrowded educational facilities or to deal with such problems as teacher strikes. For obvious reasons, the authors of the anti-busing amendment have not limited the reach of the provision to racially motivated busing; by sweeping more broadly, however, they have unjustifiably intruded on local sovereignty. For equally obvious reasons, the amendment's authors have provided, in § 2, that Congress "shall have the power to enforce this article by appropriate legislation and to insure equal educational opportunities for all students."

But the result of such language would be to arm Congress with power to restructure the ways in which cities and towns raise revenues for public education, and the ways in which such local bodies expend these revenues, all in the name of equalizing educational opportunity. Even if the current Congress would be disinclined to take up this invitation to invade what have long been state and local prerogatives, a future Congress might be more ambitious—and, since it is a Constitution we are amending, we cannot afford to think only of the present.

In sum, the proposed amendment would freeze too specific a policy into the Constitution—and would do so at great cost to more general norms of equality under law and of federal-state relations. Even those who strongly oppose court-ordered busing would thus be ill-advised to support the amendment in question.

STATEMENT OF THE NATIONAL BAR ASSOCIATION ON HOUSE JOINT RESOLUTION 74

The National Bar Association would like to take this opportunity to express our view on House Joint Resolution 74, a proposed amendment to the Constitution.

As a nation we must be willing to affirm that desegregation in public education is important, a worthy aim, a national priority. We must recognize that no action is truly neutral with respect to desegregation and that affirmative steps must be taken to advance this interest.

H.J. Res. 74 states, "no student shall be compelled to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student."

Separate but equal is no longer the law of the land. This pronouncement in *Brown* v. *Board of Education*, twenty-five years ago gives rise to the hope that segregated schools would be discontinued and integrated schools would replace these institutions. H.J. Res. 74 attempts to re-direct our efforts towards judicially enforced, separate educational accommodations.

This amendment as written, would serve to undermine the principles of equality and disrupt the norms of state and local independence considered essential to our governmental composition.

In Brown, the Supreme Court unanimously acknowledged that "separate educational facilities are inherently unequal." In the twenty-five years since that decision, the court has continuously enforced efforts to desegregate segregated school districts.

The gravamen of Brown was based on the concept that, "education is perhaps the most important function of state and local governments," and that education is "a principal instrument in awakening the child to cultural values, in preparing him [sic] for later professional training, and in helping him [sic] adjust normally to their environment."

H.J. Res. 74 seeks to undo twenty-five years of educational struggle, we can not allow this to occur through the adoption of this constitutional amendment.

For the foregoing reasons, the National Bar Association stands in opposition to House Joint Resolution 74.

NATIONAL CONFERENCE OF BLACK LAWYERS,
Washington, D.C.

NCBL OPPOSES MOTTL AMENDMENT

The National Conference of Black Lawyers vehemently opposes the adoption of House Joint Resolution 74, as part of the Constitution of the United States. We would urge every member of the House, no matter what his or her view on the merits of "busing" to oppose this amendment on Tuesday, July 24th.

Persons opposed to "busing" for desegregation purposes should understand that, contrary to the claims of the amendment's author, Mr. Mottl of Parma, Ohio (where no court-ordered busing is going on), this is not an "anti-busing" amendment. There is no mention of "busing" or "transportation" in the amendment, as written. Instead, this provision would ban the assignment of students to other than the school nearest to where they reside. Such a prohibition will tie the hands of state and local officials in making all student assignments, not just student assignments made for the purpose of desegregation.

If enacted, this amendment will severely disrupt the efficient and cost effective operations of the Nation's public schools. It will generate numerous law suits by parents challenging school board decisions regarding student assignments and could conceivably require greater busing of all students than is currently being done at this time.

Most importantly, the National Conference of Black Lawyers is opposed to H.J. Res. 74 because its unstated purpose is to turn back the clock to 1896 and cause black school children to suffer the demeaning and racist doctrine of "separate-but-equal."●

WPIX EDITORIAL CONTEST

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. OTTINGER. Mr. Speaker, WPIX-TV recently held a high school editorial contest which was open to students throughout the New York metropolitan area. More than 75 high schools took part in the competition and the entries were judged by the station's editorial board. The six finalists were then invited to appear on the television program "Youth Speaks" to present their editorials.

I am pleased to report that one of the three winners, Eric Rubin, is a resident of my district. At this time I would like to share with my colleagues the winning entry written by Eric:

ERIC RUBIN'S EDITORIAL

The recent fracas over the proposed institution of minimum competency tests for New York State's public school teachers raises a number of important questions about the nature of these tests, and of the teaching profession itself. With the "back to basics" movement now in full swing in classrooms across the nation, and with minimum competency tests for high school students becoming increasingly common on both the state and local level, the issue of mandated standards for new teachers has taken on new relevancy and importance.

What are the causes of our country's declining test scores, functionally illiterate high school graduates, and violence-ridden classrooms? Many critics, among them numerous leaders of the teaching profession, have singled out bad television programming, poor home environments, large class sizes, and inadequate school budgets as the educational villains, yet, somehow, the teachers themselves rarely, if ever, address the issue of their own responsibility for these problems.

The denunciation of the proposed tests by a teachers' union leader last month is of questionable validity; if the teachers hired by our state's school systems are indeed well-qualified and well-prepared, they have little, if anything, to fear from such exams. Could it be that the union leaders themselves know that our schools are hiring incompetent people to teach the children of our state?

That there are some unqualified and incompetent teachers in our state's schools cannot be denied, nor can it be denied that such teachers are at least, in part, responsible for the failure of many high school seniors to pass the minimum competency tests. For the leaders of our state's teachers to decline to accept responsibility for such failure is almost understandable, but for them to try to block efforts to weed out future unqualified and unfit applicants for the small number of new teaching positions that open up each year in New York State is irresponsible and morally unjustifiable.●

CEREMONY HELD COMMEMORATING FRANCIS SCOTT KEY

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. ST GERMAIN. Mr. Speaker, on the 1st of August, the State of Rhode Island will hold a ceremony to commemorate the birth of Francis Scott Key, the poet and patriot whose words have served as an inspiration to millions of Americans. This date will mark the 200th anniversary of the birth of Key and I invite you and my other distinguished colleagues to join with me and my fellow Rhode Islanders in commemorating this important day in our Nation's history.

As part of the celebration, Mrs. Virginia Louise Doris of Rhode Island composed a poem, entitled "Song of Francis Scott Key" which I would like to share with you:

SONG OF FRANCIS SCOTT KEY—A TRIBUTE

(Composed by Virginia Louise Doris, June 13, 1979)

Remember how it was: the enormous shot-ridden ensign
Flying high over Fort McHenry, long-continued ordeal
Of bombardment, to be the Star-Spangled Banner,
To be the patriotic fervor, be the immortal poem;
Thrilled by the victory to be his "song of confidence" come

O'er the others to be composition of intense emotion,
An anthem-link, and the sloop Minden in eternal witness—
And the glorious rejoicing, sensing from the heartfelt pæan.
Flaming and thunderous, long-continued "bursting shells",
It reaches up, becomes the banner, the besieged
As it became the "dawn's early light"—the "still there"
Of the poet's fibre, within, the joy, four stanzas,
Anthem-link, four stanzas . . . and where the rejoicing has been
A link of confidence, a rejoicing link, purely Americana.

Mrs. Doris, an antiquarian and historian, has researched Key and found that a Rhode Island statesman and Member of this body was instrumental in raising the Nation's awareness of Francis Scott Key and his contributions to the Nation. George Francis O'Shaunessy, who served in the Congress from 1911 through 1919, introduced a resolution honoring the author of our national anthem, calling Key "the ultimate poet."●

CONSUMER ALERT: AIRBAGS DO NEED MORE TESTING, GAO REPORT RELEASED TODAY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. DINGELL. Mr. Speaker, the Members of the House have received communications from some of our colleagues and a few organizations urging defeat of the amendment that our friend and colleague, JIM BROYHILL, and I will offer to the fiscal year 1980 DOT appropriations bill Monday, July 30.

It is surprising to me that some who claim to be consumers are opposing our amendment, which is a consumer-oriented, motoring consumer protection amendment, designed to provide one more year of further testing, research and development of the controversial automatic occupant protection device known as the airbag, which will be one device manufacturers must install on certain 1982 model year passenger cars to meet the DOT (MVSS 208) crash performance standard. The General Accounting Office report on such passive restraint devices, being released today, substantiates the conclusion and recommends that more research, testing and development must be done on airbags by DOT and the National Highway Traffic Safety Administration, which says they will only monitor the safety and effectiveness of airbags after they are installed on 1982 cars.

I was, therefore, most concerned to read that the Special Assistant to the President for Consumer Affairs, Esther Peterson, in writing to Members of Congress on behalf of the President, has misconstrued what our amendment will do for consumers. And, I also find it hard to believe that the respected consumer advisor and the President would oppose further testing of the airbag device, which shows potential dangers to out-of-position children, for one more year, well before the device has to be installed. There is no choice for some cars as most large size cars—several hundred-thousand—will require airbags in dashboards and steering wheels in 1982 automobiles in order to meet the standard.

In further answer to Mrs. Peterson and the White House, it is inaccurate for the administration to have written that our amendment is "prohibiting viable technology." The amendment does nothing of this kind and does nothing to "disable" the DOT/NHTSA performance standard, which provides that manufacturers may choose what passive or automatic occupant restraint system will be used. However, it is common knowledge that today's available technology to meet the standard only includes the airbag or passive safety belts, the latter of which are equally protective as airbags in frontal collisions and offer much more all around protection in all automobile crash situations at a much lower cost—$100 or less—than the $400 to $581—or even $825—estimated costs per car of airbags.

As it is equally discouraging to learn that the administration has no plans to further test airbags and that there is no developed test dummy resembling small children for testing the very serious out-of-position occupant problem, it is therefore imperative that the House adopt our amendment so we can have more conclusive information regarding airbags.●

THE FUTURE IN NICARAGUA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. McDONALD. Mr. Speaker, the press never made clear what was really at stake in Nicaragua in recent weeks. It was all cast in terms of "let's get rid of bad old Somoza," without saying what was likely to follow. Needless to say, the busy elitists at the State Department did nothing to clear away the fog. Constantine Menges, in a "Point of View" column in the Washington Star of Saturday, July 21, 1979, stated what the stakes are and what will probably happen. He is a seasoned observer of Latin America and not some writer just assigned by his paper to cover Nicaragua. So his words should be read with care. The column follows:

THE FUTURE IN NICARAGUA

A major objective of American policy in Nicaragua should be support for political groups which have genuinely democratic and reformist objectives. The question—never answered with sensible American diplomacy—is how to do this in a timely and effective way.

Cuba may provide a clue. Since the 1930s, there had existed democratic reformist groups which opposed the successive military dictatorships. There also was an orthodox communist party with a clandestine apparatus. In 1953, Fidel Castro understood that he needed to build a revolutionary coalition which included both elements.

In 1957, as his guerrilla band of several hundred seemed to be succeeding, Castro issued the Manifesto of the Sierra Maestra, which proclaimed the goal of "truly free, democratic, impartial elections." It also proposed a Civilian Revolutionary Front consisting of all opposition parties and groups.

It worked—Batista was isolated politically, there was no independent organization of democratic groups and Castro kept tight control over the military forces within his "coalition." After his victory, Castro established a totalitarian regime far more repressive than the one he had overthrown and became a bridgehead for political warfare against both the democracies and dictatorships of Latin America.

This warfare included the Sandinistas in Nicaragua and similar groups in neighboring Guatemala, El Salvador and Honduras. In recent years, as the wave of radical leftist terror and murder has increased, some of these governments have used increased brutality to fight back. This is precisely what the revolutionary groups want because violence polarizes society into a small governing elite and an opposition which is led and ultimately controlled by the armed guerrillas.

Last August when the Sandinistas began open war against the Somoza government, an American journalist reported that the guerrillas were busy removing communist literature and insignia from their hideouts. One young guerrilla was quoted as saying, "We have been instructed to say nothing about Marxism-Leninism or the Cuban help we have received all these years."

What is clear in Nicaragua today is that the Sandinistas will be followed by a Cuban-type process from which pro-Castro guerrilla leaders will emerge. At present, they alone have the guns, unity and experience.

This communist victory might be disguised for some months through the usual techniques of impotent "coalition government" and propaganda in order to make it easier to provide immediate military help for their friends in El Salvador and Guatemala. Of course, success in Central America would create the political base and momentum for beginning revolutionary warfare against Mexico during the early 1980s.

But, the future could be much brighter for the people in Central America and for our vital interests. In each country, there are important social and political groups genuinely dedicated to democratic reform—including political parties, labor unions, business groups and a good part of the Catholic and other religious leadership. With other democratic nations, the United States should encourage a process of transition which would gradually and peacefully increase the participation and power of these forces.

Every victory of a communist-led movement has brought greater suffering and death than either the civil wars or the previous governments. Must Central America and Mexico follow this tragic path?

In the other nations in the region, there is still time for the democratic countries to use their most significant resource—the appeal of their political values and their pluralist institutions such as church, labor and business groups—to aid the gradual and peaceful transition toward genuine democracy and greater social justice.

Mr. Menges has frequently visited and lived in Latin America while doing research and writing on economic and political development issues.●

CONTINUE NATIONAL COMMITMENT FOR BREEDER REACTOR

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SHUSTER. Mr. Speaker, in the unanimous vote by the Republican Policy Committee, which I chair, a formal policy statement points out, graphically, the compelling need to retain a national commitment to build the Clinch River breeder reactor. The committee strongly opposes the Carter administration's unilateral decision to terminate this project. I should like to insert into the RECORD, the text of the Policy Committee position statement on this vital issue.

The statement follows:

H.R. 3000—DOE AUTHORIZATION FOR CIVILIAN PROGRAMS FOR FISCAL 1980 (CLINCH RIVER BREEDER REACTOR)

H.R. 3000 authorizes Federal expenditures in Fiscal 1980 for civilian research and development of fossil energy, nuclear energy, solar and geothermal energy, conservation, environment and safety programs and other energy R&D activities, including $183.8 million for the Clinch River Breeder Reactor Project (CRBRP). The bill also authorizes funding for the administration, regulatory and commercialization activities of the Department of Energy (DOE).

The Republican Policy Committee strongly opposes the Carter Administration's unilateral decision to terminate the CRBRP ostensibly for the purpose of influencing an international nuclear nonproliferation policy. In 1978, the Carter Administration proposed to replace this breeder plant commitment by a paper study on the basis that the plant size is too small and the design obsolete.

The Administration's position that termination of the CRBRP is an effective signal of our nonproliferation concern to other nations has been already proven wrong. Those nations have indicated they will proceed with their own breeder reactor programs whether or not the United States proceeds with the Clinch River Breeder Reactor Project. In fact, the Japanese announced fifteen months ago that they will have their spent fuel reprocessed by the British and the French if the United States elected to defer demonstration of breeder technology. They recognize that deferring breeder technology and reprocessing is a decision to ignore a nearly limitless energy supply in natural uranium. A recent GAO report states that building the CRBRP will have no effect on weapons proliferation, the plant size is an advantage in terms of breeder safety and that the design is a prudent next step in breeder development.

The Republican Policy Committee also is concerned over the proliferation of nuclear weapons but feels that modern technology and safeguards are adequate protection, such as the CIVEX diversion-resistant scheme to reprocess nuclear fuel which will blunt any terrorist threat. Thus, the Policy Committee does not believe that continuation of CRBRP activity will accelerate proliferation.

In the past year there have been many projections of this nation's future energy requirements against our energy resources. In recent months, the long gasoline lines have reminded us of our unstable sources of energy supply, yet Americans are asked by the Carter Administration to turn our backs on nuclear power when each 1000 megawatt plant could save over 25,000 barrels of oil per day. The fact is that our supplies of oil, natural gas and even coal are exhaustible. And, it is too early to assess the real promise of solar and fusion power. In view of these facts, Congress has a responsibility to continue development of breeder technology and reprocessing to a level of large-scale technical demonstration. To abandon or defer such a major and promising source of energy at this time would be irresponsible. As a positive response to our domestic energy supply problem Congress should retain funding for the Clinch River Breeder Reactor Project in H.R. 3000. Deferring development of the CRBRP in view of our growing domestic energy demand could result in abondoning an energy option essential to meeting this nation's future requirements. We must retain a national commitment to build a breeder reactor plant; we cannot settle for a paper study.●

DEATH OF HENRY HALL WILSON, JR.

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. FOUNTAIN. Mr. Speaker, several of my colleagues and I joined to pay tribute earlier this week to the late Henry Hall Wilson, Jr., of Monroe, N.C., who passed away on Sunday, July 22. Many Members of this House will remember Henry Hall's very able and competent service here as a White House congressional liaison official during the Kennedy and Johnson administrations.

At this point, I would like to print in the RECORD two obituaries of Henry Hall Wilson from the Washington Star and the Washington Post, as well as an editorial from the Raleigh News and Observer.

The material follows:

HENRY H. WILSON DIES; EX-PRESIDENTIAL AIDE

Henry Hall Wilson, Jr., 57, an administrative assistant to Presidents John F. Kennedy and Lyndon B. Johnson, died yesterday in Presbyterian Hospital in Charlotte, N.C.

Mr. Wilson had been in declining health for almost a year, his family said, and he had been in the hospital since July 3.

Mr. Wilson received a B.A. degree from Duke University in 1942, served in the Army during World War II and returned to Duke and received his law degree in 1948.

He returned to his native Monroe in Union County to practice law and served three terms in the North Carolina General Assembly between 1953 and 1959. He also was a member of the Democratic National Committee during that time.

In 1960, he was North Carolina chairman for Kennedy's presidential campaign. When the Kennedy administration was searching for bright young liberals to work for the government, Mr. Wilson was selected as an administrative aide for Kennedy, working directly under Lawrence O'Brien, the liaison between the White House and Congress.

Mr. Wilson's specific assignment was as liaison between the executive branch and the House of Representatives.

Because of the successful operation of the administrative team in getting bills moving in Congress, Johnson asked Mr. Wilson to stay on as an aide following the assassination of Kennedy.

As administrative aide to Johnson, Mr. Wilson was one of the White House's top lobbyists on Capitol Hill. He acted as troubleshooter and coordinator and helped guide the administration's bills through congressional mazes and also helped keep the president informed about the mood of Congress.

He resigned in 1967 to become president and chief executive officer of the Chicago Board of Trade. In 1968, Johnson appointed Mr. Wilson head of a commission to travel to Eastern European countries to promote international trade.

In 1973, Mr. Wilson quit his $115,000-a-year job in Chicago to run for the U.S. Senate seat then held by Sam Ervin, but he came in third in the Democratic primary which was won by the current holder of the seat, Sen. Robert Morgan.

After that campaign Mr. Wilson was a business consultant and was at work on a book about relations between presidents and congresses when he died.

He leaves his wife, Mary, two daughters, Jean and Nancy; and a son, Henry H. 3rd.

HENRY H. WILSON, EX-LEGISLATIVE AIDE WITH KENNEDY AND JOHNSON

Henry Hall Wilson Jr., 57, a former legislative aide to presidents John F. Kennedy and Lyndon B. Johnson, died of a gastro-intestinal ailment Sunday in a Charlotte, N.C., hospital.

He came to Washington in 1961 to serve under Lawrence F. O'Brien, who then was special assistant to the president for congressional relations. Mr. Wilson's responsibility was liaison work with the House of Representatives, especially the Southern delegations.

Mr. Wilson was an administrative assistant to President Johnson in 1967 when he left the government service to become president of the Chicago Board of Trade. He left the Board of Trade eight years later to run unsuccessfully for the Senate from North Carolina.

He was a native of Monroe, N.C., and a graduate of Duke University and its law school. He served in the North Carolina state legislature for six years before coming to Washington.

Survivors include his wife, Mary, of the home in Monroe; two daughters, Jean Mulvihill, of Durham, N.C., and Nancy E. Wilson, of Cambridge, Mass., a son, Henry Hall Wilson III, of Charlotte; a brother, John, of Toledo and a sister, Anne Yard, of Upper Montclair, N.J.

WILSON DISTINGUISHED HIMSELF

North Carolina lost a distinguished citizen Sunday with the death at age 57 of Henry Hall Wilson Jr., of Monroe. Wilson served Presidents John F. Kennedy and Lyndon B. Johnson in the 1961–67 period in a congressional liaison role. He later became president of the Chicago Board of Trade, returning to North Carolina in 1973 to make an unsuccessful bid for the U.S. Senate.

Wilson's statewide public involvement went back to 1960 when he figured strongly in Terry Sanford's gubernatorial campaign and also served as Kennedy's state campaign manager. President Johnson kept Wilson after Kennedy's assassination and used him extensively in pushing his "Great Society" programs through Congress, with special attention to members of Congress from the South.

The Union County man got extensive praise for his work as chief executive officer with the Chicago Board of Trade, although he had no previous experience with commodities trading when he took the job. But North Carolina and politics were his first love, drawing him home to run for the Senate in the Democratic primary, a race he lost to then Attorney General Robert Morgan.

Wilson died before completing a book entitled "A More Perfect Union," based on relations between the presidency and the Congress. His more than 13 years of public service, including six years in the N.C. General Assembly, assure Wilson a place in this state's history.●

JUSTICE FINALLY DONE FOR DR. MUDD

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SIMON. Mr. Speaker, for the past 2 years, I have been working with a dedicated and persistent man to right a century-old injustice. Dr. Richard Mudd of Saginaw, Mich., has spent more than 50 of his 80 years in a campaign to clear the name of his grandfather, Dr. Samuel Mudd, who was convicted of conspiracy to assassinate Abraham Lincoln.

Samuel Mudd's crime was to set the broken leg of a bearded man who came to his home in southern Maryland on the evening of April 14, 1865. That man turned out to be John Wilkes Booth, who had earlier that night mortally wounded Lincoln and then broken his leg as he fled. The beard he wore to Dr. Mudd's home was a disguise. He gave the doctor a false name, and he said he had fallen off his horse.

There is no evidence that Dr. Mudd committed any crime. His trial by a military commission was unfair and illegal. His sentence to life imprisonment was a travesty of justice. It shows the type of irrational actions we, as a nation, can take in times of passion.

The doctor was granted a full pardon by President Andrew Johnson in 1869, and now—110 years later—another President has taken a stand against the injustice that was done to Samuel Mudd.

Yesterday, (Wednesday), President Carter signed a letter to Dr. Mudd's grandson, Richard Mudd, expressing his personal belief in Dr. Mudd's innocence.

The letter was in response to a petition sent to the President in 1977 by Senator CHARLES MCC. MATHIAS and myself, along with 26 of our colleagues, asking that the case be overturned.

This case is of little importance to most people but is extremely important to the many descendants of Dr. Mudd who lived with a shadow over their name because of the injustice done to their ancestor. The term, "Your name is mud," grew out of the conviction of this quiet country doctor who was only doing his duty.

Dr. Mudd first heard of Lincoln's assassination after he had treated the visitor's leg. After Booth and his companion left the Mudd home, Mrs. Mudd told her husband one of the visitors wore a fake beard. She had seen it slip.

His suspicions aroused, Dr. Mudd reported to authorities that he treated the leg of a stranger who might possibly have been the assassin. Eight days later, despite his full cooperation with investigators, the doctor was arrested.

The authorities subjected Dr. Mudd to cruel treatment while he awaited trial. They chained him, packed his eyes and ears with cotton and covered his head with a heavy canvas bag. Dr. Mudd was held for 19 days before formal charges were filed. The charges were finally announced the day before the trial, and Dr. Mudd could not get a lawyer until after the trial had started.

A military commission appointed by President Johnson heard Dr. Mudd's trial, although he was a civilian and there was no reason to sidestep a jury trial which the Constitution guarantees. The commission refused to let the doctor testify on his own behalf, witheld relevant evidence and intimidated a witness.

After serving 4 years of his life sentence, Dr. Mudd was pardoned for heroism in fighting a yellow fever epidemic in prison.

In granting the pardon, President Johnson expressed doubts about the validity of Dr. Mudd's conviction. The pardon states that Dr. Mudd aided the escape of President Lincoln's assassins, but was not involved in the assassination plot itself.

Dr. Mudd's descendants had hoped President Carter would declare their ancestor's conviction null and void. They gained the support of seven State legislatures and many of us in Congress who are interested in both history and justice. Unfortunately, the President has found that he lacks the authority to act further in the case, but his expressed support for the efforts of the Mudd family and his personal affirmation of the doctor's innocence are to be congratulated.

I include President Carter's letter to Dr. Richard Mudd at this point in the RECORD:

THE WHITE HOUSE,
Washington, D.C. July 24, 1979.

TO DR. RICHARD MUDD: I am aware of your efforts to clear the name of your grandfather, Dr. Samuel Alexander Mudd, who set the broken leg of President Lincoln's assassin, John Wilkes Booth, and who was himself convicted as a conspirator in the assassination. Your preoistence in these efforts, extending over more than half a century, is a tribute to your sense of familial love and dedication and is a credit to the great principles upon which our nation was founded.

Your petition and the petitions submitted to me on behalf of your grandfather by numerous members of Congress, several state legislatures, historians and private citizens have been exhaustively considered by my staff over the past two years. Regrettably, I am advised that the findings of guilt and the sentence of the military commission that tried Dr. Mudd in 1865 are binding and conclusive judgments, and that there is no authority under law by which I, as President, could set aside his conviction. All legal authority vested in the President to act in this case was exercised when President Andrew Johnson granted Dr. Mudd a full and unconditional pardon on February 8, 1869.

Nevertheless, I want to express my personal opinion that the declarations made by President Johnson in pardoning Dr. Mudd substantially discredit the validity of the military commission's judgment.

While a pardon is considered a statement of forgiveness and not innocence, the Johnson pardon goes beyond a mere absolution of the crimes for which Dr. Mudd was convicted. The pardon states that Dr. Mudd's guilt was limited to aiding the escape of President Lincoln's assassins and did not involve any other participation or complicity in the assassination plot itself—the crime for which Dr. Mudd was actually convicted. But President Johnson went on to express his doubt concerning even Dr. Mudd's criminal guilt of aiding Lincoln's assassins in their escape by stating:

"* * * It is represented to me by intelligent and respectable members of the medical profession that the circumstances of the surgical aid to the escaping of the assassin and the imputed concealment of his flight are deserving of a lenient construction, as within the obligations of professional duty and, thus, inadequate evidence of a guilty sympathy with the crime or the criminal;

"And * * * in other respects the evidence, imputing such guilty sympathy or purpose of aid in defeat of justice, leaves room for uncertainty as to the true measure and nature of the complicity of the said Samuel A. Mudd in the attempted escape of said assassins * * *."

A careful reading of the information provided to me about this case led to my personal agreement with the findings of President Johnson. I am hopeful that these conclusions will be given widespread circulation which will restore dignity to your grandfather's name and clear the Mudd family name of any negative connotation or implied lack of honor.

Sincerely,

JIMMY CARTER.●

ANARCHY UNDER THE DOME

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. MICHEL. Mr. Speaker, there have been volumes written in recent months concerning the causes of what President Carter refers to as a national "malaise". The President blames it on Congress and "special interests"; others blame it on the President.

A recent editorial in the Journal-Star of Peoria discusses this issue and comes to the conclusion that "the process isn't processing," that is, we are so involved with extreme and non-negotiable positions on many issues that we cannot get to a point where our democratic process begins to function.

I commend this thoughtful editorial to your attention.

At this point I wish to insert in the RECORD, "Anarchy Under the Dome," the Peoria Journal-Star, July 22, 1979:

ANARCHY UNDER THE DOME

(By C. L. Dancey)

What's wrong in Washington?

Why is it "leaderless?"

Why do we have a runaway bureaucracy, a runaway media, Kilkenny Cats for a Congress, and presidential programs that drop down the well and are never heard from again, while the problems they were supposed to deal with grow like weeds and threaten us with crisis after crisis, shortage after shortage?

Is it lack of leadership in the personality of Jimmy Carter? Or is it the collapse of the Congress into political anarchy right there under the Capitol Dome, itself?

Republican Presidents got more consideration from Democratic Congresses than this Democratic Congress gives to its Democratic President.

This is the politics of the '70s which have emerged since the street politics of the '60s.

The old coalition often had contrary interests and contrary views—but they had one thing in common. They really believed in a democratic society, and knew that this required some measure of tolerance, of understanding, and hence of mutual cooperation.

The new coalition talks a good deal about tolerance, understanding and the virtues of keeping an open mind—but display those qualities never.

They take an all-or-nothing approach to a series of single issue dogmas in which you are either a True Believer or a Heretic and they are ready to burn heretics at the stake.

There are the Naders, the Bella Abzugs, the Jane Fondas, some of the labor leaders, the anti-nukes, the macho "feminists" biting and scratching for ERA, the military haters against any new weapon, the corporation-killers who want to transform any problem into a socialist solution, the Black Caucus, and the Back-to-Nature gang that have made a religion out of environmentalism.

And there are their brothers and sisters under-the-skin, the Red-baiters, the Panama Canal shouters, the anti-abortionists, the Tax Revolutionists, the Gun Lobby, the 'Law and Order' lower-the-boom group, the energy at-any-price nuts.

Each of these breaks down into sub-cells—as impervious to all else as the larger groups. Take energy alone. It breaks down into the nuclear fans, the solar energy fans, the fusion fans, the electric car fans, the magic carburetor believers, the windmill fanatics, the gasohol zealots, the propane proposers, the coal lobbyists (union and company), the mass transit proponents, and even, still, the "there's really lots more oil" dreamers.

What they all have in common is a total lack of tolerance, open-mindedness or understanding—a total unwillingness to cooperate with anybody else—and hence a total incapacity to respect the democratic process.

Result: the process isn't processing.

The bureaucracy rolls along with all its semblance of perfect, inflexible, paper order screwing things up across the land in a very structured fashion—giving us the illusion of a government in command . . . but it is really a bureaucracy running out of control. It has no head. It issues contradictory orders and makes contradictory demands. It does one thing through one branch and cancels it out through another. It has no direction, no priorities, and no loyalties.

The media have no pretense of either order or control—least of all self-control—and simply boasts of being the runaway Fourth Estate of government, chasing off for anything that either does spectacular damage or presents the newsman, himself, as superior to all those clunkers with serious responsibilities in business management, political administration or military command.

The Congress continues the surface show of committees, bills filed, witnesses called, speeches made—but turns out to be an exercise in political anarchy under the Dome of the Capitol, itself.

People whose lives are in government have turned to the practice of anarchy instead of democracy in those halls. They are no longer in politics. They are in Show Biz. They will sell out their mother for a 30 second exposure on national TV, and they do sell out the national interest for a "grabber" headline on the front page.

There is no longer a value system on the Hill, except the dubious values of the "media"—which are not based on performance results—but on the dictum "Don't be boring."

Facts, especially a real gathering of detail facts, are usually boring.

People, ergo, who deal in facts, who probe things with some depth, are boring.

And in this International Year Of The Child, that's the key value judgment on the Hill.

It is every man for himself. It doesn't really matter who proposes a program, you can't get on TV or the front pages just agreeing with him! So, everybody has a "better plan"—and no plan ever gets done.

Is this Jimmy Carter's fault?

We shouldn't kid ourselves that we can just change faces at the other end of Pennsylvania avenue and a booming voice and commanding presence—with a few perks on the side—will turn them all into purring pussycats and give everything a sense of direction again.

The real cure is needed at the other end of that avenue.

Or, perhaps, the real cure is on the street where you live.

We have to have an end to these extremists dominating the national dialogue and drowning out the voice of reason.

We have to find a value system solider than what flows from bubble-heads with a flair for drama or the collected wisdom of a Johnny Carson's anonymous joke writers.

And we are training our politicians, daily, in the Wild-And-Crazy-Guy school of economics, history, foreign policy, military defense and future technology.

What we need, friends and fellow countrymen, is to be bored for a while—to listen to somebody who is boring, for once, somebody who knows what he's talking about, and lays it out carefully, fully and responsibly.

What we don't need are all these ideologues, who, like Carson's Carnak the Magnificent, in their wondrous and mystical way divine the answers before the questions are even known. Under such a system, who needs facts? Who needs analysis? You know what you are going to choose to believe in advance.

So long as this is the approach to problems in this society, about all you can say is that this is, indeed, The International Year Of The Child.●

ANOTHER VIEW OF SYNTHETIC FUELS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, while we are seeking to identify solutions to our country's energy difficulties, I feel it very important that all sides of the various proposals considered in the legislative arena be heard.

As the record shows, I have been a strong proponent of pilot programs in synthetic fuels which could help us along toward self-sufficiency in petroleum-based products.

Most recently, during House consideration of synthetic fuels legislation on June 26, I strongly supported an authorization that hopefully will bring us a 2 million barrel a day of crude oil equivalent in the next 10 years.

The President has approved a somewhat larger program, moving basically in the same direction.

Nevertheless, it is my feeling that all of us who are neither engineers or scientists need to examine other sides of the question as well.

A colleague, Mr. STOCKMAN of Michigan, has expressed his ideas in an article entitled, "The Senseless Stampede to 'Synfuels,'" which is made available here for the RECORD:

THE SENSELESS STAMPEDE TO "SYNFUELS"

(By DAVE STOCKMAN)

The current synfuels stampede is official Washington's version of tank-topping—a momentary eruption of the herd instinct based on yesterday's news and today's apprehensions. Fortunately, the nation's gasoline lines are already diminishing in response to improving news, marginally better fuel supplies and the recovery of public composure.

Our best interests now will be served if the synfuels line on Capitol Hill dissipates and if President Carter, if he is to avoid yet another bad idea, forswears support for the synfuel stampede in his televised speech scheduled for tonight.

To be sure, synthetic fuels produced from heavy oils, tar sands, shale or coal will someday be as commonplace as imitation brick fireplaces. The energy appetites of industrial societies, the prodigious deposits of these substitutes that are available and our existing technical knowledge virtually guarantee this. But what will happen someday is not the issue.

The question is whether, on this side of the horizon, a $60 billion to $150 billion program to turn out 2 million to 4 million barrels a day of synthetic fuels would accomplish any of its backers' aims. The answer, despite all the rhetoric and breast-beating, is that it wouldn't.

A crash program of this kind would have virtually no impact on the OPEC oil cartel's power in the 1980s and little impact in the 1990s. It would not significantly enhance our national security or our energy independence. It would not lower the current high world oil price or appreciably slow future price increases. Most important, it would not reduce our vulnerability to Iranian-type oil supply interruptions resulting from political instability, which are currently at the heart of our problem.

Yes, there may well be reason for Washington to promote a few demonstration synfuel plants at present, and there are other important steps we can take. But the last thing we need is a multibillion-dollar illusion to satisfy our national macho, to stroke ourselves with the mistaken belief that, finally, we are "doing something" about the energy problem.

What's happened amid the current synfuels euphoria is that many inconvenient facts have been ignored. The proposed plants, for example, wouldn't come off some Department of Energy cookie cutter. They would require massive engineering and construction feats for "first of a kind" projects.

Coal-liquids and shale-plant technologies, feed-stock characteristics and site potentials vary so widely that they are not likely to become standardized any faster than lightwater nuclear reactors have been. Yet there are only a handful of world-scale engineering firms with the resources and specialized manpower to handle detailed, final plant designs and construction management.

These plants would also result in major environmental assaults, involving many air and water pollutants and, in the case of shale, the disposal of massive volumes of toxic tailings. Even a fast-track approval process by environmental regulators would likely take two to three years because of the irrational complexities of Clean Air Act preconstruction requirements.

In addition, simultaneous construction of 10 to 25 such plants would severely tax the skilled manpower and manufacturing capacity for a long list of critical components and sub-systems. Finally, we should not ignore the experience of the only large-scale syn-

crude plant functioning today, the 130,000-barrel Canadian tar sands facility: It has been plagued with start-up problems for nearly a year and is currently producing at substantially below rated capacity.

All this should make it clear that a massive synfuels program authorized this summer would not affect the world oil price by so much as a dime before 1987. We would be fortunate to have 500,000 barrels a day of reliable output by the end of the next decade. That would be less than a 1 percent addition to the 50 million-barrel-a-day world petroleum market—not much of a lever on oil prices. Even if we managed to turn out 2 million barrels a day by the early 1990s—which would take an estimated 40 synfuel plants—it would increase world supply by only 3 percent, again with only a modest impact on price.

Whatever the long-run prospects, then, a major U.S. synfuels program would do practically nothing about OPEC, and precious little about the world oil price, for at least a decade and a half.

Or you might want to consider the cost-benefit equation another way: A 2-mile-a gallon increase in the average fuel economy of the U.S. auto fleet in 1985 would equal the annual output of 10 synfuel plants.

ESTIMATES VERSUS REALITY

Another misleading notion of the synfuels crusaders is that the world oil price now is rising fast enough and production costs will be low enough for coal and shale liquids to be competitive by the time the synfuel plants are operating. The ease of taking giant risks with other people's money, of course, often makes bureaucrats and politicians overlook critical distinctions that private investors can ignore only at the peril of losing their own money.

Private investors, for example, do not believe the cost estimates derived from their own DOE-financed pilot projects. There is a world of difference between back-of-the-envelope estimates drawn from small-scale experiments and the detailed engineering specifications needed for full-scale plants.

The experience of the Colony Group that planned to build a surface retort shale plant shortly after the first oil embargo is instructive. The back-of-the-envelope estimate before November, 1973, was under $7 a barrel. By the time the detailed engineering specifications had been completed in August 1975, the break-even price had jumped to $22 a barrel. That figure is now nearly $30 a barrel, and that doesn't include additional expenses stemming from toxic-substance and environmental regulations.

There should be no illusions, therefore, that most synfuels would cost anything less than the equivalent of $30 to $40 a barrel of crude oil—and that is in real dollars. If we keep inflating our economy at 10 percent a year, the nominal dollar cost would double to the $60 to $80 range before 1985.

Indeed, the naive assumption that the world oil price is rapidly closing in on the range at which synfuels will become competitive stems from our habit of measuring the world oil price in terms of the counterfeit money we print at home. What matters to foreign oil sellers, naturally, is not the nominal dollar price but the real terms of trade—the command over western steel, engineering services and foodstuffs held by each exported barrel of a wasting assets.

In the context of that buying power, a substantial share of the oil price increase this year was necessary just to restore the terms of trade established in the fall of 1975. From then until last December, the real OPEC oil price—adjusted for dollar-exchange value loss and western inflation—declined by a full 20 percent. If the new $19 average price sticks, by year-end the real price of oil will have risen by less than 9 cents a gallon over the past four years.

In short, it would take a 4 percent annual increase in the real oil price over the next 15 years to close the present competitive gap. In light of the prospects for new production outside OPEC and continued fuel substitution and energy efficiencies around the world, that rate of real price escalation is by no means guaranteed. Scratch another argument.

THE IRANIAN SYNDROME

What the synfuel stampeders fail to recognize is that our current vulnerability does not stem from price pronouncements following the theatrics of oil ministers' meeting in Geneva. The real dangers for us are unplanned and undesired convulsions in the producing areas themselves—the Iranian syndrome—and our failure to be prepared for them. The synfuels panacea would do almost nothing to ease this problem.

Our vulnerability lies in the *structure* of the world oil production system, not in our absolute level of daily imports. There is simply no spare production capacity available now anywhere in the world, with the questionable exception of Saudi Arabia. This means that the mammoth free world oil supply system is balanced precariously on a "ragged edge." Any significant production curtailment will touch off a worldwide scramble for suddenly scarcer supplies, with enormous upward pressure on prices until production is restored or a new price equilibrium is reached.

The key question here is whether the proposed new synfuel plants, if and when they are ever built, would be held in reserve as *spare* capacity or would simply become part of the world's *base* capacity.

It is inconceivable to me that synfuel crusaders intend for these multibillion-dollar giants to stand idle most of the time, waiting for a bomb-thrower in Baghdad to require a throttle-up to full production. Just a million barrels a day of stand-by synfuel capacity would cost nearly $100 million a week to maintain in idle plants, even at today's optimistic estimates of capital costs.

Given the determination of politicians and others to keep plants operating and feeding local economies, it seems much more probable that any new synfuel production would be immediately absorbed in a fuel-hungry world marketplace. True, such production would back out a modest equivalent volume of U.S. oil imports. But the effect would be to lower marginally the average world price and thereby increase global consumption, rather than to create spare production capacity abroad and stand-by protection against sudden supply disruptions.

In a world in which the marginal sources of petroleum supply carry an exceedingly high cost, the only way to get off the "ragged edge" is with low-cost *storage*.

Crude petroleum can be stored in salt domes and other geological formations for substantially less than $1 a barrel. An internationally coordinated, 2-billion-barrel storage program for all the non-communist industrialized nations that are members of the Organization for Economic Cooperation and Development (OECD) would cover a production outage of up to 5.5 million barrels a day for a year—or two years' worth of last winter's net loss from the Iranian interruption.

Spread over annual petroleum consumption in the industrial world, that amounts to an insurance premium of less than a half penny a gallon. Admittedly, periodic storage filling would subtract from current consumption and raise oil prices. But the alternative—with or without synfuels—is in effect to own a flammable house without fire insurance. If only a fraction of the political energies now being expended to grease the synfuels pork barrel were devoted to a domestic and international stockpile program, our energy security would be substantially greater for the rest of the century.

PAYING THE PRICE

This is not all we can do to ease our oil problems. First and foremost among other practical solutions is the need to pay the full world price for petroleum, particularly gasoline. Regardless of the rhetoric of so-called consumer spokesmen, consumption responds powerfully to price. In the five years from 1973 through 1978, energy consumption in the OECD area dropped by a staggering 5.5 million barrels a day relative to the pre-embargo relationship between real economic growth and energy demand. Moreover, these efficiencies will persist and grow over time simply because of the long turnover cycle for the major energy-consuming capital stock—homes, autos and industrial plants.

We also must realize that there are numerous ways to use our most abundant domestic fuel resource—coal—far more cheaply than via multibillion-dollar liquefaction plants. Substantial amounts of residual and heating oils could be freed up from the steam-generation sector for transportation and chemical feedstock use if we were to adopt sensible sulphur-control rules for direct coal combustion. Moreover, clean coal conversion technologies are already commercially proven and will increasingly penetrate industrial and commercial markets in the years ahead.

Finally, we need to get off our home-canning kick. The best prospects for moderately priced liquid hydrocarbons do not lie in the coal of Appalachia or the shale of Colorado. Instead, they lie in the vast heavy oil and tar sand reserves of the Western hemisphere and in unexplored sedimentary basins throughout the non-OPEC developing world. The development of these former resources is already proceeding apace, with two Canadian tar sands plants already on-stream and three more on the way.

In the latter case, there remains a political and institutional barrier: the reluctance of developing nations to share their irreplaceable hydrocarbon resources with the likes of Exxon or Mobil. But U.S. dollars invested in the World Bank program designed to bridge this barrier are likely to do far more to improve our future energy condition than all the grain ethanol, solar power towers and coal liquid plants that the congressional pork barrel can possibly build at home.

There may well be a persuasive rationale for a few demonstration synfuels plants at present. But the suspicion that these plants are not yet competitive could be readily tested simply by taking bids at a guaranteed purchase price of no more than $5 a barrel above the world price over the life of the plants. If such a limited arrangement does not coax private capital out of the banks, it would be good reason to keep billions in public capital in the Treasury.●

HELICOPTERS—TIME OF TRANSITION

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SNYDER. Mr. Speaker, these are the days of supersonic, wide-bodied jet aircraft, and we keep hearing about the many positive aspects of those particular planes. We also hear about the many airport facilities and navigational aids needed to keep these aircraft flying.

However, I believe it is time we seriously consider the attributes of yet another aircraft—the helicopter. The following speech given by Mr. Gerald J.

Tobias of Sikorsky Aircraft to the American Helicopter Society presents a very timely view on the many uses and possibilities of the helicopter.

The speech follows:

HELICOPTERS—TIME OF TRANSITION

(Address by Gerald J. Tobias)

The helicopter industry has made tremendous strides in technology during the last ten years. We have stimulated new patterns of transportation, we enjoy a new helicopter economics that is competitive with our fixed-wing aircraft colleagues, and we stand on the verge of large market gains in sectors that have been the province of small turboprops.

But it seems to me that we are always on the verge; it isn't happening. The reason it isn't happening is that the infrastructure is still unprepared for this technology. Part of this infrastructure is the responsibility of the private sector. For example, the banking community could open the marketplace to small helicopter operators, and the established fixed-wing operators could maximize their own long-range profits by beginning now to integrate rotary-wing equipment.

However, my concern this morning is with the responsibilities of the government. There is no question in my mind that the most important constraints on the development of the civil helicopter business are those imposed by federal, state, and local governments; whether through their failure to take initiatives, or by their insistence that rotary wing must fit the technical and procedural box that was created solely for the fixed-wing industry.

My thrust today is not toward things that the government shouldn't do, but rather toward things that it can and should do, to relieve constraints on the development of civil helicopters. We'll consider two areas in which something can and should be done. One is the development of appropriate heliports in city centers, and the other is the establishment of an appropriate system of air traffic control and IFR airways for helicopters.

Before we address that, let's quickly review the bidding. In 1969 civil sales were only 8% of the total helicopter market. The industry has come a long way in the last ten years, hardened and enlightened by two recessions, made smarter and more creative by the forced technology jumps of the Vietnam War, still hungry for the growth and stability potential in the civil helicopter market.

The civil helicopter business is now the fastest growing sector of the aerospace industry. It is somewhat of a paradox, but the factors behind this recent growth are precisely those that dampened the civil sector in the preceding years: They are technology, capacity, and demand.

First, composites, new alloys, new construction techniques, and more efficient engines make today's products of our industry much more than a wish list. Secondly, with the wind-down on the military side, the industry has pursued the civil business in earnest. And finally, people now take the helicopter seriously: High-technology military helicopters and trunk-airline involvement stimulated an interest in post-war helicopters; because of this interest, increasing world affluence, and the healthy growth of civil aviation, the demand for helicopter services has grown exponentially.

The first big surprise for the owners of the new helicopters was that there was no place to land them.

The federal government has always accepted its responsibilities to the driving public by creating the roads on which cars must travel: It would be patently ridiculous to ask automobile owners to chip in for a highway before it was built.

Similarly, with the airplane's increasing acceptance in the 1920s and 30s, the Federal Government encouraged the creation of a comprehensive airport system so that individual airplane owners would not be confronted by an impossible requirement for a prohibitive front-end investment.

There can be no doubt that downtown heliports fall into the same category of essential infrastructure for an essential public service. Yet, while the cities in some cases have accepted their responsibilities in this regard, the federal government has not yet come forward with the kind of capital or even procedural encouragement that could bring about heliports of the size needed to serve the public in a meaningful manner.

There are more than 700 civil helicopters based within 250 miles of Washington that are unable to land downtown because there is no public heliport; in order to serve this city, they must use conventional fixed-wing facilities at National, and add to the congestion in the airways and the airport access system.

Of the major Northeast Corridor cities who published real or imagined plans for helicopter facilities in the CAB's 1969 Northeast Corridor Case, only New York City has public heliports downtown, and only New York has proceeded with a substantive heliport plan.

As traffic in the hub cities grows, and the possibilities of additional airports becomes a necessity, we recall that ten years ago the Port of New York Authority was ready to pay $375 million in 1969 dollars for the privilege of constructing another airport. Today that would cost 700 million dollars. We would do well to remember that a properly supported helicopter system could carry the incremental traffic at a fraction of the cost of conventional fixed-wings.

At the same time, let's not forget the general aviation traffic, which is the major factor in airport congestion. Today there is unquestionably a large component of biz-jet users that would be more than happy to fly helicopters if there were only a place to land downtown. And one result of airline deregulation will most certainly be a dramatic increase in biz-jet traffic.

What we are looking for is capital grants for heliport construction, modest by comparison with railroads, highways, or runways; regulatory understanding; and uniform, realistic requirements with regard to noise, zoning, and safety.

The second area in which something could and should be done is the development of the airways themselves. The industry has encouraged the development of non-interfering helicopter airways for many years, on the premise that low-altitude flight profiles, relatively low air speeds, and the ability to stop before you land, should permit the helicopter to operate freely in unused IFR airspace, and to relieve the all-purpose IFR system of some of its present congestion instead of adding to it.

Like many of you, we also operate helicopters routinely in the conduct of our daily business; and our corporate S-61N and SPIRIT aircraft are among the best IFR-capable helicopters in the world today. We too have had the frustration of flying IFR to New York City via fixed-wing airways that subject us to both adverse winds and holding patterns as we line up behind fixed-wing transports.

These are real problems that translate into costly delays, high operating costs, and frequent cancellations. Moreover, our presence in these fixed-wing IFR airways contributes to their overall congestion and has an adverse impact on the fixed-wing aircraft that truly belong there.

With the cooperation of the helicopter operators' community, the FAA has developed an experimental area navigation route for the Northeast Corridor. In September, the FAA approved Copter RNAV route 241, a truly appropriate helicopter IFR approach to New York City's 34th Street heliport. Hopefully, similar approaches will be developed to JFK and Boston's Logan Airport, and I am aware that the FAA—particularly the New England and Eastern Regions—are currently working this problem.

We urgently need a national airways system that incorporates rules, routes, equipment, and air traffic control procedures appropriate to helicopters. Our objective should be no less than IFR performance equal to our VFR performance.

We in the industry can continue to provide requirements and to suggest directions, and we can participate in the development, but the cost of the system and the organization effort should be borne by the Government. And these objectives must be addressed quickly if we are to capitalize on the potential of the civil helicopter, and help head off the imminent increase in fixed-wing airways congestion.

In the near term we need low-level helicopter routes and ATC procedures, and lower helicopter minimums and reserves. For the long term we need to move forward quickly to an appropriate navigation system, such as NAVSTAR, which appears to promise the most benefit to the total aviation system at the least cost. We are told it could be operational in five years. But the project is being delayed by some military agencies that are reluctant to phase out their present systems, and by some short-sighted fixed-wing interests who would prefer to have the R&D effort concentrated on nearer-term alternatives.

These alternatives, however, don't accommodate the helicopters, do nothing to accelerate the development of appropriate helicopter IFR airways, therefore do nothing to relieve fixed-wing airways congestion.

A month ago, the Administration proposed airport and airways improvements of $6.6 billion over the next five years and to allocate a billion dollars of trust-fund money to ATC operations. I am concerned that these sizeable sums of money may be spent on reinforcing the present inadequate systems of airports and airways thus making it even more difficult to bring about a system that can fully and effectively integrate rotary-wing aircraft.

I would recommend to the Federal Government—both the military and civil authorities who are working this problem—the importance and urgency of developing a navigation system within which fixed-wing and rotary-wing aircraft can go their separate, less congested, and less costly ways.

We in the helicopter business acknowledge and appreciate the objectives set by FAA Administrator Langhorne Bond in this regard, and the efforts that he has directed toward the Agency's helicopter operations development program. We are encouraged; and we, in turn, encourage Congressional and Administration support for an accelerated program.

These, then, are two areas in which government has a clear and immediate responsibility to the helicopter industry. We have made tremendous strides in the development of economic, effective, and appropriate civil helicopters during the past ten years; and we will continue to advance the state of the art of the quality and effectiveness of civil helicopters.

But further development of this section is now largely beyond the manufacturers' control.

It is now time for the government to acknowledge the strides that industry has made and restructure the airspace and total aviation environment that is solely under its control, to exploit the modern helicopter to its fullest potential today.

If we can get that together, then we will make it happen! ●

TRIBUTE TO CHARLES KROWN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. WAXMAN. Mr. Speaker, it is with pride and pleasure that I take this opportunity to pay tribute to a very special human being—Charles Krown of Los Angeles. On September 9, 1979, Mr. Krown will receive the Jerusalem Award from the Shaare Zedek Medical Center at a dinner being given in his honor at the Beverly Hilton hotel.

Whether engaged in a business enterprise or a philanthropic project, hard work, perseverance, and success have been the hallmarks of all that Mr. Krown has undertaken in his long and illustrious life.

Charles Krown was born in Odessa, Russia, December 25, 1898. At the age of 4 he came to the United States with his family and lived in various cities before settling in Chicago. He began his pharmaceutical studies as an apprentice in 1912, but they were interrupted by World War I, at which time he joined the Army Medical Corps. After his discharge in 1918 he was licensed as a pharmacist in the State of Illinois and operated a number of pharmacy stores in Chicago. In 1937 he expanded his business interests into other fields such as marketing photographic equipment and book manufacturing. He developed a well-known line of books, Krown-Kraft, which were sold nationwide and throughout Canada, Mexico, and Hawaii.

In 1946 Charles Krown retired completely from the business world in order to devote himself more fully to community and philanthropic work which involved his favorite areas of interest—institutions of higher learning and the State of Israel. At UCLA he was instrumental in establishing a department of Hebrew letters and literature.

Mr. Krown is a member of the board of counselors of the USC School of Pharmacy. He is a major benefactor of the school and was recently named an honorary alumnus. In 1953 Mr. Krown launched the school of pharmacy at Hebrew University in Jerusalem. Besides making major financial contributions he started a fund raising campaign in Israel for the school through the Israel Pharmaceutical Association. In 1954, in recognition of his activities, Hebrew University named him an honorary fellow for deserving individuals. Charles Krown is on the board of governors of both Hebrew University and the Technion, Israel's Institute of Technology. A fervent supporter of the State of Israel he has purchased more than $1,000,000 in Israel Bonds.

Since 1948, Charles Krown has made Los Angeles his home and has involved himself with many community activities including the Jewish Community Council (forerunner of the Jewish Federation Council), the University of Judaism and Hebrew Union College, among others.

I ask the Members to join with me, his wife Charlotte "Chic" and his daughter Elaine Krown-Klein in congratulating Charles Krown on all that he has accomplished. He is a first-class citizen, in the finest sense, of his community, his country and, indeed, the world.●

THE CASE FOR A BALANCED BUDGET AMENDMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. FINDLEY. Mr. Speaker, when an idea's time has come, its diehard opponents often raise a last-minute flurry of objections. That is just what has happened to the rising demand for a constitutional amendment to require a balanced Federal budget.

Proposed amendments, including my own, knocked around Congress for years, never gaining much attention. But this past year a grassroots movement put new life into the cause. A large number of State legislatures passed resolutions calling for a constitutional convention to draft a balanced budget amendment. Although the convention method has not been used since the original Constitutional Convention, the total number of States demanding action climbed to 30, just four short of the needed 34.

The atmosphere for fiscal reform is now charged. Early this year the Senate voted to balance the budget in 1981, and the House of Representatives came within two votes of considering a procedure to insure balanced budgets.

Yet nay-sayers, including prominent economists and politicians, are raising their voices too. And President Carter set up recently a White House office to coordinate an effort to turn public opinion sour on the idea.

The American people, however, remain committed. A February Gallup poll showed 78 percent in favor of a balanced budget amendment. And recent Associated Press/NBC and New York Times/CBS polls produced results nearly as overwhelming—those in favor were 70 percent and 73 percent respectively.

Americans are deeply concerned about the resurgence of double-digit inflation. After dropping from a high of 12.2 percent in 1974 to 4.8 percent in 1976, the inflation rate shot up again to 9 percent last year and hit a startling annual rate of 15.4 percent in February of this year and has stayed above 13 percent since.

Inflation hurts especially those whose incomes do not increase as fast as living costs. Nonsupervisory workers felt the spending power of their weekly earnings actually drop by 4 percent between 1973 and 1978.

If a family bought a new house last year at the average price, it cost them $56,000, 65 percent more than the 1973 price of $34,000. A new car cost an average of $6,775 last year, 72 percent more than the $3,930 paid 5 years earlier. And American families had to spend nearly $75 for a shopping cart of weekly groceries in 1978 that would have cost just $50 to clear the checkout stand in 1973.

Nor does the future look better for the average worker. If inflation continues at around ten percent, family purchases will cost nearly 60 percent more in 1983 than last year.

The typical family sees little advantage in saving money when inflation is high. The Federal Government prevents savings and loan institutions from paying more than 5¾ percent interest on short-term deposits, and U.S. savings bonds pay 6 percent at best. Thus the interest a family gets on savings does not begin to compensate for inflation. At a 10 percent inflation rate $1,000, even though earning interest, declines to about $800 in real purchasing power after 5 years in a savings account.

A strong thread in the American social fabric has been the willingness of citizens to put money aside for a rainy day and retirement. The steady grind of inflation on the value of those savings, however, makes millions of Americans unwilling wards of the State during their senior years.

And they find that burgeoning interest costs on a growing national debt, which the Government cannot avoid paying, weaken their Government's ability to help them. Last year the national debt of $780 billion cost the U.S. Treasury interest payments of $44.0 billion, nearly $740 for each American family. Unchecked deficit spending and inflation at the same rate as during the last 5 years will result in a national debt of almost $1.3 trillion in 1983 and annual interest cost of over $96 billion, more than $1,300 per American family.

Clearly inflation is the gravest danger we face—more serious than the Soviet threat, instability in the Middle East, or the energy crisis. America's leaders need to apply the same dedication toward bringing inflation under control that Abraham Lincoln gave to saving the Union over 100 years ago.

A long-range inflation-fighting program must be based on a constitutional amendment to require a balanced budget. Only a constitutional restraint can prevent elected officials from indulging in the too-easy temptation of deficit financing to win support from various special interests. All of the arguments against a balanced budget amendment fall before that compelling logic.

Examine them:

Argument. Balanced budgets will not necessarily cure inflation.

Inflation does have causes other than Federal deficit spending. These include Government mandated increases in personal income like minimum wage; oil price increases by the Organization of Petroleum Exporting Countries (OPEC); environmental, safety and other Federal regulations that boost costs to consumers; and the strong demand for goods and services created during high peaks in the business cycle. But a backbreaker that helps transform moderate inflation into intolerable double-digit inflation is Federal red-ink.

The Federal Government finances deficits in part by creating new money through the Federal Reserve System.

That spurs inflation, especially when skilled labor and capital are fully in use. Too much money chases too few goods and services. And that pushes prices up.

Keynesian economists cannot have it both ways. If deficit spending stimulates the economy is a recession, then we must keep it from overstimulating when the economy gets too hot. Milton Friedman is right. We are all Keynesians now, at least in that respect.

Argument. We need deficit spending during recessions. Balancing the budget during an economic slowdown could lead to an unplanned surplus, further depressing the economy.

Granted. That is why a balanced budget amendment must include an escape clause. Under most proposals Congress could incur a deficit by declaring a national emergency by a two-thirds vote of the House and Senate. Congress has proven sensitive in the past to protecting economic prosperity and faced with widespread unemployment would surely use the national emergency provision.

Argument. Under a balanced budget amendment Congress could not use fiscal policy to "fine tune" the economy, to smooth the hills and valleys of the business cycle.

Fiscal policy is too cumbersome for fine tuning. Budget experts, working months in advance, cannot predict spending and revenues any closer than a few billion dollars. Recession and double-digit inflation during the last decade proved that Congress is totally inept at fine tuning.

The Federal Reserve System could still counter recessions by putting more money into circulation and cool inflation by reducing the money supply. And it needs much less leadtime to make monetary adjustments than Congress needs to change the budget.

Argument. Congress cannot predict tax receipts well enough in advance to keep the budget in balance.

Estimates of tax receipts will, of course, prove too high in some years and too low in others. Over several years these errors in forecasting will tend to balance, and fiscal policy will have a neutral impact on the economy. A minor imbalance in any 1 year would cause no more inflation than the Government could easily correct through monetary and other policies.

Argument. Constitutional amendment is unnecessary since Congress and the President will respond to obvious public demand for a balanced budget.

Neither has so far. I introduced the first bill calling for a congressional budget procedure in 1972 with high expectations. Congress, I had hoped, would control deficits if it were required to weigh in a simple resolution total spending against total revenue. Congress had decided past fiscal policy piecemeal through separate bills, usually letting spending slide sharply out of balance with revenue.

Instead of encouraging fiscal responsibility, however, the congressional budget procedure has been perverted to legitimize unprecedented deficits in peacetime as large as those of World War II. In the past 4 years Congress used its new budget procedure to vote three deficits above $40 billion and a fourth almost that large—adding $171.2 billion in new debt in just 4 years.

Presidents have performed nearly as badly. White House occupants submitted red-ink budget proposals in 8 of the last 10 inflation-packed years.

Even if public pressure forces politicians to balance the budget for 1 or 2 years, a slide back into deficit spending would be likely after the public clamor dies down. Only a constitutional amendment can assure balanced budgets in the years ahead.

Argument. There is no safe way to amend the Constitution. Congress will not pass a balanced budget amendment, and a constitutional convention cannot be trusted to confine its actions to the purpose for which it is called.

Congress has moved closer to passing a balanced budget amendment than many of us would have dreamed a year ago. And Congress can certainly draft an amendment more quickly and easily than could a convention.

But if Congress does not act, a constitutional convention could do the job responsibly. Proposals by a convention would need approval by three-fourths of the State legislatures before becoming part of the Constitution. That provision provides an effective brake if the convention should act irresponsibly.

My home State of Illinois held a constitutional convention in 1970. The convention was charged with revising the entire State constitution, not simply proposing amendments. Yet it used that blank check with great restraint and responsibility. Delegates kept their work acceptable for ratification. There is no reason to expect a national constitutional convention to act less sensibly.

Argument. Budgeting is a technical process, too complex to be governed by a constitutional amendment.

A balanced budget amendment should be worded in constitutional language that is direct and uncomplicated. It should state simply that planned expenditures shall not exceed expected revenues except when Congress declares a national emergency by a two-thirds vote in both the House and Senate.

A balanced budget amendment should not and need not contain cumbersome verbage in an attempt to cover every conceivable contingency. The judicial branch will settle questions of constitutional interpretation.

Argument. We should not clutter the Constitution with prescriptions on fiscal matters not central to the basic principles of government.

Nothing is more basic to government than taxing and spending, especially now when Federal fiscal irresponsibility threatens our economy and national well-being. The 16th amendment gave Congress the power to tax income, a power that clearly concerns fiscal matters.

Lord Acton said that power corrupts and absolute power corrupts absolutely. The Constitution prevents the absolute abuse of political power. Our citizens have as much right to use their Constitution to control the absolute abuse of economic power.

They need and deserve a constitutional provision to curb inflation and preserve their economic future. Their leaders ought to get on with the job of carrying out that mandate.●

UNITED STATES SHOULD ENTER SALT II CAREFULLY

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. MYERS of Indiana. Mr. Speaker, our former colleague William G. Bray of Indiana, who served in this body for 24 years completed this article on Salt II the day before he was stricken fatally ill on May 31. His wife Esther, released it to the Indianapolis Star where it appeared in its July 22 edition.

The article follows:

U.S. SHOULD ENTER SALT II CAREFULLY

(By William G. Bray)

Those who cannot remember the past are condemned to repeat it.—George Santayana—"Life Of Reason."

Russia and the United States have been dicussing phases of a possible SALT II (Strategic Arms Limitation Treaty II). The making of a treaty should be entered into with the greatest care, caution and knowledge possible, especially when that treaty limits or abandons weapons and methods of U.S. defenses that are important to the safety and wellbeing of our people.

Apparently the Soviets are quite interested in such a SALT treaty. The *Moscow News* information publication, printed in English and sent around the world by air, in its Oct. 17–20, 1978, issue carried the following in its "Viewpoint" column:

" . . . But we still don't have a SALT agreement, despite the fact that there is quite an adequate basis for signing it . . .

"All signs point to the fact that there are rather influential groups in the USA representing mainly the militarist circles and the military-industrial complex which want to hinder the signing of the agreement or to torpedo it altogether.

"The USSR is working consistently to complete the talks and get the agreement signed as quickly as possible."

The U.S. and Russia signed SALT I in 1972, a fact that has resulted in increasing controversy in America both as to our signing of a treaty which many believe lowers our defense capabilities and the fact that the Soviets have been and are violating their commitments under SALT I. It is to be hoped that American leaders are most seriously and carefully considering what might be the implications of signing another such treaty with the Soviets.

All too many national leaders and diplomats take great pride of accomplishment in announcing the signing of a treaty as a great diplomatic victory when the Soviets have in fact only negotiated such a treaty to weaken the defenses of our country. Treaties must be based on mutual trust and good faith in order to be effective. A treaty that is not going to be kept by both parties is a deterrent to peace and should be avoided. We must judge other countries on the basis of what they are and what their record in history shows them to be—not what they tell us they are.

The American officials today who are insisting on the signing of SALT II with Russia apparently "cannot remember the past" of Russian treaty violations. For those whose memory of the past is very short, we have the record of the SALT I of 1972. For the enlightenment of those Americans who today are working toward having the United States sign another SALT agreement with Russia, they should study the unfavorable results to our country from the 1972 agreement.

In the December 1977 issue of Reader's Digest, its lead story was headlined "Arms Control—The Russians Are Cheating!" The sub-head read, "Long-withheld Evidence Proves That, By Repeatedly Violating the SALT I Accords, the Soviets Are Posing a Grave Threat to U.S. Security."

This story was written and documented by Melvin R. Laird, a longtime authority on national defense, having been a member of the Defense Appropriations subcommittee of the House of Representatives before becoming secretary of defense, the post he had held when the United States entered into the SALT I accord.

Secretary Laird was in an excellent position to understand the negotiations leading to SALT I and to see how Russia took advantage of the terms of the accord. In this article, Laird wrote:

"As Secretary of Defense at that time (1972) I felt that the prospective benefits of mutual cooperation justified our taking a chance. But today, five years later, I must report that our hopes have not been realized and that our worst fears are rapidly becoming reality. The evidence is incontrovertible that the Soviet Union has repeatedly, flagrantly and indeed contemptuously violated the treaties to which we have adhered.

"This evidence has been withheld from the Congress, the press and the public. I believe there no longer is any excuse for denying the American people and their elected representatives facts whose suppression profits only our enemies."

The United States fails to understand that the Soviet Union and its predecessor, the Russian Empire, have, for centuries, been the most consistent violators of political promises and treaties of any nation that still exists.

A study made and published by Jan F. Triska and Robert M. Slusser in *Theory, Law and Policy of Soviet Treaties* (Stanford University Press, 1962) concluded that:

"No agreements that the Soviet government makes to desist from Communist propaganda, subversion, or efforts to undermine the political, economic, and social systems of its treaty partners are in our view of any value . . ."

Early leaders of the Soviet Union took great pride in and boasted of their broken treaties. Said Lenin, in his *Selected Works, Vol. III* (page 301), "Yes, of course we are violating the (Brest-Litovsk) treaty; we have violated it thirty or forty times."

Josef Stalin bragged, in his *Works, Vol. II* (page 277): "A diplomat's words must have no relation to action—otherwise, what kind of diplomacy is it? Words are one thing, actions another. Good words are a mask for the concealment of bad needs. Sincere diplomacy is no more possible than dry water or iron wood."

As a specific example of Soviet infidelity, at the close of the Potsdam Conference in August 1945, it should have been apparent that unless Britain and the United States took a firm and positive stand against Russian territorial aggression, Russia would soon have absolute control of Poland, Hungary, Rumania, Bulgaria, Czechoslovakia, East Germany, Yugoslavia and Albania.

However, despite the clear evidence, a substantial number of Western leaders had an abiding faith that if we continued to yield to Russia, appealing to her on a basis of "high morality," she would change her pattern of aggression and would carry out the spirit expressed at Yalta. The futility of appealing to Russia on this basis soon became apparent. Russia absorbed these small countries and made them satellites within the Russian orbit.

These countries had several points in common. Each was a free country before World War II. In the case of each, Russia had promised the United States, Britain and the countries involved that she would not interfere in their internal national affairs, quoting as her pledge the Yalta Declarations on Liberated Europe. Russia broke her word and with violence, subversion and either armed force or the threat of it, installed a puppet government in each country. To this day the Soviet Union holds these countries in its grasp.

The Russian pattern of aggression has been successful over the last five centuries. It has enabled her to take over 46 distinct races speaking 61 languages. And still her territorial hunger remains unquenched.

History discloses that it is extremely rare that Russia has attacked a reasonably strong country which is determined to protect its freedom. It is unfortunate that so many countries have been unaware that Russian attacks usually are against nations that trust her and with whom there are ties of friendship and responsibility.

Are U.S. leaders being naive in again trusting Russian promises? Will the United States or the world be any nearer peace and freedom of mankind for the signing of another SALT treaty that has so little chance of being kept?●

THE DANIEL JAMES MEMORIAL CENTER FOR PREVENTIVE HEALTH EDUCATION ACT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. STOKES. Mr. Speaker, on February 25, 1978, America lost a great leader, Gen. Daniel "Chappie" James, Jr., the first black American to hold four-star rank in the Armed Forces of the United States. Today I am introducing legislation which will authorize funds to construct a lasting tribute to his memory.

General James was born February 11, 1920, as the youngest of 17 children. He attended Tuskegee Institute in Tuskegee, Ala., where he received a bachelor of science degree in physical education. There he joined the campus branch of the Army Air Corps aviation cadet program and was commissioned an officer. At that time, the Air Corps flight training was segregated. However, General James, along with other black airmen, staged a sitin at the officer's club helping to bring an end to Jim Crow in the armed services. Thus, while climbing the military ranks, he assisted in paving the road to equality in the military and continued to struggle for racial equality at home and abroad.

General James served with distinction and flew over 200 combat missions in World War II, the Korean war, and the Vietnam war. His heroism is evidenced by the many decorations he won for combat and leadership, including the Department of Defense Distinguished Service Medal (the highest noncombat award which can be presented to a member of the Armed Forces), the Air Force Distinguished Service Medal with one oak leaf cluster, the Legion of Merit with one oak leaf cluster, the distinguished Flying Cross with two oak leaf clusters, and the Air Force Outstanding Unit Award with three oak leaf clusters. Additionally, he became the commander in chief of the North American Air Defense Command (NORAD, a binational military command consisting of the United States and Canadian air defense forces), and commander in chief of the U.S. Air Force Aerospace Defense Command (ADCOM, the U.S. element of NORAD). In this dual capacity, General James was responsible for surveillance and air defense of North American airspace and for providing warning and assessment of hostile attack on the continent from bombers or missiles.

While General James was known worldwide for his military achievements, he will also be remembered for his community service for which he was awarded several civilian awards including the George Washington Freedom Foundation Medal, the United Nations' Service Medal, Veteran of Foreign Wars (VFW) Commander in Chief's Gold Medal Award and Citation, and the United Negro College Fund's Distinguished Service Award. And he was awarded an honorary doctor of laws degree from several universities including the University of West Florida, the University of Akron, Virginia State College, and St. Louis University.

Mr. Speaker, Gen. Daniel "Chappie" James was obviously a man of strong character and profound beliefs. In reaching his goal, he withstood the imperfections of the American society without losing his faith in the democratic system of government. As Defense Secretary Brown stated,

> We are wiser, more tolerant and stronger because of "Chappie."

I believe that Gen. Daniel "Chappie" James should be ranked among the most notable men in American history. His achievements, were for himself, his family, for Tuskegee Institute, for Blacks, and for the U.S. Air Force. More important, however, were his achievements for America. Thus, for America, Gen. Daniel James should be tangibly memorialized for posterity.

Because of the personality and the character of the man, the Daniel James Monument should be a functional facility. Thus, a very fitting monument would be the establishment of "The Daniel James Memorial Preventive Health Education Center" at Tuskegee Institute.

This monument should be at Tuskegee Institute for several reasons. First, it was the ROTC program at Tuskegee Institute that pointed General James in the direction of the Air Force and provided the basic fundamental training. Second, it was Tuskegee Institute that established the first pilot training that sent him on his admirable performance in three wars. And finally, Tuskegee Institute has already been recognized as a national re-

source, as evidence by its being designated a national historic site/district.

During the fiscal year, the Tuskegee Institute National Historic Site attracted 35,000 visitors and it is conceivable that this number will increase when this center, which would be erected adjacent to these historic structures, is completed.

In America, when the word "health" is used, it customarily evokes images of hospitals, clinics, physicians, technicians, cobalt machines, and multiplicity of high level professional skills and expensive technologies. All of these elements, together with the almost sacred image of the research scientist with his test tubes turning out a marvelous array of new drugs and "cures," are seen as epitomizing the best medical "care" available in the world. Only recently and prodded by the staggering costs of attempting to provide these sophisticated services and technologies to the broader American populace, have we paused to recognize that these resources are in fact designed for "after the fact" intervention in disease processes, many of which are preventable.

For example, consider lung cancer and arteriosclerotic heart disease—two major killers in America. Both usually arise after decades of abuse to the body, with years of heavy smoking, drinking, high carbohydrate and fatty diets, obesity and lack of regular exercise playing a major role. We have begun to face the fact that nothing that can emerge from a clinic or a test tube can do as much to moderate such self-inflicted diseases as the adoption of self-imposed health changes in the way that people live.

Thus, by contrast to our highly advanced technologies methods for detecting disease and coping with its effects on the organism, our national concepts and national experience in the principles of effective health maintenance are still embryonic. This is particularly true in the area of health education where the existing models are few and of unproven effectiveness. Health and the elaboration of functional mechanisms for promoting and maintaining it will gradually become a primary national focus over the next several decades. This will be paralleled by a relative deemphasis of disease curative procedures based on prohibitively expensive technology. This swing of the pendulum will not be dramatic, abrupt or revolutionary, but it has already been set into motion by health planners at the Federal level.

I believe that leadership in this movement should come from the higher education sector and that an important facet of that leadership should and must come from those relatively few institutions that are firmly rooted by mission, by tradition, and by proven effectiveness in the service of those disadvantaged populations who currently bear the brunt of inequitable access to the high technology "curative" system of medical are—populations that, accordingly, have the most to gain from the effective introduction of health education and health maintenance systems. Tuskegee Institute is a prime example and might with some justification even be considered prototypical of those few truly unique institutions of higher learning.

Given the above facutal base and major opportunity for leadership in a nationally important area, Tuskegee Institute proposes a bold new kind of health education center—a facility that architecturally, philosophically, and in the programmatic activities that it will support, will provide a major new focus on those categories of activities designed to promote and reinforce those behaviors that lead to the optimum state of physical and mental well-being that we recognize as "health."

The following is an outline of the key program components and related concepts that will be served in the health education facility:

A. PHYSICAL EDUCATION

Physical fitness is but one aspect of physical health; however, it is a very important one and one that is generic to the concept of the optimally healthy person. Exercise is an essential element achieving physical fitness. Strength, stamina, endurance, and other desirable physical qualities are best developed through vigorous activity. Colleges and universities have a responsibility to their student bodies to provide programs and facilities that permit all students—men and women—to achieve and maintain adequate fitness levels. The President's Council on Fitness for Leadership has made structured suggestions for colleges and universities in this area. These recommendations include:

First. Provide for student health appraisals, interpretation of results and counseling of students.

Second. Require all students to demonstrate or acquire a satisfactory knowledge of sound health practices.

Third. Use physical achievement tests to assess student needs and measure progress. Provide special help for physically underdeveloped students.

Fourth. Require students to demonstrate or develop proficiency in swimming, conditioning exercises in several forms of sport, dance, and other activities.

Fifth. Provide leadership, programs, and facilities which will encourage students and faculty members to maintain a high level of physical fitness at all times.

The preventive importance of physical fitness is well known and centers on cardiovascular capacity, an increase in which is an observable and predictable benefit of exercise training. It is proposed that the health education facility would greatly enhance the capability of the institute to provide a structured physical education and physical fitness program. And, in keeping with one of the basic concepts outlined above, the facility would also serve in this regard as a center where individuals in the immediate and outreach communities may be instructed in and participate in such programs.

B. RECREATION

Recreation may be conceived at two levels, both of which would be served by the health education facility. First, the availability of and participation in a wide variety of social, creative, cultural, and related general activities arranged for the broad community. At the second and more precise level, recreation can be therapeutically prescribed to meet specific needs of specific individuals and/or groups. Tuskegee Institute currently sponsors activities at both these levels, including the preclinical training of students in the field of recreational therapy. Both will be strongly augmented by the availability of the health education facility as designed.

C. CORE CURRICULUM FOR THE HELPING PROFESSIONS

There is a basic core of concepts, principles, and information about the human condition that should be shared by all those entering the helping professions. It is envisioned that the Health Education Center would serve structurally as the focus for the conduct of special courses, seminars and other teaching-learning activities that would make up such a core curriculum.

D. HEALTH EDUCATION AND INFORMATION

A regional community health educational materials center will be an important function of the Health Education Center. Selected categories among the 30,000 voumes and 300 journals and serials that make up the Tuskegee Institute health sciences library collection would be housed at the center to support the structured educational activities to be conducted in the center.

E. COMMUNICATIONS

Since effective use of mass communication media for health education is a still relatively unexplored potential in health education, it is planned that future oncampus radio, television, or other related communications training programs could profitably be conducted utilizing the Health Education Center as a functional base.

F. HEALTH MAINTENANCE

In one sense, all of the above activities are relevant to the promotion and maintenance of health; however, there are important specific and discrete functions that should be included in the facility. One of these is physical assessment. Certain cardiorespiratory tests are fundamental to the understanding of an individual's "physical fitness" and/or prerequisites for the subsequent evaluation of an individual's progress in a health maintenance program. This type of assessment is sometimes carried out in traditional medical care settings; but more appropriately should be seen as part and parcel of a health maintenance offering. Such assessment should be an ongoing part of the Health Center's program and its utilization should be encouraged broadly in the campus and outreach communities.

There are two basic concepts underlying and buttressing the development of this facility and Health Education Center:

First. The center is conceived as serving not only the 3,500 young men and women who constitute the institute's student body at any given time, but shall serve as a major active interface between the institute and the local community, as well as between the institute and that broader "community" constituency that represents a major segment of the Alabama black belt. This concept has significant architectural ramifications. While a strong institute-community interface is a prominent feature of Tuskegee Institute, the specific community needs and institute programs that make up this Health Education Center interface can be expected to change many times over the anticipated 40–70 year life span of the proposed facility. Spatial flexibility and adaptability to multiple purposes are hallmark features of the factility.

Second. The facility should not only provide for new programmatic thrusts in the health education and health maintenance arena, but should augment the much needed integration of a number of the substantial and important existing programs that fall naturally under the health maintenance enterprise.

In conclusion, this center will have local, regional, national, and international significance. It will provide an atmosphere for educational and cultural enrichment to numerous students, local citizens, and visitors. Tuskegee Institute is well "positioned" in its history and in experience to assume a key leadership role in a major new thrust in American life—that is, the promotion and maintenance of the health of our citizenry as opposed to the cure and remediation of disease engendered by "unhealthy" attitudes and behaviors that constitute an important component of the American "life-style." The assumption of this leadership role, with its prerequisite pulling together of the institution's already substantive but fragmented programs and activities relative to health education and health maintenance, will necessitate a new facility having the characteristics and capabilities described in this concept paper.

The investment in such a facility promises tremendous returns over the next several decades in terms of the strong health orientation of the thousands of Tuskegee Institute students who will graduate during that period and bring these positive influences to bear tertiarily in those communities nationwide and worldwide where they do their life's work. A successful program thrust can, through the institute-community interface in health education, more directly affect the "health" of a significant segment of the outreach population in the black belt.

It is only proper that such an edifice to house this innovative idea in health should be constructed at Tuskegee Institute, which provided physical education and Air Force training to Gen. Daniel "Chappie" James, Jr., who in return gave so much to this country. He believed in this country and the democratic ideals for which she stands. In a 1967 letter that merited the Freedom Foundation's George Washington honor medal, he stated,

> • • • I am a citizen of the United States of America. I am not a second-class citizen and no man here is unless he thinks like one, reasons like one, or performs like one. This is my country, and I believe in her, and I believe in her flag, and I'll defend her, and I'll fight for her and serve her • • •.

Mr. Speaker, I ask my colleagues to join me in passing this legislation which will authorize funds to erect a lasting memorial to this outstanding military leader and great American, Gen. Daniel "Chappie" James, Jr.●

HELICOPTERS—TIME OF TRANSITION

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, as the 96th Congress gropes for a balanced transportation policy to serve the citizens of this Nation, I would like to bring to the attention of my colleagues an enlightening address by Gerald J. Tobias, president of Sikorsky Aircraft, which was delivered to the American Helicopter Society.

I invite you to take a few moments of your time to learn about the tremendous economic and effective developments this industry has accomplished over the past decade, which was partly because of our intensive reliance on helicopters during our involvement in Vietnam, and how we can best channel the civil helicopter to increase our mobility throughout society. Mr. Tobias explains in clear and simple language why hundreds of helicopters are unable to land in the midst of our Nation's Capital and are relegated to already overcrowded surrounding airports. The text of his speech follows:

HELICOPTERS—TIME OF TRANSITION

(By Gerald J. Tobias)

The helicopter industry has made tremendous strides in technology during the last ten years. We have stimulated new patterns of transportation, we enjoy a new helicopter economics that is competitive with our fixed-wing aircraft colleagues, and we stand on the verge of large market gains in sectors that have been the province of small turboprops.

But it seems to me that we are always on the verge; it isn't happening. The reason it isn't happening is that the infrastructure is still unprepared for this technology. Part of this infrastructure is the responsibility of the private sector. For example, the banking community could open the marketplace to small helicopter operators, and the established fixed-wing operators could maximize their own long-range profits by beginning now to integrate rotary-wing equipment.

However, my concern this morning is with the responsibilities of the government. There is no question in my mind that the most important constraints on the development of the civil helicopter business are those imposed by federal, state, and local governments; whether through their failure to take initiatives, or by their insistence that rotary wing must fit the technical and procedural box that was created solely for the fixed-wing industry.

My thrust today is not toward things that the government shouldn't do, but rather toward things that it can and should do, to relieve constraints on the development of civil helicopters. We'll consider two areas in which something can and should be done. One is the development of appropriate heliports in city centers, and the other is the establishment of an appropriate system of air traffic control and IFR airways for helicopters.

Before we address that, let's quickly review the bidding. In 1969 civil sales were only 8 percent of the total helicopter market. The industry has come a long way in the last ten years, hardened and enlightened by two recessions, made smarter and more creative by the forced technology jumps of the Vietnam War, still hungry for the growth and stability potential in the civil helicopter market.

The civil helicopter business is now the fastest growing sector of the aerospace industry. It is somewhat of a paradox, but the factors behind this recent growth are precisely those that dampened the civil sector in the preceding years: They are technology, capacity, and demand.

First, composites, new alloys, new construction techniques, and more efficient engines make today's products of our industry much more than a wish list. Secondly, with the wind-down on the military side, the industry has pursued the civil business in earnest. And finally, people now take the helicopter seriously: High-technology military helicopters and trunk-airlines involvement stimulated an interest in post-war helicopters; because of this interest, increasing world affluence, and the healthy growth of civil aviation, the demand for helicopter services has grown exponentially.

The first big surprise for the owners of the new helicopters was that there was no place to land them.

The federal government has always accepted its responsibilities to the driving public by creating the roads on which cars must travel: It would be patently ridiculous to ask automobile owners to chip in for a highway before it was built.

Similarly, with the airplane's increasing acceptance in the 1920s and 30s, the Federal Government encouraged the creation of a comprehensive airport system so that individual airplane owners would not be confronted by an impossible requirement for a prohibitive front-end investment.

There can be no doubt that downtown heliports fall into the same category of essential infrastructure for an essential public service. Yet, while the cities in some cases have accepted their responsibilities in this regard, the federal government has not yet come forward with the kind of capital or even procedural encouragement that could bring about heliports of the size needed to serve the public in a meaningful manner.

There are more than 700 civil helicopters based within 250 miles of Washington that are unable to land downtown because there is no public heliport; in order to serve this city, they must use conventional fixed-wing facilities at National, and add to the congestion in the airways and the airport access system.

Of the major Northeast Corridor cities who published real or imagined plans for helicopter facilities in the CAB's 1969 Northeast Corridor Case, only New York City has public heliports downtown, and only New York has proceeded with a substantive heliport plan.

As traffic in the hub cities grows, and the possibility of additional airports becomes a necessity, we recall that ten years ago the Port of New York Authority was ready to pay $375 million in 1969 dollars for the privilege of constructing another airport. Today that would cost 700 million dollars. We would do well to remember that a properly supported helicopter system could carry the incremental traffic at a fraction of the cost of conventional fixed-wings.

At the same time, let's not forget the general aviation traffic, which is the major factor in airport congestion. Today there is unquestionably a large component of biz-jet users that would be more than happy to fly helicopters if there were only a place to land downtown. And one result of airline deregu-

lation will most certainly be a dramatic increase in biz-jet traffic.

What we are looking for is capital grants for heliport construction, modest by comparison with railroads, highways, or runways; regulatory understanding; and uniform, realistic requirements with regard to noise, zoning, and safety.

The second area in which something could and should be done is the development of the airways themselves. The industry has encouraged the development of non-interfering helicopter airways for many years, on the premise that low-altitude flight profiles, relatively low air speeds, and the ability to stop before you land, should permit the helicopter to operate freely in unused IFR airspace, and to relieve the all-purpose IFR system of some of its present congestion instead of adding to it.

Like many of you, we also operate helicopters routinely in the conduct of our daily business; and our corporate S-61N and SPIRIT aircraft are among the best IFR-capable helicopters in the world today. We too have had the frustration of flying IFR to New York City via fixed-wing airways that subject us to both adverse winds and holding patterns as we line up behind fixed-wing transports.

These are real problems that translate into costly delays, high operating costs, and frequent cancellations. Moreover, our presence in these fixed-wing IFR airways contributes to their overall congestion and has an adverse impact on the fixed-wing aircraft that truly belong there.

With the cooperation of the helicopter operators' community, the FAA has developed an experimental area navigation route for the Northeast Corridor. In September, the FAA approved Copter RNAV route 241, a truly appropriate helicopter IFR approach to New York City's 34th Street helipad. Hopefully, similar approaches will be developed to JFK and Boston's Logan Airport, and I am aware that the FAA—particularly the New England and Eastern Regions—are currently working this problem.

We urgently need a national airways system that incorporates rules, routes, equipment, and air traffic control procedures appropriate to helicopters. Our objective should be no less than IFR performance equal to our VFR performance.

We in the industry can continue to provide requirements and to suggest directions, and we can participate in the development, but the cost of the system and the organization effort should be borne by the Government. And these objectives must be addressed quickly if we are to capitalize on the potential of the civil helicopter, and help head off the imminent increase in fixed-wing airways congestion.

In the near term we need low-level helicopter routes and ATC procedures, and lower helicopter minimums and reserves. For the long term we need to move foward quickly to an appropriate navigation system, such as NAVSTAR, which appears to promise the most benefit to the total aviation system at the least cost. We are told it could be operational in five years. But the project is being delayed by some military agencies that are reluctant to phase out their present systems, and by some shortsighted fixed-wing interests who would prefer to have the R&D effort concentrated on nearer-term alternatives.

These alternatives, however, don't accommodate the helicopters, do nothing to accelerate the development of appropriate helicopter IFR airways, therefore do nothing to relieve fixed-wing airways congestion.

A month ago, the Administration proposed airport and airways improvements of $6.6 billion over the next five years and to allocate a billion dollars of trust-fund money to ATC operations. I am concerned that these sizable sums of money may be spent on reinforcing the present inadequate systems of airports and airways thus making it even more difficult to bring about a system that can fully and effectively integrate rotary-wing aircraft.

I would recommend to the Federal Government—both the military and civil authorities who are working this problem—the importance and urgency of developing a navigation system within which fixed-wing and rotary-wing aircraft can go their separate, less congested, and less costly ways.

We in the helicopter business acknowledge and appreciate the objectives set by FAA Administrator Langhorne Bond in this regard, and the efforts that he has directed toward the Agency's helicopter operations development program. We are encouraged; and we, in turn, encourage Congressional and Administration support for an accelerated program.

These, then, are two areas in which government has a clear and immediate responsibility to the helicopter industry. We have made tremendous strides in the development of economic, effective, and appropriate civil helicopters during the past ten years; and we will continue to advance the state of the art and the quality and effectiveness of civil helicopters.

But further development of this sector is now largely beyond the manufacturers' control.

It is now time for the government to acknowledge the strides that industry has made and restructure the airspace and total aviation environment that is solely under its control, to exploit the modern helicopter to its fullest potential today.

If we can get that together, then we will make it happen.●

ZERO ENERGY DAY

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. GOODLING. Mr. Speaker, I would like today to bring to the attention of the House an event that occurred in my district on Independence Day. As a timely precedent to the President's recent call for patriotism and energy conservation, the citizens of Littlestown, a rural community in Adams County, Pa., declared July 4 Zero Energy Day (ZED). The event marked their own independence from unreliable energy sources.

In conjunction with the town's Fourth of July observance, a proclamation by Mayor Monroe J. Stavely asked the citizens of Littlestown to curtail use of any motor vehicles or appliances and banned many streets from traffic. In addition to the traditional food, games, and entertainment, the ZED committee, organized by Mr. Chris Renner, planned bicycle tours, innovative energy-use exhibitions, a "Zero Energy Day Theme Song," and a "general assembly" which I had the honor of addressing.

At this meeting, signed pledges were presented by the citizens of Littlestown, pledging to symbolically limit their energy use while calling on other Americans to do likewise.

To the best of my knowledge, the people of Littlestown are unique in this observance, yet very similar to most Americans in their energy concerns. In informing the Congress of Littlestown's Zero Energy Day, I would like to urge other communities to do the same. The strength of the American system lies in the people of every district vocalizing and displaying their concerns—a Zero Energy Day is a fine way to demonstrate a willingness to conserve energy in these difficult times.

I ask unanimous consent that these articles from the Hanover Evening Sun of July 2 and July 5, 1979, be reprinted in the RECORD at this point.

ACTIVITIES SCHEDULED FOR ZERO ENERGY DAY

LITTLESTOWN.—As the gas lines get longer, the gas supplies get shorter, Zero Energy Day gets closer.

Committee members in charge of the arrangements for the one-day "energy awareness" event are working to get all the last minute details worked out.

To date the schedule is as follows: 8 a.m. coffee and doughnuts in Crouse Park; 8:30 a.m. bicycle ride will leave from the high school parking lot, tours will continue throughout the day; 9 a.m. children's games at Crouse Park, games for all ages at the community pool and a volleyball tournament at the community pool; 9:30 at the community park relay races and a half-mile run for persons under 12 and a one-mile run for all ages; 10 a.m. 10,000-meter run from the community park area. Persons participating in the events will be required to sign a permission slip. Committee members will not be responsible for any injuries resulting from activities.

Lunch, Ronald Harrison will be serving a pork barbecue dinner at Crouse Park; 1:30 p.m. the general assembly at Memorial Field, Richard Selby will serve as master of ceremonies. Scheduled speakers are Judge John A. MacPhail, State Rep. Kenneth Cole, U.S. Rep. William Goodling, a representative from the Exxon Co. and a representative from the governor's energy council. After the general assembly there will be a pie-eating contest at Crouse Park and picnic supper will be available; 6 p.m. at Crouse Park, the Hanover Barbershop Chorus will kick off the evening's program of entertainments; 6:30 p.m. Bill McGowen will lead the group in a sing-along; 8 p.m. a block dance will be held at the Community National Bank parking lot at center square. Disc jockeys from radio Hanover will be in charge of the dance.

Release of the "Zero Energy Day Theme Song" will be made during the evening and will be introduced by local talent. Zero Energy Day badges are still available and Zero Energy Day T-shirts will be available Wednesday.

Energy exhibitors will be located on East King Street on the borough parking lot. Ron Noel of Enco Products of Hanover will have a solar energy and wood stove display. Gary Koontz will display a solar water heater and Tim Sullivan of Terra-Sol will have a solar home display.

Mayor Monroe Stavely has proclaimed July 4 as Zero Energy Day in Littlestown. Because of the required amount of manpower needed to close the town down, it has become impossible to prohibit driving of motor vehicles through the borough.

The committee is therefore asking local residents and visitors to refrain from using motor vehicles within the town from 8 a.m. to 8 p.m. The Littlestown Borough Council has approved the following streets to be closed to traffic: Newark Street, East Myrtle Street, Locust Street, Little's Alley, Maple Avenue, Park Avenue, and the intersections of Glenwyn Drive and Ocker Avenue. Public parking will be available at Schottle's Restaurant and the Super Thrift Markets.

Camping facilities will be made available by the Littlestown Jaycees at their park located off Route 97 one mile outside the borough limits.

LITTLESTOWN RESIDENTS CITED FOR INITIATING ZED PROGRAM

(By Carlotta Strevig)

LITTLESTOWN.—Reevaluation and changing of lifestyles appeared to be the main theme of four speakers discussing the energy situation during the Zero Energy Day General Assembly Wednesday.

Originally scheduled to be held in the Littlestown Community Park, weather forced the program to be moved to the St. Aloysius Catholic Church parish hall.

Rep. Kenneth Cole (D-91st), Commonwealth County Judge John MacPhail and Ms. Lucy Lott of the Governor's Energy Council, were main speakers at the assembly, a highlight of the ZED festivities.

Goodling complimented the ZED originators and residents of the borough for attempting such a project stating, "Littlestown has taken the step. There is no way to stop the problem unless we face the problem."

The congressman gave a short background of the origin of the present problem which has its roots in the 1973 Middle East turmoil and following embargo. He stated the United States has become a "hostage" to its dependence on fossil fuel and noted Americans "don't control their own destiny," as they must reckon with the problems of who has fuel, do they want to sell it, and how much will they sell it for.

He added that Middle East politics have a great deal to do with the present problem, not only in each country's internal strife, but also with its external relationships with the United States. He claimed the oil-producing countries of OPEC do not wish to drain themselves of their oil supplies as they want to guarantee themselves an income for many years to come.

Goodling reported that the House's recent passage of a synthetic fuel bill now makes it evident that government officials are no longer taking the oil and gas supplies for granted and are encouraging the experimentation of synthetic fuels. He also noted that he encourages the experimentation of synthetic fuels. Goodling reported he is encouraged by the President's policy of deregulation in its application to domestic fossil fuels.

The lawmaker told Chris Renner, who was instrumental in organizing ZED, that the matter of a Zero Energy Day will be included in the Congressional Record and his colleagues will be encouraged to carry the project to their districts.

Rep. Cole applauded the intentions of the ZED celebration by stating "the people of Littlestown are telling the world it is time we all recognize that energy shortages are here to stay and we must revolutionize our living habits and devote our efforts to conserving energy as a means of survival."

He added that such observances, if initiated throughout the country, could indeed have an effect on the OPEC nations whose recent price increase threatens to erode our economy.

Cole likened the people of Littlestown to the "patriots of old, who stood up for what they believed and the patriots will show the oil-producing people that we can lessen our dependence on that energy."

He emphasized the current feeling that "nuclear energy is not the answer to our energy needs" and cited the recent Three Mile Island incident in support of that claim.

"Zero Energy Day will be meaningless unless we can let the word go out from Littlestown that there is a new America willing to cut down on its use of energy" and Cole concluded that the inception of the ZED could "be the start of a new revolution against excessive use of energy and that all of us working together will find a solution to what has become our number one problem in this nation."

Judge MacPhail told the audience it is "rewarding to be a part of this observance."

He noted a major personal attitude is "our problem with the problem of energy is that it is so big to be unable to cope with it."

MacPhail added that America has become a "they" society where the citizens expect "them" to do everything and so when something goes wrong Americans can blame the "they" persons who caused the problem.

He localized the measures an individual can take to help in the energy crunch such as walking, turning off the lights and the "ultimate sacrifice would be the television set."

MacPhail noted the individual must adjust his thinking to effect a change, but added a positive decision must be made so "everyone is going to be part of the solution—not part of the problem."

He commended the Littlestown residents by saying you have brought to our attention, very forcefully, something that we should do something about."

Ms. Lott presented the explanation of the allocation system implemented by the Governor and noted that a percentage of the oil brought into the state is held in reserve as an emergency measure on a monthly basis. Allocations are then made on the basis of need in emergency situations. She included that persons having an emergency need of these allocations must apply through their legislators.●

TURKEY: A DEMOCRACY UNDER SEIGE, PART I

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. FINDLEY. Mr. Speaker, as we consider in Congress the proper U.S. approach to Turkey, we should ponder the current Turkish political and economic situation. Jean-Pierre Clerc, in a two-part article for Le Monde which was reprinted in the July 15 edition of the Guardian, reviews the domestic stresses and strains Turkey faces today. His articles are extremely disturbing and should serve as a warning to all of us that the situation in Turkey is critical and that it is imperative that we take this situation seriously and take steps to help Ankara resolve some of these problems. Before it is too late, we must recognize the importance of Turkey to the United States, to the West, to our interests in Europe and in the Middle East. A Turkey in turmoil, a nondemocratic Turkey, a Turkey that must solely preoccupy itself with overwhelming and threatening domestic problems could well be unable to help find a constructive solution to the Cyprus situation.

I shall place part II of this article in a subsequent RECORD.

The article follows:

TURKEY—A DEMOCRACY UNDER SEIGE

(By Jean-Pierre Clerc)

Since the beginning of the year, 403 people are estimated to have died as the result of political assassinations in Turkey. The figure for the number of killings over the two years before that is thought to be about 2,000.

Clashes between right-wing and left-wing extremists are compounded by religious and ethnic confrontations. And the state of unrest is being kept alive by economic difficulties such as unemployment and a very high foreign debt.

Turkey's geographical position makes it particularly vulnerable to pressure from the two Great Powers. The American House of Representatives' recent unwillingness to approve a $50 million gift of military aid to Ankara resulted in the Turkish government refusing to let American U-2 planes take off from its territory to verify that the SALT-2 clauses were being properly respected.

The present Turkish Prime Minister, Bulent Ecevit, is finding it increasingly difficult to control a ship buffeted from so many sides at once, particularly as his governing majority is at the mercy of a handful of independent deputies, who strike a hard bargain in return for their support.

Ankara—The expression "state of seige" is not merely a metaphor in Turkey. It was first proclaimed after politico-religious clashes last December in the south-eastern town of Karaman resulted in well over 100 deaths, and prolonged every two months since then by the Turkish parliament.

On April 26, the state of seige was extended from 13 to 19 of the country's 67 provinces. The area involved includes Turkey's two largest cities, Ankara and Istanbul, where terrorism from both Left and Right is particularly rife, and virtually the whole of the eastern third of the country, along the borders of Iran and Iraq, where a high proportion of the inhabitants are Kurds.

ARMY'S PRESENCE

Martial law in Turkey has nothing of the false modesty that so often characterises it in South America, where unless a coup d'etat is actually under way the army keeps a low profile. The Turkish armed forces make their presence felt almost obsessively in Ankara and Istanbul: they are everywhere, walking in pairs or on combined service patrols (a soldier, a sailor and an airman), striding the streets in ordinary uniform, battledress or camouflage suits, rifles on their shoulders or submachine guns in their hands, roaring past in jeeps and lorries, or guarding banks and public buildings.

The philosophy underlying this show of military strength could well be that the more you rattle your sabres the less likely you are to have to use them. The Turkish army, which burned its fingers in two occasions in the not so distant past when it intervened in political life, in 1960 and in 1971, was less than delighted to be drawn into the present state of emergency.

The army, called upon within strict limits laid down by the Constitution to play its part in maintaining martial law, seems concerned not to get caught up in a process which would turn it into the last bastion of law and order in the country.

Thus, the martial law commander in Istanbul, who on May 1 enforced a 39-hour curfew with extreme strictness and banned any demonstration to celebrate Labour Day, has just come out in favour of a subtler form of emergency legislation than the present martial law, whereby the civil authorities would retain a greater number of their usual powers. As one observer put it to me: "Compared with 1971, this is a most gentlemanly state of siege."

The arrest in Istanbul on May 1 of several dozen political and trade union leaders who had tried to form a procession is certainly a worrying event. But they were handed down only token sentences. The universities, once the main hotbed of agitation in the country, have been brought to heel without scenes of brutality. But here again there has been a

considerable show of force: the entrance halls of all the universities I visited were bristling with heavily-armed soldiers.

These tactics, which one might describe as "a velvet hand in an iron glove," do not seem to have antagonised the population so far. It should be remembered that the fear and irritation caused by terrorism had reached such a pitch that the way was open for intervention by the army, an institution which, by the way, has traditionally enjoyed considerable prestige in Turkey.

Prime Minister Ecevit, leader of the Republican People's Party (RPP) and a sincere democrat, baulked for a long time at proclaiming martial law in part of the country. He dragged his feet for too long according to his conservative opponents, who, quoting figures for the number of dead, show that law and order deteriorated steadily in 1978 during the present government's first 12 months in office.

They also claim that the disturbances in Karaman had been preceded by a whole series of incidents which suggested the likely course of future events. Yet surely it was not obvious that the expulsion of two schoolboys would first lead to the murder of the teachers responsible, and then degenerate into bloody clashes.

Dozens of members of the Alevi sect (a Turkish designation for Shi'ite Muslims, who form a large though minority community in largely Sunni Turkey) were massacred by Sunnis whose fanaticism had been fanned by right-wing groups. It was only after this case of "genocide," as Ecevit called this blood-curdling episode, that he started talking about the possibility of introducing martial law.

SHAH'S DOWNFALL

At the time, the Shah's days as head of the Iranian state were numbered. It could be argued that the prospect of his fall and the arrival in power of Ayatollah Khomeiny caused the Turkish authorities to fear that the religious upheavals which were being encouraged by the Shi'ite clergy in Turkey's neighbor to the East might spread to their own territory. But this theory was discounted by everyone I spoke to.

Members of the Alevi sect are regarded by most fair-minded Turks as being free of any religious sectarianism. Politically, they are thought to hold more progressive views than many Sunnis, and nothing could be more foreign to their way of thinking than the notion of an "Islamic state," along Iranian lines, which they consider with much more apprehension than the non-religious republic founded by Mustapha Kemal.

But the disturbances in Iran did, on the other hand, revive the Turks ancestral fear of unrest on the eastern marches of the country. All the indications were that the collapse of the Pahlevi dynasty would awaken centrifugal forces among the peoples whom the successive Persian rulers had subjugated but had never succeeded in assimilating.

KURDISH PROBLEM

One such people are the Kurds. There are Kurds in eastern Turkey, too—from five to 10 million, it is believed, out of the country's total population of 43 million. And on more than one occasion in the past (notably in 1925 and 1932) they have made life difficult for the central government.

For many years, the notion that such a problem even existed was dismissed by successive governments in the capital. Turkey, as created by Mustapha Kemal in the '20s and '30s, was the last refuge of the Ottoman empire when it was finally dismembered after the First World War: it was "a country in which Turks lived and Turkish was spoken."

As a result, the Kurds found themselves reduced to a state of cultural and national nonentity. They were given the vague label of "mountain Turks," and their language, one of the essential ingredients of their distinctiveness, was allowed no official existence, though it was impossible to stop people speaking it at home among themselves.

Central governments were aware of the existence of an "eastern question," as it is now referred to, in their country, but they persisted in defining it merely as a disparity in development between the richer, more dynamic West and the more backward East, which was poorer because of its continental climate, mountainous terrain, and isolation.

But the idea that citizens from those regions may have fallen victim to segregation of any kind has always been hotly, and sincerely denied by the Turks. To prove their point, they simply quote the number of Kurds who have attained the very highest public office.

Over the last few months, however, one taboo has been swept away: the word "Kurd" has begun to appear in the press. There have been increasing numbers of newspaper features on eastern Turkey, and they have emphasized its specific characteristics. One minister of Kurdish origin, Serafettin Elci, even went so far as to reveal that Kurdish was sometimes spoken in his department (his remarks produced an outcry of protest, of course).

It is by no means easy to know exactly what is going on in the East of the country. Travellers returning from there say that on the surface at least everything seems quiet. In some towns, a few separatist slogans have been scrawled on walls (and quickly removed). Groups of young people have tried to organize marches, without much success; others have disrupted ceremonies where the Turkish national anthem has been played. But it does not amount to much more than that.

Events in Iran have caused a spate of gunrunning, in an area where every family has a rifle on the wall or a pistol under the mattress. According to one observer, it is simply the bore of the firearms that has increased.

It is widely believed in Turkey that arms from East Europe find their way into the country via its very long border with Syria (despite the fact that it has been mined for years), and are then sent on their way at a higher asking price, towards Iran. But some weapons, apparently, never continue on the second leg of their journey . . .

Several rival groups of Kurds, of different ideological persuasions, infiltrated into Turkish territory from Iraq and Iran last year. There were even armed clashes between them, which took place under the watchful eye of the chiefs of staff in Ankara. The army decided, however, not to intervene.

Incidents of that kind, occurring in a region where there is always some form of fighting going on, where banditry remains endemic, and where it is is regarded as unsafe to travel after nightfall, were bound to cause the central government increased concern.

RIVAL FACTIONS

One long-term danger is very real: if the Iranian Kurds manage to obtain the autonomy they are negotiating with Mehdi Bazargan's government, their counterparts in Turkey will be sorely tempted to follow suit.

But the immediacy of that threat is tempered by the fact that the Turkish Kurds are deeply divided. It is claimed, unofficially, that there are no less than nine rival factions. What is more, no credible leader has apparently emerged. Observers in Ankara point out that neither the Iraqi Jalal Talabani nor the Iranian Abdel Rahmal Ghasemlou is believed to carry much weight with the Turkish Kurds.

Paradoxically, the same observers, while admitting that pro-Soviet factions have the most influence, accuse Western secret services more readily than they do Moscow of having a hand in the affair. The Turkish prime minister has himself charged the forces of "capitalism" with trying to stir up trouble in the area so as to "take the heat off Israel."

In some circles there is the temptation to exaggerate this very real problem so as to galvanise the nation's energies at a time when Turkey is faced with political, economic and diplomatic problems. "Nowadays it is easier to mobilise the army's support for the government over the question of the Kurds than over the Communist threat," I was told by a rather melancholy academic, who had been introduced to me as the prototype of a "well-integrated Kurd."

The foreign observer, then, arrives in Turkey convinced that terrorism is the reason for martial law, only to realise immediately that the Kurdish question cannot be overlooked. But perhaps the two problems are connected. It is certain that extreme leftwing groups all over the country have sheltered behind the Kurdish banner in order to put across their message.

But to go as far as to say, as one "Grey Wolf (extreme right-wing nationalist) did to me, that "left-wing ideology is conveyed chiefly by ethnic and religious differences," in other words by the presence in Turkey of Kurdish and Alevi minorities, looks very much like incitement to hatred. And it has no support among responsible-minded Turks.

That terrorism has become part of people's daily lives is blindingly obvious, yet it is a curiously elusive phenomenon. At present there are on average three "political" killings a day, yet they no longer get any space in newspapers.

JUDGE'S FUNERAL

The day after I arrived in the country, I was invited to a moving little ceremony in the little mosque of Hadji-Bayram, in Ankara: it was the funeral of a judge who had been assassinated in Mersin, a town in the southern Turkey. According to the leader of the conservative opposition, Suleyman Demirel, there have been more than 1,500 killings over the last 18 months—which suggests that martial law has not done much to dampen the bloodthirsty zeal of the extremists.

"Just give me time," pleads Ecevit. It is true that the trial of the rioters in Karaman began only on June 4. The prime minister attaches great importance to the reorganisation of the police force—or "police forces," as one cynic put it to me: "One on the Left and one on the Right!"

The police are not only extremely politicised, but often quite out of their depth. A Turkish journalist said to me: "Imagine the reactions of your ordinary policeman, generally very young, who in his home town usually has to deal with the theft of a chicken or two, when he is suddenly faced with an invasion by well-trained groups of young people from Istanbul or Ankara, armed with Kalashnikovs, who carry out their coup and disappear as quickly as they came."

Nobody really knows who the terrorists are. Emin Colashan, a reporter on the independent daily, Milliyet, recently carried out an investigation into more than 300 people in prison who had been charged with or sentenced for subversive offences. Half of them said they were Marxist-Leninists, and the others nationalists. Colashan's conclusions are interesting. Most of the prisoners were young people (aged between 16 and 24), usually students from a poor background in one of the villages or small towns of Anatolia, in central Turkey. At a very early age, they had come to cities like Istanbul, Ankara and Izmir with their parents, who hoped to enjoy a better standard of living there than in the country.

Unlike the image commonly attributed to their counterparts in Western countries, the majority of Turkish extremists from both the Right and the Left do not come from a bourgeois background. They tend, rather, to be

the children of Turks who have got a very poor deal out of the economic upheavals of the last 25 years, and who have come to detest Western capitalism: they hold it responsible for the introduction of a model of development which is not only inhuman but incompatible with the Turkish national genius.●

AMERICAN FREEDOM AND THE IDEA OF WORLD GOVERNMENT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. DORNAN. Mr. Speaker, the idea of a world government has been discussed from time immemorial. But a young constituent of mine, Paige Korenich, of Rancho Palos Verdes, has addressed the major drawback of this proposal in a succinct speech on the subject, "Can American Independence Survive Under a World Government?" An eighth grade graduate, Paige is also a competitive ice skater as well as a champion of the literary arts. For her speech, she won the Herbert Albright Americanism Essay Contest and I was proud to present her the award at the traditional Palos Verdes Peninsula Fourth of July picnic. Paige was a first prize winner in both the sixth and seventh grades as well. I would like to commend her remarks to the attention of my colleagues in the House of Representatives. I have no doubt that with young people like Paige Korenich willing to take a strong stand in behalf of our country's traditions of personal freedom and national independence, America will have a bright future.

The speech follows:

CAN AMERICAN INDEPENDENCE SURVIVE UNDER A WORLD GOVERNMENT?

The subject of developing a world government is a proposition that has been debated at numerous points in our history. It is an idea that has many opposing viewpoints. Keeping our independence under a system of world government is one of the many "subtopics" that must be considered.

A world government would be an extremely difficult system to sustain. Within our known world, there are many different governments, major and minor. To join these governments together and uphold the beliefs and principles of each one, would be virtually impossible.

The activities in the United States are examples of the difficulties produced by conflicting economic and political beliefs. Sometimes ideas will clash: each country will have to give in. That which we might have to give in may be our independence.

Our independence was fought for by our forefathers to release us from British power. Americans worked for freedom in our beliefs. Under a world government, many of these beliefs would be sacrificed, including, possibly, our freedom and independence.

Under a world government, we would not be a separate union, we would be a small piece of the world, much like a state is a small piece of our nation, and as such, we stand a chance of losing, or at least compromising some of the very important freedoms we fought for long and hard over the two hundred years of our nation's existence.●

SS-19 LOOPHOLE

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, during this time of debate and discussion of the SALT II Treaty, I wish to call to my colleagues attention the following article by the prestigious syndicated columnists Rowland Evans and Robert Novak.

The article follows:

[From the Washington Post, July 27, 1979]

THE SS19 LOOPHOLE

(By Rowland Evans and Robert Novak)

A reading of the fine print in the SALT II treaty after it went to the Senate has revealed, to the horror of supporters of the arms-control pact, an uncanny repetition of the worst U.S. blooper in the 1972 SALT I treaty.

The 1972 mistake, not discovered until long after ratification, failed to pin down specific limits on the size of a replacement for the SS11 intercontinental ballistic missile (ICBM). Now, in a new negotiating blooper discovered as the Senate ratification debate begins, SALT II does not clearly define the size of Moscow's mainstay SS19 ICBM, which it sets as the limit on the size of any new missiles.

That history should be so sadly replayed is explicable only by this fact: The Russians simply refused to agree on a specific definition of the size of the SS19. This adds new evidence that U.S. negotiators, under orders from Washington for an agreement at almost any cost, bowed to the iron will of their Soviet counterparts.

Ironically, the 1979 mistake occurred in an effort to correct the effect of the 1972 negotiating blunder. By failing to pin down the size of the new Soviet ICBMs, SALT I contributed to the vulnerability of land-based U.S. missiles. Limiting future Russian ICBMs to the size of the SS19 is an effort to protect the land-based U.S. missile force.

But if there was no agreement on the size of the SS19, how can Moscow legally be held to the terms of the treaty?

The answer: It cannot, any more than it could be forced to comply with the clear understanding of limits on "new" missiles in the 1972 treaty, negotiated by Henry Kissinger.

Kissinger relied, to his later dismay, on what he called the "safeguard" of Soviet assurance "that no missiles larger than the heaviest light missile that now exists can be substituted." In 1972, that was the SS11. But after SALT I took effect, the SS11 was replaced by the SS19, which was almost three times as big.

President Carter's negotiators retraced Kissinger's slippery footsteps, relying on their own understanding of the size of the SS19. The Soviets typically refused to agree or disagree with the U.S. definition.

The State Department virtually admits that it could not nail down the Soviets. Its "detailed analysis" of the treaty, sent to all senators, spells out this country's position: the United States "considers" the SS19 to have a launch-weight (weight in the silo) of 90,000 kilograms and a throw-weight (weight of the warheads) of 3,600 kilograms. These are key measurements of size.

"These figures are based on our estimate for the SS19," the senators were told. "The Soviet Union did not respond to this statement [but] the United States will regard these figures as the limits for the one new type of . . . ICBM permitted to the United States."

But will the Russians? Realists here doubt it, anymore than in 1972. Kissinger learned the hard truth slowly, as U.S. monitors in Iran began to accumulate data on the true size of the new SS19 being tested to replace the old SS11.

Trapped by Soviet duplicity three years later, Kissinger found himself lamely explaining away the sudden appearance of the big SS19. "We obviously did not know in 1972 what missiles the Soviet Union would be testing in 1974," Kissinger told a State Department press conference on Dec. 9, 1975.

But there was no way to stop SS19 development. Moscow blithely kept insisting its new missile was just a slightly updated model of the old SS11. Now, following SALT II, the Rusians have a loophole to sustain their own version of a "legal" follow-on missile to the SS19 by claiming that the U.S. definition of the SS19's size is simply wrong, and that Moscow never agreed to it.

This would not come up if the Russians played fair and square. But they play to win; they take advantage of whatever opportunity is granted.

Discovery of Soviet deception on the SS19 by the Nixon-Ford administration long after SALT I took effect depended on America's ally, Iran. But the true size of the SS19 almost certainly would have eluded U.S. intelligence for even longer had it not been for U.S. monitoring stations in northern Iran, just south of the main Soviet test range.

Those stations no longer exist, and the United States is not close to duplicating them. This enhances the strong probability that the one new Soviet missile permitted under the treaty will not only greatly exceed limits set forth by U.S. negotiators but also that the Soviets will not reveal its full launch-weight and throw-weight until it has been tested repeatedly—ready to enter the Soviet missile force.

This undermines the SALT-sellers' argument that the treaty, while not accomplishing all that much, does no harm. On the contrary, this new revelation of non-Yankee bargaining suggests that the Soviet Union, under SALT II as under SALT I, will loophole its way to nuclear supremacy while Americans play by the rules.●

WE MUST HAVE AIRBAGS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. ROSENTHAL. Mr. Speaker, I wish to share with my colleagues a letter I have received from the American College of Preventive Medicine. The college expresses its opposition to the amendment Mr. DINGELL plans to offer to the Department of Transportation appropriation bill. This thoughtful letter explains why this important health care organization supports the airbag as an injury preventing device. I commend this group for making what I find to be an irresistably persuasive case for airbags.

I recommend to my colleagues that we examine this issue in terms of the established lifesaving and injury reducing capability of airbags. These reasons are sufficiently compelling for me to oppose the Dingell amendment and I urge my colleagues to do so.

The letter follows:

AMERICAN COLLEGE OF PREVENTIVE MEDICINE,
Washington, D.C., July 25, 1979.

DEAR MEMBER OF CONGRESS: The American College of Preventive Medicine is deeply committed to the promotion of health and prevention of disease. Automobile related deaths and injuries in this country are of epidemic proportions.

It has been proven that the use of automatic crash protection in automobiles would save enormous costs both in terms of human suffering and health care delivery. As physicians we are appalled that the U.S. Congress would entertain an amendment, such as that offered by Mr. Dingell, to deprive the American public of proven, lifesaving technology which could substantially reduce the number of deaths and disabilities which occur as a result of automobile accidents.

There is clear and compelling need for the government to act when 50,000 citizens are killed annually in automobile accidents. The Safety Administration's requirement of automatic crash protection in automobiles is not a case of capricious or frivolous regulation.

In light of the foregoing, we therefore strongly urge you to oppose Mr. Dingell's amendment to the Department of Transportation's Appropriations Bill (H.R. 4440).

Respectfully,
H. BRUCE DULL, M.D., S.M. Hyg.,
President.●

TRIBUTE TO AL BENEDICT

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. YATRON. Mr. Speaker, on August 10, the Honorable Al Benedict, auditor general of the Commonwealth of Pennsylvania, is being honored with the 1979 Golden Young Democrat Award at the annual Pennsylvania Young Democrats Banquet.

The list of Al Benedict's outstanding accomplishments is truly astounding. He is a graduate of Temple University in the field of business. He was a member of the U.S. Army airborne from 1949 to 1950 and from 1953 to 1956 when he served as a commanding officer, an adjutant, and an administrative officer in Okinawa, Japan, and Korea. For 10 years, Al worked as an information director and news commentator at WSEE–TV in Erie, Pa., where he also served as city controller from 1974 to 1976.

Al has served on the board of directors of the Controllers' Association of Pennsylvania; League of Cities; Municipal Finance Officers Association of America; Intergovernmental Audit Forum; National Association of State Auditors, Controllers, and Treasurers; Council of State Governments; Phi Alpha Delta; and he was a 10-year member of the NABET, AFL–CIO, Local 28; the American Federation of Musicians, Local 624; and the East Side Boys Club of Erie.

Pennsylvania's auditor general has been cited for his highly commendable volunteer community service with the United Fund, YMCA, Boys Club of America, U.S. Jaycees, Kiwanis, and the Crippled Children's Association, as well as many others.

Al was cited for his excellent service as a municipal public official by the mayor and city council of Erie, Pa.; honored by the Woodrow Wilson Birthday Association; and was elected to the Pennsylvania Democratic State Committee in 1974 and reelected in 1976, and was a member of their executive committee.

The Honorable Al Benedict was elected auditor general of Pennsylvania in November of 1976 and since that time has served the Commonwealth of Pennsylvania in that capacity with excellence and distinction.

I know that my colleagues will join me in paying tribute to Al Benedict, a truly outstanding public servant.●

EMERGENCY MEDICAL TECHNICIANS SUPPORT AIRBAGS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. WAXMAN. Mr. Speaker, at stake in the debate over airbags is nothing less than the question of saving human lives, and preventing needless injury. Airbags have and will make a significant contribution to highway safety. Airbags will save 9,000 people per year from death in traffic accidents, and will reduce automobile injury rates by 50 percent.

The members of the National Association of Emergency Medical Technicians have to cope with the carnage on the roads every day. Their letter of opposition to the Dingell-Broyhill amendment to H.R. 4440 deserves the most serious attention of my colleagues.

The letter follows.

NATIONAL ASSOCIATION OF EMERGENCY MEDICAL TECHNICIANS,
Newton Highlands, Mass., July 27, 1979.

DEAR MEMBER OF CONGRESS: The shock of seeing the traumatized victim of an automobile accident is a day-to-day event for the Emergency Medical Technicians. What is even more shocking is the EMT's knowledge that many of the injuries could have been prevented with the use of appropriate passive restraints.

On behalf of the 200,000 EMTs and EMT-Paramedics in the United States, we urge you to support the full implementation of the Department of Transportation's passive restraint standard and to oppose Congressman John Dingell's amendment to DOT's appropriations bill (HR 4440). This lifesaving standard will not only do away with unnecessary injuries but save untold lives and prevent injuries of innocent victims of automobile accidents.

Recently, I had to respond to an automobile accident in Boston in which an eighteen year old girl was thrown through the front windshield. Her flight ended with the side of a brick wall. Her face was beyond recognition. The look of her mother (who was driving) and the look of the nineteen year old boy who was driving the other car shall never be forgotten. If you could have seen her face and the faces of the others, you would realize how important this standard is. That girl, if appropriately restrained, should not have died.

Again, the members of NAEMT urge your opposition to the Dingell amendment to HR 4440.

Sincerely,
JEFFREY S. HARRIS, REMTA,
Executive Director.●

ARGENTINA

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. COLLINS of Texas. Mr. Speaker, one of the strongest friends that our country has is the country of Argentina. Their progressive spirit and dependable loyalty have always been important to our country in our South American relations. The United States has watched and taken pride in the outstanding program of development in Argentina during the past few years. Much of this credit goes to Dr. Jose Alfredo Martinez de Hoz. He led a country where inflation had run as high as 1,000 percent a year and cut it back to 100 percent. I found it most interesting to read a summary by Ronald Reagan on the commonsense of our neighbors in Argentina. I believe you will also find it stimulating to read the basic sections of the story from King's Syndicate which was published throughout our country and was so well written by Ronald Reagan:

Dr. Martinez de Hoz was given the responsibility of rebuilding Argentina's ruined economy when, in March 1976, the armed forces took over the government of Juan Peron's widow. The country was on the verge of anarchy and terrorists had declared virtual civil war against the population.

Today, Argentina is at peace, the terrorist threat nearly eliminated. Though Martinez do Hoz, in his U.S. talks, concentrates on economics, he does not shy from discussion of the human rights issue. He points out that, in the process of bringing stability to a terrorized nation of 25 million, a small number (and nowhere near the estimates U.S. critics claim) were caught in the crossfire, among them a few innocents. Today, the number of people detained for suspicion of terrorist links is steadily declining and it is fair to point out that enraged U.S. accounts of alleged human rights violations are almost always based on third-party claims, not interviews with actual victims.

Martinez de Hoz makes the point that you can't have true political freedom without economic freedom and that, until the new economic policies began to take shape, Argentina has been on a 30-year roller-coaster ride of massive inflation (over 1,000 percent a year at one point); big budget deficits; negative balance of trade; a currency black market; protected industries with almost no competitive incentive to improve products or services; and nationalization (always with the excuse of saving jobs, i.e., votes) of any industry that failed because of its own inefficiency. By early 1976, the average Argentine's peso was worth next to nothing.

The dips in the roller coaster were deeper and the intoxicating highs higher than here, but the symptoms were similar to the ones we are wrestling with today.

Can we learn from Argentina's experience? Consider this: Since 1976, Argentina has decontrolled interest rates on savings. The rates went up and so did the savings. Today, the average Argentine saves 27 percent of his pay—one of the highest rates in the world. Thus, new capital is provided for economic growth.

Rent controls were causing a chronic housing shortage. They were scrapped and buildings shot up. Exchange controls on currency were lifted and the black market in money

disappeared. State-owned industries have been sold off to private enterprise and new competition has been encouraged. Trade protection measures have been cut and foreign competition is now forcing domestic industries to become more productive and customer-oriented.

Nature blessed Argentina with a good climate and natural resources. Martinez de Hoz notes it does not suffer from four problems which plague most nations of the earth to one degree or another: population explosion (their birth rate is 1.5 percent per year); food shortages (they are net exporters); energy (virtually self-sufficient); and adverse balance of payments (in three years the new government has turned a perilous deficit into a growing surplus).●

AMTRAK REPRESENTS ENERGY CONSERVATION

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. BEREUTER. Mr. Speaker, the recent action recommended by the Amtrak Board of Directors and carried out by the Interstate and Foreign Commerce Committee with regard to the San Francisco Zephyr was a positive step forward in clamping down on the already escalating energy crisis. I would like to express my support of the recently passed authorization bill to extend the appropriations for Amtrak for an additional 3 years. Included in this authorization bill was $20 million to provide for the continuation of five major trains, including the Zephyr, which services five communities in Nebraska; Omaha, Lincoln, Hastings, Holdrege, and McCook. Maintaining these routes is one of the bright spots in an otherwise disastrous restructuring of the Nation's passenger rail service by the Department of Transportation.

It is my belief that we have grossly overlooked the fact that Amtrak can become one of the best energy conservation measures we now have at our disposal. To eliminate much of this system will only increase our dependence on automobiles, thus hindering our efforts to conserve energy. The good people of Nebraska and the Midwest are increasingly showing their support for Amtrak, and it is attracting many cross-country riders. In fact, the number of passengers riding the Zephyr rose from an April 1978, figure of 142,384 to 157,469 in April 1979, an increase of 10.6 percent. This figure does not even reflect the tremendous recent surge in passengers brought about by the scarcity of gasoline in some areas and the increase in summertime tourist travel. During the month of May 1979, according to Amtrak, 6.8 million calls were attempted in trying to make reservations nationwide. Of those calls attempted, 440,000 callers received a reservation and 756,000 were turned away. These figures also constituted an overall increase in revenue by 26 percent, and the increase for June is even larger.

I would like to make one further point relating to the San Francisco Zephyr. In a recent letter to the chairman of the Subcommittee on Surface Transportation, the president of Amtrak, Mr. Alan Boyd, was quoted as saying:

On this restructured route (the San Francisco Zephyr), Amtrak again would be offering service that is longer in endpoint mileage and overall running time and slower in average speed. I would question whether this is really what we had hoped route restructuring would achieve.

Mr. Speaker, the decision to temporarily save one of the most efficient, cost-effective forms of transportation is a sign to this Nation that we are serious about energy conservation. Preserving all commuter trains at least until April 1, 1981, rather than adopting the Department of Transportation's original plan of eliminating many commuter trains in October, will provide us with the needed time to fully assess the consequences these cuts will have on solving the current energy crisis. Given the current fuel shortage, commonsense demands that we maintain the Zephyr and other vital routes.●

OPPOSITION TO AIRBAGS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. CONTE. Mr. Speaker, I wish to draw to my colleagues' attention a letter I received from the American Medical Association. This letter, from the Association's Commission on Emergency Medical Services, describes their opposition to the Dingell antiairbag amendment to H.R. 4440. This letter describes airbags as "lifesaving mechanisms." This is how I view these devices and for this reason I intend to oppose the Dingell amendment.

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., July 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: As Chairman of the American Medical Association's Commission on Emergency Medical Services, I must tell you that we are distressed by Congressman Dingell's proposed amendment to the Department of Transportation's Appropriations Bill (H.R. 4440) and we deplore the rationale prompting this amendment.

Ten years of testing both in the laboratory and on the road of these passive restraint mechanisms is sufficient. The mechanisms are reliable.

Congress must not act to deny these lifesaving mechanisms to our citizens.

Human life and limb are too important to cast aside because of equipment costs or for a symbolic vote against Government regulation.

On behalf of the American Medical Association's Commission on Emergency Medical Services, I would strongly urge you to defeat the Dingell amendment.

Sincerely,
JOHN A. RUPKE, M.D.,
Chairman.●

A SERIOUS PROBLEM: THE IMAGE OF ITALIAN AMERICANS IN AMERICAN TELEVISION

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. LENT. Mr. Speaker, I would like to direct the attention of my colleagues to a matter which is causing growing concern among many of my constituents in the Fourth Congressional District of New York and throughout our Nation. I refer to the continual—and growing—practice in television programs supposedly created for "entertainment" of creating character stereotypes which cast derogatory reflections on certain ethnic groups and create negative impressions of such ethnic groups among those who watch the TV programs.

Such a negative portrayal of Italians and Italian Americans has become more and more frequent on television programs with unfortunate results throughout our society; a society which seems ever more receptive to the images flashed on the TV tube.

Mr. Speaker, this growing problem has been analyzed in a most thoughtful and professional manner by Father Andrew Brizzolara, C.S., assistant director of the Center for Migration Studies of New York. In a scholarly address to the Italian Historical Association of New York, Westbury, N.Y., Father Brizzolara gives a very clear and very frightening documentation of this menace to our society. I commend Father Brizzolara for this most impressive presentation.

I urge every one of my colleagues to give careful attention to Father Brizzolara's remarks. I urge the producers of television programs and TV network executives to give it thoughtful study.

Mr. Speaker, I insert Father Brizzolara's address, in its entirety, in the RECORD at this point.

The address follows:

THE IMAGE OF ITALIAN AMERICANS IN AMERICAN TELEVISION

(By Andrew Brizzolara)

The impact of visual images on Americans over the past twenty years has been steadily increasing. There is rarely time during a day when the individual is not assailed by a veritable barrage of Madison Avenue messages. Magazines, newspapers, vehicles, buildings and books all seemingly address the powerless observer with a continuous variety of impressions, options and alternatives. In this confused market place of ideas, television emerges as one of the loudest voices. It has the advantage of captivating the undivided attention of its viewers in the intimacy of their own homes.

Television's ability to permeate the lives of millions, particularly over the past two decades, has inaugurated what many have called the "Visual Age". John Harrington (Rhetoric of Film, 1973, p. v.) published statistics demonstrating that the average American by the age of eighteen will have accumulated nearly 17,000 hours of viewing experience. Eventually this viewing will be equivalent to ten years of that person's life.[1]

The ramifications of such a large portion of the population participating in this

Footnotes at end of article.

phenomenon have not fully been explored. However, a growing distrust of the present system of television production is emerging. What was once praised as an innovative means of disseminating knowledge and fostering a healthy plurality of ideas is now suspect of manipulating the viewer's ultimate attitudes and behavior.[3] With an almost intimidating power and authority, television enters into the private lives of each viewer and establishes itself as totally unique from any other medium of communication. According to a recent publication by Jerry Mander entitled Four Arguments for The Elimination of Television, television often serves as a babysitter, a tutor, a huckster and 'it creates its own mesmeric reality and alters our attention span and even our ability to absorb."[3]

The variance between this "mesmeric reality" and truth is the crucial consideration of any study on the impact of television. It is also the concern of this paper with particular regard to the stereotypical images of Italians and Italian Americans presented to the viewers of commercial television. Whenever the image of Italians on television does not reflect the rich diversity of that particular ethnic minority, a disservice is committed against all ethnic groups by fostering prejudicial attitudes based on false assumptions.

The portrayal of Italians and Italian Americans on television has been increasingly frequent. In recent years, with an ever greater accumulation of popular fictional literature on organized crime, television has lost no time in reflecting a concurrent, but unfortunate, preoccupation with Italians. Andrew Greeley contends that the mass media have finally recognized the Italians as a marketable consumer item and it is presently making the most of the product.[4] Not only has "Godfather I" been aired four times over network television, but an expanded version of "Godfather II" has been shown along with many other offerings from the same genre including, "The Gang Who Couldn't Shoot Straight" and "The Valaci Papers." In addition to this Hollywood material, television has produced its own collection of Italian American types in the guise of cops, detectives and rebellious teenagers.

Despite the variety of examples available for discussion and observation, there is no clear consensus of agreement charging that prejudice toward Italians does exist on television. There are many voices which deny the problem. Newspapers such as the New York Times refuse to even consider the accusation that prejudice is still a problematic reality.[5] Even as a general principle, there are those who do not contend that such discrimination or prejudice exists against Italian Americans in any sector of society.[6]

A similar attitude is voiced by non-Italians whenever public outcry denounces particularly offensive portrayals of Italians on television crime dramas. Italians are then accused of being immature, oversensitive and of deliberately condoning crime.[7] This response is itself born out of the same stereotypical image which the ethnic group is trying to condemn. However, this may very well be the type of image which has been suggested and nourished by television as popular fare for viewers across the country.

The potential danger of the pervasiveness of television was discerned in pertinent literature as far back as 1964. As a creator of opinions, issues and priorities, television was criticized as being dangerously linked to an inherent preoccupation with its own economic survival.[8] As long as controllers of this medium aim merely at cultivating or attracting large audiences, the market will always remain the ultimate test of what shall be disseminated. Once these assumptions are inculcated in the very rationale of television production, the only response of executives to disgruntled ethnic minorities will be, "We give the public what it wants."

Unfortunately, in the decades of the 50's and 60's, television executives were correct in claiming that Americans were fascinated with violence and criminality.[9] Television lost no time in reading these signs and produced "The Untouchables" as one of its most successful dramas. Italian American groups across the country began to condemn the program. Nevertheless, this television series was backed by historical documentation that cannot be disputed or hidden, that many Italians were lured, enticed or forced into a criminal lifestyle by the pressures, mitigating circumstances and environmental forces of the 1920s. Because of this "The Untouchables" was not the best program to single out as a blatant example of Italian American prejudice in the medium.

According to Randall Miller, Italian stereotypes still exist on television. In a medium where time is a precious commodity and a dramatic plot must be presented within a predetermined block of air time, stereotypes can serve as shortcuts to what might otherwise be long, complicated, but more authentic character development. Stereotypes never complicate a personality. They rely on a viewer's preconceived idea of how a particular person or ethnic group should act and merely fulfill these expectations. External signs and cues are used to indicate and suggest the veneer of culture. Dress, eating habits and language accents are exaggerated to surround the character with an outer framework which is shallow, one dimensional and unreflective of reality. Unable to validly portray the unique qualities of a culture, the stereotypes merely reinforce the popular caricature of that particular ethnic group for the television viewers.[11]

Commercials are prime reinforcers of stereotypes because of the tight thirty second formats which they must utilize. In a recent television ad for pizza, the viewer is bombarded with both the name of the product and innumerable stereotypical cues referring to Italian American ethnicity. The scene is a kitchen. There is a crucifix on the wall. An elderly Italian matron is cooking as she is surrounded by a confusion of family members singing, yelling and greeting guests. The grandmother wears a print dress, her hair is in a bun and she welcomes the newcomers with the words, "Abundanza." This type of image on commercial television not only serves to sell the pizzas but, on a totally subliminal level, projects Italian Americans as outsiders to American culture. They appear as strangers in a new land.[12]

The gangster image is an Italian stereotype which has been in less use now than it was in the late 50s and early 60s. Today, the powers in control of television are attempting to populate the medium with a host of law abiding Italian Americans. This move can be attributed to television's desire to ruffle as few feathers as possible. With the need to attract the largest possible viewership, producers cannot afford to anger any segment of a potential or real audience.[13] This resulting policy has given viewers Columbo, Toma, Baretta and Petrocelli.

Both Richard Juliani and Andrew Greeley feel that this is by no means an improvement. All that television has done is change the "roles" of Italian American characterizations. They have altered one variable out of a legion of stereotypes which still remain in effect. Unfortunately, according to Greeley, many Italian American groups consider this ploy by television executives to be a true victory against Italian prejudice. In fact little gain has been made at all. "Even though the new heroes are frequently law enforcement agents, they typically engage in violent, questionable or illegal tactics themselves. In these roles, then, they continue to express an older stereotype of Italian American behavior. Other aspects of their personalities, such as their arrogance, or their physical characteristics, such as their short stature, reinforce the stereotype."[14]

This apparently positive image of Italian Americans on television is nothing more than a change of external clothing from one stereotype to another. The medium has not ventured into the realm of authentic, in-depth portrayals of life in all of its complexity and diversity. Once producers choose the preferred combination of external "apparel" to be worn by television's typical Italian American in order to suit or create the current trend, carbon copies are distributed and the same old stereotypes are displayed in new wrappings. Even with the current image of Italian Americans on the side of the law, the image is oversimplified and offensive.[15]

Television has recently resorted to resurrecting an Italian American characterization left over from a 1940s "Dead End Kids" movie. It's a character which has risen in popularity over the past four years and has seen numerous facsimilies appearing in the movies and on the legitimate stage. His name is "The Fonz." While some may find him lovable and good-natured, he embodies all of the qualities which have traditionally been associated with Italian Americans on television. Little has changed. The Fonz hates school, he overreacts to situations which threaten his peer image and he is constantly preoccupied with the preservation of his aggressive control over those around him through fear and intimidation.[16]

This popular characterization has a stage and screen counterpart in "Grease." The black leather jacket, the arrogance and the exaggerated preoccupation with his own self image, produces a main character in the same mold as the Fonz. This incorporation of idiosyncrasies into a composite personality, transforms a particular type of individual into a representation of an entire ethnic group. This is the destructive power of a stereotype. As a composite image it almost never fails to trigger an ethnic association in the mind of the viewer. The one, small kernel of truth, so essential to any stereotype, and limited in its applicability, is then generalized out of proportion creating a wide rift between reality and the television image.

Michael Parenti does not find this crisis of credibility unusual for the medium of television, given its social function. Television strives to entertain the members of the society while doing everything in its power to encourage and maintain the status quo.[17] Its present format is designed to attract the greatest number of people to a particular program and avoid upsetting them. Nothing must ever cause the viewer to think, to disagree with a particular viewpoint or to cause the viewer to switch channels or turn off the set. Since social problems might create uneasiness and lower the receptivity of an audience toward the station's commercials, it will never be appropriate to discuss the hardships of immigration, cultural and class conflicts, second and third generation struggles or the disillusionment which minority groups may feel toward America.[18]

The effects of this type of programming and the lack of any viable viewing alternatives on American television are best articulated in a report submitted to the New York Senate, this past year, by Senator John D. Calandra. The report states that many young Italian Americans attending city high schools, parochial high schools, and the various campuses throughout CUNY suffer from "the emotional handicap of a negative self-concept."

"These students are bombarded with the anti-intellectual stereotyping of Italians as portrayed by the mass media through the characterization of buffoons, crime figures, and overweight women garbed in black".

"The young high school students aspire to

the recent television lead in the program "Happy Days." This character is a slick high school drop-out who speaks incorrect English, cares only about girls and motorcycles, never is without his black leather jacket, exhibits his short temper at regular intervals in addition to his lack of manners. In essence, he is the embodiment of many stereotypes the mass media has dubbed on the Italian American population."

It is unfortunate that these impressionable youngsters have negative images to cling to for lack of any other. This emulation of anti-intellectual figures is metamorphosed into shame and self-hate when Italian American students continue their educational career in the City University."[19]

With the advent of television, a new duality has entered the experience of the American public. One may truly ask which "reality" has the greatest impact on our lives, that which we experience in our daily confrontations with the world around us, or that which we see on television? Which experience is more authentic? For a great many Americans of all nationalities, television is a large portion of their experiential environment. It not only presents the viewer with an image of the world but it also edits, selects, categorizes, qualifies, and establishes priorities among the aspects of the world which it deems worthy of attention. If an event does not appear on television, then it was not important enough for consideration. If a particular point of view, issue or characterization is given prominence, then it must be valid.[20]

This is not to say that there are no beneficial effects of television. For millions of viewers, television is literally a window onto the world of ideas and events that would otherwise be inaccessible.[21] However, every powerful influence on life must be recognized as a potential for both harm and benevolence. The acute need for such an awareness was emphasized by Daniel J. Boorstin in a New York Times article dated February, 1978. Viewers must cultivate an awareness of television's economic motivations and effective ability to transform their perceptions. Television already regulates when Americans eat, sleep; how they raise their children; what Americans do and buy; what society thinks about lawyers, doctors, policemen, criminals and itself.[22]

All of these elements contribute to a growing concern for the future of television when discussed in the context of Italian American stereotypes. If State Senator Calandra's report on the development of a negative self-concept in Italian American youth is an indication of what future research will uncover, widespread use of stereotypical images will inevitably lead to subliminal feelings of shame. Shame, once it is embodied into a person's consciousness, becomes a primary factor in an individual's self-image. What an Italian American sees on television as the medium's image to his ethnic group, becomes his barometer of reality. Stereotypical portrayals which are an embarrassment to Italian Americans are never-the-less powerful influences in the absence of any simultaneous artistic showing of truthful images. Shame cannot be expiated by punishment, it stays with a person, or ethnic group, forever.[23]

The first step in counteracting the force of television's intimidating influence, is to be aware of Italian American prejudice on this powerful and pervasive medium. The second is to improve not only the real life fiber of Italian American communities across the country, but also to improve the new reality of television experience. These two versions of experience constitute independent variables.

FOOTNOTES

[1] Randall M. Miller, (ed.), Ethnic Images in American Film and Television (Philadelphia): The Balch Institute, 1978), p. xiii.

[2] Herbert I. Shiller, The Mind Managers (Boston: Beacon Press, 1973), p. 1.

[3] Karl E. Mayer, "The Beast in The Box," Saturday Review, p. 42, April 1, 1978.

[4] Andrew M. Greeley, "TVs Italian Cops Trapped in Old Stereotypes," New York Times, July 27, 1975 (section 2), p. 1, 17.

[5] Salvatore J. LaGumina (ed.) WOP: A Documentary History of Anti-Italian Discrimination in the United States (San Francisco: Straight Arrow Books, 1973). p. 9.

[6] LaGumina, p. 9.

[7] LaGumina, p. 298.

[8] Denys Thompson (ed.) Discrimination and Popular Culture (Baltimore: Penguin Books, Inc., 1964), p. 11.

[9] LaGumina, p. 17.

[10] LaGumina, p. 299.

[11] Miller, p. xiv.

[12] Miller, p. xv.

[13] Richmard N. Juliani, "The Image of the Italian in American Film and Television." Ethnic Images in American Film and Television, ed. by Randall M. Miller (Philadelphia. The Balch Institute, 1978), p. 100.

[14] Juliani, p. 100.

[15] Juliani, p. 100.

[16] Michael Parenti, "The Italian American and The Mass Media," Ethnic Images in American Film and Television, ed. by Randall M. Miller (Philadelphia: The Balch Institute, 1978) p. 107.

[17] Parenti, p. 105.

[18] Schiller, p. 18.

[19] John D. Calandra, A History of Italian American Discrimination at CUNY (New York State Senate, 1978). p. 32.

[20] Daniel J. Boorstin, "The Road to Diplopia," T.V. Guide, (October 14, 1978), p. 13.

[21] Mayer, p. 42.

[22] Daniel J. Boorstin, "The Great Electronic Dictator," New York Times. February 19, 1978 (section 7), p. 10, 35.

[23] Joseph Papaleo, "Ethnic Pictures and Ethnic Fate: The Media Image of Italian Americans," Ethnic Images In American Film and Television, ed. by Randall M. Miller (Philadelphia: The Balch Institute, 1978) p. 44.

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CONGRESSMAN JOHN WYDLER HAILS PROPOSED VISIT TO THE UNITED STATES OF POPE JOHN PAUL II

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. WYDLER. Mr. Speaker, the selection of Cardinal Karol Wojtyla, Archbishop of Krakow, Poland as Pope of the Roman Catholic Church last fall was joyous news for all Christians and all the world. The recent reports that he is planning to visit the United States within the next few months bring excitement and gratitude to every citizen of our country.

Pope John Paul II was the first Pole in history to be elevated to the papacy and the first non-Italian in 456 years. The choice was a happy one.

The life of Pope John Paul II has been a mirror of Poland's fate for much of the new pope's 58 years. Although buffeted by the German invasion of 1939 and later subjected to brutal occupation and to Stalinist terror, Poland has maintained its national faith largely through adherence to the church.

These words also summarize the life of John Paul II.

He was born the son of poor parents and was studying Polish language and literature at Jagiellonian University when World War II broke out. The university was closed by the Nazis and Wojtyla worked at forced labor. When he resumed his university studies, Wojtyla prepared for the priesthood.

After his ordination, Wojtyla traveled to Rome, where he earned a doctorate in philosophy at the Angelicum College in 1948.

Karol Wojtyla's return to Poland coincided with the rise of the Communist Government and he was forced to work under severe restrictions as a parish assistant in Krakow. His first parish in Poland was in the village of Niegowic. Its remoteness may have spared him the repression that many other priests suffered under the Communist regime. He worked his way through the ranks of Krakow's hierarchy and, when he was made cardinal in 1967, Wojtyla, at 47, was the second-youngest member of the College of Cardinals.

Throughout his life, John Paul II has shown himself to be a man of faith in a time and place where faith was not easy to come by.

He is a man of youth, who has suffered forced manual labor. But he has also steeped himself in the philosophy of his church and of his native land, and has published three books and dozens of scholarly articles.

As archbishop of Krakow, Cardinal Wojtyla earned not only the dutiful reverence of religious Poles, but also their friendship. He is a man of proven political skill and personal dynamism.

Polish Americans took special pride in Karol Wojtyla's selection as the leader of the Roman Catholic Church. Throughout history, Poland has been a bulwark of Christianity, even as far

back as when it fought against the Turks and Tartars. More recently, of course, it has been a wall against an atheistic ideology. The selection of Karol Wojtyla as Pope was a tribute to the strength of the Catholic Church in the countries of Eastern Europe, and to the faith of the Polish people.

I rejoiced in Cardinal Karol Wojtyla's selection. He took up the reins of his awesome responsibilities with the prayers and good wishes of Christians the world over.

In 1969, as Archbishop of Krakow, Pope John Paul II visited the United States. He did so again in 1976 when he participated in the International Eucharistic Congress in Philadelphia and then traveled around the country.

If his plans to visit the United States later this year come to fruition, it will be the first papal visit to this country since Pope Paul addressed the United Nations in New York in 1965.

On behalf of the Congress and the people I represent, I extend the warmest possible welcome to Pope John Paul II. His visit reminds us all of the importance of God in our daily lives and in the life of our country.

Pope John Paul II is a son of Poland of whom all Poles can be proud, but now he belongs to the world.

Niech Bóg bogosławić tego syna Polski.●

TRIBUTE TO JACK T. BRADFORD, SAN MARINO HIGH SCHOOL TEACHER, COACH, FRIEND

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. ROUSSELOT. Mr. Speaker, today I ask my colleagues to join with me in paying tribute to a professional educator who has made a special and unique contribution to this community that will not soon be forgotten.

Jack T. Bradford, affectionately known as "The General" by his students, retired from San Marino High School on June 15, 1979, bringing to an end a remarkable teaching career that has spanned the last 30 years. His excellence as a teacher has been affirmed again and again by both his students and peers. His classes in contemporary world history, world history, and international relations were considered both challenging and interesting. Former students pay the ultimate tribute to his ability, returning year after year to thank him for the uplifting influence he had upon their lives.

His special talents were similarly recognized by his colleagues. When the San Marino high school faculty senate was first formed, he was the unanimous choice as its first chairman. In 1966 he achieved national recognition when he was named as one of the top five high school teachers in the United States by Yale University.

Jack Bradford was an outstanding classroom teacher. He was also, without doubt, one of the best coaches in the California Interscholastic Federation (CIF). His teams in tennis, golf, cross country and track won 20 Rio Hondo league titles.

Ten of his teams became CIF champions: tennis in 1956, 1960, and 1962; cross country in 1963, 1964, 1965, 1966, 1970 and 1974. Seven other Bradford teams have finished as CIF runners-up.

Many attribute Jack Bradford's coaching success to an original and renowned system of "weekly bulletins" based on each individual athlete's performance as well as team goals and expectations. As a result of this communication, every one of his athletes knew exactly what was expected of him and performed accordingly. His style of coaching stressed the development of not only the body of the athlete, but also the character and the mind.

Jack Bradford grew up in San Marino. He graduated from the San Marino-South Pasadena High School in 1941, where he lettered 3 years in tennis, 2 years in track, and 1 year in basketball. He was captain of the tennis team and a member of the league doubles champions.

At Pomona College, Bradford lettered 2 years in track, 1 year on the cross country team, and 1 year each in tennis and basketball. In 1943 he was SCIAC mile champion. His formal education was cut short by World War II and he did not finish his undergraduate degree until after the war in 1947. He went on to receive his general secondary teaching credentials and master of science degree in physical education from the University of California, Los Angeles.

As a marine during World War II, Jack Bradford was wounded twice in the line of duty, the second time while at Iwo Jima. He subsequently received the Purple Heart with a Gold Star. He resumed his military career during the Korean conflict as an instructor at Camp Pendleton for 12 months.

Jack, his wife Barbara, and children Kim, Ruth Ann, Leslie and Jim, have all been active in the community of San Marino. After 25 years of teaching, instructing and guiding the youth of the city, Jack and Barbara are planning on retiring to their home in Laguna Beach where they will doubtlessly resume a similarly active, more recreational lifestyle.

Mr. Speaker, Jack "the General" Bradford will be missed by the residents of San Marino. However, his accomplishments in preparing his students to lead active, productive lives will long be remembered. Jack T. Bradford has made a contribution to his community that will not be forgotten.●

TIME TO END DEMOCRAT HYSTERIA OVER ENERGY CRISIS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

Mr. SHUSTER. Mr. Speaker, the Republican policy committee, which I chair, has, in its wisdom, pointed out the "quick fix" and "scatter gun" approach by the Democrats to the energy crisis. It is reflected in S. 1030, the 'Emergency Energy Conservation Act of 1979." I should like to insert into the RECORD the complete text of the policy committee statement, which details the Democrat hysteria over the energy crisis:

S. 1030—EMERGENCY ENERGY CONSERVATION ACT OF 1979

The "Emergency Energy Conservation Act of 1979" represents the product of Democrat hysteria over the energy crisis generally and the long gasoline lines specifically, rather than a constructive or detailed solution to our energy problems. The bill fails to squarely address the problems of the gasoline price and allocation system or energy conservation and instead, adopts a scatter gun approach which results in bad energy policy with potentially disastrous economic consequences.

S. 1030 is a dangerously broad grant of authority to the President and/or the Governors in three separate areas; gasoline rationing, state and federal conservation plans and the imposition of a minimum purchase requirement on gasoline.

Republicans are not unmindful of the energy crisis confronting these United States. We recognize that the most effective way to deal with this crisis is to increase the domestic production of energy. We propose to do this initially through the immediate decontrol of the price of oil and natural gas with a windfalls profits tax and plowback provision. We also propose to encourage domestic production of alternate energy sources.

The Republican Policy Committee believes that the provisions of S. 1030 as a part of the President's total energy program are unnecessary and workable. The Policy Committee supports four amendments to improve the bill as follows: (1) the Broyhill amendment providing that a rational and reasonable standby gasoline rationing plan be subject to Congressional review and approval prior to implementation with periodic review and updating rather than Congressional acquiescence in an "emergency" or crisis atmosphere; (2) the Stockman amendment which will strike the redundant and sweeping "martial law" powers delegated by the bill for the implementation of energy conservation targets and programs; (3) the Carlos Moorhead amendment which provides for a Congressional veto over the implementation of any federal energy conservation plan for any state; and (4) the Rinaldo amendment which strikes the "standby sticker plan" because it unfairly penalizes and imposes an unequal burden on suburban and rural sections of the country which do not have mass transit systems, it poses a hardship for those who perform shift-work, work irregular hours, rotating days, seasonal workers and those holding two jobs. The "standby sticker plan" would aggravate a worsening unemployment problem in the recession we are now facing.

In response to the President's displeasure at the rejection of his bizzare gasoline rationing plan, the Democrat majority now removes Congressional review and approval over the substance and procedures of a gasoline rationing plan yet to be developed. The bill authorizes the President to implement gasoline rationing if he determines that a 20 percent supply interruption of petroleum products exists, or is likely to exist for 30 days or longer and if Congress does not veto implementation of the plan within 15 days after the Presidential determination. In effect, the bill approves a gasoline rationing plan in advance, sight unseen, with details of the plan both unknown and largely unlimited. Without congressional review there is no guarantee that the rationing plan is or would be workable to sustain this nation

through a 20 percent shortfall of petroleum products.

Section 3 of the bill authorizes the establishment of federal and state conservation plans. The bill authorizes the President to establish "conservation targets" on motor fuels or any other energy source he determines to be in "severe" short supply with no guidelines on the percentage reduction necessary for implementation. This section also authorizes the Department of Energy (DOE) to step in and supersede the Governor or state legislature for failure to meet the Presidentially set targets and to deny federal funds already authorized for expenditure for state energy conservation programs for failure to develop state plans. In addition, this section gives DOE carte blanche authority to develop mandatory conservation measures such as mandatory closing of retail gasoline stations during the week on a rotating basis and authorizes the "standby sticker plan" prohibiting driving of all automobiles on public roads one day per week.

The powers delegated to the President and/or the Governors under Section 3 of the bill are virtually unrestrained. Such unbridled power poses an immediate threat to representative government and our nation's economy because the amount and purpose of all energy consumed in the United States could come under government control. There are few constraints on the authority delegated by this section, but more importantly, both the Congress and state legislatures are expressly precluded from reviewing or modifying federal and state conservation programs. The authority given to DOE to deny funding for state energy conservations plans provides DOE with excessive discretion on the content of state energy conservation programs. It was this kind of delegation of authority which permitted the President to declare an energy shortage existed when he ordered the building temperature restriction plan into effect.

Another provision of S. 1030 permits the President or the Governors, on request, to impose a minimum purchase requirement for gasoline of $7.00 for 8 cylinder cars and $5.00 for other cars. This provision would be enforced by the States and allows service stations to collect the full minimum charge even if a lesser amount is needed or delivered into the vehicle.

S. 1030 is the Democrat "quick-fix" to give the American people the impression that the Democrat-controlled Congress and the Democrat Administration are responding to our energy crisis. It places "blind trust" in the Executive branches of federal and state governments to deliver our country from future energy shortfalls.

The Republican Policy Committee believes that the delegation of broad discretionary powers as contained in S. 1030 with no guidelines may complicate rather than reduce our energy problems. Congress should not, in one careless sweep, grant the President and Governors these powers to control all energy consumption under the guise of an "emergency" and solving the current shortage of motor fuels.●

HEALTHY ECONOMIC CLIMATE

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, the industrial and population growth occurring throughout the Southern "Sun Belt" States, has been contributing to the economic health of western Arkansas for over two decades.

The city of Fort Smith, located near the Arkansas-Oklahoma border, was listed by the Bureau of the Census as the nineth fastest growing Standard Metropolitan Statistical Area (SMSA) during the 1970–75 period.

At a recent gathering of Chamber of Commerce officials from Fort Smith and across the border in Oklahoma, some observations about and comparisons to Fort Smith's economic climate were made, which I commend to the attention of my colleagues.

The text of a resultant newspaper article entitled "Industrial Growth Comes to Stop at Right-to-Work Boundary," written by Robert E. Lee and published in the May 27th edition of the Sunday Oklahoman, follows:

INDUSTRIAL GROWTH COMES TO STOP AT RIGHT-TO-WORK LAW BOUNDARY

(By Robert E. Lee)

FORT SMITH, ARK.—Looking out the wall-sized windows of the new Fianna Hills Country Club, the visitors were obviously impressed with the view. Below them, past the new 18-hole golf course, lay the wide valley of industry that has become the hallmark of this community on the Arkansas-Oklahoma border.

Eighty members of the Oklahoma City Chamber of Commerce had come to dine with members of the Fort Smith chamber as a part of their Goodwill Tour of southeastern Oklahoma.

In the gathering dusk they could see many of the city's 210 industrial plants, the interstate highway and railroads, the city's airport which once served as gateway for thousands of displaced Vietnamese, the adjoining residential addition . . . and a curious phenomenon.

Running through the valley was a line dividing light and dark. East of this line was the lighted industrial area, west of the line was darkness, with only the lights of cars on the highway invading that darkness.

Why the distinct border between lighted areas and darkness? "That's the Right-to-Work line," said Richard Sugg, our host.

Sugg, assistant manager of the Fort Smith chamber, explained:

"Arkansas has two state laws that you do not have in Oklahoma—Right-to-Work and Anti-Violence. That line you see is State Line Street; east is Arkansas, west is Oklahoma.

"Right down there," he said, pointing, "is one of our huge industrial tracts. All of the land on the Arkansas side has been sold to various industries at $20,000 an acre. Identical land, across the street in Oklahoma, is priced at $2,000 acre and we can't sell it.

"Industries want to locate in Arkansas with its Right-to-Work and Anti-Violence laws, not in Oklahoma which has neither," Sugg said.

The visitors from Oklahoma City understood Right-to-Work (a law prohibiting any company-union contract that would require workers to be union members in a union shop), but asked about Anti-Violence.

"That means just what it says," Sugg said. "For instance, during a wildcat strike if a single tack is thrown in a worker's driveway, that's a felony, not just a misdemeanor."

Sugg gave this historical background:

For years, Fort Smith's major (and almost only) industry had been its Army base, Ft. Chaffee. When the government closed Ft. Chaffee in 1958, Fort Smith Chamber of Commerce knew it had to replace the lost payroll. It hired Paul Latture away from the Tulsa chamber, giving him an unlimited budget to seek industry.

Latture had two state laws going for him. Right-to-Work, passed by the Arkansas Legislature in 1947, and Anti-Violence, passed in 1943. Latture and associates went to work and soon industries became interested in Fort Smith and a few moved there.

A year after Ft. Chaffee's first closing, it was re-opened and became competition against the new industries for labor. Industries didn't like that, and the Fort Smith chamber decided industry was better than military for long-term growth.

A group of Fort Smith civic leaders got an audience with then-Secretary of Defense Robert McNamara, flew to Washington and asked him to close Ft. Chaffee and keep it closed. He ordered the base closed, it has stayed closed and the growth of Fort Smith is almost a textbook lesson in securing industry.

Latture conceded it hasn't been easy, but declares the industry search has been made "tremendously easier" with the Right-to-Work and Anti-Violence laws. "We hope Oklahoma never passes them," an aide declared, and it was obvious he was not entirely joking.

Today, Fort Smith is a city of 68,000 population by night, 145,000 by day. The 77,000 during the daytime are workers who drive in to man the city's 210 major industries.

About 43 percent of those 77,000 drive-to-work employees live in Oklahoma and work in Fort Smith. That's 33,110 Oklahomans earning their living in Arkansas. "The Oklahomans are good people; we appreciate them," Latture added as an afterthought.

Hundreds of the factory workers live on acreages or farms which do not provide enough income to support their families. Many work in Fort Smith factories at an average $5.10-per-hour salary.

Eighty of the 210 industries hire 100 or more employees. The list reads like a roll call of American business—Whirlpool, 4,000 employees; Rheem, 2,000; Riverside Furniture, 1,200; Baldor Electric, 1,500; Gerber, 500; Planter Peanuts, 550; General Electric, 900; Dixie Cup, 800, and on and on.

With the industry has come satellite industries, warehouses, trucking firms, shopping centers, motels, state office buildings and housing developments.

Herman Udouj, principal owner of Riverside Furniture, bought a strip of rolling hill land and had it developed into 800 building lots, 400 of which back up to the 18-hole golf course. Houses ranging from $55,000 to $125,000 are scattered among the trees, giving each privacy.

Fianna Hills Country Club is in the middle of this development. All 800 lots have been sold, and Udouj is starting another 800-lot development.

Latest housing development is being built on rolling land adjoining the new 1,000-acre industrial tract. "When gasoline gets to $2, those folks can walk to work," Latture explained.

Fort Smith has 28 furniture factories, making it once the main industry, but that title now goes to the metal-fabricating firms (Whirlpool, GE, etc.).

Most big firms are non-union. In the union factories, the unions have about 53 percent membership among the employees.

Latture likes to drop little bits of trivia about Fort Smith industries . . . "Planters' $25 million processing plant could use up the annual peanut production from President Carter's farm in just 17 hours." . . . "Hiram Walker had 16 unions and no two contracts due on the same date in their Illinois plant, so they are moving to Fort Smith and building a $37 million plant." . . . "Planter was concerned about natural gas, but we have a 22- or 23-year reserve. Why, they had to cap two wells to blacktop Planters' parking lot."●

INDIVIDUAL ENTERPRISE IS STILL ALIVE IN IDAHO

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SYMMS. Mr. Speaker, a few years ago a young enterpreneuer in Coeur d'Alene, Idaho, named Tom Soumas saw a potential market for intrastate air service within Idaho. Having the initiative and the willingness to take risks—something that many would argue is all too lacking in America today—Tom put together what is now Gem State Airlines.

A recent newspaper story about this endeavor appeared in the July 22, 1979, Idaho Statesman. The story reads as follows:

IDAHO AIRLINE CONTINUES TO GROW: YOUTHFUL DREAM TURNS INTO "GEM"

(By Steven K. Wagner)

When Tom Soumas set out to realize his version of the American dream, people laughed.

But Soumas, at 25, didn't listen. He was too busy buying million-dollar airplanes and gearing up Gem State Airlines to become a major regional air carrier.

"It's a remarkable story," Soumas said, one he claims aged him decades beyond his years as he founded and built the airline into a $16 million enterprise.

Even Soumas is not sure how it happened. It stemmed from former Gov. Cecil Andrus' (the current Secretary of Interior) criticism of Idaho's deficient intrastate air service and evolved through propitious timing and a series of auspicious partnerships.

"We just kind of grew into it," he said, adding he was helped along by the advent of higher auto fuel prices, better airplanes, and high-frequency flight service, all of which are helping him succeed where others have failed.

Soumas is a San Francisco product who moved to Idaho as a teen-ager and attended North Idaho College. He studied music and political science while working as a deputy sheriff in Kootenai County.

"I had always had an interest in transportation," he said, describing his unlikely transition from music student to deputy sheriff to airline founder.

"It came up in a conversation while I was working the midnight shift with another deputy (Jim Alexander, then a pilot on leave from a Caribbean commuter airline and now a vice president at Gem State)."

In typical college fashion, Soumas several years ago took the idea and wrote about it in a term paper.

"I thought about (Andrus' comments) for a couple weeks, then thought about them some more, and started to research the project to study the possibility of forming an intrastate airline."

His research taught him that interstate air transportation revolved around Boise, served by United Airlines and Hughes Airwest. There was secondary service, also furnished by Airwest, but no major intrastate air service to the area's top industrial, mining, business and tourist areas.

In 1975, Soumas left school "for a semester to see how we could do." He recruited investors, came up with $45,000, and formed Gem State Airlines Inc.

"We thought early on we could start an airline with about six people and $55,000," he laughed, adding he soon realized that was impossible for the type of service he had in mind.

Less than 7 months after Gem State's Dec. 1, 1978, beginning, there are 130 employees and a $16 million total investment.

The big hurdle was turning the $45,000 into high financing and a workable corporate plan. Soumas was introduced to Harry Kimbriel, a former American Airlines vice president who evaluated the Gem State Airlines plan and led Soumas to investment banker Justin Colin of New York.

Colin agreed to finance the airline with $6 million of his own money and $2 million from other sources. Some $4.5 million was used to buy aircraft and $2.5 million for initial operating costs.

Costs included a Coeur d'Alene Airport hangar, a reservations system, corporate offices, maintenance facilities and staffing.

With financing in hand, things started happening. Soumas began operations with three 19-passenger Swearingen Metro II planes, pressurized—ideal for Idaho's high terrain—with two turboprop engines.

Soumas figured an airline like his was needed for three reasons:

To get businessmen to an intrastate destination in time to start the business day.

To return businessmen home by the close of the same business day.

To provide timely connections to areas served by the major airlines.

"Professionalism is the key word," Soumas said. "First class or not at all, that's how we try to do it."

"We are a business and we have a very perishable commodity," Soumas said. "Seats. They are more perishable than any product. When a plane takes off with an empty seat, that seat is lost forever and can never be recovered."

The airline currently runs four Swearingens and on July 1 began running two 50-passenger Convair 580s—purchased for $1 million each. By the end of October, the airline expects to have nine or 10 planes in service.

Included on Gem State's itinerary are Boise, Twin Falls, Idaho Falls, Pocatello, Coeur d'Alene, and Sun Valley, Idaho; Lewiston-Clarkston and Moscow-Pullman on the Idaho-Washington border, and Salt Lake City. Expansion plans include Reno, Nev., and "other areas in the Pacific Northwest."

"We've had some losses, but at this point we're doing better than we expected," he said, not disclosing finances of the privately held corporation. "We're performing better than a lot of others have in similar situations."

But Gem State's overall performance is mirrored in statistics from its nearly 7 months of operation. In that time, the airline has carried some 30,000 people and 60,000 pounds of air freight.

"You wake up and find yourself committed," said Soumas, who will not refer to Gem State as a commuter airline.

"We're not a commuter. We're striving to be a regional carrier and to drop the commuter title. We're the only all-pressurized small airline in the region. We're a first class airline that does things the commuters can't."

Soumas has learned a lot about how to run an airline. It is not unusual to find him mingling with his youthful-looking pilots, talking with the ticket clerks, lecturing the plane maintenance crew or handling general public relations chores.

"I don't even know how to write up a ticket, though," he said.

When he is not flying Gem State, Soumas is living it. And that is the way he plans to keep it, right up until it becomes a major air carrier.

Asked if he has his sights set on a Hughes Airwest-type service, Soumas said, "You bet. Only we want to keep the smaller planes. High frequency service in a low density market is the best way to go."●

FISH RESOURCES MUST BE PROTECTED

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. BONKER. Mr. Speaker, today I have sent a letter to Representative JOHN DINGELL, chairman of the Subcommittee on Energy and Power, which includes my suggestions and proposed amendment to the Pacific Northwest Electric Power Planning and Conservation Act.

Since this legislation will be coming before Representative DINGELL's subcommittee as well as the Interior Subcommittee on Water and Power Resources, chaired by Representative KAZEN, and at some point the House will be voting on the legislation, I am taking the opportunity to include my letter to Mr. DINGELL and proposed amendment printed in the CONGRESSIONAL RECORD:

Hon. JOHN DINGELL,
Chairman, Subcommittee on Energy and Power.

DEAR JOHN: The Pacific Northwest Electric Power Planning and Conservation Act that will be considered soon by the Subcommittee on Energy and Power and the Subcommittee on Water and Power Resources offers us an opportunity to correct the tremendous deleterious effect that dams on the Columbia River and its tributaries have had on the anadromous fish resources of the region.

There is universal agreement that harnessing the water resource to produce hydroelectric power has severely impacted fish runs. While the actual numbers may be in dispute in one quarter or another, there are sufficient data to indicate a substantial mortality level is sustained by migrants at each structure. The number of fish killed varies each year. Many factors, including the loss of nearly one half of the spawning areas because of dam construction, have reduced salmon runs to the point that some are being considered for designation as threatened species under the provisions of the Endangered Species Act. Such action would be intolerable because of its effect on every aspect of water related activities. Fishing in all areas of the states of Washington, Oregon and Idaho and in adjacent ocean waters, navigation, irrigation, transportation and power generation would be affected by such action. Naming some salmon as threatened species is unnecessary because we can overcome the dam impact on fish resources if we resolve to do so.

Although study and research continue to evaluate the effect of various protective devices and enhancement proposals, enough knowledge is available to proceed immediately with initiatives that would have beneficial impact. The only component that seems absent is a different mandate from Congress to require consideration of fish needs when allocating water resources to generate hydroelectric power or for other purposes.

The river can never be returned to the conditions that existed before construction of the dams. But, since man has interferred and interrupted the natural flow, it is incumbent that he now coordinate the operation of his dams to imitate as nearly as possible the flow that would occur during the different seasons. Such a shift in policy on the Columbia and its tributaries would recognize the importance of other resources, and would discontinue the myth that production of hydroelectric power need not take into account hidden costs—including damage to fish resources.

The mortalities sustained by fish at each of the dams are a function of a range of things. Nature timed the outmigration of salmon to coincide with the spring freshet provided by the melt of the mountain snowpack. The collection of the run-off behind dams causes a meandering migration during which the smolts are susceptible to high predation. If the stored water is then run through the turbines, fish are further decimated unless proper screening and bypass systems are in place. On the other hand, any spill over the dam to facilitate fish passage over the dam rather than through the turbines must be accompanied by modification of the structure by spillway deflectors to reduce supersaturation. Any flow fluctuation that changes abruptly the level of water in the river could serve to wash away spawning gravel, dry out reeds, strand juveniles, or unduly stress fish. In short, any operation of the dam without consultation among the various resource managers and consideration of all needs will result in a continuation of the status quo.

I propose to amend the act to provide a framework within which a council with membership drawn from many interests, including fish management entities, will develop an energy plan that is responsive to fish needs. Such a council, patterned after the Fishery Management Councils established by the Fishery Conservation and Management Act of 1976, would guarantee meaningful public participation in the process.

In addition, the legislation should allow for implementation of specific measures recommended to the council to protect fish resources, and mitigate the present and historical losses that have occurred. Such protection measures would include: requiring instream flow consistent with fish management recommendations to facilitate outmigrant passage through slack water reservoirs; screening devices and bypass systems to prevent forced passage through turbines; spillway operation sufficient to attract upstream migrating adults; modification of all structures where spills occur to provide deflectors to reduce supersaturation; fishways and/or collection and transportation programs to augment passage at all structures. To mitigate fish losses, we should expand existing research programs to seek answers to all outstanding questions, and to improve on existing technology to protect and enhance fish resources. All artificial production through hatcheries, spawning channels and other accepted means to rebuild fish stocks that have been included in the various water projects as mitigation proposals but have not been undertaken should be initiated as quickly as possible.

By recognizing the federal obligation to protect fish resources and develop a balance between anadromous fish production and hydroelectric production and changing the philosophy of the Bonneville Power Administration, Army Corps of Engineers, and Bureau of Reclamation to reflect that obligation we can continue to be blessed in the Pacific Northwest with anadromous fish resources unmatched in the world and cheaply produced hydroelectric power sufficient to meet the region's needs.

The language that follows is Senator Church's amendment as adopted by the Senate Energy Committee, with the changes that reflect my commitment to protect and enhance fish resources. Finding 2(b) "The participation and consultation of . . . users of the Columbia River System including fisheries agencies . . . are essential in the development of regional plans and programs. . . ."

PROPOSED FISHERIES AMENDMENT

4(g) The Council shall request annually from the region's state and Federal fisheries agencies and the appropriate Indian tribes and fisheries agencies their recommendations (1) of measures which would contribute to the preservation and enhancement of the fish resources of the Columbia River and its tributaries for inclusion in the plan and (2) for the funding of research and development which has the potential of providing improved passage for anadromous fish migrants at and between the region's hydroelectric dams.

The Council shall implement such recommendations in the preparation of the plan or modifications to the plan.

Upon adoption of the plan, the Administrator shall (1) include in his annual budget funds for fisheries research and development to be paid from the Bonneville Power Administration fund, or from appropriations and to provide for:

(a) Coordinated operation of dams to protect fish resources to implement measures that include, but are not limited to:

(1) providing uniform instream flow consistent with fish management recommendations to facilitate outmigrant passage needs sufficient to prevent forced passage through turbines and to flush through slack water reservoirs

(A) Such instream flow levels shall be the product of consultation between fish management entities and the Regional Power Council.

(B) Fluctuation of instream flow shall be initiated only after coordination between the Regional Power Council and fish management entities.

(C) Establishment of instream flow shall be responsive to specific fish migration needs.

(2) providing spillway operation sufficient to attract and facilitate upstream adult migration

(3) providing sufficient water in all spawning areas whenever redds or juveniles are present to prevent any drying of redds or stranding of juveniles

(4) providing for protecting spawning beds gravel by minimizing flow surges sufficient to change greatly water levels over short period of time

(5) providing for sequential, phased operation of turbines to provide coordinated protection of fish as they pass through a series of dams

(b) Modification of existing structures to protect fish resources including, but not be limited to, measures that:

(1) deter fish from passage through turbines (screens) to divert fish to bypass systems

(2) prevent supersaturation (spillway deflectors)

(3) facilitate passage of fish around structures to spawning grounds by construction or modification of existing fishways

(c) Collection and transportation of migrants shall be continued and expanded upon to reduce mortalities at all structures

(d) Expanded research programs to:

(1) continue development of programs and devices to maximize protection of fish resources

(2) collect a body of data that provides sufficient information to answer outstanding questions on:

(A) range of conditions that contribute to mortalities

(B) alternative passage systems and comparative benefits of each

(C) multiuse concept of competing uses of river and analysis of each.

(D) cost analysis of fish resource losses for generation of different levels of power.

(e) Construction and operation of artificial production facilities to compensate for fish resources losses based on:

(1) documented historical mortalities and lost spawning area

(f) opening and enhancement of natural spawning areas that have not been in production by:

(1) Protecting water quality and quantity of existing streams

(2) assisting in removal of obstructions to passage to such areas

and (2) acquire and dispose of power and utilize the flexibility of the resources available to him in a manner which will result in the preservation and enhancement of the anadromous fisheries resource while meeting his other obligations.●

OUTSTANDING WOMAN SERVES PEOPLE FOR 25 YEARS

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. DICKINSON. Mr. Speaker, I would like to share with my colleagues an article which appeared in the Dothan Eagle, Dothan, Ala., about an outstanding woman who has served people in my district for the past 25 years.

Julia Smith began her public career in the extension service in Crenshaw County, Ala., in 1955. In this capacity she provided invaluable leadership and service with the 4-H Club girls of the county.

In 1957 Miss Smith began her service as home demonstration agent for Houston County, Ala., a position she held for 22 years through her recent retirement.

Julia Smith typifies the outstanding public servant who has contributed so much to her people. I take pleasure in sharing the following article about Miss Smith with my colleagues:

[From the Dothan Eagle, July 22, 1979]

FROM "JAILHOUSE LETTERS" TO ADULT EDUCATION, A TRUE INSPIRATION

For a person who does not enjoy cooking, house cleaning, sewing or handwork, Julia Smith has had an unwarranted influence on the people of Houston County during the 22 years she has been affiliated with the Houston County Extension Service.

Even though she is not naturally domestic, Miss Smith has become a "mother and a grandmother" to numerous young homemakers.

With her ability to answer almost any question, within reason that is, the alert brown-haired woman has captivated the admiration of the young and old alike.

Looking back on her years of service with the extension service, Miss Smith feels she has learned about as much from the homemakers as she has tried to teach them. "I feel the most important thing about my job has been helping people in Houston County," the Auburn University graduate who officially retired this month.

Beginning her career with the extension service in Crenshaw County, Miss Smith became an assistant home agent there in 1955.

She worked with girls involved in 4-H for one year.

About a year later she came to Houston County as an assistant home agent and worked with the 4-H'ers here for a while.

At this time the extension service was located in the Courthouse Annex building and the Alabama native said she "often received mail from 4-H girls—addressed to Miss Julia Smith, Jailhouse."

In 1957 Miss Smith became the home demonstration agent for Houston County and was responsible for the entire adult home economic program.

Her job entailed conducting programs about foods, money management, clothing and other family economic programs, for clubs and organizations.

In 1965 Alabama was selected by the Department of Agriculture to participate in a federal program instigated for the lower income families.

And Houston County was one of four counties chosen in the state to test the Pilot Program.

"At this time the extension service was geared to the middle income families, Miss Smith explained, "and through the Auburn Extension Service we employed aids who were trained in home economics to work with the poorly educated women in low income brackets."

"The founders of the program felt the practical homemaker could help women in a low income more than professional home economist," she continued.

Houston County Agent Allen Mathews says Miss Smith was a pioneer of the Pilot Program and was greatly responsible for the program's success.

"The outstanding program reached a lot of low income people and taught them how to buy groceries on a budget," Mathews said, "and because it was so successful it was adopted by all states."

A major change occurred in the late 60's involving the extension homemakers clubs, and the leader training program was developed.

Previously, Miss Smith had gone to individual clubs and presented programs, now, representatives from each club learned programs and presented the programs to their clubs.

"Representatives of the clubs were able to come to the extension office and then return to their clubs and present programs."

According to Mrs. Clifton Hughes who is president of the Kinsey Extension Homemakers Club, Miss Smith has been "most helpful with club members and others who seek advice about such things as health family life and hand crafts."

Associated with the club for a number of years, Mrs. Hughes says "every woman should take advantage of the adult leadership program."

"A precious person," says Mrs. Wade Clark, "Miss Smith has been a great help to the Selma Club."

"Anytime I asked for information she would tell me exactly what to do and I frequently went to her office and spoke with her."

Most all members of the 12 organized extension clubs in Houston County agree with Mrs. Melbourne Ivey, president of the Webb Club.

"As a friend and leader of all the clubs, Miss Smith has been an inspiration to us all," Mrs. Ivey said.

As times change the extension service has developed programs to meet the needs of women within the county. Demonstrations about energy conservation, rape protection, money management, and nutrition sites for the elderly in Madrid, Columbia and Dothan have been added to the program.

"Within the adult program we now have women from the city as well as the rural areas," the avid reader said.

"Because of the conveniences we have there is very little difference in the urban and rural women."

Miss Smith, who has taken calls at home and at the office, said she also strove to "seek out answers to any questions I did not know."

Often it would be a young mother who said "I've just taken the laundry out of the dryer and left Johnnie's crayons in his pockets. What can I do?"

Or the vacationing family who upon returning discovered that the freezer had been accidentally cut off and all the food was thawed and, in most cases, ruined.

"These are the saddest callers," she noted, "because there is almost nothing they can do about it—even though a lot of work and money was involved."

Other calls include anything from food preservation to money management.

Reflecting on progress the Houston County Extension Service has made over the last 22 years, I'd say—for a woman who isn't naturally domestic—Miss Smith deserves the praise and admiration of her cohorts.●

REPRESSION OF HUNGARIANS IN COMMUNIST ROMANIA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. DORNAN. Mr. Speaker, it has come to my attention that 2.5 million Hungarians residing in Communist Romania are suffering overt cultural genocide. The human rights of this significant minority are violated continuously—despite Romanian acquiescene to the Helsinki agreement and the International Covenant on Political Rights. This ethnic group with a rich and unique culture is being forcibly socialized into Romanian ways—its mother tongue is stifled and its schools are closed. The freedom of these people to perpetuate their precious tradition is violated. Rather, the Communist Romanians attempt to assimilate Hungarian subjects and do so by ruthlessly resorting to oppression, persecution, and economic neglect.

Mr. Speaker, I would like to take this opportunity to read into the record a memorandum of the American Hungarian Federation on the situation of the Hungarians in Romania.

The memorandum follows:

MEMORANDUM OF THE AMERICAN HUNGARIAN FEDERATION ON THE SITUATION OF THE HUNGARIANS IN ROMANIA

During his visit to the United States, one of the leading Transylvanian intellectuals left the message: "Don't let Hungarian education perish in Romania!"

His anguished cry was a reflection of the fact that the cultural, political and economic oppression of the 2.5 million Hungarians in Romania, living mostly in Transylvania, has become both an international and a national issue for the government of the Socialist Republic of Romania.

For a thousand years the Hungarian population of Transylvania constituted the governing elite of the province which was connected with Hungary in the Kingdom of St. Stephen. It is now the subject of both Communist and chauvinist oppression. It is not our intention to gloss over the general political and cultural oppression in Romania. We know well that Romanian intellectuals and freedom-loving people are badly oppressed and that human rights violations against them occur daily.

We would like, however, to bring to the attention of the United States Congress the second tier of oppression imposed upon the Hungarian population of Transylvania. In order to mask its economic and political failures, the present government is stirring the members of nationalist bias in order to win tolerance, or even the allegiance of Romanian chauvinists, be they Communists or even anti-Communists. The government does this in contravention of its own Constitution which bars any discrimination on the basis of national origin.

THE PATTERNS OF DISCRIMINATION IN TRANSYLVANIA

Despite the generally rocky road of Romanian-Hungarian relations in Transylvania there was a short period of attempted reconciliation between the Communist elites of the two groups at the expense of the middle classes of both nations between 1946 and 1958. As a result, the Hungarian educational system (although under strict ideological control) was continued, "Socialist realism" promoted even in the Hungarian language and theaters flourished in order to educate the Hungarians in ideologically reliable plays and comedies.

The situation started to deteriorate between 1958 and 1968 by the forced merger of the Hungarian Bólyai University with its Romanian counterpart (Babes University) in Cluj (Kolozsvár), by the persecution of many Hungarian university students and intellectuals under the pretext of counterrevolution and nationalist deviation in the wake of the anti-Communist revolution in Hungary that had repercussions in Transylvania in 1956. In the early 1960s the independent Hungarian secondary and primary school system in Transylvania was forcibly merged with the Romanian one and the surviving classes became "sections" of Romanian schools. Economic development neglect of the Hungarian region of southeast Transylvania was continued and the Romanization of the cities accelerated.

While during the 1968–73 period some improvements were made by the Romanian Government which had at that time feared a Soviet invasion, the situation is now rapidly approaching a nadir for the 2.5 million Hungarians in Romania.

Hardest hit is the educational system. Since 1974 the ratio of academic and scientific lycées (prep schools) to vocational high schools changed from 70/30 to 30/70 in Romania. The repercussions for Hungarian-language education were horrendous. In the lycées about 10 percent of the students were Hungarians in 1974, now their percentage dropped to 3.6 percent. In the vocational high schools their percentage in 1974 was 1.8 percent and despite the general change in the educational system, their percentage only rose to 3.5 percent in 1977.

The percentages do not, however, explain the damage done. In the vocational high schools textbooks are only now being printed in Hungarian and many of them are still Romanian textbooks with Hungarian glossaries. Teachers (sometime of the Hungarian nationality) have been unable to teach the technical language in Hungarian having learned the terms and using the terms all their life in Romanian only. In addition, the percentage of classes in Hungarian language in the "Hungarian sections" of the vocational schools usually do not exceed 50–60 percent while in the old lycées all but Romanian language, history and geography were taught in Hungarian. Since this year even the teacher supply is cut as no student can take Hungarian language and literature as major without taking a second major in Romanian language and literature. In practice, there is no guarantee at all that a Hungarian teacher qualified to teach Hungarian will not be assigned to a Romanian section.

There is still considerable pressure to close Hungarian sections and to increase the subjects taught in Romanian in the remaining sections. Only about half of the Hungarian

children in Transylvania attend Hungarian sections, and less 35 percent attend Hungarian sections in the high schools in general. The percentages are shrinking year by year. On the university level the number of Hungarian students expanded only 20 percent in the last 15 years as compared to about 200 percent for Romanians.

Hungarian bilingual signs are unknown outside of the three counties of the "Székely area" and even there they are sparse. Despite the constitutional guarantee of the use of the mother tongue in official correspondence and contacts, no such opportunities exist except in the purely Hungarian villages. Many of the towns and cities with Hungarian majority or substantial Hungarian majority or substantial Hungarian minorities have mayors who do not speak Hungarian. The once flourishing Hungarian theaters are also merged with Romanian ones except in Cluj (Kolozsvár) and Sfintu Gheorghe (Sepsiszentgyörgy).

The situation could be described in similar terms of systematic and forced retrenchment of any Hungarian culture in other fields. The history of the province has been falsified not only according to Marxist-Leninist dogma, but sometime in contravention of it in the spirit of Romanian chauvinism. Most of the Hungarian history of the province is completely ignored, the few instances quoted are completely distorted to stress "Romanian contribution." The questionable "Dago-Romanian theory" has become a matter of creed which Hungarians have to parrot admitting that the Romanians and not they were the autochtonous population despite their incredence of the theory.

The newest assault on the Hungarians is the systematic plan to dilute the last Hungarian bloc of about 750,000 in southeast Transylvania. Ending economic neglect the area is now being industrialized. But the workers brough in are not from the neighboring' villages but from the Romanian parts of Transylvania and often from outside Transylvania. The plan has not yet succeeded in its objectives but the gleichschaltung has already begun in the Szekely area toward the permanent local minority status of the Hungarians.

Atrocities also occur. A professor in the *lycée* at Brasov was either killed or driven to suicide in 1977 for opposing the abolition of the Hungarian section in his school (Szikszay). Arrests and persecutions are not uncommon and the leading dissenter, former member of the Communist Party's presidium, Károly Király, was severely harrassed upon publically criticizing the policies toward the nationalities in 1978.

THE INTERNATIONAL AND NATIONAL ISSUE OF OPPRESSION IN ROMANIA

The Király letters which were also published in the West were not the only sign of resistance of the Hungarian leaderahip in Transylvania. Former Rector of the Bólyai University, Professor Lajos Takacs formulated the demands of the minority within the framework of Communist ideological principals but fearlessly as far as Romanian chauvinism is concerned. Memorandum was sent by 63 Hungarian intellectuals in Transylvania to their Romanian colleagues asking for improvements and the leading Hungarian writer Andras Sütö also addressed an appeal to the party organs.

The Western press, especially since the Király letters, is also taking note of the continued persecution of the Hungarian minority. Articles were published in leading American, British, Swedish and German newspapers and magazines in the period of 1977–1979.

The American Hungarian Federation has addressed the problem ever since 1963 to the members of Congress and the Administration. We are not against the principle of foreign trade, nor against the principle of most favored nations treatment to Romania. But in our opinion, granting the concessions rewards a country where human rights violations are daily occurring against all citizens, where free emigration does not exist and where the autochtonous Hungarian minority of 2.5 million is cruelly oppressed. We do not believe that Congress should renew the most favored nations treatment of Romania at this time until guarantees for improvements have not been received by the President and Congress that the provisions of the Helsinki Agreement on human rights will be observed and the national minorities assured the rights they enjoy under the Helsinki Agreement and the International Covenant on Political Rights.●

YE OF LITTLE FAITH

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 1979

● Mr. SYMMS. Mr. Speaker, the July 22, 1979, Idaho Statesman contains an editorial commenting on President Carter's order imposing temperature regulations on heating and cooling of nonresidential buildings. I feel that the Statesman editorial makes some very good points.

Further, I strongly suspect that the energy savings—specifically oil—resulting from these regulations will be minimal. One gets the feeling that the real reason for the regs is to create a public psychology of "crisis."

The editorial reads as follows:

YE OF LITTLE FAITH

The Department of Energy's program to enforce restrictions on heating and cooling non-residential buildings in an affront to the American people and a waste of money.

The department has announced that Idaho might receive approximately $52,000 to enforce the regulations, which require all nonresidential buildings to be cooled no lower than 78 degrees in summer and heated no higher than 65 degrees in winter. The money would be used by the state to monitor compliance with the regulations. Those found in violation could be subjected to fines up to $10,000 a day.

How incredibly small-minded of Washington. President Carter tells us it is our duty as citizens to sacrifice so our country might overcome the energy crisis. Then, the first thing the federal government does is seduce state governments with federal money and beat the people about the head and shoulders with threats of what will happen if they don't comply.

That's like saying, "You ought to be patriotic, but we don't think you have it in you. We have no faith in you."

Idaho ought to refuse the money and ignore the threats. The people of Idaho do have it in them, as citizens of the nation, to respond without threats. Idahoans will respond because they understand the gravity of the situation. They will heed to call of their president and the regulations passed by Congress without being threatened into it. True, some will cheat under any circumstances. But we predict more cheating will result from the heavy-handed federal threats than would otherwise be the case. Intimidation is counterproductive: it begets rebellion.

In his speech last Sunday, President Carter spoke of Washington as an island. This attempt to muscle the American people certainly shows how much of an island that city on the Potomac has become. The carrot and stick approach is entirely inappropriate to the tenor of the day. The people just do not need federal intimidation. They are ready to respond. They may grumble a bit, but they are ready to sacrifice. Just treat them like sensible human beings, not like naughty children.

The human animal normally performs to expectations. Expect little and you will get little. Expect much and so shall you receive. If it is true, as we believe, that Americans must regain a sense of self-confidence and faith in their nation, it follows that the government must risk a demonstration of that same faith. Programs such as this are a poor way to start.●

SENATE—*Monday, July 30, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL T. HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord whose grace is sufficient for all our need, grant to each of us an abiding sense of Thy presence that we may have Thy correction, Thy wisdom, and Thy support.

We pray for all persons in places of authority, the President, his counselors, the Members of Congress, all judges, all diplomats, and those who make and execute national policies. May they have a vivid sense of ruling under Thy providence, and a holy remembrance that where there is no vision the people perish.

In Thy holy name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 30, 1979.

To the Senate:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL T. HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Nebraska (Mr. EXON).

SENATE RESOLUTION 206—SET-ASIDE PROGRAM FOR 1980 WHEAT CROP

Mr. EXON. Mr. President, I rise this morning to ask for the immediate consideration of Senate Resolution 206, which the Senator from Nebraska introduced last week. Before proceeding, if the majority leader will yield, I would like to ask him a question regarding procedure.

Mr. ROBERT C. BYRD. Mr. President, I will be glad to answer the Senator's question.

Mr. EXON. Mr. President, by unanimous agreement on both sides, as the majority leader knows, the ranking member of the Agriculture Committee and the chairman of the Agriculture Committee in consultation on the floor on Friday last, about 6 p.m., agreed that the committee would be discharged. I ask the question: Would it not be proper at this time to move for the discharge of the committee before I move adoption of the resolution?

Mr. ROBERT C. BYRD. Mr. President, I hope the distinguished Senator will not press his request at the moment. If he would wish to have some time to speak, I will be glad to yield.

Mr. EXON. Mr. President, let me proceed with my remarks and we can work out the matter in the meantime.

Mr. ROBERT C. BYRD. Yes.

Mr. EXON. Mr. President, let me begin by expressing my gratitude to the distinguished chairman of the Agriculture Committee and the distinguished ranking minority member of the committee for their expeditious action on this resolution. In light of the fact that the administration will be announcing its decision in the next few days, it is critical that we in this body have the opportunity to send the Secretary of Agriculture a message. This resolution is such a message expressing the desires of the U.S. Senate.

Mr. President, when I first learned that the administration was contemplating a decision which would eliminate the voluntary wheat set-aside for the 1980 crop year, I was shocked. For the last 2½ years, the U.S. Department of Agriculture has been the target of criticism from virtually every segment of the agriculture industry for what was believed to be a shortsighted agriculture program which was doing little to address the immediate needs of our farmers. In recent months, this stagnation appears to have broken and we have seen a decided improvement in market prices brought on by improved export demand and the policy of reduced planting; namely, the set-aside.

It is too soon, Mr. President, to take the steps the Secretary of Agriculture is contemplating in the elimination of the voluntary set-aside for wheat and later this year for feed grains. The Nation's harvest reports are indicating that when the last bushel of wheat is harvested, this Nation's wheat farmers will have produced some 2.15 billion bushels, much of which will certainly go into our surplus. To eliminate the set-aside, in my opinion, will put this Nation's farmers on the road to a fence-row-to-fence-row planting policy which will only serve to end the current market price improvements and force prices to decline. This will, once again, put our food plant in a state of stagnation and further the continued evolution of the international cheap food policy.

Mr. President, the time to act is short and the importance of this action is undisputed. The U.S. Senate, should it approve this measure, will go on record in support of the continued voluntary set-aside for the 1980 wheat crop and by this action show its continued support for our food plant.

Mr. President, this completes my remarks at this point. I ask for the early consideration of the resolution as presented.

Before I yield back to the majority leader, I do want to point out that I will offer a technical amendment to correct a typographical error, an amendment which is now at the desk. During the drafting of this resolution, a minor error occurred in paragraph 3. The figure of 215 million should read 2.15 billion.

I will offer that amendment at the appropriate time as a technical correction.

Mr. ROBERT C. BYRD. Mr. President, as I understand the distinguished Senator, he will seek to discharge the Committee on Agriculture from further consideration of the resolution, Senate Resolution 206.

Mr EXON. The Senator is correct.

Mr. ROBERT C. BYRD. And he would wish to proceed to its immediate consideration.

Mr. EXON. The Senator is correct.

Mr. ROBERT C. BYRD. And then he would wish to offer an amendment which would correct a typographical error.

Mr. EXON. The Senator is correct.

Mr. ROBERT C. BYRD. It will have to be cleared on the other side before we can proceed. Have I any time remaining.

The ACTING PRESIDENT pro tempore. The Senator has 4½ minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair. I will reserve that time in the event that I wish to yield to the Senator.

Mr. BAKER. Will the distinguished majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I have asked the majority leader to yield to me only long enough to say that I believe this matter has been cleared by our ranking member on the Agriculture Committee, the distinguished Senator from North Carolina (Mr. HELMS). If the Senator would forbear just for a moment, I would like to touch one or two other bases and then I think we will be prepared to go forward.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, there was a conversation on the floor, I believe last Friday, involving Mr. TALMADGE, the chairman of the committee, Mr. HELMS, the ranking member, Mr. EXON, and myself. I think the matter was cleared at that time. But we will not pursue the matter until the distinguished minority leader has further cleared the matter.

Mr. EXON. If the Senator will yield, I am glad to wait as requested by the majority leader.

Mr. President, I ask unanimous consent at this time that Senator BOSCHWITZ be made a cosponsor of the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, are there special orders this morning?

The ACTING PRESIDENT pro tempore. There are special orders, yes.

Mr. BAKER. Mr. President, am I included in that list?

The ACTING PRESIDENT pro tempore. The Senator is included.

Mr. BAKER. Mr. President, I have no need for more than the time provided by the special order, and I am willing to yield back my time under the standing order. If I could suggest the absence of a quorum or otherwise utilize that time in order to gain just a moment to complete my check, I would be willing to try to dispose of the matter offered by the Senator from Nebraska.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

SENATE RESOLUTION 206—SET ASIDE PROGRAM FOR 1980 WHEAT CROP

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might say for the benefit of our colleague from Nebraska and the majority leader that this item, it now appears, is fully cleared by the ranking minority member of the Committee on Agriculture, the distinguished Senator from North Carolina (Mr. HELMS). We know of no other problems with the measure, and I am prepared at this time to proceed to agree to the Senator's request.

Mr. EXON. Mr. President, I ask unanimous consent that the Committee on Agriculture be discharged from consideration of Senate Resolution 206 and that it be immediately considered.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the immediate consideration of the resolution.

The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 206) relating to the set aside program for wheat for the 1980 crop.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

UP AMENDMENT NO. 470

The ACTING PRESIDENT pro tempore. Does the Senator wish to submit his amendment?

Mr. EXON. Mr. President, I have sent to the desk a minor corrective amendment that I should like to have incorporated in the RECORD. I referred to it in my remarks a few moments ago, a typographical error changing the words "215 million bushels" as originally inserted to "2.15 billion bushels." I ask unanimous consent that that corrective language be made part of Senate Resolution 206.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON) proposes an unprinted amendment numbered 470.

In the third paragraph of the preamble strike all after "harvest" and insert in lieu thereof: "which includes a 20 percent set-aside, produced some 2.15 billion bushels of wheat which will add to this nation's current domestic surplus".

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 206) was agreed to.

The preamble, as amended, was agreed to.

The resolution, with its preamble as amended, is as follows:

S. RES. 206

Whereas the Secretary of Agriculture has been given the responsibility by law to establish crop set-aside programs for the 1980 crop year for certain agricultural commodities; and

Whereas the Secretary of Agriculture will be making his decision on the wheat set-aside program for the 1980 crop year on or before August 15, 1979; and

Whereas the 1979 wheat harvest, which includes a 20-percent set-aside, produced some 2.15 billion bushels of wheat which will add to this Nation's current domestic surplus.

Whereas a decision to not have a wheat set-aside for the 1980 crop year can only result in fence-row-to-fence-row planting practices similar to those that occurred in the mid-1970's and resulted in excessive surpluses during a time of reduced world demand and in financial ruin for a large segment of this Nation's wheat producers; and

Whereas official Department of Agriculture estimates indicate that seventy-eight million acres will be planted to wheat in the absence of a set-aside program, an estimate by industry of eighty-two million acres is far more realistic; and

Whereas eighty-two million acres of wheat production in 1980, a substantial increase over the estimate of the Department of Agriculture, would drive market prices down from their presently improved level and result in significant savings only to foreign buyers at the expense of domestic producers; and

Whereas it is the responsibility of the Secretary of Agriculture to use the authority granted him by law to protect the Nation's agriculture sector through the formulation of policies designed to improve production practices and ultimately eliminate the cheap food philosophy which has permeated our Federal Government for too many years: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture should, and is hereby urged and requested to, establish a minimum wheat set-aside for the 1980 crop year of not less than 5 per centum of the 1980 wheat acreage.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. EXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, I ask unanimous consent that time allocated to me under a special order for this morning may be assigned to the distinguished Senator from New York, so that he can maintain control of an orderly colloquy on this important subject.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from New York is recognized for not to exceed 15 minutes.

THE REPUBLICAN ECONOMIC PROGRAM

Mr. JAVITS. Mr. President, my purpose in addressing the Senate this morning is to detail the elements of an economic program just adopted by all 41 Republican Members of the Senate for presentation to Congress and to the country. The economic program is designed to offer the American people alternatives to the economic proposals of the administration. We felt it our duty, if we were going to be critical, to offer positive alternatives ourselves. This is what we shall be presenting this morning.

These statements were released late last week. My presentation will be followed by that of Senator DANFORTH of Missouri and other Republican Senators who will present a package of bills implementing part of this program. Other bills will be forthcoming in due course. In addition, there are measures already introduced which deal with the implementation of elements of the program.

Mr. President, the ideas which we present and which we shall endeavor to implement by legislation, both in original measures and amendments to bills which may be brought in here by committees and to recommendations which may be made by the President, are based upon a number of fundamental concepts. These are four, and they are as follows:

One, that the control of the present double-digit inflation, which we all agree is critical to the long-term health of the economy, depends upon the adoption of the following policies: To foster improved capital investment, productivity, research and development, personal savings, and personal investment in order to expand the productive capacity and efficiency of our economy; and, two, to bring the Federal budget into balance as soon as possible as an integral component of stable monetary and fiscal policies.

Second, the present and prospectively worsening problems of unemployment, which bears so heavily on youth and on minorities and those newly entering the labor force, can be best remedied by placing greater reliance upon the private sector of our economy through expanded use of tax credits for employers who give jobs, the issuance of vouchers by Government making that program easier to administer, and especially adapting to the problems of the structurally unemployed.

Third, that a crisis of confidence having arisen in our country, which is reflected in a crisis of confidence in the health of the U.S. dollar, which has been battered by our inability to deal with a new wave of inflation and by a fundamental erosion in the overall economic position of the United States and the world, its restoration requires better control of domestic inflation and a massive export development drive.

We also urge the establishment of a means for moving capital for productive purposes to developing countries

which are willing to cooperate in the foreign trading system of the world.

Fourth, and last, the U.S. tax system should not operate to reduce the real standards of living of the American people.

Accordingly, we Republicans support substantial phased reductions in Federal income taxes to encourage incentives for economic growth and job opportunities without inflation and to limit the growth rate of Federal spending.

Mr. President, these themes are incorporated in the Republican economic policy statement which has already been printed in the RECORD, but which, for the purpose of unified reading, I ask unanimous consent it may again be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REPUBLICAN ECONOMIC POLICY STATEMENT

INTRODUCTION

Today, a lack of confidence in the ability of the present Administration to develop consistent and reliable economic policies has bred a climate of uncertainty about the health of the U.S. economy and even about the position of the U.S. in the world.

Controlling inflation, cutting taxes, and increasing our national productivity are the main economic concerns of the American people. Senate Republicans are prepared to furnish fresh, optimistic, and decisive leadership to accomplish these objectives.

Our program for balancing the federal budget, reducing personal and business taxes to increase incentives for investment and improved productivity, curtailing regulatory excesses, and other measures to increase investment and job opportunities is in sharp contrast to current economic policies.

In recent months, economic uncertainty has yielded to genuine concern about the danger of a severe recession because:

(1) Inflation has reaccelerated to double-digit levels in this year,

(2) Unemployment has remained very high, and

(3) There is an almost total absence of a coherent national economic strategy and energy policy.

Inflation is eroding the value of savings and wiping out recent increases in personal incomes, while simultaneously increasing the tax burden by forcing Americans into higher tax brackets. Unemployment has persisted in the range of 6 percent for the last year and shows no signs of improvement any time soon. Indeed, it is now expected to worsen considerably. And youth unemployment continues at intolerable levels, particularly in the older cities.

Compounding the problems of worsening inflation and unemployment are the continuing weakness of the U.S. dollar; very high interest rates; the sharp fall-off of R & D investment; and the virtual stagnation of U.S. productivity growth—the key to jobs, rising standards of living and stable prices.

The economic danger before us is very real, therefore, but the Administration seems to lack either the ability or the will—or both—to deal with it. Instead of formulating the needed economic initiatives—to restrain inflation by increased productivity and enterprise; reduce unemployment; reduce the trade and payments deficits; increase the real GNP by bringing the national books into balance; and restore domestic and world confidence in the dollar—the Administration has seemingly chosen a policy of papering over the basic economic illness by market manipulation of the dollar, wage and price exhortation and surrendering on energy policy.

The Administration continues to rely principally upon an almost unintelligible, already unsuccessful program of half-mandatory/half-voluntary wage and price controls and a series of energy programs by which, even if approved, little will be gained in energy sufficiency. The economic history of the world proves the folly of continuance of wage and price controls which distort the economy and incur ultimately greater inflationary pressures. The imposition of wage, price or credit controls cannot be justified except in a time of true national emergency.

Clearly the loss of confidence in the leadership of the U.S. has its roots in a fundamental skepticism about the effectiveness of U.S. leadership.

Senate Republicans believe action is needed now, to avert what could be a major domestic and world economic disaster early in the course of the next decade. There is a need to put before Congress and the people an action program which would be directed to: securing the living standards of the people; reducing unemployment by providing permanent private sector jobs, particularly among minorities and youth; restoring confidence in the U.S. dollar; stimulating capital formation and U.S. productivity as the only enduring approach to stable prices and full employment; reducing the burden of unadjusted federal tax brackets on individuals and corporations; balancing the federal budget; and reducing our dependence on foreign energy sources.

Accordingly, Senate Republicans put forward this "Economic Program for the Decade"—an action program to begin to make right what is so wrong with the U.S. economy.

BUDGET AND TAXES

1. It is vitally important that the tax system not operate to reduce the real standard of living of the American people. Therefore, we support substantial phased across-the-board reductions in federal income taxes to encourage incentives for economic growth and job opportunities without inflation and to limit the growth rate of federal spending.

2. Our objective must be to bring the federal budget into balance and to curb future deficits.

3. There should be a mandatory limit on federal spending. A policy of no "real" growth in federal spending through FY 1982 is desirable. The spending limit needs to be sufficiently flexible to allow for national economic and other emergencies.

4. The excessive burden of the national debt must be reduced. Budgets must provide surpluses for this purpose. Receipts from the sale of certain federal assets such as oil leases and surplus federal properties could help accomplish this goal.

5. A thorough review of all federal entitlement programs is necessary to help reduce the rapid growth of federal spending.

6. It is of the utmost urgency that the Social Security system be reviewed and revised so as to ensure the continuation of our financial commitment to our older citizens, the solvency of the trust fund, and to be fair to our younger workers, with particular regard for eliminating fraud and abuse in the disability program and providing relief from escalating payroll taxes.

7. Federal accounting precedures must be changed. The hidden spending of "off-budget" agencies through loans and credits should be highlighted in the Congressional budget.

8. There should be a thorough review of federal budgetary and accounting procedures, with consideration given to applying the accounting procedures of the private sector to the operation of the federal government, to obtain a more accurate picture of the federal budget in terms of capital assets as well as outlays. In this connection, a Task Force on the Federal Budget should be formed to review and make recommendations to Congress and the people on federal budgetary concepts, procedures and standards.

9. To further reduce federal indebtedness, the U.S. should be more vigorous in the collection of its debts, domestic and foreign.

CAPITAL FORMATION AND PRODUCTIVITY

1. Personal savings and investment should be encouraged by incentives, rather than penalized through taxation. There should be universal eligibility for Individual Retirement Accounts of up to $1,500/year. By saving for their own future, Americans would be investing in a stronger, healthier economy.

2. As an incentive for greater savings and investment, a savings interest exclusion should be provided and the present dividend exclusion from federal personal income taxes should be expanded.

3. Government at all levels should revise regulatory systems which presently divert investment capital away from productivity and job creation and divert business enterprise into non-productive purposes.

4. Improved levels of productivity in the private sector are paramount if the United States economy is to make progress in winning the inflation battle. Business incentives toward increased capital formation and investment must be encouraged through business tax reductions, tax credits, and accelerated depreciation allowances. Realistic tax incentives spur investment. Depreciation allowances for plants and equipment, including equipment to meet evironmental regulations, should be accelerated and adjusted for inflation, in order to permit depreciation allowances to approximate more closely the true replacement costs rather than historical costs of capital equipment.

5. To increase productivity, the United States must recover its former place as the world's leader in industrial research and development. Tax credits for new R & D expenditures would provide a significant incentive for improved research and development spending. The United States must increase properly conceived federal expenditures for accelerated research and development in order to replenish the nation's reservoir of technology and energy alternatives.

6. Sunset legislation for all federal regulatory agencies should guarantee the periodic review and, if necessary, adjustment of their scope and purpose.

7. The Congress should exercise effective but practicable control over proposed federal regulations to ensure that they carry out the intent of Congress. On the federal level, every proposed regulation should be subject to cost-benefit analysis to ensure that potential benefits are not outweighed by its economic impact.

EMPLOYMENT AND UNEMPLOYMENT

1. Full encouragement should be given to the highest priority need for work-study programs in high schools and colleges to attack the basic problems related to the high levels

of unemployment among several groups, i.e., those lacking the training, education, and the desire to achieve the needed skills for productive employment.

2. Targeted tax credits for hiring the structurally unemployed—similar to the Targeted Jobs Tax Credit enacted last year—provide an important incentive to employers to hire the economically disadvantaged. Full use should be made of these and similar tax credit incentives to reduce unemployment among those segments of the labor force—youth—with disproportionately high unemployment.

3. Cash bonuses for employers should cover part of the costs of bringing jobless Americans into the productive economy. In this regard, CETA's voucher demonstration project, helping the private sector hire trainees most in need of jobs, should receive a greater percentage of CETA funds.

4. Labor and management should cooperate to strengthen and expand training and apprenticeship programs in the skilled crafts, especially in small businesses, and measures to improve productivity with appropriate participation by each in the avails of such improvements.

5. Labor-management councils, bringing employers and employees together to improve working life conditions, should be encouraged.

6. The Private Sector Initiative Program (Title VII of CETA) should be expanded, so that persons trained in this program can have better opportunities for career development.

7. The charter of the U.S. Employment Service should be revised to foster better coordination with other federal activities, especially those conducted under CETA.

8. Part-time and flexi-time work schedules deserve greater use to accommodate workers and their families with special economic and domestic situations.

9. A youth differential in the Minimum Wage, with appropriate safeguards against displacement and only for a limited period of time, could have a significant impact on youth employment.

10. Regulation and paperwork requirements must be simplified for all business and construction activities in order to increase employment opportunities through reduced overhead costs.

INTERNATIONAL TRADE AND MONETARY POLICY

1. The Federal Government, with active participation by leadership from the private sector, should develop and implement a comprehensive national export policy to promote aggressively the export of U.S. goods and services and to defend U.S. trade interests.

2. Export licensing procedures should be simplified, streamlined, and better defined. There should be a firm commitment to control the export of advanced technology to non-market nations in accordance with the provisions of the Export Administration Act. We remain committed to the principles of free emigration before Most Favored Nation Status can be extended.

3. A broad effort should be launched to assist smaller businesses to participate in exporting, beginning with reform of the Webb-Pomerene Act.

4. We advocate elimination of export subsidies through international negotiations, acknowledging the impediments to this process. Until such subsidies are eliminated, we should take appropriate steps to support American industry in world markets through organizations such as the Export-Import Bank and the Commodity Credit Corporation.

5. Improved trade relations within the Americas are urgent and necessary for our mutual well-being. Therefore, the United States must begin to emphasize the importance of hemispheric trade. To that end, we urge the creation of a Western Hemispheric Economic Commission to study ways and means of joining together with our neighbors to ease and facilitate such trade to our mutual benefit.

6. The U.S. must work actively with Japan and other surplus countries to check continued undisciplined trade surpluses and also to remove nontariff barriers to trade. Failure to resolve this problem may cause political pressure for protective measures to become irresistible.

7. The DISC tax incentive for U.S. businesses should be retained, and other tax incentives for exports should be provided, as long as our overseas competitors maintain similar export subsidies. Special provision for U.S. citizens working abroad is essential to maintain our competitive position.

8. The Federal Government should systematically monitor imports to anticipate future trade problems before they cause the shutdown of American plants and the loss of jobs. To this end, we recommend trade adjustment assistance to provide more timely and equitable relief to labor and industry.

9. U.S. monetary policy must be based on a firm commitment to a strong and stable dollar. This means money supply growth based upon the real growth in the economy. A strong dollar requires improvement in our economic fundamentals: a lower inflation rate, an improved trade balance, and a significant reduction in oil imports through domestic production, conservation and effective measures to deal with the OPEC Trust.

10. In protecting the dollar from sudden or severe fluctuations on foreign exchange markets, we should support vigorous intervention in the operations of the foreign exchange markets. High interest rates are a direct result of inflation with its excess money supply growth. A strong dollar will mean lower interest rates and less inflation. To this same end, the desirability of gold sales by the Treasury and the policy of "demonetization" of gold should be re-evaluated.

11. The International Monetary Fund should exercise more effective surveillance of surplus economies and should work more closely with commercial banks.

12. The transactions of U.S. banks in the Eurocurrency markets should be more closely evaluated.

13. The U.S. should resume its leadership role in the international monetary system. We should convene world financial leaders to develop a long-term plan for the evolution of the present monetary order into a true multi-currency reserve system characterized by stability in exchange rates and minimal world inflation.

Mr. JAVITS. Mr. President, the statement, which is backed by individual analyses of the individual subject heading made by task forces which functioned in this matter on our behalf, is available at the policy committee office of the Republican minority in the Senate.

The subject headings appear as follows:

Budget and taxes, for which Senators BELLMON and DOLE were responsible.

Capital formation and productivity, for which Senators DANFORTH and PERCY were responsible as a task force.

Employment and unemployment, for which Senators HATCH and CHAFEE were responsible as a task force.

International trade and monetary policy, for which Senators ROTH and GARN were responsible as a task force.

The first heading, Budget and taxes, the highlights there are really three concepts.

One, that we believe that the American people will be best served right now, not as their demand or their consumption of goods and services is built up.

We have been through that phase and we have reaped nothing but what can only be described as a deplorable or galloping inflation because our productivity has not kept pace.

So we consider the highest priority of the United States, even including the energy problem, to be an improvement in its productivity.

This can only be obtained through greater modernization of the American industrial plant, which in terms of newer industrial nations, like Japan and Germany, and even Britain and France, is getting seriously obsolescent.

They are the ones who built, after the destruction of World War II. We have not built a steel plant in this country since the Fairless works in 1947. That is the only one. Hence, we are being beaten in world competition for very good reasons.

The only way in which this can be corrected is by giving real benefits for capital growth. That means giving a tax benefit to savers on some part of their interest, a tax benefit to investors on some part of their dividends, greater than they get today, and what they get today is very small.

The encouragement of research and development, in which we are falling behind. Almost two-thirds of the patents granted last year in this country were granted to foreigners, not Americans, an unheard of situation.

We are in the cellar in terms of saving in this country. The President pointed that out in his address about a week ago, or 10 days ago, and he is absolutely right. He did not know what to do about it. We do, in terms of making it attractive to save by making some of our savings interest tax free.

We also seek an investment retirement account with a maximum of $1,500 a year for everybody. Today, many may have it due to certain provisions in the ERISA law, of which I am one of the two authors, but we propose it be made universal, again in order to encourage saving.

So that is one. Then we feel that the depreciation rate in American plant and

equipment is completely archaic and needs to be advanced by being cut at least in half.

The general rubric which that goes by is 3, 5, and 10. That is, 3 and 5 for different types of machinery, in terms of years in which the cost may be written off, and 10 years for structures.

There is no slavish adherence to those terms, but it expresses the concept.

The second element which we propose, which we think is critically important, is a readjustment of income tax brackets in order to reflect the fact that dollar incomes made larger by inflation incur very much higher tax rates because of the progressive income tax, without any improvement in the standard of living, or any real gain on the part of the taxpayer.

This is a minimum upon which we Republicans agree. There is some difference in our ranks over whether there should be a major tax cut now, generally put in terms of a 30-percent tax cut over 3 years, or whether there should not.

So we have arrived at a consensus among ourselves to go for a substantial phased across-the-board reduction in Federal income taxes, leaving the number of years to be determined by conditions, and the percentages to be determined by conditions, and we will deal with that as we go along in this year.

But, basically, committing ourselves, certainly, to a readjustment of brackets, and to whatever else we can do and agree on in terms of reductions in our income tax burden.

The third aspect of our recommendations deals with the Federal budgetary and accounting procedures.

We believe that our Federal Government is not picturing for itself its true economic situation because we treat all expenditures for capital assets as outlays. This is completely archaic. It is not business practice and it tends to distort very materially our whole budgetary operation and the amount of our deficit.

We also urge reduction of the national debt through more vigorous collection of our debts, both domestic and foreign, and through applying on our national debt some of the avails of the sales of U.S. assets.

For example, offshore oil leases, or sales of Federal real estate.

We suggest that the avails be directed to the reduction of the national debt, and we strongly commend that to our colleagues and the country.

I have already dealt, in the main, with what we recommend under capital formation and productivity. I pass now to employment and unemployment.

Mainly, there, we are committed to targeted tax credits for hiring the structurally unemployed as an incentive to employers, the hiring and training.

We are also willing to see cash bonuses given employers for the cost of bringing jobless Americans into the production economy, particularly as to private sector involvement in the CETA program, which is the Government employment and training program, in order to help with serious unemployment.

We are also committed to labor-management councils, picking up the experience of World War II, as a means of bringing employees and employers together to improve working life conditions, to deal with absenteeism and drug addiction and a general slackening of morale and productivity as they relate to the individual.

We are committed to part-time and flexi-time work schedules to pick up the working ability of men and women who cannot devote the traditional 8 hours in a consecutive way to employment. We think this can employ very many more people and also increase the productivity of the American industrial machine.

Finally—although personally I differ with my fellow Republicans on this, but I join them because I go with the whole statement—we are for a youth differential in the minimum wage. But they have agreed that there must be appropriate safeguards against displacement of adult workers and that this differential should obtain only for a limited period of time.

Under the heading of international trade and monetary policy, our main effort is directed toward retaining those elements of our law which favor exports. That is the only way in which we effectively can balance the tremendous amount of national resources which is devoted to payment for imported oil.

Indeed, it is the key to how we deal with the energy situation, in the sense of making ourselves more able to seek substitutions and more able to engage in conservation.

We are very strong for an export trade drive and for retaining the reforms which help small business in exporting, with respect to the Webb-Pomerene Act, which affects our antitrust laws, and the so-called DISC program, which deals with making it beneficial taxwise to engage in exports in which one might otherwise not engage.

Also, we urge, as a basis for greater economic unity in the Western Hemisphere, the establishment of a Western Hemisphere Economic Commission, in order to determine how we may best proceed to reduce tariff barriers and facilitate trade in this hemisphere.

This picks up the experience of Europe for seeding the European Common Market, which also effectuated this great advance through the economic cooperation for Europe. So we suggest a comparable economic commission for the United States.

Second, and most important, we come out very strongly for using all means for a strong and stable dollar. I consider that one of the most important elements of our program. That sounds trite. One does not think anybody could differ with the idea that the U.S. dollar should be strong and stable in value. But our dollar has suffered a tremendous buffeting and probably is worth half what it was worth a year ago. If we calculate the period before Warld War I, we are talking about 10 or 15 cents on the dollar. The reason, we believe, is that the country has not watched what makes the dollar strong. What makes the dollar strong is not only a balanced budget and decent Government finance—and we have suggested ways in which that can be done, including a reformation of the way in which we calculate whether we have a balanced budget, in which, as I say, we are completely obsolescent in the whole world—but also in terms of keeping a very strong watch on the productivity of the American business machine, which has deteriorated catastrophically, and by fighting in world markets for our share of the exports of the world, in which we have lost an enormous amount of ground, as well as by protecting the dollar from activities by speculators and by others who would bring down its value, through our own and international action, such as we had to take on an emergency basis last November 1.

We think this is a critically important aspect of our national life, that it has been much neglected by the administration, and that the time has come for us in the minority to take this as a cause which deserves to rank in all our priorities.

Finally, we pledge ourselves to work actively with the surplus countries in the world, with particular reference to Japan, which has an enormous trade surplus with us, to check continued, undisciplined trade surpluses, and to further remove nontariff barriers to trade as a matter of the highest importance, both for economic and for political reasons.

Mr. President, no one Republican Member agrees with this entire program, and I already have expressed some of the areas in which I disagree. But we are together as a party here in the Senate on what we know must be accomplished in order to save our country economically and how to accomplish it.

While one or another detailed measure may not be particularly agreeable to me or to some other Member—and we certainly have not met as a caucus; we no longer do that here on either side of the aisle—we are committed to this total program as the way to bring about a result. When you want to bring about a result, you often have to swallow hard and take a little medicine with it.

This country is very sick. That is one thing on which the President and we agree. We believe that in the way we have prescribed to deal with its illness, we are following not just traditional American values—the President can claim he is doing that, too—but we also are building upon traditional American strengths, and that is the way we see this picture.

If we are going to change the economic direction of our country, it is going to be changed only if we build upon the

things in which we are strong. We are strong in innovation. We are strong industrially. We are strong in young and vital and virile people, if given a chance. We are strong in the best articulated and most efficient private sector in the world. We have not built upon those strengths. On the contrary, we have torn them down.

So we, as Republicans, pledge ourselves now to a program for building them up.

Mr. President, for me, this is one of the greatest developments I have seen in all the years I have served in the Senate, and the most helpful for our country.

I should like to give very great credit, among ourselves, to our minority leader, who has led in this effort, as he should, as in his duty; to the chairman of our Republican conference, Senator PACKWOOD; to the chairman of the Policy Committee, under whose auspices I have worked, Senator TOWER; to my own committee, which is the Subcommittee on Economic Policy of our Republican conference, of which I am the chairman; and to stalwarts such as the Senator from Missouri (Mr. DANFORTH), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), and many others in our ranks, including the task forces I have described.

They took very scarce time and, under great pressure, the necessary time and energy and intelligence in order to draft what I feel is a major contribution to the constructive development of the economy of the United States.

Mr. President, I pledge myself, so long as I am here, to keep our feet to the fire on the Republican side and to see that we do these things in which we believe.

I am delighted to be able to say that Senator DANFORTH, who will succeed me in the special orders, will be proposing a number of measures in which many of us have joined in order to implement at least part of this program.

As I said when I began, other measures are pending.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BAKER. Mr. President, I thank the Senator from New York for yielding.

I begin by paying to him special tribute for his leadership in serving as chairman of the subcommittee for the Policy Committee to draft this statement.

I do that so often that there is risk that it may sound less genuine or less heartfelt than it really is.

I have an extraordinary respect not only for the Senator from New York as a person but for his consummate skill and extraordinary ability in legislative draftsmanship and political judgment.

I wish to express to him my thanks for his initiative and leadership in bringing this economic statement, this policy statement, to the floor of the Senate as a unanimous statement of the Republicans in this body, 41 strong.

I have often said, Mr. President, that it is no small measure to try to bring together a group as divergent and energetic as Senate Republicans are today. The ability to do that has depended to a large extent on the good faith efforts, the dedication and diligence of men like the Senator from New York, particularly in the case of this economic policy statement. Senator JAVITS has spent an enormous amount of time on this project, and he has brought us a historic document.

Mr. President, I say, parenthetically, that it may be of interest to legal scholars or political scientists only, but I rather think it is worth remarking that this is not a parliamentary system in the United States. We are a constitutional system, and in terms of the lawmaking responsibility in this country we are a presidential-congressional system, and unlike party systems in a parliamentary arrangement we do not attempt to impose party discipline.

That has proved to be a good thing and a bad thing. It is a good thing in that it permits the flowering and flourishing of initiative and individuality. It permits us to have two broad-based national parties which synthesize diverse views into powerful and efficient instruments of public policy. Sometimes this system seems confused and in disarray, and we despair that the constitutional or presidential-congressional system can truly perform in times of crisis or meet the great challenges of our time.

But statements of this sort, I believe, give the lie to that concern. We have published a unified statement of policy by the entire body of Republicans in the Senate. Notwithstanding that every Member did not agree with every aspect of that statement, as the Senator from New York points out, we have adopted a unanimous statement of fundamental importance.

In its most basic form, it is a reiteration in our belief in the free enterprise system and a rededication to the idea that we must embellish and extend the strengths of this free enterprise system, this market system, in order to free ourselves and our economy from the stultifying effects of too much government, too many taxes, and too much regulation.

This is not an exercise in futility. It is a practical statement. It is not an idealistic exercise. It deals with particularity, with the questions that command our national attention.

Mr. President, this statement, is the latest in a series of statements of position adopted by Senate Republicans beginning in March 1977. It is an important statement of an alternative course available to this country. It is an exercise of the highest responsibility of a political party, not merely to oppose but to suggest alternatives. In making this effort in good conscience and good faith, we have made the Republican Party, I believe, a cohesive and effective political force in this city and in this Government.

I believe this description of our effort is not an overstatement, and I believe its importance is not overdrawn. And I believe our debt of gratitude to the Senator from New York for making it possible today is impossible to overestimate.

So, Mr. President, I pay my special respects to the Senator from New York and to all who participated. Every single Republican in this group demonstrated willingness to subordinate his or her own particular views and to come together with a statement of economic principles that we can and do support unanimously.

There is a step beyond this, Mr. President, and that is the old saying that the proof of the pudding is in the eating. It would not do to simply make this statement and leave it there for the country to consider and for scholars to examine. It is important to implement it, and following on in this course this morning will be the first step in the legislative implementation in the bill that is about to be introduced by the distinguished Senator from Missouri, and may I point out that there are 41 cosponsors of that bill, all Republicans.

Mr. President, this is a statement of the Republican Party's sense of responsibility, of our prescription for the future, of our restatement of our confidence in ourselves and our system, and it is the exercise of the highest sort of responsibility in a constitutional system. I believe it is little short of historic, and again I pay my special respect to the Senator from New York for his leadership efforts in that respect.

Mr. JAVITS. Mr. President, I thank Senator BAKER for his eloquence and thank him for his support.

The ACTING PRESIDENT pro tempore. The time of the Senator from Tennessee has expired.

Mr. BAKER. Mr. President, might I inquire what is the sequence of special orders remaining?

The ACTING PRESIDENT pro tempore. The next special order is a special order to the Senator from Oregon; the next is a special order to the Senator from Kansas; and the next is a special order to the Senator from Missouri.

Mr. BAKER. Mr. President, if I might interrupt the Chair at this time, I ask unanimous consent that the time allocated under the special orders for the Senator from Oregon, and the Senator from Kansas be combined and the allocation of that time for the purpose of further colloquy be given to the Senator from New York.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. I thank the Chair and I thank my colleague.

Again, may I say I thank him for his eloquence and I thank him for his leadership here on our side. Without that fundamental overarching leadership nothing is possible in doing our work

here in this economic policy statement. And I thank him for his personal friendship.

But as he says and as we all know, this is attributable to the totality of our party here in the Senate.

I, also, just as he, take enormous gratification in our ability to come together on so important a document. I think it has very great potential for help to our country, which is our sole consideration.

Mr. President, I yield 2 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, first I thank my good friend from New York for yielding to me to indicate to the Senator from Missouri that I must return to the Energy Committee where we are going to confirm the new Secretary of Energy. I do not know that I can be here when the Senator introduces, with 41 cosponsors, one of whom will be this Senator, an important part of this economic package. I commend him for it, and I am totally committed to its adoption.

I say at the beginning that I compliment our leader, Senator BAKER, with reference to this second economic package of the Republican Senate. I vividly remember immediately after he was elected to be our leader that he and I discussed the fact that we should move ahead with an alternative and put something positive on record that spoke for our concern for our country, its economy, and basically its economy's ability to help and supply its people with a standard of living second to none.

Because of the suggestion, he and his distinguished leadership immediately started the process which brought us a package of proposals in 1977, as he clearly indicated, March 1977, and then today finds us here again with a superb analysis of an alternative for the continuation, the revitalization and progression of the free enterprise system as the basic economic tool for prosperity in America. I commend him for that. And, obviously, with that commendation I commend all those who have worked so hard to bring it about.

From my standpoint—and I will not talk long this morning because I must return to the committee—we spend too much time in the U.S. Congress, and national leaders spend too much time, telling the American people what the Government is going to give them.

If you look back on the last 25 years, each time we have told them what the Government was going to give them, we have said to the private sector of the productivity of our people that somehow or other that is going to supply us with all that magic resource that we seem to think will solve the American problems.

In the process we have insulted, in my opinion, the free enterprise system without even knowing it. I do not mean insulting it, as my good friend from Illinois would be angry at me if I said something about him, but what I mean is we continue to detract from its ability to produce for us without taking cognizance of some basics.

I think that is what our economic package is, a reanalysis of the basics that make the free enterprise system work, and then saying what have we done to them? Where are they? Where has our policy detracted from them?

In our proposal we are attempting to put them back into the mainstream of policy: Capital formation, savings by the American people, involvement in growth and in Government concerns, and in productivity concerns, research and development, the cornerstone of America's progress over the decades.

This policy is saying to those concepts that to the extent that our tax laws, our Government policies have ignored or deflated them as impactors on our growth, we want to reinstate them legislatively and, in that respect, it is genuinely a far, far-reaching document that we must pursue, and that ultimately will, we predict, become the law of the land, whether it is under our leadership, under our auspices, or new people coming in and out of the White House, who will find the truth of it, the reality of it, to be something we must confront and we must proceed with.

So I thank you for yielding, my good friend from New York. I commend you for pulling these ideas together. I commend all of those who worked on the committee and, in particular, our Republican leader, for seeing the wisdom of encouraging this kind of activity by the U.S. Senate Republicans.

Mr. JAVITS. Thank you very much, Senator. Without you and the other members of the task force, two of whom are on the floor, Senator PERCY and Senator DANFORTH, this would simply have been impossible. I thank you for the volitional cooperation which brought this result, and for your support of it, and for the fact that you will, like the others, move heaven and Earth and get done what we think needs to be done economically for the United States of America.

Mr. DOMENICI. I thank my friend.

Mr. JAVITS. I would like to now yield 5 minutes to the Senator from Illinois (Mr. PERCY), and to yield the remainder of my time, for such disposition as he may deem desirable, to the Senator from Missouri (Mr. DANFORTH). I ask unanimous consent that I might be able to do that.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PERCY. I thank my distinguished colleague.

While the minority leader is here on the floor I would just like to make the statement that in the some 30 years I have worked as a Republican and had occasion to work with the U.S. Senate in many different capacities, with all of the discussions we have had around the country of dissension in Washington and dissension between the executive branch and the legislative branch, and the dissension in the Congress over policy, energy, and so forth, in my own experience I have never seen more unity among Republican Senators than right today.

This is not the first time under the leadership of our distinguished minority leader, HOWARD BAKER, we have come together on a policy. We came together on a policy on military strategy and foreign policy. To have JESSE HELMS, JACK JAVITS, BARRY GOLDWATER, and LOWELL WEICKER agree on policy in the field of military strategy and foreign policy was a remarkable and unique thing, but a tremendous example to the country that men of good will, with common objectives and goals, can carve out areas of agreement.

Now we have rampant inflation running 13.4 percent, unemployment running deeper than we would want, energy prices zooming up, people worried about the value of their savings, their insurance and their whole future, particularly elderly people living on fixed income. In having 41 Republicans under the leadership of our minority leader, HOWARD BAKER, and JACK JAVITS, as chairman of the Subcommittee on the Economy, working with the Policy Committee under the leadership of JOHN TOWER, once again grappling for months now on the problems of inflation, the problems of productivity, the problems of balance of trade, the problems of a weakening dollar, we have demonstrated that though we do not each agree with every single provision or sense of priority we can come together on a statement of policy that can be supported by every single Republican.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. PERCY. I am happy to yield.

Mr. BAKER. Only for just a moment.

I wish to express my appreciation to the Senator from Illinois and the Senator from New Mexico for their remarks.

This is the product, however, of a unified Republican party in the Senate, and I am proud to see this result today and to have some small part in it, and it is just a small part to play in it. But it is men like the distinguished Senator from Illinois, who brought the sense of urgency and the spirit of understanding, to this subject that permits us to bring unity to the party, and I am grateful for his remarks.

Mr. PERCY. I express appreciation for that, and I will just recall from the memory books that in 1957, when President Eisenhower asked me to head a committee called the Committee on Program and Progress of the Republican Party, which led then to my chairmanship of the Platform Committee in the 1960 convention, the whole concept was to get Republicans of varying ideologies together. The distinguished father-in-law of the minority leader, Senator Everett Dirksen of Illinois, served on the committee at that time, as did Bob Taft, as did many, many other Republicans: Governors, Senators, Congressmen, and State legislators. Forty-five Republicans pulled together and wrote a report called Decisions For A Better America, published by Doubleday in a paperback edition. We cordially invited the Democrats to orbit ideas, to contest our ideas, to

see if they could do a better job of thinking through ways of having the economy grow, ways to have our national security insured, ways for us to better carry out our foreign policy. I think it is in that spirit we now have a rejuvenation of the idea that political parties should orbit ideas.

It was just not the idea of getting and gaining office; the question is what do you do, as the candidate, when you get that office? You can act individually, as many of us have, Senator DANFORTH has, Senator DOLE has, Senator SCHMITT has, Senator BAKER has, in an individual sense; but I think it is the greater spirit of the two-party system when the party comes together and unites on a policy and presents a solid front and says, "This is the direction in which this country ought to go."

Mr. BAKER. Mr. President, will the Senator yield?

Mr. PERCY. I just simply feel the country ought to know that spirit is so deep and so strong in the Republican Party in the Senate of the United States that we intend by that spirit and that thrust and the power of those ideas to carry forward and become the majority party here in the Senate of the United States.

I am happy to yield.

Mr. BAKER. Mr. President, I would only remark a little further on one point made by the Senator from Illinois. It is the responsibility of a political party to orbit ideas, and that is a very special and descriptive way to put it. It is fortunate that we arrive at this place to make an economic statement unanimous, as we have, and we are all proud of it. But it is something else, too. It is the further evolution and development of the two-party system in our country, because we are still trying to define in many ways how a party should perform, how we should make that balancing judgment between party discipline, on the one hand, and a party position, on the other, or the individuality of a Senator or Governor or Congressman, still on the other.

I believe that in the cutting and fitting and trying for special efforts to reach accommodation, to publish detailed statements, as the Senator from Illinois has done in years past, in the 1960 convention, those efforts have contributed to the growth and development of a unique American system, the two-party system within the framework of the constitutional Government. I think what we have done here is the best of all worlds; that is, a statement of party position with the maximum opportunity for individual contribution. I thank him for making that point.

Mr. PERCY. I thank the Senator.

In conclusion, I woud like to turn to Senator DANFORTH.

The PRESIDING OFFICER (Mr. DECONCINI). Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized for not to exceed 15 minutes.

Mr. DANFORTH. Mr. President, I yield 1 minute to the Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague. I would like to say that having worked with Senator DANFORTH on parts of this package, I was extraordinarily pleased when we approach the problem of taxation. We had sort of a blanket approach from the administration, that taxes cannot and should not be cut. I think here again Senator DANFORTH and I tried to demonstrate that we can find a way to cut taxes in a way that will be stimulative to the economy, to reducing inflation, to increasing productivity, and to generating savings. Giving individuals an incentive to save by reducing taxes on dividend income and savings income, is a way to cut taxes for the individual that stimulates the economy in the right way. Increasing amortization and depreciation allowances will increase also the productivity of America, reduce inflation, lower our selling costs, and increase our shipments abroad.

I expect and hope that the new Secretary of the Treasury, Mr. Miller, will be supportive of those concepts and ideas. I thank my distinguished colleague for his great leadership in this field.

Mr. DANFORTH. Mr. President, I appreciate the comments of the Senator from Illinois.

Mr. President, today the American economy is in a recession. This was admitted by the chairman of the Federal Reserve Board and the nominee for Secretary of the Treasury, William Miller, before the Senate Finance Committee last week.

The question is, What are we as a country going to do about it?

S. 1597—SAVINGS AND INVESTMENT ENCOURAGEMENT ACT OF 1979

The Republicans in the Senate have some ideas. They are not new ideas. The bill that I have introduced this morning with 41 Republican Senators as cosponsors is actually a composite of three other bills which have been introduced: S. 1542, introduced by Senator PERCY, relating to personal savings; S. 1435, introduced by Senator NELSON, with respect to depreciation, and my own bill, S. 700, with respect to tax credits for research and development.

As a matter of fact, Republicans in the Senate have been talking about these concepts of encouraging savings, of encouraging more investment in new plants and equipment, and more investment in research and development for the past 2½ years. Although we are just now entering a recession, the economy has been suffering through a prolonged period of what has been called stagflation.

The present administration has opposed virtually every proposal advanced to lay the groundwork for sustained, broadbased economic growth. It has looked instead toward "quick-fix" solutions like passing out $50 bills to to all Americans, or increasing the ranks of public service employees. These ideas have been soundly rejected by the Congress, and they have also diverted our attention away from the long-range needs of the economy and of our people.

The private enterprise system will be the source of jobs, income, and a rising standard of living in the future. Yet, since the mid-1960's, there has been a gradual erosion of the vitality and independence of the private sector. We are now paying a terrible price for past policy failures. It is our hope, and the intent of the legislation we are introducing today, that we can reverse this trend and help set the economy back on a course of productive growth.

The strategy to be employed is the creation of a policy of savings and investment. The combination of high inflation and current tax policy encourages people to spend all their income, and borrow more. That is a perverse—no, a dangerous—result. We must change it.

Perhaps the nomination of G. William Miller to be the Secretary of the Treasury signals a change of heart by the administration. We hope so. The widely respected Mr. Miller, the current chairman of the Board of Governors of the Federal Reserve System, has consistently advocated a policy of savings and investment during his tenure at the Fed.

We encourage President Carter to embrace Chairman Miller's philosophy, and join with the Congress in a dialog aimed toward the development of a new economic policy course.

Mr. President, I am heartened by the developments of the past week where there have been some indications that the designation of William Miller as Secretary of the Treasury is more than just a change of faces in that Department, but is, instead, a change in economic policy on the part of the administration.

A week ago today a number of administration officials, including Stewart Eizenstat and Alfred Kahn, met with maybe a half dozen or more Republican Members of the Congress, both Senators and Representatives, to talk about the economy. During that meeting the administration officials asked the Republican Members of Congress who were present what the reaction of the Republicans in the Congress would be to a change in economic policy, particularly a change relating to depreciation.

The response that we gave at that time was encouraging. The response that we give today is that 41 Republican Senators would enthusiastically endorse such a change in the administration policy.

Then it was reported in the press that last Thursday morning the President met with certain Members of the Congress and himself at least hinted at the possibility of a change in tax policy. Again, it is the hope in this bill to encourage such a change in the administration's policy, and to let the President know that if he joins us in such an effort we would be more than supportive.

There is nothing wrong, Mr. President, with changing your mind. If you are convinced that the present economic policies of the country, of the administration, do not work—and they do not work—there is nothing wrong with changing

your mind and adopting new policies which will work. Therefore, it is the hope of the Republican Members of the Senate, 41 strong, unanimity in endorsing this bill and cosponsoring this bill, to encourage such a change, such a reversal, such an about face, in the administration's economic policies and tax policies.

The President will have 41 Republican allies along with many of our Democratic colleagues.

What we are proposing, and why? The legislation we are introducing today represents only a piece of the total strategy, but a piece which is aimed directly at reversing several very disturbing economic trends—namely, first, a very slow rate of growth in real GNP, second, a decline in productivity, third, inadequate savings by individuals, and fourth, a low rate of corporate investment in future growth.

(1) SLOW GROWTH OF GNP

Between 1962 and 1977, our GNP grew 3.5 percent as compared with 8.3 percent in Japan, and 4 percent in West Germany. In 1978 our GNP grew 3.9 percent. In the first quarter of 1979 it increased at an annual rate of only .8 percent. Preliminary indications are that real GNP declined slightly in the second quarter.

(2) DECLINE IN PRODUCTIVITY

Between 1962 and 1977 productivity in America grew 2.7 percent compared to 8.4 percent in Japan, 5.5 percent in West Germany, 2.7 percent in the United Kingdom, and 5.7 percent in France. In 1978, our productivity grew only 1.1 percent. In the first quarter of 1979 it fell at an annual rate of 3.5 percent.

(3) INADEQUATE PERSONAL SAVINGS

As individuals, Americans are consumers, not savers. Americans save a meager 6.5 percent of disposable income compared to 25 percent by the Japanese, 15 percent by the West Germans, and 13 percent by the British.

(4) LIMITED INVESTMENT IN FUTURE GROWTH

From 1966 to 1976, America invested 13.5 percent of its GNP in plant and equipment compared to 26.4 percent in Japan, 17.4 percent in West Germany, 14.9 percent in the United Kingdom, and 16.7 percent in France. In 1978, we invested only 10.6 percent and in the first quarter of 1979, 10.8 percent (annual rate.) We are spending a smaller percent of GNP on research and development than we have historically. We now spend 2.25 percent on R. & D. compared to 2.84 percent in 1968.

These are by no means the only problems facing our economy. With a 13.2-percent inflation rate since January, unemployment expected to go to 7 percent or higher by next year, and a Federal deficit of over $30 billion annually, action on a variety of fronts is called for.

Last week Senate Republicans released an economic policy statement with a program for the future. This bill would implement an important piece of that economic program—capital formation, increased personal savings, and increased productivity.

The Savings and Investment Encouragement Act of 1979 would do three things:

First. Encourage individuals to save more money for the future through tax incentives;

Second. Encourage corporate investment in new, more efficient plants and equipment by providing a liberal, streamlined method of accelerated depreciation; and

Third. Encourage corporate investment in research and development by providing a tax credit for such spending.

The three titles of the bill would do the following:

Title I would provide a tax exclusion for interest earned in a savings account. The amount excluded would be $100 per person and $200 per return—the same as the existing exclusion on dividends. In addition, up to $400 additional would be excluded for interest and dividends if the amounts are reinvested.

Title II would create a simplified, accelerated depreciation method for recovering capital costs in which there is a 10-year writeoff for buildings, a 5-year writeoff for equipment, and a 3-year writeoff for limited investment in cars and light trucks.

Title III would provide a tax credit equal to 10 percent of all research and development spending by business.

We are encouraged by statements made by Secretary of the Treasury nominee William Miller. He has consistently advocated an accelerated depreciation scheme similar to the one in title II of our bill. He has also talked about the chronic problems of low levels of personal savings and lagging productivity growth.

If, in fact, his nomination signals a new direction in this administration's thinking about the future course of the economy, we invite the President to work with us in designing an economic program oriented toward savings and investment—the kind of program Republicans have been talking about for the past 2½ years. But we are not inflexible. We are open to suggestions and willing to modify our proposals.

The key thing is that we start moving in this new direction. The country is looking for leadership. We intend to provide it.

Mr. SCHMITT. Will the Senator yield?

Mr. DANFORTH. I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I congratulate the Senator from Missouri and others of my colleagues who have joined together in this innovative, hopefully successful effort. It is not my feeling that there is any malaise across this land. There is concern—clearly, there is concern. But Americans are always concerned about their future and their children's future. I think the only thing we can say for sure is that there has been a lack of commonsense in Government policy, particularly those policies addressed by the Senator from Missouri and others this morning, policies related to the economics of this great land.

There is also a lack of confidence in leadership, and it is with an understanding of that lack of confidence that Republicans today and in the future will continue to try to restore confidence by policies such those being articulated here this morning.

The basic question that we face economically in the immediate future is how to create deflationary pressures in an economy that has gone from less than 4 percent inflation at the beginning of the Carter administration to one now estimated to be running at about 13 percent inflation, and rising.

There are a number of ways to create deflationary pressures. We can decrease the money supply, which has not worked too well with a high rate of increase of Federal spending. We can increase goods and services, or we can increase productivity. All of those would serve us very well.

Research and development by the Federal Government in many areas can be inflationary, and we must remember that as we attempt to cut the Federal deficit. But research and development in the private sector has been and should be the principal foundation by which we work toward creating deflationary pressures in our economy; for the private sector is the sector that can most rapidly increase goods and services. It is the sector of our Nation that can most rapidly increase productivity. But the regulatory and tax policies of recent times have inhibited this effort by the private sector. It is the intent of the Senator from Missouri and certainly the intent of all his cosponsors to see that that changes.

The Republican economic policy and the bills which are being introduced to implement it, now and over the next several weeks, will provide a vehicle to change the adverse trends now causing inflation.

Most importantly, the policy will restore flexibility to the American people in the use of their disposable income. Increased tax reductions over a period of time, tax incentives for savings, tax incentives for employment and investment, new plans and techniques, all are designed to accomplish that purpose of increasing Americans' ability to use their own income and the fruits of their labor. The policies we are talking about this morning and will continue to talk about are designed to rapidly reduce inflationary pressures by creating new goods and services that can use up the money supply that is in excess. This can be accomplished by an increase in savings, increased productivity of the American worker and industry, and by decreases in the rate of growth of Federal spending. Tax reductions phased to avoid inflationary pressures can be instituted so that we can reduce the budget deficits over the next several fiscal years.

As related actions, it is clear we must also gain control over energy supply and energy economics. This is going to be addressed by the Republicans in the near future. It is an extremely important part of this total picture. Production and energy efficiency must go hand in hand as we approach the economic policies of this country.

Mr. President, during the last session

of the Congress and the 1st session of the 96th Congress, the Commerce Committee conscientiously fulfilled its responsibility for science and technology oversight by holding a probing series of hearings on the state of research and development and innovation in the United States.

During the 20 years following World War II, American technology contributed to an annual rate of productivity increases of 3.4 percent. Since 1966, that rate of increase has been cut in half. While America is still the most productive country in the world, it is clear that our leadership is being challenged. Other countries are spending higher percentages of their gross national product on research and development, and they are gaining the benefits of greater innovation and high productivity increases.

The hearing records developed by the Commerce Committee to date has clearly pointed to excessive regulation and inappropriate tax policies as the major impediments to innovation. We have only begun to recognize the role that R. & D. plays in our economy and what effect productivity has in this regard.

Testimony in previous subcommittee hearings cited various indications of lagging U.S. industrial innovation. Most of these indicators reflect only a part of the innovation process—for example, R. & D. expenditures—are subject to very different interpretations—for example, international patent "balances" or are influenced by many factors other than technological innovation—for example, productivity growth and trade balances. However, two recent trends are more directly related to innovation and are disturbing from the point of view of U.S. economic growth, productivity, and international trade competitiveness:

First. There has been an astonishing drop in the formation of new small high-technology companies which have been responsible for a disproportionate share of innovations. Several years ago, 200 to 300 new venture companies entered the market with new issue underwritings each year; in 1975 there were four.

Second. Existing first in R. & D. intensive leading industries have shifted their investments from major new product and manufacturing innovations to relatively minor product and process improvements promising short-term returns. Not only has there been a shift from research to development, although total industrial R. & D. spending has generally kept pace with inflation, but there has also been a decline in investments in new plant and equipment which may incorporate new technology.

Both trends represent reduced risk taking on the part of investors and corporate managers in the face of slow economic growth, inflation, and general economic uncertainty. Witnesses have asserted that various Government policies and changing Federal R. & D. priorities create a new disincentive to industrial R. & D. and innovation; but we have taken relatively little action to try to alleviate some of the roadblocks currently hindering innovation.

Mr. President, I believe we are finally beginning to recognize some of the factors that contribute to our Nation's economic well-being. Productivity and innovation are concepts that are being talked about, and we must now make a conscious effort to offer incentives to spur innovation so that the 1980's will not be a time of living off of past achievements but a time of creatively dealing with current and future situations.

Mr. President, I ask unanimous consent to have printed in the RECORD an article dated January 16, 1978, by Louis Harris describing a poll that was taken on what Americans feel makes America great. I think it is extremely important in the context of this morning's discussion. The first three items at the top of the list are rich natural resources, a hard-working people, and scientific research; then such other factors as technological genius, industrial know-how, and a government that responds to people's needs. Those are in fact what made America great. It is clear that the American people understand that.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan 16, 1978]

CHANGES AHEAD IN FACTORS THAT MAKE AMERICA GREAT

(By Lou Harris)

Americans believe the combination of factors that will make this country great in the future is somewhat different from the one that made it great in the past.

In order of importance, the public attributes America's present greatness to "rich, natural resources," "a hard working people," "scientific research," "industrial knowhow" and "technological genius." As they look ahead, people are convinced the United States will depend more on scientific research, industrial know-how and technological genius, and work.

Also gaining importance as factors in the future are "government that responds to people's needs," "giving every race and creed an equal chance to get ahead," and "a free, unlimited education to all qualified."

Of 20 major factors tested in a Harvard Survey of 1,520 adults nationwide, six are projected to be more important over the next 25 years than they were in the past. The shifts:

At the top of the list is "scientific research." While 89 per cent think this was an important factor in past greatness, 91 per cent believe it will be a major factor in America's future success.

"Technological genius" is felt to have been a key element in America's past greatness by 75 per cent. Seventy-eight per cent believe it is a key to future national greatness, while 80 per cent continue to think that industrial know-how will also be crucial.

"A government that responds to people's needs" is named by 61 per cent as having made a major contribution to the country's greatness in the past. Seventy per cent think this will play a more important role in the future.

While 59 per cent believe the "giving every race and creed an equal chance to get ahead" has been a major contributor to this country's greatness in the past, 70 per cent think that this will be a key factor in the future.

In the past, according to 72 per cent, a major contributor to the country's greatness was a "free, unlimited education to all qualified." In the future, 75 per cent think it will be important.

Mr. DANFORTH. Mr. President, I thank the distinguished Senator from New Mexico for his comments. They are exactly on the point. Today the President has opposed any kind of tax cut on the theory that any kind of tax cut is a revenue loss.

The effect of this has been to artificially stunt the natural growth and development of the private sector of our economy.

It is a maxim of taxation that for every point of increase in the rate of inflation, Federal income taxes go up 1.5 points. Therefore, the effect of the high rate of inflation has been a rapid growth in tax receipts by the Federal Government and, with that, an increasing share of the gross national product that is consumed by Federal taxation.

It is our view, and it is a view which is consistent with the position taken by the Joint Economic Committee in a report that was issued several months ago, that in battling inflation we must pay attention to what is called the supply side of the economy and encourage growth and productivity.

If people's wages go up 10 percent and productivity goes up 10 percent, there is no inflation. What we have had, though, is a decline in productivity and, with the decline in productivity, inflation has gone up.

What we are suggestingg today is a reversal of economic policy by the administration, a reversal of economic policy in a way which inspires and encourages growth in the private sector, growth of gross national product, growth in the economic pie, growth in productivity.

With that, we believe we can restore economic health to this country.

Mr. SCHMITT. Will the Senator yield for 30 seconds?

Mr. DANFORTH. Yes.

Mr. SCHMITT. I agree completely with what the Senator said, but add that the exciting thing about the policy that is contained in these three bills, that are the three titles he has introduced, is that it instantly, if passed into law, will create the incentive to increase research and development, increase productivity and increase job creation.

At the same time, it phases in any effect of a tax reduction.

So it is an exciting concept and I think it will work.

Mr. DOLE. Mr. President, will the distinguished Senator from Missouri yield to the Senator from Kansas for 5 minutes?

Mr. DANFORTH. I am happy to yield to the Senator from Kansas as much time as he needs.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, as others have indicated, I certainly extend my appreciation to the distinguished Senator from New York for his work on the Republican economic policy statement. There is no doubt that does give credence to the way Republicans can operate as a party.

More specifically, the proposals of Senator DANFORTH and all the other Republicans give us an alternative to consider.

I commend the distinguished Senator from Missouri, who is recognized on the Senate Finance Committee as the tax expert on the Republican side—and I

expect we could even extend it to include the entire committee.

After a great deal of thought and a great deal of work, as the distinguished minority leader said earlier, 41 Republicans have come together on proposals which can be supported together. The introduction of a bill which provides faster depreciation, extends the investment credit for certain research and development expenditures, and increases incentives for saving is a step in the right direction.

These three major proposals indicate a degree of support and commitment on the Republican side.

Some will ask how much revenue loss will be incurred if, in fact, we might pass these Republican proposals. It is a legitimate question and one I am certain can be answered satisfactorily.

Without doubt, the economy of the country is at a critical crossroad. It is not enough for us on the Republican side or, for that matter, on the Democrat side, to stand up and find fault at every turn with the President, the administration, or some Cabinet official.

It is, as the distinguished minority leader (Mr. BAKER) pointed out earlier, our responsibility to provide alternatives, to provide leadership as a party.

It is my opinion that the American people right now are not concerned with Republicans, Democrats, or Independents. They are looking for someone, or some group, to provide some leadership, particularly in the economic field.

There is great interest in this Republican proposal. The press, I'm sure will give it the attention it deserves. That, however, does not make policy. Policy is made in the committees, policy is made on the Senate floor, and policy is made in the Congress.

With 41 Republicans in agreement, and like-minded Democrats searching for leadership, we can find our way out of the current economic morass.

The Congress, through bold action, can make sure we choose the road to recovery.

Mr. President, the ills which besiege the American economy are chronic and severe. The inflation rate has almost tripled in the last 3 years. Currently prices are increasing at an annual rate of nearly 14 percent. As a result, Americans are finding it increasingly more difficult to meet the necessities of everyday life. Budget deficits plague the Federal Government and distort the economy. The Federal Government has not balanced its budget in this decade and seems to run a deficit regardless of the prevailing economic conditions. The value of the dollar has diminished in the international market. The stock market is sluggish, the price of gold, which reflects the instability and lack of confidence in our economy, has hit record levels. American productivity has been sorely lagging, especially compared to other industrial competitors. Our productivity increased by 3.3 percent a year from 1948 to 1967, but from 1967 to 1977 the increase was only 1.8 percent a year.

Productivity in the last several years has not even been that high.

The savings rate, previously addressed by other Senators, in this country is one of the lowest in the world. Consequently, we do not have the capital that industry needs to modernize, expand, and compete internationally.

It seems to this Senator and, I am certain to other Senators on both sides of the aisle, Mr. President, this country can no longer afford to pursue the worn-out economic and regulatory policies of the past, whether in the current administration, a Republican or Democratic administration, or the next administration. It is evident that polices of increasing Government regulation and manipulation have thwarted the spirit of free enterprise in this country.

Mr. President, the program launched in the Senate today is a first move toward restoring America to its rightful position as the world's greatest economic power.

Mr. President, as the ranking member of the Senate Finance Committee, I certainly support what the Senator from Missouri specifies in reference to increases in the depreciation allowances. Increased capital recovery will be a useful tool revamping and upgrading American businesses. Increased depreciation is particularly needed in these times of inflation because historical cost recovery is inefficient to cover replacement costs.

America has fallen behind as the leader in technological advancement. Our research and development expenditures, for both pure and applied research, as a percent of national product has steadily eroded.

It seems to me these proposals are but the first step. Increased savings is a critical step. We should and will provide, more incentive through the tax system.

I do not know when the next tax cut will occur. It is a question I am not sure anyone can answer. However, I would not want this discussion to end without some mention of the distinguished Senator from Delaware (Mr. ROTH). He has been a pioneer and the leading advocate of tax cuts to promote economic growth. It has been his leadership and his efforts, together with the efforts of a distinguished Member of the House, JACK KEMP, who have put the Republicans in the forefront of across-the-board tax cuts.

The distinguished Senator from Delaware (Mr. ROTH) has provided leadership in the past and will provide leadership in the future in this vital area.

There is one additional area the Senator from Kansas wishes to address. I recall the distinguished Senator from New York speaking about tax indexing and the effects of inflation. I am not certain whether the Senator from New York really believes tax indexing is the answer. But, again, his words are a demonstration of the give and take involved in working out the policy statement.

Many Americans are disturbed by the fact that if they receive a cost-of-living adjustment, they do not have any more purchasing power, because they end up in a higher tax bracket.

A taxpayer earning $15,000 a year in an economy with an 8-percent inflation rate, with a cost-of-living adjustment, will receive $16,200 per year. The worker might think, as he went home that day, after that pay raise, he is keeping up with inflation. The truth is the taxpayer has been pushed into a higher tax bracket. The taxes are going to be $258 more than the previous year. There is no increase in buying power. In fact, there is a loss because of taxing the American people on inflation.

I do not suggest tax indexing is solely a Republican idea. It is an idea whose time has come.

The distinguished Senator from Colorado (Mr. HART) has been working on indexing, on the Democratic side. A number of Republican Senators who previously were in the Senate, such as Senator GRIFFIN, Senator BROOKE, and Senator BUCKLEY, has supported indexing. In fact, Senator BUCKLEY pioneered the idea of indexing the tax system.

I have introduced S. 12, with 19 cosponsors, which attacks the question of whether or not we should tax the American people on inflation.

Six States now have some form of indexing their State income taxes: Colorado, Arizona, Iowa, Minnesota, Wisconsin, and California. Two years ago, not one State had indexing in any form.

So indexing is happening on a State level. It is going to happen on a Federal level one of these days, if we can find strong bipartisan support.

Mr. President, I ask unanimous consent that a statement on the Tax Equalization Act be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TAX EQUALIZATION ACT

QUESTIONS AND ANSWERS

(1) What is taxflation?

As inflation increases the cost of living, a taxpayer's income must also increase to enable the family to buy the same amount of goods and services. But, as the nominal income level rises, the taxpayer is pushed up into higher and higher tax brackets—thus, paying a larger tax bill—despite the fact that no gain in purchasing power has been realized. Because of our progressive tax system, the taxpayer is required to pay a higher percentage of his earnings in taxes. Thus, although the taxpayer is earning more money, his real standard of living may actually decline.

(2) How does taxflation affect a typical family?

Consider the dilemma of a typical family of four who earns $15,000 in 1979. Being conservative, assume an inflation rate of 8 percent in 1979. The family will have to earn $1,200 more in 1980 or $16,200 just to stay even with inflation. But, the family does not really stay even. While their income increases by 8 percent, their income taxes actually increase by $258 or about 12.6 percent.

The impact of tax inflation becomes even more dramatic as the taxpayer continues to climb the economic scale. A family with a $30,000 a year income in 1979 will have to earn $2,400 more in 1980 to keep pace with an 8 percent inflation rate. But, at an income of $32,400 the family tax bill will rise about $888 or 14.2 percent.

(3) What is the Tax Equalization Act?

The Tax Equalization Act is designed to insulate taxpayers from the tax impact of inflation by automatically adjusting tax liabilities each year to reflect increases in the

cost of living. The Tax Equalization Act would adjust the personal income tax rates, the personal exemption, and the zero bracket amount (i.e., the standard deduction) to reflect increases in the cost of living during the previous year as measured by the Consumer Price Index. The Tax Equalization Act is effective beginning with taxable year after 1980, and will remain in effect through December 31, 1983, at which point Congress will have an opportunity to review and determine whether to continue the indexing adjustments.

(4) How will indexing ease the impact of taxflation?

The Tax Equalization Act corrects automatically the income tax system to prevent inflation from pushing taxpayers into higher and higher tax brackets. It establishes a procedure that widens all tax brackets by a proportion equal to the rate of inflation. It also adjusts the personal exemption and the zero bracket amount. This has the effect of holding the real value of the tax rates constant and prevents taxpayers from being pushed up from one bracket to another, unless their real incomes have increased. The hypothetical family of four that earns $15,000 in 1979 with an 8 percent increase in earnings in 1979, will be saved about $94 in the first year by the Tax Equalization Act. The family earning $30,000 would save about $498.

(5) Does the Government have a vested interest in inflation?

The Federal treasury is the prime beneficiary of inflation. Many economists have stated that when the cost of living goes up by 10 percent, the increased taxes flowing into the Federal treasury go up by as much as 16 percent. According to the Joint Committee on Taxation, in 1978 taxes were increased by nearly $9 billion. Indexing is not a real tax cut but denies the government this yearly windfall tax bonus.

(6) Will indexing be inflationary?

Tax indexing will not cause nor will it cure our inflationary problems. However, indexing may help keep wage increases down. Without indexing, a worker realizes that a wage increase that just keeps pace with inflation will push him into a higher tax bracket. In order for him to achieve a real gain, his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic causes for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost of living increase simply to maintain the actual value of their take-home pay.

(7) Didn't Congress just pass a tax cut?

Because of inflation, Congress has passed tax cuts in each year since 1975. The Revenue Act of 1978 provides an $18.5 billion in tax reduction. However, because of inflation and other factors, 80 percent of our 88.5 million taxpayers will experience a tax increase in 1979.

(8) Does indexing preclude the Congress from changing the Tax Code?

Indexing the personal income tax is not intended to be a correction for all the inequities in the income tax law. Adoption of tax indexing does not prevent any other changes which the President wishes to propose or which the Congress wishes to enact. Even with indexation, the Congress could still change the degree of progressivity in the tax system or the amount of income tax revenues collected. The Tax Equalization Amendment simply guarantees that taxpayers will not be subject to non-legislated tax increases.

(9) Has indexing been tried anywhere else?

A number of other countries have already adopted some form of indexing their individual income tax rates. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and recently, Australia. Under the Canadian approach—which took effect in 1974—the personal exemptions in the tax bracket are adjusted annually by the rate of charge in the Consumer Price Index for the year ending the previous September. As a result, the Canadians have adjusted their tax system by 6.6 percent for 1974, 10.1 percent for 1975, 11.3 percent in 1976, and 8.6 percent in 1977.

In the United States, Colorado, Arizona, Iowa, Minnesota, Wisconsin, and California have initiated indexed systems for the collection of their state income tax.

(10) Does the public favor indexation?

The Roper Organization, in a study released to the Senate Finance Committee in July of 1978, indicated that the public would prefer an annual inflation adjustment factor built into the tax system by a fairly wide margin. According to the study, 57% of the American public preferred indexation to the periodic tax cuts that the government has made from time to time to keep taxes in line with inflation. Only 32% of the public preferred the periodic tax cuts.

(11) Why does the tax equalization amendment index only individual income taxes?

The Tax Equalization Act is designed to establish a simple and modest approach which will offer both the Congress and the American people an opportunity to evaluate indexing on its merits. Indexing for capital gains, depreciation and debt involves more complex indexing procedures and would require substantial changes in the present law. The Tax Equalization Act is simple and equitable. It would not require any changes in the present tax form. For these reasons, the Tax Equalization Act is the first step that needs to be taken for indexing.

(12) Does indexing represent a change in fiscal policy?

Fiscal policy since the early 1960's has focused on reductions of the personal income tax rates. Congress has legislated tax reductions in personal income taxes in 1962, 1964, 1969, 1975, 1976, 1977, and 1978. However, since 1965, the Congress has not cut taxes enough to offset the inflation-based tax increases that have occurred over that period.

(13) Some economists have stated that a progressive tax system acts as an automatic stabilizer on the economy during periods of high inflation. Would indexing remove this automatic stabilizer?

The automatic stabilizer theory is based on the assumption that inflation is the result of an excess aggregate demand. This requires full employment and the sum of all our individual demands will be greater than the available supply of goods. The aggregate demand theory, however, ignores the fact that inflation may be caused from other sectors of the economy, for example, food and energy.

In addition, if inflation and unemployment are occurring simultaneously, the automatic stabilizer becomes a destabilizer. It would be counterproductive during periods of high unemployment, to reduce purchasing power that might be used for investment or consumption. Indeed, the failure to index the tax system made the sharp recession of 1974–1975 far more severe than it otherwise would have been.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired. Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized for not to exceed 15 minutes.

Mr. BAKER. Mr. President, I ask unanimous consent that the time allocated to Senator STEVENS under the special order be given to the Senator from Missouri, for his control, for a continuation of this colloquy.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Missouri is recognized for not to exceed 15 minutes.

Mr. DANFORTH. I yield to the Senator from Kansas.

Mr. DOLE. As inflation increases the cost of living, and everyone understands that this is happening, the taxpayers' income has to increase to keep up, to buy the same amount of goods, the same amount of gasoline, the same amount of anything, just to stay even.

As I have indicated through the example, as you receive more money just to stay even, because of the tax system, you are driven into a higher tax bracket and pay a higher marginal rate. That is the nature of our progressive tax system. Because the taxpayer may be earning more money, his standard of living actually is going down because of this concept of "bracket creep."

For a typical family of four earning $15,000 if their income increases by 8 percent, their income taxes increase by about 12.6 percent.

The impact of tax inflation becomes even more dramatic as the taxpayer continues to climb the economic scale. A family of four with a $30,000 a year income in 1979 will have to earn $2,400 more in 1980 to keep pace with an 8 percent inflation rate. But, at an income of $32,400, the family tax bill will rise about $888, or 14.2 percent.

It seems that even though we are off to a good start with the proposal, introduced today, there are other areas should be addressed.

As the distinguished Senator from New Mexico mentioned, other bills will be introduced by other Members, with widespread support, to put meat on the bones of the Republican economic package.

There is no quick and easy solution. Where possible, you will find Republicans for the most part supporting the efforts of the President to get a handle on inflation. Inflation is not a partisan matter. It affects Republicans, Democrats, and independents. Inflation will stop by the efforts of the American people, along with Congress and the executive branch. It will be stopped by businessmen, working men and women, professional people, and farmers. It is going to take a united effort, and it will not be easy.

We are at the crossroads; we are at a very important point in American history. I hope that the signal that may go out as a result of the efforts of the task force of Senator JAVITS and the leadership of Senator BAKER and the leadership of Senator DANFORTH and every other Republican will be that the Republicans are ready, willing, and able to provide alternatives and to cooperate with this administration and this Congress.

So I conclude as I began, by suggesting that this is a positive effort. It is an effort in which I believe every Republican has had a hand. The distinguished Senator from North Carolina (Mr. HELMS) made an excellent contribution to the task force economic package.

The point is that the statement cuts across philosophical lines on the Republican side. Moderates have had input, liberals have had input, and conservatives have had input. The final package is a Republican package, a balanced package, and a package that the Senator from Kansas believes deserves support.

I thank the Senator for yielding.

Mr. DANFORTH. Mr. President, I appreciate the comments of the Senator from Kansas. They are typical of the kind of leadership he has provided in the Senate Finance Committee.

The Senate Finance Committee truly is a major committee. It deals not only with tax policy but also with such other important matters as hospital cost containment, health insurance, and welfare reform.

For the past half year, the Senator from Kansas has served as the ranking minority member on that committee and has provided real leadership for us. He has put together a first-rate staff. He has worked with other Republican members of the Finance Committee to weld us together into an effective working unit. Now he has characteristically provided leadership with respect to economic policy.

There is today, I regret to say, a vacuum of economic leadership in this country. What we have said, as Republican Members of the Senate, is that we are willing to fill that vacuum; and by the introduction of this bill and by the release of our policy statement last week, we are filling that vacuum.

It would be easy, in a partisan setting, simply to attack the administration for lack of leadership, simply to rejoice in the catastrophes that befall us, to criticize the high rate of inflation and the decline in productivity, to be negative.

But we are not being negative. We are being positive. We are being affirmative. We are making specific proposals for change in economic policy. We are filling the leadership vacuum.

We would hope that the administration would join us. We would hope that the administration would reverse the present trend or lack of trend and would endorse and embrace the kind of concepts which we are presenting today and which have been presented by the nominee for Secretary of the Treasury, William Miller, in many speeches, including one made in San Francisco on the day on which he was nominated, where he proposed exactly the kind of thing that is in this bill.

If the administration changes its view and reverses its position, we are all with it. In introducing this bill and in making the proposals we did last Thursday, it is our hope that there will not be such myopic attention to each specific detail of each bill and each proposal that they will be torn apart.

This bill that has been introduced today is simply the embodiment of three concepts with respect to capital formation, savings, and investment in the future.

The specific points in the strategies of the bill are, of course, open to negotiation and change. But what we say to the administration is let us get off dead center. Let us not stay fixed in the current spot we are in. Let us end the drift in economic policy. Let us get moving. Let us get the country moving. Let us join together in a bipartisan effort, and if the leadership in joining together in a bipartisan effort is not going to be furnished anywhere else, then we, although we are the minority in the Senate, are willing to assume such leadership and we do so today.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. DANFORTH. I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I think the remarks of the Senator from Missouri and those of the distinguished Senator from Kansas are an appropriate capstone for this discussion this morning.

It is clear that by the proposals being made that the Republicans recommend a positive economic policy to get away from wringing our hands about inflation. And let us do something about it. Let us create the incentives that we know work for this country to increase goods and services and to increase productivity. If we do that we are starting to cut away at the fundamental causes of inflation. There are other causes of inflation. But if we really get down to fundamentals, it is a lack of goods and services to use up the available money that people are being forced to spend and it is a lack of productivity that further increases the costs of those goods and services. So we must do that.

The Senator from Kansas is entirely right about the need for the tax cut, either as an indexing proposal or as an across-the-board tax cut. This is unlike the proposals of the Senator from Missouri that we cosponsored that would require and must require a simultaneous reduction in Federal spending. Whereas in the proposals that we are talking about this morning, in addition to those tax cuts, it is not clear at all that there is any net revenue loss, as the Senator from Kansas mentioned earlier. In fact there probably will be a net revenue gain.

I think it is clear from historic measurements that there will be such a gain. But we must do these things.

Private investment in R. & D. has been high, but most of that investment is brought on by requirements the Federal Government has placed on the private sector on what normally would be done to increase goods and services and productivity.

So again I congratulate the Senator from Missouri.

I see the distinguished minority leader is here again. In my earlier remarks I failed to pay proper attention to his great leadership role in this effort and that of Senator JAVITS and others who have joined together today in what I think is clearly the right thing and positive thing for the country.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. DANFORTH. I yield.

Mr. BAKER. Mr. President, I thank the Senator from New Mexico who is a special talent in the Senate and he brings special freshness of insight and ability, and I am especially grateful for his remarks today.

I listened with great interest to the remarks of the distinguished Senator from Kansas (Mr. DOLE). He, also, is a special talent in the Senate and especially so as the ranking minority member of the Finance Committee, which probably is more directly involved in the effort and undertaking that is described now by the Senator from Missouri than any of the remainder of us. And we could not have better leadership on the Finance Committee than we do in the distinguished Senator from Kansas. His vitality, his energy, and his understanding of complex issues will do us a great service in the months ahead as we consider these proposals and as we continue with our effort to implement a Republican plank.

I wish to thank him now for what he has done and in advance for what I am sure he will do in this and in other fields in the days to come.

Mr. President, it is a special privilege for me to see these happenings this morning in the Senate. In particular, I am delighted to see the presentation by the distinguished Senator from New York (Mr. JAVITS) of another in a series of comprehensive policy statements and adopted unanimously, in this case, by Republicans on a major concern of this Nation, our economic policy. It is especially encouraging now to see the followon, the proposal for specific statutory enactment of a program to implement a part of that undertaking, introduced by the distinguished Senator from Missouri and cosponsored by every one of the Republican Members of the Senate.

That is truly an astonishing thing. It has become the rule, I believe, rather than the exception, that in the last 2 or 3 years Republicans try to get together on general policy statements, and we have done so with remarkable unanimity. But I cannot recall a single time when we have unanimously cosponsored a particular precise piece of legislation to carry out those proposals. In the past it has been my privilege to introduce bills to try to implement a general range of objectives but usually that has been in my role as floor leader and without the endorsement or cosponsorship of many, sometimes not any, Republican Senators.

Heretofore, we have placed our show of togetherness on the policy statement. But this is quite different.

I commend the Senator from Missouri for what he has done in drafting this piece of legislation, in dealing with the problem with great particularity, and in translating the universal Republican support for a policy statement to unanimous Republican backing for a specific statutory proposal.

Mr. President, this bill goes far beyond the commonplace efforts to administer a quick fix to America's economic distress. Instead it represents, as we have come to expect from the Senator from Missouri, a thoughtful, imaginative approach to solving both the short-term and the long-range causes of our economic distress.

The PRESIDING OFFICER. The time

controlled by the Senator from Missouri has expired.

Mr. BAKER. Mr. President, I inquire of the Chair what time remains under the series of standing orders?

The PRESIDING OFFICER. Under the previous order the Senator from Texas (Mr. TOWER) is recognized for not to exceed 15 minutes.

Mr. BAKER. Mr. President, I ask unanimous consent that the time allocated to the distinguished Senator from Texas (Mr. TOWER) be assigned instead to the Senator from Missouri and under his direction and control.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the Senator from Missouri yield now so I may complete this statement?

Mr. DANFORTH. I yield to the Senator from Tennessee.

Mr. BAKER. I thank the Senator.

This legislation holds the promise of beginning a new era of economic vitality and stability in the United States, unleashing the powerful forces of private enterprise, making capitalism more than the exclusive preserve of the well-to-do, making it instead a functioning and rewarding economic security program for the average American citizen.

I recommend that my colleagues on both sides of the aisle pay particular attention and give special consideration to the proposals being made today by the distinguished Senator from Missouri. I hope they will contribute to a new national economic policy which will serve this country in good stead in the months and years ahead.

Mr. President, if the Senator from Missouri will permit me just another moment, I pay my respects to those Republican Senators who engaged in this colloquy this morning, first, under the leadership of Senator JAVITS and now under the leadership of Senator DANFORTH. It has taken most of the morning. But I think it has been worthwhile, not just to celebrate the political unity and togetherness of Republicans in the Senate, but also to identify our particular proposals, and to reiterate our faith in our system and our country. Our program offers Americans a clear choice in the formulation of future public policy in the field of economic affairs.

I commend all of my colleagues on this side of the aisle for their willingness to cooperate, to concur in the statement of principles, and so cosponsor proposals made by the Senator from Missouri.

May I express my appreciation to the majority leader for arranging the schedule of the Senate this morning so that we could have a rather extended period for presentation of this Republican initiative.

Mr. President, I thank the Senator from Missouri for yielding.

Mr. DANFORTH. I thank the minority leader. He has provided the kind of leadership for the Republicans in the Senate that has encouraged exactly the kind of initiative we have had today. I join with him in expressing our appreciation to the majority leader for arranging this schedule.

We have taken a great deal of time, most of the morning, in expressing our views, but I think they could really be summed up in a single question which the American people are going to have to answer, and that question is: Do we still believe in growth? Do we believe in the growth of our economy? Do we believe in the growth of this country? Do we believe in the growth of our economy? Do we believe in future opportunity for people or instead do we believe that our best days as a country are behind us, that we have stopped growing, and that the role of Government should be increasingly larger and acting as an arbiter, a referee, as Americans fight among each other and muscle each other aside in an effort to pick over the bones of a once great country?

I think what we have indicated this morning is that 41 of us believe in growth, 41 of us believe in the future, 41 of us believe that Government policy can do more than act as a referee, that it can provide the kind of framework which will permit the growth and the expansion of the rest of the country, of the private sector. It is such growth that is so important to the future of our people.

● Mr. DURENBERGER. Mr. President, the program we have proposed today is an important step in the development of a sound, stable economic policy of growth for this country. This Republican initiative eschews the wornout Keynesian theory that promotes economic growth through deficit public spending and inflationary stimulation of demand. Instead, we are advocating a real growth policy based on capital formation, improved productivity through research and development, and greater rewards for savings and investment.

For too long, we have based economic policy on increasing demand. This policy has resulted in inflation and a distorted business cycle. Consequently, the 1970's have been a period of stagflation. As this country enters a new recessionary period with double-digit inflation, it is time to set a new course for our national economic policy.

The proposals we are introducing today represents the second phase of the new tax policy which the Congress adopted last year. The Revenue Act of 1978 included the first real deduction in the tax on capital formation since the mid-1960's. It was a recognition of the fact that the economic and tax policies that we had been pursuing during this decade were wrong. Our economic policy was based on theories designed to fight the depression of the 1930's. The problems today are quite different from those of the 1930's. Our economic policy has to be revised to reflect contemporary problems.

A new approach is being developed. It is based on the supply side of the economy. Supply economics argues that only through increased savings and improved productivity will we have sustained economic growth in a stable environment. The bill I am cosponsoring today is not the ultimate answer. There are other approaches we should also look at such as capital cost recovery accounting, capital gains rollovers, higher exemptions and tax credits for savings, and eliminating the tax bias in favor of consumption through a value added tax.

I include with my remarks an editorial from today's Wall Street Journal which provides an interesting insight to our current economic problems.

The editorial follows:

SNAPPING BACK

Anyone who might be wondering about the effects of last year's reduction in capital gains tax rates would do well to look at the venture capital revival that has since occurred. We particularly urge a look by those who argued then—and still do in some cases—that you can't improve capital formation by lightening the tax burden on it.

Venture capital is money raised by entrepreneurs whose only assets are their new ideas. Even if they turn out to be successful, investors must expect their capital to be locked up for 5 or 6 years. A decade ago venture capital was thriving. But along came the Tax Reform Act of 1969 which together with its subsequent revisions raised the maximum tax on capital gains from 25 percent to 49 percent, reduced the write-off of capital losses by 50 percent, and sharply curtailed the deduction of interest expense on borrowed funds used to make an investment. All in all, the rewards for success were cut in half, and the penalties for failure were doubled.

The effect on venture capital was devastating. The ability of small companies to raise equity capital by public stock issues declined drastically, and by 1973 small company issues had practically ceased. In 1977 when the maximum tax on capital gains hit 49 percent, equity capital from all sources dried up.

The tax reformers who sold this bad bill of goods to the Congress said the purpose of it was "to make the rich pay taxes." Congress expected to score some easy political points, not to dry up important wellsprings of economic progress. New small companies account for a disproportionate amount of new products and technologies, and they contribute substantially to the growth of the economy as a result of their own rapid growth and the productivity gain that they introduce into the economy.

By 1978 Congress realized what it had done, and Rep. Bill Steiger found majority support in both houses for his proposal to reduce the capital gains tax. In November the rate was reduced to 28 percent.

The response from venture capital was instantaneous and began in May before the law was passed when Senator Hansen rounded up 60 Senate cosponsors of the Steiger bill. By the end of the year venture capital raised by firms specializing in the activity rose eleven-fold over the previous year. In 1979 venture capital is back where it was 10 years ago.

The snapback is easy to understand. In 1969 Congress began adding to the costs of failure on risky new ventures, while reducing the rewards of success. With risk taxed at the same rate as corporate salaries, fewer people left comfortable employment to go off on their own with the ideas they couldn't sell to their employers. Those still willing could find few financial backers. In 1978 Congress restored incentives for assuming risk, and people began assuming risk once more.

There is evidence that lowering the capital gains tax rate had wider ripple effects. The Dow Jones Industrial average rose 130 points from March to August last year as it became evident that there were enough votes in Congress to cut the capital gains rate. The market has since lost some of that exurberance but still is well above March 1978 despite rampant inflation and a recession threat.

Equally impressive, in light of recession fears, is the fact that corporate expenditures

for new plant and equipment and for research and development are once again showing signs of life after a long period of stagnation. Shareholders can once again look with favor on managers plowing back earnings rather than paying them out in dividends.

These signs that the economy would like to get back on its growth track are encouraging challenges to the gloomy predictions that the growth era is over. They indicate that the economy responds to incentives, and is not in the clutches of some inexorable process of decline. More encouragement of its inclinations to grow would no doubt produce further benefits.

We have in mind cutting tax rates on personal income in order to lower the high marginal rates on real income that a decade of inflation has brought about, altering taxes on interest and dividend income in ways to lessen the tax bias against saving and passing something like the Jones-Conable Capital Cost Recovery Act so that businesses can recover their investment capital before inflation eats up their depreciation allowances. A little good tax law and the economy as a whole will snap back as rapidly as venture capital.●

ORDER FOR ALL NOMINATIONS TO REMAIN IN STATUS QUO DURING AUGUST RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations currently being considered by the Senate or received by the Senate be considered as remaining in status quo during the recess of the Senate from August 1979 until September 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining time under all orders for the recognition of Senators be yielded back, including my own.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business of not to extend beyond the hour of 12:30 p.m. with statements therein limited to 5 minutes.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business?

There being no morning business, morning business is closed.

RECESS UNTIL 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:30 p.m. today.

There being no objection, the Senate, at 11:59 a.m. recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. NELSON).

MILITARY CONSTRUCTION AUTHORIZATIONS, 1980

The PRESIDING OFFICER (Mr. NELSON). Under the previous order, the Senate will now proceed to the consideration of S. 1319, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1319) to authorize certain construction at military installations, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Colorado (Mr. HART) and the Senator from South Carolina (Mr. THURMOND), with 1 hour on any amendment, with the pending question to be the Williams amendment, with no other amendment to be in order, except an Exon amendment, and any germane amendment thereto, and with 30 minutes on any debatable motion, appeal, or point of order.

AMENDMENT NO. 322

The PRESIDING OFFICER. The pending amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS), for himself, Mr. JAVITS, Mr. RANDOLPH, Mr. PELL, Mr. KENNEDY, Mr. CRANSTON, Mr. RIEGLE, Mr. HART, Mr. MELCHER, Mr. MOYNIHAN, and Mr. LEVIN, proposes an amendment numbered 322.

On page 49, strike lines 5 through 13.

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, let me summarize briefly for the Senate where we stand at this point in time on the military construction bill.

On July 12, 1979, the Senate considered this bill and completed work on all amendments except those relating to the Davis-Bacon issue. A unanimous-consent agreement was reached which sequentially referred the bill to the Committee on Labor and Human Resources for the purpose of reviewing the Davis-Bacon question only. On July 26, 1979, the Committee on Labor and Human Resources reported the bill back to the Senate recommending against any revisions to Davis-Bacon Act provisions.

The bill is now before the Senate under a time agreement of 2 hours on the bill and 1 hour each on two amendments. Those two amendments are: First, an amendment by Senator WILLIAMS to strike section 810 from the bill, and second, an amendment by Senator EXON, to revise the threshold of coverage of the Davis-Bacon Act from contracts costing $2,000 or more to contracts costing $50,000 or more. Under the unanimous consent agreement, those are the only amendments that will be considered.

The PRESIDING OFFICER. The present amendment is not directed to section 810. It strikes lines 5 through 13 on page 49.

Mr. HART. I stand corrected, Mr. President. I was just trying to get the factual situation clarified.

I remind the Senate that this is an important bill, containing nearly $4 billion in new authority to provide for the construction program of our Armed Forces. I would hope to complete action expeditiously.

I yield to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I send a technical amendment to the desk, so that the pending amendment is directed at the lines of the bill as it is now before us.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 49, strike lines 19 through 25, and lines 1 and 2 on page 50.

The PRESIDING OFFICER. The amendment is so modified.

Mr. WILLIAMS. Mr. President, I yield myself such time as I may use, within my allotted time.

The question of whether the Davis-Bacon Act should continue to be applied to direct Federal construction activities of the military departments was referred to the Committee on Labor and Human Resources by the Senate on July 12, 1979, for its consideration.

Our committee has done its work in connection with this bill promptly and completely. In the brief 2 weeks which the Senate gave us, we have had hearings on this issue, and we have studied it closely. We have issued a report, which has been filed with the Senate, and which is available to all members.

Based on the committee's examination of this important question, I believe that we must continue to apply the Davis-Bacon Act to these contracts. I am pleased that I am joined by 12 of the 15 members of the Committee on Labor and Human Resources in this conclusion.

It is our recommendation that section 810 of the pending bill be deleted—and that the direct Federal contracts authorized for the military departments continue to be subject to the requirements of the Davis-Bacon Act.

Mr. President, the committee's recommendation is based on a number of considerations.

Primarily, however, we believe that waiving the Davis-Bacon Act's requirements for these contracts would result in tremendous hardship for the workers in this highly volatile and unstable industry, and in distinct disadvantage to employers, especially small employers, in the construction industry.

The purpose of the Davis-Bacon Act is to prevent the exploitation of laborers by Government contractors by insuring that those contractors pay laborers on Government contracts the wages which prevail in the locality.

The Davis-Bacon Act means that the Government will not be a party to wage cutting. The act represents the Government's commitment to the welfare and well-being of American workers and to the stability of the construction industry.

The Davis-Bacon Act means that when the taxpayers are party to a contract, they do not want the workers on that project to be exploited.

This was an enlightened public policy in 1931, and I do not believe that it is any less enlightened now than it was 48 years ago.

Mr. President, not only do the same moral and ethical reasons for the Davis-Bacon Act remain, but the same practical considerations exist which call for the continued application of this act to direct Federal construction.

These practical considerations are centered on the chronically high and cyclical unemployment in the construction industry. This industry is marked by large upswings and downswings in construction activity, and is largely populated by small and marginal employers. In short, the industry is rife with instability. It was so in the 1930's, and it is no less so in the 1970's.

Employment characteristics in the construction industry are inherently uncertain. Employment varies by as much as 30 percent between the peak construction month of August and the low construction month of February. While only 2.7 million construction workers were employed in February of 1978, that figure rose to over 3.8 million workers in August of that year. Over a million workers enter and leave the construction industry workforce every year. Moreover, the unemployment rate in the construction industry fluctuates radically even in a stable year. The unemployment rate in the construction industry was in excess of 17 percent in February 1978, declined to 6.6 percent in August and rose again to 17.5 percent in February 1979. At the peak of the recent recession, the unemployment rate for construction workers was 21.6 percent in May 1975, while the rate for all workers was 9.1 percent.

These workers are employed by half a million businesses, many of them small, and divided into more than 30 crafts or trades.

Typically, these are not long-term employment relationships. A contractor will bid successfully for a contract and obtain his skilled labor from the local construction market. Construction workers are particularly susceptible to wage cutting competition during periods of high unemployment due to short-term fluctuations in employment and unemployment. This industry has limited job security, high skill requirements, and a preponderance of small locally oriented firms who exhibit keen business competition due to a lack of control over many nonlabor construction costs.

Mr. President, the testimony at our hearing indicates that not only do the workers in the construction industry feel a continuing need for the protection and stability offered by the Davis-Bacon Act, but the employers in the industry also see a continued need for the protection, and stability, which the Davis-Bacon Act assures.

At our hearings, representatives of the National Electrical Contractor's Association told us that they opposed waiving the Davis-Bacon Act.

Those contractors said that prevailing wage requirements in Federal construction contracts enable them to bid on those contracts with the reasonable assurance that they will be able to recruit the skilled workers they need to perform the contracts.

Without that assurance, many of these small contractors would be unable to bid on and receive Federal contracts.

The committee received similar views from representatives of the Tile Contractors Association and the Mason Contractors Associations.

We can therefore disabuse ourselves of the idea that the Davis-Bacon Act protects only workers. In fact, its protections are valuable to employers in the construction industry, and most especially, small employers.

It is also clear from our hearings that any hypothetical cost savings which have been claimed if the Davis-Bacon Act is made inapplicable to military construction is largely illusory. When the prevailing wage determinations under the Davis-Bacon Act are correctly made, there should be no inflationary impact. The rates actually prevailing in the area are simply identified and reflected in the competitive bids on Government work. Claims that the act has an inflationary impact tend to be based on the assumption that determined wage rates may be higher in some cases than those which actually prevail. In fact, rather than realizing savings as a result of reduced costs, the Government may very well encounter increased costs due to a lower quality of construction, increased project defaults, and increased maintenance as a consequence of the use of unskilled labor.

The report of the Armed Services Committee notes that Defense Department witnesses testified that, based upon General Accounting Office estimates, cost reductions of 5 to 15 percent are possible if Davis-Bacon was waived. However, these estimates are based on a 1971 GAO report. I questioned the GAO on those estimates in hearings before the Committee on Banking, Housing, and Urban Affairs earlier this year. At that time, the GAO testified that the projects selected in the 1971 study were not randomly selected, but were targeted projects and presumably were not representative of any hypothesized budgetary impact. Moreover, the 1979 GAO report estimates an average of slightly over 3 percent savings on 12 of 30 projects surveyed. This GAO report specifically notes on page 100 that its sample size was insufficient for projecting the results of that study to construction costs generally with any statistical validity.

The fact of the matter is that the Department of Defense has made no independent estimate of any hypothetical savings by waiving the Davis-Bacon Act for military construction projects. To the contrary, the Assistant Secretary of Defense specifically opposes section 810 or the military construction bill, and points out that "equal application of the act provides a stable relationship with contractors that undertake Federal construction and prevents possible labor difficulties and attendant delays or stoppages."

If the prevailing wage protections of the Davis-Bacon Act were waived, and wage cutting competition ensued, there is no evidence that any savings in wage costs will in fact be passed through to the Government. In fact, if the contractor pays less than the prevailing wage, he is likely to be able to attract only underpaid and unskilled workers.

Mr. President, what does the Government get for its money when its contractors use underpaid, underskilled workers on construction projects? Let us make no mistake about it—when you offer low pay, you attract low-skilled workers, highly trained, highly skilled, highly efficient workers do not grow on trees, and they do not work for nothing.

So, what can the Government expect from these underpaid, underskilled workers? The answer is shoddy, deficient, even defective work. Witnesses at our hearings on this bill testified that the work on those contracts was often defective and, in some cases, even dangerous.

Mr. President, these military construction projects are just too vital to the defense of our Nation to be sloppily built. Our military personnel have the right to expect that our missile sites and radar stations will be well constructed, and will be built according to specification. When the need is there, they must know that these vital installations will function properly. If not, the few pennies saved in construction, at the cost of reliable buildings will be a poor bargain indeed.

Mr. President, the Davis-Bacon Act has been instrumental in opening the door of the construction industry to minority group members and women. Requirements associated with the act, such as apprenticeship training programs, and established journeymen-apprenticeship ratios, have assisted in the development of job opportunities for the disadvantaged elements of our society. Waiving the Davis-Bacon Act for nearly one-fifth of direct Federal construction activity will surely set back this admirable progress which has been made.

By building our military structures in a manner which will insure the well being of our citizens, in a manner which

will insure that Government contractors do not exploit their laborers, in a manner which will provide hope for a brighter future for all our citizens—we will be getting true value for our dollar.

Mr. President, for these reasons, I join with the overwhelming majority of the Committee on Labor and Human Resources in recommending that the Senate strike section 810 from this bill.

The PRESIDING OFFICER (Mr. STEWART). The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I rise to associate myself altogether with the eloquent incisive remarks of the chairman of the Committee on Labor and Human Resources, our greatly admired neighbor from New Jersey.

I wish to remark on a statement he made toward the end of his address about the relevance of the decision we are about to make today about the construction of the facilities for strategic warfare.

This is not a bill about building barracks. This is a bill about constructing the most complex pieces of machinery the United States knows, the infrastructure of our strategic nuclear defenses.

I have just come, as it happens from a meeting of the Select Committee on Intelligence in which we have dealt with the question of verification of the SALT II agreement. We have been in secret session for a month on this, and we have just about now concluded.

I have to say that there is something that strains credibility that we should have spent a month in the Capitol Dome going over the precise technical questions about what is our capacity to verify, what is our capacity to retaliate, what is the level of condition of our forces, and come down to the Chamber and find before us a proposal to turn the construction of that intensely complex infrastructure over to unskilled and underqualified workers. It is as if one leaves one world of reality for the world of unreality, although one might think it would be just the opposite.

Mr. President, this amendment is offensive. It comes with ill grace a year after the President presented the Senate with a proposal to make the first advances in labor legislation since the New Deal. The Senate did not act. Despite the noble efforts of Senator WILLIAMS, our Senate did nothing. Now finding that we did not advance on the New Deal, it is proposed that we repeal the labor legislation of the Hoover administration.

Davis-Bacon is an enactment of President Hoover's administration, and a very important one. It has brought stability to an industry that did not have it and has greatly advanced the capacities for production in this field.

Those who do not know what it is like to have instability in the construction industry will not think much of it. I can put it very simply: It is something you do not miss until you do not have it.

In the 1950's, we had to build the great nuclear weapon defense system of this country. If we did not have skilled workers protected by Davis-Bacon for over a generation, we would not have been able to do it. We did do it. I remember being in the Department of Labor in the early 1960's under President Kennedy and the extraordinary involvement of the trade union movement with the Defense Department in constructing our Minuteman silos, and other similar efforts like that. This was possible because we had a stable industry and a highly skilled workforce.

What will we have if this bill goes through? I will tell you what we will have. We will deplete yet another American resource, and do not be surprised if the day comes when we start importing our construction as well as other things in manufacturing.

But another point is to be made, and that is this: There is an unfortunate regional bias in these matters about which I am prepared to speak. I represent a State, Mr. President, where one out of every seven members of the AFL-CIO lives, and we are proud of the social legislation we have adopted. We are proud of our effort to extend that legislation to other parts of the country, and we have supported the kinds of Federal expenditure that go with such legislation. Senators from my State and my part of the country have stood on this floor for 50 years and said, "Yes, let us increase the Federal budget for this purpose and that purpose, more public works," always supporting defense, never to any significant advantage of our region at all.

I see the distinguished manager of the bill, the Senator from Colorado, who has made such an important contribution both to this subject and to the Armed Services Committee is here, and I would like to tell him something I said to the Building Trades Department of the AFL-CIO just earlier this year when this whole issue began to be discussed. I said to them:

> As far as the Senators from the Northeast are concerned, if there is going to be no Davis-Bacon let there be no public works.

If anybody supposes that the Federal budget is a bonanza for States such as mine, just give us the chance to do without a Federal budget altogether and see how much better off we would be and how quickly we would accept it.

No more dams, no more highways, no important electrification, no more canals. Why clone the Mississippi River if we are going to do it under these circumstances? We do not have to clone the Mississippi River. Nobody is cloning the Hudson River. The pork barrel of this body goes places other than ours. All we have asked is that decent labor standards go with it, and if they cannot, then we can do without it and will do without it.

We can stand on this floor and fight these propositions with exactly the same weapons that others have fought other propositions. It is bad enough that we will not make one step beyond the New Deal, but to start repealing the labor legislation of Herbert Hoover suggests an atmosphere in this body which had better be turned around or the American people are going to wonder what is going on on Capitol Hill. At least I am on the verge of agreeing with President Carter about our isolation, and having suggested that maybe it is time for me to sit down.

But there is just one more thing. It is also important to understand the characteristics of the industry about which we speak today.

Mr. President, the Davis-Bacon Act is the most important wage stabilizing piece of legislation in the construction industry. It requires that Federal construction contractors pay the prevailing wage for labor in the area where the construction is to occur. The Davis-Bacon Act has served to stabilize the volatile construction industry by discouraging cut-throat competition by construction contractors who would slash out at labor standards in their bidding. It affirms that our Federal building programs will not be undertaken at the expense of the worker who performs the building. By protecting the prevailing living standards of the construction worker, the act provides equality of opportunity for contractors and prevents the disturbance of the local economy.

Under this standard, contractors are free to compete against each other's efficiency, know-how and skill rather than in wage rates and fringe benefit levels.

To understand the importance of the Davis-Bacon Act, it is necessary to understand some aspects of the construction industry. In this country the construction industry has always been volatile and intermittent in its business volume, and in the employment opportunities it provides. Over 4 million workers are attached to the construction labor force. They are employed by about one-half million businesses, and divided into more than 30 crafts or trades. Unlike most other industries, these are not long-term employment relationships: Workers move from job to job, site to site, rarely forming permanent attachments to a single employer. The intermittent nature of the work diminishes the effect of a sometimes seemingly high wage rate. Unemployment has been persistently higher in this industry than in most others: Recently averaging more than 50 percent higher than the national average (10 percent construction against 6 percent national average).

The potential for severe wage competition is always present in the construction industry. The half million small construction contractors are engaged in one of the most competitive businesses in the country. Because of the relatively high unemployment rate, the workers are particularly vulnerable. In fact, the 1972 Commission on Government Procurement Study Group No. 2, a group that would likely be more concerned with procurement than worker protection found that "the wages of construction workers on Government construction would likely be adversely impacted without prevailing wage protection." The employer has less control over other major cost factors in construction such as land, materials, and interest rates and thus is more likely to look at wage rates for cost cutting. Moreover, the cost of these factors has been increasing at higher rates than labor costs. If the economy moves toward a period of slow growth of recession, there is a much greater likelihood that the pressures for wage competition will intensify given the volatility of the construction industry.

The Davis-Bacon Act which was enacted in 1931 was part of a trend that began much earlier. Kansas had adopted a prevailing wage statute in 1891. Forty States have now adopted "little Davis-Bacon" laws, many of them in the 1950's and 1960's. The Davis-Bacon Act was a major force in preventing the complete disintegration of the construction industry in the 1930's. Its importance in preserving labor standards during a period of economic decline cannot be understated. In this regard, it is significant to note that construction industry housing starts for February were at their lowest level in 2½ years. It is beyond belief that at a time when many forecasters are predicting a recession that we would seriously entertain the possibility of abolishing one of the major stabilizing influences in the construction industry.

Yet, there are those who would suggest that the construction worker should be sacrificed in the battle against inflation.

However, the annual percentage increases in hourly wage rates over the last 7 years for construction workers has already been lagging behind the all-industry increases. Between 1971 and 1977, the construction workers' increases were 5.9 percent per year, compared to the all-industry average of 7.3 percent. Between 1975 and 1977 the gap widened: The construction workers' increases were 5.5 percent per year, and the all-industry increases were 7.17 percent. The April 1977-78 wage rise for construction workers was the smallest 12-month increase since 1967. It is obvious that the construction industry wage increases are hardly a major inflationary force in our economy.

Under these conditions, it is apparent that the altering of the Davis-Bacon Act would risk serious economic and social costs. It would create havoc in the construction industry, giving rise to a degree of cut-throat competition we have not seen for 50 years. In the end, it is not only the construction worker who would fall victim to this false fight of inflation.

Indeed, it is our local construction industries who could very well fall victim to the low wage itinerant contractors who move from contract to contract undercutting local standards in their ruthless search for Government contracts.

Mr. President, no one denies that the Davis-Bacon Act played an important, indeed vital, role in preventing the complete disintegration of the construction industry in the 1930's. Since that time, Congress has repeatedly affirmed the importance of this law in stabilizing wage patterns in the construction industry by including the Davis-Bacon Act provision in nearly all of our laws authorizing federally funded construction.

It would be a rash action in the extreme to alter this act as we enter a period of likely economic uncertainty over the next few years.

Mr. President, for these reasons, I urge my colleagues to vote to strike section 810 from the military construction legislation.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Texas as much time as he desires.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I am not surprised at the action taken by the Labor and Human Resources Committee recommending deletion of section 810 of the military construction authorization bill. Although I was unable to attend the committee's hearings personally, I have reviewed the testimony offered by the various witnesses. From this reading, it appears to me that relatively little attention was given to the question of saving money on defense construction, which is the purpose of section 810, and that the committee chose to focus instead on preserving the integrity of the Davis-Bacon Act.

Even in its anticipated response to the committee, the Department of Defense does not make one reference to cost savings. Instead, Assistant Secretary Robert Pirie states that:

> I do not approve of the inclusion of section 810 into this bill because I do not favor the singling out of the military construction program from other Federal construction.

In other words, what he is saying is "Don't put the monkey on my back. The big unions do not want this act repealed in any form or fashion or waived in any form or fashion. Don't single us out there over in Defense to incur the wrath of organized labor."

I would reiterate again my previous statement that this language does not repeal Davis-Bacon; it does not amend Davis-Bacon; nor does it affect the application of the act to any other type of Federal construction. The purpose of section 810 is very simple—it will save tax dollars on defense construction projects.

As my colleagues are well aware, the Senate Armed Services Committee is presently holding hearings on the SALT II Treaty. In terms of our relative defense preparedness, even among those who favor the treaty, there is a strong consensus that a real growth in the level of defense spending must occur over the next few years.

Right now, Mr. President, we have a backlog in military construction of nearly $35 billion. These projects, located in dozens of States, cannot be implemented because the defense budget simply cannot be stretched any farther to accommodate them and in the years ahead, the list will grow.

By enacting section 810, we might make some headway in reaching these projects. Let me cite a few examples of how this would work:

At the Indiantown Gap Military Reservation in Pennsylvania, a tank trail was built in 1977. The cost of that project under Davis-Bacon was $188,400. The same project without Davis-Bacon would have cost $150,720.

At that same location a rifle range was also built. Under Davis-Bacon, the cost was $217,900. The cost without would have been $174,320. Conservative estimates show that both of these projects could have been completed for 20 percent less.

At McGuire Air Force Base in New Jersey, a composite squadron facility constructed under Davis-Bacon cost $117,500. Without Davis-Bacon, the cost would be $86,750. Considering the fact that 50 percent of the project cost was for labor, estimates show a potential saving of $30,750, or 27 percent of the total cost.

Examples from testimony before the Human Resources Committee show similar waste. One witness cited the Davis-Bacon rates for constructing one lock on the Tennessee-Tombigbee waterway increased labor costs on that project between $2 to $3 million—and that was just one lock.

And in Frederick, Md., where no local contractors would even bid on a construction project for the Frederick Cancer Research Center at Fort Detrick, the low bid was over 100 percent above the amount budgeted by the Federal Government.

I cite these examples to show, Mr. President, that the cost estimates presented before the Armed Services Committee by Deputy Assistant Secretary Fliakas bear some careful consideration. During his testimony, Secretary Fliakas projected a cost savings range of $70 to $210 million under section 810. These are estimates. They could be lower, and they could be higher. But there would be savings, and no one has disputed that fact.

The list of unfunded projects is extensive, and even if we could realize $50 million in savings, maybe we could get to those projects in Florida, Nebraska, Alaska, Georgia, California, and a number of other States.

Now, Mr. President, when we discussed the military construction authorization earlier this month, I moved to refer the bill to the Human Resources Committee for review. This was not a jurisdictional matter, and we could have proceeded to a vote that day on the motion to strike section 810. I doubt that the outcome of that vote will vary.

But since the committee had not availed itself of the opportunity to review the cost aspects of Davis-Bacon, I thought they should have the chance to do so. Unfortunately, the committee has seen fit to treat section 810 as a frontal assault on Davis-Bacon, which it is not.

I would therefore remind my colleagues once again that the purpose of this language is to curtail waste in defense spending. Perhaps the Human Resources Committee will take—or be given—other opportunities to consider amendments to the Davis-Bacon Act. I for one hope they will. But for the present, let us not confuse far-reaching amendatory efforts with this present motion to cut wasteful Government spending.

I was interested to note that my distinguished friend from New Jersey has, in effect, said 80 percent of the construction work in this country is shoddy. That is to say private sector construction work not covered by Davis-Bacon is shoddy and defective, but under Davis-Bacon all the Federal construction work that is done is not shoddy; it is not defective. What in effect he is saying is that nonunion work is shoddy and union work is always the best. Moreover he is in effect saying that even union work done in

the private sector, uncovered by Davis-Bacon, is shoddy and defective, and yet if it is done on Federal projects under Davis-Bacon, it is not shoddy and defective. So apparently the proper conclusion as to the soundness of construction work done across this country, according to the Labor and Human Resources Committee, would be that all private construction work done in this country is shoddy and defective.

Mr. President, I suggest we do not need Davis-Bacon application to insure that construction work done is done well and done properly. I can cite some construction projects around Capitol Hill which have had some rather substantial cost overruns, and in some instances the work has not been entirely satisfactory.

Mr. President, I am a realist, and I know what is going to happen here. I am reasonably sure, although I would hope that on the way to the Chamber to vote my colleagues might suddenly be afflicted with what happened to St. Paul on the road to Damascus and see the light, and vote overwhelmingly against the amendment of the Senator from New Jersey.

Being a realist, I know that is not likely to happen; but what we are doing here today, if the amendment of the Senator from New Jersey prevails, is saying that in combating inflation there are certain untouchables that must prevail, that cannot be tampered with, regardless of what we must do to combat inflation in terms of basic costs.

Davis-Bacon does have an inflationary impact. There is no proof that Davis-Bacon does not cost us more money for construction. No one has asserted that it effects any cost savings. All the evidence is quite to the contrary. Therefore, should this amendment prevail, I think the Senate will have said this is an untouchable element in the cost of the inflation.

I think we should identify these untouchables. There will be some of them identified by other amendments offered to the bill to try to save the Government money, that will try to foreclose Government activity that tends to drive up costs in the private sector because of the enormous power of organized labor.

When you think of the most influential single political force in the United States, it is the AFL–CIO; and it not likely that we are ever going to prevail against them. Anybody who thinks business has an inordinate influence on government is nuts or is uninformed, because in fact it is organized labor, with its control and discipline, that has the greatest impact on public policy—greater than any other special interest group in this country. I would say greater than all of them combined.

They have decreed that section 810 will not prevail and will not be permitted to remain in the bill, and my guess is that probably that decree will be honored.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Nineteen minutes and seven seconds. The Senator from New Jersey has 7 minutes and 50 seconds.

Mr. TOWER. Mr. President, I might suggest to the Senator from South Carolina and the Senator from New Jersey that the Senator from Nebraska (Mr. EXON) wants to propose an amendment. For my part, since I am primarily responsible for section 810 in this bill, I would be prepared to see some time yielded back so Senator EXON could be accommodated.

Mr. WILLIAMS. Mr. President, perhaps that can be done, but before I would yield back I would like to point something out to the Senator from Texas.

We are good friends, and we have worked together on many things; and we oppose each other on many things, too, always in the best of dignity and good spirits. But I am rather disappointed that the Senator from Texas did not listen to my remarks as closely as I had hoped he would have. If he had, he would not have been saying some of the things he said that suggested I had said all nonunion labor is shoddy labor. I did not have anything in my remarks that would lead the Senator to say that.

All I am saying is that if we do not have the community-prevailing wage as a requirement on Government construction contracts, we have a situation where there will be contractors who will undercut the community-prevailing wage; they will get the job, and they will get it because they do not have fully qualified and skilled workers coming in under the prevailing community wage. That is all I have said.

If the Senator will look at our report, it will show that the prevailing wage determinations are about equally divided between union and nonunion rates. So it is not a union versus nonunion question, it is a question of applying the community wage that prevails for like workers on like construction jobs to cur federally assisted construction. I just wanted that clarified, Mr. President. I know that the Senator from Texas will appreciate that when I found error I pointed it out to him.

Mr. TOWER. Mr. President, will the Senator from South Carolina yield me 2 minutes?

Mr. THURMOND. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, the fact is that Davis-Bacon, in many instances, establishes a higher wage than what is actually the prevailing wage, because it has been acknowledged by various departments of the Federal Government that the data base that is used by the Labor Department in making these determinations is inadequate. Secretary Harris, when questioned about it before the Committee on Banking, Housing, and Urban Affairs, said they were seeking a better means for determining what the prevailing wage ought to be.

I think there is a great deal wrong in the application of Davis-Bacon that could be cured by administrative action, but we have seen no movement in that direction. There have been complaints against—complaints about it.

Let me note that in instances where Davis-Bacon has determined a lower prevailing wage than that actually prevailing in an area, in every instance—and we have not found anything to the contrary—the prevailing wage has been paid anyway, in the few instances where the Davis-Bacon determination was too little.

So the net result has not been or would not be for wages to fall below the established minimum wage in a given area, but what happens is that contractors, particularly in small towns, cannot meet the union wages which the Labor Department determines are the prevailing wage when indeed they are not.

For example, a project 100 miles from Dallas, in a small town, might have to pay wages that are really based on the highest union-negotiated rate in Dallas, when that is not the prevailing wage in that area.

Really, the effect of Davis-Bacon has been directly contrary to the original intent of the bill. I am a little bit touched to hear my good friend from New Jersey or my good friend from New York say how wonderful this Hoover legislation was.

I wish they were as dedicated to preserving the legislation of the Hoover administration in other areas as they are this one. In fact, the original intent was to prevent big city contractors from coming into small towns and bidding low because they could undercut local wages. Now the opposite has happened. The big city contractors are the only ones who can afford to bid in many instances and the small-town contractor is thrust out of the job. The record is replete with examples of this.

Mr. President, I hope that we will consider all these things when we vote on the Williams amendment.

Mr. WILLIAMS. Mr. President, I yield myself 1 minute, or less. I want to clear up a matter for my good friend from Texas and point out to him that on a county by county basis for the great State that he represents prevailing wage determinations in residential construction—of course, residential construction is major in Texas because of its rapid growth—reflected union rates in 31 counties, and nonunion prevailing wage rates in 223 counties. I just want the Senator from Texas to realize that prevailing wage determinations are not necessarily union or nonunion, but are the community prevailing wage found by the statistical methods that the Department uses.

Mr. TOWER. Will the Senator yield 1 minute?

Mr. THURMOND. I yield.

Mr. TOWER. Texas is a right-to-work State and workers are not compelled to join a union as a condition to the right to earn their daily bread. Because of the favorable labor-management climate and the high productivity of Texas labor, that is to say, of the major industrial States Texas gives a higher return on the labor dollar than any other State, that is why we have this enormous growth and why industries are moving to Texas. I would suggest that might be an example to the States in the Northeast to follow, those which are faced with economic stagnation.

Mr. WILLIAMS. When there are pockets of poverty in the great State of Texas we too will respond.

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. WILLIAMS. I yield 2 minutes.

Mr. JAVITS. Mr. President, the key point here, and we have argued this time and again, is that Davis-Bacon is an essential effort to stabilize wage patterns, like the Fair Labor Standards Act and other comparable acts. I think Senator TOWER really answered the issue. The point is how is the prevailing wage determined. We have begun now to look into that very carefully with the Secretary of Labor. The finding of the General Accounting Office, surveying 30 cases, showed that the prevailing wage was exceeded in 12 cases and was under the prevailing level in 18 cases.

I wish to say to the Senate that what we should do is to accept the Williams amendment and not throw out the principle of Federal stabilization of wage levels, because we do not like the way it is administered, but that we in the Labor and Human Resources Committee should zero in upon that question and see whether it is fair or whether there are any elements of unfairness. I assure the Senator that whatever may happen, it is my intention to do precisely that.

Mr. TOWER. If the Senator from New York will yield——

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield 1 minute.

Mr. TOWER. I appreciate the remarks of the distinguished Senator from New York. I feel that if the act had been more appropriately and more equitably administered over the years there would not be the great pressure now to repeal Davis-Bacon or to leave it in terms of some Federal construction project.

Mr. JAVITS. There are always great pressures. The rights of labor are still very much a struggle. But all I say, and I fully respect the views of the distinguished Senator from Texas, is that this is an established pattern and it is in my judgment unwise to shake up the whole structure by taking this piece out of it. I think the way to proceed is to move into the administrative area. I am giving my assurance that I will determinedly do that.

Mr. TOWER. I appreciate that.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment which would remove from the fiscal year 1980 military construction authorization bill the Davis-Bacon amendment approved by our committee in an 11–5 vote. I repeat, the Armed Services Committee placed this amendment in the bill by a 11–5 vote.

The purpose of this amendment is simple—it will allow us to save money. The Senate Armed Services Committee is charged with the responsibility of meeting our military construction requirements in the most efficient and economical manner possible.

ANNUAL SAVINGS OF $70–$210 MILLION

The Deputy Assistant Secretary of Defense, Mr. Perry Fliakas, testified during our hearings that by waiving the $1.4 billion in this bill which comes under the Davis-Bacon Act we could save from $70 to $210 million in this 1 year alone.

Mr. President, if we can save the taxpayers from $70 million to $210 million this year by waiving the Davis-Bacon Act, do we not have a duty to do that?

Thus, a considerable amount of the taxpayer's hard earned dollars can be saved by simply allowing the military construction projects to come under the same wage guidelines that any private citizen pays when a project is constructed. Why should the Senate want to add to the costs of tax funded projects when a cheaper, yet equitable, course is open to us?

INFLATION FIGHTER

The Nation is now reeling under the impact of double digit inflation. Every American's paycheck is buying less.

The General Accounting Office has found without qualification that outmoded Davis-Bacon laws are feeding that inflation without good cause. We must protect the interests of the taxpayer, only Congress can do that and our responsibility is clear.

CHANCE FOR SAVINGS

Thus, by retaining this amendment we can reduce the costs of the Defense Department without any degradation in our military strength. Here is an opportunity to cut defense costs. Here is an opportunity to test the impact of the Davis-Bacon law in our current economy. Here is an opportunity to eliminate an unnecessary expense which serves no useful military purpose whatsoever. Here is an opportunity to fight inflation, the No. 1 enemy of the President, the No. 1 enemy of the Congress, and the No. 1 enemy of the American people.

CONGRESS HAS RESPONSIBILITY

Mr. President, the Congress is solely responsible for the Government having to pay to contractors higher construction costs than that paid by private builders. We can no longer afford this two-tier system where the Government pays a higher price to construct the same building. To do so cheapens the tax dollar. To do so is an inefficient use of tax revenues. To do so feeds the fires of inflation.

Presently in this country 25 percent of all construction work is covered under Davis-Bacon, that work being those buildings in which Government money is involved. Why should the Government be inflating costs to itself when most of the remaining construction industry is operating outside of this law and still paying a fair wage?

NOT ANTI-LABOR

This is not an anti-labor amendment, it is a pro-taxpayer amendment. Many laws now protect the construction worker and other workers which were not in place in 1931 when this law was passed. We have minimum wage laws, overtime laws, and many other regulations to assure wages are fair for the working person.

GAO FINDINGS CLEAR

The recent General Accounting Office report on Davis-Bacon urges repeal of Davis-Bacon. That is a Government office, responsible to the Congress. GAO has studied this situation for over a decade, and their recommendation is sound. They have found the act impractical to administer after 50 years of effort.

They have found the act inflationary on the local and national economy. They have found the act having the opposite effect of its original authors. They have found the act harmful to the interests of minority groups and small business operations. These findings come from our Nation's most respected audit agency, the agency which is an arm of the Congress and free of any political pressures.

WAIVER OFFERS TEST

Mr. President, I also point out to the Senate that our committee is not urging repeal of the act in this bill, we are simply waiving its coverage for the purpose of military construction.

This would merely be a test; its effect would be minuscule compared to the wide ranging Davis-Bacon coverage now in effect.

In this particular military construction bill, we are only talking about around 5 percent of all U.S.-aided construction which comes under the Davis-Bacon Act. This amounts to about 1.5 percent of total U.S. construction. There is presently a $35 billion backlog in military construction projects. Acceptance of this waiver could help address that huge backlog. Can we afford not to make this simple, very narrow test to determine whether the savings would be 5 percent and $70 million or 15 percent and $210 million? I cannot believe the Senate is opposed even to this minor effort to constrain Federal costs, to fight inflation, to reduce unnecessary defense spending, to get for the taxpayer's dollar the same thing the private builder's dollar can buy.

Mr. President, I urge rejection of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from South Carolina has 8 minutes and 44 seconds; the Senator from New Jersey has 2 minutes and 33 seconds.

Mr. THURMOND. Mr. President, I ask unanimous consent that some examples of Davis-Bacon increasing construction costs be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXAMPLE OF DAVIS-BACON INCREASING CONSTRUCTION COSTS

SOURCE: APRIL 1979, GAO REPORT

Project determination 76–TN–88, Dickson County, Tenn.

This determination was used on a project for construction of a chlorine room addition to the City of Dickson's domestic water treatment plant. Construction costs amounted to $44,130.

Labor had never made a survey of prevailing wages paid in this county. Instead, Labor adopted construction union wage rates from Nashville, Tennessee, as the prevailing rates for Dickson County—which is a rural noncontiguous county about 30 miles from the Nashville metropolis.

Also, four of the seven bidders (including the successful bidder) were from the nonadjacent county—none were from Dickson. One of the three subcontractors was local, the other two were from communities about 24 and 28 miles, respectively, from Dickson.

All but 4 of the 32 rates issued by Labor were union-negotiated rates based on a survey, completed in 1972, of projects in the nonadjacent county. Our survey in Dickson County showed that nonunion rates prevailed and that all were substantially lower. The following are some examples of differences we noted:

Classification	Labor hourly rates issued	Prevailing hourly rates in locality	Difference
Bricklayer	$8.00	$4.50	$3.50
Carpenter	8.26	4.50	3.76
Electrician	8.65	5.00	3.65
Labor, unskilled	4.65	2.50	2.15
Painter, brush	6.95	3.88	3.07
Plumber	8.94	4.50	4.44
Truck driver	4.90	3.75	1.15
Bulldozer operator	8.15	4.25	3.90

Labor costs paid on the project at the rates required by Labor amounted to $10,546—about 36 percent more than those prevailing in the locality. Labor costs at prevailing rates in the locality totaled $7,759. Total construction costs may have been increased by about 6.7 percent.

Project determination 76-CA-7, Kings County, Calif.

This determination was used on two exterior painting contracts at the Naval Air Station at Lemoore, California. The total costs of the two projects amounted to $286,352. Although the invitation for bids was sent to local contractors, the majority of the bidders (six of eight on one contract and all the bidders on the other) were located 180 miles or more from the air station. The successful bidders were from the Los Angeles area (200 miles away) and the San Francisco area (180 miles away). Each employed some local workers, but most were from Los Angeles, San Francisco, Arizona, Nevada, and one was even from New York.

Labor had made a survey of Kings and adjacent Tulare counties in 1974. The wage specialist recommended to the Washington headquarters that the rate for painters not be issued, since the nonunion rate determined was higher than the current union basic rate and appeared out of line with rates paid to other crafts. However, the wage specialist later recommended, and headquarters issued, rates obtained from this survey on these projects.

Following are the differences between the rates obtained in our survey and those issued by Labor.

Classification	Labor hourly rate issued	Prevailing hourly rate in locality	Differences (labor rate lower)
Painter	$8.80	$7.27	$1.53
Laborer	3.50	4.19	(.69)

While Labor's rates are both higher and lower than prevailing rates, total wage costs on the contract were increased from $71,821 to $83,379—16 percent. Total construction costs were increased by about 4 percent.

We asked both contractors what effect a lower wage rate by Labor would have had on their bids. Both stated that if the wage rates had been lower their bids would have been correspondingly lower, because lower rates would be paid to their workers.

Presented below is an example of prevailing rates determined in our survey, which were substantially lower than those issued by Labor.

Project determination 76-NY-89, Otsego County, N.Y.

This determination was used on a project that involved reconstruction (paving, grading, and drainage) of an existing highway at a cost of $577,253. The contractor was from a city located in an adjacent county about 70 miles from the project. Work was about 50-percent complete at the time of our fieldwork.

Labor issued union-negotiated rates not supported by a survey in the locality for each of the 9 classifications of workers we compared on the determination. With one exception we obtained substantially lower nonunion rates in our survey of wages paid on similar private construction in the county. For the exception, our survey showed a union-negotiated rate about $2.00 an hour higher for cement masons than the rate issued by Labor. Following are the differences we noted:

Classification	Labor hourly rate issued	Prevailing hourly rate, locality	Difference
Backhoe operator	$10.70	$5.87	$4.83
Roller operator	10.40	4.50	5.90
Bulldozer operator	10.40	4.75	5.65
Paver operator	10.70	6.58	4.12
Truckdriver	8.44	5.72	2.72
Carpenter	11.25	7.85	3.40
Asphalt raker	8.99	5.49	3.50
Laborer	8.59	3.48	5.11
Cement mason	9.70	11.71	(2.01)

For nearly all of the classifications the nonlocal contractor paid workers at precisely the amounts required by Labor.

Labor costs paid on the project at the rates required by Labor amounted to $84,302—123 percent more than those prevailing in the locality. Labor costs at prevailing rates would have totaled $37,865. Total construction costs may have been increased by nearly 9 percent because of these higher rates.

Mr. THURMOND. I call attention to just two or three projects.

For example, in Dickson County, Tenn.—this is from the GAO report that I am quoting—for a bricklayer, the labor hourly rates issued were $8, whereas the prevailing hourly rates in Dickson County were $4.50. That is a difference of $3.50. The Labor Department found the prevailing wage to be $3.50 higher than it actually was. That is a fact found by the GAO.

A carpenter in the county, the GAO also found, earned $4.50 an hour, a difference of $3.76 from what the Labor Department found a carpenter getting, $8.26. The actual prevailing wage was $4.50. In other words, $3.76 difference.

For an electrician, the Labor Department found $8.65; the prevailing wage was only $5, a difference of $3.65.

I just give those as illustrations to show how far off base the Labor Department has been. They have not been getting the prevailing wages. As the able Senator from Texas stated, if they had been actually using the prevailing wage, it would be one thing, but they are not doing it. They are inflating those wages.

For instance, another one is a bulldozer operator. The Labor Department found $8.15. The actual prevailing wage is $4.25. That is a difference of $3.90.

Who is paying that, Mr. President? The taxpayers of the country are paying it. The citizens of Dickson County, Tenn., had to pay it in this case.

Here is another example: In Otsego County, N.Y., the Labor Department found that a backhoe operator made $10.70 an hour. The actual prevailing wage is only $5.87, a difference of $4.83.

A roller operator, the Labor Department found was making $10.40, but the actual prevailing wage was $4.50, a difference of $5.90. A bulldozer operator, the Labor Department found to have an hourly wage of $10.40, but the prevailing wage is actually $4.75, a difference of $5.65.

Mr. President, I think that is typical of the way this law is being administered. How are they going to correct it? The Labor Department will not correct it. So we are asking here simply that we waive this law in this particular instance. The General Accounting Office recommends it. The unions, of course, have axes to grind, but our first duty is to the taxpayers of this country. Our first duty is to the public. It seems to me that we ought, in this case, to waive this act and save the taxpayers $70 to $210 million this year, on this particular bill alone. That is what the GAO said we can do.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, DOD has testified that Congress could save up to 15 percent of military construction costs in fiscal year 1980 if the Davis-Bacon waiver remains on this bill.

The Members should realize that we have a $35 billion military construction backlog—$35 billion in needed projects we are unable to fund. A savings such as that proposed through this waiver would enable many high priority projects to be constructed.

The Defense Department has supplied to the Senate Armed Services Committee a list of these high priority projects. These are badly needed military construction projects which could be funded this year if we did not have to pay the higher Davis-Bacon costs. These projects are located in many States. I would like to list a few:

ARMY

Installation, project, and cost:

Rock Island Arsenal, Illinois, Improve Hdq Facility, $7.5 million.

Fort Hood, Texas, Company Adm and Supply Buildings, $2.6 million.

Military Ocean Terminal, New Jersey, Electrical Power Distribution Improvement, $.6 million.

Fort Campbell, Kentucky, Woodlawn Vehicle Bridge, $1.0 million.

Fort Bragg, North Carolina, Military Operations in Built-up Areas, $1.7 million.

Fort Sill, Oklahoma, Troop Support Facilities, $3.8 million.

Fort Stewart/Hunter Army Airfield, Georgia, Battalion Hdq and Classroom Buildings, $2.1 million.

Fort Bragg, North Carolina, Tactical Equipment Shop, $2.4 million.

NAVY

Naval Submarine Base, New London, Connecticut, Utility Improvements, $4.2 million.

Naval Shipyard, Philadelphia, Pennsylvania, Berthing Wharf Rehabilitations, $9.4 million.

Naval Station, Adak, Alaska, Fire Station, $3.3 million.

Naval Air Station, Moffett Field, California, Taxiway Overlay, $4.1 million.

Naval Air Rework Facility, Jacksonville, Florida, Aircraft Acoustical Enclosure, $3.6 million.

AIR FORCE

Barksdale Air Force Base, Louisiana, Alter Unaccompanied Enlisted Personnel Housing, $2.9 million.

Offutt Air Force Base, Nebraska, Alter Unaccompanied Enlisted Personnel Housing, $3.0 million.

Holloman Air Force Base, New Mexico, Alter Unaccompanied Enlisted Personnel Housing, $2.0 million.

Tinker Air Force Base, Oklahoma, Energy Conservation Investment Program, $3.5 million.

Castle Air Force Base, California, Composite Medical Facility/Dental Clinic, $14.6 million.

Wurtsmith Air Force Base, Michigan, Composite Medical Facility/Dental Clinic, $10.4 million.

Hill Air Force Base, Utah, Energy Conservation Investment Program, $3.2 million.

Homestead Air Force Base, Florida, Energy Conservation Investment Program, $1.5 million.

● Mr. GLENN. Mr. President, because I believe that it is poor public policy to attempt to significantly modify major legislation in random and piecemeal fashion without the benefit of full balanced and careful consideration of all of the issues and implications involved, I support Senator WILLIAMS' effort to strike from the military construction authorization bill the waiver of Davis-Bacon requirements from military construction projects.

It is time, at the executive and legislative levels, to thoroughly examine the operation of the Davis-Bacon Act. The act has been in existence since 1931, it has been sharply criticized in recent GAO reports as being out of date and in need of overhaul. There are other issues in need of full analysis, such as the impact of the act's provisions on small and minority contractors. With the Nation running at unprecedented levels of inflation, it is incumbent upon us to thoroughly examine all governmental requirements and regulations to assess inflationary impact, and to save as much money as possible on Government contracting. But the administration and Congress should do this in a deliberate, coherent manner. We should not go about wildly and randomly dismantling fundamental pillars of labor-management relations in ill-considered, poorly substantiated actions. I therefore support the Williams amendment.

I also intend to support Senator MELCHER in his attempt to raise the threshold application of Davis-Bacon to a more reasonable, modern-day level of $10,000. This is a reasonable recognition of contract levels that have changed markedly since 1931. This amendment will have the effects of fighting inflation by eliminating much red-tape with respect to smaller contracts while not harming smaller contractors who rely on Davis-Bacon protections.●

● Mr. RIEGLE. Mr. President, I strongly support the amendment offered by the Senator from New Jersey (Mr. WILLIAMS), striking the proposed exemption of military construction from the labor standards established by the Davis-Bacon Act. As a member of the Labor and Human Resources Committee, I have carefully weighed the evidence presented at our recent hearings on this subject, and I am convinced that the exemption would be unwise as a matter of labor policy, of military construction policy, and of fairness and equity for workers and contractors alike.

Exempting military construction from the labor standards provisions of Federal law would induce contractors bidding on military projects not only to undercut a community's prevailing wages, but also to employ workers with less experience and skills than required for high-quality work. The Davis-Bacon Act encourages competition based on efficient management, design, and engineering rather than on undercuttintg local wages and employing less productive wages. In military construction as with other Federal projects, high-quality work and high productivity should be our goals.

Speaking for the Department of Defense, Assistant Secretary Robert Pirie said:

I do not approve of the inclusion of Section 810 into this bill because I do not favor the singling out of the Military Construction Program from other federal construction. Equal application of the act provides a stable relationship with contractors that undertake federal construction and prevents possible labor difficulties and attendent delays or stoppages.

Secretary of Labor Ray Marshall also expressed the administration's support for Davis-Bacon across the board. "We oppose the waiver of the Davis-Bacon Act for military construction as provided in section 810 of S. 1319 as strongly as we oppose the repeal of the Davis-Bacon Act itself," Secretary Marshall said, adding that changing the threshold for coverage would not reduce paperwork requirements, since Davis-Bacon requires no additional records not required under other laws.

I hope my colleagues realize that many contractors' associations also support the stability and quality assurances provided by the Davis-Bacon Act. The National Electrical Contractors' Association noted:

The law acts to stabilize the industry and to provide the government and the American taxpayer with value for each construction dollar spent. It is not inherently inflationary. Indeed, a strong case can be made that it actually brings down construction costs while maintaining quality in the actual work. And it is needed—as much today to protect the government as the construction tradesman.

I want to emphasize that this is the position of the National Electrical Contractors' Association, representing the employers who we are told suffer from the requirements of this act. The Electrical Contractors went on to ask:

What happens if Davis-Bacon is removed? If a contractor bids a job extremely low, based on undercutting prevailing wages in one or more trades, he is simply not going to get skilled employees to man the job. And with unskilled personnel, perhaps working under the supervision of one or two skilled craftsmen, the result is going to be an incredible dropoff in productivity, a slowdown in construction costs, or a drastic lowering of quality—probably all three. Lower productivity or job delay means increased costs to the owner. Reduced job quality means the builder—and the taxpayer—do not get full value for their money. Davis-Bacon, by requiring the payment of the prevailing wage, assures that quality workers will be on the job, that productivity will not be drastically reduced, and the construction schedule and building quality will not suffer.

Another contractors' organization, the Tile Contractors' Association of America, stated:

We feel that it is imperative that the Davis-Bacon standards be maintained in the Military Construction Bill. The elimination of the Davis-Bacon standards would only lead to confusion, instability and a climate where the contractor would be encouraged, if not forced, to hire workmen based on the cheapest wages possible, not on the skills that the workmen bring to a job.

Since many tile installations are relatively small in dollar volume, the Association is also strongly opposed to any attempt to raise the present $2,000 threshold for Davis-Bacon coverage. Such a move would not only tend to discriminate against those types of contractors, such as tile contractors, who frequently perform smaller projects, but would encourage the splitting up of small-to-medium-size projects into even smaller segments which would increase the cost of the overall project.

I am sure that each of my colleagues has received one or more copies of the Heritage Foundation's pamphlet entitled, "Davis-Bacon: A Costly Contradiction." Interestingly, even the Heritage Foundation's arguments—which openly attack the very concept of a minimum wage in federally financed construction—note:

If there was no minimum rate, contractors would, at some wage, be willing to give up the expertise and expense of the skilled craftsman in favor of the inexpensive unskilled laborer.

What, I ask, would be the impact on the quality of our military construction projects if skilled labor were dispensed with? How much would our military projects suffer? I have not yet heard the proponents of this exemption satisfactorily answer these questions.

It has been said that the country is turning to the right, perhaps back to the era of Herbert Hoover. Yet, ironically, the attempt to repeal or whittle away at the Davis-Bacon Act takes us back even farther. Herbert Hoover, in fact, signed the Davis-Bacon Act after being advised that he could not establish similar wage standards by Executive Order. In 1931 as today, construction laborers are vulnerable to wage-cutting attempts by contractors more concerned with submitting a low bid than they may be in the quality of construction or the living standards of their employees.

Finally, I wish to address the question of inflation. We have heard over and over again that Davis-Bacon is inflationary—that, by refusing to allow Federal money to be spent to drive down wage levels already prevailing within a locality, we fail to consider the impact of inflation. Yet I find it ironic that the opponents of the Williams amendment seem interested in fighting inflation only by decreasing the take-home pay of construction workers whose families must continue to live

with the effects of this runaway inflation. Driving down wages is not the answer to this country's inflation problems, and we should not pretend that it is.

I urge my colleagues to support our amendment. The Labor and Human Resources Committee held 2 days of hearings on this exemption and received testimony on both sides. The evidence presented to our committee supports the position of the administration, of construction workers, of civil rights organizations, and even of some major contractors' associations in opposition to any exemptions from the Davis-Bacon Act for military construction. In the interests of high quality and high productivity in military construction, and at least as importantly in the interests of the workers who work on these projects, the Davis-Bacon exemption should be deleted from this bill.●

Mr. WILLIAMS. Mr. President, I am prepared to yield back my time. I know an amendment is waiting.

The PRESIDING OFFICER. Is all time yielded back? The Senator from South Carolina has a little over 3 minutes.

Mr. THURMOND. Mr. President, unless a Senator on this side wants some time, I yield back my time.

UP AMENDMENT NO. 471

(Purpose: To waive the application of the Davis-Bacon Act in the case of all government contracts of $50,000 or less)

Mr. EXON. Mr. President, I send to the desk an amendment to the language proposed to be stricken and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON) for himself and Mr. ZORINSKY proposes an unprinted amendment numbered 471.

Mr. EXON. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be stricken, insert the following:

SEC. 810. Subsection (a) of the first section of the Act of March 3, 1931 (46 Stat. 1494; 40 U.S.C. 276a(a)), commonly referred to as the Davis-Bacon Act, is amended by striking out "$2,000" and inserting in lieu thereof "$50,000".

Mr. EXON. Mr. President, what are the time limits on this amendment?

The PRESIDING OFFICER. One hour; the Senator has 30 minutes.

Mr. EXON. I yield myself whatever time necessary for opening remarks and following that, I reserve the remainder of my time.

Mr. President, I am offering this amendment to increase the Davis-Bacon threshold from $2,000 to $50,000. If we can pass such a measure, it will be the first time in nearly half a century that we have had the courage to modernize this act.

Are we to believe that Davis-Bacon was—or is—so perfect in the beginning that it is untouchable?

I, for one, am not in favor of repeal of Davis-Bacon. I am not even in favor of the amendment that was proposed by the Senator from Texas, although I did support that in the Armed Services Committee because I thought we had better send a message very loud and very clear to the administration pointing out the fact that it has been pointed out now in reports for over 20 years that Davis-Bacon, while it had some good merits, was not being effectively, efficiently, or fairly administered by the Labor Department.

When I say that, I mean the Labor Department under this administration, and the one before that, and the one before that, and the one before that.

What I am proposing here today is that we recognize that some changes and modernization should be made. I am in hope we can pass the amendment that I offer as an important step to correct and improve some of the deficiencies that have been pointed out.

Support for increasing the threshold can be found from various informed groups who have objectively evaluated the Davis-Bacon Act, and its administration by the Department of Labor for years. These groups include the General Accounting Office, the National Academy of Sciences, three study groups of the Commission on Government Procurement of the Office of Management and Budget, the Interagency Task Force of the Department of Labor on Government Procurement, the Commission on Federal Paperwork, and the Department of the Interior.

The major problem with the Davis-Bacon Act is lack of effective administration of the law by the Department of Labor. My amendment would eliminate about 50 percent of the number of contracts DOL would have to administer, thus allowing the Department to concentrate their efforts on the remaining larger contracts which would amount to over 95 percent of all Federal construction money.

In a 1971 report, the Comptroller General recommended that the threshold be increased to somewhere between $25,000 to $100,000 for exactly the reasons outlined above. The report said that the reductions in the number of wage determinations resulting from the threshold increase would allow DOL to: First, make more thorough investigations, second, conduct more frequent on-site wage surveys, and third, adequately resolve protests and problems that arise in making factual determinations.

By freeing DOL from administering small contracts, where no incentive exists to disrupt a community's wage scale, my amendment will give the agency the management flexibility to significantly improve its ability to effectively administer the Davis-Bacon Act.

Another group which supported raising the threshold is the Interagency Task Force on Government Procurement of the Department of Labor. This group cited increases in costs since 1935 and administrative savings as reasons to support an increase in the threshold. This position was supported by the Veterans' Administration and the Small Business Administration.

When the Department of the Interior looked at the Davis-Bacon Act, it came to the same conclusion that the threshold should be lifted, and was joined in that opinion by the General Services Administration.

When the Commission on Federal Paperwork made its report to the Congress and the President, it too called for an increase in the Davis-Bacon threshold. But I suggest that Congress has done nothing.

Mr. President, my amendment will increase the threshold to $50,000. The various groups which have objectively looked at this issue have recommended thresholds varying from $10,000 to $100,000. My level of $50,000 would not be at the extremes in this range, but would be a figure which would provide, in my opinion, maximum exemption of paperwork and administrative costs, while leaving a very high percentage of Federal construction money—over 95 percent—still subject to Davis-Bacon requirements.

Again, Mr. President, I believe the major problem with Davis-Bacon, and the reason the GAO has found it to be inflationary in April, this year, is the lack of effective administration by the Department of Labor, not essentially because of the law itself.

By passing this amendment, the Department will be able to concentrate on larger contracts and improve its wage determinations and therefore both cut paperwork and reduce unnecessary inflation in Federal construction projects.

Mr. President, I yield to the Senator from Colorado.

Mr. HART. Mr. President, I ask unanimous consent that the time in opposition to the amendment be under the control of the Senator from New Jersey.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I yield myself such time as I use to reply to the Senator from Nebraska, my good friend. He is conscientious and has made me work a little harder on this than I first anticipated.

But, in great respect, I rise in strong opposition to the amendment of the Senator from Nebraska. In one stroke, this amendment would increase the jurisdictional limit of the Davis-Bacon Act 25-fold.

This amendment, which would raise the jurisdictional threshold from $2,000 to $50,000 would seriously affect an important program in the jurisdiction of the Committee on Labor and Human Resources. For that reason, the Committee on Labor and Human Resources received evidence and testimony on the effects of the amendment when it held hearings on section 810 of the military construction bill. Based on the testimony and statements received, the committee voted to recommend to the Senate that this amendment be rejected.

The effects of this amendment would not be limited to military construction alone.

This is a substantive amendment to the Davis-Bacon Act itself and would affect construction under that act and nearly

80 related acts. By our best estimates, this amendment would deprive one quarter of our workers on nearly 55 percent of our federally assisted construction projects from the prevailing wage protections of the Davis-Bacon Act. The amendment would have a substantial adverse impact for the workers on these projects by subjecting them to unfair competition from lower wage workers from outside the locality or who would not otherwise possess the skills or qualifications to compete in the construction market. I would ask the Senator from Nebraska, what good reason is there for providing wage protection for construction workers on large contracts and denying wage protection to construction workers on small contracts?

It is likely that this amendment would have a disproportionate impact on workers and contractors on small construction contracts, such as those engaged in painting, masonry work, tiling and the like, and a less severe impact on other skilled trades workers on large construction contracts. I firmly believe that we must not take such an uneven and, I suggest, discriminatory approach.

At the time of our hearing we heard testimony from the Secretary of Labor and others that it is the workers on small contracts who most need the prevailing wage protections of the Davis-Bacon Act and whose wages are most likely to be jeopardized in the competitive procurement process without statutory protection. Workers on smaller construction contracts are likely to have very limited job security and intermittent employment. These are precisely the construction workers who are most needful of the wage stabilizing effects of the Davis-Bacon Act.

It is important to note that these concerns are not merely the concerns of the workers on small construction contracts. In fact, many of the smaller contractors are deeply worried about the effects that this amendment would have on them. Since the introduction of this amendment, we have received letters and telegrams from contractor associations and their representatives from across the country expressing concern about the effects of this amendment on them. From the mason contactors we received the following telegram:

Mason contractors in all 50 States wish to oppose the amendment to the military construction bill (S. 1319) which would exempt such construction from coverage under the Davis-Bacon wage standards.

Any elimination of these provisions would lead to disruption, inconsistency and provide an unstable climate in the construction field that undoubtedly would bring an influx of unskilled workmen producing end products of an inferior quality.

Mason contractors, for the most part, are small business firms and any provision to raise the present $2000 requirement for Davis-Bacon coverage would only create greater chaos in the industry and certainly would end as an inflationary, undesirable provision.

We have also heard from other contractors and their associations such as the Tile Contractors Association of America and the National Electrical Contractors Association expressing grave concern about the effects of this amendment.

It is important to understand why these contractors are concerned about this amendment.

The Davis-Bacon Act requires no more than the payment of at least the prevailing wage in the locality on federally financed construction projects. Smaller contractors often do not permanently retain skilled construction workers, but hire these workers from the local labor pool when they successfully bid for a contract. In order to be competitive in the local construction labor market, small contractors must pay at least the prevailing wage in the area. Because the Davis-Bacon Act has the effect of taking wages out as a factor in the competitive bidding process, the small local contractor who is trying to start or maintain a business and attract qualified skilled workers at the prevailing rate can compete successfully with larger contractors. If small contractors are not competitive in paying at least the locally prevailing wage, they would lose their access to skilled workers who would be more likely to work for larger contractors who do pay the prevailing wage.

Indeed, the committee found that by raising the jurisdictional threshold of the Davis-Bacon Act, many smaller contractors would be seriously impeded in their bidding on federally assisted construction contracts.

This amendment would have an especially adverse impact on minority contractors and their workers, many of whom are just now achieving entry into the construction market.

The National Association for the Advancement of Colored People (NAACP) has recently recognized the importance of maintaining the prevailing wage protections of the Davis-Bacon Act for minority workers. At their 70th annual convention in June, 1979, the NAACP adopted the following resolution:

Whereas the Davis-Bacon Act protects construction workers from exploitation by requiring that prevailing wages be paid to employees working on federally financed construction projects; and

Whereas, through the efforts of the NAACP, the labor movement and other interested parties, blacks are at long last gaining employment in the construction trades; and,

Whereas, there is a well financed and highly publicized effort on the part of the construction industry to secure repeal of the Davis-Bacon Act.

Be it resolved that the NAACP goes on record against any effort to repeal the act and deny workers in the construction industry a fair wage.

Be it further resolved, that we call upon the national office and all affiliate units to contact their legislative representatives expressing our concerns.

It is also clear that raising the threshold of coverage of the Davis-Bacon Act would have virtually no effect in reducing paperwork or administrative costs.

The requirement that contractors submit a photocopy of payroll records to contracting agencies is imposed not by the Davis-Bacon Act, but by the Copeland Anti-Kickback Act. The Copeland Anti-Kickback Act was passed to protect the integrity of employee wages and to assure that employees would not be coerced into making kickbacks of a portion of their wages.

Raising the threshold requirement of the Davis-Bacon Act in itself would have no effect on the reporting requirements of the Copeland Anti-Kickback Act.

The other significant administrative cost attributed to the Davis-Bacon Act is the requirement, by regulation, that construction contractors on federally financed projects retain their payroll records for 3 years. However, this basic recordkeeping requirement is already imposed under the Fair Labor Standards Act. There is no dollar volume coverage test for construction contractors under the FLSA: That is, all construction contractors are subject to its recordkeeping requirements. Thus, raising the jurisdictional threshold of the Davis-Bacon Act would have virtually no effect on the administrative recordkeeping and reporting requirements of Government contractors, since similar reports must be made in any event under the above-mentioned statutes.

It was for these and other reasons that the Committee on Labor and Human Resources wisely urged that the Senate reject this amendment.

It is our hope, of course, that the Senate will follow that recommendation. Those who believe that protecting the stability of employment through the Federal Government paying the prevailing wages on construction in the community is a wise policy should join in rejecting this very damaging amendment. This policy has been a wise policy for 48 years. Nothing has been shown to indicate that we should change this policy now. With respect to this amendment, raising the threshold to $50,000 would shut off, over 50 percent of all contracts from coverage of Davis-Bacon.

Mr. THURMOND. Mr. President, I yield to the Senator from South Dakota.

Mr. EXON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 25 minutes and 50 seconds.

Mr. EXON. How much time does the Senator from South Carolina seek?

Mr. THURMOND. The Senator from South Dakota wanted a few minutes, and then I will want about 5 minutes.

Mr. EXON. And the Senator from South Dakota?

Mr. PRESSLER. Two minutes.

Mr. EXON. I yield 2 minutes to the Senator from South Dakota.

Mr. PRESSLER. I thank the Senator from Nebraska.

I support the Senator's amendment. In a State such as South Dakota, some of the Davis-Bacon variations have proved to be very distorting and perhaps unnecessary.

I have two or three questions I would like the author of the amendment to respond to, if possible.

The Senator from South Carolina (Mr. THURMOND) did agree to yield me time so that we could do it on our time.

First, in smaller towns and rural areas, does the amendment of the Senator from Nebraska have any unusual application?

Second, there has been a charge that by this supposed weakening of Davis-Bacon, it would be opened to fly-by-night contractors who would seek contracts by paying workers the minimum wage or thereabouts.

Those are two questions, but I strongly support the amendment, and I commend the Senator from Nebraska for offering it.

Mr. EXON. Mr. President, I am very pleased to answer those two questions by the Senator from South Dakota.

This bill simply says that in the future any Government contract that is under $50,000 will not be covered by Davis-Bacon.

I traced the history on this a little bit. It goes back to the fact that when Davis-Bacon was passed in 1931, a threshold was set of $5,000. In 1935 that threshold was forced back down to $2,000.

So, nearly a half-century ago, in 1931, they set a threshold of $5,000.

If Senators had listened to the arguments that have been made in the Chamber, they would have thought that they set that limit in 1931 at $5,000 to penalize someone. No. I think the answer to the basic question that the Senator raises is one that I wish to have answered. If a threshold were necessary in 1931 and it was $5,000, then why is not a modernized, up-to-date, inflation-oriented threshold allowable today?

The Senator from New Jersey indicated that my amendment was a rather dramatic increase of something like 25 times from the figures that he used, and those are scary figures. The reason that the threshold has to be raised so dramatically now is the fact that Congress has done nothing over these highly inflationary times to correct the threshold that obviously they should.

My point is that if the threshold were not necessary to eliminate the smaller contracts and the paperwork as a result thereof, then certainly there would not have been a threshold established in the first instance.

I say that when we look at $5,000 today, and while it is still a lot of money, if we compare that with the situation that existed in 1931, when some of us were alive and some of us remember those days, I suggest that a house that cost $5,000 in 1931 would cost $25,000 today in most places in the country and it would be double that in Washington, D.C. A Chevrolet automobile, the best one you could buy in 1931, was $550, and today I suggest you cannot buy any kind of a Chevrolet of the standard make for less than $7,000.

So let us not be scared away by what appears to be a large increase.

The facts of the matter are that the paperwork that my distinguished friend from New Jersey says would not be eliminated would be primarily eliminated because half of the contracts that the Department of Labor certify us that they enter into under Davis-Bacon would be under $50,000. The paperwork would be eliminated primarily in the Government bureaucracy, and I suggest there is not a Member of the Senate who does not somewhere along the line feel that we should start at least a tiny first step, a first step for a U.S. Senator, if you will, to start cutting down on some of the paperwork.

The second part of the question of my colleague from South Dakota had to do with the regulations; is that right?

(Mr. PRYOR assumed the chair.)

Mr. PRESSLER. The point has been raised that this amendment might cause contractors from out of State or somewhere who would win contracts by paying workers the minimum wage.

Mr. EXON. I say in answer to that question I have heard that point and I have also read the committee report, as has the Senator from South Dakota.

Does he think that the Davis-Bacon Act was responsible for all of the high quality building that we have done in the United States of America?

I suggest that maybe in some instances that point could be well taken. But if we are going to rely on Davis-Bacon for that I suggest to him it was not the original intent of that act, in the first instance, and if we are going to rely on Davis-Bacon to assure us quality in our building, then I have to say that our procurement and contract procedures and inspection must be in terrible shape in the U.S. Government.

Once again back to the point I made a few moments ago, if we could eliminate a lot of this paperwork, that shuffling that they are doing over here in the Department of Labor, maybe we could get them to go out and do a better job on wage surveys than they have been doing in the past.

Does that answer the Senator's question?

Mr. PRESSLER. That answers my question, and I commend the Senator for offering the amendment and I join in strong support.

Mr. EXON. I thank the Senator from South Dakota.

Mr. President, I yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by the distinguished junior Senator from Nebraska (Mr. EXON) which would provide that only those projects valued at $50,000 or more be covered under the Davis-Bacon Act.

Mr. President, this amendment is just what the Defense Department has recommended as revealed in the Military Construction Subcommittee hearings. Mr. Perry Fliakas, Deputy Assistant Secretary of Defense for Installations, testified before our subcommittee that the Defense Department had recommended the statutory threshold of $2,000 be increased.

This recommendation was made by the Defense Department, the Department responsible for the military construction program. It is one of four recommendations made. On page 119 of our hearings DOD recommends that there be an "increase in the statutory threshold of $2,000 of the Davis-Bacon Act to a more realistic level in view of present-day costs."

Mr. President, the need for this increase was also cited by the other military witnesses appearing before our subcommittee. Adm. D. G. Iselin, head of Naval Civil Works, testified as follows:

We may run into some more difficulties than some of the other services with the $2,000 limit. It really does not get you much done these days and requires a considerable amount of additional work in the form of contract document preparation. We would have that limit raised significantly.

Mr. President, the report of the Committee on Labor and Human Resources states on page 16 that—

Raising the threshold of coverage of the Davis-Bacon Act would not result in any appreciable reduction in paperwork and administrative costs.

This finding is exactly counter to the testimony of the witnesses before the Military Construction Subcommittee. Apparently the very people who administer this program in the Defense Department were not called as witnesses. Their opinion is clear, it is in the public record, and it refutes the findings of the Labor Committee.

Mr. President, I urge that the Senate accept this very modest change in the Davis-Bacon Act as a beginning toward saving the already greatly overburdened taxpayer some of the dollars used for construction projects in this country.

Mr. President, I ask unanimous consent that testimony by Mr. Fliakas, Deputy Assistant Secretary of Defense, on this very subject be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY AND ANSWERS FOR THE RECORD BY DEPUTY ASSISTANT SECRETARY OF DEFENSE PERRY J. FLIAKAS ON FY 1980 MILITARY CONSTRUCTION BILL

Senator Strom Thurmond posed this question to Sec. Fliakas: What would be saved if military construction was removed from coverage under the Davis-Bacon Act?

Mr. FLIAKAS. Yes, sir. I can expand on that for the record. I have estimated in the past, based on various studies including one of the University of Pennsylvania, that our estimates include anywhere from 5 to 15 percent, depending on the regional area, premium, if you will, or addition as the result of adherence to Davis-Bacon.

Senator THURMOND. 5 to 15 percent?

Mr. FLIAKAS. Yes.

(The information to be furnished follows:)

Approximately $1.4 billion of fiscal year 1980 Military Construction Program is located within the United States and is thereby subject to the provision of the Davis-Bacon Act. The estimated construction cost increase due to the Davis-Bacon Act has been estimated to be between 5 and 15 percent. Using this range, approximately $70 to $210 million might be saved in the cost of construction if military construction was removed from coverage under the Davis-Bacon Act. The most recent study of the Davis-Bacon Act conducted by GAO and scheduled for publication on April 27, 1979, indicates that the increase of construction costs due to the Davis-Bacon Act for all government construction is estimated to be between 1 and 9 percent. Using the 1979 GAO figures, the overall range of increased cost due to the Davis-Bacon Act would be $14 to $126 million for DoD construction. GAO states that the sample size was insufficient for projecting the results to all Federal or federally assisted construction costs during the year with statistical validity. However, the random project

sampling is representative of the increased costs of construction totaling several hundred million dollars annually for all Federal or federally assisted construction.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. EXON. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, section 810 of the Military Construction Authorization Act, 1980, waives the provisions of the Davis-Bacon Act as they apply to military construction contracts. I strongly support the waiver.

On July 12, 1979, I addressed the Senate regarding waiver of the Davis-Bacon Act as it applies to military construction contracts. In my remarks, I discussed the conclusions of a report by the U.S. General Accounting Office entitled "The Davis-Bacon Act Should Be Repealed." This report, based on almost two decades of oversight by the GAO, contains some very interesting examples of wasteful Government spending resulting from application, or should I say misapplication, of the Davis-Bacon Act.

Today, the U.S. Senate has an opportunity to stop some of the wasteful Government spending that has been going on. The Committee on Labor and Human Resources, in its majority opinion, would have us refrain from such fiscal responsibility. But I am not persuaded by the committee's report. GAO officials were not even invited to testify before the committee. Despite this, the committee failed to produce any evidence during 2 days of hearings to rebut the conclusions of the GAO report.

Mr. President, the Armed Services Committee, which first considered this legislation, projected savings of between 5 and 15 percent to taxpayers as a result of waiving the Davis-Bacon Act as it applies to military construction. I am committed to saving taxpayers' money whenever and wherever I can. I intend to vote against the amendment to make military construction contracts subject to the Davis-Bacon Act, and encourage my colleagues to do likewise.

I thank the Senator for yielding.

Mr. EXON. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. HUDDLESTON). Who yields time?

Mr. WILLIAMS. Mr. President, how much time does remain in opposition to the Exon amendment?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. WILLIAMS. I am ready to yield time to anyone who wants to speak in opposition.

Mr. JAVITS. Mr. President, will the Senators yield me 2 minutes?

Mr. WILLIAMS. I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, the fact is that this issue is very clear; $50,000 would cut out such an appreciable number of workers and such an appreciable number of contractors as to represent in principle a breakdown of the Davis-Bacon Act as to these Defense Department contracts. The issue of principle being so clear, this is not a question of whether $2,000 in the 1930's is an analogous figure to today.

I am sure it has been mentioned already that even at the extreme rate of inflation of the dollar it would only be about $10,000 on the new construction side.

So as the issue of principle is so clear, I might say to my colleague who controls the time I think the thing to do is to get at this fundamental issue as soon as we can and decide how the Senate feels about it.

I hope very much that all of the arguments which have been made, which are very valid arguments to this particular proposition, are remembered in connection with this vote, which will make such an appreciable change as to break down the structure. The structure should not be broken down. It is stable and conducive to settled and stable labor relations and to the quality of work which is done, and I hope the Senate will reject this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. EXON. I reserve the remainder of my time.

At this time I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAMS. I believe I would be willing to yield back the time, if that is agreeable to the Senator from Nebraska.

Mr. EXON. Mr. President, I see no one else who wishes to speak either for or against this measure, and I am prepared to yield back also the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JAVITS. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana.

UP AMENDMENT NO. 472

Mr. MELCHER. Mr. President, I have an amendment at the desk, a perfecting amendment, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 472.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 2 of the amendment UP-471 delete "'$2,000'" through the end of line 3, and insert in lieu thereof the following: "'in excess of $2,000 to which the United States or the District of Columbia is a party for construction, alteration and/or repair, including painting and decorating of public buildings or public works of the United States or the District of Columbia within the geographical limits of the States of the Union or the District of Columbia,' and inserting therefor the following language: 'to which the United States or the District of Columbia is a party, in excess of:

(1) Except as provided in paragraphs (2) and (3), $10,000 for construction of public buildings or public works of the United States or the District of Columbia;

(2) $2,000 for any construction on existing public buildings or public works, including but not limited to alteration and/or repair, painting and decorating, and new additions to such buildings or works; and

(3) $2,000 where such contract is for a part of a construction project in excess of $10,000: within the geographic limits of the States of the Union or the District of Columbia.'."

Mr. MELCHER. Mr. President, the amendment of the Senator from Nebraska, my good friend, calls to our attention the fact that the jurisdictional threshold of the Davis-Bacon Act has remained the same since 1935. We are all aware that the economic facts of life have changed somewhat since then, and in my opinion there is a need to adjust the threshold of the Davis-Bacon Act to reflect these changed economic conditions.

However, I am deeply concerned that there has been too little study done of what an appropriate jurisdictional limit should be. I, for one, believe that the wage-stabilizing effects of the Davis-Bacon Act serve an important function in our construction industry. The prevailing wage concept is important not only to protect construction workers, but to protect small contractors in maintaining their ability to bid for competent and qualified skilled workers in the local construction market.

We should therefore not entertain a radical departure from our long established jurisdictional thresholds without careful consideration of what the effects of such a change would be.

The figure proposed by my friend, the Senator from Nebraska, $50,000, is a figure derived from somewhere and is not necessarily the result of lengthy study or a considered judgment on what the amount should be. No one knows, in fact, what the effects of his amendment would be on workers, on the Government's contracting, and on the small businesses which predominate the construction industry. Moreover, it is possible that such a radical change in the jurisdictional threshold could have a devastating effect on those skilled trades workers and contractors, such as painters, masons, and tile layers, who spend a significant amount of time engaged in the repair and alteration of existing structures. Clearly, such a precipitious action would be unwise. I would also note that such a change is far more than what would be justified by inflation.

While results vary depending on what index is used, $2,000 in 1935 dollars translates to $10,540 in 1979 dollars if

we are to use the Consumer Price Index prepared by the Department of Labor, and in that part of their preparation which considers the all-items index.

Thus, the large increase proposed by Senator Exon would not be justified due to changed economic conditions, if we accept this Department of Labor Consumer Price Index.

I must say, Mr. President, that of all the indexes we have used during the past several decades, this index has some credibility and has some reliability, and it is because of that I offer my amendment today.

However, it is not necessary for us to act in blind ignorance in this area. The fact of the matter is that there exists recent research and consideration on the question of what the appropriate threshold level of the Davis-Bacon Act should be. In 1978, the National Academy of Sciences, through the Building Research Advisory Board of the Federal Construction Council, completed a review of the Davis-Bacon Act, and concluded that the jurisdictional limit should be increased to no less than $10,000.

The research advisory group pointed out that a $10,000 limit would permit the use of simplified small purchase procedures under the Armed Services Procurement Act and the Federal Property and Administrative Services Act. Also, the $10,000 figure is consistent with the recommendations of the Commission on Federal Paperwork in its final report of June 1977.

Now, the $10,000 threshold is consistent with these two findings and is a much preferable threshold than the much larger one that is presented by the Senator from Nebraska's amendment.

For these reasons, I believe we should move to increase the jurisdictional threshold to $10,000 for all new construction. I must point out to my colleagues that we are dealing here with all new Federal construction, not just military procurement, but because of the wording of the amendment of my friend from Nebraska we are complying with his wording, fitting this jurisdictional level of $10,000 to apply to all new Federal construction.

I believe we should temper the effect of such a change by maintaining the existing limit for repair or alteration of existing structures. That would be $2,000. We must also assure that new construction contracts cannot be broken up so as to avoid the jurisdictional threshold. My amendment would accomplish these desirable results.

Mr. President, I do not believe that we should be making radical and substantive changes to our basic labor standards without a full understanding of the ramifications of our actions. However, I believe that we can act responsibly and judiciously, and in a manner which is at least consistent with the available research and study. The available studies conclude that the $10,000 threshold limit is an appropriate limit for application of the Davis-Bacon Act on new construction. I believe it is appropriate to act now at that level, but we should do so on the basis of the best information available, and that is why the amendment goes to just $10,000, rather than a larger amount.

For these reasons, I would urge the Senate to support my amendment to the amendment from the Senator from Nebraska. It is clearly the more responsible and judicious course for us to follow.

Mr. President, I yield to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, how much time does the Senator have remaining?

Mr. MELCHER. How much time do I have?

The PRESIDING OFFICER. The Senator has 22 minutes remaining.

Mr. MELCHER. I yield the Senator from New Jersey such time as he may require.

Mr. WILLIAMS. I thank the Senator for yielding.

Mr. President, I have been making the argument and I feel very strongly that the Davis-Bacon Act was wise public policy when it was enacted into law in 1931, and it is wise policy today.

The threshold amount included, in the first Davis-Bacon Act, was $5,000. In 1935 it was reduced to $2,000. This figure has stood the test of time for 44 years. I am very reluctant to suggest a change in this figure, but if there is to be any recognition of the inflationary years that we have been through, it would probably be best now.

I recognize that there is a strong feeling for maintaining Davis-Bacon, but also for raising the threshold from $2,000 to $10,000.

I therefore join the Senator from Montana in support of his amendment.

Mr. JAVITS. Mr. President, will the Senator yield me 2 minutes?

Mr. MELCHER. I yield the Senator from New York whatever time he requires.

Mr. JAVITS. Mr. President, I support this amendment. It is simply an acknowledgement of what has happened in the economy. The result will be just about the same as when the originally drafted $2,000 provision was adopted. It might deprive about 8 percent of workers employed on Federal construction of protection under the Davis-Bacon Act. That is not something that makes you happy, but there already is an exemption, which is now out of date, and this is a recognition of the need for updating that exemption.

I support it, and I think, for all friends of Davis-Bacon, it is the right conclusion to support; and I hope that Senators will.

There is an old adage that you cannot beat something with nothing. What the Senator from Nebraska has done, I think, cuts into the bone in this matter. What the Senator from Montana proposes, I think, is a fair effort to deal with the situation as we find it, and I hope very much that those who believe that Davis-Bacon is the right course will rally to its support.

Mr. HART. Mr. President, will the Senator from Montana yield to me?

Mr. MELCHER. I am delighted to yield the Senator from Colorado whatever time he needs.

Mr. HART. I thank the Senator from Montana.

Mr. President, I have resisted the efforts to legislate changes, particularly massive changes, in the application of the Davis-Bacon Act on the military construction bill. We have not had adequate hearings. We have not had a record created which is sufficient to let us know what we are doing.

But it is clear that any legislation that has economic consequences must be subject to reconsideration depending on changes in the economy that have occurred. Clearly, today a contract of $2,000 which was based on the economy of 50 or 60 years ago or more is not the same as it was then. I think the proposal put forward by the Senator from Montana—even though it is a change in the act, and one I wish we could have avoided on this bill, which will shortly come to a vote—because the proposal he makes is a modest one, will give the Senator from New Jersey and his committee time to consider the act more thoroughly, and I think it should have modernization, at least in administration, if not in its content.

So when the vote on the amendment offered by the Senator from Montana occurs, I intend to support it.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I rise briefly to say——

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Will the Senator from Montana yield me 2 minutes?

Mr. MELCHER. I yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to state that in the judgment of the Senator from New York the proposal of the Senator from Montana is a sensible and workable compromise, and ought to be supported. It avoids a collision on a matter of principle which, one would have thought, long since would have been resolved in the Senate. It has not been. It is sensibly resolved by the substitute amendment of the Senator from Montana, which I most surely will support.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, do I have some time? Who has time on this amendment? Obviously the Senator from Montana has 30 minutes.

The PRESIDING OFFICER. The Senator from South Carolina and the Senator from Montana have the time.

Mr. EXON. Will the Senator from South Carolina yield me 5 minutes?

Mr. THURMOND. Mr. President, I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, I have been very much interested in the discussion here.

First, I would like to say that one of the Senators on the floor a moment ago said "You cannot beat something with nothing." Well, if the amendment that has been offered by the Senator from Montana is successful, then we will have disproved that old adage, because, with all due respect to my friend from Montana, I would like to point out that his amendment to my amendment actually does nothing at all to the act.

Let us look at what the situation is. Maybe I do not understand the amendment that he offered, but right now we have a threshold of $2,000 below which Davis-Bacon does not apply. If I understand his amendment, $2,000 applies as the threshold under his amendment, but he is going all the way up to $10,000—in other words, to $9,999 Davis-Bacon would not apply—for the construction of a new building.

I would suggest, if my interpretation of his amendment is accurate, then I would just have to say that his amendment does little if anything except allow the U.S. Senate to go through the motions of making a change in the Davis-Bacon Act, when in effect we would not be doing that.

When this matter comes to a vote, if it does, I intend to vote against the amendment offered by my friend from Montana, because I do not think it begins to accomplish the desired end.

The Senator from New York said that my amendment cut to the bone. I do not know whether he was here or not when I explained earlier the fact that in 1931 the threshold of $5,000 was established, and then nearly half a century has gone by and we have not touched it. It seemed to be one of those untouchables.

It seems to me that if my amendment cuts to the bone, then the compromise amendment—and I use that word advisedly; I do not know whose compromise it is, but the compromise amendment offered by the Senator from Montana—the blade of that compromise does not even touch the skin, because, practically and honestly speaking, it will do nothing.

I thank my friend from South Carolina for yielding me 5 minutes, and I assume that I have used my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. My President, I would like to inquire of the distinguished Senator from Montana on two points here, if he has time enough to answer.

Will the distinguished Senator from Montana tell us what percent of the Davis-Bacon projects this amendment would cover?

Mr. MELCHER. Mr. President, 24.7 percent of the Federal construction contracts are for $10,000 or less. That is about one-fourth.

Mr. THURMOND. What is the Senator's dollar value of the Davis-Bacon projects, the total value?

Mr. MELCHER. It would be a very small percentage of the total of the contracts let. It would be less than 1 percent rather than 2 percent, that is affected by the $50,000 figure offered by the Senator from Nebraska.

Mr. THURMOND. Mr. President, I think that answers the question as to whether this amendment ought to pass or not. It will not do any good. It is not helping the taxpayers any if we pass an amendment that affects only 1 percent of the dollar value.

Mr. EXON. Will the Senator yield?

Mr. THURMOND. I will be pleased to yield.

Mr. EXON. I would like to clarify something. I am sure that my friend from Montana would not intentionally mislead the Senate, but I think he made a statement that cannot be backed up in fact. If I heard him correctly, he said that if his amendment would pass, it would cover about 24.8 percent of the contracts that the Government presently passes out. He has overlooked taking into consideration the other part of his amendment, the $2,000 amount, and that covers by far the largest amount. So I think it is not accurate to say that if his amendment becomes law, it would eliminate 24.8 percent of the Davis-Bacon contracts. For the record, if he cares to, I would certainly like to have a correction of that point.

Mr. MELCHER. I will be happy to respond to the Senator from Nebraska so that it is clear. The $10,000 threshold in my amendment will not exclude 24.7 percent of all of the Federal contracts that are let. If I did not make that clear before, I am delighted to have the chance to do so now.

Mr. EXON. If I did not understand the Senator correctly, I want to apologize and correct the RECORD. How much would it cover? Does the Senator have any figures on that?

Mr. MELCHER. The $10,000 threshold would not mean that 24.7 percent of all of the Federal contracts for construction would not be covered. Under my amendment some repair other than new construction would be included, even though the contracts might be for less than $10,000.

Mr. EXON. If we can enter into a little colloquy by splitting time, it would be agreeable to me. That might be right, because the figures the Senator from Montana is using are basically the same figures that we used in developing the Exon amendment, which had the $50,000 threshold. I would remind the Senator from Montana that in addition to $10,000 for new construction, he is leaving the present threshold of $2,000, as I understand it, on all repairs, painting, upkeep, electrical work so forth and so on. If I am wrong on that, I would like to be corrected.

Mr. MELCHER. I thank the Senator for his patience. I will attempt to make this very clear because I believe he has made a point which is well taken and one I had not correctly expressed.

Of all contracts, which would include some that are maintenance and repair, 24.7 percent are below $10,000 or less.

Mr. EXON. The Senator is correct, according to the figures I have.

Mr. MELCHER. We agree on those figures?

Mr. EXON. Yes.

Mr. MELCHER. I unfortunately cannot respond to the Senator to indicate how many of those would be for repair and maintenance falling between the $2,000 threshold, which my amendment would leave in place for those contracts, and the $10,000 figure.

Mr. EXON. I guess it is well that we——

Mr. MELCHER. I am indebted to my friend from Nebraska for pursuing that.

Mr. EXON. To go back to my point I made earlier, I would suggest that placing the construction threshold increase from $2,000 up to the magnificent total of $10,000, with which the Government is going to build a building, will have little, if any, effect whatsoever on Davis-Bacon implementation. I am sure I have overused my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from South Carolina has 23 minutes and the Senator from Montana has 14 minutes.

Mr. MELCHER. Mr. President, very briefly, I think the point of legislating a change in this threshold at some figure we do not have experience with, and which has not been adequately studied, is exemplified in the discussion we have just completed, the discussion between myself and my friend from Nebraska. While we know how many contracts are let for $10,000 or less, we are not really sure of how many of those are repair or similar types of contracts. But we do know, based on the studies I have previously cited, that the $10,000 threshold for new construction is a very good figure and one that is indicated by those previous studies. I think we are wise to use that as the threshold now.

I think we are also wise to leave the threshold for repairs and maintenance in place at $2,000, and for the same reason. We are just not sure of where these thresholds should be changed.

I might point out that the maintenance and repair contracts are, in fact, by their nature, much more similar to service contracts than most construction contracts. That is why my amendment is designed to leave those contracts at the $2,000 threshold. Those contracts may be for touchup painting, which is more akin to a cleaning or janitorial contract than it is to the construction of a dam or missile site or some other Federal construction.

Congress saw fit to apply a $2,500 threshold to service contracts in 1965. It is reasonable to retain a similarly low threshold for the "cousin" of the service contract—the maintenance and repair contracts in the construction industry.

My amendment also contains a provision which would make it impossible to break contracts into artificially small pieces in order to come under the $10,000 floor. The reason for raising the threshold in the first place is to take care of inefficiencies which would result from applying Davis-Bacon provisions to very small contracts. It would be ironic indeed if the result of modifiyng the threshold would be an increase in the number of these small contracts; thus, some provision to prevent the fragmentation of Federal contracts is vital. We move from the threshold for all new Federal construction at the present $2,000 threshold to $10,000. That is, after all, a fivefold increase in the floor on new construction contracts. I think that is adequate. I think that is not in any way lending itself to the illusion made by my friend from Nebraska, that we were not even getting a knife blade on the hide.

I think we have applied the scalpel in a proper way. We have made some adjustment in this amendment, which I think is

reasonable and it is adequate. I hope the Senator can concur in it.

The PRESIDING OFFICER. Who yields time?

Mr. MELCHER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Will the Senator from South Carolina yield?

Mr. THURMOND. Mr. President, I am pleased to yield to the Senator from Nebraska such time as he may need.

Mr. EXON. I thank the Senator from South Carolina.

Mr. President, I do not want to beat a dead horse or even cut to the bone, but the facts of the matter are that we do not need a study to see what would be affected by the amendment offered by the Senator from Montana. I am very new in the U.S. Senate, but one of the things I have learned in the very short period I have been here is that, all too often, rather than doing something, we shuffle it off into a study.

Once again, I do not want to beat a dead horse, but the facts of the matter are that the amendment that has been offered by the Senator from Montana to make the only change in Davis-Bacon on the threshold level is to leave it at $2,000 on everything—on everything except the construction of a new building.

I should think that most of us could sit here and figure out that there are not going to be very many new buildings built with Federal money that do not cost more than $10,000. So the real answer is that, in net effect, the amendment offered by the Senator from Montana is a big zero. It would make essentially no change whatsoever. If that is what the U.S. Senate wants to do in its wisdom, then it has the right to do that. But I hope that the words that I am saying will be heard very loud and clear in the U.S. Senate and the message will go out that we went through some maneuvering, but we really made no changes whatsoever.

I thank my friend from South Carolina.

Mr. THURMOND. Mr. President, I just want to say that the statement by the distinguished Senator from Montana is self-explanatory. He said that less than 1 percent of the dollars would be affected. That shows that this amendment is of no significance. If the Senate really wants to help the taxpayers of this Nation, they ought to waive the Davis-Bacon Act here and save the taxpayers what the GAO and the Department of Defense have estimated—between $70 million and $210 million. If they do not want to do that, they certainly ought to adopt the amendment of the able Senator from Nebraska, who has raised this threshold from $2,000 to $50,000.

What can you build today even for $50,000? You can hardly build a house today, a small house, for $50,000. How are we going to save the taxpayers of this country any money? This amendment will amount to nothing.

If we want to help the taxpayers, we at least ought to make it $50,000. That would help the small business people a little bit.

Mr. President, I urge that the amendment of the Senator from Montana be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. MELCHER. Mr. President, first of all, I want to clarify what this involves. This is not just building a new Federal building; this is any Federal construction. That may be grading, it may be paving, in addition to construction of a new building. That is new construction. It is not necessary to create a brand new Federal project.

The fact is that there was a reason for a threshold for Davis-Bacon. If we are going to change that threshold, it is a little bit odd, first of all, to have it come up on a military construction bill, because it should come up on basic legislation. But, since it is here and the amendment of the Senator from Nebraska is offered to increase this threshold to $50,000, I think it is much more reasonable to take the cautious, prudent approach to this change by using some reasonably understood basis for the change in the threshold.

I have cited the two studies that indicated that the $10,000 threshold is the best threshold. For that reason, I am offering this amendment. I would find it rather awkward to think that the amendment should offer a $50,000 threshold, which would affect all painting in a Federal building, or just a little paving at a Federal building, because we are going to knock out, then, by that threshold, almost all of the contracts that are involved for those types of operations.

Finally, while the $10,000 threshold does not involve too many employees of the building trades, which I think is meritorious, the larger amount of $50,000 would involve 24 percent of the employees in the building trades. I think that, perhaps, is a little bit too much.

Last, Mr. President, I think the amendment I am offering is advantageous to the small contractor. I think we should bear in mind the testimony of Robert L. White of the National Electric Contractors Association on the effect of raising the jurisdictional threshold. It is particularly important in this regard. These are small contractors, by and large, represented by this association. Mr. White, testifying for them at the hearing before the Labor and Human Resources Committee, said:

> Mr. WHITE. If you eliminate the Davis-Bacon provisions from something falling below that $50,000 level, you have opened this up primarily where it affects small businesses very badly. And, you have unethical people bringing in unskilled labor and letting them into that whole area where the small business could do a very good job; and let the ethical contractors who would be employing people at the prevailing wage be subject to competition from more unethical and unscrupulous contractors.

I think his testimony bears on this point. That is in the report of the Committee on Labor and Human Resources. Mr. President, I think we have offered a very reasonable approach.

I yield to the Senator from New Jersey.

Mr. WILLIAMS. I thank the Senator from Montana.

Mr. President, I indicated, early in the debate, after the Senator presented his amendment, that I will support his amendment. We considered the military construction bill a couple of weeks ago, and the Senate by unanimous consent sent this bill, with the provision repealing Davis-Bacon, back to our committee. At that time we also had notice that the amendment, which would increase the jurisdictional threshold to $50,000, would be offered. Within the last 2 weeks, Mr. President, Members of the Senate from the North, from the South, from the East, and the West, from the teeming metropolitan States, from the rural States, have discussed the threshold with me. They said:

> You know, isn't that threshold figure of $2,000 way out of date? Shouldn't it at least go up to what $2,000 in 1935 is worth in dollars today, as reflected by the Consumer Price Index, or something?

I will say, Mr. President, I tried to explain that there is nothing inflationary about Davis-Bacon. Davis-Bacon does not say to the contracting agencies, "Go in and pay the highest wages." It says to the contracting agencies through the prevailing rate determination, "Pay the worker on this federally assisted construction project what the same kind of workers on the same kind of projects are getting in the community."

So whether it is $2,000 or no threshold for all Federal work, it seems to me the prevailing wage makes all the sense.

It has been said that the Davis-Bacon Act is inflationary. It is not inflationary if the prevailing wage determination is properly found and the survey is accurate.

It has been argued that Davis-Bacon is inflationary because the prevailing wage determinations are wrong, that they are higher than the wages that actually prevail.

Maybe some are. I recall that 12 out of 120,000 projects were found to have high rate determinations by the GAO. However, 12 determinations out of 120,000 is not a very good sample on which to conclude that the Davis-Bacon Act is inflationary.

There should be a constant vigilance to make sure that the Department is accurately determining the prevailing wage.

If they have been lax or inaccurate it should be pointed out, and steps taken to improve the administration of the act.

That, in my judgment, is the way to go. We must make absolutely certain that the Department of Labor accurately establishes the true prevailing wage where the jobs and the contracts will be let.

That is the way I feel as chairman of the Labor Committee. I feel very deeply that we should do everything possible to make sure workers on our Government construction projects are not paid below what skilled workers in their

trade should be getting, and also that we do not allow our federally assisted construction projects to destabilize the construction industry through the introduction of cutthroat wage cutting competition.

I still believe that the threshold should stay where we have it now. But this is a time for realism and I have heard the concerns of my colleagues.

So I have to commend the Senator from Montana for coming to the Senate with a practical and realistic proposal. This proposal would adjust the threshold for new construction to reflect changed economic conditions; $2,000 in 1935 dollars is roughly $10,000 in today's dollars.

For that very practical reason, I join my colleague, one of the great contributing Members of the Senate in legislative debate.

I thank my friend from Montana for his realistic proposal to increase the threshold of the Davis-Bacon Act to $10,000.

Mr. MELCHER. I thank the very gracious Senator from New Jersey, the chairman of the Labor Committee.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. EXON. Will the Senator from South Carolina yield me more time?

Mr. THURMOND. I yield to the distinguished Senator from Nebraska such time as he may need.

Mr. EXON. Mr. President, it would appear that we are coming down to a vote on this matter very soon. I just hope that when the Members of the Senate vote on this, they are not fooled and misled into believing they are really doing something, because they are doing nothing at all.

In essence, Davis-Bacon would maintain its near half century of being one of the untouchables.

As I said before, I am not for repeal of Davis-Bacon. I think it has a place in our society. But I think it is about time we recognize that unless the U.S. Senate speaks out and sends a message to the administration and, particularly, to the Department of Labor, that we will never get it corrected.

There has been a great deal of discussion here today about the fact that the wage surveys that have been done by the Department of Labor in some instances have not been satisfactory.

I believe there are wholesale interests all over the United States of America where the Department of Labor has not done an adequate or fair job with regard to wage surveys.

As I said earlier, if my amendment would be adopted, it would take half of all of this tremendous workload off their shoulders that they have under Davis-Bacon with the present threshold of $2,000, then they could do a much better job, perhaps, in properly and intelligently enforcing the law as it presently exists.

But another thing, before we vote on the amendment offered by my friend from Montana, I want to correct one other thing that I am afraid kind of threw me for a loop—maybe I am wrong, I do not know, maybe I did not interpret it correctly—but I thought the Senator said that the $10,000 threshold was more meaningful than I thought it would be because he explained—I believe the record will show—a few moments ago that there would be all kinds of public works, paving, and all these kinds of things.

Well, that may well be true. But just for the record, let us understand that part 2 of the amendment that is lying on the desk, that we are about to vote on, says that it will be $2,000 for any construction on existing buildings or public works, but not limited to alteration and/or repair, painting and decorating, and new additions to such buildings or works.

Mr. President, I am not a lawyer, but I suggest that the way that is worded, the facts of the matter are that we are leaving in effect Davis-Bacon to the $2,000 threshold where it is now. When we go back and talk about those days of yesteryear and how wise they were and how terrible it is to modernize it from $2,000 way up to Senator Exon's figure of $50,000, once again I say, let us remember that in 1931 when the Davis-Bacon Act was passed—and I think it was necessary then and I think it is necessary today—the threshold was not $2,000, it was $5,000.

So this magnificent amendment in which we are going to make the first significant change in half a century raises it all the way—all the way—from $5,000 in 1931, all the way up to $10,000 in 1979.

It seems like a very insignificant change to me.

I have been talking too much this afternoon, but if I may have a couple more minutes from my friend from South Carolina, I will just say that I certainly am hopeful the Senate will not accept the amendment offered by my friend from Montana because I do not honestly think it does a thing. If we do that, if this is the only step we are going to take on Davis-Bacon, then I suggest we are ignoring the recommendation from the GAO, from the National Academy of Sciences, from the Commission on Government Procurement, the Office of Management and Budget, the Interagency Task Force of the Department of Labor on Government Procurement, the Department of the Interior, and the Commission on Federal Manpower.

I wonder how much funds of the taxpayers have been used and appropriated by the U.S. Senate to all those agencies to do all these studies. In essence, we propose not even to take a tiny step to correct some of the wrongs that I think we have with Davis-Bacon.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. EXON. I yield.

Mr. WILLIAMS. I missed the last point as the Senator was listing many of the agencies of the Federal Government. What was the point.

Mr. EXON. My point was that if we accept the amendment of the Senator from Montana, I feel that we would be doing nothing about some of the complaints about Davis-Bacon that have been enumerated by these various agencies.

Mr. WILLIAMS. Let us get into that. What agencies have made these complaints?

Mr. EXON. The GAO, for one.

Mr. WILLIAMS. I am very familiar with the GAO's findings.

In 1971, the GAO summarized a series of investigations of targeted projects where there were complaints that the determined rates were high. How many were there? Seven investigations since 1962. Out of that 1971 report of the GAO, the generalization has been made that cost savings of 5 percent to 15 percent can be made by repealing Davis-Bacon.

Then, in 1979 came another GAO report. They found error in 12 out of 30 projects surveyed and felt that could make a 3-percent difference in the cost of the projects. They admitted, however, that their statistical sample was so small that the results could not be projected to the universe of federally assisted construction with my statistical validity.

That is all in the record that has been made on this debate, 2 weeks ago and again today.

So strike GAO as making any general conclusions on Davis-Bacon inflationary impact.

What are the others?

Mr. EXON. Mr. President, will the Senator yield? Is the Senator saying that the General Accounting Office is now saying that we should not make any changes in Davis-Bacon?

Mr. THURMOND. Mr. President, on whose time is this?

Mr. WILLIAMS. They did say that wage determinations should be done carefully.

The PRESIDING OFFICER. On the time of the Senator from South Carolina.

Mr. THURMOND. Mr. President, I understand that this time is charged to me, and I would like the Senator to use his own time.

Mr. WILLIAMS. I do not have any time.

The PRESIDING OFFICER. The Senator from New Jersey has no time on the amendment.

Mr. MELCHER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Montana has no time on the amendment.

The Senator from South Carolina has 10½ minutes.

Time remains on the bill.

Mr. THURMOND. I yield the Senator 1 minute.

Mr. WILLIAMS. As to the GAO, they are opposed to Davis-Bacon on what they admit is statistically an inadequate survey, and that again is in the record.

But you mentioned other agencies as complaining, and I did not hear them all when the Senator read them off.

Mr. EXON. My point was that the General Accounting Office has done a great deal in studies of the Davis-Bacon Act. I believe that was the point of the question by the Senator from New Jersey.

The other organizations I have mentioned are the National Academy of Sciences, the Commission on Government Procurement, the Office of Management and Budget, the Interagency Task Force of the Department of Labor on Government Procurement, the Department of the Interior, and the Commission on Federal Paperwork. For the record, once again, most of those organizations indicated substantial increase in the level of the threshold that has been left untouched since back in 1935.

Mr. WILLIAMS. I would like to have further direction as to where in the record all those agencies have made the comments about which the Senator is talking.

Mr. EXON. I do not know whether the Senator from New Jersey was here when I began my remarks. I referred to each in my opening remarks.

Mr. THURMOND. Mr. President, if the Senator from Nebraska——

Mr. WILLIAMS. Certainly, the Defense Department does not say that.

Mr. THURMOND. Mr. President, I do not yield.

Mr. EXON. I did not say the Defense Department said that.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from South Carolina does not yield.

Mr. THURMOND. If the Senator from Nebraska wants to make a statement in closing, he may do so.

Mr. EXON. I think I have said all I have to say.

I thank the Senator from South Carolina.

Mr. THURMOND. Mr. President, I hope the Senate will not adopt the amendment offered by the distinguished Senator from Montana. This amendment is a sham; it is a camouflage. It is calculated to lead the Senate to believe that it is doing something to help the middleman, to help the little contractor, to help the taxpayer. They are doing nothing.

The Senator admits that less than 1 percent of the dollars involved in Davis-Bacon would be affected by his amendment.

The Senator from Nebraska has offered an amendment, and I believe even that is too low—$50,000. Forty years ago, it was $5,000, and $50,000 today is little enough.

If Senators really want to help the taxpayer, they at least should adopt the amendment of the Senator from Nebraska.

It is almost impossible to get anything pertaining to labor bills through the House or the Senate. I do not know why—whether labor unions have made such big contributions that people feel obligated, or what the trouble is.

Here is a list of bills that have been introduced here year after year.

In the 94th Congress, to amend the Davis-Bacon Act, 12 bills. In the 95th Congress, to amend or repeal the Davis-Bacon Act, 16 bills. In the 96th Congress, to amend or repeal the Davis-Bacon Act, 13 bills.

What relief do the taxpayers get? None. The bills cannot be brought out of committee. The Labor Committee here will not bring out a bill pertaining to labor. The House Labor Committee will not bring them out. How are the people going to get relief?

The labor unions of this country are entirely too powerful. We are not trying to repeal the Davis-Bacon Act. We are just asking that it be waived on this particular military construction bill for this year. If that were done, it would save from $70 million to $210 million, according to the General Accounting Office.

Mr. President, the proposal of the Senator from Nebraska is even less than that, and I do not know how much his amendment would save. Does the Senator have an estimate on the value of that?

I am going to support his amendment. At least it will give some relief.

The amendment of the Senator from Montana is ridiculous. I would just as soon have nothing as have that. If Senators want to help the taxpayers, they will at least go for the minimum of the Senator from Nebraska.

I hope the Senate will not make it appear to the people of this country that they are doing something for the taxpayer when it is doing nothing. That is pure deception. I hope the amendment of the Senator from Nebraska will be adopted.

Mr. President, I believe the time of the Senator from Montana has expired.

The PRESIDING OFFICER. The Senator is correct.

Mr. THURMOND. Mr. President, I yield my time to the Senator from Nebraska. I believe he wants to make a motion.

Mr. EXON. Mr. President, I move to table the amendment offered by the distinguished Senator from Montana.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment offered by the Senator from Montana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from North Carolina (Mr. MORGAN) and necessarily absent.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there Senators still wishing to vote?

The result was announced—yeas 40, nays 57, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—40

Armstrong	Chiles	Hatch
Baker	Cochran	Hayakawa
Bellmon	Cohen	Heinz
Bentsen	Dole	Helms
Boren	Exon	Huddleston
Boschwitz	Ford	Humphrey
Byrd, Harry F., Jr.	Garn	Jepsen
	Goldwater	Johnston
Kassebaum	Schmitt	Tower
Laxalt	Simpson	Wallop
Lugar	Stennis	Warner
McClure	Stevenson	Young
Nunn	Stone	Zorinsky
Roth	Thurmond	

NAYS—57

Baucus	Gravel	Nelson
Bayh	Hart	Packwood
Biden	Hatfield	Pell
Bradley	Heflin	Percy
Bumpers	Hollings	Pressler
Burdick	Jackson	Proxmire
Byrd, Robert C.	Javits	Pryor
Cannon	Kennedy	Randolph
Chafee	Leahy	Ribicoff
Church	Levin	Riegle
Cranston	Long	Sarbanes
Culver	Magnuson	Sasser
Danforth	Mathias	Schweiker
DeConcini	Matsunaga	Stafford
Domenici	McGovern	Stewart
Durenberger	Melcher	Talmadge
Durkin	Metzenbaum	Tsongas
Eagleton	Moynihan	Weicker
Glenn	Muskie	Williams

NOT VOTING—3

Inouye	Morgan	Stevens

So the motion to lay on the table Mr. MELCHER's UP amendment No. 472 was rejected.

Mr. HART. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. MELCHER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Montana.

Mr. EXON. Mr. President, point of order.

The PRESIDING OFFICER. The yeas and nays have been ordered.

The Senator will state his point of order.

Mr. EXON. Mr. President, I would like to ask the Chair if it would be in order for me to withdraw my amendment.

The PRESIDING OFFICER. The Chair states that it will require unanimous consent to withdraw it.

Mr. EXON. I ask unanimous consent that my amendment be withdrawn.

Mr. JAVITS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HART. Mr. President, I ask unanimous consent that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I object.

The PRESIDING OFFICER. The Chair hears objection.

Mr. EXON. Mr. President, I renew my request that my amendment be withdrawn. I ask unanimous consent that my amendment be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment of the Senator from Montana. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from North Carolina (Mr. MORGAN), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana (Mr. LONG) would vote "yea."

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 28, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—68

Baucus	Hart	Pell
Bayh	Hatfield	Percy
Bentsen	Heflin	Pressler
Biden	Heinz	Proxmire
Bradley	Hollings	Pryor
Bumpers	Huddleston	Randolph
Burdick	Jackson	Ribicoff
Byrd, Robert C.	Javits	Riegle
Cannon	Johnston	Roth
Chafee	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Church	Levin	Schmitt
Cranston	Magnuson	Schweiker
Culver	Mathias	Stafford
Danforth	Matsunaga	Stennis
DeConcini	McGovern	Stewart
Domenici	Melcher	Stone
Durenberger	Metzenbaum	Talmadge
Durkin	Moynihan	Tsongas
Eagleton	Muskie	Weicker
Ford	Nelson	Williams
Glenn	Nunn	Zorinsky
Gravel	Packwood	

NAYS—28

Armstrong	Exon	Lugar
Baker	Garn	McClure
Bellmon	Goldwater	Simpson
Boren	Hatch	Stevenson
Boschwitz	Hayakawa	Thurmond
Byrd, Harry F., Jr.	Helms	Tower
	Humphrey	Wallop
Cochran	Jepsen	Warner
Cohen	Kassebaum	Young
Dole	Laxalt	

NOT VOTING—4

Inouye	Morgan	Stevens
Long		

So Mr. MELCHER's amendment (UP No. 472) was agreed to.

(Later the following occurred:)

Mr. WARNER. Mr. President, I ask unanimous consent that my vote on rollcall vote 234 be changed from "yea" to "nay." It will not affect the outcome.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above rollcall vote has been changed to reflect the foregoing order.)

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on the amendment proposed by the Senator from Nebraska (Mr. EXON). The yeas and nays have been ordered.

Mr. HART. Mr. President, I ask unanimous consent that this rollcall vote be a 10-minute vote.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all remaining rollcall votes for today be limited to 10 minutes, with a warning bell to sound after 2½ minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

The PRESIDING OFFICER. Are there other Senators wishing to vote?

The result was announced—yeas 92, nays 3, as follows:

[Rollcall Vote No. 235 Leg.]

YEAS—92

Baucus	Glenn	Nelson
Bayh	Goldwater	Nunn
Bellmon	Gravel	Packwood
Bentsen	Hart	Pell
Biden	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hayakawa	Proxmire
Bradley	Heflin	Pryor
Bumpers	Heinz	Randolph
Burdick	Helms	Ribicoff
Byrd, Harry F., Jr.	Hollings	Riegle
	Huddleston	Roth
Byrd, Robert C.	Humphrey	Sarbanes
Cannon	Jackson	Sasser
Chafee	Javits	Schmitt
Chiles	Johnston	Schweiker
Church	Kassebaum	Simpson
Cochran	Kennedy	Stafford
Cohen	Laxalt	Stevenson
Cranston	Leahy	Stewart
Culver	Levin	Stone
Danforth	Lugar	Talmadge
DeConcini	Magnuson	Thurmond
Dole	Mathias	Tower
Domenici	Matsunaga	Tsongas
Durenberger	McClure	Wallop
Durkin	McGovern	Warner
Eagleton	Melcher	Weicker
Exon	Metzenbaum	Williams
Ford	Moynihan	Young
Garn	Muskie	Zorinsky

NAYS—3

Armstrong	Baker	Jepsen

NOT VOTING—5

Inouye	Morgan	Stevens
Long	Stennis	

So Mr. EXON's amendment (UP No. 471), as amended, was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the precedents of the Senate, the amendment offered by the Senator from New Jersey fails.

Under the previous order, the Senate will now proceed to third reading of the bill.

The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

DAVIS-BACON ON MILITARY CONSTRUCTION

● Mr. DOLE. Mr. President, contained in S. 1319, the military construction authorization bill, is a very important cost-saving provision which applies to military constructon projects. This provision became part of this bill when the Senate Armed Services Committee voted overwhelmingly to waive application of the Davis-Bacon Act to military construction projects.

DAVIS-BACON WAIVER

Mr. President, the Armed Services Committee amendment will provide the provisions of the Davis-Bacon Act of 1931 not apply to the wages paid to the laborers and mechanics for any work or services performed under any contract for the construction of any project authorized by the fiscal year 1980 or any other military construction authorization if such contract is entered into on or after the date of enactment of this act.

GAO CONFIRMS COST SAVINGS ON DAVIS-BACON WAIVER

Mr. President, the Senate Armed Services is to be commended for taking this cost-saving action. According to the April, 1979 General Accounting Office study on Davis-Bacon, the value of construction accomplished in the United States in 1977 totaled $37 billion was financed in some way by the Federal Government and therefore, covered by the Davis-Bacon Act.

While this bill totals $3.7 billion, only $1.4 billion of that amount is for new construction in the United States and is subject to Davis-Bacon requirement. The waiver of Davis-Bacon coverage for the $1.4 billion of new construction in this bill affects about 5 percent of the total construction effort now subject to Davis-Bacon.

DEPARTMENT OF DEFENSE AND DAVIS-BACON

Mr. President, even the Department of Defense is on record with respect to cost savings if Davis-Bacon is waived from military construction. In the DOD annual report, fiscal year 1980, Harold Brown, the Secretary of Defense said:

> When we do contract for construction or services, pay rates under the contracts should not be artificially inflated by operation of the Davis-Bacon and service contract acts; the Davis-Bacon Act alone results in increased costs of up to 15 percent in DOD construction contracts.

Mr. President, very simply, the Senate Armed Services Committee action will save the American taxpayer between $70 to $120 million. The Senator from Kansas urges Members of this body to support this "inflation-fighting" action, as reported by the Senate Armed Services Committee, and further urges opposition to any attempt to remove the Davis-Bacon waiver from this bill.●

Mr. ROBERT C. BYRD. Mr. President, the military construction authorization bill is a matter of signal importance, and one that has properly commanded the attention of two Senate committees—the Armed Services Committee, and the Labor and Human Resources Committee—as well as the full Senate.

On behalf of the Senate, I wish to thank these two committees, and in particular, I want to thank Senators STENNIS, HART, and TOWER of the Armed Services Committee, and Senators WILLIAMS and JAVITS of the Labor and Human Resources Committee, for the excellent

work they have done in overseeing the review of this bill.

With Senator HART's special urging, the Armed Services Committee paid particular attention to energy conservation in the field of military construction. The committee encouraged the military services to continue an aggressive energy program, and the committee highlighted the special "energy showcase" bases in each of the services.

The Armed Services Committee also noted that the military's solar design program will involve over 300 firms of architects and engineers, and that the program will have a very beneficial "spill over" effect into the civilian construction industry.

In other areas, the Armed Services Committee reviewed in detail proposed military construction of everything from child care centers to the housing of our Air Defense Command.

The Armed Services Committee noted that there are disturbing lags in general military construction, and, in particular, in shipyard construction.

I know that the Armed Services Committee will keep a careful eye on these problems.

I also wish to commend the Armed Services Committee for recommending a funding level that is under the level proposed by the President, and under the ceiling set by the first concurrent resolution.

In addition, I would like to extend the thanks of the full Senate to the Labor and Human Resources Committee, for its special consideration of the Davis-Bacon provisions of this bill.

At the request of the Senate, this committee, under the leadership of Senator WILLIAMS, made a speedy but thorough review of these provisions, and reported back to the full Senate within the time limit set by the Senate. All of this was done during a busy period of the Senate Calendar, when the Senators on the Labor and Human Resources Committee undoubtedly had many other duties to perform.

In these and many other ways, these two committees have made a very significant contribution to the work of the Senate.

Mr. BAKER. Mr. President, I would like to commend my colleagues on both the Armed Services Committee and the Labor and Human Resources Committee for the work they have done in examining the question of continuing application of the Davis-Bacon Act to military construction projects. Their efforts have given us our first true insight into this complex and controversial subject.

While I believe these efforts have increased the Senate's knowledge in this area, I do not believe the Davis-Bacon Act should be changed through this "piecemeal" method. I fully support and am anxious to see a thorough examination of the Davis-Bacon Act take place in the appropriate committee. I would urge my colleagues to address this question as rapidly and thoroughly as possible.

However, on a question of such great complexity, I believe we must not act until such a comprehensive examination has taken place. Because changes in this act have such a potentially devastating impact on our Nation's workplace, no less a review should be considered acceptable.

I therefore stand by my previously announced commitment not to support changes in the Davis-Bacon Act until the Senate has thoroughly examined this question and presents a bill designed to make all of those changes that are necessary to insure fair, equitable, and noninflationary application of this act. I would like to assure my colleagues that at that time, I will support changes, modifications, or outright repeal of the act if the evidence merits such a move.

The PRESIDING OFFICER (Mr. CULVER). Is all time yielded back?

Mr. HART. I yield back the remainder of my time.

Mr. THURMOND. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

The bill (S. 1319) was passed, as follows:

S. 1319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Construction Authorization Act, 1980".

TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $1,250,000.
Fort Campbell, Kentucky, $18,200,000.
Fort Drum, New York, $690,000.
Fort Greely, Alaska, $820,000.
Fort Hood, Texas, $13,650,000.
Fort Hunter, Liggett, California, $1,550,000.
Fort Lewis, Washington, $7,400,000.
Fort Meade, Maryland, $18,500,000.
Fort Ord, California, $17,380,000.
Fort Polk, Louisiana, $26,810,000.
Fort Richardson, Alaska, $5,250,000.
Fort Riley, Kansas, $28,350,000.
Fort Sheridan, Illinois, $1,200,000.
Schofield Barracks, Hawaii, $2,750,000.
Fort Stewart/Hunter Army Air Feld, Georgia, $39,900,000.
Yakima Firing Center, Washington, $1,100,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Camy Perry, Ohio, $1,000,000.
Fort Belvoir, Virginia, $2,420,000.
Fort Benning, Georgia, $12,800,000.
Fort Bliss, Texas, $30,000,000.
Fort Eustis, Virginia, $6,410,000.
Fort Benjamin, Indiana, $4,450,000.
Fort Knox, Kentucky, $22,815,000.
Fort Leavenworth, Kansas, $540,000.
Fort Lee, Virginia, $3,960,000.
Fort Rucker, Alabama, $2,080,000.
Fort Story, Virginia, $2,450,000.
Fort Leonard Wood, Missouri, $6,350,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $2,700,000.
Anniston Army Depot, Alabama, $4,850,000.
Badger Army Ammunition Plant, Wisconsin, $650,000.
Corpus Christi Army Depot, Texas, $1,560,000.
Crane Army Ammunition Activity, Indiana, $2,490,000.
Detroit Arsenal, Michigan, $4,400,000.
Harry Diamond Laboratories, Maryland, $2,800,000.
Dugway Proving Ground, Utah, $520,000.
Indiana Army Ammunition Plant, Indiana, $1,010,000.
Iowa Army Ammunition Plant, Iowa, $2,060,000.
Joliet Army Ammunition Plant, Illinois, $5,800,000.
Kansas Army Ammunition Plant, Kansas, $650,000.
Lake City Army Ammunition Plant, Missouri, $3,800,000.
Letterkenny Army Depot, Pennsylvania, $1,200,000.
Lexington-Blue Grass Army Depot, Kentucky, $1,500,000.
McAlester Army Ammunition Plant, Oklahoma, $1,470,000.
Michigan Army Missile Plant, Michigan, $2,550,000.
Fort Monmouth, New Jersey, $1,650,000.
Newport Army Ammunition Plant, Indiana, $1,550,000.
Picatinny Arsenal, New Jersey, $9,750,000.
Radford Army Ammunition Plant, Virginia, $6,100,000.
Red River Army Depot, Texas, $8,600,000.
Redstone Arsenal, Alabama, $7,200,000.
Riverbank Army Ammunition Plant, California, $1,100,000.
Rock Island Arsenal, Illinois, $5,900,000.
Rocky Mountain Arsenal, Colorado, $6,500,000.
Scranton Army Ammunition Plant, Pennsylvania, $3,750,000.
Seneca Army Depot, New York, $8,350,000.
Sharpe Army Depot, California, $1,650,000.
Sierra Army Depot, California, $770,000.
Tobyhanna Army Depot, Pennsylvania, $10,410,000.
Tooele Army Depot, Utah, $1,050,000.
Volunteer Army Ammunition Plant, Tennessee, $810,000.
Watervliet Arsenal, New York, $1,300,000.
White Sands Missile Range, New Mexico, $5,750,000.
Yuma Proving Ground, Arizona, $4,300,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $830,000.
Indiana Army Ammunition Plant, Indiana, $10,490,000.
Lawe City Army Ammunition Plant, Missouri, $140,000.
Lone Star Army Ammunition Plant, Texas, $1,890,000.
Longhorn Army Ammunition Plant, Texas, $170,000.
Louisiana Army Ammunition Plant, Louisiana, $670,000.
Milan Army Ammunition Plant, Tennessee, $450,000.
Radford Army Ammunition Plant, Virginia, $67,350,000.
Riverbank Army Ammunition Plant, California, $280,000.
Scranton Army Ammunition Plant, Pennsylvania, $720,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $1,150,000.
Fort Ritchie, Maryland, $7,850,000.

UNITED STATES MILITARY ADADEMY

United States Military Academy, West Point, New York, $13,350,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Walter Reed Army Medical Center, District of Columbia, $650,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Terminal, New Jersey, $920,000.
Oakland Army Base, California, $1,100,000.

Sunny Point Terminal, North Carolina, $31,290,000.

OUTSIDE THE UNITED STATES

KWAJALEIN MISSILE RANGE

National Missile Range, $2,900,000.

UNITED STATES ARMY FORCES COMMAND

Panama Area, Canal Zone, $26,160,000.

UNITED STATES ARMY, EUROPE

Germany, Various Locations, $117,990,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Various Locations, $2,800,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations; (2) new weapons developments; (3) new and unforeseen research and development requirements; (4) improved production schedules; or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1981, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Represenatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $51,970,000.

TITLE II

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction.

INSIDE THE UNITED STATES

MARINE CORPS

Marine Corps Logistics Base, Barstow, California, $3,900,000.
Marine Corps Base, Camp Lejeune, North Carolina, $24,630,000.
Marine Corps Base, Camp Pendleton, California, $14,200,000.
Marine Corps Air Station, Cherry Point, North Carolina, $8,410,000.
Marin Corps Air Station, Kaneohe Bay, Hawaii, $4,800,000.
Marine Corps Recruit Depot, Parris Island, South Carolina, $4,500,000.
Marine Corps Development and Education Command, Quantico, Virginia, $7,300,000.
Marine Corps Air Station, Tustin, California, $3,400,000.
Marine Corps Base, Twentynine Palms, California, $5,700,000.
Marine Corps Air Station, Yuma, Arizona, $9,700,000.

CHIEF OF NAVAL OPERATIONS

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $14,970,000.
Naval Support Activity, Mare Island, California $1,050,000.
Trident Submarine Support, Thames River, Connecticut, $5,500,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Charleston, South Carolina, $3,600,000.
Naval Amphibious Base, Little Creek, Virginia, $1,670,000.
Naval Submarine Base, New London, Connecticut, $15,850,000.
Naval Air Station, Oceana, Virginia, $14,700,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $19,950,000.
Naval Amphibious Base, Coronda, California $1,600,000.
Naval Air Station, Lemoore, California, $6,300,000.
Naval Air Station, Miramar, California, $4,050,000.
Naval Air Station, Moffet Field, California, $860,000.
Naval Air Station, North Island, California, $1,450,000.
Naval Station, San Diego, California, $9,200,000.
Navy Submarine Support Facility, San Diego, California, $3,200,000.
Naval Air Station, Whidbey Island, Washington, $2,650,000.

CHIEF OF NAVAL EDUCATION AND TRAINING

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $720,000.
Naval Training Center, Great Lakes, Illinois, $6,000,000.
Naval Air Station, Memphis, Tennessee, $4,700,000.
Fleet Anti-Submarine Warfare Training Center, Atlantic, Norfolk, Virginia, $1,200,000.
Naval Air Station, Pensacola, Florida, $820,000.
Fleet Training Center, San Diego, California, $8,300,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Camp Pendleton, California, $2,050,000.

CHIEF OF NAVAL MATERIAL

Naval Air Rework Facility, Alameda, California, $3,500,000.
Puget Sound Naval Shipyard, Bremerton, Washington, $2,545,000.
Puget Sound Naval Supply Center, Bremerton, Washington, $1,000,000.
Charleston Naval Shipyard, Charleston, South Carolina, $2,250,000.
Naval Weapons Station, Charleston, South Carolina, $5,000,000.
Polaris Missile Facility Atlantic, Charleston, South Carolina, $7,500,000.
Naval Air Rework Facility, Cherry Point, North Carolina, $750,000.
Naval Weapons Center, China Lake, California, $4,350,000.
Naval Weapons Station, Concord, California, $3,950,000.
Naval Weapons Support Center, Crane, Indiana, $690,000.
Navy Fuel Depot, Jacksonville, Florida, $1,400,000.
Portsmouth Naval Shipyard, Kittery, Maine, $6,250,000.
Long Beach Naval Shipyard, Long Beach, California, $8,250,000.
Naval Air Engineering Center, Lakehurst, New Jersey, $700,000.
Naval Ordnance Station, Louisville, Kentucky, $1,850,000.
Navy Ship Parts Control Center, Mechanicsburg, Pennsylvania, $2,400,000.
Naval Supply Center, Norfolk, Virginia, $25,960,000.
Naval Air Rework Facility, North Island, California, $3,200,000.
Naval Air Test Center, Patuxent River, Maryland, $4,540,000.
Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $7,300,000.
Navy Public Works Center, Pearl Harbor, Hawaii, $1,000,000.
Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $510,000.
Naval Construction Battalion Center, Port Hueneme, California, $1,200,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $12,500,000.
Naval Ocean Systems Center, San Diego, California, $8,800,000.
Navy Supply Center, San Diego, California, $11,600,000.
Naval Weapons Station, Seal Beach, California, $960,000.
Naval Surface Weapons Center, Solomons Island, Maryland, $860,000.
Mare Island Naval Shipyard, Vallejo, California, $16,220,000.
Naval Weapons Station, Yorktown, Virginia, $2,270,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communications Unit, Cutler, Maine, $950,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $6,505,000.

OUTSIDE THE UNITED STATES

MARINE CORPS

Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan, $11,700,000.

OFFICE OF NAVAL RESEARCH

Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt, $30,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Bermuda, $860,000.
Naval Station, Keflavik, Iceland, $17,650,000.
Naval Station, Roosevelt Roads, Puerto Rico, $1,300,000.

NAVAL FORCES EUROPE

Naval Station, Rota, Spain, $6,600,000.
Naval Air Facility, Sigonella, Italy, $9,700,000.

CHIEF OF NAVAL MATERIAL

Navy Public Works Center, Guam, Mariana Islands, $3,700,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $2,500,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, $1,400,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations; (2) new weapons developments; (3) new and unforeseen research and development requirements; (4) improved production schedules; or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives

immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1981, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $33,000,000.

AL GHARDAQA MARINE LABORATORY, EGYPT

SEC. 204. The Secretary of the Navy is authorized to expend excess foreign exchange funds in the amount of $580,000 for the construction of a multipurpose marine biological laboratory at the Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt.

TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $6,990,000.
Kelly Air Force Base, Texas, $6,350,000.
Newark Air Force Station, Ohio, $860,000.
Robins Air Force Base, Georgia, $10,750,000.
Tinker Air Force Base, Oklahoma, $15,600,000.
Wright-Patterson Air Force Base, Ohio, $15,500,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $6,500,000.
Eglin Air Force Base, Florida, $5,100,000.
Hanscom Air Force Base, Massachusetts, $8,600,000.
Johnson Space Center, Texas, $12,400,000.
Maui Optical Site, Hawaii, $3,650,000.
White Sands Missile Range, New Mexico, $2,100,000.

AIR TRAINING COMMAND

Keesler Air Force Base, Mississippi, $840,000.
Lackland Air Force Base, Texas, $5,400,000.
Laughlin Air Force Base, Texas, $4,500,000.
Mather Air Force Base, California, $1,650,000.
Sheppard Air Force Base, Texas, $2,050,000.
Vance Air Force Base, Oklahoma, $1,500,000.

ALASKAN AIR COMMAND

Elmendorf Air Force Base, Alaska, $13,400,000.

MILITARY AIRLIFT COMMAND

Andrews Air Force Base, Maryland, $1,190,000.
Kirtland Air Force Base, New Mexico, $3,470,000.
Little Rock Air Force Base, Arkansas, $510,000.
McChord Air Force Base, Washington, $4,100,000.
Pope Air Force Base, North Carolina, $5,400,000.
Richards-Gebaur Air Force Base, Missouri, $1,100,000.
Scott Air Force Base, Illinois, $10,000,000.
Travis Air Force Base, California, $6,300,000.

STRATEGIC AIR COMMAND

Castle Air Force Base, California, $3,850,000.
Ellsworth Air Force Base, South Dakota, $17,530,000.
Grand Forks Air Force Base, North Dakota, $4,900,000.
Griffiss Air Force Base, New York, $8,080,000.
Grissom Air Force Base, Indiana, $4,700,000.
K. I. Sawyer Air Force Base, Michigan, $5,200,000.
March Air Force Base, California, $6,600,000.
Minot Air Force Base, North Dakota, $5,100,000.
Offutt Air Force Base, Nebraska, $2,190,000.
Vandenberg Air Force Base, California, $65,800,000.
Various Locations, $14,200,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $7,850,000.
Cannon Air Force Base, New Mexico, $6,480,000.
Davis-Monthan Air Force Base, Arizona, $5,540,000.
England Air Force Base, Louisiana, $6,390,000.
George Air Force Base, California, $18,350,000.
Holloman Air Force Base, New Mexico, $2,600,000.
Homestead Air Force Base, Florida, $9,870,000.
Langley Air Force Base, Virginia, $2,500,000.
MacDill Air Force Base, Florida, $3,120,000.
Moody Air Force Base, Georgia, $1,990,000.
Mountain Home Air Force Base, Idaho, $60,000.
Myrtle Beach Air Force Base, South Carolina, $970,000.
Nellis Air Force Base, Nevada, $3,690,000.
Seymour Johnson Air Force Base, North Carolina, $2,650,000.
Shaw Air Force Base, South Carolina, $2,780,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $1,950,000.

OUTSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Thule Air Base, Greenland, $3,150,000.

AIR FORCE SYSTEMS COMMAND

Mahe Tracking Station, Seychelle Islands, $550,000.
Various Locations, $2,350,000.

PACIFIC AIR FORCES

Kadena Air Base, Japan, $1,100,000.
Kunsan Air Base, Korea, $4,010,000.
Osan Air Base, Korea, $20,080,000.
Taegu Air Base, Korea, $510,000.

TACTICAL AIR COMMAND

Howard Air Force Base, Canal Zone, $4,500,000.

UNITED STATES AIR FORCES IN EUROPE

Germany, Various Locations, $13,990,000.
United Kingdom, Various Locations, $22,520,000.
Various Locations, $7,170,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations; (2) new weapons developments; (3) new and unforeseen research and development requirements; (4) improved production schedules; or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1981, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $29,310,000.

SEC. 304. (a) Section 301 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 368), is amended by striking out "$97,905,000" in the item relating to the authorization for acquisition and construction at various locations under the heading "UNITED STATES AIR FORCES IN EUROPE" and inserting in lieu thereof "$77,905,000".

(b) Section 602(3) of such Act is amended by striking out "$147,942,000" and "$421,249,000" and inserting in lieu thereof "$127,942,000" and "$401,249,000", respectively.

DEPARTMET OF DEFENSE SHARE FOR WATER POLLUTION CONTROL FACILITIES

SEC. 305. There is authorized to be appropriated, in accordance with section 806 of this Act, the sum of $2,400,000 for the Department of Defense share for the upgrading of the waste treatment facility that serves Little Rock Air Force Base, Little Rock, Arkansas.

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition or construction:

INSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Depot, Memphis, Tennessee, $670,000.

DEFENSE MAPPING AGENCY

Defense Mapping Agency Hydrographic/Topographic Center, Bethesda, Maryland, $825,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $2,800,000.

OUTSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Wake Island Air Force Base, $11,400,000.

DEFENSE MAPPING AGENCY

Various Locations, Panama Canal Zone, $2,600,000.

OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE OFFICE OF DEPENDENTS SCHOOLS

Atsugi Naval Air Facility, Japan, $580,000.
Keflavik Naval Air Station, Iceland, $1,700,000.

Misawa Air Base, Japan, $5,070,000.
Seoul, Yongsan, Korea, $3,290,000.
Yokota East Air Base, Japan, $2,450,000.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Various Locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area, $2,000,000,000: Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States for the United States share of the cost of such multilateral programs.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public works undertaken under this section including real estate actions pertaining thereto.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $5,250,000.

DEFICIENCY AUTHORIZATION

SEC. 404. (a) Public Law 95-82 is amended under the heading "INSIDE THE UNITED STATES" in section 401 as follows:

With respect to White Sands, New Mexico, strike out "$33,449,000" and insert in place thereof "$40,749,000".

(b) Public Law 95-82 is amended by striking out in clause 4 of section 602, "$55,909,000" and inserting in place thereof, "$63,209,000".

SEC. 405. (a) Public Law 95-356 is amended under the heading "OUTSIDE THE UNITED STATES" in section 401 as follows: With respect to "North Atlantic Treaty Organization Infrastructure" strike out "$120,000,000" and insert in place thereof "$140,000,000".

(b) Public Law 95-356 is amended by striking out in clause (4) of section 602, $217,610,000," and inserting in place thereof, "$327,610,000,".

TITLE V—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

LEASING OF FAMILY HOUSING

SEC. 501. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he, or his designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units: Tinker Air Force Base, Oklahoma, three hundred thirty-two units, $12,000,000.

(d) The amount specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

SEC. 502. (a) Section 2686(c) of title 10, United States Code, relating to leases for military family housing, is amended by striking out "$300" in paragraph (1) and inserting in lieu thereof "$310".

(b) Section 2675(d) of title 10, United States Code, relating to leases in foreign countries, is amended—

(1) by striking out "$485" and "$850" in the first sentence of paragraph (1) and inserting in lieu thereof "$550" and "$970", respectively; and

(2) by striking out "18,000" in paragraph (2) and inserting in lieu thereof "17,000".

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. (a) There is authorized to be appropriated for fiscal year 1980 for use by the Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of sole interest in family housing, including minor construction, $15,000,000 and for planning an amount not to exceed $900,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $1,662,525,000.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $5,000,000.

(b) The amounts authorized to be appropriated in sections 502(a) (1), (2), and (3) may be increased to the extent additional funds are appropriated to defray increased pay costs associated with actions taken pursuant to law.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. There are authorized to be appropriated for fiscal year 1980 such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States $545,875,000; outside the United States $149,850,000; minor construction $51,970,000; for a total of $747,695,000.

(2) for title II: inside the United States $373,690,000; outside the United States $55,440,000; minor construction $33,080,000; for a total of $462,210,000.

(3) for title III: inside the United States $373,210,000; outside the United States $79,930,000; minor construction $29,310,000; for a total of $482,450,000.

(4) for title IV: a total of $356,635,000, including $5,250,000 for minor construction.

(5) for title V: military family housing and homeowners assistance program, $1,683,425,000, including $3,000,000 for minor construction.

COST VARIATIONS

SEC. 603. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (a), (b), (c), and (g), the total cost of all construction and acquisition in each of titles I, II, III, and IV may not exceed the total amount authorized to be appropriated in that title.

(b) VARIATIONS IN INSTALLATION TOTALS—UNUSUAL VARIATIONS IN COST.—Except as provided in subsections (c) and (d), any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Alaska or Hawaii), and by 10 per centum when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN INSTALLATION TOTALS.—ONLY ONE PROJECT AT AN INSTALLATION.—When the amount named for any construction or acquisition in title, I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the de-

fense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(d) VARIATIONS IN INSTALLATION TOTALS—REPORTS BY THE SECRETARY OF DEFENSE.—When the Secretary of Defense determines that any amount named in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (b) and (c) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(e) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS; REPORTS TO CONGRESS.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is greater than the statutory upper limit for minor construction projects, may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from the date of submission of such report, or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(f) ANNUAL REPORT TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(g) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost of floor area of a project authorized by this Act shall be in addition to any other increases in such cost or variation in floor area limitations authorized by this or any other Act.

CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR YEAR AUTHORIZATIONS: EXCEPTIONS

SEC. 605. (a) As of October 1, 1980, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 565), and all such authorizations contained in Acts approved before September 8, 1978, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1980, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1979 (Public Law 95–356, 92 Stat. 563), authorizations for the following items shall remain in effect until October 1, 1981:

(1) Barracks Complex—Trainee construction in the amount of $14,967,000 at Fort Benning, Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(2) Brooke Army Medical Center Hospital alteration in the amount of $10,000,000, at Fort Sam Houston, Texas, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(3) Reception Station construction in the amount of $5,886,000 at Fort Benning, Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(4) POMCUS Maintenance Complexes in the amount of $33,768,000 at Kaiserslautern, Pirmasens, Germersheim, Gerzweski Barracks, Mannheim, Miesau, Nahbollenbach, and Neureut Kaserne, all in Germany, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 360).

(5) Morse Training Building construction in the amount of $2,400,000 at Naval Technical Training Center, Pensacola, Florida, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 362).

(6) Medical/Dental Branch Clinic construction in the amount of $4,350,000 at the Navy Regional Medical Center, Pearl Harbor, Hawaii, (Naval Station, Midway Island), authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 362).

(7) Relocation of the weapons range from the Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, authorized in section 204 of the Military Construction Authorization Act, 1974 (Public Law 93–166; 87 Stat. 668) and extended in section 605(b)(H) of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 565) and in section 605(b)(4) of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 376).

(8) Industrial Waste Collection in the amount of $2,650,000 at the Naval Torpedo Station, Keyport, Washington, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(9) Municipal Sewer Connection in the amount of $2,100,000 for the Long Beach Naval Shipyard, Long Beach, California, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(10) Municipal Sewer Connection in the amount of $4,150,000 for the Navy Public Works Center, Norfolk, Virginia, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(11) Municipal Sewer Connection in the amount of $2,200,000 for the Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(12) Alter Sewage Treatment and Disposal Facilities in the amount of $631,000 at King Salmon Airport, Alaska, authorized in section 301 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 366).

(13) Small Aircraft Maintenance Facility in the amount of $1,928,000 for Moody Air Force Base, Georgia, authorized in section

301 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 367).

(14) High Energy Laser Facility construction in the amount of $33,449,000 at White Sands, New Mexico, authorized in section 401 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 369).

(15) CIDC Field Operations Building at Fort Hood, Texas, in the amount of $890,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(16) Radar Operations Facility at Redstone Arsenal, Alabama, in the amount of $962,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $48 per square foot for permanent barracks; or

(2) $52 per square foot for unaccompanied officer quarters;

unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances application to such project of the limitations on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133, of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army:

(a) Army National Guard of the United States, $18,237,000.

(b) Army Reserve, $24,824,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $16,090,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $29,500,000.

(b) Air Force Reserve, $9,500,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 703. Paragraph (1) of section 2233a of title 10, United States Code, is amended by striking out "$100,000", and inserting in lieu thereof, "$175,000".

TITLE VIII—GENERAL PROVISIONS

REVISIONS TO MINOR CONSTRUCTION AUTHORITY

SEC. 801. Section 2674 of title 10, United States Code, is amended as follows:

(a) At the end of subsection (b) add the following: *"Provided*, That such approvals are not necessary for projects at specified locations that have been identified in the annual military construction program submitted by the Department of the Defense to the Committees on Armed Services of the Senate and the House of Representatives.".

(b) At the end of subsection (f) add the following: *"Provided*, That such notice is not necessary for projects at specified locations that have been identified in the annual military construction program submitted by the Department of Defense to the Committees on Armed Services of the Senate and the House of Representatives.".

DEVELOPMENT OF SOURCES OF ENERGY ON MILITARY LANDS AMENDMENT

SEC. 802. Section 803 of the Military Construction Authorization Act, 1979 (Public Law 95–356) is amended as follows:

(a) Delete the title and in lieu thereof insert: "DEVELOPMENT OF SOURCES OF ENERGY ON OR FOR MILITARY INSTALLATIONS".

(b) In subsection (b)(1) after the word "jurisdiction" insert "or on private property".

USE OF ROI-NAMUR ISLAND

SEC. 803. The Secretary of Defense, or the Secretary's designee, is authorized to pay to the land owners of Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, such an amount as the Secretary of Defense determines to be in the public interest for the use after 1960 Roi-Namur Island by the Government of the United States to the extent or in such amounts as may be provided in appropriation Act.

LAND EXCHANGE, KING COUNTY, WASHINGTON

SEC. 804. (a) The Secretary of the Air Force (hereinafter referred to as the "Secretary") is authorized to convey to King County, Washington, all right, title, and interest of the United States in and to the land and improvements which comprise the 143d Combat Squadron, Washington Air National Guard, leased site located at Boeing Field, Seattle, Washington. Such conveyance shall be made subject to such terms and conditions pursuant to an Exchange Agreement as the Secretary considers appropriate, but may not be made until a replacement facility for such Air National Guard unit is available in accordance with subsection (b).

(b) In consideration for such conveyance by the Secretary under subsection (a), King County shall—

(1) make available to the Secretary a leasehold interest in land and funds for the purchase or making of improvements on such land which are acceptable to the Secretary as a replacement facility for such Air National Guard unit pursuant to an Exchange Agreement; or

(2) convey to the United States unencumbered fee simple title to land in the area of Seattle, Washington, which contains improvements acceptable to the Secretary as a replacement facility for such Air National Guard location.

(c) Funds made available under subsection (b)(1) or (2), and land conveyed under subsection (b)(1), shall be subject to terms and conditions which shall be agreed upon by the Secretary and King County and which the Secretary considers to be in the public interests. If the cost of the replacement facility is less than the fair market value or the appraised value dated February 20, 1978, by Roland James Hoefer and Associates of the existing facility for the Air National Guard unit, King County shall pay the amount of the difference between such costs to the United States, and such amount shall be deposited in the Treasury as miscellaneous receipts.

CONTRIBUTION TO THE INTERNATIONAL INSTITUTE OF STRATEGIC STUDIES

SEC. 805. The Secretary of Defense may authorize the expenditure of up to $500,000 from funds authorized to be appropriated for minor construction in title I, II, III, or IV for the purpose of a capital contribution to the International Institute of Strategic Studies.

USE OF FORMER ENT AIR FORCE BASE BY THE OLYMPIC COMMITTEE

SEC. 806. Notwithstanding the provisions of the Federal Property and Administration Services Act of 1949, as amended, the Administrator of General Services is authorized to convey the excess 5.6 acres of land and improvements on the remaining portion of the former Ent Air Force Base, Colorado Springs, Colorado, to the United States Olympic Committee without compensation. The Committee may accept and administer such property in furtherance of the United States Olympic amateur athletic activities. If the property ceases to be utilized by the United States Olympic Committee for conduct of such activities, it shall be returned to the Administrator of General Services for disposition.

USE OF MASS TRANSIT ON MILITARY INSTALLATIONS

SEC. 807. (a) Notwithstanding any other provision of law, the Secretary of Defense may authorize the use of mass transit vehicles on any military installation if the use of such vehicles on such installation is determined, in accordance with regulations issued by the Secretary of Defense, to be efficient, practical, and in the best interest of the United States. In determining whether the use of mass transit vehicles on any military installation is in the best interest of the United States, the Secretary of Defense shall require that careful consideration be given to the potential for saving energy and reducing air pollution.

(b) All costs of operating and maintaining mass transit vehicles on military installations shall be borne by the users of the vehicles by means of a fare schedule established in accordance with regulations issued by the Secretary of Defense. Funds accruing under the fare schedule shall be retained by the military installation to the extent necessary to offset operating and maintenance costs. Any funds accruing under the fare schedule that are in excess of such costs shall be transferred to the Treasury as miscellaneous receipts.

(c) Mass transit vehicles used on any military installation under authority of this section may be Government-owned vehicles operated by Federal employees or contractor-owned and operated vehicles, whichever is more cost efficient, as determined under regulations issued by the Secretary of Defense.

(d) This section shall not apply to the transportation of personnel by mass transit vehicles on any military installation if the transportation of such personnel is incident to training or other operational activities on such installation.

PAYMENT OF DEPARTMENT OF DEFENSE SHARE FOR UPGRADING WASTE TREATMENT FACILITIES UTILIZED BY MILITARY INSTALLATIONS

SEC. 808. (a) Subject to the provisions of subsection (b), in any case in which a waste

treatment facility is being altered, remodeled, improved, or extended for the purpose of complying with the provisions of section 201(b) of the Federal Water Pollution Control Act (33 U.S.C. 1281) and such facility treats the waste from any military installation under a contract arrangement with the Department of Defense, the Secretary of Defense shall pay to the appropriate authority, as the Department of Defense's share for the upgrading of such facility, an amount agreed upon by the Secretary of Defense and the appropriate authority.

(b) Funds may be used for the purpose of paying the Department of Defense's share in connection with the alteration, remodeling, improvement, or extension of a waste treatment facility, as authorized by subsection (a), only if such funds have been specifically authorized to be used for such purpose by legislation enacted on or after the date of enactment of this Act.

PROHIBITION ON THE REALIGNMENT OF LORING AIR FORCE BASE

SEC. 809. With respect to the base realignment decisions announced by the Secretary of the Air Force in March 1979, no funds authorized to be appropriated by this or any other Act shall be obligated or expended for the purpose of the realignment of the Strategic Air Command's (SAC) Loring Air Force Base.

DAVIS-BACON WAIVER

SEC. 810. Subsection (a) of the first section of the Act of March 3, 1931 (46 Stat. 1494; 40 U.S.C. 276a(a)), commonly referred to as the Davis-Bacon Act, is amended by striking out "in excess of $2,000 to which the United States or the District of Columbia is a party for construction, alteration and/or repair, including painting and decorating of public buildings or public works of the United States or the District of Columbia within the geographical limits of the States of the Union or the District of Columbia," and inserting therefor the following language: "to which the United States or the District of Columbia is a party, in excess of:

"(1) Except as provided in paragraphs (2) and (3), $10,000 for construction of public buildings or public works of the United States or the District of Columbia;

"(2) $2,000 for any construction on existing public buildings or public works, including but not limited to alteration and/or repair, painting and decorating, and new additions to such buildings or works; and

"(3) $2,000 where such contract is for a part of a construction project in excess of $10,000;

within the geographic limits of the States of the Union or the District of Columbia,".

ALABAMA SPACE AND ROCKET CENTER

SEC. 811. (a) Section 2 of Public Law 90-276 is amended—

(1) by inserting "(1)" immediately before "A certain tract or parcel of land containing 35.69 acres";

(2) by striking out the period immediately after "Secretary of the Army" and substituting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(2) A certain tract or parcel of land containing approximately 300 acres, less that land occupied by the Department of the Navy on the date of enactment of this paragraph, lying within range 1 west, township 4 south, parts of sections 8 and 9, more particularly described as beginning at the established northeast corner of the Alabama Space and Rocket Center, running east along the Redstone Arsenal northern boundary, thence south along the Redstone Arsenal eastern boundary to a point north of the northwest corner of the intersection of Patton Road and Goss Road, thence west parallel to the north side of Goss Road to MacDonald Creek, thence northwesterly parallel to the east bank of the creek to the northern line of the Tennessee Valley Authority easement, thence west along the easement to the Alabama Space and Rocket Center established corner, thence north and east along the Alabama Space and Rocket Center boundary to point of beginning. The exact description of such property is to be determined by an accurate survey and approved by the Secretary of the Army.".

(b) Section 3 of Public Law 90-276 is amended by—

(1) inserting "and related educational and recreational purposes" after "instrumentalities"; and

(2) striking "purpose" and substituting "purposes".

PROPOSED CLOSURE OR THE REALIGNMENT OF FORT INDIANTOWN GAP AND NEW CUMBERLAND ARMY DEPOT IN PENNSYLVANIA

SEC. 812. No action with respect to the proposed closure or the realignment of Fort Indiantown Gap, Annville, Pennsylvania, or New Cumberland Army Depot, New Cumberland, Pennsylvania, shall be taken until the Secretary of the Army has conducted a study of the economic impact on central Pennsylvania of (1) the proposed closure or realignment, as the case may be, of each such military installation, and (2) the recent nuclear accident that occurred at Three Mile Island, Middletown, Pennsylvania.

Mr. HART. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1319.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that the bill, as passed, be printed in full with amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I wish once again to thank my colleague from South Carolina, the ranking minority member on our subcommittee, for his cooperation; our excellent staff on the subcommittee and the full committee for their help and indulgence; and, of course, the Senator from New Jersey and others who have helped.

Mr. THURMOND. Mr. President, I wish to express my appreciation for the able leadership provided on this bill by the distinguished Senator from Colorado, and the staffs on both sides for the fine work they did.

(The remarks of Mr. KENNEDY and Mr. BELLMON in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—NOMINATION OF ROBERT N. CLEMENT, OF TENNESSEE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that there be a 3-hour time limitation on the nomination of Mr. Clement—I cleared this with Mr. HEFLIN, Mr. BAKER, and Mr. SASSER—that the Senate go into executive session upon the completion of the orders for the recognition of the two leaders on Thursday, or the completion of orders for the recognition of Senators, whichever situation may obtain, and that the time be equally divided between Mr. HEFLIN and Mr. RANDOLPH, the chairman of the committee, or his designee, and that, upon the expiration of that time, or upon its being yielded back, the vote occur on the nomination; and that upon the disposition of the nomination the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 265

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the time that Calendar Order No. 267, S. 265, the Equal Access to Justice Act, is made the pending business before the Senate, that there be a time agreement as follows: 2 hours to be equally divided between Mr. THURMOND and Mr. DECONCINI; 1 hour on any amendment; 30 minutes on any second degree amendments 10 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 265 (Order No. 267), a bill entitled "Equal Access to Justice Act," debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from South Carolina (Mr. THURMOND) and the Senator from Arizona (Mr. DECONCINI): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ARCHEOLOGICAL RESOURCES PROTECTION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1090.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—this item has been cleared on our side. It will take a few minutes to get the Senator here who will manage the bill on this side, and I assume the situation is the same on the other side.

Mr. ROBERT C. BYRD. I will be glad to put in a quorum call, with the time not to be charged to either side.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 490) to protect archeological resources owned by the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Archaeological Resources Protection Act of 1979".

TABLE OF CONTENTS

SEC. 1. Short title and table of contents.
SEC. 2. Findings and purpose.
SEC. 3. Definitions.
SEC. 4. Excavation and removal.
SEC. 5. Custody of resources.
SEC. 6. Prohibited acts.
SEC. 7. Penalties.
SEC. 8. Civil damages.
SEC. 9. Rewards; forfeiture.
SEC. 10. Confidentiality.
SEC. 11. Regulations; intergovernmental coordination.
SEC. 12. Savings provisions; mining; rock collection.
SEC. 13. Report.

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) archaeological resources on public lands and Indian lands are an accessible and irreplaceable part of the Nation's heritage;

(2) these resources are increasingly endangered because of their commercial attractiveness; and

(3) existing Federal laws do not provide adequate protection to prevent the loss and destruction of these archaeological resources and sites resulting from uncontrolled excavations and pillage.

(b) The purpose of this Act is to protect, for the present and future benefit of the American people, the archaeological resources and sites which are on public lands and Indian lands.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "archaeological resource" means any material remains of past human life or activities which are of archaeological interest, as determined under uniform regulations promulgated pursuant to this Act. Such archaeological resources shall include, but not be limited to: pottery, basketry, bottles, weapons, weapon projectiles, tools, structures or portions of structures, pit houses, rock paintings, rock carvings, intaglios, graves, human skeletal materials, nonfossilized and fossilized paleontological specimens when found in an archaeological context, and any portion or piece of any of the foregoing items. No item shall be treated as an archaeological resource under regulations under this paragraph unless such item is at least fifty years of age.

(b) The term "Federal land manager" means, with respect to any public lands, the Secretary of the department, or the head of any other agency or instrumentality of the United States, having primary management authority over such lands. In the case of any public lands or Indian lands with respect to which no department, agency, or instrumentality has primary management authority, such term means the Secretary of the Interior. If the Secretary of the Interior consents, the responsibilities (in whole or in part) under this Act of the Secretary of any department (other than the Department of the Interior) or the head of any other agency or instrumentality may be delegated to the Secretary of the Interior with respect to any land managed by such other Secretary or agency head, and in any such case, the term "Federal land manager" means the Secretary of the Interior.

(c) The term "public lands" means—

(1) lands or interests in lands which are administered as part of—

(A) the National Park System,

(B) the National Wildlife Refuge System, or

(C) the National Forest System; and

(2) all other lands the fee title to which is held by the United States other than lands on the Outer Continental Shelf;

(d) The term "Indian lands" means lands of Indian tribes, or Indian individuals, which are either held in trust by the United States or subject to a restriction against alienation imposed by the United States.

(e) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (85 Stat. 688).

(f) The term "person" means an individual, corporation, partnership, trust, institution, association, or any other private entity or any officer, employee, agent, department, or instrumentality of the United States, of an Indian tribe or of any State or political subdivision thereof.

(g) The term "State" means any of the fifty States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

EXCAVATION AND REMOVAL

SEC. 4. (a) Any person may apply to the Federal land manager for a permit to excavate or remove any archaeological resource located on public lands or Indian lands and to carry out activities associated with such excavation or removal. The application shall be required, under uniform regulations under this Act, to contain such information as the Federal land manager deems necessary, including information concerning the time, scope, and location and specific purpose of the proposed work.

(b) A permit may be issued pursuant to an application under subsection (a) if the Federal land manager determines, pursuant to uniform regulations under this Act, that—

(1) the applicant is qualified to carry out the permitted activity;

(2) the activity is undertaken for the purpose of furthering archaeological knowledge in the public interests;

(3) the archaeological resources derived from public lands will remain the property of the United States, and such resources and copies of associated archaeological records and data will be preserved by a suitable university, museum, or other scientific or educational institution; and

(4) the activity pursuant to such permit is not inconsistent with any management plan applicable to the public lands concerned.

(c) If a permit issued under this section may result in harm to, or destruction of, any religious or cultural site, as determined by the Secretary of the Interior, before issuing such permit the Secretary shall notify any Indian tribe which may consider the site as having religious or cultural importance. Such notice shall not be deemed a disclosure to the public for purposes of section 10.

(d) Any permit under this section shall contain such terms and conditions, pursuant to uniform regulations promulgated under this Act, as the Federal land manager concerned deems necessary to carry out the purposes of this Act, to insure compliance with other applicable provisions of law, and to protect other resources involved.

(e) Each permit under this section shall identify the individual who shall be responsible for carrying out the terms and conditions of the permit and for otherwise complying with this Act and other law applicable to the permitted activity.

(f) Any permit issued under this section may be suspended by the Federal land manager upon his determination that the permittee has violated any provision of section 6, or the terms and conditions of the permit. Any such permit may be revoked by such Federal land manager assessment of a civil penalty under section 7(a) against the permittee or upon the permittee's conviction under section 7(b).

(g)(1) No permit shall be required under this section or under the Act of June 8, 1906 (16 U.S.C. 431) for the excavation or removal by any Indian tribe or member thereof of any archaeological resource located on Indian lands of such Indian tribe: *Provided*, That, in the absence of tribal law regulating the excavation or removal of archaeological resources on Indian lands, an individual tribal member shall be required to obtain a permit under this section or under the Act of June 8, 1906 (16 U.S.C. 431).

(2) In the case of any permits for the excavation or removal of any achaeological resource located on Indian lands, the permit may be granted only after obtaining the consent of the Indian or Indian tribe owning such lands. The permit shall include such terms and conditions as may be requested by such Indian or Indian tribes.

(h)(1) No permit or other permission shall be required under the Act of June 8, 1906 (16 U.S.C. 431–433) for any activity for which a permit is issued under this section.

(2) Any permit issued under the Act of June 8, 1906, shall remain in effect according to its terms and conditions following the enactment of this Act. No permit under this Act shall be required to carry out any activity under a permit issued under the Act of June 8, 1906, before the date of the enactment of this Act which remains in effect as provided in this paragraph, and nothing in this Act shall modify or affect any such permit.

(i) Issuance of a permit in accordance with this section and applicable regulations shall not require compliance with section 106 of the Act of October 15, 1966 (80 Stat. 917, 16 U.S.C. 470f).

CUSTODY OF RESOURCES

SEC. 5. The Secretary of the Interior may promulgate regulations providing for—

(a) the exchange, where appropriate, between suitable universities, museums, or other scientific or educational institutions,

of archaeological resources removed from public lands and, with the consent of the Indian or Indian tribe, Indian lands pursuant to this Act, and

(b) the ultimate disposition of such resources and other resources removed pursuant to the Act of June 27, 1960 (16 U.S.C. 469–469c) or the Act of June 8, 1906 (16 U.S.C. 431–433).

Following promulgation of regulations under this section notwithstanding any other provision of law, such regulations shall govern the disposition of archaeological resources removed from public lands and Indian lands pursuant to this Act.

PROHIBITED ACTS

SEC. 6. (a) No person may excavate, remove, damage, or otherwise alter or deface any archaeological resource located on public lands or Indian lands unless such activity is pursuant to a permit issued under section 4, a permit referred to in section 4(h)(2), or the exemption contained in section 4(g)(1).

(b) No person may sell, purchase, exchange, transport, receive, or offer to sell, purchase, or exchange any archaeological resource if such resource was excavated or removed from public lands or Indian lands in violation of—

(1) the prohibition contained in subsection (a); or

(2) any provision, rule, regulation, ordinance, or permit in effect under any other provision of Federal law.

(c) No person may sell, purchase, exchange, transport, receive, or offer to sell, purchase, or exchange, in interstate or foreign commerce, any archaeological resource excavated, removed, sold, purchased, exchanged, transported, or received in violation of any provision, rule, regulation, ordinance, or permit in effect under State, or local law.

(d) The prohibitions contained in this section shall take effect on the date of the enactment of this Act.

PENALTIES

SEC. 7. (a)(1) Any person who violates any prohibition contained in a regulation or permit issued under this Act may be assessed a civil penalty by the Federal land manager concerned. No penalty may be assessed under the subsection unless such person is given notice and opportunity for a hearing with respect to such violation. Each violation shall be a separate offense. Any such civil penalty may be remitted or mitigated by the Federal land manager concerned.

(2) The amount of such penalty shall be determined under regulations promulgated pursuant to this Act, taking into account—

(A) the archaeological or commercial value of the archaeological resource involved; and

(B) the cost of restoration and repair of the resource and the archaeological site involved. Such regulations shall provide that, in the case of a second or subsequent violation by any person, the amount of such civil penalty may be double the amount which would have been assessed if such violation were the first violation by such person.

The amount of any penalty assessed under this subsection shall not exceed $1,000 for each violation or $2,000 in the case of a second or subsequent violation.

(3) Any person aggrieved by an order assessing a civil penalty under paragraph (1) may file a petition for judicial review of such order with the United States District Court for the District of Columbia or for any other district in which such a person resides or transacts business. Such a petition may only be filed within the thirty-day period beginning on the date the order making such assessment was issued. The court shall hear such action on the record made before the Federal land manager and shall sustain his action if it is supported by substantial evidence on the record considered as a whole.

(4) If any person fails to pay an assessment of a civil penalty—

(A) after the order making the assessment has become a final order and such person has not filed a petition for judicial review of the order in accordance with paragraph (3); or

(B) after a court in an action brought under paragraph (3) has entered a final judgment upholding the assessment of a civil penalty, the Federal land managers may request the Attorney General to institute a civil action in a district court of the United States for any district in which such person is found, resides, or transacts business to collect the penalty and such court shall have jurisdiction to hear and decide any such action. In such action, the validity and amount of such penalty shall not be subject to review.

(5) Hearings held during proceedings for the assessment of civil penalties authorized by paragraph (1) of this subsection shall be conducted in accordance with section 554 of title 5 of the United States Code. The Federal land manager may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpena served upon any person pursuant to this paragraph, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Federal land manager or to appear and produce documents before the Federal land manager, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) Any person who knowingly violates, or solicits or employs any other person to violate, any prohibition contained in section 6 shall, upon conviction, be fined not more than $10,000 or imprisoned not more than one year, or both. If the commercial or archaeological value of the archaeological resources involved and the cost of restoration and repair of such resources exceeds the sum of $5,000, any person who knowingly violates, or solicits or employs any other person to violate, any prohibition contained in section 6 shall be fined not more than $20,000 or imprisoned not more than two years, or both. In the case of a second or subsequent violation under this subsection the penalty shall be $100,000, or five years, or both.

CIVIL DAMAGES

SEC. 8. (a) Any person who violates a prohibition contained in section 6 shall be liable to the United States for any damage to the archaeological resource involved and may be sued civilly in the United States district court for the district in which the resource in located.

(b) For purposes of this section, damages to an archaeological resource include—

(1) the archaeological value of the resource;

(2) the commercial value of the resource; and

(3) the cost of restoration and repair of the resource and the site involved.

REWARDS; FORFEITURE

SEC. 9. (a) Upon the certification of the Federal land manager concerned, the Secretary of the Treasury is directed to pay, from penalties and fines collected under section 7, an amount equal to one-half of such penalty or fine, but not to exceed $500, to any person who furnishes information which leads to the finding of civil violation or the conviction of criminal violation with respect to which such penalty or fine was paid. If several persons provided such information, such amount shall be divided among such persons. No officer or employee of the United States or of any State or local government who furnishes information or renders services in the performance of his official duties shall be eligible for payment under this subsection.

(b) All archaeological resources with respect to which a violation of section 6 occurred and which are in the possession of any person, and all vehicles and equipment of any person which were used in connection with such violation, may be (in the discretion of the court or administrative law judge, as the case may be) subject to forfeiture to the United States upon—

(1) such person's conviction of such violation under section 7(b);

(2) assessment of a civil penalty against such person under section 7(a) with respect to such violation; or

(3) a determination by any court that such archaeological resources, vehicles, or equipment were involved in such violation.

(c) In cases in which a violation of the prohibition contained in section 6 involve archaeological resources excavated or removed from Indian lands, the Federal land manager or the court, as the case may be, shall provide for the payment to an Indian or Indian tribe involved of all damages collected pursuant to section 8 and forfeitures under this section.

CONFIDENTIALITY

SEC. 10. Information concerning the nature and location of any archaeological resource for which the excavation or removal requires a permit or other permission under this Act or under any other provision of Federal law may not be made available to the public under subchapter II of chapter 5 of title 5 of the United States Code or under any other provision of law unless the Federal land manager concerned determines that such disclosure would—

(a) further the purposes of this Act or the Act of June 27, 1960 (16 U.S.C. 469–469c); and

(b) not create a risk of harm to such resources or to the site at which such resources are located.

REGULATIONS; INTERGOVERNMENTAL COORDINATION

SEC. 11. (a) The Secretaries of the Interior, Agriculture, and Defense, after consultation with other Federal land managers, Indian tribes, and representatives of concerned State agencies, and other public notice and hearing, shall promulgate such uniform rules and regulations as may be appropriate to carry out the purposes of this Act. Such rules and regulations may be promulgated only after consideration of the provisions of the American Indian Religious Freedom Act (92 Stat. 469; 42 U.S.C. 1996).

(b) Each Federal land manager shall promulgate such rules and regulations, consistent with the uniform rules and regulations under subsection (a), as may be appropriate for the carrying out of his functions and authorities under this Act.

SAVINGS PROVISIONS; MINING; ROCK COLLECTION

SEC. 12. (a) Nothing in this Act shall be construed to repeal or modify the mining or mineral leasing laws of the United States.

(b) Nothing in this Act applies to, or requires a permit for, the collection for private purposes of any rock or mineral which is not an archaeological resource, as determined under uniform regulations promulgated pursuant to this Act.

REPORT

SEC. 13. As part of the annual report submitted to the Congress under section 5(c)

of the Archaeological Recovery Act of 1960 (74 Stat. 220; 16 U.S.C. 469–469a), the Secretary of the Interior shall include a report to the Congress respecting the activities carried out under this Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Daniel Dreyfus, Michael Harvey, Tom Williams, Laura Beaty, and Tony Bevinetto of the Energy and Natural Resources Committee staff have the privilege of the floor during the consideration of S. 490.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 473

Mr. BUMPERS. Mr. President, I send three amendments to the desk.

The PRESIDING OFFICER. Does the Senator ask them to be considered en bloc?

Mr. BUMPERS. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

1. On page 16, line 17, delete the semi-colon and add "and lands under the jurisdiction of the Smithsonian Institution.".

2. On page 16, beginning on line 18 through line 22, delete subsection (d) and insert in lieu thereof the following: "The term 'Indian lands' means land the fee title to which is held by Indian tribes, or Indian individuals, either in trust by the United States or subject to a restriction against alienation imposed by the United States.".

3. On page 22, following line 11, add a new subsection (e) as follows: "(e) Nothing in subsection (b)(1) of this section shall be deemed applicable to any person with respect to an archaeological resource which was in the lawful possession of such person prior to the date of the enactment of this Act.".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I yield to the Senator from Oregon for a unanimous-consent request.

Mr. HATFIELD. I thank the Senator from Arkansas.

Mr. President, I ask unanimous consent that Cindy Calfee, Steve Crow, and George Ramonis be given the privileges of the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, on May 15, the Energy and Natural Resources Committee reported S. 490, the pending measure. The amendments which I am offering are of a technical nature and are consistent with the intent of this proposal.

The first amendment would insure that persons in lawful possession of archeological resources prior to the date of enactment of this act may retain or dispose of those resources as they wish, without fear of prosecution.

The second amendment would exempt the lands under the jurisdiction of the Smithsonian Institution from the definition of public lands.

The third and final amendment clarifies the term "Indian lands" to mean those lands in which fee title is held by Indian tribes, or Indian individuals.

On February 26, 1979, S. 490 was introduced by Senators DOMENICI, SCHMITT, DECONCINI, GOLDWATER, and EAGLETON. The Subcommittee on Parks, Recreation, and Renewable Resources, of which I am chairman, held a hearing on May 1, 1979. Subsequent to that hearing, the bill was virtually redrafted based on testimony and further considerations by the sponsors and ordered it reported, with amendments.

The purpose of S. 490 is to provide greater protection than currently exists for archeological resources located on public lands and Indian lands by providing penalties commensurate with the value of the resources damaged or removed from those lands. It is hoped that this legislation will serve as a deterrent to the increasing incidence of looting archeological treasures found on those lands. Because of certain deficiencies in existing law, it has become evident that new authority is critically needed to insure adequate protection of these priceless resources.

Several important amendments were adopted by the committee during consideration of this proposal. I believe that a brief discussion of those changes would be beneficial to my colleagues. As introduced, S. 490 would have made it illegal to possess archeological resources. This provision was felt to be too onerous, and inconsistent with the purpose of the legislation—which is to stop illegal activities occurring on public lands and Indian lands. Therefore, the committee deleted "possession" as a prohibited act.

Next, the committee modified the penalty section by including a misdemeanor provision for violations involving archeological resources with a value of less than $5,000. Felony prosecutions would therefore be limited to major violations of the act.

I want my colleagues to be aware of a situation which now exists on the public lands, especially in the Southwest region. A handful of individuals have found it very profitable to enter inadequately patrolled public lands with backhoes or similar equipment and excavate sites of ancient ruins in search of artifacts. Some of the pottery which is removed is known to bring the sellers up to $20,000 on the national and international art market. Even more important than the loss of these artifacts, however, is the loss of the scientific information which is destroyed when sites are excavated by pottery hunters. Although no law currently exists to prohibit the sale of these illegally obtained artifacts, if enacted, section 6(b) of S. 490 would make that act illegal.

During the committee consideration of the civil penalty provision, the "ticket writing" enforcement authority for minor offenses administered by Federal land managers was thoroughly discussed. While the committee believes it is necessary to provide Federal land managers with a variety of enforcement measures appropriate to situations involving those who might unknowingly violate the act, the committee also recognizes the difficulties associated with adopting civil penalties.

The committee is aware that the potential may exist for abuse of this citation authority and expressed concern that the protection of individuals afforded by the presumption of innocence could be eroded by an arbitrary or excessive administrative application of civil penalties in contested situations. The committee, therefore, emphasized in its report that civil penalties should be used sparingly, and then only in situations which clearly warrant an enforcement action. This authority should not be used to harass those citizens in the normal use of public lands or those who inadvertently infringe on regulations in minor ways.

I wish to make clear that no provision of S. 490 would affect existing laws dealing with mining or mineral leasing. Some have been concerned that S. 490 might interfere with previously approved activities on public lands. Under the rules and regulations issued pursuant to the Antiquities Act of 1906, permits are issued to carry out surveys prior to the issuance of leases for uses of the public lands. This procedure would continue as it has in the past. But, once an activity in underway, other existing laws become applicable. Section 12 of S. 490 is designed to specifically protect multiple use activities on the public lands. In addition, this proposal would not interfere with field casting of paleontological specimens on the public domain. This activity is presently carried out under separate authority of the local land managing bureau which has immediate jurisdiction on the land in question.

Many members of the committee are concerned about the education of the visitors to our public lands, and I urge Federal land managers to publish in-

formation regarding the significance of archeological resources and the importance of their protection. While specific sites should not be signed, signs should be posted at popular access points to public lands to inform the visitor that such sites exist within the area and further, that such sites contain valuable information and are protected by law. Education of the visitor, may, in the long run, reduce the number of incidents on public lands.

Mr. President, I urge the adoption of these three amendments.

Mr. DOMENICI. Mr. President, has the Senator offered the three en bloc?

Mr. BUMPERS. Yes, they have been offered en bloc, and if the Senator from New Mexico wishes to discuss any part of those three amendments, I would be happy to yield to him for that or any other purpose.

Mr. DOMENICI. I merely wanted to say that, as the principal sponsor of the bill, I support them. I would only want to make the point that your first amendment, the one that makes sure that people in possession of artifacts not be prosecuted under this new statute, will define and make valid a constitutionally effective statute, in that we did not intend that they be subject to it when we reported it. Is that not correct, Senator BUMPERS?

Mr. BUMPERS. The Senator is correct.

Mr. DOMENICI. The Senator's amendment will clarify and make that more certain to others that it is precisely what we intended and what I intended.

I have no objection.

Mr. BUMPERS. I would say for the record that the two Senators from Arizona (Mr. GOLDWATER and Mr. DECONCINI) both express strong support for the amendment. As a matter of fact, Senator DECONCINI had the amendment prepared, and we just introduced it as one of the three being offered en bloc.

Mr. President, I ask for the adoption of those three amendments.

The PRESIDING OFFICER. Have the Senators all yielded back their time?

Mr. BUMPERS. I yield back the remainder of my time on the amendments.

Mr. HATFIELD. I yield back all our time.

The PRESIDING OFFICER. All time having been yielded back, the vote occurs on agreeing to these amendments.

The amendments were agreed to.

Mr. BUMPERS. Mr. President, I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I express my appreciation to the chairman of our subcommittee and the comanager of the bill today, Mr. BUMPERS.

Mr. President, the Antiquities Act of 1906, which has provided the legal basis for protecting America's prehistoric and historic heritage, is no longer adequate. Artifact hunters and collectors have been descending on national forests, parks, and public lands in ever increasing numbers. Depredations have occurred primarily in the Southwest but extend to all States including my own State of Oregon.

The drafters of the 1906 act could not have anticipated the lucrative market in these artifacts nor could they anticipate the use of bulldozers and backhoes in eliminating a piece of history to get a pot.

I fully support Senator DOMENICI's efforts to correct this problem. I would also point out that he has offered several refinements to his bill, S. 490, to strengthen and improve it. The committee unanimously accepted these amendments. The sponsors have offered other amendments which would conform with House-passed language. One amendment would assure those persons who now lawfully possess artifacts of their right to sell, transport, purchase, exchange, transport or receive archeological resources. I support this amendment along with the other two submitted en bloc.

Mr. President, S. 490, the Senate reported bill, has three additions that the sponsors and the distinguished floor manager have accepted and explained. I urge passage of S. 490 with the amendments, and also H.R. 1825, as amended to reflect the provisions of S. 490.

Mr. President, I merely want to take this opportunity to underscore that I personally am grateful to Senator DOMENICI, from New Mexico, for having given the initial thrust to this bill in our committee and in introducing the bill.

Senator DOMENICI has been long involved in this matter, and once again has demonstrated unique leadership in bringing this to a point where we now have a bill that I think people can live with without being subject to the severe and harsh penalties that were once considered important for this kind of legislation.

So I want to commend not only the initial idea by the Senator from New Mexico, but also his willingness to compromise and work out a bill now that I believe, once passed and once it is signed into law, will be enforceable and will protect the national treasures that have now been subject to vandalism and just plain being carried off by souvenir hunters and others who are not thinking of tomorrow or the next generation.

Mr. DOMENICI. Mr. President, will the Senator yield me 5 minutes?

Mr. BUMPERS. I would be happy to.

Mr. DOMENICI. I thank the Senator from Arkansas and the Senator from Oregon for bringing this matter through the committee to a final conclusion, and to the floor. I particularly want to thank the distinguished Senator from Arkansas. He is chairman of the subcommittee of the Committee on Energy and Natural Resources that has jurisdiction over this subject matter.

Frequently, unless a Senator has a particular interest in his State or his region, as busy as we have been, it is difficult for some Senators to find time to take up matters that are really of national interest, but another part of this great Nation is affected more than theirs. That was the case here.

Serious thieveries of American artifacts off of public domain lands are occurring, both Federal public domain and Indian trust lands, and it is not a small item; it is not just a little vandalism. It is a major industry in crime.

They actually are finding ways to get on to public domain with bulldozers. They have schemes to hire Mexican nationals and pay them on a concession basis, that if they will steal these valuable artifacts of our past history, they will pay them a kind of finder's fee.

The way the law is drawn today, in one whole section of the country, because of a circuit court opinion, we have no laws that can be enforced against that kind of public domain thievery. This was called to our attention out in the Southwest by U.S. attorneys who could not prosecute, who were very much concerned about finding a constitutional way to define an artifact, which would permit them to prosecute.

Senator BUMPERS took the time and put forth the effort because he saw it to be very important for our country, if not for his State, to enact this measure into law, and I thank him for that.

I also would like to say, lest there be some concern that this bill is intended to thwart the legitimate endeavors of people like Boy Scouts and the like to go onto the public domain and, as a matter of ethnic interest and, in pursuit of their educational growth, be looking for arrowheads and the like, that we do not have any intention to interfere with such legitimate pursuits, nor does this bill intend that.

For many years it was a crime to steal valuable artifacts. It is just that a court has ruled that, since we did not define the term "artifact," we were going to have to let criminals loose. The purpose of this bill is to plug that loophole, and at the same time grant those who have a reasonable and logical right to use the public domain to further their education and knowledge of American history to do so, without taking from it valuable artifacts.

Mr. President, as I say, recent court decisions have made the 1906 Antiquities Act unenforceable in certain States. In order to reinstate protection of archeological sites on public lands and to provide a more streamlined system for enforcement, this legislation was introduced. Joined by my distinguished colleagues in the Senate from New Mexico and Arizona, this legislation was introduced in February 26, 1979, as S. 490. The House passed a version of this legislation on July 10, 1979.

Since 1906, the law has stated that any antiquity found on public land is the property of the United States. Land managers were given authority to protect such finds with criminal prosecution of violators.

In recent years, the rise in prices of prehistoric Indian artifacts and other archeological resources has created a large international demand. Professional looters have been active in the Southwest and elsewhere pirating these sites on public lands, in some cases with bulldozers. Virtually tens of thousands of dollars worth of artifacts have been taken from public lands in New Mexico. Mimbres pots are being illegally dug out on consignment and sold in the international art market. And since the court decision, prosecutors in certain States are powerless to protect these national resources.

The general intent of this legislation is to deter this sort of criminal conduct

by restoring the enforcement provisions of the old act.

The bill provides that no archeological resources may be disturbed or removed from public lands without first receiving a permit from the Secretary of the agency whose lands are involved. In order to be able to enforce this provision, both criminal and civil procedures are provided. The civil procedures are designed to insure that casual, unwitting violators are protected from criminal prosecution. I believe this a significant improvement over the old act.

Other changes in the revised language of S. 490 which we consider today demonstrate a concern for those uncertainties raised by citizens of the Southwest in recent correspondences.

I am concerned as are Senators GOLDWATER, DECONCINI, and SCHMIDT about the rights of the legitimate private collector and private museums. I agree with Senator DECONCINI in his recommendation to delete possession of an object as one of the prohibited acts.

Another change that may be needed which is included is to insure that protection and deterrence is provided without infringing on Indian land rights and contributing to the destruction of Indian religious, cultural, or historical values. If a site is currently used for religious purposes, we must respect that use.

I want to make sure that the permitting procedures in this bill do not lay out another cumbersome, time-consuming constraint on legitimate mining, exploration and other activities on public lands. This bill in no way requires or obligates or burdens mining companies. I say that in no uncertain terms and with the concurrence of all committee members.

Finally, I say to the agencies which will be administering this law that it is incumbent upon them to educate the public about these provisions. The old act was generally unenforced and little understood by the public. Perhaps the reluctance to subject a naive citizen to criminal prosecution was the reason for this. This new language will no longer necessitate such drastic measures. Enforcement has been greatly simplified yet retains the teeth necessary to deter the criminal. However, only proper promulgation of this bill and a conscientious educational effort to inform the citizens of what is expected of them on public lands will insure its practicability.

Mr. President, this bill embodies a workable, enforceable law to protect our national archaeological heritage while at the same time expanding the enjoinment of using the public lands by our citizens.

I ask unanimous consent to have printed in the RECORD an editorial from the Santa Fe New Mexican, dated Thursday, March 1, 1979, indicating that the adoption of this measure is a matter of considerable importance for our area, and an article published in the Albuquerque Journal of April 15, 1979, outlining the dimensions of the problem.

There being no objection, the article were ordered to be printed in the RECORD, as follows:

[From the New Mexican Opinion, Mar. 1, 1979]

ADOPT ARTIFACTS ACT

New Mexico's U.S. Sen. Pete V. Domenici and Arizona's U.S. Rep. Morris Udall have introduced measures in Congress which would prohibit the raiding of archaeological sites for profit.

The bills would have a direct effect on the looting and plundering of old Indian sites in New Mexico by collectors seeking priceless pottery, carvings and other artifacts.

The prices and demand for these prehistoric Indian materials have risen so high that unscrupulous collectors and dealers are using mechanical equipment to rip open sites.

Because of this greed and careless destruction of archaeological sites, important scientific information is being lost forever.

Domenici and Udall have introduced identical measures which would make raiding Indian ruins a federal offense punishable by up to two years in prison and up to $20,000 in fines. Any archaeological resources which are recovered would be confiscated.

This proposed federal act contains several features which make it a good law which both federal and state officials can use to protect archaeological sites.

If enacted, the law would dovetail with existing state laws, such as New Mexico's, so that offenders could not skip to another state to avoid prosecution.

The bill would provide for civil penalties such as light fines and confiscation of artifacts for pottery hunters who accidently violate the law.

The bill would provide a $2,500 reward to people who report illegal activity. Hunters, hikers and other outdoor recreation enthusiasts would be encouraged to report archaeological raiding if they knew they would be eligible for a reward.

This act is needed to prevent the wholesale destruction of our Indian heritage by persons bent on profits not preserving history. Legitimate archaeological rssearch would be permitted through an Interior Department permit system.

Congress should act favorably on this measure as soon as possible to provide the umbrella of federal jurisdiction needed to adequately protect these sites.

[From the Albuquerque Journal, Apr. 15, 1979]

LOOTERS DESTROYING UNWRITTEN HISTORY; NEW BILL SUPPORTED

(By Larry Brown)

Professional and amateur archaeologists, who have been watching with mounting rage and frustration as looters destroy America's unwritten past in the southwest, are applauding the course through Congress of a bill aimed at stopping the pillage.

Today the systematic looting of archaeological sites is a high-profit, small-risk venture.

Looters find eager markets for pottery, shards, effigies, stone tools and other relics on the east and west coasts, in Japan and in Europe. They are leaving behind trails of desecration.

Reportedly one pottery bowl taken from a Mimbres cultural site in southwest New Mexico was marketed on the east coast for $20,000.

Prices ranging from $1,000 to $4,000 are not unusual.

Professional looters rip into sites using backhoes and bulldozers, and, says Jerry Brody, head of the Maxwell Museum at the University of New Mexico, "They literally destroy the site and completely ruin any possibility of scientific investigation."

Current law, the Antiquities Act of 1906, provides only a $500 fine and 90 days in jail as a maximum penalty for such looting, and, in addition, has come under attack as being constitutionally vague.

The U.S. Tenth Circuit Court of Appeals, with jurisdiction in New Mexico, Kansas, Oklahoma, Colorado, Utah and Wyoming, has upheld the act in the case of two Deming pottery dealers sentenced in U.S. District Court in Las Cruces in January to serve 90 days on each of 11 counts after being found guilty of excavating Mimbres Indian bowls.

Tenth Circuit Court of Appeals judges ruled the act "gives a person of ordinary intelligence a reasonable opportunity to know that excavating prehistoric Indian burial grounds and appropriating 800- to 900-year-old artifacts is prohibited."

The Ninth Circuit Court of Appeals, which has jurisdiction in states west of the Tenth Circuit states, ruled the 1906 act unconstitutional.

In Albuquerque U.S. Magistrate Peter Gallagher found the law unconstitutional in the trial of a man charged with excavating pottery pieces at a 900-year-old Zuni ruin. In August 1977, Gallagher dismissed charges against a 25-year-old Harvard medical student because he said the law was vague.

Because of the conflict between the rulings by the Ninth and Tenth Circuit Courts of Appeals the issue may go to the Supreme Court.

Even when the law has been enforced, authorities say professional "pothunters"—the term most often used—see the penalties as part of the cost of doing business.

The new bill is being pushed in Congress by a number of sponsors from southwestern states, including all New Mexico senators and House members. New penalties could range as high as $100,000 in fines and five years in prison for two or more violations.

The maximum penalty for a first conviction is $20,000 and two years in prison.

And the bill—the "Archaeological Resources Protection Act of 1979"—seeks to overcome the fact that many sites are remote and there is a lack of federal manpower to police them by adding rewards up to $2,500 for information leading to the conviction of violators.

Brody said prior to the passage of a state law last year, which made the use of bulldozers at archaeological sites illegal, much of the fragile Mimbres culture which thrived around 950 to 1150 A.D. near Silver City was destroyed.

"Much of it was completely wiped out," he said. "Bowls were buried with individuals under the floors of rooms, and to reach them pothunters went in with bulldozers and zip, zip, zip—it's gone.

"We're not talking about a family out on a picnic picking up a piece, but big business that can afford bulldozers and expecting to make a couple of hundred thousand in their enterprise," he said.

Brody is especially distressed about the Mimbres Culture because he has studied it for years, and last year published a book about it. But other sites in the state have suffered a similar fate.

Richard Bice of Albuquerque, a member of the New Mexico Archaeological Society, said other areas raided by professional pothunters include the lava beds near Grants and a site on Forest Service land in the Jemes Mountains.

"It is primarily of concern in the Mimbres area because of the type of pottery the ancient peoples made was very well decorated with animal and human figures, and the price a bowl decorated like that can bring is in the thousands of dollars," Bice said.

The New Mexico Archaeological Society has strongly endorsed the proposed bill.

The proposed law is not without detractors, however.

Ironically, two people who have spoken out against it are amateur members of the Grant

County Archaeological Society, who have studied the Mimbres Culture around Silver City.

Mrs. Joe Haymes, of Silver City, calls the bill "a thievery act."

"Because it's retroactive they can take away private collections," she said. "The way it's written, a fossil collector can't even pick up an ordinary rock without ending up in the penitentiary."

She said because the bill identifies an "archaeological resource" as something at least 50 years old, the bill is going to hurt salvage operators, junk dealers, barbwire collectors, bottle collectors and other amateurs.

Kenneth Cookin, also of Silver City, said he is concerned about a section of the bill that requires such resources be preserved "for a satisfactory period of time" by a university, museum or other scientific or educational institution.

Cookin claims priceless items have passed through museums and universities after a "satisfactory period" to other countries.

A collection once at Western New Mexico University is now in Mexico City in a museum, he claims, and another collection given to the University of New Mexico is now in London, England.

"The real pothunters are from the universities," Cookin said, "and these people are a big marketing factor in pottery and artifacts. They are also interested in turning what belongs to us all into their own private collections."

Cookin said the bill will hurt "amateurs," and makes a strong case for amateur archaeologists.

"King Tut's tomb was found by an amateur," he said. "The old Viking coin, the Folsom sites over in Texas, all found by amateurs. In many cases amateurs are doing a finer, more dependable job, than professionals from universities."

Mrs. Haymes also claims university archaeologists . . . take the cream from sites they explore.

"Did you ever visit an archaeologists's home?" she asked. "Barry Goldwater has a fabulous collection—I've seen it."

Sen. Barry Goldwater, R-Arizona, is one of the sponsors of the bill.

"If this bill passes we'll have to stand by and watch our country be raped by pothunters with doctor's degrees behind their names," Mrs. Haymes said.

To support their argument against the bill, Mrs. Haymes and Cookin use exactly the same argument as those who support the bill.

"These things on federal land belong to all the people," they said, and the sentiment was echoed by Mark Michel, one of the bill's strongest supporters.

Michel, of Santa Fe, is also a member of the New Mexico Archaeological Society.

"These things are the property of the United States and should only be removed by a permit," Michel said. "Instead they are finding their way into the international market, in Japan, Paris, New York."

As far as the law allowing the government to take private collections, Michel said, "The government could seize them right now if they could prove they were taken illegally."

Michel said the chances of this happening are "not likely. It would be pretty hard to prove."

Brody, who supports the bill, defends the "professional" archaeologists from universities.

"We have a different philosophy, usually conservative and conservation minded. Amateurs frequently are not," he said.

POTHUNTERS OBLITERATE MIMBRES PAST

(By Dr. Jerry Brody)

Jerry Brody tenderly cradled a rough clay bowl in his hands.

Brody was in the basement of the Maxwell Museum standing in front of shelves of pottery and artifacts.

"We don't like to discuss the appraised value of a piece because when we put it on display we want people to think about the artifact and not think of dollar bills," Brody said.

He was talking about the fact a Mimbres bowl was reported sold to a dealer on the east coast for $20,000.

"We don't put a price tag on pots," he said, "but if we did . . ."

The outside of the Mimbres pottery bowl was earth colored and unfinished, but the inside was as smooth as glass and depicted two mountain sheep in a swirling pattern.

"I have personally handled about 4,000 Mimbres pots and if I didn't know where this came from I would be suspicious. It's in almost too fine a condition, but it is documented."

The pot was discovered by Steve LeBlanc, a member of the private Mimbres Foundation. The ancient Pueblo culture placed such pots over the heads of deceased people when they buried them.

"After he found it, it took him two days just to dig it out," Brody said. "If it had been found by a professional pothunter it would just have been grabbed. They don't consider that with documentation it would be more valuable, they are after the quick buck."

Brody said Mimbres pottery is particularly valuable to researchers because the execution is remarkably fine and because it fits the ideals of what a work of art is.

The pottery has pictures of life forms, animals, people, birds, interaction, and Brody said, "Not only carries an awful lot of information about people but appeals to our humanity." The ancient culture near Silver City was unique to the southwest, he said. Evidence shows there was considerable trade with other parts of the southwest.

Unfortunately, many intriguing questions raised by Mimbres research may never be answered. Looters systematically destroyed sites searching for artifacts to market.

Brody reaches down another bowl, holding it up to show three holes smashed through the bottom.

"Sometimes when we find a hole in a pot we know it was a kill hole, and the pot was placed over a dead person. But what happened here is that a pothunter, probably using an eight to 10 foot long iron bar, poked around in the ground.

"The pothunter hopes to hear a clink as a reward to tell him he'd found something," Brody continues, using the crafts of his trade to read the actions of a 20th century man.

"The hunter tried and missed, but he hit this pot three times," he said. "The vandalism at the site is terrible, and these pothunters are stealing property that belongs to all of us."

Mr. DOMENICI. I thank both Senators for their efforts, and for yielding me time.

Mr. BUMPERS. Mr. President, I ask unanimous consent that a statement by the Senator from Arizona (Mr. DECONCINI) be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DECONCINI

ARCHAEOLOGICAL RESOURCES PROTECTION ACT OF 1979

Much of this Country's cultural heritage has evolved on what is now federally owned land, especially in the West and Southwest. The physical remnants of those cultures, including our own immediate past, remain on public lands and in public ownership. We share this heritage and share the responsibility and obligation to treat this great resource with respect, and in a manner that will best serve the present and future public interest.

American archaeological and historic artifacts have a great deal of cultural and sociological value; and, of course, monetary value. These artifacts are valued not only in the United States but throughout the world by public institutions, private collectors, and investors. Because of this wide interest, there has been, in recent years, a massive assault on archaeological sites and other historic resources which remain on Federal lands. Profit-minded looters, using sophisticated equipment, are stealing and destroying the last vestiges of our heritage.

Contributing to this deplorable situation has been the lack of the legal protection originally intended by Congress through the Antiquities Act of 1906. Relevant provisions of the Antiquities Act have been held unconstitutionally vague in the Ninth Circuit by the U.S. Court of Appeals, (which includes Arizona). In effect, this ruling invites professional looters to raid the public lands in nine Western States by tying the hands of Federal enforcement agencies.

I commend my distinguished colleague, Senator Bumpers and his capable staff, for their dedication to the purposes of this act. Through their efforts, a legislative proposal has been reported that is structured enough to meet our objectives, but flexible enough to accommodate the many and sometimes conflicting demands on our public lands and resources.

The Archaeological Resources Protection Act clearly defines, for the first time, the term "Archaeological Resource." Artifacts and objects which have historical significance are included, but the Act differs from the Antiquities Act by excluding the paraphernalia of our present-day society. It should be stressed that this proposal includes only those objects which are already on public lands and which are already in public ownership. Certain specific exemptions have been recommended, but it should be pointed out that simply omitting a class of objects from this definition of an archaeological resource, and from the scope of this Act, would not allow the acquisition of those objects by private individuals. To infer otherwise would be misleading.

From the letters and comments I received from my constituents after the bill was introduced, it became clear that certain provisions of the Act as originally drafted would unintentionally affect some individuals and businesses who have legitimate concerns and interests. Most of conflicts were addressed and corrected in committee mark-ups.

However, my greatest concern with the bill as reported, was with the prohibition against selling or exchanging resources currently in private possession. It was the intent of this sponsor to prevent the future destruction of archaeological treasures and not unjustly punish private collectors and others who have acted legally in the past. It has been my concern that the provisions of Section G, subsections (b) and (c) should not be applicable with respect to any archaeological resource, if the resource was removed from the public land or Indian lands prior to the date of enactment of this Act.

Since the bill has been amended to include the "grandfather" provision, I am satisfied that it can be workable and practical. This amendment insures museums, institutions, and thousands of individuals who legally own archaeological artifacts that they will not be in violation of Federal law if they wish to sell, exchange, or transport

those artifacts. There should be, of course, no exemption for the sale of artifacts taken illegally from the public lands after the date of enactment of this act.

The bill as reported by the committee, and amended, differs in several respects from the companion bill reported by the House of Representatives, (H.R. 1825). Some of the differing provisions of the House bill are not without merit and should be given consideration by the conferees. For example, the House bill would permit a Governor of any State to receive a permit on behalf of the state or its educational institutions, for any designee as the Governor deems qualified. I could support such a provision if the designee is required to possess the same qualifications or meet the same requirements as any other individual who would apply for a permit through regular channels. Protection of our public resources is a responsibility willingly shared by our State governments and by the citizens of the State. This law, like any other law, can only work if it has the active support of the local people. The people of Arizona are known for their respect of the public lands. They have done much over the past 100 years to protect the character and vitality of the public lands and Indian lands while promoting the careful and rational use of our natural resources.

In that regard, nothing in this Act is intended to restrict public access to the Federal lands or modify multiple use activities now permitted under existing laws.

I truly regret that it is necessary to legislate to protect the interests of the vast majority from the reckless greed of a relative few, but I am pleased to note the bill is an improvement over the Antiquities Act in several positive aspects. It not only eliminates criminal penalties for most minor violations, it expands the permit process and will have the positive effect of including a greater segment of our population in orderly excavations. It will also promote a greater knowledge and understanding of our heritage through an expanded exchange program between museums and other institutions.

In total, it is my belief that this Act will serve notice that our common heritage should be shared openly and that the plundering of our publicly owned archaeological and historic resources will no longer be tolerated.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 1825, the House companion measure to S. 490.

The PRESIDING OFFICER. Will the Senator withhold for a moment on that? The bill is open to further amendment. Are there further amendments?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, if there be no further amendments, I move the adoption of the committee amendment, as amended.

Mr. GRAVEL. Mr. President, I wonder if I might be recognized at this point.

The PRESIDING OFFICER. Does the Senator from Arkansas yield time to the Senator from Alaska?

Mr. BUMPERS. Are we under controlled time?

The PRESIDING OFFICER. We are under controlled time. The Senator has 8 minutes remaining on the bill.

Mr. BUMPERS. How much time does the Senator need?

Mr. GRAVEL. How much time is there on amendments?

The PRESIDING OFFICER. Twenty minutes, equally divided, on each amendment.

Mr. GRAVEL. If I may have about 8 or 10 minutes, it is not my purpose to delay. I just want to raise some items for the RECORD that are very important to me and my State. I would hope I might have this time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Arkansas and the distinguished Senator from Oregon may have an additional 10 minutes each on the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I yield 10 minutes to the Senator from Alaska.

Mr. GRAVEL. Mr. President, although the people putting this bill together apparently took deliberate effort to avoid direct amendment of the 1906 Antiquities Act, the major effect of the legislation before us would be to amend the original act to include a more comprehensive list of prohibited activities, such as purchasing and transporting artifacts, and more severe penalties for such activities.

I wholeheartedly concur that such revisions are necessary to deal more effectively and realistically with the problems of the theft and destruction of our historical and archeological heritage on Federal lands. But, just as the Antiquities Act is not effective today in doing what it was intended to do, other portions of the act are being used for purposes which were never envisioned or intended by the original authors. I submitted testimony to the committee when hearings were held on this measure encouraging the members to examine all the intents and provisions of the 1906 Antiquities Act to see if it is working in the way it was designed. I sincerely feel the following amendments are vital to make this act truly responsive to the goals of protecting historic and archéological resources:

HISTORIC AND SCIENTIFIC INTEREST

The act gives the President authority to withdraw "historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest" as national monuments. Yet, on December 1, 1978, the Secretary of the Interior proclaimed 56 million acres in Alaska as national monuments which have long been studied and acclaimed by the Interior Department and environmental groups for their scenic, recreational, wilderness, and fish and wildlife values. In only a very few distinct areas have historic and archeological values been of prime concern. In the House and Senate reports on the Antiquities Act it is clear that the purpose of the act is to protect distinct archeological areas and sites and "objects," not for the far broader purposes attributed to our national park or wildlife refuge systems.

Thus, I would recommend the definition of "objects of historic or scientific interest" be amended in the act to include only historic, archeological remains associated with human behavior.

SIZE OF WITHDRAWALS

The act further provides that the land withdrawn "shall be confined to the smallest area compatible with the proper care and management of the objects to be protected." In a floor colloquy on the bill in the House in 1906, the following exchange took place:

Mr. STEPHENS of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. LACEY. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. STEPHENS of Texas. Would it be anything like the forest-preserve bill, by which seventy or eighty million acres of land in the United States have been tied up?

Mr. LACEY. Certainly not. The object is entirely different. It is to preserve these old pueblos in the Southwest, whilst the other reserves the forests and the water resources.

Mr. STEPHENS of Texas. I hope . . . this bill will not result in locking up other lands.

Despite this clear intent, the President in his proclamation last year in Alaska withdrew 56 million acres of land. The 56 million acres—over half the area of California—is by no stretch of the imagination the "smallest area" necessary for the "objects" protected. Clearly the Congress needs to clarify the limits of this authority. I would strongly recommend that any proposal to create a monument greater than 5,000 acres be submitted to Congress for approval by joint resolution under expedited procedures similar to those under the Alaska Natural Gas Transportation Act. The 5,000-acre provision conforms to the limits of the discretionary authority granted the Secretary of the Interior for land classification decisions under the Federal Land Policy and Management Act of 1976—the BLM Organic Act. These provisions should also be made retroactive to the end of the last Congress to cover the President's actions in Alaska.

LAND USES

Because the designation of national monuments places the units within the National Park System, the areas by definition fall under prescribed rules and regulations governing park units. One such prohibition, that on hunting, has presented an especially capricious and onerous situation in Alaska. There appears no clear reason why the protection of historic or scientific artifacts or other objects should, by definition, be lessened by such land uses as hunting and perhaps other activities. Rather than arbitrarily ruling out various land uses validly existing at the time of proclamation, the act should be modified to permit such uses to the extent that they do not interfere in the protection of or result in harm to archaeological or historic resources.

Mr. President, I ask unanimous consent to have printed in the RECORD S. 1176, which I introduced earlier this

year, which contains the specific amendments I have discussed along with related background material. This measure has been cosponsored by 14 other Senators. It has received the backing of the Alaska State Legislature, the National Cattlemen's Association, the Public Lands Council, the National Wool Growers Association, the Western States Legislative Forestry Task Force, and other Alaskan and national organizations. I ask unanimous consent to have printed in the RECORD resolutions from these organizations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "the Antiquities Act and Federal Land Policy and Management Act Amendments of 1979".

ANTIQUITIES ACT AMENDMENTS

SEC. 2. (a) The first section of the Act of June 8, 1906, (34 Stat. 225; 16 U.S.C. 433), is amended to include the following:

"(a) For purposes of this Act, the term—'objects of historic or scientific interest' means historic or prehistoric specimens or structures such as pottery, bottles, weapons, dwellings, rock paintings, carvings, graves, human skeletal materials, and non-fossilized and fossilized paleontological specimens when found in an archeological context. Such objects shall be directly associated with human behavior and activities.

"(b)(1) Any proclamation for reservation of public lands as national monuments by the President pursuant to section 2 of this Act in excess of 5,000 acres shall be transmitted to the Congress. Such proclamation shall not become effective unless within sixty calendar days of continuous session of the Congress after the proclamation has been transmitted, the Senate and the House of Representatives pass a concurrent resolution approving such proclamation.

"(2) For purposes of this section—

"(A) continuity of sessions of Congress is broken only by an adjournment sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day calendar period.

"(C) the term 'resolution' means a concurrent resolution, the resolving clause of which is as follows: "That the House of Representatives and Senate approve the proclamation by the President reserving public lands as the National Monument submitted to the Congress on 19 .'; the blank spaces therein shall be filled with proper name of the National Monument which corresponds to a legal land description available for public inspection and with the date on which the President submits his proclamation to the Congress.

"(3) Except as otherwise provided in this section, the provisions of section 8(d) of the Alaska Natural Gas Transportation Act shall apply to the consideration of such resolution."

(b) Such Act is further amended by adding at the end thereof the following new section:

"SEC. 5. Notwithstanding any other laws or regulations, any uses of the public lands included within any monument proclaimed under this Act validly occurring at the time of creation of the monument shall be permitted to continue to the extent that the uses do not destroy, disturb, or otherwise adversely impact on the historic or prehistoric sites or specimen to be protected by the establishment of the national monument. Such uses may include hunting, guiding, hiking, boating, and use of motorized vehicles.

"Nothing in this paragraph shall be construed as limiting in any way valid existing rights of owners or holders of property or claims within any monument under existing law."

(c) The provisions of subsection (d) of the first section of such Act of June 8, 1906, as added by this section, shall be deemed to have taken effect as of October 14, 1978, and any proclamation proclaiming a monument under such Act and after October 14, 1978, shall be subject to the provisions of such subsection (d).

FEDERAL LAND POLICY AND MANAGEMENT ACT OF 1976 AMENDMENT

SEC. 3. Section 204(c)(1) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2753: 43 U.S.C. 1714) is amended by striking out the second sentence and inserting in lieu thereof the following sentence: "The withdrawal shall become effective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such proposed withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House approves the withdrawal."

SUMMARY OF PROPOSED AMENDMENTS TO THE ANTIQUITIES AND FEDERAL LAND POLICY AND MANAGEMENT ACTS

(1) The bill requires that any proposal to create a monument greater than 5,000 acres be submitted to Congress for approval by joint resolution under expedited procedures similar to those under the Alaska Natural Gas Transportation Act. The bill would be retroactive to October 14, 1978 (the date the 95th Congress adjourned) in order to include the monuments created in Alaska December 1, 1978. The 5,000-acre provision conforms to the limits of the discretionary authority granted the Secretary of the Interior for land classification decisions under the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act").

(2) The bill provides that land uses validly occurring at the time a monument was established would not be prohibited unless they directly impact historic or archaeological sites or remains. Thus, an activity such as hunting, which is prohibited automatically under current law, would be permitted to the extent it did not impair the values for which the monument was established.

(3) The bill defines "objects of historic or scientific interest" as used in the Antiquities Act to include only historic, archaeological remains associated with human behavior. The intent of this definition is to limit the President's use of the Antiquities Act to protect only areas of unique historic or archaeological value, not fish and wildlife, scenic, recreational or wilderness areas. We have other laws relating to establishment of these areas.

(4) The bill amends the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act") to provide more direct positive congressional review of administrative land withdrawals. The Act now enables the Secretary of the Interior to withdraw any amount of land for up to 20 years subject to a congressional veto under expedited procedures. The Secretary currently proposes to use this authority (section 204(c)) in Alaska to create 12 new wildlife refuges of approximately 40 million acres. This bill would make such action effective only after congressional approval by joint resolution under expedited procedures.

THE "EMERGENCY"

Under the terms of section 17(d)(2) of the Alaska Native Claims Settlement Act, the Secretary of the Interior was authorized to withdraw up to 80 million acres of land from all appropriations for potential addition to either the national park, wildlife refuge, forest, or wild and scenic rivers system. If Congress did not act before December 16, 1978, these withdrawals would lapse.

However, at the time the (d)(2) withdrawals were made, the lands were also withdrawn under section 17(d)(1) of the Claims Act. After the December 16, 1978 deadline expired, the "D-1" withdrawals provided the same protection to the land as that occurring under section 17(d)(2). There is no expiration date for the D-1 withdrawals. In addition, most other federal land in Alaska is withdrawn under the D-1 authority.

In a letter sent prior to the December 16 expiration date to solicit public comments on a draft Environmental Impact Statement analyzing several possible administrative actions—including possible use of the Antiquities Act—Cynthia Wilson, Special Assistant to the Secretary, stated:

Although the Administration is confident that the protective land withdrawals which will remain after the expiration of "D-2" withdrawals in December are capable of continuing to preclude the entry, location or selection of the national interest lands, the lands are so significant to the nation that prudence dictates that they be protected as fully as possible under existing executive branch authorities, pending final congressional action.

Despite the protection afforded by D-1, the Secretary withdrew approximately 110 million acres of land in Alaska under the provisions of section 204(e) of the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act") on November 16, 1978. This section of FLPMA authorizes the Secretary to make "emergency" withdrawals of public land from all forms of entry and appropriation for a period of up to three years. This withdrawal affected virtually all the lands under consideration by the Congress during the past session.

Yet, even with this action, which duplicated protection already provided by D-1, the Secretary urged the President to proclaim 56 million acres of land as national monuments under the 1906 Antiquities Act. These national monuments are not just temporary withdrawals until Congress acts, they are permanently designated conservation system units with extremely restrictive land use policies. In particular, such areas are closed to sport hunting, trapping, and related guiding. In Alaska this affects hundreds of people who have had their livelihoods wiped out with the stroke of a pen. Hunting guides, trappers, miners, air taxi operators and recreationists have all been displaced. They are essentially "regulated out" of these vast areas.

Thus, the use of the Antiquities Act can only be viewed as an extreme abuse of power designed to punish and intimidate those who oppose the Administration's proposals for the use of Alaska land.

ANTIQUITIES ACT PROVISIONS

The Antiquities Act was originally intended to prevent the removal of artifacts and further destruction of archaeological sites in the Southwest. It gives the President authority to withdraw "historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest" as national monuments. The law further provides that the land withdrawn "shall be confined to the smallest area compatible with the proper care and management of the objects to be protected." In a floor colloquy on the bill in the House in 1906, the following exchange took place:

Mr. STEPHENS of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. LACEY. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. STEPHENS of Texas. Would it be anything like the forest preserve bill, by which seventy or eighty million acres of land in the United States have been tied up?

Mr. LACEY. Certainly not. The object is entirely different. It is to preserve these old pueblos in the Southwest, whilst the other reserves the forests and the water resources.

Mr. STEPHENS of Texas. I hope . . . this bill will not result in locking up other lands.

The areas which were designated monuments in Alaska have long been studied and acclaimed by the Interior Department and environmental groups for their scenic, recreational, wilderness, and fish and wildlife values. In only a very few distinct areas have historic or archaeological values been of prime concern. The 56 million acres withdrawn is by no stretch of the imagination the "smallest area" necessary for the "objects" protected.

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16 U.S.C. SEC. 431 (ANTIQUITIES ACT)

§ 431. National monuments; reservation of land; relinquishment of private claims.

The President of the United States is authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected. When such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is authorized to accept the relinquishment of such tracts in behalf of the Government of the United States. (June 8, 1906, ch. 3060, § 2, 34 Stat. 225.)

[REPORT No. 3797]

PRESERVATION OF AMERICAN ANTIQUITIES

REPORT

The Committee on Public Lands, to whom was referred the bill (S. 4698) for the preservation of American antiquities, having had the same under consideration, beg leave to report it back with the recommendation that the bill do pass.

This measure has the hearty support of the Archeological Institute of America, the American Anthropological Association, the Smithsonian Institution, and numerous museums throughout the country, and in view of the fact that the historic and prehistoric ruins and monuments on the public lands of the United States are rapidly being destroyed by parties who are gathering them as relics and for the use of museums and colleges, etc., your committee are of the opinion that their preservation is of great importance.

This bill is carefully drawn, and the committee are unanimously in favor of its passage.

[REPORT No. 2224]

PRESERVATION OF AMERICAN ANTIQUITIES

REPORT

Your committee to whom was referred the bill (H.R. 11016) for the preservation of American antiquities, report the same back with the following amendments:

In line 3, page 1, after the word "shall," insert the words "willfully or wantonly."

In line 9, page 1, after the word "shall," insert "be guilty of a misdemeanor and."

On page 2, at the end of line 14, insert the following proviso: "*Provided further*, That no expense shall be incurred for special custodians under this act."

The various archeological societies of the United States in the Fifty-eighth Congress presented the subject of the enactment of a bill along the lines proposed in the present bill. A full hearing was had on the matter by the Committee on the Public Lands, and a bill was reported to carry out the purpose proposed, but the bill did not receive action in the House in the last Congress.

The bill as above amended will, in the opinion of your committee, accomplish the purpose desired. There are scattered throughout the Southwest quite a large number of very interesting ruins. Many of these ruins are upon the public lands, and the most of them are upon lands of but little present value. The bill proposes to create small reservations reserving only so much land as may be absolutely necessary for the preservation of these interesting relics of prehistoric times.

Practically every civilized government in the world has enacted laws for the preservation of the remains of the historic past, and has provided that excavations and explorations shall be conducted in some systematic and practical way so as not to needlessly destroy buildings and other objects of interest.

The United States should adopt some method of protecting these remains that are still upon the public domain or in Indian reservations. The following-named persons, during the Fifty-eighth Congress, communicated with or appeared before your committee in behalf of this legislation: Prof. Thomas D. Seymour, of Yale University; Charles P. Bowditch, esq., of Boston, Mass.; Prof. Francis W. Kelsey, of the University of Michigan; Prof. Mitchell Carroll, of George Washington University; Dr. A. L. Kroeber, of the University of California; Dr. G. B. Gordon, of the University of Pennsylvania; Prof. M. H. Saville, of Columbia University; Hon. John W. Foster, of Washington, D.C.; Prof. William Henry Holmes, of the Smithsonian Institution; Dr. Henry Mason Baum, president Institute of Historical Research, of Washington, D.C.; Prof. F. W. Putnam, of Harvard University; Prof. Edgar L. Hewett, formerly president of the Normal University of New Mexico; Msgr. Dennis J. O'Connell, rector of the Catholic University of America, and others.

Professor Seymour, of Yale University, president of the Archaeological Institute of America; Mr. Charles P. Bowditch, of the Boston society; Prof. Franz Boas, of the New York society; Miss Alice Fletcher, of the Baltimore society; Mrs. Sara Y. Stevenson, of the Pennsylvania society; Dr. George A. Dorsey, of the Chicago society; Dr. George William Bates, of the Detroit society; Prof. M. S. Slaughter, of the Wisconsin society; Prof. H. N. Fowler, of the Cleveland society; Dr. George Grant MacCurdy, of the Connecticut society; Dr. W. J. McGee, of the Missouri society; Prof. M. Carroll, of the Washington society; Dr. Duren J. H. Ward, of the Iowa society; Hon. H. K. Porter, M.C., of the Pittsburgh society; Mr. Charles F. Lummis, of the Southwest society; Dr. A. L. Kroeber, of the San Francisco society; Mrs. W. S. Peabody, of the Colorado society; Prof. F. W. Putnam, of the Peabody Museum; Mr. W. H. Holmes and Dr. J. W. Fewkes, of the Smithsonian Institution; Hon. J. W. Foster and Dr. Henry Mason Baum, of Washington, D.C.; and Hon. L. Bradford Prince, of Santa Fe, N. Mex.

These gentlemen are men of high character who have given the subject much consideration, and their opinions are entitled to most serious consideration.

Prof. Edgar L. Hewett prepared and presented your committee with a very interesting memorandum on the ruins in Arizona, New Mexico, Colorado, and Utah, which is here incorporated as a part of this report:

PRESERVATION OF AMERICAN ANTIQUITIES

Mr. PATTERSON. I am directed by the Committee on Public Lands, to whom was referred the bill (S. 4698) for preservation of American antiquities, to report it favorably without amendment, and I submit a report thereon. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that any preson who shall appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of the United States without the permission of the Secretary of the Department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined a sum of not more than $500 or be imprisoned for a period of not more than ninety days, or shall suffer both fine an dimprisonment, in the discretion of the court.

Section 2 authorizes the President of the United States, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected, but when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

Permits for the examination of ruins, the excavation of archeologicial sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided*, That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects and that the gatherings shall be made for permanent preservation in public museums.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PRESERVATION OF AMERICAN ANTIQUITIES

House, June 5, 1906.

Mr. LACY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 4698.

The clerk read as follows:

A bill (S. 4698) for the preservation of American antiquities.

Be it enacted, etc., That any person who shall appropriate, excavate, injure, or destroy

any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of the United States, without the permission of the Secretary of the Department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined in a sum of not more than $500 or be imprisoned for a period of not more than ninety days, or shall suffer both fine and imprisonment, in the discretion of the court.

SEC. 2. That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected: *Provided*, That when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

SEC. 3. That permits for the examination of ruins, the excavation of archaeological sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided*, That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects, and that the gathering shall be made for permanent preservation in public museums.

SEC. 4. That the Secretaries of the Departments aforesaid shall make and publish from time to time uniform rules and regulations for the purpose of carrying out the provisions of this act.

The SPEAKER. Is there objection?

Mr. STEPHENS of Texas. Mr. Speaker, I desire to ask the gentleman whether this applies to all the public lands or only certain reservations made in the bill?

Mr. LACEY. There is no reservation made in the bill of any specific spot.

Mr. STEPHENS of Texas. I think the bill would be preferable if it covered a particular spot and did cover the entire public domain.

Mr. LACEY. There has been an effort made to have national parks in some of these regions, but this will merely make small reservations where the objects are of sufficient interest to preserve them.

Mr. STEPHENS of Texas. Will that take this land off the market, or can they still be settled on as part of the public domain?

Mr. LACEY. It will take that portion of the reservation out of the market. It is meant to cover the cave dwellers and cliff dwellers.

Mr. STEPHENS of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. LACEY. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. STEPHENS of Texas. Would it be anything like the forest-reserve bill, by which seventy or eighty million acres of land in the United States have been tied up?

Mr. LACEY. Certainly not. The object is entirely different. It is to preserve these old objects of special interest and the Indian remains in the pueblos in the Southwest, whilst the other reserves the forests and the water courses.

Mr. STEPHENS of Texas. I will say that that bill was abused. I know of one place where in 5 miles square you could not get a cord of wood, and they call it a forest, and by such means they have locked up a very large area in this country.

Mr. LACEY. The next bill I desire to call up is a bill on which there is a conference report now on the Speaker's table, which permits the opening up of specified tracts of agricultural lands where they can be used, by which the very evil that my friend is protesting against can be remedied. It is House bill 17576, which has passed both bodies, and there is a conference report for concurrence as to one of the details upon the Speaker's table.

Mr. STEPHENS of Texas. I hope the gentleman will succeed in passing that bill, and this bill will not result in locking up other lands. I have no objection to its consideration.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to a third reading, read the third time, and passed.

On motion of Mr. LACEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

[Public Law 94-579—Oct. 21, 1976]

FEDERAL LAND POLICY AND MANAGEMENT ACT OF 1976

An act to establish public land policy; to establish guidelines for its administration; to provide for the management, protection, development, and enhancement of the public lands; and for other purposes.

WITHDRAWALS

SEC. 204. (a) On and after the effective date of this Act the Secretary is authorized to make, modify, extend, or revoke withdrawals but only in accordance with the provisions and limitations of this section. The Secretary may delegate this withdrawal authority only to individuals in the Office of the Secretary who have been appointed by the President, by and with the advice and consent of the Senate.

(b)(1) Within thirty days of receipt of an application for withdrawal, and whenever he proposes a withdrawal on his own motion, the Secretary shall publish a notice in the Federal Register stating that the application has been submitted for filing or the proposal has been made and the extent to which the land is to be segregated while the application is being considered by the Secretary. Upon publication of such notice the land shall be segregated from the operation of the public land laws to the extent specified in the notice. The segregative effect of the application shall terminate upon (a) rejection of the application by the Secretary, (b) withdrawal of lands by the Secretary, or (c) the expiration of two years from the date of the notice.

(2) The publication provisions of this subsection are not applicable to withdrawals under subsection (e) hereof.

(c)(1) On and after the dates of approval of this Act a withdrawal aggregating five thousand acres or more may be made (or such a withdrawal any other withdrawal involving in the aggregate five thousand acres or more which terminates after such date of approval may be extended) only for a period of not more than twenty years by the Secretary on his own motion or upon a request by a department or agency head. The Secretary shall notify both Houses of Congress of such a withdrawal no later than its effective date and the withdrawal shall terminate and become ineffective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House does not approve the withdrawal. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reported, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(2) Within the notices required by subsection (c)(1) of this section and within three months after filing the notice under subsection (e) of this section, the Secretary shall furnish to the committees—

(1) a clear explanation of the proposed use of the land involved which lead to the withdrawal;

(2) an inventory and evaluation of the current natural resource uses and values of the site and adjacent public and nonpublic land and how it appears they will be affected by the proposed use, including particularly aspects of use that might cause degradation of the environment, and also the economic impact of the change in use on individuals, local communities, and the Nation;

(3) an identification of present users of the land involved, and how they will be affected by the proposed use;

(4) an analysis of the manner in which existing and potential resource uses are incompatible with or in conflict with the proposed use, together with a statement of the provisions to be made for continuation or termination of existing uses, including an economic analysis of such continuation or termination;

(5) an analysis of the manner in which such lands will be used in relation to the specific requirements for the proposed use;

(6) a statement as to whether any suitable alternative sites are available (including cost estimates) for the proposed use or for uses such a withdrawal would displace;

(7) a statement of the consultation which has been or will be had with other Federal departments and agencies, with regional,

State, and local government bodies, and with other appropriate individuals and groups;

(8) a statement indicating the effect of the proposed uses, if any, on State and local government interests and the regional economy;

(9) a statement of the expected length of time needed for the withdrawal;

(10) the time and place of hearings and of other public involvement concerning such withdrawal;

(11) the place where the records on the withdrawal can be examined by interested parties; and

(12) a report prepared by a qualified mining engineer, engineering geologist, or geologist which shall include but not be limited to information on: general geology, known mineral deposits, past and present mineral production, mining claims, mineral leases, evaluation of future mineral potential, present, and potential market demands.

(d) A withdrawal aggregating less than five thousand acres may be made under this subsection by the Secretary on his own motion or upon request by a department or an agency head—

(1) for such period of time as he deems desirable or a resource use; or

(2) for a period of not more than twenty years for any other use, including but not limited to use for administrative sites, location of facilities, and other proprietary purposes; or

(3) for a period of not more than five years to preserve such tract for a specific use then under consideration by the Congress.

(e) When the Secretary determines, or when the Committee on Interior and Insular Affairs of either the House of Representatives or the Senate notifies the Secretary, that an emergency situation exists and that extraordinary measures must be taken to preserve values that would otherwise be lost, the Secretary notwithstanding the provisions of subsections (c)(1) and (d) of this section, shall immediately make a withdrawal and file notice of such emergency withdrawal with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives. Such emergency withdrawal shall be effective when made but shall last only for a period not to exceed three years and may not be extended except under the provisions of subsection (c)(1) or (d), whichever is applicable, and (b)(1) of this section. The information required in subsection (c)(2) of this subsection shall be furnished the committees within three months after filing such notice.

(f) All withdrawals and extensions thereof, whether made prior to or after approval of this Act, having a specific period shall be reviewed by the Secretary toward the end of the withdrawal period and may be extended or further extended only upon compliance with the provisions of subsection (c)(1) or (d), whichever is applicable, and only if the Secretary determines that the purpose for which the withdrawal was first made requires the extension, and then only for a period no longer than the length of the original withdrawal period. The Secretary shall report on such review and extensions to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate.

(g) All applications for withdrawal pending on the date of approval of this Act shall be processed and adjudicated to conclusion within fifteen years of the date of approval of this Act, in accordance with the provisions of this section. The segregative effect of any application not so processed shall terminate on that date.

(h) All new withdrawals made by the Secretary under this section (except an emergency withdrawal made under subsection (e) of this section) shall be promulgated after an opportunity for a public hearing.

(i) In the case of lands under the administration of any department or agency other than the Department of the Interior, the Secretary shall make, modify, and revoke withdrawals only with the consent of the head of the department or agency concerned, except when the provisions of subsection (e) of this section apply.

(j) The Secretary shall not make, modify, or revoke any withdrawal created by Act of Congress; make a withdrawal which can be made only by Act of Congress; modify or revoke any withdrawal creating national monuments under the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. 431-433); or modify, or revoke any withdrawal which added lands to the National Wildlife Refuge System prior to the date of approval of this Act or which thereafter adds lands to that System under the terms of this Act. Nothing in this Act is intended to modify or change any provision of the Act of February 27, 1976 (90 Stat. 199; 16 U.S.C. 668dd(a)).

(k) There is hereby authorized to be appropriated the sum of $10,000,000 for the purpose of processing withdrawal applications pending on the effective date of this Act, to be available until expended.

(l)(1) The Secretary shall, within fifteen years of the date of enactment of this Act, review withdrawals existing on the date of approval of this Act, in the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming of (1) all Federal lands other than withdrawals of the public lands administered by the Bureau of Land Management and of lands which, on the date of approval of this Act, were part of Indian reservations and other Indian holdings, the National Forest System, the National Park System, the National Wildlife Refuge System, other lands administered by the Fish and Wildlife Service or the Secretary through the Fish and Wildlife Service, the National Wild and Scenic Rivers System, and the National System of Trails; and (2) all public lands administered by the Bureau of Land Management and of lands in the National Forest System (except those in wilderness areas, and those areas formally identified as primitive or natural areas or designated as national recreation areas) which closed the lands to appropriation under the Mining Law of 1872 (17 Stat. 91, as amended; 30 U.S.C. 22 et seq.) or to leasing under the Mineral Leasing Act of 1920 (41 Stat. 437, as amended; 30 U.S.C. 181 et seq.).

(2) In the review required by paragraph (1) of this subsection, the Secretary shall determine whether, and for how long, the continuation of the existing withdrawal of the lands would be, in his judgment, consistent with the statutory objectives of the programs for which the lands were dedicated and of the other relevant programs. The Secretary shall report his recommendations to the President, together with statements of concurrence or nonconcurrence submitted by the heads of the departments or agencies which administer the lands. The President shall transmit this report to the President of the Senate and the Speaker of the House of Representatives, together with his recommendations for action by the Secretary, or for legislation. The Secretary may act to terminate withdrawals other than those made by Act of the Congress in accordance with the recommendations of the President unless before the end of ninety days (not counting days on which the Senate and the House of Representatives has adjourned for more than three consecutive days) beginning on the day the report of the President has been submitted to the Senate and the House of Representatives the Congress has adopted a concurrent resolution indicating otherwise. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reprinted, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(3) There are hereby authorized to be appropriated not more than $10,000,000 for the purpose of paragraph (1) of this subsection to be available until expended to the Secretary and to the heads of other departments and agencies which will be involved.

PUBLIC LANDS COUNCIL,
Washington, D.C.,
NATIONAL CATTLEMEN'S ASSOCIATION,
Denver, Colo.,
NATIONAL WOOL GROWERS ASSOCIATION,
Washington, D.C.,
JULY 12, 1979.

Senator MIKE GRAVEL,
Dirksen Building,
Washington, D.C.

DEAR SENATOR GRAVEL: A formal note to insure our support for your bill S. 1176, "An Act for The Preservation of American Antiquities."

Please keep us informed as to any action which you feel we could undertake to enhance enactment of this measure.

Sincerely,

RONALD A. MICHIELI,
Director, Government Affairs for Land and Natural Resources-NCA, Executive Director-PLC.

[Western States Legislative Forestry Task Force]

A RESOLUTION RELATIVE TO LIMITING PRESIDENTIAL POWERS UNDER ANTIQUITIES ACT

Whereas, the "property clause" of the U.S. Constitution reserves unto Congress the authority to appropriate federal lands; and

Whereas, the 95th Congress considered legislation directed to appropriation of large quantities of federal lands in Alaska and refused to pass such legislation; and

Whereas, the 96th Congress is again considering such federal land appropriation proposals; and

Whereas, in December of 1978, notwithstanding the appropriate provisions of the U.S. Constitution, acted to declare 17 National Monuments in Alaska totaling some 56 million acres, relying upon provisions of the Antiquities Act of 1906; and

Whereas, the Antiquities Act is intended to grant to the President the authority to

protect "objects of historic or scientific interest" in the "smallest area compatible with the proper care and management of the objects"; and

Whereas, the President in declaring such 17 National Monuments clearly exceeded the authority granted pursuant to the Antiquities Act of 1906 and usurped authority reserved to Congress; and

Whereas, the Secretary of Interior withdrew an additional 40 million acres of federal lands in Alaska as wildlife refuges in reliance upon authority granted the Secretary of Interior by the BLM Organic Act with respect to emergency situations; and

Whereas, the action of the Secretary of Interior was precipitous and not for the purpose of dealing with a true emergency; and

Whereas, the actions of the President and his Secretary of Interior resulting in the incredibly large federal land withdrawals have caused substantial harm to many Alaskans as well as clouding the ability of our nation to realize important energy and mineral potential contained in such lands; and

Whereas, the Congress may remedy the harm caused by the precipitous acts of the President and the Secretary of the Interior

Now, Therefore, Be It Resolved that the Western States Legislative Forestry Task Force does hereby support legislation that would:

1. Require any proposal to create National Monuments aggregating more than 5000 acres of federal land located in any one state be submitted to Congress for approval by joint resolution under expedited procedures similar to those under the Alaska Natural Gas Transportation Act; and

2. Provide that land uses validly occurring at the time a National Monument is established will not be prohibited unless they directly impact historic or archaeological sites or remains; and

3. Define "objects of historic or scientific interest" as used in the Antiquities Act of 1906 to include only historic, archaeological remains associated with human behavior; and

4. Provide more direct, positive congressional review of administrative land withdrawals

Be It Further Resolved that the Executive Director be and he is hereby authorized and directed to forward copies of this Resolution to the President of the United States, the Secretary of Interior, the Congressional Delegations and Governors of the Task Force member states.

Upon motion by Representative Oral Freeman of Alaska, seconded by Senator Lowell Peterson of Washington, the foregoing Resolution was unanimously passed and adopted by the Western States Legislative Forestry Task Force at a regular meeting thereof on March 26, 1979, held in the Rayburn House Office Building in Washington, D.C.

RICHARD A. ROBYN,
Executive Director.

RESOLUTION

Be it Resolved by the House of Representatives:

Whereas the vast areas of land in Alaska withdrawn under the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976 by the President of the United States and the Secretary of the Interior far exceed any reasonable concern for the temporary protection of the land until such time as Congress can dispose of it as provided for in 17(d)(2) of the Alaska Native Claims Settlement Act of 1971; and

Whereas the 1906 Antiquities Act was originally intended to protect archaeological sites in the Southwest, and not to close large tracts of land to exploration for and development of oil, gas, minerals, and other natural resources; and

Whereas the effect of creating 17 national monuments in Alaska, covering approximately 56,000,000 acres under the 1906 Antiquities Act, and withdrawing approximately 40,000,000 acres under sec. 204(c) of the Federal Land Policy and Management Act of 1976, not only prevents the exploration for and utilization of natural resources for the benefit of the whole Nation, but also blocks access to adjacent areas which have high natural resources potential; and

Whereas it makes no sense that while the Nation is experiencing a continuing and increasing dependency on foreign oil at great cost, and frequently from unstable and unreliable foreign sources, the Nation should foreclose opportunities for development of energy resources and non-fuel minerals at home; and

Whereas a majority of the American public favors exploration for energy resources within federal wilderness areas;

Be it resolved that the Alaska House of Representatives wholeheartedly supports proposed legislation presently being circulated in Congress that would curb the powers of the President of the United States and of the Secretary of the Interior to arbitrarily withdraw federal land under the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976 without Congressional approval; and be it

Further resolved that the Alaska House of Representatives favors an amendment to the 1906 Antiquities Act to require that the creation of any national monument in excess of 5,000 acres under the Act be approved by Congress by concurrent resolution; and be it

Further resolved that existing land uses, including hunting, mining, guiding, hiking, boating, and use of motorized vehicles, not impacting the historic or archaeological sites or remains for which a national monument was created under the 1906 Antiquities Act, be allowed to continue; and be it

Further resolved that a more precise definition of "objects of historic or scientific interest" as used in the 1906 Antiquities Act be required to avoid having almost any land proclaimed a national monument; and be it

Further resolved that sec. 204(c) of the Federal Land Policy and Management Act of 1976 be amended to require Congressional approval for administrative land withdrawals instead of the existing Congressional veto.

Copies of this resolution shall be sent to the Honorable Jimmy Carter, President of the United States; the Honorable Cecil D. Andrus, Secretary of the Interior; the Honorable Henry S. Jackson, Chairman of the Senate Committee on Energy and Natural Resources; the Honorable Morris K. Udall, Chairman of the House Committee on Interior and Insular Affairs; the Honorable John B. Breaux, Chairman of the House Subcommittee on Fisheries and Wildlife Conservation and the Environment; the Honorable John M. Murphy, Chairman of the House Committee on Merchant Marine and Fisheries; the members of the Special Task Force on Alaska Lands; John W. Katz, Special Counsel to the Governor of Alaska on (d)(2) Lands; Earl Miller, President of the Citizens for the Management of Alaska Lands; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Mr. GRAVEL. The distinguished chairman of the Parks and Recreation Subcommittee, Senator BUMPERS, has most graciously offered to hold hearings on S. 1176 in the near future and I would hope that the issues I have raised here could be thoroughly examined by the committee at that time. I am sure that they also will come to the conclusion that the 1906 Antiquities Act has been greatly abused and that changes are required most expeditiously.

I would just like to state that I am very grateful to the floor managers for this opportunity to present my thoughts on this legislation. The efforts of my staff have been coordinated with those of the staff of the Senator from Arkansas, and I believe the minority as well, to seek a date for hearings on the bill that I had introduced (S. 1176).

Apparently, those hearings have been scheduled tentatively for the 13th of September. I wonder if there has been a final decision made on that. It was my hope originally to couple my efforts with this legislation, but this legislation has moved along faster than I could have my legislation move. Obviously, this bill before us has merit and should go forward. But I am deeply concerned that we can arrive at some focus on this other legislation for a lot of reasons, not the least of which, Mr. President, is that the President is misusing the law.

For those Senators who want to avail themselves of the information, I am placing in the RECORD a colloquy that took place in 1976 between Mr. Stephens and Mr. Lacey where they talked about the intent of the Antiquities Act. It is very clear that the intent of that act was not to set aside large blocks of Federal domain, but to set aside small sites to protect artifacts, and scientific sites. That use has been totally exaggerated. In fact, I think it would be better if we called it misuse.

In the case of Alaska the Secretary of the Interior and the President of the United States were pressing for passage lands legislation in the Congress and Secretary Andrus and even the President had said repeatedly, "If that legislation does not pass the Congress, we are going to invoke the Antiquities Act." It was a clear threat and had nothing to do with the merits of what that Antiquities Act was intended for; those merits being a protection of a scientific or historic site. When legislation was not effected in the Congress the President of the United States, in my mind, totally breached the law.

His actions are now being litigated by the sovereign State of Alaska, by the Anaconda Co., and a Native corporation of Alaska, all litigating the Federal Government over this abusive use of existing law. It becomes almost ironic that the President would cite that law for the taking of 56 million acres of land in Alaska creating national monuments when in no other part of Federal law can the President unilaterally and permanently take more than 5,000 acres. In this particular case he took 56 million acres. The impact of this and other withdrawals is to take 40 million acres of sedimentary basins out of U.S. inventory of potential oil and gas.

So that you, Mr. President, may understand what 40 million acres of sedimentary basins means in Alaska, the Prudhoe Bay find, which has one-third of all the oil in the U.S. reserve and one-fourth of all the U.S. gas in the U.S. reserve, occupies 190,000 acres. Forty million acres

will be taken out of inventory. Frequently in meetings I have had with the White House staff, we are told, "Even if we had gotten all the money we needed through oil and gas, oil and gas are not out there to be discovered. Therefore, we do not need the money in that area of our economy." What an irony, that they have established a self-fulfilling prophecy by withdrawing this kind of acreage through the specious exercise of a law which was not intended for this purpose.

I thank my colleague from Arkansas for giving me this time. I have essentially stated my piece. My hope is that the committee will grant us the hearing so that the State of Alaska can make its case and so that the Secretary of the Interior can come before the Energy Committee and state his reasons for the use of the Antiquities Act on the scale that it was used in Alaska. I think that would be edifying to the Senator from Arkansas. It would also be edifying to the committee, to the Congress, and to anybody else who is concerned about the misuse of power.

I make that respectful request with regard to those hearings and thank my colleague for the accommodation he has already indicated both publicly and privately to me in this regard.

Mr. BUMPERS. I would say to the Senator from Alaska that we have set September 13 as the date for the hearings I promised him on the Antiquities Act.

Mr. President, I move adoption of the committee amendments to S. 490.

The PRESIDING OFFICER. If there is no further amendment, the question now is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. BUMPERS. Mr. President, I yield back the remainder of my time.

Mr. HATFIELD. Mr. President, I yield back the remainder of my time.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 1825, Calendar No. 252.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1825) to protect archeological resources on public lands and Indian lands, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. BUMPERS. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the language of S. 490, as amended, be inserted in lieu thereof.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 1825), as amended, was passed.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senate bill S. 490 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENSON). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed 30 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business extend for not more than 1 hour and that Senators may speak therein up to 20 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

MESSAGES FROM THE HOUSE

At 10:08 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 976) to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1980.

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 640. An act to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 244. A joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

ENROLLED BILLS SIGNED

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bills:

S. 976. An act to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1980; and

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 3:29 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes, with an amendment; that the House insists upon its amendment and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. WAXMAN, Mr. SATTERFIELD, Mr. PREYER, Mr. BROYHILL, and Mr. CARTER were appointed managers of the conference on the part of the House.

The message also announced that Mr. Boland was appointed a manager of the conference on the part of the House on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4389, an act making appropriations for the Departments of Labor, and Health, Education, Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes, vice Mr. FLOOD, resigned.

At 5:28 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House disagrees to the amendments of the Senate to H.R. 111, an act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MURPHY of New York, Mr. DINGELL, Mr. BOWEN, Mr. HUBBARD, Mr. BONIOR, Mr. WYATT, Mr. ZABLOCKI, Mr. FASCELL, Mr. HANLEY, Ms. HOLTZMAN, Mrs. SCHROEDER, Mr. HARRIS, Mr. MCCLOSKEY, Mr. BAUMAN, Mr. CARNEY, Mr. Mr. BROOMFIELD, Mr. DERWINSKI, and Mr. FISH were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the following joint

resolution, in which it requests the concurrence of the Senate:

H.J. Res. 244. A joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 168. A concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979, and a recess of the Senate from August 3 to September 5, 1979.

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read twice by its title and referred as indicated:

H.J. Res. 244. A joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on July 30, 1979, he presented to the President of the United States the following enrolled bill:

S. 976. An act to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1980.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

S. 885. A bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes (Rept. No. 96-272).

By Mr. LONG, from the Committee on Finance, with an amendment:

S. 566. A bill to authorize a targeted fiscal assistance program for payment to local governments requiring fiscal relief, an antirecession fiscal assistance program, and for other purposes (Rept. No. 96-273).

By Mr. LONG, from the Committee on Finance, with an amendment and an amendment to the title:

S. 1204. A bill to strengthen and improve medicaid services to low-income children and pregnant women, and for other purposes (Rept. No. 96-274).

By Mr. LONG, from the Committee on Finance, without amendment:

S. Res. 213. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 566. Referred to the Committee on the Budget.

By Mr. PELL, from the Committee on Rules and Administration:

S. Res. 170. A resolution to require documentation for reimbursements out of Senators' official office expense accounts from the contingent fund of the Senate (Rept. No. 96-275).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Charles William Duncan, Jr., of Texas, to be Secretary of Energy.

(The above nomination from the Committee on Energy and Natural Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. JACKSON. Mr. President, I am today filing the report of the Committee on Energy and Natural Resources on the President's nomination of Charles W. Duncan, Jr., to be Secretary of Energy. The committee unanimously recommends that the Senate confirm Mr. Duncan for this critical job. The committee held hearings on Mr. Duncan's nomination this morning and concluded by recommending approval by a 17 to 0 vote.

As a member of the Committees on Armed Services, I participated in Mr. Duncan's confirmation hearings for his present position. I was impressed at that time by his record of accomplishment in private industry. Since then, Mr. Duncan has performed well at the Department of Defense.

The broad array of programs administered by the Department of Energy, many of which are highly controversial, present a management challenge of the highest order. The Secretary of Energy must be both capable and credible. Mr. Duncan's background indicates that he has the capablity to meet that challenge.

I ask unanimous consent that a biographical sketch of Mr. Duncan be printed in the RECORD at this point.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

Charles William Duncan, Jr., Deputy Secretary of Defense, nominated by President Jimmy Carter, January 13, 1977, confirmed by U.S. Senate, January 31, 1977, took oath of office same day at the Pentagon; born in Houston, Tex., September 9, 1926; son of Mr. and Mrs. Charles William Duncan, Sr., of Houston, Tex.; attended public schools in Houston; B.S., chemical engineering, Rice University, 1947; 2 years of graduate study in management, University of Texas; roustabout and chemical engineer, Humble Oil & Refining Co.; served in U.S. Army Air Corps in World War II; joined Duncan Coffee Co., predecessor of Duncan Foods Co., 1948; elected administrative vice president, 1957; president, 1958; elected to the Coca-Cola Co. board of directors when Duncan Foods Co. merged into the Coca-Cola Co., 1964; lived in London, England, for 3 years and had responsibility for the company's European operation; elected executive vice president of Coca-Cola Co., May 1970; elected president, November 1971; resigned in May 1974 to return to Houston; held following positions and board memberships when nominated Deputy Secretary of Defense: chairman and director, Rotan Mosle Financial Corp.; board of directors: A.P.S., Inc., Coca-Cola Co., Great Southern Corp., Southern Railway System; advisor-director, Texas Commerce Bank Shares, Inc.; Advisory Council, Trust Co. of Georgia; member, vice chairman, Rice University; board of trustees: Rice University, St. John's School, Texas Children's Hospital, all of Houston, Tex.; Emory University, Atlanta, Ga.; board of directors: Houston Chamber of Commerce, Rice Center of Community Design and Research, Houston Symphony Society; board of visitors, Cancer Foundation, University of Texas; married to the former Anne Smith; two children: Charles William Duncan III, 19; Mary Anne, 17.

ORDER FOR JOINT REFERRAL—S. 1574

Mr. FORD. Mr. President, I ask unanimous consent that a bill introduced by the Senator from Oklahoma (Mr. BELLMON), S. 1574, to amend the Food, Drug, and Cosmetic Act, the Federal Alcohol Administration Act, to provide for health warning labels on alcoholic beverages, which was referred to the Committee on Labor and Human Resources, be re-referred jointly to the Committee on Labor and Human Resources and the Committee on Commerce, Science, and Transportation, with instructions that when ordered reported by the Committee on Labor and Human Resources, the Committee on Commerce, Science, and Transportation then have 20 days in which to report the bill.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—this request has been cleared with the majority, the minority, and the committee chairmen?

Mr. FORD. The Senator is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DANFORTH (for himself, Mr. ARMSTRONG, Mr. BAKER, Mr. BELLMON, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. GARN, Mr. GOLDWATER, Mr. HATCH, Mr. HATFIELD, Mr. HAYAKAWA, Mr. HEINZ, Mr. HELMS, Mr. HUMPHREY, Mr. JAVITS, Mr. JEPSEN, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LUGAR, Mr. MATHIAS, Mr. MCCLURE, Mr. PACKWOOD, Mr. PERCY, Mr. PRESSLER, Mr. ROTH, Mr. SCHMITT, Mr. SCHWEIKER, Mr. SIMPSON, Mr. STAFFORD, Mr. STEVENS, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, Mr. WARNER, Mr. WEICKER, and Mr. YOUNG):

S. 1597. A bill to amend the Internal Revenue Code of 1954 to provide for the economic stimulation of the economy through increased savings and investment; to the Committee on Finance.

By Mr. NELSON (for himself, Mr. EXON, Mr. MOYNIHAN, Mr. BAUCUS, Mr. HOLLINGS, Mr. LEAHY, Mr. NUNN, Mr. TALMADGE, Mr. COCHRAN, Mr. COHEN, Mr. RANDOLPH, Mr. EAGLETON, Mr. ROTH, Mr. JAVITS, Mr. CHILES, Mr. STONE, Mr. GOLDWATER, Mr. SCHMITT, Mr. BELLMON, Mr. MCGOVERN, Mr. ZORINSKY, Mr. SARBANES, Mr. LUGAR, Mr. DANFORTH, Mr. WILLIAMS, Mr. STEWART, Mr. DOLE, Mr. HAYAKAWA, Mr. DECONCINI, Mr. LEVIN, Mr. PACKWOOD, Mr. GRAVEL, Mr. DURENBERGER, Mr. DOMENICI, Mr. BENTSEN, Mr. HATFIELD, Mr. PRESSLER, Mr. BRADLEY, Mr. STONE, and Mr. HUDDLESTON):

S. 1598. A bill specifying the period within which contributions, equivalent to social security taxes, should be made by States having in effect agreements for social security coverage of State and local employees under Section 218 of the Social Security Act; to the Committee on Finance.

By Mr. GRAVEL:

S. 1599. A bill entitled the Federal Water Projects Financing Act of 1979; to the Committee on Environment and Public Works, with instructions that if and when reported then it be referred to the Committee on Energy and Natural Resources for 15 calendar days exclusive of periods when the Senate is out for more than 3 days.

By Mr. KENNEDY (for himself, Mr. BELLMON, Mr. BAKER, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. COCHRAN, Mr. CRANSTON, Mr. CULVER, Mr. DANFORTH, Mr. DOMENICI, Mr. DURKIN, Mr. HELMS, Mrs. KASSEBAUM, Mr. MCCLURE, Mr. METZENBAUM, Mr. NELSON, Mr. RANDOLPH, Mr. RIEGLE, and Mr. SIMPSON):

S. 1600. A bill to amend the Higher Education Act of 1965 to strengthen and improve the student loan programs so as to assure the availability of funds to students to attend the institution of higher education of their choice, to strengthen the procedures for the repayment of such loans, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SASSER:

S. 1601. A bill to assure that the Department of Energy Organization Act collects and compiles sufficient and timely information from oil companies with which to monitor a steady supply of needed crude oil and derived products; to the Committee on Energy and Natural Resources.

S. 1602. A bill to provide for the appointment by the President of a Special Investigator of Petroleum Fuels Shortages; to the Committee on Governmental Affairs.

By Mr. GRANSTON (for himself, Mr. NELSON, Mr. RIEGLE, Mr. JACKSON, Mr. BURDICK, Mr. LEVIN, Mr. TSONGAS, Mr. GOLDWATER, Mr. WEICKER, Mr. DANFORTH, Mr. HAYAKAWA, Mr. WARNER, Mr. DECONCINI, Mr. PERCY, and Mr. JAVITS):

S.J. Res. 99. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on the Judiciary.

By Mr. SASSER:

S.J. Res. 100. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DANFORTH (for himself, Mr. ARMSTRONG, Mr. BAKER, Mr. BELLMON, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. GARN, Mr. GOLDWATER, Mr. HATCH, Mr. HATFIELD, Mr. HAYAKAWA, Mr. HEINZ, Mr. HELMS, Mr. HUMPHREY, Mr. JAVITS, Mr. JEPSEN, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LUGAR, Mr. MATHIAS, Mr. MCCLURE, Mr. PACKWOOD, Mr. PERCY, Mr. PRESSLER, Mr. ROTH, Mr. SCHMITT, Mr. SCHWEIKER, Mr. SIMPSON, Mr. STAFFORD, Mr. STEVENS, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, Mr. WARNER, Mr. WEICKER, and Mr. YOUNG):

S. 1597. A bill to amend the Internal Revenue Code of 1954 to provide for the economic stimulation of the economy through increased savings and investment; to the Committee on Finance.

(The remarks of Mr. DANFORTH when he introduced the bill appear earlier in today's proceedings.)

By Mr. NELSON (for himself, Mr. EXON, Mr. MOYNIHAN, Mr. BAUCUS, Mr. HOLLINGS, Mr. LEAHY, Mr. NUNN, Mr. TALMADGE, Mr. COCHRAN, Mr. COHEN, Mr. RANDOLPH, Mr. EAGLETON, Mr. ROTH, Mr. JAVITS, Mr. CHILES, Mr. STONE, Mr. GOLDWATER, Mr. SCHMITT, Mr. BELLMON, Mr. MCGOVERN, Mr. ZORINSKY, Mr. SARBANES, Mr. LUGAR, Mr. DANFORTH, Mr. WILLIAMS, Mr. STEWART, Mr. DOLE, Mr. HAYAKAWA, Mr. DECONCINI, Mr. LEVIN, Mr. PACKWOOD, Mr. GRAVEL, Mr. DURENBERGER, Mr. DOMENICI, Mr. BENTSEN, Mr. HATFIELD, Mr. PRESSLER, Mr. BRADLEY, and Mr. HUDDLESTON):

S. 1598. A bill specifying the period within which contributions, equivalent to social security taxes, should be made by States having in effect agreements for social security coverage of State and local employees under section 218 of the Social Security Act; to the Committee on Finance.

STATE SOCIAL SECURITY DEPOSIT ACT OF 1979

Mr. NELSON. Mr. President, today I am introducing a proposal to allow States to deposit social security contributions related to the employment of State and local employees within 30 days following the end of the calendar month in which covered wages are paid.

Presently, State and local governments and their employees are covered under the social security system through agreements entered into between the Federal Government and the States. Liability for the collection and payment into the Treasury of contributions for local government employees as well as State government employees rests with each State. Payments from local entities are made by the locality to the State which, in turn, is responsible for assuring the correctness of those payments and depositing them with the Treasury.

Currently States deposit their social security contributions four times a year, 45 days after the end of each calendar quarter. However, on November 20, 1978, the Department of Health, Education, and Welfare published final regulations designed to require more frequent deposits.

Under the new regulations which become effective July 1, 1980, deposits will be required within 15 days following the end of the first and second months in a calendar quarter and 45 days following the close of the third month in the quarter.

As chairman of the Social Security Subcommittee, I conducted a hearing on January 29, 1979, to examine the impact of the new HEW regulations on State and local governments and on the social security trust funds.

HEW and the State witnesses offered entirely different views as to the impact of the new depository regulations on State and local governments, both financially and administratively. In particular, there was a significant difference between each side's estimate of the amount of interest income State and local governments would lose as a result of the new regulations and whether these governments would incur an increase in paperwork and administrative costs.

HEW argued that the continuation of the quarterly deposit system would permit the States to retain about $200 million a year in interest income which HEW contends should go to the social security trust funds. Commissioner Ross testified that even under the new regulations, the States would continue to earn some $75 million in interest income, more than enough to offset any increase in the States' administrative costs. He also said that if the States employed more efficient collection procedures, they should have no difficulty in complying with the new 15-day deposit schedule.

State witnesses alleged they could not possibly comply with the new deposit schedule. They testified they would need a minimum of 22 working days following the end of each month to deposit their social security contributions. The States also challenged HEW's estimate of the amount of interest income the States would continue to earn under the new regulations. State witnesses did not offer their own estimate of continued interest earnings, but they indicated their administrative costs would increase by $5 million a year.

After reviewing the hearing record, I am convinced the present quarterly deposit schedule should be changed. There is no justification for allowing the States to retain some $200 million a year in interest income at the expense of the social security trust funds. This is far in excess of what is needed by the States to cover their reporting and collection expenses. However, any change in the schedule must be reasonable and must take into account the administrative problems and costs the States and municipalities incur.

State governments have taken great care over the years to verify the accuracy of payments made for each social security participant. They have maintained highly accurate records in the reporting of earnings on which social security benefits are calculated. Based upon hearings and extensive discussions with State and local representatives, 15 days is simply not enough time to allow verification of reports from the hundreds of thousands of cities, towns, and local school districts participating in the social security program.

A 30-day deposit schedule would be a fair compromise between HEW's proposal and the present quarterly system. Representatives of State and local governments agree they can meet this 30-day schedule.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1598

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That (a) this Act may be cited as the State Social Security Deposit Act of 1979.

(b) subparagraph (A) of section 218(e)(1) of the Social Security Act is amended to read as follows:

"(A) that the State will pay to the Secretary of the Treasury, within the 30-day period immediately following the last day of each calendar month, amounts equivalent to the sum of the taxes which would be imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 if the services for which wages were paid in such month to employees covered by the agreement constituted employment as defined in section 3121 of such Code; and.

(c) The amendment made by subsection (b) shall be effective with respect to the payment of taxes (referred to in section 218(e)(1)(A) of the Social Security Act, as amended by subsection (b)) on account of wages paid on or after July 1, 1980.

(d) The provisions of section 7 of Public Law 94-202 shall not be applicable to any regulation which becomes effective on or after July 1, 1980, and which is designed to carry out the purposes of subsection (b) of this Act.●

● Mr. STEWART. Mr. President, I am pleased to join with the Senator from Wisconsin (Mr. NELSON) and others in introducing the State Social Security Deposit Act of 1979. This bill will permit States to deposit social security contributions from State and local employees within 30 days following the end of the month in which covered wages are paid.

Mr. President, this legislation is a response to the Department of Health, Education, and Welfare regulations that will require States to make deposits within 15 days following the end of the first and second months within 45 days after the close of the quarter. These regulations will result in administrative chaos for State and local governments. It would also increase the cost to State and local governments of participating in the social security system.

I believe that the Social Security Deposit Act of 1979 is a responsible alternative to those regulations. This bill represents a compromise between the existing deposit scheme whereby States make quarterly deposits and the HEW proposed deposit scheme. This bill would insure that States make timely deposits of social security contributions, yet it would not impose unreasonable time constraints on them. It would permit States to make their deposits without disrupting their existing administrative mechanisms and procedures.

Mr. President, I urge my colleagues to support this legislation. It is an opportunity for us to show our concern for and responsiveness to the needs of our State and local governments while maintaining the fiscal integrity of the social security trust fund.●

By Mr. GRAVEL:

S. 1599. A bill entitled the "Federal Water Projects Financing Act of 1979"; to the Committee on Environment and Public Works, and if and when reported, then to the Committee on Energy and Natural Resources for 15 calendar days, exclusive of periods when the Senate is out of session for more than 3 days, by unanimous consent.

FEDERAL WATER PROJECTS FINANCING ACT OF 1979

Mr. GRAVEL. Mr. President, today I am introducing legislation proposed by the President to implement cost sharing reforms for Federal water projects in accordance with his message to the Congress of June 6, 1978.

The proposed bill would apply to projects constructed by the Bureau of Reclamation, the Corps of Engineers, the Soil Conservation Service, and the Tennessee Valley Authority.

States would be required to commit at the front end of project development 10 percent of project costs attributable to vendible outputs. States would be responsible for 5 percent of the project costs attributable to nonvendible outputs, such as flood control, navigation, and fish and wildlife protection. The committed financing share would be spent on a pro rata basis, directly proportionate to Federal expenditures.

The legislation would impose a "cap" on a State's contribution of one-quarter of 1 percent of its general revenues per project per year, thus protecting small States.

In addition to contributing to project costs, States would receive a 10-percent share of revenues derived from sales of water and power. Again, they would be paid back on the same schedule and proportion as is the Federal agency.

In cases where more than one State would benefit from a project, the home State would serve as agent and obtain cost contributions from other benefiting States.

The proposed bill would also standardize cost-sharing for localities in the construction of flood protection projects. Currently, localities are responsible for 20 percent of the cost of nonstructural flood control projects and land, easements and rights-of-way for structural projects. The legislation would equalize cost sharing for all local flood control projects at 20 percent. This would eliminate a bias toward structural flood control solutions prompted by the possibility of the Federal Government assuming a greater share of the project cost.

The State share under this proposal is considerably lower than some of the options suggested in December 1977 by the administration task force on cost-sharing established among the Federal agencies during the President's water resources policy review.

The legislation is not primarily intended to alleviate the burden on the Federal budget. The major objective is that the State's responsibility for the kind of projects, their dimensions and timing be decidedly increased.

In January, I had the opportunity to review a draft of the President's cost-sharing proposal. At that time, I felt the draft proposal was unworkable. I made my concerns known to the administration and was assured those concerns would be addressed. Considerable reworking of the draft followed.

The final proposal demonstrates the cooperative attitude with which these major issues were resolved. I commend President Carter and his administration for this attitude. I am pleased with the final proposal which was transmitted to the Congress. Cost sharing, or joint financing, of major Federal water projects is an idea which has been recommended for years, and it is clearly time now to consider it actively, and move a workable plan forward. The administration's bill is a good place to begin. This is not to say, however, that all of my concerns or the concerns of my colleagues have been satisfied. Nevertheless, I feel the President's proposal can be worked with as a basis for the development of cost-sharing legislation which will be acceptable to both the President and the Congress.

In March I joined 23 Senators in support of Senate Resolution 83, relative to national water resources policy. That resolution expressed "the sense of the Senate" that water resources policies developed by the executive branch should be implemented through congressional action.

Many have indicated that they "support the concept" of cost sharing, but the time has now come to put the support into practical and positive terms. I believe the administration has provided us with a reasonable beginning, and it is my intention to move forward to develop a final program based on many of their concepts.

I personally feel the most positive feature of this legislation is that relating to local flood protection. This proposal would replace existing local flood control cost-sharing requirements by requiring local entities to pay for 20 percent of project costs allocated to flood control no matter how the flood control is achieved, whether by structural or nonstructural means and no matter which agency does the construction. This change in flood control cost sharing follows the 20-percent rule now established in section 73 of Public Law 93-251, the Water Resources Development Act of 1974 which concerns cost sharing by nonstructural means. The local entities responsible for the 20-percent payment would be allowed to provide lands, easements, and rights-of-way—or a combination of both—to meet the requirement. This improvement in local cost sharing would be separate and apart from the State cost sharing established by the bill.

I would urge my colleagues in the Congress to review the President's proposal on cost sharing and would welcome their comments and recommendations regarding this legislation.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1599

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Federal Water Projects Financing Act of 1979."

DECLARATION OF POLICY

SEC. 2. It is hereby declared to the intent of Congress that States should have a greater involvement in decisions affecting the development and management of water and related land resources, and an increased responsibility in the financing of Federal and Federally-assisted water projects and programs, and that the conflicting rules governing cost sharing for flood damage reduction should be reconciled; therefore, the Congress hereby establishes new financing, cost and revenue sharing levels for various project purposes.

DEFINITIONS

SEC. 3. For the purpose of this Act:

(a) The term "project" means a land acquisition or construction activity which is financed, wholly or in part, from appropriated funds by the Corps of Engineers of the Department of the Army, the Bureau of Reclamation of the Department of the Interior, the Tennessee Valley Authority, or the Soil Conservation Service of the Department of Agriculture, as an independent unit or a separable addition to an existing facility within a specified area for the conservation, utilization, control, development, or management of water and related land resources.

(b) The term "non-Federal entity" means a State or any public entity now existing or henceforth created under State law or interstate compact, or any private entity, having authority to contract with the Federal Government in the implementation of a project.

(c) The term "State" means a State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam or the Northern Mariana Islands.

(d) The term "agent State" means a State in which a project is wholly or partially located.

(e) The term "vendible outputs" means the beneficial products, services, or activities listed below:

1. Agricultural water supply—the provision of water, including storage, distribution, and drainage facilities, for the production of agricultural commodities.

2. Municipal and industrial water supply—the provision of water, including storage facilities, for domestic, municipal and industrial uses, including all other uses except agriculture.

3. Hydroelectric power—the provisions for production of electricity by converting the energy of flowing water, including Federal transmission and marketing facilities.

(f) The term "in kind" means those lands, easements, rights-of-way, relocations and other real property interests necessary to and a part of a project.

(g) The term "implementation" means all planning and development activities occurring subsequent to authorization of a project for construction and which are necessary to produce the intended products, services, or activities. It does not include operation and maintenance of a project.

(h) The term "financing share" means the division among Federal entities and States of those funds necessary for implementation of a project.

(i) The term "cost share" is differentiated from financing share in that cost shares may be satisfied by in kind contributions or by monetary contributions over time in lieu of cash payments at the time that costs are incurred.

(j) The term "revenue sharing" means the division among Federal entities and States of net operating revenues from vendible outputs of a project.

(k) The term "net operating revenues" means gross receipts from vendible outputs less all operation and maintenance costs allocated to vendible outputs.

STATE FINANCING AND REVENUE SHARING FOR VENDIBLE AND NONVENDIBLE PROJECT OUTPUTS

SEC. 4. (a) Participation by the Corps of Engineers of the Department of the Army, the Bureau of Reclamation of the Department of the Interior and the Tennessee Valley Authority in the acquisition of land for, or construction of a Federal water resource project shall be contingent upon the receipt of a binding commitment from one or more of the agent States to fund the total State financing share consisting of:

(1) Ten percent of all implementation costs allocated to vendible outputs as defined in Section 3(e); and (2) 5 percent of all implementation costs allocated to nonvendible outputs, except as limited by subsection (b) below.

(b) For each project subject to the requirements of subsection (a) an agent State's annual financing share is not to exceed ¼ of 1 percent of its general revenues in the State's fiscal year preceding the fiscal year in which financing share payments are required.

(c) The total State financing share as required by subsection (a) shall be determined by the Federal agency responsible for the project. The State's share shall be paid to the Federal Government by the agent State or States and contributions to defray this requirement in whole or in part may be made by other benefiting States to an agent State. If an agent State does not wish to contribute, with its consent, other States may contribute the required total State financing share.

(d) The State financing share described in subsection (a) through (c) of this section shall be based on the amount of Federal obligations for the project for each fiscal year commencing with the initiation of land acquisition or construction, whichever comes first. Payments of such share shall be made to the Treasury of the United States no later than 6 months after the end of the fiscal year in which such Federal funds have been obligated and shall be credited to miscellaneous receipts. Federal obligations for implementation activities carried out prior to initiation of land acquisiton or construction shall be treated as if they occurred during the year in which land acquisition or construction funds were first obligated.

(e) A share of the net operating revenues from the sale of vendible outputs of a project affected by this act shall be paid annually to each agent State participating in the financing of the project. The State's share of net operating revenues for each project shall be determined by the Federal agency responsible for marketing the project's vendible outputs pursuant to the guidelines promulgated by the Water Resources Council under section 6. Each State's share of net operating revenues shall bear the same ratio as that State's share in financing of project implementation as specified in this section. This sharing shall continue as long as revenues are produced by the project.

(f) There are hereby authorized to be appropriated to each agency responsible for a project such sums as may be necessary to carry out subsection (e) of this section.

NON-FEDERAL ENTITY COST SHARES FOR FLOOD DAMAGE REDUCTION

SEC. 5. (a)(1) Participation by the Corps of Engineers of the Department of the Army, the Bureau of Reclamation of the Department of the Interior, the Soil Conservation Service of the Department of Agriculture and the Tennessee Valley Authority in the acquisition of land or the construction of a project to reduce flood damages shall be contingent upon the receipt from one or more non-Federal entities of a binding commitment for payment of a total of 20 percent of structural or non-structural project implementation costs allocated to flood damage reduction. The cost sharing requirement is in addition to the financing requirements of Section 4 and supersedes all other costs sharing requirements for implementation of flood damage reduction projects.

(2) The non-Federal payment required by this Section may be made in cash or in kind (i) prior to commencement of project construction, (ii) during project construction, or (iii) in annual installments if the non-Federal entity enters into a binding contract with the United States Government to pay its proportionate share of implementation costs in not to exceed 10 annual installments beginning with commencement of project construction. When the Federal Government finances the required non-Federal cost share for a project, such financing shall have the effect of a loan, and the amount of such financing shall be repaid by the non-Federal entity on an annual basis and at the rate of interest determined by the Secretary of the Treasury for each fiscal year, beginning with the fiscal year in which project construction commences. The interest rate for each fiscal year shall be determined by the Secretary of the Treasury taking into consideration the average market yield during the month preceding the beginning of each fiscal year on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum. The computation shall be made as of the first day of each fiscal year, and the rate thus computed shall be used during the succeeding 12 months.

(b) The requirements of subsection (a) in excess of lands, easements and rights-of-way and relocations may be waived in whole or in part in the case of temporary services or facilities provided under existing emergency legislative authorities.

(c) For purposes of this section the 20 percent non-Federal entity cost share may include any combination of monetary and in kind contributions.

GUIDELINES AND REGULATIONS

SEC. 6. To ensure uniformity among the Federal agencies in implementing this Act, the Chairman of the Water Resources Council shall promulgate, within ninety days of enactment of this legislation, guidelines for the Federal agencies' rules necessary to implement this Act. Each of the responsible agencies shall promulgate final rules to implement this Act no later than one-hundred eighty days after its enactment.

WRITTEN AGREEMENT

SEC. 7. After the date of enactment of this Act, a written contract must be entered into between the appropriate Federal department or agency and non-Federal entities prior to initiation of land acquisition or construction specifying the financing, revenue and cost sharing arrangements for each project affected by this Act. Each written agreement shall provide that in the event an agent State does not remit its current cost or financing share, as provided in section 4, for any project to which it is a party, all implementation activities on that project within such State and subject to the requirements of this Act shall be terminated at the earliest practicable date, as determined by the appropriate Federal entity, until such time as the obligations of the State are made current.

TERMS OF THE ACT

SEC. 8. The provisions of this Act shall be applicable to all projects authorized after the date of enactment of this Act.

VOLUNTARY STATE CONTRIBUTIONS

SEC. 9. Voluntary State financing, as described in section 4, of projects authorized prior to enactment of this Act is authorized and encouraged to assist Federal authorities in setting priorities in the implementation of projects previously authorized but for which no construction funds have been appropriated.

INDEPENDENT AND SEPARATE REQUIREMENTS

SEC. 10. The financing and cost sharing requirements of sections 4 and 5, respectively, shall each be separate from and in addition

to the other; and, except as provided in subsection 5(a), both shall be in addition to other cost and financing sharing required of non-Federal entities by law or administrative practice.

CHANGES TO EXISTING LAW

SEC. 11. Existing provisions of law and administrative rules which are in conflict with this Act are hereby repealed or superseded to the extent of such conflicts.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. GRAVEL, that the bill introduced by Mr. GRAVEL to implement cost-sharing reforms for Federal water projects, in accordance with the President's message to Congress, or any bill dealing with costsharing for water resources development projects which affects Bureau of Reclamation projects, when reported by the Committee on Environment and Public Works, be referred to the Committee on Energy and Natural Resources for a period of 15 calendar days, exclusive of any period for which the Senate is in recess or adjournment for more than 3 days.

I understand this has been cleared with the Energy Committee and with the minority.

Mr. TOWER. That is my understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. KENNEDY (for himself, Mr. BELLMON, Mr. BAKER, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. COCHRAN, Mr. CRANSTON, Mr CULVER, Mr. DANFORTH, Mr. DOMENICI, Mr. DURKIN, Mr. HELMS, Mrs. KASSEBAUM, Mr. MCCLURE, Mr. METZENBAUM, Mr. NELSON, Mr. RANDOLPH, Mr. RIEGLE, and Mr. SIMPSON):

S. 1600. A bill to amend the Higher Education Act of 1965 to strengthen and improve the student loan program so as to assure the availability of funds to students to attend the institution of higher education of their choice, to strengthen the procedures for the repayment of such loans, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL STUDENT LOAN REFORM ACT

Mr. KENNEDY. Mr. President, I send a bill to the desk, on behalf of myself, Senator BELLMON, and others, and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. KENNEDY. Mr. President, today I am introducing, for myself and Senator BELLMON, as well as Senators BAKER, CRANSTON, BOSCHWITZ, BUMPERS, COCHRAN, CULVER, DANFORTH, DOMENICI, DURKIN, HELMS, KASSEBAUM, MCCLURE, METZENBAUM, NELSON, RANDOLPH, RIEGLE, and SIMPSON, the National Student Loan Reform Act of 1979.

Mr. President, as a member of the Education Subcommittee since I have come to the U.S. Senate, I have reviewed and worked on a variety of education programs.

I have seen the needs of young people, needs which must be answered. I have seen the needs of their parents, needs which must be answered. And, I have seen the needs of our country for a better educated people—needs which must be answered.

We believe that this particular program, Mr. President, is going to offer new opportunities to young Americans to attend college. It is going to strengthen educational opportunity for millions of Americans who today are denied that opportunity because they have been denied the financing for it. And by strengthening this opportunity we strengthen our country.

The legislation introduced today will help us achieve our objectives and will do so at the same cost as the present student loan programs.

This program is good for the student. It is good for their parents. It is good for higher education. And it is financially sound.

Mr. President, it has been a pleasure to have the opportunity to work with the distinguished Senator from Oklahoma (Mr. BELLMON) on this legislation. I welcome the opportunity to work closely with him and our cosponsors when the Senate Education Subcommittee will consider the higher education legislation this fall in a series of hearings.

Enactment of this legislation will strengthen higher education.

Mr. President, the bill we are introducing today will improve the Federal higher education loan effort, an effort which is an important part of the way in which we help our society to become better educated.

The legislation contains the following features:

It assures the availability of loans to all students who need them;

It assures an amount which will let all students go to college and will let those students go to the college of their choice;

It will make payback mechanisms more flexible so that students will not be suddenly overburdened just as they graduate, when their incomes tend to be lower;

It will take the loan collection burdens off of the colleges and will cut down on defaults by placing collection responsibility in banking agencies; and

It will provide a supplemental loan program for parents of college students who are not able to meet the expected family contribution.

This legislation will cost the same amount as the current collection of student loan programs, which it is reforming: The national direct student loans, the guaranteed student loans and the federally insured student loan programs. There will be no additional cost to the Treasury.

Mr. President, the education of our students cannot be a game of chance; the repayment of loans to the Government cannot be a game of chance. Yet, now, students do not know if they will find a loan to go to school. Yet, now, students do not know if they will get enough to go to school. Yet, now, we do not employ the most effective ways of collecting those loans.

Under the legislation we are submitting today, a regular process will be set up, so that students can know they will get a loan they need, know that it will cover the difference between a reasonable contribution and the cost of going to school—and the Government can know that it is going to be repaid.

I hope that we can incorporate the measure proposed today in the higher education programs which will be reauthorized in the coming months.

The legislation proposed today would work as follows:

The Student Loan Marketing Association (Sallie Mae), a currently existing institution, would expand its activities. It will raise funds through the Federal Financing Bank for dispersal, through the State education agencies, to colleges and universities. The financial aid officers at the campuses would, in turn, provide a loan to every college student who needs one. Need, and the top amount of the loan would be determined by this formula:

First. Cost of going to college—tuition, room and board, fees, books, et cetera,

Minus second. Scholarship and other aid (such as work study funds) granted to the student.

Minus third. A reasonable parental contribution, as figured in the manner in which the contribution is figured for the basic education opportunity grant program.

For instance, if a student goes to a school whose costs are $5,000, and he has a scholarship for $1,000 and a parental contribution of $1,000, he could take a loan of up to $3,000.

Such loans would be due after the student graduated from college or graduate school. They would be payable at 7 percent interest, but no interest would accrue during the time that the student is an undergraduate, nor would interest accrue for undergraduate loans while the student is in graduate school.

The State agencies and Sallie Mae would be responsible for collection of the loans. They would be able to consolidate various loans that the student had taken into one repayment. They would also be able to provide optional repayment terms to the student—adjusting the time repayment for the size of the loan, graduating the repayment schedule, and providing for much lower payments where a student's income is low.

The legislation would also provide a new program for parents. They would be able to borrow an amount of up to the parental contribution from private lenders. This loan would be guaranteed by the Federal Government. Parents would pay the Treasury rate minus 1 percent, while the banks would get the special allowance for these loans that they now get under the guaranteed student loan program.

We need to take this step to assure access to higher education for all the young people of our country. We will allow students to go to college when and where they want—and to repay the loans when they are able.

Mr. President, I ask that the background and explanation statement, as well as the sectional summary of the bill, be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

EXHIBIT 1

THE NATIONAL STUDENT LOAN REFORM ACT

BACKGROUND AND EXPLANATION

I. What are the current programs that this program would replace:

Currently, the federal government provides loan aid to students in institutions of higher education through two main means.

First, it provides loan guarantees and subsidies to private lenders to enable them to lend their funds to students. This is the Guaranteed Student Loan Program (GSL). This is the largest federal program. Private lenders choose which college students will receive loans. A loan of up to $2,500 is made. The student repays the loan, after graduation, at 7 percent interest. The federal government guarantees the loan, and provides the lender interest calculated at the Treasury rate plus 3.5 percent. Thus, during the time that the student is in school, the government pays the lender all of the interest which is due; when the student begins repaying, the government pays the difference between 7 percent and the Treasury rate plus 3.5 percent.

The second government program is the National Direct Student Loan Program (NDSL). This provides capital contributions to institutions of higher education. These institutions make backup loans for students who need more money for school than they have been able to get elsewhere. The availability of these loans is very limited, and the loans are much smaller than under the GSL program, averaging $700.

II. What are the advantages of the New legislation over the current programs:

The new legislation provides a program which contains the following advantages over the current programs:

LOAN ASSURANCE

The Guaranteed Student Loan program cannot assure to a prospective college student that he or she will get a loan, which may be necessary before the student can go to the college of his choice, or to college at all. In certain regions of the country, like the west, few banks participate. In certain cycles in the economy, such as the current period, competing demands for capital make loans difficult to obtain in many places. And in all regions and in all cycles, banks have an incentive to loan to better credit risks and those who are more likely to establish other relationships with the bank. Some 70 percent of the loans are made to those who have a prior relationship with the bank.

The NDSL program has limited funds and provides no assurance to students. At 2,700 of the 6,000 institutions which award Federal grants, no student can obtain any NDSL loan.

Under the proposal introduced today, students would be assured that they will get a loan to cover their needs, at all eligible institutions, regardless of region, point in the economic cycle, or poorer economic background.

LOAN AMOUNT

Neither the GSL nor the NDSL program assure that the funds which are provided are related to the need of the student. Under the GSL program, private lenders can usually lend up to $2,500 to anyone, in any economic circumstance—but no more than that to anyone. Nor need it lend any particular amount to anyone. The amount of the NDSL loan is usually much smaller, around $700, and depends upon the amount of the funds available at a particular time at the particular institution and the demands of other students.

Under the proposal introduced today, the financial aide officer will systematically determine an amount available to the student and this amount will cover the student's needs. The formula will be: Cost of attendance at the institution, minus scholarship and other aid, and also minus a reasonable parental contribution.

LOAN PAYBACK

Both the Guaranteed Student Loan and the NDSL programs have straight mortgage payback provisions. The loan is paid, at the respective interest rates, over a ten year period, in equal installments. The rigidity of this schedule places burdens on the students as they are just entering the work world. Those burdens place a great weight on the student who tries to meet them; they contribute to student defaults.

Under the proposal introduced today, the borrower will be able to choose among repayment options. If he chooses, he may repay more of the loan at a time when he is better able to do so. The time to repay will be larger if the loan is larger. The student will be able to graduate repayments over the course of time. Repayments will be lower if the student is earning little money; repayment will be cancelled upon death or total disability.

DEFAULTS

GSL loans are fully guaranteed by the government. NDSL loans are collected by educators rather than financial specialists. These factors contribute to a relatively high default rate. In the GSL program the rate is 10 percent; in the NDSL program it is 17 percent.

Under the proposal introduced today, collection for all loans will be placed in the hands of the state agencies, or, where there is no state agency, or the state agency does not handle such functions, in the hands of Sallie Mae. Experienced financial specialists and collection specialists should reduce the default rate.

PARENTAL PROGRAM

Neither the GSL nor the NDSL programs provide funds for parents of college students. Parents are expected to make a contribution to their children's education. But, often they are unable to come up with this contribution.

Under the proposal introduced today, Sallie Mae will guarantee private lender loans to parents for up to the contribution, and will provide a subsidy to the lenders to make these loans. Lenders should be more willing to lend to parents, who will usually receive smaller amounts than do students under the current programs and who are usually more permanent residents in the community.

CAMPUS FOCUS

The main aid program, the GSL program, is administered off-campus. By putting student loan programs on campus, we give a greater opportunity for the student to receive counseling by the college financial aid officer. We make it easier to consolidate all loans into one repayment schedule.

III. How Will The New Program Work:

A) The program for students would work as follows:

The Student Loan Marketing Association (Sallie Mae), a currently existing institution, would expand its activities. It will raise funds through the Federal Financing Bank for dispersal, through the state education agencies, to colleges and universities. The financial aid officers at the campuses would, in turn, provide a loan to every college and graduate student who needs one. Need, and the top amount of the loan would be determined by this formula:

(1) Cost of going to college (tuition, room and board, fees, books, etc.),

Minus (2) Scholarship and other aid (such as Work Study funds) granted to the student,

Minus (3) A reasonable parental contribution, calculated in the manner in which the contribution is figured for the Basic Education Opportunity Grant program.

For instance, if a student goes to a school whose costs are $5,000, and he has a scholarship for $1,000 and a parental contribution of $1,000, he could take a loan of up to $3,000.

Such loans would be due after the student graduated from college or graduate school. They would be payable at 7% interest, but no interest would accrue during the time that the student is an undergraduate, nor would interest accrue for undergraduate loans while the student is in graduate school.

The state agencies and Sallie Mae would be responsible for collection of the loans. They would be able to consolidate various loans that the student had taken into one repayment. They would also be able to provide optional repayment terms to the student—adjusting the time repayment for the size of the loan, graduating the repayment schedule, and providing for much lower payments where a student's income is low.

B) The program for parents would work as follows:

Parents would be able to borrow an amount of up to the parental contribution from private lenders. This loan would be guaranteed by the federal government. Parents would pay the Treasury rate minus one percent, while the banks would get the "special allowance" for these loans that they now get under the Guaranteed Student Loan Program.

IV. What Will The New Program Cost:

The new program will cost the same amount as the existing programs. Currently, the federal government spends $1.3 billion for existing programs. This is made up of a $970 million expenditure for the GSL program and a $329 million expenditure for the NDSL program.

Improvements can be made without increasing costs for the following reasons:

First, students who borrow under the NDSL program currently repay loans at 3 percent interest. This amount is far below the cost of money to the government and below the 7 percent rate charged under the GSL program. The new proposal would charge all students 7 percent.

Second, the government today pays a heavy subsidy to private lenders to lend under the GSL, the primary program. They receive the Treasury bill rate plus 3.5 percent and only 7 percent of this is paid by the student. The new proposal shifts the lending to the campuses, and uses the Federal Financing Bank rather than private lenders. The government will only pay the difference between 7 percent and the Treasury rate. The new parental program will be smaller than the current GSL program, and in addition, each loan under it will require a smaller subsidy.

Third, the new program should cut defaults. Such defaults in the NDSL program now total over $700 million.

Fourth, in some instances, where the need is less than the current NDSL ceiling, the loan might be smaller than the current subsidized loan.

V. What Will Happen to Independent Students:

Independent students will be expected to provide a reasonable amount from "self-help" to replace the parental contribution. Such self-help might come from summer or school term jobs. Independent students would be able to borrow an amount to make up for the self-help expectation. This amount will be available at the campus, but will be repaid at the rate available to parents in the parental loan program. Such students would continue to get their basic loans at the same rate as that paid by other students, 7 percent.

VI. What Role Will the State Education Agencies Have:

State agencies, which enter into contractual relations with Sallie Mae, will distribute funds to institutions, monitor and audit student loan activity, collect loans, provide information and assistance to students, parents and institutions, and facilitate bank participation in the parental loan program.

VII. What Is the Legislative Timetable:

The higher Education programs—loans, scholarships and institutional aid—are up for reauthorization in this Congress. The House Subcommittee on Post-Secondary Education has been holding hearings on the reauthorization and will continue those hearings this week. The Senate Subcommittee on Education will hold hearings in the fall.

The authors of the proposal introduced today intend to incorporate the National Student Loan Reform Act of 1979 into the higher education reauthorization which emerges from Congress.

EXHIBIT 2

SECTIONAL SUMMARY

Section 1: Short Title: National Student Loan Reform Act.

Section 2: Statement of Purpose.

To ensure capital availability for student loans by strengthening the campus-based direct loan program.

To adjust repayment schedules, and otherwise improve collection procedures, to make repayment sensitive to ability to repay and to reduce the default rate.

To guarantee loans to eligible borrowers so as to facilitate providing the expected family contributions (or, in the case of independent students, the expected self-help contribution) to the cost of higher education.

Section 3: Amends existing student loan legislation.

A. Phases out existing student loan programs, terminating the authority to make loans under those programs six months after the date of enactment; and

B. The Student Loan Marketing Association (Sallie Mae) is converted to a non-profit corporation. The Federal Government will purchase the existing shareholders' equity. Sallie Mae's powers are expanded, so that it becomes a direct lender to students—in the case of the campus-based program; and it becomes the guarantor of loans made to eligible borrowers—in the case of the bank-based program.

SUBPART I

Authorizes the Association (Sallie Mae) to enter into agreements with eligible institutions, for the purpose of making low-interest loans to students in need, to pursue their course of study.

A. The agreement shall provide that the Association will make payments to eligible institutions.

B. Institutions shall make loans available to all eligible students.

C. The Association shall receive, in return for such payments, notes or other evidence of loans to eligible students orginated by the institution.

D. The Association shall manage cash flow, to minimize the accumulation of the funds not needed immediately for student loans.

Loans must be made subject to such forms, conditions, limitations and requirements as the Association shall prescribe by regulation.

A. Loan amount equals:

Cost of attendance minus the aggregate of . . .

1. Financial assistance under other titles of this Act (basic education opportunity grants, supplemental education opportunity, and college work study).

2. Scholarships, grants, or other loans.

3. The expected family contribution (or, in the case of independent students, the expected self help contribution).

B. Loans will be made only to students:

1. Who have been accepted for enrollment at an eligible institution—or in the case of students already in attendance, who are in good standing academically.

2. Who are carrying at least one-half the normal academic workload.

C. All loans shall be made in accordance with the following terms and conditions:

1. Repayment begins not more than 9 months after the student ceases to carry at least one-half the normal academic workload, and continues a maximum of 15 years; and

2. Repayment may be either in equal installments, or in graduated installments over the term of the loan, at the option of the borrower; and

3. The loan may be repaid in full, at any time, without penalty, at the option of the borrower; and

4. The interest rate shall be 7 percent.

a. except that no interest shall accrue on loans made for undergraduate education, so long as the student borrower is enrolled at least half-time at an eligible institution.

b. interest shall accrue, for loans made for graduate education only, while the student is in school, but that interest may be deferred until repayment begins.

5. No security, nor cosignor, shall be required—except in the case of a student borrower who is a minor unable under law to enter into a billing agreement.

6. Loans will be cancelled, in the case of death of the borrower.

7. Repayment is not required while the student is in school; or for up to three years while the borrower is in the armed forces, is a Peace Corps volunteer, or is a volunteer under the Domestic Volunteer Act of 1973. These periods of deferral do not count toward the 15 year maximum repayment period.

8. The Association may extend the repayment period, in individual cases, for good cause.

9. For low-income individuals, repayment may be extended to 25 years with payments adjusted to reflect income.

10. Borrowers may be required to pay penalties and bear the cost of collections, in the case of delinquent loans.

There is provision for partial cancellation for each year of service in certain high-priority, low-paid, public service careers, e.g., teachers of disadvantaged students in Title 1 and Head-Start programs, teachers in handicapped programs in public and non-profit schools, members of the Armed Forces in combat.

SUBPART II

Established a guaranteed loan program to enable eligible borrowers to obtain loans, on behalf of students to meet the expected family contribution to the cost of the student's education; and provides for the payment of special allowances to the commercial lending institutions which make such loans.

Loans shall be guaranteed by the Association (Sallie Mae).

Loans under this program can be made only to meet the cost of the expected family contribution.

A. The institution the student is attending must certify to the lender the amount of the expected family contribution; and

B. Loans shall be 100 percent insured.

Terms and Conditions of Insured Loans, under the Act.

A. The student must be enrolled at least half-time and must be in good standing, academically.

B. Loans shall be made without security and without cosigners.

C. Repayment of principal shall be over a period not less than five, nor more than ten years beginning no more than nine months after the student ceases to attend an eligible institution at least half-time.

D. Interest shall accrue and be paid during the entire term of the loan, except that interest payment may be deferred until repayment of principal begins.

E. Principal payments need not be paid, but interest shall accrue and be paid, if the student on whose behalf the loan was made, is enrolled at least half-time in school (including graduate school), or if the student is in a training program for the rehabilitation of the disabled, or (for a period of up to 12 months) if the eligible borrower is seeking and unable to find full-time employment.

F. The Association and lenders shall enter into agreements providing for payments by the Association to the lenders, in the event of death or permanent disability of the borrower—or in the event the borrower is relieved of the obligation to repay the loan through a discharge in bankruptcy.

The Association shall issue certificates of insurance, upon application by an eligible lender, containing such information as the Association may require.

These certificates need not be made separately for each loan, but the Association may issue to a lender a certificate of comprehensive coverage to cover all qualifying loans made by the lender within a specified time period and up to a specified aggregate maximum.

Procedures for recovery by the lender, upon default of an eligible borrower; and definition of recoverable costs.

Establishes the insurance fund.

Proscribes the powers and responsibilities of the Association, including (A) repayment by the Association of loans of bankrupt, deceased, or disabled borrowers; and (B) the payment of special allowances.

Special allowances will equal the Treasury Bill rate minus 3.5 percent minus the difference between the rate for guaranteed loans (in the quarter for which the payment is being made) and the student loan rate (7%).

T − (3.5) − (Parent loan rate − student loan rate) = special allowance.

C. Credit unions may participate as lenders under the program.

D. Definitions section.

E. Terminates lending activity under existing programs 6 months after enactment of this bill.

A. Gives institutions the choice of 4% administrative cost based on College Work Study, plus Supplemental Education Opportunity Grants, plus new loan program—up to a maximum of $350,000; or 4% of Supplemental Grants and College Work Study up to a maximum of $350,000, plus $30 loan origination fee on loans made under the new program.

B. Defines "Association" as Student Loan Marketing Association.

Section 4: Expands Sallie Mae and proscribes the purposes, structure, powers, and functions of the Association.

Sallie Mae may contract with State Guarantee agencies for some or all of the following; and Sallie Mae may compensate the state agencies for services performed by the state agencies under contract.

A. To distribute funds to institutions within the states or multi-state area covered by the contract; and to collect from the institutions notes and other evidence of loans made to eligible students with such funds.

B. To collect loans made to students within the state or multi-state area covered by the contract.

C. To monitor and audit student loan activity at institutions within the area covered by the contract.

D. To provide information and technical assistance to students and to institutions, within the area covered by the contract.

E. To facilitate guaranteed loans to eligible borrowers on behalf of students in the area covered by the contract.

F. For any other functions of the Association, as agreed to by the Association and the state agencies.

The Treasury will purchase the present shareholders' equity in Sallie Mae and the Association is authorized to assume the existing assets (except for the shareholders' equity) and obligations of Sallie Mae.

The obligations of the Association shall constitute general obligations of the United States. The Association may—in consultation with the Secretary of the Treasury—issue notes, debentures, bonds or other obligations, in such amounts as shall be necessary to carry out its functions. The Secretary of the Treasury may direct that such insurance be sold to the Department of the Treasury for its own account or to the Federal Financing Bank.

Proscribes regular audits and reports to Congress and to the President.

Section 5: Transition provisions for winding down the activities of the existing Student Loan Marketing Association—and their assumption, together with expanded responsibilities by the non-profit Sallie Mae.

Section 6: Effective date—October 1, 1980.

Mr. BELLMON. Mr. President, I am very pleased to join the distinguished Senator from Massachusetts in introducing this important legislation. Along with other Members, I have long been convinced that sound spending for education of young people is the wisest investment government can make. This investment includes making funds available to students and their families, to insure that qualified individuals have the financial means to attend institutions of higher education of their choice. I am convinced that neither existing programs, nor tuition tax credits, are the best or most cost-effective way of meeting that objective.

In August last year, both Senator KENNEDY and I introduced bills, each of which would have created student loan banks. At that time, a Germond and Witcover column in the Washington Star, entitled "There are Some Alternatives to 'Free Lunch' Tuition Tax Credit" said of the then separate Bellmon and Kennedy bills:

> Each plan would require initial federal outlays but would replace existing, limited federal loan programs, and in a few years, at least in concept, would be nearly selfsustaining. Each would provide real relief to all taxpayers, middle-class and otherwise, by making the student responsible for his own education.

Mr. President, I ask unanimous consent that the Germond and Witcover article be printed in the RECORD, following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BELLMON. Mr. President, having let Germond and Witcover blow their horns for us, let me point out a few things about the bill we are introducing today. The Kennedy-Bellmon bill is the result of many meetings and hearings Senator KENNEDY and I each held between the end of the last Congress and the convening of this one. It is the result of many hours of thought and discussions, between our staffs—and with many other interested institutions and individuals. It is also the product of compromise. It comes as no surprise, I am sure, to any Member of the Senate that the distinguished Senator from Massachusetts and I do not always see eye to eye on everything. On the other hand, I like to think our different points of view have helped to make this a better bill.

I believe our bill balances the issues of equity and capital availability with concerns about affordability. Under this act, all qualified individuals will be able to borrow the funds they need to attend the school of their choice. Repayment terms will be tailored to reflect after-college income—so that people can afford to repay. The expanded Sallie Mae—which under this bill becomes a national student loan bank—will be able to ascertain from the Internal Revenue Service the current addresses and places of employment of borrowers; so collections should improve substantially as compared to existing programs. And, maybe surprising to most of us, preliminary estimates indicate that this bill will cost less than the programs it will replace.

Mr. President, all of our higher education programs are scheduled for reauthorization this year. The chairman of the Education Subcommittee on Labor and Human Resources, Mr. PELL, has assured Senator KENNEDY and me that the subcommittee will hold hearings in the near future on this bill—in conjunction with that reauthorization. I look forward to working with the subcommittee, with the full Labor and Human Resources Committee and with all of my colleagues—and I sincerely hope our efforts will see enactment of this important legislation in time for students to take advantage of the new program during the 1980–81 school year.

As Senators may know, Mr. President, the Education Subcommittees, on both sides of the Hill, are working actively right now—trying to get a bill passed to increase the interest subsidies we pay to banks, under the existing guaranteed student loan program. There are many good things to be said about the programs now in place, but we cannot continue much longer to place ourselves—and our young people in the position of emergency reaction to head off potential shortages of capital to fund loans for higher education. It is a sad but true fact that when capital dries up, it is inevitable that children from low-income families are those who are left out. So long as the existing programs remain in place, this will continue to be a recurring problem.

The solution to this dilemma, Mr. President, is to act—and to act quickly—on this bill. I want to take this opportunity to invite all of our colleagues to join Senator KENNEDY and me in working toward this goal. Also I would like to take this opportunity to thank and commend Carol Cox for the dedicated and creative staff work she has done in working out this bill with members of the staff of Senator KENNEDY.

Mr. President, I commend the distinguished Senator from Massachusetts for the leadership he has given in this field. It has been a pleasure to work with him in developing this proposed legislation, which is a combination of bills introduced separately by Senator KENNEDY and myself during the last session. I believe that, by working together, we have a bill that will gain the support of a majority of the Senate.

EXHIBIT 1

THERE ARE SOME ALTERNATIVES TO "FREE LUNCH" TUITION TAX CREDIT

(By Jack W. Germond and Jules Witcover)

Congress has handed President Carter an ideal vehicle with which to demonstrate his celebrated new "toughness." The Senate's approval of a tuition tax credit, after similar action in the House, calls him on his pledge to veto a proposal that is popular but deserves rejection on several counts.

In a vain attempt to deter the Senate from voting for the tax credit, Sen. Edmund Muskie dug out the old bromide that "there is no such thing as a free lunch." His point was that the taxpayers, as always, would pick up the tab. But the scheme is indeed a free lunch for many middle-to-upper-income American families who send their children to college. At the same time, it offers meager help to lower-income families who really need tuition help. And it is a ripoff of the childless and the elderly who already have sweated to send their kids to school but still pay taxes.

Anyone who is sending a child off to college next month knows that the $250 parents would get in the first year of the Senate plan and the $500 in late 1980 is hardly the answer. Few colleges and universities charge less than $3,500 for tuition, room and board, and in the elite schools such as Harvard it is up to $7,500. So what the tax credit really amounts to is a massage of the middle-class taxpayer by a Congress hellbent on proving that the echoes of California's Proposition 13 tax revolt have been heard along the Potomac.

William Roth, the chief Senate sponsor, argues that for every $100 in aid, 2 to 3 percent more students are able to enroll. That may apply to the lower-tuition colleges, but $500 isn't likely to make a difference for a student accepted at one of the more costly institutions. Not every university is as cheap as Roth's University of Delaware, where tuition is only $940 a year for in-state students and $2,200 for out-of-state students.

The tuition tax credit actually flies in the face of much conservative gospel. According to the Congressional Budget Office, it could add $14 billion to the federal deficit by 1983. It would increase federal support to parochial schools, raising the constitutional question of separation of church and state. And what about the good old conservative doctrine of self-reliance?

Tuition being such a monster, however, it is no longer feasible for many men and women to work their way through college waiting on tables as they did in the old Mickey Rooney movies. So it is clear that some way must be found to assist those qualified students who can't pay the costs themselves, or don't have parents who can.

At least two such schemes are before Congress, but in the pell-mell rush to soothe the middle class, neither is destined to get anywhere soon. One is the proposal of Sen. Henry Bellmon of Oklahoma, a Republican, for a public National Student Loan Bank. The other is a plan for a Tuition Advance Fund sponsored by two Massachusetts Democrats, Rep. Michael Harrington and Sen. Ted Kennedy. Each follows the principle that the student be responsible for his own four-year tuition, to be paid after graduation when he enters the work force.

Bellmon's plan would permit any student to borrow his full tuition, room and board costs regardless of his own or his parents' income. Starting nine months to a year after graduation, he would repay the loan at a low-interest rate, on the basis of 1 percent of his taxable income.

The Harrington-Kennedy bill, the brainchild of Boston University President John Silber, would enable any student to borrow his tuition plus $1,000, up to $5,000 a year. He would repay the loan after graduation at the rate of 2 percent of gross income until he had paid 150 percent of the loan at an interest rate of no more than 3.5 percent.

Each plan would require initial federal outlays but would replace existing, limited federal loan programs, and in a few years, at least in concept, would be nearly self-sustaining. Each would provide real relief to all taxpayers, middle-class and otherwise, by making the student responsible for his own education.

Labor Department statistics have indicated that the average college graduate makes $232,000 more in his lifetime than a nongraduate, so both the incentive and the money are there. If independence and individual enterprise remain sought-after American characteristics, these proposals ought to be popular among the same conservative legislators now clamoring for the free lunch of a tax credit. A Carter veto could be the first step toward serious consideration of such a comprehensive and fair loan program—and, for Jimmy Carter, it might be good politics, as well.

By Mr. SASSER:

S. 1601. A bill to assure that the Department of Energy Organization Act collects and compiles sufficient and timely information from oil companies with which to monitor a steady supply of needed crude oil and derived products; to the Committee on Energy and Natural Resources.

S. 1602. A bill to provide for the appointment by the President of a Special Investigator of Petroleum Fuels Shortages; to the Committee on Governmental Affairs.

● Mr. SASSER. Mr. President, today I am introducing two bills which respond to problems created by the delayed and insufficient information on oil production with which Congress and the public have been supplied. If we are to maintain a consistent policy on energy, we must have current and up-to-date facts.

I have been disturbed to read in recent days that the oil companies are reporting substantial increases in their earnings. Their profits have shot up in the last quarter, with gains ranging up to 132 percent.

The memory of the gasoline shortage during which our Nation was filled with angry motorists fuming in gas lines is still fresh in our minds, and I am outraged to learn of these enormous profits while the Nation was suffering. But, it is some consolation, Mr. President, to have learned immediately of this profit situation. No information was delayed and no statistics were withheld. I may not enjoy what I read, but at least I was kept informed. The oil companies tell us their profits quickly, but not their production statistics.

A few weeks ago, we learned from the news media that production of crude oil in this country had dropped dramatically at the same time that Iran cut off its exports to us. Only a steady flow of domestically produced oil could have warded off a potential shortage. Instead, we lost 22.8 million barrels of crude oil. That supply could have eased the gasoline crunch with an estimated 11.5 million barrels of refined product.

Yet, the people, whose lives were disrupted by the resulting supply shortage, were not informed of the drawdown in production until months after it occurred. Moreover, the Department of Energy, which has the duty to predict and if possible to avoid such national panics, did not learn of the lowered production until spring.

Frankly, I am disturbed about such a delay in discovering and reporting this essential information. I believe the bills which I am introducing today will hasten the process of revealing the truth about our energy situation. I fail to accept further neglect from the Department of Energy in compiling timely statistics.

The monthly reports now published by DOE contain figures which are 3 to 4 months out of date at best. Many of the most recent numbers are based on sources outside DOE and are not independently audited by the Department. The final reports which do emerge contain aggregated figures rather than the company-by-company detail which would allow monitoring of the production procedure.

My first bill requires that DOE meet its responsibility to inform the public about current and future supplies of crude oil. Comprehensive studies on each company's oil supplies, actual capacity, and final output of gasoline, distillates and other petroleum products would be collected monthly for use by the DOE and Congress. This information is necessary for consistent Government policy.

The bill also authorizes DOE to set production schedules after consultation with each company. These reasonable quotas will be based on facts which DOE received. If any company fails to produce at least 95 percent of the agreed amount, the Secretary of the Department may penalize that company by revoking entitlement rights or by suspending mineral leases. These measures are designed to encourage domestic production of oil.

My second bill will create the position of Special Coordinator of Investigations to look into the causes of the fuel shortages. The Departments of Energy and Justice have endlessly delayed a joint study of the crisis. I believe it is imperative to speed along this review, to expedite future investigations, and to establish an investigator who is directly accountable to the people.

Without this information, we can have no control over our energy resources nor over our daily lives. We are left at the mercy of the oil companies who certainly, as we have read, have not suffered much in the past few months.

Finally, I ask unanimous consent that several articles relating to the recent profits of the oil companies and the shortages be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THIS SPRING MOST PROFITABLE FOR OIL INDUSTRY

TEXACO EARNS 132 PERCENT MORE DURING SECOND QUARTER

(By William H. Jones)

Final second-quarter earnings reports by major oil companies yesterday showed that the April–June period this year was the most profitable for those months in industry history.

With Texaco Inc., the third-largest oil firm, posting an increase of 132 percent, and No. 11 Sun Co. reporting an advance of 57 percent, all of the 20 biggest petroleum companies (and 23 of the top 26) had reported second-quarter results by last night.

According to a Washington Post compilation, second-quarter profits of the 23 reporting companies totaled $5.47 billion—an increase of .66 percent over profits of $3.28 billion reported for the same months last year, when oil prices had been depressed by an oversupply of crude oil.

In contrast a Wall Street Journal survey of 367 industrial companies that have reported on second-quarter results showed an average increase of 20.3 percent. Only mining and nonferrous metal businesses reported a larger percentage gain—91.8 percent—than that of the oil industry.

Moreover, Wall Street analysts have forecast that petroleum profits will continue at high levels during the rest of 1979 and for next year, even though national recession will trim most corporate profits.

Although levels of spending for exploration and expansion by oil firms are at record levels, soaring world crude oil prices have brought about sharp increases in the petroleum firms' revenues.

Crude prices of the Organization of Petroleum Exporting Countries are now 60 percent above last December's level, according to a Chemical Bank assessment. And nationwide gasoline retail prices have jumped 40 percent over the same period.

A number of oil company executives noted this week the difference between a higher rate of increase in OPEC prices and other costs than for prices at gasoline pumps. An Exxon official said "we deliberately held back somewhat in our pricing in the first six months. We exercised some restraint."

Shell Oil President John Bookout said that with costs rising so rapidly, it is unlikely that profits from sales of gasoline and other products will be up for the full year. "While gasoline and other refined product prices increased substantially for the first half of the year, price increases have been offset by higher costs and lower volumes . . ." Bookout asserted.

Similarly, Exxon Chairman Clifton Garvin said costs for the recent quarter and six months rose "much more than selling prices." Exxon's second-quarter refining and marketing earnings were less than a half of those in the 1978 period, he added. At the same time, Exxon wrote off some of its investment in the search for oil off New Jersey, in the Atlantic Ocean, and that trimmed reported profits.

With Carter administration pressure being applied on Congress for passage of a "windfall profits" tax, the oil companies have become an obvious target with their glowing earnings statements—even if many of the companies' gains were the result primarily of foreign operations or a substantial recovery from a depressed period last year.

And the controversy is expected to continue because oil profits will benefit in future months from higher domestic crude oil prices, under phased decontrol.

"We think the political rhetoric may get worse but we don't think in the final analysis anything very serious is going to come out of that," said analyst Bill Randol, of Blyth Eastman Dillon, of the tax legislation and proposals to ban non-energy acquisitions by oil firms.

Texaco Chairman Maurice Granville emphasized yesterday that his firm's sharp 1979 profit increase—the greatest among the biggest firms—partly show that earnings last year were "abnormally low."

Second-quarter profits were $365.4 million ($1.35 a share) compared with $157.4 million (58 cents) in the 1978 period, for a gain of 132 percent as sales rose 25 percent to $8.5 billion. Granville noted that Texaco had

earned $222.7 million (82 cents) in the similar 1977 period.

For the first six months, Texaco earnings were up to 105½ percent from last year to $672 million ($2.48 a share) compared with $327 million ($1.21) and sales climbed 22 percent to $17 billion. Granville made these points:

Texaco profits had been reduced in 1978 because of generally weak prices worldwide, inflationary cost increases and large losses from foreign currency translation.

The firm's rate of return on investment was at an annual rate of 6.6 percent in the first half, on total assets of $21 billion. According to government data, the return on assets for all U.S. manufacturing firms last year was 7.9 percent.

Texaco's return on average stockholders' equity (stock investment) in the firm of $9.6 billion was 14 percent; the average return on equity for all manufacturing industries was 16.5 percent last year, not counting petroleum, according to regular Citibank surveys.

"The company's earnings are not excessive in relation to the large and growing amount of funds needed for reinvestment in the business, for capital and exploratory expenditures and for other increasing cash needs," Granville stated. "In the final analysis," only profits can generate such funds, he added.

Sun Co., of Radnor, Pa., said yesterday its second-quarter profits were $158.5 million ($2.74 a share) compared with $101.2 million ($1.74) a year ago, a gain of 57 percent. Sales rose from $1.86 billion to $2.5 billion.

Getty Oil Co., of Los Angeles, said second-quarter profits rose to $139.5 million ($1.70 a share) from $56 million (67 cents), and American Petrofina Inc., of Dallas, reported second quarter earnings of $16.2 million ($1.52) vs. $6.2 million (58 cents).

INDUSTRY SAYS EARNINGS NOT OUT OF LINE

Several major oil companies yesterday followed the industry trend in announcing huge profits for the second quarter of 1979, a time when many drivers were waiting in gas lines.

Mobil, the nation's second largest oil firm, said profits had risen 38 percent in the period. No. 6 ranked Standard Oil of California reported a 61 percent rise; No. 7 ranked Atlantic Richfield announced a 23 percent increase and No. 8 ranked Shell Oil Co. said its profits were up 55 percent in the second quarter.

In addition, Exxon, the nation's largest oil company which announced a 20 percent increase in second quarter profits at the start of the week, yesterday raised its quarterly dividend from 90 cents a share to $1.

The companies listed several reasons for the big increases, including rising prices of gasoline, better results from chemical operations and more profits from overseas operations.

Among the oil company profits announced yesterday:

Mobil said profits rose to $404 million ($1.91 a share) compared with $293 million ($1.38) a year ago. Revenues rose to $10.6 billion from $8.8 billion.

In the first half, Mobil said, income was $841 million ($3.97) compared with $534 million ($2.52). Sales were $21 billion compared with $17.5 billion.

Mobil Chairman Rawleigh Warner Jr. said most of the company's gain came from foreign operations.

Standard Oil of California said its worldwide earnings increased primarily also on the strength of foreign operations offsetting a decline in earnings from domestic petroleum activities.

Net income was $412 million ($2.41) against $256 million ($1.51) a year ago. Sales were $7 billion against $6 billion.

First half profit was $759 million ($4.44) on sales of $13.9 billion compared with $499 million ($2.93) a year ago on sales of $11.7 billion.

Atlantic Richfield attributed its gain primarily to an increase in production and price of oil from Alaska. Strong downstream petroleum markets and an improved chemical business also enhanced earnings.

The company reported a record $260 million in earnings (or $2.12), up from $211 million ($1.73) last year. Sales rose to $3.7 billion from $3.1 billion a year ago.

Earnings for the first six months were $503 million ($4.10) on revenues of $7.2 billion, compared with $361 million ($2.97) on sales of $6.1 billion last year.

Shell credited higher oil and natural gas prices, as well as more sales of chemical products, for its gains. But Shell President John Brookout said rising costs would make it unlikely that the company's profits on sales of gasoline and other products will be up for the year.

In the second quarter, Shell's profits rose from $179 million last year to $277 million in this year's second quarter. Earnings per share climbed from $1.21 to $2.80, and revenues from $2.8 billion to $3.5 billion.

For the first six months, Shell said profits were up 35 percent to $501 million, ($3.27) from $372 million ($2.52). First half revenues totaled $6.5 billion compared with $5.4 billion last year.

Conoco Inc. had quarterly earnings of $215.8 million ($2.01), up 40 percent from $153.8 million ($.43) last year. The ninth-ranked oil company reported sales of $3 billion, compared with $2.5 billion a year ago.

Phillips Petroleum, ranked 11th, had profits of $214.6 million ($1.39), up 44 percent from $149 million (97 cents) last year. Revenues rose to $2.2 billion from $1.7 billion.

For the first half, Phillips' profits were $391.6 million ($2.54) up from $319.8 million ($2.08) last year. Revenues were $4.20 billion compared to $3.47 billion.

Higher prices and greater sales also pushed up profits for Union Oil Co. of California. Union, the nation's 13th largest oil firm, reported quarterly earnings of $128.2 million ($1.48) up 48 percent from $88.6 million (99 cents) a year ago. Revenues rose to $1.9 billion from $1.6 billion.

Sixth month earnings for 1979 were $242.3 million compared to $165.9 million last year. Per share earnings were up to $2.79 from $1.87 last year, and revenues rose to $3.6 billion from $3.1 billion.

Cities Service Co., ranked 16th in the industry, reported a 90 percent jump in second quarter profits over the same period last year.

Quarterly earnings for Cities Service were $76.7 million ($2.77) on revenues of $1.44 billion compared with $40.4 million ($1.45) on revenues of $1.15 billion last year.

First half earnings were $155.2 million ($5.60) on revenue of $2.90 billion compared with $95.7 million ($3.45) on revenue of $2.33 billion last year.●

By Mr. CRANSTON (for himself, Mr. NELSON, Mr. RIEGLE, Mr. JACKSON, Mr. BURDICK, Mr. LEVIN, Mr. TSONGAS, Mr. GOLDWATER, Mr. WEICKER, Mr. DANFORTH, Mr. HAYAKAWA, Mr. WARNER, Mr. DECONCINI, Mr. PERCY, and Mr. JAVITS):

S.J. Res. 99. A joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on the Judiciary.

NATIONAL LUPUS WEEK

● Mr. CRANSTON. Mr. President, today I am introducing a resolution providing for the designation of the week of September 16 through 22, 1979 as "National Lupus Week." This resolution has been introduced each of the last three years by my good friend and colleague GLENN M. ANDERSON, the representative from California's 32d District, and each year I have been happy to facilitate Senate action to agree to action taken in the House on his resolution. This year the Judiciary Committee policy requires a Senate-introduced bill before it will act on a bill designating special weeks such as "National Lupus Week." Once again, I am happy to provide my assistance to my colleague in his efforts to focus national attention on the serious nature of the disease lupus erythematosus and am introducing a bill identical to that reported from the House Post Office and Civil Service Committee. I am delighted to have as cosponsors of this resolution the distinguished Senator from Wisconsin (Mr. NELSON), the distinguished Senator from Michigan (Mr. RIEGLE), the distinguished Senator from Washington (Mr. JACKSON), the distinguished Senator from North Dakota (Mr. BURDICK), the distinguished Senator from Arizona (Mr. DECONCINI), the distinguished Senator from Michigan (Mr. LEVIN), the distinguished Senator from Massachusetts (Mr. TSONGAS), the distinguished Senator from Arizona (Mr. GOLDWATER), the distinguished Senator from Connecticut (Mr. WEICKER), the distinguished Senator from Missouri (Mr. DANFORTH), the distinguished Senator from California (Mr. HAYAKAWA), the distinguished Senator from Virginia (Mr. WARNER), the Senator from Illinois (Mr. PERCY), and the Senator from New York (Mr. JAVITS).

Mr. President, I would like to explain briefly the nature of lupus erythematosus and the intent of the resolution.

Lupus erythematosus is a disease of the connective tissue of the body including the skin. It causes are unknown. It is essentially a disorder of the body's immune system, which is the first line of defense against infection and inflammation anywhere within the body. Its main target is women in the early and young adult age bracket—ages 14 to 40. There may be as many as 500,000 cases in the United States with approximately 50,000 new cases diagnosed each year. The majority of the cases can be effectively treated, however, tragically, lupus causes 5,000 deaths annually.

The intent of the resolution is to help the American Lupus Society, the volunteer organization, make the public aware of the tragedy of lupus erythematosus. The American Lupus Society is a nonprofit organization originally founded in 1973 in California. The purpose of the organization is to assist lupus patients and their families in their fight against the disease, to develop and engage in programs aimed toward making the public aware of lupus, and to raise funds for lupus research and patient care. With a nationally proclaimed week, the chances for success of the voluntary organization's efforts are considerably heightened. A national week gives its members a focus for their efforts to increase public awareness of lupus.

President Carter has designated a National Lupus Week in 1977 and in 1978.

This resolution calls on him to make that designation again in 1979.

I urge my colleagues to support this resolution.●

By Mr. SASSER:

S.J. Res. 100. A joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day"; to the Committee on the Judiciary.

NATIONAL BICYCLING DAY

● Mr. SASSER. Mr. President, today I am reintroducing a joint resolution to authorize the President to proclaim May 1 as National Bicycling Day. I believe the benefits to be derived from bicycling are of such importance that this simple, human-powered machine deserves national recognition.

I introduced a similar resolution last February, which would have authorized the proclamation of May 1, 1979, as National Bicycling Day. That resolution, however, was not considered by the Senate.

I have brought to the Senate's attention on previous occasions a number of facts about bicycling: That there are approximately 92 million bikes in use, compared to 114 million automobiles; that bicycle riding "earns" about 17 cents a mile in energy savings; that the Senate has made a commitment to biking in its authorization of $20 million to be spent on bikeways and bike facilities.

Mr. President, every day one of my distinguished colleagues rises to discuss some aspect of the Nation's energy problem—long gas lines, rising prices, our dependence on oil imports, the need to reconcile our lifestyles with the reality of diminishing energy supplies.

The bicycle represents a viable supplement to motor transport, under certain circumstances. Indeed, it is estimated that some 131 million gallons of gasoline can be saved each year if only 1 percent of all short trips of less than 5 miles are made on a bike, rather than in an automobile.

On May 1, 1979, I participated in a small tribute to the bicycle held just outside the Russell Building, Mr. President. The tribute was in honor of National Bicycling Day, and to kickoff American Bike Month, which has been recognized by American bicycle manufacturers for over 20 years. It is estimated that approximately 105 million Americans in some small way celebrated American Bike Month during May. Mr. President, I ask unanimous consent that my statement, as well as those of Senator JEPSEN, Congressman GLENN ANDERSON, and Mr. Randolph Swart be entered in the RECORD at this time.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JIM SASSER, MAY 1, 1979

I am delighted to have this opportunity to welcome all of you to Washington today for this dramatic exercise in cycling. I appreciate your interest and I appreciate the cooperation from the Bicycle Manufacturers Association and the Washington Area Bicyclists Association.

Bicycling today is growing by leaps and bounds—or I should say by wheels and gears. There are bicycles today that do everything but send up smoke signals at intersections.

With the energy crisis and the emphasis on exercise, bicycling is coming into its own. There are now about 92 million bikes in use in the United States. This compares with 114 million automobiles.

Bicycles are moving up on the cars statistically—and if they keep adding gears—perhaps even on the road.

Bicycling is popular around Capitol Hill. And, if all employees are required to pay for parking on the hill, it will be even more popular.

We may wind up with the most athletic office force in the country before this energy crisis is resolved.

I think it is appropriate that the Congress promote bicycling across the country.

Our Nation will be healthier, our air cleaner and our gasoline consumption lower.

In this connection, I have cosponsored legislation introduced by Senator Stafford of Vermont to require bike parking and locking facilities at every Federal building. Such a development encourages people to bring their bikes to work.

Other innovative promotions for bike riding are being conducted here in the Washington area. Bike lockers are now available at numerous metrorail stations so commuters can "park 'n ride." The Washington Area Bicyclist Association is also involved in creating effective commuting routes into Washington with the help of area bicyclists. The "pedal pool", as it is known, is rapidly becoming a huge success.

Congress has also been involved in bicycling. Last year, we recognized the increasing role of bicycles as a viable means of transportation through the Surface Transportation Assistance Act of 1978. This act authorized $200 million annually for fiscal years 1979 through 1982 for grants to be used in the construction of bicycle paths and projects which enhance the safety of biking. Unfortunately, no funds have yet been appropriated. It is my hope that the benefits to be derived from an additional Federal investment in bikeways will soon be made.

American Bike Month starts today, and I commend the industry for promoting the health, safety, commuting and recreation purposes of the bicycle.

STATEMENT OF SENATOR ROGER JEPSEN, MAY 1, 1979

I'm here today to demonstrate my support for National Bicycling Month and to tell you of the tremendous interest in bicycling that exists in my home State of Iowa.

Iowa's bicyclists are among the Nation's most devoted.

Each summer, two columnists for the Des Moines Register, Donald Kaul and John Karras, organize a one week "Register's Annual Great Bike Ride Across Iowa", otherwise known as Ragbrai. In the six years of its existence, Ragbrai has attracted thousands of riders from across the country.

This summer, Ragbrai riders will trek across 480 miles of scenic Iowa countryside in six days. They will be fed, bedded and cheered on by each small town through which they pass.

To me, Ragbrai's success and the many bicycle clubs in Iowa demonstrate the increasing national popularity of bicycling. The number of bicycles in this country may soon outnumber cars. While the bicycle cannot be a total solution to our increasing energy problem, expanded bicycle use together with other energy-saving programs can help this Nation achieve greater energy independence.

I'd like to recognize all bicycle enthusiasts and encourage Americans to bike their way to fun and fitness. Ride on!

STATEMENT OF CONGRESSMAN GLENN ANDERSON, MAY 1, 1979

WASHINGTON'S THIRD ANNUAL BIKE WEEK

The variety of Bicycle related events in Washington during the past 4 days shows the versatility of the bicycle and suggests the many ways in which it can help to enrich life in America. The bicycle has important contributions to make in saving scarce energy, in helping to improve public health through regular exercise, and in cutting pollution and congestion on urban streets.

Last year Congress took the first major step by passing the bicycle provisions of the Surface Transportation Assistance Act to turn the bicycle's promise into reality. This Spring Congress should take the second big step by appropriating the full $20 million authorized under that Act for bicycle facilities and programs. I have testified in support of that full appropriation.

But Congress can only make the general policy. The Executive branch must do its share. The Environmental Protection Agency has already shown leadership by urging inclusion of the bicycle in urban transportation planning under the Clean Air Act. The Federal Highway Administration needs to demonstrate that it has grasped the great potential of the bicycle, by moving swiftly to develop new design standards that include the bicycle as part of the traffic flow on the entire road system, and not merely on separate bicycle paths and lanes.

State and local governments also must move forward. They need to remove the many unnecessary obstacles and hazards in our road network that now inhibit daily bicycle use by millions of Americans. They need to create better and more widely available programs to teach bicyclists and motorists to share the road safely and amicably.

The energy situation in which the nation finds itself will put increasing pressure on everyone, and especially on the Federal Government, to develop new solutions to the problem of energy conservation. I am proud to have been the author of last year's principal legislation in the bicycle field, namely Section 141 of the Surface Transportation Assistance Act. The new program under Section 141 can serve as one important way of addressing the energy shortage. Short trips of five miles or less use up vast amounts of gasoline. Each 1 percent of the short-trip mileage that can be switched from the auto to the bicycle will save 131 million gallons of gasoline per year. There is no reason why we should not set a target of switching the next 1 percent of these short trips in each of the next three years, for an annual saving in the third year of nearly 400 million gallons.

But, you the cyclists, will have a keep the pressure on if this is to happen. The League of American Wheelmen has helped the Congress to legislate for bicycling by speaking up clearly and forcefully for the needs of the cyclists, but the league and other groups such as the Bicycle Manufacturers Association of America, Inc., cannot do this job alone. It is up to every individual cyclist to tell his or her Congressman or Senators, and the President, that the time has come to make the bicycle a full partner in American transportation. The next move, my bicycling friends, is up to you. Thank you!

STATEMENT OF RANDY SWART, PRESIDENT, WASHINGTON AREA BICYCLIST ASSOCIATION, MAY 1, 1979

Thank you, Senator Sasser, for your encouraging words.

Although the primary focus of the Washington Area Bicyclist Association is the improvement of the cycling environment in Washington, D.C., we are inevitably drawn, as are all bicyclist activist organizations, to the

source of Federal Government involvement in our effort—the U.S. Congress. We count on a few forward-looking individuals in the Congress for the support which moves bicycle legislation through the maze of committee study and eventually onto the floor for a vote.

In the present Congress we have identified three Bills which are vital to our members' needs. The first two relate to the provision of adequate bicycle parking facilities for Federal buildings. They are S. 460 (Senator Stafford) and H.R. 2118 (Congressman Mineta). Those bills are essential to the effort to make it possible for more Federal employees to reach their jobs each day without wasting our precious fossil fuel resources, and to enjoy the health benefits which accrue to the regular cyclist.

The second major area of concern to us is the appropriation for the bicycle-related portions of the Surface Transportation Assistance Act. The authorization of these progressive programs last year excited bicycle groups such as WABA with the prospect of a greatly enhanced Federal response to the needs of transportation cyclists throughout the country. The program must now be funded, however, and we are concerned that it may be shoved aside in this year of pressure on the Federal budget. The programs to be funded represent an investment in an improved transportation system for American cities, an investment which will repay itself many times over in relieving traffic congestion, saving irreplaceable petroleum resources, and reducing air pollution. We must make an effort to provide safer and more useful bicycle facilities for those who are willing to give up their cars and pedal for a better city environment. In addition we can add an important element of flexibility to our transportation mix by allowing commuters and other travelers the option of using a bicycle when gasoline is scarce, relieving pressure on the dwindling supply. The appropriation for the bicycle-related parts of the Surface Transportation Assistance Act is vital to that effort.

WABA thanks the Senators and Congressmen who came on this ride today to emphasize their recognition of the value of the bicycle in our transportation system. We will look to you in coming months for the working support of the legisaltion which will evidence your commitment to our cause, and will pledge in turn the active support of the bicycle community in your future election campaigning to ensure that bicycling voters are well-informed of your good work here and the fine legislative record you are compiling here on their behalf. You have earned the WABA salute—"Ride On!"

Mr. SASSER. In closing, Mr. President, I again want to stress versatility and convenience of the bicycle in such areas as commuting, shopping, and recreation. However, I hope the Senate will recognize the importance of this inexpensive mode by approving this resolution.●

ADDITIONAL COSPONSORS

S. 742

At the request of Mr. PERCY, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 742, the Nuclear Waste Management Reorganization Act of 1979.

S. 1046

At the request of Mr. MOYNIHAN, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 1046, a bill to amend the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act of 1976) to establish a program for the identification and reclamation of abandoned hazardous waste sites, to establish a fund to be used for the reclamation of hazardous waste sites and for the compensation of persons injured by hazardous waste, to provide a Federal cause of action for damages caused by hazardous waste, and for other purposes.

S. 1287

At the request of Mr. GOLDWATER, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1427

At the request of Mr. SCHMITT, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1427, the United States-Mexico Good Neighbor Act of 1979.

S. 1465

At the request of Mr. TALMADGE, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1465, the Farm Credit Act Amendments of 1979.

S. 1533

At the request of Mr. TOWER, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 1533, to amend the Investment Company Act to provide an exemption for qualified venture capital companies.

SENATE RESOLUTION 213—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. LONG, from the Committee on Finance, reported the following resolution, which was referred to the Committee on the Budget:

S. RES. 213

Resolved, (a) That pursuant to section 402(c) of the Congressional Budget Act of 1974, section 402(a) of such Act shall not apply with respect to the consideration in the Senate of the bill S. 566 to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an antirecession fiscal assistance program, and for other purposes, or with respect to the consideration of an amendment the substance of which is the same as the substance of such S. 566 as reported by the Committee on Finance of the Senate; and

(b) That waiver of such section 402(a) is necessary in order to enable the Senate to consider legislation which will establish a program of targeted and antirecession fiscal assistance; and

(c) That it was infeasible to complete action on this legislation within the usual time limits prescribed by such section because the program is so particularly related to economic conditions as to make it highly desirable to delay action beyond the usual deadline in order to obtain as accurate a view of present economic trends as possible; and further

(d) That, although the legislation was not reported by the date established in such section, action on this program was anticipated and considered in the fiscal 1980 budget process as evidenced by a specific discussion of the legislation in the statement of managers accompanying the conference report on the first concurent resolution on the budget for fiscal year 1980.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS HEARINGS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on S. 930, a bill to amend the National Energy Conservation Policy Act to prohibit free Federal employee parking, on Wednesday, August 1, 1979.

The hearings will begin at 9 a.m. in room 3302 Dirksen Senate Office Building. There will also be an afternoon session beginning at 2:30 p.m.●

DEPARTMENT OF EDUCATION CONFERENCE

Mr. RIBICOFF. Mr. President, I wish to announce that the committee on conference, House and Senate, will meet Wednesday, August 1, at 2 p.m., in room H328 of the Capitol, to consider S. 210, the Department of Education Organization Act of 1979.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Agricultural Production, Marketing and Stabilization of Prices Subcommittee of the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the sessions of the Senate today and Tuesday, July 31, 1979, to hold hearings on agricultural transportation problems.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate this week to continue markup of pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the sessions of the Senate this week to consider the SALT II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

AN UNLEARNED LESSON FROM SALT I

● Mr. GARN. Mr. President, I would just briefly like to call the attention of my colleagues to a recent article, "The SS-19 Loophole", published in the Washington Post. It highlights one of the key weaknesses of the proposed SALT II treaty and the American negotiating position vis-a-vis the Soviet Union.

It seems that we have failed to learn from our experience with the Soviets after the signing of SALT I. Too often we relied on unilateral statements regarding important aspects of the SALT I. Too often we relied on unilateral statements regarding important aspects of the SALT I accords. And, without ex-

ception, the Soviets have rejected our assertions on the grounds that they were never regarded as binding on Soviet actions. We have heard time and again that SALT is not the cause of our land-based ICBM vulnerability problem. Yet, the failure of SALT I to prevent the Soviets from replacing their light SS–11 ICBM with the much larger SS–19, has, indeed, contributed to the vulnerability problem we will face in the near future.

Now it seems that the United States is once again determined to rely on unilateral interpretations—this time for the SALT II provisions—in the curious hope that the Soviets will be more accommodating this time around. The Soviets refuse to agree on a specific definition of the size of the SS–19, yet the SS–19 is intended as the limit on the size of the one new-type ICBM allowed under the terms of SALT II. In negotiating SALT II, we have ignored the lessons of SALT I, and the U.S. Senate must not legitimize this error by ratifying SALT II as presently proposed.

Mr. President, I ask that the Washington Post article by Evans and Novak, "The SS–19 Loophole," be printed in the RECORD.

The article follows:

[From the Washington Post, July 17, 1979]

THE SS19 LOOPHOLE

(By Rowland Evans and Robert Novak)

A reading of the fine print in the SALT II treaty after it went to the Senate has revealed, to the horror of supporters of the Arms-control pact, an uncanny repetition of the worst U.S. blooper in the 1972 SALT I treaty.

The 1972 mistake, not discovered until long after ratification, failed to pin down specific limits on the size of a replacement for the SS11 intercontinental ballistic missile (ICBM). Now, in a new negotiating blooper discovered as the Senate ratification debate begins, SALT II does not clearly define the size of Moscow's mainstay SS19 ICBM, which it sets as the limit on the size of any new missiles.

That history should be so sadly replayed is explicable only by this fact: The Russians simply refused to agree on a specific definition of the size of the SS19. This adds new evidence that U.S. negotiators, under orders from Washington for an agreement at almost any cost, bowed to the iron will of their Soviet counterparts.

Ironically, the 1979 mistake occurred in an effort to correct the effect of the 1972 negotiating blunder. By failing to pin down the size of the new Soviet ICBMs, SALT I contributed to the vulnerability of land-based U.S. missiles. Limiting future Russian ICBMs to the size of the SS19 is an effort to protect the land-based U.S. missile force.

But if there was no agreement on the size of the SS19, how can Moscow legally be held to the terms of the treaty?

The answer: It cannot, any more than it could be forced to comply with the clear understanding of limits on "new" missiles in the 1972 treaty, negotiated by Henry Kissinger.

Kissinger relied, to his later dismay, on what he called the "safeguard" of Soviet assurance "that no missiles larger than the heaviest light missile that now exists can be substituted." In 1972, that was the SS11. But after SALT I took effect, the SS11 was replaced by the SS19, which was almost three times as big.

President Carter's negotiators retraced Kissinger's slippery footsteps, relying on their own understanding of the size of the SS19. The Soviets typically refused to agree or disagree with the U.S. definition.

The State Department virtually admits that it could not nail down the Soviets. Its "detailed analysis" of the treaty, sent to all senators, spells out this country's position: the United States "considers" the SS19 to have a launch-weight (weight in the silo) of 90,000 kilograms and a throw-weight (weight of the warheads) of 3,600 kilograms. These are key measurements of size.

"These figures are based on our estimate for the SS19," the senators were told. "The Soviet Union did not respond to this statement [but] the United States will regard these figures as the limits for the one new type of . . . ICBM permitted to the United States."

But will the Russians? Realists here doubt it, anymore than in 1972. Kissinger learned the hard truth slowly, as U.S. monitors in Iran began to accumulate data on the true size of the new SS19 being tested to replace the old SS11.

Trapped by Soviet duplicity three years later, Kissinger found himself lamely explaining away the sudden appearance of the big SS19. "We obviously did not know in 1972 what missiles the Soviet Union would be testing in 1974," Kissinger told a State Department press conference on Dec. 9, 1975.

But there was no way to stop SS19 development. Moscow blithely kept insisting its new missile was just a slightly updated model of the old SS11. Now, following SALT II, the Russians have a loophole to sustain their own version of a "legal" follow-on missile to the SS19 by claiming that the U.S. definition of the SS19's size is simply wrong, and that Moscow never agreed to it.

This would not come up if the Russians played fair and square. But they play to win; they take advantage of whatever opportunity is granted.

Discovery of Soviet deception on the SS19 by the Nixon-Ford administration long after SALT I took effect depended on American's ally, Iran. But the true size of the SS19 almost certainly would have eluded U.S. intelligence for even longer had it not been for U.S. monitoring stations in northern Iran, just south of the main Soviet test range.

Those stations no longer exist, and the United States is not close to duplicating them. This enhances the strong probability that the one new Soviet missile permitted under the treaty will not only greatly exceed limits set forth by U.S. negotiators but also that the Soviets will not reveal its full launch-weight and throw-weight until it has been tested repeatedly—ready to enter the Soviet missile force.

This undermines the SALT-sellers' argument that the treaty, while not accomplishing all that much, does no harm. On the contrary, this new revelation of non-Yankee bargaining suggests that the Soviet Union, under SALT II as under SALT I, will loophole its way to nuclear supremacy while Americans play by the rules.●

THE UNIVERSITY OF RICHMOND

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to call to the attention of the Senate a remarkable institution on the occasion of its 150th anniversary.

Over that span of time, the University of Richmond has provided superior education to Virginians.

The university was founded in 1830 by the Virginian Baptist General Association as a seminary to train candidates for the ministry. Over the years the University of Richmond has changed dramatically. It has grown from a small church school of 35 students to the largest, privately endowed college or university in Virginia. This prodigious growth has only been interrupted once in 150 years.

During the War Between the States, the university was closed. The university buildings served in the early part of the war as a Confederate hospital and later as barracks for Union soldiers.

Paralleling the University of Richmond's growth in size has been a diversification of the school's curriculum. Throughout this expansion the university has never lost sight of its founding tenet—to provide a sound, Christian education.

At present the University of Richmond operates a fine undergraduate program in addition to a comprehensive graduate program which includes a graduate school, a school of law, and a school of business administration. In both programs, undergraduate and graduate, emphasis is placed upon individual achievement and scholarship.

The University of Richmond provides an important service to the Commonwealth of Virginia and to the United States. It is through the dedication to education exemplified by the Univeristy of Richmond's 150-year history, that the State and Nation will continue to benefit from trained and effective leadership.

I am confident that this leadership will continue to be available as long as persons such as the University of Richmond's president, Dr. E. Bruce Heilman, remains involved in education.

As a Virginian, I am proud of the University of Richmond.●

STEMMING THE TIDE OF STOLEN SECURITIES

● Mr. PERCY. Mr. President, I have spoken out on the floor of the Senate before concerning white-collar crime in general, and in particular, crimes involving stolen securities.

Between 1971 and 1974, the Permanent Subcommittee on Investigations, on which I serve as the ranking minority member, held hearings concerning the connection between organized crime and the trafficking in stolen and counterfeit securities. At these hearings, expert witnesses testified that perhaps more than $50 billion worth of bogus securities could be found in the Nation's brokerage houses, banks, and other financial institutions.

On June 20 of this year, along with Senators THURMOND, BIDEN, RIBICOFF, JACKSON, NUNN, JAVITS, and DECONCINI, I introduced S. 1380, the Securities Protection Act of 1979. This bill is designed to insure the vigorous pursuit, arrest, and prosecution of those involved in fraudulent securities transactions.

Since that date, additional attention has been focused on this problem. In an article appearing in the Wall Street Journal on July 10, Burt Schorr described the system already in effect, under the management of the Securities and Exchange Commission, that monitors trade in securities. This SEC reporting system attempts to keep track of all

securities that have been reported as lost, missing, or stolen. If, at any time, someone attempts to trade a security which had previously been reported as missing, the SEC can instantly inform law enforcement officials.

As I noted in my original floor remarks, this system meshes perfectly with the legislation we have proposed. S. 1380 is designed to bring the full weight of the Federal Government to bear on those white-collar criminals who attempt to traffic in stolen or counterfeit securities. Recent articles have identified securities theft and fraud as one of the top three white-collar crimes.

This important legislation is neither capricious nor burdensome. It has been carefully drafted to complement law enforcement and regulatory procedures that already exist.

With this SEC system operating so effectively, along with increased attention from the FBI, we have won half the battle. S. 1380 would help win the war.

Mr. President, at the conclusion of my remarks, I request that Mr. Schorr's article, entitled "Uncle Sam's Securities Recovery Plan Proving Simple, Cheap, and Efficient" be printed in the RECORD.

The article follows:

UNCLE SAM'S SECURITIES RECOVERY PLAN PROVING SIMPLE, CHEAP AND EFFICIENT

(By Burt Schorr)

NEW YORK.—Date: July 13, 1978. Time: 10:10 a.m. Edward Collins, 19 years old, waits behind the wheel of the Bradford Securities Processing Service Inc. station wagon parked on Maiden Lane in Manhattan's financial district. Suddenly, a bearded man in blue jeans approaches the vehicle. The man, with a pistol in his belt, says, "Move over before you get hurt." Mr. Collins complies and the stranger slides in behind the wheel.

A moment later, a Bradford messenger that Mr. Collins is waiting for emerges from 110 Maiden Lane with two satchels full of stocks and bonds valued at more than $5 million. A confederate of the bearded man steps behind the messenger and forces him into the back seat of the station wagon. Then the vehicle is driven to a nearby alley where the holdup men grab the satchels and disappear.

Thefts of stocks and bonds have cost securities firms and banks or their insurers hundreds of millions, if not billions, of dollars during recent decades. Strong-arm tactics like those used in the Bradford heist are rare; usually securities find their way into the wrong hands through the connivance of financial-district insiders. But this case is memorable for another reason.

In the months following the Maiden Lane robbery, a computer system recently established by Uncle Sam to track lost or stolen securities helped law-enforcement agencies block attempts to put the Bradford loot back into circulation at no less than eight locations around the country.

OVER DOZEN ARRESTS

Although the two holdup men are still at large, more than a dozen individuals have been arrested so far and more than $3.3 million of the stolen stocks and bonds recovered, largely with the computer's help. The Federal Bureau of Investigation expects to make still more arrests in the case. The FBI has also acquired valuable leads on how stolen securities move in underworld conduits through Las Vegas and other cities.

Indeed, the securities-recovery program is proving itself an anomaly among made-in-Washington ideas. It's simple, it's cheap—and it works.

Under Securities and Exchange Commission regulations, the more than 17,000 participating securities firms and banks must advise the computer center in Wellesley, Mass., whenever any of the generally traded stocks, bonds or other securities in their possession are stolen or turn up missing. (The certificates are identified by the numbers printed on their face.) Every time a subscriber takes in more than $10,000 of securities from a customer, foreign bank or other source outside the reporting network, it must inquire of Wellesley whether the securities are listed as lost or stolen.

In its first 17 months of operation, through May 31 this year, the computer tallied 623 "hits," with a subscriber's inquiry matching another subscriber's lost-or-stolen report, says Securities Information Center Inc., the Itel Corp. subsidiary that runs the system for the SEC. The information prevented crooks from passing off more than $15 million of securities, and many of those have been recovered. As SEC officials see it, the record thus far is ample justification for the $1 million in annual fees that subscribers are paying the center for the service.

POLICE ENTHUSIASTIC

The police are enthusiastic, too. "Now a Wall Street house finds out right away when it's got a problem and can give us a quick call," says Vincent Hogan, head of the New York Police Department's bond and property recovery squad. Before the tracking program began, securities thefts usually wouldn't be reported "until after someone lost a lot of money," Lieutenant Hogan adds.

Eugene Howard, director of security for Bradford National Corp., the parent of Bradford Securities Processing, sees the Wellesley computer center as discouraging securities thefts by insiders. "Once you take away the market on the outside, you take away the motive to steal," he believes.

Uncle Sam's computer eye has its blind spots, however, and security men for Wall Street brokerage firms fear organized crime already is on to them. For example, the Wellesley data bank retains subscriber inquiries for only 21 days. If a loss or theft isn't discovered during that time, inquiries that could provide leads to crooks passing stolen securities would be erased before the theft report actually came in.

Gregory Yadley, the SEC attorney who oversees the checkup on lost or stolen securities, acknowledges that longer retention of subscriber inquiries would be helpful in tracking down thieves. But he says that the idea has been turned down for now as too costly.●

SURFACE MINING CONTROL AND RECLAMATION ACT AMENDMENTS OF 1979

● Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources reported the Surface Mining Control and Reclamation Act Amendments of 1979, S. 1403, on Friday, July 27.

Over my objections and those of several other Senators, the committee adopted a substitute text offered by Senators HATFIELD and FORD. Whereas the text of the bill which I introduced would have extended the deadlines in the act by 7 months as requested by the administration and recommended by the National Governors' Association, the substitute text would delay the timetable in the act by an additional 5 months and make other changes in the law. These changes are highly controversial. So controversial in fact that the Secretary of the Interior has written to me indicating that he will recommend a veto of the legislation if it reaches the President's desk in its present form.

I want Senators to be aware of the Secretary's letter because I think that his strong feeling on this issue makes a convincing argument by itself against adopting the substitute text.

I ask that the Secretary's letter be printed in the RECORD.

The letter follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR Mr. CHAIRMAN: I am extremely disappointed by the action of the Committee in passing the Hatfield-Ford substitute to S. 1403.

This substitute language would do such harm to the Surface Mining Control and Reclamation Act of 1977 and to the Administration's effort to assure that coal be mined in a safe, environmentally acceptable manner that, if the bill is ultimately sent to the President in its present form, I will recommend that it be vetoed.

As you know, the Administration supports a simple amendment to the Act which would give back to the States the seven months that were lost due to the late appropriation to the Office of Surface Mining Reclamation and Enforcement (OSM) and the consequent seven-month delay in promulgation of the permanent regulations. This would push back the date for submission and approval of State programs by seven months, providing time for more orderly preparation and review of these programs. We believe ours was a very logical and fair proposal and I deeply appreciate your personal support of it.

The substitution to your bill passed by the Committee has, at a minimum, the following adverse effects on the Act and program:

1. Twelve-month extension of State program approval deadlines.—The substitute language not only extends the time period for filing State programs by 12 months, but leaves intact the option of an additional six-month extension, should a State indicate that legislative action is necessary—a total extension of 18 months (not 12 months, as some reports on the substitute language have indicated).

It extends the period of dual Federal/State enforcement. Although desirable during the initial program to accomplish some national uniformity and allow for a period of transition, this extension prolongs the opportunity for Federal/State conflict. Such conflict, when it occurs, gives operators mixed signals and different interpretations of the law at the same time they are expected to expand coal output to meet our Nation's energy policy and needs.

It delays implementation of the full public safety and environmental protection standards thereby continuing the damaging effects of mining which the Act is intended to prevent.

It delays the time when the State abandoned mine land programs may be approved, thereby delaying the correction of hazards and detrimental effects of blighted, polluting and dangerous abandoned mine sites.

2. Removal of the requirement that the States' regulations be consistent with the Secretary of the Interior's regulations.—

This change removes my ability to compare a State program submittal against a standard (OSM's regulations) that sets forth acceptable interpretations of the minimum requirements the Act mandated. Without this standard, which was developed after considerable consultation with all interested parties, public hearings and thousands of

pages of comments, my decisions on program approvals may well appear arbitrary and capricious, thus increasing the likelihood of litigation. If implementation of a State program is enjoined as part of that litigation, the Act requires me, after twelve months, to place a Federal program in that State. This is clearly a result none of us wants.

Court challenges of some State programs are probable, in any event, but the effect of the amendment is to multiply these challenges. Current litigation on OSM's regulations will resolve a number of issues subject to challenge; whereas, without these regulations, the issues will arise in the context of each separate State program, resulting in a proliferation of conflicting judicial interpretations on any number of the Act's critical elements.

The Act requires the concurrence of the Environmental Protection Agency, U.S. Army Corps of Engineers, Mining Safety and Health Administration, and the Department of Agriculture, as well as coordination under other Acts (Fish and Wildlife Service, Heritage Conservation and Recreation Service, and Advisory Council on Historic Preservation). OSM's regulations have achieved these concurrences and coordinations. Since State programs would have to meet the requirements of these agencies, extraordinary delays would be encountered under the substitute language, unless the State submission was consistent with OSM's regulations, as the Act presently requires.

With the provision in OSM's regulations for flexibility in State programs allowed by the "State Window," the frequent allowance of State discretion in the choice of alternative design criteria, the broad authority to institute experimental departures from the environmental protection performance standards, and my ability to approve a State program conditionally, it is my considered judgment that the amendment is unnecessary, since sufficient flexibility already exists.

3. Delay of implementation of a Federal Lands Program in a State until implementation of a State program in that State.

This amendment makes a substantive change behind an innocent appearing coinciding of dates. In fact, the change could well result in the elimination of the interim performance standards on Federal lands, a retreat from the environmental protection presently occurring as a result of OSM's interim regulations. This could occur from the deletion of the words "and implement" from the first sentence of Section 523(a) of the Act, which language I have relied upon to put into place the interim program on Federal lands.

Tying the Federal Lands Program implementation scheme to the implementation scheme devised by Congress for State programs not only delays the effective date of the former program eight months beyond the date of State program approval (Section 506(a) of the Act), but also eliminates one of the incentives for States to assume primacy and enter into cooperative agreements at an early date—i.e., to reduce the Federal presence in a State and shorten the period of dual enforcement under the interim program.

The amendment undercuts the basis and assumption used in my approval of a new Federal Coal Management program and new competitive leasing schedules for Federal coal lands. That program is predicated on strong regulation of the impact of future coal mining.

Putting off my authority to apply the tests required by Section 510 on Federal lands may be interpreted by courts in a manner which would constrain or preclude my ability to disapprove a mine plan where the area could not be reclaimed, in areas where Congress precluded mining on alluvial valley floors, on prime farmlands and where material damage to the hydrologic balance is a possibility.

In summary, Mr. Chairman, the enactment of S. 1403, as amended, would so seriously jeopardize my ability to carry out the mandates and the requirements of the Surface Mining Control and Reclamation Act that I will be forced to recommend its veto.

Sincerely,

CECIL D. ANDRUS,
Secretary.●

IMPACT ON NATO OF AMERICAN FOREIGN AND NATIONAL SECURITY POLICIES

● Mr. TOWER. Mr. President, last Thursday the Senate Armed Services Committee received testimony on the proposed SALT II Treaty from Gen. Alexander Haig, the distinguished former Supreme Allied Commander to Europe. Al Haig presented powerful testimony on the weakness and confusion which exists in American strategic thinking and national leadership. He painted a distressing picture of the impact on our NATO allies of this drifting in American foreign and national security policy.

Last Friday, in the Washington Post, I noted that his concerns are being echoed, openly now, in Europe.

Alois Mertes, a leading member of the German Parliament and one of the most significant foreign policy experts of the Christian Democratic Party, said yesterday in Bonn that the Carter administration's inability to bring cohesion to its international leadership was "endangering the life" of the North Atlantic Alliance.

I know that European leaders do not like to be critical of American leadership with respect to our great alliance of democracies, but recent events such as the mishandling of the enhanced radiation warhead decision have been painful to our NATO allies. And now, in the SALT debate, they see evidence of those very developments they have most feared.

The weakening of the American strategic nuclear umbrella and its linkage to deterrence in Europe.

The use of theater weapons systems such as ground- and sea-launched cruise missiles to shore up a weak bargaining position at SALT.

The exclusion of intercontinental systems such as the Backfire bomber based upon assurances that they will be aimed only at our allies.

The unwillingness of the present American administration to live up to its commitment to increase defense spending by a real 3 percent.

Mr. President, I wish to point out to my colleague Michael Getler's article "West German Says Carter Moves Threaten NATO" and ask that it be printed in the RECORD.

The article follows:

[From the Washington Post, July 27, 1979]

WEST GERMAN SAYS CARTER'S MOVES THREATEN NATO

(By Michael Getler)

BONN.—A leading figure in West Germany's main opposition party said today that President Carter's policies and the personnel upheaval in his administration are alarming West Europeans, cutting to the core of European security and "endangering the life" of the North Atlantic alliance.

"The belief in the American security guarantee for Europe does not only stand on power," said Christian Democrat member of parliament Alois Mertes, a party specialist on foreign and security policy. "It stands especially on the trust of Europeans in the political leadership, capability and calculability of the American president. The constant insecurities and uncertainties, are for that reason, endangering the life of NATO," he said.

Mertes, a frequent visitor to the United States, is well known among U.S. congressmen and has a reputation as a supporter of strong U.S.-West German ties. He said these concerns must be openly discussed and that he spoke as an act "of well-understood loyalty which was the opposite of anti-Americanism."

Mertes' views appeared in an interview on the front page of the respected Frankfurter Allgemeine newspaper today and Mertes' office confirmed the accuracy of the report.

It was the first major public criticism of recent events in Washington by a leading West German politician. The Christian Democrats, although in opposition, are the largest single party in West Germany and form the nucleus of the conservative bloc.

In the current situation, Mertes said, one was forced to sound the alarm because "Soviet policy is coming to be more effective toward the European allies of America—because it was more disciplined, competent and calculable—than the one coming from Washington."

Mertes portrayed Soviet strategy toward Western Europe as skillful, switching from the tactic of confrontation to one of influence, which had as its long-term goal the estrangement of Europe from America.

Soviet policy, he said, "speculates on a slow worsening of the German trust in the dependability of the geographically distant and, for the first time, militarily vulnerable America and at the same time a discreet intimidation of the Europeans by enormous military superiority of neighboring Russian forces."

Mertes said he doubted that Carter and his White House chief of staff, Hamilton Jordan, recognized sufficiently what he called "this Russian masterpiece."

Mertes said he did not see any acceptable alternative for West German politics other than the alliance with Washington. Change could only come about if Moscow completely overturned its policy toward the entire German nation, meaning East and West, and under present conditions yielding to Moscow "would be suicidal" for West Germany.

In West Germany today, he said, trust in the United States "is still alive, but I know from many talks with people from all social levels that it is greatly endangered." Trust, he said, cannot be decided or come about by praying. It rather has to grow from inner conviction and must root in credibility.

In view of what he called the obvious weakness of American leadership, Mertes said it was necessary for both Chancellor Helmut Schmidt and opposition leaders to balance more closely their foreign policy views. Schmidt, and opposition challenger Franz Josef Strauss, have one thing in common, Mertes said: a "great concern about America."

Mertes' comments came one day after Chancellor Schmidt returned from a private vacation in the United States that, nevertheless, turned out to be politically interesting. Schmidt was invited to California to visit his long-time friend George Schultz, who was Treasury Secretary under president Nixon at the time Schmidt was finance minister in Bonn.

The trip was arranged before the Carter Cabinet upheaval.

While in California, Schmidt was Shultz' guest at an elite club of industrialists and diplomats and had discussions with former secretary of state Henry Kissinger and former NATO commander Gen. Alexander Haig.

In 1976, Schmidt let it be known that he favored President Ford over the challenger, Jimmy Carter, primarily on the ground that Ford was a known quantity in Bonn.

West German officials are playing down Schmidt's meetings in California. They tend to emphasize that the chancellor also met with Carter's nominee to head the Treasury, William Miller, and had an airport meeting in Washington with National Security Affairs Adviser Zbigniew Brzezinski and a telephone conversation from the airport with President Carter.

No substantive details of Schmidt's California discussions have been revealed.●

PROFESSIONAL ENGINEERS

● Mr. SCHMITT. Mr. President, it is an honor for me to take this opportunity to congratulate Herbert G. Koogle, P.E., who was recently elected as vice president of the southwestern region and selected as the chairman of the prestigious Legislative and Government Affairs Committee of the National Society of Professional Engineers, a nationwide organization which represents nearly 80,000 individual members working in all engineering fields.

Herb has a remarkable history of service to his profession, having served on a national level as chairman of the Professional Engineers in Private Practice Division of NSPE and president of the New Mexico Society of Professional Engineers. He was also president of the Albuquerque chapter.

A registered professional engineer and land surveyor in New Mexico, Herb is president and chairman of the Board of Koogle and Pouls Engineering, Inc., located in Albuquerque.

It is with great pleasure and great pride for the State of New Mexico that Herb has been selected for these positions within NSPE. I would like to extend my best wishes and luck.●

ORDER FOR RECESS TODAY UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME TO FILE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance have until midnight to file a report on S. 566, the countercyclical revenue-sharing bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

NURSE TRAINING AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 230.

The PRESIDING OFFICER (Mr. STEVENSON) laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 230) entitled "An Act to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

TITLE I—NURSE TRAINING

SEC. 101. (a) This title may be cited as the "Nurse Training Amendments of 1970".

(b) Whenever in this Act (other than sections 205 and 314) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) (42 U.S.C. 296) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $2,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) (42 U.S.C. 296d) are each amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (e) of such section is amended by inserting after "in fiscal year 1978" the following: "and in each of the next two fiscal years".

SEC. 104. Subsection (f)(1) of section 810 (relating to capitation grants) (42 U.S.C. 296e) is amended by inserting after "fiscal year 1978" the following: "and $24,000,000 for the fiscal year ending September 30, 1980".

SEC. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $17,000,000 for the fiscal year ending September 30, 1980".

SEC. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) (42 U.S.C. 296l) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $13,500,000 for the fiscal year ending September 30, 1980".

SEC. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) (42 U.S.C. 296m) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 108. Subsection (b) of section 830 (relating to traineeships) (42 U.S.C. 297) is amended by striking out "and" after "1977," and by inserting before the period ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 109. (a) Subsection (b)(4) of section 835 (relating to loan agreements) (42 U.S.C. 297a) is amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Section 837 (relating to authorizations for student loan funds) (42 U.S.C. 297c) is amended (1) by striking out "and" after "1977," in the first sentence and (2) by inserting before the period in the first sentence ", and $13,500,000 for the fiscal year ending September 30, 1980", (3) by striking out "fiscal year 1979" and inserting in lieu thereof "the fiscal year ending September 30, 1981", and (4) by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) (42 U.S.C. 297e) is amended by striking out "September 30, 1980, and not later than September 30, 1977" and inserting in lieu thereof "September 30, 1981, and not later than December 30, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and inserting in lieu thereof "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and inserting in lieu thereof "1983".

SEC. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) (42 U.S.C. 297j) is amended (1) by striking out "next two fiscal years" in the first sentence and inserting in lieu thereof "next four fiscal years", (2) by striking out "1979" and inserting in lieu thereof "1981", and (3) by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (c)(1) of such section is amended (1) by striking out "next two fiscal years" in subparagraph (A) and inserting in lieu thereof "next four fiscal years", (2) by striking out "1978" in subparagraph (B) and inserting in lieu thereof "1980", and (3) by striking out "1979" in such subparagraph and inserting in lieu thereof "1981".

(c) The amendments made by subsections (a) and (b) do not authorize appropriations for the fiscal year ending September 30, 1979, for scholarships under section 845 of the Public Health Service Act in addition to the amount available for such scholarships under section 101(a) of Public Law 95-482.

SEC. 111. Subpart I of part B of title VIII (relating to traineeships) is amended by adding after section 830 (42 U.S.C. 297) the following new section:

"TRAINESHIP FOR TRAINING OF NURSE ANESTHETISTS

"SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the Commissioner of Education, of licensed, registered nurses to be nurse anesthetists.

(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

"(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980.".

SEC. 112. Section 836(b)(3) (relating to student loans) (42 U.S.C. 297(b)(3)) is amended (1) by inserting after "(3)" the following: "in the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979,", and (2) by striking out "any such loan" and inserting in lieu thereof "any such loan made before such date".

SEC. 113. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study to determine the need to continue a specific program of Federal financial support for nursing education, taking into account—

(1) the need for nurses under the present health care delivery system and under that system as it may be changed by the enactment of legislation for national health insurance,

(2) the cost of nursing education, and

(3) the availability of other sources of support for nursing education, including

support under general programs of Federal financial support for postsecondary education, under State and other public programs, and from private sources.

(b)(1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study, required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an agreement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(3) Upon completion of the study, the entity conducting the study shall report the results of it to the Secretary and shall include in such report any recommendations for legislation which the entity determines are appropriate.

(4) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(5) The Secretary shall undertake such preliminary activities as may be necessary to enable the Secretary to enter into an arrangement for the conduct of the study at the earliest date authorized by subsection (d).

(c) Not later than six months after the date the arrangement for the conduct of the study is entered into under subsection (b), the Secretary and the entity conducting the study shall each report to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives their respective preliminary recommendations respecting the need to continue a specific program of Federal financial support for nursing education and, if there is a need, the form in which the support should be provided. Not later than two years after such date, the Secretary shall report to such Committee recommendations respecting such need and form of support and the basis for such recommendations and shall include in that report the report submitted to the Secretary pursuant to subsection (b)(3).

(d) The authority of the Secretary to enter into any contract for the conduct of the study under this section shall be effective (1) only on and after October 1, 1979, and (2) for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—OTHER HEALTH PROFESSIONS PROGRAMS

SEC. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) (42 U.S.C. 294b(a)) is amended—

(1) by inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education at such schools requires such increase"; and

(2) by inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools requires such increase".

SEC. 202. (a) Section 752(b)(5)(A) (relating to service requirements for National Health Service Corps scholarships) (42 U.S.C. 294u(b)(5)(A)) is amended by striking out "(not to exceed three years)" and inserting in lieu thereof "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

(b)(1) Such section 752(b)(5)(A) is further amended by adding after the first sentence the following: "With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of such period of time, as determined by the Secretary by regulation but not less than one year, as is required for the individual to complete an internship, residency, or other advanced clinical training.".

(2) The last sentence of such section is amended by striking out "such".

(3) Section 752(b)(5)(B) is amended by striking out "other than a school of medicine, osteopathy, or dentistry" and inserting in lieu thereof "other than a school referred to in subparagraph (A)".

SEC 203. Subsection (b) of section 756 (42 U.S.C. 294y) is amended to read as follows:

"(b) Of the sums appropriated under paragraph (1), not less than 9 percent shall be obligated for scholarships for dental students.".

SEC. 204. Section 781(c) (relating to requirements for participation of schools in area health education center programs) (42 U.S. 295g-1(c)) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

SEC. 205. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transitional provisions on area health education centers) is amended—

(1) by striking out "for the next fiscal year" and inserting in lieu thereof "for the next three fiscal years";

(2) by striking out "no payment shall be made to an entity under such a contract" and inserting in lieu thereof "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) by inserting before the period at the end thereof the following: ", or (2) for any fiscal year beginning after September 30, 1979".

SEC. 206. Paragraph (4) of section 788(b) (42 U.S.C. 295g-8(b)(4)) is repealed.

SEC. 207. Subparagraph (B) of section 788 (e)(2) is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

SEC. 208. (a) Section 748(b)(3)(B) (42 U.S.C. 294e(b)(3)(B)) is amended (1) by striking out "or" at the end of clause (iv), (2) by striking out the period at the end of clause (v) and inserting in lieu thereof ", or", and (3) by adding after clause (v) the following:

"(vi) maternal and child health.".

(b) Section 792(a) (42 U.S.C. 295h-1(a)) is amended (1) by striking out "or" at the end of paragraph (3), (2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", or", and (3) by adding after paragraph (4) the following new paragraph:

"(5) maternal and child health.".

SEC. 209. Section 771(d)(5) (42 U.S.C. 295f-1(d)(5)) is amended by striking out "may waive (in whole or in part) application to a school of dentistry of the requirement of any paragraph of this subsection if the Secretary" and inserting in lieu thereof "may—

"(A) in the case of a school of dentistry which increased its enrollment of full-time first-year students in accordance with paragraph (3), waive (in whole or in part and under such conditions as the Secretary may prescribe) application of the requirement of subsection (a)(1) that it maintain its increased enrollment of such students, and

"(B) in the case of any other school of dentistry, waive (in whole or in part) application of the requirement of any paragraph of this subsection,

if the Secretary determines".

SEC. 210. Section 401 of the Health Programs Extension Act of 1973 (42 U.S.C. 300a-7) is amended by adding at the end thereof the following new subsection:

"(e) No entity which receives, after the date of enactment of this paragraph, any grant, contract, loan, loan guarantee, or interest subsidy under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Assistance and Bill of Rights Act may deny admission or otherwise discriminate against any applicant (including applicants for internships or residences) for training or study because of the applicant's reluctance, or willingness, to counsel, suggest, recommend, assist, or in any way participate in the performance of abortions or sterilizations contrary to his religious beliefs or moral convictions.".

TITLE III—PUBLIC HEALTH SERVICE ADMINISTRATION

SEC. 301. This title may be cited as the "Public Health Service Administrative Amendments of 1979".

SEC. 302. (a) Section 203 (42 U.S.C. 204) is amended by adding at the end thereof the following new sentence: "Warrant officers may be appointed to the Service for the purpose of providing support to the health and delivery systems maintained by the Service and any warrant officer appointed to the Service shall be considered for purposes of this Act and title 37, United States Code, to be a commissioned officer within the commissioned corps of the Service.".

(b) Section 205(b) (42 U.S.C. 206(b)) is amended by striking out "six" and inserting in lieu thereof "eight" and by inserting after "the Chief Dental Officer of the Service," the following: "the Chief Nurse Officer of the Service, the Chief Pharmacist Officer of the Service,".

SEC. 303. Section 205(c) (42 U.S.C. 206(c)) is amended to read as follows:

"(c)(1) The Surgeon General, with the approval of the Secretary, is authorized to create special temporary positions in the grade of Assistant Surgeons General when necessary for the proper staffing of the Service. The Surgeon General may assign officers of either the Regular Corps or the Reserve Corps to any such temporary position, and while so serving they shall each have the title of Assistant Surgeon General.

"(2) Except as provided in this paragraph, the number of special temporary positions created by the Surgeon General under paragraph (1) shall not on any day exceed 1 per centum of the highest number, during the ninety days preceding such day, of officers of the Regular Corps on active duty and officers of the Reserve Corps on active duty for more than thirty days. If on any day the number of such special temporary positions exceeds such 1 per centum limitation, for a period of not more than one year after such day, the number of such special temporary positions shall be reduced for purposes of complying with such 1 per centum limitation

only by the resignation, retirement, death, or transfer to a position of a lower grade, of any officer holding any such temporary position.

SEC. 304. (a) The third sentence of subsection (a) of section 206 (42 U.S..C 207(a)) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Officers of the assistant grade—first lieutenant;

"(6) Officers of the junior assistant grade—second lieutenant;

"(7) Chief warrant officers of (W-4) grade—chief warrant officer (W-4);

"(8) Chief warrant officers of (W-3) grade—chief warrant officer (W-3);

"(9) Chief warrant officers of (W-2) grade—chief warrant officer (W-2); and

"(10) Warrant officers of (W-1) grade—warrant officer (W-1).".

(b) Section 206(c) (42 U.S.C. 207(c)) is repealed.

(c) The first sentence of section 206(d) (42 U.S.C. 207(d)) is amended by striking out "junior assistant grade" and inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 305. (a) Section 207(a)(1)(42 U.S.C. 209(a)(1)) is amended by inserting immediately after "original appointments to the Regular Corps may be made only in the" the following: "warrant officer (W-1), chief warrant officer (W-2), chief warrant officer (W-3), chief warrant officer (W-4),".

(b)(1) Section 207(d)(1) (42 U.S.C. 209(d)(1)) is amended to read as follows:

"(d)(1) For purposes of basic pay of any person appointed under subsection (a) or (b), and for purposes of promotion of any person appointed to the Regular Corps under subsection (a) or any person appointed under subsection (b), such persons shall, except as provided in paragraphs (2) and (3) of this subsection, be considered as having had on the date of appointment the following length of service: Three years if appointed to the senior assistant grade, ten years if appointed to the full grade, seventeen years if appointed to the senior grade, and eighteen years if appointed to the director grade.".

(2) Section 207(d)(2) (42 U.S.C. 209(d)(2)) is amended by striking out "to the grade of senior assistant in the Regular Corps, and any person appointed under subsection (b)," and inserting in lieu thereof the following: "or (b)".

(3) Section 207(d)(3) (42 U.S.C. 209(d)(3)) is amended by striking out "to the senior assistant grade or above".

SEC. 306. Section 209(c) (42 U.S.C. 210b(c)) is amended by striking out "assistant grade" and by inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 307.(a) Section 210(d)(1) (42 U.S.C. 211(d)(1)) is amended by striking out "Officers in the junior assistant grade" and by inserting in lieu thereof the following: "Officers in the warrant officer (W-1) grade, chief warrant officer (W-2) grade, chief warrant officer (W-3) grade, chief warrant officer (W-4) grade, and junior assistant grade".

(b) Section 210(g) (42 U.S.C. 211(g)) is amended—

(1) in the first sentence by striking out "an officer of the Regular Corps in the junior assistant grade" and inserting in lieu thereof the following: "an officer of the Regular Corps in the warrant officer (W-1) grade or junior assistant grade";

(2) in the second sentence by striking out "an officer of the Regular Corps in the assistant, senior assistant," and inserting in lieu thereof the following: "an officer of the Regular Corps in the chief warrant officer (W-2), chief warrant officer (W-3), assistant, senior assistant,";

(3) in paragraph (1) by striking out "if in the assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-2) or assistant grade"; and

(4) in paragraph (2) by striking out "if in the senior assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-3) or senior assistant grade".

SEC. 308. Section 211(e) (42 U.S.C. 212(e)) is amended by striking out "a part of a year of active service of six months or more shall be counted as a whole year and a part of a year of active service which is less than six months shall be disregarded" and by inserting in lieu thereof the following: "a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded".

SEC. 309. (a) Section 214(c) (42 U.S.C. 215(c)) is amended by striking out the comma immediately after "nonprofit educational research" and inserting immediately after "Service" the following: "to any appropriate committee of the Congress".

(b) Section 214(d) (42 U.S.C. 215(d)) is amended by inserting after the first sentence the following new sentence: "In the case of detail of personnel under subsections (b) or (c) to be paid from applicable Service appropriations, the Secretary may condition such detail on an agreement by the State, subdivision, or institution concerned that such State, subdivision, or institution concerned shall reimburse the United States for the amount of such payment made by the Service.".

SEC. 310. (a) The first sentence of section 218(b) (42 U.S.C. 218a(b)) is amended to read as follows: "Any officer whose tuition, fees and other necessary expenses are paid pursuant to subsection (a) while attending an educational institution or training program for a period in excess of thirty days shall be obligated to pay to the Service an amount equal to two times the total amount of such tuition, fees, and other necessary expenses received by such officer during such period, and two times the total amount of any compensation received by, and any allowance paid to, such officer during such period, if after return to active service such officer voluntarily leaves the Service within (1) six months, or (2) twice the period of such attendance, whichever is greater.".

(b) The third sentence of section 218(b) (42 U.S.C. 218a(b)) is amended by striking out "reimbursement" wherever it appears and by inserting in lieu thereof the following: "payment".

SEC. 311. Section 219(c) (42 U.S.C. 210-1(c)) is repealed.

SEC. 312. Section 221(a) (42 U.S.C. 213a(a)) is amended by adding at the end thereof the following new paragraphs:

"(12) Section 1552, Correction of military records: claims incident thereto.

"(13) Section 1553, Review of discharge or dismissal.

"(14) Section 1554, Review of retirement or separation without pay for physical disability.".

SEC. 313. The Public Health Service Act is amended by inserting immediately after section 227 (42 U.S.C. 236) the following new section:

"RESERVE CORPS OFFICERS; SEVERANCE PAY UPON INVOLUNTARY RELEASE FROM ACTIVE DUTY

"SEC. 228. (a) Except as provided in subsection (b), a commissioned officer of the Reserve Corps of the Service who is released from active duty involuntarily pursuant to (1) program abolition or contraction requiring a reduction in strength of the commissioned corps, (2) nonavailability of other assignment or failure of promotion, or (3) any other reason other than separation for cause or retirement, and who has completed, immediately before such release, at least five years of continuous active duty in the commissioned corps of the Service, is entitled to a severance payment computed by multiplying the years of active service in the commissioned corps of such officer (other than in time of war or national emergency declared by Congress after January 1, 1979) by two months basic pay of the grade in which such officer is serving at the time of such release, except that no such severance payment to any officer shall exceed an amount equal to the amount of two years of basic pay of the grade in which such officer is serving at the time of such release. For purposes of this subsection—

"(1) a period of active duty is continuous if it is not interrupted by a break in service of more than thirty days; and

"(2) in the computation of severance pay, a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded.

"(b) Subsection (a) shall not apply with respect to any officer referred to in such subsection who—

"(1) is released from active duty at the request of such officer;

"(2) is released from active duty for training;

"(3) upon release from active duty, is immediately eligible for retired pay from the Service; or

"(4) upon release from active duty, is immediately eligible for severance pay based on this section and any other provision of law and who elects to receive such severance pay under such other provision of law.

"(c) Any severance payment to which any officer becomes entitled under this section shall be reduced by the amount of any previous payment made to such officer under this section.".

SEC. 314. (a)(1) The table in section 201 (a) of title 37, United States Code, is amended by striking out "Surgeon General." in the fourth column of such table and by inserting in such column to correspond with pay grade O-9 the following: "Surgeon General.".

(2) Section 205(a) of such title is amended by striking out "and" at the end of clause (8), by striking out "Corps." at the end of clause (9)(C) and inserting in lieu thereof "Corps;", and by inserting immediately after such clause (9)(C) the following new clauses:

"(10) for a commissioned officer of the Public Health Service, other than a medical or dental officer named in clause (7) or (8) or an officer who attains a doctoral degree named in clause (11), who attains a masters degree before entry or re-entry into active service where such degree is required for appointment—one year; and

"(11) for a commissioned officer of the Public Health Service, other than a medical or dental officer named in clause (7) or (8) or an officer who attains a masters degree named in clause (10), who attains a doctoral degree before entry or re-entry into active service where such degree is required for appointment—three years.".

(b)(1) Section 1006(a) of title 37, United States Code, is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(2) Section 1006(b) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(3) Section 1006(c) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(4) Section 1006(d) of such title is amended by inserting immediately after "members of the armed forces" the following: "or of the Public Health Service".

(5) Section 1006(d) of such title is amended by inserting immediately after "from his armed force" the following: "or from the Public Health Service".

(6) Section 1006(e) of such title is amended by inserting before the period the following: "and the Public Health Service.".

(7) Section 1006(h) of such title is amend-

ed by inserting immediately after "members of an armed force" the following: "or of the Public Health Service".

(c) Section 415(d) of title 37, United States Code, is amended to read as follows:

"(d) An allowance of $250 for uniforms and equipment may be paid to each commissioned officer of the Public Health Service who is—

"(1) on active duty or on inactive duty training status; and

"(2) required by directive of the Surgeon General to wear a uniform.

An officer is not entitled to more than one allowance under this subsection, except that an officer who has received one such allowance under this subsection may, upon transfer to or from the United States Coast Guard, be paid one additional such uniform and equipment allowance if pursuant to such transfer a different uniform is required.".

SEC. 315. The amendments made by sections 303, 304, 305, 306, 307, 313, and 314 shall take effect on October 1, 1979.

Mr. ROBERT C. BYRD. Mr. President, I move, on behalf of Mr. KENNEDY, that the Senate disagree to the amendments of the House and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. CRANSTON, Mr. PELL, Mr. SCHWEIKER, Mr. JAVITS, and Mr. HATCH conferees on the part of the Senate.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE Z, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty with the Republic of Panama on the Execution of Penal Sentences, signed at Panama on January 11, 1978 (Executive Z, 96th Congress, 1st session), which was transmitted to the Senate today by the President of the United States. I ask that the treaty be considered as having been read the first time, that it be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Panama on the Execution of Penal Sentences which was signed at Panama on January 11, 1979.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty would permit citizens of either nation who had been convicted in the courts of the other country to serve their sentences in their home country; in each case, the consent of the offender would be required.

This Treaty represents the fulfillment of a commitment undertaken by both nations in the Panama Canal Treaty of 1977. It would complement the wide range of protections and benefits afforded United States Government personnel under the Panama Canal Treaty and related agreements during the life of that Treaty, and would establish a mechanism for other nationals of both countries to serve their sentences in their home countries. Its ratification would provide our personnel stationed in the Republic of Panama further assurance that their interests will be fully protected upon the entry into force of the Panama Canal Treaty.

I recommend that the Senate give prompt and favorable consideration to this Treaty.

JIMMY CARTER.

THE WHITE HOUSE, *July 30, 1979.*

TIME-LIMITATION AGREEMENT—S. 712, AMTRAK AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 194, S. 712, the Amtrak authorization, is called up and made the pending business before the Senate, and with the understanding it will not be called up before Wednesday of this week, there be a time agreement thereon as follows: Two hours on the bill, equally divided between Mr. LONG and Mr. PACKWOOD; 40 minutes on any amendment; 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; that there be 20 minutes on an amendment by Mr. SASSER relating to train fares; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That not before Wednesday, August 1, when the Senate proceeds to the consideration of S. 172 (Order No. 194), a bill to amend the Rail Passenger Service Act, debate on any amendment (except an amendment to be offered by the Senator from Tennessee (Mr. SASSER)), on train fares on which there shall be 20 min.; shall be limited to 40 min., to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 min., to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Louisiana, (Mr. LONG) and the Senator from Oregon (Mr. PACKWOOD): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

TIME-LIMITATION AGREEMENT—S. 1119

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar No. 221, S. 1119, is called up and made the pending business before the Senate, there be a time agreement thereon as follows: One hour on the bill, to be equally divided between Mr. JACKSON and Mr. HATFIELD; 30 minutes on any amendment; 1 hour on an amendment by Mr. GLENN; 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 1119 (Order No. 221), debate on any amendment (except an amendment to be offered by the Senator from Ohio (Mr. GLENN)) on which there shall be one hour; shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Washington (Mr. JACKSON) and the Senator from Oregon (Mr. HATFIELD): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider nominations on the calendar beginning with "New Reports."

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

The assistant legislative clerk proceeded to read nominations beginning with "New Reports."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations beginning with New Reports and going through page 2 be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NATIONAL TRANSPORTATION SAFETY BOARD

George Herbert Patrick Bursley, of Maryland, to be a Member of the National Transportation Safety Board.

CONSUMER PRODUCT SAFETY COMMISSION

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND THE COAST GUARD

National Oceanic and Atmospheric Administration nominations beginning with Herbert R. Lippold, Jr., to be rear admiral (upper half), and ending Stephen L. Carlson to be ensign.

Coast Guard nominations beginning John P. DeLong to be Chief Warrant Officer, W-2, and ending Lionel R. Munsey, to be lieutenant (jg).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

SALT II: DOES IT ENHANCE SECURITY OF UNITED STATES?

Mr. HARRY F. BYRD, JR. Mr. President, all great civilizations confront during their course challenges which require strength of will and clarity of vision. These challenges have not always been met. Even in our own time, we have seen nations and peoples voluntarily lay down the burden of leadership.

In this highly dangerous nuclear age, it is vital that the United States not be lured into a false sense of security.

The Strategic Arms Limitation Treaty must be viewed with that in mind. We must be aware of what has occurred since the approval of SALT I.

First, let me say that those who tend to approve SALT II and those who tend to oppose that instrument all, I feel, seek the same objective.

I know of no Member of this Congress—or for that matter, any American—who wants nuclear war. Indeed, it is abhorrent to the basic concept of Americans.

The question is how do we best prevent it. Involved is not the question of motive, but the question of judgment.

Which policies and programs will meet the test of time? Which policies and programs will meet the needs of this nuclear age?

The Strategic Arms Limitation Treaty thus challenges the Nation and its Senate to decide properly a question of much importance to future generations. The outcome will inevitably affect, and will either improve or hinder, opportunities for freedom in a world of increasing oppression.

The basic issue is:

Does the proposed treaty enhance the security of the United States and its free allies; does it confirm Soviet strategic superiority, thus increasing the likelihood of war or the probability of diplomatic defeat?

This vital issue must be analyzed from the broad perspective of the record of the Soviet Union and its long record of aggression and deception.

As a young newspaper editor I remember 1939 as the year of the Soviet-Nazi Pact and the year that the Russians attacked an almost defenseless Finland. After World War II and before they attained nuclear weapons, I remember the Soviets blockading Berlin—and who can forget that in 1956 Soviet tanks crushed the Hungarian uprising. And I remember Russian tanks entering Czechoslovakia in 1968.

Perhaps the most important confrontation between the United States and the Soviet Union was the Cuban missile crisis in 1962 when the Russians decided to place nuclear-tipped missiles 90 miles from the United States. If the Soviets had had strategic nuclear superiority at that time, what would have been the fate of the United States?

These and similar incidents in recent history cause me to question Soviet intentions. That is why I believe it is necessary to view SALT II as simply one component of the overall policy of the Soviet Union whose history is, I believe, replete with instances of aggression and geopolitic expansion.

I must say, frankly, I do not trust the Soviet leadership.

I am convinced that the Russian people—as a people—are equally as peaceloving as are the American people. But under the Russian dictatorial form of government where only a few persons make the great decisions, the Russian people have no real way to influence the actions of their government.

We must, thus, never forget the plain reality of Soviet intentions made manifest in a program of unrelenting aggression.

SALT II deals with offensive intercontinental nuclear weapons.

SALT II does not address conventional forces; SALT II does not address strategic defensive systems; SALT II does not address advanced weapons technology; SALT II does not address international terrorism and subversion; SALT II does not address economic warfare, embargos, and strategic shortages; SALT II does not address human rights for the enslaved peoples of Europe and Asia.

My remarks today, therefore, cover in equal detail both the terms of the proposed SALT treaty and some of the many other facts and factors which must also be reviewed in order to form an accurate judgment of SALT II and of its potential impact.

CONVENTIONAL FORCE IMBALANCE

The Soviet Union maintains a total armed force of 4,800,000. The United States, on the other hand, maintains a total force of 2,069,000, over 2 million below Russian strength.

I do not contend that this country needs or should have a manpower level of that magnitude; however, the Soviet Army alone equals total U.S. manpower—Army, Navy, and Air Force.

The numerical advantage of the Soviet Army could permit it to overwhelm U.S. forces in NATO, a result which might be achieved even without calling up an estimated 25 million Soviet reserves, of which 7 million have served in active forces within the last 5 years. The Soviet advantage in armor in Europe is 10 to 1.

The Soviet Navy has expanded rapidly and now includes over 240 major surface combatant ships. It has 333 submarines of which at least 155 are nuclear powered, and 159 contain launchers of nuclear missiles. An additional 29 major surface combatants and 117 submarines, some nuclear powered, are in reserve.

The U.S. Navy can now count only 172 major surface combatants, 75 attack submarines, and 41 missile submarines. It has no cruise missile submarines, and only 38 major surface combatants and 4 submarines are in reserve.

For a maritime nation, our Navy is not adequate. For a continental power, the Soviet Navy is awesome.

Equally awesome is the Russian Air Force which is organized into 28 tactical air armies utilizing 8,126 combat aircraft and 1,300 military air transports. Particularly significant is the extremely large number of MIG-23/27 Flogger aircraft, of which an estimated 1,500 are already deployed. This aircraft is produced at a high rate, and it is capable of shooting down cruise missiles in flight.

The Russian aircraft industry manufactures every 3 months the same number of combat aircraft as are in service in the entire British Royal Air Force.

The U.S. Air Force, by comparison, counts only 4,163 combat aircraft. Air defense of North America is marginal to nonexistent. One HAWK battery in Florida and 331 obsolescent NORAD fighters could present no real challenge to a determined attack. Moreover, our 25 fighter squadrons in Europe, with a total of only approximately 500 aircraft, are certain to be at a disadvantage in any conflict involving the numerically superior Soviet Air Force. Valor alone cannot make up for 5-to-1 odds.

Few military analysts doubt seriously the ability of Russia to win a conventional war in Europe. SALT II must be viewed in light of that unfortunate reality.

THEATER NUCLEAR FORCE IMBALANCE

The imbalance in conventional forces between the Soviet Union and the United States is magnified by the advantage enjoyed by the Russians in theater nuclear forces. These Soviet forces include intermediate nuclear weapon systems which are not intercontinental in range. These forces also include 20 g-class intermediate range ballistic missile submarines, at least 69 nuclear-armed cruise missile launcher submarines, at least 150 Tu-26 Backfire-B bombers, and about 300 SS-20 ballistic missiles, all of which could attack the United States. Nevertheless, both categories of weapons were considered theater nuclear weapons by our negotiators and were excluded from SALT II. In any event, whether any of these weapons are intended to be used against the United States or not, they could all certainly be used to overwhelm Western Europe.

Since the withdrawal by the United States of our Thor and Jupiter missiles from Europe, our own defense planning concept for fielding a theater nuclear force has been essentially to divert strategic systems to theater uses and to deploy some short-range tactical nuclear weapons. However, unlike the Soviet systems, our diverted strategic systems are counted under SALT II.

In essence, the United States has not developed a true theater nuclear weapon

program. The United States is limited in NATO to the short-range Lance and Pershing systems. Similarly, only a limited strength and, therefore, largely ineffective theater aircraft force (66 FB-111A bombers) is devoted to the theater nuclear mission.

Unlike Russia, in lieu of developing and fielding intermediate range ballistic missiles (IRBM's) and medium range ballistic missiles (MRBM's) for the theater nuclear mission, the United States has relied on diversion of strategic forces and on rhetoric and discussion with our NATO allies regarding the need for theater nuclear force modernization. Nothing of substance has happened.

Meanwhile, Russia has pursued a vigorous program of modernization and development of IRBM's, MRBM's, chemical warfare systems, and nuclear-capable theater aircraft.

Thus, in addition to Backfire, g-class ballistic missile submarines, and nuclear-armed cruise missile submarines, Russia has also deployed in excess of 890 IRBM's and MRBM's in Western Russia or Eastern Europe for use in European theater missions. This force includes at least 90 SS-5 IRBM's, possibly as many as 300 SS-20 IRBM's (mobile), and at least 500 SS-4 MRBM's. The SS-4 has a range of 2,000 kilometers, the SS-5 has a very large warhead and a range of 3,500 kilometers, and the SS-20 has multiple warheads and a potential range of over 5,500 kilometers, the range definition of an ICBM under SALT II. But in addition to these missiles, approximately 1,300 tactical nuclear missile launchers are in units organic to basic Army formations. These include the SS-21 and SS-12.

Conversely, and in contrast to the MRBM and IRBM force of the Soviet Union, the United States has maintained only the short-range low-yield Lance tactical nuclear missile and very limited numbers of the short-range Pershing. Our inaction has been compounded by the Carter administration decision not to produce the neutron bomb.

In summary, while the United States has ignored the necessity for developing separate theater nuclear systems and has relied instead on the diversion of strategic forces to the theater role, the Soviet Union has devoted a balanced effort to developing and modernizing theater nuclear and chemical weapons as a complement to conventional and strategic nuclear forces. Finally, the air defensive systems of the Soviet and Warsaw Pact forces are sufficient to guarantee that the limited threat posed by nuclear-capable NATO aircraft is held at a minimum.

STRATEGIC DEFENSIVE SYSTEMS

Now, any analysis of the strategic capability of nations must include study of both strategic offensive capability and strategic defensive capability. SALT II ignores issues involving strategic defenses.

The Soviet citizen, unlike his American counterpart, is not hostage to the nuclear forces of a potential enemy. The Soviet leadership has worked diligently for more than three decades, and particularly under SALT I, to improve and strengthen Soviet air defenses and Soviet missile defenses.

Additionally, a massive civil defense program provides significant passive strategic defense to the Soviet public.

Having limited through the SALT process the U.S. offense, Russia now finds a strategic defense economically feasible and highly effective. According to Secretary Brown, Russia has spent $100 billion on strategic defensive systems.

The combination of active Soviet air and missile defenses with passive but extensive population defense thus makes a major contribution to the strategic imbalance now existing between the United States and Russia.

Soviet leaders have, by intense efforts in strategic defense, sought to remove the word "mutual" from the formulation "mutual assured destruction"—a formulation expounded in America by a generation of State Department strategists who have argued that the best way to avert nuclear war is to assure unacceptable losses. Because of strategic defenses potential Russian war loses may be approaching damage limits which the Soviet dictatorship considers acceptable.

The foregoing result has been achieved in large measure through vigorous exploitation of Western-supplied technology.

For example, the SA-5 ABM system, which may now protect in a damage limiting role as many as 110 Soviet cities and missile fields, is a system based on technology developed in the U.S. Nike-X ABM program. The SA-5 radar, in apparent violation of the ABM treaty, was tested in 1974 in an ABM mode. Similarly, the SA-X-3 mobile ABM system, also apparently developed in violation of the ABM treaty, also relies on Western technology.

But, in addition to capitalizing on unused Western defensive technology, the Russians have on their part emphasized quantity, diversity, and overlap in defensive systems.

Thus, the Soviet Union has deployed more than 10,000 surface-to-air launchers at more than 1,000 sites throughout Russia. Moscow itself is defended by 64 acknowledged ABM missiles (Galosh), a system deployed in addition to the even more effective SA-5 and SA-X-3 systems.

The SA-5, SA-X-3, and Galosh ABM's are all believed to be armed with high-yield nuclear warheads fully capable of destroying incoming RV's. A fourth new, even more advanced, very large ABM may also be ready for deployment in hardened launchers, perhaps as part of the SA-X-3 system.

The 1972 ABM treaty appears to have had little impact on Soviet actions. By comparison, in 1976, the ABM treaty was a major factor in the decision to dismantle the U.S. Safeguard ABM system.

But other formidable defenses protect Russia. Conventional SAM batteries on ships at sea, in Eastern Europe, and finally on the perimeters of the Soviet Union itself make it highly probably that only a few U.S. manned strategic bombers, even those armed with short-range attack missiles (SRAM's), could successfully complete their mission. Seven thousand early warning radars coupled with 10,000 SAM launchers should be more than enough to do the job, but in addition, some 2,720 Air Defense Force interceptors would be airborne to clean up any residual U.S. bomber force. Perhaps the B-1 could have penetrated these defenses; the B-52 probably cannot. And, indeed Secretary of Defense Brown admitted before the Senate Committee on Armed Services that the American manned bomber would not be able to penetrate Soviet defenses in 1985.

By comparison, the United States for strategic defense purposes has only one HAWK battery in Florida and 331 NORAD interceptors—including 190 interceptors in National Guard squadrons. This fact and the unilateral decision to dismantle the Safeguard ABM system mean that there is no active defense of U.S. strategic offensive forces and that the American population is held hostage to Soviet offensive forces.

In this analysis, it is important to remember that the ABM treaty permits the United States and Russia each to deploy ABM's at one ABM site. The United States has unilaterally elected not to deploy the system permitted to it under the treaty. Similarly, there is no prohibition on fielding air defenses in North America, yet through unilateral decision of the United States, these air defenses have in the main not been deployed.

North America is defended from nuclear attack only through the threat of retaliation after an attack. Unlike the Soviet Union, no real effort has been made to defend actively the United States through active defenses against attacking nuclear systems.

Our only defense is the threat of hitting back. Thus, in a strategic sense, unlike Russia, North America is essentially undefended.

WESTERN ASSISTANCE TO SOVIET WEAPON DEVELOPMENT

While our guard has dropped, the Soviet Union has worked hard on both strategic offensive and defensive systems. It has not been able, however, to develop systems such as the SA-5 or SA-X-3 without massive infusions of advanced technology from the West, primarily from the United States.

Communist economic systems do not produce the level of innovative and advanced thought which occurs in a free economy. Nevertheless, Communist systems are able to assimilate and explore the inventiveness of others.

An important reason, therefore, for the ability of Eastern bloc nations to maintain high technology is the wholesale transfer of technology which occurs between the West and the East, or rather, from the West to the East.

In this transfer process, the Western bloc nations, primarily the United States, touch along the top of the technology curve and skip from one new technology to the next. In the process they turn over the benefits of the previous technology to the East while failing to exploit significantly, in a military sense, very many of the discoveries made.

In short, the pioneer work is done by Western scientists, and the military exploitation of their research—the deployment of weapons systems—occurs in Russia and other Eastern bloc nations.

A classic example of the foregoing is in laser and particle beam research and development. The United States refuses to exploit vigorously technologies it has developed in these areas, but has provided many of these same technologies to the Soviet Union on the theory that our scientists are already moving ahead to new and better concepts.

Meanwhile, the Soviet Union has taken basic Western technology and immediately and forcefully diverted it to military applications. Thus, the Soviet space-based laser program for destroying U.S. satellites and possibly intercontinental ballistic missiles may have been unwittingly assisted by technology transfer from the United States.

The permissive policies of the Department of Commerce, adopted in the interests of trade, have allowed the export licensing of military-related technology to the Soviet Union and to other potential enemy nations. This state of affairs has been particularly evident recently in the leading role played by the Department of Commerce officials in diplomatic negotiations with Russia and with mainland China. Technology transfer has internationalized the Department of Commerce in the same manner foreign aid has internationalized the Department of State. An institutional bias at Commerce in favor of permitting the transfer of critical technologies has had grave military consequences.

In addition, the impact of Cocom, a committee of 14 Western nations and Japan designed ostensibly to prevent military technology transfer to Communist nations, has been insignificant.

First, many critical strategic technologies are not listed as prohibited by Cocom agreement. Only 149 items are on the Cocom list, and the list itself is classified secret. Nevertheless, it is known to be particularly deficient in new computer technologies.

Second, if a product or technology is listed, the prohibition against its export is all too often waived.

Finally, several member nations of Cocom, perhaps including the United States, apparently feel free to violate the Cocom agreement in secret bilateral agreements with Communist nations.

Thus, a Cocom nation in a hidden agreement with a Communist nation provided to the Communist nation a complete semiconductor plant and related technology which helped to upgrade the Communist nation's ability to use modern electronics in its military machinery. Because of secrecy surrounding export licensing, similar bilateral arrangements are often effectively hidden, both from Cocom and from the public.

In summary, Cocom is ineffective because: First, the list of prohibited items is not sufficiently inclusive; second, waivers are routinely granted; and third, the Cocom agreement is often violated through secret bilateral transactions.

Frankly, this subject has received little public attention, perhaps because we have assumed for years that Western military export policies were handled carefully.

The following examples of critical technology transfer should help to dispel that unfortunately erroneous notion:

First. The recent export to a Soviet bloc nation of the C-20B component of the 250 series Detroit diesel Alison engine, which is a cruise missile engine component;

Second. The sale to Russia of 164 Centalign-B precision miniature ball-bearing machines which apparently assisted in perfecting the guidance of the reentry vehicles of the SS-18 ICBM, Russia's most powerful missile;

Third. The reported sale of entire plants for making integrated circuits to a variety of Communist countries, thereby permitting the production of semiconductor devices for military purposes;

Fourth. The massive transfer of computer technology to the Soviet Union and recently to mainland China which contributed to Soviet and Chinese advancement in ABM systems, satellite surveillance systems, and ballistic missile and cruise missile guidance systems;

Fifth. The sale of array transform processors which aided the Soviet Union in improving shipboard computers for antisubmarine warfare;

Sixth. The sale by a NATO country to the Soviet Union of technology useful in reducing the vulnerability of submarines to acoustical detection;

Seventh. The sale by a NATO country to mainland China of an advanced jet aircraft engine;

Eighth. The sale of advanced infrared sensors to mainland China which could assist military reconnaissance and missile guidance, pointing, and tracking.

The foregoing list could be expanded and amplified. But the point is that the Senate must bear this pattern of behavior in mind in considering arguments that we can afford to grant strategic nuclear superiority to Russia because our technology is ahead of Russian technology and acts to hedge a grant of Russian supremacy in deployed weapons.

The plain fact is that Western technology very soon becomes the world's technology and that, unlike the United States, Russia exploits Western developments to the hilt.

In recognition of these problems the Senate on July 21 passed the Export Administration Act amendments to seek to limit technology transfer to potential enemies.

EXPERIENCE UNDER SALT I

In 1972, I voted for the SALT I interim agreement. I did so on the basis of arguments regarding the prospects for a balanced arrangement within 5 years under SALT II. I also voted for the anti-ballistic missile treaty in the belief that a follow-on SALT II agreement would make rational the concessions made by the United States to Russia in that treaty.

Experience over the 5 years of SALT I, and during President Carter's unilateral 2-year extension of it following its expiration on October 3, 1977, has convinced me that doubts about SALT I have proven well founded.

In the joint resolution approving SALT I is the following provision:

> Congress supports the stated policy of the United States that, were a more complete strategic offensive arms agreement not achieved, and were the survivability of the strategic deterrent forces of the United States to be threatened as a result of such failure, this could jeopardize the supreme national interest of the United States.

Thus, in 1972, the Congress recognized the danger to world peace if Russia could achieve, as it has now or soon will have, the ability to destroy the U.S. land-based ICBM force.

I point out these facts because after 7 years it is easy for the Senate and the country to forget the fine language which was used in 1972 to convince the Congress that SALT I was acceptable.

I, for one, decided to vote for SALT I only after it was amended to require equality in the follow-on SALT II agreement.

What has Russia done since SALT I was approved?

During the time since SALT I was approved, the Soviet Union has produced and deployed the SS-16, a mobile, single warhead ICBM, with a range of about 10,000 kilometers; the SS-17, a large throw-weight ICBM which is MIRVed and with a range of 10,000 kilometers; the SS-18 an extremely large ICBM with 16,000-pound throw weight and 10 warheads, each with a range in excess of 10,500 kilometers; the SS-19, a large ICBM, with multiple warheads and a range of 9,000 kilometers; the SS-N-17, a submarine-launched ballistic missile (SLBM) with MIRV capability; the SS-N-18, a very large SLBM with multiple warheads and a range of 9,500 kilometers; the SS-20, a MIRVed ballistic missile which is mobile and is known to have a range in excess of 5,500 kilometers; the SS-21, a new tactical nuclear missile the SS-N-12, a new relatively long-range naval cruise missile; and SS-XZ, a new mobile ICBM, possibly MIRVed and with a range in excess of 6,000 kilometers and a very large throw weight.

Additionally, under SALT I, the Soviet Union has had under development an entire new fifth generation of ICBM's, of which the Department of Defense acknowledges five under full-scale development. These missiles are in addition to the fourth generation, which is composed of the awesome SS-17's, 18's, and 19's.

The Soviet Union has under SALT I developed two antisatellite systems. The Soviet Union has developed cold launchers for ICBM's to permit rapid reload of stockpiled ICBM's. The Soviet Union has developed an advanced mobile ABM missile. The Soviet Union has deployed thousands of surface-to-air missiles and more than 1,500 Mig-23/27's.

The Soviet Union has deployed ground-launched cruise missiles (GLCM's) with nuclear warheads, has tested from the Backfire bomber an air-launched cruise missile (ALCM) firing at a range of more than 1,200 kilometers,

and has deployed long-range sea-launched cruise missiles (SLCM's), also with nuclear warheads.

Quantitatively, Soviet military procurement under SALT I has been equally impressive. The list of major weapons procurement since the SALT process began is, frankly, astonishing. It includes the following items of hardware acquisition which Russia has or soon will have:

(1) Several hundred late-model SS-11's with multiple warheads;

(2) 800 fourth generation, large, liquid-fueled ICBM's (SS-17, 18, and 19) with MIRVed warheads;

(3) 300 mobile SS-20 MIRVed IRBM launchers and up to 1,000 SS-20 missiles, also a reported 100 mobile SS-16's;

(4) 20 Y-class and 30 D-class SSBN's with a total of some 700 missile tubes;

(5) At least one new Typhoon-class SSBN and probably more building;

(6) At least 150 Backfire bombers with several hundred ASMs for this and older-model bombers, plus at least another 150 Backfires to be permitted under the new agreement;

(7) More than 60 new major surface ships and other lesser surface combatants, for a net increase of one million metric tons in surface warships;

(8) Naval SAMs and cruise missiles for new surface combatants;

(9) Approximately 25 nuclear-powered attack submarines equipped with anti-ship cruise missiles;

(10) More than 6,600 SAM (SA-3, SA-4, SA-5, SA-6, SA-8, and SA-9) launchers and more than 12,000 missiles compared with zero for the strategic defense of the United States;

(11) Substantially more than 1,000 new high-performance interceptors, some with "look down, shoot down" capability;

(12) Several thousand air-to-air missiles of various types; together with associated radars and equipment for ground control; including at least two types of over-the-horizon radars;

(13) 30,000 tanks and more than 30,000 armored personnel carriers and other armored vehicles;

(14) More than 20,000 artillery pieces and heavy mortars;

(15) Approximately 2,100 fighter bombers and high-performance reconnaissance aircraft for frontal aviation, plus 600 helicopter gunships, plus literally thousands of associated air-to-surface and anti-tank missiles;

(16) Approximately 4,000 ZSU-23/4 anti-aircraft guns; and

(17) About 250 AN-22 and IL-76 transport aircraft and more than 1,000 cargo/troop transport helicopters.

This list is available from sources in the public domain. Much is missing, yet it should be sufficient to illustrate the point.

All this has occurred under SALT I.

In the same time period, the United States has dismantled its Safeguard ABM system, has canceled the B-1 bomber program, has delayed development of the Tomahawk sea-launched cruise missile, has declined to produce the neutron warhead, has slowed development of an antisatellite system, has not developed a single new land-based ICBM, and has moved at a snail's pace in developing the Trident C-4 missile which still has not completed testing.

Basic defense procurement has, to be sure, continued, but the simple truth is that the United States has not met the challenge of Soviet military expansion since the beginning of the SALT process.

On July 24, in response to a question I asked in the Committee on Armed Services, Gen. David C. Jones, Chairman of the Joint Chiefs, stated that "SALT I acted as a tranquilizer." He also testified that there is as well "a risk that SALT II could be allowed to become a tranquilizer." I agree that the danger is serious.

Finally, in analyzing our experience under SALT I, the Senate should also recognize that, in performing the terms of SALT I, the Soviet Union has repeatedly acted against both the spirit and the terms of the agreement. Similarly, Soviet compliance with the ABM treaty is questionable.

At least six articles of the ABM treaty appear to have been violated. Russian activities in violation of these articles are as follows:

(1) Testing in 1974-1975 of the SA-5 air defense system in an ABM mode;

(2) Deployment of new ABM radars;

(3) Camouflage of certain ABM research and development efforts; and

(4) Official falsification of the number of test range ABM launchers reportedly dismantled in 1973.

Soviet actions contrary to SALT I are also apparent. The Russians broke the express intent, spirit, and purpose of article II prohibiting the replacement of light ICBM's and heavy ICBM's by deploying the heavy SS-19.

As you know, the SS-19, with a throw weight comparable to the Titan II, is a heavy missile under the understanding of SALT I, yet cleverly, under the new definitions of SALT II, it will be classed a light missile. In a sense, the Soviets have been rewarded for violating the intent of SALT I by an inclusion in SALT II of a heavy missile under a redefined light missile category.

Soviet leaders also violated the article of SALT I constraining submarine deployment by falsifying the initial baseline level of submarines claimed. Moreover, the Soviet Union has expressly acknowledged that it failed to deactivate ICBM's on time in accordance with the agreement. Data on the deactivation of ICBM's was falsified three times during 1976. The deployment of new command and control silos during SALT I violated the spirit and intent of article I which was designed to freeze the ICBM force level.

Additionally, a massive program of deliberate concealment of testing and deployment of offensive forces has blatantly violated article V of SALT I prohibiting interference with national technical means of verification. Violations of article V of SALT I include:

First. Encryption of ICBM telemetry;

Second. Camouflage and concealment of ICBM testing, production, and deployment;

Third. Concealment of submarine construction and berthing; and

Fourth. Construction of dummy submarines which are themselves concealed.

Finally, the Russians have violated the SALT I protocol by building 3 submarines more than the 62 permitted under the protocol.

There are many other examples of Soviet disregard for the SALT I accords. The list goes on and on if the analysis is made of Soviet behavior under not only the specific terms of the agreements reached but also under the agreed interpretations of both the ABM Treaty and the interim agreement.

I will cite here only three examples.

First, under the agreed interpretations of the interim agreement, the range definition of an ICBM would include the SS-20, a mobile MIRVed, "intermediate"-range missile, yet Russia has deployed these missiles in violation of the SALT accord and its agreed interpretation.

Second—and this is perhaps the clearest example—in March 1976 the Soviet leadership actually admitted that they had deliberately violated the agreement requirement to deactivate old ICBM's (SS-7's) while replacement submarines were on sea trials.

Third, this overt admission was soon followed by the deployment of an ABM radar at a ballistic missile test range in direct conflict with an agreed interpretation of the ABM Treaty and without making the prior agreement with the United States required thereby.

These foregoing actions—and there are others—do not even reach the issue of U.S. unilateral statements made in connection with the approval of SALT I. Suffice it to say that unilateral statements made by the United States have, in the main, been ignored by Russia to an extent that one questions whether the other side even bothered to read them.

Why should we expect Russian compliance with SALT II to be different than it has been with SALT I? At the very least, the Senate in considering SALT II, and the wording of its provisions, must assume the worst—must assume that Russia will resolve any treaty ambiguity in favor of Russia and will take full advantage of any loophole.

I can summarize our experience under SALT I with this statement: The Soviet Union under SALT I—and at times in violation of SALT I—has deployed at least 10 entirely new strategic systems and has advanced the quantity and quality of its weaponry at all levels to the maximum extent permitted by the Soviet economy.

BUDGETARY CONSIDERATIONS

Proponents of the SALT II treaty have already begun a campaign to propagandize the American public on the alleged virtues of SALT II, warning of dire consequences of its failure in the Senate.

A primary argument made by the Carter administration, is that without SALT II there will be an arms race of unparalleled proportion and great expense to the United States.

The fact is that Russia, during the past 7 years, has to an unprecedented degree, already increased its military might.

The Soviet Union in 1980 is expected to expend up to 18 percent of its gross national product on defense. Even the Central Intelligence Agency, which for more than 30 years has consistently underestimated Soviet military spending, now admits that between 11 and 13 percent of the Russian GNP is devoted to the

military and that the Soviet Union expends $40 billion more than the United States spends for defense purposes annually.

Then, too, unlike the United States, the great bulk of the Soviet defense budget goes to the procurement of hardware. In a police state, manpower costs do not compete with procurement costs as they do in a free society.

In our country manpower consumes nearly two-thirds of the defense dollar, weapons procurement accounts for less than 30 percent. In Russia the opposite is true, with less than 30 percent going for manpower costs.

But, in my judgment, the Soviet Union may nevertheless be at the point of diminishing returns in defense expenditures. Further significant defense expenditures probably cannot be achieved in real terms since to increase the defense share of the Russian economy beyond its present staggering percentage could cause the Russian economy to falter, and the actual GNP of Russia could decline along with actual funds available for military systems.

The Russian economy is not likely to sustain military expenditures greater than those presently being made. It follows that the limits imposed by SALT I and proposed to be imposed by SALT II do not, in fact, bring about any fiscal limits on Soviet defense spending. Those limits are imposed by the Soviet economy itself.

SALT II may, however, permit a shift in Soviet strategic expenditures from offensive strategic systems to defensive strategic systems. On the surface, this change might appear desirable; but, in fact, it could increase the chance of war by enabling a damage denial or damage limiting defense of the Soviet homeland.

American defense expenditures will not be constrained by SALT II, but by the realities of a democratic system of government. Present U.S. expenditures for defense are about 5 percent of the U.S. gross national product. Defense procurement, that is, the purchase of military hardware, does not exceed 2 percent of the U.S. GNP. With or without SALT II, it is highly unlikely that the United States would match or even spend anywhere near the levels of the Soviet Union. The restraining factor would be, quite properly, the American political system, not SALT II.

It follows, Mr. President, that SALT II would not constrain defense spending, either in the United States or in the Soviet Union.

This view is held by analysts of the Soviet economy most qualified to predict future performance on the basis of past experience. Thus, for example, an acknowledged leading American authority on Soviet defense spending, W. T. Lee, states as follows:

> The burden of Soviet defense expenditures has risen over the years and it is contributing to the decline in the overall growth of the Soviet economy. Soviet defense expenditures have increased very rapidly since the SALT process began in 1969. Indeed the case can be made that SALT has stimulated the growth of Soviet defense expenditures on the grounds that Soviets saw SALT as the means of catching up with and surpassing the U.S. in military capabilities and have made the most of it. In order to finance the heavy burden on Soviet economy the Soviet leaders have had to make an unprecedented (in peacetime) diversion of resources from investment to defense. While the impact on investment has been eased by imports of machinery and technology, much of which has been financed by NATO, the burden of defense on the Soviet economy has never been so heavy in peacetime. Ironically, the burden has grown much more rapidly in the SALT decade than during the previous 13 years.

Mr. Lee questions, as I do, the ability of the Soviet Union to increase significantly its defense spending above its current level. He states:

> We do not have a good measurement of how much economic growth has been foregone by the steady increase in the share of GNP devoted to defense over the past two decades. The effect thereof on capital investment is evident, as has been discussed. Clearly, this is one of the reasons for the decline in growth rate of Soviet GNP, but how much of the decline has been due to the rising defense burden? What would the growth rate have been if the Soviet defense outlays had been held, say, to 9 to 10 percent of GNP instead of rising to about 18 percent or less? Were reduced to the U.S. share of 5 percent or less? We cannot answer these questions with precision, hence, it is difficult to say how much Soviet economic growth would be reduced by increasing the defense share to 20 percent or more of GNP, or at what point growth would cease and GNP might even decline if the defense share were to go beyond 18 percent. Surely, however, there is a peacetime limit, and the Soviets may be approaching it. It is hard to believe they can go much above 18 percent of GNP for defense. On the other hand, can the Soviets maintain defense at about 18 percent of GNP and still achieve growth in GNP? Perhaps.

Basic considerations of gross national product and allocation of resources are, thus, determinative of Soviet defense spending, not limits specified in SALT. This result, Mr. Lee concludes, is inescapable:

> To put it mildly, SALT has had no discernible effect on Soviet defense expenditures.

LINKAGE

It has been suggested by the administration that it would for some reason be improper to consider the proposed Strategic Arms Limitation Treaty in connection with our experience of Russian aggression and Communist expansion. The idea apparently is that SALT II must be isolated and examined in a vacuum.

I reject that approach. Obviously, this treaty was not negotiated in a vacuum, and there is nothing whatsoever isolated about its content or its intent.

The Senate should not feel constrained in discussing SALT II as a document linked and intertwined with an ongoing history of Russian aggression and Communist expansion.

Looking only at the time since the coming into force of SALT I, the Senate can and should remember, in passing judgment on SALT II, the rampant expansionism of Russian imperial policy.

I will list here a few of many examples.

The United States failed in its efforts to defend South Vietnam. The Soviet Union is now seeking to develop Pacific Fleet naval bases provided by Vietnam.

U.S. policy elsewhere has suffered similar defeat. We have acquiesced in Communist victories in Angola and Mozambique. We have cooperated while Russian-oriented terrorists have sought to destroy the new majority rule government in Rhodesia. We have done nothing to forestall Cuban-trained terrorists in Nicaragua. We have watched the spectacle of Cuban troops keeping in power a Communist dictatorship in Ethiopia. A revolution in Iran has eliminated a government friendly to the United States, and we have witnessed the communization of Afghanistan and Russian-inspired and fomented insurrection and insurgency elsewhere.

Yet, in the face of this clear evidence, the administration and others have suggested that if the United States will only show further restraint—how often we hear that word restraint—if the United States would only show further restraint, then the aggressive Russian policy would be curtailed.

Let us examine that from a historical perspective. If we go back to 1964, the United States had 1,054 ICBM's. Russia had 200. The same argument was made then . . . that if we froze our forces at that figure, Russia would not increase her missile strength.

After all, Russian policy, we are told, has always been defensive in nature. It is only because Russia, we are told, is threatened that Russia seeks power in Central America; it is only because Russia feels threatened that Russia maintains a naval presence in southern Africa, at Maputu and at Cabinda, and in the horn of Africa, at Socotra; it is only because Russia feels threatened that Russia seeks a naval base at Camranh Bay and fortifies the Kuriles; it is only because Russia feels threatened that Russia supports its stooges in Cuba.

Restraint, restraint, we are told, is required of the United States or else Russia will, out of fear, out of fear alone, be compelled to expand even further—but always, of course, acting in her own self-defense.

Now this process ought to be familiar to the West. Hitler, we were told in the late 1930's, needed Austria and Czechoslovakia only so that Germany would not feel threatened.

So, I believe it would be a mistake during the debate of SALT II to attempt to determine Russian intentions rather than to focus on Russian might.

TERMS OF SALT II

The Jackson amendment to the SALT I interim agreement required the President to seek quantative equality in any future SALT agreement with Russia. SALT II appears on the surface to satisfy the requirement of the Jackson amendment.

In fact, however, the equal upper limits specified in SALT II are purely cosmetic and do not result in actual equality in the strategic offensive forces of the two parties to the treaty. In short, the fundamental treaty formula is an illusion.

OFFENSIVE LIMITS

The upper limit for the total number of strategic offensive weapons is 2,400.

This limit is to be reduced to 2,250 by December 31, 1981.

The first subtotal, 1,320, is the number of ICBM's and submarine-launched ballistic missiles (SLBM's) that may be MIRVed. Also included are all heavy bombers equipped with ALCM's or air-launched ballistic missiles (ALBM's). This subtotal is also to be reduced on December 31, 1981, to 1,200.

The next sublimit is 1,200, and it limits the number of ICBM's and SLBM's which may be MIRVed without regard to manned bombers.

Finally, 820 is the number of land-based ICBM's which may have MIRVed warheads.

Again, outwardly these limits appear to impose identical constraints on Russia and on the United States. In fact, they do not.

First, the Soviet Union is granted a special right to 308 heavy ICBM's of the SS-18 class.

These missiles are the missiles designed to destroy, and which are capable of destroying, the U.S. ICBM force.

They are truly awesome in size, firepower, and accuracy, and the United States would be prohibited by SALT II from seeking to develop a comparable missile.

In effect, this prohibition guarantees a Russian advantage in the most critical aspect of the strategic balance, namely, that aspect directly affecting the ability to destroy an opponent's forces in a first strike.

Second, the treaty formulas do not provide for equal aggregates for other, less immediately obvious reasons. These reasons are associated with the failure of the American negotiators to include in the negotiations all of the strategic forces of Russia. Since these strategic systems were not included in the first instance, obviously these systems and their potential for growth make a mockery of the stated equal aggregates in the treaty. Known Soviet strategic systems not counted under SALT II include:

(1) The SS-20;
(2) The SS-N-3;
(3) The SS-N-12;
(4) The SS-N-4;
(5) The G-Class SS-N-5; and
(6) The Backfire bomber.

These special exclusions granted to Russia mean that, even after the Soviets have reduced the number of their strategic offensive weapons to the SALT II specified limits, almost 1,000 additional strategic nuclear weapons will be outside the SALT II formula with no SALT-imposed limits on further growth.

In contrast, every conceivable strategic system of the United States is included in the U.S. count under the treaty. Thus, obsolete B-52 bombers in the Arizona desert boneyard are included in the U.S. total, notwithstanding the fact that more than a year would be required to bring these aircraft into operational status.

In summary, although the numbers specified are the same, disparity in the method of counting invalidates the equation.

DEFENSIVE LIMITS

SALT II does not limit defensive strategic systems.

SALT I included as a component part the ABM treaty limiting defenses against ICBM's and SLBM's.

Thus, the SALT I package limited ICBM's and SLBM's both by offensive- and defensive-related restrictions. Manned bombers were not included in SALT I, and consequently, no defensive limitations were imposed on those systems used to counter a manned bomber threat.

SALT II does include manned bombers, primarily those of the United States, yet no effort was apparently made to include in the treaty strategic air defense systems.

U.S. air defenses are very thin. Russia, in round numbers, has almost 3,000 interceptor aircraft, 7,000 air defense radar systems, and 10,000 strategic air defense SAM launchers.

These defensive forces in the Soviet Union tend to nullify the heavy bomber threat of the United States. And the exclusion of Backfire from the SALT limits exaggerates the vulnerability of a relatively defenseless North America to heavy bomber attack.

In addition, the massive Soviet civil defense program and the extensive Soviet activity in developing and deploying new antiballistic missiles in violation of the ABM treaty add further to the strategic impact of Soviet defenses.

The failure of U.S. negotiators to obtain an agreement with Russia which would limit Russian strategic defensive systems, and their corresponding failure to include the most potent Russian bomber while carefully counting the most obsolete and useless American bombers, combine to produce a result totally inconsistent with the doctrine of mutual assured destruction and clearly at odds with the principle of equal aggregates.

Russia will be in a position to strike North America with impunity in a bomber attack, whereas without B-1, it is doubtful that more than a few U.S. bombers could complete their mission.

All this within the cosmetic equal aggregates of SALT II.

BACKFIRE NOT LIMITED

The Backfire is a bomebr capable of reaching the United States. The aircraft is 2½ times heavier than the U.S. theater nuclear bomber, the FB-111A. Its payload and unrefueled range are both only about 10 percent below the B-52.

Russia, throughout the negotiation of the SALT II agreement, insisted that the Backfire was not an intercontinental weapon and was deployed in a theater nuclear and maritime role. Their position prevailed, and the Backfire is not included in the total aggregates specified in the proposed SALT II agreement.

But the point is not whether the Backfire is deployed for theater nuclear missions or whether it is deployed for intercontinental missions. The fact is that the Backfire is capable of an intercontinental mission. Not only is it capable, but it could prove highly effective in an intercontinental mission, especially since, as I have noted before, there is very little in the way of air defense protecting North America.

Further, since Backfire can attack the United States and since this aircraft is comparable to the B-52, many of which are in the Arizona boneyard yet are counted, Backfire should also be counted in the equal aggregates specified in the SALT II treaty. But it is not.

Mr. Brezhnev has provided President Carter an unsigned letter stating that Backfire production will not exceed the present rate of 30 aircraft per year, and that the bomber will not be used against the United States. Yet by 1985 Russia will still have at least 400 Backfire aircraft. Mr. Brezhnev's unsigned letter does not provide a defense.

CRUISE MISSILES LIMITED

The United States has achieved some advantage in developing cruise missile technology for the accurate targeting of a variety of types of cruise missiles. The Soviet Union has long possessed cruise missiles, both ground-launched and sea-launched. Chiefly, the Soviet Union has relied on the SS-N-3, the SS-C-2, and the SS-N-12. The Soviet Union has tested an air-launched cruise missile with the Backfire bomber.

Nevertheless, Russian cruise missile technology is thought to be behind American technology in the same type systems. On the other hand, to reach high value targets in the United States with sea-launched or air-launched cruise missiles, Soviet launch vehicles are not required to penetrate defenses to the same depth as are U.S. delivery systems.

In short, because of basic geography, cruise missiles launched against the Soviet Union would be required to travel greater distances to reach their targets, than cruise missiles launched against the United States.

Article II of the protocol to the SALT II treaty prohibits deployment of ground- or sea-launched cruise missiles with a range in excess of 600 kilometers. As previously noted, it is not clear what will happen to existing Soviet ground- and sea-launched cruise missile systems with ranges in excess of 600 kilometers—360 miles—but it is clear that the development by the United States of sea-launched and ground-launched cruise missiles will be slowed. If the protocol is extended, as it is likely to be, these systems will be stopped.

Article IV, section 14 of the proposed SALT II treaty provides that neither party may deploy a number of air-launched cruise missiles more than the product of 28 and the number of aircraft equipped to launch cruise missiles.

The second agreed statement to article IV, section 14 states that, in the case of the B-52, not more than 20 cruise missiles will be permitted on each B-52 equipped to launch cruise missiles.

Yet neither the Backfire nor the new advanced Soviet bomber now under development are subject to the 20 missile limit. Again, with an appearance of equality, in fact, asymmetry is imposed by the SALT II treaty.

Moreover, a limit of twenty cruise missiles per B-52 is likely to present a manageable threat to Russia. The intense air defense systems of the Soviet Union could permit the Russians to defend successfully against that level of cruise missile attack.

The SA-5, the SA-10, and the SA-X-3 are all likely systems for downing cruise missiles. Similarly, the "look-down shoot-down" capabilities of the MIM-23/27's, the forward-looking infrared capabilities of the MIG-25, and the battle management systems of Soviet AWACS and netted radars further enhance Russian defense against the cruise missile. Finally, new types of antiaircraft guns and other new technologies could provide terminal defenses to negate the U.S. cruise missile potential.

Yet the B-1 scrapped on the basis that the cruise missile made the new bomber unnecessary.

MODERNIZATION

The SALT I interim agreement, in a loosely worded provision, sought to limit increases in the size of light ICBM's. At that time, the predecessor missiles to the SS-17 and SS-19, that is, the SS-11 and SS-13, had throw weights of approximately 2,000 pounds. SALT I purported to hold the Soviets to missiles of that size, when in fact, under the definition of light missiles in SALT I the Soviet Union managed to develop both the SS-17 and SS-19, the former with a throw weight of 7,000 pounds and the latter with a throw weight of 8,000 pounds—both more than three times larger in throwweight than the light missiles they replaced.

SALT II has solved the embarrassing problem for U.S. negotiators created by these two new heavy Soviet ICBM's simply by including both as "light missiles" and failing to define a light missile. This clever feat of draftsmanship does not change the fact that these two new heavy ICBM's are aimed at the United States, nor does it change that fact that no apparent effort was made by the United States in SALT II to gain a counter advantage to that obtained by Russia in developing these missiles contrary to the intent of SALT I.

I raise this issue fully realizing that it is now a matter of history, because I believe the definition of permissible modernization set forth in the SALT II agreement will permit the Soviet Union to field its new fifth generation of IBCM's. These fifth generation missiles are well along in their development and will be available for deployment well before the expiration of SALT II.

In my judgment, at least three new ICBM's will be introduced by Russia in the near future, and if it has been approved by the Senate, SALT II will have no effect in prohibiting their deployment.

This latter fact results from the loose definition of modernization of missiles set forth in article IV, section 9 and in the understandings thereto. These three new "modernized" ICBM's would be in addition to the one new light ICBM which is specifically permitted to be flight-tested or deployed under the treaty.

This latter provision permitting deployment of a new ICBM before 1985 is of limited value to the United States because it is now obvious that the MX missile program has been sufficiently delayed to make a provision for its deployment during the term of SALT II of little consequence. The earliest date now estimated for MX is 1986.

Finally, in connection with the issue of strategic missile modernization and deployment of new types of light ICBM's, it must be understood that under the provisions of article IV, section 7 of the proposed treaty, the United States would not be permitted to "develop, test, or deploy ICBM's" which have a launch weight or throw weight greater than the throw weight of our largest missile which is 8,000 pounds, a value substantially equivalent to that of the SS-17 and SS-19, and one-half the Soviet upper limit established by the 16,000 pound throw weight of the SS-18.

Secretary of Defense Brown testified that this and other provisions of the treaty grant Russia the special right to 308 SS-18's but forbid the United States to have any ICBM's of comparable size.

We must understand further that inasmuch as the word "light" is nowhere defined in the treaty, the Soviet Union is free to deploy one new "light" ICBM of a size limited only by the provisions of article IV, section 7, namely, limited only be the unspecified launch weight or throw weight of the massive SS-19.

COLD LAUNCH

Russia has developed the ability to reload rapidly missile silos. Both the SS-18 and the SS-17 are launched by compressed gas; their rocket motors do not fire until the missile has left the silo. The silo is thereafter reusable and can be reloaded in a process requiring no more than a few hours.

The SALT II agreement imperfectly seeks to curtail the rapid reloadability of Soviet rocket forces. The SALT II agreement, in its article IV, section 5, provides that ICBM "launcher deployment areas" are not to be equipped with missiles excess to "normal deployment, maintenance, training, and replacement requirements." It further provides that neither party is to "develop, test, or deploy systems for rapid reload of ICBM launchers."

The Soviet Union—according to Dr. William Perry, Undersecretary of Defense for Research and Development—has already developed the capability for rapid reload of ICBM launchers. The prohibition contained in the treaty will, therefore, only inhibit the United States.

Additionally, I note that, unlike many other provisions of the treaty, this critical provision does not have the normal laundry list of agreed statements and common understandings. Only the term "normal deployment requirements" is defined to prohibit additional missiles immediately at an ICBM launch site. Other terms are not defined. "Launcher deployment area" is not defined. "Normal—maintenance, training, and replacement requirements" are not defined. It becomes, then, entirely a question of subjective judgment as to what constitutes a violation of this provision of the treaty.

Russia is free to define normal deployment practices, especially with respect to maintenance, training, and replacement requirements, in such a manner as to generate a reload capability of strategic significance.

Frankly, the Senate would display great naivete if it were to believe that the Soviet Union would have invested the development effort it has into cold launch techniques if it did not intend to take advantage of those techniques regardless of a poorly drafted treaty provision which seeks to restrict their use. We already have seen the Russian use of ambiguity to skirt the terms of SALT I.

Indeed, a first step in a strategic confrontation by the Soviet Union seeking to gain a diplomatic advantage could well be to move excess reload missiles to the vicinity of a launch site in the moment of crisis. At that stage, the treaty provision would have little meaning.

VERIFICATION

The problem I have just outlined with respect to rapid reload and cold launch technique typifies the type of issue which is fundamentally not subject to verification without ongoing, onsite inspection.

The Soviet Union stretched, if not violated the terms of SALT I. Some of the violations were discovered in a timely fashion, some were not, and some may yet remain to be discovered. Secretary of Defense Brown stated to the Committee on Armed Services that we must consider the likelihood that the Soviets would violate the treaty.

Yet, SALT II, a far more complicated and detailed agreement than was SALT I, is in the same degree far more complex and onerous in its verification. This is apparent in the provisions in the treaty which seek to require functionally related observable differences and externally observable differences which are, in effect, admissions of defeat in an effort to verify by National Technical Means. In such instances, in fact, we are simply trusting the Russians to be honest with us in telling us what they are doing.

The administration has recognized that Soviet compliance with the proposed SALT II treaty cannot be verified with certainty. The administration has proposed a legalistic and definitional solution to this real problem by simply redefining what is an acceptable degree of verification. The administration has postulated acceptance of a standard of verification based on adequacy in lieu of certainty.

But all witnesses seem to agree that even to achieve "adequate" verification we must rely on the permission of third countries to establish and maintain monitoring sites. This is a thin reed on which to rest a matter of such importance.

NATIONAL STRATEGY AND TRUE PARITY

The United States has long accepted the basic concept of parity with the Soviet Union in strategic forces, but the United States now has moved rapidly to the new concept of "essential equivalence" with Soviet strategic force, a doctrine which permits acceptance of strategic inferiority.

True parity is an acceptable condition. Obviously, it is not as desirable as superiority. However, the concept of

parity has been in SALT II confused with the principle of "equal aggregates." This confusion results from the incorrect assumption that if aggregate numbers are equal, then parity is achieved.

The United States, as a matter of doctrine, adheres quite rightly to a policy of deterrence and retaliation. The United States, as a matter of doctrine and as an outgrowth of the democratic process, will not initiate a nuclear war.

Because the United States relies only on retaliation as a deterrent to attack by an opponent, it must have either more weapons than its opponent or it must have survivable weapons. Of the two choices, survivable weapons are preferable.

To achieve parity, then, the United States must have more rather than less or must have survivable weapons rather than vulnerable weapons.

The Chairman of the Joint Chiefs of Staff, Gen. David C. Jones, and the Chief of Naval Operations, Adm. Thomas B. Hayward, have both testified that the United States will not even be able to maintain essential equivalence, much less parity, during the term of SALT II.

I do not suggest a change in a wise policy seeking to avert nuclear war by refusing the option to plan for initiating a first strike. I do believe, however, that, in assessing SALT II and the facade of equal aggregates which would be established by it, we must continually bear in mind that simple equality in numbers does not provide parity in strategic capability. This I view as a fundamental defect in SALT II and in the SALT process itself as conducted in recent years.

ASSURED MUTUAL DESTRUCTION

I have always felt that mankind would benefit from the development of defensive systems designed to counter nuclear weapons. To me defending against weapons of mass destruction has always seemed a desirable goal.

I have discovered, however, that there are those who prefer to seek to prevent nuclear war by guaranteeing the total destruction of both Russia and the United States in the event war did occur. I obviously appreciate and approve the motive behind this doctrine, a doctrine which is known under the acronym "MAD" for mutually assured destruction. The motive is the prevention of war. I question, however, that the doctrine will work if the destruction of one side can be assured while that of the other cannot.

The United States has dismantled all strategic defenses. On the other hand, Russia has developed and expanded its ability to defend its people. In fact, Secretary of Defense Brown testified that Russia has spent $100 billion on its strategic defenses.

The pervading influence of the doctrine of mutually assured destruction on the American side of the negotiating table has produced a proposed treaty which purports to limit strategic offensive arms, but does not limit strategic defensive arms. This I consider important.

TECHNOLOGY BREAKOUT

During the SALT process the United States has moved from a position of superiority to a position of vulnerability.

For every offense, we are told, there is a defense. Many of us—and certainly, I include myself in this category—believed that the intercontinental ballistic missile was the ultimate weapon for which there could never be devised a defense to protect man and return our endangered planet to a condition of relative security. This belief no doubt spawned the nation of hostage populations and averting war through assuring destruction in the event of war.

Radically new technologies may offer during the term of SALT II a radically new defense against ballistic missiles.

The press with increasing frequency has discussed the possibility of space-based laser systems designed to destroy ICBM's in flight. The press has discussed with increasing frequency the advanced state of existing technology which could be utilized in a laser system designed to destroy an ICBM during initial boost. Other media accounts have discussed the potential of high-energy particle beam weapons and have predicted the use of these weapons in terminal defense of high-value targets.

Russia is reported by some to possess already the ability to blind U.S. reconnaissance satellites with laser light.

There is no doubt in my mind that the Soviet Union is vigorously pursuing all aspects of new defensive technologies. There is no doubt in my mind that the Soviet Union is seeking to take full advantage of any related Western technology it can obtain.

As I see it, during the evolution of these new strategic defensive systems, one of two things can occur. Either the United States will achieve technological breakthrough first and deploy a related weapon system first, or Russia will achieve a technological breakthrough first—or exploit a Western breakthrough—and deploy a related weapon system first.

In the former case, no doubt a similar system will soon be deployed by Russia, and parity could be maintained in a world less subject to nuclear destruction.

In the latter case, Russia could seize the unilateral advantage obtained and deny to the United States a similar system. Under SALT II, Russia would have a sufficient advantage in strategic offensive systems to deny the American deployment of a new technology Russia achieved first, because the remaining offensive deterrent left to the United States under SALT II could be countered by the new high-technology defensive system.

Achieving technological breakthrough in defense against the SLBM and ICBM, Russia would be certain to use any advantage to the hilt, and if put in a position to dictate terms in SALT III by having achieved a new defense, Russia would undoubtedly require the United States to forgo a similar advanced development.

This fact is a great danger of SALT II.

SUMMARY

First. SALT II cannot be considered alone. It must be evaluated against a background of greater Soviet military might and global expansion. Would ratification of this unequal treaty constitute new evidence of U.S. acquiescence?

Second. What has happened since the SALT I agreement was signed 7 years ago? Russia has achieved a massive military buildup in both conventional and nuclear weapons, has spent, according to Secretary of Defense Brown, more than $100 billion on strategic defenses, and has deployed the most powerful of all missiles, the SS-18. SALT II gives the Soviets special and unmatched rights to 308 of these heavy intercontinental ballistic missiles.

Third. Militarily, the United States is much weaker today compared with Russia than was the situation 7 years ago. The Chairman of the Joint Chiefs of Staff, Gen. David C. Jones, stated categorically, in replying to a question by me during the Armed Services Committee hearings, that SALT I lulled the American people into a false sense of security. Why should we expect anything different from SALT II?

Fourth. The Joint Chiefs of Staff, while supporting the treaty, advised the treaty negotiators that a limitation on cruise missiles is not in the best interests of the United States. That view did not prevail.

Fifth. The United States is limited to 20 air-launched cruise missiles for bombers; Russia is likewise limited for its Bisons and Bears. Both countries are unlimited on the number of cruise missiles on a new bomber. The difference, however, is this: General Jones testified that Russia, during the life of the treaty will have a new bomber, but that the United States will not.

Sixth. The treaty counts U.S. manned bombers, but it does not cover the massive Soviet air defense system which virtually negates the American bomber threat. By 1985 our bombers will not be able to penetrate effectively these defenses, according to testimony by Secretary of Defense Brown.

Seventh. The treaty does not count the Soviet Backfire bomber, yet this aircraft is capable of attacking the United States.

Eighth. Russia has 1,000 strategic weapons not covered by SALT II. Since the 6 systems of which these 1,000 are a part are not covered under the treaty, the number could grow virtually without limit.

Ninth. The treaty will not prevent the Soviet Union from deploying a new fifth generation of ICBM's.

Tenth. The treaty will permit both sides to deploy "modified" new ICBM's, but on the U.S. side the new missiles must not exceed a throw weight of 8,000 pounds while Russia's new missiles would be allowed up to 16,000 pounds in throw weight.

Eleventh. The ban in the treaty on developing rapid-reloading launchers will not apply to Russian launchers of this type which already exist. We have none.

Twelfth. The SALT I Treaty was simple and uncomplicated in its terms, yet the U.S. Arms Control and Disarmament Agency found that Russian "concealment activities associated with strategic weapons programs increased substantially." SALT II is far more complex and detailed than SALT I and therefore more difficult to verify and far easier to violate deliberately and to conceal that action.

Thirteenth. Defensive weapons are not covered by the treaty. Yet it would permit the Soviet Union to have a first strike offense with the potential to knock out the bulk of our strategic forces. The United States itself has virtually no defenses to an attack. It was decided years ago that this Nation would rely on its ability to retaliate to forestall an attack. But with U.S. offensive forces strictly curtailed by the treaty, Russia is left free to spend much of its military budget on defensive systems—including systems in space if it so desires—thus sharply reducing the retaliatory threat.

Fourteenth. As part of SALT I the U.S. Senate on September 14, 1972, approved the Jackson amendment requiring equality in intercontinental strategic forces in negotiating SALT II, meaning equality of numbers of launchers taking into account throw weight. The amendment stated that—

> Were the survivability of the strategic deterrent forces of the United States to be threatened as the result of such failure of equality, this could jeopardize the supreme national interest of the United States. . . .

Yet, the Chairman of the Joint Chiefs of Staff, General Jones, stated categorically that in terms of numbers of launchers and taking into account throw-weight the United States does not have equality in intercontinental strategic forces.

At the beginning of this speech I cited two basic issues:

One, does approval of SALT II enhance the security of the United States and our free allies? In my judgment, it does not.

Two, does it confirm Russia's strategic superiority? I have become convinced that it does.

While I have no quarrel with those who take a different view and assign to them the same motives that I assign to myself, I have concluded that I cannot vote for the Strategic Arms Limitation Treaty as submitted to the Senate by the Senate by President Carter.

ORDER OF BUSINESS

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President. there are no orders for the recognition of Senators on tomorrow, are there?

The PRESIDING OFFICER. No.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR CONSIDERATION TOMORROW OF S. 835, APPALACHIAN REGIONAL DEVELOPMENT ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators have been disposed of on tomorrow, the Senate proceed to the consideration of Calendar No. 183, S. 835, a bill to extend the Appalachian Regional Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 265, EQUAL ACCESS TO JUSTICE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the Appalachian regional development bill tomorrow, the Senate proceed to the consideration of Calendar No. 267, S. 265, the Equal Access to Justice Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 1119, PLANS AND PROJECTS AFFECTING THE TERRITORIES AND POSSESSIONS OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition tomorrow of the Equal Access To Justice Act, the Senate proceed to the consideration of Calendar No. 221, S. 1119, a bill to direct the Secretary of the Interior to report to Congress on plans or projects affecting the territories and possessions of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON WEDNESDAY, AUGUST 1, 1979, AND THURSDAY, AUGUST 2, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday and Thursday, after the two leaders have been recognized under the standing order, Mr. PROXMIRE be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMAN RIGHTS AND THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the United States has long been an advocate of human rights. The notion of protecting the vital integrity of all human beings, regardless of race, religion, or nationality, has been an underlying current in American foreign policy for many years.

In recent times, however, this concern has come to play more than just a supporting role. In fact, new emphasis and new concern for human rights was declared a basic tenet of the present administration's foreign policy.

One of the ways this increased emphasis has taken form is through a restructuring of the Department of State's institutional attention to human rights. With the encourgament of Congress, a Bureau of Human Rights and Humanitarian Affairs was created in 1977 to specifically address the issue of international human rights.

Another manifestation of this renewed human rights interest is the examination of U.S. bilateral economic assistance programs to assure that such aid benefits the needy people of that nation and does not strengthen the hold of repressive governments. "Economic oversight" of human rights violations has also been legislated through such measures as the Omnibus International Financial Institution Act of 1977. This act requires our representatives to advance the cause of human rights with their voice and vote in the international financial institutions, including seeking to channel assistance toward nations not guilty of human rights violations.

A third example in this far from conclusive list of renewed human rights commitments are the recent passage of human rights treaties including the International Convention on the Political Rights of Women and the Inter-America Convention on the Granting of Political Rights to Women.

Yet, while all these acts have demonstrated our Nation's concern for human life, there remains a major omission. The late Senator Hubert Humphrey summarized this omission well:

> At a time when support for human rights has assumed its proper role as a central tenet of American foreign policy, even the moral leadership which the United States could exercise in this critical area is diminished by our failure to ratify numerous human rights covenants, including that most fundamental of documents—the Genocide Convention.

Mr. President, the Genocide Convention is a most fundamental document of human rights. And even though we have made many other steps toward furthering the cause of human rights, our failure to ratify this particular treaty only serves to call into question the extent of our commitment to human life.

I, therefore, urge my colleagues to ratify the Genocide Convention. Let us uphold our increased commitment to the integrity of life.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOVIET OPPOSITION TO SALT II

Mr. CRANSTON. Mr. President, the Soviet Union has signed the SALT II Treaty and the issue now is whether the Senate will give its advise and consent to ratification of the treaty.

As we engage in the ratification process, we will be deluged by the views of various American proponents and opponents of SALT II. And we have been subjected to gratuitous admonitions from Soviet proponents. However, less obvious is the view of the Soviet opponents of SALT II. We in the Senate should be aware that, indeed, there have been Soviet opponents to the SALT process from the very beginning of the SALT negotiations in 1969, and that there are, today, substantial forces in the Soviet Union which hope that this U.S. Senate does not ratify the SALT treaty.

There is substantial evidence that after the humiliation of the Russians in the Cuban missile crisis, the Soviet military and Soviet party leadership embarked on a strategy to achieving strategic superiority so that such humiliation would never occur again. They also felt they must deal with the growing threat from Communist China. As the hearings before the Foreign Relations and Armed Services Committees demonstrate, Soviet tactical and strategic forces now have drawn level with the West and, with respect to some strategic indicators, may have overtaken the West or will do so by the time of the so-called "strategic window" of the 1980's.

One of the principal arguments of the proponents of SALT II is that ratification of the treaty will allow the United States an opportunity to catch up in those areas of strategic forces where necessary, and to maintain the overall essential equivalence with the Soviet Union in strategic forces that now exists. One of the principal arguments of the Senate opponents of SALT II is that the Soviets are now ahead of the United States in strategic capability and we cannot afford to ratify SALT II. I do not share the view that the Soviet strategic forces are superior to those of the United States; but I do share the view that without SALT II we will be engaged in an apparent endless arms race with the Soviet Union to maintain strategic parity.

We should be fully aware in the SALT ratification debate that there are substantial and influential groups in the Soviet Union which would favor a continued and endless arms race with the United States in both tactical and strategic nuclear forces, as well as conventional forces. These groups are primarily centered in the military, and the deep sense of insecurity which drives these groups appears to stem from the purge by Stalin of Russian military leadership in 1937–38 and Stalin's massive dismissal of military leaders in 1949–52.

The history of these anti-SALT, anti-arms control groups within the Soviet power structure has been concisely and authoritatively traced by Roy Medvedev, a Soviet dissident historian, in a report recently published in the London Observer. That report, centering on the differences in the Soviet hierarchy over the SALT II agreement, was republished in the Sunday, July 29, 1979, edition of the Washington Star in a front page article entitled "Soviet Policy Reported Reversed by SALT II."

The reversal of Soviet policy which historian Medvedev finds to have occurred, is "the abandonment of the earlier goal of superiority ('to catch up and overtake') in favor of that of 'parity'."

If the analysis of historian Medvedev is correct, and I personally believe it is both authoritative and substantially meritorious, then it supplies strong evidence that the ratification of SALT II will ensure the parity and essential equivalence of Soviet and U.S. strategic forces. Equally important, I believe that rejection of SALT II would have profound effect on the internal power structure of the Soviet Union, a profound effect that probably would be adverse to the national security of the United States.

Because of the obvious importance of the effect of the ratification of SALT II and the status of the current Senate debate on ratification, I ask unanimous consent that the entire text of this article be printed in the RECORD for consideration by each of us.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET POLICY REPORTED REVERSED BY SALT II

(By Roy Medvedev)

Many articles are now appearing in the Soviet press about the opponents of SALT II in the American Senate and their attempts to stop ratification. Less obvious is the fact that there were strenuous behind-the-scenes arguments in the Soviet Union before the treaty was put forward for signature.

Under the American system of government the decisive debate continues after the president's signing of a treaty. In Russia the argument all happened before the signing, although what was said may never come to light.

The enemies of detente have certainly made their presence felt inside the Soviet party leadership. Differences over Soviet President and Communist Party Chairman Leonid Brezhnev's policy were a reason for the removal from the Politburo of Pyotr Shelest in 1972 and Alexander Shelepin in 1975. Critics of SALT II in the present Politburo appear to have included Mikhail Suslov and Ivan Grishin. It also seems that the minister of defense, Dmitri Ustinov, and the KGB chief, Yuri Andropov, were able to drag out the preliminary negotiations on SALT by submitting endless details for expert approval.

It is unclear whether Foreign Minister Andrei Gromyko was involved in their efforts. But he too managed to spin out the talks under different pretexts, and his recent declaration that the Soviet Union will not countenance any amendments by the Senate can only have been premeditated. He is too old a hand not to have realized that it was bound to antagonize Congress and prejudice the chances of ratification.

One naturally asks: Wouldn't a hitch in ratification favor a particular Moscow power group, especially at a moment of possible leadership changes? Some attentive observers have already sensed a link between certain events and attempts to complicate the SALT negotiations.

Thus 1977 saw provocatively timed arrests of well-known dissidents on the eve of the arrival in Moscow of Secretary of State Cyrus Vance (whose SALT mission was doomed in advance because of President Carter's human rights statements).

And in 1978, several times postponed, the trials of Yuri Orlov, Alexander Ginzburg and Anatoly Shcharansky finally opened. The event coincided with talks between Vance and Gromyko in Geneva. The trials obliged Carter to take a number of economic and political actions, with the result that many people thought that SALT II was put at risk.

What actually happened was that American foreign policy responses to internal Soviet events allowed the Soviet Union to take a harder line in the negotiations.

In the event, it was the Americans who showed greater impatience to conclude an agreement. Only later did the Soviet leadership make a series of liberal gestures (the exchange of political prisoners, the easing of Jewish emigration) that were obviously calculated to create a more favorable atmosphere in the American Congress.

All the same, the treaty as signed in Vienna is a compromise between its supporters and opponents in the Soviet ruling elite, and a check to its ratification could be a defeat for the principal supporters of Brezhnev's policies, as well as a political and strategic setback for the United States administration.

A quick comparison of the growth (both quantitative and qualitative) of American and Soviet strategic potential between 1970 and 1979 suggests that the present position of relative equality is due to the latter's more rapid development, and that in 1980–82 the balance will turn into a clear advantage for Russia.

Watching the debate on SALT II in America, one has the impression that it is mainly those who buy weapons (the administration, some senator military figures) who are "pro" the treaty, and those who sell weapons (the defense industry and its lobbies) who are "anti."

In Russia such disagreements can be gauged only indirectly. The armed forces and the military-industrial complex have clearly been against arms limitation, while the economic planners and all those concerned with nonmilitary industry, consumer goods production and the development of agriculture, have been for it.

Modern weapons are becoming an increasing brake on the development of the Soviet civil economy. Whereas 10 to 15 years ago many military-industrial enterprises assisted in the production of ordinary consumer goods, the picture has now changed.

In 1960–67 it was quite normal, given the difficulty of fulfilling economic plans to order many kinds of "peaceful equipment" (tractor parts, for example) from military factories. Army construction battalions even built ordinary civilian apartment blocks in Moscow and other cities. Now the reverse is more common: enterprises producing for the civil economy often receive military orders for special components and spares.

Lack of finance or technology has caused the production of consumer goods to fall behind plans (not to mention demand) for five or six years now. The economy is suffering from lack of skilled labor, the rate of increase in consumer goods output has sharply declined, and agricultural production is in a state of stagnation that makes it impossible to keep pace with the urban population increase.

As a result, those responsible for these branches of the economy, as well as the party leaders at republic and regional level (who have no concern for international politics) have a strong interest in reducing military spending and improving the financing of the civil economy.

But the armed forces and the military industry can advance powerful arguments through their representatives in the Politburo. One must not forget that in 1941–45 a large part of the Soviet Union endured enemy occupation from which it was freed only at the price of huge human and material losses. The military decided that only strategic superiority could guarantee future security.

Another ground for the political influence of the military is the huge losses they suffered in the Stalinist terror of 1937–8. Nearly nine out of every 10 generals were arrested and shot in that period—men famous since the revolution.

Nearly every military district chief, nearly every official in the army political directorate, numerous admirals, six deputy commissars of defense, the head of every military academy and many chiefs of military planning staffs were disposed of.

Suffice it to say that of 199 divisional commanders on active duty in 1936, 136 were arrested and shot in 1937–8. No army in a single war could lose so many senior commanders.

After the war Josef Stalin systematically retired all those commanders who had been promoted and become famous, beginning with the most famous of all Georgi Zhukov. When Stalin died it was these men who became mainly responsible for the liquidation of the Lavrenti Beria group and for strengthening the power of Nikita Khrushchev.

In 1957 it was Zhukov as minister of defense who assured Khrushchev of victory over the politically more influential group of Vyacheslav Molotov, Georgi Malenkov, Lazar Kaganovich and Nikolai Bulganin.

Similarly, in 1964 it was the army which helped the party group that organized Khrushchev's removal after he had lost its support. (The removal was prepared by Suslov, who was supported by the party apparatus, and by Shelepin using the KGB. But it was Brezhnev who emerged as leader, with military support).

A "NEVER-AGAIN" MENTALITY

These actions by the military to create the sort of party leadership and security service they wanted were a direct reaction to the repression of 1937–38 and the mass dismissals of 1949–52. They and the military-industrial complex determined never again to be in a position of total dependence on the party dictatorship and to acquire real influence in national decision-making.

However, in the post-war period the Soviet Union was technologically and economically weak. The West had absolute strategic and economic superiority and could conduct policy from a position of strength, a fact driven home by Russia's humiliation in the Cuban missile crisis. After Cuba, the military apparatus received a much broader base for its development and priority in the use of national resources.

The object of this was the achievement of strategic superiority, particularly in view of the growing threat from China. In 1977–79 Soviet tactical and strategic forces for practical purposes drew level with those of the west and in some cases overtook them.

The SALT II agreement signifies the slowing down of this tendency and the abandonment of the earlier goal of superiority ("to catch up and overtake") in favor of that of "parity."

The difficulties which arose during the long drawn-out negotiations over SALT were due to this change of aim. Brezhnev and his circle had to convince the military of the necessity of compromise, which the economic interest of the country in general demanded.

In contrast to the situation in the American Senate, no group in the Soviet Union could now stop SALT II ratification. Nor is there any likelihood that the Soviet Union would violate the treaty once it enters into force.

But there are influential groups in the USSR who would not mind at all if the U.S. Senate refused to ratify the treaty, since that would represent a fiasco for Brezhnev's policies.

Mr. CRANSTON. I hope that each Senator, regardless of his or her position on SALT, will take the time to read and consider this most important analysis of the effect of the SALT process on the power structure of the Soviet Union.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT CARTER

Mr. HUDDLESTON. Mr. President, tomorrow President Carter will travel to my State of Kentucky to conduct a town hall meeting and to tour an electrical generating plant that is among the Nation's leaders in the clean use of coal.

This along with his program for synthetic fuels, greater coal use, and limits on foreign imports, demonstrates the President's commitment to an energy policy that will establish this Nation's independence from any cartel.

Without doubt, energy is the most complex and perplexing problem to come before the Senate since I arrived here in 1973, and no matter what policy is pursued it is bound to be controversial.

And in many cases those policies which are most necessary are also those which are the most painful and most unpopular. Just consider the following policies adopted or recommended by this administration.

Import restrictions. This is absolutely essential for stability of the dollar, for reduction in our dependence on foreign oil, and for the continued cooperation and goodwill of our Western European allies.

It is necessary to assure that long-range and expensive programs are not undermined by capricious actions of foreign suppliers. Yet import restrictions could be potentially hazardous if long gasoline lines appear again.

Pricing policies. President Carter has embarked on a policy of correcting the distortions of the marketplace by bringing the price of the product more in line with its true replacement cost. This has been done to promote conservation and discourage waste and unnecessary use of foreign oil. There is not one person in the entire country who likes to pay more for gasoline at the pump, or more for home heating oil, or the variety of other products made from petroleum.

The President has called for an Energy Mobilization Board and for an Energy Security Corporation. Some, as I do, think the Energy Mobilization Board should be stronger but the environmentalists and certain consumer groups are opposed to this Board and to the synthetic fuels program altogether. Again, any pluses are offset by the minuses.

The President is moving toward greater coal utilization, and those of us from coal States hope he will go much further much faster. But even here, where coal is the only short-term answer to lessening our dependence on foreign oil, certain groups are concerned because use of coal has some adverse—but certainly manageable—environmental side effects.

The President, while seeking stronger and more effectively safety measures for nuclear powerplants, has refused to join the current popular movement of opposing nuclear power and calling for a moratorium. That is always the easy course: Jump on the bandwagon and reap the political benefits. Again, the President has resisted the easy, popular course.

Mr. President, I mention those examples not because I think the President has always been right on energy. I have been critical at times, and I still have some strong concerns about the latest program he enunciated.

But I mention these policies as examples of how difficult and often unpopular the choices are that have to be made by the President.

He has not chosen the easy way out, and he has paid a heavy price politically.

The hard but unpopular decisions have been numerous under President Carter's administration: The Panama Canal treaties; Saudi Arabian arms sale; the Middle East policy of evenhandedness; the SALT II Treaty; recognition of the Republic of China; Labor reform, and many others.

And as a member of the Appropriations Committee, I get a taste for what any President goes through in seeking an economic policy designed to slow inflation while maintaining growth and prosperity.

Everybody wants a balanced budget, but no one wants his or her project and program cut. And I count myself among those who have been guilty of this inconsistency.

Everybody wants inflation halted, but nobody wants a tight money policy or high interest rates. Everybody wants a strong national defense but few want to pay for it.

I point these things out not only in defense of President Carter but to again remind my colleagues that under current circumstances any President is going to make a lot of people unhappy if he makes any decisions at all—and he will make even more unhappy if he makes some right decisions.

There are those within the media and even within the Democratic Party—including the Senate—who are ready to write the President's political obituary. I am not among them.

I believe it is both premature and unfair—not to mention fainthearted—to be jumping ship at this time.

As I have already mentioned, many of the President's problems result from taking on tough issues which, no matter which side he came down on, were bound to make a lot of people unhappy. And he suffers from many things he is powerless to affect.

The President did not raise the OPEC oil prices, but he is getting the blame. The President did not cause the fall of the Shah of Iran, but he is suffering the consequences of that revolution. The President did not cause the accident at Three Mile Island, but he is saddled with the antinuclear crusade.

So I would call on my colleagues and the press to bring a sense of fairness to their critiques of the President and his administration.

A fairminded evaluation would suggest that a great deal of his current political problems are either the result of action's beyond the President's control or decisions which, while necessary and correct, are also very unpopular.

All of us have disagreements with the President, as we would have with any occupant of the White House. But the fact that we are in disagreement on some issues—the fact that the President's standing in some popularity polls is not as high as it might be—does not cause me to abandon him and start looking for another candidate.

The President is dedicated, he works hard, he is not afraid to make tough decisions, and he is certainly a well-meaning man of great personal integrity.

He deserves much better than he is receiving—both from the press and from Members of Congress. And I would say to my Democratic colleagues that continual statements of doom and gloom can have a way of becoming self-fulfilling. I do not plan to be a party to those statements of abandonment, and I urge my colleagues to reject them.

The statement of some Members of Congress and some representatives of the media seem to suggest to the American people that the difficult and painful decisions we face would somehow be less painful and less difficult under someone else; that some miraculous consensus would emerge for all the complex problems we face and public sacrifice would not be necessary.

These assertions are not realistic and do a disservice to the citizens of the country.

The political obituary of Jimmy Carter has been written before—it proved to be premature.

The political processes will unfold in due time. The need at present is to put the interest of the country first—with unity and support for the President.

The need is for those of us in responsible positions of leadership in the Senate and House to give the President a fair chance, reject the temptation to bail out of the ship when the first leak appears, and give him the kind of support necessary to solve some of the problems we are facing.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 10 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, the Senate will take up the bill S. 835, to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act. There will undoubtedly be rollcall votes in connection with that bill or amendments thereto.

Upon the disposition of that bill, the Senate will take up S. 265, the Equal Access to Justice Act, on which there is a time agreement. There will be rollcall votes, in all likelihood, in connection with that bill.

The Senate will then go to Calendar Order No. 221, S. 1119, a bill to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States. There is a time agreement on that measure.

Tomorrow will be, I venture to say, a long day, because every effort will be made to dispose of those three measures, if at all possible, tomorrow.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and, at 6:12 p.m., the Senate recessed until tomorrow, Tuesday, July 31, 1979, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 30, 1979:

NATIONAL TRANSPORTATION SAFETY BOARD

George Herbert Patrick Bursley, of Maryland, to be a Member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1979.

CONSUMER PRODUCT SAFETY COMMISSION

Stuart M. Statler, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission for a term of 7 years from October 27, 1979.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Herbert R. Lippold, Jr., to be rear admiral (upper half), and ending Stephen L. Carlson, to be ensign, which nominations were received by the Senate on July 5, 1979, and appeared in the CONGRESSIONAL RECORD of July 9, 1979.

IN THE COAST GUARD

Coast Guard nominations beginning John P. Delong, to be chief warrant officer, W-2, and ending Lional R. Munsey, to be lieutenant (jg), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 16, 1979.

HOUSE OF REPRESENTATIVES—*Monday, July 30, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

But be ye doers of the word, and not hearers only, deceiving your own selves. —James 1: 22.

Heavenly Father, we laud and praise Your holy name that You have given us our traditions and history and the heroes and leaders who have testified to the faith. We thank You for all people whose words and wisdom encourage us and inspire us each day.

O gracious Lord, help us not only to hear the right word or listen to the truth, but give us the strength to demonstrate our beliefs in deeds of good will and acts of mercy to those in need. Save us from inaction or a lack of will, but teach us always to live our faith as we serve You and our neighbor.

In the name of the Lord, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4057) entitled "An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested bills of the House of the following titles:

H.R. 4394. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4394) entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

thereon, and appoints Mr. PROXMIRE, Mr. STENNIS, Mr. BAYH, Mr. HUDDLESTON, Mr. LEAHY, Mr. SASSER, Mr. DURKIN, Mr. MAGNUSON, Mr. MATHIAS, Mr. BELLMON, Mr. WEICKER, Mr. LAXALT, Mr. SCHMITT, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4580) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LEAHY, Mr. BUMPERS, Mr. DURKIN, Mr. MAGNUSON, Mr. MATHIAS, Mr. SCHMITT, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Vice President, and upon the recommendations of the majority and minority leaders, pursuant to Public Law 86-42, appointed Mr. SARBANES, Mr. BAUCUS, Mr. MCCLURE, and Mr. CHAFEE to the Canada-United States Interparliamentary Group, to be held August 9-17, 1979, in Canada/Alaska.

THE DISAPPEARANCE OF ETAN PATZ

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, as we in the Congress approach our recess this week, I am asking that all Members do an act of kindness for a family in New York. Two months ago, 6-year-old Etan Patz disappeared while walking 2 blocks to his schoolbus. A 500-man police search has not revealed one clue. It is now assumed that Etan may have been taken away from the New York area, and is somewhere in the United States.

A poster is being delivered today to each Member's office in the hope that each Member will be able to go home and give this to his local media and ask them if they will carry this story together with a description of Etan. Perhaps someone, somewhere, has seen this young man and can help bring him back to his family.

MARGARET HIGGINS SANGER, 1883-1966

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as a young woman Margaret Higgins Sanger embraced the radical causes of her day—most passionately the complete emancipation of women.

One of eleven children and mother of three children, Margaret Sanger became interested in the issue of family planning. Beginning with a series of articles in 1913 on "What Every Girl Should Know," she crusaded zealously for birth control. In 1920 Margaret Sanger published a book entitled "Women and the New Race," which urged women to create their own destiny, their own roles.

After visiting Europe to learn firsthand what was being done in the modern family planning clinics of England and Holland, Margaret Sanger founded America's first contraceptive clinic in 1923 and organized similar centers in Asia. She lobbied to repeal a Federal law which classified birth control information as obscene.

Berated by the political and religious establishment of her time, arrested for her militancy, Margaret Sanger confidently stood as a woman for all women.

THE LATE HONORABLE JOHN B. BRECKINRIDGE

(Mr. PERKINS asked and was given permission to address the House for 1 minute).

Mr. PERKINS. Mr. Speaker, the name Breckinridge is as old or older than politics and government in the Commonwealth of Kentucky, and the latest bearer of the name to serve in this Chamber, John B. Breckenridge, who died yesterday, added distinction and luster to it.

John was not the first Breckinridge to serve here. Preceding him were Breckinridges who represented Kentucky, as well as other States, with John Cabell Breckinridge, who was the youngest man ever elected Vice President of the United States, perhaps the best known in our early history.

Our John Breckinridge served in three Congresses, the 93d through the 95th, and he concentrated his work on the subjects which were most important to the people of central Kentucky: agriculture and small business.

But he had a distinguished prior career in the State—he was attorney general twice, an indication that the people approved of his efforts and his achievements in that highly important position. He also served in the general assembly, at a time when innovation was needed, and he was among the legislators who helped move Kentucky ahead. Additionally, he was corporation counsel for his home town, Lexington, and at one time was a special attorney in the Antitrust Division of the Department of Justice.

It is a remarkable career when you look at the total work—service on the local community level, in several important positions on the State level, in important posts on the Federal level, including the executive as well as the legislative, and also service in assistance of numerous organizations and groups seeking public improvement.

He served in World War II, and rose to colonel, and in between this service and private law practice, he raised a family.

His counsel was always astute, his efforts were never hesitant, he was eager to fight the good fight and do well at it, and he did do well at it. Kentucky and the Nation are better because of John's life, and we will miss him very much.

● Mr. O'NEILL. Mr. Speaker, I would be greatly remiss if I did not take this opportunity to recognize the untimely passing of the late Honorable John Breckinridge of Kentucky.

John came from a great and distinguished family. Both sides of his ancestry were replete with men who served their State and country in offices of the public trust and confidence. Born in 1913, John Breckinridge, to the fullest measure, came to live up to the lofty standards manifested in the lives of his forefathers.

Graduating from the University of Kentucky in 1937, John Breckinridge went on to pursue the study of law. World War II interrupted his plans to open his own practice, but he so distinguished himself under arms that he left the Army at the noble rank of colonel.

His desire to continue in the family tradition to serve the public trust brought him to the Kentucky House of Representatives in 1956, where he remained until 1960. While serving in the Kentucky State Legislature, John led the fight to improve education and highways—a fight in which he was largely successful. In 1960, John left his legislative post to serve as the State's attorney general.

My friendship with John Breckinridge began when he was elected to the U.S. House of Representatives in 1972. During his tenure in the "People's House," John Breckinridge served on the Committees on Agriculture and Small Business, where he chaired the Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business.

Those of us who had the privilege to serve in the House with John Breckinridge remember him as a man of strong moral character and integrity, unpretentious in style yet committed to the rural interests of his beloved Kentucky, and a member who always kept his word. He was a guiding light in the founding of the rural caucus, the key ad hoc organization in the House which monitors agriculture policy and makes informal recommendations on farming interests to the House Agriculture Committee.

John Breckinridge was a popular Member of the House who worked diligently and conscientiously for the benefit of Kentucky's Sixth District.

I join my colleagues in extending my sincere condolences to the family and friends of John Breckinridge.●

Mr. HOPKINS. Mr. Speaker, it is with great sadness that I rise to advise my colleagues of the passing of a former Member of this House, John Bayne Breckinridge, of Kentucky. John was stricken last evening at his home in Lexington.

Although, as Congressman Breckinridge's successor, I was not privileged to serve alongside him in this Chamber, many of my colleagues were fortunate to have done so. You will remember, no doubt, how hard he worked to represent the people of central Kentucky. I remember too, but from a different perspective. For John Breckinridge was my Congressman for 6 years, from 1973 to 1979.

I had the highest regard for his honesty, integrity, scholarship, and dedication to the principles in which he so strongly believed. Here was a man who unselfishly put his background, training, and experience to work in the service of

his fellow citizens throughout a long and outstanding career in public life. The fifth Breckinridge from Kentucky to serve in Congress, John extended his forebears' legacy in a way which could only have made them proud.

Born in Washington, D.C., on November 29, 1913, his path to the U.S. House of Representatives was an honorable one. John graduated from the University of Kentucky in 1937, and from its law school 2 years later. From Lexington, he returned to Washington in 1940 as a young attorney in the Department of Justice. The early days of World War II found John in the U.S. Army, and there too he excelled, attaining the rank of colonel before resigning his commission to return to civilian life.

Kentucky beckoned, and so did politics. Several terms in the State legislature led to his election as Kentucky's attorney general. We in the State knew John to be an able public servant, and, therefore, we were pleased and proud when his peers elected him president of the National Association of Attorneys General.

In 1973, John Bayne Breckinridge took his seat in this Chamber for the first time. In January of this year, he left it for the last time. During the intervening years, John rendered an everlasting service to the Nation he loved, and to the people he loved. But his contribution did not stop there. Citizens in Kentucky's Sixth Congressional District continued to reap the benefits of John Breckinridge's dedication well into the 96th Congress. For when this Member was elected to succeed him, John made every effort to effect a smooth transition between the two of us and our respective staffs. Party labels were not important to him then; effective representation in Washington for the constituents he loved was.

Mr. Speaker, the Honorable John Bayne Breckinridge was a fine Congressman, a fine American, and a fine man. I am sure my colleagues join me in extending our deepest sympathy to his wife, Helen, and the rest of his family.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life, character, and public service of the late Honorable John B. Breckinridge.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

HAPPY BIRTHDAY, CONGRESSWOMAN SCHROEDER

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, we have just heard the distinguished gentlewoman from Colorado in another one of her talks about distinguished American women. Today happens to be her birthday, I understand, and it seems to me that we ourselves have the privilege of having in our midst one of America's most distinguished women, namely, the Congresswoman herself.

I do not need to recount to the Members her many achievements as a Member of this body, but I can tell the Members that before she ever came here she distinguished herself as a leading person in the field of women's rights, as an airplane pilot, as a distinguished scholar, and as a wonderful mother and wife to her family.

It is a great pleasure for me to be able to call that to our colleagues' attention today.

VOTE AGAINST ADJOURNMENT RESOLUTION UNTIL ENERGY AND INFLATION PROBLEMS ARE SOLVED

□ 1210

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, later today the Members of the House will be asked to vote on an adjournment resolution for the August district work period. I would take this time to urge my colleagues to join with me in voting against that resolution.

I think it is extremely important that the American people see that the Congress recognizes the seriousness of the problems with which we are faced today, primarily energy and inflation, and that we should stay on the job until we have gotten these problems licked. Editorial opinion supports this view. I think it is important for the Members of this House to respond to what the public is looking for and create a climate of confidence and end the crisis of confidence.

Two editorials on this subject follow:

[From the Atlanta Journal, July 20, 1979]

LEAVE THE BATTLEFIELD?

We applaud the appeal that Rep. Elliott Levitas of Georgia's 4th Congressional District has made to his colleagues in the House, but we're not optimistic that the appeal will be heeded.

The congressman from DeKalb County urged the House to forgo its August vacation—officially known as "August District Work Period" in order to mislead the voters.

Instead of departing Washington for home districts—or wherever—the members of Congress should remain in session in order to get cracking on finding solutions to the energy crisis, Levitas asserted.

"Soldiers don't go on leave when they are on the battlefield," the Georgian declared. "We must roll up our sleeves and go to work."

It's an interesting thought. And as far as Congress has been concerned for the past several months—and for the past several years—there has been no energy crisis worthy of the name. Congress has either resorted to foot-dragging on energy or it has rejected the energy proposals put forth by President Carter.

Now in the aftermath of the Camp David summit and the Carter national address on the energy crisis more people are willing to accept the fact that there really is a crisis.

Perhaps if enough people accept that as fact, enough members of Congress will do the same.

But even if they do, we're inclined to doubt that Rep. Levitas' words will be heeded. Insofar as being soldiers on the battlefield is concerned, members of Congress are noted for their rear-echelon mentality.

[From the Atlanta Constitution, July 24, 1979]

STAY IN SESSION

Congress, forget the August recess. Stay in Washington and move forward on the pressing issues and problems facing America.

It is the least you can do.

To take the entire month of August off, for a little resting and politicking at home while there's so much that urgently needs attending to in Washington, would be highly irresponsible.

Senators and representatives, stay in session and:

Complete work on the oil profits windfall tax legislation. This is the money fuel needed to make much of President Carter's new energy program work.

Proceed rapidly with consideration and/or approval of the aspects of Carter's energy program that need congressional action. Movement is needed now on solving the energy crisis. Congress has resisted for six years already in joining with the White House to fashion a strong energy program; the nation is in the energy mess it's now in because of that delay. To delay longer is almost criminal; for sure, delay is reason to vote delaying congressmen and senators out of office.

Consider and approve or reject President Carter's new Cabinet appointments. All of them are well known and congressional consideration should not take long. Take action on them, so they and their departments will not linger in limbo but can move on with their programs.

In addition, there are numerous other bills and issues—Alaskan lands bill, the SALT II treaty—that Congress could make progress on during August, were senators and congressmen not wasting precious time at home. There was a time, when the nation was more settled and there was not so much coming down the pike, that Congress could justify taking the whole month of August off to escape Washington heat. But no longer.

Stay in session during August, Congress, and deal with our problems—problems that grow more severe daily. Congressmen and senators, be the leaders you said you were, stay in Washington and work.

It's the least you can do.

THE ADMINISTRATION REJECTS HOUSE REPUBLICAN LEADERSHIP'S PROPOSALS TO RESTORE HEALTH TO OUR ECONOMY

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, a little over 2 weeks ago the House Republican leadership unveiled its proposals for a $36 billion tax cut to soften the impact of the oncoming recession and restore some health to our economy by helping to create more capital for use in the economy. The administration's response was a resounding "no way."

As recently as last Wednesday night when President Carter held his televised news conference, the President said he intended to continue the same economic, monetary, and budgetary policies that have helped to bring on this recession. Since then, however, it appears that the President may have gone through yet another of his now familiar reassessments. According to a column in this morning's Washington Post, the President is now considering the possibility

of a $20 billion tax cut to take effect in January. If this is true, I do not know whether to cheer or cry. On the one hand, a $20 billion tax cut in January is better than nothing. On the other hand, if that is all we can hope for, it will be another case of the Democrats charging to the rescue with too little and too late.

DEADLINE FOR THE TRANSBUS DESIGN FOR THE HANDICAPPED AND ELDERLY MUST BE EXTENDED

(Mr. ROYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROYER. Mr. Speaker, the recent firing of Secretary of Transportation Adams, coupled with the approaching October 1 deadline for the Federal mandate of the transbus design, compels me to speak out and request that the Acting Secretary of Transportation, W. Graham Claytor, Jr., extend that deadline.

In 1973 Congress, pursuing a laudable goal, mandated that buses purchased with Federal money be accessible to handicapped and elderly persons. Accordingly, the Department of Transportation embarked on an ambitious plan to design a new bus, known as transbus, which would meet these requirements. But the Department of Transportation's inconsistent policies to implement this goal over the past decade have left the bus manufacturers as well as the local transit authorities in disarray.

Eventually, the Department did settle upon an allegedly appropriate design and mandated that all buses purchased with Federal funds be transbuses. However, the first attempt by local transit authorities to purchase transbuses ended in disaster. Earlier this year, when a three-city consortium put out a bid for 530 transbuses, no company bid on the buses. The mandated low floor design is simply not technologically or economically feasible. Meanwhile, the bus companies were manufacturing advanced design buses incorporating most of the features of the transbus, except the low floor, but including wheel chair lifts which make them accessible to handicapped and elderly persons.

Mr. Speaker, with our current energy crisis, we simply cannot allow this situation to continue. In hearings before the Subcommittee on Surface Transportation we learned that America is producing about 3,000 fewer transit buses per year then are needed. If the October 1 deadline is not extended transit authorities will be precluded from purchasing advanced design buses with Federal funds even though there is no acceptable alternative. Accordingly Mr. Speaker, I strongly urge Acting Secretary Claytor to immediately extend the deadline for 3 years so that the advanced design buses can be purchased and a thorough study of the transbus design can be made.

A RESOLUTION TO EXPEL CONGRESSMAN CHARLES DIGGS TO BE INTRODUCED TODAY

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, this past Friday the chairman of the Ethics Committee first announced that the motion to censure the gentleman from Michigan (Mr. DIGGS) would be taken up tomorrow.

In view of the grave importance of this matter, Congressman DANNEMEYER and I wrote a letter—cosigned by 40 other Members—to the Speaker and the chairman of the Rules Committee.

We asked that debate on this matter be extended for at least 3 hours.

We asked that a motion to expel be allowed to be considered as a substitute for the motion to censure.

We now understand that the Rules Committee will not act.

Mr. Speaker, we did not ask these things frivolously.

The committee's motion to censure will allow only 1 hour of debate.

One hour is not enough time to settle the outcome of a man's career, let alone set precedent for certain grave constitutional questions which may very well come up again this session.

The committee's motion to censure will not allow the question of expulsion to be considered.

Again, the record should be clear on this subject: First, because of its importance on its own merits; second, because it may be used as a guiding precedent in the not too distant future.

Mr. Speaker, in fairness to everyone involved and to allow a single up or down vote on the question of expulsion, we must alert the House to the fact that a resolution to expel will be introduced this afternoon for consideration of the House.

CASE OF REPRESENTATIVE CHARLES C. DIGGS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, as I need hardly remind anyone this morning, the House of Representatives is scheduled to consider tomorrow, the case of Representative CHARLES C. DIGGS, JR., and his confessed misuse of House funds. Having had indication earlier this morning that the Rules Committee is not inclined to offer the full membership of this body an opportunity to vote on a motion to expel, as a substitute for a motion to censure, it seems to me that there is little alternative but to offer a privileged motion of expulsion.

One wishes, of course, that none of this had happened and that such a possibility would not have to be considered. However, the reputation of the House of Representatives itself is at stake. Under the Constitution, one of its responsibilities is oversight over the expenditure of public funds to see that they are not misused. To permit one of its own Members to use those very same funds for his own purposes without anything more in the way of penalty than censure and mandatory repayment is to cloud that reputation. What with confidence in public officials being as low as it is, we cannot afford to leave the impression we either condone such behavior or are unwilling to punish it as severely as we would others guilty of a similar offense.

To make matters worse, the gentleman from Michigan, despite prior precedent, continues to vote while his conviction is on appeal. That being the case, anything short of expulsion suggests the trappings of punishment but not the substance.

SOME OF THE RESPONSES OF HOOSIERS TO PRESIDENT CARTER

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, last Wednesday evening the President prefaced his news conference with a request of the American people that they contact Members of Congress. I was home over the weekend, and remembering that the President 2 weeks ago last night read from some remarks that the American people had been telling him, I would like to share with the President some of the things that the people from Indiana told me in response to his request that they contact Congress. I share with the Members now some of these responses:

The Cabinet should have asked for the President's resignation.

Gasoline rationing is the moral equivalent to a bankrupt energy program.

Naming Hamilton Jordan as White House Chief of Staff is like naming Gomer Pyle Secretary of State.

I find it more and more difficult to listen to President Carter. Must he always take the best TV shows off the air?

Mr. Speaker, there are a number of others, but I will not take time to read them. The American people are responding to the President's request, and I do not think those responses are quite what the President had anticipated.

NO LAUGHING MATTER

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, news reports today indicate that the Sandinista terrorists who deposed Nicaragua's elected government have officially requested military arms support from the United States.

Certainly the President should reject such overtures from the Castro-supported terrorists.

Journalists attending the meeting where the Sandinistas announced their U.S. arms request reportedly greeted the proposal with loud laughter.

However, it would be no laughing matter if the administration seriously considered the request.

It is the solemn duty of our Government to help maintain the stability and peace of Central America—not to give

encouragement, aid, and comfort to guerrilla brigands who are waging terror and mayhem against duly constituted governments of the people in our hemisphere.

THE LATE HONORABLE JOHN B. BRECKINRIDGE

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, about 11:30 o'clock last night mutual friends of the late Congressman John Breckinridge's and mine began to call me and inform me of his tragic and sudden death. I would be remiss if I did not join my colleague, the gentleman from Kentucky (Mr. PERKINS), the dean of our delegation, in expressing shock and sadness upon the death of John Breckinridge and extending to his widow, Helen, and the other members of his family my sincere sympathy.

It was in the summer of 1961 that John Breckinridge, then attorney general of Kentucky, gave me my first job in government as a law clerk in the attorney general's office in Frankfort.

As a freshman Congressman in 1975, it was John Breckinridge who, among others, was extremely kind and helpful to me. I am deeply saddened by his passing.

□ 1020

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I want to join the gentleman in condolences for the late John Breckinridge. It was from the gentleman's words that I have just now learned that Mr. Breckinridge had a serious heart attack which took him away.

It was my pleasure to serve with the gentleman for several years in the House of Representatives. I found him to be a congenial gentleman and a man of high honor. I deeply regret this loss to our country.

I thank the distinguished gentleman for yielding.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a record vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CALL OF THE HOUSE

Mr. BADHAM. Mr. Speaker, I move a call of the House and make a point of order that a quorum is not present.

The SPEAKER. The gentleman is aware of the rules of the House and the Chair does not have to recognize the gentleman for that purpose at this time.

Mr. BADHAM. I realize that.

The SPEAKER. The gentleman is aware of that.

Mr. BADHAM. May I be recognized for that purpose, Mr. Speaker?

FOR THE RELIEF OF NENANA, ALASKA

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4811) for the relief of the city of Nenana, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in the municipal reserves, streets, and alleys shown on United States Surveys Numbered 1127, 1503, and 4026, except for the Alaska Railroad right-of-way one hundred feet on either side of the centerline of the existing Railroad mainline, are hereby conveyed to the city of Nenana, Alaska.

SEC. 2. Subsection (b) of section 12 of the Act of January 2, 1976 (Public Law 94-204) as amended by the Act of October 4, 1976 (Public Law 94-456) and by the Act of November 15, 1977 (Public Law 95-178), is hereby amended to add at the end thereof the following new paragraph:

"Any provision of law to the contrary notwithstanding, if the Region, the Secretary, and/or the Administrator of General Services do not complete the nominations of lands referred to in subparagraphs (5) and (6) of this subsection by the dates set in subparagraphs I(C)(1)(b) and I(C)(2)(a) of the document referred to in this subsection, then, and in that event, these dates shall hereby automatically be extended by operation of this subsection for twelve months beyond the period set in section 3(a) of Public Law 95-178.".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes and the gentleman from Alaska (Mr. YOUNG) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Thank you, Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, this is not a controversial matter, but it is one of considerable importance to the city of Nenana, Alaska, and to the Cook Inlet Regional Corp., one of the native corporations that was formed under the requirements of the Alaska Native Claims Settlement Act.

First, as to Nenana, which is dealt with in section 1 of the bill, the town of Nenana is on the Alaska Railroad line from Seward to Fairbanks. The townsite was laid out in 1917 by the Alaska Engineering Commission, which carried out such surveys and other work in connection with the development of the railroad. The townsite provided for streets, alleys, and municipal reserves, and these areas were dedicated to public use when the first lot in the townsite was sold, pursuant to the Townsite Act of March 12, 1914.

So far, all this was in accord with the pattern of such townsite throughout the country. However, the other States and territories have had State or territorial laws providing that upon the sale of the first lot in a townsite, the land covered by the streets, alleys, and municipal reserves becomes the property of the town itself; but Alaska has not had such a law. As a result, there has been some confusion concerning the exact status of the lands in the streets, alleys, and municipal reserves in Nenana.

Now, the city of Nenana is in the process of moving forward with the building of a sewage collection and treatment system, as required under the Clean Water Act and other laws. They are having trouble in arranging the financing for this project because of the uncertainty about the title to the streets, alleys, and municipal reserves. What this bill does is quitclaim to the city all right, title, and interest of the United States in those areas.

Of course, this land, in fact all of the land in Alaska at one time belonged to the United States. The purpose of this is to clear up any possible claim that the United States has not transferred its interest in that land to the city.

The bill does exempt from this quitclaim, however, the lands which are being used by the Alaska Railroad, which of course is a Federal agency.

The second section of the bill deals with the problems faced by the Cook Inlet Regional Corp. This is the corporation which has been organized, under the mandate of the Alaska Native Claims Settlement Act of 1971, to represent the Natives of the Cook Inlet Region. That is the part of Alaska—including the Anchorage metropolitan area—which has been most heavily developed and urbanized. Thus, it is the part of Alaska in which it has been most difficult to identify sufficient unreserved Federal land to fulfill the entitlement of the Natives under the Settlement Act. In the 95th Congress, legislation was passed to deal with this problem by providing that the Secretary of the Interior, in connection with the Administrator of General Services, would locate and nominate Federal surplus or excess real estate which could be made available for the Native Corporation in exchange for Federal lands that the corporation would otherwise receive under the Settlement Act. The legislation provided that this must be done by July 15, 1979.

Unfortunately, the deadline was not met.

A recent report by the Bureau of Land Management offices in Alaska indicates that only about 5 percent of this entitlement has been conveyed or placed in the pool of properties available for the Native Corporation's selections. Other additional properties have been identified for possible inclusion in the pool, but even if all these properties were made available for selection, it is estimated that approximately 100,000 acres of its equivalent, will still remain to be fulfilled.

This delay is due in large part to the difficult time that the Department of the Interior has had in locating appropriate properties to place in the pool. It also appears that the processing of lands to be placed in the pool has been done in a lengthy and time-consuming manner.

If no remedial legislation is passed, Federal properties in Alaska could be disposed of under the provisions of the existing statutes, thus depriving the corporation of a valuable right. Accordingly, it could occur that several suitable properties would not be available for the fulfillment of the Secretary's and the Federal Government's obligation to the Native corporation.

Accordingly, section 2 of this bill extends the deadline for 1 year, that is until July 15, 1980.

The administration supports both sections of this legislation. As far as the second section is concerned, the Department of the Interior suggested that perhaps that extension of the deadline should be for 2 years rather than 1; they certainly did agree with our committee that the deadline should be extended so that the Cook Inlet Natives could receive their entitlement under the Settlement Act and the other congressional mandates.

As I said, the bill is not controversial, but it is important to fulfillment of congressional mandates as they affect these areas in Alaska.

I urge its passage and I reserve the balance of my time, Mr. Speaker.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4811, a bill designed to solve two important problems in the State of Alaska.

This legislation results from a series of unfortunate circumstances whereby the city of Nenana, Alaska, found itself hampered in an attempt to build an EPA-mandated water and sewer system to protect the health of city residents.

When the original Nenana townsite was laid out by the former Alaska Engineering Commission, the survey showing the location and boundaries of various municipal reserve lands was never recorded. Subsequent surveys which added to the townsite were also left unrecorded. Unfortunately, this error escaped the notice of the Federal Government when the townsite was granted to the city.

At present, any sewage which is not discharged into private septic tanks flows directly into the Tanana River. Although this is allowed under a temporary NPDES permit granted by the EPA, the permit will expire in 1981. Therefore, the city wishes to construct a water and sewer system which will protect the health of the residents and will also prevent environmental damage to fish and wildlife resources in the area, many of which are used for commercial and subsistence purposes. Such a system will require the use of the streets and alleys in Nenana. Without clear title to those streets, the city would find itself subject to a series of nuisance suits. This bill resolves that problem by granting title to municipal reserves, streets, and alleys directly to the city of Nenana.

The other problem covered by the bill was identified during recent congressional debate on the Alaska lands issue. Cook Inlet Region Inc., an Alaska Native corporation established under the Alaska Native Claims Settlement Act, is in the process of selecting its land grant in the State of Alaska. Because of the complex land ownership pattern in the Cook Inlet area, the corporation has had to move slowly and to work carefully with the State, the Federal Government, other Native groups, and private owners. Unfortunately, the land reserved for selection will shortly be released from its "holding pattern." Cook Inlet has asked and others involved have agreed, that the holding pattern be extended for 1 additional year to resolve the selection issues remaining. The second section of this bill will provide that 1-year extension.

This bill was unanimously passed by both the Subcommittee on Public lands and the Committee on Interior and Insular Affairs. It is agreed to by all parties involved, including the administration. The second section of the bill, dealing with Cook Inlet, has been approved by the the Senate Energy Committee as a separate piece of legislation and also by this body as part of the Alaska lands bill. Including it here is simply a matter of insuring a quick resolution to a pressing problem.

Mr. Speaker, this is a good bill that deserves support. I hope that all Members will do so.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I gladly yield to the gentleman from Ohio.

Mr. SEIBERLING. I think we should recognize the gentleman from Alaska has made a strenuous effort to protect the rights of the city of Nenana and the Cook Inlet Natives and to expedite this bill. I want to say the reason why we have not provided for extending this for 2 years instead of 1 is so as to put the pressure on the Department of the Interior to do its end of the job expeditiously and I hope they will take that as a message that we want more expedited action in fulfilling the Federal Government's promises to the Natives.

□ 1230

Mr. YOUNG of Alaska. Mr. Speaker, I appreciate the gentleman's efforts on behalf of the city of Nenana.

Mr. Speaker, I reserve the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time on this side. I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 4811, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill for the relief of the city of Nenana Alaska, and to amend the Act of January 2, 1976, as amended, and for other purposes.".

A motion to reconsider was laid on the table.

TO ESTABLISH THE BOUNDARY LOCATION OF ANGELES NATIONAL FOREST

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 3361 to establish the true location of a portion of northerly boundary of the Angeles National Forest, located in Los Angeles County, California, on the common line between sections 16 and 17, township 4 north, range 10 west, San Bernardino meridian, and to establish the center quarter corner of said section 16.

The Clerk read as follows:

H.R. 3361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) The north one-half of section 16, township 4 north, range 10 west, San Bernardino meridian, was conveyed by the United States to Harry M. Miller by patent recorded August 13, 1923, in book 2511 at page 336, official records of Los Angeles County as to a portion thereof, and the remainder to Herbert Colbeck by patent recorded December 4, 1923, in book 2883 at page 144, official records of said county; and

(b) The south one-half of section 16 and section 17 of said township and range are now part of the Angeles National Forest. A question has arisen as to the true location of the common boundary of the Angeles National Forest and the private lands in said section 16; and

(c) The section corners and quarter-corners of said section 16 were established by the United States Government surveyors and depicted upon the official plats of said township approved by the United States Surveyor General on April 24, 1905, and December 4, 1917; and

(d) The southeast, northeast, and northwest corners and the north and east quarter-corners have been recovered; however, the southwest corner and the south and west quarter-corners of said section 16 have been thoroughly searched for on several occasions by both public and private surveyors without success; and

(e) The Los Angeles County surveyor, while running the boundary of the Angeles National Forest in 1933, being unable to find the original west quarter-corner of said section 16, set a monument marked "County Surveyor's Monument Forest Reserve Cor. R.E. 62 J-249-FB", at the theoretically correct location of said west quarter-corner to wit: one-half mile south of the found northwest corner and one mile west of the found east quarter-corner of said section 16; and

(f) Numerous surveyors and private parties have accepted said county surveyor's monument marked "Forest Reserve Corner" for the past forty years as the true west quarter-corner of said section 16 and have subdivided, resubdivided, and improved such private lands by constructing houses, roads, wells, utilities, and pipelines within the north half of said section in relation thereto; and

(g) There are currently numerous parcels of land in private ownership within the north half of said section 16, the boundaries

of which would be seriously disrupted should the west quarter-corner of said section be reestablished in any location other than that of the 1933 county surveyor's monument marked "Forest Reserve Corner".

SEC. 2. (a) In order of dispel any uncertainty and to insure that the boundaries of said private land not be needlessly disrupted, it is hereby found and declared that the 1933 county surveyor's monument marked "County Surveyor's Monument Forest Reserve Cor. R.E. 62 J-249-FB", which was set at a point one-half mile south of the northwest corner and one mile west of the east quarter-corner of said section 16, as said corners and monument are shown on the county surveyor's map B-745 on file in the Office of the County Engineer of the County of Los Angeles, is at the true location of said west quarter-corner as originally set by the Government Land Office Survey or in 1912 and depicted upon the plat of township 4 north, range 10 west, San Bernardino meridian, approved December 4, 1917.

(b) It is further found and declared that the south line of the north half of said section is a line connecting the east and west quarter-corners hereinabove mentioned and that the center quarter-corner of said section is located at the mid-point of the south line of the north half of said section 16 as hereinabove established.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from Alaska (Mr. YOUNG) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a bill which is simple but important. The same bill was passed here in the House during the last Congress, but died when the congestion of proposals in the Energy and Natural Resources Committee of the other body blocked it from coming to a vote.

The bill corrects a situation which has arisen from two conflicting surveys of the boundary of a section of the Angeles National Forest, in California. Both surveys were done by Government entities, so the fault, if any, is a fault of Government.

Because of the conflicting surveys, a serious cloud has been cast on the title of a considerable number of private parties whose holdings are "tied" to the boundary of the national forest.

What this bill does is to affirm the boundary of the forest, and therefore the boundaries of the private lands which are outside the forest but which are "tied" to its boundary, in accordance with the survey upon which all parties have relied since 1933.

Let me briefly outline the background of this measure, for the information of the House:

In December 1912, the U.S. Land Office made the first boundary survey of the relevant section, setting notched stone and iron posts as monuments.

The Los Angeles County Surveyor made a retracement survey in 1933 of a portion of the section. Being unable to recover any evidence of the west one-fourth corner, the surveyor set a monument with a brass cup marked "County Surveyor's Monument—Forest Reserve Corner R.E. 62 J-249-FB." The posted forest boundary follows this survey line. This J249 monument became the basic reference point used when section 16 was subdivided. The 1959 U.S. Geological Survey "Juniper Hills" quadrangle map depicts the forest boundary as the line from the NW corner of section 16 to J249. These maps in conjunction with the posted forest boundary have been used by the original and succeeding property owners for over 40 years.

The problem which necessitates legislation stems from a 1972-73 survey by the Los Angeles County engineer for a Juniper Hills area master highway plan. The surveyor was unable to locate corner markers and set new and quite different corner markers.

Unless there is legislation such as this, and if the new corners set by the county engineer are established as the official corners for section 16, it will not only affect the individual lot boundaries, but it will place 13 homes, 11 wells, 6 garages and numerous outbuildings on the property of others. That would also change the location of the posted Angeles National Forest boundaries. The relocation of the property lines would destroy building sites for which the land has been purchased; many parcels would be relocated into ravines which are adjacent to property boundaries; and many easements for roads and utilities would become worthless.

When the Subcommittee on Public Lands held a hearing on this bill earlier this month, a representative of the private homeowners involved testified that because of the uncertainty of the surveys involved here, the title insurance companies will not issue title insurance for the lands involved; as a result, there is no practical way for the lands to be sold or purchased.

Stripped of all technical discussions concerning the problem, the bill amounts to a boundary line agreement between the United States and the private owners. Admittedly, there exists a question as to the correct location as to such boundary lines; this bill simply adopts into law what has actually existed on the ground for 45 years without cost to the United States or the private owners. The private owners have no desire to acquire land owned by the United States; they simply ask Congress to cut through all the technical arguments and redtape and set to rest, by a very commonsense approach, a problem not of their making. As a matter of fact, the United States has acquiesced in the location of the boundary lines of the Angeles National Forest as established by the 1933 survey for 45 years, both by affirmative acts and by its silence in not making known to the public that there was a problem.

Of course, because of the sovereign immunity of the United States, the doctrine of adverse possession does not apply here—otherwise the private landowners might be found by a court to have already gained the boundary which would be established by this bill.

Given all this, Mr. Speaker, I suggest that it is appropriate and right that the House of Representatives again pass this bill, as it passed the same bill in the last Congress. I regret that the Senate did not act on this matter in the last Congress, and I have reason to believe that there is a much better likelihood that they will do so in this Congress; but in any event, I believe that we should pass the bill, in the interest of resolving this matter equitably and expeditiously.

Mr. Speaker, let me say that the National Forest Service has proposed to conduct a resurvey of this particular boundary and to have it completed by sometime this fall. That resurvey will cost them an estimated $10,000 and if it should result in a still different boundary, it could cost the property owners $100,000 in court and other legal fees to try to unsnarl the mess that was created by an original mistake of a government surveyor in the first place. If we can enact this bill promptly these expenses may be avoided.

The amount of Federal land here is very small. As I recall, it is around 8 acres. It is not land of any particular value and, therefore, this bill would not cause a loss to the United States, either financially or otherwise, and would bring a considerable savings to the property owners.

It is important that the Senate act promptly in order that these property owners may have the same rights as others to convey their property free of this cloud on their title.

I certainly urge acceptance of this bill.

The SPEAKER. The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I again compliment the chairman of the subcommittee for bringing forth this important legislation. Unfortunately, it was needed and it will solve a problem, will save the property owners in this small area a great deal of cost in dollars. It was the same legislation this body passed last year and because of the lateness of the session it was delayed and not passed into law.

Mr. Speaker, at this time I yield 5 minutes to the gentleman from California (Mr. THOMAS), the author of the bill, H.R. 3361, and the gentleman who really has played a major role in the passage of this legislation.

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Alaska for yielding. I certainly will not take the 5 minutes, because the gentleman from Ohio, the subcommittee chairman, has outlined almost totally and absolutely accurately all of the problems facing these individuals in a predicament not of their own making, but actually a problem created by Government.

I realize that a legislative remedy is an extreme remedy, but given the alternative, I think it is the appropriate remedy.

The approximate 8 acres that we are talking about that are in dispute are on a hill slope of about 30 degrees and are of no practical use to anyone.

The idea that at least 13 homes are going to be displaced along the boundaries if we either accept the newer boundaries were discovered in a private survey in 1977 that were surveyed by

Los Angeles County in 1973 or expending the money for a new survey with no guarantee that they will not come up with a third line or agree to the 1973 line is, in fact, a waste of everyone's time and the taxpayers' money. I feel assured that the House will move rapidly on this measure since it is not a new question before us. In addition, both the California Senators fully understand and are in support of a legislative remedy of the problem that has been created by Government.

□ 1240

Mr. YOUNG of Alaska. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I rise to support H.R. 3361 since I feel it is the best way to resolve a very difficult situation that is causing uncertainty and hardship to many residents of the Juniper Hills area.

This bill provides an opportunity to resolve a boundary conflict and survey discrepency resulting from a 1973 survey which would alter boundaries that have been used for 45 years. To accept the 1973 survey would place 13 homes, 11 wells, 6 garages, and numerous outbuildings on the lands of others, destroy longstanding land descriptions, make road and utility easements worthless and keep boundaries on vacant property in question until the dispute is settled possibly through yet another survey.

It simply does not make good commonsense to delay resolution of this problem any longer since passing this legislation means that we would be accepting the boundaries used by the people when they purchased their property over the last 45 years. The private owners have no desire to acquire land owned by the United States, they are simply asking that the redtape and technical argument be resolved at this time on a problem that was not of their making.

The basic purpose of the bill is to have the United States agree that the 1933 county surveyor's monuments should indicate the permanent boundaries of the disputed area. Admittedly there exists a question as to the correct location of the boundary lines, but the bill adopts into law what has actually existed on the ground for 45 years and avoids further legal and surveyors costs to the Government and private owners.

Surveyors have been unable to recover the original west quarter marker of Section 16 but this was replaced by the Los Angeles County surveyor in 1933. Some of the 1933 markers were destroyed in a 1953 forest first but the Forest Service has replaced them in their same locations. Deeds issued on subdivided land over the years were based on boundaries accepted by the Forest Service until the discrepency of the 1973 survey was discovered in 1977.

The practical effect of the existence of the questionable boundaries is that private owners have been unable to sell and refinance their homes. Prospective buyers and lending institutions are not anxious to become involved in this unresolved problem, and homeowners are not able to obtain title insurance under these circumstances.

This bill H.R. 3361, would resolve the problem now. Mr. Speaker, I ask for an "aye" vote.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 3361, and also on the bill previously passed today by the House, H.R. 4611.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 3361.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SAFE DRINKING WATER ACT AUTHORIZATIONS

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3509) to extend for 3 fiscal years the authorizations for appropriations under the Safe Drinking Water Act.

The Clerk read as follows:

H.R. 3509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) The first sentence of subsection (e) of section 1442 of the Public Health Service Act (42 U.S.C. 300j-1(e)) is amended by striking out "; and" and substituting a semicolon and by inserting the following before the period at the end thereof: "; $21,405,000 for the fiscal year ending September 30, 1980; $30,000,000 for the fiscal year ending September 30, 1981; and $35,000,000 for the fiscal year ending September 30, 1982".

(b) The second sentence of such subsection (e) is amended by striking out "and 1979" and substituting "through 1982".

SEC. 2. (a) Paragraph (7) of subsection (a) of section 1443 of the Public Health Service Act (42 U.S.C. 300j-2(a)(7)) is amended by striking out "and" and by inserting the following before the period at the end thereof: ", $29,450,000 for the fiscal year ending September 30, 1980, $32,000,000 for the fiscal year ending September 30, 1981, and $34,000,000 for the fiscal year ending September 30, 1982".

(b) Paragraph (5) of subsection (b) of such section is amended by striking out "and $10,000,000" and substituting "$10,000,000" and by inserting the following before the period at the end thereof: ", $7,795,000 for the fiscal year ending September 30, 1980, $18,000,000 for the fiscal year ending September 30, 1981, and $21,000,000 for the fiscal year ending September 30, 1982".

SEC. 3. Paragraph (2) of subsection (f) of section 1441 of the Public Health Service Act (42 U.S.C. 300j(f)) is amended by striking out "1979" and substituting "1982".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. WAXMAN) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, H.R. 3509 is a simple authorization bill that would extend the authorities of the Safe Drinking Water Act for 3 fiscal years, 1980 through 1982.

Our work of providing safe drinking water to all Americans is just beginning. Federal interim primary drinking water regulations became effective in June of 1977. To date, some 41 States and territories have assumed primary enforcement responsibility over their public water systems. This means that these States are enforcing Federal regulations pertaining to coliform bacteria, several inorganic contaminants and a few organic contaminants. Several other States are expected to attain primacy this year.

Our sources of drinking water are contaminated by a number of point sources such as industrial effluent discharge, leachate from waste dumps, and nonpoint sources of contamination which come from pesticide residues from agricultural runoff and heavy metal residues from urban runoff. The Environmental Protection Agency is in the process of developing an integrated program to attack these environmental insults which threaten drinking water.

The funding levels in this bill assure the continuation of the Environmental Protection Agency's drinking water programs that are just getting off the ground. Section 1 of the bill provides funding to continue the Agency's pollution abatement and control activities which encompass the determination of human exposure to water borne contaminants and attendant health risks; the establishment and implementation of national primary drinking water regulations; the development of revised primary drinking water regulations; the provision of technical assistance and guidance to the States and the training of personnel; and the development of an effective and balanced underground injection control program.

During the past 2 years the Agency has been working on several studies mandated by Congress in the 1977 amendments to the Safe Drinking Water Act. These studies focus on: health effects of the reaction of chlorine and humic acids which forms trihalomethanes several of which are carcinogenic; polychlorinated biphenyl contamination of actual or potential sources of drinking water; and the anticipated costs of compliance with interim and revised national primary drinking water regulations and methods by which States and units of local governments can implement those regulations. All of these studies will be completed shortly and

will assist the Environmental Protection Agency in the performance of its mission, and will help Congress determine how States are progressing in meeting drinking water regulations.

For purposes of section 1 $21,405,000 would be authorized for fiscal year 1980, $30 million for fiscal 1981, and $55 million for fiscal 1982.

Section 2 of the bill would provide authorizations for public water system supervision grants. This program enables the Agency to provide start-up and continuation grants for States that assume primacy over their public water systems. The program is necessary to assist States in attaining and maintaining the essential components of a drinking water program. The authorization would provide $29,450,000 for fiscal 1980, $32 million for fiscal 1981, and $34 million for fiscal 1982.

Additionally, this section would provide authorizations for grants to States to assist them in formulating underground water source protection programs. Recently, the Agency designated 22 States as requiring underground injection control programs to protect ground water. By the end of 1980, all States will be so designated. The bill would authorize $7,795,000 for fiscal 1980, $18 million for fiscal 1981, and $21 million for fiscal 1982.

Finally, the bill also would authorize funds to be utilized by the Administrator to help remedy an emergency situation faced by a municipality or public water system that is beyond its financial or technical capability to remedy without such assistance. Eight million dollars would be authorized for fiscal years 1980 through 1982 for this purpose.

Mr. Speaker, we must demonstrate to the States our commitment to assure for our citizens the provision of safe drinking water. The mechanism Congress envisioned in 1974 when the Safe Drinking Water Act was enacted is in place and is working. However, more work needs to be done to improve the program. The States need guidance and assistance in establishing and running their programs and more work is needed in identifying and in assessing the health effects of hundreds of contaminants that find their way into our sources of drinking water. Also, the Center for Disease Control reports that there are still more than 3,000 waterborne illnesses per year in this country. The Subcommittee on Health and the Environment is going to hold hearings in the near future on a number of difficult issues that face the Environmental Protection Agency and the States in their joint effort to assure the provision of safe drinking water. Of primary interest will be the problems faced by small systems in attempting to meet drinking water standards.

Mr. Speaker, this bill would enable the EPA and the States to continue to provide safe drinking water for the people of this country. I respectfully urge my colleagues to support H.R. 3509.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I am pleased to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, let me ask the gentleman, how many deaths did the Center state were due to drinking water? I believe the gentleman mentioned that in his presentation.

Mr. WAXMAN. Mr. Speaker, the Center for Disease Control reported there are still more than 3,000 waterborne illnesses per year in this country.

Mr. VOLKMER. That is 3,000 waterborne illnesses?

Mr. WAXMAN. The gentleman is correct.

Mr. VOLKMER. But we do not know how many deaths have occurred as a result of drinking water?

Mr. WAXMAN. I do not know that.

Mr. VOLKMER. Is there any way that we could find out?

Mr. WAXMAN. Perhaps we could inquire of the Environmental Protection Agency. They might have the statistics.

Mr. VOLKMER. All right. Can the gentleman tell me, is there anyone who knows approximately what it is going to cost ultimately to implement the new regulations that are being proposed?

Mr. WAXMAN. Mr. Speaker, we do not know the cost of the proposed new regulations, but the subcommittee is watching those new regulations with a great deal of interest. There are members of our subcommittee who are concerned about two drinking water regulations; one member in particular introduced legislation that would prohibit those regulations from taking effect.

Before those regulations take effect, we will hold oversight hearings on them.

Mr. VOLKMER. I would appreciate that.

Mr. WAXMAN. One of the key questions that will be in our minds will be the cost of those regulations, as well as the benefits we will receive from the regulations.

Mr. VOLKMER. Mr. Speaker, that is exactly my concern. There have been some figures used in my State which show theoretically if the charcoal-type system was used, it would cost upward of $1 billion for those cities. That applies to cities over 75,000, and it would cost this amount to implement that. Then we might get little benefit because of the fact, as far as we know, in the last 4 or 5 years there have been no deaths attributed to drinking water in the State, and yet we are going to spend this kind of money.

So although I do not disagree that there is a need for identifying pollutants within the drinking water, I do seriously question whether or not the benefits are going to be worthwhile as far as the cost is concerned.

Mr. Speaker, I appreciate the subcommittee's looking into that matter.

Mr. WAXMAN. Mr. Speaker, I appreciate what the gentleman is referring to, and that is the cost of those particular regulations that would apply to local governments.

Mr. VOLKMER. Yes. And as far as what is going to be done and as to the benefits received, if we do not have related illnesses and related diseases, then I question the necessity of also bringing on this new type of filtration.

Mr. WAXMAN. Mr. Speaker, I share the gentleman's concern, and our subcommittee is going to look very carefully at these regulations before they go into effect.

Mr. VOLKMER. Mr. Speaker, I thank the gentleman.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, prevention and health are two words which have become strongly linked in the past decade. Clearly, prevention of illness is a more effective means of promoting continued good health than remedial treatment following the onset of disease. As a physician, I have supported legislation which is preventive in nature. The Safe Drinking Water Act is one such important measure, designed to safeguard the health of Americans by preventing their exposure to unsafe drinking water. Under this law, the Environmental Protection Agency and States are encouraged to work together in insuring a safe supply of drinking water.

This bill, H.R. 3509, provides for a simple extension of the authorities of the Safe Drinking Water Act for 3 years. I support H.R. 3509 because of its preventive nature, and I urge that it be approved expeditiously.

Mr. Chairman, our supply of drinking water is something many of us take for granted. We simply turn a tap and draw a glass. But the safety of this water is not something we should take for granted. Not when more than 700 organic chemical contaminants have been identified in some sources of drinking water. Moreover, we hear frequent reports of incidents in which toxic chemicals have been discovered in drinking water supplies. Just recently in California, high levels of a toxic pesticide were found in drinking water and irrigation wells. The pesticide had been banned from use in that State for the past 2 years. Clearly, findings like this indicate the need for continued monitoring of our drinking water supplies.

The Safe Drinking Water Act grew out of concern over the safety of our drinking water supply. That was in 1974, when the number of identified organic contaminants was 66. Today the number stands at over 700, and it continues to grow. Clearly, we must reinforce our original commitment to assuring a safe quality of drinking water. Therefore, I urge prompt approval of this bill to safeguard the health of the American public by protecting its drinking water supply.

□ 1250

Mr. Speaker, I would also say that I included in this bill $8 million for taking care of places such as the Valley of the Drums in Louisville, Ky., where people have placed contaminants from their factories, and the identity of these people cannot be immediately found. We have another such situation existing near Buffalo, N.Y., where many people have become ill from toxic substances which have been buried beneath their homes,

prior to the building of their homes, of course, and as a result of this there were many miscarriages and many of the youngsters born in that neighborhood had many deformities.

I included this $8 million in this legislation to help in alleviating these conditions, but, actually, Mr. Speaker, this is only a small amount. It will take a great deal more money to clear up this situation throughout our country.

A great many pure water supplies have been contaminated by numerous "Valleys of the Drums" throughout our country. The $8 million authorized will not nearly be enough—but it will be a start—I urge a vote for pure drinking water.

Mr. WAXMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the cooperation to date of my colleague from California, Mr. HENRY WAXMAN, and my colleague from Kentucky, Dr. TIM LEE CARTER, in consideration of problems of my constituents related to the presence of barium found naturally in public drinking water supplies.

The Safe Drinking Water Act provided that standards should be established by the Environmental Protection Agency following scientific studies by the National Academy of Sciences or another independent scientific organization. However, it was also provided in this statute that the EPA could establish a standard for a questioned substance which "in the judgment of the Administrator, may have any adverse effect on the health of persons."

Mr. Speaker, the scientific studies which seem to be required under the provisions of the statute appear not to have been met or at least have been insufficiently met—in my view. According to a report issued by the National Academy of Sciences in 1977 entitled "Drinking Water and Health" the subject of barium in drinking water was very equivocal and indefinite insofar as posing any specific hazard to human health.

It is my understanding that the standard adopted by the Federal EPA of 1.0 mg/l of barium is derived from a 1962 standard established by the Public Health Service. That standard was established not on the basis of studies made with drinking water but were based upon studies related to the presence of barium in the air and these studies were thereafter translated into a standard applicable to drinking water.

Mr. Speaker, it would seem to me that to establish and impose a standard with which the communities of Cary, Algonquin, Burlington, Crystal Lake, Hampshire, St. Charles, Wauconda, and West Dundee in my congressional district are required to comply, some more valid scientific studies should be conducted and empirical data should be secured upon which a standard might thereafter be developed. With such a valid standard, I am confident the officials of the communities in my district would thereafter be willing and anxious to comply.

Mr. Speaker, I therefore request that oversight hearings be held at the earliest possible date in order that we may work together with the U.S. EPA to make sure that drinking water standards are reasonably accurate and necessary. I agree that the ideal is to be ultrasafe if this is economically feasible. But for small communities up to 15,000, the high cost of treatment is illogical if there is doubt that this is really necessary in order to preserve and maintain good health. At present there appears to be fairly widespread doubt among knowledgeable scientists that the low level of 1 milligram per liter of barium presently required by the U.S. EPA is really necessary. Some feel that 4.5 or 5 milligrams per liter of barium would be within safe limits. My constituents are disturbed at being forced to comply with regulations based on information which is not generally accepted. Since at present there are no Federal or State grants available to them, this compliance would be at burdensome costs.

You may be aware that there is a barium treatment which is reasonable in cost, water softening by use of sodium. This process would be financially feasible for a small community, it is true. However, the major health problem suspected to be related to barium ingestion is a possible cardiovascular effect evidenced by hypertension. There is mere speculation of such an effect. As many of you may also be aware, it is an accepted fact that the so-called remedy, salt addition to the water, increases hypertension. Thus, the low-cost reasonable remedy presently known, zeolite or salt addition, appears to be worse than the original, barium. Thus, my constituents are rightly resisting the solution of water softening by means of zeolite or salt addition. Other solutions for removal of barium involve digging another well, building a treatment plant utilizing lime softening and hiring a full-time operator, or adopting some other potentially expensive remedies.

Mr. Speaker, I appreciate this time to briefly explain some of the real problems faced by small communities in meeting safe drinking water act regulations and hereby request oversight hearings during or following the recess. I believe we should be reasonably sure requirements are necessary and we should also make it financially feasible for small communities to comply if it is necessary.

Mr. WAXMAN. Mr. Speaker, Will the gentleman yield?

Mr. McCLORY. Mr. Speaker, I am pleased to yield to the chairman of the subcommittee.

Mr. WAXMAN. Mr. Speaker, I have enjoyed working with the gentleman from Illinois and have been most impressed with his knowledge of the difficult question of the health effects of the ingestion of barium in drinking water. I am very sympathetic to the plight of small communities such as Cary, Ill., which, in order to comply with the existing State and Federal standard, must make substantive financial investments. I agree with the gentleman that additional research is needed to determine the health effects of long-term ingestion of low levels of barium.

If the gentleman will yield further, I would like to assure the gentleman from Illinois that oversight hearings of our subcommittee will be conducted as soon as possible—with the likelihood that at least one of the hearings will be held in an area convenient to the gentleman's congressional district in Illinois. Meanwhile, it is my hope that other scientific research studies will be conducted and that empirical data will be gathered which will either confirm the adequacy of the existing standard or demonstrate that a new standard should be set which assure safe drinking water for water supply systems such as that in Cary, Ill., and other communities in the gentleman's Illinois district—as well as elsewhere in the Nation. I am very aware of the plight of the small communities in particular, which are now confronted with the requirements of the Safe Drinking Water Act and the need for meeting a standard of water quality by 1981. Some further consideration may be needed to determine whether to delay that date, where the risk to human health posed by the contaminant is minimal, the expected cost of a water treatment facility is beyond the capability of the communities, and the community has demonstrated that it has acted in good faith to comply with the standard, but was unable to do so.

Mr. McCLORY. Mr. Speaker, I appreciate the chairman's assurances, and I wish to indicate my support of this legislation.

Mr. WAXMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, I thank the gentleman from California and I thank the distinguished chairman for his time and his staff's time in reviewing this legislation. It is my understanding the Subcommittee on Health and the Environment will hold oversight hearings later this year on the Safe Drinking Water Act.

Mr. WAXMAN. Yes; the subcommittee is in the process of examining issues relating to the implementation of the act in preparation for oversight activities.

Mr. ABDNOR. Is it the subcommittee's intent to give particular attention to the difficulties experienced by smaller systems in complying with the act?

Mr. WAXMAN. Yes; a primary issue for the subcommittee will be problems faced by small systems in attempting to meet drinking water standards.

Mr. ABDNOR. I understand EPA is conducting analysis of the financial implications of the standards of each level of government—Federal, State, and local.

Mr. WAXMAN. That is correct. We are awaiting receipt of a nearly completed study mandated by the Safe Drinking Water Act Amendments of 1977 which will assess the anticipated costs of compliance with interim and revised national drinking water regulations and the anticipated costs to States and units of local government in implementing such

regulations. This report, in conjunction with oversight hearings, should be a valuable tool in helping us assess the problems confronting small systems and in determining appropriate mechanisms to assist small systems in meeting drinking water standards.

Mr. ABDNOR. I thank the chairman and look forward to the subcommittee's full consideration of a number of issues including: First, financing of water system improvements in those instances where such improvements would be cost prohibitive to the users; second, attention to the needs of the millions of Americans who obtain their water from sources which are not covered by the act; and third, insuring that the standards are reasonable from the standpoint of costs and benefits.

The importance of an adequate supply of good quality water for our citizenry is paramount. The Safe Drinking Water Act is a landmark in that respect; but it seems to me that, at least in terms of experience in my State, the existing program leaves much to be desired.

I am, therefore, encouraged to have the chairman point out that in passing H.R. 3509 today, to extend the Safe Drinking Water Act, it is not our intent to close the book on this important issue.

Mr. WAXMAN. I will be more than happy to work with my colleague from South Dakota to examine the specific issues he has raised. I feel it is important to hear the views of those in South Dakota who are confronted with problems in attaining drinking water standards. Of course, I would welcome your testimony about the drinking water situation in South Dakota. I look forward to working together on this issue.

Mr. ABDNOR. Again, I thank the chairman; and I request permission to revise and extend my remarks for the purpose of explaining a measure I have introduced today to amend the Safe Drinking Water Act and the Rural Development Act. Hopefully, this legislation would address the inadequacies in the program and facilitate the delivery of good quality drinking water to all Americans.

When the Safe Drinking Water Act was before the House in 1974, I was prepared to offer an amendment to protect the interests of my constituents and to promote a cooperative regulatory atmosphere.

That amendment stated:

A public water system which has made application under a program of Federal financial assistance to complete improvements which would bring the system into compliance with this Act shall not be required to comply with the provisions of this Act until the completion of such improvements or until the Administrator shows that the system can comply without such assistance and without unreasonable cost to the users.

I was dissuaded from offering the amendment by members of the committee who assured me that the exemptions and variances allowed under the act were sufficient to address my concerns. It has become clear, however, that is just not the case; and Assistant EPA Administrator Jorling has acknowledged as much.

As pointed out in the minority views contained in the committee report (H. Rept. 96-186, p. 14), Mr. Jorling has characterized as "needed" an amendment to extend exemption compliance deadlines, thus providing some systems, particularly the smaller ones, with sufficient time to solve their financial problems and improve their treatment facilities.

Still, my original amendment is superior to that suggested by the Assistant Administrator because it would allow case-by-case extensions when justified, rather than a broad and arbitrary extension based on time instead of need.

According to South Dakota's water hygiene administrator, Mark Steichen, by early June about two-thirds of the 400 community water systems in our State had been tested for compliance with maximum contaminant levels (MCL's) for inorganic chemicals. Of those tested to that point, 40, or about 15 percent, had drinking water which exceeded the standards. Others had received notice from EPA of violation of regulations pertaining to bacteriological analyses, and more violations are expected as sampling for radiological contamination proceeds.

Perhaps my colleagues noted the recent article headlined "Town in Alaska Shuts Sewage Plant, Dares U.S. To Do Something About It," which appeared on page A3 of the July 25 edition of the Washington Post. Sadly, the incident it relates is all too typical of the conflict which has been fostered by the regulatory philosophy which prevails at EPA and in the statutory authorities the Congress has provided.

The Skagway, Alaska, mayor and town council do not believe the benefits of the $3.5 million wastewater treatment plant they have been forced to construct to serve their community of 870 people justify the diesel fuel it will consume or the expense of operating the facility. For having the courage of their convictions, the council members face a possible $10,000-a-day fine; and EPA is pressing the matter in Federal court.

Under the existing provisions, I fear it is only a matter of time before similar confrontations develop with respect to the Safe Drinking Water Act; and that is one reason I introduced legislation in the 95th Congress to amend the act. I have reintroduced that measure today.

The Institute for Rural Sanitation Services commented on my bill in the December 8, 1978, issue of their newsletter, FYI:

ENVIRONMENTAL PROTECTION AGENCY—FARMERS HOME ADMINISTRATION COORDINATION ON RURAL WATER PROJECTS; IS THERE HOPE?

It has long been evident to those in poor, rural communities that money for small water and sewer projects is pretty hard to come by. The U.S. Environmental Protection Agency (EPA), under the Federal Water Pollution Control Act, has been providing grants for the establishment of wastewater treatment works only since 1972 and has had full responsibility for drinking water quality since 1974. The Farmers Home Administration (FmHA), under the Consolidated Farmers Home Administration Act and the Rural Development Act, has been providing grants and loans for community water and wastewater facilities since 1961. The two agencies really never have been in a position to consolidate their efforts to serve the rural poor—until now.

EPA and FmHA believe that their present community water facilities programs are adequate in terms of their mandated objectives. But they realize the need for improvement in the management of their programs. At the insistence of many congressmen, rural-interest organizations, and small communities, FmHA and EPA released a joint policy statement in July of this year amending the FmHA priority system for grants. First priority goes to improvements or additions to water treatment systems needed to meet the requirements of the Safe Drinking Water Act. Second, the quality of drinking water for projects financed in whole or in part by FmHA must meet the applicable primary drinking water standards after completion of any proposed improvements.

This policy statement is a much-needed recognition of past problems caused by the lack of coordination between EPA and FmHA. It is a welcome first step toward reducing these problems. However, a great deal of work remains to be done if EPA and FmHA programs are to deal efficiently with the water-sewer needs of rural America.

THE PROBLEM OF SAFE DRINKING WATER

Under the Safe Drinking Water Act (SDWA) of 1974, EPA was given the mandate of guaranteeing the safety of drinking water supplies throughout the United States. A substantial amount of data had been collected by this time showing that people in rural areas of the country suffered from inferior water quality to a much greater extent than those in urban areas due to their use of self-supply water systems such as individual wells and cisterns. Many of these systems, as well as a number of small community water systems, are known to supply poor quality water.

EPA's first objective under the SDWA was to define the water quality problem. As a part of this effort to define the problem, the agency provided substantial financial and technical assistance to states and local communities so that they could undertake various research and study programs. However, the Act authorized no funds to improve the water quality situation. There was no money for the construction of new water treatment systems, nor were funds available for upgrading existing treatment systems in order to meet the National Interim Primary Drinking Water Regulations.

Thus, in 1977, new drinking water regulations were imposed on existing water systems having 15 or more connections and regularly serving 25 or more individuals. While this size limit left millions of people unprotected by the regulations, the small community water systems that were covered suddenly were faced with rigid testing and quality requirements demanding a lot of time, attention, and financial resources.

The requirements of the EPA drinking water regulations have been a significant burden to a number of these water systems. Many of the strict requirements have been questioned by both water suppliers and scientists. The Council on Wage and Price Stability has declared that EPA's new rules are not worth the money and are void of any cost/benefit analysis. In addition, there seems to be no solid, scientific basis for many of them. EPA admits that there is no hard evidence linking the low level of trihalomethanes and synthetic organic chemicals found in drinking water with a low occurrence of cancer. Yet the agency asks local communities to spend millions of dollars (maybe even a billion) to curb the level of these chemical contaminants. Of course, smaller communities are affected the most

by this; they simply do not have the resources that larger communities have to upgrade and monitor their water supplies.

The Farmers Home Administration is usually the only source of funds for improving rural water systems, and it is therefore the only agency the communities can turn to in trying to comply with safe drinking water regulations. This applies both to existing systems which simply need upgrading and to those which have yet to be built. If a small community water system cannot sustain EPA's low limits for bacteria, turbidity, certain inorganic chemicals, pesticides, and radiological contaminants, then FmHA may reject an application for funding it. One does not want to deny the users of that system the safety regulations promulgated by EPA. On the other hand, the fact that the system is in noncompliance means that perhaps money is needed more for it than for other water systems, regardless of their size. In addition, FmHA has limited amounts of grant funds available and must attempt to use them to meet the needs of all rural communities—those with quality problems in existing systems and those with no system at all.

STEPS TOWARD A SOLUTION

The problems associated with implementation of the Safe Drinking Water Act are due partly to poor coordination between FmHA and EPA. This is the premise underlying the July joint policy statement. Many states moved prior to this statement to establish a coordinating mechanism that would assist rural communities in dealing with the new water quality standards. Vermont, for example, can boast an outstanding cooperative effort between FmHA and EPA in providing water facilities. EPA regularly sends lists of communities which are not in compliance with their safe drinking water regulations to FmHA, which can contact the communities directly. Once communities are aware of the funds available, they are more likely to heed EPA's warning of noncompliance.

Congressional concern has been expressed. Congressman Jim Abdnor of South Dakota, in introducing amendments to the SDWA and the Rural Development Act (RDA), noted that:

"If the Federal Government is going to mandate such standards upon a particular system, it is also incumbent upon the Federal Government to provide financing on a basis the users can afford to pay."

We couldn't agree more. FmHA enters the picture here as the principal funding source for communities with populations of 5,500 and under. It has a special responsibility to assist these localities in providing appropriate water facilities that comply with EPA's standards.

Similarly, the Congressional Rural Caucus (CRC) requested the Administration in September to "develop federal, state, and local intergovernmental mechanisms to improve coordination and reduce the difficulties, delays and red tape small cities and towns must undergo to obtain development assistance." Moreover, CRC recommended that the administration address the need to "develop within USDA a program to help FmHA, EDA, CSA, HUD, Labor *and other programs* used in rural communities to improve the accessibility to and delivery of their services" (emphasis added).

Congressman Abdnor expressed his recommendations in the form of legislation which he introduced this past summer. Although no action was taken on his and similar bills, they probably will be reintroduced in January. H.R. 13752 was a bill amending the Safe Drinking Water Act and the Rural Development Act "to provide additional assistance to small communities and rural water systems in meeting drinking water standards." In addition to increasing grant authority for water systems to 90 percent (from the present 50 percent) and authorizing grants for those systems which have experienced "higher than anticipated expenses," the bill would have required certain EPA–FmHA cooperation.

First, it sought to prohibit the Administrator of EPA "from acting against a public water system which is not in compliance with SDWA if it has a pending application with FmHA to finance the necessary improvements." Second, associations proposing to construct water systems would be permitted to ask EPA to test the supplies of proposed users for compliance with SDWA standards. If present supplies do not meet the SDWA standards, then the proposed system would qualify for grant assistance from FmHA on the same basis as existing systems.

It is heartening to see the perception and awareness that Congressman Abdnor manifests towards the rural water problem. He addresses the most common problems effectively, and even tackles some that are not so common. He advocates rearrangement of FmHA's grant priorities so that communities faced with unanticipated deterioration of water supplies can receive immediate action. Those communities which request money for the sole purpose of compliance with SDWA primary drinking water standards would become second on the list. H.R. 13752 would prohibit EPA from requiring a water system to notify its users of noncompliance with SDWA standards if the community has applied for assistance in order to comply. The fact that states are supposed to assume the responsibility for notifying systems and their users in the event of noncompliance has been a major point of contention with EPA since the SDWA became law. Because of their inability to control the funding source, states often do not want to exercise their right to primacy, and certain states have denied it completely (South Dakota, Wyoming and Utah are examples.) The state's view is that they should not have to bear the burden of explaining noncompliance to owners of water systems and their users when they have no power to extend the resources necessary for compliance. Congressman Abdnor saw it, too, when he stated: "EPA writes the rules and the water users pay the expenses." H.R. 13752 attempted to go far beyond the concept of EPA–FmHA coordination. It proposed specific solutions to a number of problems implicit in the provision of rural water supplies and, the solutions were based on the use of present program mechanisms.

The thrust of both the Abdnor legislative proposals and the EPA–FmHA policy statement is essentially the same: making the best of a bad situation through coordination and other programmatic changes. This may be the best that can be done and, given the fact that the present situation can only be improved, better coordination and program management would be no small accomplishment. However, the root of the problem may well be something quite different. On the one hand, the Congress has decided that the nation's drinking water quality must be improved substantially. On the other, the Carter administration has decided that there will be no costly new programs and no significant increases in those which already exist. This was the administration's position two years ago and it continues to be stated in light of continuing inflation. There simply may be no way even with all the coordination in the world, that both objectives—improved quality and economy—can be achieved. In the end, something is going to have to give—either the Carter administration will have to agree to a new, or greatly expanded, program to help small communities meet the drinking water standards or it will have to agree to soften the standards or delay their implementation. Coordination can only do so much.

The obvious implication of FYI's conclusion is that more money will be required if the goal of safe drinking water is to be met, and that may be so. While my bill does not provide for an increase in total Federal funding for water system improvements at this time, it would establish a more rational regulatory process within which the need for such an increase could be assessed and would become apparent.

Writing in the May/June 1979 edition of Outdoor America, Deputy EPA Administrator Barbara Blum made several pertinent remarks in an article entitled "EPA, Economics and the Environment." Among the points Ms. Blum endeavored to convey were the following:

The Environmental Protection Agency considers itself part of President Carter's administration and part of his anti-inflation team. EPA administers laws covering drinking water and their economic impact has not been lost on an economy racked by unremitting inflation. EPA is committed to administering the law as inexpensively and efficiently as possible.

Resources—including clean water tend to become less plentiful as society becomes more densely populated, more urbanized. It is wrong, therefore, to think of our current problems as either primarily environmental or primarily economic. History teaches us that they are both at once.

We cannot afford an unhealthy environment, nor can we afford an economy plagued by inflation or racked by unemployment. We must debunk the myth that free enterprise and environmental regulation are natural enemies.

EPA fights and will continue to fight inflation four basic ways: through improvement of the regulatory process itself; through increased cooperation with industry and state, local, and foreign governments; through improvements in the enforcement process; and through the introduction of flexible marketplace incentives.

EPA is working to have state governments assume administrative responsibilities at the local and state levels so that those closest to a problem will make the required regulatory decisions, presumably in the most cost-effective manner possible.

EPA helped pioneer the new Regulatory Council. The council aims to increase cooperation within the bureaucracy and reduce rulemaking.

Cooperation within the bureaucracy and reduced rulemaking are admirable goals, but the cooperation of those who are regulated is even more important. The best way to get such cooperation is to have rules which are reasonable and well justified, and I believe there is room for a great deal of improvement in this regard.

Indeed, on page 42247 of the July 19 Federal Register, EPA itself admits:

While the Safe Drinking Water Act calls for issuance of revised regulations shortly after completion of the National Academy of Science's study, it was the Congress' expectation that the National Academy of Science's report would provide sufficient bases for such revised regulations. However, the Academy was unable to make specific recommendations as to safe levels of contaminants in drinking water to be used as a basis for maximum contaminant levels. Rather, MAS provided background information, recommendations for further research, and recommen-

dations regarding acceptable daily intakes for certain compounds.

Conversion of these recommendations and information into drinking water regulations is therefore a more lengthy and complex process than originally anticipated, and issuance of revised regulations in the prescribed time-frame became unrealistic.

Furthermore, EPA acknowledges:

The States have encountered several problems with respect to the microbiological MCLs and the monitoring requirements for small public water systems. Greater latitude has also been urged with respect to requirements applicable to non-community systems and with the requirement of public notification through the media for all MCL violations applicable to community water systems.

Finally, EPA states:

All existing MCLs will be re-evaluated in light of recently acquired data, particularly that contained in the National Academy of Sciences' report "Drinking Water and Health," and other information including a comprehensive follow-up study by the National Academy of Sciences now underway. Resulting changes will be reflected in Revised National Primary Drinking Water Regulations to be proposed subsequently."

In concluding her remarks in Outdoor America, Deputy EPA Administrator Blum said:

As we move into the 1980's, it is imperative our economic investments are environmentally sound and our environmental investments economical. Success depends upon our keeping that equation balanced.

That is exactly what my bill is designed to do with respect to drinking water in rural areas and small towns. I have a sense that reason must prevail—eventually; but, in the meantime, that is little relief to those who are faced with the impossibility or excessively costly prospect of having to comply with the existing law and regulations. Nor is it of much comfort to those who are ignored by the act.

I urge my colleagues and particularly the members of the Subcommittee on Health and the Environment to give this matter further, serious consideration. For those who might be interested, my previous remarks on this issue may be found on pages 24743, 30222, and 37267–37268 of the August 7, September 19, and October 14, 1978, CONGRESSIONAL RECORD, respectively. The text of the bill is on pages 24745–24746 of the August 7, 1978, RECORD.

The goal of safe drinking water for all Americans is unquestioned. The question is how best to maximize achievement of that goal. I believe the first step which must be taken is to reduce the attitude of confrontation which exists between the regulators and the regulated. My bill would do so and, hopefully, would encourage both to work together toward responsible and cost-effective solutions to our Nation's drinking water problems.

□ 1300

Mr. CARTER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Kentucky (Mr. CARTER), who is our ranking member and is so keenly concerned with the health of America.

I am keenly concerned, too, but I believe this bill is a step backward instead of a step forward.

You know, we have so many health regulations in this country, we just cannot hardly afford to live anymore.

I remember in our own district down there, this is where the Indians got started, down in Texas. We have 300 old camps in our area where Indians lived.

We have the Lewisville Man, that is supposed to be the oldest man. The Indians had a very healthy society. Nobody was any stronger physically or had a greater physique than Indians.

I want to tell my colleagues, if you remember back, you heard of very few Indians who lived past 40 years of age. They had fresh air, fresh water, fresh grass, but they just did not have the American way of life.

We are just about to price this American way of life out of business. We have got so many gimmicks. In fact, when my friend talked about water, the first thing that came to my mind was the drinking water here in Washington.

I cannot stand this tap water myself. I have to carry a gallon jug. I go down to buy completely natural water in the grocery store to drink. This is plain water just as it comes out of the spring. But Washington has been meeting all these requirements; they have to add chemicals for EPA standard water.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I will yield to the gentleman from Kentucky.

Mr. CARTER. What would it cost the public if they, like the gentleman from Texas, went to the grocery store and bought their water? Would it not cost millions and millions more? This bill will save millions.

Mr. COLLINS of Texas. I want to tell the gentleman this. The reason I do not drink this Washington water is that it is meeting the regulations that we have written. I have just had all these congressional regulations that I need. Washington water meets the regulations that we have mandated. I do not want any more of this water that meets these regulations. I would just rather have plain water from the spring.

Now, in addition to what we have demanded in drinking water and what meets its requirements, another thing that concerns anybody that is from an oil-producing State is what they are going to do to secondary recovery of oil. They estimate in this report that it will cost $665 million. I have never seen an estimate yet where they do not miss at least twice.

In other words, if they say $665 million, that means it will run a billion and a half dollars more to meet regulations.

What they are doing in order to recover oil from these old oilfields all over the country way out in the sticks, is to go in, and they take water and pump it back down underneath the oil sand. I saw one well the other day, 7,000 feet deep, they pumped it down in there, and then the water makes the oil float. And because they are paid what you call a stripper well basis of $18 which they are getting on it, they are able to make money even though 98 percent of the pump back is water and 2 percent oil.

Now with this particular requirement. by the time they get through meeting these Government regulations, the oil producers will not be able to water flood all of these oil reserves that we have all over the country.

We are hoping that secondary and tertiary oil recovery is going to be the major answer where we can help increase production in the United States. EPA water regulations are going to mean more and more costs. Excessive rules provide an unbearable situation on these producing people, and what we are going to do, we are going to force America to continue to be more dependant on imports of the OPEC oil.

Just to remind you, again, and we seem to forget it, 6 years ago our country was importing $3 billion in oil. This year we are importing $60 billion in oil. If we pass this particular provision, we are going to close out the potential that we have for tremendous secondary and tertiary oil recoveries. It is going to be economically impossible to water flood all of these large oil reserve areas. This does not mean anything about pure water. Most of these oilfields are 50 miles out in the country, but with the requirements, you would think you were right under Main Street in downtown New York.

Think about it. The name of the bill is a good name—Safe Drinking Water Act. But what we should do, we ought to think first of the future of America, and the future of America is to send this bill back to committee.

The following are the remarks with the full minority views:

MINORITY VIEWS ON H.R. 3509 SAFE DRINKING WATER ACT AUTHORIZATIONS

H.R. 3509 extends for 3 fiscal years the authorization for programs under the Safe Drinking Water Act. Because the bill is nothing more than a straight-out authorization bill without substantive amendments to the act itself, any amendments not tied to the authorization period could be ruled out of order as nongermane. However, the brevity and scope of the bill mask a number of controversial issues flowing from EPA's administration of the statute.

The contention was made in Committee that the best course of action was oversight coupled with a three-year authorization in light of the ongoing administrative process with respect to some of these matters. The problem with that approach is that it is for practical purposes and instruction to EPA to continue on its course absent effective Congressional input. This is so because the Senate as of now also has a 3-year authorization bill and the prospect of opening up the Act should problems arise in the interim is remote due to lack of leverage—as witness the situation with respect to the Clean Air Act. In light of the significance of the potential disruptive activities of certain aspects of the Act, it would be far preferable to have a one-year authorization to keep EPA on a shorter leash.

Briefly, at least three major problems have cropped up regarding this Act. That is, the proposed national interim primary drinking water regulations on organics, the underground injection regulations (particularly dealing with oil and gas), and certain obstacles in the administration of the program. As previously mentioned, the bill unfortunately does not address these vital matters. A short outline of these extremely complicated issues follows:

Organics.—In February 1978, EPA proposed regulations to limit organic chemicals in drinking water. The final regulations will probably be promulgated this summer. The regulation addressed trihalomethanes (which are formed during disinfection with chlorine of water containing naturally occurring materials) and other man-made compounds caused by urban, agricultural, and industrial pollution. Trihalomethanes would be subjected to a maximum contaminant level of 100 parts per billion. This standard would initially apply to systems serving populations of 75,000 or more. Systems serving 10,000 to 75,000 people would have to meet certain monitoring requirements, and those serving less than 10,000 people would be exempt initially. Coverage will be extended to all systems when feasible.

EPA proposed to restrict synthetic organic chemicals by requiring the installation of granular activated carbon (GAC) or some equivalent technology. This requirement woud apply to systems serving greater than 75,000 people when monitoring indicates that a given water supply is vulnerable to this sort of contamination.

Not only is the scientific basis for the regulation questionable, but GAC for the proposed purpose with frequent on-site regeneration is not a demonstrably effective treatment technique. GAC would be extremely costly as reflected in larger rate increases for debt services for uses of public dinking water systems; would exacerbate our unfavorable energy situation because it is quite energy intensive; and could cause health hazards of its own. Of course, the impact of GAC would be widespread since many of the affected municipalities are centers of food processing for nationwide distribution.

Underground Injection Control (UIC).—Regulations to control the underground injection of contaminants were first proposed in August of 1976. They were withdrawn after being subjected to numerous adverse comments. They were reproposed on April 20, 1979 with a 120-day comment period. Extensive comments on this subject were received in the 1977 hearings before the Subcommittee and some material was submitted for the record in this year's hearing.

The regulations would establish the technical criteria and standards to be used in implementing the underground injection control program. The regulations propose certain minimum requirements to contain injected and formation fluids. Wells divided into five classes for purposes of regulation, to wit: (1) Waste disposal below lowest underground source of drinking water by industrial, municipal, and nuclear concerns; (2) oil and gas disposal, recovery and storage; (3) special processes such as Frasch sulfur, solution mining, and gasification; (4) hazardous waste into or above lowest underground source of drinking water; and (5) all others such as drainage and recharge.

In the future, EPA proposes to consolidate its regulations for its permit programs under the hazardous waste management program under the Resource Conservation and Recovery Act, the UIC program under the Safe Drinking Water Act, and the National Pollutant Discharge Elimination System under the Clean Water Act.

EPA estimates that the proposed program costs for 5 years would be about ($07.9 million of which about $665.2 (or more than 80 percent) would fall on class II wells (oil and gas).

Because most of the cost of the regulations would be borne by the oil and gas industry, the bulk of the attention has focused there. The EPA cost estimate is too low because loss of reserve due to operating costs was not included in the economic study. Aside from aspects of the regulations, a more fundamental objection goes to the threshold question as to whether or not regulations are needed at all. Studies which were prepared by the Interstate Oil Compact Commission in response to a statement by a member of the National Drinking Water Advisory Council reported that petroleum injection operations were not harming underground sources of drinking water in the producing States of Texas, Arkansas, Louisiana, and New Mexico. If States have sound injection control programs relating to oil and gas production, then the existing programs should not be hampered by Federal interference. To the extent that the regulations are unnecessary, they will be a constraint on energy production, divert funds from energy development, and represent an inflationary factor in energy costs.

Administrative Obstacles.—In his statement before our Subcommittee on March 26, Tom Jorling, Assistant Administrator for Water and Waste Management of EPA, mentioned that there were some matters of timing and procedure that warrant attention at this time. This is so, he said, because "unintended obstacles in the administration of the program, particularly to the States, are being caused." At the end of his formal statement, he gave a brief summary of what he styled as "needed" amendments. These amendments would: (1) Provide more time for States to amend their regulations to correspond with amended Federal regulations, thereby ensuring continuity of grants support and primary enforcement responsibility; (2) extend exemption compliance deadlines for interim primary regulations to the time frame already established in the act relative to the revised regulations, thus providing some systems, particularly the smaller ones, with sufficient time to solve their financial problems and improve their treatment facilities; and (3) adjust the statutory deadline for prohibiting all unregulated injection practices in view of the delay in promulgating final regulations and link the eligibility of States to receive underground injection control grants to the promulgations of final regulations, thus ensuring that they have grant support while seeking to achieve primary enforcement responsibility. Regrettably, these obstacles have not been removed.

JAMES T. BROYHILL.
JAMES M. COLLINS.
EDWARD R. MADIGAN.
DAVE STOCKMAN.
TOM LOEFFLER.
GARY A. LEE.
WILLIAM E. DANNEMEYER.

Mr. CARTER. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, would the gentleman from California (Mr. WAXMAN) yield for a question?

Mr. WAXMAN. I would be pleased to yield.

Mr. DANNEMEYER. Would the gentleman explain a little, if he would, as to why the authorization in this bill is for more than 1 year? What is the rationale for that?

Mr. WAXMAN. I am sorry. I did not hear the gentleman's question.

Mr. DANNEMEYER. Would the gentleman explain why there is a need legislatively speaking for an authorization longer than 1 year in this bill?

Mr. WAXMAN. Why there is an authorization longer than 1 year for this program?

Mr. DANNEMEYER. That is right.

Mr. WAXMAN. This is an ongoing program. We are authorizing it for a 3-year period. That means we are making a commitment to continue the safe-drinking water period for a 3-year period. However, there are a number of issues that have been raised today and other issues on the minds of all of us about regulations that are being proposed and the directions the EPA may take.

In dealing with those questions, I have clearly expressed my intent to have the subcommittee hold hearings and go into further legislative action on the Safe Drinking Water Act itself without having to wait for an authorization period to expire.

Mr. DANNEMEYER. Would it not make more sense from the standpoint of good legislative policy to limit the authorization for just 1 year to insure that at the expiration of this year that Congress would be able to exercise its appropriate review and oversight function?

Mr. WAXMAN. I do not think we need to exercise the review and oversight function. It seems to me that is an ongoing responsibility. Particularly this legislation, I think, requires of us to continue an oversight investigation into a lot of new areas that they plan to undertake, even before that year is up, so that we might decide whether we want to take further legislative action on the Safe Drinking Water Act itself.

Mr. DANNEMEYER. If I understand the chairman correctly that some time next year the subcommittee would concern itself with this legislation and would hold hearings of oversight on this specific act?

Mr. WAXMAN. The gentleman is correct.

Mr. DANNEMEYER. Could the gentleman indicate about what time during the year he intends to have those hearings?

Mr. WAXMAN. If the gentleman would yield further, I hope to have those oversight hearings before the subcommittee by the fall of this year, which will enable us to act legislatively early next year, if necessary.

Mr. DANNEMEYER. One of the reasons that I ask this question and these questions relates to the question that the gentleman from Texas (Mr. COLLINS) earlier raised as to just how extensive is this going to impact upon the ability of oil producers in this country to recover oil from marginal fields. It was my feeling that it is appropriate for the Congress to continue oversight, certainly within the year, to determine if really we have priced ourselves out of the ability to recover oil from some of these fields that would be classified as marginal.

I thank the gentleman for his comments.

Mr. WAXMAN. On that very point which was raised by the gentleman from Texas (Mr. COLLINS) in the full Energy and Foreign Commerce Committee. I want to point out that the regulations that both of the gentlemen have expressed concern about are now in a period of 120-day comments before EPA.

Therefore, EPA will have 120 days further before they do anything with

the regulations, and the regulations will not take effect for 2 years. It is my intent not to wait that long a period of time but to have us make a very clear examination of the impact of that regulation on a whole range of concerns that are before us; and if need be, we will act legislatively to change the law if the subcommittee and the Congress feel that is appropriate, but we will act before those regulations ever take effect.

Mr. DANNEMEYER. I thank the chairman for his comments.

□ 1310

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, some remarks were made about clean water. How in the world could any intelligent man be opposed to clean, pure, crystalline water?

Not too long ago the gentleman from TEXAS (Mr. GONZALEZ) asked that we protect the aquifers containing this pure water about the city of San Antonio, and we did that. Water being injected, of course, must be controlled. We have had some very serious trouble with water being injected in New Jersey in the aquifers, and it is my understanding that it will be years before this water can be purified.

Not only that, where we have injections to save oil we can also pollute aquifers and have water rendered not potable for many years. We must protect the pure water system in our country.

I strongly support this legislation and I urge its approval.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I wonder if I could ask the distinguished chairman of the subcommittee if he would clarify his intentions regarding this particular area of authorization. Do I understand that prior to the 3-year expiration of the authorization undertaken by this suspension bill that there will be additional legislation reaching the floor?

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman.

Mr. WAXMAN. There is a great deal of concern about the proposed regulations under the Safe Drinking Water Act which has led our subcommittee to the desire to hold hearings on the proposed regulations and to look at the substance of the Safe Drinking Water Act itself. I expect that we will have legislation before the expiration of the authorization period which will deal with these substantive questions in the act itself.

What we propose to do in this legislation merely is to continue the financial authorization for the safe drinking water program, with the understanding that Members will have legislation before them to make substantive changes in the law.

Mr. FOLEY. Does the gentleman assume when the legislation reaches the floor if it deals with any part of the Safe Drinking Water Act that the germaneness rule would not be applied to limit amendments to other parts of the authorization act?

Mr. WAXMAN. If the gentleman will continue to yield, it is always my understanding and would be clearly my intent that the legislation which would make substantive changes in the Safe Drinking Water Act would open up the whole Safe Drinking Water Act to changes. In subcommittee consideration of H.R. 3509, we did not have the opportunity to look into the complicated questions raised by some about the law itself. We were faced with the May 15 authorizing deadline. So what we propose to do is reauthorize the existing drinking water program with the clear commitment that we will then examine the legislation itself to see what changes would be made.

Mr. FOLEY. Does the gentleman assume that it would happen in this Congress?

Mr. WAXMAN. If the gentleman will yield, I would assume it would.

Mr. FOLEY. I thank the gentleman for his assurances.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. WAXMAN. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. FOLEY. I thank the gentleman for yielding. Mr. Speaker. I am concerned in some areas of the legislation about the effort of many to provide for some form of overview on programs within the jurisdiction of the various committees through sunset legislation being effectively vitiated in committee rather than holding legislation within their jurisdiction to report changes or authorization extensions by the Suspension Calendar, prohibiting Members on the floor from offering relevant amendments. Therefore, I am delighted with the gentleman from California, the distinguished chairman of the subcommittee's assurances that this will be an area where the House will be provided with an opportunity within the near future to work its will on my appropriate amendments to the basic authorization act. I hope that will be a standard followed by other committees with respect to legislation dealing especially with regulations of the kind involved in the Clean Water Act. I thank the gentleman for his assurances.

Mr. WAXMAN. I thank the gentleman for his comments and I appreciate his indulgence in having our subcommittee look into the substance of the Safe Drinking Water Act during our oversight hearings, and at this time, allowing the authorization of that program to go forward.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. CARTER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I rise in opposition to this bill, not because, as maybe the gentleman from Kentucky implied, that those of us who rise against this bill might be against safe drinking water, for nobody in this chamber is against safe drinking water. But No. 1, because it is on the Suspension Calendar, and No. 2, because we do not have the opportunity to deal with some of these very serious questions that ought to be dealt with.

Quite obviously the chairman of the subcommittee, the gentleman from California (Mr. WAXMAN) trusts and feels that EPA is going to be a responsible agent of the people of our country. Let me tell the gentleman that he will find otherwise as he serves as chairman of the subcommittee for a long time, as we discovered in the Agriculture Committee. The Members will find that EPA is a bunch of lawyers. They do not know much about the things they are dealing with. They are a group of idealists and eccentrics and we need to put them under control once in awhile. I am a member of the Agriculture Committee, and I ask the subcommittee chairman to listen to the gentleman from Washington, the chairman of the Agriculture Committee, Mr. FOLEY. The subcommittee chairman will find out the only way we were able to get EPA to listen to the members of the Agriculture Committee on the Federal Pesticide Act, was to give a year-to-year extension of the authorization of that program, not a 3-year program as the gentleman is endeavoring to do here for the Safe Drinking Water Act. He may trust the EPA, and he may have them listening to him, and he may have them being responsible. But I think the gentleman had better question whether or not he really does. A 3-year authorization has given EPA a free reign that the agency should not have.

Had we given them that with the Federal Pesticide Act we would never have gotten any reforms brought about in that act. I think the irresponsibility of EPA is best illustrated by the rules and regulations they promulgated under the Safe Drinking Water Act in February 1978. Those rules were very irresponsible. They only allowed one way of purifying water. They applied it to all cities over 70,000. That is irresponsible, and because of that activity we need an opportunity to amend this act. That is why I ask the Members to vote down this bill on suspension so we can gain an opportunity to propose a 1-year-only authorization.

Mr. CARTER. Mr. Speaker, I strongly support the legislation that is before us today. Again. I strongly support pure, clean, crystalline water, water that is healthful and wholesome, and water that satisfies a person when he is suffering from thirst. Water which drops as the gentle rain from heaven. It is twice bless; it blesses the one who gives and the one who receives.

I strongly support pure drinking water and this legislation, Mr. Speaker.

● Mr. JENRETTE. Mr. Speaker, I have discussed with the gentleman from California (Mr. WAXMAN) a problem we are facing in South Carolina. As he knows, the interim primary drinking water regulations set a maximum contaminant level for fluoride. Many small towns and cities in my district have determined that they do not meet the fluoride standard, and that it will be very costly for them to install and operate the requisite technology so that they might meet the standards. They further question

whether the negative or adverse effects of natural fluoride in water has on a small percentage of the population warrants the massive investments required to filter it out. This is especially true during these hard economic times.

It is my understanding that EPA is aware of this situation and is engaging in discussion with officials of South Carolina to assess the effect of fluoride on human health, especially on teeth. It is also my understanding that his committee plans to hold oversight hearings on a number of different issues pertaining to drinking water, including the problems facing small systems. We need some assistance and the people need relief. Toward this end I have introduced a bill to provide relief until the true effects on the population in question can be closely examined to determine if the negative impact is sufficient enough to warrant these extreme measures.

I am pleased that the chairman, Mr. WAXMAN, feels it would be very helpful to the Subcommittee on Health and the Environment to focus on the problem posed by naturally occurring fluoride during oversight hearings and that he is willing to work with South Carolina and other States to this end. Further, I understand, the committee will give my bill every consideration. I understand EPA is presently studying the health effects of fluoride and I look forward to receiving the report when the study is concluded. Finally, I want to thank Mr. WAXMAN and his subcommittee for the consideration shown me.●

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 3509.

The question was taken.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

RESIGNATION AS CONFEREE AND APPOINTMENT OF CONFEREE ON H.R. 4389, LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1979

The SPEAKER laid before the House the following resignation as a conferee of the House-Senate Conference Committee on the bill, H.R. 4389, Labor-Health, Education, and Welfare Appropriations:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 30, 1979.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, D.C.

DEAR "TIP": On July 27, 1979 I was appointed by you as a Conferee to the House-Senate Conference Committee for Labor-Health, Education, and Welfare Appropriations.

In light of my continued hospitalization, I would like to authorize you, at your discretion, to appoint a substituted Conferee for that Conference.

With best wishes, I am,
Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Massachusetts (Mr. BOLAND) to serve as a conferee to fill the vacancy, and the Clerk will notify the Senate of the action of the House.

□ 1320

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. ASHBROOK. Mr. Speaker, because of the controversy surrounding House Joint Resolution 381, I make a point of order that a quorum is not present, and move a call of the House.

The SPEAKER. The Chair cannot entertain a point of order at this stage.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 397]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Paul
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1330

The SPEAKER pro tempore. On this rollcall, 372 Members have recorded their presence by electronic device. Under the rule further proceedings under the call are dispensed with.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion on which further proceedings were postponed.

A vote will be taken on H.R. 3509.

SAFE DRINKING WATER AUTHORIZATIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3509.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and

pass the bill H.R. 3509, on which the yeas and nays are ordered.

□ 1340

PARLIAMENTARY INQUIRY

Mr. BAUMAN. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, what happens with this last bill which was listed on the Suspension Calendar today, the Califano-Adams-Blumenthal Relief Act?

The SPEAKER. The gentleman is not seeking recognition on that matter.

Mr. BAUMAN. It is not to be called up?

The SPEAKER. That is the plan.

SAFE DRINKING WATER AUTHORIZATIONS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3509.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 3509, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 319, nays 76, not voting 39, as follows:

[Roll No. 398]

YEAS—319

Abdnor
Addabbo
Akaka
Alboata
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Bellenson
Benjamin
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Purseil
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roe
Rose
Rosenthal
Roth
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Shannon
Sharp
Sheiby
Simon
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Trible
Udall
Van Deerlin
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NAYS—76

Applegate
Archer
Ashbrook
Badham
Bauman
Beard, Tenn.
Bennett
Broyhill
Butler
Carney
Cavanaugh
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Devine
Edwards, Okla.
Evans, Ga.
Evans, Ind.
Findley
Gingrich
Glickman
Goldwater
Grassley
Hall, Tex.
Hansen
Holt
Huckaby
Ichord
Jeffries
Jenrette
Jones, N.C.
Kelly
Kindness
Kramer
Lagomarsino
Leath, Tex.
Lewis
Livingston
Loeffler
Lungren
McDonald
Montgomery
Moore
Myers, Ind.
Pashayan
Paul
Quayle
Quillen
Roberts
Robinson
Rousselot
Rudd
Runnels
Satterfield
Sensenbrenner
Shumway
Shuster
Skelton
Smith, Nebr.
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Ullman
Volkmer
Williams, Mont.
Wilson, Bob
Wydler
Young, Mo.

NOT VOTING—39

Ambro
Bereuter
Bolling
Breaux
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Diggs
Dixon
Dougherty
Duncan, Oreg.
Fish
Flood
Forsythe
Garcia
Giaimo
Hawkins
Holland
Hyde
Johnson, Colo.
McKay
Marlenee
Martin
Mathis
Nolan
Oakar
Patterson
Pease
Railsback
Rhodes
Rodino
Rostenkowski
Sebelius
Treen
Vander Jagt
Williams, Ohio
Wright

□ 1350

The Clerk announced the following pairs:

Mr. Rodino with Mr. Vander Jagt.
Mr. Ambro with Mr. Railsback.
Mr. Rostenkowski with Mr. Treen.
Mrs. Chisholm with Mr. Sebelius.
Mr. Giaimo with Mr. Johnson of Colorado.
Mr. Clay with Mr. Marlenee.
Mr. McKay with Mr. Fish.
Mr. Wright with Mr. Forsythe.
Mr. Pease with Mr. Hyde.
Mr. Hawkins with Mr. Williams of Ohio.
Mr. Breaux with Mr. Martin.
Mrs. Collins of Illinois with Mr. Dougherty.
Mr. Corman with Mr. Bereuter.
Mr. Dixon with Mr. Holland.
Mr. Conyers with Mr. Garcia.
Mr. Duncan of Oregon with Mr. Mathis.
Mr. Nolan with Ms. Oakar.
Mr. Patterson with Mr. Flood.

Messrs. LIVINGSTON, EVANS of Georgia, HUCKABY, and KINDNESS changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1146) to amend title XIV of the Public Health Service Act, as amended by the Safe Drinking Water Act (88 Stat. 1680, 42 U.S.C. 300j), to extend for 3 fiscal years the authorization for appropriations, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California.

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1444 of the Public Health Service Act is amended by adding a new subsection (e), which shall read as follows:

"(e) The administrator shall establish demonstration projects for the abatement and control of drinking water contaminants, including both synthetic, organic and inorganic substances, in water supply systems serving five thousand persons or less. For purposes of this subsection, there are authorized to be appropriated $1,000,000, which shall remain available until expended.".

SEC. 2. (a) Section 1442(e) of the Public Health Service Act is amended by striking "and" immediately following "1977;" and by inserting after "1979" and before the period: "; $21,405,000 for fiscal year 1980; $24,647,000 for fiscal year 1981; and $30,485,000 for fiscal year 1982.".

(b) Section 1443 of the Public Health Service Act is amended—

(1) by striking "and" immediately following "1978" in paragraph (a)(7) and inserting after "1979" and immediately following the period: "; $29,000,000 for fiscal year 1980; $30,000,000 for fiscal year 1981; and $35,943,000 for fiscal year 1982.".

(2) by striking "and" immediately preceding "$10,000,000" in paragraph (b)(5) and inserting after "1979" and immediately before the period: "; $7,795,000 for fiscal year 1980; $14,453,000 for fiscal year 1981; and $15,172,000 for fiscal year 1982.".

MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike out all after the enacting clause of the Senate bill (S. 1146) and to insert in lieu thereof the provisions of H.R. 3509, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: To extend for three fiscal years the authorizations for appropriations under the Safe Drinking Water Act.

A motion to reconsider was laid on the table.

A similar House bill, H.R. 3509, was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON COAST GUARD AND NAVIGATION OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON TUESDAY, JULY 31, 1979

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries be permitted to sit on Tuesday, July 31, 1979, during the 5-minute rule, for the purpose of holding a hearing, and a hearing alone, to explore the problems of liability and compensation related to the marine transportation of hazardous substances.

The SPEAKER. Is there objection to the request of the gentleman from New York (Mr. BIAGGI)?

There was no objection.

PROPOSED MOTION FOR EXPULSION OF CONGRESSMAN DIGGS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I take this time to announce to my colleagues my intention to call up a privileged motion immediately after this 1 minute, a motion for the expulsion of the gentleman from Michigan (Mr. DIGGS).

The reason I take this time is to explain why we are doing this. We found out officially Friday for the first time that the committee recommendation on censure would be taken up as the first order of business on Tuesday. Under the manner in which it will be brought up, there will not be an opportunity for a motion for expulsion to be considered in the nature of a substitute or for debate.

□ 1400

The gentleman from California (Mr. DANNEMEYER) and I signed a letter, cosigned by 40 other Members of this House, requesting that more time be granted during the course of that debate and also that a special rule be allowed so that the question of expulsion might be considered after a just and fair debate in this matter. We were informed this morning by the Speaker that this was not possible, and that the Committee on Rules would not meet to consider our request.

Therefore, since many of us feel that the question of expulsion is a serious one that ought to be considered on an up-or-down vote, we feel that we have no recourse but to present it at this time so that we will avoid what would happen otherwise; that is, a consideration of the committee recommendation, a final vote on the committee recommendation, and then the consideration of a moot point, which would be the consideration of expulsion at that time.

PRIVILEGES OF THE HOUSE—IN THE MATTER OF CHARLES C. DIGGS, JR.

Mr. LUNGREN. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 391) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That Charles C. Diggs, Jr., a Representative from the Thirteenth District of Michigan, is hereby expelled from the House of Representatives.

BRADEMAS MOTION TO TABLE—CONGRESS MOTION ON DIGGS

● Ms. HOLTZMAN. Mr. Speaker, it is with reluctance that I support the motion to table the resolution calling for the expulsion of Mr. DIGGS. After all, I believe firmly that the issue ought to be debated—and debated fully. But because the issue of expulsion is so grave and momentous, the House of Representatives should follow an orderly, and fair, procedure in considering it.

The Ethics Committee has studied the Diggs case and will be reporting its conclusions and recommendations tomorrow. Although the committee unanimously (and on a bipartisan basis) recommended censure of Mr. DIGGS. The question of why expulsion should not be ordered must and will be dealt with during the debate at that time. I think orderliness dictates that the House should hear from the Ethics Committee first.

Furthermore, the motion to expel is a privileged one and can be brought up tomorrow, after the debate on the censure resolution. If the Members feel that censure is an inappropriate remedy after hearing from the committee there will be ample opportunity to renew the expulsion motion then.

We lose nothing by one day's delay and gain the assurance that the case will be dealt with properly and firmly.●

MOTION TO TABLE OFFERED BY MR. BRADEMAS

Mr. BRADEMAS. Mr. Speaker, I move that the resolution be laid on the table.

PARLIAMENTARY INQUIRY

Mr. LUNGREN. Mr. Speaker, I have a parliamentary inquiry.

Mr. Speaker, I will ask the Chair, is the gentleman's motion in writing?

The SPEAKER. The Chair will inform the gentleman that motion is in writing.

The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) to table the resolution offered by the gentleman from California (Mr. LUNGREN).

The question was taken; and the Speaker announced that ayes appeared to have it.

Mr. LUNGREN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 205, nays 197, not voting 32, as follows:

[Roll No. 399]

YEAS—205

Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Beard, R.I.
Bellenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Cheney
Clay
Coelho
Conte
D'Amours
Danielson
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Drinan
Duncan, Oreg.
Early
Edwards, Calif.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gonzalez
Gradison
Gray
Guarini
Gudger
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hutto
Ichord
Jacobs
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCormack
McHugh
McKinney
Markey
Marks
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Reuss
Richmond
Roberts
Roe
Rose
Rosenthal
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spence
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—197

Abdnor
Alboata
Anderson, Ill.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Badham
Bafalis
Barnard
Barnes
Bauman
Beard, Tenn.
Bedell
Bethune
Bevill
Boner
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard

Derwinski	Jenkins	Pursell
Devine	Kazen	Quayle
Dickinson	Kelly	Quillen
Dornan	Kemp	Ratchford
Downey	Kildee	Regula
Duncan, Tenn.	Kindness	Rhodes
Edgar	Kostmayer	Rinaldo
Edwards, Ala.	Kramer	Ritter
Edwards, Okla.	Lagomarsino	Robinson
Emery	Latta	Roth
English	Leach, Iowa	Rousselot
Erdahl	Leath, Tex.	Royer
Erlenborn	Lee	Rudd
Ertel	Lent	Runnels
Evans, Del.	Levitas	Santini
Fenwick	Lewis	Satterfield
Findley	Livingston	Sawyer
Flippo	Loeffler	Schulze
Frenzel	Lott	Sensenbrenner
Gephardt	Lujan	Shelby
Gingrich	Luken	Shumway
Ginn	Lungren	Shuster
Glickman	McClory	Smith, Nebr.
Goldwater	McCloskey	Snowe
Goodling	McDade	Snyder
Gore	McDonald	Solomon
Gramm	McEwen	Spellman
Grassley	Madigan	Stangeland
Green	Maguire	Stanton
Grisham	Marriott	Stenholm
Guyer	Mazzoli	Stockman
Hagedorn	Mica	Stump
Hall, Ohio	Michel	Symms
Hall, Tex.	Miller, Calif.	Tauke
Hammer-schmidt	Miller, Ohio	Taylor
Hance	Montgomery	Thomas
Hansen	Moore	Traxler
Harsha	Moorhead, Calif.	Trible
Heckler	Mottl	Walgren
Heftel	Murphy, Pa.	Walker
Hightower	Myers, Ind.	Wampler
Hillis	Natcher	White
Hinson	Nelson	Whitehurst
Holt	Nichols	Whittaker
Hopkins	Panetta	Wilson, Bob
Hubbard	Pashayan	Winn
Hughes	Paul	Wydler
Ireland	Perkins	Yatron
Jeffords	Petri	Young, Alaska
Jeffries	Pritchard	Young, Fla.

NOT VOTING—32

Ambro	Fish	Mathis
Bereuter	Flood	Nolan
Bolling	Forsythe	Railsback
Breaux	Garcia	Rodino
Chisholm	Giaimo	Rostenkowski
Collins, Ill.	Holland	Sebelius
Conyers	Hyde	Treen
Corman	Johnson, Colo.	Vander Jagt
Diggs	McKay	Williams, Ohio
Dougherty	Marlenee	Wright
Eckhardt	Martin	

□ 1410

Messrs. YOUNG of Missouri, SKELTON, and VOLKMER changed their vote from "nay" to "yea."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I was unavoidably detained in Chicago this morning, attending the hearing of the Select Committee on Narcotics chaired by the gentleman from Illinois (Mr. MURPHY). My plane arrived at 5 minutes after 3, and I missed the vote on the privileged motion offered by the gentleman from California (Mr. LUNGREN).

Had I been present, I would have voted in support of the Lungren resolution and voted "no" on the motion to table offered by the gentleman from Indiana (Mr. BRADEMAS).

PROVIDING FOR SENDING H.R. 111 TO CONFERENCE

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 390 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 390

Resolved, That upon the adoption of this resolution the bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977, with the Senate amendments thereto, is taken from the Speaker's table to the end that the House disagrees to the Senate amendments and requests a conference with the Senate thereof.

□ 1420

The SPEAKER pro tempore. The gentleman from New York (Mr. ZEFERETTI) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), and, pending that, I yield myself such time as I may consume.

Mr. Speaker, generally after passage of a House bill which is in disagreement with the companion passed bill in the Senate the chairman or chairmen of the committee or committees involved will ask the House to request a conference. This is usually done by unanimous consent so as not to take up the valuable time of the House.

However, last week on a motion to send House Resolution 111 to conference an objection was raised by an opponent of the measure. In this instance it would require the four committees who have jurisdiction over this bill to meet and vote on whether to direct the chairmen of these respective committees to offer a motion on the floor to request a conference. Unfortunately, such a procedure would require a significant amount of time and would have delayed further consideration of this bill.

The Rules Committee has been informed by the chairman of the Merchant Marine and Fisheries Committee that it is imperative for the House and Senate conferees to begin deliberation immediately so as to effectively come to agreement at the earliest possible date.

To remedy this situation the Rules Committee has reported out House Resolution 390 to effectively allow the legislative process on House Resolution 111 to progress without any further delays.

Mr. Speaker, House Resolution 390 is a very simple rule, permitting the House to request a conference on House Resolution 111. The conference procedure after the adoption of this rule will move forward, allowing the conferees to come to some form of agreement, and giving the House opportunity to vote up or down this important piece of legislation.

The House of Representatives has already spent numerous days and countless hours on this measure and I believe it is about time we brought this bill to some form of conclusion and move forward to the other issues we presently have pending before us.

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland did indeed object to sending this bill to conference when the request was made to do so on last Friday.

I agree that the House has a limit on its valuable time and we should be using it on many issues, but I think in this particular situation, the objection was justified. This is a very important issue.

Under rule 701(d) of the Rules of the House, the Speaker of the House has almost unlimited discretion to name conferees on any matter, and that discretion cannot be challenged in the House. But he also has the discretion to limit the jurisdiction of individual conferees to those parts of the bill that deal directly with the jurisdiction of their committees.

It is proposed that when later today we finally reach the point of naming conferees, at least 18 conferees will be named from four different committees of jurisdiction. I can tell the House, and I think I have some proper judgment, having dealt with this issue in some detail for many months, that the majority of those conferees are not necessarily in favor of the House's position.

I say that without prejudice to the fact that any Member has the right to cast his vote, but I have examined their voting patterns on this legislation; and I do not think that is an unfair estimation of what could happen.

Now I certainly do not criticize the Speaker of the House in any way for using the powers at his command. That is the way the House is run. That is as it should be when you are in the majority. But in this case it could seriously harm the best interests of the American people.

I would suggest to the House that this issue is one of major importance to this country, particularly in light of the ominous developments that are occurring in Latin America even as we debate this today.

When this bill was first brought before the House, H.R. 111 was the product in the most part of the Committee on Merchant Marine and Fisheries, of which the gentleman from New York (Mr. MURPHY), is the distinguished chairman.

The other three committees had limited jurisdiction over parts of the bill and dealt mainly with those parts dealing with Foreign Affairs, Post Office and Civil Service, and Judiciary. And when the rule that was granted by the Rules Committee was brought before the House, it even limited their committee amendments to the areas of their jurisdiction.

Now, what is proposed by the Speaker, and, as I say, it is within his rights that all of the conferees, is that all 18 conferees vote on all parts of the bill. I have no doubt that the other body will name conferees opposed to the House bill; and what may well happen is the House's position will not be upheld.

I suggest to the House that what we are seeing here today on these conferees is part and parcel of a legislative plan of action that was laid out by representatives of the administration, the State Department, the Defense Department early this year, and has been known to us in various forms. We knew what the plan was, and that plan was to introduce legislation in the Senate that would give Panama, the State Department, and the administration free hand in administering the canal for the balance of this century without control of Congress.

I remind my colleagues that under the treaties, the United States has the right jointly with Panama to administer that canal until the year 1999.

The administration plan was to allow the so-called Murphy bill, as we have referred to it in the House, to be reported to the floor, and not to challenge it in any respect, and at no time during the debate or the 5-minute rule was there any amendment offered by opponents of the bill to change any of the elements in the Murphy bill.

In the other body as planned, just the opposite happened. The bill that was reported from the Armed Services Committee by one vote completely guts the House position in almost every respect, and it particularly takes away from the Congress of the United States the right to vote each year on appropriations and authorizations for the canal for the remainder of this century. It completely negates the House's joint right to pass upon the ceding of property under treaties which the Murphy bill upheld. It completely removes the various provisions that would allow the U.S. taxpayers to be protected against unwarranted expenditures from our Treasury.

In other words, the other body's bill bears no relationship to the view that the majority of this House held.

You can go back and look at the debate, which was extended over several days in this House, and you will find the gentleman from New York, the gentleman from Maryland and others said that if a bill was finally before us in conference report form, that did not uphold the House's position, that he would oppose it, that I would oppose it, and we both would urge the majority of the House to oppose it. That could yet happen.

I have to tell my colleagues that I think the President of the United States is in the instance playing roulette with the future of the Panama Canal, because if we do not have by October 1st implementing legislation, the President of Panama has made clear his intentions in a letter which he sent on July 10 to the President of the United States, and I would refer my colleagues to page 20822 of the RECORD of last Thursday, where that letter is introduced into the other body's proceedings.

President Royo has made it clear in that letter that he has already rewritten the Panama Canal treaties. In many important respects he has already negated the understanding of the two parties, and he views the legislation before the conference as a test of whether or not Panama may abrogate the treaty from the beginning and even appeal to international forums.

So I think we do need legislation, but what you are seeing in the issue of appointing these conferees is an attempt to surrender the House's position before the meeting ever is held; an attempt to come back with legislation that would negate the House position. I would rather go to conference and write a bill. I am going to support the House position. I think most of our conferees from the Merchant Marine and Fisheries Committee, which had the jurisdiction over the major part of this bill, would do the same.

I opposed the bill when it passed the House, but I am willing to support it in conference now that the House position is known.

But I can tell my colleagues frankly this is another step in the sell-out of the American interests in the Panama Canal. It is a legitimate one in the sense of our rules, but it is not one that we ought to support, and when the time comes and a motion to instruct is offered, I hope that you will support it with your vote.

I reserve the balance of my time.

□ 1430

Mr. ZEFERETTI. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Merchant Marine Committee.

Mr. MURPHY of New York. Mr. Speaker, the provisions of the bill that provide for authorization and appropriation control over all obligations and expenditures by the Panama Canal Commission go to the heart of the bill. Under the Senate amendments to the bill substituting a Government corporation for the appropriated fund agency established by the bill as it passed the House, the Commission would not be subject to any general limitation on the amount of its expenditures and obligations, other than an annual limit on selected administrative expenses. The provisions of the bill as it passed the House require all revenues from tolls and other sources to be paid into the Treasury, and require both authorization and appropriations. Appropriations are limited to the amount of revenues paid into the Treasury. Without such requirements revenues collected by the Commission could be increased by changes in rates of tolls, and spent freely in the discretion of the Commission.

As a result the canal operation under the new treaty, far from continuing on a self-supporting basis, would tremendously increase the burden on the U.S. taxpayers.

The Panama Canal Treaty provides that the United States will operate the canal for the next 20 years through a U.S. Government agency established by and in conformity with the laws of the United States. H.R. 111, as it passed the House, establishes such an agency subject to the laws applicable to Government agencies generally. As is the case with other Government agencies, the bill locates the agency in the Federal organization by making the Commission subject to direction by the Secretary of Defense.

As the bill passed the Senate, the form of agency established by the House is discarded and an agency in corporate form is substituted. The characteristic attribute of a corporation is that it is an entity separate from its owners and has independent rights and authority. The Senate bill clearly contemplates that the Panama Canal Commission will be such a separate entity, distinct from its owner, the United States, and exercising powers of disposition of assets of the United States vested in the Commission by the bill. The provision for direction by the Secretary of Defense is also omitted.

The House should insist on the retention of the provisions of the House bill on these points, particularly in view of the official position of the Government of Panama that under the treaty the Commission is not subject to any higher authority in the Government of the United States.

Under the Panama Canal Treaty, Panama is to receive: First, a payment of $0.30 per Panama Canal net ton, an amount that will be adjusted for inflation; second, a fixed annuity of $10 million; and third, a public service payment, which initially will be $10 million and will be adjusted for inflation. Additionally, Panama is to receive a contingent payment of up to $10 million per year out of surplus revenues.

The fact that the House version of House Resolution 111 sets standards for the reception of the contingency payment is not at all remarkable. Within the text of the Senate bill and even the earlier language proposed by the administration, standards are set. The Panama Canal Commission, by the terms of article III of the treaty, is to be an agency of the U.S. Government. As such, it will determine the priorities for its payments in accordance with the laws constructed to guide its operation. Moreover the understandings to the Panama Canal Treaty give the United States discretion in this matter. Conceptually there is no difference between the views of the executive branch, the Senate, and the House on this issue—although President Royo's letter to President Carter makes it clear that Panama feels they must receive the payment.

Finally, with respect to the property transfer provisions contained in sections 373 and 374 of the House bill, significant constitutional issues involving powers of the House are at stake. If the House does not act as the trustee for its own significant powers, these powers will atrophy.

The Edwards against Carter case is not an overriding precedent against a House role in property transfer because: First, the Supreme Court, which refused to hear the case on appeal, has never overturned decisions which say the property transfer power belongs exclusively to Congress; and second, the Edwards decision said the property power was concurrent, which of course in no way precludes legislation on the subject of property transfer.

The disposition of Panama Canal property has always been accomplished in accordance with legislative authorization. The Panama Canal Treaty and the Executive have sought to skirt the Congress on this matter. We cannot

allow that to happen. It would be a disaster for one of the principal powers conferred on this body by the Constitution.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I am surprised that this issue of possibly instructing conferees and of selection of conferees became such a major issue since it had gone through the Rules Committee. It is my understanding that when this side of the aisle designated Mr. BAUMAN as one of our members of the Rules Committee, that he would totally dominate that body. I am surprised that a rule would be brought to the floor that would not please Mr. BAUMAN. But since he did prevail the way he should have, I can understand the need for a motion to instruct conferees.

Also, as I listened to the gentleman from Maryland, I must take exception to some of his slightly critical comments about the President. I happen to think that President Carter, even with the many faults that he has, is an intellectually honest individual. On the canal issue he is doing what he thinks is best for the country. I happen to think it is best for the country to pass the implementing legislation.

However, the issue before this body is a bit different under any normal procedure, and even the implementing legislation, there should be an honest effort in conference to protect the position of this body. That is something that we expect of conferees, but that is something we do not always get because too often what happens is that a conference is dominated by people who go a little beyond the House position or short of the House position. In this particular case I think my friend from Maryland is correct, that the intention is that the House conferees would not, in fact, fight for a fair portion of the House bill, but would, for all practical purposes, acquiesce to the other body's version.

Now, the other body passed their implementing legislation in an almost perfunctory fashion. I do not think they gave it a good, hard look, as they did, of course, 2 years ago when they passed the treaty. So I would think, keeping in mind the priority, and the priority should be first and foremost protecting to a degree possible the House position, that I believe, as a supporter of the implementing legislation, as a supporter of the President's basic diplomatic effort vis-a-vis Panama, I believe that the motion to instruct should be adopted. I do not think that does a disservice to the position of the President, nor do I think it will do a disservice to the final legislation that we must have in place to implement the treaties.

As one who stuck his neck out in support of the implementing legislation, I would recommend to all of my fellow colleagues that they give our conferees the first expression of support that they deserve. Please accept the motion to instruct. The motion will be limited to specific items that I think will equip them well to deal with the other body. The final version, as always, will be a compromise between the two bodies. I would urge support for the forthcoming motion to instruct.

Mr. ZEFERETTI. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Speaker, I do not think we need to take a great deal of time at this particular moment today to debate the issue of instructing conferees. It is my understanding that an hour will be available when the gentleman from Maryland offers his motion to instruct conferees, and I will oppose the motion at that time.

□ 1440

But, I do hope that Members will proceed as rapidly as possible at this stage to approve House Resolution 390 so that we can proceed to the conference and resolve this matter. It would be of great value to this Nation if we could complete the conference this week and bring back a conference report.

I have served on a good many conference committees during the 7 years that I have served in this House. I have never found it to be desirable to instruct conferees. I happen to feel that we could much more easily arrive at a desirable conclusion in that conference if we did not instruct.

The Senate, incidentally, has adopted 61 out of the 100 sections of the bill passed by the House. I think the Senate has done rather well in agreeing to a great deal that is in the House bill. Certainly, there are some significant items—very significant items—which of course the Senate did not agree with us on, but I think there is room for compromise in that conference. I hate to have to disagree with the position taken by my good friend, the gentleman from New York, the chairman of the Committee on Merchant Marine and Fisheries (Mr. MURPHY), and I am probably more often in a position of disagreeing with my friend, the gentleman from Maryland (Mr. BAUMAN), but I must oppose the motion to instruct. I do hope now that we can proceed rapidly to a vote on this resolution. Then, we will have an appropriate debate, I think, for the purpose of deciding whether or not we will instruct the conferees.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I think it is good for us to refresh our memories as to what has happened since the House of Representatives first voted on June 21 to implement the Panama Canal treaties by passing H.R. 111.

Since then, an allegedly secret memo from U.S. intelligence agencies to the Department of State was made public. The memo dated May 2, 1979, was cited heavily by members of the national press. The memo was circulated widely in press and governmental circles, and has subsequently been validated by the State Department. The memo clearly affirms that Cuba and Panama were in constant collaboration since September of 1978, to subvert and communize the rest of Central America with current major efforts being focused in the upper tier nations of Nicaragua, El Salvador, Honduras, and Guatemala.

Since then, Cuban weapons and military advisers (including members of Castro's elite Africa Corps) were flown into Costa Rica on Panamanian Air Force planes to help the Sandinistas in their final offensive.

Since then, large quantities of arms were also provided to the terrorists by Iran, Libya, Iraq, and the Palestine Liberation Organization, which believed that the Somoza regime was pro-Israel and was receiving weapons from Jerusalem.

Since then, Panama, has been running guns, both legally with the complicit knowledge of the State Department as well as illegally, from the United States to the Castro-backed Marxist Sandinista revolutionaries operating in Costa Rica, Nicaragua, and neighboring countries.

Since then, the countries first recognizing the Sandinista junta were: Panama, Grenada, Syria, Iraq, South Yeman, Libya, and Iran.

Since then, Panamanian officials have been blatantly brazen about their involvement in terrorist activities, claiming that such involvement has brought great pride to the Panamanian people.

Since then, in the July 2 issue of Newsweek the administration claimed—

> That leaders of two of the three guerrilla factions had received training in Havana and that Cuba had channeled Soviet-made arms to the Sandinistas through Costa Rica and Panama.

Since then, on June 25 an EFE Wire Service report stated that a captured Costa Rican flight crew testified that the traffic of arms to the Sandinistas was intense. The crew said that the arms were being provided by Panama and Venezuela and sent to Costa Rica for delivery into Nicaragua.

Since then, the Consul General of the Dominican Republic in Philadelphia was arrested with three accomplices on charges that he plotted to sell arms and ammunition to the Sandinista guerrillas in Nicaragua. This gunrunning was being financed by the sale of cocaine in the United States. The weapons were again to be transported to the terrorists with the assistance of the Panamanian Government.

Since then, Panama assisted in an outright invasion of Nicaragua from Costa Rica in direct violation of the charters of both the United Nations and the Organization of American States, as well as the terms of the new Panama Canal treaties.

Since then, the House found out that it had the right and power to deal with the merits of treaties, even to amending or repealing them.

Since then, the revolutionaries began the bloooodbath in Nicaragua with eight executions.

Since then, the Marxist revolutionaries shut down even the leftist press in Nicaragua.

Since then, the Marxist government in Nicaragua asked the United States for military assistance.

Since then, the Marxist revolutionaries arrested 5,000 soldiers from Red Cross centers for trial on charges of antirevolutionary activity.

Since then, major Sandinista leaders flew to Havana to celebrate the July 26th birthday of Marxist revolution in Cuba.

Since then, the Soviets put a combat brigade into Cuba.

Since then, Cuba shifted 3,000 combat troops from its Africa Corps to Costa Rica.

Since then, Mexico privately urged the United States to prevent the fall of Nicaragua to a Red revolutionary government.

Since then, Panamanian President Aristedes Royo lied to the American people and the Congress when he stated in a letter dated June 5, 1979, to President Carter that "Panama is not intervening (in Nicaragua) and will not intervene in the internal affairs of any country." The May 2 intelligence memo clearly exposes the untruth of this statement.

Recent events in the Caribbean are alarming. The Soviets have established a command structure in Cuba for a 6,000-man brigade of combat-ready troops in violation of the Kennedy agreement. Marxist revolution laps at the very door of Mexico. Cuba has its Africa Corps in Costa Rica and deep involvement in Nicaragua and other nations. How long will it be before we abandon the absurd notion that we can win friends among leftist revolutionary countries to the south by the bribery of giving away the Panama Canal and with it our own safety and our economic stability?

Panama itself has been the gunrunner for Central American Marxist revolutionaries with direct involvement with Cuba, the PLO, and other leftist Arab States, and in violation of U.S. law.

Whatever this body judges best about implementation, I urge that it be done on the merits and not in haste under the lash of contrived deadlines caused by the administration's own dilatory tactics.

Mr. Speaker, last Thursday the Senate passed the administration's Panama Canal implementation bill which it deceptively called H.R. 111 as amended. By Friday, an attempt was already underway to have the real H.R. 111 and the disguised administration bill rushed into conference under circumstances which would have seriously undermined the House position.

Only a delay caused by the vigilance of Merchant Marine and Fisheries Committee Chairman JACK MURPHY and ranking Panama Canal Subcommittee member BOB BAUMAN and others slowed this railroad job down, otherwise, this House might today be considering a conference report to recede and accept the administration's implementing legislation.

This should not surprise us. The President told a delegation of House members, including Mr. MURPHY, and Mr. BAUMAN, even before we considered H.R. 111 that, since he could not get his bill in the House, he would take H.R. 111 here and then replace it with the administration bill in the Senate. Even knowing of this strategy, the House ironically voted to play the President's game and now we are considering a rule designed to complete the farce of making us participate in our own humiliation.

It is well known that I have always opposed the new Panama treaties and their implementation. Despite my misgivings, with the support of many Members, I offered amendments to limit the damage of the treaties to our economic and defense interests. Many other Members offered amendments with the same general goal of curing the defects in what even Mr. MURPHY has called a vague and unsatisfactory treaty.

Almost without exception, meaningful perfecting amendments were defeated. The ones with which I was associated lost by the narrowest of margins. Members will remember that the principal elements of those defeats was the insistence by Mr. MURPHY that H.R. 111 had to be preserved intact as the best and, indeed, only vehicle for saving the American position in the light of the defective treaties and because it had administration support.

It is in this state of the case that I rise to ask this body to protect itself and preserve what remains of its integrity, its prerogatives, and its rights by rejecting this rule. If Mr. MURPHY's statements of June 20 and 21, 1979, are to be believed and I accept his sincerity without reservation, there is no possibility of honorable compromise between H.R. 111 and the fake which has come from the Senate. On June 20, Mr. MURPHY said:

> The gentleman from New York has no intention of going to a House-Senate conference and caving in to any position that is short of H.R. 111.

On June 21, he said:

> We will come back with a conference report, and I will guarantee the gentleman from Idaho and the gentleman from Maryland and every member of this House that we will keep intact the principles which we establish in H.R. 111.

Trusting the gentleman's word, with any hope of guarding the House position, how can we send him to conference when everyone in this Chamber knows that the House delegation to the conference is being selected from among those who will not object to the gutting of H.R. 111. There is no other reason for this rule being before us now. For what reason was the unanimous-consent route withheld if not the attempt to load the conferees with supporters of the administration bill as passed by the Senate. No one doubts Mr. MURPHY's intentions. But we are receiving a clear signal from the White House that we can be manipulated and that we can do nothing about it. The President said he would play it this way and we are gullibly letting it happen.

If this House has no real power to influence the course of the Nation in so crucial a matter as the transfer of the Panama Canal, why are the very people who tell us we are impotent so anxious to rush us into accepting less than H.R. 111. There is an orderly and even-handed way to adjust the differences between the two versions—if they can be adjusted at all. But we are being told that we must hurry. That there is no time to stop and think, and that we have little authority anyway.

I ask the House to remember that the Senate debated implementing legislation for less than a day and the House for less than a day and a half. A total of less than three days were devoted to implementing treaties which will change the history of the Western Hemisphere if not the world. Right to the very end, we are rushed to prevent reflection on what we are doing.

June 21 is only a few weeks ago. Yet in just that brief period of time since passage of H.R. 111, our position in the Western Hemisphere has materially eroded. Cuban-backed Marxists have taken over several Caribbean nations and are beginning the assault on others.

Even worse, we now know that the House was denied critical facts by the administration. The President of Panama before June 21 denied that his government was exporting revolution in Central America. Now, after the House vote, he freely admits it. Before House action, Cuba denied its involvement, now it boasts of training, organizing, and supplying revolutionary activities in the Caribbean. This has all been officially corroborated by a May 2 intelligence document withheld from Congress by the State Department during our hearings and consideration of Panama Treaty implementing legislation.

I refuse to believe that this House will accept the role of children to be gulled, lied to, and manipulated to force upon us a treaty which even the author and principal supporters of H.R. 111 consider a disaster. We must here decide whether in a matter which clearly concerns the very survival of the Nation we can be relied upon to put responsibility above partisanship and the self-destructive inertia of the system.

Much has been made over the legal limitations of the Congress in implementing treaties. There are two simple answers to such doubts and concerns. First, there is clear evidence that the Congress has always possessed and exercised the right to review, amend, repeal, and repudiate treaties. There is no substantive basis for avoiding our duty to protect and preserve the Nation.

And second, beyond legalities, there is a much more profound question. Are those who suggest that we must blindly rubberstamp this treaty prepared to say that, even had we the sure knowledge that the treaty would imperil the Nation, that we would be compelled to accept potential destruction rather than carry out our oaths of office? For we are surely endangering the safety of the Nation in implementing this treaty.

This rule is an affront to the deliberations of this House on H.R. 111. It is an attempt to make Judas goats out of honorable people by subverting us to an acceptance of the administration bill which

we so totally rejected more than 6 months ago.

I strongly urge the defeat of this rule.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Mr. Speaker, on June 21 I voted for the implementing legislation, H.R. 111. I also voted for the Hansen and Montgomery honesty amendments, because I believe that H.R. 111 was the minimum that we could do, and still discharge our responsibilities. But, I did believe and I do believe now, that H.R. 111 was the maximum that we should do. After that day's proceedings I advised the committee chairman that I had done all that I could do on the House bill.

I did that in good faith. As the gentleman from Illinois said, I stuck my neck out on that issue. But, I do not think in all honesty that the bill would have gotten my vote, and I do not think it would have passed this House, had the representation not been made over and over that H.R. 111 would remain intact, and that we would fight for it when we got to the conference committee. So, I want to make the point again that if this implementing legislation comes back to the floor in a more liberalized form, or closer to the President's position, that I shall vote against it.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. CARNEY).

Mr. CARNEY. Mr. Speaker, hundreds of hours have been spent on this bill, both in subcommittee, full committee, and on the floor of this House. In an unprecedented move, this House went into secret session to further debate the issue.

It is no secret that this Member opposed the bill, H.R. 111. I opposed it in subcommittee; I opposed it in full committee; and I voted against it on the floor of the House. But, I think we are getting down to a crucial time in our history, and I think that if we have any intentions to have any type of implementing legislation passed by October 1, the only way we can proceed to do that is to support the motion to instruct the conferees to support the House-passed bill.

It is the best of two totally unacceptable bills in the eyes of the majority of Americans.

□ 1450

I think it is a matter of record that many Members of Congress who voted for H.R. 111, will not support the conference report unless the bill remains essentially the same. As my colleague, the gentleman from Arkansas (Mr. BETHUNE) who just got up in support of the motion to instruct said, these Members will switch their votes and not support implementing legislation, and that perhaps could be the worst thing that could happen at this time and at this date for our country.

Mr. BAUMAN. Mr. Speaker, it is not my intention necessarily to ask for a vote on the rule. I think we could pass on to a motion to instruct conferees. I yield back the remainder of my time.

Mr. ZEFERETTI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BAUMAN moves that the conferees on the part of the House on the disagreeing votes of the two Houses on the bill H.R. 111, be instructed to adhere to the language of sections 101, 102, 103, 104, 105, 110 of chapter 1; sections 231, 232, 233, 234, 235, 236, and 250 of chapter 5; sections 371, 372, 373, and 374 of chapter 9 of H.R. 111 as passed by the House with respect to the matters considered therein.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. BAUMAN) is recognized for 1 hour.

Mr. BAUMAN. Mr. Speaker, as I yield throughout whatever time we may consume, I yield only for the purpose of debate. I yield 30 minutes to the gentleman from New York (Mr. MURPHY) for purposes of debate only.

Mr. Speaker, I understand that there will be several speakers on this motion, some in opposition, and I will only briefly explain the terms of the motion. A number of the sections of H.R. 111 read are unitary in the sense that all deal with one of four topics which were addressed in the "Dear Colleague" letter that the gentleman from New York (Mr. MURPHY) and I sent around on Friday and which I think most Members have before them.

First of all, the most important part of this motion to instruct is to insure that during the life of the Panama Canal treaties until 1999 this House and the other body will have, on an annual basis, the right to pass on authorization and appropriation legislation controlling the entire budget of the Panama Canal. Without this, I think that this legislation should be rejected by this House, and the other body's bill does not provide that protection for the taxpayers of the United States.

Second, this motion will insure that the Panama Canal Commission, which will administer the affairs of the canal with a 5-to-4 American majority, will remain an agency of the Federal Government as the treaties require. The other body's position is contrary to this and allows the Commission to operate as an independent corporation.

Third, and very importantly from a constitutional viewpoint, the motion will require that the right of the House of Representatives to pass upon the ceding of territory of the United States is vindicated, which is part of the Murphy bill, and has been rejected by the other body. Lastly, and I think this is important to the taxpayers, the motion insists upon those provisions of the bill which will assure that there would be no contingent payments made to the Government of Panama under article XIII(c)4 of the treaty during the life of these treaties unless and until all costs of the U.S. taxpayers in running the canal are paid first. The other parts of the bill, which are considerable, are open to negotiation between the conferees. I would like to have instructed on more matters, but these are the essential points that the gentleman from New York and I discussed last week and agreed on as a minimum to be included in the motion.

I reserve the remainder of my time.

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Speaker, in reading the "Dear Colleague" letter which I received on this subject, I find that I am in agreement with several of the principles that are stated there. Last year, for example, I signed, I think, just about every petition and voted for every resolution that came before us supporting the position that the House should have a direct voice in the disposition of property of the United States.

The point that I am making to you today in opposing the motion to instruct is simply that I believe that we can work out language which the House will approve more easily and more effectively if we do not set ourselves in concrete on the issue.

I think we can establish the principle that the gentleman who offered the motion would want to see established, that we here in the Congress should have annual authorization and appropriation control over the budget of the Panama Canal Commission, if we are not bound rigidly to one position, with no flexibility over change in language or detail of wording.

In short, what I am saying to the Members is that I do not believe that we will get the kind of cooperation out of the Senate which we want if we throw the gauntlet down to them in this fashion. I think we are going to want the Senate to recede to us on a number of matters, and I think they can be just as stubborn and hardheaded as we can be here in the House.

I regret that, but I am afraid we are going to have to ask them to give in to us in a number of areas, and I hope that they will. But I believe that supporting a motion of this kind simply presents a challenge to the Senate to see if they cannot instruct their conferees, too, and to see how long we can protract this conference, just how long we can drag it out, see if we can drag it out with failures to compromise, see if we can remove any possibility for any face-saving compromises, see if we can draw this thing out until after the recess, and if we do that, then, of course, we are faced with a situation in which we are creating grea' jeopardy for the national interests of this country.

We would be creating a situation in which the employees of the Panama Canal Company have no idea what is going to happen to them, and we would make it much more difficult to pass legislation and have it in place by October 1 if we fail to complete this conference and bring back the resultant conference report to both Houses and pass it this week.

So I sincerely think that by nailing down our position in this rigid fashion

we make it more difficult for the Senate to make some of the concessions that I think are always needed in a conference.

I think I probably do agree with most of what the gentlemen supporting this motion want to come out of conference. I just happen to think we can achieve it more effectively and more quickly if we go at it without providing these instructions.

I would mention to the Members that one of the problems that we would be creating for ourselves if we do accept the resolution is that we will have to be voting constantly on transfers of property. I think we can establish a principle that the House has the right to have a voice in the transfer of property without coming back here with dozens and dozens, and perhaps hundreds of votes over the next few years on property transfers.

Let me give the Members an example. If we pass this, and if the conference report contains that language, as spelled out in the House bill, within 1 year we will have to come back in, and all of us are going to have to vote on the disposition of three Defense Mapping Agency buildings; within 2 years, two Army Meddac warehouses; within 30 months, the Balboa Police Station complex, the Balboa Magistrates Court, and the Balboa and Coco Solo commissary buildings; within 3 years, family housing units, two warehouses, an antenna farm, and barracks facilities.

One after another these things are going to have to come before us in the House until the year 2000. I think we have enough business to keep us well occupied here in the House of Representatives without having to vote on these issues, item after item, year after year after year.

I am simply saying we can arrive at a compromise in the conference if we retain for ourselves the flexibility we want. The Senate, as I said, can be just as hardheaded about it as we can.

I feel that it will be easier to bring back a good compromise and more easily assert the House position if we do not adopt this motion.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I appreciate very much my colleague, the gentleman from Mississippi, yielding. I certainly have great respect for him and the tough position he has taken on this treaty issue. But I am a little confused. The gentleman in the well told me a few months ago the reason that he had taken this position.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MURPHY of New York. I yield 2 additional minutes to the gentleman from Mississippi (Mr. BOWEN).

Mr. MONTGOMERY. If the gentleman would yield further, the gentleman told me that he opposed the treaty that was hammered out in Panama by the administration because he thought it was a bad treaty.

Mr. BOWEN. That is correct.

Mr. MONTGOMERY. And I think he told the people in Mississippi that.

Mr. BOWEN. That is correct.

Mr. MONTGOMERY. Now he tells us today that he did adopt some of the amendments, and he did a lot of work on the House position. I am confused as to why he does not support the House position and give more strength in instructing the conferees.

Mr. BOWEN. The reason is very simple. While I think we are very wise here in this House, I think there might be some respository of knowledge in the other body. I have taken the position, I think, with every conference I have ever served on that there should not be rigid instructions provided. I just do not like the principle of providing instructions for conferees, and I think that we can more easily bring back to this House an acceptable conference report, which is absolutely necessary, without this motion. I think the legislation is necessary although I opposed the treaties. Some kind of treaty management legislation must be passed.

□ 1500

Mr. MONTGOMERY. If we do not, what happens then?

Mr. BOWEN. If we do not have legislation, then, of course, as I have pointed out to the gentleman, and as others have in this well, then at some point later this year the Panama Canal will be transferred to the Republic of Panama, the United States will give up its right to administer the canal, we will have to withdraw our military forces and instead of our staying there until the year 2000, it will be their canal this year.

Mr. MONTGOMERY. I do not want to put the gentleman on the spot but what the gentleman says is if the Senate position prevails, the gentleman will support that position?

Mr. BOWEN. I am not going to that conference to support the Senate position. I expect to support the House position. I do not happen to believe it is wise to try to provide instructions of this kind which simply toughen and harden the Senate position, make them less willing to yield to the points on which the gentleman from Mississippi is addressing me and which both he and I support.

Mr. MONTGOMERY. I understood the President to tell a group, and I am not sure whether you were in the group, at the White House, that the administration position was going to prevail and the President would not support the House.

Mr. BOWEN. There is no way the administration position can prevail because the Senate has already adopted 61 out of 100 of the sections in the House bill, H.R. 111.

We have a bill and I have supported a bill which differs substantially from the White House bill. There is no way we are going to bring anything that looks very much like the White House bill back here to this House. I have worked for these differences, and I believe we have a bill far superior to the original White House bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MURPHY of New York. I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR of Michigan. Mr. Speaker, I would like to reiterate some of the points that my colleague from Mississippi has listed for you here this afternoon. It just seems to me by instructing the conferees on this important piece of legislation that we will be, if you will, tightening both sides in terms of how we resolve the issue. I think that, in fact, could be damaging to the legislation and to the treaty, itself, but it is even more damaging when we consider the fact that the implementation of this treaty goes into effect on October 1. That gives us about 2 months in which to have something on the books in which the present Governor of the Panama Canal Zone and his people down there can begin to implement the legislation we have before us.

I think the gentleman from Mississippi is correct whn he speaks about the political implications in what we are going to do. I do not think the Members of this House want to come back and face this issue time and time again, year after year, with the disposition of property.

Let me point, also, to the fact if we do not reach an agreement this week by the time we adjourn, it seems to me this issue will be with us, it is going to linger, it is going to fester, it is going to be an issue which I do not think too many Members of this body want to carry with them into the coming election year, to be very frank and honest with you.

Mr. Speaker, it seems to me we need some room for movement, we need some room for flexibility in this conference. The issue that the gentleman from New York (Mr. MURPHY) my distinguished chairman, refers to as the guts of the bill: The corporation form versus the appropriated agency form, is one which I think we can work out, despite the differences we had between the House and the Senate on this issue. There have been compromises offered in this body and in the Committee on Merchant Marine and Fisheries that I think resolves the issue and gives the House the authority to deal with the question of operation of the canal through the authorization and appropriations process which we have not had a chance to express ourselves on the floor or to vote on it in the full body.

I would hope, Mr. Speaker, as a matter of principle, we do not instruct our conferees, we do not put our feet in cement, that we have that flexibility because the flexibility is tremendously important in view of the fact we only have 3 or 4 days in which to reach a compromise so we can get the implementing legislation into effect.

Thank you, Mr. Speaker.

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I truly want to thank the gentleman from New York for yielding to me and

I really want to compliment him for the time and the energy he has spent on this Panama legislation. This has been a long year, working hard, and I think the gentleman has made some tremendous improvements in what we saw when we began the hearings on the Panama Canal implementation legislation.

My committee, the Committee on Post Office and Civil Service, held extensive hearings in Panama and also worked very hard on this legislation. There have been many committees in the House who have worked very hard on this legislation. The whole House has also had a historic secret session on Panama. I think the House and Members are probably more informed about the issues surrounding Panama than almost any other issue we have had before us this year.

That is why I think the motion to instruct is really not needed at this time. I think, first of all, it does several things. It sets our side in cement. It is almost saying to the Senate, "We assume you are a sell-out to the administration, only we can be trusted."

I do not know any Senator who really feels he has sold out and I think they would be offended if we imply that by passing these instructions. Please allow the conferees a little flexibility in dealing with the Senate. I guess I have always been a person who believes you do better to take carrots rather than great big sticks. This heavy set of instructions is a stick.

If the conferees get there and we find out the Senate is being terribly reticent and will not listen to anything we say, then we can come back and say, "Give us a motion to instruct. To show our solidarity."

I plead with the House to give the conferees a chance. We should allow free and open discussion to work before we prejudge. The Senate has already accepted 61 of 100 House provisions and 61 percent is not bad before you even get to conference.

If we decide on every bill we pass that the House is going to insist on its position and the Senate is going to insist on their position then we are not going to get anywhere legislatively. It will be a parliamentary gong show.

What is at issue and why is it so important? First of all, we are looking at October 1 as a very important date. It is the date the canal treaty is supposed to take effect.

We know how serious energy has been to this country. We know how difficult things are in that part of the world at the moment. What would happen if it appears the Americans were not going along with the treaty? What would happen if the canal shut down? What would happen to us getting oil supplies through? How much more energy would we have to expend to send our shipping down through Tierra del Fuego? I think if that were to happen because this body did not get legislation out because of gamesmanship we would certainly be faulted. After all the work the House has done we have to be worried about it being derailed now.

I hear many Members who are very concerned about the political stability in Panama, Nicaragua, and that part of the world. I understand what they are saying. All of us are concerned. Even the Senate is concerned.

Let me talk a little bit about some of the things we have seen in history. We do not talk about history enough. I can think of over 22 different nations that we thought at one time were fully in a Marxist mold who have since changed. I think some of the ones that come to mind the most are countries such as Egypt, Indonesia, Sudan. There were times when those and at least 22 other countries we had almost written off and been very worried about.

When people say there is no way to work rationally in that area of the world, it has gone down the tubes, write it off forever; history shows that could be the worst strategy possible. There is a lot of potential for positive input in Central America and I think it is all the more important that we as a legislative body appear calm, cool, and collected. We should not react hysterically and go out there with 435 different Secretaries of State deciding what our policy should be, amending and changing it at will every day.

All House conferees are going to go to conference under the leadership of the gentleman from New York (Mr. MURPHY). We are going to fight very hard for the House position. We have already been very persuasive, and I think this notion to instruct is not needed. If we find it is needed we can always come back and ask for instructions.

At this time I think we set a dangerous precedent. We are only asking the Senate to show that they can be just as stubborn. We could end up having some kind of a standoff that might not be so important except for the impending August recess and the impending October 1 deadline on which date the canal treaty goes into effect whether or not we have acted.

I plead with my colleagues to think long and hard before they vote to instruct. I hope they give the conferees maximum flexibility to deal with the Senate. Remember, if we do not get what we want we always have the option of being able to turn down the conference. It is not like the House is giving unbridled authority to conferees to go off and negotiate any way that we want to and that the House will never have another say about it.

□ 1510

The responsible vote is to proceed to conference and to proceed in the way that we normally proceed in conferences, giving both sides a chance to work out an agreement.

Mr. MURPHY of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. Mr. Speaker, I will not take the entire 3 minutes.

I think we all know what this is about. The administration knows that they simply could not have passed the Panama Canal enabling legislation on the floor of the House without the bill being in the form that the House passed. Now they hope to take it to conference, and with a rather convoluted method of appointing members they feel they have conferees who will recede to the Senate on all the important points.

Now, what we are really talking about this afternoon is something no one has yet mentioned; Panamanian adventurism in the affairs of other Central American countries. Nicaragua was first, and I do not think there is any question but that Guatemala and El Salvador will be second and third.

Are we in the House going to say, "Yes, Mr. Torrijos, we approve of your adventurism. We approve of your effort to export your revolution. We approve of your effort to destabilize your neighbors."

If that is what we want to do, then we will vote against the instruction motion. If we want to say, "No, we think that your actions in the last 6 months have been such that we do not have confidence," then I think that our proper action will be to vote for it.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. CHARLES WILSON of Texas. I certainly do.

Mrs. SCHROEDER. Mr. Speaker, I am fascinated by how the gentleman characterizes all this. I am a conferee and I am totally unaware of any great plot or little plot by the administration to resurrect their bill. I do not understand where the gentleman is getting these rumors. Could the gentleman tell me where he is getting them?

Mr. CHARLES WILSON of Texas. I think I can explain it to the gentlewoman. I am not sure that I can understand it for her.

It is reasonably simple to me. The administration simply does not think that Panama will accept this legislation as the House passed it and they do not think that the House will pass it the way Panama will accept it; so now the effort is to go to conference to get the Senate bill, and the gentlewoman knows that.

Mrs. SCHROEDER. Well, if the gentleman will yield further, though, I resent the implication that those of us who are conferees have met secretly and agreed to be administration lackeys.

Mr. CHARLES WILSON of Texas. Well, it is my time, and I will tell the gentlewoman that I could not be more distressed with the gentlewoman's distress. I am just beside myself.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. BAUMAN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. Speaker, so that we can let the gentlewoman from Colorado in on the deal, may I explain to the gentlewoman that earlier this year when the Committee on Merchant Marine and Fisheries was considering the Murphy bill, it became apparent to the lobbyists for the State Department and the administration that there was no chance that their dear little piece of implementing legislation, which turned the canal over to Torrijos for the rest of the century, would see the light of day.

There was, therefore, held in the inner councils of the administration a series of conferences out of which several

points were made. First of all, it was decided that the administration's bill would not even be submitted on the House floor as an amendment.

Second, they decided that the only issue that they would really fight would be the Hansen amendment, the so-called honesty amendment.

Third, they decided that the provisions of the bill of the gentleman from New York (Mr. MURPHY) would not be challenged separately by any amendments on the floor.

We did not see the gentleman from Mississippi (Mr. BOWEN) or anyone else who has been cooperating with the State Department throughout this period offer any amendments to strip any of these provisions out of the House bill.

The internal administration decision was made that all the issues would be fought instead on the floor of the other body.

Now, the President of the United States indiscretely told us that was the plan at a meeting at the White House several weeks after this strategy had been plotted; so from the beginning the deal has been, squeak the bill through the House in any form you can get it; even if it has an ugly face on it from the viewpoint of the Panamanians and the State Department, and once you get it in the other body, then the administration would really go like gangbusters. And that is the scenario they have followed to this day.

That is what the naming of these conferees is, all part of that arrangement to undermine the stand taken by this House.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I appreciate the gentleman clarifying the situation for the gentlewoman from Colorado. I was unable to explain it properly.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield further?

Mr. CHARLES WILSON of Texas. Yes, I yield.

Mrs. SCHROEDER. Mr. Speaker, I find this wonderful, but it sounds more like a script from Walt Disney than something that actually is going on or has gone on. This is all fantasy.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I think the gentlewoman has it exactly and I would like to associate myself with the gentlewoman's remarks.

Mr. BAUMAN. Mr. Speaker, I yield 6 minutes to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I rise in support of the motion to instruct the conferees on H.R. 111. There can be no doubt that the areas for instruction laid out by Chairman MURPHY and Mr. BAUMAN must be preserved in any report returned by the committee. However, I remind the Members that there is much more which the other body has changed than these areas.

Undoubtedly, it is only because of the sheer volume of change that the motion limits itself to those matters. But, as Mr. MURPHY himself has said in floor debate on H.R. 111, "We will keep intact the principles which we establish in H.R. 111." The very first priority of importance in H.R. 111, established by Mr. MURPHY himself is, "It puts the Department of Defense in control of this Panama Canal Commission." It is, therefore, urgent that the conferees not recede from the provisions of H.R. 111 which make the Secretary of Defense the dominant force in the Commission and place the canal under the control of the military in circumstances of threat of war.

Section 250(g) of H.R. 111 expressed the concern of the House, later abundantly justified, that Panama was violating terms of the Neutrality Treaty. To recede from conditioning the contingency payments to Panama in view of its admitted major role in bringing down the government of a neighboring state would be a reward for misconduct.

One of the major thrusts of the narrowly defeated amendments which I offered to H.R. 111 and which in other terms is in the House-passed version is the requirement that interest on the U.S. investment in construction of the Panama Canal continue to be paid. The Senate version waives this and other payments. Nearly half a billion dollars is saddled on the taxpayers by this simple waiver. It is difficult to see how this House could agree to casting such a monstrous burden on our already overburdened constituents.

I remain deeply opposed to the Panama Canal Treaty and to H.R. 111 as the vehicle for implementing it. Although other voices prevailed in the House, Members will remember by what a small margin and with what effort H.R. 111 survived. Since the House acted on June 21, many of the worst fears of the bill's opponents have been realized.

I am not pleased that the predictions of misfortunes were so soon proved accurate. Nor is it a time for recriminations that one was right and another wrong. We are charged with taking the world as it now is and discharging our responsibilities in the light of existing circumstances. We now face a Marxist Central America, dominated by the avowed leftist regimes of Torrijos and Castro. Our decisions of what to do about H.R. 111 and indeed, the treaty itself must take into account these new certainties. The motion to instruct is but a small step from the final consideration of what our role should be in the unfolding tragedy of the new realities of Marxist domination of the Caribbean.

These minimum instructions should not be viewed as the only factors of concern to Members of this body. But this motion and your vote to support it should serve notice that the House retains its active role in determining the course of this Nation in the coming decades. It would also demonstrate that our vote can no longer be conditioned by the misrepresentations of the State Department.

Our vote for Panama Canal Treaty implementation and any conference report will now be with the full knowledge that Panama concedes that it is a Marxist regime. And the whole world now knows that the events of recent weeks, putting another Marxist regime even closer to our border, were arranged by a combination of nations and forces, whose reputations speak for themselves. Actively collaborating to install the Marxist's takeover of Nicaragua were Cuba, Panama, the PLO and other leftists of the Arab world.

Our vote should not be colored by the vain anticipation that by giving away the canal we can buy friends in the Western Hemisphere. Since the success of the coup in Central America, there is scarcely a country of Central America which has not condemned us for real or fancied grievances. While our strength earned respect if not affection, our weakness has drawn scorn from the very nations whose love the gift of the canal was supposed to buy.

Our final vote, yet to come, on the conference report will be with the full knowledge that the canal will not buy friendship. Moreover, the people of our own Nation do not understand that huge sums of money are to be paid along with the canal to a petty dictator. The argument that our defense is somehow enhanced by giving the Marxists control of one of the key waterways of the world is rapidly evaporating.

That last vote will be in the full pitiless glare of the facts. We will only agree to the treaty because we are told to by an administration whose foreign policy record demands our trust—a trust now badly shopworn. We cannot even claim that we have no options. The very pressures exerted here to force a conference prearranged to force aside the will of the House and endorse the administration bill speaks loudly that the people who claim we have no power do not believe it themselves.

I intend to vote for the motion to instruct. I will do so with the clear understanding that I cannot bind myself to vote for the report unless it protects the people from tax burdens, limits the inflationary impact on canal users, and protects the defense and commercial interests of the United States. Those goals as of this moment seem most unlikely of achievement.

□ 1520

I might say one other thing, Mr. Speaker. We all know the fact that there was a deal cut, that the White House was attempting an entrapment of the House. We all know there is grave danger in making changes in the status of the Panama Canal, especially now with the recent successes of the Sandinista Marxists and the Cubans.

We are worried about compromising away safeguards with the Senate and what is likely to follow when we visualize how the administration will probably act and further compromise with the Panamanian Government of Mr. Royo. This is spelled out visibly in the terms set forth in Royo's letter to President Carter, printed in the July 6, 1979, RECORD by Senator HELMS, where it shows the severe degree by which Panama disagrees with even the administration's very liberal proposal for implementation legislation.

We must insist on the tightest possible safeguards in any legislation we approve. This is why the conferees must be given basic mandatory instructions.

Mr. BAUMAN. Mr. Speaker, it is my great honor to yield to one of the premier foreign experts in the Congress of the United States, the outstanding gentleman, a great orator, the laconic gentleman from Illinois (Mr. DERWINSKI).

The SPEAKER pro tempore. The Chair wishes to inquire, after that eulogy, how much time the gentleman yields to the gentleman from Illinois (Mr. DERWINSKI).

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, may I first point out the issue before us. There is a motion to instruct. Now, we cannot tell the players without a scorecard this afternoon, since we have been on different sides of this bill and different sides of this issue, and we are all taking different sides here.

I am supporting the motion to instruct. I think it is good tactics. I think it is good legislation. I think it is a practical way to support the basic House position.

When I say that, however, I want to emphasize that I do not feel there is any conspiracy afoot. I do not think there has been any deal. The chairman of the committee, the gentleman from New New York (Mr. MURPHY), was masterful in passing a bill through the House. It was really a wonderful exhibition of legislative leadership, and he will show that same leadership in conference.

I think the motion to instruct strengthens the hands of the House conferees.

As I mentioned earlier, the Senate passed the bill in a rather perfunctory fashion. We ought to have a good honest conference. I want the implementing legislation passed, and I want all the diplomatic good will that will come with it to follow.

I will say to my good friend, the gentleman from Idaho (Mr. HANSEN), that the issue of what has happened in Nicaragua does not have any direct relationship to the implementation legislation for the canal treaties. I deplore the takeover by the Sandinistas in Nicaragua, but we should not blame President Royo. If there was any wrongdoing, it was by the Sandinista sympathizers within the Panamanian structure, not President Royo himself. I point out that President Royo, not Torrijos, is heading that country. Secondly, it is technically and politically inaccurate to describe the Panamanian Government as "Marxist." They may have some sympathies with what went on in Nicaragua, but they are technically not a Marxist government. So, if we can keep our facts straight, we will have a better view of the entire picture.

Last but not least, as I see the situation, it would be a drastic diplomatic setback for the United States if we would not have implementing legislation by October 1.

So as a supporter of the legislation, I support this motion to instruct and send the House conferees with a good solid position to enable them to work expeditiously to bring back the most practical bill. By instructing the conferees and supporting the gentleman from Maryland (Mr. BAUMAN), we do away with the doubts of some of the Members in this House that there is a conspiracy, or that the White House cut a deal.

Let us keep this open and aboveboard. By this particular vote they will still have the flexibility within the conference to work out the best possible language.

Mr. Speaker, as a supporter of the implementing legislation, I urge the Members to support the motion to instruct.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

Mr. BAUMAN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. CHARLES WILSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the distinguished gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Speaker, may I ask, is the gentleman serious in his advocacy that the Government of Panama was not directly involved in the Nicaraguan situation?

Mr. DERWINSKI. Mr. Speaker, what I said was that there may have been elements in the Government that were involved. The Government officially I do not believe was involved.

Mr. CHARLES WILSON of Texas. The Government of Cuba officially probably was not involved either, or the Government of Costa Rica.

Mr. DERWINSKI. I do not compare the two. The Government of Cuba is a totally different situation.

Mr. CHARLES WILSON of Texas. Is the gentleman aware that officials of the Government were indicted for gunrunning?

Mr. DERWINSKI. Yes.

Mr. CHARLES WILSON of Texas. Does the gentleman think, then, that the officials of the Government in Panama were not acting with the approval of the government?

Mr. DERWINSKI. Our Government officials sometimes act without the approval of the President. We cannot blame the President for that.

Mr. CHARLES WILSON of Texas. Is the gentleman aware that Fidel Castro at one time said that he did not have to furnish arms to the Sandinistas as long as Panama was doing it?

Mr. DERWINSKI. I do not believe that is a quote I saw officially.

Mr. CHARLES WILSON of Texas. That is the meaning of what was said, I believe.

Mr. DERWINSKI. Mr. Speaker, I am not going to have the gentleman place me in the position of defending a nonexistent government position for Panama. All I am saying is that regardless of the involvement or, in my opinion, the lack of direct involvement of the Panamanian Government, that is not an issue in the implementation legislation.

Now, everything the gentleman says about the tragedy in Nicaragua is true. Everything the gentleman worries about as to what may happen after that is true, but that does not directly relate to the issue before us, which is the implementing legislation.

Mr. CHARLES WILSON of Texas. Mr. Speaker, let me ask the gentleman one more question.

If arms were transmitted from Cuba to Panama and if then the Panamanian Government facilitated the transfer of these arms by water to the Sandinista training camps in Costa Rica, would the gentleman then think that the Government of Panama was directly involved?

Mr. DERWINSKI. That would depend on whether it was the Government itself that was involved. But let me remind the gentleman that despite his attempt to booby-trap me here, he and I share the same position in support of the motion to instruct.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. DERWINSKI) has again expired.

Mr. BAUMAN. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois (Mr. DERWINSKI) so that he may have the last word.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, is the gentleman familiar with the May 2 intelligence document received from an intelligence agency by the State Department regarding Cuban and Panamanian involvement in the Sandinista effort?

Mr. DERWINSKI. Mr. Speaker, if the gentleman is speaking of the report of transmission of certain weapons from Miami, yes.

Mr. HANSEN. No, this is not from Miami; this is from Havana by Panamanian Air Force planes. Our own intelligence has laid out the time, the place, and the amount of weapons, and this has all been done in the last 6 months or so.

Mr. DERWINSKI. I am not familiar with that.

Mr. HANSEN. This has been in the CONGRESSIONAL RECORD, and it has been in the national news media that there is a direct official connection, and that Panamanian Air Force planes were moving those weapons from Cuba.

Mr. DERWINSKI. Mr. Speaker, I think that we have to draw the line on the degree of officialdom involved. The Panamanian military is run by General Torrijos. They are not necessarily directed by the civilian leaders of the Panamanian Government.

Mr. HANSEN. Who runs the country?

Mr. DERWINSKI. De facto, General Torrijos; de jure, President Royo.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I rise in support of the motion to instruct the conferees, and I commend my two colleagues, the gentleman from New York (Mr. MURPHY) and the gentleman from Maryland (Mr. BAUMAN) for offering this motion.

I would also like to take this time to thank our good friend, the gentleman from Idaho (Mr. HANSEN) for all the hard

work he has done on the Panama Canal treaties, working for the people and trying to come up with some type of treaty that would be acceptable to most of us. The gentleman has certainly worked hard.

Mr. Speaker, for many months during the debate that was going on in the Senate pertaining to ratifying the treaty, a number of us felt that we should have a vote in the House as far as transferring the Federal properties that were included in the Panama treaties. As the Members know, we were left out; we were not given this privilege.

However, we were given the opportunity to vote on implementing the treaty, and some good amendments were added by the House of Representatives. Some of us had amendments that were not added, but still there were some beneficial amendments adopted by the majority of the House, and we did try to save the taxpayers some money.

As I understand it—and the gentleman from New York (Mr. MURPHY) may correct me if I am wrong—in the Senate version it does not set any firm limits on costs of the treaties to the American people. They only included a sense of the Congress provision that it should exceed $1 billion in costs, but would not legally limit costs to this amount. And what is even worse, in my opinion, is that this nonbinding $1 billion limit is even more than the legally binding limits on costs in the House bill. In effect, the Senate bill provides no protection for the American taxpayer and that is why we must insist on the House position.

But, Mr. Speaker, my major concern is, like that of the other Members, what effect this treaty has on the American people.

□ 1530

For a number of years, nothing but gloom and doom and "What is wrong with the Government?" comes out of Washington. President Carter's speech, when he came down off of the mountain on that Sunday, was full of "What is wrong with the Nation? and "What is wrong with the Congress?" The Vietnam war was a bad experience for all of us. Then we had the energy crisis in 1973, and now in 1979. Inflation is upon us. We hear, and it comes out from Washington every day, that the Russians are coming, how strong militarily the Russians are. The people hear this.

Now we come along with the final action on Panama Canal. Really, the people are ready to hear something good coming out of our Capitol. They are tired of hearing about gloom and doom and what is wrong with the Nation.

So, Mr. Speaker, I think if we instruct the conferees to stay with the House position, this will make the people feel better and reaffirm their faith in our Government. If we lose our position in conference, then I think the House position would be to defeat the conference report, and this will make the people feel even better, because this House would have stood up for the American people and their views on the giveaway of the Panama Canal.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Idaho.

Mr. HANSEN. I thank the gentleman for yielding.

Mr. Speaker, I would just like to take a moment to commend the gentleman from Mississippi (Mr. MONTGOMERY), who has been one of those right in the very forefront of the fight to save the Panama Canal and who probably has worked as hard or harder than anyone I know with regard to this legislation, as he does in all such matters in the House. I commend him for his ongoing, continuing interest in trying to make sure that America's interests are best served.

Mr. BOWEN. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Mississippi.

Mr. BOWEN. I thank the gentleman for yielding.

Mr. Speaker, I understand that the gentleman said he hoped that, under certain circumstances, we might defeat a conference report that came back, and that would make the people of the country feel good.

Mr. MONTGOMERY. Feel better, and reaffirm their faith in our Government.

Mr. BOWEN. Would it really make the people of this country feel good if we turned the canal over to General Torrijos this fall because of our inability or unwillingness to pass implementing legislation? Does the gentleman think that would make the people of this Nation feel good?

Mr. MONTGOMERY. I think the people have been very disappointed in the treaties. Someone who served in the Ford and Nixon administrations told me that we should negotiate on the Panama Canal but not just give in completely without receiving anything in return. I do not think the people want to give up the Panama Canal.

But I think the people have just about given up as a result of the treaties. They do not want to send Americans down to fight and to take the canal back over. I do not think they would want to lose one life. They are generally disappointed. I think they have just kind of marked it off.

Mr. BOWEN. If the gentleman will yield further, I certainly do agree with the fact that you and I wish we could have kept this canal in perpetuity; but since the Senate and the President have determined that we cannot, I know the gentleman agrees with me that it would be desirable if we could at least hold onto the canal and keep it out of General Torrijos' hands until the year 2000, when he may not be in any position of authority. We no longer have the option the gentleman and I both would like, that of renegotiating the treaties and coming away with a better deal. We now have a choice only of keeping the canal under American management and protection until the next century, or turning it over to Panama this year. I prefer to keep it in American hands as long as possible.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. I thank the gentleman for yielding.

Mr. Speaker, I would ask my good friend if he does not deem it to be true that Torrijos cooperated with the guerrillas who overthrew Nicaraguan President Anastasio Somoza?

Mr. MONTGOMERY. If the gentleman will yield, that is exactly right.

Mr. CARTER. Also, is it not true that Cuba, with Torrijos and Panama, assisted in the rebellion which took place in Nicaragua? Is that correct?

Mr. MONTGOMERY. The gentleman is exactly right.

Mr. CARTER. What does the gentleman think is going to happen to Guatemala, which, I understand, is the next country in Central America on the hit list?

Mr. MONTGOMERY. The gentleman from Texas (Mr. CHARLES WILSON) covered that area. I got the impression, and I think the gentleman is right, and also the gentleman from Idaho (Mr. HANSEN), that that country could fall. It is the domino theory.

Mr. CARTER. Is it the gentleman's belief now that we will lose all of Central America as a result of our ineptness in the past several months?

Mr. MONTGOMERY. I certainly agree with the gentleman from Kentucky.

Mr. CARTER. I thank my distinguished and patriotic colleague.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Is it also true that, on July 28, 1978, Mr. Torrijos said that the policy of Panama was to return Guantanamo Bay to the Cubans? That is also a statement of fact.

Mr. CARTER. Again, we are dealing with Communists who would turn all of this area over to communism and be just as Cuba is today, I regret to say.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I have sat here for several weeks and listened to the gentleman from Mississippi (Mr. BOWEN) makes this absurd statement that if we fail to act, everything is going to be chaos and Torrijos will march in and occupy the canal.

Such a possibility would have to be predicated upon the attitude and actions in the White House as to what would be allowed or transpire. However, there is plenty and ample proof to say that if these treaties are not implemented, the old treaties and laws remain in place and there will be no such thing happen. The Congress should work its will without such intimidation which has long been a tactic of the State Department to bully through the legislation it desires.

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. MURPHY of New York. Mr. Speaker, I rise in strong support of the motion offered by the gentleman from Maryland to instruct the conferees in very narrow areas—in very narrow areas. I do so in the interest of time.

The day this Congress convened, I introduced H.R. 111, which very clearly laid out a regime to protect America's interest in the Panama Canal Zone area for the next 20 years. It took the administration more time to make their legislative recommendations. They had 2 years to get their act together and they could no get it together. So a month after the Congress convened they came in with a bill, and then insisted upon immediate action by the House.

This legislation went to four committees of the House. It went to the Committee on the Judiciary and to the Committee on Post Office and Civil Service, which dealt with the vital elements of the American Canal personnel and their future, and, of course, the contributions they made in the past, and what their future working conditions would be in Panama. Of course, the bulk of the bill went to the Committee on Merchant Marine and Fisheries, which has legislative responsibility for the Panama Canal and inter-ocean canals generally. Of course, the Committee on Foreign Affairs had

We thought hearings were necessary, that in-depth hearings were necessary, its responsibilities.

and 9 days of hearings were held by the Panama Canal Subcommittee. But we also made a commitment to finish this legislation in that committee before the Easter break, because I understood, and the members of the committee understood, that time was of the essence, because the BROOKE amendment to the treaty of 1977 very clearly meant that October 1, of this year, was the trigger date—the trigger date—to implement the Panama Canal treaty regime.

So we undertook our responsibilities under a time frame necessary to properly legislate. We were ready to come to this floor right after the Easter break. But what happened? We did not get much cooperation from the administration. Then we saw certain foreign aid bills come up, and we saw Panama's military aid pulled out from one bill and economic aid pulled out from another, all of which were messages from this House to the administration and to the people in Panama that this Congress understood what type of regime they had in Panama, and what type of operations of subversion and revolutionary exploitation that they were perpetrating not only in Nicaragua, but in El Salvador and Guatemala, and other countries as well.

So the Committee on Merchant Marine sent it subcommittees and task force to Panama. It went down there because it found out that the Panamanian representatives, those who negotiated the treaties, were renegotiating and were trying to use this vehicle of implementing legislation to effectively renegotiate this treaty.

So we came to the House, and the gentleman from Arkansas (Mr. BETHUNE), in the debate on this rule, clearly laid out the situation we face in the House. We must relate to the good faith of the Members of the House who, by a narrow margin, about 20 votes, passed legislation to implement the Panama Canal treaties. But as the House acted it did so by very clearly protecting a number of items: Item No. 1, the operational control of the canal; No. 2, the fiduciary integrity of the canal, its revenues, and the welfare of the American taxpayers and the obligations thereto; and, finally, the defense of the canal and the protection of American workers.

So we do not have a broad instruction by the gentleman from Maryland. We have his very narrow instruction, a narrow instruction which goes to the question of timing.

Here we are going to adjourn for a break on Friday of this week. We will not come back until after Labor Day. October 1 comes in quickly after that, in a matter of 3½ weeks after Labor Day, and we are supposed to have in place a conference committee report by that time. This conference report and this implementing legislation is going to require a number of things that must take place prior to October 1. First is a toll increase. When we get into the administrative law and Federal registry requirements under the House bill, 60 days are necessary of notice in order to have a toll increase that is necessary to implement this canal treaty and make the payments of $75 million-plus annually to Panama.

So we should have been at this stand a long time before today. We should have been here months ago. But you can thank this administration and its dilatory tactics. You heard the gentleman from Maryland respond to the gentlewoman from Colorado as to the reason for the delays.

□ 1540

Well, I think somebody thinks there is going to be a quick fix over in the conference, and all of a sudden we are going to come back with that 1-month delayed package the administration had.

Well, we are not going to do that. I think the instructions to these conferees, as narrow as they are—and I will just state them for you, so you know they are narrow—are necessary. We know there may be issues that are outside the treaty and legislation that has been passed on both the Senate side and on the House side, and we should clean those up. But none of these issues, none of these issues in these instructions are extra to the implementation or to the treaty itself.

I made a commitment to the President that we would pass legislation in this Congress, in this House, that was within the letter of the treaties and I intend to keep the commitment.

The instructions by the gentleman from Maryland deal with the Panama Canal Commission. It is a commission of nine commissioners who are going to run that canal, five Americans and four Panamanians and the key supervisory position associated with it, the fact that the U.S. members will receive the advice and consent of the Senate, that they will operate under the Defense Department and that the American Commissioners will vote en bloc. It is not too onerous a provision.

Concerning the question of Canal Zone funds and accounting and dealing with the key appropriations issue, the administration told the people of America that the taxpayers would not pay a cent for the implementation of this bill. Then, all of a sudden, they said only $800 million or $600 million or $700 million is involved. Well, in the House version of H.R. 111 we go to the protection of the appropriations process and a very wise recommendation of the gentleman from Maryland, and, third, we go back to Edwards against Carter, wherein the constitutional prerogative of this House that was swept aside when the Supreme Court would not hear the case. What we do in the House version of H.R. 111 is we say that on October 1, by law, we transfer the necessary property under the 1977 treaties to Panama and we say that future property transfers will be done by act of Congress, thus reestablishing the constitutional right of the House in the treaty-related process, a right that we should have established before.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I would like to compliment the gentleman on his statement. Let me clear up one point. Both the gentleman from New York (Mr. MURPHY) and the gentleman from Maryland (Mr. BAUMAN), have implied that some of us were in on some kind of conspiracy or quick fix scheme. Maybe the two gentlemen were at a meeting at the White House and heard something. I was not. As a conferee I was not part of any quick fix scheme conspiracy.

I think we ought to state that there was not a conspiracy among conferees. I understand that some representatives are upset that members of other committees can vote on the entire package, but having chaired the civil service portion of the bill, I think the commission issue is very important, because they are Federal employees' and are crucial to the entire package.

A lot of this implementing legislation overlaps and gets intertwined among different jurisdictions, maybe it was a mistake to allow different committees to vote on different parts of the bill, but I am not aware of any kind of conspiracy.

If the two gentlemen are aware of one, fine. But I want to make it absolutely clear for the record that I know of no conspiracy.

Mr. MURPHY of New York. If the gentlewoman is interested in a fast conference, give me a proxy and we will complete it all in about 2 days.

Mr. BONIOR of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Michigan.

Mr. BONIOR of Michigan. Mr. Speaker, I do respect the time and effort the gentleman has put in on this issue and the guidance of this legislation through the House. With respect to the gentleman's comments about delay on the part of the administration, the fact of the matter is, and I think the gentleman knows this, we did not have the votes for this implementing legislation in April during the Easter recess. They just were not there.

I think I followed this legislation as closely as anybody on this side in terms of where we stood with the Members. It is unfortunate that we are at the point now where we have 2 months to go before the implementation takes effect, and we have to get a conference report back to this House before we adjourn.

The other point I would like to mention is the chairman's comment that these issues are narrow. Well, we debated the rule approximately an hour ago. The gentleman from New York, my distinguished chairman, mentioned that the guts of this bill, the heart of this bill, was the first instruction that the gentleman from Maryland offered which deals with the appropriations versus the corporation concept. That is, in my opinion, in no way narrow. It is probably as broad and as important an issue as we could face in this legislation.

I would like to hear the gentleman's response to that aspect of the legislation.

Mr. MURPHY of New York. I would say to my colleague that it was not until late May and early June that the extensive gunrunning support by Panama to the Sandinista movement in Costa Rica and then into Nicaragua had become public. The votes were there for this legislation in May. We would not have had this problem; Panama brought this upon itself, if the gentleman will go back and examine his calendar.

I think the question of the Commission versus corporate form is probably the greatest protection for the interests of the United States.

But, in conclusion, I would say this vote and the size by which the House should pass this vote will be a clear message to the conferees that the House itself wants an implementation bill, but it wants an implementation bill that does protect the prerogatives of the House and, of course, of the American people in the implementation of the 1977 Canal Treaty and operation of the canal for the next 20 years.

Mr. BAUMAN. Mr. Speaker, in closing, I would just say that the surest way to make this a quick and efficient conference is an overwhleming vote in favor of this motion to instruct, so the other body will understand precisely the parameters of what this House desires on this issue.

I urge those who opposed the legislation, and some of us did, and those who supported it, to join together in instructing these conferees.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BROWN of California). The question is on the motion offered by the gentleman from Maryland.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 308, nays 98, not voting 28, as follows:

[Roll No. 400]

YEAS—308

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bonker
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hanley
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKinney
Madigan
Marks
Marriott
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Molohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Ottinger
Panetta
Pashayan
Paul
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NAYS—98

Alexander
Anderson, Ill.
Ashley
Aspin
AuCoin
Barnes
Bellenson
Bingham
Blanchard
Bonior
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Dellums
Dixon
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Fascell
Fenwick
Foley
Ford, Tenn.
Giaimo
Gray
Green
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Holtzman
Howard
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Lowry
Lundine
McHugh
Maguire
Markey
Matsui
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Moorhead, Pa.
Nedzi
Oberstar
Obey
Patten
Patterson
Pease
Pepper
Rangel
Reuss
Richmond
Rosenthal
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Solarz
Stack
Stark
Stewart
Stokes
Studds
Thompson
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Wirth
Wolpe
Yates
Zablocki

NOT VOTING—28

Ambro
Bolling
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Diggs
Emery
Fish
Flood
Forsythe
Garcia
Holland
Horton
Johnson, Colo.
McKay
Marlenee
Martin
Mathis
Nolan
Railsback
Rodino
Rostenkowski
Sebelius
Treen
Williams, Ohio
Wright

□ 1600

Messrs. ALBOSTA, WEAVER, and LONG of Maryland changed their vote from "nay" to "yea".

Mr. ULLMAN changed his vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. MURPHY of New York, DINGELL, BOWEN, HUBBARD, BONIOR, WYATT, ZABLOCKI, FASCELL, HANLEY, Ms. HOLTZMAN, Mrs. SCHROEDER, Messrs. HARRIS, MCCLOSKEY, BAUMAN, CARNEY, BROOMFIELD, DERWINSKI, and FISH.

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE REPORT ON H.R. 2759, TO PROMOTE ORDERLY DEVELOPMENT OF HARD MINERAL RESOURCES IN DEEP SEABED

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until 5 p.m. on August

17, 1979, to file a report on H.R. 2759, to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

GENERAL LEAVE

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the motion to instruct conferees just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on my motion to table the resolution in the matter concerning the gentleman from Michigan (Mr. DIGGS).

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT OF HOUSE FROM THURSDAY, AUGUST 2, 1979, TO WEDNESDAY, SEPTEMBER 5, 1979, AND RECESS OF SENATE FROM FRIDAY, AUGUST 3, 1979, to WEDNESDAY, SEPTEMBER 5, 1979

Mr. BRADEMAS. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 168) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 168

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 2, 1979, it stand adjourned until 12 o'clock meridian on Wednesday, September 5, 1979, and that when the Senate recesses on Friday, August 3, 1979, it stand in recess until 12 o'clock meridian on Wednesday, September 5, 1979.

The SPEAKER. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 minute.

Mr. BRADEMAS. Mr. Speaker, the purpose of the concurrent resolution I have offered is simply to implement that provision of the Legislative Reorganization Act which provides, and I quote from section 132 of the Legislative Reorganization Act of 1946, as amended:

SEC. 132. (a) Unless otherwise provided by the Congress, the two Houses shall—

(1) adjourn sine die not later than July 31 of each year; or

(2) in the case of an odd-numbered year, provide, not later than July 31 of such year, by concurrent resolution adopted in each House by rollcall vote, for the adjournment of the two Houses from that Friday in August which occurs at least thirty days before the first Monday in September (Labor Day) of such year to the second day after Labor Day.

Mr. Speaker, the purpose of this concurrent resolution is to provide that when the House adjourns on Thursday, August 2, it stand adjourned until noon on Wednesday, September 5; and that the same, with 1 day's difference, obtain with respect to the other body.

The SPEAKER. The question is on the concurrent resolution.

Under the rules, a rollcall is automatic.

The vote was taken by electronic device, and there were—yeas 338, nays 70, not voting 26, as follows:

[Roll No. 401]

YEAS—338

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
de la Garza
Dellums
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Holtzman
Horton
Howard
Huckaby
Hutto
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kindness
Kogovsek
Kramer
LaFalce
Latta
Leath, Tex.
Lederer
Lehman
Leland
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Purnell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Roberts
Roe
Rose
Rosenthal
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—70

Abdnor
Andrews, N. Dak.
Applegate
Archer
Atkinson
Bafalis
Bereuter
Bethune
Brinkley
Butler
Campbell
Clinger
Conable
Coughlin
Courter
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Edwards, Okla.
Fenwick
Florio
Gilman
Gingrich
Goodling
Grassley
Gray
Hall, Tex.
Hammer-schmidt
Hollenbeck
Hopkins
Hubbard
Hughes
Hyde
Jacobs
Jeffries
Kemp
Kildee
Kostmayer
Leach, Iowa
Lagomarsino
Leach, La.
Lee
Levitas
McKinney
Mica
Miller, Ohio
Mottl
Murphy, Pa.
Neal
Nowak
Petri
Pritchard
Rhodes
Rinaldo
Ritter
Robinson
Roth
Sawyer
Schroeder
Schulze
Sensenbrenner
Skelton
Smith, Nebr.
Solomon
Spence
Tauke
Wampler
Yatron

NOT VOTING—26

Ambro
Boiling
Chisholm
Collins, Ill.
Conyers
Corman
Davis, S.C.
Diggs
Fish
Flood
Forsythe
Garcia
Holland
McKay
Marlenee
Martin
Mathis
Nolan
Railsback
Rodino
Rostenkowski
Sebelius
Treen
Williams, Ohio
Wilson, C. H.
Wright

□ 1620

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CALL OF PRIVATE CALENDAR, WEDNESDAY, AUGUST 1, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to call the Private Calendar on Wednesday, August 1.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT TO 10 A.M., TUESDAY, JULY 31, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight, it adjourn to meet tomorrow at 10 a.m.

The SPEAKER. Is there objection to the request of the gentleman from Indiana (Mr. BRADEMAS)?

Mr. BAUMAN. Reserving the right to object, I wonder if the distinguished majority whip could tell us whether or not any certain time has been set for the close of business on Thursday. This was raised last Friday when the program was announced.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I would say to the gentleman from Maryland it is our intention to adjourn at 6 o'clock on Thursday.

Mr. BAUMAN. Mr. Speaker, in an effort to expedite that, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 4389

Mr. YATES. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill, H.R. 4389, making appropriations for the Departments of Labor, Health, Education, and Welfare and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois (Mr. YATES)?

There was no objection.

INTERIOR APPROPRIATIONS, FISCAL YEAR 1980

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 389 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 389

Resolved, That during the consideration of the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI are hereby waived: beginning on page 22, line 11 through page 24, line 8; and beginning on page 34, line 5 through page 37, line 23.

The SPEAKER. The gentleman from New York (Mr. ZEFERETTI) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi, Mr. LOTT, and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 389 provides for the consideration of H.R. 4930, the Department of Interior and related agencies appropriation bill for fiscal year 1980.

This rule grants waivers of points of order against portions of H.R. 4930 for failure to comply with clauses 2 and 6 of rule XXI. Clause 2 of rule XXI requires that all appropriations must have an authorization and prohibits the inclusion of legislation in an appropriations bill. This waiver is necessary since the bill includes appropriations for which authorizing legislation has not as yet been enacted. H.R. 3000, the Department of Energy Authorization Act for fiscal year 1980 is presently under consideration in the House. H.R. 3354, which provides authorization for the naval petroleum and oil shale program and H.R. 3930 which authorizes the synthetic fuel program have both passed the House but are awaiting action in the Senate.

In addition, a waiver of clause 2 of rule XXI is necessary since the appropriating paragraph "Office of Territorial Affairs" contains legislative language.

Clause 6 of rule XXI prohibits the inclusion in appropriations bills of reappropriations of unexpended balances of appropriated funds. The paragraph of the bill pertaining to "energy conservation" contains a reappropriation of unexpended funds. Thus, a waiver of clause 6 of rule XXI is necessary.

Mr. Speaker, H.R. 4930 provides a total of $10.2 billion in new budget authority for fiscal year 1980 for the Department of Interior and other agencies. This amount is $1.8 billion more than the administration requested, but $1.6 billion less for the fiscal year 1979 appropriation level. The bill provides for several major programs in the Department of Energy, including $1.5 billion for synthetic fuels development. Appropriations are also made in the bill for the Indian health and education functions of HEW, the Smithsonian Institution, the National Foundation on the Arts and Humanities, among other agencies.

Mr. Speaker, I urge the adoption of House Resolution 389 in order that we may discuss and debate H.R. 4930.

□ 1630

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution provides for the consideration of H.R. 4930, the Department of the Interior and related agencies appropriation bill for fiscal year 1980. The resolution waives all points of order against certain provisions of the bill for their failure to comply with clause 2 of rule XXI. Under this provision of the rules, no appropriation shall be reported in any general appropriation bill for any expenditure not previously authorized. The clause also prohibits legislation in an appropriations bill.

In addition, the resolution waives clause 6 of rule XXI against specified provisions of the bill. This provision of the rules prohibits the consideration of a general appropriations bill if it contains a provision reappropriating unexpended balances of appropriations.

H.R. 4930 provides $10,195,553,000 in new budget authority for the Department of Interior and other agencies, including the Forest Service, Department of Energy, the Smithsonian Institute, and the National Foundation on Arts and Humanities. The amount recommended in the bill is $1,754,783,000 above the budget request for fiscal year 1980, but it is $1,568,950,000 below the appropriation for these purposes for fiscal year 1979. One item of special interest is the inclusion of $1.5 billion for the purchase or production of synthetic fuels under the authority of the House-passed H.R. 3930.

Mr. Speaker, I have no objection to the passage of this resolution.

Mr. Speaker, I have no requests for time. I support the resolution.

Mr. ZEFERETTI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. YATES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania (Mr. MCDADE) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois (Mr. YATES)?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. YATES).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4930, with Mr. MINETA in the chair.

(By unanimous consent, the first reading of the bill was dispensed with.)

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Illinois (Mr. YATES) will be recognized for one-half hour, and the gentleman from Pennsylvania (Mr. MCDADE) will be recognized for one-half hour.

The Chair recognizes the gentleman from Illinois (Mr. YATES).

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. YATES. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, the Science and Technology Committee last year adopted my amendment for $5.4 million to initiate a comprehensive oil That money was appropriated for fiscal heat R. & D. and marketing program. year 1979 and this year DOE requested $3.85 million for their follow-on activity. This is a vital program for people in the Northeast who depend heavily on oil to heat their homes.

The $500,000 of the DOE request was set-aside by our committee from the important oil-fired unit demonstration to the space conditioning in research project activity at Brookhaven National Laboratory. This demonstration activity was designed in three phases, the first

two of which require Federal stimulation.

The redirection of funds in this program will speed the introduction of advanced combustion concepts and furnaces to raise efficiency 40 to 50 percent. This is a vital R. & D. program for the Northeast and deserves strong support.

FOSSIL ENERGY (COAL-OIL COMBUSTION RESEARCH)

This $250,000 is for restoration of the university research on coal-oil mixtures which was funded last year under advanced research and supporting technology but was not included in the fiscal year 1980 request. The coal-oil mixtures program was reduced by $2,950,000 in fiscal year 1980 and there are insufficient funds to complete important activity on contracts outside the energy technology centers. This set-aside is specifically for Adelphi College Center for Energy Studies and complements a smaller program sponsored by EPA which is directed at reducing emissions by coal/oil combustion. The work consists of coal desulfurization during combustion of coal-oil water emulsions. This is an economic alternative to clean liquid from coal.

SYNTHETIC FUELS PRODUCTION

This bill, as the Moorhead bill before it and the DOE authorization H.R. 3000, is a genuine energy supply bill. I recall 3 years ago when our Science and Technology Committee struggled vainly to push major initiatives for synthetic fuels production.

Outside of projects at the pilot plant scale, this country has made little progress since then because industry has not been given the incentive. I believe that setting production goals of 500,000 barrels a day by 1985, as in H.R. 4930, is the incentive that should catalyze the synthetics programs.

In the Northeast we are particularly interested in major liquefaction projects but advanced gasification techniques cannot be ignored because they are a vital source for petroleum substitutes.

I urge my colleagues to support this bill. I also want to congratulate Mr. McDade and Mr. Yates for bringing it to the floor. It is a genuine energy supply bill.

Mr. YATES. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we are proud and privileged to bring the Interior appropriations bill to the floor, a bill that the late Congressman from Ohio, Mike Kirwan, once described as the "all American bill." It is a bill about the land, our land, the land of the United States of America, it is the bill of and for America the beautiful—the majestic purple mountains, the fruited plains, the scenic rivers, the placid lakes, and the stately forests. It supports the national heritage of all Americans—the Nation's parks, forests, mountains and natural resources, the national heritage that we want to pass on to our children, our grandchildren and to the generations to come—a land that is better than the one we enjoy. Unfortunately, for many years and generations we despoiled the land. We cut, we gouged, we defiled—we took much from the land and returned little or nothing. This bill continues this committee's revolt against that kind of selfish unnecessary despoilation and we have gone over the President's budgetary recommendations to protect the Nation's resources.

This bill is more than $10 billion of which $3.4 billion is for the Department of Energy, and I will talk about that in a minute.

I said it is a good bill—and it is—even though it is almost $2 billion over the budget; $2 billion, Mr. Chairman. And yet I say that. This is a tight bill, a bill that has received the careful scrutiny of our subcommittee, not once but three times.

We held oversight hearings; we held our regular hearings; we held special hearings with outside witnesses whom we invited to obtain additional information. For example, we are over budget by $141 million for Navy Petroleum No. 4. The administration strongly opposed extension of the drilling program on Navy Petroleum Reserve No. 4. It was a program the administration wanted to—close down for—transfer to a private leasing program. It would cost a very substantial sum to continue that program over the budget. We called the Husky Oil Co. in to tell what was going on. On the basis of Husky's testimony and on the basis of the testimony from the Geological Survey, we were convinced the program should be continued—and we put the money in this bill. I would observe that when the House considered a deferral on the same matter June 19, that was rejected by a vote of 409 to 3.

Or take another aspect of the energy programs. We have added $1.5 billion over the budget to move the synthetic fuels program forward under the authority of the Moorhead bill which passed the House by an overwhelming margin.

And we also added $54 million without OMB approval to continue development of two plants which will make clean solids from coal and oil from coal—SRC I and SRC II. We think it is critically important to move our energy program ahead.

Take a look at our report—it is a good report. Look at page 5. You can see there, listed specifically, where the committee agreed to exceed the budget. On page 5 you will see an explanation of why the committee acted as it did.

Now you probably have been hearing from your State conservation directors complaining about the cut made by the committee to the land and water conservation fund. Yes, the committee would have liked to put more money into this fund this year—the full amount of $598,000,000 and more because we are very much aware of the importance of acquiring the park lands, the forest land, the Fish and Wildlife refuge expansions before they are gobbled up by burgeoning development.

We cut the fund by $150 million. This year, we said, this fund will have to wait while we take care of other priorities. You should know though, we put back in about $70 million of the cut in specific recommendations—for the Santa Monica Mountains in California, one of the most beautiful areas in the country where development is threatened unnecessarily—for Lake Tahoe, for Cuyahoga—and for other areas. Next year we'll take another look and try to be more helpful.

At page 6 of the report there is a list of new programs and continuing initiatives included in earlier budgets. What is not shown in that table are the decreases recommended by the subcommittee in order to provide fiscal balance. On the basis of the hearings contained in 12 published volumes taken over 46 days from more than 800 witnesses from the administration, Members of Congress, and the private sector, the subcommittee is proposing reductions in 171 programs for a total of $633,545,000. I will want the Members to be aware of this if the gentleman from Ohio (Mr. Miller) offers his amendment to reduce this bill by 2 to 5 percent.

I would also like to call to your attention the table at the bottom of page 3 of the report which shows the revenues generated by the agencies in this bill. They are expected in fiscal year 1980 to be slightly more than $5 billion. Thus, it should be remembered that many of the programs in this bill for which additional amounts are recommended should not be treated as simple increased Federal expenditures, but as increased investments in the assets of America.

I would like now to highlight the subcommittee's recommendation program by program. For the Bureau of Land Management the subcommittee recommends a total of $499.8 million, an increase of $7 million over the budget request. That increase is principally in the areas of range management, recreation management, and cadastral survey programs of the Bureau of Land Management. BLM is responsible for the multiple use, management, protection, and development of about 417 million acres of public lands onshore, 840 million acres of federally owned subsurface rights and 1,100,000,000 acres of the Outer Continental Shelf.

For the Office of Water Research and Technology the subcommittee recommends $30,977,000. This is a net increase of $238,000 over the budget which represents several decreases and an additional $1 million for accelerated development of saline water demonstration facilities—one in Virginia Beach, Va., the other in Alamogordo, N. Mex.

For the Heritage Conservation and Recreation Service the subcommittee recommends a total of $637,715,000, a reduction of $170,239,000 below the budget request. Of that amount $150.9 million is in the land and water conservation funds, which I mentioned earlier and $25 million is in the urban park and recreation fund. These reductions are offset by increases of $702,000 in the salaries and expenses account which result from the transfer of a new program for this agency which has previously been administered by the National Park Service. In addition the subcommittee recommends a $5 million increase over the budget for the historic preservation fund—for a total of $50 million. For the urban park and recreation fund the subcommittee recommends a total of $125 million for the first full year's operation of the program. The supplemental which has just cleared the House includes $20 million for the balance of fiscal year

1979. The subcommittee feels that the amount included in the supplemental, $20,000,000, coupled with the $125,000,000 recommended in this bill will be about all the agency can handle in its first full year of operation.

For the United States Fish and Wildlife Service the subcommittee recommends a total of $278,582,000, an increase of $13,753,000 over the budget. Of that, $5,000,000 is associated with the acquisition of 42,000 acres of land along the Texas gulf coast from the migratory bird conservation account which will be repaid in future years. The balance of $8,753,000 is in the Fish and Wildlife construction program. The Fish and Wildlife Service is responsible for the conservation, protection, and enhancement of fish and wildlife and their habitat. It is responsible for a wildlife refuge system of over 46 million acres consisting of 410 refuges and 7 wetlands management districts, 88 fish hatcheries, a spawning channel, 5 fisheries development centers, 2 training schools, 12 fisheries research laboratories, and 19 biological stations. Over 6 million pounds of fish a year are produced from this national hatchery system.

The subcommittee is recommending appropriation of $500,312,000 for the National Park Service, a reduction of $575,000 from the budget request—that is net of increases and decreases in the construction, maintenance, and a fee account which also provides maintenance support in the national parks. The administration had submitted a budget proposing that both additional and increased fees be charged at the national parks. The budget proposed that these increased fees be used principally for maintenance in the national parks. The House has adopted legislation freezing the fee level for national parks, thus this increased maintenance cannot be supported from the fee account. However, the subcommittee has recommended changes in the budget for the national park system which permit increases in the maintenance program of the National Park Service above that proposed in the budget request.

The recommendation for the Geological Survey is $594,217,000, an increase of $138,769,000 over the budget. Of this, $141,500,000 is associated with the development of the national petroleum reserve in Alaska, as discussed previously, offset by reductions of $2.7 million in the regular program. In addition the subcommittee is recommending that the Survey spend $2,000,000 to make greater use of a new map-data gathering technique known as synthetic aperture radar—SAR. This technique, using radar, will permit a rapid gathering of data for relatively inaccessible areas, in places such as Alaska. In addition it provides a more accurate map of geological features; $134,883,000 is recommended for the Bureau of Mines, a net of $311,000 below the budget. In addition the subcommittee again recommends rescission of $47,500,000 of permanent contract authority for the helium fund which will become available in fiscal year 1980.

For the Office of Surface Mining the subcommittee recommends $196,936,000, a net increase of $1,700,000 over the President's budget. This includes an increase of $4,200,000 to expand the mineral institutes so that a total of 30 States will have the institutes. The eight new institutes recommended in this bill are for the States of Louisiana, Georgia, Virginia, Iowa, North Dakota, South Dakota, Nevada, and Washington.

For the Bureau of Indian Affairs the subcommittee is recommending a total of $992,527,000, an increase of $18,407,000 over the President's budget. Of this amount, $17,674,000 is in facility and road construction. The subcommittee in fiscal year 1978 required the Secretary to develop, independently of the BIA, a priority program for construction, and the subcommittee has adhered to the priorities for school construction established by that program. This will fund 8 additional school projects over the budget, a total of 11 school projects.

For territorial affairs the subcommittee recommends an appropriation of $196,921,000, an increase of $51,107,000 over the budget request. Of that, $37,357,000 is in the Office of Territories and is principally composed of $9 million for construction grants in the Northern Marianas, $18,600,000 for health care grants in the Virgin Islands, and $10,000,000 for operation grants for the Virgin Islands. This latter grant is made contingent upon the Virgin Islands increasing their revenues by a similar amount in order to eliminate their projected deficit of $20,000,000. The legislation authorizing this grant intended that a grant be made only after the Virgin Islands had exhausted other remedies. Information provided to the subcommittee is that the legislature has refused to raise additional revenues from such areas as property taxes, sales taxes, and industrial taxes. This grant, on a matching basis, will help the Virgin Islands to understand that they must meet their legislative requirements, as well as providing an orderly transition in meeting their financial responsibilities.

For the Office of Secretary of the Interior and the Solicitor of the Department of Interior the subcommittee recommends a total of $71,660,000, a net increase of $6,280,000 above the budget. This is mainly made up of an increase of $9,400,000 to establish an office of construction management to monitor the construction programs of the Department, principally those of BIA discussed earlier, offset by a $2,000,000 reduction associated with a proposed publications distribution center at a departmental facility in Beckley, W. Va. The fiscal year 1979 supplemental bill proposes transfer of that facility from the Department of Interior to the Department of Labor.

As I mentioned earlier the subcommittee has provided an increase over the budget of $243,251,000 for the Forest Service. This provides a total of $1,486,058,000 for the Forest Service, a reduction of $26,156,000 below the fiscal year 1979 level. That reduction is associated primarily with the Youth Conservation Corps which I also had mentioned earlier. This proposal will provide a total of 12.2 billion board feet of timber scheduled for sale with 11.5 billion board feet to be harvested. This is an increase of half a billion board feet over the budget level. The timber produced from the national forest lands represents about one-fourth of the total timber and 30 percent of the soft wood timber cut for industrial purposes annually and is equivalent to the construction of about 1 million average size homes. In addition to timber production the Forest Service administers the grazing of 3.7 million head of livestock and 3.5 million big game animals which graze on national forest lands. The subcommittee has included in their recommendation $10,891,000 to implement provisions of the Boundary Water Canoe Area Wilderness. This is $3.3 million over the amount requested by the administration. It is also in addition to the amount budgeted for land acquisition in this area in the land and water conservation fund which the subcommittee also recommended. Other outputs from the Forest Service that the subcommittee expects to be achieved within this allowance are: Reforestation of 221,000 acres; timber stand improvement on 277,000 acres; silvicultural examinations of 8,000,000 acres; habitat restoration and development on 3,300,000 acre equivalents; range improvements on an additional 3.1 million acres; 145,000 acres of soil and water restoration and improvement; and 1,100 additional miles of land line location.

For the Department of Energy the subcommittee recommends $3,354,311,000, an increase of $1,462,681,000 over the budget. Of this, $1,500,000,000 is associated with the synthetic fuels program discussed previously. From that it can be seen that, except for the synthetic fuels program, the subcommittee's recommendation for energy programs is $37,319,000 under the budget proposed by the OMB. This reduction still permits work to progress on two solvent refined coal demonstration plants, a high Btu gasification demonstration plant, and a low Btu utility gasification demonstration plant. In the conservation area demonstrations of technology for increasing efficiency and using urban waste have been supported above the budget level.

In fossil energy, as well as the previously mentioned funding of additional demonstration plant activity, totaling $61 million, the subcommittee has recommended increases of $9 million in mining R. & D., $16.5 million for existing gasification plants, $6.5 million for fuel cells, $3 million for magnetohydrodynamics (MHD), $3.2 million for a new tar sands program, and $5.5 million for enhanced gas recovery. These increases were offset by several decreases, the largest of which was $40 million in plant construction funds not needed because of delay or cancellation of planned projects.

In conservation programs, research and development activity was increased by $24 million and offset by reductions of $36 million in grant programs at State and local levels. The added funds will allow for increased emphasis on urban waste, fuel cells, and industrial efficiency technology.

Energy information and regulation are recommended at a level of $213 million which, although a decrease of $35 million from the budget because rationing funds were cut, still remains $52 million, or about 33 percent above fiscal year 1979 appropriations.

Finally, no additional funds except for administration are recommended for the strategic petroleum reserve. The subcommittee does, however, believe the reserve should still be filled and did not recommend rescinding funds as was assumed in the first budget resolution.

For the Indian health and education programs administered by the Department of Health, Education, and Welfare, the subcommittee recommends total appropriations of $691,626,000, a net increase of $29,395,000 above the budget request. These increases are associated with construction of new and replacement hospitals and clinics, outpatient care facilities, and personnel quarters for the Bethel, Alaska, and Redlake, Mont., hospitals. In addition, increases are provided for contract care, ambulatory care, urban Indian care, and other medical programs.

The subcommittee recommends $10,900,000 for the Institute of Museum Services, the budget estimate.

For the Smithsonian Institution, the subcommittee recommends $139,548,000, a reduction of $5,442,000; $4,000,000 of that amount is associated with a historic preservation program in Pakistan to which the Government of Pakistan has not yet agreed. An additional $500,000 is associated with planning for two structures known as the south quadrangle complex which would house an oriental art gallery to complement the Freer Gallery and another building to house, among other things, the Museum of African Art which recently became a part of the Smithsonian Institution. This building program is not yet authorized and, in addition, the overall cost and financing does not yet appear to be adequately developed. The subcommittee recommends the amount of $22,311,000 for the National Gallery of Art and $1,611,000 for the Woodrow Wilson International Center for Scholars. There are minor reductions made in the budget requests of those programs but they will impose no impairments on the excellent programs of those institutions.

The subcommittee conducted extensive and exhaustive hearings in connection with the National Foundation on the Arts and the Humanities and concluded that the grant review and award processes of both institutions are sound. No reductions are proposed for those programs although additional administration funds are proposed at the expense of the matching grant programs in offsetting amounts as explained in the subcommittee report.

Mr. Chairman, this is a good bill, a balanced bill, and I recommend that it be reported to the House by the committee.

□ 1640

Mr. McDADE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in support of H.R. 4930 making appropriations for the Department of the Interior and related agencies and to urge its approval by the Members of this House.

Mr. Chairman, over the years this bill has been described as an all American bill—a resource bill and an energy bill. It is all of those things. In my judgment, it is one of the most important bills we consider each year because it gets right to the heart of the two major concerns of every American—inflation and energy. It does this by funding the management of our Nation's natural, cultural, energy, and human resources of the millions of Americans on Indian reservations and in the trust territories.

To steer the diverse programs of this bill through the House our committee is fortunate to benefit from the leadership and the skill of my friend from Illinois, SID YATES. The gentleman always conducts our hearings, our markups, and our activities in a most thorough, bipartisan manner and with, I might say, an incredible amount of patience. The result has been a bill that each year reflects the maximum input of all of this subcommittee.

Mr. Chairman, the bill we bring before you today is the very careful product of many months of deliberation as to how we can best meet the national mandate to develop and replenish our national resources. The delay in bringing this bill before you is testimony to a major dilemma we faced this year. We undertook this task with a budget submitted to our committee that was totally deficient in the critical areas of energy. We could have brought to you a bill that went along with that budget and ignored those resource programs that we have initiated and which Congress has supported through the years. Or we could choose to meet those budget problems head on. We chose the latter.

Our chairman, SID YATES, has told you about some of those decisions. He noted that the committee did not just add funds here and there. We cut, too, and we made some cuts that are going to hurt some popular programs. We cut $633.5 million out of 171 programs contained in this bill. But we did it to stress our desire to rewrite this bill to bring you a product that clearly backs up our Nation's goals with the dollars to realize them.

For example, while it is true that we bring to you a bill that is $1.7 billion over the budget—$1.5 billion of which is to fund the recently passed Moorhead bill, H.R. 3930. It is probable that the $1.5 billion will never add to this year's outlays. But our committee has served public notice to the Nation that we are serious about creating a synthetic fuel industry, and we intend to provide the dollars as soon as possible.

We were presented with budget estimates that did not respond to the national sense of emergency that confronts us with regard to our energy dilemma. We considered a budget that eliminated funds for additional oil exploration on the national petroleum reserve in Alaska. These funds were cut by OMB in the name of "budget austerity." And we made a decision that will keep the U.S. Government in the business of drilling for oil on Federal lands. The other choice was to sit back and do nothing. We chose to go forward and we added $141 million above the budget to keep Husky Oil Co. drilling on the North Slope.

I commend the additional views at the end of the report to your attention. Twenty-four Members signed them to express the committee's strong belief that we can serve a key role in future congressional deliberations on the synthetic fuels question. While our committee did proceed to fund the provisions of the Moorhead bill, we should have gone farther in creating a synthetic fuels industry through this appropriations bill. The additional views and the testimony heard before the committee, which I would also urge you to read, makes a compelling and convincing case for fast action now. The members of our committee will watch the progress of synthetic fuels legislation in the coming months and will offer our proposal to the Congress as an acceptable vehicle to create this vital industry.

I urge the Members of this House to examine our actions on the energy budget. We believe we invested tax dollars wisely on projects with the most realistic chances of success in the short and long term. Forty percent of this budget, $4.2 billion, funds the Energy and Interior Department's energy agencies. We provided $3.3 billion directly to the Department of Energy to move forward on both solvent refined coal processes, a high Btu gasification demonstration plant, and a low Btu plant. These processes are at the heart of our Nation's effort to convert coal to clean-burning solids, liquids and gas for use as a substitute for high-priced OPEC oil. Again, the administration being pennywise and pound foolish wanted to fund only one SRC plant until it got its energy security trust fund. We said no, we cannot wait. We need them both. And we provided $54 million for both plants.

In addition to this activity, the committee did not neglect the new initiatives designed to provide alternate sources of energy from oil. We added $3 million for MHD, $3.2 million to begin a new program to extract oil from tar sands, an additional $6 million for urban waste research and more funding for fuel cells, $6.5 million to test their effectiveness as a residential and industrial source of heat and power. This is a good energy budget and one you can support with enthusiasm.

The committee was faced with the painful choices that were contained in the administration's budget for the U.S. Forest Service, a budget so inadequate that it could not possibly meet the President's publicly expressed goal of a 12.7 billion board feet timber cut. The administration wants to cut the timber, but it does not want to build the roads, conduct the research, and reforest the timber stands that would allow that cut to happen. We could have chosen to accept the budget's recommendation that we fund an 11.7 billion board foot timber cut or we could increase the funding to accommodate a larger cut, and we did to 12.2 billion board feet. In addition, the committee decided to take the first steps to fund, at a vastly reduced level from last year, the very successful and very popular YCC program. We added plus $27 million to provide employment for 18,000 young people next summer on our Nation's public lands. The YCC provides $1 in return for every dollar spent in needed conservation. Nevertheless, our

funding level is still $32 million below last year's level.

We are spending $1.6 billion for programs designed to open new educational economic and health improvement opportunities for our Native Americans. Forty-five thousand Indian children benefit directly from the educational programs you approve here today, while another 325,000 children and adults have renewed opportunity to get a better education and better job opportunity because of the programs advanced by the Office of Indian Education.

Perhaps the best way to measure whether or not your dollars are being put to work by the Indian Health Service is the statistics showing over the past 20 years we have increased the life expectancy of Indian children by 5 years; we have reduced the death rate from influenza and pneumonia by 65 percent and 72 percent respectively, and we have practically eliminated the threat of death from tuberculosis to Indian children. There are other meaningful numbers which indicate the great progress we are making here.

I am certain that many of you have heard about the committee's actions regarding the fish, wildlife, parks, and recreation items in this bill—accounts which total nearly $1.5 billion. One of the most unpleasant choices the committee was forced to make was to reduce the State share of funding under the land and water conservation fund by $159 million. We made this cut to try to bring some symmetry to our bill to offset some vital increases in energy and the Forest Service and to try to avoid the prospect of a veto down the road. To offset some of the difficulty we may be causing the States, we funded the urban parks program at $125 million, a reduction of $25 million below the budget request. However, the Congress has just given final approval to the fiscal year 1979 supplemental appropriations bill containing $22 million for this initiative and this, when combined with the money here, will give the HCRS an active program this year and next.

The committee also reaffirmed its support for the historical preservation program by adding $5 million, bringing the program to a $50 million level—a level which is still $10 million below what we approved last year.

The three major items of note to the members in the National Park Service are the committee's denial of the proposal to purchase the concession at Yellowstone National Park—a $15 million saving made possible by the lack of sufficient information available to the committee. In addition, because the House has adopted legislation freezing the fee levels for the national parks we reduced the fee account by $12.6 million. In addition, the committee made a $24 million commitment to complete 300 miles of the Natchez Trace Parkway.

The committee will also note that we devote one-half billion dollars in this bill to the management of our Nation's land and water activities in the Bureau of Land Management and the Office of Water Resources Research. The $7 million increases in the BLM highlight the committee's desire to improve recreation, range management, and cadastral survey programs on the 417 million acres of land on shore and 1.1 billion acres on the Outer Continental Shelf. You will note that the committee also gave the go-ahead to the OWRT to accelerate the development of their saline water facilities in Virginia Beach, Va., and Alamagordo, N. Mex.

In summary, I hope you will give your support and your endorsement of the actions taken by the committee. This bill deserves support from both sides of the aisle because it is a bill that meets the recreational, cultural, energy, and national resource needs of our Nation.

Mr. Chairman, this bill contains some very significant amendments designed to assist the National Park Service in the long overdue development of the Delaware Water Gap National Recreation Area. This park, which borders on my congressional district, has endured tremendous growing pains because of the uncertainty surrounding construction of the Tocks Island Dam.

Much of that uncertainty has been eliminated because of the actions of the Congress by enacting legislation to include the Delaware River in the National Wild and Scenic Rivers System. Now we can proceed to accurately define the park boundary, identify carefully just what lands will be acquired and what lands will be left in private ownership and, most importantly, we can proceed to develop the facilities to make the park more attractive to visitors.

Millions of visitors are coming to the DWGNRA from all across the Nation, and because it is one of the largest of the eastern parks so close to the major population centers, we desperately need to improve the services available to these new visitors. The amendments which are contained in this bill will accomplish that improvement.

This bill contains $2 million for improvements in the park, including historic site restoration, road repairs, and other development activities. In addition, the committee provided $250,000 to be made available for cleanup and law enforcement activities in the five counties adjacent to the upper Delaware. This money, $50,000 for each of the counties, will implement my legislation enabling them to be assisted in meeting the expected increase in campers, canoeists, and other tourists that will certainly come to the upper Delaware to enjoy its many attractions.

Mr. YATES. I want to insert the following table:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980

Agency and item	New budget (obligational) authority, fiscal year 1979 [1]	Budget estimates of new (obligational) authority, fiscal year 1980	New budget (obligational) authority, recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1979	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1980
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I—DEPARTMENT OF THE INTERIOR					
LAND AND WATER RESOURCES					
Bureau of Land Management:					
Management of lands and resources	$335,003,000	$287,931,000	$295,361,000	−$39,642,000	+$7,430,000
Acquisition, construction, and maintenance	19,011,000	16,343,000	16,343,000	−2,668,000	
Payments in lieu of taxes	105,000,000	108,000,000	108,000,000	+3,000,000	
Oregon and California grant lands (indefinite, appropriation of receipts)	55,000,000	55,000,000	55,000,000		
Range improvements (indefinite, appropriation of receipts)	8,665,000	10,900,000	10,900,000	+2,235,000	
Recreation development and operation of recreation facilities (indefinite, special fund)	300,000	300,000	300,000		
Service charges, deposits, and forfeitures (indefinite, special fund)	13,750,000	13,750,000	13,750,000		
Miscellaneous trust funds (indefinite)	100,000	100,000	100,000		
Total, Bureau of Land Management	536,829,000	492,324,000	499,754,000	−37,075,000	+7,430,000
Office of Water Research and Technology: Salaries and expenses	28,357,000	30,739,000	30,977,000	+2,620,000	+238,000
Total, Land and Water Resources	565,186,000	523,063,000	530,731,000	−34,455,000	+7,668,000
FISH AND WILDLIFE AND PARKS					
Heritage Conservation and Recreation Service:					
Salaries and expenses	15,174,000	14,954,000	15,656,000	+482,000	+702,000
Urban park and recreation fund	20,000,000	150,000,000	125,000,000	+105,000,000	−25,000,000
Land and Water Conservation Fund (indefinite)	737,025,000	598,000,000	447,059,000	−289,966,000	−150,941,000
Historic preservation fund	60,000,000	45,000,000	50,000,000	−10,000,000	−5,000,000
Total, Heritage Conservation and Recreation Service	832,199,000	807,954,000	637,715,000	−194,484,000	−170,239,000

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980—Continued

Agency and item	New budget (obligational) authority, fiscal year 1979[1]	Budget estimates of new (obligational) authority, fiscal year 1980	New budget (obligational) authority, recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1979	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1980
(1)	(2)	(3)	(4)	(5)	(6)
FISH AND WILDLIFE AND PARKS—Continued					
U.S. Fish and Wildlife Service:					
Resource management	$200,629,000	$207,055,000	$207,055,000	+$6,426,000	
Construction and anadromous fish	97,856,000	47,574,000	56,327,000	−41,529,000	+8,753,000
Migratory bird conservation account (definite, repayable advance)	10,000,000	10,000,000	15,000,000	+5,000,000	+5,000,000
Development and operation of recreation facilities (indefinite, special fund)	150,000	200,000	200,000	+50,000	
Total, U.S. Fish and Wildlife Service	308,635,000	264,829,000	278,582,000	−30,053,000	+13,753,000
National Park Service:					
Operation of the national park system	386,806,000	382,777,000	383,512,000	−3,294,000	−735,000
Construction	118,488,000	85,358,000	97,144,000	−21,344,000	+11,786,000
Planning, development, and operation of recreation facilities (indefinite, special fund)	15,478,000	28,465,000	15,781,000	+303,000	+12,684,000
John F. Kennedy Center for the Performing Arts	4,055,000	4,287,000	3,875,000	−180,000	−412,000
Total, National Park Service	524,827,000	500,887,000	500,312,000	−24,515,000	−575,000
Total, Fish and Wildlife and Parks	1,665,661,000	1,573,670,000	1,416,609,000	−249,052,000	−157,061,000
ENERGY AND MINERALS					
Geological Survey:					
Surveys, investigations, and research	418,606,000	451,021,000	448,290,000	+29,684,000	−2,731,000
Exploration of national petroleum reserve in Alaska	231,048,000	4,427,000	145,927,000	−85,121,000	+141,500,000
Total, Geological Survey	649,654,000	455,448,000	594,217,000	−55,437,000	+138,769,000
Bureau of Mines:					
Mines and minerals	148,507,000	125,194,000	134,883,000	−13,624,000	−311,000
Helium fund (permanent contract authority)		47,500,000			−47,500,000
Total, Bureau of Mines	148,507,000	182,694,000	134,883,000	−13,624,000	−47,811,000
Office of Surface Mining Reclamation and Enforcement:					
Regulation and technology	53,944,000	81,320,000	85,520,000	+31,576,000	+4,200,000
Abandoned mine reclamation fund (definite, trust fund)	61,451,000	113,916,000	111,416,000	+49,965,000	−2,500,000
Total, Office of Surface Mining Reclamation and Enforcement	115,395,000	195,236,000	196,936,000	+81,541,000	+1,700,000
Total, Energy and Minerals	913,556,000	833,378,000	926,036,000	+12,480,000	+92,658,000
INDIAN AFFAIRS					
Bureau of Indian Affairs:					
Operation of Indian programs	792,052,000	792,020,000	792,753,000	+701,000	+733,000
Construction	126,554,000	67,721,000	83,395,000	−43,159,000	+15,674,000
Road construction	79,253,000	58,379,000	60,379,000	−18,874,000	+2,000,000
Alaska native fund	30,000,000	30,000,000	30,000,000		
Trust funds (definite)	3,000,000	3,000,000	3,000,000		
Trust funds (indefinite)	23,000,000	23,000,000	23,000,000		
Eastern Indian Land Claims Fund	3,500,000			−3,500,000	
Total, Bureau of Indian Affairs	1,057,359,000	974,120,000	992,527,000	−64,832,000	+18,407,000
TERRITORIAL AFFAIRS					
Office of Territorial Affairs:					
Administration of territories	53,517,000	46,804,000	84,161,000	+30,644,000	+37,357,000
Trust Territory of the Pacific Islands	114,706,000	99,010,000	112,760,000	−1,946,000	+13,750,000
Micronesian Claims Fund, Trust Territory of the Pacific Islands	12,600,000			−12,600,000	
Total, Office of Territorial Affairs	180,823,000	145,814,000	196,921,000	+16,098,000	+51,107,000
SECRETARIAL OFFICES					
Office of the Solicitor: Salaries and expenses	15,085,000	15,619,000	15,500,000	+415,000	−119,000
Office of the Secretary:					
Departmental management	43,100,000	48,761,000	45,760,000	+2,660,000	−3,001,000
Construction management			9,400,000	+9,400,000	+9,400,000
Salaries and expenses (special foreign currency program)	1,000,000	1,000,000	1,000,000		
Total, Office of the Secretary	44,100,000	49,761,000	56,160,000	+12,060,000	+6,399,000
Total, Secretarial Offices	59,185,000	65,380,000	71,660,000	+12,475,000	+6,280,000
Total, title I, new budget (obligational) authority, Department of the Interior	4,441,770,000	4,115,425,000	4,134,484,000	−307,286,000	+19,059,000
Consisting of:					
Appropriations	4,441,770,000	4,067,925,000	4,134,484,000	−307,286,000	+66,559,000
Definite appropriations	3,588,302,000	3,338,210,000	3,568,394,000	−19,908,000	+230,184,000
Indefinite appropriations	853,468,000	729,715,000	566,090,000	−287,378,000	−163,625,000
Permanent contract authority		47,500,000			−47,500,000
TITLE II—RELATED AGENCIES					
DEPARTMENT OF AGRICULTURE					
Forest Service: Forest management, protection and utilization:					
Forest research	110,969,000	105,064,000	109,490,000	−1,479,000	+4,426,000
State and private forestry	54,870,000	37,938,000	65,964,000	+11,094,000	+28,026,000
National forest system	761,235,000	752,137,900	847,151,000	+85,916,000	+95,014,000
Total, Forest management, protection and utilization	927,074,000	895,139,000	[2] 1,022,605,000	+95,531,000	+127,466,000

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980—Continued

Agency and item	New budget (obligational) authority, fiscal year 1979[1]	Budget estimates of new (obligational) authority, fiscal year 1980	New budget (obligational) authority, recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1979	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1980
(1)	(2)	(3)	(4)	(5)	(6)
DEPARTMENT OF AGRICULTURE—Continued					
Construction and land acquisition	$36,177,000	$337,438,000	[2] $425,823,000	+$389,646,000	+188,385,000
Youth conservation corps	60,000,000		27,400,000	−32,600,000	+27,400,000
Forest roads	243,466,000			−243,466,000	
Forest roads and trails	231,392,000			−231,392,000	
Timber salvage sales	3,000,000			−3,000,000	
Acquisition of lands for national forests:					
Special acts (special fund, indefinite)	385,000	325,000	325,000	−60,000	
Acquisition of lands to complete land exchanges (special fund, indefinite)	239,000	155,000	155,000	−84,000	
Rangeland improvements (special fund, indefinite)	5,400,000	5,900,000	5,900,000	+500,000	
Assistance to States for tree improvement	1,522,000			−1,522,000	
Construction and operation of recreation facilities (indefinite, special fund)	3,459,000	3,850,000	3,850,000	+391,000	
Rights of way (indefinite)	100,000			−100,000	
Total, Forest Service	1,512,214,000	1,242,807,000	1,486,058,000	−26,156,000	+243,251,000
DEPARTMENT OF ENERGY					
Fossil energy research and development	[3] 578,189,000	[4] 675,592,000	699,377,000	+121,188,000	+23,785,000
Fossil energy construction	99,709,000	77,050,000	71,250,000	−28,459,000	−5,800,000
Energy production, demonstration and distribution	[5] 169,415,000	[6] 124,299,000	125,971,000	−43,444,000	+1,672,000
Energy conservation	707,455,000	[7] 557,995,000	545,552,000	−161,903,000	−12,443,000
Reappropriation		[8] 200,000,000	197,500,000	+197,500,000	−2,500,000
Economic Regulatory Administration	[10] 100,333,000	[9] 159,646,000	125,697,000	+25,364,000	−33,949,000
Strategic petroleum reserve	[11] 3,007,071,000	8,391,000	8,391,000	−2,998,680,000	
Energy Information Administration	[12] 60,544,000	88,657,000	87,273,000	+26,729,000	−1,384,000
Synthetic fuels production			1,500,000,000	+1,500,000,000	+1,500,000,000
Total, Department of Energy	4,722,716,000	1,891,630,000	3,361,011,000	−1,361,705,000	+1,469,381,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Health Services Administration:					
Indian health services	489,493,000	535,116,000	541,449,000	+51,956,000	+6,333,000
Indian health facilities	76,960,000	50,240,000	74,302,000	−2,658,000	+24,062,000
Total, Indian health	566,453,000	585,356,000	615,751,000	+49,298,000	+30,395,000
Office of Education: Indian education	71,735,000	76,875,000	75,875,000	+4,140,000	−1,000,000
Office of the Assistant Secretary for Education: Institute of Museum Service	7,852,000	10,900,000	10,900,000	+3,048,000	
Total, Department of Health, Education, and Welfare	646,040,000	673,131,000	702,526,000	+56,486,000	+29,395,000
NAVAJO AND HOPI INDIAN RELOCATION COMMISSION					
Salaries and expenses	8,752,000	950,000	950,000	−7,802,000	
SMITHSONIAN INSTITUTION					
Salaries and expenses	98,202,000	104,740,000	103,498,000	+5,296,000	−1,242,000
Museum programs and related research (special foreign currency program)	3,700,000	7,700,000	3,700,000		−4,000,000
Science Information Exchange	2,063,000			−2,063,000	
Construction and improvements, National Zoological Park	3,900,000	6,550,000	6,500,000	+2,600,000	−50,000
Restoration and renovation of buildings	2,100,000	4,900,000	5,250,000	+3,150,000	+350,000
Construction	575,000	21,100,000	20,600,000	+20,025,000	−500,000
Subtotal	110,540,000	144,990,000	139,548,000	+29,008,000	−5,442,000
Salaries and expenses, National Gallery of Art	19,281,000	22,577,000	22,311,000	+3,030,000	−266,000
Salaries and expenses, Woodrow Wilson International Center for Scholars	1,588,000	1,648,000	1,611,000	+23,000	−37,000
Total, Smithsonian Institution	131,409,000	169,215,000	163,470,000	+32,061,000	−5,745,000
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
National Endowment for the Arts:					
Salaries and expenses	102,160,000	97,000,000	97,000,000	−5,160,000	
Administrative expenses	9,925,000	10,500,000	12,000,000	+2,075,000	+1,500,000
Subtotal	112,085,000	107,500,000	109,000,000	−3,085,000	+1,500,000
Matching grants (indefinite)	37,500,000	46,900,000	45,400,000	+7,900,000	−1,500,000
Total, National Endowment for the Arts	149,585,000	154,400,000	154,400,000	+4,815,000	
National Endowment for the Humanities:					
Salaries and expenses	98,300,000	100,300,000	100,300,000	+2,000,000	
Administrative expenses	10,431,000	10,800,000	11,400,000	+969,000	+600,000
Subtotal	108,731,000	111,110,000	111,700,000	+2,969,000	+600,000
Matching grants (indefinite)	36,500,000	39,000,000	38,400,000	+1,900,000	−600,000
Total, National Endowment for the Humanities	145,231,000	150,100,000	150,100,000	+4,869,000	
Total, National Foundation on the Arts and the Humanities	294,816,000	304,500,000	304,500,000	+9,684,000	
COMMISSION OF FINE ARTS					
Salaries and expenses	263,000	271,000	268,000	+5,000	−3,000
ADVISORY COUNCIL ON HISTORIC PRESERVATION					
Salaries and expenses	1,204,000	1,672,000	1,350,000	+146,000	−322,000

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1979 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1980—Continued

Agency and item	New budget (obligational) authority, fiscal year 1979 [1]	Revised budget estimates of new (obligational) authority, fiscal year 1980 [2]	New budget (obligational) authority recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1979	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1980
(1)	(2)	(3)	(4)	(5)	(6)
TITLE II—RELATED AGENCIES—Continued					
NATIONAL CAPITAL PLANNING COMMISSION					
Salaries and expenses	$2,019,000	$2,193,000	$1,975,000	−$44,000	−$218,000
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION					
Salaries and expenses	20,000	10,000	40,000	+20,000	+30,000
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA					
Salaries and expenses	594,000			−594,000	
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION					
Salaries and expenses	1,659,000	1,856,000	1,811,000	+152,000	−45,000
Land acquisition and development fund (borrowing authority)	33,000,000	17,000,000	17,000,000	−16,000,000	
Public development	30,255,000	20,110,000	20,110,000	−10,145,000	
Total, Pennsylvania Avenue Development Corporation	64,914,000	38,966,000	38,921,000	−25,993,000	−45,000
Total, title II, new budget (obligational) authority, related agencies	7,384,961,000	4,325,345,000	6,061,069,000	−1,323,892,000	+1,735,724,000
Consisting of:					
Appropriations	7,351,961,000	4,108,345,000	5,846,569,000	−1,505,392,000	+1,738,224,000
Definite appropriations	7,268,378,000	4,012,215,000	5,752,539,000	−1,515,839,000	+1,740,324,000
Indefinite appropriations	83,583,000	96,130,000	94,030,000	+10,447,000	−2,100,000
Reappropriation		200,000,000	197,500,000	+197,500,000	−2,500,000
Borrowing authority	33,000,000	17,000,000	17,000,000	−16,000,000	
RECAPITULATION					
Total, new budget (obligational) authority, all titles	11,826,731,000	8,440,770,000	10,195,553,000	−1,631,178,000	+1,754,783,000
Consisting of:					
Appropriations	11,793,731,000	8,176,270,000	9,981,053,000	−1,812,678,000	+1,804,783,000
Definite appropriations	(10,856,680,000)	(7,350,425,000)	(9,320,933,000)	(−1,535,747,000)	(+1,970,508,000)
Indefinite appropriations	(937,051,000)	(825,845,000)	(660,120,000)	(−276,931,000)	(−165,725,000)
Reappropriation		200,000,000	197,500,000	+197,500,000	−2,500,000
Borrowing authority	33,000,000	17,000,000	17,000,000	−16,000,000	
Permanent contract authority		47,500,000			−47,500,000

[1] Includes fiscal year 1979 supplemental appropriations contained in H.R. 4289 as passed by the House.

[2] Includes budget amendment of $7,600,000 contained in H. Doc. 96-145 as follows: Forest research, $400,000; State and private forestry, $1,750,000; National Forest system, $3,559,000; and construction and land acquisition, $1,891,000.

[3] Excludes $79,200,000 from programs previously included in "Energy Conservation" and $1,613,000 from programs previously included in "Energy, Science and Defense Activities—Operating Expenses" which are now included in fiscal year 1980 estimates.

[4] Includes $5,008,000 transferred from "Energy Supply, Research and Development—Operating Expenses" account.

[5] Excludes $2,284,000 from "Energy, Science and Defense Activities—Operating Expenses" which are now included in fiscal year 1980 estimates.

[6] Includes $2,008,000 transferred from "Departmental Administration" account.

[7] Includes $79,200,000 for programs transferred to "Fossil Fuel—Operating Expenses" in fiscal year 1980 estimates and excludes $2,503,000 from programs previously included in "Energy, Science and Defense Activities—Operating Expenses" which are now included in fiscal year 1980 estimates.

[8] Includes $2,700,000 transferred from "Energy Supply, Research and Development—Operating Expenses" account.

[9] Reappropriation of funds for conservation grants for schools and health care facilities, appropriated in Public Law 95-240, the availability of which is due to expire on Sept. 30, 1979. Budget proposes extension of availability—a reappropriation under concepts agreed to between the Office of Management and Budget and the Appropriations Committees.

[10] Includes $4,100,000 for programs transferred to "Energy Information Administration" account in fiscal year 1980 estimates.

[11] Excludes $675,000 from programs previously included in "Energy, Science and Defense Activities—Operating Expenses" which are now included in fiscal year 1980 estimates.

[12] Excludes $4,100,000 for programs previously included in "Energy Regulatory Administration" account which are now included in fiscal year 1980 estimates.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. McDADE) has expired.

Mr. McDADE. Mr. Chairman, I yield myself 2 additional minutes.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

There are two matters that have concerned me on the subject of forests, and one of them involves the problem of increasing desiccation by overgrazing on our forest lands. I wondered if that had been taken into consideration by the committee or whether that would be more in the purview of the authorizing committee.

Mr. McDADE. Mr. Chairman, perhaps the gentlewoman noticed the article that appeared in the New York Times Sunday.

Mrs. FENWICK. Yes.

Mr. McDADE. It concerned both the Bureau of Land Management and the U.S. Forest Service, both of which have grazing areas.

I want to assure the gentlewoman that this is a problem that has been of great concern to us for the past 10 years. This committee, without ever getting a budget request, has engaged in a program in both the BLM and in the U.S. Forest Service to try to get those lands in shape.

Let me say that a group instituted a court action which prevented the funds we had appropriated from being spent on the land. Happily, that dispute is now resolved, and we can look forward to improvements in both ranges.

Mrs. FENWICK. Mr. Chairman, I have one further question, if the gentleman will yield?

Mr. McDADE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, this refers to page 5 of the report, to which the gentleman from Illinois (Mr. YATES) suggested we should turn.

The OMB recommended no funds to continue the Youth Conservation Corps and recommended instead the Youth Adult Conservation Corps.

What were the considerations involved in keeping the Youth Conservation Corps in favor of the recommendations of the OMB that it be discontinued?

Mr. McDADE. Mr. Chairman, the YCC is the only program on the books that provides an 8-week work experience in our national forests, parks, woodlands, and certain urban areas. It is partly administered by the Labor Department.

□ 1650

For every dollar invested in employing those youngsters and in giving them the work experience, we get a dollar back in benefits, because indeed they do work on our national assets.

Mrs. FENWICK. What is the difference between the two?

Mr. McDADE. One of them is a limitation to youngsters; the YCC is 15 to 18, and an 8-week course, and the YACC is a program that applies to older children and has a different time period.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Illinois.

Mr. YATES. YACC is a year-round program. The YCC program is a summer program only.

Mr. McDADE. They are targeted at different groups. The administration recommended zero. We have it in as a committee consensus.

● Mr. WYDLER. Mr. Chairman, the Science and Technology Committee last year adopted my amendment for $5.4 million to initiate a comprehensive oil heat R. & D. and marketing program. That money was appropriated for fiscal year 1979 and this year DOE requested $3.85 million for their follow-on activity. This is a vital program for people in the Northeast who depend heavily on oil to heat their homes.

The $500,000 of the DOE request was set-aside by our committee from the important oil-fired unit demonstration to the space conditioning in research project activity at Brookhaven National Laboratory. This demonstration activity was designed in three phases, the first two of which require Federal stimulation.

The redirection of funds in this program will speed the introduction of advanced combustion concepts and furnaces to raise efficiency 40 to 50 percent. This is a vital R. & D. program for the Northeast and deserves strong support.

FOSSIL ENERGY (COAL-OIL COMBUSTION RESEARCH)

This $250,000 is for restoration of the university research on coal-oil mixtures which was funded last year under advanced research and supporting technology but was not included in the fiscal year 1980 request. The coal-oil mixtures program was reduced by $2,950,000 in fiscal year 1980 and there are insufficient funds to complete important activity on contracts outside the energy technology centers. This set-aside is specifically for Adelphi College Center for Energy Studies and complements a smaller program sponsored by EPA which is directed at reducing emissions by coal/oil combustion. The work consists of coal desulfurization during combustion of coal-oil water emulsions. This is an economic alternative to clean liquid from coal.

SYNTHETIC FUELS PRODUCTION

This bill, as the Moorhead bill before it and the DOE authorization H.R. 3000, is a genuine energy supply bill. I recall 3 years ago when our Science and Technology Committee struggled vainly to push major initiatives for synthetic fuels production.

Outside of projects at the pilot plant scale, this country has made little progress since then because industry has not been given the incentive. I believe that setting production goals of 500,000 barrels a day by 1985, as in H.R. 4930, is the incentive that should catalyze the synthetics programs.

In the Northeast we are particularly interested in major liquefaction projects but advanced gasification techniques cannot be ignored because they are a vital source for petroleum substitutes.

I urge my colleagues to support this bill. I also want to congratulate Mr. McDADE and Mr. YATES for bringing it to the floor. It is a genuine energy supply bill.●

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Chairman, I rise to thank the distinguished chairman of the committee, the gentleman from Illinois (Mr. YATES), and his fine ranking minority member, the gentleman from Pennsylvania (Mr. McDADE), for developing a truly comprehensive bill and report.

I also take this time to inquire of my chairman if I am correct to understand that the demonstration of a new coke-making technique, described by the committee in its discussion of industrial energy conservation on page 76 of the committee report, refers to the Inland Steel Corp.'s proposed project in East Chicago, Ind.?

Mr. YATES. If the gentleman will yield, the gentleman is correct.

Mr. BENJAMIN. Originally, a request for $5 million was made for this project for fiscal year 1980. Does the committee's decision not to fund this project during the coming fiscal year reflect its disapproval of the project?

Mr. YATES. No, I would say to the gentleman that is not a disapproval. The committee has taken no action because the Department of Energy has asked for time to review the proposal. That is the reason that the committee took no action. We are waiting for the report from the Department of Energy.

Mr. BENJAMIN. I thank the chairman.

I wonder if the ranking minority member would have a comment on that.

Mr. McDADE. If the gentleman will yield, I am delighted to respond to him.

I echo the sentiments of the gentleman from Illinois (Mr. YATES). We await the report. We appreciate the fact that the gentleman from Indiana brings it to our attention. We are interested in it.

Mr. BENJAMIN. I thank the gentleman very much.

A final question, Mr. Chairman.

In its report, the committee states they expect a comprehensive report on this process, its energy-saving potential and its benefits and costs in time to be considered in the fiscal year 1981 congressional budget process. As chairman of the Interior Subcommittee, what date does the gentleman believe the subcommittee should release its report in order to allow for a full and careful review prior to the consideration of the fiscal year 1981 legislation?

Mr. YATES. If the gentleman will yield, I will tell the gentleman that I would expect that report to be provided to the subcommittee early next year and it will be considered during the hearings on the fiscal year 1981 budget.

Mr. BENJAMIN. I thank the chairman and the ranking minority member.

Mr. McDADE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, I will not take the 5 minutes, but I do want to commend the chairman, the ranking minority member, and the other members of this subcommittee for an excellent bill. This is a difficult bill, because we deal with a lot of matters of great interest to many groups. For example, this bill funds the Bureau of Indian Affairs. They have great needs. There is never enough money to go around for the national parks and forest development and the many other responsibilities of Government that are funded in this bill. A strenuous effort was made to bring out a balanced bill. The results are responsible in terms of building for the future and in terms of our national interest, and yet doing so with a concern for the budgetary impact.

The YCC program is funded in the amount of $27 million. Just today I received a letter from a group in the 16th district, saying what an excellent job had been accomplished this summer by the YCC group. They worked hard. They accomplished a number of items of lasting benefit in our community.

Also, it should be pointed out that an effort has been made in this bill to increase funding for the urban parks, a recognition that the urban parks have great value to people because of the proximity to our population centers. The pressures will continue to grow as people pay a high cost for fuel and as shortages continue. There is a need for recreational facilities close to the location of population centers. Historically, we have developed magnificent national parks that are scattered around the country, but in many instances they have been distant from the population centers. In this bill we have attempted to address that problem by giving strong support to the urban parks development.

There will be an increase in timber cutting that will result from the increased funding. This is vital if we are to maintain accessibility to lumber at a reasonable cost to those who want to build. It will be helpful in reducing the inflationary growth of the costs in the building industry.

The funding of the two SRC demonstration plants is important. We have gone beyond just the R. & D. stage and said, "Let us get on with the program that will produce synthetic fuels," recognizing that down the road this becomes a very vital part of the fuel needs of this Nation.

In terms of the Forest Service, there is a provision for multiple use, again a recognition that there is a growing need for the recreational aspects of forest lands.

On balance, if you take the bill as a total, it represents a good stewardship of a vital American resource, and that is the public lands. Most people do not realize that we have over 750 million acres of land that is owned by the U.S. Government. This represents one-third of all of the land in the United States, and this does not include the offshore areas that are under control of the U.S. Government, also.

As we all recognize, land is growing tremendously in value. Land is an asset that is precious to all of us, and what we have tried to do in this bill is to manage the public lands wisely for the benefit of present users and also to preserve these assets for the future.

I certainly commend to all of my colleagues the support of the bill that is before us today.

Mr. YATES. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, first of all I want to say that I commend the distinguished chairman, the gentleman

from Illinois (Mr. YATES), and the ranking minority member, the gentleman from Pennsylvania (Mr. McDADE), for the outstanding leadership they have provided on this bill.

I think this bill in its totality is an outstanding piece of legislation that addresses the natural resource problems of this country, it does much for our national parks, and it funds and takes care of the critical problems facing our need to develop energy alternatives for our country.

I have one small reservation about this bill which I have expressed to my two distinguished leaders on this committee, and that deals with the National Petroleum Reserve of Alaska.

The administration does not support funding included in this bill for next year's fiscal year 1980 budget of $141.5 million to drill 5 additional wells as part of this project.

Today we have already funded drilling of 19 wells in Alaska. The administration says it 's prepared now to present its view that we ought to go ahead and have private exploration and, thus, the expenditure of an additional $141.5 million simply is not required.

Now, that is just the beginning. There is money in this bill for four wells for next year, and that might cost another $191 million, plus the eventual termination cost of some $50 million, for a total expenditure of $381 million over the next 2, 2½ years.

Quite frankly, at a time when we cannot fund fully the Land and Water Conservation Fund of this country, at a time when we cannot fund the very important Youth Conservation Corps program, I am hard pressed to rationalize or justify this kind of a massive expenditure for only five additional wells.

I think it is time to turn over the National Petroleum Reserve of Alaska to the private sector so that we can get busy and develop the oil potential of this important area.

I hope when we begin dealing with amendments my colleagues will pay attention to an opportunity not to add to this bill, but to subtract from it, and to subtract from it in the two following fiscal years. This is a chance to save the taxpayers of this country approximately $381 million. I think it is the right course of action. I intend, later on, to offer an amendment to that effect.

Mr. McDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BURGENER).

□ 1700

Mr. BURGENER. I thank my colleague for yielding.

Mr. Chairman and my colleagues, I rise in wholehearted support of this bill in its entirety. As a new member of the committee assigned for the first time this year to this committee, it has been a real privilege to serve with the chairman of the committee, the gentleman from Illinois (Mr. YATES), with the gentleman from Pennsylvania (Mr. McDADE) and all of the members of the subcommittee.

I am pleased particularly that this bill addresses itself on the one hand to energy, to things that we must extract from the ground, for our economy and our lifestyle and our security, and on the other hand in the very same document it deals with the conservation and the management of our resources and our public lands and acquisition of more public lands and the protection of our great resources. It deals in a responsible manner with both great needs.

So I think all in all it is an excellent document and a bill that should receive the overwhelming support of this committee.

Mr. YATES. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. First, I congratulate the chairman of the subcommittee, the gentleman from Illinois, and the ranking minority member, the gentleman from Pennsylvania, for their efforts in preparing this very important bill. I am disappointed that the schedule change bringing H.R. 4930 to the floor for consideration today has made it impossible for me to offer an amendment which would have restored $159 million to the land and water conservation fund of the Heritage Conservation and Recreation Service. If the bill had been brought before the House in the orderly manner scheduled, I would have submitted an amendment. Such an initiative on my part is, of course, unrealistic when the bill is presented so suddenly and ahead of schedule.

A few words should be said about the history and public benefits of the land and water conservation fund.

A special fund to acquire public parklands and related recreation resources and to aid in the development of State and local recreation resources was a central element of the report of the bipartisan Federal Outdoor Recreation Resources Review Commission in 1962. The Land and Water Conservation Fund Act was passed in 1965, again with strong bipartisan support. In the first 13 years of the fund some 22,000 State and local planning, acquisition and development projects have been undertaken with assistance from this program. Resources made available through the land and water conservation fund annually reach every State in the Union, the District of Columbia, and the territories through a population-based formula. From time to time since its original passage the Congress has recognized the constructive social and environmental significance of the fund, and has increased authorization levels for the program consistent with escalating acquisition and construction costs. In 1976 the Congress, by the overwhelming vote of 392 to 3 approved the present ceiling of $900 million.

State and local projects are essentially selected by the respective State, with Federal overview; thus, there is a direct relationship between the perceived needs of the people and application of resources.

Let me speak directly to a concern that I personally share with most of the Members of Congress—fiscal responsibility. If we were to look closely at every single program—Federal, State or other—the land and water conservation fund stands out as one of the Nation's more responsible and responsive, for several reasons: First. The Federal State matching ratio remains at 50 percent. Those familiar with Federal assistance will recognize that this is favorable to the Federal Government when compared to most other programs. While some users and potential users are concerned with this ratio, it remains one of the most conservative of all grants-in-aid programs.

Second. All of the long-term costs of project operation and maintenance are borne by State or local participants. They make that legal commitment when they receive the grant. The Federal Government has no further obligation.

Third. The program leverages significant amounts of local financial support; frequently more than five times as much as the Federal contribution.

Fourth. Funds allocated to each State must be legally obligated within a 3-year period. While the demand is such that over 90 percent of the funds are obligated in the first year, the program allows State and local governments to more rationally plan and arrange for their fiscal contributions.

Mr. Chairman, in the current situation of energy shortages and rapidly rising gasoline costs, visitor use of more close-to-home recreation and tourism resources has substantially increased, while use of more distant parks—accessible principally by auto—has dropped substantially. This seems to me no time to be cutting back on quality recreation facilities which can be made available close to home for most people.

I believe that the cuts made by the Appropriations Subcommittee, however well-intentioned they may have been, were ill-advised and unfortunate. I hope that they will be restored in the other body, and that the conferees on the House side will agree to adequate funding for these programs, at least at the level requested by the administration.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. YATES. I would like to assure the gentleman that the members of the subcommittee are as fully appreciative of the value of the land and water conservation fund as is our good friend from Washington.

It was only the budgetary constraints in this bill which required us to make the reduction in the fund for this year. I would like to assure the gentleman that, except for those restrictions, we would not have made that cut.

I would also like to assure the gentleman that it is my anticipation that if the Senate does restore that part of that funding, that it will receive very serious and sympathetic consideration from this committee when the committee goes to conference.

Mr. McCORMACK. The gentleman has already answered the question I anticipated asking him: If the other body does fund the program to the administration level, will he support it?

Mr. YATES. Well, I do not think that any Member of the House likes to precondition his going into a conference,

but as I indicated to the gentleman, I anticipate the Senate may put additional funds in, and as conferees, we will give that figure our very serious and sympathetic consideration.

Mr. McCORMACK. I thank the gentleman.

I wonder if the gentleman from Pennsylvania has any sort of response.

Mr. McDADE. Well, the land and water fund is a program we all support. You support it. I support it. Everybody here does. As the gentleman knows, this is a very difficult bill with which to deal. We are now over the budget, far beyond our widest expectations because of the inadequate budget that was sent to us from downtown.

I am not going to offer the gentleman a commitment. The land and water fund is a marvelous vehicle. We all regret the fact that it had to be cut. We will look to see what the Senate does and try to work out agreements.

Of course, we all claim some partnership with the land and water fund. We all think it is a marvelous institution. We support it, and we intend to support it to the best of our abilities.

Mr. McCORMACK. I thank the gentleman.

I would like to comment that I believe that going over the budget as you have was a commendable thing to do. I have dealt with parts of this budget myself and very much agree with the gentleman that the programs were unconscionably underfunded by the Department of Energy, in particular with which the gentleman was dealing. So in this case I think you are serving America well by providing the adequate funding.

Mr. McDADE. I thank my friend. I want to assure him as well that I know that the chairman and I expected this bill to be on the floor tomorrow, so I just want to assure the gentleman that there was no effort on our part that this bill was called up for reasons that are beyond my knowledge, but we thought we were going to be on the floor tomorrow.

I want to assure the gentleman there was no effort to prevent him from having any full discussion about it.

Mr. McCORMACK. I completely understand.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. YATES. Mr. Chairman, I yield 15 additional seconds to the gentleman from Washington.

Mr. McCORMACK. I was going to say that if the bill had been considered on Wednesday, I would have submitted the amendment. As it is, I will trust now to the gentleman's judgment and leadership.

Mr. GINN. Mr. Chairman, I share the Member's deep concern about the committee's recommendation on the land and water conservation fund. This program has, since it inception, been one of the most effective of all Federal programs. The lay public strongly supports it and public officials responsible for general government and park system planning and development hail its social and environmental benefits.

I submit for the RECORD, Mr. Chairman, a table which shows, on a State-by-State basis, the difference between the administration's funding level and that of the Appropriations Committee.

Mr. Chairman, I sincerely hope my colleagues will, in the final analysis, report a bill which more closely resembles the administration's request.

LAND AND WATER CONSERVATION FUND ASSISTANCE TO STATES, ESTIMATED FISCAL YEAR 1980 APPORTIONMENTS

State	Level	Level	Difference
Alabama	$5,907,571	$3,240,744	$2,666,827
Alaska	2,841,988	1,712,354	1,129,634
Arizona	4,777,345	2,674,188	2,103,157
Arkansas	4,198,452	2,392,677	1,805,775
California	26,396,943	13,396,780	13,000,163
Colorado	5,224,978	2,895,791	2,329,187
Connecticut	6,049,593	3,302,836	2,746,757
Delaware	3,122,718	1,851,495	1,271,223
Florida	11,477,293	5,999,073	5,478,220
Georgia	6,975,666	3,775,649	3,200,017
Hawaii	3,467,163	2,022,045	1,445,118
Idaho	3,071,018	1,829,465	1,241,553
Illinois	14,412,081	7,461,872	6,950,209
Indiana	7,727,098	4,145,420	3,581,678
Iowa	4,778,450	2,684,246	2,094,204
Kansas	4,446,773	2,515,608	1,931,165
Kentucky	5,360,917	2,973,054	2,387,863
Louisiana	6,116,366	3,344,388	2,771,978
Maine	3,327,690	1,957,176	1,370,514
Maryland	7,007,814	3,780,464	3,227,350
Massachusetts	9,271,172	4,899,566	4,371,606
Michigan	12,235,043	6,379,939	5,855,104
Minnesota	6,274,003	3,422,649	2,851,354
Mississippi	4,206,190	2,400,052	1,806,138
Missouri	7,074,463	3,822,052	3,252,411
Montana	3,068,448	1,827,402	1,241,046
Nebraska	3,823,123	2,203,709	1,619,414
Nevada	3,168,891	1,873,810	1,295,081
New Hampshire	3,248,993	1,915,785	1,333,208
New Jersey	10,850,325	5,685,008	5,165,317
New Mexico	3,405,265	1,995,691	1,409,574
New York	22,572,906	11,507,838	11,065,068
North Carolina	7,026,535	3,807,072	3,219,463
North Dakota	2,989,589	1,787,856	1,201,733
Ohio	13,843,893	7,181,109	6,662,784
Oklahoma	4,964,609	2,771,992	2,192,617
Oregon	4,655,059	2,616,789	2,039,270
Pennsylvania	15,055,276	7,782,593	7,272,683
Rhode Island	3,606,292	2,090,553	1,515,739
South Carolina	4,919,759	2,751,559	2,168,200
South Dakota	2,985,954	1,786,696	1,199,258
Tennessee	6,477,826	3,524,677	2,953,149
Texas	15,222,471	7,865,932	7,356,539
Utah	3,798,167	2,186,742	1,611,425
Vermont	2,807,335	1,697,308	1,110,027
Virginia	7,295,492	3,930,936	3,364,556
Washington	6,074,830	3,320,704	2,754,126
West Virginia	3,940,823	2,264,065	1,676,758
Wisconsin	6,787,121	3,680,104	3,107,017
Wyoming	2,750,125	1,668,163	1,081,962
District of Columbia	1,309,701	704,376	605,325
Puerto Rico	4,659,282	2,550,848	2,108,434
Virgin Islands	103,109	58,400	44,709
Guam	111,523	63,166	48,357
American Samoa	34,489	19,534	14,955
Contingency	12,000,000	12,000,000	0
Total	359,307,000	200,000,000	159,307,000

Mr. McDADE. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona.

Mr. RUDD. Mr. Chairman, I would like to sincerely commend the distinguished gentleman from Illinois, the chairman of this committee and the ranking member, the gentleman from Pennsylvania, for the genuinely outstanding job that they did in putting this bill together.

I want to note that this bill appropriates a modest $4 million to start implementation of the Tribally-Controlled Community College Assistance Act of 1978.

In the report accompanying the bill, the Bureau of Indian Affairs is instructed to give priority in grants to academic institutions serving Indians which are already accredited, and to give "special consideration * * * to those institutions with financial difficulties which, without a grant, would be unable to operate during the upcoming school year."

Since institutions in this "special consideration" category are most in need of prompt action in making those grants by the Bureau of Indian Affairs, I would like to propound a question to the distinguished chairman of the subcommittee (Mr. YATES):

I understand that the Bureau of Indian Affairs has already conducted some preliminary feasibility study work under contract in order to implement the Tribally-Controlled Community College Assistance Act when it was funded by an appropriation.

In fact, the College of Ganado, as one example, was the subject of two separate visitations by the BIA contractors earlier this year.

As you know the fiscal year starts in October, the school year in September.

Owing to the short period of time remaining to consider and approve grants for those financially threatened institutions, eligible for support under the committee's "special consideration" category, is it the intention of the committee that the BIA will satisfy the law by utilizing the preliminary feasibility study work, already conducted, in order to get funds approved for these eligible institutions promptly? This is necessary so that they will know their circumstances and be able to count on support at the beginning of the academic year.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from Illinois.

Mr. YATES. It is my understanding the law requires feasibility studies. It is my understanding that studies that have been partially made, and when completed, should satisfy the requirements of the law.

Mr. RUDD. I thank the chairman.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from Pennsylvania.

Mr. McDADE. I want to commend my friend for bringing this matter to our attention. I share the views expressed by my friend from Illinois. The gentleman can be assured we will do our very best to work with him.

Mr. RUDD. I thank the gentleman.

Mr. YATES. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, when I came before the Subcommittee on Interior of the Committee on Appropriations in May, I said to our colleagues that the time has come to pay the piper on the matter of the Boundary Water Canoe Area Act of 1978. The House last year promised the people of northern Minnesota that in exchange for converting the BWCA into total wilderness, the House would provide funding for programs to ease the economic burden caused by imposing virtual total wilderness status on the area.

This House gave final approval to the Boundary Waters Canoe Area Wilderness Act of 1978 in the last hours of the 95th Congress.

I opposed the legislation because I felt it was not in the best interests of the

people I represent in the House. While I supported the termination of logging and mining in the Boundary Waters, I could not support the extensive restrictions that legislation imposed on existing motor use of the area.

The Congress, however, determined that the restrictions were in the national interest. Those restrictions are now law.

In enacting those restrictions, the Congress recognized the impact they would have on the economy and the way of life of the people of the rural area surrounding the Boundary Waters Canoe Area, and included programs to mitigate that impact in Public Law 95–495.

That law specifically recognizes that our economy in northern Minnesota is heavily dependent on timber-harvesting and a recreational/tourism economy which consists of small, locally owned and operated businesses.

Northeastern Minnesota needs programs designed to help individual businesses adjust to the restrictions imposed on the use of the BWCA, to help the small communities and the region adjust to the changes imposed by the law, and to replace the lost timber yield of the Boundary Waters Canoe Area.

Congress made a commitment to the people of my district to ease the adverse economic impact of the conversion to wilderness. Many of my colleagues in the House relied upon that commitment in voting for this legislation during the 95th Congress. They felt the people would be well cared for, economically, under the new law.

To the people I represent, the mitigating programs of economic adjustment are just as integral to the law as the restrictions.

To the private citizen in Minnesota, the difference between authorization and appropriation means little, if anything.

I speak not just of those who opposed restrictions, but for Minnesotans of all opinions on the BWCA issue. Full appropriations have been endorsed by not only the people of the area but by the advocates of total wilderness as well—including the Friends of the Boundary Waters Wilderness.

Our Minnesota congressional delegation stands united behind the appropriation of funds for the programs authorized under Public Law 95–495.

□ 1710

The Appropriations Committee has done a commendable job on a bipartisan basis in providing those promised funds. I want to thank the chairman of the subcommittee, Mr. YATES, for his diligence in putting up with the numerous meetings I have had with him and requests and pleas that I have made to him and to the gentleman from Pennsylvania (Mr. MCDADE) the ranking minority member of the subcommittee, and the gentleman from Ohio (Mr. REGULA). They have spent a considerable amount of time helping work out funding for the programs that are so needed to do justice to the people of northeastern Minnesota.

The committee has recommended $10,891,000 in direct appropriations and $3,000,000 from the Land and Water Conservation funds for the purchase of resorts as provided in section 5 of Public Law 95–495.

In recommending $13.9 million, the Appropriations Committee added $3.3 million to the administration fiscal year 1980 budget request. I commend the committee for this addition. As the report to accompany the bill notes, the committee did not feel the administration request was adequate. The report understates the deficiency of the administration budget request.

The entire Minnesota congressional delegation requested and continues to support an appropriation of $17.4 million. The Forest Service has developed a program for implementing the law which would require that appropriation.

While the Appropriations Committee did not fund our full request, it made additions to the administration budget in the most critical areas and provides full funding for the State of Minnesota's intensive forest management program and for assistance under section 19 to resorters and outfitters impacted by the law.

During the coming fiscal year, the Forest Service should use appropriated but unobligated funds for BWCA programs in addition to the specific appropriation.

The issues of timber and of recreational trails construction are two components of the committee recommendation that raise a question. The committee has provided substantial funding above the rather penurious request made by the administration, but left a gap between what I proposed and what was actually appropriated by the committee for timber haul and access roads to actually go into the areas of the Superior National Forest outside of the Boundary Waters Canoe Area and harvest the timber that is available. The chairman has advised me funds could be made available if the Superior National Forest were to request those funds from the U.S. Forest Service national appropriation beyond the special BWCA funds, and I refer to the additional $88 million increase the committee has provided for the Forest Service. I wonder if the chairman could amplify on that.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the chairman of the subcommittee.

Mr. YATES. Mr. Chairman, I would certainly be of the opinion that the funds we have made available to the Forest Service for all programs that make up the Forest Service would be available to the Superior National Forest as well, and that the funds that we have itemized specifically for carrying out the agreement for the Boundary Water Canoe Area of the Forest Service would certainly not limit the application of funding to that area.

Mr. OBERSTAR. I want to thank the chairman for that elaboration. The Forest Service then is not limited to those specifically mentioned funds, but can draw upon the additional increase provided by the committee? That will be so important to northeastern Minnesota. I must say that with these funds and those approved by the House in the Agriculture Appropriations bill for direct loans to small businesses, we are beginning to meet the commitment made to the people of Minnesota.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. YATES. I yield the gentleman 1 additional minute.

Mr. OBERSTAR. I also want to thank the gentleman for his consideration of the peat gasification program, which means so much to northeastern Minnesota and the whole country. Minnesota has about half of the Nation's reserves of peat. The peat gasification work that will continue under the $6.7 million recommended by this committee will be enormously significant to the Nation's energy program.

Mr. MCDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, the Interior appropriations bill for fiscal year 1980 is a comprehensive and meaningful bill deserving of our fullest support.

I would like to applaud my colleagues on the House Appropriations Committee for their willingness to address a number of key issues in a realistic and responsible fashion.

I am particularly grateful to the distinguished chairman of the Interior Subcommittee, the gentleman from Illinois (Mr. YATES), for the opportunity he afforded me to have direct input in the development of this legislation from its earliest stages. The open fashion in which his subcommittee considered the bill permitted me the opportunity to address a number of key issues affecting the management of our public lands, the conservation of our natural resources, our efforts to achieve energy independence and the educational and health needs of our Native Americans.

In submitting its budget request earlier this year, the administration chose a different set of priorities. The changes the committee has made to reestablish priorities which we in the Congress believe represent a sound investment in our natural resources. Dollars spent wisely and cautiously today to develop renewable resources will greatly increase the strength and wealth of our Nation.

The bill provides funding for a number of programs of particular significance to the north coast of California. Of particular note is the recognition given to the reforestation needs on our national forests. The bill provides the funding necessary to implement a more effective reforestation effort. For many years, we have sought to increase the dollars available for this work and I am pleased to be a part of this effort.

The budget recommended for the Forest Service will give them the tools they need to do the kind of job we expect of them and will allow us to protect the valuable investment we hold in our forests.

At the same time, the bill provides funding which will permit the U.S. Forest Service to increase timber sales to 12.2 billion board feet in fiscal year 1980 in line with the President's recommendations made on June 11.

I support the administration's efforts to increase timber supplies as a means of holding down housing costs and reducing inflation. The increase in the allowable cut on our public lands will be balanced by our increased reforestation program, sound wildlife management, soil protection and water quality enhancement.

Another item of great importance to northern California is the payments-in lieu-of-taxes program administered by the Department of the Interior. As originally setup by those of us on the authorizing committee, the payments go to our counties to help offset the loss in revenue associated with public ownership of land. I applaud the willingness of my colleagues on the Appropriations Committee to provide adequate funding for the program and I support their interest in insuring the most accurate and up-to-date information on which the Department bases its payments each year.

Another issue of concern to all rural areas such as our north coast is the animal damage control program administered by the U.S. Fish and Wildlife Service. The bill maintains the 1979 funding level for the on-the-ground portion of the program. This ongoing program has a direct impact on the ability of our ranchers and farmers to minimize losses to predators and can often mean the difference between staying in business and going under.

In addition, the budget for the Fish and Wildlife Service contains funding for a propagation program for the endangered California condor. Many of my constituents have worked hard to protect this species and I commend the committee for moving ahead in this area.

Funds provided in the bill will also finance the construction and rehabilitation of fish hatcheries and wildlife refuges giving us the means of preservnig and enhancing our anadromous fish resources.

We are in the process of initiating a major effort in northern California for the revitalization of anadromous fish habitat through watershed protection and stream improvements. The program funded under this legislation coincides with our ongoing efforts and increases our ability to meet our goals.

Our energy needs are also addressed in this legislation. The committee has rightfully stated our need to face up to the threats to our security imposed on us by the OPEC oil cartel. Critical research and development goals and major conservation initiatives are set forth in the bill.

As a major energy consumer, the Federal Government is being called upon to foster greater conservation in its own facilities. The Department of Energy is also directed to undertake an aggressive fuel savings program by developing wood energy as a safe, economical, and environmentally acceptable alternative energy source.

The action being taken by the House today also closely coincides with previous action taken to develop a synthetic fuels program. A meaningful energy package would be incomplete without addressing this energy source.

The committee has given careful consideration to all the facts and details made available to them by more than 40 days of hearings and countless witnesses. I believe the end product of their work is a balanced and responsive bill. I urge my colleagues to support its passage.

Mr. MCDADE. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I want to express my appreciation to the members of the Subcommittee on Interior Appropriations for their favorable consideration of my request to include funding the acquisition and reconstruction of the Thomas Stone National Historic Site which is located in my district in Charles County, Md. Last year my amendment to the omnibus national parks bill authorized the Park Service to proceed to acquire this historic building, but no funds were provided in the President's budget this year to carry out this project.

Through the wisdom of the subcommittee and with the guidance of the gentleman from Illinois (Mr. YATES) and the gentleman from Pennsylvania (Mr. MCDADE), the full funding for this worthwhile project has been included in the bill. I know that the citizens of Maryland, particularly those in Charles County, the members of the Maryland Historical Trust, and those interested in historic preservation will applaud this action as I do.

Mr. Chairman, I would again remind the House that located only a scant 25 miles from Washington, D.C., the Thomas Stone site will be within easy access to the many hundreds of thousands of citizens who would enjoy seeing an authentic working colonial plantation which has as its major feature a home unique in its architecture. On the grounds are buried Thomas Stone, one of Maryland's four signers of the Declaration of Independence and a leader in our colonial history, and many of his family.

I am informed by officials of the National Park Service that with this funding they will be ready to proceed to immediate acquisition and eventual restoration and I again thank the committee for making this progress possible.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman, this is the bill that Mr. Kirwan, that great old gentleman from Ohio, the former chairman of this subcommittee, used to call the bill for all America.

It goes without saying that I support this bill. I want only a few moments to tell the House what I think of the chairman of this committee and his work. Most of us come to the House representing a fairly narrow congressional district, and we bring with us parochial views which reflect that constituency.

Our chairman, Mr. YATES, may have had those characteristics at one time; I do not know. But I do know that during the period of time that I have served with him on this committee his attitudes and his actions have been characterized by the converse of parochialism. His views are most cosmopolitan; whether the subject matter is art or trees, the environment or the economy, energy or antiquities, the chairman displays the empathy and the understanding of the Nation's problems that characterized his understanding of international problems during his service at the United Nations. He has been a great chairman, and he is a great Member of this body, and he has produced another bill that we can truly call a bill for all America.

Mr. YATES. Would the gentleman like another 10 minutes to continue?

Mr. Chairman, I yield 1 minute to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, it is difficult to follow up on what the gentleman from Oregon has just said.

I would ask the gentleman from Illinois (Mr. YATES) if he might clarify something in the committee report on page 100. It indicates there is approximately $40,000 appropriated for the Franklin Delano Roosevelt Memorial Commission. As a former leader of my party, I naturally want to commemorate him. But a couple of my constituents notified me that in front of the Archives there is a memorial and it quotes the former President as saying "If any memorial is erected to me, I know exactly what I want it to be. I should like it to consist of a block about the size of this (putting his hand on his desk) and placed in the center of that green plot in front of the Archives Building. I do not care what it is made of, whether limestone of granite, or whatnot, but I want it plain without any ornamentation but the simple carving 'In memory of ——.'"

Mr. Chairman, on April 12, 1965, 20 years after the death of the former President, that memorial was placed in front of the Archives. So I would ask the chairman what is the purpose of the Memorial Commission and how long has it been appropriated, and what does the chairman expect to come out of it?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the chairman.

Mr. YATES. The Memorial Commission is in existence pursuant to legislation passed by the Congress.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. YATES. Mr. Chairman, I yield myself 1 additional minute.

The Commission has been laboring year after year to produce a monument that will satisfy not only the memory of the great President, but also the tastes and the esthetics of the various groups and bodies that have to approve that memorial. I would say to the gentleman that earlier this year the Franklin D. Roosevelt Memorial Commission proposed a plan that would have cost in the neighborhood of $46 million to $50 million, but it was made clear to those who proposed the plan that while it may have been esthetically desirable it was not economically attractive and so funds to construct that design were rejected.

May I say to the gentleman the Commission is still in operation because the legislation is still in operation, still in force and effect and the Commission is working. The funds we have appropriated pay only the minimum expenses for keeping the Commission in existence.

□ 1720

Mr. Chairman, I yield 1 minute to the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Chairman, I want to associate myself with the comments made by the gentleman from Washington (Mr. MCCORMACK) earlier in the colloquy this afternoon. In addition, I feel that the gentleman from Oregon certainly hit the nail on the head in addressing, I think with some eloquence, the tremendous accomplishments of the chairman of the committee in this bill.

Mr. Chairman, I would like to bring to the attention of my colleagues the recommendation of the Interior Committee regarding the land and water conservation fund.

I feel that the committee's recommendation of $200 million for the State/local portion of this fund is terribly inadequate. This funding is essential for State and local park and recreation programs for the acquisition and development of park projects. I know of several instances where these funds enabled a park project to be built where it otherwise would not have been possible.

The committee approved $447,059,000 for the land and water conservation fund, $162,941,000 below the administration's $610 million request. Under this proposal $200 million would be available for grants to State and local governments, and $6.693 million would go for HCRS administrative costs. The committee's action represents a reduction of about $150 million in the administration's recommended funding for State and local grants. If this reduction is sustained in further appropriation actions each State share would be reduced by about 45 percent below the current fiscal year. South Dakota will be reduced from $2.99 million to $1.79 million.

In this period of energy shortages it has become essential that recreational facilities are available to people within their community. The reduction in funding for this program would seriously curtail the development of local facilities. Therefore, I ask the conferees to strongly consider the restoration of $159 million for this program.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I take this time to congratulate my colleague from Illinois (Mr. YATES) and the gentleman from Pennsylvania (Mr. MCDADE) for the excellent job that they have done in the field of energy, particularly as it concerns my subcommittee. I had sent out a "Dear Colleague" letter, together with the ranking minority member on the subcommittee, the gentleman from New York (Mr. FISH), the gentleman from Iowa (Mr. HARKIN), and the gentleman from California (Mr. BROWN) expressing some concerns about where more funds could be used very advantageously to advance energy efficiency, particularly for more efficient automobile engines, industrial efficiency, cogeneration, conversion of waste to energy, and appropriate technology.

I am pleased to report that the gentleman from Illinois and the gentleman from Pennsylvania agreed to go a substantial way in meeting those concerns and will offer an amendment to expand the conservation appropriation in this area. Unfortunately we were not able to come to agreement on appropriate technology, and there will be an amendment offered which shows great promise.

This bill recognizes the importance of balancing energy production and energy conservation. Though I am concerned about the impacts of an excessive synthetic fuels program, it is definitely time to move ahead in this area.

The chairman and members of the committee have done a generally fine job with respect to this bill, and I am very pleased to give them my wholehearted support.

The July 23, 1979, "Dear Colleague" letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 23, 1979.

Subject: Interior Appropriations Floor Amendment.

DEAR COLLEAGUE: There is a source of energy that produces no waste, nothing in the way of petro dollars, reduces pollution and directly benefits the user be they individuals, companies or communities. It is also much cheaper than imported oil or domestic synthetic fuels. Unhappily this energy source has not received the attention it deserves. The source might be called improved energy efficiency, but more commonly it is known as conservation technology.

We are deeply concerned that in addition to the Department of Energy the Appropriations Committee has not recognized the priority this program merits. The reported conservations appropriations are far from that considered necessary to meet the President's short term energy goals!

Because of this situation we plan to support a floor amendment which will increase the interior and related agencies appropriation by $70.2 million.

The increase is shown by specific project on the reverse side of this letter.

Should you be unfamiliar with the merits of these increases we have summarized them below:

Transportation energy research, plus $20.9 million.

More efficient automobile engines for improved mileage and fuel flexibility including alcohol.

Industrial efficiency and cogeneration, plus $14.5 million.

By the year 2000 the expected payoff of these additional projects will be a 1.6% reduction in energy demand equivalent to $3.2 billion a year.

Conversion of waste to energy, plus $23.3 million.

If the energy in waste were recovered it could provide an additional two quadrillion BTU's of energy by 1985 which is equivalent to 13.4 billion automobile miles.

Appropriate technology, plus $11.5 million.

The one federal energy program which supports energy innovations proposed by individuals. Two-thirds of the evaluated good ideas will be dropped because of inadequate funding.

We thank you for your interest and would appreciate your support.

TOM HARKIN, M.C.
GEORGE E. BROWN, Jr., M.C.
RICHARD L. OTTINGER, M.C.
HAMILTON FISH, Jr., M.C.

Mr. YATES. Mr. Chairman, I yield 1½ minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, I want to associate myself with the remarks of my colleague from Oregon, BOB DUNCAN, as to the great leadership that Chairman SID YATES has given this committee. I also want to say that the ranking minority member, the gentleman from Pennsylvania (Mr. MCDADE) has steadfastly given leadership in this committee in the path that is a very right and good one.

I want to thank both of these gentlemen and all members of the committee for what they have done for the forestry community, for the Forest Service, and for the funding of this great national agency which manages our great national forests.

I also would like to inform the Members of the House that I will be offering two amendments, however, to the bill. One is to strike $1.5 billion for synfuels, and the other amendment is to strike $18 million for synfuels and add it to reforestation and slash energy from our forests.

Mr. FISH. Mr. Chairman, I rise to support an amendment to H.R. 4930 which will allow an extremely promising energy option to be funded at an appropriate level. This amendment will provide $5 million for the loan guarantee program for constructing municipal waste-to-energy demonstration facilities. The municipal waste-to-energy program offers the potential for making fuel out of waste materials which otherwise would be discarded, and at the same time contributing to meeting our future energy needs. Our Nation can obtain 2 quads of energy from this resource by 1985, enough to provide an additional 1,000,000 barrels of oil per day.

Driven by the increasing demand for disposal sites to dump the waste generated by our cities, as well as by the need for cheap, domestic sources of energy, our Nation has become increasingly aware of the promise of "trash power." Waste materials from cities represent a large resource of energy, and I believe that we would be remiss if we did not expedite the building of additional facilities that can put this resource to use.

I was deeply disappointed to see that the Administrations Committee has not recommended any funding for the loan guarantee program. Consequently, I am afraid that the committee has overlooked a strong tool that can help us tap the promising energy contribution which can be made by the municipal waste-to-energy program. Substantial progress has been made in the loan guarantee program, and the regulations for this program have now been finalized and released. As a result, I think the program has reached the stage where funds should be provided for actual loan guarantees for the construction of demonstration facilities.

Many municipalities cannot afford to construct municipal waste-to-energy plants by themselves. We must find ways to help these municipalities take advantage now of the energy potential of urban wastes. Several municipalities

have already expressed much interest in the municipal waste-to-energy program, and are anxiously awaiting the time when they can apply for Federal loan guarantees. In fact, as many as 30 to 40 communities would probably apply for loan guarantees if funding were available now. On numerous occasions my staff has been contacted by various executives as to when loan guarantee budget authority would become available. Without this authority, I am afraid that municipalities will not press forward at the present time with the construction of these facilities.

We can produce substantial amounts of energy from this resource in the immediate future if we permit Federal loan guarantees for the construction of facilities to convert municipal waste-to-energy. In its authorization bill for fiscal year 1980, the Committee on Science and Technology has recognized this fact, and has authorized over $10 million for the loan guarantee program. We need money in the Federal Treasury account now in order to underwrite the $300 million in budget authority provided for the program. Otherwise, no bank will accept at the present time any Federal loan guarantee as valid. Our energy shortage is a national problem and the solution should not be an expense solely on any one municipality.

Mr. Chairman, the facts about this program indicate that this is an investment that we should not reject. For this reason, I urge my colleagues to support this amendment.

● Mr. CORRADA. Mr. Chairman, while I support this legislation, I am greatly disturbed by the cut of $160 million from the land and water conservation fund. This cut represents a 45-percent reduction in funds for this program; and yet there is not one objection that has been raised as to the value of this program for our cities and States. All States will be affected by this cut. The reason given for the cut was budget constraints.

I am sure we all agree that the budget does need some trimming, but not at the expense of programs such as those under the land and water conservation fund.

I hope that this action today does not set a precedent for further cuts in this important program. Should the House again have the opportunities—through a supplemental appropriation or in the fiscal year 1981 budget to consider this program, that we calmly and collectively explore the merits of the program. I trust that this study will lead to a restoration of full funding for this program.●

● Mr. CONTE. Mr. Chairman, I rise in support of H.R. 4930, the Interior and related agencies appropriations bill for fiscal year 1980. This was my first time sitting as a member of this subcommittee and it was a great pleasure for me to work with the very distinguished chairman (Mr. YATES) and ranking minority member (Mr. MCDADE) and indeed with all of the members of the subcommittee. This is a very able and dedicated subcommittee.

This particular appropriations bill covers a broad range of Federal programs which are of interest to every American. Included in this bill are funds for the preservation and restoration of millions of acres of forest and rangeland, funds for national parks and local recreation projects; for wildlife preservation; for assistance to Indian tribes and to the territories; funds for the continuation and extension of our cultural programs and funds for a myriad of fossil fuel development and energy conservation programs.

I think I can say without any exaggeration that this bill provides funds to continue and initiate programs that are of immediate and vital concern to the economic growth and stability of this country.

Dramatic increases in funding are required for a number of energy programs so that we may develop our domestic energy capacity. We are going to move ahead with a synthetic fuels industry in this country. It is long overdue. This bill provides $1.5 billion for synthetic fuels development but I would encourage all of my colleagues to take the time to read the additional views included in the report. We have the technology to produce synthetic fuels. We know from just our most recent experiences that our dependence on OPEC oil is such that even a minor disruption can cause chaos in the country. We are going to develop a synthetic fuels industry in order to control our own destiny. We must recognize that the issue we face is independence from OPEC. Yes; it is going to cost a lot of money but what price should be considered too great to insure the security and continued economic prosperity of this Nation?

And if we look askance at cost estimates of $25 to $40 a barrel for different types of synthetic fuels, we would do well to note the recent Joint Economic Committee report which indicated that when we consider the indirect costs of paying for imported OPEC oil, the cost of that OPEC oil is actually $90 a barrel.

I would also commend to my colleagues' attention the committee's action in including in this bill $141.5 million not requested by the administration for continued exploration activities on the national petroleum reserve in Alaska. The reserve is one of the few remaining unexplored onshore areas in the United States with potential for a significant discovery of oil. Even if the administration is serious about turning the reserve over to private drilling and exploration, I do not think it is wise for us to discontinue all exploration activities for the 2 to 6 years it might take to gear up for private industry exploration.

Several weeks ago this House rejected by an overwhelming margin an administration deferral request pertaining to exploration of the reserve in fiscal year 1979. I trust the sentiment of the House has not changed.

This bill also contains increased funding for reforestation. I strongly support the committee's efforts to eliminate the reforestation backlog and believe that this will become of increasing importance to the Nation.

Finally, I would like to say that even as we attempt to address our massive energy needs while protecting as best we can our natural resources, we remain aware that inflation is a serious problem that we cannot neglect. Holding the line on Government spending is critical to our efforts to contain inflation. We have gone over the budget in this bill in several areas which we felt were of absolute necessity to the well-being of this country. We did make some program cuts, most notably in the State grant portion of the land and water conservation fund. These were not easy decisions but they were necessary.

We have tried through this bill to provide the funds necessary to build our energy capacity while keeping in mind the need for budgetary restraint to control inflation. I ask my colleagues to keep this in mind when amendments are offered later to increase funding for certain programs.

Mr. Chairman, this is a well balanced bill and I am pleased to support it.●

Mr. MCDADE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. YATES. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read title I.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that the bill be read by title, and that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. DICKS

Mr. DICKS. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

EXPLORATION OF NATIONAL PETROLEUM RESERVE IN ALASKA

For necessary expenses in carrying out the provisions of section 104 of Public Law 94-258, $145,927,000, to remain available until expended.

The Clerk read as follows:

Amendment offered by Mr. DICKS: At page 15, line 35, strike line 15, beginning with the word "EXPLORATION"; all of line 16; all of line 17; all of line 18; and all of line 19, ending with the word "expended".

(Mr. DICKS asked and was given permission to revise and extend his remarks.)

Mr. DICKS. Mr. Chairman, I rise with an amendment today to strike $141.5 million in this budget which is earmarked for the national petroleum reserve in Alaska for drilling five additional wells. Now, in offering this amendment I must say that I took some time to investigate this program. Up to this point, in the national petroleum reserve of Alaska we are already drilling 19 wells. We have more drilling information about this area than we have had for almost any other area that we have leased and developed in the history of this country.

What is in this budget for next year is money for five additional wells, and also money to drill four in the following year. What is that going to cost the American taxpayers? It is going to cost the American taxpayers potentially another $190

million plus the $141.5 million I previously mentioned. Then, in the following year, to terminate the drilling program we would have to spend an additional $50 million, for a total of somewhere around $381 million of taxpayers' money.

Now, I am just as concerned as anyone is about trying to do something about the energy problems of this country. I think the best way to do it is to let the private sector take over this project as soon as it can. I am told by the Department of the Interior that they are going to come to the Congress asking that we approve private exploration in the national petroleum reserve of Alaska, and they are going to forward legislation to that effect.

In my judgment, that is the way to proceed. We can do that; let the private sector invest the money necessary for exploration. It will not just be the kind of exploration we are doing here, which is very minimal. It will be complete commercial exploration which I think makes a lot more sense, and can save us over this next 3 years the amount I have mentioned, some $381 million.

I would also like to mention that the drilling we are doing is not likely to determine whether this is really a commercial quantity of oil available. This is merely just to do exploratory drilling in various areas of the Reserve. The resource assessment based on the 19 wells to be drilled through 1979, plus the 11,000 miles of geophysical data which has already been gathered, I think is adequate to do the job. I do not think we need to invest this additional amount of public money.

In summary, Mr. Chairman, I would just like to say that I have been deeply concerned about several programs in this budget that have not been funded sufficiently. One is the land and water conservation fund, and the other is the Youth Conservation Corps. I just ask this question to all the members of the committee: Are our priorities correct? Should we not at this time be giving full funding to the Youth Conservation Corps instead of funding it at less than half its authorized rate; and should we not be doing more for the land and water conservation fund, which is $159 million short of its authorized level? These are programs that affect all Americans in this country, and provide jobs for our young people, and make it possible for people to go out into the parks. Instead of that, we are going to be spending $141 million. Five million dollars of the taxpayers' money to drill five wells, five wells that are not even of a commercial quality.

□ 1730

So I say it is time to stop this program. It is time to let the private sector develop these oil wells, and it is time to take that additional money and use it for the Youth Conservation Corps and the land and water conservation fund.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

How long have we been in this program of trying to develop oil in Alaska and drilling wells? Does the gentleman know?

Mr. DICKS. I have got the figures here in the back of my work. As I recall, we have been drilling up there for the last 4 to 5 years, since 1974.

Mr. VOLKMER. It has been several years?

Mr. DICKS. Yes. We will have 19 wells by the end of this fiscal year that will have been drilled, which will give us a sizable amount of information.

Mr. VOLKMER. Are these for oil or gas, or neither?

Mr. DICKS. They are taking samples on both accounts. We have had five core samples that I am told have very good commercial prospects. This is not a commercial-type well; it is really core drilling.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. VOLKMER, and by unanimous consent, Mr. DICKS was allowed to proceed for 2 additional minutes.)

Mr. DICKS. As I was saying, they are doing core samples, and, as I understand it, five of these core samples are very, very promising. The Department of the Interior says that they have got all the information they need. We do not need to spend another $141.5 million of the taxpayers' money to drill five more unnecessary wells.

Mr. VOLKMER. Because they have already done enough drilling to determine the necessary information.

Mr. DICKS. That is right. And next year we will do another four at approximately $160 million to $190 million, plus $50 million in termination costs. That is $381 million of the taxpayers' money that I think can be better spent on parks and on the Youth Conservation Corps and other priority needs in this bill. That is why I, frankly, feel we are making a very serious mistake in continuing this program. The Department of the Interior is operating the program, and they do not even want the money. So I do not see why we should continue it.

Mr. Chairman, I yield back the remainder of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Washington's amendment, although it sounds admirable to the taxpayer, is definitely out of tune and time with the situation we are faced with in these great United States today, and that is the shortage of oil.

Less than 3 months ago the gentleman voted on this floor to lock up approximately 65 percent of the known oil resources in Alaska under the guise of protecting the environment, and not let it be available to the people of the Lower 48 as we are going to need it. Now we have the gentleman from Washington (Mr. DICKS) trying to delete the money in this budget supposedly to save the taxpayers' dollars. But let us look at the facts. The gentleman is talking about saving possibly $350 million, supposedly saving that much money if it is cut from the budget. But in reality, with the attitude of the Secretary of the Interior, they have been fighting this all the way along the line, trying to stop further exploratory work in these 23.5 million acres of land.

The fact is the good chairman had to come down with the resolution requiring them to spend the money in this year's budget, and they have stood before our committee and said—the Committee on the Interior—"we are going to come down with a plan." That plan is overdue today, supposedly for private development, and which I support. I support it wholeheartedly, but in fact they are not going to come down with that plan. If they do, it is going to be 5 or 6 years from now, and I say the committee, my good chairman, came down with a sound investment of American dollars to make sure after this plan is brought into fruition that we continue to gain the knowledge that we need when they do open it up for competitive bidding, and I say that the taxpayers will be reimbursed tenfold over what they will have if they have to bid in the dark.

A case in point is the field in Alaska, Prudhoe Bay, raised $1 billion because there had been some exploratory work done in the Prudhoe Bay area. This, Mr. Chairman, is why that went so high. I have information on the wells that have been drilled. Contrary to what the Department of the Interior is saying, the core samples are very promising. The company doing the drilling, Husky Oil, has told me privately off the record that if they had an opportunity right now, they would bid.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I will gladly yield for a short period of time.

Mr. DICKS. I thank the gentleman for yielding, and I will get him additional time if he needs it.

If the gentleman is correct, then why should we continue to invest taxpayer money in drilling another five wells? If the samples are good, let us go ahead. The Department of the Interior in a letter to me states that they can have a program underway by the end of 1981. They want to get moving. They say right here:

> How soon private exploration could begin would depend largely on how soon Congress acts on our recommendation. It is our intention to move ahead rapidly with a private program as soon as the necessary authorizing legislation is enacted.

Mr. YOUNG of Alaska. Let me reclaim my time to answer the gentleman's question. I can tell the gentleman for every five wells that are drilled, we will return our money tenfold. I do not trust this administration and their endeavors to produce oil for this great Nation. They, in fact, came to our committee, and they said they would have the report that was due to us, and they have not done so. We are dealing with an area, I think, if I am not mistaken, larger than 17 of our States. They say they have drilled 19 wells. The Department of Energy says there is no oil and gas there.

Let us go ahead with this program, use the company in place now, and gain that information. It is strange to me that we are going to try to save taxpayers' dollars for this, when we are sending abroad $60 billion for foreign oil. And we have

this competitive bidding. I wonder if the Department of the Interior will ever get off its duff. They have done nothing in 2½ years to produce oil, and this is another example of the mentality of the Secretary of the Interior, Cecil Andrus, and those around him who say that we do not have to have any oil from the Arctic Slope region. He said that before our committee, that the Arctic Slope is the last place we will ever drill. The same mentality is saying, really, this is another wilderness area we ought to lock up.

In fact, it is a reserve. It was set aside as a reserve, as the gentleman from Washington (Mr. DICKS) knows. The junior Senator, Mr. MELCHER, is the one who originally raised the money for this program. It is a program, I think, that has strong merit, and I urge the Members to defeat this amendment and get oil to the American people where it belongs.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DICKS, and by unanimous consent, Mr. YOUNG of Alaska was allowed to proceed for 2 additional minutes.)

Mr. DICKS. If the gentleman will yield, I would like to point out that we have already spent $600 million of the taxpayers' money, and the gentleman, I think, knowing he is a strong believer in the private enterprise system, would like to see private development on the National Petroleum Reserve in Alaska. If the gentleman is correct and the core samples are good, then why do we not go ahead and spend this money? I am told that as long as the Federal Government is drilling there that we will not get a private sector program underway. The sooner we terminate the public sector activity, the faster we will get private exploration development which will do some good.

Mr. YOUNG of Alaska. Mr. Chairman, this administration wants no development of oil on those 23.5 million acres of land. The only way we are going to have it is if exploratory work goes forward, if the pressures become great enough upon this Congress, and we act, because this administration is not going to act.

Mr. DICKS. If the gentleman will yield further, why, then, does the Assistant Secretary state this?

Mr. YOUNG of Alaska. Who signed the letter?

Mr. DICKS. Assistant Secretary for Policy, Budget and Administration, Larry E. Meierotto. He says they want to go ahead with a private program.

Mr. YOUNG of Alaska. Nothing precludes them from doing that. Where is the program they had in advance to bring it before us? We have not got it here. Or are they going to wait until we freeze?

Mr. DICKS. I say let the private sector develop it and save the taxpayers' money.

Mr. YOUNG of Alaska. I agree with the gentleman, but let us go forward with the program at this time.

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the testimony before the committee was to the effect that if we terminate this exploration program, No. 1, there will be very large termination costs, upward of $100 million. No. 2, there would be a delay of 5 to 6 years to start it up again. No. 3, the field is not proven and is not ready for private lease.

I cannot understand this administration. I respect the fact that the gentleman is attempting to carry out the administration's position, but just by way of reference on another matter, we have the most massive invasion of illegal aliens the Nation has ever seen, and they want to cut the border patrol. We have a crisis in petroleum, a potential crisis should there be a cutoff of imports, and they want to terminate exploratory drilling or delay it for 5 to 6 years at a very large termination cost.

Before they proved Prudhoe Bay, I am told that there were many dry holes drilled and that the advance exploration and proving of the field is absolutely essential before we can go forward with private leasing. I think it would be a serious mistake, and I certainly oppose the amendment.

□ 1740

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would like to say first off that the gentleman from California has been an outstanding member of our committee. I just want to make this point. Under the Naval Petroleum Reserve Production Act of 1976, Public Law 94–258, the Department of the Interior is directed to continue the ongoing Navy exploration program and then to submit a plan to the Congress about what it is going to do. They have stated here they are going to submit a plan that calls for private development.

Now, I know my friend from California is a strong supporter of the free enterprise system I would be surprised if he thinks the Government can actually do this job better than the private sector. I think if we want to solve the energy problem of this country let us get busy, let the private sector come in and not let this thing drag on for 2 or 3 more years at a cost of $381 million to the taxpayers.

Mr. BURGENER. Mr. Chairman, if I could reclaim my time, it is being done privately. It is under private contract right now. The Federal Government is not drilling for oil; it is under contract to private enterprise.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Illinois.

Mr. YATES. Is not the important thing to find out whether there is oil there? We have a private enterprise company doing the drilling and it is going forward. The important thing is for the American people to know whether there is oil there because if there is, and we may find that there is, we are well ahead of the game in trying to cut down our dependence on foreign imports.

Mr. BURGENER. Mr. Chairman, I thank the gentleman for his contribution and I yield back the balance of my time.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

I think my colleagues have pretty well covered the situation. If I have ever seen the wrong amendment at the wrong time in the Nation's history this is it. Here we sit in the middle of the greatest energy problem we have ever faced, an energy problem that cuts across every single phase of our human life whether it is inflation, the production of food, transportation, the cost of housing, or foreign policy, not matter what it is, this energy crisis we face today cuts across it.

Yet, my very able friend sees fit to come and offer an amendment. Surely, he is being loyal to the administration but the administration is wrong and this House with only 30 against disapproved by affirmative action the efforts by the administration to stop drilling on this, the most promising petroleum province left in the United States. That is not my testimony, by the way; that is the testimony of this administration's head of the U.S. Geological Survey which is in charge of the geological development of this property. Their testimony is that under the worst case we know exactly what kind of a province we have when we finally can get to private leasing and private bidding and get the private contractor demobilized.

The best case is, you could have a strike of Prudhoe Bay magnitude in our own country. The estimated reserves—again the testimony is here from the U.S. Geological Survey—10 billion barrels of petroleum owned by the people of the United States on our shores, and the gentleman seeks to stop that program. It is absolutely the wrong amendment at the wrong time.

My friend from Illinois (Mr. YATES) said it eloquently. Think of this. If you take this contractor out you are going to be 6 years down the road before you are able to get somebody back in there to resume drilling on this province.

Mr. McKAY. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Utah.

Mr. McKAY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we ought to remind ourselves that it was not long ago we took the military reserves in Elk Hills and began to pump them for a public purpose, for the general public. We set aside this piece of territory up there as a potential for our military reserve, the naval reserve. Now we need to get into it. The purpose was military. Our military have been cutting back as much as 20 percent.

We need to cut back; we need more conservation in buildings and housing but we are also cutting back on training of our troops. We are going into simulators. We cannot be ready to go to war in simulators. We have got to be ready with the real thing. We have to have those reserves and we have to have them proven and the Government has to prove them up.

Now, let me give you a few figures. There is 37,000 square miles up there we

are dealing with. That is roughly the size

not also correct in understanding there

specifically, in 1985 the oil line is going

The fact is that it is a question of time

the gentleman has stated to a certain

are dealing with. That is roughly the size of the State of Indiana. It took 307 dry holes to discover the overthrust belt out in the Western part of these United States and we have only drilled eight or nine? The gentleman himself admits that it will be 2 years before they will drill another hole if they stop it today. We cannot stand 2 years' wait in this country. We have to move now. We are being pressed by countries who are providing oil for us, threatening us with our foreign policy and here we stand saying we are going to cut it off and not drill those holes? It is ridiculous.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to make an inquiry. I am somewhat confused. I know we have just decontrolled oil. My understanding was, that was to make capital available to private companies to do drilling. Now, as I understand the gentleman's amendment, it is to ask that the private companies do what we are supposed to have them do with respect to decontrol and yet I see opposition to it based upon the fact we ought to spend our own tax money in order to do it.

I wonder if the gentleman from Washington would explain to me whether there should be substantial capital available to private companies in order to do this drilling.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Washington.

Mr. DICKS. The gentleman is absolutely correct. The administration, the Carter administration, has said, "We have already spent $600 million drilling 19 wells."

Now, the committee has recommended an appropriation for five more wells next year at $141.5 million.

I can understand why Husky Oil wants to do the drilling. Would you not, at that kind of a rate per well? It is outrageous. Deregulation is giving the oil companies billions; let them do their own exploration.

Mr. McDADE. Mr. Chairman, will my friend yield?

Mr. DICKS. I am not going to yield to the gentleman at this time.

The gentleman from Alaska already said that Husky Oil has said that they have made very significant finds already, quality finds, so let us stop having the Federal Government pay taxpayer money to do this. Let us turn it over to the private sector. The administration has testified and given us a letter that says within a 1½-year timeframe, they can have private exploration underway.

Now, what we are talking about here are wells that are not even commercial quality wells. These are just wells to try and find the likelihood of discoveries.

The gentleman is absolutely correct. The oil companies have the money to do this. The administration is correct. We have spent all the money we need. Let us turn it over to the private sector; let us get this area developed. That is the recommendation they are going to make under the law.

Mr. JEFFORDS. Mr. Chairman, am I not also correct in understanding there are sufficient wells already operating to keep the Alaska pipeline full for a substantial length of time?

Mr. YOUNG of Alaska. Mr. Chairman, would the gentleman yield?

Mr. JEFFORDS. It is my understanding we cannot even get full production out of Prudhoe Bay because we do not have a way to move the oil across the country.

Mr. YOUNG of Alaska. You are asking someone who knows nothing about the oil line, and you know it. If you wanted to get information get it from somebody who knows what it is about.

Mr. DICKS. Mr. Chairman, I thought the gentleman had yielded to me.

Mr. JEFFORDS. Mr. Chairman, I had yielded to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I was of the opinion the gentleman had yielded to me.

Mr. Chairman, the really central question here is, do we want to spend $381 million of Federal taxpayer money to develop nine more wells? Now, figure out what that is. That is well over $40 million per well. I just think that is too expensive. It is better to have the private sector do it. Husky has already said they have had some significant finds. The bidding by the oil companies will be substantial to develop this resource.

It just seems to me that when we cannot fund the Youth Conservation Corps, when we cannot fund fully the land and water conservation fund, we have a question of priorities here and I do not see how we can give one oil company $141.5 million of the taxpayers' money. It just does not make any sense.

Mr. JEFFORDS. Is my understanding correct that if the gentleman's amendment passes then he might offer amendments to increase the funding for the Youth Conservation Corps and for the water conservation fund?

Mr. DICKS. Mr. Chairman, I know for a fact in the other body amendments to that effect are under consideration. If we could reduce the spending here we would be in a position—I am only speaking except for myself—in conference to maybe get some more of that money for those very important human and natural resource priority programs.

□ 1750

I want to emphasize that I am for oil exploration and the administration states the fastest way to get it started is to turn it over now to the private sector and stop this endless Government drilling program at a massive cost to the taxpayers.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, to answer the gentleman's question on Alaska oil and the pipeline, my good friend remembers that the gentleman voted to lock up most of the State, the oil that is needed in the gentleman's State. You cannot live on wood forever.

To answer the gentleman's question specifically, in 1985 the oil line is going downhill. The 1,200,000 barrels that you are going to get and you are getting today is going downhill. By 1987, if we are lucky, it will be 700,000 barrels a day. It takes at least 6 or 7 years just to explore a field and develop it.

Now, we are talking about stopping it, so when the gentleman says is there enough in the pipeline, my God, I cannot believe this body when we say we will put it off until 10 years down the road. Where is the future of America? It is there today, not tomorrow.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words. I rise to speak in opposition to the amendment.

Mr. Chairman, I think it is appropriate at this juncture to at least set the legislative record straight with regard to prior considerations by this body and the United States Senate on this issue. The Senate Budget Committee report of April 12, 1979, supported our House committee.

The House Budget Committee report of April 13, 1979, supports our committee.

The Mines and Mines Subcommittee of the Committee on the Interior and Insular Affairs, an eminent committee of the House of Representatives, supports the position of the committee.

The Public Lands Subcommittee of the Committee on Interior and Insular Affairs supports the committee.

The Committee on Interior and Insular Affairs supports the position of the committee.

The Subcommittee on Interior and the House Committee on Appropriations supports the position of the committee, and the Senate Committee on Energy and Natural Resources supports this committee.

Now, this is just another in a series of forays to frustrate oil and gas exploration at a critical time in our Nation's history when some might feel that oil and gas exploration has relevancy.

I commend the committee chairman. I commend the committee. I commend all the enlightened bodies that have already endorsed this exploration and urge the Members to resist the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I would be happy to yield to the gentleman.

Mr. YATES. Mr. Chairman, this is the second time we have debated this issue. The first time was on June 19 when I brought to the floor of the House a deferral resolution. The administration wanted to defer the expenditure of $1.8 million for drilling on the national petroleum reserve in Alaska.

The gentleman from Vermont (Mr. JEFFORDS) voted in favor of postponing the deferral and my good friend, the gentleman from Washington, who is a distinguished and valuable member of our subcommittee, not only voted against the deferral, but participated in the discussions in our committee. He voted in favor of postponing the deferral in our committee, voted in favor of postponing the deferral when the bill came to the floor and is now taking an opposite position.

The fact is that it is a question of time. Sure, private enterprise will ultimately move into the program, but under the law there has to be a report filed by the first of the year in which the Department of the Interior can propose legislation to the Congress.

The testimony before our committee was to the effect that if the administration's request were agreed to and the Husky Oil Co. were required to close down its drilling, pack up its rigs, take up its equipment, and leave the premises, we would have to pay the Husky Oil Co. at least $60 million in termination costs and that it would be at least 5 or 6 years before a private contractor having bid on a Government program would be able to start drilling. Husky Oil Co. is in that position at the present time.

The question is one of time. How important is it to this country that we continue a drilling program that may result in our finding oil on the petroleum reserve?

Is it not of utmost importance that this program be continued? I say it is and I say this is an ill-timed amendment.

Mr. SANTINI. I think the chairman has said it and said it very well. I would urge the House to continue the position it expressed on June 19, 1979, wherein it voted 409 to 3 to reject the position presently proposed by the gentleman from Washington.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I am happy to yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I thank the gentleman for yielding.

I just want to clear up one statement that was made in the record that carried with it an innuendo that I found very offensive. To say we are really continuing this program for the sole benefit of the Husky Oil Co., which is the private contractor drilling on the reserve is wrong. The record should reflect at this point that that contract was entered into in a competitive bid in which the major oil companies were excluded from bidding.

What we looked at was the interest of the Nation and the way for Husky Oil to collect $64 million is to do what this administration wants to do, close them down and have them leave town and leave us as a nation continuing to hold the energy bag.

I think the gentleman owes the members of the subcommittee an apology for the gentleman's remarks.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Washington.

Mr. DICKS. Well, I certainly did not intend to impugn the integrity of any member of the committee, all of whom have acted very honorably on this issue. If that was the gentleman's impression, if the gentleman accepted that as my remark, I apologize; but I want to tell the gentleman this, that I do think when we can justify $141 million for five wells, that is awfully expensive at a time of budget austerity.

I want to say one thing about my chairman, who is correct in everything the gentleman has stated to a certain degree. I admit error. I did not look at this program carefully enough at first, but when I saw what was going on, I changed my view.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. DICKS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. RUDD

Mr. RUDD. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

TRIBAL TRUST FUNDS

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated not to exceed $3,000,000 from tribal funds not otherwise available for expenditure for the benefit of Indians and Indian tribes, including pay and travel expenses of employees; care, tuition, and other assistance to Indian children attending public and private schools (which may be paid in advance or from date of admission); purchase of land and improvements on land, title to which shall be taken in the name of the United States in trust for the tribe for which purchased; lease of lands and water rights; compensation and expenses of attorneys and other persons employed by Indian tribes under approved contracts; pay, travel, and other expenses of tribal officers, councils, and committees thereof, or other tribal organizations, including mileage for use of privately owned automobiles and per diem in lieu of subsistence at rates established administratively but not to exceed those applicable to civilian employees of the Government; relief of Indians, without regard to section 7 of the Act of May 27, 1930 (46 Stat. 391) including cash grants: *Provided*, That in addition to the amount appropriated herein, tribal funds may be advanced to Indian tribes during the current fiscal year for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary.

The Clerk read as follows:

Amendment offered by Mr. RUDD: On page 21, line 22, after the period, insert:

"SALT RIVER PIMA-MARICOPA SETTLEMENT

"For settlement of the Salt River Pima-Maricopa Indian Reservation boundary dispute, pursuant to Public Law 95-399, $1,965,000 to be paid to the Salt River Pima-Maricopa Indian Community and $1,952,000 to be paid in accordance with the second sentence of section 5(b)(2): *Provided*, That notwithstanding any other provision of law, the payments provided herein shall constitute a complete release and satisfaction of any claim which any person may have against the United States, the Salt River Pima-Maricopa Indian Community, or holder of any interest with respect to any right, title, or interest in any portion of the parcels of land described in paragraphs 1 through 9 of section 3(b) and/or subparagraphs (A), (B), or (C) of section 3(a)(2) of Public Law 95-399 which are located north of the boundary line referred in section 3(a)(2) of Public Law 95-399.".

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman and our illustrious colleague, the distinguished minority leader from Arizona (Mr. RHODES), have talked to the committee about this amendment. We considered it in committee very carefully and we did not put the funds into the bill at the time we marked up the bill because there was some question in the committee's mind as to whether the settlement of this boundary dispute was a final settlement.

The language in this amendment is intended to assure that the amounts received by the Salt River Pima-Maricopa Indian community and by all members of the Salt River Pima-Maricopa Indian Reservation boundary dispute accept the funds that are a part of this amendment in full settlement of any and all claims. That is the gentleman's understanding as well, is it not?

Mr. RUDD. That is my understanding.

Mr. YATES. Mr. Chairman, with that understanding, the committee accepts the amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I would be happy to yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr Chairman, I want to commend my friend, the gentleman from Arizona. The gentleman has worked long and hard on this amendment.

I agree, as the chairman has said, we believe we have come to a final resolution of a very difficult problem. It is because the gentleman and his colleagues have worked so hard, we are delighted to accept the amendment on this side of the aisle.

Mr. RUDD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RUDD. Mr. Chairman, this amendment provides for an appropriation of $3.9 million to implement Public Law 95-399, the redesignation of the southern boundary of the Salt River Pima-Maricopa Indian Reservation in Maricopa County, Ariz., which was unanimously approved last year by the Congress, and signed by the President.

This amendment has been discussed with the distinguished chairman of the subcommittee (Mr. YATES), and the distinguished ranking minority member (Mr. McDADE), and has been accepted by both sides.

I would like to yield now to the distinguished chairman for any comment that he might like to make, and urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. RUDD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FLORIO

Mr. FLORIO. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

LAND AND WATER CONSERVATION FUND

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–4–11), including $7,693,000 for administrative expenses of the Heritage Conservation and Recreation Service during the current fiscal year, and acquisition of land or waters, or interest therein, in accordance with the statutory authority applicable to the State or Federal agency concerned, to be derived from the Land and Water Conservation Fund, established by section 2 of said Act as amended, to remain available until expended, not to exceed $447,059,000, of which (1) not to exceed $200,000,000 shall be available for payments to the States in accordance with section 6(c) of said Act; (2) not to exceed $3,690,000 shall be available to the Bureau of Land Management; (3) not to exceed $41,573,000 shall be available to the Forest Service; (4) not to exceed $20,600,000 shall be available to the United States Fish and Wildlife Service; and (5) not to exceed $173,503,000 shall be available to the National Park Service: *Provided*, That not to exceed $12,000,000 of the amount provided for State assistance may be available as a contingency reserve to be administered by the Secretary to meet unforseen needs of the States: *Provided further*, That the $12,500,000 available to the Forest Service in fiscal year 1979 for acquisition of the Kahle and Jennings properties may be used to acquire other properties in the Tahoe Basin of California and Nevada with no matching requirement.

The Clerk read as follows:

Amendment offered by Mr. FLORIO: Page 8, after line 15, insert the following:

PINELANDS NATIONAL RESERVE

For expenses necessary to acquire lands and waters or interests therein pursuant to the authority of section 502(h) of the National Parks and Recreation Act of 1978 (Public Law 95–625) $12,000,000, to remain available until expended.

Mr. FLORIO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FLORIO. Mr. Chairman, last year when section 502 of the National Parks and Recreation Act of 1978 was enacted, the Congress made a commitment to protect, preserve, and enhance the significant values of the land and water resources of the Pinelands area of southern New Jersey.

The Pinelands contain approximately 1 million acres of pine-oak forest, extensive surface and ground water resources of high quality, and a wide diversity of rare plant and animal species, which provides important ecological, natural, cultural, recreational, educational, agricultural, and public health benefits. A 27,000-acre dwarf forest in the midst of the Pinelands is biologically unique, an example of an ecosystem shaped by forest fires.

Incredible as it may seem, 50 million people live within a day's drive of this vast, sprawling tangle of pitch pine and oak, pure streams and rivers, rare plants and animals. The U.S. Department of the Interior has called the Pinelands "the most extensive wildcat tract in the Middle Atlantic seaboard region."

For more than 100 years New Jersey has valued the Pinelands' great underground freshwater reservoir. The State has established a number of public forests and parks in the region that have helped to preserve the water as well as the plants and animals. Unfortunately, however, the forest soil is so porous that pollutants could easily reach the underlying water deposits. Haphazard development on private lands in the Pinelands would certainly cause this polluting.

Rising taxes, increased costs of farming, and a general disinterest in farming among younger people have caused many farmers who work the fertile lands surrounding the Pinelands to sell their homesteads. It is estimated that 90 percent of these farms go to land speculators.

If the Pinelands are left in the hands of speculators, their future will be written in asphalt.

Section 502 of the National Parks and Recreation Act of 1978 recognized that there is a demonstrated need to combine the capabilities and resources of the local, State, and Federal Governments and the private sector to provide an alternative to large-scale direct Federal acquisition and management in cases where such acquisition and management is inappropriate.

Section 502 also recognized the need to provide assistance to the State of New Jersey and its units of local government in the development of a comprehensive management plan for the Pinelands area in order to assure orderly public and private development in the area.

Most significantly, was recognition of the need to provide, during the development of a comprehensive plan, Federal financial assistance for the acquisition of lands in the area that have a critical ecological value in immediate danger of being adversely affected or destroyed.

Mr. Chairman, while matters of form and style are being resolved to deal with the development of the comprehensive plan, the purchase of lands of critical ecological value must be undertaken as rapidly as possible.

The purpose of my amendment is to provide the funds to purchase these critical ecological areas. The amendment calls for $12 million only of the $23 million authorized to be appropriated under section 502 of Public Law 95–625, the National Parks and Recreation Act of 1978.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I am happy to yield to the distinguished gentleman.

Mr. YATES. Mr. Chairman, this is an amendment that has been approved by the Office of Management and Budget.

The reason that the committee did not approve this amendment originally was because of a dispute within the New Jersey delegation itself. The committee thought that the members of the New Jersey delegation should work out their differences before approval was given to the amendment. It is our understanding that the members of the New Jersey delegation are in unanimous agreement on this amendment, in view of the fact that it proposes a program that is innovative and imaginative and should be undertaken. With the understanding that it has the agreement of the New Jersey delegation, we have no objection to the amendment.

Mr. FLORIO. Mr. Chairman, I thank the gentleman for accepting the amendment.

I would like to put on the record that the amendment is being offered by myself, my colleagues, the gentleman from New Jersey (Mr. HUGHES) and the gentleman from New Jersey (Mr. FORSYTHE) as well.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I would be happy to yield to my colleague, the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I rise in strong support of the amendment offered by myself and my distinguished colleagues from New Jersey, Congressmen JIM FLORIO and ED FORSYTHE.

This amendment appropriates $12 million to acquire land in the critical core of New Jersey's Pinelands. In so doing, it carries out one of the most important elements of the Pinelands Protection Act which Congress enacted into law last year.

For those of my colleagues who are not personally familiar with the Pinelands, I would like to take a minute to describe this region. This magnificent range of forests and bogs, located in southern New Jersey, constitutes one of the largest stretches of undeveloped land along the entire eastern seaboard. Within this forest of pine and oak trees, cedars and shrubs, live a rare collection of plants and animals which scientists tell us exist nowhere else in the world today.

At the center of the Pinelands, or Pine Barrens, is a forest of dwarf pines and oaks which have adapted to being burned about once every 8 years—a natural phenomenon which enables new seedlings to burst forth from the parent trees. In the surrounding lowland bogs and marshes, farmers cultivate some of the Nation's most bountiful harvests of both blueberries and cranberries.

Unfortunately, this unique wilderness area is under siege by developers. Located in the heart of the highly urbanized Northeast, the Pinelands represent one of the last remaining frontiers to be conquered by our ever growing population. In fact, developmental pressures are so intense that it is a wonder the Pinelands have even survived this long.

In an effort to relieve this developmental pressure, Congress last year enacted into law one of the most innovative and imaginative conservation programs that has ever been conceived. This program rejected the outdated method of protecting valuable wilderness areas through massive Federal acquisition of land.

Instead, it outlined for the first time ever a unique partnership among the local, State, and Federal Governments to carry out a conservation program in the Pinelands. To the largest extent possible, this program enhances the concept of

home rule and encourages continued private ownership of land. It is an approach to wilderness protection which I hope will someday be applied to open space areas all across our country.

This Pinelands legislation focuses on the establishment of a 15-member planning commission, whose members represent all levels of government as well as farmers, environmentalists, and other residents of the area. This commission is charged with the responsibility of developing a conservation plan which looks beyond municipal boundaries, and takes into account the overall ecological importance of the region.

As part of this conservation program, we determined that it was necessary to bring into the public domain approximately 30,000 to 50,000 acres which are located in the central core of the Pinelands. Some of this land is already owned by the State. The rest of the land is so crucial to the environment, and to the huge acquifer which underlies the Pinelands, that it must be acquired as well. That is what this $12 million will be used for.

It has always been my firm belief that the Government has an obligation to pay for land which it considers to be in the public interest. At one time, proposals were being considered which would have protected this core region through the imposition of massive regulations. In a sense, private property would have been confiscated by law without just compensation. That is not an acceptable approach in the Pinelands or anywhere else, in my opinion. I am pleased that this amendment enables us to carry out our responsibilities fairly, by paying for land which is taken out of private ownership.

I might add that land will only be acquired in the critical core of the Pinelands, and that this land will have to meet the test of being "environmentally sensitive and in immediate danger of being destroyed."

In sponsoring this amendment, I want to make it clear to my colleagues and to the people of New Jersey that I am not entirely satisfied with the Pinelands legislation which recently passed the State legislature. I believe the State bill goes far beyond what is necessary to protect the Pinelands, and that certain elements of it are not consistent with the Federal Pinelands Act. Most troubling to me was the State's decision to impose a blanket moratorium on all development within a 1 million acre area of New Jersey—an area which includes thousands of private homes and entire towns and cities. This moratorium was rejected during the drafting of the Federal Pinelands legislation, and I regret that it has since been imposed by the State. In the months ahead, I hope to continue my discussions with State legislators to revise this and other provisions of the State law which I feel undermine our efforts to develop a conservation program in the Pinelands that is both fair and reasonable.

□ 1800

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I want to commend my colleague, the gentleman from New Jersey (Mr. FLORIO), and all the New Jersey delegation. This is indeed a unique piece of land left in the most urban State in the Nation.

We have discussed this, and we are delighted that the delegation has come to an accord. We are happy to accept the amendment on this side.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, as a member of the New Jersey delegation I, too, would like to compliment my colleague, the gentleman from New Jersey (Mr. FLORIO), on this amendment. Not everybody may agree, but I do. I think this is one of the most valuable things that could be done for our State.

Mr. FLORIO. Mr. Chairman, I thank the gentlewoman very much, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. FLORIO).

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments to title I, the Clerk will read.

The Clerk proceeded to read title II.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any points of order against title II?

Hearing none, the Chair will inquire, are there any amendments to title II?

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

DEPARTMENT OF ENERGY

SYNTHETIC FUELS PRODUCTION

For expenses necessary to carry out the provisions of the Defense Production Act of 1950, as amended (50 U.S.C. 2061 et seq.), $1,500,000,000, to remain available until expended, for the purchase or production of synthetic fuels and synthetic chemical feedstocks, to be derived from an energy trust fund as established by H.R. 3919 or equivalent legislation: *Provided*, That if no such fund has been established upon enactment of this bill, funds for such program shall be derived from general funds of the Treasury not otherwise appropriated, to be reimbursed from the funds at such time as the fund is established: *Provided*, That this appropriation shall not be used for the construction of facilities: *Provided further*, That the President is authorized to contract for purchases of or commitments to purchase, or to resell synthetic fuels and synthetic chemical feedstocks to the extent of appropriations provided herein.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 34, line 11, after "feedstocks" strike out all through the word "established" on page 34, line 17 and insert: ", to be derived from the Energy Trust Fund established by H.R. 3919 or a fund or segregated account or equivalent mechanism established by equivalent legislation: *Provided*, That if no such fund, account or mechanism has been established upon enactment of this bill, funds for such program shall be derived from general funds of the Treasury not otherwise appropriated, to be reimbursed from such fund, account or mechanism at such time as it is established".

Mr. YATES. Mr. Chairman, the purpose of this amendment is to permit the funding of the synthetic fuels program through the energy trust fund if and when that fund is established. The language has been worked out with the Office of Management and Budget and provides that the funds come from an equivalent mechanism in the event the trust fund itself is not established pursuant to the windfall profits tax bill that was passed by the House a short time ago.

For that reason, Mr. Chairman, we are satisfied that the language is desirable, and I ask for a vote on the amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, the gentleman from Illinois (Mr. YATES) has worked hard to get this amendment in shape and negotiated with the Office of Management and Budget. We think it is a good amendment, and we support its adoption.

Mr. YATES. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. YATES).

The amendment was agreed to.

Mr. ADDABBO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it was my intention to offer an amendment on the Pennsylvania Avenue Development Corporation. It has been brought to my attention by some personal friends of mine and by relatives that the Pennsylvania Avenue Development Corporation was not actually fulfilling the directives of the Congress.

I have had a meeting with them and have spoken to the chairman of the subcommittee, the gentleman from Illinois (Mr. YATES), and he has assured me that his committee will carefully monitor the Pennsylvania Avenue Development Corporation and see to it that they fulfill all the obligations of the original directive given to them by the Congress.

Therefore, Mr. Chairman, I will not be offering my amendment at this time.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $545,552,000, to remain available until expended: *Provided*, That of the total amount of this appropriation, not to exceed $1,450,000 shall be available for a reserve to cover any defaults from loan guarantees issued for electric or hybrid vehicle research, development, and production as authorized by section 10 of the Electric and Hybrid Vehicle Research,

Development and Demonstration Act of 1976 (15 U.S.C. 2509): *Provided further*, That the indebtedness guaranteed or committed to be guaranteed under said law shall not exceed the aggregate of $16,000,000: *Provided further*, That $180,000,000 appropriated in Public Law 95-240 for conservation grants for schools and health care facilities and $17,500,000 appropriated in Public Law 95-240 for conservation grants for local government buildings shall remain available until expended.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 35, line 21, delete "$545,552,000" and insert in lieu thereof "$566,052,000".

And on page 36, line 10 after "expended" insert the following: ": *Provided further*, That of the total amount of this appropriation, not to exceed $5,000,000 shall be available for a reserve to cover any defaults from loan guarantees issued for financing the construction of facilities to convert municipal wastes into synthetic fuels as authorized by Section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5901, et seq.): *Provided further*, That the indebtedness guaranteed or committed to be guaranteed under said law shall not exceed the aggregate of $50,000,000".

Mr. YATES. Mr. Chairman, the purpose of this amendment is to add funds to various energy conservation programs that we have worked out together with members of the authorizing committee, the Committee on Science and Technology.

Additional funding has been made available for various programs in transportation energy research, industrial efficiency, and cogeneration and conversion of waste to energy. We believe the additional funding will permit the Department of Energy to make advances in each of those funded areas, and inasmuch as conservation in all of its forms is the best source of protecting and preserving our energy resources today, we think this is a desirable amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this is the amendment to which I referred earlier. As I said, it adds $6.5 million for industrial cogeneration, $5 million for urban waste loan guarantees, as described by the gentleman in the amendment itself, and $9 million for transportation. I do appreciate the gentleman's working with us on this matter, and I am satisfied with the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. YATES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the RECORD today.)

The Clerk read as follows:

Amendment offered by Mr. WEAVER: On page 34, strike lines 6 through 22, inclusive.

Mr. WEAVER. Mr. Chairman, I again want to thank this committee and the Subcommittee on Interior of the Committee of Appropriations for the fine job they have done on the Forest Service in raising the amounts from the President's budget, and I thank the subcommittee chairman and the ranking minority member.

However, I do feel compelled to offer this amendment which strikes the $1 billion 500 million in the budget in this bill for synfuels. I recognize that I was in the very small minority when the House voted on the Moorhead amendment, but I still feel that we are going in the wrong direction by funding now the synfuels with this much money because it is going to break the budget and put us over our budget limits.

□ 1810

Mr. Chairman, in the matter of Germany's use of synfuels in the Second World War, they did fuel the Wehrmacht with synfuels, but we forget what those planes were like and the amount of synfuels that Germany produced at that time were 50,000 barrels a day. It took an all-out national effort for them to do that, but it was 50,000 barrels a day, and that is not what we are aiming at now. It is a much larger figure, with much more disastrous consequences for our economy.

I would like to say that it is essentially the wrong direction to go in.

Today the primary cause of the Consumer Price Index rise is our excessive use of extremely high-priced energy. That is what has made the Consumer Price Index go up 10 percent and 12 percent and 14 percent a year.

Now the Government has come along and printed the money, through deficit spending and other means, to cover the cost of this increased energy. In other words, instead of letting our people buy higher cost energy and doing without some place else, they said, "No, we are going to have both our cake and eat it too, and we are going to print the money."

This has been extremely inflationary. In other words, we have the printing presses out loaning the people money instead of buying high-priced energy, so we go on and live as if we are still buying oil at $2 a barrel instead of $20 a barrel that imported oil now costs and instead of $40 that synfuels will cost, the most inflationary thing we could possibly do.

If we cut down on our use of high-cost energy, we would lick inflation, we would break OPEC, we would force Detroit to build a cost-fuel efficient car. We are going in the wrong direction.

So I move to strike that $1.5 billion for synfuels, which, again, fuels the fire of inflation and breaks the budget.

I would like to ask the distinguished chairman of the subcommittee, first of all—if the gentleman will deign to answer my question—what this $1.5 billion is going to be used for in this fiscal year.

Mr. YATES. If the gentleman will yield, I am informed by the Department of Energy that, in all probability, the money will not be expended during this fiscal year. It was placed in the bill because representatives of the Department of Energy testified that private business, which is going to be asked to participate in the synfuels program by furnishing synthetic fuel by 1985 at the rate of 500,000 barrels a day and 2 million barrels a day by 1990, needs evidence of purpose on the part of Government in its determination to go forward with a synthetic fuels program.

There is a possibility, I will say to the gentleman, that $1 billion of the $1.5 billion could be committed to a program referred to as the ANR coal gasification plant. It may be eligible for funding during the year.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. WEAVER) has expired.

(On request of Mr. YATES and by unanimous consent, Mr. WEAVER was allowed to proceed for 2 additional minutes.)

Mr. YATES. The additional one-half billion dollars is for the purpose of seeking invitations to bid by private industry for the kind of synfuel programs authorized by the so-called Moorhead bill and the total amount of $1.5 billion could be used for it if not committed to the ANR project.

Mr. WEAVER. Mr. Chairman, I want to thank the always distinguished chairman for his very frank answer. I really appreciate his candor.

In other words, do not know what the money is going to be spent for; we do not know whether it is needed. It is a pledge, in effect, off in some distant vague future, and I urge the committee to vote for this amendment to strike the $1.5 billion, the budget-breaking item.

Mr. McKAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think those who have been working with synthetic fuels will recognize that unless there is some incentive there for somebody to get a contract to get started, they are not going to get into these synthetic fuels. We were through this cycle in 1973, and then we went to sleep again. So we are behind. We need to keep sufficient funds in to get this on line.

This committee has been dealing with synthetic fuels for about 15 years, hearing testimony referring to pilot plants and research and development for years, and we have not gotten a barrel of oil.

We have to be serious about it. The Members might be interested to know that, in fact, at the instigation of the chairman, we proceeded to put in a section in this bill to provide for $25 billion so that people knew we were serious about getting contracts and, instead of pushing the chain through grants, to offer a contract to purchase, to decide which process is available, and to get the thing started and to get it on the road. Every year and every month we wait, every year we postpone the funding of it, we cost ourselves more money. We are putting out $60 billion a year in a balance-of-payments deficit overseas. We have the resources here. Why do we keep abusing ourselves with inflationary costs? We can pay out that kind of money today and still make money. Those overseas barrels of oil are costing us, in related costs, as much as $99 a

barrel. We need to get it here. We can afford to put at least this pittance in to get something started.

Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. WEAVER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the RECORD today).

The Clerk read as follows:

Amendment offered by Mr. WEAVER: On page 34, line 9, strike "$1,500,000,000" and insert in lieu thereof "$1,481,540,000".

On page 30, line 1, strike "$847,151,000" and insert in lieu thereof "$865,611,000"; and, also in line 1, strike "$188,218,000" and insert in lieu thereof "$197,748,000".

Mr. WEAVER. Mr. Chairman, I would like to tell the committee that I am very serious about this amendment and would hope that the committee would seriously consider accepting it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, may I read to the gentleman a letter I received from the head of the Forest Service, dated July 26, 1979. I am sure the gentleman knows of the determination by this committee to do everything that it can to assure that reforestation shall proceed as promptly as possible.

Mr. WEAVER. I compliment the gentleman for his great efforts. I have always said that the Forest Service owes a great deal to Chicago.

Mr. YATES. This is what the gentleman said, and this is from R. Max Peterson, Chief of the Forest Service:

DEAR CONGRESSMAN YATES: This is in response to your inquiry concerning possible increases in reforestation for 1980.

We wanted to know whether he could use more money for reforestation, after the gentleman from Oregon told me about it.

He says this:

Our reassessment of anticipated planted stock indicates that the 221,000 acres targeted for reforestation and associated funding, as contained in the House actions, are the maximum we can reasonably handle in fiscal year 1980.

I will tell the gentleman that if the chief had told us that he could use more money for reforestation, if he had told us that he had talked to the gentleman from Oregon (Mr. WEAVER) and that the gentleman was insisting that he put more money in, and if he would have said, "I agree with Mr. WEAVER, we should have more money," had he told us that, we would have put more money in. But the gentleman knows that we have a program for reforestation, we adhere to it even though the Office of Management and Budget refuses to put funds in it. We put it in because we think it is vitally important to the people of this country.

Mr. WEAVER. Mr. Chairman, the gentleman speaks the truth. I thank the gentleman for the hard and great work he has done in reforesting the national forests of this country. We owe a debt to the gentleman.

I will not say, in deference to the esteem in which I hold the chairman, that this is simply a pledge, a pledge to somebody to plant trees. I could say that, because that was the gentleman's response to how the money was going to be spent for synfuels. The gentleman did not know how the $1.5 billion was going to be spent for synfuels. But the $9.53 million that is in my amendment for reforestation actually will go for timber stand improvement, which the Forest Service says, is the amount they could effectively spend this year for timber stand improvement. As, of course the committee knows, the line item on reforestation is also timber stand improvement.

□ 1820

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Illinois.

Mr. YATES. I would hope the gentleman would withdraw his amendment. He has the committee assurances respecting reforestation.

I will even go further than my subcommittee. I do not know whether they would agree with me. I share the gentleman's concerns to some extent about the synfuels programs. I know about the so-called greenhouse effect that Prof. Roger Ravel and others have talked about. I do recognize that as a possible threat.

I do want the gentleman to know that I appreciate, too, the need for the growth of more and more trees to withstand that possibility. I would want the gentleman to know he has my assurance, and I am sure the assurances of the members of our committee that we are determined that the trees shall continue to stand and that for every tree cut, I would like to see a tree planted and more trees planted.

Mr. WEAVER. I again appreciate very much the remarks of the gentleman. There is no question, I agree with him completely. He is saying the truth.

I do want, however, to say that if you want energy today, we are burning slash in our forests today, burning it and polluting our air.

In the forests in my district right now, the air you can hardly see through it because of the smoke from some forest fires but also the slash that is being burned.

Mr. YATES. Is this taking place in the great State of Oregon?

Mr. WEAVER. It is taking place in the great State of Oregon.

Mr. YATES. That is not the way the great State of Oregon was explained by the gentleman in our committee, the gentleman from Oregon (Mr. DUNCAN).

Mr. WEAVER. Right now we are burning slash, burning this wood waste.

My amendment not only gets additional trees out of the forest, from thinning operations, but right now what do we do? You have $9 million or $10 million in the bill to burn the slash.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

(By unanimous consent, Mr. WEAVER was allowed to proceed for 2 additional minutes.)

Mr. WEAVER. You have $9 million or $10 million in the bill to burn the slash in the forests. The additional $9 million in my amendment will not burn the slash in the forests. It will take it out.

Now, I have gotten my local utility, the Eugene Water and Electric Board, a contract with the Forest Service to set up a generating plant to use this slash.

We are going to start producing electricity with it, and we can produce gasohol with it also. People can just simply burn it in their homes, but it has got to be brought out of the forest.

So if you want energy now, this moment, and if you want more produce from our forests, then vote for my amendment, because it will get the energy immediately.

I am just asking for $18 million of this $105 million in here for synfuels. Frankly, it will produce more energy, the $18 million, than the other $1,482,000,000.

The chairman made my final point, which was to simply say that when we burn synfuels, we put carbon dioxide in the air, jeopardizing the world's climate. Trees take carbon dioxide out of the air, and so if you are determined to build synfuel plants, please at the same time plant lots of trees.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Ohio.

Mr. REGULA. Is it not a fact that slash is used in many different ways depending on the proximity to manufacturing facilities, and otherwise it might be used in paper board? It might be used in the production of various other wood byproducts, so that in reality it is the economics in many instances that dictates the use of slash? It might well be that some of the slash is totally inaccessible to transportation and therefore not economical in terms of removal?

Mr. WEAVER. We can take this out of the forest, but the policy right now, and the money in here, is simply to burn it.

My amendment would take it all out of forests and make it available for energy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. WEAVER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GOLDWATER

Mr. GOLDWATER. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), $699,377,000, to remain available until expended: *Provided*, That no part of the sum herein appropriated shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

The clerk read as follows:

Amendment offered by Mr. GOLDWATER: On page 35, line 2, strike "$699,377,000" and insert in lieu thereof "$703,377,000."

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman was kind enough to discuss this amendment with the committee before we came to the floor, and I want to tell the gentleman the committee is most sympathetic to the purposes of the amendment.

We do have a letter from the Department of Energy in which they discuss the molten salt gasifier program. This is in a letter addressed to me by Mr. John Deutch, dated July 25. It says:

> As you know the Department requested and received $1 million in fiscal year 1979 to place the molten salt gasifier PDU in standby status. It appears that this technology may have some promise and we are currently evaluating what role the molten salt gasifier could play in the overall third generation R&D program. Sufficient funds to continue this evaluation are available within the fiscal year 1980 budget. We do not believe that the $4 million additional proposed is necessary since no decision has been made to modify the PDU facility and expand this project beyond its current scope.

May I say to the gentleman there are approximately 61 gasifiers that are commercially available, under commercial development, or that the Department of Energy has among its programs today. Nevertheless, I know of the interest in this molten salt gasifier. I would like to say to the gentleman that in the event the Senate decides to put this program into effect, the committee would be glad to seriously consider it.

Mr. GOLDWATER. I appreciate the chairman's sympathetic feelings on this. I know he understands the importance of it. I appreciate his understanding about it.

Mr. YATES. Might I request the gentleman might want to withdraw his amendment at this time.

Mr. GOLDWATER. The gentleman will take that under consideration.

Mr. YATES. I thank the gentleman.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from New York.

Mr. OTTINGER. I would like to say that our subcommittee did include the amount for the molten salt gasifier, with virtually unanimous consent of the subcommittee. Our own staff feels this is one of the more promising technologies. I do understand the concern of the gentleman from Illinois (Mr. YATES) with respect to the number of gasification projects being funded by the Department of Energy, but I would urge upon him that everything we have seen indicates this is a very promising technology.

I hope he would urge upon the Department of Energy to fund it, and if it does come up in the Senate, he would, as he said he would—and I certainly believe it—very seriously consider adding the funds in conference.

I thank the gentleman. I think he has an excellent amendment.

Mr. GOLDWATER. Mr. Chairman, let me just point out what I am trying to do. This amendment would raise the fossil energy research and development authorization by $4,000,000 to allow funding for molten salt gasification research for fiscal year 1980.

The molten salt furnace is a highly efficient means of burning coal with very little pollution to the environment. The Energy Technology Engineering Center of the Department of Energy is currently operating a process demonstration unit utilizing this technology with very promising results. In this facility, salt under pressure is heated to 1,800 degrees. Coal is partially combusted in the salt which releases a low-Btu fuel gas while capturing the sulfur and the ash. The salt is then regenerated and the sulfur is captured as elemental sulfur.

The molten salt process has a number of advantages over most of the other gasification technologies. It can use a wide variety of coals. The product gas is also extremely low in sulfur, tar, heavy hydrocarbons, ammonia, and NO_x. The efficiency of the system is also much higher than the current generation of Lurgi gasifiers.

If we do not act to fund this project, a facility which was completed in mid-1978 and which has run well will be abandoned prematurely. It is true that we have learned quite a lot about the merits of the motion salt technology as a source of low-Btu gas but this is not where the need or the market is. The 1980 authorization which I am calling for will permit examination of the technology's applicability to medium Btu gasification which is a much more versatile fuel.

Medium-Btu molten salt gasification has been demonstrated at laboratory scale, but there is currently no PDU-size facility in the free world where it can be tested. Yet, for $50,000 to $60,000 the DOE facility can be modified, after completion of the currently scheduled low-Btu tests, to perform this work. The balance of the $4,000,000 would be spent on operating the facility during fiscal year 1980.

I ask your support and that of the rest of our colleagues on this amendment so this important, but relatively low-cost research can be performed.

□ 1830

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. GOLDWATER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. WOLPE

Mr. WOLPE. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates see prior proceeding of the RECORD today.)

The Clerk read as follows:

Amendment offered by Mr. WOLPE: On page 35, line 21, increase the dollar amount shown by $6,000,000.

Mr. WOLPE. Mr. Chairman, I want to commend the chairman of the committee and the membership of that committee for an excellent piece of work. I want to indicate in advance that the amendment I offer at this point should not be taken in any way as a comment on the overall work product of that committee. But there is one area of the committee's work that I feel does demand attention by this body at this point, and that is the appropriate technology program.

What this amendment before us would do would be to increase the dollar amount for the appropriate technology grant program by $6 million, which would raise the appropriate technology program to the existing authorization of $18 million. I should indicate that the Science and Technology Committee had originally recommended a $23 million figure for the authorization, and the $18 million authorization amount was a product of a compromise that was negotiated between the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology. I mention this because the $23 million recommendation of the Committee on Science and Technology was an indication of the enthusiastic support of the committee for this particular effort within the Department of Energy.

What is involved in that program is the offering of grants to communities, to small businesses, to individuals to support innovative conservation and energy production ideas. It is really the only program within the Department of Energy that is specifically tailored to support the efforts of individuals and that is not tailored to support the activities and the work of the largest corporate interests.

There is a limit of $50,000 for any grant that is awarded under this program over a 2-year period. An indication of the tremendous support that this program has received nationally is the number of requests that have come in under this authorization. In fiscal year 1979 there were over 12,000 requests received by the Department of Energy totaling a requested allocation of $343 million. Yet, the current funding level that is being proposed presently under the appropriations bill of $12 million would allow only 2.3 percent of those requests to be funded.

Recently the Department of Energy in region 9 of this country undertook an evaluation to assess the worth and the value of the projects that were initiated under this grant program and came to the conclusion that 20 percent of the proposals were, in fact, worth funding, that they were meritorious. The evaluation of that region 9 program indicated that the average funded project created an energy saving far in excess of the cost of that initiative.

This is the most innovative energy program that we have within the Department of Energy. More importantly, I would submit, what is at issue here is whether or not we are going to successfully tie the efforts by individuals in local communities all across this country to the national mobilization effort to which all of us within this body are committed. The simple fact is that many people do not recognize how much can be accomplished at the individual level. We have not yet truly tapped the creative resources of the individuals within our local communities. To the extent we

can begin to get people individually generating ideas, putting to work those ideas within local communities, we can begin to get a truly personal identification, I submit, with our need nationally to move in a much more effective way toward conservation and toward the development of solar technology.

I would like to give just one example briefly from my own district where an individual came forward with a proposal for his own particular business establishment, a very small business, which was located physically adjacent to a local powerplant. He proposed to take the waste heat from this local powerplant and to link it into his establishment and use that waste heat; this is one example of cogeneration. It made sense from every standpoint. The dollars simply were not available.

If the dollars had been available to support this kind of an initiative, this individual small business was only one of a number of prospective small business establishments that were being developed in what is a larger industrial park within this region, and if we could get that one demonstration accomplished, we could have a massive impact on the entire pattern of industrial growth within this particular part of my congressional district.

That is just one example. Fortunately there are other examples that have been funded involving the use of solar technology to accelerate the growth of fish, to the development of alternative transportation programs involving community-based bus service.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. OTTINGER, and by unanimous consent, Mr. WOLPE was allowed to proceed for 3 additional minutes.)

Mr. WOLPE. Other examples of programs that have been funded under the appropriate technology program include projects that have helped to make much more efficient use of solar hot water and solar space heating by demonstrating how the two, if joined together, can yield a cost effective way of using solar energy in home construction.

In short, we have an opportunity through this program to make real and personal and local the effort at mobilizing energy resources in this country. I think we have much to gain by extending the appropriation that has been requested to that which has been authorized.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from New York.

Mr. OTTINGER. I congratulate the gentleman for his amendment. This was a program that was expanded at the initiative of the gentleman from California (Mr. BROWN) to $23.5 million in the Energy Development and Applications Subcommittee by an overwhelming vote. This is the one program in the entire Government that funds the little guy with the good ideas.

Most of the inventions that have come into this country have not come from the large corporations but have come from individual inventors. Individual inventors most times do not have money to exploit their ideas. This program takes proven ideas, for instance, ideas that have gone through the small inventors' program and have been shown to be promising and allows $50,000 to be put behind them in order to be able to move that idea and get the small inventor started.

Every one of us in our districts have had people come to us with ideas that really sound good, and they sometimes can get them proven and get the endorsements for them by reputable scientists. This puts a little money behind them and gives us an opportunity to help that kind of constituent.

I strongly urge support for this amendment. I know the gentleman from Illinois has been very generous to us, he has added $3 million from what the committee originally provided for this program, but with $343 million in applications sitting out there, and some of the ideas already funded being so successful that they would pay for the entire program, I would hope that he would reconsider and he would support the program.

Mr. WOLPE. I thank the gentleman from New York for his very helpful observations. I yield back the balance of my time.

□ 1840

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

There is no shortage of energy resources in America. We are simply bursting with energy all around us—the Sun, coal, the tides, oil, oil shale, peat, and on and on. In oil alone we have only been able to get out 15 percent of all the oil that is known or believed to exist on this planet, certainly in the United States.

Why then do we have a shortage? We have a shortage because we do not have the capital to capture this energy and put it to work. The New York Stock Exchange estimates that we have a $600 billion capital shortage right now, over the next couple of years. I put together a list not long ago of roughly $2 trillion worth of capital shortages for all the needs we have—for housing, for roads, for mass transit, for synfuels, for flood control, and on and on.

Now, one of the reasons why we have a capital shortage, of course, is because we are spending vast sums on military; we are spending a lot on foreign aid, and then we find ourselves short of the capital we need to do the job. But, it is also because we have been putting vast quantities of capital into projects in which we are overcapitalized; we are wasting capital.

In my district we are building a subway 10 miles long at a cost of $1 billion. If we wanted to save capital and get the job done, we have five rail lines where we could have put rail lines out in five different directions for a few hundred million dollars. But no, we had to do it the expensive way. Where does that come in?

The point I want to make is that what we need to do is reach for our brains instead of our pocketbooks. We are spending too much money, overcapitalizing, and what we need to do is to go back to the simple ideas of the ordinary people, the Eli Whitneys, that kind of person capable of doing the same thing for us. I have people come to me once a week, once a month, with an idea that sounds good, but they do not have the money. I will admit that a lot of those ideas are cockeyed ideas. We all know this, but let me tell the Members this: I spent my life in research, and the great majority of research is not worth a darn. But, one project that is worth a darn pays over and over again for all the rest. That is why I think this small grants project is important.

Let us let the ordinary guy who is close to a problem, who sees a solution, let us let him have a little money to develop it. We already know that we have many, many times more applications for grants than we have money to hand out. This program was authorized for $18 million—I believe that was the full authorization. In the committee I was able to get this raised up to $3 million above what the committee wanted, which I believe was $12 million. But, we still lack another $6 million, and I think this would pay for itself over and over again.

Let us give the ordinary person a chance to see what he can do, to come up with his ideas and his solutions, instead of giving it to the big corporations or instead of giving it to the Government where a lot of it is going to be spent on bureaucratic overcapitalization. So, I support this amendment and I say, let us reach for our brains instead of our pocketbooks.

Mr. BEDELL. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I will not take the 5 minutes, but I am reminded, as we have this debate, of what someone said to me as we were talking recently about efforts to procure gasohol. He said, "Here in the Congress we swallow camels and gag on gnats."

I think that is the problem we have right here. We are talking about $6 million in a program in which we are at this time spending some $45 billion per year for the oil we import. Now, the question is, when most of our inventiveness has come from small operations such as this and from small business, are we going to invest $6 million in small grants of less than $50,000 per grant in order to help to get that great help that we have available from those small inventors to help solve this problem, or are we going to say, "No, we cannot afford $6 million to help to solve a $45 billion problem."

I would hope that we would vote to add that $6 million to get up to the full amount of the authorization so that we can show the people of America that we do have an energy problem and that we are willing to invest in the area where most of the creativity has been shown in our society.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I just want to rise also in support of this very valuable amendment. I commend the gentleman from Michigan for offering it. I want to say that in my study of the Northwest energy situation, in which I have been involved for many years, it shows untold possibilities of wood waste, biomass, of wave action in the water, that can give us much more energy than we are getting now from so-called conventional sources.

This can produce more energy, perhaps, than the one and a half billion dollars in there for synfuels if we discover an Edison with an idea that is really going to work.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentleman also. I supported the efforts in the committee for the added $3 million. When we see the money we are spending on other approaches, I think this is a very modest amendment, and I would hope that the committee would accept it.

Mr. YATES. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, the committee would have liked to provide funds for every one of the energy programs. We had to draw the line somewhere. We are almost $2 billion over the budget in this bill.

The gentleman from New York says that there are $343 million worth of requests in the so-called appropriate technology program. How many of these requests are good? How many of them are bad? Should we fund the entire $343 million in requests? Should we go over the budget further by an additional $343 million? What is the answer?

We do not know, if we were to put the additional $6 million that the gentleman proposes into the budget, that the right programs would be funded. We do not know which of the applications are going to be excluded. The committee is very sympathetic to the program. We have gone over the budget by almost 50 percent for this program. We have gone over last year's level by 50 percent in this bill.

Just as we did not fund the land and water conservation fund to the extent that we might have done, we pointed out in the debate on that program that the budgetary constraints really governed our actions in that case. We have gone over the budget in other programs that we thought, in our list of priorities, we should have funded. There are, somewhere in this country, inventors who have answers with respect to the energy program. What has happened in the past is that when the inventions have had some prospect of tangible benefits, they have been able to find people with capital to fund those programs.

□ 1850

I have looked through the program book for these various programs. I have seen what they have funded, and I must say that I do not find the selections that the Department of Energy has made under this program as being the kind that I would want to put extra funds into.

Mr. McDADE. Mr. Chairman, will the distinguished chairman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. McDADE. I thank the gentleman for yielding. The gentleman has made the point, and I hope everybody has heard it, that the committee is almost 50 percent above what the budget request is. We have exceeded the budget request. It raises a very important point. What happens when you throw money at an agency, when you force it at an agency? Let us look at some of these.

Here is a fellow who got a grant for $15,700, and he is going to test a system in his warehouse to bring in, and I quote from his grant, "ideal air." He is going to fill his warehouse with ideal air, and then he is never going to have to worry about heating it or cooling it.

I do not know how many Members in the House like to play handball, but here is a fellow who got $13,700 to test a lighting system on a handball court to decide whether or not he could make it sensitive to the fact that a human being might walk in and the lights might go on. I do not know what happened to switches.

Here is another one. Here is a fellow who is going to develop a fan system to take cold air into the attic of a house and move hot air out. I thought that had been done 100 years ago.

I know we promised the Speaker we would try to be done by 7 o'clock. We have given the bill good discussion. We have gone over the budget. We have been very generous with this program, and we can go the other way, too.

Let us support that person out there who is working. Let us vote for this amendment and get on with this bill.

Mr. WEAVER. Mr. Chairman, I move to strike the last word. I will only take one minute. In response to somebody using "ideal air" for $13,700, it is straight crazy. I agree. There are going to be a lot of crazy ideas, including the one of Armand Hammer's for synfuel for $200 million. That is just as crazy, with the idea of burning oil shale inside, down under the ground. They have found out it burns not evenly, but through fissures. So they spent $200 million and threw it out the window. We are about to spend $1.5 billion, which is really breaking this budget, on some crazy ideas, and I say let us give these people a chance.

Mr. McDADE. If the gentleman will yield, how would the gentleman like a program in here to melt beeswax with solar energy?

Mr. YATES. If the gentleman will yield, the $200 million Mr. Hammer spent was not Government money; it belonged to the corporation.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentlemen for yielding. I hope we keep things in perspective. You can find any Government program where there have been some mistakes. I do not think that is the argument in this case. I think the argument is, are we going to have the funds so that the small inventors, if they do have ideas that might solve our energy problems, will not be denied the opportunity to help us solve those problems? I think every one of us here would do everything we could to see that those funds are then spent wisely, but for us not to make them available I think would be a serious mistake.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

The committee agrees with that thought. That is why we went over the budget for the appropriate technology program by almost 50 percent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. WOLPE).

The question was taken; and on a division (demanded by Mr. WOLPE), there were—ayes 15, noes 27.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

(For the portion of the bill to which the amendment relates, see prior proceedings of the RECORD today.)

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Page 35, line 2, strike "$699,377,000, and insert in lieu thereof "$701,377,000".

Mr. LAGOMARSINO. Mr. Chairman, I am today offering an amendment to H.R. 4930, appropriating funds for the purpose of heavy oil conversion technology. I offer this amendment on behalf of myself and my colleagues, Congressmen LEWIS, THOMAS, LUNGREN, COELHO, MINETA, CLAUSEN, and ROUSSELOT. This amendment is identical to an amendment I offered, and which was accepted and adopted, to the DOE authorization bill, H.R. 4839.

Estimates indicate that there are 100 billion barrels of heavy crude oil in place in the United States and 1 trillion barrels of heavy crude oil reserves in Canada. Although this resource is vast, most of it is presently unrecoverable because current refining methods are inadequate, costly, and environmentally hazardous. Presently refining techniques produce unacceptable levels of difficult to dispose of waste, including threatening sulfur emissions. New and innovative refining techniques could permit us to utilize this wealth of crude oil at our disposal, to meet present and future energy demands.

As you know, the President, in his energy message July 15, proposed to immediately decontrol heavy oil, exempting it from the windfall profits tax. This action will, of course, result in long-term incentives for heavy crude refining investment, as well as production. However, it has come to my attention that there is already a cost-effective technology to facilitate the development of heavy crude oil refining methods. One such project,

proposed by a small refiner in my district in California, provides an encouraging approach to manufacturing gasoline feedstock and other high-value products from the thick high sulfur crude oils, abundant in our Nation, without producing hard to dispose of wastes and significant environmentally threatening emissions. This demonstration refinery plant in California has the capacity to convert 5,100 barrels of heavy crude oils and residual oils a day into valuable natural gas and gasoline, while removing sulfur. All residual oil is eliminated and, as already mentioned, the process is nonpolluting.

Unfortunately, the project was presented late in the DOE budget process. Although DOE has expressed strong interest in this concept it simply does not now have the funding authorization with which to proceed. My amendment would allow DOE to assist in developing this technology. At a time when we cannot afford to overlook any technologies which might assist in enhancing vital domestic energy supplies, it is crucial that we expedite those projects which are economically and environmentally appropriate. This process, in fact, would be possible on a quicker time scale and at a lower cost than massive coal conversion programs.

Mr. Chairman, unless the fiscal year 1980 Interior appropriation bill is amended to enable DOE to fund such projects, or it is made plain that they may use available funds for such purposes, at least one crucial year will be wasted in developing technology paramount to tapping our vast domestic heavy crude oil reserves. However, this vitally important project came to our attention only within the last several days. Although I had originally intended to offer an amendment authorizing $30 million for the purpose of developing heavy oil conversion technology, I realize that the Subcommittee on Energy Development and Applications and the full Science and Technology Committee, responsible for this portion of the bill, has not had an ample opportunity to explore and review this project.

I have asked DOE to set the specific gravity to define heavy oil at 20 degrees. The entitlements program has already utilized 25 degrees for definition of heavy oil.

Mr. Chairman, I would strongly urge that my colleagues support this amendment.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Pennsylvania.

Mr. McDADE. I thank the gentleman for yielding. I want to say to my friend, the gentleman from California, that he has discussed the amendment with me, and I know he has discussed it with my very able friend, the gentleman from Illinois, the chairman of the committee. We are willing to make legislative history that the Department of Energy shall earmark not less than the amount of the amendment for experimentation on heavy oils. The gentleman has found a very important area that they are not working on, and we believe his amendment has absolute merit. So I know my friend, the gentleman from Illinois (Mr. YATES), wants to comment in support of earmarking this amount.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the distinguished chairman of the subcommittee.

Mr. YATES. I thank the gentleman for yielding. Yes, I want to say to the gentleman that there is about $700 million available for funding various programs, and I would think that in an area of the importance that the gentleman's amendment is addressed to that there would be enough money to take funds out of that for the gentleman's program. I would urge the Department to undertake that program from existing funds.

Mr. LAGOMARSINO. So the legislative history would show that it is the intent of the subcommittee that this money be used for that purpose?

Mr. YATES. That is correct.

Mr. LAGOMARSINO. I thank the gentleman.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. THOMAS. I thank the gentleman for yielding. Could I ask the distinguished chairman, when we are talking about "heavy oil," and I have heard this mentioned—the President's speech contained the term "heavy oil"—do we have some idea of what we mean by "heavy oil"?

I represent an area in California that is currently producing about 50 percent of the oil in California, and I have heard varying descriptions of what heavy oil is. I would very much like to know what heavy oil is. I will ask the distinguished subcommittee chairman.

Mr. YATES. If the gentleman will yield, the gentleman has the amendment. As I understand it, there is no exact definition of heavy oil agreed upon, but there are various formulas used for this definition. I am sure that in connection with the amendment offered by the gentleman from California (Mr. LAGOMARSINO), the Department of Energy will know what is meant.

Mr. THOMAS. If the gentleman will yield further, let me indicate to the gentleman that as soon as the President mentioned heavy oil in his Sunday night speech, the following Monday morning I called the Department of Energy, and they indicated that they were talking about heavy oil at about 10 on the specific gravity scale. I indicated that that is oil you almost have to mine. It is almost impossible to get down in a secondary or tertiary process. The entitlements program has defined heavy oil as 25. We have 10 specific gravity oil, and 25 which will not flow through a pipeline without being heated.

Mr. YATES. It is my understanding the Moorhead bill defines it as a specific gravity of 15.

Mr. THOMAS. If we are going to define it at 15, I want it understood that deals with one-third of the oil that was produced in California in 1977.

Most of the oil in my district has to be moved through heated pipelines. My point is that we understand the potential contained in the heavy oil concept. We have literally trillions of barrels of oil underground now. If we are talking about decontrolling and removing from windfall profits "heavy oil," we have an interim area here between synthetic fuels and current oil that can meet our needs for some time to come. The critical question is just what is heavy oil?

Mr. LAGOMARSINO. If I may take back some of my time, I might say I have asked the Department of Energy to set the specific gravity for heavy oil at 20. There are various things. The amendment does not speak to that definition, but we think that 20 would be the minimum.

Mr. THOMAS. If the gentleman will yield further, if heavy oil is defined as 20, I think we will find a drilling boom in California that will produce by 1982 the 500,000 barrels a day that the President discussed as a potential by 1990. If we can define an 18 to 20 definition for heavy oil, we can have that half million barrels of oil a day within 2 years.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. LEWIS. I thank the gentleman for yielding.

I thank the gentleman from Pennsylvania (Mr. McDADE) and the gentleman from Illinois (Mr. YATES) for their cooperation in this matter. As a practical matter, I think it is important for the House to be aware of the fact that most of OPEC's oil is in a specific gravity category of the 30's, in places like Indonesia in the high 30's and 40's. That is very, very pure oil. Within our own country we have a tremendous potential of what is known as heavy oil.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LEWIS, and by unanimous consent, Mr. LAGOMARSINO was allowed to proceed for 2 additional minutes.)

Mr. LEWIS. I will not take much more of the gentleman's time, if he will yield further.

Mr. LAGOMARSINO. I yield to the gentleman.

Mr. LEWIS. I thank the gentleman for yielding. As a practical matter, there are processes that are reasonably well proven, with some further experimentation that not only can refine some of these heavy oils in the 25 category, but that can do so in processes that are really essentially pure in terms of questions relating to air pollution and emissions that do not concern people like myself from southern California.

□ 1900

This money for experimentation purposes could be a tremendous asset and boon in our effort to solve this problem.

I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for his contribution. I also want to thank the chairman and the ranking member. I think their understanding of what we are doing here and their acceptance of what we are trying to do will be of great help.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. LAGOMARSINO)?

There was no objection.

AMENDMENT OFFERED BY MR. COURTER

Mr. COURTER. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

ECONOMIC REGULATORY ADMINISTRATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $125,697,000: *Provided*, That none of the funds herein appropriated shall be available to pay the expenses of parties intervening in regulatory proceedings before the Economic Regulatory Administration.

The Clerk read as follows:

Amendment offered by Mr. COURTER: Page 36, line 17, insert ": *Provided Further*, that none of the funds herein appropriated may be used to promulgate, administer or enforce any regulation or to issue or enforce any order which would continue any mandatory allocation or price control of motor gasoline" after "Economic Regulatory Administration".

Mr. COURTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey (Mr. COURTER)?

Mr. YATES. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the amendment.

POINT OF ORDER

Mr. YATES. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YATES. Mr. Chairman, I make a point of order against the amendment on the grounds it is legislation on an appropriations bill and it deprives the department officers of authorities that are conferred upon them by law.

The CHAIRMAN. Does the gentleman from New Jersey care to be heard on the point of order?

Mr. COURTER. Yes, Mr. Chairman.

Mr. Chairman, that particular amendment obviously has to do with allocation and the price control of gasoline. Very specifically, it has to do with limiting of the funding to the Department of Energy with regard to that.

As drafted the amendment as proposed addresses itself to a limitation of funding. The bill itself has to do with funding and as such is germane.

I direct the Chair's attention to Deschler's Procedures, chapter 28, section 27, restrictions on use of funds, there is precedent for such limitation. Chapter 23, section 27.16, to be specific, and I quote:

To a program authorizing Federal financial assistance, an amendment limiting the uses to which those funds may be put is germane. 120 Cong. Rec. 28423, 28438, 28439, 93rd Congress, 2nd Session, August 15, 1974.

That particular ruling by the Chair had to do with H.R. 12859, the Federal Mass Transportation Act of 1974.

The CHAIRMAN. Does the gentleman from Illinois (Mr. YATES) wish to be heard further?

Mr. YATES. Mr. Chairman, I have nothing to add.

The CHAIRMAN. The Chair is ready to rule.

The language that is offered by the gentleman from New Jersey does not restrict the authority of the President but does restrict the use of the funds in the language of the bill. The point of order is not well taken and is overruled.

The gentleman from New Jersey is recognized for 5 minutes in support of his amendment.

Mr. COURTER. Thank you very much, Mr. Chairman.

Mr. Chairman, obviously this particular amendment has to do with a problem with which we are all familiar. This particular amendment has to do with the allocation system and the price control system that has been placed into effect by the Department of Energy.

Basically, as far as I am concerned, the price control system and the allocation system has aggravated a problem and created a problem that would otherwise not have existed.

I want to point out that this particular amendment has nothing to do with gas rationing. It has nothing to do with perhaps a matter we have already discussed. It has nothing to do with the gas-rationing matter that we will be discussing perhaps tomorrow or some other day this week or when we return from our summer recess. Basically it has to do with allocation and price control.

The particular formula as adopted by DOE wreaked havoc on the Northeastern section of the United States. There were areas in the United States where there were no lines and areas where there were lines 4 and 5 hours long. Mr. Schlesinger, as the head of the Department of Energy, indicated that, unfortunately—and this is paraphrasing him when I spoke to him at one particular time, that the allocation formula broke down. It was putting gasoline where cars were not. The urban areas, I think, are burdened with misappropriation. There was particularly under this system, substantial bias against urban areas. The price of gasoline was likewise controlled at the pump. You had a situation whereby one particular dealer could charge x amount of dollars and another one down the street 4, 5, 6, 7 or even 10 or 12 or 14 cents more and that formula was based on a formula derived by DOE and the particular gasoline dealer was locked into a system back in 1973 or 1974.

It also, Mr. Chairman, created a situation and a tremendous amount of pressure on small, independent gasoline dealers such that it was forcing him out of the system altogether, so that the large oil companies were buying up the small independents. A number of them in New Jersey and throughout the United States actually were forced to close.

The price system, Mr. Chairman, has retarded capital investment and particularly when it has to do with refineries, improving systems in refineries.

Mr. Chairman, obviously, this particular amendment has to do with the allocations formula and price control formula. An allocation formula that really took a 5- or 6-percent shortfall and increased that shortfall because of the 5-percent State set-aside, because of a growth formula, a formula that did not take into consideration the fact that some gasoline stations would be closing which in prior history served the particular area, a situation such that there was a growth formula that had a tilt to a different part of the country. It created a shortfall that was approximately 5 or 6 percent in gasoline in this country and increased that shortfall to 22 and 25 percent, thus creating gas lines 4 or 5 hours.

Mr. Chairman, I hope everyone gets behind this amendment, an amendment that really has to do with getting the sticky fingers and the long arm of Government away from a situation where it does not need to be.

Obviously, Mr. Chairman, if there is going to be a dramatic shortfall in gasoline or crude oil, if there is going to be as we often say a catastrophic shortfall, there has to be some sort of an allocation process.

This amendment deals with the situation we had this past month. It deals with the situation when the shortfall is 5, 6 and 7 percent and I urge upon my colleagues the adoption of this amendment.

I yield back the balance of my time.

Mr. YATES. Mr. Chairman, I move to strike the last word and will speak in opposition to the amendment.

May I say first there are no funds in this bill which can be used for the regulation of price controls of gasoline. Therefore, the amendment will really not apply to any funding in this bill.

It is kind of a back door through which the gentleman has moved in order to eliminate price controls on gasoline. This is not the subject for an appropriations bill. We had no hearings on this subject. We do not know what the effect is likely to be. We do not know what the impact of removing such controls is likely to be. It is a complicated, detailed subject that ought to be before a legislative committee and should have thorough hearings before the House is called upon to take any action.

I think we would be acting precipitously. I respect the power of the gentleman's argument and yet I submit this is not the forum for this kind of an argument. It ought to be a legislative committee that passes upon this kind of an amendment after having had the benefit of experts in the field, after having had the opportunity to hear witnesses to see what the effect of this is likely to be.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Minnesota.

Mr. VENTO. I would like to concur with the gentleman from Illinois (Mr. YATES).

We are in a situation where we do not control absolutely the supply end of the

energy equation and we do not control the demand end of it and we have, of course, some allocation control systems in between which, incidentally, bear the brunt for a lot of the problems and perhaps rightly so for some of them. They deserve a part of it and I think President Carter's move to change energy secretaries, in my judgment, is a prudent one and we probably ought to do a better job of administration. But I think the American people do expect this Congress to maintain a voice in this, not just leave it up to the multi-national oil companies and OPEC and the demand which, of course, I do not think anyone intends to control or at least is addressing themselves to that and, of course, this bill modestly tries to deal with the synfuels and the supplies side of the equation.

We really have a responsibility here, I think, to maintain a voice and I would hope we would reject that amendment for that reason.

Mr. YATES. Mr. Chairman, I thank the gentleman for his contribution.

I again repeat, this is a subject for an authorizing committee and should not be part of this debate.

I request a no vote on this amendment.

□ 1910

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. COURTER).

The question was taken; and on a division (demanded by Mr. COURTER) there were—ayes 15, noes 29.

So the amendment was rejected.

The CHAIRMAN. If there are no further amendments, the Clerk will read title III.

The Clerk proceeded to read title III.

Mr. YATES. Mr. Chairman, I ask unanimous consent that title III be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any points of order against title III?

The Chair hears none.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I would like to enter into a colloquy with my distinguished colleague from Oregon, Mr. DUNCAN, on language dealing with a prohibition on exporting logs harvested from Federal forests.

Mr. DUNCAN of Oregon. I believe the language was inserted originally by the then chairman Mrs. Hanson, with support of our former colleague, Mr. Wyatt of Oregon—but I have supported the continued prohibition in subsequent appropriation bills and do in this one.

Mr. WEAVER. Does the language in this bill cover substitution of Federal timber for logs from private lands which are exported?

Mr. DUNCAN of Oregon. It does.

Mr. WEAVER. Could this language in the bill be construed to prohibit not just direct substitution but also prohibit third party substitution?

Mr. DUNCAN of Oregon. I believe it could be so construed, although it has not been.

Mr. WEAVER. So therefore, the U.S. Forest Service could, based on the present language in this bill, promulgate regulations prohibiting third party substitution.

Mr. DUNCAN of Oregon. Well, I believe, even the present rules could be so read, but they have not been, and administrative interpretation and practice over the years does have some legal weight in interpreting published ambiguous language. I further understand that the Forest Service has published notice of intent to promulgate regulations on third party substitution.

Mr. WEAVER. Is it your expectation that these regulations will clarify congressional intent to prohibit third party substitution?

Mr. DUNCAN of Oregon. There will be hearings on 15, 16 and 17. I cannot predict the results.

Mr. WEAVER. I thank the gentleman.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to commend the chairman of the Appropriations Interior Subcommittee and the other members of that subcommittee for their efforts. The careful deliberation that they extended in the careful consideration of the wide variety of issues, areas, and priorities contained in this bill is reflected in the quality of H.R. 4930. I want to commend the subcommittee particularly for their actions in relation to the Boundary Waters Wilderness Area and the funds appropriated to implement Public Law 95-495.

This act, designed to provide the essential protection for the popular wilderness area in Minnesota, has affected the traditional means of livelihood for some residents in the area. When Congress passed this important legislation, it realized that adjustments would be necessary and made the commitment through the establishment of programs to assist the local communities to make the needed transition. I am glad to see that the subcommittee and the full Appropriations Committee, at the urging of Congressmen SABO, OBERSTAR, myself, and all members of the Minnesota delegation as well as the Friends of the Boundary Waters Wilderness, have recognized that commitment and have provided the funding necessary to meet the needs of the local communities.

The programs authorized and funded by Congress will be important for both the resource and the residents in that area. Assistance will now be available to resort owners to make the transition to activities which are compatible with wilderness. New programs will be developed which will expand the opportunities to utilize the resource to new users, as the handicapped.

In addition, this appropriation will provide funding to strengthen and increase the role of logging in the local economy. Under the wise management of the Superior National Forest and State lands, and the better utilization of hardwoods, the contribution of the woods products industry to the local economy of northeastern Minnesota will increase.

This appropriation is an important step for the Boundary Waters Canoe Area, for the local residents and for all Americans.

Mr. YATES. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DANIELSON) having assumed the chair, Mr. MINETA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BADHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 344, nays 42, not voting 48, as follows:

[Roll No. 402]

YEAS—344

Abdnor	Baldus	Bonior
Addabbo	Barnard	Bouquard
Akaka	Barnes	Bowen
Albosta	Beard, R.I.	Brademas
Ambro	Beard, Tenn.	Breaux
Anderson, Calif.	Bedell	Brinkley
	Beilenson	Brodhead
Andrews, N.C.	Benjamin	Brooks
Andrews, N. Dak.	Bennett	Broomfield
	Bereuter	Brown, Calif.
Annunzio	Bethune	Brown, Ohio
Anthony	Bevill	Broyhill
Applegate	Biaggi	Buchanan
Aspin	Bingham	Burgener
Atkinson	Blanchard	Burlison
Bafalis	Boland	Burton, John
Bailey	Boner	Burton, Phillip

Butler	Heckler	Patterson
Byron	Hefner	Pease
Campbell	Heftel	Perkins
Carney	Hightower	Peyser
Carr	Hillis	Pickle
Carter	Hinson	Preyer
Cavanaugh	Hollenbeck	Price
Chappell	Holtzman	Pritchard
Cheney	Hopkins	Pursell
Clausen	Horton	Quillen
Clay	Howard	Rahall
Cleveland	Hubbard	Ratchford
Clinger	Huckaby	Regula
Coelho	Hughes	Reuss
Coleman	Hutto	Rhodes
Conte	Hyde	Richmond
Corcoran	Ichord	Rinaldo
Cotter	Ireland	Ritter
Coughlin	Jacobs	Roberts
D'Amours	Jenkins	Robinson
Daniel, Dan	Jenrette	Roe
Daniel, R. W.	Johnson, Calif.	Rose
Danielson	Johnson, Colo.	Rosenthal
Daschle	Jones, N.C.	Rousselot
Davis, Mich.	Jones, Tenn.	Roybal
Davis, S.C.	Kastenmeier	Royer
de la Garza	Kazen	Rudd
Deckard	Kildee	Runnels
Dellums	Kindness	Russo
Dickinson	Kogovsek	Sabo
Dicks	Kostmayer	Santini
Dingell	Kramer	Satterfield
Dixon	LaFalce	Sawyer
Dodd	Lagomarsino	Scheuer
Donnelly	Leach, Iowa	Schroeder
Dornan	Leach, La.	Schulze
Dougherty	Leath, Tex.	Seiberling
Downey	Lederer	Shannon
Drinan	Lehman	Sharp
Duncan, Oreg.	Leland	Shelby
Duncan, Tenn.	Lent	Shuster
Early	Levitas	Simon
Eckhardt	Lewis	Skelton
Edgar	Livingston	Smith, Iowa
Edwards, Ala.	Lloyd	Smith, Nebr.
Edwards, Calif.	Loeffler	Snowe
Emery	Long, La.	Snyder
English	Long, Md.	Solarz
Erdahl	Lott	Spellman
Erlenborn	Lowry	Spence
Ertel	Lujan	St Germain
Evans, Del.	Lundine	Stack
Evans, Ga.	McClory	Staggers
Fary	McCormack	Stangeland
Fascell	McDade	Stanton
Fazio	McEwen	Stark
Fenwick	McKay	Steed
Ferraro	McKinney	Stenholm
Findley	Madigan	Stewart
Fisher	Maguire	Stokes
Flippo	Markey	Stratton
Florio	Marks	Studds
Foley	Marriott	Swift
Ford, Tenn.	Mathis	Symms
Fountain	Matsui	Taylor
Fowler	Mavroules	Thomas
Frost	Mazzoli	Thompson
Fuqua	Mica	Trible
Gaydos	Michel	Van Deerlin
Gephardt	Mikulski	Vander Jagt
Gibbons	Mikva	Vanik
Gilman	Miller, Calif.	Vento
Gingrich	Miller, Ohio	Walker
Ginn	Mineta	Wampler
Glickman	Minish	Watkins
Goldwater	Mitchell, N.Y.	Waxman
Gonzalez	Moakley	Weaver
Goodling	Montgomery	Weiss
Gore	Moorhead, Calif.	White
Gradison	Moorhead, Pa.	Whitehurst
Grassley	Murphy, Ill.	Whitley
Gray	Murphy, N.Y.	Whittaker
Green	Murphy, Pa.	Whitten
Grisham	Murtha	Williams, Mont.
Guarini	Myers, Pa.	Wilson, C. H.
Gudger	Natcher	Winn
Guyer	Neal	Wirth
Hagedorn	Nedzi	Wolff
Hall, Ohio	Nelson	Wolpe
Hall, Tex.	Nolan	Wyatt
Hamilton	Nowak	Wydler
Hammer-schmidt	O'Brien	Wylie
Hanley	Oberstar	Yates
Hansen	Obey	Yatron
Harkin	Ottinger	Young, Alaska
Harris	Panetta	Young, Fla.
Harsha	Pashayan	Young, Mo.
Hawkins	Patten	Zablocki
		Zeferetti

NAYS—42

Archer	Frenzel	Mattox
Ashley	Giaimo	Moore
Badham	Gramm	Mottl
Bauman	Hance	Myers, Ind.
Collins, Tex.	Holt	Paul
Conable	Jeffries	Petri
Courter	Jones, Okla.	Roth
Crane, Daniel	Kelly	Sensenbrenner
Crane, Philip	Kemp	Shumway
Dannemeyer	Latta	Solomon
Derwinski	Lee	Stump
Devine	Lungren	Synar
Edwards, Okla.	McDonald	Tauke
Evans, Ind.	Martin	Volkmer

NOT VOTING—48

Alexander	Ford, Mich.	Railsback
Anderson, Ill.	Forsythe	Rangel
Ashbrook	Garcia	Rodino
AuCoin	Holland	Rostenkowski
Boggs	Jeffords	Sebelius
Bolling	Luken	Slack
Bonker	McCloskey	Stockman
Chisholm	McHugh	Traxler
Collins, Ill.	Marlenee	Treen
Conyers	Mitchell, Md.	Udall
Corman	Moffett	Ullman
Derrick	Mollohan	Walgren
Diggs	Nichols	Williams, Ohio
Fish	Oakar	Wilson, Bob
Fithian	Pepper	Wilson, Tex.
Flood	Quayle	Wright

□ 1930

The Clerk announced the following pairs:

Mr. Wright with Mr. Anderson of Illinois.
Mr. AuCoin with Mr. Quayle.
Mr. Corman with Mr. Williams of Ohio.
Mr. Mollohan with Mr. Ashbrook.
Mr. Slack with Mr. McCloskey.
Mr. Rostenkowski with Mr. Bob Wilson.
Mr. Rodino with Mr. Railsback.
Mr. Nichols with Mr. Sebelius.
Mr. Moffett with Mr. Forsythe.
Mr. Mitchell of Maryland with Mr. Jeffords.
Mrs. Boggs with Mr. Fish.
Mrs. Chisholm with Mr. Marlenee.
Mr. Luken with Mr. Udall.
Mrs. Collins of Illinois with Mr. Walgren.
Mr. Charles Wilson of Texas with Mr. Ullman.
Mr. Holland with Mr. McHugh.
Mr. Pepper with Ms. Oakar.
Mr. Rangel with Mr. Traxler.
Mr. Bonker with Mr. Alexander.
Mr. Derrick with Mr. Ford of Michigan.
Mr. Fithian with Mr. Garcia.
Mr. Conyers with Mr. Flood.

Mr. HARSHA changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, and that I may be permitted to include tables, charts, and other material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PLOWBACK—THE ANSWER

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the gentleman from Georgia (Mr. LEVITAS) raised a good point about our adjourning. I want to tell the Members one good reason why we should adjourn is to go home and find out what is going on in this country. For 25 years the Democrats have run Congress. They created the energy problem, and they do not know the solution. The best solution of all would be the plowback tax credit.

Mr. Speaker, energy is Congress big problem, but the House failed to provide the "plowback" which is the best answer. The Senate, in its wisdom, can rectify this situation.

The Republicans strongly urged the plowback credit but missed by a few votes. The energy crisis in American has not been faced by this Democrat dominated Congress. Congress makes the laws and for these past 25 years the Democrats have controlled this Congress. Today the Democrats dominate by 276 to 159.

Why does the majority party not face up to the need for more oil and gas to be produced in the United States? Just 6 years ago the United States was importing $3 billion a year in oil, but this year the United States will import $60 billion of oil in this 1 year.

Oil is short, but the country keeps importing and ruining our financial stability.

Congress placed price controls of $5.50 a barrel on U.S. oil. But OPEC oil from abroad went right on up and today OPEC oil landed at a U.S. port at $22.40 a barrel.

Now there are several price tiers on U.S. oil.

But as U.S. oil is allowed to move up to the world price, the House passed a 60-percent tax on U.S. oil, but a 0-percent tax on OPEC oil. How can American oil companies get the capital they need when their own Government taxes Americans 60 percent on rising prices and taxes OPEC 0 percent on rising prices.

This Carter administration plan called windfall profits solves nothing. This is a tax on U.S. companies for rising prices caused by the OPEC oil producing countries. The tax is not on profits but on prices. If producing costs go up 45 percent and a 60 percent tax is added, the company could lose 5 percent despite a higher price.

America needs oil.

Remember that we only recovered 30 percent of the oil when the well was drilled with primary production. But now with $22.40 a barrel that we are paying OPEC, we could pay American oil companies $22 and they can recover 30 percent more out of all of America's oil wells by secondary and tertiary recovery.

But the capital funds must be available. There is capital if oil is deregulated and the price increases are "plowback" capital for the U.S. oil companies. The plowback credit requires all money from this credit to go back into U.S. oil exploration and development.

The oil companies have a great record

of reinvestment in seeking more oil. Let us review actual records that we have:

1. 1978 Sun Oil Company:
$365 million, net income.
$453 million, capital expenditures.

2. 1977 Top U.S. Oil Companies—Reinvestment:
$7.87 billion, net income.
$15.57 billion, capital investment and exploration costs.

3. 1976 v. 1975 Sample of 44 Representative Oil Companies:
$28.6 billion, cash flow from profits plus depreciation.
$28.8 billion, capital expenditures; 7.1 percent increase in capital expenditures.
To finance the cash flow shortfall, long term debt for the 44 company group was expended 10.9 percent by outside borrowing.

4. 1975 v. 1974 43 Oil Company Group:
Capital and exploration expenditures increased 4.6 percent despite decreased earnings. $26.9 billion reinvestment versus $11.6 billion in earnings.

5. 1973 v. 1972 43 Oil Company Group:
$11.8 billion, net income.
$16.3 billion, capital and exploration expenses; 14.0 percent increase in capital expenditures.

6. 1969 1. 1968 36 Oil Company Group:
$6.8 billion, net income.
$12.87 billion, capital and exploratory expenditures.

OBJECTION TO THE AUGUST RECESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. COURTER) is recognized for 5 minutes.

● Mr. COURTER. Mr. Speaker, I object. This House, this Congress cannot recess in the face of this energy crisis. There are too many important energy bills requiring our attention to justify our time away from Washington. To turn our backs on this legislation—no matter for how short a period—is to turn our backs on the American people. The people are crying out for a short-term solution to the gas lines. They want assurances that they will have the fuel oil to keep their homes warm this winter. They are demanding that we do everything in our power to insure the energy independence of America.

Mr. Speaker, if our predecessors in the Continental Congress had shown this eagerness to escape the heat and the problems in Philadelphia in 1776, we would still be a part of the British Empire.

Breaking our ties with OPEC today, is as important as the severing of the apron strings with England in 1776—our freedom to act as we choose, our self determination as a nation, the independence of America depends on it.

Our citizens have always held dear the unique American qualities of will and determination. Yet this Congress lacks the will and the determination to face and resolve our Nation's energy crisis. We have a sworn commitment to the people of the United States to provide them with the leadership and the guidance they need in these trying times. Consider what needs to be done. I urge you to stay here and act on the substantive and effective energy legislation that this country needs.●

THE MURDER OF FEDERAL DISTRICT JUDGE JOHN W. WOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise for the purpose of giving an interim report on the progress or lack of progress in the solution of the unprecedented murder of Federal District Judge John W. Wood, nor is there a proximation of solution to the attempted murder of the Assistant Federal District Attorney, James W. Kerr last November.

I will remind the House that Judge Wood was assassinated in the waning hours of the month of May and, regretfully, I must report that no more progress has been made indicating any kind of a lead of any substance or any kind of a lead leading to a solution of this very dastardly crime. It is an unprecedented crime. No Federal district judge has been assassinated in this century, and there has been one case, perhaps, in the entire history of the judiciary before it.

The involvement I have described on prior occasions. The case gets a little bit more complex. But what I am firmly resolved and pledged to do is not to let this case go into the penumbra of forgetfulness, into the dust of history, as in the case of the Hoffa mystery where we have the disappearance of a most prominent American, with no trace, and the law enforcement agencies with no ability to solve that case over the course of years.

Mr. Speaker, I am determined and I will persist until the case involving the murder of John W. Wood and the attempted assassination of James W. Kerr are resolved fully and completely. In the meanwhile, the manifestations of the presence of the most sophisticated and organized elements of crime are quite apparent, even to the most naive of laymen. The case seems to be tied in by law enforcement agents with one pending in the jurisdiction of El Paso, some 600 miles away from the scene of the murder, but one in which Judge Wood was to be the presiding judge. The defendant in this case has very tight connections with organized crime based in Las Vegas, and I think it is very instructive to say that his lawyer happens to be the personal lawyer for the No. 1 chieftan of organized crime or the syndicate, Meyer Lansky, which shows the relative range of importance involved in all of these transactions.

Mr. Speaker, I must, though, in truthfulness, report to the House that no progress up to date has really been made leading to the solution of these two crimes.

THE 1979 CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, the 1979 Captive Nations Week—the 20th anniversary of this Nation's tradition—was successfully proclaimed and observed in all parts of our country and abroad. This reminder of America's natural alliance with over 1 billion captive people in Central Europe, within the U.S.S.R., in Asia, and Cuba is in the fullest spirit of human rights and represents an Achilles Heel to all the illegitimate Communist regimes, particularly the imperialist Moscow one. Going into the 1980's, we must continue with this tradition more than ever before.

As reports continue to flow in on the 1979 week, I shall select examples for my colleagues to indicate the scope of the observance. I commend to their attention the following: First, proclamations by Governors Hugh L. Carey of New York and Ed Herschler of Wyoming; second, those by Mayor Stanley A. Cmich of Canton, Ohio, Thomas J. Early of Worcester, Mass., and Gerald W. Graves of Lansing, Mich.; third, a salute to Boston by NCNC Chairman, Dr. Lev E. Dobriansky and items from the Boston Captive Nations Committee; fourth, an editorial and report in the Catholic Standard, July 5 and 12; fifth, an article on "Understanding Russian Fears"; and sixth an article by Spotlight on "Patriots Plan Observances of Captive Nations Week.

The material follows:

PROCLAMATION—STATE OF NEW YORK

The greatness of the United States is in large part attributable to its ability, through the democratic process, to achieve a harmonious national unity among its citizenry, which has sprung from infinitely diverse backgrounds.

The harmonious unification of our society has led the free people of our Nation to champion understanding and sympathy for the aspirations of peoples in other nations throughout the world.

The commemoration of Captive Nations Week is dedicated to the spirit and hope of enslaved peoples in their continuing quest for freedom and self-determination in their beloved native lands.

The freedom-loving people in captive lands look to the United States as a citadel of freedom and to the American people as a source of guidance and inspiration.

The Captive Nations Committee of New York will hold appropriate activities throughout the week to commemorate this annual observance and to address the issue of human rights and justice on behalf of the oppressed peoples in captive nations.

Now, therefore, I, Hugh L. Carey, Governor of the State of New York, do hereby proclaim the week of July 15–21, 1979, as "Captive Nations Week" in New York State.

PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czecho-Slovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in

bringing about their freedom and independ-

bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, Therefore, I, Ed Herschler, Governor of the State of Wyoming, do hereby proclaim that the week commencing July 15, 1979 be observed as "Captive Nations Week" in Wyoming, and call upon the citizens of Wyoming to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Wyoming to be affixed this twelfth day of July, 1979.

"CAPTIVE NATIONS WEEK" JULY 15–21, 1979

Whereas; the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others, and

Whereas; the desire for liberty and independence by the overwhelming majority of the peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas; the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas; the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities;

Now, Therefore, I, Stanley A. Cmich, Mayor of the City of Canton, do hereby proclaim the week of July 15–21, 1979 as "Captive Nations Week" and urge that all citizens support this annual recognition of the intent and purpose of the Communist dominated and oppressed peoples of the world to regain their freedom.

PROCLAMATION

Whereas: The imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders and initiate a major war; and

Whereas: The freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas: The Congress of the United States, by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Thomas J. Early, Mayor of the City of Worcester, do hereby proclaim the week of July 15–21, 1979, to be "Captive Nations Week" in the City of Worcester, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

PROCLAMATION

Whereas: The imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czech-Slovakia, Lativa, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas: The freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas: The Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Now, therefore, I, Gerald W. Graves, Mayor of the city of Lansing, by the power vested in me, do hereby proclaim the week of July 15, 1979, to July 21, 1979, as "Captive Nations Week" in Lansing, and call upon all citizens to join with me in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

ALEXANDRIA, VA., *July 15, 1979.*

Dear friends of the captive nations, as National Captive Nations Committee chairman, I most warmly congratulate your Captive Nations Committee for its contributions and achievements in implementing Public Law 86-90 for the past two decades. For the northeast region of our country your efforts, led particularly by Orest Szczudluk, have been outstanding, and thus vitally contributory to the overall national effort to show that the captive nations in toto, especially those in the USSR, are the Achilles heal of Moscow and the hope of the west. We'll persevere for the good and just.

Sincerely,

LEV E. DOBRIANSKY.

PRESS RELEASE

The week of July 15–21, 1979, will be observed as "Captive Nations Week" in the nation and in Massachusetts, according to proclamations issued by President Jimmy Carter and Governor Edward J. King. The purpose of the Captive Nations Week is to salute captive nations under Russian communist domination and reaffirm our support for their freedom and national independence.

On Wednesday, July 18, 1979, starting at 11:30 a.m. a special commemorative program will be held in Doric Hall—Massachusetts State House, Beacon Hill, Boston, in observance of the "Captive Nation Week" in Boston. The program will include prayers, reading of proclamations, a talk about captive nations and their aspirations for national independence and some cultural entertainment.

During the program, a plaque of appreciation will be presented to the Honorable John W. McCormack, retired Congressman from Boston and Speaker of the U.S. House of Representatives for his contributions to the enactment of the Captive Nations Week Resolution in July 1959.

The public is cordially invited to attend the observance at the State House.

This year marks the 20th anniversary of the enactment of the Captive Nations Week Resolution, known as Public Law 86-90. The resolution listed 22 original captive nations: Ukraine, Lithuania, Latvia, Estonia, Armenia, Azerbaijan, Beylorussia, Idel-Ural, Cossackia, Turkestan, Poland, Hungary, Czechoslovakia, Rumania, Bulgaria, Albania, Georgia, East Germany, Mainland China, North Vietnam, North Korea, Tibet. Added to the list were: Serbia, Croatia, Slovenia, Cuba, Cambodia, South Vietnam and Laos.

In his 1979 "Captive Nations Week" proclamation, President Jimmy Carter stated: "Americans now, as at all times in our history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind."

Governor King's proclamation noted: "The establishment of national and independent States by all captive nations and the the decolonization of the Soviet Union Empire would contribute significantly to a just and lasting peace in the world and to the freedom of all nations."

This year's observance of the "Captive Nations Week" in Boston is sponsored by the 1979 Captive Nations Week Committee and active participation of Lithuanian American Council of Boston, American National Latvian League in Boston and Ukrainian Congress Committee of America—Boston Chapter. "This year's observance of the 'Captive Nations Week' provides yet another opportunity to use to manifest our concern for freedom and national independence of all captive nations under Russian communist domination," stated Orest Szczudluk, a spokesman for the Captive Nations Week Committee and vice president of the Ukrainian Congress Committee of America in Boston.

BOSTON, MASS., *July 6, 1979.*

20TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

This year's observance is sponsored by: Lithuanian American Council of Boston, American National Latvian League in Boston, Inc., and Ukrainian Congress Committee of America—Boston Chapter.

President Jimmy Carter and Governor Edward J. King designated the Week of July 15–21 as "Captive Nations Week" in the nation and in Massachusetts respectively.

In his proclamation of June 22, President Carter stated: "Americans now, as at all times in history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind. Remembering our democratic heritage and our commitment to human rights, let us take this occasion to reaffirm our admiration for all men and women around the world who are committed to the cause of freedom. And mindfall of our own rich and diverse heritage, let us express our compassion and respect for persons around the world still seeking the realization of these ideals in their own lands."

Governor King's proclamation stated: "The captive nations of Central and Eastern Europe—Armenia, Byelorussia, Estonia, Latvia, Lithuania, Ukraine, Georgia and others—have not accepted the Soviet Russian enslavement and continue to struggle for their national and independent states. The establishment of national and independent States by all captive nations and the decolonization of the Soviet Union Empire would contribute significantly to a just and lasting peace in the world and to the freedom of all nations."

The "Captive Nations Week Resolution" of July 17, 1959, enumerated 22 original captive nations in the following order (year of communist domination is in the brackets): Poland (1947), Hungary (1949), Lithuania (1940), Ukraine (1920), Czechoslovakia (1948), Latvia (1940), Estonia (1940), Byelorussia (1920), Rumania (1947), East Germany (1949), Bulgaria (1946), Mainland China (1949), Armenia (1920), Azerbaijan (1920), Georgia (1920), North Korea (1948), Albania (1948), Idel-Ural (1920), Tibet (1951), Cossackia (1920), Turkestan (1922), North Vietnam (1954). Added since were: Cuba (1960), Cambodia (1975), South Vietnam (1975), Laos (1975).

[From the Catholic Standard, July 5, 1979]

BRAVE LITHUANIANS

It is easy to be a Catholic in the United States but there are many places in the world where being a Catholic requires courage.

It may take the most courage of all in Lithuania where a nation is totally in the control of the Soviet Union and just being a faithful Catholic may bring you imprisonment or death.

So consider the tremendous courage of 522 Catholic priests in Lithuania. They have taken a public stand against a Decree on Religious Associations where Soviet government officials are given virtual control over churches and their organizations.

The protest statement was signed by 522 of Lithuania's 708 priests—there may have been good reasons the others did not sign. What these brave priests told Soviet authorities was that they cannot obey laws which contradict the Church. Their first loyalty is to the Church, its laws and its bishops, the priests said in their statement, and they asked for a repeal of anti-religious laws and an end to state interference in the appointment of priests.

They are joined by Lithuanian Catholics, who are under the same oppressive rule that threatens their lives and freedom if they are openly Catholic.

It is a time for us to remember the people in captive nations, pray for them, support them in every way we can—and, most of all, to reflect on how we in our religious freedom fail so often to appreciate how fortunate we are and fail to unite ourselves in loyalty to the Church, its laws and its bishops. Where the Church is under persecution, Catholics recognize how basic this loyalty is to our unity.—D.F.

[From the Catholic Standard, July 12, 1979]

CAPTIVE NATIONS WEEK

We were a week early with our cartoon on Captive Nations Week—it is observed July 15–21. But the situation that is observed in this week is one that should be close to our hearts.

When 20 years ago President Eisenhower proclaimed the first Captive Nations Week, it was to unite us with the longing for freedom of those once free and independent nations in Central and Eastern Europe, including the non-Russian nations absorbed under Communist domination into the USSR.

President Eisenhower said that our nation should keep in mind this injustice "until such time as freedom and independence shall have been achieved for all the captive nations of the world."

In those 20 years since the first proclamation none of the captive nations have regained freedom or independence. But our dedication to the cause of their freedom should be stronger than ever.

Among the human rights to which we are dedicated is the right of nations to be free. Captive Nations Week is a reminder to us that nations are not free, that still many are under Russian domination, and with the reminder we must commit ourselves to support oppressed peoples in their captivity.—D. F.

[From the King Features Syndicate, May 25, 1979]

UNDERSTANDING RUSSIAN FEARS

(By Ronald Reagan)

Most Americans probably think of the Soviet Union as "Russia," a country populated by "Russians." The Russians wish it were so, but today they make up less than 50 percent of the population of the vast U.S.S.R. and the birthrate doesn't favor them.

There are 50 nationality groups in the U.S.S.R. with populations of 100,000 or more 22 of them have more than a million each. Andrei Amalrik, who left the Soviet Union to take up a new life at Harvard's Russian Research center, wrote recently, "This variety of nationalities, part of which were independent states or belonged to other states during the past century, contradicts the unitarian Soviet system. The conflict is somewhat mitigated by the existence of national republics, but their autonomy exists largely on paper; the central authorities always try—sometimes cruelly sometimes subtly—to replace the national languages and traditions with common Soviet traditions and the Russian language."

When those two Russian diplomats who had been caught spying in the U.S. were exchanged recently for five men freed from the Gulag, one of those men, a Ukrainian, brought home to the free world just how crushing this "Russification" program can be to a proud nationality.

Valentyn Moroz had spent 14 of his 43 years in Soviet jails. A scholar and historian, Moroz had defied "Russification" of his native Ukraine by presenting the facts about how the Russians were trying to smother its nationality.

Amalrik says, ". . . 'Russification' is due less to the strength of the Russian central authorities than to their weakness. Their weakness is caused first by a fear of the decreasing percentage of Russians in the national demographic balance and second by a crisis of ideology."

Valentyn Moroz—one brave voice—clearly rubbed the Russian authorities the wrong way, for he demanded cultural freedom for the Ukraine. Indirectly he was speaking for such other distinct nationalities within the Soviet empire as the Georgians, Byelorussians, Estonians, Latvians, Lithuanians and Armenians—not to mention the satellite communist states of central and eastern Europe.

Soviet policies designed to wipe out national consciousness from among their subjects range from mass deportations from ancestral homelands all the way to murder, according to Moroz.

And nothing is sacred, he says. A few years ago holy Ukranian icons were "borrowed" for use by the Soviet government. Even though their return had been guaranteed in writing, the people of the Ukraine have not seen them since 1963. In another case a Soviet official in charge of "cultural affairs" ordered the burning of highly-prized, centuries-old graphics in the Lvov museum.

Valentyn Moroz, as he stepped into the light of freedom, set an example for the rest of us, it seems to me. He has learned important truths from terrible experiences. Undaunted, he kept on writing and speaking out for the freedom of his people's heritage and culture, despite the dangers to him personally. He has proved that the longing for freedom can be stronger than the weapons of tyranny. It is often ignored in international relations, but it is a power in the human spirit to be reckoned with.

PATRIOTS PLAN OBSERVANCES OF CAPTIVE NATIONS WEEK

WASHINGTON.—The 20th anniversary of Captive Nations Week will be observed throughout the free world July 15–21, affording patriots their foremost opportunity this year to rally in support of the victims of Soviet imperialism.

In at least a dozen American cities, and in many foreign countries, mammoth demonstrations on behalf of the captive peoples of Europe, Asia and Latin America are planned.

The House of Representatives will also consider the plight of the Captive Nations and their oppressed peoples. Each year, a "special order" sets aside in advance time during the week for members to speak out in aid of the 30 Captive Nations. (This is the conservative, official congressional count, and does not include some nations under strong Soviet influence, such as Panama.)

Rep. Edward J. Derwinski's (R-Ill.) office told The Spotlight on June 26 that the special order will be on July 18. Derwinski is a leader of the Captive Nations Week movement.

CAPTIVE 59 YEARS

The Captive Nations are defined as those which have come under communist domination primarily as a result of Soviet imperialism.

The first bloc of these have been prisoners for 59 years; in 1920, the Bolshevik government of Soviet Russia began conquering independent nations adjacent to Russia proper.

These nations—including part of Armenia, Ukraine, Byelorussia and Georgia—were organized as captives in the USSR.

Throughout the following years, in successive waves, Soviet Russia added additional nations to its empire; its single largest acquisition took place in the late 1940s, when Presidents Franklin Roosevelt and Harry Truman signed Eastern Europe over to the Red Army.

The Spotlight (June 27, 1977) has examined in detail the creation of Soviet Russia's empire of Captive Nations. The Spotlight's "Christian Holocaust" series (Sept. 18, Oct. 9 and 23, 1978; Jan. 1 and 8, Feb. 19, March 5, April 23 and May 14) has also documented the Soviets' calculated murder of scores of millions of Christians.

INCENSES COMMISSARS

Captive Nations Week was established by a Joint Resolution of Congress in 1959. The law declaring the third week of July as Captive Nations Week was passed after years of spontaneous demonstrations on their behalf by anticommunists in the U.S. and abroad.

(Communist reaction to any display of support for the captive peoples has always been particularly hysterical; in 1959, the Hungarian revolt of 1956 (Spotlight, Oct. 17, 1977 and Oct. 23, 1978) and the East German and Polish rebellions of 1953 were still fresh in the minds of the Kremlin's kagans.)

Soviet dictator Nikita Khrushchev was outraged by the establishment of Captive Nations Week and vilified it both personally and through the Soviet propaganda machine.

The Captive Nations Week resolution, in addition to defining Congress views on the Soviet empire, directed the president to annually issue a Captive Nations Week proclamation; President Eisenhower did so, forcefully, in 1959 and 1960.

Ike issued his first proclamation the very day the Joint Resolution passed Congress. Eisenhower affirmed U.S. support for "the many nations throughout the world (that) have been made captive by the imperialist

and aggressive policies of Soviet communism."

PROCLAMATION GUTTED

Ike issued the same proclamation—complete with denunciations by name of Soviet Russia—in 1960.

President John Kennedy, however, gutted the Captive Nations Week proclamation; the mush which Kennedy produced left out any reference to communism, Russia, Soviet policy, Soviet imperialism, "Soviet-dominated nations," the plight of the Captive Nations and everything else which made Ike's proclamations so forceful and which so enraged the Kremlin. The Spotlight (June 27, 1977 and May 29, 1978) has examined the decline of the proclamations.

The Kremlin continued to denounce the annual observances after 1960 (despite the fact that Kennedy's proclamations were bland and weak); because Congress still independently championed the Captive Nations, and patriotic Americans demonstrated in support of them.

After Kennedy gutted the spirit of the Captive Nations proclamation, subsequent presidents could not have strengthened the language without being attacked for "escalating" the "cold war" and increasing "international tension."

ABANDON CAPTIVE PEOPLES

President Jimmy Carter, however, sought to go Kennedy one better. Carter tried in 1977 to forgo issuing any proclamation at all (Spotlight, Aug. 8, 1977).

This, remember, was during the time when Carter's pious "human rights" rhetoric was a daily feature of the liberal Establishment media.

Patricia Derian, the State Department's designated "human rights expert," said then she was "not overly concerned" that Carter was not issuing a Captive Nations proclamation. "It's not as if we were sending money to Chile," she said (Chile has a strongly anti-communist government).

Miss Derian was identified as a Marxist a few months ago by Nicaraguan President Anastasio Somoza, who is battling to prevent his country from becoming another Captive Nation.

Carter's 1977 attempt to ignore the Captive Nations miscarried after patriotic citizens and members of Congress brought pressure to bear; Carter grudingly issued the proclamation a few hours before the members of the House were scheduled to roast him.

RALLIES PLANNED, CONGRESS ACTIVE

Captive Nations Week observances are planned this year in (at least) New York City; Chicago; Phoenix; San Diego; Buffalo; Pittsburgh; Boston; Cleveland; Syracuse, N.Y.; Philadelphia and New Orleans. In addition, South Korea, the Philippines and the Republic of (Free) China on Taiwan will hold observances.

Meanwhile, representatives are already actively preparing for Captive Nations Week; in addition to Derwinski's plan, Rep. Daniel J. Flood (D-Pa.) has placed two speeches and two lengthy articles on the Captive Nations in the "Congressional Record."●

THE PROTECTION OF PRIVACY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, I am today introducing a bill which would require a court order before law enforcement officials could break and enter into private premises to install eavesdropping equipment. My bill, the Protection of Privacy Act of 1979, shares the same goal as H.R. 4854, introduced last week by my friend, the able gentleman from New York, Mr. WEISS. I am a cosponsor of the Weiss bill and I am happy to have the gentleman as a cosponsor of mine.

I am including in the RECORD, at this point, an editorial from the Philadelphia Inquirer which summarizes the recent Supreme Court decision in Dalia against United States and argues persuasively for enactment of the type of legislation which I am introducing to protect "a basic right of privacy."

My bill differs from the Weiss bill in a number of important details. In general the Protection of Privacy Act would give the courts greater control over the activities of law enforcement officials while they are on private premises without the consent of the occupant. It also sets tighter standards for the issuance of a break-in order.

Unlike the Weiss bill, the Protection of Privacy Act expressly provides criminal penalties for an unauthorized break-in. It would require all applications for a break-in order to originate with the Attorney General of the United States or an assistant which he designates or the chief prosecuting attorney of a State or political subdivision.

In addition to the requirements which the applicant must meet under the Weiss bill, the Protection of Privacy Act would require the applicant to explain why means less intrusive than a break-in would not be successful.

The applicant would not only have to describe the premises to be entered, but would have to name those areas within the premises which he believes must be entered.

An estimate of the amount of time which the break-in should last would also have to be supplied. Finally, the applicant would have to advise the court of any previous actions known to him concerning a break-in involving the same persons or premises.

All of these factors should be known to a judge so that he may better determine the need for a break-in.

My bill would require a break-in order to be in writing. It would have to specify the areas within the premises which may be entered and the date and time (allowing for one alternate time and date) when the break-in may be carried out so that the intrusion would be minimized to the greatest possible degree. It would prohibit law enforcement officials from opening any locked enclosures, such as a locked desk drawer or closet, located within an area approved for entry.

My bill would give a judge the authority to require an applicant for a break-in order to report back to him after the break-in to insure that the authority had not been exceeded. The bill would provide for exclusion of evidence obtained as a result of an unauthorized break-in, or if the order was insufficient on its face.

Perhaps the two most important protections offered by my bill would be the provisions giving a judge the discretion to deny permission for a break-in and prohibiting the use of a break-in order in conjunction or in concert with a warrant or order other than an eavesdrop order.

Protecting the private premises of an individual is extremely important to our American way of life. It is possible that an applicant could meet all the requirements of this bill but, in the opinion of the judge, the facts of the case still might not justify allowing an intrusion of the magnitude of a break-in.

My bill gives a judge the discretion to turn down an application in such an instance.

The need for individuals to have some private place to escape from the problems of the modern world, where they can reflect, relax, study, or just be themselves is greater now than ever.

The authors of our Constitution were wise enough to recognize this when they included the fourth amendment as a part of the Bill of Rights.

I hope Congress will reaffirm its belief in this constitutional principle respecting individual privacy and promoting individuality by passing legislation along the lines of the Protection of Privacy Act and/or H.R. 4854.

SUPREME COURT ERODES A BASIC RIGHT OF PRIVACY

The United States Supreme Court, in a technically complex case involving the restraints under which police authorites must proceed in implementing court-authorized electronic eavesdropping, has established a doctrine which erodes the privacy rights of all Americans. It leaves to the Congress the responsibility to reestablish explicitly the protections which the court, in a split decision, has taken away.

The decision came in *Dalia v. U.S.*, involving the conviction of a New Jersey man for receiving stolen property. In seeking evidence against Lawrence Dalia, agents of the Federal Bureau of Investigation obtained a court order, under the provisions of the 1968 Omnibus Crime Control Act, which allowed them to use electronic eavesdropping devices.

Fine, that is what the law allows, and it is a valuable weapon, especially in cases of organized crime and political corruption. But taking the principle a step beyond the specifics of either the statute or the judge's order, the FBI agents pried open a window in Dalia's office and planted a "bugging" device in the ceiling. The conversations thus recorded eventually contributed to his conviction.

In their appeal, Dalia's lawyers contended his rights were violated at three levels: (1) That the Fourth Amendment's prohibition of unreasonable search and seizure made all covert entry into private property unacceptable; (2) That since the 1968 law is specifically silent on the question of covert entry in order to install eavesdropping equipment, it does not give police agents or the warrant-issuing courts the power to authorize covert entry; and (3) That even if the power to authorize breaking and entering falls implicitly to the judge, he then is required to issue a separate, explicit order permitting it.

Properly, the Supreme Court unanimously rejected the first argument. To have done otherwise would have been to deny the Congress and the states the right to pass laws allowing, under reasonable protections, searches and seizures which are fundamentally important to responsible law-enforcement. The court also rejected the second contention, on a vote of 6-to-3, and the third, 5-to-4.

In their dissent on the second point, Associate Justices John Paul Stevens, William J. Brennan Jr. and Thurgood Marshall contended that since the statute does not explicitly allow covert entry, the majority's opinion "converts silence into thunder." Justice Potter Stewart joined the dissent on the third point.

The dissenting justices went back into the history of the Congress's evolution of the 1968 act and found, in the language of Justice Stevens, that "the legislators never even considered the possibility that they were passing a statute that would authorize federal agents to break into private premises without any finding of necessity by a neutral and detached magistrate . . . I fear that the court's holding may reflect an unarticulated presumption that national police officers have the power to carry out a surveillance order by whatever means may be necessary unless explicitly prohibited by the states or by the Constitution. But surely the presumption should run the other way."

Surely, it should. In ruling to the contrary, a majority of the Supreme Court has, once again, taken away an important protection of individual liberty and privacy which at the very least should be determined, with the greatest caution, by the Congress.

The majority has thus laid on the steps of the Capitol a challenge—and a responsibility—to enact legislation which will, at the very least, require that specific and explicit cases be made by police authorities who seek to break into private premises, and that judges empowered to issue warrants for electronic eavesdropping be required to consider as a separate and even more demanding question whether breaking and entering can be permissible in order to do so.●

ENERGY ARTICLE NO. 1: GASOHOL IS COMING ON STRONG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, in order to secure the U.S. energy future, the national energy strategy must be based on a multiple-energy source policy. Among those energy sources which we can now start bringing on the line—aside from expanded drilling and enhanced recovery of domestic oil, full utilization of nuclear power, and continued encouragement of conservation in the home, business, industry and transportation—are alcohol fuels, particularly ethanol, derived from agricultural biomass.

The new National Alcohol Fuels Commission, on which I serve as one of the congressional members, will be assessing the full potential of alcohol fuels. However, within certain agricultural regions, including my State of Arkansas, the movement is already well underway to produce alcohol fuel, primarily for blending with gasoline to produce "gasohol."

There appears to be little question that gasohol is becoming a popular fuel with the motoring public. I believe this demonstrates that the public is ready to accept the alternatives necessary to kick the foreign oil habit.

Attesting to the popularity of gasohol, I would like to share with my colleagues an article which appears in the current issue of the magazine Changing Times.

The article follows:

FILL'ER UP WITH GASOHOL

(NOTE.—In the states where it is available, motorists are snapping up this gasoline-alcohol blend for their cars. Can it help ease the oil shortage? Could your car run on it?)

On a balmy evening early last April, President Carter proclaimed on national television his first widely recorded official endorsement of an oil-conserving fuel that has been powering automobiles successfully for more than 60 years. "From the products of our forests and croplands," he declared in his address announcing the decontrol of domestic oil prices, "we can produce more gasohol—already being used to replace gasoline in several midwestern states."

As it turns out, the President wasn't strictly accurate. Gasohol doesn't really "replace" gasoline. In fact, 90 percent of it is unleaded gasoline. The remaining 10 percent is alcohol—200-proof ethyl alcohol, or ethanol, to be precise. And in that portion of the blend lies the basis for some appealing claims for this hybrid fuel.

Gasohol, say its advocates, burns cleaner than either leaded or unleaded gasoline and cuts carbon monoxide emissions by as much as 30 percent.

It makes many cars run more smoothly, reducing engine knock and eliminating "dieseling," the tendency of some engines to keep running after the ignition has been turned off.

In some tests gasohol has delivered more miles per gallon than straight gasoline.

Since the alcohol component of gasohol can be brewed from practically anything that grows—corn, sugar cane, potatoes—it is a renewable energy source that can help us reduce our dependence on imported oil.

Fermenting the alcohol from farm crops would create a new market for farmers, thus easing the problem of persistent farm surpluses and saving the money the government now pays farmers not to grow certain crops, such as corn and wheat.

If there is truth to such claims—and there is—then why haven't we embarked on a full-scale gasohol production program so that everyone's car can use it? The answer comprises something of a mixture itself: part technology, part economics and part politics.

Not everyone agrees that gasohol is as promising a fuel as its advocates say, but no one disagrees with the claim that it works. If your car runs well on gasoline with an octane rating of about 90, it will run well on gasohol with no alteration of your engine. Some retailers do advise motorists to keep an eye on the fuel line filter when they first make the switch because in a dirty engine the alcohol loosens sludge and sediment, which can clog the filter.

At one time gasohol opponents warned that the alcohol would have a tendency to separate from the gasoline in the car's tank, causing hard starting in winter and vapor lock in summer. But millions of miles of driving in the seasonal extremes of the Midwest haven't supported that argument, and such warnings aren't heard much anymore.

The fact that gasohol works so well makes it difficult for an oil-hungry nation to resist. Gasohol seems to offer us a way to stretch gasoline supplies by 10% without having to discover a single additional drop of oil. Its advocates insist that that is exactly what it would do. Its opponents—who have been found mostly in the large oil companies and, until recently, in the federal government—argue that too many roadblocks stand between the relatively small scale production of today and a program large enough to make a significant contribution to our energy needs.

HOW MUCH MORE CAN WE MAKE?

Right now most of the alcohol going into gasohol comes from a single plant in Decatur, Ill., operated by the Archer Daniels Midland Co. A couple of smaller plants elsewhere in the country add a little bit more. Altogether these distilleries are making enough ethanol to mix up about a million gallons of gasohol a day—less than ½ of 1% of the country's daily gasoline consumption. Before those numbers can grow significantly, gasoholics will have to convince potential investors in new plants that they can resolve a number of disputes in their favor.

Raw materials. Opponents of a large-scale gasohol program say that producing enough ethyl alcohol to replace a significant amount of gasoline would require such huge crops that too much of the country's farm acreage would have to be diverted from food production. Gasohol defenders insist that the millions of acres the government keeps out of production deliberately each year are sufficient to grow the crops needed for an alcohol fermentation program that could replace 10% of all the gasoline we burn. Furthermore, they say, the land wouldn't be lost for food production entirely. Fermentation of such starchy crops as corn yields a high-protein by-product that could be sold on world markets, thus helping to reduce the troublesome deficit in our balance of payments.

Cost. It costs about three times as much to make a gallon of ethanol in today's plants as it does to refine a gallon of gasoline. Thus, adding ethanol to gasoline raises the price at the pump. But most dealers have been selling gasohol as fast as they can get it, thanks in part to tax breaks that bring down the fuel's price. It is exempt from the 4-cents-a-gallon federal gasoline tax until September 1984, and in Iowa, where it sells best, gasohol was voted an exemption from the state levy on gasoline. The results of these and other tax breaks is that in most places gasohol sells at about the same price as unleaded premium gas. Gasohol backers say that technological advances in new plants will bring the price down even more. Nevertheless, conservation, not economy, will continue to be gasohol's strongest selling point.

Energy balance. Perhaps the most stinging charge gasohol's detractors make is that the production of ethanol consumes more energy than the fuel eventually delivers in your car. Gasoholics say this criticism misses the point. The alcohol from distillation plants burning coal, municipal refuse or some other plentiful commodity would extend our supply of gasoline, which is scarce. Besides, they say, studies showing a negative energy balance were made at old plants producing beverage-grade alcohol. Producers of fuel-grade alcohol needn't be as fussy about purity, and new plants would incorporate technological improvements that deliver the alcohol with a favorable energy balance. So far, though, such a plant has not been built.

GETTING FROM HERE TO THERE

For most Americans the debate over gasohol is purely academic, since the fuel is probably not sold at their local filling stations. Of the 600 to 700 gasohol stations in the country, most are in one state, Iowa. Nebraska, Illinois and Indiana sport a number of outlets, and a few stations are located in each of about a dozen other states. The reason for the fuel's popularity in the farming states is simple: The ethanol going into gasohol so far has been distilled almost exclusively from corn, and corn is a very big farm crop.

Farm crops aren't the only source of alcohol. Timber, coal, even solid municipal wastes can be made into a form of alcohol called methanol through a gasification process that bypasses fermentation. Methanol backers point out that it, too, can be used as a gasoline extender, and they have figures to show that it is cheaper to make than ethanol. The Mobil Oil Co. has even demonstrated a successful, though very expensive, way to convert methanol into high-octane gasoline.

The struggle over gasohol is now centered in Washington, since federal incentives for building alcohol plants of one sort or another may make the difference between a regional gasohol program and a national one. Gasoholics think the tide is running in their favor. "The President's endorsement gave us recognition and a sense of legitimacy in other people's eyes that we didn't have before," says Richard Merritt, an unpaid lobbyist for the National Gasohol Commission. "It is now socially acceptable in Washington to favor gasohol."●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachussetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, due to a longstanding commitment to serve as a panelist in a "National Town Meeting" on privacy, which was held at Washington's Kennedy Center, I was unavoidably absent from the House for a brief period on July 26 during consideration of House Resolution 379, a rule providing for the consideration of H.R. 3000. Had I been present for rollcall No. 389, on approval of the resolution, I would have voted "yea." ●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. MURPHY of Illinois (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ERDAHL) to revise and extend their remarks and include extraneous material:)

Mr. DUNCAN of Tennessee, for 30 minutes, today.

Mr. COURTER, for 5 minutes, today.

(The following Members (at the request of Mr. GLICKMAN) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. WEAVER, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. ALEXANDER, for 10 minutes, today.

Mr. VAN DEERLIN, for 5 minutes, today.

Mr. ALEXANDER, for 10 minutes, today.

Mr. DRINAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GINN, to revise and extend his remarks immediately following the remarks of Mr. MCCORMACK today in the Committee of the Whole.

Mr. HUGHES, immediately following the remarks of Mr. FLORIO on his amendment to H.R. 4930 in the Committee of the Whole today.

(The following Members (at the request of Mr. ERDAHL) and to include extraneous matter:)

Mr. ROYER.

Mr. PHILIP M. CRANE in two instances.

Mr. MCCLOSKEY in two instances.

Mr. MICHEL in two instances.

Mr. WYDLER.

Mr. HILLIS.

Mr. PAUL in two instances.

Mr. TAUKE.

Mr. GRASSLEY.

Mr. ANDERSON of Illinois.

Mr. RINALDO.

Mr. GILMAN.

Mr. HAMMERSCHMIDT in two instances.

Mr. DAVIS of Michigan.

Mr. SOLOMON.

Mr. JEFFORDS.

Mr. HOPKINS.

Mr. BOB WILSON in two instances.

Mr. BEREUTER in two instances.

Mr. COLLINS of Texas.

(The following Members (at the request of Mr. GLICKMAN) and to include extraneous matter:)

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. CONYERS in two instances.

Mr. BIAGGI in 15 instances.

Mr. MCCORMACK in three instances.

Mr. MAZZOLI.

Mr. MAVROULES.

Mr. PREYER.

Mr. VENTO in two instances.

Mr. GARCIA in two instances.

Mr. GEPHARDT in two instances.

Mr. GAYDOS.

Mr. SIMON.

Mr. MOTTL in two instances.

Mr. RICHMOND.

Mr. VAN DEERLIN.

Mr. MURPHY of New York.

Mr. LUKEN.

Mr. RUSSO.

Mr. HARRIS.

Mr. ROSENTHAL.

Mr. WAXMAN.

Mr. LOWRY.

Mr. PATTERSON.

Mr. WOLPE.

Mr. OTTINGER.

Mr. O'NEILL.

Mr. JENRETTE.

Mr. SKELTON.

Mr. DINGELL in three instances.

Mr. WEISS.

Mrs. SCHROEDER.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 976. An act to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal year 1980.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On July 25, 1979:

H.J. Res. 373. Recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

On July 26, 1979:

H.R. 4537. To approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes;

H.R. 4591. To make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other purposes; and

H.R. 4712. To delay conditionally the effective date of certain rules of procedure and evidence proposed by the U.S. Supreme Court, and for other purposes.

ADJOURNMENT

Mr. GLICKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Tuesday, July 31, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2132. A letter from the Governor, Farm Credit Administration, transmitting the 45th annual report of the Farm Credit Administration and the Cooperative Farm Credit System, including the report of the Federal Farm Credit Board, pursuant to section 5.18(3) of Public Law 92-181, as amended; to the Committee on Agriculture.

2133. A letter from the Deputy Secretary of Defense, transmitting notice of approval of annual compensation rates, exceeding $45,000 for officials of various Federal Contract Research Centers, pursuant to section 407(b) of Public Law 91-121; to the Committee on Armed Services.

2134. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of defense equipment to Jordan (Transmittal No. 79-62) pursuant to Section 813 of Public Law 94-106; to the Committee on Armed Services.

2135. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of defense equipment to the United Kingdom (Transmittal No. 79-66) pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2136. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment to Saudi Arabia (Transmittal No. 79-73), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2137. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during June 1979 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

2138. A letter from the Mayor of the District of Columbia, transmitting the annual report for fiscal year 1978 on the District of Columbia's alcoholism program, pursuant to section 13(a) of the act of August 4, 1947, as amended (82 Stat. 623); to the Committee on the District of Columbia.

2139. A letter from the Secretary of Health, Education, and Welfare, transmitting the family contribution schedules for the basic educational opportunity grant program for academic year 1980-81, pursuant to section 411(a)(3)(A)(ii) of the Higher Education Act of 1965, as amended; to the Committee on Education and Labor.

2140. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 79-11, finding that the sale of defense articles and defense services to the Government of Barbados will strengthen the security of the United States and promote world peace; to the Committee on Foreign Affairs.

2141. A letter from the Acting Assistant Secretary of State for Congressional Relations; transmitting a report on political contributions made by Ambassador-designate James W. Spain, and his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2142. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Thomas J. Watson, Jr., and his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2143. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense articles to the Government of Papua New Guinea, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2144. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Jordan (Transmittal No. 79-62), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2145. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to the United Kingdom (Transmittal No. 79-66) pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2146. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Saudi Arabia (Transmittal No. 79-73), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2147. A letter from the Comptroller General of the United States, transmitting a report reviewing the progress Government agencies have made in obtaining sufficient audit staff, (FGMSD-79-43, July 27, 1979); to the Committee on Government Operations.

2148. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during June 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2149. A letter from the Secretary of the Interior, transmitting a copy of an application by the Lewiston Orchards Irrigation District of Lewiston, Nez Perce County, Idaho, for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

2150. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the Nisqually Tribe judgment funds in docket No. 197 before the Indian Claims Commission, pursuant to sections 2 (a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

2151. A letter from the General Counsel of the Department of Energy, transmitting notice of meetings realted ot the International Energy Program to be held August 7 and 8, 1979, in Paris, France; to the Committee on Interstate and Foreign Commerce.

2152. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13 (b) of the act of September 11, 1957, pursuant to section 13(c) of the act; to the Committee on the Judiciary.

2153. A letter from the General Counsel of the Navy, transmitting a report on the investigation of allegations of mismanagement at the Naval Weapons Center, China Lake, Calif., pursuant to 5 U.S.C 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

2154. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting revised notice of the proposed reprograming of funds between various categories of Agency appropriations for fiscal year 1979, pursuant to section 2(c) of Public Law 95-477; to the Committee on Science and Technology.

2155. A communication from the President of the United States, transmitting the energy tax initiatives of his oil import reduction program (H. Doc. No. 96-171); to the Committee on Ways and Means and ordered to be printed.

2156. A letter from the Comptroller General of the United States, transmitting a report on the need for the Department of Agriculture to establish an enforcement and monitoring system to insure that farm cooperatives do not use monopolistic or other unfair trade practices (CED-79-106, July 26, 1979); jointly, to the Committees on Government Operations, Agriculture, and the Judiciary.

2157. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the Selected Reserve training program of the Department of Defense (FPCD-79-59, July 30, 1979); jointly, to the Committees on Government Operations and Armed Services.

2158. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the collection of unemployment statistics (GGD-79-79, July 27, 1979); jointly, to the Committees on Goverment Operations and Education and Labor.

2159. A letter from the Comptroller General of the United States, transmitting a report on passive restraints for automobiles (CED 79-93, July 27, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 5006. A bill to provide assistance to rural water systems in achieving compliance with title XIV of the Public Health Service Act, and for other purposes; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. BINGHAM (for himself and Mr. WEISS):

H.R. 5007. A bill to amend title 18 of the United States Code to require court orders for trespass incident to legal interception of wire and oral communications; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 5008. A bill to provide for judicial review of administrative determinations made by the Administrator of the Veterans' Administration; to apply the provisions of chapter 5 of title 5, United States Code, to the rules, regulations, and orders of the Veterans' Administration; to provide for the use of a reasonable fee for attorneys in rendering legal assistance to veterans with claims before the Veterans' Administration; and for other purposes; jointly, to the Committees on Veterans' Affairs and the Judiciary.

By Mr. LOWRY:

H.R. 5009. A bill to provide that attorneys fees and other reasonable costs shall be reimbursed to taxpayers who substantially prevail in any proceeding, litigation, or court action which is brought by or against the United States for the determination, collection, or refund of any tax, interest, penalty, or other matter arising under the Internal Revenue Code; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. THOMPSON (for himself, Mr. BRADEMAS, Mr. HAWKINS, Mr. ANNUNZIO, Mr. GAYDOS, Mr. JONES of Tennessee, Mr. MOLLOHAN, Mr. VAN DEERLIN, Mr. MINISH, Mr. DAVIS of South Carolina, Mr. ROSE, Mr. JOHN L. BURTON, Mr. PEYSER, Mr. RATCHFORD, Mr. FAZIO, Mr. DICKINSON, Mr. CLEVELAND, Mr. FRENZEL, Mr. STOCKMAN, Mr. BADHAM, Mr. GINGRICH, Mr. LEWIS, Mr. CAMPBELL, and Mr. LOEFFLER):

H.R. 5010. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; to the Committee on House Administration.

By Mr. MCCORMACK:

H.R. 5011. A bill to limit the size of the Conboy Lake National Wildlife Refuge in the State of Washington to certain lands acquired with the consent of the owners, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MOORE:

H.R. 5012. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 5013. A bill to provide for the entry of certain relatives of U.S. citizens and aliens lawfully admitted for permanent residence; to the Committee on the Judiciary.

H.R. 5014. A bill to amend title 18 of the United States Code to prohibit the transportation or use in interstate or foreign commerce of counterfeit, fictitious, altered, lost, or stolen airline tickets; to the Committee on the Judiciary.

By Mrs. SPELLMAN:

H.R. 5015. A bill to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON:

H.J. Res. 384. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school outside the school district in which the student resides; to the Committee on the Judiciary.

Government Service S&L Assn.

By Mr. VENTO:

H.J. Res. 385. Joint resolution 500th Anniversary Celebration Commemorating Christopher Columbus' First Voyage to the Americas; to the Committee on Post Office and Civil Service.

By Mr. APPLEGATE (for himself, Mr. KOGOVSEK, Mr. MCDADE, Mr. CARTER, Mr. STAGGERS, Mr. FRENZEL, Mr. WHITTAKER, Mr. BUCHANAN, Mr. MILLER of Ohio, Mr. GOODLING, and Mr. CLEVELAND):

H. Res. 392. Resolution to express the sense of the House of Representatives that the United States of America should establish and actively and immediately pursue a national energy plan that emphasizes and demands the use of domestic coal as a means of displacing current foreign energy imports, and for other purposes; jointly to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of California:

H.R. 5016. A bill for the relief of David Roland Weaver; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 5017. A bill for the relief of Simon Stroh; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 473: Mr. EDWARDS of Alabama, and Mr. SHUMWAY.

H.R. 545: Mr. PATTERSON, Mr. BADHAM, Mr. LEVITAS, Mr. CARR, Mr. GINN, Mr. BUCHANAN, Mr. MOTTL, Mr. ROBERT W. DANIEL, JR., Mr. MITCHELL of New York, Mr. AMBRO, Mr. GREEN, Mr. PATTEN, Mr. STOKES, Mr. MIKVA, Mr. PRICE, Mr. BLANCHARD, Mr. GEPHARDT, Mr. EVANS of Georgia, Mr. YATRON, Mr. HAGEDORN, Mr. WYATT, Mr. DAN DANIEL, Mr. DORNAN, Mr. HALL of Texas, Mr. DERWINSKI, Mr. JACOBS, Mr. WALKER, Mr. ANDREWS of North Dakota, Mr. MURPHY of Pennsylvania, Mr. HAMILTON, Mr. DEVINE, Mr. WINN, Mr. RUNNELS, Mr. LAGOMARSINO, Mr. WHITEHURST, Mr. MCDONALD, Mr. RAHALL, Mr. ZEFERETTI, Mr. KRAMER, Mr. EDWARDS of Oklahoma, Mr. SPENCE, Mr. LOTT, Mr. ROSE, Mr. LEE, Mr. JEFFORDS, Mr. BURGENER, and Mr. APPLEGATE.

H.R. 809: Mr. SABO.

H.R. 811: Mr. CLAUSEN, Mr. CORCORAN, and Mr. LUJAN.

H.R. 1677: Mr. DOWNEY, Mr. FLORIO, Mr. LEE, Mr. PETRI, Mr. PRITCHARD, Mr. SABO, Mr. SOLOMON, and Mr. STANTON.

H.R. 2040: Mr. TREEN.

H.R. 2501: Mr. RICHMOND.

H.R. 2759: Mr. EVANS of the Virgin Islands and Mr. HUGHES.

H.R. 2812: Mr. COUGHLIN.

H.R. 3181: Mr. BAILEY and Mr. BETHUNE.

H.R. 3612: Mr. HEFTEL.

H.R. 3958: Mr. CLAUSEN.

H.R. 4055: Mr. TREEN and Mr. EDWARDS of Oklahoma.

H.R. 4265: Mr. MCCORMACK, Mr. YATRON, Mr. SIMON, Ms. MIKULSKI, Mr. PATTERSON, Mr. PATTEN, Mr. TREEN, Mr. BAILEY, Mr. KOSTMAYER, Mr. GILMAN, Mr. SANTINI, Mr. MARLENEE, and Mr. CLEVELAND.

H.R. 4279: Mr. GEPHARDT, Mr. EVANS of Delaware, Mr. MARRIOTT, Mr. CORRADA, Mr. MONTGOMERY, Mr. BEVILL, Mr. DANNEMEYER, Mr. BURGENER, Mrs. HOLT, Mr. WHITLEY, Mr. BEDELL, and Mr. DORNAN.

H.R. 4598: Mr. WEISS, Mr. WON PAT, Mr. BOLAND, Mr. VENTO, Mr. LEHMAN, Mr. FLOOD, Mr. YATRON, Mr. SABO, Mr. LAFALCE, Mr. DASCHLE, Mr. STOKES, Mr. DOWNEY, Mr. OTTINGER, Mr. STAGGERS, Mr. LOWRY, Mr. MCCORMACK, Mr. PRITCHARD, Mr. PATTERSON, Mr. CARTER, Ms. FERRARO, Mr. COUGHLIN, Mr. JENRETTE, and Mr. MAGUIRE.

H.R. 4986: Mr. CONYERS, Mr. AKAKA, Mr. TRAXLER, Mr. HEFTEL, Mr. WHITEHURST, Mr. KILDEE, Mr. WEAVER, Mr. DIXON, Mr. BROWN of Ohio, Mr. GAYDOS, Mr. NEAL, Mr. KOGOVSEK, Mr. TRIBLE, Mr. SNYDER, Mr. BURGENER, Mr. SHELBY, Mr. GRAY, Mr. YATRON, Mr. BALDUS, Mr. FAZIO, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. WOLPE, Mrs. SCHROEDER, Mr. DAVIS of Michigan, Mr. THOMPSON, Mr. PRITCHARD, Mr. WIRTH, Mr. SYMMS, Mr. DELLUMS, Mr. CLEVELAND, Mrs. HECKLER, and Mr. AMBRO.

H.J. Res. 53: Mr. WINN.

H.J. Res. 161: Mrs. SPELLMAN, Mr. PRITCHARD, and Mr. DICKS.

H.J. Res. 202: Mr. DORNAN, Mr. GRASSLEY, and Mr. MCDONALD.

H. Res. 36: Mr. TREEN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

183. The SPEAKER presented a petition of the city council, Miami, Fla., relative to the proposed Condominium Act of 1979; which was referred to the Committee on Banking, Finance and Urban Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4034

By Mrs. FENWICK:

—Page 27, add the following after line 24 and redesignate the subsequent subsection accordingly:

"(k) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—The Secretary and the Secretary of State shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate before any license is approved for the export of goods or technology valued at more than $7,000,000 to any country concerning which the Secretary of State has made the following determinations:

"(1) Such country has repeatedly provided support for acts of international terrorism.

"(2) Such exports would make a significant contribution to the military potential of such country, including its military logistics capability, or would enhance the ability of such country to support acts of international terrorism."

H.R. 4040

By Mr. CHARLES H. WILSON of California:

—Page 2, line 14, strike out "$7,816,190,000" and insert in lieu thereof "$7,384,290,000".

Page 4, strike out lines 5 through 11 and insert in lieu thereof the following:

SEC. 103. The Secretary of Defense shall provide to the Congress at the earliest practicable date, and not later than the end of the 120-day period beginning on the date of the enactment of this Act, a report on—

—Strike section 810, title VIII of H.R. 4040.

H.R. 4930

By Mr. LAGOMARSINO:

—Page 35, line 2, strike "$699,377,000," and insert in lieu thereof "$701,377,000".

S. 1030

By Mr. MOORHEAD of California:

—Page 43, after line 11, insert the following new subsection:

"(f) CONGRESSIONAL REVIEW OF STANDBY PLAN.—(1) After promulgation of a standby Federal emergency conservation plan, the Secretary shall transmit such plan to the Congress, together with his findings in support of such plan, in accordance with section 551(b) of the Energy Policy and Conservation Act. Such plan may become effective only if either House of the Congress has not disapproved (or both Houses of Congress have approved) such plan in accordance with the procedures specified in section 551 of such Act."

EXTENSIONS OF REMARKS

WE STILL NEED TO RESOLVE THE CLINCH RIVER BREEDER REACTOR CONFLICT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. BROWN of California. Mr. Speaker, the vote last week against the Fuqua-Brown compromise on the Clinch River breeder reactor project will not be the last vote this body will have on this issue. While I do not intend to rehash the issues here, I would like to state that we will all be called upon to reconsider our positions if a resolution is ever to be reached.

The Los Angeles Times carried an editorial in today's edition which sums up the situation. I urge my colleagues in the House and the Senate to review this item and the issue itself.

The editorial follows:

[From the Los Angeles Times, July 30, 1979]

A BREEDING OF NUCLEAR FUEL—AND TROUBLE

If the House of Representatives had displayed the same vigor in dealing with truly needed energy legislation that it has shown in keeping alive the dangerous, costly and unnecessary Clinch River nuclear project in Tennessee, the country would be better off.

Last week, the House ignored Administration objections and voted to authorize the controversial project, which involves construction of an experimental breeder reactor that would be designed to produce more nuclear fuel than it consumes.

For three years President Carter has been trying to kill the $2.6 billion project, and for three years the House has refused to sign the death warrant. This is a case where the President is clearly right.

The attraction of breeder reactors is that they would use fuel processed from spent fuel rods taken from conventional nuclear power plants. In the process, they would breed still more fuel. Thus they hold the promise of stretching out world uranium supplies.

The Administration, however, looks on the project as a costly and dangerous boondoggle for the nuclear industry, and properly so. Even by optimistic estimates, power production from breeders won't be economically feasible until well into the 1990s, if then. And there is even less sure knowledge about the environmental safety of breeders than there is about that of conventionally designed reactors.

The Administration points out that the $2 billion that would be required to complete the project could be much better spent on other modes of energy production.

Most serious of all, however, the type of breeder planned for Clinch River would burn plutonium, which also is the principal material of nuclear weapons.

Any substantial reliance on plutonium-burning reactors to meet the energy needs of the United States and other countries means that terrorists would have only to intercept a fuel shipment to have the ready-made ingredient for a blackmail nuclear bomb. It would also be next to impossible to erect an international inspection system that would prevent governments from diverting plutonium from breeder reactors and uranium fuel reprocessing plants into nuclear weapons manufacture.

For this reason, Washington is seeking to persuade other nations to join the United States in forgoing the construction of plutonium-burning power plants and to develop, instead, new types of breeders that will use some other, less dangerous, fuel.

The House members who are determined to push through the Clinch River project anyway are playing a dangerous and irresponsible game. We urge the Senate, which will act next on the authorization bill, to support the President.●

ETHICS LAW AMENDMENTS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, I applaud the decision to remove from the suspension calendar House Joint Resolution 381, amendments to the Ethics in Government Act. When I looked at this bill to exempt the recently fired Cabinet members from the provisions of the ethics law, I could not help but offer a paraphrase of the poem about the famous ax murderer, Lizzie Borden. The modern day version might read as follows:

Jimmy Carter took an ax
And gave his Cabinet forty whacks;
When he saw what he had done,
He gave them all an ethical exemption.

How inappropriate it would be, Mr. Speaker, that we should be considering this bill under a suspension of the rules, so that the President could suspend the rules of the new ethics law so his former Cabinet members could swing right into that lucrative revolving door of lobbying their former departments. Why not the best, indeed? Never let it be said that this President is not compassionate. Never let it be said that life is unfair to those at the top who topple. We fortunately will not have a chance here today to prove that we too are compassionate and fair by passing this "rolling head relief act." The authors of this misbegotten legislation feel that we should look into our hearts and ask ourselves what better way there is to comfort these poor, starving, homeless, and jobless former Cabinet members than to suspend the ethics law for their sake so they might find gainful employment. The sooner we get them off the breadlines and on to the lobbying lines the less chance there is that they will be spending their idle time bad mouthing Hamilton Jordan. For those of you who are not so compassionate and perhaps more politically cynical, look on this as a hushpuppy bone. Throw this bone to the purged puppies and maybe they will hush up.●

FINANCIAL DISCLOSURE STATEMENT OF REPRESENTATIVE ROMANO L. MAZZOLI

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MAZZOLI. Mr. Speaker, it has been my custom to submit a statement of financial disclosure every year that I have served in the House of Representatives. While the law now dictates that Members of Congress submit financial statements in April of each year, I continue to file a more detailed report every summer. In this way, my constituents and other taxpayers are kept informed as this statement becomes a matter of public record.

The financial statement follows:

ROMANO L. AND HELEN D. MAZZOLI RECAPITULATION OF INCOME AND EXPENSES FOR CALENDAR YEAR 1979

INCOME	
Interest and dividends:	
Lincoln Federal Savings and Loan	$606.09
Liberty National Bank and Trust Co	127.06
American United Life Insurance Co	36.16
Government Services S&L Association	254.14
Northern Virginia S&L Association	254.34
Law practice:	
Income	----------
U.S. House of Representatives:	
Salary	57,500.00
Gross income	58,777.79
EXPENSES, DEDUCTIONS, EXEMPTIONS, AND FEDERAL TAXES	
Gross income[1]	59,354.00
Business expenses	2,738.00
Adjusted gross income	56,616.00
Itemized deductions	10,574.00
Taxable income	46,042.00
FEDERAL INCOME TAX	
Tax withheld	16,658.00
Tax due	11,823.00
Refund	4,835.00
Cash on deposit:	
Liberty Nat. Bank and Trust Co., No. 09013390	1,468.18
Lincoln Federal S&L Co. Acct. No. 37339-5	12,078.42
Northern Va. S&L Co., Acct. No. L-6084	1,642.40
Northern Va. S&L Co., Acct. No. L-50021	1,357.61
Northern Va. S&L Co., Acct. No. L-80507	1,350.00
Government Service S&L Assn., Acct. No. 01-112091-0	4,161.22
Securities, stocks, and bonds:	
U.S. Government Bonds, Series E	1,094.16
Real Property:	
Residential:	
939 Ardmore Drive, Louisville, Ky., assessed value	28,250.00
Less: Mortgage, Portland Federal S&L	10,139.55
Net value	18,110.45
1030 Anderson Street, Alexandria, Va., assessed value	68,600.00
Less: Mortgage, Cowger and Miller	50,512.33
Net Value	18,087.67
Household goods and miscellaneous personalty (est.)	6,500.00
Cash surrender value of life insurance policies:[2]	
American United Life Insurance Co., policy No. 1011729	4,080.14
Federal employees retirement system:	
Contribution to fund	29,235.77
Automobiles:	
1965 Rambler; fair market value	150.00
1973 Chevrolet; fair market value	2,425.00
Net assets	101,741.02

[1] Includes Kentucky State Income Tax Refund of $577.00 for Tax Year 1977 and is rounded.

[2] Includes $520.73 cash on deposit.●

DECONTROL OF CRUDE OIL PRICES

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MAVROULES. Mr. Speaker, President Carter's recent speech has once again focused attention on our Nation's serious energy problems. While I agree with much of what the President has said, I am distressed by his continued emphasis on decontrol of crude oil prices.

There is, as yet, no convincing evidence that decontrol will increase our domestic petroleum supplies, or even keep them from dwindling further. What we do know, without a doubt, is that decontrol will greatly enrich the major oil companies, at the expense of the average American.

In view of this deplorable situation, I strongly support Congressman MOFFETT's resolution restoring controls on oil prices. We in the Congress must assert our authority. If we fail to act, we do ourselves and our constituents a great disservice, for I believe that President Carter's decision to lift controls is unwise and unnecessary.

I have long opposed decontrol, because of its potentially disastrous effect on low- and fixed-income consumers throughout the Nation. In my own home region of New England, which relies heavily on home heating oil, and where oil prices are already among the highest in the country, the impact would be particularly great. Decontrol would shift the burden of our energy crisis to those who can least afford to bear it. This situation would, in my mind, be unjust.

As we all know, the President has the power to lift these price controls. In fact,

the process has already begun. But before we allow it to continue without protest, there are several basic questions we must ask ourselves, questions that may well determine to a large extent the future of our Nation.

Can we trust the oil companies to decide what is best for all Americans? Can we trust them to act in the national interest? Should we allow them to determine the success or failure of our energy program, as they may well do under the present plan?

I strongly believe that we must not allow the petroleum industry to dictate the terms of our national energy plan. If we permit this, we will write one of the sorriest chapters in our proud history. I reject the notion that the only way to increase our domestic oil production is through further enrichment of the major oil companies, at the expense of the average citizen. This is a nation in which the ultimate power belongs to the people, and it is our duty to safeguard it, not throw it away. While I hardly agree with those who call for nationalization of the petroleum industry, I can understand the sense of frustration that moves them, fostered by the apparent inability of their Government to deal with these crucial problems.

In addition to the points I have already raised, there is another important reason for my opposition to decontrol. As all of us know, inflation is one of our most pressing concerns. And yet, decontrol will add greatly to inflation, placing even more of a strain on the finances of the average American family. For this reason as well, it is clearly unacceptable.

Of course, the major argument in favor of decontrol is that it will increase our domestic oil production, something all of us agree is badly needed. According to the Congressional Budget Office, however, decontrol will result in added production of only 250,000 barrels of oil per day, at a cost of $17 billion. Clearly, when we talk about massive increases in domestic production, we are misleading the public.

Our emphasis on a windfall profits tax is misleading as well, for the real issue remains decontrol. Only if decontrol is an irreversible fact should we resort to a windfall profits tax. I voted for the Ways and Means Committee's version of the windfall profits tax which, unfortunately, was replaced by a weaker substitute. Not only was the tax rate reduced from 70 percent to 60 percent, but the measure would expire in 1990, thus imposing only a minor, temporary, inconvenience on the major oil companies. Profits from decontrolled domestic oil would be unjustifiably high, and thus the bill would fail to achieve its stated purpose. If decontrol is inevitable, if we must have a windfall profits tax, let it be a fair one, but a strong one.

It is impossible to predict what kind of bill the Senate will produce, but we can act now to eliminate the need for any kind of windfall profits tax. I strongly believe that Congressman MOFFETT's resolution is in the best interest of the American people, and I urge my colleagues to move to prevent the unjust situation that decontrol will create.●

DISTILLATE MONITORING SERVICE IMPERATIVE

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. TAUKE. Mr. Speaker, during my investigation of this spring's middle distillate shortage, I discovered that the Department of Energy (DOE) has no reliable heating oil or diesel fuel monitoring system. The DOE surveys the distillate inventories only at the refineries. Once the fuel leaves the refinery, the DOE does not know where it goes nor where it is needed. Each State is forced to estimate possible distillate shortages. As a result, confusion often surrounds the existence of shortages and Federal efforts to relieve them are often too late.

The distillate shortage which threatened the planting season in the Midwest this spring may hit the Nation this fall and winter. Supplies of heating oil and diesel fuel are essential to the harvest of the Nation's farm crops this fall and to the heating of our Nation's homes this winter. Yet supplies at the refinery remain 12 percent below last year's levels and the summer fill programs are reportedly well behind last year. Spot shortages of distillate could occur this fall and winter. But the DOE will have no idea of the location of stalled machinery or cold homes until after the fact. We need to prevent any inordinate hardship. In order to do that we must identify the shortages so that action can be taken to move supplies to where they are needed.

I plan to offer an amendment to S. 1030 to establish a State-by-State distillate market survey service in the DOE. That way shortages can be quickly spotted and relieved during the critical harvesting and heating seasons when distillate users cannot afford to wait.

The July 29 Washington Star included an excellent article by Ross Evans which reaffirms my call for an immediate and continuing assessment of the middle distillate supply and demand situation throughout the country. I commend this article to the attention of my colleagues and invite support for my amendment to S. 1030. We must make certain that the DOE begins to keep track of middle distillate supplies.

The text of the article is as follows:

WHY ENERGY DEPARTMENT CAN'T KEEP TRACK OF HEATING OIL

(By ROSS EVANS)

Nearly six years after the first energy crisis and just three months before next winter's heating season, there is still a lot the government doesn't know about how much heating oil the Nation has or where it is stored.

The Energy Department has begun a crash effort to estimate the supplies, but until that estimate is obtained no one can be sure what the government's stockpile target really means.

The new estimate will come too late to affect the planning for this year's target, and government and industry officials say privately the goal could be adequate, too low, or even too high.

The much-publicized goal of a supply of 240 million barrels of distillate oil for heating and diesel fuel by the end of October is keyed to the only stocks the government measures—those held by refiners, pipelines and major terminals. This "primary storage" has a total capacity of at least 270 million barrels.

The government hasn't yet measured so-called "secondary storage"—stocks held by wholesalers, middlemen, retailers, home consumers and industry—which theoretically could be almost as large as the "primary" number.

Rough estimates of secondary capacity show that home tanks alone could hold 115 million barrels, and there is additional capacity of 50 million barrels or more in wholesale and retail tanks. There is no reliable estimate at all for industrial storage capacity.

Even if total secondary capacity were known, the government has no idea how much of it is filled, or how much should be filled at this time of year to keep pace with normal deliveries.

Whatever amount there is in secondary storage, government planners don't know how much of it is being hoarded by middlemen, large industrial customers, or even home consumers maneuvering to beat projected price increases and possible shortages.

Thus despite government assurances that the 240-million-barrel "primary" target for major refiners will be met on time, serious doubts remain about the overall supply picture.

"We could get to 240 million in October and everybody would go, 'hooray.' And then it could get sucked down by 40 million barrels in a few weeks," says John H. Zentay, a Washington lawyer who represents oil terminals and distributors.

Wholesale and retail heating oil dealers are particularly critical of the Energy Department's 240-million-barrel target.

"That figure is going to be made at the expense of secondary storage," said Ed Morgan, vice president for fuel oil at the National Oil Jobbers Council.

The trade association, representing most of the wholesalers and retailers in the country, has just begun its own survey of members' stocks. Several state dealers' associations in the oil-dependent Northeast have conducted preliminary studies of their own.

The early reports the dealers maintain, show their stocks below what they normally would be at mid-summer.

The New England Fuel Institute says a mid-June survey showed its members' stocks 32 percent below last year's level. A similar industry study in New Jersey showed a 48 percent reduction in inventories for early July.

In New York, the biggest fuel oil consuming state, the Empire State Petroleum Association's preliminary survey showed that upstate members were 45 percent below last year's levels and downstate members 30 percent.

The survey showed that heating oil "was not moving in the normal fashion through distribution channels," said Robert D. Lynch, executive vice president of the New York group.

The problem with such figures is that they only show the percentage—not volume—of dealers' shortages. Since dealers' stocks traditionally are low at the beginning of the summer, the shortfall in the actual amount of oil needed would not seem as large.

OIL TANK-TOPPING FEARED

Dealers complain, however, that if their supplies continue to be cut by current proportions, the shortfall will be great by the time the season starts.

Energy Department spokesmen say the department's projection for the 240-million-barrel target is based on the "conservative" assumption that secondary stocks will be 20 million barrels short at the beginning of the heating season.

Energy Secretary James R. Schlesinger acknowledged last week, however, that there is still "a very significant question" about how much of the target is being met at the expense of secondary supplies.

While government planners say they are watching the dealers' predicament closely, there is another concern:

Building up stocks down the distribution chain—from wholesalers through consumers—has the same drastic effect on primary supplies as tank-topping did during the recent gasoline shortage.

Current figures don't come close to providing information on that problem. The government knows how much fuel is drawn out of refiners' stocks, but it doesn't know where it's going.

To whatever extent large industrial customers have been stocking up on fuel oil, that amount will not be available for the consumer distribution network.

Similarly, to whatever extent home customers fill their tanks early in the year, such tank-topping could pull overall supplies toward or below their minimum levels.

DOE CALLED NEGLIGENT

The immediate problem, short of producing as much heating fuel as possible, is to find out where it goes. Industry spokesmen complain that the government has waited too long to get the answer.

"I think this is something that they've been negligent on in the Department of Energy," said Lynch of the New York dealers' group. "They always felt that as long as the major companies had the oil that the rest of the system would take care of itself."

The department's Energy Information Administration, acknowledging that it doesn't have the answers about the complex distribution system, has enlisted the aid of state governments and the U.S. Census Bureau to gather the new data.

The state price survey will start adding inventory information for businesses and customers in August. And a new census survey of retailers and wholesalers, using statistically sampled estimates rather than actual measurements, is expected to show in September what this June's actual inventories were.

But information on what the historical pattern has been—which must be known before the government can interpret this year's figures—won't be ready until "sometime later," an EIA official conceded.

By that time, this year's critical heating season will be starting. Experience then will show whether the department's assumptions were accurate.●

ROCCO SCOTTI

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MOTTL. Mr. Speaker, I would like to take this occasion to pay tribute to one of Cleveland's finest assets—Rocco Scotti.

Mr. Scotti has been thrilling audiences for years with his singing of the national anthem at various events.

His stirring rendition fills Cleveland Stadium with patriotism before Cleveland Indians' games.

In addition to appearing at Cleveland Stadium Mr. Scotti has sung on the "Ed Sullivan Show," in Yankee Stadium, the "Mike Douglas Show," and the operatic stage.

This recording star has also won the Mario Lanza Award and was described by Walter Winchell as "sensational."

I urge you, Mr. Speaker, that if the occasion ever arises and you have an opportunity to hear Mr. Scotti sing, you take advantage of it. It will be a stirring experience.●

PRESIDENTIAL LEADERSHIP

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. GRASSLEY. Mr. Speaker, on Sunday, July 15, President Carter came down from the mountain to speak to America.

He adopted a new and more forceful style to persuade the people that he is committed to a higher and more vigorous form of leadership. Skeptics wondered if it was an act; a posture designed with the 1980 elections in mind. Across the land and across the aisle, however, we welcomed this purpose and prayed for a permanent manifestation of positive leadership.

At the same time, I found myself puzzled and distressed by the fact that he chose to assert his leadership in a message of such gloomy and accusatory content.

Leaders inspire. When the American spirit was troubled by the depression, President Roosevelt looked on it as a challenge to be met by strong leadership. In England's darkest hour, Winston Churchill spoke inspiringly of blood, sweat, and tears and the English were solidified in their determination to win out over adversity.

Mr. Carter dwelled despairingly on America's "crisis of spirit" and when we waited expectantly for some inspirational uplift to help us meet the "crisis," he spoke vaguely of "working together" and announced his latest energy program. In our longing for positive Presidential leadership, we applauded Mr. Carter's display of oratorical vigor. At the same time we and our allies were dismayed, and the Soviet Union was elated at the spectacle of our President denouncing the spirit and the morality of the American people with neither a remedy nor a redeeming word.

We are not a morally corrupt people. With the proper inspiration and leadership, the great spirtual and moral values that have always characterized America will remanifest themselves both at home and throughout the world. Unfortunately, however, Mr. Carter's speech has done great harm by lending credibility to the Marxist-Leninist perception of the capitalistic system in general and U.S. capitalism in particular. The degree to which the Soviet Union has seized on his July 15 speech to increase this damage is suggested in the following news item which appeared in the July 23 issue of the Washington Star newspaper. What can Mr. Carter's new leadership produce to put this egg back in its shell?

SOVIETS GIVE WIDE COVERAGE TO CARTER'S "CRISIS OF SPIRIT" REMARKS

MOSCOW.—President Carter's Cabinet reshuffle and his worry over a "crisis of the American spirit" are getting wide coverage in the Soviet Union's state-controlled news media.

The apparent reason: Carter—with the authority of the presidency behind him—is saying many of the things Soviet propagandists have been saying about America for years.

In his July 15 speech, Carter listed many of the specific ills of U.S. society that Soviet commentators regularly cite as signs of an American decline. These include low voter turnouts, disrespect for schools and government, a fall in labor productivity, the slide of the dollar and growing national pessimism.

The Carter "crisis of confidence" speech received lavish space in the Communist Party daily newspaper Pravda, which relied mainly on direct quotations without additional comment. The speech was also the subject of press and television commentaries all last week. Soviet television broadcast clips of Carter delivering his address.

The Soviet news media, reinforcing the impression of serious alarm in Washington, have stressed that the resignation of all Cabinet members was a startling, highly unusual development. Pravda spoke of a national "emergency" in the United States.

The Soviet government daily Izvestia wrote that the erosion of confidence in the future "and the crisis of spirit" in Washington—both phrases from Carter's speech—stem from overspending on the U.S. military and underspending on social needs.

The paper concluded that the "specter of collapse" hangs over not only America, but the entire capitalist world.

Soviet news accounts have generally ignored the optimistic passages in Carter's remarks, including his assertion that "working together (to solve problems), with our common faith, we cannot fail."●

REPORT ON THE INTERNATIONAL WHALING COMMISSION

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. McCLOSKEY. Mr. Speaker, having had the privilege of serving for the third consecutive year as the Congressional Delegate to the International Whaling Commission (IWC), I am pleased to report on the proceedings of the 31st meeting of the Commission, held in London July 9 through 13.

I might say at the outset that the passage of the House Concurrent Resolution 143, coauthorized by our colleagues DON BONKER, LES AUCOIN and others, calling for a worldwide moratorium on commercial whaling and enacted by the House and Senate just prior to the Commission meeting, played an important part in such success as was achieved.

It may seem strange that at a time of increasing technology and increasing commercial interdependence, at a time when two great nations, ourselves and the Soviet Union, hold enough nuclear warheads to destroy mankind, that at such a time the human race wants to see its governmental representatives preserve vanishing species—eagles, condors, caribou, mountain sheep, and, perhaps more than any other species, the whales and porpoises. This philosophy, reflected in House Concurrent Resolution 143, seemed to have gained increased support at this year's meeting of the IWC. I suspect that had the United

States been willing to give up our insistence on bowhead whaling over the past several years, we might have been able to achieve the full moratorium on commercial whaling, which both the President and Congress have firmly stated it is our purpose to achieve.

In any event, the IWC's progress this year was substantial.

The major accomplishments of this meeting were as follows:

First. An indefinite moratorium was imposed on use of factory ships to harvest whales, excluding the minke. This should effectively limit whaling to offshore coastal operations by the countries involved.

Second. A whale sanctuary was created in the Indian Ocean, with a 10-year moratorium imposed on taking of all whales therein.

Third. All stocks of whale species are now regulated by IWC.

Fourth. This year's total quota for commercial whaling was reduced to 15,656 from last year's total of 19,526, or by 20 percent. The total tonnage caught will be at least 50 percent less due to the relatively small size of the minke.

Fifth. There was a substantial decrease in the sperm whale quota, from 9,360 last year to 2,203 this year, a reduction of 77 percent. Last year, sperm whales made up about 50 percent of the total whale quota; this year they are only 14 percent of the total quota.

Sixth. The 31 percent increase in the minke whale quota, from 9,173 last year to 12,006 this year, causes minke whales to make up 77 percent of the total whale quota, as compared with last year's 50 percent. Minke whale stocks were considered to be in healthy condition by the Scientific Committee. Currently, their population seems to be increasing and its control may help in the recovery of the blue whale and other larger species approaching extinction since they eat the same food.

Seventh. The IWC budget was more than doubled, to 300,000 pounds sterling, about $625,000.

Eighth. The IWC supported a U.S. resolution that all member nations cease importing whale products from nonmember nations and cease export of vessels and equipment to nonmember nations. The chief offender and purchaser of whale meat, Japan, adopted a new law prohibiting such purchases effective July 5, 1979, obviously as a gesture to placate IWC disapproval.

Ninth. The International Observer Scheme was expanded to provide nonwhaling nations the opportunity to observe whaling operations, and to include more Japanese and Eskimo whaling operations.

Tenth Recommendations for improvements in the technology to reduce cruelty of the whale hunt were adopted by the Commission without change.

I would particularly like to commend Commissioner Richard Frank, Deputy Commissioner Tom Garrett, Mr. Eldon Greenberg and Dr. Bill Aron from the Department of Commerce, and Mr. Morris Busby and Ms. Jan Barnes from the Department of State. The accomplishments listed above are proof of their hard work, long hours, and true dedication to the preservation of the great whales of the world. Were it not for the effort that these individuals made toward a complete commercial whaling moratorium, the successful proposals offered by Panama for a pelagic moratorium and the Seychelles for a moratorium on all commercial whaling in the Indian Ocean might not have appeared as the compromises they were.

I want to add a special compliment to Assistant Secretary Pickering of the State Department's Bureau of Environmental and Scientific Affairs. Earlier this year, Chairman JOHN BREAUX and ranking minority member EDWIN B. FORSYTHE of the Fish and Wildlife Conservation and the Environment Subcommittee and I requested more State Department expertise and assistance at the IWC. Commerce is historically the lead agency. The State Department's contribution, both prior to and during this year's meeting, appears to have been substantially greater than in years past, and it is my personal judgment that future success in finally ending commercial world whaling will depend, in large part, on their continuing involvement and commitment.

Despite the progress I have enumerated, much work remains to be done. First, because of the one-nation, one-vote procedure at the IWC, it is imperative that the United States do whatever it can to bring more nonwhaling nations into the Commission. I have attached a table—appendix I—of the member nations and how they voted on four major issues. Note that four of the six new member nations are whaling nations.

Although it is, of course, of great benefit to bring those whaling nations such as Chile, Peru, South Korea, and Spain—and I again wish to commend the State Department and the Commerce Department for their work in insuring these nations' admittance—we still must do whatever we can to counter these whaling nations' votes with that of new nations who would urge the protection of whales. For example, the State Department could begin with some of our friends in the South Pacific, such as Fiji, Papua New Guinea, and Tonga. A change in our attitudes and juridical position on highly migratory species at the Law of the Sea could aid in this regard.

Second, the United States should work toward an amendment to the IWC schedule, prohibiting all whaling activities by nations which fail to supply data on those activities. The United States has experienced a similar problem domestically in the last several years with regard to the tuna/porpoise problem. During congressional debate on this issue several years ago, the most important point made was that, without good data from the tuna industry on the porpoise mortality rate, no sound judgments could be made. Similarly, it is impossible to determine changes in populations of whales without the data required from whaling nations. I was greatly disappointed that the IWC did not accept the U.S. proposal to prohibit whaling by nations which fail to supply this data.

Third, in order to put additional teeth into the decisions of the IWC, an organization which is voluntary in nature, the United States could enact into law a provision denying fishing rights within our 200-mile zone to any nation which fails to abide by IWC quotas, or which engages in whaling without belonging to the IWC and conceding its jurisdiction.

Fourth, and perhaps most important, the United States, particularly Congress, must reexamine its position regarding bowhead whales and the Scientific Committee's recommendations that bowheads are truly an endangered species. As you know, the United States holds two positions: That the recommendations of the Scientific Committee be followed, and that subsistence whaling should be treated separately from commercial whaling.

In the instance of our native Alaskans subsistence taking of a few bowhead whales, the Scientific Committee has indicated that the bowhead whale is as near to extinction than any other whale population with the possible exception of the blue whale, and therefore that no bowheads should be taken at all. For 4 years, the United States has pushed for a total moratorium on commercial whaling, but at the same time remains adamant that our own natives be allowed to take one of the most endangered of the whale species. This puts the United States in the position of seeking to protect all whales, except our own, and in light of this year's experience where only seven were taken by the Alaskan Natives in the spring hunt, although 15 were struck—against a quota of 18 taken or 27 struck—it would seem we are giving up a great deal in order to obtain eight or nine bowheads.

In my judgment, our own Marine Mammal Protection Act and Endangered Species Act provide the administration with the power to end bowhead whaling under these circumstances. I have attached the pertinent sections on subsistence from those two laws—appendix II.

The IWC has for many years debated the number of whales to be taken; the time and events make these issues almost irrelevant. What the people of the world ask is that we show ourselves capable of refraining from cruelty, of granting kindness to helpless beings, creatures that are in our power to destroy, whether they be Blacks in Africa, Indians in America, Palestinian refugees, or refugees from the long holocaust in Southeast Asia.

While we may not be capable of helping all peoples, or even all refugees, we have it within our power to save the great whales and set an example of hope for saving other helpless beings. It seems to me we have a great opportunity to set this kind of an example for mankind at a time when the people of our world badly need reassurance that those in power care.

With all due respect to the native peoples of Alaska and their historic reliance on bowhead hunting, the primary whaling nation, Japan, has an equally long history of reliance on whale meat, and we are asking Japan to terminate such reliance. I strongly believe we should reexamine our bowhead policy in this light.

The material follows:

APPENDIX I

VOTES ON MAJOR ISSUES AT THE IWC [1]

Member nations	Commercial whaling moratorium (U.S. proposal)	3-yr sperm whale moratorium (Seychelles proposal)	Pelagic/factory ship moratorium (Panama proposal)	Coastal moratorium (Panama proposal)
Whale conservationist nations:				
Australia	Yes	Yes	Yes	Yes.
France	Yes	Yes	Yes	Yes.
Netherlands	Yes	Yes	Yes	Yes.
New Zealand	Yes	Yes	Yes	Yes.
Panama	Yes	Yes	Yes	Yes.
Seychelles [2]	Yes	Yes	Yes	Yes.
Sweden [2]	Yes	Yes	Yes	Yes.
United Kingdom	Yes	Yes	Yes	Yes.
United States	Yes	Yes	Yes	Yes.
Other nonwhaling nations:				
Canada	Abstain	Abstain	Yes	Abstain.
Mexico	Yes	Yes	Yes	Yes.
Argentina	Yes	Yes	Yes	Yes.
South Africa	Abstain	Abstain	Yes	Abstain.
Whaling nations:				
Brazil	Abstain	Abstain	Abstain	Abstain.
Chile [2]	No	Absent	Yes	No.
Denmark	Abstain	No	Yes	Abstain.
Iceland	No	No	Yes	No.
Japan	No	No	No	No.
South Korea [2]	No	No	Abstain	No.
Norway	Abstain	Abstain	Yes	Abstain.
Peru [2]	No	No	Yes	No.
Spain [2]	Abstain	Abstain	Abstain	Abstain.
U.S.S.R.	No	No	No	Abstain.
Result	11–6–6	11–6–5	18–2–3	11–5–7.

[1] Inclusion of a proposal on the IWC schedule requires a ¾ majority vote.

[2] New members since the last IWC meeting.

APPENDIX II

EXEMPTIONS FOR ALASKA NATIVES

(b) The provisions of this chapter shall not apply with respect to the taking of any marine mammal by any Indian, Aleut, or Eskimo who dwells on the coast of the North Pacific Ocean or the Arctic Ocean if such taking—

(1) is for subsistence purposes by Alaskan natives who reside in Alaska, or

(2) is done for purposes of creating and selling authentic native articles of handicrafts and clothing: *Provided*, That only authentic native articles of handicrafts and clothing may be sold in interstate commerce: *And provided further*, That any edible portion of marine mammals may be sold in native villages and towns in Alaska or for native consumption. For the purposes of this subsection, the term "authentic native articles of handicrafts and clothing" means items composed wholly or in some significant respect of natural materials, and which are produced, decorated, or fashioned in the exercise of traditional native handicrafts without the use of pantographs, multiple carvers, or other mass copying devices. Traditional native handicrafts include, but are not limited to, weaving, carving, drawing, and painting; and

(3) in each case, is not accomplished in a wasteful manner.

Notwithstanding the preceding provisions of this subsection, when, under this chapter, the Secretary determines any species or stock of marine mammal subject to taking by Indians, Aleuts, or Eskimos to be depleted, he may prescribe regulations upon the taking of such marine mammals by any Indian, Aleut, or Eskimo described in this subsection. Such regulations may be established with reference to species or stocks, geographical description of the area included, the season for taking, or any other factors related to the reason for establishing such regulations and consistent with the purposes of this chapter. Such regulations shall be prescribed after notice and hearing required by section 1373 of this title and shall be removed as soon as the Secretary determines that the need for their imposition has disappeared.

ALASKAN NATIVES

(c) (1) Except as provided in paragraph (4) of this subsection the provisions of this chapter shall not apply with respect to the taking of any endangered species or threatened species, or the importation of any such species taken pursuant to this section, by—

(A) any Indian, Aleut, or Eskimo who is an Alaskan Native who resides in Alaska; or

(B) any non-native permanent resident of an Alaskan native village;

if such taking is primarily for subsistence purposes. Non-edible byproducts of species taken pursuant to this section may be sold in interstate commerce when made into authentic native articles of handicrafts and clothing; except that the provisions of this subsection shall not apply to any non-native resident of an Alaskan native village found by the Secretary to be not primarily dependent upon the taking of fish and wildlife for consumption or for the creation and sale of authentic native articles of handicrafts and clothing.

(2) Any taking under this subsection may not be accomplished in a wasteful manner.

(3) As used in this subsection—

(i) The term "subsistence" includes selling any edible portion of fish or wildlife in native villages and towns in Alaska for native consumption within native villages or towns; and

(ii) The term "authentic native articles of handicrafts and clothing" means items composed wholly or in some significant respect of natural materials, and which are produced, decorated, or fashioned in the exercise of traditional native handicrafts without the use of pantographs, multiple carvers, or other mass copying devices. Traditional handicrafts include, but are not limited to, weaving, carving, stitching, sewing, lacking, beading, drawing, and painting.

(4) Notwithstanding the provisions of paragraph (1) of this subsection, whenever the Secretary determines that any species of fish or wildlife which is subject to taking under the provisions of this subsection is an endangered species or threatened species, and that such taking materially and negatively affects the threatened or endangered species, he may prescribe regulations upon the taking of such species by any such Indian, Aleut, Eskimo, or non-Native Alaskan resident of an Alaskan native village. Such regulations may be established with reference to species, geographical description of the area included, the season for taking, or any other factors related to the reason for establishing such regulations and consistent with the policy of this chapter. Such regulations shall be prescribed after a notice and hearings in the affected judicial districts of Alaska and as otherwise required by section 1373 of this title, and shall be removed as soon as the Secretary determines that the need for their impositions has disappeared.

Pub. L. 93–205, § 10, Dec. 28, 1973, 87 Stat. 896.●

IS SAC SUFFERING FROM OLD AGE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MICHEL. Mr. Speaker, the Strategic Air Command (SAC) is flying "obsolescent bombers." One SAC officer says that the B–52's now flying are older than their crews.

These are among the findings of Drew Middleton, distinguished writer on military affairs for the New York Times. Middleton, having recently visited SAC bases, came away with the impression that while SAC personnel had high morale, the equipment they work with is terribly out of date.

At this time I wish to insert in the RECORD, "SAC Is Concerned Over Aging of Bombers," by Drew Middleton, the New York Times, July 27, 1979:

SAC IS CONCERNED OVER AGING OF BOMBERS

(By Drew Middleton)

OFFUTT AIR FORCE BASE, NEBR.—The Strategic Air Command, the United States' primary weapon to deter or to fight a nuclear war, appears to have reached a critical point at which its obsolescent bombers and increasingly vulnerable missile force are balanced only by the high morale of its personnel.

The Government has promised short-term improvements in the weaponry and long-term initiatives in the development of missiles and bombers. These promises, which would insure the nuclear balance of power into the 1990's if fulfilled, are probably the main reason the strategic arms limitation treaty with the Soviet Union has been cautiously endorsed by senior Air Force officers.

But it is evident from talks with officers that if the Carter Administration or its successor and the Congress do not deliver on the promised improvements, the United States' weakness in relation to the Soviet nuclear forces will grow and as an officer phrased it, "There'll be a bumper crop of resignations—and they won't be corporals either."

A note of anxiety permeates any discussion of what the relative American and Soviet military strengths, nuclear or conventional, will be in the next decade. Officers refer to "the window," the period in the early 1980's when they fear the United States will be inferior to the Soviet Union in the nuclear field and when they say they expect the Russians to use their superiority to launch conventional forces in pursuit of national objectives in the Middle East, the Persian Gulf and Africa.

TO VISITOR, SAC APPEARS POWERFUL

To the casual observer the Strategic Air Command may appear as powerful as ever. There are the B–52's and FB–111's nesting on their airfields. There are intercontinental ballistic missiles standing ready in their silos. There are thousands upon thousands of devoted, enthusiastic young men and women serving the weapons. There are experienced and zealous officers directing them.

Then an officer comments that some of the B–52's are older than their crews. The first B–52 was delivered to the Air Force in 1952 in the Presidency of Dwight D. Eisenhower, the last in 1961 when John F. Kennedy occupied the White House.

The B–52 was designed as a turboprop bomber. Generally its airframe has lasted remarkably well. But maintenance is expensive. Spare parts no longer in production have to be located or, if out of stock, manufactured. Short cuts have to be made in modernizing the electronic systems. New engines, radar and television systems add to the expense.

When President Carter halted the development of the B–1 bomber in 1977, the FB–111 took on new importance, which increased as the Russians deployed a new bomber known in the West as the Backfire. This plane, whatever the Soviet Union says, is regarded by the Air Force as having an intercontinental bombing capability. The FB–111 remains a medium-range bomber.

The American fleet of land-based missiles is threatened by the growing accuracy of Soviet missiles. Hardening silos and increasing the accuracy of the Minuteman III are necessary steps. But most officers believe that the American land-based missile force, as now constituted, would be at grave risk in war.

No military force is ever 100 percent effective and efficient, although officers in every service grumble that the public expects it to be. But even the casual visitor learns about mechanical failures in B–52's, about the ancient tankers that serve the heavy bombers, the inordinate amount of time and effort needed to keep the Minuteman and Titan missiles viable.

When a major effort, such as the recent exercise by the entire SAC network, is prepared and carried out, bomber squadrons report a high percentage of serviceable aircraft and missile officials say that all their "birds" are ready to go. But the conditions of long and meticulously prepared exercises should not be confused with those that would exist in a war situation.

NEED FOR MODERNIZATION STRESSED

Modernization is the obvious answer, but "we waited too long to modernize," according to Gen. Richard H. Ellis, the scholarly, soft-spoken head of the Strategic Air Command.

The two modernization programs likely to strengthen SAC in the short term are the development of the air-launched cruise missile and modification of the FB–111 to increase its range, double its payload and lengthen its fuselage and install the engine designed for the B–1.

General Ellis believes that by late in the 80's the B–52's armed with cruise missiles should be used in a stand-off role—that is the bombers would fire their missiles outside the reach of hostile defenses. These bombers will be B–52G's, which by that time would be unsuited to the role of penetration armed both with cruise missiles and short-range attack missiles. This mission might be left to the surviving B–52H's.

By early next year, it is hoped in SAC, the competition between General Dynamics and Boeing for the contract for air-launched cruise missiles will have been decided and progress will be made toward production.

The FB–111, once modified, would also be a cruise-missile carrier. This plane is faster than the B–52 and has a smaller profile on radar. SAC has 89 of them and expects others to be transferred from the Tactical Air Force.

Missile modernization is more complicated and expensive. It involves not simply the production and deployment of a new missile, the MX mobile ICBM, but the hardening of silos containing the present fleet of Minuteman and Titan weapons and their modernization.

The sincerity of the officers who insist that SAC needs these improvements if it is to keep pace with the Russians cannot be doubted. Neither can their anxiety over the possibility that political or economic changes may intervene to delay the modernization program.

"I consider the next few years to be pivotal" General Ellis has said. "Despite the positive aspects of SALT II, we must not allow the lenthening shadow of the treaty to soften or hide the very real threat posed by the massive military machine of the Soviet Union. History has shown that wars most often occur because of different perceptions of power." ●

OUTSTANDING NUTRITIONISTS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. RINALDO. Mr. Speaker, two constituents of mine, Mrs. Ruth Moskowitz and Mrs. Donna D'Amato, were recently the subjects of an important news story in the Daily Journal, published in my district.

Both these women have earned outstanding reputations as nutritionists, and they have made tremendous contributions to Union County and to the Elizabeth educational system. Only recently, Mrs. Moskowitz was commended by representatives of the American School Food Service Association as "one of the finest school food service directors with whom we have had the opportunity to work, a leader in her profession." By the same token, Mrs. D'Amato is widely known and respected throughout Union County as an exceptional professional in her field.

Both these women justly deserve the praise and recognition they have received, and I would like to bring to my colleagues' attention the activities in which they have been so deeply and successfully involved.

The article follows:

SCHOOLS OFFER EARLY START ON TRAINING IN NUTRITION

School cafeterias in Elizabeth are more than just places to eat. They are nutrition centers, a recent and growing concept in nutrition education.

This statement comes from Mrs. Donna C. D'Amato, nutritionist with the Union County Chapter of the Heart Association, who cooperated with Mrs. Ruth Moskowitz, director of food service for the Elizabeth Board of Education in setting up menus suitable for the just-concluded observance of Heart Month.

The menus emphasize the primary goal of the school lunch program, which is the promotion of good nutrition throughout the school year.

The foods chosen meet the recommendations of the American Heart Association for the maintenance of low blood cholesterol levels, being low in total fat, saturated fat and cholesterol.

Along with eating properly, students are urged to exercise regularly to keep fit.

In their consultations, Mrs. D'Amato and Mrs. Moskowtiz sought to make choices that would be popular with students besides achieving the goal of fat control.

Originally the government legislation for the Type A lunch menu pattern required five groups of foods which included butter and whole milk. This pattern has been modified to eliminate the fat requirement and include a choice of low-fat, skim and buttermilk—changes which favor the American Heart Association dietary recommendations.

In addition, menus planned by Mrs. Moskowitz have deemphasized the use of meats and emphasized poultry, fish and beans. Fridays are meatless days which include fish burgers and pizza. Whole-grain products, fruits and vegetables in salads, soups, juices and fruit desserts round out the bills of fare and make an important contribution to nutritional requirements.

Another innovation in the school nutrition program is the availability of breakfast prior to classes in all secondary schools.

The school breakfast is composed of a choice of three items, including a fruit or juice, cereal or bread equivalent and milk types.

The breakfast program is growing in popularity and has improved attendance and punctuality. Studies have shown that eating breakfast improves performance, alertness, attention span and social behavior in the classroom.

The menus for March call attention to National Nutrition Week which begins Sunday and promote the slogan, "Eat to Learn and Learn to Eat," developed by the American School Food Service Association.●

AUTOMATIC CRASH PROTECTION

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. GEPHARDT. Mr. Speaker, the House of Representatives will soon consider appropriations for the Department of Transportation. One of the important issues to be discussed at that time will be automatic crash protection. To assist Members in their preparation on this subject I submit the article "Automobile Restraint Systems—What They Can Mean To You" Which appeared in the Sheet Metal Workers Journal this month.

AUTOMOBILE RESTRAINT SYSTEMS—WHAT THEY CAN MEAN TO YOU!

The Problem. In 1977 an average of 128 persons were killed every day in traffic accidents in the United States, totalling more than 46,800 during the year. The number of non-fatal injuries was many times more than these figures. Of these deaths, the majority, as would be expected, were drivers or front seat passengers in automobiles.

Studies show that more than 50 percent of all passenger car occupant fatalities involve a frontal impact by at least one vehicle. Consequently if occupants could be protected in a frontal crash, there would be a dramatic reduction in both deaths and serious injuries, eliminating much tragedy for too many American families.

What happens in these frontal collisions can be explained by Isaac Newton's laws of physics, familiar to those of us who were made aware of them in high school science courses. As applied to motor vehicle crashes, these laws hold that if you are riding in a vehicle that is moving at a given speed (say 40 miles per hour) and the vehicle is brought to an abrupt stop, then you and any other passengers in the vehicle will continue travelling at 40 mph until something stops you. That "something" is usually the steering column, the dashboard, the windshield, or a combination of them. The human injuries occur, thus, in what is known as "the second collision."

Auto safety engineers and designers have tried to deal with these physical laws by installing padded dashboards, energy absorbing, collapsible steering columns, and laminated safety windshields. While these devices have been extremely helpful in reducing some injuries and deaths, they do not deal with the basic problem of how to prevent occupants from striking the interior of the car.

Fortunately, the means of solving the problem of the "second collision"—or greatly easing it—are available to all of us.

The Solution. The safety engineers' answer to the problem of preventing automobile occupants from being flung forward into lethal objects have been promoted and made available for many years. Since 1964, most new cars have had to have lap belts, and since 1968 all new cars have had to have both lap and shoulder belts as standard equipment.

The major drawback to this solution is that these active restraint systems require the individual's action in fastening a buckle every time he or she gets in a car, before they can provide any protection. Studies have shown that only about 12 percent of front seat occupants and drivers wear both their lap and shoulder belts, and 7 percent wear lap belts alone. Despite all the publicity about the value of the belts, it is now known that 8 out of every 10 front seat occupants fail to fasten their safety belts.

Recognizing the unwillingness of auto users to take the necessary action to belt themselves into their vehicles, a second solution is now at hand with automatic devices called "passive restraint systems." These passive systems provide protection against injury or death without the car occupant having to take any action at all. They are simply there and available automatically whenever a frontal crash occurs.

THE AUTOMATIC, PASSIVE RESTRAINT SYSTEMS

One of the basic types of automatic restraint systems is a refinement of the long-available belt system. The latest safety belt system is designed to move into place as each front seat occupant enters the vehicle and closes the door. There is no requirement for any action on the part of the occupant. Unfortunately, these have become "standard" in only a few models.

Most automatic belt systems have a single diagonal belt which fits across the chest, plus a padded knee bolster below the dashboard. The bolster prevents the occupant from submarining or sliding out from under the belt in a crash. Some systems also have an active lap belt which the occupant can buckle to increase the level of protection in other than frontal crashes, such as rollovers. There is also an emergency release for the diagonal belt if needed.

The other, and perhaps best known type of passive restraint is the air cushion system, often called the "air bag."

An air cushion restraint system is composed of a sensor in the area of the front bumper, and in some systems a second sensor on the firewall; a passenger air bag and inflator hidden on the right side of the dashboard; a driver air bag and inflator packaged in the hub of the steering wheel; and padded or inflatable knee restraints for the driver and the passenger.

This system has an indicator lamp on the dashboard, which will glow for a few seconds to let you know the system is working. If the car is involved in a serious frontal crash (equivalent to a 10–12 mph crash or greater into a solid barrier) the sudden impact causes the sensor to activate a nitrogen gas inflator. This inflates the bag instantly to cushion the occupants from striking the interior of the vehicle. Thus at the same time the occupants move forward into the air bags which absorb the impact forces, the knee restraints or special knee restraint bags keep them from sliding under the bags.

Most people do not realize the tremendous speed with which the entire process operates. The air cushions are fully inflated and partially deflated in about 1/25th of a second. The porosity of the bags allows the air to escape even as they are being inflated. The complete process occurs so rapidly that if you were to blink your eyes, you would miss the bag inflation. However, it is that instant, which without the restraints, is all it takes for serious injury or death to occur.

QUESTIONS AND ANSWERS

There are likely to be a number of questions about the actual operation of passive restraint systems. The National Highway Traffic Safety Administration offers the following questions and answers in helping public understanding of these automatic systems:

Q. Since passive belts restrain occupants automatically, how does one remove the belt in an emergency?

A. Passive belts have an emergency release which is easy to use.

Q. How much will air bags cost me as a car buyer?

A. The Department of Transportation estimates that a full front system, which will meet the requirements of the federal standard, need not cost much more than $100 to $150 above the present cost of safety shoulder belts. This added cost will be offset by expected savings in annual insurance costs for cars equipped with automatic protection systems.

Q. Are these systems really worth the money?

A. Best estimates are that if all cars were equipped with air cushion systems, we would save 9,000 lives and prevent tens of thousands of moderate to serious injuries each year. Every traffic fatality costs society at least several hundred thousand dollars, not including the immeasursable costs of suffering and human loss to families of victims.

Q. Is there a danger that the air bags might go off without reason and cause the driver to lose control?

A. Only 3 such deployments have occurred in more than 620 million miles of over-the-road use, none of which caused loss of control. But even if this did occur, the small size of the driver's air bag and the split-second inflation and deflation is so rapid that it should not cause loss of vehicle control.

Q. What if the air bag fails to inflate in a crash?

A. In all the years of testing, and with 395 known crashes involving the air bag equipped cars, none have failed to inflate in production cars.

Q. Will the air bag damage my hearing when it inflates?

A. In all the crashes to date there has not been a single complaint of injury to the ear or hearing. Most occupants have told crash investigators that they did not hear the air bag inflate over the sound of the crash itself.

Q. Is the gas used to inflate the air bag poisonous?

A. No! In most systems the gas is nitrogen which makes up 78 percent of the air we breathe. In some systems, the nitrogen has been generated from a solid chemical called sodium azide. In its solid form, this chemical is toxic, but in the air bag unit the chemical is hermetically sealed until it is changed into nitrogen by an electrical impulse during a crash.

According to the National Highway Traffic Safety Administration the automatic restraint systems have undergone more research, development and testing than any auto safety device ever proposed. Further the passive restraint systems represent the most significant advance in auto safety in decades, and truly offer "a breath in life" to American motorists.●

INCUBATOR FOR YOUNG BUSINESSES

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. VENTO. Mr. Speaker, small businesses in the United States are the country's prime job-generating firms, but the lack of management expertise and shortcomings in financial planning of entrepreneurs often doom these businesses to premature death.

Control Data Corp., one of Minnesota's innovative, technology-oriented companies, is embarking on a system of business technology centers to make available these important elements to small business managers. St. Paul is the site of the first such center because William Norris, chairman of Control Data Corp., and his colleagues find the climate there conducive for innovation. Innovation has been encouraged in St. Paul by Mayor George Latimer, his able staff, and the business and community leaders of the city.

I include, as part of my remarks, an article from the Washington Post of July 28, 1979, which describes the business technology center concept and its goals:

INCUBATOR FOR YOUNG BUSINESSES

(By Neal A. Peirce)

ST. PAUL.—A remarkable incubator for fledgling businesses in innovative technology fields is taking form in a refurbished eight-story building within St. Paul's Lowertown redevelopment project.

It is called a "business and technology center" by its founder-landlord, Control Data Corp., the Twin Cities' multi-billion-dollar computer and technology firm. If the St. Paul center succeeds, it could well be the prototype for scores of similar centers, helping small businesses get off the ground in cities across the country.

A pipedream? Perhaps. But Control Data founder-board chairman William Norris and his colleagues don't believe they're engaged in a "do-good" charitable enterprise. They expect business and technology centers to become modest money-makers for their owners, even while they generate desperately needed jobs in the nation's inner cities.

The rationale behind the concept—one of the many innovative ideas Norris has spawned in his belief that urban economic problems can be turned into opportunities—is rather simple. Urbanologists, such as Jane Jacobs, have long noted that it was thousands of embryonic businesses which gave cities their vitality and that urban decline parallels a falloff in entrepreneurial starts. And fresh research by David Birch of the Massachusetts Institute of Technology reveals that small firms—those with 20 or fewer workers—have accounted for a startling two-thirds of all new jobs created in the nation since 1960.

But job generation in the cities has fallen well behind their employment needs. The obstacles to entrepreneurial success—ranging from lack of capital to often-fatal lack of

management expertise and financial planning—are both legion and legendary.

To lower the mortality rate of new, small enterprises, the business and technology centers will offer them— under one roof and at reasonable prices—an array of services generally expensive, difficult, or on occasion impossible for an entrepreneur to obtain. The regular lease, for office and laboratory spaces ranging from 100 to 20,000 square feet, will include, at a competitive $8.95 per square foot monthly, rental, cleaning services, utility, security, telephone answering service and receptionist, mail processing, conference rooms, a technical laboratory and library facilities.

But the real benefit to small firms may come from the optional in-house professional services provided by Control Data on a fee basis. For example, financial counseling will be offered in such areas as venture capital, risk management, taxes, insurance and qualifying for government small business loans. In the personnel area, Control Data will have available counsel on recruiting, labor relations, employee counseling and payroll management. Advice will be offered on coping with government regulations and on advertising and promotion.

Expecting many technology-oriented firms, Control Data will offer, also in-house, compressed air and vacuum lines, extended venting and plumbing, steam and chilled water and de-ionized water—services often exhorbitantly expensive for freestanding small businesses.

Finally, the business and technology centers will make available in-house training and education, using Control Data's successful computerized skills teaching method, "PLATA," which offers several courses directly relevant to small business needs and also permits a business owner to play "what-if" games simulating his or her business's situation.

For some executives of small firms, the most valuabe element of the center may be peer interchange—the talks across the hallways with other entrepreneurs facing similar difficulties and challenges.

"Success breeds success in entrepreneurism," says Control Data's senior vice president for urban affairs, Herbert Trader. "Any time you see two or three successful businesses, you will see many times more get started." And the goal of the centers, Trader said, "is to have people medium-sized and established and strike out on their own.

Control Data hopes to realize its BTC profits not as a landlord, but in the sale of optional services—creating many new customers for its products along the way. Full occupancy of the St. Paul center isn't expected until next year, but several tenants—a medical graphics firm, a Control Data Institute, an acoustical tile cleaning company and others—are already signed up.

How fast might the business and technology center concept spread? Control Data has already announced other such centers in Minneapolis and Toledo, and Philadelphia appears a strong candidate for a fourth location. Norris believes Control Data itself will eventually be unable to meet the demand and will arrange to franchise small-business persons to operate the centers.●

VETERANS' ADMINISTRATION HOSPITALS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. HILLIS. Mr. Speaker, for over 2 years, the various veterans organizations have been unanimous in their testimony before the House Committee on Veterans' Affairs and have been telling us, and all Members of Congress, of the rapid deterioration of service to our Nation's veterans at both VA hospitals and regional offices. Because of their testimony and because of my concern that our Nation's veterans should not be penalized in the name of economy, I recently made an inspection of the VA's regional office and medical center in Indianapolis.

I want to share with my colleagues the results of my tour at these facilities. At the outset, I want to commend both William H. Brewster, director of the regional office, and W. Maurice McHaffie, director of the medical center, and their very able staffs. In truth, they are doing their very best with the resources given them by the VA's Central Office and the Administration. The comments which follow are in no way intended to be critical of these fine public servants.

The House Committee on Veterans' Affairs and its subcommittees have conducted many hearings this year on the VA medical system, the VA's Target system, and in general, the services performed by the VA for the benefit of America's veterans.

Mr. concern had been heightened by recent hearings of the Subcommittee on Special Investigations on the VA's Target computer system. For the benefit of my colleagues, the system was envisioned to increase the efficiency of the Department of Veterans Benefits with fewer personnel. When fully operational all regional offices of the VA will be tied in to one computer network with information instantly retrievable.

However, several problems have occurred in the system so that phase I of the program is already months behind schedule with the Department of Veterans' Benefits being forced to use significant amounts of overtime to make up the difference. Through May of this year, DVB had spent $2,843,000 in overtime alone—a 237-percent increase over the amount spent through May 1978—and more than twice the amount obligated for the entire year in fiscal year 1978. In fact, in order for the system to be even partially functional, 15 regional offices in the eastern region were removed from the computer network late last month. When asked to predict when phase I would be operational, the VA representatives were unable to do so with any certainty.

Mr. Speaker, the decision to cut back personnel within the Department of Veterans' Benefits was not made by the Chief Benefits Director, but rather at a higher level within the Veterans' Administration—and probably within the Office of Management and Budget as well. It is unconscionable for either OMB or the Administrator of Veterans' Affairs to cut this vitally important section of veterans services before the Target system had proven itself. It is hardly cost effective, yet the Administrator has repeatedly assured the committee that implementation of Target would indeed be "cost effective." Let me point out, Mr. Speaker, that we are toying with the survival of the disabled veteran and his family—a check received late may be a number on a chart to the VA, but it is a tragedy to the veteran.

In my visit to the regional office in the Federal Building in Indianapolis, I was most graciously received by Mr. William Brewster, the director, together with his staff. They gave me a briefing and demonstration of the Target system in operation and a number of varied applications.

It was disconcerting to learn, however, on that day alone, Monday, July 23, the system had been down or nonoperational over 20 percent of the time. Mr. Brewster explained that the more the system seemed to be utilized in the operation of the regional offices, the greater the down time. This appears to be due to rapid installation throughout the system and an overloading and overtaxing of the system.

I did get to see the system in operation and was most impressed as I watched a VA counselor talking by telephone with a young veteran who was making an inquiry concerning his educational benefits. Immediately, the counselor was able to summon through the Target system the records of this veteran from the Houston Records Center and thereby, was able to explain to him the reason why the payments had been temporarily suspended.

Apparently, the morale of the employees of the VA is affected by the Target system. It is of tremendous assistance to them in serving the veterans. When it is not operational, it is highly frustrating to each person involved in the system because it delays the procurement of needed information to serve the veterans.

Again I commend Mr. Brewster and his staff for their dedicated service to three-quarters of a million veterans who are residing in Indiana.

The purpose of my inspection of the medical center was prompted by repeated complaints received from veterans that they are being denied proper treatment at VA facilities. I am afraid that this may, in fact, be true.

We are all too familiar with the budget restrictions imposed upon all Federal agencies, and in particular, the Veterans' Administration. For the past 2 years, the administration has recommended inadequate funding for the VA and its programs. Twice the Congress has come to the aid of our Nation's veterans over the administration's objections. The VA's Department of Medicine and Surgery is the finest in the world and we cannot sit idly by and permit it to be dismantled piece by piece, benefit by benefit. The Congress must once and for all tell the administration that enough is enough—we will not tolerate any further reductions in services rendered to and benefits earned by those who fought in the defense of their country.

I might personally reflect on my visit to the 10th Street Hospital. Although my visit was brief due to the shortage of time available, I was well received by Mr. Maurice McHaffie, the director, accompanied by Mr. Connlley and was

shown many of their facilities. The hospital was clean, neat, and well operated—a credit to the Veterans' Administration. I was most interested in the new facilities that will be available as soon as the new wing presently under construction is open in the fall of 1980.

The 10th Street Hospital is certainly a fine facility for our Nation's veterans. It is most important that we keep it that way by providing the best equipment and personnel that we possibly can in this and similar facilities throughout our country.

Finally, Mr. Speaker, last week the President sent a series of shock waves throughout America in his attempt to bolster his ratings in the public opinion polls. I am not convinced the actions taken will in any way remedy our Nation's energy problems and it is doubtful that they will have the effect desired by the President. However, if the President insists that replacing ineffective public servants will, indeed, restore confidence in Washington, then perhaps he should include the Administrator of Veterans' Affairs and replace him with someone who will represent the needs of America's veteran population, who will resist OMB's unwarranted attempts to legislate, and who will stop the continued erosion of the VA and its programs.●

THE AMERICAN LEGION'S STAND ON NUCLEAR WASTE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. WYDLER. Mr. Speaker, one of the dangers of living and working in Washington is that we sometimes make the mistake of thinking that all of the possible answers to this Nation's problems are arrived at by policymakers right here. The American Legion has sent me a copy of a resolution passed in Indianapolis, Ind., by their National Executive Committee on the subject of nuclear waste. It is very valuable for all of us in the Congress to obtain perspectives on critical questions such as this by organizations which take an interest in a broad range of national issues.

The American Legion's recommendations are sensible and worthy of serious consideration. They conclude that nuclear energy must continue to be a major producer of this Nation's electrical power, but that the Federal Government must demonstrate that waste material can be stored safely and they list several suggestions in this regard. I share their concern about nuclear waste and hope the administration will adopt a policy to solve the problem since the technology is available. I have inserted the Legion proposals for the information of all my colleagues:

RESOLUTION NO. 12: NUCLEAR WASTE ISOLATION PILOT PROJECT

Whereas, The demand for electrical energy will continue to increase, and having sufficient generating capacity to meet this demand is necessary to avoid blackouts, economic disruption, and social disorder; and

Whereas, In order to avoid even larger imports of oil, the only alternatives available to generate the needed electricity are coal and nuclear; and

Whereas, It is important to have a balance between nuclear and coal-fired generating units in the future, and the development of nuclear generating units is being seriously delayed by lack of a policy for dealing with high level nuclear wastes; and

Whereas, Since the initial inception of commercial nuclear power and the military nuclear program, the ultimate disposal of high level nuclear waste has been reserved by the federal government as its responsibility; and

Whereas, It is now almost 35 years since the beginning of the military nuclear program, and 20 years since the first commercial nuclear power plant began operation, and still the federal government has no plan for disposal of these wastes; now, therefore, be it

Resolved, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, May 2-3, 1979, That the Congress and the Administration through legislation and policy decisions should develop a plan for the safe interim and permanent disposal of high level nuclear wastes; and, be it further

Resolved, That the interim storage program should be endorsed by the Congress in 1979 and contain, among others, the following features;

1. A clear statement by the government of the United States that these wastes can be safely disposed of in permanent underground storage facilities.

2. A commitment to have a permanent disposal facility operational as soon as possible and a firm time table for the licensing, design, construction, and testing phases of the project leading to full operation no later than the late 1980's.●

WHOSE MALAISE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MICHEL. Mr. Speaker, President Carter's recent reference to a "national malaise" has resulted in numerous questions about where and when and how such a malaise came to be. Columnist Joseph Kraft recently addressed that question. His conclusion is that we do not have some single, all-encompassing national sickness of the spirit. Rather, he writes, we have areas of our national life that seem to be thriving while others decline.

Kraft claims that "Big America"—the producers and managers and industrialists—is suffering from doubts and loss of self-confidence. He asks: "But is tilting away from Big America, a good way to solve the problems of energy scarcity and inflation? Is it even a recipe for increasing national self-confidence?"

At this point I wish to insert in the RECORD, "Whose Malaise?" by Joseph Kraft, the Washington Post, July 24, 1979:

WHOSE MALAISE?

(By Joseph Kraft)

DETROIT.—Jimmy Carter speaks of the "national malaise" as though it were creamy peanut butter spread evenly across the land. In fact, while some groups and sections have waned in self-confidence, others have surged. There is a structure to the American distemper, and a good place to observe it is this capital of the industrial heartland, Detroit.

Twenty-five years ago the managers of the auto industry could fairly claim to run the country. Harlow Curtice, the boss at General Motors, was Time's Man of the Year in 1955. The chief politico in the Eisenhower administration was a Michigan Chevrolet dealer, Postmaster General Arthur Summerfield. Fiscal matters were dominated by a Detroit banker, Joseph Dodge, who served as director of the Bureau of the Budget. Defense Secretary Charles Wilson, a former head of GM, only asserted what seemed obvious when he said, in effect, what's good for General Motors is good for America.

Now all that is changed. Chrysler verges on bankruptcy, and its chairman, John Riccardo, complains that "there has been built up around our industry a most unfortunate stereotype."

Detroit makes money, but chiefly from foreign sales—60 percent of profits from the first quarter of this year, and 48 percent in 1978. Henry Ford II is abandoning his operational role under a cascade of legal actions brought by his wife, his nephew and a group of minority stockholders.

GM remains the world's leading industrial corporation, and its chairman, Thomas Murphy, is a missionary for the business creed. But even Murphy complains about an illogical suspicion of business success," which is translated into "increased government regulation that compounds the cost disadvantages under which American business is forced to compete."

Across town from GM, at the United Auto Workers, however, there are no such hang-ups. UAW President Douglas Fraser opened negotiations for a new labor contract last week in a relaxed frame of mind. "We know who we are, and we know who they are," he said easily in an interview. "We know we can conduct a strike. We know they can take a strike. There's nothing to prove anymore." Fraser used the opening of negotiations with GM to draw attention to an election in a new plant in Oklahoma City—an election the union won by a 2-to-1 vote. He opened talks with Chrysler by calling on the government to bail out the company and take a piece of its equity.

Equally sure of himself is the black mayor of Detroit, Coleman Young. Mayor Young acknowledges that the country is slipping into a recession that could mean for Detroit harder times than the downturn of 1974 when local unemployment hit 23 percent. Still, he says, "the mood of the town is upbeat."

As reason for the upbeat mood he cites a coalition among business leaders, the unions and minority groups. Thanks to that coalition the city now enjoys a downtown building boom, based around Renaissance Center, the $300 million skyscraper complex along the Detroit River, which was financed by federal funds and grants from the Ford and Rockefeller families.

Young cites with even more enthusiasm affirmative action, which has increased the number of blacks on the police force from less than 15 percent at the time of the 1967 race riots to about 50 percent. "People aren't afraid to talk to the police now," he says. "We have a phenomenal rate of arrests—98 percent of all crimes lead to arrests. And since 1977 crime is down by 30 percent."

What emerges from all this, I believe, is a clear sense of the morphology of national malaise. Those primarily concerned with improving the quality of life, the group I have called Little America, are clearly in the ascendant. They are increasingly turning productive enterprise to the advantage of better race relations and more leisure time and high pensions for workers.

Those primarily concerned with increasing output, the group I have called Big America, are on the defensive. Far from concentrating on production, the managers who once used Detroit as a base for running the nation now have to worry about race relations, the inner city, Sun Belt plants like the one in Oklahoma, government regulations, gasoline availability and foreign competition.

The trick in running the country is to strike the right balance between those two groups. President Carter came to power thanks to a populist coalition of southerners, minorities and reformers from Middle America. He is now drawing closer to his original constituency. Probably that is good politics.

But is tilting away from Big America a good way to solve the problems of energy scarcity and inflation? Is it even a recipe for increasing national self-confidence?●

INFLATION CONTROL

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. GAYDOS. Mr. Speaker, the inflationary spiral which continues to ravage our Nation, and our people, is of growing concern to me as I am sure it is to my colleagues. Every segment of our society, from the largest corporation to the average working man and woman, sees its dreams and plans for the future battered anew each month beneath the hammer blows of rising prices.

Families and businesses alike sacrifice plans for a brighter future on the altar of today's necessities. Food, clothing, shelter, and energy take a deeper bite each month from the money available, leaving little or none for growth and development.

For the senior citizen, caught between the anchor of a fixed income and the rising tide of inflation, the world is a dark and forboding place. Unless that tide is checked he faces the very real possibility that he will drown in a sea of bills. A time of life which should be a reward for a job well done becomes instead a daily struggle to survive in an increasingly hostile world.

For the average working family, plans for a college education for their children, a new car next year, or some improvements to their home must give way to the increasingly difficult task of putting food on the table, buying gasoline for necessary trips to work and paying utility and heating bills which are climbing much faster than income.

For our young people—the real hope for our future as a free society—that future must look bleak indeed. The dream of marriage, a home of their own and a chance to participate fully in what they have been told is the American dream is becoming instead a financial nightmare.

Business and industry across our land face the same kinds of problems multiplied manyfold. As chairman of the Congressional Steel Caucus, I am intimately familiar with the challenges our steel industry must meet in a climate of mounting foreign competition and reduced capital flow. Modern, efficient foreign plants backed by government subsidies are able, in all too many cases, to outproduce the tired facilities still on line in many of our own steel plants. The steel companies need capital to finance the expansion and modernization programs which would make them competitive but, in a time of double digit inflation, people are putting their money into goods and services instead of into the kinds of savings programs which normally could be counted upon to provide industrial capital.

Thus, inflation becomes a self-perpetuating phenomenon. Once people perceive that money in a 5-percent savings account will not keep up with double digit inflation, they begin to spend that money on things which they feel will appreciate in value. Indeed, they go into debt to make purchases which they intend to pay for with inflated dollars. More and more of those dollars chasing fewer and fewer goods push prices up again until another round of inflation is touched off and the process repeats itself.

We cannot and must not, Mr. Speaker, permit this disastrous inflationary spiral to continue. Make no mistake, this Nation is today locked in an economic life and death struggle. Either we will solve the problem of mounting inflation and all its attendant evils or it will destroy American society as we know it.

We will get little argument on the need for solving our inflation problem, Mr. Speaker. I am sure the Members of this Congress, as well as the people in the administration, are unanimous in their acceptance of that basic premise. Our differences lie not in our perception of the seriousness of the disease but in the kind and strength of the medicine needed to cure it.

The administration's prescription of voluntary wage and price guidelines has not effected a cure. Indeed, the inflationary fever burns higher each month and the patient sinks deeper toward a coma from which he may not recover.

Stronger medicine may be required, Mr. Speaker, and it may have to be administered soon if it is to be effective. Administration spokesmen say recent economic indicators show the economy is beginning to cool off and they expect inflation to be dampened without serious damage to our employment picture. I hope fervently that is true. But if it is not, it will be the responsibility of this Congress to take steps to freeze wages and prices where they are while we search for a permanent solution.

Legislation to again give the President standby authority to apply mandatory wage and price controls has been suggested and that step may have to be taken if conditions do not soon show improvement. If that becomes necessary, we must be absolutely certain that they are applied fairly and firmly to all segments of the economy.

We must be sure, if we are forced to take this step, that those workers and companies which have complied with the voluntary guidelines do not have to live with the results of 13- or 14-percent inflation. We must also be sure that such controls be applied equitably to wages, prices, profits, and interest rates. Above all, we must be sure that they are not applied too late and taken off too soon as they were the last time they were used.

Those who oppose mandatory wage and price controls say they do not work. They argue that when they are finally removed, the economic pressures built up during the period of controls will only create a new round of inflation. I suggest, Mr. Speaker, that this does not have to be true.

We are faced today with an economic threat of crisis proportions. We need a way to stop the rising spiral of wages and prices dead in its tracks while we devise ways and means of making our economy strong and stable over the long haul. Mandatory controls will give us that breathing space and their removal can be handled in a gradual and controlled manner which need not trigger a new round of inflation.

For example, wage and price increases after controls are removed could be tied by law to the real increase in our gross national product. Such increases would not be inflationary but would provide incentives for both labor and industry to increase wages and profits by increasing production.

Another alternative would be to remove controls gradually with wage and price increases tied to a mandatory percentage instead of voluntary guidelines. In either case, the Government could retain the the power to reimpose controls if inflation should begin to heat up again.

Other industrial nations in the Western World have followed this procedure with success—imposing controls to halt the wage-price spiral while the necessary steps were taken to restore their economy to an even keel and establish the necessary climate for a gradual and controlled return to a free market economy.

What has been done successfully in other nations can be done in America, Mr. Speaker. My faith in the American people and the American system remains high. I am confident both will respond to any program which is perceived to be necessary and fair.

It is up to Congress and the administration to provide that kind of program. If we do, I am sure we will find that faith justified.●

OIL COMPANIES' MANIPULATION OF THE OIL CRISIS OF 1979

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. CONYERS. Mr. Speaker, the public anxiety about oil is not only directed at its soaring price and uncertain supply, but also reflects their perception of the lack of control over this fundamental resource. The picture of a small number of oil-producing countries and a handful of giant oil companies arrogantly lording over this essential resource is understandably an infuriating one.

Fred Cook, the veteran investigative reporter, has examined carefully the most recent oil shortage and boost in oil prices, and has concluded that it is yet another example of the private power of the oil companies subduing the general interests of consumers and citizens. His analysis is noteworthy for two reasons in particular. He dispels the myth of an oil shortage, that serves so well the industry, and raises pertinent questions about the adequacy of the President's recently announced energy program, that has failed to come to terms with the lack of public accountability of the oil industry.

I highly recommend the following article by Fred Cook, "That Great Oil Crisis of 1979 Is No Crisis," which appeared in the Washington Post on July 29:

THAT GREAT OIL "CRISIS" OF '79? THE NUMBERS SPELL OUT FRAUD

The Great "oil crisis" of the summer of 1979 may well go down in history as one of the greatest frauds ever perpetrated on a helpless people. The reality is that there was no shortage of oil; this is verified by every responsible source. Indeed, solid statistics show that there was more oil available than there had been in 1978 when there were no gas lines, no murders of frustrated motorists—in a word, no "crisis."

President Carter's Sermon from the Mount on Sunday night, July 15, ignored this reality. He insisted that the shortage was "real." To have admitted that it was not would have entailed an admission of the culpability of Big Oil and of Preisdent Carter's own recumbent Department of Energy.

The naive may say to themselves, "Why, this cannot be." So let's begin by citing some sources: A Federal Trade Commission study concluded on May 30 that gasoline supplies were up from 4 to 8 percent (depending on the month in which the comparison was made) during the first four months of 1979 over the comparable period in 1978. U.S. Customs figures, independently verified by House of Representatives researchers, show that the "Iranian shortfall" so widely trumpeted to validate the "crisis" was a red herring, because imports of oil during the first five months of 1979 actually increased 10 percent over 1978. A world energy assessment by the Central Intelligence Agency shows that world oil production in the first quarter of 1979 was up despite the Iranian disruption; that U.S. imports through May showed a big increase over 1978 figures—and that American firms, in this time of supposed "crisis," were exporting more oil than they had in 1978.

When President Carter came down from the Mount, he thumped the table in the Oval Office and announced that he was not going to permit the importation of a single gallon of oil more than we had imported in 1977. But we imported so much oil in 1977 that Big Oil suffered acute glut pains and couldn't get those prices up.

The industry's own figures show total crude oil stocks (in millions of barrels) at yearend 1977 reached 339.859, a 19.1 percent increase over 1976. At yearend 1978, total stocks had dropped to 314.462, a decrease of 7.5 percent, bringing us into 1979 with a potentially short situation.

But, as in almost every facet of this story, things weren't what they seemed. In addition to the normal crude oil supplies, the federal government has established a strategic petroleum reserve. Into this reserve, stored in salt domes in Louisiana, it had poured literally billions of gallons of imported oil; and the Department of Energy, with its usual efficiency, has dumped all that oil into the caverns without thinking about installing pumps to get it out.

If one includes the extra millions of barrels that were committed to the government's strategic reserve in 1978, the figures on the nation's total petroleum stocks, expressed in millions of barrels, read this way: 381.322 at end of 1978 compared with 347.689 at the end of that 1977 "glut" year.

In other words, the nation came into 1979 with 9.7 percent more crude stocks on the market and in the reserve than it had had at the start of 1978, when the industry was moaning because it had so much oil it couldn't even get gasoline prices up to the permitted ceilings. It is enough to make one ask, "What the devil goes on here?" What went on is fairly obvious, though only the naive would expect to get a straight answer from James L. Schlesinger's Department of Energy.

Big Oil drew down stocks during 1978 and by late fall had created a situation where there began to be alarming talk of shortages. Shell Oil led the way, imposing drastic cuts on the delivery of gasoline to its retailers; Mobil, Citgo, the whole tribe fell into line behind the force play. Retail gasoline dealers roared their outrage; there was a nasty flareback of damaging publicity, and the big oil companies backed off for the moment, restoring deliveries to nearly normal.

Then, heaven sent, came Iran. The Iranian revolution closed down the oil fields, and the myth of the "Iranian shortfall" was born. Actually, only 5 percent of our imported oil came from Iran, and this shortage was quickly offset by stepped-up production in Saudi Arabia, increased Alaskan supplies and lesser increases from other sources. CIA figures show that free world production (expressed in thousands of barrels daily) rose to 46.515 in the first quarter of 1979 compared to 46.305 in 1978. Customs figures, as recorded by the Bureau of Census, show that imports through May increased 10 percent over those for the first five weeks of 1978.

Indeed, the imports for these first five months of 1979 almost matched the levels established in the "glut" year of 1977. The CIA in-depth study echoed the Customs Bureau's findings. It showed imports in the first five months of 1979 outstripping 1978. During the first three months, imports averaged well over 8 million barrels a day, and in April and May they were only slightly below that figure. By contrast, in 1978 imports reached the 8 million-barrel-a-day figure in only two of the first five months, and in the remaining months, they trailed considerably behind the 1979 import figures.

The CIA assessment revealed another curious fact. In this 1979 year of "crisis," American firms actually exported more oil in every one of the first five months than they had in either 1977 or 1978. Exports ranged from 329,000 barrels daily in January to 445,000 barrels daily in both April and May. Yet, in lush 1977, exports had ranged from only 192,000 barrels daily to 288,000. The fact that we were exporting more oil in 1979 than we had in the two previous non-crisis years would seem to indicate manipulation of the market.

This suspicion, shared by more than two-thirds of the American people, according to public opinion polls, is reinforced when one reads the Federal Trade Commission memo of May 30. Reporting on a study made by the commission's staff, the memo said:

"The data indicates, among other things, that gasoline supplies in 1979 were up by 4–8 percent, depending on the time period, over 1978's. Net supply of gasoline in April was particularly plentiful compared to the previous April (up by 22.9 percent). Significantly, however, every time period—month, quarter, third—shows increased supplies and no indication of a shortage." Not only were supplies of gasoline more plentiful in 1979, but demand was down. According to figures from the OECD (Organization for Economic Co-operation and Development) in Paris, United States oil consumption in the period from January to April, 1979, was nearly 1 percent below the level of the same period in 1978.

Yet it was in late April and early May that the gasoline pumps in California suddenly went dry, beginning the drought that was to spread across the nation to New York, Washington, D.C., and cities in between. In a nation whose whole economy since World War II has been structured around networks of superhighways on which federal and state governments have lavished billions of dollars, panic struck, accompanied by frustration and fury.

The evidence established that none of this was necessary; it suggests that this was a "crisis" carefully orchestrated by Big Oil, aided and abetted by the complacent non-watchdog in the DOE and even by the president himself.

Jack Anderson, the Washington columnist, has published excerpts from secret White House minutes indicating that President Carter deliberately cut back gasoline supplies to keep his pledge to other industrial nations that the United States would reduce oil consumption by 5 percent. At a May 7 meeting, just as motorists were queuing up for miles in California, Carter told his Cabinet: "Our priority will continue to be some heating, agriculture and emergency needs over highway driving . . . There will be less gasoline, and it will cost more." Those last words confirm Jack Anderson's scoop. They match word for word the public presidential refrain that all of us have heard for months: "There will be less gasoline, and it will cost more."

Cost More! That is what this scenario is all about. The Carter administration for months has backed every move that would make gasoline and other fuel products more costly, on the theory that higher prices would "force" conservation. For months, the administration talked about $1-a-gallon gasoline. Privately, it was scripting an even more brutal program.

Jerry Ferrara, the outspoken executive director of the New Jersey Retail Gasoline Dealers Association, described in a television appearance on July 2 how he and his associates had "pounded on every door" in Washington seeking adoption of a more sensible policy. He said he had met face to face with Schlesinger, and he added: "He [Schlesinger] said that, if gasoline got up to $2 a gallon by 1981, the American people would have to conserve. And then he walked out of the room."

Justice Department antitrust lawyers have been trying to find out why it was that, just at this time of supposed shortages, crude oil production went into its steepest decline in seven years. In a preliminary and relatively unnoticed report, Justice Department attorneys, concluded that, from December through April, the falloff in domestic drilling had cost the nation some 11 million barrels of gasoline.

This falloff in domestic production came at a time when oil company profits in the first quarter of 1979 were going through the roof. While the companies were demanding price decontrol as a prerequisite for increased domestic production, first quarter profits at Exxon were up 37 percent; Gulf was up 61 percent and other majors like Standard Oil of Ohio were registering increases of more than 300 percent.

The drop in domestic drilling was accompanied by a second cutback, a reduction of refinery output. "That is where it all hangs out," one industry critic says. It does, indeed. Refineries capable of operating at 91 to 92 percent of capacity (this is virtually full-out considering inevitable maintenance

delays) dropped their runs in this season of our travail to 84 percent. The American Petroleum Institute itself acknowledged that, in the second week of June, refineries were operating at 84.1 percent of capacity. The following week, the runs were stepped up to 84.5 percent—still far below capacity at a time when, all reliable evidence shows, crude stocks were in plentiful supply, waiting to be processed.

The situation infuriated Rep. Benjamin S. Rosenthal (D.-N.Y.), chairman of the subcommittee on commerce, consumer and monetary affairs of the powerful House Committee on Government Operations. It also upset Schlesinger, who, in June, confessed that he found the disparity between abundant crude oil stocks and low refinery runs distressing" and "disturbing." He threatened action against oil companies that had poor refinery performance.

The sequel is perhaps best told in the words of Rep. Rosenthal as recorded in the Congressional Record of June 29. The Congressman said:

"Following the hearing on June 14, Secretary of Energy Schlesinger admitted that we had more than adequate oil inventory stock and that he would undertake to use the Department of Energy's allocation authority to urge recalcitrant refiners in the direction of serving the consuming public. . . . On Thursday, June 24, Secretary Schlesinger reversed his stand, expressing that the U.S. multinational oil companies might retaliate by withholding oil from the United States. Thus, it becomes obvious that much of the blame for the current gasoline shortages must also be ascribed to deliberate actions by the oil companies and the Department of Energy. This "blackmail" threat by the U.S. multinational oil companies that ship crude oil to Europe instead of the United States calls for a vigorous response by the nation."

It would be difficult to find a clearer demonstration of the power of the oil forces that hold this nation in thrall, but what Rep. Rosenthal called "this 'blackmail' threat" is not the only indication of the contempt in which Big Oil holds the government and the people of the nation.

The brutal price escalation, which puts Schlesinger's $2 gasoline in our immediate future, has been achieved through the delightful collaboration between Schlesinger's DOE and the oil industry. All during 1978, when the gas glut made it impossible to sell gasoline at ceiling prices, individual gas station owners were allowed to "bank" on their records the differential.

Came 1979, the "shortage," zooming OPEC prices; and, with frustrated motorists on gas lines willing to pay anything, those deferred, spurious "banked" sums were tacked on to the already zooming prices. As usual, the consumer got zonked. The DOE has now ended this "banking" system, but prices have already been driven to levels from which it is almost certain they will never come down.

All of this has taken place during the administration of a president who, in his first fireside chat in 1977, pleaded with the average American to sacrifice for the national good. Wear heavier sweaters. Turn down the thermostat. Car pool. Drive at slower speeds. "Sacrifice" one and all like a band of brothers for everyone's good and the national welfare.

Coming down from the Mount in July, the president is still saying that if we all band together and sacrifice, we can lick the devil dogs of OPEC. One has to wonder where the president has been all these years. Whatever gave him the idea that Big Oil considers itself part of a national brotherhood? The record is undeniable. Big Oil has just one concern—the bottom line. When it comes to "sacrifice," let the poor average American schnook do it.

The latest severe OPEC price hike, announced while President Carter and leaders of the industrial nations were conferring in Tokyo, seems to have shocked those statesmen to the tips of their toes. One has to marvel.

Before the previous price increase earlier in the year, OPEC spokesmen had put the blame squarely on the consuming nations, and Radio Riyadh, before this last bit of extortion, returned to the theme by charging that oil shortages were due to "the operation by certain major powers of huge stockpiles [those salt domes in Louisiana?] or price manipulations by the companies."

What the Arabs were saying quite clearly was:

"You asked for it, and you'll get it." ●

CANCER: THE DIFFERENCE LIFE STYLE MAKES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. GEPHARDT. Mr. Speaker, earlier this year I introduced H.R. 3374, the Disability Tax Surcharge and Rollback Act of 1979, to help defray the $1 billion price tag for social security disability benefits attributable to smoking. HEW has found that smoking annually costs the United States approximately $8 billion in health care expenses and $18 billion in lost productivity, wages, and absenteeism.

Alcohol abuse and alcoholism, according to HEW, cost the United States nearly $43 billion in 1975, including $12.14 billion in health and medical costs and $19.64 billion in lost production.

The International Agency for Research on Cancer, established in Lyon, France in 1966, has recently reported that life styles in industrialized societies, especially tobacco and alcohol consumption, are responsible for the "carcinogenic soup" in which we live. Here follows Daniel S. Greenberg's expose on this costly disease, which appeared in the Washington Post, Tuesday, July 17, 1979:

CANCER: THE DIFFERENCE LIFE STYLE MAKES

(By Daniel S. Greenberg)

LYON, FRANCE.—The widely held notion that industrialization has immersed mankind in a "carcinogenic soup" is now regarded as simplistic, misused and misleading by the physician-scientist who 20 years ago raised the concept of environmental factors as the principal cause of cancer.

He is John Higginson, founding director of the 11-nation International Agency for Research on Cancer, established here in 1966 to collect and sift worldwide cancer statistics for clues as to the origin of the disease. It was on the basis of his studies during the 1950s of South African black and U.S. cancer rates that Higginson hypothesized that probably two-thirds of non-skin cancers "are environmental in origin and therefore theoretically preventable."

This easily repeated but actually quite complex idea has burned bright in cancer politics ever since. It is a sacred tenet of the environmental movement, has been embodied in cancer-control legislation in the United States and other nations, and has contributed to popular despair over the presumed prevalance of cancer-causing menaces in food, air and water.

Industry, which is the villain of this chemical drama, might seek to find exoneration in Higginson's expressions of concern over how his thesis has fared during the past two decades. But it should be understood that Higginson is neither clearing industry nor disowning his earlier findings. Rather, with the benefit of an additional 20 years of numbers collecting and anlysis, he has concluded that the environmental assaults on the human organisms are only part of the mystery of cancer—and perhaps a relatively small part in terms of total cases. And, as offensive as it may be to environmental purists, he believes that an accumulation of evidence suggests that the manner in which people live—diet, stress, sexual and childbearing patterns, and, especially, tobacco and alcohol consumption—accounts for the striking variations that are found in cancer rates around the world. These factors, he now strongly suggests, may be far more important than the chemical pollution and may, in fact, have become objects of relative neglect through concentration on industrial malefactors.

At the nub of Higginson's conclusions are studies showing that in countries with similar levels of industrialization, cancer incidence and mortality rates vary enormously. For example, in 1971, mortality from cancer of the prostate totaled 18.4 per 100,000 in Sweden, 11.2 in England and 1.9 in Japan. "Even if lung cancer is excluded," Higginson and a colleague observed in a recent paper, "cancer patterns within Europe show no correlations with industrialization. "Thus," they noted, "the incidence in nonindustrialized Geneva is as high as in urbanized England. * * * Childhood cancers, which globally tend to be similar in incidence, do not correlate with industrialization."

Other statistics cited by Higginson invite awe about the depth of the mystery of this disease—and also suggest that cancer is an affliction waiting for a Newton or an Einstein to come along and make sense out of multitudes of seemingly incoherent data. Thus, excluding skin and lung cancers, the incidence per 100,000 for all other cancers in males in Singapore is 197 for Chinese, 119 for Indians. In two hard-drinking populations, Sweden and Geneva, the incidence of liver cancer varies greatly—2.9 and 9.4, respectively, per 100,000 from 1968 to 1972. In reference to these variations, Higginson recently wrote, "Instead of accepting these observations with some relief as scientific facts that imply no immediate environmental, universal catastrophe, many would prefer to regard such a conclusion as smug and lacking in responsibility, since it contradicts certain political, societal, and quasi-scientific dogmas."

In a conversation here, Higginson said, "I've returned to where I was 20 years ago," by which he meant, he explained, "We've got to look at the facts. It's easy to get a lot of mileage out of saying that environmental and carcinogenic control would solve this problem. There is no doubt that high exposure in industrial settings is a serious danger. But for the general population, we simply need a lot more information."

Higginson continued: "We have an awful lot of confusing data that add up to a nasty muddle. We now have lots of information about where cancer is occurring, but what is becoming clear is that we lack data on the social side."

The danger of this, he said, is that the public is lulled into believing that effective measures are being taken against cancer, when, very likely, the most debated and publicized measures will be relatively ineffective.

Said Higginson, father of the theory of environment as the main source of cancer: "I'm prepared now to yield to the facts." ●

CATHERINE FILENE SHOUSE, LIVE FROM WOLF TRAP

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. RICHMOND. Mr. Speaker, I wish to share with my colleagues the exceptional achievements of Mrs. Catherine Filene Shouse, a civic and cultural leader and philanthropist whom I have known, respected, and loved for many years.

Kay Shouse is well known to many of my colleagues, primarily for her donation of the Wolf Trap Farm Park and Filene Center to the Government for use a performing arts center and for her leadership in chairing the executive committee of the Wolf Trap Foundation.

All of us who know her have been consistently impressed by Kay Shouse's boundless drive, imagination, strength of conviction, and creativity.

Recently, on May 27 of this year, in recognition of her exemplary career and contributions, Kay Shouse received an honorary degree of "Doctor of humane letters" from Skidmore College in Saratoga Springs, N.Y.

I am sure that all of my colleagues will be interested in reviewing the achievements of Kay Shouse's remarkable life and the citation which accompanied her honorary degree:

CATHERINE FILENE SHOUSE

Catherine Filene Shouse, a pioneer in civil and cultural activities both in the United States and abroad, was awarded the Medal of Freedom by President Gerald Ford in 1977.

A native of Boston and daughter of Lincoln and Therese Filene, she honored her parents' love of music when she donated the 117-acre Wolf Trap Farm Park and Filene Center to the government for use as a performing arts center. She continues to serve the Wolf Trap Foundation, chairing its Executive Committee.

Mrs. Shouse received her B.A. degree from Wheaton College and earned her master's degree in education from Harvard, the first woman to do so. Her interest in occupational opportunities for women began in her undergraduate years and continued in Washington, D.C., where she served as Assistant to the Chief of the Women's Division, U.S. Employment Service. She helped to found the Women's National Democratic Club and the Washington, D.C. Chamber Music Society.

Increasingly concerned about the plight of young people throughout Europe during and after World War II, Mrs. Shouse organized volunteer assistance for youth-oriented activities for which she was presented distinguished service awards here and abroad. In recognition of her contribution to Anglo-American relations, Mrs. Shouse was made Honorary Dame Commander of the Order of the British Empire in 1976.

Among her other contributions to the civic and cultural community are: serving on the board of the National Symphony Orchestra Association, organizing the Pension Fund Concert for the Musicians' Retirement Fund, serving on the boards of the National Cultural Center, the American Symphony Orchestra League, Tufts University's Lincoln Filene Civic Education Center, the Fairfax County Cultural Association, the Opera Society of Washington and the Lincoln and Therese Filene Foundation.

CITATION FOR CATHERINE FILENE SHOUSE, SKIDMORE COLLEGE—MAY 27, 1979

Catherine Filene Shouse, live from Wolf Trap, internationally recognized patron of the arts, by example and by precept a trailblazer for women, civic leader, philanthropist of an estate your own acumen has accumulated, recipient of the Presidential Medal of Freedom in recognition of "half a century of invaluable voluntary service" to your country.

The bulging catalogue of your accomplishments is starred with "firsts" for your sex * * * first woman to be appointed to the National Democratic Committee from the Commonwealth of Massachusetts, the first to win a master's degree in education from Harvard University; first woman appointed by President Coolidge as chairman of the first Federal prison for women * * *.

What you have exemplified you have helped others to do. After a pioneering role in expanding career opportunities for women, you wrote the first textbook on that subject in 1920. You later founded the Women's Professional Institute and became its chairman.

But one career was never enough of a challenge. You have been active as a Democrat and then as a Republican. You have served on the board of the National Arbitration Board. Your volunteer work on their behalf has won you decorations from France, Germany, and Austria, and you have been dubbed dame Commander of the order of the British Empire by Queen Elizabeth II.

But it is your role as a patron and shaper of the arts that is most resplendent in recent years. While you have ably served governing boards of arts organizations, yours is no passive role and it is your brave vision, iron will, dauntless enthusiasm, unstinting generosity, tough-minded bargaining skills, political gifts, and sensitive hand on the public pulse that have enabled Wolf Trap Farm Park to become the enobling cultural force it now is, both for Washington and the Nation. You gave the land, funded the construction of its magnificent amphitheater, the Lincoln and Therese Filene Auditorium, in the honor of your parents, and inspired the construction workers to rebuild it after a tragic fire only weeks before its scheduled opening. But it is the varied, tasteful, and imaginative programing, also your creation, which have filled it with performances that millions now watch on television.

Such magnificent accomplishments would have been impossible without your incredible force, will, and acuity. But these traits have always been the servants of a loving heart, for your goal has consistently been that of giving to others—a noble goal also characterizing your sister, Skidmore's own beloved Helen Filene Ladd.

In appreciation of your exemplary career and contributions, by virtue of the authority of the State of New York, vested by the regents in the trustees of Skidmore College and by them delegated to me, I hereby confer upon you the degree of "Doctor of Humane Letters," and declare you fully entitled to all of its rights, honors, and privileges * * *.●

EARLY WARNING REPORT, WEEK OF JULY 30, 1979

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. SIMON. Mr. Speaker, in order to inform the House of the relationship of appropriations and other spending bills to amounts targeted in the first budget resolution for fiscal year 1980, the Budget Committee places in the Monday RECORD materials on the spending bills anticipated for floor action during the coming week. This week's package includes summaries of the transportation, interior, and foreign assistance appropriations bills; the conference report on the energy-water development appropriations bill; Disability Insurance Amendments of 1979; Social Services and Child Welfare Amendments of 1979; Higher Education Technical Amendments of 1979; and a small entitlement contained in the Department of Defense authorization for fiscal 1980:

H.R. 4930—INTERIOR AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1980

(H. Rept. 96-374)

Committee: Appropriations.
Subcommittee: Interior.
Chairman: Mr. Yates (Illinois).
Ranking Minority Member: Mr. McDade (Pennsylvania).
Scheduled: Tuesday, July 31, 1979.

I. DESCRIPTION OF BILL

This bill covers seven functional categories and provides Fiscal Year 1980 appropriations for the Department of Interior (except the Bureau of Reclamation) and for other related agencies including the U.S. Forest Service, the Department of Energy, the Smithsonian Institution, and the National Foundation on the Arts and Humanities. In total, the bill provides $10,196 million in budget authority and $5,094 million in outlays.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

This bill as reported, combined with spendouts from prior appropriations, exceeds the subcommittee targets by $2,868 million in budget authority and $1,043 million in outlays (line 11 below).

Explanation of Problem: The major difference between the subcommittee targets and the bill is contained in the energy function (Function 270).

First, the First Budget Resolution assumed a $1 billion rescission of budget authority and an outlay reduction of $1 billion in the strategic petroleum reserve program, which the Appropriations Committee did not include. Second, the Appropriations Committee added $1.5 billion in budget authority over the resolution assumptions for a program to encourage the development of synthetic fuels. Third, the Committee added $141 million in budget authority for exploration of the National Petroleum Reserve in Alaska.

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	10,196	5,094
2. Prior action		5,129
3. Action to date	10,196	10,223
4. Target	7,428	9,280
5. Over	2,768	943
6. Under		
7. Action to date	10,196	10,223
8. Amount assumed but not yet reported	100	100
9. Possible total	10,296	10,323
10. Target	7,428	9,280
11. Over	2,868	1,043
12. Under		

(a) Explanation of Difference from Target (line 11 above).

The bill provides $2,868 million in budget authority and $1,043 million in outlays above the amounts assumed in the First Budget Resolution (line 11). The difference is primarily due to the Appropriations Committee bill not providing a rescission of budget authority and an outlay reduction for the Strategic Petroleum Reserve ($1 billion), adding $1.5 billion in budget authority for a synfuels program, and adding $141 million for exploration of the National Petroleum Reserve in Alaska.

(b) Amounts Assumed in Budget Resolution but Not Yet Considered (line 8 above).

Amounts assumed in the Budget Resolution but not yet considered total $100 million in budget authority and outlays for additional funding of forest firefighting (line 8). A supplemental budget request for this item is usually submitted in the spring.

IV. BUDGETARY FLOOR AMENDMENTS

Several amendments are expected with the bulk concerning the energy area of the bill. Most likely there will be amendments on the synfuels program, fossil fuel programs, and funds to explore the National Petroleum Reserve in Alaska.

Only one specific amendment is known at this time, which is sponsored by Reps. Harkin, Ottinger, Brown, and Fish. This amendment would add $70.2 million in budget authority for additional energy conservation. The amount added would provide the total authorized level of funding for programs including transportation energy research, industrial efficiency and cogeneration, conversion of waste to energy, and energy innovations.

V. COMPARISON WITH PRESIDENT

This bill is $1,803 million in budget authority over the President's request of $8,393 million. The difference is primarily attributable to funds added for a synfuels program ($1.5 billion).

H.R. 4476—THE HIGHER EDUCATION TECHNICAL AMENDMENTS OF 1979

(H. Rept. 96–318)

Committee: Education and Labor (via Appropriations).

Subcommittee: Postsecondary Education (Labor–HEW).

Chairman: Mr. Bill Ford (Michigan).

Ranking Minority Member: Mr. Buchanan (Alabama).

Scheduled: Tuesday, July 31, 1979 (suspension).

I. DESCRIPTION OF BILL

H.R. 4476 amends the Guaranteed Student Loans Program (GSLP) by removing the 5 percent per annum cap on the special allowance rate paid to holders of insured or guaranteed loans. This provision is effective beginning with the third quarter payments for Fiscal Year 1979. In addition, H.R. 4476 extends for one year numerous higher education programs. The extensions do not have any budgetary effect. New entitlement authority in the bill is estimated at $78 million.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

This bill is $78 million above the amount assumed in the First Budget Resolution.

Explanation of Problem: Costs associated with removal of the cap on the GSLP special allowance rate involve $78 million in new entitlement authority, which was not assumed in the First Budget Resolution. Since the 5 percent rate is paid in addition to the 7 percent rate paid by, or on behalf of, the student borrowers, the resolution assumed interest payments to lenders at a total of 12 percent. The need to modify the existing program developed because the 5 percent per annum ceiling was reached in the third quarter of Fiscal Year 1979. Therefore, under the limitations provided in current law, fourth quarter payment rates to lenders would be depressed. H.R. 4476 would correct the problem.

Explanation of Potential Problem: The First Budget Resolution allocated to the Education and Labor Committee negative NEA of —$581 million, reflecting House assumptions that legislative savings would be achieved in various Function 600 child nutrition programs and in Function 500 vocational rehabilitation programs. The amount of negative NEA assumed in the resolution but not yet reported, remains at —$581 million. If these legislative savings are not realized, and if H.R. 4476 is enacted, that committee's target would be breached by $659 million. Because H.R. 4476 exceeded the NEA allocated to the Education and Labor Committee in the First Budget Resolution, the bill was referred to the Appropriations Committee, which reported it without amendment.

III. SUMMARY TABLE

[In millions of dollars]

	New entitlement authority
1. Amount in bill	$78
2. Prior action	-----
3. Action to date	78
4. Target	—581
5. Over	659
6. Under	-----
7. Action to date	78
8. Amount assumed but not yet reported	—581
9. Possible total	—503
10. Target	—581
11. Over	78
12. Under	-----

(a) Explanation of Difference from Target (line 11 above).

The Education and Labor Committee would exceed its target by $78 million in NEA because this amount was not assumed in the resolution.

(b) Amounts Assumed in Budget Resolution but Not Yet Considered (line 8 above).

To date, the Education and Labor Committee has not reported any legislation reflecting savings associated with child nutrition and vocational rehabilitation programs; the First Budget Resolution assumed savings of $581 million in those programs.

IV. BUDGETARY FLOOR AMENDMENTS

None allowed under suspension of the rules.

V. COMPARISON WITH PRESIDENT

Regarding the GSLP proposal, the President has submitted draft legislation which would raise the current 5 percent cap to 6 percent effective for two quarters. Estimated cost of the administration's proposal is $35 million.

H.R. 4473—FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS BILL, 1980

(H. Rept. 96–273)

Committee: Appropriations.

Subcommittee: Foreign Operations.

Chairman: Mr. Long (Maryland).

Ranking Minority Member: Mr. Young (Florida).

Scheduled: Wednesday and Thursday, August 1 and 2, 1979.

I. DESCRIPTION OF BILL

The bill provides for the foreign assistance programs administered by the Agency for International Development, Military Assistance, Contributions to International Financial Institutions, and the Peace Corps.

The bill totals $7.889 million in budget authority and $2,731 million in outlays.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

The bill is below the budget resolution targets by $267 million in budget authority; however, it is over by $181 million in outlays.

Explanation of Problem: The major factor causing the outlays to exceed the budget resolution is the later than assumed availability of the fiscal year 1979 supplemental to implement the Middle East Peace Package. The resolution targets assumed a June 1, 1979 start-up for the Israeli military construction projects but it now appears that start-up will slip until July 1 or later. As a result of the late start on this and other fiscal year 1979 programs, some $100 million in outlays will slip over into fiscal year 1980.

The bill also includes an economic support fund program for Sudan, which was requested by the President subsequent to the preparation of the first budget resolution. This program adds $40 million to the fiscal year 1980 outlays estimates.

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	7,889	2,731
2. Action to date		3,768
3. Amounts assumed but not yet reported		
4. Possible total	7,889	6,449
5. Target	8,156	6,318
6. Over		181
7. Under	267	

Explanation of Difference From Target (lines 6 and 7 above).

The major reason for the difference in budget authority is that the bill provides a lower level of funding for International Financing Institutions than had been assumed in the resolution.

As stated above, the major factor causing the increase in outlays is the later than anticipated availability of fiscal year 1979 supplemental funds and the inclusion in the bill of a $40 million economic support program for Sudan.

As a result of these and other changes in fiscal year 1980 outlays, it is now estimated that the outlays in the International Affairs function will exceed the budget resolution targets by $150 million.

IV. BUDGETARY FLOOR AMENDMENTS

None known.

V. COMPARISON WITH PRESIDENT

The bill is a reduction of $1,152 million in budget authority from the President's request of $9,040 million for these programs. Most of the reduction ($903 million) is in Contributions to International Financial Institutions.

H.R. 3434—SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979

(H. Rept. 96–136)

Committee: Ways and Means (via Appropriations).

Subcommittee: Public Assistance and Unemployment Compensation (Labor-HEW).

Chairman: Mr. Corman (California).

Ranking Minority Member: Mr. Rousselot (California).

Scheduled: Wednesday and Thursday, August 1 and 2, 1979.

I. DESCRIPTION OF BILL

The bill would (1) increase the entitlement authority for the social services (Title XX) program from a permanent level of $2.5 billion to $3.1 billion beginning in Fiscal Year 1980; (2) provide for a separate Title XX entitlement of $16 million for Puerto Rico, Guam, the Virgin Islands, and the

Northern Marianas; (3) provide an annual entitlement of $266 million for child welfare services ($141 million in Fiscal Year 1980); (4) establish a program of Federal support to encourage adoption of children with special needs; and (5) cap State and local training funds for social services, which would save $18 million in Fiscal Year 1980. Total new entitlement authority in the bill is $745 million.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

The bill is generally consistent with the provisions of the First Budget Resolution except that the Resolution assumed a $3.0 billion entitlement ceiling for the Title XX program, while the bill would provide for a $3.1 billion ceiling.

Explanation of Potential Problem. The amounts assumed in the Resolution but not yet considered by the Ways and Means Committee (line 8, below) include $263 million in legislative savings to be achieved through a series of modifications to the AFDC and SSI programs. Should these legislative savings not be realized, the Committee's NEA target would be breached. The Public Assistance Subcommittee in its welfare reform proposal has reported certain legislative savings to the full Ways and Means Committee. However, the amount of the savings is unavailable until CBO completes its cost analysis of the bill.

III. SUMMARY TABLE

[In millions of dollars]

	New entitlement authority
1. Amount in bill	$745
2. Prior action	184
3. Action to date	929
4. Target	798
5. Over	131
6. Under	---
7. Action to date	929
8. Amount assumed but not yet reported	—180
9. Possible total	749
10. Target	798
11. Over	---
12. Under	49

(a) Explanation of Difference From Target (line 12 above).

The CBO cost estimate for H.R. 3434 is $49 million less than the amounts assumed by the Ways and Means Committee for the bill in its 302(b) report.

(b) Amounts Assumed in Budget Resolution But Not Yet Considered (line 8 above).

Savings totaling $263 million in the AFDC and Child Support programs were included in the Committee's 302(b) report, offset by $83 million in spending for the SSI program. Certain of these items are included in the Welfare Reform proposal (H.R. 4904) reported from the Public Assistance Subcommittee to the full Committee on July 23.

IV. BUDGETARY FLOOR AMENDMENTS

The Rules Committee has granted a modified closed rule providing for the consideration of Committee amendments only. The Ways and Means Committee has a series of nonbudgetary technical amendments.

V. COMPARISON WITH PRESIDENT

The President proposed similar legislation which would have required $433 million in budget authority to accommodate a $2.9 billion Title XX ceiling, $141 million child welfare services program, $16 million social services program for the territories, and a cap on State and local training for social services programs.

H.R. 4440—TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1980

(H. Rept. 96–272)

Committee: Appropriations.

Subcommittee: Transportation.

Chairman: Mr. Duncan (Oregon).

Ranking Minority Member: Mr. Conte (Massachusetts).

Scheduled: Monday, July 30, 1979.

I. DESCRIPTION OF BILL

This bill funds the Department of Transportation and related agencies. It provides $9,523 million in budget authority (of which $425 million is advance appropriations for urban mass transit in 1981 and $9,098 million for fiscal year 1980) and $5,846 million in outlays.

II. COMPARISON WITH 1ST BUDGET RESOLUTION SPENDING TARGET

This appropriations bill, combined with spendouts from prior appropriations and amounts assigned to the subcommittee but not yet considered, is below the subcommittee targets by $490 million in budget authority and $2 million in outlays.

Explanation of problem. No major budget problem with the bill as reported.

Explanation of Potential Problem. The potential problem with this bill is that floor amendments are very likely, and if passed will cause the possible total to exceed the Transportation subcommittee outlay target (see III. Summary Table, line 12). Further, the Function 400 targets may be breached as well (see VI. Functional Projection, line 6).

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	9,098	5,846
2. Prior action		11,655
3. Action to date	9,098	17,501
4. Target	9,771	17,677
5. Over		
6. Under	673	176
7. Action to date	9,098	17,501
8. Amount assumed but not yet reported	183	174
9. Possible total	9,281	17,675
10. Target	9,771	17,677
11. Over		
12. Under	490	2

(a) Explanation of Difference from Target (line 12 above).

The possible total is under the target by $490 million in budget authority. Of that, $98 million represents real program reductions. The remainder results from a financing approach which affects budget authority, but which is consistent with the program level and outlays assumed in the Resolution. It is explained as follows: The President's Budget and the Budget Resolution both assume a funding level of $700 million for the Interstate Transfer Grant program. That $700 million consists of $320 million in new budget authority and $380 million in unobligated balances of contract authority. However, the Transportation bill proposes the direct appropriation of the requested $700 million, offset by the rescission of all carryover balances of contract authority (totaling $713 million). By rescinding $713 million of unobligated balances of contract authority, the reported bill permits funding of a $700 million interstate program with a net reduction of $13 million in budget authority and makes unnecessary utilization of $380 million provided in the budget resolution.

(b) Amounts Assumed in Budget Resolution but not yet Considered (line 8 above).

The bill provides for the Panama Canal Commission on a six-month basis and is $157 million in budget authority and $149 million in outlays below the amounts assumed in the Resolution for full-year operation of the Commission. The bill does not reflect $25 million in budget authority and outlays for proposed legislation involving establishment of an oil pollution liability and compensation fund.

IV. BUDGETARY FLOOR AMENDMENTS

Congressman Howard has proposed a highway-mass transit amendment of $152 million in budget authority and an estimated $76 million in outlays. A substitute to the Howard Amendment may be offered of $243 million in budget authority and $95 million in outlays. Congressman Alexander proposes $120 million in budget authority and $25 million estimated outlay in his rural transportation amendment. AMTRAK amendments are anticipated to range from $40 million for additional routes to $200 million to freeze the system as is.

V. COMPARISON WITH PRESIDENT

This bill provides budget authority of $9,098 million, $170 million below the total requested in the President's budget. It provides $280 million more in budget authority for the Panama Canal, $347 million less for mass transportation, $150 million less for rail rehabilitation initiatives and miscellaneous increases of $47 million. The prior and new outlays associated with the bill total $17,501 million, $337 million above the President's budget. Additional outlays of $249 million are projected for the Panama Canal, $80 million for urban mass transportation programs, and $8 million miscellaneous.

VI. FUNCTIONAL PROJECTION

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill (function 400)	9,084	5,832
2. Prior action	9,196	11,068
3. Other passed and reported	877	1,123
4. Amounts assumed but not yet considered:		
Unfunded portion of Panama Canal Commission	157	149
Rescission of highway trust fund BA	—250	
5. Possible total	19,064	18,172
6. Function 400 target	19,450	18,200
7. Over		
8. Under	386	28

Prior action (line 2 above) includes permanent (mostly highway trust fund amounts), outlays from prior-year appropriations, and receipts attributable to the Panama Canal bill.

Other passed and reported bills (line 3 above) include the HUD and State-Justice Appropriations bills, which passed, and the Air Noise bill which was reported.

Amounts assumed but not yet considered (line 4 above) include $157 million in budget authority and $149 million in outlays for the unfunded portion of the Panama Canal Commission, and also a reduction of $250 million through the rescission of Highway Trust Fund budget authority. If this rescission, included in the budget resolution assumptions, is not effected, then the amount remaining in this function is significantly decreased.

H.R. 4388—CONFERENCE REPORT ON ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, FISCAL YEAR 1980

(H. Rept. 96–338)

Committee: Appropriations.

Subcommittee: Energy and Water Development.

Chairman: Mr. Bevill (Alabama).

IV. BUDGETARY FLOOR AMENDMENTS

Ranking Minority Member: Mr. Bob Wil-

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Chairman: Mr. Bevill (Alabama).
Ranking Minority Member: Mr. Myers (Indiana).
Scheduled: Monday, July 30, 1979.

I. DESCRIPTION OF BILL

The conference report for this bill provides Fiscal Year 1980 appropriations for all Department of Energy programs except those related to fossil fuel research and energy conservation; for water resources programs of the Corps of Engineers and the Bureau of Reclamation; and for a variety of independent agencies and commissions. In total, the conference report provides $10,799 in budget authority and $5,866 million in estimated outlays.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

The conference report for this bill, combined with spendouts from prior appropriations, is under the subcommittee targets by $434 million in budget authority and $113 million in outlays.

Explanation of Problem: No major budget problem with the bill as reported.

III. SUMMARY TABLE

[In millions of dollars]

	Budget authority	Outlays
1. Amount in bill	10,799	5,866
2. Prior action		3,984
3. Action to date	10,799	9,850
4. Target	11,583	9,913
5. Over		
6. Under	784	63
7. Action to date	10,799	9,850
8. Amount assumed but not yet reported	350	−50
9. Possible total	11,149	9,800
10. Target	11,583	9,913
11. Over		
12. Under	434	113

(a) Explanation of Difference from Target.

The difference between the possible total and the subcommittee target consists of: $191 million attributable to energy programs because of program reductions, the use of unobligated balances, and deferral of funding for the Clinch River Breeder; $238 million attributable primarily to water resources programs because of incremental funding as opposed to full funding for the new water project construction starts; and $61 million related to the Department of Energy's defense activities.

(b) Amounts Assumed in Budget Resolution but Not Yet Considered.

Amounts assumed in the Resolution but not yet considered consist of two items. The first is $300 million in budget authority assumed for the Spent Fuel Storage Fund. Funding of this item was deferred pending enactment of authorizing legislation. The second item is $50 million for emergency flood control.

There are two additional contingencies not specifically assumed in the First Budget Resolution. First is the funding for continuation or termination of the Clinch River Breeder project, which depends on the outcome of the Department of Energy Authorization Bill for Fiscal Year 1980 now being considered by the House. Some level of appropriations may be required for this project in a supplemental.

A second contingency is an item reported in disagreement by the conferees of the Energy-Water Appropriations Bill which, if the House recedes to the Senate position as stated in the conference report, will add another $57 million to the bill total for funding of the new Hart Senate Office building. The addition of this last item will still allow the bill plus items assumed but not yet considered to remain significantly below subcommittee targets.

IV. BUDGETARY FLOOR AMENDMENTS

Not applicable to conference reports.

V. COMPARISON WITH PRESIDENT

The conference report is $701 million in budget authority below the President's request of $11,500 million.

H.R. 3236—DISABILITY INSURANCE AMENDMENTS OF 1979

(H. Rept. 96–100)

Committee: Ways and Means.
Subcommittee: Social Security.
Chairman: Mr. Pickle (Texas).
Ranking Minority Member: Mr. Archer (Texas).
Scheduled: Wednesday and Thursday, August 1 and 2, 1979.

I. DESCRIPTION OF BILL

This bill amends the Social Security Act to provide better work incentives and improved accountability in the Disability Insurance (DI) program. Fiscal year 1980 benefit savings are estimated by CBO to be $80 million in outlays but administrative costs and the impact on other programs in the first year of implementation will be $104 million. Total annual savings in fiscal year 1984 on a unified budget basis will be $1.1 billion.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

The Resolution assumed legislative savings of $62 million in the Disability Insurance program, as recommended by the Committee on Ways and Means in the March 15 report. Primarily because of reestimates by the Social Security Administration of the administrative costs associated with the bill, the first year savings to the Disability Insurance Trust Fund will be $17 million.

III. SUMMARY TABLE

Impact on disability insurance trust fund outlays

[In millions of dollars]

1. Amount in bill	−$17
2. Action to date	0
3. Amount assumed but not yet reported	0
4. Possible total	−17
5. Target (legislative savings)	−62
6. Over	+45
7. Under	0

(a) Explanation of Difference From Target (line 6 above).

The bill exceeds the target primarily because of a reestimate by the Social Security Administration of the administrative costs associated with the bill.

(b) Amounts assumed in Budget Resolution but not yet Considered (line 3 above).

No additional legislation pertaining to Social Security is assumed in the Resolution.

IV. BUDGETARY FLOOR AMENDMENTS

Mr. Simon may offer an amendment to delay the implementation of section 13 of the bill by one year. That section would reimburse state vocational rehabilitation agencies for having rehabilitated a disabled recipient only if that recipient has successfully returned to work. This provision would become effective in fiscal year 1981 under the reported bill.

V. COMPARISON WITH PRESIDENT

The President proposed to save $34 million through changes to the Disability Insurance program and $608 million through changes to the Old Age and Survivors Insurance program.

H.R. 4040—DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1980

(H. Rept. 96–168)

Committee: Armed Services.
Chairman: Mr. Price (Illinois).
Ranking Minority Member: Mr. Bob Wilson (California).
Scheduled: Wednesday and Thursday, August 1 and 2, 1979.

I. DESCRIPTION OF BILL

The entitlement provisions of this bill would provide $16 million for increased stipends for members of the Armed Forces Health Scholarship program and special pay for medical officers serving on active duty obligation resulting from a medical education program.

II. COMPARISON WITH FIRST BUDGET RESOLUTION SPENDING TARGET

The new entitlement authority (NEA) provisions of the bill are consistent with the Budget Resolution and the NEA target of the Armed Services Committee.

Explanation of Problem: No major budget problem with the bill as reported.

III. SUMMARY TABLE

[In millions of dollars]

	New entitlement authority
1. Amount in bill	$16
2. Prior action	--
3. Action to date	16
4. Target	99
5. Over	--
6. Under	83
7. Action to date	16
8. Amount assumed but not yet reported	83
9. Possible total	99
10. Target	99
11. Over	--
12. Under	--

(a) Explanation of Difference From Target (line 12 above).

No difference.

(b) Amounts Assumed in Budget Resolution But not Yet Considered (line 8 above).

The resolution included $128 million for a variety of personnel benefits and for a revision of the Officer Personnel Act. In addition, the resolution assumed a legislative saving of $45 million by changing the cost-of-living adjustment for military retirees from semi-annually to annually.

IV. BUDGETARY FLOOR AMENDMENTS

None known at this time.

V. COMPARISON WITH PRESIDENT

The President's budget did not include the budgetary impact of this legislation.●

TRIBUTE TO GEORGE E. NORMAN, JR.

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. PREYER. Mr. Speaker, in sharing with my colleagues remarks about an outstanding citizen, I do not do so in the usual sense of saluting a fine member of a particular community, but I address myself to the larger sense of commitment of one whose high standards and personal involvement in civic affairs epitomize the kind of citizen of whom all in America can be proud. One who has successfully combined an outstanding business career with involvement in and advocacy of so many goals important in our society. The fine qualities which I

address today are embodied in George E. Norman, Jr., of Greensboro, N.C.

George made time, for we do not just "find" time for such pursuits to aid those less fortunate through his presidency of both Goodwill Industries Rehabilitation Center and the United Way of Greater Greensboro and his board membership of the Greensboro Cerebral Palsy School; he made time to further excellence in education through board membership of Greensboro College, Oak Ridge Academy, Guilford College, Appalachian State University, the North Carolina State University Engineering Foundation and as president of the Greenzooro YMCA; he made time to enhance our appreciation of the arts through board membership and chairmanship of the North Carolina Symphony Society, the United Arts Council of Greensboro and the Eastern Music Festival. He made time to work toward cohesiveness between business and government through his leadership in the North Carolina Textile Manufacturers Association, North Carolina Energy Policy Council, American National Metrics Council, and the Greensboro Chamber of Commerce. These are some of the areas George Norman is active in and they exemplify his expansive approach to living. It is not a wonder that in 1973 he was designated outstanding Civic Leader of Greensboro.

George Norman made time to improve the quality of life and that is why I have made time to honor him on the occasion of his retirement from Burlington Industries, Inc. During his 41 years as an executive with Burlington, his expertise proved invaluable in myriad areas including his most recent role as vice president of public affairs. This role was particularly suited to him since he has always held the belief that personal involvement as well as corporate involvement in the community and all levels of government is essential. He proved many times that business and government can work as partners instead of as opponents and he proved that one individual can make a difference. George Norman's total emersion in all aspects of life bring to mind the phrase "a man for all seasons." I salute George Norman and on behalf of the citizens of North Carolina use this public forum to express my best wishes to a good friend on his retirement.●

AID TO COMMUNIST COUNTRIES

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. PAUL. Mr. Speaker, the House is in the midst of debating a foreign aid bill which includes funds for international banks and eventually Communist countries. It is also debating the Export Administration Act amendments which would loosen up the controls over the export of our security-related technology, and committees of the House are holding hearings on legislation to grant credits, loans, and loan guarantees to Communist countries.

In the midst of this I would like to call the Members' attention to some words from Lenin that recently appeared in the Daily News Digest, published by W. A. Johnson, P.O. Box 39027, Phoenix, Ariz. 85069. When are we going to stop this policy of national suicide?

LENIN PREDICTED WE WOULD

In the July 3 Chicago Sun-Times appeared an AP story which said: "In late summer, along the Volga River 500 miles east of Moscow, work will begin on a factory that eventually will turn out thousands of oil drill bits. The $144 million facility is being designed and equipped by Dresser Industries of Dallas.

"One critic contends that the factory, built solely with U.S. technology, one day could make projectiles that could penetrate the latest American tank. Others contend the drill bits will help increase Soviet oil production, which eventually could hurt U.S. interests."

This, and other stories like it dealing with ball-bearing plants, truck plants (Kama River plant), etc., are getting some press, but—for the most part—the American people are not aware of just how heavily dependent upon us the Soviets really are.

When they find out about high-technology computer sales or critical optional equipment sales, they are surprised our Government would not only allow such a thing, but encourage it! Now, the same type of sales will begin with Red China.

There was one person who knew this would happen. Lenin!

From a newspaper column your editor wrote in early 1965, comes the following as translated by Yury P. Annekov. Said Lenin:

"The so-called cultured elements of Western Europe and America are incapable of comprehending the present state of affairs and the actual balance of forces; these elements must be regarded as deaf-mutes and treated accordingly.

"A revolution never develops along a direct line, by continuous expansion, but forms a chain of outbursts and withdrawals, attacks and lulls, during which the revolutionary forces gain strength in preparation for their final victory.

"It is necessary to resort to special maneuvers capable of accelerating our victory over capitalist countries. We must:

"(A) In order to placate the deaf-mutes, proclaim the (fictional) separation of our government and governmental institutions (the Council of Peoples Commissars, etc.) from the Party and Politburo and, in particular, from the Comintern, declaring these latter agencies to be independent political groups which are tolerated on the territory of the Soviet Socialist Republics. The deaf-mutes will believe it.

"(B) Express a desire for the immediate resumption of diplomatic relations with capitalist countries on the basis of complete non-interference in their internal affairs. Again, the deaf-mutes will believe it. They will even be delighted and will fling wide open their doors, through which emissaries of the Comintern and Party intelligence agencies will quickly infiltrate into these countries disguised as our diplomatic, cultural and trade representatives.

"Speaking the truth is a pretty bourgeois prejudice. A lie, on the other hand, is often justified by the end. Capitalists the world over and their governments will, in their desire to win the Soviet market, shut their eyes to the above-mentioned activities and will thus be turned into deaf-mutes.

"They will furnish credits, which will serve us a means of supporting the Communist parties in their countries, and by supplying us with materials and techniques which are not available to us, will rebuild our war industry which is essential for our future attacks on our suppliers.

"In other words, they will be laboring to prepare their own suicide."

Startlingly accurate, wasn't he? Those words were written sometime before Lenin died on January 21, 1924. Documents published in the mid-60s which now appear in "Lenin's Collected Works, Vol. 42", reveal that he had formulated the above stated theme as early as December 21, 1920.

All this should be considered by our Senators while they are "debating" the SALT II treaty.

A letter of encouragement from our readers to their Senators will help things greatly. If your Senator doesn't believe Lenin actually said these things, tell him to have the Library of Congress research it for him.

No Communist, whether Soviet or Red Chinese, means us any good. Either Washington realizes this for the fact that it is, or we're doomed to suicide or slavery. It's just that simple.●

MONDALE AT GENEVA: A CLARION CALL FOR JUSTICE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. SOLARZ. Mr. Speaker, I was privileged to participate as one of the congressional members of the U.S. delegation to the United Nations' sponsored conference on refugees in Geneva last week. This conference will go down in the annals of history not only as the most successful international refugee conference of all times, but as the only successful refugee conference ever held.

The success of the Geneva Conference was in large measure due to the outstanding leadership of the President and the Vice President of the United States whose tireless efforts and diligent diplomacy focused the attention of the world community on alleviating the human tragedy which has engulfed Southeast Asia with over 375,000 Indochinese refugees.

Vice President MONDALE, in an outstanding address to the delegates of the 65 nations at Geneva, sounded a clarion call for this conference to go beyond the posturing and legalisms of previous refugee conferences. He reminded the world of the disasterous results of the Evian Conference of 1938, which failed to alleviate the plight of 500,000 German Jews and thus facilitated Hitler's implementation of the "final solution"—the destruction of 6 million European Jews.

It is a tribute to the strong human rights commitment and moral integrity of this administration, so ably demonstrated by the Vice President in Geneva, that the U.S. efforts this time produced concrete actions that will alleviate the sufferings of the Vietnamese, Laotians, and Cambodians forced to flee from their homelands. And this time our leadership produced a significant humanitarian response from the other nations of the world, who pledged to resettle 100,000 more refugees and to meet the increased costs for care and maintenance of the

refugees provided by the United Nations High Commission on Refugees.

Mr. Speaker, I include the text of the Vice President's statement at Geneva to be included in today's RECORD so that my colleagues who may not have had an opportunity to read it, might do so. I think this brief speech is one of the clearest indications that we in the United States have learned from history, and will never again allow a "holocaust" to systematically destroy thousands of human beings while we sit idly by.

The statement follows:

Once again the countries of the world turn to the United Nations. When problems touch the whole human community, no other forum provides a vision more encompassing. When national interests conflict and collide, no institution convenes us with greater moral authority. The United Nations is often criticised, and sometimes even maligned. But the common ground it provides us deserves our thanks and our praise. On behalf of the United States—and, I believe, on behalf of all nations in the world community—I thank Secretary-General Waldheim and High Commissioner Hartling for their leadership in convening us here today.

Mr. Secretary-General, some tragedies defy the imagination. Some misery so surpasses the grasp of reason that language itself breaks beneath the strain. Instead, we grasp for metaphors. Instead, we speak the inaudible dialect of the human heart.

Today we confront such a tragedy. In virtually all the world's languages, desperate new expressions have been born. "A barbed-wire bondage," "an archipelago of despair," "a flood-tide of human misery": with this new coinage our language is enriched, and our civilization is impoverished.

"The boat people." "The land people." The phrases are new, but unfortunately their precedent in the annals of shame is not. Forty-one years ago this very week, another international conference on Lake Geneva concluded its deliberations. Thirty-two "nations of asylum" convened at Evian to save the doomed Jews of Nazi Germany and Austria. On the eve of the conference, Hitler flung the challenge in the world's face. He said, "I can only hope that the other world, which has such deep sympathy for these criminals will at least be generous enough to convert this sympathy into practical aid." We have each heard similar arguments about the plight of the refugees in Indochina.

At stake at Evian were both human lives—and the decency and self-respect of the civilized world. If each nation at Evian had agreed on that day to take in 17,000 Jews at once, every Jew in the Reich could have been saved. As one American observer wrote, "It is heartbreaking to think of the . . . desperate human beings . . . waiting in suspense for what happens at Evian. But the question they underline is not simply humanitarian . . . It is a test of civilization."

At Evian, they began with high hopes. But they failed the test of civilization.

The civilized world hid in the cloak of legalisms. Two nations said they had reached the saturation point for Jewish refugees. Four nations said they would accept experienced agricultural workers only. One would only accept immigrants who had been baptised. Three declared intellectuals and merchants to be undesirable new citizens. One nation feared that an influx of Jews would arouse antisemitic feelings. And one delegate said this: 'As we have not real racial problem, we are not desirous of importing one.'

As the delegates left Evian, Hitler again goaded 'the other world' for 'oozing sympathy for the poor, tormented people, but remaining hard and obdurate when it comes to helping them.' Days later, the 'final solution to the Jewish problem' was conceived, and soon the night closed in.

Let us not re-enact their error. Let us not be the heirs to their shame.

To alleviate the tragedy in Southeast Asia, we all have a part to play. The United States is committed doing its share, just as we have done for generations. 'Mother of exiles' it says on the pedestal of the Statue of Liberty at the port of New York. The American people have already welcomed over 200,000 Indochinese. Their talent and their energies immeasurably enrich our nation.

We are preparing to welcome another 168,000 refugees in the coming year. The governors and the Members of Congress in our delegation—as well as outstanding religious and civic leaders throughout America—are a symbol of the enduring commitment of President Carter and the American people.

Many nations represented here have risen to history's test, accepting substantial numbers of refugees. The ASEAN states, China, and Hong Kong have offered safety and asylum to over half a million refugees from Vietnam, Laos and Kampuchea since 1975. And others have opened their doors.

But the growing exodus from Indochina still outstrips international efforts. We must work together, or the suffering will mount. Unless we all do more, the risk of fresh conflict will arise and the stability of Southeast Asia will erode. Unless this conference gives birth to new commitments, and not simply new metaphors, we will inherit the scorn of Evian. It is a time for action, not words.

I would like to outline seven areas where action is needed.

First and foremost, the fundamental responsibility must rest with the authorities of Indochina, particularly the government of the Socialist Republic of Vietnam. That government is failing to ensure the human rights of its people. Its callous and irresponsible policies are compelling countless citizens to forsake everything they treasure, to risk their lives, and to flee into the unknown.

There must be an immediate moratorium on the further expulsion of people from Vietnam. We must stop the drownings and establish a humane emigration program. The policy of expulsion which has led to so many tragic deaths must end. It must be replaced by a policy which enables those who wish to leave their homes to do so—in safety, and by choice and in an orderly manner.

At the same time, we must not forget the land people driven from their homeland by conflict and foreign invasion. The nations of the world must promote a political settlement in Kampuchea. The survival of a whole people is in grave doubt. Neither the Pol Pot nor Hang Samrin regimes represents the Cambodian people. The conflict, and the human tragedy in its wake, must stop. The international community must not tolerate forced expulsion of entire populations. I call on all governments to allow normal free emigration and family reunification. My government supports efforts to negotiate a program of orderly direct departures from Vietnam—but not at the expense of those in camps elsewhere in Southeast Asia already awaiting resettlement, and not as part of a program of expulsion of ethnic or political groups.

Second, I urge the countries of first asylum to continue to provide temporary safe haven to all refugees. The compassion these nations have shown earn them the respect and admiration of the world's community. But these nations cannot bear this responsibility alone. We call on them to persist in their spirit of humanity so that our common effort can proceed.

Therefore, third, the rest of us must provide assurances to first-asylum countries that the refugees will find new homes within a reasonable period of time. To meet this objective, we call on all nations to double their resettlement commitment, as the United States has already done. Moreover, we must all be prepared to commit ourselves to multi-year resettlement programs—for the problem will not be solved quickly. The United States government is now seeking that authority.

Fourth, each of us must make a greater contribution to the relief efforts of the United Nations High Commissioner for Refugees. The UNHCR will need increased resources now and in the coming years to care for growing refugee populations, and to alleviate the misery in refugee camps. The UNHCR may require an estimated $400 million for its Indochina programs in 1980.

To do our part to help, I am privileged to announce today that my government will ask our Congress to allocate $105 million for those programs—more than double our current effort. We are also ready to assign highly qualified Peace Corps volunteers to work in the camps in Southeast Asia—to work not only with the individual countries, but also in the programs of the UN High Commissioner. We urge other nations to undertake similar programs of support.

Fifth, it is essential that we relieve pressures on existing camps and create a network of new transit centers for refugees destined for permanent resettlement elsewhere. Given the magnitude of the refugee population, such centers must accommodate at least 250,000 refugees. My government has endorsed the initiative of the ASEAN states for UN-sponsored refugee processing centers. President Carter applauds the government of the Philippines for the bold and exemplary steps it has taken—a model of responsible world leadership. Today I am especially pleased to announce that we are requesting more than $20 million from the Congress to finance our share of such new UNHCR facilities.

Sixth, we must extend refugee resettlement to nations who are ready to receive them—but who do not have the resources to do so. Today, on behalf of the United States government, I propose the creation of an International Refugee Resettlement Fund. If other nations join us, we will ask our Congress for contributions to the Fund totalling $20 million for the first year. We ask today that other nations match us. We recommend that the Fund be capitalized at $200 million. This Fund could, for example, endow an international corporation which would help developing countries embark on their planning and secure additional resources for this high humanitarian purpose.

Seventh, and above all, we must act to protect the lives of those who seek safety. The United States is acting vigorously to save refugees from exposure and starvation and drowning and death at sea. As Commander-in-Chief of the military, the President of the United States has dramatically strengthened his orders to our Navy to help the drowning and the desperate. Today the President has ordered four additional ships from the Military Sealift Command to be dispatched to the South China Sea—where they will be available both to transport tens of thousands of refugees from camps to refugee processing centers, and to assist refugees at sea. At the same time, the President has also ordered long-range Navy aircraft to fly patrols to locate and seek help for refugee boats in distress. And the President is asking our private shipping industry and unions to persist with their time-honored efforts to help refugees at sea. We appeal to other governments to do the same—and to accept for resettlement those who are picked up.

Mr. Secretary-General, fellow delegates, in conclusion let me reiterate two points.

First, the international community must not tolerate this forced expulsion. We call upon Vietnam to cease those policies which condemn so many to flee. There must be an immediate moratorium on expulsions.

The freedom to emigrate is a fundamental

human right. But no nation is blind to the difference between free emigration and forced exodus. Let us impose a moratorium on that exodus. Let us have a breathing spell during which all of us—governments, voluntary agencies, and private individuals alike—mobilize our generosity and relieve the human misery. And let us urge the government of Vietnam to honor the inalienable human rights at the core of every civilized society.

Second, our children will deal harshly with us if we fail. The conference at Evian forty-one years ago took place amidst the same comfort and beauty we enjoy at our own deliberations today. One observer at those proceedings—moved by the contrast between the setting and the task—said this:

"These poor people and these great principles seem so far away. To one who has attended other conferences on Lake Geneva, the most striking thing on the eve of this one is that the atmosphere is so much like the others."

Let us not be like the others. Let us renounce that legacy of shame. Let us reach beyond metaphor. Let us honor the moral principles we inherit. Let us do something meaningful—something profound—to stem this misery. We face a world problem. Let us fashion a world solution.

History will not forgive us if we fail. History will not forget us if we succeed.●

HOUSE SHOULD EXPEL DIGGS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. BEREUTER. Mr. Speaker, due to transportation problems, I was absent from part of today's session and missed the vote on the motion to table a resolution calling for the expulsion of Congressman CHARLES DIGGS. Had I been present, I was prepared to speak in support of the motion to expel Mr. DIGGS. I would, therefore, like to have the text of my remarks placed in the RECORD at this point:

The House Committee on Standards of Official Conduct has reported a resolution, H.Res. 378, which is to be considered tomorrow. The resolution provides for the censure of Mr. DIGGS and requires him to repay the House for funds from his clerk-hire allowance which were used illegally.

In view of the fact that Mr. DIGGS has been convicted in U.S. District Court on 29 counts of mail fraud and false statement and in view of his own admission of guilt to the House Committee that he had misused the taxpayers' money, I believe the motion to censure is far too lenient and that a motion to expel should also be in order.

Indeed, I find it totally unacceptable that the House Leadership has persistently thwarted our efforts to seek a vote on a motion to expel Mr. DIGGS. It did so earlier this year by allowing the entire matter to be referred to the Standards Committee. Now that the committee has made its recommendations, our motion to expel should also be in order.

The misconduct of Charles DIGGS reflects on the House of Representatives as a whole. Each member should have an opportunity to cast a vote—for expulsion or censure. As it is, the Leadership would have us vote only on the motion to censure—a parliamentary maneuver that only clouds the true feelings of the House on the serious charges and actions of Mr. DIGGS.

Our institutions of government, and has been operating under a cloud of suspicion specifically the Congress of the United States, for many years, largely because of various scandals involving its membership. Americans demand and have every right to expect that their elected representatives serve with dignity, integrity and honor. When one member disgraces those traditions, it reflects poorly on every elected official. It, therefore, becomes the duty of the institutional body in question to take appropriate action to insure that the public's trust in our elected officials is not violated by the inexcusable actions of one.

I do not believe a convicted felon (as is Mr. DIGGS at this point, pending appeals) should be allowed to serve in the Congress of the United States. This is particularly true of an individual whose conviction relates to his service in the House of Representatives.

His admission of guilt with respect to the misuse of his staff allowances, coupled with his earlier conviction, in my view, indicate that he has violated the public's trust, and that he should no longer serve in this body. I hope that we will have an opportunity to vote on the motion to expel.●

An editorial appearing in the Omaha World Herald earlier this year stated: "It is no advertisement for democracy that the United States has a convicted felon helping to write its laws." I suggest that this is the crux of the decision facing each member of the House of Representatives as we decide what action to take against Mr. DIGGS.

TRIBUTE TO WILLIE MAYS

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. ROYER. Mr. Speaker, today I want to recognize a great athlete and a great American who will be inducted into the Baseball Hall of Fame on August 5, 1979, Willie Mays. I consider it a great privilege to count Willie Mays among my closest friends, and it will be with great pride that I will be accompanying Willie to Cooperstown next month where he will receive the highest honor that organized baseball can accord a player.

Of course, it is most appropriate that Willie Mays be placed in the Baseball Hall of Fame, because he has been not only an outstanding athlete during his full and lengthy career, but also because he was and is a model of the highest caliber for our Nation's youth. Willie is an honest, humble, man, a man possessed not only of great athletic ability, who gave his all in every game, but also a man who possesses and shares great personal warmth and spirit.

Willie Mays was not a bonus baby; he was not a dilettante or free-agent, big-money specialist. He was, and is, only the best center-fielder ever to wear a uniform. In this day and age of the petulant performer, of player strikes and hair-dryer clauses in player contracts, it is refreshing and invigorating to look back fondly at Willie Mays playing his heart out, every day, so well, so often, to the thrill and admiration of all who watched him on the field or listened to the broadcast, huddled close to the family radio. How we all wanted to play like Willie Mays.

We cannot go back to those days—they are gone forever. But we can and must honor the man who most symbolizes true sportsmanship and ability in American baseball—Willie Mays—and it is my great honor and privilege to do so today.●

OIL IMPORT QUOTAS, CRUDE OIL DECONTROL AND HIGHER PRICES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. ROSENTHAL. Mr. Speaker, I wish to bring to my colleagues' attention a very cogent statement prepared by Frank Collins of the Oil, Chemical, and Atomic Workers. The statement is worthy of your full consideration since history supports this presentation.

CRUDE OIL DECONTROL AND THE OIL IMPORT QUOTA

The decontrol of domestic crude oil combined with an oil import quota as proposed by President Carter would be far more costly to consumers and more dangerous to the economy than most people seem to be aware of at the present time.

The cuts in imports over the next ten years of the size proposed by Carter cannot possibly be made up for by increased domestic production, conservation or by synfuels within this time frame. This means that there would be a long continuing crude oil shortage for refiners. As the level of crude imports would be set by the quota, refiners would bid up the price of available domestic crude. The OPEC price would thus become the floor for the price of domestic crude, not the ceiling.

Under the condition of a permanent shortage of crude oil in the U.S. produced by the proposed import quota, it is clear that crude costs in the U.S. would reach levels far above those of the rest of the world. Deregulation of U.S. crude would therefore not only place control of U.S. crude oil pricing in the hands of OPEC, it would be far worse. U.S. crude prices would be the arbitrary prices of OPEC plus an incalculable amount because of bidding up in the U.S. market under scarcity conditions. The more severe the import quota cutback, the higher would be the differential between the OPEC and the U.S. price.

The cost to the consumers would be magnified by the effect of an oil imports quota on top of the phased deregulation of crude oil. The figure of $209 billion by 1985 which is the latest estimated cost of crude oil decontrol is predicated on OPEC prices rising no higher than $23.50. The sum of $209 billion already represents $1000 per person in the U.S. or $4000 for a family of four.

The existence of an import quota scheduled to reduce oil imports by 4.5 million b/d by 1990 would guarantee U.S. oil prices rising far beyond $23.50 by 1985. Deregulation of crude oil plus an oil imports quota would insure an economic disaster, unless reversed by Congress.

American business, outside of foreign oil importers and domestic oil producers, will be gravely harmed by the Administration's crude oil decontrol plus crude oil import quotas. As one example, domestic refiners using high priced domestic crude will be competing against oil product imports from foreign refiners using lower cost OPEC crude. Similarly, petrochemical producers will be

competing against foreign producers using lower priced feedstocks.

U.S. industry is highly energy intensive. If the Administration program for oil decontrol and import quotas is allowed to continue, American industry will be at an impossible competitive disadvantage against foreign industry using lower priced oil outside the quota barrier.

The Administration proposal for oil import quotas makes the continuation of price controls on domestic crude absolutely imperative.●

GREENING THE SOUTH BRONX

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. GARCIA. Mr. Speaker, I found an article in the most recent edition of the Sierra Bulletin, the magazine published by the Sierra Club, which asks probably the most important question that may be asked about community self-help in the south Bronx. That question is, "What can we do to help?" While the efforts of our community based groups have been widely recognized in the areas of community and tenant organization, appropriate technology and urban revitalization, they need, and no less than yesterday, the continued support of the Federal Government. But the task with which they are faced, and which they have taken on, is not only one of urban revitalization. It is the task of their personal and community revitalization—a regeneration of their personal and community pride. And the answer to the question asked by the Sierra Club is not only an answer to the people of the south Bronx, it is an answer to all urban America.

At a time when economic difficulties are pervasive and growing, we should all be asking this question, and actively seeking the answer.

GREENING THE SOUTH BRONX

(John Holtzclaw)

From City Care in Detroit I ventured back to the burned out, impoverished South Bronx to watch neighborhood people transform the carcasses and rubble of old tenements into living neighborhoods.

At the conference, Ramon Rueda, head of People's Development Corporation (PDC, 500 E. 167th St. New York, 10456), had spoken powerfully for conservation, solar power, neighborhood control and elimination of nuclear power. I went to visit PDC, where it is happening.

PDC's headquarters (and workshop) is a beehive of activity when I arrive. Job assignments are being meted out to workers. Ramon prepares to leave for a meeting with city officials. Others are writing a financial proposal. The payroll is being prepared. A planning conference is in session. The office hums. All are Puerto Ricans and blacks from the neighborhood. It is hard to believe that these were "unskilled" and unmotivated until recently—in an area written off as hopeless.

Victor, assigned to show me around, manages the crew rehabilitating a gutted old apartment house on Washington Avenue. The workers' spirits and enthusiasm are high; they are building spacious modern apartments that they can purchase with "sweat equity" (equity earned by labor) or rent at reasonable prices. Many materials recycled from nearby buildings are used; cabinets and other parts are built in PDC's woodshop.

Down the street stands a handsome six-story apartment house PDC recently completed. It is well-insulated; on its roof, solar panels heat water for direct use and for central heating. Don't tell these people that solar power isn't ready!

Fresh out of high school and unskilled, Victor helped build an earlier apartment house; now he manages construction of this one—only the second apartment house he's worked on—and attends college. His sights are set on law school. This is not the too-common ghetto story of helplessness, of residents victimized and worn down by a brutal world over which they have no control. This is a story of residents in a nine-block area rebelling, organizing, and building a future for which they take responsibility.

PDC has helped to organize tenants in other buildings to weatherize and improve those structures, and thus stabilize their tenancy. They've built parks on abandoned lots: they run a recycling program and are starting a solar greenhouse to grow organic vegetables, fish, earthworms, rabbits and poultry. They are seeking additional federal and city funds to expand even further, they want their neighborhood enterprises to include a laundromat, a pharmacy, a food service, a restaurant, a bakery, a security service, a credit union and child-care and youth-training programs.

Thoroughly inspired, I then visit the office of another dynamic friend from City Care—Irma Fleck, head of the Bronx Frontier Development Corporation (1080 Leggett Ave., New York 10474). This is another neighborhood success story.

In their newly rehabilitated offices above a railroad yard, recently "unskilled" black, Puerto Rican and white workers are busy preparing the Bronx Frontier's annual report and planning this year's work and activities.

From here, Irma takes me to "The Ranch" along the East River with its excellent view of Manhattan, where they compost leaves and the wastes from vegetable markets and sewage plants. A windmill is being constructed to power the huge composting operation, to sell electricity to Con Edison and as a model for teaching the fundamentals of wind power.

Irma drives me by an abandoned lot. Though wedged between apartment houses, it is blossoming as a neighborhood garden. With Bronx Frontier's botanical advice, the neighbors cultivate and harvest crops for their own consumption. Beats those high grocery bills.

A half-block down the street, Irma stops in front of a rubble-strewn lot, the ruins of a previous building. From a stoop next door two women yell, "Why don't you help us make a garden here?" Irma yells back. "We'll have the bulldozers here in three weeks!" And they will. With neighborhood help, they'll clear the lot, crush the rock and brick and mix it with their composted fertilizer. Neighbors will plant another urban garden.

Bronx Frontier has converted an old bookmobile into a traveling kitchen. They teach cooking and nutrition to more than 500 people each week. They are developing job-training programs for young minority adults and helping law "offenders" return to society as productive workers.

By organizing and taking control of their local environment, neighborhoods are creating skilled, proud and responsible residents, improved environments, cleaner air, reduced crime, green spaces, food and power. And they are helping to reduce sprawl and to conserve land, energy and resources. Certainly an urban environmentalist's dream.

What can we do to help? We can get involved in our own neighborhoods. Direct interested people to those, like Ramon Rueda and Irma Fleck, who have succeeded, and to environmental organizations such as the Sierra Club, the Trust for Public Land (82 2nd St., San Francisco, California 94105) or the Institute for Local Self-Reliance (1717 18th St. NW., Washington, DC 20009).

GAO REPORT SUBSTANTIATES NEED FOR RESEARCH AMENDMENT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. DINGELL. Mr. Speaker, I am pleased to insert in the CONGRESSIONAL RECORD my statement regarding the release Friday, July 27, 1979, by the General Accounting Office of its report which includes major findings, conclusions, and recommendations that automatic occupant restraint devices, such as airbags, require more testing, research, and development.

I commend this information to my colleagues and further suggest they obtain a copy of the GAO report itself. The document clearly underscores the need for more testing and research and substantiates the necessity that the House adopt the amendment that Congressman JIM BROYHILL and I will offer to the Department of Transportation appropriation bill, H.R. 4440.

The statement follows:

Congressman John D. Dingell (D-Mich.), announced Friday that the Report to the Congress, "Passive Restraints For Automobile Occupants—A Closer Look," as released by the General Accounting Office Friday, substantiates the absolute necessity for the House to adopt the research, testing and development amendment that he and Congressman Jim Broyhill (R-N.C.), will offer to the DOT Appropriations bill scheduled Monday, July 30.

Their amendment delays for one year, fiscal year 1980, any further funds for implementation or enforcement of the Federal automobile standard that requires devices, such as air bags, in automobiles. The amendment would not restrict actions on the portion of the standard that would permit safety belts. The amendment further requires more research, testing and development of passive or automatic restraint devices. Dingell and Broyhill agree that this is the major purpose of their amendment—to ensure safe and effective restraint devices for motoring consumers.

One of the main concerns Dingell has expressed and which is expressed in the GAO report, is the as yet unsolved problem of air bags injuring or killing out-of-position occupants, especially children, in front seats of cars. Recent General Motors and Volvo car crash tests, using pigs as surrogates for children, resulted in pigs being killed. Seven died of liver damage or other causes in the GM tests.

Dingell added that he is suspicious that there may be other evidence of problems with air bag tests buried in DOT files and that he is conducting a full research investigation of NHTSA.

Dingell has advised his colleagues in the House, "GAO has provided excellent responses to the DOT/NHTSA comments on the report."

Dingell released the major findings, recommendations and conclusions of GAO regarding the problems found in the DOT/NHTSA handling of the mandatory automatic occupant restraint standard, Motor Vehicle Safety Standard 208, which mandates air bags or automatic safety belts in model year 1982 passenger cars.

The GAO report says:

"Passive restraints offer life-saving and injury-prevention potential. However, Transportation's specific quantification of the benefits lends a degree of certainty not fully supported by the test data.

Moreover, testing conducted after the mandate indicates a potential danger from a deploying air bag may exist for out-of-position occupants.

Many questions are unanswered concerning the health and safety risks of using the chemical sodium azide to inflate air bags. In addition, the estimates of air bag cost and insurance savings are optimistic.

Because of the potential danger for out-of-position occupants, GAO recommends that the Secretary require additional testing by the National Highway Traffic Safety Administration on this problem. Depending on the outcome of this testing, the Secretary should consider appropriate modifications to the passive restraint standard including, if warranted, additional performance requirements covering the out-of-position occupant problem."

Dingell said the GAO recommends that the Secretary of Transportation establish a "task force" to develop an evaluation plan to ascertain the safety and effectiveness of passive restraints, like the air bag and automatic belts and that the Secretary "make modifications to the standard where warranted."

GAO also recommends that the Environmental Protective Agency and the Secretary of Labor, Occupational Safety and Health Administration, give "high priority . . . to additional research on sodium azide to measure its health and safety risks." It is suspected that sodium azide, used to deploy air bags in frontal crashes, may be a cancer causing agent.

GAO criticizes DOT/NHTSA for relying too heavily on "laboratory test data and engineering judgments." NHTSA has little field test data.

GAO says:

"The Safety Administration's estimate that passive restraints, when installed in all cars, will prevent about 9,000 deaths and 65,000 serious injuries annually may not prove to be accurate in actual experience. Although passive restraints have been tested extensively, most testing was on air bags rather than automatic seat belts. Results of these tests support the conclusion that air bags offer potential to save lives and prevent injuries in frontal collisions. However, the conclusion as to the extent of these benefits and the benefits in other types of crashes was based largely on subjective judgment. This introduces a great deal of uncertainty into the estimates because:

Laboratory crash conditions provide a simplified and limited simulation of real crash conditions.

Emphasis on testing air bag systems in small cars is lacking and extrapolating test data from large cars to small cars is difficult.

Biomechanical knowledge about human responses in crashes and human tolerances to injuries is limited.

The uncertainties involved in trying to estimate passive restraint effectiveness is compounded by the lack of field data depicting system performance in the real world. Current real world data for air bags is still too limited to support a reliable estimate of effectiveness in reducing serious and fatal injuries. Although more real world data exists on automatic seat belts, the data must be reviewed with caution because experience is limited."

"What this GAO report released today clearly recommends to Congress is that the amendment Congressman Broyhill and I will offer to the DOT Appropriations bill should be enacted to ensure consumers that another year of testing, at least, is required on passive restraints, especially the costly and questionable air bag," said Dingell.

"It is obvious from the report that further information as to the effectiveness of these occupant safety devices is needed by insurance companies regarding the claim by some that they will offer savings on insurance premiums to consumers who insure cars equipped with such passive restraints.

"What is a shocking revelation in the GAO report is that NHTSA and, I will quote the report, 'the Department (DOT) disagrees that the Safety Administration should perform additional testing on the out-of-position occupant problem. It (DOT/NHTSA) believes the appropriate way to handle this problem is to monitor the industry's development and testing programs and to test the production systems when they become available.'"

The GAO report continues:

"The Safety Administration has had independent testing done in establishing performance criteria for the normally seated front seat occupants. GAO does not understand its reluctance to carry out further testing to determine whether similar performance criteria is needed for the out-of-position occupant.

The Department must also do its own independent testing to assess the seriousness of the problem and develop, if necessary, requirements for out-of-position occupants in the passive restraint standard."

The GAO report also states:

"The National Transportation Board also commented on GAO's draft report and found no points of contradiction or conflict between the data presented in the report and the Board's material on the passive restraint mandate."

Dingell concluded, "Congress must ensure the consumer that safety devices are no hazard themselves to occupants and that they are effective."●

REGULATIONS TO ESTABLISH A MORE UNIFORM PERSONNEL SYSTEM IN THE AGENCY FOR INTERNATIONAL DEVELOPMENT

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. HARRIS. Mr. Speaker, I would like to direct the attention of my colleagues to the regulations which have been promulgated in the Agency for International Development (AID) pursuant to enactment of the International Development and Food Assistance Act of 1978. Under the act, AID was directed to establish a unified personnel system for AID employees.

Cognizant of the overseas mission of the agency and the fact that regular rotation of the overseas element is an important factor in the career development of the Foreign Service, a number of Washington-based positions have been designated for overseas people back in the United States on rotation. It should be noted that Washington-based employees who currently hold positions which have been designated for this purpose will not be adversely affected since an indefinite "grandfather" clause correctly serves as their protection unless a voluntary option for overseas service is exercised.

Despite my support for the concept of a more uniform system which has been created pursuant to enactment of the law, I would like to express my concern over the impact of this system on EEO and upward mobility programs. The system would encumber the more important and senior positions for the overseas component on rotation. Thus, Washington-based AID employees could be stymied in their career progression due to the existence of designated positions.

I will be closely monitoring the effects of the new system on the Washington-based corps. I want to be sure that the opportunity and incentive to move into the overseas component of AID is afforded to those employees who are currently in the Washington component. I believe all qualified AID employees who aspire to the Foreign Service should be provided with ample opportunity for career development within the Agency for International Development.●

OIL IMPORTS VERIFICATION ACT OF 1979

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. GARCIA. Mr. Speaker, today I am introducing legislation which will provide us with critical information on our oil imports. This legislation, entitled, "Oil Imports Vertification Act of 1979," reinstitutes the data gathering functions of the Customs Service which was lifted by Customs Commissioner Chasen, following President Carter's temporary duty suspension on oil imports. While duties were being collected on oil imports we were provided with a basis of comparison for the data provided to us by the Energy Information Administration, which is provided to them by the oil industry. However, when the President suspended the duty on imported oil, Customs Commissioner Chasen relieved customs inspectors of their data gathering responsibilities so that we now have the same information coming out of the Treasury Department that comes out of the Department of Energy—oil company figures.

Commissioner Chasen justified this administrative change by saying that it would save us the cost of overtime salaries of customs inspectors which sometimes far exceed regular salaries. This is one solution to the problem of tremendous overtime costs, however the decision to implement the administrative change could not have taken into account the impact it would have on our oil import information. Instead of decreasing this information we should be making every effort to increasing and clarifying it. This can be done by making a comparison between the oil industry

supplied information and the information collected by customs inspectors on a regular basis, and accounting for the differences between them. And as long as our oil import dependency continues to threaten us with the degree of economic disruption that we have recently experienced, we should seek reasons for any discrepancies in the information that the American people are receiving.

The Oil Imports Verification Act of 1979 would, therefore, require Customs to continue to collect oil import information, regardless of the status of duties. In addition, it would require the General Accounting Office, on a quarterly basis, to make a comparison between the data reported to the Commerce Department by Customs and the data reported to the Energy Information Administration by the oil companies on a quarterly basis.

The legislation I am introducing follows:

H.R. —

That section 501 of the Energy Policy and Conservation Act (42 U.S.C. 6382) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c)(1) The Comptroller General shall establish a program to determine and reconcile any differences in—

"(A) the data on the volumes of petroleum products imported into the United States which is collected and published by the Energy Information Administration of the Department of Energy, and

"(B) such data which is collected by the United States Customs Service of the Department of the Treasury and published by the Bureau of the Census.

"(2) Each calendar quarter, the Comptroller General shall prepare and transmit to the Congress a report setting forth any differences in petroleum product import data identified under such program together with explanation of such differences.".

SEC. 2. (a) Within 90 days after the date of the enactment of this Act, the Commissioner of Customs shall establish and implement a program for the collection and verification of data on the total volumes of all petroleum products imported into the United States. Such program shall—

(1) provide for the collection of such information by actual examination (and bills of lading and other evidence of imports) or by any other reasonable method designed to assure the most accurate data is collected, and

(2) remain in effect whether or not any tariff or other fee on the importation of petroleum products is in effect.

(b) Until the program under subsection (a) is implemented, the United States Customs Service shall collect and verify data on the volumes of imported petroleum products to the same extent and in the same manner as that data was collected and verified by the Service before March 31, 1979.

(c) For purposes of this section, the term "petroleum product" has the meaning given it in section 3(3) of the Energy Policy and Conservation Act (42 U.S.C. 6202(3)).●

TRIBUTE TO THE AMVETS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MOTTL. Mr. Speaker, I would like to take this opportunity to pay tribute to the AMVETS on the occasion of this organization's 35th anniversary of dedicated and distinguished service to the Nation and its veterans.

The AMVETS' motto is: "We fought together, now let's build togeter for a greater America." That is just what the men and women of AMVETS have been doing since a small group of World War II veterans met in Kansas City, Mo., to form this national veterans organization.

The charter of AMVETS as a World War II veterans organization was signed by President Truman, after congressional enactment, on July 23, 1947. The AMVETS charter was subsequently amended in 1951 and 1966, to incorporate veterans of the Korean and Vietnam wars. Now nearly every State and several foreign countries have AMVETS posts. In areas including rehabilitation, employment and education of veterans, and in general community service, the AMVETS has built an exemplary record of public service. AMVETS works closely with subsidiary organizations, the Auxiliary, the Sons of AMVETS, the Junior AMVETS, the Sad Sacks and the Sackettes.

As a member of the House Committee on Veterans' Affairs, I am particularly honored and pleased to have the AMVETS 35th Anniversary National Convention in Cleveland, scheduled for August 19–26. I believe I am expressing the sentiments of all my colleagues in the House, when I extend AMVETS all good wishes for a fine August convention.●

ENERGY ANSWER MAN

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. PAUL. Mr. Speaker, Mr. Lynn Ashby, the Houston Post's popular columnist, recently wrote an article on the President's energy program that struck a responsive chord in many Houstonians.

I would like to bring it to my colleagues' attention:

[From the Houston Post, July 18, 1979]

LYNN ASHBY: ANSWER MAN

A lot of you are confused over the president's latest energy program, including the proposed new federal agencies he wants to establish. I wish for once you'd stop relying on me for leadership. Anyway, once again, as the Answer Man, I shall take questions from the audience. Fire away:

How does President Carter plan to solve the energy shortage?

He wants to create three new federal agencies, an Energy Security Corp., an Energy Mobilization Board and a Solar Bank.

What will they do?

They are specifically designed to cut through government red tape and thus make it easier, save time and streamline our pursuit of energy.

How will they do that?

Simple. Say you want to drill for oil. You go to the Energy Mobilization Board (EMB) which will contact the Energy Security Corp. (ESC), the Department of Energy (DOE), the Environmental Protection Agency (EPA) and touch base with the Solar Bank, sending copies to the Pentagon, FBI and EEOC. They will then reach a decision on whether there is any oil down there, and respond.

Respond to whom?

Your grandchildren.

Do we really need more federal agencies?

Yes. Not only will it solve the energy problem, but it will make great inroads into the unemployment problem. There are now 2,776,000 civilian federal employees. Each new job means one more vote, and will help the president with his own unemployment problem.

But we already have the new Department of Energy. Why can't it do the job?

The DOE has 20,000 employees and a budget of $10.4 billion. That's more money than the profits of the nation's seven largest oil companies. Since creation of the DOE, America has assumed a unique position.

What's that?

We are the only country in the world with lines at gas stations.

Was creation of the DOE one of the president's campaign promises?

No. He only promised what he could realistically achieve. He promised to cut taxes, balance the budget, restore confidence in government and reduce the federal bureaucracy.

Anything else?

Well, yes. He promised the National Education Association (NEA) that he would create a Cabinet-level Department of Education. It is about to clear Congress and will have a first-year budget of $14.5 billion with 15,000 employees.

Who wants a Department of Education?

Mostly the leaders and employees of the NEA.

Why?

Chiefly because leaders and employees of the NEA will then become leaders and employees of the Department of Education.

How do the people who actually run our schools, colleges and universities feel about a new Washington educational agency?

Those who are not testifying before various federal judges and bureaus, or who are not filling out forms and meeting quotas, tell me that if Washington, George, had operated like Washington, D.C., we'd all be driving on the left-hand side of the street.

Getting back to energy, what will these new federal agencies do?

For one thing, they will handle money from the windfall profits tax, which the president says will raise between $146 billion and $270 billion. It comes to $650 to $1,205 per person.

But the oil companies are making a lot of money. They can afford it.

Actually, they won't pay a penny of it. It will be money you pay at the gas pump—taxes disguised as profits. The oil companies will keep about a third of it and pass the rest on to the federal treasury. In effect, the oil companies will be tax collectors for Uncle Sam.

Why don't we just pay Washington direct?

You obviously don't know much about politics. If Congress passed a law making your family of four pay the government an extra $4,820 in before-tax dollars, there'd be a revolution. This way, you will be mad at the oil companies instead of President Carter and Congress.

Will the oil companies suffer?

Yes. Some of them may have to postpone entry into the U.N.

But if the government is going to get most of the money, then whose "windfall" is it?

Next question.

But if the oil companies are coming out ahead, and the government is coming out ahead, the president gets lots of votes out of it, who's looking after us?

Funny you should ask. President Carter plans to establish a Cabinet-level Federal

Oil Consumers Protection Bureau and Anti-Ripoff Department. It will have a work force of 43,000 and an annual budget of $4.5 billion. It will also seek new ways to cut taxes, balance the budget, restore confidence in government and reduce the federal bureaucracy.●

PLEDGE TO HOLD PRICES A RESTRAINT OF TRADE?

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. RUSSO. Mr. Speaker, I am taking the floor today to describe a situation that has me mystified. I do not know whether I should break out into tears or laughter.

Recently, a group of homebuilders in Chicago decided to try and join the fight against inflation as we all have been encouraged to do. They all signed a voluntary pledge to hold their prices for a period of 60 days. No one agreed to fix prices, merely not to raise current ones. This was publicly acknowledged by all who signed the pledge. Did they receive congratulations for their efforts? No, instead "Big Brother" arrived at the door.

The regional director of the Federal Trade Commission wrote all the signers and said there were implications of restraint of trade. In addition, he was concerned they might be harming consumers. He asked them to withdraw from the pledge by signing a draft letter he had enclosed or severe actions would follow.

I am putting the pertinent correspondence in the RECORD so everyone can see the sorry state we are in. Here is another case of the Federal Government talking out of both sides of its mouth:

PASQUINELLI CONSTRUCTION CO.,
Lansing, Ill., July 11, 1979.

Hon. MARTY RUSSO,
Cannon Building,
Washington, D.C.

DEAR CONGRESSMAN RUSSO: This year, we have all been concerned over the effects of inflation. I have been hearing Alfred Kahn's remarks on television with regard to fighting inflation. He insisted that everyone seems to think that curbing inflation is "the other persons" job.

At our General Membership Meeting of the Home Builders of Greater Chicago, a thought occurred to us that it would be a good time to offer the President of the United States, through his representative, Jay Janis, Undersecretary of HUD, a pledge, wherein each individual homebuilder would pledge to at least hold his prices for the next 60 days. At subsequent meetings of the group, I suggested that other industries, such as retailers, distributors, in fact, anyone concerned with fighting inflation, be encouraged to sign such a pledge. It was my thought that all signatories would at least hold their prices for 60 days, and lower them to fit market conditions.

In the past, in the face of recession, the business community, instead of stabilizing prices and reducing prices have, in fact, raised prices in an attempt to compensate for lost profits. The term for the condition caused by this type of philosophy is stagflation. It was my hope to prevent this condition and have our economic markets more closely adhere to supply and demand conditions.

I am enclosing a copy of a letter received by our company from the Federal Trade Commission, Chicago Regional Office, from a Mr. Paul W. Turley, Regional Director, where he indicated, and I quote, "We are seriously concerned about the restraint-of-trade implications arising from this pledge. It is illegal for two or more companies to act together to affect prices, regardless of whether prices are raised, depressed, fixed, pegged, or stabilized. We are also exploring the possibility that some consumers may have been economically injured by the pledge."

My attorney's reply is also enclosed. You will note that in his reply to the Federal Trade Commission, he quotes from Alfred Kahn's prepared text delivered to the Board of Directors of the National Association of Home Builders on May 22, 1979 as follows:

"I would like, in closing, to call your attention to the pledge this month by a number of builders in the Chicago area to hold their prices for a period of at least 60 days, while maintaining the quality and overall integrity of their product. Only a gesture? Perhaps. But it is a reflection of the fundamental truth that is going to take the efforts of all of us, working together, to bring inflation under control. When we succeed—and we will—every one of us will have reason to be just a little bit prouder—of himself, and of our country."

It seems in this country, you're damned if you do and you're damned if you don't. For 20 years, I have been trying to build homes for the first home buyer market. I am very concerned about the effects of inflation on the ability of the 60 to 70% of the market to buy homes. That 60–70% of the market is the first home buyer.

I would appreciate your calling this to the attention of the Federal Trade Commission and airing my concern of the over-regulation and over-anticipation of every citizens' acts by government bureaucracies and the stifilement of the good intention of the public.

Yours very truly,
BRUNO A. PASQUINELLI,
President.

FEDERAL TRADE COMMISSION,
Chicago, Ill., June 15, 1979.

BRUNO PASQUINELLI,
President, Pasquinelli Construction Co.,
Lansing, Ill.

DEAR MR. PASQUINELLI: The Chicago Regional Office of the Federal Trade Commission is conducting an investigation of the pledge by the members of the Builders Committee to Fight Inflation to hold prices for at least sixty days. Enclosed is a copy of the pledge, which includes your name as a signatory.

We are seriously concerned about the restraint-of-trade implications arising from this pledge. It is illegal for two or more companies to act together to affect prices, regardless of whether prices are raised, depressed, fixed, pegged, or stabilized. We are also exploring the possibility that some consumers may have been economically injured by the pledge.

Unless the signatories are able to establish that each of them has withdrawn from the pledge and that they will not engage in discussions of pricing or other sales policies with any competitor in the future, we will recommend that the Commission seek an injunction. Enclosed is a model letter which a signatory could use to establish these facts. Each signatory, acting independently, should present this office with such a letter by June 25, 1979. This letter is being requested to assist Commission staff in determining the need to seek an injunction. Submission of the letter will not terminate the investigation.

If you or your attorney has any questions regarding this matter, please contact one of the following staff attorneys: Jim Leonard, 353–5576 and Peggy Summers, 353–3775.

Sincerely yours,
PAUL W. TURLEY,
Regional Director,
Chicago Regional Office.

Mr. PAUL W. TURLEY,
Regional Director, Federal Trade Commission, Chicago, Ill.

DEAR MR. TURLEY: On [date] I responded, as [your title] of [your company], an [correct state] corporation, to a request by the Builders Committee to Fight Inflation that I join them in a pledge to hold prices on my company's product for at least 60 days, while maintaining all standard items as well as quality of materials and overall integrity of the product. In signing the pledge I did not intentd to engage in any activity or behavior that would be contrary to the best interest of the public and did not believe that our pledge to hold prices was improper.

The staff of the Federal Trade Commission has called to my attention the possibility that the pledge may be in violation of the laws enforced by that agency. In response to that notification I hereby withdraw my signature from the document titled "Builders Anti-Inflation Pledge". The future actions of [your company] will in no way be governed by that pledge. Neither I nor [your company] will engage in any activity regarding pricing policy or any other sales policies with any competitor.

This letter may be used by the Federal Trade Commission or its staff for purposes of notifying the other signatories or the general public of [your company's] withdrawal from the aforementioned pledge.

Very truly yours,
——— ———●

LEGISLATION TO PROHIBIT THE INTERSTATE TRANSPORTATION AND USE OF STOLEN AIRLINE TICKETS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MURPHY of New York. Mr. Speaker, one of the most pressing criminal problems faced by the American transportation industry today is the use of counterfeit, altered, fraudulent, lost, or stolen airline tickets, particularly those which have been channeled through a travel agency. The cost to the airlines, and ultimately to the American traveler, runs into many millions of dollars per month. The legislation which I introduct today addresses the problem directly by amending the United States Code to specifically include such tickets within title 18's prohibition of the transportation or use of such negotiable instruments.

While one would presume such tickets, if stolen, to fall under the ordinary criminal codes, the law does not operate on such presumptions. There exists a somewhat grev area in the theft of a blank ticket which has no specific value attached to it until it is filled in with a travel itinerary and then actually used in interstate commerce. Such blanks might be used for just a few dollars in excess bagvage charges, or for a few thousand dollars for a round-the-world trip.

My legislation would expand the defi-

Although the ATA generally limits the

Burgener made it clear throughout his

My legislation would expand the definition of the term "security" in title 18 to include airline tickets and the blank ticket forms. Since airline tickets are as good as cash, or stolen securities, they should be treated as negotiable instruments under Federal law. It is urgent that such items be included in the criminal code so that travel agencies, the commercial air travel industry, and the traveling public at large can be protected in an effort to halt this immense diversion of tickets for criminal use. Until it becomes a Federal criminal offense, the FBI is effectively blocked from entering the investigation of what is generally considered to be a local crime.

Up until now, ticket thieves have been handled simply as petty offenders. A very basic problem is that there has been no central control of airline tickets; each carrier operates its own accounting system independently, and accepts on good faith the value of every other carrier's tickets without so much as a passing inquiry as to the legitimacy of each ticket. Even more critical is the fact that each theft is handled locally, by a police department with no cooperative methods of cross-checking such tickets—each investigative acts and reacts independently.

My bill would allow the Federal Bureau of Investigation and the Justice Department to investigate and prosecute those involved in trafficking in stolen and counterfeit tickets. Under the penalty provisions of section 2315, title 18, violators would be subject to a $10,000 fine and/or 10 years in jail for the theft, sale, or receipt of stolen tickets. Additionally, because this activity generally involves the crossing of State lines, a separate $10,000 fine and/or 10 years is added for interstate trafficking, per section 2314 of title 18.

There is presently no effective legal control over the printing, issuance or distribution of airline ticket stock. The Air Transport Association's efforts to institute such controls have been less than effective. Traffic in stolen and counterfeit tickets has become quite commonplace, with the bulk of the problem attributed to organized crime. The professional criminal has spotted a lucrative business with a very low profile, a low chance of being caught, and he has moved into the field with a vengeance.

While outright counterfeits are a definite problem, the main source of illegal supplies is the theft of ticket stock, both from the individual airlines and from ATA stocks generally handled by travel agencies. All ATA tickets are printed by an outside firm, and then distributed in bulk directly to travel agencies which handle airline business. It is that distribution process which spawns the greatest percentage of losses, with tickets disappearing between the printers and the agencies.

Transporters such as United Parcel Service and Wings and Wheels have exhibited atrocious records of tickets stolen in transit, whether from theft by conspiracy or by simple mishandling. The subsequent sale and/or use of these stolen and lost tickets costs the airlines millions of dollars, which, in the long run, is subsidized by the paying passenger in increased costs of tickets.

Although the ATA generally limits the number of tickets on hand in an agency, a popular criminal gambit has been to simply purchase a small agency, sell all the available ticket stock in a short period of time, make no payments to the airlines, and close up the agency. The airlines must honor the tickets without compensation, since they are legitimate and are generally used for travel well before the nonpayment by the agency is discovered in the accounting process. Then the agency claims corporate financial difficulties or declares bankruptcy. The operation is so familiar to police that they have given it a special name: a "bustout operation."

Recent cases in my own city of New York illustrate the scope of the problem: Seven thousand stolen tickets and 175 persons involved in one case; 900 tickets missing from one agency; 250 tickets from another; 1,500 from yet another, and 1,825 from another.

Other cities have been hit just as hard: Los Angeles airport had $3 million in stolen tickets go through just that single location recently; police indicate it is not at all unusual to turn up theft rings with over $1 million in tickets on hand.

The problem is quite clear, and I believe a major step toward its solution is incorporated in this legislation. Tickets have been poorly handled and accounted for in transport; armed robberies have plagued travel agencies; and Federal, State and local law enforcement agencies have been hampered by an indefinite status of stolen tickets, as well as a lack of coordination in handling a racket which, by its very nature, ranges not only nationwide, but worldwide.

The legislation which I propose today will place such tickets in the realm of Federal law, and thus add some teeth to the prosecution of criminals who are heaping massive economic losses on the transportation industry and on the American public.●

PROBLEMS—SAME EVERYWHERE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. BOB WILSON. Mr. Speaker, I draw your attention to the following editorial:

[From the Times Advocate, July 8, 1979]

PROBLEMS THE SAME EVERYWHERE

What became crystal clear a few days ago when Rep. Clair Burgener addressed more than 100 persons in Grape Day Park was that Escondido's problems are identical to those of Americans from all 50 states.

What also surfaced for the sixth consecutive year at the Escondido Chamber of Commerce's annual Congressional Luncheon is that Burgener is more than a cut above your average veteran politician. Burgener was well-prepared and quick to answer a barrage of questions tossed at him by area newspeople.

Despite some tough questions, Burgener was ready. He obviously relished the challenge; the congressman was at his best, doing what he likes best—facing his constituents and addressing them on a personal basis.

Burgener made it clear throughout his question-answer session that our problems are every American's problems: inflation, energy, mortgage rates, housing, etc. He tackled each of the nation's problem areas thoughtfully, and once again he displayed his class by refusing to blame a Democratic president for all of the country's ills.

When asked for his comments on President Carter's surprising decision to cancel his scheduled energy talk on television last Thursday night, Burgener said the action caught him off-guard, but that Carter was wise to delay the address if he wasn't fully prepared or if all of the new issues regarding the crisis weren't in full focus. "I hope that he just needed a little more time before sharing new solutions with the American public," Burgener said.

The congressman also defended Carter when it was pointed out that his most recent rating in the area of leadership (an ABC–TV–Harris Poll survey) placed him lower than Richard Nixon during his darkest days in the White House.

"I believe Congress is as much to blame as the president for many of our problems," Burgener bristled, "especially in the areas of the economy and energy. We have to do our part, too. I didn't support Mr. Carter in the last election and I won't be supporting him next year, but I take no delight or glee in the failures of our president. I want him to succeed, just as I want all of our presidents to succeed."

That's the Clair Burgener that voters have supported so strongly at the polls in past elections. He was admitting that the United States is facing one of the most difficult periods in its history, and he was asking Congress, the press and the public to share with this administration and past administrations in the blame for the difficulties.

Burgener was laying it on the line. It was painful to some, but it was forthright and honest, two of the congressman's greatest traits.

Clair Burgener was telling the small gathering in Grape Day Park that we DO have common problems in this country and that we have to address those problems as a team. With people like Burgener in Washington, D.C., perhaps we can yet conquer many of these crises.●

CITY OF LOS ANGELES WATER RIGHTS LEGISLATION

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. PATTERSON. Mr. Speaker, H.R. 4938, which I introduced on July 24, 1979, will remove restrictions on Federal lands in Mono County, Calif. Additionally, the bill will protect major investments of the city of Los Angeles in water aqueducts and hydroelectric generation facilities. H.R. 4938 is identical to H.R. 13521, introduced during the 95th Congress, which was supported by both the Los Angeles City Council and the Mono County Board of Supervisors.

Because of the semiarid desert characteristics of southern California, the city of Los Angeles depends on long aqueducts to deliver over 85 percent of its water supply. It is fitting to note that both the Owens Valley aqueduct and Mono Basin aqueduct extension were constructed exclusively with city of Los Angeles funds. No Federal financial assistance was involved. Additionally, in

this era of chronic energy shortages, the hydroelectric generation facilities of the system produce a major portion of the energy needs for the city of Los Angeles. Because the transmission of water through the aqueduct is a gravity system, the energy production by the aqueduct's hydroelectric generation facilities is a completely energy efficient by-product of the project. Additionally, the operation of the entire aqueduct and hydroelectric system is closely coordinated with State and Federal agencies to maximize fish, wildlife, and recreational opportunities.

Because much of the rural land in California is in Federal ownership, Congress in 1906 passed legislation to aid the city in gaining the necessary rights-of-way over Federal lands intersected by the first aqueduct built to carry water from the Owens Valley to Los Angeles. Similar legislation was passed to aid the metropolitan water district in gaining rights-of-way for the construction of the Colorado River aqueduct. In June 1936, Congress passed additional legislation which authorized the sale of certain Federal lands to the city of Los Angeles for the construction of the Mono Basin extension of the Los Angeles Owens River aqueduct. H.R. 4938 will repeal the 1936 act, since the sale of Federal lands to the city of Los Angeles is no longer necessary, while preserving to the city of Los Angeles all of its existing rights.●

LAND AND WATER CONSERVATION FUND CUT

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. DAVIS of Michigan. Mr. Speaker, it was with disappointment that I learned of the adoption by the Interior Appropriations Subcommittee of a funding level for the Land and Water Conservation Fund $159 million below what was budgeted for fiscal 1980.

While I applaud the efforts of the subcommittee to contribute to the effort at cutting wasteful spending, I believe they have made a mistake in selecting this program as one which justifies a cut. The Land and Water Conservation Fund has proved to be a popular, responsible and successful program and is of tremendous importance to local units of government. The need for an adequate level of funding for the program cannot be stressed enough. In my home State of Michigan, the proposed cut would result in a funding level of $6.2 million, compared to the current level of $12.4 million. Applications for the coming year in Michigan total at this time $20.5 million. At a period when we are all experiencing the effects of inflation and recognizing the fact that rising costs extend to construction and development projects, one can only describe the effect this cut would have as devastating.

It should be pointed out, also, that this program has already experienced a cut. The administrations budget request represented a proposed funding level for the Land and Water Conservation Fund 19 percent below the actual fiscal 1979 level.

This program is especially important to small communities that must work within extremely tight budget constraints. The ability to utilize this source of matching funds presents an opportunity to these small communities to provide recreational facilities to local residents that are easily accessible, an important point when considering our current energy situation.

Perhaps most important of all to me is the capacity of this program to encourage increased employment opportunities. In my congressional district which includes counties experiencing an unemployment rate of as high as 25 percent, the prospect of jobs is our most important priority. The State portion of the Land and Water Conservation Fund has proven to have a much greater impact on creating new jobs; when a locality commits money and resources to provision of a new recreational area, it also commits itself to hiring the personnel needed for operating and managing these new facilities.

Mr. Speaker, again let me state my support of the intentions of the subcommittee in looking for ways to cut back on spending, however this is one program that should not be reduced. I hope that the Senate provides for a funding level at least equal to the budget request and urge House conferees on this bill to agree to an adequate level of funding for the program.●

THE LITTLE-KNOWN HISTORY OF ATOMIC ACCIDENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. WEISS. Mr. Speaker, along with several of my colleagues I am today initiating a public information project that will offer the most comprehensive available account of the health consequences of nuclear research and development in our Nation.

This little-known history of atomic accidents will provide a context in which Congress and the American people will be better able to make informed judgments about the future course of atomic energy and weaponry.

Each day throughout the remainder of this session of the 96th Congress, I or one of my fellow participants in this project will introduce into the CONGRESSIONAL RECORD a detailed, documented account of a particular mishap involving nuclear materials. This catalog of atomic accidents, some of which have had profound environmental and public health consequences, has been compiled by Mr. Leo Goodman who has consented to share his work with us and with the American people.

Mr. Goodman's survey is the product of more than 25 years of painstaking research. Each of the incidents is a matter of public record and every one has been checked for authenticity. Sources and supporting data are cited in each case.

Many of the accidents Mr. Goodman presents went unreported at the time of their occurrence. Some were deliberately covered up by officials who feared the governmental and public response to the incidents. Others were initially classified as secret and have since been released. All have been previously recorded in various publications, although several of the accidents are discussed in technical journals or esoteric works not readily available to interested parties.

Mr. Goodman's work is unique and of enormous value in that it catalogs in one place some 1,400 atomic incidents involving radiation contamination.

As we will see, thousands of people have been seriously contaminated as a result of these radiation releases. Many individuals have died, while an unknown number have suffered debilitating illnesses caused by their exposure. Unfortunately and quite crucially, there is no way of knowing exactly how many persons have received these radiation dosages, nor is it possible to state with any real accuracy how all of these people were affected.

Because of the shroud of secrecy that has cloaked atomic research over the past three decades, we will probably never know who has developed what illnesses during the course of this 35-year undertaking.

But we will now—at long last—have some idea of the extent and frequency of atomic accidents and their consequences.

I believe and hope that publication of this little-known history will give us all a much deeper understanding of atomic fission's awesome potential for destruction and death. We will learn, for example, that the recent events at Three Mile Island were not unprecedented nor even particularly unusual. The radiation release there differed from hundreds of others compiled by Mr. Goodman only in that it contaminated more people and a larger area than has previously been the case.

I hope, too, that many of my colleagues and many Americans who have remained supportive of or at least neutral toward atomic energy development will begin to reconsider their position as this chronicle unfolds. In any event, I am sure that Mr. Goodman's work will spur needed discussion of the dangers inherent in our attempts to harness the atom for both energy and weaponry purposes.

Despite his exhaustive research in compiling this history, Mr. Goodman points out that the record is not yet complete. I ask that any of my colleagues or any readers of the RECORD who may have additional information about these incidents or others contact me.

Here, then, is the first installment in the little-known history of atomic accidents:

[Excerpt]

ATOMIC ACCIDENT NO. 1—MELTING URANIUM SPRAYS WORKERS IN DETROIT

Development of the extruding technique for uranium was partly done in Detroit, where the senior metallurgist of Wolverine Tube Company, James F. Shumar, was recruited for the uranium project by Ed Creuts of the Chicago group. The workers

at Wolverine never learned exactly what this peculiar metal that Schumar referred to only as "tuballoy" was. It sparked so beautifully, however, that machinists began taking pieces to make flints for their cigarette lighters. When the horrified Schumar discovered this, he immediately confiscated their highly radioactive flints.

The metallurgists did not know much more than the machinists. When Creuts first visited Wolverine, bringing a uranium billet to be extruded, nobody knew what pressure to use. After Creuts and Schumar had put the billet into the container, the press operator asked them, "You want me to give it five hundred pounds of pressure, or the full seven hundred and fifty tons?"

The two metallurgists hadn't the slightest idea. Creuts decided to go down into the pit beneath the extrusion press where he could observe what happened as the operator gave the uranium billet five hundred pounds of pressure. Nothing happened, so the operator turned on the full seven hundred and fifty tons of pressure, and suddenly sparks showered the whole area as the billet shattered into a million pieces. Creuts and a helper, their clothes smoking from the sparks, stumbled out of the pit. Creuts almost wept when he realized that the uranium, which had melted like butter, was lost beyond all recovery. "I've spent three weeks making that damned thing!" he moaned. "Now I'll have to cast another billet and come back again."

Source: "Manhattan Project," by Stephane Groeuff, Little, Brown & Co., 1967, pages 146–7.●

REGISTERING FOR THE DRAFT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. SOLOMON. Mr. Speaker, a vital issue, which the Congress will soon face was, in my opinion, placed in proper perspective by an editorial in the Washington Star, is the issue of July 30, entitled "Registering for the Draft." In view of the urgency of this matter to the security of our Nation I would like to call it to my colleagues' attention.

The article follows:

[From the Washington Star, July 30, 1979]

REGISTERING FOR THE DRAFT

The recent debate about resuming some form of the draft or instituting national service has been fitful. The opposition often has been virulently rhetorical, while proponents have often presented their case clumsily.

Thoughtful discussion has, however, gone on in the interstices, to a degree that there is no need any longer, we think, to defer conclusion. We must pull our heads from beneath the blanket.

Pending in the House, as a rider to a weapons authorization bill, is a proposal by Rep. Sonny Montgomery, D-Ala., that would require registration of all 18-year-old males beginning in January 1981. In the Senate, a bill sponsored by Sen. Sam Nunn, D-Ga., would also require registration, but beginning next January. Neither is a draft bill. The requirement simply would be for those eligible to get on the rolls.

The White House does not want registration and, on Friday, Speaker O'Neill said he would support removal of the amendment from the weapons bill.

But we think registration is a sensible and necessary first step to dealing with a military manpower situation that is potentially devastating. "In a real sense," Senator Nunn has said, "the choice is between realistic preparation of our conventional forces, including peacetime registration, or more and more reliance on quick use of nuclear weapons."

To those still suffering from extreme post-Vietnam biahs, the possibility of American military involvement, anywhere or in any degree, is intolerable. If only the world were so simple.

Right now, U.S. military manpower deficiencies are so pronounced that we could not respond adequately to a national-security emergency. Senator Nunn does not pussy-foot: The Defense Department's present contingency mobilization plans is, he says, a "hoax."

Peacetime registration will not, of course, make whole a flawed mobilization plan and severely inadequate numbers of trained Reservists. But a peacetime registration would be a constructive approach to shoring up these shaky timbers of national defense.

Representative Montgomery has drafted a separate bill that would go beyond registration. It would provide for a partial draft—of up to 200,000 men a year for the Ready Reserve. These men would serve four to six months on active duty and then would be subject to active-duty calls for six years. Draftees would be chosen from a no-deferment lottery pool and those drafted for the Ready Reserve would receive GI educational benefits. His proposal would quickly address the deficiencies in Reserve units which would be a primary resource in an emergency.

There is nothing wrong with the Montgomery bill. But it's more feasible now to begin with registration.

Senator Nunn's proposal has been approved by the Armed Services Committee and, under a unanimous consent agreement, will become the Senate's pending business once the House acts on its registration measure. Senator Nunn wants his bill to provide a forum for full public debate on this crucial and sensitive matter, and he thinks the timing is urgent. He is right on both counts.

Is the question here—the obligation of a citizen to his nation—really as controversial among those who would be affected as shrill opponents would have us believe?●

LETTER TO THE PRESIDENT ON THE USE OF PENALTY MAIL ENVELOPES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mrs. SCHROEDER. Mr. Speaker, on occasion, I am sure that the Members receive letters from some Federal employees who have used the frank envelope to voice their opinions on matters we are considering or to seek their assistance. In responding to their constituents, the Member may wish to advise them that they have violated the law (18 U.S.C. 1719) in using the penalty mail envelope. This law reads as follows:

§ 1719. Franking privilege.

Whoever makes use of any official envelope, label, or indorsement authorized by law, to avoid the payment of postage or registry fee on his private letter, packet, package, or other matter in the mail, shall be fined not more than $300. (June 25, 1948, ch. 645, 62 Stat. 783.)

The proper use of penalty mail is discussed in 18 United States Code 3202 and the restrictions are found in 18 United States Code 3204. The text of these sections are as follows:

§ 3202. Penalty mail

(a) Subject to the limitations imposed by sections 3204 and 3207 of this title, there may be transmitted as penalty mail—

(1) official mail of—

(A) officers of the Government of the United States other than Members of Congress;

(B) the Smithsonian Institution;

(C) the Pan American Union;

(D) the Pan American Sanitary Bureau;

(E) the United States Employment Service and the system of employment offices operated by it in conformity with the provisions of sections 49–49c, 49d, 49e–49k of title 29, and all State employment systems which receive funds appropriated under authority of those sections; and

(F) any college officer or other person connected with the extension department of the college as the Secretary of Agriculture may designate to the Postal Service to the extent that the official mail consists of correspondence, bulletins, and reports for the furtherance of the purpose of sections 341–343 and 344–348 of title 7;

(2) mail relating to naturalization to be sent to the Immigration and Naturalization Service by clerks of courts addressed to the Department of Justice or the Immigration and Naturalization Service, or any official thereof;

(3) mail relating to a collection of statistics, survey, or census authorized by title 13 and addressed to the Department of Commerce or a bureau or agency thereof; and

(4) mail of State agriculture experiment stations pursuant to sections 325 and 361f of title 7.

(b) A department or officer authorized to use penalty covers may enclose them with return address to any person from or through whom official information is desired. The penalty cover may be used only to transmit the official information and endorsements relating thereto.

(c) This section does not apply to officers who receive a fixed allowance as compensation for their services including expenses of postage. (Amended Pub. L. 94–553, § 2113(e), Oct. 19, 1976, 90 Stat. 2599.)

§ 3204. Restrictions on use of penalty mail

(a) Except as otherwise provided in this section, an officer, executive department, or independent establishment of the Government of the United States may not mail, as penalty mail, any article or document unless—

(1) a request therefor has been previously received by the department or establishment; or

(2) its mailings is required by law.

(b) Subsection (a) of this section does not prohibit the mailing, as penalty mail, by an officer, executive department, or independent agency of—

(1) enclosures reasonably related to the subject matter of official correspondence;

(2) informational releases relating to the census of the United States and authorized by title 13;

(3) matter concerning the sale of Government securities;

(4) forms, blanks, and copies of statutes, rules, regulations, instructions, administrative orders, and interpretations necessary in the administration of the department or establishment;

(5) agricultural bulletins;

(6) lists of public documents offered for sale by the Superintendent of Documents;

(7) announcements of the publication of maps, atlases, and statistical and other reports offered for sale by the Federal Power Commission as authorized by section 825K of title 16; or

(8) articles or documents to educational institutions or public libraries, or to Federal, State, or other public authorities.

Because I, too, have received such mail, I have sent the following letter to President Carter:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 30, 1979.

Hon. JIMMY CARTER,
President, The White House, Washington, D.C.

DEAR MR. PRESIDENT: It has been recently brought to my attention that the use of penalty mail privileges by Federal employees for submitting job applications for vacancy announcements is widespread.

In my capacity as a member of the House Committee on Post Office and Civil Service, I believe it may be advisable for you to arrange a reminder to all Federal departments and agencies of the sanctions contained in 18 U.S.C. 1719 for the misuse of penalty mail. Such a reminder would be in the best interest of all taxpayers, since they ultimately pay the postage of the franked mail sent by Federal agencies.

With kind regards,

Sincerely,

PATRICIA SCHROEDER,
Congresswoman.

I hope that the President will send a memorandum to his acting top aides on this matter. These top officials should notify their personnel offices—who would see these violations more often—that such use of penalty mail is illegal. These abuses should be brought to the attention of the top officials, who, in turn, should notify the Postal Service and originating agency of the infraction. Violators should be properly reprimanded and this practice should cease.●

THE "SECRETS" OF THE IMMIGRANTS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. BOB WILSON. Mr. Speaker, I call attention of my colleagues to the following editorial:

THE "SECRETS" OF THE IMMIGRANTS

(By Michael Novak)

Persons in one ethnic group tend to do better than others in specific lines of activity, often because their own culture has for centuries carried with it special cultural training, cues, practices and even "secrets."

For example, in three important categories, immigrants from Greece are now ranked one or two among all Americans: in ownership of their own businesses; in per capita income and in years of higher education for their children. Like the Jews, Lebanese, Armenians and other Mediterranean peoples, the Greeks have long shared the culture of merchants and traders.

Families pass on the relevant attitudes, disciplines, skill and methods to their children. More than that, the families often provide capital so their children can go into business for themselves.

Indeed, one of the most important "ethnic secrets" of the Greeks might be called "ethnic banking." Ethnic banking occurs when, for finance needs one tends to turn rather to members of ones family than to banks or other public institutions. Families are their own bankers.

On the island of Crete, for example, for over 400 years, Greek families were fearful of a sudden piratical invasion in which they could lose everything. Consequently, many families kept a "buried treasure" somewhere, enough capital to get started again.

Such persons—from many ethnic groups, too—loathe having public institutions know too much about them. So when relatives need capital, the family tends to provide it privately.

Even among workingclass families, membership in a large kinship group can be worth thousands of dollars a year to each individual. One brother-in-law does aluminum siding, another is an electrician, a third is a roofer. They take care of jobs for other members of the family. Each member family benefits.

Annual income, in such circumstances, is not merely in dollars.

A second "ethnic secret" of many groups is the importance of capital formation. Self-discipline and rigorous savings are put into property and businesses whose capital value, over the years, will increase.

One Greek family in Washington puts the entire family to work six days a week, 12 hours a day, in a tiny restaurant. Other restaurants fail, at a high rate. By the end of the year, this family clears $35,000. Divided by the labor of two parents and three children, one might say they are working far too long and far too hard for an average of $7,000 per year per person. That is barely the minimum wage for an eight-hour day, let alone a 12-hour day.

But the family sees it differently. The family now owns its own home, too, as well as the business. Soon the children will be buying homes. Within 20 years, this family hopes to own a small conglomerate of properties, which will represent a source of capital to each succeeding generation. Of course, being Greek, they also will tell you, with a worried look, that things look prosperous today, but tomorrow it might all be taken away. Pessimism makes their creative juices run.

A third "ethnic secret" consists in attitude. Here activism in business is quite different from activism in politics. A Greek father toiling in a restaurant will hear many patronizing remarks, even supposedly humorous ethnic slurs, from well-meaning patrons. He will swallow his anger and smile and thank the customer. Everytime the customer comes back, he will receive a smile. "Don't get angry, get even" is the long-range motto. Each sight of such a customer reminds the owner: "You think you are better than I am now. But one day I will buy a house better than yours, and my children will go to better schools. And your patronage will help pay for it all."

To succeed in the economic order is 90 per cent a matter of attitude. Learning the attitudes that make for success in economic independence is at least as hard as learning those that make for political independence.

Economic activism is the natural inheritance of many ethnic groups, including the ethnic Chinese, the "boat people," who the Soviets are callously permitting their North Vietnamese clients to push out on the boiling sea. May these new immigrants enrich America with their skills and their attitudes. This is the way to get even.●

PERSONAL EXPLANATION

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. BEREUTER. Mr. Speaker, because my flight back to Washington from a weekend in my congressional district was unavoidably delayed, I missed part of today's proceedings of the House of Representatives. Two rollcall votes occurred during my absence. I wish to state for the RECORD how I would have voted in each instance:

"Yea" on H.R. 3509, the Safe Drinking Water Authorization; "nay" on the motion to table Congressman LUNGREN's resolution to expel Congressman DIGGS. I personally support the resolution to expel Mr. DIGGS and have submitted a statement for the RECORD.●

WHILE THE SLICK SPREADS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday July 30, 1979

● Mr. BIAGGI. Mr. Speaker, the lead editorial in Friday's New York Times is entitled, "While the Slick Spreads." It refers to the oil slicks from the well blowout in the Gulf of Mexico and the recent collision of two supertankers off Trinidad. Each of these incidents has resulted in massive oil spills.

The editorial highlights the fact that we have delayed too long in acting to minimize oil spills and in providing a system for compensation and cleanup. The subject has been extensively researched, studied, and analyzed. I have devoted a great deal of my time in three Congresses to it. The bill I introduced in this Congress, H.R. 85, would effectively deal with the problem. It is the Comprehensive Oil Pollution and Compensation Act referred to in the Times editorial. It has wide support.

Now is the time to act. I urge my colleagues to aid me in moving forward with this legislation as soon as possible. Why should we wait for more tankers to collide and more oil to be spilled?

The editorial follows:

WHILE THE SLICK SPREADS

The highest price the world pays for its reliance on petroleum may turn out to be the environmental damage caused by oil spills. A new record is almost certain to be set this year for the amount of oil disgorged into the seas through spills, blowouts and tanker collisions. And while the slick spreads, remedial legislation languishes in Congress.

Plain bad luck may account for Mexico's inability to cap an offshore oil well near the Yucatan that has been gushing as many as 1.2 million gallons a day into the Gulf of Mexico. But luck cannot be blamed for the succession of five tanker collisions in three months in the Caribbean, the North Atlantic and Delaware Bay. The worst of these took place last week when two supertankers carrying well over 2 million barrels of crude smashed into each other during heavy rains east of the island of Tobago.

Why do such accidents recur? However bad the storm or dense the fog, modern supertankers are equipped with advanced navigational aids and sail in well-charted waters. Size and design have little to do with tanker collisions. Earlier disasters, like the 1976 wreck of the Argo Merchant on Nantucket shoals, were attributed to safety deficiencies on aging ships. But Congress has now empowered the Coast Guard to inspect tankers that travel in American waters for compliance with safety codes.

Tanker collisions invariably result from carelessness and misjudgment. Seafaring nations moved belatedly last year to establish

international standards for seamanship that would specify the training and experience needed for each grade in the merchant marine. The accord they reached, however, will not become binding until it is ratified by 25 nations, and the United States Senate has yet to consider it.

Meanwhile, under United States law, the Coast Guard can pass upon the quality of seamanship on American-manned vessels and, as 1980, will be able to appraise standards on every oil tanker using American waters. The Coast Guard wants to evaluate the training procedures of foreign fleets, but at the moment it is still grappling with the job of translating their training manuals into English.

Yet there are more immediate steps Washington can take. A big one would be to create real incentives for oil companies and shippers to improve the quality of crews and seamanship. A powerful way to do that would be to increase liability for damage caused by deep-water spillages. That is the intent of the proposed Comprehensive Oil Pollution and Compensation Act, a measure—backed by the Administration—that would make companies pay up to $30 million in damages when spills pollute American waters. A Federal revolving fund of $200 million would be available for additional compensation, the money deriving from a three-cent-a-barrel assessment on imported oil.

Environmentalists sought a tougher measure, and the compromise means that consumers would share in paying the bills. But the cost would come out to a pittance per gallon and would help provide prudent insurance against these all-too-likely disasters. Some 700 supertankers are now in service, and oil shipments are at a record level. A similar liability measure was introduced in the last Congress but ended as unfinished business. How much more oil must be spilled, how many more ships must collide, before Congress moves?●

RABBI AND REBITZEN SIMCHA WASSERMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. WAXMAN. Mr. Speaker, Rabbi Simcha Wasserman's name is associated with the development of yeshivas in Europe and America, as well as wartime and post-war rescue activities.

Rabbi Simcha Wasserman is the son of the late sage, scholar, and martyr, Rabbi Elchonon Wasserman, of blessed memory. This great leader of Lithuanian Jewry knowingly sacrificed his life during the holocaust in the service of God and His Holy Torah. His son, Rabbi Simcha Wasserman, has carried on the tradition of selfless dedication.

Founded by Rabbi Wasserman in 1952, the West Coast Talmudical Seminary is from high school through a Beis Hamedrosh program and combines quality Jewish and secular teaching.

Rabbi Wasserman was born in Poland, ordained in 1929, and quickly earned a high place among the Talmudical scholars of Europe.

In 1933, he embarked on his lifelong pioneering task of establishing new yeshivahs, first in France, and after his wartime escape to the United States in Spring Valley and Washington Heights, New York and Detroit.

His organizational talents turned from the classroom to the postwar surviving remnant of European Jewry during and after the war. He helped found the Vaad Hazala, the rescue organization for European Jews set up by the American orthodox community.

In 1946, as officer for UNRRA (United Nations Relief ad Rehabilitation Administration), he worked together with top French Government leaders to aid the Jews fleeing Russia and Poland to reach haven in Palestine and the United States.

Characteristically, Rabbi Wasserman set up a string of yeshivahs in transit at that time.

In 1953, he answered a call to establish the West Coast Talmudical Seminary, thus opening an era of Torah education in this part of the country.

The new Yeshiva Ohr Elchonon in Jerusalem is the present recipient of his intense involvement.

In all of Rabbi Wasserman's challenging endeavors he has had at his side, since 1930, his illustrious wife Rebitzen Fanny Wasserman. Mrs. Wasserman is the descendant of one of Jewry's most illustrious families. Her father, the late Chief Rabbi of Navaridok, is the famed author of an authoritative commentary on the Jerusalem Talmud. Mrs. Wasserman has been not only the proverbial "Woman of Valor" to her husband, but has also pursued her own fruitful career as a Torah educator and community leader.

I ask my congressional colleagues to join me in thanking Rabbi and Mrs. Simcha Wasserman for all they have contributed during their many years in the United States. I ask also that the fellow Members join me in wishing Rabbi and Mrs. Wasserman great success in their new undertakings in Israel.●

TAXPAYERS LITIGATION AND EQUITY AWARD ACT OF 1979

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. LOWRY. Mr. Speaker, I am privileged today to introduce the "Taxpayers' Litigation and Equity Award Act of 1979."

As, Americans, we are proud that we are a Nation governed by laws. And, we are proud that our tax system, so necessary to support the justifiable aims of Government, is one that usually functions without seizures or impoundments though dependent upon the willingness to pay of those taxed.

But, in recent years, while disenchantment with Government in general has grown, disenchantment with the tax system has, in many instances, become angry resentment.

Unfortunately, most taxpayers, when they are confronted with an audit, are both reluctant and helpless to challenge a finding, even when the law would uphold their point of view. Applying their rights has in many cases become too expensive for the average American, particularly when he/she must litigate against the seemingly unlimited resources and expertise of the U.S. Government, and particularly when the costs of contesting IRS claims quickly exceeds the amount of tax in dispute. Most persons do not have the staying power of two of my constituents, Phil and Sue Long, who successfully have represented themselves nine times, only resorting to hired counsel in the last round before the Ninth Circuit Court. (Please see attachment.)

The legislation which I am introducing today is intended as a step toward restoring confidence in the tax system. It would allow any taxpayer who prevailed in an administrative appeal or in a judicial proceeding to recover the costs of litigation including any administrative appeals. Those taxpayers who thought it reasonable that they might prevail, could now challenge with the expectation that the remedy for their wrong would not result in only a pyrrhic victory, a victory which cost more to litigate than it was originally worth in tax recovery.

This bill, in most instances, provides for a limit on legal fees and a limit for hourly rates paid. The exception is those cases where the Government unreasonably focuses its vast resources in litigating an issue against a litigant of unequal bargaining power. In that instance, the taxpayer, if his assets are below a certain amount, may recover fees equivalent to that amount which the Government has spent. If there is a determination that the Government has acted unreasonably, the award comes out of IRS' appropriation.

The legislation also requires a report by the Commissioner of IRS, by the appropriate officer of the Tax Court, and by the Director of the Administrative Office of the U.S. Courts on the number of appeals and the number of awards to prevailing parties.

The report will allow an evaluation as to the effect of the legislation so that the decision required by its sunset clause may be made in an informed manner. The reporting provision will also allow Congress to keep track of whether the IRS as an Agency is making responsible decisions as to when to litigate, responsible not just in the sense of wringing more money from an already harassed taxpayer, but more reasonable in that it is more just.

Mr. Speaker, in closing, I would like to emphasize that the imbalance between the bureaucracy and the power of the average American taxpayer must be redressed. Those individual citizens of moderate income who bear the brunt of the taxes of this Nation must be able to check arbitrary Agency actions by contesting them.

Through the device of shifting the fees to the prevailing individual taxpayers, this legislation will improve our citizens access to courts and administrative proceedings. It will encourage them to vindicate their rights and not to acquiesce in a ruling which they believe to be arbitary, misguided, or unfair. And, it will, I hope, make the tax structure more responsible in its exercise of power.

The attachment follows:

[From the Washington Star, July 21, 1979]

COUPLE WIN SUIT, INTENSIFY IRS DATA BATTLE

(By E. Edward Stephens)

Susan B. Long and her husband, Philip H., of Bellevue, Wash., on May 2 won a unanimous decision in the 9th Circuit U.S. Court of Appeals at San Francisco. This "freedom of information" decision is so important that on July 6, the Internal Revenue Service asked for a rehearing by the full court.

Three days later Stephen K. Strong, Seattle lawyer for the Longs, filed a motion to strike down "the numerous false assertions of fact" stated in the rehearing petition. The motion and petition now are under consideration by the court.

Trouble started when Sue and Phil, as the Longs are widely known, invoked the Freedom of Information Act, asking IRS officials in Washington to let them examine all the information IRS had compiled in Phases 2, 3 and 4 of its Taxpayer Compliance Measurement Program, launched in 1962. TCMP is a continuing series of statistical studies on a national scale designed to measure the level of compliance by American taxpayers with federal tax laws.

When IRS officials flatly refused to let the Longs see any part of the TCMP documents, Sue and Phil hauled them into the U.S. District Court in Seattle.

As a result of this suit, they won access to TCMP statistics. But District Judge Walter T. McGovern held that IRS could not be compelled, under Freedom of Information, to disclose computer tapes and check sheets on which the statistics are based.

McGovern's primary reason for so holding was this: IRS officials had submitted to him sworn statements explaining that all of the tapes contained individual taxpayer identities, all of which would have to be removed by IRS before the Longs could see the tapes. The judge concluded that removal of the identification would be too burdensome.

It looked as if IRS had won the case. But Sue was later amazed to discover that the sworn statements of the IRS officials were false.

The truth is the original tapes made by IRS did contain taxpayer identities. But IRS had routinely and regularly made copies without such identifying information, and these copies were secretly in IRS's possession when the Longs were asking for the tapes.

Sue and Phil appealed to the 9th Circuit Court of Appeals, where Sue lost no time in revealing the truth. She demonstrated what the Longs always had emphasized—that they did not want to identify taxpayers.

She made it crystal clear that she and Phil would very seldom need to see check sheets, which did contain taxpayer identity information. She explained that it would be very easy for IRS to remove such identity data in the few instances when they might call for particular check sheets.

Not surprisingly, the three-judge circuit court reversed the district judge's decision and remanded the case to McGovern for appropriate action. Circuit Judge Anthony M. Kennedy's opinion doesn't mention the false affidavits. But, Sue said, the proof is in the record for anyone who wants to check.

Apparently irritated, the circuit court left no room for IRS officials to wriggle through the net. The court held that, even if it had been necessary for IRS to remove taxpayer identity information from the tapes, this would not have been sufficient ground for withholding the tapes and check sheets.

Sue and Phil Long are formidable foes. This is the ninth time they have beaten IRS in freedom of information cases, and it's the first time they've been represented by counsel.●

STATEMENT CONCERNING THE PALESTINIANS AND EGYPT-ISRAEL NEGOTIATIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, earlier this year, I had the honor of addressing the national executive committee of the Zionist Organization of America in Chicago. During the meeting, Mr. Alleck A. Resnick, chairman of the executive committee, issued a statement concerning the Palestinians and the Egypt-Israel negotiations. The statement was made in response to an announcement by Secretary of State Cyrus Vance stating U.S. policy on the negotiations. I do not believe that the United States should attempt to impose a solution. We should insist on face-to-face negotiations without preconditions. This country can serve the parties best by providing our good offices for mediation. Those principles are embodied in Mr. Resnick's statement, which follows.

STATEMENT BY ZIONIST ORGANIZATION OF AMERICA

The president of the Zionist Organization of America, Ivan J. Novick, and Alleck A. Resnick, Chairman of its National Executive Committee, meeting in Chicago, May 27th, issued the following statement, in response to the announcement made by Secretary of State Vance regarding the Palestinians and forthcoming Egypt-Israel negotiations:

1. The Carter Administration has now publicly made clear that it is prepared to take a position relative to the Palestinians more far-reaching than previous Administrations. The statement made by Secretary of State Vance, directly and by implication, repeats the invitation for the terrorist PLO to participate in the negotiations between Egypt and Israel.

This is contrary to the spirit of Camp David, where it was decided that these sensitive issues will be carefully and cautiously negotiated during a five-year period.

The statements by Vance are an ill-conceived, unwarranted and counterproductive intrusion by the United States that could severely jeopardize the possibilities for the continuation of the peace process.

2. The statements by the American Secretary of State violate the often repeated assurances by President Carter that the Administration will maintain objectivity and impartiality. Only Egypt and Israel, conducting negotiations together and directly, without outside interference, can achieve peace. Unfortunately, the statements' by Secretary Vance place the power, prestige and influence of the United States squarely on the side of Egypt. Therefore the negotiating stage is heavily weighted against Israel at the very start of the negotiations.

3. By giving outright support to the demands of the PLO, the Secretary has deprived the U.S. of its role as mediator and has turned itself into an ally of the Arab rejectionist front thereby undermining its ally Israel and to a great extent President Sadat.

4. Although Mr. Vance represents the Administration, we raise serious questions of this trend towards accommodation of the PLO truly represents the best interest of our nation or in effect is even supported by the American people.

The issues pertaining to Judea, Samaria and Gaza are directly related to the integrity of Jerusalem as the capital of Israel. Therefore, it is not only Israel which is confronted with the Administration's stance, but every Jew throughout the world is thereby challenged.

We question if the future of the Jewish nation, as well as the future of all the Jewish people, should be decided for all time by the will and judgment of a solitary individual, be he the President of the United States or the Secretary of State. We must ask if the judgment is proven incorrect, how will Israel and the Jewish people regain what has been taken away from them and which cannot be retrieved.

5. The Zionist Organization of America, which for 81 years has been in the forefront of the struggle for Zionism and for the establishment of the Jewish State fifty years before its birth, meeting in executive session in Chicago, calls upon the President of the United States to make clear that it will not pressure Israel to accept a PLO state—now, or in the future.

We call upon Israel's friends in the Congress of the United States, the American people and all people of goodwill everywhere to recognize the inadvisability of pressuring Israel to make concessions directly detrimental to its future and equally dangerous to America's own position in the Middle East.

The Zionist Organization of America calls upon the American Jewish community now, to voice its unalterable rejection of present Middle East policy and end this appeasement of the enemies of the United States and of Israel. The United States should live up to its commitment not to impose solutions, and reaffirm traditional American morality by rejecting the terrorist PLO, thus allowing Egypt and Israel to negotiate their own future.●

A LIQUEFACTION PLANT SYMBOLIZES PROBLEMS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

○ Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to invite my colleagues to take a close look at an article which appeared in Sunday's Washington Post, by Jerry Knight, entitled "A Liquefaction Plant Symbolizes Problems." While I have supported the initial legislative effort in the House to develop synthetic fuel pilot programs I believe it incumbent on all of us to constantly monitor all views available on this very expensive proposal. The text of the article follows:

[From the Washington Post, July 29, 1979]

A LIQUEFACTION PLANT SYMBOLIZES PROBLEMS

(By Jerry Knight)

Outside Cattletsburg, Ky., where mountains of coal loom over a forest of oil refineries, construction workers are forging a stainless steel link between America's most abundant energy resource and the nation's most critical energy need.

In a few months, coal from the Appalachian mountains will be dumped into one end of that link—a $200 million chemistry set—and oil will flow out the other end into a nearby refinery.

Making oil from coal is the heart of President Carter's synthetic fuels program, and the Cattletsburg complex will be the biggest coal liquefaction plant in America. It is designed to turn 250 tons of coal a day into 625

barrels of "syncrude" that can be refined into gasoline and heating oil.

Cattletsburg's 625 barrels of synthetic oil will make barely enough gasoline to supply a single service station, let alone contribute significantly to the President's goal of producing 1 million to 1.5 million barrels of coal-derived synfuels a day by 1990.

The Cattletsburg coal liquefaction plant is symbolic of how far the nation has to go to meet the president's target of energy independence. It also is symbolic of the obstacles that are faced—it is at least a year behind schedule and is costing nearly four times as much as expected.

"If you look at the growing pains of the whole national energy situation, you'll see what happened in this development," say Bronek Dutkiewicz, who is in charge of commercializing the coal-to-oil conversion process patented by Hydrocarbon Research Inc., a subsidiary of Dynalectron Inc., of McLean.

Known as "H-coal" Dynalectron's process was developed by Hydrocarbon Research scientists and tested in three laboratory-size pilot plants at Trenton, N.J., for more than 10 years before the Department of Energy agreed to finance the "scale up" project in Kentucky with Ashland Oil and half a dozen other companies as partners.

Since the project was started, the DOE has changed its objectives several times, has switched project managers twice and has picked up the tab for more than $135 million of cost overruns.

Though the Cattletsburg plant has yet to squeeze its first drop of oil from a lump of coal, Dynalectron and some of its partners already are asking the federal government to provide $7 million in planning money for a full-scale commercial plant, a 50,000-barrel-a-day facility that will cost upwards of $2 billion.

Thirty or 40 similar-sized synfuel factories will have to be built in the next decade to achieve the president's energy independence goal.

Dynalectron's H-coal process is one of five coal liquefication techniques that are struggling toward commercialization, and the coal liquids industry is but one of the alternative energy businesses that will need to be created under Carter's plan.

To eliminate the need for 2.5 million barrels of imported oil a day by 1990, the president proposes producing the equivalent of 1 million to 1.5 million barrels of oil from coal liquids and coal gasification—making a natural gas substitute from coal.

Another 400,000 million barrels a day would come from the infant oil shale industry under the White House plan, and about 100,000 barrels a day from a virtually-nonexistent "biomass" business under which crops would be cooked into alcohol and other fuels.

Carter also is counting on replacing half a million to a million barrels of oil a day with natural gas from sources that cannot be tapped with today's production methods and with using solar collectors, windmills, co-generation plants and a host of other nascent technologies to "back out oil."

Achieving energy independence will require creation of a whole new alternative energy industry, a business as big as nuclear power or aerospace.

To a great extent the new energy industry will be the same old energy industry. In the emerging coal liquefactions field, Dynalectron's competitors include Exxon, Mobil, Gulf and the Government of South Africa. Virtually every major oil and energy company already owns a piece of the rock that one day may replace conventional oil as America's chief fuel.

At least four other methods of converting coal to liquid fuels are roughly the same distance from commercial feasibility as H-coal; they work on paper, they produce oil a barrel or two at a time in the laboratory; they appear to be economically eligible for full-scale testing.

The five processes are rivals, but not competitors, DOE officials insist. It is possible—likely if the president's accelerated energy independence program is adopted—that full-scale commercial plants will be built using all five technologies. Development of all five processes is proceeding simultaneously.

Exxon—the world's largest corporation—has invested heavily in a process called Exxon Donar Solvent and later this year will open a federally financed synthetic fuel plant about the same size as Cattletsburg's at Baytown, Tex.

Exxon's EDS process is chemically similar to Gulf's Solvent Refined Coal, which is known as the SRC II process because Gulf is already into the second generation of its development. Gulf runs what is currently the biggest coal liquifaction plant in the nation, converting 30 tons a day into oil at a research facility outside Tacoma, Wash.

By the end of July, Gulf will complete a DOE contract for Phase Zero—the planning—of the nation's first full-scale coal liquification plant which Gulf hopes to build at Morgantown, W. Va. DOE approval of that project could come this fall.

The South Africans are the world leaders in synfuel production, regularly producing 20,000 barrels a day. But their SASOL process—being pushed in this country by Fluor Corp.—has political, technical and economic problems.

Mobil has yet to get its M-gasoline process out of the laboratory stage, but may be able to scale up faster than the others because 85 to 90 percent of the M-gasoline system uses off-the-shelf equipment already proved in commercial use.

Scale-up is the name of the game in synfuels. The trick is to take a process that works in the laboratory or small pilot plant and do it in a big enough way to make it economically feasible. That can require building a plant 50,000 times bigger than a laboratory demonstration unit—the equivalent of going from building lifeboats to building an ocean liner.

But along with efficiencies come risks. Tiny amounts of coal ash that cause no problems in a laboratory coal-to-oil process can clog filters and shut down a 50,000-barrel-a-day plant. Micropollutants unnoticed when they leak from a one-ton-a-day coal cooker can be an ecological disaster in a full-scale plant. Under hundreds of pounds of pressure and intense heat, valves break, 8-inch-thick stainless steel tanks corrode and computer models prove useless.

Environmental and health questions also are being answered by the pilot plant operations, where workers are monitored closely for long-term and short-term medical problems. Virtually all coal liquid products are toxic, most of them more toxic than ordinary petroleum products, and many coal liquid products—including fuel oils produced from coal—are known cancer-causing agents. The danger to production workers is not yet known.

"The only way you learn these things is to build a full-scale plant and run it," said Dynaelectron's Dutkiewicz. But, he added, "The risks are too great for even the largest corporations to do that with their own money."

Carter's plan calls for the government to take the risk of building the first two or three plants and for private enterprise to put up the rest with some sort of government financing. A number of federal subsidies are under consideration in Congress, ranging from loan guarantees to government contracts to purchase synfuels at a premium above petroleum prices to accelerated depreciation and tax credits for synfuel investments.

The money would come from the president's windfall profits tax on the oil companies, which would finance the president's "moral equivalent of war" to launch the synfuels industry by 1990.

Ironically the government program to protect against the risks of launching a new synfuels industry may also exaggerate those risks, warns a Rand Corp. study. Jumping directly from the laboratory to full-scale plants in a crash program requires plant construction to start before designs are completed, before environmental rules are written, before all the contengencies have been accounted for, the Rand study said.

Those factors are part of why first-generation energy facilities have proved to cost an average of 2.5 times as much as estimated and why several multi-million-dollar projects have been built and abandoned because they did not work, Rand warned.

"For government officials, cost growth has made (research and development) decisions difficult, has increased the uncertainty in supply planning and has hampered commercialization," Rand said. If cost estimates of coal liquification plants prove to be as far off as the Rand study suggested, plants expected to cost $2 billion could cost upwards of $5 billion, and the contention that synthetic fuels can compete with imported oil would prove false.

Until Carter launched his crash program to develop alternatives to oil earlier this month, the DOE was scaling up its coal conversion projects in steps, providing funds for a sequence of increasingly larger plants—with daily outputs of one, 20, 250 and 10,000 tons—gradually approaching commercial scale.

DOE analysts say it isn't necesary to build that sequence of plants for each of the five promising coal liquification processes because many technical problems are common to all the processes, permitting much leapfrogging.

Intermediate-size plants like the Cattletsburg H-coal facility and Exxon's Baytown EDS facility, both utilizing some commercial-scale components, can answer many of the engineering problems, but they can provide only clues about the most difficult question, and the greatest risk—the cost of producing synthetic fuels.

The price of the product that will flow from Exxon's plant "isn't a relevant question," a corporate spokesman said. "That's not what we expect to learn there."

The most recent estimate of how much synthetic fuels will cost to make was issued this month by the Engineering Societies Commission on Energy (ESCOE), which has made a series of studies of alternative energy technologies.

Because the various processes turn out different products—gasoline, natural gas, boiler fuel and others—the engineering study estimated how much it would cost to produce 1 million BTUs of energy by each process: $3.58 from H-coal, $3.62 with Gulf's SRC-II, $3.96 via Exxon's EDS, $4.84 via Mobil's M-gasoline and $4.99 by the Fischer-Tropsch process used in South Africa.

Those prices are competitive with an equivalent amount of energy from a barrel of imported oil, which yields 5.8 million BTUs and costs $20 to $24 delivered in the U.S.

But spokesmen for the companies involved in building coal liquefaction plants are skeptical of those estimates, calling them lower than their own estimates of synfuel costs, which range from $25 to $35 a barrel.

DOE analysts point out that the price of an equivalent amount of energy may not be the right question to ask when comparing synfuels processes because the products of some processes are in greater demand than the output of others.

The competing coal liquids processes yield varying quantities and qualities of products.

Technically the Exxon, Gulf and Dynalectron processes are known as direct coal liquefaction; Mobil and South Africa use indirect

liquefaction, first turning the solid coal into a gas, then converting the gas into a liquid.

Exxon and Gulf dissolve finely powdered coal in a liquid solvent, then process it to add more hydrogen to the coal, converting it to a liquid. The big difference between the two processes is the solvent used; each has its own patented product.

Mobil contends M-gasoline can be commercialized more quickly than the others because only the final step involves new technology. A DOE study of where to locate synfuel plants assumes that indirect liquefaction plants will be built first, but only a couple of years ahead of direct liquefaction.

Conoco (Continental Oil Co.) advocates short-cutting the M-gasoline process and simply converting coal into methanol on a large-scale basis. Methanol, or methyl alcohol, can be burned directly as a fuel in powerplants or internal combustion engines, although both require modification.

Conoco officials say methanol is a highly desirable substitute for imported oil in urban powerplants because it is clean-burning, and the company is promoting the fuel for use in California where pollution regulations rule out burning coal.

The ESCOE synfuels evaluation concludes that, on cost factors alone, the South African process "has a severe disadvantage." Among the others, the engineering analysis said, "The choice of fuel process depends strongly on the desired products.

"The M-gasoline process appears both competitive and relatively free of process risk. If industrial boiler fuel (to replace oil for powerplants) is the needed fuel, the H-coal, EDS, or SRC are all serious contenders." ●

ENERGY NEEDS AND LESSONS LEARNED

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. JENRETTE. Mr. Speaker, as we all know, the recent incident at the Three Mile Island nuclear plant in Pennsylvania has cast a shadow over the future of nuclear power in this country. Because my home State of South Carolina has been a leader in the nuclear industry, and will soon be dependent upon nuclear power for some 50 percent of its energy needs, I have taken a strong interest in the subject. I have followed the work of the Kemeny Commission and developments in the analysis of Three Mile Island with care.

One of the best discussions of the subject I have seen is an article by Dr. Jim Colby of the Allied Chemical Corporation, which appeared in the May-June issue of the Morris Today newspaper in New Jersey. In Dr. Colby's opinion, the lessons we will learn from the incident at Three Mile Island will be "invaluable in reducing the possibility of future occurrences." And he concludes that, even in an incident as serious as this one, "the back-up systems worked despite a number of failures." In short, this incident does not demonstrate that nuclear power is unsafe.

And it is as evident to me as it is to Dr. Colby that we must start a program to build a new energy base in this country now. And while the future of the nuclear option appears cloudy, it is clear to us that it must be a significant and growing part of that base.

At this point I would like to include Dr. Colby's remarks in the RECORD so my colleagues will also have the benefit of his views.

THE NUCLEAR ENERGY ALTERNATIVE

(By L. J. Colby, Jr.)

The events that took place at Three Mile Island at the end of March clearly brought to the forefront the fears, the genuine concerns and the emotional issues which surround nuclear energy.

The concerns over nuclear energy are very real. There is no question that risks come with benefits no matter what form of energy we choose. The major problem with nuclear energy is that it is grossly misunderstood. Radiation is not detectable by our natural senses but is detectable at extremely low levels by modern instrumentation. It often is believed that radiation from a nuclear plant is harmful no matter how long the level, whereas radiation from cosmic rays, mineral deposits, medical X-rays, coal-fired plants and other sources to which we are all exposed day in and day out is somehow acceptable. This simply is not the case. Radiation from different sources cause about the same effects. *It is the level of radiation that is important.* With respect to the Three Mile Island accident, the maximum radiation exposure to the general public near the plant was less than the natural background radiation received by those individuals during a 30 day period. It was about equal to a chest X-ray or long airplane ride.

The concern, therefore, should be focused on the real risks associated with a major accident, the expected damage from such an accident, the benefits from reliable electric power, a comparison of risks from alternative choices, and comparison of actual risks to date from each of the energy alternatives. When all these issues are weighed clearly and objectively, the answer is quite clear that the risks of nuclear energy are substantially less than the risks of any other source of electrical energy other than possibly natural gas flowing from the well to a power station. The risks for natural gas increase substantially when importation of liquid natural gas (LNG) is required.

LESSONS INVALUABLE

The lessons from Three Mile Island will be invaluable in reducing the possibility of future occurrences. Changes in equipment design, instrumentation, regulation, operating procedures, information dissemination and Federal Government capabilities will likely all occur to insure increased safety for the general public. The fact is that even with a serious incident at Three Mile Island, the back-up systems worked despite a number of failures. The bottom line is that no one outside the plant was hurt. The nuclear industry is safe and continues to strive for improved safety, reduction of risk and understanding of its benefits.

The importance of nuclear energy to the United States can be summarized with a few statistics. Today about 13 percent of the nation's electrical energy comes from 72 nuclear power plants. In the Northeast, one third of all electricity came from nuclear reactors during 1978. A recent peak electrical load in February, 1979, was filled by 42 percent nuclear energy again for the Northeast region.

The use of oil to produce electricity and heat homes must be reduced if the United States is gonig to remain a world power, independent of the whims of others such as OPEC. One of the United States' greatest strengths has been its energy independence and abundance. Today we are facing a great threat to our energy abundance. We lost our energy independence about five years ago!

A deliberate program to build a new sound energy base in the United States must be instituted now. The conservation path and the pursuit of only soft technolcgies such as solar, geothermal, and wind, is very appealing—especially to those who pursue primarily dreams, idealization and avoid reality.

Fortunately, the free enterprise system still survives and is based on reality and the facts of life.

FUELING OPTIONS

During the next 20 to 25 years, the options for fueling our power plants are primarily oil, coal and nuclear. If we are to regain our energy abundance, as well as independence, then coal and nuclear should be relied upon for essentially all new generating plants. However, the order books for new power plants, coal or nuclear, are stagnant due to a very high degree of uncertainty unique to each of these energy sources.

The growth of nuclear power certainly is in question. The Department of Energy believes that the United States should have about 25 percent of its electrical needs filled by nuclear by the year 2000. Depending on the growth in total electrical demand, that could represent a 5 or 6 fold increase in the number of nuclear reactors currently operating. It should also be noted that the Carter Administration views nuclear power as "the energy source of last resort", and therefore, projections generally are made on the basis of minimizing nuclear energy while maximizing coal and conservation. In the past, the nuclear industry was moving to a position wherein it could build and service as much as 50 percent of the United States' electrical needs by the year 2000. This might still be possible but is highly speculative. In fact, if new orders for nuclear power plants are not received in the next few years, the United States' nuclear industrial capability to meet the minimum energy projections may wither away. It should be noted that a decision to go nuclear today means that electricity is available from that plant at least a decade later. If decisions are not made now, then our energy problems in the 1990's will be fierce. The energy crunch has been predicted to hit in the 1983–85 period. It is too late to avoid it now through construction of new power plants that do not burn oil or natural gas. The United States can ill afford to continue to procrastinate, and by default make the same mistake again.

URANIUM CONVERSION

Although Allied Chemical does not build or supply equipment for nuclear power plants, Allied has been involved in the nuclear industry since 1955, when Allied successfully bid on a government request for conversion of uranium oxide to uranium hexafluoride and proceeded to build a plant for this purpose at Metropolis, Illinois. Today the Metropolis plant is the world's largest uranium conversion plant. The chemical operations there are necessary to purify uranium and produce a chemical compound, UF_6, which is required as feed by the Federal Government for its enrichment facilities.

Because of the experience gained in uranium and fluorine technology, Allied became interested in spent-fuel reprocessing. The first venture into this area of the nuclear fuel cycle was to become operating contractor for the Department of Energy's Idaho Chemical Processing Plant (ICPP) located at the Idaho National Engineering Laboratory near Idaho Falls, Idaho.

On September 30, 1979 Allied's participation at the ICPP will come to a voluntary close after twelve successful years. Incidentally, the ICPP is an excellent model for the treatment, handling, and storage of nuclear wastes primarily from the Navy Nuclear program.

Allied Chemical, along with its partner, General Atomic, invested $362 million in a private reprocessing facility at Barnwell, South Carolina. The facility was completed and undergoing check-out when in 1977 Pres-

ident Carter "indefinitely deferred" commercial reprocessing. After years of encouragement by several administrations, both Republican and Democratic, the rules of the game were unilaterally changed. It became clear that the management of spent fuel from commercial reactors had become a government responsibility rather than a private industrial responsibility. Since the Federal Government does not even today have any facilities for handling spent fuel or nuclear wastes from commercial reactors, Allied believes that the transfer of the Barnwell facilities under appropriate terms to the Federal Government will eventually take place.

As you can see, Allied's role in the nuclear field is primarily in those portions of the fuel cycle that require extensive chemical technology. Allied's future in nuclear energy will be to maintain its leadership position in the uranium conversion business and related service. Allied does not see a viable future for privately owned and operated reprocessing facilities such as Barnwell.

NUCLEAR ESSENTIAL

A company or individual does not have to be involved in the nuclear industry to come to the conclusion that nuclear energy is essential for the United States. A case in point is the series of ads run by Mobil Oil, a company which incidentally is not in the nuclear business.

The abundance of coal in this country provides the United States with an apparent alternative to nuclear power. The arguments rage as to coal versus nuclear while neither is really advanced. Prudence dictates that the balanced use of both coal and nuclear will be required to meet the United States' needs. Other countries facing the energy crunch that have no options are moving forward on their nuclear programs. Unfortunately the United States is still debating the issue.

It is true that nuclear energy has its "China Syndrome". It is likewise true that deaths due to coal as a fuel are extensive and well documented. The medical and environmental effects of the combustion products of coal could lead to the "Dioxide Syndrome". It is clear that SO_2, NO_x and CO_2 do have significant effects on health and the environment. Because of these risks, it is prudent to work to understand and control their emissions. It would not make sense to abandon coal because it has real problems that must be solved. It likewise does not make sense to abandon nuclear energy because it has its problems. The record of nuclear energy, although not spotless, is excellent and improving. No member of the public or employee of the commercial industry has been killed by radiation during the 30 year history of the nuclear industry.

When all is said and done, the most serious problem facing the nation today is inflation. This is the true danger to you, your children and your grandchildren. Unless something is done to halt inflation, it may rob you and your descendants of their future.

To some considerable extent, the future of the fight against inflation in this country and the elimination of our dependence on foreign oil, the elimination of the outflow of American dollars and the strengthening of the dollar, depends on having an adequate domestic supply of energy—and for the next quarter of a century that means coal and nuclear. Neither can do the job alone!●

ANOTHER RETREAT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, a few weeks ago, the State Department disclosed a memorandum confirming that the Sandinista insurgents had been trained in Cuba and armed with AK-47's carried to them by the Panamanian Air Force. Recently the Government of Nicaragua surrendered to these same guerrillas.

I must ask the question of Alexandr Solzhenitsyn: "How many more countries are there for the West to abandon?"

Iran, Angola, Rhodesia, Taiwan, and now Nicaragua.

In Iran, Angola, Rhodesia, Taiwan, and now Nicaragua, we withdrew when we were most needed. Instead of standing behind American interests, we are always the first to concede. It is time we had an American President and Secretary of State more concerned with U.S. interests than with helping Soviet-supported Rhodesian and Nicaraguan rebels. American interests and principles are being sacrificed to an incoherent sense of internationalism. This is the real crisis of confidence. Our Secretary of State seems to lack the confidence that America can lead in the world. He is instead leading our retreat around the world.

Ironically the House only recently finished dealing with another symbol of that unprincipled message from Secretary Vance. He sent us a request for money for foreign assistance. In that request he asked for massive amounts of money for the international financial institutions, like the World Bank. It is outrageous for America's leaders to take tax money from a truckdriver in Topeka, Kans., and send it to a World Bank, which will give it to Vietnam, Angola, Cuba, and others. Where is our fabled human rights policy when we support the same government that is driving the boat people into the sea in Southeast Asia?

This body will soon deal with another measure with similar implications, that is, most-favored-nation trading status for the repressive governments in Romania, Hungary, China, and soon even the Soviet Union. Are we going to aid those that most enjoy watching us flounder and grovel? Again I ask: "Is this an indication that we revere human rights?"

We must not stand for this any longer. We are dishonoring the principles this Nation was founded upon. It is time to stop retreating and dig in.●

WHAT COUNTS IS RESULTS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. COLLINS of Texas. Mr. Speaker, too many Americans are concerned with their appearance as an intellectual. We have reached a point in America where folks would like for everyone to think of them as being an academic genius.

Sometimes we are able to convey this feeling by using four syllable words even when a one syllable word would be better. Other times, we write profound letters with deep philosophy to show the depth of our intellectual perspective.

There is much talk today about how many college degrees one has. I thought about that the other day as I heard one of our colleagues speak. He never finished high school, but he has more commonsense than anyone who went to college. Yet, today there are those who value four college degrees more than they do the substance of the work they accomplish.

I am always reminded of the proverb, "Judge a man not by his ability, but by his results."

I would like to pass on to you an interesting story that I heard down in Texas.

A sales manager received a sales letter from a new salesman he had hired a few days before.

"Dear Boss: I seed this outfit which they ain't never got a penny's worth of nuthin from us before. I sole them hunnered thousand dollars of guds. I am now going to Oklahomee."

Three days later, a second letter reached the home office.

"Dear Boss: I cum here to Tulsee and I sell these cuntry chane hedqartirs half a milyon."

The sales manager posted both letters on the bulletin board with a note added by the company president. "We've been spendin to much time trying to spel, instead of trying to sell. Let's take a fue tips from Gooch who is on the rode doing a grate job for us and you go out and do like he done."●

DINGELL CHARGES NHTSA WITH COVERUP OF AIRBAGS TESTS THAT EXPLODED AND BURNED DUMMIES REPRESENTING 6-YEAR-OLD CHILDREN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. DINGELL. Mr. Speaker, I enclose my statement regarding new documents that have come to light from the Department of Transportation and the National Highway Traffic Safety Administration files regarding a new problem uncovered in connection with airbag tests.

STATEMENT OF REPRESENTATIVE DINGELL

Congressman John D. Dingell, (D-Mich.), today charged the DOT with withholding information from the Congress and the American people concerning the risk that air bags can explode in flames and severely burn occupants of motor vehicles.

Dingell will be seeking in the House today the adoption of the research, testing and development amendment that he and Congressman Jim Broyhill, (R-N.C.), will offer to the DOT Appropriations bill, H.R. 4440.

Their amendment delays for one year, fiscal year 1980, any further funds for implementation or enforcement of the Federal automobile standard that requires devices, such as air bags, in automobiles. The amendment would not restrict actions on the portion of the standard that would permit safety belts. The amendment further requires more research, testing and development of passive or automatic restraint devices. Dingell and Broyhill state that this is the major purpose of their amendment—to

ensure safe and effective restraint devices for motoring consumers.

Dingell said, "NHTSA's favored air bag contractor—Minicars, Inc., of California—conducted a series of tests in 1977 and 1978 concerning the effectiveness of air bags. In 12 percent of these tests, the air bag exploded into flames. One of the most sensitive and embarrassing tests was conducted in February, 1978, resulting in an explosion and fire that blew the air bag apart, projecting molten sodium azide into the face and chest of a dummy representing a six year old child."

Dingell said that:

"In the aftermath of this failure, Minicars, Inc., sent a misleading Progress Report to NHTSA.

"Contrary to normal procedures, the contractor did not send the films of this test to NHTSA.

"NHTSA did no independent analysis of these failures.

"NHTSA terminated the contract shortly after these accidents, prior to the problem being solved.

"No final report was written on this test series by the contractor.

"Nothing was put in the public file on these particular tests.

"NHTSA withheld the file with the sensitive documents when I requested it.

"A former Minicars engineer who was the project manager on this contract claims that both Minicars and NHTSA failed to inform the public of the risk of explosion and fires in the deployment of air bags."

The following are excerpts from a March 14, 1978 letter from Minicars to Thiokol, the major manufacturer of air bag inflators for the auto industry who supplied the defective inflators to Minicars:

"The condition experienced during the test was a blow out of the air bag and resultant blasting of the occupant's face and chest with hot gas from the inflator. The results of this test were total degradation of the air bag's restraint capabilities and subsequent burning of the occupant's face and chest; i.e., his shirt caught on fire and had to be extinguished by a test technician.

"I have experienced this problem twice since January, 1978. Once at Minicars, the bag blew apart and burnt the 50 percent adult male occupant.

"This blowby has occurred at least ten times in this Simca project in 86 tests or 11.6 percent of the time."

Dingell stated, "It is interesting to note that in Minicars monthly Progress Report to NHTSA regarding test No. 1933 (conducted February 1978) which involved the burned dummy (six year old child), there is not a single word to indicate that this test involved flames or a charred dummy. The report contains only one post-crash photograph—a back view of the dummy indicating no burns. According to established procedures, the films of these tests are sent to NHTSA shortly after the tests are conducted. NHTSA admitted to me last Friday that they had never received the film of test No. 1933. Those films have now been flown to NHTSA in Washington from Minicars in California this past weekend and I viewed them this morning."

Dingell said, "In a staff interview, the former program manager at Minicars claimed that he was told by top management to 'modify' the Progress Report and not to send the films to Washington. This engineer was so concerned about the results of these tests that in subsequent correspondence to NHTSA he included the Thiokol correspondence and photographs of the charred dummy that were deleted from the Progress Report to NHTSA.

"On Friday, July 27, the NHTSA engineer in charge of this contract could not assure me the problems that resulted in these explosions and fires had been resolved or that they would not occur in production models. NHTSA never independently investigated these problems—but were satisfied with a two paragraph letter from the manufacturer—Thiokol—assuring NHTSA that they should not be concerned, that Thiokol had found a 'temporary fix' and that corrections would be designed into the production model of the air bag inflator device.

"The flaming problem continued over a six to eight month period. Mysteriously, the testing ended and the contract was terminated in the Spring of 1978 with no final report being issued on the later testing series that included the controversial test No. 1933.

"On July 8, 1979, I asked NHTSA for the results of all tests involving air bags and seat belts since 1977. On July 13, 1979, I received a leter from Ms. Claybrook responding to that request. Again, mysteriously, the contract involving these explosions and fires was missing from the material supplied. When we finally identified this contract and requested it, NHTSA initially refused to supply the document.

"I can only conclude that we have merely scratched the surface concerning what happened on this contract and possibly other damaging test results that are being covered up at NHTSA.

"These risks regarding air bags should be known by the Congress. We have no assurance from independent government analyses that this problem has been solved regarding fires in air bag devices.

"There seems to be a pattern at NHTSA for ignoring bad news about the air bags. Both Volvo and General Motors have killed pigs used as surrogates in tests to ascertain the impact of air bags on out-of-position children. The pigs died of ruptured livers, spinal cord injuries and brain trauma and apparently in one GM test, the air bag blew one pig out the back window of the test vehicle.

"However, there is not a single document in NHTSA files relating to these tests by Volvo and GM. In fact, when my staff investigators asked NHTSA officials if they had the Volvo and GM test documents, NHTSA officials responded that they did not have the documents and had not asked the manufacturers for the information."

Dingell added, "The GAO Report on passive restraints, released Friday, July 27, in its final form, clearly underscores and recommends that more research and testing development must be done by DOT."●

ZIMBABWE-RHODESIA STILL RUN BY WHITES

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. WOLPE. Mr. Speaker, the article which appeared in the Washington Star on July 22, 1979, "New Rhodesia Remains Nation Run by Whites" describes recent developments in Zimbabwe-Rhodesia.

As cochairman of the MCPL Rhodesia Task Force, I commend this article to the attention of my colleagues. It is evident that very little political power has thus far been transferred to the country's black majority, and that the new constitution remains a significant barrier to the achievement of genuine majority rule. Bluntly stated, the provisions of the constitution perpetuate white minority control. (See the MCPL paper on the Rhodesian Constitution, July 26, 1979, Hon. WILLIAM GRAY, Extensions, 3262). The article reveals where the true power lies in Zimbabwe-Rhodesia, the pretensions and aspirations of Bishop Muzorewa nowithstanding.

The article follows:

NEW RHODESIA REMAINS NATION RUN BY WHITES

(By Lawrence E. Pintak)

SALISBURY, ZIMBABWE-RHODESIA.—Three months after Bishop Abel Muzorewa was elected as the country's first black prime minister, and seven weeks after he took office, Zimbabwe Rhodesia remains a nation whose economic and military course continues to be charted by whites.

And while the cabinet has assumed a black face, those same whites who have ruled for 90 years still run the machinery which will play a major role in determining the political future of this rebel British colony.

Behind each black minister stand his white civil service, whose members have been guaranteed their jobs by the present constitution.

The members of the all-white Public Services Board, responsible for hiring, firing and promotions within the public service, are also guaranteed their tenure, as are those who sit in the all-white judiciary.

Whites continue to dominate the police and military (there are presently 32 black commissioned officers) and are likely to do so for some time.

The attitude of the bulk of the white officer corps to their new black colleagues is one of disdain. A newly commissioned black officer recently assigned to one unit was ignored by his fellow officers, who refused to even provide him with an office until direct orders came down from the very top.

At the pinnacle of the military hierarchy sits Lt. Gen. Peter Walls, commander of combined operations in overall charge of the army, police and air force.

Although Muzorewa has assumed the title of minister of defense, largely for reasons of appearance, Walls is the man running the war against the guerrilla forces of Joshua Nkomo and Robert Mugabe.

Since taking over, Muzorewa has reportedly commented that the military could not be expected to come to him for permission each time they acted, and has generally skirted the question of whether he personally approves cross-border raids on guerrilla bases in Zambia and Mozambique.

Some critics go so far as to argue that Walls is the real power behind the throne. Muzorewa sees the general for a military briefing each morning, and unlike in the days of Ian Smith, it is the prime minister who goes to Walls' office, rather than vice versa.

On the streets of Salisbury there is little change evident. Whites perhaps use the derogatory phrase "kaffir" a little less frequently since June 1, when Muzorewa took office. Blacks are seen a bit more often in the capital's fashionable restaurants. And a few rich Africans are beginning to move into formerly all-white suburbs. Otherwise, white Rhodesia is largely unaffected by the black takeover.

White farming regions and African purchase areas are no longer designated on the new maps, but in the bush Africans still complain about land distribution as they till the often inferior fields they have always worked.

WHITES AT THE TOP

At the offices of the country's business and industry, perched atop the high rises of the city center, mail rooms and typing pools are being "Africanized." But aside from a few chosen blacks, the faces at the conference tables in the pine paneled board rooms remain white.

One of the greatest grievances of the country's blacks has always been the fact that in those situations where they did have the same job as a white, they were paid significantly less than their counterparts.

With majority rule, all that was expected to change. But Muzorewa now says across-

the-board salary increases must wait until sanctions are lifted if they are not to have a disastrous effect on the economy.

"I know you are hungry, I know you are thirsty, I know you are suffering," the bishop, a leopard-skin cloaking his rainbow colored waist-coat, told a crowd on earlier this month as he prepared to set out on his symbolic ox wagon trek through the city.

Speaking in the local Shona dialect, Muzorewa promised that Africans would have "the fat of the land and sufficient money" once sanctions were lifted.

For now, he added, "pray to God that we will discover oil in this country."

But some are not prepared to wait.

A PROTEST ON SALARIES

One day last week, a group of about 300 black teachers marched through the capital carrying signs protesting the fact, that they received an average salary of $188 a month, compared with as much as $500 paid to their counterparts.

Some black officials argue that as long as whites control the bureaucracy, significant change will be stymied.

Even black ministers complain about the lack of cooperation they receive from civil servants in their departments.

"I send down an order and find a week later that nothing happened," said one Muzorewa minister. "I ask why and am told it got tied up somewhere."

Just how much of that delay can be attributed to normal bureaucratic red tape and how much to deliberate sabotage is not known. But it is clear that many white civil servants have contempt for their new black bosses, some of whom have no expertise in the field of their portfolio.

At the prime minister's office, Smith's former press secretary continues in that role, as does the white cabinet secretary. A white advertising executive authors major policy pronouncements—which Muzorewa sometimes has problems delivering—while a white civil servant, whose particular area of expertise is American politics, often ghost writes speeches and statements for Foreign Minister David Mukome.

RAMPHAL DRAWS FIRE

One such release this week attacked Commonwealth Secretary General Shridath Ramphal for his criticism of the Salisbury government.

It read in part: "While totally rejecting Mr. Ramphal's right to level any criticism, I should just like to point out to him that what he terms changes of marginal or cosmetic consequence we regard as major development in our evolution.

While he may make minor changes—such as in his own office—Muzorewa is helpless to alter the overall white role.

With his party splintering the prime minister is now left with just 44 seats in the 100 member parliament. The Rev. Ndabaningi Sithole and eleven other parliament members from his Zimbabwe African National union continue to boycott the government, increasing the weight of the 28 white votes.

In order to change or eliminate any of the entrenched constitutional clauses protecting whites, Muzorewa needs the support of all 60 black parliament members now serving, as well as that of at least 18 whites to reach the 78 votes required for such legislation.

There is no real consensus on just how much change white Zimbabwe Rhodesians—the name itself reflects the level of the white influence—would be willing to accept in return for international recognition.

Some leading white politicians insist, for instance, that the removal of Smith from the government—something being demanded by Washington and London—would spark a massive "flight" among whites, thus crippling the economy.

As it is, whites continue to "take the gap,"—the local slang expression for emmigrating—at an average of 1,000 a month, as they have done since late 1976 when Smith accepted the principle of majority rule.

It is the war more than the loss of their privileged status which is driving many to seek new homes overseas.

Virtually the entire white male population between 17 and 60 is subject to call-up in the territorial army. For men under 38, that means spending 120 days a year on active service in the bush.

An average of two white "troopies" die a day in the guerrilla war along with several more black soldiers, 15 or 20 insurgents and a dozen innocent African civilians.

Several white farmers each week also end up as statistics in the daily military communiques.

For those who survive, divorce is rampant, careers and businesses are often left in ruins, and alcoholism is a common danger.

"They have black rule, now let them fight," said one young man, bitter about his impending six-week tour in the bush. The burden of the six and a half year war has worn many whites down and is probably most responsible for the fact that even those among the remaining hard core whites continue to flee.

"If they're still calling us up in December," said a young husband expressing the attitude of many who want to stay but are tired of fighting, "I'm gapping it."

Yet for some, there is little alternative but to remain behind and "help make it work," as the orange and purple bumper stickers say.

"Some of us don't even have enough to buy a plane ticket, much less take anything out," said a white secretary, referring to the $3,000 emigration allowance.

"Unless they start shooting in the streets, we've got to stay." ●

SIG OLSON

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. VENTO. Mr. Speaker, in recent years the American people have recognized the complex interrelationship between man and his environment and the long lasting and often irreversible impact that man has on the environment. We have also became aware of the value of protecting our land as wilderness and other units of our conservation system for our own enjoyment and for the benefit of future generations. As a result we have witnessed such legislation as the Wilderness Act, the creation of many new parks, wild and scenic rivers and national scenic trails, the Boundary Waters Canoe Area Wilderness Act of 1978, and this year's House action on Alaska National Interest Lands. These actions will insure that one of our Nation's most important treasures, its land, is not lost.

These congressional actions are fairly recent events. They would not have been possible without the efforts of a few visionaries who recognized the need to set aside a few acres for our descendants and who worked toward that goal long before it became popular.

One such environmental pioneer is Sig Olson. Sig has dedicated his life to the protection of wilderness and to achieving a better understanding of man's role in his environment. His books have provided many with insight on those subjects and have helped to increase our country's environmental awareness. I urge my colleagues to read one of his works. They describe the joys of the experience in the wild and will reaffirm our need to protect and care for our environment.

At this time I would like to draw my colleagues' attention to a recent interview with Sig Olson. This article discusses Sig's life and his view of the future.

The article follows:

SIGURD OLSON'S CONTINUING LOVE AFFAIR WITH NATURE

(By Ben Kern)

ELY, MINN.—As Sigurd F. Olson, friendly, grinning, shakes your hand, you know that all is well with this wilderness habitue, now 80, author of sage and colorful chronicles.

No longer dean of the local college. No longer shepherding students on a biological or geological field trip. No longer packing, frying fish, paddling and nursemaiding greenhorns through the wilds.

He did that for years as a professional guide. The money helped at home.

He'll never forget the first article he sold to the magazine Field and Stream. "And they paid me 25 bucks. Wow! That was something. It paid the hospital costs of delivering our second son." (Today he and his wife, Elizabeth, have two great-grandchildren.)

No more striving to break into the writing world. He's an established author. Letters come in from across the nation. Readers even show up at his door.

Author of "The Singing Wilderness," "Listening Point," "The Lonely Land," "Runes of the North," "Open Horizons," "Wilderness Days," "The Hidden Forest," "Reflections From the North Country"—fresh, vivid, glowing.

Today, with his wife, he continues writing and communing with nature, sometimes through a broad picture window in their comfortable home on the edge of Ely, or again paddling around Burntside Lake from their log cabin.

From his autobiographical "Open Horizons" I knew much of his early struggles before I interviewed him in the Ely house looking out at the tall spruce and red pines, planted by the Olsons 50 years ago.

His love affairs with nature began in Wisconsin. His father, a Baptist minister, preached all over Wisconsin before he became "a sort of a bishop in charge of regional parishes," Olson said.

The boy Sigurd did farm work in northern Wisconsin among "the barrens, sandy glaciated ridges and outwash plains" in one of "the final remnants open for homesteading."

One of those remnants belonged to Soren and Kristine Urenholdt, natives of Denmark. They had eight children, one of whom was Elizabeth.

Farther north at Ashland, Wis., Olson attended high school and junior college, then went on to Madison, Wis., and the University of Wisconsin.

In the back of his mind always lay the love of wild country. From Madison he went north to teach high school agriculture at Nashwauk, Minn., where, camping out, he happened upon Al Kennedy, "one of the finest woodsmen" he had ever met.

Kennedy had a cabin in which a sack of wild rice, "parched like the Indians do it," hung from a rafter. Olson was delighted.

Kennedy: "Take a look at the lake country east of the Vermilion Range. Put a canoe in anywhere. Follow those lakes and rivers up to Hudson Bay. Or west toward Lake of the Woods . . . Flin Flon. . . . You'll never come back."

Olson was impressed.

"After three weeks of traveling some of the major routes . . . I knew I would follow those waterways for the rest of my life, not only in the Quetico-Superior, but far into the Canadian north," he recalls in "Open Horizons" (published by Alfred A. Knopf, New York, in 1969).

Studious, nevertheless, he returned to college, somehow to prepare himself for making a living near the back country. He took graduate work in geology and biology with one eye on a new junior college being established at Ely.

And he landed a good job—head of the biology department at Ely Junior College.

There followed the geology and biology field trips with his classes. They visited an old gold mine, with assays too low to warrant development. That was geology. For biology (see "Open Horizons").

"Budding shrubs and trees, fiddlehead ferns growing out of the black muck, mink we had seen, blue mayflowers, golden marsh marigold, and flaming stems of dogwood, the whole vast complex of the ecological system . . ."

Still, chafing under schedules and responsibilities, he listened to Kennedy, who invited him to a Flin Flon, Manitoba, gold rush. And then to see the country to the northwest. Olson was tempted, but:

"How could I leave Elizabeth and our two young sons and the home we had established, leave my friends and co-workers and embark on an expedition for a year or possibly two or three . . . see the far country I had dreamed about and make a fortune Al was sure we would? I was tempted."

Paddling alone, he arrived at an answer. This wouldn't be his only chance. There were many years ahead. He wanted to be a good wilderness guide. Spend summers in the bush working and getting the guides' feel of the land.

Eventually, he got to Flin Flon, the Northwest Territories, Yukon and a lot of other places.

He also worked through the school years and became dean of Ely Junior College (now Vermillion Community College).

In summer between college sessions he did a lot of guiding. It helped fatten his college pay of "a couple thousand a year, instead of the 15, 20 or 30 which I'd have gotten now."

We sat at a table by the wide window in the Ely house. I ventured: "Guiding must be a testing occupation."

"It is, but I loved it."

Did he do the cooking?

"The guide not only did all the cooking and all the routine around the camp, but he had to know how to take care of people . . . had to watch them like a hawk. Start early morning. Work until 10 at night. So much to do. So much to get ready. But I thought . . . doggone . . . it's a shame to take my guide's wages—I enjoyed myself so much."

The wages ran $6 to $8 a day—not per person, for the whole bunch. Sometimes they helped with the dishes.

His canoe ranged far and wide. "I've covered a good part of the Northwest Territories. The Yukon. Alaska—northern part."

He has also been in the high Sierras, Sherwood Forest in England and the Black Forest of Germany, where he experienced a storm that felt like the destruction of the world.

For Olson, storms have a special meaning.

From "Open Horizons": "Once during a violent midsummer storm, sky black as night . . . I lay there waiting for the wind to strike. It came in an all-enguling roar through the high tops, and as the pine swayed, its roots moved, too. . . . There was a tremendous crash as one of the largest lost hold and fell, the ground shuddering . . . I knew fear and wonder and an inner exaltation . . . of being at one with the elements, the trees and all the wild forces they bow to."

But the storms weren't always exalting.

I reminded him of a storm he experienced among the spruce by the Hayes River near Hudson Bay.

"That was a cold, miserable trip," he recalled.

I asked him whether the elements, with man's help, might be taking us into a nuclear holocaust.

"It's a frightening thing," he said. "Living under a cloud of suspense. Never knowing what's going to happen. . . . This world won't be worth living in, even though the Russians don't expect to kill everyone in it and say they'll survive.

"We were lucky who were born during a period when we didn't have such terrific problems. I look at the young people today. . . . It's hard growing up in a period of such tensions . . . uncertainty. I wonder about my great grandchildren."

One of his sons, Sig Jr., and family recently had come visiting from Alaska, where Sig Jr. is in charge of wildlife habitat for the U.S. Forest Service.

What can they do for wildlife habitat in Alaska?

"They can protect it," Olson said. "Get the bulldozers out of there. And the miners and the prospectors. And the oil money. Invading the refuges."

Even without holocaust, will the environment survive?

There are encouraging signs, he said.

"There's a great growth in ecological understanding. Of the world we live in. Especially among young people. I see it when they come in here—their concern with the out-of-doors, all aspects of it.

"They've developed a greater sensitivity to beauty and the meaning of out-of-doors. That's encouraging to me.

"There seems to be a renaissance, a new feeling, regarding nature. It's come within the last generation or so. For a long time people didn't know what 'ecology' meant.

"Now these young people are aware of the ecological relationships, and it gives me a great deal of happiness and satisfaction.

"Some day these young people are going to be in positions of power. They'll be running the country. And with that background and feeling, they'll do things that weren't done by their predecessors. That's encouraging.

"So many kids come in here. Sit down in this room. Tell me their experiences. How much this country needs.

"They come from all over the country. They're up here to take a canoe trip, or with a camp."

They know him through his books. His correspondence is heavy.

Somehow, one looks to him for general wisdom. I asked him how he felt the world was coming along.

"I don't know exactly how to answer that. In one sense, the future looks pretty bleak. With our shortage of fossil fuels. It's encouraging to hear that Congress is going to appropriate some millions for solar research. It's high time.

"We're starting in awfully late. I've always said that America never moves until its back is against the wall. Until we have a crisis.

"Well, we have one, and we're beginning to react. It's late, but if we pour ourselves into it, put our tremendous expertise to work. . . . No one knows what could happen. It's encouraging in that respect."

He had praised the young people. What about their parents?

"We have become an urban civilization, but at the same time we're hungry to get back to the earth, get our feet on the ground.

"Witness the enormous hegira of people leaving the cities every weekend. Just to get a good hold of the countryside, to get a different vista.

"And they wear themselves out doing it, especially if they have a flock of kids.

"Nevertheless, that one glimpse of the outside natural world is enough to lift their spirits, to give them something to satisfy that eternal quest within."

Speaking of the eternal quest, how did it all begin?

"Nobody has delved deeply enough into it to know exactly what happened. These ideas of exploding, recreating, the universe. . . .

"I like what Einstein said. Paraphrasing—'The more I look at the universe, the more I'm sure that there is some logical, reasonable power, and explanation, behind everything.'

"We've never figured it out, but the feeling that there is some great immutable power controlling the universe—and whatever happens—is enough for me.

"To me the beauty and magnificence of the universe means that there's got to be a God of some kind. There's got to be something. Everybody's got to have something like that."

Do you remember your first published work?

"Vividly. I was guiding up here in the early 1920s, and my brother Ken was a reporter on the Milwaukee Journal. He wrote to me: 'Say, why don't you write a story about your adventures? I'll see that it's published in the Milwaukee Journal.'

"Well, I thought that was great. I hadn't done any writing to speak of, but between canoe trips I did myself a story called 'Wilderness Canoe Trip' and sent it to Ken. Back from my next trip, couple of weeks later, here was a copy of the Milwaukee Journal. 'Wilderness Canoe Trip' by Sig Olson. Wow! I thought, 'Holy smokes! Imagine. I'm a writer!' I have a copy of the thing, and it's filled with more cliches and horrible stuff than you could ever imagine.

"From then on I tried to hit the outdoor magazines, and I had a terrible time. I'd try and try and try. It came, but very, very slowly. But for some reason I kept at it.

"Field and Stream was my first big breakthrough—a story called 'Fishing Jewelry.' It was about an old lumberjack who made fun of all my lures. He said, 'That stuff is just fishing jewelry. Go out and get some angleworms and fish like a man should.'"

With that boost, the writing career flourished. Brother Ken, I learned, had been my favorite journalism professor at the University of Minnesota and later headed the journalism school at Northwestern. He, too, wrote books—a journalism textbook and another on world affairs.

Elizabeth and Sigurd Olson's second son, Robert Keith, is also a writer.

"Bob was with the foreign service," Olson said. "Went all over the world."

A few years ago Bob Olson retired to a tree farm in Wisconsin. He's studying for a doctorate, and Sigurd Olson said, "he's written an article for the Atlantic Quarterly. Six thousand words. The whole thing will nearly cover an issue."

Admiring the Ely house, I asked Sigurd about its origins.

"We lived downtown, but the boys wanted to ski, so we moved out here."

They bought the house and added to it. Was it just the boys who wanted to ski?

No, Olson admitted: "I was one of the first cross-country skiers around here. I had a pair of skis from Finland. Still have them." There was an Olympic racer in the group, whose name escapes him.

"In the early days this was sort of a headquarters. There'd be a gang. In a race on the way to Burntside there was a big hill. A chap ahead of me fell at the bottom. I stopped, got out of my skis and went over. Thought he might have broken a leg. He jumped to his feet, got ahead of me, and I never caught up to him." Olson laughed. Usually, he said, he came in second.

Olson is a fishing and hunting conservationist who is happy with certain Boundary Waters Canoe Wilderness Area regulations restricting the use of boat motors in certain lakes.

This nettles many resorters and Ely businesspeople who cater to motorboating tourists.

I asked whether he feels uncomfortable going downtown among the motorboat partisons. His reply was prompt:

"No. I was downtown yesterday. Half a dozen oldtimers came up and greeted me. Gaily. Even though they know I'm on the opposite side of the fence.

"The time is coming when the canoeists will bring more revenue than the motorboaters. They'll discover this in due time. . . . .

"Congress signed the bill last October. Creating a Boundary Waters Wilderness Area. Up to that time the Boundary Waters Canoe Area wasn't a wilderness.

"So, it was a good move. A good bill.

"Things have quieted down. Some will fight it to the last ditch. . . . But they've never been rude to me."

So life and time go on, and so does work. He's still working.

When Olsen was in high school in Ashland, the chamber of commerce sponsored a high school essay-writing contest. The subject: "The Purpose of the Chamber of Commerce."

"I didn't know anything about chamber of commerce. Couldn't care less," Olson recalled.

"But I wrote a little essay. By gosh I got first place. I must have been about a sophomore. All those other kids, more reputable than I, just a little kid—I won! A five-dollar gold piece.

"I haven't the slightest idea what I said about the chamber of commerce, but the whole thing appealed to something inside of me. Kindled something. Gave me a hint that some day maybe I could write something."

He could. And did.

And so today, at Ely, time still passes. And today, at 80, Sigurd Olson is working on a ninth book.

Tentative title: "The Time and the Place." ●

THE SOFT DRINK FRANCHISOR BILL

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. LUKEN. Mr. Speaker, it is an infrequent occurrence when there are about 300 cosponsors of a bill in the House. It is probably even more unusual when this same bill receives no action in committee.

This is the situation we are faced with concerning the bill, H.R. 3567, the Soft Drink Interbrand Competition Act introduced by our colleagues, Mr. HALL of Texas and Mr. MOLLOHAN of West Virginia. The fact is that this bill has received no action in the Monopolies Subcommittee of the House Judiciary Committee despite the overwhelming support of the House membership.

It is for this reason that I am writing to the chairman of the Monopolies Subcommittee and the Judiciary Committee, Mr. RODINO, and ask that he hold hearings immediately on this bill and the several others that have been referred to his subcommittee. As many of my colleagues know, action has already begun in the Senate where a similar bill has almost 80 cosponsors.

As the author of another bill on the same subject, H.R. 3573 and a cosponsor of H.R. 3567, I feel that this action by the Judiciary Committee is a first step to amend a wrong action taken by the Federal Trade Commission. These FTC decisions would have forced soft drink bottlers to offer an unlimited number of franchises in a given geographic area. The effect would have been utter chaos in the soft drink industry and would have done significant harm to the small businessmen who now are providing excellent service as soft drink franchisers.

These are the sort of bills that the American people expect the House to act on. We are all tired of the intervention into the private sector by uncontrolled Government agencies. The chief culprit in this is the Federal Trade Commission. The House must send a message to the Federal Trade Commission that these sort of interventionist regulations and rules must stop. Our free enterprise system will work much better with less regulation not more. This sort of regulation, promulgated by the FTC will reduce competition. It will allow for the major soft drink companies to take over the distribution of their product rather than leaving it with the small businessman.

This bill cries out for action and I will be contacting the chairman of the House Monopolies Subcommittee and the House Consumer Protection Finance Subcommittee in the hopes that action will begin shortly. A clear and impressive majority of House Members have spoken on this and action is necessary.●

ANOTHER APPROACH TO ENERGY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. OTTINGER. Mr. Speaker, recent reports, including the newly published Energy Future book written by professors at the Harvard Business School, have convinced me that the Congress must have a wholly new way of looking at energy production in the coming decade, and that is to promote the "production" of energy by saving it. This becomes even more important when one considers that virtually all of the major energy proposals pending in the Congress, particularly those promoting synthetic fuels, will not provide any meaningful energy supplies for at least a decade.

In short, we need to do something about energy—and about our people's economic well-being—in the short term. And, as Professors Yergin and Stobaugh, who authored the Harvard book have noted, the best short-term energy opportunity is conservation. "Indeed," they write, "conservation—not coal or nuclear energy—is the major alternative to imported oil. It could perhaps supply up to 40 percent of America's current energy usage * * *."

I am drafting legislation which is designed to help the American people meet their energy needs—while improving our lifestyles and protecting and creating jobs. Under the legislation I am preparing, Congress would establish a program the purpose of which would be to use existing institutions to assist all consumers of energy—industrial, commerical and individual—to enhance productivity and the utilization of renewable energy resources to back up oil.

I have today sent a memo to a wide variety of outside energy experts, seeking their comments and suggestions. I would like to request permission at this point to insert my memorandum in the RECORD, with the hope that my colleagues, too, will provide me with suggestions and comments.

The memorandum follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 30, 1979.

Memorandum to Whom It May Concern.
From Representative RICHARD L. OTTINGER.
Subject: Another look at energy production subsidies.

Virtually all of the energy proposals relating to production of new oil and gas, coal or synthetic fuels—including the proposals offered two weeks ago by President Carter—fail to address the real needs of real people for energy and some economic relief in the short term. In fact, no meaningful energy supplies would be produced by any of the proposed programs for at least a decade.

There is a building consensus, however, that there can be fast relief, in the form of improved energy efficiency and conservation measures which do *not* need to reduce our standard of living at all. By "mining buildings to produce oil and gas," as has been suggested by Bob Williams of Princeton and Mark Ross of the University of Michigan, estimates show that the Nation could save as much as four to six million barrels of oil equivalent a day—well before 1990. As Daniel Yergin, of the Kennedy School at Harvard, wrote recently, "If the United States were to make a serious commitment to conservation, it might well consume 30 to 40 percent less energy than it now does, *and still enjoy the same or an even higher standard of living.*" (emphasis supplied.) [1]

Most of the active energy proposals pending in the Congress involve massive Federal subsidies for traditional energy "production" and that means giving a lot of money to the energy industries (which already are doing quite well, according to second quarter earnings reports). What those subsidies do not do is provide any reasonable cost energy; indeed, not only will synthetic fuels be frightfully expensive by all accounts, but they won't even be available for at least 10 years!

I am preparing legislation which I am convinced will provide a valuable new way of looking at energy—from the energy consumer's standpoint rather than from the energy producer's standpoint. Rather than subsidizing big energy corporations to produce energy, we should be subsidizing consumers of energy—whoever they are. There really ought be nothing sacred about providing all the big Federal outlays to defense and energy; we should be providing financial assistance to improve efficiency and increase our reliance on renewable energy resources in all the consuming sectors—residential, commercial, industrial and transportation—as the best short-term way to decrease our reliance on imported oil. I am convinced that we can "get there from here" without discomfort and, what's more, without massive outlays of Federal dollars.

[1] Stobaugh, Robert and Daniel Yergin, Energy Future, Random House (New York: 1979), p. 137.

My first proposal involves an amendment to the National Energy Act to require that electric and gas utilities undertake residential retrofit programs ranging from insulation to solarization. In addition to major conservation efforts obviating or slowing the need for new powerplant construction—which inevitably drives consumers' bills up—utility involvement will ease financing for consumers, assure quality work and provide maintenance, particularly for solar equipment.

Under my second proposal, Congress would authorize a program designed to attract private capital for investments in energy efficiency, building retrofits, industrial retooling, production of energy from waste, etc. The vehicle for the program would be a corporation with all the usual power given such an entity, including the possibility of issuing bonds or notes. Any capital so raised would then be moved out through existing banking institutions (both commercial banks and savings and loans) to be lent at a subsidized interest rate—say 6.50 percent—to persons borrowing to improve energy efficiency or to increase the use of renewables. The Federal commitment would amount only to the difference between the interest paid to the investor and the rate at which the ultimate borrower would obtain his/her loan. If, as an example, $10 billion in capital were raised at 11 percent, the interest for one year (not compounded, for simplicity's sake) would be $1.1 billion, with the Government owing half, or $550 million. Relative to some of the numbers circulating for synthetic fuels, that seems a very low figure, indeed.

On the borrower's side, let us assume that a homeowner learns that $1,700 in retrofitting his/her home would reduce energy consumption by 50%—which is well established as being achievable. With heating oil at $1.00 per gallon and a consumption of 1,350 gallons for the season, the current bill for our homeowner is $112.50 per month for heating oil. If the $1,700 is borrowed at 6 per cent for 20 years and consumption is halved, then the monthly bill is reduced to $56.25, with an added $12.18 for monthly payments of interest and principle on the loan. In the end, the $1,700 investment, including the loan, means our homeowner would be paying $68.43 per month for heating, or 39% less than before the investment.

Similar gains could be achieved in the industrial, commercial and transportation sectors, with savings running into the millions of dollars. Under my program subsidized interest loans would be available to these sectors either for improved efficiency in manufacturing processes or, for that matter, to assist in retooling to make more efficient products, where those products are, themselves, energy users, such as toasters, other appliances, automobiles and the like.

The legislation will be refined to assure that some of the capital available through the issuance of bonds and notes will be made available to all four of the consuming sectors on a basis that makes sense—both in energy-saving terms and in terms of meeting other important social goals, such as economic stability and preservation (and additional creation) of jobs.

Numerous individuals in industry, finance, labor, consumer and environmental groups have been most helpful in making suggestions for the program I have outlined here. In preparing this memorandum, I am hoping for the widest possible comment, criticism, suggestion for alteration, improvement, etc. on the concept. I would appreciate any comments you might have.

I am convinced the United States can make meaningful reductions in its reliance on imported oil, and that we can do so while saving money and living as well as, if not better than, we now do.●

VERMONTERS VOICE OPINIONS ON KEY ISSUES IN CONGRESS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. JEFFORDS. Mr. Speaker, this spring I mailed to all Vermont households a questionnaire seeking public opinion on major issues before Congress. Responses were returned, in time for tabulation, by 10,095 Vermonters. The general issues covered were the economy, energy, national health insurance, and RARE II wilderness designations in Vermont.

The results have now been tabulated, and I would like to share them with my colleagues. Although the numbers speak for themselves, there are a couple of conclusions to be drawn which, I believe, should be emphasized.

First, there is a virtual consensus in my State that the Federal budget should be balanced; if not right away, as soon as feasible. My constituents clearly believe that waste is pervasive in virtually all aspects of the Federal budget, and most believe substantial savings can be made without sacrificing necessary or valuable programs.

Second, on the issue of energy, Vermonters believe this country must take firm and decisive action to develop domestic energy sources such as wood, hydro, solar, and coal. The overwhelming majority does not support decontrol of oil prices, with or without a windfall profits tax. A large majority also believes that caution must be exercised in the licensing of new nuclear fission plants.

The questionnaire results follow:

QUESTIONNAIRE

1. The economy. Please check the statements with which you generally agree. You may check more than one.

A. Congress should balance the budget this year, even if that means eliminating or significantly cutting back services which are now provided. 34.6 percent.

B. Congress should cut costs by making programs more efficient, moving toward a balanced budget as soon as possible but without significantly injuring worthwhile programs. 70 percent.

C. Military spending should be reduced by Congress. 42.1 percent.

D. Military spending should be increased by Congress. 27.9 percent.

E. Spending for domestic programs should be reduced by Congress. 49.7 percent.

F. Spending for domestic programs should be increased by Congress. 19.1 percent.

G. The government should exert more control over business. 27.7 percent.

H. The government should exert less control over business. 51.9 percent.

2. Energy. In dealing with our energy problems, which of the following steps should we take? You may check more than one.

A. Remove price controls on oil to discourage use and encourage additional production, without a windfall profits tax. 11.8 percent.

B. Remove price controls on oil, taxing half of the windfall profits and allowing the oil companies to keep the other half to encourage production, as the President has proposed. 23 percent.

C. Keep price controls on oil, and provide more incentives and assistance for alternative energy sources such as wood, hydro, solar, and coal. 69.1 percent.

D. Speed up licensing of new nuclear fission power plants. 21 percent.

E. Slow down licensing of new nuclear plants, and assess the problems. 63.4 percent.

3. Health. Which of the following statements closest to your opinion on National Health Insurance? Check only one.

A. The government should provide mandatory, comprehnsive health insurance, to assure the medical needs of all Americans are met. 20.2 percent.

B. The government should provide "catastrophic" health coverage to assure families will not face bankruptcy due to illness or injury. 43.9 percent.

C. The government should not play any increased role in providing health insurance coverage. 26.4 percent.

4. Wilderness. The arguments in Vermont's current wilderness controversy are summarized elsewhere in this newsletter. Which of the following statements is closest to your opinion? Check only one.

A. No additional areas of the Green Mountain National Forest should be designated as wilderness. 28.8 percent.

B. Only one of the six regions that were considered should be designated as wilderness. (The Breadloaf area is reportedly being considered.) 11.7 percent.

C. Two or more of the areas of the Green Mountain National Forest should be designated as wilderness. 52.1 percent.●

PLANS TO MODIFY THE CONBOY LAKE WILDLIFE REFUGE IN WASHINGTON STATE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. McCORMACK. Mr. Speaker, today I am introducing a bill designed to redress unjust action by the U.S. Fish and Wildlife Service in its development of the Conboy Lake National Wildlife Refuge in the Fourth District of Washington State. There is substantial evidence to demonstrate that the Fish and Wildlife Service's development of this particular refuge is ill-advised and without significant merit, and when weighed against the human hardships it will create, should be halted.

Conboy Lake National Wildlife Refuge was approved in 1964 by the Migratory Bird Conservation Commission, pursuant to the Migratory Bird Conservation Act of 1922. Its original size was to have been 10,245 acres; it was subsequently reduced to its current proposed size of 9,266 acres.

The Fish and Wildlife Service has acquired through purchase 5,516 acres and through condemnation 1,215 acres. Condemnation action began in 1971 and has been upheld twice by the Ninth Circuit Court of Appeals, San Francisco, with Fish and Wildlife to take possession November 1, 1979.

In 1967–68 the GAO conducted an investigation of the acquisition of migratory waterfowl refuges by the U.S. Fish and Wildlife Service which included an examination of Conboy Lake. Several of the findings were not favorable to the agency's proposed acquisition of land at Conboy Lake:

First. Even though Fish and Wildlife expected to attract 39 percent fewer waterfowl than they considered the refuge capable of handling, their original acreage requirements were not modified. With 10,500 acres, the refuge could have supported 5.1 million use-days per year, yet the Service projected a requirement for only 3.3 million use-days per year. When this was noted, Fish and Wildlife informed GAO that they planned to reduce the refuge size by 2,300 acres, but it was subsequently reduced by only 1,000 acres.

Second. Approximately 37 percent of the refuge are lands not necessary for the function of the refuge as recommended by the Fish and Wildlife ascertainment biologist. The cost of acquiring these lands would amount to 41 percent of the total cost.

Third. In the wetlands inventory taken in April 1954, Conboy Lake was not recognized as of high or moderate value to waterfowl. This 1954 report included 90 percent of all significant wetlands in the State, and the remaining 10 percent equaled 25,000 acres of marginal habitat in higher mountainous areas.

Fourth. In 1961 the Pacific flyway representative recognized the marginal value of Conboy Lake when, using a numerical rating format to establish priority sites for refuges, he rated Conboy the lowest of 86 sites within the flyway because of unfavorable biological and administrative characteristics. On a scale of 0–41 biological characteristics, Conboy rated 7.

While one of the primary purposes of the Fish and Wildlife Service in establishing the refuge was to attract waterfowl away from crops on private lands, the rating for this factor was 0. Further, tract appraisal reports show that the 10,500-acre site contains only 144 acres of water and marsh.

Fifth. In 1963, the Region I Land Acquisition Review Committee ranked Conboy Lake low, due to its location between the existing Toppenish and Ridgefield refuges, and the then-planned development at Umatilla.

In its 1964 presentation to the Migratory Bird Conservation Commission, the Fish and Wildlife Service stated the following reasons for establishing the refuge:

(1) To facilitate the orderly expenditure of duck stamp funds;

(2) To take advantage of the willingness of land owners to sell; and

(3) To provide an additional refuge site in Washington.

The Fish and Wildlife Service did not disclose to the Commission:

First. That there were other areas of higher value to waterfowl not yet acquired in the flyway.

Second. The basis used by the Service in determining that the refuge was required to satisfy the needs of waterfowl.

Third. The fact that an additional 4,200 acres recommended for purchase were biologically unessential for the refuge.

The negative economic impact of the proposed refuge on the area is substantial. For example, 715 head of cattle have been displaced from the land already purchased by the Service; an additional 325 head have been displaced from the condemned lands; and another 500 head will be displaced from the remaining lands to be acquired. At approximately $600 per head, this represents a loss of $924,000 value. An additional 60 milk cows were displaced. At $800 per head, this is an additional $48,000. In just one category—value of livestock—establishment of the refuge means a loss of close to $1 million in assets to the area.

Additionally, the Klickitat County Commissioners have expressed concern that the amount the county will receive in "in-lieu-of-taxes' funds will be substantially less than the revenues which would be generated from property taxes under the current assessed value of the land involved.

The personal hardships created for the three families involved in the condemnation proceedings cannot be minimized. The Kreps family, represented by Mr. and Mrs. Bill Giersch, will lose 333 acres through condemnation already completed, and an additional 400 acres which are within the proposed boundary of the refuge; Mrs. Agnes Miller will lose 657 acres, which is her entire ranch, including her home; and Mr. Wally Davis will lose 225 acres, one portion of his ranch holdings.

It is difficult for me to understand, Mr. Speaker, how an agency can justify continuing development of a project of marginal value for wildlife enhancement in the face of this kind of adverse impact on people who have made their homes and living in this area for years.

The House Interior Appropriations Committee has already seen fit in its report of July 18, 1979, to delete any funds for operation of the Conboy Lake National Wildlife Refuge in fiscal year 1980. This action will halt development of the refuge, but, the Fish and Wildlife Service is moving forward with its plans to take the condemned property and evict the three families. That is why the matter is of some urgency, Mr. Speaker.

The bill which I am introducing today would permit the Fish and Wildlife Service to maintain a refuge of reasonable size—the 5,516 acres which it has acquired by purchase, and to acquire real property by exchange in order to make that parcel contiguous. But it would force the Fish and Wildlife Service to return any real property acquired by condemnation—land which is excess to the needs of the refuge anyway—to the owner or owners from whom such property was acquired, upon payment by such owners of the amount, if any, paid by the United States as compensation for such property. In the interests of justice, I hope that the Congress can act quickly on this legislation.●

A CLOSE LOOK AT OUR SYNTHETIC FUELS STRATEGY

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, as we prepare to consider the various energy proposals that might help lead the United States out of the wilderness of energy dependence, which could amount in dollars and impact to the largest single peacetime government initiative in U.S. history, I feel it is indeed appropriate to closely scrutinize these measures. This article by John Berry from the July 29th Washington Post sets out some interesting thoughts on the matter.

[From the Washington Post, July 29, 1979]

GOAL MAY PROVE ELUSIVE, COST TOO HIGH

(By John M. Berry)

President Carter and the Congress are fast committing the nation to a massive, expensive, risky new program to develop energy alternatives to imported oil.

The appeal is undeniable, for the goal is nothing less than to free America from the dictates of an avaricious world oil cartel that is using the "oil weapon" not just to extract dollars but foreign policy concessions as well.

But there is a real chance that the goal will prove elusive and the costs extraordinarily high, not just in government spending, but also in the form of higher inflation, added pollution, decreased nonenergy investment by business and at least a temporarily lower standard of living for many Americans.

Opposition to some parts of the program has been overwhelmed by the sudden political need to respond to the long lines at gasoline stations and rapidly rising prices at the pump. Now, however, skeptics are emerging even in Congress. They are wondering out loud whether the nation may not be leaping unawares into the synthetic fuels production plans that are the heart of the new program.

Administration officials acknowledge the uncertainties, but say enough is known to push ahead. "There are no substitutes to imported oil other than the range of production alternatives we've proposed," says one.

Today, the Washington Post begins a series of occasional articles that will explore the costs, the risks and the benefits of this mammoth commitment of national purpose for the decade of the 1980s.

The first article deals with coal liquification—the process of turning part of the nation's abundant coal deposits into liquid fuel, either crude oil, a form of alcohol called methanol, or directly into gasoline. Five groups of companies with five different processes each claim to be able to do the job—if the government somehow will help to finance a $2 billion commercial-scale plant turning out 50,000 barrels of fuel each day.

No plant of that size using any of the five processes exists. The largest in the United States produces only about 150 barrels a day. There is a 20,000-barrel-a-day plant in South Africa that uses one of the processes to produce gasoline, and a larger plant under construction there will produce an estimated 120,000 barrels daily.

All of the synthetic fuels, like coal liquifaction, involve changing a source of energy from one form to another. All of them are expensive, with only oil shale likely to cost little more than oil at current prices.

Because something has never been done is hardly a sign that it cannot be, of course. But doing something for the first time, and in a great hurry, can lead to some unpleasant surprises, particularly in terms of costs.

President Carter put the cost of his program at $142 billion over 10 years, but that estimate is not really based on costs at all. Rather it is simply a figure close to the minimum amount of money the administration calculates its proposed windfall tax on domestic crude oil will bring in. "Any reduction in the receipts . . . will require reductions in these program levels," said a footnote to the White House fact sheet describing the program.

At this point, anybody's figures probably should be taken with a grain of salt. As a recent Rand Corp. study for the Department of Energy put it, "Estimates of capital costs of pioneer energy process plants have been poor predictors of actual capital costs."

Early estimates, even adjusted for inflation, "have routinely understated definitive-design or ultimate costs by more than 100 percent for oil shale, coal gasification and liquefaction (liquids), tar sands, solid waste and nuclear fuel reprocessing plants," the study warned.

Anyone can recall story after story about weapons systems cost overruns. Yet the Rand study concluded that, on average, the actual cost of weapons systems was much closer to original estimates than the actual cost of energy process plants to original estimates. First-of-a-kind plants always cost far more than expected, and building them on a tight schedule—as will have to happen to meet Carter's 1990 goals—"can cause both higher cost and poor system performance," the study concluded.

Building the plants—most of which will have to be located in relatively remote parts of Montana, Wyoming, Colorado and North Dakota—may strain the nation's supply of skilled construction manpower. Construction wages could soar, adding sharply to the costs not just of the plants themselves but also other projects such as chemical plants and oil refineries. Production of some of the equipment needed in the plants also could means that other types of process plants might have to do without.

All that could add to inflation generally.

Nevertheless, Carter has earmarked $90 billion with which to spur production of the energy alternatives. About half of the remaining $50 billion is supposed to be used to help low-income families bear the burden of higher energy costs. More than $16 billion will be used for mass transit and some as yet unspecified program to increase automobile mileage efficiency. The remainder is destined to aid utilities in switching power plants from oil to coal, to speed energy conservation measures in residential and commercial buildings, and to give new incentives to use of solar energy.

Little of the $90 billion would be used directly by the government to construct the coal, oil shale and "biomass"—a catch-all phrase covering organic materials ranging from wood chips to corn to garbage—conversion plants. A new Energy Security Corp. is supposed to use a combination of loans, loan guarantees, price guarantees and purchase agreements to entice private industry to build the 30 to 40 plants with 50,000-barrel-a-day outputs needed to meet Carter's goal.

Even a $2 billion each, that's $60 billion to $80 billion. If the Rand study is right, the total could be far more. In addition, the continuing cost to the government as a result of its price or purchase guarantees could run into the billions of dollars every year once a plant starts operating.

Outgoing Energy Secretary James Schlesinger predicted last week, "It will be a hard struggle to get the Energy Security Corp. passed on Capitol Hill." Other administration officials are resigned to the fact that Congress will be making major changes in the ESC proposal. Those officials are worried that Congress may try to tie the new group's hands and require specific appropriations for the guarantees extended each plant.

Ironically, if the Organization of Petroleum Exporting Countries imposes big oil price increases in coming years, it will swell receipts from the windfall tax—unless Congress fails to make it permanent, as it well may do—and reduce any future outlays as a result of price and purchase guarantees.

In short, no one knows what the costs of Carter's program will turn out to be.

No one knows, either, what the environmental bill will add up to in the end.

A DOE study released July 12 found that only 41 counties in the entire country have coal reserves adequate to supply a 100,000-barrel-a-day plant for 25 years, with enough water resources within 50 miles, and with sufficient room under present federal air quality standards that the plants could be built.

Most of the sites are in the West where water is already in short supply, obtaining enough rights to water use for the plants probably would mean buying large blocks of ranch and farm land whose owners now control those rights.

The coal and oil shale supplying the plants would come largely from surface mines in semi-arid areas in which reclamation is still highly uncertain.

And most of the counties have only very small populations that might be overwhelmed by the influx of workers needed to build and operate the plants. Including workers, employes of support facilities and their families, a 100,000-barrel-a-day plant would mean a 20,500-person increase in population, the DOE study said. Some of the 41 counties have populations as low as 1,000 people.

To cope with the population influx associated with a single 50,000-barrel-a-day plant, the added community facilities could cost more than $70 million.

Beyond that sort of impact, the range of unanswered environmental questions is still enormous. The same DOE study cautioned:

The accelerated commercialization schedule (set by Carter) may require that the first commercial plants be constructed before environmental concerns are assessed fully.

If problems exist, the number of these first commercial plants in specific locales can lead to an increased risk that a primary health standard will be violated.

Small laboratory and pilot plant facilities may fail to indicate pollution problems that would surface in the larger scale of a commercial operation.

Carter is counting on displaying 500,000 to 1 million barrels of oil imports with such gas, which is locked so tightly in rocks that they generally must be fractured in some way before the gas will flow in any quantity. The gas dissolved in deep reservoirs of brine along the Texas and Louisiana coasts also falls into this category, but that gas carries with it far more uncertainties than that held tightly in the Devonian shales of West Virginia.

All of the energy alternatives—liquids from coal, "natural" gas from coal, oil shale, gasohol, garbage, wood, wind, geothermal, heavy oil and tar sands, and solar—will be covered in the articles to come. Some of the questions raised will be answered. Some will not be, because for them there are as yet no answers.●

THE MARRIAGE TAX—AN EXAMPLE OF THE HARM IT CAUSES

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. McCORMACK. Mr. Speaker, I recently received a letter from a gentleman who worked for the Internal Revenue for nearly 30 years before retiring. He now aids individuals in the preparation of their tax returns. He commented on my bill to eliminate the so-called marriage penalty tax. As the Members know there have been repeated calls for repeal of this unfair tax. The accompanying illustration shows how the marriage penalty tax effects a real-life middle-income couple.

The letter says, in part, ". . . your bill on not taxing couples more than singles is excellent. I recently had a case where the couple stated that they shouldn't have gotten married because it cost them $1,138."

He went on to illustrate:

MARRIED COUPLE

(1978 Rates/Standard Deduction)

His income: $17,983.62.
Her income: $14,148.20.
His tax if single: $3348.
Her tax if single: $2227.
Single tax total: $5575.
Tax paid as a married couple, joint return: $6713.
Extra tax paid due to marriage (In other words, Marriage Penalty Tax). $1138.●

MRS. CECIL (TOOTIE) McCLUEY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. SKELTON. Mr. Speaker, Missouri State Representative Jerry Burch wrote a guest editorial about Mrs. Cecil (Tootie) McCluey, who recently passed away. She was truly a fine person, one who made our democracy work. The editorial from the Nevada Daily Mail is as follows:

[From the Nevada (Mo.) Daily Mail, July 24, 1979]

TOOTIE MCCLUEY

(EDITOR'S NOTE: The following editorial was written by State Representative Jerry Burch at the invitation of the Nevada Daily Mail)

"Tootie" McCluey was a delight to everyone who knew her, and to a politician she was a pearl indeed. So when Mrs. Cecil McCluey died on June 28, I shared with her friends and neighbors at Lamar a sense of loss, a sad feeling that there is an empty place that will never quite be filled again.

When I set out to run for state representative last summer, I was looking for someone to help me in Lamar and Barton County. Almost the first one suggested was Tootie McCluey. It was a great day for me when she ushered me into her kitchen and poured me a cup of coffee.

"You're not the first politician to sit at that table and talk about campaigning," she said.

She ticked off some names: Symington, Litton, Eagleton, Randall, Kirkpatrick and—of course—Harry Truman. If she worked as hard for them as she did for me it is no wonder they were elected.

I never will forget that scorcher of a day last September when Lamar's annual Free Fair came to its climax with a parade around the square. There was Tootie, sweat streaming down her face and arms, blowing up campaign balloons and handing them out to the kids who came to our booth. You couldn't have hired anyone to work that hard or so enthusiastically.

She was a big woman, the widow of the owner and operator of Lamar's rather legendary and now extinct broom factory. One of the strongest remembrances of her in Lamar is that if she decided something needed doing it got done. Particularly in Lamar's Fourth Ward.

Tootie created a ruckus in the Fourth Ward Democratic Caucus last winter, and it

was probably one of the few times she had any political ambitions for herself. She wanted to be the ward's Democratic committeewoman. She complained that nominations were closed improperly before names could be submitted from the floor. She persisted until she won her point. The caucus had to be reconvened. But she did not get elected.

Although much involved, Tootie did not get hyped up about pet causes or political issues. No one ever worked harder and I have hardly ever been more obligated to anyone, but there was always the feeling that Tootie would never ask me to vote for or against a bill, would never ask for a job or for a personal favor. She never did!

So why did Tootie get involved? Why did she love to have politicians in her kitchen? Probably because she felt the best way she could discharge her obligation to vote intelligently was to get involved with the people who were running and got elected.

On our bicentennial Independence Day—on Sunday the Fourth of July, 1976—Jerry Litton gave the sermon at Independence Boulevard Christian Church in Kansas City. Here is just a little bit of what he said:

"Some are suggesting that politicians are not addressing the issues. But I think the people are wanting to look deeper than issues. They want to know the people behind those issues. I think they want to know the man, the woman, the candidate, the public official. They want to know how they feel about others. They want to know whether or not they are believers. Are they Christians? Do they believe? How do they feel toward their fellow man?

"Somehow we've lost faith in our God and our country, and it's making it very difficult for a free system and a free society to work. For a free system and a free society and a democracy to function, people must believe. People must want to follow, since they are not forced to follow. The fact that our people have not wanted to follow the past few years has weakened the basic structure of our democracy."

I came to look upon Tootie McCluey as one who dared to follow. Once she had determined which Democrats were worthy of her loyalty, whether they were believers, how they felt toward others—once she knew them and they satisfied her—she was not distracted by issues or what might be in it for her. With a lot more like her, we would not have to have doubts about our democracy working.●

JUSTICE DEPARTMENT'S EFFORTS LAGGING AGAINST WHITE-COLLAR CRIME

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. CONYERS. Mr. Speaker, for the past 2 years, the Subcommittee on Crime has been conducting oversight regarding the capabilities of the U.S. Department of Justice to detect, investigate, and prosecute corporate and white-collar crime. In an insightful article by Philip Taubman, the New York Times recently analyzed this subject in a lengthy front page article appearing on Sunday, July 15, 1979. As chairman of the Subcommittee on Crime, and as one who has undertaken a comprehensive analysis of the resources devoted by the Department of Justice to combat corporate crime, I found this article to be particularly significant and valuable, appearing as it did on the eve of the appointment of Benjamin Civiletti to be our new Attorney General. I commend this article to the attention of all of my colleagues in the House:

U.S. ATTACK ON CORPORATE CRIME YIELDS HANDFUL OF CASES IN 2 YEARS

(By Philip Taubman)

WASHINGTON, July 14.—The Justice Department has developed only a handful of criminal cases against major corporations in the two years since the Carter Administration promised to crack down on corporate and white-collar crime.

Government experts estimate that violations of antitrust, tax, fraud, bribery, pollution and other Federal laws by the nation's thousand largest corporations cost the economy billions of dollars a year.

But the Justice Department still lacks the manpower, the expertise and, in some cases, the motivation to conduct successful criminal investigations and prosecutions against major corporations or their top executives, according to a score of current and former Justice officials and corporation lawyers.

Harold R. Tyler Jr., a former Federal district judge and Deputy Attorney General in the Ford Administration, said, "The Justice Department doesn't even know the magnitude of what it's missing in terms of corporate crime. It was a very serious problem for the Government when I was there, and it still is."

Top officials of the department say that its efforts against white-collar crime in general and corporate crime in particular have intensified.

"I'm pleased with the progress we've made in recent years," said Deputy Attorney General Benjamin R. Civiletti. "We now have more emphasis on fighting white-collar crime than in the history of the United States, and we've undertaken more sophisticated prosecutions than ever before."

Most officials, however, while agreeing that the Justice Department is trying harder, say that the effort is having minimal success against the enormous obstacles involved in investigating and prosecution major corporations.

One top Justice Department official said, "It's just a lot easier for us to pick on the small guy" because the major companies, with their extensive resources and complex operations, require an extensive commitment of investigative time and expertise, both of which are in short supply.

RECORDS OF VARIOUS AGENCIES

An examination of Government records showed the following:

In the last two years, Internal Revenue Service investigations led to 3,360 indictments for criminal violations of Federal tax laws. Nine involved major corporations. The I.R.S. devoted 2.5 percent of its investigative time last year to major corporations, which it defines as those with assets of $250 million or more.

The Securities and Exchange Commission has referred 420 cases involving questionable domestic and foreign corporate payments by major corporations to the Justice Department in recent years. Ten have resulted in guilty pleas and 30 are under investigation, according to officials in the fraud section of the Justice Department. The rest have been dropped. No corporate executives have been prosecuted individually, although many were named in the S.E.C. files.

Of 23 criminal antitrust cases brought by the Justice Department this year, three involved major corporations.

Though the Department of Energy estimates that fraudulent oil transactions run into the billions of dollars every year, the one major oil company charged with such a transaction was able to plea bargain for a modest fine because the Justice Department, according to Congressional critics, delayed an investigation until the statute of limitations had almost run out.

In the half-decade since major air and water pollution laws were enacted, the Environmental Protection Agency has referred about 130 criminal cases to the Justice Department for prosecution. Half a dozen have involved major corporations. The Government has filed criminal charges against one, Allied Chemical, which pleaded no contest three years ago to charges that it dumped large quantities of the toxic chemical Kepone into the James River in Virginia. The case arose when about 80 people became ill. "We're just not set up to handle these kinds of cases, and our record is awful," said an official in the land and natural resources division of the Justice Department.

OTHER SOURCES OF DELAY

Present and former Government officials say that in some cases, a snail's pace by regulatory agencies or other problems not directly related to law enforcement have brought about the limited record of criminal prosecutions against major corporations. In the pollution area, for example, they note, regulations for toxic waste disposal have only recently been drafted.

There is little argument about the cost of white-collar crime. The Joint Economic Committee of Congress estimates that such crime costs the United States economy $44 billion a year; crimes against property cost about $4 billion.

If the costs associated with antitrust price-fixing and fraud against Government programs are included, the total annual cost of white-collar crime exceeds $200 billion, according to Government estimates.

Experts say that while crimes committed by the 1,200 major corporations listed by the I.R.S. account for only part of the total cost, that part runs into billions of dollars a year.

SEVERITY OF PROBLEM ACKNOWLEDGED

President Carter and Attorney General Griffin B. Bell have frequently acknowledged the severity of corporate and white-collar crime in speeches and policy pronouncements. Last year Mr. Carter said, "Powerful white collar criminals cheat consumers of millions of dollars. Too often these big-shot crooks escape the consequences of their acts."

Mr. Bell has increased the staff of the Justice Department's fraud section and is creating special economic crime enforcement units in 27 United States Attorneys' offices.

But the emphasis and effort, Justice officials said, have yet to solve the myriad problems that the Government encounters when it tackles a major corporation in a criminal case. From detection to prosecution, these cases confront the Government with a nearly immobilizing web of problems, some inherent, others created by the Government itself.

These problems fall into three main categories: problems produced by policy, problems of investigation, and problems of prosecution.

POLICY AND GOALS CLASH

While combating white-collar crime is called a high priority goal in the Carter Administration, specific policy within enforcement agencies does not make major corporations a leading target for investigation.

In the fraud section, for example, one of the main centers for investigating corporate wrongdoing, "our first priority was going after fraud in welfare, Medicare, Medicaid and other Federal programs," said Richard Beckler, chief of the fraud section until he left last month to enter private practice.

The tax division of the Justice Department is handicapped by the enforcement policy of the I.R.S., which, according to Thomas J. Clancy, director of criminal investigations, tries to spread its enforcement net as widely as possible to create a deterrent.

That policy left corporations, which paid 16 percent of the taxes collected by the Federal Government last year, subject to less than five percent of the I.R.S.'s investigative time. "Most of the cases referred to the tax division by the I.R.S. are against doctors, lawyers and other owners of a sole-proprietorship business," said Cono R. Namorato, once a revenue service agent and, until recently, Deputy Assistant Attorney General in the tax division.

ANOTHER SERIES OF OBSTACLES

When it does investigate a major corporation, the Justice Department faces another series of obstacles.

"One of our biggest problems is lack of investigative resources," said Robert B. Fiske Jr., United States Attorney for the Southern District of New York.

In the case of the Federal Bureau of Investigation, the Government's main source of investigative manpower, the difficulty is lack of training to unravel economic crimes. "This is an area that has only recently received emphasis at the F.B.I.," said Mr. Fiske. "The bureau is taking steps to recruit and train people in this area, but it takes time. You can't take a group of agents who have investigated street crimes for years and turn them into financial experts overnight."

The Federal investigators who do have such expertise, the agents of the I.R.S., are unavailable to help with non-tax criminal cases because of a provision in the 1976 Tax Reform Act. To protect the privacy of third-party financial records, such as tax information and bank records, the law forbids the I.R.S. to share its findings with other criminal investigators without a court order.

"The I.R.S. can't even tell us whom they're investigating, much less work with us," said Mr. Fiske.

HUGE MOUNDS OF EVIDENCE

Manpower shortages are compounded by the volume of documentary evidence produced in most cases involving major corporations. "The amount of paper is staggering," said Andrea S. Ordin, United States Attorney for the Central District of California, which includes Los Angeles.

Mrs. Ordin cited a case in her district in which half a million pages of documents were collected as part of an investigation into alleged bribery of an Alaskan telephone official by two California-based companies that are subsidiaries of Japanese corporations.

"It can take weeks of following the paper trail before we even know if there is a case worth pursuing," Mrs. Ordin said.

The combination of extensive documentary evidence and limited investigative manpower appears to account for the Justice Department's conduct in the fraudulent oil transfer case. Two years ago, executives of the Continental Oil Company, the nation's ninth largest oil corporation, voluntarily told the Government about an alleged scheme within the company to circumvent price controls on the sale of crude oil.

When the Federal Energy Administration eventually referred the case to the Justice Department, it was assigned for three months to an attorney in the fraud section, Gerald P. Egan, who was then deeply involved in prosecuting a land fraud case in Florida. "I was in trial," recalled Mr. Egan, "and I just didn't have time to work on the Conoco case."

Representative John Conyers, chairman of the House subcommittee on crime, has charged that the Government neglected the case until the statute of limitations had nearly run out, forcing the Justice Department to settle for a plea bargain and modest fine in the end. Officials say the case was handled as expeditiously as possible.

The 60 lawyers assigned to criminal tax cases must review about 2,400 cases a year. "The load is brutal," said a tax division official. "We're missing good cases against big corporations because we lack the manpower." Tax division requests for increased staff in the criminal section have been turned down by the attorney general's office the last two years.

"ALL-OUT GLOBAL WAR" IN COURT

The difficulties encountered in investigations are often eclipsed by problems that develop once a corporate crime case moves to court. Here, according to lawyers for both the Government and large corporations, the Government can be outmanned, outgunned and outmaneuvered in many ways.

"Any criminal case is war," said Mr. Ferguson of the tax division. "A criminal case against a major corporation is all-out global war. Corporations use every weapon they can afford, and they can afford a lot.

The major weapon is expert defense counsel. While the Government often goes to court with young, inexperienced lawyers, according to Justice Department officials, companies in trouble can hire such Washington lawyers as Judah Best, Arthur F. Mathews and Herbert J. Miller, who have years of experience handling corporate cases and who can frustrate the Government at every turn, say lawyers in Government and in the private sector.

In litigation of a case involving illegal tax havens, for example, defense attorneys, invoking the Freedom of Information Act, asked for an index of thousands of pieces of documentary evidence collected by the Government. It took 30 Government lawyers and investigators six weeks to prepare the index, according to Mr. Ferguson.

TRACING RESPONSIBILITY DIFFICULT

Pinning responsibility on specific corporate executives is another obstacle. "When you get into a big corporation, with multiple levels of supervision, it is hard to trace responsibility for misconduct," said Mr. Namorato.

The complexity of corporate cases also causes problems. Richard Blumenthal, United States Attorney for Connecticut, said, "The applicable laws in corporate cases are frequently the most complex, producing cases that are difficult to reduce to issues a jury can easily grasp."

When legal strategy fails, corporations can try using political leverage.

Given these problems in dealing with corporate crime, the Justice Department often finds a plea bargain an attractive compromise. Though department officials say they prefer to push for trial and conviction, the record shows a preponderance of plea bargains in corporate cases.

ATTRACTIVENESS OF A PLEA

"You almost go for a plea bargain unconsciously because of all the problems," said Mr. Namorato. "Given the choice between setting on a plea up front versus going to trial for six months and ending up with a hung jury, the average Government prosecutor would take the plea."

Frequently, records show, plea bargains include a substantial reduction in charges. In some cases involving felony violations, the Government has accepted a guilty plea on misdemeanor charges.●

THE DRAFT—A DIFFICULT CHOICE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. McCLOSKEY. Mr. Speaker, the difficult choice between a nonworkable All Volunteer Army and returning to the draft could not have been more poignantly stated than in a letter I received recently from the wife of a career army staff sergeant following a published discussion of the issue between our colleague from Ohio, Mr. SEIBERLING and myself.

The letter follows:

STOW, OHIO.

DEAR REPRESENTATIVE McCLOSKEY: The Akron Beacon Journal published your feelings on the future of the Draft and I felt compelled to write to you because although I am against the Draft I know that it is probably the only solution for the Armed Services.

My husband is a Staff Sgt. in the U.S. Army with 14 years of service. I have seen the Army up close in the 11 years we have been married.

Everything you mentioned as being wrong with the Volunteer Army is in fact true. Today's Army is made up of minority groups. They are people who don't want to work but want to draw a paycheck, of unemployables, of misfits and social outcasts. Nobody who can get a job as a civilian goes into the low paid Army.

In 1974 the pay was pretty good. Now, with inflation the past five years, I have to work to keep the bill collectors from our door and I can no longer afford to go with my husband as he is transferred from one place to another. We moved five times in the last ten years and each time it cost us more out of our own pocket for expenses that were not covered by moving allowances.

We returned from a tour of duty in Germany a year ago and what I saw there scared me a lot. On any given day of any given week, we could not have put 50% of our troops into combat. Drugs and alcohol are used on duty and officers and NCO's look the other way. In fact the Army actually encourages the use of alcohol and never is a Company party or picnic held that alcoholic beverages are not the central attraction. The Army could even be accused of pushing alcohol.

Drugs were a terrific problem when we were there. One barracks on one of the compounds was well known for its daily OD requiring an ambulance from the dispensary.

My husband is "old Army" and a Vietnam veteran. He likes the Army the way it use to be. He doesn't understand "Today's Army". We have seen a lot of 10–12 year men get out because they wouldn't have their families around the situations that exist at bases today.

I can confirm your belief that the Military is greatly out of shape and would be slaughtered just like the Divisions sent against North Korea at the beginning of the war. It scares the life out of me that my husband would have to lead and depend on the men in his company. They would be worthless.

I hate the idea of the Draft. I won't let my daughter go, I will personally take her to Canada first and unless the Army changes drastically my son will not go either.

The Military use to put homosexuals of both sexes out of the service as undesirable. They no longer do this. I will not have my children forced to be exposed to things they and not old enough to handle or worldly enough to be able to know what they are getting exposed to.

My children are being raised as middle class, well educated children. You cannot say the Army is composed of middle class, well educated people. It's more like lower class illiterate. If given the free choice now even at their age they would not choose to live in Watts over the suburban neighborhood we live in and for which I work to keep us in.

As much as I hate it, Draft is probably the only solution but things must change when the Draft resumes. Homosexuals must not be forced together with our children. The

Army's attitude about alcohol must take a 360° turn and a campaign to discourage drinking taken up. Stress on physical and mental fitness must be the order of the day, not how many drinks it takes to put the Sgt. under the table and who is the Company Macho drinker. Pay has to improve. A Family cannot live on today's pay. You are asking people to voluntarily live on the poverty line, how can you in good conscience force them to live that way. A man feels a failure if he cannot give his wife and children the things they need. He then drinks and the family eventually breaks up. This is good for society?

Careful planning must go along with any resumption of the Military Draft.

Sincerely,

ELIZABETH MCCULLEY.

[From the Akron Beacon Journal, June 25, 1979]

COMPULSORY NATIONAL SERVICE: A CURE OR A CURSE?

IT'S VITAL WE BE PREPARED

(By PAUL N. MCCLOSKEY, JR.)

The bill for a National Youth Service System is predicated on several basic premises.

First, the all-volunteer force concept is too expensive. We cannot afford to increase our manpower share of the defense budget above the present 55 percent in order to attract more volunteers. To do so, against the Soviet manpower percentage of only 23, would be to court disaster over the next two decades.

Any additional manpower expeditures should be at the staff non-commissioned officer levels and to attract re-enlistments, not new recruit. The key to this bill is the reduction of pay for junior enlisted personnel with less than two years of service back to subsistence levels.

Second, the all-volunteer force concept is not providing a combat ready army. The reserve and National Guard forces are not combat-ready. No one, even in the Defense Department, denies this admitted failure of the all-volunteer force concept.

In the event of a major war, the Selective Service System could not be reactivated quickly enough to deliver the additional 650,000 personnel required.

In December for the first time the Air Force was unable to meet its enlistment quotas with reasonably qualified applicants, a problem which has plagued the Army and Marine Corps for some time. For the last quarter of 1978, the percentage of qualified recruits for all of the four armed services dropped below established goals. The Air Force met only 95 percent of its quota, the Army 93 percent, the Marines 86 percent and the Navy 85 percent.

The Army has just asked for standby reinstitution of the Selective Service System, and a recent General Accounting Office report recommends this action as well.

These problems threaten our constitutional responsibility for the national defense. We are sorely in need of a system of military recruitment that can provide essential manpower. At the same time, we are failing to utilize a vast reservoir of the nation's youth to meet social, economic and environmental needs.

Combat readiness in 1979 means the readiness to go into combat on 24 hours' notice. It requires the physical fitness to run 10 miles at a stretch, training in the desert and jungles in the summer, and in arctic areas in the winter. How many reasonable young men and women today are going to volunteer to be combat-ready given the pursuit-of-happiness options otherwise available on all sides?

The whole purpose of the armed services of the next 20 years is hopefully not to fight, but to constantly be ready to fight. Combat readiness is a deterrent to foreign adventurism, unreadiness is an invitation to such adventurism.

Combat service requires a minimum of six months' basic combat training; it requires a minimum of six months' hard physical preparation. We are not in the situation, as in World Wars I and II, where oceans protected our ability to organize and train expeditionary forces, or, as in Vietnam, where circumstances permitted a gradual buildup against a poorly equipped indigenous force, essentially without airpower, tanks or naval support.

The early days of the Korean War provide a much more pertinent lesson. There, the sudden attack of the North Koreans forced President Truman to commit troops into combat who were neither physically in shape nor trained for the terrain and weather they encountered.

Four U.S. divisions, fat and comfortable from garrison duty in Japan, were originally no match for hard, tough North Korean soldiers. Many young U.S. soldiers were killed or captured as a direct result of their nonreadiness. The crack First Marine Division was not ready for the weather conditions it encountered at the Chosen Reservoir.

I was one of the first reserve officers to finally reach the battlefront, seven months after the initial attack, when we finally began to turn the tide. It was the reserves who turned the tide, but I stress again that it took six months at the very least to prepare those reserves to have even a minimum chance of survival.

To be combat ready, the training must come very close to combat conditions. It must sometimes be even more arduous than combat.

It is this disparity between the pleasures of present civilian life and the nature of combat training which should convince all of us that we are not going to get enough reasonable young men and women to volunteer to be combat ready.

Congress' responsibility

A combat ready army is perhaps the first responsibility of the Congress. We should never forget that the primary purpose behind our own Constitution was to give the power to the Congress to raise an army and provide for a navy.

We were not at war in 1787 when the Constitutional Convention convened, but it was clear that the independence earned in eight years of war against Great Britain was about to be lost unless the Congress was given power to protect the national security, a power lacking under the original Articles of Confederation. And that power was not one to be entrusted to the executive branch.

I trust the Defense Department's current statements that "the all-volunteer Army is working" about as much as I trusted their seven years of statements that we were "winning" in Vietnam.

Third, if for the above reasons a draft of U.S. citizens is inevitable, it is best that the armed forces of the United States represent a cross-section of the nation, from every walk of life and from every economic and intelligence level.

One of the tragedies of Vietnam was the heavy burden placed on minorities as a result of the congressionally imposed exemption for college students. With perhaps 21 percent of the U.S. population either black or Mexican-American, some 44 percent of the combat casualties were borne by those two minorities.

The same would be true today, since the Army's combat units contain an even more disproportionate share of minorities than they did during the Vietnam War. Recent recruiting scandals give credence to the suggestion that the poor and the poorly educated are much more subject to the blandishments of a recruiting team than are the white, well-educated and well-to-do.

A sense of obligation

Fourth, if the draft is indeed inevitable, at a time when perhaps only one out of six is needed—4.3 million young people turn 18 each year and 700,000 are needed—would it not be fair to ask all young people to accept the concept of a duty to the country?

It is my feeling that today's youth are not opposed to national service, they may well oppose the use of conscription to support undeclared wars such as Vietnam, but the young idealists who opposed Vietnam in 1969 were the same type of individuals who volunteered to serve in the Canadian Armed Forces in 1939, before the United States entered the war against Germany.

Duty, honor, country and a sense of obligation to serve the nation and mankind are very much a part of the ethic of today's youth.

Providing 700,000 men and women for the regular forces and a similar number for the reserves (may require) only one out of three young Americans for this national necessity. But this also involves a division of burden.

The active combat forces require at least two years of service. The ready reserve can well do with six months of full-time service and 5½ years of active reserve duty.

Why not also recognize a sense of duty for national service for everyone?

It is on this premise that a spirit of idealistic service has always characterized the best of our young people that the national youth service concept is based.

LIBERTY WOULD BE THE LOSER IF CONSCRIPTION FORCES WIN

(By JOHN F. SEIBERLING)

Compulsory inductions into the armed forces of the United States ended in December 1972. Six months later, with certain exceptions, the authority of the President to order inductions also expired.

Yet today, less than six years after the end of the draft, and with our nation at peace, we are once again hearing a rising chorus of calls for a resumption of compulsory military service.

I was recently asked if I thought a consensus exists in Congress for a return to the draft. In my opinion, such a consensus does not exist, but a few members of the House and Senate are doing their best to create one.

The current debate on the draft revolves around three issues: compulsory registration of young men (and, perhaps, of young women) with the Selective Service System; the draft itself; and so-called "universal national service."

The House Armed Services Committee recently approved an amendment to the annual Defense Department authorization bill (HR 4040) which, if enacted, will require all males turning 18 on or after Jan. 1, 1981, to register beginning in 1981.

The Senate Armed Services Committee has held hearings on whether to follow the same approach. Thus the first step has been taken in a campaign to revive the draft.

Let's take a look at some of the claims used to support proposals for registration, the draft and universal service, and the facts which, in my view, clearly refute them.

Registration

Besides requiring registration of all 18-year-old males the committee's amendment would require the President to prepare a plan for reforming the Selective Service System, including such issues as drafting women and whether to register people in person or by culling names from school records, driver registration and other sources, after waiving application of the Privacy Act.

All registered persons would be required to notify the Selective Service whenever they change address, plan to leave the country or, in some cases, change jobs. It is unclear when, if ever, these reporting requirements would cease.

Historically, amendments or extensions of draft laws have been brought up as separate legislation—never before as part of a defense authorization. Certainly, an issue of such far-reaching implications should be handled separately.

Yet, after only limited hearings, the committee casually tacked the registration amendment on to the regular annual Department of Defense authorization bill.

What justification is offered for this unprecedented handling of such an unfair approach to a serious invasion of the privacy of a future generation of young Americans?

Supporters of peacetime draft registration claim that the Selective Service is incapable of meeting the Defense Department emergency manpower mobilization timetable, raising doubts that draftees could be delivered quickly enough in the event of a nonnuclear war (presumably in western Europe).

Yet the Selective Service System has said repeatedly that it can develop the capability to meet the mobilization timetable.

Acting Director Robert Shuck recently said his agency "is firmly convinced that we can develop and demonstrate a capability to register and deliver inductees within 30 days," without peacetime registration.

The Congressional Budget Office, in a November 1978 report, concluded that the Selective Service, with a small increase in funds and without peacetime registration is capable of delivering the first inductee in 25 days—five days ahead of the Pentagon's requested schedule. That brings us to the draft itself—the ultimate purpose of registration.

The draft

Supporters of the draft say the all-volunteer force isn't working—that it has failed to provide sufficient numbers of capable, intelligent men and women to meet the needs of a peacetime defense.

I find it strange indeed that some members of Congress argue that the volunteer force isn't working in the face of a comprehensive Defense Department report ("America's Volunteers," Dec. 31, 1978) which concludes that the volunteer force "has provided the military services with a full-strength active force of a quality equal to or superior to that achieved under the draft."

The same report goes on to say that, since the end of the draft, the active forces have remained within 1.5 percent of their congressionally authorized levels (in fact, by the end of last year they actually exceeded their planned manpower levels).

It further states that the quality of those serving on active duty has "not declined as popularly believed but has markedly and steadily improved since the end of the draft"; that retention of enlisted personnel has increased and is well above pre-Vietnam levels; and that disciplinary problems have declined. The Defense Department itself opposes a return to the draft, concluding that the "draft is not necessary."

Draft advocates also charge that we are facing a crucial shortage of personnel in the reserve force. They argue that a limited draft of 200,000 young people each year would solve the manpower problems in the reserves. The Defense Department estimates that the cost of such a limited draft would be $785 million a year (or $3,925 for each person inducted).

One would think it would be less costly to provide more incentives to encourage volunteers for the reserves.

A recently released report from the General Accounting Office concludes that "nearly 25 percent of the Army's deployable reserve has no assigned missions during the first six months following mobilization."

The report suggests that maintaining "unnecessary and unsupportable units in the reserves . . . is a misapplication of scarce resources and a burden to the management structure."

The Defense Department says that a "draft focused solely on the selected reserve or the Individual Ready Reserve" would involve practical difficulties. A selected reserve draft . . . could undermine community support for the reserves. An IRR draft would require that personnel with as little as 12 weeks of training be available for combat duty within 30 days of mobilization for a period of six years following this training.

"It is unclear whether such individuals could achieve and retain the necessary skills and physical conditioning with so little training."

The Defense Department concludes that "program changes being tested and implemented for the reserves . . . should be given a chance to work."

Since the evidence suggests that a limited draft would do little to solve the alleged problems of the reserves, it seems to me that we should at least give the Defense Department a chance to find more desirable alternatives.

Universal service

Promoters of so-called "universal national service" claim that by requiring every young man and woman to perform some type of national service the inherently discriminatory aspects of the draft will be eliminated. Moreover, they claim that universal service proposals are voluntary in the sense that they offer a number of choices, thus eliminating the coercive elements of the draft.

Under universal service, as exemplified by two bills introduced in the House, every young man and woman (except conscientious objectors) would be required to register with a National Service Board, to choose either civilian or military service (or participate in a lottery like that near the end of the Vietnam War), and be required to serve for from one to two years. The alternative, should one decline to register, would be up to two years in jail.

If there is doubt about the constitutionality of a peacetime military draft, there can be little doubt that a non-military draft in peacetime is unconstitutional—involuntary servitude, pure and simple, with no national defense need to peg it on.

Cost estimates of universal service range from $12 billion to $23 billion, according to the Department of Defense. A huge new bureaucracy would have to be created to assign all the "draftees" to their chosen jobs and make sure they performed them. At a time when Congress is subjecting every federal program to intense fiscal scrutiny, and cutting back even basic human services, promotion of universal national service is either unrealistic or unconscionable—or both.

The debate on Selective Service registration, the draft, and universal service will probably continue for some time. Those involved would do well to reflect on the words of the 13th Amendment to the Constitution: "Neither slavery nor involuntary servitude, except as punishment for a crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."

This unequivocal prohibition can be overridden only by the imperatives of national survival—when nothing short of compulsory service will suffice.

Yet the military hasn't even begun to demonstrate that its actual or anticipated manpower problems cannot be solved with better personnel management, more energetic recruiting, more women recruits, higher enlistment bonuses, and improvement of other benefits. On the contrary, the available facts show that registration and the draft are not necessary at this time.

This is not a partisan issue or a question of whether you favor or oppose increases in the defense budget.

The matter was well put by Congressman Ron Paul, a very conservative Republican from Texas, when he said:

"In today's world, we don't need an armed force of green kids to defend our country. Not to mention the cost inefficiency of spending billions to train one-month soldiers . . . using an authoritarian method such as the draft demeans our armed forces and our Constitution. It is a sign of military and societal weakness, not strength."

The ultimate in government intervention in people's lives is the draft, whether for military or civilian purposes. To accept a peacetime draft or registration is to accept the permanent regimentation of America's youth.

It strikes at the very heart of the American concept of personal liberty and a free way of life. The only justification for either registration or the draft is a clear necessity from the standpoint of national defense.

The burden of establishing the necessity should always be on those who would impose such a drastic curtailment of individual liberty. Its advocates have failed to meet that burden.●

AIRBAGS AND OPINION POLLS

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. VAN DEERLIN. Mr. Speaker, I chaired the Subcommittee on Consumer Protection and Finance during the 94th Congress.

I became convinced, during the course of exhaustive hearings, that airbags in all automobiles would significantly reduce the carnage on our highways. This slaughter is a national disgrace and, for many families, a great personal tragedy.

However, I felt there might be reluctance on the part of motorists to passive restraint systems. But public attitudes have matured. Five separate polls, the results of which follow, show that the public wants better crash protection.

A great number of well-respected groups also support airbags, and I have also included a list of the National Committee for Automotive Crash Protection. These groups will oppose the Dingell anti-airbag amendment.

Since I think action on auto safety is long overdue, I will oppose the amendment as well.

The material follows:

PUBLIC ATTITUDES TOWARD AUTOMATIC CRASH PROTECTION SYSTEMS

ABC NEWS-HARRIS SURVEY

January 1979—"Despite the public's reluctance toward more government spending, there are some federal programs, mainly those concerning health and safety, in which Americans would like to see the government make a more vigorous effort. These include programs dealing with auto safety." Some 86 percent of those surveyed felt that the federal government is "moving too slow" or at "just the right pace" in efforts to make automobiles more safe. More than half (51 percent) said the federal government is moving "too slow," while 35 percent said the pace is "just right."

PETER D. HART RESEARCH ASSOCIATES

May 1978—(for the U.S. Department of Transportation)—58 percent favor the automatic protection standard. Of those surveyed, 35 percent would choose an air bag at $350 extra, while 37 percent would choose

an automatic belt even if there were no price difference. The public rates air bags above automatic or active belt systems for their safety protection, comfort, ease of use and appearance.

HARRIS AND ASSOCIATES

March 1978—(for Amtrak)—By 83 percent, auto safety is the most important improvement needed in the U.S. transportation systems (similar results were obtained in the Hart survey). For trips over 100 miles, 56 percent of those polled said they would choose the auto. Sixty-three percent said the government should spend more money to improve auto safety.

THE GALLUP POLL

July 1977—Although most drivers fail to use their seat belts—and overwhelmingly oppose laws that would fine a person for failing to do so—they nevertheless vote in favor of automatic protection in cars in the form of air bags. Some 46 percent of those surveyed favored requiring automakers to install air bags in cars. The standard allows for automatic belts as well as air bags, but this issue was not raised in the survey.

YANKELOVICH SURVEY

September 1976—(for Motor Vehicle Manufacturers Association)—Of the 62 percent who knew what an air bag is, 35 percent said they would pay $100 or more for one. Of that 62 percent group, 76 percent said they perceived at least one or more benefits from air bags.

NATIONAL COMMITTEE FOR AUTOMOBILE CRASH PROTECTION
LIST OF MEMBERS

Allstate Insurance Companies.
American Academy of Pediatrics.
American Association of Physical Medicine and Rehabilitation.
American Coalition of Citizens with Disabilities.
American Congress of Rehabilitation Medicine.
American Family Insurance Group.
American Insurance Association.
American Nurses Association, Division on Medical Surgical Practice.
American Public Health Association.
American Trauma Society.
Amica Mutual Insurance Company.
Association of Massachusetts Consumers.
The Atlantic Companies.
Automobile Club of Missouri.
Automobile Owners Action Council.
Susan P. Baker, Associate Professor, Johns Hopkins School of Hygiene and Public Health.
Cal Farm Life Insurance Company.
Center for Auto Safety.
Center for Concerned Engineering.
Center for Independent Living.
Chubb & Son, Inc.
Colonial Penn Insurance Company.
Commercial Union Assurance Companies.
Congress Watch.
Craig Hospital, Denver, Colorado.
Crum & Forster Insurance Companies.
Disability Rights Center.
Employers Insurance of Wausau.
Epilepsy Foundation of America.
Farmers Insurance Exchange.
Government Employees Insurance Company.
Harleysville Insurance.
The Hartford Insurance Group.
International Association of Chiefs of Police.
League Insurance Group.
Liberty Mutual Insurance Company.
Maryland Institute for Emergency Medical Services.
Mid-Atlantic Emergency Medical Services Council.
Ralph Nader, Attorney.
National Association of Emergency Medical Technicians.
National Association of Independent Insurers.
National Association of Mutual Insurance Companies.
National Association of Professional Insurance Agents.
National Consumers League.
National Safety Council.
National Spinal Cord Injury Foundation.
Nationwide Insurance Company.
Norte Vista Medical Center., Hobbs, New Mexico.
Ohio Farmers Insurance Company.
Physicians for Auto Safety.
Physicians National Housestaff Association.
Prudential Insurance Company of America.
Prudential Property & Casualty Insurance Company.
Safeco Insurance Company of America.
Saint Paul Fire & Marine Insurance Company.
State Farm Insurance Companies.
S. Lynn Sutcliffe, Attorney.
Travelers Insurance Companies.
United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW).
United Services Automobile Association.
Wisconsin Consumers League.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 31, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 1

9:00 a.m.
Governmental Affairs
To hold hearings on S. 930, to restrict free Federal employee parking.
3302 Dirksen Building

9:30 a.m.
Environment and Public Works
Business meeting on pending committee business.
4200 Dirksen Building

Labor and Human Resources
Business meeting, to resume consideration of S. 446, to provide legal protection to the employment rights of handicapped citizens.
4232 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
2228 Dirksen Building

10:00 a.m.
Armed Services
To continue hearings on the military implications of the SALT II Treaty.
318 Russell Building

Banking, Housing, and Urban Affairs
Business meeting, to continue markup of S. 524, 581, 730, 932 (as passed the House), 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

Budget
Business meeting, to continue markup of the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume consideration of proposed Internal Revenue Service procedures on tax-exempt schools, pertaining to the deduction of certain charitable contributions and IRS collection procedures.
2221 Dirksen Building

Foreign Relations
To continue hearings, in closed session, on the SALT II Treaty.
S-116, Capitol

Joint Economic
To hold hearings to examine the proposal to establish a regulatory budget relating to the need for a cost effectiveness requirement for major government regulations.
1202 Dirksen Building

11:00 a.m.
Judiciary
Constitution Subcommittee
Business meeting, to consider S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
5110 Dirksen Building

1:30 p.m.
Conferees
On S. 237, to clarify and expand jurisdiction of U.S. magistrates and improve access to the Federal courts.
S-207, Capitol

2:30 p.m.
Governmental Affairs
To continue hearings on S. 930, to restrict free Federal employee parking.
3302 Dirksen Building

3:00 p.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on the management and implementation of hazardous waste programs under the Resource, Conservation, and Recovery Act, 1976.
1224 Dirksen Building

Select on Ethics
To hold an open and closed business meeting.
EF-100, Capitol

4:00 p.m.
Conferees
On S. 544, to revise and extend, through fiscal year 1982, programs administered under the Public Health Service Act.
H-139, Capitol

AUGUST 2

8:30 a.m.
Veterans' Affairs
To hold hearings on S. 1518, to allow for the disclosure of certain information by the Veterans' Administration to consumer reporting agencies in order to make assessments in cases of outstanding debts.
457 Russell Building

9:00 a.m.
Foreign Relations
To continue hearings on the SALT II Treaty.
318 Russell Building

9:30 a.m.
Select on Small Business
To hold hearings on small business and innovation.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to continue markup of S. 524, 581, 730, 932 (as passed the House), 1377, and 1409, all of which provide for the development, production, and financial assistance of energy resources programs.
5302 Dirksen Building

Budget
Business meeting, to continue markup of the second concurrent resolution on the congressional budget for fiscal year 1980.
6202 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 1340, to provide for closer comparability between Federal and non-Federal employee compensation relating to the President's proposed program to reform the Civil Service System.
3302 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the activities of the Indian Health Service, Department of Health, Education, and Welfare.
5110 Dirksen Building

Joint Economic
International Economics Subcommittee
To hold hearings to examine the scope of U.S. export policy.
S-207, Capitol

10:30 a.m.
Judiciary
To hold hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

2:30 p.m.
Conferees
On H.R. 3875, to amend and extend through fiscal year 1980 certain Federal laws relating to housing, community and neighborhood development and preservation programs.
H-137, Capitol

AUGUST 3

10:00 a.m.
Budget
Business meeting, to continue markup of the second concurrent resolution on the congressional budget for fiscal year 1980.
6202 Dirksen Building

Judiciary
To resume hearings on S. 1246, to protect against the growth of a monopoly power among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.
2228 Dirksen Building

Select on Indian Affairs
Business meeting, to mark up S. 751, to provide for the relocation and resettlement of the Navajo and Hopi Indians.
357 Russell Building

Joint Economic
To hold hearings on the employment-unemployment situation for July.
6226 Dirksen Building

SEPTEMBER 6

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 11

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 12

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
457 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1979.
235 Russell Building

SEPTEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
5110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 20

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 25

11:00 a.m.
Veterans' Affairs
To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.
5110 Dirksen Building

OCTOBER 1

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 3

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All

Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

OCTOBER 10

9:30 a.m.

Labor and Human Resources
Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

CANCELLATIONS

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To resume hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

Governmental Affairs

To continue joint oversight hearings with the Subcommittee on Energy, Nuclear Proliferation, and Federal Services, on the activities of the Department of Energy.

3302 Dirksen Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To continue hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS
FIRST SESSION

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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Tuesday, July 31, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. CARL M. LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O Lord, Thou hast been our dwelling place in all generations. This day and every day we put our trust in Thee. Give us clean hands, pure hearts, and honest motives. Help us to pray for one another, to help one another, and to strive together for the well-being of our country.

Amid the monotony and routine of daily duties make each of us a good comrade, a reliable friend, a cheerful workman, a true sportsman who plays hard and clean and fair. When weariness and discouragement overtake us help us to cast our burdens on Thee who careth for us, remembering Him who said, "Come unto me all ye that labor and are heavy laden, and I will give you rest." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 31, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL M. LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

METHANOL FROM COAL

Mr. ROBERT C. BYRD. Mr. President, as the motorists of this country discovered this summer, the United States has become dangerously dependent on other countries for the crude oil required to make gasoline. Fortunately, Americans need not always be dependent on the vagaries of the international oil market for their gasoline supply; nor will they always have to pay tens of billions of dollars to OPEC for this supply. The United States can use its abundant coal reserves, the largest in the world, to make an almost unlimited quantity of the liquid fuels the United States needs to run automobiles.

Coal can be converted to a methanol product which can be blended with gasoline or converted into a high octane gasoline. This can be done with existing technology—no long research period is necessary—and it can be done at prices very close to those which prevail currently. According to a recent report on alcohol fuels by the Department of Energy, gasoline can be produced from methanol at a cost of 65 to 80 cents per gallon. This can be compared with the average price of gasoline at the refinery which stood at 65 cents per gallon at the end of last year and has risen dramatically since then.

Moreover, using methanol would not have unacceptable environmental consequences. The burning of methanol in automotive engines instead of gasoline in automotive engines would reduce emissions of nitrogen and sulfur compounds and would increase only those pollutant emissions which can be controlled with catalytic converters. We also have the technology required to control the emissions of methanol plants.

Although building methanol plants is possible and economically attractive today, it appears unlikely that many will be built soon unless the Congress takes action. The problem the private sector faces is that a methanol plant of optimal size costs from $1½ billion to $2 billion. This is a very large sum of money for even the biggest firms to risk with no guarantee that the OPEC price will remain as high as it is now.

If this Nation is to have a significant methanol supply by the end of the next decade the Congress will have to take actions which reduce the risk that private firms now face when they contemplate construction of methanol plants. The synthetic fuels development bill which the House has passed would reduce this private risk. The proposed Energy Security Corporation would also do this.

The Senate Energy Committee is acting expeditiously on legislation to promote the construction of methanol plants. These plants would produce automotive fuels at prices we can afford and with environmental consequences we can readily tolerate.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

PROBABILITY OF AN ENHANCED RECOVERY FROM OLD OIL FIELDS

Mr. STEVENS. Mr. President, I noticed with interest an article printed in the Houston Chronicle this past Sunday which discussed the probability of enhanced recovery of oil from old fields using sophisticated, expensive techniques to flush out remaining oil.

I had occasion to discuss this proposal with the president of Pennzoil, Mr. Hugh Liedtke. He is one of those in the forefront of the industry because he urges the utilization of the recovery techniques that are available under existing technology, the so-called second-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ary and tertiary recovery techniques which, while expensive, will assist us in decreasing our reliance upon foreign sources of oil.

The majority leader has just discussed the proposal to convert coal into oil, or into methanol. Those proposals, of course, are very worthwhile. I think that the country as a whole will support the concepts the majority leader mentioned. They will take time, however, and the one area in which we could substantially increase our production in a short period of time, is to use these secondary and tertiary recovery techniques on existing old wells.

Mr. Liedtke estimated there are some 300 billion barrels of oil in existing oil wells which were not recoverable under the old techniques, a substantial portion of which could be recovered by secondary and tertiary means.

If the recovered oil is valued at world prices the economic incentive to go ahead with this type of recovery is apparent.

It is his position, as quoted in this article, that tertiary recovery is economically viable right now provided Government policies do not discourage it.

Mr. President, a massive capital commitment is required to convert these oil wells so that they can be used to recover the oil that was previously deemed unrecoverable.

Various forms of costly tertiary recovery proposals use chemicals or detergents or steam in order to push this oil into the portion of the reservoir where it can be recovered.

It would be my hope that Members of Congress would become better informed concerning the techniques that are now available for secondary and tertiary recovery and that, as we consider the President's energy proposals, we realize that the short-term solution of increasing production probably can best be met by following the advice of some of the experienced members of the industry, such as Pennzoil's president, Hugh Liedtke.

Mr. President, I ask unanimous consent that the article from the Houston Chronicle be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENHANCED RECOVERY BUILDING U.S. RESERVES

(By Susan Bischoff)

A partial answer to increasing the United States' domestic oil production lies in going back to old oilfields and using sophisticated, expensive techniques to flush out remaining oil.

Some oilmen, including Pennzoil's J. Hugh Liedtke, say the U.S. oil companies are already reclaiming oil by the so-called enhanced recovery processes and are poised to greatly expand such operations if the government allows them the world oil price and financing advantages for the oil recovered by the expensive methods.

Liedtke, chairman and chief executive officer of Pennzoil Co., projects that 300 billion barrels of oil are trapped in known reservoirs in the United States.

"You know it's down there and you know where it is because the fields have already produced," Liedtke said. "Then the question is how much and how you get out any proportion of that huge amount."

He estimates at least 10 percent can be extracted.

"The bogey is enormous. If some 300 billion barrels are left down there and if you can get 10 percent, then you're talking about more oil than the total oil reserves in the United States, including Alaska, which is something like 27 billion," Liedtke said.

Although President Carter didn't mention enhanced recovery of oil as a means of decreasing foreign oil dependence in his speech two weeks ago, a January publication of the U.S. Congress Office of Technology Assessment says:

"At the price at which synthetic oil or other alternative sources might become available, $22 a barrel, the potential for enhanced oil recovery appears to be between 25 billion and 42 billion barrels. Production rates might be between 900,000 and 1.3 million barrels in 1985 and 1.8 million and 2.8 million in 1990."

As Liedtke points out, with the world price for oil as much as $23.50 a barrel, the time is ripe for enhanced oil recovery.

"It's a fascinating area and it's an area of high cost, there's no question about it," he said. "The technology is not perfected in all cases. The same thing isn't going to work every place in the U.S. You need different techniques depending upon the reservoir."

Pennzoil has been working on enhanced recovery in Bradford Field for 10 years. In the Appalachian Basin, Bradford is the oldest oilfield in the U.S. of any major size. The Pennsylvania field was the first billion-barrel oilfield in the nation.

After a pilot program, Pennzoil put in a 42-acre field demonstration project at Bradford Field.

Originally, Liedtke said, the tract produced 2,660 barrels per acre in primary oil and another 2,660 barrels per acre was recovered by water flooding.

"Now we expect to recover, by chemical, 5,600 barrels per acre. At this moment, we've already recovered 4,500 barrels per acre, so it's working," he said.

In certain areas, Liedtke said Pennzoil hopes to recover up to 85 percent of the remaining oil.

When an oilfield is first discovered, natural gas trapped in the formation is the most common force which drives the oil out of the reservoir. After the natural gas escapes, there is no natural energy to get the oil out.

Oilmen began widely using water flooding, the first major enhanced oil recovery technique, around the time of World War II. In that process, the force of the water loosens some oil and pushes it out of the ground.

Liedtke said although water flooding has "generally been quite helpful" in some places, the industry is now working with more sophisticated forms of enhanced oil recovery.

These processes, commonly called tertiary recovery, can be used directly after the primary recovery (the natural expulsion of the oil) or secondary recovery, Liedtke said.

To Liedtke's way of thinking, the principal form of tertiary recovery uses various types of chemicals, one of which is a surfactant, to loosen the oil clinging to rocks. He says the chemicals function much like a laundry detergent.

In a chemical-type flood, an oilman puts a slug of the chemical in first and behind it polymerized water (a jellied water). The polymerized water is very thick where it hits the slug, then tapers off in thickness back to water. The whole mass is pushed with water, creating sort of a wave moving through the reservoir, Liedtke says. As the water pushes the chemical through, it washes the reservoir in varying degrees and pushes the oil out.

Another major method of tertiary recovery is the injection of carbon dioxide. It's pumped down and followed with water to form a wave, much like the chemical-type wave.

Injection of steam into a reservoir is also being used to clean more oil from the oil fields. Steam can be used two ways. In one process, steam is injected when the oil is very thick and heavy to make it more fluid. In the "huff, puff" method, the steam is pushed into a reservoir which still has a little pressure and then the pressure is taken off, bringing the steam and oil to the surface.

At Pennzoil's Bradford project, Liedtke said, "We feel we can get our money back at around $16. That's with no profit and based on current costs, which are going up."

One of the reasons costs are going up is that most of the chemicals that are used in enhanced oil recovery are made out of oil.

The projects are enormously capital intensive. Liedtke said an oil company has to put in $50 million to $100 million in a project and will not "get a nickel back" for a minimum of two to three years.

"We are in the range right now, I think, of economic viability for tertiary, provided we don't have government policies which discourage it," he said.

As Liedtke sees it, the problem is twofold:

Front-end capital requirements. A proposal is being discussed in Congress which would help finance tertiary projects by releasing varying amounts of old oil to the higher upper tier price until the operator covers his capital costs. Then the price would revert to the old oil price.

Ability to get the world price. There are discussions in Congress now about adding the Organization of Petroleum Exporting Countries' tax and another tax to the existing 46 percent corporate tax.

Liedtke supports the front-end capital proposal, but says added taxes are going to "lessen the financial viability" of tertiary projects "and they simply won't be developed."

Looking at the alternatives to lessen U.S. dependence on imported oil, Liedtke said drilling exploratory wells is the fastest, and tertiary recovery is the second fastest. Coal, he said, would rank third.

"If you had the proper atmosphere," he said, "it would take an absolute minimum of three or four years before new tertiary projects could be felt."

Liedtke said, "At this project at Bradford, we've been losing money for 10 years, but we know at this point if legislation is favorable economically, if we can get some front-end funding and the world price, then we know exactly where we want to go and we can expand that project very quickly and we intend to do it."

QUORUM CALL

Mr. STEVENS. Mr. President, I reserve the remainder of my time, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 914, ECONOMIC DEVELOPMENT ACT OF 1979, AND S. 712. AMTRAK IMPROVEMENT ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, or, in the alternative, after the recognition of Senators for whom orders have been entered, the Senate proceed to the consideration of Calendar No. 287, S. 914, the EDA bill, and then to Calendar No. 194, S. 712, the Amtrak authorization.

Mr. STEVENS. There is no objection, Mr. President.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time.

REGIONAL DEVELOPMENT ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 835, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 835) to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation.

The Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 2, line 5, beginning with "(a)" strike through and including page 3, line 13;

On page 3, line 14, strike "(d) Therefore, it" and insert "It";

On page 3, line 14, strike "create a nationwide system" and insert "authorize creation";

On page 3, line 18, beginning with "(1)" strike through and including the period in line 6 on page 4, and insert in lieu thereof the following:

(1) planning and implementing programs to improve the capability of States and local governments to resolve shared and interstate regional problems of economic decline and dislocation due to rapid growth; (2) undertaking shared efforts to establish stable and diversified regional economies and meet basic service needs in areas and communities experiencing economic decline or dislocation due to rapid growth; (3) providing a mechanism for improving the ability of Federal programs and policies to function effectively, taking into account specific regional differences and perspectives; (4) establishing priorities from the regional perspective for public and private investment in areas affected by economic decline or dislocation due to rapid growth; (5) fostering creation of regional institutions to address shared problems and encouraging commonality of services on a regional basis where appropriate; and (6) meeting the special problems created in a region as a result of national policies or needs.

On page 5, line 23, after "Commission" insert ", to be available until expended,";

On page 5, line 24, after "the" insert "two-year";

On page 5, line 24, strike "September 30, 1983, to be available until expended, such sums as may be necessary."." and insert in lieu thereof the following: September 30, 1981, not to exceed $7,000,000 (of which not to exceed $1,100,000 shall be available for expenses of the Federal Cochairman, his alternate and his staff) and for the two-year period ending September 30, 1983, $8,500,000 (of which $1,400,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).

On page 6, line 13, after "Commission" insert "and with any regional commission established or recognized under the Regional Development Act of 1979";

On page 7, line 3, strike "5445(a)" and insert "5334(a)";

On page 7, line 17, after "Act," insert "or pursuant to the Regional Development Act of 1979";

On page 8, line 1, beginning with "1979", strike through and including line 6, and insert in lieu thereof the following: 1980", and inserting in lieu thereof: "$350,000,000 for fiscal year 1981; $400,000,000 for fiscal year 1982; $450,000,000 for fiscal year 1983; $500,000,000 for fiscal year 1984; and $500,000,000 for fiscal year 1985.".

On page 8, line 14, strike "one hundred" and insert "fifty-eight";

On page 8, line 19, strike "30" and insert "31";

On page 8, line 23, after "107." insert "(a)";

On page 9, line 1, strike ", including grants for reasonable administrative expenses,";

On page 9, line 23, after "appropriate" insert "to a maximum of 80 per centum";

On page 10, beginning with line 3, insert the following:

(b) The seventh sentence of section 202(c) of the Appalachian Regional Development Act of 1965 is amended by striking everything after "except" and through "child development demonstrations" and inserting in lieu thereof "that child development demonstrations assisted under this section during fiscal year 1979 may, upon State request, be approved under section 303 of this Act for continued support beyond that period".

On page 11, line 5, after "Commission" insert "in accordance with section 303 of this Act";

On page 12, line 4, strike ", including for reasonable administrative expenses,";

On page 13, beginning with the line 15, insert the following:

"(5) Assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

On page 14, beginning with line 10, insert the following:

SEC. 111. The last sentence of section 302(b)(1) of the Appalachian Regional Development Act of 1965 is amended to read as follows: "No more than $5,000,000 shall be obligated for such energy resource related demonstrations in any fiscal year under this section or section 209(a)(4), and no more than $2,500,000 shall be obligated for such indigenous arts and crafts demonstrations.".

SEC. 112. Section 302(b) of the Appalachian Regional Development Act of 1965 is amended by adding the following new paragraph:

"(5) The Commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this section and assistance under section 207 to increase the use of solar energy equipment in residences in the Appalachian region, to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installation costs in residential mortgage financing. The Commission is authorized to conduct pilot projects to put in practice the findings of such investigation.".

SEC. 113. Title II of the Appalachian Regional Development Act of 1965 is amended to add a new section 304 as follows:

"SEC. 304. The Commission shall provide for the continuing evaluation of projects and programs authorized under this Act which shall include measures of their effectiveness in achieving the goals and objectives prepared pursuant to sections 102(a)(1) and 225 of this Act. The Commission shall prepare an annual evaluation program which (1) includes a statement of specific actions that have been or will be taken as a result of previous evaluations, and (2) lists those specific program evaluations to be performed during the current and succeeding years, including the estimated costs of conduct such evaluation.".

On page 15, line 23, strike "111" and insert "114";

On page 16, line 6, after "Act" insert "and the Regional Development Act of 1979";

On page 16, line 13, strike "307(c),";

On page 16, beginning with line 14, insert the following:

SEC. 115. Section 403 of the Appalachian Regional Development Act of 1965 is amended by adding the following:

"The Commission is authorized and directed to study whether, in view of the purposes set forth in section 2 of this Act and in the Regional Development Act of 1979, any counties contiguous to the Appalachian region should be added to the region or remain in regions established or recognized under the Regional Development Act of 1979, and whether, in view of such purposes, any such counties or blocks of counties currently in the Appalachian region should be transferred to a region established or recognized under the Regional Development Act of 1979. Such study shall be conducted in conjunction with the study required under the last sentence of section 308 of the Regional Development Act of 1979, and the results of such study together with any recommendations shall be submitted to the Congress not later than two years after enactment of the Appalachian Regional Development Act Amendments of 1979.".

On page 19, line 19, after the comma, insert "cultural resource development,";

On page 21, line 12, after "present" insert "to the Congress, the committee established under section 302 of this Act, other affected parties, and except in the case of the Appalachian Regional Commission, the Secretary";

On page 22, beginning with line 11, insert the following:

(G) assure that the Commission gives adequate attention to problems and solutions which are shared by two or more States in the region and preference to projects or programs for which effort by two or more States is useful in addressing needs effectively;

On page 22, line 16, strike "(G)" and insert "(H)";

On page 22, line 17, after "submission" insert "through the Secretary (except in the case of the Appalachian Regional Commission) and such persons as the Secretary may designate";

On page 22, line 22, strike "(H)" and insert "(I)";

On page 23, line 1, after "Cochairman" insert "or such Commission";

On page 24, line 7, strike "section" and insert "paragraph";

On page 24, beginning with line 9, insert the following:

(d) In addition to the duties set forth in subsection (a) of this section, the Alaska Regional Development Commission may—

(1) review resources inventories of Federal agencies;

(2) review and make recommendations to the President, the Congress, and the Alaska State Legislature on Federal, State, and local land use plans and proposed activities; and

(3) assist Alaska Native Regional Corporations established pursuant to the Alaska Native Claims Settlement Act (Public Law 92-203) in preparing land use plans.

On page 25, line 24, strike "directly";

On page 26, line 1, strike "or, indirectly,";

On page 26, line 11, after "human" insert ", cultural,";

On page 26, line 14, strike "innovative projects, demonstrations, and";

On page 27, line 10, after the period, strike through and including line 12;

On page 27, beginning with line 13, insert the following:

(2) In carrying out this subsection each commission is authorized to provide assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

(3) Each commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this subsection and section 207 to increase the use of solar energy equipment in residences in its region, to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installations costs in residential mortgage financing. The commission is authorized to conduct pilot projects to put in practice the findings of such investigation.

On page 28, line 15, after "recreation," insert "cultural resource development,";

On page 28, line 20, after "Governors" insert "and State legislatures";

On page 29, line 17, strike "regional development, as defined in this Act" and insert "the purpose of this Act as expressed in section 2(d)(1) and (2)";

On page 30, line 1, strike "promotion of" and insert "development of indigenous";

On page 30, line 3, strike "(b)";

On page 31, line 3, strike "(c)(1)" and insert "(b)(1)";

On page 31, line 4, strike "or regional organizations established by commissions";

On page 31, line 9, strike "(b)" and insert "(a)";

On page 31, line 9, after "section" insert "or any other Federal program";

On page 32, line 6, strike "(d)" and insert "(c)";

On page 32, line 7, after "under" insert "this";

On page 32, line 8, strike "(c)";

On page 32, line 8, strike "100" and insert "(80)";

On page 32, line 11, strike "Federal Cochairman" and insert "Commission as a matter of policy";

On page 32, beginning with line 17, insert the following:

(6) No more than 20 per centum of the funds available to any commission under this title shall be used for the purposes of this subsection or subsection (c) of this section, unless such commission determines that a greater percentage of such funds must be put to such use to implement a major objective of the regional development plan addressing a need shared by two or more States in the region.

On page 32, line 24, strike "(d)" and insert "(c)";

On page 33, line 2, after "personnel" insert a comma and "for which the Commission determines that funds for operation are not available under any other Federal, State, or local program";

On page 33, line 22, strike "(e)" and insert "(d)";

On page 34, line 3, strike "(f)" and insert "(e)";

On page 34, line 10, strike "(g)" and insert "(f)";

On page 34, line 12, strike "section" and insert "sections";

On page 34, line 12, after "505(a)" insert a comma and "509, 515, 516, and 517";

On page 34, beginning with line 15, insert the following:

(g) No commission shall provide financial assistance under this section for the purpose of allowing a recipient to use grant funds to make grants to profit-seeking business enterprises.

(h) No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds exclusive of local funds (other than those originated as revenues collected by the State) and Federal funds, and, in the case of the Appalachian Regional Commission, exclusive of expenditures for participation in the National System of Interstate and Defense Highways, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. A commission may recommend a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region. Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under this Act, and under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region will not be diminished in order to substitute funds authorized by this Act.

(i) Each commission in providing assistance under this section shall afford first attention to areas affected by economic decline, and in addition shall address basic service needs in areas experiencing dislocation due to rapid growth, as appropriate.

On page 36, line 10, strike "Council shall elect" and insert "Secretary shall elect, after consultation with the members,";

On page 36, line 17, strike "in" and insert "after";

On page 36, line 21, strike "requested by the commissions or as are";

On page 37, line 5, beginning with the comma, strike through including the word "development" in line 8;

On page 37, line 9, strike "Office, with the policy guidance of the Secretary and the Council," and insert "Secretary";

On page 37, line 11, after "management" insert a comma and "including uniform cost principles,";

On page 37, line 14, strike "Office" and insert "Secretary";

On page 37, line 15, after "standards" insert "in regulations";

On page 37, line 17, strike "Office shall adopt, with policy guidance of the Secretary and" and insert "Secretary shall adopt, after consultation with";

On page 38, beginning with line 4, insert the following:

(5) conditions under which the Secretary may withhold funds from a commission for violation of this Act or any regulations adopted under this Act.

(d)(1) Each commission shall develop and adopt administrative policies and procedures to prevent the overobligation of commission funds. Each commission, in accordance with this section, shall develop and adopt specific policies and procedures to promote economy and efficiency in the administration of its programs and operations and to prevent and detect fraud and abuse in such programs and operations.

(2) Each commission shall adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained.

(e) This section other than subsection (d) shall not apply in the case of the Appalachian Regional Commission. Such Commission shall consider adopting the minimum standards of fiscal responsibility and management and the procedures established under subsection (c) of this section.

(f) The Secretary shall evaluate on an annual basis the performance of the regional commissions, other than the Appalachian Regional Commission, in adhering to procedures and regulations established under this section and in implementing the provisions of this Act.

On page 39, line 13, strike ", subject to the conditions of any grant from the Secretary";

On page 40, line 1, after "Commission," insert "the";

On page 40, line 1, after "Secretary" insert "(except in the case of the Appalachian Regional Commission),";

On page 40, line 12, after "Secretary" insert "(except in the case of the Appalachian Regional Commission),";

On page 40, beginning with line 22, insert the following:

NONDISCRIMINATION

SEC. 211. No person in the United States shall, on the grounds of race, color, national origin, sex, or physical handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from a regional development commission.

On page 41, line 4, strike "211" and insert "212";

On page 41, line 16, strike "to" and insert "may";

On page 41, line 22, after "sections" insert "206(b),";

On page 42, beginning with line 3, insert the following:

(c) Funds appropriated under this section shall be provided by the Secretary to each of the Federal Cochairmen for the benefit of the appropriate regional commission, in accordance with the distribution established under subsection (b) of this section. Obligation of such funds shall be approved by each commission in accordance with section 205 of this Act. Each Federal Cochairman is authorized to receive and hold such funds, subject to the preceding sentence, on behalf of such Commission.

On page 42, line 18, after "committee)," insert "the Chairman of the Regional Development Council,";

On page 45, line 8, after "of" insert "State legislatures,";

On page 46, line 11, after "for" insert "periodically";

On page 46, line 11, after "evaluating" insert "in quantitive and qualitative terms, as appropriate,";

On page 46, line 15, after "programs" strike ", including, to the extent feasible, quantified measures of impact";

On page 48, beginning with line 14, insert the following: Wherever possible, areawide clearinghouses designated by either the Office of Management and Budget or the Governor pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 as amended or title IV of the Intergovernmental Cooperation Act of 1968, as amended, shall be certified as substate planning and development districts pursuant to this section.

On page 50, line 19, strike "should" and insert "shall";

On page 52, line 23, strike "ultimately based on" and insert "reflect";

On page 53, line 1, strike "The" and insert "To the extent practicable, the";

On page 53, beginning with line 11, insert the following:

(b)(1) To the maximum extent practicable, planning processes required or assisted under this Act shall be based on and not duplicate existing planning processes and institutions, and shall make appropriate use of any existing plans for the affected area. Planning assisted under section 302 of the Public Works and Economic Development Act shall be integrated to the maximum extent practicable with planning required or assisted under this Act, and such planning shall be conducted in conjunction with the review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968.

(2) Each commission shall establish a satisfactory process of consultation with general purpose local governments and local planning and development districts to assure compliance with section 303(a), (b)(1) and (b)(2) and section 304(a). Such process of consultation shall provide that any local government or development district may petition to the commission for review of any action of a State or the commission inconsistent with such sections.

On page 54, line 5, strike "(b)" and insert "(c)";

On page 54, beginning with line 15, strike through and including line 16;

On page 54, line 20, after "human" insert "and cultural";

On page 57, beginning with line 9, insert the following:

(c) Not later than one year after the establishment of the Alaska Regional Development Commission pursuant to section 203(a) of title II of this Act, the Secretary shall submit a report to the President and the Congress on the following issues:

(1) the desirability of creating a joint Federal-State Economic Development and Land Use Planning Commission for Alaska, with land use planning and classification powers;

(2) a proposed structure and recitation of functions and duties of such a commission;

(3) the extent to which such a commission should be integrated with the Alaska Regional Development Commission established pursuant to section 203(a) of title II of this Act.

This report shall be prepared in consultation with the Secretaries of the Interior and Transportation and the Governor of Alaska.

On page 58, beginning with line 22, insert the following:

SEC. 309. (1) There is hereby established a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission. Within one year after enactment of this section, the Commission shall designate one university in each border State for membership in the system of Institutes.

(2) It shall be the duty of each such Institute to initiate and support research programs in the various fields relative to border problems and to provide for educational programs and the training of specialists through such research, investigations, and experiments. Some research, investigations, experiments and training may include population issues; water, land and air resource issues; and other aspects of border resource problems, including the dissemination of the results of research deemed potentially significant for the solution of border resource problems.

(3) The Commission is hereby charged with the responsibility for the funding and proper administration of the Institutes and shall prescribe such rules and regulations as may be necessary to carry out these provisions. The Commission shall furnish such advice and assistance as will best promote the purposes of the Institutes and encourage and assist in the establishment and maintenance of cooperation by and between the Institutes and between them and other research organizations.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regional Development Act of 1979".

SEC. 2. It is the purpose of this Act to authorize creation of regional commissions and to provide a framework for regional commissions to coordinate the efforts of Federal, State, and local governments in (1) planning and implementing programs to improve the capability of States and local governments to resolve shared and interstate regional problems of economic decline and dislocation due to rapid growth; (2) undertaking shared efforts to establish stable and diversified regional economies and meet basic service needs in areas and communities experiencing economic decline or dislocation due to rapid growth; (3) providing a mechanism for improving the ability of Federal programs and policies to function effectively, taking into account specific regional differences and perspectives; (4) establishing priorities from the regional perspective for public and private investment in areas affected by economic decline or dislocation due to rapid growth; (5) fostering creation of regional institutions to address shared problems and encouraging commonality of services on a regional basis where appropriate; and (6) meeting the special problems created in a region as a result of national policies or needs.

TITLE I

SEC. 101. This title may be cited as the "Appalachian Regional Development Act Amendments of 1979".

SEC. 102. Section 2 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) The fifth sentence of subsection (a) of such section is amended by inserting "including the provision of services to people in the region," after "special problems.".

(2) The sixth sentence of subsection (a) is amended to read as follows: "The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, including emerging small cities and urban centers and areas affected by energy development, where the expected return on public dollars invested will be the greatest, and in remote and hard-to-reach areas where there are special problems in providing for human service needs.".

SEC. 103. Subsection (b) of section 105 of the Appalachian Development Act of 1965 is amended to read as follows: "To carry out this section there are hereby authorized to be appropriated to the Commission, to be available until expended, for the two-year period ending September 30, 1981, not to exceed $7,000,000 (of which not to exceed $1,100,000 shall be available for expenses of the Federal Cochairman, his alternate and his staff) and for the two-year period ending September 30, 1983, $8,500,000 (of which $1,400,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).

SEC. 104. Section 106 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) Paragraph (5) is amended by adding at the end, "The Office of Personnel Management is further authorized, under such terms and conditions as it shall prescribe, to contract with the Commission and with any regional commission established or recognized under the Regional Development Act of 1979 for coverage as of the date of the Appalachian Regional Development Act Amendments of 1979 in such retirement and other employee benefit programs of the Federal Government, of any employee of the Commission not covered in such programs who gives written notice to the Commission of his desire to come within the purview of such coverage.".

(2) Paragraph (7) is amended by striking out "1979" and inserting in lieu thereof, "1983".

SEC. 105. Title 5, United States Code, is amended as follows:

(1) The last sentence of section 5334(a) of title 5, is amended by striking out "was a Federal employee immediately prior to such employment by a commission and".

(2) Such title is amended by inserting after section 6312 a new section as follows:

"§ 6313. Accrual and accumulation for former Appalachian Regional Commission and title 5 regional commission employees

"Services rendered as an employee of the Appalachian Regional Commission under section 106(2) of the Appalachian Regional Development Act of 1965, or of a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, or pursuant to the Regional Development Act of 1979 shall be included in determining years of service for the purpose of section 6303(a) of this title in the case of any employee as defined in section 6301 of this title. The provision of section 6308 of this title for transfer of annual and sick leave between leave systems shall apply to the leave system established for such employees.".

SEC. 106. (a) Section 201(g) of the Appalachian Regional Development Act of 1965 is amended by striking everything after "1980", and inserting in lieu thereof: "$350,000,000 for fiscal year 1981; $400,000,000 for fiscal year 1982; $450,000,000 for fiscal year 1983; $500,000,000 for fiscal year 1984; and $500,000,000 for fiscal year 1985.".

(b) The third sentence of section 201(a) of the Appalachian Regional Development Act of 1965 is amended by striking "three thousand twenty-five" and inserting in lieu thereof "three thousand fifty-eight".

(c) Subsection (h) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum" and by adding at the end the following: "Projects approved after March 31, 1979, and on or before the date of enactment of the Regional Development Act of 1979 may be adjusted to receive a Federal share not greater than 80 per centum.".

SEC. 107. (a) Section 202 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsection:

"(f)(1) The Commission may make grants to the States for innovative projects and for demonstrations approved pursuant to section 303, of methods and techniques for meeting human services needs of individuals and families in the region which the Commission determines cannot reasonably be accomplished under other provisions of this title or other Federal programs, and shall give special emphasis to demonstrations serving people in the more remote and hard-to-reach areas of the region and in areas impacted by energy development.

"(2) States may carry out such demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(3) Demonstrations may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share

in any such other program, funds appropriated to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate to a maximum of 80 per centum. No component of, a demonstration shall receive financial assistance under this title after five years following the commencement of the assistance for such component.".

(b) The seventh sentence of section 202 (c) of the Appalachian Regional Development Act of 1965 is amended by striking everything after "except" and through "child development demonstrations" and inserting in lieu thereof "that child development demonstrations assisted under this section during fiscal year 1979 may, upon State request, be approved under section 303 of this Act for continued support beyond that period".

SEC. 108. (a) Section 207(c)(2) of the Appalachian Regional Development Act of 1965 is amended by—

(1) inserting "(including land acquisition)" after "reasonable site development costs";

(2) striking "10 per centum" each place it occurs and inserting in lieu thereof "25 per centum"; and

(3) adding at the end thereof "The Secretary (or a State acting under subsection (e) of this section) shall assure that reductions in the cost of housing units due to the acquisition of land pursuant to this section shall accrue to the benefit of ultimate purchasers or tenants of such housing units and not to the financial benefit of any profit-making entity.".

(b) Section 207 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsections:

"(f) In furtherance of the purposes of this section, at the request of the Commission in accordance with section 303 of this Act the Secretary of Agriculture is authorized to use all of the authority to acquire land under the provisions of section 601(c) of the Powerplant and Industrial Fuel Use Act (Public Law 95-260). Funds for such acquisition shall be provided under this section or by the affected State.

"(g) The Commission is authorized and directed to undertake a demonstration of appropriate incentives or programs to attract large scale housing developers to operate in the central Appalachian region. In conducting such demonstration, the Commission, after consultation with potential developers and to the extent practical, shall select at least three sites or areas, and the Commission is authorized to use the authority of this section or section 302 of this Act.".

SEC. 109. Title II of the Appalachian Regional Development Act of 1965 is amended by inserting after section 208 the following new section:

"BUSINESS, RAILROAD, AND ENERGY RESOURCE ACTIVITIES

"SEC. 209. (a) In order to assist in stimulating agriculture, mining, construction, manufacturing, commercial, and other economic activities in the region, including the development of indigenous arts and crafts, the Commission is authorized to make grants approved pursuant to section 303 to the States; for—

"(1) Business related technical assistance, including entrepreneurial development, management advice, market analyses, and utilization or financial feasibility studies.

"(2) Establishing revolving funds to be used for business, agricultural and forestry enterprise development loans, with special emphasis on loans furthering development opportunities for entrepreneurs that are identified through technical assistance activities under this Act.

"(3) Making grants for—

"(A) Projects for the acquisition of rail properties by public bodies where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 80 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(B) Projects for the rehabilitation, repair, and modernization of rail properties (except rolling stock) where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 50 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(4) Demonstration projects in connection with the development, production, utilization, and conservation of the region's energy resources, including site development where necessary for the feasibility of projects.

"(5) Assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

"(b) States may carry out such activities directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(c) Assistance under this section may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any service. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share as the Commission determines appropriate.".

SEC. 110. The first sentence of subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 is amended by striking "December 31, 1978" and inserting in lieu thereof "October 1, 1983."

SEC. 111. The last sentence of section 302 (b)(1) of the Appalachian Regional Development Act of 1965 is amended to read as follows: "No more than $5,000,000 shall be obligated for such energy resource related demonstrations in any fiscal year under this section or section 209(a)(4), and no more than $2,500,000 shall be obligated for such indigenous arts and crafts demonstrations.".

SEC. 112. Section 302(b) of the Appalachian Regional Development Act of 1965 is amended by adding the following new paragraph:

"(5) The Commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this section and assistance under section 207 to increase the use of solar energy equipment in residences in the Appalachian region, to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installation costs in residential mortgage financing. The Commission is authorized to conduct pilot projects to put in practice the findings of such investigation.".

SEC. 113. Title II of the Appalachian Regional Development Act of 1965 is amended to add a new section 304 as follows:

"SEC. 304. The Commission shall provide for the continuing evaluation of projects and programs authorized under this Act which shall include measures of their effectiveness in achieving the goals and objectives prepared pursuant to sections 102(a)(1) and 225 of this Act. The Commission shall prepare an annual evaluation program which (1) includes a statement of specific actions that have been or will be taken as a result of previous evaluations, and (2) lists those specific program evaluations to be performed during the current and succeeding years, including the estimated cost of conduct such evaluation.".

SEC. 114. Section 401 of the Appalachian Regional Development Act of 1965 is amended to read as follows:

"SEC. 401. (1) In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there are authorized to be appropriated to the President, to be available until expended, to carry out this Act and the Regional Development Act of 1979, $340,000,000 for the two-fiscal-year period ending September 30, 1981, and $380,000,000 for the two-fiscal-year period ending September 30, 1983.

"(2) No more than 25 per centum of the funds available for obligation in any fiscal year under this section shall be obligated for direct grants by the Commission to carry out the purposes of sections 202(f), and 209.".

SEC. 115. Section 403 of the Appalachian Regional Development Act of 1965 is amended by adding the following:

"The Commission is authorized and directed to study whether, in view of the purposes set forth in section 2 of this Act and in the Regional Development Act of 1979, any counties contiguous to the Appalachian region should be added to the region or remain in regions established or recognized under the Regional Development Act of 1979, and whether, in view of such purposes, any such counties or blocks of counties currently in the Appalachian region should be transferred to a region established or recognized under the Regional Development Act of 1979. Such study shall be conducted in conjunction with the study required under the last sentence of section 306 of the Regional Development Act of 1979, and the results of such study together with any recommendations shall be submitted to the Congress not later than two years after enactment of the Appalachian Regional Development Act Amendments of 1979.".

SEC. 116. Section 405 of the Appalachian Regional Development Act of 1965 is hereby repealed.

TITLE II

SEC. 201. This title may be cited as the "Regional Commission Act of 1979".

SEC. 202. (a) The Secretary shall recognize appropriate "development regions" within the United States upon the written request of the Governors of the States in which such region will be wholly or partially located if the Secretary finds that there are common cultural, economic, geographic, natural resource, and social relationships among the areas within such region and that the region is of sufficient geographic size and population to warrant recognition.

(b) It is the intention of the Congress that each area of the Nation be included in not more than one development region.

(c) It is the intention of the Congress that every region consist of two or more States, except in the case of Alaska, which is hereby recognized as the Alaska Development Region.

(d) The boundaries of a region may be subsequently altered in the same manner as they were established.

ESTABLISHMENT OF REGIONAL COMMISSIONS

SEC. 203. (a) Upon the recognition of a development region, the States shall establish a regional development commission for such region. In the case of the Alaska Development Region, at the request of the Governor of Alaska, the Secretary shall take any action necessary to establish and operate the Alaska Regional Development Commission not later than October 1, 1979. Any such commission shall be established and shall operate in accordance with section 502 (b) through (e) of the Public Works and Economic Development Act of 1965. Sections 505(b), 506, 507, and 508 of such Act shall apply to each such commission.

(b) Each regional commission established pursuant to the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 shall continue in operation under this Act unless boundaries or State membership of such commission are altered pursuant to this Act.

SEC. 204. (a) In carrying out the purpose of this Act, each regional commission shall, with respect to its region:

(1) in accordance with title III of this Act, develop and implement a regional growth policy process which shall include the preparation of (i) a multiyear regional development plan with policies and priorities for action programs to guide Federal, regional, State, private, and substate investments, and (ii) annual regional investment strategies which include specific policies and investment proposals affecting Federal, regional, State, and substate participation in support of regional growth policies and priorities;

(2) develop and implement mechanisms for coordinating the development and growth management activities of State governments and substate entities with regional policy development, including, but not limited to, economic development, coastal zone management, comprehensive planning, environmental protection, energy conservation and development, transportation, cultural resource development, outdoor recreation planning, and implementation programs;

(3) conduct, in cooperation with relevant Federal and State agencies and private resources, research on and analysis of interstate and shared problems, resources, and opportunities for advancing regional development;

(4) provide consultation to and continuing liaison with Federal Regional Councils and those Federal agency members whose planning and development activities bear on regional priorities, policies, and plans regarding the regional interest in such activities;

(5) advise Federal agencies that fund multistate organizations not covered by this legislation on the relevance of such funding to regional commission plans, priorities, policies, and programs and on the steps required to avoid duplication of activities;

(6) provide a working liaison (A) with private sector leadership, especially those which operate at the multistate level; (B) with other multistate organizations including other regional commissions; and (C) with substate entities engaged in functional or comprehensive planning which bears on the fulfillment of regional plans priorities; and policies;

(7) engage in cooperative activities with other regional commissions established under this Act, with other regional organizations, with local governments, and with Federal agencies.

(b)(1) As the Presidentially appointed Federal partner to the Governors, each Federal Cochairman has the dual responsibility of presenting the national perspective to the regional commission and of communicating the regional concerns of the State members to the Federal Government. Each Federal Cochairman is responsible for coordination and cooperation between the Commission and Federal departments and agencies. As a member of a commission, each Federal Cochairman has the responsibility for fostering the development of a collaborative institutional setting in which both State and Federal members jointly determine regional development policy.

(2) Each Federal Cochairman shall—

(A) present to the Congress, the committee established under section 303 of this Act, other affected parties, and except in the case of the Appalachian Regional Commission, the Secretary, on behalf of the Commission, the regional development plan, annual investment strategy, growth policy recommendations, legislative recommendations, and reports on the activities of the Commission;

(B) encourage Federal departments and agencies to apply their programs and policies to support development plans, programs and priorities established by the commission;

(C) involve Federal departments and agencies in the activities of the Commission, as appropriate;

(D) assist the Commission in its participation in the regional growth policy process;

(E) to the extent practicable, consult with appropriate Federal departments and agencies concerning significant programs and projects to be considered by the Commission prior to voting on such matters;

(F) represent, in dealings with the Commission, Federal policies affecting regional development established by the President and, except in the case of the Appalachian Regional Commission, the Secretary;

(G) assure that the Commission gives adequate attention to problems and solutions which are shared by two or more States in the region and preference to projects or programs for which effort by two or more States is useful in addressing needs effectively;

(H) take a leadership role in the preparation of the Commission budget for submission through the Secretary (except in the case of the Appalachian Regional Commission) and such persons as the Secretary may designate to the Office of Management and Budget and the Congress; and

(I) assure commission compliance with applicable Federal fiscal and management requirements established or identified under section 208 of this Act or in the case of the Appalachian Regional Commission established or identified by the Federal Cochairman or such Commission.

Nothing in this Act shall preclude the Federal Cochairman from presenting the Commission's budget to the Office of Management and Budget or from communicating with appropriate committees of the Congress.

(3) When a Federal Cochairman dies, resigns, becomes disabled, is removed, or is absent from the country, a designated assistant or the executive director of the Commission shall perform the routine administrative duties of the Federal Cochairman not involving the exercise of the vote of the Federal Cochairman, until a successor is confirmed or the absence or disability stops.

(c)(1) Each Commission shall employ an executive director as the chief administrative officer of the Commission and such other officers and staff as the Commission may determine. The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff and for such other duties as the Commission may assign. The executive director shall be appointed and may be removed by vote of the Commission. All other officers and employees of the Commission shall be appointed by the executive director under such rules of procedure as the Commission may determine.

(2) All appointments and promotions of officers and employees of the Commission shall be on the basis of merit and fitness and no test or qualification with respect to politics, race, color, sex, age, physical handicap, or religion shall be permitted or given consideration. Any officer or employee of the Commission who is found by the Commission to be guilty of a violation of this paragraph shall be removed from office by the Commission.

(d) In addition to the duties set forth in subsection (a) of this section, the Alaska Regional Development Commission may—

(1) review resources inventories of Federal agencies;

(2) review and make recommendations to the President, the Congress, and the Alaska State Legislature on Federal, State, and local land use plans and proposed activities; and

(3) assist Alaska Native Regional Corporations established pursuant to the Alaska Native Claims Settlement Act (Public Law 92-203) in preparing land use plans.

SEC. 205. (a) An application for a grant or for any other assistance for a specific project under section 207 of this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. No application for grants or other assistance for specific programs or projects under any provisions of this Act shall be approved unless it is certified by the State member and determined by the Commission, including the affirmative vote of the Federal Cochairman—

(1) to implement the Commission's regional development plan;

(2) to be described in the Commission's annual investment strategy;

(3) to be backed by adequate assurance and evidence that the project will be properly administered, operated, and maintained; and

(4) to otherwise meet the requirements for assistance under this Act.

(b) Nothing contained in this Act shall be interpreted as requiring any State or political subdivision thereof to engage in or accept any project under this Act without its consent.

SEC. 206. (a) In addition to other activities authorized by this Act, the Secretary is authorized to provide to commissions technical assistance and incentive grants to aid the commissions in carrying out their responsibilities under this Act and to undertake new program and policy objectives. In general, such assistance may be provided through members of the Secretary's staff or through incentive grants to the commissions; or, indirectly, through the payment of funds authorized for this section to other departments or agencies of the Federal Government; through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes; or through grants to institutions of higher education or nonprofit organizations. Technical assistance may include studies and plans evaluating the needs of, and developing potentialities for, regional development; administrative management; interregional cooperation; research on improving the conservation and utilization of the human, cultural, and natural resources of the region; planning, investigations and studies; economic and demographic information and analysis; and training programs which will further the purposes of this Act. Special provision shall be made to assure that newly formed commissions are able to function fully and effectively as soon as practicable.

(b)(1) In carrying out its functions under this Act, each commission is authorized to engage in planning, investigations, and studies, and to provide other technical assistance to States, substate areas and communities, both urban and rural, including the payment of administrative expenses to substate planning and development organizations (including economic development districts created under the Public Works and Economic Development Act), which will further the purpose of this Act, and which have been included in the approved annual investment strategy. Such activities may be carried out by the Commission through the

payment of funds to departments, agencies, or instrumentalities of the Federal Government, or through the employment of private individuals, partnerships, firms, nonprofit corporations, or suitable institutions under contracts or grants entered into for such purposes or through grants-in-aid to agencies of State or local governments.

(2) In carrying out this subsection each commission is authorized to provide assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

(3) Each commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this subsection and section 207 to increase the use of solar energy equipment in residences in its region, to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installations costs in residential mortgage financing. The commission is authorized to conduct pilot projects to put in practice the findings of such investigation.

(c) The Secretary is authorized to make incentive grants to commissions for the following purposes:

(1) Encourage and enable States to develop and improve mechanisms for coordinating State development programs and planning within each State and with commission development programs and planning, with substate development activities and with State budget processes. Such grants are to enable Governors to develop among State agencies and levels of government a unified set of development objectives for programs such as economic development, comprehensive planning, outdoor recreation, cultural resource development, coastal zone management, transportation, and environmental protection.

(2) Encourage and enable commissions to develop procedures, including public hearings, consultations, and surveys program review, to enable Governors and State legislatures to participate in regional growth policy processes for the purpose of shaping Federal and State programs and policies necessary for the successful implementation of regional plans.

(3) Encourage commission and cooperative State actions augmenting national energy, export, urban, and rural community conservation, and similar policies whose effectiveness would be strengthened by commission and State participation.

(4) Encourage other special activities needed to strengthen the overall program including fostering interregional cooperation; creating regionally based systems for demographic and economic analysis; expanding activities of a multistate character; and increasing State Government financial and other support for commission plans.

SEC. 207. (a) In addition to any authority under the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965, each regional commission is authorized to provide financial assistance for projects which will further the purpose of this Act as expressed in section 2(d)(1) and (2). Such projects may include, but are not limited to, transportation, energy development and conservation, environmental and natural resource management activities, fisheries, agriculture, tourism, forestry, export promotion, business or industrial development, productivity improvements, community conservation and growth management, human resources, vocational, educational and training programs, development of indigenous arts and culture, and flood or other natural hazard protection activities. To the maximum extent practicable, each commission shall provide assistance under this section by transferring funds for programs or projects approved by the commission to the heads of Federal departments or agencies to be used for—

(1) all or any portion of the basic Federal contribution to programs or projects under any Federal grant-in-aid program authorized on or before September 30, 1982, and for the purpose of increasing the Federal contribution to programs or projects under such programs above the fixed maximum portion of the costs of such programs or projects otherwise authorized by the applicable law; and

(2) the Commission contribution to programs or projects and for grants management and technical assistance provided by the department or agency for projects at the request of the Commission.

Notwithstanding any other law, the heads of Federal departments and agencies are hereby authorized to accept such funds, to disburse them in accordance with policies adopted by the Commission, and to provide any assistance which may be necessary to carry out the approved program or project. The Federal portion, including the commission portion, of the costs of each program or project assisted shall not exceed 80 per centum of such costs.

(b)(1) Each commission may make direct grants to the States or to qualified multistate organizations for innovative projects and for demonstrations of unique methods and techniques for meeting the purposes of subsection (a) of this section which the Commission determines cannot reasonably be accomplished under subsection (a) of this section or any other Federal program and are in accordance with the regional development plan.

(2) States may carry out such projects and demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through grants with public bodies and private nonprofit organizations.

(3) Such projects and demonstrations may be funded entirely from appropriations to carry out this Act which are apportioned to the commissions by the Secretary or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds provided to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate. No component of any such project or demonstration shall receive financial assistance under this Act, the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 after five years following the commencement of any assistance for such component under one of the above Acts.

(4) Except as provided in subsection (c), grants for innovative projects and demonstration under this subsection may be made for up to 80 per centum of the costs of any project.

(5) No grant shall be provided for an innovative program or demonstration project unless the Commission as a matter of policy determines in what respect the project is innovative and what it is intended to demonstrate and certifies that there is a reasonable plan to evaluate the results of the innovation or demonstration by an independent source and to disseminate the results.

(6) No more than 20 per centum of the funds available to any commission under this title shall be used for the purposes of this subsection or subsection (c) of this section, unless such commission determines that a greater percentage of such funds must be put to such use to implement a major objective of the regional development plan addressing a need shared by two or more States in the region.

(c) Each commission is authorized to make grants for the operation of any project, including initial operating funds which comprise, among other things, the cost of recruiting and training qualified personnel, for which the Commission determines that funds for operation are not available under any other Federal, State, or local program. A grant for the operation of any project shall be made only if the project or facility is not operated for profit. Such grants may be made for up to 100 per centum of the costs thereof for the two-year period which begins, for each component facility or service assisted under any such operating grant, on the first day that such facility or service enters into operation as a part of a project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of any project shall be made after five years following the commencement of such initial grant for operation of the project. No such grants shall be made unless the Commission is satified that the operation of the project will be conducted under efficient management practices designed to avoid operating deficits. The Federal contribution may be provided entirely from funds authorized under this section, or in combination with funds provided under other Federal programs.

(d) Financial assistance under this section shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law. Funds appropriated to carry out this Act shall be available without regard to any limitations on authorization for appropriation in any other Act.

(e) No financial assistance shall be provided under this Act to assist private establishments relocating from one area to another or to enable private contractors or subcontractors to undertake work theretofore performed in another area by other contractors or subcontractors. Section 704(e) of the Public Works and Economic Development Act shall apply to all financial assistance under this Act.

(f) The authorities and requirements of this section and section 206 of this Act shall supersede and replace the authority of sections 505(a), 509, 515, 516, and 517 of the Public Works and Economic Development Act of 1965.

(g) No commission shall provide financial assistance under this section for the purposes of allowing a recipient to use grant funds to make grants to profit-seeking business enterprises.

(h) No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds exclusive of local funds (other than those originated as revenues collected by the State) and Federal funds, and, in the case of the Appalachian Regional Commission, exclusive of expenditures for participation in the National System of Interstate and Defense Highways, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. A commission may recommend a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that

portion of the State which lies within the region. Funds may be provided for programs and projects in a State under this Act only if the commission determines that the level of Federal and State financial assistance under this Act, and under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region will not be diminished in order to substitute funds authorized by this Act.

(i) Each commission in providing assistance under this section shall afford first attention to areas affected by economic decline, and in addition shall address basic service needs in areas experiencing dislocation due to rapid growth, as appropriate.

COORDINATION

SEC. 208. (a) Taking into account all relevant national policies, the Secretary shall coordinate and provide for Federal policy guidance to the Federal Cochairmen.

(b)(1) There is hereby established the Regional Development Council, composed of the Federal Cochairmen of the regional development commissions, which shall serve as a mechanism for consultation regarding policy and administrative improvements in the program authorized by this Act. The Secretary shall select, after consultation with the members, one of its members to serve as chairman and one to serve as vice chairman. The council shall participate in the liaison and coordination responsibilities provided under section 302 of this Act.

(2) There is hereby established in the Department of Commerce an Office of Regional Development, which shall be headed by a Director, appointed by the Secretary after consultation with the Chairman of the Regional Development Council, and composed of such staff as may be necessary to carry out its functions. Such Office shall perform such duties in support of the regional commissions as are prescribed by the Secretary, provide staff for the Regional Development Council, perform reviews and studies, assist the Federal Cochairmen in the preparation of the budget for the commission program, facilitate intercommission relationships, and provide supplemental technical and support services as necessary for the Federal Cochairmen. In addition such Office shall, subject to the provisions of this Act, assist States in initiating Regional Commissions or proposed boundary modifications.

(c) The Secretary shall identify the basic areas in which minimum standards of fiscal responsibility and management, including uniform cost principles, must be adopted to assure that commission activities are consistent with the provisions of this Act. The Secretary shall specify such minimum standards in regulations and require each regional commission to adopt them as part of their internal regulations. In addition, the Secretary shall adopt, after consultation with the Council, procedures and regulations governing—

(1) the recognition of regions and changes in boundaries;

(2) records to be kept by commissions and recipients of commission funds;

(3) administrative policies and procedures developed by the commissions;

(4) the establishment and operation of a management information system covering activities authorized under this Act.

(5) conditions under which the Secretary may withhold funds from a commission for violation of this Act or any regulations adopted under this Act.

(d)(1) Each commission shall develop and adopt administrative policies and procedures to prevent the overobligation of commission funds. Each commission, in accordance with this section, shall develop and adopt specific policies and procedures to promote economy and efficiency in the administration of its programs and operations and to prevent and detect fraud and abuse in such programs and operations.

(2) Each commission shall adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained.

(e) This section other than subsection (d) shall not apply in the case of the Appalachian Regional Commission. Such Commission shall consider adopting the minimum standards of fiscal responsibility and management and the procedures established under subsection (c) of this section.

(f) The Secretary shall evaluate on an annual basis the performance of the regional commissions, other than the Appalachian Regional Commission, in adhering to procedures and regulations established under this section and in implementing the provisions of this Act.

BONDING, INSURANCE, LIABILITY

SEC. 209. (a) The executive director of a commission and such other employees as the Commission requires shall be bonded in such form and amounts as the Commission may require. The Commission may pay the premium for the bonds.

(b) The Commission shall purchase insurance and pay the premiums therefor against loss or damage to any of its personal property and against liability for injury to persons of property. Such insurance coverage shall be in such form and amount as the Commission may determine.

(c) The Commission shall be responsible for claims arising out of negligent acts or omissions of its officers, agents, and employees only to the extent prescribed by law generally with respect to officers, agents, and employees of the Government of the United States.

RECORDS AND AUDITS

SEC. 210. (a) Each Commission shall keep such records which will fully disclose the amount and disposition of the funds provided to the Commission, and such other records which will facilitate an effective audit. The records, books, and accounts shall be available for audit by any member of the Commission, the Secretary (except in the case of the Appalachian Regional Commission), and the Comptroller General of the United States or their duly authorized representatives.

(b) All recipients of assistance from a commission and all contractors of a commission shall keep such records which will fully disclose the amount and the disposition by each recipient of the proceeds of such assistance, the total cost of the project or activity for which such assistance is given or used, and the amount or activity supplied by other sources, and such other records which will facilitate an effective audit. The Secretary (except in the case of the Appalachian Regional Commission), the Commission, the Comptroller General of the United States or any of their duly authorised representatives shall have access for the examination and audit of any books, documents, and records of any and all recipients that are pertinent to assistance received under this title. Any recipient or contractor who fails to abide by this requirement or who refuses to readily make his books available for inspection and audit by those authorized to audit such records shall not be eligible for further funding under this title.

NONDISCRIMINATION

SEC. 211. No person in the United States shall, on the grounds of race, color, national origin, sex, or physical handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from a regional development commission.

SEC. 212. (a) There are authorized to be appropriated to the Secretary to carry out this Act other than title I, to be available until expended, for each of the fiscal years 1980, 1981, 1982, and 1983, not to exceed $250,000,000.

(b) After deducting such amounts as are required for the administrative expenses of commissions other than the Appalachian Regional Commission, the Secretary shall distribute the remainder of the sums appropriated under this authorization for any fiscal year as follows:

(1) beginning in fiscal year 1981 any funds in excess of the sums appropriated for fiscal year 1980, but not to exceed 20 per centum of the total sum appropriated each year, may be set aside for the purposes authorized under section 206 (a) and (c) of this Act;

(2) the balance of the sums appropriated to be provided to the eligible commissions (other than the Appalachian Regional Commission) to carry out the activities authorized under sections 205(b), 207, and 208 of the Act, according to a formula to be developed by the Secretary after consultation with the commissions and the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

(c) Funds appropriated under this section shall be provided by the Secretary to each of the Federal Cochairmen for the benefit of the appropriate regional commission, in accordance with the distribution established under subsection (b) of this section. Obligation of such funds shall be approved by each commission in accordance with section 205 of this Act. Each Federal Cochairman is authorized to receive and hold such funds, subject to the preceding sentence on behalf of such Commission.

TITLE III

SEC. 301. This title may be cited as the "Regional Growth Policy Process Act".

SEC. 302. (a) The President shall establish an interagency committee, or use an existing committee, composed of a senior White House official (who shall chair such committee), the Chairman of the Regional Development Council, and senior officials of the departments and agencies concerned with regional development activities, to provide means for program coordination and support for the regional commissions and the Federal Government in determining policies and recommendations which will further the purposes of this Act.

(b) The President shall assure the provision of effective liaison between the Federal Government and the regional commissions and access to Federal funding and technical assistance for regional development activities.

(c) The recommendations contained in each commission's regional development plan and regional growth policy recommendations shall be brought to the attention of the heads of the Federal departments and agencies by the committee established under subsection (a) and its Chairman, acting together with the Federal Cochairman, and a schedule shall be established by the Chairman for review and response by the agencies and departments affected. The Chairman shall assure that discussions necessary to the resolution of any issues occur between representatives of the commissions and those of the affected Federal departments and agencies. The Chairman shall also attempt to identify and encourage solutions to regional issues which involve the participation of two or more departments or agencies. The Chairman, in transmitting such plans and policy recommendations to the Federal departments and agencies, shall assure that, to the extent practicable, adjustments in policies and procedures necessary to the successful implementation of each commission plan will be made.

(d) To the extent practicable, the Federal Cochairman of a regional commission shall be appointed as chairperson of the appropriate Federal Regional Council.

(e) Each Federal department or agency shall, consonant with law, cooperate with such commissions in assisting them in carrying out their activities under this Act and, to the maximum extent practicable, adjust its procedures and policies in order to assure—

(1) its participation in developing and implementing each Commission's regional development plan; and

(2) coordination among development programs and planning activities within States and between State and regional development programs and planning activities.

(f) Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs shall take steps to assure that, to the maximum extent practicable, such programs are not inconsistent with the goals, objectives, plans, and strategies established by the commissions pursuant to this Act.

(g) Each Federal department and agency shall consult with the appropriate commission or commissions in advance of providing financial assistance to any multistate organization engaged in activities related to the purposes of this title.

Sec. 303. (a) Each Commission shall set requirements for State members to prepare and submit for Commission approval a development plan for their States in the region. Such plan shall be revised annually. Each State development plan shall reflect the goals, objectives, and priorities established in any regional development plan, shall be built upon an assessment of State problems and opportunities that involves the participation of State legislatures, local governments, the private sector, and substate planning and development organizations, and shall—

(1) describe the State organization and continuous process for comprehensive development planning, including the procedures established by the State for the participation of development districts in such process; the means by which such process is related to State budget processes; and the method of coordinating development planning, policies, and programs in the State under this Act and other Federal and State programs;

(2) set forth the development goals, objectives, and priorities of the State and identify the needs and opportunities on which such goals, objectives, and priorities are based;

(3) describe the development program for achieving such goals, objectives, and priorities, including funding sources and recommendations for an implementing investment program, including specific projects to receive assistance under this Act, in sufficient detail to explain their contribution to the goals, objectives, and priorities;

(4) describe the mechanisms established to assure appropriate opportunity for participation of the private sector in development planning and programing and to coordinate activities between public and private institutions;

(5) set forth a system for periodically evaluating in quantitative and qualitative terms, as appropriate, the effectiveness of plans, programs, and projects affecting the attainment of the goals, objectives, and priorities of the regional and State plans and programs.

(b)(1) Substate planning and development districts certified by the State under subsection (c) of this section provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local planning and development districts, local units of government, citizens, and private sector organizations, and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of substate activities.

(2) Each Commission shall develop a plan for and as soon as practicable require the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area. To the extent permitted under this Act, State and substate planning processes shall be designed to coordinate and utilize to the maximum extent possible existing substate institutions and Federal, State, and local programs and projects in the affected areas and shall consider anticipated private as well as public investments.

(c) No entity shall be certified as a development district for the purposes of this Act, unless the Governor finds that—

(1) it is one of the following:

(A) a nonprofit public body organized or chartered under the law of the State in which it is located;

(B) an agency or instrumentality of a State or local government;

(C) an agency or instrumentality created through an interstate compact; or

(D) a combination of such bodies, agencies, and instrumentalities;

(2) the proposed district is geographically and politically structured to carry out a comprehensive planning and development program;

(3) the district and its governing body have responsibility for all or most of the relevant development planning activities being undertaken in its area;

(4) it is part of a single statewide system of development districts;

(5) the governing body of the district is composed of at least a majority of local elected officials of general purpose local governments from the affected area.

Wherever possible, areawide clearinghouses designated by either the Office of Management and Budget or the Governor pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 as amended or title IV of the Intergovernmental Cooperation Act of 1968, as amended, shall be certified as substate planning and development districts pursuant to this section.

Sec. 304. (a) Within eighteen months after its establishment or after enactment of this Act, whichever is later, each regional development commission shall prepare in consultation with Federal, State, interstate, private, and substate development organizations and local governments, a multiyear development plan for its region. The plan shall reflect and accommodate the goals, objectives, and priorities established in the State development plans accepted by the commission. The plan shall be built upon an assessment of regional problems and opportunities that involves the participation of State and local governments and the private sector in the regional development process and shall give due consideration to the planning and proposed activities of other Federal, State, interstate, substate, and local organizations and governments which may significantly affect the region. The plan shall include the following elements:

(1) a review of—

(i) prior regional studies of and plans for the region,

(ii) the current regional economy and the projected economy based on the best available data,

(iii) relevant plans of other public planning bodies and major private sector interests in the region,

(iv) multistate and shared problems requiring regional attention,

(v) the adequacy of existing Federal, State, and local programs and policies to meet the commission's goals and strategies;

(2) a framework for the continuing analysis of data needed to conduct effective regional development activities and to make decisions on programs and project selection;

(3) a determination of necessary and feasible regional goals, objectives, and priorities for regional development;

(4) a development program to achieve the commission's goals and objectives;

(5) strategies to implement the plan and recommended levels of Federal, State, and local funding for implementing Commission programs to attain the goals, objectives, and priorities; and

(6) criteria for the identification and selection of projects which are consistent with the goals of the Commission.

(b) Each Commission shall prepare an annual investment strategy on a Federal fiscal year basis to implement its regional plan. This strategy shall include (i) identification of specific Federal, interstate, State, and substate programs and projects which will assist the commission in regional development activities; (ii) proposed funding of activities under this Act or the Appalachian Regional Development Act of 1965; and (iii) proposed policies which may be adopted by Federal departments and agencies and State and local governments in order to reflect in the administration of their programs and regulations, insofar as applicable statutes permit, perspectives, conditions, and approaches particular to each region and necessary to the successful implementation of the regional plans. Such strategy shall be transmitted to the committee established under section 302 and, except in the case of the Appalachian Regional Commission, the Secretary, prior to the start of the new fiscal year, and shall be used as the basis of consultation with the heads of Federal departments and agencies through the interagency mechanism described in such section.

(c)(1) Prior to a commission vote to approve a regional development plan or annual investment strategy under this section, the Federal Cochairman shall have a maximum of seventy-five days in which to review the plan or strategy and seek review by the Secretary in accordance with paragraph (2) of this subsection. The Federal Cochairman shall vote on the plan or strategy only after consultation with appropriate Federal departments and agencies, in order to assure that—

(A) the plan or strategy is consistent with national economic and social policies and trends,

(B) the plan or strategy addresses shared and interstate regional problems and solutions and provides a mechanism for project or program funding selection which adequately attends to such problems and needs, and

(C) the plan or strategy reflects interregional consistency and compatibility, so that the activities of a commission will not adversely affect the conditions in or plans of another region.

(2) Except in the case of the Appalachian Regional Commission, the plan described in paragraph (a) of this section shall be reviewed by the Secretary and may be disapproved within sixty days of transmittal, only if the Secretary determines that the requirements of paragraph (1)(A) and (C) of this subsection are not met by the plan.

(d) Each commission shall review its multiyear plan annually and undertake a formal assessment of such plan every five years.

(e) Notwithstanding section 205(a)(1) of this Act, for a period not to exceed eighteen months after the establishment of a commission or the enactment of this Act, whichever is longer, assistance may be provided under this Act on the basis of State development plans and commission annual investment strategies.

Sec. 305. (a) The development planning process and the regional growth policy process shall reflect the goals, objectives, priorities, and recommendations of development districts and local governments as reflected in State development plans. To the extent practicable, the regional development plan, and annual investment strategies shall be developed from and shall incorporate such goals, objectives, priorities, and recommendations. The State, in the preparation of a State development plan, and the Commission, in the preparation of the regional development plan and annual investment strategies, shall accommodate and to the extent practicable harmonize the diverse goals, objectives, priorities, recommendations, and needs identified by development districts and local governments.

(b)(1) To the maximum extent practicable, planning processes required or assisted under this Act shall be based on and not duplicate existing planning processes and institutions, and shall make appropriate use of any existing plans for the affected area. Planning assisted under section 302 of the Public Works and Economic Development Act shall be integrated to the maximum extent practicable with planning required or assisted under this Act, and such planning shall be conducted in conjunction with the review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968.

(2) Each commission shall establish a satisfactory process of consultation with general purpose local governments and local planning and development districts to assure compliance with section 303(a), (b)(1) and (b)(2) and section 304(a). Such process of consultation shall provide that any local government or development district may petition to the commission for review of any action of a State or the commission inconsistent with such sections.

(c) Public and private sector participation in the development of the goals, objectives, and priorities of regions, States, and development districts shall be provided for, encouraged, and assisted. Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity and private sector participation in the establishment of such goals, objectives, and priorities.

Sec. 306. When used in this Act:

(1) The term "regional development" means the selective management of resources and activities toward the achievement of regional goals in the approved regional plan, including those goals affecting human and cultural resources, institutional, community, and economic development;

(2) The term "commission" refers to a regional development commission established pursuant to this Act, the Appalachian Regional Development Act of 1965, or title V of the Public Works and Economic Development Act of 1965, unless the context indicates otherwise;

(3) The term "Secretary" means the Secretary of Commerce;

(4) The term "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories of the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands;

(5) The term "Governor" includes the chief executive officers of the territorial and political units included in the definition of the term "State";

(6) The term "regional growth policy process" means the process of developing and communicating recommendations affecting shared and interstate problems of growth and decline set out in the regional plan and annual investment strategy with specific reference to policy recommendations applicable to the Federal, State, and local governments and necessary to the successful implementation of the plan and strategy;

(7) The term "substate planning and development district" is a multijurisdictional entity certified to a regional development commission either by the Governor or legislature of the State in which such entity is located, or by the State officer designated by State law to make such certification, as having responsibility for continuous, coordinated, comprehensive public facilities and services planning. Unless otherwise provided under State law, local development districts previously certified pursuant to the Appalachian Regional Development Act of 1965 and economic development districts designated pursuant to the Public Works and Economic Development Act of 1965 shall be recognized as substate planning and development districts certified pursuant to this paragraph; and

(8) The term "annual investment strategy" means the annual project packages, investment programs, or proposed funding elements of the member States as approved by the Commission and certified by such Commission to be consistent with and in furtherance of an approved regional development plan.

Sec. 307. (a) Each regional commission shall make a full and detailed report each fiscal year to the Congress, each State member, and the Secretary with respect to the commission's past and proposed activities. The first such report shall be made for the first fiscal year in which a commission has been in existence for more than three months after enactment of this Act. Such reports shall be printed and transmitted to the Congress not later than six months after the end of the fiscal year for which the report is made.

(b) Each biennium, each regional commission, with the assistance of the Secretary (except in the case of the Appalachian Regional Commission), shall submit a report to the Congress of the economic trends, development inhibitors, growth opportunities, and other relevant economic and social data for each region.

(c) Not later than one year after the establishment of the Alaska Regional Development Commission pursuant to section 203 (a) of title II of this Act, the Secretary shall submit a report to the President and the Congress on the following issues:

(1) the desirability of creating a joint Federal-State Economic Development and Land Use Planning Commission for Alaska, with land use planning and classification powers;

(2) a proposed structure and recitation of functions and duties of such a commission;

(3) the extent to which such a commission should be integrated with the Alaska Regional Development Commission established pursuant to section 203(a) of title II of this Act.

This report shall be prepared in consultation with the Secretaries of the Interior and Transportation and the Governor of Alaska.

Sec. 308. Within six months after the first biennium after enactment of this Act, the President shall conduct a comprehensive review of the commissions operating under the authority of this Act. This review shall include, among other things, an evaluation of the commissions' program effectiveness, a determination of the effectiveness of Department of Commerce management and support of commissions, any recommendations for preferred placement of the program in the executive branch, and an assessment of the progress made in unifying and coordinating federally assisted regional, State, and substate development programs and planning activities. Within eighteen months after enactment of this Act, the President shall conduct a review of the appropriateness of regional commission and Federal Regional Council boundaries. The President shall report the results of such reviews to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

Sec. 309. (1) There is hereby established a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission. Within one year after enactment of this section, the Commission shall designate one university in each border State for membership in the system of Institutes.

(2) It shall be the duty of each such Institute to initiate and support research programs in the various fields relative to border problems and to provide for educational programs and the training of specialists through such research, investigations, and experiments. Such research, investigations, experiments and training may include population issues; water, land and air resource issues; and other aspects of border resource problems, including the dissemination of the results of research deemed potentially significant for the solution of border resource problems.

(3) The Commission is hereby charged with the responsibility for the funding and proper administration of the Institutes and shall prescribe such rules and regulations as may be necessary to carry out these provisions. The Commission shall furnish such advice and assistance as will best promote the purposes of the Institutes and encourage and assist in the establishment and maintenance of cooperation by and between the Institutes and between them and other research organizations.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor during the consideration of and votes on S. 835:

Environment and Public Works Committee: John Yago, Bailey Guard, Phil Cummings, Richard Harris, Hal Brayman, Richard Greer, Lee Fuller, Steve Swain, Ann Garrabrant, Pete Rosenberg, Nina McClain, Jim Range, and Saundra Morten.

From Senator BENTSEN's office, Jim Rock; from Senator MUSKIE's office, Mike Aube; from Senator CULVER's office, Bill Strause; from Senator CHAFEE's office, Mimi Feller; from Senator SIMPSON's office, Dennis Stickley; and from Senator GRAVEL's office, Richard Aka.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, do we have a time agreement on this bill?

The ACTING PRESIDENT pro tempore. There is no time controlled on this bill.

Mr. RANDOLPH. I interpose, if I may, that I certainly hope there will be. Legislation normally coming to the floor from a committee does have a time agreement and I hope, that a time agreement will be entered into. We have advocated it, but we cannot understand the reasons perhaps why it has not yet been a matter of agreement. I hope that it can be.

Does the Senator from Rhode Island have any thoughts on the matter?

Mr. CHAFEE. Mr. President, I say to the distinguished manager of the bill that it is my understanding we are seeking an hour-and-a-half on the bill with an hour on amendments and 30 minutes on second-degree amendments. By an

hour I mean time evenly divided with 30 minutes on each side.

It is also my understanding they are checking with two other Senators to see if that is agreeable. Certainly I wish to move along. I do not see any great problems with this. I think we should be able to move rather swiftly, and frankly I do not think we will even take the hour-and-a-half but that was the proposal. We should know quite quickly.

Mr. RANDOLPH. I thank Senator Chafee. I appreciate his cooperation and his efforts to have the time agreement.

Is it the understanding, and I ask the majority leader, that pending a time agreement we move forward with the bill.

Mr. ROBERT C. BYRD. Yes.

Mr. RANDOLPH. And its consideration.

Mr. ROBERT C. BYRD. Yes.

Mr. RANDOLPH. I thank him very much.

Mr. ROBERT C. BYRD. I thank the distinguished manager of the bill.

I think it would be well to proceed with the opening statements, hoping that we can get a time agreement on the bill.

Mr. RANDOLPH. I thank the majority leader.

Mr. President, the Committee on Environment and Public Works brings to the Senate for our consideration S. 835. It is known as the Regional Development Act of 1979.

It is my responsibility to chair that committee. We have a spirit of cooperation within the committee, ofttimes differences but sometimes these differences later are compromised and become our strengths. I express my appreciation now, not later, to the 13 members of that committee who serve with me and for the work in the subcommittee structure which the members carry forward. For the RECORD, I would like the names of all the members of the committee to be shown. EDMUND S. MUSKIE of Maine; MIKE GRAVEL of Alaska; LLOYD BENTSEN of Texas, QUENTIN N. BURDICK of North Dakota; JOHN C. CULVER of Iowa; GARY W. HART of Colorado, and DANIEL PATRICK MOYNIHAN of New York join me in representing the Democratic side. Our ranking minority member, ROBERT T. STAFFORD of Vermont is joined by HOWARD H. BAKER of Tennessee; PETE V. DOMENICI of New Mexico; JOHN H. CHAFEE of Rhode Island; ALAN K. SIMPSON of Wyoming; and LARRY PRESSLER of South Dakota.

I, of course, am one of the Senators from the State of West Virginia. It is very natural and understandable that I take a certain satisfaction in connection with the development of title I that amends that Appalachian Regional Development Act.

Only for the RECORD, I say to my colleagues that it was my privilege and responsibility to stand where I now stand, and that was in 1965. At that time we passed the first Appalachian Regional Development Act, an act that we feel has been fundamentally sound and that has brought constructive results across a broad spectrum of the society that makes that 13-State region its home.

We have improved from time to time the legislation. Today, as this legislation unfolds here in the Senate, we will have a further effort to bring the regional commission comprising the Appalachian States in closer harmony with the title V commissions as we look throughout the country for continuation of this type of program.

Until the 1975 Regional Development Act, the regional commissions had always been treated separately. I recall, for the RECORD, that the former Senator from Arkansas who is now gone from his earthly service, Senator McClellan, asked me the question:

> We believe in this program for the Appalachian area. We are wondering what will be done in other areas of the United States, where there is a common thrust, a mutual interest, a concern that crosses the State lines as here in the Appalachian region.

And I assured him that in the Appalachian effort, which was here in the Senate, we had had a 2-year program of study and review and that that program was ready to move into action, but that we would create commissions, if the Senate and the House of Representatives approved, for these other areas of the country with their special interest.

So the title V commissions did come into being. These commissions, as I have said, came under title V of the Public Works and Economic Development Act.

Now, while the title V commissions were patterned after the Appalachian Regional Commission, they have not, for a number of reasons, had the constructive impact of ARC.

Under this new legislation presented today, all of the commissions are extended, they are strengthened, and they operate in a coordinated fashion.

In S. 835 we extend the regional commission concept to all sections of the United States, and we establish a regional growth policy process in which all of these commissions can have participation.

The philosophy underlying the commission concept is that some economic and other development problems are of such scale as to cross or transcend State boundaries. Frequently, no single State has the resources or the interest in effecting solutions to multi-State problems.

It is through regional development commissions that local, State, and Federal officials, in spite of their individual differences or concerns, can combine resources to address difficulties which are shared by contiguous units of government.

This kind of effort, stemming as it does directly from the people, the population, of the area is vital to the development of workable regional plans.

Mr. President, it has been a privilege for me to be active in these matters since 1965. I have tried, and we have been successful based upon the record, to extend and expand commission authorities.

I have brought forth from the committee, with the assistance of other members, the amendments to the act. Those came—for the record I want those dates—in 1967, 1969, 1971, and 1975.

So we have tried—and I believe successfully—to amend the act from time to time to meet the changing responsibilities in connection with the ARC program.

I think it is important for us to understand the reason for the creation, first of all, of the Appalachian Regional Commission. The accomplishments of this act to date are substantial. I will cite specifics of how some of the present needs of this region have been met, and how new efforts are underway to meet the emerging problems.

The Commission was created to address the severe and unique problems of the area. Appalachia, in spite of its very rich and rewarding human and natural resources, had traditionally lagged behind the rest of the Nation in its rate of growth and development.

In the 14 years since its inception, this program has come a very long way toward fulfilling the expectations in 1965. It has helped to change the face of the area dramatically in fostering new hope, new initiative, and new enterprise.

In general statistical terms, some of these advances are as follows:

Appalachia's poverty population has decreased since 1960 from 31 percent of the total populace to 14 percent in 1976. This represents a 55 percent decline in poverty incidence during a period when nationwide figures show a 48 percent decline.

In per capita income, between 1965 and 1976 Appalachian total personal income climbed from 78 to 85 percent of the national average.

An existing trend of outmigration has been reversed. An average of 58,000 persons per year have migrated to the area.

The region added approximately 1.35 million jobs between 1965 and 1977, bringing Appalachia's official unemployment rate down to a level more nearly approximating that of the rest of the Nation.

In education, as of 1960, only one-third of the region's adult population had completed high school. By 1976, the percentage is estimated to have risen to approximately 60 percent.

In the area of health, the average number of physicians in the region rose from 92 for every 100,000 residents in 1963, to 116 per 100,000 in 1976.

Another major accomplishment under the Appalachian program has been the development of vocational schools. To date, the Commission has invested more than $300 million in a regionwide system of vocational schools. There are now nearly 500 such schools serving 300,000 students.

The importance of the Appalachian Development Highway System to the economic growth of this mountainous region cannot be overemphasized. Of the entire 3,025 miles now authorized, approximately 1,700 miles, or 56 percent are either completed or under construction. An additional 680 miles of access roads have been built to service industrial sites, hospitals, schools, or other public facilities. When the entire system is completed, 85 percent of the people of Appalachia will be within 30 miles of a high quality highway. The highway program is vital to the development of Appalachia.

These are impressive statistics. But what do they mean in human terms? How have the lives of the citizens of Appalachia been improved? Sometimes we in this Chamber tend to overlook the human consequences of what we do here. This is not intentional. We are beset by the very real needs of our country in such areas as inflation and energy. We are very often buried in statistics. We lose sight of people.

I want to give you a few examples showing how the quality of life has been improved in Appalachia.

In the summer of 1977, Broome County, N.Y., lost 1,300 jobs in 1 week because 2 major plants closed down. The Broome County Chamber of Commerce immediately moved to meet this crisis by putting together an ambitious development program using assistance from the Appalachian Regional Commission, the Economic Development Administration, and the Department of Housing and Urban Development. In 1 year, these investments not only helped replace the 1,300 lost jobs but added 2,700 more. Five new plants located in the county in 1977. Appalachian dollars were essential in this effort because they were available outside of normal investment cycles and could be used almost immediately to assist in attracting new plants to the area.

The 500 vocational and technical schools assisted by ARC funds have equipped thousands of youths and adults for entry or advancement in the job market. Welding, pipefitting, mine equipment repair, railroading, solar energy design and fabrication are only a few of the new skills attained by Appalachians who otherwise might have been high school dropouts or unemployed adults.

In any area with much poverty, and particularly in an area that is largely rural, it is often the children who suffer the most. In testimony presented this year to the Subcommittee on Regional and Community Development, the director of a child development program in Ohio told of a mother who described her deteriorating family life and marriage. The parents and five children were living in a four-room house and felt their only avenue for help was welfare aid to dependent children. This would have required that the husband move out of the house. An ARC-supported day care center made it possible for this woman to seek and accept a job with the result that the family was able to purchase a larger house and substantially improve their family life.

Benefits are also flowing from other activities of the Appalachian program. The Appalachian Regional Commission has developed a truly unique regional demonstration for the delivery of public service information and instruction to our rural communities and homes. This program, called the Appalachian education satellite program, has been developed over the last 7 years by the Commission with fiscal assistance from the National Institute of Education.

The AESP program began as an experiment in attempting to provide via satellite graduate instruction to 1,200 teachers in the rural areas of Appalachia. Since that experiment, the program has grown to where it has delivered a wide range of public services, such as graduate and undergraduate courses and topical programs in child care, fire prevention, education and medical self-help to over 20,000 rural citizens in Appalachia.

This October, the system will be expanded to reach over 100,000 homes via satellite delivery to local cable systems. This means that hundreds of thousands of Appalachians will be able to receive information in their homes or at their work.

This public service access should help improve skills in a convenient, cost-effective manner allowing, for instance, young mothers to stay at home with their families and receive an education. Not only does it provide quality information and services to our citizens, but it should save a substantial amount of energy in the reduction of travel and time required to provide these services.

I believe it is important for the Appalachian Regional Commission to commit its own funds for the support of the satellite program, as a valuable regional service. As much as $500,000 per fiscal year should be considered for this support, in order to provide funding for the Commission personnel associated with the satellite program and assure continuing Commission influence over its service. The Commission is expected to develop a mechanism for collecting fees from users of the system such as cable subscribers. This may defray part of these support costs.

I understand the Commission is considering expanding the satellite program to serve other areas of the Nation, perhaps through the establishment of a nonprofit corporation. We talk often of Appalachian innovations being adopted elsewhere in the Nation. Here is another chance to demonstrate the value of Appalachian leadership. As long as the Appalachian region would continue to be served, an expanded satellite education program may be a healthy development.

In the area of highways, one example well illustrates the continuing, long-term payoff of the Appalachian Commission's investment in highways. In April of 1968, the Commission approved funds for a 2½-mile access road to a 450-acre industrial park in Carroll County, Ga. Total cost of the road was $810,000, of which the Commission invested $567,000. Since that time, industries have filled 170 acres of that park. Most have been relatively small, but a Columbia Broadcasting System manufacturing plant now under construction at a cost of more than $50 million will provide employment for approximately 3,000 people. Throughout the coming years, there will be an accumulating payoff from this investment of a decade ago.

Coming closer to home, the Clay-Battelle Primary Health Care Clinic, in Blacksville, W. Va., is an example of how the Commission used its resources to attract and put together other Federal, State, and local resources to provide ongoing basic health services in a very rural area. The Commission provided the initial costs of constructing the clinic and operating it for the first year. With such a facility in place, the National Health Service Corps provided a doctor and a dentist. The local communities provided over 25 percent of the operating and equipment costs. Finally, the rural health initiative program provides ongoing support. So, with this one-time effort initiated and put together by ARC, Blacksville and many other areas of rural West Virginia are assured of basic health services.

The ARC also awarded site-development grand funds totaling $198,778 toward the Stevenwood Subdivision in Raleigh County, W. Va., in November 1978, as part of the activities funded through an energy-related housing grant. The purpose of this grant program was to assist in providing housing in areas impacted by increased development of the mining industry, and the subsequent demand for additional housing. The 51-lot Stevenwood Subdivision will provide housing units affordable by low- and moderate-income families in the Raleigh County area. Construction is currently underway.

Now, there are many, many facts to substantiate this statement. There have been significant advances but much remains to be done, not only in Appalachia but throughout the country, frankly, in problems that affect the world.

Of the area's 19 million inhabitants, 2.7 million continue to live in poverty. Only 6 out of the region's 397 counties have a per capita income that has reached the national income average. Despite improvements in the availability of the health facilities, serious health problems continue. Infant mortality rates still exceed those in the rest of the country. There is a high incidence of diseases of hepatitis, streptococcus, and tuberculosis, measles, and rubella which remains and the 1976 ratio of 116 physicians to every 200,000 persons lags behind the national average of 174 per 100,000 persons.

This explains the situation—statistics, yes, but figures that must be clothed with the human side of the area in which I live.

Now, title I of the pending bill extends the Appalachian Commission for an additional 4 years. That would be through fiscal 1983. We provide for additional authorities, as I said at the outset and, of course, responsibilities.

The nonhighway program authorization for the Commission is $340 million for the 2 fiscal year periods of 1980 and 1981, and $380 million for the 2 fiscal year periods of 1982 and 1983.

The development highway program authorizations are $350 million for fiscal year 1981—that is an increase of $180 million; $400 million for fiscal 1982; $450 million for fiscal 1983; $500 million for fiscal 1984; and $500 million for fiscal 1985.

There are a number of new authorities incorporated in this legislation which address the continuing problems of Appalachia. One of these, a very, very vital problem, difficult to solve, is adequate

housing. The problem of a basic housing program has been very severe. It has, in fact, surfaced to a greater degree, and it is worsening as I speak today. It is something that I hesitate to say, but I must say it: One million Appalachian homes are substandard, either unsafe, with insufficient plumbing or overcrowded; in some cases, of course, all three situations prevail.

This figure becomes more compelling when it is realized that in central Appalachia, 38 percent of the housing is inadequate.

Under the Commission's housing program, site development grants and planning loans have been used to assist in the construction of 8,400 homes. Other types of grants have resulted in the construction or repair of an additional 1,900 homes. Technical assistance funds have been used by all 13 States to strengthen the technical competence of low and moderate income housing sponsors, and 10 States have established an Appalachian housing fund to stimulate housing production in the region.

Mr. President, suitable land for housing is difficult to find in Appalachia, and for a number of reasons. In many areas the only land that is flat enough, frankly, to build on successfully is located in what we call the flood plain, and is subject to frequent floods, very devastating floods.

In other areas, particularly in West Virginia, a large percentage of available land is now owned by—well, let us say, a handful, but that is only an expression but, frankly—a very few landowners, and they have been until this date unwilling to sell. The mountainous terrain in most of the Appalachian country requires excessive development costs.

Together with the difficulty of assembling large tracts of land, this discourages the involvement of what I call the large-scale housing contractors. The stautory limitation of 10 percent on an ARC grant for development costs has been clearly insufficient.

It was at the suggestion of the Governor of West Virginia, Jay Rockefeller, that a provision has been incorporated into this bill to permit the commission to use its funds for land acquisition and to raise the 10 percent development limitation to 25 percent.

Now, I think that the Governor of West Virginia has given us a worthwhile goal to achieve. I am appreciative of his helpfulness in this regard. If industry is to be attracted to the Appalachian region, and an effective rural resident alternative is to be maintained for its citizens, a supply of adequate housing is essential.

One of the most valuable programs developed under the Appalachian program has been the child development demonstration program. The program was initiated to respond to the severe health problems and high mortality rates among infants and children of the region. Each of the States have begun early child development programs and are beginning to address the health needs of young children. This activity has enabled many low-income and single-parent families to augment their income by freeing family members to find employment while their preschoolchildren are being cared for. It is also an effective learning experience for these children.

The Appalachian Regional Development Act was amended in 1975 to allow Commission funding for the operation of child development centers to be continued for an additional 2 years beyond the 5-year limitation placed on all other demonstration projects. This extension was granted because many of the worthwhile programs were having difficulty finding other funding sources for continued operation. This, unfortunately, is still the case.

S. 835 further permits continued operational funding for child development centers upon the request of a State. The amendment applies only to those projects supported in fiscal year 1979, and is not intended to restore or resume funding for projects whose grant funds ceased prior to that time. Projects initially approved after September 30, 1979, must conform to the existing 5-year limitation.

A new authority is given to the Appalachian Regional Commission by this legislation to make grants for the stimulation of agriculture, mining, construction, manufacturing, commercial, and other economic activities. Such grants can be made for business related technical assistance, establishment of revolving funds for business, agricultural and forestry enterprise loans, acquisition and rehabilitation of rail properties by public bodies, and projects for development, production, utilization and conservation of energy resources. States may carry out such activities directly or through the private sector, public bodies, or private nonprofit organizations.

The other major feature of the bill under consideration today is a further extension of the philosophy behind the Appalachian Regional Commission to the commissions created under the authority of title V of the Public Works and Economic Development Act of 1965. That act recognized the fact that there were lagging regions in parts of the Nation outside of Appalachia. Title V of that act provided for the establishment of regional development commissions in other sections of the country which had special problems and needs demanding sound individual analysis and response. Like Appalachia, they were given broad authority to supplement other Federal grants, to undertake planning and studies, provide technical assistance, and encourage investment plans and the capability of State members to foster economic growth. Federal direction for these programs was placed in the Department of Commerce.

Currently, the title V commissions number eleven. They, together with the Appalachian Regional Commission, operate in all or part of 48 States. Their original mandate was to address the problem of economic decline in nonmetropolitan areas. We now see their value as an improved general mechanism for governmental decisionmaking, and as a means of managing dislocation due to rapid growth as well as economic decline. It is my feeling, shared by the majority of members of the committee, that all these commissions should be in a sense melded into a common framework. They should be made to demonstrate the viability and effectiveness of a well-conceived regional strategy.

In the Regional Development Act of 1975, Congress expanded the program authorities of the commissions in the fields of energy, transportation, health and education. These were comparable to authorities earlier provided the Appalachian Commission. Congress also attempted to upgrade regional development through the commissions by raising the anual authorization from $150 million in 1975 to the present $250 million level. By all accounts, program performance under the commissions has been significantly limited because past administrations have never requested adequate funding. This legislation again expands their authorities and provides a more clearly defined framework for their operation within the executive branch.

Title II of S. 835, as reported, provides for the creation of regional commissions to promote balanced development in all regions of the Nation to respond to economic stress. Most of these areas are already included in commissions established under title V of the Public Works and Economic Development Act. The regional commissions are authorized at not to exceed $250 million for each of the fiscal years 1980, 1981, 1982, and 1983.

Title III of this legislation is of great importance. It establishes a regional growth policy process to bring the Federal Government, regional commissions, States, and local governments into a cooperative structure for addressing regional issues.

Title III establishes an interagency committee to coordinate and support regional commissions and the Federal Government in determining policies and recommendations which will further the programs supported by this bill. In addition, it establishes the requirement for annual development plans for each State in each region and further requires each regional commission to prepare multiyear development plans and annual investment strategies.

It is gratifying and significant that the reauthorization of the Appalachian Regional Commission and the strengthening of the title V commissions has the solid support of the administration. As a result of the White House Conference on Balanced Growth and Economic Development last year, the President announced this January his intention to institute a regional growth policy process.

The President directed certain actions to be taken by the Secretary of Commerce, other Federal departments and agencies, Federal cochairmen of the Appalachian and title V commissions, the Interagency Coordinating Council, and the Federal Regional Councils. These entities were to work together in coordinating Federal efforts with commissions and States for regional development. This directive is further carried out in the legislation before us today.

Mr. President, I state my firm conviction that the regional commission concept is a sound one. It is workable. It is effective. It has been helpful. The members of the Committee on Environment and Public Works have been fully aware, in the development of this legislation, of reports such as the Department of Commerce audit on selected activities of the title V commissions released earlier this year. The committee was also aware of the General Accounting Office's report on nonhighway activities of the Appalachian Regional Commission, also issued early this year.

Both these reports, I am very factual and very fair when I say to the membership, that both these reports were critical of existing commissions from several standpoints. The Department of Commerce report was directed toward commission administrative activities rather than to specific programs. It found deficiencies in coordination, both at the Commerce Department level and with other Federal agencies. Problems were found in the planning, selection, and evaluation of projects, as well as operation and monitoring of completed projects. Inconsistencies in expenditures from program and administrative funds have existed.

Many of these same problems were also mentioned in the report of the General Accounting Office on the Appalachian Regional Commission. In addition, problems were cited concerning a possible decline in State participation in nonhighway programs and priority of program evaluation. The members of our committee recognized that many of the points raised in those reports were valid.

I recognized it, and I have never attempted to do otherwise. Specific language has been included in this bill which the committee members believe will alleviate existing problems. The procedure spelled out in title 3, the Regional Growth Policy Process, sets out in detail the role of the Federal Government in combination and coordination with the Regional Commission. The specific duties of the Commission are outlined in several sections of our bill, principally sections 204 and 304. State responsibilities, Mr. President, for maintenance of effort are set forth in the section 207(h) provision.

Fiscal responsibilities and management standards are required on the part of the Federal Government and the Commission.

I always want to approach legislation of this kind, as I have since 1965, recognizing that in the beginning we were plowing new ground; recognizing that in the changes, four or five, in the amendments to the act, we were also plowing new ground.

I recognize that there are the existing problems in Commission administration and programs. But what does this legislation seek to do? It seeks not to bring a hodgepodge to the floor, but it seeks to alleviate those problems while at the same time expanding the Regional Commission concept in the parts of the Nation which have no Commission, and where we believe the Commission program can successfully serve people.

I hope that my colleagues in the Senate, both Democrat and Republican, as within the committee itself, will be supportive of S. 835.

How much time have I consumed, Mr. President?

The ACTING PRESIDENT pro tempore. We are not keeping track of the time because there is no time agreement.

Mr. CHAFEE. Mr. President, I wonder if we might enter into a time agreement while we have Senator SIMPSON and everybody in the Chamber. My suggestion, Mr. President, would be that we have an hour and a half on the bill, 1 hour on all amendments except for Senator SIMPSON's amendment, and he wanted 2 hours, with a half-hour on amendments in the second degree.

Mr. President, I suggest an hour and a half on the bill to be evenly divided, 1 hour on all amendments, and 30 minutes on amendments in the second degree. Senator SIMPSON wanted 2 hours on his amendment.

Mr. SIMPSON. That is correct. I have two amendments. The amendment to strike article 3 of the bill would require 2 hours, and I would appreciate having that consideration. The other amendment would take 1 hour. I could possibly yield back some time on both of them.

Mr. CHAFEE. All time to be equally divided.

Mr. RANDOLPH. The majority leader is in the Chamber and, because of other legislation programed or hoped to be considered today, I am sure he would like to consider this.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognised.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to the pending Appalachian regional development bill, S. 835, there be a 1-hour limit for debate on the bill to be equally divided between Mr. RANDOLPH and Mr. CHAFEE; that there be 1 hour equally divided on any amendment in the first degree; 30 minutes equally divided on any amendment in the second degree; that there be a 2-hour limitation on one amendment to title III by Mr. SIMPSON; provided further, that there be a time limit on any debatable motion or appeal of 20 minutes; that there be a time limit on any point of order if debate is entertained by the Chair of 10 minutes, and that when the bill is advanced to third reading it not be passed but be held at the desk and added as an amendment to Calendar Order No. 287, S. 914, the EDA bill, which will be before the Senate tomorrow; provided further, that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the manager and the ranking member of the bill. I thank Mr. SIMPSON and other Senators who have had a part in working out the time agreement.

Mr. RANDOLPH. I thank the leader very much.

Mr. BURDICK addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. I yield such time as the Senator from North Dakota may require.

Mr. BURDICK. I thank the Senator.

Mr. President, I serve as chairman of the Subcommittee on Regional and Community Development of the Committee on Environment and Public Works. This legislation was considered initially in the subcommittee. As Chairman RANDOLPH has indicated, this legislation extends the authority of the Appalachian Regional Commission and the other regional commissions presently authorized under title V of the Public Works and Economic Development Act. Senator RANDOLPH has discussed the programs of the Appalachian Commission and other parts of the bill. I shall limit my remarks to titles II and III.

Title II of the bill contains a 4-year authorization for continuation of the commissions' programs, other than Appalachia, at an annual level of $250 million. This is the same level as the previous authorization for the years 1977 to 1979.

The appropriations for the eight commissions have been modest compared to the authorizations. In 1977 they amounted to $63 million, and $64 million each in 1978 and 1979. The current administration budget request is $74 million, which includes funds for the startup of three newly designated commissions comprising all or parts of 13 States in the mid-Atlantic, mid-America, and Mid-South regions.

Let me describe briefly the regional commissions other than the Appalachian Commission. These commissions were established as early as 1966 and 1967 in sections of the country having special problems and needs. Like the Appalachian legislation, they were given authority to supplement other Federal grants, to undertake planning and studies, to provide technical assistance, and to encourage investment plans and the capability of State members to foster economic growth.

There are eight such commissions in existence today, comprising all or parts of the continental 48 States. Three others were designated in late 1978 but have yet to receive startup funds.

Commission programs for the most part are directed toward closing the income gap, creating jobs, and raising education levels. Program activities typically touch transportation, natural resources, regional economic analysis, State investment planning, energy development, vocational education, tourism, and health.

Mr. President, we held 3 days of hear-

ings on the various commission programs. In general, we found great enthusiasm for the commissions among Governors who serve as commission members. They point most frequently to the flexibility commissions have in investing Federal funds. That same theme was expressed often by persons representing local levels, whether cities, counties, or multicountry districts. The emphasis was on the speed and lack of redtape associated with commission projects.

It should be noted that at a time when commissions' programs and activities have come under increased scrutiny in terms of accomplishment and accountability, the President has proposed an extension of the program that would permit any State that wished to join other States in forming commissions to be able to do so. And he has proposed the establishment of a regional growth policy process designed to bring the Federal Government, regional commissions, States, and local governments into a cooperative structure for addressing regional issues. This is contained in title III of the bill.

The committee considered the question of accountability to be of grave importance in the development of this legislation. The bill carefully spells out the specific responsibilities of commissions. Recent reports of the General Accounting Office and the Department of Commerce Audits Office criticized the operations of commissions. This legislation addresses those concerns.

For example, the Secretary of Commerce, in section 208, is required to identify instances in which minimum standards of fiscal responsibility and management must be adopted, including uniform cost principles. These standards are to be evaluated annually by the Secretary. Section 210 mandates the commissions to keep records which fully reflect the disposition of their funds for timely audits. Section 204(b)(2) requires all Federal cochairmen to assure commission compliance with applicable Federal fiscal and management requirements established under this legislation.

Mr. President, Senator RANDOLPH has provided an appropriate summary of the bill. I shall not detain the Senate by duplicating what he has clearly described in his presentation. But I should like to add a few remarks as subcommittee chairman.

In considering this legislation this year, I have not ignored the criticisms of the title V commissions. Perhaps the one most often made is: What do these commissions do? What do they accomplish? It needs to be said that it is difficult to accomplish much in the economic development field with resources for a multi-State region of $7, $8, or $9 million. Some have accomplished a good deal; others have been mediocre. Furthermore, in the past, these commissions have functioned in an indifferent atmosphere on the Washington end. This is the first President in recent years to have shown interest in the commissions. He has proposed that their charters be renewed, and he has suggested a process that will integrate each commission's plans and strategies with the various executive agencies that have resources to assist communities. He has proposed a more effective process to transmit local priorities through commissions to appropriate Federal sources for assistance.

It is said that the funds appropriated to these commissions are slush funds for Governors, to be used for their own political purposes. We examined that issue. We heard the Governors speak of their interest in projects and activities that had true "regional" or interstate relevance and impact. This bill and the report accompanying it emphasizes the committee's intention that commission investments must be for projects and programs that are of "shared interest," and that are guided by a multi-State strategy.

It has been said that the commissions have lost sight of their original mission—to assist the lagging areas of the region. This bill responds by redirecting assistance to lagging areas as a first priority.

Another criticism often heard was that commission plans and the planning process have been generally remote from the elected officials and others of the region below the State level. The bill before us attempts to rectify that shortcoming by incorporating a "bottoms-up" planning process, based in large measure on the process authorized in section 225 of the Appalachian Regional Development Act. It is apparent that greater involvement at the local and State levels will increase the acceptability and utility of plans and strategies.

It is often thought that regional commissions do the same thing. That is not true. There is great variety in the programs and investment decisions among the commissions, and I think that is a good thing. The problems of each region differ. Out in my country, agriculture and forestry are the most important source of economic growth and wealth. The Old West Commission focuses much program attention on that sector. In New England, the problems are transportation, energy, and commercial and industrial development. The New England Commission accordingly focuses on these problems. The commissions have adapted themselves to these needs. One might say there is considerable pluralism among them. I think their capacity to adapt is good.

Let me leave a few impressions I have gained as a subcommittee chairman regarding regional commissions and their programs.

First. Governors are enthusiastic about them. Federal cochairmen, to a person, find them useful and potentially more useful development agencies. Local officials often speak of the great flexibility of regional commissions.

Second. The commissions have contributed to a sense of regional identity and have provided forums for sharing experience and expertise among the States.

Third. There is little doubt that their impacts in economic development have been modest, but there is also evidence to suggest that many legitimate local and regional needs which might have been neglected have had assistance from regional commissions.

Let me conclude these remarks by saying that the critics of the regional commission approach have some points to make. The record of achievement is not clearly apparent. Yet the evidence suggests there is potential here. We are not spending that much money on these commissions. My view is: Let us reauthorize them for 4 more years. Let us watch them closely. Let us assess how they adapt and what they can achieve under this legislation. If, at the end of that time, it is clear that they are not worthy of renewal, let us not reauthorize them. I hope they will demonstrate their worth in the next 4 years.

Mr. RANDOLPH. Mr. President, will the Senator from North Dakota yield to me?

Mr. BURDICK. I yield to my able chairman.

This is not a cursory commendation, but since Senator BURDICK became chairman of our Subcommittee on Regional and Community Development, he has given very intensive study to these matters and has very thorough knowledge of the workings of the Appalachian Commission program and the title V Commission programs, both being considered today.

It is Senator BURDICK's understanding that the Governors of the 13 Appalachian States support this legislation. Is that true?

Mr. BURDICK. That is correct.

Mr. RANDOLPH. And, for the record, I indicate that Governors from these 13 States are: Alabama, Fob James; Georgia, George Busbee; Kentucky, Julian Carroll; Maryland, Harry Hughes; Mississippi, Cliff H. Finch; New York, Hugh Carey; North Carolina, James Hunt; Ohio, James Rhodes; Pennsylvania, Richard Thornburgh; South Carolina, Richard Riley; Tennessee, Lamar Alexander; Virginia, John Dalton; and West Virginia, John D. Rockefeller IV.

I think it is important to realize that those Governors are in nowise Democratic Governors, in nowise Republican Governors. They are a mixture of party affiliation.

But they are the Governors of these States and they recognize the problems within their States. They also recognize their responsibility as a State Governor within the region to cooperate and coordinate effort in projects and programs with the other Governors.

It is also important that the RECORD indicate that there have not been others voting for the Governors on vital, crucial matters. The Governors themselves have assembled. They have had their discussions, their in-depth session discussions. That was a provision that we, along the way, implemented the earlier 1965 legislation to insure. We felt the Governors were intensely interested, but we wanted to lay it into the law, and that was done.

There have been no formal endorsements, I want the RECORD to indicate, of the exact nature of this bill. But in the testimony given and in the legislation that has been discussed, all the Appalachian Governors without exception strongly support the continuation of this worthwhile program.

I appreciate the Senator's yielding to me at this point.

Mr. BURDICK. I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first, I ask unanimous consent that Rick Herod of the Environment and Public Works staff be granted privilege of the floor during consideration of S. 835.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I would like to pay tribute to the chairman of the Environment and Public Works Committee (Mr. RANDOLPH) who has been so intensely interested in this measure that comes before us today.

Indeed, it was the senior Senator from West Virginia who originally conceived and worked so hard for the passage of this legislation some 14 years ago. I think it is a great tribute to him that the act has come about and that it has continued to receive such solid support from the Congress ever since then.

I would like to pay tribute also to this same Senator for the splendid leadership he has given us in the Environment and Public Works Committee.

I have never sat in a committee where everybody is given a fairer chance to voice their views. Nobody is run over. Everybody is given an opportunity to object or to agree. Staff is very fairly distributed.

It is a great privilege for me to serve under the leadership of our very distinguished chairman. I am grateful to have this opportunity to pay tribute to him today.

Mr. RANDOLPH. I thank my colleague from Rhode Island.

I do believe that within the committee structure of 14 members that we come together. We disagree very often. But we attempt to be constructive in the legislation within our jurisdiction.

I especially thank the Senator from Rhode Island for his thoughtfulness in connection with the mention of its chairman.

Mr. CHAFEE. I thank the Senator.

Mr. SIMPSON. Mr. President, may I at this particular moment interject my remarks along this line?

Mr. CHAFEE. How much time does the Senator need?

Mr. SIMPSON. Just 2 minutes.

Mr. President, I state that as a new member of the committee, I have been treated in a most kind, generous fashion by the chairman.

I feel that sometimes I am not too objective in that area.

I think I am on the top rung of the JENNINGS RANDOLPH cheering society, the Wyoming division.

He is a very warm person, a gentleman in every sense, a fine friend and counselor to me.

Senator CHAFEE, my seatmate here to my immediate left and fellow member of the committee, has been, again, most kind to me in my early days here.

I have always believed in my legislative experience never to allow friendship to be intruded upon by the combat of legislative duties. I shall not do so, have never done so, and will not do so in the U.S. Senate.

I thank the Senator.

Mr. RANDOLPH. If the Senator will yield, I want to further express appreciation to the Senator from Wyoming (Mr. SIMPSON).

As he said he is a new member of this committee and of the Senate.

I had the privilege of serving with his very capable father in this body. We remember him, and that heritage has certainly continued with the activity of his son (Mr. SIMPSON).

I want it very thoroughly understood that as we approach a very crucial amendment of the Senator, possibly two amendments, in the latter period in this debate, we do it, of course, in the very best of purpose. I know that.

At the conclusion of that debate, when the decision is made, whatever it is, there will be that continuing, in fact, constant friendship that I have for the Senator from Wyoming as well as the Senator from Rhode Island.

These are not cursory remarks that I make. I believe very much in this body, in that understanding, in that realization of differences that can come, and we move forward, we move forward with belief and conviction.

I, of course, ascribe that to the Senator from Wyoming in the fullest degree in the matters that will be before us here in this debate.

Mr. CHAFEE. Mr. President, I want to thank our chairman and pay tribute to our ranking minority member, the Senator from Vermont (Mr. STAFFORD), who was an outstanding leader on the committee, and, of course, to Senator BURDICK, who is the chairman of this subcommittee.

Mr. President, I might say that throughout the deliberations on these Regional Commissions, I have had some serious reservations about their future. These reservations have been based in large part on their not only current, but past performance, as well as the broad new direction that was encompassed in the legislation as originally proposed that we are considering today.

During the committee consideration of this bill, I offered several amendments to the title V programs which were adopted. In my judgment, the bill is greatly improved over that originally introduced.

I might say my amendments to the bill dealing with Appalachia were not so successful.

Because I believe that the expansion of the Appalachian portion of the bill and the cost it involves were not justified at this time, I voted against reporting S. 835, the bill before the Senate.

Mr. President, the multi-State regional commission program—that is, these title V's we are talking about—were created in the mid-1960's. Their purpose was to encourage assistance for economically lagging areas. This all stemmed from the original bill, the Appalachian bill, which was ably proposed and supported by the distinguished senior Senator from West Virginia.

So we had the Appalachian bill, covering some 13 States. Of course, they were in the Appalachian region, extending from the lower tier of New York down through some sections of Pennsylvania and all of West Virginia, touching Maryland, down in the Carolinas, Georgia, and reaching into Alabama.

When that was proposed, the other States said, "We would like to have a regional commission. We would like to get part of this outpouring of funds from Washington." So various regions were set up—the New England Regional Commission, the old West Regional Commission, and so forth—and these were called the title V's.

The key rationale for these regional commissions, as I said, was a regional lag. These areas were lagging behind the rest of the country in employment and income and a lack of basic services.

However, suddenly we come into a funny, strange cycle in which now we have regional commissions throughout the Nation. It is a little hard to suggest that section is lagging behind the other. There must be some area in the country that is all right. Nonetheless, when we finish this piece of legislation today, every section of the country, wall to wall, may become part of a regional commission.

We will have a regional commission solely for Alaska. In other words, Alaska is a region by itself. Originally the commissions were to be multi-State areas, but the concept has been so turned around that now Alaska comes in alone.

I was very hesitant to propel the regional commissions into this new concept, that every area is lagging behind every other area. I think my concerns were shared by colleagues on the committee, as they supported amendments which were intended to draft a more realistic program and more realistic goals for the regional commissions.

As I mentioned, as originally introduced, the bill made very far-reaching and drastic changes in the regional program, giving them sweeping new mandates.

I believe that the track record of the commissions and their present funding levels do not support the vast new programs, do not justify them, but instead point out the need for these organizations to evaluate the programs they are engaged in now, from months of operation, and to dedicate their efforts once again to achieving the goals so originally set out.

I subscribe to the view of the chairman of the subcommittee, Senator BURDICK. These commissions are in a trial period. We have had them for several years. We have had reports from the GAO and from the Commerce Department criticising them. Now we are saying to them, "All right; we're going to reauthorize them for 4 more years, but this is it"—at least, so far as I am concerned. If they do not shape up and improve their performance, I do not think

we should continue them when they come up for renewal in 1983.

We worked over the bill in committee, as the chairman has mentioned. As introduced originally, the bill did not talk about giving priority areas being in a state of decline or economic recession. One of my amendments in the committee replaced an ambitious, all-encompassing goal and directed the commissions to focus on areas of economic decline.

Another area that bothered me in the bill as originally reported was that it did not stress regionalism. It seems to me that if you have a regional commission, the concept should be some regional cooperation, whether it is in the New England area or the Midwestern area or the Far West—wherever it might be. So we did add language to underscore the multi-State regional nature of the proposed legislation.

The third area of concern was the broadened program authority. It seemed to me that we were turning the commissions into operating agencies, duplicating a host of other Federal agencies and programs.

The commissions have served as catalysts in meeting new problems or existing problems with new approaches. The commissions were meant to work with other Federal agencies, not duplicate them; and the changes that were made in section 207 made clear that the basic program authority of the commissions was not changed.

Mr. President, as I said before, I tried some amendments in the committee, dealing with the Appalachian portions. There is no question that Appalachia is doing very well under this program. Listen to the statistics: Appalachia, the 13-State group, receives $368 million. The remainder of the country, the other 37 States, do not receive $368 million. Those 37 States divide $63 million. In other words, those 37 States receive 20 percent of what Appalachia receives.

As has been mentioned, the Governors are all very enthusiastic about title V's. It is a new source of money from the "Great White Father" in Washington. Money comes pouring out. So they would like the regional commissions moved up to parity with Appalachia. This could be a very costly proposition. It is not one for which I think the members of the committee showed much enthusiasm.

Questions of accountability have been raised, as Senator BURDICK mentioned, not only within each Commission but also between Commissions and the Department of Commerce. This bill does not resolve all those issues. However, as Senator BURDICK mentioned, the committee has added several sections to strengthen accountability.

For example, it requires the Secretary of Commerce to establish minimum standards for fiscal responsibility in management and authorizes the Secretary to withhold funds from a Commission for violation of the act or any regulations. It directs Commissions to tighten up their internal operations.

For example, section 210 requires each Commission to keep records which will disclose the amount and disposition of funds and any other records necessary to insure an effective audit.

I cannot stress enough that the Governors and the Federal cochairmen and the Department of Commerce must continue to give their full attention to the problems and efforts that have arisen within the commissions in the past.

Mr. President, I ask unanimous consent to have printed in the RECORD material I have dealing with the Department of Commerce audit.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINDINGS AND RECOMMENDATIONS: RELATIONSHIP OF THE DEPARTMENT AND REGIONAL COMMISSIONS

Under existing legislation, the Department and the Commissions have a number of interrelating roles and responsibilities. Effective management and administration of the activities envisioned by the Act require a clear understanding of these relationships and a common frame of reference for conducting ongoing operations. There is a need for a clear understanding of the respective roles of all parties concerned in order to effectively manage the Commissions' significant funding levels, diversity of activities affecting Federal, State and local units of Government, and dispersion of personnel and offices throughout large parts of the United States. Moreover, the Secretary of Commerce shares the weight of overall accountability for the actions being undertaken by the Commissions.

Our findings and recommendations regarding this topic are described under the following captions:

Departmental Role in Commission Operations.

Coordination with Government Agencies.

Management Information System.

DEPARTMENTAL ROLE IN COMMISSION OPERATIONS

Summary

Departmental coordination, guidance and direction of Commission operations have not been effective. Rather than adopting an active approach in overseeing Commission operations, the Department has chosen to let the Commissions operate "on their own" to a major extent. In this regard, the Department has (1) conveyed little information to the Commissions explaining what standards they are expected to comply with, (2) requested relatively little information about the various programs being undertaken by the Commissions, and (3) opted, in general, not to closely monitor the Commissions' policies and management practices.

This approach has evolved, in part, because the Department has not fully exercised the control and oversight authorities set forth in the Act. Also, concerning the operational framework established by the Act, there has not been a clear meeting of the minds among Departmental and Commission officials regarding the relationship between the Department and the Commissions.

Essentially, the basic question facing Departmental managers appears to be "How far shall we go in attempting to monitor and control Commission operations?" Under the Federal-State partnership concept applicable to the Commissions, there are sensitive relationships to be recognized among the parties and, as with any partnership arrangement, there is always the question of power balances between the partners. We believe the combined effects of these factors, plus the frequent turnover of cognizant Departmental officials, have produced a difficult situation for developing and implementing a cohesive strategy for Departmental involvement in Commission operations.

Recommendations

We recommended that the Special Assistant to the Secretary for Regional Development (Special Assistant) provide for improved coordination and guidance of the Commissions' operations by undertaking the following actions:

1. Propose revised legislation to provide for greater clarity regarding the relationship between the Department and the Commissions. Such legislation should be structured to provide for a well-defined operational framework applicable to the parties involved in coordinating and managing Commission activities.

2. Provide for the development of written policies and procedures to guide the Commissions in carrying out their programmatic and administrative activities.

3. Provide for sufficient monitoring and oversight of Commission operations to remain abreast of ongoing operations and to determine whether established policies and procedures are being adhered to.

Reactions

In response to our draft report, the Special Assistant observed that the Department has failed to fully exercise its existing statutory authorities for administering Commission-related operations. Regarding recommendation No. 1, he advised that the audit is timely in that reauthorizing legislation is currently being drafted by the Department and that some of the troublesome issues raised in the report, such as the relationship of the Department and the Commissions, can be addressed in the new legislation. Also, regarding recommendation No. 2, he advised that the Federal Cochairmen are now working toward the development of a Uniform Commission Code for guiding the Commissions' future operations. When the contents of this document are satisfactory to the Secretary, the Code will then be issued as Department of Commerce regulations. Recommendation No. 3 was not specifically addressed in the Special Assistant's reply.

Details of condition

In authorizing the Title V program, Congress intended to establish Federal-State partnerships for designated economic development regions within the United States. Commissions established under the provisions of the Act are to plan and conduct programs and projects for future regional economic development.

Roles of the Department and the Commissions

The Act confers various authorities on the Secretary of Commerce relating to oversight of the Commissions' operations. For instance:

Section 503(c) states that "The Secretary shall provide effective and continuing liaison between the Federal Government and each regional commission."

Section 505(a)(2) authorizes the Commissions to engage in (various activities) * * * "which will further the purposes of this Act and which have been approved by the Secretary."

Section 604 states that "No Federal assistance shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained."

Section 701(12) states that the Secretary is authorized to "establish such rules, regulations, and procedures as (she) may deem appropriate in carrying out the provisions of this Act."

Section 714(a) requires that "Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, * * *."

Section 714(b) provides that "The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this Act."

On the other hand, however, the Commissions also have extensive authorities under the Act. For instance:

Section 506(a) states that "To carry out its duties under this Act, each regional commission is authorized to—

"(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

* * * * *

"(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, * * *.

* * * * *

"(9) take such other actions and incur such other expenses as may be necessary or appropriate."

During our discussions with various Departmental and Commission representatives, we encountered widely differing viewpoints regarding the respective authorities and responsibilities of the Department vis-a-vis the Commissions. Cognizant Departmental officials indicated that some of the Department's problems in managing the Commission program stem, not from a lack of legislative authority, but from a failure to exercise fully the authorities given to the Secretary under the Act. Regarding these authorities, a Departmental official advised that:

"(A) Title V regional commission must follow all the requirements and limitations in the Act. This would include rules, guidelines and procedures prescribed by the Secretary under the authorities given to her in the Act. Therefore, the provision in section 506(7) which authorizes a commission to enter into agreements and transactions on terms it deems appropriate are subject to the requirements of the Act and the rules prescribed by the Secretary under the authorities given to her. All the program funds for the commissions come from Federal appropriations. The Department has a responsibility to ensure that such funds are properly used. * * *"

However, certain Commission officials did not share the view that Commission operations were subject to such close control by the Department. They were of the opinion that Section 506 of the Act provided broad authority for the Commissions to manage their own affairs.

There were also other factors cited to us as weakening the Department's leadership of the Commission program, as follows:

Continuing uncertainties of the future status, or existence, of the Commissions.

Frequent turnover of persons occupying the Departmental position of Special Assistant. (Twelve individuals held this position during a ten year span.)

Strong political complexities inherent in the Federal-State partnership concept.

Operating Guidance for the Commissions

Over the years, the Department has provided to the Commissions little information explaining what basic operating standards and procedures are to be observed. Some guidance is provided in Title 13, Code of Federal Regulations. Also, the Department issued a set of written operating instructions entitled "Guidelines to Federal Cochairmen and Regional Commissions." These Guidelines, approved by the Secretary in March 1970, were later realized to be inadequate and in need of major revision.

When initiatives were undertaken to revise and update these Guidelines several years ago, a decision was made to forego any revisions at that time because of the uncertain future status of the Commissions. Although the Title V program was continued and even expanded, no additional guidelines were issued.

It seems to us that prompt development of overall operating guides are important to the cohesive operation of the Title V program. Without some centralized point of reference, there is no established mechanism to ensure that the individual Commissions are controlling ongoing operations.

Monitoring and Oversight of Commission Operations

During the past few years, the Department has not taken an active role in remaining abreast of Commission operations. Relatively little information has been obtained about the Commissions' programs and projects, coordination needs, or specific management practices. In large measure, each Commission has operated in whatever manner was deemed most appropriate by its members. Under these circumstances, we believe the Department has become somewhat of a silent partner in administering its role in the Federal-State partnership concept and has not established an effective framework for carrying out statutory authorities assigned to the Secretary.

Mr. CHAFEE. Mr. President, I also mentioned that the President of the United States has shown some reluctance to go forward with these commissions. Senators perhaps will recall that on February 1 of this year, in one of those famous leaks, a memo signed "J. C."—Jimmy Carter—came out, in which he did approve with going ahead with the regional commissions. However, he said:

Reluctant agreement. But in general I consider the regional commissions to be a waste of time and money. Very top heavy under the Federal and State cochairmen.

Of course, he is speaking from experience, having been a Governor.

The President continued:

A source of a few dollars for Governors. Maybe it is improving. I hope so.

So the President, himself, showed skepticism; and I think that is a skepticism that many in the committee share and which I certainly share.

Mr. President, at this time I reserve the remainder of my time.

How much time do we have remaining on the bill?

The PRESIDING OFFICER. The Senator from Rhode Island (Mr. CHAFEE) has 14 minutes remaining on the bill. The Senator from West Virginia (Mr. RANDOLPH) has 17 minutes.

Who yields time?

Mr. SIMPSON. Mr. President, at this particular time I think it appropriate to call up my amendment and I will address my remarks to the bill and the amendment at the same time.

The PRESIDING OFFICER. The Chair will advise that until the committee amendments have been acted upon any other amendment will not be in order.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

Mr. CHAFEE. Mr. President, I reserve my right to object to that. We have not yet had an opportunity to discuss the committee amendments. Are there many?

Mr. RANDOLPH. They are reported.

Mr. CHAFEE. No objections, Mr. President.

Mr. RANDOLPH. And they be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, the committee amendments are considered en bloc, agreed to en bloc and considered as original text.

Now, the Senator from Wyoming.

UP AMENDMENT NO. 474

(Purpose: To strike title III, National Growth Policy Process)

Mr. SIMPSON. Mr. President, I have previously sent to the desk an unprinted amendment and request that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. SIMPSON), for himself and Mr. BOSCHWITZ proposes an unprinted amendment numbered 474.

Mr. SIMPSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, beginning on line 13, strike all through line 17 on page 56 and renumber the remaining sections accordingly.

On page 19, beginning on line 3, strike all through line 21 and renumber the remaining paragraphs accordingly.

Mr. SIMPSON. Mr. President, I wish to sincerely commend Senator CHAFEE for his remarks with regard to the issue of regional commissions. I think he has done an excellent job of portraying the problems.

The PRESIDING OFFICER. The Chair asks the Senator if this is the amendment on which he desires 2 hours.

Mr. SIMPSON. That is correct. This is the amendment to title III, Mr. President.

He has touched upon all of the issues that I would have commented upon and may touch upon lightly again as I discuss my amendment.

Mr. President, at the outset I believe it is most important to point out that this bill does not merely extend to the so-called title V regional commissions and the Appalachian Commission as we know them. Nor does the bill merely expand the number of commissions to simply cover the United States, as Mr. CHAFEE says, with a wall-to-wall layer of regional government.

The novel and rather bizarre element of this bill which most concerns me, the reason why I offer this amendment, is because it would effectually and effectively evaluate nominally successful title V commissions into managers of the Nation's economic development planning. I refer specifically to those sections in title III of the bill establishing a regional growth policy process.

I call to the attention of my colleagues sections 301 through 306, section 204(a)

(1) and (2) of the bill and also I refer my colleagues to pages 6 through 9 of the Committee Report 96-171, and to my minority views and other minority views contained there.

The extent of the awesome influence and control granted the commission is evident upon a reading of section 204 of the bill. As stated in subsection 1, each commissioner shall—and let me emphasize that the word "shall" is thoroughly larded throughout this bill—develop and implement a regional growth policy process which shall include the preparation of, first, a multiyear regional development plan, with policies and priorities for action programs to guide Federal, regional, State, private, and sub-State investments; and, second, annual investment strategies which include specific policies and investment proposals affecting Federal, regional, State, and sub-State participation in support of regional growth policies and priorities.

Subsection 2 gives the commission authority to implement schemes to coordinate the development and growth management of activities of the State governments and sub-State entities with regional policy development.

Their authority extends to such diverse fields as first, energy conservation and development; second, economic development; third, transportation; fourth, environmental protection; fifth, coastal zone management; and sixth, outdoor recreation and planning, and that includes planning of all kinds and types, including land use planning and cultural resources protection.

Mr. President, in my minority views contained in the Senate report accompanying this bill I labeled the regional commission as extended and expanded by this legislation as a shadow form of government. I do not believe that the analogy is totally inappropriate, for this proposal is indeed a radical alteration that if fully implemented would replace our constitutional form of government by the establishing of a new nonelected political order coordinating all the rest of duly elected government entities, from the grassroots in the States to Federal Government.

Perplexing enough, section 302 would require the President to establish an interagency committee headed by a "senior White House official." That assuredly loose delegation of authority is one which the Senate will surely want to reflect on in light of recent White House turmoils and thrashing and the present disarray that has engendered in the recognized chain of command in national Government.

This "senior" member of the White House staff is instructed to periodically apparently call onto the carpet the heads of various Federal departments and agencies in order to determine whether or not they are carrying out the regional development plans recommended by the Federal regional commissions who presumably, I suppose, will be knocking heads to see to the resolution "of any issues between the regional commissions and the line agencies," and who will then fix a schedule "for review and response" to commission plans by the rest of the Federal Government.

This senior White House official will also "identify and encourage solutions to regional issues" and assure adjustment in policies and procedures necessary to the successful implementation of each commission plan.

This Orwellian delegation of authority may indeed mean that big brother has indeed arrived but slightly ahead of schedule, but I think that actually the father of the idea is still unknown and perhaps will remain so.

Section 302(d) elevates to new heights the position of Federal cochairmen of regional commissions by instructing that they will be appointed as chairpersons of Federal regional councils. It is a realistic and crass observation to state, Mr. President, that these positions are occupied by the grace of political patronage and not merit.

This new effort will insure that all forms of accountability, political and administrative, will be discarded in favor of this new regional political higher picking order.

Section 302(e) mandates that the Cabinet Secretaries and highest officials of the Federal Government must "adjust its procedures and policies" to assure that regional—not local or State or national—goals are obtained by the regional participation.

I think I now want to come to that portion of title III which I personally have found to be the most blatant and offensive. Under section 303 of this bill State plans will be developed with the "participation of State legislatures, local governments, the private sector, and sub-State planning and development organizations." Yet each State, its elected officials, and citizens, are subservient to the regional commissions as "each State development plan shall reflect the goals, objectives, and priorities established in any regional development plan."

Mr. President, I very seriously question that this country has arrived at a dismal point in time when elected officials are merely participants and not the decisionmakers.

The defenders of regional commissions will argue that the indifferent or mixed results of the commissions to date are to be blamed upon a lack of Federal funds or upon some type of confused authority, except for the Appalachian Regional Commission which has been handsomely funded over the years.

In each remark here on the floor we have had apologies for the regional commissions, but hope they will get better. I choose not to wait that long. Yet this bill provides no more authorizations for appropriations than the commissions have received for a number of years.

While extending the commissions to a nationwide system, even the proponents of this concept would concede that funding is inadequate to do the job which this bill would sanction. I believe the American people do not wish Congress to enact vast new programs that promise wonderful cornucopias or panaceas and high-blown promises about the hope of an eventual successful accomplishment of a stated objective, a long ago stated objective.

While some may believe it is quite politic, I do not believe the voters of America really enjoy seeing their lawmakers promise and not deliver, and there is no way to deliver under this existing bill.

On the other hand, to swing open the doors of the Federal Treasury to additional largess for the regional commissions would also, I hope, incur the wrath of the American voter.

The Appalachian Regional Commission and the existing title V commissions have recently undergone the scrutiny of the Department of Commerce, the General Accounting Office, and the American press, and Senator CHAFEE has submitted those documents as part of the record.

In a series of 1979 reports by the Office of Audit of the Department of Commerce concerning title V commissions, it was revealed, first, that one such commission opened an international trade office in a major European city; second, there was no central point to provide information on the numerous studies, reports, and expenditures of the commissions; and in my research I could find very little that was presented to me in the way of expenditures simply because that information was "not available" or being shuffled in some far-off location.

Third, one commission advanced unearned funds to a contractor who was able to maintain a nice average checking account balance in excess of six figures; fourth, one commission has consistently funneled funds directly to States with little or no regional coordination. And there is much, much more.

The bottom line is that there has been little demonstration of sound financial management and coordination of public administration by regional commissions. Yet these are now the intended vehicles for coordination of private and public investment, transportation, energy conservation, environmental protection.

The list of proposed authority goes on and on in tedium and ad nauseam, when they cannot keep a set of their own books or supervise their own contractors. No wonder President Carter has so clearly expressed his skepticism about their effectiveness when he indeed said, as Senator CHAFEE has indicated, that they were "a waste of time and money," speaking of the regional commissions.

The Appalachian Regional Commission is supposedly the archetype regional body. The General Accounting Office probed the workings of this entity and concluded in its April 1979 report:

> A number of problems and issues need to be resolved by the Congress, the Office of Management and Budget, and the Commission before the Appalachian experiment can be expanded to a nationwide system of multistate regional commissions."

The GAO report showed, among other things, first, a lack of effective internal controls over Federal funds. As of March 1977 over 5,000 projects had been funded, and only 454 had officially been closed out; second, the disbursements of funds to the grantees in excess of need which occurred more frequently than imaginable. The GAO found 14 projects in 7

States for which the commission had failed to recover over $2 million. Furthermore, they stated there was no evaluation system to measure program effectiveness by the process of linking costs to the identification of benefits, which seemed to be a rather primary thing to do.

Proponents say this measure was called for by the 1978 White House Conference on Balanced National Growth and Economic Development. Mr. President, if one correctly reads the rollcall on the recommendations from the White House Conference, the following can be very readily determined: First, "the call was not for new or more government," but for a change in the structure. There was evidence of a very clear need for better data, forecasting, and policy analysis to aid State and municipal jurisdictions.

There was a call for an end to Federal policies that often conflict with each other. The participants called for a more effective decisionmaking process, not an overlapping system of sub-State, State, and regional plans.

Mr. President, as a freshman Senator I, perhaps, did an extraordinary thing. I read the bill in its entirety. I know that will shock many Members of this body. Nevertheless, in doing so, and especially with regard to title III, not only do I find this reference to this senior White House official continually throughout, but I am fascinated by the reference to the word "shall" which appears throughout the legislation. Six "shalls" on this page, seven on this one, four on this one, eight on this one, "shall" do this, "shall" do that, and actually some of the language in the definitions of what is proposed there has actually elevated vagueness and obfuscation to really a type of art form.

I noticed, if I might refer to just several sections of article III which my amendment, of course, would strike from the legislation, on page 46 we speak of describing the mechanisms established to assure appropriate opportunity for participation of the private sector. I know not what that is, but then we will go on to set a system for periodically evaluating in both quantitative and qualitative terms as appropriate, whatever that means, the effectiveness of plans, programs, and projects.

Then we get down into what will be listened to by the regional commissions, and we find that after all these local units from the ground up are established that at least the commission will take into consideration what they are doing.

It does not say that they will follow—and they are the ones, of course, doing the grassroots revision. It does not say they will follow or heed, or stronger; simply that they will take into consideration.

We talk about areawide action programs. I have no idea what that is. On page 47, we find that:

> State and substate planning processes shall be designed to coordinate and utilize to the maximum extent possible existing substate institutions and Federal, State, and local programs and projects in the affected areas and shall consider anticipated private as well as public investments.

I read that in a rather stentorian manner, because if I read further it would undoubtedly cause you to doze. That is the kind of language contained in title III.

To go on to page 48, we have this curious phrase:

> The governing body of the district is composed of at least a majority of local elected officials of general purpose local governments from the affected area.

I do not know what that is, but I do know that elected officials do not sit on local planning and zoning boards. Those people are not elected in most of the counties in America.

Then we will provide, in that same section, an areawide clearinghouse, which will be designated by either the Office of Management and Budget or the Governor. I do not have any concept of what is an areawide clearinghouse, but at least it will be good to encourage consultation.

Then we come to a phrase entitled "an assessment of regional problems and opportunities." That will be a curious task. Then we come back to "due consideration" again, and that is what we are going to give to the States and local governments; we are going to give them a tremendous amount of due consideration, but not much more.

Then we are going to get into specific elements. We are going to have a review of prior regional studies. We are going to rehash and redigest the ones that have gone on before. Then we are going to review the current regional economy and the projected economy based on the best available data, and that makes for one more think tank weapon.

Then we have the phrase:

> Multistate and shared problems requiring regional attention.

We will study, as one question, "the adequacy of existing Federal, State, and local programs," and you may bet that they will find them quite inadequate.

Then on page 50, we will establish "a framework for the continuing analysis of data," which indeed makes one conjecture as to the actual scope of that structure.

Then we have things that are just simply undefined, like "strategies to implement the plan," "criteria," "development programs," and "a determination of necessary and feasible regional goals," and there are seven "shalls," I might add, on that page.

Then we come to an interesting definition on page 51: "perspective, conditions, and approaches."

This is what this will permit:

> Insofar as applicable statutes permit, perspectives, conditions, and approaches particular to each region.

I must say that in each of these conditions being enlarged upon throughout title V, the Appalachian Regional Commission is omitted in each instance.

Then we go on to a definition of "national economic and social policies and trends which must be considered by the Federal departments and agencies," and again, a reference that this applies to all title V programs except the Appalachian Regional Commission, which is left out again.

Then we are told we will analyze these diverse goals. I assume that will mean after they have been homogenized. And there are six "shalls" on that page.

Then the term "regional development" on page 54, in section 306(1), is defined as "the selective management of resources and activities toward the achievement of regional goals in the approved regional plan, including those goals affecting human"—and please get this—"and cultural resources, institutional, community, and economic development."

How did we ever get in the concept of this legislation and its, say, admittedly thoughtful idea of a good thing to do for the human condition—how did we get off and insert in the legislation "cultural resources"? It is new language, and perhaps it may refer to cultural resources such as the National Track and Field Hall of Fame, which now has temporary headquarters in Charleston, W. Va. We find that is a project described in Forbes magazine as a "weirdo":

> Like the $1.2 million grant for a National Track and Field Hall of Fame in West Virginia or the hospital built in a rural Virginia county that already had an adequate one.

It makes you wonder, when you see that, whatever happened to "ye old original" regional commission. Apparently it is being stamped out by its own inadequacy.

There was another one of these that popped out to me, and then I will begin to wind down my efforts at having some thoughts about the results.

The term "sub-State planning and development district" is described in this fashion:

> A multijurisdictional entity certified to a regional development commission.

The very sound of "multijurisdictional entity" has a biological connotation. And we then define, as we end in the final portion of article III, which I am trying to remove, again, this language, which strikes me as vague, meaningless, and dilatory:

> Having responsibility for continuous, coordinated, comprehensive public facilities and services planning.

In the planning arena—and I do not share the tremendous emotion of some in the United States who feel that regional governments are a part of the grand Communist plot; I am not in that league, but I must say assuredly that they are an awesome force operated by unelected officials and, more importantly, oftentimes unelectable officials.

Well, those are some of my comments based on a thorough review of this proposed legislation. On top of that, of course, we now are going to make a regional commission for the State of Alaska. That I voted against in committee, and that I will vote against here. That is far removed from whatever we had in mind in the original thoughts and comments with regard to the regional commissions.

I want to share with you that I am a member (State) of the Old West Regional Commission, and I have watched some excellent investments there, with-

out question quite adequate, some of them quite unnecessary, quite out of place with the original context of the concept of a regional commission.

Mr. President, in conclusion, this point: I think that prudence and commonsense and just a bit of plain sanity would seem to dictate that Congress itself reassess and restructure regional commissions—not wait 4 years to do that, not attempt to turn them into what this title III would do, an omnipotent and autonomous agency, accountable only to a presently phantom senior White House official.

The PRESIDING OFFICER. Does the Senator from Wyoming reserve the remainder of his time?

Mr. SIMPSON. Yes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I have 1 hour; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. RANDOLPH. Mr. President, I regret that my friend from Wyoming (Mr. SIMPSON) has chosen to rely, at least in part, on an ill-conceived controversial, and blatantly one-sided magazine article to support his attack on the concept of regionalism.

The Senator has referred to two projects, one in West Virginia and one in Virginia. I have always said that States can make errors in programing and projecting. But I hope that Members will read the article, that every Member of this Senate will read it. I think the fair-minded reader would conclude that it describes the issues in a reverse manner.

The article was obviously written with no objective other than placing in a bad light a program that has provided substantial—and I underscore "substantial"—benefits to millions of Americans during the past 14 years.

We have had again raised the familiar argument of "pork barrel" without examining how the expenditure of moneys has been channeled into those productive programs by the thousands in the 13-State region through an effort that relies in most cases on careful planning, careful allocation of Federal-State assets, in a way that has produced not only substantial but in many instances maximum results.

This article is an example of cynicism at its worst. It does not deserve a point-by-point rebuttal by the chairman of this committee.

Mention is made of a report by the General Accounting Office. No mention is made, however, of the internal bookkeeping changes that have taken place in the Appalachian Regional Commission, or of the way in which those GAO criticisms are addressed in the bill that is before us. We tighten the processes rather than allow them to be proliferated.

Certainly, as the Senator from Wyoming has said, he speaks of a couple of projects in the article, and that is certainly understandable to me. But the article and the Senator neglect to speak of those hundreds of other projects which have helped mightily to improve the standard of living, which have broadened the economic base of this Appalachian region.

This program, for instance, has assisted in the establishment of 496 primary medical and dental care projects since it came into being in 1965. Is that a good record or is that a bad example of the Appalachian Regional Commission work?

Nearly 500 vocational and technical schools have been given maximum support through the Appalachian Regional Commission.

The Appalachian highway program can be better understood if we understand the stimulus that program has given throughout the area to economic development.

Mr. President, the Appalachian program, as we know, was begun in 1965. There were several years of painstaking study. It was intended to address those unique problems in the sense of a region that was isolated to a considerable degree from the mainstream of American economic life. I recognized then, as I recognize now, that a similar approach could be helpful, would be helpful, in other parts of the country. For that reason, I support the title V regional commissions, as I said I would in 1965 in this body, in their effort to increase those resources that are available to them.

The concept, Mr. President, underlying all of the work is the regional approach of partnership, not competition, as I have indicated, between the States and the Federal Government. We certainly recognized early that we must work in unison to achieve these results that I have mentioned, constructive results, and the people of the region know it, not just the Governors of the respective 13 States. In the regional programs, we do not rely on an infusion of Federal funds from Washington to be spent, as indicated here in the argument, dictated from Washington, D.C. We do not look to a trickle-down approach. Instead, these regional problems are built from the ground up. Individual citizens and local units of government are the basis for the development of these programs. They move upward through the States and reach a final form at the table, not in a darkroom in the corner, where the States and the Federal Government sit as partners.

It is planning, yes, but it is not planning imposed from Washington, D.C. Planning is not a bad word. Planning can be very necessary, to see that the available money is spent wisely—with some errors, of course, understandably—to reach the maximum results. The results in Appalachia are positive, and I speak now in capital letters, and demonstrate the correctness of the approach that has been taken.

The title V regional commissions, particularly those that have been in existence for several years, are well on their way to creating individual and resourceful programs for the people of the regions that are covered.

Mr. President, it is important for Senator SIMPSON, for myself, the other Senators to remember that we have advanced far beyond the time when we are all looking at assistance for pockets of poverty or distressed areas. We are now seeing the evolution of a program intended to prevent these conditions from coming into being, from occurring. As in other programs, we have learned that preventive medicine is sometimes much more desirable than curing a disease after it has struck with devastating effect. That is the approach; that is the undergirding of the regional program as we envision it in the future.

We must work to prevent or lessen the violent fluctuations in local or regional economies. Concepts embodied in the commissions are aimed properly in this direction.

The Senator from Wyoming is entitled to debate a provision of any bill that is before us at this time. I must question the validity of his arguments, however, when he relies on support from what I believe to be misinformed and misdirected sources such as those of the Forbes article. He is not on solid ground but upon shifting sands.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. PRYOR). Who yields time?

Mr. SIMPSON. Mr. President, let me just touch upon some of the remarks of Senator RANDOLPH. I want to do that as fairly as I can.

I ask unanimous consent to have printed in the RECORD the article from Forbes magazine of August 6, 1979. I have found that magazine to be rather reputable in my past business experience. It does cover many other things than the one I have referred to and suggests some interesting deficiencies in the regional commission program. There are other documents that do that just as well or better.

One is the GAO audit; one is from the Commerce Office of Audits; the other an article from the Charleston, W. Va. Gazette, which I ask unanimous consent to have printed in the RECORD also. That article is dated Tuesday, December 26, 1978, and is entitled "Is New Layer of Government Needed?" That is from the home State of the Appalachian Regional Commission. Also, articles from the Boston Globe reflect on this type of government.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRAND NEW RAT HOLE

There's a move in Congress to set up a new government layer called regional commissions. The General Accounting Office says they could cost $2 billion a year.

Eight such commissions already exist: one big $300 million independent agency and seven little ones, linked to the Commerce Department, that together spend some $63 million a year. The big one is the Appalachian Regional Commission, pet of Senator Jennings Randolph (D-W. Va.), chairman of the Senate's pork-barrel Public Works Committee. Since its creation in 1965, the 13-state ARC has doled out about $5 billion in federal money to nurture the depressed Appalachian economy.

Randolph, a portly septuagenarian who still fights the good New Deal fights of the 1930s, thinks so highly of ARC he wants everybody to have one. So legislation now plodding through Congress to extend ARC's life contains provisions to give the U.S. wall-to-wall commissions.

The idea has met little resistance—and no wonder. Run jointly by the state and federal governments, regional commissions provide governors and congressmen with a cache of easy-to-get federal money. Washington think-tankers see them as a source of endless study contracts. And perhaps most important, the commissions have a history of spending without caring too much about what political cronies get hired or how the money is spent.

President Carter reluctantly okayed the idea but in a private memo called the commissions "a waste of time and money." Still, he suggested adding three more—mid-Atlantic, mid-South and mid-America. The Senate bill would give a commission to any region requesting it and would even create one for a single state (Alaska).

How has the Appalachian model worked out? The GAO recently said ARC's bookkeeping is so poor it can't account for nearly $1 billion it has distributed. The GAO added that some of Appalachia's neediest areas got the least assistance, and that the region's economic gains could not be tied to the billions ARC has put into roads and construction projects.

"I don't think ARC has worked to make any substantive changes in Appalachia," says Tennessee resident and former Rhodes scholar John Gaventa, who is part of what may be the first indigenous group to get a study grant from the commission. Many ARC grants have gone to outside consultants who just happen to be former ARC executives; ARC's current executive director, lawyer Henry Kresvor, has received $300,000 in consulting fees from ARC since 1969. Every President since Lyndon Johnson has used ARC as a convenient place to put campaign workers and cronies. The current crop includes a Jimmy Carter advance man from the 1976 campaign, a former Carter fundraiser and First Lady Rosalynn Carter's former press aide.

The commission's "economic development" projects are spotted with weirdos, like the $1.2 million grant for a National Track & Field Hall of Fame in West Virginia or the hospital built in a rural Virginia county that already had an adequate one. Now there is talk of a $500,000 arts and crafts center in prosperous Winston-Salem, N.C.—hardly one of Appalachia's poverty pockets, but in the home state of former ARC federal cochairman and former state Governor Robert Scott.

Harry Caudill, author of several classic texts on Appalachia, says the commission has done little to attack the region's real problems—land use, housing and the lack of good jobs outside mining. "I think the ARC ought to be put to work or abolished," he says. About two-thirds of ARC's money has gone to build admittedly needed roads. But the original idea was to bring in new industry, protect against boom-and-bust coal cycles and build the tax base. "The ability to pull in industry is not a very exact science," says ARC federal representative, William Albers. "We just don't know how to do it very well."

ARC is, to be sure, only one of the eight existing regional commissions. But it is by far the largest, with a staff of about 130 and a budget that is nearly five times as large as the other seven combined. And ARC isn't the only commission to have its troubles. The tiny (20 employees) Upper Great Lakes Regional Commission is in the throes of a $1 million-plus kickback scandal that has already sent one person to jail, with more indictments expected.

But all these drawbacks do not keep the bill to establish more regional commissions from grinding its way through Congress. And having been conjured out of the federal bottle, there seems no way to get them back. Bureaucracy, once born, tends to become immortal.

IS NEW LAYER OF GOVERNMENT NEEDED?

(By William H. Miernyk)

Does the country need another layer of government—one between Washington and the state capitals? Supporters of "wall-to-wall" regional commissions believe it does.

There are two kinds of regional commissions in the United States today. First is the unique Appalachian Regional Commission. The domain of the ARC includes all of West Virginia and parts of 12 other states. It was established in 1965, initially to tie Appalachia to the rest of the nation via a system of development highways linked to the interstate system. Three-fourths of the proposed 2,233 miles of development highways have been completed or are under construction. Engineering and right-of-way work is in progress on the remainder.

Once the development highways were assured, the ARC shifted its emphasis to "investment in human capital." This is the cross term economists use to describe investments designed to improve the efficiency of human beings. Practically, it means effort to improve education and the delivery of health services.

The ARC has invested substantial amounts in vocational education and health facilities, and in demonstration health programs, including those concerned with child development. Smaller amounts have been spent on reclamation projects and housing. Since federal grants require some matching state funds, the total investment in ARC projects is much larger than the published federal appropriations.

During its early days ARC was roundly criticised by some regional economists. The highway program was characterised as a gigantic boondoggle. I don't always bet on the right horse, but I was one of the early defenders of the initial ARC emphasis on highways. Today there is wide agreement that the ARC has made a difference in this region. It has been helped tremendously, of course, by the revival of coal. But ARC is now given high marks even by some former critics.

The other regional commissions are not as well-known as the ARC. They are the Regional Action Planning Commission authorised by the Public Works and Economic Development Act of 1965. In bureaucratic circles they are generally called "Title V Commissions," after the section of the law which permitted them to come into existence.

The 1965 act didn't designate specific commissions; it enabled groups of contiguous states which desired to do so to establish commissions. Within a year five of them had been set up. They are: the Ozarks, New England, Four Corners, Coastal Plains, and Upper Great Lakes. Like the ARC, Title V Commissions have federal co-chairmen. Unlike ARC, their headquarters aren't in Washington.

Not much is known about the activities of the Title V commissions. Some critics say they deliberately maintain low profiles. Through the years the New England Commission came to be known as the "best" of the Title Vs. In October 1972, however, the Boston Globe published a series of four long articles about the New England Commission.

The first article was headlined "Do-Nothing Bureaucracy Squanders Millions of Tax Dollars." These articles—which are outstanding examples of investigative journalism—make discouraging reading for anyone committed to the notion of federally-sponsored regional development programs. The Globe, incidentally, is Boston's liberal newspaper. In these articles it was attacking by indirection politicians it generally supports.

One of the more interesting revelations of the Globe articles is that the New England governors had subverted the legislative intent of the 1965 act. Like the ARC, Title V commissions were supposed to promote regionwide projects. In practice, the governors have used the New England Commission to funnel federal funds directly to their states. There has been little or no regionwide coordination—nothing comparable to the Appalachian Development Highway System.

The other Title V commissions haven't received the kind of attention given the New England Commission, for which their respective co-chairmen must be everlastingly grateful. They also haven't received any favorable comment in the journals that typically discuss regional affairs. Their accomplishments, if any, have attracted no attention.

Why bring all this up? Is it a reflection of "Proposition 13 fever"? I hope not, because I've tried to avoid contamination by that virulent malady. But it is a timely subject since there is now a proposal in the works for a nationwide set of regional commissions.

The proposal to expand the number of commissions is supported by the governors of the states which presently participate in Title V funding. And it has ardent support among some Washington officials who deal with the existing commissions. I'm not aware that anyone with any political clout is opposing them. The chances are good, therefore, that when a report on the commissions now being prepared in the Department of Commerce is presented to Congress, legislation will be proposed to blanket the country with similar agencies. Every state will then be eligible for some of the largess now limited to a few, so the commissions are likely to be established with little or no opposition.

Given their dreary record, one might expect the Title V commissions to be abolished. I recently heard a federal official state, however, that this isn't "considered to be a viable alternative." Whether we need them or not, whether they do anything or not, it seems that the country is about to get a complete new layer of government in the form of wall-to-wall regional commissions.

Mr. SIMPSON. I think when we get to this issue of benefits and accountability, we want to go back to the GAO report, which is suggesting to Congress its advice to go slowly and correct the problems. Indeed, I say to Senator RANDOLPH that our committee did address this issue, as it did deal with all issues, in a fair manner, under the chairman. As we addressed it, we never did determine exactly when those changes would be required to be made in the very serious bookkeeping areas. We do not really know what care they take in these regional commissions to allocate and to assess the use of their moneys. I have had a tremendous amount of difficulty obtaining adequate figures—not from this chairman, indeed not. He has been more than cooperative. Nor from the majority staff; they have been cooperative, as has the minority staff.

The regional commissions are less than cooperative. That is one of the reasons I am speaking. We have no way to assess their bookkeeping efforts. We are hopeful we shall see there will be bookkeeping benefits. I shall be watching that closely.

But again, coming back to the Appalachian Commission, we have had these 5,000 projects funded and only 454 of them have been closed out. I think the thing that does cause me a great deal of concern is that we are seeing that these regional commissions will now become the economic planning mechanism of the United States. It is not from the

bottom up or the grassroots. We do not see this bill being processed at the State legislatures or city councils. If we did, then I would certainly subscribe to the fact that it is a grassroots operation.

But when we say that this is not Federal planning, I cannot chamber that remark, because I share this, Mr. President: Title III is a federally dominated procedure in every way simply because of these facts: The process exists by Federal law; the commissions are creatures of Federal law; the commission will be chaired by Federal cochairmen; the funds expended will be Federal dollars; and the requirement to develop various plans is set by Federal law and supervised by federally authorized regional commissions. That looks quite plain to me.

As we say in Wyoming on issues such as this amendment, which will soon be voted upon, perhaps this article III is one old turkey we could leave in the pen and hope the coyotes might get it.

I thank the Chair.

Mr. RANDOLPH. Mr. President, the able Senator from Wyoming says that the State development plan must reflect the goals and objectives of any regional development plan. I reply that State-elected officials are made subservient to a regional commission. Let us see who the regional commission is. It is, of course, the Governors of the States, the elected officials, to be sure, sitting as partners with a representative of the President of the United States. And the same language to which the Senator refers makes the regional plans largely a composite of State plans.

It is not accurate, as the Senator suggests—that the Appalachian Regional Commission is exempted from title III.

That Commission is part of every provision and covered by every requirement of that title. The only exceptions are provisions which would otherwise subject the independent Appalachian Regional Commission to some approval or control by the Secretary of Commerce.

The Senator from Wyoming has discussed title III almost line by line. He has professed a certain amount of ignorance, which I never attached to him, about words and phrases that are well defined and commonly used in the legislative process—used by the minority as well as the majority. Of course, I grant to him the right that he has exercised, but I assure him that the language in title III is precise.

On one point, I am going to take the time to alleviate his concern. On page 54 of the bill, the Senator refers to the goals of regional development. He called attention to the words, "and cultural," which the committee added to these goals. I believe that most people understand what cultural resources are all about.

But I remind the Senator, and this is with no reflection, that these words were added to the bill at the suggestion of the minority on our committee.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from West Virginia has 44 minutes and 36 seconds remaining.

Mr. RANDOLPH. Mr. President, I oppose the amendment by Senator SIMPSON. I believe the distinguished Senator does not understand the intent or effect of title III. In fact, it is difficult to discern from his arguments that he is talking about title III of this bill at all.

The regional growth policy process and the planning provisions of title III are a modest refinement and consolidation of the process already underway in the Appalachian and other regional commissions. I will explain what title III provides, and who speaks for it, and just why it is necessary in this bill.

In a large part, the regional growth policy process is based on the successful areawide action program and State development planning of the Appalachian Regional Commission. The process envisioned by title III begins with the identification of problems and proposed solutions by elected officials and other participants in local communities. This is often done at the multicounty district level, and title III encourages the use of existing institutions.

Ultimately, the entire regional growth policy and development planning process must reflect the goals, objectives, priorities, and recommendations established at these local levels.

The next, and crucial part of the process, is the preparation of State development plans. Here Governors, in consultation with State legislators and other interested parties, accommodate and harmonize the diverse goals, objectives, needs, and recommendations identified at the local level.

The multiyear regional development plans and annual investment strategies are primarily State-prepared documents. They are not mere paper exercises, but they most realistically identify the State, local, and other Federal program dollars which can be used to implement the plans.

The Federal role in approving or directing these plans is limited to assuring that they do not patently conflict with national policies or the work of another region and that they truly address shared regional problems.

The products of this process, then the development plans, the annual investment strategies, and the specific regional growth policy recommendations contained in them are brought to the attention of the Federal agencies through an interagency committee.

The purpose of this process is to coordinate Federal assistance or other programs affecting regional development. We want to bring a regional focus to these national programs, so they can better serve State and locally identified needs. And our experience has shown that Federal agencies will pay attention to each other, and work best to coordinate their separate responsibilities, if it is the voice of the White House who calls them to the task.

That is why title III begins with an interagency committee to be chaired by a senior White House official. The President has already created such a body. In January of 1979 President Carter gave the Interagency Coordinating Committee chaired by Presidential Assistant Jack Watson responsibility for operating the regional growth policy process.

At that time the President said:

> Through planning and selective management of resources and activities, the commissions also afford a common framework within which the different levels of government can apply their energies to regional problems.
>
> In light of the changing patterns of economic activity across the country, and in order to extend the ability of states and localities to shape Federal policies in behalf of regional concerns, new processes for planning, coordination and policy support are required. To develop and carry them out will require cooperation on the part of the Secretary of Commerce, Federal departments and agencies, the Interagency Coordinating Council, the Federal Cochairmen of the Appalachian and Title V Regional Commissions and the Federal Regional Councils.
>
> By means of this memorandum, I am instituting a regional growth policy process to assist the regional commissions in developing and implementing their multi-year regional development plans and annual investment programs. These plans and, more importantly, the annual investment programs should be developed from the ground up, reflecting sub-state and state development plans.
>
> Through this policy process, the regional commissions will be given an opportunity to prepare recommendations to Federal departments and agencies for solutions to problems of regional growth and decline. In framing these recommendations, the commissions will consult with the Federal departments and agencies affected, taking advantage of the expertise available in the regional headquarters of each agency, as well as with sub-state, local and private interests.

The regional growth policy process is a direct result of the recommendation of the White House Conference on Balanced National Growth and Economic Development. This conference, which I attended and to which President Carter gave much personal attention, was held pursuant to legislation Senator DOMENICI and I originated. The recommendations of the conference precisely endorsed the kind of structure title III provides as a means to the balanced consideration of competing regional and national goals. The growth policy process was one of four principal themes of the conference, and one from which flowed a legislative initiative as well as the President's executive action.

The report of the White House Conference transmitted by the President in January 1979 contained these thoughts urging a process like that in title III:

> The proper role of the Federal Government is to establish a coordinated policy framework to guide regional, State and local planning and decisionmaking, seeking insofar as possible to anticipate change so as to enable all levels of government as well as private interests to take timely actions.
>
> Conferees asserted that growth policy processes should provide a systematic, consultative forum for the establishment of goals, the analysis of alternative policies and programs, and the reconciliation of conflicting laws, programs and regulations, thereby strengthening the capacity of elected officials to guide growth and development in beneficial ways. State and local governments should continue to have responsibility for planning, assuring participation of governmental and private interests, while responsibility for establishing policy processes, setting goals and reconciling differences should reside at the Federal, regional and State levels.
>
> Effective national growth policy processes require that regional, State and local growth policy processes be effective, too. Federal planning assistance programs have assisted State and local governments to develop workable systems for sensing public preferences on issues of growth and decline and translating these into long-term growth policies and development programs. In addition, however, Federal programs assisting development, direct Federal investments, and Federal regulatory actions must prove more sensitive to and support regional, State and local planning and investment policies.

Last October, before the close of the 95th Congress, I introduced S. 3626, an earlier version of S. 835, which contained provisions for a regional growth policy process. In April of 1979, based on the recommendations of the White House Conference, the administration submitted S. 912, its proposed extension of the regional commission program. That bill contains legislative support for the regional growth policy process already underway. In recommending this legislation, the Secretary of Commerce said:

> The strong action needed at the different levels of government requires new processes for planning, coordination and policy support not present in current legislation.
>
> Through planning and selective management of resources and activities, the regional commissions established under Title V of the Public Works and Economic Development Act of 1965, as amended, and the Appalachian Regional Development Act of 1965, as amended, have afforded a framework within which the different levels of government can resolve regional problems. The President, in his view of the regional commission program, has committed the Administration to support reauthorizing legislation which also gives commissions greater opportunities to accommodate regional differences in the development and implementation of balanced growth and development policies and to contribute to sub-national solutions of national growth and development problems.

The regional growth policy process does not call for a federally dominated "master plan" for national economic growth. It simply provides a forum for elected officials to consult and seek to reconcile conflicting goals and programs.

The dominant decisionmakers under title III are Governors and local elected officials. These are the people to whom the authority of title III is entrusted. The regional commission structure, the planning provisions and the growth policy process—all of which this bill would upgrade in response to recent criticism—are tools to help these elected officials better carry out their constitutional responsibilities.

Regional commissions are not an additional "layer" of government. The commissions, and the process created by title III are devices to enhance the capacity of existing governmental forms to deal with their shared problems and to harness the fragmented resources of the Federal Government.

The essence of the regional growth policy process is to make Federal programs the servant of regional needs, as identified by the States and local governments. Title III provides a framework for coordination of decisions that now take place in an ill-formed, haphazard way. It does not constitute a system of national economic planning.

During committee markups on this bill Senator CHAFEE and others criticized the commissions for making investments unrelated to regional needs or interstate problems. The planning structure of title III is needed to assure the relevance of Commission investments. Only if we have meaningful planning requirements with objective standards for measuring performance and achievement can we avoid the "no-strings" Federal money syndrome to which Senator SIMPSON refers. All the basic planning requirements for the Appalachian Regional Commission and the other regional development commissions are established in title III. Without them the protection of section 205 and many of the other improvements in commission functioning would not be possible.

Mr. President, we are not really talking about expanding the regional commission concept. The commissions are already there, in all or parts of 48 States. What is at stake in title III is whether we are willing to follow through to make the regionalism concept work. I have been informed that if the commissions cannot take this necessary next step, if the commissions are not given the opportunity to really affect national policies, if the commissions are not accorded the increased influence title III provides, then the administration is not likely to continue to support them. I agree. The commissions must become something of substance, or they should be abandoned.

In conclusion, Mr. President, I want to share the comments of two Governors who have broad experience with regional commissions and in trying to bring Federal programs to bear on State problems. In a July 11, 1979, letter to Jack Watson jointly signed with the Federal cochairman of the Old West Regional Commission, the Governor of Wyoming (Senator SIMPSON's home State), Ed Herschler, says this about the regional growth policy process his commission has already begun under the President's directive:

> We believe this pilot effort directed at regional policy identification and problem-solving is the key to a collaborative and effective Federal-State partnership capable of meeting challenges of grave concern to the Old West Region. We in the Region have made the process with its various planning, coordinating and policy support components one of the highest priorities in the Commission's history. We intend to see the process through to completion with vigor, and we hope our experience and yours will serve as a model for future title V Commission policy development.

And finally I offer these thoughts of the Governor of North Carolina, James B. Hunt, Jr. He was speaking as chairman of the National Governor's Association Working Group on reauthorization of the economic development legislation:

> For too many years now, most of us have lamented the fragmented, duplicative and often incomprehensible array of programs for strengthening the capacity of places to meet the needs of people. It has become uncommonly easy to point out instances where federal programs work at cross purposes with national policy, each other, or with state and local policies. The inevitable result is program impotence and frustrated people.
>
> I believe, however, we finally are about to find our way out of this thicket of overlaps and under-impacts. The path to linking policy and programs can be found in title III of S. 835 introduced by Senator Randolph. That title is the "Regional Growth Policy Process Act." It creates a process for coordinating regional growth policy, established through a nationwide system of multi-state commissions, with federal agency programs. And it further provides for state development plans as the implementing arm of regional growth policy.
>
> Mr. Chairman, this approach will work. We have had twelve years of experience in North Carolina with a similar approach under the Appalachian Regional Development Act and, to a somewhat lesser extent, under Title V of the Public Works and Economic Development Act of 1965. What has been missing, the linkage to federal agency programs, is now provided in title III.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, will the Senator yield me up to 5 minutes?

Mr. SIMPSON. Mr. President, what time do I have remaining?

The PRESIDING OFFICER. The Senator from Wyoming has 28 minutes and 14 seconds remaining on his time.

Mr. SIMPSON. I will certainly yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I note here that in the report of this bill, it points out, and I quote from page 7 of the report, which is dealing with this regional growth policy process:

> This important innovation expands the influence of the commissions beyond their limited funding base to all of the relevant Federal programs, including financial and technical assistance, direct development, and other Federal decisions. Use of the White House Interagency Coordinating Council assures that the regional commission point of view will have the attention of all units of the executive branch.

Mr. President, I think we recall that when the chairman of the subcommittee was speaking this morning, and I support his views, he said that these commissions are really on trial now, that they have had a great deal of problems since they were started way back in 1965. They are on trial to see if they can do

the job they were originally set out to do.

It seems to me, Mr. President, this is not the proper time, when we have them on trial, to give them vastly expanded influence, to send them into new areas into which they have not been previously.

Mr. President, it seems to me—and I speak from some personal experience, having been a Governor and having dealt with one of these commissions—that they have many problems. One of their principal problems is really to be regional, to take some programs and make them regional programs, not just act as a group that doles out money proportionately, in accordance with the proportion of the populations of the various States—so many dollars to this State in the commission, so many dollars to that State.

If these commissions would adhere to their original objectives to provide regional, constructive activities—whether it is the Old West or New England or wherever, then I think they would be fulfilling the original mandate we gave them.

I believe the Senator from Wyoming has a good point here, when he shows concern about launching these commissions into an entirely new area. It is acknowledged in the report, where it says:

> This important innovation expands the influence of the commissions beyond their limited funding base to all the relevant Federal programs.

So I indicate enthusiasm for this, and I commend the Senator from Wyoming for the steps he has taken here this afternoon.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. I yield to the Senator.

Mr. WALLOP. Mr. President, I commend my colleague from Wyoming for the amendment he has offered here today. I think it is well taken and taken in time.

I hope the chairman of the Committee on Environment and Public Works will understand that my standing to speak is in no way directed at him, but merely the provision that has been written into title III.

I believe it is important we understand the present administration has promised to give the Government back to the people. What we see is the launching down the road of more and more Government and taking it from the people. Government is being centralized and withdrawing control back to a centralized position—in this instance, the regional commission, responsible to and appointed by the President.

It scares me as well when the Federal Government becomes involved in planning as we have in title III and with kind of specificity. It really scares me when the Federal Government becomes involved in planning in a way that takes into account and begins to direct a State's destiny through the Federal Government's own personal strawmen, the regional commission.

Planning as proposed in title III is getting government and the planning process away from the local, elected officials, to be done by nonelected Government staffs appointed by the President of the United States—of whichever party he may be at the moment.

The problem is that Congress has reaffirmed, time and time again, that the kind of planning addressed in title III is essentially a State and local function and belongs there, not in a regional commission.

Let us quote a couple of concerned pieces of language from the bill, language that concerns me specifically:

> Each commission shall set requirements for State members to prepare and submit for commission approval a development plan for their State in the region.

By what right does the Federal Government when seeking to return government to the people, require the above performance on the part of individual State members?

Next, it says:

> Each State development plan shall reflect the goals, objectives, and priorities established in any regional development plan . . .

Again, by what right is a regional commission going to establish those goals and objectives on a State, to the exclusion of their local, elected officials?

With the other titles of the bill, we are reauthorizing the Appalachian Regional Commission and the title V commissions, but I do not feel that we should allow the regional growth policy in title III to be enacted.

I offer my most sincere compliments and my utmost support to the Senator from Wyoming. I compliment him on discovering this and the potential impact not only on our State but on all the other States in the country that are involved in regional commissions.

Mr. SIMPSON. Mr. President, I thank my friend and colleague from Wyoming for his remarks, and I particularly thank the Senator from Rhode Island. I appreciate their comments in connection with this amendment.

I was somewhat taken by the remarks of the senior Senator from West Virginia in reading from the staff memorandum presented to him. I doubt seriously that the phrase about ignorance could have issued from my friend from West Virginia. I am well aware of the peril of the hurried presented staff memorandum on the floor of the Senate. One might read such a document and later regret it.

I should like to address specifically the question of the Senator from West Virginia, about the fact that title III excepts the Appalachian Regional Commission. I refer Senators to page 51 of the bill, lines 6 and 7, where the Appalachian Regional Commission is specifically excepted. Certain requirements are to be met, and we find the language as to certain things to be done, and this language: "Except in the case of the Appalachian Regional Commission."

Then we go to page 52, and on line 7 we find another curious reference: "Except in the case of the Appalachian Regional Commission."

In fact, title III does not even apply to the Appalachian Regional Commission.

When we are talking about precision of language, I earnestly request the definition of the phrase "comprehensive planning." I never had the opportunity to have that defined carefully to me, because that means planning of every kind. It means what it says, I assume, which is comprehensive planning, which would mean land use planning and many, many other forms.

I was very interested in the comments of my friend, Gov. Ed Herschler. He was a colleague of mine. We served together for 8 years in the Wyoming Legislature. We participated in a great deal of legislation—he a Democrat and I a Republican—that was of great benefit to the State of Wyoming.

There is no partisanship in my mind when it comes to Ed Herschler. He administers our State exceedingly well. His comments are to be taken as assuredly sincere. They differ from mine with respect to our opinions in this matter.

I wish to touch on another issue that has come to light or has been reviewed: Are regional commissions elected bodies? Let us address that for a moment.

These regional commissions are composed of Governors of various States, but I remind Senators that the Governor of Wyoming was not elected to make decisions affecting Montana or North Dakota or West Virginia. However, that is what he has the power to do, under the regional commission theory of government.

Over the years, a much expanded role has been played by the alternates—a curious and bizarre definition—who approve projects and expenditures of funds, and they do that with great glee and alacrity.

On the State level, all courts, without exception, have consistently invalidated authorities, boards, and commissions which have been formed to wield a regional authority, simply because of the lack of constitutional accountability to their constituents—there is no other reason—removing them actually from the wrath of the voter which is attempted here.

Of course, there is a pronounced role played by the Federal cochairman who is appointed by the President, and various of these powers trickle down in title III into the hands of the "senior White House official," which may become a sinister reference in later years as we observe the workings of this, if title III is allowed to remain in this legislation.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I offer my apology to the Senator from Wyoming in connection with the use of the word "ignorance." I had said that he himself professed ignorance. He said he did not understand the words and phrases of what we believe to be well-defined and commonly used expressions in the legislative process.

Then I also said that in that connection I was nowise implying that the Senator from Wyoming is ignorant. In fact he is well informed. Also, he is well intentioned. I want the record to so show.

Mr. President, I do wish to reaffirm, however, what I earlier said. It is not accurate, as I understand it, as has been suggested by the Senator from Wyoming, that the Appalachian Regional Commission is exempted from title III. The Appalachian Regional Commission is part of every provision and covered by every requirement in title III. The only exceptions are provisions which would otherwise subject the independent Appalachian Regional Commission to some approval or control by the Secretary of Commerce.

Mr. President, what is the time remaining?

The PRESIDING OFFICER. The Senator from West Virginia has 34½ minutes remaining.

Mr. RANDOLPH. On the amendment?

The PRESIDING OFFICER. On the amendment; the Senator is correct.

Mr. RANDOLPH. How much time is remaining on the bill?

The PRESIDING OFFICER. The Senator from West Virginia has 17 minutes remaining on the bill.

Mr. RANDOLPH. Mr. President, does the Senator from Rhode Island desire to use additional time in connection with the amendment?

Mr. CHAFEE. No; I do not. I have no desire to use time on this amendment.

Mr. SIMPSON. Mr. President, I do not want to disrupt the program of the majority leader, but I suggest the absence of a quorum for just a brief period of time, and I shall consult with my colleagues on both sides of the aisle.

The PRESIDING OFFICER. The Senator does understand that the time will come out of his allocation?

Mr. SIMPSON. I will accept that.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TITLE III OF REGIONAL ECONOMIC DEVELOPMENT ACT OF 1979

● Mr. DOLE. Mr. President, I would like to express my support for the amendment offered by the Senator from Wyoming (Senator SIMPSON).

Title III of the Regional Economic Development Act of 1979 would create a new and separate entity to be known as the Regional Growth Policy Process Act. Under this act, the President would create an interagency committee to coordinate at the Federal level the policies and activities of the regional commissions. The regional commissions would also be required to submit plans and strategies to be approved here in Washington. For the reasons already enumerated by Senators SIMPSON and CHAFEE, I feel compelled to oppose these provisions.

Essentially, this act provides for the formation of a federally dominated economic planning process. The interagency committee created by title III would be directed by a senior White House official who would oversee a scenario of national economic growth.

This Federal interference in an area where it undeniably does not belong can only lead to more problems. At a time when one of the primary concerns of the American citizen is the alarming rate at which the Federal bureaucracy engulfs his life, it seems highly inappropriate to contribute to Government domination with a federally directed scheme for economic development.

This useless and unneeded extra layer of bureaucracy—especially when organized at the White House level—will only fuel Government expansion and the problems which accompany it. It will place broad authority and power in the hands of those not adequately prepared to handle it. It will centralize the decisionmaking process in a program aimed at addressing problems and needs occurring at the local level.

The thrust of the Regional Development Act of 1979 is to provide Federal assistance to areas suffering economic hardship. However, the provisions of title III of this act will have the net effect of making this desired objective more difficult to attain. Because of the resulting increase in Federal control and centralization should title III be adopted, I urge my colleagues to approve the amendment of the Senator from Wyoming.●

Mr. SIMPSON. Mr. President, I yield back the remainder of my time on the amendment and I call for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RANDOLPH. Mr. President, I yield back the remainder of time I have on the amendment.

The PRESIDING OFFICER. All time is therefore yielded back. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from Wyoming. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. FORD) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. FORD) would vote "nay."

The PRESIDING OFFICER (Mr. BUMPERS). Are there any other Senators wishing to vote?

The result was announced—yeas 47, nays 51, as follows:

[Rollcall Vote No. 236 Leg.]

YEAS—47

Armstrong	Garn	Packwood
Baker	Goldwater	Pell
Baucus	Hatch	Percy
Bellmon	Hayakawa	Pressler
Biden	Heflin	Proxmire
Boschwitz	Heinz	Roth
Byrd, Harry F., Jr.	Helms	Schmitt
Chafee	Hollings	Schweiker
Cochran	Humphrey	Simpson
Cohen	Jepsen	Stevens
Danforth	Kassebaum	Thurmond
Dole	Laxalt	Tower
Domenici	Levin	Wallop
Durenberger	Lugar	Warner
Exon	McClure	Young
	Metzenbaum	Zorinsky

NAYS—51

Bayh	Hart	Nelson
Bentsen	Hatfield	Nunn
Boren	Inouye	Pryor
Bradley	Jackson	Randolph
Bumpers	Javits	Ribicoff
Burdick	Johnston	Riegle
Byrd, Robert C.	Kennedy	Sarbanes
Cannon	Leahy	Sasser
Chiles	Long	Stafford
Church	Magnuson	Stennis
Cranston	Mathias	Stevenson
Culver	Matsunaga	Stewart
DeConcini	McGovern	Stone
Durkin	Melcher	Talmadge
Eagleton	Morgan	Tsongas
Glenn	Moynihan	Weicker
Gravel	Muskie	Williams

NOT VOTING—2

Ford	Huddleston

So Mr. SIMPSON's amendment (UP No. 474) was rejected.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments?

UP AMENDMENT NO. 475

(Purpose: To strike authority for acquisition of land by Secretary of Agriculture)

Mr. SIMPSON. Mr. President, I do have another amendment.

The PRESIDING OFFICER. Does the Senator from Wyoming seek recognition?

Mr. SIMPSON. I do, Mr. President. I previously submitted an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Wyoming (Mr. SIMPSON) proposes an unprinted amendment numbered 475:
>
> On page 11, strike lines 4 through 10, and renumber later subsections accordingly.

Mr. SIMPSON. Mr. President, by this amendment I would propose to remove this particular section 108. The section, Mr. President, is a curious and I hope futile effort to graft authority created by the National Energy Act onto the tree of the Appalachian Regional Commission. Under the Powerplant and Industrial Fuel Use Act the Secretary of Agriculture can acquire land for public facilities or housing in areas where there

is an increase in employment due to coal or uranium development.

The acquisition can be on the basis of voluntary sale or condemnation if the Governor of the State has issued written authorization for the Secretary to act.

The inclusion of this authority in S. 835 will, I think, improperly place a regional body between the Governor of a State and the Secretary of Agriculture in either the matter of the purchase or the condemnation of private property in that State. This measure was added to the National Energy Act since Federal grants could be used to finance up to 75 percent of acquisition costs. Under this proposal, acquisition costs are borne entirely by the affected State. I have been unable to fathom or comprehend the role which a regional commission can play in this particular matter when this issue of acquisition cost being borne entirely by the State is affected. So I would propose to remove that particular section of the bill, 108(f), which states:

"(f) In furtherance of the purposes of this section, at the request of the Commission in accordance with section 303 of this Act the Secretary of Agriculture is authorized to use all of the authority to acquire land under the provisions of section 601(c) of the Powerplant and Industrial Fuel Use Act (Public Law 95-620). Funds for such acquisition shall be provided under this section or by the affected State.

We are dealing with a very highly complex and emotional issue of condemnation, Mr. President. I think when we deal with condemnation we must address it most cautiously.

I have several questions that I should like to pose. Among those questions would be my inquiry as to whether the written consent of the Governor would be required before the Secretary could act. Will the ARC contribute financing for the acquisition costs? Are there any States in the ARC which are not vested by their own constitutions with eminent domain authority? Why do we limit the application of authority contained in a national act to a single regional commission and not the others? Why do we not leave the question of condemnation of private property solely to the States if they have sufficient authority, and I am sure all of them do constitutionally by constitution and by statute, and, further, that they will bear all costs? Those are some inquiries I would like to make.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that Tom Dougherty, of the staff of Senator JOHN GLENN, be granted the privilege of the floor during the debate and votes on S. 835.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, clearly one of the most pressing problems in Appalachia is providing housing for the people who live in this region.

I said that earlier today in my opening statement. The 1975 amendments to the program expanded the authority of the Appalachian Commission to address housing needs but today—and I reaffirm this—38 percent of the housing in central Appalachia is substandard. In many areas of central Appalachia, suitable land is not readily obtainable for housing. That which can be purchased quite often is in the flood plain and subject to frequent and devastating floods. That land outside of the flood plain which is available is quite often highly priced because of competition with industrial and commercial firms or it is in private ownership by coal and timbering interests. The financial burden to acquire this land and develop it is often very great.

Land and development costs average $12,000 to $15,000 per unit and thus it becomes a cost of approximately $42,000 for permanent housing in this area. These prices are too expensive for most low- and middle-income residents of Appalachia. Basically, what we have at the present time is an unacceptable lack of available housing.

To address this problem, the committee bill increases the monetary limitation for grants for site acquisition from 10 to 25 percent and makes specifically clear that any reduction in cost of housing must be passed along to the ultimate purchaser or tenants.

The second amendment by the committee to deal with housing involves the use of eminent domain powers to acquire land suitable for housing development. The committee's bill expands the authority of section 601 of the Powerplant and Industrial Fuel Use Act to allow the Secretary of Agriculture to acquire land by condemnation at the request of the State.

Mr. President, during hearings before the Committee on Environment and Public Works, testimony was received regarding the need for adequate housing. Governor Rockefeller of West Virginia spoke of the problem facing his State and mine. He said:

Land is held by either railroads or coal companies. This should not be a problem, but it is.

Governor Rockefeller went on to say:

Section 601 gives another route to solving the problem. And I strongly support the right of condemnation in conjunction with the Farmers Home Administration.

This is a statement by the Governor of West Virginia.

He is interested in solving the Appalachian housing problems, not only in West Virginia but throughout a 13-State area. And he says, and I believe him, that the use of condemnation will assist this effort. I think it is important to note that this is based on reality.

The committee also heard from Ms. Deborah Tuck, executive director of the coal field housing project in southern West Virginia. Addressing the issue of condemnation, Ms. Tuck said:

It is imperative. We are in a unique position in central Appalachia. I think it is imperative that this power be clearly outlined in the Appalachian Regional Act.

Mr. President, condemnation is an appropriate mechanism to acquire sites for housing which would otherwise be difficult to acquire. I emphasize that the State is involved in this process because it must ask the Secretary of Agriculture to use the power that is provided in section 601. It is well recognized in law that sovereign States have eminent domain authority unless limited by State constitution or law. As long as the State, through the Governor, is involved in requesting the action by the Federal Government, the appropriate State role is emphasized.

On October 12, 1978, the Appalachian Commission held a seminar on "Land Acquisition in Central Appalachia" to examine the housing issues that face not only this region, but our Nation as a whole. A treatise was prepared for that meeting entitled "Land Acquisition for Housing in Central Appalachia." That treatise discussed at length the use of eminent domain authority. The paper concludes that the authority is an appropriate authority of State governments. With the requirement of the bill for a State request—remember, a State request—the inclusion of condemnation authority is appropriate and I believe it to be necessary.

Mr. President, I suggest the absence of a quorum. I ask that it be taken out of my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, there were questions which were properly asked by the Senator from Wyoming in reference to the matter of condemnation. We desire to respond. We have discussed this problem or problems with Senator SIMPSON.

Not only is the written consent of the Governor required before this authority can be used under section 303, but the Governor must request the use of this authority.

In the second instance the bill provides that funds available under section 207 can be used for land acquisition under this authority, or if the State desires, State funds can be used.

In the third instance, I am not aware of any States in the Appalachian region which do not possess the eminent domain authority, but the ability to use such authority in any State for housing is just being established.

The response to the fourth question: The provision is limited to the Appalachian Commission only, because the Appalachian Act is the only one that contains a specific housing program.

Personally, I would have no objection to making this authority even more ex-

tensive than it is. Housing is a very tragic problem in some instances in Appalachia.

To conclude: I have said that this authority will only be used by States that believe they do not have sufficient authority to acquire needed land under their own statutes. Of course, a State can proceed—it is free to proceed—if it uses its own resources.

I hope these responses, in a very substantial way, have answered the questions and the concerns addressed by the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I say to the Senator from West Virginia that I deeply appreciate the prompt and responsive manner in which he presented me with the answers to the questions I posed previously. I think that eminent domain in itself—just the phraseology, the term—is a charged word. It is indeed an emotional issue and a harsh procedure, one in which we should guard ourselves carefully in using.

I must say that the Appalachian Regional Commission having this authority in the area of housing is a departure from anything I would have granted it. I hope that the other regional commissions will not broaden their ability to enter this area of housing authority condemnation. However, so long as this issue is limited now to Appalachia—and inasmuch as I am from State of Wyoming, and the concerns of the 13 States in the Appalachian Commission are not mine—I would think the 13 States there will be determining very carefully whether they wish the Federal Government to have condemnation authority; and I suppose they will determine whether it will become a precedent.

It is a concept that startles me. However, the Senator has answered my questions quite honestly, and I appreciate his taking the time to do so. With the RECORD disclosing those answers to my inquiries, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. RANDOLPH. Mr. President, I do not wish to discuss this subject further, except to say that there is always the desire of the Senator from Wyoming to debate vigorously the issues, and then, when the concerns he has about a certain provision of the pending legislation are answered to his satisfaction, he is agreeable to having the matter resolved in this manner.

UP AMENDMENT NO. 476

(Purpose: To amend Section 309 to require State concurrence prior to the establishment of a Border Resource Research Institute)

Mr. DECONCINI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 476:

On page 58, line 25, add a comma after "shall" and the following: "subject to the concurrence of the State,".

Mr. DECONCINI. Mr. President, the amendment I am proposing would allow the Southwest Border Regional Commission to establish a system of border resource research institutes. The bill as written would mandate such a system.

Mr. President, I find no fault with the concept of establishing special purpose institutions to provide research support programs, and other assistance, to be directed at our unique border resource problems. My concern is with the mandatory language of the bill. As written it sets a precedent regarding the conduct of Commission business, for it preempts the right and power of the Commission to ascertain need, and determine priorities in the implementation of its regional comprehensive plan. Also, it removes decisionmaking authority from the Governors and the Federal cochairman. It diminishes the State-Federal partnership and substitutes a system of categorical funding.

I am also concerned with the funding provisions, as the bill provides no authorization for additional appropriations. Funds for the institutes would come from the Commission's allocation, which is determined by a formula which governs all title V regional commissions. If all four institutes were to be funded at the recommended level, approximately 15 percent of the $6.5 million the Commission expects to have available in fiscal year 1980 for project funding would be earmarked for the institutes.

Mr. President, the Southwest Border Regional Commission is currently making an inventory and an evaluation of all university efforts focused on border resources and issues. Also, the Commission has funded, in cooperation with the Department of Commerce, the development of a technical design for a system of research centers. This project is presently being evaluated.

Mr. President, I would hope that the Senate will accept this amendment. It simply allows the Commission the flexibility originally intended by Congress in the establishment of the title V Regional Commissions, by affording the Governor of each State the right to accept, or reject, the establishment of an institute in that State.

I ask unanimous consent that a letter I have received from the Governor of Arizona be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Phoenix, Ariz., May 25, 1979.

Hon. JENNINGS RANDOLPH,
Chairman, Environment and Public Works Committee, United States Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing you regarding S. 835, the Regional Development Act of 1979, which was reported out of Committee on Wednesday, May 9th. As a member and the State Co-Chairman of the Southwest Border Regional Commission, I am concerned with Section 309 (Domenici amendment) which mandates the Southwest Border Regional Commission to establish four Border Resource Research Institutes to be funded and administered out of its budgeted program monies, since no separate authorization for funding is provided.

My concern with Section 309 revolves around the following major points: (a) Its passage would set a precedent regarding the conduct of Commission business for it preempts the right and power of the Commission to ascertain "need" and determine "priorities" in the implementation of their regional comprehensive plan; and (b) The Domenici amendment, Section 309, in removing decision-making authority from the Governors and the Federal Cochairman, in effect substitutes a system of categorical funding for the State-Federal partnership, contrary to the expressed congressional intent that established the purpose of the Title V regional commissions. Further, since there is no additional authorization for funding the Border Resource Research Institutes, monies for the institutes must come from the Commission's allocation under a predetermined formula which governs all the Title V regional commissions. For example, if all four institutes were to be funded at the recommended levels, approximately 15 percent of the $6.5 million the Commission expects to have available in the Fiscal Year 1980 for project funding would be earmarked for the institutes.

The Commission is sensitive to the need and supportive of efforts which may be undertaken to focus on special research activities related to border problems. In fact, we have funded, in cooperation with the Department of Commerce, the development of a technical design for a system of border research centers. This project is presently being evaluated.

Most important, however, is the fact that there presently exist, within various universities in the southwest, active and ongoing programs and institutes that already are doing precisely what Section 309 mandates. To avoid needless duplication, the Southwest Border Regional Commission is making an inventory and evaluation of all university efforts focused on border resources and issues. This is basic to our regional plan and we have been committed to this task from the very inception when we were chartered two years ago this August.

For all these reasons, Mr. Chairman, I would appreciate your support for the removal of Section 309, when this matter comes to the floor of the Senate, to enable us to maintain the integrity of the regional commission program as it has been defined by the Congress.

Your continued support and interest in the regional commission program is appreciated.

Sincerely,

BRUCE BABBITT,
Governor.

Mr. DECONCINI. Mr. President, I think the manager of the bill will have no problem with the amendment. It just makes certain that this mandate of "shall" will be subject to the concurrence of each State—in this case, the border States.

Mr. RANDOLPH. Mr. President, the able Senator from Arizona has an amendment which we have studied. We believe it to be one of equity, and there is no disposition to do other than to join in the argument made and to say that we accept the amendment.

Mr. DECONCINI. I thank the distinguished chairman, the manager of the bill.

Mr. CHAFEE. The minority concurs, Mr. President.

Mr. RANDOLPH. Mr. President, I yield back the remainder of my time.

Mr. DECONCINI. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DECONCINI. Mr. President, I

move to reconsider the vote by which the amendment was agreed to.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 477

(Purpose: To assure compliance with the National Environmental Policy Act)

Mr. STAFFORD. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. STAFFORD) proposes an unprinted amendment numbered 477:

On page 51, line 14, insert the following after "section": "and after the preparation of any required environmental impact statement or assessment".

Mr. STAFFORD. Mr. President, this amendment is written to assure compliance under this act with the provisions of the National Environmental Policy Act. That act takes a minimum of 90 days to carry out the procedures specified for section 102(2)(c)—the check-list of topics to cover in an environmental impact statement. If language in this amendment is not added to the statute, an evasion of the NEPA requirements would result.

The U.S. District Court in Oregon has ruled that the 60-day limit on Federal review under the Local Public Works Act means that the Congress intended that NEPA should not apply to projects funded under the law—*1000 Friends of Oregon, et al.*, plaintiffs, v. *Juanita Kreps, Secretary, U.S. Department of Commerce*, defendants, No. 77-746, Nov. 23, 1977. Since this bill has various time limits shorter than the 90 days for NEPA, I believe we need this amendment to make it clear that the provisions of NEPA are not overridden by this bill.

I do not believe it was the intent of the committee to undermine the requirements of NEPA. This amendment would clarify the intent of the committee.

I urge adoption of the amendment.

Mr. President, I hope the managers of the bill are in a position to accept the amendment.

Mr. RANDOLPH. Mr. President, perhaps Senator CHAFEE would wish to speak.

Mr. CHAFEE. Mr. President, on behalf of the minority, we are pleased to accept the amendment.

Mr. RANDOLPH. Mr. President, we appreciate the ranking minority member of the Public Works Committee giving us this opportunity to reinforce, by agreeing to the amendment, the concern of the Senator from Vermont.

Mr. STAFFORD. I appreciate the statements of the distinguished Senators.

Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 478

(Purpose: To assure that the Alaska Regional Commission has no land use planning)

Mr. STAFFORD. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. STAFFORD) proposes unprinted amendment numbered 478:

On page 34, delete lines 9 through 21, and insert in lieu thereof the following:

"(d) Any regional commission established pursuant to this Act shall have no responsibility for the development or assessment of land use plans."

On page 57, beginning with line 9, delete all through line 3 on page 58.

Mr. STAFFORD. Mr. President, the amendment I have sent to the desk will assure that any Alaska Regional Development Commission established under this legislation will not be established as another layer of government for land use planning. I emphasize, Mr. President, that this amendment does not in any way limit the creation of the Alaska Regional Development Commission under this act.

The bill, as reported by committee, contains language in two places, which I have moved to delete, that creates what I believe are dangerous new precedents in Federal land-use planning. These are sections 204(d) and 307(c) in the bill. My amendment would strike those two sections. No hearings that this Senator recalls were presented during markup to the committee for its consideration of these two sections in the bill.

The issue is not whether Alaska should be eligible for a separate title V commission. I think it should. Rather, I believe the Senate should be concerned over the special character of this commission, as it now appears in the bill, for three basic reasons:

First, the language of this provision states that the Commission may "review and make recommendations—(on) local land use plans and proposed activities" and "assist Alaska Native Regional Cooperations"—in preparing land use plans. Such language, as I said, establishes a dangerous precedent for extending potential land use authorities to other title V Commissions. That is not, and should not be, the responsibility of these commissions.

It is difficult to find a more politically explosive issue than Federal involvement in local and State land use planning. The battles on this issue have been fought both in committees and on the floor over successive sessions of Congress. Regardless of the merits of Federal involvement—even at the request of the particular State in question—this bill presents neither an appropriate time or place for such legislation. The language I would delete is an attempt not only, it appears to this Senator to circumvent the congressional process with regard to Alaska lands, but also the congressional process with regard to Federal land use planning generally. It should be noted that a land use commission has existed for Alaska since the early 1970's. In fact, my amendment will make it clear that no regional commission shall have land-use authority.

Second, the language in the bill establishes the Secretary of Commerce, rather than the Secretary of the Interior, as the focus for this land-use intrusion in Alaska.

Third, the volatile issues relating to the designation and use of Alaska lands should be determined or affected in the fashion, without benefit of hearings or more thorough evaluation. While the Senate may have a sharp division on the issues relating to the proper use of Alaska lands, I would think we would agree that such a determination should not be considered in the context of the title V program. Resolving the Alaska lands issue is the responsibility of Congress, which has undertaken that process in other legislation through other committees, with hearings. To this Senator, it seems the back-door approach in this legislation merely muddies the water and could delay or subvert a reasonable solution.

For these reasons, Mr. President, I urge the adoption of the amendment and reserve the remainder of my time.

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. STAFFORD. Mr. President, I am happy to yield whatever time the Senator desires.

Mr. CHAFEE. Five minutes.

Mr. STAFFORD. I yield 5 minutes to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I agree with the amendment presented by the senior Senator from Vermont.

First, the special authorities granted the Alaska Regional Commission have no place, as has been mentioned by the Senator from Vermont, in this legislation. We are getting really far afield from the purposes of regional commissions. It goes far enough afield to say that we are having a regional commission for a single State. We accept that because this is a State that is separated from all other States. Having accepted that, let us go back and look at the purposes of the regional commissions. Namely, they were established in 1965 to aid lagging areas of the Nation, areas of chronic and substantial unemployment and low income.

That is the whole purpose of these commissions. It is to try and help those sections of the country that were falling behind other sections.

Although their scope and functions have been broadened considerably in recent years, the basic thrust of these commissions remains the same, assistance to lagging regions of the Nation.

With respect to Alaska, some of my colleagues are suggesting we should abandon these basic goals or at least "broaden" them to include the monitoring of an undetermined number of ill-defined Federal "resource inventories" and various land-use plans, programs, and activities. We are also being asked

to grant this regional development commission in Alaska the authority to assist Native regional corporations in land-use planning activities.

Mr. President, as the senior Senator from Vermont pointed out, these authorities clearly exceed the scope of the legislation before us today. What we are trying to consider today is title V regional commissions and the Appalachian Regional Commission. Going into land planning gets far beyond anything we ever considered before.

Authority such as land planning will not promote regional economic development but will instead move the regional development commission concept squarely into the area of this land-use planning.

I submit that such a result is not a desirable one in and of itself and certainly not to be addressed in the context of the legislation before us today.

I am also concerned about the impact of these extraneous provisions in the current debate regarding the classification and management of Federal lands in Alaska, the so-called Alaska lands issue.

Mr. President, I do not think there is any Senator here in this Chamber who has not been approached from somewhere on the Alaska lands issue. It is an incredibly complex issue, no matter what our position is on it. It is being addressed in appropriate committees which have conducted literally hundreds of hearings, briefings, markup sessions. Lines have been drawn on the maps of Alaska showing this land for wilderness, this land for the State of Alaska, this land for the Natives. A common theme running through many of those meetings was the need to provide for an innovative, cooperative planning mechanism to help foster better Federal-State relations relative to the dispositions of millions of acres.

I had the pleasure of visiting Alaska a year ago and they told me there are a million acres for every day of the year, 356 million acres. It is a gargantuan State that exceeds the bounds of anything most of us can conceive. I think there are more glaciers in Alaska than there are in all the rest of the world put together. That massive piece of legislation dealing with those lands has been considered before the various committees that have spent hundreds of hours dealing with that matter.

As I said, Mr. President, I am sure many of us in this Chamber differ in our attitude toward the various facets of the Alaskan lands issue. We have had filibusters on this subject in the Chamber. We have had rather bitter feelings on both sides. And when the measure comes before the Senate again I am certain that there is going to be considerable disagreement—I suspect that might be the understatement of the day—regarding the amount of land to be included in the various conservation system units. We will disagree on access issues and where you are going to mine, where you are going to be permitted to get oil, where you are going to be permitted to get copper, and all those things. There will be a difference between the proper balance between the energy needs and the conservation goals.

But I do think we will all agree on the need for a comprehensive approach.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CHAFEE. I ask for 5 minutes more.

Mr. STAFFORD. Mr. President, I yield the Senator 5 additional minutes.

Mr. CHAFEE. The issue of land-use planning and cooperative management for Alaska lands should be decided in that context—the comprehensive Alaskan lands bill—not in terms of regional economic development, namely, regional commissions.

A fragmented approach to Alaska lands with numerous commissions and councils operating under a variety of conflicting mandates and authorities will simply not do the job. The provisions in the bill before us today encourage just the type of piecemeal approach to the Alaska lands issue that I think all of us want to avoid.

Therefore, Mr. President, I support the amendment presented by the senior Senator from Vermont.

Mr. STAFFORD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. I yield such time as the Senator from Alaska may desire.

Mr. GRAVEL. I thank my colleague from West Virginia.

First, let me speak to the comments of the Seantor from Rhode Island, and then I will speak to the comments made by the Senator from Vermont, who essentially was using the minority report on the bill, which I will deal with at great length.

I just want to say to my good friend from Rhode Island I do not mind the Senator coming to the floor opposing something in which I have a deep interest, but I think it is important to get the record straight on some facts, because we cannot be too cavalier here with the facts. The facts are easy to ascertain.

When my colleague says there have been hundreds of hearings on the Alaska lands issue, he is totally wrong. There have not been hundreds of hearings, and I think it is most unfortunate that he would try to give his views on something like this when, in point of fact, this year there have not been any hearings prior to the scheduled markup. So the Senator from Rhode Island is in error, and I think it is most unfortunate that he would want to besmirch his credibility by that assertion.

Mr. CHAFEE. I wonder, Mr. President, if the Senator will yield for one comment?

Mr. GRAVEL. I yield.

Mr. CHAFEE. I was talking about those hundreds of hearings on the Alaska lands issue, not before this committee on this issue.

Mr. GRAVEL. No; I presume you are talking about the Senate.

Mr. CHAFEE. About the Senate in the past and the markups of all legislation.

Mr. GRAVEL. My colleague is saying there were hundreds of hearings in the Senate? My colleague is terribly wrong.

Mr. CHAFEE. Not before this committee.

Mr. GRAVEL. I am not saying before this committee. But is my colleague saying there were hundreds of hearings before any committee in the Senate?

Mr. CHAFEE. Before committees in the House and Senate.

Mr. GRAVEL. I want to correct my colleague, he is just totally wrong.

Mr. CHAFEE. If I am wrong, I deserve to be corrected.

Mr. GRAVEL. I correct the Senator.

Mr. CHAFEE. Before the Energy Committee there have been no hearings?

Mr. GRAVEL. There have been no hearings this year.

Mr. CHAFEE. I do not mean this year.

Mr. GRAVEL. Last year there were only hearings in Washington. There have been no hearings in the State of Alaska on this subject.

Mr. CHAFEE. What I said was there have been hundreds of hearings——

Mr. GRAVEL. There have not been hundreds of hearings. There have been a few hearings, but not hundreds of hearings. I think it is a gross exaggeration that certainly is not reflective of the fine work of my colleague from Rhode Island has done in the past.

Mr. CHAFEE. I stand corrected and I apologize.

Mr. GRAVEL. Fine.

My colleague has indicated another item: That the purpose of this legislation is to focus on economies that are lagging behind the rest of the Nation. I would like to ask my colleague from Rhode Island if he knows of any economy that has a higher rate of unemployment than the State of Alaska at this point in time?

(Mr. MOYNIHAN assumed the chair.)

Mr. CHAFEE. I think the Senator misunderstands. I am not opposed to the Alaska Commission. The Alaska Commission is designed to deal with the problems that are presented to all the other commissions, namely, unemployment and a whole host of duties that are assigned to these regional commissions. I do not object to Alaska having its regional commission.

Mr. GRAVEL. I would renew my request. Does the Senator know of any State that has a higher unemployment rate than the State of Alaska?

Mr. CHAFEE. I do not know what the unemployment rate is.

Mr. GRAVEL. Eighteen percent in Fairbanks and 12 percent in Anchorage.

Mr. CHAFEE. No, statewide.

Mr. GRAVEL. Statewide—those are the two largest communities in the State. It is worse in other parts of the State.

Mr. CHAFEE. Well, I am not sure what that has to do with this matter.

Mr. GRAVEL. I only raise it because my colleague indicated that I was doing something to veer away from the goals, of the legislation, and obviously one of the goals is to bridge the gap between areas that have difficulties and areas that do not have difficulties.

Mr. CHAFEE. Go ahead and proceed. What does the unemployment rate in

Alaska have to do with it? I have not touched on that.

Mr. GRAVEL. Maybe I can just read the comments in the minority views which the Senator from Vermont was referring to. The first point raised is, "No hearings were held on these provisions, and legislative language on these subsections was not presented during markup to the committee for its consideration."

Well, let me inform my colleague that on April 3 hearings began on S. 835 in the Subcommittee on Regional and Community Development. At that time I raised the issue of a single State commission for Alaska with Mr. Larry Houstoun, special counsel to the Secretary of Commerce, who was testifying at that time. I suggested that Alaska might best be served by a commission that provided linkage between economic development and the ultimate use of land in Alaska.

Legislative proposals are often formulated during the subcommittee or committee meetings, which are not presented in the form of statutory language. Many times the intent of a vague provision is made clear, and the staff is asked to draft statutory language. In addition, the provisions affecting Alaska were taken almost verbatim from the list of proposals presented to the committee for its consideration on May 9. So I do not understand the efficacy or the justice of that criticism.

Second, my friend from Vermont goes on to say, "We believe that such language establishes a dangerous precedent"—that is the word—"for extending potential land use authorities to other title V commissions."

Well, I think Congress can make a judgment in the future of what it wants to do with other title V commissions.

Let me just say to my good friend from Vermont that the committee report notes that commission programs, and I quote "for the most part, are directed toward closing the income gap, creating more jobs and raising education levels. Programs dealing with transportation, natural resources, regional economic analysis, State investment planning, energy development, vocational education, tourism, and health are examples."

The report says further, "activities, including transportation and energy development and conservation, environmental and natural resource management, agriculture and development of indigenous arts and culture," and that is the language of the report, and to that nobody has taken exception.

While the report does not specifically mention land use, there can be little argument that any planning body engaged in these activities will be considering existing land use patterns and proposed plans and making recommendations to the Federal agencies with respect to the highest economic usage of the resource in a particular region.

Let me just say it absolutely is preposterous to think you can deal with natural resources, deal with energy development, deal with transportation, deal with agriculture, deal with arts and culture and not consider land. This has to be the oddest interpretation I have ever heard of the duties of these commissions, and I ask if that is a "dangerous precedent"?

We want the people in these regions to have some intelligent, coordinated activity, but you say they cannot look at the possible use of land. It is like the transportation systems are not built on land; it is like the educational institutions are not built on land; it is like the factories and the resources that feed those factories are not on land. They must all be in the air, and we only consider what is in the air.

I think that I need not elaborate upon that unusually "dangerous precedent" that I am setting in Alaska, and let me quote what I am doing. All I am asking for is a review, a review and the ability to make recommendations. My God, the timbers of federalism in this country are shaking with a tremendously "dangerous precedent" that is being set by merely having a review and recommendations.

I go on with the report, the minority views, which state:

> It is difficult to find a more politically explosive issue than Federal involvement in local and State land-use planning . . . . this bill presents neither an appropriate time nor place for such legislation. These amendments are an attempt not only to circumvent—

Mind you—

> to circumvent the congressional process with regard to Alaskan lands, but also the congressional process with regard to Federal land-use planning generally.

My response to that, gentlemen, is that there is nothing in the committee bill that mandates Federal involvement in land-use planning. If the words or even the thought is sinful, gentlemen, do not think of it; but please do not accuse me of putting it in here, because it is not in here. There is no mandate of any Federal involvement in land-use planning. The bill provides the Alaska Commission with permissive authority to review resource inventories—and, of course, Alaska is a resource State. You do not do anything in Alaska unless you use a resource. We do not have manufacturing.

So it is permissive authority to review resource inventories, review and make recomendations to the Federal and State governments on land-use planning and proposed activities, and to assist the Alaska Native groups.

Here is an area where you have upward of 50 percent unemployment, and my colleagues on the minority take exception to this regional commission assisting the Natives in a land-use planning process and resource planning process. I really cannot understand the wisdom of what is being attempted here by my colleagues. These are people who cry out for help, for assistance; but they say that this is a terrible thing to even think of undertaking.

In addition, the language about the Natives is permissive again. Advisory powers do not constitute Federal involvement in land-use planning. Also it must be remembered that the commission is a joint commission; it is half Federal and half State, so it is not just the Federals coming in and telling the Natives anything. It is a joint commission that can come in, review the resource planning, review the land use, and make no more than a recommendation.

This bill is an appropriate vehicle for this legislation, in that economic development is linked to usage of land in Alaska, as it is linked to usage of land anywhere on this Earth, and to deny that is to deny the obvious. To the extent that any entity is concerned with closing the income gap, creating jobs, and raising income levels—I am quoting from the law—it should be concerned with the disposition of land.

No one who is familiar with the Alaska lands issue could argue that these amendments circumvent anything. My colleagues are not very knowledgeable about the Alaska lands issue, because they charge I am trying to circumvent. That charge is a lot of rot. Favorable committee action on this provision did not deter the House of Representatives from passing an Alaska lands bill this week. Favorable committee action on this provision will not deter the Senate Energy Committee from acting on Alaska lands legislation.

And I have indicated my intention to go to all those markup sessions and work with the managers of the bill. Pray tell me how this is circumventing the Alaska lands issue, by having a commission review and make recommendations.

This Alaska Commission has no land-use planning powers.

Let me state that again, because the minority may not have read this properly:

> This Alaska Commission has no land-use planning powers, no land-use classification powers, no lands under its jurisdiction, and no prior review of land-use plans, or ability to enforce its views on any governmental entity.

If that English has not been clear enough to my colleagues on the minority, I will be happy to reread to them another hundred times, but I think it is clear as to what it says, and I will just read it one more time, in case they do not have it clearly in their minds:

> This Alaska Commission has no land-use planning jurisdiction, no land-use classification powers, no land under its jurisdiction to classify if it even had the powers, and no prior review of land-use plans or ability to enforce its views on any governmental entity.

Another point raised by my colleagues on the minority:

> These amendments establish the Secretary of Commerce, rather than the Secretary of the Interior, as the focus for this land-use intrusion in Alaska.

I am glad to see they consider it an intrusion. Most of the land in Alaska is held by the Federal Government, so from that point of view it is certainly not a new intrusion:

> It should be noted that a land-use commission has existed for Alaska since the early 1970's.

I am very familiar with that Commission. I am the one who authored the legislation to create that Commission in 1971. It has done a very good job in Alaska. It expired on June 30 of this year, and that is why there is an obvious need for this regional commission, to fill the void now created by the absence of that Commission, which did nothing but inventory resources, look to the total possibility of land use in Alaska, and compiled an unusual compendium of knowledge which will be of great benefit to Alaska with respect to anyone undertaking any economic activity or State planning activity.

However the minority is wrong again. Secretary of Commerce is charged with promoting economic development. That is exactly what I am trying to do with this part of the bill, have a little economic development in the State of Alaska.

I can understand that my colleagues from the east coast may not be too sympathetic to this; they have an abundance of economic development, and do not have the problem of unemployment that we do. We have to put people to work. I hear a lot from New England about the cost of fuel oil to heat your homes, and how terrible it will be, that the cost will rise to a dollar a gallon. In the areas of Alaska where I am trying to get this commission in place, the cost of fuel oil is $2 a gallon, and the per capita income is $3,500 a year. This is the area where you want to deprive people of a planning device that would advise them on the use of their land.

To the extent that these two activities, planning economic development and the management of land, are to be conducted for the benefit of Alaskans and the Nation, it makes perfect sense to provide a mechanism for that coordination.

Finally, a simple reading of the provisions should make it clear that not one ounce of Federal authority is undermined in this legislation. The Secretary of Interior will be no less powerful in Alaska if this provision becomes law than he is right now.

I fail to see the problem with wanting to secure some knowledge and some wisdom, to possibly share that with people in Alaska, with the Natives, so that when they do something, they will do it in an informed fashion.

With respect to the Land-Use Planning Commission, as I indicated, it has expired. We no longer have any planning device, statewide, in the State of Alaska to perform that function.

Again, I appeal to my colleagues on the minority. I see nothing wrong with having a body go out and acquire some knowledge and share that knowledge in a recommendatory capacity. I see no great harm that can possibly be done, because the people, including the Federal Government and the State government, do not have to take that advice.

Fourth and last, the report of the minority goes on to say:

> We do not believe that the volatile issue relating to the designation and use of Alaska lands should be determined or affected in this fashion, without the benefit of hearings or more thorough examination . . . the back door approach in this legislation merely muddies the water.

Backdoor? The chairman of the Energy Committee, Senator JACKSON has scheduled markups in September. How can we be going through the back door when another committee is going to be dealing with this at great length? It is almost insulting to me to say that I am sneaking through the back door when I am trying to provide a device which acquires some knowledge. I can only come to the conclusion that the minority is not fond of acquiring knowledge. We used to have a group called the Luddites that went around protesting the steam engines when Fulton brought them on line. They were afraid. They felt that if God wanted us to move at 25 miles an hour he would have put burners in our stomachs. I can only add that if God wanted us to acquire knowledge, he would have given wisdom to the minority.

The Alaskan provisions are in no way related to the Alaskan land matters. They simply represent a recognition by the committee that economic development in Alaska is affected by the usage of land, and I might say this most respectfully to my colleagues on the minority, as it is in Vermont, as it is in Rhode Island. I guess I do not know how you have economic activity in those States. You may do it suspended from strings in Rhode Island. You may not walk on the ground in Rhode Island or Vermont when you do things. In Alaska you walk on the ground and that is why you have to deal with land in a very real fashion. But maybe it is different in Vermont. Maybe it is different in Rhode Island.

To the extent that the Commission must undertake a regional planning process, the Commission should be involved in land decisions. However, this involvement is in the context of enhancing regional growth and in no way subverts the effort to set aside Alaska lands.

My colleagues, let me tell you, the Alaska land issues will be before you, and do not worry, there is no back door approach to get rid of it. This is an approach which says that for one unusual part of our Federal domain, we are setting up one unusual commission which deals with only one regime. We are an undeveloped area. All of our activity is before us. So, before we can undertake any intelligent adjudication of that economic activity we must look to the land and the resources contained on that land with respect to fostering economic activity and providing a decent opportunity for human beings to make a living like they can make a living in any other part of the United States, whether it is the State of Vermont or the State of Rhode Island.

I thank the chairman for yielding me time. If my colleagues have some misunderstandings over this undertaking, I would be happy to respond to questions. If not, I am prepared to vote, unless they would like to comment on what I think are some very fine items in the proposal.

Mr. STAFFORD. Does the Senator from Alaska yield the floor?

Mr. GRAVEL. I yield.

Mr. STAFFORD. Mr. President, I am prepared to yield my time to the distinguished Senator from Wyoming (Mr. SIMPSON).

Mr. SIMPSON. I thank the Senator for yielding. I suppose in my tenure in the U.S. Senate I must become acclimated to this form of debate, but I hope I do not. Let me say that I think it would be too bad to leave any type of partisanship tinge in this particular arena. The remarks I am about to make I think would be concurred in totally by each member of the Energy and Natural Resources Committee, Democrat and Republican alike.

I support the amendment offered by Mr. STAFFORD, my fine colleague from Vermont, the ranking member of the Environment and Public Works Committee. I know what the amendment does. It deletes provisions in the reported bill which would give the Alaska Regional Development Commission broad powers not now enjoyed by any other regional commission, nor even contemplated by any of the several regional development acts passed by the Congress in recent years.

I am particularly concerned about the additional authority bestowed upon that Commission and the mandated 1-year study associated with it. Under section 204(d) of the bill as reported, the single State regional commission for Alaska would be empowered, and we have heard the language referred to, to review and make recommendations on a variety of unspecified "resource inventories and Federal, State, and local land-use plans and proposed activities."

The Commission is also given authority to assist the Native regional corporations in Alaska in preparing land-use plans.

Mr. President, since their inception in 1965, these commissions that we have been churning around in these past hours, have pursued an obviously wide variety of programs. Some, I think, are remarkable; some, I think, are absurd. They have certainly crossed the spectrum of the country, directed toward improving the standard of living of human beings in all regions of the United States, creating more jobs and raising educational and health care levels. Those are worthy goals.

However, the types of authority proposed here for the single State Alaska Commission I think exceed the scope and the purpose of these regional development commissions.

I think, and this is my personal view, this language is clearly an attempt to circumvent the legislative process relative to the Alaska national interest lands issue. I would hope we might just keep our eye on that rabbit.

My colleagues understand perfectly well what type of Federal "plans and activities" are contemplated for review here. This Commission, under the guise of an economic regional development entity, is being given the authority to review and comment on the myriad of actions and proposals relating to land classification and management of Federal lands in Alaska. I do not feel that this is an appropriate role for a commission such as this, and I feel strongly that the Senate should reject this approach.

I think one of the curious actions I found in reviewing the provisions of the

bill which addresses the Alaska Regional Commission is on page 58. In line 11, where it tells what will happen when the President conducts a comprehensive review of the Commission's operating, and so on, the review to consider various things, it will also consider any recommendations for preferred placement of this program in the executive branch.

So there is an attempt there, I guess, and the language is quite clear, that would take it completely away from legislative control. That is a startling little aside that is contained exactly in the language of lines 11 and 12 of page 58.

I am concerned about section 307(c) of the bill as reported, that ability of the Secretary of Commerce to prepare a report to the President and the Congress on the desirability of creating a joint Federal-State economic development land-use planning commission for Alaska. I think that study has no place in this legislation. After hearings and public debate, the Senate committee—Energy and Natural Resources Committee, has twice reported comprehensive nationwide land use legislation. In 1971 the Congress passed, again based on legislation reported by the Interior Committee, legislation establishing the Land-Use Planning Commission for Alaska. The Commission's authority has recently expired. We have commented upon that in this debate. That was after 8 years of excellent work.

Those efforts on the part of the committee demonstrate our concern and interest in land-use planning in general and Alaska in particular. In fact, Mr. President, the various Alaska land bills which have been the subject of considerable debate in the Congress for the past 2 years all contain provisions establishing a broad-based Federal-State entity designed to provide an innovative approach to cooperative planning for Alaska lands.

In short, Mr. President, the House and Senate committees with responsibility for land use planning generally and the Alaska lands issue in particular have carefully considered the issue of cooperative planning with regard to Federal lands in Alaska and addressed it in the proper context. That proper context is the comprehensive Alaska national lands bill.

The PRESIDING OFFICER. Does the Senator from Vermont yield 5 additional minutes to the Senator from Wyoming?

Mr. SIMPSON. I only need 30 seconds.

Mr. STAFFORD. I yield 30 seconds to the Senator from Wyoming.

Mr. SIMPSON. I thank the Senator.

Mr. President, I said that the issue of cooperative planning with regard to Federal lands in Alaska was addressed in the proper context. That proper context will be a comprehensive Alaska national lands bill. The fate of that proposal and the future of Alaska lands will probably and properly be decided at that time.

Mr. GRAVEL. Will the Senator from West Virginia yield to me 5 minutes?

Mr. RANDOLPH. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from West Virginia has 6 minutes and 50 seconds.

Mr. RANDOLPH. I yield to the Senator that time.

Mr. GRAVEL. I thank the Senator.

Mr. President, let me ask the Senator from Wyoming on my time if he will be so gracious as to tell me how this circumvents the Alaska lands issue to be taken up in another committee. He has made the statement and I would like to have a response for the edification of the body as to how this circumvention takes place.

Mr. SIMPSON. Mr. President, I think that becomes obvious. We are discussing on this floor today the Appalachian Regional Commission. We are also discussing issues of title III and an interlayering of new commissions. We are discussing the Alaska lands and we are discussing the creation of an entirely new commission, a regional commission, in the face of the existence of a committee of this body which has been addressing this terribly vexatious issue for some years. Now we come to what I know will trigger demands and that is a backdoor approach. I do not favor that. Let us stick with the Energy and Natural Resources Committee.

Mr. GRAVEL. Mr. President, I do not think my colleague has responded to my question. I ask it again:

How does this circumvent? We can talk about SALT and we can talk about Alaska lands. That does not circumvent SALT, it does not circumvent Alaska lands. It was the minority that brought up the Alaska lands. What I am talking about in my proposal here is not the use of Alaska lands. All we do is review it and make recommendations. My colleague has made a bland statement that this circumvents the ability—I can only infer that it circumvents the ability of the Senate or of the Energy Committee—to do something on the Alaska lands issue. I am asking my colleague from Wyoming how?

I think reasonable people hearing this colloquy or reading this RECORD really want to make a judgment as to the views held by my friend from Wyoming—and I shall ask the question again: How is this a back-door approach and how does this circumvent the Alaska lands issue? Maybe he can edify us.

Mr. SIMPSON. I appreciate the opportunity to do that one more time. Perhaps we shall use book, page, and hymn number this time.

[Laughter.]

The PRESIDING OFFICER. The galleries will be in order. The galleries will cease any comment upon the proceedings of the Senate.

The Senator from Wyoming.

Mr. SIMPSON. Mr. President, if we refer to S. 9, which is being considered, we shall find that this attempt is absolutely duplicative of the effort in that particular legislation. I should hope that from S. 9, we are to have recommendations of the appropriate officials of the governments of the United States and the State of Alaska with respect to ways to make sure that economic development is orderly and planned and is compatible with State and national economic, social, and environmental objectives. That is the existing language of S. 9.

I do not feel, in any form, that this is appropriate to be addressed when we are talking about regional commissions and authorization of those regional commissions. There are many, many other departures in the particular language of this bill, such as the intrusion of the Secretary of Commerce.

There are so many things that the Senator and I could have quite a chat about, and I look forward to that opportunity. I am saying it is duplicative. I am citing S. 9. I say this is just excess baggage.

Mr. GRAVEL. My colleague is now closer to the mark when he says it is duplicative. He is not charging me with circumventing the committee. He is not charging me with a backdoor approach. He is saying there is a possibility of duplication. My colleague is right and I am prepared to stipulate that.

I think the minority should really be careful of the charge it makes in that regard.

It is a possible duplication. The Commission in S. 9 is an advisory commission. However, we are also creating a single State regional commission in this bill. I am like my colleague from Wyoming: I am very concerned about spending money. I am like my friends from Vermont and Rhode Island: I do not want to see the Federal taxpayer have to pay for duplicatory costs. I want to see the buck go as far as it can go. So when I see us creating a single State commission, I do not want to have another advisory commission created to waste a lot of duplicatory money.

So all we are going to do is just add the ability to review and make recommendations with respect to land use for this commission, and we save all that money that is going to go into that other process.

It is interesting that I would live to see the day that the minority party, which prides itself on being able to cut the budget—not too successfully I might add—on being able to save money, standing here and making a case for duplication. They are prepared to admit that we need a regional commission because we are so large. Also, they want to have another advisory commission come out of the Energy Committee, so we shall have two commissions—both a Federal-State commission under this title and another Federal-State commission under the Department of the Interior. That is two commissions.

Mr. President, does that make sense, I ask you? That is the banner that the minority has hoisted up the flagpole and wants all of us to salute today.

Gentlemen, you should be ashamed of yourselves, wasting that kind of money. I just cannot understand you. What has become of your party? What has become of your philosophical approach to these problems? I think this is very tragic.

Mr. President, I shall just have to rest my case on that. I shall make an appeal one last time by quoting the distinguished chairman of the Energy Committee. I think it is a little exaggeration, when my colleague from Wyoming stated that each member of the committee takes his position. I cannot find each member of any committee in this body to agree to the same position.

Let me quote Senator JACKSON in 1970, when he was talking about the problem of planning:

> Increasingly we are finding instances where federal funds which have been expended to preserve a part of natural heritage or to create new recreational opportunities are coming into serious and, often totally unnecessary conflicts with other federally funded programs, such as highway and airport construction, communications, national defense facilities and water resource development.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAVEL. Mr. President, I ask for an additional 1 minute to finish this statement.

The PRESIDING OFFICER. There is no time remaining.

Mr. GRAVEL. I ask unanimous consent for 1 minute just to finish this?

Mr. RANDOLPH. Mr. President, I give the Senator 1 minute on the bill if that is agreeable.

The PRESIDING OFFICER. The Senator has that right.

Without objection, it is so ordered.

Mr. GRAVEL. I thank the distinguished Senator from West Virginia.

Mr. President, Senator JACKSON goes on:

> I am . . . very concerned that many of these conflicts which have centered around incompatible uses of the same land resources have been totally unanticipated and unintended. These conflicts have simply been the result of poor planning procedures. They have not placed at issue important questions of national priorities, goals and objectives. These conflicts have resulted from a lack of coordination, a failure to relate national programs to local aspirations and an institutional inability to factor in the full range of national and local values as part of the planning process for specific Federal projects.

I can only add to my colleagues in the minority; you do not plan in midair. You plan as you stand on the ground, because that is the only place where human beings can stand.

I thank my colleagues for their indulgence.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I will be very brief in my concluding remarks.

I do want to say to my good friend from Alaska that we have not often been on opposite sides of the debate. I do not enjoy handling this end of the debate which he considers might adversely affect his State.

I hope he has in mind that this Senator very much wants Alaska to have a title V commission. It has only been because of what this Senator perceives as the language which does create some land-use planning power in the commission that I have opposed that single part of the legislation in question.

The fact is that no other commission of the title V commissions, even though all of the others face many of the economic problems that my good friend's new commission will face in Alaska, has any powers in the field of land-use planning at all.

S. 835 does bestow on the Alaska Commission, therefore, greater powers than those given to any other title V regional development commission.

No matter how benign this language may appear in this bill, in the opinion of this Senator it does impose the Alaska Title V Commission on the land-use planning of that State.

With that in mind, Mr. President, I am forced to promote and promote this amendment to delete the sections of the bill which, in the judgment of this Senator, do provide land-use authority in the Alaskan Commission as proposed in the legislation.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STAFFORD. Mr. President, I am prepared at this point to yield back the remainder of my time.

Mr. RANDOLPH. We have no time remaining.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Vermont. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. FORD) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber who wish to vote and have not voted?

The result was announced—yeas 77, nays 21, as follows:

[Rollcall Vote No. 237 Leg.]

YEAS—77

Armstrong	Goldwater	Pell
Baker	Hatch	Percy
Baucus	Hatfield	Pressler
Bayh	Hayakawa	Proxmire
Belimon	Heinz	Pryor
Biden	Helms	Ribicoff
Boren	Hollings	Riegle
Boschwitz	Humphrey	Roth
Bumpers	Jackson	Sarbanes
Byrd, Harry F., Jr.	Javits	Sasser
Cannon	Jepsen	Schmitt
Chafee	Kassebaum	Schweiker
Cochran	Kennedy	Simpson
Cohen	Laxalt	Stafford
Cranston	Leahy	Stevens
Danforth	Levin	Stevenson
DeConcini	Lugar	Stewart
Dole	Mathias	Talmadge
Domenici	McClure	Thurmond
Durenberger	Melcher	Tower
Durkin	Metzenbaum	Tsongas
Eagleton	Morgan	Wallop
Exon	Muskie	Warner
Garn	Ne'son	Weicker
Glenn	Nunn	Young
	Packwood	Zorinsky

NAYS—21

Bentsen	Gravel	Matsunaga
Bradley	Hart	McGovern
Burdick	Heflin	Moynihan
Byrd, Robert C.	Inouye	Randolph
Chiles	Johnston	Stennis
Church	Long	Stone
Culver	Magnuson	Williams

NOT VOTING—2

Ford	Huddleston

So the amendment (UP No. 478) was agreed to.

Mr. GRAVEL addressed the Chair.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Several Senators addressed the Chair.

Mr. CHAFEE. I move to lay that motion on the table.

Mr. GRAVEL. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. GRAVEL. Mr. President, I seek recognition before we vote on reconsideration. If I could have my colleagues' attention on this. There has been really a gross misunderstanding on this amendment, because there has been representation made at the well in writing that we were voting on plan planning.

There is nowhere in this legislation——

Mr. CHAFEE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAFEE. Is a motion to table debatable?

Mr. GRAVEL. I was seeking recognition before the motion to table. I was seeking recognition before reconsideration.

The PRESIDING OFFICER. The Senator from Alaska was seeking recognition before the motion to table was made.

Mr. GRAVEL. And before the motion to reconsider I was seeking recognition.

The PRESIDING OFFICER. The Senator from Alaska is correct.

Mr. GRAVEL. I wish to engage in a colloquy.

The PRESIDING OFFICER. If the Senator will kindly desist, the Chair must ask who yields time to the Senator from Alaska?

Mr. GRAVEL. Mr. President, will the Senator from West Virginia yield me time on the bill? I will not discommode the body needlessly. I think a misunderstanding has been perpetrated. I think it should be cleared up.

Mr. RANDOLPH. Mr. President, I ask what time remains?

The PRESIDING OFFICER. The Senator has 16 minutes remaining on the bill.

Mr. RANDOLPH. Mr. President, will 10 minutes be sufficient?

Mr. GRAVEL. Ten minutes I think will do it.

Mr. RANDOLPH. Mr. President, I yield 10 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator yields 10 minutes to the Senator from Alaska.

Will the Senate be in order? Will Senators desiring to converse retire to the cloakroom? The Senator from Alaska has the floor and wishes to be heard.

Mr. GRAVEL. Mr. President, if I could have the brief attention of my colleagues, there were two charges made on provisions already in the bill. The committee has already acted on this. We created a special commission for one State, and this is not in controversy. Alaska is so large. It meets the criteria for a single

State commission. Hawaii with some trust territories may also meet that criteria.

What I have added on in committee for the special commission, and I quote in this regard, "Is the ability to first review resource inventories of Federal agencies; second to review and make recommendations to the Federal Government and State legislature on land use plans and proposed activities; and third to assist Alaska Native corporations in preparing land use plans."

Nowhere is there a power to do any land planning. This is one of the things that scares people. They do not want to vote on the land planning process. That power is no way found in here and no one has taken that power out.

The confusion is with the Alaskan lands issue, and that was the charge that was made, that I am trying to circumvent the Alaska lands use issue.

I thought in debate I put that to rest very simply by this point. In the Alaska lands legislation in another committee there is a separate commission and that is a Federal-State commission to be used for land planning.

It just struck me that, if we are going to have a regional economic development commission of a Federal-State nature, that we also have a commission that can have some advisory powers with respect to land.

That is all this does. So the minority-led proposal is to have this regional economic development commission and then turn around and have another commission that is going to be created in the State of Alaska. One will handle economic matters and the other will handle land.

My colleague from Arkansas approached me at the well and informed me that, generically, these commissions probably have these powers in any event.

So I appreciate his views at this point in time.

Mr. BUMPERS. Mr. President, if the Senator from Alaska has time, will he yield a few minutes to me?

Mr. GRAVEL. I yield.

(Mr. McGOVERN assumed the chair.)

Mr. BUMPERS. I am certainly not an expert on this particular part of the bill, but certainly I do not think anyone here objects to Alaska having a regional commission, a title V commission, as we call them.

The genesis of the title V commissions stems from the establishment of the Appalachian Commission which served portions of something like 13 States or portions of States which were considered to be seriously economically deprived.

Then there was some resentment by some members of Congress about those particular States receiving funds under the Appalachian concept when they felt that poverty in their States or portions of their States was as severe as it was in Appalachia.

So my colleagues will recall that three or four of the so-called title V commissions were set up for the ostensible purpose of relieving economic deprivation wherever it prevailed.

One of those title V commissions was the Ozarks Regional Commission, of which my home State of Arkansas was a part. During my term as Governor, as I served as chairman of the Ozarks Commission, we received Federal funds, as do all the commissions, to do all kinds of things relative to economic development. Some of the projects that we supported in that commission were regional in concept and some of them would have to be described as purely State projects. But any project that you could conceivably justify on the basis of economic development was permissible.

In the case of Alaska, I just walked up to my colleague from Alaska before I voted and told him that I was going to vote for the amendment and against his position. I explained that in my opinion probably most of what he wanted in the field of land use planning would be permissible under the Organic Act of the title V commissions so long as it could be construed as a form of or related to economic development.

So I do not know that he has lost a great deal by losing the amendment as long as he can convince the members of that commission, whoever they may be, that land use planning assistance for Native corporations is in keeping with the genesis of the original bill.

Now, Mr. President, that is all I can add. As I say, I am not an expert on it, but I support Alaska to have a regional commission. Incidentally, I might say we have long since moved away from trying to help those areas of the country that are the most economically deprived. We have put almost every geographical section of the United States into these title V commissions, and certainly Alaska has a right to be included.

My only objection is that Alaska should not have any additional rights that the other title V commissions do not have. As everybody knows, the so-called Alaska lands issue is going to be presented to the Congress probably before we adjourn this session. Many of the things that concern the Senator will be addressed in that legislation.

I just want to say so far as the title V commission itself is concerned, in my opinion, Alaska will have precisely the same rights that the Ozarks Commission or any other title V commission has.

Mr. GRAVEL. If I might say to my colleague, that is fine, except now we are going to have less power because the amendment specifically excludes the Alaska Commission from doing any land-use planning. That is what the amendment does.

Mr. BUMPERS. No, Senator, if I might interrupt. I just got through saying that in my view it will not prohibit land-use planning if you can relate land-use planning, zoning or anything else to the economic development of a Native corporation or to any part of Alaska; it is not specifically excluded.

Mr. GRAVEL. I do not have it at my desk, but if I can get in my hand the specific language of the amendment of the Senator from Vermont, he specifically says you cannot do land-use planning. You are right—if you can get your commission to do it, you can do land-use planning, but we are discriminating against the Alaska Commission. The Stafford amendment states "(d) any regional commission established pursuant to this act shall have no responsibility for the development or assessment of land-use plans."

So that does tell them they had better stay away from it, and if it does not, then I do not know what does.

Mr. BUMPERS. I would simply address a question to the Senator from Vermont to find out whether or not it was his intention by the amendment to deprive the State of any rights that other title V commissions have.

Mr. STAFFORD. The Senator from Vermont would respond by saying it was not his intention in offering the amendment to change any of the authorities that the title V commissions have at the present time.

Mr. GRAVEL. Well, if that is the intention——

Mr. BUMPERS. I think the amendment, Senator, simply deletes that part of the language that specifically mentioned land-use planning but did not say specifically that it would be prohibited. It just struck this language from the bill, which puts you on an even keel with all the other title V commissions.

Mr. GRAVEL. Except the other title V commissions do not have this restriction. Is my colleague prepared to offer another amendment or will he join me in another amendment saying there is no power that the Alaska Commission will have that will be different from anybody else's? To leave it the way it is right now leaves it out in the open.

Mr. STAFFORD. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STAFFORD. Is the understanding of this Senator that a motion to reconsider the vote by which the amendment was adopted has been made?

The PRESIDING OFFICER. That is correct. On that motion there are 10 minutes equally divided, 5 minutes on the side.

Mr. STAFFORD. It was the understanding of this Senator, Mr. President, that the distinguished chairman of the committee and manager of the bill for the majority yielded 10 minutes on the bill to the Senator from Alaska.

The PRESIDING OFFICER. The Senator is correct. The manager of the bill did, in fact, yield 10 minutes on the bill. But under the previous order on motions to reconsider there is a total of 10 minutes in addition to that, 5 minutes to the side.

Mr. STAFFORD. The Senator is grateful to the Chair.

Mr. DOMENICI. Mr. President, is there any time for debate on the motion to reconsider or has it all been used?

The PRESIDING OFFICER. There are 9 minutes presently remaining on the motion to reconsider.

Mr. BUMPERS. Mr. President, who has the time?

Mr. GRAVEL. I yield to my colleague.

Mr. STAFFORD. Mr. President, one more parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STAFFORD. How much more time remains to the Senator from Alaska and how much time remains to the Senator from Vermont?

The PRESIDING OFFICER. The Senator from Vermont has 3½ minutes remaining and the Senator from Alaska has used his 10 minutes. And now the Senator from West Virginia has 5 minutes remaining.

Mr. BUMPERS. Mr. President, will the Senator from West Virginia yield me 1 minute?

Mr. RANDOLPH. Yes, I yield 1 minute.

Mr. BUMPERS. If I could make one additional point, Mr. President. I am advised that the Stafford amendment simply precludes the commission itself from involving itself in land-use planning, and every title V commission is prohibited from doing that. But title V commissions may make grants to consultants and other people as long as it is in keeping with the original organic law which permits these kinds of grants to consultants or others that promote or enhance economic development.

So I would assume that the Senator is again back on equal footing with all the other title V commissions, because no title V commission may itself engage in land-use planning.

Mr. RANDOLPH. Mr. President, I am not interested in moving into the debate. I only say it is my understanding that the Senator from Arkansas, as he states the question, is correct.

Mr. GRAVEL. I think I would accept that, accept his interpretation on that.

I cannot help but reflect—and that is reason I wanted to try to dovetail those commissions into the S. 9 commission, into the Alaska commission—that, accept his interpretation on that bodies is the fact that they cannot relate their economic activity to land. Maybe some day we will rise to that level of maturity to do that, and I think we will find the commissions much more effective.

Mr. RANDOLPH. Mr. President, commenting, in conclusion, the Senator from Alaska, I know, fights constantly for his State and his people. It is a vast area, it has unique problems. He knows that I have attempted always to accommodate programs to those problems in highway construction and other efforts.

We, of course, had several close votes within the committee on this subject matter, we know that.

I just hope, if it is agreeable with the Senator from Alaska, that we look to the future and bring these matters to the attention of the Senate at a later date.

Mr. GRAVEL. I want to join with my colleague, who has been most gracious in the giving of his time. I just want to put the minority on record that we will look to the future in this regard, more future than probably everyone will want to accept. There is going to be a lot of future in this, I can assure the Senator of that.

I do want to thank my colleague for his accommodation in this regard. I think this was an issue that was terribly misunderstood on the floor, and I think that time will correct it.

I think when we see the day that the Republicans can bring two commissions into being, then we will see the error of our ways.

I yield back the remainder of my time, and I have no objection to a reconsideration vote.

The PRESIDING OFFICER. Do Senators yield back all time?

Mr. RANDOLPH. I yield back the time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOMENICI. Mr. President, I want to ask the Senator from Alaska, I believe reconsideration was asked for in the usual form, so we could dispose of the matter. I am going to move to table because if you have no objection——

Mr. GRAVEL. I withdrew from the entire colloquy.

Mr. DOMENICI. I move to table the motion to reconsider.

The PRESIDING OFFICER. If all time is yielded back, the motion to table is in order.

The question is on agreeing on the motion to lay on the table the motion to reconsider the vote by which the amendment of the Senator from Vermont was agreed to.

The motion was agreed to.

Mr. RANDOLPH. Mr. President, it is my understanding there are no requests for further amendments to this legislation. It is my further understanding—and the majority leader, of course, is present—that we would call for a third reading.

Mr. ROBERT C. BYRD. That is automatic.

Mr. RANDOLPH. Is that automatic? I ask for a third reading of the bill. The measure, of course, which is being considered in the House in tandem, would call for us to consider, I believe, according to our schedule the Economic Development Administration tomorrow, and then we would be voting not only on ARC and the other commissions, but EDA as well.

Mr. President, on behalf of both Senator CHAFEE and myself, I would like to express appreciation to members of the Environmental and Public Works Committee staff—both majority and minority—who worked long and hard on this legislation. They are: John Yago, Philip Cummings, Richard Harris, Richard Greer, Ann Garrabrant, Janice Nace, Connie Koehmstedt, Judy Parente, Bailey Guard, Steve Swain, Hal Brayman, Jim Range, Nina McClure, and Saundra Morten.

The PRESIDING OFFICER. If there are no further amendments, then third reading of the bill.

The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and to be read a third time, and was read the third time.

The PRESIDING OFFICER. Under the previous order, the bill having been read the third time, it will be temporarily laid aside and the Senate will proceed to the consideration of S. 265.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was advanced to third reading.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, in 1965 the Congress adopted the Appalachian Regional Development Act in response to the poverty and economic stagnation of that region. Having lived in that area over the years that the ARC program has been in effect, I have seen the improvement it has brought.

It has made a major contribution to economic improvement which has reduced overall poverty and increased the quality of life in the region. In 1960, 31 percent of the population of the region was below the poverty level, in 1976 that figure was down to 14 percent.

But the major impact of the program is not reflected in statistics. The people of Appalachia are a proud people with a strong affinity to their home as difficult as the geography may be. The Appalachian program has provided thousands of these people the opportunity to find employment and dignity in their home community.

I am pleased to have this occasion to once again endorse and support this excellent program.

Mr. ROBERT C. BYRD. Mr. President, when the Appalachian Regional Commission was established 14 years ago, it was estimated that it would take a generation for Appalachia to move into the mainstream of American economic growth. If we think of a generation as about 30 years, the Appalachian Regional Commission has reached the half-way mark.

With the bill which was before the Senate today, S. 835, the Regional Development Act of 1979, it seems appropriate to reflect upon the changing face of the Appalachian region. Appalachia comprises parts of 12 States and all of my own State of West Virginia. Despite the diversity of Appalachia—the tremendous human and natural resources in the region—the areas comprising the Appalachian region have severely lagged behind the rest of the Nation in economic growth. The Appalachian Regional Commission's creation was a unique means of forging a partnership between the 13 member States and the Federal Government, to jointly plan regional development.

Today, there is widespread recognition of the Appalachian Regional Commission's achievements in improving the standard of living throughout Appalachia. No longer are people leaving the region in search of better jobs, or better living conditions. The outmigration of the past few decades has been reversed. Since 1970, an annual average of 58,000 people have moved into the region.

Educational services are increasing in the region, paving the way for more and better job opportunities. The Appalachian Regional Commission has helped fund a regionwide system of 500 vocational schools serving 300,000 young people. Twenty years ago, only one-third of Appalachia's adult population had a high school education, while today more than half has completed high school.

The Appalachian Regional Commission has provided leadership in the field of rural health care delivery, helping fund more than 1,500 health projects in Appalachia. Health care clinics established by the Commission now serve as models for other federally funded rural medical clinics.

The Appalachian Regional Commission has invested in the region's economy in the form of water and sewage programs, housing projects, industrial parks, and in developing a telecommunications system which reaches into even the most isolated areas of Appalachia. Central to the success of the Commission's community and industrial development projects has been construction of a highway system. More than 50 percent of the miles of highway authorized under the act are now either complete or under construction.

Job opportunities are increasing in Appalachia and the unemployment rate has dropped to a level more closely approximating the national average. In the 1960's, the region's rate of unemployment was nearly double that of the rest of the Nation. Appalachia's poverty population has declined by more than 50 percent—from 31 percent in 1960 to 14 percent in 1978.

These changes in the region are, in part, the product of the work done by the Appalachian Regional Commission in conjunction with State efforts to develop the region. Since the Appalachian Regional Commission was established in 1965, $3.5 billion in direct Federal outlays have been funneled into the program. State and local governments have almost matched this amount in their contributions of $3.3 billion to the program.

Despite the tremendous social and economic change that has taken place, the Appalachian region remains one of the Nation's largest pockets of poverty with 2.7 million of its 19 million people living below the national poverty level. Many Appalachian families continue to be disadvantaged in terms of education, employment, income levels, adequate housing, and access to health care and other public services.

There are still wide gaps in per capita income. Only 6 of the region's 397 counties have an average per capita income equal to the national average. This income gap restricts the ability of State and local governments to meet the cost of public services essential to economic well-being and economic development. In the last decade, State and local governments have made significant contributions of their limited revenues and borrowing capacity to meet the cost of public services. Between 1966 and 1977, total State funds spent annually in Appalachia climbed from $2.4 billion to more than $7.6 billion.

Substandard housing persists as a unique regional problem. It is estimated that 35 percent of the housing in central Appalachia is substandard. Key to the lack of adequate housing is the lack of available land suitable for housing sites. In many cases, the rugged terrain of the region requires excessive development costs. In coal-producing areas, frequently the only available flat land for housing is in flood plains. The scarcity of land for housing and industrial construction, of course, drives up the price of land.

The legislation which the Senate considered today, S. 835, will extend the Appalachian Regional Commission for 4 years, and provide new funding and authority for regional commissions under title V of the Public Works and Economic Development Act of 1965.

As a Senator from West Virginia, both the real and potential value of the Appalachian Regional Commission is of particular concern to me. The legislation which the Senate considered today identified new opportunities as well as ongoing problems faced by Appalachia. The committee report clarified new areas of concern for the future.

I want to commend Senator BURDICK, chairman of the Regional and Community Development Subcommittee of the Environment and Public Works Committee and Senator RANDOLPH, chairman of the committee, for the able management of this bill. I also want to thank Senator STAFFORD, ranking minority member of the committee and Senator CHAFEE, the minority floor manager.

EQUAL ACCESS TO JUSTICE ACT

The PRESIDING OFFICER. Under the previous order, the bill having been read the third time, it will be temporarily laid aside and the Senate will proceed to the consideration of S. 265. which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 265) entitled "Equal Access to Justice Act".

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 2, line 3, strike "corporations labor," and insert "corporations, and labor";

On page 2, line 18, strike "unless the governmental action was substantially justified";

On page 2, line 21, after "law" insert "and statutory";

On page 4, line 12, strike "and"

On page 4, beginning with line 13, strike through and including line 19, and insert in lieu thereof the following:

"(B) 'party' means a 'person' as defined in section 551 of this title, but excludes any individual whose net worth exceeded $1,000,000 at the time the adjudication was initiated, and any sole owner of an unincorporated business, on any partnership, corporation, association, or organization whose net worth exceeded $5,000,000 at the time the adjudication was initiated; and

"(C) 'adjudication subject to section 554 of this title' does not include adjudication for the purposes of establishing or fixing a rate or for the purposes of granting or renewing a license.

On page 5, line 16, strike "an award for fees and other expenses as determined" and insert "the fee determination";

On page 6, line 2, strike "General Accounting Office out of the general fund" and insert in lieu thereof the following: particular agency over which the party prevails from any sums appropriated to such agency, except that no sums may be appropriated to any such agency specifically for the purpose of paying fees and other expenses awarded under this section

On page 6, line 24, after "repeal" insert a comma and the following: except that the provisions of that section shall continue to apply through final disposition of any adjudication commenced before the date of repeal

On page 7, beginning with line 20, strike through and including page 8, line 2, and insert in lieu thereof the following:

"(b) In addition to the costs which may be awarded pursuant to subsection (a) and unless otherwise specifically prohibited, a court may award reasonable attorney fees to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity, and the United States shall be liable to the same extent that a private party would be liable under the common law or under the terms of any statute which specifically provides for such an award.

On page 8, line 18, after "United States" insert "or any agency or official of the United States acting in his official capacity";

On page 8, line 20, strike "subsections (b) and (d)" and insert "subsection (b)";

On page 9, beginning with line 8, strike "or cases arising under the internal revenue laws of the United States";

On page 9, line 12, after the period, insert the following: The court, in its discretion, may reduce the amount to be awarded pursuant to this subsection, or deny an award, to the extent that the prevailing party, during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy.

On page 10, beginning with line 17, strike through and including line 21, and insert in lieu thereof the following:

"(B) 'party' means any individual whose net worth is less than $1,000,000 at the time the civil action was filed, and any sole owner of an unincorporated business, or any partnership, corporation, association, or organization whose net worth was less than $5,000,000 at the time the civil action was filed, and

On page 11, line 10, strike "that agency adjudication" and insert "the administrative proceedings";

On page 11, line 12, strike "adjudication" and insert "proceedings";

On page 11, beginning with line 16, strike through and including line 20, and insert in lieu thereof the following:

"(4) Fees and other expenses awarded under this subsection shall be paid by the particular agency over which the party prevails from any sums appropriated to such agency, except that no sums may be appropriated to any such agency specifically for the purpose of paying fees and other expenses awarded under this section. If a court reviews the underlying decision of the agency adjudication, an award for fees and other expenses may be made only pursuant to section 2412(d)(3) of title 28.

On page 12, line 19, after "repealed" insert a comma and the following: except that the provisions of that subsection shall continue to apply through final disposition of any action commenced before the date of repeal.

On page 12, beginning with line 4, insert the following:

(c) Section 1988 of title 31, United States Code, is amended by striking out "or in any civil action or proceeding by or on behalf of the United States of America, to enforce, or charging a violation of a provision of the United States Internal Revenue Code,".

SEC. 6. Nothing in section 2412(d) of title 28, United States Code, as added by section 4(a) of this Act, alters, modifies, repeals, invalidates, or supersedes any other provision of State or Federal law which authorizes an award of such fees and other expenses to any party, other than the United States, who prevails in any civil action brought by or against the United States.

SEC. 7. This Act, and the amendments made by this Act, shall apply to any civil action which is pending on the date of enactment of this Act, or which is commenced on or after the date of enactment of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Equal Access to Justice Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that certain individuals, partnerships, corporations, and labor and other organizations may be deterred from seeking review of, or defending against unreasonable governmental action because of the expense involved in securing the vindication of their rights in civil actions and in administrative proceedings.

(b) The Congress further finds that because of the greater resources and expertise of the Federal Government, the standard for an award of fees against the United States should be different from the standard governing an award against a private litigant, in certain situations.

(c) It is the purpose of this Act—

(1) to diminish the deterrent effect of seeking review of, or defending against, governmental action by providing in specified situations an award of attorney fees, expert witness fees, and other costs, against the United States; and

(2) to insure the applicability in actions by or against the United States of the common law and statutory exceptions to the "American rule" respecting the award of attorney fees.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN AGENCY ACTIONS

SEC. 3. (a) Subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 504. Costs and fees of parties

"(a) An agency that conducts an adjudication subject to section 554 of this title shall award, to a prevailing party other than the United States, fees and other expenses incurred by that party in connection with that proceeding, unless the agency finds that the position of the agency as a party to the proceedings was substantially justified or that special circumstances make an award unjust. The agency may reduce the amount to be awarded, or deny an award, to the extent that the prevailing party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of the agency under this section shall be made a part of the record and shall include written findings and conclusions and the reason or basis therefor.

"(b)(1) For the purposes of this section—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the agency to be necessary for the preparation of the party's case, and reasonable attorney or agent fees. The amount of fees awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the agency involved; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the agency determines by regulation that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means a 'person' as defined in section 551 of this title, but excludes any individual whose net worth exceeded $1,000,000 at the time the adjudication was initiated, and any sole owner of an unincorporated business, on any partnership, corporation, association, or organization whose net worth exceeded $5,000,000 at the time the adjudication was initiated; and

"(C) 'adjudication subject to section 554 of this title' does not include adjudication for the purposes of establishing or fixing a rate or for the purposes of granting or renewing a license.

"(2) Except as otherwise provided in paragraph (1), the definitions provided in section 551 of this title apply to this section.

"(c)(1) Each agency shall by rule establish procedures for the submission and consideration of applications for an award of fees and other expenses. If a court reviews the underlying decision of the agency adjudication, an award for fees and other expenses may be made only pursuant to section 2412(d)(3) of title 28.

"(2) A party dissatisfied with the fee determination by the agency may petition for leave to appeal to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adjudication. If the court denies the petition for leave to appeal, no appeal may be taken from the denial. If the court grants the petition, it may modify the determination of the agency only if it finds that the failure to make an award, or the calculation of the amount of the award, was an abuse of discretion.

"(d) Fees and other expenses awarded under this section shall be paid by the particular agency over which the party prevails from any sums appropriated to such agency, except that no sums may be appropriated to any such agency specifically for the purpose of paying fees and other expenses awarded under this section.

"(e) The Office of the Chairman of the Administrative Conference of the United States shall report annually to the Congress on the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this section. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards. Each agency shall provide the Conference with such information as is necessary for the Chairman to comply with the requirements of this subsection.".

(b) The table of sections of subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new item:

"504. Costs and fees of parties.".

(c) Effective three years after the date of enactment of this Act, section 504 of title 5, United States Code, as added by subsection (a) of this section, is repealed, except that the provisions of that section shall continue to apply through final disposition of any adjudication commenced before the date of appeal.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN JUDICIAL PROCEEDINGS

SEC. 4. (a) Section 2412 of title 28, United States Code, is amended to read as follows:

"§ 2412. Costs and Fees

"(a) Except as otherwise specifically provided by statute, a judgment for costs, as enumerated in section 1920 of this title, but not including fees and other expenses of attorneys, may be awarded to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity in any court having jurisdiction of such action. A judgment for costs when taxed against the Government shall, in an amount established by statute, court rule, or order, be limited to reimbursing in whole or in part the prevailing party for the costs incurred by him in the litigation.

"(b) In addition to the costs which may be awarded pursuant to subsection (a) and unless otherwise specifically prohibited, a court may award reasonable attorney fees to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity, and the United States shall be liable to the same extent that a private party would be liable under the common law or under the terms of any statute which specifically provides for such an award.

"(c)(1) Any judgment against the United States or any agency or official of the United States acting in his official capacity for costs pursuant to subsection (a) shall be paid as provided in sections 2414 and 2517 of this title and shall be in addition to the compensation, if any, awarded in the judgment.

"(2) Any judgment against the United States or any agency or official of the United States acting in his official capacity for fees and other expenses pursuant to subsection (b) shall be paid as provided in sections 2414 and 2517 of this title unless the basis for the award is a finding that the United States acted in bad faith, in which case the award shall be paid by the agency found to have acted in bad faith and shall be in addition to the compensation, if any, awarded in the judgment.

"(d)(1) In addition to the costs which may be awarded pursuant to subsection (a) and except as otherwise specifically provided by statute, a court shall award fees and other expenses to any party other than the United States which prevails in any civil action (other than cases sounding in tort) brought by or against the United States in any court having jurisdiction of that action, unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust. The court, in its discretion, may reduce the amount to be awarded pursuant to this subsection, or deny an award, to the extent that the prevailing party, during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. A party seeking an award of fees and other expenses shall within thirty days of final judgment in the action, submit to the court an application which provides evidence of such party's eligibility for the award and the amount sought, including an itemized statement from attorneys and experts stating the actual time expended in representing such party and the rate at which fees were computed.

"(2) For the purposes of this subsection—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case, and reasonable attorney fees. The amount of fees awarded under this subsection shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the United States; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means any individual whose

net worth is less than $1,000,000 at the time the civil action was filed, and any sole owner of an unincorporated business, or any partnership, corporation, association, or organization whose net worth was less than $5,000,000 at the time the civil action was filed, and

"(C) 'United States' includes any agency, and any official of the United States acting in his official capacity.

"(3) In awarding fees and other expenses under this subsection to a prevailing party in any action for judicial review of an agency adjudication conducted pursuant to section 554 of title 5, the court shall include in that award, the fees and other expenses for services performed during the administrative proceedings unless the court finds that during such proceedings the position of the United States was substantially justified, or that special circumstances make an award unjust.

"(4) Fees and other expenses awarded under this subsection shall be paid by the particular agency over which the party prevails from any sums appropriated to such agency, except that no sums may be appropriated to any such agency specifically for the purpose of paying fees and other expenses awarded under this section.

"(5) The Director of the Administrative Office of the United States Courts shall include in its annual report prepared pursuant to section 604 of this title, the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this subsection. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards.".

(b) The item relating to section 2412 in the table of sections for chapter 161 of title 28, United States Code, is amended to read as follows:

"2412. Costs and fees.".

(c) Effective three years after the date of enactment of this Act, subsection (d) of section 2412, as added by subsection (a) of this section, is repealed.

SEC. 5. (a) Subdivision (f) of rule 37 of the Federal Rules of Civil Procedure is repealed, except that the provisions of that subsection shall continue to apply through final disposition of any action commenced before the date of repeal.

(b) The table of rules of the Federal Rules of Civil Procedure is amended by deleting the item relating to subdivision (f) of rule 37.

(c) Section 1968 of title 42, United States Code, is amended by striking out "or in any civil action or proceeding by or on behalf of the United States of America, to enforce, or charging a violation of a provision of the United States Internal Revenue Code,".

SEC. 6. Nothing in section 2412(d) of title 28, United States Code, as added by section 4 (a) of this Act, alters, modifies, repeals, invalidates, or supersedes any other provision of State or Federal law which authorizes an award of such fees and other expenses to any party, other than the United States, who prevails in any civil action brought by or against the United States.

SEC. 7. This Act, and the amendments made by this Act, shall apply to any civil action which is pending on the date of enactment of this Act, or which is commenced on or after the date of enactment of this Act.

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours, to be equally divided between and controlled by the Senator from South Carolina (Mr. THURMOND), and the Senator from Arizona (Mr. DECONCINI), with 1 hour on any amendment in the first degree, with 30 minutes on any amendment in the second degree, and with 10 minutes on any debatable motion, appeal, or point of order.

Who yields time? What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I be permitted to suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES AUTHORIZATIONS, 1980

Mr. BAYH. Mr. President, I move that the Chair lay before the Senate a message from the House of Representatives on S. 975.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 975) entitled "An Act to authorize appropriations for fiscal year 1980 for intelligence activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Intelligence and Intelligence-Related Activities Authorization Act, Fiscal Year 1980".

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. (a) Funds are hereby authorized to be appropriated for fiscal year 1980 for the conduct of the intelligence and intelligence-related activities of the following departments, agencies, and other elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The Drug Enforcement Administration.

(b) The amounts authorized to be appropriated under this Act, and the authorized personnel ceilings as of September 30, 1980, for the conduct of the intelligence and intelligence-related activities of the agencies listed in subsection (a) are those listed in the classified Schedule of Authorizations prepared by the Permanent Select Committee on Intelligence of the House of Representatives to accompany this Act. The Schedule shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

(c) Nothing contained in this Act shall be deemed to constitute authority for the conduct of any activity which is prohibited by the Constitution or laws of the United States.

(d) Of the amounts authorized under subsection (a)(9), there is hereby authorized to be appropriated for fiscal year 1980, for the conduct of the activities of the Federal Bureau of Investigation to counter terrorism in the United States: $13,400,000.

TITLE II—INTELLIGENCE COMMUNITY STAFF

SEC. 201. (a) There is authorized to be appropriated for the Intelligence Community Staff for fiscal year 1980 the sum of $11,500,000.

(b)(1) The Intelligence Community Staff is authorized 245 full-time personnel as of September 30, 1980. Such personnel may be permanent employees of the Intelligence Community Staff or personnel detailed from other elements of the United States Government.

(2) During fiscal year 1980, personnel of the Intelligence Community Staff shall be selected so as to provide appropriate representation from elements of the United States Government engaged in intelligence and intelligence-related activities.

(3) During fiscal year 1980, any officer or employee of the United States or member of the Armed Forces who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(c) During fiscal year 1980, personnel of the Intelligence Community Staff shall be subject to the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a–403j) relating to personnel of the Central Intelligence Agency as if they are personnel of the Central Intelligence Agency.

SEC. 202. Effective October 1, 1979, section 201 of the Intelligence and Intelligence-Related Activities Authorization Act for Fiscal Year 1979 (Public Law 95-370; 92 Stat. 626) is amended—

(1) by striking out the third sentence of subsection (b); and

(2) by striking out subsection (c).

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 301. There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1980 the sum of $51,600,000.

TITLE IV—SUPPLEMENTAL AUTHORIZATION, FISCAL YEAR 1979

SEC. 401. In addition to the funds authorized to be appropriated under title 1 of the Intelligence and Intelligence-Related Activities Authorization Act for Fiscal Year 1979 (Public Law 95-370; 92 Stat. 626), funds are hereby authorized to be appropriated for fiscal year 1979 for the conduct of intelligence and intelligence-related activities of the United States Government in the amounts listed in the classified Schedule of Authorizations described in section 101(b).

TITLE V—TECHNICAL PROVISION

SEC. 501. Appropriations authorized by this Act for salary, pay, retirement, and other

benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such benefits authorized by law.

Amend the title so as to read: "An Act to authorize appropriations for fiscal year 1980 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1979 for the intelligence and intelligence-related activities of the United States Government, and for other purposes.".

Mr. BAYH. I move that the Senate disagree to the amendments of the House of Representatives and agree to the conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAYH, Mr. INOUYE, Mr. STEVENSON, Mr. JACKSON, Mr. LEAHY, Mr. NUNN, Mr. HART, Mr. GOLDWATER, Mr. WALLOP, Mr. MATHIAS, Mr. CHAFEE, and Mr. DURENBERGER conferees on the part of the Senate.

Mr. BAYH. I thank the Chair.

EQUAL ACCESS TO JUSTICE ACT

The Senate continued with the consideration of S. 265.

Mr. DECONCINI. Mr. President, I am pleased to raise for the Senate's consideration S. 265, the Equal Access to Justice Act. Under this bill, individuals and small businesses which prevail in agency adjudications or in civil actions brought by or against the United States will be able to recover their attorney fees unless the Government can show that its action was substantially justified. The fee award will come directly from the operating budget of the offending agency. The bill is subject to a 3-year sunset provision.

Mr. President, this bill bears testimony to the perseverance and diligence of my colleagues, Senators DOMENICI and NELSON, with whom I have been pleased to work over the past 2 years. In fact, I first became interested in this legislation in October of 1977 when my distinguished colleague from New Mexico offered the text of the predecessor to S. 265, as an amendment to the Legal Services Corporation Act.

I might add that the Senator from New Mexico was able to defeat a motion to table the amendment by a vote of 55 to 36, and his amendment was accepted by the floor managers. It has been a long road since October 1977, and I want to particularly commend my distinguished colleague from New Mexico for his commitment, his tireless efforts, and his reasoned approach to this bill. He has been most persuasive and articulative in its defense.

The Subcommittee on Improvements in Judicial Machinery which I chair has held several days of hearings, both last Congress and this spring. The bill has been revised and refined, and it now has been reported by the Judiciary Committee with the unanimous approval of its members. I believe the product of this long process is worthy of the strong endorsement of the Members of the Senate.

The concept of the bill is simple. Through the device of fee-shifting, the bill attempts to overcome the financial obstacles which prevent citizens from contesting or challenging the unreasonable exercise of Government authority. At the present time, citizens do not have viable remedies against the Government because it simply costs too much to resort to agency or court proceedings to vindicate their rights. It is often much easier, much cheaper, and much more practical to give in to the Government than to challenge its vast resources and legal expertise.

In this regard, I would like to note that the purpose of this bill is not only to compensate people who have been the victims of arbitrary Government actions. It is also intended to affirmatively encourage citizens to challenge actions which they believe to be unreasonable or irresponsible. It recognizes that those who choose to litigate an issue against the Government are not only representing their own vested interests. They are also refining public policy, correcting errors on the part of the Government, and helping to define the limits of Federal authority. In short, these people are serving public policy and a public purpose.

By encouraging citizen access to courts and administrative proceedings, I believe the bill will become an instrument for making the bureaucracy more accountable in the exercise of its powers and more responsive to its citizens needs. It will help insure that administrative decisions reflect informed deliberation. It will make agencies take a closer look at their rules, their procedures, and their personnel. It will also aid effective congressional oversight by providing an objective measure of whether or not an agency is engaging in excessive, unreasonable regulation.

Mr. President, as I mentioned in the beginning of my remarks, this bill represents the culmination of a lengthy process of evaluation, reevaluation, and compromise. For this reason, I think it is important to put the bill in that perspective. The original bill introduced by my distinguished colleague from New Mexico in the 95th Congress provided for a mandatory award of fees. However, when the subcommittee held a hearing on the bill, the Department of Justice expressed concern over the bill's potential cost and its potential chilling effect on legitimate Government enforcement efforts. The Department drafted an alternative proposal which would allow fees where the Government action was "arbitrary, frivolous, unreasonable or groundless."

The bill we have before us today represents a middle ground between the mandatory award and the Department's standard. The mandatory award was rejected as too broad. It might prevent the Government from vigorously fulfilling its proper constitutional enforcement obligations. However, the Department's standard was simply too narrow to overcome the strong disincentives to the exercise of legal rights. It was based, in fact, on language from the Christiansburg Garment case which was narrowly drawn to address the limited situation of prevailing defendants in civil rights actions. Under its standard a party must prevail and must produce facts proving that the Government action had no legal or factual basis and that it was completely without foundation. Clearly, awards under this standard would be very difficult to obtain.

For these reasons, we chose instead language which had precedent in rule 37 of the rules of civil procedure. This standard has the benefit of some definition in case law. More importantly, it places the burden on the Government to justify its actions in order to defeat an award. It is therefore strong enough to encourage people to vindicate their rights. At the same time, it protects the Government when its case, though not prevailing, has a reasonable basis in law and fact.

Mr. President, I believe the bill before the Senate today represents a balanced, reasoned approach which will be fair to the Government and to the citizens who choose to litigate against the Government. I also believe that the enactment of this legislation will have a direct salutary effect on Government regulation as well as on citizens' perception of their relationship with the Government.

I again want to thank my distinguished colleagues, Senators DOMENICI and NELSON, and to commend them for their efforts on behalf of this bill. I urge the Senate's support of this important legislation.

I must add that members of the Judiciary Committee have partaken with great effort and time in working on this bill. There has been a good give and take.

I want to thank the minority members who supported this bill from the very beginning, as well as the majority members.

I also want to pay particular thanks to the Senator from Montana (Mr. BAUCUS) for his interest in fee awards involving the Internal Revenue Service and for his willingness to cooperate in this effort, as well as the distinguished chairman of the Judiciary Committee who supported this legislation and without whose support we would not be here today to debate and hopefully pass it.

Mr. CULVER. Mr. President, I am pleased to lend my support today to the Equal Access to Justice Act. This is a most important piece of legislation which addresses a subject that has long been a special interest of mine.

Under present law, a private party must bear all costs of litigation involving the Government—even if the Government's position is arbitrary, frivolous, or groundless.

This is grossly unfair. Many individuals and small businesses simply cannot afford the cost of fighting improper or abusive Government action. As a result, they may be coerced into submission not because they were wrong—but because they could not afford to prove they were right.

This bill is much like the Regulatory Fairness Act (S. 3331) which I introduced in July of last year. It would place the expense of unwarranted litigation where it belongs—on the offending Government agency. Unless the agency can prove its position was reasonable, it would have to pay the attorneys fees and other litigation costs of the prevailing small business, association, or individual.

While there are some differences between my bill of last year and S. 265, I believe the current proposal represents a fair and workable compromise. It redresses the wrong of present law which places the financial burden of correcting or resisting Government abuse on the victim—the small businessman—rather than on the offending Government agency.

The passage of this bill would go a long way toward ending governmental excesses without interfering with legitimate regulatory activities. I urge my colleagues to adopt this measure without delay.

Mr. DECONCINI. I thank the Senator from Iowa for his concern and interest in this legislation, and the work he has put forward on it.

The PRESIDING OFFICER. Under the order previously entered, the Senator from South Carolina is to control the time on his side of the aisle.

Mr. DOLE. Mr. President, will the Senator from South Carolina yield control of the time to the Senator from Kansas?

Mr. THURMOND. Mr. President, I yield control of the time to the distinguished Senator from Kansas.

The PRESIDING OFFICER. Without objection, it is so ordered. The time will be controlled by the Senator from Kansas. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, first let me take about a minute, and then I will yield to the distinguished Senator from New Mexico who has been identified as sort of the pioneer in this effort and who has certainly done an outstanding job.

I also commend the subcommittee chairman, the distinguished Senator from Arizona (Mr. DECONCINI).

As a new member of the Judiciary Committee, it has been a privilege and of great interest to learn about the problems of that committee and how they are addressed, and how the problems relate to the American people.

Our Nation is governed by laws that establish rules, rights, obligations, and responsibilities, and to interpret those laws the citizens of our country turn to the courts. Unfortunately, the cost for pursuing a question based upon those laws is frequently prohibitive for the average American.

Ironically, it appears that American justice has become too costly for the average American budget. The cost of attorneys fees, the cost of putting together a case and seeing it through an administrative proceeding or the courts, the cost of paying expert witnesses and developing facts, can all come to much more than the cost of simply giving in. Consequently, the rights of many Americans are not being protected. Due to formidable court costs, our system is losing the ability to act as a balancing factor between individuals and the Government.

The Equal Access to Courts Act would serve to alleviate this irony by creating a presumption in favor of an award which the Government could negate by showing that its position was substantially justified.

FEDERAL REGULATION

Mr. President, the Federal regulatory effort includes thousands of Federal employees who are interpreting over 45,000 pages of regulation for the 82 regulatory agencies that exist in Washington. There are vast resources that enforce the arbitrary decisions of autocratic bureaucrats, but there are very few individuals or small businesses that can afford to fight back. As these rules and regulations continue to multiply, Americans grow more and more reluctant to contest regulations because of the astonishing cost of litigation. This bill seeks to create an atmosphere in which citizens are not intimidated by litigation cost. The enactment of this legislation will make it financially possible for the citizens of our Nation to question the governmental decisions. This is a remedy that is simple and fair. S. 265 will make the Government more accountable, more responsible in the exercise of its regulatory powers.

BUREAUCRATIC ARBITRARINESS

The Senator from Kansas is certain the enactment of this bill will cure the current epidemic of arbitrary and unfair Government regulation. If bureaucrats knew that more of their actions would be subjected to questions in court, I believe that the tendency of many bureaucrats to be careless, arbitrary, and irresponsible would cease. S. 265 provides the tools that are sorely needed by most Americans to fight back when unreasonable rules and regulations are wrongly enforced.

Mr. President, the citizens of this country should not be forced to succumb to misinterpretation of regulations. The current dilemma that most Americans face when an incorrect governmental edict threatens their lives is best summed up by saying, "If I win in court, I still lose because of the cost." A balance needs to be established between the rights of Americans and Government regulation. This bill offers that balance by alleviating the wide disparity that exists between the resources and expertise of American citizens and their Government.

I again commend the distinguished Senator from New Mexico.

Mr. President, I yield now 30 seconds to the distinguished Senator from Alaska (Mr. STEVENS).

Mr. STEVENS. Mr. President, I wish to express my strong support for S. 265, the Equal Access to Justice Act. This legislation will give the individual the wherewithall to protect himself against the unreasonable exercise of governmental authority. The bill authorizes the payment of fees and other expenses to the prevailing parties in administrative adjudications and civil actions brought by and against the United States in certain circumstances.

Mr. President, the American citizen is increasingly regulated by administrative law, rather than legislation. Many of those regulations have become a tangled bureaucratic mess which is almost impossible to alleviate. Very few private citizens can afford to get involved in a court case over Government regulations. The cost has been simply too prohibitive and, because of this, Americans have been forced to comply with administrative rules which should be challenged. Because these cases are not challenged, the Government can simply outwait the citizen.

This legislation attempts to better balance the power between citizen and Government. It provides for the award of legal fees to litigants except where the governmental actions were substantially justified. This does not prevent the Government from promulgating further regulations which are, in fact, in the best interests of society, but, it does provide the necessary balance to determine that those regulations are in the best interests of society.

This change in our law will allow a court to treat the U.S. Government the same way that it would treat the award of fees against private parties. The Court will be able, in its discretion, to award legal fees to the prevailing party in an action against the Government, just as it is now able to award such fees in cases involving private parties.

This legislation will have a twofold benefit. In the short run, it provides individuals with a remedy which they do not now have, thereby releasing them to make decisions as to the advisability of litigation based on the merits of the case rather than the costs and, in the long run, it becomes a way to curb outlandish regulations issued by Government authority.

This bill represents an experiment. We are not making irreversible decisions. S. 265 sets up a 3-year test program. At the end of 3 years, all information can be reviewed. I personally believe we will find such a program of tremendous benefit and I urge my colleagues to support this bill.

Mr. DOLE. Mr. President, I yield whatever time he may consume to the distinguished Senator from New Mexico.

Mr. DOMENICI. I thank my good friend from Kansas.

Mr. President, in 1916, Elihu Root, in an address as president of the American Bar Association, made a statement that can hardly be improved upon even with the hindsight of more than half a century:

> There is one special field of law development which has manifestly become inevitable. We are entering upon the creation of a body of administrative law quite different in its machinery, its remedies and its necessary safeguards from the old methods of regulation by specific statutes enforced by the courts. . . .
>
> . . . The necessities of our situation have already led to an extensive employment of the method.
>
> . . . Before these agencies the old doctrine prohibiting the delegation of legislative power has virtually retired from the field and given up the fight. There will be no withdrawal from these experiments. We shall go on; we shall expand them, whether we approve theoretically or not, because such agencies furnish protection to rights and obstacles to wrong doing which under our new social and industrial conditions cannot be practically accomplished by the old and simple procedure of legislatures and courts as in the last generation 41 A.B. A.R. 355, 368, 369 (1916).

At the same time, he uttered important words of caution:

> If we are to continue a government of limited power, these agencies of regulation must themselves be regulated. . . . The rights of the citizen against them must be made plain.

Today the volume of regulation of Federal agencies far exceeds the volume of the legislative output of Congress. For example, the accumulation of agency legislation by regulation in the Federal Register since 1934 fills three times more shelf space than the accumulation of congressional legislation since 1789.

The Comptroller General of the United States in a report issued on March 16, 1978, identified 120 Federal agencies with regulatory impact on the private sector.

Consequently, the average American is much more directly and more frequently affected by the administrative process than by the legislative or judicial process. The original tenet for administrative proceeding was the need of modern governments for the reasonable exercise of discretionary power and the public's demand for speedy, inexpensive, and procedurally simple adjudication.

As President Roosevelt stated in 1940:

> The administrative tribunal or agency has been evolved in order to handle controversies arising under particular statutes. It is characteristic of these tribunals that simple and non-technical hearings take the place of court trials and informal proceeding supersede rigid and formal pleadings and processes. A commonsense resort to usual and practical sources of information takes the place of archaic and technical application of rules of evidence and an informed and expert tribunal renders its decision with an eye that looks forward to results rather than backward to precedent and to the leading case.

However, this has not been the case. In 1955, the President's conference on administrative procedure was called to consider the problem of "unnecessary delay, expense and volume of records in some adjudicatory and rulemaking proceedings in the executive department and administrative agencies."

In 1971, a report on the President's advisory council on executive organization entitled, "Report in Selected Independent Regulatory Agencies," concluded:

> The judicial cast of agency review proceedings places too great an emphasis on legal perspectives to the detriment of economic, financial, technical and social perspectives. One result is a high level of legal skill among agency professionals and commissioners but generally insufficient capability in other disciplines. Over-judicialization encumbers the time and energies of commissioners and staff, causes undue case backlogs, imposes high costs upon litigants, prevents anticipatory action through rulemaking, deters informal settlements.

American administrative law has gone through three stages of development. The first focus was on constitutional underpinnings of the administrative process, with a good deal of emphasis on separation and delegation of powers. The next focus was on judicial review and the relationship between the agencies and the judicial branch of Government. The last major stage was the formalization of procedures for adjudication and rulemaking.

Now we have entered the age of pervasive Federal regulation and there are few elements of life, commercial or otherwise, where the Federal Government does not have some role to play. In fact, pollsters have indicated that the American people consider one of the major domestic problems to be the size and unresponsiveness of the Federal bureaucracy.

This legislation would mark the beginning of a new stage. It would mark the readjustment of the tension which exists between the citizen and the Federal agencies which govern their lives. The pendulum has swung too far to the side of the bureaucracy. Administrative agencies and administrative law are no longer in the development stage. As the concept of administrative law evolved it needed to be nurtured and encouraged. But that period has long since past. It is time to prune and cut back unproductive overgrowth.

This bill would also combat the growing tendency of escalating legal and related costs deterring Americans from enforcing and defending their legal rights against the Federal Government in its regulatory capacity.

The basic problem to overcome is the inability of many Americans to combat the vast resources of the Government in administrative adjudication. In the usual case, a party has to weigh the high cost of litigation or agency proceedings against the value of the rights to be asserted. Individuals and small businesses are, in far too many cases, forced to knuckle under to regulations even though they have a direct and substantial impact because they cannot afford the adjudication process. In many cases, the Government can proceed in expectation of outlasting its adversary. The purpose of the bill is to redress the balance between the Government acting in its discretionary capacity and the individual.

Today, the average American must be made to feel that he can question the exercise of the Government's discretionary power as to its reasonableness—without incurring large costs if he prevails.

Providing for award of legal fees to prevailing private litigants, except where the governmental action was substantially justified, will not deter the Government from pursuing meritorious governmental action. The purpose is to readjust the position between the Government acting in its regulatory capacity and individual rights. It is to insure against capricious and arbitrary Federal regulation.

There have been numerous documented cases of conflicting regulations in areas of overlapping jurisdiction of various agencies. Regulations have proliferated as agencies have expanded their jurisdiction, unchallenged, through regulatory fiat.

This bill will, as Elihu Root said, allow the agencies of regulation to be regulated by those affected by their regulation. Those who are affected by regulations will be given the incentive to challenge such regulations. Today, the prevailing attitude is, if I win in court, I still lose because of the cost." And when Americans give in, the arbitrary exercise of power by administrative agencies will continue to grow larger and stronger.

By requiring litigants who prevail to be entitled to fees will prevent spurious suits and insures the contesting of meritorious disputes with a fairer presentation of the issues.

Mr. President, I know that even though this bill has taken up a lot of my time and I started on it 3 years ago or more, the Senate does not want to have any lengthy delays today. But I want to go through a little background, and I thank my good friend for giving me some time to do that.

I guess I am most thankful that on that October 31, 1977, when the Senate considered my entire equal access bill as an amendment, Senator DECONCINI from Arizona happened to be on the floor and was on the subcommittee that had jurisdiction. We had never had anybody who wanted even to hear this bill and this concept. I am sure I was not the first to envision it as something needed. But nobody wanted to have any hearings.

The good Senator from Arizona was here when I said, "Well, since nobody wants to have a hearing, we will vote here in the Senate." I can recall that he said then and there that he was not going to table it, even though it was not germane and was out of order, and that we probably ought to have a hearing. He quickly said, "Something like this is needed and I am going to hold hearings in the Judiciary Committee."

We voted and sent a very loud and clear message, 55 to 37; the Senate, without any hearings on this concept, voted to attach it to a basic bill that would assure legal services to the poor people of America.

As I see it now, it was terribly relevant that, while we were providing for the poor in America, that day, here, in the Senate, we also woke up to the fact that the average American, the small businessman, the average citizen, is now besieged with regulatory bureaucracy, with arbitrary decisions, with small fines from the numerous agencies that are in charge of being sure that we are healthy and safe, and cannot afford to fight their own Government. That is true because, even if they win, they lose, because their attorneys' fees and accountants' costs are more than what they are going to lose to their Government; so they concede.

That group of Americans is entitled to fight against arbitrary and irrational and ever-growing agencies of Government so as to move that pendulum a little bit back toward the middle, toward rationality and reasonableness. That is what equal access to the courts means.

For 3 years, we are going to experiment in America with a brand new concept if the House will accept this bill.

That concept basically acknowledges that, with an ever-growing Government relying more and more on administrative decisions and rules and regulations, if an average citizen has to fight its Government or is fought by its Government and prevails, and the Government did not have any substantial reason for causing that citizen to litigate, then, for the first time in history, across the board, all small businessmen and average Americans are going to get reimbursed their attorneys fees, court costs, professional services, and fees.

We are not going to do this forever. It is sunsetted for 3 years, as my good friend from Kansas knows, because we really have no way of knowing just how big this endeavor by the average American is going to be. We have no idea how the courts are going to find in terms of the Government being arbitrary. We do not think it is going in any way to break the bank.

We also, in this bill, assess the cost to the agency that loses and is charged by the court. So they are going to know each year how many of their attorneys, their regulators, have been arbitrary and caused them to go after citizens who, in turn, beat the Government and get their attorneys' fees and court costs reimbursed.

So, for 3 years, we are going to experiment. We are going to see if citizens by the court. So they are going to know that if they win, they do not lose, can be the thrust for making the ever-growing administration and administrative bureaucracy of America make more sense. I think they will.

It has been a long, long time. I have appeared before six different committees and subcommittees and gone over to the House and testified. But, indeed, from my standpoint, I understand why the small businessmen of America, through their national organization, say this is the most vital piece of legislation pending before Congress now. I hope the House understands it to be that when we finish it here today, because there is no doubt in my mind that the Senate is going to approve it overwhelmingly.

THE EQUAL ACCESS TO JUSTICE ACT—ONE WAY TO CONTROL GOVERNMENTAL HIGH-HANDEDNESS

● Mr. GOLDWATER. Mr. President, it is my pleasure to be a cosponsor with Senator DOMENICI of his bill, S. 265, which may be one of the most important steps the Congress has taken in many years to help control arbitrary actions of the Federal bureaucracy.

Mr. President, the legislation has a self-descriptive title. What it will do, in a nutshell, is to allow private parties and businesses who prevail in civil litigation or administrative proceedings with the Federal Government to recover their full legal costs, including reasonable attorneys' fees.

Now, it might be asked why such a bill would be needed, since one would think that the law would already provide that the successful party in lawsuits or administrative actions against or by the Government could collect for all reasonable expenses of the case. This is no more than elementary justice.

But the present law is otherwise, and it turns out that Congress has enacted a statute, section 2412 of title 28, United States Code, which specifically denies private parties, in suits involving the Federal Government, from recovering their actual legal fees from the Government, even if the private party wins the case. A judge may award to the prevailing party a judgment for costs which includes court fees, printing and witness fees, and so forth, but Federal law expressly prohibits a court from awarding a judgment for the most expensive costs of all, the fees and expenses of attorneys.

As high as these attorneys' fees may be at the trial level, a private citizen who wins his case there against the Government and then is forced to defend his judgment in an appellate court after the Government appeals, cannot be reimbursed even when that person succeeds a second time upon appeal. We can take this a step further and notice that should the Government, with all its resources, chose to appeal a second negative decision up to the Supreme Court, then the private party must once again bear the entire burden out of his own pocket in order to pay the costs of counsel at this highest judicial level. Thus, a private individual or business could prevail three times in a case against the Government, and yet, never once could he recover the actual legal fees he has suffered to uphold his rights.

Mr. President, this glaring inequity of current law is an encouragement to governmental arbitrariness. What hope does a small citizen or business have to challenge all the resources of the mighty Federal Government when even if he wins the administrative or judicial decision, his legal fees virtually leave him in bankruptcy?

The bill before us today, S. 265, will correct this outdated loophole by treating the Federal Government in a lawsuit or administrative proceeding exactly the same as a private person.

Mr. President, this is the third time I have joined as a cosponsor of this proposal. The first was in early 1976, when former Senator Buckley introduced S. 2871, and then in 1977, I joined with my friend from New Mexico, Senator DOMENICI, when he introduced S. 1001, which is the predecessor to S. 265. I hope that now, after ample hearings and committee consideration of the legislation, the Senate and Congress will see fit to finally enact a necessary change that may well control flagrant abuses and governmental harassment of ordinary citizens and small businesses.●

Mr. DOMENICI. Mr. President, I have a list of original cosponsors who want to be made cosponsors of this final Senate bill 265. I ask unanimous consent that that be printed in the RECORD also and that their names be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF COSPONSORS

Nelson, DeConcini, Tower, Lubar, Goldwater, Johnston, Wallop, Melcher, Randolph, Thurmond, Schmitt, Moynihan, Boren, Stevens, Leahy, Stafford, Humphrey, Garn, Simpson, Helms, McClure, Boschwitz, Javits, and Hatch.

Mr. DOMENICI. Mr. President, I ask unanimous consent that George Romanos of my staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. With that, I want once again to thank the Committee on the Judiciary, in particular, my good friend (Mr. DECONCINI) and the ranking Republican (Mr. THURMOND). Knowing the problems and understanding its significance, he came to our rescue a number of times. I am glad he is here today to support this measure.

Mr. President, I yield the floor.

Mr. DECONCINI. Mr. President, I send to the desk the committee amendments and ask unanimous consent that they be considered en bloc. They are purely technical amendments.

I ask unanimous consent, Mr. President, that Burt Wides be granted the privilege of the floor during all debate and votes. He is a member of the Judiciary Committee staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Arizona ask unanimous consent that the amendments printed with the committee bill be considered en bloc?

Mr. DECONCINI. I so ask, and that they be adopted.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 479

(Purpose: To make certain technical amendments)

Mr. DECONCINI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 479.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 24, insert "repealed," immediately before "except that".

On page 11, line 2, strike out the comma immediately after "filed" and insert in lieu thereof a semicolon.

On page 12, line 17, strike out the period and insert in lieu thereof a comma and the following: "except that the provisions of that subsection shall continue to apply through final disposition of any action commenced before the date of repeal".

On page 12, strike out lines 19 through 22, and insert in lieu thereof "Rules of Civil Procedure is repealed.".

Mr. DECONCINI. Mr. President, these are technical amendments. They correct certain errors in the printed bill.

Mr. DOLE. I have no objection.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. DOLE. I yield back my time.

Mr. DECONCINI. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment (UP No. 479) was agreed to.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the Senator from Utah (Mr. HATCH) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, due to the absence of the Senator from Kentucky (Mr. FORD) who has to be in his State with the President today, I ask unanimous consent that his remarks appear appropriately in the RECORD regarding this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The remarks are as follows:

STATEMENT OF SENATOR FORD ON S. 265

I will be very brief. I would like to express my support for S. 265 as reported by the Senate Judiciary Committee.

I believe that it is extremely important to assure maximum protection to small businesses from unnecessary regulatory action by the Government. If the agencies choose their cases carefully they will be completely unaffected by this legislation. The only time that this legislation would be applicable is if the Government is unable to show that a case that it brought is "substantially justified." The Senate Judiciary Committee report makes some very important points in regard to this matter. The Senate Judiciary Committee report states: "The test of whether or not a Government action is substantially justified is essentially one of reasonableness. Where the Government can show that its case has a reasonable basis both in law and fact, no award will be made. However, where the Government's position is not reasonably based in the law or in fact, fees will be awarded."

The Senate Judiciary Committee report emphasizes and I believe that this is an extremely important point that, the standard, however, should not be read to raise a presumption that the Government was unreasonable simply because it lost the case. Nor, in fact, does the standard require the Government to establish its decision to litigate based on substantial probability of prevailing. Furthermore, the Government should not be held liable where, special circumstances would make an award unjust.

This safety valve helps to insure that the Government is not deterred from advancing in good faith the kinds of novel but credible extensions and interpretations in the law that often accompany vigorous enforcement efforts. Also, it gives the court discretion to deny awards where equitable considerations dictated in an award should not be made.

However, this legislation would stop the Federal Government from browbeating small business merely due to the fact that the case itself might cost substantial sums to litigate. If the small businessman believes that the Federal Government's case is not justified, he could litigate his claim knowing that there was a possibility of legal fees being awarded in his favor at the end of the case.

UP AMENDMENT NO. 480

(Purpose: To exclude agricultural cooperatives, as defined in the Agricultural Marketing Act (42 U.S.C. 1141j(a)) from the net worth test in sections 3 and 4 of the bill)

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk on behalf of myself and Senator GOLDWATER and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) for himself and Mr. GOLDWATER, proposes an unprinted amendment numbered 480.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 2, strike out "and" and insert in lieu thereof the following: "except that a cooperative association as defined in the Agricultural Marketing Act (42 U.S.C. 1141j(a)) may be a party regardless of the amount of its net worth; and".

On page 11, line 2, strike "and" and insert in lieu thereof the following: "except that a cooperative association as defined in the Agricultural Marketing Act (42 U.S.C. 1141j(a)) may be a party regardless of the amount of its net worth; and".

Mr. HAYAKAWA. Mr. President, on behalf of the agriculture cooperatives in California and elsewhere throughout the United States, my amendment would allow agriculture cooperatives to qualify for reimbursements under this act without regard to net worth.

Mr. President, this amendment is to S. 265, the Equal Access to Justice Act. I support this legislation, which provides that when a small business or individual citizen prevails in litigation with the Federal Government, that the individual would be reimbursed for attorney fees and costs, if the Government could not justify its position.

My amendment addresses a section of this bill that limits the applicability for reimbursement of fees to individuals whose net worth exceeds $1 million, or to corporations and other organizations whose net worth exceeds $5 million. My amendment would allow agriculture cooperatives whose net worth may exceed $5 million to qualify for reimbursements under this act without regard to net worth. The reason is as follows:

While this definition of corporations or organizations appears to work effectively for most groups, it fails to take into consideration the basic characteristic of agricultural cooperatives. Agricultural cooperatives generally operate at cost with respect to their dealings with members/patrons. These members are growers who are not simply investors or stockholders but are participants in the business. All benefits and risks assumed by the cooperative are shared equitably by each of the grower-members. The net worth of the cooperative as an entity is not significant for the purpose of the definition. This amendment would remove the net worth test for agricultural cooperatives which meet the definition of the Agricultural Marketing Act. In substance, compliance with the tests would insure that only legitimate self-help agricultural associations formed by the farmers would be entitled to this treatment under the bill.

I hope that my colleagues will support this amendment. As the Senator from California I represent many agricultural cooperatives in my State. They deal with avocadoes, almonds, walnuts, citrus fruit, tomatoes, and other crops. Such an exemption from the definition of corporate net worth has merit and I urge my colleagues to support this language.

Mr. THURMOND. Mr. President, I support the amendment offered by my distinguished colleague from California and suggest that the floor managers of S. 265 accept this change in the bill. Senator HAYAKAWA's amendment simply provides that an agricultural cooperative, as defined in the Agricultural Marketing Act, shall be regarded as a "party" under the provisions of S. 265 regardless of the amount of its net worth. Currently, this legislation is applicable only to individuals having a net worth less than or equal to $1,000,000 and to partnerships, corporations, associations, or organizations having a net worth less than or equal to $5,000,000.

Mr. President, agricultural cooperatives are often involved in administrative proceedings or in litigation with any one of several agencies, such as the Federal Drug Administration, the Environmental Protection Agency, the Occupational Safety and Health Administration, or the Federal Trade Commission. These proceedings are usually brought against the members collectively in the name of the particular cooperative to which they belong; and, as a group, they would undoubtedly exceed the $5,000,000 net worth limitation for associations or organizations. The cost of such proceedings is borne, however, not by the cooperative as a separate entity but by the individual members. Furthermore, the great majority of these farmers would qualify under the bill's current $1,000,000 net worth limitation for individuals. I feel it would be unfair to deny the benefits of S. 265 to these grower-members who would qualify individually simply because they are engaging in administrative proceedings or in litigation in the name of the cooperative itself.

I, therefore, am in favor of the amendment offered by Senator HAYAKAWA and urge my colleagues to support it as well.

Mr. President, I ask unanimous consent that Senator WARNER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that I be added as a cosponsor on the amendment.

Mr. HAYAKAWA. I am honored to have the Senator added.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. GOLDWATER. Mr. President, I am pleased to be a cosponsor of the amendment offered by my friend from California, Senator HAYAKAWA, to exempt agricultural co-ops from the net worth ceiling of the bill.

The reason for making an exception in the case of these co-ops is that they generally operate on a nonprofit basis. They simply do not accumulate a lot of capital which can be used for defending themselves in lawsuits, like a corporation can do.

As a general rule, at least 95 percent of revenues received by agricultural co-ops go back to the farmers or growers, who are members. These individual growers are in a different situation from the stockholders of a for-profit business.

Farmers are not passive investors. Fully 100 percent of all legal costs of the co-op comes directly out of the pocket of growers. The co-op must assess its individual members to pay the bill of any legal actions necessary to defend their rights against Government abuse.

Mr. President, cooperatives have done business for over 75 years under the encouragement of Federal laws. These agricultural cooperatives have been leaders in the development of efficient farm export programs. They provide efficiencies of scale to small farmers which enable groups of farmers to effectively compete in world markets.

No single farmer, or small group of farmers could possibly compete as well by themselves. How could they provide the marketing capabilities, the consistency of supply, that is demanded in order to sell in the larger markets at home or abroad? Co-ops have helped to make American agriculture the success that it is and to enable family farmers to join together in this success. I urge that my colleagues accept this amendment which gives recognition to the unique characteristics of agricultural cooperatives and is in the best interests of the American consumer, as well as the agricultural community.●

Mr. DECONCINI. Mr. President, the subcommittee looked carefully at this amendment of the Senator from California. We support the amendment.

We held hearings and took some testimony regarding this subject matter. The grower-members of cooperatives are not mere investors as stockholders are in a corporation. The individual grower-members will eventually absorb the costs of litigation.

We believe the amendment is appropriate from the majority side. We will accept the amendment without objection.

Mr. President, I yield back my time on the amendment.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent to be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back on the amendment, the question is on agreeing to the amendment of the Senator from California.

The amendment (UP No. 480) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 481

Purpose: To amend the effective date provision to provide for a six month delay on the applicability to cases arising under the internal revenue laws of the United States.

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. BAUCUS) proposes an unprinted amendment numbered 481.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, strike out lines 16 through 19, and insert in lieu thereof the following:

SEC. 7. (a) Except as provided in subsection (b), this Act, and the amendments made by this Act, shall apply to any adjudication or civil action which is pending on the date of enactment of this Act, or which is commenced on or after the date of enactment of this Act.

(b) This Act, and the amendments made by this Act, shall apply to any civil action arising under the internal revenue laws of the United States which is pending on the date which is six months after the date of enactment of this Act or which is commenced on or after such date.

Mr. BAUCUS. Mr. President, the amendment I am offering to S. 265 is a very straightforward one. The amendment simply delays the effective date of the bill with respect to civil tax actions. The provisions of the legislation would take effect 6 months after the general effective date. The amendment only applies to civil tax cases.

As chairman of the Finance Committee Subcommittee on Oversight of the Internal Revenue Service, I am particularly concerned with the issue of the award of cost of attorney fees in civil tax court proceedings involving the IRS and the Department of Justice. As the distinguished subcommittee chairman from Arizona knows, I have taken a particularly active interest in this area. On June 27 of 1979 I introduced S. 1444, which would amend the Internal Revenue Code of 1954 and title 28 of the United States Code to provide for the award of reasonable court costs, including attorney fees, to prevailing parties in civil tax actions. That bill, known as the Taxpayer Protection and Reimbursement Act, was the subject of a day of hearings earlier this month. The distinguished Senator from Arizona is a cosponsor of that legislation, along with the chairman of the Finance Committee, the chairman of the Judiciary Committee, the ranking minority member of the Finance Committee, Senator BENTSEN, Senator DOMENICI, Senator NELSON, and Senator BRADLEY. There is great support in the Senate for the general concept of that bill and I fully expect the Finance Committee to act on that legislation expeditiously.

The support for that legislation is in large part based upon the fact that there are special problems that need to be taken into consideration when designing an attorneys fees bill with respect to the Internal Revenue Service. And as chairman of the Finance Subcommittee on the oversight of the IRS, I believe it is my responsibility to make sure that legislation of this nature is drafted to take into consideration the special problems of that agency.

Therefore, I am offering this simple amendment to give the Finance Committee some additional time to consider S. 1444 and to have this body on record as recognizing the special problems of the Internal Revenue Service in the attorneys fees area.

Of course, if S. 1444 does not become law after the enactment of S. 265 then the general provisions of S. 265 will take effect. However, I do fully expect that S. 1444 will be affirmatively considered by the Senate Finance Committee and the Senate and Congress as a whole.

It is also my understanding that if S. 265 is enacted, that the provisions of S. 1444 will supersede the provisions of S. 265 inasmuch as S. 265 states that all specific attorneys fees provisions will supersede the general provisions contained in this bill. I want to get the assurance of the subcommittee chairman that the provisions of S. 1444 would supersede S. 265. Is that correct?

Mr. DECONCINI. Yes.

Mr. BAUCUS. It is my understanding that the distinguished subcommittee chairman will accept this amendment. I want to thank him ahead of time for his accommodation. I want to commend the Senator from Arizona for his leadership in this important area and his willingness to specifically accommodate the concerns of those agencies that present the Senate with special problems in the attorneys fees area. I thank the Senator for his willingness to work out this matter and as always his fairness and openness.

Mr. DECONCINI. Mr. President, we have worked with the Senator from Montana, and he is correct that when S. 1444 is enacted it will supersede the general provisions of S. 265.

I thank the Senator from Montana for holding some hearings on S. 1444 and permitting this Senator from Arizona to testify.

I happen to be a cosponsor of that legislation and feel it is extremely important to refine the threshold problem of when fees should be awarded in IRS cases.

The Senator from Montana's efforts in this behalf will not go unnoticed, I am sure, either by this body, or, certainly, not by the Judiciary Committee.

I am prepared to accept the amendment from the Senator from Montana.

Mr. DOLE. Mr. President, as a cosponsor of S. 1444, I share the same views just expressed by the distinguished junior Senator from Arizona.

I might add as an aside, I hope that maybe the combination will be more successful than that of the senior Senator from Arizona (Mr. GOLDWATER) who initiated this a number of years ago, and I joined the senior Senator from Arizona (Mr. GOLDWATER).

I think it is a good amendment. We have no objection to the amendment. In fact, we are happy to accept it on this side.

Mr. BAUCUS. Mr. President, I thank the manager and the ranking minority

member for their acceptance of this amendment.

Both Senators have been most gracious and helpful. I wish to extend my appreciation to both Senators for their cooperation.

Mr. President, I yield back the remainder of my time.

Mr. DECONCINI. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (UP No. 481) was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I would like to express my strong support for S. 265, the Equal Access to Justice Act, of which I am a cosponsor. This legislation makes a relatively small but excellent beginning toward correcting what I believe to be one of the most serious problems of our governmental system today—that of excessive regulation of both individual citizens and businesses. Mr. President, the Federal Government for years has been steadily increasing its control in almost every facet of American life. Federal law has, therefore, become exceedingly complex and confusing, particularly to private citizens and small businesses who may not have the funds to hire an attorney to interpret it. Too often, because of the excessive costs involved, individuals and businesses capitulate to the Federal Government's unjust enforcement of a particular statute or regulation rather than litigate against an entity of greater financial resources and legal expertise in the area.

S. 265 would serve two basic purposes. The first is to assure that certain individuals and organizations are not deterred from seeking review of, or defending against, unreasonable governmental action because of the expense involved. S. 265 seeks to remove economic deterrents by providing that the prevailing party in agency adjudications or court actions will be able to recover attorneys' fees and other costs unless the Government action was substantially justified or special circumstances make such an award unjust. The burden is on the Government to prove the substantial justification of its position. The award of attorneys' fees, if no such justification is found, will be taken directly from the operating budget of the offending agency.

The second purpose of S. 265 is to encourage the agency to be as careful as possible in the exercise of its regulatory powers and to be more responsive to citizen needs. The implicit assumption in the approach taken by this legislation is that affecting the "pocketbook" of the agency is the most direct way to assure more responsible bureaucratic behavior.

Finally, Mr. President, I would like to point out that S. 265 only covers those individuals and businesses of more limited financial means. Its provisions extend to individuals whose net worth is less than $1,000,000 and to businesses and other organizations with a net worth less than $5,000,000.

I believe this bill is a good one and is necessary to stem the tide of increasing governmental overregulation. I hope that my colleagues will join in voting for S. 265.

Mr. DECONCINI. Mr. President, I wish to pay special thanks at this time to the Senator from South Carolina. Since I have been in the Senate, and it is not very long, I have had associations with him, especially on the Judiciary Committee, and he is always available for counsel and assistance. Although we do not always vote in the same way, in this particular legislation, without his able support and assistance, we would not be on the floor today.

The same applies to Senator DOLE, who joined the Judiciary Committee this year. It has been an extreme pleasure to work with him.

Also, I wish to pay particular thanks to some staff members of the committee—Pam Eldred, counsel to the subcommittee and Romano Romani, the staff director of the subcommittee—who have worked literally months trying to put this bill together, to compromise with the Justice Department and various sectors of business and consumer groups who have testified before the committee, in an effort to be fair and equitable to all sides in this legislation.

Mr. President, I know of no other amendments.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield.

Mr. THURMOND. I thank the able Senator for his kind words. It has been a great pleasure to work with Senator DECONCINI on the Judiciary Committee. I commend him for the masterful manner in which he has handled this as well as other important pieces of legislation coming from that committee.

Mr. DECONCINI. Mr. President, I yield to the Senator from Idaho.

Mr. MCCLURE. I thank the Senator for yielding.

Mr. President, the concept of equal access to justice is so fundamental to our society that it is difficult to understand why a bill such as the one we are presently considering was not enacted into law years ago. I am pleased to support it; I congratulate the Senate Judiciary Committee for unanimously reporting it to the floor, and I commend the Senators who have sponsored it for their thoughtful recognition of and response to the genuine need to put every American on the same footing as the Federal Government in terms of their ability to afford to seek redress of their claims agains the Government in courts of law or administrative proceedings. I am pleased to be among them.

In 1969, when I was serving as a Member of the U.S. House of Representatives, I became interested in this problem and introduced legislation in the House comparable to the bill now on the Senate floor. In 1969, the general concern with an overly oppressive Government was perhaps more isolated than it is today. But the direction in which we were heading in 1969 has continued to a point where the American people are so frustrated with their Government's intrusion into every aspect of their lives we in Congress, whose responsibility it is to set the policy of this Government, must respond. I am sorry we have had to reach this point in our history when so many Americans view the Government as their enemy. But having reached this point, we can now set about taking action to reverse that trend. This measure is one step toward doing just that. It is necessary to combat the tendency of escalating legal costs to deter Americans from enforcing and defending their legal rights against the U.S. Government.

There is no question that the Federal Government today possesses an institutional power comparable to no other in our society. It spends more than $370 billion annually, which constitutes more than one-quarter of the Nation's total annual expenditures. The Federal Government employs millions of persons, including thousands of lawyers assigned to enforce and defend the often lengthy arbitrary regulations and rulings of hundreds of Federal departments and agencies.

The annotated laws of the United States take up dozens of thick volumes. Furthermore, the Federal Government's departments, agencies, and bureaus propound regulations which are counted in the hundreds of thousands, mandating such disparate requirements as product safety standards, affirmative action programs, sewage plant specifications, marketing practices, and so forth. These thousands of regulations are too often subject to arbitrary interpretation and application by Federal functionaries who are now vested with very broad discretionary powers.

As a result, there are few elements of life, commercial or otherwise, where the Federal Government does not—at least potentially—have some role to play, a role which often leads the regulator to take the regulated to court on issues whose merits are highly questionable.

Consurrent with the growth of Government, there has grown up a feeling of helplessness among a large portion of the population. People do not know how to cope with an institution the size and complexity of which is so great that, literally, no one can come to terms with it. Whether one is involved with a question regarding social security entitlement or a highly technical income tax regulation, or complex antitrust practices, or welfare regulations, or the withholding of categorical grant formula funds, or Government contract disputes many of which have nothing to do with the commercial terms of the contract—there is literally almost no limit to how, where, and why a private party, State or local government, a labor organization ,or a business corporation might find

itself confronted with the realization that the only practical way to protect one's rights under the law is to go to court.

The consequences of such a dilemma are that in the usual case, an aggrieved party has to weigh the high cost of litigation against the value of the rights to be protected. In far too many cases, a party will knuckle under to a Federal order he knows to be wrong because he cannot afford the cost of taking the matter to court. In the case of a private citizen it is only the most wealthy who could even begin to contemplate the possible costs.

State and local government, and therefore taxpayers, normally operate on tight budgets, as do labor organizations and business corporations. However, the Federal Government is not under similar constraints. Normally, the agency or bureau is funded to bring suits, to enforce the laws, to implement social policies. The imbalance is clear.

The problem is not just the fact that a taxpayer is required by law to support through his taxes the legal expenses of the adversary which wrongs him, and that the law therefore requires him to bear the financial burden of both sides of the litigation or criminal prosecution.

This problem is exacerbated by the fact that the income and assets of the private litigant or defendant are generally limited, and therefore can be subject to a war of attrition on the part of a determined Federal bureaucracy. Justice for the citizen requires that the cost of securing justice not outweigh the value of the right asserted by the citizen against the Government. It is important, also, that the expense of correcting error on the part of the Government—a task which could have wide-ranging beneficial implications for other Americans—not rest wholly on the party whose willingness to go to court has helped define the limits of Federal authority.

It can scarcely be any surprise that, when a government is capable of expanding its powers by exercising each novel imposition on the person or property of a citizen financially incapable of pursuing his legal rights in a court of law, the power of that government is going to continue to expand, irrespective of the niceties of legal or constitutional theory.

Because of the cost of court litigation, many issues of great importance—of importance in defining the relative rights of government and the governed in a free society—are never tested. Surely, if society has a sufficient interest in an issue to channel thousands of dollars into the Government's case, it has an equal interest in insuring that the lawsuit is decided pursuant to a fair presentation of the issues to the court.

Like air, government will expand to fill its container. Under our constitutional system, which has been evolving over a period of more than 200 years the parameters of this container are outlined by the litigation in the Federal court system. To the extent that the Federal court system is allowed to become a captive of the branch which it is counted on to limit, then we cannot reasonably expect that expansion will be halted.

Since the beginning of my involvement in the area of legal costs, I have received letters from people all over the country complaining of long and discouraging disputes with the Federal Government which eventually consumed more time and energy than the stake justified—each telling how the Government has been able to prevail—not on the merits—but through its ability to outspend or outlast its victim.

I do not need to recount the many instances of protracted litigation involving the Federal Government I have heard of personally. We all have stories about the length of time some cases have been in court.

One case in my own State which does come to mind involves the State and numerous private parties who have been involved in a complicated legal battle which has continued for over 3 years involving title to a State park. The State is obligated to continue the costly legal battle, but many of the private citizens are beginning to throw in the towel because of the financial burden.

In every case, Government has been able to overrule legitimate rights or interests because of its ability to prolong litigation which under ordinary circumstances would either have been dropped as without merit or allowed to come to an early conclusion.

As it now stands, Federal bureaucracies have, in effect, the power to money whip too many individuals, firms, and municipalities into submission, even when those agencies are in the wrong. The balance can be redressed to a degree if a person knows that if he is proven right, he will be reimbursed the full cost of litigation.

It was for the purpose of ending the injustice of requiring successful parties in such actions to bear their legal expenses without reimbursement that I introduced the Equal Access to Courts Act in 1969. I have continued to sponsor or cosponsor similar proposals in every Congress since that time. The principle behind these bills in now embodied in the Equal Access to Justice Act.

Since the beginning of history the story of government has been one of encroaching limitation on the freedom of man. Our Constitution was born of a unique idea—that Government holds only those powers which the people have given it. And concomitant with that is the idea that when the Government's exercise of power goes beyond what the people will bear, they shall, under our system, reclaim lost freedom in an orderly, legal manner.

I believe the American people are saying to us "the Federal Government is taking more than we have given." By passage of this measure Congress can let people know we hear what they are saying. This measure makes a valuable contribution toward securing justice for our citizens in their dealings with the Federal Government. I encourage my colleagues to support it.

Thank you, Mr. President.

Mr. DECONCINI. Mr. President, I thank the Senator from Idaho for his support of the bill.

Mr. President, one staff member that I failed to mention was Mr. George Ramonas of Senator DOMENICI's staff who has aided in this bill from its very inception, and I want the RECORD to show that the Senator from Arizona and his staff is most indebted to his effort.

Mr. President, I know of no other amendment to be proposed.

● Mr. HELMS. Mr. President, I am pleased to be a cosponsor of the Equal Access to Justice Act, S. 265. The rapid growth in Government regulations and Federal laws in recent years makes enactment of this legislation imperative. Taxpayers should not have to bear the costs of vindicating their rights against unreasonable Government action.

I am particularly gratified that this bill basically incorporates a key provision of the Taxpayers Bill of Rights Act which I introduced on April 10, 1979. My bill would provide for the award of reasonable attorney fees if a taxpayer wins his case against the IRS. This is an important consideration, because today, a taxpayer who believes he is in the right may just give up the fight rather than incur the legal costs of litigating. Under the legislation we are considering today, fees will be awarded unless the Government can show that its action was substantially justified or that special circumstances make an award unjust. It is important to note that this bill does not exempt cases arising under the internal revenue laws of the United States from its provisions.

We all recognize that enactment of this legislation will bring about a significant change in the general American rule that each party to a dispute must bear his own costs. Nevertheless, this proposal has been given full and serious consideration and Senate approval is both important and timely. The imbalance between the Government and the American people must be redressed. The Equal Access to Justice Act is a long overdue bill that will help to redress this imbalance.●

● Mr. NELSON. Mr. President, I am pleased to again cosponsor this legislation with Senator DOMENICI and to have Senator DECONCINI join us. This measure, like S. 2354, the Equal Access to Courts Act in the last Congress, will be of significant assistance to the Nation's small business community. It provides relief for individuals who are virtually powerless when confronted by the massive resources of the Federal Government. Federal actions are frequently unchallenged because, in many cases, individuals and small businesses do not have the financial resources to challenge administrative action in court. Frequently economic injury is simply imposed on small businesses through the regulatory process because the cost of challenging the Government exceeds the benefits that would be received even if the challenge were successful.

Testimony received at several different sets of hearings and the committee report itself indicate that there is strong evidence that small businesses are the target of agency action precisely because they do not have the resources to fully litigate the issue. The Government, on the other hand, has the luxury of time in promulgating rules, and vast legal and technical resources at its disposal to enforce its decisions.

There is a denial of "equal access to justice" when victims of the arbitrary, unreasonable, or unlawful exercise of power by the Federal Government do not have the resources to challenge the Government, even when the Government is wrong.

This legislation provides a simple and fair remedy. In a civil case, when an individual or small business successfully challenges an order, rule, or regulation on the merits, the Government may be required to reimburse the "victim" for attorney's fees and courts costs from the agency's operating budget.

This approach has two salutary effects. First, it redresses an injustice to the victim which was caused by the Government itself. Second, it will have a chilling effect on presently unrestrained regulators who have a tendency to be careless, insensitive, arbitrary, or irresponsible. By allowing an award of reasonable fees and expenses against the Government when an action is not substantially justified, this bill provides a remedy that does not now exist. Furthermore, it would have the far-reaching effect of putting individuals and small businesses in a position where they can realistically and effectively challenge arbitrary demands of Government by giving them the tools and resources to fight back. Presently, small businesses are often forced to capitulate because it costs too much to fight. Providing an award of fees to a prevailing party represents one way to improve access to courts and administrative proceeding.

The burden of government regulations on business, particularly small business, continues to be of major concern to me, the Senate Small Business Committee and the administration. In an interview published in the October 1976 National Small Business Association newsletters, candidate Carter gave a brief but compelling description of the burden of regulation on small business:

> Because of their lack of ability and resources to defend themselves, small businesses are favorite targets for the 82 regulatory agencies in Washington who last year put out some 45,000 pages of regulations. This underscores the burden forced upon small business by Washington, and makes it difficult for the small businessman and woman to compete with big business who can afford the best in fulltime CPA's, attorneys and lobbyists.
>
> As a former businessman, I pledge to allow the small business man and woman to get back to running their business by completely reforming our Federal regulatory agencies, their reporting requirements and tax laws to get the Government off his back.

The administration has undertaken numerous efforts to reduce the complexity and volume of regulations, including the President's Executive Order 12044 mandating regulations to be written in plain English and that agency heads personally review the regulations before they are promulgated. Many obsolete and "nit-picking" regulations have been eliminated, particularly in OSHA. But certainly a vast amount more can be done.

There are several other proposals before Congress that would also provide needed relief. For example, Senator CULVER and I have reintroduced the "Regulatory Flexibility Act" (S. 299). Similar legislation (S. 1974) passed the Senate last year. That bill would, for the first time, authorize agencies to develop two-tiered or multitiered regulations to simplify the reporting and compliance requirements for small enterprises. I should note that the House Small Business Committee has reported a similar proposal to the one I introduced.

But these, as important as they are, do not, and cannot address one of the most important dangers of Government regulation—the inability of small businesses and individuals who are hit by an unjust fine or regulation to devote the time or accumulate or direct resources needed to wage an effective fight against the vast powers and resources of the Federal bureaucracy.

Many small business persons have advised us over the years that it is simply impossible for them to fight the bureaucracy, even when the bureaucracy is wrong. The cost of attorney's fees, the cost of putting together a case and seeing it through an administrative proceeding or the courts, the cost of paying expert witnesses and developing facts, can all come to much more than the cost of simply giving in to the will of the bureaucracy. Either way—give in or fight—the individual or small business loses, and it often makes more economic sense to "switch" than fight.

Justice simply will not be done when one side cannot afford to fight.

The Equal Access to Justice Act would help balance the scales of justice; it would help protect an innocent party from economic damage, or possibly economic ruin, when the Government has made a mistake, exceeded its authority or misconstrued the law.

As chairman of the Senate Small Business Committee, I have long been aware of the deep frustrations and resentment of small businesses around the country against excessive regulation by Washington bureaucrats. Most small businessowners and most individuals recognize the legitimate need for Government regulation in such areas as product or workplace safety. But many have found that even necessary regulations can be excessive and counterproductive. More often, regulations tend to be trivial, serve little purpose, and are too often enforced in an arrogant and arbitrary manner.

The horror stories of Government regulation are legion. Thousands of examples can be drawn from all across the country. For example, one careless bureaucrat at the Consumer Product Safety Commission caused 75 Wisconsinites to lose their jobs. The CPSC certainly did not suffer as a result of that erroneous decision.

In cases such as this, if the individual or business prevails over the Government, and the Government's action is wrong, there is no reason why the Government should not have to pay the attorney's fees and court costs of those who were injured, especially since the taxpayer is already paying the bill for the agency which caused all the trouble.

The argument has been made that this legislation could have an adverse effect on the enforcement efforts of the Federal agencies, deterring them for pursuing those cases which do involve violations of the regulations. In my view, this concern is unfounded.

The legislation is clear that fees will be awarded unless the Government can show that its action was substantially justified or that special circumstances make an award unjust. We are making it clear that the possible assessment of attorney's fees against the agency is part of the cost of doing Government business, and a worthwhile investment of funds to resolve an important policy question.

However, in those situations where the Government agency goes ahead without a strong case against a business; or where it is proceeding carelessly; or where it now imposes a fine, secure in the knowledge that its action will not be challenged because of the cost involved, I would be very happy if the enactment of this legislation caused some chilling effect on Government regulatory efforts. It is vital that we hold the Government to a strict standard of care in its enforcement efforts, deterring those abuses which can be prevented, and providing a mechanism for compensating individuals and businesses for those governmental mistakes which cannot.

The Equal Access to Justice Act will do just that.

Mr. President, while I fully support the bill, I am concerned that the automatic 3-year sunset provision may have an inhibiting effect on the merits of the legislation. A review of the legislative history of this bill makes it clear that the executive branch is less than enthusiastic in its support. I would prefer to see the changes made permanently, with the burden put on the Justice Department or other agencies to demonstrate why changes are necessary to this legislation.

Finally, Mr. President, I believe the Senate should again provide for the awarding of attorney's fees for small business in Tax Court cases. While this bill will provide for the fees to be paid in tax-related matters being heard in the U.S. district courts, it is not available in cases in the Tax Court. I have joined Senator BAUCUS and others in cosponsoring S. 1444, a bill to amend the Internal Revenue Code to provide for the award of reasonable attorney fees. That legislation should similarly be given rapid consideration by the Congress.●

● Mr. BAYH. Mr. President, I rise in support of S. 265, the Equal Access to Justice Act, a bill which would award attorney's fees to individuals and small businessmen who prevail in court or in an administrative proceeding when the Federal Government is unable to show that its case was reasonable. Legislation of this sort has been before this body in

one form or another for several years, and I would like to commend my friend, the Senator from New Mexico, for his perseverance in the long process of compromise and refinement which has produced the measure before us today.

The need for legislation of this kind is clear. I hear frequently from my constituents in Indiana about actions brought against them by a Government agency which are in their view either unreasonable or unfair, but they find that the cost of paying an attorney to defend against a charge or appeal a ruling far outweighs the burden of paying the fine levied. Thus, we have a situation where some people in this Nation are forced to accept penalties for alleged violations in silence, even though they feel that they have done nothing wrong. This, in my view, is not the way in which our judicial system was intended to operate nor should our regulations be enforced in this manner.

S. 265 is a sensible approach to correcting the imbalance of financial resources between the Federal Government and small private litigants which deters many of our citizens from securing a vindication of their rights. It should also serve to force Federal agencies to consider more carefully the regulations they promulgate and the way in which those regulations are enforced, since the payment of fees to prevailing parties will come out of their own budgets.

I support this effort to improve citizen access to courts and administrative proceedings and am confident that it will help make for better enforcement of Federal regulations.

Mr. President, overregulation and foolish regulation by the Federal Government have in many instances become an intolerable burden for small businesses and others to carry. S. 265 seems to me a clear-cut and direct approach to lessening that burden. I urge my colleagues to support the legislation.●

● Mr. BUMPERS. Mr. President, I am pleased to support this bill which Senators DOMENICI and DECONCINI have spent so much time preparing for presentation in the Senate today. This bill is very much in line with the sentiment of two bills I have introduced in the Senate this session, S. 270 and S. 111. S. 111 would put the burden of proof in court cases on the agency rather than the taxpayer in an effort to make Government agencies more responsive to the intent of Congress and more responsible for their actions. My intent in S. 111, as in S. 265, is to give the private citizen more leverage in fighting unjust Government actions. My intent was also to put the burden on the Government to make sure that they assume responsibility for their actions.

Earlier this year I introduced S. 270, which would accomplish the same purpose as S. 265, but is more narrowly drawn to apply just to the Occupational Health and Safety Administration. My bill, S. 270, simply requires OSHA to pay all reasonable costs and attorneys' fees when it loses a case against an employer. As in S. 265, this legislation operates on the principle that if an employer is exonerated before an agency, he should not be forced to bear the burden of hidden financial penalties.

This legislation is another indication that Congress is trying to protect individuals from unwarranted interference by the Federal regulatory agencies. This bill takes a major step in helping the private individual and small businesses fight Government overregulation.

With the enactment of S. 265 the Government agencies such as OSHA should concentrate on the real violators of worker safety laws and leave the innocent and well-intentioned citizens alone.●

● Mr. KENNEDY. Mr. President, S. 265 marks an important effort to increase citizens' access to justice. I support this legislation.

We can no longer tolerate a legal system under which unreasonable governmental action affecting small businesses, other organizations, or individuals goes unchallenged because the victims are deterred by the legal expense involved. Such situations present an unfair denial of access to justice which we must remedy. We must find a way to equalize the great disparity in legal resources between agencies of the Federal Government, on the one hand, and small businesses and individuals on the other. Allowing small businesses and individuals to recover attorneys fees in instances where the Government has acted without reasonable justification, will help right the balance.

Congress has enacted numerous statutes allowing recovery of attorneys fees. We have recognized that attorneys fee awards can be an effective mechanism to insure that private citizens are not deterred from presenting their cause by the often enormous costs of litigation in agencies and the courts. Until now, however, attorneys fees have only been authorized in lawsuits brought under particular statutes designated by Congress. These specific statutes authorize fee awards to prevailing plaintiffs in a variety of areas. The common element is the congressional decision to promote a policy or particular interest protected by the statute. Such statutes include: Titles II and VII of the Civil Rights Act of 1964; title III of the Organized Crime Control Act; the Freedom of Information Act; the Consumer Product Safety Act; and most recently, the Civil Rights Attorneys' Fees Awards Act of 1976.

This legislation would authorize attorneys fees in agency proceedings or court suits not now covered by a fee provision in a specific statute.

Mr. President, feeshifting is a sensitive legal mechanism which should remain based upon careful judicial review of the facts and circumstances in particular cases. We must not undermine law enforcement or chill responsible regulation because an agency fears it will have to pay private legal fees, even though the agency acted reasonably in pursuing a dispute. At the same time people must feel confident that if the Government is acting unreasonably, they can afford to fight back.

The Senator from Arizona (Mr. DECONCINI) and other members of the committee have worked hard to develop a balanced, measured approach: Any eligible private party who prevails against the Government may apply for attorneys fees. However, fees would not be awarded if the Government shows that, while it lost, its position had been "substantially justified." As the committee report makes clear, the Government can meet that test of substantial justification by showing that there was "a reasonable basis in law and fact" for going ahead in the matter. The test is one of reasonableness.

I supported this legislation in committee on that basis. I believe that a Government agency can fairly be held liable for attorneys fees in the situations covered by S. 265, when it fails to prevail and cannot at least show that it had acted reasonably in the dispute.

I had other concerns about the bill's potential impact on vigorous regulation. However, working with the distinguished Senator from Arizona, we have reached the understandings reflected in the committee report which I believe adequately preserve the integrity of the enforcement process.

First, the report makes clear that the "special circumstances" which defeat entitlement to attorneys fees, include situations where the agency advances a novel extension of the law to areas and there is insufficient legal precedent to establish the reasonableness of the agency action. As the report states, if it is a "novel but credible" application of law to the facts at hand, then the agency would not be liable for attorneys fees.

A second concern was whether the "substantially justified" standard might be misinterpreted by the courts as requiring an agency to show that, before the trial, there had been a substantial probability it would win. I agreed with those who felt that this would be a very difficult analysis for a judge to undertake if he just ruled against the Government on the merits.

As the report indicates, however, under this bill, an agency could show its decision to go forward was reasonable, without establishing that prospectively there had been a substantial probability it would win.

Another aspect of the bill worth note is the computation of fees which are awarded. The bill provides that fees shall be based on the "prevailing market rate," subject to a maximum rate of $75 per hour. Higher rates may be awarded in the case of special circumstances or increases in the cost of living.

The report makes clear the committee's intent that the prevailing market rate apply regardless of the attorney's financial arrangement with their clients. The fact that the attorneys might otherwise charge or receive less than prevailing market rates is not a basis for determining the award under this section. The computation is to be based on the prevailing market rate in all instances, subject only to the $75 per hour cap.

In addition, the report makes clear that the $75 cap does not apply to the determination of fees under other specific statutes which are designed to promote the private enforcement of the policy involved in that statute, such as

the civil rights law. In those cases, the concept of a fee cap would not be appropriate.

In general, statutes, such as the Freedom of Information Act and civil rights laws, which contain special fee-shifting provisions remain unaffected by this measure, even if the standard for awarding fees under the statute has evolved through case law and is not set out in the statute itself.

Clearly, Mr. President, we must be careful that we do not deter effective regulation where the government, in good faith and with a reasonable basis, pursues its enforcement responsibilities but ultimately finds the court ruling against its position. This bill is not designed to reach those cases. Its intended reach is limited to those situations where the agency should have been able to review its position and realize it was unreasonable to pursue it further.

Thus, this measure would provide an appropriate degree of protection for small businessmen and citizens who feel victimized by unreasonable bureaucratic action. I urge its adoption.●

BALANCING THE SCALES OF JUSTICE

Mr. WARNER. Mr. President, the purpose of S. 265 is to rectify a serious inequity which now exists in our judicial process. It would help bring judicial redress within the reach of ordinary citizens, when they are called upon to exercise their rights to prosecute or defend a lawsuit against the Federal Government—without the deterrent of enormous litigation expense hanging over their heads as they seek to vindicate their rights.

In my travels throughout the State of Virginia and elsewhere, I have listened to concerns expressed by countless citizens at the continuing encroachment of the Federal Government on their private lives.

These concerned citizens have told me that—when they seek legal recourse against unwanted and unreasonable Federal encroachments—they find that the costs of such action, coupled with their current inability to recover attorney fees, effectively deny them access to the adjudicatory process.

The ordinary citizen or small business is no match for the Federal Government, which has virtually unlimited personnel and resources at its disposal, no matter how justified his position may be.

Under rules currently in effect in American courtrooms, each party to litigation is responsible for the payment of his own attorney fees and other costs. In litigation against the Federal Government, the costs can be enormous.

In truth, the cost of protecting one's property, rights and beliefs against unwarranted Federal regulation can be ruinous.

In effect, big government with all its resources is able to coerce compliance with its position, no matter how unreasonable or arbitrary—simply because the small man or small business is unable economically to fight the Government in the legal process.

S. 265 has been proposed to overcome this inequitable imbalance of power. It would allow the courts wide discretion, in certain circumstances, to award attorney fees and other expenses to parties that prevail when they contest the decrees of Federal regulators.

The awarding of fees—unless the Government can show that its action was substantially justified or that special circumstances make an award unjust—would allow an aggrieved citizen the opportunity not to have to choose between acquiescing to an unreasonable Government or fighting it at extreme financial cost.

The awarding of fees would take away the ability of Government to economically coerce the public into compliance. It would allow for a concrete, adversarial test of governmental regulation, through adjudication or civil action which will prove whether the Government's action was lawfully based.

The Senate Judiciary Committee's report on S. 265 summarizes the bill's effect when it states:

> By allowing an award of reasonable fees and expenses against the Government when its action is not substantially justified, S. 265 provides individuals an effective legal or administrative remedy where none now exists.

Mr. President, the American public has demanded that their elected officials present them with some relief from unreasonable and unconscionable governmental intrusion into their daily lives.

S. 265, which imposes a standard of reasonableness upon the Federal Government, with a resultant penalty if this standard is not met, presents the public with a form of relief that it is seeking.

It is for these reasons that I am proud to have cosponsored S. 265 and vote for its passage.

The PRESIDING OFFICER (Mr. BAUCUS). The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time on the bill?

Mr. DECONCINI. Mr. President, I yield back all my time.

Mr. MCCLURE. All time is yielded back.

Mr. THURMOND. Mr. President, I yield back my time on this side.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. FORD), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Indiana (Mr. BAYH) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) would vote "yea."

The PRESIDING OFFICER (Mr. TSONGAS). Is there any Senator in the Chamber who wishes to vote?

The result was announced—yeas 94, nays 3, as follows:

[Rollcall Vote No. 238 Leg.]

YEAS—94

Armstrong	Gravel	Nelson
Baker	Hart	Nunn
Baucus	Hatch	Packwood
Belmon	Hatfield	Pell
Bentsen	Hayakawa	Percy
Biden	Heflin	Pressler
Bonen	Heinz	Pryor
Boschwitz	Helms	Randolph
Bradley	Hollings	Ribicoff
Bumpers	Humphrey	Riegle
Burdick	Inouye	Sarbanes
Byrd,	Jackson	Sasser
Harry F., Jr.	Javits	Schmitt
Byrd, Robert C.	Jepsen	Schweiker
Cannon	Johnston	Simpson
Chafee	Kassebaum	Stafford
Church	Kennedy	Stennis
Cochran	Laxalt	Stevens
Cohen	Leahy	Stevenson
Cranston	Levin	Stewart
Culver	Long	Stone
Danforth	Lugar	Talmadge
DeConcini	Magnuson	Thurmond
Dole	Mathias	Tower
Domenici	Matsunaga	Tsongas
Durenberger	McClure	Wallop
Durkin	McGovern	Warner
Eagleton	Meicher	Weicker
Exon	Metzenbaum	Williams
Garn	Morgan	Young
Glenn	Moynihan	Zorinsky
Goldwater	Muskie	

NAYS—3

Chiles	Proxmire	Roth

NOT VOTING—3

Bayh	Ford	Huddleston

So the bill (S. 265) was passed, as follows:

S. 265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Justice Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that certain individuals, partnerships, corporations, and labor and other organizations may be deterred from seeking review of, or defending against, unreasonable governmental action because of the expense involved in securing the vindication of their rights in civil actions and in administrative proceedings.

(b) The Congress further finds that because of the greater resources and expertise of the Federal Government, the standard for an award of fees against the United States should be different from the standard governing an award against a private litigant, in certain situations.

(c) It is the purpose of this Act—

(1) to diminish the deterrent effect of seeking review of, or defending against, governmental action by providing in specified situations an award of attorney fees, expert witness fees, and other costs, against the United States; and

(2) to insure the applicability in actions by or against the United States of the common law and statutory exceptions to the "American rule" respecting the award of attorney fees.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN AGENCY ACTIONS

SEC. 3. (a) Subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 504. Costs and fees of parties

"(a) An agency that conducts an adjudication subject to section 554 of this title shall award, to a prevailing party other than the United States, fees and other expenses incurred by that party in connection with that proceeding, unless the agency finds that the position of the agency as a party

to the proceedings was substantially justified or that special circumstances make an award unjust. The agency may reduce the amount to be awarded, or deny an award, to the extent that the prevailing party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of the agency under this section shall be made a part of the record and shall include written findings and conclusions and the reason or basis therefor.

"(b)(1) For the purposes of this section—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the agency to be necessary for the preparation of the party's case, and reasonable attorney or agent fees. The amount of fees awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the agency involved; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the agency determines by regulation that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means a 'person' as defined in section 551 of this title, but excludes any individual whose net worth exceeded $1,000,000 at the time the adjudication was initiated, and any sole owner of an unincorporated business, on any partnership, corporation, association, or organization whose net worth exceeded $5,000,000 at the time the adjudication was initiated, except that a cooperative association as defined in the Agricultural Marketing Act (42 U.S.C. 1141j(a)) may be a party regardless of the amount of its net worth; and

"(C) 'adjudication subject to section 554 of this title' does not include adjudication for the purpose of establishing or fixing a rate or for the purpose of granting or renewing a license.

"(2) Except as otherwise provided in paragraph (1), the definitions provided in section 551 of this title apply to this section.

"(c)(1) Each agency shall by rule establish procedures for the submission and consideration of applications for an award of fees and other expenses. If a court reviews the underlying decision of the agency adjudication, an award for fees and other expenses may be made only pursuant to section 2412 (d)(3) of title 28.

"(2) A party dissatisfied with the fee determination by the agency may petition for leave to appeal to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adjudication. If the court denies the petition for leave to appeal, no appeal may be taken from the denial. If the court grants the petition, it may modify the determination of the agency only if it finds that the failure to make an award, or the calculation of the amount of the award, was an abuse of discretion.

"(d) Fees and other expenses awarded under this section shall be paid by the particular agency over which the party prevails from any sums appropriated to such agency, except that no sums may be appropriated to any such agency specifically for the purpose of paying fees and other expenses awarded under this section.

"(e) The Office of the Chairman of the Administrative Conference of the United States shall report annually to the Congress on the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this section. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards. Each agency shall provide the Conference with such information as is necessary for the Chairman to comply with the requirements of this subsection.".

(b) The table of sections of subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new item:

"504. Costs and fees of parties.".

(c) Effective three years after the date of enactment of this Act, section 504 of title 5, United States Code, as added by subsection (a) of this section, is repealed, except that the provisions of that section shall continue to apply through final disposition of any adjudication commenced before the date of repeal.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN JUDICIAL PROCEEDINGS

SEC. 4. (a) Section 2412 of title 28, United States Code, is amended to read as follows:

"§ 2412. Costs and Fees

"(a) Except as otherwise specifically provided by statute, a judgment for costs, as enumerated in section 1920 of this title, but not including fees and other expenses of attorneys, may be awarded to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity in any court having jurisdiction of such action. A judgment for costs when taxed against the Government shall, in an amount established by statute, court rule, or order, be limited to reimbursing in whole or in part the prevailing party for the costs incurred by him in the litigation.

"(b) In addition to the costs which may be awarded pursuant to subsection (a) and unless otherwise specifically prohibited, a court may award reasonable attorney fees to the prevailing party in any civil action brought by or against the United States or any agency or official of the United States acting in his official capacity, and the United States shall be liable to the same extent that a private party would be liable under the common law or under the terms of any statute which specifically provides for such an award.

"(c)(1) Any judgment against the United States or any agency or official of the United States acting in his official capacity for costs pursuant to subsection (a) shall be paid as provided in sections 2414 and 2517 of this title and shall be in addition to the compensation, if any, awarded in the judgment.

"(2) Any judgment against the United States or any agency or official of the United States acting in his official capacity for fees and other expenses pursuant to subsection (b) shall be paid as provided in sections 2414 and 2517 of this title unless the basis for the award is a finding that the United States acted in bad faith, in which case the award shall be paid by the agency found to have acted in bad faith and shall be in addition to the compensation, if any, awarded in the judgment.

"(d)(1) In addition to the costs which may be awarded pursuant to subsection (a) and expenses to any party other than the United States which prevails in any civil action except as otherwise specifically provided by statute, a court shall award fees and other (other than cases sounding in tort) brought by or against the United States in any court having jurisdiction of that action, unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust. The court, in its discretion, may reduce the amount to be awarded pursuant to this subsection, or deny an award, to the extent that the prevailing party, during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. A party seeking an award of fees and other expenses shall, within thirty days of final judgment in the action, submit to the court an application which provides evidence of such party's eligibility for the award and the amount sought, including an itemized statement from attorneys and experts stating the actual time expended in representing such party and the rate at which fees were computed.

(2) For the purposes of this subsection—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case, and reasonable attorney fees. The amount of fees awarded under this subsection shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the United States; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means any individual whose net worth is less than $1,000,000 at the time the civil action was filed, and any sole owner of an unincorporated business, or any partnership, corporation, association, or organization whose net worth was less than $5,000,000 at the time the civil action was filed, except that a cooperative association as defined in the Agricultural Marketing Act (42 U.S.C. 1141j(a)) may be a party regardless of the amount of its net worth; and

"(C) 'United States' includes any agency, and any official of the United States acting in his official capacity.

"(3) In awarding fees and other expenses under this subsection to a prevailing party in any action for judicial review of an agency adjudication conducted pursuant to section 554 of title 5, the court shall include in that award, the fees and other expenses for services performed during the administrative proceedings unless the court finds that during such proceedings the position of the United States was substantially justified, or that special circumstances make an award unjust.

"(4) Fees and other expenses awarded under this subsection shall be paid by the particular agency over which the party prevails from any sums appropriated to such agency, except that no sums may be appropriated to any such agency specifically for the purpose of paying fees and other expenses awarded under this section.

"(5) The Director of the Administrative Office of the United States Courts shall include in its annual report prepared pursuant to section 604 of this title, the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this subsection. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards.".

(b) The item relating to section 2412 in the table of sections for chapter 161 of title 28, United States Code, is amended to read as follows:

"2412. Costs and fees.".

(c) Effective three years after the date of enactment of this Act, subsection (d) of section 2412, as added by subsection (a) of this section, is repealed, except that the provisions of that subsection shall continue to apply through final disposition of any action commenced before the date of repeal.

SEC. 5. (a) Subdivision (f) of rule 37 of the Federal Rules of Civil Procedure is repealed.

(b) The table of rules of the Federal Rules of Civil Procedure is amended by deleting them item relating to subdivision (f) of rule 37.

(c) Section 1968 of title 42, United States Code, is amended by striking out "or in any civil action or proceeding by or on behalf of the United States of America, to enforce, or charging a violation of a provision of the United States Internal Revenue Code."

SEC. 6. Nothing in section 2412(d) of title 28, United States Code, as added by section 4(a) of this Act, alters, modifies, repeals, invalidates, or supersedes any other provision of State or Federal law which authorizes an award of such fees and other expenses to any party, other than the United States, who prevails in any civil action brought by or against the United States.

SEC. 7. (a) Except as provided in subsection (b), this Act, and the amendments made by this Act, shall apply to any adjudication or civil action which is pending on the date of enactment of this Act, or which is commenced on or after the date of enactment of this Act.

(b) This Act, and the amendments made by this Act, shall apply to any civil action arising under the internal revenue laws of the United States which is pending on the date which is six months after the date of enactment of his Act or which is commenced on or after such date.

Passed the Senate July 31 (legislative day, June 21), 1979.

Attest:

Secretary.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until order is restored.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the name of the Senator from Alaska (Mr. GRAVEL) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I ask unanimous consent that the bill as passed be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT OF THE TWO HOUSES DURING THE MONTH OF AUGUST AND OVER THE LABOR DAY HOLIDAY

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators wishing to converse will please retire to the cloakroom.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I am about to call up the adjournment resolution. I understand that Mr. WEICKER may wish to oppose the resolution or offer an amendment thereto, but he is present and can speak for himself.

I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 168.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 168, which will be stated.

The legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 2, 1979, it stand adjourned until 12 o'clock meridian on Wednesday, September 5, 1979, and that when the Senate recesses on Friday, August 3, 1979, it stand in recess until 12 o'clock meridian on Wednesday, September 5, 1979.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the concurrent resolution.

UP AMENDMENT NO. 482

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 482:

On page 1 strike all the language on lines 5 and 6, and insert in lieu thereof the following:

"Thursday, August 2, Friday, August 3, or Saturday, August 4, 1979, pursuant to a motion made by the Majority Leader in accordance with this resolution, it stand in recess until 11:00 o'clock a.m. on Wednesday, September 5, 1979."

Amend the title to read: "Concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979, and a recess of the Senate from August 2, August 3, or August 4, 1979 to September 5, 1979."

UP AMENDMENT NO. 483

Mr. WEICKER. Mr. President, I send to the desk an amendment to the amendment offered by the Senator from West Virginia, and ask for its immediate consideration, and I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) offers an unprinted amendment to the amendment (UP No. 482) of the Senator from West Virginia (Mr. ROBERT C. BYRD) numbered 483:

In lieu of the language proposed to be inserted by the Senator from West Virginia, insert the following:

"Friday, August 31, 1979, it stand in recess until 11 o'clock a.m. on Wednesday, September 5, 1979."

Amend the title to read: "Concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979, and a recess of the Senate from August 31 to September 5, 1979."

The PRESIDING OFFICER. Is there a sufficient second to the request for the yeas and nays? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, no debate is in order on this concurrent resolution, or on any motion or amendment in relation thereto. I ask unanimous consent, however, that Mr. WEICKER may have up to 10 minutes, and that I may have up to 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senate will be in order. Who yields time?

Mr. WEICKER. Mr. President, the amendment which I have proposed to the amendment of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) in effect knocks out the Senate recess, or, to put it in other words, it permits a recess commencing on Friday, August 31, through Labor Day, and no more.

I do not intend, very frankly, to stand here and demagog against my colleagues, because I think we are all engaged in serious work in committee, on the floor, and elsewhere, and have been for a considerable period of time; but due to certain events transpiring around us, that work has been somewhat impeded and we are off schedule.

It really is not realistic to say that matters have not changed within the last week or so. They have, and drastically so. I suggest, too, that when I take a look at the calendar of unfinished business just on energy alone—and I will read it to you—Senators might wish to reconsider as to whether or not this is an appropriate time to go on vacation.

The Interior Department appropriations bill, which includes all nonnuclear energy programs, including synthetic fuels, conservation, and other programs, has been reported by the House committee and passed the full House. There has been no Senate action.

The Department of Transportation appropriation, including mass transit and Amtrak, will pass the House this week. There has been no Senate action.

The Energy Mobilization Board legislation is in markup in the Senate Energy Committee. I hope we might be able to get it out of that committee this week, but certainly there will be no Senate action if we recess this week.

The Energy Security Corporation measure, no action by the Energy Committee nor by the full Senate.

Department of Energy authorization, reported out by the Senate Energy Committee but no action on the floor.

The windfall profits tax bill is in markup in the Senate Finance Committee. It has already passed the House.

And the standby gasoline rationing is on the House floor, having been passed by the Senate.

There it is, simply stated. Again, I have to repeat, being part of some of these committees I know that those that I sit on and others have been diligently working at the new tasks placed in front of us by the administration, and have been diligently working on legislative responses to the new circumstances presented to us around the world.

I wish I could say that we could walk away from all of this, and it could await our pleasure in the sense of performing our duties. It cannot.

The energy crisis is as severe today or even more so than it was yesterday, last week, or the week before that.

It is simply on that basis that I present my amendment to the Senate. I think it terribly important, not just for the matter of appearance, I might add, but because I think that during this intervening time we can accomplish a great deal. I might also add, especially with the prospect of SALT II and other matters before us which would pretty much occupy the fall, energy production, conservation, energy legislation in all its forms, needs to be acted upon today.

Therefore, I submit my amendment and I hope my colleagues will support it.

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Connecticut has raised a question here which has already been carefully considered. Recently I called a meeting of members of the Democratic Policy Committee, the majority members of the Committee on Energy and Natural Resources, and of the Finance Committee. The respective chairmen and a number of members attended. The purpose of the meeting was to discuss the August recess.

It was the unanimous view of the chairmen of the Budget Committee, the Banking Committee, the Finance Committee, the Environment and Public Works Committee, the Governmental Affairs Committee, and the Energy Committee that the month of August could be better spent by having those committees, task forces thereof, and/or staff members thereof, work on the energy legislation and on the tax bill during the month of August.

This is an $88 billion energy bill. The Budget Committee has the responsibility of studying the budget implications of that bill.

Mr. LONG. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. The $88 billion is just the energy, but there is a tax of $140 billion.

Mr. ROBERT C. BYRD. Yes. The Banking Committee has the responsibility for the financing and capitalization of the energy corporation. The Committee on Public Works and Environment has the responsibility to study the environmental impact of the legislation. The Governmental Affairs Committee has the responsibility to study the impact of the establishment of a new Government corporation. The Energy Committee, under Mr. JACKSON, has been working to report the energy bill which has in it the Energy Mobilization Corporation, the Energy Security Corporation, the synthetic fuels provision and so on. Mr. JACKSON hopes to report that bill this week.

But Mr. MUSKIE, the chairman of the Budget Committee, who is also here and who can speak for himself, said that his committee could not complete its study of this gigantic bill within a few days, but that instead it would take a few weeks.

So I met with the chairmen collectively to inquire if they would avoid requesting sequential referral, and I received their complete cooperation. They assured me they would not ask for sequential referral but that would have members of their staffs work with members of Mr. JACKSON's Energy Committee staff during August. By proceeding in that manner, by using the month of August to study the budget implications and all of the other ramifications of the energy legislation, it was determined that final action on the bill would be thereby expedited rather than delayed.

As Mr. MUSKIE said, if we do not take enough time in committee to study the budget implications of this bill, then it is going to result in delay when it reaches the floor. And this was the viewpoint of the other chairmen. They all felt that these matters needed study during the month of August by the respective committee staffs. Remember, committees can and will meet during the month of August.

It was the consensus of the chairmen that these problems could be better resolved before the legislation came to the floor, thus avoiding having to resolve the problems on the floor. It was agreed that it would be an exercise in futility for the Senate to stay in session when we could not have either the energy or tax bill ready for floor action before the 15th of September.

I have had numerous conversations with the distinguished chairman of the Committee on Finance about the excess profits tax. I have talked with Senator DOLE, the ranking member. It was the opinion of both the chairman and the ranking member that the committee should wait until all three parts of the package are here and that we should avoid bringing them to the floor one at a time, and that, in any event, if there were any effort to invoke cloture on the excess profits tax bill, so as to prohibit the calling up of nongermane amendments, Senators would not know what they were voting cloture on until they could see the shape and form of the entire package.

So, Mr. President, this is not a matter that has just come to my attention today. I discussed this matter with the appropriate chairmen and the members of the appropriate committees days ago.

Mr. President, in addition to what I have just said, which explains why the Senate will not be able to do anything on the energy legislation until around the middle of September, let me say that of the 67 authorization bills that should be passed this year, the Senate will have passed 58 of those by the time we go out this week. There are a few of the remaining nine bills that have not been reported from the committees yet but, as I say, committees can meet during the recess if they so desire.

Of the appropriations bills, the Senate has already passed six and there is only one that I see that the House has passed and sent over to the Senate which has not been acted upon by the Senate. That was reported by the committee today, the Treasury and Postal Service bill. The House does not intend to send the rest of those bills over until we get back in September.

The decks are being cleared. That has been the design behind the scheduling all along, to clear the decks, so that when the Senate comes back in September it will have only a few "must" bills remaining, such as the water resources bill; it will have the second concurrent budget resolution, the deadline for which is September 15. It will dispose of the remaining authorization bills and as I say, there are only nine of them, and it will dispose of the remaining appropriations bills. The Senate cannot dispose of those appropriations bills until they are sent over from the House, because by custom they originate in the House.

The decks will then have been cleared for the energy legislation. Whether we were to stay here 31 days in August or 41 or 51 days in August; the energy bills are not going to be ready for floor action until the committees have had ample time to study all of the implications—environmental, budgetary, and otherwise. And that will require the month of August. Then, the stage will be set for the SALT debate.

The committees—Armed Services, Intelligence, Foreign Relations—have been holding hearings on the SALT II treaty. They have been good hearings. Those hearings will not be complete until after very late in September. As to the SALT Treaty—I have never said it would be scheduled before October 1. I say to you, Mr. President, as one who knows a good bit about the Senate Calendar and whose constant duty it is to schedule the measures and to keep the legislative process moving——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, as one who has the duty of seeing that the legislative process goes forward, of scheduling the bills in an orderly way, I say to you, Mr. President, that if the action on the energy legislation could have been expedited by the Senate's staying in the whole month of August or 3 weeks in August or 2 weeks in August or 1 week in August, that would have been done. Because every Member who met with me on those committees that were represented indicated that if—if—the Senate could make progress by lopping off any portion of that August recess, he would be willing to do it.

Mr. President, I respect the distinguished Senator from Connecticut for the position that he takes here but, may I say, with all due respect, this matter has been fully considered, thoroughly considered, and, in my judgment, the Senate would be wasting its time, wasting the time of Members and probably delaying the final action on the energy legislation, if it stayed in session during the month of August.

There would be little work for us to do on the floor. The distinguished Senator has mentioned the Amtrak bill. That is scheduled for tomorrow. I think I have talked about the other bills that he mentioned—the DOE, Department of Energy authorization bill. The Budget Committee has a problem with that one. It reported out a budget waiver unfavorably. The bill is a billion dollars over the first budget resolution. The distinguished chairman of that committee feels that that measure should be delayed until the shape of other energy legislation has become clear.

The standby rationing proposal—I hope the House will send something over here on that today. I do not know what action the House may take. The Senate passed a standby rationing plan, sent it to the House, the House rejected it, and the Senate stands ready right now, if the House messenger would come in the door with that measure, to call it up today. It would be a privileged matter.

SALT II, I have already discussed.

So, Mr. President, I do not have any doubt that every Member of the Senate would not only be willing but would also want to stay during the month of August as much as would be necessary to dispose of energy legislation if it were ready for the floor and if, in the final analysis, it would contribute to a more thorough and realistic, more rational, and more reasonable final action on such legislation.

Mr. LONG. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes; I yield.

Mr. LONG. Mr. President, the Senator, I believe, knows that the proposed windfall profits tax bill has an effective date of January 1. The Senator also knows what has been on the ticker and what I have told him down at the White House, as well as in this Chamber, that we are not going to be ready with that bill for a while. Some of us do not quite like the bum's rush approach to legislation. We think that it is nice to have a lot of recommendations, but to cram it on through as though the Sun will not rise tomorrow, it usually winds up in a lot of mistakes that we regret.

I think if you want to know the No. 1 shortcoming in the Senate, it is not oratory. We have plenty of that. We just never find time to think. Some of us want, once in a while, to think a little bit about these things.

We absorb some knowledge from others, we get a chance to absorb some of the wisdom of our constituents around the Nation, many of whom know a lot more about some of these problems than we do, and then try to act in a way that makes good sense, where we are satisfied that we are doing what is best for the Nation.

I can assure the Senate that, as far as the chairman of the Committee on Finance is concerned, we shall pass out a windfall tax bill. It is up to the Senate to make it tough or not so tough, whatever the Senate wants to do. We shall bring our bill out here.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. I ask unanimous consent that I may proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. ROBERT C. BYRD. I yield to the Senator from Louisiana.

Mr. LONG. I say to the Senator that the fact that we have a little time to think about the matter—I know for myself, I have papers stacked up over 3 feet that I want to read and study and mediate over. There are others who, I know, have the same situation. We shall move very expeditiously and push very hard to try to get that bill on the President's desk by October 1, if I can call the date. Of course, it is up to the Senate to decide whether it is going to move that rapidly.

I do think that when you tell everybody you are going to do something, you ought to try to do it. I know, as far as measures within the jurisdiction of the Finance Committee are concerned, we do not have any excuse for breaking our word, having told people this is how we are going to do business.

Mr. BENTSEN. Will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. Yes; I yield.

Mr. BENTSEN. Mr. President, this piece of legislation before the Finance Committee is a $14 billion bill. If we take some of the figures as to what the increase in price may be in the next 10 years, another estimate gets it up around $275 billion. I, for one, am not going to vote until I can have a better understanding of the economic impact on this country.

We have had some figures given to us by Treasury. I understand how Treasury can sometimes submit figures to try to prove their point of view. We want our own econometric models. We want to get our own calculations as to how much of an economic impact and how much revenue will be raised and get some idea of how it is going to be expended.

If we do not get that kind of staff work done in order to exercise the soundest of judgment that we can possibly exercise on this very important piece of legislation, I think, we would be derelict in our duty.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I know the Senator is going to be asked, I am going to be asked when I go home, Why are you not in session? I am ready to explain my position, I am ready to explain why the Senate is not in session.

The chairman of the Budget Committee is here. I should like to have him give his viewpoint, how he sees this legislation from the standpoint of the Committee on the Budget.

Mr. MUSKIE. Mr. President, I think the distinguished majority leader has accurately described the examination that was made of the possibility of using the August recess or some part of it in order to enact the energy program. Well, if August were the month for the recess or not, August would be premature. If no recess were scheduled, I do not see how we could bring the complex issues raised, not only by the revenue bill but by the bills from Senator JACKSON's committee and Senator PROXMIRE's committee, into focus so that we can make balanced judgments by September 1—whether or not there is a recess.

From the point of view of the Budget Committee, we cannot even begin examination of the budgetary and economic implications of these bills until they come to us.

Senator JACKSON's committee, hopefully, will approve markup by the end of this next week. Senator PROXMIRE's committee is in markup, I understand, on his piece of the package. Senator LONG has already described the problems and the magnitude of it that faces his committee. We cannot even begin.

Before the distinguished majority leader approached us, Senator BELLMON and I agreed to set up a task force within our committee to begin analyzing the problems from the budget point of view. We began work on that this week. We could not begin earlier to try to complete that work. But the first week in September is going to be a very difficult challenge.

I would like to make one other point, if I may, and that is the notion that if we are not on the Senate floor we are not involved in the Senate business. To me that is a notion that we should challenge.

I find it possible to think more effectively, more comprehensively, more thoughtfully, about these big challenges we face if I am not constantly running all day long between committee rooms and the Senate floor, occupied in physical activity to demonstrate to the public that I am busy.

When I go home to my State, there are two plusses that I always count on. One exposure to my constituents' point of views; second, exposure to my own thinking.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. ROBERT C. BYRD. Three more minutes.

Mr. MUSKIE. I will take 30 seconds more.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I do not think that is irrelevant in what we are trying to do.

From the perspective of the Budget Committee, I noted one thing about the habits of legislative bodies. We have to deal in the Budget Committee with the consequences of a lot of mistakes that have been made in policymaking in this Congress over the last 50 years. A lot of those mistakes were made because Senates and Houses of Representatives rushed to policy decisions before they had properly prepared themselves.

The budget would be immeasurably smaller today if we had taken more time in the first instance to make sure our decisions were wise.

I am for the Senate being what it likes to consider itself, a deliberative body, about these energy options that we consider.

I have not begun to consider the environmental implications of this legislation, the budgetary implications, the economic implications, the implications down the line for the CO_2 component of the atmosphere and its greenhouse effect

and what that could do. Senator RIBICOFF has been studying that.

There are a lot of questions to be raised and answered. We cannot possibly raise and answer them by September 1, whether or not there is a recess.

Mr. RIBICOFF. Will the Senator yield?

I just came from hearings of the committee with Secretary Schlesinger and Mr. Curtis of the Federal Energy Regulatory Commission. It became very obvious that the worst thing we could do would be to try to rush through the synthetic fuel program by September 1 or September 15.

It became obvious to me that during the discussion that there were a host of major problems.

Yesterday we had before us the outstanding scientists in the world in climatology and geology and, for the first time, they raised an overwhelming and frightful problem that the world will face because of the use and development in synthetic fuels.

It becomes very obvious that while we could safely go to 2.5 million barrels of synthetic fuels a day, to go to 5 million would be courting disaster.

It is not just the problem of the United States, but the problem of the Soviet Union, the problem of West and East Germany, and South Africa.

Mr. Schlesinger today admitted we should consider a safeguard in writing this legislation with a constant monitoring of the CO_2 content to assure the safety features in this legislation.

It also becomes very apparent that we must consider the utilization of this $88 billion not only for a synthetic fuel, but alternate sources of fuel that would not be contaminating, and that we should be considering these new agencies we are placing into being to assure that since there is a problem for the environment, they establish a set of priorities of which energy synthetic or energy producing alternatives would be the least deleterious upon society as a whole.

The PRESIDING OFFICER. The time has expired.

Mr. RIBICOFF. One more minute.

Mr. ROBERT C. BYRD. I ask unanimous consent that we have 2 more minutes.

Mr. RIBICOFF. It is very obvious we have the responsibility not to rush to judgment because we are committing this Nation on a source of procedure and a source of production by the expenditure of this $88 billion, which may, by themselves, tend to destroy the very society we are trying to save.

Mr. JACKSON addressed the Chair.

Mr. ROBERT C. BYRD. I yield to the Senator.

Mr. JACKSON. Mr. President, I merely rise in support of the comments of Senator RIBICOFF and Senator MUSKIE, as well as the statements that have been made by the majority leader.

As chairman of the Energy Committee, I say that the fact we are staying in session all during the month of August could not speed up the process which will be underway by Senator MUSKIE's committee, by the Government Affairs Committee under the chairmanship of Senator RIBICOFF, the Committee on Banking and Currency and Urban Affairs chaired by Senator PROXMIRE, with the finance implications that are involved in connection with the President's comprehensive synthetic fuel program, and, of course, the expedited procedures that are involved in the President's proposal, as well as the earlier one that a number of us introduced here.

So I say that the leader is right in the approach he is taking. It is not going to change one iota, as far as I can see, the target date that we hope to meet in connection with the President's program.

Mr. ROBERT C. BYRD. Mr. President, I think we have stated the case. I think it is obvious from the standpoint of the facts that if the Senate were to stay in session during the month of August, it would be just for show and not for any constructive purpose.

There is a need for Senators to get back home and talk with their constituents. We should not be making laws in a vacuum.

We are elected to make decisions, but also to make decisions based on informed knowledge of what the problems faced by Americans are.

I myself plan to go back to West Virginia a number of times during the month of August.

I am for a vote.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, the first question I have to ask is, Has the all-clear sounded before I come out of my bunker here?

I paddled out here on the floor in my little *Zodiac*. It is like facing the *Bismarck*, the *Tirpitz*, and the *Graf Spee* all in one afternoon.

I have never seen so much power arrayed on one issue on the Senate floor as long as I have been here.

I want to make something clear. I repeat, I have no criticism at all related to my colleagues. The situation that confronts us is one that was presented by outside forces, either within the administration or by circumstances in the world.

The fact is that since these plans were made, a few things have happened, that is, thanks to the executive branch of Government, the whole Government ground to a halt for 2 weeks in July.

It is nobody's fault here on the floor.

We have half a new administration. Was there an Energy Mobilization Board bill up until a few days ago? Was there a synthetic fuels bill until a few days ago? This is not something that was initiated here. But you cannot say this just did not happen. It did. Unfortunately, it did.

If you are going to ask the American people to pay the price of what I call "the great navel gaze of 1979," in the sense of the executive being stalled, I think we have to pay the price, too.

The bottom line is that there is no legislation on the books when it relates to energy, with the exception of the heating and cooling stictures. That was passed. The great energy policy of 1978. Nobody even talks about that anymore. Nothing of any real consequence has been passed. That is the bottom line.

This is a crazy town, and I know that we give our own meaning to words, such as in the Middle East debate over military aid to the Arabs and Israelis: Peace means arms. So what we are saying today is that work means vacation. I am not going to accept that. I have not been here so long that I am going to accept these definitions. It is not that way.

Nobody is saying that the work has to be accomplished on the Senate floor. I think the best arguments that can be made for the amendment I have before the Senate is what the majority leader was discussing with respect to the tremendous volume of work that confronts this body. For the most part, it is a volume not imposed by ourselves but by the President of the United States, while he got his political house in order, and by other nations of the world who are taking advantage of our lack of self-discipline. That is what is involved, pure and simple.

I suggest to Senators that the way to handle this matter is to get to work, to continue to do it in committee and on the floor and wherever it occurs. If need be, fine, go home to your constituents on the weekends. I do not think they have many nice things to say to many of us, and they will have fewer nice things to say when we appear in our bathing suits or in our tennis shorts or whatever, while they are paying more for a gallon of gasoline, if they can get it.

I will show you how we act and why it looks ridiculous. In 1977, I offered my modified conservation proposal of a 6-day week for the automobile, and it was defeated by a vote of 83 to 7. One month ago, I had it up again—a few things changed—and I was beaten by a vote of 79 to 10. It was exactly the same result, the same piece of legislation, but a few things have changed; and the things that have changed, I think, have to change our style in the Senate and our attention to detail and to duty. I know we have that capacity.

I am sorry we had this done to us, but I am sure the American people are just as sorry about what has been done to them. So let us march along with them and do what has to be done.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. DOLE. I appreciate the Senator's yielding. I cannot vote with him.

Mr. President, I think we need to take the recess for many reasons. In fact, I think the American people may have been saved by the recess. We could have passed all the legislation which has been proposed, and then think where the American people would be. [Laughter.]

This gives us an opportunity to get out of here, breathe some fresh air, and get away from Washington. Some have plans to visit a number of States and some may visit only one. [Laughter.]

It seems to me that the best way to find out what the American people think about a windfall profits tax or a new energy bureaucracy is to go out and talk to

the people. I think we are going to find out that 50 miles from Washington, few people have heard about an Energy Mobilization Board, and they probably do not want to hear about it.

I think the Senator has provided a great service, even though I cannot support him, because the American people are saved by this recess. It came just in time. We could have had this bill out here next week or the week after.

It was great wisdom on the part of the majority leader, a few years ago, in securing authorization for this recess. This is a sort of safety valve, a safety net, for the American people.

I would hate to think what would have happened if the Finance Committee, of which I am the ranking Republican, had rushed passage of just any windfall profits tax—without regard to its effect on American energy production.

I think this has been worth the effort. I was going to extend the recess. That was going to be my amendment. [Laughter.] Because an extension might actually help the American people. Make it October 1, and maybe extend the recess beyond October 1.

Mr. HELMS. January.

Mr. DOLE. That may be a little too far—at least, in New Hampshire. At least, let us be realistic. The American people have had enough of Washington telling them what is wrong with the Nation. Now, it is our turn to hear about what is wrong (or right) in Washington from the people.

The PRESIDING OFFICER (Mr. BAUCUS). The question is on agreeing to the amendment.

Mr. ROBERT C. BYRD. Mr. President, I move to lay the amendment on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table an amendment of the Senator from Connecticut. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, debate is not allowed during a rollcall vote, but there will be an automatic rollcall immediately following this, required by law, on the passage of the resolution.

The PRESIDING OFFICER. The Senator is correct.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. FORD) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators who wish to vote?

The result was announced—yeas 85, nays 13, as follows:

[Rollcall Vote No. 239 Leg.]

YEAS—85

Armstrong	Bumpers	Church
Baucus	Burdick	Cochran
Bellmon	Byrd, Harry F., Jr.	Cranston
Bentsen	Byrd, Robert C.	Culver
Biden	Cannon	Danforth
Boren	Chafee	DeConcini
Boschwitz	Chiles	Dole
Bradley	Eagleton	Domenici
Exon	Long	Roth
Garn	Lugar	Sarbanes
Glenn	Magnuson	Sasser
Goldwater	Matsunaga	Schweiker
Gravel	McClure	Simpson
Hart	McGovern	Stafford
Hatch	Melcher	Stennis
Hayakawa	Metzenbaum	Stevens
Heflin	Morgan	Stevenson
Helms	Moynihan	Stewart
Hollings	Muskie	Stone
Humphrey	Nelson	Talmadge
Inouye	Nunn	Thurmond
Jackson	Packwood	Tower
Javits	Pell	Tsongas
Johnston	Percy	Wallop
Kassebaum	Proxmire	Warner
Kennedy	Pryor	Williams
Laxalt	Randolph	Young
Levin	Ribicoff	Zorinsky
	Riegle	

NAYS—13

Baker	Hatfield	Pressler
Bayh	Heinz	Schmitt
Cohen	Jepsen	Weicker
Durenberger	Leahy	
Durkin	Mathias	

NOT VOTING—2

Ford Huddleston

So the motion to lay on the table Mr. WEICKER's amendment (UP No. 483) was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from West Virginia. (Putting the question.)

The amendment was agreed to.

The PRESIDING OFFICER. Is there further amendment? If not, the question recurs on agreeing to the concurrent resolution. Under the law, the yeas and nays are required, and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, this is not the last vote today.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. FORD) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 89, nays 9, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—89

Armstrong	Goldwater	Nunn
Baker	Gravel	Packwood
Baucus	Hart	Pell
Bellmon	Hatch	Percy
Bentsen	Hayakawa	Proxmire
Biden	Heflin	Pryor
Boren	Heinz	Randolph
Boschwitz	Helms	Ribicoff
Bradley	Hollings	Riegle
Bumpers	Humphrey	Roth
Burdick	Inouye	Sarbanes
Byrd, Harry F., Jr.	Jackson	Sasser
Byrd, Robert C.	Javits	Schmitt
Cannon	Johnston	Schweiker
Chafee	Kassebaum	Simpson
Chiles	Kennedy	Stafford
Church	Laxalt	Stennis
Cochran	Levin	Stevens
Cranston	Long	Stevenson
Culver	Lugar	Stewart
Danforth	Magnuson	Stone
DeConcini	Matsunaga	Talmadge
Dole	McClure	Thurmond
Domenici	McGovern	Tower
Durenberger	Melcher	Tsongas
Eagleton	Metzenbaum	Wallop
Exon	Morgan	Warner
Garn	Moynihan	Williams
Glenn	Muskie	Young
	Nelson	Zorinsky

NAYS—9

Bayh	Hatfield	Mathias
Cohen	Jepsen	Pressler
Durkin	Leahy	Weicker

NOT VOTING—2

Ford Huddleston

So the concurrent resolution (H. Con. Res. 168), as amended, was agreed to, as follows:

Resolved, That the concurrent resolution from the House of Representatives (H. Con. Res. 168) entitled "Concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979 and a recess of the Senate from August 3 to September 5, 1979", do pass with the following amendments:

Page 1, strike out lines 5 and 6 and insert: Thursday, August 2, Friday, August 3, or Saturday, August 4, 1979, pursuant to a motion made by the Majority Leader in accordance with this resolution, it stand in recess until 11:00 o'clock a.m. on Wednesday, September 5, 1979.

Amend the title so as to read: "Current resolution providing for an adjournment of the House from August 2 to September 5, 1979, and a recess of the Senate from August 2, August 3, or August 4, 1979 to September 5, 1979.".

The PRESIDING OFFICER. Without objection, the title will be appropriately amended.

There being no objection, the title was amended so as to read:

Concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979, and a recess of the Senate from August 2, August 3, or August 4, 1979 to September 5, 1979.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution, as amended, was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PANAMA CANAL ACT OF 1979

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 111.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. STENNIS. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

Mr. BAKER. Mr. President, reserving the right to object, I do not see the distinguished Senator from Texas on the floor.

Mr. STENNIS. Mr. President, the Senator from South Carolina is acting for him. I just talked to him about it.

Mr. ROBERT C. BYRD. Mr. President, I understand the request has now been cleared by Mr. BAKER.

The PRESIDING OFFICER. The ques-

tion is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Presiding Officer appointed Messrs. STENNIS, JACKSON, EXON, LEVIN, THURMOND, WARNER, and HUMPHREY conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Charles William Duncan, Jr., of Texas, to be Secretary of Energy. I ask that debate on the nomination not exceed 15 minutes, to be equally divided between Mr. PROXMIRE and Mr. JACKSON.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I simply want to tell the majority leader, as I told him privately, we have no objection on this side.

Mr. DURKIN. Mr. President, reserving the right to object, out of that 15 minutes, will the leader give me 5 minutes?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. DURKIN have control of 5 mintues deducted from the 15 minutes, and that Mr. THURMOND have 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The nomination will be stated.

DEPARTMENT OF ENERGY

The assistant legislative clerk read the nomination of Charles William Duncan, Jr., of Texas, to be Secretary of Energy.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Washington (Mr. JACKSON) is here to handle the nomination. I yield to him.

Mr. PROXMIRE. Mr. President, will the Senator yield so that I can ask for the yeas and nays on the nomination?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the nomination of Mr. Duncan.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, the Senate Energy Committee unanimously reported the nomination of Charles Duncan to be the Secretary of the Department of Energy. We all know that Mr. Duncan has served as the Deputy Secretary of Defense since the new administration came into office in January 1979.

Mr. President, Mr. Duncan, prior to coming to the Department of Defense, had a distinguished career in business. He had managed very large operations in connection with the family enterprise, and later went on to be the head of the Coca-Cola Corp. I can only say to my colleagues that while I may not agree philosophically on every position that Mr. Duncan might take regarding various energy matters in the future, I can say that he is a man of outstanding competence. He is a man of great integrity. I believe he will do a good job as Secretary of the Department of Energy.

Mr. President, as one of our colleagues said, I think Senator JOHNSTON, in the future, as Mr. Duncan wades into the difficult problems that we face in energy, he will not receive any more unanimous votes, but I do believe that he has the courage, the determination, and he has had an outstanding record as a manager.

I would make this further observation: There was a question regarding whether or not the Secretary of the Department of Energy, as a result of a White House memo, would be interdicted in his duties by the White House staff. I asked that question of Secretary Duncan. He made available to us a copy of that White House directive. It is clear that, based on his testimony, he will be responsible to the President of the United States directly; he will not allow the staff to interfere with his duties and responsibilities in carrying out the policies of the President of the United States.

I believe that comment, Mr. President, is important in light of recent publicity about the role of the White House staff.

I am pleased to join with all of our colleagues on the committee in presenting this unanimous recommendation to the Senate, the nomination of Charles Duncan to be head of the Department of Energy.

I yield first to the ranking member of the committee, Senator HATFIELD.

Mr. HATFIELD. I thank the Senator from Washington.

Mr. President, I would like to affirm the comments made by the chairman of our Energy and Natural Resources Committee, Senator JACKSON, in relation to the hearings conducted to examine Charles Duncan.

I would like to assure my colleagues on the floor that even though Mr. Duncan had gone through the confirmation process before when he was confirmed to the position of Deputy Defense Secretary, the Energy Committee did not take this responsibility lightly. In fact, I believe that the full hearing lasted 3 hours, so Mr. Duncan was thoroughly examined.

I was very pleased to hear of Mr. Duncan having met with environmental groups and has already established, I believe, a reputation and a precedent for himself of being a very open kind of administrator, willing to sit down and talk with citizen groups without predisposition toward conclusions before he has heard all the facts.

Some have been questioning whether or not the President should have selected someone out of the energy field. I must say that in our own committee, and I am sure within the body of the Senate, some would feel that that would be a disqualification. I have been very interested to observe that, over the years, anybody who has expertise in the field of energy seems to have a handicap in the mind and thinking of some of our colleagues. I shall not go back and review the case of the solicitor or the chief legal counsel that was appointed here a year ago in the last Congress and, because he had had some previous connections——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. Mr. President, I ask unanimous consent to proceed for 10 more minutes so I may yield to my other colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Because he had had some previous connection with an oil company, he was considered not qualified to serve.

That is an old case, but it illustrates the point that I think Mr. Duncan does not have that kind of handicap. He does not have any background or tie or association with any energy corporation. I am not so sure that the Coca Cola Corp. qualifies him per se, except for his outstanding job as administrator as the president of the Coca Cola Corp.

He has great expertise in the field of administration. Therefore, he brings that special qualification to this office at a time when many have observed that the Department of Energy is in need of a strong hand and a strong administrator.

On behalf of the minority which joined the other colleagues on the committee to support the confirmation, I want to say we were unanimous in our support of Mr. Duncan.

I want to issue one word of caution. That is the same caution that I commented on in the confirmation hearing. That is, I think we may be over-expecting. I think we may be expecting this man to be a miracle worker when, after all, he is still only a human being. So I think we are going to have to be patient, we are going to have to be cooperative in every way because of the magnitude of this task. I think the man is well qualified in every way to take on the position of Secretary of Energy.

Mr. JACKSON. I thank my colleague from Oregon. I yield now to Senator BENTSEN, from Texas.

Mr. BENTSEN. Mr. President, I thank the distinguished chairman. I should like to speak in a personal way about Charles Duncan.

Charles Duncan and I have been friends for a great many years. I have been a long-time friend of his family. He is a man of integrity and a man of ability, a man who can master a complex subject, a man who understands the objectives of our Nation and can relate to them, a man who has no other reason to serve than service to his country.

He has an education in chemical engineering and that ought to be of great help to him in the business of trying to work out a synthetic fuels program. He has a degree in management and, certainly, we need administrative ability in that kind of job.

I believe he is an excellent choice and I fully recommend his nomination. I know that the Senator said he cannot be a miracle worker and there will be lots of problems he will be confronting, but if I were to choose among all of my acquaintances, with the unique talents this man brings to his job, having managed a major company and having lived abroad for several years and understanding international relationships, I would choose Charles Duncan for this job.

I thank the Senator.

Mr. JACKSON. I thank my colleague from Texas.

Mr. President, I yield to Senator STENNIS, then Senator PERCY.

Mr. STENNIS. Mr. President, I shall take just a minute.

Undoubtedly, this man is an exception. He is a terrific worker of outstanding ability. He knows how to approach and handle the hard ones. He has done an excellent job over there in the Pentagon as Deputy Secretary of Defense. The Deputy is the man who gets the hard ones, I have found him to be outstanding in his achievements.

The Lord be with him as Secretary of Energy. I know he will do a good job.

Mr. JACKSON. Mr. President, I am pleased to yield to the Senator from Illinois (Mr. PERCY).

Mr. PERCY. Mr. President, Senator JACKSON was very active in the Governmental Affairs Committee when the Department of Energy was created. Just today, we had oversight hearings on the Department of Energy to see what has happened 2 years later. I should like, on the floor of the Senate, to pay tribute to two key men, who have had the horrendous, thankless job of putting that organization together in its formative stages—Secretary Schlesinger and Deputy Secretary Jack O'Leary.

They are two highly qualified public servants, who have been somewhat controversial, but who have really devoted themselves to this job of trying to put together the Department of Energy.

Certainly, I pay tribute to them for their selfless service and for carrying out a mandate of Congress and the administration to carry forward a structure and organization that will, somehow, resolve this problem.

I have known Charles Duncan only since his tenure in Washington this time but, from everything I know of him—his background, his love of administration, the way he structures an organization, his ability to inspire confidence—he just may be exactly the right kind of person for this kind of job now.

I commend the Committee on Energy for the thoroughness of its investigation and for the unanimous report that it brought forth to this floor. I enthusiastically support this nomination and shall enjoy working with Secretary Duncan in his new capacity as Secretary of Energy. I offer to him the support and help, counsel and advice, for whatever that may be worth, of myself and many other Members of this body.

Mr. JACKSON. I thank my colleague from Illinois.

Mr. President, I yield now to the Senator from South Carolina, then the Senator from Wyoming.

Mr. THURMOND. Mr. President, I rise in support of the nomination for Charles Duncan to be Secretary of the Department of Energy. I did not know Mr. Duncan when he came into Government service, but I have been deeply impressed with him as a man of great intellectual capacity. His past experience in the private sector as head of a major corporation indicates that he has impressive administrative abilities as well.

He is also a man of courage. Since he has come to the Department of Defense, he has made many difficult decisions, some of which have been very controversial. I think this quality of the ability to make such decisions is a key one for anyone serving in Government.

Finally, Mr. Duncan has proved that he is courteous, frank, and open in his actions and in his dealings with people. I think that it is imperative for any person in government service to always be courteous and honest with the people with whom he deals.

I think the President has made a wise choice in selecting Mr. Duncan to be the Secretary of the Department of Energy. I look forward to working with him on energy legislation now pending before the Senate and wish him the best as he undertakes a very difficult task.

Mr. JACKSON. Mr. President, I now yield to the Senator from Wyoming (Mr. SIMPSON).

Mr. SIMPSON. Mr. President, let me very briefly say that Charles Duncan is a fine personal friend of mine. He and his wife, Anne, are very lovely people. America will find that out about both of them.

I have served on various boards with him and, more uniquely, the two of us share a very unique part of the Earth, called the South Fork of the Shoshone River near Cody, Wyo., where his ranch borders the ranch of my parents.

He is a man who has an uncommon degree of commonsense. He is a person devoid of pomposity and arrogance. He is, as Senator PERCY said, the right man for the right job at the right time.

I am fully aware of what lies ahead for him. He is a person who does not seek the spotlight, but it is certainly going to seek him out. He will try his best.

He is a listener. He is a very impatient doer. He will be a remarkable Secretary of Energy. I think that he will make us very proud, and I want to tell you that now that we have gone on with the August recess, I shall join him in casting a fly sometime during that month, which may well be his last period of relaxation in Washington, D.C.

I commend him to you; he is a remarkable gentleman.

(Mr. PELL assumed the chair.)

Mr. PROXMIRE. Mr. President, Senator DURKIN, also, I understand, has some time reserved for him.

Mr. President, I asked for a rollcall on this nomination. I wrote the majority leader and told him I wanted to rollcall on all the major nominations we have before us. This was an extraordinary action taken by the President in asking for the resignations of some members of his Cabinet. The appointments he makes are of the greatest importance.

We have a responsibility to advise and consent, to discuss these nominations.

From everything I have heard from the distinguished Senator from Washington and others, there is no question Mr. Duncan is a man of high quality, top integrity, and of ability.

Of course, he was approved by the committee 16 to 0. He has a fine record. He is head of one of the great corporations in this country—Coca-Cola.

I am puzzled, however, about two things, one of which the Senator from Washington has dealt with. I would like to ask the Senator about it further.

One is the relationship this man is going to have as a Cabinet officer with the President of the United States.

The Senator from Washington assured the Senate he would not be interdicted in his access to the President—at least I understood him to say that.

But I want to know from the Senator from Washington if, in the judgment of the Senator from Washington, that means that at all times, under all circumstances, the new Secretary of Energy will be free to talk to the President of the United States any time he wishes and to make his own position known without any clearance with the new Chief of Staff that President Carter appointed, or anyone else.

I ask that question because it was clear in the resignation of Transportation Secretary, Brock Adams, that he felt he could not get that assurance, and one of the reasons he quit is because he felt he did not have that access to the President.

So I think we should be assured, if possible, that Cabinet officers will be free to talk to the President of the United States at any time, whenever they wish to do so.

Mr. JACKSON. Mr. President, I received a telephone call on Sunday that a memorandum had been issued by the White House from Hamilton Jordan, Chief of Staff. I will read it into the RECORD.

I received it after I requested a copy of it because I did not have it. But I was told there was one and, obviously, I felt an obligation to ask Mr. Duncan about it on Saturday.

So I will read it into the RECORD, if that is agreeable:

THE WHITE HOUSE,
Washington, July 24, 1979.

Memorandum to Members of the Cabinet and Senior White House Staff.

From Hamilton Jordan, Chief of Staff:

The energy proposals that the President has outlined present us with a unique and important challenge. Accomplishment of our goals requires cooperation and coordination among and between the various Cabinet departments, agencies, and units within the White House. Therefore, Secretary Schlesinger, Secretary-designate Duncan and I have asked Eliot Cutler, Associate Director of OMB, to coordinate all staff and agency activities.

It will be Eliot's responsibility to coordinate the activities of all staff and agency units relating to the enactment of the President's proposals. Policy development and clearances will continue through the existing procedures under Stu Eisenstat and Jim McIntyre. Frank Moore will continue to oversee Congressional relations activities.

I am sure that Eliot can count on your cooperation as he undertakes these responsibilities.

Thank you.

That is the end of the memorandum.

Now, I asked Mr. Duncan what the ground rules are, and his relationship

with the President and the White House staff.

I will attempt to paraphrase, as best I can, because I do not have the record.

Mr. PROXMIRE. Mr. President, I trust I will be able to get a little more time on this.

Mr. JACKSON. Mr. President, I ask unanimous consent that my response not be taken out of the Senator from Wisconsin's time.

The PRESIDING OFFICER. The Senator from Washington has no more time.

Mr. JACKSON. He informed me that he will have direct access. He informed the committee that——

The PRESIDING OFFICER. The Senator from Washington has no more time.

Mr. JACKSON. I ask unanimous consent for 3 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JACKSON. I asked him about his relationship with the President. He said he would have direct access to the President, that he would not have to go through the staff.

He did say that when the staff called him and the individual indicated, that the individual staff member was speaking for the President, then he would treat that as a Presidential response.

So it would be dependent entirely, of course, upon the reliability of the position taken by the White House staff member.

But he indicated very clearly that he would have direct access to the President and he would only respond when it was clear that the White House staff person was speaking for the President in the particular instance.

That is as best I can state it.

Mr. PROXMIRE. So if Mr. Jordan indicated he was speaking for the President and gave directions to the Secretary of Energy, that would be it?

Mr. JACKSON. He would take that as a directive from the President.

Mr. PROXMIRE. I appreciate that——

Mr. JACKSON. I cannot speak for Mr. Duncan, but, obviously, if it was a matter of great importance, I would think he would go directly to the President.

Mr. PROXMIRE. Mr. President, I will just ask a little bit further of the Senator from Washington.

The Senator knows this may well be the toughest job in town. The Senator knows what happened to Secretary Schlesinger, who is an extraordinarily able man with a tremendous background in administration. I think he is probably the most experienced appointee the President had. He served in the Defense Department, the CIA, and elsewhere.

He has been criticized more vigorously and vehemently than any Cabinet officer in my memory.

It is a very tough, difficult job.

I highly respect the Senator from Oregon. He is a splendid Senator. But saying that here is a man who may be better qualified because he does not have any specific qualifications in energy, I am concerned about that, because what professional capability does, a knowledge of the field does, is provide a degree of independence, a degree of confidence, a degree of ability to assert one's will.

That is lacking if he does not really understand the field that well.

To put a man, even with the fine business background that Mr. Duncan has, in this position seems to me, perhaps, to be a mistake in view of the overwhelming importance today of energy and getting an energy program that will go and will work. To put a man without experience here, a man with at least some problem with respect, in my view, to access to the President, may be asking for trouble.

I would like to ask the Senator how he would respond to the fact that Mr. Duncan does not have the background for energy that many others have.

Mr. JACKSON. First, let me simply say that I share the Senator's high regard for Dr. Schlesinger. He, I think has been one of our finest public servants.

I worked very closely with him. I have nothing but respect and admiration for the job he had to do under very difficult circumstances. He had to put together the Department of Energy that Senator PERCY referred to and, at the same time, try to forge an energy policy.

But I say to my good friend from Wisconsin, I think this man does have a broad background of experience in the business community. I do believe that he is a good generalist. I think he has an understanding of Government. I think he has an understanding of our economy.

He understands the foreign policy aspects. He was, I believe, in England for a number of years as head of the export division of Coca-Cola, or some similar capacity. He is a good technical man. He has his degree in——

Mr. PROXMIRE. He has a degree in chemical engineering, but he has no real experience in the high technology area that involves energy.

Mr. JACKSON. No. But one of the problems, I would say, is that a scientist often lacks administrative capability. That always has been one of the tradeoffs we have to face. I have no doubt about his ability.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield briefly, but I think my time has about expired.

Mr. HATFIELD. When we had a man qualified by background and expertise, it was the majority party on the Energy Committee that said it is like putting the fox in to guard the henhouse, because he came from an oil company background, when we were considering him to be chief counsel. He had expertise and background. In fact, had it not been for the Republicans and the minority of the Democrats, we would not have gotten him as chief counsel.

We want someone totally devoid of that relationship so that they will not have any——

Mr. PROXMIRE. May I respond? I think the Senator has his tongue in his check on this one.

I would agree. We do not want a conflict of interest. But I think we can find people with expertise, competence, with knowledge of the field, who do not have a conflict of interest.

Mr. President, I reserve the reminder of my time.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. I yield 1 minute to the Senator from Ohio.

The PRESIDING OFFICER. The Senator has 30 seconds.

Mr. JACKSON. I ask unanimous consent that the Senator may have 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I did not intend to enter this debate, but I heard the Senator from Wisconsin addressing himself to the question of Mr. Duncan's experience and expertise. Nor do I wish to address myself to the subject of Jim Schlesinger, a subject to which I can only say, "Amen."

In connection with Mr. Duncan, I think it is true that he is an untested quantity and an untested quality, so far as being able to run the energy program is concerned. But I think the Senator from Oregon probably stated it accurately. If you get the best expert, he probably will come from the oil industry. I believe that is one of the problems in the Department of Energy now: Too many people from the oil industry have been running that Department. I would rather take a chance on a completely blank slate than take a chance on someone who came from the oil industry and hope that he will have the integrity, courage, and independence to run that Department without concern for his future employment. I think Mr. Duncan fits that bill, and I prayerfully hope that he will be able to do the job that this Nation needs somebody to do in the Department of Energy.

Mr. DURKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire has 5 minutes.

Mr. DURKIN. Mr. President, I intend to vote for the confirmation of the nomination of Mr. Duncan. I intend to work with him until I feel I am talking to myself.

Mr. Duncan's nomination has raised, once again, a very serious problem. It concerns home heating oil—the supply of home heating oil, and the cost of home heating oil in the Northeast.

On April 25, the President of the United States stood in Portsmouth High, on nationwide TV, before a cheering crowd, and promised that we would have 240 million barrels of home heating oil in stockpile by the 1st of October.

As a result of Mr. Duncan's nomination hearing, I was finally able to extract from the White House their idea of the President's commitment, and I ask unanimous consent that Mr. Eizenstat's letter of July 30 be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., July 30, 1979.

Hon. JOHN A. DURKIN,
U.S. Senate, Washington, D.C.

DEAR SENATOR JOHN DURKIN: I understand that at Charles Duncan's confirmation hearing this morning you raised a question about the exact nature of the Administration's commitment to insure adequate home heating oil stocks this winter. The President has put in place a program to assure that home heating oil stocks are built to safe levels before the winter heating season. A key aspect of this effort will be to build distillate stocks at the primary level (including refiners, pipeline companies, and bulk terminal operators) to 240 million barrels by the end of October.

This target is designed to insure adequate stocks to meet the most difficult supply conditions. Since the seasonal stock drawdown of heating oil does not begin until about mid November, a build-up of 240 million barrels of distillate by the end of October will be satisfactory to meet a winter that is 20% colder than normal.

The Department of Energy has undertaken a comprehensive program to insure that this target is met:

1. Meetings have been held with the largest refiners to establish targets for each firm. On the basis of information provided by 32 of the largest refiners in a continuing series of meetings, it is estimated that the national target will be met.

2. In the event that sometime in the coming weeks refinery performance in meeting these targets is less than satisfactory, the Department of Energy has also prepared the necessary rules to require all or some refineries to increase distillate production in order to meet the target. The Department stands ready to use such procedures whenever that becomes necessary.

3. As part of this program, the Department of Energy is also taking steps to reduce distillate use, including removing regulatory impediments to switching from distillate to natural gas, encouraging electricity transfers to make better use of electricity generated from coal or hydro plants that can substitute for oil-fired plants, and implementing a national mandatory building temperature control plan for all public, commercial, and industrial buildings. These steps will reduce the demand for distillate during the critical summer and fall period necessary to build up heating oil stocks for the winter season, as well as reducing distillate requirements during the winter.

4. Finally, the Department of Energy will be monitoring the sales of distillate this summer and fall to distributors and end users, as well as conducting surveys of distillate stocks held by distributors, dealers, and major industrial users. If it is found that stocks at the secondary and user levels are lower than can be offset by primary stocks, or if there are not firm plans to move stocks into areas that rely on barging before the rivers freeze, DOE will require suppliers to resolve these problems expeditiously. If necessary, the Department of Energy will use its regulatory authority to require allocation of supplies for building home heating stocks to acceptable levels at the distributor and end user levels.

Since implementation of this overall program began several weeks ago, primary distillate stocks have increased by about 25 percent or some 30 million barrels. We are determined to see that this satisfactory progress continues.

In summary, we will continue to aggressively pursue our goal of 240 million barrels by the end of October. At the same time, we are taking the steps necessary to avoid nonessential use of distillate fuel.

Sincerely,

STUART E. EIZENSTAT,
Assistant to the President for Domestic Affairs and Policy.

Mr. DURKIN. I read the concluding paragraph:

In summary, we will continue to aggressively pursue our goal of 240 million barrels by the end of October.

What he is really saying is by November 1.

Once again, the President stood in front of a cheering crowd, saying what they wanted to hear; but when all the dust has settled, he has backed down on his promise.

The 240 million barrels is an illusory figure. Our secondary supply that our distributors have is only 50 percent of what they had last year.

I ask unanimous consent that a letter from Better Home Heating Council of New Hampshire, indicating the dire reserve situation, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BETTER HOME HEAT COUNCIL
OF NEW HAMPSHIRE, INC.,
Portsmouth, N.H., July 1979.

ANALYSIS OF FUEL OIL RESERVES IN NEW HAMPSHIRE

This analysis attempts to answer two questions concerning fuel oil reserves, as follows:

(1) What does New Hampshire have for fuel oil reserves?

(2) How much oil must be in total U.S. storage prior to winter, in order to supply U.S. needs during colder months?

(1) New Hampshire Oil Reserves:

Approximately 7 million bbls. of No. 1, No. 2 and No. 4 oils are used in the Granite State annually. Exhibit No. 1 shows that with customers' tanks ¾ full, dealer delivery vehicles ¾ full, and bulk secondary storage full, a theoretical 69½ million gallons or 1.65 million barrels of reserve exists. This is equal to a 26.6 percent reserve of annual usage.

In looking at such a figure one must realize its deceptions. First, a substantial portion of this 26.6 percent is probably not usable because of the necessity of utilizing tank "bottoms" of larger storage facilities and since some cushion against runout is required in customers' tanks, since all customers cannot be empty at a given moment as it would be impossible to fill them all at any given moment, due to limited delivery truck capacity.

Oil travels across state lines and some of this reserve is normally dedicated to surrounding states. For example, Piscataqua terminals also fuel southern Maine. One might assume this deficiency is equally offset by fuel oil reserves we get from Portland or Boston. Realistically, our dealers cannot invade the set-asides of these other states in time of shortage. Therefore, in normal times we consider this factor neutralized. In times of shortage an unknown skewing effect will occur. (This is unknown since there are no public statistics on how much oil is traded between states.)

Finally, the important factor in winter is how many days reserve New Hampshire has on hand. If one assumes we cannot totally exhaust reserves, a guesstimate of usable reserve might be 15 to 20 percent of annual consumption available at these secondary levels. This would amount to 1 million to 1.4 million barrels in this state.

With an average of 7,000 degree days existing in the state and calculating 95 percent of usage for heat (5 percent used for heating water in summer) would equal 6.65 million bbls used for heat divided by 7,000 degree days equal 950 bbls/per degree day usage. This represents 1,473 degree days. With maximum weather (70 degree days per 24-hour period) some 21 days of usable fuel would be on hand if all storage were filled to levels assumed in basic calculations.

In conclusion, we in New Hampshire appear to have 15 percent to 20 percent of annual consumption of heating oils in state if all levels of storage are reasonably full and this represents about 21 days reserve in maximum weather. Again, such figures are somewhat misleading because of interstate shipments, etc.

(2) How Much Oil Must be in U.S. Storage to Carry Us Through Winter?:

The historical base of Primary U.S. storage of 230 million to 244 million bbls/day storage by early October is accepted as a proper base based on historical stock levels at that time of year. The question is what amount of secondary storage if any is needed to support current consumption levels.

Exhibit No. 2 shows Distillate Sales in the United States (1977). For purposes of these calculations it is assumed all categories except heating are met with ongoing refinery production during summer months. It has been proven refiners are able to add 1 million bbls/day in heating oil storage during summer months and simultaneously take care of other types of user. This assumption will not hold if distillate is also short in other areas of consumption.

If one assumes 90 percent of distillate used for heating is consumed from October 1st to March 15th, some 483.8 barrels will be needed. If during this winter period (166 days) production of distillate for heating uses is 1 million bbls/day some 166 million bbls will be manufactured during the season. If one adds 240 million bbls storage on October 1st, available product is then 406 million barrels. This is 78 million bbls short of current annual heating needs of 484 million barrels. Thus we need 78 million additional usable barrels of storage available at secondary levels to meet demand.

Further, we also need replacement oil in transit not included in calculations since we are dealing with seasonal demand with a highly elevated consumption peak falling within a two-month period.

The conclusion suggested by these calculations is that we need 240 million barrels of distillate in primary reserve by October, but also need an additional 78 million barrel reserve at secondary locations in order to meet winter's demand on distillate.

Interestingly, if one takes the New Hampshire consumption of 7 million bbls x 15 percent reserve shown earlier and applies 15 percent to U.S. heating oil consumption of 537.5 million bbls, we arrive at 80 million bbls calculated in above U.S. calculations. It may be sheer coincidence that the figures come out so close due to various assumptions made in both calculations. However, there is absolutely no doubt that a 240 million barrel storage level at primary level is inadequate unless either of two events occurs:

(1) Secondary storage of some 80 million bbls is also simultaneously full by October 1st.

(2) Production levels of substantially over 1 million bbls a day dedicated to the heating market occur during winter.

CONCLUSION

The actual stock levels in secondary storage are unknown. Since 90 percent of the dealers in this state (and presumably elsewhere) are under allocation fractions and in the state set asides, it is assumed secondary storage is ¼ to ½ filled, certainly not more. Thus, of the calculated 80 million bbls needed by fall, the amount needed to fill these facilities is likely in a range of 40 to 60 million barrels.

Primary storage of 240 million bbls is currently filled to 150 million. Thus a deficit at this level is 90 million bbls. Adding both deficits of 90 million + 50 million, or 140 million bbls, are likely needed by October 1st. Since we have 80 days between now and Oc-

tober first, this means nearer 1.75 million bbls/day must be added each day to storage between now and October 1st, or winter production of distillates must increase well above 1 million bbls/day for heating or some combination of both must occur to provide adequate supplies of heating oil this winter.

EXHIBIT 1

NEW HAMPSHIRE FUEL OIL FACTS

	Amount
Consumption:	
Nos. 1, 2, and 4 oil sold for heating purposes annually (million of barrels)	7
or	
DOE annual statistics for kerosine (million gallons)	306.5
Users:[1]	
Single family dwellings	275,000
Other households	31,900
Commercial and industry	22,000
Farm accounts	6,300
Total	335,200
Gallons per user (306,500,000 gal ÷ 335,900 users)	915
Storage (millions of gallons):	
300,000 houses×275 gal×75 percent filled	6.2
60,000 others×1,000 gal×50 percent filled	30.0
826 delivery trucks×2,500 gal×75 percent filled	1.5
Distillate bulk storage in State (Census of Business)	31.8
Total, instate storage, estimated (1,650,000 bbl)	69.5

[1] Better Home Heat Council Survey, 1976.

EXHIBIT 1A

SECONDARY STORAGE CALCULATIONS (U.S. TOTALS)

[Does not include major or independent terminal operator storage]

	Amount
Jan. 1, 1978:	
Oil-fired boilers in United States	5,657,194
Oil-fired furnaces in United States	6,654,131
Total[1]	12,311,325
Customer tanks (million barrels):	
12,300,000 customers × 275 gal × 75 percent (4.9 bbl)	60.2
Fuel oil dealer trucks (million barrels):	
18,000[2] fuel oil dealers in United States average 3.5 trucks per dealer (New Hampshire average) × 2,500 gal × 75 percent ÷ 42 gal/bbl	.9
Fuel oil dealer storage tanks (million barrels):	
6,000,000 gal New Hampshire dealer storage ÷ 42 (220 dealers) = 649 bbl storage per dealer: 649 bbl × 18,000 fuel oil dealers	11.6
Total	72.6

[1] Fuel Oil & Oil Heat Magazine Survey 1978.
[2] Hub Mail, Boston 1978.

EXHIBIT 2

FUEL OIL SALES—DISTILLATE, 1977

[Thousands of barrels]

	Amount
United States:	
Heating	537,530
Industrial	104,244
Oil company	19,954
Electric utility	76,681
Rails	102,949
Vessel	33,512
Military	18,137
Diesel oil	266,903
Other	14,394
Total	1,220,803

	Nos. 1, 2, and 4 oil (for heating)	Kerosene
New England:		
Connecticut	18,619	260
Maine	11,778	1,019
Massachusetts	52,297	755
New Hampshire	7,382	412
Rhode Island	7,096	87
Vermont	4,006	328
Total	101,178	2,861

Source: Department of Energy.

EXHIBIT 3

CALCULATION ON SECONDARY RESERVES NECESSARY TO GET THROUGH NORMAL WINTER

	Million barrels
Barrels of fuel oil used for heating	537.5
Used Oct. 1 to Mar. 15 (percent)	(90)
Amount	483.8
Winter production at 1,000,000 bbl/day: Oct. 1 to Mar. 15 (166 days)	166.0
Storage level Oct. 1	240.0
Total available	406.0
Fuel oil used for heating	484.0
Available from primary stocks and production	40.6
Total	78.0
Secondary and tertiary reserves	78.0

Mr. DURKIN. I read from the letter:

Primary storage of 240 million barrels is currently filled to 150 million. Thus a deficit at this level is 90 million barrels.

They are talking about barrels of home heating oil.

Adding both deficits of 90 million and 50 million, or 140 million barrels, it would require a subsidy of 1.75 million barrels a day—today and every day—to meet the October target that the President promised, which is the bare minimum necessary for a normally cold winter in our region of the country.

Furthermore, in the northern part of New Hampshire we have had a survey, and there is a dire shortage of kerosene in the middle of the summer—totally unheard of.

There is still a possibility——somewhat more remote now—that Shell Oil may pull out of the New Hampshire market, leaving Sprague Oil short, and leaving 45,000 homes in New Hampshire short of home heating oil this winter. Even if Shell stays in the market, we are faced with a very grim situation, because we ran short of home heating oil last winter; and had it not turned unusually warm the first 2 weeks in March, we would have been in serious trouble.

Today, we are 18 million to 20 million barrels behind where we were last year at this time.

I ask unanimous consent that the letter from Shell Oil of July 16 and a letter from Sprague Oil Co.'s president, Henry Powers, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SHELL OIL COMPANY,
Washington, D.C., July 16, 1979.

Hon. JOHN A. DURKIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DURKIN: This is in reference to your concern about the ability of a heating oil jobber in your state, C. H. Sprague and Son, to supply heating oil to its customers during the next winter season, and your comment in the July 10, 1979 Congressional Record in that regard.

Please be assured at the outset Shell Oil Company is also concerned about Sprague's ability to obtain adequate supplies of heating oil for the home heating consumers. We feel confidence our past and on-going efforts with respect to Sprague will be evidence of our intent to assure that heating oil customers of Sprague Oil do not suffer undue hardships this winter.

Our purpose in writing at this time is twofold. First, we want to express our appreciation for your efforts to get the facts about Shell's actions with respect to Sprague Oil during our marketing withdrawal process and thereby alleviate undue fears on the part of your constituents that their heating oil needs will not be met.

Second, we want to clear up several points about Shell's notification to Sprague and other Shell jobbers in the Northeast market of its intention to gradually withdraw from that market.

Our initial notification was not made on June 30, 1977, as you were told by C. H. Sprague and Son and as was included in your Record statement. The fact is the initial announcement by Shell was made publically in 1975 and Shell jobbers were told by Shell then they would need to find alternate suppliers. This fact was, as you know, conceded by Sprague during the July 12 meeting you arranged for members of the New Hampshire Delegation and interested Senators from neighboring New England states to discuss this situation with representatives of both Shell and Sprague. It might be added several state and Federal agencies were also notified and have been kept apprised as our withdrawal has proceeded.

At no time during Shell's marketing withdrawal has Shell terminated any existing supply contracts. It was further pointed out at your July 12 meeting, Shell has continued to supply Sprague with heating oil during the last two years in the absence of a written, signed contract.

Since our withdrawal announcement in 1975, Shell has worked with numerous jobbers to maintain supply while they searched for and found alternate suppliers.

As was also announced at your meeting, a July 25, 1979 meeting has been arranged by Shell in the offices of C. H. Sprague and Son. The purpose of that meeting is to discuss details of future supply arrangements which will be on a month to month basis until Sprague obtains other suppliers. We cannot state at this time how much heating oil Shell will provide, at what price it will be made available, or what the schedule for deliveries will be. This is because it will be necessary for us to sit down at that meeting and determine what Sprague's anticipated needs will be, how much Sprague can manufacture from its own refinery, and how much other suppliers can contribute to meeting those needs. We will of course make you immediately aware of any supply agreement eminating from that meeting.

The above represents a completely accurate account of the events leading up to the July 12 meeting in your office. We feel the interests of the people in New Hampshire and neighboring states would best be served by making this clarification available to the public. Therefore, we trust you will see to it that this letter is inserted into the Congressional Record at the earliest possible date.

Sincerely,

DAVID B. GROSS,
Vice President.

C. H. SPRAGUE & SON CO.,
Portsmouth, N.H., July 2, 1979.

Hon. JOHN A. DURKIN,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR DURKIN: C. H. Sprague & Son Company, (Sprague Energy) has been a major supplier of No. 2 Home Heating Oil to resellers and distributors in the State of New Hampshire for the past 22 years. Our historic supplier for a substantial amount of this supply since the early 1960's has been Shell Oil Company.

The volume of No. 2 Home Heating Oil that we have supplied to the marketplace over the last ten years has averaged 70 million gallons per annum, of which 44 million gallons has been supplied to us by Shell, and for the last five years, approximately 26 million gallons have been supplied from our wholly-

owned refinery in Newington, New Hampshire. Nearly 90 percent of our total supply has been consumed in New Hampshire. This means that some 45,000 residential homes in your State have depended on Sprague for their heating requirements.

As you may be aware, Shell Oil Company announced on June 30, 1977, that they were leaving the No. 2 Heating Oil market in the Northeast portion of the United States in order to utilize their No. 2 oil as petrochemical feedstock in the Gulf Coast. The basic reason why Shell has continued to supply up to this date has been due to the Department of Energy's Allocation Program, which forced them to maintain historic supplier/customer relationships. That program no longer exists and Shell has notified us that beginning immediately, they will no longer supply No. 2 Home Heating Oil to Sprague Energy.

We have for some time been attempting to locate a substitute supplier but with no success. Our only real alternative to obtaining supplies would be to purchase quantities in the spot market where the price levels are currently twice the price of what our normal contract price would be. If we are forced into this situation in order to supply our customers, we would have to charge a price substantially in excess of the current price for deliveries of home heating oil, or alternately suggest to our customers that they attempt to obtain supplies from other terminal operators. Due to the shortage of No. 2 Home Heating Oil, we do not think our current customers would be successful in obtaining a new supply source, and, therefore, the health and safety of your constituents are in serious jeopardy at this time.

We have recently heard from Washington that the Department of Energy has no current intention of re-establishing mandatory allocations. Therefore, we request assistance in bringing this particular problem to the attention of your Congressional associates and, if necessary, the White House, in order to assist us in obtaining our required supplies at reasonable price levels to supply our historic customers.

Sprague Energy personnel will be happy to meet with you at your earliest convenience in order to help resolve this difficult and potentially hazardous problem.

Very truly yours,

HENRY M. POWERS,
President.

Mr. DURKIN. Mr. President, I am very appreciative of Mr. Duncan's responding to my question with respect to import quotas on residual fuel oil.

There is speculation that the President is going to put import quotas not only on crude but also on residual oil. Why am I concerned about that? Because up and down the entire Atlantic coast, we generate a tremendous amount of electricity by burning residual oil. The impact of misguidedly including residual oil in the import quotas will have the immediate effect of driving up substantially the cost of residual oil and the cost of electricity, not just in New Hampshire and New England but also all up and down the east coast.

I ask unanimous consent to have printed in the RECORD this response from Mr. Duncan, in which he indicates that he will recommend strongly to the President that there be public hearings before residual oil is included in the import quotas.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., July 30, 1979.

Hon. JOHN A. DURKIN,
Committee on Energy and Natural Resources,
U.S. Senate, Washington, D.C.

DEAR SENATOR DURKIN: Charles Duncan has asked me to deliver to you the answer to the question you asked at the hearing today with respect to public hearings on the implementation of the President's import quota program, the answer is enclosed.

If I can be of further assistance, please let me know.

Sincerely,

DEANNE C. SIEMER.

Enclosure.

QUESTION AND ANSWER

Q. Will the Department of Energy hold public hearings on the implementation of the President's import quota program, and in particular, on the inclusion of residual fuel oil in that program?

A. It is my understanding that the President asked the Secretaries of Energy and Treasury to forward to him recommendations on implementation and enforcement of the import quota system. I will recommend in this connection that we hold public hearings on all of the significant issues involved in the establishment of this program, including questions of how to treat petroleum products.

Mr. DURKIN. Mr. President, Mr. Duncan has pledged his cooperation. I am willing to give him the benefit of the doubt at this time and work with him, as long as his actions underscore his words with respect to alleviating what could be a very serious and extreme situation in the Northeast this winter.

Mr. PROXMIRE. Mr. President, will the Senator from Oregon yield for a question?

Mr. HATFIELD. I yield.

Mr. PROXMIRE. Was any evidence brought out in the hearing as to whether or not the Secretary-designate, Mr. Duncan, had anything to do with the President's proposed energy program that he has just given us, with the $88 billion synthetic fuels program, and so forth?

Mr. HATFIELD. No, there was no evidence whatsoever that Mr. Duncan——

Mr. PROXMIRE. I cannot understand that. Here is a man who is being appointed Secretary of Energy. Here is a program that he is going to have more to do with than anybody else in the Government, and he had no input at all?

Mr. HATFIELD. The Senator says he cannot understand it. I join him. There are a lot of things I cannot understand, either, that are going on down in that part of the Government.

Mr. PROXMIRE. I ask the Senator from Washington, because he was not on the floor at the time: Is there any evidence that the Secretary-designate, Mr. Duncan, had anything to do with the President's proposed energy program with respect to synthetic fuels, and so forth?

Mr. JACKSON. No. We did not ask him, because he was not in the Department at the time. He was in the Department of Defense.

Mr. PROXMIRE. Has the Secretary-designate, since obviously he is going to have enormous responsibility for this program——

Mr. HATFIELD. I suggest that there was a time factor here, too.

The President's energy program that he was devising, that came out of the summit, had not yet determined, according to, at least, the public understanding, who his new Secretary of Energy was going to be.

Mr. JACKSON. That is my understanding.

Mr. HATFIELD. And the program was already developed before he named Mr. Duncan. So it would have been after the fact.

Mr. PROXMIRE. I must say this is in his favor because this program, I think, is a badly conceived program that is going to have enormous difficulty here in Congress, and the fact that Mr Duncan had nothing to do with it is in his favor. On the other hand, I am still perplexed that he could not have found some way of having a man who is going to be responsible for the program having a voice in it.

It is another indication that they have picked a man who does not have any particular knowledge or competency in the field.

The PRESIDING OFFICER. All time has expired.

Mr. ROBERT C. BYRD. Mr. President, following this vote, the Senate will proceed to the consideration of S. 1119, a bill to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States, and for other purposes, and Mr. MATSUNAGA will be managing that bill. He tells me he expects no rollcall votes on the bill, that it can be disposed of by voice vote.

So this will be the last rollcall vote for the day.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Charles William Duncan, Jr., of Texas, to be Secretary of Energy? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. FORD) and the Senator from Kentucky (Mr. HUDDLESTON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Texas (Mr. TOWER) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. TOWER) would vote "yea."

The PRESIDING OFFICER (Mr. EXON). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 95, nays 1, as follows:

[Rollcall Vote No. 241 Ex.]

YEAS—95

Armstrong	Burdick	Culver
Baker	Byrd, Harry F., Jr.	Danforth
Baucus	Byrd, Robert C.	DeConcini
Bayh	Cannon	Dole
Bellmon	Chafee	Domenici
Bentsen	Chiles	Durenberger
Biden	Church	Durkin
Boren	Cochran	Eagleton
Boschwitz	Cohen	Exon
Bradley	Cranston	Garn
Bumpers		Glenn

Goldwater	Long	Riegle
Gravel	Lugar	Roth
Hart	Magnuson	Sarbanes
Hatch	Mathias	Sasser
Hatfield	Matsunaga	Schmitt
Hayakawa	McClure	Schweiker
Hefin	McGovern	Simpson
Heinz	Meicher	Stafford
Helms	Metzenbaum	Stennis
Hollings	Morgan	Stevens
Humphrey	Moynihan	Stevenson
Inouye	Muskie	Stewart
Jackson	Nelson	Stone
Javits	Nunn	Talmadge
Jepsen	Packwood	Thurmond
Johnston	Pell	Tsongas
Kassebaum	Percy	Wallop
Kennedy	Pressler	Warner
Laxalt	Pryor	Weicker
Leahy	Randolph	Williams
Levin	Ribicoff	Zorinsky

NAYS—1

Proxmire

NOT VOTING—4

Ford	Tower	Young
Huddleston		

So the nomination was confirmed.

Mr. MATSUNAGA. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move that the President be immediately notified of the confirmation of the nomination.

The motion was agreed to.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection it is so ordered

Several Senators addressed the Chair.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOVERNMENTAL AFFAIRS COMMITTEE HEARING ON S. 742, THE NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT

Mr. PERCY. Mr. President, on July 5 the Governmental Affairs Committee held hearings in Chicago on S. 742, the Nuclear Waste Management Reorganization Act of 1979. I served as chairman at the hearings. S. 742 was written and introduced by myself and Senator GLENN, and is cosponsored by the distinguished Senator from Maine, Mr. COHEN, and the distinguished Senator from Rhode Island, Mr. PELL.

Although this Nation has been generating nuclear wastes for over 30 years, no method for permanently disposing of those wastes has been implemented and proven safe. Sadly, the Federal Government's efforts to develop a permanent disposal facility have been characterized by repeated failures and miscalculations. The result has been a gradual erosion of the credibility of Federal nuclear waste programs. Mistrust of those programs has been manifested in a number of ways, most strikingly by the dozen States which have limited or prohibited the disposal of nuclear waste within their borders.

It is my belief that the technical problems of nuclear waste disposal can be solved, if we follow a deliberate, broadly based research program which explores a number of different disposal options. I am concerned, however, that even though the technical problems may be solvable, we will be unable to obtain the social consensus needed to go ahead with construction of the first waste disposal facility. The technical decisions which must be made will inevitably contain elements of risk and uncertainty, and will provide an easy target for criticism. No one will be willing to trust blindly in the Federal Government's ability to carefully weigh those risks. If the Federal Government tries to make these decisions in a vacuum, as it has done in the past, then its efforts will be doomed to failure.

We must recognize this fact and come to grips with it soon. We must realize that these decisions will not get the support they need unless extraordinary modifications are made in the decisionmaking process. Toward this goal, Senator GLENN and I introduced S. 742. The bill would require that State and local officials and concerned members of the public be able to participate in the formation of Federal nuclear waste policy. It would establish a process for the siting of permanent nuclear waste repositories which would insure that the concerns of citizens living near such facilities will be thoroughly addressed. Lastly, it would require improved coordination, organization and planning by the Federal agencies working on waste disposal, including the preparation of a comprehensive annual nuclear waste management plan.

In short, the primary goal of S. 742 is to broaden the Federal nuclear waste decisionmaking process by establishing clear channels for participation by State and local officials and concerned members of the public. The purpose of the Governmental Affairs Committee's hearing on the bill in Chicago was to obtain first hand the views and suggestions of these groups.

The committee received testimony from a number of distinguished witnesses in Chicago. The first witness was the attorney general of Illinois, William Scott, who has long been an effective advocate of nuclear safety and States' rights in the nuclear area. He was followed by a panel consisting of A. David Rossin, system nuclear research engineer for Commonwealth Edison; Catherine Quigg, the research director of Pollution and Environmental Problems in Palatine, Ill.; and Peter Cleary, staff physicist with Citizens for a Better Environment in Chicago. The testimony of these witnesses illustrated the divergence of opinion which exists on the nuclear waste issue, and clearly showed the need for balanced legislation which responds to the legitimate concerns of both sides of the issue.

The leadoff witnesses in the afternoon were Frank Beale, the director of the Illinois Institute of Natural Resources, who presented the testimony of Gov. Jim Thompson of Illinois; and Dr. Phil Gustafson, the vice chairman of the Illinois Commission on Atomic Energy. Governor Thompson has been a leader in the National Governors' Association on the nuclear waste issue, and his testimony will be of great use to the committee. Both witnesses expressed very forcefully the need for increasing the involvement of State officials in key Federal nuclear waste policy decisions.

The final panel of the day consisted of four witnesses who, in addition to addressing S. 742, also discussed whether the Federal Government should provide away from reactor (AFR) storage capacity for spent nuclear fuel. These witnesses were Sheldon Myers, Director of Office of Nuclear Waste Management, U.S. Department of Energy; Dr. Thomas Cochran, Natural Resources Defense Council; Eugene Volland, manager, Morris Spent Fuel Facility, General Electric Corp. and J. Dexter Peach, Director, Energy and Minerals Division, U.S. General Accounting Office. Mr. Myers argued that Federal AFR capacity will be needed as early as 1983. Mr. Peach discussed a recent GAO report which concluded that DOE has grossly overestimated the short term need for AFR storage capacity.

It is my belief that there is ample opportunity for expansion of spent fuel storage capacity at reactor sites. If such onsite expansion is pursued aggressively, then there will not be a need for a Federal AFR until the late 1980's. For this reason, I currently oppose any legislation which would allow the Federal Government to acquire AFR storage capacity.

On behalf of the members of the committee, I wish to thank all of these witnesses for their fine testimony. They have gotten the committee off to a good start in its consideration of this difficult issue. I believe that the hearing clearly established the need for legislation strengthening the role of States, localities, and the public in the nuclear waste disposal decisionmaking process, and showed that S. 742 is on the right track in attempting to provide for such increased input. It also suggested improvements which can be made in the bill in order to make it more responsive and workable. The committee is looking forward to exploring those improvements in further hearings on the bill, and expects to report it out to the floor during the fall.

Mr. President, both Governor Thompson's and Attorney General Scott's testimony on S. 742 were excellent, and I commend their testimony to my colleagues who are interested in the nuclear waste issue. I ask unanimous consent that the text of their testimony appear in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY PRESENTED BY THE HONORABLE FRANK BEAL ON BEHALF OF GOV. JAMES R. THOMPSON

INTRODUCTION

It is my pleasure to provide testimony today, to commend Senator Percy for his efforts to resolve a difficult and sensitive issue and to express Illinois' desire to contribute to the national debate regarding the management of nuclear waste.

Nuclear energy policy is clearly at a crossroads. Events at Three Mile Island, as well as past failures to deal with waste issues, have called into question the national commitment to nuclear power. I do not intend at this time to address all of the questions raised by that commitment, but instead will confine my remarks to the issues raised by Senate Bill 742. We must all keep in mind one essential point: even if we built no more nuclear plants and decommissioned all existing plants, we would still have a problem of nuclear waste. To ignore this fact is to ignore reality. Previous generations have made decisions that have produced nuclear waste. Our generation must manage it responsibly.

At the outset, may I clearly state that I am biased: I cannot help but favor any effort to increase the participation of Illinois and the other forty-nine states in the policy- and decision-making processes regarding both temporary and permanent storage of spent fuel. While there has been no lack of opportunity for public discussion of nuclear waste management issues, there has been a troubling lack of opportunity for state and local governments to help shape the policies and decisions made in this area.

Senate Bill 742 offers the first real hope that past practices will be moderated. This bill promises to be more than cosmetic—its provisions would permit states to be directly involved at several points in the process of determining how—and where—both temporary and permanent sites could be established.

I will not go into the history of the national failure to deal responsibly with the problems of nuclear waste. I am sure you know it too well. Suffice it to say that we have a hodge-podge of practices, with temporary sites that appear likely to become permanent, a search for so-called permanent sites that will take decades, and a federal government that gives lip service to the principle of federal-state cooperation.

It is my understanding that the current position of the Department of Energy with respect to the disposal of spent fuel rods and other high-level nuclear waste is as follows:

Use on-site storage at nuclear power plants to the maximum extent feasible and use away from reactor sites at Morris (Illinois), Barnwell (South Carolina), and West Valley (New York) for emergency and overflow storage on a "temporary" basis. The away from reactor (AFR) sites would be owned by DOE.

Continue the search for "ultimate" storage sites, probably in deep, underground geologic formations. The earliest this would be done is "sometime in the 1990's."

Work with the states in a process of "consultation and concurrence" carried out by the creation of an Executive Planning Council established by the President.

Let me speak briefly to each one of these points.

First, as I have said on numerous occasions, since Illinois leads the nation in nuclear generating capacity, we must assume our share of responsibility for the problems created by that reality. I could, in principle, support federal ownership and management of away from reactor temporary storage sites. In fact, however, I would point out to you that the Morris site was never designed as a storage facility, but as a reprocessing facility. Furthermore, if the federal government wants Morris as a temporary storage facility, what assurances do we have that the temporary won't become permanent as the search for the ultimate storage site continues. I am also concerned that the federal government is only looking at three temporary sites, all in the eastern half of the nation. Why not locate sites in the different regions of the country? Finally, no one has approached me directly on the question of purchase of the Morris site. I have only heard rumors, and that is part of the problem; a problem that Senate Bill 742 should help alleviate.

The issue of "ultimate" storage troubles me deeply. It is not unlike the search for the Holy Grail. The technicians have completely run away with the issue, turning the challenge into a test of the adequacy of the scientific community. It isn't a test. All we are asking for is the best available answer now, not the ultimate answer sometime in the next century. Most of the recommended solutions are medieval in character: deep underground, out in space, or in the oceans—in other words, out of sight, out of mind.

Instead of this pursuit of the ultimate, I would recommend a more reasonable approach that develops long-term storage facilities. These would be sites with continuous monitoring, redundant safety systems, and retrieval capability, but with substantially greater physical integrity than now exists at the so-called temporary sites. The advantages of this approach are that it is realistic and it can be implemented rather than waiting another decade to produce another round of studies.

On the third point, that of "consultation and concurrence," I cannot emphasize too strongly that the Executive Planning Council approach being contemplated by the President is not sufficient. That approach is full of good intentions, but experience to date indicates that good intentions are not enough. This issue is too important to be left solely in the hands of the Federal government with only cosmetic contributions from the states. It is for this reason that I prefer the approach as outlined in Senate Bill 742.

FAVORABLE ASPECTS OF BILL

Senate Bill 742 could be at least the first step necessary to restore the state's faith in the federal process of dealing with spent fuel. It addresses the institutional and political issue long ignored in developing an adequate nuclear waste disposal and storage program.

The bill would create two new entities—a Nuclear Waste Management Planning Council and a Nuclear Waste Coordinating Committee. The Council would consist of state and local elected officials and private citizens appointed by the President, including a Governor appointed as Chairman. The Committee would have one member from each relevant federal agency and one member from the Council. If enacted, this legislation would create for the first time a formalized structure of federal agencies and local and state officials to deal with the process of selecting a nuclear waste storage or disposal site.

Of particular interest to the states is the provision (Title 2, Section 201 and 202) which would establish a Nuclear Waste Management Planning Council. The establishment of the Council would create a channel of communication that would, at minimum, insure that state views were heard.

The federal concept of "consultation and concurrence" which has been used to describe the process in which the federal government would first consult with any state in which it had identified a potential nuclear waste storage or disposal site and then seek the concurrence of that state has proved insufficient in incorporating state participation. Should Senate Bill 742 become law, there would be for the first time a strong possibility that the nation's states could play a significant role in the formulation of national policies and programs relating to nuclear waste management.

It would also formalize a relationship that would permit dialogue between the federal and state officials who have an interest in regulations, standards and practices. It could improve the state's ability to comment on proposals and could better the means by which federal officials receive those comments.

We recognize that the President, through his Interagency Review Group (IRG) report, supports the concept of "consultation and concurrence" and recommends establishing an Executive Planning Council to improve communication among states and federal agencies on nuclear waste management.

While we feel that Congressional action should be held as a last resort, we also feel that the process of "consultation and Concurrence" has not fulfilled or satisfied the needs of the states in dealing with the issue of nuclear waste management. In addition, it appears that the federal government lacks the will and support for the creation of an Executive Planning Council.

Another provision of the bill (Title 3, Sections 301 and 302), which would establish a Nuclear Waste Coordinating Committee composed of federal agencies with responsibilities in the area of nuclear waste management, could bring progress. This provision is significant because it could alleviate some of the confusion that arises from the multiplicity of regulations and requirements for nuclear issues that now exist. Simply establishing procedures by which various federal agencies could communicate with each other would yield benefits.

Also of great importance to the role of the states in the nuclear waste program, is the provision (Title 4, Section 401 and 402) that would allow the formation of Nuclear Waste Repository Review Panels by the Governor of any state in which the federal government is considering the location of either temporary or permanent nuclear waste repositories.

While we feel that the issue of nuclear waste and nuclear power is in many senses a federal and national issue, there must be a mechanism for states to express their concerns and reservations, if any, regarding possible nuclear waste sites. It is the responsibility of state government to manage resources and to protect their citizens to the best of their ability. In this regard, it is appropriate for states to have a technical veto over any proposed nuclear waste site. This veto should be based on the merits of the site and the health and safety of the surrounding population.

The opportunity of obtaining accurate, timely information relating to federal intentions, the opportunity to participate in determining whether or not a site is suitable, and the right to comment at an early date, are extremely important and lacking at present.

The Congressional Review Procedures (Title 3, Section 403) appear to offer adequate recourse in the event that state and local governments believe their interests have not been considered properly or that federal actions are being taken without due caution. Congressional Review essentially would constitute a Court of Last Resort where evidence could be weighed in the light of public scrutiny rather than within a particular federal agency not directly accountable to the nation or the states.

Senate bill 742 addresses for the first time the reality of the political process in siting

nuclear waste repositories. While states must take a responsible view of nuclear waste management, they must also be afforded the opportunity of dealing with the federal government on an explicit and formalized level. I strongly favor the concept of making Congress rather than federal agencies the arbiter in the event that an impasse occurs regarding certain types of nuclear waste management decisions.

RECOMMENDATIONS

In light of what I have said thus far, it should be no surprise that I recommend the following: the provision establishing state participation and naming Congress as arbiter in the event of certain disputes must not be weakened, however slightly.

Indeed, I would support even stronger guarantees of the protection of state participation should reasonable measures of this nature be advanced for consideration.

But I recognize that there are risks involved in opening up the process to greater involvement by state and local governments; I know the delicate balance could be tipped too far and could result in stalemate.

There are difficult choices to be made; the ultimate disposal technology simply does not exist, despite the convictions of technicians; and it is unreasonable to expect that any state will accept the grave responsibilities of nuclear waste storage within its borders without seeking the strongest possible assurances that the material will be safely cared for by the federal government until permanent storage sites are developed.

CONCLUSION

Senate bill 742 is a step in the right direction, one that must be accompanied by other steps if we are to move forward.

If passed, it will mark the beginning of a new, more rational era of cooperation between the states and the federal government in coming to grips with one of our most difficult problems.

This legislation could benefit Illinois and the other states, and it is a privilege to voice support for Senate bill 742.

I do hope, however, that the host of other necessary steps follow quickly. We as a nation have far to go toward establishing both policies and programs that will help insure that the choices we have already made—to use nuclear energy to our benefit—do not pose unacceptable risks to society.

TESTIMONY OF THE HONORABLE WILLIAM J. SCOTT

Senator Percy, Senator Glenn, members of the Senate Subcommittee on Energy, Nuclear Proliferation and Federal Services, I would like to thank you for permitting me to present some of my concerns about nuclear waste. I am pleased that Senators of the caliber of our own Chuck Percy and John Glenn of Ohio have shown such leadership in attempting to solve some of the critical problems of nuclear waste management. I would also add that Senator Percy's decision to endorse a limited moratorium on new nuclear power plant licensing until some of the safety questions can be resolved is a further testament to his commitment to a safe nuclear energy policy.

The Subcommittee's choice of Illinois as the site for this hearing demonstrates its recognition that Illinois has an enormous stake in the development of a sound nuclear waste policy. There are at the present in Illinois seven operating nuclear reactors, eight under construction, more on the drawing boards plus a number of experimental reactors. In addition, Illinois is the home of both the low level waste site at Sheffield, which is now closed, the General Electric Morris Spent Fuel Storage Facility, and scattered spent fuel pools on reactor sites throughout the State. An unsafe or ill-conceived nuclear waste policy would be catastrophic to Illinois.

Before I discuss the problems of nuclear waste management I would like to bring a matter to the attention of the Committee which has received little if any attention on the national level. There are in Illinois as in other states abandoned radioactive waste sites. The sites are the result of industrial and defense-related activities many years ago which used radioactive material. The material was simply buried or piled at a site or carted away to some other dumping spot. In West Chicago, Illinois, for example, scientists have discovered almost 80 sites containing thorium, a radioactive rare earth element, which was used by a West Chicago corporation for many years for making gas mantles. Thorium has been discovered in people's yards, in a public park, in the town sewage treatment plant and migrating into drinking water supplies. The NRC has not accepted responsibility for the clean up of many of these sites because it contends that the material was not buried pursuant to an AEC or NRC license and the Department of Energy feels its responsibility to deal with abandoned nuclear waste sites is limited to those sites used for the old Manhattan project. No estimate exists of the number of such sites nationally but a conservative figure would be several hundred. No federal agency has been willing to deal with this problem and in the meantime our citizens continue to be exposed to this radioactive material.

The lack of a sound method for nuclear waste disposal is the most critical problem in the nuclear waste field today. Few groups aside from the nuclear industry itself argue that we have today a sound method of disposing of radioactive waste. Reports issued within the last two years by such bodies as the United States Geological Survey, the Office of Science and Technology Policy, the Jet Propulsion Laboratory, and a group of earth scientists on behalf of the United States Environmental Protection Agency all agree: uncertainties in the present state of technical knowledge make it impossible to conclude that we have a proven method of disposal of nuclear waste. In other words, technologically we cannot protect the public from the hazards of radioactive waste. Even the Interagency Review Group on Nuclear Waste Management (IRG) has acknowledged these uncertainties and admitted that disposal in salt—our primary candidate for geologic disposal—is fraught with more uncertainties than heretofore was thought. The Review Group's Report even expresses doubt about the Waste Isolation Pilot Project. This conclusion has been underscored by public pronouncements by such IRG leaders as Under Secretary of Energy Worth Bateman. In April at the meeting of the Nuclear Power Subcommittee of the National Governors Association he declared that WIPP may be dead because of the uncertainties about the use of salt.

While we struggle to develop a long term solution nuclear waste accumulates and we proceed at full speed with the development of new nuclear facilities. The implications of this policy are clear. In a couple of years we will be forced into making decisions about the disposal of nuclear waste which are environmentally undesirable because we will have backed ourselves into a corner! We cannot continue to refuse to address the question of whether future increased dependency on nuclear energy should be linked to the development of a proven nuclear waste disposal technology. The NRC—as it has acknowledged—has refused to entertain this question in rulemaking or in licensing proceedings. The Department of Energy will not deal with this question and the Interagency Review Group refused to even discuss the issue despite strong urging from countless States and other interested parties for it to do so. In addition, the President has not addressed the question. I hope you will take the initiative to see that this important matter is confronted on a national level.

The lack of technology has led to the adoption of a number of interim policies whose soundness is subject to debate. In 1977 the President announced that the Federal Government, for a one time fee, would accept commercial spent fuel for permanent disposal. Because we do not have permanent disposal capability the Department of Energy has proposed the creation of one or several away-from-reactor storage facilities ("AFR's")—places where spent fuel can accumulate on an interim basis forever! AFR's represent a non-solution to the problem of nuclear waste management. AFR's are a stop gap which make a permanent solution less likely because they relieve the pressure to develop a permanent solution. In addition, AFR's represent the further proliferation of nuclear facilities and create additional transportation hazards. Finally, the storage of spent fuel for long periods of time in large pools is an unproven technology which may create serious environmental problems. The creation of AFR's is not a sound idea and I urge that Congress defeat the Spent Nuclear Fuel Act of 1979.

It is critical that those who are affected by major decisions about nuclear waste have a voice in making those decisions. The states can and should play a major role in the development of nuclear waste policies and a host state should play a critical role in the decisions regarding the siting of a nuclear waste facility within its borders.

The role of the states in nuclear waste management decisions should be a major one, exercised at the highest levels of government on a continuous basis with the full range of state perspective represented. The mechanism for assuring the adequacy of the state input should not be dependent upon the sentiments of the President or the head of a government agency, rather it should be established by legislation.

A host state should play a major role in the decisions preliminary to the siting of a nuclear waste facility within its borders. Its input should begin early and cover all technological and institutional aspects of the project. Advancement from one step to the next in the project should be conditioned upon the lack of serious objection by that state, for technological and institutional reasons, to the project at that stage. In addition, suitable financial arrangements must be made to assure that a state has sufficient technical assistance to evaluate the project adequately.

In addition, there should be a mechanism for public hearings near the site of a proposed nuclear waste facility so that the public can express its opinions regarding the project.

Finally, the cost of nuclear waste management should be borne by those who have been recipients of the benefit of that nuclear power. To do otherwise is to create a subsidy for the power generating companies and the present users of power at the financial expense of consumer in future years. Sound fiscal planning, and good economics, demands that all costs incurred by such activities be internalized so that such costs are taken into account in the planning process.

Section 274, the Nuclear Waste Reorganization Act of 1979 introduced by Senators Percy and Glenn will provide a sound and a comprehensive basis for nuclear waste management decision making. Among the Bill's features are the following:

1. It centralizes nuclear waste responsibility within a single independent office;

2. Establishes procedures for the implementation of a nuclear waste management policy;

3. Establishes a nationwide council of states, for nuclear waste management decision making; and

4. Provides for the meaningful participation of a host state in the decision of

whether to locate a nuclear waste disposal site within its borders.

The Bill addresses many of the problems of nuclear waste management. I suggest several modifications to the Percy-Glenn Bill to strengthen it:

1. The bill should provide host state participation in decision-making in the creation of an AFR's within its borders. The establishment of AFR's raises numerous environmental, technical and institutional questions and the affected state should play a significant role in the development of such facilities in a manner similar to that proposed for the siting of permanent disposal sites.

2. There should be more than one opportunity for a state to non-concur. If a State has an objection to a nuclear waste site at an early stage in the project it is appropriate that it be able to raise that objection at that time so that the problem may be dealt with most effectively. Providing more than one opportunity for non-concurrence reduces the likelihood that a State will experience undue pressure to approve a project because a lot of time and money has gone into its development even if it does not feel the project is sound.

3. It is important that the Nuclear Waste Management Planning Council reflect the range of views of states and consist of a variety of different state officials, including the appointment of an Attorney General.

4. If a recommendation of the state Waste Management Planning Council is rejected by a Federal agency this should be brought to the attention of the President and the Congress.

5. A separate federal agency to manage nuclear waste should be established rather than using the Department of Energy. It is unwise to place waste management responsibility in the hands of the Department which has the conflicting additional role for providing nuclear power.

I have several other comments regarding S-274 which I have attached as an Appendix to this testimony. Thank you for allowing me to speak today.

GRIFFIN BELL: A REEVALUATION

Mr. PERCY. Mr. President, it is not easy nor is it a regular occurrence when an elected official admits that he made a mistake when casting a vote. However, I believe that it is important for legislators to acknowledge their mistakes; I have done so before and I do so again today, Griffin Bell's recent resignation prompts me to publicly state my reevaluation of him as a man and as the Attorney General of the United States.

On January 25, 1977, I expressed concerns about the nomination of Griffin Bell as Attorney General of the United States. At that time, I outlined what I believed to be the fundamental criterion for an Attorney General: "Will the Attorney General designate be independent of all outside political forces?" Given what I knew about Griffin Bell's lifelong friendship with the President, I concluded that this was not the best appointment that could be made. I believed that in an administration that promised a fresh start from the cozy relationships of the past, President Carter's appointment of Griffin Bell was a mistake. Therefore, I voted against his confirmation as Attorney General.

In keeping with my personal philosophy that an elected official must retain an open mind, I have paid particularly close attention to Griffin Bell's actions as Attorney General. Much of what I have seen has pleased me greatly.

He has made a series of distinguished appointments to high-ranking and important positions in the Justice Department. For example, his selection of Judge William Webster to head the FBI helped restore public faith in the revitalization of that agency. By bringing in a distinguished jurist who had no affiliation with the FBI during the Hoover era, Attorney General Bell demonstrated his sincere conviction that the integrity of that agency must be restored without duplicating the errors of the past.

Similarly, I applaud Judge Bell's decision to retain Peter Bensinger as Administrator of the Drug Enforcement Agency. I believe Mr. Bensinger has done an excellent job in carrying out the difficult mandate of this agency and I am gratified that Attorney General Bell has not allowed partisan politics to cloud any judgment of Mr. Bensinger.

With his own staff, Attorney General Bell selected a distinguished group of Assistant Attorneys General. He made a sincere effort to compile a high-quality and balanced staff. Selections such as Drew Days III as Assistant Attorney General in the Civil Rights Division, Pat Wald as Assistant Attorney General in the Office of Legislative Affairs, and Barbara Babcock as Assistant Attorney General in charge of the Civil Division won him high praise throughout the legal profession.

But Attorney General Bell's accomplishments go beyond simply selecting good people. Substantively, Attorney General Bell has been confronted with some very difficult issues, and he has not shirked his responsibility.

For example, he led the fight within the administration to require a criminal standard as the basis for obtaining a warrant to conduct electronic surveillance in countering foreign intelligence in this country. Attorney General Bell persuasively and properly argued that a weaker standard would do violence to our most basic principles of due process and justice, and that the Nation's judges could be trusted to review serious matters of national security. His arguments had a major impact upon the final version of the Foreign Intelligence Surveillance Act which passed overwhelmingly in the Senate last year and ultimately became law.

Most importantly, Attorney General Bell has demonstrated an independence of spirit and action that has placated even his most strident critics. Contrary to my own initial concerns, Attorney General Bell did not in any way misuse his close personal relationship with the President; in fact, he performed admirably in protecting the Department of Justice from political pressures.

All in all, I find that Attorney General Bell met the standards of nonpartisan justice that every great Attorney General must meet. If at the time of Attorney General Bell's nomination, I knew what I now know, I would have enthusiastically supported his appointment. Mr. Bell's resignation is not something that I welcome; he did a fine job as Attorney General.

Mr. President, at the conclusion of my remarks, I ask unanimous consent that an article by Nina Totenberg, entitled "For the U.S.: Griffin Bell, Esq.," which appeared in the Washington Post magazine of July 1, 1979, and an article entitled "Bell: How Will History Judge Him?" by Robert Pear, which appeared in the May 21 Washington Star, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FOR THE U.S.: GRIFFIN BELL, ESQ.

(By Nina Totenberg)

A few days after Griffin Bell took office as attorney general, a staff aide came racing into Bell's office. "The White House just phoned," the aide said breathlessly, "and they want us to . . ." "Hold on there," drawled Bell, holding up his hand like a cop stopping traffic. "Buildings don't call. People call."

Since that day, Bell has made it clear to the White House staff that if they want to deliver a message to the Justice Department, it should be delivered to the attorney general or one of his two deputies.

"That phone message, 'The White House is calling,' is calculated to upset the people on the other end of the line," says Bell, "and I don't want my people being upset."

Griffin Bell upset plenty of people two years ago when he was appointed. Liberals and Republicans were critical of the appointment because they feared Bell would be too cozy with his old friend President Carter. And there was every reason to worry. In the past two decades the Justice Department has been strongly tied to the White House. Robert Kennedy, John Mitchell, Richard Kleindienst—each was a presidential campaign manager, or close to it, who became the top law enforcement official in the nation. The dangers of that arrangement were clearly demonstrated by Watergate. And in 1977 the worry was that the Justice Department, after a period of relative neutrality under Edward Levi, would once again become politicized under Griffin Bell. The Marston affair seemed to confirm that fear.

But as Bell prepares to leave the Justice Department now, he is proud of the fact that he has erected a giant barrier between his department and the White House. Whether the Justice Department will be as independent after Bell leaves remains to be seen.

Bell said from the beginning of his tenure that he would not stay on at the Justice Department until the 1980 election. And he hasn't lived life in the nation's capital. In fact, his wife has returned to Atlanta and Bell lives alone here, going home on the weekends. Bell misses law practice. Sometimes, he says, "I just long to have a client walk into my office and ask for my help."

In legal circles, Bell is not viewed as a "great" attorney general. But in terms of what he set out to do, to establish a "nonpartisan neutral zone," he may have left an important legacy.

Another legacy Bell leaves behind is 152 new judges to fill newly created judicial seats. No other attorney general in history has been responsible for choosing so many new federal judges. Presidents, of course, appoint judges, but in the Carter administration Bell has held almost all the power on judicial appointments.

On policy matters, Bell has emerged as nonactivist, middle-of-the-road, neither liberal nor conservative, but a hardliner on issues of national security and law and order.

He likes to let the various division chiefs run their own shops, but he is a strong man who is quick to act if something offends his sense of integrity, the rule of law, or his sense of patriotism.

Bell's emphasis on integrity, the rule of law and patriotism is not surprising in view of his background and his 15 years as a Court of Appeals judge. He has every reason for putting his faith in this system; it has been good to him. Griffin Bogette Bell has advanced in life from part-time clerk in his father's service station in South Georgia to being one of the most powerful men in America.

At 60, Griffin Bell looks something like a bemused bird, who watches the goings on in the nation's capital with alternating irritation and amusement. He clothes himself more in the trappings of Wall Street than Atlanta—Brooks Brothers suits, narrow ties, dark-rimmed glasses, and close-cut hair. But the face is right out of Huck Finn—eyes twinkling, nose twitching, ears sticking out from his head.

Bell's style is strictly informal. When he took office, for example, he immediately made public his daily appointment and telephone log—something no other cabinet officer has done. He starts each day at an 8 a.m. breakfast with his staff. It's not a business breakfast, and journalists, bar leaders, even congressmen are invited to join in. Ideas are tossed around, columnists occasionally berated, and jokes traded.

He uses humor artfully. Often to make a point or win an argument. When a cabinet officer pushed Bell hard to bring a case the attorney general thought was a loser, Bell finally said, "You're not asking me to be your lawyer, you're asking me to be your pallbearer."

Jokes at his own expense are a Bell specialty. When a federal district judge in New York cited Bell for contempt for refusing to turn over the names of FBI informants in the Socialist Workers Party suit against the FBI, a friend sent Bell a hacksaw. Bell, so far, has not had to saw his way out of jail (the contempt citation was reversed on appeal), but he had the hacksaw mounted on the door to his office. He gave the saw to Health, Education and Welfare Secretary Joseph Califano when Califano was threatened with contempt of court. Califano reportedly was not amused.

Bell also is not the least bit afraid to use his wit at President Carter's expense, as he did in a speech to the Alfalfa Club:

"President Carter . . . is a man of great courage. His entire career epitomizes courage. On his desk sits Harry Truman's great plaque—'The Buck Stops Here.' It was this courageous, steely-eyed, determined president who turned to his aid and said, 'Hamilton, you fire Bella.'"

Not many people can joke that way about the president and get away with it. But the consensus is that Griffin Bell and Charles Kirbo are the two men the president respects and trusts most. And it was Bell who first put Carter in touch with Kirbo. But the relationship between Carter and Bell is not one between two old pals chewing the fat together. There are even reports that Bell is frustrated because he is never invited over to the White House for a personal visit. Rather Carter seems to treat Bell more like a respected, distant and older brother. And like all older brothers, Bell does pretty much what he wants. He doesn't bend to pressure, even from the president of the United States. In fact, Bell has been so successful at insulating the Justice Department from political pressures that many in the White House complain they have no input on legitimate policy matters. "You elect a president because of a certain philosophy," argues one upper-level White House aide, "and you expect that philosophy to be carried out. The White House should have a role in determining what briefs the solicitor general files, what civil rights cases are brought, what civil cases are defended. To say, for example, that the White House shouldn't get involved in the Bakke case, as Bell originally did, is just crazy!"

So Griffin Bell's stewardship of the Justice Department is something of a case study in how an apolitical Justice Department can affect the body politic.

Perhaps no case tested Bell's resolve more than a police brutality case from Texas, known as Rodrigues. Bell's actions on the Rodrigues matter showed him willing to incur the wrath of the president and a powerful political group in order to preserve what Bell viewed as the rule of law.

Santos Rodrigues was a Mexican-American youngster killed by a Texas policeman in a game of "Russian roulette." The policeman was tried, convicted and sentenced to only five years in prison. The Mexican-American community wanted the Justice Department to intervene on federal grounds, and to prosecute the policeman on federal civil rights charges. President Carter got interested in the case when he was asked about it in Texas and shown pictures of the youngster's body.

The case came to Griffin Bell's desk last summer with a recommendation from the civil rights division that there be no second prosecution. The civil rights division felt that to try the policeman on federal charges would be a violation of the Constitution's ban on double jeopardy. Bell agreed with this conclusion and made the decision not to prosecute. Then he left on a trip to Australia.

By all accounts, while he was gone, all hell broke loose. President Carter called a Mexican-American state legislator in Texas and told him he was embarrassed by the attorney general's decision not to prosecute. A group of Mexican-Americans then met with Vice President Mondale and Mondale arranged for them to see Deputy Attorney General Benjamin Civiletti. The president called Civiletti to ask him to reconsider the decision, and Civiletti began a review of the file. Civiletti describes the president's tone of voice as "angry" and "concerned."

Later the same day Civiletti met with the Mexican-American group for several hours. As Bell aide Terry Adamson describes it, "We were in a quandary. We'd hoped to reach Judge Bell. While the Mexican-American group waited in Ben's office, we kept trying, but we couldn't locate the judge. Finally, Ben called the president back and told him he would stick with the attorney general's decision." The president and his staff were furious. Even the Justice Department's antitrust chief faced caustic remarks about the case when he went to the White House to discuss a wholly different matter. And a Bell aide quotes Carter's domestic adviser Stuart Eisenstat as remarking acidly one day. "You just cost us Texas."

When Bell returned from Australia, he was incensed. As Civiletti describes it, "Bell perceived this as an attempt by the White House to influence a decision which was properly a Justice Department case. He was particularly mad because it was done while he was away, and he saw it as an attempt to get the deputy to cave in in his absence."

Bell himself says the Rodrigues case was "the greatest crisis I've had with the president. The president felt strongly the policeman should be prosecuted by the federal government. We made a decision through the normal process not to prosecute. So the issue was, Could a prosecution be directed from the White House, or is that a decision vested in the attorney general? The president realized eventually that it was up to the attorney general, and that his remedy was to fire the attorney general." Bell drawls on, "The president didn't think my crimes were high enough for me to be removed." The end result of the Rodrigues case it that it showed everyone in the administration that Griffin Bell didn't mind getting fired to make a point, and that he wasn't going to get drawn into political consideration deciding whether to prosecute a case.

A footnote to the Rodrigues case: Bell was so impressed by Deputy Attorney General Civiletti's toughness in the face of White House pressure that Bell now wants Civiletti to replace him as attorney general. Some in the White House prefer Deputy Secretary of State Warren Christopher. Bell says he has recommended both men.

Bell is one of those people who learns lessons well, and the lesson he learned from the Marston affair is that the appearance of impropriety is what counts, even if the reality is proper.

David Marston was the Republican holdover U.S. attorney in Philadelphia who succeeded in humiliating the Carter administration with charges of playing politics with justice.

Justice Department officials insist that Marston was never involved in a Justice Department investigation, being run from Washington, of political corruption in Pennsylvania. In November 1977, one of the targets of that investigation, Democratic Rep. Joshua Eilberg, called President Carter to complain about the investigation. U.S. Attorney Marston was briefed on the call, and the story leaked to the press. A furor followed. Marston accused the administration of playing politics with law enforcement. Bell called Marston to Washington to tell him he would have to leave, but the attorney general asked Marston to stay on until a replacement could be found. Marston refused and went outside to tell a mob of waiting reporters that he'd been fired.

Eilberg was eventually indicted and convicted, but Bell was horrified by what he admits was his own "mishandling" of the affair. "I should have followed my first instinct," says Bell. "I should have let Marston go at the beginning when all the other U.S. attorneys were asked to resign. I got talked into letting him stay on." Bell says the Marston affair set back his getting a handle on the Justice Department by three months.

So when the Carter Warehouse investigation began to bubble ominously in the media, and when Republicans began demanding a special prosecutor, Bell decided it was time to forego his initial opposition to a special prosecutor. Still, Bell hated the term "prosecutor," and when he appointed New York's Paul Curran to head the Carter Warehouse investigation, he dubbed him a "special counsel." Originally Bell didn't give Curran all the powers that Special Prosecutor Leon Jaworski had had. But when the Republicans began to howl in protest, Bell readily relented. Why did he change his mind? "This thing was creating a distrust in the presidency," says Bell. "Something had to be done so that a responsible investigation could be made and a report given to the American public." Simply put, Bell had worked too long and too hard to bring back respect to the Justice Department for it to evaporate in the Carter Warehouse investigation.

Griffin Bell is an expert at protecting his territorial turf. When the White House staff quietly got President Carter to reverse a Justice Department position in a major environmental case before the Supreme Court, Bell went to Carter personally and prevailed. Then, to teach the White House staff a lesson, Bell argued the case before the Supreme Court.

In the Bakke case, Bell did not get his way so thoroughly. But the Bakke case illustrates

more than internal policy pulls. It shows Bell's basic conservatism and his belief in meritocracy. The Bakke case tested whether affirmative action programs in university admissions discriminate unconstitutionally against whites. Originally, the Justice Department brief argued that Bakke should win the case and be admitted to the University of California Medical School at Davis. As one White House aide put it, "When we saw that brief, we got hysterical. We finally went to the vice president to get him to intervene with the president." Mondale did. And the pressure began to mount. HEW Secretary Califano asked Bell to change the brief. The Black Caucus met with Bell to protest. Mondale, Robert Lipshutz, the president's counsel, and Eisenstat, held a meeting with Bell. The three White House heavies were alarmed the administration would side with Bakke. Bell, according to his aides, was angry at being pressured, and he felt a special loyalty to the two men who had been working on the brief. Solicitor General Wade McCree Jr. and Assistant Attorney General for Civil Rights Drew Days. Bell ordered McCree and Days to lock themselves in a room and work out a final draft.

When McCree and Days settled on what they would say in the brief, McCree phoned Bell. It was Saturday, and Bell was in his office. Bell typed out a summary of the principles himself and sent aide Terry Adamson to deliver the summary to Eisenstat at the White House. That afternoon Bell flew with Vice President Mondale by helicopter to Blackhill Falls, W. Va. When the attorney general got off the helicopter, there was a message that the White House was calling.

Adamson went to the phone. It was Eisenstat with the message that the president had seen the memo of principles and was satisfied. The attorney general could proceed. The brief filed with the Supreme Court sided basically against Bakke. But while Bell may have lost the internal debate on the question of meritocracy and affirmative action, he at least felt he protected his own staff.

That loyalty to staff was illustrated again in the Feeney case, the case testing whether absolute preference for veterans in public employment unconstitutionally discriminates against women. The Justice Department filed a brief with the Supreme Court arguing that absolute preference is constitutional. Bell says he didn't know about the brief. When the president and his staff learned about it, they were appalled because the president had taken exactly the opposite position in his civil service reform legislation. "When the president asked me about it," Bell says, "I didn't know . . . It was the blind leading the blind." But Bell still refused to recall the brief, apparently feeling that such a move would unduly embarrass his solicitor general. Nonetheless, the flap over veterans preference led to a formal meeting between domestic adviser Eisenstat and Bell in which Bell agreed to institute a review system for briefs on major policy issues going to the Supreme Court.

Bell's decisions in these cases show his operating style on a day-to-day basis. He's independent, flexible, not afraid to change his mind, and loyal to his staff and his principles.

But politics is politics, and Bell is a good old-fashioned Southern politician. Some inside the administration view him as the second most powerful man in America, more powerful than Vice President Mondale. It is a testament to Bell's power that no White House staffer interviewed for this article was willing to be quoted by name saying anything critical of Bell.

Bell carefully picks fights he thinks he can win, and there are some fights he thinks are not worth using his chips on. For example, when Carter named the first batch of judicial screening commissions, Bell was appalled.

They were loaded with what Bell called ECSs—Early Carter Supporters. But Bell knew that the president's powerful political adviser Hamilton Jordan was responsible for the lists, and Bell didn't think he could win this fight with Jordan. So instead Bell insisted on appointing the committee chairmen. He figured he could control the commissions through them, and to a large extent, he has. Bell openly admits, "The saving grace was the chairman I appointed."

Bell knows that the business of appointing judges is, by its very nature, political. He once observed that in his own case, "becoming a federal judge wasn't very difficult. I managed John F. Kennedy's campaign in Georgia. Two of my oldest and closest friends were the two senators from Georgia. And I was campaign manager and special unpaid counsel for the governor."

Today, Republicans grumble that under Bell less than a handful of Republicans have been appointed to the federal bench. Bell responds deadpan that the Carter administration doesn't have any "affirmative action program for Republicans."

The Carter administration will leave a giant imprint on the nation's judiciary because, by the time 1980 rolls around, this president will have appointed nearly half of the sitting federal judges in the country—and those judges have life tenure and will remain on the bench for decades.

So it was that women, blacks and Hispanics looked to these appointments as a rare opportunity to increase their meager numbers on the federal bench, and President Carter promised he would do just that. Carrying out that order, Griffin Bell publicly embarked on a campaign to bring more women and minorities into the federal judiciary. But in recent weeks, women and blacks have denounced the Carter administration for failing to carry out that promise.

Inside the Justice Department, women and blacks say that Bell is deeply committed to his affirmative action program, but they say he is having a hard time persuading senators—who traditionally control judgeships—to pass over their white male buddies in favor of women, blacks, and Hispanics. Bell can blame the senators for lagging on district court judgeships. But he cannot so easily blame senators for the record on circuit court judgeships. The screening panels that recommend these judicial candidates are appointed by President Carter, and senators have much less influence. The Circuit Court of Appeals screening process for 35 newly created appellate judgeships is now complete. The screening panels have recommended 138 names from which the 35 are to be chosen. Of the 138 names, 103 are white male.

Mildred Jeffrey, the chair of the National Women's Political Caucus, calls the record "a disgrace." Brent Simmons of the NAACP Legal Defense Fund calls it "an affront to blacks and Hispanics." He says the record is "appalling," that it "hardly qualifies even as a token." Junius Williams, the president of the black National Bar Association, calls it "a continuation of the good ol' boy corporate elite syndrome."

Attorney General Bell notes, with justification, that no other administration has ever appointed so many blacks, women and Hispanics to the federal bench. But the fact is the women and minorities expected more.

One Bell blind spot appears to be his home state of Georgia where his old friend Henry Bowden is chairman of the District Court screening commission and a member of the Fifth Circuit screening commission. On January 22, 1979 Bowden wrote a letter saying that the commissions "should make no effort to make sure that some black, some woman, some white, some man, or some Chicano should be included" in the selection process. Despite Bowden's forthright rejection of an executive order to seek out minorities and women, Bell has consistently defended his old friend, and the attorney general says he has no intention of asking Bowden to resign.

In the civil rights and civil liberties community, Bell has been heavily criticized for his judicial appointments record in his old circuit, the Deep South. The Southern Regional Council recently issued a report that concluded: "Race is still a burden and politics remains king in the appointment of federal judges in the South today."

On Capitol Hill, Bell is a glowing personal success. He has negotiated a number of legislative compromises, and this year he seems finally on the threshold of getting passed a major recodification of the nation's criminal laws. The key to this prospective turnaround is Bell's winning over of liberal Rep. Robert Drinan (D-Mass.), formerly a stalwart opponent of recodification, who chairs the House subcommittee handling the bill.

Sen. Edward Kennedy, the chairman of the Senate Judiciary Committee, treats Bell with uncharacteristic respect, avoiding embarrassing questions with a vengeance. Bell gets along with the minority Republicans well too, though Robert McClory, the ranking Republican on the House Judiciary Committee says he still views Bell as "a Democratic partisan."

Bell also wins highest praise for the people he has brought to the Justice Department, lawyers of the highest caliber, many of them from the public interest sphere.

He has proven himself perceptive and compassionate as a manager. He is not one of those people who put management goals above personal needs. The system has paid off, at least in the case of Assistant Attorney General Daniel Meador. Eighteen months ago, Meador went suddenly blind. He immediately sent this resignation to Bell. But Bell refused to accept it, saying that as long as there was nothing wrong with Meador's mind, he should stay on the job.

Meador stayed, and he now gives Bell credit for giving him the will to continue. As it turns out, Daniel Meador has been one of Bell's greatest assets. Meador drew up the court improvements legislation that Bell pushed through Congress—legislation that is one of Bell's proudest accomplishments.

Griffin Bell's greatest legacy, however, may be his work in the field of intelligence. The decisions he has made on cases and the policies he has set in this field will be remembered long after he has gone. Bell brings to the intelligence field his deep sense of old-fashioned patriotism, a judge's faith in the courts, and an insistence that the government must be protected at all costs.

He is not a knee-jerk patriot. For example, Bell and Vice President Mondale fought hard when the wiretap bill was being debated inside the administration. They wanted a criminal standard—a bill that would require the government to show a violation of federal law before it could get a warrant to conduct an electronic surveillance. They were opposed by Defense Secretary Harold Brown and CIA Director Stansfield Turner. Bell and Mondale won, in part because Bell argued so persuasively that federal judges could be trusted with the nations secrets, and that the rule of law required a criminal standard and a warrant system. The historic foreign intelligence wiretap bill passed Congress and now is the law of the land.

But in the actual cases that Bell has had to decide for the Justice Department, he has been a hardliner. Take the case of Vietnamese expatriate David Truong and USIA employe Ronald Humphrey, prosecuted for espionage. The documents Humphrey and Truong were charged with taking were of the lowest classification, almost all labeled only confidential and a couple labeled secret. In spy terms, that simply is not information worth having. But Griffin Bell prosecuted Humphrey and Truong to the limits of the law. Both Humphrey and Truong were convicted. Bell now

admits that the Humphrey case was a "pitiful" one and that Ronald Humphrey was charged with stealing "marginally classified" documents. But Bell adds, "You have to go against an American citizen harder than a foreigner. He stole our secrets. He has to pay for it."

The Snepp case is another example of Bell's strong view of his role as government protector. Frank Snepp is an ex-CIA employe who wrote a book savaging the CIA's performance in Vietnam. Although CIA Director Turner testified that the book revealed no classified information, the Justice Department went ahead with a suit against Snepp, charging the former CIA man with breach of contract in writing a book without clearing it with the CIA. Griffin Bell personally authorized the suit despite reservations expressed at the lower levels of the Justice Department.

Just recently, in The Progressive case, Bell once again overrode department recommendations and took a hard line. This time his object was to stop publication of an article about nuclear weapons—even though the information appears to have been available to the public for years.

However, in two intelligence cases that Bell inherited from the Ford administration, Bell was more willing to make compromises.

The first case involved charges that former CIA Director Richard Helms lied to a congressional committee. During his confirmation hearings as ambassador to Iran, Helms allegedly testified falsely about the CIA's role in Chile. Edward Levi, then attorney general, couldn't bring himself to decide whether Helms should be prosecuted or not, and the question was left in Bell's lap.

The difficulty was that the case, if it went to trial, would require a discussion of some national security secrets in open courts. As Bell tells it, "The Helms case was almost impossible. The only way I ever got that case compromised was based on Helms' patriotism. He was accused of not telling the Senate the truth to protect the foreign intelligence. So there was no way I could ever believe he would defend himself by giving away the foreign intelligence secrets. I knew that somewhere along the way he and his lawyer would have to face that, and that's the way it worked out. Once it was faced, we worked out a compromise." (Helms pleaded no contest to a misdemeanor of failing to tell the full truth to a congressional committee.) "Helms could have gotten out of it," Bell maintains, "but that would have been contrary to his whole life."

There are those, like the ACLU's Mark Lynch, who say Bell's weakness is that he's a "patsy' for the intelligence community. Such charges that Bell is soft on the intelligence community when it commits wrongs are supported, at least in part, by his decisions on who to prosecute and for what, in the FBI case. That case, also inherited from the Ford administration, involved an investigation of some 60 FBI agents and higher-ups for illegal break-ins, burglaries, wiretaps, mail covers, and the coverup of those activities when they were investigated by the GAO and the Senate Select Committee on Intelligence. Bell says the decision on whom to prosecute and whom not to prosecute in the case was the toughest of his tenure. He sees FBI agents and CIA directors in an entirely different light than CIA men who write books. He has no tolerance for whistle-blowers in the nations intelligence community. But he has enormous sympathy for intelligence officials who violate the law in the course of their duties.

Thus, he insisted that only the three top former FBI officials be prosecuted, and he authorized only the most limited kind of prosecution. He did not want to indict any FBI men for perjury because he felt that, in law enforcement terms, perjury amounted to moral turpitude.

That, at least, is the view of the prosecution team which quit en masse rather than handle the FBI case the way Bell wanted. The five-man team headed by Justice Department Attorney William Gardner wanted to indict eight top current and former FBI officials.

In the FBI case Bell was faced with a highly controversial case, a case he has been criticized for handling too softly and too harshly. Bell thinks he resolved the case in an egalitarian way. Others disagree, most importantly his first prosecution team. In this case Bell chose to overrule his subordinates because he viewed them as shortsighted and because he thought that to follow their recommendation would damage his effort to rebuild the FBI.

When the Gardner team quit, Bell appointed a new prosecution team that did what he wanted. Paul Hoeber, a former team member, notes that Bell has shut down all but a very small part of the investigation. The prosecution now underway, say Hoeber, doesn't touch the illegal wiretapping, the illegal mail opening; it doesn't touch the coverup before the Senate Intelligence Committee or the GAO. Perhaps most important, says Hoeber, it doesn't touch the perjury before the grand jury.

Indeed, one of the men Bell decided not to prosecute was J. Wallace LaPrade, the former head of the 2,000-person New York FBI field office. Instead of prosecuting LaPrade for perjury as the Gardner team recommended, Bell met with LaPrade and begged him to tell the truth to the grand jury. Bell admits now that LaPrade disappointed him. LaPrade has called at least two press conferences to blast Bell as a political hack.

As the Gardner team sees it, Bell's decision to prosecute only the top three offenders was not only a moral mistake but a strategic one. "If this case goes to trial," says one former team member "the prosecution will be relying on a lot of witnesses who committed serious felonies and whose hearts and minds are with the defense. The prosecution will have no hammer to make them tell the truth in the most stark and damaging way."

Stephen Horn, another member of the Gardner team, views Bell's handling of the FBI case as "a sterling example of his approach . . . he's not an attorney general with vision, with a long perspective. He looks at things as a politician would. He has an innate sense of right and wrong. But as a politician his sense of the future is tomorrow or next week. His idea of doing right is to divide the baby in half, like Solomon, and get criticized by everybody. Then he knows he's done the right thing. In political terms he wanted to reform the FBI. He saw his tenure as a new day for the bureau—there was going to be a new FBI director—and he made no secret of his feelings. He felt that even if the felonies committed were serious ones, he couldn't allow years of trial and turmoil or he would never get the FBI back on track."

Few doubt that Griffin Bell is willing to take criticism from all quarters for his decisions. The unanswered question is what Bell will do when he comes face to face with the intelligence community and somebody has to blink. Philip Lacovara, former counsel to the Watergate Special Prosecutor, notes that "for years federal prosecutors have been unwilling to bite the bullet and tell the intelligence agencies that they have to compromise some information in order to set an example." The question is, Will Griffin Bell bite the bullet?

Bell is not an attorney general like Robert Kennedy; he's not a prosecutor's prosecutor, chasing the bad guys down to the ends of the earth. He's not a scholar like Edward Levi; and he's not a crusader like Ramsey Clark. Rather, Griffin Bell is a man who wants to be remembered as the attorney general who followed the rule of law, the man who brought respect and prestige back to the Department of Justice. He is a man who is quietly confident about his decisions and his judgment. It doesn't bother him that he is a friend of the president's. And perhaps only a crony could have the kind of independence that Bell does in the Carter administration.

Former Attorney General Nicholas deB. Katzenbach says that "given the damage an attorney general can inflict on a president, it is important that there be a special relationship and confidence. Otherwise the president will start shopping for legal advice elsewhere." Katzenbach laughingly proves his point by noting that "Lyndon Johnson had confidence in me most of the time. The rest of the time he went to Abe Fortas for legal advice."

Jimmy Carter doesn't go to anyone but Griffin Bell for legal advice. And one of the reasons Bell feels so free to give advice is that he's not afraid to leave Washington, to lose his big job.

There are those, like Vice President Mondale, who think Bell's next job will be even bigger—a seat on the Supreme Court of the United States. That, of course, presupposes that Carter has a chance to fill a vacancy. Bell says he's not interested in the Supreme Court, that he just wants to go back to Atlanta to practice law. But then, in 1976, he was saying he wasn't interested in being attorney general.

BELL: HOW WILL HISTORY JUDGE HIM?

(By Robert Pear)

"Somebody else could probably better judge me than I could judge myself," Attorney General Griffin B. Bell said at his confirmation hearings in January 1977.

Now, nearly 2½ years later as Bell makes increasingly explicit statements about his plans to leave office later this year, people have begun to review and analyze his tenure.

What sort of record has the former federal judge compiled as the country's 72nd attorney general?

A creditable but not a truly distinguished record—that is the consensus that emerged from interviews with more than 35 lawyers, law school professors, politicians and past and present Justice Department officials.

They made the following key points:

Bell is a decent man and has been an honest, conscientious attorney general—at a time when honesty in government cannot be taken for granted. He has been a model of civility in his dealings with Congress and with legal adversaries.

Despite his close personal ties to the president, Bell generally gets credit for depoliticising and professionalizing the Department of Justice. He is candid and independent. He gives objective legal advice. He has extracted the department from the Watergate era and has tried to make it a "neutral zone" free from political pressures. But suspicions persist about the handling of any politically sensitive matter such as the investigation of Bert Lance or of President Carter's family peanut warehouse. Bell says he has removed himself from both cases.

Bell has not shown as much concern for the appearance of propriety as the most stringent standards might require, according to experts on legal ethics. He talked with Tongsun Park when Park was under indictment in 1977. He talks regularly with Charles Kirbo, Carter's trustee, even while a federal grand jury investigates the warehouse by examining records entrusted by Kirbo's custody. And Bell met privately with Sen. Herman Talmadge while Talmadge was under investigation.

Bell is praised for staffing the department

with an excellent team of assistant attorneys general and then giving them free rein to run their divisions. Bell chose the first black assistant attorney general (Drew S. Days III of the Civil Rights Division) and selected others with experience in public interest law—a team, on balance, more liberal than Bell himself.

"Restraint in the use of power" is a hallmark of Bell's approach. He acts in accord with his stated belief that "the best use of power is not to use it at all except when absolutely necessary, and then to use it sparingly."

But, Bell has disappointed many close observers by not providing strong leadership or undertaking significant initiatives. This may be a corollary of his laissez-faire style of administration. Once his mind engages an issue, his judgment appears to be sound. But until then, say critics and co-workers, he can be unpredictable, inconsistent and superficial in his approach to serious, complex issues.

More perhaps than any other attorney general, Bell has tried to promote the quality and diversity of the federal judiciary. The 1978 Omnibus Judgeship Act, which established 152 new seats on the federal bench, created an unprecedented opportunity. But blacks, women and Hispanics have been bitterly disappointed, saying that politics as usual seems to dominate the selection process. Senators still largely control the selection of federal district judges

Bell has helped the FBI get over its crisis. The man he chose to be FBI director, William H. Webster, has done well in his first year. One hears less disparagement of the FBI. Bell has wavered in his support for a statutory FBI charter, although finally the department has finished drafting a charter for submission to Congress. Bell has shown more concern about rebuilding FBI morale than about prosecuting those accused of illegal break-ins, wiretaps and mail openings.

Bell has shown a quiet, constant concern for improving the administration of justice. He has expanded in-service training for Justice Department lawyers. He has established experimental neighborhood justice centers to resolve minor disputes through mediation. But some of his proposals to relieve court congestion would block individual access to the courts, and this prospect distresses some liberals.

Bell has set up an apparatus within the Justice Department to help handle his various duties in monitoring and advising the intelligence agencies.

Relations between the Justice Department and some client agencies, for which it conducts litigation, have been strained for years. Bell recognized the problem. He and Associate Attorney General Michael J. Egan have opened a dialogue with the client agencies, but the results so far are mixed.

The 60-year-old attorney general is described as congenial and charming, but many doubt whether his impression on the Justice Department will be deep or lasting.

"Overall he's done a very creditable job," said Nicholas deB. Katzenbach, attorney general in the Johnson administration, who called Bell one of the strongest members of the Carter Cabinet.

"He's been a very good attorney general, but I don't think he'll go down in history as a great one. I can't think of any new legislation or new practices in the past 2½ years that are tremendously significant to the system of justice—no major civil rights or criminal reforms."

Bell's immediate predecessor, Edward H. Levi, gave him credit for a "good job," but declined to elaborate.

Former Attorney General Ramsey Clark said that Bell's Justice Department was sending out "fairly unclear signals—not consistent or affirmative signals—in the fields of human rights, civil rights, crime control and civil liberties.

"I can't tell you that I've been able to detect significant initiative or imagination in expanding human rights or civil rights or public safety through law," Clark said.

Clark gave Bell high marks for many of his appointments, saying; "The most you can do is to give able and honest people a chance to perform independently. It has been a good department from that point of view."

Yale Kamisar, an authority on criminal and constitutional law at the University of Michigan, said he did not regard Bell as a particularly distinguished attorney general.

"I'm afraid that he's a guy who will soon be forgotten," Kamisar said. "Ten years from now no one will know he was attorney general. He's no intellectual leader. He can't be compared to Ed Levi, who was a distinguished academic."

Several law school professors and prominent attorneys said they could not comment on Bell's tenure because they had not noticed him much.

Kamisar said that Bell had "oversimplified the issue" when suing Frank W. Snepp III, an ex-CIA agent, for breach of contract in publishing an unauthorized account of the fall of South Vietnam. Bell treated it as "just a contract problem, never indicating there was any First Amendment problem," Kamisar said.

Mark H. Lynch, the American Civil Liberties Union lawyer who represented Snepp, said: "Bell is whimsical. He responds to the last person to talk to him. Levi was a principled conservative who managed the department better. Bell is all over the place. He blows in the wind."

Jesse H. Choper, a law professor at the University of California, Berkeley, said Bell had been a "fair, moderate attorney general," had helped restore confidence in the Justice Department and had introduced "some marked and observable improvements in the selection process for federal judges."

"A lot of people were disappointed when Bell was appointed," Choper said. "I think he has turned out much better than many people expected. He certainly is one of the stronger Cabinet members."

Former Sen. Sam Ervin said Bell has done "as good a job as any man can do."

Former Rep. Charles Wiggins of California, a conservative, gave Bell "relatively high marks, considering that he's a Democrat."

"He has conservative instincts and has been a moderating force within the administration," Wiggins said, praising Bell for his "middle ground" position on such controversial issues as the discipline of FBI agents and the use of electronic surveillance.

Outsiders and insiders alike sense that Bell is not completely on top of his department. It was front-page news earlier this year when prosecutors dropped perjury charges against an International Telephone and Telegraph Corp. executive accused of lying to Congress about ITT and CIA activities in Chile. But when a reporter asked Bell about the matter a few hours after the final court proceeding, the attorney general said he knew nothing of the details.

Irving Jaffe, a Justice Department lawyer for 24 years, said that Bell did not inject himself early enough into important matters pending before the various divisions.

"Judge Bell did not see to it that he was kept aware of policy decisions being made at the lower level," said Jaffe, a deputy assistant attorney general who left government to enter private practice last August. "Important decisions were made and not brought to his attention."

Bell handled individual problems well—but only when they were brought specially to his attention, Jaffe said, adding, "I respected his judgment."

Bell gets a monthly summary of important activities from each division and also has access to weekly summaries. While other attorneys general would flag specific items for follow-up, Bell rarely "initiated involvement" in policy matters, Jaffe said.

In one important respect, Bell is clearly a success: He retains the full confidence of President Carter and White House aides. White House staffers have a more favorable view of Bell than of almost any other Cabinet member—in part because he's a fellow Georgian, an old friend of Carter's. But also the White House staff sees Bell as smart and loyal, not out for his own gain.

In a wide-ranging interview with The Washington Star last year, Bell said he probably had "the greatest grasp of the job of anyone in modern times."

Justice Department Watch, a newsletter published by the Committee for Public Justice, a national civil liberties organization, commented that Bell's claim was completely at odds with his performance.

Stephen Gillers, a member of the committee's executive council, said the Justice Department does not suffer from the "cynical political manipulation that characterized it from 1969 to 1974," but does seem to lack another essential quality: leadership.

The committee's Washington representative, James A. Goodman, said that the department and Bell himself have operated in a "policy vacuum," often contradicting their statements with later actions.

Says a former deputy attorney general: "Bell has not been running the department in a coherent fashion. The policies don't stitch together with much consistency."

This, of course, is the same criticism often leveled at President Carter: a lack of leadership, the absence of a coherent vision. But Bell does not usually display the mastery of detail that even Carter's critics acknowledge he has.

Persons concerned about individual aspects of the Justice Department may nevertheless be quite satisfied.

Although some reformers regret that the Antitrust division has not been more aggressive, Ira M. Millstein, an authority on antitrust law, said: "The best contribution Bell has made is to leave the Antitrust Division alone. I don't think he's interfered in the activities of the division, except as he's been requested to. In that respect, he's a model attorney general. He has given the chief of the Antitrust Division his head and been very supportive."

Likewise, Clarence M. Mitchell Jr., longtime lobbyist for the NAACP, criticized Bell's nomination in 1977 because of his civil rights record, but now praises Bell for doing a "constructive job."

"It's apparent that he has great confidence in Drew Days and has given him considerable latitude in which to work," Mitchell said. "That is the best possible type of supervision."

"It's entirely possible," Mitchell said, "that the resurrection and airing of Bell's past associations at his confirmation hearings may have reminded him that in his new position, he had to be attorney general of all the people, not just attorney general of the white people or of the South."

Though uncertain at first, Bell also became a firm supporter of the Community Relations Service, a Justice Department agency that mediates civil rights disputes.

In general, Bell has tried to reorder the department's priorities by emphasizing the prosecution of white-collar crimes and official corruption. But in a time of fiscal austerity, when the department's budget is being cut, there is only so much that can be done. And results, in the form of successful prosecutions, have fallen short of expectations.

Bell says he has made the Justice Department "nonpartisan" and has institutional-

tied its independence from politics, but Republicans disagree.

Rep. Robert McClory of Illinois, ranking Republican on the House Judiciary Committee, while describing Bell as "an extremely honorable individual," said: "He has tried to maintain his party loyalty as a Democrat. He has endeavored to protect or enhance the reputation of the president. He has demonstrated himself to be a partisan, a Democrat, eager not to let down his boss, Jimmy Carter. These are understandable things."

McClory recalled the way Bell had removed Republican David W. Marston as U.S. attorney in Philadelphia, but McClory said Carter had "foisted" that problem upon Bell.

The investigation of Carter's Warehouse also put Bell in "an extremely awkward position," McClory said. Bell belatedly accepted the solution demanded by Republicans, appointing a special counsel with the powers of a special prosecutor.

Monroe Freedman, former dean of Hofstra Law School in New York, said that Bell had not avoided the appearance of impropriety as scrupulously as he should.

"He cannot be trusted in situations where he has personal views which create a conflict of interest," said Freedman, who has been retained by the Justice Department as an expert witness on legal ethics. "He is not the worst attorney general by any means, but he's far from what a first-rate attorney general should be."

TRUCK SAFETY ACT

Mr. PERCY. Mr. President, it was my privilege to testify before the Senate Committee on Commerce, Science, and Technology on July 17, 1979, concerning S. 1390, the Truck Safety Act, introduced jointly by myself and by my distinguished colleagues, Senators KENNEDY, PACKWOOD, and MAGNUSON. This is an issue about which I have great concern.

The committee (particularly Senator CANNON, chairman of the Committee on Commerce, Science, and Technology, and Senator WARNER) is to be commended for moving so quickly with hearings on truck safety and for astute questioning on this increasingly serious matter.

To offer my insights as the debate on truck safety continues in the Senate, I ask unanimous consent that my testimony before the Committee on Commerce, Science, and Technology of July 17 be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CHARLES H. PERCY

Mr. Chairman and members of the Committee, it is my distinct pleasure to appear before you today concerning S. 1390, the Truck Safety Act. I commend the abiding interest which the Committee has devoted to addressing the ever-increasing problem of deficient trucking safety. The speed with which this Committee has convened hearings on this important matter speaks strongly of its commitment, and of the urgency of the issue. I am particularly grateful to you, Mr. Chairman, and to the other members of the Committee for the earnestness you bring to this matter.

The Truck Safety Act was introduced jointly by myself, my good friends and distinguished colleagues, Senator Kennedy, Chairman of the Judiciary Committee, Senator Packwood, Ranking Minority Member of this Committee, and Senator Magnuson, former Chairman of this Committee and now Chairman of the Appropriations Committee. I would like to commend these three cosponsors for the specially keen interest they have displayed in eliminating the slaughter that now plagues our highways.

The Truck Safety Act is designed to combat an urgent and life-threatening problem now running rampant on America's highways. Our roads are plagued by what appears to be an epidemic of unsafe trucks, which daily threaten the lives and health of the motoring public and of truck drivers, and are contributing to the destruction of our roadways. The state of our highways is horrendous. Each year more Americans are killed on the road than were killed in any year of the Vietnam War. And trucks have contributed disproportionately to this record. Hardly a day passes that a traveler does not see the horrifying wreckage of a big rig crashed on the side of a highway.

Urgent legislative remedies are now required. I believe S. 1390 would go far towards creating a truly effective program of upgrading trucking safety.

Senator Kennedy, in cooperation with the Carter Administration, has also introduced legislation to attack this safety problem. He is to be commended for his recognition of the importance of this issue, and for his concern in addressing it. S. 1400, a bill to deregulate the trucking industry, contains a long title devoted to truck safety. While this bill takes essentially the same approach as the Truck Safety Act, subtle and important differences exist between the two versions which merit close scrutiny. I will analyze these differences in greater detail later in my testimony.

In recent years, improper truck maintenance, unfit equipment, overloading, and often unreasonable driving schedules have contributed to the creation of severe hazards over the roads. Truck accidents and fatalities have increased at an alarming rate.

According to newly compiled figures from the Department of Transportation, of the 50,000 highway fatalities in this country in 1978, 17,578 (or nearly 35 percent) were caused by trucks and buses. Heavy trucks alone were responsible for 11 percent of these fatal accidents, despite the fact that they account for less than 1 percent of vehicles on the road. This is a significant increase, for in 1975 heavy trucks were involved in only 7.8 percent of fatal accidents. While the number of vehicle miles traveled by heavy trucks rose 14 percent from 1975 to 1977, the number of these trucks involved in fatal accidents increased 29.3 percent.

In 1978, 5,075 Americans were killed in accidents involving heavy trucks, an alarming increase of 53 percent over 1975. During the same period, the number of all highway fatalities increased 12.6 percent, of itself a significant climb.

Heavy trucks pose particularly severe hazards to automobiles and their occupants. In a fatal accident involving a heavy truck and a passenger car, 97 percent of the deaths are to the occupants of the car. Per hundred million miles, the involvement of heavy trucks in fatal accidents is 165 percent greater than the involvement of passenger vehicles.

An unfit truck can exact horrifying human tolls. For example, in 1976, in Valley View, Ohio, a tractor-semitrailer barreled down a steep grade approaching a stop light at the bottom of a hill. Unable to stop or slow down, it ploughed into ten cars parked at the intersection. The collision triggered explosions and fire. Eight people were killed, and 15 more seriously injured. Subsequent investigation by the National Transportation Safety Board revealed that, prior to the accident, the truck's brakes were wrongly adjusted and partly inoperative, making it impossible to stop. Proper maintenance and inspections would have detected this problem.

This rash of truck accidents has rendered truck driving one of the more dangerous occupations in America. The truck is a driver's job site, the road his workplace. They are both replete with hazards. In 1978, fatalities to occupants of heavy trucks numbered 1,010, a 41 percent increase over 1975.

A 1976 Wisconsin study showed that truck drivers were 9 times as likely as all other workers to be killed in work-related accidents.

Accident data compiled by the National Highway Traffic Safety Administration, an agency of the Department of Transportation, includes only those truck accidents which are actually reported by the States. Since many accidents go unreported, and since heavy trucks—those vehicles over 26,000 pounds—constitute a small percentage of the total truck population, it is fair to assume that annual accident figures are significantly higher than reflected here.

Another body of data is compiled by the Bureau of Motor Carrier Safety (BMCS), the arm of the DOT responsible for enforcing trucking safety. The latest data indicate that, in 1978, interstate motor carriers of property and passengers reported approximately 35,000 accidents, which resulted in 3,200 fatalities, 34,000 injuries, and $310 million in property damage. This represents, since 1975, an increase of 43 percent in fatalities, 29 percent in injuries, and a startling 96 percent in property damage. And, according to the Bureau, these figures are understated because a significant number of accidents went unreported.

In a series of Federal road-side spot checks conducted during 1978, over 42 percent of the 26,000 vehicles inspected by the BMCS were deemed "imminently hazardous" and were immediately ordered off the road until repaired. Yet the Bureau was able to inspect less than 1 percent of the 3 million commercial vehicles under its purview. It is reasonable to believe, therefore, that many more unsafe vehicles and conditions go undetected.

I also want to point out that, in my home State of Illinois, truck accident rates have skyrocketed in the last 4 years, according to the Illinois Department of Transportation. For all trucks (including sizes ranging from pickups to combination tractor-semitrailer rigs), the number of vehicles involved in fatal accidents increased 99 percent from 1975 to 1978. Combination vehicles alone, the so-called "big rigs," were involved in fully 10 percent of fatal highway accidents in the State last year.

In 1978 there was a 47 percent increase in the number of combination vehicle accidents on Illinois highways. The figure for all trucks indicate that there was a distressing 116 percent rise in the number of trucks involved in highway accidents.

Inadequate law enforcement is largely to blame for this shoddy record. Federal and State authorities currently lack the manpower and funds to deal adequately with the burgeoning number of heavy trucks. As a result, thousands of rigs zoom down the highways in bad repair, overloaded, and unsafely driven, because their operators and owners know that the odds of being stopped are about as good as finding a gas pump without a line.

Inadequate enforcement is in turn due in large part to shortcomings in present truck safety statutes. Outmoded and antiquated laws now bind the hands of the authorities, rendering them nearly helpless even when they do find violations. This bill aims to redress these shortcomings, and to strengthen the hand of safety authorities.

Civil fines can be an effective deterrent to safety violations. However, at present, civil penalties can only be assessed against a driver or a company for a failure to keep proper paperwork. They are not applicable

to any other safety violation, such as the failure to maintain safe brakes or to load the truck within prescribed limits. In these instances, the BMCS can only bring formal criminal prosecutions in court or initiate a time consuming administrative hearing.

This has proved to be difficult and ineffective process. For instance, in 1978, BMCS detected over 110,000 safety violations during nationwide road checks of 25,695 vehicles and drivers. Yet Bureau investigators were able to develop only 319 cases warranting court or administrative action. The majority of these cases were not accepted by the Department of Justice for criminal prosecution.

The effectiveness of the Bureau's safety program could be greatly enhanced by expanding civil forfeiture authority to include all types of substantial violations of safety regulations.

Moreover, the maximum amount for fines for safety violations has not been revised since 1957. They are now seriously out of line with fines for violation of other Federal regulations. Low penalties, coupled with the lengthy process of criminal enforcement, do little to discourage future violations. It is imperative that we raise these fines and set realistic time limits for the prosecution of cases and processing of fines.

Concerned truck drivers and trucking employees are often a great boon to trucking safety. Because their lives and health depend upon the safety and fitness of their vehicles, many such drivers are anxious to point out defects in their rigs. But when these drivers refuse to drive a hazardous vehicle, or report a significant violation to the authorities, many times they find themselves fired or punished as a "reward" for their diligence.

The Interstate Commerce Commission now provides no restraints upon employers who retaliate against these whistle-blowers. The sad result is that trucking employees are extremely hesitant to report even the most flagrant safety violations. The Government has lost a potentially important ally in its fight to protect truckers and the public.

Historically, Congress has taken a keen interest in protecting the health and safety of America's workers. The Occupational Safety and Health Act protects nearly every worker in America, with the notable exception of many of those in the trucking industry. At the time it was argued that, since the Department of Transportation already had authority to regulate trucking indusry safety practices, no additional coverage was necessary.

However, experience has shown that occupational protections afforded truck drivers are woefully inadequate. The Federal Government has done little to stem the rapidly rising number of truck drivers killed on the highways. Working conditions inside the cabs of trucks are also deteriorating. Vibration, exhaust fumes, and extreme temperatures all make truck driving a serious risk to driver health, and to the safety of the public.

In light of these hazards, measures are urgently needed to protect this country's truck drivers. It is inexcusable that protections accorded truckers lag so far behind those offered to other workers. The Secretary of Transportation has experience in regulating and monitoring the safety of the trucking industry. He would be the logical and most effective choice to assume responsibility for protecting the health and safety of truck drivers.

Nearly three million heavy trucks roll down America's highways every day. And yet, the BMCS, the lead agency in enforcing trucking safety, has only 158 inspectors and safety officers. Finding the violator in this mammoth haystack is enormously difficult. Clearly, we need to bring far greater resources to bear.

In the name of effectiveness and economy, the individual states should be encouraged to actively assist the Federal effort. Each of the 50 states now has an existing program for the enforcement of highway safety. The State of California alone has more truck inspectors on the job than the BMCS has to patrol the entire country. Clearly, the vastly superior resources and manpower of the states would be a valuable addition to the Federal enforcement effort.

But the Federal Government now provides no funding to the States for this purpose, and thus no incentive exists for them to cooperate. With adequate incentives—for instance, reimbursement for a percentage of the cost of operating strong truck safety programs—much could be done to crack down on speeding, tailgating, sloppy maintenance and overloading.

With proper incentives, States could operate both more permanent and portable weigh scales to prevent heavy loads which are destroying our roadways, and which make vehicles dangerous to drive. Increased enforcement personnel would slow down *all* vehicles, not just trucks, with the result that thousands of lives would be saved.

Without prompt remedial action, the state of our highways will steadily worsen. This bill builds upon and expands past legislation to create what I consider to be a truly effective truck safety program. In drafting this legislation, we have sought to reduce the load on our already overburdened courts. We have tried to alleviate the unnecessary delays that so often plague our regulatory process. And we have sought ways to encourage compliance with safety regulations that do not plunge industry neck-deep in paperwork.

S. 1390 builds upon and focuses the general authority given the Secretary of Transportation to regulate truck safety and the health and safety of truck drivers. It directs the DOT to address those areas which have caused the gravest problems since the Department was created 11 years ago.

To accomplish these goals, S. 1390:

Raises civil fines from $500 to $2,500 maximum for each substantial violation and to $10,000 for serious safety violations.

Authorizes the Secretary of Transportation to regulate the health and safety of working conditions for truck drivers and to ensure that trucks are safely maintained and operated.

Provides for 1 year imprisonment and/or a maximum $25,000 fine for knowing and willful criminal violations.

Expands Federal truck safety jurisdiction to include all commercial motor vehicles, both interstate and intrastate, over 10,000 pounds.

Authorizes the Secretary to conduct on-the-job inspections and investigations.

Protects trucking employees from discipline, discharge, or discrimination for refusing to drive an unsafe vehicle or for reporting safety violations.

Authorizes a uniform reporting system to eliminate excessive paperwork required of trucking firms and truckers.

Encourages States to assist in the enforcement of truck safety by offering them financial incentives with funds appropriated from the Highway Trust Fund.

Allows States to apply for exemptions from particular Federal regulations if their proposed regulations do not diminish safety.

Requires the Secretary to report yearly to Congress concerning his efforts to improve truck safety, and assessing the advisability of establishing a national commercial driver register.

The provisions of this bill would greatly enhance the effectiveness and efficiency of DOT in regulating and enforcing truck safety. Abuse of present regulations has resulted in countless deaths, injuries, and loss of property. This situation will not improve itself. The time to crack down is now. The Highway Users Foundation predicts that, during the next 15 years, the number of trucks on the roads will double. Our highways should not be death traps—they were built for the safe enjoyment and use of all Americans.

This legislation has been greatly enhanced by the diligence and concern of various driver representatives, namely the International Brotherhood of Teamsters and the Professional Drivers Council. From the start, they have provided keen insights and original ideas to protect the health and safety of their members and the motoring public. This legislation would not have been possible without the outstanding contributions of these conscientious advocates who have well-represented their member-employees with diligence and concern.

Likewise, the American Trucking Associations (ATA) is to be highly commended for the outstanding contributions they have made to the development of this legislation. The ATA has displayed a sincere and abiding commitment to upgrading the safety of its industry. The Executive and SCORE Committees of ATA, consisting of many highly dedicated, safety-conscious trucking executives, devoted hundreds of hours to poring over the provisions of this bill. Subsequent ATA endorsement is the result of an immense amount of interchange and consultation. It is a tribute to the ATA to have taken such a bold position of leadership on this important issue.

Allow me to turn briefly to the other legislative proposal before this Committee today.

Title II of S. 1400, the Trucking Competition and Safety Act of 1979, would establish a similar safety program to that of S. 1390. This bill would enable DOT to regulate all commercial motor vehicles over 10,000 pounds, significantly upgrade fine levels, expand civil penalty authority, protect trucking employees from retribution for reporting safety violations, and provide incentives to the States to aid in truck safety enforcement. However, significant differences do exist between the two bills.

For instance, S. 1400 would authorize the Secretary of Transportation to concur with the Interstate Commerce Commission on the granting or revoking of operating authority. After reviewing a carrier's safety record, DOT would make a binding recommendation to the ICC.

While the practical effect of creating this duplicative authority needs to be scrutinized, potentially this could be a key step. A real threat of revocation could be a strong deterrent to shoddy safety practices.

S. 1400 also would establish significantly higher fines than would S. 1390. While the penalty for most violations would be the same ($2,500), penalties for serious violations would be $25,000 (instead of $10,000 in S. 1390) and knowing and willful violations would carry a penalty of $50,000 (instead of $25,000 in S. 1390).

However, unlike S. 1390, S. 1400 would leave trucking employees liable for the full amount of these fines. Conceivably, a truck driver, with far less resources than a major carrier, could be fined $25,000 by administrative action.

S. 1400 would also allow the Secretary to waive compliance by an individual carrier if he determines that it would be in the public interest and would not diminish safety. It seems possible that application of this provision may create a pattern of unequal and uneven enforcement which might undermine safety. Further, it seems only logical that if compliance with a regulation can be waived without diminishing safety, then perhaps the regulation itself is superfluous and should be withdrawn.

But most critical is the fact that, unlike S. 1390, S. 1400 would offer no protection for the health of truck drivers—the bill covers

safety only. As I stated earlier, the Secretary of Transportation is now responsible for regulating the job site of these workers, but his hand needs to be strengthened in this area.

Upgraded truck safety enforcement is vital for the protection of two parties: the motoring public and truck drivers. In keeping with this charge, it is imperative that the Secretary of Transportation assume responsibility for actively monitoring and regulating the safety and health of America's truck drivers.

I am confident that these differences should not be difficult to resolve, for the two bills agree largely on the most substantive matters. I look forward to working with Senator Kennedy and with members of this Committee in order to come up with the best and strongest truck safety package we can devise.

I thank you, Mr. Chairman, for allowing me to appear before the Committee today.

Mr. PERCY. Mr. President, I ask unanimous consent that Senator KENNEDY's statement in support of S. 1390 follow at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR EDWARD M. KENNEDY

I am pleased to join Senator Percy in sponsoring the "Truck Safety Act."

The development of this legislation is a tribute to the perseverance of Senator Percy in his long struggle to improve safety conditions on our nation's highways. It is a mark of his firm commitment to the health and welfare of drivers and other workers in the trucking industry.

The real achievement of this bill is the breadth of support it now enjoys among those who work in, as well as those who run, the trucking industry. It is especially gratifying to see, at last, broad agreement on the proposition that highway truck safety is in need of substantial improvement, and that workers who identify safety problems should be accorded our support and protection.

Truck safety is a problem of which we have yet to grasp the full dimensions. The factors which determine whether certain trucks are "safe," or whether certain driving practices are "safe," are the subject of considerable debate.

One thing is certain, however; truck safety is a problem which will not go away. Indeed, there is substantial evidence that it is growing steadily worse. In some road inspections in recent months, for example, it has been reported that as many as half the trucks inspected had safety violations serious enough to warrant impoundment until the defects were corrected.

Truck drivers are skilled workers. Safe-equipment and safe highways are issues about which they care deeply. It is a matter of self-interest; they know that safe working conditions improve the way they do their jobs.

Yet the fact is, Mr. President, that many trucks operating on our highways are not safe. And the drivers know it. They also know that the only way to promote safety is through vigorous enforcement, both at the federal and state levels. That is why they support this bill.

There may be many reasons trucks are not as safe as they should be. Some truckers utilize inadequate reporting and inspection procedures. Some tax equipment to its limits, to cut costs. And some truckers exceed the proper number of hours of driving time in order, they feel, to earn a decent living.

None of these factors can justify endangering the lives of motorists or other drivers. Truck accidents are tragic occurrences, where the incidence of serious injury or cost of lives is much higher than in other traffic accidents. Thus, highway safety must concentrate on—as its highest priority—safe trucks.

There is a great deal of discussion these days about regulation of the trucking industry. The debate centers on the level of regulation that is appropriate to the goals a particular form of regulation is directed toward achieving. In the case of economic regulation, it is my firm belief that freer market conditions are more effective regulators of truck service and rates than is the Interstate Commerce Commission. In the case of highway safety, however, neither economic regulation by the ICC nor free market forces are effective in ensuring a high degree of safety. There is clearly a need for an increased governmental role in assuring safe highway conditions.

Two truck safety bills are now before Congress, and I am pleased to be a sponsor of both of them. The chief difference between the bill introduced by Senator Percy and that proposed by the Department of Transportation is in the scope of their coverage. The provisions of the Percy bill extend to matters affecting the health and safety of drivers and other workers in the industry, as well as their safety. The DOT bill is concerned chiefly with safety. Neither approach is mutually exclusive. Both would substantially improve present conditions and practices in the industry.

I urge members of the Senate to pay close attention to the views of those both inside and outside the trucking industry who have advanced the ideas embodied in these bills. I know the Commerce Committee will be giving careful scrutiny to these issues in the months ahead. I intend to give my wholehearted support to efforts to increase public awareness of truck safety issues, and I am hopeful that we shall take giant steps during this Congress to remedy the problems they present.

SAVINGS AND INVESTMENT ENCOURAGEMENT ACT OF 1979

Mr. CHAFEE. Mr. President, two things concern me greatly about our economic situation today. One is that we are, in fact, in a recession. The other is that the Carter administration has no discernible policy to stabilize the economy and return it to a healthy growth path.

Republican members of the Senate have united to fill the void left by the lack of leadership from the administration. Yesterday afternoon, we proposed a major legislative initiative, the Savings and Investment Encouragement Act of 1979, to help correct serious and fundamental weaknesses in our economy.

The Savings and Investment Encouragement Act contains three basic modifications of our tax laws to deal with the certain prospects of negative GNP growth and higher unemployment resulting from the recession. But what the act really focuses on are the long-term, underlying problems that plague us: runaway inflation, low economic growth, low rates of saving by individuals, lagging investment by business, and declining productivity of U.S. workers.

Inflation, which ran at an alarming 9 percent last year, is now sprinting at a 13.2 percent annual rate for 1979.

United States gross national product has increased at a substantially slower rate than that of our major world competitors during the past two decades. In the 15 years between 1962 and 1977, GNP growth in the United States averaged 3.5 percent, in West Germany 4 percent, and in Japan 8.3 percent.

Consumer saving, as a percentage of disposable income, is also distressingly lower in the United States than it is in other countries. On a 5-year average from 1973 to 1977, saving in the United States was 6.7 percent, in West Germany 15 percent, and in Japan 25 percent. Figures show that personal saving in this country has continued its decline, reaching 5.3 percent of disposable income in 1978.

With savings on the decline, it is not surprising that business investment in our country is also lagging. Fixed capital formation as a percentage of gross domestic product from 1966 to 1976 was only 13 percent in the United States compared to 17 percent in West Germany, and 26 percent in Japan.

So, it is not accidental that since 1960 annual productivity growth in the United States has been less than 3 percent. That compares to 6 percent in Germany and 9 percent in Japan: two and three times faster than U.S. growth.

Mr. President, the Savings and Investment Encouragement Act bears no resemblance to the kind of tax proposal we have come to expect from the White House during the past 2½ years. It is not an offer to put a $50 bill in the pocket of every American. It is not a real wage insurance plan whose cost would go spiraling out of control along with our 13-percent inflation rate.

It is, instead, a solid proposal to strengthen the foundation blocks of our economy: savings and investment.

Title I provides an exclusion from personal income taxes of the first $100 of interest earned on a savings account. This would accompany the $100 exclusion for dividends already provided under current law. Title I also authorizes an additional $400 exclusion for interest and dividends if the amounts are reinvested.

Title II is an extremely important and long-overdue reform of our capital cost recovery system. It provides a simplified, accelerated system of depreciating new capital investments by American business and industry. Originally proposed with strong bipartisan support, this plan calls for a 10-year writeoff for commercial and industrial buildings, a 5-year writeoff for business machinery, and equipment, and a limited 3-year writeoff for automobiles and light trucks used for business purposes.

Title III provides a new tax credit equal to 10 percent of research and development expenditures by business.

There are two clear reasons why Americans are predominantly consumers rather than savers. One is the deepening expectation that prices will only go higher if one waits another day to buy that new refrigerator or that new suit. This consumer response to inflation has been so frantic that Americans are incurring debt at record levels: Consumers took on $45 billion more installment debt than they repaid in 1978, and total consumer debt, including mortgages,

jumped 13 percent to a record $1.16 trillion.

The other reason Americans fail to save is a direct result of Federal tax policy which has created a strong bias against it. While interest earned on individual savings is taxed as ordinary income, the interest paid on money borrowed is tax deductible. While the $100 dividend tax exclusion in the current law equals a total $450 million tax break for investors, the tax deduction for interest paid on mortgage and installment loans yields a $12 billion tax break for borrowers.

If you have an income, it obviously pays to be in debt when it is time to pay taxes. But if you happen to be retired and you are trying to stay out of debt and live on your savings, the current tax laws work against you in every way. Mr. President, the proposal we have introduced will go a long way toward equalizing the tax treatment of interest earned and interest paid, and it will provide much needed balance between incentives to save and incentives to spend.

If Americans can be encouraged to save more, it will remove some of the pressures of inflation from our economy, and it will provide a larger pool of funds to invest in new plant and equipment. This will strengthen the supply side of our economy to help meet consumer demands. By encouraging new investment we will help produce new jobs and control inflation at the same time—a simultaneous effect which shortsighted Carter administration policies have failed to achieve.

Improving the level of investment in U.S. industry will increase our capacity to produce consumer goods and services at lower prices. New investment can also be encouraged by accelerating depreciation schedules as we are now proposing. Our 10–5–3 plan will enable businesses to recover the costs of new investments quickly enough to assure that we are providing our work force with the most modern and productive tools possible.

The 10–5–3 capital cost recovery portion of our bill is central to improving our competitive position in the world market. Among leading industrial nations, the United States has one of the longest capital cost recovery periods. The spectrum runs from 1 year in the United Kingdom and 2 years in Canada up to 10½ years in the United States. We cannot continue to save and invest only minimal amounts of our gross national product year after year and expect to retain our position as the world's foremost industrial power. We must provide for the future growth of our economy.

If our economic problems were only problems of the future, we would find them less urgent. The fact is, Mr. President, that our consumption oriented behavior of the past decade has caught up with us. That we have failed to renew and improve our capacity to produce at a rapid rate is evident from our diminished standing as a world economic power. The overwhelming superiority of U.S. industry during the early postwar years is gone. Since 1950, our share of the world's export market has dropped by half. During the same period, American share of the world's imports rose by 27 percent. In 1960, we imported $15 billion of goods; now we import $200 billion worth.

Looking at the figures more closely, we see indicators of our deeply rooted economic problems. Consider our historical trade surplus in manufactured goods. In 1976, we had a $12.5 billion trade surplus in that category. In 1977, the surplus dropped to $3.6 billion, and in 1978, we ran our first manufactured goods deficit—$5.8 billion.

All sorts of items we use—sweaters, cameras, watches, jogging shoes, color TV sets—are now made largely outside the United States. The result has been a loss of jobs and income to American workers in these industries. In a bizarre reversal of the oldtime charges of "capitalist imperialism," we are presently the world's largest exporter of farm products and the largest importer of manufactured goods.

Of all the possible approaches to this problem through our tax laws, 41 Republican Senators agree that accelerating depreciation rates would be the most effective.

Another of our economic problems has been evolving since the mid-1960's and has begun to reveal itself in our alarmingly low rate of productivity growth: Research and development projects which were receiving about 3 percent of GNP during the heyday of the space program 15 years ago are now getting only 2 percent—a decrease of one-third. With an average 10-year lag between the R. & D. stage and the marketing stage of a new product, we are now feeling the results of the slowdown in this important component of our economy. Overall productivity growth has come to a virtual standstill, fueling still further the pressures of inflation. For these reasons, we have proposed a new 10-percent tax credit for research and development expenditures by business. It will yield important long-term benefits to the economy.

Mr. President, the Savings and Investment Encouragement Act of 1979, S. 1597, is designed to return our economy to a stable and healthy growth path by applying tax reductions and incentives to basic structural economic problems. These are not brand new ideas nor are they the only good ideas under consideration by the Senate. But taken together, they form a balanced, workable approach to our dilemma. We sincerely hope we can work with President Carter and his administration to achieve these widely supported goals.

THE EFFECTS OF COMPETITION

Mr. DURENBERGER. Mr. President, no one understands the effect of competition better than a businessperson. The person whose livelihood is dependent on the marketplace knows that the most sure-fire method of improving sales is to offer a better product at a lower price than his or her competitor.

The successful businessperson also recognizes the clout consumers have on a company or an industry. To remain successful the entrepreneur knows he or she must respond to the legitimate demands of consumers.

With those facts in mind, it is not surprising that businesspeople throughout the country are becoming wise consumers of health care. Employers spent $40 billion last year on health care expenses—more than one-fifth of the Nation's total health care bill. Like any other wise consumer, businesspeople want more for their money.

Many corporation officials are using the traditional methods of the marketplace to accomplish their goal. No longer are they making their health care purchases on the basis of blind faith. They are questioning the products and services they are buying and making demands on insurance carriers and the medical profession to stretch their health care dollar without reducing benefits or quality of care.

Like other wise consumers, these corporate officials are finding strength in numbers. The clout of one business is multiplied by each company that joins in making cost-saving demands on the health care industry.

These innovative corporate officials are finding a receptive audience among insurance carriers and among some medical professionals. If health care costs can be controlled, everyone benefits: The employer who pays less for health care coverage; the employee who receives more benefits and finds less of his or her total compensation package devoted to health care; and, the insurance carrier and health care professionals who have an obvious stake in controlling health care costs.

This cooperative venture among employers, employees, and the health care industry—taken through private initiative without Government dictation—is meeting with success in many areas of the country.

The initiative these employers have taken can and must be expanded nationally. The Health Incentives Reform Act I introduced July 12 utilizes competition in much the same way to expand coverage and control costs.

HIRA is premised on the fact that employers have built a system that is insulated from cost consciousness by third-party payments for much of this Nation's health care. Employers have paid premium-benefits which have priced health care out of the reach of millions of Americans who are without regular employment.

Therefore, it is the employer who must change the system. The employer must make consumer choice a reality and competition in the health marketplace a necessity.

HIRA provides the employers of America—both large and small—the tools they need to encourage a competitive system:

All health care plans must be in readable language, easily understandable by the average consumer; and

All health benefit plans for which premiums are tax deductible or tax exempt must offer a minimum standard of bene-

fits and provide for catastrophic coverage;

For health care plans offered through the work site, HIRA provides that:

Employer contributions must be equal;

There is a cap on tax exempt employer contributions; and

Employers of 25 or more employees must offer at least three health care plans, two of which, if available, must be alternative health care plans which have a limited set of providers and for which payment can be made on a prepaid basis.

HIRA also assures that the recently unemployed, spouses, dependents and others who have often gone without adequate health insurance will have the opportunity to be covered.

Health maintenance organizations and other innovative competitive health plans would be permitted under the bill to enroll medicare beneficiaries at a predetermined, prepaid rate. Beneficiaries participating in efficient plans will be rewarded with additional benefits.

Mr. President, I ask unanimous consent that an article from the August 6 Business Week on the inroads made by creative employers be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CORPORATE ATTACK ON RISING MEDICAL COSTS

Employers picked up the tab for about $40 billion of the nation's $163 billion in health care expenses in 1978. In fact, employee medical benefit costs have risen so rapidly that they account for as much as 10% of total compensation in some companies. This alarming trend has persuaded many large corporations to band together in regional groups to map cost-cutting strategies that may have greater impact than their individual efforts have achieved so far. "We are in this boat together, so we are working together," says Donald F. Crowley, manager of employee benefits at Xerox Corp. in Stamford, Conn.

Xerox is one of 15 companies that formed the Fairfield/Westchester Business Group on Health in March. The 15, whose medical benefit plans cover more than 100,000 persons in the two adjoining counties, include such important corporate citizens as IBM, Combustion Engineering, PepsiCo, Union Carbide, and General Telephone & Electronics—clearly, a group with clout. "As a concerned business group, we have the expertise to ask for and get some changes in our health care delivery system that will guarantee the same caliber of care on much more cost-effective terms," says William S. Woodside, president of American Can Co., the Greenwich (Conn.) company that spearheaded formation of the group.

Corporations in more than a dozen other parts of the nation have formed such groups in the last year or two. Some were inspired by senior-executive participation in the Washington Business Group on Health, an offshoot of the Business Roundtable. Others took their cues from a campaign launched early this year by the U.S. Chamber of Commerce. Most have been encouraged by their insurance carriers or, if the corporations are self-insured, by the companies that service and review their medical claims. All share a common goal: to contain the runaway cost of medical benefits.

SEARCHING

If nothing else, such efforts serve notice on the health care delivery system that the business establishment has abandoned its unquestioning role. "All this activity lets the medical-care industry know that people in real power centers are searching for ways to make the system more efficient," says Terence E. Carroll, executive director of the Comprehensive Health Planning Council of Southeastern Michigan.

"Let's face it," wrote Robert N. Pratt, general manager of Kenneth Copper Corp.'s Utah Copper Div. in Salt Lake City to the president of the Utah State Medical Assn. "The overabundance of technologies and services in the medical field is not conducive to cost control . . . if the provider or subscriber does not become involved."

For these emerging groups, involvement means promoting many of the programs already backed on a smaller scale by individual companies. These programs include:

Efforts to curb excessive use of hospitals through utilization reviews. Hospitals are primary targets since their bills account for 40 percent of health care expenditures.

Hospital bed reduction. As an average, 25 percent of hospital beds go unused each day. Although fluctuating seasonal usage makes a straight 25 percent cut impractical, a substantial reduction is obviously necessary, because maintaining a single bed can cost $30,000 a year.

Outpatient and surgi-center care. Blue Cross of California recently circulated a list of 700 simple procedures (such as most biopsies) that can be performed safely without hospitalization.

Insurance coverage of second and even third opinions on elective surgery.

Reimbursement for health services at home.

Greater use of preadmission testing and preauthorized hospital admissions.

More cost-sharing by employees.

Increasing private use of professional standards review organizations (PSROs), the medical peer review committees created originally to monitor hospital care paid for by medicare and other federal programs.

"Our intent is not to beat hospitals over the head," insists Rolland W. Wetzel, benefits supervisor at Rohm & Haas Co. and a member of the Joint Health Cost Containment Program of the Greater Philadelphia Chamber of Commerce. "We—industry—are part of the problem. We've bought rather complete benefits, and our people are used to them."

ROOM FOR IMPROVEMENT

Even the beneficiaries, however, might see room for improvement in the data supplied early this year to Wetzel's group by Blue Cross of Greater Philadelphia. The data, which reported length of stay for 30 ailments in 63 area hospitals by some 400,000 employees and dependents, showed clearly that people admitted on Fridays tend to stay longer for the same ailment than those admitted on Mondays and Tuesdays. The report also turned up the surprising discovery that almost a quarter of the hospital days were logged by patients with two types of problems: nervous and mental disorders, and alcoholism—ailments often treated effectively on an outpatient basis. A data analysis now under way could lead to significant changes in the benefits packages of some 50 major area employers, ranging from Du Pont Co. and Sun Co. to SmithKline Corp. and First Pennsylvania Bank. One change, for instance, could be a requirement that no admission for elective surgery be made over a weekend.

In California, the one-year-old Employers Health Cost Committee of San Diego has met with the county medical society to offer to help organize cost-containment measures consistent with employee and industry needs. This group includes such major employers as Rohr Industries, General Dynamics' Convair Div., NCR, and the city of San Diego. Through its 70,000 employees and dependents, it pours more than $70 million annually into the local health care system.

"We're the ones who pay the tab, so we're concerned about the costs of medical care," says Ray Mendosa, Convair's benefits manager and vice-chairman of the group. The organization seeks to reduce the cost escalation by two percentage points each year. Toward that end, members are experimenting with outpatient treatment, second opinions on surgery, preadmission testing, and preauthorized hospitalization. The last is a procedure that requires the employee to clear the length and type of a prospective hospital stay in advance to ensure that it conforms with medical norms.

KENNECOTT'S SUCCESS

Hospital utilization review, typically by a third party, raises the ire of some doctors and hospitals, even though both the American Medical Assn. and the American Hospital Assn. have endorsed it. It has produced some impressive results. After only one year of utilization review, Kennecott's hospital bill dropped 12 percent, in-hospital surgery dropped almost 11 percent, the use of assistant surgeons fell more than 22 percent, and patient hospital days dropped from 23,406 to 22,565. Kennecott's Blue Cross-Blue Shield costs, which had risen from $5.7 million in 1976 to $7.8 million in 1977, leveled off at $7.6 million in 1978 and are projected to drop slightly in 1979. "We attribute our improved cost performance to the abandonment of the passive role of financier to the aggressive role of the cooperative adversary, even to the point of being an antagonist," Pratt said in his letter to the Utah medical society.

Another convert to utilization review, Caterpillar Tractor Co., of Peoria, Ill., retained Mid-State Foundation for Medical Care, a PSRO, to review employees' hospital use in the Peoria area after Caterpillar's medical benefits bill soared from $35.5 million to $96 million in five years. After a single year of Mid-State's review, in 1978, average hospital stays were reduced by a full day. Now Caterpillar is planning to extend the reviews to additional locations. Mid-State reports that its reviews cost its clients less than $15 per hospital admission.

AVOIDING SURGERY

To Connecticut General Insurance Corp., second opinions are probably "the most productive" of the cost-containment measures. For 500 clients in three geographical areas—and at no additional premium—the company last year began to offer first-dollar coverage for surgery on policies that required second opinions. Forty-eight of the 79 persons who sought second opinions chose to avoid surgery and seek alternative treatment, resulting in savings of more than $110,000 and 117 weeks' potential disability time, says Ronald T. Hwalek, Connecticut General's director of administration and development for health care programs. The company will offer the program nationwide in 1980.

Prudential Insurance Co. recently began offering clients discounts up to 6 percent to adopt an employee incentive for second opinions. Under this arrangement, an employee who agrees to get a second opinion might receive 100 percent coverage of surgery costs instead of 50 percent or 80 percent. And New York Life Insurance Co. has begun to cover second and even third opinions. The insurance companies will pay for surgery that runs counter to the additional opinions, but few patients choose to undergo it.

In another attempt to avoid unnecessary hospitalization, growing numbers of companies—among them Pitney Bowes Inc., of Stamford, Conn., and Shell Oil Co., of Houston—provide insurance coverage for home health care. Aetna Life & Casualty Co. is adding such coverage to all its group health policies as they come due; a third of its 20,000 groups, representing 10 million people, now have such coverage.

SHARING COSTS

Taking another tack, some regional groups promote increased cost-sharing by employees as one way to discourage excess use of medical benefits. The Cleveland (Tenn.) Associated Industries Health Care Committee, for instance, has designed a model health insurance plan under which employees pay 20 percent of hospital costs and 10 percent of outpatient costs. And last year, Metropolitan Life Insurance Co.'s own employees began contributing to the benefit plan for the first time in years. They also had their deductibles adjusted upward. As a sweetener, Metropolitan added dental insurance to its plan. "Employees were not all that delighted," grants Executive Vice-President Philip Briggs, "but they got more out of it than they were asked to give up."

Cost-sharing is anathema to unions that fought long and and hard to eliminate it. The 1976 auto labor talks ran aground over that issue. But with medical benefits taking an ever-larger share of employer funds that might otherwise be available for wage increases, the United Auto Workers and the Big Three auto makers agreed to a study of other cost-cutting ideas. This coalition was instrumental in the passage of state legislation that will phase out almost 10 percent of Michigan's 39,000 hospital beds over five years, an effort that could shave 4 percent from the state's $3 billion annual hospital bill. And the new law is only the beginning, the auto companies say. Adds Walter B. Maher, Chrysler Corp.'s director of wage and benefit administration: "We have not begun to maximize the leverage warranted by the hundreds of millions of dollars we contribute annually to the health care providers of Michigan."

THOMAS J. WATSON, JR.

Mr. MATHIAS. Mr. President, yesterday the Senate Foreign Relations Committee favorably reported the nomination of Thomas J. Watson, Jr., to be U.S. Ambassador to the Union of Soviet Socialist Republics. I was delighted when President Carter nominated Mr. Watson to this important post and I look forward to voting for his confirmation.

As many of my colleagues know, I have long advocated maintaining a very high percentage of career foreign service officers in our diplomatic posts abroad. I have sponsored legislation to achieve this end and I have urged successive Presidents of the United States to appoint career officers to at least 75 percent of our diplomatic posts and preferably more. My dedication to the principle of a career foreign service, however, has never precluded the appointment of superlatively qualified men and women from other walks of life as ambassadors.

In fact, I have consistently maintained that our diplomatic service can be enriched by the judicious appointment of highly qualified people from business, labor, and the professions. We have ample evidence that this is so, dating back to the days of Benjamin Franklin and continuing to the present. An outstanding recent example, of course, is found in Averell Harriman who was, himself, a distinguished Ambassador to the U.S.S.R. Mike Mansfield and Leonard Woodcock are contemporary examples of ambassadors who add a priceless dimension of worldly experience to their diplomatic service.

I believe that Thomas Watson will be another such ambassador. He brings to his new job a superb record in public and private life. In the private sector he was, for many years, chairman of the board of IBM. More recently, he has served the Nation as chairman of the General Advisory Commission on Arms Control and Disarmament. He will bring to his new post broad and appropriate experience on the issues of trade and arms control which are important in United States-Soviet relations.

He is also a rather remarkable human being. He is a jet pilot, a sailor on the high seas, and an artist with a camera. With such a spectrum of skills, he is unlikely to be caught short in Moscow.

I am confident that Mr. Watson will receive the solid endorsement of the Senate and that he will represent us wisely and well in a critical post at a very critical time.

HOME ENERGY CONSERVATION PROGRAM

Mr. BRADLEY. Mr. President, in the short term, the only way we can reduce oil imports is through improved energy efficiency in our homes, businesses, and transportation systems.

About 2 weeks ago, I proposed a plan for home energy efficiency that could lead to a savings of 1.6 million barrels of oil per day in the next 5 to 10 years.

Mr. President, today in the Subcommittee on Energy Conservation and Supply we received testimony that elaborates on my plan. The testimony shows that conservation is not a matter of sacrifice as much as it is applying the technological expertise that has made America great to the pressing national problem of overdependence on OPEC oil.

Mr. President, I ask unanimous consent that the testimony of Mr. Robert Williams, of the Center for Energy and Environmental Studies at Princeton University, and Mr. Harold T. McCormick, chairman and chief executive officer of the American Fine Wire Co., be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TESTIMONY OF HAROLD T. MCCORMICK

Mr. Chairman and Members of the Committee. I am Harold T. McCormick, the Chairman and Chief Executive Officer of the American Fine Wire Company. This is a company which specializes in the production of unique wire used in special electronic applications. It is the only company in the United States making these type wires and was created to meet the developing, broadening needs in the electronics industry. Prior to becoming Chairman and Chief Executive Officer of American Fine Wire, I was the President of Rust Engineering, one of the largest engineering companies in the United States which specializes in engineering energy projects. In addition to my duties at American Fine Wire, I serve on the boards of several corporations and am the President of a venture capital company. Thus, in my testimony today, I will be calling upon my knowledge of, and experience in, the business world as both a former manager of a large engineering company and as a person who has some familiarity with entrepreneurial endeavors.

I am honored to have been invited to appear before this Committee and offer my views on the proposed Home Energy Efficiency Program that has been outlined by Senator Bradley and having as its central theme energy conservation. As I understand it, you would have me to address myself to the question of how to make the Home Efficiency Program workable from the standpoint of the private sector. In order to respond to your request, I have prepared comments which:

1. Set forth what I believe to be certain necessary criteria for workability;

2. Suggest possible ways of satisfying the "workability" criteria.

CRITERIA FOR WORKABILITY

Let me state at the outset that I believe Senator Bradley's Home Energy Efficiency Program appears to me to be very promising. He has outlined an approach to, as he says, "produce" saved energy. His approach is politically more acceptable and potentially more capable of actual implementation than any plan that I have seen proposed to date. Unfortunately, a promising initial plan can become mired in private and public bureaucracy to a point where it is no longer viable. To assist this Committee in its development of the Bradley plan, I have attempted to set out below what I believe to be the criteria for workability for the Home Energy Efficiency Program.

1. The program must avoid imposing direct costs on consumers; must minimize the hassles which homeowners face during home energy retrofit; and must avoid government unilateral intrusion.

Senator Bradley has recognized that this is a basic criterion. Nevertheless, it is so central to the workability of any program that it is important to reiterate this criteria at the outset.

2. The program must properly identify measures which energy conservation companies are to retrofit.

The "proper" identification involves both the designation of measures which are effective in saving energy and those which save energy at an affordable cost. To meet this criterion it is necessary to know what measures are most effective in saving energy in particular types of buildings, and it is necessary to know how much the government is willing to spend per estimated unit of energy saved.

3. The program must provide for overall management of the identification, financing, installation, and quality control of retrofit measures.

This criterion has also been recognized by Senator Bradley. From the standpoint of workability, this criterion is critical. I know of no other energy conservation proposal which would enable retrofitting of residential dwellings to proceed on a systematic house-by-house, block-by-block, community-by-community basis. And yet, it is critical to the workability of any effective and extensive residential retrofit conservation operation as discussed below.

4. The program must provide sufficient financial incentives to entice the most competent segments of the private sector to participate in the program.

In stating this criterion, I am exposing my own bias in favor of the private sector as that sector which is most capable of executing a Home Energy Efficiency Program in the shortest period of time and at the least expense to the American public. And given this bias, and given my experience in

what motivates the private sector, the Home Energy Efficiency Program must provide sufficient financial incentives to attract that segment of the private sector which is most capable of performing the tasks at hand. I use the words "most capable" advisedly. There are many unqualified segments of the private sector which would respond and aspire to become energy conservation companies. In my view, only companies with substantial experience in the management of substantial undertakings would be competent to execute the kind of program which Senator Bradley has outlined. In order to attract these kinds of companies, a framework of sufficient financial incentives would have to be created and permitted to function in the program.

5. The government's role in any workable program would have to be as "facilitator" not as "regulator" or "grantor."

There are several reasons why the workability of a plan might be harmed if the government were given too many regulatory responsibilities. In the first place, the most competent firms might avoid the activity and gravitate toward projects which were not subject to government regulation. Over-regulation would have an obvious substantial impact upon workability in my opinion. Even if competent firms undertook to perform required tasks, their ability to exercise their competency and produce results in a timely and efficient manner could be substantially limited by government regulation. Suggestions that grants be given to people out of tax revenues strikes me as unnecessary and wasteful once one understands the self-financing mechanisms built into the Bradley plan.

6. The program should secure the cooperation of the electric and gas utilities, and the state public utility commissions.

As I understand Senator Bradley's proposal, its workability in the sense of producing saved energy without substantial cost to the taxpayer depends upon:

(a) The careful selection of those areas where the Home Energy Efficiency Program is to be undertaken at a given time;

(b) The initial estimating of what price could be paid by the government to purchase saved energy from energy conservation companies;

(c) The price which the utilities can pay to repurchase the saved energy from the government; and

(d) The measurement of how much energy was actually saved through the installation of energy conservation measures.

Each of these factors is central to the workability of the Home Energy Efficiency Program. And each requires that the Federal government, the utilities and the state regulatory commissions work in concert to make the effort productive and timely.

7. A program must provide for reasonable benefit as between various classes of persons affected by the program.

Even if a program is politically acceptable, it will not be workable if it does not provide flexibility for securing equitable benefits between various users of energy as it is implemented. For example, a program may have to compensate people who have undertaken their own retrofit activities in order to put them on a par with their neighbors.

MEETING THE CRITERIA

Can the program satisfy the criteria as to "workability" and hence effective implementation? I will now attempt to identify for the Committee some of the ways in which I believe Senator Bradley's Home Energy Efficient Program could be structured in order to satisfy the "workability" criteria which I have identified above.

1. No direct cost to consumers; elimination of hassle and government intrusion.

As stated above, Senator Bradley's program satisfies that criterion and makes it one of the most workable that has been proposed. I am concerned about other programs which avoid direct consumer costs but create a situation where utilities could be forced to foreclose on homes to enforce their conservation liens and/or by permissive regulatory administration, absolve, from this debt, some, few or all by enforcement default. Senator Bradley's plan does not force the consumer to do anything, but it creates an environment conducive to positive action.

2. Proper identification of measures to be retrofitted.

As Senator Bradley has pointed out, before a massive home energy efficiency program can proceed in earnest, precise and engineered documentation of the types of energy conservation measures which save energy and the amount of energy saved must be completed. I think the fastest way to get this documentation done is to combine the research documentation program with the energy doctor training program. I believe some qualified architect and engineering firms would be motivated to work with the researchers at Princeton and elsewhere to put together a combined "energy doctor" training program and research documentation program.

I do not believe that we need to wait two years until all program developments and research has been completed and all housing-types catalogued before the program can begin. There is a close connection between the training, the research, the development and the doing. "Energy doctors" trained to audit townhouses can return to the classroom for instruction on how to audit the next housing types and can use the knowledge they have gained in the field to improve the cataloguing process and the training curriculum for new recruits.

The documentation research, in my opinion, has to address more than anomalous heat loss. It should also develop values for storm doors, clock thermostats, and other readily available retrofit measures.

The identification of more esoteric and expensive retrofit devices should probably await a second round of retrofit activity in order to enhance the workability of the Program. By undertaking only those activities which are clearly cost beneficial, identification of measures would be simplified because "energy doctors" could concentrate on energy saving judgments and would not have to make difficult cost benefit analysis and judgments.

3. Overall management.

From a management standpoint, the "energy doctor" training, the identification of retrofit measures, and the financing, installation and quality control assurance should all be undertaken by the energy management company. That company could be required to employ local installers without interfering with efficiency of management. The "energy doctor" training and the identification of measures to be installed could also be separated if that were thought to be necessary but perhaps at some cost.

If I were designing the Program, I would put the energy conservation company in charge of training of the "energy doctors." If the energy conservation company were being paid a predetermined rate for each unit of energy saved, then the "energy doctor" activity which designates the measures to be installed would be enhanced if the energy conservation company were in charge. If the price of the saved energy were predetermined and the payments were based on actual energy saved, then there would be no danger of collusion between the energy doctors and the company.

Over-prescription by energy doctors under the control of energy conservation companies which did not produce cost-effective energy savings would not be tolerated for they would be unproductive. Under-prescription would cost the company revenues for they would not be energy saving to full potential savings. The marketplace would act as the proper balancer between the type of energy saving techniques used and energy savings.

If the "energy doctors" were separated from the company, there woud be a problem of assigning responsibility for judgmental errors in prescriptions. Would, for example, the government indemnify the energy conservation companies against misprescriptions? Tying the "doctors" to the companies makes them responsible at one focal point of culpability and/or reward as the energy audit confirms or denies the results.

The one task that should not be assigned to the energy conservation companies is the task of determining how much energy the conservation company actually saved, that task must be done by independent auditors employing actual measurements of savings for a large enough number of homes to construct a statistically valid sample, while providing latitude to allow for the different living and habit patterns of homeowners. These auditors could be sponsored by the government directly or could be contract employees of A & E firms.

I would envision the Bradley plan working this way. Company X enters into a contract with the Federal government to be paid annually for twenty years for the energy it saves by undertaking retrofit programs. Company X trains energy doctors, does the audits, manages, contracts and subcontracts with installers and hires quality assurance and quality control personnel to assure proper installation. Company X retrofits a particular community or area selected by the government. Government sponsored auditors measure nominal usage before and after retrofit to obtain a statistically significant sample. The government pays Company X each year a predetermined amount for the energy saved. If there are less savings than expected, Company X makes less money. If there are more savings than expected, Company X makes more money. The more efficient Company X becomes, the more benefit it delivers and more profit it makes under a given contract.

Company X would have to have a likelihood of performing or it would not be able to obtain front-end financing. Its contract would be bankable only if there was some reasonable likelihood that it would be able to save the potential amounts of energy identified. The plan would be self-policing. Fly-by-night operations could be eliminated by market forces before they began rather than by government policing. If no energy were saved, the government would make no payments.

4. Sufficient financial incentives.

As I have explained, I think that there are existing companies who could perform admirably as energy conservation companies if they could be enticed into the business. It goes without saying that the opportunity to make healthy profits offers the necessary enticement.

There are two possible approaches which could be pursued. One approach would be to offer a company a cost-plus contract with an attractive profit margin. The problem with this approach is that it would require the separation of the energy doctors from the conservation companies (to avoid having costs run-up to maximize profit without necessarily producing more saved energy). The self-policing aspects of the marketplace would also be blunted with a cost-plus approach. Anyone who got the contract could

probably "bank" it and obtain front-end financing.

A far better approach would be to establish through negotiation a fixed price for each unit of energy saved—e.g., 10 mils per year for 20 years for each unit of energy saved. The only statutory standard that should be placed on the price that could be paid is the kind of statutory standard contained in section 210 of the Public Utilities Regulatory Policy Act of 1978—i.e., a standard of "fair and reasonable to consumers." In other words, the price cannot exceed the cost of the energy which the saved energy displaces including reasonable escalation into the future. This approach would protect consumers while creating profit opportunities that would attract the best companies into the business.

As the conservation industry developed, competition between companies and efficiency breakthroughs would act to properly control companies and the profits. However, if it were thought necessary to protect against excess profits directly rather than rely on market forces, the contract could provide for renegotiating of the price in future years based upon the achievement of some reasonably high profit level. Or the law could require companies to plow-back "excess" profits into investments in conservation and renewable resource technologies.

5. Government as "facilitator" not "regulator."

If the energy conservation company were set up as I have described above and if the pricing were established on a basis which was "fair and reasonable to consumers," then the marketplace would police most potential abuses and the government could act as facilitator rather than regulator. As a facilitator the government could assist in the research effort and work with the utilities, public utility commissions, and home heating oil suppliers to minimize their problems. The kind of facilitating role the government could and should play is discussed below.

6. Cooperation of electric and gas utilities, the Federal government, and state public utility commissions.

To satisfy this criterion it is necessary to determine what is in the Program for each of the participants. I have attempted to set forth the potential benefits and detriments for each group. If the benefits can be arranged so as to outweigh the detriments, then I believe cooperation can be achieved.

(a) Utilities:

While I do not claim to be a utility expert, I have a basic knowledge of utilities through various business experience. The Bradley Plan, in my opinion, could offer utilities several benefits. First, new, relatively inexpensive supplies of energy could be made available to utilities. Because of governmental constraints and other problems, utilities have not always been able to bring on line new capacity at a time when they needed that capacity. Recent problems with certain nuclear facilities have also negatively impacted the availability of energy. From the gas utilities' point of view, the saved gas could be used to meet substantial new demand for natural gas resulting from environmental constraints, the high price of oil, and the need to dramatically reduce imports.

Second, the Bradley Plan could offer the opportunity for the utilities, in consultation with the Federal government and the state utility commissions, to control the timing of conservation measures. As I see it, through the contract process, conservation efforts could be selected at a level to meet needed growth without creating excess capacity. Under any other plan, consumer response (to the extent there is any) cannot be controlled or predicted. Uncertainty is introduced. Under the Bradley Plan it would be much easier for the utilities to plan because they would be able to control the approximate amount of energy that would be saved and the timing of that savings.

Third, if the Bradley Plan were implemented, a number of onerous, expensive, and non-productive utility requirements under the National Energy Conservation Policy Act could be eliminated. This would permit utilities which are faced in the short term with regulatory and supply problems to concentrate on solving those problems without being forced to undertake NECPA conservation efforts which may, in fact, produce very little conservation.

Fourth, the plan could provide an opportunity for utility investors to maximize their rates of return on their current investments by insuring an adequate revenue stream for those investments. (See Attachment A)

The potential detriment to the utility is that the Bradley Plan, when legislatively implemented, would not give enough guidance to the Federal and state regulatory agencies to insure that the interests of the utilities were taken into account in planning conservation activities. The result could be too much conservation too soon which produced overcapacity and unnecessary expense for rate payers. Another potential detriment would be one caused by the fact that the state and Federal regulatory bodies would not permit the utility to maintain its revenue stream as energy was conserved. Therefore, utility investors could suffer.

I personally believe legislative direction could eliminate these potential dangers. Even with these potential dangers, I think the benefits far outweigh the detriments.

(b) State Regulatory Commissions:

The major benefit of the Bradley Plan for state utility commission is that the plan offers them a way to continue to provide energy for residential, commercial, and industrial consumers in their states without raising rates to a level that they would otherwise have had to raise them. In other words, it gives them a practical way to control costs without negatively impacting the availability of supply and hence maintaining the quality of service.

The potential detriment from the state regulatory standpoint is that the Federal government, exercising its authority to purchase and sell saved energy, would not be required to engage in a close working relationship with the state public utility commissions. The best way to minimize this detriment is to require in the legislation implementing the Bradley Plan cooperation between the Federal government entity and state regulators. That cooperation could be accomplished by having the Federal government set general standards which the state could implement as to specifics. The general Federal standards could assist state public utility commissions in overcoming state obstacles that might otherwise impede these commissions from making rational choices so as to properly implement the Bradley scheme. And state implementation of the standards would enable the state public utility commissions to maintain a primary regulatory role with respect to utilities.

7. Equitable benefits between classes of users.

The equity issue is posed most directly when one hypothecates a situation where neighbor A has just installed and paid for an energy conservation measure such as storm windows when the energy conservation company knocks at his door. The company saves him additional energy but provides neighbor B, C, and D with "free" storm windows. There are a number of ways that situation could be handled. One way would be to have the energy conservation company write neighbor A a check for his storm windows and permit the company to take credit for his saved energy. These kinds of equitable benefit decisions could be worked out by a contract between the government and the company after consultation with state public utility commissions. Because every rate payer benefits under the Bradley Plan through either lower present and/or future costs of energy, equity issues are more apparent than real.

The more interesting question is: Who pays for savings in home heating oil? As I understand the Bradley Plan, there is a "profit" which the government makes when it buys saved energy from the conservation company and sells that energy at a higher price to the gas or electric utility. As long as the resale price to the utility does not exceed the cost of producing the energy which is being replaced by the saved energy, then the utility user does not have a legitimate complaint against the plan. Since Senator Bradley's Plan does not permit sales by the government to the utilities to exceed replacement cost, the plan prevents any inequitable results vis-a-vis home heating oil users and electric and gas users.

My own curiosity has caused me to run some conservative projections to determine how much "profit" the government might make when purchasing and reselling saved energy. The "profit" level controls the number of heating oil heated homes that could be retrofitted; the larger the profit, the greater the retrofit.

The results are interesting. Let me explain.

Assume the government buys saved energy from an energy conservation company at 10 mils/kwhr per year for 20 years. (At 10 mils/kwhr for 20 years a conservation company should be able to save at least 50 percent of the energy used in the home.) Then assume that in each of the first ten years of the Home Energy Efficiency Program 5 percent of the energy in a utility is saved by the energy conservation company so that by the tenth year 50 percent of the residential energy is being saved. Applying these assumptions to Public Service Electric and Gas in New Jersey (based upon current residential energy use), the following government profit would be realized over the 20-year period if the energy purchased at 10 mils and resold at 25 mils/kwhr (a cost equal to about half the price PSE and G residential users are currently paying).

[Dollar amounts in millions]

Year	Percent savings	Profit	Cumulative total
1	5	$5.7	$5.7
2	10	11.4	17.1
3	15	17.1	34.2
4	20	22.8	57.0
5	25	28.5	85.5
6	30	34.2	119.7
7	35	40.5	160.2
8	40	46.8	207.0
9	45	53.1	260.1
10	50	59.4	319.5
11	50	59.4	378.9
12	50	59.4	438.3
13	50	59.4	497.7
14	50	59.4	557.1
15	50	59.4	616.5
16	50	59.4	675.9
17	50	59.4	735.3
18	50	59.4	794.7
19	50	59.4	854.1
20	50	59.4	913.5

(The table was produced by calculating the number of megawatt hours a 5 percent savings would free up in the PSG and E. system. Based on 7.6 million megawatt hours a 5 percent savings equals .38 million megawatts. If the government purchased the energy at 10 mils/kwhr and sold it at 25 mils/kwhr it would realize a 15 mils/kwhr ($15/Mwhr) savings. $15/Mwhr times .38 million megawatts equals $5.7 million.)

In other words, the government "profit" as purchaser and reseller would be almost $1 billion in one utility area. And that profit

would be realized if saved energy were sold by the government to utilities at less than one-half its fair market value. The profit could be doubled if the energy were sold at its fair market value.

I have attempted to calculate how many oil heated homes might be retrofitted for $1 billion dollars. If each home cost $2,000 to retroprofit, 500,000 homes could be financed ($1 billion divided by $2,000 equals 500,000) from the profits presented above.

These numbers suggest to me that everyone could benefit under the Bradley Plan. The homeowner saves money because he is using less energy and because his future costs of energy are less expensive. The energy conservation company makes a reasonable profit saving energy. The Federal government makes enough money to finance the retrofit of oil heated homes, thereby furthering its objective of reducing oil imports. Electric and gas utilities receive what are, in effect, a new supply of energy to meet growth requirements as those growth requirements materialize. Those supplies could become available without fighting governments or environmentalists; and they could be secured at relatively low costs, improving the opportunity for utility investors to obtain reasonable rates of return from state utility commissions.

Isn't this a much better approach than helter-skelter throwing away of taxpayer's money to individuals to solve the problem? This approach brings order and productive results to our energy-oil crisis. This, in my view from the private sector, makes much better sense.

ATTACHMENT A

In order to gain some elementary understanding of how the Bradley Plan might affect utilities, consumers, and investors, I have made some calculations with respect to what might happen in one utility area over the next 10–20 years if the Bradley Plan were properly implemented. The chart that follows is built upon the following assumptions:

(1) The plan saves 5 percent per year of residential energy use for 10 years, providing a total of 50 percent savings.

(2) The utility is able to sell the saved energy at a cost of 60 mils/kwhr (its 1975 average residential price was 51 mils/kwhr), escalating at a rate of 7 percent per year. This is the Revenue Gain.

(3) The utility experiences revenue losses from: (a) people not using energy; (b) from the cost of purchasing the saved energy from the government; and (c) from added costs of reselling the saved energy (new connections and so forth) assumed to be 10 percent of the Revenue Gain.

(4) To the extent Revenue Losses exceed Revenue Gains, the utility is permitted to make up its Revenue Losses by charging those consumers who have experienced savings through the installation of energy conservation measures to make up for any losses.

(5) Consumer savings are equal to the utility's loss of revenue minus the amount by which Revenue Losses exceed Revenue Gain.

Using figures available for PSG and E in New Jersey where the residential usage equaled 7.6 million megawatt hours and the revenues equaled $413 million. I have prepared the following chart:

Year	Percent savings	Revenue gain	Revenue loss	Retrofitted homeowners consumer savings
1	5	22.8	32.43	11.02
2	10	48.8	65.2	24.9
3	15	78.3	88.3	41.9
4	20	111.7	131.7	62.6
5	25	149.3	165.65	86.9
6	30	191.7	200.1	115.5
7	35	239.4	234.9	149
8	40	291.8	270.4	186.6
9	45	352.26	304.6	231.56
10	50	418	343.3	281.2
11	50	493.2	350.8	348.9
12	50	574.6	358.9	422.2
13	50	666.9	368.2	505.2
14	50	766.08	378.1	594.48
15	50	877.8	388.2	695.1

It should be noted that the utility, based upon the calculations above, does not experience any Revenue Loss. The difference between Revenue Gain and Revenue Loss is made up by charging those consumers realizing the savings an amount equal to the amount Revenue Losses exceed Revenue Gains. For example, in year one Revenue Gains equal $22.8 million while Revenue Losses equal 32.43 (20.65 lost revenue because of conservation (which also equals gross consumer savings); 2.28 as additional costs to sell saved energy; and $9.5 million, the cost to purchase the 5% savings (.38 million megawatt hours x 25 mils/kwhr)). The difference between Revenue Gains and Loss (32.43—22.8=9.63) was subtracted from gross consumer savings (20.65—9.63) to produce an actual consumer savings of 11.02. In year seven when Revenue Gains begin exceeding Revenue Losses, the Gain is added to consumer savings to produce an even larger consumer savings. That gain could be distributed to other users, further lowering their bills as well.

The calculations lead me to conclude at least as to PSG and E the following:

(1) In the early years of the program any rate increases needed to have Revenue Gains equal Revenue Losses can be assigned to those consumers who have experienced savings on account of the retrofit program. Thus, no user pays more for his energy use;

(2) In later years Revenue Gains out pace Revenue Losses, producing even greater savings for the homeowner than result from the installation of the conservation measures themselves;

(3) Utility investors are protected because Revenue Gains can be made to equal Revenue Loss.

TOWARD A FUEL EFFICIENCY POLICY FOR HOUSING

(By Robert H. Williams)

A combination of measures involving added insulation, caulking and weatherstripping, window improvements, and furnace modifications could reduce the fuel needed to heat a typical residence by 50 to 75 percent, without loss of comfort. (Indeed comfort may be improved near exterior walls and windows.) Similar gains could be made in our schools, office buildings, stores, and other commercial buildings; however, in this testimony I will focus on residential buildings, which is also the focus of Senator Bradley's proposal.

My estimate of the fuel savings potential is much greater than the 10 to 30 percent savings most people believe is possible—for two reasons. First, my estimate is based on a definition of what is economically feasible that differs from the one most commonly used. Second, most other estimates do not take adequate account of unconventional but still relatively simple opportunities to have energy in buildings.

A NEW INVESTMENT CRITERION

The conventional approach to evaluating energy saving investments is to see if the payback period is "acceptable." The payback period is the number of years it would take to pay off the investment through the user's savings on fuel purchases. The judgment is usually made that the payback period must be less than 3 to 5 years to be acceptable. In contrast, I propose that investments in energy saving measures for a given energy consuming activity be pursued to the point of minimizing the total cost to the nation.

To illustrate my approach to the economics of investments to save energy it is useful to introduce the concept of the "cost of saved energy," which is simply the total cost of an investment (initial capital outlay plus interest) divided by the fuel savings over the expected life of the investment. Thus one can speak of the cost of saved energy in units like $/barrel of oil equivalent energy saved.

My criterion is that an investment is cost justified if the cost of saved energy for that investment is less than the replacement cost for energy. Starting with the most cost effective investment, one would pursue further investments until the cost of saved energy for the last investment (the marginal cost of saved energy) is equal to the replacement cost for energy.

This investment criterion is illustrated in my viewgraph, which describes the economics of energy efficiency improvements for the "Bowman" house near Washington, D.C., a house that was thermally tightened by a research team at the National Bureau of Standards. Here the cost of saved energy is shown for investments in storm windows, wall insulation, floor insulation, and extra attic insulation, in relation to the price of home heating oil and a range of estimates for the replacement cost of home heating oil. Note that as a higher and higher level of fuel savings is achieved the cost of saved energy goes up. By my criterion the first three of these investments would be economically justified, whereas the last investment in extra attic insulation may or may not be, depending on whether the actual replacement cost is higher or lower than the cost of saved energy associated with extra attic insulation. With only the first three investments, however, fuel savings amounted to more than 50 percent for the Bowman house. The average cost of saved energy for these three investments was $17/barrel, or about half the replacement cost for fuel.

UNCONVENTIONAL ENERGY EFFICIENCY MEASURES

Most people think of measures like those adopted for the Bowman house when you speak of housing energy efficiency improvement. These measures will save the consumer both energy and money—but they do not exhaust the possibilities.

Perhaps most important among unconventional measures are the vast opportunities for saving fuel through the elimination of obscure heat flows that bypass insulation. The magnitude of such heat flows is illustrated by the escape of warm air into the attics of houses—heat flow that bypasses the ceiling insulation. My colleague Dr. Dutt and his coworkers have estimated that heat losses through "attic insulation bypasses" in one and two story single family wood frame houses account for about 20 percent of total residential space heating energy use. It is worthwhile to put considerable effort into eliminating bypass heat losses because doing so is generally much cheaper than more conventional measures—costing typically $2 per barrel of saved oil equivalent energy, compared to $10–$30 per barrel of saved energy for more conventional measures.

An important example of what can be achieved with unconventional conservation measures in existing houses is a recent project at Twin Rivers, New Jersey, where a team of Princeton University researchers was able to reduce annual fuel requirements for space heating by ⅔ in a townhouse in the neighboring community of Twin Rivers. This achievement is especially remarkable in light of the fact that the house was already "well insulated" before the improvements were made: it had double glazing and ceiling and wall insulation. The "retrofits" introduced

by the Princeton group included in addition to the elimination of bypass heat losses measures such as insulation around the perimeter of the basement and the installation of indoor shutters to be placed over large windows at night.

THE NEED FOR NEW INITIATIVES

Despite the large fuel savings potential and the favorable economics of investments in building energy efficiency improvements, most analysts expect that, because of formidable institutional obstacles, only a small fraction of the potential will be captured over the next decade.

Homeowners cannot be expected to base their investment decisions on replacement costs, when actual prices can be expected to be much lower. And many consumers will be unwilling to invest even to the level justified by actual energy prices because the dollar savings resulting from these investments will be judged insufficient to compensate for the considerable hassle involved in carrying out a home retrofit project:

A housing conservation audit must be arranged;

A reliable and competitive installer must be identified and contracted; and

The financing must be arranged.

In addition to this "hassle" problem there is presently a lack of technical capabilities for achieving highly efficient heating of residences and incentives are especially low for improving those rental buildings for which the fuel bill payer is someone other than the building owner.

The President's Import Reduction Program involves an important innovation that would help overcome these institutional obstacles: the requirement that electric and gas utilities finance energy conservation investments and include such investments in their rate bases as an alternative to supply expansion. In this proposal the homeowner would pay off the principal on the investment when the house is sold.

One attractive feature of this utility financing proposal (which is already in effect for two electric utilities in the State of Oregon) is that it provides a mechanism for valuing saved energy at the replacement cost for new energy supplies, since the utility would be comparing investments in energy efficiency improvements with supply expansion investments. Also "ratebasing" energy efficiency investments would provide consumers a substantial incentive to have these investments made in their homes and utility management could eliminate much of the "hassle" associated with arranging for retrofits.

The principal problem with this proposal is the concern that utilities, whose experience is primarily in providing energy supplies, may be ineffective in energy efficiency investment efforts. Indeed many people are openly hostile to the idea of the utilities becoming suppliers of "energy efficiency improvements." And as I was preparing this testimony I read in the Wall Street Journal that some utilities are already lobbying to eliminate from the President's Import Reduction Program the requirement of utility financing of building energy efficiency investments.

Senator Bradley's proposal, which involves establishing companies to arrange for housing audits, installation, and financing of housing energy efficiency investments would overcome these objections to direct utility involvement. Because these investments eventually would be sold to the utility to be included in the rate base, the principal advantage of utility financing would be preserved.

I believe that Senator Bradley's proposal, or some variation of it, could lead to both a high level of fuel savings in individual households and a high level of participation among households over the next decade. With such an innovation I believe that the goal I have set forth, of saving, on the average, half of space heating fuel in existing residences in 10 years is achievable.

There will undoubtedly be considerable discussion over the details of this proposal—for example, over whether the homeowner would pay nothing at all for these investments or would pay off the principal at the time the house is sold. It is important to keep in mind, however, that whatever program emerges it should satisfy the following minimal criteria:

The program should be capable of identifying and exploiting the most cost effective opportunities for saving energy.

The program should encourage investing to the point where the cost of saved energy for the last investment equals the replacement cost for energy supply.

The program should minimize the "hassle factor" that now inhibits housing efficiency improvement investments.

The program should have broad public support.

Unless all these criteria are met I expect that the overall effort will fall far short of the 10 year goal to reduce space heating fuel use in half—a goal that is both technically and economically justified.

Oil heating customers pose a difficult problem. Putting energy efficiency investments for these customers into the gas or the electric utility rate base cannot so easily be justified as a measure that would defer supply expansion. Accordingly the President's Import Reduction Program treats this problem separately by providing interest subsidies to oil heating customers on investments to improve energy efficiency or to convert to natural gas. The Administration's $2.0 billion program (the total for both residential and commercial customers) would amount to about a $75 subsidy per oil heating residence, on the average. Comparing this subsidy to the average level of investment which I believe is cost justified—about $1500/house—shows that the Administration's proposal is very weak indeed.

I would favor a variation on Senator Bradley's proposal for dealing with oil heating customers: let the same "energy efficiency" companies arrange for the audits, the installation, and financing but have the federal government assume the role of the utility. One possibility would be for the homeowner to pay off the principal when the house is sold, but have the government pay the interest in the meantime. This could be justified, for example, as a way to plow back the revenues of a windfall profits tax associated with oil price deregulation. To retrofit all 16 million oil heated households over 10 years would require about $12 billion in interest payments over this period and a comparable amount of interest thereafter.

One element of a successful housing energy efficiency program has not yet been adequately developed in any existing or proposed program: the training of competent and reliable house auditors. To capture the large fuel savings potential in housing at the least cost will require a substantial effort to upgrade the status of house auditors to "house doctors" through a vigorous training program. In his testimony my colleague Dr. Dutt will show why this is so important, and he will outline the elements of a house doctor program.

A buildings energy efficiency improvement program that involves an imaginative financing scheme and a high quality building audit program should be at the top of the Nation's list of priorities for reducing our dependence on foreign oil. I know of nowhere else where the Nation can find a new source of 2½ million barrels of oil per day over the next 10 years at an average cost of $15/barrel!

IN THE NAME OF ARMS CONTROL

Mr. PROXMIRE. Mr. President, the flexibility of our language and logic are a constant wonder to me. Consider that the U.S. Senate has before it one of the principle arms control agreements of the decade—SALT II. And what are the major themes of this debate about arms control? Do we find ourselves arguing over how to insure more arms control? Do we debate which type of reduction in armament is more appropriate? Do we disagree over the timing of a reduction or the quantity involved?

No. In the name of arms control we debate how to increase U.S. strategic power. In the name of arms control we justify developing the MX missile system. In the name of arms control we call for dramatic increases in the defense budget. In the name of arms control certain assurances are sought which will inevitably lead to more weapons, more verification problems, more uncertainty in the balance of terror.

What happened to the arms control community? Where has it gone? Who speaks for arms control? Where are the voices demanding more control and less arms?

Sadly the arguments all center on the opposite viewpoint. The debate swirls around building up not controlling down. The psychology of the moment rests firmly with the advocates of ruble matching, megatonnage equality, and displacement compensation.

Across the ocean, behind the walls of the Kremlin, similar debates are occurring. "What steps can we take to overcome the MX system? How advanced is our ABM work? How fast can we increase the accuracy of our fourth and fifth generation ICBM's? Should we not accelerate laser and particle beam research? We must compensate for the increased range of the Trident submarine by redoubling our efforts in antisubmarine warfare. Why did we give the Americans a unilateral advantage by excluding the FB-111 bombers from the Treaty totals? Or their forward based aircraft in Europe and on aircraft carriers?"

Perhaps it is asking too much for logic and reason to prevail. The history of mankind can be categorised by brief periods of lucidity and mammoth gaps of ignorance.

That is why we should not let our few opportunities for true arms control debate to be masked by the sweet sounds of strength at any price. It is a melody with a predictable end.

U.S. EXPORTS TO JORDAN

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit of $63,750,000 to assist the export from the United States of four 727-200 jet aircraft and related spare parts and Pratt and Whitney engines to ALIA—the Royal Jordanian Airline Corp. (ALIA).

the wholly government-owned national air carrier of Jordan. The Bank has also extended a preliminary commitment to ALIA to assist the purchase of U.S. manufactured wide-bodied aircraft. The direct credit for the 727's plus the financing which would arise if the preliminary commitment were consummated would exceed $100,000,000.

Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans and financial guarantees in the amount of $100,000,000 or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to cover 85 percent of the 727 transaction and the loan will be unconditionally guaranteed by the Hashemite Kingdom of Jordan. The sale will facilitate an estimated U.S. export value of $75,000,000. The Eximbank credit will bear interest at the rate of 8½ percent per annum and be repayable in 40 semiannual installments beginning January 31, 1981.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C. July 26, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3))(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Jordan:

A. Description of Transaction.

1. Purpose.

Eximbank is prepared to make a credit of $63,750,000 available to ALIA—The Royal Jordanian Airline Corporation (ALIA) to facilitate the purchase in the United States by ALIA of four new Boeing 727-200 jet aircraft, spare engines and related parts and services. The engines for the aircraft are manufactured by Pratt and Whitney, a subsidiary of United Technologies Corporation. The total U.S. export value for this transaction is estimated to be $75,000,000.

In addition to the aircraft proposed for sale in this transaction, Eximbank also proposes to issue a preliminary commitment to ALIA in which it will indicate the terms and conditions under which it will be prepared to extend financing to ALIA to assist it in the purchase of wide-bodied aircraft of United States manufacture to meet its needs for increased traffic and an expanding route system. The sale of wide-bodied aircraft is subject to intense competition from the A-310 which is supported by official foreign government financing.

The Eximbank credit for this transaction, together with the Eximbank financing contemplated in the preliminary commitment would fall within the purview of cases to be referred to Congress under Section 2(b)(2) of the Eximbank Act.

2. Identity of the Parties.

(a) Borrower:

ALIA is the national air carrier of Jordan and is wholly owned by the government. Eximbank has previously made three loans to ALIA and repayments have been made on a timely basis. ALIA currently flies to 31 cities in 29 countries, mainly in Europe and the Middle East, and to New York and Houston.

(b) Guarantor:

The Hashemite Kingdom of Jordan will unconditionally guarantee payment of ALIA's indebtedness under the direct credit.

3. Nature and Use of Goods and Services.

The principal goods to be exported from the United States are four commercial jet aircraft to be used by ALIA on its regional and medium range routes. The airframes for the 727's will be manufactured in the Seattle-Renton-Everett area by The Boeing Company of Seattle, Washington. The engines for the aircraft will be manufactured by the Pratt and Whitney Aircraft Group of United Technologies Corporation in Hartford, Connecticut. In addition, other U.S. firms will furnish spare parts.

B. Explanation of Eximbank Financing.

1. Reasons.

The Eximbank credit of $63,750,000 will facilitate the export of $75,000,000 of United States goods. Sales, profits and employment for U.S. aircraft manufacturers and their subcontractors are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40 percent of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80 percent of the world market for commercial jet aircraft.

Boeing estimates that the export of the four financed aircraft will provide 1.5 million man/hours of work for Boeing and its subcontractors. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

During evaluation of aircraft to serve its regional and medium range routes, ALIA received an offer from Airbus Industrie for the A-300 with favorable financing. Eximbank offered financing support for the Boeing 727's on terms similar to the official foreign government financing offered on the A-300 and ALIA selected the United States aircraft.

2. The Financing Plan.

The financing plan for the total U.S. procurement supported by Eximbank is as follows:

Percentage of U.S. Costs

	Totals
Cash Payment, 15.0	$11,250,000
Eximbank Credit, 85.0	63,750,000
	75,000,000

(a) Eximbank Charges:

The Eximbank credit will bear interest at the rate of 8½ percent per annum, payable semiannually. A commitment fee of ½ of 1 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms:

The Eximbank credit will be repaid by ALIA in two repayment schedules of 20 equal semiannual installments each beginning January 31, 1981 and January 31, 1982, respectively.

Sincerely,

H. K. ALLEN.

WILL GENOCIDE CONVENTION IGNORE CRIMINAL ACTS OF GOVERNMENTS?

Mr. PROXMIRE. Mr. President, on more than a few occasions I have stood before the Senate to answer criticisms of the Genocide Convention. I would like to take up this task again today.

Critics of the Genocide Treaty argue that it lacks strength because it fails to include measures for punishing an entire government for acts of genocide. They contend that governments themselves must be subject to prosecution, for it is unlikely that this crime would be committed without the approval of the government in power.

Mr. President, this criticism of the treaty is not valid. No international law or organization has the authority to punish an entire ruling government. Not one.

And well there should not be. I would not support an organization having such power over the sovereignty of this or any other nation. I am certain my colleagues share this view.

What I do support is the treaty's intent to punish guilty "persons." This includes not only private citizens but also constitutionally responsible rulers and public officials.

Second, the convention requires successor governments to bring former public officials and rulers to trial who have been accused of genocide.

Finally, means outside the treaty are present for bringing pressure on a regime to punish those in government responsible for committing genocide. If world opinion is not satisfied with the actions taken by a regime to try those accused of this crime, then that regime can be brought before either the U.N. or the International Court of Justice. At that time, economic sanctions or diplomatic pressure can be brought to bear on the government until it pursues the matter properly.

Mr. President, this treaty does not intend to ignore the possible complicity of a government in an act of genocide. However, rather than an unprecedented attempt to bring to trial an entire body of government, it provides for the punishment of individuals, including members of the present regime. The means also exist for bringing other forms of pressure on a nation to comply with the spirit of this treaty.

Therefore, I ask the members of the Senate to join me in supporting the ratification of the Genocide Convention.

PAUL HARVEY ON SACRED HONOR

Mr. THURMOND. Mr. President, recently I had the pleasure of reading the text of a broadcast by the noted commentator Paul Harvey. The subject of the text, honor, goes to the heart of many of the basic concepts which made our country great.

Honor has been the hallmark of our Nation and each generation has held honor as one of the highest virtues.

Throughout our history honorable conduct has been the accepted norm and anything else has been looked on with derision.

In Mr. Harvey's text, he suggests a shortage of honorable men and women in the public eye and, with the help of that great American, Gen. Mark Clark, adds some insight into this area of concern.

Mr. President, in order that I may share this fine article with my colleagues, I ask unanimous consent that a major excerpt from it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

AND SACRED HONOR

Each Fourth of July at least we re-examine our nation's foundation and find it was sound. But . . .

Our cornerstone Declaration of Independence from foreign domination has since been diluted by half a hundred "declarations of dependence" on our own Government. . . .

So it is refreshing to reflect on those do-it-yourself patriots who asked nothing for nothing.

The signers of that Declaration pledged their lives, their fortunes and their sacred honor. . . .

And many lost their lives and most lost their fortunes . . . but none lost his honor. . . .

What is honor?

My admiration for General Mark Clark dates back over three wars and many visits in our respective homes.

In an era when there is such a dearth of giants. . . .

When politically we are up to our ankles in pygmies. . . .

Who better than Mark Clark holds to the principles that once guided our nation and have always guided his professional and personal life.

As commandant of the Citadel he founded the Honor Code.

In the wake of new exposes of pickpockets in public office, I asked General Clark, "What is honor?"

General Mark Clark says, "Honor is the capacity to control the instinctive selfishness that lurks in all of us. It is the tough case hardened ability to put morality ahead of expediency, duty ahead of deviousness—and to do it instinctively and every time. Honor also means pride in excellence—of every kind; especially excellence of performance."

However history has X-rayed the lives of our nation's founders focusing on imperfections, the consensus of historians has to be that that one of those rare times in the affairs of men when we had greatness to spare.

Where did our ancestors get this morality and selflessness and pride in performance—where did they get this sense of honor—which characterized them?

General Clark believes they got it from their parents, from their churches, from their teachers and from their political leaders. Their earliest learning separated rightness and wrongness. They grew up knowing it is wrong to cheat, it is wrong to lie, it is wrong to steal.

They grew up knowing that laws are made to be obeyed or changed or mended—but never broken.

And they matured into positions of leadership still knowing these things.

General Clark says there is so much latent nobility in us—that Americans are so starved for a leader of honor—that anyone wanting election to any office does not need to promise spoon-feeding for the lazy, he does not need to promise to give anybody anything for nothing.

He needs to promise only "honor" and "excellence."

It would be thrilling to have a chance to test that premise.

GENERAL WESTMORELAND ON MILITARY MANPOWER

Mr. THURMOND. Mr. President, the SALT II agreement is of vital importance to our Nation. Much has been heard from proponents and opponents of the treaty about the impact SALT will have on our Nation. With all this upon us it is imperative that we take the time to examine closely each aspect of the treaty before any action is taken.

A recent article in the Wall Street Journal by Gen. William C. Westmoreland points out the need for us to look deep into the treaty for underlying misconceptions.

Mr. President, in order to share this article with my colleagues, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WEAKEST LINK IN DEFENSE CHAIN: MILITARY MANPOWER

(By William C. Westmoreland)

The Soviet Union has learned from history that great military power pays off in political power. The Soviet leaders believe that weak nations will be profoundly influenced by perceptions of strength, and will accommodate themselves to reality. Understandably, insecure people want to be on the side of strength.

Recently, we have seen Norway bow to Soviet objections to West German troop deployments in Norway during a NATO exercise. Also, Turkey has refused to allow our intelligence-gathering airplanes to fly over its soil without Soviet approval. Singapore's prime minister, Lee Kuan Yew, put it this way: "The cumulative effect of instances of apparent loss of control in the direction of events leads America's friends to pessimism and her enemies to adventurism."

Deterrence is the foundation of America's defense policy and requires a military force of such size and readiness that it will serve to discourage military confrontation by an antagonist. If not, our strategy is potentially bankrupt. The Soviet nuclear build-up and the SALT negotiations were designed basically to cancel out our nuclear deterrent by the awesome capability of their arsenal. Such a development enhances the importance and potential of the Soviet Union's superior conventional forces in Western Europe and elsewhere, particularly in areas and along routes essential to our economic well-being.

I fear the SALT II debate will be concentrated in an unrealistic and deceptively narrow frame of reference and will lose sight of the basic risk. The SALT II treaty was conceived as a means of providing stability and enhanced security, but it could result in quite the contrary, if not accompanied and linked to a commitment by the Congress to restructure our nuclear forces and authorize and fund a less vulnerable weapon system.

This is essential because of the awesome SS-18 Soviet heavy missiles which make our principal retaliatory force dangerously vulnerable. We need a system that can provide an adequate second-strike retaliatory capacity. I am not convinced that the land-based MX system proposed by President Carter is the best such system. I lean more towards augmenting our submarine delivery capability.

But even if we could agree upon and build an adequate "second-strike" system, we will need to improve our conventional military power. If we arrive as a state of mutual deterrence in nuclear weapons, then conventional weapons could prove decisive.

The public would be wise to reflect on the era of SALT I. During those years of President Nixon's "detente," we carried out the letter and the spirit of an agreement which was expected to reduce tensions. Our leaders cut our military forces, starved them of funds to keep our weapons and equipment modern and set aside Selective Service. We lost our competitive edge. The Soviet Union acted quite differently; it continued and even increased its military build-up—both nuclear and conventional. The Soviets hope to witness a rerun of that scenario.

The current SALT II national debate should bring into focus the dangers we face and the hazards of substituting SALT II for military readiness. Central to military readiness is force in being—forces trained and equipped to act as required by the situation. That spells manpower. The military manpower problem is now, in my opinion, the weakest link in the military chain.

The standing forces are having difficulty getting men and women of the quality needed by a modern military force. In the last calendar quarter, all services fell substantially short of meeting their recruiting goals. The Army Reserve is now 15 percent short of requirements and the Army National Guard is down about 20 percent. The Individual Ready Reserve is only about 100,000 strong compared to over a million men several years ago, and rapidly falling. Minority groups and the lower economic groups are carrying a disproportionate share of the burden.

To make the numbers look better, the Carter administration has directed the military services to recruit more and more women with an objective of 12 percent by 1983. The administration has taken this questionable political action despite the fact that we have no combat experience data as to the performance of women in the many jobs to which they are now being assigned. But recruiting women is also falling short of assigned goals. Further, the number of males in the 18-to-21-year-old age group will drop by an estimated 25 percent during the late 1980s, making recruiting even more difficult.

Why this deplorable situation? Simply, the desire to serve at this time in our history is at a low ebb. From 1940 until 1973, the Selective Service system was in force and manpower was not a major problem. With the inducement of the draft, the volunteer rate was high. In my view, reinstatement of the draft would again induce volunteers in such numbers that draft calls would be low and frequently unnecessary.

Even if the draft were resumed tomorrow, it would be about seven months before the first trained man was available to join an organized unit. Much can happen in seven months. Our credibility and deterrence posture are being steadily eroded by our decaying military manpower situation.

We have created the problem ourselves. In recent years, we have gone overboard on rights of citizens and in the process deem-

phasized the responsibilities of citizenship. When the draft was stopped and, subsequently, draft resisters pardoned, we inadvertently transmitted a message to our youth that they had no obligation to serve. We are now paying the penalty and the damage may be greater than most suspect.

Democracy will not work unless our citizens—young and old—practice the principle that for every right there is a duty. We must revive that principle and restore our moral and our patriotic values. We cannot take our democracy and security for granted.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

FBI CHARTER ACT OF 1979—MESSAGE FROM THE PRESIDENT—PM 91

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I am transmitting today the FBI Charter Act of 1979, which will provide the first comprehensive Charter for the functioning of the Federal Bureau of Investigation. This legislative proposal will govern all the investigative and law enforcement functions of the Federal Bureau of Investigation.

The foreign intelligence and counterintelligence functions of the Bureau will be governed by a separate charter for the entire foreign intelligence community.

This proposal was developed by the FBI and the Justice Department and has received close scrutiny and personal approval from Attorney General Griffin Bell, Deputy Attorney General Benjamin Civiletti, and Director William Webster.

The law enforcement Charter would bring together in one statute the authorities and responsibilities that the FBI now exercises as a matter of custom and practice.

Although most departments and agencies operate under detailed statutory schemes, the FBI has lacked a statutory framework, although it is one of the most important and sensitive of all Executive Branch agencies. A one-paragraph 1908 law creating the Bureau is all that presently exists. The controversies in past years regarding particular actions of the Bureau, such as those directed at Dr. Martin Luther King, Jr., and various other persons and organizations, are to some degree attributable to this lack of statutory direction. It was these controversies which led me to call for a clear and binding charter for the FBI when I ran for President. Statutory safeguards would insure that the Bureau exercises its responsibilities in a manner sensitive to the fundamental rights of all Americans. The public must be assured that the FBI is acting properly under the law.

We need to recognize that the FBI serves a vital national function and that it has rendered distinguished service to the Nation. It has set a standard for competence, dedication and professionalism of which we should all be proud. We must be careful to maintain the fundamental capability of an institution which has served us so well. This Charter maintains that capability. Under Director William Webster the conduct of the Bureau has been exemplary and I applaud his leadership.

A clear definition of the authorities and responsibilities of the FBI is essential to its proper functioning and is in the best interest of national law enforcement and the proper administration of justice. Enactment of this Charter will enable FBI agents to carry out their duties with greater certainty, confidence, and effectiveness.

The bill I submit today reflects three fundamental objectives:

The Charter should be a document of broad principles, not a long detailing of procedures. It should enumerate the FBI's jurisdiction, functions and powers and set forth the limits on its activities, but should leave to the Attorney General the power to issue specific detailed procedures and guidelines.

With few exceptions, coupled with procedural safeguards, the investigative power of the FBI should be limited to the detection, prevention and prosecution of federal crimes. This will prevent the unrestricted accumulation of information concerning individuals not suspected of criminal conduct.

The Charter should strike a proper balance between the true needs of law enforcement and the civil liberties guaranteed by our Constitution. The greater the potential for impairment of rights, the stronger the authorization and accountability systems required.

The Charter authorizes the FBI to employ traditional and lawful investigative techniques in carrying out its responsibilities. These include confidential informants, undercover agents, and undercover operations.

Two primary types of criminal investigations are authorized: investigation of criminal acts that violate federal law and investigations into criminal enterprises that involve racketeering or terrorism. No investigation may be commenced unless based on "facts and circumstances that reasonably indicate" a criminal violation.

For the most part, this bill simply codifies current practices. However, FBI authority would be significantly expanded in two areas:

1. The FBI could issue "investigative demands" for financial records. This is a compulsory process enforceable in the courts comparable to the administrative subpoenas issues by agencies such as the Securities and Exchange Commission and the new Inspectors General in each Federal agency. This is essential if the FBI is to be effective in combatting white collar crime, fraud, corruption, and organized crime.

2. The FBI could investigate patterns of terrorist acts that involve violations of state criminal laws even without federal violations, following the model of current racketeering statutes.

The bill continues existing restrictions, procedural controls, and requirements for accountability on FBI activities. It adds, however, several new restrictions providing tighter controls over the use of informants. For example, infiltration of groups under investigation for terrorist activities and participation by an informant in criminal activity must now be approved by a supervisory FBI official.

The Charter requires that the Attorney General promulgate, and periodically review, operational guidelines for each of the Bureau's major activities. These guidelines will be filed with the Congress and made available to the public unless, in a specific case, their release would jeopardize the investigative process. The FBI is also required to report on important and sensitive activities to the Attorney General and the Congress.

This Charter strikes the proper balance between assuring both that the civil rights and liberties guaranteed to Americans by our Constitution are protected and that the FBI can fully pursue its appropriate functions.

I urge the Congress to give this bill the careful and urgent attention it deserves and to pass the first Charter for the FBI.

JIMMY CARTER.

THE WHITE HOUSE, *July 31, 1979.*

REPORT ON COAL MINE HEALTH AND SAFETY—MESSAGE FROM THE PRESIDENT—PM 92

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, I hereby transmit the Annual Report of the Secretary of the Interior.

Part I of the Report details the activities of the Mining Enforcement and Safety Administration. Part II describes the mining research activities of the Bureau of Mines.

JIMMY CARTER.

THE WHITE HOUSE, *July 31, 1979.*

MESSAGES FROM THE HOUSE

At 3:24 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 1146. An act to amend title XIV of the Public Health Service Act, as amended by the Safe Drinking Water Act (88 Stat. 1660, 42 U.S.C. 300j), to extend for three fiscal years the authorization for appropriations, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4476. An act to extend certain programs under the Higher Education Act of 1965 for one year, and for other purposes.

At 3:47 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House disagrees to the amendments of the Senate to H.R. 4394, an act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BOLAND, Mr. TRAXLER, Mr. STOKES, Mr. BEVILL, Mrs. BOGGS, Mr. SABO, Mr. STEWART, Mr. WHITTEN, Mr. COUGHLIN, Mr. MCDADE, Mr. YOUNG of Florida, and Mr. CONTE were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 961. An act to amend the Speedy Trial Act of 1974.

At 6:57 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3361. An act to establish the true location of a portion of northerly boundary of the Angeles National Forest, located in Los Angeles County, Calif., on the common line between sections 16 and 17, township 4 north, range 10 west, San Bernardino meridian, and to establish the center quarter corner of said section 16; and

H.R. 4811. An act for the relief of the city of Nenana, Alaska, and to amend the Act of January 2, 1976, as amended, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 3361. An act to establish the true location of a portion of northerly boundary of the Angeles National Forest, located in Los Angeles County, Calif., on the common line between sections 16 and 17, township 4 north, range 10 west, San Bernardino meridian, and to establish the center quarter corner of said section 16; to the Committee on Energy and Natural Resources.

HOUSE BILL HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 4811, an act for the relief of the city of Nenana, Alaska, and to amend the act of January 2, 1976, as amended, and for other purposes, be held at the desk pending further action.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1890. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Efficiency of Reserve and Guard Training Has Improved Since 1974, But More Can Be Done," July 30, 1979; to the Committee on Armed Services.

EC-1891. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to the United Kingdom for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-1892. A communication from the Director, Defense Security Assistance Agency reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Jordan for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-1893. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-1894. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the Implementation of the Fishery Conservation and Management Act of 1976, March 1, 1979; to the Committee on Commerce, Science, and Transportation.

EC-1895. A communication from the Acting Administrator, United States Environmental Protection Agency, reporting, pursuant to law, on reprogrammings which exceeded the limitation in the Environmental Research, Development, and Demonstration Authorization Act of 1979; to the Committee on Environment and Public Works.

EC-1896. A communication from the President of the United States, transmitting the energy tax initiatives of his Oil Import Reduction Program; to the Committee on Finance.

EC-1897. A communication from the Chairman, National Commission on Unemployment Compensation, transmitting, pursuant to law, the Commission's second annual report; to the Committee on Finance.

EC-1898. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, on recommendations made to the Director, OMB, by the General Accounting Office in its final report HRD-79-11, dated May 8, 1979, "Federally Assisted Employment and Trainings: A Myriad of Programs Should be Simplified"; to the Committee on Governmental Affairs.

EC-1899. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5011 of title 5, United States Code, to exclude trailer court spaces from the definition of the term "quarters"; to the Committee on Governmental Affairs.

EC-1900. A communication from the Director, Office of Personnel Management, reporting, pursuant to law, on exclusions or revocations of past exclusions from the Senior Executive Service made by the President under the authority of section 3132(f) of 5 U.S.C.; to the Committee on Governmental Affairs.

EC-1901. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the drug abuse prevention and treatment functions of the Department for fiscal year 1978; to the Committee on Labor and Human Resources.

EC-1902. A communication from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of the Nisqually Tribe judgment funds in Docket 197 before the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC-1903. A communication from the Chairman, President's Commission on Executive Exchange, transmitting a draft of proposed legislation to amend section 109 of title 18, United States Code; to the Committee on the Judiciary.

EC-1904. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reliable Local Unemployment Estimate: A Challenge for Federal and State Cooperation," July 27, 1979; to the Committee on Labor and Human Resources.

EC-1905. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the family contribution schedules for the Basic Educational Opportunity Grant Program for academic year 1980-81; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code (Rept. No. 96-276).

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 1318. A bill to amend title 13 of the United States Code to provide a limited exemption in the Bureau of the Census from the provisions of section 322 of the Act of June 30, 1932 (Rept. No. 96-277).

By Mr. DECONCINI, from the Committee on the Judiciary, without amendment, and with a preamble:

S.J. Res. 98. A joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week" (Rept. No. 96-278).

S.J. Res. 43. A joint resolution to proclaim March 21, 1980, "National Energy Education Day" (Rept. No. 96-279).

By Mr. MAGNUSON, from the Committee on Appropriations, without amendment, and without recommendation:

S. 689. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their surviving spouses and children, and for other purposes (Rept. No. 96-280).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 200. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1125.

S. Res. 212. A resolution waiving section 402 (a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 914.

S. Res. 213. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 566.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

James Rosenquist, of Florida, to be a Member of the National Council on the Arts.

Robert Joseph Brown, of Maryland, to be a member of the National Mediation Board.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

J. Brian Atwood, of Maryland, to be an Assistant Secretary of State.

Douglas J. Bennet, Jr., of Connecticut, to be Administrator of the Agency for International Development.

Thomas Ehrlich, of California, to be Director of the U.S. International Development Cooperation Agency.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. KENNEDY, from the Committee on the Judiciary:

Benjamin R. Civiletti, of Maryland, to be Attorney General.

Alan A. Parker, of California, to be Assistant Attorney General.

Irvin B. Smith, Jr., of Delaware, to be U.S. Marshal for the District of Delaware.

Jose A. Lopez, of Puerto Rico, to be U.S. Marshal for the District of Puerto Rico.

(The above nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Harvey J. Feldman, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States to Papua New Guinea and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to Solomon Islands.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee, Harvey J. Feldman.

Post, Ambassador, Papua New Guinea.

Contributions, amount, date and donee:

1. Self, $25, June 1976, Carter Campaign Committee.

2. Spouse.

3. Children and spouses names: Ross & Peter Feldman, none.

4. Parents names: Irving & Bertha Feldman, none.

5. Grandparents names: Deceased.

6. Brothers and spouses names: None.

7. Sisters and spouses names: Mr. & Mrs. Carl Harnick, $200, 1978, Hugh Carey, $25 1976, Jerry Halperin.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

By Mr. CHURCH, from the Committee on Foreign Relations:

James W. Spain, of California, to be the Deputy Representative of the United States to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee, James W. Spain.

Post, Ambassador.

Contributions, amount, date, and donee:

1. Self, none, $20 for 1975, 1976, 1977, 1978, and 1979 Democratic National Committee.

2. Spouse, $100.00.

3. Children and spouses names: None.

4. Parents names: None.

5. Grandparents names: None.

6. Brothers and spouses names: None.

7. Sisters and spouses names: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

By Mr. CHURCH, from the Committee on Foreign Relations:

Thomas J. Watson, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Union of Soviet Socialist Republics.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commit to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS

Nominee, Thomas J. Watson, Jr.

Post, United States Ambassador to the Soviet Union.

Nominated, June 1979.

Contributor, amount, date, and donee:

1. Thomas J. Watson, Jr., $1,000, August 25, 1978, Shriver for President (campaign); $1,000, November 2, 1975, The President Ford Committee (campaign); $1,750, January 22, 1975, Salute to the Vice President Dinner (Nelson A. Rockefeller—for 1 table of 10 places); 10 shs. IBM stock, December 23, 1975, Commission on White House Fellows (President's Commission); $200, March 2, 1976, Pierre S. duPont IV (Governor's campaign—Delaware); $1,000, April 1976, John D. Rockefeller IV (Governor's campaign—West Virginia); $1,000, July 9, 1976, Jimmy Carter for President (Presidential campaign); $500, September 20, 1976, John H. Shafee (Senator from Rhode Island—campaign); $1,000. October 7, 1976, John Heinz for Senate Campaign (Senator for Pennsylvania); $1,000, October 22, 1976, Democratic National Committee; $250, October 27, 1976, William J. Lawless, Jr. (Representative from Connecticut-campaign); $1,000, October 14, 1976, Moynihan for Senate Campaign (Senator for New York); $1,000, November 4, 1977; Citizens for Percy (Senator from Illinois—campaign); $5,000, October 21, 1977, Committee of Americans for the Canal Treaties; $1,000, June 16, 1978, Moynihan for Senate Commites (Senator from New York—campaign); $1,000, October 20, 1978, Cohen for Senate Committee (U.S. House of Representatives—campaign); $1,000, October 20, 1978, Campaign for U.S. Senate (Charles Ravenel's campaign); $1,000, October 20, 1978, Senator Jennings Randolph (West Va.—campaign); $1,000, April 10, 1978, Citizens for Percy Fund (Senate campaign); $1,000, April 10, 1978, Scranton for Lieutenant Governor (Pa.'s Lt. Governor's campaign); $1,000, May 25, 1978, The Re-elect Senator Pell Committee (Senator from R.I.—campaign); $5,000, April 24, 1979, The Democratic Congressional Dinner Committee.

2. Spouse: Olive C. Watson, $1,000, August 12, 1975, Shriver for President (Presidential campaign); $1,000, April 20, 1978, Citizens for Percy Fund (Senator from Illinois—campaign).

3. Children and spouses:

Thomas J. Watson, III and Margaret Watson, none.

Jeannette W. Sanger and Alexander Sanger, none.

Olive F. Watson, none.

Lucinda W. Mehran and Alexander Mehran, none; $1,000, September 16, 1977, John Fullham (campaign for election to Congress—Massachusetts).

Susan C. Watson, none.

Helen M. Watson, $500, November 22, 1977, Citizens for Percy (Senator from Illinois—campaign).

4. Sister: Helen W. Buckner, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

By Mr. CHURCH, from the Committee on Foreign Relations:

Frank George Wisner II, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Zambia.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Frank G. Wisner.

Post, Zambia.

Contributions, amount, date, and donee:

1. Self: Frank G. Wisner.

2. Spouse: Christine.

3. Children and spouses (minors) names: Caroline, Olivier and Sabrina.

4. Parents names: Mrs. Clayton Fritchey.

5. Grandparents names: Deceased.

6. Brothers and spouses names: John Ellis Knowles Wisner and Florence; Graham G. Wisner (unmarried).

7. Sisters and spouses names: Mr. and Mrs. Bruce Hazard.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Frank G. and Christine Wisner, 1975, None.

1976, John Heinz for Senator, $25.00; Les Aspin for Congress, $50.00.

1977, None.

1978, Marion Barry for Mayor, $250.00; Women's Campaign Fund, $150.00; and Les Aspin for Congress, $50.00.

Graham G. Wisner (brother), 1976, Les Aspin for Congress, $50.00.

Elisabeth Wisner Hazard (sister), 1978, Richard Spencer for Congress, $200.

Bruce Hazard (brother-in-law), None.

ELLIS WISNER,

Washington, D.C., May 7, 1979.

Mr. FRANK WISNER,

Department of State, Washington, D.C.

DEAR FRANK: You asked for a list of political contributions I have made to candidates for Federal Offices from January 1, 1975 to the present.

I have reviewed my records and to the best of my knowledge the list here is complete.

JEKW 1975–76 political contributions

April 21, 1975, Committee for Wirth	$25.00
Nov. 17, 1975, Maine for Muskie Committee	100.00
May 10, 1976, Carter for President Campaign	100.00
May 15, 1976, Sarbanes for Senate 1976	100.00
June 7, 1976, Friends of Les Aspin	25.00
Sept. 17, 1976, Sarbanes for Senate 1976	250.00
	600.00

1977: None.

1978

Jan. 19, 1978, Ravanel for Senate Committee	$100.00
Jan. 26, 1978, Committee for Tim Wirth	50.00
Aug. 11, 1978, Friends of Les Aspin	100.00
Oct. 24, 1978, Miller for Senate	150.00

My wife, Florence Bryan Wisner, has made no contributions to candidates for Federal offices during this period of time.

Sincerely,

ELLIS WISNER.

MARY KNOWLES FRITCHEY (MOTHER)

	Amount
Citizens for Senator John Tunney	$100.00
Woman's National Democratic Club (Dues)	75.00
Total	175.00
National Democratic Committee	1,000.00
NWPC Campaign Support Committee	100.00
National Friends of John Brademas	50.00
Church for President Committee	100.00
Mankiewicz for Congress Committee	100.00
Edmund Muskie Senate Campaign	100.00
Paul S. Sarbanes Campaign Fund	100.00
Symington for Senate	250.00
Carter for President	500.00
Total	2,300.00
Dollars for Democrats	50.00
Democratic Party	200.00
Abner Mikva Committee	50.00
Montgomery for Lee Committee	500.00
Claiborne Pell for Senate Committee	500.00
Chuck Robb for Lt. Gov. Committee	50.00
Dick Spencer for Congress	250.00
Woman's National Democratic Club	100.00
Total	1,700.00
DuVal for Senate	100.00
Les Aspin Fund Raising	249.58
Marion Barry for Mayor	$300.00
Sloan for Governor Cte	100.00
Women's National Democratic Club dues	100.00
Total	849.58
Women's Campaign Fund	1,950.00

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATHIAS (for himself and Mr. BAKER):

S. 1603. A bill to amend the Food Stamp Act to establish a home-heating stamp program to provide assistance to low-income and fixed-income households in meeting the cost of rising fuel bills; to the Committee on labor and Human Resources.

By Mr. RIBICOFF (by request):

S. 1604. A bill to provide for the transfer of certain additional energy functions to the Department of Energy, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA:

S. 1605. A bill to exempt inflatable boats and rafts used for carrying passengers from the provisions of the coastwise laws requiring vessels to be built in the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN:

S. 1606. A bill to amend title 13, United States Code, to correct for undercounting in the 1980 census; to the Committee on Governmental Affairs.

By Mr. BAKER (for himself and Mr. SASSER):

S. 1607. A bill for the relief of the Camel Manufacturing Co.; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 1608. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance, to employees who suffer an employment loss caused by changes of operations; to authorize the Secretary of Labor to provide assistance to such business concerns, and to such affected employees and local governments; and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WILLIAMS:

S. 1609. A bill to facilitate economic adjustment of communities and workers, to preserve jobs and stabilize communities, to require prenotification to affected employees and communities of closings and relocations of business concerns; to provide assistance (including retraining) to employees who suffer employment loss because of closings and relocations of business concerns; to the Committee on Labor and Human Resources.

By Mr. SCHWEIKER:

S. 1610. A bill to provide for a national blood exchange program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself and Mr. CHURCH):

S. 1611. A bill to establish the national forest systems investment fund, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

By Mr. KENNEDY (for himself, Mr. BIDEN, Mr. DECONCINI, Mr. MATHIAS, and Mr. THURMOND):

S. 1612. A bill to create a charter for the Federal Bureau of Investigation, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE (for himself, Mr. MAGNUSON, Mr. HOLLINGS, and Mr. WARNER):

S.J. Res. 101. A joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning October 7, 1979, as "National Fort Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (for himself and Mr. BAKER):

S. 1603. A bill to amend the Food Stamp Act to establish a home-heating stamp program to provide assistance to low-income and fixed-income households in meeting the cost of rising fuel bills; to the Committee on Labor and Human Resources.

HOME HEATING STAMP ACT OF 1979

● Mr. MATHIAS. Mr. President, an editorial in the Washington Post asked the question "Why Not Fuel Stamps?" The editorial went on to point out that—

The cost of home heating oil is now rising fast, and by midwinter it may well be nearly twice as high as a year earlier. The suffering among people who are poor, and who live in oil-heated homes, will inevitably increase. There is only one remedy that has any real chance of helping those people quickly, and that is a rapidly enacted program of fuel stamps.

I heartily concur and am introducing today, for myself and Mr. BAKER as I did in 1977, the Home Heating Stamp Act.

What I said in 1977 is as valid today as it was then, perhaps even more so. We had just passed the emergency natural gas legislation and the price of that commodity was going to rise, as a natural consequence of passage of that legislation. I noted then that—

We must be certain in our rush to assure sufficient fuel to save lives and property under the emergency natural gas legislation that we do not overlook a related hardship. That fuel which is available, be it natural gas, kerosene, No. 2 heating oil, or any other home-heating fuel, costs so much more than it used to that some families may have to sacrifice food for fuel. This situation strikes most severely those who are least able to afford both the price of the fuel and the loss of nutrition.

The bill I introduce today is identical to the one I proposed in 1977. The only difference is that the case for its enactment is more compelling today than it was 2 years ago.

This bill amends the Food Stamp Act to provide for immediate implementation of a fuel stamp program. The bill requires that the existing administrative structure be used for this purpose to reduce delay and to hold administrative costs to a minimum. This existing machinery will be the means to help the elderly and other persons on limited or fixed incomes to obtain the fuel they need to stay warm and healthy.

This bill has a long history. It dates back to the initial stages of the oil embargo of 1973 and is the legislative aspect of a study by the then Federal Energy

Administration and the Department of Health, Education, and Welfare. That study was done pursuant to an amendment to S. 3221, the Energy Supply Act of 1974, which I introduced on September 17, 1974. That study was completed in December of 1974 and this bill is based upon the findings and recommendations of that work.

In 1977, columnist Kevin Phillips wrote in the Baltimore News American that fuel stamps or energy stamps "may be an idea whose time has come." He suggested that the idea should appeal to liberals and conservatives alike. His point was that "to assist retired and disabled people who have spent the better part of their lives working is a far cry from stimulating welfarism among those younger and able-bodied."

Others, such as Richard P. Nathan, a senior fellow at the Brookings Institution and Deputy Under Secretary in the Department of Health, Education, and Welfare under Elliot Richardson, have suggested that "food stamps be expanded to include fuel. Such measures to expand the benefits of the food stamp program should be seriously considered as part of a new system" to deal with the needs of the poor and those on fixed incomes.

For those of us who support the decontrol of oil and other related fuel products, this bill is an essential companion piece to those ideas. It is a fair way to help those least able to bear the burden of paying for increased fuel bills in the home, and it is an investment in stability. I urge my colleagues to join with me in this effort and move it to swift passage.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section analysis of the bill, the Washington Post editorial of this morning, and the articles by Kevin Phillips and Richard Nathan be printed in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Home-Heating Stamp Act of 1979".

FINDINGS

SEC. 2. The Congress hereby finds that the recent rise in fuel prices and home-heating costs, occasioned particularly by the natural gas emergency and the consequent temporary lifting of price ceilings, is working a serious hardship on households living on fixed or low incomes and necessitates the establishment of a program of assistance to help such households meet rising fuel expenses utilizing the administrative apparatus of the food stamp program to simplify administration and speed implementation.

DECLARATION OF POLICY

SEC. 3. Section 2 of the Food Stamp Act of 1964, as amended, is amended to read:

"SEC. 2. It is hereby declared to be the policy of the Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other agencies to safeguard the health and well-being of the Nation's population and raise levels of nutrition among low-income households and that such households should have access to purchasing power adequate to permit them to obtain reasonable amounts of home-heating fuels. The Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households and that limited home-heating fuel purchasing power imposes serious health and safety risks on members of such households. The Congress further finds that increased utilization of food in establishing and maintaining adequate national level of nutrition will promote the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To alleviate such hunger and malnutrition and reduce the hardships imposed on low-income households by high home-heating costs, a food stamp program and a home-heating stamp program are herein authorized which will permit low-income households to purchase a nutritionally adequate diet through normal channels of trade and permit such households to obtain reasonable amounts of home-heating fuels through normal channels of trade.".

DEFINITIONS

SEC. 4. (a) Section 3(c) of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following sentences: "For the purposes of the home-heating stamp program authorized by this Act, the term "household" means a group of individuals who are not residents of an institution and are living as one economic unit, or a single individual living alone. For purposes of the home-heating stamp program authorized by this Act, restrictions on participation in the food stamp program by recipients of assistance under title XVI of the Social Security Act shall not apply.".

(b) Section 3(j) of the Food Stamp Act of 1964, as amended, is amended to read:

"(j) For the purposes of the food stamp program established pursuant to this Act, the term 'State' means the fifty States and the District of Columbia, Guam, Puerto Rico, and the Virgin Islands of the United States. For the purposes of the home-heating stamp program established pursuant to this Act, the term 'State' means the fifty States and the District of Columbia.".

SEC. 5. Section 3(k) of the Food Stamp Act of 1964, as amended is amended to read:

"(k) The term 'food stamp program' means any program promulgated pursuant to the provisions of this Act which relates to increasing food purchasing power among low-income households.".

SEC. 6. Section 3 of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new subsections:

"(p) The term 'home-heating stamp program' means any program promulgated pursuant to the provisions of this Act which relates to increasing home-heating fuel purchasing power among low-income households.

"(q) The term 'home-heating fuels' means fuel or energy used in a household's heating system including, but not limited to, heating oil, natural gas, electricity, kerosene, wood, propane, and coal.

"(r) The term 'provider' means any business entity, public or private utility or individual that regularly provides, distributes, or delivers home-heating fuels.

"(s) The term 'heating season' means the period of time, not to exceed six consecutive months, which an allotment of home-heating stamps is intended to cover. Heating seasons shall be established for each State by the State agency and shall be in full calendar months.".

ESTABLISHMENT OF THE HOME-HEATING STAMP PROGRAM

SEC. 7. The heading preceding section 4 of the Food Stamp Act of 1964, as amended, is amended to read:

"ESTABLISHMENT OF THE FOOD STAMP PROGRAM AND THE HOME-HEATING STAMP PROGRAM".

SEC. 8. The Food Stamp Act of 1964, as amended, is amended by deleting section 4 (c) of such Act.

SEC. 9. Section 4 of the Food Stamp Act of 1964, as amended, is amended by adding the following new subsection:

"(c) the Secretary is further authorized to formulate and administer a home-heating stamp program under which, at the request of the State agency, eligible households within the State shall be provided with an opportunity to obtain reasonable amounts of home-heating fuels through the issuance to them of a home-heating coupon allotment which shall have a greater monetary value than any charge to be paid for such allotment by eligible households. The home-heating coupons received by such households shall be used only (1) to purchase home-heating fuels from providers which have been approved for participation in the home-heating stamp program, or (2) in the case of an eligible household which rents its residence and does not pay its home-heating fuel bill directly to a provider, to offset any rent due its landlord. Landlords accepting home-heating fuel coupons as partial payment of rent due shall use such coupons to pay all or a part of their fuel bills and shall not increase household rents in connection with or as a result of the use of home-heating coupons by an eligible household. Tenants utilizing home-heating coupons to offset any rent due a landlord shall not use more than one month's coupon allotment to offset rent due for any one month, unless an alternate arrangement is agreed to by the landlord. Home-heating coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

"(d) The Secretary shall issue such regulations, not inconsistent with this Act, as he deems necessary or appropriate for the effective and efficient administration of the programs authorized by the Act.".

ELIGIBLE HOUSEHOLDS

SEC. 10. Section 5(a) of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new sentence: "Except for the temporary participation of households that are victims of a disaster as provided in the last sentence of subsection (b) of this section, participation in the home-heating stamp program shall be limited to households whose income and other financial resources are such that they are eligible for assistance under the food stamp program established pursuant to this act.".

SEC. 11. Section 5(b) of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new sentence: "The Secretary may also establish temporary emergency standards of eligibility for the home-heating stamp program for the duration of the emergency, without regard to income or other financial resources, for households that are victims of a disaster which disrupts the normal distribution of home-heating fuels.".

SEC. 12. Section 5 of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new subsection:

"(e) The Secretary shall establish uniform national standards of eligibility for households participating in the home-heating stamp program authorized by this act, consistent with those used for the food stamp program.".

ISSUANCE AND USE OF COUPONS

SEC. 13. Section 6(a) of the Food Stamp Act of 1964, as amended, is amended to read:

"(a) Coupons shall be printed in such denominations as may be determined to be necessary, and shall be issued only to households which have been duly certified as eligible to participate in the programs authorized by this act.".

SEC. 14. Section 6(d) of the Food Stamp Act of 1964, as amended, is amended by deleting the word "Coupons" and substituting the words "Food coupons".

SEC. 15. Section 6 of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new subsections:

"(f) Home-heating coupons issued to eligible households shall be used by them only in the manner prescribed in section 4 (c) of this act and subsection (g) of this section: *Provided*, That nothing in this act shall be construed as authorizing the Secretary to specify the prices at which home-heating fuels may be sold.

"(g) Each household eligible for the home-heating stamp program shall be issued monthly allotments of home-heating coupons for the entire heating season for the State as established by the State agency, or, in the case of households applying after the beginning of a heating season, monthly allotments for the remaining number of full months in the heating season: *Provided*, That each eligible household may elect to be issued monthly allotments of home-heating coupons for periods of time less than the entire heating season for the State. Home-heating coupons issued to eligible households may be used to pay part or all of a bill which includes the cost of home-heating fuels. Home-heating coupons issued to eligible households shall be valid for use by such households or their landlords only for the heating season established for the State by the State agency and one month thereafter and shall not be valid for use in more than one heating season. Cash in change, up to a value of $1, may be returned to eligible households or their landlords, pursuant to regulations which shall be issued by the Secretary.".

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 16. Section 7(b) of the Food Stamp Act of 1964, as amended, is amended by inserting the words "eligible for the food stamp program" immediately after the word "household" the first time it appears.

SEC. 17. Section 7 of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new subsections:

"(e) The face value of the monthly coupon allotments which State agencies shall be authorized to issue to any households certified as eligible to participate in the home-heating stamp program shall be in such amount as the Secretary determines will reflect the monthly equivalent of the minimal cost of a reasonable amount of home-heating fuel for a single heating season. Coupon allotments shall only be established after consideration of the average cost of a reasonable variety of home-heating fuels over a single heating season and shall be set with due regard to minimizing the extent to which allotments might exceed the actual cost of home-heating fuels to eligible households. Coupon allotments shall be varied by household size and geographic location, as deemed appropriate by the Secretary: *Provided*, That such allotments shall be set so as to minimize the extent to which assistance provided under the home-heating stamp program might induce unnecessary consumption of home-heating fuels: *Provided further*, That such allotments shall be adjusted annually to reflect the Secretary's evaluation of changes in the costs of home-heating fuels.

"(f) Households participating in the home-heating stamp program shall be charged a standard percentage of monthly household income for the coupon allotments issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than the percentage of personal consumption expenditures shown to be spent on home-heating fuels by the best information available to the Secretary (including the most recent consumer expenditure surveys of the Bureau of Labor Statistics of the Department of Labor). In establishing the standard percentage charge to participating households, the Secretary shall give due consideration to the extent which home-heating costs reduce the charge to households who simultaneously participate in the food stamp program.

"(g) For the purposes of computing the amount of the charge to be made to each household participating in the home-heating stamp program, the household's net monthly income, as computed for food stamp program purposes, shall be used.

"(h) Notwithstanding any other provisions of law, home-heating coupon allotments may be issued without charge to households with income, as computed under subsection (g) of this section, of less than $30 per month for a family of four under standards of eligibility prescribed by the Secretary.

"(i) Notwithstanding the provisions of subsections (e) and (f) of this section, the Secretary may issue to eligible households, without charge, home-heating coupon allotments which have been reduced by a standard percentage of monthly household income if he deems this a more efficient, effective, and equitable method of providing home-heating cost assistance to eligible households.".

APPROVAL OF PROVIDERS

SEC. 18. The heading preceding section 8 of the Food Stamp Act of 1964, as amended, is amended to read:

"APPROVAL OF RETAIL FOOD STORES, WHOLESALE FOOD CONCERNS, AND HOME-HEATING FUEL PROVIDERS".

SEC. 19. Section 8 of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new subsection:

"(d) The Secretary shall approve home-heating fuel providers for participation in the home-heating stamp program under regulations patterned after those used to approve retail food stores and wholesale food concerns for participation in the food stamp program. Only providers approved by the Secretary, in consultation with the Federal Energy Administration, shall be authorized to accept and redeem home-heating coupons under the home-heating stamp program.".

REDEMPTION OF COUPONS

SEC. 20. Section 9 of the Food Stamp Act of 1964, as amended, is amended to read:

"SEC. 9. Regulations issued pursuant to this Act shall provide for the redemption of food coupons accepted by retail food stores through approved wholesale food concerns or through banks and for redemption of home-heating coupons accepted by providers through banks, with the cooperation of the Treasury Department.".

ADMINISTRATION

SEC. 21. Section 10(a) of the Food Stamp Act of 1964, as amended, is amended by adding, at the end thereof, the following new sentences: "All practicable efforts shall be made in the administration of the home-heating stamp program to insure that assistance provided under such program does not induce unnecessary additional consumption of home-heating fuels. The Secretary shall consult with and solicit technical assistance from the Federal Energy Administration and the Department of Health, Education, and Welfare in formulating and administering the home-heating stamp program and shall, in cooperation with such agencies, make all practicable efforts to carry out an informational program regarding insulation and other means of reducing home-heating costs.".

SEC. 22. Section 10(c) of the Food Stamp Act of 1964, as amended, is amended by inserting the words "or the home-heating stamp program" immediately after the words "food stamp program", wherever they appear.

SEC. 23. (a) Section 10(a) of the Food Stamp Act of 1964, as amended, is amended by inserting the words "or the home-heating stamp program" immediately after the words "food stamp program" the first time they appear.

(b) Section 10(e) of the Food Stamp Act of 1964, as amended, is further amended by deleting the words "food stamp" where they appear in paragraphs (5) and (8).

(c) Section 10(e) of the Food Stamp Act of 1964, as amended, is further amended by inserting the words "food stamp" immediately before the word "program" wherever it appears in the last two sentences of such subsection, and by inserting the words "for the food stamp program" immediately after the words "plan of operation" where they appear in the last sentence of such subsection.

SEC. 24. Section 10(f) of the Food Stamp Act of 1964, as amended, is amended by inserting the words "food stamp program or the home-heating stamp" immediately before the word "program".

SEC. 25. Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by inserting the word "food" immediately before the word "coupons" wherever it appears.

SEC. 26. Section 10(i) of the Food Stamp Act of 1964, as amended, is amended by inserting the word "food" immediately before the word "coupons".

DISQUALIFICATION OF PROVIDERS

SEC. 27. The heading preceding section 11 of the Food Stamp Act of 1964, as amended, is amended to read:

"DISQUALIFICATION OF RETAIL FOOD STORES, WHOLESALE FOOD CONCERNS, AND HOME-HEATING FUEL PROVIDERS".

SEC. 28. The first sentence of section 11 of the Food Stamp Act of 1964, as amended, is amended to read: "Any approved retail food store, wholesale food concern, or provider may be disqualified from further participation in the food stamp program or the home-heating stamp program on a finding, made as specified in regulations, that such store, concern, or provider has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act.".

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 29. Section 13 of the Food Stamp Act of 1964, as amended, is amended by deleting the words "retail food store or wholesale food concern" wherever they appear and substituting, in lieu, the words "retail food store, wholesale food concern, or home-heating fuel provider", and by deleting the words "store or concern" wherever they appear and substituting, in lieu, the words "store, concern, or provider".

CONFORMING AMENDMENT

SEC. 30. Section 17 of the Food Stamp Act of 1964, as amended, is amended by inserting the word "food" immediately before the word "coupons".

AUTHORIZATION OF APPROPRIATIONS

SEC. 31. There are authorized to be appropriated such funds as may be deemed necessary to carry out the purpose of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1 provides that this Act may be cited as the "Home-Heating Stamp Act of 1977."

Section 2 sets forth the finding of Congress that the recent rise in home-heating costs is working a serious hardship on house-

holds living on fixed and low incomes and necessitates the establishment of a program of Federal assistance in meeting rising fuel expenses by utilizing the administrative apparatus of the Food Stamp Program to simplify administration and speed implementation.

Section 3 amends the Food Stamp Act's "Declaration of Policy" to include: (1) a policy declaration that low-income households should have access to purchasing power adequate to permit them to obtain reasonable amounts of home-heating fuels; home-heating fuel purchasing power imposes serious health and safety risks on low-income households; and (3) an authorization for a Home-Heating Stamp Program to reduce the hardships imposed on low-income households by high home-heating costs by permitting low-income households to obtain reasonable amounts of home-heating fuels through normal channels of trade.

Section 4(a) amends section 3 of the Food Stamp Act to establish a definition of "household" for the purposes of the Home Heating Stamp Program. A "household" would be a group of individuals who are not residents of an institution and who live in a single economic unit or an individual living alone. Recipients of assistance under the Supplemental Security Income Program would be eligible for the Home-Heating Stamp Program regardless of any restrictions on their participation in the Food Stamp Program.

Section 4(b) amends section 3 of the Food Stamp Act to establish a definition of "State" for the purposes of the Home-Heating Stamp Program. "States" allowed to participate in the program would be the 50 States and the District of Columbia.

Section 5 amends section 3 of the Food Stamp Act to clarify the meaning of the term "food stamp program."

Section 6 amends section 3 of the Food Stamp Act to establish definitions of the terms "home-heating stamp program," "home-heating fuels," "provider," and "heating season."

"Home-heating stamp program" would mean any program established under the amended Food Stamp Act which relates to increasing home-heating fuel purchasing power among low-income households.

"Home-heating fuels" would mean fuel or energy used in a household's heating system such as heating oil, natural gas, electricity, kerosene, wood, propane, and coal.

"Provider" would mean any business entity, public or private utility, or individual that regularly provides, distributes, or delivers home-heating fuels.

"Heating season" would mean the period of time which an allotment of home-heating coupons is intended to cover. Heating seasons would be established for each State by the appropriate State agency and could not be longer than six consecutive months.

Section 7 amends a section heading in the Food Stamp Act to include a reference to the Home-Heating Stamp Program.

Section 8 amends the Food Stamp Act by deleting section 4(c) of the Act (relating to the Secretary's authority to issue regulations).

Section 9 amends section 4 of the Food Stamp Act to include authority for the Secretary of Agriculture to establish, at State option, a Home-Heating Stamp Program. Eligible households within an opting State would be provided with an opportunity to obtain reasonable amounts of home-heating fuels through the issuance of monthly home-heating coupon allotments with a greater monetary value than any charge paid by recipient households.

Home-heating coupons are to be used only (1) to purchase home-heating fuels, and (2) to offset any rent due a landlord where the household rents its residence and does not pay its home-heating fuel bill directly to a provider. Landlords accepting home-heating fuel coupons as partial payment of rent due are not to increase household rents in connection with or as a result of the use of home-heating coupons. Tenants using home-heating coupons to offset rent due are not to use more than one month's coupon allotment to offset rent due for any one month (unless an alternate arrangement is agreed to by the landlord).

Home-heating coupons are to be redeemable at face value by the Secretary of Agriculture through the facilities of the Treasury.

Section 9 also amends section 4 of the Food Stamp Act by adding a new subsection (d) which gives the Secretary authority to issue regulations for the Food Stamp Program and the Home-Heating Stamp Program.

Section 10 amends section 5(a) of the Food Stamp Act to provide that, except in the case of households that are victims of a disaster, eligibility for the Home-Heating Stamp Program is to be limited to households whose income and other financial resources are such that they are eligible for assistance under the Food Stamp Program.

Section 11 amends section 5(b) of the Food Stamp Act to provide for temporary emergency standards of eligibility (without regard to income or other financial resources) for the Home-Heating Stamp Program in the case of households that are victims of a disaster.

Section 12 amends section 5 of the Food Stamp Act to provide authority for the Secretary to establish uniform national standards of eligibility for the Home-Heating Stamp Program which are consistent with those used for the Food Stamp Program.

Section 13 amends section 6(a) of the Food Stamp Act to provide for coupons to be printed for the Home-Heating Stamp Program.

Section 14 makes a conforming amendment in section 6(d) of the Food Stamp Act.

Section 15 amends section 6 of the Food Stamp Act to provide that home-heating coupons are to be used only as specified in the new section 4(c) of the Food Stamp Act (to purchase home-heating fuels or to offset rent due a landlord) and the new section 6(g) of the Food Stamp Act (relating to the issuance and use of monthly home-heating coupon allotments). It also provides that nothing in this Act is to be construed as authorizing the Secretary to specify the prices at which home-heating fuels may be sold.

Section 15 also amends section 6 of the Food Stamp Act to provide that, under the Home-Heating Stamp programs, each eligible household is to be issued monthly allotments of home-heating coupons for the entire heating season for the State or, in the case of households applying after the beginning of a heating season, monthly allotments for the remaining number of full months in the State's heating season. It also provides that each eligible household may elect to be issued monthly allotments for periods of time shorter than an entire heating season. Furthermore, it provides that home-heating coupons may be used to pay all or part of a bill which includes the cost of home-heating fuels, that they shall be valid only for the State's heating season and one month thereafter, that they shall not be valid for more than one heating season, and that cash in change (up to $1) may be returned to those using home-heating coupons.

Section 16 makes a conforming amendment to section 7(b) of the Food Stamp Act.

Section 17 amends section 7 of the Food Stamp Act to provide that the face value of monthly home-heating coupon allotments shall be "in such amount as the Secretary (of Agriculture) determines will reflect the monthly equivalent of the minimal cost of a reasonable amount of home-heating fuel for a single heating season." Home-heating coupon allotments are to be established only after consideration of the average cost of a reasonable variety of home-heating fuels and are to be set with a due regard to minimizing the extent to which allotments might exceed the actual cost of home-heating fuels to eligible households. Home-heating coupon allotments are to be varied by household size and geographic location, to be set so as to minimize the extent to which home-heating stamp assistance might induce unnecessary consumption, and are to be adjusted annually to reflect the Secretary of Agriculture's evaluation of changes in the costs of home-heating fuels.

Section 17 also amends section 7 of the Food Stamp Act to provide that households participating in the Home-Heating Stamp Program are to be charged a standard percentage of monthly income for their home-heating coupon allotments. This charge is to represent a reasonable investment on the part of the household, but may not exceed the percentage of personal consumption expenditures shown to be spent on home-heating fuels by the best information available to the Secretary of Agriculture. In establishing the standard percentage charge, due consideration is to be given to the extent to which home-heating costs reduce the charge to households which simultaneously participate in the Food Stamp Program.

For purposes of computing the charge to each household participating in the Home-Heating Stamp Program, the household's net monthly income (as computed for Food Stamp Program purposes) is to be used.

Section 17 also amends section 7 of the Food Stamp Act to provide for the issuance of home-heating coupon allotments free of charge to households with net monthly incomes of less than $30 per month (for a family of four). It also provides authority for the Secretary of Agriculture to authorize the issuance of home-heating coupon allotments without a purchase requirement, if these allotments are reduced by a standard percentage of household income and if he deems this a more efficient, effective, and equitable method of providing assistance.

Section 18 amends a section heading in the Food Stamp Act to include a reference to home-heating fuel providers.

Section 19 amends section 8 of the Food Stamp Act to provide authority for the Secretary of Agriculture (in consultation with the Federal Energy Administration) to approve home-heating fuel providers for participation in the Home-Heating Stamp Program. Only approved providers could participate.

Section 20 makes a conforming amendment to section 9 of the Food Stamp Act.

Section 21 amends section 10(a) of the Food Stamp Act to provide that all practicable efforts shall be made to insure that assistance provided by the Home-Heating Stamp Program does not induce unnecessary additional consumption of home-heating fuels, that the Secretary of Agriculture shall consult with and solicit technical assistance from the Federal Energy Administration and the Department of Health, Education, and Welfare, and that the Secretary of Agriculture shall make all practicable efforts to carry out an informational program regarding insulation and other means of reducing home-heating costs.

Section 22 makes a conforming amendment in section 10(c) of the Food Stamp Act.

Section 23 amends section 10(c) of the Food Stamp Act to require State Plans of Operation in the Home-Heating Stamp Program. It also amends section 10(e) to make the appropriate provisions of the Food Stamp Act relating to the content of State Plans of Operation applicable to the Home-Heating Stamp Program.

Sections 24, 25, 26, 27, 28, 29, and 30 make conforming amendments to sections 10, 11, 13, and 17 of the Food Stamp Act.

Section 31 authorizes such appropriations as may be deemed necessary to carry out the purpose of the Home-Heating Stamp Act of 1977.

WHY NOT FUEL STAMPS?

The cost of home heating oil is now rising fast, and by midwinter it may well be nearly twice as high as a year earlier. The suffering among people who are poor, and who live in oil-heated houses, will inevitably increase. There is only one remedy that has any real chance of helping those people quickly, and that is a rapidly enacted program of fuel stamps.

Like food stamps, fuel stamps would be a federal subsidy to ensure that the most vulnerable families are not cut off from one specific necessity. Fuel stamps would help buy not only heating oil but gasoline for that small number of poor people whose lives and jobs require automobiles. Ideally, this kind of aid might be extended better through reforms of either the welfare or the tax systems. But basic reform is slow work, and winter's coming. The great advantage of the stamp principle is that it could be introduced quickly, following procedures that have already been worked out for food stamps.

Currently the country's food policies are working a great deal better than its tortured attempts to come to terms with higher oil costs. It's worth examining the case of food to see what lessons it might offer for fuel.

Americans have generally regarded the steady inflation at the grocery store to be unfortunate and harmful but essentially uncontrollable. People recognize that the bad news at the supermarket's check-out counter originates far back in a worldwide production system, and it can't be cured by slapping on controls. Except in dire emergencies, as in wartime, people seem to agree that it's better to avoid shortages, let prices rise, and use direct aid to rescue the people who really can't pay. The food stamp program has its administrative shortcomings, but it has made a massive contribution to the nutrition of the American people in a time of severe and threatening inflation.

Regarding fuel, the administration continues to cling to price controls on both crude oil and gasoline—citing, usually, the need to protect the poor. As you watch the prices of oil and all the oil products shoot upward, perhaps you have wondered exactly how much protection the poor—or anybody else—are getting from those controls. It makes more sense to move rapidly to decontrol, and simultaneously to give poor people a kind of protection that will actually do them some good. Rising prices will be no less harmful in fuel than in food. But at least they will push the country toward the conservation, and the alternative energy sources, on which the rescue from oil inflation ultimately depends. It will work, just as a rising price also cuts down consumption of beef. The choice isn't between T-bone steak and starvation. It's between T-bone steak and something else. In fuel, as in food, with subsidized stamps for the least affluent families, there can be enough for everyone.

[From the News American, Feb. 18, 1977]

"ENERGY STAMPS" ARGUMENT

(By Kevin Phillips)

The first thing to say about the idea of giving certain needy Americans "energy stamps" or "heating stamps" is that the proposal is not new. Back in April, 1976, the Southern Conference of Black Mayors urged the creation of an energy stamp program. And others had pushed that concept even earlier.

The second thing to say about the energy stamp idea is that it may be an idea whose time has come. With Jack Frost as their most influential co-sponsor, Tennessee Senator Howard Baker and Maryland Senator Charles Mathias, both Republicans, recently introduced "The Home Heating Stamp Act of 1977" to permanently piggyback a fuel cost assistance program on the existing food stamp mechanism. This would go far beyond Congress' expected 1977 emergency assistance actions.

On the local level, energy stamps have been discussed in Ohio, Oklahoma and several other states. Even some utility companies—the Oklahoma Natural Gas Co., for one—have publicly stated a preference for energy stamps over alternative "lifeline" rates that require pricing discrimination in favor of small users.

After this winter's chill, some form of fuel user subsidy is shaping up as necessary, especially for senior citizens. And despite the obvious problems, scandals and abuses involved in the food stamp mechanism, energy stamps may just be the best bet.

There are legitimate philosophic counterarguments, to be sure. Many conservatives simply don't like the "stamp" form of income subsidies. They fear welfare state lithography—opening up Pandora's printing presses. And there is evidence that some liberals, given their head, would indeed start printing welfare philately in denominations, varieties and colors that would outdo even the active postal authorities of Monaco, San Marino or Liechtenstein.

For example, New York city official Wilbert A. Tatum, has proposed giving clothing stamps to the tens of millions now eligible for food stamps. Other persons have proposed health stamps, dental stamps, rent certificates, cultural vouchers (used in New York City for museums and cultural centers) and transportation stamps.

Several years ago, West Virginia launched a "travel stamp" program under which elderly and handicapped citizens could buy subsidized coupons spendable on mass transit or taxi transportation—isolated rural residents found it particularly helpful.

Politicians have been inclined to attack these "stamp" subsidy programs, arguing that food stamps and related schemes should be "cashed out" in favor of a negative income tax or a "single payment" scheme. Free-market advocates prefer that poor people "go into the marketplace" and spend their money on anything they choose.

I disagree. In the first place, many of the poor need to have their outlays specifically channeled to rent, food and fuel. Make unrestricted money available, and too much of it will go for pink shirts, blue suede shoes and offtrack betting.

Nor are my conservative colleagues entirely consistent here. When one of their own interest groups are involved—for example, private schools—they are not adverse to specific subsidies like education vouchers (not that anybody is willing to call them "education stamps").

To assist retired and disabled people who have spent the better part of their lives working is a far cry from stimulating welfarism among those younger and able-bodied.

All in all, embracing certain "welfare state" approaches—energy stamps for people on fixed incomes, transportation stamps for the elderly and disabled, forced-work reparations payments by criminals to victims—makes good sense for conservatives.

And the wisdom of supporting energy stamps is especially timely in the wake of winter's appalling fuel bills.

[From the Los Angeles Times, Feb. 27, 1977]

MODERNIZE THE SYSTEM, DON'T WHOLLY DISCARD IT

(By Richard P. Nathan)

Again there is talk of cleaning up the "welfare mess" by instituting a brand new system which would end red tape and save the taxpayers' money.

My suggestion is that we abandon the search for a utopian solution to welfare problems and instead build on the programs we have. Such a modernization approach is the best way this rich country of ours can provide adequate income assistance for the poor on a basis that is fair, firm and efficient.

Things have changed since welfare economists first began talking about a negative income tax as a way of reforming welfare. Need was greater then; in the past 10 years, however, welfare type programs have grown to such an extent that the "poverty gap" is closing. Today millions of poor people receive non-cash assistance in the form of medical care, food stamps and housing subsidies. While official Census Bureau statistics show that 11.4% of U.S. families are below the poverty level, the figure drops to 6.9% if such non-cash assistance is counted as income.

Thus the nation's progress in meeting social needs over the past decade has eliminated much of the argument for designing a completely new welfare system.

There are many other reasons why the modernization approach is better. Although some states still provide very low welfare assistance under federal programs, many of the wealthier states are providing a level of family aid which can be considered adequate. The institution of a single new national payment level as proposed under negative income tax plans could cause losses for many families and the aged in these wealthier states. This is one reason why I believe the negative income tax idea has become the favorite strategy of conservatives, such as economist Milton Friedman: They see it as a way to reduce and control welfare spending.

Furthermore, the existence of a "welfare mess" tends to be overstated. Any system that provides aid to people in the lowest-income groups, who are highly mobile and often have limited job and literacy skills, is going to be difficult to administer.

Currently there are three major income support programs for the poor: one program for families (Aid to Families with Dependent Children), one for the aged and disabled, and a food stamp program to supplement low welfare benefits (which in addition boosts the income of the working poor). The reason we have this three-part system is that as a nation we have different ideas about the way in which aid should be provided to the aged and disabled as compared with able-bodied, unemployed heads of families.

Implementing a new supersystem under these conditions would be immensely difficult and controversial and would take at least five years. In the meantime, needed improvement in the management of current welfare programs would be neglected.

Yes, we do have management problems, and many eligible persons are not receiving adequate aid. We ought to attend to these problems now.

One immediate step we should take is to transfer food stamps from the Department of Agriculture to Health, Education and Welfare and merge it with Aid to Families with Dependent Children. Most AFDC recipients now receive food stamps, but must fill out completely different (and long and complicated) applications. Eligibility rules and waiting periods are different. Such a transfer, along with other important changes, would have far-reaching consequences and produce what I would call a new "Family Benefit System."

Under this approach, aid would be provided to all poor families headed by unemployed fathers. Today in many states, the family is not eligible for aid if the father stays with the family. This is why so many AFDC families are headed by women, and why our welfare system has been accused of weak-

ening family ties. At the same time, welfare program links to employment agencies should be strengthened. Although such links appear on paper, in reality many welfare clients are given little assistance in finding jobs.

Increased child care services also should be part of the Family Benefit System. Although the mothers of children under 6 should not be forced to work outside the home, many women on AFDC, even these mothers, would prefer to be self-supporting if given the choice of a decent job backed up by child care.

For the working poor, not eligible for welfare, the food stamp program should continue to serve as a supplement to income on a basis (as it does currently) that embodies a strong work incentive. But we should remove the requirement that families purchase their food stamps. At present, a family with $300 monthly income must lay out $83 in cash to purchase $166 in food stamps, the theory being that a family should eat $166 worth of food. The program forces the poor to spend X dollars on food: In other words, we don't trust them to decide how much food they need. In the case just described, the family should be able to apply for and receive $83 in food stamps without having to lay out a matching sum in cash.

Sen. Charles McC. Mathias (R-Md.) has proposed that food stamps be expanded to include fuel. Such measures to expand the benefits of the food stamp program should be seriously considered as part of this new system.

Another improvement in efficiency would be made if we put the administration of welfare programs, including Medicaid, under state rather than county governments. Many states now have automated data systems. Under computerized state systems, it is much easier to check applications and eligibility across county lines, eliminating one source of error and abuse. States also could take advantage of economies in scale while at the same time relieving county units of administrative burdens.

The aged poor and the disabled receive welfare assistance under the Supplemental Security Income program (SSI), which is administered by the Social Security Administration along with (although not as part of) the social security system. Adopted in 1972, the SSI program is just beginning to work smoothly and should not be tampered with.

Besides combining food stamps and AFDC, and including families headed by unemployed fathers, we should also set a floor under the combined program; the states could then add to that minimum amount. The minimum should be adjusted for cost of living differences among states and urban areas and should be automatically and regularly increased when the inflation rate rises. Simplified national eligibility standards should also be adopted to cut red tape and error rates and make it easier for administrators to assure that only eligible persons receive assistance.

To summarize, the modernization approach would be less controversial and would avoid raising the emotional issue of income redistribution to such a high decibel level. With modernization, people in need would be helped sooner, and the public as a whole would benefit by faster action to make welfare programs operate more efficiently on a basis that eliminates opportunity for error and abuse.

By Mr. MATSUNAGA:

S. 1605. A bill to exempt inflatable boats and rafts used for carrying passengers from the provisions of the coastwise laws requiring vessels to be built in the United States; to the Committee on Commerce, Science, and Transportation.

● Mr. MATSUNAGA. Mr. President, I am introducing today a bill which I hope will help to resolve a problem that currently exists in several areas of our country, including my own State of Hawaii, where "rafting" has become a popular leisure time activity.

The bill as drafted is concerned with the small but thriving recreational water rafting industry. In most cases, participants in this activity rent inflated rubber boats and equipment—and sometimes the services of guides or boat operators—in order to take trips through generally uninhabited areas preserved and undisturbed in its natural beauty. Such areas are easily accessible only by water born transport. In the case of Hawaii, coastal rafting and exploration of ocean caves that were carved and sculptured by the wind and sea, leave the recreational rafter awed at nature's power and beauty. Oftentimes excursioners along the coast may catch sight of a porpoise show, a school of whales, or goats climbing the sheer but magnificent cliffs. Flying fish are also frequent company throughout the day.

I am informed, however, that a very large proportion of the 6 to 10 passenger inflatable boats and rafts in current commercial use are foreign built. Because they travel between points on navigable waterways in the United States, it has been suggested that they may be technically engaged in the coastwise trade and thus subject to existing statutes requiring that they be U.S. owned and U.S. built, and properly licensed.

With respect to the licensing, I understand that a determination has already been made by the U.S. Coast Guard (USCG) that vessels under 5 net tons, the category in which most inflatable boats fall, are exempted from USCG licensing requirements; nevertheless, U.S. Customs Service regulations may still require them to be U.S. owned and U.S. built. Since, as I noted earlier, a majority of the inflatable boats now in commercial use are foreign built, there exists a potential legal problem. The Hawaii rafts, for example, are French made, designed and produced by Jacques Cousteau and specially suited to ocean use.

Mr. President, I do not believe the Jones Act was intended to apply to commercial vessels such as the ones described in my bill. By taking timely action and acting favorably in passing this legislation, Congress will reaffirm its interest and support for a small but thriving water recreation industry.●

By Mr. MOYNIHAN:

S. 1606. A bill to amend title 13, United States Code, to correct for undercounting in the 1980 census; to the Committee on Governmental Affairs.

● Mr. MOYNIHAN. Mr. President, the census is required by the Constitution and is our oldest source of information about ourselves.

It has never been and cannot be wholly accurate, but it should be as complete and reliable as possible, both in the actual enumeration and in the statistical processes that refine, analyze and evaluate the findings.

The issue of completeness and reliability became ever more important in the 1960's as more and more Federal programs were made dependent on formulas using population. In turn, the recipients of Federal aid came to rely more and more heavily on those programs and on the fairness and accuracy of the formulas through which the aid was distributed. These concerns acquired special significance for urban areas, which were themselves the object of increasingly focused Federal policies, and for minority groups and low-income persons who tend to be most heavily concentrated in cities.

It followed that as the 1970 decennial census drew near, the question of the urban undercount became serious. For if the residents of urban America were not completely counted, and especially if they were missed or omitted more frequently than other Americans, they would not receive their proper share of diverse Federal benefits.

In 1967, as director of the Joint Center for Urban Studies of MIT and Harvard, I organized the first conference on this subject. Our object was to improve the 1970 census. As I wrote in the foreword to the ensuing volume ("Social Statistics and The City," David M. Heer, editor, Joint Center for Urban Studies, 1968), the conference had—

> ... the avowed purpose of arousing a measure of public concern about the difficulties encountered by the Census in obtaining a full count of the urban poor, especially perhaps the nonwhite poor. It became apparent, for example, that in 1960 one fifth of nonwhite males aged 25–29 had in effect disappeared and had been left out of the Census count altogether. Invisible men. Altogether, one tenth of the nonwhite population had been 'missed.' The ramifications of this fact were considerable, and its implications will suggest themselves immediately. It was hoped that a public airing of the issue might lead to greater public support to ensure that the Census would have the resources in 1970 to do what is, after all, its fundamental job, that of counting all the American people. . . .

The Bureau of the Census cooperated fully in the conference and in the preparation of the subsequent publication. And there is reason to believe that perhaps we had an impact. A limited one, to be sure, for an undercount problem persisted in the 1970 census but it seems to have been somewhat less severe than in 1960 and the Bureau conscientiously set about to measure it and make plans for reducing it further in 1980.

In 1970, according to the Census Bureau's findings, the national undercount rate was 2.5 percent, but again this fell unevenly among various demographic groups, chiefly minorities. For white males aged 25 to 33, for example, the undercount rate was 4.3 percent, but for black males in the same age group the undercount was 18.5 percent. For white female children under 5, the rate was 2 percent, but for black children under 5 it was 9.8 percent.

This remains a disturbing and inequitable situation both in principle and in practice. Not the least of its unhappy consequences is that, given the ever-more prevalent practice of distributing much Government money on the basis of population and specific demographic

characteristics, the undercount discriminates against residents of States and localities with substantial minority populations. Therefore, in "Counting the People: An Appraisal of the 1980 Census," the Panel on Decennial Census Plans, a distinguished group of statisticians appointed by Secretary Kreps, concluded:

> The issue of equity cries for attention. . . . The Panel is confident that the Census Bureau would also be able to respond in an appropriate and competent fashion to a directive to adjust the state and local population data for the undercount if a decision were made to adjust.
>
> The Panel believes that such adjustments in the population totals would lead to greater equity in the distribution of funds among states and local areas. . . .
>
> Whether to adjust the census estimates is largely a policy issue; how to do it is primarily a technical one.

Hence the bill I am introducing today. It instructs the Secretary of Commerce to conduct the 1980 census by adjusting the population figures to correct for the undercount. Every Federal official who administers a program under which money is distributed to States and localities must use these corrected population figures. No particular methodology is specified, except the "best available," and the bill would leave that choice to the Secretary of Commerce and the Director of the Bureau of the Census, where serious efforts are presently underway to develop both a suitable interim motion and a more sophisticated and complete set of statistical techniques. The latter, I am advised, is expected to be available for use by 1983.

This affords an opportunity to dwell on the mounting importance—and the splendid professional competence—of the Bureau of the Census, an offspring of what Ralf Dahrendorf has called America's "Applied Enlightenment." For many years, the Bureau went about its duties quietly and almost anonymously, carrying out the constitutional responsibility of the executive branch to enumerate the population every 10 years and knowing that the principal use made of this data by the Government was the periodic reapportionment of seats in the House of Representatives.

In the past quarter century, however, the uses of census data have multiplied. One major Federal program after another has been established around specific formulas that determine the distribution of funds and other benefits on the basis of demographic data. In earlier eras, Harold Lasswell's classic definition of American politics—"who gets what"—referred to the pull and tug of competing interest groups, most conspicuously expressed in annual decisions about the allocation of Government funds.

But as the domestic responsibilities of the National Government have enlarged, and as Government programs have proliferated, a conscious effort has been made to establish them on a more stable and objective basis, notably by devising ever-more-complex but surprisingly durable distribution formulae. These now determine the flow of tens of billions of dollars a year and are themselves often well known: The medicaid formula; the general revenue sharing formula; the ESEA title I formula; the title XX formula, and on and on. Today, 42 percent of all Federal aid to municipalities is determined at least in part on the basis of formulae that include population as a key variable. Hence "who gets what" in the United States depends ever more heavily on the quality of the Government's demographic data. Not surprisingly, the pressures on the Census Bureau, and the other major Federal statistical agencies, have mounted apace.

The bill I am introducing today will not diminish those pressures. But it would create a clear basis in legislative policy for a set of necessary corrections that the demographers and the statisticians are capable of making. Although statistical adjustments are never as satisfactory as a complete enumeration, and although the Census Bureau's redoubled efforts to solve the difficulties of enumeration in the decennial census show considerable promise and deserve our enthusiastic support, it is simply not possible in a society as large and mobile as this one to count every single person. So adjustments must be made, and they can be made, for the methodology is available. This bill asks that it be used, and that the many Federal programs that rely on census data benefit from its use so that every citizen who depends on the Government can do likewise. Equity demands no less.

Mr. President, I ask unanimous consent that the text of the bill, together with an article from the Washington Post, dated July 31, 1979, entitled "Counting All Americans," be printed in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 141 (a) of title 13, United States Code is amended by inserting after "surveys." the following: "In conducting that census the Secretary shall adjust the population figures, employing the best available methodology to correct for undercounting. These adjusted population figures shall be used by every Federal officer or employee administering a program under which funds or benefits are allocated or distributed among States or other units of government on the basis of population."

COUNTING ALL AMERICANS

(By Eddie N. Williams)

Millions of Americans and their communities are shortchanged each year because the Census Bureau can't count straight and because many federal grant-in-aid formulas ignore a large population of "undocumented" Americans. This is a tragic result of the census undercount.

The undercount has plagued every decennial census since 1870. It is virtually impossible for the Census Bureau to count every inhabitant. In recent years, two factors have made the undercount discriminatory and punitive. One is the growing use of census population data in formulas to allocate federal funds. In fiscal 1975, for example, $33.7 billion was obligated for 75 formula-grant programs that used population or per-capita income data, in whole or in part, as a basis for distributing money. This sum amounted to 22 percent of all state and local expenditures. Clearly, the distribution of these funds would change if there were a change in the population count.

Another factor is that the undercount affects some groups more than others. While almost two-thirds of the 5.3 million persons missed in 1970 were white, the rate of undercount was four times as high for blacks (7.7 percent) as for whites (1.9 percent). The rate for black males was 9.9 percent. The undercount among Hispanics, native Americans, and Asian Americans, in all probability, was also disproportionately high. The undercount rate tends to be highest among blacks and whites who are already the most disadvantaged in the nation.

The undercount not only affects our social and economic well-being, but our political representation as well. Its impact on reapportionment is a complex constitutional issue that has not been resolved. However, the impact on fund allocations is a policy question for which there is an available policy remedy.

Thus, it is understandable that many elected officials, especially those from the cities with heavy concentrations of under-enumerated persons, complain that they are not getting their fair share of federal and state funds. The population data used in allocating those funds are based on the decennial census, which is admittedly inaccurate or incomplete. A Camden, N.J., official provided this perspective: "An undercount does [not] merely suggest that black Americans are being shortchanged, but the greater consequence is that all persons, black and white, poor and middle class, who live in cities like Camden . . . are being shortchanged."

Nearly everyone who examines this problem agrees that it is complex and freighted with inequities. Where, then, might one look for solutions?

Even though the Census Bureau has taken extraordinary steps to reduce the 1980 undercount, most experts and the Census Bureau itself agree there will be an undercount in 1980. Clearly there is a need for a procedure to adjust the 1980 census count so as to avoid financial loss to millions of Americans and to hundreds of cities. The Department of Commerce and its Census Bureau have been urged on numerous occasions to develop and implement an adjustment procedure. Among those who have made such recommendations are elected officials, the U.S. Conference of Mayors, the Black, Hispanic and Asian American Advisory Committees of the Census Bureau, and the National Academy of Sciences.

The recommendations of the National Academy of Sciences are especially noteworthy. Last year, the academy was awarded a contract by the Department of Commerce to determine whether there are feasible methods of adjusting or correcting the census count to assure greater equity in the allocation of federal funds. The academy determined that "methods of adjustment with tolerable accuracy are feasible" and recommended that the secretary of commerce direct the Census Bureau to develop and implement a plan to adjust the 1980 census count.

Secretary Kreps has yet to act on this recommendation. In a June 6 letter to Mayor Maynard Jackson of Atlanta, chairman of the U.S. Conference of Mayors census task force, Secretary Kreps expressed her views as follows:

"While the Panel on Decennial Census Plans of the National Academy of Sciences did recommend that such adjustments be made, it should be noted that the panel did not endorse a specific technique for accomplishing this task.

"As part of our continuing research, the bureau plans to convene a national conference of experts during the spring of 1980 to review this matter."

The negative consequences of an undercount have been known since at least 1950.

Definite studies have already been con-

ducted. The academy was engaged to review those studies and to make a recommendation, which it did. Moreover, the proposed 1980 conference, at best, would offer relief in the 1990 census—a decade away—if at all. Certainly such a conference is no response to the NAS admonition that ". . . to meet the urgent demand for some greater degree of equity, a temporary expedient has to be considered." The NAS made it clear that it was talking about a "currently available" methodology to adjust the 1980 census.

The secretary's explanation that the academy report "did not endorse a specific technique for adjusting for under-enumeration" serves to cloud rather than to clarify the issue. The fact is that the Department of Commerce did not ask the academy to endorse a specific technique. Rather, it asked for and got a determination on feasibility. In fact, the academy cited three feasible adjustment techniques that could be used. The secretary may choose any one of them or initiate her own adjustment technique.

If the secretary does not act now to implement a "temporary," "expedient," "feasible" and "available" adjustment procedure, an awful lot of people, including needy low-income blacks and whites, will be short-changed for another decade. This is a matter of national concern.

If the secretary of commerce continues to delay, the president and the Congress should intervene before the 1980 census undercount and its Catch-22 consequences further erode the people's confidence in the federal government.

By Mr. RIEGLE:

S. 1608. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance to employees who suffer an employment loss caused by changes of operations; to authorize the Secretary of Labor to provide assistance to such business concerns, and to such affected employees and local governments, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL EMPLOYMENT PRIORITIES ACT OF 1979

● Mr. RIEGLE. Mr. President, today I am introducing the National Employment Priorities Act of 1979, which addresses the growing problem of large-scale plant closings and relocations across the country. This bill, which is also being introduced today in the House of Representatives by Representative WILLIAM FORD from my home State of Michigan, is designed to assure that large corporations take into account the interests of long-time workers and of communities when they consider closing or relocating large plants.

In today's complex society, major economic decisions by large employers have far-reaching effects on the workers who have put years into their jobs, and on the communities whose economic base is so dependent on private industry. These corporate decisions should take into account their external social and economic effects on workers and on their local communities.

Mr. President, earlier proposals for dealing with plant closings and relocations have commony focused on establishing a procedure for the Federal Government to determine which closings or relocations are economically justified and which are not. I do not believe that the Government should make this determination. Under the bill I am introducing today, business concerns would continue to make these basic economic decisions on their own, taking into account their impact on the workers and communities with so great a stake in the outcome of these decisions.

The heart of the National Employment Priorities Act is a requirement that workers, local communities, and the Government receive prenotification of impending plant closings or relocations. In addition, workers who lose their jobs as a result of these major employment disruptions would receive partial payments and continued benefits from their employer for a year, reduced by any unemployment compensation, trade adjustment assistance, or outside earnings they may receive.

This bill would also help forestall employment disruptions. Federal assistance for employee buyouts of plants targeted for shutdown, economic assistance to companies which might otherwise be forced to close, and help for local governments adversely affected by plant closings would help to alleviate these problems. Targeted Federal training programs would also help displaced workers find new jobs.

As a member of the Labor and Human Resources Committee, I am vitally interested in the success of this legislation, but I am even more interested as the senior Senator from Michigan. Our State is facing the awful picture of some 10,000 Chrysler workers possibly losing their jobs at the "Dodge Main" plant in Detroit next year.

What kind of feelings can these families have when the rug is suddenly pulled out from under them, and they have no new job to go to? The recession is already at work in Michigan, and there are not any jobs left there. Last week, General Motors laid off 1,200 workers temporarily, so how can workers who lose their jobs permanently have any hope when this is going on?

The "Dodge Main" and other autoworkers are protected to a point, but the plant shutdown problem is extremely serious to smaller plants and communities. Take the Chrysler Lyons trim plant—hundreds of workers and their families affected there when the town's largest industry suddenly quit. Another example is the Lazy Boy Chair Co. in Monroe, where 1,900 workers were suddenly put on the street. Another similar example can be found in Livonia, where workers—again in hundreds—have lost their pensions because their employer decided to shut down a plant and move elsewhere. My office is involved in their case, but we need this legislation so that all agencies can get involved automatically, ahead of time, to forestall the problems the workers will face when they become unemployed.

Plant closing announcements in Michigan and elsewhere have become too common and predictable these days. Without fail, a company leaving town cites adverse economic conditions as their reason for leaving jobless workers and empty, gutted buildings behind. What could be more adverse than the grim economic conditions they leave behind for workers and their families. They still have a home, food, education to pay for. They have a family life suddenly disrupted. Hardworking men and women have to swallow their pride and ask for help. But before they have to ask—before a plant has to leave town and disrupt their lives and possibly entire communities—let us give them that help.

I am pleased to note that the Chairman of the Labor and Human Resources Committee (Mr. WILLIAMS) is extremely interested in the desperate need to assure that economic decisions concerning plant closings and relocations take into account the interests of workers and communities. In the coming months, the committee will be holding an extensive series of hearings on this subject, and on effective ways of alleviating this severe national problem.

I ask unanimous consent that the text of the National Employment Priorities Act and a section-by-section analysis be printed in the RECORD at this point.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "National Employment Priorities Act of 1979".

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Sec. 34. National Employment Priorities Advisory Council.
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FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) unemployment is a major economic and social problem which causes great loss to individuals, communities, and the Nation,

(2) irresponsible and unnecessary changes of operations at establishments of business concerns disrupt commerce and cause unemployment to increase drastically in local areas, and

(3) economic planning is needed to avert the dislocation of employment opportunities, and new mechanisms of public control are needed to ensure that private investment decisions conform more closely to employee and community needs.

(b) It is the purpose of this Act to prevent or minimize the harmful economic and social effects of unemployment on employees and on local governments caused when business concerns undertake changes of operations.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "Administration" means the National Employment Priorities Administration established in section 33(a).

(2) The term "Administrator" means the Administrator of the National Employment Priorities Administration.

(3) The term "beneficiary" shall have the meaning given it in section 3(8) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(8)).

(4) The term "business concern" means any person who directly or indirectly owns a controlling interest in, or controls, a commercial enterprise which has an annual gross volume of sales made or business done of not less than $250,000.

(5) The term "change of operations" means the transfer of any operation from an establishment or the termination of any operation.

(6) The term "Council" means the National Employment Priorities Advisory Council established in section 34(a).

(7) The term "defined benefit plan" shall have the meaning given it in section 3(35) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(35)).

(8) The term "employee benefit plan" shall have the meaning given it in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(9) The term "employee pension benefit plan" shall have the meaning given it in section 3(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(2)) but shall not include a multiemployer plan.

(1) The term "employee welfare benefit plan" shall have the meaning given it in section 3(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)) but shall not include a multiemployer plan.

(11) The term "employment loss" means with respect to an employee—

(A) the failure of such employee to receive for each week in any 26-week period from any business concern which employs him, wages that equal or exceed 85 percent of the average of the wages paid by such business concern to such employee for the 26-week period immediately preceding the first such week, or

(B) the functional equivalent of such employment of such employee by such business concern, which is in effect 26 consecutive weeks,

if such failure, suspension, or termination is caused by such business concern when such business concern undertakes a change of operations ordinarily performed at the establishment where such employee is employed.

(12) The term "establishment" means—

(A) any factory, plant, mine, business office, facility, or other single working place, or

(B) the functional equivalent of such working place,

at which the average of the number of employees employed on the last working day of each month in the calendar year immediately preceding the date the change of operations involved is undertaken exceeds 50.

(13) The term "executive agency" shall have the meaning given it in section 105 of title 5, United States Code.

(14) The term "individual account plan" shall have the meaning given it in section 3(34) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(34)).

(15) The term "multiemployer plan" shall have the meaning given it in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37)).

(16) The term "nonforfeitable" shall have the meaning given it in section 3(19) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(19)).

(17) The term "normal retirement age" shall have the meaning given it in section 3(24) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(24)).

(18) The term "normal retirement benefit" shall have the meaning given it in section 3(22) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(22)).

(19) The term "Secretary" means the Secretary of Labor.

(20) The term "State" means the several States, the District of Columbia, and any territory or possession of the United States.

(21) The term "taxable year" have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954 (defining taxable year).

NOTICE OF INTENT TO CHANGE OPERATIONS

SEC. 4. (a) Whenever a business concern intends to undertake a change of operations at an establishment and such business concern determines, or reasonably should have determined, that the number of employees at such establishment who will suffer an employment loss in any 18-month period, as a result of such change of operations, equals or exceeds the lesser of 100 employees or 15 percent of the employees at such establishment, then such business concern shall give written notice, in accordance with subsection (b), of such intended change of operations.

(b)(1) The notice required in subsection (a) shall include a statement of—

(A) the nature of the establishment at which the change of operations described in subsection (a) is to be undertaken,

(B) the reasons for undertaking such change of operations at such establishment,

(C) any alternative to undertaking such change of operations,

(D) any request made by such business concern for assistance under section 16 with respect to such establishment,

(E) the estimated extent of the employment loss which will result from such change of operations,

(F) any plan to minimize the effects of such change of operations on employees at such establishment and on any unit of general local government having jurisdiction of the geographical area in which such establishment is located,

(G) the economic circumstances of such establishment, including the level of profitability of operations at such establishment, and any plans for future investment, employment, and production at such establishment,

(H) the economic circumstances of such business concern and the feasibility of transferring employees affected by such change of operations to other establishments of such business concern, and

(I) the names and addresses of all employees who will suffer an employment loss as a result of such change of operations.

(2) The notice required in subsection (a) shall be given to the Secretary of Labor, to the employees and any representative of any affected labor organization at such establishment, and to such units of general local government as the Secretary may require by rule.

(3)(A) Except as provided in subparagraph (B) and subparagraph (C), the notice required in subsection (a) shall be given before the business concern involved takes any action, in connection with any intended change of operations, to reduce the weekly wage, or to suspend or terminate the employment, of any employee and—

(i) not later than 2 years before taking such action, if 500 or more employees at such establishment will suffer an employment loss resulting from such change of operations,

(ii) not later than 18 calendar months before taking such action, if the number of employees who will suffer such employment loss equals or exceeds 100, but is less than 500, or

(iii) not later than 6 calendar months before taking such action, if the number of employees who will suffer such employment loss is less than 100.

(B) Upon the request of such business concern, the Secretary may allow such business concern to give the notice required in subsection (a) at a time later than the time required in subparagraph (A), but only if the Secretary finds that an increase in the number of employees at such establishment within the applicable time period required in such subparagraph makes it impossible for such business concern to comply with the requirements of such subparagraph.

(C) If in the 2-year period beginning on the date of the enactment of this Act sufficient time does not elapse to permit a business concern required to give notice under subsection (a) to comply with the applicable requirement in subparagraph (A), then such business concern shall give such notice—

(i) not later than 30 days after such change of operations begins if such change of operations begins in the 60-day period beginning on the date of the enactment of this Act, or

(ii) not later than 30 days after the date of the enactment of this Act if such change of operations begins after the expiration of such 60-day period.

(c) Not later than 30 days after the Secretary receives the notice required in subsection (a), the Secretary shall inform each employee at the establishment with respect to which such notice is given, of—

(1) all rights such employee may have to receive assistance under section 9 from the business concern involved, and

(2) the protection, services, and assistance available to such employee under this Act.

INVESTIGATION OF INTENDED CHANGE OF OPERATIONS

SEC. 5. (a) In the case of any change of operations at an establishment with respect to which notice is required in section 4(a)—

(1) the Secretary shall conduct an investigation into, and shall hold public hearings on, the matters described in subsection (b) if the Secretary receives, not later than 60 days after such notice is given, a written request for such investigation from any authorized representative of any affected labor organization, or from not less than 10 percent of the employees, at such establishment, and

(2) the Secretary may conduct an investigation into, and may hold hearings closed to the public on, the matters described in sub-

section (b), without regard to whether such notice is given, if—

(A) the Secretary determines that such investigation would serve the purpose of this Act.

(B) the Secretary receives a request for such investigation from not less than 50 percent of the employees at such establishment.

(b) An investigation conducted by the Secretary under subsection (a) shall be directed to the following matters:

(1) The economic reasons for the intended change of operations at the establishment of the business concern which is the subject of such investigation.

(2) The estimated extent of any economic or social loss to the employees affected by such change of operations, including the number of employees who will suffer an employment loss as a result of such change of operations.

(3) The estimated extent of any economic or social loss to any affected unit of general local government and to any affected person in the geographical area in which such establishment is located.

(4) The recommendations of any authorized representative of any affected labor organization at such establishment, any representative of any affected unit of general local government, and any other interested person.

(5) The feasibility of preventing or minimizing such employment loss by the modification of product lines and production techniques at such establishment.

(c)(1) For the purpose of conducting any investigation under subsection (a), the Secretary may issue subpenas requiring the attendance and testimony of witnesses and requiring the production of any evidence. The attendance of such witnesses and the production of such evidence may be required from any place in any State at any designated place of hearing in any State. The Secretary and any administrative law judge designated by the Secretary under subsection (d) may administer oaths and affirmations, examine witnesses, and receive evidence. Witnesses summoned before the Secretary or such administrative law judge shall be paid the same fees and mileage as are paid witnesses in the courts of the United States. Witnesses whose depositions are taken by the Secretary or by any person designated by the Secretary, and any person so designated who takes such depositions, shall be paid the same fees as are paid for like services in the courts of the United States.

(2) In case of contumacy or refusal to obey a subpena issued to any person under paragraph (1), any district court of the United States for any judicial district in which such investigation is conducted or in which such person guilty of contumacy or refusal to obey resides, is found, or transacts business, upon application by the Secretary shall have jurisdiction to issue an order requiring such person to appear before the Secretary, or before any administrative law judge designated by the Secretary under subsection (d), to produce evidence, give testimony, or both, regarding any matter under investigation. Any failure to obey such order issued by such court may be punished as a contempt of such court.

(3) Any subpena issued by the Secretary may be served upon any witness in person, by registered or certified mail, by telegraph, or by leaving such subpena at the residence or at the principal office or place of business of the person required to be served. The verified return by the individual serving such subpena, setting forth the manner of such service, shall be proof of service of such subpena, and the return post office receipt or telegraph receipt for any subpena served by mail or by telegraph, as the case may be, shall be proof of service of such subpena.

(4) All process of any court to which application may be made under paragraph (2) may be served in the judicial district in which the person required to be served resides or may be found.

(d) The Secretary may designate any administrative law judge within the Department of Labor to conduct any administrative proceeding in connection with any investigation conducted under subsection (a).

REPORT OF INVESTIGATION

SEC. 6. (a) After any investigation conducted under section 5(a) is concluded, the Secretary shall prepare and publish a report containing his findings with respect to the matters described in section 5(b) and, subject to subsection (b), his recommendations regarding actions required to be taken in order to prevent or minimize the harmful economic and social effects which will result from the change of operations at the establishment with respect to which such investigation is conducted. Such recommendations shall include a description of the nature and extent of the assistance authorized under this Act which would be required to prevent or minimize such effects.

(b) No recommendations shall be completed by the Secretary for inclusion in any report required under subsection (a) unless the Secretary has consulted with the business concern undertaking such change of operations, any authorized representative of any affected labor organization at the establishment involved, and any representative of any affected unit of general local government.

INELIGIBILITY OF CERTAIN EMPLOYEES FOR ASSISTANCE

SEC. 7. An individual who becomes an employee of a business concern required to give notice under section 4(a)—

(1) by accepting employment at an establishment with respect to which such notice is required, after such notice is given, and

(2) with knowledge that such notice has been given, shall be deemed not to be an employee at such establishment for purposes of sections 9, 11, 12, 13, and 14.

STATEMENT OF EMPLOYMENT STATUS

SEC. 8. (a) Whenever a business concern required to give notice under section 4(a)—

(1) reduces the wages paid for any week to an employee to an amount less than 85 percent of the average of the wages paid in all weeks to such employee by such business concern during the 26-week period immediately preceding such week, or

(2) suspends or terminates the employment of such employee,

at an establishment with respect to which such notice is required, such business concern shall give such employee, not later than 7 days after the week for which such wages are so reduced or such employment is suspended or terminated, a written statement of employment status.

(b) If a business concern which gives a statement of employment status in accordance with subsection (a) to an employee fails to include in such statement an assurance that such business concern will increase the wages of or reinstate such employee, as the case may be, to prevent such employee from suffering an employment loss, then such employee shall be deemed to suffer an employment loss immediately preceding the week for which such business concern reduces the wages, or suspends or terminates the employment, of such employee as described in such subsection.

(c) If a business concern which gives a statement of employment status in accordance with subsection (a) to an employee includes in such statement an assurance that such business concern will increase the wages of or reinstate such employee, as the case may be, to prevent such employee from suffering an employment loss and if such business concern fails to prevent such employment loss, then such business concern shall pay such employee, in addition to any other payment required in this Act, a lump sum equal to the product of 26 and the amount described in section 9(a)(1)(A)(i).

(d) An employee with respect to whom a business concern required to give notice under section 4(a) fails to comply with subsection (a) shall be deemed to suffer an employment loss immediately preceding the week for which such business concern reduces the wages, or suspends or terminates the employment, of such employee as described in such subsection.

TRANSITIONAL ASSISTANCE BY BUSINESS CONCERNS

SEC. 9. (a)(1) Subject to subsection (c), any business concern required to give notice under section 4(a) regarding a change of operations at an establishment shall—

(A) pay to each employee who suffers an employment loss at such establishment as a result of such change of operations a weekly income maintenance payment—

(i) equal to 85 percent of the product of the weekly equivalent and the rate of pay, measured at the equivalent of an hourly rate of pay, in effect on the date such employment loss occurs for the position having the highest rate of pay so measured which such employee held at any establishment of such business concern at any time in the 2-year period immediately preceding such date, or

(ii) equal to 100 percent of such product if such employee is participating, during the week for which such income maintenance payment is required, in any training program provided or required by the Secretary under section 13(a)(1) or section 14, and

(B) make payments with respect to such employee as if such employee had not suffered such employment loss, to any employee benefit plan in effect at such establishment to which such business concern is obligated to contribute with respect to such employee for the week immediately preceding the 26-week period ending on the date such employment loss occurs, for the 52-week period beginning on the date such employment loss occurs.

(2)(A) A payment payable under paragraph (1)(A) to an employee who receives for the week with respect to which such payment is required wages from—

(i) such business concern, or

(ii) an employer other than such business concern for employment accepted with such employer after such employment loss occurs,

shall be reduced by an amount described in subparagraph (B).

(B) The amount by which such payment shall be reduced under subparagraph (A) shall be equal to the difference between—

(i) the sum of such wages and such payment payable without regard to this paragraph, and

(ii) the product of the weekly equivalent and the rate of pay, measured at the equivalent of an hourly rate of pay, in effect on the date such employment loss occurs for the position having the highest rate of pay so measured which such employee held at any establishment of such business concern at any time in the 2-year period immediately preceding such date.

(3) For purposes of paragraph (1)(A)(i) and paragraph (2)(B)(ii), the term "weekly equivalent" means the greater of the average number of hours per week such employee worked during—

(A) the 26-week period immediately preceding the date by which such business concern is required to give notice under section 4(a), or

(B) the 26-week period immediately preceding any reduction of wages, or any suspension or termination of the employment, of such employee resulting in such employment loss.

(4) A payment payable under paragraph (1)(A) to an employee who receives—

(A) compensation under any unemployment compensation law of any State or of the United States, or

(B) a trade readjustment allowance under part I of subchapter B of chapter 2 of title I of the Trade Act of 1974 (19 U.S.C. 2291–2294),

for the week with respect to which such payment is required shall be reduced by an amount equal to the sum of such compensation and such allowance.

(5) A payment made by a business concern under paragraph (1)(A) to an employee shall be deemed—

(A) not to be wages for the purpose of determining the eligibility of such employee to receive any payment under any unemployment compensation law of any State or of the United States, and

(B) to be wages for all other purposes, including the determination of any contribution to be made to, and any credit to be received and any benefit to accrue under, any employee benefit plan to which any payment is required in paragraph (1)(B).

(6) No business concern shall be required to make total payments under paragraph (1)(A) exceeding $25,000 for any 52-week period to each employee who suffers an employment loss.

(7) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week beginning after such employee begins any employment offered under section 11(a) to such employee.

(8) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week beginning after such employee refuses to accept employment offered by such business concern or by any employer other than such business concern, located within a reasonable commuting distance of the regular place of residence of such employee, if such employment—

(A) provides—

(i) wages that equal or exceed the wages, and

(ii) benefits (including benefits under any employee benefit plan) substantially equivalent to the benefits,

for the position having the highest rate of pay, measured at the equivalent of an hourly rate of pay, which such employee held at any establishment of such business concern at any time in the 2-year period preceding the date the employment loss of such employee occurs, and

(B)(i) is substantially similar in kind to such position, or

(ii) utilizes skills acquired by such employee as a result of any previous employment or participation in any training program.

(9) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week during which such employee refuses to participate, or fails to make satisfactory progress, without good cause, in any training or placement program made available to such employee under section 13(a)(1) or section 14.

(10) No business concern shall be required to make a payment under paragraph (1) with respect to an employee for any week for which such employee receives a retirement benefit under any employee pension benefit plan to which such business concern made any payment with respect to such employee before such week.

(b) If an employee suffers an employment loss arising from the suspension or termination of his employment by a business concern required to give notice under section 4(a) and if such employee accepts employment offered by such business concern not later than 3 years after the date such employment loss occurs, then such business concern shall pay any reasonable expenses incurred by such employee in connection with moving to a new residence for the purpose of beginning such employment.

(c)(1) Notwithstanding the expiration of the 52-week period for which a business concern is required to make payments with respect to an employee under subsection (a)(1), such business concern shall continue to make, with respect to each employee who on the expiration of such 52-week period has attained 53 years of age and has not yet attained 61 years of age, the payments described in such subsection during the number of years specified in paragraph (2) if such payments would be required under such subsection with respect to such employee but for the expiration of such 52-week period.

(2) A business concern shall make the payments required in paragraph (1) with respect to such employee during the number of years equal to the number by which 5 exceeds the absolute value of the quantity 57 less the number of years of age such employee attains before the expiration of such 52-week period.

(3) The Secretary shall reimburse such business concern for any payment made in accordance with this subsection to an employee.

(d) Whenever a business concern fails to make any payment required in this section—

(1) the amount of such payment, other than a payment required in subsection (c), shall be deemed to be a debt owed to the United States by such business concern and shall bear simple interest at 9 percent per annum, and

(2) the Secretary shall make such payment with respect to the employee involved at the request of such employee or of any agent of such employee.

SECONDARY LIABILITY

SEC. 10. (a) A business concern which transfers, by sale or otherwise, ownership or control of an establishment for the purpose of avoiding any liability under section 9 with respect to an employment loss suffered by any employee at such establishment after such ownership or control is transferred shall be liable to the United States in accordance with subsection (b) for an amount based on the amount of assistance required to be provided under section 9, to the extent that the business concern which owns or controls such establishment at the time such employment loss occurs fails to provide such assistance.

(b) The amount of assistance required to be provided under section 9 with respect to an establishment by any business concern which is liable under subsection (a) shall be an amount equal to the difference between—

(1) the amount of assistance required to be provided under section 9 by the business concern which owns or controls such establishment at the time an employment loss occurs, and

(2) an amount equal to one-tenth of the product of—

(A) the amount of assistance required to be provided under section 9 by the business concern which owns or controls such establishment at the time such employment loss occurs, and

(B) the number of complete years which elapse during the period beginning on the date of the transfer of ownership or control of such establishment, described in subsection (a), and ending on the date of the termination of the liability under section 9 of the business concern which owns or controls such establishment at the time such employment loss occurs.

TRANSFER OF EMPLOYERS

SEC. 11. (a)(1) In accordance with rules promulgated by the Secretary, a business concern required to give notice under section 4(a) shall offer to any employee who suffers an employment loss at an establishment with respect to which such notice is required any employment which becomes available at any establishment of such business concern in the 2-year period beginning on the date such employment loss occurs and which such employee is qualified to perform, to the extent that such business concern can provide such employment under this paragraph without violating any provision of any collective bargaining agreement in effect with respect to such employment, such establishment, or such business concern.

(2) Such employment shall provide—

(A) wages that equal or exceed the wages, and

(B) benefits (including benefits under any employee benefit plan) substantially equivalent to the benefits,

for the position having the highest rate of pay, measured at the equivalent of an hourly rate of pay, which such employee held at any establishment of such business concern at any time in the 2-year period preceding the date the employment loss of such employee occurs notwithstanding the terms and conditions otherwise applicable with respect to such employment.

(b) Any employee who is aggrieved by any failure of a business concern to comply with subsection (a) may seek relief in accordance with section 26.

EMPLOYEE BENEFIT PLANS

SEC. 12. (a) An employee who participates in any employee benefit plan at an establishment with respect to which notice is required in section 4(a) and with respect to whom payments to such plan are required under section 9(a)(1)(B) shall be eligible to participate in such plan during any period for which such payments are required.

(b) If an employee participates under subsection (a) in any employee pension benefit plan, then such employee shall—

(1) receive credit for the purpose of the vesting of any rights in such plan, and

(2)(A) accrue benefits to the extent that such plan is a defined benefit plan, and

(B) receive credit to the account of such employee to the extent that such plan is an individual account plan,

for each period for which a payment is made under section 9(a)(1)(B). For purposes of determining credits to be received and benefits to be accrued under the preceding sentence, any week for which a payment is required under section 9(a)(1)(A) with respect to such employee shall be deemed to be a week during which such employee is employed.

(c)(1) If an employee suffers an employment loss at an establishment with respect to which notice is required in section 4(a) and if such employee is credited before such employment loss occurs with at least 5 years of vesting service in an employee pension benefits plan with respect to which subsection (a) applies in the case of such employee, then the rights of such employee in such plan shall vest completely and nonforfeitably for all purposes on the date such employment loss occurs. For purposes of the preceding sentence, any period during which any suspension or termination of the employment of such employee is in effect shall not be considered to be a break in service if such suspension or termination of employment results in such employment loss.

(2) A business concern required to make payments under section 9(a)(1)(B) to any employee benefit plan with respect to an employee shall be liable to such plan for any unfunded liability of such plan resulting from the operation of paragraph (1).

(d) Any employee who suffers an employment loss at an establishment with respect to which notice is required in section 4(a)

and who attains 55 years of age before such employment loss occurs shall be eligible to retire and to receive any retirement benefit under any employee pension benefit plan with respect to which subsection (a) applies in the case of such employee, beginning on the date such employee attains 62 years of age, if the normal retirement age under such plan is any age greater than 62 years of age. The amount of such benefit payable in accordance with this subsection shall be an amount equal to the actuarial equivalent of the normal retirement benefit payable to such employee under such plan.

(e) Any violation of this section shall be deemed to be a violation of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001–1144) for which a civil action may be brought under paragraph (3) or paragraph (5) of section 502(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(a).

FEDERAL ASSISTANCE TO EMPLOYEES

SEC. 13. (a) The Secretary, in consultation with the National Employment Priorities Advisory Council, shall implement a comprehensive program in accordance with subsection (b) to provide assistance to employees who suffer or may suffer an employment loss at an establishment with respect to which notice is required under section 4(a). Such program shall include—

(1) training programs,

(2) job placement services,

(3) payments for reasonable expenses, not to exceed $600 for each employee, incurred by such employees in connection with searching for new employment if such employees cannot reasonably be expected to find such employment in the geographical area in which such establishment is located, and

(4) payments for reasonable expenses incurred by such employees in connection with moving to a new residence for the purpose of beginning employment, if the payment of such expenses is not required in section 9(b).

(b)(1) To the extent practicable, the Secretary shall provide assistance under subsection (a) to employees who may suffer an employment loss, before such employment loss occurs.

(2) To the extent practicable, the Secretary shall provide assistance under subsection (a) through existing programs established by law before the date of the enactment of this Act. To the extent that such assistance cannot be provided through any existing program, the Secretary may provide such assistance through new programs established by the Secretary for the purpose of furnishing such assistance, including programs to be carried out by grants to, or contracts with, private organizations.

(c)(1) Before the Secretary implements any program under subsection (a) to retrain employees who suffer or may suffer an employment loss at an establishment, the Secretary shall, to the extent practicable, consult with the business concern involved, and with any authorized representative of any affected labor organization at such establishment, for the purpose of developing a retraining plan which will meet the manpower needs of such business concern.

(2) Any employee who receives testing, counseling, training, or placement assistance under subsection (a) shall be paid allowances by the Secretary for reasonable and necessary expenses incurred for travel and subsistence when such testing, counseling, training, or placement assistance is provided at facilities which are not within a reasonable commuting distance of the regular place of residence of such employee. The Secretary shall prescribe by rule the amount of such allowances applicable with respect to the different geographical regions of the United States, taking into account regional variations in the general levels of such expenses.

RELATED RETRAINING ASSISTANCE TO EMPLOYEES

SEC. 14. (a) The Secretary may develop and implement, in cooperation with representatives of the business concern involved and with representatives of the employees at the establishment with respect to which assistance under section 16 is requested, a program to retrain employees to perform new employment tasks required in connection with implementing a proposal submitted by such business concern under section 15(b)(2).

(b)(1) Any program developed under subsection (a) may be implemented at such time as the Secretary deems to be appropriate.

(2) The Secretary may require as a condition to receiving assistance under section 16 that a business concern requesting such assistance implement, or assist the Secretary to implement, any program developed under subsection (a).

ELIGIBILITY OF BUSINESS CONCERNS FOR ASSISTANCE

SEC. 15. (a) A business concern required to give notice under section 4(a) which requests in accordance with subsection (b) assistance under section 16 shall be eligible to receive such assistance with respect to a change of operations at any establishment if the Secretary determines that—

(1) such business concern intends to undertake a change of operations at such establishment, and such change of operations will cause a substantial number of employees to suffer an employment loss,

(2) such business concern will make all reasonable efforts to prevent the occurrence of such employment loss, and such efforts and the resources of such business concern will be inadequate to prevent such employment loss unless assistance is provided by the Secretary under section 16,

(3) such assistance, if provided, will with reasonable certainty enable such business concern to operate such establishment on an improved economic basis within a reasonable period of time and without undertaking such change of operations, and

(4) such business concern has complied with the requirements of section 4(a).

(b)(1) To request any assistance under section 16 with respect to an establishment, a business concern shall submit an application in such form, and containing such assurances and information in addition to the information required in paragraph (2), as the Secretary may require by rule.

(2) Any application submitted in accordance with paragraph (1) shall include a proposal setting forth in such detail as the Secretary may require by rule the uses (including any modification of product lines and production techniques) to which such assistance will be put, and the anticipated effects of each such use.

(3) The Secretary may assist any business concern in preparing any application to be submitted in accordance with paragraph (1).

(c)(1) As soon as practicable and not later than 60 days after a business concern submits an application under subsection (b), the Secretary shall determine whether such business concern is eligible under subsection (a) to receive assistance.

(2) If the Secretary determines that such business concern is eligible to receive such assistance, then such business concern shall be considered to remain eligible to receive such assistance during such period as the Secretary may establish.

ASSISTANCE TO BUSINESS CONCERNS

SEC. 16. (a)(1) The Secretary may provide to a business concern which is eligible under section 15 such financial assistance, on such terms and conditions as the Secretary deems to be appropriate, as will substantially contribute to the economic viability of the establishment with respect to which such assistance is requested. Such financial assistance may include loans, loan guarantees, interest subsidies, and the assumption by the Secretary of any outstanding debt of such business concern.

(2) The assumption of any outstanding debt of a business concern by the Secretary under paragraph (1), with or without recourse, shall be considered to be a loan made to such business concern.

(3) A loan or loan guarantee shall be made by the Secretary under paragraph (1) only if the Secretary determines that the interest rate payable under the terms of such loan or the loan guaranteed, as the case may be, is reasonable.

(4) No financial assistance shall be provided under paragraph (1) unless the Secretary determines that substantially equivalent financial assistance is unavailable to such business concern with respect to such establishment from any conventional source other than the United States, and that there is a reasonable likelihood that such business concern will repay the Secretary the amount of any financial assistance provided under such paragraph.

(b) The Secretary may provide to a business concern which is eligible under section 15 such technical assistance, on such terms and conditions as the Secretary deems to be appropriate, as will substantially contribute to the economic viability of the establishment with respect to which such assistance is requested. Such technical assistance may include grants and contracts for research and development in connection with new production or marketing techniques which will create new employment opportunities at such establishment.

TARGETED FEDERAL PROCUREMENT

SEC. 17. (a) If the Secretary finds that a business concern which complies with the requirements of section 4(a) will offer additional employment opportunities if such business concern enters into any agreement with the head of any executive agency for the procurement of products or services for the United States, then the Secretary shall issue a certificate of procurement credit to such business concern to be valid for such period as the Secretary deems to be appropriate.

(b) For the purpose of selecting any person from whom products or services will be purchased or will be acquired by contract for the United States, the head of any executive agency making such purchase or contract shall treat the amount stated in any bid submitted by a business concern which holds a valid certificate of procurement credit issued by the Secretary under subsection (a) as if such amount were equal to 95 percent of the amount stated in such bid.

ELIGIBILITY OF LOCAL GOVERNMENTS FOR ASSISTANCE

SEC. 18. (a) Any unit of general local government of a State shall be eligible to receive assistance under section 19 with respect to a change of operations undertaken by a business concern at an establishment (without regard to whether such establishment is within the jurisdiction of such unit of general local government), if the chief executive officer of the State involved certifies to the Secretary, and the Secretary determines, that such unit of general local government has suffered, or will suffer, as a result of such change of operations—

(1) a substantial decrease in income resulting from a decrease in the amount of revenue paid to such unit of general local government by such business concern or by the employees of such establishment, (2) a substantial increase in the demand for, or utilization of, social services provided by such unit of general local government, or

(3) a substantial increase in the number of unemployed individuals who reside within the jurisdiction of such unit of general local government.

(b)(1) The Secretary shall make a determination regarding the eligibility of a unit of general local government under subsection (a) not later than 60 days after the Secretary receives the certification required in such subsection.

(2) If the Secretary determines that a unit of general local government is eligible under subsection (a) to receive assistance under section 19, the Secretary shall develop, in consultation with such unit of general local government, a program to provide assistance under such section.

ASSISTANCE TO LOCAL GOVERNMENTS

SEC. 19. (a) The Secretary may provide, on such terms and conditions as the Secretary deems to be appropriate, to a unit of general local government which is eligible under section 18 grants, loans, and loan guarantees, for purposes of—

(1) providing additional, or increasing the availability of, social services needed to satisfy the increased demand for such services referred to in section 18(a)(2), and

(2) implementing any plan for a public works project submitted to the Secretary by such unit of general local government and approved by the Secretary under subsection (b)(2).

(b)(1) The assistance authorized to be provided in subsection (a)(2) may be provided to implement a plan for a public works project only if—

(A) the unit of general local government requesting such assistance submits to the Secretary a plan for such project which includes a detailed statement of the purpose, budget, and construction schedule of such project, and the number and skills of the employees needed to implement such plan, and

(B) the Secretary approves such plan.

(2) The Secretary may approve any such plan which satisfies the requirements of paragraph (1)(A).

(3) For the purpose of determining whether to provide assistance under subsection (a)(2), the Secretary shall give priority to public works projects which will—

(A) be constructed in geographical areas in which the rate of unemployment is high,

(B) make such geographical areas more attractive for commercial investment,

(C) cause a long-term increase in employment opportunities in such geographical areas,

(D) provide an efficient means to increase the level of employment, and

(E) further other national goals, such as improving the quality of the environment and increasing the development and conservation of energy.

ELIGIBILITY OF CERTAIN EMPLOYERS AND OF COOPERATIVE ASSOCIATIONS OF EMPLOYEES FOR ASSISTANCE

SEC. 20. (a) Any employer (other than a business concern required to give notice under section 4(a)) or cooperative association of employees which requests in accordance with subsection (b) assistance under section 21 shall be eligible to receive such assistance if the Secretary determines that—

(1) such employer or cooperative association of employees will create or expand employment opportunities and will provide continuous employment over a substantial period of time, and

(2) substantially equivalent assistance is not reasonably available to such employer or cooperative association from any other source.

(b) For the purpose of requesting any assistance for which an employer or cooperative association may be eligible under subsection (a), such employer or cooperative association shall submit to the Secretary an application which provides such information and such assurances as the Secretary may require by rule.

ASSISTANCE TO CERTAIN EMPLOYERS AND TO COOPERATIVE ASSOCIATIONS OF EMPLOYEES

SEC. 21. The Secretary may provide, on such terms and conditions as the Secretary deems to be appropriate, to any employer or cooperative association of employees which is eligible under section 20 loans, loan guarantees, and technical assistance for the purpose of—

(1) expanding operations at, or acquiring ownership of, an establishment with respect to which notice is required under section 4(a),

(2) constructing new establishments, or

(3) undertaking research and development projects designed to identify new markets and additional employment opportunities related to entry into such markets, and new production and marketing techniques.

PRIORITY FOR PROVIDING ASSISTANCE

SEC. 22. The Secretary, in providing assistance under sections 16, 19, and 21, shall give priority to developing and implementing plans to enable employees at an establishment with respect to which notice is required under section 4(a) to continue to perform operations at such establishment if there is a reasonable likelihood that such operations will provide continuous employment over a substantial period of time.

LIABILITY FOR LOSS OF REVENUE

SEC. 23. (a)(1) If, after a hearing on the record, the Secretary finds that a business concern is required to give notice under section 4(a), then such business concern shall be liable as provided in paragraph (2) to each unit of general local government to which such business concern was liable for any revenue payable with respect to real or personal property at the establishment involved, in any of the 3 fiscal years of such unit of general local government preceding the first fiscal year of such unit of general local government in which such business concern undertakes the change of operations with respect to which such finding is made.

(2) The amount for which such business concern shall be liable under paragraph (1) to such unit of general local government shall be an amount equal to 85 percent of the difference between—

(A) the average of the amounts of such revenue for which such business concern was liable to such unit of general local government for the taxable years ending in such 3 fiscal years, and

(B) the amount of such revenue for which such business concern is liable to such unit of general local government for the first complete taxable year of such business concern occurring after the end of the period with respect to which such finding is made,

to the extent that such difference is directly related to such change of operations.

(b) Whenever a business concern fails to pay to any unit of general local government any amount for which such business concern is liable under subsection (a)—

(1) such amount shall be deemed to be a debt owed to the United States by such business concern and shall bear simple interest at 9 percent per annum, and

(2) the Secretary shall pay such amount to such unit of general local government at the request of such unit of general local government.

(c)(1) If, after a hearing on the record, the Secretary finds that a business concern is required to give notice under section 4(a) with respect to an establishment located in the United States and such business concern undertook a change of operations which involved the transfer of such operations from such establishment to an establishment outside the United States when an economically viable alternative to such transfer existed, then such business concern shall be liable to the United States as provided in paragraph (2).

(2) The amount for which such business concern shall be liable under paragraph (1) shall be an amount equal to 200 percent of the difference between—

(A) the average of the amounts of revenue allocable to such establishment for which such business concern was liable to the United States for the 3 taxable years of such business concern preceding the first or only taxable year in which such business concern transfers the operations with respect to which such finding is made, and

(B) the amount of revenue allocable to such establishment for which such business concern is liable to the United States payable for the first complete taxable year of such business concern occurring after the end of the period with respect to which such finding is made.

CRIMINAL VIOLATIONS AND PENALTIES

SEC. 24. (a)(1) Whoever knowingly makes any false statement of any material fact or knowingly fails to disclose any material fact, for the purpose of obtaining for any person or any unit of general local government any payment or other assistance under this Act shall be fined not more than $1,000, imprisoned for not more than 1 year, or both.

(2) Any person—

(A) who is convicted of violating paragraph (1), and

(B) who receives any payment under this Act as a result of the conduct prohibited in such paragraph,

shall pay to the United States an amount equal to the amount so received.

(b) Any person who gives notice required in section 4(a) and who knowingly makes any false statement of any material fact or knowingly fails to disclose any material fact required to be disclosed under such section shall be fined not more than $10,000, imprisoned for not more than 5 years, or both.

CIVIL VIOLATIONS AND PENALTIES

SEC. 25. (a) It shall be unlawful for any business concern to fail—

(1) to give notice required in section 4(a),

(2) to provide assistance with respect to employees under section 9, or

(3) to pay any debt owed to the United States under section 9(d)(1) or section 23(b)(1) before the expiration of the 180-day period beginning on the date such debt is incurred.

(b) The Secretary may hold a hearing on the record to determine whether a business concern has violated subsection (a).

(c) If, after a hearing under subsection (b), the Secretary finds that a business concern has violated subsection (a), then the Secretary shall assess against such business concern a civil penalty not to exceed an amount equal to the sum of—

(1) an amount equal to any allowable credit claimed by such business concern under section 38 of the Internal Revenue Code of 1954 (relating to investment in certain depreciable property) with respect to any equipment transferred, disposed of, or abandoned as a result of the change of operations which is the subject of such violation,

(2) an amount equal to any allowable deduction for depreciation claimed by such business concern under section 167 of the Internal Revenue Code of 1954 (relating to depreciation) or section 611 of the Internal Revenue Code of 1954 (relating to allowance of deduction for depletion) with respect to any property transferred, disposed of, or abandoned as a result of such change of operations,

(3) an amount equal to any allowable deduction for ordinary and necessary expenses claimed by such business concern under sec-

tion 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), to the extent such expenses are directly related to such change of operations,

(4) an amount equal to one-half of the value of any economic benefit given by any government of a foreign country to such business concern in the 2-year period beginning on the date such business concern concludes the change of operations with respect to which such violation is found, as an inducement to undertake such change of operations, and

(5) an amount equal to the amount by which the sum of the aggregate wages and the aggregate taxes imposed by chapter 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) payable by such business concern for the taxable year—

(A) preceding the date which occurs 1 year before such change of operations is to begin, in the case of a business concern required to give notice within the time required in section 4(b)(3)(A)(i), or

(B) preceding the date which occurs 6 calendar months before such change of operations is to begin, in the case of a business concern required to give notice within the time required in clause (ii) or clause (iii) of section 4(b)(3)(A),

exceeds one-half of the sum of the aggregate wages and the aggregate taxes imposed by chapter 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) payable by such business concern for the period of 2 taxable years beginning after the date such business concern concludes such change of operations, to the extent that any amount calculated in accordance with this paragraph is directly related to such change of operations.

VIOLATIONS OF EMPLOYEES' RIGHTS

SEC. 26. (a) It shall be unlawful for any business concern required to give notice under section 4(a) to fail to comply with section 11(a) in the case of any employee who suffers an employment loss at any establishment with respect to which such notice is required.

(b) It shall be unlawful for any business concern to discriminate against any employee because such employee participated in, assisted in any manner, or requested any investigation, hearing, or other proceeding under this Act.

(c)(1) If any employee of a business concern believes that any violation of subsection (a) or subsection (b) has been committed with respect to him, then such employee may file a complaint with the Secretary, not later than 180 days after the commission of such violation.

(2)(A) The Secretary may hold a hearing on the record with respect to any act, or failure to act, described in such complaint to determine whether such act, or failure to act, occurred and is in violation of subsection (a) or subsection (b).

(B) Not later than 180 days after such complaint is filed with the Secretary, the Secretary shall notify such employee whether a hearing under subparagraph (A) will be held.

(3)(A) If the Secretary finds in accordance with paragraph (2)(A) that a violation of subsection (a) or subsection (b) has occurred, then the business concern which committed such violation shall take such action with respect to such employee as the Secretary finds equitable and orders, including the transfer or reinstatement of such employee.

(B) Whenever the Secretary orders a business concern to transfer or reinstate an employee under subparagraph (A), such business concern shall pay such employee an amount equal to 300 percent of the amount of the wages such employee would have received from such business concern if such employee had been offered and had accepted the employment with respect to which a violation of subsection (a) is found or if such employer had not discriminated against such employee in violation of subsection (b), as the case may be.

(d) Subsection (a) and subsection (b) shall not be construed to authorize any private right of action with respect to any act or failure to act which may violate subsection (a) or subsection (b).

RECOVERY OF OVERPAYMENTS

SEC. 27. (a) If the Secretary has reasonable cause to believe that any recipient of assistance under section 13 has knowingly made, or has caused another person to knowingly make, any false statement of any material fact or has knowingly failed, or caused another person to fail, to disclose any material fact, and as a result of such action has received any payment of assistance under such section, then the Secretary shall—

(1) refuse to make any additional payment of assistance to such recipient if such recipient is ineligible to receive such assistance, or

(2) reduce the amount of such payment of assistance paid to such recipient if such recipient is eligible to receive a reduced amount, but shall deduct from any such payment an amount equal to the amount of any overpayment received by the recipient which is not repaid to the Secretary by such recipient.

(b) Any amount repaid to, or deducted by, the Secretary under subsection (a)(2) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which such payment was made.

RESERVES; RECORDING REQUIREMENTS RELATING TO LOANS

SEC. 28. (a) The Secretary shall maintain operating reserves with respect to anticipated claims under loan guarantees made under sections 16, 19, and 21. Such reserves shall be considered to constitute obligations of the United States for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200).

(b) Any mortgage acquired by the Secretary as security for any loan made under section 16, 19, or 21 shall be recorded by the Secretary in accordance with applicable State law.

CONGRESSIONAL DISAPPROVAL OF RULES

SEC. 29. (a) Except as provided in subsection (b), no rule promulgated by the Secretary for the purpose of carrying out the provisions of this Act shall take effect unless the Secretary submits such rule to the Congress and until the expiration of a thirty-day period beginning on the date such rule is submitted, during which the Congress is in session and does not adopt a concurrent resolution disapproving such rule.

(b) Any rule promulgated by the Secretary when the Congress is not in session may take effect and may remain in effect unless the Congress adopts a concurrent resolution disapproving such rule before the expiration of a thirty-day period beginning on the date the Congress reconvenes.

(c) For purposes of this section, the Congress shall be deemed to be in session except during any period when either House is in adjournment sine die, in adjournment subject to call of the Chair, or in adjournment to a day certain for a period exceeding four consecutive days.

REPORTS; LEGISLATIVE PROPOSALS

SEC. 30. (a) After any program implemented by the Secretary under section 13, 14, 16, 19, or 21 has been in operation for a period of three years, the Secretary shall evaluate the effectiveness of such program and shall prepare a report describing the results of such evaluation. Such report shall be submitted not later than one year after such period to each House of the Congress and shall be referred to the appropriate authorizing committees of each House of the Congress.

(b) The Secretary shall prepare proposals for legislation designed—

(1) to provide such assistance as the Secretary deems to be appropriate to units of general local government adversely affected by changes of operations at establishments, and

(2) to require business concerns to report on a continuing basis available employment opportunities to the Secretary for inclusion in any nationwide computerized job bank and matching program established under section 312(f) of the Comprehensive Employment and Training Act (29 U.S.C. 880(f)).

Such proposals shall be submitted, not later than 1 year after the date of the enactment of this Act, to each House of the Congress and shall be referred to the appropriate authorizing committees of each House of the Congress.

GENERAL POWERS OF SECRETARY

SEC. 31. For purposes of carrying out the provisions of this Act, the Secretary may—

(1) hold any hearings and take any testimony at such times and places as the Secretary deems to be appropriate,

(2) request directly from any executive agency any information, suggestions, estimates, and statistics which the Secretary deems to be necessary to carry out the provisions of this Act, and each executive agency is hereby authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary,

(3) under rules promulgated by the Secretary, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions as he determines to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by the Secretary in connection with loans made by the Secretary under sections 16, 19, and 21,

(4) extend the maturity of or renew any loan made by the Secretary under section 16, 19, or 21 beyond the period stated in such loan for additional periods not to exceed a total of 10 years, if such extension or such renewal will aid in the orderly liquidation of such loan,

(5) accept and utilize the services of voluntary and noncompensated personnel and reimburse such personnel for travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5, United States Code,

(6) enter into contracts, grants, or other arrangements under this Act without entering into performance or other bonds, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), and

(7) make advances, progress payments, and other payments which the Secretary deems to be necessary under this Act, without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

IMPLEMENTATION OF EMPLOYMENT POLICIES THROUGH NATIONAL EMPLOYMENT PRIORITIES ADMINISTRATION

SEC. 32. The Secretary shall carry out the provisions of this Act through the National Employment Priorities Administration and may delegate to the Administrator of the National Employment Priorities Administration any of the functions, powers, and duties vested in the Secretary in this Act.

NATIONAL EMPLOYMENT PRIORITIES ADMINISTRATION

SEC. 33. (a) There is hereby established in the Department of Labor the National Employment Priorities Administration.

(b)(1) There shall be an Administrator of the Administration who shall be appointed by the President by and with the advice and consent of the Senate. The Administrator shall perform the duties vested in the Administrator in subsection (c) and such other functions, powers, and duties as the Secretary may delegate to the Administrator under section 32.

(2) There shall be a Deputy Administrator of the Administration who shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Administrator shall perform such duties under this Act as the Administrator may delegate to the Deputy Administrator.

(c) In addition to performing any functions, powers, and duties delegated to the Administrator under section 32, the Administrator—

(1) may conduct research projects relating to any relationship between unemployment and changes of operations at establishments by business concerns, and

(2) shall, to the extent practicable, identify services and products which may profitably be provided by a business concern required to give notice under section 4(a) if such business concern receives assistance under section 15.

(d) The Administrator shall establish regional offices of the Administration at such places as the Administrator deems to be appropriate, for the purpose of carrying out the functions, powers, and duties of the Administrator under this Act.

NATIONAL EMPLOYMENT PRIORITIES ADVISORY COUNCIL

SEC. 34. (a) There is hereby established in the executive branch a National Employment Priorities Advisory Council.

(b) The duties of the Council shall be—

(1) to advise and assist the Secretary with respect to carrying out the provisions of this Act,

(2) to review and evaluate the effectiveness of specific programs carried out under this Act,

(3) to conduct studies and prepare reports which will identify areas of future economic activity in which the United States is expected to engage at a competitive disadvantage with other countries, and identify industries in which a substantial number of business concerns may undertake a change of operations during such future economic activity, and

(4) to conduct research and prepare proposals designed to provide new programs for assisting employees and units of general local government affected by changes of operations at establishments and for assisting business concerns to create or expand employment opportunities in geographical areas in the jurisdiction of such units of general local government.

(c)(1) The Council shall be composed of 15 members as follows:

(A) the Secretary,

(B) the Administrator of the Environmental Protection Agency,

(C) the Director of the National Commission for Employment Policy,

(D) the Secretary of Commerce,

(E) the Secretary of Health, Education, and Welfare,

(F) four representative members of the general public,

(G) three representative members of labor organizations, and

(H) three representative members of business concerns.

(2)(A) The members of the Council described in subparagraphs (F), (G), and (H) of paragraph (1) shall be appointed by the President for a term of 3 years, by and with the advice and consent of the Senate.

(B) A vacancy on the Council shall be filled in the manner in which the original appointment was made. Any member of the Council described in subparagraph (F), (G), or (H) of paragraph (1) who is appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of such member was appointed shall be appointed only for the remainder of such term.

(d) The chairman of the Council shall be the Secretary.

(e) The Council shall meet at least 4 times each year at the call of the chairman or of a majority of the members.

(f) Ten members of the Council shall constitute a quorum but 8 members shall constitute a quorum for the purpose of holding hearings under subsection (g).

(g) For purposes of carrying out subsection (b), the Council may hold any hearings and may gather any evidence at such times and places as the Council deems to be appropriate.

(h) Each member of the Council who is not an officer or employee of the United States shall receive—

(1) compensation at a rate not to exceed the daily rate payable from time to time for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day such member is engaged in the performance of duties as a member of the Council, and

(2) travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5, United States Code.

(i)(1) Subject to such rules as the Council may promulgate and, except as provided in paragraph (2), to the provisions of title 5, United States Code, governing appointments in the competitive service, the chairman of the Council may appoint such personnel as the chairman deems to be appropriate. Such personnel shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(2) Subject to such rules as the Council may promulgate, the chairman may—

(A) appoint and fix the pay of 20 percent of the number of regular, full-time technical and professional employees, and

(B) appoint for terms not to exceed 3 years and fix the pay of technical and professional employees in addition to the employees appointed under subparagraph (A) as the chairman deems to be appropriate,

without regard to the provisions of title 5, United States Code relating to appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(3) Upon the request of the Council, the head of any executive agency is authorized to detail, on a reimbursable basis, any personnel of such agency to the Council to assist the Council in carrying out the duties of the Council under subsection (b).

(j) The Administrator of General Services shall provide to the Council, on a reimbursable basis, such administrative support services as the Council may request.

(k) Not later than January 31 of each year, the Council shall submit to each House of the Congress a report describing the activities of the Council and summarizing the results of such activities during the previous calendar year.

(l) Section 14(a)(2) of the Advisory Committee Act (5 U.S.C. app.) shall not apply with respect to the Council.

AMENDMENTS TO OTHER LAWS

SEC. 35. (a)(1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(70) Administrator, National Employment Priorities Administration.".

(2) Section 5315 of title 5, United States Code, is amended by adding at the end thereof of the following new paragraph:

"(125) Deputy Administrator, National Employment Priorities Administration.".

(b) Section 523 of title 11, United States Code, is amended—

(1) by striking out "or" the last place it appears in paragraph (8),

(2) by striking out the period in paragraph (9) and inserting in lieu thereof "; or", and

(3) by adding at the end thereof the following new paragraph:

"(10) to the United States under section 9(d)(1) or section 23(b)(1) of the National Employment Priorities Act of 1979.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 36. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Sums appropriated pursuant to this section shall remain available until expended.

SECTION-BY-SECTION SUMMARY

Sec. 1. Short Title; Table of Contents.

Sec. 2. Findings and Purpose.

Sec. 3. Definitions.

Sec. 4. Notice of Intent to Change Operations.—

Requires business concerns intending to undertake changes of operations causing employment losses for 100 employees or 15 percent of the workforce at an establishment, whichever is less, to notify the employees, any affected labor organizations, the Secretary of Labor, and local governments—

(1) at least 2 years in advance, if 500 employees or more will be affected;

(2) at least 18 months in advance, if from 100 to 500 employees will be affected;

(3) at least 6 months in advance, if fewer than 100 employees (but more than 15 percent of an establishment) will be affected.

Sec. 5. Investigation of Intended Change of Operations.—

Authorizes the Secretary of Labor to hold investigations into the economic reasons for the change of operations, the estimated extent of economic or social loss to employees and local governments, the feasibility of preventing or minimizing employment losses by modification of product lines and production techniques, and recommendations of local governments, labor organizations, and others to prevent or alleviate such losses.

Sec. 6. Report of Investigation.—

Instructs the Secretary of Labor to issue a report summarizing the findings and recommendations resulting from such investigations, including a description of the nature and extent of assistance which would be required to prevent or minimize losses.

Sec. 7. Ineligibility of certain employees for assistance.—

Disqualifies employees who entered employment after notice of the intended change of operations, if they were informed of the intended change.

Sec. 8. Notice of Employment Status.—

Requires business concerns suspending or terminating employment or reducing below 85 percent the wages of an employee as a result of a covered change of operations to notify such employee whether reemployment will be offered within 26 weeks. If reemployment is not pledged, the employee becomes eligible for assistance. If reemployment is pledged but not provided within 26 weeks, the employee receives lump-sum back benefits for the 26 week period and becomes eligible for assistance at the end of the 26 weeks.

Sec. 9. Transitional Assistance by Business Concerns.—

Requires business concerns to pay eligible employees 52 weeks of income maintenance payments equal to 85 percent of their previous weekly wage (or 100 percent if such employees are participating in approved training programs to prepare them for other employment) and to continue their benefits. Payments are reduced for outside earnings, unemployment compensation, and trade adjustment assistance, and are capped at $25,000 for 52-week period. No payments are required to employees who refuse comparable employment or who fail to participate satisfactorily in training or placement programs. Relocation assistance is required for transferred employees. Workers near retirement age receive payments for longer periods (depending on their age), with the federal government reimbursing companies for such extended payments.

Sec. 10. Secondary Liability.—

Provides that a company cannot escape liability for such payments by selling off plants scheduled for shutdown.

Sec. 11. Transfer of Employees.—

Requires companies to offer transfers within 3-year period to affected employees if comparable employment is available at other establishments of such company, to the extent such transfers do not violate collective bargaining agreements.

Sec. 12. Employee Benefit Plans.—

Continues coverage under employee benefit plans for period of income maintenance payments, and vests pension rights for workers with 5 years coverage who suffer eligible employment losses. Authorizes early retirement at reduced pensions for workers 55 and over.

Sec. 13. Federal Assistance to Employees.—

Instructs Secretary of Labor to conduct training programs, job placement services, relocation assistance, and job search assistance for eligible employees, through existing as well as new programs, after consultation with management and labor.

Sec. 14. Related Retraining Assistance to Employees.—

Authorizes programs of retraining to enable employees to perform new employment tasks to avert plant closings.

Sec. 15. Eligibility of Business Concerns for Assistance.—

Provides that companies intending to change operations may submit a request for assistance if their resources would be inadequate to prevent the employment losses and such assistance would enable the companies to operate the establishments on an improved economic basis within a reasonable period of time.

Sec. 16. Assistance to Business Concerns.—

Authorizes the Secretary of Labor to provide loans, loan guarantees, and interest subsidies to eligible businesses, plus technical assistance including research and development in connection with new production or marketing techniques to create new employment opportunities.

Sec. 17. Targeted Federal Procurement.—

Authorizes the Secretary of Labor to issue a certificate of procurement credit to companies able to avert employment losses through federal procurement contracts, which will discount such companies' bids by 5 percent.

Sec. 18. Eligibility of Local Governments for Assistance.—

Provides that local governments suffering a substantial decrease in tax revenue, a substantial increase in the demand for social services, or a substantial increase in unemployment are eligible for assistance.

Sec. 19. Assistance to Local Governments.—

Authorizes the Secretary of Labor to provide grants, loans, and loan guarantees to eligible local governments for providing social services and implementing public works projects, giving priority to public works projects in geographical areas of high unemployment which will make such areas more attractive for commercial investment, cause a long-term increase in employment opportunities, provide an efficient means of increasing employment, and further other national goals such as improving environmental quality and increases energy development and conservation.

Sec. 20. Eligibility of Other Employers and of Cooperative Associations of Employees for Assistance.—

Provides that employers or cooperative employee associations are eligible for assistance if they will create or expand employment opportunities over a substantial period of time and substantially equivalent assistance is not otherwise available.

Sec. 21. Assistance to Other Employers and to Cooperative Associations of Employees.—

Authorizes the Secretary of Labor to provide loans, loan guarantees, and technical assistance for expanding operations at or acquiring ownership of plants undergoing a covered change of operations, for constructing new establishments, or for undertaking research and development projects to identify new markets and new production and marketing techniques.

Sec. 22. Priority for Providing Assistance.—

Gives priority to operations with a reasonable likelihood of providing continuous employment over a substantial period of time.

Sec. 23. Liability for Loss of Revenue.—

Requires companies to pay local governments 85 percent of the tax revenue lost over the first complete taxable year after a covered change of operations. In the case of a transfer of operations outside the United States where the Secretary of Labor finds an economically viable alternative to such transfer existed, the company will be liable to the United States for 300 percent of the tax loss resulting from such transfer.

Sec. 24. Criminal Violations and Penalties.—

Provides penalties of up to $1,000 or 1 year in jail or both for knowingly making false statements or failing to disclose material facts for the purpose of obtaining assistance under this Act. Provides penalties of up to $10,000 or 5 years in jail or both for failing to give notice of knowingly making false statements of material fact or failing to disclose material fact required to be disclosed under this Act.

Sec. 25. Civil Violations and Penalties.—

Provides civil penalties for other violations of the Act equal to investment tax credits, deductions or depreciation, business expense deductions, half the value of economic benefits from foreign countries, and reduced wages and unemployment taxes related to establishments undergoing covered changes of operations.

Sec. 26. Violations of Employees' Rights.—

Prohibits discrimination against employees because of their exercise of rights or participation in activities under this Act.

Sec. 27. Recovery of Overpayments.—

Authorizes the Secretary of Labor to recovery (through reduced or withheld assistance or otherwise) overpayments resulting from false statements or concealed material facts.

Sec. 28. Reserves; Recording Requirements Relating to Loans.—

Instructs the Secretary of Labor to maintain operating reserves and to record mortgages in accordance with state law.

Sec. 29. Congressional Disapproval of Rules.—

Provides for invalidation of proposed rules through adoption of a concurrent resolution within 30 days following their proposal.

Sec. 30. Reports; Legislative Proposals.—

Instructs the Secretary of Labor to evaluate and report upon the effectiveness of programs after 3 years of operations and to prepare proposals for legislation to provide assistance to local governments and to require business concerns to report employment opportunities for inclusion in a nationwide computerized job bank and matching program under CETA.

Sec. 31. General Powers of Secretary.—

Sec. 32. Implementation of Employment Policies Through National Employment Priorities Administration.—

Authorizes the Secretary of Labor to delegate functions to the National Employment Priorities Administration.

Sec. 33. National Employment Priorities Administration.—

Establishes a National Employment Priorities Administration within the Department of Labor.

Sec. 34. National Employment Priorities Advisory Council.—

Establishes a National Employment Priorities Advisory Council of 15 government, labor, business, and public members.

Sec. 35. Amendments to Other Laws.

Sec. 36. Authorization of Appropriations.—

Authorizes such sums as may be necessary.●

By Mr. WILLIAMS:

S. 1609. A bill to facilitate economic adjustment of communities and workers, to preserve jobs and stabilize communities, to require prenotification to affected employees and communities of closings and relocations of business concerns, to provide assistance (including retraining) to employees who suffer employment loss because of closings and relocations of business concerns; to the Committee on Labor and Human Resources.

EMPLOYEE PROTECTION AND COMMUNITY STABILIZATION ACT OF 1979

● Mr. WILLIAMS. Mr. President, today I am introducing the Employee Protection and Community Stabilization Act of 1979, a bill to develop a comprehensive national policy for easing the economic dislocation caused by industrial plant closings.

Since the end of World War II, the United States has experienced a steady exodus of economic resources from older industrialized cities in the Northeast and Midwest to the South, the Southwest, and abroad.

In the last decade, plant shutdowns have occurred with alarming frequency and there is little reason to believe this trend will decrease in the near future. An estimated 500 industrial plants in my home State of New Jersey have closed their doors since 1965. Since 1969 New Jersey has lost over 115,000 factory jobs.

Michigan and Ohio have lost nearly 100,000 each in about the same period and one survey shows a 900,000 job loss in the Northeast and Midwest.

Plant shutdowns are not confined to major cities. They affect small towns and rural areas as well, often with more devastating effects. Other regions, including the South, are also affected.

An announcement by a local firm that it will close its doors sends a shock wave through a community. Workers who lose their jobs may not be able to find new ones. Those who do may find their wages drastically reduced. Families may be uprooted as workers are forced to find work in othe. parts of the country.

The mental and physical health of displaced workers declines at an alarming rate just when the community is least

able to afford and provide social services. Joint studies conducted by researchers at Brown and Yale Universities over a 13-year period show that the suicide rate among workers displaced by plant closings is almost 30 times the national average. Such workers also suffer a far higher incidence of heart disease, hypertension and other ailments.

Plant closings in communities which already have high rates of unemployment further aggravate the problem and make economic revival much more difficult. The outflow of industry may erode an already weakened local tax base. Suppliers and retail stores may reduce operations or go out of business. And all of these factors discourage new investments.

In some cases, communities may be able to find new businesses to replace the old. But if this is not the case, younger and more skilled workers will leave the community. The least mobile, those who are older or less skilled, will remain, often without the prospect of finding a new job. Unemployment rolls will swell and drain scarce community welfare funds.

The causes of economic dislocation are many and varied. Demand for labor in a given industry may decline because of foreign competition or because domestic producers in related industries are competing for the same consumer dollar. Technological change may result in substitution of capital for labor.

For years most European countries have recognized the economic and social costs of these shifts in production and have dealt successfully with them.

In the United States, however, we have yet to carefully examine the problem, in part because of the belief of some who see the invisible but discerning hand of the market.

This view provides a good deal of comfort for those unaffected by the problem, but little for those who suffer from its very real consequences.

The difficulty with the strict market approach is that the local character of the effect of a plant closing gets lost in the aggregate picture of the market. The loss of a steel plant in Youngstown is trivial in a labor market of 90 million; it is not trivial to Youngstown.

Congress has responded only sporadically to the problems of economic dislocation, recognizing the need for special relief in specific industries.

We have enacted the trade adjustment assistance program, which compensates and retrains workers who lose their jobs because of increased imports. We have enacted legislation to protect railroad, transit, and airline workers whose working conditions have been drastically altered because of changes in Government policy. But we have yet to develop a comprehensive approach to the dislocations which result from private sector decisions.

The Employee Protection and Community Stabilization Act of 1979 is designed to ease the economic transition of communities and workers faced with plant shutdowns. The bill will encourage employees and employee/community groups to purchase and operate firms which would otherwise close their doors or, where such a solution is not feasible, require employers to provide protection for affected employees and communities.

The bill is divided into three parts: The first, requiring prenotification; the second, providing adjustment assistance to affected employees; and third, permitting firms to avoid liability when employees purchase and operate the firm.

In many cases the decision to close or relocate is made so abruptly that workers and the affected community have little or no opportunity to respond. Because time is needed for a community to plan for the transition and to determine whether or not a transfer of ownership is feasible, firms should be required to provide adequate notice of an intention to close or relocate. The bill therefore requires firms to provide a 1-year notice or, if impractical, to provide notice promptly.

Once notice is provided, within 30 days the firm must prepare an economic and social impact statement detailing the reasons for and projected consequences of its decision. This information will be used for two purposes: First, it will enable the Secretary of Labor to evaluate the information and recommend steps to alleviate the consequences of the action; second, it will enable the public to evaluate the costs of the move in comparison to the economic benefits to the corporation. The employees and community may decide that the abandoned firm can remain open and operate at a profit. This legislation permits them to file an application for assistance from the Economic Development Administration or the Department of Housing and Urban Development for purchasing and operating the firm.

The concept of employee ownership of industrial firms should be encouraged to preserve jobs and protect the local economy. There are numerous successful experiences of employee/community ownership of firms that would otherwise have shut down. The preliminary evidence suggests that employee ownership can stimulate productivity, assure individuals of a more secure financial future and promote a greater feeling among workers that they play an important role in the economy of their community.

In most cases, a transfer of ownership will be neither technically nor economically feasible. Accordingly, my bill requires firms which are terminating or transferring operations to provide the following protections for employees:

The right of transfer to the firm's new facility or any other comparable facility.

Relocation expenses for transferring employees.

Severance pay to supplement unemployment insurance to assure that each employee will receive 85 percent of his or her wage rate for up to 52 weeks.

Continuation of health and welfare benefit coverage for 1 year or until the worker finds new employment which provides similar coverage, whichever occurs first.

The bill contains three provisions designed to ease the transition of older workers. First, workers over 55 will be entitled to receive the severance pay supplement up to 104 weeks; second, workers may elect to receive an immediate annuity at an actuarially reduced rate if they are over 50 years of age; and third, an employer will be required to continue contributions if such contributions are necessary to enable the employee to become vested under his pension plan.

In addition, the bill targets existing Federal programs to assist terminated employees in finding new jobs and in obtaining new skills.

In the near future, the Senate Committee on Labor and Human Resources will conduct hearings in Washington and around the country to examine plant closings and how they affect American workers and communities. We intend to study very carefully the complex issues including employee ownership, adequate notification, severance pay, and benefit coverage. I expect these hearings to be very fruitful and informative to the Congress as it contemplates the proper legislative remedy.

I believe the economic dislocation of plant closings will become one of the major domestic issues this country will face in the 1980's. The Congress and the American people have the responsibility to develop a national strategy now and avoid economic turmoil in the future.

I ask unanimous consent that the text of the bill, together with a section-by-section analysis, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1609

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Employee Protection and Community Stabilization Act of 1979."

DECLARATION OF FINDINGS AND PURPOSES

SEC. 2. (1) The closing of establishments of business concerns cause irreparable social and economic harm to employees, local communities and the nation, and should be prevented whenever possible by strengthening local initiative and responsibility, and by providing assistance to individuals and communities to use their own resources;

(2) In many cases plant closings create structural unemployment for older workers which presently available programs fail to fully alleviate;

(3) Federal initiatives to reduce unemployment should place more stress on measures designed to prevent the loss of existing jobs and thereby reduce excessive pressure on and cost of existing governmental assistance programs.

(4) Business concerns wishing to close establishments or transfer certain operations to other establishments should take into account the social and community needs of employees and citizens in the areas in which the establishments operate;

(b) It is the policy of this Act—

(1) to provide communities and employees with adequate notice of decisions by business concerns to terminate or transfer operations of establishments in order to permit individuals and communities affected time to develop a strategy to minimize the impact of that decision;

(2) to save jobs and stabilize communities through a program which will facilitate employee or employee-community ownership and control of establishments which would otherwise shut down; and

(3) to recognize that whenever continued operation of an establishment by an em-

ployee or an employee-community group is not a viable solution, business concerns have a responsibility to the affected employees to alleviate the social and economic costs which result from the decision to terminate or transfer operations.

DEFINITIONS

SEC. 3. For the purpose of this Act—

(1) The term "affected community" means any unit of general local or county government in which an establishment is located.

(2) The term "business concern" means any enterprise engaged for profit in manufacturing, mining, transportation or wholesaling including the parent corporation together with any subsidiary which is owned in whole or in part by such concern and which owns in whole or in part more than one establishment.

(3) The term "employee benefit plan" shall have the meaning given it in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(4) The term "eligible organization" means an incorporated entity formed for the purpose of acquiring ownership of, or controlling interest in, a business concern or an establishment of a business concern which (A) intends to transfer or terminate operations or transfers or terminates operations and (B) meets the requirements of section 7.

(5) The term "eligible employee" means any employee other than an employee employed in an executive, administrative or professional capacity as defined by section 13(a)(1) of the Fair Labor Standards Act of 1938, who in any work week, by reason of termination of an establishment or a transfer of operations is unemployed or receives a wage which is less than 50 per centum of the average weekly wage such employees received during the three month period prior to the termination or transfer of operations.

(6) The term "establishment" means any factory, plant, mine, transportation, wholesaling or other storage facility, employing 50 or more individuals, of a business concern.

(7) The term "transfer of operations" means the relocation or reassignment of any activity conducted at an establishment of a business concern to another location beyond either reasonable commuting distance or outside the standard metropolitan statistical area in which that establishment is located, and which results or can reasonably be expected to result in a majority of the employees at such establishment becoming eligible employees.

(8) The term "taxable year" shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954 (defining taxable year).

(9) The term "Secretary" means the Secretary of Labor.

(10) The term "termination" means the closing of an establishment which results or can reasonably be expected to result in a majority of the employees at such establishment becoming eligible employees, except that such term does not include the closing of an establishment of a business concern whenever the closing results from seasonal factors and is customary in the industry of which the business concern is a part.

NOTICE REQUIREMENT

SEC. 4. (a) Whenever a business concern intends to terminate the operations of the concern or the operations of an establishment or to transfer operations of an establishment, the employer shall furnish to the community and the affected employees or any employee organization of the affected employees a notice of intent to terminate or transfer operations not less than one year prior to the date of such termination or transfer. If the intent to terminate operations of a business concern or operation of its establishment or transfer operations of an establishment is formed less than one year prior to the date of such termination or transfer the notice required by this section shall be given promptly.

(b) Within 30 days after the notification required by Section 4 has been provided, the business concern, in accordance with regulations issued by the Secretary, shall provide to the affected community, the affected employees or any employee organization of the affected employees, and to the Secretary, an economic impact statement which shall include:

(1) The reasons for undertaking the termination or transfer of operations at such establishment.

(2) Any alternative to undertaking such change of operations which were considered by the business concern.

(3) Any request made by such business concern for assistance available under the Public Works and Economic Development Act of 1965 as amended or the Housing and Community Development Act of 1977.

(4) The estimated extent of the employment loss which will result from such termination or transfer of operations.

(5) Estimated tax loss to any general unit of local and county government which will result from the termination or transfer of operations.

(6) Estimated increased cost to government funded income support programs.

(7) Estimate of the affect of such transfer or termination of operations on other business concerns or establishments located in the affected community.

(8) Any plan to minimize the effects of such change of operations on employees at such establishment and the affected community.

(9) The economic circumstances of such establishment including the level of profitability of operations at such establishment, and production at such establishment.

(10) The economic circumstances of such business concern and the feasibility of transferring employees affected by such change of operations to other establishments of such business concern, and

(11) The names and addresses of all employees who will suffer an employment loss as a result of such change and such other information as the Secretary may by rule require.

INVESTIGATION BY THE SECRETARY

SEC. 5. (a) In the case of any termination or transfer of operation at an establishment with respect to which notice is required in section 4(a)—

(1) the Secretary may conduct an investigation into, and shall hold public hearings on, the matters described in subsection (b) if the Secretary receives, not later than 60 days after such notice is given, a written request for such investigation from an authorized representative of the affected community, an employee organization representing the affected employees or from not less than 10 percent of the employees, at such establishment, and

(2) the Secretary may conduct an investigation into, and may hold hearings closed to the public on, the matters described (b), without regard to whether such notice is given, if—

(A) the Secretary determines that such investigation would serve the purpose of this Act, or

(B) the Secretary receives a request for such investigation from not less than 50 percent of the employees at such establishment.

(b) An investigation conducted by the Secretary under subsection (a) shall be directed to the following matters:

(1) The economic reasons for the intended termination or transfer of operations at the establishment of the business concern which is the subject of such investigation.

(2) The estimated extent of any economic or social loss to the employees affected by such termination or transfer of operation on the accuracy of the economic impact statement required by subsection (b).

(3) The estimated extent of any economic or social loss to any affected community and to any affected person in the geographical area in which such establishment is located.

(4) The recommendations of any authorized representative of any affected labor organization at such establishment, any representative of any affected community, and any other interested person.

(5) The feasibility of preventing or minimizing such employment loss by the modification of product lines and production techniques for the purpose of controlling interest in such establishment by an eligible organization as defined in Section 2 of this Act.

(c)(1) For the purpose of conducting any investigation under subsection (a), the Secretary may issue subpoenas requiring the attendance and testimony of witnesses and requiring the production of any evidence. The attendance of such witnesses and the production of such evidence may be required from any place in any State at any designated place of hearing in any State. The Secretary and any administrative law judge designated by the Secretary under subsection (d) may administer oaths and affirmations, examine witnesses, and receive evidence. Witnesses summoned before the Secretary or such administrative law judge shall be paid the same fees and mileage as are paid witnesses in the courts of the United States. Witnesses whose depositions are taken by the Secretary or by any person designated by the Secretary, and any person so designated who takes such depositions, shall be paid the same fees as are paid for like services in the courts of the United States.

(2) In case of contumacy or refusal to obey a subpena issued to any person under paragraph (1), any district court of the United States for any judicial district in which such investigation is conducted or in which such person guilty of contumacy or refusal to obey resides, is found, or transacts business, upon application by the Secretary shall have jurisdiction to issue an order requiring such person to appear before the Secretary, or before any administrative law judge designated by the Secretary under subsection (d), to produce evidence, give testimony, or both, regarding any matter under investigation. Any failure to obey such order issued by such court may be punished as a contempt of such court.

(3) Any subpena issued by the Secretary may be served upon any witness in person, by registered or certified mail, by telegraph, or by leaving such subpena at the residence or at the principal office or place of business of the person required to be served. The verified return by the individual serving such subpena, setting forth the manner of such service, shall be proof of service of such subpena, and the return post office receipt or telegraph receipt for any subpena served by mail or by telegraph, as the case may be, shall be proof of service of such subpena.

(4) All process of any court to which application may be made under paragraph (2) may be served in the judicial district in which the person required to be served resides or may be found.

(d) The Secretary may designate any administrative law judge within the Department of Labor to conduct any administrative proceeding in connection with any investigation conducted under subsection (a).

REPORT OF INVESTIGATION

SEC. 6. (a) After any investigation conducted under section 5(a) is concluded, the Secretary shall prepare and publish a report containing his findings with respect to the matters described in section 5(b) and, subject to subsection (b), his recommendations regarding actions required to be taken in order to prevent or minimize the harmful economic and social effects which will result from the change of operations at the establishment with respect to which such investigation is conducted. Such recommendations shall include a description of the nature and extent of the assistance authorized under this Act which would be required to prevent or minimize such effects.

(b) No recommendations shall be completed by the Secretary for inclusion in any report required under subsection (a) unless the Secretary has consulted with the business concern undertaking such change of operations, any authorized representative of any affected labor organization at the establishment involved, and any representative of any affected unit of general local government.

APPLICATION FOR ASSISTANCE

SEC. 7. If the recipients of a notice required by section 4 form an organization for the purpose of acquiring ownership of or controlling interest in a business concern or establishment required to provide notice under section 4, the organization may file or cause to be filed an application for assistance in obtaining ownership of or controlling interest in such concern or establishment as provided under title IX of the Public Works and Economic Development Act of 1965 or the Housing and Community Development Act of 1977.

ASSISTANCE TO ELIGIBLE EMPLOYEES

SEC. 8. (a) Whenever an eligible organization acquires ownership or controlling interest in a business concern or establishment of a business concern with assistance provided under the Public Works and Economic Development Act of 1965 or the Housing and Community Development Act of 1977, an eligible employee is entitled to—

(1) the right to obtain comparable employment at the establishment to which operations are transferred or to any other establishment of the business concern at which comparable production or operations are conducted for a period of one year following the date he becomes an eligible employee subject to the provisions of subsection (c); and

(2) relocation allowances substantially equivalent to and of the same type and kind provided to executive and managerial employees of the business concern or establishment.

(b) Whenever an eligible organization does not acquire ownership of or controlling interest in a business concern or an establishment of a business concern with the assistance provided under the Public Works and Economic Development Act of 1965 as amended or the Housing and Community Development Act of 1977 an eligible employee is entitled to—

(1) the right to obtain comparable employment at the establishment to which operations are transferred or to any other establishment of the business concern at which comparable production or operations are conducted for a period of one year following the date he becomes an eligible employee subject to the provisions of subsection (c);

(2) relocation allowances substantially equivalent to and of the same type and kind provided to executive and managerial employees of the business concern;

(3) maintenance of health and welfare benefit coverage provided at the time of closing or transfer for a one-year period or until the employee is employed in a position which provides substantially equivalent coverage, whichever occurs first, and for purposes of this clause an eligible employee who exercises the right of transfer shall not be deemed to have obtained substantially equivalent coverage;

(4) severance pay in an amount equal to the difference between the unemployment compensation insurance benefit to which such employee would be entitled under the law of the State in which he is employed and 85 percent of the full-time weekly equivalent of the hourly wage rate applicable at the time of layoff or termination, to the highest paying position such employee held during the preceding two-year period, payable weekly for a period not to exceed 52 weeks, except that an employee who has reached his 55th birthday on or before the date on which he becomes an eligible employee, shall be entitled to receive such payments for not more than an additional 52 weeks;

(5)(A) in the case of an employee who is a participant under an individual account plan (as defined in section 3(34) of the Employee Retirement Income Security Act of 1974) maintained by the business concern (or to which such business concern contributes), an immediate distribution from the plan in a sum equal to the balance in the employee's account, reduced by the extent to which any portion of such balance attributable to contributions by such business concern is not nonforfeitable; or

(B) in the case of an employee who is a participant in a defined benefit plan (as defined in section 3(35) of the Employee Retirement Income Security Act of 1974) maintained by the business concern (or to which such business concern contributes) the right, notwithstanding the terms of such plan, to elect to take early retirement benefits under such plan, commencing not earlier than the date on which the employee attains 50 years of age; except that—

(i) the benefits to which such an employee shall be entitled shall be the actuarial equivalent of the benefit to which such employee would have been entitled at the normal retirement age under the plan, and

(ii) such benefit may be reduced by the extent to which any portion of such employee's accrued benefit attributable to contributions by such business concern is not nonforfeitable.

(c)(1) In order to carry out clause (1) of subsection (a) or clause (1) of subsection (b), whenever a business concern transfers operations or opens a new establishment to produce comparable goods or to conduct similar operations previously performed at a terminating or transferring establishment the business concern shall, in cooperation with the Secretary of Labor, provide training to enable eligible employees who elect to transfer to adequately perform the duties required. Such employees shall be entitled to receive full pay and fringe benefits during the period of training required under this paragraph.

(2) A business concern or establishment of a concern required to provide notice under section 4 shall, from the date such notice is provided and in accordance with regulations promulgated by the Secretary, post at the terminating or transferring concern or establishment a listing of each employment opportunity which becomes or is likely to become available at the establishment to which operations are transferred or at any other establishment of the business concern at which comparable production or operations are conducted. Each listing shall be in writing and shall be prominently posted and shall describe with particularity the nature and classification of the employment opportunity, the training and skills required and shall in clear and concise language state the rights of eligible employees established under section 8 of this Act with respect thereto.

(d) Notwithstanding any other provision of this Act, the exercise of any right granted by this section shall be subject to the provisions of any collective-bargaining agreement in effect in any business concern or establishment to which such eligible employee transfers.

(e) Any eligible organization which becomes a successor to a business concern or establishment subject to the provisions of this Act shall be subject to the provisions of any collective-bargaining agreement in effect on the day before such acquisition or purchase.

(f) No business concern or establishment of a business concern shall be required to make a payment required under paragraph (4) of subsection (b) with respect to any employee for any week beginning after such employee—

(1) begins any employment offered under paragraph (1) of subsection (a) or paragraph (1) of subsection (b);

(2) refuses to accept employment offered by such business concerns or by any employer other than such business concern, located within a reasonable commuting distance of the residence of such employee, if such employment is commensurate with such employee's skills and experience;

(3) refuses to participate, or fails to make satisfactory progress, without good cause, in any training or placement program made available to such employee under section 10;

(4) receives a normal retirement benefit (as defined in section 3 (22) of the Employee Retirement Income Security Act of 1974), under any defined benefit plan to which such business concern or establishment of such business concern, made any payment with respect to such employee before such week.

(g) Any business concern or establishment subject to the provisions of subsection (b) of this section shall be liable to make payments to any employee benefit plan with respect to any eligible employee for the period during which such employee is entitled to receive benefits under paragraph (4) of subsection (b) of this section if such employee—

(i) has not, on or before the date on which he becomes an eligible employee, vested under such employee benefit plan; and

(ii) will, if such contributions are made during the period such employee is entitled to receive benefits provided under paragraph (4) of subsection (b), vest under the terms of such employee benefit plan.

For purposes of the preceding sentence, any period during which any suspension or termination of the employment of such employee is in effect, shall not be considered to be a break in service if such suspension or termination of employment results in such employment loss.

(h) Whenever a business concern fails to make any payment required in this section—

(1) the amount of such payment shall be deemed to be a debt owed to the United States by such business concern and shall bear simple interest at 9 percent per annum, and

(2) the Secretary shall make such payment with respect to the employee involved at the request of such employee or of any agent of such employee.

(i) Any amount received by an eligible employee during any week in accordance with the provisions of paragraph (4) of subsection (b) shall be reduced by—

(1) any amounts received by such eligible employees under the provisions of the Trade Act of 1974; and

(2) any other amounts received by such eligible employees in accordance with regulations promulgated by the Secretary.

ELIGIBLE ORGANIZATION

SEC. 9. (a) The Secretary shall certify as eligible any organization which:

(1) is incorporated in the State in which it is located;

(2) assures membership in the organization without regard to race, creed, color, national origin, sex or handicapped status;

(3) adopts an employee ownership plan which may include an employee stock ownership plan, provided that such plans conform to all requirements of the Internal Revenue Code of 1954, particularly those specified in section 401(a), and further provided that all employees of the concern will be offered an opportunity to particpate in the ownership plan, and that employees subject to a collective bargaining agreement will be included in such an offering, unless the union representing the employees in the bargaining specifically requests, in writing, exclusion from the plan.

(4) certifies to the Secretary that:

(i) the form of ownership and control has been freely adopted by the members of the organization;

(ii) no change in distribution of shares held in the business concern will occur without prior notice to the individual stockholders.

(5) provides to the maximum extent practicable, a method for the acquisition of a stock of persons no longer associated with the business concern in order to make such stock available to all employees of such concern on a nondiscriminatory basis;

(6) provides ample opportunity for membership by employees of the concern which the organization seeks to acquire or control; and

(7) complies with the stated purpose of this Act and the requirements of the Internal Revenue Code of 1954, as amended, and with such other requirements as the Secretary may prescribe.

TARGETED FEDERAL PROCUREMENT

SEC. 10. (a) Whenever an eligible organization acquires ownership of or controlling interest in a business concern or establishment of a business concern with assistance provided under the Public Works and Economic Development Act of 1965 as amended or the Housing and Community Development Act of 1977, the Secretary shall issue a certificate of procurement credit to such business concern to be valid for such period as the Secretary deems to be appropriate.

(b) For the purpose of selecting any person from whom products or services will be purchased or will be acquired by contract for the United States, the head of any executive agency making such purchase or contract shall treat the amount stated in any bid submitted by a business concern which holds a valid certificate of procurement credit issued by the Secretary under subsection (a) as if such amount were equal to 95 percent of the amount stated in such bid.

JOB PLACEMENT AND RETRAINING

SEC. 11. (a) The Secretary shall make every reasonable effort to secure for eligible employees counseling, testing, job placement services, and supportive and other services, provided for under any other Federal law.

(b)(1) If the Secretary determines that there is no suitable employment available for an employee but that suitable employment (which may include technical and professional employment) would be available if such employee received appropriate training, he may approve such training. Whenever possible, the Secretary shall provide or assure the provision of such training on the job and shall give priority consideration to such employees in the use of discretionary funds, except discretionary funds available for youth programs.

(2) The Secretary may, where appropriate, authorize supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when training is provided in facilities which are not within commuting distance of a regular place of residence of the eligible employee.

(3) Any eligible employee who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary shall not thereafter be entitled to payments under this part until he enters or resumes the training to which he has been so referred.

(c)(1) Any eligible employee may file an application with the Secretary for a job search allowance. Such allowance shall provide reimbursement to the employee of the cost of necessary job research expenses as further prescribed by the Secretary.

(2) A job search allowance may be granted only—

(A) to assist an eligible employee in securing a job within the United States;

(B) Whenever the Secretary determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides; and

(C) When the worker has filed an application for such allowance with the Secretary not later than one year after the date of his termination before his application under this subsection or (in the case of an employee who has been referred to training by the Secretary) within a reasonable period of time after the conclusion of such training period.

(3) No reimbursement under this subsection may exceed $600 for any employee.

PROHIBITIONS

SEC. 12. It shall be unlawful for any business concern—

(a) to fail or refuse to provide the notice required by Section 4 of this Act;

(b) to fail or refuse to provide severance pay, health and welfare benefit coverage, pension payments, early retirement benefits, or relocation expenses as required by section 8 of this Act;

(c) to fail to offer or refuse to permit an eligible employee to exercise the right to transfer or to fail or refuse to provide retraining as required by section 8(c) of this Act;

(d) to discharge or in any manner discriminate against any employee because such employee has filed an application or instituted or caused to be instituted any proceeding under or related to this Act, the Public Works and Economic Development Act of 1965 as amended, or the Housing and Community Development Act of 1977, or has testified or is about to testify in any such proceeding, or because of the exercise by such employee on behalf of himself or others of any right afforded by this Act or by the Public Works and Economic Development Act of 1977.

ENFORCEMENT

SEC. 13. (a) Any person aggrieved, or the Secretary, may bring a civil action—

(A) to enforce any provision of this Act and to redress any violation thereof;

(B) to obtain benefits due an eligible employee under section 8 of this Act;

(C) to enjoin any act or practice which violates any provision of this Act;

(D) for such legal and equitable relief as will effectuate the purposes of this Act; and

(E) to obtain other appropriate equitable relief, in the District Court of the United States wherein a business concern or the establishment of a business concern terminated operations or from which operations of a business concern or establishment will be or have been transferred.

(2) The Secretary may bring a civil action to collect the payment required under section 8(h).

(b) The Court shall have jurisdiction to determine that a business concern is required to provide notice under section 4 and to require a business concern to provide the benefits stated in section 8 and grant such other legal and equitable relief as will carry out the purpose of this Act.

(c)(1) If the Court finds that a business concern is required to give notice under section 4(a), such business concern shall be liable to any affected community for any revenue payable with respect to real or personal property or income at the establishment involved, in any of the three fiscal years preceding the first such fiscal year in which such business concern undertakes the termination or transfer of operations of the establishment with respect to which such finding is made.

(2) The amount for which such business concern shall be liable under paragraph (1) to any such affected community shall be an amount equal to 100 percent of the difference between—

(A) the average of the amounts of such revenue for which such business concern was liable to such affected community for the taxable years ending in such three fiscal years, and

(B) the amount of such revenue for which such business concern is liable to such affected communities for the first complete taxable year of such business concern occurring after the end of the period with respect to which such finding is made, to the extent that such difference is directly related to such change of operations.

(d) Whenever the Court finds that a business concern has—

(1) violated sections 4 and 8(1) of this Act, or

(2) willfully violated sections 8(2), 8(3), or 8(4) of this Act,

the Court may impose a civil penalty not to exceed an amount equal to the sum of—

(i) an amount equal to any allowable credit claimed by such business concern under section 38 of the Internal Revenue Code of 1954 (relating to investment in certain depreciable property) with respect to any equipment transferred, disposed of, or abandoned as a result of the change of operations which is the subject of such violation,

(ii) an amount equal to any allowable deduction for depreciation claimed by such business concern under section 167 of the Internal Revenue Code of 1954 (relating to depreciation) or section 611 of the Internal Revenue Code of 1954 (relating to allowance of education for depletion) with respect to any property transferred, disposed of, or abandoned as a result of such change of operations,

(iii) an amount equal to any allowable deduction for ordinary and necessary expenses claimed by such business concern under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), to the extent such expenses are directly related to such change of operations,

(iv) an amount equal to one-half of the value of any economic benefit given by any government of a foreign country to such business concern in the 2-year period beginning on the date such business concern concludes the change of operations with respect to which such violation is found, as an inducement to undertake such change of operations, and

(v) an amount equal to the amount by which the sum of the aggregate wages and the aggregate taxes imposed by chapter 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) payable by such business concern for the taxable year—

(A) preceding the date which occurs 1 year before such change of operations is to begin, in the case of a business concern required to give notice within the time required in section 4(b)(3)(A)(i), or

(B) preceding the date which occurs 6 calendar months before such change of operations is to begin, in the case of a business concern required to give notice within the

time required in clause (ii) or clause (iii) of section 4(b)(3)(A),

exceeds one-half of the sum of the aggregate wages and the aggregate taxes imposed by chapter 23 of the Internal Revenue Code of 1954 (relating to the Federal Unemployment Tax Act) payable by such business concern for the period of two taxable years beginning after the date such business concern concludes such change of operations, to the extent that any amount calculated in accordance with this paragraph is directly related to such change of operations.

ATTORNEYS' FEES

SEC. 14. In any action under this Act in which the Court finds that a violation has occurred, the Court may in its discretion allow a reasonable attorney's fee and costs to the prevailing party.

CRIMINAL VIOLATIONS AND PENALTIES

SEC. 15. (a)(1) Whoever knowingly makes any false statement of any material fact or knowingly fails to disclose any material fact, for the purpose of obtaining for any person or any unit of general local government any payment or other assistance under this Act shall be fined not more than $1,000, imprisoned for not more than one year, or both.

(2) Any person—

(A) who is convicted of violating paragraph (1), and

(B) who receives any payment under this Act as a result of the conduct prohibited in such paragraph, shall pay to the United States an amount equal to the amount so received.

(b) Any person who gives notice required in section 4(a) and who knowingly makes any false statement of any material fact or knowingly fails to disclose any material fact required to be disclosed under such section shall be fined not more than $10,000, imprisoned for not more than five years, or both.

RECOVERY OF OVERPAYMENTS

SEC. 16. (a) If the Secretary has reasonable cause to believe that any recipient of assistance under section 11 has knowingly made, or has caused another person to knowingly make, any false statement of any material fact or has knowingly failed, or caused another person to fail, to disclose any material fact, and as a result of such action has received any payment of assistance under such section, then the Secretary shall—

(1) refuse to make any additional payment of assistance to such recipient if such recipient is ineligible to receive such assistance, or

(2) reduce the amount of such payment of assistance paid to such recipient if such recipient is eligible to receive a reduced amount, but shall deduct from any such payment an amount equal to the amount of any overpayment received by the recipient which is not repaid to the Secretary by such recipient.

(b) Any amount repaid to, or deducted by, the Secretary under subsection (a)(2) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which such payment was made.

ADMINISTRATION

SEC. 17. The Secretary is authorized to make and amend such rules and regulations as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 18. This Act shall take effect 60 days after the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 19. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Sums appropriated pursuant to this section shall remain available until expended.

SECTION-BY-SECTION ANALYSIS

SEC. 1. Title: "The Employee Protection and Community Stabilization Act of 1979".

SEC. 2. Declaration of findings and purposes: self-explanatory.

SEC. 3. Definitions: self-explanatory.

SEC. 4. (a) Notice requirement: provides that whenever a business concern intends to terminate or transfer operations of a covered establishment, it must furnish a one year notice of such intention to the community and the affected employees or their representative, unless the intention to transfer or terminate operations is formed later, in which case the notice must be provided promptly.

(b) Economic impact statement: requires that within 30 days of providing notice, the terminating or transferring firm must provide a statement to the community and its employees detailing the social and economic impact of its decision.

SEC. 5. Investigation by the Secretary of Labor: this provision permits the Secretary of Labor to conduct a public investigation of the circumstances surrounding the decision to close or relocate a facility and evaluate the firm's economic and social impact statement, if such investigation is requested by the community, or 10 percent of the affected employees or their representative.

SEC. 6. Report of investigation: based on the investigation conducted pursuant to Section 5 of this Act, the Secretary will issue a report recommending steps which can be taken to avoid or minimize the impact of the termination or transfer of operations, after consulting with the relevant labor and community representatives and affected employees.

SEC. 7. Application for assistance: permits the recipients of the notice who form an organization for the purpose of acquiring ownership or controlling interest in the business concern or establishment, to file an application for federal assistance under the Public Works and Economic Development Act of 1965, or the Housing and Community Development Act of 1977.

SEC. 8. Assistance to eligible employees:

(a) Benefits available to employees of firms purchased by employees or employee/community group: provides that when an employee group acquires ownership of, or controlling interest in an establishment required to provide notice under Section 4 of this Act, an eligible employee retains the right to obtain comparable employment at any other establishment of the business concern if he chooses to do so, and is entitled to relocation allowances which are substantially equivalent to those provided to executive and managerial employees of the concern.

(b) Benefits available to employees of firms which terminate or transfer operations: provides that if an employee group does not acquire ownership of the establishment, in addition to the right to:

(1) transfer,

(2) receive relocations expenses,

the employees also qualify for:

(3) Health and welfare benefits coverage: provides for maintenance of health and welfare benefit coverage for a period of one year or until the employee obtains substantially equivalent coverage at another position;

(4) Severance pay: provides for severance pay in an amount which, taken together with the unemployment compensation insurance benefit to which he would be entitled, would equal 55 percent of his weekly wage for a period of up to 52 weeks or, if the employee is over 55 years of age, for up to 104 weeks;

(5) Pensions: provide that an eligible employee may elect to take an immediate distribution from an IRA or, if he is a participant in a defined benefit plan and at least 50 years of age, the right to retire and receive benefits equal to the actuarial equivalent of normal retirement benefits. In addition, Section 8(f) requires a firm to continue contributions if the employee is not vested at the time of termination but will become vested if contributions continue during the period he is entitled to receive severance pay.

(c) Right to training: this subsection provides that:

(1) whenever an employee exercises his right to transfer, the employer must, in cooperation with the Secretary of Labor, provide training at full pay to enable employees to adequately perform the duties required at the new locations and receive full pay during the training period, and

(2) requires firms to post employment opportunities which become available at other facilities.

(d)(e) Applicability of collective bargaining agreements: these subsections provide that an eligible employee's rights are subject to the provisions of any collective bargaining agreement in effect at a location to which he transfers and assures that an employee organization which obtains ownership of or controlling interest in a business concern or establishment required to provide notice must honor existing collective bargaining agreements.

SEC. 9. Eligible organizations: spells out minimum standards which must be met by organizations which purchase firms with federal financial assistance from EDA or HUD if the termination or transferring firm is to avoid liability under the employee protective provision of Section 8(b). It requires that the organization must be incorporated in the state in which it is located; that it must assure membership in the organization without regard to race, creed or color; that if the organization adopts an employee ownership plan, which may include an ESOP, all employees must be given the opportunity to participate in the plan; that it must certify to the Secretary that the form of ownership and control has been adopted by the members of the organization and assures that no change in distribution of shares will occur without prior notice to the individual stockholders; and provide for a method of acquisition for the stock of persons who are no longer associated with the firm which will make such stock available to all employees on a non-discriminatory basis.

SEC. 10. Targeted federal procurement: provides that employees or employee/community groups which purchase firms which would otherwise close or relocate, shall be given priority consideration for purchases made by the Federal government.

SEC. 11. Job placement and retraining: requires the Secretary of Labor to make existing counseling, testing and placement services to any eligible employee and where he determines that no suitable employment is available, he shall authorize further training; the Secretary is also authorized to approve up to $600 in job search allowances; any employee who does not make satisfactory progress in the training program shall be denied subsistance payments.

SEC. 12. Prohibitions: makes it unlawful for any business concern to fail or refuse to provide notice, severance pay, health and welfare benefit coverage, early retirement benefits, or relocation expenses to an eligible employee or to deny an eligible employee an opportunity to exercise the right to transfer or receive retraining which will enable him to adequately perform the duties of a new position; subsection 12(d) makes it unlawful to discharge or in any manner to discriminate against an employee for exercising rights guaranteed by this Act, the Public Works and Economic Development Act of 1965, or the Housing and Community Development Act of 1977, or because he has filed a cause of action under the Act.

SEC. 13. Enforcement: subsection 13(a) permits any individual or the Secretary of

Labor to bring a civil action, to enforce any provision of the Act, PWEDA, or the Housing and Community Development Act of 1977, or to enjoin any act which violates either of those statutes; subsection 13(c) provides that where a court finds that a business concern is required to provide notice, the concern shall be liable to the affected community for one year's lost tax revenues directly attributable to the firm's decision to close or relocate a facility; subsection 13(d) authorizes Federal District Courts to impose a civil penalty up to the amount of the Federal tax advantage which the firm derived from terminating or transferring operations, if the court finds that the firm failed to provide notice or has willfully refused to provide any benefits due to an employee.

Sec. 14. Attorney's fees: permits the court to grant reasonable attorney's fees to a prevailing party when it finds that a violation of the Act has occurred.

Sec. 15. Criminal violation and penalties: provides for fines up to $10,000, and imprisonment of up to five years, for any who falsely obtains assistance provided by the Act.

Sec. 16. Recovery of overpayments: provides a method for the Secretary to recover any overpayments made under the Act.

Sec. 17. Rulemaking authorized for the Secretary of Labor.

Sec. 18. Effective date: the Act takes effect 60 days after enactment.

Sec. 19. Authorization: authorizes sums necessary to carry out the purposes of the Act.●

By Mr. SCHWEIKER:

S. 1610. A bill to provide for a national blood exchange program, and for other purposes; to the Committee on Labor and Human Resources.

BLOOD ASSURANCE ACT OF 1979

Mr. SCHWEIKER. Mr. President, I am today introducing the Blood Assurance Act of 1979. This act will assure the availability of blood and blood products for all Americans.

Over 6 years ago, the national blood policy of the United States was promulgated. It consists of four major goals: First, to insure an adequate blood supply; second, to provide the highest quality of blood available; third, to assure access to blood products; and fourth, to develop an efficient system of collection and distribution of blood.

The past 6 years have seen many successes in our pursuit to provide adequate quantities of safe blood. In 1971, 25 percent of all blood was obtained from paid donors with its attendant high risk of hepatitis and even death. By 1976, less than 3 percent of blood came from paid donors and in some States all blood is now obtained from volunteers. The last 6 years have seen major advances in the understanding of the etiology of post-transfusion hepatitis. Indeed, improved methods of detecting the presence of hepatitis B virus have decreased the prevalence of that agent causing disease in patients receiving blood. A new virus—the non A-non-B hepatitis agent—has now appeared and scientists are working to develop tests for its detection. Another major advance has been a reduction in the percentage of blood wastage due to outdating. Higher usage rates are due primarily to improved inventory management.

On June 7, 1979, the Health and Scientific Research Subcommittee, of which I am the ranking Republican held an oversight hearing to assess the progress of the national blood policy. The Blood Assurance Act of 1979 is an outgrowth of that hearing and seeks to remedy the problems uncovered at the hearing.

The American blood banking industry is dominated by two large organizations, each espousing a different ideology. The American Red Cross (ARC) collects nearly half the blood in this country and believes responsibility for the blood supply should be met by the community. The American Association of Blood Banks (AABB) has a membership comprised of blood banks and hospital transfusion services. They believe that each individual must be responsible for the blood he or she utilizes. A major tool used by some AABB members to recruit blood donors is the assessment of a penalty fee if the blood used is not replaced by the recipient. This penalty fee is waived only if the blood is replaced or the recipient has donated blood prior to his need. The imposition of a penalty fee after blood products are used is opposed by the ARC, as well as many physicians and consumers. At our hearing we received testimony that suggested that elimination of the penalty fee would not hurt donor recruitment efforts. In addition, with the GAO reporting significant abuse of the penalty fee for medicare beneficiaries, it is clear that the penalty fee may be inhibiting implementation of the national blood policy. Accordingly, this bill would prohibit any hospital or blood bank from charging a fee to any patient who receives blood or blood products as a penalty for not replacing the products used. I realize that this is a fundamental change for 30 percent of the blood banking community and, therefore the bill allows a 3-year phase-in before this provision becomes mandatory. Understanding that many persons donate blood as part of individual, family, or company blood plans, I want to make clear that this act would not prohibit a blood bank from recruiting these individuals by offering them a personal monetary incentive to donate blood. This discount from the normal processing fee would not exceed either the average cost of donor recruitment or 20 percent of the processing fee.

At our hearing we heard of blood shortages in metropolitan areas causing postponement of surgery and undue hardship on patients needing blood. Blood banks have demonstrated less than full cooperation in shipping blood or blood products from areas of excess to areas of need. This lack of cooperation was fundamentally based on the different ideologies of ARC and AABB. It is a situation that is contrary to the intent of the national blood policy and one that I find to be totally unacceptable. I am shocked that this Nation could allow such a precious and perishable commodity to became unusable when there are people who require it to successfully undergo surgery or other medical procedures. We must not allow ideology to stand in the way of compassion and commonsense.

Mr. President, this bill will remedy that situation by creating a national blood exchange program. This is not another Government bureaucracy which places a layer of redtape between providers of blood and consumers, but rather a consortium of providers whose charge is to foster the timely and efficient movement of blood. The consortium will have the authority to require the submission of the financial information necessary for them to determine a fair and equitable exchange rate for blood and blood products. The Secretary of HEW will have the authority to insure that this entity is created and properly maintained. I want to emphasize that policy decisions not explicit in this bill are to be the sole responsibility of the blood exchange program and not an arm of the Federal Government, provided that these policies are in concert with the goals and objectives of the national blood policy.

Blood is undoubtedly a national resource. To acquire it for therapeutic use requires the generosity of our citizens. Over the past few months I have learned that most of our citizens do not understand our national need for blood and blood products. In addition, the major blood banking organizations in our Nation do not fully understand what motivates people to donate blood. This act would instruct the Secretary of HEW to investigate donor motivation and resource recruitment strategies. This would include the study of various approaches to public education and solicitation of blood.

Seventy-five percent of all Americans over 30 know either a close personal friend or family member who has needed blood. Mr. President, I believe that the Blood Assurance Act of 1979 will assure that when they need blood or blood products they will be available. I am proud that this can be accomplished without increased societal costs and without creation of a new Federal bureaucracy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Blood Assurance Act of 1979".

PURPOSE

SEC. 2. It is the purpose of this Act to improve and assure the availability of blood and blood products as needed to all Americans, to facilitate the efficient transfer of blood and blood products throughout the United States, and to promote public awareness of the national need for safe and sufficient quantities of blood and blood products.

NONREPLACEMENT PENALTY PROHIBITED

SEC. 3. (a) No person shall, as a condition to the provision of blood to any individual—

(1) charge or collect any fee from, or on behalf of, such individual because such individual—

(A) does not replace, or provide for the replacement of, the blood he receives; or

(B) does not have blood credits to assure replacement of such blood from a blood supplier;

(2) require the donation or provision of blood by, or on behalf of, such individual; and

(3) require a guarantee that blood will be

transferred, or require the transfer of blood, on behalf of such individual.

(b) Nothing in this section shall be construed to prohibit a blood supplier from recruiting blood donors by offering such donors incentives to provide blood, such as a discount on the charge to an individual for the provision of blood as a result of a blood donation or blood drive, except that such discount shall not exceed, per unit, the greater of—

(1) the average cost of recruiting a donor in the area; or

(2) 20 percent of the cost of processing a unit of blood.

(c) For purposes of determining the discount allowed under subsection (b), the fair and reasonable regional recruitment and processing costs shall be determined under section 5(b)(1) of this Act.

(d)(1) Section 1813(a) of the Social Security Act is amended by striking out paragraph (2).

(2) Section 1833(b) of such Act is amended by striking out the last sentence.

(3) Section 1866(a)(2) of such Act is amended by striking out subparagraph (C).

(4) Section 1861(v)(1)(A) of such Act is amended (1) by striking out "and" before "(ii)", and (2) by inserting the following before the period at the end thereof: ", and (iii) take into account the processing fees incurred (other than fees paid to a donor of blood) by a provider of services in the replacement of blood (or equivalent quantities of packed red blood cells, as defined in regulations) furnished to an individual under this title, but only to the extent the provider furnishes documentation satisfactory to the Secretary demonstrating that it has been able to secure replacement of such blood only through the payment of such fees".

(e) This section shall become effective 3 years after the date of the enactment of this Act.

BLOOD EXCHANGE

SEC. 4. (a) No person shall deny to any health care facility or blood supplier the reciprocal exchange of available blood required as a result of patient needs, unless the exchange of such blood would, in the judgment of such person, deplete the available blood needed by such establishment. Such exchange shall be without regard for geographical location or affiliation of such establishment. The fair and reasonable charge for blood shall be determined under section 5(b)(1) of this Act.

(b) Nothing in this section shall be construed to require a health care facility or blood supplier to accept blood credits in lieu of blood in the fulfillment of a request for blood.

NATIONAL PROGRAM

SEC. 5. (a) It is the purpose of this section to encourage the continued operation of a private entity to facilitate the exchange of blood among health care facilities and blood suppliers as required under section 4 of this Act, and to ensure the maximum and efficient utilization of blood throughout the United States.

(b) In order to promote the purposes of this section, the Secretary, acting through a recognized private entity, composed of, in part, national blood suppliers, shall—

(1) foster the exchange and availability of blood;

(2) collect cost and charge data from blood suppliers, and analyze such data, to determine, among other things, the fair and reasonable exchange rates to be charged among blood suppliers for blood; and

(3) determine, and implement, any other actions that may be necessary to carry out the purposes of this section.

ENFORCEMENT

SEC. 6. (a)(1) If a person violates section 3 or 4 of this Act, and such person has a license for the maintenance of an establishment for the propagation or manufacture and preparation of blood under section 351 of the Public Health Service Act, the Secretary shall suspend or revoke such license for such period as he may prescribe.

(2) Section 351(d) of the Public Health Service Act is amended by inserting: "If any person having a license for the maintenance of an establishment for the propagation or manufacture and preparation of blood under this section violates section 3 or 4 of the Blood Assurance Act of 1979, the Secretary shall suspend or revoke such license for such period as he may prescribe under section 6 of such Act.", after the first sentence.

(b)(1) If a person violates section 3 or 4 of this Act, and such person is a provider of services within the meaning of section 1861(u) of the Social Security Act, such person shall be ineligible to receive payments under title XVIII of such Act for such period as the Secretary may prescribe.

(2) Section 1815 of the Social Security Act is amended by inserting the following new subsection at the end thereof:

"(d) No payment shall be made to a provider of services who violates section 3 or 4 of the Blood Assurances Act of 1979 for such period as the Secretary shall prescribe under section 6 of such Act.".

PUBLIC INFORMATION

SEC. 7. (a) Pursuant to his authority under section 1701 of the Public Health Service Act, the Secretary shall—

(1) analyze various aspects of donor recruitment;

(2) develop health education programs and materials and disseminate such information and materials to persons providing health care, to schools and businesses, and to the public generally;

(3) develop cooperative arrangements with private organizations to carry out the purposes of this section; and

(4) carry out a program to conduct studies and initiate demonstration projects to develop public information relating to the nature of, and need for, blood and blood donors.

(b) The Secretary shall submit, not later than 2 years after the date of the enactment of this Act, a report to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives respecting the implementation of this section and the results obtained from the activities authorized by it.

DEFINITIONS

SEC. 8. For purposes of this Act, the term—

(1) "blood" means human blood, and includes packed red blood cells and other products derived from human blood;

(2) "blood supplier" means any entity that provides for the collection, processing, distribution, or transfusion of blood;

(3) "blood credits" means a guarantee by a blood supplier that such blood supplier will offset any blood replacement requests made by a health care facility or blood supplier against blood requests owed to such health care facility, blood supplier, or its affiliate;

(4) "establishment for the propagation or manufacture and preparation of blood" does not include establishments licensed exclusively under 21 CFR 640.65; and

(5) "Secretary" means the Secretary of Health, Education, and Welfare.

By Mr. BAUCUS (for himself and Mr. CHURCH):

S. 1611. A bill to establish the national forest systems investment fund, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

Mr. BAUCUS. Mr. President, the national forest system is perhaps our most precious natural resource. We must use this resource wisely if the needs of our children and grandchildren are to be met. The national forest system provides a wide variety of services, activities, and products. The revenues derived from the forest system total over $1 billion annually. Adequate reinvestment in our national forest system will insure these benefits for years to come.

Today, I am joined by my colleague from Idaho, Senator CHURCH, in introducing legislation that would for the first time established a programed system for reinvesting the revenues, the Federal Government receives from activities on national forest lands, to improve those forests.

This bill, called the National Forest Investment Fund Act, would:

First, create the national forest system investment fund made up of the Federal Treasury's net cash receipts from timber sales, grazing permits, recreational use fees, and other activities on the national forest system;

Second, designate these funds for capital improvements such as reforestation, timber stand improvement, watershed development, grazing land improvement, wildlife protection and development of recreational facilities in the national forests.

Third, refine provisions of the Resource Planning Act (RPA) to request the Forest Service to prepare a separate capital expenditures budget and a long-range assessment of the current and future capital investment needs of the National Forest System.

Many of the capital investment needs of the national forests are long-term and continuing in nature. Yet, our natural resource budgets are presented incrementally on an annual basis. As a former member of the House Appropriations Committee, I confronted this dilemma for 4 years. We have frequently deferred needed investments on the national forests.

In recent years the Congress has made great strides in redirecting the course of our national forest policy. In 1974, the RPA was enacted. Two years later, in connection with reform of timber management procedures. The National Timber Management Act further strengthened the planning and budgeting concepts of the 1974 Act. In 1975, President Ford sent to Congress the first program and assessment under provisions of the RPA. This assessment delineated a 5-year program of forest management objectives. However, none of the budget requests presented to the Congress by either Presidents Carter or Ford have adhered to the concepts of the Resources Planning Act. These budget requests were drastically lacking in the program areas needing substantial long-term capital investment. Many budget requests were less than half the level recommended by the RPA. The Forest Service is currently preparing, as required by law, the next assessment and program to cover the 5-year period beginning in 1980.

The Resources Planning Act attempted to focus on the annual operat-

ing needs for multiple use management of our natural resources, along with an equally sharp focus on the capital investment needs of our National Forest System.

The budgets, as presented, fail to differentiate between operating activities and capital investments. In fact, they often mask and obscure the investment requirements with ongoing operating needs. This bill, when enacted, will permit identification of short- and long-term management requirements by defining each situation in a manner that forces budget developers in the executive branch to deal with each budget topic in in a substantive way.

This legislation does not disturb the arrangements that require a payment of revenues to governments from timber sales, grazing fees, land use fees, recreation charges, utility fees, mineral revenues, and admission and user fees. The local governments in Montana will receive over $8 million from this program during the current fiscal year. The net amount, remaining in the fund after distribution of these payments, will be matched by a budget presentation that outlines the investment accounts. Congress will have this total as a guide, along with an estimate of net revenues, so that each year it can consider and provide a level of investment necessary for current and long-term needs of national forest resource development.

Under the bill, funds would be expended only where appropriated by Congress. As a result, the fund would not create a situation that will foster unneeded or wasteful expenditures. Unappropriated revenues remaining in the fund, for a period of 4 fiscal years, would be returned to the general fund. The National Forest Investment Fund would focus attention on the need for wise investment, over the long haul, on the national forests.

The National Forest System is a major and vital part of America's economic and environmental structure. The System amounts to one-tenth of our land base. The Forest System produces direct revenues of nearly a billion dollars. It provides habitat for vital fish and wildlife species. Almost 4 million acre-feet of high-quality water produced annually on the national forests supplies water used by countless cities and municipalities and also irrigates 20 million acres of western cropland. Almost 4 million head of livestock graze on the System's extensive rangeland, coexisting with important and varied species of wildlife. Last year, over 200 million recreational visits were made to the national forests. There are campgrounds, natural areas, and wilderness, wild and scenic rivers, trails, and ski areas along with countless streams for fishing and areas for hunting.

I shall not seek to catalog all of the opportunities but a few bear mention. Revegetation and improved growth on the 190 million acres of forest and rangeland in the National Forest System can increase the yield of water, wood, browse for wildlife and livestock and enhance recreational and environmental values. Timely development of vitally needed roads and trails can improve protection and management.

The rangelands in the National Forest System have the capability with proper investment to improve—to almost double—the forage that they produce. Mounting costs for feed can, to some extent, be countered by creating the opportunity for more use of natural forage. All signs point to a continued increase in our population. The water and recreational yields on the 190 million acres of our national forests will be needed by our growing population. Yet in each and every category of the budget presented to the Congress over the years, investments are shorted and great opportunities are forever lost.

I make no secret of my interest in our renewable forest and range resources. In developing this bill, I have resisted the temptation to try and create a special earmark fund that would automatically pour money into this badly needed work. It is my overriding view that in the Federal process we need to have the tests and restraints causing us to not only focus on the issues we confront but also carefully choose the ways in which we pace the expenditure of tax dollars.

The concept of a Forest Investment Fund is not new. It is a concept which has been considered by the Congress on several occasions. What distinguishes this bill from the others is: First, the bill does not earmark capital investment funding only to one specific national forest activity. This legislation considers all the capital investment needs for the multiple activities on the forests. Second, funds can be expended only when they are appropriated by the Congress. In essence, the fund is subject to the congressional appropriations process.

Generally, when budgets are cut, capital outlays are the first budget items to be reduced. This is certainly the case on the National Forest System. Forest management is always at a disadvantage because of its nature. The results take an inordinate period of time to be realized. Long term is always pushed aside by shortrun concerns.

By continually taking this course of action we are shortchanging our future. If we are to maintain a sustained yield of benefits derived from our national forests, we must plow back a portion of the revenues derived from forest activities for badly needed capital investments and improvements.

The core concept of this bill is that it provides a way to make needed investments but in a manner that encourages fiscal responsibility. The funds for renewable resource investments thus will have to compete with each other and with other budget priorities that command our attention. However, this bill will give a broader picture of the benefits that can be gained, of the costs that will be incurred and of the needs we will face. Thus it seeks to rationally chart a path of well-founded capital investment on the forests.

This bill will not cure all of the capital investment ills of the national forest system. But it is, in my opinion, the next logical step to be taken by Congress toward the goal of reasoned and comprehensive forest management policy. I urge the relevant committees to carefully consider this important legislation and speed its enactment into law.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established in the Treasury of the United States a fund to be known as the "National Forest Systems Investment Fund" (hereinafter referred to as the "fund"). The fund shall consist of such amounts as may be credited to it as provided in this Act.

SEC. 2. (a) Except to the extent otherwise provided by subsection (b) of this section, commencing with the fiscal year ending September 30, 1980, and each fiscal year thereafter, all moneys received or net revenues received during each such fiscal year from lands, resources, and services provided by the National Forest System shall be credited to the fund. Any unobligated amounts remaining in any account or fund and for use in connection with the National Forest System as of October 1, 1980, shall be transferred to the fund.

(b) Nothing in subsection (a) of this section shall be construed as affecting, diminishing, or otherwise altering the obligation of the United States to make payments in accordance with the provisions of the Act of May 23, 1908, as amended (16 U.S.C. 500), the Act of June 22, 1948 (16 U.S.C. 577g), or the Act of July 22, 1937 (7 U.S.C. 1012).

(c) As used in this section, the term "moneys received" shall have the same meaning as that provided under the sixth paragraph under the heading "Forest Service" in the Act of May 23, 1908, as amended (16 U.S.C. 500), section 13 of the Act of March 1, 1911, as amended (16 U.S.C. 500), and the term "net revenues received" shall have the same meaning as that provided under section 33 of the Bankhead-Jones Farm Tenant Act.

SEC. 3. (a) Commencing with the fiscal year beginning October 1, 1980, and each fiscal year thereafter, moneys in the fund shall be available, at such times and in such amounts, as provided for in Appropriation Acts, for expenditures for capital improvements in connection with the National Forest System land and resources, including the construction and reconstruciton of permanent improvements and facilities, reforestation, timber stand improvement, fish and wildlife habitat improvement, soil and water resource improvement, range improvement, permanent roads and trails comprising the National Forest Transportation System and established pursuant to the Act of October 13, 1964 (16 U.S.C. 532), and the Act of August 17, 1974, as amended (16 U.S.C. 1608), facilities to protect the National Forest System from fire and other damage, and facilities required for management of the National Forest System.

(b) Under the procedures set forth in the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600–1614), and as specifically provided in section 4(1) thereof, the program provided for under such Act for the National Forest System shall set forth those activities for the National Forest System which are capital in nature. The budget request presented by the President to the Congress governing Forest Service activities for the fiscal year commencing October 1, 1980, and each fiscal year thereafter, shall set forth the capital improvements currently required under such program for such fiscal year to meet present and anticipated future needs, and the amount available from the fund to provide for such capital improvements. Moneys appropriated from the fund shall be available for such capital improvements and shall remain available until expended. Any money credited to the fund and not subsequently authorized for expenditure by the Congress within two fiscal years in which such money was credited to the fund, shall be transferred to miscellaneous receipts of the Treasury of the United States.

SEC. 4. (a) It shall be the duty of the Secretary of the Treasury to manage the funds and (after consultation with the Secretary of Agriculture) to report to the Congress not later than the first day of March of each year on the financial condition and the results of the operations of the fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter. Such report shall be printed as documents of the Senate and the House of Representatives.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (A) on original issue at the issue price, or (B) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(c) Any obligation acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the fund shall be credited to and form a part of the fund.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by the Senator from Montana (Mr. BAUCUS), to establish the National Forest Systems Investment Fund, be jointly referred to the Committees on Agriculture, Nutrition, and Forestry, and Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. KENNEDY (for himself, Mr. BIDEN, Mr. DECONCINI, Mr. MATHIAS, and Mr. THURMOND):

S. 1612. A bill to create a charter for the Federal Bureau of Investigation, and for other purposes; to the Committee on the Judiciary.

FEDERAL BUREAU OF INVESTIGATION CHARTER ACT OF 1979

Mr. KENNEDY. Mr. President, today, on behalf of Senators THURMOND, BIDEN, DECONCINI, and MATHIAS of the Committee on the Judiciary, I am pleased to introduce the "Federal Bureau of Investigation Charter Act of 1979."

This legislation has its genesis in the extensive work done over the past 4 years by the Church committee, Congressman EDWARDS' Subcommittee on Civil and Constitutional Rights, as well as the individual efforts of many House and Senate Members. Support for a charter for the Federal Bureau of Investigation was given in early 1976 by both Attorney General Levi and Director Kelly. During the last Congress, numerous hearings on a charter were held in both the House and Senate. The FBI Charter Act is the culmination of over 15 months of intense effort by Director Webster, Attorney General Bell, Attorney General Designate Civiletti, and others to set forth a clear and comprehensive statement of the responsibilities and authority of the Federal Bureau of Investigation for the years to come. The administration bill, drafted by the Bureau, laudably attempts the delicate balance between legitimate law enforcement needs and legitimate civil liberties expectations.

The need for a legislative charter for the Bureau has been voiced repeatedly by Director Webster and Attorney General Bell as well as by Members of Congress and the American people. The strongest advocate has been the Director. In April of last year, during the first of a series of exploratory hearings which the Committee on the Judiciary held on the proposed charter, Director Webster stated:

> The FBI urgently needs a clear and workable statement of its responsibilities, power and duties. The men and women of the bureau need a charter that will allow them to act with confidence that what they are doing is lawful. It should be one that does not allow for any future misunderstandings of authority. The present statutory sources that establish our jurisdiction are not sufficiently definitive. There are not sufficient benchmarks to permit our agents to act or refuse to act with certainty that their conduct is correct.
>
> History tells us that reliance on inherent authority has been a major contributor to some of the sad events that have been fully chronicled. As I have stated previously before this committee, anyone asked to go out on that point ought to know that the order is based upon law and clear authority. Reliance on inherent authority presents the all-too-possible risk that legal authority may not, in fact, be there.

The need for a clear legislative statement of the Bureau's investigative mandate is well recognized, and such a statement is long overdue. The purpose of the charter legislation is to bring all of the myriad duties, responsibilities, and activities of the FBI under clear legal authority rather than relying on the confusing contours of inherent power. An analogous effort, which resulted in the enactment of the foreign intelligence surveillance act, was made last year by Congress and the administration.

From its very modest beginnings in 1908, as a small investigative unit organized within the Department of Justice, the FBI has evolved into one of the most capable, most sophisticated, and most respected law enforcement agencies in the world. From its inception, because of its own demand for excellence, it became and has remained the premier law enforcement agency in our country. This is an appropriate accolade which has been earned down through the decades by virtue of the exceptional accomplishments and the selfless dedication of its talented men and women.

This evolution has taken place in the absence of any clear or specific legislative determination of the Bureau's authority or statutory limitations on that authority. Over the decades, Congress has continued to increase the Bureau's responsibilities, especially in the criminal area, but during that time it has failed to provide direction or to define parameters for the Bureau to carry out those responsibilities. Today, over 70 years after it was first established, the FBI continues to operate with very little statutory guidance, and that which it has stated in only the most general terms.

Basically, only three statutes define its duties: 28 U.S.C. 533, 28 USC 534, and 42 USC 3744 These provisions authorize the FBI, through the person of the Attorney General, to detect and prosecute crime against the United States, assist in protecting the President, investigate matters under the control of the Department of Justice and the Department of State, collect and exchange crime records with Federal, State, and local agencies, and provide training to State and local law enforcement officials. As Attorney General Bell has stated:

> These limited provisions provided little assistance in understanding the role that the FBI performs today.

This is especially true in light of the fact that just as the Bureau's duties have evolved, so too have its priorities and its methods. Complex organized crime, white collar fraud, and political corruption cases have replaced stolen car and fugitive cases as priority matters. Greater use is being made of detailed financial analysis and sophisticated undercover operations to investigate these serious crimes. One may wonder whether the G-man of 1933 and 1934 would even recognize the special agent of 1979.

The Bureau performs other types of investigations as well within the framework of the limited and very general provisions I have mentioned. It conducts civil investigations at the request of the Department of Justice both when the Government sues or has been sued. It assists the Department in enforcing civil rights statutes and in conducting investigations when violations of those statutes have been reported. It collects information on potential civil disorders so that, the President will have adequate information to decide whether the use of Federal troops will be necessary to enforce a court order to assist the States to restore order. It conducts background investigations of persons who have been

appointed to, nominated for, or hired for sensitive and important governmental positions. It provides various forms of assistance to State, local, foreign, and other Federal law enforcement agencies. It conducts technical, scientific, and analytical research so that it will be better prepared tomorrow to detect, prevent, and investigate criminal acts being planned today.

The legislation which I am introducing today defines for the first time both these duties and the requisite authority. The FBI Charter Act, however, is more than a mere catalog of responsibilities and powers. The charter symbolizes the fact that the Bureau has learned from its mistakes, has identified the causes of these errors and has come forward with a charter which contains provisions which will insure that the chronicled abuses and failures of the past will not be repeated in the future.

The charter sets forth a specific threshold for conducting investigations, especially those dealing with domestic terrorism. The focus is on conduct, but only such conduct which is in violation of law. The charter ensures that mere advocacy or the lawful exercise of first amendment and other constitutional rights will be protected. The charter establishes accountability procedures and standards, especially in those instances where either sensitive investigations are conducted or sensitive techniques are employed. The charter requires that detailed guidelines be promulgated by the Attorney General for the various types of investigations, investigative techniques, and other investigative activity authorized by the charter. Lastly, the charter clearly sets forth the role and responsibility of Congress to exercise effective oversight of the Bureau and its activities—a responsibility which Congress has ignored or shirked for too long.

This legislation also raises a number of important questions which we—the Congress, the Department, the Bureau, and the American people—will address together in the upcoming months. In certain areas, the charter would expand the authority and jurisdiction of the Bureau beyond its present status, most notably in terrorism investigations involving only State crimes, in transnational terrorism investigations involving no crime in the United States, in investigative assistance to State and local law enforcement agencies, and in protective assistance provided to the Secret Service. The legislation also raises a number of other issues about which many of us may have reservations and concerns, including the provisions dealing with the threshold and standards for both investigations and investigative techniques, the investigative demand authority to obtain access to certain third-party records, the provisions dealing with protecting the confidentiality of informants, investigative files, and guidelines, and the provisions setting forth congressional oversight, civil remedies, and penalties.

We must discuss these questions and debate these issues in the next few months. We must decide the adequacy, the clarity, the necessity, and the advisability of each of these provisions. Our final decision must insure not only that our citizens have adequate protection from future abuse or infringement of their rights, but also that the FBI agents have adequate guideposts defining what they should do and adequate techniques to accomplish their mission and carry out their mandate.

This task is both difficult and important. We gain nothing and lose much if, by our final decisions, we blunt or dull the investigative edge which the FBI has honed so sharply over the decades. At the same time, however, we must take care that the same edge is not allowed to cut deeply or carve broadly into the fundamental rights of our citizens.

This legislation is a tribute to the efforts of a number of people, but especially to Director Webster who has committed himself from the day he assumed his office to lead the Bureau into a new era and to provide the American people with a renewed confidence. This legislation is, in great part, a sign of that commitment to both the agents of the Bureau and the American people. No longer will the agents have to wonder if the way they are enforcing the law is itself lawful; no longer will our citizens have to wonder if those who are enforcing the law are following it. The importance of this legislation cannot, and should not be underestimated.

Bipartisan consensus and support for this legislation has developed because of the recognition of two equally important needs: The American people need the Bureau, and the Bureau needs a charter. The American people need the expertise, the professionalism, the dedication, and the excellence of the Bureau to challenge the continuous onslaught against our chosen form of Government and its developing rule of law by those who place private gain or personal power above the common and lawful good of our citizens.

The Bureau needs a charter so that its agents who are attempting to meet these expectations and achieve the desired results have unambiguous guideposts for accomplishing their mission and fulfilling their mandate. Expediency should never be a reason for action; ambiguity should never be a cause for inaction. The agents have an absolute right to know what they should be doing and how they should be doing it. The FBI Charter Act and the guidelines promulgated under it will end this quandry and truly strengthen the Bureau as it enters not only a new decade but also a new era in its developing history.

I ask all of my colleagues to join with me in this momentous task and work toward seeing that this legislation is promptly enacted.

Mr. President, I ask unanimous consent to have printed in the RECORD the FBI Charter Act of 1979 and the section-by-section analysis of the bill.

There being no objection, the bill and analysis was ordered to be printed in the RECORD, as follows:

S. 1612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Bureau of Investigation Charter Act of 1979".

SEC. 2. Chapter 33 of title 28, United States Code, is amended to read as follows:

"Chapter 33—FEDERAL BUREAU OF INVESTIGATION CHARTER

"Subchapter I—Purposes; Principles; Definitions

"Sec.
"531. Statement of purposes.
"531a. General principles.
"531b. Definitions.
"Subchapter II—The Federal Bureau of Investigation; Director; Duties of the Director
"532. The Federal Bureau of Investigation.
"532a. Director of the Federal Bureau of Investigation.
"532b. Duties of the Director.
"532c. General powers and duties.
"Subchapter III—Criminal Investigations
"533. Investigation of criminal matters.
"533a. Attorney General guidelines for investigation of criminal matters.
"533b. Restrictions on certain investigative techniques.
"533c. Retention, dissemination, and destruction of information.
"Subchapter IV—Undercover Operations
"534. Authorization of undercover operations.
"Subchapter V—Civil and Other Investigations
"535. Investigation of civil matters.
"535a. Collection of information on civil disorders and public demonstrations requiring Federal assistance.
"535b. Background investigations by Federal Bureau of Investigation of appointees, applicants, and employees.
"535c. FBI assistance in background inquiries by other Federal agencies.
"535d. Special service functions.
"Subchapter VI—Law Enforcement Support Functions
"536. Education, training and research.
"536a. Foreign liaison.
"536b. Technical assistance.
"536c. Cooperation with the Secret Service.
"536d. Identification, criminal history, and other records; exchange for criminal justice purposes.
"536e. Identification, criminal history, and other records; exchange for employment or licensing purposes.
"536f. Retention of unsolicited information.
"Subchapter VII—Miscellaneous
"537. Civil fines and penalties.
"537a. Civil remedies; non-litigability of guidelines and procedures.
"537b. Protection of the investigative process.
"537c. Congressional oversight and accountability of the FBI.
"537d. Periodic review of guidelines.

"Subchapter I—Purposes; Principles; Definitions

"§ 531. Statement of purposes

"The purposes of this chapter are—

"(1) to define the duties and responsibilities of the Federal Bureau of Investigation (FBI) except as to foreign intelligence collection and foreign counterintelligence investigations;

"(2) to confer upon the FBI and to codify the statutory authority necessary to discharge those duties and responsibilities; and

"(3) to establish procedures for the discharge of those duties and responsibilities.

"§ 531a. General principles

"(a) GENERAL RULE.—All authorities, duties, and responsibilities of the FBI, except those specified in Executive Order No. 12036, dated January 24, 1978, concerning the foreign counterintelligence and foreign intelligence activities of the FBI, or successor orders, shall be exercised in accordance with the provisions of this chapter and any other applicable law.

"(b) MINIMAL INTRUSION.—The FBI shall conduct investigations with minimal intrusion consistent with the need to collect information or evidence in a timely and effective manner.

"(c) Investigation of Criminal Conduct Only.—The FBI, in conducting an investigation pursuant to subchapter III, shall be concerned only with conduct and only such conduct as is forbidden by a criminal law of the United States or State criminal law encompassed by section 533(b)(3) of this chapter, pertaining to investigation of terrorist activity.

"(d) LIMITATIONS.—The FBI shall not conduct an investigation solely on the basis of—

"(1) a religious or political view lawfully expressed by an individual or group,

"(2) the lawful exercise of the right to peaceably assemble and to petition the Government, or

"(3) the lawful exercise of any other right secured by the Constitution or laws of the United States.

"§ 531b. Definitions

"As used in this chapter—

"(1) 'aggravated property destruction' means significant damage to property or to a public facility, or the interruption or impairment of a public facility, through the use of a destructive device;

"(2) 'criminal history information' means information compiled by a criminal justice agency concerning an individual, consisting of notatons of arrest, detention, indictment, information or other formal criminal charge, together with any disposition thereof;

"(3) 'destructive device' means an explosive, an incendiary material, a poisonous or infectious material in a form that can be readily used to cause serious bodily injury, or a material that can be used to cause a nuclear incident as defined in section 11(q) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(q)) and includes a bomb, grenade, mine, rocket, missile, or similar device containing an explosive, an incendiary material, or a material that can be used as a chemical, biological, or radiological weapon;

"(4) 'Director' means the Director of the FBI;

"(5) 'enterprise' means—

"(A) a partnership, corporation, association, or other such entity; or

"(B) two or more individuals associated in fact for a common purpose whether or not they are a legal entity;

"(6) 'guidelines' means written statements issued by the Attorney General establishing investigative policy for the FBI;

"(7) 'informant' means any person or entity which furnishes information to the FBI on a confidential basis;

"(8) 'mail cover' means any systematic and deliberate inspection of the exterior of mail in United States postal channels, prior to delivery of such mail to the addressee, and the recording of information thereon;

"(9) 'pattern of terrorist activity' means two or more separate terrorist acts that—

"(A) have the same participants or methods of commission or have similar victims or other characteristics that create the appearance of an interrelationship; and

"(B) are committed for the purpose of influencing or retaliating against the policies or actions of the Government of the United States or any State or political subdivision thereof or of any foreign State, by intimidation or coercion;

"(10) 'procedures' means internal rules, directives or regulations, or manuals promulgated by the Director of the FBI;

"(11) 'proprietary' means a sole proprietorship, partnership, corporation, or other business entity that is owned or controlled by the FBI and used by the FBI in connection with undercover operations but whose relationship with the FBI is not generally acknowledged;

"(12) 'racketeering activity' means activity that involves a violation of title 18, United States Code, sections 1961 through 1968, or a violation incorporated in section 1961 (1) of title 18, United States Code;

"(13) 'State' means a State of the United States, the District of Columbia, or a geographical area outside a State of the United States that is established under the Constitution or laws of the United States; and

"(14) 'terrorist activity' means activity that involves a violent act that is dangerous to human life or risks serious bodily harm or that involves aggravated property destruction, for the purpose of coercion or intimidation.

"Subchapter II—The Federal Bureau of Investigation; Director; Duties of the Director

"§ 532. The Federal Bureau of Investigation

"The FBI is in the Department of Justice and shall discharge its duties and responsibilities under the general policy control, general direction, and supervision of the Attorney General, and, to the extent the Attorney General directs, the Deputy Attorney General.

"§ 532a. Director of the Federal Bureau of Investigation

"(a) Director.—There shall be a Director at the head of the FBI.

"(b) Report to Attorney General.—The Director shall report to the Attorney General and, to the extent the Attorney General so designates, the Deputy Attorney General.

"(c) Appointment and Term.—The President shall appoint the Director, by and with the advice and consent of the Senate, for a term of ten years. A Director may not serve more than one ten-year term.

"§ 532b. Duties of the Director

"The Director of the FBI, under the general supervision and direction of the Attorney General, shall—

"(1) ensure that the duties and responsibilities of the FBI are carried out in accordance with the provisions of this chapter, the guidelines and procedures promulgated pursuant to this chapter, and with the Constitution and laws of the United States;

"(2) promulgate such procedures as are necessary to carry out the provisions of this chapter;

"(3) establish an effective system for imposing administrative sanctions for failure to comply with the provisions of this chapter and guidelines and procedures adopted pursuant to this chapter; and

"(4) ensure that the law enforcement activities and other functions of the FBI are properly and efficiently directed, regulated, coordinated, and administered.

"§ 532c. General powers and the duties

"(a) GENERAL AUTHORITY.—The Director, Associate Director, an Assistant to the Director, Assistant Director, Inspector, and Agent of the FBI may—

"(1) carry a firearm;

"(2) investigate a violation of a law of the United States or any other matter encompassed by the provisions of this chapter;

"(3) execute an order, warrant, subpoena, investigative demand, or other process issued under the authority of the United States for arrest, search, or seisure, or production of evidence;

"(4) make an arrest without a warrant for an offense against the United States committed in his presence, or for a felony cognizable under the laws of the United States committed outside his presence if he has reasonable grounds to believe that the person to be arrested has committed or is committing a felony;

"(5) offer and pay a reward for services or information assisting in the detection or investigation of the commission of a violation of the criminal laws of the United States or the apprehension of an offender; and

"(6) perform any other lawful duty that the Attorney General may direct, consistent with this chapter.

"(b) PROCEDURES FOR UNFORESEEN EMERGENCIES.—Appropriations for the FBI are available for expenses of unforeseen emergencies of a confidential character, where appropriations are provided, to be spent under the direction of the Attorney General. The Attorney General shall certify the amount spent and his certification, to be filed in the records of the Department of Justice, is a sufficient voucher for the amount therein expressed to have been spent.

"Subchapter III—Criminal Investigations

"§ 533. Investigation of criminal matters

"(a) GENERAL AUTHORITY TO INVESTIGATE.—The FBI is authorized to make inquiries to determine whether there is a basis for investigation and to conduct investigations for the detection, prevention, and prosecution of violations of the criminal laws of the United States, except violations for which responsibility is by law assigned solely to another investigative agency.

"(b) BASIS FOR EXERCISE OF AUTHORITY.—

"(1) INVESTIGATION OF GENERAL CRIMES.—The FBI is authorized to conduct an investigation on the basis of facts or circumstances that reasonably indicate that a person has engaged, is engaged, or will engage in an activity in violation of a criminal law of the United States.

"(2) INVESTIGATION OF CRIMINAL ENTERPRISE ENGAGED IN RACKETEERING ACTIVITY.—The FBI is authorized to conduct an investigation on the basis of facts or circumstances that reasonably indicate that two or more persons are engaged in a continuing enterprise for the purpose of obtaining monetary or commercial gains or profits wholly or in part through racketeering activity.

"(3) INVESTIGATION OF CRIMINAL ENTERPRISE ENGAGED IN TERRORIST ACTIVITIES.—The FBI is authorized to conduct an investigation on the basis of facts or circumstances that reasonably indicate that two or more persons are engaged in a continuing enterprise—

"(A) for the purpose of—

"(i) intimidating or coercing the civil population or any segment thereof;

"(ii) influencing or retaliating against the policies or actions of the Government of the United States or of any State or political subdivision thereof or of any foreign state, by intimidation or coercion; or

"(iii) influencing or retaliating against the trade or economic policies or actions of a corporation or other entity engaged in foreign commerce, by intimidation or coercion; and

"(B) such purpose is to be accomplished wholly or in part through—

"(i) terrorist activity in violation of a criminal law of the United States;

"(ii) a pattern of terrorist activity in violation of the criminal law of a State; or

"(iii) terrorist activity by an enterprise whose membership is based wholly or in part in the United States that—

"(I) occurs totally outside the United States or transcends a national boundary in terms of the means by which the terrorist activity is accomplished, the persons the terrorist activity appears intended to coerce or intimidate, or the locale in which the perpetrators operate or seek asylum; and

"(II) would constitute a criminal violation if committed within the jurisdiction of the United States or any State.

"§ 533a. Attorney General guidelines for investigation of criminal matters

"(a) PROMULGATION OF GUIDELINES.—The Attorney General, as soon as feasible after enactment of this chapter, shall promulgate guidelines for inquiries and investigations conducted pursuant to section 533, that embody the principles that—

"(1) each investigation shall focus on crim-

inal activity for the purposes of detection, prevention, and prosecution of crime;

"(2) each investigation shall be conducted on the basis of facts or circumstances that can be reviewed and evaluated; and

"(3) the scope and intensity of each investigation shall be determined by the nature and quality of information on which the investigation is based.

"(b) REVIEW OF INVESTIGATION OF TERRORIST ACTIVITY.—The Department of Justice shall be advised of all investigations initiated pursuant to section 533(b)(3). If any such investigation continues beyond one year it shall be reviewed at least annually by the Director and a report of such review shall be submitted to the Attorney General or his designee.

"§ 533b. Restrictions on certain investigative techniques

"(a) GENERAL RESTRICTIONS.—The investigative techniques described in this section shall be used only as permitted by this chapter and by guidelines established by the Attorney General. These guidelines shall protect constitutional rights and personal privacy, and shall ensure that—

"(1) investigations are conducted with minimal intrusion consistant with the need to collect information or evidence in a timely, effective manner;

"(2) as the likelihood for intrusion into privacy increases through the specific use of techniques, more formalized and higher level authorization and review procedures are required; and

"(3) information obtained in the course of an investigation is used only for lawful governmental purposes.

"(b) INFORMANTS AND UNDERCOVER AGENTS.—The FBI is authorized to use informants and undercover Agents subject to the following restrictions:

"(1) An informant may be requested to collect information about an identifiable person on a continuing basis in a criminal investigation when a supervisory FBI official makes a written finding that the informant appears suitable for such use and that the information likely to be obtained is pertinent to and within the scope of investigative activity authorized by this chapter. Such finding shall be made in accordance with applicable guidelines and shall be reviewed periodically by the Director or his designee.

"(2)(A) The FBI shall advise each informant approved pursuant to paragraph (1) that he is neither an Agent nor employee of the FBI and that his relationship with the FBI will not protect him from arrest or prosecution for any violation of Federal, State, or local law, and that the FBI will not sanction his participation in criminal activity except insofar as a supervisory FBI or Justice Department official determines pursuant to clause (B) that his participation in criminal activity is justified. Each informant shall be advised that in carrying out his assignments he shall not participate in crimes of violence, use unlawful techniques to obtain information for the FBI, or initiate a plan to commit criminal acts.

"(B) In making the determination that participation is justified, the official shall determine in writing that the conduct is necessary to obtain information or evidence for prosecutive purposes or to prevent or avoid death or serious bodily injury and that this need outweighs the seriousness of the conduct involved, except that the use of unlawful techniques to collect information or initiation of a plan to commit criminal acts shall not be permitted. The Director or his designee shall at least annually review the determinations made under this subsection.

"(3) The FBI may request any person under an obligation of legal privilege of confidentiality, including a licensed physician, a person who is admitted to practice in a court of a State as an attorney, a practicing clergyman, or a member of the news media, to collect information as an informant pursuant to this subsection if—

"(A) expressly authorized in writing by the Director or a designated senior official of the FBI;

"(B) the Attorney General or his designee is promptly notified of the authorization in writing or an oral notification is promptly confirmed in writing; and

"(C) the person is advised that in seeking information from him, the FBI is not requesting the person to breach any legal obligation of confidentiality which such person may be under.

"(4)(A) The FBI shall conduct preliminary inquiries concerning any person who is being considered for use as an informant under this subsection or who may be requested to provide operational assistance to the FBI in order to determine such person's suitability for such assignment or assistance, if such collection does not involve the use of any investigative technique described in subsection (d), (e), (f), or (g).

"(B) The FBI shall determine in a timely manner whether such person will be used as an informant or requested to provide operational assistance to the FBI. If it is determined that such person will not be used in such manner, any information collected under subparagraph (A) without the consent of such person shall be promptly destroyed unless it is or may become pertinent to an investigation authorized by this chapter or the person is a potential witness in a criminal prosecution.

"(5)(A) Undercover Agents shall be assigned only for investigations authorized by section 533 of this chapter. Each undercover operation shall be approved by an appropriate supervisory official of the FBI. In carrying out an undercover assignment, each FBI employee used as an undercover Agent is bound by the provisions of this chapter and other laws, procedures, and guidelines governing the conduct of FBI Agents. In carrying out his assignment, no undercover Agent shall participate in any activity proscribed by Federal, State or local law except—

"(i) to obtain information or evidence necessary for paramount prosecutive purposes;

"(ii) to establish and maintain credibility or cover with persons associated with the criminal activity under investigation; or

"(iii) to prevent or avoid death or serious bodily injury or danger thereof to himself or another.

"(B) A written report of such participation shall be made to an appropriate supervisory official of the FBI and specific approval obtained if the agent is to participate in a serious criminal act that is not an integral part of the undercover operation or was not authorized at the time the operation was approved.

"(C) The exceptions established in clauses (i), (ii) and (iii) may not under any circumstances authorize an undercover agent to use investigative techniques in violation of the provisions of this chapter to obtain information or evidence, or to initiate a plan to commit criminal acts.

"(6) The FBI may use an informant or undercover agent to infiltrate a group under investigation or may recruit a person from within such a group as an informant. If the group is under investigation pursuant to section 533(b)(3), a senior official of the FBI shall make a written finding to the Director that such infiltration or recruitment is necessary and meets the requirements of this chapter and applicable procedures and guidelines. The finding shall include a statement of means reasonably designed to minimize the acquisition, retention, and dissemination of information that does not relate to the matter under investigation or to any other investigative activity authorized by this chapter.

"(7) Evidence of violations of criminal law by an informant contrary to the instructions provided in paragraph (2) which comes to the attention of the FBI shall be promptly reported in writing to the Department of Justice if it involves a Federal offense, or disclosed to the appropriate investigative or prosecutive authorities of the State or political subdivision having jurisdiction unless the Attorney General or his designee approves nondisclosure. Evidence of violations of the criminal law by an undercover agent contrary to the provisions of paragraph (5) which comes to the attention of the FBI shall be promptly reported in writing to the Department of Justice.

"(c) PHYSICAL SURVEILLANCE.—The FBI may direct physical surveillance against an identifiable individual only for the purpose of and within the scope of investigative activity authorized by this chapter.

"(d) MAIL SURVEILLANCE.—A mail opening may be authorized only pursuant to applicable statutes. A mail opening or mail cover may be conducted by or on behalf of the FBI only pursuant to United States Postal Service regulations.

"(e) ELECTRONIC SURVEILLANCE.—The FBI may conduct electronic surveillance only in accordance with applicable law.

"(f) ACCESS TO THIRD PARTY RECORDS.—

"(1) The FBI may have access to, or obtain copies of records identifiable to an individual, if the records are toll records from a communications common carrier, or insurance records from a licensed insurance carried, agent, or broker, or records from a credit institution not otherwise encompassed by the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) or may have access to information contained in such records, only if the records are reasonably described and—

"(A) the individual with whom the records are identifiable authorized the disclosure;

"(B) the records are disclosed in response to an investigative demand that meets the requirements of paragraph (4); and

"(C) the records are disclosed in response to a judicial subpoena, or to a court order issued in connection with proceedings before a grand jury.

"(2) The FBI may issue an investigative demand for access to the records of a 'financial institution', as defined in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401), which shall be used only in accordance with the provisions of section 1105 of that Act (12 U.S.C. 3405), and guidelines established by the Attorney General.

"(3) The FBI may issue an investigative demand to obtain records described in paragraph (1) pursuant to an investigative demand if—

"(A) there is reason to believe that the records sought are relevant to an investigation conducted pursuant to section 533;

"(B) except as provided in paragraph (5), a copy of the investigative demand has been served upon the individual whose records are sought or mailed to his last known address on or before the date on which the demand was served on the institution holding the records together with a notice that states with reasonable specificity the nature of the investigation.

"(4) An investigative demand shall not—

"(A) contain any requirement which would be unreasonable if contained in a subpoena duces tecum issued by a court of the United States in aid of a grand jury investigation; or

"(B) require the production of a record that would be privileged from disclosure if demanded by a subpoena duces tecum issued by a court of the United States in aid of a grand jury investigation.

"(5) The Attorney General or his designee

may delay the notice required under paragraph (3)(B) for one or more successive periods, not to exceed 90 days each, if he makes a written finding that—

"(A) the investigation being conducted is within the lawful jurisdiction of the FBI;

"(B) there is reason to believe that the records sought are relevant to a lawful investigation pursuant to section 533; and

"(C) there is reason to believe that such notice will result in—

"(i) endangering the life or physical safety of any person;

"(ii) flight from prosecution;

"(iii) destruction of or tampering with evidence;

"(iv) intimidation of a potential witness; or

"(v) otherwise seriously jeopardizing an investigation or unduly delaying a trial or ongoing official proceeding to the same extent as would a circumstance described in clause (i), (ii), (iii), or (iv).

A request for delay and any written findings made by the Attorney General or his designee shall be made with reasonable specificity.

"(6) Any person who is the subject of a record who receives notice of an investigative demand may, within ten days from the date of service or fourteen days from the date of mailing of that notice, challenge the issuance of the demand before a United States magistrate on the grounds that the records are not relevant to a lawful investigation or on any other legal basis for objecting to the release of the records.

"(7) A custodian upon whom an investigative demand has been duly served shall make the records available to the FBI for inspection and copying or reproduction at the principal place of business of the recipient of the demand or the location of the records, or at such other place as the demand shall specify, on the return date specified. If the demand contains the finding described in paragrph (5) of this subsection, he shall take reasonable steps to prevent disclosure to the subject of the material of the issuance of the demand or compliance therewith.

"(8) The Attorney General or an attorney for the government may file with the United States magistrate for the judicial district in which the custodian resides, is found, or transacts business, a position for an order enforcing the demand. The United States magistrate shall have jurisdiction to hear and decide such petitions and enter appropriate orders, and no appeal shall lie from such decision or order.

"(9) No cause of action shall lie in any court against any person, corporation, partnership, association or other entity, or against the officers, or employees of such an entity, by reason of good-faith reliance upon an investigative demand issued by the FBI in accordance with this section.

"(10) The notice requirements of paragraph (3)(B) shall not apply when the FBI is seeking only the name, address, account number, or type of account of any individual or ascertainable group of individuals associated with toll records, credit records, or insurance records.

"(11) Nothing in this subsection shall apply when records are sought by the FBI under the Federal Rules of Civil Procedure or the Federal Rules of Criminal Procedure or comparable rules of other courts in connection with litigation to which the Government and the person whose records are sought are parties.

"(g) ACCESS TO TAX INFORMATION.—The FBI may obtain access from the Internal Revenue Service of the United States Treasury Department to a return, return information, or taxpayer return information as defined in section 6103(b)(1), (2), and (3), respectively, of the Internal Revenue Code of 1954 (26 U.S.C. 6103(b)(1), (b)(2), and (b)(3)) only in accordance with the confidentiality and disclosure provisions of section 6103 of the Internal Revenue Code of 1954 (26 U.S.C. 6103), and the regulations promulgated thereunder.

"(h) OTHER SENSITIVE INVESTIGATIVE TECHNIQUES.—The FBI may use other sensitive investigative techniques, such as trash covers, pen registers, consensual monitoring, electronic location detectors, covert photographic surveillance, and pretext interviews only in the course of a lawful investigation conducted pursuant to section 533.

"§ 533c. Retention, dissemination, and destruction of information

"(a) RETENTION OF INFORMATION.—The FBI may retain information collected pursuant to this chapter if it is relevant to an investigation or pertinent to and within the scope of an authorized law enforcement activity or other responsobility of the FBI conferred by this chapter.

"(b) DISSEMINATION OF INFORMATION.—The FBI, pursuant to guidelines established by the Attorney General and consistent with the provisions of sections 552 and 552a of title 5, United States Code, may disseminate information obtained during an investigation conducted pursuant to section 533 to another Federal agency or to a State or local criminal justice agency if such information—

"(1) falls within the investigative jurisdiction or litigative responsibility of the agency;

"(2) may assist in preventing a crime or the use of violence or any other conduct dangerous to human life;

"(3) reflects on the integrity of a member of a criminal justice agency;

"(4) is required to be disseminated to a Federal agency pursuant to Executive Order No. 10450, as amended, dated April 27, 1953, or a successor order or other law; or

"(5) is otherwise permitted to be disseminated pursuant to section 552a of title 5, United States Code, Executive Order No. 10450, as amended, dated April 27, 1953, or any other law.

"(c) DESTRUCTION OF INFORMATION.—The FBI shall destroy records compiled in connection with an investigation conducted pursuant to section 533 or deposit them in the Archives of the United States for historic preservation pursuant to section 2103 of title 44, United States Code, ten years after the termination of the investigation if there is no prosecution or ten years after termination of prosecution unless—

"(1) retention of the record is necessary to the conduct of pending or anticipated litigation;

"(2) the record is the subject of a pending request for access under a provision of section 552 or 552a of title 5, United States Code;

"(3) retention of the record is required by chapter 119 of title 18, United States Code; or

"(4) the Director approves retention of all or a portion of the records for a period necessary for (i) investigative reference, (ii) training, or (iii) administrative purposes.

"Subchapter IV—Undercover Operations

"§ 534. Authorization of undercover operations

"(a) UNDERCOVER OPERATIONS GENERALLY.—The FBI is authorized to conduct undercover operations pursuant to guidelines established by the Attorney General when appropriate to carry out its responsibilities under section 533. If it is necessary to the successful conduct of undercover operations, the FBI may—

"(1) procure or lease property, supplies, services, equipment, buildings or facilities, or construct or alter buildings or facilities or contract for construction or alteration of buildings or facilities, in any State, including the District of Columbia, without regard to provisions relating to contract clauses, contract procedures, lease and alteration restrictions, or other provisions regulating procurement undertaken in the name of the United States;

"(2) establish, furnish, and maintain secure cover for FBI personnel or informants, by making false representations to third parties, and by concealing the Government involvement in the operation;

"(3) establish and operate proprietaries;

"(4) use proceeds generated by a proprietary or other undercover operation to offset necessary and reasonable expenses of that proprietary or other undercover operation, if the balance of such proceeds is deposited in the Treasury of the United States as miscellaneous receipts;

"(5) deposit appropriated funds and proceeds of an undercover operation in banks or other financial institutions; and

"(6) engage the services of cooperative individuals or entities in aid of undercover operations, and reimburse those individuals or entities for their services or losses incurred as a result of such operations, if any such assumption of liability for losses is specifically approved by the Attorney General or the Deputy Attorney General before any representations are made relating thereto, except in exigent circumstances.

"(b) PROPRIETARIES.—

"(1) The FBI may operate a proprietary established under this section on a commercial basis to the extent necessary to maintain its cover or effectiveness.

"(2) Whenever a proprietary with a net value over $50,000 is to be liquidated, sold, or otherwise disposed of, the FBI, as much in advance as the Director or his designee shall determine is practicable, shall report the circumstances to the Attorney General and the Comptroller General. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(c) CONTINUATION OF AUTHORITY.—The authority provided in subsection (a) or (b) may be exercised notwithstanding any contrary provision of law generally applicable to Federal Government agencies and shall not be modified, limited, suspended, expanded or superseded by any provision enacted after the effective date of this chapter unless the subsequent provision expressly cites an intent to modify, limit, expand, or suspend this section.

"Subchapter V—Civil and Other Investigations

"§ 535. Investigation of civil matters

"The FBI is authorized to conduct investigations of matters within the civil enforcement or litigation responsibilities of the Attorney General, including the responsibilities described in sections 514 through 520 of this title, upon request of the Attorney General or his designee.

"§ 535a. Collection of information on civil disorders and public demonstrations requiring Federal assistance

"(a) AUTHORIZATION PURSUANT TO GUIDELINES.—The FBI is authorized, pursuant to guidelines issued by the Attorney General, to collect information and report to the Department of Justice—

"(1) concerning an actual or threatened civil disorder that may require the presence of Federal troops or United States marshals to enforce Federal law or Federal court orders or that may result in a request for Federal assistance by State governmental authorities under section 331 of title 10, United States Code; or

"(2) relating to a peaceful public demonstration that is likely to require the Federal Government to take action to provide assist-

ance or facilitate the demonstration or to provide public health and safety measures with respect thereto.

"(b) APPROVAL OF ATTORNEY GENERAL.—No information described in paragraph (2) of subsection (a) shall be collected without the specific approval of the Attorney General or his designee.

"(C) LIMITATIONS.—The FBI shall limit its collection of information under subsection (a) to information that will assist the Attorney General in determining whether the use of Federal troops or other Federal assistance is required.

"(d) ISSUANCE OF GUIDELINES.—The Attorney General shall issue guidelines designed to insure that—

"(1) investigative techniques used for collection of information under subsection (a)(1) shall be limited insofar as is practicable to collection of publicly available information, and shall not include those techniques described in subsections (d) through (g) of section 533b, except in exigent circumstances and with the approval of the Attorney General;

"(2) investigative techniques used for collection of information under subsection (a)(2) shall be limited insofar as is practicable to collection of publicly available information, but in no event shall include those techniques described in subsections (d) through (g) of section 533b, or the use of an informant or undercover agent to infiltrate a group or the recruitment of a person within such group as an informant; and

"(3) information collected is stored in such a way as to minimize retrievability of information about an identifiable person unless that person is the subject of an ongoing lawful investigation authorized by this chapter at the time of collection.

"§ 535b. Background investigations by Federal Bureau of Investigation of appointees, applicants, and employees

"(a) WRITTEN REQUEST FOR APPOINTEES.—The FBI, upon written request of the President or a President-elect or an official designated in writing by the President or an individual designated in writing by a President-elect, is authorized to conduct an investigation of an individual who has consented to be considered for—

"(1) nomination to an office requiring the advice and consent of the Senate; or

"(2) appointment to a position in the Executive Office of the President that the requesting individual certifies will require access to classified information.

"(b) OTHER CIRCUMSTANCES FOR INVESTIGATIONS.—The FBI may conduct an investigation of an individual who has—

"(1) consented to be considered for nomination by the President as a justice or judge;

"(2) applied for employment in the FBI or a position in the Department of Justice designated by the Attorney General or his designee as requiring such an investigation;

"(3) applied for a Presidential reprieve or pardon; or

"(4) been designated by the Attorney General as requiring access to classified information.

"(c) ACCESS TO CLASSIFIED INFORMATION.—Upon written request and if the individual consents to the investigation, and the official requesting the investigation certifies that the position is one requiring access to classified information, the FBI may conduct an investigation on a reimbursable basis, of an individual who has applied for or occupies a position on the staff of—

"(1) the Committee on Appropriations or the Committee on the Judiciary of the Senate or House of Representatives,

"(2) the Select Committee on Intelligence of the Senate,

"(3) the Permanent Select Committee on Intelligence of the House of Representatives,

"(4) the Speaker of the House of Representatives,

"(5) the President pro tempore of the Senate, or

"(6) the Majority or Minority Leader of either House.

"(d) APPOINTMENTS IN UNITED STATES COURTS.—Upon written request of the Director of the Administrative Office of the United States Courts or his designee, the FBI may conduct a backround investigation, on a reimbursable basis, of an individual who has consented to be considered for appointment as a United States magistrate, bankruptcy judge, or special prosecutor considered for appointment pursuant to the Ethics in Government Act of 1978.

"§ 535c. Federal Bureau of Investigation assistance in background inquiries by other Federal agencies

"The FBI is authorized to provide relevant information from its files, including fingerprint files, to a requesting Federal agency if the agency is authorized to make inquiry concerning or conduct a background investigation of—

"(1) an applicant for employment by or an employee of—

"(A) an agency; or

"(B) a contractor or prospective contractor for an agency;

"(2) a contractor or prospective contractor for an agency;

"(3) a person who requires access to information classified in the interest of national defense or foreign relations of the United States;

"(4) an individual who has access to a person or premises within the protective responsibility of the United States Secret Service if the requesting agency is the United States Secret Service;

"(5) an applicant for a Federal grant or loan, to the extent authorized by the Attorney General or his designee; or

"(6) a person requiring access to a Federal computer system or data in that system who is subject to investigation and determination of clearance.

"§ 535d. Special service functions

"In addition to other duties and responsibilities defined in this chapter, the FBI may—

"(1) provide investigative assistance, including personnel and support staff, to those committees of the Congress for which it is authorized to conduct background investigation of staff members, on a temporary and reimbursable basis, if the chairman of the committee requests, and the Attorney General or his designee approves, the provision;

"(2) provide investigative assistance and technical services to the Office of Professional Responsibility and other components of the Department of Justice, as authorized by the Attorney General or his designee, in connection with matters within the responsibilities conferred by law upon the Attorney General;

"(3) provide investigative assistance to a Federal grand jury on matters within FBI jurisdiction, upon request of an attorney for the United States;

"(4) provide investigative assistance to other Federal, State, or local law enforcement agencies in criminal investigations when requested by the heads of such agencies if the Attorney General or his designee finds that such assistance is necessary and would serve a substantial Federal interest; and

"(5) provide protective services as authorized by the Attorney General or his designee in connection with matters within the responsibilities conferred by law upon the Attorney General.

"Subchapter VI—Law Enforcement Support Functions

"§ 536. Education, training and research

"The FBI is authorized to—

"(1) establish, conduct, or assist in conducting programs to provide education and training for its employees and for law enforcement and criminal justice personnel of other Federal agencies, State, or local agencies, and foreign governments and members of the Armed Forces of the United States; and

"(2) conduct or contract for research and development of new or improved approaches, techniques, systems, equipment, and devices to improve and strengthen law enforcement and criminal justice and to procure such systems, equipment, necessary information and material, including technical systems and devices for its authorized law enforcement functions under sections 533, 533b, 533c, 534, and 535c of this chapter.

"§ 536a. Foreign liaison

"The FBI is authorized to establish and maintain liaison with, and to provide mutual assistance to a foreign law enforcement agency, consistent with the provisions of this chapter and in accordance with guidelines established by the Attorney General by—

"(1) stationing FBI liaison personnel abroad, with the approval of the Attorney General and the Secretary of State;

"(2) directing an inquiry to a foreign law enforcement agency in connection with a criminal or background investigation being conducted by the FBI or by another Federal agency that requests the FBI to make the inquiry and directing the response to the requesting agency;

"(3) directing an inquiry to a foreign law enforcement agency in connection with a criminal investigation being conducted by a State or local law enforcement agency that requests the FBI to make the inquiry and directing the response to the requesting agency;

"(4) making a preliminary inquiry or conducting an investigation within the United States, at the request of a foreign law enforcement agency, to locate a fugitive or obtain information required in connection with a criminal investigation being conducted by the foreign agency and furnishing the results to the requesting agency, except that the FBI may not conduct investigations of matters that would not be crimes if occurring in the United States and may use sensitive tehniques only as authorized by section 533b, and all such activities shall be approved by the Director or his designee;

"(5) exchanging criminal investigative, scientific, and technical information from its files with law enforcement and security agencies of foreign governments that are conducting criminal investigations for which such information is requested; and

"(6) furnishing assistance in background investigations at the request of a foreign law enforcement or security agency, except that such assistance shall be undertaken only upon assurance of the requesting agency that the investigation is for official purposes relating to government employment, security clearance, licensing, visas or immigration and that the individual involved has consented to such investigation.

"§ 536b. Technical assistance

"The FBI is authorized to—

"(1) provide identification assistance for humanitarian purposes, including disasters and missing person cases, at the request of another Federal agency or a foreign, State, or local governmental agency;

"(2) provide laboratory, identification, technical and scientific assistance in connection with—

"(A) an investigation being conducted by a Federal agency that requests such assistance; and

"(B) a criminal investigation being conducted by a State or local law enforcement agency that requests such assistance;

"(3) provide expert testimony in Federal, State, local or foreign proceedings in connection with assistance rendered pursuant to subsection (a) or (b);

"(4) provide technical examinations to detect clandestine surveillance devices, upon request of a Federal agency, a committee of the Congress, or a court of the United States; and

"(5) provide scientific or technical analyses of materials of historic significance upon request of a Federal, State, or local agency.

"§ 536c. Cooperation with the Secret Service

"Consistent with the provisions of this chapter, the FBI is authorized to provide personnel, informational, investigative, and technical assistance to the United States Secret Service in connection with its protective responsibilities. The FBI may conduct investigations at the request of the Secret Service provided the requirements of section 533 are met.

"§ 536d. Identification, criminal history, and other records; exchange for criminal justice purposes

"(a) CIVIL AND CRIMINAL RECORDS.—The FBI is authorized to acquire, collect, classify and preserve—

"(1) civil fingerprint records, including those voluntarily submitted to it;

"(2) criminal fingerprint records and criminal history information;

"(3) records concerning fugitives for whom arrest warrants are outstanding;

"(4) records relating to stolen property;

"(5) records and related information concerning missing persons;

"(6) other records relating to crime, including statistics, to the extent authorized by the Attorney General or his designee.

"(b) EXCHANGE OF RECORD.—The FBI is authorized to exchange information described in subsection (a) with—

"(1) a criminal justice agency of the Federal Government;

"(2) a foreign law enforcement or security agency;

"(3) a State or local criminal justice agency;

"(4) a law enforcement organization authorized by State statute to investigate crimes or apprehend criminals on interstate common carriers; and

"(5) a State or local law enforcement or criminal justice agency in connection with the employment of law enforcement or criminal justice personnel.

"§ 536e. Identification, criminal history, and other records; exchange for employment or licensing purposes

"(a) EXCHANGE OF CERTAIN CRIMINAL RECORDS.—Except as provided in subsection (b), the FBI is authorized to exchange criminal fingerprint records and criminal history information with—

"(1) a Federal agency that has reponsibility for the licensing or registration of individuals or businesses, or for the administration of visa, immigration, or passport laws;

"(2) a federally chartered or insured financial institution;

"(3) an organization that is required by section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78q(f)), to exchange such records;

"(4) a State or local agency authorized by State statute to obtain such information for employment or licensing purposes, if the Attorney General or his designee has approved exchange under the statute; and

"(5) a foreign government for the administration of visa, immigration, and passport laws.

"(b) TIME LIMITATION.—The FBI may not furnish arrest data more than one year old under this section or section 535c unless it is accompanied by disposition data.

"§ 536f. Retention of unsollcited information

"Unsolicited information about an identifiable person that does not pertain to any of the functions or responsibilities of the FBI, as defined by law, may be retained only for the limited period necessary for administrative processing, as authorized by guidelines issued by the Attorney General.

"Subchapter VIII—Miscellaneous

"§ 537. Civil fines and penalties

"(a) VIOLATIONS OF CHARTER.—In addition to any disciplinary action authorized by law, the Director may impose a civil penalty up to $5,000 on any person who, while acting as an employee of the FBI, intentionally uses any of the sensitive investigative techniques described in section 533b knowing that such use violates the provisions of this chapter. The penalty shall be in addition to any other penalty which may be prescribed by statute or regulation and shall be imposed in a manner consistent with the provisions of the Civil Service Reform Act of 1978. Recovery of a civil penalty against a former employee for a violation that occurred during the period of employment shall be made pursuant to the provisions of chapter 163 of this title.

"(b) IMPROPER DISSEMINATION OF RECORDS.—The FBI may modify, suspend or cancel the exchange of crime record information if the Federal, foreign, State or local agency or private organization receiving such information disseminates it outside the receiving agency or organization or a related agency or organization in violation of guidelines established by the Attorney General.

"§ 537a. Civil remedies; non-litigability of guidelines and procedures

"(a) NO CIVIL CAUSE OF ACTION AGAINST UNITED STATES.—Nothing in this chapter creates a civil cause of action against the United States not available under other provisions of this title, or a civil cause of action against any officer, agent, or employee or former officer, agent, or employee of the United States Government not otherwise available at law.

"(b) EFFECT OF FAILURE TO FOLLOW THIS CHAPTER, GUIDELINES, OR PROCEDURES.—Nothing in this chapter, or in any guidelines or procedures established pursuant to this chapter, creates any substantive or procedural right and no court has jurisdiction over a claim in any proceeding, including a motion to quash a subpoena, suppress evidence, or dismiss an indictment, based solely on an alleged failure to follow a provision of this chapter or of guidelines or procedures established pursuant to this chapter.

"§ 537b. Protection of the investigative process

"(a) PUBLIC DISCLOSURE OF GUIDELINES.—Any guidelines promulgated by the Attorney General as required by this chapter shall be made available to the public unless the Attorney General determines that a particular guideline or portion thereof cannot be made public without assisting a criminal to avoid detection, compromising investigations or investigative techniques, or otherwise jeopardizing the investigative process, in which case the geuideline or portion thereof shall not be made public and shall be considered an investigatory record for the purposes of section 552(b) of title 5, United States Code.

"(b) PUBLIC DISCLOSURE OF PROCEDURES.—Any procedure established by the Director to implement the requirements of this chapter, not otherwise exempt under section 552 (b) of that title, are exempt from public disclosure if the Director determines that the public knowledge of such procedures or any portion thereof would assist a criminal to avoid detection or would compromise sensitive investigative techniques.

"§ 537c. Congressional oversight and accountability of the Federal Bureau of Investigation

"(a) DUTIES OF THE ATTORNEY GENERAL.—To the extent not inconsistent with all applicable authorities and duties, including those conferred by the Constitution and laws of the United States upon the executive and legislative branches, the Attorney General shall—

"(1) keep the Committees on the Judiciary of the Senate and the House of Representatives fully and currently informed concerning the implementation of this chapter; and

"(2) provide any information or material of the FBI within the jurisdiction of the Committees on the Judiciary of the Senate and the House of Representatives, in accordance with provisions agreed to by the respective chairmen of those Committees and the Attorney General.

"(b) DUTIES OF THE DIRECTOR.—On an annual basis, the Director shall provide the following information to Committees on the Judiciary of the Senate and the House of Representatives:

"(1) The total number of investigations, specified by category, conducted in the preceding calendar year.

"(2) The total number of activities, specified by category conducted in the preceding calendar year which under this chapter, require approval of the Director or his designee or the Attorney General or his designee.

"(3) Any other report required by the Committee on the Judiciary of the Senate or the House of Representatives within its oversight functions.

"(c) CONGRESSIONAL REVIEW OF GUIDELINES; NONDISCLOSURE OF GUIDELINES.—As soon as feasible after the effective date of this chapter, the Attorney General shall submit to the Committees on the Judiciary of the Senate and the House of Representatives for their review and comment on any guidelines established pursuant to section 533a, 533b, 533c, 534, 535a, 535b, 536a or 536f of this chapter and the reasons any portions thereof should not be publicly disclosed under section 537b.

"§537d. Periodic review of guidelines

"At such intervals as the Attorney General may prescribe, the Director shall conduct a periodic review and analysis of the application of all guidelines issued pursuant to this chapter to insure that such guidelines are complied with and effectively achieve the purposes for which they were issued.".

SEC. 3. Title 5 of the United States Code is amended as follows:

(a) Section 1304 is amended—

(1) by repealing subsections (b), (c), and (d); and

(2) in subsection (f) by striking out "or the Federal Bureau of Investigation" each time it appears.

(b) Section 102(a)(1) is amended by adding at the end thereof the following:

"(D) positions in the Federal Bureau of Investigation.".

(c) Section 5313 is amended by adding at the end thereof the following new paragraph:

"( ) Director of the FBI, Department of Justice.".

(d) Section 5314 is amended by repealing paragraph (44).

SEC. 4. Chapter 203 of title 18, United States Code, is amended—

(1) by repealing section 3052; and

(2) by amending the item relating to section 3052 in the table of sections at the beginning of the chapter to read:

"3052. Repealed.".

SEC. 5. Section 22 of the Peace Corps Act (22 U.S.C. 2519) is amended by striking out the second and third sentences.

SEC. 6. Section 45 of the Arms Control and

Disarmament Act (22 U.S.C. 2585) is amended by—

(1) striking out the third sentence in subsection (a); and

(2) striking out "or the Federal Bureau of Investigation" in subsection (b).

SEC. 7. Chapter 31 of title 28, United States Code, is amended—

(1) by adding after section 513 the following new section:

"§ 513a. Investigative authority

"(a) PROTECTION OF CONFIDENTIALITY.—The Attorney General may conduct investigations regarding official matters under the control of the Department of Justice. He shall be responsible for protecting the integrity of investigative files and the confidentiality of informants, undercover operations, and other sensitive investigative techniques. In no event may a court order an attorney for the Government or any other official of the Department of Justice to disclose the identity of a confidential informant or information which would reveal such identity, except to the court in camera, if the Attorney General has made a determination that the informant's identity must be protected. However, the court may issue any other order in response to such a determination by the Attorney General.

"(b) INVESTIGATION OF FEDERAL EMPLOYEES.—The Attorney General and the FBI may investigate any violation of title 18, United States Code, and other provisions of Federal criminal law, except violations of title 26, United States Code, involving a Government officer or employee—

"(1) notwithstanding any other provisions of law; and

"(2) without limiting the authority to investigate any matter which is conferred on them or on a department or agency of the Government.

"(c) LIMITATIONS ON INVESTIGATION OF FEDERAL EMPLOYEES.—Any information, allegation or complaint received in a department or agency in the executive branch of the Government relating to a violation of a criminal law of the United States involving a Government officer or employee shall be expeditiously reported to the Attorney General by the head of the department or agency, unless—

"(1) the responsibility to perform an investigation with respect thereto is specifically assigned otherwise by another provision of law; or

"(2) as to any department or agency of the Government, the Attorney General directs otherwise with respect to a specific class of information, allegation, or complaint.

"(d) EFFECT ON OTHER INVESTIGATIVE AUTHORITY.—Subsections (b) and (c) do not limit—

"(1) the authority of the military departments to investigate persons or offenses over which the armed forces have jurisdiction under the Uniform Code of Military Justice (chapter 47 of title 10); or

"(2) the primary authority of the Postmaster General to investigate postal offenses.";

(2) by adding after the item relating to section 513 in the table of sections at the beginning of the chapter the following new item:

"513a. Investigative authority.";

(3) by adding at the end of the chapter the following new section:

"§ 528. Attorney General responsibility for FBI investigations

"It is the duty of the Attorney General to take all reasonable steps to insure that every investigation authorized by chapter 33 of this title is conducted in conformity with the Constitution, chapter 33, and other laws of the United States, and does not abridge any right protected by the Constitution or laws of the United States."; and

(4) by adding after the item relating to section 527 in the table of sections at the beginning of the chapter the following new item:

"528. Attorney General responsibility for FBI investigations.

SEC. 8. Section 145 of the Atomic Energy Act of 1954 (42 U.S.C. 2165) is amended by striking out subsections (d), (e), and (f).

SEC. 9. Section 304 (a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2455 (a)) is amended by striking out "; and if any such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty the matter shall be referred to the FBI for the conduct of a full field investigation, the results of which shall be furnished to the Administrator.".

SEC. 10. The Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.), is amended as follows:

(a) Section 402 (b) (6) (42 U.S.C. 3742 (b) (6)) is amended by striking out "404 of this Act" and inserting in lieu thereof "535d of title 28, United States Code".

(b) Section 404 (42 U.S.C. 3744) is repealed.

(c) Section 1101 (b) (28 U.S.C. 532 note) is repealed.

SEC. 11. Section 403 (a) of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2255 (a)) is amended—

(a) by striking out in the second sentence "the Federal Bureau of Investigation shall have conducted a full field investigation concerning such person and"; and

(b) by striking out the last two sentences.

SEC. 12. The provisions of this Act take effect 90 days after the date of its enactment.

THE FEDERAL BUREAU OF INVESTIGATION CHARTER ACT

SECTION-BY-SECTION COMMENTARY

Section 1 of the bill establishes the title for the legislation.

Section 2 establishes a new Chapter 33 in Title 28 which will consist of the FBI Charter. The description of the charter which follows uses the new numbering system as it would appear in Title 28.

Section 531 defines the scope of the charter itself and states the purposes for its enactment. The charter defines in statutory form the myriad functions the FBI performs, other than those functions relating to foreign intelligence collection and foreign counterintelligence investigations. It is contemplated that there will be a separate charter relating to the FBI's performance of these functions. The purpose of the charter is not only to define the FBI's mission, but to codify and confer the authority necessary to carry out that mission and to establish conditions, limitations and restrictions for the discharge of the FBI's duties and responsibilities.

Section 531a adopts as a fundamental principle that the charter is the exclusive statement of the authority, duty and responsibility of the FBI. Section 531a also states certain fundamental investigative principles. These principles govern all of the provisions of the charter dealing with particular types of investigations, including preliminary investigations (referred to in the charter as "inquiries"). FBI investigations should involve minimal intrusion into the lives of individuals under investigations, and as Attorney General Stone emphasized, should be concentrated on criminal conduct proscribed by law when the premise for investigation is the FBI's responsibility to detect crime. Underscoring this concept, section 531a states unequivocally that the lawful exercise of the right to dissent or other exercise of constitutional rights cannot justify an investigation where no criminal conduct is involved.

Certain key terms used in the charter are defined in section 531b. The terms "aggravated property destruction," "destructive device," "pattern of terrorist activity" and "terrorist activity" all relate to the provisions of section 533(b)(3) concerning the FBI's responsibility to investigate terrorism. "Terrorist activity" is that which is designed to intimidate or coerce through the use of criminal violence. Two or more such violent acts which share the same participants, methods, victims or otherwise appear interrelated, and which are designed to influence government policy by intimidation, constitute "a pattern of terrorist activity."

The term "enterprise", which is used in connection with the authorization for terrorism investigations and organized crime investigations, is defined to include group activity, whether by a formal organization or by a loosely structured group. The term is derived from the "Racketeer Influenced and Corrupt Organizations" (RICO) Statute (18 U.S.C. § 1961–68), which also provides the precedent for grounding federal jurisdiction on a "pattern of activity" in violation of state law.

The terms "guidelines" and "procedures" used throughout the charter are defined. "Guidelines" refers to written statements of policy issued by the Attorney General to govern the investigative activities of the FBI. "Procedures" are the internal rules and regulations, and the manuals established by the FBI concerning investigations and administrative matters.

"Informant" is defined as any person who furnished information to the FBI on a confidential basis, whether on a single occasion or on a continuing basis. This broad definition is used here to avoid a basis for claiming in litigation that the informant privilege is in any way limited to persons who have a continuing relationship with the FBI. Where provisions in the charter are limited to a particular type of informant, the limitations are described explicitly in the relevant section.

"Racketeering activity" is defined by reference to the provisions of the Racketeer Influence and Corrupt Organizations (RICO) Act to include a pattern of violations of specified state criminal statutes.

Section 532 restates the provision in the present 28 U.S.C. 531, establishing the FBI in the Department of Justice, and codifies the provisions of 28 C.F.R. 0.85 that the FBI is under the policy supervision of the Attorney General and, insofar as the Attorney General directs, the Deputy Attorney General.

Section 532a incorporates the provision in present 28 U.S.C. 532 placing a Director at the head of the FBI. It recognizes his responsibility to report to the Attorney General and, if the Attorney General directs, to the Deputy Attorney General. It also incorporates the provision of Public Law 90–351 providing for Presidential appointment of the Director, with the advice and consent of the Senate, for one ten year term.

The general duties and responsibilities of the Director are described in Section 532b. These include insuring that the activities of the FBI comport with the Constitution and laws of the United States and with the charter and related guidelines, and establishing any procedures necessary to carry out the charter. The Director is also charged with responsibility to establish an "effective" disciplinary system to enforce the charter and to insure the effective administration of the law enforcement responsibilities of the FBI.

Subsection (a) of section 532c restates the power to carry firearms, make arrests, serve warrants, and pay rewards now contained in 18 U.S.C. 3052 and 3059. Subsection (b) restates the authority now contained in 28 U.S.C. 537 to expend funds on a confidential basis for unforeseen emergencies, on the certification of the Attorney General.

Subchapter III of the new Chapter 33, Title 28, is the basic authorization for the FBI to conduct criminal investigations. The term "investigation" is used throughout subchapter III, except in subsection 533, to include "inquiries". Subchapter III also places restrictions on the use of certain techniques in the conduct of such investigations.

Section 533, containing the basic investigative authority, begins with an elaboration of the authority as now stated in 28 U.S.C. 533(1). It recognizes that the FBI is the primary criminal investigative agency of the federal government and has the authority to investigate all criminal violations of federal law not assigned exclusively to another federal agency. However, previously established arrangements concerning dual or non-exclusive jurisdiction are not altered by this charter.

The subsection also recognizes that there is a distinction between "inquiries" conducted to determine whether a full scale investigation is warranted and the actual conduct of "investigations" by the FBI. The authority to conduct inquiries short of a full investigation allows the government to respond in a measured way to ambiguous or incomplete information and to do so with as little intrusion as the needs of the situation permit. This is especially important in such areas as white-collar crime where no complainant is involved or when an allegation or information is received from a source of unknown reliability. It is contemplated that such inquiries would be short duration and be confined solely to that information which is necessary to make an informed judgment as to whether a full investigation is warranted. The techniques available for preliminary inquiries are generally less intrusive than those employed in the full investigation.

In no event would they include wiretapping, mail openings, mail covers or investigative demands. In addition, infiltration of groups by new sources or by undercover Agents is not permitted in an inquiry conducted pursuant to subsection 533(b)(3). Certain other intrusive techniques may be used only in compelling circumstances and when other investigative means are not likely to be successful. The use of such techniques during a limited inquiry will be carefully regulated by guidelines and internal regulations requiring approval by designed officials of the FBI.

The subsection provides that the purpose of FBI investigations is to detect either the existence of crime or the identity of a criminal, prevent further crimes by notifying prosecutive authorities, arresting the individual involved, or detecting a conspiracy before it achieves its final objective, and gather evidence for prosecution.

The remainder of section 533 defines with greater precision the basis on which the FBI may investigate specific criminal violations or criminal enterprises engaged in organized crime or terrorism activities. In each instance, investigation must be based on "facts or circumstances" that "reasonably indicate" the existence of the criminal conduct described.

Subsection (b)(1) authorizes investigation of federal criminal violations when facts or circumstances reasonably indicate that a person has engaged, is engaged or will engage in the activity proscribed. The word "will" is used not only to encompass the investigation of future crimes, but suggests that a greater likelihood of criminal activity is necessary to support such investigation. There must be an objective, factual basis for initiating the investigation; mere hunch is insufficient. The investigation is conducted to gather information necessary for a prosecutor to determine whether there is probable cause to take to a grand jury or use as the basis for filing an information.

The focus of the investigation may be either on the question whether behavior which is clearly occurring is, in fact, criminal or on identifying the perpetrator of a crime known to have occurred. It would not be necessary to focus at the outset on an identified individual. The reference to "a person" includes an individual whose identity is yet to be determined. An investigation may be initiated on the basis of an allegation, which has been checked through the initial inquiries described above, or a combination of circumstances, such as repeated complaints that a government warehouse is in short supply of items listed on an inventory, which lead to the reasonable inference that property is being diverted unlawfully.

Subsections (b)(2) and (3) authorize investigations of criminal enterprises engaged in racketeering and terrorist activities. The concept is drawn from the "Racketeer Influenced and Corrupt Organizations" (RICO) Statute (18 U.S.C. § 1961–68) which authorizes criminal prosecution of certain enterprises as a means of strengthening the government's enforcement powers against white collar and organized crime. These investigations differ from ordinary criminal investigations, authorized by subsection (b)(1), in several important respects. As a practical matter, an investigation of a completed criminal act is normally confined to determining who committed that act and with securing evidence to establish the elements of the particular crime. It is, in this respect, self-defining. An investigation of an ongoing criminal enterprise must determine the size and composition of the group involved, its geographic dimensions, its past acts and intended criminal goals, and its capacity for harm. While a standard criminal investigation terminates with the decision to prosecute or not to prosecute, the investigation of a criminal enterprise does not necessarily end, even though one or more of the participants may have been prosecuted.

In addition, the organization provides life and continuity of operation that are not normally found in regular criminal activity. As a consequence, these investigations may continue for several years. In addition, as Justice Powell noted, the focus of such investigations "may be less precise than that directed against more conventional types of crime." *United States* v. *United States District Court*, 407 U.S. 297, 322 (1972). Unlike the usual criminal case, there may be no completed offense to provide a framework for the investigation.

It often requires the fitting together of bits and pieces of information, many meaningless by themselves, to ascertain if there is a mosaic of criminal activity. For this reason, the investigation is broader and less discriminate than usual, involving "the interrelation of various sources and types of information." *Ibid.*

At the same time, it is recognized that group investigations present special problems, particularly where they deal with politically motivated acts. As Justice Powell pointed out, "There is often a convergence of First and Fourth Amendment values not found in cases of 'ordinary' crime." *Ibid.* Thus, special care must be exercised in sorting out protected activities from those which may lead to violence or serious disruption of society. As a consequence, the charter establishes special safeguards for group investigations of special sensitivity, including tighter management controls and higher levels of review.

Subsection (b)(2) focuses on investigations of organized crime. It is concerned with investigation of entire enterprises or groups, rather than individual participants in specific criminal acts, and authorizes investigations to determine the structure and scope of an organized crime group as well as the relationship of the members. Again, the investigation must be based on facts or circumstances that reasonably indicate the existence of such a group engaged in racketeering activities.

Similarly, subsection (b)(3) contains a separate authorization for terrorism investigations which are also concerned with the activities of groups. Again these investigations must be based on facts or circumstances which reasonably indicate that there is an enterprise, that the purpose of that enterprise is terrorism, and that the terrorism goal is to be achieved by violent criminal activity. The enterprise must exist. The activity often will have already occurred and may be attributable to a particular organization, as where a group claims credit for a series of bombings or kidnappings. There may be instances, however, in which no terrorist act has occurred, thus raising the delicate issue of whether the group is engaged in lawful First Amendment activity or unlawful terrorism. That issue is present whenever the government tries to anticipate future criminal conduct, but it is more acute when the enterprise has not previously engaged in terrorist crimes. Obviously, a prior record of violence is an important factor in determining whether an investigation for future crimes is warranted. But the government may also look to other factors such as informant information, the stockpiling of weapons, an announced intent to engage in violence, and the full range of considerations that historically have been available to law enforcement officers.

The problem comes in knowing how far in advance of crime that government may properly initiate its inquiry. If the investigation begins prematurely, it may deal with marginal or speculative threats to society or with entirely innocent conduct. If commenced too late, it becomes difficult if not impossible to gather information that is needed for the government to respond effectively. It has been suggested that investigations dealing with future crimes should not be initiated without some showing that the persons are "planning or preparing" to engage in terrorist activities.

The precise meaning of those terms is unclear but they suggest that the individuals involved must have devised a scheme or are "making ready" to commit a specific terrorist act. That delays the investigation to a point that is dangerously close to the commission of the crime. In addition, it is not clear how the government would acquire that information without prior investigation, unless it is intended that a preliminary inquiry would serve that purpose.

In current practice those inquiries are very limited and not likely to produce the kind of information needed to satisfy that standard. The better approach is to recognize that the government must proceed with the utmost caution in such cases and perhaps to require a stronger factual basis for investigation if the enterprise has not previously engaged in terrorist crimes.

It is intended that guidelines or internal procedures will be adopted that will attempt, to the extent possible, to limit those investigations to situations which reasonably indicate that there is a serious intent to engage in terrorist activities; mere abstract advocacy would not be a basis for investigation. Evidence of "planning and preparing," of course, is one way that requirement can be satisfied, but it should not be the sole basis on which such an investigation can be initiated.

The terrorist activity might involve either a direct violation of federal criminal law, such as kidnapping a foreign official or violating the federal explosives statute, or a pattern of terrorist activity in violation of State law, such as assassination of governors. See, e.g., 18 U.S.C. § 1961 (5). The bill would also authorize investigation where the terrorist activity is multinational, or is being

planned in the United States for "export" to other countries.

Precedent for this authority is found in the Foreign Intelligence Surveillance Act of 1978, 50 U.S.C. 1801 (c)(3), which permits electronic surveillance of certain groups whose terrorist activities transcend national boundaries. Thus, if a group with substantial U.S. membership were planning to engage in a series of bombings in Canada, the FBI would be permitted to investigate even though the terrorist activity occurs abroad.

The subsection describes the type of activity to be investigated in terms of acts designed to intimidate or coerce segments of the civil population (*e.g.*, the random bombing of restaurants), influence or retaliate against government (*e.g.*, assassination of a federal official to protest the conviction of a fellow terrorist), or influencing or retaliating against the trade or economic policies of a company engaged in international commerce (*e.g.*, kidnapping key officials of one of the multinational corporations because of its trade with a particular country).

The authority here is concerned with the investigation of a continuing enterprise that is terrorist in nature, not with the single act of an individual. Like organized crime investigations, these investigations may be of long duration and will be concerned with the relationship of the group members and the connection between individual criminal acts. However, the investigation must be confined to members of the criminal enterprise, particularly when such enterprise is a subgroup of a larger organization that engages in lawful political activities.

The enterprise may involve either a pattern of specific criminal acts or a conspiracy to commit a single criminal act such as detonation of a nuclear device. The focus of the investigation, however, must be criminal activity of a terrorist type. As a further safeguard, the decision to investigate will take into account such factors as the likelihood, immediacy and magnitude of the threatened harm.

Section 533a requires the Attorney General to establish guidelines for the conduct of the criminal investigations described in the preceding section. It also sets three criteria to be met by these guidelines: (1) investigations must focus on criminal activity; (2) there must be an objective factual basis for investigation; and (3) the breadth of the investigation and the manner in which it is conducted must be dependent on the nature and the quality of the information available.

This latter requirement essentially embodies the traditional concept that the lengths to which an investigator can go in trying to solve a crime will depend, in large part, on the certainty of the information he already has. In *Miranda* v. *Arizona*, 384 U.S. 436, 477–78, the Court suggested that an individual's mere presence at the scene of a crime might justify asking him to identify himself, even though there is no particular basis to suspect him.

To pat-down an individual, however, *Terry* v. *Ohio*, requires specific and articulable facts giving reason to believe he is engaged in criminal activity. The Fourth Amendment demands probable cause if an individual is to be arrested or searched. Similarly, the guidelines are expected to condition more intrusive investigative techniques on a stronger fact basis than is necessary to open the investigation initially.

Section 533a also contains special provisions for the periodic review of terrorist investigations. The Department of Justice must be advised of all such investigations and each that continues beyond one year must be reviewed by the Director. A report of such review must then be submitted to the Attorney General or an official the Attorney General designates. These special review provisions are included for terrorist investigations because they deal with groups who have, or allege, a political motive for their criminal activity and because the criminal activities may be coupled with political expression which is protected by the First Amendment.

Section 533b(a) contains special limitations on the use of sensitive investigative techniques. It requires that the Attorney General issue guidelines on the use of such techniques, either as separate documents or as part of the guidelines relating to particular types of investigations. The guidelines have a three-fold purpose: (1) to ensure that intrusion into the privacy of persons is not greater than necessary to conduct the investigation in a timely and effective manner; (2) to require formalized and higher levels of review and authorization as the use of specific techniques increases the likelihood of intrusion into privacy; and (3) to insure that information obtained by the techniques is used only for lawful governmental purposes.

The techniques encompassed within this section are: informants, undercover agents and operations, physical surveillance, mail surveillance, electronic surveillance, access to third party records, access to tax returns and return information, trash covers, pen registers, consensual monitoring, electronic locations detectors, covert photographic surveillance and pretext interviews. Some of these are, of course, already subject to statutory limitations which are cross-referenced in the charter.

Subsection (b) recognizes that the use of informants and undercover Agents by the FBI is lawful and may often be essential to the effectiveness of properly authorized law enforcement investigations. However, the technique of using informants to assist in the investigation of criminal activity, since it may involve an element of deception and intrusion into the privacy of individuals or may require government cooperation with persons whose reliability and motivation may be open to question, should be carefully limited. Thus, while it is proper for the FBI to use informants in appropriate investigations, it is imperative that special care be taken to ensure that individual's rights are not infringed and that the government itself does not become a violator of the law.

Where an informant is used on a continuing basis by the FBI, given specific assignment to collect information, and targeted against an identifiable person, special restrictions are included. These restrictions recognize a distinction between a source or informant who provides information on a single occasion or who provides generalized information over a period of time, and the informant who, in a sense, works for the FBI in carrying out specific assignments to obtain information.

While the latter is not an agent or employee of the FBI in a legal sense, the FBI bears a greater responsibility for the individual's conduct than is true of the occasional source of information. Thus, this section requires that a supervisory official of the FBI make a specific determination that the informant is suitable for use and that he is likely to provide information relating to an authorized investigation. The determination must be in writing and reviewed periodically by the Director of the FBI or his designee.

When an informant is given this type of assignment to collect information for the FBI on a continuing basis he must also be advised that he is not considered an agent or employee in the normal sense and that FBI cannot and will not protect him from arrest or prosecution for any criminal conduct he engages in. He must also be advised that the FBI will not condone his involvement in criminal activity unless his participation in criminial activity is itself found justified by an official of the FBI or of the Department of Justice.

Determinations that participation in crime is justified must be reviewed annually by the Director or his designee. He is also to be warned against participation in violent acts, serving as an agent provocateur to instigate crime, or using illegal techniques, such as burglary, wiretapping or mail opening, to acquire information for the FBI.

The provision recognizes that some of the most effective informants are themselves criminals and that their usefulness to the FBI frequently arises because they are engaged in criminal activities giving them access to the individuals who are the targets of the investigation. A bookmaker may be recruited to provide information on organized crime figures controlling gambling in the locality, or a "fence" may be asked to supply information on those engaged in the interstate theft of stolen property.

It would be unrealistic to expect that these informants would discontinue their illegal activity. Indeed, if they did, it is unlikely they would be in a position to gain the necessary information to aid the investigation. Similarly, an informant may be solicited to pay a bribe or invited to join in a cargo theft. Unless he goes along with this criminal activity, he will be unable to obtain the needed evidence for the FBI.

Accordingly, the section provides for the FBI or the prosecutor to make a determination that it is appropriate to recruit an individual engaged in a continuing pattern of criminal activity or to approve an informant's participation in a particular criminal act. The determination, however, must weigh the prosecutive need for the information and the seriousness of the offense under investigation against the seriousness of the criminal activity in which the informant is involved.

For example, use of a bookmaker to obtain evidence against a major organized crime figure may well be warranted where use of the same individual to obtain evidence on another minor bookmaker may not. Payment of a bribe to a corrupt official in order to expose him can be justified, where informant participation in a murder to obtain information on a thief is not.

Subsection 533b(b)(3) also places special limitations on the use of a licensed physician, a lawyer, a clergyman, or a member of the news media as an informant. There presently is no legal prohibition against using such persons as informants. Because of the obvious policy considerations, however, there have been relatively few instances in which the FBI has used persons in those professions to provide information on a continuing basis.

This subsection establishes safeguards by requiring that such use be expressly authorized in writing by the Director or a designated senior official of the FBI, and that the Attorney General or his designee be promptly notified. In addition, the FBI is required to advise each person that he is not being requested to breach any legal obligation of confidentiality.

The FBI would be required to obtain some information about individuals it proposes to use as informants on a continuing basis or those who provide operational assistance in areas such as undercover work in order to satisfy itself that the individual involved is suitable for use in this manner. The broad term "suitability" is used (rather than "reliability") to provide flexibility in assessing the use of informants. In some cases it may be extremely important to assess the reliability of an individual in advance; in other cases reliability is less important than the individual's relationship with the target of the investigation.

The use of the individual must be decided in the context of the case under investigation

or the service he is expected to provide. The inquiries would not be full scale investigations and would not involve such intrusive techniques as mail covers, electronic surveillance or review of tax records. Moreover, any information collected about the individual without his consent would not be retained if the decision is made not to use him as an informant or in some other capacity, unless he is a potential witness and retention of the information is necessary to satisfy *Jencks* or *Brady* requirements.

Section 533b(b) also deals with the use of undercover agents by the FBI. It specifies that FBI personnel may be used in undercover assignments only in connection with criminal investigations and that they remain bound by the strictures that apply to law enforcement officers acting in an overt capacity. Thus, the law of entrapment and search and seizure, as defined by Congress and the courts, continues to apply to these agents. In carrying out assignments, undercover agents are not to engage in activities which are criminal under normal circumstances except to the extent necessary to obtain information or evidence necessary for prosecutive purposes, to maintain their cover and credibility, or to prevent serious bodily harm.

This provision recognizes that an undercover agent may have to participate in the receipt of stolen property, bribery of corrupt officials or similar conduct proscribed by law, as a part of his undercover assignment. At the same time, involvement in such activities is justified only where it serves a paramount prosecutive purpose, or is necessary to establish or maintain cover or to prevent death or bodily injury. In addition, a written report must be made to an appropriate official of the FBI and specific approval obtained when the agent participates in a serious criminal act that was not contemplated or authorized at the time the operation was approved. Approval may be delayed in exigent circumstances, but a prompt report must be submitted as soon as the situation allows. The work of undercover agents, will of course, be subject to guidelines established by the Attorney General under section 533(a).

When either an informant or undercover agent is infiltrated into a terrorist group, or an informant is recruited from its ranks, a senior official of the FBI designated by the Director is required to make a written finding that the infiltration meets the requirements of the charter and guidelines and is otherwise necessary. This finding is in addition to the basic determination of the suitability of an informant.

Since infiltration of groups whose motivation may be political raises unique First Amendment considerations, it is appropriate that this section requires higher level approval and by a higher standard than other informants. As a further safeguard, this provision requires the adoption of special written procedures to assure that the undercover agent or the informant limits his efforts to collect information to the unlawful activities of the group, not peripheral matters which may be entirely lawful.

These are similar to the "minimisation procedures" required by the wiretap statutes to govern the collection of information obtained by electronic surveillance. While the use of informants does not raise the same Fourth Amendment concerns as a wiretap, the charter requires these procedures as a matter of sound policy.

The senior official who approves the infiltration is required to address these concerns in making a determination that it is appropriate to infiltrate the group. The aim of this requirement is to keep the focus of the investigative process on criminal activity, not legitimate First Amendment activities. At the same time, it is not so narrow as to require that information collection be confined to a single crime.

The subsection uses the phrase "matter under investigation" advisedly to permit collection of information on planned criminal activity as well as completed acts and to encompass such legitimate investigative inquiry as the approach of one terrorist group to another group with a similar pattern of violent activity.

The final paragraph of subsection (b) specifies that evidence of violation of criminal law by informants contrary to the warnings provided by the FBI are to be reported to the Department of Justice, if the offense is federal, or to the appropriate investigative or prosecutive authorities at the State or local level. The use of the phrase "comes to the attention of the FBI" is designed to reflect a concept presently contained in the guidelines on use of informants.

If the informant is acting for the FBI and violates instructions given him, there is a duty to report this whenever an experienced agent should realize that the violation has occurred. Concrete evidence sufficient to warrant a prosecution is not required. In those rare instances in which the needs of the government's investigation outweigh the normal responsibility of the FBI to report an offense to the local prosecutive authorities promptly, the approval of the Attorney General or his designee to withhold notification is required. This also reflects a concept embodied in the present informant guidelines.

Any violation of law by an undercover agent of the FBI must also be promptly reported to the Department of Justice. This would not include, of course, activities sanctioned by the charter as a necessary part of undercover operations.

Section 533b(c) requires that any physical surveillance of an individual by the FBI be only for the purpose of an investigation authorized by the charter and that it be only for the purpose of that investigation.

Subsection (d) of section 533b is designed to insure that the search warrant requirements of Rule 41 of the Federal Rules of Criminal Procedure are complied with in connection with any mail opening and that Postal Service regulations governing mail covers are followed. It also requires Attorney General guidelines governing the use of these techniques.

Subsection (e) restates the existing requirement that statutes requiring judicial warrants for electronic surveillance, such as chapter 119 and 120 of Title 18 of the Code, be complied with. While virtually all electronic surveillance under the charter will fall within the provisions of chapter 119 concerning criminal investigations, the broader reference to applicable law is used since some terrorist cases involving groups which cross international boundaries fall within the terms of the Foreign Intelligence Surveillance Act, the new chapter 120.

Subsection (f) authorizes the FBI to issue investigative demands for documentary materials that are in the custody of third parties such as communications common carriers, insurance carriers or agents, or credit institutions that fall outside the Financial Privacy Act of 1978. Precedent for this authority can be found in the Inspectors General Act of 1978. That Act created the position of Inspector General in a dozen federal agencies and granted subpoena powers for use in both civil and criminal investigations. Similar authority exists in seciton 1968 consents, an authorized investigative demand has been issued, or there is a subpoena or court order to produce the records.

There must be a reason to believe that the records are relevant to a criminal investigation under section 533 and a copy of the demand must be served on the subject of the records or mailed to his last known address prior to, or at the time the demand is served on the custodian. As described below, this notice may be delayed, in certain circumstances, only upon a written finding of the Attorney General. The provisions of this subsection will provide greater uniformity of procedures throughout the country, and more importantly, will end the practice of relying on informal access to acquire needed record information.

The reasonableness of an investigative demand would be measured by the same rules that apply to a subpoena duces tecum in connection with a grand jury investigation. Further, the applicability of a privilege barring disclosure of the records would also be measured by this same test.

The Attorney General or his designee would be empowered to delay notice to the record subject upon a written finding that the investigation is within the lawful jurisdiction of the FBI and there is reason to believe the records are relevant to the investigation and that there is also reason to believe that notifying the subject would result in: (1) endangering life or physical safety; (2) flight from prosecution; (3) destruction or tampering with evidence; (4) intimidation of potential witnesses; or (5) otherwise seriously jeopardizing the investigation or delaying a trial or other official proceeding then underway. Notice could be delayed for periods up to 90 days.

The record subject notified of an investigative demand by the FBI would be authorized to challenge the demand promptly before a U.S. Magistrate on legal grounds, including an argument that the records are not relevant to a lawful investigation.

A record custodian on whom a demand has been served would be obligated to make the records available for inspection or reproduction. If the demand includes a finding that notice to the subject must be delayed, the custodian would also have an obligation to take reasonable steps to prevent disclosure of the existence of the demand to the record subject. The Attorney General would be authorized to enforce investigative demands upon application to the U.S. Magistrate in the appropriate district. A Magistrate's decision on the lawfulness of the demand would not be appealable.

In addition to providing authority for investigative demands with respect to insurance, communications toll, and credit records outside the scope of the Right to Financial Privacy Act, the charter would also explicitly authorize the FBI to issue demands within the terms of, and in accordance with the procedures of, the Right to Financial Privacy Act. Unlike the Internal Revenue Service, the Securities and Exchange Commission, the Inspectors General, and certain other federal enforcement agencies, the FBI has never had such authority and thus is handicapped in enforcing the law in instances in which financial records are important. Without in any way altering the Right to Financial Privacy Act, the charter would permit the FBI to use investigative demand authority recognized in that Act.

The provisions of the charter, like section 1117(c) of the Right to Financial Privacy Act, protect a third party record custodian from liability for disclosure of a record in good faith reliance upon an investigative demand issued by the FBI.

Paragraphs (10) and (11) of subsection (f) also follow the Right to Financial Privacy Act in exempting from the requirement of notice to the record subject, requests dealing only with the name, address, account number or type of account, and in providing that the procedures provided under the Federal Rules of Civil and Criminal Procedure are not affected by the investigative demand provisions.

Section 533b(g) restates the existing requirement of compliance with the Tax Re-

form Act of 1976 in seeking tax returns or return information from the Internal Revenue Service. Thus, the formal request for records and the procedural requirements of that Act must be followed. Further use or dissemination of those records will continue to be governed by § 6103 of the Internal Revenue Code of 1954, as amended (26 U.S.C. 6103) and any regulations promulgated thereunder.

Subsection (h) addresses generally the subject of sensitive investigative techniques not separately covered in the charter. It limits the use of techniques such as electronic location detectors (beepers), covert photographic surveillance and pretext interviews to criminal investigations authorized under section 533 and requires Attorney General guidelines governing the use of these techniques.

Section 533c acknowledges the authority of the FBI to retain information it collects when pertinent to and within the scope of the responsibilities defined in the charter. With respect to information collected in the course of criminal investigations under section 533, the FBI is authorized to disseminate the information to federal agencies, or state or local criminal justice agencies if the information is within the investigative jurisdiction of the agency, may assist in preventing a crime, reflects on the integrity of a member of a criminal justice agency, is required to be disseminated under Executive Order 10450 (concerning security of federal employees), or is otherwise permitted to be disseminated under the terms of the Privacy Act or Executive Order 10450.

It is important to note, however, that any such dissemination must be consistent with the provisions of the Freedom of Information Act and the Privacy Act and must comport with guidelines issued by the Attorney General. Further, the dissemination under Executive Order 10450 referred to here relates only to information collected in the course of a criminal investigation—not all information in the possession of the FBI.

Section 533c also contains an explicit requirement for the FBI to destroy records compiled in the course of criminal investigations ten years after the close of the investigation or of a prosecution in which it results. In lieu of destruction, the records could be transferred to the Archives for historic preservation, in appropriate cases.

Exceptions to the ten year retention period would be required when necessary to pending or anticipated litigation—civil or criminal—when there is a pending Freedom of Information or Privacy Act request, or when retention is required under the record keeping provisions of the electronic surveillance act. Further, the Director of the FBI could permit retention of records beyond the ten year period if the file is needed for "investigative reference" (for example, in the organized crime field), is to be used as a training aid, or is needed for an administrative purpose within the FBI.

Section 534 is designed to embody as permanent legislation the provisions to facilitate undercover operations temporarily adopted as part of the Department's 1979 authorization. In essence, it allows the FBI to exempt from normal procurement restrictions those undercover operations which cannot be successfully carried out under such restrictions. These are detailed in a lengthy memorandum to the Attorney General, dated July 27, 1978, which was furnished to the Congress.

They include such provisions as 31 U.S.C. 484 which would otherwise require that gross receipts of an undercover operation be deposited in the Treasury without any deduction of expenses; 18 U.S.C. 648 and 31 U.S.C. 621 which limit authority to deposit cover funds in a bank or financial institution; 31 U.S.C. 665(a) and 41 U.S.C. 11(a) which restrict government leases to the current fiscal year; 31 U.S.C. 529 and 41 U.S.C. 255 which could be construed to limit authority to make advance payments on leases; specific restrictions on leases in the District of Columbia, 40 U.S.C. 34 and 40 U.S.C. 71 *et seq;* provisions which require specific clauses to be contained in government contracts or leases, 41 U.S.C. 22, 254 (a) and (c); and similar provisions which cannot be complied with because the government must conceal its participation in an undercover activity. Section 534 specifies that these exemptions from existing law are to be used only when necessary and that their use is to be governed by Attorney General guidelines. Further, the liquidation of any sizeable proprietary would be subject to review by the Attorney General and the Comptroller General.

To safeguard against new procurement restrictions unintentionally limiting the conduct of undercover operations, section 534 requires that any such law express a clear intent to modify any of the authorities the section provides.

Subchapter V of the new FBI chapter deals with investigative responsibilities of the FBI outside the criminal field.

Section 535 confirms the authority of the FBI to investigate in civil cases within the enforcement responsibility of the Department of Justice, such as civil fraud, civil rights, and civil antitrust matters. It makes clear that this investigative authority is not limited to cases brought by the Department but extends to matters in which the United States is the defendant, such as tort cases, or matters in which the United States intervenes, as in certain civil rights cases. These investigations would be conducted on request of the Attorney General or his designee.

Section 535a permits the FBI to collect information relating to serious civil disorders and those demonstrations which require some form of federal permit or federal assistance. Under chapter 15 of Title 10 of the U.S. Code, the President is authorized to use troops to enforce federal law or protect civil rights and to provide troops to assist the States in the event of a civil disorder. The Attorney General advises the President whether the facts of a particular disorder warrant this form of intervention. Section 535a authorizes the FBI to acquire these facts.

The section also recognizes that certain entirely lawful and peaceful demonstrations impose responsibilities on the federal government to issue parade permits, restructure traffic and parking patterns, and insure adequate health and safety facilities. To discharge these responsibilities the government must have information concerning the number of demonstrators expected, how they plan to travel to the site, how long they will stay, etc. The charter would permit the FBI to acquire this information with the specific approval of the Attorney General or his designee.

Section 535a requires the FBI to limit its collection of information in these instances only to facts which will assist the Attorney General in determining whether the use of troops or the provision of federal assistance is required. The Attorney General would be required to enforce guidelines (which have already been issued) to insure that information is collected insofar as possible from publicly available sources and that mail surveillance, electronic surveillance, access to third party or tax records is not used to collect this information in connection with civil disorders except with his approval in exigant circumstances.

Under no circumstances may these techniques be used to collect information on demonstrations. Further the guidelines must provide that information will be stored in a manner that minimizes its retrieval by reference to a specific individual. Thus, information about a demonstration would be indexed by reference to the event, not the individuals participating.

Section 535b authorizes the FBI to conduct complete background investigations, as distinguished from simply checking existing files and records, under certain limited circumstances. It substantially reduces the FBI's role in this regard. As explained hereafter, statutes authorizing the FBI to conduct background investigations for certain agencies are being repealed.

Background investigations would be authorized for persons being considered for appointment to positions requiring the advice and consent of the Senate. These investigations would be initiated only on written request of the President or his designee or, in transition years, a President-elect or his designee. The individual to be investigated must have consented to being considered for the appointment.

If the President or his designee certifies that a position in the Executive Office of the President requires access to classified information, the FBI would also be authorized to conduct a background investigation of a person being considered for appointment to that position, but it would not investigate all appointments to the White House staff of other positions in the Executive Office of the President.

The FBI would also be authorized to investigate the background of those who apply for appointment in the FBI or those being considered for positions in other parts of the Department of Justice which the Attorney General determines require a full field investigation. Judicial nominees would also be investigated, upon request of the officials in the Department of Justice who process judicial appointments for the President. On request, the FBI would also continue to conduct background investigations of pardon applicants. It would also be authorized to conduct background investigations of others, such as defense attorneys in certain cases, who the Attorney General determines must be given access to classified information.

In 1977 and 1978, the FBI conducted background investigations for appointment to the staff of twelve separate congressional committees. The charter would reduce this number substantially by providing for investigation, at the request of the Committee Chairman, only for the Appropriations Committees and the Committees on the Judiciary of each House, and the two intelligence committees. It would also authorize investigations for members of the staff of the House and Senate leadership.

Investigation would be authorized only for those potential staff members the requesting official certifies must be given access to classified information. It is recognized that Congress may wish to provide for background investigations of the staff of certain other, temporarily created, committees but it is expected that this would be done by the resolution creating the committee. The FBI would be reimbursed for this service to the Congress.

Similarly, the FBI would continue to conduct background investigations, on request of the courts, but only for those being appointed to the quasi-judicial positions of magistrate or bankruptcy judge, or persons being appointed under the courts special authority relating to special prosecutors.

Section 535c authorizes the FBI to continue providing information from its files to assist other federal agencies conducting background investigations. This authority would extend not only to the traditional national agency checks connected with government employment, but also to security clearance checks of contractors and their employees, others having access to classified information, and persons being checked by the Secret Service in connection with access to the White House or other buildings under its protection.

Federal agencies checking applicants for grants or loans would also be permitted to request a review of FBI files if the Attorney General authorizes this practice. Presently, the Small Business Administration uses a check of FBI files to protect against inadvertent funding of businesses established by organized crime. This is an example of the type of check contemplated in section 535c.

Section 535d permits the FBI to perform special service functions, most of which it is already performing without explicit statutory recognition. For example, it authorizes investigative assistance to the Appropriations Committees of the Congress, the Judiciary Committees and the Intelligence Committees, if the Committee Chairman requests such assistance and the Attorney General or his designee approves.

Assistance to the Department's Office of Professional Responsibility and other components of the Department of Justice would be authorized, as well as assistance to Grand Juries conducting investigations of matters to which the investigative jurisdiction of the FBI extends. When approved by the Attorney General or his designee, the FBI could also provide investigative assistance to other federal law enforcement agencies or to state or local law enforcement agencies if the assistance is necessary and serves a substantial federal interest. Finally, section 535d authorizes the FBI to provide protective services on request of the Attorney General, either for the protection of officials of the Department itself, or the protection of witnesses of importance in Department cases.

Subchapter VI of the charter deals with the support functions which the FBI provides to the law enforcement community in general—foreign as well as federal, state and local.

Section 536 replaces the existing training authority of the FBI set forth in 42 U.S.C. 3744. It authorizes the FBI to train its own personnel as well as law enforcement and criminal justice personnel of other federal agencies, foreign governments, and state or local agencies. The term, law enforcement personnel, includes personnel who have responsibility for personnel and physical security of installations, agencies, foreign governments, and state or local agencies. The section also authorizes the FBI to conduct or contract for research and development related to law enforcement and to exercise procurement authority related to its investigative responsibilities.

Section 536a expressly authorizes FBI foreign liaison activities. It recognizes the presence of the FBI Legal Attachés abroad. It authorizes the FBI to make inquiries of foreign law enforcement agencies on its own behalf and on behalf of other federal agencies conducting criminal or background investigations. It permits the FBI to perform this same function of forwarding inquiries to foreign law enforcement agencies on behalf of state or local law enforcement agencies, but limits this authority to criminal investigations only.

The FBI would also be authorized to conduct investigations in the United States, at the request of foreign law enforcement agencies, to locate fugitives or obtain information to assist the foreign government in a criminal investigation but this could be done only with the approval of the Director or his designee. The FBI could investigate for a foreign agency only if the underlying conduct is proscribed in American criminal law (State or federal) and it would be subject to the same restrictions on sensitive techniques that govern its own investigations.

The FBI would be permitted to exchange criminal investigative information, technical and scientific information from its files with foreign agencies conducting criminal investigations. The reference to security as well as law enforcement agencies in connection with this particular provision recognizes that in some countries it is the security agency rather than the regular police agency that has responsibility for terrorist matters.

Finally, the FBI is authorized to assist foreign law enforcement and security agencies in conducting background investigations relating to government employment, security clearances, licensing, visas or immigration. The foreign agency would be required to give assurances that the individual has consented to the investigation and that it is being conducted for one of the enumerated purposes. With these assurances the FBI would provide the needed information to the foreign agency.

Section 536b expressly authorizes the technical assistance functions now performed by the FBI. It permits identification assistance in civil disaster and missing person cases, at the request of another federal agency or a foreign, state or local agency. Such assistance could also be provided on request of a railroad or airline. The FBI would be authorized to provide laboratory, identification, technical and scientific assistance in federal investigations, whether civil or criminal, and in state and local criminal investigations.

Expert testimony could also be provided in court proceedings in the United States and abroad to support the identification, technical or scientific assistance rendered. Further, section 536b would permit the FBI to conduct "sweeps" of federal buildings at the request of a federal agency, a congressional committee or a U.S. court to detect electronic surveillance.

Additional authority to provide scientific or technical analyses at the request of federal, state or local agencies would be provided where the material to be analyzed is of historic significance. While this authority would seldom be used, there are instances where the FBI's capability in, for example, the document inspection area, would make it appropiate to conduct such an examination.

Section 536c expands upon the authority in the present 28 U.S.C. 533 (2) to provide protective assistance to the Secret Service. It would authorize the FBI to provide such assistance in connection with all protectees of the Secret Service, not just the President, and would also explicitly provide for informational and investigative assistance in connection with protective responsibilities.

The FBI could only conduct investigations at Secret Service request, however, if the provisions of section 533 are met. It should be emphasized that this cooperation with Secret Service is in addition to the responsibility of all federal agencies to provide assistance to the Secret Service under Public Law 90-331.

Section 536d restates the authority contained in the present 28 U.S.C. 534 to exchange crime records with criminal justice agencies. It recognizes that the FBI collects civil fingerprint records (which includes, among others, military fingerprints of a noncriminal nature) as well as criminal records and that crime statistics, stolen property records and missing person records are collected also. The reference to criminal statistics specifies that these shall be collected only to the extent authorized by the Attorney General so as to insure that there will be no duplication of effort if a criminal statistics office is created elsewhere in the Department of Justice.

The FBI would be authorized to exchange the information collected with criminal justice agencies of federal, state or local government (including law enforcement prosecutors, courts and parole officers) and also with law enforcement or security agencies of foreign governments. Non-governmental law enforcement organizations, such as railroad police, who are authorized by state statute to investigate crimes and make arrests would also be able to obtain this information. The section makes is explicit that criminal justice agencies may obtain such information not only for law enforcement purposes but also in checking the background of persons they employ or intend to employ.

Exchange of records for purposes other than criminal justice are authorized in section 536e. Fingerprint records and rap sheets held by the FBI would be permitted to be exchanged with federal agencies having licensing, registration, visa, immigration or passport responsibilities. The authority contained in Public Law 92-544 to exchange such records with federally-chartered or insured banking institutions and with state or local agencies authorized by state statutes to obtain such information for employment or licensing purposes would be continued. Section 536e also cross-references the authority of securities industry clearing houses to obtain this information.

Finally, exchange with foreign governments for purposes of administering visa, immigration or passport laws would be permitted. With respect to all of these exchanges for purposes other than the administration of criminal justice (including the employment checks for federal agencies authorized by section 535c), no arrest record more than a year old could be disseminated if it failed to reflect the disposition of the charges, i.e., dismissal, acquittal, diversion, conviction, etc. This limitation on the exchange of state arrest records expands the policy of 28 C.F.R. § 50.12 to cover exchanges with federal agencies as well as state and local.

Section 536f requires the Attorney General to adopt guidelines for the disposition of unsolicited information which is received by the FBI, but does not relate to its functions. Such information could not be retained except for the limited time period needed to determine whether in fact the information relates to FBI responsibilities and perform administrative duties relating to the logging of correspondence.

Section 537 authorizes the Director of the FBI to impose a civil penalty on any employee of the FBI who intentionally uses any of the sensitive investigative techniques described in section 533b in knowing violation of the charter. These techniques include the use of informants or undercover agents, physical surveillance, mail surveillance, electronic surveillance, investigative demands for records, trash covers, pretext interviews and covert photographic surveillance. The penalty would be in addition to the Director's normal disciplinary authority. With respect to present employees, the Director would be required to afford procedural due process equivalent to that provided in the Civil Service Reform Act. In imposing a civil penalty on a former employee, the Director would be required to follow the normal procedures of the Judicial Code governing the recovery of civil fines, penalties and forfeitures. 28 U.S.C. 2461-2465.

Section 537a makes clear that the FBI charter is not intended to create any new causes of action or to provide an independent basis for motions to quash or to exclude evidence. The disclaimer does not affect existing causes of action or suppression claims.

Section 537 also restates the penalty clause of the present 28 U.S.C. 534 concerning the cancellation of FBI records exchange with any agency which improperly disseminates records received from the FBI.

Section 537b provides that guidelines established to implement the charter and procedures, manuals and operational instructions developed by the FBI can be protected from public disclosure in those instances in which disclosure would jeopardize the investigative process. Otherwise, all guidelines shall be made public.

Section 537c affirms the obligations of the Attorney General and the Director of the FBI to keep the Judiciary Committees of the Congress advised of FBI activities in order to facilitate their oversight role. It requires an annual report to the Congress concerning

the investigative activities of the FBI and reduces to statutory form the present commitment of the Attorney General to provide copies of proposed guidelines to the Congress for review and comment.

Most of the remaining sections of the bill consist of technical amendments to various portions of the U.S. Code and repealers of certain statutes.

Section 7 makes a number of conforming amendments in Title 28 to restate provisions displaced by the new chapter 33. It creates a new section 513A in Title 28 to make clear that the Attorney General retains the investigative authority presently conferred on him by 28 U.S.C. 533. In addition, it adds a new provision directly empowering the Attorney General to protect the confidentiality of informants and investigative sources and methods. This language makes explicit the authority of the Attorney General to assert a claim of privilege in the courts. It is not intended to affect the power of the federal courts to rule on claims of privilege or to apply presumptions or sanctions authorized by the Federal Rules of Criminal Procedure.

The remainder of the new section 513A restates the provision presently found in 28 U.S.C. 535 concerning the reporting by federal agencies of violations of law by their employees. Section 7 of the bill adds another new provision to chapter 31 of Title 28 making explicit the Attorney General's responsibility to insure that FBI investigations are conducted in accordance with law and do not abridge constitutional rights.

Section 12 establishes an effective date for the charter and related amendments, which would enter into effect 90 days from the date of enactment.

Mr. THURMOND. Mr. President, I join in the introduction today of legislation to establish a statutory charter for the Federal Bureau of Investigation. I have agreed to join in the cosponsorship of this legislation at the request of Judge Webster, Director of the FBI.

In my opinion, there is no finer law enforcement agency in the world than the Federal Bureau of Investigation. During its nearly six decade history as the chief investigative arm of the Department of Justice, the Bureau has established a distinguished and respected record of law enforcement activity.

Unfortunately, Mr. President, in the last several years the FBI has suffered a tarnished image as America's No. 1 Federal law enforcement agency. Much of the criticism comes, in my opinion, unjustly. Some of it, however, may be justified in light of the Watergate affair. But overall, the FBI does not deserve the disparagement and censure to which many have subjected it.

That is why I have agreed to support the legislative effort to establish a charter for the FBI. The Bureau needs to have its authority and mandate renewed and strengthened in view of the events of recent times.

For the greater portion of the Bureau's existence it gained its strength and respect from its founder and head, the late J. Edgar Hoover. It was Director Hoover who brought the FBI to its international status and set the tone and direction of the agency. Although the FBI had no original enabling legislation of its own, its presence as the chief law enforcement agency of the Federal Government within the Department of Justice made it directly responsible to the Attorney General, and in some cases, to the President of the United States. Fortunately, Director Hoover stood in the way of many Presidents who sought to use the FBI for their own political purposes.

Today, the Bureau is without Director Hoover. No Director since has been able, because of public opinion and politics, to regain the rigid control over the FBI and its activities as Hoover had. Thus, the FBI needs added authority from Congress to continue in its important duties and responsibilities.

The charter introduced today should serve as a congressional guide for the conduct of the Bureau. It should not be viewed as a list of congressional "do's" and "don't." The task of investigating and enforcing our numerous Federal laws should not be hampered by an ironclad statute to be obeyed like a religious decree. No law enforcement officer or agency can be expected to protect the citizens of this Nation if it must become bound by statutory restrictions and limitations. There must be room for flexibility within the overall purposes of the charter.

Mr. President, for the most part this proposed charter allows for guidelines to be set down as general congressional principles to be observed by the FBI. At the same time, the Bureau receives some direction from the Congress as well as authority to proceed in areas where recently inaction has been the rule.

The recent proliferation of Freedom of Information lawsuits, a rapid increase in civil actions against individual agents for their conduct while Federal agents, and the general contempt held by some for certain activities of the Bureau have caused a chilling effect on the FBI and diminished greatly the morale of its agents and employees. It is my sincere hope that this charter will help return some of the pride and esteem that FBI employees may have lost because of these recent actions.

Mr. President, there are some areas of the charter that I may wish to see amended, as I expect other Senators do also. For example, I am deeply concerned about the ability of the FBI to investigate the background of persons working in the Pentagon and other Federal agencies where classified and sensitive information is kept. There are doubts in my mind that adequate efforts are being made to screen Communist and Marxist agents who seek to gain employment in sensitive U.S. agencies.

I am also concerned about the efforts of the FBI and its ability to investigate and keep track of subversive and terrorist organizations that operate almost unfettered in this country. Domestic security investigations have been reduced substantially within the last few years because of first amendment considerations. I am sensitive to first amendment rights and the protections they deserve as guaranteed by our Constitution, but to permit either extreme left-wing or right-wing groups to operate within the borders of the United States unwatched concerns me. There have been too many acts of open violence and terror in recent years to let these groups go without investigation.

In addition, certain provisions of the proposed charter providing for the security and privacy of criminal justice information need improving. There should be additional authority and regulations governing the use and storage of fingerprint cards and other criminal history information. Standards should be established to assure the security and privacy of all information used by law enforcement agencies.

Mr. President, these and other concerns can be resolved, I think, during the consideration of the charter legislation in the Judiciary Committee. I look forward to the hearings on this legislation and eventual enactment by the Congress.

Mr. BIDEN. Mr. President, I am happy to join the distinguished chairman of the Judiciary Committee in introducing today legislation to create a statutory charter for the FBI. Senator KENNEDY and the administration, especially the staff of the Deputy Attorney General and the Director of the FBI should be congratulated for their tireless efforts to develop this historic document.

On the whole, I find that the bill meets the ultimate test for a legislative charter for a law enforcement or intelligence agency—it establishes the basic rights and responsibilities of the agency in clear and unambiguous terms without jeopardizing the rights of Americans. If enacted, this legislation will end the quandry of the FBI official who came before the Church committee and complained that FBI agents are "damned if they do and damned if they don't" by Congress. He was complaining about the predicament of the FBI agents in the absence of a charter, where critics depending upon their point of view either fault the FBI for doing too little or too much.

Although I am generally pleased with the outcome of the 9 months of negotiations between the Department and Senator KENNEDY's staff, as chairman of the Rights of Americans Subcommittee of the Intelligence Committee and the Criminal Justice Subcommittee of the Judiciary Committee, I do have some problems with the bill which I intend to pursue in committee. First, I believe the standard that the bill would use as a threshold for investigations of alleged terrorists may be too loose. Second, I am disturbed that there is no civil remedy or criminal penalty for violation of the charter. Third, I do not believe that the charter adequately addresses the matter of information sharing with State and local law enforcement agencies.

As a general proposition the FBI charter tracks the recommendation of the Church committee report on intelligence activities and the rights of Americans issued in the summer of 1976. That report was based upon the investigation and hearings of the Church committee on such FBI abuses as Cointelpro the smear campaign wage by the Bureau against Dr. Martin Luther King, Jr. It contained almost 100 carefully crafted recommendations for a charter to protect Americans from intelligence agency excesses. Almost half of those recommendations were specifically directed at

the FBI and for the most part form the basis for this charter.

However, in one subtle but important respect the charter departs from the Church committee. In recommendation 44 the Church committee recognized the need to allow the FBI to go beyond the so-called "criminal standard" (limiting investigations to actual criminal acts) and allow the FBI to investigate activity which is not yet criminal. The Church committee recognized that some activity, primarily violent terrorist activitiy or clandestine intelligence activity by a hostile foreign power must be monitored even if the activity itself is not actually criminal. However, the Church committee insisted that there be reason to believe that the subject of the intelligence investigation will soon engage in the illegal terrorist activity. The purpose of this restriction is to keep the FBI out of the investigations of alleged "subversives" who have violated no criminal laws—the pretext under which Dr. King was investigated. Without the "soon" restriction the FBI could investigate a subject out of fear that he might engage in terrorist activity (overthrow of the Government) some time in the indefinite future.

Second, the Church committee assumed that any charter would be enforceable by a civil remedy. Victims would be able to sue the FBI and individual agents for damages and injunctive relief. Furthermore, the Church committee recommended that criminal penalties ought to attach to the more serious violations. The proposed charter contains neither sanction. Indeed, the charter explicitly provides that nothing be construed to even imply any new causes of action.

Proponents of the charter contend that criminal penalties are unnecessary and that internal disciplinary procedures are adequate to sanction violations. However, in truly heinous situations, such as the smearing of someone of the stature of Dr. King I am not sure that the American public would be satisfied with firing or reducing the pay of a responsible official.

On the matter of civil remedies proponents of the charter contend that the Department has been attempting to develop amendments to the Federal Torts Claims Act which would create a civil remedy against the Government for so-called "constitutional torts" which might be the same as some of the prohibitions in the charter. My two concerns are that the Justice Department's idea of what a constitutional tort is is so narrow that it would not create a remedy for an innocent American who is smeared by the FBI. Constitutional torts are often viewed as only violations of the fourth amendment not the first amendment. Therefore, an effort by the FBI to disrupt a legitimate political group although prohibited by the charter may not be the subject of a civil remedy. My other concern is that the tort claims bill may not be enacted. Therefore, I would rather that the tort claims bill be consolidated with the charter and that it be broadened to cover many of the more serious prohibitions covered in the charter.

Finally, the charter fails to deal with an issue which is of perennial concern to the FBI and State and local law enforcement officials. Since the late 1960's the FBI has been attempting to develop a centralized system for the collection and exchange of arrest records for all of the Nation's law enforcement agencies. This is an extremely laudable and important project. However, the system has never really gotten off the ground because it raises serious privacy and federalism issues.

For example, who should have ultimate control over records which actually belong to the States and may be subject to conflicting State privacy and records laws. Likewise civil liberties groups were concerned that this was the first step in the creation of a national databank on citizens. Furthermore, there was concern that the system would contain inaccurate and incomplete information on innocent people that would be used to deny them jobs or prompt police to suspect them of crimes they did not commit.

The resolution of the privacy and federalism questions raised by the FBI computer known as the National Crime Information Center (NCIC) was a project undertaken by former Senators Ervin and Hruska at the Constitutional Rights Subcommittee. They conducted hearings in early 1974 and developed legislation which resolved many of those concerns but the legislation died with their retirement. Since that time Senator THURMOND and I have become interested in their efforts and plan to propose amendments to the charter which would resolve many of these questions. I feel strongly that we must resolve these difficult questions so that the FBI can provide this much needed FBI service to State and local law enforcement.

In conclusion, although these concerns are significant I do not believe they vitiate the substantial contribution that this bill will make to the law. I am confident that with the adoption of amendments in the three areas I have described that this charter will be a major improvement from both the law enforcement and civil liberties perspective.

● Mr. BAYH. Mr. President, today the Congress begins consideration of legislation to provide a charter for the Federal Bureau of Investigation.

American democracy is solidly built on a legal system which is a contract between the people and their government. This contract is based on a collective social agreement which expresses the fundamental values upon which our society is founded and which provides a framework for the structure of our institutions.

The values which the Founding Fathers embodied in the Declaration of Independence, the Bill of Rights, and the Constitution are grounded in a basic belief in the dignity of individuals and the critical importance of freedom of action and thought as a prerequisite for individual development. They saw that a government which represses the individual spirit was antithetical to every principle for which the American Revolution had been fought, and this country founded. Thus, the basis for the American contract was the government's respect and support for individual rights, and an insistence that these rights would be the primary element in any balancing test which weighed the interests of society as a whole against the interests of the individual.

There are many situations where the interests of society must predominate over those of the individual. To paraphrase Justice Holmes, it is impermissible to allow people to falsely shout "fire!" in a crowded theater. This example illustrates the necessity of distinguishing between a situation which is clearly and immediately harmful to society from one which is not or is only speculatively so.

The FBI charter is another effort to clarify the contract between Americans and their government in an area which has serious implications for the rights of individuals in our society—that of law enforcement.

Since this is a Government of laws and not men and women, it is important to address both the principles of our law enforcement activities and their operation in a document which clearly describes the needs and conduct of the federal law enforcement process. In this way, it is possible to protect the individual from unknown intrusions into his or her activities or thoughts, and, as well, give guidance and encouragement to law enforcement officials to conduct their business with a high degree of sensitivity to the balancing process. By establishing a charter, these public servants will not be operating in the dark, as they have in the past, under vague statutory or Presidential exhortations which provide no guidance to the agent in the field, or the official who has to review the actions of that agent. They will have a statute, legislative history and guidelines developed and approved by the Attorney General which will make clear the intent of the statute.

Mr. President, this Charter is a long needed and awaited document. It represents the efforts of two administrations to come to grips with the problems of defining the FBI's proper role in our Government. That effort began under former Director Clarence M. Kelley and former Attorney General Edward H. Levi, who developed the first guidelines for FBI investigations. Under their leadership the FBI moved decisively away from its past investigations of lawful political activity and dissent.

Director William H. Webster deserves great credit for making the FBI charter one of his highest priorities upon taking office last year. He has made the vital commitment that the FBI will operate within the charter enacted by Congress, and will resist efforts to force the FBI to operate outside its bounds.

I also want to express my admiration for the contributions that have been made to the FBI charter enterprise by the outgoing Attorney General, Griffin Bell, and his successor, Benjamin Civiletti. They have worked with Director Webster to keep the FBI on track in its

current activities and to lay the foundation for permanent charter legislation.

The distinguished chairman of the Committee on the Judiciary (Mr. KENNEDY) has, through his insistence on the development of an FBI charter, played a key role in bringing these issues before the Congress. I look forward to working closely with him and with the other members of the committee in completing this task.

There is much work ahead of us. In addition to a charter for FBI law enforcement activities, there is also a need to define by law the FBI's intelligence responsibilities. The Select Committee on Intelligence, which it is my privilege to chair, is addressing this issue. Our objective must be to establish a firm statutory foundation for all FBI functions.

I fully support the concept of an FBI charter and the basic outlines of the measure that is introduced today. However, there are certain issues which need clarification before the charter is enacted into law. These issues appear to require changes in the language of the statute itself, so that they are resolved by the law and not merely by legislative history or guidelines. They fall into several general areas: Investigative techniques and standards in preliminary inquiries and full investigations, infiltration of groups, and the purposes and principles of the charter.

First, on the issue of investigative techniques and standards, I feel strongly that intrusive techniques such as infiltration, investigative demands and mail covers, should be prohibited across the board in preliminary inquiries. There is a substantive difference between a preliminary inquiry and a full field investigation. An inquiry may be started on the basis of mere allegations, or fragmentary information, without even a reasonable indication of any criminal activity. The standards for a preliminary inquiry, in contrast to a full field investigation should be described in the statute itself. Such a description should include the limitation on techniques described above.

With respect to full investigations, which may involve the use of intrusive techniques, the standard should be drawn from the Supreme Court's decision in Terry against Ohio. In that case the Court held that a law enforcement officer cannot engage in significant intrusions upon personal privacy, such as a "stop and frisk," without clear justification based on "specific and articulable facts." Attorney General Levi adopted this standard for the first FBI guidelines. Therefore, the fundamental statutory authority for all full field investigations using intrusive techniques should include the specific language "specific and articulable facts or circumstances," and the guidelines should also embody this principle. In addition, the duration of an investigation as well as its scope and intensity, should be determined by the nature and quality of information on which the investigation is based.

Special problems are posed by investigations of future crimes for the purpose of preventing those crimes. Such investigations must be carefully controlled so that law enforcement officials may act when criminal activity is anticipated in the future but with safeguards against open-ended investigations. If, within a reasonable period of time, the FBI cannot find enough evidence to show actual criminal activity, an investigation should be reviewed at higher levels.

Thus, in all investigations of future crime, the statute should require that:

> The guidelines for inquiries and investigations in which the person or enterprise has not engaged, or is not engaged, in criminal activity shall designate officials to review such inquiries or investigations at period intervals, at least annually. Such review shall consider the likelihood, immediacy and magnitude of the threatened criminal activity, and will be especially sensitive to any potential first amendment implications.

In full field investigations of general crime, I would propose that the standard for a future crime would be "about to" be committed, rather than "will be" committed in order to trigger an investigation. The word "will" is vague and open ended. The term "about to" conveys the idea of "clear and present danger" which may justify more significant intrusions into the privacy of an individual.

In terrorism investigations, "preparation" should be the standard for investigating alleged potential terrorist threats. This concept requires a specific intent to engage in terrorist activity. A similar "preparation" standard was adopted by the Congress in the Foreign Intelligence Surveillance Act of 1978 for dealing with international terrorist threats. It strikes the delicate balance between individual rights and the need to anticipate future terrorist crimes.

Infiltration of groups is one of the most intrusive investigative techniques and must be controlled by responsible officials who are sensitive to minimization principles. Proposals have been made for a warrant requirement to protect against abuses of this technique. However, in my judgment, a warrant is not necessary if the Congress establishes a workable substitute. The use of informants is key to the effective law enforcement efforts of the FBI, but it is also a technique which is a very serious intrusion by the Government into the privacy of association. The principles controlling the use of this technique must be in the language of the charter itself.

Those principles include a finding of necessity and minimization procedure for infiltration of any group that is under investigation. The charter should also clarify the safeguards with respect to infiltration of groups to investigate individual members.

I am convinced that all those engaged in the charter enterprise are committed to the development of a workable mechanism for independent audit and review in the area of informants, consistent with protecting the safety of FBI informants.

Finally, it is important that the charter clearly expresses the solid purposes and principles on which it is based not only as policy objectives, but also as points of reference for interpreting particular provisions. The purposes should include firm statements. First, that FBI activities are to be accountable to the Attorney General, the Congress, and the people of the United States, and second, that means are to be established to insure that the activities of the FBI are conducted in accordance with the statute and guidelines.

To clarify the principle that the lawful exercise of constitutional rights must be respected, in all FBI investigations, the statute should state:

> Nothing in this chapter shall be construed to authorize the FBI to conduct any activity to interfere with the lawful exercise of any right protected by the Constitution or laws of the United States.

In addition, the minimal intrusion rule should require "minimal intrusion consistent with the need to collect relevant information," and the rule that the FBI shall not investigate solely on the basis of lawfully expressed religious or political views should include "private association" to express such views. The charter should also state that information obtained by the FBI shall be used only for lawful governmental purposes.

In conclusion, I want to emphasize my support for the charter effort. I am sure that the concerns I have raised will be addressed in the legislative process. None of these proposals would interfere with the FBI's ability to fight crime effectively. They are designed to protect innocent citizens whose privacy might be invaded without such safeguards. I am confident that the Congress, the Department of Justice, the FBI and the American people will engage in a fruitful debate which will result in a charter which will achieve the goals we all seek.●

By Mr. INOUYE (for himself, Mr. MAGNUSON, Mr. HOLLINGS, and Mr. WARNER):

S.J. Res. 101. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning October 7, 1979, as "National Port Week"; to the Committee on the Judiciary.

NATIONAL PORT WEEK

● Mr. INOUYE. Mr. President, the Senate joint resolution which I am introducing today authorizes the President to proclaim the week of October 7–13, as "National Port Week." An identical measure (H.J. Res. 303) is currently pending in the House, and passage is expected imminently.

Since the days of its early settlement, the United States has been dependent on water transportation for its trade. Populations tended to locate around harbors, which rapidly became the economic centers of the New World. Now there are some 170 commercial seaports in this country, as well as numerous inland ports on our navigable inland waterways. The result has been the creation of a network of ocean and inland ports that includes many of the country's most important centers of industry, distribution, finance, and education.

Ports provide the vital link between land and water carriers. The port industry contributes enormously to the Nation's economy. It facilitates international trade, employs significant numbers of people, provides substantial personal and business incomes, and

generates revenues for State and local governments.

Presently the American port industry provides direct and indirect benefits to the economy:

Employment for 1,046,800 Americans;

Generates annual personal income of $19.2 billion and business income totaling $7.4 billion;

Produces some $4 billion in State and local taxes; and

Accounts for gross sales within the total national economy of $56 billion and a $30 billion contribution to the GNP.

In addition to the vital force that our ports have served in contributing to our national economic development, "National Port Week" will recognize the importance that our ports have played in serving as a basis for our Nation's defense. In time of war, or other national emergency, our ports, which represent a vital link in the national transportation system, would immediately put into effect a plan for Federal port control for efficient operation and utilization of port facilities, equipment, and services. The strategic importance of our ports has been apparent in every war in which the United States has become engaged. World Wars I and II, Korea, and Vietnam required unprecedented port activity in supplying military and civilian needs during and after these conflicts.●

ADDITIONAL COSPONSORS

S. 259

At the request of Mr. NELSON, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 259, the Emergency Paperwork Reduction Act of 1979.

S. 458

At the request of Mr. STAFFORD, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 458, a bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among entities which may be qualified providers of service.

S. 487

At the request of Mr. NELSON, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 487, the Small Business Private Investment Act of 1979.

S. 524

At the request of Mr. MORGAN, the Senator from Arizona (Mr. DECONCINI), the Senator from Indiana (Mr. BAYH), the Senator from Alabama (Mr. STEWART), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 524, the Solar Energy Bank Act.

S. 653

At the request of Mr. NELSON, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 653, the Small Business Capital Preservation Act of 1979.

S. 689

At the request of Mr. TALMADGE, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 689, a bill to amend title 38 of the United States Code to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their surviving spouses and children, and for other purposes.

S. 913

At the request of Mr. MATSUNAGA, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 913, a bill to amend the Social Security Act with respect to health programs authorized under it, and for other purposes.

S. 1055

At the request of Mr. DURKIN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1055, the Gold Coinage Act of 1979.

S. 1090, S. 1091, AND S. 1092

At the request of Mr. TALMADGE, the Senator from North Dakota (Mr. YOUNG) was added as a cosponsor of S. 1090, S. 1091, and S. 1092, bills to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 relating to church plans.

S. 1129

At the request of Mr. KENNEDY, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 1129, a bill to amend the Comprehensive Employment and Training Act to provide a youth employment incentive program.

S. 1295

At the request of Mr. BAUCUS, the Senator from Hawaii (Mr. INOUYE) and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 1295, a bill to amend title XVIII of the Social Security Act to provide for a program of voluntary certification for health insurance policies sold in supplementation of medicare.

S. 1371

At the request of Mr. JOHNSTON, the Senator from New Mexico (Mr. SCHMITT) the Senator from Florida (Mr. STONE), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 1371, a bill to provide for the formulation by the Congress and the President of a comprehensive set of energy consumption and production goals for the future.

S. 1383

At the request of Mr. MELCHER, the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. RIEGLE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Nebraska (Mr. EXON), were added as cosponsors of S. 1383, a bill to amend title 23, United States Code, to establish uniform national standards for weight and length of vehicles using the National System of Interstate and Defense Highways, and for other purposes.

S. 1435

At the request of Mr. NELSON, the Senator from North Carolina (Mr. HELMS), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 1435, the Capital Cost Recovery Act of 1979.

S. 1446

At the request of Mr. DURKIN, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 1446, a bill to provide funds for medium, small and nonhub airports.

S. 1465

At the request of Mr. TALMADGE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

S. 1467

At the request of Mr. DOLE, the Senator from Missouri (Mr. DANFORTH) and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of S. 1467, a bill to amend the Internal Revenue Code to provide that retirement-replacement-betterment methods of accounting be used by a common carrier.

S. 1488

At the request of Mr. NELSON, the Senator from Montana (Mr. MELCHER) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1488, the Individual Savings Act of 1979.

S. 1523

At the request of Mr. THURMOND, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 1523, a bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration.

S. 1549

At the request of Mr. BOREN, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 1549, a bill to amend the Internal Revenue Code of 1954 to change the period for the payment of taxes under section 4161(a) of such code.

S. 1563

At the request of Mr. DURKIN, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 1563, the Department of Energy Sunset Act.

S. 1572

At the request of Mr. HELMS, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1572, a bill to exempt family farms from the Occupational Safety and Health Act of 1970.

S. 1598

At the request of Mr. NELSON, the Senator from Utah (Mr. HATCH) and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 1598, the State Social Security Deposit Act of 1979.

SENATE JOINT RESOLUTION 41

At the request of Mr. BURDICK, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of Senate Joint Resolution 41, a joint resolution authorizing "National Family Week."

SENATE JOINT RESOLUTION 85

At the request of Mr. SCHWEIKER, the Senator from Alaska (Mr. STEVENS), the Senator from Mississippi (Mr. COCHRAN), the Senator from Florida (Mr. STONE), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of Senate Joint Resolution 85, a joint resolu-

tion to authorize and request the President to proclaim the week of September 16–22, 1979, as "National Meals on Wheels Week."

SENATE JOINT RESOLUTION 97

At the request of Mr. DANFORTH, the Senator from Colorado (Mr. ARMSTRONG), the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. BOREN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Florida (Mr. CHILES), the Senator from Maine (Mr. COHEN), the Senator from Arizona (Mr. DECONCINI), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Alaska (Mr. GRAVEL), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New York (Mr. JAVITS), the Senator from Michigan (Mr. LEVIN), the Senator from Indiana, (Mr. LUGAR), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. MOYNIHAN), the Senator from Illinois, (Mr. PERCY), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors to Senate Joint Resolution 97, a joint resolution designating April 13 through April 19 as "Days of Remembrance of Victims of the Holocaust."

AMENDMENT NO. 212

At the request of Mr. SCHMITT, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of Amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission Authorization bill.

SENATE RESOLUTION 214—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. KENNEDY, from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 214

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 643. Such waiver is necessary due to unforeseen refugee emergencies and factors that developed subsequent to the introduction of this legislation, requiring slightly revised authorizations.

SENATE RESOLUTION 215—SUBMISSION OF A RESOLUTION PROPOSING AN AMENDMENT TO THE STANDING RULES OF THE SENATE

Mr. MORGAN submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 215

Resolved, That the Standing Rules of the Senate are amended—

(1) by striking out rule XLII, and;

(2) by adding a new rule XLII as follows:

"RULE XLII: PUBLIC FINANCIAL DISCLOSURE

For purposes of this Rule, the provisions of Title I of the Ethics in Government Act of 1978 shall be deemed to be a Rule of the Senate as it pertains to Members, officers, and employees of the Senate.

EXECUTIVE AMENDMENTS SUBMITTED FOR PRINTING

SALT II TREATY—EX. Y, 96–1

EX. AMENDMENT NO. 5

(Ordered to be printed and to lie on the table.)

Mr. HART submitted an amendment intended to be proposed by him to the resolution of ratification of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979, Ex. Y, 96–1.

Mr. HART. Mr. President, a number of critics of the SALT II Treaty have expressed concern over the Protocol, fearing that the restrictions due to expire at the end of 1981 will automatically be extended for the duration of the treaty. The Protocol was intended to separate issues that posed special counting and verification problems from those on which there was promise of early agreement. We are in no way obligated to continue the Protocol's restrictions after it expires.

Because the issues involved are so grave and complex, I today formally offer clarifying language to the Resolution of Ratification that restates that the Protocol expires on December 31, 1981.

On May 24, I made some remarks on this subject. I ask unanimous consent that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GARY HART

Mr. President, in March of 1978, I addressed this body about the duration of the Protocol to the SALT II Treaty. Since piecemeal attacks still persist on issues involved in the Protocol, it is worth repeating points I raised more than a year ago.

I am today proposing specific clarifying language to the Protocol. In brief, this clarifying language to the Resolution of Ratification will confirm, in unmistakable terms, the limited duration of the Protocol. I hope it will place some of the SALT critics' arguments in perspective.

A piecemeal attack on a single provision, viewed in isolation, may seem telling, yet prove to be of little weight in the context of the treaty as a whole.

Certainly all of us in the Senate learned in the course of our deliberation on the Panama Canal treaties that full knowledge and information are essential to sound judgment. This will be even more true in weighing the yet more sober and difficult issues implicit in a strategic arms agreement.

Much past criticism has centered on the agreement of May 1977 to divide the SALT accord into two parts: an 8-year treaty that will embody the key numerical limits, and a protocol expiring in December of 1981 to cover some qualitative controls affecting new systems still under development.

Although the limits of the protocol are widely viewed as advantageous to the United States, critics quickly branded the strategy as a "distinction without a difference." They argued that, once an agreement is reached, it will automatically persist, even though it expires by its own terms on a date certain. Even more distressing, they have charged that this position was deliberately conceived to avoid airing the most difficult and controversial issues before the Senate and the American people.

The division of the accord into treaty and short-term protocol is a superb negotiating strategy that warrants commendation and support instead of criticism. It provided a way to segregate issues on which there was promise of early agreement from other, more long-term issues. Those longer term issues involve systems still under development, which pose special problems of counting and verification, at least under today's ground rules.

The difference between treaty and protocol is not, therefore, a cosmetic one. It is a sparation of issues that are inherently different in both technical and political implications. It is not a diplomatic dodge, a concession to the Soviets, or political eyewash. In a very real sense, resolution of problems treated in the protocol may point the way to SALT III.

The fact that this line of demarcation between protocol and treaty is substantive adds to the importance of maintaining the distinction. I do not accept the blanket charge of some critics that the mechanism provides a way for the Administration to avoid addressing the tough issues with the Senate, with our European Allies, or with the American public. But I would not wish to see essentially tentative and temporary decisions embodied in the protocol slide, by simple fact of their existence, into permanence.

If these constraints ultimately become part of the treaty, there must be a positive decision to that effect; it must not occur by default. For this reason, I am offering, for consideration at the appropriate time in the process, clarifying language to the resolution of ratification in the following form:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the understanding that nothing in the Protocol shall bind either of the Parties after the date of the termination of the Protocol, unless the Parties otherwise agree and approve such agreement, in accordance with their constitutional processes."

The purpose of this clarifying language will be to confirm, in unmistakable terms, the limited nature of the protocol; and to ensure that any commitment to extend or alter the protocol or any of its provisions is reached through the full, unconstrained process of negotiation and Senate approval.

Because of the gravity and complexity of the matters at issue in the SALT protocol, I believe that such an unequivocal understanding is vital on several counts;

It is vital that the Soviet Union understand that these issues are not permanently resolved, and that serious negotiation must continue to seek mutually acceptable answers;

It is vital that our European allies be reassured that we understand their special concerns, and that we will not unilaterally foreclose options of importance to them;

It is vital that the Members of the Senate be assured that our exercise of the Constitutional responsibility and prerogative will not be impeded; and

Perhaps most important, it is vital that the American people have confidence that the public process will run its full course, and that they will, accordingly, have an opportunity to take part in those deliberations.

In addition to the intrinsic value of these reassurances, I would hope that they also serve to shift the debate from an unproductive focus on matters of form to an examination of the substance of the negotiations.

Much of the argument about the "automatic permanence" of the protocol is just such a manufactured issue. It is charged that any concession inevitably persists to condition and limit subsequent negotiations. Thus, for instance, the critics argue that the limitations on deployment of ground- and sea-launched cruise missiles for the duration of the protocol are really permanent. The Soviets, they say, implacably resist any alteration or amendment of treaties that does not materially and unilaterally enhance their own position. Implicit in this argument, though rarely stated, is the corollary charge that the United States, having made a temporary concession, inevitably lacks the will or tenacity to pursue the issue.

Any reasonable reading of recent history belies such arguments. The 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems was amended just 2 years later to further reduce the number of allowable sites. Similarly, the Vladivostok Accords of 1974 posit a reduction of numerical limits from the 1972 SALT interim agreement. The accords require the Soviets to accept numerical symmetry—a concession that critics of SALT I argued would never occur. Even the decision by the United States and U.S.S.R. to continue to abide by SALT I limits after the expiration of the accord, pending the completion of SALT II, is brandished as proof of Soviet duplicity and American naivete. It ignores the fact that only the Soviets have had to make actual force reductions under SALT I, dismantling ICBM launchers as a tradeoff for submarine launchers, and that the Soviets are at the stage in weapons production which could, at the moment, be more rapidly escalated than our own if SALT I limits were suspended.

Thus, I find this train of thought both inaccurate and superficial. More important, though, it is irrelevant. It is not possible to prove a negative. No one knows what will—or even what should—become of the terms of the temporary accord of the protocol. And a debate that is comprised of assertions that they will or would not become permanent ignores the real issues at hand.

First, the protocol allows for our continued development and testing of new systems. Clearly, this right extends to both sides, but it is particularly important to the United States because the M-X, Ground-launched Cruise Missile, and Sea-launched Cruise Missile are at critical points in development, but are still some years short of full operational readiness.

Second, the timing of the protocol provides a point of leverage to secure Soviet agreement to reductions or constraints on other systems, including the possibility of securing some meaningful breakthroughs on theater weapons issues in the mutual balanced force reduction talks.

Third, the protocol buys time—time to attempt to find ways of dealing with the counting, verification and control problems introduced by mobile systems and by technologically new weapons such as cruise missiles.

In sum, then, the protocol offers much-needed breathing space. We can institute the absolutely fundamental numerical and other limits embodied in the SALT II treaty. We can strengthen our position in other arms control negotiations in progress. We can try to deal with problems of compliance monitoring and verification introduced by new technologies. And if we fail, we retain the right ultimately to deploy these weapons. For these reasons, I believe the protocol to be a welcome development which, on its merits, will deserve our support.

In this context, let me stress again the nature of the language I propose. It would apply, first of all, to the resolution of ratification, not to the treaty itself. It would not alter the treaty in any way, or call for any action or reaction on the part of the Soviet Union. It would impose nothing beyond that which we will already have committed ourselves to do; namely; to limit some elements of the accord to a shorter time span than others. Its purpose is, simply, to confirm—to assure and reassure.

But it will do something else as well. It will hopefully help refocus the debate on the sober, compelling considerations inherent in a treaty between the Soviet Union and the United States dealing with a subject no less important than national security and survival. The real issues are sufficient in and of themselves. There is no need to invent others.

I call on my colleagues to consider the course I propose. I invite their comments and, in due time, their support.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL EMPLOYEE PARKING ACT—S. 930

AMENDMENT NO. 387

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. PERCY (for himself, Mr. DURENBERGER, Mr. TSONGAS, and Mr. ZORINSKY) submitted an amendment intended to be proposed by them, jointly, to S. 930, a bill to amend the National Energy Conservation Policy Act to prohibit free Federal employee parking.

Mr. PERCY. Mr. President, the energy crisis threatens both the economic strength and social fabric of America. It presents the greatest legislative challenge that we here in Congress have faced in this decade. We must move toward a strong and comprehensive national energy policy, but we must be sure that the burden of this policy falls equally on all segments of society. This position implies that we in Congress must be willing to share in this burden when questions arise concerning issues directly affecting us. Taxpayer subsidised parking for governmental employees is just such an issue.

Today, I am introducing, in the form of an amendment, the Federal Employee Parking Act of 1979. I am pleased that Senators TSONGAS and ZORINSKY have joined Senator DURENBERGER and myself in sponsoring this bill. I am reintroducing the bill merely for the purposes of making a few technical modifications which make the provisions and intent of the original bill more clear and concise. The only substantive change made is that registered handicapped drivers will be exempted from paying a fee.

Hearings on the bill will be held before the full Governmental Affairs Committee on August 1 from 9 a.m. until 10 a.m. We will reconvene in the afternoon at 2:30 p.m. Testifying will be: Mayor Marion Barry of Washington, D.C.; Edward Scott, Assistant Secretary of Transportation; Richard Page, general manager of the Washington, D.C., Metro; Donald McIntyre, national vice president of the American Federation of Government Employees; and Dr. Donald Shoup of UCLA and Dr. Donald Pickrell of Harvard. The measure mandates that the General Services Administration identify all Federal property in the United States which is used primarily for private parking. They would determine a fee schedule for the use of those properties based on the rates charged at similar commercial parking facilities in the general locality of the Government lots in question.

The Architect of the Capitol, the Administrative Offices of the U.S. Courts, and the General Services Administration would act together in an effort to coordinate the respective actions of all three branches. No fee would be assessed for parking in conjunction with employee housing, such as military housing, or for registered handicapped drivers.

This legislation would serve many beneficial purposes. First, it would promote energy conservation by encouraging carpooling, and the use of mass transit. Second, it would put an end to an unfair taxpayer financed subsidy. Third, it would decrease the extreme inequity in job related benefits that free parking offers to only some Government employees. Fourth, any reduction in auto traffic, particularly in cities such as Washington, would afford improvement in local air quality, a great problem here in Washington. Finally, and most significantly, it would demonstrate to our constituents that we here in Congress are willing to do our share for the cause of energy conservation by discouraging the useless squandering of precious fuel resources.

I was extremely pleased that as many as 25 of my colleagues demonstrated great foresight when voting in favor of this seemingly unpopular measure when the Senate first considered it in 1977. President Carter's recent initiative in this area is to be commended. My bill would extend paid parking to the Congress and the Judiciary. Further, it would make the effect of the Executive order binding on the executive branch. Thus, it would facilitate a total and permanent end to taxpayer financed parking for employees of all three branches of Government.

The issue is simple: Is our self-interest in maintaining the free favor of parking more important to us than the national interest of energy conservation? I hope that my colleagues will join me in voting to put an end to taxpayer subsidised parking for Government employees. I ask unanimous consent that

the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 367

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Federal Employee Parking Act".

SEC. 2. (a) Title V of the National Energy Conservation Policy Act is amended by adding at the end thereof the following new part:

"PART 5—FEDERAL EMPLOYEE PARKING

"SEC. 571. (a) No real property located in the United States which—

"(1) is owned or leased by, or otherwise under the jurisdiction of, the United States Government, and

"(2) is principally utilized, as determined by the Administrator of General Services, to provide parking facilities for privately owned motor vehicles in connection with employment, business, or visitation at Federal offices or installations

may be utilized as a parking facility unless there is assessed against each vehicle using the parking facility a charge or fee which is within the range of charges or fees generally applicable for public parking purposes and similar parking facilities in the same general locality.

"(b) Subsection (a) shall not apply to—

"(1) vehicles operated by registered handicapped drivers, or

"(2) parking facilities which are provided in connection with any Federal employee's residence, including but not limited to, parking facilities in connection with housing and visitation at military bases and installations.

"(c) The Administrator of General Services, the Director of the Administrative Office of the United States Courts, and the Architect of the Capitol shall take such steps as may be necessary to coordinate the respective activities of the executive, judicial, and legislative branches of the Government in the implementation of the provisions of this section.

"(d)(1) For the purpose of this section, the term 'similar parking facility in the same general locality' means publicly available parking facilities in nearby business or commercial areas which are of the same kind (lot, garage, or on street parking), convenience, and quality as that granted as the parking facility on the Federal property.

"(2) If no fee or charge is assessed on vehicles at similar parking facilities described in paragraph (1) in the same general locality, no fee or charge shall be assessed under this section.

"(e)(1) Except as provided in paragraphs (2) and (3), the provisions of this section shall take effect on the date of the enactment of this Act and shall apply to vehicles utilizing parking facilities on Federal property after September 30, 1979.

"(2) During the period beginning on October 1, 1979, and ending on September 30, 1981, the fee or charge assessed against any vehicle parking in a parking facility on Federal property shall be equal to 50 percent of the charge or fee otherwise determined under this section.

"(3) The Administrator of General Services may phase in the application of the provisions of this section with respect to any employees if the Administrator determines it is necessary to meet any legal obligations.

"(f) All revenues collected pursuant to the provisions of this section shall be deposited into the Treasury of the United States as miscellaneous receipts.".

(b) The table of contents of such Act is amended by inserting immediately after the item relating to section 569 the following:

"PART 5—FEDERAL EMPLOYEE PARKING

"SEC. 571. Federal employee parking.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. Chairman, I would like to announce that the Subcommittee on Federal Spending Practices and Open Government will be holding a joint hearing with the Special Committee on Aging concerning "Federal Paperwork Problems." This hearing will be held in St. Petersburg, Fla., on August 6, 1979, at the Senior Citizens' Sunshine Center from 9:30 a.m. until 1:30 p.m. Any questions concerning this hearing may be directed to the subcommittee office at 224-0211, or to the committee office at 224-5364.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce that the Committee on Energy and Natural Resources will hold a hearing at 10 a.m., on Thursday, September 6, in room 3110 of the Dirksen Senate Office Building, on the nomination of Mr. Louis F. Moret, of California, to be Director of the Office of Minority Economic Impact, at the Department of Energy.

Questions concerning the nomination hearing should be directed to Daniel A. Dreyfus, Staff Director, Senate Energy Committee, Washington, D.C. 20510, telephone 202 224-4971.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. JAVITS. Mr. President, the Committee on Governmental Affairs will continue its hearings on S. 503, the Privacy Act Amendments of 1979, and S. 865, the Privacy of Medical Information Act, on Friday, August 3, 1979. These bills are designed to protect the confidentiality of patient medical records.

Witnesses before the Committee will be:

Carolyn Kave RRA, Executive Director, American Medical Records Association, Chicago, Ill.

Dr. Marsha Goin, Chairperson, American Psychiatric Association Commission on Confidentiality, Los Angeles, Calif.

John Keeney, Deputy Assistant Attorney General, Criminal Division, Department of Justice, Washington, D.C.

The hearings will be held at 9 a.m. in room 3302 Dirksen Senate Office Building. Anyone desiring additional information about the hearing should contact Alan R. Bennett of the committee staff at 224-0528.●

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. CULVER. Mr. President, as chairman of the Subcommittee on Administrative Practice and Procedure, I announce that our subcommittee will hold a hearing in Des Moines, Iowa, on proposed regulatory reform legislation (S. 104, S. 262, S. 299, S. 755, and S. 1291). The hearing will be held on August 8, 1979, at 9:30 a.m., 120 County Administrative Office Building, Second and Court Avenue, Des Moines, Iowa.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. Chairman, I would like to announce that the Subcommittee on Federal Spending Practices and Open Government will be holding a hearing on Federal paperwork problems of State and local governments in Tallahassee, Fla., on August 23, 1979. The time and address of the hearing will be announced at a later date. Any questions concerning this hearing may be directed to the subcommittee office at 224-0211.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. PRYOR. Mr. President, I wish to announce that the Governmental Affairs Committee will begin hearings on S. 1340, the Federal Employees Compensation Act of 1979, on August 2, at 10 a.m., in room 3302 in the Dirksen Senate Office Building.

Anyone wishing additional information about the hearings should contact the committee office at 224-4751.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. DECONCINI. Mr. President, I ask unanimous consent that the Energy Conservation and Supply Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on home energy efficiency programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, August 1, 1979 to hold a mark-up session on S. 446, equal opportunity for the handicapped bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HEALTH AND SCIENTIFIC RESEARCH

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Health and Scientific Research Subcommittee of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, August 1, 1979 to hold an oversight hearing on women in science.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE 700 CLUB

● Mr. HATCH. Mr. President, millions of Americans devote several hours of every week to a unique talk show known as "The 700 Club." Produced by the Christian Broadcasting Network, the show is hosted by Pat Robertson and features guests from every walk of life, from every profession, and from every denomination of the Christian church. With Pat leading the conversation, and often the prayer, these guests discuss every major issue of the day and, of vastly greater importance, the way their lives have been changed by the marvelous blessings of the grace of Our Lord Jesus Christ.

Pat Robertson's following of devoted viewers reaches the millions and is growing every day with every telecast of "The 700 Club." I gladly count myself among those who watch this entertaining, inspiring program whenever the opportunity presents itself. It is interesting to know, though, that, besides being the telegenic host, Pat Robertson is also a perceptive, prudent observer, and student of the governmental and political process. Among his many supporters, a select group receives Pat's regular report, "Pat Robertson's Perspective." The report provides an outstanding educational analysis of current events and displays the kind of understanding and judgment so desperately needed among our opinion leaders. The mid-July issue is an excellent illustration and I commend it to my colleagues and submit it for printing in the RECORD.

The report follows:

PAT ROBERTSON'S PERSPECTIVE

The Strategic Arms Limitation Treaty (SALT II) recently signed by President Carter and Soviet Premier Breshnev will neither limit the arms race nor promote peace. It will assure the Soviets absolute military dominance over the United States by 1982 while lulling our population into the false confidence that a true arms treaty has been entered into between the world's super powers.

SALT II does not classify either the Soviet "Backfire" bomber or its SS-20 missile as a strategic weapon. Therefore there is no limit on production of either of these weapons systems, despite the fact that "Backfire" with airborne refueling has a 9500 nautical mile range to all U.S. targets, and the SS-20 threatens all of Europe. With single warheads instead of triple warhead MIRVs, the SS-20 can also reach U.S. targets.

SALT II grants the Soviets over 300 mammoth SS-18 ICBMs. Each SS-18 carries 10 warheads equivalent to one million tons of TNT each. Guidance systems in the SS-18 are sufficiently precise to hit within 600 feet of a target after a 6000 mile trajectory. Only 100 of the Soviet SS-18s could destroy all of the U.S. land-based missiles, thus neutralizing the heart of our strategic counterforce capability, and leaving the Soviets ready for a second strike.

On the other hand, under SALT II the United States must include the aging B-52 bomber as an intercontinental weapons system in the same tally as the SS-18 missiles. The United States is not permitted to build any of these monster missile systems, may not develop an effective modern long-range bomber, and has agreed to limit the range of its most effective weapon, the cruise missile, to 600 kilometers—approximately 360 miles—which renders it virtually useless.

Besides the glaring strategic imbalance built into SALT II, the Soviets have refused any linkage between the SALT agreement and their frenzied build-up and use of conventional arms. When Carter attempted in Vienna to secure some assurance that the Soviets would cease their worldwide aggression, he met strong silence.

As a distinguished English journal said of the Vienna summit, "President Carter has been wasting Christian kisses on a heathen idol's foot."

In light of the realities of SALT II, the talk about verification evades the crucial issues. The director of the CIA, Adm. Stansfield Turner, has testified that it cannot be adequately verified. But who cares? The Soviets probably could not afford the money needed to build more weapons than SALT II allows them. And why would they cheat, when the written agreement gives them everything needed for military mastery?

More frightening for the United States than weaponry is the state of our civilian population. For years our civil defense has been guided by a concept known as MAD (Mutual Assured Destruction). The population of the United States was to be left totally unprotected, so that the Soviets could assuredly destroy us. The planners hoped that the Soviets would likewise expose their civilians to our destructive capabilities.

Unfortunately for us the Soviets weren't so stupid. For the past 10 years they have spent $1 billion annually on civil defense. Their industry is in hardened sites. Their shelters are ready. In the event of nuclear war Soviet Russia would lose no more than 20 million people. The United States would lose 150 million.

With our population hostage, our strategic forces inferior, and our conventional arms outnumbered three to one, we are inviting nuclear blackmail in the 1980s.

SALT II should not be ratified without far-reaching amendments. If it is, whoever occupies the White House in 1980 may find himself with a decision more horrible to contemplate than any in the history of our republic.

The OPEC cartel has struck again, moving the "posted" price of crude above $18 a barrel, with provisions for sales by Libya and others at $23.50 per barrel. Actually the "spot" rate in Europe has hit $40 per barrel on occasion this year, so OPEC was cashing in on the price squeeze resulting from shortages caused by the cutback in Iran's oil production. This will add 4 to 5 cents to the price of a gallon of gasoline, $6 billion to the U.S. import bill, and a boost to the present 13% U.S. inflation rate. Middle East oil sold for $1.80 per barrel in 1970. In one decade it has soared tenfold.

How much can the world stand? U.S. gas shortages have triggered truck strikes, perishable foods rot and prices soar; automobile sales are off nearly 25%; consumers aren't driving, so shopping and tourism fall dramatically; developing countries which owe over $300 billion are now forced to cut drastically or go bankrupt; U.S. banks which have recycled oil money to the Third World countries to the tune of $49 billion now face critical defaults. Europe and Japan import 95% of their oil. Shortages and price hikes will have devastating consequences on their economies.

How did this situation get so bad? First of all, powerful U.S. interests are profiting substantially by every turn of the OPEC screw. Big oil companies that experienced unbelievable profits last year may contemplate 100% increases this year. Major U.S. banks handle at a profit the funds of both the oil companies and the OPEC nations. The higher the price of oil, the higher the profits of these multinational banks. As the world price of oil and gas rises, so also rise the incomes of thousands of landowners, small oil companies, investors, and the state governments of Florida, Mississippi, Louisiana, Texas, Oklahoma, Illinois, Pennsylvania, West Virginia, New Mexico, Arizona, Colorado, Wyoming, Montana, North Dakota, South Dakota, Utah, and California. With the 34 U.S. senators representing these states—which will profit dramatically from high prices in oil, gas, coal, lignite, shale, and uranium—pulled toward a loose community of interest on the energy issue with "big oil" and "big banking," it is easy to understand why no effective counterattack has been launched against OPEC, and why all alternative energy solutions will call for a massive government floor under energy prices. It also accounts for the fact that any substance or device which promises plentiful honest-to-goodness cheap fuel or true energy saving will be either ignored, hindered or destroyed.

Given the realities of the situation, what should we do? First, production must be increased. Since price controls guarantee shortages, there should be immediate decontrol of all domestic oil and gas prices, and every effort should be made to flood the free market with oil and gas regardless of immediate profits. Second, the Department of Energy should be abolished, and in its place there should be created a small, independent, Energy Mobilization Board with power to mount a crash program to (1) develop a cheap, plentiful fuel from the sources available to us—whether hydrogen, coal, shale, solar, thermal, wind, or some other source; and (2) develop totally new power plants for motor vehicles. Third, the United States should enter into a full-scale North American energy common market with Mexico and Canada so that the three nations could pool capital, technology, available natural resources, pipelines, etc., for mutual advantage and independence from Middle East pressures. Fourth, we should immediately eliminate all tax preferences that would encourage domestic oil companies to import and refine OPEC crude instead of domestic crude. Finally, we should impose a substantial import duty on OPEC crude to discourage the use of imported oil. A $5 per barrel import duty on 8 million daily barrels would yield over $14 billion a year to help fund domestic oil and gas exploration and the development of alternate sources of energy.

On the other hand, the continuation of controls, the imposition of gasoline rationing, and punitive taxes on oil companies will be counterproductive—needlessly complicating the problem rather than solving it.

We can break the OPEC cartel—but not until we recognize present economic realities and then take bold, intelligent, and possibly painful action to change them.

Evangelical Christians are up in arms across the country because of what they perceive as a government-backed assault on religion and the family. Rev. Jerry Falwell, titular leader of 30,000 independent Baptist churches, is organizing the "Moral Majority." A group in Texas is organizing a prayer crusade, "Key 16," which looks ultimately to register all Christians for action in local precincts. "One Nation Under God," with powerful national support, plans a rally in Wash-

ington for up to one million people on April 29, 1980.

Leaders of the so-called "New Right" have realized that issues such as abortion will bring evangelicals and urban Catholics together at the polls. In the 1978 elections, 26 senators and representatives espousing abortion, ERA and anti-family legislation were defeated by carefully planned precinct-by-precinct organization.

A massive effort is underway in 1980 to turn the national conservative groundswell into a pro-family, pro-Christian government. A recent Senate vote in favor of prayer in the schools (forced by Sen. Jesse Helms of North Carolina) indicates how deeply the members of Congress are beginning to appreciate the tidal wave of latent Christian political sentiment in the country.

A note on the economy, inflation, and government spending: In 1869 the yearly spending for government in Great Britain (exclusive of colonies) was $350 million; the French empire, $425 million; Russia, $390 million. In 1979 the U.S. government is spending approximately $530 billion—almost 1700 times as much as Great Britain spent at the height of its power. This shows the enormous rise of governmental influence over people's lives and the incredible currency debasement that this influence has caused.

Gold has remained relatively constant in purchasing power since about 1500 A.D. Paper money obviously, has not. Gold has risen in a decade from $32 per ounce to about $290 per ounce. Although there may be some short-term declines in the price of gold, it would seem that the hyperinflationary cycle caused by oil price increases, dollar devaluation, federal deficits, compensating price increases, and subsequent devaluation, could lead to a time in the not-too-distant future when the U.S. dollar has so declined in value that it will take $800 to $1000 to purchase one ounce of gold. At that point the dollar would be worth about 30 cents in 1979 purchasing power, or 15 cents in 1967 value.

For this reason, beware of savings, whole life insurance policies, investments, and pensions which bear interest less than the rate of inflation and are to be paid back in future dollars.

Assuming Jesus tarries, Christians must find a savings and pension program backed by gold instead of dollars, so that their life savings will not be destroyed by inflation. Obviously for all of us the best savings program is to store our treasures in heaven "where thieves do not break in and steal." (Matthew 6:20).●

WEATHERIZATION PROGRAM FOR LOW-INCOME FAMILIES

● Mr. EAGLETON. Mr. President, a July 28 article in the Washington Post entitled "Insulation Funding for Poor Is Unused" highlights a grave program which is increasingly hampering our efforts to alleviate the disproportionate burden of the energy crisis on the poor.

In recent hearings of the Senate Subcommittee on Aging, which I chair, testimony was presented indicating that nine different Federal departments or agencies operate programs with low-income housing weatherization components. The largest of these is operated by the Department of Energy at a funding level of $200 million. It was estimated that those funds would allow insulation of some 320,000 housing units this year. Unfortunately, nowhere near that many units will be refitted. The major reason for the lack of success of this program is that it is, in fact, only half a program. The statute allows purchase of weatherization materials, but does not allow funds for purchasing the labor to install the materials. Instead, it requires that volunteers or CETA workers be used to install the materials. In many areas, volunteers or adequately trained CETA are simply not available.

In his July 16 speech to the National Association of Counties in Kansas City, Mo., President Carter advocated an expanded Federal role in weatherization. A White House task force is presently working to devise such a program. I commend the President's initiative in this area and urge that an appropriate manpower component be a part of a streamlined program.

As my colleagues know, for the past 3 years, the Community Services Administration has conducted an emergency energy assistance program for low income Americans. I think we have all agreed that this approach has been little more than a band-aid on the growing cancer of energy costs, a fact confirmed by the Department of Energy's Fuel Oil Marketing Advisory Committee's report estimating that $3.2 billion is needed to meet the energy needs of Americans living near the poverty level. President Carter has also recognized the inadequacy of our present approach, and is now calling for a program on the order of magnitude of $2.4 billion annually. I applaud the President's proposal. But in my view, an energy assistance program is at best only a partial solution.

High energy costs are here to stay. To simply subsidize fuel and utility payments without getting at the root causes of older, energy inefficient homes is to recognize only half the problem.

I urge my colleagues to read the Post article and support efforts to establish an efficient and effective weatherization program.

Mr. President, I ask that the text of the article be printed in the RECORD.

The article follows:

INSULATION FUNDING FOR POOR IS UNUSED

(By Stephen P. Engelberg)

A $200 million appropriation to provide insulation and other energy-saving help to the homes of low-income families may go largely unused this fiscal year, apparently because of administrative problems and a shortage of qualified labor.

Although state administrators interviewed said they probably won't be able to spend much of the money in the next year, however, Mary Bell, the director of the Department of Energy program, maintains that it is now running smoothly.

She said three-fourths of the appropriation would be used by next January. DOE officials have no estimate of how much of the money has been spent thus far.

Created under the Energy Policy and Conservation Act of 1976, the program is designed to conserve energy and cushion low-income people from the effects of sharply rising fuel costs. Under the program's income guidelines, an urban family of four making less than $8,375 per year would be eligible for insulation, caulking and other energy-saving improvements.

The legislation setting up the Department of Energy program requires that volunteers or Comprehensive Employment and Training Act (CETA) workers install the "weatherization" materials. DOE can't use the program money to hire laborers.

Many states have been unable to take much advantage of the federal funds because they cannot get enough qualified CETA workers, a number of local program directors said in interviews. In several instances, insulation materials bought by the states are sitting in warehouses awaiting installation, a DOE official said.

The fiscal 1979 appropriation would weatherize about 320,000 units. The residents of approximately 14 million units nationwide meet the program's income stipulations, DOE officials noted.

Maxine L. Savitz, DOE's deputy assistant secretary for conservation and solar applications, said that only a little over half of the 1977–78 national appropriation of $91 million was spent on weatherization.

The District, which has had enough money over a two-year period to weatherize about 17,070 units, has only worked on 572, officials said.

Like other jurisdictions, Maryland, Virginia and the District have also had their spending rates slowed by problems with CETA labor, their officials said.

From 1977 to fiscal year 1979, Washington has been allocated more than $1 million for weatherization but it has spent only 20 percent of those funds, according to DOE regional administrator Joseph L. DiBiase.

Patsy Harden, coordinator of the weatherization program for the D.C. Department of Housing and Community Development, and Virginia's acting assistant director of weatherization, Danny L. Chisom, said the program was particularly difficult to use in urban areas. Owners' signatures are required before work can begin and many buildings housing low-income tenants have either been abandoned by their owners or are held by absentee landlords.

Weatherization work in Northern Virginia has been hampered by a lack of CETA workers there, Chisom said, because unskilled laborers can generally get jobs in the construction industry.

DOE rules also forbid agencies from weatherizing "common areas" in buildings unless all the tenants fit the income guidelines. The mixture of tenants common in many Washington apartments prevents using the program to insulate roofs, said Lillian Durham, head of the community services division of the United Planning Organization, the District agency charged with administering the program.

All of the federal funds are sent to states, which in turn offer grants to community action agencies. District housing officials are administering public housing weatherization while UPO handles requests from homeowners and tenants.

Durham admitted that the program had gotten off to a slow start in the city, but said the pace of work has increased in recent months.

Under the program, Washington has weatherized multifamily dwellings, rowhouses and single-family houses as well as public housing, Durham said. District officials did not know how many units had been covered.

Theodore E. Brown Jr., deputy director of Maryland's Office of Community Services, said that the state can employ CETA workers for a maximum of 18 months but, he said, it takes six to 12 months to train weatherization workers.

Further, many of Maryland's CETA laborers "definitely were not quality workers," Brown said.

Mary Bell, DOE's weatherization director, conceded that the program has been hampered by changes in its regulations, fraud or mismanagement in some of the community agencies carrying out the work, and the states' tardiness in submitting their applications for the funds.

Bell said the states have not been able to document the existence of a labor shortage. DOE regional administrators have reported that their areas are adequately manning projects.

A White House task force studying energy conservation is now discussing ways to speed up DOE's weatherization efforts. President Carter called for an expanded insulation program to aid low-income persons in his recent Kansas City address.

The White House task force, which is expected to reach some decisions shortly, is focusing on the program's labor provisions. A lack of coordination between DOE and the Department of Labor, which administers the CETA program, may account for some of the local difficulties, a White House source speculated.

Rep. A. Toby Moffett (D-Conn.) recently introduced legislation that would allow DOE to spend up to $700 per unit to hire workers when sufficient CETA or volunteer labor is not available. In a letter to his colleagues, Moffett said it was time to "get equipment out of warehouses around the country and into homes."

Terming DOE's administration of the weatherization program "a ridiculous form of impoundment," Massachusetts Lt. Gov. Thomas P. O'Neill called Wednesday on the Hill for DOE to waive the CETA requirement when the workers aren't available. O'Neill spoke for a New England coalition of weatherization directors in a press conference here.

Bell said last week that such a change would be impossible under the present law because the program's exemption from the Davis-Bacon Act, which requires the government to pay prevailing wages for federally assisted construction, was dependent on its use of volunteer or CETA laborers.

Nearly every state program administrator interviewed last week said that the DOE effort has been severely slowed by a lack of manpower.●

ON SEIZING OPEC, GUNS BLAZING

● Mr. HATFIELD. Mr. President, an important issue that preoccupies the American people is our ever-increasing dependence on OPEC oil. As has happened too many times before in our young Nation's history, perceived threats from abroad are translated into an exercise in martial slogans. We can hear them even at the highest levels of Government. The familiar slogans include "arc of instability," "oil blackmail," "nobody can push us around," "they've got us over an oil barrel," and "where is our will to fight?" As the threat to western democracies is discussed, the tone of confrontation becomes unmistakable. The rhetorical introduction may vary, but the solution proposed is as predictable as it is irrational: More weapons, reinstate the draft, show the flag.

Despite the overwhelming evidence of the impracticability of such a scheme, the idea of satisfying our oil needs by means of armed aggression is still on the tongues of Americans, from Secretary Brown to the angry motorist waiting in line for a fillup he might not get. Even if we were to work our will by violent methods, how does that address the issue of continued inadequacy of energy production at home?

While the military option is being discussed, we are hearing precious little about the implementation of effective programs aimed at reducing our energy consumption, shifting toward renewable energy resources, and eliminating our dependence on foreign petroleum. The solution to those problems is a task we alone can accomplish. Brandishing threats against the sovereignty of other nations is no substitute for putting our own house in order.

The lead editorial in the New York Times on Friday, July 13, 1979, puts the issue in clear focus. Many of my associates in MCFL are equally concerned about this serious matter. As a long active member, I wish to cite this article which aptly summarizes our views.

I respectfully request that, for the benefit of my colleagues, the editorial be printed in the RECORD.

The editorial follows:

ON SEIZING OPEC, GUNS BLAZING

There might be reason, someday, for the United States to seize a foreign oilfield. If an oil producer were invaded, for instance, maybe then. But the recent talk about charging, guns blazing, into one or another OPEC country to keep the oil flowing is nonsense. This kind of talk may be understandable, no matter how misguided, from an angry driver waiting three hours for the privilege of paying $1.30 a gallon for OPEC petroleum he has been told costs a quarter to produce. But among supposedly thoughtful people, it is dangerously cynical and inflammatory. It is time to forget about a violent and quick fix for our oil problem and to get on with the job of putting our energy world in order.

Morality aside, the military difficulties involved in seizing and running the oilfields of the Persian Gulf would be staggering. If the Gulf's exit, the narrow Strait of Hormus, were mined or blocked by a sunken tanker, oil shipments from Saudi Arabia, Iran, Kuwait, Iraq and Abu Dhabi would stop, no matter who held the wells. Most of those countries have in any case threatened to blow up their fields rather than let foreigners run them again.

It needs to be understood, therefore, that an uninvited American military intervention in the Persian Gulf would be a desperate act, promising no quick or certain supply of oil and pushing the Gulf states to turn to the Soviet Union for help.

In the present climate, there is an element of provocation even in the sober comments of American defense planners about the need for a new intervention force that could move swiftly anywhere in the world, including the Middle East. It is the planners' job to weigh contingencies; but they ought to add to the balance the frayed nerves of their countrymen and the sensitivities of oil-producing nations. Talk of war makes everybody angry.

Behind much of the bombast of strategic thinkers on the gas lines and the cocktail circuit there lies the impression that OPEC is *the* cause of the energy crisis. But the truth isn't nearly so simple and most Americans know it. There are other "enemies" of continued high energy consumption closer to home, such as the rapid historical depletion of our reserves, the country's persistent waste, and insufficient domestic production. Is it quite sane to say the American automotive way of life should be kept running exactly as it is today—or rather as it was in its energy-consuming heyday—by conquering others? And if that is our morality, why not begin by seizing Mexico?

The alternately swaggering and matter-of-fact talk about a violent oil grab is unnecessary and could lead to serious trouble. The very fact that such talk is in the air is one more reason for swiftly reducing our dependence on foreign energy.●

SACRED HEART UNIVERSITY AND ENERGY

● Mr. RIBICOFF. Mr. President, Sacred Heart University in Bridgeport, Conn. has taken some constructive steps to save energy. President Thomas Patrick Melady recently sent to me a copy of the university's letter to President Carter describing measures to reduce energy consumption. I think this positive course of action sets an example for other universities in America and ask that the letter be printed in the RECORD.

The letter follows:

PRESIDENT JIMMY CARTER,
The White House,
Washington, D.C.

DEAR PRESIDENT CARTER: Sacred Heart University fully accepts the responsibility of helping to solve our energy crisis.

We have made an all-out commitment to conservation and hope that the measures we are taking will serve as an example to other institutions, as well as an assurance to our own student body, that we can provide reasonable solutions to the energy crunch by working together.

Here's what we're doing . . .

1. We have organized car pools.

2. We are providing bus and train timetables to students.

3. We offer full cafeteria service so that students do not have to drive off campus between classes.

4. We are consolidating course schedules so that students make fewer trips.

5. We are looking into the need for a van pool to meet local trains.

6. We are conforming to building temperature regulations.

At all levels, SHU is totally dedicated to your challenge and happy to join Governor Ella Grasso in finding every possible way to support you in the drive to save energy.

THE STUDENTS, FACULTY,
AND ADMINISTRATORS.●

CAPITAL COST RECOVERY

● Mr. JEPSEN. Mr. President, today I am pleased to join as a cosponsor of S.

1435, the Capital Cost Recovery Act. This is an important bipartisan effort to revise our Nation's tax laws to encourage business capital investment by providing for faster depreciation of assets. It will simultaneously reduce corporate income taxes and reduce the distortion in business finances caused by inflation.

One of the most important reasons for the extremely low rate of capital investment in this country today is that inflation dramatically increases corporate taxes. Because taxes are levied on nominal profits, rather than real profits, and because inflation increases nominal profits while understating costs, such as depreciation, the effect is to increase the real burden of corporate taxation far above the statutory rate of 46 percent. At this point in the RECORD I ask that a table showing that corporate taxes as a percentage of real corporate profits, adjusted for inflation, has exceeded the statutory rate every year for the past 10 except for one. In every case, however, the real rate of taxation has greatly exceeded the nominal rate.

The table follows:

Taxation of corporate profits

[In percent]

	Ration of profits tax to:	
	Reported pre-tax profits	Reported profits adjusted for illusory profits
1969	47.5	48.6
1970	48.2	50.8
1971	46.0	48.8
1972	43.2	45.1
1973	42.1	49.1
1974	41.1	61.8
1975	41.4	51.9
1976	41.2	50.6
1977	41.3	49.8
1978	41.5	52.6
1979–I	39.3	53.5

NOTE.—Corporate profit figures as reported by the BEA include deficits reported by corporations. As a result, the ratio of profit taxes to reported profits may exceed statutory tax rates.

Data Source: Bureau of Economic Analysis, *National Income and Product Accounts*, Table 1.13.

Mr. President, when taxes are increased on business its ability to expand, modernize and grow is severely restricted. The ultimate result will be higher unemployment, low productivity, slow economic growth, and more inflation. Thus, rather than being excessively high, as President Carter and most of the press seems to believe, corporate profits are far too low for business to grow and modernize and still meet the many demands placed upon it for environmental protection, worker safety and the like. This point was recently made most forcefully by Harold Williams, Chairman of the Securities and Exchange Commission, who said:

As a society, we are placing increased demands on our private enterprise system, particularly in reaching national objectives which are as important and as diverse as full employment, energy independence, and environmental protection. The problem of marshalling sufficient capital in order that business may discharge its role in accomplishing these goals is a serious one. Unfortunately, however, the effects of inflation, coupled with the present methods of reporting business performance, obscure the increasingly pressing need to bring forth additional capital and, indeed, may lull us—as government policy-makers, as decision-makers in private business, and as individual citizens—into a belief that corporations are generating more than adequate funds to satisfy our demands for capital.

The public perception seems increasingly to be that American business profits—particularly those of the largest firms, those most able and most responsible for aiding in accomplishing our national objectives—are huge, growing larger, and accruing exclusively to the benefit of a small and select group of wealthy individuals. This mis-impression leads inevitably to demands that the government take steps—often through tax policy—to moderate those profits and to divert them to the common weal.

In my judgment, American corporations, as a whole, are—rather than generating shockingly high profits—earning at dangerously low levels, if they are to discharge the responsibilities we expect them to shoulder. Further, profit trends—especially as they affect cash flow available to replenish, modernize, and expand assets and to pay dividends—are probably the most important set of factors in evaluating a stock in the market place. Despite their importance, however, I believe that the function and level of corporate earnings and cash flow are seriously misunderstood.

I believe that the Capital Cost Recovery Act goes a long way toward correcting the problem of overtaxation of businesses and of business underinvestment. S. 1435 establishes a 10–5–3 schedule for faster depreciation deductions:

Class I. Investment in nonresidential structures would be depreciated over a 10-year period.

Class II. Investments in machinery would be depreciated over 5 years and be entitled to the full 10 percent investment tax credit.

Class III. The first $100,000 of annual investments in certain automobiles and light duty trucks used for business purposes would be depreciated over a 3-year period and be entitled to a 6-percent investment tax credit.

The importance of these revised depreciation schedules to business is that it allows them to recover their investment costs much more quickly. This greatly reduces the tax burden of companies making heavy capital investments and reduces the inflation distortion on existing depreciation schedules. Thus Treasury Secretary William Miller has said:

There are various ways to stimulate investment, but you get the biggest bang for the buck with faster depreciation.

Mr. President, I will just say in closing that although the Capital Cost Recovery Act is a step in the right direction, it is still only a first step. To really get capital investment in this country back on track I think there should be further reductions in the corporate tax rate, elimination of the double-taxation of dividends, some tax incentive for individual savings, a reduction of high marginal tax rates on individuals, and full indexation of the Tax Code to compensate for inflation.●

PUERTO RICO AND DEMOCRACY

● Mr. MCGOVERN. Mr. President, a few days ago, the distinguished Senator from New York, Mr. MOYNIHAN, introduced Senate Concurrent Resolution 35, which calls upon the U.S. Congress: "to reaffirm its commitment to respect and support the right of the people of Puerto Rico to determine their own political future and to change their relationship with the United States, through peaceful, open and democratic processes."

At the time Senator MOYNIHAN came forward with this resolution, I asked that my name be added as a cosponsor. Briefly, I want to explain why.

Mr. President, it is no secret that a good deal of discussion is going on at the present time about the political future of Puerto Rico and its relationship with the United States. Where this discussion leads and what decisions come as a result of it are impossible to foresee at this juncture. But of this we can and must be sure—that this is a matter for the people of Puerto Rico to decide openly, honestly, and fairly. It is their choice and well it should be, for they are the ones who will have to live with it for better or worse. In other words, Mr. President, whether the people of Puerto Rico choose at some point down the road the course of statehood, independence, or commonwealth—whichever they select—we must be prepared to accept their judgment.

The democratic imperative requires it. And this is the standard we honor.

Mr. President, regarding the issue of Puerto Rico, it is important at this time to reaffirm our adherence to this standard because of a number of allegations that have recently surfaced concerning FBI activities on the island, particularly during Mr. Hoover's tenure. I do not know whether those allegations are accurate, but I do know that when we deviate from democratic norms and our stated public position, we do great moral and political damage to ourselves and invite condemnation from others. This is as shortsighted as it is foolhardy because we can be sure that such invitation, as the case of Puerto Rico indicates, will be readily accepted, if not exploited, by Cuba and her Communist friends. And so they have and so we can expect Cuba and others to raise the issue of Puerto Rico again this year during the United Nations General Assembly meeting.

In anticipation of this meeting and the renewed Cuban effort to denounce our policy toward Puerto Rico, I think it is especially important to have Congress on record in support of the resolution offered by Senator MOYNIHAN. I am hopeful that strong congressional support for this resolution will undercut Cuba's determination to obtain U.N. action on this issue.

The Cuban effort deserves our strong condemnation and one way of expressing that is by quick and decisive action on Senate Concurrent Resolution 35. Congress should give this resolution its overwhelming endorsement.●

RURAL TELEPHONE SERVICE

● Mr. GOLDWATER. Mr. President, of all the subjects currently before the Congress, few, if any, have more direct bearing upon the daily routine and lives of ordinary Americans than the issue of telecommunications reform. An important aspect of that reform is concerned with telephone service.

There is no question that we Americans have the best and lowest cost telephone communications system in the world. The average citizen and business uses the telephone as an indispensable tool and service which is almost taken for granted like the air we breathe.

Mr. President, in a State such as Arizona, where some of our counties are as large as entire groups of States, the value of telephone service is even greater in some ways than in more populated areas. The ranchers, farmers, and residents of rural areas in my State are dependent upon the availability and performance of the telephone system. This means that any changes the Congress makes in the basic law, the Communications Act of 1934, must take full account of what effect these changes will have on the United States in general and rural telephone users in particular.

The underlying theme of all of the proposed bills pending in Congress to amend the communications law is to encourage competition in the telecommunications business. But there is another purpose of these bills which must not be overlooked, nor sacrificed on the altar of theoretically pure competition, and that is the continuation of universal service at reasonable rates.

Mr. President, this is an area where I feel the legislation currently before Congress must be carefully examined. Although all the bills reiterate the goal of universal service, the means of achieving that goal in a competitive environment must be spelled out in a workable manner. Accordingly, I have instructed the minority staff of the Communications Subcommittee to reexamine the legislation and draft language which will clearly and effectively accomplish this purpose.

Mr. President, when we speak of universal service, we should think of the availability of service to people living in rural areas. Here, the telephone companies, especially small independent companies, have problems that do not exist to any similar extent in populous areas. In rural America, area coverage is more costly and difficult to achieve. Pure competition and complete deregulation may never be achieved in rural America.

Unregulated competition implies the right of exit as well as entry; but universal service requires a supplier of last resort. Traditionally, the telephone companies have met that obligation, but in a regulated system and with a telephone rate structure which is based on "average cost" and "separations and settlement payments," each of which contributes to the costs of local service.

If these two elements of universal service are eliminated or drastically changed without an adequate substitute, the people living in rural areas may suffer the consequences. The way the law stands today, independent telephone companies and the Bell System must provide service to all who ask for it, no matter what the cost to the phone companies.

In all, there are more than 160 million telephones in 95 percent of the homes in America. Included among these telephone users are more than 11 million families who have incomes of less than $5,000. Universal service means that in remote, low-income places, a telephone company often will supply service to a single family at a cost of $1,200 a month, while collecting only $25 or less on the monthly phone bill.

The burden and the value of having the telephone companies as a supplier of last resort has received too little attention in Congress. Let me give a specific, recent example of this concept in practice.

One of the seven independent telephone companies in Arizona is Continental Telephone. They, like most independent companies, are often faced with the problem of serving a few customers in a remote location at a high cost.

This year, Continental has made the decision to rebuild the line going into Vernon, Ariz., a community of 266 people near Show Low and Pinetop. Vernon is presently served on 1 pair of open wire with 12 radio channel lines. Last October, a Vernon town meeting was held to discuss telephone service, particularly the prospects for upgraded service from party lines, which sometimes go as high as 10.

As a result of that town meeting between local citizens and representatives of Continental Telephone, the company has decided to invest $325,000 for rebuilding the line for primary four-party service, with other improvements. Now, there are only 57 customers in the Vernon area. According to Mr. David Bentley, public affairs director of Continental, the annual carrying charges for a new buried cable, which includes labor, cost of money, taxes, and earnings, amounts to 26.76 percent of the $325,000 investment.

Mr. Bentley writes:

In other words, we must earn $86,970 annually from the facility to avoid having it subsidized by other customers. Of that amount interstate and intrastate toll settlements will contribute $71,128. This leaves $15,842 that must be generated from local service revenues. If all 57 subscribers upgraded to four-party service at the $10 rate [likely to be approved by the State Commission], only $2,565 in new local revenue would result. As a result, we would have a local service revenue deficiency of $13,277. Actually, we would need a four-party rate of $23.16 to fully support the investment or over 100 new subscribers. Although the project is still marginal and highly dependent on development in the area, it would be completely out of the question from an economic standpoint were it not for the contribution of toll settlements.

Mr. Bentley adds:

There are two other remote areas in our Arizona operations that will receive improved service this year. The Sun Valley Project near Holbrook will serve 20 customers at a cost of $18,172, and the White Mountain Lakes Project near Show Low will serve 10 customers at a cost of $24,900.

And, Mr. President, Mr. Bentley concludes:

Without cost settlements and averaged rates, new technologies and telephone service would probably not have spread to rural America. The entire rate structure is interwoven and interdependent upon many other elements. It is a good and fair system of providing universal service at reasonable rates.

Mr. President, these Arizona developments are not the only example of universal service by Continental in sparsely populated areas. A year ago four families in Echols County, Ga., received telephone service for the first time. To reach these four new customers, Continental buried 31 miles of cable at a cost of $67,000. This is another graphic example of universal service at work.

Nor is Continental the only telephone company providing telephones to homes in very remote areas. We have one company in my State, the Arizona Telephone Co., which has supplied dial telephone service to the Havasupai Indian Reservation at the bottom of the Grand Canyon since 1968. This small, independent company has a total of 900 rural customers and a total investment of plant in service of $3,000 per telephone, compared to the independent industry average of $885.

This company has 606 route miles resulting in an average of only 1½ customers per mile of cable and wire. The current base monthly rate for one-party service to a residential phone is only $7.50 and the maximum one-party monthly rate in the most distant zone is $15.

When we in Congress consider the term "universal service," we might remember this typical example of what the telephone companies charge their rural customers. Universal service does not merely mean installing the line and making telephone service available; it means providing that service at reasonable rates. Without reasonable rates, universal service would not be possible.

Now, how do the rural telephone companies provide widely available and improving telephone service to residents in rural areas at a low cost? I believe a strong case can be made that it is done because of the support for local service which is accomplished through the rate averaging and separations and settlement procedure. For example, in the case of Arizona Telephone Co., fully $532,000 out of total calendar year 1978 revenues of $635,000 was derived from long-distance message and settlement sources. This is 84 percent of total revenues.

Even a relatively minor loss of only 10 percent of these revenues would result in the requirement of a 48-percent increase in the company's annual local revenues. In fact, I am told by Rollie Nehring, of Arizona Telephone Co., that

if contemplated changes in even a portion of the separations and settlement procedure were implemented, it would have the result of causing the telephone bills of residential users to increase by over 200 percent.

Mr. President, it must be remembered that many of the areas served by small companies, like Arizona Telephone Co., were only available because no one else wanted them. It is highly doubtful that any of the new competitive companies will be interested in these same areas, other than scooping off the few, large telephone users who happen to reside in a rural area. Thus, the question must be asked whether a pure unregulated situation will continue to make available low-cost, advanced telephone service in rural areas.

Mr. President, I strongly believe, and feel certain that most of my colleagues will agree with me, that the existing system of universal telephone service in rural areas must be treated as a resource which is vital to our Nation's communication system and that any change in the law must retain some effective procedure for providing support for local service and local distribution systems.

Accordingly, Mr. President, to the best of my ability, I will work to assure that whatever telecommunications amendments we in Congress might eventually agree upon will include a specific and workable mechanism to continue universal service at reasonable rates throughout all parts of the Nation.●

FEDERAL PAY COMPARABILITY

● Mr. RIEGLE. Mr. President, the Carter administration has proposed substantial changes in the procedures for establishing and adjusting Federal white-collar pay. These proposed changes, I have no doubt, will be the subject of considerable debate and controversy in the coming months.

In considering these proposals, we should keep in mind the basic principle behind the existing system—that Federal white-collar pay should be comparable with private enterprise pay for the same levels of work. Implementing this policy, however, is no simple task.

Recently, the Labor Department's professional journal, the Monthly Labor Review, published an analysis and explanation of the current pay comparability procedures. I believe that this clear and instructive summary, written by George L. Stelluto, Assistant Commissioner for Wages and Industrial Relations of the Bureau of Labor Statistics, will be helpful in the ongoing consideration of Federal pay policy, and ask that it be printed in the RECORD.

The article follows:

FEDERAL PAY COMPARABILITY: FACTS TO TEMPER THE DEBATE

(By George L. Stelluto)

Pay comparability adjustments for Federal white-collar (General Schedule) employees typically lead to annual debate over the size of the adjustment and its cost implications. The process of determining adjustment levels is complex, adding another dimension to the controversy.

Each October, the pay adjustment process affects more than 3 million workers (including the military), while creating a substantial impact on the Federal budget. A 1-percent increase in Federal white-collar pay, for example, currently costs about $540 million. Thus, in deciding between a 1978 pay adjustment of 5.5 percent and the 8.4 percent recommended by his Pay Agent, President Carter had to consider increased annual costs of approximately $3 billion and $4.5 billion—a difference of $1.5 billion.

Sums of this magnitude raise legitimate debate over the cost implications of the comparability process. But controversy and confusion also stem from the process' complexity. This article describes the Federal pay comparability process in a manner that should reduce some of the confusion.

A good starting point is a graphic summary of the comparability process as prescribed by the Federal Pay Comparability Act of 1970. Exhibit 1 traces the primary steps of the process resulting in the President's selection of a comparability pay adjustment—or the President's proposal of an alternative pay plan that can be blocked only by congressional action. The Federal Employees Pay Council and the Advisory Committee on Federal Pay (both established by the 1970 act) are advisory parties in the process. The Council makes recommendations on Federal pay to the President's Agent, while the Advisory Committee makes it directly to the President.

Missing from exhibit 1, however, are several essential details of the pay comparability process. For example, what does the act say about Federal pay? What specific roles do the major actors play in the comparability process? What is the white-collar pay survey used in the process? The following sections describe these and other pay comparability issues.

COMPARABILITY BECOMES LAW

The Federal Salary Reform Act of 1962 was the first formal expression of the principle of pay comparability for Federal white-collar employees. The act called for an annual report comparing Federal salaries with those for equivalent work in private enterprise. The report, forwarded to Congress with the President's recommendation on Federal salary adjustment, was often followed by a lengthy legislative process to determine the amount of Federal pay increases.

The Federal Pay Comparability Act of 1970 established procedures for adjusting Federal white-collar pay by Executive action, eliminating the need for special legislation each year. The 1970 act, which continued the principle of pay comparability, required interpretation before comparability procedures were established.[1] For example, Congress required that "Federal pay rates be comparable with private enterprise pay rates for the same levels of work."[2] This seemingly clear-cut directive creates the need for interpretations such as "What is comparable? private enterprise? same levels of work?"

The 1970 act also provides for an agent, as did the 1962 act, known as the President's Pay Agent. Congress granted the President wide latitude to choose any individual or organization (either within or outside government) to act as his Agent for pay comparability. The Agent has primary responsibility for interpreting the 1970 act. The agencies that are now the Office of Personnel Management and the Office of Management and Budget[3] have always shared a primary role in the Federal pay comparability process. The two agencies had major input in shaping the law, and since 1962 the heads of both bodies have acted as the President's Pay Agent. The Secretary of Labor, by a 1977 Executive order, joined them to create a tripartite Presidential Pay Agent.

The Pay Agent is empowered through the act to create a five-member Federal Employees Pay Council (most recently made up of officials from major Federal Government unions and the AFL–CIO).[4] The Pay Agent is required to provide for meetings with the Council, but, more importantly, it must "give thorough consideration to the views and recommendations of the Council" in three essential areas: the coverage of the annual salary survey conducted by the Bureau of Labor Statistics; the process used to compare Federal and private pay for the same levels of work; and the needed adjustment in pay rates to achieve comparability. The final recommendation on each of these issues, however, rests with the President's Agent.

Another part of the act attempts to balance the Agent-Council relationship. The Council's views, Congress said, shall be included in the Agent's report to the President recommending Federal pay adjustments. The 1970 act also established the Advisory Committee on Federal Pay. The Committee (three private-sector pay experts) makes direct recommendations to the President on Federal white-collar pay adjustments, based on a review of the Agent's and the Council's recommendations as well as on other information compiled by the Committee.

INTERPRETING THE LAW

The President's Pay Agent has the main responsibility for interpreting the pay comparability law as it applies to Federal white-collar employees and, as described earlier, for setting up the process to provide the President with recommendations on Federal pay adjustments.

In general, the comparability law seems to focus on equity. Congress sought to maintain an equitable balance among three areas: equity for Federal and private employers competing for labor resources, permitting the Federal Government to attract, retain, and motivate qualified employees by approximating private-enterprise pay levels; equity for Federal employees, insuring that their salaries take account of pay levels for their private-enterprise counterparts; and equity for taxpayers, assuring them that Federal services are provided by qualified employees whose salaries are determined fairly in relation to the labor market.

Achieving a more specific interpretation of the comparability law first requires definitions for the terms "comparable," "private enterprise," and "same levels of work." Private enterprise pay rates, even within narrowly defined work levels, vary substantially among the many types of establishments in which the work is performed. Entry-level professional engineers (recent college graduates), for example, had private-sector salaries ranging from about $975 to more than $1,600 a month in March 1977—a salary spread of more than 65 percent.[5] How then does the Federal Government make its salaries "comparable" to the widely dispersed rates paid by private enterprise?

The President's Agent chose average (mean) pay rates in private enterprise for use in the comparability process. This choice sets a point near the middle of the array of private enterprise pay rates. It means that the Federal Government will, in fact, pay higher than some employers and lower than others for the same level of work.

The selection of average pay rates in private enterprise, although a rational choice, has created some criticism and confusion about the pay comparability process. Perhaps a clearer description of what average private enterprise pay rates are would reduce some of the confusion.

Selection of the average implies that the Federal Government seeks a pay position that has the least impact—more or less neutral—in the labor market. Paying at the average is, in other words, a middle ground in pay competition with other employers.

"Private enterprise" and "same levels of work" also required interpretation before the pay comparability process was put into place. Should "private enterprise" include all private establishments in the United States, regardless of industry, employment size, and whether they operate for profit? Or was something other than economy-wide private enterprise intended? Some have argued, for example, that the Federal Government is the Nation's largest employer and, therefore, Federal salaries should be compared with only the largest private-enterprise establishments.

Footnotes at end of article.

TABLE 1.—SCOPE OF NATIONAL SURVEY OF PROFESSIONAL, ADMINISTRATIVE, TECHNICAL, AND CLERICAL PAY, 1977

Industry division	Minimum employment size of surveyed establishment	Number of establishments	Estimated employment	
			Total	White collar
All industries		35,719	21,178,053	8,821,128
Manufacturing	[1] 100/250	18,155	12,378,811	3,893,886
Nonmanufacturing:				
Mining	250	429	305,380	94,485
Construction	250	588	243,392	87,151
Transportation, communication, electric, gas, and sanitary services	[2] 100/250	3,726	2,603,734	1,297,068
Wholesale trade	100	3,616	777,252	422,523
Retail trade	250	2,887	2,522,964	828,320
Finance, insurance, and real estate	100	4,968	1,864,827	1,818,059
Selected services [3]	100	1,350	451,683	379,635

[1] Minimum size is 100 employees for chemical and allied products, petroleum refining and related industries nonelectrical machinery electrical machinery, transportation equipment, and instruments and related products and 250 employees for all other manufacturing industries.
[2] Minimum size is 100 employees for railroad transportation, local and suburban transit, deep sea transportation, air transportation, communications, electric, gas, and sanitary services, and pipelines and 250 employees for all other transportation industries.
[3] Limited to engineering and architectural services, research and development and commercial testing laboratories, advertising, credit reporting and collection, management and public reactions, and noncommercial research organizations.

According to the law, the Agent (after considering the views of the Council) decides on survey coverage and design (industries, minimum establishment sizes, geographical areas, and occupational work levels to be surveyed); but other parties also influence these decisions.

In 1962, for example, the survey coverage was limited to specific industries in metropolitan areas of the United States. A few years later, a private research group was engaged to review the survey. It recommended expanding the survey coverage to nonmetropolitan areas, and the change was made in 1966.[6]

An extensive audit of the pay comparability process by the General Accounting Office (GAO) in 1972 also influenced the survey design.[7] GAO recommended, among other things, expansion of the survey's industrial coverage. As a result, new industries (for example, mining and construction) and smaller establishments in a number of manufacturing industries were added to survey coverage in 1977. Another group recommending changes in survey coverage was the President's Panel on Federal Compensation (the 1975 Rockfeller Panel).[8] These influences upon the Pay Agent's interpretation of the law are reflected in the current specifications of the annual white-collar salary survey conducted by BLS and in the Agent's long-range plans to broaden the base for measuring comparability.

SURVEY SPECIFICATIONS

In its pay comparability legislation, Congress authorized BLS to conduct "appropriate annual surveys," now known as the National Survey of Professional, Administrative, Technical, and Clerical Pay—the PATC survey. The terms "private enterprise" and "same levels of work" take on specific meaning in the design of the PATC survey.

Private enterprise. In 1977, the survey covered nearly 36,000 private enterprise establishments with 8.8 million white-collar employees. The industry scope and establishment size measured by the survey, as shown in table 1, reflect the interpretation of "private enterprise" at the time of the survey.

The survey's minimum establishment size designations are about midway between two opposing criticisms. As mentioned previously, some have argued that the Federal Government should compare its salaries with only the largest private enterprise establishments (requiring current minimum establishment size designations to be raised substantially). Others, including GAO, contend that the minimums should be further reduced, extending survey coverage to smaller (presumably lower paying) establishments.

The survey's minimum establishment sizes were selected, for the most part, on the potential return of data on salaries for white-collar employees in narrowly defined work levels. The data yield for a small (100 workers) apparel manufacturing plant, for example, would be minimal. Such a plant would most likely have fewer than a dozen white-collar employees with little occupational specialization (for example, general office help rather than the specific occupations surveyed such as file clerks, stenographers, typists, and secretaries). A bank with 100 workers, however, would have much greater potential for providing PATC survey data because it has a nearly all white-collar work force, with employees often found in narrowly defined occupations.

Work levels. Narrowly defined occupational work levels, as used in the PATC survey, are developed to reflect the "same levels of work" performed in GS grades 1 through 15 (except GS–10). The March 1977 survey included 19 occupations, comprising 81 defined work levels. The selection spans a broad spectrum of white-collar activities—ranging from messengers and file clerks to high-level attorneys, chemists, and engineers. The list of jobs and number of work levels follows:[9]

PROFESSIONAL CATEGORY

Accountants (five levels).
Attorneys (six levels).
Auditors (four levels).
Chemists (eight levels).
Chief accountants (five levels).
Engineers (eight levels).

ADMINISTRATIVE CATEGORY

Buyers (four levels).
Directors of personnel (five levels).
Job analysts (four levels).

TECHNICAL CATEGORY

Computer operators (six levels).
Drafters (four levels).
Engineering technicians (five levels).

CLERICAL CATEGORY

Accounting clerks (two levels).
File clerks (three levels).
Keypunch operators (two levels).
Messengers (one level).
Secretaries (five levels).
Stenographers (two levels).
Typists (two levels).

Selection of PATC survey occupations is based on three criteria: an occupation must be surveyable in private enterprise establishments, it must be representative of occupational groups numerically important in the Federal Government as well as in private enterprise and it must be essentially of the same nature in both the private and Federal sectors. Occupational work levels used in the survey reflect duties and responsibilities in private enterprise; however, they are also designed to be tranlatable into the specific General Schedule (GS) grades of Federal employees. In table 2, the private-enterprise work levels for professional engineers are shown in relation to Federal GS grades. The President's Agent is responsible for selecting PATC survey jobs, assuring that they appropriately represented a broad range of Federal white-collar occupations, and defining work levels to relate to specific GS grades. BLS must assure that work-level descriptions can be applied in private-enterprise establishments; for example, keeping the language current to reflect changes in occupational content.

Data delivery. The Bureau of Labor Statistics acts as statistical agent in the survey portion of the pay comparability process. A probability sample of approximately 3,600 establishments is selected by BLS from the PATC survey universe (about 36,000 establishments in the 48 contiguous States), which is classified by industry and number of employees per establishment. PATC survey data (straight-time salaries by occupational work levels) are gathered in personal visits to sample establishments by about 130 experienced BLS field representatives. Centralized training of these personnel began in 1975, based on the recommendations made by the General Accounting Office.

Personal visits by BLS field representatives insure a high degree of data reliability and permit use of a job-matching technique in the survey. Work-level descriptions that reflect major pay-determining duties and responsibilities are reviewed by both a BLS representative and an appropriate establishment official. A match is made when an establishment's occupational classification meets the requirements of a given work-level description. Information on salary rates for incumbents in the matched occupation is then obtained from establishment records.

TABLE 2.—RELATIONSHIP OF PRIVATE ENTERPRISE WORK LEVELS AND FEDERAL GRADE LEVELS FOR PROFESSIONAL ENGINEERS

Private enterprise work level	Functional responsibility	Federal General Schedule (GS) grade
I	Entry level	5
II	Development level	7
III	do	9
IV	Journeyman level	11
V	Supervisory or research specialist	12
VI	do	13
VII	Program management or advanced research	14
VIII	do	15

Although the survey provides statistically reliable average salaries for white-collar occupations among private-enterprise establishments, these averages do not automatically correspond with the alignment of salaries and work levels within private establishments. This occurs because sample establishments account for different proportions of workers in the occupations and work levels surveyed. About nine-tenths of the chemists surveyed, for example, are employed in manufacturing establishments, whereas three-fifths of the attorneys are found in public utilities and in finance, insurance, and real estate firms. Moreover, average salary levels differ significantly among these major industry groups. Public

Footnotes at end of article.

utilities are typically the highest paying group; finance, insurance, and real estate, the lowest paying.

COMPUTING PAY ADJUSTMENTS

The President's Agent must reconcile two facets of the 1970 act in making recommendations to the President on Federal white-collar pay adjustments: pay comparability with private enterprise must be achieved while maintaining "pay distinctions in keeping with work distinctions." A reconciliation, one of the most complex parts of the pay comparability process, is achieved through use of statistical paylines constructed to fit the central tendency of both private enterprise pay (provided by the PATC survey) and Federal Government pay data.

Construction of statistical paylines, requiring a complex set of calculations, is surrounded by controversy because there is no single, generally accepted method for computing them. The method currently used includes several stages, beginning with a double-weighting procedure (initiated by the President's Pay Agent in 1976) to estimate what the average salaries would be for GS grades if the Government paid the "private enterprise average." The calculations made for GS-5 in 1977 are shown in table 3.

First, an average is calculated for each of the four broad occupational categories that make up the grade (professional, administrative, technical, and clerical). Using PATC survey averages weighted by Federal employment for the survey work levels involved, the calculations for the GS-5 "professional category" produced an average of $13,439:

Occupational work level	1977 PATC survey average salary	GS-5 professional employment	Aggregate salaries
Accountant I	$12, 155	302	$3, 760, 810
Auditor I	12, 570	477	5, 995, 890
Chemist I	12, 872	131	1, 686, 232
Engineer I	14, 613	747	10, 915, 911
Total		1, 657	22, 268, 843

Note: $22,268,843 divided by 1,657 equals $13,439 equals GS-5 professional category average.

Second, a grade average was calculated using each occupational category average weighted by total GS-5 employment in the category (for example, 3,765 professional employees) and dividing the sum of these products by total employment in the grade:

Occupational category	Category average salaries	Federal employment in category	Aggregate salaries
Professional	$13, 439	3, 765	$50, 597, 835
Administrative	12, 346	8, 748	108, 002, 808
Technical	11, 770	46, 119	542, 820, 630
Clerical	10, 100	113, 046	1, 141, 764, 600
Total		171, 678	1, 843, 185, 873

Note: $1,843,185,873 divided by 171,678 equals $10,736 equals GS-5 private enterprise average.

This two-stage procedure is repeated for each GS grade represented in the PATC survey (grades 1 through 15, except GS-10). In the case of GS-5, it produced $10,736 as the "private enterprise average" for the grade; this and similarly calculated averages for other grades will be used as data points for plotting the private enterprise payline later in the process.

Next, average Federal Government salaries are calculated by the Pay Agency for each GS grade, based on the present salaries of employees within each grade. The averages reflect the distribution of incumbents over the 10 within-grade steps and, thus, provide inconsistent relationships among GS grades. By using these weighted averages, within-grades increases received since the previous year's comparison with private enterprise are accounted for in the process. Without accounting for them, the adjustment required to attain comparability would be larger.[10]

Private enterprise and Federal Government average salaries by GS grade must be aligned to yield proper relationships in the General Schedule salary rates. Alignment is achieved through regression techniques that allow selection of a "best-fit" payline—one that balances Federal/private pay comparability with the need to maintain "pay distinctions in keeping with work distinctions" in the General Schedule. Table 4 shows the results of the alignment procedure for GS-1 through GS-18, with the intergrade spread in percent. The paylines provide orderly sequences of intergrade salary spreads, whereas private enterprise and Federal Government average salaries yield erratic intergrade relationships (table 4).

Footnotes at end of article.

The comparability pay adjustment for each GS grade is the percent difference between the "General Schedule Payline" and the "Private Enterprise Payline" for that grade. (See chart 1.) The adjustment for GS-5 salaries, for example, would be 6.34 percent. The salary for GS-5 (step one) would, thus, be increased from $9,303 to $9,893.

This procedure is carried out for each GS grade to arrive at proposed step-1 pay rates. Next, within-grade salary steps are made equal to 3.3 percent of the step-1 salary level, yielding a 30-percent range of nine equal-dollar increments above the step-1 rate. Within-grade GS-5 rates, for example, are calculated by adding $326 (3.3 percent of the $9,893 step-1 rate) to arrive at the step-2 rate of $10,219. Adding another $326 produces a step-3 rate of $10,545, and so on.

After the comparability increase is calculated for each GS grade, the Pay Agent prepares a recommendation for the President. The Agent may recommend an adjustment other than that produced by the statistical process. But, as noted earlier, the Agent must consider the views of the Federal Employees Pay Council before making any recommendation.

TABLE 3.—CALCULATING FEDERALLY WEIGHTED, PRIVATE ENTERPRISE AVERAGE FOR GS GRADE 5

PATC survey work level	1977 PATC survey average annual salary	Federal employment weight	Federally weighted private enterprise average
Total grade, GS-5		171, 678	$10, 736
Professional category		3, 765	13, 439
Accountant I	$12, 155	302	
Auditor I	12, 570	477	
Chemist I	12, 872	131	
Engineer I	14, 613	747	
Administrative category		8, 748	12, 346
Buyer I	12, 346	251	
Technical category		46, 119	11, 770
Buyer I	12, 346	1, 569	
Computer operator II	9, 463	1, 571	
Drafter II	12, 833	640	
Engineering technician III	13, 151	1, 477	
Clerical category		113, 046	10, 100
Secretary II	10, 100	24, 737	

Note: Totals for each category and the GS-5 total include Federal employees in addition to those shown separately by occupation.

TABLE 4.—ALINING PRIVATE ENTERPRISE AND FEDERAL GOVERNMENT AVERAGE SALARIES, 1977

	Private enterprise				General Schedule			
	Average salaries	Percent intergrade spread	Payline	Percent intergrade spread	Average salaries	Percent intergrade spread	Payline	Percent intergrade spread
GS grade:								
1	$6, 572		$6, 819		$5, 917		$6, 368	
2	7, 387	12.4	7, 718	13.2	6, 775	14.5	7, 225	13.5
3	8, 888	20.3	8, 711	12.9	7, 955	17.4	8, 171	13.1
4	10, 144	14.1	9, 805	12.6	9, 259	16.4	9, 120	12.7
5	10, 736	5.8	11, 005	12.2	10, 567	14.1	10, 348	12.4
6	10, 942	1.9	12, 317	11.9	11, 928	12.9	11, 589	12.0
7	14, 284	30.5	13, 746	11.6	12, 993	8.9	12, 937	11.6
8	13, 971	−2.2	15, 299	11.3	14, 722	13.8	14, 394	11.3
9	17, 522	25.4	16, 980	11.0	15, 761	6.6	15, 963	10.9
10			18, 792	10.7	17, 673	12.1	17, 645	10.5
11	21, 354		20, 739	10.4	19, 205	8.7	19, 441	10.2
12	24, 542	14.9	25, 047	20.8	23, 088	20.2	23, 371	20.2
13	29, 438	19.9	29, 913	19.4	27, 717	20.0	27, 732	18.7
14	36, 056	22.5	35, 324	18.1	32, 677	17.9	32, 480	17.1
15	41, 108	14.0	41, 248	16.8	38, 956	19.2	37, 548	15.6
16			47, 628	15.5			42, 845	14.1
17			54, 379	14.2			48, 256	12.6
18			61, 394	12.9			53, 646	11.2

Note: Actual salary rates are limited to the rate for level V of the Executive Schedule which remains at $47,500. Jobs representing GS-10, 16, 17, and 18 are not included in the PATC survey; payline data points for these occupations are the result of statistical extrapolation by the pay agent. Percent intergrade spread is calculated by dividing the salary difference of 2 adjacent grades by the salary of the lower grade.

Under the General Schedule pay system, professional and administrative employees are normally hired and promoted only in grades 5, 7, 9, 11, and 12 through 18. The intergrade spread for GS payline salaries above grade 11, when employees advance one grade at a time (20.2 percent between GS-11 and GS-12, for example), was designed to be consistent with the intergrade spread between payline salaries of the lower professional grades. GS-5 to GS-7 (23.6 percent). GS-7 to GS 9 (22.2 percent); and GS-9 to GS-11 (20.7 percent).

THE PRESIDENT'S OPTIONS . . . AND DECISION

The President has two options in deciding on an October pay adjustment for Federal white-collar employees: a comparability for adjustment, or something other than full comparability because of national emergency or economic conditions affecting the general welfare.

If the President decides on a comparability adjustment, he still maintains a range of choices, including those based on recommendations from his Agent, the Advisory Committee, and the Federal Employees Pay Council. Any comparability increase the President selects takes effect the first pay period commencing on or after October 1. The President must send Congress a report of the pay adjustment, along with copies of reports issued by his Agent and the Advisory Committee.

Under the 1970 act, when the President considers a comparability pay adjustment inappropriate because of "national emergency or economic conditions affecting the general welfare," he must submit an alternative plan to Congress before September 1. The President's alternative plan becomes effective unless a majority of either House of Congress adopts a disapproving resolution within 30 days of its submission. If a disapproving resolution is adopted, then a pay adjustment based on comparability becomes effective in October, as though the President had not developed an alternative plan.

In 1977, the payline procedure yielded a comparability adjustment of variable increases by GS grade (ranging from 6.26 percent for GS-7 to 14.44 percent for GS-18). But, at the urging of the Federal Employees Pay Council, the Pay Agent recommended an across-the-board increase; however, the recommended 7.05 percent was less than the 8.8-percent increase advocated by the Council.

The Council's suggestions, included in the Agent's report to the President, cited concerns over new payline procedures, the expansion of PATC survey industrial coverage, and the lag between the reference of the PATC survey (March 1977) and timing of the Federal pay adjustment (October 1977).

The Advisory Committee endorsed the 7.05-percent pay adjustment recommended by the Pay Agent, but expressed reservations about the "across-the-board" rather than grade-by-grade nature of the adjustment. The Committee also commented on several issues debated by the President's Agent and the Federal Employees Pay Council that year.[11]

After reviewing these recommendations, the President selected the 7.05-percent across-the-board increase as the comparability adjustment that became effective in October 1977.

In 1978, the President proposed an alternative pay plan for the October adjustment, and the plan was not disapproved by Congress. An excerpt from the President's message accompanying his alternative plan submitted to Congress follows:

"The pay act gives me the authority to propose an alternative pay adjustment which I consider appropriate in light of 'economic conditions affecting the general welfare.' Therefore, I am submitting to Congress an alternative plan for a 5.5-percent pay increase. This will allow the Federal Government to set an example for labor and industry and lead the fight against inflation by example, and not just words alone."[12]

A brief history of Pay Agent recommendations and the actual increases granted under the 1970 Federal Pay Act follows:

Footnotes at end of article.

Date of change	Average increase	Comparability recommendation
January 1971	6.0	6.0
January 1972	5.5	6.5
October 1972	5.1	5.1
October 1973	4.8	4.8
October 1974	5.5	5.5
October 1975	5.0	8.7
October 1976	4.83	4.83
October 1977	7.05	7.05
October 1978	5.5	8.4

THE CUMULATIVE IMPACT

Examination of the Federal pay comparability process invariably leads to two questions: What has been the cumulative effect of Federal whitecollar pay adjustments? How do these adjustments compare with pay increases for private enterprise employees?

An initial observation of the process reveals that Federal salary increases over the past 17 years have outstripped those in private enterprise. The principle of comparability, however, was established at a time (1962) when Federal salaries were substantially below private enterprise pay levels. In 1961, the pay differential in favor of private industry ranged from 14 percent at GS-7 to 32 percent at GS-15; rates in the lower GS grades (1 through 6) were equal to or higher than those for comparable work in private industry.[13] A predictable result in achieving comparability, not reached until 1969, was greater growth in Federal pay.

Comparison of white-collar salary movements for private enterprise (using PATC survey results) and the Federal Government (average adjustment in General Schedule salaries) provides an interesting perspective.[14] From 1961 through 1978, private enterprise average salaries rose 144 percent; average Federal salary levels, 155 percent. During the 1961–69 catch-up period, the difference in the rate of salary increases for the Federal Government compared with private enterprise was pronounced—Federal salaries rose nearly 55 percent, contrasted with a 36-percent rise for private enterprise. After this catch-up, however, the trend reversed.

During 1969–78, Federal salary increases slowed in relation to private pay, largely the result of two factors: alternative Presidential pay plans not disaproved by Congress in 1975 and 1976 that were below the Pay Agent's recommended comparability adjustment;[15] and changes in the construction of statistical paylines that altered the measurement of comparability, such as occurred in 1976. Thus, between 1969 and 1978, Federal pay rose 62 percent, while private pay increased 80 percent.

POLITICAL DIMENSION

The political dynamics of Federal pay comparability provides another interesting perspective on the process. During the 1962–70 period, Congress retained final decisionmaking power over Federal white-collar pay adjustments, obtaining recommendations from the President based on PATC survey results. Thus, Congress was faced with annual decisions on equitable Federal pay adjustments, taking account of the President's recommendations as well as the position of Federal unions (including postal unions whose members' pay was tied to General Schedule adjustments at that time). Also, inflationary concerns created pressure to keep pay adjustments down because the cost of a 1-percent Federal pay increase was approaching $500 million.

The 1970 act moved decisionmaking on Federal pay adjustments to the President and created the Advisory Committee on Federal Pay and the Federal Employees Pay Council. Over the past 7 years, interaction between the President's Agent and the Council has taken on some elements of private-sector labor relations, even though the 1970 act cast the Council in an advisory role.

A summary of Council interaction in the pay comparability process since 1972 follows:

In 1972, the Council recommended increasing the minimum establishment size covered in the PATC survey. The President's Agent considered the proposal and raised the minimum establishment size from 50 to 100 employees in the finance, insurance, and real estate industry group.

In 1973, the Council opposed changes in payline procedures initiated by the Pay Agent. In addition, the Council recommended, without success, a $198 cost-of-living payment for each Federal worker. The Council's recommendations represented a total pay increase of 6.97 percent, compared with the Agent's recommendation of 4.8 percent that was selected by the President.

In 1974, the Council persuaded the President's Agent to remove secretaries and computer operators from payline calculations until survey job definitions could be restudied. It is estimated that this action increased the 1974 pay adjustment from 3.38 to 5.5 percent—an additional cost of about $1 billion.

In 1975, the Council persuaded the Agent to change its recommendation for a differential pay adjustment (ranging from 8.10 percent at GS-1 to 9.99 percent at GS-18) to an 8.66-percent across-the-board adjustment. President Gerald R. Ford, however, proposed an alternative plan (a 5-percent across-the-board adjustment) to Congress, and his plan was not disapproved.

In 1976, the Council was unsuccessful in persuading the President's Agent to reconsider an average 4.8-percent adjustment (a differential adjustment with higher grades getting larger increases). The 4.8-percent average adjustment reflected the inclusion of secretaries and computer operators, as well as new weighting procedures, in payline calculations.

In 1977, the Council persuaded the Agent to recommend a 7.05-percent across-the-board adjustment to the President, rather than a differential adjustment with higher grades getting a larger pay increase, as shown in chart 1.

In 1978, the Council did not participate in the pay adjustment process after an announced 5.5-percent pay "cap" precipitated the resignation of all members in early April. (See footnote 4.)

DEBATABLE ISSUES

Many issues concerning the pay comparability process have generated serious debate. Some issues relate directly to the process; others are tied to pay practices of the Federal Government.

Following are eight examples of the debate surrounding the pay process: Pay comparisons do not take account of the higher level of risk (or job insecurity) in the private setting; Federal pay adjustments have an upward influence on private enterprise salary increases, causing a built-in spiral in salary movements; the Federal Government, with nationwide white-collar salary rates, substantially overpays in certain labor markets and underpays in others; benefits as well as salaries should be included in the comparability process; nonproduction cash bonuses in addition to private-enterprise salaries should be included in the process; the white-collar pay survey should be expanded to the broadest possible establishment size and industrial scope, including State and local

governments; the 6-month time lag between the reference date of the PATC survey (March) and the Federal white-collar pay adjustment (October) should be reduced; and the occupations surveyed should be made more representative of both the Federal Government and private-enterprise job structure.

Issue focusing on Federal pay practices include the following: Federal employees receive within-grade salary increases essentially based on length-of-service in addition to comparability pay adjustments; Federal employees in professional "career ladders" move to higher levels of responsibility (higher GS grades) at a faster rate than their professional counterparts in private enterprise; and merit should be given more emphasis in the adjustment of pay for individual employees.

The above issues, for the most part, have been addressed in several reviews of the Federal pay comparability process. They are reflected in the recommendations of the General Accounting Office, the 1975 President's Panel on Federal Compensation (the Rockefeller Panel), and more recently by the Personnel Management Project,[15] one of President Carter's task forces on reorganization of the Federal Government. These efforts, along with debate on the issues, are part of a continuing reassessment that is vital to the improvement of the pay comparability process.

Over the years, one of the comparability process' major strength has been its visibility. The October pay adjustment for more than 3 million Federal civilian and military employees receive extensive press coverage—an indication of broad public interest. The publicity often generates a significant response, as the public becomes aware of the amount of the Federal pay adjustment. Visibility of the pay process, therefore, adds to its strength by insuring more rational decisionmaking by public officials.

FOOTNOTES

[1] For a discussion of the 1970 pay act's interpretation in a policymaking context, see Thomas W. Gavett, "Policymaking and the role of labor statistics," *Monthly Labor Review*, September 1971, pp. 38–43.

[2] 5 U.S.C. Sec. 4301(a)(3)(1970).

[3] In 1978, the Office of Personnel Management assumed many functions of the former Civil Service Commission, including the responsibility of Pay Agent fulfilled by the agency's head. Similarly, in 1970, the Office of Mangement and Budget assumed the functions of the former Bureau of the Budget, including the director's responsibilities as Pay Agent.

[4] On April 12, 1978, the officials making up the Council withdrew from their appointed positions following the President's anti-inflation message of April 11, which included the announcement of a "cap" of 5.5 percent on the October 1978 Federal pay raise. The Council denounced this as "totally reprehensible and unacceptable."

[5] Data from 1977 are used to illustrate the comparability process throughout this article because 1977 was the last year when all the actors provided for in the law actually fulfilled their roles.

[6] For a discussion of the comparability process during the 1960's, see L. Earl Lewis, "Federal pay comparability procedures," *Monthly Labor Review*, February 1969, pp. 10–13.

[7] The GAO report (No. B-167266) is available for $1 from the U.S. General Accounting Office, Room 1518, 441 G Street N.W., Washington, D.C. 20548.

[8] For a brief discussion of the Rockefeller Panel's recommendations, see William M. Smith, "Federal pay procedures and the comparability survey," *Monthly Labor Review*, August 1976, pp. 27–31.

[9] In 1977, too few employees were found in three occupational work levels to warrant publication of average salary data: chief accountants V, directors of personnel V, and job analysts I. Occupational characteristics of buyers at the first two work levels in the private sector include elements of both administrative and technical positions in the Federal service. Thus, salaries of buyers I and II in the private sector are included in the comparisons for both of these Federal categories. Accounting clerks II is similarly used for both clerical and technical comparisons.

[10] Federal employees are eligible for within-grade step increases (when their level of work is competent) after meeting length-of-service requirements: 1 year each for advancement to steps 2, 3, and 4; 2 years each for advancement to steps 5, 6, and 7; and 3 years each for advancement to steps 8, 9, and 10. About 40 percent of all GS employees receive a step increase each year. Based on the Civil Service Reform Act of 1978, the procedures for granting step increases as outlined above have been modified for certain managerial and supervisory employees.

[11] See the *Annual Report of the Advisory Committee on Federal Pay*, appended to House Document 95–233, Sept. 6, 1977, Government Printing Office.

[12] *Message to Congress Transmitting the Federal Pay Comparability Alternative Plan*, House Document 95–378, Sept. 6, 1978, Government Printing Office.

[13] See Jeanne Griest, "Classification Act Employees' Salary Changes, 1962–64," *Monthly Labor Review*, October 1964, pp. 1150–54.

[14] Calculated from data in *National Survey of Professional, Administrative, Technical, and Clerical Pay, March 1978*, BLS Bulletin 2004, text table 1, p. 2; and various annual reports of the President's Pay Agent.

[15] The January 1972 average 5.5-percent increase was also below the comparability recommendation of the Pay Agent; however, this occurred as a result of Congress' Economic Stabilization Act Amendments of 1971.

[16] See *Personnel Management Project, Vol. 1* (final staff report), document number 0–253–052–6723, Government Printing Office, 1977.●

11TH ANNIVERSARY OF SOVIET INVASION OF CZECHOSLOVAKIA

● Mr. DOLE. Mr. President, Czechoslovakia presents the remarkable example of a land who achieved national identity centuries before independence and political nationhood became facts. Political sovereignty was achieved in 1918, when Prof. Thomas Masaryk submitted the Czechoslovak declaration of independence based on the principles of Abraham Lincoln. The constitution that was presented in 1920 was modeled after those of France and of the United States, and provided for a parliamentary form of government. In becoming the first true democratic state in eastern Europe, Czechoslovakia united Czechs and Slovaks who were thus able to join their common ethnic and linguistic backgrounds in the birth of a nation.

The Czechs were to enjoy a liberal and democratic rule for a period of 20 years, during which they embarked on a valiant effort to maintain their independence by entering into a series of alliances with other European nations between 1920 and 1935. During the Second World War, the exiled government attempted to maintain the legal continuity of Czechoslovakia and upon its return in 1945 to restore democratic basis.

One can only speculate on the different turn of events that might have changed the fate of Czechoslovakia, had its "liberators" been other than the Soviet forces, who brought about the establishment of a new government strongly influenced by Communist ideology. The situation that developed resulted in loss of independence and the creation of a satellite relationship vis-a-vis the Soviet Union, a pattern with which the free world has become all too familiar.

The Czech people did not resign themselves easily to the authoritarian regime under which they were forced to live, and in 1960 internal and external pressures for reforms brought Alexander Dubcek into power. The wheels for liberalizing reforms had been set into motion. That breathing period in the history of Czechoslovakia was of short duration. In August 1968, a military invasion followed by Soviet occupation was to crush brutally the aspirations of the Czech people.

Eleven years have elapsed since the rape of Czechoslovakia. For those who live under the yoke of the Soviets it is a long period indeed. But the Czechs have a remarkable record. As a people subjected to persistent foreign influence—through centuries of German domination—it has succeeded nevertheless in retaining its identity intact in spite of the many upheavals that have marked its history.

Rich indeed is the history of Czechoslovakia. The achievements of its people are many. To the distinction of becoming the first true democracy in eastern Europe under the leadership of Thomas Masaryk, its first President, Czechoslovakia added the foundation of the first university in central Europe, making Prague an important center of culture and learning as early as the 14th century, when Prague also became one of the most beautiful capitals in Europe, as a result of the ambitious program of public construction initiated under Charles IV. In our own time, men such as Smetana, Kafka, and Dvorjak have greatly contributed to the culture of the world, while becoming household names.

The liberal spirit of the Czechs has burned since times immemorial, when their inherent taste for freedom was kindled by the presence of foreign rulers on their soil, from the 15th century on. That spirit was to be sustained through the rule of the various European factions to that of the Hapsburgs in 1526. A series of political upheavals in the 17th century marked the decline of Czech liberties until 1918 when independence was achieved.

The Helskini final accords have afforded a glimmer of hope to those Czechs who have not abandoned their aspirations for freedom. The recent arrest on May 29 of 10 members of the Helsinki monitoring group, charter 77, has served to remind the world that the courageous fight goes on and that Communist attitudes have not changed. We can be confident that the fight will continue, as long as there will be men who, along with Patrick Henry, question whether "life is

so dear or peace so sweet as to be purchased at the price of chains and slavery." Our own efforts on behalf of the Czechs in seeking ways to implement the spirit of the Helsinki agreements must be pursued as an indication to the Czechs that, yes, we do care.●

TOXIC WASTES

● Mr. DURKIN. Mr. President, this Nation is currently faced with a problem that could turn into an environmental disaster. I am speaking of the leaking of toxic and hazardous chemicals from inactive and abandoned waste disposal sites. The seriousness of this matter is reflected in the discovery of the toxic wastes at Love Canal near Niagara Falls, N.Y., where more than 200 families were evacuated because of the health risks. The Environmental Protection Agency has listed over 600 dumping sites which are known to threaten human health and 2,000 which are potentially harmful to our well-being.

Hazardous wastes are a concern in my home State of New Hampshire. Improperly operated dump sites and leakage have been found in Raymond and Nashua. The chemicals from the Raymond dump were discovered in a stream feeding the Exeter River, which supplies drinking water for several towns. Some chemicals from the illegal dump site in Nashua have entered the Nashua River and contaminated at least one well formerly connected to the city's water supply. In response to these incidents, the New Hampshire Senate has approved bills designed to increase control over the transportation, storage, and disposal of toxic materials in my home State.

But national action is needed to prevent another Love Canal tragedy. In New England alone, 100 million gallons of hazardous waste are generated every year, and yet there is not one single disposal facility to handle these wastes adequately.

As a New England Regional Commission study of hazardous wastes points out:

> Someone who wants to dispose of waste properly ships it at great expense. It is much cheaper to do it illegally or improperly.

I know my colleagues in the Congress share my feelings that something must be done about the way in which we dispose of 50 million tons of hazardous wastes each year. My esteemed colleague from New York, Senator MOYNIHAN, has submitted a comprehensive and well-constructed bill which addresses this pressing issue, and I am delighted to cosponsor with him. Senator MOYNIHAN's bill, S. 1046, does the following:

First. Establishes a procedure for the selection and regulation of sites for the future disposal of hazardous wastes.

Second. Creates a means for emergency financial assistance for cleaning up hazardous wastes which threaten the public health.

Third. Enables the Federal Government to bring legal action against those who have irresponsibly disposed of such wastes, both to force them to contribute to the cleanup costs and to compensate those who have been done some injury.

Fourth. Establishes a fund, not financed principally by tax dollars, to finance these programs. The source of the fund will include fees paid by the owners and operators of oil refineries and fees paid by private organizations which store or dispose of hazardous wastes and a contribution from the States to help defray the costs of each State's hazardous wastes program, equal to 5 percent of that State's program costs.

Mr. President, we are faced with the overwhelming threat of slowly poisoning our environment with toxic wastes. Without firm action by the Federal Government, the toll on the health and welfare of our citizenry will be devastating. We must make a firm commitment to ridding ourselves of these poisons, and that is why I am delighted to support this bill.●

COMMENDING THE NATIONAL WOMEN'S POLITICAL CAUCUS FOR THEIR RESOLUTION ON WORLD HUNGER

● Mr. McGOVERN. Mr. President, I wish to bring to the attention of my colleagues the recent adoption by the National Women's Political Caucus of a resolution to support public education efforts by the Presidential Commission on World Hunger. The resolution was adopted during a plenary session of the July 1979 Biennial Convention of the National Women's Political Caucus.

As one of those who assisted in the creation of the Presidential Commission on World Hunger, I commend the caucus' message to its membership; the alleviation of world hunger is critically urgent. It cannot be stressed strongly enough that while there have been increases in food production since the 1974 World Food Conference, the problem worsens. The world's undernourished people have increased from 400 million to approximately 450 million. Even in America, after a decade of real progress in alleviating hunger, millions of men, women and children still suffer from hunger and malnutrition.

As the Commission nears completion of its report recommending policy direction for developing comprehensive anti-hunger strategies, it is preparing to focus national attention on the causes and dimensions of world hunger. It is during this crucial second public education phase of Commission activities that we in Congress will have the opportunity to educate ourselves and our constituencies in the special concerns of the hungry in America and overseas.

Mr. President, I applaud the National Women's Political Caucus for its recognition of the need to eradicate hunger from the earth and I ask that the following resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

Whereas, millions of American men, women and children suffer from hunger and malnutrition that result from poverty;

Whereas, these hungry Americans live in a country that has the wealth to raise the standard of living and assure an adequate diet for all its citizens;

Whereas, recent findings of a major national study demonstrate that progress can and has been made during the past decade toward eradicating hunger and malnutrition in America;

Whereas, numerous local groups have been committed to ending hunger and malnutrition in their communities and overseas for many years, and have worked faithfully toward that goal;

Whereas, the Presidential Commission on World Hunger was appointed by the President in September 1978, in response to Congressional resolutions calling for a Commission to study the causes and to recommend actions to reduce domestic and international hunger and malnutrition; and

Whereas, the Presidential Commission is currently analyzing the effectiveness of domestic and international programs, including the role of women in those programs, and is currently formulating recommendations for local, state, national, and international actions to eradicate hunger from the earth; therefore be it

Resolved, To educate ourselves to the special concerns of the hungry in America; to support efforts by the Presidential Commission on World Hunger to focus national attention on world hunger concerns and to educate local communities in the causes and dimensions of the world hunger problem and its affect on their individual lives; and to advocate those Commission recommendations that could assure an adequate diet for all Americans and for the hungry around the globe.●

HERBERT G. KOOGLE, P.E.

● Mr. DOMENICI. Mr. President, it is my pleasure to announce that Herbert G. Koogle, P.E., of Albuquerque, N. Mex., has been recently elected as the National Society of Professional Engineers' vice president of the southwestern region and selected as chairman of the legislative and government affairs committee. NSPE is a nationwide organization representing nearly 80,000 individual members involved in virtually every aspect of the engineering profession.

Herb is a registered professional engineer and land surveyor in New Mexico and president and chairman of the board of Koogle & Pouls Engineering, Inc., of Albuquerque.

Before taking on his current tasks at NSPE, Herb served as president of the Albuquerque chapter, president of the New Mexico Society of Professional Engineers, national director from New Mexico, and chairman of the professional engineers in private practice division of NSPE.

It is indeed an honor for the State of New Mexico for Herb Koogle to be selected for these positions. I wish to take this opportunity to wish him much success.●

KING SOYBEAN

● Mr. EAGLETON. Mr. President, on Tuesday, July 24, 1979 the Washington Post ran a front page story on "King Soybean", the crop that now brings more export revenue into the United States than any other crop. America exported $6.9 billion worth of soybeans in 1978.

The growth of soybeans from a minor crop in the 1920's to its position of king today in terms of both acres planted and revenue is directly linked to the resourcefulness of our Nation's farmers and to the highly successful system of agricultural research, extension, and international marketing which we have developed in this country.

I am proud that the Washington Post selected Missouri to illustrate the phenomenal growth of soybean production in this country. But then, why shouldn't they pick Missouri? Our State ranks third in the country in soybean production and third in soybean exports. Missouri bean exports brought our farmers more than $500 million in export revenues last year.

Mr. President, I ask that the Washington Post article be printed in the RECORD.

The article follows:

COTTON, WHEAT AND CORN BOWING TO THE REIGN OF KING SOYBEAN

(By Dan Morgan)

CARUTHERSVILLE, MO.—Across the Bootheel of Missouri, cotton picking machinery is rusting in barns this summer and managers of the few remaining cotton gins are wondering if this will be their last year in business.

Thousands of acres that once grew cotton have been planted in neat, dark green rows of soybeans. Here and there new metal grain bins gleam in the sun. And down on the Mississippi River, barges pull up to huge terminals at such places as Cottonwood Point and Huffman's Landing to take on cargos of soybeans destined for Europe and Japan.

American farmers will harvest more acres of soybeans in 1979 than of either corn or wheat, the Department of Agriculture estimates. Soybeans are now the nation's leading cash crop, producing more revenue than corn for farmers in Iowa and more than cotton for growers in Mississippi.

Soybean exports bring in more revenue than any other U.S. crop—$6.9 billion in 1978 compared with $5.9 billion for feed grains and $4.6 billion for wheat.

"Soybeans are key to the economic health of the United States," says the American Soybean Association, a nonprofit organization that receives funds from the Federal Government and farmers to promote the use of soy products.

As production has increased from 15 million tons in 1960 to a predicted 50 million tons this year, a new industry has grown up around soybeans.

Soybeans are processed at multimillion-dollar plants to produce two primary products: one, a dry, high-protein meal, has become a principal ingredient for livestock feed; the other, soy oil, is used in margarine or as a cooking and salad oil.

The industry is experimenting with numerous exotic uses for soy products, from meat extenders to industrial solvents. And in Japan and some other Asian countries, soya is a mainstay of human diets.

The rise of soybeans to the status of glamor crop came about through changes in diets at home and abroad since World War II. In the 1920s, soybeans were a minor crop with little commercial value. Farmers often grew them only to plow them under to restore nutrients to cornfields.

As the nation's hog and poultry industry grew, however, soybeans became a handy source of protein. And as other nations developed their own meat industries, soybeans began to move off the fertile lands along the Ohio, Illinois and Mississippi rivers into export channels.

These developments have altered the agricultural landscape in Pemiscot County, an area of rich farmland created from swampy timberland after the turn of the century.

Farmers in these parts still recall with a touch of nostalgia the days when cotton was the main crop—when handpickers fanned out in fields to gather the cotton, and mules hauled the bales to local gins.

"Everything was cotton when I was young," says Robert O. Pierce, who now grows registered and certified soybean seed on 3,000 acres that he leases and owns.

Until recently, Pierce grew 1,000 acres of cotton or more a year, and he owns an interest in a local gin. But three years ago, he says, he put his three cotton pickers in the barn and went over to soybeans.

Economics, in one form or another, dictated his decision.

Pierce and other farmers around here say there hasn't been a good cotton crop locally since 1972. Yields that ran 700 pounds an acre in the 1960s have been averaging as little as 350 pounds.

Pierce attributes this to a series of wet, cool springs—adverse weather for planting cotton—and possibly to an accumulation of chemical weedkiller that some say has damaged the soil.

Pierce's father started raising soybeans in the 1940s. Today Pierce is one of the largest and most prosperous farmers in the county. He sells soybean seeds to local farmers and bags additional quantities for Pfizer, one of several pharmaceutical firms that have entered the seed business.

"Cotton is a good product, but we just couldn't make the profit we needed," says Pierce, whose son Bob says he has no intention of going back to cotton.

Horace Dunagan Jr., president of the First State Bank of Caruthersville, believes that the transition to soybeans might have been even more rapid were it not for old patterns of land ownership by local cotton gins. To ensure that there was an adequate supply of cotton for these gins, gin owners leased out the land on the condition that the tenant farmers continue to plant cotton. These arrangements appear to be disappearing, Dunagan said.

Robert Winston, manager of a local gin, says business has dropped from 6,765 bales in 1972 to 1,323 bales last year. Plants that produced vegetable oil from crushed cottonseed also are closing.

David Guethie, an extension service agronomist of the University of Missouri, confirms that farmers have had trouble growing cotton, but he says that the principal reason for the changeover is economic—the fact that the soybean "is a money-making crop."

Farmers here can produce more than 40 bushels of soybeans an acre. With prices last year running around $7 a bushel, earnings per acre have averaged $300, compared with $280 an acre for a typical field of cotton.

And raising soybeans tends to be cheaper and easier than growing cotton. In its early stages, cotton requires constant attention to guard against diseases and boll insects. A mechanical cotton picker costs about $80,000 and covers only two rows at a time, while a soybean combine can harvest seven rows each trip—meaning lower fuel costs for soybean growers.

Although soybean promoters note that "a hungry world needs protein," only a small percentage of U.S. soybeans are used in poor countries where malnutrition is prevalent. Half are used in the United States, and the rest are exported to Europe, Japan or to advanced developing countries in the form of meal, oil or unprocessed beans.

Because the Mississippi River—the "Main Street" of the world grain trade—flows right by Pemiscot County, most of the soybeans grown here will end up abroad.

To accommodate the growth, the Missouri Farmers Association, a cooperative, has expanded its depot in Caruthersville from a 300,000-bushel capacity in 1970 to 2.2 million bushels today.

Elevator manager Melvin Dowling says he sells most of the beans he buys to Farmers Export, another cooperative located downstream, north of New Orleans.

But for the most part soybean trade up and down the river is dominated by multinational grain companies.

In a 180-mile section of river between Osceola, Ark., and Sikeston, Mo., are 10 terminals belonging to Cargill, Continental and Bunge, three of the largest of these companies. Most of the beans moving into these terminals are shipped abroad—sometimes to processing plants owned by overseas subsidiaries of these same companies.

Not surprisingly, the grain companies and several cooperatives have moved aggressively into the processing of the beans—much as oil companies are involved in petroleum refining.

Private security analysts list Minneapolis-based Cargill, the world's largest grain company, as the leading U.S. soybean processor, with nearly 20 percent of the country's total crushing capacity.

Large agricultural firms such as Ralston Purina and Archer Daniels Midland also have invested in processing.

As the need for high-protein animal feeds has increased, new crushing plants have been built overseas. The problem has been how to market the vegetable oil byproduct, which competes with other oils made from palm, coconut, peanuts and cottonseed.

The Japanese government has limited soybean oil imports by domestic processors to amounts for which a local market can be found. This means that the Japanese may have to import meal, which in turn would curb purchases of unprocessed U.S. soybeans, unless the Japanese can be persuaded to use more soybean oil.

In West Germany soybean oil has gained wide acceptance and is produced by such major companies as Unilever.

But the oil has encountered strong resistance in France as a cooking oil because "the French prefer a richer, peanut smell and like butter," says the American Soybean Association's Michael A. Phillips.

Efforts to promote soybean oil in France also have encountered strong resistance from French agricultural interests.

Earlier predictions that Brazilian soybean products would supplant those of the United States in markets abroad have proved to be exaggerated.

Since the early part of the decade, foreign and local interests have invested massively in processing plants in Brazil. The Brazilian government backed this development with generous concessions to foreign investors and with enormous subsidies to exporters of meal. These subsidies have amounted to as much as $1 a bushel and have enabled exporters in Brazil to offer European and Japanese feed buyers discounts of $20 to $30 a ton below the U.S. price.

But this year U.S. trade negotiators—spurred by the powerful Midwest farm bloc—obtained a promise from Brazil to phase out the subsidies.●

INVESTING IN ENERGY AND THE ENVIRONMENT

● Mr. TSONGAS. Mr. President, there is another resource as irreplaceable as oil that the United States has wasted badly since the Arab oil embargo. The resource is time. Answers to the energy crisis cost much more in 1979 than they would have cost in 1973.

Economists and scientists can look back on the last 6 years lost as a time of irrational risktaking by public leaders.

Our easygoing energy policy has weakened us economically, socially and strategically. Any short-term benefits of continuing our wasteful ways are dwarfed by the large, long-term costs we all will pay. This Nation made a series of decisions—more like nondecisions—that disregarded economic inevitabilities. The cards were on the table way back then, and Washington willingly chose to play the dummy.

Why it happened this way is explained not by natural science, or by the "dismal science" of economics. It is explained by the unnatural science * * * political science. Public officials added up the benefits of serious reactions to energy shortages versus the estimated political risk of each initiative. They decided that an energy offensive would offend too many people.

I have always felt that officeholders underestimate the public's willingness to support strong, comprehensive action on energy. I have voted for tough measures—including every proposed gas tax increase—and I have found that my constituents react positively. But the perception has been that the public would not accept sacrifices. And so the last 6 years of wasted time and energy reflect a political risk/benefit analysis rather than an economic one.

Today my topic is economic analysis as it is used, unused, and abused in policymaking on energy and the environment. I will discuss the direction of our energy development efforts, in light of risks and benefits. Then I will discuss the difficulties of quantifying all the factors in setting environmental and energy policy. And I will look at Federal regulation of car gas mileage to conserve energy.

DIRECTION OF ENERGY DEVELOPMENT EFFORTS

This has been called the "Oversight Congress." One of the things its Members seemed content to oversee and overlook was the steady deepening of our energy dependence. Budget balancing has been the big issue, as domestic energy supply versus demand slipped further out of balance. Then the Shah fell and the Saudis backed away from the United States. We had gas lines again, which fueled public anger. Finally, this thin-skinned Congress broke out in a rash of new proposals.

Renewed gas lines and energy anxiety have raised interest in synthetic fuels, or "synfuels." These are liquid and gaseous fuels from coal, oil shale, tar sands, and biomass (and from unconventional natural gas). President Carter has just proposed a new Energy Security Corporation to invest $88 billion in synfuels during the 1980's. "Synfuel fever" has broken out all over the Congress.

In June the House passed a bill committing the Government to buy half a million barrels of synthetic fuels a day by 1985, and 2 million barrels a day by 1990. A substitute is pending in the House that would more than double these goals.

The Senate Energy Committee is marking up a bill that authorizes nearly $5 billion to build 15 synthetic fuel demonstration plants.

The synfuels euphoria has a lot going for it. It seems to promise fuels like our old favorites—oil and natural gas—from new technologies. And so it promises a new, scientific means to keep our old ways.

I support rapid R. & D. of synthetic fuels. I favor Federal support for all alternative energy technologies. But I am carefully examining the promise and consequent priority of synfuels relative to other energy sources—especially conservation, and solar energy. We must seek the best mix of alternative technologies, and be certain not to slough off environmental risks.

Snythetic fuels are a potential danger to the environment for many reasons:

Air pollution. There is general agreement among scientists, business leaders, and regulators that synfuel plants as envisioned at present cannot meet current air pollution standards. When extracted, converted, and used, these fuels would pollute the air with large amounts of particulates, sulfur dioxides, nitrous oxides, hydrocarbons, and other pollutants.

The greenhouse effect. The burning of hydrocarbons is causing increased levels of carbon dioxide in the upper atmosphere. This may cause dramatic changes in the climate. Use of synfuels creates more carbon dioxide than does direct burning of fossil fuels for energy.

Water pollution and supply. Synthetic fuels demand a vast amount of water, much of which is already committed to farming and other uses. The oil shale technology is particularly subject to water pollution.

Solid waste. All plants would create large amounts of solid wastes, containing many toxic substances and carcinogens.

Other costs. These include the disruption of land from strip mining, and the social problems of energy boomtowns.

If we plan to keep and improve the current quality of our environment, we must account for these environmental costs as carefully as possible. The promoters of synfuels are discounting these costs. We must look at all the undervalued and ignored externalities before we can know the true cost of each synthetic fuel. Environmental risks right now are being undervalued, but no one knows by how much.

COSTING ENVIRONMENTAL QUALITY

There are many reasons why we chronically underestimate the environmental risks of each technological advance. Bad consequences sometimes cannot be anticipated. They can take decades to develop. Their costs tend to be external, spread far beyond the technology's direct customers. Moreover, cost-benefit analysis has inherent limits. The actual value of good health, breathing, or life itself is distorted when changed into dollars and cents.

Federal regulations to reduce air pollution are just one intervention under attack by the force of opinion that there is too much Government regulation. But analyses of Federal regulation fail to make a complete accounting of the costs of not regulating, which often are paid by the Government. Federal regulations also can save industry huge amounts of money in product liability suits, workers' compensation, cleanup costs, and legal suits. These are not accounted for accurately.

One example is Life Science Co.'s kepone. A $200,000 investment in pollution control would have saved Life Science Co. $12 million in judgments against it for pollution of the James River in Hopewell, Va. It would also have saved the estimated $8 billion required to clean up the James River after the kepone pollution. Effective regulation for safety would have protected 70 persons from brain and kidney damage, and sterility.

Another case is Hooker Chemical's dumping of toxic chemicals at Love Canal near Niagara Falls. High rates of miscarriage, birth defects, liver cancer, hyperactivity, and other diseases in the area are being blamed on contact with these leaked chemicals. The cost of not regulating this operation will be in the billions.

Given the limits of cost/benefit analysis in such issues, Washington must continue to seek reasonable standards to protect public health. For example, the Clean Air Act Amendments of 1977 purposely did not require elaborate economic justifications. Public health was the explicit, overriding factor in setting air quality standards.

But the better that economists can evaluate the external, environmental risks in alternative technologies, the more they must turn toward conservation and solar for our energy future. Conservation is an energy source. It in particular suffers in the political marketplace because it sounds rinky-dinky. Major conservation efforts would be as if the entire Nation took up knitting. It sounds quaint.

There are at least three other reasons why the benefits of "conservation energy" are underutilized:

It is diffuse, the sum of millions of adjustments in how we do things. A synthetic fuel is something—a substance officials can put on display. Conservation is not as dramatic.

Also, conservation explicitly means changes in the way we do things. But it has been dragged down by an exaggerated association with calls for sacrifice in the energy crisis. To the contrary, the greatest energy conservation potential lies in increased energy productivity—getting more from the energy we use through more efficient and durable devices.

And there is virtually no conservation industry—insulation is the principal exception. The conservation field is virtually powerless to compete with the petroleum industry in molding opinion and shaping data favorable to itself.

Many careful studies have demonstrated that using existing energy more efficiently is a major alternative source of additional energy. The most recent is the report of the energy project at the Harvard Business School. It states:

> Conservation may well be the cheapest, safest, most productive energy alternative readily available in large amounts.

Strong political leadership is vital to get proper value for energy conservation. We must overcome one very strong misconception—that energy use correlates

positively with gross national product. The experience of industry throughout Europe disproves this. A shift to greater energy efficiency actually can stimulate innovation, employment, and economic growth.

THE CASE OF AUTOMOBILE EFFICIENCY

Consider the automobile. Over the past two decades, Detroit has shown itself to be the dinosaur of our laissez-faire economy. The industry's indifference to the health and security of Americans has guaranteed Federal intervention—and major advances in car technology. Over the years automakers put style changes and easy money ahead of safer technology.

Without Washington, the danger of death inside an auto would have stayed needlessly high.

Without Washington, the health hazards from auto emissions would be larger, but less noticed.

And without Washington, the industry would have been even more poorly prepared to handle this year's demand for fuel-efficient cars.

Federal standards finally have jolted the industry into a drive for fuel efficiency. At this time, domestic demand for economical cars is growing. Six years after the Arab oil embargo, the need to conserve fuel is great. And so it has saddened me and outraged me to see the auto giants continue to toy with their mandate, and to play with delay.

Detroit's recent, relentless campaign to slow the annual pace of auto mileage improvements as required by law has failed. Former Transportation Secretary Brock Adams was right to stand fast on this, and he deserves our appreciation. The automakers' losing bid to loaf toward auto efficiency reveals that they are out of step with this Nation's needs.

For 2 years now, the auto industry has been on notice as to mileage minimums for the model years 1980 through 1985. The levels are 20 miles per gallon for 1980, 22 m.p.g. for 1981, 24 m.p.g. for 1982, 26 m.p.g. for 1983, 27 m.p.g. for 1984 and 27.5 m.p.g. for 1985. Late last year Ford and GM began lobbying hard for a slower increase of 1.5 miles per gallon each year.

The original standards are clearly cost-effective based on fuel savings relative to price increase of cars. Gas price hikes since the Transportation Department's decision was announced in June have strengthened the case for tough standards. Detroit's proposed dilution of standards would have caused an estimated 7.7 billion extra gallons of gas to be burned.

Our deepening dependence on foreign oil threatens us as seriously as any dangerously engineered, carcinogenic car. Vehicles that guzzle gas are hazardous to our health as a Nation. They are weapons that weaken our resources of survival. Wasting fuel is the worst kind of deficit spending, because it borrows from our future and our children's future to overpay for the present.

We must drive it into the heads of the auto companies that their narrow vision disserves our Nation.

Without Washington's intervention, the automobile industry was rushing to its own demise by wasting irreplaceable fossil fuel at a reckless rate. The average mileage for all cars was just under 14 miles per gallon in 1967. Mileage then dropped until the oil embargo. In 1977, it was back at the same level—just under 14 m.p.g. The executives who launched these inefficient four-wheelers hastened the day when the world will run out of petroleum.

Washington has helped automakers despite themselves. It has prodded them into effective competition with foreign manufacturers for the world market. Federal requirements have dragged the American auto industry into an escalating competition for international markets. Detroit's technological and financial resources make it likely that the dominant world car—economical, versatile, tough, and without built-in obsolescence—will be made in the United States of America.

Federal regulation of automobile fuel efficiency will save American consumers more than it costs. But even if the figures were ambiguous, the imperative for strong standards would remain. Oil is pumped through a fixed, foreign market; what sets the price is not an invisible hand. Detroit has wasted time with rhetoric about the free market, and passive dependence on bureaucrats and consumers to demand what the evidence makes inevitable. Inaction and inaccurate assumptions have been guiding principles.

In some instances, our national need to save energy will involve sacrifices. But the energy crisis will exact sacrifices from us no matter what. It is up to us to decide among the various choices. And in so choosing we must remember that our country's security from potential adversaries—which is affected by energy shortages—is something we cannot risk.

I understand from my father, who just returned from a visit to Greece, that the government there recently ordered that citizens can drive their cars on alternate Sundays only. (The ban is from 5:00 p.m. Saturday to 6:00 a.m. Monday.) I am not advocating such a law here, but this kind of serious response to shortages makes Congress look silly. On the President's standby gas rationing plan, the House of Representatives voted no, and it was not close.

Leaders in Washington and across the country must look as carefully as possible at risks versus benefits in policymaking. We must do so with a full awareness that some things of great value cannot be priced objectively. It is a test of our leadership to discount potential benefits and risks in political terms. We must move ahead at the margin of what is possible.●

SALT II STATEMENTS OF WITNESSES IN THIRD WEEK OF HEARINGS BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

● Mr. CHURCH. Mr. President, I ask that the statements of the witnesses appearing before the Committee on Foreign Relations during its third week on the SALT II Treaty be printed in the RECORD.

The third week of witnesses included: The Honorable Stansfield Turner, Director, Central Intelligence Agency; Adm. B. R. Inman, Director, National Security Agency; Gen. Eugene F. Tighe, Jr., Director, Defense Intelligence Agency; the Honorable Malcolm Toon, U.S. Ambassador to the U.S.S.R.; the Honorable Helmut Sonnenfeldt, Brookings Institution, former counselor, Department of State; Prof. Richard Pipes, Harvard University; Mr. Robert Legvold, Council on Foreign Relations; Mr. Donald Zagoria, City University of New York; Mr. Adam Ulam, Harvard University; Mr. Evan Hineman, Director, Office of Weapons Intelligence, National Foreign Assessment Center, Central Intelligence Agency; Maj. Gen. James L. Brown, Assistant Chief of Staff, Air Force Intelligence; Mr. Walter Slocombe, Director, Department of Defense SALT Task Force and Principal Deputy Assistant Secretary for International Security Affairs, Department of Defense; Mr. James Timbie, Chief, Strategic Affairs Division, Arms Control and Disarmament Agency; Gen. Richard H. Ellis, Commander in Chief, Strategic Air Command; Gen. James E. Hill, Commander in Chief, North American Air Defense, Air Defense Command. Some of the above-listed witnesses did not have prepared statements.

The fourth and final week of the first phase of the Committee on Foreign Relations hearings on the SALT II Treaty will hear from former Secretary of State Kissinger on Tuesday, July 31; Mr. John J. McCloy, former U.S. military governor and high commissioner for Germany; and Gen. Alexander Haig (Ret.) on Thursday, August 2.

Mr. President, the statements follow:

STATEMENT BY MALCOLM TOON, U.S. AMBASSADOR TO THE U.S.S.R.

In my statement today, I would like to discuss SALT against the broader background of US-Soviet relations and in this context, to state my reasons for supporting the Treaty.

Since I will be speaking to you in my capacity as a "Soviet expert," perhaps I should give you my qualifications for doing so.

Our relationship with Moscow has occupied me for over thirty years, from the onset of the Cold War to the present. I am now on my third assignment in Moscow. I first served there in 1951–53 as political officer and again in the early 1960's as political counselor. I have served in Berlin. I directed Soviet Affairs in the State Department for a number of years. I have served as Ambassador in two Eastern European capitals, in Prague and in Belgrade. Finally, I have been Ambassador in Moscow for the past two and a half years. In all, I have served under nine US Administrations and have dealt with the Soviets under Stalin, Khrushchev and Breshnev.

I am sometimes called a hard-liner. Personally I don't think I'm a hard-liner—nor am I anti-anybody. But since I made the transition from World War II PT-boat commander to career diplomat I have found that I served my country most effectively by speaking frankly to the people and governments I was accredited to about American views and values, and by expressing frankly to my own government and people my views on how best to advance American interests.

It is from this background that I speak today about US-Soviet relations and the role of SALT in that relationship. I believe I might usefully begin by talking about the Soviet regime and how I think we should deal with it.

At the risk of restating the obvious, let me start with some basic truths. The Soviet system reflects a view of history, a concept of man's relation to the state, a complex of values and principles totally different from our own. Historians can argue whether this view is traditionally a Russian one or a basically Soviet view imposed from above in 1917. I am inclined to think that Lenin and Stalin took an essentially Western philosophy, Marxism, and shaped it to fit Russian reality so that from Stalin's time until the present there has been no fundamental conflict between Soviet ideology and Russian nationalism.

In any case, the considerable resources of the Soviet Union are now, and will continue to be for the foreseeable future, effectively mobilized in support of a distinctive and, in my view, distorted historical world outlook. The Soviet regime does not accept and will not tolerate ideas of free expression and of free individual choice as we understand them. It will try to vindicate its ideology by stifing dissent at home and often by supporting abroad various repressive regimes which proclaim themselves Marxist-Leninist.

Beyond ideology, geography and historical experience have also shaped the Soviet system and the policies of its leaders in important ways. Centuries of invasions from both East and West have left their mark on the outlook of the Russian people and of its rulers. The Soviet leadership has invested massive efforts to achieve security on Russia's borders, in part by seeking to push those borders outward. This historic attitude, to which the Communists have added their preoccupation with military strength as a key element of political power, may explain, though it does not justify, why the Soviet Union presently maintains a military machine entirely disproportionate to any objective assessment of its needs. The cost of this quest for absolute security and for greater political influence by means of military strength has been enormous. It has meant deprivation for the Soviet people and strain and friction in the Soviet Union's relations with its neighbors, with sometimes dangerous consequences for world stability. Total security such as the Soviets seek can only mean insecurity for others.

The same passion for security extends to the Soviet domestic scene, although here some striking changes have taken place since my first tour in Moscow in the early fifties. Stalinist terror has ceased. Nonetheless, organised dissent still meets with official hostility, especially when it poses a direct challenge to the Party's official line. Yet I am inclined to believe that domestic repression would be much more severe if the Soviet Union were to give up its policy of détente because then it would be even less concerned about world public opinion.

A central question of U.S. foreign policy for the past thirty years—and one which is still very much with us—has been how we should deal with this complex and repressive system. I think we must begin by seeing the Soviet Union as it really is. Not, as some see it, 260 million people who want to be like Americans, nor, as others see it, 260 million Genghis Khans, ready, willing and able to conquer the world. It is a unique nation travelling slowly along a course of its own, exploiting powerful built-in strengths, yet beset by confounding weaknesses—most importantly in the economic sector—and pursuing objectives and methods profoundly different from our own.

We must also look at the Soviet Union and our relations with it in a long-term perspective. If we focus on the short term, we cannot be hopeful of changing either the direction of the Soviet Union's movement or its tendency to override both individuals and powerless countries that get in its way. If we continually ask ourselves how much progress we have made in the last 24 hours or in the last week or even in the last year, we will have to say frankly: not much. But if we take the longer view, if we look back at the period of the Cold War and the distance we have travelled since that time, then I believe that despite a succession of pendulum swings in our relations, we can see gradual forward movement. Over the past decade Soviet leaders have, out of their own self-interest, modified the way they deal with their own people. And as I mentioned, they are not indifferent to world public opinion. Despite fluctuations, there has been a long-term upward trend towards useful cooperation in those areas where our interests overlap. One of the most important of these is arms control.

For those who have watched the Soviet Union for thirty years, since the depths of the Cold War, as I have, there are grounds for cautious optimism that patience, persistence and hard-headedness on our part can eventually bring Soviet leaders to see that their interest is served less by a continual military build-up and by military adventures abroad and more by negotiated limits on arms and by restraint in other parts of the world.

Clearly, we must not expect too much too soon. As President Carter has said, we must avoid excessive swings in our public mood, from an exaggerated sense of compatibility with the Soviet Union to open expressions of hostility. In my view a troublesome misunderstanding about the real nature of detente developed in the early 1970's which led to uncritical and heedless euphoria. Detente does not mean that a millenium of friendship or mutual trust has arrived—which is impossible, in any case, without a basic change in Soviet philosophy and outlook. At most detente represents a growing sense in this nuclear age of the need to cooperate on some matters, to regulate competition on others and to agree on the means of defusing tensions which could lead to dangerous confrontation. And that is all, nothing more.

Bringing about any basic changes in the Soviet system must be viewed as a very long-term proposition. But the prospect for change, slight though it may be, is better served if there is some degree of engagement between our two countries. And in my view it is equally mistaken to question, as many are doing today, the value of trying to cooperate with Moscow at all.

We need to keep clearly before us our own objectives in our relationship with the Soviet Union. We want to minimise the likelihood of direct confrontation that could escalate into suicidal military hostilities. We want to minimise the chances of destabilising superpower conduct in the developing world. We want to maximise mutual understanding—which is not, let me stress, dependent on mutual trust—which can contribute to the first two goals and also lead to beneficial cooperation in those areas where our interests overlap.

Having established what we want out of the relations with the Soviet Union, we must set out methodically, persistently and realistically to achieve it. Needless to say, I do not hold with the notion that all we have to do is sit down and reason with the Soviets to achieve our aims. I believe that on any given issue we should start with the assumption that we and the Soviets are at opposite poles and that they will seek to take advantage of us wherever possible. But at the same time, we should have enough confidence in ourselves to welcome a dialogue and to use our ingenuity to forge solutions which will attract the Soviets by meeting some of their interests, which at the same time are consistent with our own most essential objectives and, most important, which will not weaken our security or that of our Allies.

Our policies will continue to conflict. In my view, the present Soviet leadership continues to believe in the traditional Marxist-Leninist goals of "world revolution." But I also believe that the same leadership is convinced that their global aims will not be promoted by a nuclear war. While arguing for "peaceful coexistence" between East and West, the Soviet Union has continued to serve as protector and supporter of radical, essentially anti-Western currents in the Third World—which the Soviets have labelled "national liberation movements." Such a view of the world offers us little comfort. However, it should also not lead us to conclude that mutually beneficial cooperation is impossible. It is possible—if it is carefully conceived and executed without any illusions or utopian perceptions of what is feasible.

In my view, historical circumstances have combined to make real disarmament measures attractive to the Soviet leadership. Ten years ago, few knowledgeable Americans would have believed that we and the Soviets could sit down together and agree to limit strategic nuclear weapons.

Working out good agreements with the Soviets—ones which they will carry out because it is in their interest to do so, yet which serve our purposes also—can take years. In some instances it will become clear that there is no mutuality of interests—and when this happens we must have both the good sense to realize it and the will to walk away. But we need to keep in mind our long-range goals, to set a course and to stick to it.

II

Clear-eyed calculation of our national objectives is a prerequisite for dealing with the Soviet Union. That has been the approach of this and previous administrations in arms control matters, and especially in SALT.

I will not dwell on the contents of the SALT agreement. Let me just mention what I see, from my particular vantage point, as some of its main benefits. I think it will introduce a substantial element of stability in our relations with the Soviet Union. In my view, it is important that the Treaty places equal ceilings on the strategic arsenals of both sides, thereby ending a previous numerical imbalance in favor of the Soviet Union. It preserves our options to build the forces we need to maintain the strategic balance. It enhances our ability to monitor Soviet actions and is adequately verifiable—an essential feature in any agreement with the Soviets since we cannot rely on goodwill.

Here let me say that I had earlier stated publicly that I would actually oppose a treaty which could not be adequately verified. In light of the loss of our facilities in Iran, I reserved my position on the Treaty. Now that I have had a briefing by the experts here in Washington, the same briefing given the President, I agree with him and with the Secretary Brown and the Joint Chiefs of Staff. No militarily significant violations of SALT II could take place without detection. I would not be here today to recommend this treaty if I did not believe that.

Finally, a main benefit of the Treaty is that it leads directly to the next step in controlling nuclear weapons and establishes a basis for further cooperation with the Soviet Union in this important field.

I would like in this connection to say a few words about the negotiation of the Treaty. A view frequently expressed by those critical of the Treaty is that we could have gotten a better deal if only we had been more persistent, less eager to get an agreement—in a word, tougher. The corollary to this is that we still can seek a better deal and can rectify our past mistakes by going back to the Soviets and renegotiating the Treaty. I am convinced that both assump-

tions are profoundly wrong. They rest in my view on a fallacious view both of what actually happened and of what is possible and feasible in our relations with the Soviets. I think we will be dangerously deluding ourselves if we believe otherwise.

As regards the negotiation of the Treaty, I am confident that the Agreement is the best that could have been obtained. We could not have gotten more out of the Soviets on any specific issue without having to pay an unacceptable price in another part of the agreement. I say this on the basis both of my own involvement in the SALT negotiations and of my long experience with the Soviets.

I think we should also be clear-headed about the prospects for renegotiation. If we go back to the Soviets to demand that certain issues be negotiated in our favor, on the basis of amendments passed by the Senate, this will at best result in a reopening of those issues which were resolved in our favor—and there are many. Or they will turn us down flat. In either case, this would kill the Treaty. I do not think we should entertain any illusions on this score. The Soviets signed the Treaty because they believed it was in their national interest to do so, as we believed it was in ours. They want SALT and they have important reasons for wanting it. But I cannot imagine any circumstance under which we could persuade them to enter into a Treaty which they regarded as disadvantageous to them or to accept an agreement which, at our insistence, was revised in our favor. This simply will not work. From thirty years' experience dealing with the Soviets, I can tell you that I believe that to think otherwise would be not a leap of faith, but a leap of folly.

In this connection, I think it is important to understand why the Soviets want the Treaty. In my view they do want it and largely, I would say, for the same reason that we do. While basically antagonistic toward us, the Soviet leadership has come to realize that world war, involving nuclear weapons, cannot advance Soviet global aims. The Soviets therefore are interested in the development of a more stable relationship with us and in decreasing the likelihood of a dangerous confrontation between us. In addition, the Soviet leaders want to place some limits on the resources which now go into strategic weapons and to have additional resources to devote to other purposes. While they, as we, understand the need for strategic parity and second-strike capability, they are not interested in investing in nuclear weapons systems which they hope never to use—so long as they are convinced they can forego such systems without harming their national security.

At the same time, it is naive to suppose that the Soviet Union is in such a desperate economic state that the Soviets must swallow a SALT package disadvantageous to them. I think this is wrong, and I think the argument is dangerous. It would be equally naive to suppose that Brezhnev is so anxious for a SALT agreement that he would be prepared to override all opposition from his colleagues and enter into an agreement disadvantageous to the Soviet Union. No one with genuine experience of the Soviet Union would credit this for a minute. Under no conditions would Brezhnev go counter to Soviet interests, and even if he were so inclined, in the interests of self-aggrandizement, he would not have the power to do so.

And what if the Senate fails to ratify SALT II? In my opinion, this would be a severe blow to U.S.-Soviet relations generally and to the SALT negotiating process in particular. I would not go so far as to say that rejection of SALT II would either put a halt to all disarmament negotiations, or cause a permanent rupture in our bilateral relations. But the disarmament process as well as our overall bilateral relationship would be hurt, and at this point no one can say how much time would be needed to repair the damage.

Moreover, I believe the Soviets see an alternative to a SALT II agreement—a risky one but one with considerable appeal. If the Senate fails to approve the agreement or insists on changes unacceptable to the Kremlin, the result will be a crisis of confidence in U.S. leadership among our Western Allies. Driving a wedge between the U.S. and its European Allies is a goal of Soviet foreign policy which long predates arms control. I am persuaded that Moscow would exploit a breakdown in the SALT process to pursue this goal with a vengeance. And I believe that they would have some success in doing so. The result could be increased U.S. isolation and a breakdown in our efforts to stimulate improvement in the conventional and nuclear defenses of Western Europe.

III

Let me make clear that I do not expect that ratification of SALT II will produce a climate in which all will be sweetness and light in our relations with Moscow. Nothing could be further from reality. Ours is an adversary relationship, and we will always have a substantial measure of friction, problems, unpleasantness.

Looking ahead, what changes can we expect? Prediction in Soviet affairs is a notoriously risky business and ordinarily I studiously avoid trying to forecast Soviet behavior. But we can and should examine domestic Soviet factors that could have an influence on Soviet foreign policy and Soviet behavior abroad. We need to be aware of these, if we are not to be surprised at Soviet actions.

Before long we will be dealing with a post-Brezhnev leadership. Here we have a key variable in the Soviet political equitation whose exact weight is impossible to assess. We do not know when this will be or who will succeed him. The emergence of Brezhnev's real successor will take time. There will be a period of jockeying for position within the Politburo. Even if one personality emerges, it may take him several years to achieve Brezhnev's present preeminence, as was the case with Brezhnev himself. During part of this period we can expect some degree of turning inward and a reluctance to take initiatives or make bold moves. This may be accompanied by some hard-line posturing: both Brezhnev and Khruschchev took a hard line in opposing their predecessors only, of course, to espouse "peaceful coexistence" and "detente," respectively, once their positions were secure.

The Politburo has clearly not been free of disagreement during the past eight years. But at the same time, Brezhnev has—so far as we can tell—been careful not to get out too far ahead of his colleagues and to bring them along. His has been and continues to be essentially a consensus policy. This, I believe, makes a major repudiation of Brezhnev's policies unlikely, provided those policies are intact and viable when handed over.

My confidence in this, however, would be significantly reduced if the longstanding and painfully achieved undertaking to control and reduce strategic arms were to be in disarray.

There is speculation—mostly, in my view, uninformed—about competing interest groups within the leadership. There are those who argue that there are hard-liners and moderates in the Politburo and that we must strengthen the hand of the latter against the former. I think I know the current Soviet leadership as well as any Westerner, and I would find it difficult, if not impossible, to identify who belongs to which group.

There are those who are less interested than others in establishing a cooperative relationship with the United States—for example, the doctrinaire Party functionaries, the KGB, and perhaps the military. And the worst case in terms of American interests would be a stronger voice in policy making for these groups. The result would be a higher Soviet tolerance than during the Brezhnev years for temporary increases in U.S.-Soviet tension.

The best case for American interests probably would involve a stronger voice for relatively non-ideological technocrats, who perceive a need to increase imports of Western technology, who understand the economic and national security benefits of arms limitation, and who are relatively more inclined to defer or de-emphasize policies which increase U.S.-Soviet tension.

An important—perhaps the most important—preoccupation for any future Soviet leadership, as it has necessarily been of the present one, will be the performance of the Soviet economy. Here the prospects are not encouraging: all indicators point to a continued sluggish performance during the 1980's with increasing competition for scarce resources, a backward agricultural sector, and powerful vested interests in the bureaucracy opposing any change in the status quo. A declining rate of population growth will decrease the manpower pool available for labor—and incidentally for military manpower. Nationalism, combining with other frustrations, could become a prominent consideration for Soviet centralism.

But we should not delude ourselves that economic difficulties will moderate Soviet behavior abroad or, in themselves, curtail the Soviet defense effort. It would be a dangerous illusion to base our own policies—in SALT or elsewhere—on the assumption that the Soviets cannot afford to compete with us in an all-out arms race. It is dangerous, because it would dare Moscow to try to leapfrog up us in strategic arms. Moscow respects our technological ability, and certainly would not welcome a no-holds-barred arms race with us. But history has shown that the Soviet regime will demand any sacrifice from the Soviet people necessary to assure an adequate military posture. And the Soviet people, lacking any effective means to object, have little choice but to comply.

In dealing with the future leadership, as with the present one, I think we must continue to pursue our efforts at cooperation where possible and where consistent with our national security. SALT II will not produce a harmonious relationship with the Soviets. But even though it will not eliminate the abrasive elements of competition between ourselves and the Soviets, it will nonetheless enhance world stability and set the stage for further negotiations and on arms control and political issues. It will enable us to move forward to SALT III—to further reductions in our strategic arsenals and to continue efforts to lower the risk that our competition could erupt in nuclear war. History will not forgive us if we do not continue to probe—without in any way harming our own national security—the extent of Soviet sincerity in this critical field of strategic arms control.

PREPARED STATEMENT OF HELMUT SONNENFELDT

Mr. Chairman and Members of the Committee:

I am honored to appear before you and to be afforded the opportunity to participate in the deliberations concerning the Senate's action on the SALT II treaty completed and signed by Presidents Carter and Brezhnev at Vienna on June 18, 1979.

When you invited me to testify, Mr. Chairman, you asked that I comment on the place occupied by the SALT process, and the treaty before you, in the broad context of U.S.-Soviet relations. This is a complex question, but I welcome the fact that you have posed it in this way. It is often said that SALT II should be judged on its own merits. This

is hardly a disputable proposition. The issue is how these merits are to be defined.

In my view, SALT negotiations and possible or actual agreements must be viewed as part of a broad range of policies and actions designed to protect our interests in a world where Soviet power has been steadily increasing and Soviet ambitions are actively asserted. Our purpose must be to see to it that the uses of Soviet power are restrained and that at any given moment and also over time, Soviet leaders recognize that the risks of assertive and aggrandizing uses of power outweigh the benefits. I believe this to be essential for a positive evolution of our relations with the Soviet Union.

Arms control, particularly as it may relate to the most destructive weapons, is frequently seen as having intrinsic value, since the incalculable damage that would result from nuclear war gives even adversary powers strong mutual incentives to stabilize military relationships in ways that would make the outbreak of such wars less likely. Much American arms control theory—and, indeed, of our approach to the SALT negotiations—has been based on this premise of mutual interest. I believe this premise to be only partly valid and still to be largely unproven. At any rate, the slow progress in arms control negotiations, and the modest accomplishments which they have produced to date, suggest that other factors than a mutual interest in preventing war are at work as well.

It is for this reason that I have stated what I believe to be our broad purpose in conducting our policies toward the U.S.S.R. in terms of our own, American, interests. These interests clearly include the prevention of war and may, in that respect, overlap to a degree with the interests of the U.S.S.R.

But they cannot ignore, and must centrally incorporate, the protection of our security and well-being in the face of challenges posed to us and other nations by the emergence of the Soviet Union as a major military power in the international arena. I see no sign that the impulses and ambitions which have carried the Soviet Union to the position and status it has reached to date are subsiding. On the contrary, they remain a central ingredient in Soviet conduct. Soviet interest in arms control, including SALT, remains subordinated to them.

It should be observed that since the Bolshevik Revolution in 1917 and the subsequent establishment of the Soviet state, advocacy of disarmament has been an important instrument of Soviet policy. In the early years, it was intended as one means of inhibiting external enemies from acting individually or in concert against the then still weak and fragile Soviet state. Soviet disarmament policies were agitational, and designed to mobilize the "masses" against governments. But their goals were quite concrete in a period when Soviet fears of foreign intervention, even if objectively exaggerated, were real. It was after all the Bolshevik leadership itself which had declared the surrounding "bourgeois" world as its enemies and which had proclaimed itself to be the agent of allegedly inevitable historical processes which would transform other societies, and the international system as a whole, in the image of the Bolshevik Revolution. Communist doctrine and the beliefs of its proponents anticipated that those destined to be superseded would resist by force. Their preparations and plans, imagined or real, needed to be undermined.

The stress on disarmament remained prominent in Soviet policy after World War II and continued to serve the quite practical and concrete aim of braking the defense efforts of nations feeling themselves threatened by Soviet ambition and pressure. The agitational content and methods of Soviet policy were, if anything, even greater in the post-War period than in the twenties as countries on the USSR's periphery reacted to the satellization of Eastern and Southeastern Europe, Soviet claims to territory elsewhere and the evident commitment of the Soviet Union to the building of massive military forces.

The decision of the United States to participate in collective security arrangements with nations threatened by potential Soviet expansion, and the reliance of the U.S. on atomic weapons as the ultimate sanction against such expansion, made these weapons a special target of Soviet disarmament policy. (In retrospect, it is perhaps paradoxical that the U.S., relying as it did on the nuclear sanction, also concentrated its disarmament efforts on the control of nuclear weapons. The Soviets, of course, saw these efforts as designed to perpetuate the U.S. monopoly.) Meanwhile, the Soviets themselves moved with vigor to equip themselves with nuclear weaponry and the requisite delivery systems in order gradually to neutralize the very weapons on which the U.S. and its allies relied to offset the traditional military power of the U.S.S.R. on the Eurasian landmass.

It was in the Khrushchev era that Soviet leaders began to recognize that agitation and extravagant disarmament proposals alone would be unlikely to block the defense programs of the West. Consequently, the decade from the mid-fifties to the mid-sixties saw the beginnings of exchanges at the negotiating table about more specific measures to limit arms. The Soviets evidently came to see that if binding limitations on Western programs were to be achieved, they would probably have to accept some restrictions on their own programs. There developed, too, a hesitant recognition that in the era of nuclear weapons some kinds of cooperation in reducing the risks of miscalculation might have merit. Thus, after tortuous negotiations, agreements such as those on limiting atmospheric testing, on non-proliferation and on the establishment of the Hot Line proved feasible.

For the Soviets, however, agreements of this kind did not take the place of military strength. While Khrushchev, like Brezhnev after him, was conscious of the economic burdens of amassing military power in all its dimensions, the long-term momentum of Soviet programs did not slacken. Disarmament negotiations—or "arms control" negotiations as we came increasingly to call them—were an adjunct of Soviet military policy. This has not changed, even as in subsequent years the subject matter and scope of negotiations has broadened to include strategic armaments. When limitations have been accepted, the Soviets have generally maintained vigorous programs within, and up to, the very margins of the limitations. Other programs not affected by agreements have been pressed to offset restrictions and prohibitions imposed by agreements.

There has been much debate in the West—and in your hearings—about the motivations underlying the persistent Soviet commitment to the accumulation of military power. Stalin's decisions in the mid-forties setting priorities, which in essence have changed little, might originally well have been due to his determination to ensure that the Soviet Union would never again suffer the catastrophies of invasion and occupation and that the Communist regime would never again be brought to the brink of destruction by external attack. But even if this "defensive" purpose of Soviet power and expansion was at first dominant in Stalin's time, the concept of security on which it was based in fact implied that other countries, particularly those near the Soviet Union, would be under constant pressure from the weight of Soviet power. As time went on, the Soviet definition of security became increasingly expansive, in part, no doubt, stimulated by the reactions of other countries which felt themselves threatened precisely by the broadening Soviet definition of security.

The Soviets have stressed that what they seek is equality or equal security, that they are "catching up". But the Soviet view of equality is heavily colored by the evident conviction that the threats to Soviet security are unending and somehow, despite its vastly enhanced military strength, always leave the U.S.S.R. in greater danger than the U.S. with its surrounding oceans and militarily unthreatening neighbors. The Soviet response is to seek "compensation" through more military power. Catching up seems to be a permanent process which, in the perspective of the outside world, looks like a quest for military advantage. Considering where the momentum of their military programs will carry them in the years to come, the notion that the Soviets are catching up, even if that is what they themselves believe, cannot be a source of comfort.

In addition, it has become apparent over the years that the sources of growing Soviet influence in the world were not to be found in the attractions and achievements of the Soviet domestic system but largely in the fact that increasingly diverse and far-ranging military capabilities enabled the U.S.S.R. to become more active in international politics. Although in the early stages of the decolonization process, the Soviet Union seemed to offer a source of economic and other support to new nations, and some of the latter seemed impressed by Communist doctrines and prescriptions, the Soviet model made little lasting headway. Moreover, the struggles and divisions within the so-called socialist camp raised serious questions about Moscow's ability to lead or even shape an international system of diverse nations, peoples and societies. Whether nearby, in Eastern Europe and Asia, or in remotar regions, it was military strength that was—and remains—the chief attribute of the Soviet Union's role.

It is hard to know to what extent Soviet leaders and elites acknowledge these realities to and among themselves. What is clear, however, is that Soviet politics, especially in periods of maneuver for succession but also in more normal times, is geared to preserving the priorities that sustain the military underpinnings of Soviet policies. It is evident also that, in these circumstances, arms control arrangements can have little intrinsic appeal to the Soviets. Of course, they want to see potential enemies constrained, particularly the U.S. with its impressive economic and technological resources. And they probably wish to have greater certainty in their economic planning. But they are unlikely to want to see the principal source of their international influence significantly curtailed.

From the American standpoint, the aspects of the Soviet evolution sketched so far will seem profoundly pessimistic. They do lead ineluctably to the conclusion that we cannot in the foreseeable future expect to avoid maintaining strong and diversified military forces of our own. Arms control arrangements may affect the pace and character of some military programs, but they are likely to be modest in effect and are almost certainly unlikely to contribute substantially to the balance we require for our security. But if we maintain our military strength, and if it is seen and known to be usuable in the numerous contingencies with which we may be confronted, we can still have considerable scope for policies that contribute to restrained and even constructive relationships with the Soviet Union.

Before turning to this latter aspect of the problem, it is necessary to address, briefly,

the relationship between strategic, or intercontinental, military forces and those with other roles. For it is by examining this relationship, perplexing and intangible as it may be in some respects, that light can be shed on the oft-repeated question as to the utility of modern strategic forces.

As already noted, in the early post-War period, the United States relied chiefly on its monopoly, and then its superiority, in nuclear weapons and their delivery systems, to deter significant regional Soviet military aggression. Even then, however, the threat of nuclear retaliation was insufficient to prevent every form of Soviet pressure against neighboring areas or to contain entirely Soviet intrusions by means short of direct military actions into various parts of the world.

The Korean War led us to the recognition that we would require conventional military power to protect our interests in many circumstances; it brought about the increase in our stationed forces in Europe and the establishment of a number of military commands within NATO and elsewhere.

In due course, the development of early generations of Soviet long-range nuclear weapons delivery systems, required our introducing nuclear weapons to buttress our theater forces in Europe and elsewhere. Questions came to be raised, rightly or wrongly, whether the United States could be expected to put its own cities in jeopardy in the event of limited Soviet attacks in central Europe. This, among other reasons, led the French to develop their own nuclear weapons. The British maintained and modernized theirs.

With time, as they acquired more diversified nuclear weapons and means for their delivery, the Soviets moved to deploy them with their forces in central Europe. Medium and intermediate range nuclear weapons were targeted in increased numbers against Western Europe. These developments, along with the steady and cumulatively impressive improvements in Soviet conventional theater forces, in turn, obliged our Allies and us to undertake programs to strengthen our own conventional forces and to improve reinforcement capabilities. We now also have the urgent task of modernizing the theater nuclear forces within NATO. And the British and French are reported weighing modernization options for their respective nuclear forces in face of improving and increasing Soviet nuclear capabilities for use against targets in Europe.

NATO has continued to rely on conventional forces, nuclear forces in the theater and American strategic forces to deter attack. Moreover, it remains NATO doctrine that the Alliance would, if necessary, initiate the use of nuclear weapons in the event conventional forces are unable to repel attack. At the same time, whatever the adequacy of particular conventional, i.e. nonnuclear, capabilities and improvement programs in the European theater, there is widespread agreement that because of the evolving nuclear balance in all its elements, effective deterrence of non-nuclear attack requires large and modern non-nuclear forces on our side so that if deterrence fails we would not be confronted at once with the decision to resort to nuclear weapons.

Yet, as noted, the security of the Alliance continues to depend on the credibility of our nuclear posture, both within the European theater and in the form of our strategic forces. More particularly, it depends on a continued ability of the United States to control the process of escalation, if that has to be resorted to. It is in this perhaps esoteric but crucial respect that the most serious questions have been raised among those concerned with the defense of Europe. They have arisen because of the concern that at both the theater and intercontinental levels, the ability to control escalation may be shifting to the Soviet side—that our strategic forces may be "decoupled" from our and the Allies' other forces.

If NATO's strategy is to continue to have meaning, it is essential that at all levels of nuclear power we have survivable and flexible forces. And it is for this reason alone that we must be concerned about the future of each leg of our strategic triad, as well as the nuclear forces located in Europe. These concerns have been frequently voiced in these hearings. They are legitimate concerns.

To be specific: I believe, first, that an effective and credible American commitment to the defense of Europe demands that we act rapidly to equip ourselves with survivable ICBMs while also proceeding with the modernization of our SLBM and bomber forces. I believe there should be no shred of doubt not only that the U.S. is legally able under SALT to proceed with the MX program, including an optimal basing mode, but that it is actually doing so. I single out the MX in this context because questions as to the compatibility of certain of its possible basing modes with provisions of SALT II have been raised. I believe these doubts need to be removed by word and deed as promptly as possible. But I wish to stress also the urgency of proceeding on schedule with the other strategic programs.

A second specific point relates to the European nuclear theater forces. Since effective deterrence of attack in Europe requires diversified, accurate and modern nuclear weapons, I believe the U.S. should at this stage make clear in word as well as deed, i.e. in the programs Congress authorizes and funds, that it does not intend to renew the prohibition now contained in the Protocol to SALT II against deployment of ground and sea-launched cruise missiles beyond 600 km in range. There are other reasons for taking these actions, e.g. the needs of the Navy, but I consider them especially necessary in the context of European defense and our Alliance commitments.

Thirdly, I believe that the considerations just mentioned also require us to leave no doubt whatever that SALT provisions dealing with cruise missiles of whatever type do not preclude us from undertaking any kind of cooperation, from technology and other transfers to the coordination of forces, which we and our Allies may judge to be necessary.

I have dwelled on the relationship between strategic forces and European defense because it is in that context that the growth of Soviet capabilities has long posed the most complex problems of strategy and programs for us and our Allies. These problems will continue and will require constant attention. I see no prospect at the moment that arms control agreements either on strategic or on theater forces will alleviate our difficulties. My concern is that they should not make them greater.

But, in addition to the problems of European defense, we must also recognize that Soviet military deployments and actions can jeopardize our interests elsewhere. The direct relevance of the strategic force balance to such contingencies is harder to demonstrate than in the case of European defense. But there can be little doubt that the strategic balance that exists today and is projected to exist in the years to come at the very least makes decisions to use American forces more complicated and hazardous than they were even five or ten years ago. Above all, the changed and changing strategic balance does require us to give attention to the state of our naval and long-range intervention forces. It would be a dangerous situation indeed if the Soviets, under the umbrella of the developing strategic balance, saw increasing opportunities for uncontested uses of their own or proxy military forces.

Soviet arms control propositions bearing on these situations have generally sought to constrain us more than the USSR. In some instances, e.g. in connection with the establishment of facilities for our use on Diego Garcia, the Soviets have resorted to traditional agitational techniques and political pressures to impede us. It seems unlikely that arms control arrangements can be looked to for much help in safeguarding our interests. Not, at least until the Soviets judge the risks of intervention to be sufficiently great to make negotiated restraints that are equitable in their effects a more attractive alternative for them.

I should like to make some further comments on the Soviet view of the role of military power because of its bearing on an evaluation of SALT and other arms control efforts. It is frequently contended that a major difference between the US and the Soviet Union is that we tend to see military forces, particularly nuclear forces, as having chiefly a deterrent function whereas the Soviets intend and actually procure such forces to fight wars. Related to this difference, there is the further proposition that while we tend on the whole to see nuclear wars as unwinnable in any meaningful sense, the Soviets regard them as winnable and, if war were to come, would intend to fight it through to victory. Soviet doctrinal writings, military exercises and force dispositions suggest that Lenin's adaptations of Clausewitz remain valid for present Soviet leaders: political goals can still be pursued in war, indeed must be, even if destruction is unprecedented.

I believe that the distinction between deterrence and war-fighting is not one that the Soviets make. They, too, wish to deter or avoid war. They give every evidence of recognizing the catastrophic consequences of nuclear conflict, although they, far more than we, devote efforts and resources to limiting these consequences. How confident they are in such efforts, however, is difficult to determine. But the Soviets do proceed on the premise that war-fighting forces and war-winning doctrines are the most effective deterrent to attacks against themselves, and the most effective restraint on an enemy's recourse to military force in a crisis, whatever the origin of that crisis—precisely because such forces are usable if deterrence fails.

In many crises of the past, the Soviets found themselves deterred from pressing for major advantages; in some, indeed, they found themselves backing down when faced with a seemingly credible threat of military action against them. It is this kind of situation which the Soviets have sought, and continue to seek, to avoid by their military build-up. One of their purposes in pursuing arms control, including SALT, is to support this objective, although they place their main reliance on their own programs rather than on arms control.

While some Americans support what may be called a "deterrence-only" view of the role of military, particularly nuclear forces, this has not in fact been our dominant attitude to date. We, too, have sought to procure forces and weapons systems and to adopt doctrines that enable us to fight if necessary. But we have continued to have vigorous debates about the wisdom and morality of thinking in terms of fighting nuclear wars. Ironically perhaps, many of those most critical of "Strangelovian" war scenarios, have urged us to procure forces which could be used primarily for the most destructive attacks on population centers. The more vulnerable our cities (and those of the Soviets), it has in effect been argued, the more effective the deterrent.

As will be evident from my earlier comments on European defense, I believe that deterrence increases as the usability of weapons and the credibility of our commitments and doctrines for their use increase. I take this view not because it happens to be that of the Soviets but because by acting on it

we do, in my judgment, have a more effective deterrent to attacks on our interests and, ultimately, to war, given the nature and direction of Soviet military programs. I believe that SALT agreements should in their terms and in their effects be compatible with the maintenance of our war-fighting capabilities or else SALT will detract from, rather than enhance deterrence.

More fundamentally, the time may well have come to review our arms control doctrines and approaches which now go back more than twenty years and still dominate our negotiating goals. "Stability", a key concept in arms control, does not appear to have impressed the Soviet greatly. While many Soviet analysts, especially in the Institutes with which many of us are familiar, have adopted American vocabulary, Soviet forces in practice bear no necessary resemblance to stability criteria.

For example,

While the Soviets accepted the ABM treaty, they have continued to assign major resources to research and development for anti-missile defense. Moscow's ultimate intentions in this field remain unclear. But anti-missile defense, anathema as it is to stability doctrine, is hardly so to the Soviets. Defense against aircraft is clearly a high Soviet priority, to the point that the bomber leg of our triad must now be drastically modified in order to penetrate to its (second strike) targets. How long the 25-year old B-52 force will remain an adequate launch platform in the face of Soviet air defense efforts remains to be seen.

The Soviets have not refrained from procuring counterforce weapons. Either the SS-19 or the SS-18, and certainly portions of both in combination, will threaten the most reliable and flexible part of our triad. We are now faced with acquiring less vulnerable land-based forces and adopting launch-on-warning or launch-under-attack doctrines. Some analysts believe the time has come to give serious fresh consideration to defending our land-based forces.

The Soviets have done work on anti-satellite systems which if developed and deployed could threaten the command, control and communications of our most numerous and secure retaliatory forces.

Given these developments and some of the responses we plan to make or may yet have to consider, it seems at least questionable that what should determine our policy are arms control doctrines (e.g. verifiability in the case of the MX deployment mode), rather than defense doctrines adapted to the realities of the eighties and nineties. Whatever the ultimate disposition of the present treaty by the Senate, it is urgently necessary to ensure that future SALT negotiations, and the purposes and doctrines that govern them, are the product rather than the determinant of our defense policy.

Military issues dominate much of our relationship with the Soviet Union but they are not the only ones involved in it. The Soviets seek influence and associations in the world to shift the geo-political balance, but in the process they also want to obtain a variety of other benefits and to meet needs which they cannot fill by themselves. Indeed, it is one of the characteristics of the present period that the Soviets have found it necessary and desirable to interact more extensively and intensively with the outside world than at any time in their history. These interactions remain marked by strong hesitations; the innate autarkic impulses of the Soviet system remain vigorous and Soviet resistance to external intrusion remains powerful. Nevertheless, the iron curtain of 30 years ago has become more porous in both directions. The Soviets are more active, if still reluctant and selective participants in international institutions, practices and agreements.

Many of these developments result from the shortcomings of the Soviet economy and its technological backwardness. Some are due to the fact that the Soviet resource base, while impressive, is no longer fully able, and will become less able, to meet the growing demands of a maturing economy. With the labor supply tighter than in the past, increases in production depend heavily on improved productivity. This, in turn, demands more and better technology. Soviet agriculture continues to be afflicted by uneven harvests and a seemingly chronic inability to meet the objective of the leadership to improve the population's diet. The consequent need for manufactured goods, commodities, technology and capital from the outside world, has increased Soviet hard currency requirements since exports, though growing, are inadequate to finance imports. This has led the Soviet Union to engage in more extensive international financial operations and has made it more sensitive to foreign currency fluctuations, interest rates and other commercial and economic trends.

Other concerns which have tended to bring the Soviet Union more actively into the international arena, include such problems as environmental pollution, nuclear proliferation, exploitation of the resources of the oceans, regulation of airspace, etc. In all such matters, the Soviet Union is unable to protect its interests unilaterally and therefore finds it desirable to participate in international arrangements and institutions.

More closely related to security, the Soviets have viewed the widening contacts between China and other nations, especially Japan, Western Europe and the US, with mounting uneasiness. Apart from military measures, calculated to keep China under threat, Soviet diplomacy also seeks to counteract these developments, which Moscow interprets as a hostile effort at encirclement. Sometimes, this takes the form of attractive political and economic overtures; sometimes it involves threats. Usually, both elements are present. Thus, the Japanese and West Europeans and the Americans are simultaneously offered the rewards of detente but sternly warned against military cooperation with China. Elsewhere, the Soviets seek to offset alleged Chinese-inspired encirclement by efforts of their own to surround China with Soviet allies. Soviet policies designed to build influence in Third World areas by military support for and intervention in behalf of, so-called liberation movements and regimes engaged in "just" wars, are in part intended to pre-empt China's influence and to acquire allies against it.

The Soviet emergence into the world in search of beneficial economic, political and security connections makes it important for us to devise and to pursue a comprehensive and consistent strategy aimed at strengthening the incentives for restraint in all aspects of relations. Put most simply, and perhaps somewhat crudely, we and others must be clear among ourselves, and make it clear to the Soviets, that assertive uses of power, and efforts to shift the geo-political balance, are fundamentally incompatible with productive and constructive relations in other respects.

This is not the occasion to discuss in detail how these connections or "linkages" can and should be established and implemented. What is required is a broad and conscious attuning of cooperative projects and associations to military relations and the overall level of tensions and crises.

It is sometimes suggested that in the early seventies, the Administration of that day somehow deluded itself into believing that economc rewards and agreements on "rules of conduct", along with SALT I and other arms control agreements, would ensure moderate Soviet international conduct. This, I believe, is a caricature of what came to be called "detente".

Among the absolutely essential parts of the comprehensive approach developed in the early part of this decade were to have been (1) an effective balance across the whole range of military power and (2) the maintenance of high risks, if necessary by unambiguous demonstration of our readiness and ability to react to militant behavior. In both these crucial respects, we fell short of what we should have done. Important defense programs lagged, in part due to Congressional action and, more recently, also due to curtailments by the Administration. And in several instances of Soviet intervention, directly and by proxy, we failed to achieve the necessary consensus at home that our interests were threatened and that this required action on our part. The element of risk was kept excessively low. (It should be added that positive incentives for Soviet restraint were not particularly high either. There has, for example, been little in our trade and other policies to suggest to the Soviets that a coherent pattern of benefits is to be derived from moderation.)

In sum, Mr. Chairman, we must see our relations with the USSR in their totality. We must recognize that the Soviets are driven by powerful impulses to amass military strength and, on that basis, to consolidate and expand their status as a power with world-wide interests and ambitions. This quest for status is not limited by a desire to attain "equality" or "parity" but is dynamic and open-ended. The most effective way for us to deal with this aspect of Soviet reality is to maintain our own end of the military balance and to make certain that our military power is known and seen to be usable. Arms control agreements, including in the area of strategic weapons can play a modest role in contributing to military balance; but they may also make it more difficult to maintain balance. In any event, however, our own defense programs will remain the principal means by which we maintain balance and these must, therefore, be our overriding concern.

Military balance and maintaining high risks for predatory actions by the Soviets provide a basis for pursuing other policies utilizing the Soviet need for, and reluctant but real interest in, beneficial relations with the outside world. We must establish and pursue in practice more explicit connections between the state of military and security relations and these other aspects. It is possible that over time the economic shortcomings of the Soviets system, in part caused by its militarization, will induce Soviet leaders to practice greater military restraint and to seek more far-reaching arms control limitations. But this is likely, if at all, only as a result of sustained policies by us and others which make clear to the Soviets (1) the futility of seeking military advantage, (2) the risks of using military power, directly or indirectly, for aggrandisement and (3) that there is a direct connection between the relief and benefits the Soviet Union can expect from the external world on the one hand, and the manner in which it defines and pursues its interests and uses its power, on the other.

I believe, in conclusion, that SALT agreements pursued and concluded in isolation from these considerations, that is, on the basis of narrow technical "merits", are unhelpful and therefore undesirable. SALT, particularly, because of its at best marginal effects cannot carry the burden of regulating American-Soviet relations. The historical record does not bear out the proposition that arms control agreements, SALT included, lead to better, more restrained relations. On the contrary, the more poorly managed the relationship with the USSR the more prolonged and tortuous the negotiations, and the more likely that whatever results they may produce will be negated by intensified military programs.

SALT must support what we can funda-

mentally do only by our unilateral, and Allied, military programs. This is the military test that must be applied to the SALT process and the present treaty.

Completion of the ratification process for this treaty, in my view, requires that there should be precise answers to the questions that have been raised concerning the impact of particular SALT provisions on needed American programs and on various existing and future forms of cooperation with Allies. In addition, it is essential that Congressional action this year—before final disposition of the treaty—firmly establish these programs in our defense budget and force planning. It is not too late to act on the premise that SALT is a function of security policy, rather than the other way around.

Finally, within the context of our defense policies, SALT should be an integral part of a wider strategy encompassing all phases of relations with the USSR and designed to constrain the militant and aggrandizing aspects of Soviet conduct while maximizing stakes in more disciplined and beneficial relationships with us and in the world at large.

TESTIMONY BY PROFESSOR RICHARD PIPES

The purpose of my testimony is to explain Soviet attitudes toward nuclear weapons, toward the prospect of nuclear war, and toward the arms limitations process. I will address myself obliquely to several critical questions which have loomed behind these hearings from the outset: for example, why do the Russians insist on the right to the exclusive possession of modern heavy missiles? Why do they demand the Protocol and the "non-circumvention" clause? In other words, why do they make so much of all those things which, we are told by the advocates of SALT II, have no military value and, if conceded, will not in the least affect U.S. security? In dealing with my subject I shall draw on Soviet military literature as well as on what we know of Soviet strategic deployments, reinforcing both sources of information with references to Soviet history and politics. It clearly is essential to try to understand Soviet behavior in terms of Soviet traditions, values, and aspirations, which, unfortunately, is not always done by the more zealous advocates of the Treaty.

The Soviet regime has from its inception placed great reliance on military instrumentalities both to ensure its internal security and pursue its external goals. Russia is an inherently poor country, and the Communist system, by depriving the population of meaningful incentives, guarantees that it remains poor. At the same time, however, the Communist system which places the country's entire human and economic resources in the hands of a self-perpetuating elite of rulers is excellently suited for purposes of military mobilization. Such power as the Soviet Union enjoys in the world today is due almost exclusively to its military might. In a world from which all weapons would be banned, the USSR would at once become a second-rate power since it possesses neither the civilization nor the material wealth that would qualify it as a "superpower". Contrary to some of the sentiments expressed in the debate over SALT II, there is no contradiction between Soviet Russia's low living standards and its willingness to commit immense funds for armaments—the Soviet military drive is in fact a natural corollary of endemic poverty. These economic factors making for militarism are reinforced by an ideology which views the modern age as the time of a life-or-death struggle between "capitalism" and "socialism". Militarism is the very essence of the Communist mentality: it has aptly been said that Lenin put Clausewitz on his head by transforming politics into the pursuit of war by other means.

When nuclear weapons first made their appearance, the Soviet government found itself in a quandary. It realized their potential importance early enough: as we now know, Stalin had a research program to construct atomic weapons underway at the outbreak of World War II. But the United States forged ahead and hence for some time a tendency prevailed in the Soviet Union to denigrate the effectiveness of these new weapons. Immediately after Stalin's death a keen debate developed in Russia on this subject in which the professional military played a commanding role. The conclusion, reached sometime in the late 1950's and signalled by the establishment of the Strategic Rocket Forces as a separate, fourth branch of the armed services, was that nuclear weapons have indeed become the decisive weapons of modern warfare—the very opposite conclusion from the one reached more or less concurrently by America's civilian strategists.

Soviet nuclear strategy, as well as the political strategy that accompanies it, is internally consistent and intellectually impressive—at any rate, to anyone who is not *a priori* convinced that the Russian military have nothing to teach us. It rests on several related propositions:

1. The introduction of nuclear weapons with intercontinental delivery vehicles has revolutionized warfare in the sense that henceforth the ultimate objective of all war—incapacitating the enemy's military forces—can be attained directly and immediately rather than gradually, by means of many separate operations;

2. Within that context, the traditional principles of the science of war remain fully intact: the advantages of preemption, of superior quantity and quality, of good defenses, etc., are as valid in the age of hydrogen bombs as they had been in that of gunpowder;

3. Even under the most auspicious circumstances, however, nuclear weapons cause such widespread destruction that great power conflict which may lead to nuclear war ought to be avoided to the maximum extent possible: in the nuclear age, the struggle with "capitalism" must of necessity assume indirect forms (e.g. flanking movements, proxy wars, seisure of energy sources)—that is, such forms as are subsumed under the general term "détente";

4. It is, nevertheless, possible that "détente" may fail and an all-out war with the United States break out—either as a result of a local crisis getting out of control or the United States, isolated and driven against the wall, lashing out in a Samson-like act of universal destruction; this contingency calls for the ability to deliver a quick, surgical preemptive strike designed to eliminate as much of the enemy's nuclear arsenal as possible and thereby to reduce to the utmost his ability to inflict damage.

It is sometimes said that the Soviet "war-winning" strategy is "irrational" and need not be taken seriously in view of the indisputable fact that a Soviet first strike against the United States would invite a devastating counter-attack on Soviet cities and industrial centers. To say that, however, is to assume that a Soviet first strike would come about as the result of a cold-blooded calculation. Such an out-of-the-blue assault is not part of Soviet doctrine and no responsible specialist considers it likely. A Soviet decision to preempt would come under conditions of extreme crisis, after the Soviet leadership had concluded that general war had become unavoidable. It would be an act not of bold adventurism but of desperation; its aim would be to minimise inevitable casualties and losses. It must be realized that inasmuch as fractionalization of nuclear warheads allows one missile to destroy several enemy nuclear systems, under conditions of modern war preemption is even more attractive militarily than it has been in the past.

The Soviet strategic buildup must be understood in the light of these premises and expectations. The Soviet Union has never adopted our doctrine of Mutual Assured Destruction; nor was it ever content with "parity" or "essential equivalence". These are concepts of people who do not believe in the military and political utility of nuclear weapons. Once it had made up its own mind on the issue, the Soviet Union has consistently striven to attain overwhelming strategic superiority that would make allowance for all kinds of unforeseen contingencies as well as the prospect, which it takes seriously, of a protracted nuclear conflict.

In these calculations, SALT is assigned a role of some prominence: not as a vehicle for general disarmament, as it is with us, but as a device that inhibits the U.S. responses to Soviet long-term strategic programs.

1. On the most elementary level, SALT fixes the number of American systems and therefore facilitates the task of estimating what is required to render them harmless;

2. On a higher level, it alleviates in some manner Russia's recurrent nightmare lest an American technological breakthrough (such as ABM and the cruise missile) suddenly nullify the rather ponderous and incremental Soviet buildup; in this sense, the acronym SALT can properly be deciphered to read "Stop the American Lead in Technology";

3. Last but not least, SALT creates in the United States a political atmosphere that is not conducive to defense expenditures: it persuades much of the public that any improvements in strategic forces are "destabilizing", and, at the same time, inhibits the U.S. government from funding weapons programs which may be limited or even prohibited by future arms limitation treaties.

All these features of SALT are inherently so beneficial to the Soviet Union that it understandably likes to depict SALT as the "linchpin" of détente, as it depicts "détente" as the only alternative to nuclear "holocaust". It is not so apparent why an American administration would adopt this point of view, unless it believes that SALT can be translated into domestic political benefits at minimum military risk.

To conclude, let me address myself to the question what is likely to happen should SALT II, for whatever reason, not come into force.

There is no cause to believe that the Senate's assertion of its constitutional prerogative to amend or reject this treaty outright will result in any of the harrowing scenarios with which we are being regaled. The inability of the great powers to agree on the terms of a treaty resolving their differences does not, in and of itself, cause their relationship to deteriorate: for the latter to occur there must be other, more positive reasons driving them toward hostility. The Soviet leadership has entered into SALT negotiations not in order to maintain a favorable "climate" of US-Soviet relations: had it desired the latter, it would not have dispatched military "advisors" and mercenaries to the four corners of the world following the signing of SALT I. It has entered into these negotiations in the hope of securing the distinct military and political advantages enumerated above. Should SALT II fail, the Russians will promptly write it off as a bad investment and try to secure the same results by other means, if necessary, by a more equitable SALT. Their military programs, already operating at peak capacity, are not likely to be accelerated in any significant way as a result.

There is something unreal about the proposition, advanced by both the US and Soviet administrations, that we either ratify this treaty as written and march along the royal road to peace, or else risk growing enmity and war. Such doomsday scenarios are not only

unrealistic—they place in doubt the very basis of the proposed accord. The viability of international treaties ultimately depends on a combination of self-interest and good will of the signatories. Either such self-interest and good will exist in respect to SALT II, in which case the parties ought to be willing to negotiate and renegotiate its terms until they arrive at a generally acceptable agreement; or else these qualities are lacking, in which case the treaty will not hold in any event and ought to be rejected. Realistically, no treaty can be said to advance the cause of peace if its sole alternative is hostility and all-out war.

TESTIMONY BY ROBERT LEGVOLD

As someone interested in Soviet affairs, I think I can best aid you by focusing on the attitudes that the Soviet side brings to SALT. These, of course, are not easily determined, but neither are they so inaccessible as we sometimes assume. Nor are they so crude as we sometimes imagine for want of knowing. They are a mix of subtlety, ambivalence, assertiveness, and concern roughly consistent with the complexity of strategic trends and the challenge of SALT, and, in my judgment, they are important to consider.

THE SOVIET AND AMERICAN APPROACHES TO WAR AND ITS AVOIDANCE

No factor more vexes the effort to negotiate arms control with the Soviet Union than the differences between us. Not the differences in ideology or political order, though these matter ultimately. The more fateful differences are in the structure of our military forces, in the nature of the threats we face, and in the strengths and vulnerabilities of the alliances we rely on and mean to defend.

The United States has built forces stressing diversity, flexibility, and technological prowess; the Soviet Union, numbers, firepower, and redundancy. Our means of nuclear attack comprise a TRIAD, a concept that has come to have considerable importance to us. The Soviet Union has persisted instead with essentially a DYAD, one resting heavily on land-based ICBMs. But Soviet ICBMs, in turn, being larger than ours, will pose a threat to this part of our deterrent sooner than we can threaten any part of theirs. Should both countries develop the ability to destroy the others' fixed ICBMs, however, the implications are graver for the Soviet Union because roughly three and a half times more of its forces are ICBMs. And should the competition turn toward acquiring invulnerable counterforce weapons, an increasingly likely prospect, the superiority of our next generation of SLBMs and mobile ICBMs over theirs makes the implications graver still.

Discrepancies like these—the practical consequence of the differences in the throw-weight of each side's ICBMs, in the levels of their SLBM technology, and in the versatility of their delivery vehicles—are SALT's great burdens. Add to these the effects of geography, the China factor, and allies who bring vastly different resources and concerns to the common defense, and the plight of SALT II or any other attempt to reach meaningful and negotiable strategic arms limitations emerges more clearly.

The asymmetries in capabilities, enemies, and alliances deeply influence the perspectives each side brings to the SALT process. But there is still another important asymmetry—this, in the way the two leaderships think about war and its prevention. The contrast stems not from a more cynical or cavalier attitude on the part of one leadership toward the risks of war. Nor, as some seem to suggest, from a Soviet willingness to treat war, even nuclear war, as an acceptable means to their political ends. No such willingness exists, not as reflected in what they say and write.

The real contrast is in the way the two nations cope with the theoretical possibility of nuclear war. Given the suicidal implications of using nuclear weapons, American strategists have concentrated on the psychology and framework of deterrence—that is, on the process of dissuading the Soviet Union from risking nuclear war or, if war comes, on cutting it short. Strengthening our ability to dissuade has not been divorced from defense—that is, from developing the ability to fight a war—but the stress has been on structuring choice and, if you will, "bargaining" in the shadow of nuclear conflict. By this I mean spinning out scenarios designed to convince the Soviet leaders in advance that we can and will attach too high a price to any prize they may wish to capture with military force. In the process, the civilian strategists, game theorists, and scientists who dominate strategic thinking in this country have come to worry most about the credibility of our deterrent, the stability of the nuclear balance in moments of crisis, and the raising or lowering of the nuclear threshold.

In the Soviet Union, the task of dealing with the specter of nuclear war belongs to military men. They, by tradition and profession, make it a matter of waging war. By preparing to prosecute war successfully, they assume, they are both deterring war and putting their country in the best possible position should deterrence fail. Nuclear weapons have revolutionized warfare, and this they recognize. But their inclination is still to approach the problem as traditionally as possible, committing themselves to victory on the battlefield and, to this end, the destruction of the other side's war-making potential.[1] The more abstract notion that the outcome of a nuclear war can be decisively shaped by launching a limited number of nuclear weapons at a selected set of (military) targets and then waiting to see whether the other side will desist remains largely alien to their way of thinking. Thus, where we tend to start with deterrence, pressing on to defense, ultimately subordinating defense to deterrence, they skip the issue of deterrence and concentrate on defense, assuming deterrence will follow.

THE CONSEQUENCES FOR SALT

Inevitably the different way Soviet and American leaders think about nuclear war influences the way they judge the strategic balance, the trends altering it, and the process of regulating it. Inevitably it also shapes their perspectives on the SALT II accords.

Some say that our original goals in SALT were doomed to failure because, as events turned out, the Soviet Union did not share them. We envisaged SALT as a chance to reduce and stabilize the strategic nuclear balance, to turn the competition from arms building, and to shift these resources in other directions. The Soviet leaders, in contrast, it is said, viewed the SALT process not so much as a joint enterprise to manage the arms race as an opportunity to codify their superpower status and, if possible, to improve their military position by impeding U.S. defense efforts. We were simply working on different levels.

It seems to me that this misstates the problem. For the Soviet leadership SALT has been preeminently a political exercise, but in the sense of the contribution that arms control efforts make to the over-all U.S.-Soviet relationship. From the beginning, the Soviet leaders have been more inclined to focus on the place of arms control in East-West relations than on the role of arms control in restructuring the military balance or in imposing a particular discipline on the arms competition. They have tended to urge SALT as a necessary and integral part of a broader process of easing tensions between our two countries, arguing the obvious proposition that not much progress can be made if both are locked in an unyielding arms competition. The challenge of using SALT to shape the strategic nuclear balance has concerned them less.

Indeed, by and large, their natural preference has been to define the objectives of SALT modestly, rather than get bogged down in the complexities and intractable dimensions of a far-reaching effort to regulate the strategic arms race. In SALT I, they would have been happy to settle for an ABM agreement, and it required considerable determination on the part of the Nixon Administration to negotiate the interim agreement limiting offensive weapons. In SALT II, they have generally sought the simplest and least arduous route to agreement, meaning inevitably a less ambitious one. They have not pressed to circumscribe or avoid new technologies, threatening to make the strategic arms competition more unmanageable, like MIRV or mobile ICBMs. And, when in March 1977 they were offered the opportunity to achieve major reductions, they angrily backed away. Their anger had to do with what they regarded as the one-sided nature of the 1977 proposals, but this did not fully explain their refusal to respond with counterproposals.[2]

This preference for unencumbered arms control, I think, in large part traces back to the Soviet Union's broader political stakes in SALT. True, another powerful syndrome is at work, a Soviet reluctance to constrain the other side if it means constraining yourself. But the same can be said of the American approach to SALT, and that has not prevented us from trying to push SALT in more ambitious directions. Rather, the further explanation is that the Soviet Union cares more about the political effect of a successful SALT process, and, for this, small steps, setting aside the hard choices that generate controversy, may be best.

It is also true that the Soviet Union has looked upon SALT as a mechanism for controlling American military programs. Preventing the United States from going forward with an elaborate ABM system was obviously a high priority for the Soviet Union in 1969. Limiting, even eliminating, the contemporary U.S. cruise missile program has also been a major Soviet objective in SALT. But, we, too, have sought to circumscribe through SALT Soviet Weapons that are particularly disturbing to us. The ceiling on SS-9s in SALT I is a case in point and so is our attempt to impede the development of a fifth generation of Soviet ICBMs in SALT II. The attempt to use SALT to hamper the other side's defense efforts is not what divides us.

Neither the self-serving aspects of the Soviet approach to SALT nor its political stake in SALT proves that the Soviet Union has no desire to stabilize the nuclear balance or to shrink both countries' strategic arsenals.

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[1] "Winning" a nuclear war in this sense is scarcely as good in Soviet eyes. It is better than losing, but no Soviet leader in the last twenty years, military or civilian, has suggested that nuclear war would be anything than an unimaginable calamity, leaving victor and vanquished in virtually the same condition.

[2] They also resented the way the proposal was sprung on them and objected to an attempt, as they saw it, to throw over Vladivostok and the laboriously negotiated compromises of the intervening two and a half years. Still, the Soviet reaction was so swift and sharp that obviously they had not even paused over the prospect of making more of SALT.

The problem is in defining what it means to stabilize the balance, a problem that ultimately traces back to our contrasting way of thinking about nuclear war and its avoidance.

It is not merely that our attempts to give stability to the nuclear balance, that is, to reduce the incentives to squeeze the trigger first in crisis situations, come across to Soviet observers as self-seeking. Thus, from the original Option E proposed in the opening rounds of SALT I to the March 1977 scheme for "deep cuts," our efforts to increase crisis stability have seemed distinctly in our favor. Again and again we have come back to the notion of abandoning potentially vulnerable ICBMs, where so much of the Soviet effort is focused, and moving the competition to less vulnerable SLBMs, weapons of a more clearly second-strike character, but in which we hold a clear technological edge, not the least in the race to turn them into first-strike weapons. On the other hand, a Soviet might note, when the most "de-stabilizing" weapon of the last decade was introduced, that is, MIRV, we introduced it and we did so without giving much thought to SALT and an agreement to banish MIRVed forces on both sides.

There is, however, a more profound problem than notions of stability that appear to Soviet leaders as discriminatory and calculated to enhance U.S. advantage. The problem is that our notions of what is stabilizing and destabilizing in the strategic arms competition, to a large degree, remain alien to them. This, some would argue, arises out of the Soviet tendency to equate stability with the growth of Soviet military power. The point is not made derisively: Soviet speakers do suggest that a stronger Soviet Union is the surest guarantee of nuclear stability; indeed, it is the way they most commonly discuss the issue. (To say the least, it is not an approach that will get the two sides very far.)

Still, this does not gainsay the extent to which our own concept of stability is a function of the way we happen to think about nuclear deterrence. Worrying about a Soviet ability to destroy 90 percent of our fixed land-based ICBM force, while we can destroy only 60 percent of theirs, makes sense at a certain level of abstraction. For us, the abstraction is important, because we have predicated deterrence on ensuring that the Soviet Union cannot come out ahead in any nuclear exchange. This proposition has a significance of its own, independent of the question of what objective could activate a chain of events resting on this 30 percent margin, what fortuities would threaten to undo any calculus based on the 30 percent, and what other dimensions of war might prove more decisive.

For the Soviet leaders, however, given their approach to nuclear deterrence, this proposition has no significance independent of these other considerations. They are less sensitive to and, happily, less emboldened by Minuteman vulnerability, because of the difference in approach. Less sensitive, because they are inclined to view their ability to destroy a large part of the Minute man force as simply one component in a war-fighting strategy—that is, a measure, albeit a critical one, for reducing the damage a foe can inflict in the course of a war. They are less emboldened, because, as they judge matters, this ability affords them little leverage as long as they cannot launch and win a war at a tolerable cost.

By the same token, I think they are baffled by and more than a little mistrusting of the concern expressed by many in this country over trends in so-called "static indicators." They understand the psychological problem. They understand that numbers and seeming inferiorities in the tally of weapons—megatonnage, throw-weight, total warheads, numbers of delivery vehicles, and so on—have an impact on the public mind. But, when serious defense planners and analysts make the gap in the throw-weight of the two countries' forces decisive, arguing that by this gift the Soviet Union can launch a nuclear attack knowing that after each exchange its remaining forces will be fractionally larger than American forces, Soviet observers suspect ulterior motives.

Because Soviet defense planners make do with the science of war, abjuring the development of "strategic doctrine," they look upon our attention to doctrine as politically inspired. That is, they think the fussing we do with declaratory policy, replacing the "doctrine of massive retaliation" with "flexible response," modified by the "doctrine of limited nuclear options," is designed to squeeze the maximum political-psychological leverage out of a defense posture. Talk about the meaning of the discrepancy in throw-weight, translated into a concept like "escalation dominance," the language of American strategists, is lumped into the same category.

Soviet and American views of SALT II also derive to an important degree from their respective views of military trends, a further dimension shaped by our contrasting approaches to the challenge of nuclear war. In this country what different people think about the SALT II accords follows closely from their apprehension over the comparative momentum of Soviet and American military efforts. The fears generated by recent trends impinge constantly and heavily on judgments about SALT II, even where the connection, both for good and ill, is nearly nonexistent.

Not surprisingly, in the Soviet Union, the link between the evolution of the military balance and SALT matters less. Whatever the defects of the agreements—and from the Soviet perspective there are a number—these are softened by the general context. SALT or no SALT, the Soviet Union has made enormous strides in overcoming its strategic nuclear inferiority. In these circumstances, even the most equitable agreement looks different to the side losing ground than to the one gaining ground.

But the contrast has still deeper sources. Because we and our NATO allies place so much weight on U.S. strategic forces, accepting the abstractions of deterrence theory and neglecting other dimensions of our common defense, the erosion of our comfortable advantages in the nuclear competition is particularly disturbing. SALT may have very little to do with this situation and it may offer little solution—short of the futility of expecting it to re-establish American strategic superiority—but it becomes its victim. Suddenly everything, even at the margin, acquires significance: the chance that the Soviet Union could use its large medium-range BACKFIRE bombers in a nuclear attack on the United States, the chance that a disputed interpretation of the SALT protocol might impede our efforts to rectify a deteriorating theater nuclear balance, and the chance that the Soviet Union would cheat under the terms of SALT and, escaping detection, produce a larger and more accurate successor to the SS-19 two or three years earlier than it could if it waits for the Treaty to expire.

Both in its posture and in its concepts, the Soviet Union is less dependent on carefully calculated nuclear deterrence. Because the Soviet Union believes the decisive feature of any general war will be the ability of one side to triumph at all levels, from conventional to nuclear, and has designed a posture around the integration of capabilities for fighting at all levels, it worries less about precise calibration of the nuclear balance. Or, to put the matter another way, it has a different sense of what constitutes the basis for "nuclear blackmail." To a Soviet mind it is not the ability to wipe out one leg of a TRIAD that counts most, and even less is it a gap in throw-weight, translated into a scenario in which one of two devasted countries after a series of nuclear exchanges ends up with a fraction more weapons. Rather, the decisive consideration in the Soviet perspective is the over-all military balance. Provided one has a sufficient ability to survive a nuclear attack and strike back with a certain level of viciousness, the key concern is with prosecuting war, and that involves something much beyond the refinements of nuclear strategy.

Not that the Soviet Union has ceased to worry about trends in the strategic arms competition. In a looser fashion, the Soviet leaders do apparently fear the twists and turn that the competition may yet take. They are concerned with the implications of cruise missiles and what the introduction into Europe of large numbers of these weapons, blurring the line between conventional and nuclear, will mean. They are beginning to stir at the prospect of a race in counterforce weapons. And, in general, they continue to watch warily for the new directions in which we, with our technological superiority, will push the nuclear arms competition. But these are concerns for the future, for SALT III, and the Soviet leaders do not feel them so acutely as we feel ours. For the moment, the two countries' anxiety over military trends is out of phase.

I have chosen not to address more directly the concerns that are usually debated, because I believe the problem runs more deeply. I could have made the case that, whatever our image of emerging Soviet superiority, the Soviet leadership does not share the same perception. I could have summarized for you the defects that the Soviet leaders see in the treaty. I could have reviewed for you the compromising the Soviet Union did to get this agreement, by way of disproving the impression that we have let ourselves be slickered. I could have commented on the faithfulness with which the Soviet Union keeps the contracts it signs or the likelihood that it wants an inadequately verifiable agreement. The reality in all these cases, I am convinced, is more reassuring than assumed by many of those who oppose SALT II or who would substantially rewrite it.

I did not because I think the factors that lead the two countries to view strategic trends and SALT II so differently—that make these agreements so controversial in our country and not in the Soviet Union—flow from far deeper considerations. Much of the trouble SALT II is in stems from our basic outlook, from the way we choose to define what counts in the nuclear balance, from the way we choose to define Soviet calculations, and, ultimately, from the way we choose to cope with the specter of nuclear war. Much of the trouble with SALT—and a challenge that we must deal with more effectively if the process is to come to really matter—stems from the fact that the Soviet Union does each of these things another way.

STATEMENT OF PROFESSOR DONALD S. ZAGORIA

Senator Church and Distinguished Members of the Committee:

As you continue your deliberations on the Salt II Treaty and the role of that Treaty in U.S.-Soviet relations, it is a privilege for me to be invited to present my views. As a student of Soviet foreign policy for three decades, and as one who has no illusions whatever about the nature of the Soviet system or about Soviet objectives in the world today, I have still felt uncomfortable with what I regard as the extreme views on the Soviet Union that often dominate our national discourse. On one extreme, Soviet power is frequently exaggerated and Soviet ideology is frequently confused with that of Nazi Germany. A "Chicken Little" school of American foreign policy thinks that the sky is falling down and that the

United States is powerless to reverse unfavorable trends. This school is nostalgic for the 1950s when the United States was the most powerful country in the world, and it seeks to turn the clock back to the situation that prevailed then when the U.S. enjoyed unquestioned military superiority over the Soviet Union. The Chicken Little school exaggerates the "Soviet menace." It minimizes the strength and vitality of the United States and the resources of our many friends and allies. It is incapable of devising a measured and discriminating response to the Soviet challenge. It confuses developments in Iran, southern Africa, Yemen, Afghanistan, Vietnam, and elsewhere, and sees only the Soviet hand behind all of the unfavorable trends in the world today. Instead of helping us to understand that the challenges we face in the Third World are varied and complex and cannot be met merely with guns and missiles, it encourages a mindless militarism. Generally opposed to SALT II, this school fails to tell us how the defeat of SALT and the escalation of the nuclear arms race will help to contain Soviet advances.

On the other extreme, the challenge of growing Soviet military power and the problems created by the Soviet offensive in the Third World are frequently minimized by the "so what" school of American foreign policy. This mindless anti-geopolitical school seems incapable of understanding that many of our friends and allies are adversely affected by changes in regional balances of power. Seven pro-Soviet communist parties have taken power or territory by armed force since the spring of 1975. Between 20,000 and 40,000 Cuban gendarmes are now in Africa with "guns for hire." To the extent that our friends and allies lose confidence in our ability to contain this offensive, they will be forced to reconsider their own foreign policy alignments. A substantial change in the foreign policy of Saudi Arabia, combined with the recent Islamic revolution in Iran, could, for example, imperil Western interests in the Middle East.

But rejecting SALT II is not the answer to this problem either. The challenge for the United States is to devise a steady, measured and broad response to these and other problems of foreign policy. But to do this, we must recognize first of all that many of these problems have been made or aggravated by our own erratic and indecisive national behavior in recent years. Many of the most serious problems we face in the global arena today are the result of a crisis of confidence in American leadership, a crisis that has spread throughout the world since Watergate, our defeat in Vietnam, and our continuing inability to meet some of our most pressing domestic problems. We can no longer afford the luxury of 102 different foreign policies, one for each Senator, one for the Department of State, and one for the National Security Council. Our first and highest priority should be to achieve some national consensus on a long range strategy.

We must recognize, secondly, that the world of the 1980s is different from the world of the 1950s. We no longer have, and are unlikely ever to regain, unquestioned strategic superiority over the Soviet Union. And, in many parts of the Third World, the Soviet Union has cleverly positioned itself on the side of parties and states that enjoy considerable support—in Rhodesia, on the side of the Patriotic Front; in the Arab world, on the side of the PLO against Israel; in the Persian Gulf, on the side of the rebels against conservative oligarchies; in Ethiopia, on the side of a government protecting the existing territorial status quo against internal dissidents supported by Somalia. Rejection of SALT II will not solve any of these problems. It will not help us to regain military superiority over the Soviet Union. Rather, it will lead us to a new and even higher level of the nuclear arms race, a level that will be much more dangerous because it will be out of control. And rejecting SALT II will not improve our position in the Third World. On the contrary, it will make our competition with the Russians in these regions fraught with much greater danger.

This is neither the time nor the place for me to spell out in great detail what I mean by a steady, broad and measured response to the problems we face in our dealing with the Soviet Union. To put the matter in shorthand, however, I would say that we need a policy that combines detente with containment. To achieve such a detente, the Administration must make two things clear to Moscow: first, that it will be to the Soviet advantage if they exercise greater self-restraint; second, that it will be risky if they don't. In the recent past, we have failed to provide the Russians either with positive or negative incentives for self-restraint. By foolishly imposing congressional restrictions on trade with the Russians, and by linking those restrictions to Soviet emigration policies—rather than to Soviet foreign policy—we have deprived ourselves of positive leverage on Soviet behavior. At the same time, we have not been able to demonstrate any kind of military or political response to Soviet activity in the Third World that might be a negative incentive for further Soviet advances.

There are three steps in particular that we need to take in providing Moscow with positive incentives for restraint. First, Congress should make the kinds of amendments in trade legislation that Senator Adlai Stevenson is now proposing. The effect of Stevenson's amendment would be to increase the President's flexibility to trade with Moscow and to use such trade for "linkage." Second, we should engage the Russians in preliminary discussions about regional security problems in various parts of the Third World. We cannot exclude the Russians from all negotiations on regional matters and then ask them for restraint in the regions. Finally, and not least important, we need to sign and to ratify the SALT II agreement as a symbol both of our desire to slow down the nuclear arms race and of our desire to pursue a more cooperative relationship with the Soviet Union. In sum, passing SALT II should be part of a larger strategic concept that makes it clear to Moscow that we, for our part, are anxious for a more comprehensive detente.

But along with the "carrots" there should also be some "sticks." The Senate, when it ratifies SALT II, as I hope it will, should warn Moscow in a "sense of the Senate" resolution that the United States will no longer accept a narrow and unreciprocal detente, and that future Soviet conduct in the Third World will influence the future development of detente, including the prospects for SALT III. And Moscow should understand that if it continues to conduct violent interventions in the Third World wherever the opportunity beckons, we will eventually be forced into consolidating our new relationship with China. In a word, the Russians must be forced to face a basic question. What is more important to them: a steady, stable and reasonably cooperative relationship with the United States, or a license to stir the boiling pot of the Third World, a license that will no longer be free of charge.

The case for SALT II, then, seems to me to rest on one very simple proposition. If we expect to make even modest progress in developing our political relations with the Russians and in getting them to exercise restraint in the pursuit of their overall foreign objectives, we must first obtain the needed strategic stability that only SALT can provide. Passing SALT is, in fact, a necessary precondition for devising a measured and broad response to the Soviet challenge in the world today. With it, we may be able to devise such a response. Without it, we have no chance. The absence of a SALT II agreement will make our competition with the Russians much more dangerous and even modest hopes for improving our political relations will be doomed.

But there is still another strong argument for SALT II that has not yet received sufficient attention. In our continuing competition with the Russians—competition that will continue as far into the future as we can now see—our biggest advantages are not in the military but in the non-military areas. These advantages are our economic and technological dynamism, our democracy which can count on genuine popular support, our ability to count on allies who join us freely, our society's openness, flexibility and ability to innovate, and our commitment to pluralism and diversity. In all of these respects, we have fundamental advantages over the Russians who, by contrast, have only one great strength—their sheer military might. And that is why, in pursuing their goals around the world, the Soviets rely primarily on their military power. They have very few other assets.

It follows from this that our long range political objective should be to lessen the military competition with the Russians and increasingly to divert that competition into areas in which we hold the lead and in which the Russians are behind and may never catch up. They can always match us in military power. They have demonstrated this during the past 15 years. By diverting massive resources away from their civilian economy, they can match, and perhaps, if we fell asleep, they can even surpass our military might.

But the Russians will have much greater difficulty in catching up to us in all other areas. Their economy is in serious trouble. Their technological lag continues. Their ability is motivate their own people to work harder and more efficiently is limited. Their ability to attract genuine allies rather than proxies or satellites will remain small. Consequently, by putting a cap on the strategic arms race in SALT II, and by moving in SALT III to cut those arms further, we will be diverting the competition between us into the economic, technological and moral arenas in which our advantage is incomparably greater. Can there be any doubt over the long run as to whose system—theirs or ours—is likely to prevail in protracted, peaceful competition?

Why, if this is the case, should the Russians be interested in SALT agreements? The answer, in my opinion, is not that they want to lull us. The answer, I believe, is that the Russians know even better than us how far behind they are the West in the economic and technological arena and they are determined to catch up there, too, just as they have caught up in the military field. But for them to have even the slightest chance of reducing the gap between us in these areas, they must begin to divert resources away from their massive military industrial complex and back into their civilian economy. For their great military strength is also their great economic weakness. They must soon pay much more attention to increasing productivity, to obtaining capital for investment, to increasing consumption, and so on, or their lag behind the West will grow even more. But to accomplish this goal, the Russians will need to change their present priorities. They will need to cut back on their huge military programs in order to catch up to the West in the non-military areas in which they are now so seriously behind.

In sum, in addition to our common interests in survival and in safely managing our competition, both we and the Russians have another reason for wanting to limit, and

eventually to reduce, our strategic nuclear arsenals. We want the Russians to divert their resources away from the military and back into the civilian economy in order to divert our competition into areas in which we are superior. They have a stake in diverting resources back into the civilian economy because, in the long run, that is their only hope of catching up to us as an economic, as well as a military, superpower.

Before I turn to some concluding thoughts, there is one other consideration that deserves to be weighed in the SALT balance. If the Senate refuses to ratify SALT II, at the same time that Western Europe, with American acquiescence, begins to sell arms to China, and at the same time that the West begins to trade with China on a rather large scale, the Soviets will conclude that Washington is forming an anti-Soviet alliance against it. There is already a good deal of suspicion in the Kremlin that this is in fact our policy. Rejecting SALT II while embracing China is the surest way to confirm these suspicions in the minds of the Kremlin leaders. If the Soviets do come to the conclusion that we are forming an anti-Soviet entente that includes Europe, Japan and China, they will be forced to react in some way that is bound to be profoundly destabilizing. They might even be tempted to take military action against China before such an entente emerges.

The best way for us to take advantage of the Sino-Soviet conflict that has been developing for two decades is to pursue a policy of equidistance or balance between Moscow and Peking. Such a policy would exploit our unique position in the triangle and make it possible for the United States to improve its relations with both the Soviet Union and China at the same time. Such a policy would be a major contribution to global stability. It would be a policy dictated by our own national interests. And it would be a policy warmly endorsed by our allies. A policy that tilts sharply towards China, on the other hand, would be a major contribution to global instability. It would not be in accord with our own interests and it would lead to great strains within our own alliance system. Yet rejecting SALT II at the same time that we are warming up relations with China will mean taking a giant stride towards such an unbalanced policy.

Finally, with all due respect to the members of the Senate and other distinguished Americans who oppose SALT II, I must nonetheless say that none of the arguments I have heard so far against SALT II seem very convincing.

To those who say that SALT II does not go far enough in cutting strategic arms, the answer surely is that this is an admittedly imperfect but necessary step in the right direction. To those who say that this agreement will lead to our strategic inferiority, the answer is that this agreement does not prevent us from developing any of the weapons systems such as the MX, Trident submarine, and air-launched cruise missiles that we may need to ensure parity. To those who say that this agreement does not include the Backfire bomber which could reach the United States, the answer is that it also does not include our bombers based in Britain which could also be used against the Soviet Union. To those who say we cannot trust the Russians, the answer surely is that we could trust them even less if there is an unregulated and unrestrained nuclear arms race.

Some opponents of the SALT II Treaty seem to believe that unless the Treaty is defeated, the necessary military programs that we need to deter the Russians will never be mounted. They see defeat of the Treaty as a kind of shock therapy for the American public. But the effect of defeating the Treaty is more likely to be to shock the Russians into higher and higher levels of military spending while we continue at our more modest pace. Thus, defeating the Treaty may have precisely the opposite effect of the one intended by these Treaty opponents.

Some Treaty opponents evidently oppose the Treaty because they do not like the general character of Soviet foreign policy in Africa, the Middle East and elsewhere. As I hope I have made clear, neither do I. But although we should take this opportunity to warn the Russians that detente is incompatible with many of their actions in the Third World, we cannot reasonably ask them to suspend those actions as a precondition for accepting SALT II. After all, the Soviets for their part, do not like the new relationship that we are developing with the Chinese. What would be our response if they sought to link SALT directly to our China policy? To impose a direct linkage between SALT and the general character of either Soviet or American foreign policy would mean that each side would have to accommodate to the other on matters of concern as a precondition for agreement on strategic limitations. Such a procedure puts the cart before the horse. We cannot hope to resolve matters in which our interests are divergent, as they are in various parts of the world, if we cannot begin by resolving matters in which our interests coincide, as they do on the need to limit the strategic arms race.

We have a genius in this country for oversimplifying complex problems. But sometimes that same genius leads to phrases that cut through all the complexities to the heart of the matter. I do not know who among your previous witnesses said that SALT II is a small gift horse which we should not look in the teeth, but he was certainly right. SALT II is neither a panacea nor a disaster. It is a step in the right direction and it is a precondition for a long range response to the Soviet challenge that we desperately need to develop.

STATEMENT OF ADAM B. ULAM

The treaty which is before you has been characterized by some as being essential to the security of the U.S., by others as posing grave dangers to it. There is, I believe, a general consensus that no strategic arms agreement can by itself guarantee our security. Weapons do not make wars; states do. What constitutes nuclear sufficiency or deterrence in a crisis lies not only in the objective data, but also in the eye of the beholder. And it does make a difference whether the beholder is a democratic society like ours, a small group of men making policies in secret and not subject to many external constraints, or a nervous ally of the U.S. whose statesmen are aware of how loath our leaders are, and rightly so, to incur even a slight risk of a nuclear confrontation. Hence it is regrettable that this country has allowed the Soviet Union to get ahead of it in certain categories of nuclear weapons. The current leaders of the U.S.S.R. are rational and prudent men, but those who come after them may not always be so. In any case our policies should be such as to give them every possible reason for additional prudence and restraint.

The treaty has been discussed mainly in terms of what it might do for our security in the most direct sense of the term: whether and to what extent it would safeguard the territory of the U.S. from a nuclear attack. Yet even under its most favorable interpretation the present treaty does not guarantee the security of our allies, nor our access to vital raw materials, nor some other elements which add up to national security in the broader, but essential, sense. Is the strategic arms agreement as currently framed likely to lead to more amicable relations with the Soviet Union, place restraints on its policies, and be productive of greater national security?

Here the record since SALT I has not been very encouraging. It was expected at the time that in addition to arms limitation, both powers would observe in their foreign policies a certain code of behavior which would inhibit them from encroaching on each other's vital interests. Hence SALT I was accompanied by a number of other agreements and declarations, the general purport of which was expressed in a statement signed by Messrs. Brezhnev and Nixon, the most salient part of which read, "The U.S.S.R. and the United States attach major importance to preventing the development of situations capable of causing a dangerous exacerbation of their relations. . . . Both sides recognize that efforts to obtain unilateral advantages at the expense of the other, directly or indirectly, are inconsistent with these objectives."

SALT I, it is said, made possible détente. The alternative to détente, it is added, is a relapse into the cold war. Whatever the causes of the cold war, and many people have some extraordinarily muddled ideas on the subject, it is instructive to reflect that at no period prior to 1972, with the exception of the Berlin crisis and the Korean war, had Soviet policies been as consistently expansionist, as purposefully designed to undermine Western interests and influence as has been the case during the last few years. Furthermore, Soviet actions on Berlin and in Korea could be rationalized to some extent by the fact that they affected areas and issues which the Soviets, by their lights, saw as crucial to their security. During the last few years, Soviet expansion and their search for "unilateral advantages" at the expense of the West, and of international stability in general, has been directed at areas where no crucial interests of the Soviet Union are involved. One can understand, if not justify, Soviet activities in the Near East—it is a region where historically the Russian state has long sought to obtain a foothold. But even old-fashioned imperialism cannot explain Soviet intrusions into Africa, South Yemen, and their support of the replacement of an already friendly regime in Afghanistan by an out-and-out pro-Soviet one. Economically such actions involve a not inconsiderable burden to the Soviet state. And so their only rationale must be that they undermine Western interests in those areas, and do harm to the prestige of the U.S. and its allies. . . .

What must be of even greater concern is the new character of Soviet intervention in, up to now, Third World areas. For long the Soviets have assumed the prescriptive right to license any conflict in a country whose regime is even mildly pro-West as a "war of liberation" and to provide the insurrectionists with arms and other supplies. Beginning with the mid-seventies this approach has been supplemented by large-scale (under the local circumstances) direct and open military intervention by the Soviet block forces, involving Cuban troops and Russian, East German, etc., officers.

Let me add hastily that there is no direct evidence of a causal link between the Soviet decision to intensify their anti-Western and destabilising policies and SALT I. In fact, as Communist spokesmen have themselves occasionally admitted, their changed tactics have been influenced mainly by what they perceive to be the growing political and economic weakness of the West, the energy crisis and recession, and the debilitating effects of Vietnam and Watergate on America's society, and hence its ability and determination to protect its own and its friends' interests abroad. But what has been happening since SALT I throws some light on one argument used in support of the present treaty; without it we would not be able to continue our hitherto quite satisfactory relations with the Soviets.

In making this point to some of my friends in the Administration I often encountered

the counterargument that by its very nature détente between the two such powers must imply a relationship partly competitive, and partly cooperative in its nature. The sad fact is that competition, if such it has been (quite often we scratched), has come mainly from the U.S.S.R., cooperation from the U.S. This country and other Western industrial nations have undoubtedly greatly helped the Soviets' economy at a time when its hitherto spectacular growth has begun to level off, by expanding their trade with the U.S.S.R., and by providing it with some of their most sophisticated technology. By contracting to ship great quantities of grain to the U.S.S.R., America has been helping the regime to avoid food shortages occasioned by periodically bad harvests, as well as by the inefficient organization of Soviet agriculture. When it comes to trade with the U.S.S.R., the distinction between goods with or without military significance is not very meaningful. Foreign help, by contributing to greater efficiency in any sector of its production or consumption, may enable the regime to divert more resources to military use. In addition to this direct help we assist the U.S.S.R. indirectly, but significantly, by credits to and commerce with the Soviet bloc countries. Without it the Soviet Union would have to shoulder at least part of the economic burden in shoring up the local Communist regimes.

There have been, in all fairness, some benefits to the West: expanded exports to the U.S.S.R. bring more jobs at home; increased contacts between Americans and Russians are valuable, and in the long run they may have beneficial political side effects; there has been some but rather marginal improvement in the way the regime has dealt with the dissidents. Yet on balance most of the benefits of détente have accrued to the Soviet Union, something I certainly would not begrudge it were not Soviet policies in practically every part of the world directed at undermining the position and interests of this country and of its allies.

The main premise behind those policies of the U.S.S.R. has been the assumption, alas for most part correct, that they have carried with them but little risk. Therefore, what must be of concern to us is not only the substance and verifiability of the treaty, but also whether through the process of negotiation and ratification this country will have been able to convince the Soviet leaders of the tenacity of its purpose; of its determination and ability to bar their further "efforts to obtain unilateral advantages" at the expense of the West. If the Kremlin becomes convinced of that, then the way indeed will be open for "the establishment of a more stable and constructive foundation for U.S.-Soviet relations." If it does not, and the present thrust of Soviet policies is allowed to continue, then, whether we do or don't have a strategic arms agreement, there is a high probability of our relations growing worse, and leading eventually to a dangerous confrontation.

STATEMENT OF GEN. RICHARD H. ELLIS

Mr. Chairman and Members of the Committee: I have been told the subject of this particular session of your hearings is the Soviet BACKFIRE bomber. A considerable amount of study over a long period of time has been expended at Strategic Air Command in an effort to better understand the BACKFIRE. Our analysis of its relationship to SALT II was undertaken in the context of the strategic force portion of the Treaty as a whole and of the entire US-Soviet strategic force relationship. My statement was prepared using this same comprehensive approach. Furthermore, since the security of our country, with or without a treaty, depends upon US strategic force modernization initiatives, I have also briefly described in my statement those things SAC believes must be undertaken. Finally, in the interest of time, I will read only portions of my statement. I believe you have copies of the entire statement and this summary.

SAC's interest in this Treaty is straightforward and relates solely to our mission of nuclear deterrence. We have two very basic questions:

The first question: During the life of the Treaty, will it be more difficult or less difficult to accomplish the objectives of our deterrent and emergency war missions with a Treaty utilizing the weapon systems we have and expect to have between now and the end of 1985?

The second question relates to the post-Treaty period: is SAC likely to be more capable of carrying out the objectives of its deterrent and emergency war missions during the post-Treaty period by reason of our country having abided by Salt II?

It is our assessment that during the period of the Treaty, SAC will have less difficulty executing its deterrent and emergency war missions with a Treaty than we would without a Treaty. Now the reasons for this positive assessment:

First, under the Treaty we will have approximately 250 less Soviet strategic delivery vehicles to contend with in our planning. Additionally, we undoubtedly would have a much larger number of Soviet weapons to consider in our planning if there were no Treaty.

Second: The Treaty places a limit of 10 warheads on each SS-18 missile or a total of 3,080 for the entire SS-18 force until 1985. In the absence of a Treaty, we believe the Soviets have the technology and production base not only to increase the number of SS-18s that could be deployed, but also to increase the number of weapons each SS-18 could carry during the 1980-85 time period. Additionally, such increases in SS-17s and SS-19s could also be achieved.

Third: the Soviets have follow-on modifications underway to existing fourth generation ICBMs, along with some fifth generation ICBMs under development, but under the Treaty they may test and deploy only one new system. Additionally, the Soviets undoubtedly have extra BACKFIRE production capacity but have agreed to limit production to 30 a year.

Fourth: under the Treaty it will be easier to verify Soviet actions than it would be without a Treaty. Our nation's current capability together with programs underway will preserve an ability to adequately verify Soviet activities. Whether "adequate" is sufficient for this Treaty could be a shaky judgment if taken in isolation. But when weighted with Treaty-imposed restraints that can be verified, I believe it is acceptable. However, the uncertain aspects of Treaty verification once again bring home the absolute requirement for more positive cooperative measures, including on-site inspection, if we are to expand qualitative limitations in SALT III.

Fifth, and most important, we are not restricted by the Treaty from doing those things we must in the way of strategic force modernization.

Now, to the second question regarding the performance of SAC's mission in the post-Treaty period. Our position in the post-Treaty period, from a war-planning and execution point of view, should be better by reason of having complied with SALT II because we will be better informed on the Soviet post-Treaty force structure and capabilities; and we will not be restricted from undertaking necessary modernizations. However, there are two areas of concern: the SS-18, the Soviet heavy modern ICBM which we are not permitted to duplicate, and the BACKFIRE bomber.

With regard to the SS-18, during SALT II we can expect the Soviets to concentrate on identification of methods for exploiting the enormous throw-weight available in the missile—almost twice that of the MX—in the post-Treaty period. The technology of fractionation is well known to the Soviets, and I expect them to progress in this area during the course of and within the limitations of the Treaty. The Soviet planner will also identify other techniques for utilizing this excessive throw-weight, such as accuracy improvements and increases in warhead yield. The question then becomes whether the US would prefer the Soviets to do them with an Agreement, or take the chance of them being done, plus fractionating and additional SS-18 deployments, without a Treaty. I choose the former with the hope that future negotiations will cancel out this clear Soviet advantage.

With regard to the BACKFIRE, I would echo the Joint Chiefs of Staff. This bomber has an intercontinental capability and should have been considered a strategic nuclear delivery vehicle. The promised production constraint can be monitored in peacetime, but whether the Soviets would use the BACKFIRE in a strategic role during a crisis is a matter for conjecture. The fact remains that in the post-Treaty period, the Soviets could have a force of some 300 or more BACKFIRES with which we will have to contend.

I am led to the conclusion that the SS-18 and BACKFIRE are central to the Soviet side of SALT II, and efforts to further constrain these systems could very likely delay the Treaty for an extended length of time or leave us with an incomplete Treaty during a period when Treaty constraints will be helpful—even necessary—to the strategic planner and commander.

Perhaps the most significant point to emerge from the nation's debate on SALT II has been the growing consensus on the need for US strategic force modernization. The best way to outline SAC's views in this critical area is to first comment on modernization programs now underway.

The Air-Launched Cruise Missile which will be integrated into our B-52G model force is now scheduled to go into production early next year. The ALCM promises to be a valuable supplement to our capability for the rest of this century.

We fully expect the ALCM-equipped B-52G to be employed in a "shoot and penetrate" role until 1985, at which time we recommend its transition to an all stand-off ALCM carrier. The B-52H model will be upgraded to ensure it has the ability to penetrate until the late 1980s. Then, SAC recommends that it, too, be converted to an ALCM stand-off carrier role, thereby permitting us to delay the costly introduction of a new cruise missile carrier until the 1990's.

President Carter's recent decision to authorize full-scale engineering development of the MX missile is encouraging. A basing decision is now required and, further down stream, a timely production decision.

Preliminary work on an advanced strategic-manned penetrator for the 1990s has just started and we will watch progress with interest.

At this point in time, the programs I have just described appear to be an effective hedge against the strategic threat projected for the post-1985 period . . . when these systems, plus the TRIDENT, will be entering the force in operational numbers.

I would now like to turn to the period before these new systems are available in the necessary quantity—1980-85—a timeframe when the US is very likely to lose strategic equivalence with the Soviet Union.

Several agencies have looked at various alternatives to offset the serious threat in this period of uncertainty during the early 1980s. SAC believes the most promising so-

lution is the early modification of 185 FB- and F-111s into FB-111B/Cs with new engines, enlarged weapon capacity, and sharply increased range capabilities. This option would not only help in the early 1990s, but also replace the B-52s as they are phased out of the penetration role in the post-1985 period.

In closing, Mr. Chairman, the Treaty you are considering will be helpful to the SAC Commander. However, it must be realized that SALT II, or any reasonable modification thereof, can in no way be regarded as an alternative to strategic modernization. The modernization requirement matured during the past few years as we began to understand the full meaning and impact of the Soviet strategic buildup. Depending on what the Soviets do in the future, the Treaty can perhaps reduce the magnitude of our modernization, but the necessary minimum strategic modernization requirement has already been identified and is not coupled to approval or disapproval of the Treaty.

Thank you.

STATEMENT OF GEN. JAMES E. HILL

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to discuss the Soviet BACKFIRE bomber and its effect on the North American Air Defense Command within the context of the Strategic Arms Limitation Treaty.

First, let me say I unequivocally support the concept of arms control and the philosophy of strategic arms limitations. This arms control agreement with the Soviet Union is a step toward the establishment of equal aggregates from which balanced and phased reduction can occur. Adjustments to force structure by the Soviet Union, as well as by the United States, must be made to achieve the levels of equality described by the Treaty. And the United States must, of necessity, be prepared to defend against those offensive forces that do and will exist. This, of course, will force a reevaluation of our defensive forces and strategies but one which will be able to be made in the context of agreed upon specifics.

The SALT II Treaty, in the short term, appears neither to improve nor to degrade the ability of the North American Air Defense Command, Norad, to perform its atmospheric defense mission. The Treaty does bring into focus some significant considerations peculiar to Norad which involve our atmospheric defense capability, especially as it relates to the Backfire bomber.

At the outset, let me state our basic Norad atmospheric defense missions. The first is to provide surveillance and control of the airspace of Canada and the United States; second, to provide warning and assessment of an air attack; and third, to provide appropriate response against air attack.

I will discuss the capabilities of the Backfire bomber and our present ability to defend against it, some implications that SALT II has for the atmospheric defense mission, and finally outline what we need to do to improve our atmospheric defensive capabilities.

For a number of years the Soviet Strategic Long-Range Aviation (LRA) force has included the four engine turboprop Bear and the four engine jet Bison. This force consists of about 150 aircraft. The LRA also has about 30 Bisons that are configured as tankers. These tankers can refuel the Bear, Bison, and Backfire bombers.

We at Norad view the Soviet bomber force as a more formidable threat with the introduction of Backfire. I would have preferred to see the Backfire treated within the formal constraints of SALT II; but in any case its capability and its availability are factors we must consider in the formulation of our atmospheric defense strategy. Although there is some disagreement in the intelligence community about the operational characteristics of the Backfire, even the most conservative estimates acknowledge its capability to reach the continental United States and Canada in an operational mode. Without aerial refueling, it is clearly capable of flying from Soviet Arctic bases across virtually the entire United States and Canada on one-way missions with recovery in third countries. With refueling, the Backfire could achieve similar target coverage and return to its home bases. On missions to Canadian and northern US targets, Arctic staging and tanker support would enable the Backfire to use supersonic dash or to fly low to avoid radar detection. All Backfire aircraft apparently are either equipped for, or actually carry, air refueling probes.

As the Chairman of the Joint Chiefs of Staff: has testified, the Backfire will be limited to a production rate not to exceed 30 aircraft per year. Over 100 Backfires have been produced to date, and we believe that the LRA force will eventually include several hundred Backfires.

In addition to Backfire production, the Soviets may be in the process of developing a new long-range bomber to replace the Bear and Bison. Since 1974, Soviet officials have, on several occasions, referred to such developments. If such a program is underway, this new bomber could appear in the early 1980s.

We at Norad have examined the SALT II Treaty in view of this trend in Soviet bomber modernization. The Treaty specifically spells out strategic systems limitations. The multiple, independently targetable reentry vehicle (MIRV) limits of the treaty provide for an aggregate of 1320 MIRV intercontinental ballistic missiles (ICBMs), sea-launched ballistic missile (SLBMs), air-to-surface ballistic missiles (ASBMs) and long-range cruise missile equipped heavy bombers.

Since the Treaty restricts the number of MIRV ballistic missiles to 1200, an attractive strategic expansion option for the Soviet planner, and one which is relatively inexpensive, would be the introduction of a long-range cruise missile equipped bomber force of at least 120 aircraft. Should the Soviets select this option, it will complicate significantly our ability to defend against a Soviet air attack, due to both increased weapons and standoff tactics.

Our national policy does not give major priority to strategic defense in general. The United States relies on a strong strategic offensive force to achieve deterrence goals. Strategic defense policy has changed since the 1950s and early 1960s when we had numerous fighter interceptor squadrons. The mid-1960s brought strategic defense resource reductions which were attributed to a shifting emphasis in military priorities, as well as budget constraints. This change in emphasis culminated in a policy guidance memorandum from the Secretary of Defense in March 1972. As a result of this change in policy our fighter interceptor force today stands at 315 aircraft. These interceptors are essentially the same aircraft we had in 1958—F-106s and F-101s, now augmented by some TAC F-4s and a few F-15s, and thus this fighter force is inadequate to stop a large determined attack. We have seen similar reductions in all atmospheric defense systems. In the past 20 years, Norad has been reduced 70.3 percent in long-range radars; 61.7 percent in Distant Early Warning Line radars; 83.3 percent in control centers; and 75.2 percent in manpower.

Given the dramatic decline of our atmospheric defense forces, the present Soviet force of 150 Bear and Bison bombers, even without Backfire augmentation, could pose a real threat to North America. It also provides greater flexibility for Soviet selection of strategic options and a usable strategic reserve force. The continued production of Backfire and development of new heavy bomber systems demonstrates continuing force modernization efforts in Soviet long-range aviation. We need to continue with our conversion to the Joint Surveillance System (JSS), to become operational in 1981, for peace-time sovereignty of North America; however, in view of the Soviet force modernization, it is essential for our warfighting capability that we rely on the Airborne Warning and Control System (AWACS) and a modernized fighter interceptor task force. In order for our fighter interceptor force and the AWACS to be responsive to an incoming threat, it is essential that we upgrade our long-range tactical warning system with the planned Over-The-Horizon-Backscatter radar (OTH-B) and Enhanced DEW Line (EDEW).

In view of the ongoing developments in the Soviet bomber force which includes the continued production of the Backfire, the options afforded the Soviet planner, and our very limited air defense capability, I believe that a reevaluation of our national policy for atmospheric defense is now required.

Thank you for the opportunity to appear before the Committee.●

ENERGY OVERVIEW

● Mr. GRAVEL. Mr. President, I think that we would all acknowledge that our Nation is facing a serious energy supply problem at the present time. President Carter has emphasized this problem time and time again in speeches, legislation, and private conversations. The Congress, since 1973, has passed at least four major pieces of legislation to solve our energy problems. But, Mr. President, the problems continue. In 1973 we faced the Arab oil boycott following the formation of the Organization of Petroleum Exporting Countries (OPEC) and for the first time Americans learned what gas lines were all about.

Recently, due to a combination of international events, we have been faced with another apparent shortage of fuels for our automobiles, homes, and offices. This at a time when just months ago we were talking about the world "oil glut." But, Mr. President, the international situation is not the sole cause of our energy problems as some would have us think. Over the past several years we have contributed mightily to our own problems. We have time and time again tried to legislate our way out of our energy problems. Our solution to inadequate supplies has been to layer on more and more Government. Mr. President, it is clear today that more Government is not the solution to the problem.

Mr. President, I have been searching for the answers to our energy supply problems. In my search I have read articles and books by many authors of diverse opinions. In my reading I have not come across any better explanation of our problem than that presented by Mr. Jude Wanniski in his book "The Way the World Works: How Economies Fail and Succeed." In this book Mr. Wanniski provides us with the historical perspective to view our current problems and sets forth a framework within which to resolve our crises of energy production. I strongly recommend this book to my colleagues seeking light in the dark forest of our energy situation.

Mr. Wanniski is a former editor of the Wall Street Journal specializing in political economies and energy. He has been named the "petroleum writer of the year" in 1976 and is currently president of Polyconomics, Inc., an advisory organization to corporate and financial clients.

Polyconomics, Inc., has recently distributed to its clients an article by Jude Wanniski analyzing our current energy problem and President Carter's recent proposals. It is highly critical of the President's proposals and suggests that his program constitutes a surrender in the moral equivalent of war. I recommend this article highly and ask that it be printed in the RECORD.

The article follows:

ENERGY OVERVIEW

(By Jude Wanniski)

The Carter energy plan, to tax $140- to $200 billion out of the domestic energy industry to finance a crash, government synthetic-fuel program, stands as the most serious threat to the U.S. economy. Adoption would approach the seriousness of the 1929 Crash on dollar-denominated financial assets, although the decline would be masked by inflation. As in the 1929 adoption of the Smoot-Hawley Tariff, Big Business and Big Labor support this autarkic measure. As in 1929, the U.S. Senate is the best hope to block the move. The President clearly does not understand the nature of the global energy problem, which results from government impediments to exploration—in the United States, but more especially in the Third World. Even a small change in foreign and domestic policy toward exploration incentives would end the global energy problem and reveal the colossal inefficiencies of synfuels, which is why the private capital markets will not finance synfuel projects.

The most astonishing thing about President Carter's 10 days at Camp David, struggling to find a solution to the nation's energy problems, is that he moved farther away from understanding the nature of the problem. Like the fanatic who doubles his speed when he loses sight of his goal, the President concluded that only massive intervention by the federal government could solve the problem when it is precisely the energy and economic policies of the government that have created the problem. The discouraging outcome of Camp David seems less astonishing when we consider that for all his talk of having consulted a broad cross-section of American society during these deliberations Mr. Carter did not meet with a producer of any kind. Not an oil producer. Not even a farmer. He met with Democratic politicians, labor leaders, environmentalists, preachers, favorite corporate managers, obsolete Keynesian economists, stars of the news media, selected bankers, and state and local bureaucrats. The only energy "expert" consulted was Atlantic Richfield's Thornton Bradshaw, popular in the White House these days for having endorsed the "windfall profits tax" that ARCO no doubt imagines will finance the conversion of its vast coal holdings into synthetic oil and gas.

If there were a serious chance the President could find the support in the country and in the Congress to implement his program, there would be serious cause for alarm. Taxing $140 billion out of the private sector (to use the President's figure) to finance a synthetic-fuel, solar energy program in the next decade would so decrease the efficiency of the stumbling U.S. economy that the stock market would have to sharply discount the value of the U.S. capital stock; the ensuing recession cum inflation would further insure Jimmy Carter's departure from the White House.

The program is not likely to get anywhere in Congress, despite the early, perfunctory applause from Democratic congressional leaders, for the simple, basic reason that the President has no mandate to sustain it. Neither in his 1976 election nor in the 1978 congressional elections were the voters asked to consider and ratify such a grandiose government energy scheme. Indeed, in the 1976 Presidential election, President Carter was identified with government decontrol of energy and private-sector solutions. President Ford, although he did not beat the drums for it, was still identified with Vice President Rockefeller's $100 billion program of subsidies for energy alternatives. The 1978 congressional elections provided sharp gains for free-market candidates over government interventionists, especially in the Senate.

The Senate is where the President's energy program will unravel. In its instant analysis of the Carter energy speeches, the national press pointed out that Congress was "already ahead" of the President in legislating a mammoth synthetic-fuel program as well as the "windfall tax" revenues to finance it. But beneath the surface movement, the whole idea of an emergency energy scheme had been running out of gas. President Carter knew this, which is the chief reason he conceived of the Camp David theatrics.

There was an extraordinary vote on synthetic fuels on June 26 in the House of Representatives, a vote that created an artificial sense of vast support for synfuels. In 1975 and 1976, conservative free-marketeers and liberal environmentalists had combined to thwart the Rockefeller synfuel scheme in the House. But on June 26, with Washington, D.C., at the peak of the gasoline crunch that had rippled across the nation and had members of Congress in a panicky mood, House Democratic leaders whipped up an amendment to the Defense Production Act of 1950 that set as a goal the procurement of 2 million barrels a day of synfuel by 1990. Without hearings, with almost no debate, and with pleas by the leadership to strike this blow for energy independence prior to the Fourth of July, the House approved the amendment by 366-to-25. Even Rep. Richard Ottinger of New York, who had led the environmental assaults against the Rockefeller scheme, was swept up by the emotions of the hour and voted for the amendment.

The delight of the synfuel forces lasted only two days. On June 28, the "windfall profits tax" legislation came to the House floor from the Ways and Means Committee. It is the permanent excise tax on the domestic production of conventional petroleum that the President envisions raising $140 billion for his energy scheme, somehow selling the idea that this would be a tax on oil, not people. Given the public's angry identification of the gasoline crunch with the petroleum industry, the Ways and Means tax seemed like a juggernaut, and the anti-tax forces made no direct attempt to kill it. Instead, they put their energies behind a weakening substitute drafted by Democrats Jones of Oklahoma, Santini of Nevada and Republicans Moore of Louisiana and Brown of Ohio, the "Jones-Moore" substitute. The measure did not seem all that "weakening" on the surface.

The Ways and Means bill would have taxed real, as opposed to nominally inflated, increases in the world price of crude oil by 70 percent. The substitute cut this to 60 percent. But there were two important provisos. Instead of a permanent tax, it would be temporary, ending in 1990. More importantly, in its second year, it would annually permit a 2½ percent real increase in the world oil price before the tax would bite. Only if the real price of oil rose at a greater rate in the 1980s would the tax yield any revenues on newly discovered oil. Proponents of the measure were eminently aware that the world price of oil in dollars has risen largely in nominal terms since 1974, with OPEC price hikes merely offsetting inflationary U.S. monetary policy. As Laffer has pointed out, in the four years ending in December 1978, the real price of OPEC oil fell by 20 percent. Unless the real price would balloon in the 1980s, an event that would imply Global Depression, domestic producers would have this 2½ percent cushion to stay ahead of the tax collector and the revenue bonanza the President contemplates would wither.

The strategy behind Jones-Moore went further, though. If there is to be a tax bill in this session of the 96th Congress, it will be drafted in the conference committee of the Senate and House sometime this fall, or perhaps even later. There is no way Chairman Russell Long of the Senate Finance Committee relishes the idea of taxing $140-to-$200 billion out of the domestic energy industry in the 1980s to finance a government Synfuel Scheme. And unlike the Ways and Means Committee, which has been stacked with liberals since the departure of Wilbur Mills, Senate Finance is laden with Democrats who are in harmony with Long's thinking. But even if Long could work his magic in the Senate in hobbling the Synfuel-tax scheme, he would have to compromise with the House in conference, and he did not want to have to compromise with the Ways and Means version of the tax. If Jones-Moore could get a respectable showing, Long could at least argue in conference that the sentiment in the House was not as punitive as the Ways and Means version implied. He will have more to work with than that, for Jones-Moore was accepted by the House by the decisive vote of 236-to-183. The Jones-Moore strategists toasted each other in a champagne celebration the evening of June 28. The House Democratic leadership, particularly Ways and Means Chairman Al Ullman, had been whipped. These events signalled to the President an inevitable path of defeat unless he could conjure up something dramatic that would give him a grip on the Senate. Camp David followed.

It will soon be clear that Camp David did not succeed and in a way may have worked against the President. He did, after all, heighten public discussion about the energy issue to a level above the clogged service stations. And tempted to be bold, he placed that incredible pricetag of $140 billion on his program.

The major oil companies who see themselves as recipients of this largesse, either in peddling their coal to Uncle Sam—like ARCO and Exxon—or in getting government contracts to build synfuel plants, have applauded the program. So has George Meany of the AFL-CIO, who sees all that work for the building trades at cost-plus. We can also expect the National Association Manufacturers to do the same calculations, especially those companies which believe they are in good position to bite into the apple.

But that $140 billion will rattle around in the head of the electorate as the play unfolds on Capitol Hill. And the environmentalists have been roused again with the vision of dozens of synfuel plants pouring fumes into the atmosphere. Senator Proxmire calls the Synfuel Scheme the "SST of the Eighties," and can be counted upon to lead the charge against it in the Senate. Senator Gravel of Alaska, a liberal Democrat on Senate Finance, is alarmed at the implications of the windfall tax on his state's petroleum industry and vows to filibuster against it. Senator Ribicoff, Connecticut Democrat and member of Senate Finance, who is retiring next year, has been steadily becoming more outspoken against the idea of taxing domestic production. The mood of the committee at the moment is to exempt the taxation of newly discovered oil altogether, to exempt stripper oil, and to exempt small producers—up to 1,000 barrels

per day, perhaps. With luck, the tax can still be beaten altogether.

This scenario does not take into account the grim determination and resourcefulness of the forces behind this mammoth tax and spending scheme. The parallels with 1929 are almost eerie. Fifty years ago exactly a Great Engineer was in the White House as the Smoot-Hawley Tariff Act was making its way through the legislative mill. The same "self sustain" autarkic forces that were behind the industrial independence of the Fortress America are now behind the Carter plan of energy independence. Big Business and Big Labor backed Smoot-Hawley, which would shut out foreign imports with a massive tax. Now, the President would hold crude imports to 1977 levels with a quota, imposing the tax internally, and Big Business and Big Labor eye the pork barrel. At this point in the summer of 1929, it still seemed as if the internationalists would win. October of 1929 is when it became clear that they had lost, thus causing the great Crash of 1929. Should the present Great Engineer win a similar victory for autarky in 1979, the difference would be in a less palpably dramatic stock market crash. In 1929, the United States still held to a monetary standard, so all declines of value were real, there being no inflation. Now, with no monetary standard to keep U.S. monetary authorities in check, inflation masks the decline in stock values. Crashes take place quietly. In the last 18 months, relative to gold, the value of dollar-denominated financial assets has crashed by 50 percent. The OPEC price increase of 50 percent this spring did not lead the price of gold, but trailed it. The price of oil in dollars is not set by OPEC, but by the U.S. monetary authority.

As Laffer has also pointed out, the Swiss monetary authority sets the price of oil in terms of Swiss francs, and between December 1973 and December 1978, the world price of oil in Swiss francs fell more than 40 percent, to 20.6 S.Fr. per barrel from 34 S.Fr. per barrel. We did not hear the Swiss complaining that the OPEC cartel had conspired to lower the price of their oil.

"Oil is found in abundance only if a great many people are looking for it at once in all sorts of unlikely places." Ruth Sheldon Knowles, In "The Greatest Gamblers."

The chief reason why there is an energy crisis in the world is not that insufficient numbers of people are looking for oil and gas in the United States, although the policies of the federal government certainly discourage domestic oil and gas exploration. The chief reason is that insufficient numbers of people are looking for oil and gas outside the United States, because the policies of foreign governments discourage domestic oil and gas exploration by many people searching in all sorts of unlikely places. This fact, which could change tomorrow or a year from now or five years from now, discourages the capital markets from financing the development of synthetic fuels, for an unanticipated change in foreign policies toward domestic oil exploration could instantly bankrupt all private synfuel schemes with a flood of inexpensive, conventional oil and gas.

Liquid petroleum that comes out of a man-made hole in the ground under its own pressure constitutes only 1 percent of all the petroleum in the earth's crust. The rest is "heavy," the shales and tar sands that must be extracted at great expense. If you took all the liquid petroleum produced from all the wells drilled on earth since the first, at Titusville, Pa., in 1859, and poured it into one lake of oil it would not seem so much.

If the lake were, say, the surface acreage of the city of Chicago, roughly 227 square miles, the 330 billion barrels the earth has yielded so far would fill the lake to a depth of only 300 feet. The estimated global petroleum that could be recovered at current price and technology would fill the lake to a depth of 2,000 feet.

Even this amount may seem worrisome, until we add in a number of important facts. In 120 years, about 3,200,000 oilwells have been drilled into the planet's crust. Of this number, 2,400,000 were drilled in the continental 48 states of the U.S. and most of these in the "oil patch." The rest of the world has been relatively unexplored, most especially the recent colonial nations that now constitute the bulk of the Third World.

DENSITY OF PETROLEUM DRILLING (AS OF END OF 1975)

[Per square mile]

Country or regions	Wells	Exploration wells
United States	0.98	0.20
U.S.S.R.	.15	.029
Canada	.053	.011
Western Europe	.019	.0094
Japan	.021	.0039
Australia and New Zealand	.0016	.0032
South and Southeast Asia	.0067	.0031
Latin America	.0021	.0029
China, P.R.	.010	.0022
Middle East	.0083	.0017
Africa	.0031	.0014

Source: Bernardo Grossling, U.S. Geological Survey, Reston, Va. "The Future Supply of Nature-Made Petroleum and Gas, Technical Reports," Pergamon Press, New York, 1977.

Of the 645,500 exploratory wells drilled on earth to the end of 1975, 616,000 or 95.4 percent were drilled in the developed world. Africa, Latin America, South and Southeast Asia and China have barely been scratched. The United States accounts for 482,000 of the exploration wells, 74.7 percent of the total, and 34.9 percent of the oil in that imaginary Chicago lake of oil. The reason is not simply that the U.S. has had the skilled manpower, technology, capital and market, but that it has had a government conducive to exploration, a stable government that has protected the property rights of its private landowners. And the landowners have possessed the mineral rights to oil discovered on their property. The indigenous exploration industry could develop here because individual explorers could lease the mineral rights from private landowners and drill, with the sure knowledge that he and the landowner would possess any oil discovered, and that high risk would be matched with high reward. Americans collectively benefitted by having the oil for their use. In addition, the U.S. government did not hoard land in the name of the collective interest, but sold the majority of western lands at $1.25 an acre in order to encourage settlement. Where this pattern was not followed, there has been scant exploration. The U.S. government, for example, "owns" more than 90 percent of Nevada's 100,000 square miles, and Nevada has been relatively untouched by oil exploration. Alaska, too, has been relatively untouched by oil exploration, and increasingly the environmentalists, with the eager assistance of President Carter, are keeping it this way, by closing off public lands to mineral exploration of any kind. The North Slope field, the second largest field discovered in the U.S. (next to East Texas), covers an area of only 400 square miles in a state of 566,000 square miles.

In most of the Third World, even where there are relatively stable governments, the conditions that brought forth multiple exploration of the United States are not present. Governments either keep title to most of the land or to the mineral rights of privately-owned land. Or, the progressive taxation of individual incomes is so confiscatory that should a native landowner possess mineral rights, he could not find native capital and labor willing to explore the land, for the government would confiscate the rewards through taxation. Governments will lease lands to the major international oil companies to explore, but in most cases the companies will look only in those places where there is the greatest probability of finding oil, where seismology can at least hint at probable finds.

Most oil cannot be tracked by seismology, for like the East Texas field, it is trapped in complex geology and will yield only to myriad explorers taking long shots. One rule of thumb among the international oil companies in going into unstable Third World countries is that you must try to recapture all costs in the first tanker of oil that leaves the country, on the historically reasonable assumption that the remainder will be nationalized or confiscated via taxation.

Madagascar, off the Southeast coast of Africa, is almost the size of Texas, and lies in one of the world's largest sedimentary basins where oil is likeliest to be found. Prior to 1975 the French controlled the island and there was no exploration, possibly because the French believed that if oil was discovered they would be pitched out. Since 1975, the government has been wary of the international oil companies, and vice versa, with the upshot that only 83 wells have been drilled on the island.

The point is that enormous amounts of conventional oil is sitting out there waiting to be discovered, and will be once governments around the world—including the U.S. government—are prepared to match the high risks of exploration with commensurate rewards. And here, President Carter wants to tax between $140 and $200 billion out of the domestic industry in the next decade, at the same time he is shutting off more and more government lands to exploration, in order to finance synfuel projects that can, at best, produce a dribble of oil with high costs to the environment. This is done in the name of energy independence, to free us from OPEC's alleged ability to set prices. Yet as Rep. David Stockman of Michigan has pointed out, even if by some miracle the government can produce 2½ million barrels a day of synfuel by 1990 it will still not be able to control the world price to any degree. This is because the synfuel supply will go into the world's base supplies of oil, and a country can only influence the world price if it can control the marginal supply. If, in other words, the U.S. were willing to shut down the synfuel plants when the world oil price got too low and crank it up again when the price got too high, it could influence the world price as the Texas Railroad Commission used to do, by regulating the output of the Texas oilfields. "Just one million barrels per day of reserve synfuels capacity would cost nearly $100 million per week to maintain idle, even at today's optismistic estimates of capital costs," says Stockman, the leading expert on domestic and global energy economics in the Congress. The same effect can be accomplished by a storage program "for substantially less that $1 per barrel in annualized storage and net interest costs."

The chief case against energy alternatives, including solar energy, is not that they will not free the U.S. from OPEC's pricing—since OPEC's pricing is only a function of U.S. monetary policy anyway. The chief reason is that the global and domestic potential for nature-made petroleum and gas is so enormous that synfuels will be uneconomic well into the next century and perhaps beyond. It is not a question, as Exxon's Clifford Garvin intimates, of having the government provide early start-up capital for synfuels (Exxon owns 9 billion tons of coal it would like to unload to Uncle Sam's synfuel plants, which Exxon would also like to build under contract.) If, in the 1960s, the U.S. were to only slightly increase the rewards for domestic exploration, or if a feeble attempt were made by Third World governments to

do likewise, the relative price of oil in the world would resume its historic decline. The U.S. would then either be forced to scrap the uneconomic synfuel system or drain the rest of the economy through taxation for an interminable period in order to keep them operating.

In microcosm, the problem is precisely the same as that of the proposed natural-gas pipeline from Alaska to the Midwest, which President Carter accuses the Alaska oil companies of dragging their feet on. At the most optimistic estimates, the pipeline would cost $10 billion, and the gas delivered in Chicago would cost $3.50 per thousand cubic feet (mcf). The pipeline can't be built because no investor can count on anyone buying $3.50 gas five or 10 years from now. Should a supply-oriented President and Congress be elected in 1980, and government controls lifted from the production and pricing of natural gas at much less than $3 per mcf, by the Department of Energy's own study of 1977, the so-called MOPPS study that was suppressed by the Carter administration. Mr. Carter now proposes to chip in $1.5 billion to such a pipeline project, but even that will not do the trick. As Stockman has also pointed out, through 1974 "97 percent of the non-North American natural gas resource base had yet to be disturbed by a production-well bore. Nor was this potential resource negligible in dimension. The remaining natural-gas resource base outside of North America may total 1.4 trillion barrels equivalent, a quantity of energy equal to four times all of the crude oil that has ever been produced." Because the domestic price of natural gas has been held down by government control for 25 years, almost all domestic exploration has aimed at finding crude oil, not gas, which implies that a freeing of the natural gas price would produce serious exploration in the continental U.S., and this cleanest of fuels would be produced in such quantity that it would not only displace nuclear and coal as serious competitors, but also reduce demand for imported crude.

The Alaska pipeline could only be built if the government promises to buy $3.50 (or $4 or $5) gas that it transmits, when there are plentiful supplies at $2.25 (as MOPPS indicated), paying the difference out of general revenues. The only alternative would be to force the Midwest customers to pay the tab through regulated utility rates, but Midwestern commercial and farming interests would become marginally uncompetitive with areas not so bound, with explosive political implications.

How astonishing that President Carter would wrestle with the energy issue for three years, and 10 days at Camp David, and understand none of this. Worse, he does not seem to have any concept of the dimensions of the problem, the plan or the economics. During the 10 days at Camp David, the New York Times editorials and news columns, as well as those of The Wall Street Journal, warned of the enormous costs of synfuel and the limited payout, even under the most optimistic scenarios. With great luck, the scheme may yield 1 million barrels a day by 1990, these newspapers reported after consulting the leading experts in the field. Yet decontrol of crude prices, without a windfall tax on domestic production, would yield an additional 2 million barrels per day by 1985, according to testimony before the Senate Finance Committee by the Independent Petroleum Association of America. The calculations, based on historic relationships between price, exploration and finding rates, have not been challenged by the Department of Energy.

The Carter plan thus stands as the greatest threat to the economy, at the present moment, an opinion shared in the gold market as witnessed by the run-up to more than $300 in its price. The inflation thus implied will continue to melt dollar-denominated financial assets, and if the worst elements of the plan are enacted by Congress, even nominal values will decline on the stock markets. As in 1929, the Senate is the nation's best hope.

It will not be easy for the Senate to resist. Democrats and Republicans who have been held down by tightening budgets for several years now view the excise tax on domestic production as a windfall for themselves, to hand out in big batches. Here is just a smattering of how it works, from Bruce Bartlett, a Senate staff member, writing in the August 6 issue of Inquiry:

Senator HENRY JACKSON has come up with his own energy bill that would, among other things, authorize $5 billion to build fifteen synfuel plants. In order to spread the wealth around and attract cosponsors JACKSON made a point of specifying the following projects:

$550 million for the Solvent Refined Coal 1 project in Kentucky (supported by Senators WENDELL FORD and WALTER HUDDLESTON);

$700 million for the SRC II project in West Virginia (supported by Senator ROBERT BYRD);

More than $1 billion for high- and low-BTU coal gasification projects in Ohio and Louisiana (supported by Senators HOWARD METZENBAUM and BENNETT JOHNSTON);

Geothermal plants now tentatively set for Idaho, California, and New Mexico locations (supported by Senators FRANK CHURCH, ALAN CRANSTON, and PETE DOMENICI);

$300 million in loan guarantees for an urban and industrial waste conversion plant (supported by Senator BILL BRADLEY of New Jersey); and

$250 million for a new fuel-cell demonstration program pushed by United Technologies Corporation of Connecticut (supported by Senator LOWELL WEICKER).

Big Business and Big Labor can only see the first-order effects of such largesse, which benefit them as individual entities. They cannot see the colossal drain on the economy as a whole, which will drag down the standard of living for all Americans, themselves included, as the Tariff did in the 1930s.

We can only hope that unlike 1929, the Senate will hold against these narrow interests. As Stockman put it, in his important essay in the Fall of 1978 Public Interest:

"The decision to eschew an economic policy of trading on the world market for the 90 percent of the non-U.S. oil and gas resource base that remains to be developed in favor of a cramped, inward-looking policy of autarky may prove to be the most costly national error of the last half of the twentieth century—if it is not soon reversed."●

INDUSTRIAL WASTE RECYCLING

● Mr. HEINZ. Mr. President, on June 6, INMETCO—The International Metals Reclamation Co., Inc.—located in Ellwood City, Pa., was formally commissioned and presented to the public. INMETCO is an exciting new recycling plant which represents a dramatic breakthrough in its application to certain industrial problems. Briefly put, INMETCO recycles wastes from specialty steel plants. In doing so, it first eliminates a major solid-waste disposal problem; second, conserves energy; and third, uses coal as its major energy source, thus helping to relieve our dependence on foreign oil.

I am proud that this $30 million pilot plant is located in Pennsylvania, and believe it will increasingly have wider use in the steel industry throughout the country. As I understand it, the process can be applied not only to specialty steel production, but also the much larger volume carbon steel sector.

The July 2, 1979 edition of Iron Age includes an informative article on IN METCO, which I commend heartily to my colleagues. I ask that it be printed in the RECORD.

The article follows:

STAINLESS STEEL RECOVERY USES COAL-BASED REDUCTION

(By George J. McManus)

A coal-based direct reduction process has been unveiled by International Metals Reclamation Co., Inc. (INMETCO).

Part of a whole new system for handling steel mill waste products, the process is of interest for several reasons. First, coal has never been used in a commercial direct reduction process in the U.S. Since steelmaking is tied to coal, the horizon of direct reduction has been limited by the dependence of successful processes on natural gas.

The second big point is that the new system offers promise of handling the waste products now piling up at steel plants. Precipitators, bag houses and scrubbers are collecting large quantities of fine oxide material. The INMETCO process is designed to reduce this material and also to get rid of lead and zinc contaminants.

Owned by Inco United States, Inc., INMETCO has located its first plant at Ellwood City, Pa. The plant is strictly for the waste products of specialty steel producers. Flue dust, grinding particles and the like are pelletized, reduced and smelted. The refined metal is then cast into stainless steel pigs and returned to the producers.

Initial production of 25,000 tons of alloy is taken from 50,000 tons of alloy. The quantities retrieved initially are: 4 million pounds of nickel a year; 9 million pounds of molybdenum; and 32 million pounds of iron.

These values are not recovered without quite a bit of trouble. INMETCO has spent $30 million on its 18-acre facility. Located near Pittsburgh in what was once a U.S. Steel pipe mill, the new plant has four separate feed systems for the different kinds of waste. Two more systems convey the refining agents—coal and limestone.

All the ingredients are blended together and pelletized. The pellets are fed to a rotary hearth furnace where they are reduced. "We have a 95 pct metallization of the nickel and iron," says R. T. Grant, president of INMETCO. The furnace has a reducing atmosphere, but coal in the pellets plays a major role in heating and reducing the metallics.

The chromium is not fully oxidized. For the final refining, the pellets are smelted in a Lectromelt furnace. Out of this comes liquid stainless containing 18 pct chrome and 8 pct nickel. The metal is cast into pigs for shipment to producers.

The alloy application of the new process is important, but the big potential lies in the carbon steel field. It's estimated that 13 million tons of iron bearing waste products are generated every year by steel mills in the United States and Canada.

The mills are under pressure from the environmental agencies to stop dumping the wastes, but efforts at recycling have faced numerous difficulties. Much of the material is in the form of fine iron oxides. These will blow out of furnaces if charged directly.

There has been a great deal of work on agglomerating techniques. Oxide pellets have been charged in both iron and steel furnaces. The contaminants can be trouble in both cases. And the melting of oxides takes a large amount of heat.

In any case, the tonnage producers are taking a long look at INMETCO's process. "We have done pilot plant work on carbon

steel," says Mr. Grant. "The direct reduction process is of interest and we are discussing this with producers."

In carbon steel application, the smelting phase of INMETCO's operation could probably be skipped. People are now charging metallized pellets in electric furnaces. As has been said, the rotary hearth at Ellwood City converts iron oxide to 95 pit metallic iron.

While it is reducing, the hearth can also get rid of the two big contaminants. "The lead and zinc can be volatilized," says Mr. Grant. Apart from purifying the iron, he notes, the system captures a potentially salable lead-zinc oxide.

At Ellwood City, INMETCO is handling the wastes from a number of specialty steel producers. For carbon steel, Mr. Grant indicates the quantities are such that an on-site plant would probably be dedicated to a single steel company.

The idea of a reduction plant to handle mill wastes has been discussed in the past. A central plant was proposed for the Chicago area at number of years ago. Capital costs were so high that a number of steel companies had to be involved to provide enough volume. It was never possible to work out an agreement that suited all the companies.

Mr. Grant sees no difficulty in scaling a reduction plant to the quantities of a single plant. "There's a nice payback," he states. One reduction plant might serve several company operations in the same general area, he adds, but long distance hauling of wastes is not practical.

"Transportation costs are prohibitive."

There is very definite interest by tonnage steel companies in the INMETCO system. While the interest centers on waste products, steel people would like very much to find a way of reducing iron ore with coal.

The most successful direct reduction process now in use employs natural gas. In this country, the limited supply of natural gas has discouraged wide use of solid state reduction.

"Coal is the way to go," says a top technical man.

He adds that many questions will have to answered before any coal based reduction process can be considered feasible for tonnage production. If low sulfur coal is needed, there will be supply restrictions. The availability of low silica ore and the ash properties of coal all have to be considered.

In past cycles, the price of scrap was an important factor. Every time people got steamed up over direct reduction, the price of scrap fell and interest waned.

There are those who feel we are entering a phase where reduced iron must be viewed as more than a substitute for scrap. "If you get serious about this," says the technical man, "you have to forget about scrap. You're going to overwhelm the scrap supply anyway."

By serious, he means a program that would base half the steel industry's capacity on direct reduction and electric furnaces. There is already some movement in this direction. At its Pittsburgh Works, Jones & Laughlin Steel Corp. is now replacing blast furnaces with electric furnaces. Bethlehem Steel Corp., Republic Steel Corp. and Crucible Steel are all in various stages of programs that would do the same thing.

In part, this activity is based on the belief that scrap will be cheap more often than not. At the same time, it's realized there could be too much of a good thing.

"There's a finite limit to the U.S. capacity that can be based on scrap," says T.C. Graham, president of Jones & Laughlin.●

REGULATORY IMPACT STATEMENT ON SENATE JOINT RESOLUTION 77

● Mr. HEFLIN. Mr. President, on July 10, 1979, the Committee on the Judiciary reported Senate Joint Resolution 77, a resolution which set aside the week of July 16 as U.S. Space Observance Week.

Through an oversight, the report filed on Senate Joint Resolution 77 did not include a regulatory impact statement, as required by rule 29.5 of the Standing Rules of the Senate.

Mr. President, in accordance with rule 29.5 of the Standing Rules of the Senate, the committee does not consider that enactment of Senate Joint Resolution 77 would have any regulatory impact.●

ADDITIONAL STATEMENTS

NUCLEAR SAFETY: A MUST

● Mr. BAYH. Mr. President, the Senate's deliberations this month on S. 562, the annual authorization for the Nuclear Regulatory Commission, marked the first time in years that the issues surrounding nuclear energy have been aired fully in this Chamber. No doubt, the length and quality of our debate were stimulated by the shocking events last spring at Three Mile Island, when a series of mechanical failures and human errors made a once obscure nuclear generating facility an international symbol of the dilemmas posed by unleashing the atom.

The promise of nuclear energy has always been clear—it is a clean, domestic source of energy that has, until recently, been a relatively efficient and cheap means of generating electricity. Yet the dangers associated with nuclear energy have not been as well understood as the advantages, nor received the attention they merit. These include safety and design defects at operating facilities; unpublicized releases of radioactive emissions; unanticipated mechanical and operator failures; the possibilities of terrorism; the need to store nuclear wastes for centuries; an issue which is still unresolved even as storage pools at nuclear facilities fill up; the costs of damaged plants and replacement power; accidents during transport of nuclear wastes; and our lack of preparation for evacuation of populations surrounding nuclear facilities in the event of accidents.

The Senate's action on S. 562 demonstrates that despite diverse views on the wisdom of heavy reliance on nuclear energy, all of us agree that if we are to have nuclear energy at all in this country, it must be made as safe as is humanly possible. S. 562 represents a first step in this direction. The outcome of pending investigations of Three Mile Island, and the Senate's study of safety related issues in general, will dictate future actions.

Mr. President, the jury is still out on Three Mile Island. The President has appointed a Commission to investigate the incident. Both Houses of Congress, as well as the NRC, are also studying the accident there. Yet, even without benefit of the results of these investigations, several lessons are already clear.

One nuclear accident can have potentially horrendous implications.

Despite the "defense in depth" strategy of the nuclear industry—which provides that each plant have a multitude of back-up systems to cushion the failure of a major system component—modes of failure are possible that have never been anticipated or analyzed, and current plant operators and engineers are unprepared to deal with them.

Emergency evacuation procedures, as they now stand, are woefully inadequate and can be critical in the event of an accident.

A conflict of interest exists when a utility, responsible only to its stockholders, is left to manage an accident with no need to involve public officials.

The NRC has not been vigilant in enforcing Federal safety standards.

Widespread design and safety problems exist at operating plants throughout the country, many of which the NRC has moved to shut down in the past few months as a result of the glare of public scrutiny.

No equitable system exists for assigning financial responsibility for damaged plants or replacement fuel costs.

No satisfactory procedures exist for responding to a nuclear accident.

Mr. President, that these realities pose unacceptable risks is acknowledged by both supporters and opponents of nuclear power. There are 70 nuclear power plants licensed for operation in the United States at this very moment. Another 94 are under construction, and 34 additional applications for construction permits are pending. Two of those under construction are in my State. One is sited in close proximity to a major metropolitan area.

The other has been ordered to halt construction in safety areas because of repeated quality control problems associated with concrete pours. In addition, just last week, allegations about noncompliance with American Society of Mechanical Engineers codes for the piping and plumbing system of this plant surfaced.

Mr. President, more than 20 million Americans now live within 30 miles of a nuclear powerplant, and 10 million live within 20 miles. Studies indicate that a catastrophic release of radiation from a nuclear powerplant could extend as far as 18 to 29 miles downwind from a reactor. Failure to evacuate such an area for 24 hours could mean death to half the exposed population. Yet, at the present time, 39 nuclear powerplants are licensed to operate in States without approved emergency evacuation plans. Ten more are under construction in such States, my own included.

The Senate has taken the first, minimal steps to reduce the risks inherent in nuclear energy by including a host of safety-related provisions in S. 562.

S. 562 requires all States with operating nuclear facilities to have an approved emergency evacuation plan in place by June, 1980 or face a shutdown of these facilities.

S. 562 requires the NRC to promptly develop a contingency plan for dealing with nuclear accidents.

S. 562 requires the NRC to promptly propose legislation to the Congress giving itself clear authority to make decisions at a plant during an emergency.

S. 562 requires utilities to notify the NRC immediately of any actual or likely accident.

S. 562 requires the NRC to establish a means of direct communication with a plant during an emergency.

S. 562 requires the NRC to promptly recommend a means for remotely monitoring safety and radiation equipment at licensed plants.

S. 562 requires an analysis of NRC communication problems with the Three Mile Island facility by January 1980.

S. 562 requires the President to promptly develop a national contingency plan to be triggered in the event of a nuclear emergency.

S. 562 requires the NRC to promptly issue regulations on acceptable population density around new powerplants.

S. 562 requires the NRC to promptly recommend to Congress a plan for improved training, retraining and licensing of reactor operators, with special emphasis on emergency response training.

S. 562 requires onsite NRC inspectors at all operating facilities by the end of fiscal year 1981.

S. 562 increases civil penalties for violations of safety standards from $5,000—an insignificant amount to a utility trying to cut corners—to $100,000 per violation and removes the ceiling on penalties for violations repeated over time.

EXTENSION OF CRIMINAL PENALTIES FOR SAFETY VIOLATIONS

In assessing the committee's work, Mr. President, it seemed to me that these steps were absolute requirements for minimizing the risks to the public stemming from nuclear generating facilities. Yet, in thinking long and hard about the question of nuclear safety, it seemed to me that the one thing which might do more to assure strict compliance with safety standards than any other option was the extension of personal liability to those who knowingly and willfully violate safety standards.

Mr. President, when somebody intentionally sets out to do bodily harm to another person, our system of justice holds that individual responsible by setting strict criminal penalties for such behavior. The Congress has adopted this principle in a number of safety statutes currently on the books—such as those dealing with toxic substances, or drugs, or air and water quality—by insisting on criminal penalties for those who knowingly violate public health and safety standards designed to prevent the poisoning of our water supplies, soil and air by careless disposal of the byproducts of our industrial society. Given these precedents, in statutes which deal with less dangerous risks than those intrinsic to nuclear power, I felt it made good commonsense to extend similar penalties to those who knowingly violate safety standards established to protect the public from risks associated with nuclear power.

Therefore, Mr. President, when S. 562 was on the Senate floor, I offered an amendment, which subsequently passed the Senate by a vote of 60–32, which extends criminal penalties of up to $25,000 per day, and up to 2 years in jail, to anyone who knowingly violates Federal safety standards for nuclear powerplants, uranium enrichment facilities, or reprocessing facilities. The amendment also levies fines of up to $50,000 per day, and as much as 2 years in jail, for a second violation of safety standards. Similar penalties were included in the 1974 Reorganization Act, setting up the NRC, when it passed the Senate, but were dropped in conference with the House. I very much hope that the conferees on S. 562 will see fit to retain these provisions in conference.

Mr. President, if nuclear energy is to play any role at all in our future energy mix, the public must be convinced that nuclear facilities will be safe. By extending criminal penalties, or personal responsibility, to those whose job it is to assure compliance with safety standards, we will have added a strong incentive for complying with Federal standards. We simply must say to the utility company executives and construction company officials, who are building these plants, that if they intentionally violate safety standards, they will be personally liable for a large sum of money and, perhaps, even may go to jail.

MORATORIUM ON NUCLEAR POWER

Mr. President, in the wake of Three Mile Island, there were suggestions that all nuclear powerplants should be shut down. In response to increased public interest and scrutiny, the NRC took it upon itself to halt operation of several plants with obvious design problems, and to order immediate safety related changes at others. Further, the Commission adopted an informal moratorium on issuing new construction permits or operating licenses in order to review the events at Three Mile Island and consider what, if any, modifications should be made in pending applications.

It is my view, Mr. President, that to ignore known safety hazards is to irresponsibly hide one's head in the sand. Testimony by Babcock & Wilcox employees to the President's Commission on Three Mile Island indicates that they warned their supervisors of the possibility of a Three Mile Island type incident, but were ignored. One of the most painful disclosures about Three Mile Island has been the revelation that exemption of the plant from new safety standards, developed after it received its construction permit, increased the odds of that accident occurring. Given the stakes involved, Mr. President, I believe that all facilities—those in operation as well as those in the pipeline—should be subject to whatever new standards evolve as a result of current Three Mile Island investigations.

During consideration of S. 562, Senators KENNEDY and HART offered an amendment to stop the NRC from issuing any new construction permits for 6 months, until the major investigations of Three Mile Island were completed and NRC had upgraded its safety regulations. This amendment was defeated. Opponents of the amendment argued it would be a "body blow" to nuclear energy, and would set back our efforts at energy independence.

Mr. President, I disagreed with this assessment. The future of nuclear energy in this country will largely depend on individual Americans having enough faith in the safety of nuclear facilities to accept them in their communities. I felt the 6-month pause in issuing new construction permits was a prudent, responsible course of action. It would have given us a chance to absorb what we have learned over the past few months, so that we can avoid potential hazards in the future.

In the years I have been in the Senate, Mr. President, I have come to understand the pressure that builds up to continue with a project as is, once the first spade of soil has been turned and the first dollar invested. While I have not supported a shutdown of operating nuclear plants, because of the economic disruption such a shutdown would involve, I felt that a 6-month pause in approving new construction permits was a good compromise: It would have caused little, if any, disruption, but could have resulted in safer plants down the road.

Scrutiny of NRC records since Three Mile Island indicates that we have come very close to perilous accidents at a number of facilities, due to design errors, equipment malfunctions, lack of quality control and effective oversight of both operating facilities and those under construction, as well as procedural and operator errors. These revelations led me to support the 6-month pause in new construction permits, so that future plants would be required to incorporate the lessons learned from Three Mile Island and mishaps at other facilities. While I am disappointed that the Senate did not go along with such a pause, I welcome the NRC's informal moratorium on permit and licensing actions, and hope the NRC will not return to business as usual, but will be mindful of preventing future accidents by subjecting applicants to rigorous requirements dictated by the Commission's study of Three Mile Island.

NUCLEAR WASTE FACILITIES: STATE'S RIGHTS

During consideration of S. 562, Mr. President, the Senate addressed a long festering issue associated with nuclear energy: Federal policy on nuclear waste disposal.

Last fall the administration issued a long-awaited Interagency Task Force Report on the question of disposal of nuclear wastes. This report recognized the need for a dialog between the Federal Government and the States over disposal decisions and, in fact, pointed to local opposition to such facilities as one of the most serious obstacles to solution of the nuclear waste problem.

In attempting to come to grips with this question, Mr. President, the task force developed the concept of "concurrence," meant to draw the States into siting decisions and prevent Federal action against the wishes of a State targeted for a disposal facility. The report stated that the Federal Government would not go ahead with a project with which a State did not concur after participating in a lengthy consultative process.

Mr. President, the administration was content to let the matter rest there.

Since then the General Accounting Office has indicated that in their judgment, Federal legislation is necessary to give the "concurrence concept" any teeth. In the absence of further Federal initiatives, many States have moved ahead to limit Federal siting prerogatives within their borders. This situation has created great uncertainty for utilities about the options available to them for storage, and heightened the public's concerns about disposal facilities, as well as their resistance to accepting facilities in their States.

Mr. President, we cannot afford to delay on this issue any longer. Wastes from our military weapons and research and development programs have been accumulating for 30 years, and now exceed 20 million cubic feet—enough to cover four highway lanes with 10 inches of waste for almost 100 miles. In addition, there are also about 4,000 metric tons of commercial nuclear powerplant spent fuels. DOE expects that by the year 2000 about 98,000 metric tons will be accumulated. This situation cannot continue without some resolution of the nuclear waste issue.

Mr. President, a June GAO report on nuclear waste siting concluded that previous attempts to site waste facilities have failed mainly because of public opposition, and not because of technical problems. As a result of past Federal efforts to locate and evaluate sites, which took place without adequate consultation with the public, there is understandable resistance on the part most Americans to having a waste disposal site in their community. I can understand this feeling from personal experience, having myself learned suddenly in 1976 that several sites in my own State were candidates for one of six repositories then being considered by ERDA. My reaction at that time to ERDA's announcement was the same as that of my affected constituents: I would do all I could to resist making Indiana the site of a waste disposal facility until I could be satisfied, without a doubt, that such a facility would be absolutely safe. At that time, ERDA made no efforts to respond to my concerns, or those of other Hoosiers. The situation was ultimately resolved by a change in administration's and Federal policy on nuclear waste storage.

Mr. President, there will be no public acceptance of waste disposal facilities, and thus no resolution of the waste disposal issue, until the public is brought into the decisionmaking process. As of this winter, nine States had enacted legislation that could prohibit waste repository siting. Nineteen other States had enacted, or were considering legislation, asserting lesser degrees of State control. These actions represent a real public concern, which must be addressed. GAO reports indicate that past resistance to disposal facilities has not been based on either the need for repositories, or the concept of geologic disposal. Rather, it has been based on opposition to specific sites, selected by the Federal Government, with no advance consultation or communication with local residents or officials.

It is clear that we cannot permit this situation to continue without resolution. Failure to resolve this problem has made it impossible for utilities to plan for their storage needs with any precision. At the time, Government inaction has heightened public concern about the safety issues surrounding waste disposal facilities.

Mr. President, the Senate last faced a vote on the role of the States in waste disposal siting decisions in 1977. At that time, Senator MCGOVERN offered an amendment giving States an outright prerogative to ban all disposal facilities from their borders permanently. At the time, committee members and administration officials urged defeat of the amendment, arguing it was irresponsible—because it raised the spectre of all 50 States rejecting a facility—and promised that a nuclear waste policy, recognizing the legitimate role of States and localities in siting decisions, would soon make its way through the normal congressional procedures.

At that time, Mr. President, I acquiesced in these arguments because I believed that the Senate would soon take up legislation on this issue that had had the benefit of committee consideration. I did this with considerable reluctance because my own State had suddenly, with no advance warning or consultation, been listed as a potential disposal site, only several months earlier. Yet, Mr. President, it seemed to me a reasonable position at the time. A new administration had just assumed office and was in the process of reevaluating the Nation's nuclear policy. Our committee chairman seemed anxious to develop a waste disposal policy in concert with the President. ERDA officials assured us that there would be no more surprises with respect to siting decisions and that State wishes would be respected.

Mr. President, it is now 2 years later. We still have made no progress on the nuclear waste issue, but have only an ambiguous and uncertain interagency task force report. We have had no legislation reported out of committee. We have growing skepticism and resistance among the States with respect to siting of waste facilities. It is these factors, Mr. President, which argued so forcefully in support of the amendment which the Senator from South Dakota, Mr. MCGOVERN, offered as an amendment to S. 562 this year.

As written this year, Mr. President, the McGovern amendment was designed to give statutory form to the administration's concept of State concurrence. Under the McGovern amendment, which was rejected by the Senate, any State under consideration for a nuclear waste disposal site could request the convening of a task force, comprised of the Governor and appropriate Federal, State, and local officials. The purpose of the task force would be to give the States and localities an opportunity to influence and interact with Federal officials with responsibility for site selection and evaluation.

This approach would have given Governors and other State and local officials a formal role in the site selection process, and enabled them to suggest and negotiate alternative disposal methods and sites if they had concerns about those put forth by Federal officials. It would have involved them in decisionmaking on all aspects of the siting process. It would have given them a chance to become fully educated about a proposed facility, and relay what they learned to those citizens most affected. It would have given them the opportunity for participation and concurrence in the fullest sense of those words.

Finally, Mr. President, the McGovern amendment would have put some teeth into the "concurrence concept" by formally establishing a State veto, rather than leaving the States dependent on a vague pledge, by this administration, to abide by their wishes. Under the McGovern amendment, if an impasse occurred during the prescribed consultative process, the Governor could file a report with the NRC stating his or her State's objections. In this case, the Federal Government could not proceed with a project unless the State's objections were addressed. The final resolution of this issue would have rested with the State legislature, which could overturn or affirm a Governor's decision on rejection or acceptance of a facility.

Mr. President, this year I decided to support the revised McGovern amendment for several reasons. First, because I felt it was necessary to send a signal to the administration and our congressional committees that it was time for action. We simply cannot afford to let our wastes keep piling up, in ever greater amounts, without making progress on the scientific and institutional problems that have prevented permanent off-site storage to date.

Second, I supported this amendment because it seemed a considerable improvement over the version offered in 1977. Senator MCGOVERN's 1977 State veto amendment gave States a blanket right to ban all disposal sites—no matter what the peculiar attributes of any specific project. The amendment offered by my colleague from South Dakota this year was considerably refined, and tied a State veto to a specific project, after a long consultative process. It seems to me, Mr. President, that if a State's concerns about a project cannot be relieved after a process such as this, the Federal Government has no right to go ahead and foist that project down the throats of the citizens of that State.

Finally, Mr. President, it no longer seemed premature to enact a State's rights provision. The administration's own Task Force Report supported the concept of a State veto over nuclear waste disposal facilities. Nuclear waste legislation introduced this year recognizes the need for States to concur in projects before they are built. And there is no doubt that resolution of this issue, one way or another, is necessary in order to permit sensible planning by our Nation's utilities and safe handling and storage of current wastes. Mr. President, I urge the appropriate Senate committees to recommend legislation, recognizing the legitimate and important role of the States in siting decisions, to the Senate at the earliest possible date.●

NOMINATION OF PAUL A. VOLCKER AS CHAIRMAN OF THE FEDERAL RESERVE BOARD

● Mr. GARN. Mr. President, in connection with the Banking Committee's consideration of Paul Volcker as Chairman of the Federal Reserve Board, I have received a statement from Kenneth White, president of the Virginia Taxpayers Association, in opposition to Mr. Volcker's nomination. The Virginia Taxpayers Association was organized 6 years ago as a broad based organization working to reduce government taxes and spending at all levels of government. As such, the association is part of of the fast growing, nationwide taxpayers movement. In view of the interest of the Virginia Taxpayers Association in Mr. Volcker's nomination, particularly its concern about the effects of Federal Reserve policies on inflation, I wish to insert in the RECORD the following excerpts from Mr. White's statement:

EXCERPTS FROM MR. KENNETH WHITE'S STATEMENT

We are firmly convinced there can be no informed consideration of inflation without covering the all-important role of the Federal Reserve System, which Mr. Volcker has been proposed as the head of. The President of the Federal Reserve Bank of St. Louis, Darryl, R. Francis, admitted on May 22, 1974 in a speech in Minneapolis that the growth of the money supply, which the Federal Reserve supposedly regulates, "has been the primary cause of the acceleration in the average rate of inflation."

More bluntly, the noted atuhor and financial analyst, Dr. Martin Larson, in his 1975 book, "The Federal Reserve and Our Manipulated Dollar", said of the Federal Reserve ". . . by financing the huge deficits of the federal government and emitting a flood of fiat currency, it has created and continues to create irrepressible pressures for inflation, which, unless curbed and terminated, will bring this nation to economic ruin."

The question before this committee today is whether the President's nominee, Mr. Volcker, will in fact do anything to prevent the Federal Reserve from continuing to create these irrepressible and intolerable pressures for inflation, and we submit the record shows that he will not, and therefore should not be confirmed as Chairman of the Federal Reserve Board.

The Associated Press news story of July 26 announcing Mr. Volcker's nomination stated that: "While at Treasury, he helped to engineer the two formal devaluations of the U.S. dollar in 1971 and 1973 . . ." In other words, the Associated Press is openly telling us that Mr. Volcker as Undersecretary of the Treasury for Monetary Affairs deliberately helped to destroy the value of our dollar.

It appears clear to us that a chief task of the Chairman of the Federal Reserve Board ought to be not only to stop such record increases in the money supply as occurred in the week ending June 6, but to plan for an orderly phasing out of unredeemable Federal Reserve Notes and an orderly phasing in or a constitutional currency in which Americans and all the rest of the world could justifiably have confidence. While Mr. Volcker undoubtedly has a great deal of experience, unfortunately his kind of experience is the opposite of what is needed today, and despite his recent "conservative rhetoric" there is no real evidence in his record that he is interested in the goal of a constitutional currency. We need instead the competence, ability and true statesmanship of the kind displayed by the late renowned Louis T. McFadden, a successful Pennsylvania banker and for 12 years chairman of the U.S. House of Representatives Committee on Banking and Currency, whose historic and penetrating analysis of the Federal Reserve System on the floor of the House on June 10, 1932 has been reprinted many times.

The Associated Press story that was referred to earlier says that the 1971 and 1973 devaluations which Mr. Volcker helped to engineer were "forced on the United States because of its weakening position in the international economy." Members of this committee are well aware that instead of being "forced on the United States", the basic 1971 monetary situation was in fact brought about by the Federal Reserve System, by Mr. Volcker and the other senior officials in the Treasury Department, and by the reckless deficit spending of Congress.●

LIFE INSURANCE COST DISCLOSURE

● Mr. METZENBAUM. Mr. President, both the Washington Post and the New York Times have recently editorialized on a subject of great importance to the American consumer, life insurance cost disclosure. Both papers cite a major report released this month by the Federal Trade Commission. The Commission has documented the return whole life policyholders earn on the savings elements of their policies: An average of 1.3 percent. The Commission report—which is to be commended for both its rigor and its objectivity—carefully analyzes existing disclosure systems as instituted in a number of States. The report concludes that they do not provide consumers with the information necessary to evaluate cash value insurance as a savings vehicle or to compare dissimilar types of insurance policies.

Life insurance cost disclosure is not a new subject for the Subcommittee on Antitrust, Monopoly and Business Rights, which I chair. Under the leadership of the late Senator Philip Hart, the subcommittee conducted extensive hearings on this issue. In May of this year, the subcommittee renewed its investigation. Testimony was taken from government, consumer, academic and industry witnesses, as well as State regulators.

I believe that consumers—who spend $34 billion a year on life insurance—are entitled to know the rate of return on the dollars they save through this medium. I believe they are entitled to be given the basic information necessary to make intelligent decisions when they insure their lives. Although the States have had many years to act, not a single one yet requires rate of return disclosure.

I believe that Federal minimum standards are necessary to insure that consumers receive the information they are entitled to. I will soon introduce legislation to require full disclosure to every purchaser of life insurance of the true costs of this product, including its rate of return.

Mr. President, I ask that these editorials be printed in the RECORD.

The editorials follow:

THE WHOLE TRUTH ABOUT LIFE INSURANCE

Would you put your money in a savings account paying 1.3 percent interest? According to a new Federal Trade Commission report, that's just about what many Americans do in purchasing life insurance. Life insurance companies hold more than $140 billion of the public's savings—roughly the amount held in passbook savings and loan association accounts—and generally pay returns far below the rate available in equally secure investments. The only plausible explanation is that policyholders don't realize how raw a deal they're getting. By the commission's reckoning, and ours, the most sensible solution is tough disclosure rules for life insurance companies.

The problem concerns "whole" life insurance. That is the most popular form, involving savings as well as insurance. In 1977 only about half of every insurance dollar was used to pay for death benefits and company expenses. The rest was socked away in insurance company investments on behalf of the policyholders or returned to them as dividends.

The holders of some of the policies examined by the Federal Trade Commission were paid a return, on the investment portion of their premiums, that was comparable to what they could have earned in the bank. But most policies, particularly those first written in the 1950's and early 1960's, paid far less. And virtually every purchaser of whole life insurance who allowed the policy to lapse within five years of purchase earned no interest at all.

Buyers can, of course, avoid the problem by avoiding whole life insurance and putting their savings in a bank. However, if people insist on buying whole life insurance—and more important, if agents insist on selling it—then it is only reasonable that they be required to disclose the true rates of interest. That would permit comparison shopping, or at least give buyers some idea of what they are buying.

In 1976, the National Association of Insurance Commissioners—the organization of state insurance regulators—prepared a model disclosure code for the states. But it is inadequate, providing no means to compare the interest return on individual policies or the return on whole life with other investments. The Federal Trade Commission thus argues for major changes.

The F.T.C.'s whole-life recommendations carry no legal weight; the McCarran-Ferguson Act delegates all insurance regulation to the states. But Americans spent $34 billion on life insurance in 1977. The market is so large and the inequities are so great that cost disclosure is imperative. If the states won't protect the consumer, there will be a strong case for Congress to do it for them.

"SAVINGS" IN LIFE INSURANCE

Talking of life insurance the other day, FTC Chairman Michael Pertschuk told a Senate committee, "I think it fair to say that no other product in our economy that is purchased by so many people for so much money is bought with so little understanding of its actual or comparative value." That is a harsh indictment, especially when you think of the products on the market. But a report by the FTC's staff indicates there is some truth in it.

The report claims that the rate of return paid on what it calls the "savings" of holders of whole-life policies was between 1.2 and 1.85 percent in 1977. Those numbers are very small, even though the return is tax free, when they are compared with the rates paid on savings by banks, savings and loan associations, and other places where money is invested.

The catch, of course, is that the life-insurance companies do not propose to be investment houses or to deal in savings. They insure you against death and, they argue, the cash values and annuity payments many

policies build up if you live long enough are only incidental to that insurance.

The FTC study tries to break the premiums that are paid on certain kinds of policies into what is actually required for life insurance and what goes into forming those cash values and annuities. It is on this latter category—what the staff calls "consumer savings"—that the rate of return works out to be less than 2 percent.

Regardless of what you call it, the amount of money involved is huge. At the beginning of 1978, the study says, the life-insurance companies held more than $140 billion in "consumer savings," about the same amount as that held by savings and loans in passbook accounts. Of every premium dollar, about 15 cents is paid out in death benefits, another 30 cents goes for overhead, and the other 55 cents goes into the savings component.

Mr. Pertschuk's complaint is not that this happens but that the insurance companies don't give prospective customers enough information to compare one company or one policy with another or to compare one kind of insurance with other kinds of investments. There are wide differences, he says, between companies and policies, but the average consumer doesn't have the mathematical tools to figure them out.

His conclusions and those of the FTC study are remarkably similar to those reached in years past by committees on both sides of Capitol Hill. It is time for Congress and the state governments, which have the prime responsibility for regulating insurance companies, to act on them and make sure that consumers have as much information about the life insurance they buy as they do about bonds and other securities.●

SYNFUELS AND THE ENVIRONMENT

● Mr. ROTH. Mr. President, the administration proposes to spend $88 billion for a massive synthetic fuels program in order to reduce our dependence on imported oil. I am concerned what these 10, 25 or 50 synfuels plants will do to the environment, to clean air and clean water, to the carbon dioxide levels in the air we breathe.

Last week down at the White House, I asked the President what his $88 billion synfuels corporation was going to do to the environment. He, in effect, said,

No problem, my Energy Mobilization Board will take care of it.

But you just cannot be all things to all people on this issue. You cannot repeal the Clean Air Act to build synfuels plants. And the Energy Mobilization Board, as proposed by the President, only gets you a quicker "No" or "Yes." When the 1977 Clean Air Act Amendments were debated up here, we had much discussion on areas of the country, mostly out West and in the national parks, where air quality is better than national standards require. One of the principal goals of the 1977 amendments was to protect these "pristine" areas in our country. The 1977 amendments and the States under their implementation plans have designated many of these pristine areas as class I areas where only very small increases in emissions are permitted and where major new powerplants are virtually prohibited. In fact, 113 out of the 154 pristine areas protected by the 1977 Clean Air Act are out West.

Now it just so happens much of our coal and oil shale resources are also out West, and that also happens to be where the President wants many of his 50 synfuels plants.

Each synfuels plant mines 25,000 tons of coal a day and uses up huge quantities of clean air and clean water.

In short, what we have here is an irrestible force meeting an immovable object, and I do not mean Congress and the President. I mean synfuels and our clean air. But nowhere in the President's program can I find out what he has in mind for the Clean Air Act.

Earlier this week, the Governmental Affairs Committee, of which I am a member, heard several distinguished scientists warn about the dangers of carbon dioxide buildup in the atmosphere resulting from the President's synfuels plants.

A year ago in June, a blue-ribbon panel of medical, environmental, and engineering experts reported to the President on the impact of increased coal use.

They listed the following six environmental issues as requiring "urgent attention":

(1) Public health effects of coal burning;
(2) Coal miner health and safety;
(3) Global effects of carbon dioxide in the atmosphere;
(4) Acid rain fallout in the northeastern U.S.;
(5) Toxic chemicals in coal mine wastes; and
(6) Reclamation of lands.

Again, I have heard nothing from the administration to address these issues in its synfuels program.

DOE is the only agency with any kind of track record on both building synfuels plants and assessing their environmental impacts. DOE already spends about $700 million a year on coal and synfuels R. & D. and about $250 million on environmental research. With that in mind, I hope the administration will soon tell us what happens to the President's $88 billion Energy Security Corporation and Energy Mobilization Board when the quick answer to the synfuels plants under the Clean Air Act is "No." I support regulatory reform and streamlining. But I have strong reservations about overriding State and local laws and the Clean Air Act.

I believe the President is stonewalling on this issue, and I hope he will answer these vital questions for the benefit of all Americans before Congress takes final action.●

THE MEASURE OF SALT: FIVE FUNDAMENTAL STANDARDS

● Mr. CRANSTON. Mr. President, yesterday Gen. George M. Seignious II, director, U.S. Arms Control and Disarmament Agency, testified before the Senate Committee on Armed Services with respect to the military implications of the SALT II agreement.

General Seignious emphasized that when he spoke for SALT he did not speak for goodwill, or for détente, or for a political party, or for trust. He spoke in favor of SALT because it was an arms control treaty that will "strengthen the national security of the United States." General Seignious condensed his testimony from his prepared statement. In his prepared statement the general set forth five fundamental standards against which he measured SALT II.

Mr. President, because of the importance of the full statement of General Seignious, and because of his thorough and professional analysis of the merits and demerits of SALT II as measured against those fundamental standards, I ask that this portion of his prepared statement be inserted in full in the RECORD. The prepared statement of General Seignious follows:

STATEMENT OF GENERAL SEIGNIOUS

I have studied SALT II carefully from three professional vantage points—as Director of the Joint Staff of the Joint Chiefs of Staff, as the at-large member of the SALT Delegation, and as Director of the U.S. Arms Control and Disarmament Agency. I want to focus the first part of my statement on five fundamental standards against which I have measured SALT II:

First, SALT II must place limits on Soviet forces;

Second, SALT II must permit us to undertake the military programs we believe are necessary for our security; we must be able to maintain the strategic balance under SALT II;

Third, SALT II must be adequately verifiable;

Fourth, SALT II must not interfere with existing patterns of cooperation and support for our NATO Allies; and

Fifth, SALT II must enhance strategic stability and reduce the risk of nuclear war.

Mr. Chairman, SALT II meets each and every one of these standards.

My first standard—limiting Soviet strategic forces—exemplifies a unique contribution that SALT II brings to our national security. In an arms race without limits, we can build more, but so can the Soviets. I am concerned about the Soviet build-up. We all are. It is massive and relentless. I believe we should meet it by maintaining military forces equivalent to whatever forces the Soviets build and by capping the Soviet build-up through SALT. We are going to have to do both at the same time if we want to maintain the strategic balance in a realistic, practical way.

The simple fact is that the Soviet Union has vast economic resources and a national will, no less determined than our own, to expend those resources for what it perceives to be necessary military purposes. Without arms control agreements, we cannot stop the Soviets from building as many strategic weapons as they wish, and we cannot force them to dismantle existing weapon systems. We can certainly match the Soviets in any nuclear arms race, but SALT is the only way I know to limit the number of Soviet missiles and nuclear warheads targeted at our country.

As a former military man, I believe that any time you succeed in limiting the destructive forces that could be marshalled against you by your adversary, you have accomplished something of significance. Let me detail for you some specific ways in which the SALT II Treaty accomplishes this objective:

Under SALT II, the Soviets must reduce the total of their central strategic systems (launchers of intercontinental ballistic missiles, launchers of submarine-launched ballistic missiles, and heavy bombers) from over 2,500 at present to 2,250 by the end of 1981. We estimate that without this limit, the Soviets could have as many as 3,000 such systems by 1985. Thus, what otherwise would probably be a 20 percent increase in Soviet

strategic systems is converted by SALT II to a 10 percent decrease.

Under SALT II, the Soviets will be limited to 1,200 launchers of ballistic missiles carrying multiple independently targetable warheads or MIRVs. This figure is about 600 less than we estimate they could have by the end of 1985.

Under SALT II, the Soviets will be limited to 820 launchers of MIRVed intercontinental ballistic missiles—the most threatening part of their strategic force. We estimate that they could deploy at least three hundred more than this figure by the end of 1985 without SALT II.

Under SALT II, the Soviets will be permitted to flight-test and deploy only one new type of light ICBM during the Treaty period. This means that all but one of the fifth generation of Soviet ICBMs will be held to small modifications of earlier generations which will not represent a significant increase in military capability.

Under SALT II, Soviet intercontinental ballistic missiles (ICBMs) will be limited in the number of MIRVed warheads per missile to currently tested levels. And the one permitted new type of light ICBM will be limited to ten. This "fractionation" limit significantly restricts the use the Soviets can make of their ICBM throw-weight. We estimate that the SS-18 could carry 30 warheads instead of the 10 SALT II will permit. With over 300 SS-18's in their forces in the 1980's, that means that SALT II reduces the Soviet warhead potential by over 6,000 warheads—on just one type of missile.

Under SALT II, the production, testing, and deployment of the SS-16 ICBM will be banned. The United States proposed and the Soviet Union agreed to ban this system to avoid a verification problem. The SS-16 ICBM appeared to be compatible with the launcher for the shorter-range SS-20 which is not limited by SALT II.

Under SALT II, rapid-reload of ICBM launchers and storage of extra ICBM's at ICBM launch sites will be banned.

Thus, under SALT II, there will be many hundreds fewer Soviet strategic systems and many thousands fewer deliverable strategic warheads in their arsenal than they could have without SALT II.

These limits on Soviet systems are not all we would like to see if we could dictate to the Soviet Union. But they are also not meaningless restraints on totals already much too high.

I need hardly remind this Committee of the destructive power contained in the Soviet systems to be dismantled or of the destructive power we would have to face if Soviet programs went forward unimpeded. While some commentators have attempted to characterize the Soviet weapons likely to be dismantled as obsolescent, I want to note that the Soviets will be forced to select from among nuclear-powered submarines with missiles built in the early 1970's, aircraft carrying their largest multi-megaton bombs, and SS-11 ICBMs. Each strategic Soviet system to be destroyed is associated with a warhead many times more powerful than the one that leveled Hiroshima—in the case of the aircraft, a thousand times more powerful. The 250 systems in question could suffice to demolish the 250 largest American cities. The people of Houston or Seattle or Des Moines would take little comfort in knowing that the missile or bomber carrying a nuclear weapon toward their city was obsolescent. I believe that any limits on Soviet power and capabilities are a step in the right direction.

I also want to take exception to the view that SALT II only limits Soviet programs to already planned levels, or that they wouldn't exceed the SALT II levels anyway. This contention is totally at variance with our intelligence estimates, and it does not square with the pace and momentum that is causing such concern today. Anyone who looks at the Soviet buildup today and concludes that it won't continue unabated without SALT II is taking a rosy view of the Soviet Union to which I cannot subscribe.

My second standard concerns our own forces. We must be able to preserve the strategic balance under SALT II.

SALT II will not tie our hands. We will be able to proceed under SALT II with all of the force options we have decided are necessary for our security:

We have improved the accuracy and explosive yield of our existing Minuteman III land-based missiles. SALT II will not prevent similar improvements in the future.

We are about to fit some of our existing Poseidon nuclear submarines with the longer-range Trident I missile which means that these submarines can patrol and hide in vastly increased ocean areas, and still hit their Soviet targets. They will be even more difficult to detect. This program will be completed in 1982. SALT II does not hinder this in any way.

We have just launched the first of our Trident nuclear missile submarines, each of which can hit about 200 Soviet targets. By the end of SALT II, we plan to have seven of these submarines. SALT II does not hinder this in any way.

We are developing and testing air-launched cruise missiles for placement aboard approximately 150 of our heavy bombers. We plan to start installing these air-launched cruise missiles in 1981. By late 1985, we expect to have nearly 1,500 of these cruise missiles deployed. They are highly accurate and can be launched from outside the range of Soviet air defenses. SALT II will permit this deployment.

We are developing and testing long-range ground- and sea-launched cruise missiles (GLCM's and SLCM's). Deployment is prohibited by SALT II until after 1981, but these missiles would not be ready for deployment before this date anyway. When these are ready for deployment, it will be our decision to make whether deployment or negotiated restrictions, which also limit the Soviet Union, are in our best national security interests. During the Protocol period, SLCMs and GLCMs can be flight-tested to any range. I should add in this regard that when the United States insisted that the Protocol be of a short, fixed duration, we meant precisely that. The Protocol expires on December 31, 1981; nothing could be clearer. Any decision to put legal restrictions upon United States GLCMs and SLCMs after 1981 would require an entirely new negotiation, and another submission to the Senate for your consent.

And SALT II does not prevent us from developing a solution to the problem of the increasing vulnerability of land-based missiles. This vulnerability is not the result of SALT. It is due to the increasing capabilities, particularly improving accuracy, of the missiles of both nations. Under SALT II, we will be able to deploy our new ICBM, the MX, in a mobile, survivable mode. We have considered a number of basing schemes for the MX. It is a demonstration of the importance of arms control to national security that, with SALT II, the mobile missile land-based alternatives that we have considered are unquestionably more feasible and more economical. Without the SALT II limits on numbers of Soviet warheads, the Soviets could add more warheads over time which would necessitate a significantly larger number of shelters for our missiles.

The recent decision to proceed with the MX missile is clear, demonstrable evidence, for our friends and our adversaries, that we will proceed with the programs necessary for our security. Each part of our strategic forces will be survivable so that deterrence will never be in question. And each part will be adequately verifiable, so that confidence in strategic stability will accrue to both our nations.

I respect deeply those who are worried about present trends in the strategic balance, for I am concerned as well. But confidence is also vital to our freedom in the nuclear world when deterrence is the essence of stability and security. We have not built and maintained our strategic forces—at the cost of billions—in order to weaken their deterrent impact by telling the Russians and the world that we are inferior when, in fact, we are not.

There is no doubt that the Soviet strategic force is formidable and growing rapidly. But there is also no doubt that the Soviet Union does not have strategic nuclear superiority now, and they will not have it in the future if the will and determination of the United States persist, if we continue to modernize our strategic forces, if we do what we must do to maintain equivalence.

I want to make one point very clear. It is central to the debate over SALT II. SALT II will not prohibit us from proceeding with the programs we need to maintain the strategic balance. But, SALT II is not a substitute for national will. SALT II permits us to go ahead with necessary programs; it does not provide the programs themselves. The programs we undertake to keep our deterrent strong will be determined by the American people, their leaders, and their representatives. SALT II does not foreclose our choice.

We would be deluding ourselves as a nation if we believed that we will not have to increase our spending for strategic programs, with or without SALT II. The scope and pace of Soviet strategic programs leave us little choice but to modernize our own strategic nuclear forces. But there is no doubt that the cost without SALT II would be tens of billions of dollars more than it will be with SALT II. Within the framework of SALT II, we can maintain strategic equality and a more viable and more effective strategic force, with less risk and at a much more moderate cost. Furthermore, the danger of siphoning resources away from conventional forces is lessened.

My third standard for SALT II is adequate verification. If SALT II did not fulfill this requirement, then I could not support it. After careful study, I have concluded that SALT II is adequately verifiable and that it will be so from the day the agreement enters into force.

To verify SALT II, we rely on our own independent, national intelligence capabilities. We survey the Soviet Union regularly, thoroughly and accurately with a vast array of sophisticated and powerful intelligence-gathering systems, such as photo-reconnaissance satellites, radars, and other monitoring devices in space, on land, on sea, and in the air. The result is a network of collection systems which complement each other and provide us with overlapping coverage of the Soviet Union.

We have spent billions of dollars on these systems, and it has been money well spent. I find our intelligence capabilities truly astonishing in their technological capacity—especially to a soldier who began his career in World War II, when we seldom knew what was happening six hundred yards behind enemy lines, let alone six thousand miles away.

For example, we know where the Soviets build their submarines. It takes several years to construct a ballistic missile submarine. We carefully observe it during this period. We count its missile tubes as they are being built, and we determine which types of missiles will be installed in those launchers. When the Soviets launched their latest Delta class strategic missile submarine, it was no

surprise to us. We had been aware of its construction for years.

Similarly, we know where Soviet ICBM launchers are deployed and what types they are. We observe new missiles as they are flight-tested, and they are tested extensively. We know whether a missile is tested with one warhead or more than one. We can count the number of Soviet reentry vehicles as they reenter the atmosphere.

We monitor the conversion of older Soviet ICBM launchers so they can handle new MIRVed missiles. Well before the conversion is finished and the launcher is again operational, we know not only whether it is a launcher for a MIRVed missile—but also the type of MIRVed missile it is designed to contain.

In the case of Soviet heavy bombers, we have an adequate count of how many bombers there are, where they are produced, and where they are based. We can observe important modifications that are made to these bombers.

Several factors help us in verifying the provisions of SALT II:

One factor is time. Many of the systems limited in SALT are very large and complex and cannot quickly be constructed. For example, it takes many months to construct an ICBM silo launcher and years to develop and deploy a new missile. This gives us time to monitor activities.

Another is the need for reliability. New strategic systems have to be tested to have operational reliability. We can observe these Soviet tests.

And a third factor is support requirements. Strategic systems need personnel to run them and extensive logistic and security support. These requirements compound the task of keeping deployments hidden, and they increase the chance that we will detect them, especially if such activities were to take place in significant numbers. Some charge that the Soviets could stockpile extra missiles and then one night change the strategic balance. Let me say that it is one thing to produce a missile in a factory; it is quite another to have the trained personnel, the logistics, the large amounts of heavy equipment to handle the missiles and the launchers themselves—without our being able to spot them.

I might add that the Soviets, if they wanted to violate the provisions of SALT II, would face another difficulty—uncertainty. Our use of multiple intelligence sources complicates any Soviet effort to disguise or conceal important activities. The Soviets know that we have a large, sophisticated intelligence operation, and they know a certain amount about how it works. They do not, however, know the full capabilities of our collection systems and analysis techniques. This uncertainty will further complicate any Soviet attempt to conceal an evasion of the SALT II limits.

The question has been asked: "What do we do if we discover a Soviet violation or if we even suspect one?" As a result of the SALT I agreements in 1972, we established at Geneva a U.S./Soviet Standing Consultative Commission (SCC) where any compliance questions, any suspected activities, can be challenged at once. We thus have an established forum where even the slightest suspicion of a violation can be raised with the Soviets. This forum has worked well under SALT I.

Some also question whether we actually would challenge the Soviets if they appeared to be in violation of SALT II. I believe our record under SALT I is solid proof that we would. We have not been hesitant to challenge the Soviets about questions of concern to us—eight times. The fact is, however, that there is not one outstanding challenge that we have made against the Soviet Union that has not been resolved to our satisfaction. If a violation persisted without correction or if a violation threatened our security, then we could abrogate the agreement and build the forces necessary to meet the threat. This would be a very serious development, and the Soviets know it.

In assessing the capabilities of our network of collection systems, it is important to recognize that intelligence is a dynamic process in which our effort will need continual improvement. We must be prepared to take the necessary actions to exploit the new opportunities that advancing technology offers us, and to offset the loss of sources, as happens from time to time. The recent loss of important intelligence stations in Iran is a clear example. Because of our extensive capabilities, we continue to be able to monitor adequately the testing of Soviet ICBMs, although some uncertainties are temporarily larger than we would like.

As you know, we are aggressively pursuing a number of alternatives and specific programs to collect the information formerly gathered in Iran in order to reduce these uncertainties to their previous, lower level. We expect to do this before a test program for any new or modified Soviet strategic missile could be completed.

The limits of SALT II are adequately verifiable with our own national technical means. By restricting launchers and not missiles, by counting rules, we have no need for more intrusive measures in SALT II. On-site inspection is not mandatory for adequate verification of SALT II. For example, the SALT II MIRV counting rules are a better device than on-site inspection for counting MIRV's. We are able to use these rules to count Soviet MIRV's on a total, national basis. We will not have to rely on inspectors who can be deceived and who cannot watch all of the launchers all of the time.

We would monitor the Soviets even if there were no SALT agreement. It is essential for us to have good, solid intelligence on Soviet strategic forces, totally, apart from any arms control agreement. In fact, only a portion of the total intelligence we collect on Soviet strategic forces is related to SALT II limits.

There are specific provisions in SALT II, proposed by us and accepted by the Soviets, that make the job of monitoring the Soviets easier than it would be without SALT.

Under SALT II, the Soviets will not be allowed to interfere with the intelligence systems we use to verify SALT II.

Under SALT II, deliberate concealment, including encryption of telemetry, which impedes verification of compliance is banned. This ban applies not only to concealment of construction and deployment of systems limited by SALT but also to concealment of testing of those systems, because some provisions are verified by observing testing. Without this ban, the Soviets could use any and all means of concealment.

Under SALT II, neither side is allowed to conceal the association of a missile with its launcher. Without this provision, it could be much more difficult for us to assess which missile goes with each type of launcher.

These are just some of the SALT II verification provisions. Without them, it could be much more difficult to collect needed intelligence on Soviet strategic programs. Without the bans on concealment and interference, we could find it much harder to determine how many strategic missiles and bombers they are deploying, and what their military capabilities and characteristics are. The Soviets would be free to take steps to complicate our ability to predict accurately the size and capability of Soviet strategic forces.

No leader, military or civilian, wants to plan with less rather than more information about an adversary. I believe that in SALT we have used verification to good advantage—for our own security, for strategic stability, and to help turn uncertainity into confidence.

That is a clear, specific example of the contribution arms control can make to our national security.

My fourth standard by which I have measured SALT II concerns our NATO Allies. The NATO Alliance, basically, looks to the United States to accomplish two tasks:

To maintain a strong deterrent and a strong defense, and

To lead in managing the East–West relationship to avoid a war that would devastate the nations of Europe as well as our own.

SALT II contributes to both.

In 1944, I stepped ashore in Europe for the first time as a member of the 10th Armored Division. During the Berlin Wall crisis in 1961–63, I commanded a cavalry regiment at the Iron Curtain. In 1969, I commanded the 3d Infantry Division, and in 1970 I was U.S. Commander in Berlin. I am convinced that NATO's basic security interests are no different than our own—stability, prevention of nuclear war, and preservation of the strategic conventional military balance. The 20th Century has taught Europe, as much as any other region on earth, the destructiveness of war, the benefits of stability, and the necessity for a strong defense.

Stability is particularly important to Europe, where potent military forces are concentrated only a short distance apart, where thousands of nuclear weapons are deployed, and where an arena of historic confrontation is still today of the highest security interest to each superpower. The risk of nuclear war is as real to Europeans as it is to Americans, and stability is a requirement, not a luxury.

Fundamental to European security is the preservation of the U.S./Soviet strategic nuclear balance. SALT II, in combination with our own defense programs, will enable us to maintain that balance.

Equally fundamental is the preservation of the European theater balance. NATO is currently embarked on an ambitious and expensive force improvement program. I believe that this program—important to European security—would be far more difficult to accomplish if our attention and our resources were focused instead on an unrestrained strategic nuclear arms race.

SALT II in no way handcuffs our cooperation with NATO or sells out our Allies' interests:

We have consulted extensively with our Allies. For example, we have had some forty meetings with the North Atlantic Council to discuss SALT II; half of these occurred in the last two years.

We have taken into account Allied security concerns in our negotiating positions. For example, SALT II places no restrictions on the nuclear forces of France and Great Britain, and it does not limit any of America's many nuclear weapons systems located in Europe.

SALT II does not interfere with traditional patterns of cooperation with our Allies, including the transfer of weapons systems and other sophisticated technology. The Soviets proposed a strict nontransfer provision early in SALT II. We rejected it and similar Soviet proposals. There is no nontransfer provision in SALT II.

And, as I said before, the Protocol limits on ground- and sea-launched cruise missiles will expire before we are ready to deploy them. We will have ample time to plan carefully—in concert with our European Allies—how best to modernize our theater nuclear forces in NATO. And that process is already underway.

After the Vienna Summit, I returned home by way of the North Atlantic Council in Brussels, and stopped by as well in Geneva, and London. At each stop I briefed Allied officials. I can say without exception that all were extremely supportive of SALT II.

The words of Europeans, however, speak to this point better than assurances I can give. In June, Chancellor Helmut Schmidt put it simply and clearly:

"SALT II is, of course, not only a domestic matter for the Americans. For that reason the United States Government informed its allies on the progress of the talks and also consulted with them. This treaty is a piece of world history. It is also a piece of world security and a piece of my own country's security. For the present it is a climax of co-operative arms limitation. The Federal Republic of Germany supports the SALT II Treaty and hopes that it will soon be ratified by Washington and Moscow."

My fifth standard for SALT II is that it must contribute to strategic stability and to reducing the risk of nuclear war. Nothing—I repeat nothing—is more fundamental to our security and our survival.

SALT II, with its clear ceilings and adequate verificatidn, adds an essential element of predictability, a way of fencing in the threat and limiting uncertainty about Soviet programs. Neither rational planning nor nuclear stability are served by ambiguity.

We will still have to plan against the maximum Soviet capabilities possible under SALT II. Entrusted with the defense of our nation, we would not be doing our job if we did otherwise. But this is a far cry from the increased threat, and the worst case planning, that would confront this nation if there is no SALT II.

We have a long way to go in the SALT process. Nonetheless, we should be—and we are—proud of the accomplishments of SALT II:

We have established—for the first time—equal ceilings on strategic nuclear forces;

We have negotiated equal sub-ceilings on MIRVed systems;

We have begun the long-sought process of reductions;

We have taken the first steps in controlling the technological arms race;

We have placed limits on increases in three major indices of central strategic power—launchers, weapons, and throw-weight;

We have strengthened verification;

We have established a base of agreed definitions, counting rules, and even force data;

And we have renewed our commitment to the long-term process of strategic arms limitation. In crafting a framework of equality between two different strategic forces, SALT II is an essential bridge to deeper reductions and further qualitative restraints in SALT III.

Today, on a highly interdependent globe, cooperation is often a necessity. Ratification of SALT II would reinforce our efforts to maintain and enhance adherence to the Non-Proliferation Treaty and thus help prevent the spread of nuclear weapons. In these efforts we are joined by 109 other nations, including the Soviet Union. Apart from the collapse of the SALT process itself, the most important casualty of SALT failure could be our vitally important effort to prevent the spread of nuclear weapons.

As a former strategist for the Joint Chiefs of Staff, I can tell you that nuclear weapons proliferation would create a security nightmare of grave dimensions. Terrorism and local conflicts could escalate to threaten the security of every American. Those nations that have forsworn nuclear weapons for themselves by adhering to the Non-Proliferation Treaty are closely watching the two superpowers to see whether we are indeed credible in our own commitment to reduce the level of nuclear weaponry.

I would not come before you and promise that with SALT II we will prevent nuclear war, or state that without SALT II the holocaust will surely come. Both statements deserve short shrift in this debate. I do believe, however, that SALT II is an essential step toward nuclear stability and reducing the risk of war. I cannot comprehend how either can be served by rejection of SALT II.●

THE NEED FOR A CONSTITUTIONAL AMENDMENT TO CONTROL FEDERAL SPENDING

● Mr. ARMSTRONG. Mr. President, a few days ago our colleague, Senator DICK LUGAR, met with the Constitution Subcommittee of the Senate Judiciary Committee to discuss the need for a constitutional amendment to control Federal spending.

He spoke eloquently and knowledgeably. I believe every Member of the Senate will benefit from studying his remarks and ask that they be printed in the RECORD.

The remarks follow:

STATEMENT OF SENATOR RICHARD G. LUGAR

Mr. Chairman, it is a pleasure to be here today to testify on behalf of a balanced budget amendment to the Constitution. I appreciate the efforts which you and the other Members of the Subcommittee have made in scheduling hearings on such an amendment. I am especially heartened by your recent commitment to Senator Byrd of Virginia to bring a balanced budget amendment to a vote in this subcommittee. I urge you to do so with all deliberate speed.

It is important that the Subcommittee consider and vote out such an amendment for reasons that transcend the balanced budget issue, as important as this issue is. Respect for the leadership of the American Government is at an all-time low. Specifically, respect for the Congress is lower than for any other major institution in our society. I think that the American people have the impression that we go about our business as usual, and that our business does nothing to affect or improve the daily lives of most Americans. The Congress appears either unwilling or unable to act upon what concerns the American people—escalating inflation, real or prospective energy shortages, and so forth.

Mr. Chairman, the American people overwhelmingly desire a balanced budget amendment to the Constitution. Thirty States have called for a second constitutional convention if the Congress does not submit such an amendment to the States. Over thirty-five States have urged the Congress to propose an amendment to the States. In poll after poll, approximately 80 percent of the American public has consistently favored the adoption of a balanced budget amendment. The Gallup poll of March of this year reports that 78 percent of all Americans support a balanced budget amendment, while only 12 percent are opposed. When an "escape clause" is added to the amendment, half of those opposed would support it, bringing the total to 84 percent.

We are at a point in time when decisive action by this subcommittee would be a tremendous encouragement to the American people. The rate of inflation has now climbed to double-digits and shows no sign of abating. We may all disagree about the relative weights of different factors in causing inflation in the first place; but I think that we all agree that once inflation has begun, it assumes a life of its own. Virtually all thoughtful observers, including administration spokesmen such as Charles Schultze, have spoken of an "inflationary psychology." We need action now to counter this psychology and to prevent inflation from feeding on itself. Arthur Burns has spoken most clearly about this. He has said that we might reduce the Federal deficit by $5 billion, or $10 billion, or even $15 billion this year, by means of some budget cuts here and there, and by greater revenues deriving from a higher-than-anticipated rate of inflation. But what effect would this have on inflation, or upon the expectations of the American people? Chairman Burns has suggested that it would have a very small effect on inflation. The Government must demonstrate a willingness to combat vigorously the problem of inflation. As I suggested to then-Secretary Blumenthal several months ago, we have reached the point where a "blockbuster" approach—analogous to the rescue of the dollar last November—is necessary.

As we have failed to act decisively to combat inflation, we have gradually slipped into the trap of pervasive public and private indexing. The Congress has in recent years increasingly indexed spending programs to the cost of living. Indexing and quasi-indexing of Federal programs adds many billions of dollars to the budget each year.

A Library of Congress study has found that 27.6 percent of Federal spending is explicitly indexed to the cost of living, and that another 35 percent is implicitly indexed. Thus, over 60 percent of all Federal spending is tied to increases in the cost of living. For every 10 percent increase in the Consumer Price Index, then, Federal spending increases by at least 6 percent. This amounts to well over $30 billion in our current budget. The practice of indexing has fostered the expectation that such increases will exist forever, and that they are a matter of right.

Pervasive public and private indexing is a trap for two reasons. First, it destroys the incentive to save and to engage in long-term planning based on expectations of stability. We have witnessed in recent years a significant decline in capital formation, a decline which threatens the long-run capacity of our economy to provide meaningful employment for our citizens. This tendency must be arrested and reversed.

Second, indexing works against those who are neither clever enough nor powerful enough to be able to insulate themselves against the ravages of inflation. It works specifically against the poor and those workers who are at the lower end of the salary scale. As a practical matter, there is no possibility of achieving a uniform and general indexing across all wages, salaries, and profits. A balanced budget requirement will free the budgetary process from the rigidity and inflexibility of indexed increases.

To this point, I have spoken of the reasons for action on the balanced budget now. But an amendment to the Constitution is not for one time only; it is hopefully for all time. With this in mind, let me turn to the underlying political and structural realities of our system which demand a balanced budget amendment.

Congress has an endemic tendency to spend in excess of revenues. Spending in excess of revenues is the course of least resistance. Each day a Congressional office must confront many well-organized interests demanding consideration for their programs. These programs are not unworthy ones, and the members of these groups are not evil men and women. The pressures to spend are simply not counterbalanced by pressures for restraint, which are very diffuse, with the result that the Congress says "yes" to almost everyone.

Legislative rules frequently apply a familiar procedural device to situations in which restraint is difficult, pressures intense, and in which the subject matter involves departure from an important norm. The device is the supermajority—the requirement of more than a mere 50 percent plus one vote—and it is ideally suited to the most crucial single decision made by Congress each year, the passage of the Federal budget. I propose that the Constitution of the United States prohibit an unbalanced Federal budget, except

by a ⅔ vote of those present and voting in both Houses of Congress. I submit that this amendment would address effectively the principal crisis confronting American Government in the modern era, and would do so with the dignity, clarity, and flexibility befitting any change in the basic charter of our democracy.

The Constitution abounds with precedent for such a "super-majority" requirement. Two-thirds majorities of both Houses are currently required to override a Presidential veto of a bill, or to propose a constitutional amendment to the State legislatures. A two-thirds vote of both Houses was required by the 14th amendment to admit to Congress any individual who had participated in the Civil War on the Confederate side. The votes of a four-fifths majority are required to block a listing of the yeas and nays on a congressional vote.

A two-thirds vote of the Senate is constitutionally required to convict a Federal official upon impeachment. Two-thirds of the Senate must approve any treaty. Two-thirds of either House must concur before a Member can be expelled, and, at the subconstitutional level, the Senate rules are filled with super-majority requirements for such issues as cloture of debate or the designation of a special order.

The framers of our Constitution knew well enough the truth that men often require institutions to help shape decisions in ways which enable them to do collectively what they cannot do as individuals. Indeed, there is every reason to believe that if the framers of our Constitution had envisioned our current budgetary policies, they would have written into the Constitution a special form of restraint.

I would support any reasonable and thoughtful balanced budget amendment. I have specifically favored a ⅔ requirement for the adoption of deficit budgets because I believe that it best combines the virtues of simplicity, dignity, practicality, and enforceability. It is clear and straightforward, and employs no technical language; it writes into the constitution no numbers or economic concepts such as the gross national product; it invites no discussions of national emergencies or other exemptions. By requiring two-thirds to adopt deficit budgets, it circumvents the problem of enforcement. It is true that we may miss the mark of perfect balance in our projections of spending and of revenues. But the point is surely not to require balance down to the last dollar, but to restore the idea of balance as a norm from which deviations require an extraordinary burden of proof.

In closing, let me address the main objection raised again and again by those who oppose a balanced budget amendment. That it takes from the Congress budgetary "flexibility." Such "flexibility" as we have seen, however, simply means "more spending." I submit that the Congress would enjoy more, rather than less, flexibility under a balanced budget requirement. We are presently on a course in which larger and larger portions of the budget are thought of as "uncontrollable," and therefore beyond the reach of serious scrutiny. This bizarre notion has vitality only because no binding limit on spending forces a re-examination of these spending programs or their automatic increases. A ⅔ requirement would liberate the budget process from the psychology of "uncontrollability," and provide some muscle for the concepts of "sunset legislation" and "zero-based budgeting."

What a balanced budget amendment will take from Congress is some of its power, specifically the power of simple majorities to vote huge budget deficits with impunity. Perhaps the prospective loss of some congressional power is why this amendment has found so many opponents in the Congress. Other amendments with less popular support, such as the equal rights amendment or the D.C. representation amendment, have been passed in the Congress and sent into the land to uncertain fates. The balanced budget amendment has found its most widespread support in the States and among the people.

The essence of a limited constitutional government is the restriction of the powers of that government. Constitutional government specifies in advance what the government may and what it may not do, and what are the prescribed modes in which it must do what it may do. In this sense, an amendment circumscribing the power of the Congress to adopt deficit budgets is in the best tradition of free and responsible government. Thank you, Mr. Chairman.●

DRILLING FOR OIL IN THE ATTIC

● Mr. KENNEDY. Mr. President, I will soon be introducing legislation designed to save 4.4 million barrels of oil per day by 1990. The residential grants program is designed to save 1.6 million barrels of oil per day. The cost to the Federal Government is expected to be on the order of $3.60 per barrel saved, easily the cheapest alternative in the whole array of energy choices facing us in the 1980's.

The estimated savings of this legislation is supported by work done at Princeton University's Center for Energy and Environmental Studies. Scientists there have also calculated a 1.6 million barrel savings through a stepped-up residential conservation effort.

The scientists rightly point out that homeowners are reluctant to make energy-saving improvements to their attics, walls, and so forth, given that the utility bills are based on the average cost of cheaper, existing sources and new, expensive sources. The national benefits dictate that each barrel of oil saved should be based on the replacement or marginal value. Under this criterion a large array of conservation measures makes sense, and drilling for oil in the attic looks much more feasible than drilling for oil in tight Devonian shale formations.

Articles on the Princeton findings have recently appeared in the Washington Post and the New York Times; I ask that they be printed in the RECORD.

The material follows:

[From the New York Times, July 22, 1979]

PHYSICISTS DEVISE A NEW PROFESSION FOR ENERGY SAVING

(By James Gorman)

American houses, according to scientists who study home heating, leak oil from almost every pore. President Carter's call last Sunday for cutting the nation's oil imports in half by 1990 was a call for sacrifices as well, asking Americans to resign themselves to being hotter in the summer and colder in the winter.

Results of such sacrifice would not be trivial; residential heating accounts for roughly 11 percent of energy use in the United States. But sacrifice may not be the best way to reduce that figure. Home heating, say two physicists in a paper published by The Center for Environmental Studies at Princeton University, is so inefficient that an investment of about $1,500 a house could cut that 11 percent in half by the mid-1980's—without touching a single thermostat.

Dr. Marc H. Ross of the University of Michigan at Ann Arbor, and Dr. Robert H. Williams of the Center for Environmental Studies, in "Drilling for Oil and Gas in Our Buildings," proposed to effect this drastic cut in energy use with a nationwide corps of "house doctors"—trained specialists who would conduct energy audits of houses, make spot improvements, and prescribe remedies to be implemented later. If the program were applied to businesses as well, say the scientists, Americans could save 2½ million barrels of oil a day by 1985, or more than a quarter of current imports.

Dr. Ross and Dr. Williams are more optimistic than most analysts. The conventional wisdom is that a homeowner can conserve 10 to 30 percent of heating energy use with such steps as weather stripping and installing insulation—if he can be persuaded to invest in these improvements. In Portland, Oreg., the City Council is considering abandoning persuasion and turning to coercion, requiring every homeowner to install energy-conserving improvements at a cost of about $1,350 within five years. Homeowners who hadn't complied at the end of that time wouldn't be able to sell their houses until they did.

The proponents of the Portland plan expect only a 30 percent energy saving. Dr. Ross and Dr. Williams say a 50 or even a 75 percent saving is not only possible but economical, using new discoveries about heat loss, and a different way of defining "economical."

Their plan is based partly on studies by Dr. Gautam S. Dutt, an engineer at the Center for Environmental Studies, and his coworkers, which suggests that fully 20 percent of the energy used to heat single family, wood-frame houses is lost in warm air leaks to the attic. The leaks are hard to find, says Dr. Dutt, but often easy, and cheap, to fix.

Dr. Dutt came to his conclusions after he investigated how theoretical models of heat loss stand up in practice. Of 30 or so houses he checked, all were losing three to seven times as much heat to the outside as the models predicted.

Dr. Dutt and his colleagues hung thermometers in attics, knocked down walls, looked under layers of fiberglass insulation, and peered through infrared scanners to find where the heat was going. They found different answers in each house—a hollow wall conducting heat up into the attic, a crack in the ceiling or a bathroom fan.

In one split-level colonial built in 1974 that Dr. Dutt described as a "sea of insulation," the culprit was a dropped ceiling over a bathtub. When he looked at the attic floor through an infrared scanner, Dr. Dutt said, the area over the bathroom was "glowing red." Oil, in a manner of speaking, was gushing through the attic floor. The dropped ceiling had not been properly insulated.

Dr. Ross and Dr. Williams first propose a research program conducted on several thousand houses to catalogue the principal housing types in the nation, the attic leaks and other causes of heat loss common to each type, and the means of correcting them. Given this information, house doctors could then be trained and sent out on their house calls, their black bags stuffed with thermometers, fiberglass, and rolls of plastic tape.

The usual way of determining what improvements are economical is to compute whether the investment will pay back the homeowner in reduced fuel costs. Some methods compute the payback over three to five years. Proponents of the Portland program expect their improvements to pay the homeowner back in 10 years. Dr. Ross and Dr. Williams say that the usual way of calculating the cost is wrong, that what counts is not the cost to the homeowner, but the cost to the nation. The homeowner's price for energy is the average of the cost of old, cheaper sources, and new, more expensive sources. But from the nation's point of view, each barrel of oil or kilowatt-hour of electricity saved should be valued at the higher cost of replacement.

Since many homeowners might prefer turning down their thermostats to spending money for the national interest, the scientists suggest that utilities or private investors, pay for the improvements when they are done. The utilities could raise their rates to charge the interest on their investment, as electric utilities do now in Oregon, still keeping rates lower than if they had to build new plants. Or proceeds from the President's proposed windfall profits tax could be used to pay interest on investments of private capital. Only when a homeowner sold his house would he pay and then only the initial cost of improvements, not the interest. In the meantime, of course, he would have the benefits of a smaller fuel bill.

Home heating efficiency, says Dr. Williams, not synthetic fuels or sacrifice, is where the energy war should begin. "It should," he says, "be the number one priority, before we do anything else."

[From the Washington Post, July 24, 1979]

SAVING ENERGY AT HOME

Lost in all the talk about new and exotic energy sources—synthetic fuels from coal, oil from tar sands and shale, electricity from the sun, etc.—is a less exciting but very real and practical way to increase our energy availability. This energy resource comes not from the sky or from under the ground but from our homes. By eliminating energy waste in home heating, the equivalent of 1.6 million barrels of oil a day becomes available for gasoline and other energy needs. This is three times as much oil as we imported from Iran before their revolution, and almost half of what we now import from Arab and Iranian sources.

Despite the great potential that exists in boosting residential energy efficiency, relatively little attention has been paid to this alternative. Perhaps this is because people are not aware of how much could be saved. Perhaps energy efficiency is linked in people's minds to conservation, and to many people conservation means freezing in the dark. Or maybe it is because improving energy efficiency does not catch the imagination like advanced-technology programs, such as landing a man on the moon.

Although there has been no concerted effort to improve residential energy efficiency, the need for such improvement has not gone totally unrecognized. The Department of Energy has proposed a program to encourage the installation of energy-conserving measures in existing homes. The program is centered around "energy audits" similar to those being offered by some utilities. During an audit, a technician examines a home for energy-wasting defects, such as inadequate insulation, cracks around doors and windows and the lack of storm windows. The resident is left to follow up on the auditor's recommendations. DOE expects the program to benefit only a quarter of U.S. households and to save 200,000 barrels of oil a day by 1985. This is only one-eighth of the savings that could be achieved economically.

There are several reasons why DOE so greatly underestimated energy savings. A major reason is that its audit focuses only on some of the more obvious areas of energy waste. However, studies conducted by Princeton University researchers have shown that greater waste occurs because of heat lost through obscure air leakage paths. Although most obscure heat losses are difficult to detect, they can be eliminated with little extra effort when they are identified.

We recommend the following prescription for saving energy in the home. A pair of "house doctors," trained technicians, enter a house carrying diagnostic equipment and about $10 worth of building materials. As they walk through the house looking for obvious defects, they identify and eliminate obscure heat-loss paths. For example, when checking insulation levels in the attic, they seal openings around flues and pipes by stuffing them with glass fiber and close small cracks with caulking compound. They close larger air-leakage path, such as those above dropped ceilings and stairwells, by taping or stapling a sheet of polyethylene over the opening. They install foam gaskets to reduce air leakage through electrical switches and outlets on outside walls. They also tune up the furnance. According to our experiments, about 20 percent of the space heat may be saved in a typical house by just these on-the-spot improvements. Thus, sizable energy savings will be achieved in all houses visited, even if residents themselves take no follow-up action.

How can residents be encouraged to achieve the large energy savings that are nationally desirable? One way is to permit utilities to finance the conservation measures and to include the investment in their rate bases. The resident would pay for the conservation measures only when the house was sold, presumably at a higher price that reflected the improvements. Utilities would also benefit, because financing these improvements would be cheaper than expanding supply. A form of this plan is being tried in Oregon.

The process of upgrading the nation's homes can start today and yield results much sooner than most supply-increase options. The house-doctor calls would cost residents $10 billion, but would save them $102 billion at today's price of imported oil. This would be cheaper than importing oil at $2 a barrel! If all oil- and gas-heated homes were upgraded to the cost-effective limit, the nation would save $173 billion in foreign exchange over the life of the improvements. The fuel savings per household would average $280 per year.

Conservation through improved energy efficiency has many advantages. People will not have to sacrifice comfort or convenience to save energy. Increasing energy efficiency will also reduce pollution and inflation, create jobs and, perhaps most important, reduce our dependence on foreign oil. Given these benefits, can we afford not to undertake a major program to make our home more energy-efficient?●

EMERGENCY FUEL ASSISTANCE NEEDED BY SENIOR CITIZENS AND POOR

● Mr. BIDEN. Mr. President, I call to the attention of my colleagues, an editorial appearing in today's Washington Post entitled "Why Not Fuel Stamps?"

The editorial points out that the only way we will be able to alleviate suffering caused by high heating oil prices is to quickly enact a program of fuel stamps. The great advantage of the fuel stamp principle is that it could be introduced and implemented rapidly, using the administrative processes already in use for food stamps and, therefore, avoiding the establishment of another agency. With winter less than 5 months away, it is imperative that an effective delivery system for fuel assistance be created soon.

Last month, I introduced legislation creating a program of emergency fuel assistance. This program would be administered through the existing food stamp system. I hope that the Senate Labor and Human Resources Committee will soon open hearings on the various fuel assistance proposals so that Congress can enact a fuel assistance program before the end of this year.

Mr. President, I ask that the text of the Post editorial be printed in the RECORD.

The editorial follows:

[From the Washington Post, July 31, 1979]

WHY NOT FUEL STAMPS?

The cost of home heating oil is now rising fast, and by midwinter it may well be nearly twice as high as a year earlier. The suffering among people who are poor, and who live in oil-heated houses, will inevitably increase. There is only one remedy that has any real chance of helping those people quickly, and that is a rapidly enacted program of fuel stamps.

Like food stamps, fuel stamps would be a federal subsidy to ensure that the most vulnerable families are not cut off from one specific necessity. Fuel stamps would help buy not only heating oil but gasoline for that small number of poor people whose lives and jobs require automobiles. Ideally, this kind of aid might be extended better through reforms of either the welfare or the tax systems. But basic reform is slow work, and winter's coming. The great advantage of the stamp principle is that it could be introduced quickly, following procedures that have already been worked out for food stamps.

Currently the country's food policies are working a great deal better than its tortured attempts to come to terms with higher oil costs. It's worth examining the case of food to see what lessons it might offer for fuel.

Americans have generally regarded the steady inflation at the grocery store to be unfortunate and harmful but essentially uncontrollable. People recognize that the bad news at the supermarket's check-out counter originates far back in a worldwide production system, and it can't be cured by slapping on controls. Except in dire emergencies, as in wartime, people seem to agree that it's better to avoid shortages, let prices rise, and use direct aid to rescue the people who really can't pay. The food stamp program has its administrative shortcomings, but it has made a massive contribution to the nutrition of the American people in a time of severe and threatening inflation.

Regarding fuel, the administration continues to cling to price controls on both crude oil and gasoline—citing, usually, the need to protect the poor. As you watch the prices of oil and all the oil products shoot upward, perhaps you have wondered exactly how much protection the poor—or anybody else—are getting from those controls. It makes more sense to move rapidly to decontrol, and simultaneously to give poor people a kind of protection that will actually do them some good. Rising prices will be no less harmful in fuel than in food. But at least they will push the country toward the conservation, and the alternative energy sources, on which the rescue from oil inflation ultimately depends. It will work, just as a rising price also cuts down consumption of beef. The choice isn't between T-bone steak and starvation. It's between T-bone steak and something else. In fuel, as in food, with subsidized stamps for the least affluent families, there can be enough for everyone.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. KENNEDY. Mr. President, I am submitting today several additional items from newspapers around the country which are representative of editorial opinion on the issue of deregulation of the trucking industry.

The editorials are from newspapers in the States of Florida, Hawaii, Idaho, Indiana, Illinois, Kansas, Kentucky,

Massachusetts, Michigan, Minnesota, Missouri, and New York.

I commend them to the attention of my colleagues, and ask that they be printed in the RECORD.

The editorials follow:

[From the Miami (Fla.) Herald, June 25, 1979]

GREEN LIGHT FOR PRESIDENT ON TRUCKING DEREGULATION

Does it make any sense for the Government to so overregulate interstate trucking that one trucker may carry paint in two-gallon cans but not in five-gallon containers? Or may carry desks and chairs but not tables? Or may pass through a town but be forbidden to make deliveries there? Or may be forbidden to carry anything at all on his return trip, with the result that 20 per cent of all truck miles are driven empty?

Of course it doesn't. Excessive regulation costs U.S. consumers an unnecessary $5 billion a year, or $100 per average family, the White House says. It wastes precious fuel. It stifles competition. It requires 2,000 Interstate Commerce Commission bureaucrats just to keep track of the 7,000 pages of rate filings the ICC receives every day.

If common sense dictated its decisions, Congress would pass without delay the truck-deregulation bill introduced Thursday by President Carter. The bill would extend to ICC-regulated truckers a phased deregulation similar to the deregulation that has brought U.S. airlines record profits and record traffic while savings consumers $2.5 billion to boot.

But common sense won't dictate Congress' decision. Muscle will, and the trucking industry and the Teamsters Union have pledged to fight the bill with every ounce of political muscle they possess. Best assured they possess it by the truckload.

The reason for the truckers' fondness for regulation is obvious. Last year the eight largest ICC-regulated truck lines earned an average return on their equity of 29 per cent. That's about double the earnings of unregulated manufacturing firms.

Moreover, the truckers operate under an antitrust exemption granted in 1948 when Congress overrode President Truman's veto. The ICC doesn't set truckers' rates. The carriers themselves do, and the ICC merely rubber-stamps them.

The Administration bill would repeal this antitrust exemption and thus stimulate competition through price-cutting. It would end immediately the restrictions on "back-hauling," which now require many trucks to return empty. It would permit proprietary haulers, such as Sears, which carry their own goods to backhaul merchandise of their affiliates and subsidiaries. It would end by 1984 all restrictions on routes and permissible cargo.

Opponents say deregulation would enable big trucking firms to drive out competition by cutting prices, then raise their rates to exorbitant levels. This argument is specious. Deregulation instead would give the 100,000 independent truckers far more operating flexibility than they now have. And just as the airlines have done, truckers would find and enter markets where they can make a profit.

The industry also says deregulation would deprive small towns of truck-carried goods—which means most of what the average American family uses every day. But this argument doesn't hold water either. The ICC says its has had not one request to discontinue service to small towns in the present fiscal year, but several of the largest truck lines have applied for permits to serve small towns.

Yet it is true that the trucking industry has operated under the ICC's umbrella for 40 years, so total and sudden deregulation would be unwise. The Carter bill recognizes that; hence its phased-in steps to allow the industry time to adjust.

Among those supporting the truck-deregulation bill is Frank Borman, president of Eastern Airlines. Mr. Borman fought airline deregulation tooth and nail, and he now concedes that he was wrong. The trucking industry—and Congress—should bear Mr. Borman's change of heart in mind, because what deregulation did for the airlines, it can do for trucking too.

[From the West Palm Beach, (Fla.) Palm Beach Post, Apr. 3, 1979]

FOLLOW UP ON ICC

The Interstate Commerce Commission (ICC) did the right thing when it decreed de facto deregulation of the trucking industry in response to the Teamster walkout-lockout. Now Congress should follow up and make it official.

For all too long the ICC has frozen out competition, producing a cozy closed market in which the Teamsters could get whatever they wanted because the trucking companies could pass it on to the captive customer. Further, the ICC allows industry-controlled bureaus to set the rates and drives costs up even more with rules that require many trucks to make their return trips empty.

This year the trucking companies, presumably concerned about deregulation, have opted to stay within the president's voluntary wage guidelines while the Teamsters, citing the sharp recent rise in the cost of living, have been seeking about twice as much. When talks broke down last week, a cat-and-mouse game ensued.

The Teamsters, who have been fighting for years for national bargaining, changed tactics and decreed selective walkouts. This presumably would have two advantages: It would prevent the industry from mounting a united front, and it would avert a Taft-Hartley Act injunction, which can be issued only in a national emergency.

The truckers sidestepped the trap and called a national lockout. For a moment, it seemed as if the next move would be the president's.

Then the ICC acted. It announced that it would grant temporary permits to "all persons seeking to supply motor service." A spokesman said the effect of the action would be to "let anyone carry anything anywhere if they are a qualified trucker."

In light of that, and of the fact that little food is transported by truckers subject to the Teamster contract, there is no need for the president to rush into court. Perhaps a few weeks of no income for either side will lead to an equitable solution without further government intervention.

One thing the president should do, however, is urge Congress to get on with deregulating the industry. There is no good reason for the ICC to restrict entry into a business in which competition is not only feasible but clearly in the public interest.

[From the West Palm Beach, (Fla.) Post-Times, June 24, 1979]

TIME FOR DEREGULATION

The combined clout of two strange political bedfellows, President Jimmy Carter and Sen. Ted Kennedy, should assure swift adoption of the administration's new trucking deregulation bill. We hope so.

Deregulation, to be accomplished over the next three years, would inject badly needed competition into the trucking industry. It would go a long way toward solving the problems of the independent truckers by removing senseless regulations that prevent them from taking the shortest route with the fullest load.

We can understand why the trucking industry and the Teamsters union will fight the legislation, for it threatens their monopolistic hold on the business. We find it harder to understand why about half of the independent truckers also oppose deregulation, fearing that lower freight rates will mean lower profits.

Trucking regulation was originally installed to protect the railroads, but in more than 40 years of bureaucratic growth it has been expanded to benefit virtually every economic interest in the country except the consumer.

If we have any complaint about the bill introduced by the president and drawn from information compiled by Sen. Kennedy's anti-trust subcommittee, it is that many of its provisions would not take effect until 1981. We say the sooner the better.

[From the West Palm Beach, (Fla.) Times, June 27, 1979]

MEETING THE NEWCOMERS

When Bennett Whitlock Jr., president of the American Trucking Associations, said "deregulation of the trucking industry will be completely counterproductive," there was a certain familiarity about his message. That's because all the major airlines were saying the same thing, with one exception, before they were cut loose for a measure of freedom—and competition.

But there aren't many complaints from the airlines now. They are vying for business with fare cuts and even coupons. Travelers are loving it, and all indications are that the airlines are too.

But when you have rates guaranteed and your routes safeguarded for a long time, it is doubtless frightening to think of having to sharpen the old pencil and meet the competition from newcomers who want to make money and oldtimers who want to do whatever is necessary to survive.

Fortunately President Carter has brought forward a proposal for deregulation of trucking. Miracle of miracles, Sen. Edward Kennedy is with the president on this one. In an era when the prices of everything seem to go in just one direction—up—the prospect that those in a key industry, truck transportation, may bring some relief is one that should be greeted with unbounded joy.

[From the Honolulu (Hawaii) Star-Bulletin, Mar. 4, 1979]

A CASE FOR DEREGULATION

If the Legislature is serious about providing more freedom for business when that also seems clearly in the public interest, then it should look with favor on proposals to deregulate the motor carrier industry here.

There appears to be some danger it will again this year reject the idea—in part because of confusion with the matter of inter-island surface transportation where it is now felt continuing regulation is in the public interest.

But these are very different situations:

In the case of inter-island ocean service, there is probably room for only one carrier for most kinds of freight, and costs of going into that business are high, $20 million or more. So the essential choice as many see it is between having a regulated or an unregulated monopoly.

With the trucks and tour buses now regulated, the cost of going into business can be as low as buying one truck. And there are hundreds of such firms, which means competition could serve as an alternative to regulation.

In some ways, the trucking and tour bus situation is akin to the airline industry, where deregulation has been a clear success in lowering fares and still keeping carriers healthy while providing service that is safe and efficient.

In fact, advocates argue that motor-carrier deregulation is now a partial fact.

They note that the Public Utilities Commission does not have the staff or time to regulate, and, while the truckers work together on setting rates, tour bus operators are competing and not following tariffs.

Truckers and other opponents of deregulation charge that the result of it could be less safety and forms of cut-throat competition.

But safety standards would continue, as they are now, under the state department of transportation and police enforcement.

There could and should be more competition in prices, but there are now laws against excessive policies and any more toward monopoly situations could be closely watched by the state's new anti-trust division.

Consumers—and ultimately that means all of us including legislators—may be most impressed by reports that trucking rates are from 10 to 20 percent lower in unregulated Mainland areas.

There are several bills to either totally or partially deregulate motor carrier rates, and there are differences in and out of state government on how far and fast to go.

The state administration is on record for a partial deregulation, allowing operators to adjust rates 5 percent above or 40 percent below present tariffs.

That would be a step, but there is also a good and maybe better case for total deregulation, since that seems the inevitable direction and the cleanest way to get there.

Behind the push for legislative action by state officials is the potential for anti-trust action by the state or federal government.

But the case for deregulation doesn't have to depend on any court act. It can be passed on its merits by the Legislature.

[From the Boise (Idaho) Statesman]

EVANS AND TRUCKERS

Gov. John Evans handled himself well in his recent meeting with angry independent truckers. There's not much Evans can do to help the independents immediately, and the meeting was therefore short on solutions. But at least the governor let them know in no uncertain terms that while he sympathizes with their plight, Idaho will not tolerate violence, blockades or violation of state traffic laws. The governor was pleasantly assertive and we applaud that.

Evans also pointed out that an attempt was made to deregulate trucking in Idaho during the last legislative session. That effort failed. Where, we ask, were the independents with their parades and jawboning then, when advocates of deregulation needed their support?

The Idaho Motor Transport Association was certainly right there in the middle of things, howling like mad that deregulation would be bad for the trucking business and for the consumer. That's hogwash. The big carriers oppose deregulation not because it would be bad for consumers but because it would be bad for them, force them to compete. They're great on free enterprise so long as it doesn't apply to their business. Incredibly, the independents let them get away with bunkum like that.

The deregulation bill most likely will be back before the Legislature next year. We'd suggest that's when the independents should be in Boise parading around the streets. With a concerted effort, they could get that bill passed. Complaining's easy. Working to change the situation through the political process is more difficult. If the truckers are truly concerned, they'll be back to help deregulation through the Legislature.

[From the Fort Wayne (Ind.) News-Sentinel, June 27, 1979]

TRUCKERS FIGHT ON

The strike and other actions by the independent truckers may cause quick economic upheavals—some good and some bad.

The truckers have a number of complaints—the main one being the high cost of fuel. In that regard, the aim of bringing down prices is similar to that of the general public. If the truckers manage to cause problems for the petroleum industry and create a decline in gasoline and oil usage, there is a potential for a beneficial result. Nothing would bring down prices faster than a glut of petroleum products on the hands of oil distributors.

Other results of transportation interruptions, however, could be unpleasant. Shortage of food supplies would be the first to be felt—and is already in evidence in some localities. Wider economic problems and industrial production and job dislocations follow.

The feeling the driving public—truckers or otherwise—have been suckered by the oil industry is becoming pervasive. Some of the excuses, such as the daily quotas, don't add up. If service stations have daily quotas, why are they open only in the morning and closed in the evening. In a true competitive situation, some would see the advantage of adopting different hours. Some motorists say they have been told the stations only get supplies each day with so much gasoline; yet the delivery tank trucks obviously haven't increased many-fold in order to make daily deliveries. The simple truth is that the run-ups in costs of imported oil represent only a small portion of the gasoline price increases. The rest can be attributed to the greed of the shipping lines, the refiners, the distributors and the retailers.

It is unfortunate some of the independent truckers are confusing the main issue with demands for bigger trucks or exemptions from speed limits and other narrow goals. Such tactics will lose the truckers the sympathy of a wider public. It is interesting too that the truckers' actions come at a time when Congress is considering the deregulation of truck transportation and some other carriers.

The main aim of the deregulation is to reduce the inflationary impact of federal regulations. Regulation causes higher costs in trucking and high taxes. It is expensive for everyone. Peculiarly, it might seem to some, many trucking companies are strongly opposed to plans to deregulate the industry. They fear the increased competition and loss of profits. This odd attitude of some lobby groups should come as no surprise, however. For years, despite public pronouncements to the contrary, entrenched railroad interests actually pushed for regulations and government enforcement to hold down competition.

The independent truckers are not part of the entrenched interests. Their situation and aims are much closer to the general public which sees the advantages of open competition in the marketplace and the disadvantages of government policies which channel favors to influential big oil and shipping interests.

[From the Aurora (Ill.) Beacon-News, Mar. 17, 1979]

OURS: TRUCKERS DRIVE AT BENEFIT DEAL

There are disquieting reports out of Washington that the White House is holding back on legislation to deregulate the trucking industry because of current contract talks between the Teamsters and the industry.

We are told that the administration hopes the Teamsters will abide by the president's voluntary wage guidelines, which include a seven percent ceiling on annual increases in wages and benefits.

With the two-million member Teamsters union vehemently opposed to deregulation, the White House apparently believes that delaying introduction of the legislation might moderate the union negotiators' wage and benefit demands.

There is nothing new, of course, about such political tradeoffs.

The are the meat and potatoes of Washington politics.

And, if a modest delay in introducing the administration's deregulation bill could, in fact, induce the Teamsters to settle for a non-inflationary three-year contract, the public interest would be well served.

However, as the president and his aides cannot have but noticed, the Teamsters appear decidedly unmoved by the administration's stalling on deregulation.

It has been learned that the Teamsters are demanding a wage and benefit package that adds up to a whopping 71 percent increase over three years.

So much for observance of President Carter's seven percent per year voluntary guidelines.

Frankly, we never entertained any great hope that the Teamsters' traditional militance at the bargaining table would be bartered away for anything as transitory as a delay of a few months in the administration's laudable drive to deregulate the nation's trucking industry.

Nevertheless, it is hardly fair to rebuke the administration for trying. After all, the inflationary effects of a new Teamster contract anything like the one put forward by the union would be considerable.

These new inflationary pressures would far outweigh the deleterious effects of a brief delay in introduction and enactment of trucking deregulation legislation.

But now that the administration's strategy has proved barren, we see nothing to be lost by prompt introduction of the deregulation measure. Indeed, that is what we expect.

The only other possibility is that the administration might decide to scrap its deregulation proposal altogether in exchange for incremental moderation in the zeal with which Teamster negotiators pursue their 71 percent wage and benefit package.

We worry about this because it would be a deal the Teamsters might conceivably accept.

The Interstate Commerce Commission's regulation of the trucking industry shields Teamsters from the competitive pressures that help restrain wages in other industries.

Regulation is a golden goose for the Teamsters no less than for their protected employers.

Union negotiators might well be tempted to settle for much less than a 71 percent increase should the Carter administration quietly promise an indefinite stay of execution for their regulatory goose.

The Teamsters would be happy and the administration could claim a "victory" for the president's battered anti-inflation campaign.

Should signs of such a deal develop, Congress and the country ought to rise in indignation.

Washington's maladroit regulation of the trucking industry costs consumers up to $3 billion a year.

For the Carter administration to perpetuate this burdensome waste for the sake of an, at best, partial triumph in the Teamsters-industry negotiations would amount to a surrender of the public interest.

[From the Palatine (Ill.) Herald, July 2, 1979]

DEREGULATING TRUCK INDUSTRY THE ROUTE TO GO

Despite their political jousting on national health insurance and other issues, President Carter and Sen. Edward M. Kennedy managed to set aside their differences long enough the other week to join in proposing legislation to deregulate the trucking industry. The unusual cooperation results from their recognition that most federal trucking regulations do little else than contribute to inflation.

That, of course, was not the original intent of the regulations 44 years ago. Rather, it was to promote a fledgling trucking in-

dustry by preventing companies from underpricing one another and monopolizing the most lucrative routes. Through the years, though, government control over trucking grew to include nearly every aspect of the industry. The end result is an example of federal regulation gone wild:

Except for raw agricultural products, which are not regulated, the government restricts truckers to hauling certain commodities between specified points. A truck licensed to carry steel from Pittsburgh to Chicago, for example, may not haul a load of refrigerators back to Pittsburgh. That job must be handled by another trucker. And so the steel carrier returns home empty. An estimated 40 percent of all regulated trucks are empty at any time.

Truckers often are prevented from traveling the shortest distance between two cities. For instance, a company may be granted authority to travel from Denver to Albuquerque but only if it does so by way of Salt Lake City, a detour of 300 miles.

Anyone wishing to enter the trucking industry must seek an operating permit from the federal government. To receive permission, a company must prove that truckers already covering routes are not providing adequate service. To protect their routes from new competition, established companies can appeal both to the Interstate Commerce Commission and the courts. That often lengthy and expensive process is itself a discouragement to competition.

The legislation proposed by Carter and Kennedy would eliminate such inefficiencies and encourage competition, thereby reducing shipping costs that are passed along to consumers. The Carter administration estimates trucking deregulation could save consumers $5 billion a year.

Despite such a promise of savings, the deregulation proposal unfortunately faces a long and rocky road toward passage. Because the regulations limit competition and keep rates high, many truckers are content with the status quo. Another stumbling block is the powerful International Brotherhood of Teamsters, which fears that the greater efficiency created by deregulation would result in job losses for some members.

Congress would be smart to ignore such bellyaching and think more in terms of how trucking deregulation would help the general public. Although the savings is estimated at $5 billion a year, the actual amount, if airline deregulation is any guide, may be much larger.

[From the Arkansas City (Kans.) Traveler, Mar. 5, 1979]

TRUCKING INDUSTRY WANTS REGULATIONS TO CONTINUE

This nation's opposition to government regulation appears to be just about as consistent as our opposition to federal programs.

Namely, regulations are opposed by groups unless they benefit their pocketbook. Similarly, spending programs are opposed by everyone except those who they benefit.

The latest example of this political hypocrisy involves the trucking industry in the U.S.

Following the example of increased competition through fewer regulations in the airline industry, some persons have advocated decreasing regulation of the nation's truck lines which carry a majority of our manufactured goods to their final destination.

Presumably, those trucking firms would be so disgusted with federal regulations that they would be delighted at the prospects of being deregulated. Most of us would expect an adversary relationship between government regulators and the trucking industry.

But, if you have not noticed, trucking lobby groups such as the Kansas Motor Carriers Assn. are currently campaigning against deregulation. The KMCA has an advertisement running on television explaining how effective the current system of rate setting by government is.

So, individuals who probably go home at night and curse the television when governmental expenditures and interference is mentioned on the nightly news are also embracing the concept of governmental control when it benefits them.

We suspect the federal regulation of trucking operations is not an adversary relationship. We suspect truckers benefit from rate-fixing by the Interstate Commerce Commission. We suspect truckers fear the effects of competition.

Thus, the trucking lobbyists will be working hard to keep the status quo.

And, this nation continues to fail in its efforts to reduce government, reduce federal spending and reduce bureaucratic interference.

As long as each of us looks only at our own pocketbook, the governmental bog will continue.

[From the Wichita (Kans.) Eagle, June 18, 1979]

DEREGULATING TRUCKING INDUSTRY

Independent truckers hardly can be blamed for being upset about diesel prices, and the Interstate Commerce Commission made about the only logical move it could when it agreed to let regulated carriers tack a surcharge on shipped goods to help offset the high cost of fuel.

But it's a short-term solution at best. The action won't solve the root problems that have plagued the trucking industry, and it is certain to drive up prices to consumers who buy merchandise that has been shipped on trucks.

Unpalatable as it is to most truckers, one of the best way to get at the problems of higher overhead is to deregulate the trucking industry. Freed from the restrictive regulations, in many cases against their own will, the airlines are enjoying a surge in passengers and profits. If competition, spurred by deregulation, has helped the airlines, it can do the same for the truckers.

Unfortunately, the American Trucking Association, the industry's principal trade association, and the International Brotherhood of Teamsters—the nation's largest union with 2.3 million members—are militantly against deregulation.

President Carter and Sen. Edward Kennedy, D-Mass., have agreed to come up with joint legislation to deregulate the industry. It is expected to be announced this week. Details of that plan aren't known now, but it isn't likely to deviate a great deal from the Carter plan outlined earlier.

It called for immediate removal of "backhaul" restrictions, which prevent a truck from carrying cargo when it is returning to its original destination. It would be difficult to imagine a practice that wastes more diesel than that. But curiously, the industry is against deregulation.

The Carter plan would end routing restrictions, many of which require trucks to use longer, circuitous routes, by the end of 1981. This would save diesel fuel, but the trucking industry is against deregulation.

Deregulation also would allow trucking firms much more freedom in setting their own rates. This would foster competition, as it has in the airlines industry. A strong industry need not fear such freedoms.

The truckers have a legitimate complaint in higher fuel prices. All Americans are feeling that pinch. The best way to fight these and other problems is through the free hand of competition.

To eliminate waste and costly red tape, and to give the truckers a weapon to use against the relentless rise in overhead costs, the ICC, the administration and Congress should join in freeing the trucking industry of its regulatory ills. It will help the truckers whether they believe it or not, and it will help the consumers who buy the goods they haul.

[From the Louisville Times, July 2, 1979]

IT'S TIME TO STEER TRUCK LINES INTO THE FREE-ENTERPRISE SYSTEM

The Interstate Commerce Commission permits a trucking company to haul meat from Timberville, Va., to Florida. The truck must return empty.

Another trucker can serve Denver and Salt Lake City, which are 512 miles apart, but, must go via Phoenix and Flagstaff. That adds 630 miles to the trip.

The ICC allows yet another carrier to haul pineapples only if his truck is also carrying bananas. A company permitted to carry paint in two-gallon cans cannot haul it in five-gallon cans.

It's ridiculous, wasteful, costly—the kind of bureaucratic red tape the trucking industry should be screaming to have eliminated. Well, the industry is screaming all right, along with the Teamsters Union, but only to prevent anyone from disturbing the system that does these things, not to demand their elimination. They may not make sense. But they make money.

That's because freight rates for trucks that come back empty to Timberville, or travel 1,142 miles to go 512 miles, are set high enough to cover all the costs, plus pay a profit. The trucking industry, through 10 regional rate-making bureaus it finances, makes sure of it.

In most other businesses, of course, that kind of thing violates anti-trust laws. But in 1948, the railroad and trucking lobbies pushed a law through Congress allowing those industries to set their own rates. The only check on them was the industry-dominated Interstate Commerce Commission, which could refuse any rate it judged was not "in furtherance of the national transportation policy."

President Truman correctly called that "a vague and general standard," and insufficient reason for an anti-trust exemption, but Congress overrode his veto.

He was right. For three decades, the only check on the trucking industry has come from the railroad industry, its rival for control of the patsy ICC. Shippers added whatever rate they were told to, and the consumer paid the final bill.

The system hasn't done much to spur competition, of course. Although there are about 17,000 carriers licensed by the ICC, the giants of the business skim the cream. In each of 350 two-city markets in 1976, the four largest general freight carriers accounted for most of the business. That information came from the truckers' own rate bureaus, but Sen. Edward Kennedy had to threaten a subpoena to get them to give it up. They had refused to give the records to the ICC, which says a lot about just how tough the industry's federal regulator really is.

Although they are political rivals, President Carter and Sen. Kennedy have joined forces to seek to deregulate the trucking industry. They propose eliminating mandatory empty return trips, long-way-around routings and the other phony, expensive frostings in the industry. Such changes, said the President, would save huge amounts of fuel and cut consumer shipping costs by at least $5 billion a year.

But the most important feature of the bill is to steer the industry into the free enterprise system. The anti-trust exemption for cartel ratemaking would be eliminated and the doors opened to qualified competitors. That would include many of the hard-pressed independents who have been venting their frustrations on all of us. They are forced now to limit the number of shippers they

can serve and are prevented from applying for common carrier licenses.

President Carter has begun the deregulation drive by appointing consumer-oriented people to ICC vacancies, rather than industry hacks. He used the same technique with the Civil Aeronautics Board, and it aided Senator Kennedy's drive for legislative deregulation of the airlines industry. That fat bird also resisted when the two men pushed it out of the federal nest. But to their surprise, the airlines not only did not fall under a competitive system, they are soaring. It's the truckers' turn now.

[From the Bay State (Mass.) Business World, June 27, 1979]

MEMO FROM MONAHAN

SUBJECT: KENNEDY & TRUCKING REGULATION

Earlier this month, Senator Edward M. Kennedy spoke in Washington, D.C. to a conference sponsored by the National Federation of Independent Business, a national small business organization. He touched on many issues of interest to smaller businesses, an example of which is included in the excerpts reprinted below on trucking regulation which followed a section on the problems presented by large corporations. (A.M.M.)

But protection against corporate power is not enough. Protection against big government is also necessary. Small business knows, better than most, the stifling influence of endless government regulation. The burden is especially great for small businesses, because they can least afford the costs of compliance with a maze of complex and often contradictory requirements.

Between 1975 and 1978, the regulatory establishment more than doubled. It may cost American industry as much as $100 billion to comply with regulations. It may cost our economy as much as $50 billion in paperwork alone.

But no one can measure the additional costs in frustration to businesses trying to figure out the rules. One small business in Massachusetts spent over 1300 hours sending forms to different states and federal agencies.

Sometimes the frustration has a lighter side. A businessman wrote to Senator Culver that he had received a questionnaire which asked him "How many employees do you have, broken down by sex?" He wrote back: "None, our problem here is alcohol."

Economic regulations imposed by government are often self-defeating. They work against the basic principles of competition and free fair pricing. They work against small businesses trying to compete effectively in the market place by offering lower prices and better services . . .

For example, since 1935, we have regulated trucks. We have forced them to use listed routes. We have accepted the fiction that they must rely upon huge capital investments and need protection against wasteful competition. We have regulated their rates—not to keep them low but to keep them high—and thus to protect the monopoly value of their government licenses.

We have even gone so far as to legalize price-fixing behind closed doors, through rate agreements that would be a felony in other industries under the Sherman Act. But the trucking industry has an exemption from this most basic of all antitrust laws.

As a result, government regulation has effectively and systematically reduced competition in the trucking industry. And who gets hurt the most? Small businesses. They are frozen out.

Last month in committee, we heard testimony from the president of a small Massachusetts trucking company. He told us he had spent the last thirty years in a bottle. He says his company was frozen in the role of the small carrier—frozen by the I.C.C. itself. If he could ever make the I.C.C. understand, he says, he could provide better service at lower rates than other carriers.

Government regulation of trucking has two results—poorer service and more expensive service. Small trucking firms are prevented from competing. They are prevented from offering lower prices.

The way to ensure more service at lower rates—and lower prices for all consumers—is to rely more heavily on competition, free enterprise and the market place, rather than on the decisions of bureaucrats in Washington.

That's the way our system of free enterprise is supposed to work. And that's the way it can work again, if we are willing to do something about this present excessive regulation.

[From the Detroit News, Feb. 25, 1979]

TRUCKING AND A CUTTING TORCH

The Carter administration's approach to the deregulation of the trucking industry reminds us of the demolition man perched on a bridge column 400 feet above the water, burning metal with a cutting torch ever so delicately, with a touch here and a touch there, hoping he can break off a 20-ton chunk without being pulled down with the piece.

The demolisher nibbles at the bridge because it has to be removed and the piece-by-piece method promises sure, eventual success for the persistent man. He knows that a huge charge of dynamite at the base of the column might have unexpected and unacceptable consequences.

Similarly, if deregulation can be partly accomplished by nibbling at the old rule book through administrative orders, then perhaps the White House should simply continue to nibble away—for the time being. This process will then set the stage for the legislative action that will be necessary to complete the job.

Sen. Edward Kennedy, D-Mass., is one of many legislators who recognize the eventual need for new laws in this area. He is ready to introduce a measure that would end the antitrust protections that permit truckers, in effect, to fix shipping charges.

There are compelling reasons for trucking deregulation. The consumer will gain two ways if the regulated truckers are plunged into the real world of free market competition after more than 40 years of ease and complacency nurtured in the hot house of government protection. They will be forced to compete for the market in the classic way—with sharp pricing and better service.

At the same time, deregulation supports both the energy and anti-inflation policies of government. Lower prices brought on by free market competition will help slow the rising cost of living because virtually everything we buy is moved at some point by truck. True, only part of the trucking fleet is regulated in Washington and the feds can therefore directly affect only that portion of the truck fleet. There is bound to be a ripple effect, however, and those ripples will be felt through the whole structure of the trucking industry.

Opponents of deregulation worry that free competition will destroy services to small towns. This isn't much of an argument. Small needs of small towns will be served with more efficient small trucks. If a village finds itself host to a major industry, it will have no transportation worries. Big truckers will come in on the instant, scrambling for every ton of that freight.

Last month, a ruling important to the energy policies of the country was made by the Interstate Commerce Commission (ICC). A Massachusetts box manufacturer, who carries his products to market in his own trucks, had been required to bring those trucks back from Georgia, empty. The order now allows him to load up with the biscuits of a Georgia company and come home fully laden.

Regulation, through the years, has been wasteful. Huge trucks run "deadhead"—that is, empty—all over the country because ICC regulations, written to protect the exclusive market of one trucker, forbid another to run down the same highway with a load.

The ICC has also decided in recent days that it will take price into consideration when it rules on applications from truckers seeking access to major routes. This decision is bound to wake up the moribund among established truckers.

Thus, two important policy changes are in place. The ICC will no longer force deadheading to protect another trucker's exclusive route and price competition will now be an important factor in route application cases.

It is regrettable that all the evident deficiencies in trucking cannot be corrected in one blow. But because the trucking lobby is big, rich, and persuasive on Capitol Hill, Mr. Carter's men can hardly be faulted for taking a "go slow" approach.

The movement to deregulate trucking deserves wide public support, because that support serves as oxygen and acetylene for the government's cutting torch.

[From the Pontiac (Mich.) Oakland Press, June 21, 1979]

BLAME FEDS FOR STRIKE BY INDEPENDENT TRUCKERS

Oh, what a mess we make when first we seek to regulate.

With apologies to poets everywhere, that describes the protest by independent truckers against higher diesel fuel prices.

There is no need to elaborate here on the disruption those truckers are causing in Michigan and other states. Suffice it to say that they are blocking fuel distribution terminals. The end result is shortages of everything from gasoline to food products which are distributed by truck.

You can legitimately criticise the striking truckers on the one hand because they are trying to hold the rest of us hostage in order to win their demands.

That sort of thing inevitably leads to violence. And it imposes enormous costs on society in the form of lost work time, lost selling time and so forth.

But on the other hand, the truckers are as much victims as the rest of us.

They are victims of federal regulations.

Under a congressional mandate, the U.S. Interstate Commerce Commission (ICC) has regulated trucking freight rates for years. The trucker doesn't decide what his price is. The ICC does.

That works reasonably well when all prices are stable. A fair freight rate is determined. Truckers live with it. Everybody is happy.

But costs aren't stable now.

Prices of the diesel fuel used by most large trucks have gone the way of the price of gasoline. Fuel was 63.9 cents a gallon in January. Now it is 86.1 cents a gallon.

A motorist with a private car may gripe about the price of gasoline but, unless he uses his car a lot for his business, he can absorb the increase and get along.

Diesel fuel, however, is a cost of doing business for a trucker.

What the tzuckers are saying is that they cannot afford to absorb this year's price hike and continue to make a living.

The ICC finally did allow them to boost their rates by six percent to help cover the fuel costs.

Truckers say that isn't enough, though.

At the very least, the ICC could do for the truckers what most public service commissions do for public utilities; allow them to automatically "pass through" fuel price increases to customers.

It is rarely possible for any link in the chain of business to full absorb a major price increase and continue to operate. Profit margins are rarely high enough to allow that. The price of the end product almost inevitably has to reflect such things as increased costs of distribution.

All this would be so much simpler—there would have been no protest, no disruption—if the truckers were free to set their own rates.

That wouldn't mean they would like the high fuel prices. But at least they could try to recover them.

It might eventually turn out that the truckers' prices would be too high for some customers. Here and there freight might be hauled by railroads instead.

But there still would be plenty of business for trucks. Only 60 percent of Michigan communities are served by trains.

Understand that we cannot tolerate the blockading of fuel terminals. The governor must have the power to end it with the National Guard if necessary.

But also understand that none of this would have happened if the trucking industry had been deregulated.

Maybe this will make believers out of the congressmen.—NEIL MUNRO.

[From the Winona (Minn.) News, Jan. 30, 1979]

BIG TRUCKERS SAY: WE LIKE THE REGULATIONS

Business is always telling you that government regulation is strangling it.

But here's a good example where business likes regulation. The American Trucking Association has been running big ads in big papers and magazines (and covering editors' desks with its propaganda) to throttle down the Carter administration's drive to deregulate the trucking industry.

It has an unsilent partner in this enterprise to continue stifling free enterprise. That's the Teamsters Union. But the trucking industry is a divided monster. The independent truckers are another breed; they don't like the government regulation that the association wants; they like the freer competition that deregulation would bring.

We asked a local industrial traffic manager what his reactions were to the American Trucking arguments, like its statement that "regulation doesn't stifle competition, three-quarters of all motor freight companies are small businesses, grossing under $500,000 a year. The top four companies account for less than 8½ percent of total industry revenues. Deregulation would result in the driving out of business or swallowing up of the small companies by the large, resulting in arbitrarily higher rates."

His reply:

"Under deregulation, the law of supply and demand may allow for more perfect competition."

The association attacks another "myth that regulation results in higher costs: From 1967 to 1977 the Consumer Price Index rose over 22 percent more than did the price for motor carrier service."

His reply:

"With more perfect competition possibly the price of motor carrier service would fare better."

The association answers the "myth" that "regulation creates empty backhauls and wastes fuel" with this ambiguous statement, "On the contrary deregulation would increase the number of trucks hauling the same amount of freight, thus creating excess capacity and using more fuel."

Compare that answer with its answer to the first "myth."

The traffic manager's reply to ATA:

"Deregulation probably would only shift the freight from Teamster-operated trucks to private and contract, or the smaller trucking company, explaining the ATA's reason for concern."

The trucking monopolists also might consider this opinion of the National Federation of Independent Business: More than two out of three of its members favor less control—A.B.

[From the Columbia (Mo.) Tribune, July 1, 1979]

TRUCKING DEREGULATION: LET COMPETITION SET THE RATES

The business of trucking is in the news. Independent operators are conducting sporadic strikes across the country in protest over rising costs and excessive government regulation. Interrupted shipments of perishable food products and fuel have caused near-emergency situations in some areas.

Meanwhile, Congress is taking up the controversial issue of trucking deregulation. The Carter administration is backing a bill introduced by Sen. Ted Kennedy to greatly reduce the amount of government control over routes and charges.

The issues are related. If regulation did not interfere with truckers' operations, rising costs could be reflected more readily in charges. Conversely, more open competition could be more of a factor in holding down costs.

As it is now, the government makes it hard for trucking companies to acquire new territories and impossible for anyone to undercut rates. Moreover, the rate setting is done largely by the truckers themselves through legal, regional cartels. The result over the years has been the development of what amounts to a series of lucrative franchises granted by the government to conglomerate trucking firms.

That it has turned out to be a sweetheart deal can be seen in the staunch opposition that deregulation is getting from both the large truck firms and the Teamsters union. The firms don't want their territories invaded, and the union does not want more competition from non-union drivers. As it is now, increasing costs—such as rising labor rates—can be used easily to justify rising charges. This kind of pass-through is approved quickly by the government regulators, and the public has to pay it. What a deal for the union. It no doubt has caused Teamsters rates to be higher than they would be if subject to direct competitive forces.

The experience with deregulation of the airline industry has been good. Increasing competition has brought rates down in many cases. The situation is very similar in trucking. We hope deregulation comes quickly.

[From the Springfield (Mo.) News, June 28, 1979]

RAILROADS AND TRUCKING SPLIT ON DEREGULATION

It may come as a surprise, but in the United States the largest single percentage of freight moved is still transported by rail.

The nation's railroads, in 1978, moved 35.5 percent of the total goods moved by the modes of train, truck, pipelines, shipping and air.

Trucking is the second largest mover, with 26.6 percent. Oil pipelines moved 23.7 percent, ships and barges 15.8 percent and air (lumped together with "other" modes), moved only .2 percent.

Transporting goods from point of origin to point of use has become quite complicated and costly. So costly, in fact, that many officials of transportation organizations have been loudly complaining about the costs federal regulation adds to the transportation bill.

Proponents of deregulation of the trucking and railroad industries point to the apparent success of airline decontrol in October, 1978, and ask for similar government action.

Currently, President Carter and Sen. Edward M. Kennedy, D-Mass., have unveiled a joint proposal to limit government involvement in transportation. The bill would end the antitrust immunity for price-fixing that truckers now enjoy, knock down many barriers that prevent new trucking companies from entering the market, and would give carriers more freedom in setting rates and would lift many current restrictions on the kinds of freight trucks may haul. And all government control over shipping charges would terminate in 1985 when the authority of the Interstate Commerce Commission would end.

The prosperous trucking industry and the International Brotherhood of Teamsters are trying to defeat the Carter-Kennedy legislation; the financially hard-pressed railroads are largely in favor of the bill.

Will deregulation work as well for rail and trucking as it did for air transportation?

It is a difficult question to answer but, frankly, we doubt it. The web of rail and truck transportation is a complicated one, indeed, and the services the industry provide are too vital to the welfare of the nation to be left wholly unmanaged by the federal government to at least some degree.

However, the Carter-Kennedy deregulation package appears to be a fair compromise, promising the most relief while retaining a light hand on the reins. Any action that would reduce the cost of transportation would certainly be welcome to all segments of business—as well as the beleaguered consumer.

[From the Albuquerque (N. Mex.) Journal, June 24, 1979]

FREE MARKET IN TRUCKING

President Carter's proposal for phasing out federal regulation of the trucking industry, coming, as it does, in the face of a nationwide strike by independent truckers, was unveiled at a most opportune time.

And his initiative is directed aptly at the one industry in the nation that doesn't want deregulation: Its operators fear they cannot trust each other without the discipline of a heavy-handed federal referee.

In one of several very recent overtures toward reconciliation, Sen. Edward M. Kennedy, D-Mass., has agreed to sponsor the president's deregulation bill in the Senate.

Carter said the deregulation plan, to be phased in over a span of five years, "will restore the competitive spirit to the trucking industry, reduce inflation, minimize government regulation and save energy."

Administration spokesmen estimated that federal regulation of truckers is costing U.S. consumers $5 billion a year—approximately $100 annually for every family of four.

The plain for a slow but steady phase-out of regulations should be an adequate response to the dire warnings from the trucking industry and union teamsters of the bedlam that would accompany deregulation.

The administration's proposed removal of restrictions on "backhauls"—restrictions that require some trucks to travel empty on their return trips—could save both motor fuel and consumer costs. Repeal of the special immunity from anti-trust laws that permit regulated truckers, through their rate bureaus, to fix haulage, tariffs, should assure the renewed operation of free market forces.

Other features of the Carter-Kennedy proposal would ultimately end restrictions on routes traveled and the commodities to be carried, make it easier for new operators to enter new service markets, allow truckers, under some conditions, to raise or lower rates without approval of the Interstate Commerce Commission, and broaden the exemptions

extended to the carriers of agricultural products and to farmer-owned cooperatives.

Partial deregulation of the airline industry has, in a relatively short time, favored the public with a wide range of competitive options and rate advantages. There is reason to believe that the same competitive benefits would be shared by patrons of a deregulated motor carrier industry.

[From the Las Cruces, (N. Mex.) Sun News, June 29, 1979]

TRUCKING DEREGULATION

It's hard to believe that the U.S. government is interested in fighting inflation and conserving fuel when its own regulations can force a truck bound from Denver to Albuquerque to go by way of Salt Lake City—a 300 mile detour. But that's the kind of costly and wasteful nonsense that occurs with the blessing of the Interstate Commerce Commission.

President Carter has now added deregulation of the trucking industry to the agenda of the 96th Congress. It should get a high priority to bring its benefits to bear as quickly as possible. The president estimates that over-regulation and lack of competition in truck transportation are costing consumers as much as $5 billion a year.

Among other things, the deregulation plan would allow easier entry into the trucking business, and provide greater freedom in raising and lowering rates. It would end many restrictions on what trucks can carry, permit them to take the most direct route to a destination, and lift the rules which often force trucks into long "deadhead" runs carrying no cargo.

The case for a free, competitive market in truck transportation speaks for itself, but major trucking companies and the Teamsters Union, which represents most of their drivers, are digging in for a fight. Deregulation would end route monopolies and the legalized price-fixing which protects established operators. On the other hand, the president's plan is supported by independent truck operators who stand to gain from being able to compete more directly with the bigger companies.

This poses the kind of clash between special interests which can immobilize Congress. If the lawmakers would look beyond the lobbyists to the public interest, however, they will see the necessity for dismantling an intricate and outmoded regulatory system which is perpetuating costly inefficiencies in the hauling of freight.

[From the Buffalo (N.Y.) News, June 22, 1979]

FREE THE RIGS FOR TRUCKING

President Carter's proposals to Congress for partially deregulating the trucking industry will not provide an immediate answer to the spreading protests and disruption caused by independent truckers. The program still must be debated and approved by Congress before taking effect, a process that will presumably consume weeks or even months.

Unquestionably, however, Mr. Carter has taken a welcome if belated step in the right direction. Deregulation would free truckers to rely less on the crutch of countless federal rules and more on their own entrepreneurial instincts in developing and serving their customers.

Our major question here is whether the presidential plan—which focuses on easing geographic limitations on where truckers can go, and the restrictions on what loads they can carry—ventures far enough. At first glance it appears less bold than a recent alternative suggested by Sen. Edward Kennedy. Our main regret is that this Carter move was delayed so long. Deregulation has benefited both consumers and carriers in the airline industry, and the latest proposals could yield equally constructive benefits in trucking. Indeed, had there been less red tape in recent years, the current chaos among independent truckers, many of them small owner-operators, might have been averted or lessened.

In an unregulated climate, it would at least not have been the federal Interstate Commerce Commission that for so long made it difficult for the independents to pass along their higher costs from the scarcity and rising prices of diesel fuel to their customers, many of them the large interstate carriers which are so awkwardly regulated now. In fact, deregulation could assist the independents to become more competitive with those same major carriers. But at least competition and economic realities would be governing the industry rather than an ICC administering clumsy, complex rules.

If many of the frustrations bothering the independent truckers are understandable, however, the tactics of violence and blockades employed by some of them across the nation's transportation corridors are not. It is difficult to believe that any independents really think rotting meat, dumped milk, spoiled vegetables and shooting at other drivers, who also must earn a living, win public support. "It's ridiculous," said a driver hauling meat, "when a guy has to carry a gun to make a living."

For the long haul, deregulation affords a convincing, constructive response to an over-governed industry trying to cope with dramatic changes in basic economic conditions. Fewer rules could also benefit consumers and help fight inflation. For the short run, the ICC needs to proceed as far as it responsibly can under existing law to soften these regulations, thus allowing truckers to pass along reasonable higher business expenses while promoting greater competition. As for lawbreakers on the road, they should be prosecuted for acts of violence that are intolerable in a society where might must not make right.

[From the Glenns Falls, (N.Y.) Post-Star, July 2, 1979]

TRUCKING DEREGULATION: IT'S IN PUBLIC'S INTEREST

It's hard to believe that the U.S. government is interested in fighting inflation and conserving fuel when its own regulations can force a truck bound from Denver to Albuquerque to go by way of Salt Lake City—a 300-mile detour.

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[From the New York News, June 22, 1979]

FIVE-YEAR PLAN

The long-awaited plan for deregulating the trucking industry has been launched with appropriate ruffles and flourishes by the White House. As a whole, it is a commendable effort.

President Carter recommends a five-year phaseout of government controls, beginning with an immediate lifting of restrictions on "backhauls." At present, trucks travel empty 20 percent of the time—wasting barrels of costly fuel—because of limits on what they can and cannot haul.

The plan would relax the rigid rate-making system. In addition, all curbs on what goods truckers may carry, and the routes they must follow, would be abolished by the end of 1983.

A powerful industry lobby is set to do battle on each and every reform. Big truckers predict calamity and chaos if they are driven from the friendly, protective shelter of the Interstate Commerce Commission.

The airlines said the same thing about deregulation. But with lower fares luring in more passengers, the carriers have found they can live pleasantly—and profitably—without Big Brother's benevolence.

According to government estimates, the present maze of trucking controls adds $5 billion to shipping bills, an extra expense consumers eventually pay.

That waste is an extremely powerful argument in favor of the kind of regulatory retreat from the highways that Carter has proposed.

In another matter involving truckers, the administration is trying to appease the independent operators who are waging a kind of economic guerrilla war to protest fuel shortages and rising prices. The government is moving to make more diesel fuel available, and an emergency 6 percent rate boost has been offered.

However, it remains to be seen whether the rambunctious truckers will be satisfied with the response to their more legitimate complaints. Many seem dead set on extorting other concessions, including higher load limits and a for-truckers-only national speed limit of 65 miles per hour.

To back those selfish demands, the militants have resorted to shooting, assaulting and threatening drivers who don't support their cause. Perishable foods are rotting on farms because of trucker boycotts, and movement of gasoline disrupted by public-be-damned blockades.

Truckers are entitled to an even break. But state and federal authorities must be prepared to use whatever measures are necessary to counter violence and extortion, and they should not under any circumstances yield to demands for special privileges.

[From the Rochester (N.Y.) Times Union, June 22, 1979]

FOOLISH TO DECONTROL OIL AND NOT TRUCKING RATES

With the benefit of hindsight, we can see that it was foolish to deregulate the price of gas and oil without at the same time deregulating the price of things that depend on fuel—such as trucking.

Because of that mistake, independent truckers who must take their expenses out of their pay checks find their expenses mounting and their take-home pay falling. Not satisfied with a 6 percent increase in

rates granted by the Interstate Commerce Commission, they seek to dramatize their discomfort by discomforting us all.

The effects have not yet come home to this community or to consumers generally, although we may soon feel some inconvenience, particularly at the grocery store.

On the other end of the pipeline, though, there is more than inconvenience. Livelihoods are at stake.

Some farmers whose truck crops are ripe, whose livestock is fat, whose milk is in the can, cannot move their income-producing goods to market.

Some service station operators cannot operate because their supplies have been blockaded. Some factories and businesses that depend heavily on truck deliveries have laid off workers.

And truckers who do not wish to strike (many work on salary and their employers buy the fuel) have been intimidated and fired on. Already, one is dead because he chose to keep his rig rolling.

President Carter and some governors have recognized the situation for the emergency it is and have ordered the FBI, state police and National Guard units to patrol the highways and conduct truck convoys.

Indeed, the sternest measures are justified, because we cannot allow the nation's economy to be brought to a standstill by a relative handful of truck drivers.

Further, their demands are in part unjustified. They want permission to run at wastefully high speeds. They want states to lift load limits which are intended to keep highways from being pounded into rubble prematurely.

We can't let them bulldoze us into such foolish actions. The public cost would be greater than the public gain.

However, truckers should have nationwide weight and load standards, not different ones in various states. And we should make sure that the 6 percent increases in their rates does in fact cover the higher cost of fuel.

For the longer term, however, the solution is deregulation. Let the truckers charge what they can get and when the price of fuel goes up let them raise their rates themselves without throwing the nation into disarray.

President Carter is making just such a proposal. His plan, it is reported, is to end the federal price-fixing and limitations on the goods which each trucker can carry.

The greater efficiencies and competition would save consumers some $5 billion a year, the administration believes.

Unfortunately, these steps would take five years under Mr. Carter's plan. If rate regulations were raised tomorrow, the truckers no doubt would be on the road by nightfall.

Truckers should be allowed a fair wage for their work, but they shouldn't be allowed to threaten livelihoods and sound public policy.

[From the Watertown, (N.Y.) Times, June 22, 1979]

TRUCK DEREGULATIONS

Congress should give immediate attention to President Carter's proposals to deregulate the trucking industry. The current strike by the independent truckers reflects to a degree the problems and difficulties created by an over-regulated business. However, even should the truck stoppage be ended soon, the changes the President has advanced must be examined and, where possible, adopted.

Deregulation will not come easy. The major truckers, long protected by many of the rules, will surely mount an intense lobbying campaign to retain all those features that have given them undisputed control of the highway freight-moving business.

The mass of regulations in the trucking industry is costing Americans almost $5 billion a year. If changes would slash that amount in half, they would be worth the effort.

There are many regulations which affect the public's pocketbook. Among the worst are the federal restrictions on "back-hauls," the loads truckers would like to carry on their return trips. At present, thousands of these huge vehicles return empty after having delivered their assigned load. This deadheading represents a huge waste of time and money, affecting both the trucker and the consumer. An idea of how much deadheading there is has been offered by the Interstate Commerce Commission which says that more than 20 percent of all truck miles are driven empty because of these regulatory restrictions.

Other regulations that ought to go are those restricting routes and commodities. Some freight lines must now go hundreds of miles out of their way to serve communities. And the business of one trucker permitted to haul two-gallon cans of paints but not five-gallon cans or to haul pineapples but only if they are mixed with a load of bananas must be ended.

Truckers applying to offer new services ought to be given far quicker approval then they get now. The Congress should throw out the procedures which drag these applications on, sometimes for years, while the applicants try to show that the service is "required" for the public's convenience and necessity.

There are more changes Mr. Carter wants, and at first glance they appear reasonable. Certainly farmer-owned cooperatives with trucks should be allowed to carry at least half their total cargo for non-farmers, another feature which would cut back on deadheading.

These changes will add a healthy competitive element regardless of how the industry may object. There will still be plenty of room for profits while at the same time giving the consumer a break in reduced prices.

But none of these improvements will be achieved unless Congress takes Mr. Carter's proposals seriously.●

PLANS AND PROJECTS AFFECTING THE TERRITORIES AND POSSESSIONS OF THE UNITED STATES

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1119, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1119) to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with amendments.

The PRESIDING OFFICER. The time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Washington (Mr. JACKSON) and the Senator from Oregon (Mr. HATFIELD), with 30 minutes on any amendment with the exception of an amendment to be offered by the Senator from Ohio (Mr. GLENN), on which there shall be 1 hour, and with 20 minutes on any debatable motion, appeal, or point of order.

The Chair recognizes the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the time allotted to the Senator from Washington (Mr. JACKSON) be assigned to the Senator from Hawaii.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as thus amended, be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 2, after "permission" insert "by any agency or instrumentality of the United States to any person";

On page 2, line 6, strike "United States by any agency or instrumentality of the";

On page 2, line 10, after "granted" insert "nor may any such transportation or storage occur";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That prior to the granting of any license, permit, or other authorization or permission by any agency or instrumentality of the United States to any person for the transportation of spent nuclear fuel or high-level radioactive waste to or for the storage of such fuel or waste on any territory or possession of the United States, the Secretary of the Interior is directed to transmit to the Congress a detailed report on the proposed transportation or storage plan, and no such license, permit, or other authorization or permission may be granted nor may any such transportation or storage occur unless the proposed transportation or storage plan has been specifically authorized by Act of Congress: *Provided,* That the provisions of this Act shall not apply to the cleanup and rehabilitation of Bikini and Enewetak Atolls.

For the purpose of this Act, the words "territory or possession" include the Trust Territory of the Pacific Islands and any area not within the boundaries of the several States over which the United States claims or exercises sovereignty.

UP AMENDMENT NO. 484

Mr. MATSUNAGA. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Hawaii (Mr. MATSUNAGA) proposes an unprinted amendment numbered 484:

On page 2, line 4, after "radioactive waste" and before "to" insert "for interim, long-term, or permanent storage".

Mr. MATSUNAGA. Mr. President, the amendment which I have submitted is technical and acceptable on all sides. The purpose of the amendment is to clarify that the legislation addresses only transportation associated with the storage of spent nuclear fuel. There apparently is some concern that the present language is not sufficiently clear, and the amendment will resolve that. The bill which this measure contemplates to authorize any proposed storage facility could include any transportation associated with such facility.

Mr. McCLURE. Mr. President, the minority fully supports the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MATSUNAGA. Mr. President, it is with a sense of urgency that I rise to urge passage of S. 1119, a bill to direct the Secretary of Interior to report to the Congress on any proposal for the transportation to or the storage of spent nuclear fuel on any territory or possession of the United States, and to require the specific authorization of the Congress for the implementation of such a proposal. This legislation was introduced on May 10, 1979, by the distinguished Senator from Idaho (Mr. McCLURE), along with myself, Senator JACKSON, Senator HATFIELD, Senator JOHNSTON, and Senator CHURCH. Senator BRADLEY has since been added as a cosponsor of the bill.

Mr. President, introduction of the pending bill was prompted by an article which appeared in the Washington Post on March 28, 1979, entitled "U.S. Proposes Storing Spent Nuclear Fuel on Pacific Isle." The article related that the United States had proposed to the Government of Japan the use of a U.S. owned Pacific island territory for the storage of spent nuclear fuel.

As a Senator whose State lies in the middle of the Pacific Ocean, I was shocked with disbelief that I had not been informed by the administration about the possible storage of nuclear wastes in the Pacific, a proposal which certainly could have a profound impact on the State which I represent. I was also deeply concerned, as were many other members of the Energy and Natural Resources Committee, that the Congress, and the committee specifically, had not been officially notified, properly or in a timely fashion, of the Pacific island storage proposal and the negotiations with Japan already undertaken by the Department of State.

Shortly after the Washington Post reported the story, the chairman of the Energy and Natural Resources Committee (Mr. JACKSON) requested and received from the Secretaries of State, Interior, and Energy, reports on the nuclear fuel storage proposal and negotiations. Let me highlight briefly the responses from the executive departments.

Secretary of State Cyrus Vance explained to Chairman JACKSON that the administration is pursuing the concept of international spent fuel storage to deal with the accumulation of spent nuclear fuel projected to occur worldwide, and to do this in collaboration with other nations in ways to make the nuclear fuel cycle more proliferation resistant. Importantly, Mr. President, the Secretary assured our committee chairman that no major step would be taken on the proposal without consulting the Energy and Natural Resources Committee and other interested Members of Congress, and, as appropriate, without seeking congressional approval.

Secretary of the Interior Cecil Andrus, whose Department has administrative responsibility over the affairs of the U.S. territories and possessions, informed Chairman JACKSON that the Department of the Interior had no prior knowledge of the proposal.

And, Secretary of Energy James Schlesinger, whose Department has statutory responsibility to keep the Congress fully and currently informed of all nuclear affairs of the Federal Government, explained that the Department of Energy had provided technical support to the Department of State under its authorized international spent nuclear fuel program in pursuing the proposal for an international storage site on a U.S. territory in the Pacific.

Mr. President, I ask unanimous consent that copies of the correspondence between the chairman and the Secretaries of State, Interior, and Energy, together with their responses be printed in the RECORD and appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATSUNAGA. Mr. President, on June 5, 1979, the Energy and Natural Resources Committee conducted a hearing on S. 1119, which, at the request of the Department of State, was held in executive session. At that time, administration officials provided the committee with a briefing on the Pacific nuclear waste storage proposal and a detailed account of the decisionmaking process which led to the administration's failure to notify the Congress of the proposal. Testimony was received that the Pacific storage proposal and the negotiations with Japan were in "very preliminary stages," and, therefore, it was decided that Congress would be notified at a later date. The administration officials were of the opinion that there was no legal requirement to notify the Congress of any plans of this type until such time as an authorization for the actual expenditure of funds was needed for the repurchase, transportation, and storage of spent nuclear fuel on the U.S. Pacific island chosen as the repository site.

Mr. President, in my view, and that of the Energy and Natural Resources Committee, the explanation provided by the administration for its failure to properly notify the Congress is just not acceptable. The fact of the matter is that the Departments of State and Energy totally disregarded their clear responsibilities to report to the Congress on matters such as this.

In view of the fact that the Energy and Natural Resources Committee has jurisdiction over both nuclear storage matters and territorial and insular affairs, the Department of State, which is the lead agency in this matter, should have properly advised the committee of the details of the Pacific storage proposal and the ongoing negotiations with Japan.

The Department of Energy, under existing statutory authority, should have kept the Congress and the committee fully and accurately informed of its involvement in the nuclear waste storage proposal.

And, very importantly, the Department of the Interior, as the agency with administrative authority over the affairs of the U.S. territories and possessions, should have been informed of the action being taken by the Departments of State and Energy involving U.S. possessions, and, in turn, kept in close communication with the Senate committee on the implications of the nuclear storage proposal on any U.S. territory.

Mr. President, on behalf of the Energy and Natural Resources Committee, I would like to emphasize that our concerns, as expressed in S. 1119, do not in any way reflect an opinion with respect to the goals and objectives of the Nuclear Non-proliferation Act of 1978, nor is the concern designed to limit in any way the conduct of negotiations by the administration pursuant to that act. Furthermore, I want to emphasize that it is not the intention of the committee to make any judgment on the feasibility or desirability of the use of island storage for spent nuclear fuel.

The committee's concerns expressed in S. 1119, are these:

First. The failure of the administration to notify and inform the Congress of the Pacific island storage proposal.

Second. The apparent insensitivity on the part of the administration to the concerns of the people of the U.S. territories and possessions and the entire Pacific community.

In response to these concerns, S. 1119 is designed to guarantee that the Congress is properly informed on matters involving nuclear waste storage in the U.S. territories, and to assure the people of the Pacific area that the United States will not sanction or approve any proposal for island storage of spent nuclear fuel without full public disclosure of the site and open consideration and formal approval by the Congress.

Mr. President, it is quite evident that the people of the U.S. Pacific territories and the entire Pacific community are very, very concerned about nuclear policies—and they have every cause to be. While we in the continental United States have only recently experienced a potential nuclear tragedy here at home, at Three-Mile Island, the people of the Pacific have lived with the reality of nuclear tragedy for more than 30 years.

Let us not forget that the Pacific Islanders of the Bikini Atoll in the Marshall Islands may never be able to return to their island homes because of the high levels of radiation that remain in the island after it was used as a nuclear test site in the mid-1950's. Other Pacific islanders will suffer for the rest of their lives from radiation-related sicknesses received as a result of nearby U.S. nuclear weapons testing.

Mr. President, to these unfortunate people and many others in the Pacific, the administration's proposal to build a nuclear waste storage facility in the Pacific reflects, I believe, America's apparent lack of understanding of the Pacific people and an insensitivity to their devotion to their land and sea, and to their dark nuclear legacy which continues to haunt their dreams for the future.

As my colleagues know, Mr. President, considerable attention has been focused in recent weeks on the authority and responsibility of State governors for the protection of their citizens from the risks posed by storage of spent nuclear fuel in their States. The members of the Energy and Natural Resources Committee strongly believe that the American citizens and nationals in the U.S. territories and possessions are entitled to the same consideration and protection. As my col-

leagues know, the territories do not have the full authority that States have over matters involving nuclear energy. The fact is that the inhabitants of the U.S. territories and possessions have limited authority over their own affairs. They are totally dependent upon the Department of the Interior, which has administrative authority over the affairs of the territories, and on the Congress as a whole, for the protection of their interests.

Mr. President, the Congress, under the Constitution, has a special responsibility for the welfare of those living in the U.S. territories and possessions. In order to fulfill that important responsibility, the Congress must have clear statutory authority over nuclear waste storage proposals involving U.S. territories. S. 1119, as reported unanimously by the Energy and Natural Resources Committee, would provide such authority. I, therefore, urge favorable consideration of this legislation.

EXHIBIT 1

U.S. SENATE,
March 28, 1979.

Hon. CYRUS R. VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing concerning an article which appeared in this morning's Washington Post entitled "U.S. Proposes Storing Spent Nuclear Fuel on Pacific Isle". The article indicates that the State Department has been conducting negotiations with the government of Japan for the storage of spent nuclear fuel on American-owned islands in the Pacific.

I am writing to express my concern and displeasure that such negotiations would be conducted without any notification to this Committee. I am extremely concerned over one statement in the article that "A number of American islands are being studied as the possible site for spent fuel storage, some inhabited, some uninhabited. Administration sources said." I find that statement extremely disturbing and I would appreciate receiving as quickly as possible, a complete and comprehensive review of the entire negotiations, including copies of any and all documents. I would also appreciate receiving an explanation of what islands were and are being considered and what if any discussions were held with the inhabitants of such islands, as well as an explanation of why your Department presented such a proposal without notifying this Committee.

If you have any questions concerning this letter, please contact Mr. James Beirne, counsel for the Committee, at 224-2564.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

SECRETARY OF STATE,
Washington, D.C., April 5, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate.

DEAR MR. CHAIRMAN: In response to your letter of March 28, 1979, regarding an article in the *Washington Post* entitled "U.S. Proposed Storing Spent Nuclear Fuel on Pacific Isles," let me emphasize that our recent discussions with the Japanese were preliminary.

As you know, the Nuclear Non-Proliferation Act of 1978 (Section 104) specifically asks the President to "institute prompt discussions with other nations" looking toward the establishment of spent fuel repositories "under effective international auspices and inspection." The Administration is pursuing the concept of international spent fuel storage to deal with the accumulation of spent fuel projected to occur worldwide and to do this in collaboration with other countries in ways which make the nuclear fuel cycle more proliferation resistant. Of course, no major step would be taken on this issue without consulting you, your committee and other interested members of the Congress, and, as appropriate seeking congressional approval.

In our February meeting with the Japanese we were seeking their comments on an interagency study which examines aspects of an international interim spent fuel storage facility in the Pacific Basin area and to begin to engage them in an examination of the concept. The study performed under the aegis of the NSC Ad Hoc Group on Non-Proliferation which is chaired by State includes preliminary technical and economic considerations and an initial environmental survey of one of the few sites considered as a possible location in the Pacific Basin for such a facility. The sites currently under consideration are undisputed U.S. territories, either uninhabited or having no indigenous population, and do not involve any location in the Trust Territories of the Pacific Islands.

I understand that Mr. Dreyfus, Committee Staff Director, and other staff were briefed last Thursday by officials of this Department and of DOE and ACDA, and that a more detailed briefing is scheduled for next week. We further understand that a set of documents related to this effort has been supplied to you on a confidential basis by DOE. If you or your staff have further questions about this matter, please do not hesitate to let us know.

Sincerely,

CYRUS VANCE.

UNITED STATES SENATE,
Washington, D.C., March 28, 1979.

Hon. CECIL D. ANDRUS,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I am writing concerning an article which appeared in this morning's Washington Post entitled "U.S. Proposes Storing Spent Nuclear Fuel on Pacific Isle". The article indicates that the U.S. has proposed to the government of Japan the use of several United States islands "some inhabited and some uninhabited" for the storage of spent nuclear fuel.

I would like to express my deep concern and displeasure that I and this Committee were informed of this proposal through the Washington Post. I assume, since your Department has the responsibility for all inhabited U.S. possessions in the Pacific, as well as most of the uninhabited insular areas, that you have been involved in the negotiations and the development of this proposal. I find it inconceivable that this Committee has not been notified, even after the article appeared in the paper.

I would appreciate receiving, as promptly as possible, a comprehensive review of the decision-making process which led to the selection of the potential islands, a description of the islands, and what, if any, discussions were held with the inhabitants of the islands, together with any and all documents pertaining to the negotiations and an explanation of why this Committee was not consulted.

If you have any questions concerning this letter, please contact Mr. James Beirne, counsel to the Committee.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

SECRETARY OF THE INTERIOR,
Washington, D.C., March 29, 1979.

Hon. HENRY M. JACKSON,
Chairman on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Like you, I too was informed of the proposal to store spent nuclear fuel on a Pacific Isle through the Washington Post. My Department does have responsibility for U.S possessions in the Pacific, therefore, you can understand that my reaction was much like yours when I read the headline.

I had no knowledge of it. The Under Secretary had no knowledge of it. The Director of the Office of Territorial Affairs had no knowledge of it. Dr. Menard, Director of the U.S. Geological Survey, who is one of the world's leading scientists with regards to the Pacific had no knowledge of it. I cannot therefore supply you any background on the decision-making process.

Sincerely,

CECIL D. ANDRUS,
Secretary of the Interior.

U.S. SENATE,
Washington, D.C., March 29, 1979.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Energy,
Washington, D.C.

DEAR MR. SECRETARY: On March 28, the Washington Post reported that the United States Government had proposed to Japan that the two governments conduct studies of various Pacific Islands as potential depositories for nuclear wastes from Asian countries. According to the article, negotiations have been under way for some time.

As you are aware, the Senate Committee on Energy and Natural Resources has jurisdiction not only over nuclear waste disposal programs but also over the territorial affairs of the United States. Such a proposal has profound policy implications for both areas, however, as far as I can determine no effort has been made to advise the Committee of this matter.

I am particularly concerned over the very grave issues of territorial responsibilities which may be involved in such a study.

I remind you of your statutory responsibility to keep the Congress fully and currently informed concerning the nuclear affairs of your Department. I hope that you will immediately take steps to inform the Committee of the complete history of any and all discussions which have been held with foreign entities concerning waste disposal in U.S. territories and the status of any studies presently under way.

Your staff can contact Dr. Dreyfus, Staff Director of the Committee for further discussion of this matter.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

DEPARTMENT OF ENERGY,
Washington, D.C., March 29, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of March 29 concerning Department of Energy (DOE) activities relating to possible spent fuel storage in the Pacific Basin.

The DOE has been involved in providing support to the NSC Non-Proliferation Ad Hoc Committee, which directed studies of Pacific Basin storage. DOE's principal involvement was providing technical support under its authorized international spent fuel storage program in pursuing these possibilities, in particular with reference to one island, an unincorporated U.S. territory.

I regret that you and other Members of the Committee, as well as Committee staff, were not informed in a timely manner on this study since we are committed to and continually making the effort to keep you abreast of the many responsibilities on which we are working.

Accompanying this letter is a comprehensive book (classified Confidential) containing all information on DOE involvement in this matter. If you or your staff have further

questions about the Department's involvement, please contact John Deutch.

Sincerely,

JAMES R. SCHLESINGER,
Secretary.

Mr. McCLURE. Mr. President, I am pleased, as the original sponsor of this legislation with several of my colleagues on the Energy Committee, to present this bill to the Senate at this time.

S. 1119 presents to the Senate a very simple and direct issue regarding the rights of the several peoples of U.S. territories and possessions. The bill would insure, as a matter of law, that no administration proposal to locate a nuclear spent-fuel or waste repository in the U.S. Pacific basin could be implemented, unless the proposal has been adopted in an act of Congress. Importantly, the bill does not take a position pro or con on the issue of such a proposal, and nor do I at this time. Rather, S. 1119 simply establishes a procedural requirement that Congress must affirmatively approve and authorize any such proposal in subsequent legislation. This procedure provides the important due process safeguards necessary to protect the rights of the populations in the territories and possessions of the United States, where such a storage facility might be located.

This legislation is a direct response to a series of unfortunate and saddening efforts by the administration to ignore the legitimate concerns and rights of the populations in the territories and possessions. This series of events is discussed in detail in the committee's report on this bill. Basically, the thrust of that discussion is that the Departments of State and Energy have been embarked over the last year in an effort to avoid all administrative and congressional procedures relating to a supposedly high-priority nonproliferation initiative. In the name of nonproliferation policy, the State Department with the assistance of the Energy Department has negotiated an informal understanding with the Japanese Government by which this country would agree to accept and store Japanese-origin nuclear spent fuel in a storage facility located in the U.S. Pacific basin. This offer to store the Japanese nuclear spent fuel is proposed as part of a larger accommodation involving Japanese forebearance from having the spent fuel reprocessed in Europe or Japan. Also, these understandings on spent fuel would be part of a larger potential accommodation involving a joint United States, Australian, and Japanese centrifuge enrichment arrangement, and other multinational or international arrangements for the future Japanese nuclear fuel cycle. I do not intend to discuss the merits or shortcomings of such proposals at this time.

All of this activity has gone forward without any effort to inform the Congress regarding the Pacific Basin storage facility, nor any effort to involve in an affirmative manner the populations of the Pacific Basin in the decision process relating to that storage facility and the transportation of foreign spent fuel to and from it. In fact, it is not unfair to say that the entire effort on the Pacific Basin storage, prior to a March 28, 1979, Washington Post article entitled "U.S. Proposes Storing Spent Nuclear Fuel on Pacific Isle," was in the nature of a "covert or clandestine operation." After the article in the Post, the committee requested that the Department of Energy provide all relevant files and memorandums on the proposal. A review of the Department's memos clearly documents that the administration consciously and intentionally chose not to inform the Congress, representatives of the U.S. Pacific Basin populations, nor the appropriate officials in the Department of Interior, who administer Federal responsibilities in those areas. Apart from any specific views which we may have on the importance or the advisability of the proposed facility, these actions by the administration were unconscionable in terms of the special responsibilities which the U.S. Government has for the native populations in the Pacific Basin.

It also is absolutely clear at this point that the administration has every intention of going ahead with a Pacific Basin storage facility in the near future. Survey teams have already visited at least one island and are in the process of visiting several other island candidates for location of the facility. The administration has continued these activities in the face of the strong congressional interest and concern expressed by the Energy Committee in public and closed hearings and without any apparent attempt to deal candidly and forthrightly with the legitimate concerns and rights of the Pacific Basin population. Rather, administration officials continue to argue that they have no statutory responsibility now to affirmatively involve the Congress or those populations in their planning process.

The administration and some congressional supporters of the nonproliferation initiatives have claimed that the special congressional review and concurrence procedures established by my amendments under the Nuclear Non-Proliferation Act of 1978, the Atomic Energy Act of 1954, as amended, and the 1978 Department of Energy Authorization Act for storage of foreign nuclear spent fuel in the United States are sufficient to preserve the prerogatives of the Congress and protect the rights of the native populations.

Our experience to date under those specific provisions suggests exactly the contrary result. In fact, were it not for the Washington Post article in March, the Congress at this very moment would not know about the proposed storage facility. In fact, were it not for that article, the populations in the Pacific Basin would not know about the proposed facility. In fact, the only people in the Pacific Basin who would have any idea about the proposed facility would be the representatives of the foreign governments in Japan, Australia and others involved in the nonproliferation initiative.

Not only are those conclusions of fact which I have stated, but the administration continues to claim that, as a matter of law, despite all of the requirements in existing laws for notification, review and concurrence by the Congress, the administration has no obligation to even inform us now of what activities are under way with regards to the proposed facility. Consequently, it is absolutely clear to this Senator, and to the members of the Energy Committee who have carefully and thoroughly reviewed all of the evidence in open and closed hearings, that this administration must be checked in its headlong rush to thrust that storage facility on the Pacific Basin populations.

We must have a statutory requirement for a subsequent act of Congress to insure that this administration proceeds with full recognition and acknowledgement of the legitimate rights of our citizens and the native populations under U.S. jurisdiction in the Pacific Basin. Just as clearly, we must have an act of Congress to preserve the legitimate role of Congress in making decisions on these administration proposals in our territories and possessions. The administration record to date simply does not provide any confidence that our special responsibilities to our Pacific Basin populations will be protected in the absence of this requirement.

Mr. President, the only issue before the Senate now is the protection of the native populations in the Pacific Basin and the role of the Congress in assuring that protection. Nonproliferation initiatives, as many other activities of the Federal Government are important to this Nation, but not so important that we must violate the responsibility which we have for the rights of those people. To do anything less than pass the reported bill with the requirement for an act of Congress would be to ignore that responsibility in the name of a momentary and highly questionable expediency. This Senate should not now nor hereafter act in such an irresponsible and ill-advised manner on such an issue of fundamental due process rights.

Mr. HATFIELD. Mr. President, I rise in full support of S. 1119. This proposal is relatively straightforward and noncontroversial. On June 5, the Committee on Energy and Natural Resources unanimously ordered S. 1119 reported. The bill simply requires that the administration report to Congress on plans to store or transport spent nuclear fuel in the territories of the United States. In addition, specific congressional approval would be required before implementation of any such plans.

As indicated earlier, both the committee and the Department of Interior learned of the administration's proposal to provide for interim storage of spent nuclear fuel on American-owned islands in the Pacific through the Washington Post. There was no consultation or notification to Congress of the preliminary siting studies underway on certain Pacific islands. Moreover, the Department of Interior which has responsibility for U.S. possessions also had no prior knowledge of these waste storage proposals. The Interior Department was apparently not consulted at any time during the site selection process.

The lack of notice and consultation with those who have primary responsibility for the welfare of U.S. territories was coupled later with an unwillingness by the State Department to even identify

in public the potential sites under consideration. Further uncertainty and genuine concern were generated because of the reluctance of the administration to divulge which islands were potential sites. After frank discussions with members of our committee and as a result of congressional hearings on June 5, the Pacific community and others were notified of the specific islands which were currently under consideration. While this announcement helped eliminate some uncertainty and confusion, testimony from the administration indicated that the executive branch did not consider itself statutorily or legally bound to inform the Congress of any further plans until a request was made for the authorization of funds.

In my judgment, this set of circumstances clearly shows a lack of sensitivity on the part of the administration to the legitimate concerns of the Pacific community.

This lack of sensitivity underscores the need for enactment of S. 1119. We have a solemn moral obligation to U.S. citizens and nationals in the territories and possessions of the United States who have only the Secretary of the Interior and U.S. Congress to look to for protection. We must not abdicate our share of this responsibility in any way.

Mr. President, let me again emphasize, as the committee report does, that S. 1119 "does not in any manner reflect an opinion with respect to the goals and objectives of the Nuclear Nonproliferation Act of 1978, nor is the concern designed to limit in any way the conduct of negotiations pursuant to that act."

I am advised that one of the key features of the current U.S. nonproliferation policy is to develop a method for disposing of large amounts of spent nuclear fuel without resorting to reprocessing. Proposed interim storage plans are designed to reduce the pressure to reprocess spent fuel for waste management purposes. I generally support the President's stand against reprocessing, and there are those who may be tempted to oppose this bill because they are against reprocessing. I urge my colleagues not to be swayed by this kind of reasoning. The proposal before us today is neither proreprocessing nor antireprocessing. It will not affect our nonproliferation policy nor is it intended to prejudge the feasibility or desirability of using island storage for spent nuclear fuel.

The committee's major concern is the failure of the administration to notify and inform the Congress and the apparent insensitivity of the executive branch to the Pacific community. This proposal will simply guarantee U.S. citizens and nationals in the territories that the United States will not sanction or approve a proposal for spent fuel storage without full public disclosure of the site and open consideration and approval by the Congress.

Mr. McCLURE. Mr. President, I yield to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that a letter signed jointly by Senator JACKSON, Senator CHURCH, Senator HATFIELD, and Senator JAVITS be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 31, 1979.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

DEAR MR. MAJORITY LEADER: We believe that it is important to ensure that any legislation introduced to authorize the transportation of spent nuclear fuel or high-level radioactive waste to or for the storage of such fuel or waste on any territory or possession of the United States is considered by the Senate with a view towards the impact of such legislation on the non-proliferation policy of the United States as well as the impact of such legislation on such territories and possessions.

Accordingly, we request that you propound a unanimous consent agreement providing that any such legislation be referred jointly to the Committees on Energy and Natural Resources and on Foreign Relations. If one Committee acts to report a jointly referred measure, the other must act within a reasonable period of time or be automatically discharged, with the specific number of days after which the other Committee would be discharged to be agreed upon at the time of introduction of the bill.

We appreciate your consideration of this matter.

Sincerely,

HENRY M. JACKSON.
MARK O. HATFIELD.
FRANK CHURCH.
JACOB K. JAVITS.

Mr. GLENN. Mr. President, one of the most serious threats to world peace is that posed by the proliferation of nuclear weapons.

A central concern running through the Nuclear Non-Proliferation Act, which we passed last year, and the Carter administration's policies to curb the spread of these weapons has been the fear that nations around the world will acquire, as part of their civilian nuclear activities, large stockpiles of plutonium, a material that may have some future use as a nuclear fuel but which is also directly usable in nuclear explosives. In the past 2 years the United States has been active on many fronts in seeking to gain international acceptance of the concept that reprocessing of used nuclear fuel to extract plutonium should be deferred until it is absolutely essential and until adequate international controls and, perhaps, new technologies are available to rule out the risk that plutonium might be diverted for military uses.

Obviously, a most effective means to insure that nations do not extract the plutonium from their spent nuclear power reactor fuel is to have them place that fuel in international custody beyond their borders. This is why the current efforts to find a location for such an international storage facility are of such importance. In this regard, I believe the preliminary studies undertaken by the State Department on the possibility of establishing on a U.S.-owned island in the Central Pacific an international facility for the temporary storage of spent fuel from countries in the Pacific basin area is a particularly promising approach. At the same time I fully concur with the sponsors of this bill that the people inhabiting U.S. territories and possessions, because they lack representation here, are entitled to certain added procedural safeguards to insure that any plan to place nuclear wastes in their area receives full consideration by the Congress.

I would like to ask the Senator from Idaho whether I am correct that the bill is neutral on the question of the overall desirability of establishing an international spent fuel storage facility on an isolated Pacific island which met all appropriate technical requirements?

Mr. McCLURE. Yes, that is my understanding, as well. It is not the purpose of this bill to in any way impede the administration's important initiatives in this regard or to suggest to any foreign government that the Congress is opposed to this concept. The bill merely provides for Congress to be fully informed and for the interests of persons living in the U.S. territories and possessions to be fully protected.

Mr. GLENN. I would also like to ask the Senator from Idaho whether I am correct that the basic purpose of this measure is to provide such added procedural safeguards for this particular group, which has no direct representation in the Congress, to insure that their concerns over the possible storage of foreign spent fuel in their vicinity receive adequate consideration.

Mr. McCLURE. Yes. The purpose of this measure is to insure that Congress will be kept fully and currently informed of the development of such proposals and activities designed to analyze specific sites, and to insure that no proposal will go into effect without the opportunity for full consideration of any concerns which the people of the area might have. The Congress has a special responsibility with respect to the territories and possessions of the United States, one which justifies the procedures embodied in this legislation.

Mr. GLENN. It is also my understanding that you would agree to a unanimous consent arrangement providing for a joint referral of any such legislation to the appropriate committees with the understanding that if one of the committees reports legislation authorizing such a spent fuel facility, the other committee would also be required to report the legislation within a reasonable period of time or be discharged, and that the specific number of days after which the other committee would be discharged would be agreed upon at the time of introduction of the bill.

Mr. McCLURE. I fully understand the Senator's concern that such legislation should not be permitted to languish in committee in light of the vital importance of nonproliferation to world peace and security. Consequently, I am prepared to agree to the unanimous consent agreement which the Senator has suggested in order to insure prompt consideration of any such measure consistent with the need to insure full consideration of the views of the interested parties.

Mr. JACKSON. I also am prepared to

agree to the unanimous consent agreement which the Senator from Ohio has suggested.

Mr. GLENN. Finally, I would like to clarify certain language of the bill. It is my understanding that this bill would only require a single authorization for any facility. That is, if legislation is enacted authorizing a proposed transportation and storage plan, such legislation would satisfy the requirements of this bill with respect to initial and subsequent shipments of spent fuel and radioactive waste and the storage of such materials at that facility.

Mr. McCLURE. It is my intention also that a single authorization would satisfy all requirements of the bill for the transportation of spent fuel or radioactive waste to any one facility and for the storage of such material at that facility. It is not my intention to require a series of authorizations related to the use of a single such facility.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I am prepared to yield back the remainder of my time.

Mr. MATSUNAGA. Mr. President, I urge passage of S. 1119 as a necessary bill in order to insure the role of the Congress in matters such as the storage of spent nuclear fuel in any of the U.S. possessions and territories. I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Does the Senator from Hawaii yield back the remainder of his time?

Mr. MATSUNAGA. Mr. President, I yield back the remainder of my time.

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 1119), as amended, was passed, as follows:

S. 1119

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That prior to granting of any license, permit, or other authorization or permission by any agency or instrumentality of the United States to any person for the transportation of spent nuclear fuel or high-level radioactive waste for interim, long-term, or permanent storage to or for the storage of such fuel or waste on any territory or possession of the United States, the Secretary of the Interior is directed to transmit to the Congress a detailed report on the proposed transportation or storage plan, and no such license, permit, or other authorization or permission may be granted nor may any such transportation or storage occur unless the proposed transportation or storage plan has been specifically authorized by Act of Congress: *Provided,* That the provisions of this Act shall not apply to the cleanup and rehabilitation of Bikini and Enewetak Atolls.

For the purpose of this Act, the words "territory or possession" include the Trust Territory of the Pacific Islands and any area not within the boundaries of the several States over which the United States claims or exercises sovereignty.

Mr. MATSUNAGA. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SPEEDY TRIAL ACT AMENDMENTS OF 1979

Mr. BIDEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 961.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 961) entitled "An Act to amend the Speedy Trial Act of 1974", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

That this Act may be cited as the "Speedy Trial Act Amendments Act of 1979".

SEC. 2. Section 3161(c) of title 18, United States Code, is amended to read as follows:

"(c)(1) In any case in which a plea of not guilty is entered, the trial of a defendant charged in an information or indictment with the commission of an offense shall commence within seventy days from the filing date (and making public) of the information or indictment, or from the date the defendant has appeared before a judicial officer of the court in which such charge is pending, whichever date last occurs. If a defendant consents in writing to be tried before a magistrate on a complaint, the trial shall commence within seventy days from the date of such consent.

"(2) Unless the defendant consents in writing to the contrary, the trial shall not commence less than thirty days from the date on which the defendant first appears through counsel or expressly waives counsel and elects to proceed pro se.".

SEC. 3. (a) Section 3161(d) of that title is amended—

(1) by inserting "(1)" immediately after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) If the defendant is to be tried upon an indictment or information dismissed by a trial court and reinstated following an appeal, the trial shall commence within seventy days from the date the action occasioning the trial becomes final, except that the court retrying the case may extend the period for trial not to exceed one hundred and eighty days from the date the action occasioning the trial becomes final if the unavailability of witnesses or other factors resulting from the passage of time shall make trial within seventy days impractical. The periods of delay enumerated in section 3161(h) are excluded in computing the time limitations specified in this section. The sanctions of section 3162 apply to this subsection.".

(b) Section 3161(e) of that title is amended—

(1) by striking out "sixty" wherever it appears and inserting in lieu thereof "seventy"; and

(2) by adding at the end the following: "The periods of delay enumerated in section 3161(h) are excluded in computing the time limitations specified in this section. The sanctions of section 3162 apply to this subsection.".

SEC. 4. Section 3161(h)(1) of that title is amended to read as follows:

"(1) Any period of delay resulting from other proceedings concerning the defendant, including but not limited to—

"(A) delay resulting from any proceeding, including any examinations, to determine the mental competency or physical capacity of the defendant;

"(B) delay resulting from any proceeding, including any examination of the defendant, pursuant to section 2902 of title 28, United States Code;

"(C) delay resulting from deferral of prosecution pursuant to section 2902 of title 28, United States Code;

"(D) delay resulting from trial with respect to other charges against the defendant;

"(E) delay resulting from any interlocutory appeal;

"(F) delay resulting from any pretrial motion, from the filing of the motion through the conclusion of the hearing on, or other prompt disposition of, such motion;

"(G) delay resulting from any proceeding relating to the transfer of a case or the removal of any defendant from another district under the Federal Rules of Criminal Procedure;

"(H) delay resulting from transportation of any defendant from another district, or to and from places of examination or hospitalization, except that any time consumed in excess of ten days from the date an order of removal or an order directing such transportation, and the defendant's arrival at the destination shall be presumed to be unreasonable;

"(I) delay resulting from consideration by the court of a proposed plea agreement to be entered into by the defendant and the attorney for the Government; and

"(J) delay reasonably attributable to any period, not to exceed thirty days, during which any proceeding concerning the defendant is actually under advisement by the court.".

SEC. 5. (a) Section 3161(h)(8)(B)(ii) of that title is amended to read as follows:

"(ii) Whether the case is so unusual or so complex, due to the number of defendants, the nature of the prosecution, or the existence of novel questions of fact or law, that it is unreasonable to expect adequate preparation for pretrial proceedings or for the trial itself within the time limits established by this section.".

(b) Section 3161(h)(8)(B)(iii) of that title is amended to read as follows:

"(iii) Whether, in a case in which arrest precedes indictment, delay in the filing of the indictment is caused because the arrest occurs at a time such that it is unreasonable to expect return and filing of the indictment within the period specified in section 3161(b), or because the facts upon which the grand jury must base its determination are unusual or complex.".

(c) Section 3161(h)(8)(B) of that title is further amended by adding at the end the following new clause:

"(iv) Whether the failure to grant such a continuance in a case which, taken as a whole, is not so unusual or so complex as to fall within clause (ii), would deny the defendant reasonable time to obtain counsel, would unreasonably deny the defendant or the Government continuity of counsel, or would deny counsel for the defendant or the attorney for the Government the reasonable time necessary for effective preparation, taking into account the exercise of due diligence.".

SEC. 6. Section 3162(c) of that title is amended to read as follows:

"(c) Subject to the provisions of section 3174(c), section 3162 of this chapter shall become effective and apply to all cases commenced by arrest or summons, and all informations or indictments filed, on or after July 1, 1980.".

SEC. 7. Section 3164 of that title is amended—

(1) by amending the section heading to read as follows:

"§ 3164. Persons detained or designated as being of high risk";

(2) by amending subsection (a) to read as follows:

"(a) The trial or other disposition of cases involving—

"(1) a detained person who is being held in detention solely because he is awaiting trial, and

"(2) a released person who is awaiting trial and has been designated by the attorney for the Government as being of high risk shall be accorded priority."; and

(3) by amending subsection (b) to read as follows:

"(b) The trial of any person described in subsection (a)(1) or (a)(2) of this section shall commence not later than ninety days following the beginning of such continuous detention or designation of high risk by the attorney for the Government. The periods of delay enumerated in section 3161(h) are excluded in computing the time limitation specified in this section.".

SEC. 8. Section 3165(e) of that title is amended—

(1) in paragraph (2), by striking out "subsequent" and inserting in lieu thereof "fifth", and

(2) by adding at the end the following:

"(3) Not later than June 30, 1980, each United States district court with respect to which implementation has not been ordered under section 3174(c) shall prepare and submit a plan in accordance with subsections (a) through (d) to govern the trial or other disposition of offenses within the jurisdiction of such court during the sixth and subsequent twelve-calendar-month periods following the effective date of subsection 3161 (c) in effect prior to the date of enactment of this paragraph.".

SEC. 9. (a) Section 3166(b) of that title is amended—

(1) in paragraph (7), by striking out "and" immediately after the semicolon;

(2) in paragraph (8), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(9) the impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the civil case calendar in the district.".

(b) Section 3166(c) of that title is amended—

(1) in paragraph (5), by striking out "and" immediately after the semicolon;

(2) in paragraph (6), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(7)(A) the number of new civil cases filed in the twelve-calendar-month period preceding the submission of the plan;

"(B) the number of civil cases pending at the close of such period; and

"(C) the increase or decrease in the number of civil cases pending at the close of such period, compared to the number pending at the close of the previous twelve-calendar-month period, and the length of time each such case has been pending.".

(c) Section 3166 of that title is further amended by adding at the end the following new subsection:

"(f) Each plan may be accompanied by guidelines promulgated by the judicial council of the circuit for use by all district courts within that circuit to implement and secure compliance with this chapter.".

(d) Section 3168(a) of that title is amended by striking out "a private attorney experienced in the defense of criminal cases in the district" and inserting in lieu thereof "two private attorneys, one with substantial experience in the defense of criminal cases in the district and one with substantial experience in civil litigation in the district".

(e) Section 3167 of that title is amended—

(1) in subsection (b), by adding at the end the following: "Such reports shall also include the following:

"(1) The reasons why, in those cases not in compliance with the time limits of subsections (b) and (c) of section 3161, the provisions of section 3161(h) have not been adequate to accommodate reasonable periods of delay.

"(2) The category of offenses, the number of defendants, and the number of counts involved in those cases which are not meeting the time limits specified in subsections (b) and (c) of section 3161.

"(3) The additional judicial resources which would be necessary in order to achieve compliance with the time limits specified in subsections (b) and (c) of section 3161.

"(4) The nature of the remedial measures which have been employed to improve conditions and practices in those districts with low compliance experience under this chapter or to promote the adoption of practices and procedures which have been successful in those districts with high compliance experience under this chapter.

"(5) If a district has experienced difficulty in complying with this chapter, but an application for relief under section 3174 has not been made, the reason why such application has not been made.

"(6) The impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the civil case calendar in each district as demonstrated by the information assembled and statistics compiled and submitted under sections 3166 and 3170.";

(2) by adding at the end the following new subsection:

"(c) Not later than December 31, 1979, the Department of Justice shall prepare and submit to the Congress a report which sets forth the impact of the implementation of this chapter upon the office of the United States Attorney in each district and which shall also include—

"(1) the reasons why, in those cases not in compliance, the provisions of section 3161(h) have not been adequate to accommodate reasonable periods of delay;

"(2) the nature of the remedial measures which have been employed to improve conditions and practices in the offices of the United States Attorneys in those districts with low compliance experience under this chapter or to promote the adoption of practices and procedures which have been successful in those districts with high compliance experience under this chapter;

"(3) the additional resources for the offices of the United States Attorneys which would be necessary to achieve compliance with the time limits of subsections (b) and (c) of section 3161;

"(4) suggested changes in the guidelines or other rules implementing this chapter or statutory amendments which the Department of Justice deems necessary to further improve the administration of justice and meet the objectives of this chapter; and

"(5) the impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the litigation of civil cases by the offices of the United States Attorneys and the rule changes, statutory amendments, and resources necessary to assure that such litigation is not prejudiced by full compliance with this chapter.".

(f) Section 3170(a) of that title is amended in the first sentence—

(1) by striking out "and" after "process" and inserting in lieu thereof a comma;

(2) by inserting a comma after "limits";

(3) by inserting "continuous and permanent compliance with the" immediately before "objectives"; and

(4) by striking out "required by" and inserting in lieu thereof "described in".

SEC. 10. Section 3174 of that title is amended—

(1) by striking out the period after the first sentence in subsection (a) and inserting in lieu thereof the following: "as provided in subsection (b).";

(2) by striking the first two sentences of subsection (b) and inserting the following in lieu thereof: "If the judicial council of the circuit finds that no remedy for such congestion is reasonably available, such council may, upon application by the chief judge of a district, grant a suspension of the time limits in section 3161(c) in such district for a period of time not to exceed one year for the trial of cases for which indictments or informations are filed during such one-year period.";

(3) by striking out "arrangement" in the third sentence of subsection (b) and inserting in lieu thereof "indictment";

(4) by amending subsection (c) to read as follows:

"(c)(1) If, prior to July 1, 1980, the chief judge of any district concludes, with the concurrence of the planning group convened in the district, that the district is prepared to implement the provisions of section 3162 in their entirety, he may apply to the judicial council of the circuit in which the district is located to implement such provisions. Such application shall show the degree of compliance in the district with the time limits set forth in subsections (b) and (c) of section 3161 during the twelve-calendar-month period preceding the date of such application and shall contain a proposed order and schedule for such implementation, which includes the date on which the provisions of section 3162 are to become effective in the district, the effect such implementation will have upon such district's practices and procedures, and provision for adequate notice to all interested parties.

"(2) After review of any such application, the judicial council of the circuit shall enter an order implementing the provisions of section 3162 in their entirety in the district making application, or shall return such application to the chief judge of such district, together with an explanation setting forth such council's reasons for refusing to enter such order.";

(5) by adding at the end the following:

"(d)(1) The approval of any application made pursuant to subsection (a) or (c) by a judicial council of a circuit shall be reported within ten days to the Director of the Administrative Office of the United States Courts, together with a copy of the application, a written report setting forth in sufficient detail the reasons for granting such application, and, in the case of an application made pursuant to subsection (a), a proposal for alleviating congestion in the district.

"(2) The Director of the Administrative Office of the United States Courts shall not later than ten days after receipt transmit such report to the Congress and to the Judicial Conference of the United States. The judicial council of the circuit shall not grant a suspension to any district within six months following the expiration of a prior suspension without the consent of the Congress by Act of Congress. The limitation on granting a suspension made by this paragraph shall not apply with respect to any judicial district in which the prior suspension is in effect on the date of the enactment of the Speedy Trial Act Amendments Act of 1979.

"(e) If the chief judge of the district court concludes that the need for suspension of time limits in such district under this section is of great urgency, he may order the limits suspended for a period not to exceed thirty days. Within ten days of entry of such order, the chief judge shall apply to the judicial council of the circuit for a suspension pursuant to subsection (a).."; and

(6) by amending the section heading to read as follows:

"§ 3174. Judicial emergency and implementation".

SEC. 11. (a) The item relating to section 3164 in the table of sections for chapter 208 of such title is amended to read as follows:

"3164. Persons detained or designated as being of high risk.".

(b) The item relating to section 3174 in the table of sections for chapter 208 of such title is amended to read as follows:

"3174. Judicial emergency and implementation.".

Mr. BIDEN. Mr. President, it is with great pleasure that I rise in support of S. 961 as it passed the House today. In every respect, I believe the House has improved upon S. 961 as it passed the Senate.

In simplest terms the House has shortened the phase-in of the dismissal sanction from 2 years to 1 year. Furthermore, the House tightened up the process by which the Judicial Conference can declare a judicial emergency and thereby temporarily relax the time limits. The House bill requires an act of Congress before a suspension of the time limits can be renewed.

These changes are consistent with the basic thrust of the Senate bill which recognizes the need for additional time to comply with the act but at the same time resists changes in the ultimate time limits. The House amendments to S. 961 enjoy bipartisan support in both the House and Senate and I understand the Department of Justice find these changes acceptable.

Final implementation of the act in July 1980 means that the Department of Justice and the Judicial Conference must, within a very short period of time, provide Congress with the reports it needs to make a decision on the impact of the act. Therefore, it seems to me to be incumbent upon both institutions to commit all necessary time and resources to the gathering and analysis of the data now provided for in the amended reporting provisions of the act so that Congress can have an accurate picture of what is happening in the Federal criminal justice system before next July. I hope we will not be faced with the same problem next July that we were faced with this year—an absence of accurate information on the impact of the Speedy Trial Act on the quality of criminal and civil justice in the Federal courts.

A question has arisen regarding the impact on cases pending during the delay between the July 1, 1979 effective date of the dismissal sanctions in the 1974 act and the effective date of the Speedy Trial Act Amendments of 1979. I believe the legislation is clear in providing that if the 30-day time period (plus excludable time, if any) has begun but is not exceeded during the delay between July 1 and the effective date of the act, the dismissal sanction does not apply—even if the 30 day limit is exceeded after the effective date of the act.

In closing I must say, as chairman of the Subcommittee on Criminal Justice in the Senate, that proponents of further change in or delay in implementation of the statute will have a very heavy burden to carry next year. I hope we will not even have to consider such a request but I am putting potential proponents on notice, the data must be compelling if they expect this one Senator to take it seriously. As far as I am concerned the critics of the Speedy Trial Act have had their day in court and it is time for judges and prosecutors to get together and make this act work.

Mr. THURMOND. Mr. President, I am pleased to support the legislation now before the Senate, S. 961, as amended by the House, which is a bill to amend the Speedy Trial Act of 1974.

Mr. President, this measure is a compromise that was worked out between the Judiciary Committees of the House and Senate which, in my opinion, solves some immediate concerns, while at the same time, allowing for statutory changes in the Speedy Trial Act of 1974. The major change is the reduction of the deferral from 2 years to 1 year.

Some problems with the original bill, S. 961, were encountered. First, the Justice Department contended that with the effective day of July 1, 1979, the Speedy Trial Act and the dismissal sanctions imminent, there would be a rash of dismissals of criminal cases. Based on data put together by both the Justice Department and General Accounting Office, this contention seemed to be well founded. Further study during the hearings, however, indicated that these figures may be subject to differing interpretation and the problem may not be as bad as forecast.

The other objection of the Department centered on the length of time from arrest to indictment of 30 days as required by the Speedy Trial Act. The Department wanted an additional 30 days added to that period, as well as another 30 days between indictment and trial. These increases would have extended the time to 180 days overall for the Speedy Trial Act. The reasons given for these extensions were fewer arrests are being made because of the fear of dismissal and of the dismissal sanctions; and the final arrest-indictment time limits would prejudice the ability of the Government to investigate the charges fully before the time runs.

It was contended that certain investigative techniques take longer than can be properly conducted under a 30-day time limitation. Thus, an extension was sought to allow more time for investigations. Opponents of this extension feel that the excludable delays available under section 3161(h) of the act are adequate to accommodate any problems.

Mr. President, the compromise measure reported by the Senate Judiciary Committee passed by the House and Senate solves the most immediate problem—the July 1, 1979 effective date of the dismissal sanction provisions of the current law. A 1-year deferral, which is 1 year less than the Senate version, gives the Congress time, as well as the Federal Government and the Federal judiciary, to study further this statute and its impact on the Federal criminal justice system.

Mr. President, I support the compromise bill and urge its adoption.

Mr. KENNEDY. I rise to urge my colleagues to vote for passage of S. 961, as amended.

This bill represents a substantial effort by the Congress, working with the Justice Department, the private bar, the Judicial Conference, and other interested groups, to strengthen and refine the provisions insuring speedy trials.

The Senate decision that we should continue to require speedy trials within 100 days has been preserved. The important Senate changes in the 1974 act to increase the flexibility with which these time limits are applied have also been preserved.

The House made two amendments to the Senate's bill: the Senate had extended the deferral of the dismissal sanction for 2 years. The House amendments defer the sanction for only one year to July 1, 1980. While I believe the Senate position extending the deferral for 2 years is preferable because it would afford the Congress more time in which to obtain additional pertinent data on the implementation of the act's time limits, such disagreement does not merit a conference with the House.

The other House amendment requires affirmative congressional approval before any judicial district may obtain an additional suspension of the time limits.

We must act expeditiously to insure that these amendments become law, as soon as possible. Further delay is likely to result in the dismissal of persons arrested on or after July 1, 1979. This legislation insures that both the public and individual defendants benefit from the sixth amendment's guarantee of a speedy trial. This legislation, however, also provides the Congress additional time to further study the further impact of Speedy Trial Act on the criminal justice system.

Therefore, Senate approval of the House amendments is required to defer the dismissal sanction and thereby eliminate any ambiguity in the application of the Speedy Trial Act to pending criminal cases. I urge adoption of S. 961, as amended.

● Mr. BAYH. Mr. President, I am pleased that the House of Representatives today passed, by voice vote, the Speedy Trial Act Amendments of 1979, with amendments, S. 961. The distinguished chairman of the Senate Judiciary Committee, Senator KENNEDY, the distinguished chairman of the Senate criminal justice subcommittee Senator BIDEN, and myself were pleased to sponsor this legislation which was worked out in conjunction with the Department of Justice and the Judicial Conference in addition to the distinguished chairman of the House Judiciary Committee, Mr. RODINO, and the distinguished chairman of the House Subcommittee on Crime, Mr. CONYERS. We have in no way weakened the Speedy Trial Act initially signed into law in 1974.

Although today the Senate will be asked to accept the House amendments

which I approve, this is with the full acceptance of the Department of Justice and the majority and minority of the members of the Senate Judiciary Committee. The House amendments substantially restate S. 961, with a few minor amendments and the following two substantive amendments: The House bill changes the effective date of the sanctions from July 1, 1981 to July 1, 1980; and the House bill requires an act of Congress before a suspension of the time limits can occur within 6 months of a previous suspension. S. 961 as it passed the Senate allows that second suspension if Congress does not act within 6 months of notification of the suspension request.

All the House amendments are consistent with the purposes of S. 961. Although we in the Senate preferred a 2-year deferral of the sanctions taking effect, this 1-year deferral will afford the Congress an opportunity to obtain concrete information about the types of cases which may present compliance problems. Furthermore, a deferral would allow time to fully assess the impact of such developments as the appointment of additional judges and U.S. attorneys and expanded magistrate authority which will take effect this year and next year.

Mr. President, as chairman of the Senate Subcommittee on the Constitution, with oversight responsibilities for the Speedy Trial Act, I am in a unique position to help assure that no criminal case be dismissed for failure to indict or try a defendant within the act's final time limits.

One area that has not been touched upon in the recent hearings on this bill in the Senate and in the press reports is that part of the system that no one talks about—the victims of crime and witnesses. If justice is to be done to the accused and the victims of crime and society are to be protected, criminal cases must be tried while witnesses are readily available and their recollections are fresh.

Trials must be speedy.

The cost of crime to our country and its people in terms of economic loss and physical and psychological suffering is beyond calculation. One of the most solemn and sacred responsibilities resting on our Government is to administer criminal justice. And, justice does prevail when every person gets his or her due. Our system of criminal justice has survived because it is based on the proposition that justice is due to society and the victims of crime as well as the accused.

The right to a fair trial is effected by the Bill of Rights through the fourth, fifth, sixth, and eighth amendments. Surely the right to a speedy trial is precious and vital to our constitutional form of Government.

The right to a speedy trial has a fourfold purpose. It protects the accused, if he or she is detained in jail while awaiting trial, against extended imprisonment before trial; it relieves him or her of anxiety and public suspicion arising out of an untried accusation of crime; it assures that he or she is to be tried while the witnesses are available and their memories are fresh; and it assures that the victim of crime or the victim's family sees the process of justice taking place with reasonable dispatch after the prosecution and the defense have had the adequate opportunity to prepare for it.

Mr. President, if Congress is to make the sixth amendment guarantee of a speedy trial effective at the Federal level, it must enact these amendments and effectively enforce the other provisions of the Speedy Trial Act of 1974. Congress cannot sit idly by while victims of crime, witnesses, judges, prosecutors, defenders, and society are doing their part. We must act now if justice for all our citizens is to prevail in a timely manner.

Mr. President, I would like to particularly thank Senators KENNEDY, BIDEN, and THURMOND for their efforts in the Senate and Congressmen RODINO and CONYERS for their efforts in the House of Representatives during these months of progress for the Speedy Trial Act. Also, I realize that this work could not have been completed if we did not have dedicated men and women assisting these Senators and Congressmen. Therefore, my special thanks go to Burt Wides and John Minor of Senator KENNEDY's staff; Mark Gitenstein, Tim Hart, and Cathy Zebrowski of Senator BIDEN's staff; Eric Hultman of Senator THURMOND's staff; Joe Nellis of Congressman RODINO's staff, and Hayden Gregory of Congressman CONYERS' staff. Of course, this list would not be complete if I failed to mention the support of Kevin Faley and Mary K. Jolly of my staff. I ask all of my colleagues to join me in warm praise for these staff people who daily toil on our behalf in this Congress.●

Mr. BIDEN. Mr. President, I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on H.R. 3324 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3324) to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 27, 1979.)

Mr. CHURCH. Mr. President, the conference report and accompanying statement of managers provide a detailed explanation of the recommendations of the committee of conference. I will highlight the most important provisions of the conference report.

Mr. President, we have held the line on increases in spending for foreign aid. This bill is $230 million below the executive branch request for these programs, and $19 million below fiscal year 1979 authorizations. Although we have nearly an even split with the House on authorization levels, the conferees agreed that additional requirements for aid would be met by reprograming funds included in this bill rather than through supplemental authorizations.

Mr. President, the committee of conference was faced with diametrically opposed votes on the issues of the establishment of the Institute for Scientific and Technological Cooperation and the transfer of Peace Corps from ACTION. The House, by an overwhelming majority, voted to establish the Institute, while the Senate, by a vote of 58 to 42, deleted ISTC from the bill. The Senate voted to retain Peace Corps as part of ACTION, while the House voted to establish Peace Corps in the International Development Cooperation Agency.

Mr. President, the Institute and Peace Corps were the most difficult issues facing the conference. The conference broke up twice before we agreed to adopt the House position on the Institute and the Senate position on Peace Corps. Peace Corps will remain in ACTION. The Institute is established, but its authorization was reduced by $1.25 million. I understand the concerns that many Members of the Senate have about the Institute, and I can assure them that the Committee on Foreign Relations will exercise careful oversight of its programs to insure that they are not duplicative of other aid efforts and that the research agenda of the Institute addresses the issues which directly affect people of developing countries.

Another difficult issue facing the conferees was whether to authorize appropriations for the economic support fund in this bill or in the international security assistance bill. The Senate position prevailed on this issue. ESF will be authorized in the security bill with the understanding that next year development and security assistance legislation will be included in a single bill.

Mr. President, this conference report represents a free, fair, and sound compromise between the positions of the House and the Senate. I believe that this legislation deserves the support of the Senate, and I urge its passage.

Mr. President, let me close by saying how indebted I am to the able Senator from New York, whose assistance at the conference proved invaluable and whose cooperation is always appreciated.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I thank my colleague very much. I feel exactly that way about him in the direction of the conference which he handled very ably.

Mr. President, it is always bad form and highly unwise to claim undue credit

for conferees, but I would like to say that I believe in this case the conferees for the Senate stood with fidelity by the Senate position, and argued ably and forcibly. I speak primarily of the chairman and the majority with, of course, our cooperation on the minority side.

On the whole, with the matters which we had to concede, which Senator CHURCH has referred to, I believe it came out fairly, obtaining those things which could be obtained, and those things things which could really not be obtained to have been worked out in the best possible way under the circumstances.

One thing is very important in these days of economy. This bill represented a real measure in that regard in terms of budget estimates, the administration's request, and the views of the House and the Senate. For that I give very great credit to Senator CHURCH.

For that, I give very great credit to Senator CHURCH, who fought for it in committee, fought for it on the floor, stood by it in conference, and, I believe, ended up as well as could possibly be expected.

For myself, I was deeply gratified by the position taken by the Senate on giving some military help for the Sudan, where I went as a special envoy for the President. It was sustained in the conference.

I was also very pleased that we were able to work out a matter that was of particular importance to many Senators, the provision of $4 million for the Sparkman Center for International Public Health Education, as a tribute to our former colleague, Senator John Sparkman of Alabama.

We were able to work out another matter which I found great satisfaction in being able to compromise. That was a Senator Helms amendment, which he placed great store by, to open the door to countries which would improve their human rights situation. He felt it ought to have some recognition if they did make significant improvements.

Senator PELL, I think, had a real success in his amendment prohibiting funds to Afghanistan.

All told, I think it was a very fair result in a very complicated matter, with lots of give and take. The results should prove highly beneficial to our country's foreign policy. I commend the conference report to the Senate and hope that it is approved.

Mr. President, the Senate conferees, under the able directon of the distinguished chairman of the Foreign Relations Committee, held their own in the conference with the House. In particular, I would like to draw the attention of my colleague to four issues: Peace Corps, ESF, the authorization levels, and the Institute for Scientific and Technological Cooperation (ISTC).

The House receded in the face of our insistence that Peace Corps remain in ACTION. While the House had an almost 2 to 1 vote in favor of moving Peace Corps into IDCA, we also pointed to the Senate floor votes in favor of keeping Peace Corps in ACTION, including a recorded 62 to 32 vote.

The House receded to the Senate position which excluded the provisions for the economic support fund from this bill and kept them in the security assistance legislation for fiscal year 1980, as had been the case in past years. While inclusion of ESF authorization in the economic development bill might appear to be innocuous and not to change the substance of the ESF authorizations, the Senate conferees argued successfully that such a move could have serious, long-term implications for the political justification underlying security assistance. The compromise for fiscal year 1981 worked out by the Conference Committee would place both the economic development and security and military assistance authorizations in one bill.

In arriving at the fiscal year 1980 authorization level of $1,977 billion, the conferees authorized an amount to be appropriated which is closer to the original Senate figure (by $130 million) than to the House figure (by $144 million) and $230 million less than the original executive branch request. In addition, the conferees recognized the concerns of the Congress—and especially of this body, which had authorized the lower aid figure—for fiscal responsibility by including in the statement of managers the following:

> The Committee of Conference is aware that the Executive Branch is considering the submission to Congress of requests for supplemental authorizations of appropriations to meet unexpected program requirements in several countries. The authorizations of appropriations included in this bill take into account those additional program requirements. The Committee of Conference urges the Executive Branch to provide any funds required for these unexpected program requirements through the reprogramming of Fiscal Year 1979 or 1980 funds rather than through the submission of a request for additional authorizations of appropriations.

This policy statement by the managers would not have been possible had it not been for the fact that the hand of the Senate conferees had been strengthened by the actions of the FRC and of the Senate in passing the bill.

The conference accepted the House provisions on the ISTC. While the Senate had rejected the ISTC by a recorded vote, the House especially insisted on its provisions and the Senate had to recede but in a lesser amount than the House had voted.

In addition, the conference agreed to my amendment authorizing $1.7 million for the MAP program in the critically important country of Sudan. The Senate position was also upheld by the conference on a number of issues of particular concern to certain Senators: the earmarking of $4 million for the Sparkman Center for international public health education; Senator HELMS' amendment permitting funds under part I of the FAA to be made available to any country the President finds has made significant improvements in its human rights record warranting lifting prohibitions in furnishing such assistance in the U.S. national interest; and Senator PELL's amendment prohibiting funds to Afghanistan.

The Senate did well in this conference. Its positions were upheld in a majority of the issues that were of special concern to us and I urge my colleagues to approve the conference report.

Mr. PELL. Mr. President, I want to associate myself with the words of the Senator from Idaho and the Senator from New York in saying what a good conference it was. I thought we had a good foreign relations bill and a fair result came out. It was well fought and well handled.

● Mr. STONE. Mr. President, I support the amendments to the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) that are included in H.R. 3324, as reported by the Committee of Conference.

My Subcommittee on Foreign Agricultural Policy of the Committee on Agriculture, Nutrition, and Forestry developed the Public Law 480 amendments that were adopted by the Senate.

The Senate and House have resolved the differences relating to Public Law 480 in their respective bills, and the compromise provisions included in the final legislation are nearly identical to those previously passed by the Senate.

Mr. President, the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations cooperated closely in developing this legislation.

In the Senate, changes in the food for peace legislation are developed and reported by the Committee on Agriculture, Nutrition, and Forestry and considered on the floor as an amendment to the foreign assistance legislation. We again successfully followed this procedure on the legislation here before us.

The legislation contains a "food for peace" title that would make a number of changes in Public Law 480. These changes, primarily in policy, reflect the determination that our food assistance be provided in a way that will not serve as a disincentive to the food production and marketing of the recipient country.

Under the legislation—First, the president would be required to give consideration to the development and expansion of markets for U.S. agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate development in the recipient countries;

Second, agencies that distribute title II grant food commodities are directed, to the extent feasible, to work with indigenous institutions and workers in designing and carrying out these feeding projects;

Third, H.R. 3324 would also broaden the use of currencies generated under title II sales in famine or extraordinary relief situations to include alleviating the causes of the need for the food assistance;

Fourth, technical changes are made in Public Law 480 to authorize the use of the commodities themselves in carrying out food for development programs, and the dollar sales value of agricultural commodities used by the recipient countries under title III would be applied against the repayment obligation of that country;

Fifth, consideration is to be given to using the expertise of American agriculture in developing and carrying out food

for development programs under title III;

Sixth, the President is directed to assure that grants and credit sales under Public Law 480 will not displace or interfere with food production and marketing in the recipient country;

Seventh, country assessments are to be carried out, whenever necessary, to determine types, timing, quantities, and conditions under which commodities should be provided; the relationship between food and other development assistance; and the country's potential as a new or expanded market for United States and recipient country agricultural commodities; and

Eighth, to the maximum extent practicable, commodities provided for developmental purposes are to be made available on a multiyear basis.

The legislation also states that efforts by developing countries to enhance their national food security deserve encouragement by the United States.

Mr. President, the legislation strengthens the commitment of the United States to use our food aid to encourage economic development in needy countries. Our committee has indicated its commitment to developing and expanding markets for U.S. agricultural commodities, and this goal can be best accomplished by helping recipient nations develop economically.

The food for peace program has been reformed in numerous ways over the years. Mr. President, the amendments to Public Law 480 contained in H.R. 3324 represent a further attempt to improve the food for peace program. Our Nation can be proud of the role we have played in helping needy people abroad. These legislative changes will strengthen this important program.

I ask that a section-by-section analysis of title II of the conference substitute be printed in the RECORD.

The material follows:

SECTION-BY-SECTION ANALYSIS OF TITLE II OF THE CONFERENCE SUBSTITUTE ON H.R. 3324

Title II of H.R. 3324, the International Development Cooperation Act of 1979, makes changes in the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

Section 201.—Increasing Demand for Food and Encouraging Local Food Production.

Section 201 amends section 103(f) of the Agricultural Trade Development and Assistance Act of 1954 ("the Act") to require the President, in exercising his authorities under the Act, to give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs, by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities.

Section 202.—Role of Indigenous Institutions and Workers.

Section 202 amends section 202(b)(2) of the Act to provide that in order to assure both the effective use of title II commodities and their application to the areas of greatest need within the recipient country, the agencies that distribute title II commodities will be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible to, assess nutritional and other needs of beneficiary groups, help these groups design and carry out mutually acceptable projects, recommend ways of making food assistance available that are most appropriate for each local setting, supervise food distribution, and regularly evaluate the effectiveness of each project.

Section 203.—Alleviating the Causes of the Need for Title II Assistance.

Section 203 amends section 206 of the Act to provide that no title II assistance will be provided under an agreement permitting generation of foreign currency proceeds unless the agreement provides that the currencies will be used for (1) alleviating the causes of the need for the assistance in accordance with the purposes and policies of section 103 of the Foreign Assistance Act of 1961 or (2) programs and projects to increase the effectiveness of food distribution and increase the availability of title II food commodities to the neediest individuals in recipient countries.

Section 204.—Incentives for Entering into Food for Development Programs.

Section 204 amends section 301(a) of the Act to authorize the President to apply the dollar value of commodities provided under title III, as well as the funds accruing from the local sales of such commodities, against the repayment obligation of governments receiving concessional financing under the Act. Commodities themselves could be used in title III projects in addition to local currencies generated by the sale of the commodities.

Section 303(a) of the Act is amended to make a technical change in the language of the composition of a Food for Development Program.

Section 205.—Participation of American Agriculture in Food for Development Programs.

Section 205 adds a new paragraph (4) to section 302(c) of the Act to require that, in developing and carrying out Food for Development Programs, consideration be given to using the capability and expertise of American agriculture, in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.

Section 206.—Full Forgiveness of Repayment Obligations Under Food for Development Programs.

Section 206 amends section 305(a) of the Act to provide that disbursements equivalent to the value of the credit furnished by the Commodity Credit Corporation shall be deemed to be payment of all installments of interest and principal payable for commodities purchased under this title. Full forgiveness applies to all interest charges accruing after the date of the original dollar credit, and the participating country in receiving full forgiveness will not be affected by currency rate changes occurring after payment has been made into the special account. Thus, if all proceeds are disbursed, there will be full forgiveness. It is intended that full forgiveness be applicable to disbursement of the commodities themselves, as well as by proceeds from their sale, as provided for under section 204 and 207 of the conference substitute.

Section 207.—Reports Under Title III.

Section 207 amends section 306 of the Act by requiring participating countries to include in the report required under that section a detailed description of how the commodities under title III were used; and amends section 307(a) of the Act to require that the annual report under that section include information on the value of title III agreement commodities not fully disbursed during the preceding year.

Section 208—Avoiding Interference with Production or Marketing in Recipient Countries.

Section 208 amends clause (2) of section 401(b) of the Act to require that no commodity may be furnished under the Act except upon a determination by the Secretary of Agriculture that "the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production of marketing in that country".

Section 209.—Determination of Commodity Needs and Program Beneficiaries in Each Country.

Section 209 amends section 404 of the Act to specify that market development, developmental goals and humanitarian objectives be carried out in the national interest.

Section 209 also amends section 404 of the Act to add a new subsection (b) directing that assessments be made of recipient country commodity needs in order to encourage economic development and review the potential for expanded U.S. agricultural exports.

Section 210.—Commodities for Multiyear Development Purposes.

Section 210 adds a new section 413 to title IV of the Act providing that to the maximum extent practicable, commodities provided under the Act for development purposes shall be made available on a multiyear basis when necessary for the most effective accomplishment of these purposes.●

● Mr. TALMADGE. Mr. President, I support the amendments to the agricultural Trade Development and Assistance Act of 1954 (Public Law 480) contained in H.R. 3324 as reported by the Comittee of Conference.

The amendments to Public Law 480 would make needed changes in the food-for-peace program. The changes will serve to insure the continued success of this important program.

The food-for-peace program has been an important factor in U.S. agricultural and foreign policy for 25 years. It has benefited Americans, as well as foreigners. The food-for-peace program has helped American farmers by boosting exports of agricultural commodities, which in turn have helped alleviate and prevent malnutrition and hunger in more than 100 countries around the world. I am pleased that my colleagues designated this year as the food-for-peace year, and I urge everyone to join in celebrating this important occasion.

The Committee on Agriculture, Nutrition, and Forestry has again worked closely with the Committee on Foreign Relations on this year's foreign assistance legislation, H.R. 3324. The arrangement allows the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry to exercise independently their judgment on matters within their exclusive jurisdictions and then to bring that same expertise to conference with the House Committee on Foreign Affairs.

Special recognition must be given to Senator STONE of the subcommittee on foreign agricultural policy. Senators MCGOVERN, DOLE, LUGAR, and the ranking minority member of the committee, Senator HELMS, also made significant contributions in developing the Public Law 480 amendments contained in H.R. 3324.●

INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION, JULY 31, 1979

● Mr. DECONCINI. Mr. President, today the Senate is considering the conference report on the International Development Assistance Act. It is with considerable regret that I must register my vote against this report. Last month the Senate took what I believe was a sound and foresighted action to delete from that bill the Institute for Scientific and Technological Cooperation.

The objective of the Institute is to study problems facing the less-developed countries with an eye toward their future industrialization. While studies of this sort are important, they have been done repeatedly. I agree with the Foreign Relations Committee which stated in its committee report:

[I]n a year when AID programs must be reduced, assistance which directly benefits poor people in poor countries should have priority over research and studies whose benefits to the poor are delayed and, all too often, questionable.

The Senate decisively rejected this misguided and untimely "innovation" in our foreign assistance bureaucracy. I regret that the Senate's clearly expressed will was ignored in conference, and I feel compelled to register my vote against the conference report.

At a time when the American people are themselves struggling to make "ends meet" because of spiraling inflation and what promises to be a substantial recession, we can ill afford another well-intentioned but expensive agency to study and coordinate problems which are all too depressingly familiar. Although the funding requests associated with the Institute for Scientific and Technological Cooperation are not great, they involve the creation of a new bureaucracy that, once ensconced, will devour tax dollars at an ever-accelerating rate.●

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I urge the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION FOR 1 YEAR OF PROGRAMS UNDER HIGHER EDUCATION ACT OF 1965

Mr. PELL. Mr. President, I call up H.R. 4476, the Higher Education Act bill. I understand there is no objection to it on either side.

I first call up the bill and ask that it be considered.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4476) to extend certain programs under the Higher Education Act of 1965 for one year, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the bill.

The Senate proceeded to consider the bill.

Mr. PELL. Mr. President, H.R. 4476, the Higher Education Technical Amendments of 1979, which was passed overwhelmingly on voice vote by the House of Representatives earlier today. It is my hope that this bill, with a committee amendment, can receive speedy passage by the Senate.

There are two major reasons for such haste. The first concerns the controversy concerning the level of payment of basic educational opportunity grants to independent students. The Middle Income Student Assistance Act, passed by the Congress last fall, provided for a liberalized treatment of these students in determining their eligibility for basic grants. Before the enactment of this act, independent students had been asked to contribute an extremely high percentage of their discretionary income toward their education. This led to inequitable situations, with which I am certain my colleagues are familiar. A mother seeking to return to college would find that she was ineligible to receive a basic grant, while her child, in the identical economic circumstances, would get grant assistance. Students seeking to make their own way in the world, independent of their parents, would find that grant aid was unavailable to them.

The Middle Income Student Assistance Act sought to eliminate these inequities by making independent students eligible for larger grant amounts. However, HEW, citing restrictive language in the Labor-HEW Appropriations Act for fiscal year 1979 (to be spent on student grants for school year 1979 to 1980), promulgated a schedule of expected family contributions which ignored the liberalization of treatment of independent students required by the Middle Income Act.

The Subcommittee on Education, Arts, and Humanities held a hearing on the proposed schedule in April, with an eye toward rejecting it as inconsistent with the authorizing legislation. At that time we were assured by then-Commissioner Boyer that HEW had reconsidered its decision, and that the Middle Income Act would be followed.

On June 29, right before the beginning of the new program year for basic grants, HEW informed me that their lawyers had determined that the appropriations restrictions still held, and that independent students were to receive the lower amount for which they were eligible until passage of this legislation made their full entitlement available to them. The General Accounting Office concurred in this opinion.

As a result, independent students have been denied the full amount of their grants since July 1. This has meant substantial confusion on the campuses of those institutions which have students enrolled in the summer months. Student financial aid officers have been required to hand calculate reduced basic grant amounts for independent students, pending enactment of this legislation.

It is imperative that H.R. 4476 be enacted prior to the August recess, so that the confusion concerning independent students can be abated before most colleges start in the fall. Our action today can assure that the confusion will not be escalated by untold thousands of students who would otherwise arrive on campus to discover that the funds to which they are legally entitled are not available to them.

A second substantive provision of H.R. 4476 relates to the payment of special allowances to lenders participating in the guaranteed student loan program. This special allowance is paid by the Federal Government on a quarterly basis, to assure that the return to lenders, such as banks, credit unions, and savings and loan institutions, is sufficient to insure adequate student loan capital availability. Without this special allowance, the rate of return to lenders on student loans would be limited to 7 percent, an unrealistically low yield in light of today's money market.

Current law limits the special allowance to 5 percent above a figure tied to the average of bond equivalent rates paid on 91-day Treasury bills. This 5-percent level is figured over a 12-month period, so that for any given quarter it may exceed or be less than 5 percent. Until the present time, this ceiling has not caused problems for the continued flow of guaranteed student loans.

The special allowance rate paid for the first quarter of calendar year 1979 was 6.25 percent. The true rate for the third quarter—July, August, and September—would be approximately the same, except for the artificial statutory limitation. If the special allowance payments are not increased, to reflect the actual cost to lenders of making money available to students, the probable result will be a drying up of funds available for student loans. Since, traditionally, students have sought loans in the later summer months, as they face the hard realities of attaining funds to go to college, shortage of available loan funds could result in countless thousands of students who would be unable to get the money necessary to attend college.

The bill passed by the House would raise the ceiling on the special allowances beginning with the second quarter of calendar 1979. The amendment I am offering would make the change effective with the third quarter, the quarter that we are in at the present time. The special allowance payment is made at the end of the quarter, paid retroactively upon the entire portfolio held by the lender during the quarter. Since banks have already completed their lending during the second quarter, changing the amount of the special allowance at this time could have no effect on increasing or maintaining loan volume. In addition, it is estimated that eliminating the increase for the second quarter would result in a savings of more than $35 million. My amendment, which has been worked out with the cooperation of members of the Budget Committee, would prevent such a windfall to lenders, while focusing on the goal of making loan funds available to students during this summer, so that they can meet their

college bills in September. I am confident that this amendment will be acceptable to the House, and will not delay the speedy passage of this legislation.

The remainder of the bill, in essence, provides for a 1-year extension of higher education programs. This is necessary if our budget and appropriations cycles are to be kept on track. Many programs and agencies, such as the National Institute of Education and the Fund for the Improvement of Postsecondary Education, have no authorization of appropriations for fiscal year 1981. In the absence of this extension, these programs and agencies could not be included in the President's budget next January and would not be considered in the regular appropriations cycle next spring.

I would like to reiterate the statement that I made upon introduction of S. 1350, the Senate version of the legislation before us—that this extension is not intended to substitute for a thorough examination of higher education programs by the Subcommittee on Education, Arts, and Humanities later in this session. We plan to hold hearings early this fall, and to have a bill for Senate consideration as early as possible. The enactment of this legislation will be without prejudice to our rights to make changes in the later substantive legislation.

This bill is not controversial. Its speedy enactment is necessary to make certain that students have necessary funds to attend school this fall. I urge its enactment.

UP AMENDMENT NO. 485

(Purpose: To make changes in the special allowance under the insured student loan program applicable to the third quarter of calendar year 1979)

Mr. PELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) proposes unprinted amendment numbered 485.

Mr. PELL. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 5(c)(2) strike out the exception and the second sentence and insert in lieu thereof the following: "except with respect to eligible loans held during the third quarter of the calendar year 1979, holders of such loans shall be entitled to a special allowance payment increased by the difference between (A) the special allowance determined with respect to such loans for such quarter under section 438(b)(2) prior to the amendments made by paragraph (1) of this subsection, and (B) the amount which would be determined with respect to such loans for such quarter under section 438(b)(2) as amended.".

Mr. PELL. Mr. President, this amendment has been agreed to by both sides. It eliminates the increase in the interest subsidy for lenders in the guaranteed loan program for the second quarter of the first calendar year. The bill, as amended, would provide for such an increase beginning with the third quarter of this calendar year. The bill itself is, I believe, unobjectionable.

Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PELL. Mr. President, I now move the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments, the question is on the engrossment and third reading.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 4476), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business and that Senators may be permitted to speak therein up to 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF MR. STEWART TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on tomorrow, Mr. STEWART be recognized for not to exceed 15 minutes, following the other orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what orders are there for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are orders for Senators PROXMIRE and STEWART.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two Senators be recognized in reverse order from that stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO REDUCE TIME OF LEADERS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders on tomorrow be reduced to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GOLDWATER ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. GOLDWATER be recognized for not to exceed 15 minutes on Thursday after the orders previously entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 285 and 286.

Mr. BAKER. Mr. President, reserving the right to object, I shall not object. The reservation is for the purpose of stating that these items are cleared on our calendar and we have no objection to their being considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

PHOTOGRAPH OF THE SENATE IN SESSION

The resolution (S. Res. 210) temporarily suspending paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the U.S. Capitol to permit a photograph of the Senate in session, was considered and agreed to, as follows:

S. RES. 210

Resolved, That paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate chamber) be temporarily suspended for the sole purpose of permitting the United States Capitol Historical Society to photograph the United States Senate in actual session.

SEC. 2. The Sergeant at Arms of the Senate is authorized and directed to make necessary arrangements therefor, which arrangements shall provide for a minimum of disruption to Senate proceedings.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOHANNA B. SALVETTI

The resolution (S. 211 to pay a gratuity to Johanna B. Salvetti, was considered and agreed to, as follows:

S. RES. 211

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Johanna B. Salvetti, widow of Amelio Salvetti, an employee of the Architect of the Capitol assigned to duty in the Senate restaurant at the time of his death, a sum equal to eleven months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I understood the Chair to say there were two orders for recognition of Senators on tomorrow, each for not to exceed 15 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I believe the order has been entered that the Senate proceed to the immediate consideration, upon the conclusion of recognition of Senators on tomorrow, of the EDA authorization bill and that following that measure, the Senators take up the Amtrak authorization bill. There is a time agreement on the Amtrak bill.

I believe that states the program for tomorrow.

The PRESIDING OFFICER. The Senator is correct.

RECESS TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 7:20 p.m., the Senate recessed until tomorrow, Wednesday, August 1, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 31, 1979:

IN THE JUDICIARY

Albert Tate, Jr., of Louisiana, to be U.S. circuit judge for the fifth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

William L. Beatty, of Illinois, to be U.S. district judge for the southern district of Illinois, vice a new position created by Public Law 95-486, approved October 20, 1978.

Hugh Gibson, Jr., of Texas, to be U.S. district judge for the southern district of Texas, vice Finis E. Cowan, resigned.

George J. Mitchell, of Maine, to be U.S. district judge for the district of Maine, vice a new position created by Public Law 95-486, approved October 20, 1978.

CONFIRMATION

Executive nomination confirmed by the Senate July 31, 1979:

DEPARTMENT OF ENERGY

Charles William Duncan, Jr., of Texas, to be Secretary of Energy.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, July 31, 1979*

The House met at 10 a.m.

Rev. George Jackson Spangenberg, Holy Ghost Preparatory School, Bensalem, Pa., offered the following prayer:

Let us pray.

Almighty and everlasting Father, You guide all creation and establish the order which governs all the ages. It has been Your will to allow a nation to be established, where the peoples of this land may be united into one family. You have entrusted this special task to those assembled here; let them be ever conscious of this task by seeking to insure justice and equality for all their brothers and sisters.

O Lord, our God, You have created these men and women to become Your instruments; give them the wisdom to understand the greatness of Your plan and the courage to carry out Your plan in time. Inspire them this day and every day forward, that they may become an inspiration to the world. As always, we make this prayer in Your name, confident in Your abiding presence and everlasting love. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SENSENBRENNER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 9, not voting 36, as follows:

[Roll No. 403]

YEAS—389

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dicks
Diggs
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Purseil
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Traxler	Waxman	Wolff
Trible	Weaver	Wolpe
Udall	Weiss	Wright
Ullman	White	Wyatt
Van Deerlin	Whitehurst	Wydler
Vander Jagt	Whitley	Wylie
Vanik	Whittaker	Yates
Vento	Whitten	Yatron
Volkmer	Williams, Mont.	Young, Fla.
Walker	Wilson, Tex.	Young, Mo.
Wampler	Winn	Zablocki
Watkins	Wirth	Zeferetti

NAYS—9

Coughlin	Jacobs	Quayle
Dickinson	Lloyd	Schroeder
Goodling	Mitchell, Md.	Wilson, Bob

NOT VOTING—36

Anderson, Ill.	Conyers	Kemp
Andrews, N.C.	Crane, Philip	Marlenee
Anthony	Dannemeyer	Pepper
Ashbrook	Dingell	Price
Ashley	Dougherty	Railsback
AuCoin	Eckhardt	Santini
Bellenson	Edwards, Okla.	St Germain
Boggs	Flood	Treen
Bolling	Ford, Mich.	Walgren
Breaux	Forsythe	Williams, Ohio
Brown, Calif.	Gephardt	Wilson, C. H.
Burton, Phillip	Harris	Young, Alaska

□ 1020

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 230) entitled "An act to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. CRANSTON, Mr. PELL, Mr. SCHWEIKER, Mr. JAVITS, and Mr. HATCH to be the conferees on the part of the Senate.

REV. GEORGE JACKSON SPANGENBERG

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute.)

Mr. KOSTMAYER. Mr. Speaker, I welcome to the House Father George Spangenberg, who delivered the opening prayer this morning.

Father Spangenberg is not only a clergyman, but a teacher. He teaches literature and history at Holy Ghost Preparatory School in Bensalem, Pa., a community in my congressional district. He has ministered to congregations not only in Pennsylvania, but in North Carolina and New York. He is a new resident of my district.

Mr. Speaker, I am pleased and privileged to welcome him to the House this morning not only as a new constituent, but also as a new friend.

IN THE MATTER OF REPRESENTATIVE CHARLES C. DIGGS, JR.

Mr. BENNETT. Mr. Speaker, I call up a privileged resolution (H. Res. 378) in the matter of Representative CHARLES C. DIGGS, JR., and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 378

Resolved,

(1) that Representative Charles C. Diggs, Junior, be censured;

(2) that Representative Charles C. Diggs, Junior, forthwith present himself in the well of the House for the pronouncement of censure;

(3) that Representative Charles C. Diggs, Junior, be censured with the public reading of this resolution by the Speaker;

(4) that Representative Charles C. Diggs, Junior, is ordered to execute and deliver to the House an interest-bearing demand promissory note for $40,031.66, made payable to the Treasury of the United States;

(5) that Representative Charles C. Diggs, Junior, is ordered, for the remainder of the Ninety-sixth Congress, to require his employees to certify to the Committee on Standards of Official Conduct that the funds he or she receives from clerk-hire funds are received in full compliance with current House rules; and

(6) that the House of Representatives adopt the report of the Committee on Standards of Official Conduct dated July 19, 1979, in The Matter of Representative Charles C. Diggs, Junior.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to make a statement after which the gentleman from Florida (Mr. BENNETT) will be recognized for 1 hour.

The Chair must acknowledge the gravity of the pending resolution insofar as the House will be called up to discipline one of its Members. While there should of course, be an opportunity to debate all aspects of this matter, the Chair wishes to remind Members of the restrictions imposed by clause I, rule XIV, and by the precedents relating to references to Members in debate. These restrictions indicate that Members should refrain from using language which is personally abusive. While a wide range of discussion relating to conduct of the Member in question will be permitted, it is the duty of the Chair to maintain proper decorum in debate. It is the intention of the Chair to enforce the rules.

The gentleman from Florida (Mr. BENNETT) is recognized for 1 hour.

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the extension of remarks section of the RECORD, and that this not include any revisions of remarks delivered in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT. Mr. Speaker, for the purposes of debate only I yield 20 minutes to the gentleman from South Carolina (Mr. SPENCE); and for the purposes of debate only I yield 20 minutes to the gentleman from Michigan (Mr. DIGGS), pending which I yield myself such time as I may consume.

Mr. Speaker, on February 1 of this year, as chairman of the Committee on Standards of Official Conduct, I communicated to the other members of the committee my intention, subject to their approval, to appoint a subcommittee of two to inquire into the conviction of Representative DIGGS. At the organizational meeting of the committee on February 7, the gentleman from Indiana (Mr. HAMILTON) and the gentleman from New Jersey (Mr. HOLLENBECK) were so appointed.

On February 2, the gentleman from Georgia, Representative GINGRICH, and 18 other Members filed a sworn complaint charging that Representative DIGGS had violated House Rule XLIII, clause 1, Code of Official Conduct, by reason of his misuse of clerk-hire allowances—essentially the same conduct which had led in 1978 to his indictment and conviction in the U.S. District Court.

On March 21, a formal resolution to conduct an inquiry into the official conduct of Representative DIGGS was adopted by the committee. These initiatives, and the investigation that ensued, culminated in the recommendation of the committee that the House adopt the resolution now under discussion.

During the preceding Congress, Representative DIGGS was the subject of an investigation by the Department of Justice into alleged violations of Federal law concerning the use of his clerk-hire allowance. On March 23, 1978, a grand jury sitting in the District of Columbia indicted Representative DIGGS on 14 counts of violating 18 U.S.C. 1341 (mail fraud) and 21 counts of violating 18 U.S.C. 1001 (false statement). All counts were related to an alleged scheme by Representative DIGGS to defraud the Government by either: First, inflating employees' salaries so that they could use the increase to pay his personal and congressional expenses; or second, adding individuals to his congressional payroll to compensate them for providing him with personal services.

On October 7, 1978, the jury returned a verdict of guilty on the 29 counts that were prosecuted. On November 21, 1978, Representative DIGGS was sentenced to 3 years imprisonment on each of these counts, the sentences to run concurrently. Between the time of the conviction and sentencing, on November 7, 1978, Representative DIGGS was reelected to Congress. Representative DIGGS has this conviction under appeal at this time; and a decision by the Court of Appeals for the District of Columbia is anticipated some time during the next few months.

Special counsel appointed by the committee undertook a thorough analysis of the transcript of evidence from the trial of Representative DIGGS and interviewed various potential witnesses, following which the committee unanimously approved and served upon Representative DIGGS a statement of alleged violations, charging violations of clauses 1 and 8, of the Code of Official Conduct. Clause 1 imposes an obligation on every Member "to conduct himself at all times in a manner which shall reflect creditably on the House." Clause 8 prohibits a Member from retaining a staff employee

"who does not perform duties commensurate with the compensation he receives."

The summary of the trial testimony appears in the committee report, pages 9–16; and the statement of alleged violations appears as part of appendix A (pages 28–37).

Appendix F to the report (pages 148–177) contains various exhibits introduced during the trial of Representative DIGGS which record the changes in salary of various staff members and disbursements by them to pay personal and office related expenses of the Member.

After the statement of alleged violations was served, counsel for Representative DIGGS filed various motions, including a motion to defer all committee action pending the outcome of the judicial proceedings and a motion to dismiss for lack of jurisdiction.

The motion to defer was based upon the argument that any proceedings the committee might undertake would generate publicity that might prejudice the Member's criminal court proceedings. The motion was denied by an 8–3 vote, the majority being of the opinion that the possibility, that any publicity of the committee proceedings adversely affecting the rights of Representative DIGGS in the ongoing judicial proceedings, was remote and insubstantial.

The motion to dismiss for lack of jurisdiction was based on the argument that the power of the House to punish for misconduct was terminated by the Member's reelection, at least where the alleged misconduct was known to his constituency prior to his reelection. Counsel for Representative DIGGS maintained that the power to expel, conferred by article I, section 5 of the Constitution, conflicted with the right of his constituency under article I, section 2 to elect, and have him serve as their representative, even following his conviction; and that the conflict had to be resolved in favor of the Member's constituency.

Special counsel to the committee argued that any question about the power to expel was premature since the precedents were: That the House has jurisdiction under article I, section 5 to inquire into the misconduct of a Member occurring prior to his last election; and, under appropriate circumstances, to impose at least those disciplinary sanctions that fall short of expulsion. The motion to dismiss for lack of jurisdiction was unanimously denied, following which Representative DIGGS filed a general denial to all counts in the statement of alleged violations.

The committee then ordered a disciplinary hearing, but before the date set for its commencement. Special Counsel for the committee and counsel for the Member engaged in discussions which led to the committee's recommended disposition of the proceedings.

The discussions between counsel culminated in an admission of guilt by Representative DIGGS with respect to certain violations of House rules; and a further admission that he had personally benefited from the employment of some members of his staff; and an agreement to: First, make restitution of amounts from which he derived personal benefit; second, to apologize to the House for his wrongdoing; and third, to accept censure therefor. This was formally presented to the committee in open session by Representative DIGGS' counsel; and Representative DIGGS signed the letter—and orally before the committee acknowledged it to be his—which letter appears at page 16 of the report.

On recommendation of the committee's Special Counsel, Representatives DIGGS' letter of admissions was accepted and the committee recommended that Representative DIGGS be found guilty of violating rule XLIII, clauses 1 and 8, on the basis of his admissions; and that Representative DIGGS be censured and required to make restitution by execution of an interest-bearing demand promissory note for the full amount of his personal benefit from the use of clerk-hire funds as disclosed in the evidence. Representative HAMILTON moved the resolution, the full text of which appears in the report (pages 17–19). Representative HAMILTON'S resolution was unanimously adopted.

The committee did not proceed to conduct the evidentiary hearing originally contemplated because Representative DIGGS' letter of admission of guilt, plus the evidence taken from the criminal proceedings, constituted a more than adequate record on which to judge the case. An evidentiary hearing—which would have been largely repetitious of the trial proceeding—would not have resulted in a different committee recommendation regarding punishment.

As to the punishment recommended, the committee concluded, after research of precedents, that expulsion, the most extreme penalty possible under the Constitution, would be inappropriate. More serious offenses have in the past not received this penalty; and in fact on only three occasions in the history of our country has this penalty been imposed. They were in the Civil War period when elected Members joined the Confederacy, which was an action viewed by some as treason. Further, Representative DIGGS—as all Congressmen—is answerable also in the criminal and civil courts, in addition to proceedings in the House; and he may eventually lose his freedom if he loses his appeal in the criminal proceedings. Some feel that in that event he should be expelled; but the present proceedings do not address that question, which is at this time premature, since it is not now a certainty that he will not succeed in his appeal of the judicial proceedings.

The committee rejected recommending expulsion in this case as too severe and inappropriate for the offenses involved, serious as they are. We considered, among other things, the admission by this Member of violations of House rules and his apology therefor; and the respect owed his constituency which reelected him following his conviction. In sum, we believe that censure, together with the other obligations imposed on the Member by the resolution before you represents a just conclusion of these proceedings. This was the unanimous recommendation of the committee, following the unanimous recommendation of its subcommittee.

I reserve the balance of my time.

□ 1030

The SPEAKER. The Chair recognizes the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, your Committee on Standards of Official Conduct is the committee which is charged with the responsibility of investigating matters involving the official conduct or ethics of the Members of this body, and recommending what punishment, if any, is deemed appropriate.

Our task is one of the heaviest responsibilities that can be placed on any one group—to sit in judgment on their fellow man. We, ourselves, are not perfect in every respect; neither are you, in whose behalf we have labored. Our ultimate duty is to represent others who are, themselves, beset with all the frailties of human beings.

Still, the job must be done. It is sometimes distasteful, but someone must do it. We must police ourselves—no one else or no other body can have this unique responsibility under our system of government.

There are 12 of us, as you know. Six of us are Democrats and six are Republicans—the only standing committee so constituted with equal numbers regardless of the ratio in the House. We are supposed to be nonpartisan and my experience has been that we are. We do not have majority and minority staffing. We are chosen by you of our respective party affiliations. While we have been criticized by some of our colleagues, you do not find them clamoring for membership on the committee, where their expertise is sorely needed. As a matter of fact, only the chairman, myself, and two other Members have served previously on the committee.

Most of us are lawyers, but not all of us. One is a former Federal judge and one a former prosecutor. Our permanent staff of lawyers and investigators and our special counsel in this matter are experts in their fields.

The committee could serve as an ideal platform for demagogs and people who seek headlines back home, but no one on your committee has sought to take advantage of this. I have been impressed with the fact that, without exception, this committee is more concerned with being fair and just and upholding the integrity of this body.

Mr. Speaker, what is expected of us in carrying out our duties?

That we set all passions aside;

That we examine all the facts;

That we study the precedents of the House;

That we review all pertinent law;

That we place justice above politics;

That we be fair but firm;

That we consider the wishes of a constituency but that we preserve the dignity of the House;

That we set no precedent that will not stand the test of time; and

That any recommended punishment be just, appropriate, and effective.

Mr. Speaker, we have followed these injunctions. We have worked long and hard and we have agonized, collectively and individually, over our decision.

I doubt very seriously that, even considering all of the collective wisdom of this body, there will be a point raised or a position taken today that has not been fully considered and found wanting during the committee deliberations on this matter.

I am sure there are a number here who qualify as expert constitutional lawyers or scholars, and who will want to avail themselves of this opportunity to discuss the constitutional question of the power of the House to expel a Member. Understandably, the arguments for and against expulsion were also advanced in committee where they were fully researched and considered from every viewpoint. All the authorities and legal arguments are printed in the report.

Yesterday's vote on the privileged resolution to expel Mr. DIGGS told us clearly that not even a majority of this body, much less the required two-thirds, favors expulsion in this case. At least some who voted against tabling the resolution would not vote for expulsion but supported the resolution only to offer an opportunity to have it debated. At the same time, the sizable vote in support of the resolution, as well as the sentiments of many who opposed it, indicate the seriousness with which the House regards the matter under consideration.

Mr. Speaker, our unanimous committee recommendation is that Representative CHARLES DIGGS be publicly censured by this House for the discredit he has brought to this body by his conduct in the misuse of his clerk-hire allowance.

□ 1040

The SPEAKER. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Speaker, I believe we should now hear from the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Speaker, I yield my time to the gentleman from Ohio (Mr. STOKES).

The SPEAKER. The Chair recognizes the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Speaker, I reserve my time.

Mr. BENNETT. Mr. Speaker, I have found no further requests for time.

Mr. SPENCE. Mr. Speaker, I yield 2½ minutes for purposes of debate only to the gentleman from New Jersey (Mr. HOLLENBECK).

Mr. HOLLENBECK. In the short time allotted me by the gentleman from South Carolina, I should like to respond to several oft-repeated questions posed to myself and my colleagues on the Committee on Standards of Official Conduct since our completion of the investigation of Congressman DIGGS. Although the issues contained in these questions have, for the most part, been answered in the committee's report, it is my hope that a brief summary of the committee's position on several key points will better enable this body to evaluate the pending resolution.

First, there has been considerable controversy over the committee not recommending expulsion of the gentlemen from Michigan. The questions most often posed in this regard are: First, "Have we the power to expel? and second, "If so, why was expulsion not recommended in this case?"

The committee declined to recommend expulsion of Congressman DIGGS for reasons stated at page 20 of the report. Probably the most important of those reasons was the opinion of the committee that the offenses charged, although very serious, simply did not warrant the ultimate punishment of expulsion—a punishment meted out only three times in the history of the House—a punishment which has never been imposed for an act short of treason, a punishment which has not been imposed in over a century. Viewing Mr. DIGGS' cooperation with the committee's investigation, his apology to the House and his agreement to repay the full amount by which he personally benefited from misuse of his clerk-hire allowance, the committee determined that a fair disposition would not include a recommendation of expulsion. Since the committee determined that expulsion was not to be included in the recommended sanction, it was unnecessary to resolve the constitutional question of power to expel a Member.

This is not to suggest, however, that the committee did not consider the issue of this House's power to expel a Member. On the contrary, the limited precedents on the issue were briefed in detail by counsel and considerable debate was held on the matter. Contrary to the stated opinions of some of our colleagues, the power to expel a Member, articulated in article I, section 5, clause 2 of the Constitution, is not unlimited. In the instant case, where the Member was reelected after his conviction on criminal charges, a recommendation to expel could have directly conflicted with the constitutional right of Mr. DIGGS' constituency to freely choose whomever they wish to represent them. In the interest of expediting a fair resolution of the issue at hand—that is, the question of Mr. DIGGS' official conduct—the committee, after determining that expulsion was inappropriate, chose not delay the proceeding by further discussion of the power to expel.

Finally, with respect to the expulsion issue, I would like to associate myself with the remarks of the gentleman from South Carolina regarding the effect of yesterday's vote on H.R. 391. Clearly, as that vote indicates, the majority of the Members of the House agree with the Committee on Standards of Official Conduct that expulsion is not an appropriate remedy in this case.

A second question raised by a number of our colleagues regards the effect of this disposition on the power of the House to later consider a resolution to expel the Member if and when his criminal conviction is upheld and he is incarcerated. It is, first of all, my fervent hope and sincere anticipation that the gentleman from Michigan, who at his criminal trial emphasized his dedication to his constituency, would see fit under such circumstances to resign, so that a new representative could promptly be chosen to replace him. If that is not the case, nothing in the committee's recommendation or report, or in the committee's predisposition negotiation with Mr. DIGGS, should be construed as precluding subsequent House action to expel the Member. That is, the recommended disposition of this matter is not intended to bar the House from expelling Mr. DIGGS if he is incarcerated and unable to actively represent his constituency.

A third question of common interest concerns the relationship of the House's action today and the criminal proceedings involving the Member. It is the opinion of the committee that the two are totally independent, that the ultimate disposition of charges in each forum is unaffected by the other. The committee's action is not intended or expected to influence the U.S. court of appeals decision in the Member's pending appeal. Reversal by the appellate court of the criminal conviction would in no way affect the House action here under consideration.

A fourth question—or rather category of questions—which warrants only a brief response, concerns the issue of the Member's race. While some have suggested that racism fueled the investigation of Congressman DIGGS, others have claimed that a racial "double standard" precluded serious consideration of a harsher sanction. The committee, of course, denies that the race of the Member had any bearing whatsoever on its investigation. We cannot prevent some persons, either in or out of the House, from making such insinuations, but we are confident that our record, as well as the record of the entire House, in dealing with disciplinary proceedings refutes any such suggestions. We have attempted to the best of our ability to observe justice and fairness in every case, judging each on the evidence presented. We have been extremely cognizant of our obligation to observe the due process rights of any Member or person involved in one of our proceedings. With regard to this specific case, it is most important to note that the Member has admitted guilt, apologized to the House, agreed to make restitution, and agreed to accept censure because of his misconduct. Believing that to be a fair disposition, the committee incorporated each of those points in its recommendations.

The suggestion that censure rather than expulsion was recommended so as not to offend the black vote is not worthy of a response.

Another question raised, which I shall examine today is:

What has happened to Representative NEWT GINGRICH's House Resolution 142?

House Resolution 142 was referred to the committee where it was subject to consideration during the committee's inquiry into the conduct of Representative DIGGS, which inquiry commenced prior to House Resolution 142 on the committee's own initiative. Because of the committee's recommended resolution, House Resolution 378, which we discuss today, and assuming the resolution is adopted, no further action is scheduled by the committee with respect to House Resolution 142. In this connection, Representative GINGRICH has been quoted as saying that the disposition of this case recommended by the committee satisfies him, particularly in view of the Member's admission of guilt, and his apology therefor.

In dealing with this matter did the committee consider in depth the issue of punishment for offenses committed prior to the most recent election? Some have asked.

The issue of punishment for offenses committed prior to a Member's election is dealt with in the report, including the supplemental views of the gentleman from Wisconsin (Mr. SENSENBRENNER). The committee is of the unanimous opinion that the power of the House to punish for prior misconduct, at least the imposition of those sanctions that fall short of expulsion, is clear and well established by many legislative precedents. It is felt that this power can be invoked without conflicting with the right of each congressional constituency to select its representative, whereas the exercise of the power to expel obviously could conflict with those rights. Because of its recommended disposition of this case, the committee found it unnecessary to express an opinion on whether the power to expel extends to prior misconduct. My colleague's will expand upon this point.

I constantly overheard some colleagues asking why not recommend that Mr. DIGGS be denied the right vote on the floor of the House until his appeals are final?

Any attempt to deny the Member the right to vote could raise serious constitutional problems because such action obviously interferes with the right of his constituency to have a voting representative. Most felt that allowing a Member to hold his seat in the House, but denying him a vote, is perhaps worse for his constituency than expulsion. At least following expulsion the seat is vacant and a special election can be held providing the constituency the opportunity to elect a voting representative.

Mr. Speaker, I also note that the committee does not express a viewpoint on whether Mr. DIGGS may resume his chairmanships as that is a matter of party responsibility and under current practice would be a decision for the Democratic caucus. We specifically did not express a viewpoint on that matter.

I also note that the committee has acted while appeals are pending in the Federal courts concerning the Diggs conviction.

This subject is dealt with extensively in the memorandum filed by counsel for Representative DIGGS in support of a motion to defer the proceedings, and the memorandum in opposition filed by special counsel to the committee. The House has responsibility to act in a totally independent disciplinary procedure with respect to allegations of misconduct, particularly of the kind relating to the Member's official duties. The committee has usually deferred initiating a formal inquiry during the course of the a criminal investigation, grand jury proceeding, indictment and trial. That was done in this case. However, the appellate process can be very lengthy, even extending over the terms of two or more Congresses. The factors contributing to a decision to defer an inquiry into the conduct of a Member who has been indicted but not tried, principally problems of pretrial publicity, substantially diminish thereafter.

If a Member eventually is imprisoned, he obviously will be unable to serve his constituency. If that event occurs and the Member does not resign, it will be a matter for the House to deal with at the time. As I stated before, there is nothing in the committee's recommended disposition of the case that limits or affects any action the House might wish to take under those circumstances, in my opinion.

Some have asked me about the costs involved in this matter. The cost of these proceedings thus far has been over $50,000.

The committee printed the original trial record to provide the Members with the opportunity to become fully acquainted with the nature of the offenses with which Representative DIGGS was charged both by the Department of Justice in the criminal proceedings and the committee in its proceedings. Volume II is a transcript of the evidence taken at the trial and is very lengthy.

I have heard questions concerning the attention paid to this matter by the Members. I am pleased at the diligence of the committee on this matter. The chairman was initially and accidently ill advised by special counsel who suggested the proceeding could be concluded in 60 days. However, in defense of special counsel, he did not anticipate the challenge to the committee's jurisdiction and the efforts to defer the proceedings undertaken by counsel for Representative DIGGS. Moreover, special counsel was of the opinion that the matter could be disposed of following the procedures outlined in committee rule 14 adopted earlier this year. That rule now provides that, following a conviction, if the conduct that was the subject of the criminal proceedings also involved the Member's official duties, an evidentiary hearing could be avoided and a phase two hearing immediately commenced. In a phase two hearing, only the question of the appropriate punishment is before the committee. However, the committee declined to proceed under this rule, which was adopted subsequent to the time of the occurrence of the offenses charged against Representative DIGGS, retroactively.

The committee considered this matter on 14 separate occasions and adhered to the timetable of the rules as tightly as possible within the House schedule. I have added a synopsis of committee action at the end of my remarks.

It is disturbing that the recommended disposition of the case has been described by some as resulting from a "plea bargain." These terms are popularly used to describe the disposition of the vast majority of criminal proceedings. Whether or not this terminology is appropriate for the action taken in this legislative disciplinary proceeding is something over which the committee has no control. I can assure those people that the committee settled for no less than it felt was appropriate for the facts of the case.

The discussions which led to the resolution came up during procedural discussion by counsel. During the course of the discussions between special counsel and counsel for the Member, Chairman BENNETT and ranking member of the committee, Mr. SPENCE, and the special subcommittee, consisting of Representative HAMILTON and myself, were kept fully informed. Ultimately, one reason for proceeding as we did was the recognition that a lengthy evidentiary hearing would have been largely repetitious of the trial proceeding and would have contributed little or no additional evidence in support of the charges not available from the transcript of testimony received during the trial.

Mr. Speaker, I can recall that the gentleman from Virginia (Mr. BUTLER) said in debate on House Resolution 142 that Mr. DIGGS defrauded the Government of more than $100,000. This gives rise to several questions. First, is the amount of restitution too low? Is conversion of clerk-hire to office related use now legal? What happens to money owed by the gentleman from Michigan if he is no longer a Member? Will there be salary deductions?

The precise amount of money involved in any alleged improper use of the clerk-hire allowance by the Member is difficult to determine, even upon the committee's careful analysis. The amount of the note ordered as restitution is the result of such an analysis.

But I hasten to add that any action here today in no way bars the Government from further civil remedies. Just as it is the responsibility of the Department of Justice to enforce any criminal statutes the Member may have violated, it is also the Department's responsibility, acting in accordance with established policies in such matters, to institute civil action on the part of the United States to recover any clerk-hire or other funds that were disbursed otherwise than in accordance with law. We understand the Department of Justice is considering a civil action to recover such funds.

It should be made clear that the committee charges alleged the Member inflated staff salaries for three different purposes. First, to pay clearly identifiable personal expenses of the Member. Second, to pay expenses related to the Member's official duties, but which exceeded the allowances otherwise provided therefor. This was prior to the present rules allowing transfer. The third category involved alleged overcompensation of staff to pay for services rendered for the personal benefit of the Member, for example, Ms. Jeralee Richmond, who, while apparently rendering some legitimate staff duties, devoted the majority of her time to the affairs of the Member's funeral home; and Mr. George Johnson, who rendered accounting services to the Member personally and to the funeral home.

In his final response, Representative DIGGS has admitted guilt with respect to the first category and, without admitting guilt to the third category, has admitted

that he personally benefited thereby. Regarding the second category, office related expenses, Representative DIGGS steadfastly maintains that his use of clerk-hire funds for such purposes was not in violation of any House rules.

The amount of restitution to be made, approximately $40,000, includes the funds involved in the payment of personal expenses or staff salaries paid which inured to the personal benefit of the Member. It does not include funds used to pay office related expenses. This does not mean that the committee finds that the use of the clerk-hire allowance for those purposes did not involve a violation of House rules; only that we decided not to render an opinion or judgment on that issue as part of the entire context in which the disposition of the case was reached. Committee advisory opinion No. 2, on the subject of the use of clerk-hire funds, remains the official expression of the committee on the subject. If any Member of the House believes the opinion requires explanation in any given instance, there are procedures available to obtain an interpretation.

If Representative DIGGS ceases to be a Member of the House, he still will be obligated to pay the note evidencing the amount of restitution he has agreed to make, and, as previously indicated, any civil judgment the United States might recover. It is contemplated that there will be salary deductions made to meet the obligation evidenced by the note as long as Representative DIGGS is a member.

CHRONOLOGY

EVENT/ACTION

Feb. 1, 1979: Chairman circulated to Committee Members a statement advising of his intention to appoint subcommittee in matter of Charles C. Diggs, Jr.

Feb. 2, 1979: Complaint by Rep. Gingrich and 18 other Members received by CSOC.

Feb. 7, 1979: Organizational meeting of CSOC. Appointed Hamilton and Hollenbeck to subcommittee with authority to recommend Special Counsel.

Feb. 22, 1979: CSOC adopted Rules of Procedure for 96th Congress.

March 1, 1979: H. Res. 142 (to expel Diggs) referred to CSOC (322–77).

March 7, 1979: House approves funding resolution for CSOC—96th, 1st Session.

March 7, 1979: CSOC enters into legal contract with Pierson, Ball & Dowd as special counsel.

March 21, 1979: CSOC adopted motion to conduct inquiry and determine if Statement of Alleged Violations should issue.

March 30, 1979: House Administration Committee approved legal contract for Counsel.

April 4, 1979: CSOC approved Statement of Alleged Violations (10–0).

Triggered time schedule as provided by rules of procedure

1. 21-day period to file motions—Done Apr. 25.

2. 30-day period for CSOC to consider motions—Done May 16.

On May 16 an additional motion was filed and accepted although not timely. CSOC considered it on May 23.

3. 14-day period for Diggs to answer SAV—Done June 6.

4. CSOC acts as soon as practicable to hold hearings or defer action—Done June 7.

June 7, 1979: CSOC adopted final motion to hold disciplinary hearing.

June 25, 1979: Hearing scheduled but continued on day-to-day basis.

June 27, 1979: Date of Rep. Diggs' letter of admissions.

June 29, 1979: Hearing held to receive letter of admissions and adopt resolution recommending "censure".

July 17 and 18, 1979: CSOC met to mark up Report.

July 19, 1979: Resolution and Report In The Matter of Rep. Charles C. Diggs, Jr. filed.

July 25, 1979: Copy of printed Resolution and Report sent to 439 Members by CSOC.

COMMITTEE MEETINGS AT WHICH MATTER OF REPRESENTATIVE DIGGS WAS CONSIDERED

February 7, February 22, March 21, March 28, April 4, May 16, May 23, June 7, June 21, June 25, June 26, June 29, July 17, July 18.—A total of 14 meetings.

Mr. SPENCE. Mr. Speaker, I yield for purposes of debate only 2½ minutes to to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Speaker, I would like first to associate myself with the remarks of the distinguished chairman and ranking minority member of the committee as well as the gentleman from New Jersey.

The ranking minority member and the chairman have ably led all of the members of the committee to an objective and fair conclusion to this most unfortunate case. I believe the decision was a correct one and I join with them in making this recommendation to the full body.

Our decision will not satisfy all of the Members by any means. There will be those who believe that we reacted too harshly, as well as those who believe we failed to react strongly enough. Nevertheless, I feel very strongly that the decision of the committee should be upheld by this body.

The gentleman from Michigan (Mr. DIGGS), in his letter of June 27, 1979, shortstopped the procedures of the committee and submitted a letter which admitted guilt to some of the allegations before the committee, admitted unjust enrichment from other of his activities as a Congressman, promised restitution of a significant amount of funds to the Clerk of the House, promised certification that there would be no further such abuses, and apologized to the House for the discredit brought upon it by his actions.

To my knowledge, this was the first time that such a plea has ever been tendered to our committee. In accepting that letter, the committee made a finding of guilty to those violations of House rule XLIII, clauses 1 and 8, obtained execution of a demand note for $40,031.66 plus interest, and recommended a penalty of censure, the most severe penalty permitted under the House rules, short of expulsion.

Such censure is to be accomplished with the Member appearing in the well of the House in accordance with House practice. It is the first censure to be undertaken by this body in almost 60 years and, in my opinion, it is a penalty which is both reasonable and commensurate with the nature of the offenses to which the gentleman from Michigan (Mr. DIGGS) has admitted guilt.

In reaching a determination of sentence for any offense, such offense must be judged according to degree, in the light of all other possible offenses. The committee rule which governs reads as follows:

With respect to the sanctions which the committee may determine to include in a recommendation to the House respecting a violation, reprimand is appropriate for serious violations, censure is appropriate for more serious violations, and expulsion of a Member . . . . is appropriate for the most serious violations . . .

In my opinion, and evidently in that of the rest of the committee, the degree of this offense to which the gentleman from Michigan (Mr. DIGGS) has admitted guilt is among the "more" serious, but not among the "most" serious. In fact, the House has found expulsion warranted only three times in the history of this body.

□ 1050

In keeping with the rules of the House and our subcommittee, I submit this was an appropriate judgment and I recommend that my colleagues vote to censure the gentleman from Michigan (Mr. DIGGS).

Mr. SPENCE. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. THOMAS) for purposes of debate only.

Mr. THOMAS. Mr. Speaker, I did not ask to serve on the Committee on Standards of Official Conduct. I was asked to serve, and as I think it is the duty of every Member of this House at times to take on tasks that are perhaps not the most pleasant; I accepted the assignment, these duties are nevertheless requirements if we as individuals are going to function together in a body as large as this.

Shortly after my assignment to the committee, I received a cartoon from the chairman. It said, "We are looking for a few good men." It was a picture of the Hall of Statues and Members were hiding behind pillars, hoping not to be selected.

As the ranking minority member indicated, we are not perfect. Hopefully, all of us are more good.

I am not an attorney. I sat through the discussions looking at the broader question, at the historical question. There was a clear indication that the decision should primarily be just and right, and that the punishment should fit the crime. However, in discussing with various Members the punishment that the committee unanimously arrived at, the indication was that censure is nothing, that the only thing that is significant is expulsion.

I would ask each of you sitting here today and those Members who were not able to be here, and I do wish all were here, but a significant number are, to ask yourselves if you would be able to sit through this kind of a proceeding with your colleagues, indicating primarily with a heavy heart, but with an indication that the House must judge itself and we must, in the eyes of the people who watch us, judge ourselves and do it fairly and equitably, ask yourselves if this is not difficult for an individual to go through when his colleagues decide that he has violated the rules of the House to the point that he must come before them and indicate guilt and then attach a significant fine with interest.

However, I want to indicate that the committee in no way has committed itself to a decision based upon subsequent court action in the case before us.

In my opinion, the decision that this House will arrive at today is not only just and fair and historically correct, but one that will begin to indicate to the people of the United States that not only can the House discipline itself, but it does it fairly and equitably.

Mr. SPENCE. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I rise in support of the resolution and wish to associate myself with the remarks of the chairman of the committee, the gentleman from Florida (Mr. BENNETT) and also the ranking minority member, the gentleman from South Carolina (Mr. SPENCE).

The gentleman from Michigan (Mr. DIGGS) has admitted violating House rules by arranging to use clerk-hire funds for personal purposes. He has brought discredit upon the House of Representatives and should be censured. However, in addition to disciplining the gentleman from Michigan (Mr. DIGGS), adoption of this resolution clearly overrules the precedent that the House will not examine a Member's conduct which occurred prior to his last election, when the electorate had knowledge of the alleged misconduct.

The gentleman from Michigan (Mr. DIGGS) filed a motion to dismiss the proceedings for lack of jurisdiction because his conviction occurred prior to his last reelection before the Committee on Standards of Official Conduct. That motion was unanimously denied and this proceeding has been brought before us today.

The view that reelection constitutes forgiveness was most recently expressed by the Committee on Standards of Official Conduct in House Report 94–76, 94th Congress, 1st session, filed March 18, 1975. The view has been upheld by the full House on numerous occasions, many of which occurred early in the history of this country.

The time has come to end this precedent and adoption of this resolution will do just that. In the case before us today, the reelection involved was not really an election at all. For all practical purposes, the next Representative for the 13th District of the State of Michigan is chosen by the voters in the Democratic primary election, which was held in August of 1978. Mr. DIGGS conviction by the jury in the District Court for the District of Columbia occurred on October 7, 1978. At that time there was no way for a citizen of the 13th District of Michigan to become a candidate for Congress and the reelection which occurred in November was a mere formality.

Finally, the House action today has no bearing on the criminal proceedings against the gentleman from Michigan. If his conviction is affirmed by the U.S. Court of Appeals, he is still subject to a 3-year jail term.

This would be the second censure of a House Member this century and the note which the resolution requires Mr. DIGGS to execute will stand irrespective of how the appeal of the gentleman from Michigan (Mr. DIGGS) is decided and whether he remains a Member of Congress.

Mr. SPENCE. Mr. Speaker, I yield the remaining time to the gentleman from Wyoming (Mr. CHENEY) for purposes of debate only.

Mr. CHENEY. Mr. Speaker, it is unpleasant to have to rise to speak to this issue. Most of us who serve on the Committee on Standards of Official Conduct do not relish the task.

I believe most of us wish there were no need for such a committee at all. However, our experience has been that from time to time, people are elected to serve in this body who violate the rules of the House. House Resolution 378 addresses a violation of House rules by Representative CHARLES DIGGS.

This is not a criminal proceeding. That is already being taken care of in the courts.

Nor is this a partisan proceeding. I would remind my colleagues that the committee is bipartisan in its composition, having six Members of each party; and unanimous in its recommendation.

The Members of the House have had an opportunity to review the report of the committee and are therefore familiar with Mr. DIGGS' conduct. The Members all know that Mr. DIGGS has admitted violating rule XLIII, clauses 1 and 8.

Mr. DIGGS admits to having personally benefited from the use of more than $40,000 belonging to the American taxpayer—your constituents and mine.

He has dishonored himself.

And, more importantly, he has dishonored this House.

What occupies us here today is the question of what action should be taken by the House—what sanctions should be imposed, on the gentleman from Michigan.

Some have asked why we should tolerate someone guilty of such conduct as a voting Member of this body. They advocate expulsion of Mr. DIGGS on the grounds that any lesser penalty will be perceived by our constituents as condoning Mr. DIGGS' behavior.

I have a certain sympathy for that view. I do not believe that a man who has been convicted by a jury of his peers, a man who has admitted defrauding this body of more than $40,000, should continue serving in it.

A decent respect for the responsibility of a U.S. Representative to the American people would have dictated resignation as the only honorable course of action for most men. The same course would have been the inevitable result of a feeling for the honorable traditions of this House. Most men would have recognized a complete loss of respect as the ultimate judgment of their peers and would have immediately concluded that they had been found unfit to serve the people in this House. Honor would have required resignation of most men as the obvious act in these circumstances. I believe Representative DIGGS should have resigned long ago, and I believe he should do so now. Instead, he has forced us to take action against him.

In deciding what action to recommend, the committee carefully considered the full range of sanctions provided by the House Rules and the Constitution. We looked at all of the possibilities, up to and including expulsion.

For me personally, it has been a very difficult decision, but after giving the matter a great deal of thought, I concluded that "censure" is the appropriate sanction.

Several arguments have been advanced to support the committee's decision to recommend censure rather than expulsion.

It has been pointed out that there is no precedent for expelling a Member for the kinds of violations at issue in the Diggs matter; that expulsion has previously been imposed only during the Civil War as a sanction for treason; that if the House censures Mr. DIGGS, it will only be the second time in this century that such action has been taken against a Member.

All of these arguments are valid, but of even greater significance is the fact that expulsion as a sanction raises significant issues involving the right of the people to choose their representatives, as provided in article I, section 2, of the Constitution. Any time the House seeks to exercise its authority to expel a Member in accordance with article I, section 5, it is also accepting the awesome responsibility of overriding the decision of several hundred thousand Americans, about who shall represent them in the House. That is not an action to be taken lightly. That is why I believe expulsion is a sanction which must only be imposed under the most extraordinary circumstances, and why it is not appropriate in this instance.

In the case before the House, the gentleman was reelected overwhelmingly by the voters of the 13th District after the trial where he was found guilty. A vote to expel Mr. DIGGS would mean that we are going to set aside that electoral result and substitute our own judgment for that of the voters of the 13th District of Michigan.

My basic reason for supporting censure rather than explusion is that we must honor, in all but the most extraordinary circumstances, the right of the people to choose their representatives.

I deplore Mr. DIGGS' unethical behavior. I believe that he should no longer serve in the House of Representatives. I cannot, however, support the contention that this body should now take the grave step, in these circumstances, of setting aside the right of the voters of Michigan's 13th District to select the Congressman of their choice.

I must add, however, that implicit in the right of a constituency to choose its representative, is a corresponding responsibility to choose people whose

qualifications for office are above reproach. I believe the people of the 13th district have done the rest of the Nation a distinct disservice in returning Mr. DIGGS to the House, and I urge them to reconsider their decision at the earliest opportunity.

While I believe the House must wield its power to expel with utmost caution, if Mr. DIGGS is unsuccessful with his appeal and is forced to serve his sentence, I believe the House would be justified in reopening his case and taking up the question of expulsion. If Mr. DIGGS is in jail, he will no longer be in a position to represent his constituents and the question of disenfranchising his constituents would no longer apply.

Although the House has decided not to expel Mr. DIGGS, the serious nature of his misconduct justifies the imposition of the sanction of censure, and a demand for restitution. I urge the House to adopt House Resolution 378 and the report, in the matter of Representative CHARLES C. DIGGS, Jr.

● Mr. HAMILTON. Mr. Speaker, I would like to explain briefly why I believe that House Resolution 378 represents a just and sensible conclusion to the disciplinary proceedings against Mr. DIGGS.

As you know, the resolution before you specifies three things in the main: First, that Mr. DIGGS be censured for his misconduct; second, that Mr. DIGGS repay more than $40,000 improperly gained from the misuse of clerk-hire funds, and third, that Mr. DIGGS submit his clerk-hire records to the scrutiny of the Committee on Standards of Official Conduct for the remainder of the 96th Congress.

I support the resolution for several reasons:

INVESTIGATION COMPLETE

The work of the committee, which culminated in the pending resolution, was complete. For several months, an ad hoc subcommittee which I chaired undertook a comprehensive, independent investigation of the charges against Mr. DIGGS. Principal employees were interviewed, the transcript of Mr. DIGGS' trial was reviewed, and pertinent House precedents were studied. The result of the investigation was House Resolution 378, which carries the unanimous approval of the committee.

GUILT ADMITTED

On June 29 of this year, midway through the disciplinary proceedings whose outcome you will determine, Mr. DIGGS admitted guilt to some of the charges against him. Moreover, he allowed that certain of his actions had cast discredit on the House. To my knowledge, never before in the history of the House have such admissions been made. They show that the evidence was probative, and they conform to the evidence as I am acquainted with it.

AGREEMENT SOUND

The agreement reached between the committee and Mr. DIGGS did not lead to recommend sanctions lighter than those which might have been recommended had no agreement been reached. It is my firm belief that the committee would have acted exactly as it did had the proceedings run their full course.

SANCTIONS SEVERE

The sanctions proposed by the committee are severe. They make it plain that the Code of Official Conduct is a serious body of principles meant to be taken seriously. Only once before in the history of the House has more than one sanction been recommended at the close of a disciplinary proceeding.

Furthermore, the three sanctions I described at the outset of my remarks are intended to follow hard upon the discipline to which Mr. DIGGS subjected himself. I call your attention to Mr. DIGGS' self-disqualification from voting at the end of the 95th Congress, and to his acquiescence in the loss of his positions of authority at the beginning of this Congress.

Finally, I hasten to point out that nothing in the resolution before you bars the House from future action against Mr. DIGGS should such action be warranted when his appeal in the courts has ended.

EXPULSION INAPPROPRIATE

The evidence available to the committee and the circumstances surrounding the disciplinary proceeding do not support the view that Mr. DIGGS should be expelled from the House. There are four basic reasons why expulsion is not appropriate in this instance:

First. Violation not serious enough to warrant expulsion: Only three Members have been expelled in the history of the House. In each case, the Member expelled had joined the Confedracy and had taken up arms against the Government of the United States. Mr. DIGGS' misconduct, while very serious, does not begin to compare with the treasonous behavior of Members who have been expelled in the past.

Second. Precedents for a sanction less serious than expulsion: Other Members convicted of offenses similar to Mr. DIGGS' have not been expelled from the House. Also, the improper use of House funds is, in terms of seriousness of offense, more akin to the misconduct which had led to the censure of Members 17 times in the past.

Third. Expulsion after re-election questionable: Notwithstanding the 1914 report of the Judiciary Committee cited in the report on House Resolution 378, previous actions of the House show that it is questionable whether a Member can be expelled if he is re-elected to the House subsequent to his offense. Mr. DIGGS' offense was committed during the 95th Congress, and he was re-elected to the 96th Congress by an overwhelming majority. In question is a conflict between the power of the House to punish by expulsion and the right of constituents to send whomever they wish to the House.

Fourth. Expulsion before completion of appeal questionable: Previous actions of the House indicate that it is questionable whether a Member should be expelled before his conviction in the courts is finally upheld. Mr. DIGGS' appeal is still pending, and his conviction could possibly be overturned. In question is the policy, but not the power, of the House in the face of such an eventuality. The House could expunge a censure or make restitution of a fine if it determined that exoneration on appeal so warranted. However, it would not be possible for the House to lift the sanction of expulsion under any circumstances.

HOUSE INTEGRITY RESTORED

Finally, I favor House Resolution 378 because I believe that its acceptance would restore to the House some of the integrity lost as a consequence of Mr. DIGGS' misconduct. Every Member should bear in mind that Mr. DIGGS' admission of guilt and his public apology to the House are intimately related to the pending resolution. His forthcoming attitude is a sign that he desires to undo the damage he has done to the reputation of the House. His offer to make amends should not be rejected.

Mr. Speaker, the primary goal of a disciplinary proceeding is not punishment of an individual. It is restoration of House integrity. Therefore, admissions of guilt and public apologies such as Mr. DIGGS' ought to be encouraged. Best for the House is the acceptance of House Resolution 378.●

● Mr. PAUL. Mr. Speaker, today the House will vote overwhelmingly to censure Mr. DIGGS. This will be only the second time such disciplinary action has been taken in this century.

Yesterday, the House voted, 205 to 197, not to discuss the much more serious punishment of expulsion. Actually expelling Mr. DIGGS would have required a two-thirds vote. The only previous expulsions have been for treason.

A lot has been said in the House over the past month about the merits of explusion against censure. No one seriously considered imposing a lesser penalty on this man who got caught with his hand in the till. Despite the uncomfortable feeling many of our colleagues had in dealing with the matter, the fact that Mr. DIGGS was convicted in a criminal court, of 18 counts of illegal use of public funds for his personal benefit and 11 counts of mail fraud, prevented the House from sweeping the whole matter under the rug. Public opinion simply would not allow it.

Some have talked about none of us being without fault and "casting the first stone." But I believe the vote will justly show the seriousness of the offense and our feelings about having a convicted felon for a colleague.

As unpleasant as the issue is, it is clear to everyone that wrong has been done, the law has been broken, and public rebuke and punishment are appropriate and necessary.

A Congress that rates 10 percent below President Carter in the people's esteem cannot afford to let such conduct go unpunished.

In philosophic terms, the crimes committed by Mr. DIGGS were theft and fraud. He deceived, and used property taken from others that he was not entitled to. In other words, and according to his own admission, he stole, and is now a known thief.

The taking of our neighbors' property through force and fraud is truly reprehensible and should be condemned.

The amount involved in the case of Mr. DIGGS was $40,031.66. But I am concerned also about a greater theft: The billions taken each year from the poor and the middle class and given to the rich. The mechanism for this is inflation and taxation and they are legislated by many of the same Members who will vote to censure Mr. DIGGS.

Should forced transfer of property from one group to another be tolerated just because a law allows it?

Should theft through taxation for this purpose be permitted, even if few recognize its unconstitutionality?

Should inflation—dilution of the money supply-promoted by ambitious politicians furthering their careers—be accepted as reasonable economic policy?

I say no, and make a point of order about our willingness to censure one among us for theft, while failing to recognize the greater evil this Congress has participated in.

Many Americans have already been robbed, through the fraud and theft of taxes and inflation. Most will lose much more before the destructive process of inflationary confiscation, pursued by Congress over the past 50 years, comes to its unhappy end.

Nothing will change, and our system of free government will be lost, if we as a people do not see the immorality of the theft that takes place in the redistribution of wealth, now going on in such a massive way.

This unconstitutional use of our neighbors' property is no different from the illegal use of clerk-hire funds that Mr. DIGGS engaged in. One is much bigger, more diluted, and harder to identify. The other is personal, easy to see, and smaller. Nevertheless, morally they are one and the same: Theft of our neighbors' property.

Government should be the protector of private property, not its greatest destroyer. Yet Government acts as the agent of those who, through legislation, steal from one to give to another. This will neither help those who have demanded what is not theirs nor those who are the victims of the Government's aggressive behavior.

If our free Nation is to survive, all force and fraud must be condemned, whether personal and in the tens of thousands, as in the case of Mr. DIGGS, or general and in the tens of billions, as in the welfare philosophy carried out through taxation and inflation.●

□ 1100

The SPEAKER. The time of the gentleman from South Carolina (Mr. SPENCE) has expired.

The gentleman from Florida (Mr. BENNETT) has 10 minutes remaining.

Mr. BENNETT. Mr. Speaker, I have no further requests for time.

The SPEAKER. The gentleman from Ohio (Mr. STOKES) has 20 minutes remaining.

Mr. STOKES. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I just want to take one moment to say that I am sure the matter before the House today is a matter that grieves every Member of this House. I want to commend especially the distinguished chairman of the committee, the gentleman from Florida (Mr. BENNETT), and also the ranking Republican Member, the gentleman from South Carolina (Mr. SPENCE), for the diligent manner in which they have presented a case that I am sure is very, very difficult for every Member of this House.

Let me say also that I think the high quality of the debate conducted here on the House floor today is certainly something I want to observe and point out as a Member of this House and as one who is proud of being a Member of this House. The high level of the debate has made me very proud.

Mr. Speaker, I would also like to take just a moment to commend the other members of this committee for what must have been a very difficult job for them. I think they did a conscientious job, and the House is indebted to them for having done the kind of job they did under very difficult circumstances.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. BENNETT. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 0, answered "present" 4, not voting 16, as follows:

[Roll No. 404]

YEAS—414

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solars
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—0

ANSWERED "PRESENT"—4

Diggs Hawkins
Garcia Mitchell, Md.

NOT VOTING—16

Anderson, Ill. Jenrette Rodino
Ashley Jones, N.C. St Germain
Bolling Marlenee Treen
Burton, Phillip Pepper Vander Jagt
Flood Price
Forsythe Railsback

□ 1110

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CENSURE OF REPRESENTATIVE CHARLES C. DIGGS, JR.

The SPEAKER. Will the gentleman from Michigan (Mr. DIGGS) kindly appear in the well?

Mr. DIGGS presented himself at the bar of the House.

The Speaker read House Resolution 378, as follows:

H. Res. 378

Resolved,

(1) that Representative Charles C. Diggs, Junior, be censured;

(2) that Representative Charles C. Diggs, Junior, forthwith present himself in the well of the House for the pronouncement of censure;

(3) that Representative Charles C. Diggs, Junior, be censured with the public reading of this resolution by the Speaker;

(4) that Representative Charles C. Diggs, Junior, is ordered to execute and deliver to the House an interest-bearing demand promissory note for $40,031.66, made payable to the Treasury of the United States;

(5) that Representative Charles C. Diggs, Junior, is ordered, for the remainder of the Ninety-sixth Congress, to require his employees to certify to the Committee on Standards of Official Conduct that the funds he or she receives from clerk-hire funds are received in full compliance with current House rules; and

(6) that the House of Representatives adopt the report of the Committee on Standards of Official Conduct dated July 19, 1979, In The Matter of Representative Charles C. Diggs, Junior.

The SPEAKER. The matter is closed.

PERSONAL EXPLANATION

(Mr. JENRETTE asked and was given permission to address the House for 1 minute.)

Mr. JENRETTE. Mr. Speaker, on rollcall 404, just preceding, I was away on official business. Had I been present, I would have voted "yea" on the resolution (H. Res. 378).

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4392, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, 1980

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on July 30, 1978, the President approved and signed bills of the House of the following titles:

H.R. 2154. An act to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes; and

H.R. 3661. An act to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712).

CLARENCE MANION

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, it was with sadness that I learned of the death last week of one of the best known of the constituents whom I have the honor to represent in Indiana.

I refer to Clarence E. Manion, for many years a prominent figure in conservative political movements in the United States and a former dean of the University of Notre Dame Law School.

Mr. Speaker, it will come as no surprise to most of my colleagues that Clarence Manion and I were not in agreement on most of the issues facing our country.

But I take this time nonetheless to pay tribute to a man whom members of my family and I knew for many years, someone whom I as a college student came to regard as a friend and a person whom I found to be unfailingly gracious in my associations with him.

As many of my colleagues here may not recall, Clarence Manion was not always a champion of conservative causes. He was in the early years of the Presidency of Franklin D. Roosevelt, Director of the National Emergency Council for Indiana, one of the agencies of the New Deal.

In 1934, he waged an unsuccessful campaign for the Democratic nomination for the U.S. Senate and, Mr. Speaker, my late grandfather, William C. Goble, a high school and college teacher and a delegate to the Indiana Democratic State Convention that year, was a strong supporter of Clarence Manion for the Senate nomination.

I remember very well, Mr. Speaker, during my days as a college student calling on Clarence Manion in his law office in South Bend for counsel and advice about a career in politics.

Two of Dean Manion's daughters, Marilyn and Carolyn, were students of mine when I was a teacher at St. Mary's College, Notre Dame, and Mr. Speaker, as I recall, I gave them both "A" in their courses in government because they were both excellent students.

Mr. Speaker, Clarence Manion was an articulate spokesman for his convictions and while I rarely shared them, I always respected him as a person and was grateful for his friendship.

To his widow and his children, I extend my profound sympathy.

"DOCTORS" IN THE HOUSE

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Speaker, a real-life drama was enacted on the House floor last Thursday when our veteran, well-loved pairing clerk, Tom Iorio, suffered a heart attack near the end of the day's session.

Every Member and House employee will be comforted to know that Tom is reported on the way to recovery at Washington Hospital.

And they can feel gratitude, too—both on Tom's behalf, and out of consideration for their own future welfare—that the incident has highlighted a little known reform instituted by the House Doorkeeper, James Molloy.

As the alarm over Tom Iorio's collapse spread across the chamber, one of Molloy's staffers, Leo Inglesby, dashed to the stricken man's side and began immediately to apply the newest techniques in cardio-pulmonary resuscitation. Although the breathing had stopped, Inglesby was able to restore respiration and keep the victim alive until an ambulance arrived.

That the likeable Leo Inglesby was able to bring more than good intentions to bear in this emergency was not by chance. It happens that when Jim Molloy was elected to what many in Congress had come to view as a political sinecure, he decided on some changes. One of these was to make improvements in the training and readiness of his staff. He required doorkeepers to be certified in cardio-pulmonary resuscitation. Each doorkeeper must attend an initial 6 hours of training, and a 2-hour refresher course each year to keep lifesaving skills sharp.

Leo Inglesby learned his lessons well. While many persons would have been immobilized by confusion, he was able to step in and keep the situation from deteriorating further.

On behalf of all of us, I congratulate both Leo and Jim Molloy. We can feel better knowing they are around.

ALICE PAUL, 1885–1978

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Alice Paul was a revolutionary who marched along a single path for a lifetime. She waged dramatic warfare for women's rights. As a fiery young Quaker she learned her tactics from the Pankhursts in England. She became a very particular kind of suffragist—arrested and imprisoned, she never stopped, never relented in her insistent pursuit of equality and justice for women.

Alice Paul returned to America in 1910 and gave new life to the national suffrage movement. Working with the National Suffrage Association she organized demonstrations to dramatize the suffrage struggle at Woodrow Wilson's inauguration in 1913. As chairperson of the National Women's Party, Alice Paul focused upon the need for a national equal rights amendment, first introduced in 1923.

Alice Paul was an extraordinary organizer and bold politician. She held a vision. Within Alice Paul an entire history lives. She and the women's movement in America are one.

LEGISLATION TO REPEAL TAXES ON RADIAL TIRES

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIRTH. Mr. Speaker, today I will introduce legislation to repeal taxes on radial tires. I will be communicating with my colleagues about this important energy-saving legislation.

PRESIDENT'S PROGRAM WILL CRIPPLE ECONOMIC GROWTH

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, at his press conference last Wednesday, President Carter rejected out of hand the $36 billion tax cut proposed by House Republicans. Yet the press reported that the very next day he told congressional leaders of his own party he would probably send up a tax cut bill some time in October. This sort of doubletalk serves no useful purpose unless we are to assume that Mr. Carter has decided to forgo his Presidential responsibilities to devote full time to his reelection campaign.

If Mr. Carter tries to take credit for a subsequent tax cut, then it is only fair he take responsibility for the economic conditions he created. During his first 2 years in office, when he should have been bringing the budget into balance on the strength of a strong economy, he was instead stimulating the economy with a host of spending programs which resulted in deficits totaling $94 billion. By failing to give more than lip service to inflation, he succeeded—with the assistance of a Democrat-controlled Congress—in stimulating the economy into a recession with inflation running at over 13 percent, or three times the rate which existed when he became President.

Under Mr. Carter, we have seen productivity growth cease, the dollar virtually collapse abroad, and the highest rates of taxation in our history. Faced with the resulting recession, he proposes to increase taxes by anywhere from $140 to $270 billion over the next 10 years by slapping an excise tax on domestic crude oil. He intentionally, but incorrectly calls this a windfall profits tax to disguise the fact that each and every penny of this new tax will come from American consumers in order to finance vastly higher levels of Government spending program instead of new oil production. In short, he has created the potential for the longest, most devastating recession since the Great Depression. In the name of fighting inflation and OPEC, the President's program will cripple economic growth and throw millions out of work. Do such programs instill confidence in Government, Mr. President?

CONGRESSIONAL REVIEW OF RATIONING

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, Monday's Washington Post editorial missed the point of my one-House veto amendment to the bill giving President Carter emergency gas rationing authority.

The Post's criticism, and that of the President, should more appropriately have been directed at the committee's bill and its narrow view of what constitutes an energy emergency.

My amendment which permits the broader congressional consideration of the substance of any proposed plan, contains no roadblocks to its implementation in an emergency nor does it add 1 day of delay to the imposition of rationing.

All the House did in accepting my 30-day, one-House veto was to insist that the President's gas rationing proposal be acceptable to the American people. I believe that the Congress has a greater responsibility than to delegate a blank check to the administrative bureaucracy to devise any rationing plan it wants without appropriate oversight by the Congress.

At the time of any emergency the Post would probably—and quite properly—editorialize against any delay while debating the details of a rationing plan. The time, and the only appropriate time, for the representatives of the American people to discuss and decide on the merits of a rationing plan is in the cool, deliberative atmosphere well in advance of such an emergency.

I do not understand any reluctance to permit the Congress to scrutinize and to have a voice in such a vital decision.

CONGRESS MUST NOT ADJOURN UNTIL IT ENACTS ACROSS-THE-BOARD TAX RATE REDUCTION TO STOP RECESSION AND FIGHT INFLATION

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, the greatest obstacle to restoring economic growth and stopping inflation is the continual tax rate increase on All Americans which occurs as inflation pushes them into higher tax brackets.

For several years I have worked in this House toward increasing the aftertax incentives of those who work, save, invest, and engage in any productive activity. Such incentives are necessary, not only to increase economic growth and employment, but to reduce inflation and raise our standard of living. Since inflation means too much money and too few goods, the way to end inflation is to tighten money and increase production.

In this morning's paper we read that as the recession develops, our national productivity has dropped in the past quarter by 3.8 percent, the largest drop since 1974 and the second successive quarter of decline. Along with this drop in our standard of living, we are told that as many as 2.7 million Americans will lose their jobs by next year under current policy.

The administration describes President Carter's refusal to change economic policy as a steady-as-you-go approach. Steady as we go, Mr. Speaker, means steadily more unemployment and a steady increase in inflation.

Congress must act immediately to reverse the policy mistakes which have led the country into recession, before inflation and unemployment worsen. The American people need a Congress which will restore incentives for real economic growth and preserve jobs by enacting a deep and permanent cut in income tax rates across the board. At the same time, pressure must be brought to bear on the Federal Reserve to tighten money creation enough to maintain constant value for the dollar.

The economic situation will not permit further delay, Mr. Speaker. I propose that Congress not adjourn for the summer until it enacts an immediate cut in tax rates to restore incentives for production.

CALL OF PRIVATE CALENDAR, THURSDAY, AUGUST 2, 1979

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to call the Private Calendar on Thursday, August 2, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

MARTIN LUTHER KING STATUE

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 80) authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol.

The Clerk read as follows:

H. CON. RES. 80

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on the Library is authorized and directed to procure a bust or statue of Martin Luther King, Junior, and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed $25,000, shall be paid out of the contingent fund of the House on vouchers approved by the chairman of the joint committee.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan (Mr. NEDZI) will be recognized for 20 minutes, and the gentleman from Georgia (Mr. GINGRICH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 80 authorizes a bust or statue of Dr. Martin Luther King, Jr., to be placed in the U.S. Capitol Building.

As many of you know, the proposal for a memorial honoring Dr. King is not a new one. Congressman JONATHAN BINGHAM first introduced legislation in the 92d Congress with 61 cosponsors and has reintroduced the bill in each successive Congress, with increasing numbers of cosponsors each time. House Concurrent Resolution 80, reintroduced in the 96th Congress, has 167 cosponsors to date.

As you may recall, legislation was passed by both the House and Senate during the 94th Congress, but because Senate passage was immediately prior to adjournment, the House was unable to consider the resolution as amended in the Senate. The resolution was passed again by the House in the 95th Congress but was not passed by the Senate.

House Concurrent Resolution 80 would authorize the Joint Committee on the Library to procure a bust or statue of Martin Luther King, Jr. The statuary will be placed in the U.S. Capitol in a suitable location as determined by the joint committee, in consultation with the Architect of the Capitol. The final format of the artistic design will necessarily influence the site for such a memorial in the Capitol. The expenses in carrying out the resolution shall not exceed $25,000, a modest sum, which will be paid out of the contingent fund of the House.

It is indeed fitting to honor Dr. Martin Luther King, Jr., in this manner, as well as honoring the varied and rich contributions by black citizens to our Nation's history and heritage. At this time, no work of art displayed in the Capitol memorializes a black American.

This bill has wide, bipartisan support. It has the support of the Congressional Black Caucus. It has passed the House of Representatives in the two preceding Congresses. I strongly urge passage of this legislation.

Mr. GINGRICH. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding and I rise in support of the resolution. It certainly is an appropriate resolution and I urge my colleagues to adopt the resolution.

Mr. Speaker, Dr. Martin Luther King is an American hero. Bringing black America through some trying times, he was a martyr for the cause of freedom from bigotry and oppression.

In the Halls of this Congress there are many statues honoring Americans who have given their gifts of intelligence and courage to preserve, enrich, and protect the American dream.

Martin Luther King was a man with a dream. He dreamed of eliminating social roadblocks against the black people of America. His dream was that black Americans could aspire to reach the top of their fields, just like other Americans. He had a dream of love and peace and brotherhood for all Americans, white and black. He was a man whose example of peaceful transition and social change will be with us for years, decades, and centuries to come.

He was a great American, a legend, and he is deserving of a lasting tribute, a tribute which I am sure the House will provide by authorizing the Joint Committee on the Library to procure a bust or statue of Martin Luther King, Jr., and to place the sculpture in a suitable location in the Capitol.

Martin Luther King was and is a vital force in America. It is an honor for this body to stand in support of authorizing this statue for a great American. Accordingly, I urge adoption of this measure which I have been pleased to cosponsor.

Mr. GINGRICH. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding. I think the record ought to be very clear this is not something that is unanimously supported in this House.

I have risen in opposition to this proposal in the past Congresses. I do exactly the same in this session. Like my colleague from Michigan, I am very sad that there is not a statuary memorial to a black American here in the Capital. I think time and history will show that there could have been much better choices. I would merely say there is no need to repeat the things that I have said in the past, but if history plays the same role in reappraising lives of leaders as it has in the case of President Kennedy, as it has in the case of Lyndon B. Johnson, as it has in the case of Richard Nixon, as it has in the case of J. Edgar Hoover, I think at a future time and in a future place it will be very well agreed that this was not an appropriate memorial to have been given to black Americans at this time, I want that on the record.

I speak as one who opposes this statue and I yield back the balance of my time.

Mr. GINGRICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a Representative from Georgia I just want to say that I think this is an important statue, it is an important symbol. It is very clear in the black community that this is the overwhelming choice of that community. This is the symbol they would like to have in this building. It is a symbol of our commitment to make this a country in which every American can walk through this Capitol and have a sense of identity and a sense of belonging.

I very strongly support this resolution and I urge the House to adopt it.

Mr. Speaker, I yield back the balance of my time.

Mr. NEDZI. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, the resolution before us, House Concurrent Resolution 80, authorizes the placement of a bust or statue of Dr. Martin Luther King, Jr., in the Capitol at a cost not to exceed $25,000.

I would like to express my appreciation to the gentleman from Michigan (Mr. NEDZI), chairman of the House Administration Subcommittee on Libraries and Memorials, the gentleman from New Jersey (Mr. THOMPSON), chairman of the House Administration Committee, and to the members of the committee for bringing this resolution before us today.

House Concurrent Resolution 80, which I introduced on March 20, 1979, and which I first introduced in 1972, has a total of 166 cosponsors, including Members of both political parties and all the members of the Congressional Black Caucus. Their names are appended at the end of this statement.

It is altogether fitting that we so honor Dr. King. He was a man who might have lived out a worthwhile but obscure life as a minister. Instead, he was beckoned by the challenge to win equality for all the people of this country.

On December 1, 1955, Mrs. Rosa Parks, a seamstress with tired feet, was arrested in Montgomery, Ala., for refusing to give up her seat on a local bus to a white man. Her arrest triggered the first great civil rights test of power, and launched Dr. King's quest for equality. Dr. King, then an unknown minister in Alabama, led the Montgomery black community that year. Mrs. Parks' arrest ended 382 days later with the capitulation of the Montgomery bus line to the doctrine of racial equality. Dr. King had begun his march.

In the years that followed, Dr. King's influence grew. He set out to correct specific injustices, but also to educate our country and win the hearts and minds of our people. His marches awakened our country and aroused our sympathy.

Who can forget that horrible spectacle in 1963 when Dr. King and his marchers, dressed in their Sunday clothes, met fire hoses, truncheons, and police dogs in Birmingham. A few months later, in his famous "I have a dream" speech, Dr.

King addressed thousands of people gathered at the Lincoln Memorial, and said:

> When we let freedom ring, we will speed the day when all God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing the words of the old Negro spiritual: "Free at last/Free at last/Thank God Almighty, we're free at last."

In 1964 Dr. King became the 14th American and the youngest man ever to win the Nobel Peace Prize.

A firm believer in Christian ideals and Gandhi's principle of peaceful nonviolent protest, Dr. King set out to fulfill a dream to give life to this country's highest ideals. He spoke for the present and the future, of "getting to the mountaintop" and "reaching the Promised Land." He was indeed one of the truly great figures of our American history.

But there are other reasons why this memorial should be authorized for placement in the Capitol.

Do you know that of all the black Americans who have contributed to our country's greatness, not one is featured among the 681 works of art in the Halls of the Capitol? Is it any wonder that, in the absence of any such recognition, so few black families are to be seen among the millions of tourists who flock to our Capitol Building each year? Is it not distressing that a nation, striving to set right the wrongs of the past, has blotted out, here at the very seat of our Government, any recognition of the role of black people in building this great country?

This memorial to Dr. King would present a perfect opportunity to begin to correct that injustice. This civil rights leader clearly deserves to receive this official recognition and appreciation, as the Black Caucus has recommended.

Although Dr. King's violent death is a tragic blot on our recent history, his life was a shining example for us all. He had the courage of his convictions, and for over a decade his hopes and his dreams guided the Nation in the struggle for equal justice, equal opportunity, and basic rights. He carried that struggle as far as any man or woman in this century.

A permanent memorial to Dr. King in the Capitol would remind America and the rest of the world over the years to come of the inspiring leadership of this great man.

I appreciate the action of the Speaker in placing this resolution on the suspension calendar and I confidently expect an overwhelming vote in favor of the resolution.

This will be the third time that the House of Representatives has passed such a resolution with little or no dissent. The Members of the Senate have never had the opportunity to vote on the House-passed resolution. In the last Congress, the resolution was not reported out of the Senate Committee on Rules. No hearings were held on the matter.

I have been advised that on June 30, 1976, the U.S. Senate Commission on Art and Antiquities issued a statement entitled "Acquisition Policy for Commemorative Portraits," which had to do primarily with the question of what Senators should be memoralized by portraits in the Senate wing of the Capitol. The Commission stated that it had adopted a "selection process," and that the process would include, before a decision could be made, a "waiting period" of 21 years "after the subject's retirement from active service to the Nation." A copy of the Commission's statement is appended to my remarks.

The "selection process" adopted by the Senate Commission in 1976 is not of course binding on the Senate or the House. In any case, its application is presumably limited to the Senate wing of the Capitol. The House, I am sure, would be proud to have a statue of Dr. King located in the House wing, and there are splendid sites available for such a statue.

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In view of the special symbolic importance of this particular resolution, it is my hope that of the 166 cosponsors of the resolution that this year the Senate will be given an opportunity to vote on the matter. If that is done I am confident that, like the House, the Senate would approve the resolution by a resounding vote.

The list of cosponsors of House Concurrent Resolution 80 follows:

COSPONSORS OF MARTIN LUTHER KING STATUE BILL

1. Mr. Addabbo.
2. Mr. Akaka.
3. Mr. Alboste.
4. Mr. Anderson of California.
5. Mr. Anderson of Illinois.
6. Mr. Bailey.
7. Mr. Baldus.
8. Mr. Barnes.
9. Mr. Bedell.
10. Mr. Bellenson.
11. Mr. Benjamin.
12. Ms. Boggs.
13. Mr. Boland.
14. Mr. Bolling.
15. Mr. Bonior of Michigan.
16. Mr. Bonker.
17. Ms. Bouquard.
18. Mr. Brademas.
19. Mr. Brodhead.
20. Mr. Brown of Ohio.
21. Mr. Brown of California.
22. Mr. Buchanan.
23. Mr. John L. Burton.
24. Mr. Phillip Burton.
25. Mr. Carr.
26. Mr. Cavanaugh.
27. Mr. Cheney.
28. Ms. Chisholm.
29. Mr. Clay.
30. Mr. Coelho.
31. Ms. Collins of Illinois.
32. Mr. Conte.
33. Mr. Conyers.
34. Mr. Corman.
35. Mr. Corrada.
36. Mr. Cotter.
37. Mr. Coughlin.
38. Mr. Dellums.
39. Mr. Diggs.
40. Mr. Dixon.
41. Mr. Dodd.
42. Mr. Downey.
43. Mr. Drinan.
44. Mr. Duncan of Tennessee.
45. Mr. Duncan of Oregon.
46. Mr. Eckhardt.
47. Mr. Edgar.
48. Mr. Edwards of California.
49. Mr. Ertel.
50. Mr. Evans of the Virgin Islands.
51. Mr. Fascell.
52. Mr. Fauntroy.
53. Mr. Fazio.
54. Ms. Fenwick.
55. Mr. Findley.
56. Mr. Fish.
57. Mr. Fisher.
58. Mr. Flood.
59. Mr. Foley.
60. Mr. Ford of Tennessee.
61. Mr. Fowler.
62. Mr. Frenzel.
63. Mr. Frost.
64. Mr. Gibbons.
65. Mr. Gilman.
66. Mr. Gingrich.
67. Mr. Ginn.
68. Mr. Gore.
69. Mr. Gray.
70. Mr. Green.
71. Mr. Guarini.
72. Mr. Gudger.
73. Mr. Harris.
74. Mr. Hawkins.
75. Mr. Heftel.
76. Ms. Holt.
77. Ms. Holtzman.
78. Mr. Horton.
79. Mr. Howard.
80. Mr. Hughes.
81. Mr. Jacobs.
82. Mr. Jenrette.
83. Mr. Johnson of Colorado.
84. Mr. Kastenmeier.
85. Mr. Kildee.
86. Mr. Kogovsek.
87. Mr. Kostmayer.
88. Mr. LaFalce.
89. Mr. Lederer.
90. Mr. Lee.
91. Mr. Leland.
92. Mr. Long of Maryland.
93. Mr. Long of Louisiana.
94. Mr. Lowry
95. Mr. Luken.
96. Mr. Markey.
97. Mr. Marks.
98. Mr. Matsui.
99. Mr. Mavroules.
100. Mr. Mazzoli.
101. Mr. McCloskey.
102. Mr. McHugh.
103. Ms. Mikulski.
104. Mr. Mikva.
105. Mr. Miller of California.
106. Mr. Mineta.
107. Mr. Mitchell of New York.
108. Mr. Mitchell of Maryland.
109. Mr. Moffett.
110. Mr. Moorhead of Pennsylvania.
111. Mr. Murphy of New York.
112. Mr. Murphy of Illinois.
113. Mr. Myers of Pennsylvania.
114. Mr. Neal.
115. Mr. Nolan.
116. Mr. Nowak.
117. Mr. O'Brien.
118. Mr. Ottinger.
119. Mr. Panetta.
120. Mr. Patterson.
121. Mr. Pepper.
122. Mr. Peyser.
123. Mr. Price.
124. Mr. Pritchard.
125. Mr. Rahall.
126. Mr. Rangel.
127. Mr. Ratchford.
128. Mr. Reuss.
129. Mr. Richmond.
130. Mr. Rodino.
131. Mr. Roe.
132. Mr. Rose.
133. Mr. Rosenthal.
134. Mr. Roybal.
135. Mr. Sabo.
136. Mr. Scheuer.
137. Mr. Seiberling.
138. Mr. Shannon.
139. Mr. Sharp.

140. Mr. Simon.
141. Mr. Solarz.
142. Ms. Spellman.
143. Mr. Stanton.
144. Mr. Stark.
145. Mr. Stewart.
146. Mr. Stockman.
147. Mr. Stokes.
148. Mr. Studds.
149. Mr. Swift.
150. Mr. Thompson.
151. Mr. Traxler.
152. Mr. Trible.
153. Mr. Udall.
154. Mr. Van Deerlin.
155. Mr. Vento.
156. Mr. Volkmer.
157. Mr. Walgren.
158. Mr. Waxman.
159. Mr. Weiss.
160. Mr. Williams of Montana.
161. Mr. Wilson of Texas.
162. Mr. Charles H. Wilson of California.
163. Mr. Wolff.
164. Mr. Wolpe.
165. Mr. Won Pat.
166. Mr. Yates.

ACQUISITION POLICY FOR COMMEMORATIVE PORTRAITS, U.S. SENATE

(Adopted by U.S. Senate Commission on Art and Antiquities, 30 June 1976.)

From time to time the Commission on Art and Antiquities is asked for its recommendation regarding the acquisition of portraits of noted Senators and other distinguished Americans. Since its inception the Commission has supported the traditional policy, which has held that sculpture or paintings, no matter how renowned the subject, should be declined.

In reviewing this approach, it appears that a policy which is so prohibitive may be unsatisfactory. To many, the Capitol is the logical place to honor those who have distinguished themselves in service to the nation, even if the service is of relatively recent date.

A Congressional Research Service study, requested by the Commission on Art and Antiquities, indicated that there are no standard criteria followed by state legislation in the acquisition of portraits for their state capitols. Research has shown that the best model for the Senate in this regard is its own Special Committee on the Senate Reception Room, established in 1955, which developed a mechanism for selecting outstanding Senators whose likenesses were subsequently added to five unfilled spaces in the Senate Reception Room. To carry out its appointed task, the special committee, chaired by Senator John F. Kennedy, sought the recommendations of professional historians and political scientists, while reserving responsibility for the final decisions. The first group, headed by Professor Allan Nevins, was formed to suggest criteria for selection of the outstanding Senators. It also helped select a panel, comprised of more than 150 scholars representing every part of the country and both major parties. The panel was asked to make recommendations in accordance with criteria which stipulated that the "Senators should be chosen without regard for their services in other offices; second, that they should be distinguished for acts of statesmanship transcending party and state lines; and third, that the definition of statesmanship may well include leadership in national thought and constitutional interpretation as well as in leadership."

Counsel was also sought from former Senators, the general public, and incumbent Senators. On the basis of the recommendations, using the suggested criteria, as well as biographies prepared by the Library of Congress, the special committee made the final selection. Designated were Henry Clay, Daniel Webster, John C. Calhoun, Robert M. LaFollette, and Robert A. Taft, as five outstanding Senators whose portraits would be added to the Senate Reception Room.

In line with that precedent and to establish a balanced acquisition policy, the Commission has adopted a selection process, that includes the following elements:

1. The Commission on Art and Antiquities will maintain a journal listing those persons proposed for consideration. Final consideration will not be given until a substantial waiting period has elapsed after the subject's retirement from active service to the nation. The Commission has defined such a waiting period as a minimum of 21 years.

2. A group similar to that used by the Special Senate Reception Room Committee, will provide advice to the Commission on Art and Antiquities regarding selection criteria and the merits of nominees for representation. The Commission recommends that emphasis be given to those whose services to the nation were performed largely in the Senate and to those not presently represented in the Senate's paintings and sculpture collections.

After receiving the advisory group's recommendations, the U.S. Commission on Art and Antiquities, whose members include the majority and minority leaders of the Senate, the President pro tempore of the Senate, and the chairman and ranking minority member of the Committee on Rules and Administration, will make its determination and then report to the full Senate.

3. In the selection of an artist or the evaluation of the artistic merit of a proffered representation, the Commission on Art and Antiquities will receive advice from the Director of the National Gallery of Art, the Director of the National Portrait Gallery, and the Architect of the Capitol. This procedure will help to assure that works of high artistic quality are added to the Senate's collections.

● Mr. ADDABBO. Mr. Speaker, having cosponsored this measure calling for the authorization of a bust or statue in honor of Martin Luther King, Jr., to be placed in the Capitol, I wish to express to my colleagues here, today, my most enthusiastic support of its passage.

The passage of this resolution is important in the light of modern advances in civil rights, to the many Americans of all races whose lives have been directly affected by the tremendous work of Dr. Martin Luther King, Jr. The fact that Dr. King has yet to be memorialized in this, our Nation's Capitol Building, is inexcusable and merits rectifying.

Martin Luther King, Jr., through the practice of civil disobedience gave the constitutional rights to peacefully assemble and petition a new meaning. His relentless energy in the exercising of these rights for a justified cause was phenomenal. He never shunned the danger in which he was placed and to which he finally fell victim. He exhibited firm faith in his God, in his country, and in the right of his people to walk alongside their white brethren, heads high and unashamed of their heritage. American, like any white individual, the black man, placed in an inferior position in the society, saw in Dr. King the God-fearing leadership so sorely needed to appeal for what was rightfully his.

Dr. Martin Luther King, Jr., presented a manner of protest which, by its peaceful nature and gradual effectiveness, won him the Nobel Peace Prize. Considering the tribute paid this most dedicated individual by the international community, it is high time that we, here in the Congress, who have followed Dr. King's work by passing legislation to end the discrimination of the black man, should follow with our own long-overdue tribute here in our "hallowed halls."

We could never repay Dr. King for his tireless efforts in behalf of his fellow man but we should not hesitate for a moment to do everything in our power to recognize his colossal contribution to the advancement of our Nation.●

● Mr. RANGEL. Mr. Speaker, I rise in support of House Concurrent Resolution 80, a bill authorizing a statue of Martin Luther King, Jr., to be placed in the U.S. Capitol.

Martin Luther King was one of the great Americans of this century. He began his fight against racial and economic injustice in America when this country was covered in a veil of prejudice, resulting in much physical and mental discomfort for black citizens throughout this land. We have come a long way since that period of injustice and it is largely the result of Martin Luther King's fight for equal rights.

Martin Luther King, Jr., had a dream for America. He had a dream that black and white children, from one end of this country to another, would some day live in harmony; that the sons and daughters of former slaves and slaveholders would live side by side, attend schools of their choice and have an equal opportunity for the jobs of their choice.

Martin Luther King was willing to risk and even give up his life for that dream of equality. We should all be proud to be working toward the brotherhood Dr. King dreamt of years ago.

A statue commemorating this great American would serve as an eternal symbol for equal rights in this country. I urge my distinguished colleagues to pass this important resolution.●

● Mr. BENJAMIN. Mr. Speaker, as a cosponsor, I rise today in strong support of House Concurrent Resolution 80 to authorize a bust or statue of Dr. Martin Luther King, Jr., for placement in the Capitol.

While countless numbers of black Americans have contributed greatly to our Nation's rich history, Dr. King is one whose contributions and sacrifices accomplished more than any other single person toward setting our country on the road to racial equality and civil rights for all citizens. For this reason, it is more than fitting that a memorial to Dr. King should be the first such work of art to honor a black American in the Nation's Capitol.

Throughout this lifetime, Dr. King struggled at great personal sacrifice to further the cause of economic and racial justice. His methods to accomplish these goals were the embodiment of the noble character of this great leader. His leadership of nonviolent protests promoted the passage of the Civil Rights Act of 1964—a legislative landmark in U.S. history.

While Dr. Martin Luther King's sacrifices were great, the fruit of his labors spread slowly but surely across the country in the form of greater job and education opportunities for all black Americans.

His accomplishments were recognized when he became the youngest American ever to receive the Nobel Peace Prize in 1964.

It is inconceivable that Congress can delay any further the richly deserved memorial to this great American. I urge my colleagues to support this measure and to urge hasty passage in the Senate in order that tribute be paid to this courageous American leader who did so much to move and inspire a nation.

I congratulate my colleague from New York, Congressman JONATHAN BINGHAM, for his foresight and persistent efforts to realize this tribute.●

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

Mr. GINGRICH. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. FASCELL). The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 80).

The question was taken.

Mr. BINGHAM. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution, House Concurrent Resolution 80.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPEEDY TRIAL ACT AMENDMENTS ACT OF 1979

Mr. GUDGER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 961) to amend the Speedy Trial Act of 1974, as amended.

The Clerk read as follows:

S. 961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Speedy Trial Act Amendments Act of 1979".

SEC. 2. Section 3161(c) of title 18, United States Code, is amended to read as follows:

"(c)(1) In any case in which a plea of not guilty is entered, the trial of a defendant charged in an information or indictment with the commission of an offense shall commence within seventy days from the filing date (and making public) of the information or indictment, or from the date the defendant has appeared before a judicial officer of the court in which such charge is pending, whichever date last occurs. If a defendant consents in writing to be tried before a magistrate on a complaint, the trial shall commence within seventy days from the date of such consent.

"(2) Unless the defendant consents in writing to the contrary, the trial shall not commence less than thirty days from the date on which the defendant first appears through counsel or expressly waives counsel and elects to proceed pro se.".

SEC. 3. (a) Section 3161(d) of that title is amended—

(1) by inserting "(1)" immediately after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) If the defendant is to be tried upon an indictment or information dismissed by a trial court and reinstated following an appeal, the trial shall commence within seventy days from the date the action occasioning the trial becomes final, except that the court retrying the case may extend the period for trial not to exceed one hundred and eighty days from the date the action occasioning the trial becomes final if the unavailability of witnesses or other factors resulting from the passage of time shall make trial within seventy days impractical. The periods of delay enumerated in section 3161 (h) are excluded in computing the time limitations specified in this section. The sanctions of section 3162 apply to this subsection.".

(b) Section 3161(e) of that title is amended—

(1) by striking out "sixty" wherever it appears and inserting in lieu thereof "seventy"; and

(2) by adding at the end the following: "The periods of delay enumerated in section 3161(h) are excluded in computing the time limitations specified in this section. The sanctions of section 3162 apply to this subsection.".

SEC. 4. Section 3161(h)(1) of that title is amended to read as follows:

"(1) Any period of delay resulting from other proceedings concerning the defendant, including but not limited to—

"(A) delay resulting from any proceeding, including any examinations, to determine the mental competency or physical capacity of the defendant;

"(B) delay resulting from any proceeding, including any examination of the defendant, pursuant to section 2902 of title 28, United States Code;

"(C) delay resulting from deferral of prosecution pursuant to section 2902 of title 28, United States Code;

"(D) delay resulting from trial with respect to other charges against the defendant;

"(E) delay resulting from any interlocutory appeal;

"(F) delay resulting from any pretrial motion, from the filing of the motion through the conclusion of the hearing on, or other prompt disposition of, such motion;

"(G) delay resulting from any proceeding relating to the transfer of a case or the removal of any defendant from another district under the Federal Rules of Criminal Procedure;

"(H) delay resulting from transportation of any defendant from another district, or to and from places of examination or hospitalization, except that any time consumed in excess of ten days from the date an order of removal or an order directing such transportation, and the defendant's arrival at the destination shall be presumed to be unreasonable;

"(I) delay resulting from consideration by the court of a proposed plea agreement to be entered into by the defendant and the attorney for the Government; and

"(J) delay reasonably attributable to any period, not to exceed thirty days, during which any proceeding concerning the defendant is actually under advisement by the court.".

SEC. 5. (a) Section 3161(h)(8)(B)(ii) of that title is amended to read as follows:

"(ii) Whether the case is so unusual or so complex, due to the number of defendants, the nature of the prosecution, or the existence of novel questions of fact or law, that it is unreasonable to expect adequate preparation for pretrial proceedings or for the trial itself within the time limits established by this section.".

(b) Section 3161(h)(8)(B)(iii) of that title is amended to read as follows:

"(iii) Whether, in a case in which arrest precedes indictment, delay in the filing of the indictment is caused because the arrest occurs at a time such that it is unreasonable to expect return and filing of the indictment within the period specified in section 3161 (b), or because the facts upon which the grand jury must base its determination are unusual or complex.".

(c) Section 3161(h)(8)(B) of that title is further amended by adding at the end the following new clause:

"(iv) Whether the failure to grant such a continuance in a case which, taken as a whole, is not so unusual or so complex as to fall within clause (ii), would deny the defendant reasonable time to obtain counsel, would unreasonably deny the defendant or the Government continuity of counsel, or would deny counsel for the defendant or the attorney for the Government the reasonable time necessary for effective preparation, taking into account the exercise of due diligence.".

SEC. 6. Section 3163(c) of that title is amended to read as follows:

"(c) Subject to the provisions of section 3174(c), section 3162 of this chapter shall become effective and apply to all cases commenced by arrest or summons, and all informations or indictments filed, on or after July 1, 1980.".

SEC. 7. Section 3164 of that title is amended—

(1) by amending the section heading to read as follows:

"§ 3164. Persons detained or designated as being of high risk";

(2) by amending subsection (a) to read as follows: "(a) The trial or other disposition of cases involving—

"(1) a detained person who is being held in detention solely because he is awaiting trial, and

"(2) a released person who is awaiting trial and has been designated by the attorney for the Government as being of high risk, shall be accorded priority."; and

(3) by amending subsection (b) to read as follows:

"(b) The trial of any person described in subsection (a)(1) or (a)(2) of this section shall commence not later than ninety days following the beginning of such continuous detention or designation of high risk by the attorney for the Government. The periods of delay enumerated in section 3161(h) are excluded in computing the time limitation specified in this section.".

SEC. 8. Section 3165(c) of that title is amended—

(1) in paragraph (2), by striking out "subsequent" and inserting in lieu thereof "fifth", and

(2) by adding at the end the following:

"(3) Not later than June 30, 1980, each United States district court with respect to which implementation has not been ordered under section 3174(c) shall prepare and submit a plan in accordance with subsections (a) through (d) to govern the trial or other disposition of offenses within the jurisdiction of such court during the sixth and subsequent twelve-calendar-month periods following the effective date of subsection 3161(b) and subsection 3161(c) in effect prior to the date of enactment of this paragraph.".

SEC. 9. (a) Section 3166(b) of that title is amended—

(1) in paragraph (7), by striking out "and" immediately after the semicolon;

(2) in paragraph (8), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(9) the impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the civil case calendar in the district.".

(b) Section 3166(c) of that title is amended—

(1) in paragraph (5), by striking out "and" immediately after the semicolon;

(2) in paragraph (6), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(7)(A) the number of new civil cases filed in the twelve-calendar-month period preceding the submission of the plan;

"(B) the number of civil cases pending at the close of such period; and

"(C) the increase or decrease in the number of civil cases pending at the close of such period, compared to the number pending at the close of the previous twelve-calendar-month period, and the length of time each such case has been pending.".

(c) Section 3166 of that title is further amended by adding at the end the following new subsection:

"(f) Each plan may be accompanied by guidelines promulgated by the judicial council of the circuit for use by all district courts within that circuit to implement and secure compliance with this chapter.".

(d) Section 3165(a) of that title is amended by striking out "a private attorney experienced in the defense of criminal cases in the district" and inserting in lieu thereof "two private attorneys, one with substantial experience in the defense of criminal cases in the district and one with substantial experience in civil litigation in the district".

(e) Section 3167 of that title is amended—

(1) in subsection (b), by adding at the end the following: "Such reports shall also include the following:

"(1) The reasons why, in those cases not in compliance with the time limits of subsections (b) and (c) of section 3161, the provisions of section 3161(h) have not been adequate to accommodate reasonable periods of delay.

"(2) The category of offenses, the number of defendants, and the number of counts involved in those cases which are not meeting the time limits specified in subsections (b) and (c) of section 3161.

"(3) The additional judicial resources which would be necessary in order to achieve compliance with the time limits specified in subsections (b) and (c) of section 3161.

"(4) The nature of the remedial measures which have been employed to improve conditions and practices in those districts with low compliance experience under this chapter or to promote the adoption of practices and procedures which have been successful in those districts with high compliance experience under this chapter.

"(5) If a district has experienced difficulty in complying with this chapter, but an application for relief under section 3174 has not been made, the reason why such application has not been made.

"(6) The impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the civil case calendar in each district as demonstrated by the information assembled and statistics compiled and submitted under sections 3166 and 3170.";

(2) by adding at the end the following new subsection:

"(c) Not later than December 31, 1979, the Department of Justice shall prepare and submit to the Congress a report which sets forth the impact of the implementation of this chapter upon the office of the United States Attorney in each district and which shall also include—

"(1) the reasons why, in those cases not in compliance, the provisions of section 3161 (h) have not been adequate to accommodate reasonable periods of delay;

"(2) the nature of the remedial measures which have been employed to improve conditions and practices in the offices of the United States Attorneys in those districts with low compliance experience under this chapter or to promote the adoption of practices and procedures which have been successful in those districts with high compliance experience under this chapter;

"(3) the additional resources for the offices of the United States Attorneys which would be necessary to achieve compliance with the time limits of subsections (b) and (c) of section 3161;

"(4) suggested changes in the guidelines or other rules implementing this chapter or statutory amendments which the Department of Justice deems necessary to further improve the administration of justice and meet the objectives of this chapter; and

"(5) the impact of compliance with the time limits of subsections (b) and (c) of section 3161 upon the litigation of civil cases by the offices of the United States Attorneys and the rule changes, statutory amendments, and resources necessary to assure that such litigation is not prejudiced by full compliance with this chapter.".

(f) Section 3170(a) of that title is amended in the first sentence—

(1) by striking out "and" after "process" and inserting in lieu thereof a comma;

(2) by inserting a comma after "limits";

(3) by inserting "continuous and permanent compliance with the" immediately before "objectives"; and

(4) by striking out "required by" and inserting in lieu thereof "described in".

SEC. 10. Section 3174 of that title is amended—

(1) by striking out the period after the first sentence in subsection (a) and inserting in lieu thereof the following: "as provided in subsection (b).";

(2) by striking the first two sentences of subsection (b) and inserting the following in lieu thereof: "If the judicial council of the circuit finds that no remedy for such congestion is reasonably available, such council may, upon application by the chief judge of a district, grant a suspension of the time limits in section 3161(c) in such district for a period of time not to exceed one year for the trial of cases for which indictments of informations are filed during such one-year period.";

(3) by striking out "arrangement" in the third sentence of subsection (b) and inserting in lieu thereof "indictment";

(4) by amending subsection (c) to read as follows:

"(c)(1) If, prior to July 1, 1980, the chief judge of any district concludes, with the concurrence of the planning group convened in the district, that the district is prepared to implement the provisions of section 3162 in their entirety, he may apply to the judicial council of the circuit in which the district is located to implement such provisions. Such application shall show the degree of compliance in the district with the time limits set forth in subsections (b) and (c) of section 3161 during the twelve-calendar month period preceding the date of such application and shall contain a proposed order and schedule for such implementation, which includes the date on which the provisions of section 3162 are to become effective in the district, the effect such implementation will have upon such district's practices and procedures, and provision for adequate notice to all interested parties.

"(2) After review of any such application, the judicial council of the circuit shall enter an order implementing the provisions of section 3162 in their entirety in the district making application, or shall return such application to the chief judge of such district, together with an explanation setting forth such council's reasons for refusing to enter such order.";

(5) by adding at the end the following:

"(d)(1) The approval of any application made pursuant to subsection (a) or (c) by a judicial council of a circuit shall be reported within ten days to the Director of the Administrative Office of the United States Courts, together with a copy of the application, a written report setting forth in sufficient detail the reasons for granting such application, and, in the case of an application made pursuant to subsection (a), a proposal for alleviating congestion in the district.

"(2) The Director of the Administrative Office of the United States Courts shall not later than ten days after receipt transmit such report to the Congress and to the Judicial Conference of the United States. The judicial council of the circuit shall not grant a suspension to any district within six months following the expiration of a prior suspension without the consent of the Congress by Act of Congress. The limitation on granting a suspension made by this paragraph shall not apply with respect to any judicial district in which the prior suspension is in effect on the date of the enactment of the Speedy Trial Act Amendments Act of 1979.

"(e) If the chief judge of the district court concludes that the need for suspension of time limits in such district under this section is of great urgency, he may order the limits suspended for a period not to exceed thirty days. Within ten days of entry of such order, the chief judge shall apply to the judicial council of the circuit for a suspension pursuant to subsection (a).";" and

(6) by amending the section heading to read as follows:

"§ 3174. Judicial emergency and implementation".

SEC. 11. (a) The item relating to section 3164 in the table of sections for chapter 208 of such title is amended to read as follows:

"3164. Persons detained or designated as being of high risk.".

(b) The item relating to section 3174 in the table of sections for chapter 208 of such title is amended to read as follows:

"3174. Judicial emergency and implementation.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. GUDGER) will be recognized for 20 minutes, and the gentleman from Wisconsin (Mr. SENSENBRENNER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. GUDGER).

Mr. GUDGER. Mr. Speaker, S. 961 would amend the Speedy Trial Act of 1974 in several respects. Most significantly, it would suspend, until July 1, 1980, the imposition of the sanction of dismissal of cases not meeting the deadlines imposed by the act. Other significant changes are the merger of the present 10-day indictment to arraignment and the 60-day arraignment to trial intervals into a single 70-day indictment to trial interval, and the refinement of a number of provisions relating to grounds for "stopping the clock"—that is to say, for excluding certain periods of time from being counted against the 30-day arrest to indictment and the 70-day indictment to trial limits. Finally, changes are made in the planning, recordkeeping, and reporting requirements to give us a better picture of how implementation of the act is progressing, with

particular emphasis on pinpointing the problem areas in meeting the time limits of the act.

In 1972, the Supreme Court, in a case interpreting the sixth amendment "speedy trial" guarantee, refused to read any specific time limits into the sixth amendment, saying, in effect, this must be done by Congress if it is to be done at all. The Speedy Trial Act of 1974 was enacted in part in response to this ruling. However, it was not designed solely for the protection of the sixth amendment rights of defendants. Studies made available to the Judiciary Committee at that time indicated that pretrial recidivism tends to go up when accused persons are not brought to trial within 60 days of indictment, and thus the act is designed to protect society as much as to protect the rights of the accused. For this reason, the act does not give a defendant an automatic right to waive the time limits of the act.

Let me explain the need for these amendments. The act as signed into law in January 1975, provided for a careful planning and phased in implementation period of more than 4 years. The first year was largely devoted to developing plans in each of the 94 districts in the country for the trial of Federal criminal cases under the time limits of the act. These time limits were phased in—shortened each year from a total of 250 days overall time from arrest to trial during the first year to a final time permanent limit of 100 days, which just went into effect on July 1 of this year. Significantly, and perhaps unwisely, the act also provided that the sanction of dismissal for failing to meet the time lines would not be imposed until July 1, 1979.

Thus, after a lengthy phase-in period, the two most important elements of the legislation were brought into effect at exactly the same time. In retrospect, it appears wiser to allow some period of time under the permanent limits without the dismissal requirement for cases running over the time limits, and the principal provision of this bill provides for that, by suspending the dismissal sanction until July 1, 1980. Courts that are prepared to go ahead with dismissal before that date are permitted to do so, and we expect many to do so.

The other major factor supporting this temporary delay in the final implementation of the act is the absence of the new judges authorized by the Omnibus Judgeship Act of 1978. With few exceptions, these 114 judges are not in place. They will be within the next year, and indications are their presence will have dramatic impact on clearing up the remaining difficulties in reaching full compliance with the Speedy Trial Act without slowing down the civil calendars.

In reporting these changes, the committee does not imply that the act cannot work without change in the major features of the act as designed in 1974. On the contrary, we rejected recommendations from both the Department of Justice and the Judicial Conference for an 80-percent increase in the time limits to an overall limit of 180 days from arrest to trial. We concluded that such an extension of time limits was simply not needed. This conclusion was supported by testimony of many Federal judges with whom we consulted, by a General Accounting Office study done at our request, by the Justice Department's own study, and by a similar conclusion of the Senate, reflected in S. 961 as sent to the House. Overall, the record of the districts in meeting the deadlines has been very good. The latest figures available reveal that the time limits are being met in well over 90 percent of the cases. The bill as reported reduces the 2-year period of suspension in the Senate bill to 1 year. Most of the problems seem to be concentrated in the districts with substantial judgeship vacancies, and, with the new 114 judges in place by the middle of next year, full implementation of the act should be feasible.

Mr. Speaker, it is my privilege at this time to yield 5 minutes to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I rise in support of these amendments to the Speedy Trial Act of 1974. The principal provision of these amendments, the suspension for 1 year of the dismissal sanction for cases not meeting the time limits of the act, is an excellent compromise in the finest sense of the word. It leaves intact the basic structure of the Speedy Trial Act as passed 5 years ago, but at the same time extends some temporary relief to the courts and the criminal justice system to meet what appears to be a temporary problem.

The Speedy Trial Act is often referred to as an act to give substance and specificity to a defendant's sixth-amendment right to a speedy trial. It is this, but it is much more as well. The act also gives specificity to the right of society not to have accused persons awaiting trial indefinitely, particularly since studies show that the longer the delay between offense and trial, the greater the chance of additional crimes by the accused, and the less likely conviction. Defense lawyers sometimes refer to the act as the Speedy Convictions Act; while I prefer to think of the law, in a more objective and neutral light, as a "speedy disposition" law, the fact is, for persons who will be adjudged guilty, speedy convictions are appropriate.

The basic structure of the act consists of time limits within which cases must be brought to indictment and to trial, with several specific enumerated bases for "stopping the clock" if certain events occur to justify such exclusions of time, and a broader "safety valve" authority for judges to grant continuances when needed to meet the "ends of justice." This basic structure, including the permanent time limits of 30 days maximum from arrest to indictment and 70 days from indictment to trial, is left undisturbed by these amendments.

Temporary relief is provided, however, by suspending until July 1, 1980, the provision of the act relating to dismissal of cases not meeting the limits. This will allow the additional new judgeships authorized in 1978 to be appointed and functioning before the dismissal sanction is applied, will give the courts a year's experience under the permanent time limits without the requirement of dismissal for cases running over, and will enable the Congress to examine operation under the permanent limits and make any final adjustments that might be needed before dismissal of cases out of compliance begins. Although courts are, by and large, doing an excellent job already in meeting the limits of the act—compliance is well over 90 percent according to the latest figures available—the more prudent course seems to be to delay the sanction. Even 2 or 3 percent of cases in noncompliance could translate into hundreds of cases being dismissed without adjudication, a result which is undesirable and unnecessary.

With cases out of compliance facing imminent dismissal if relief such as the suspension of the sanction is not forthcoming, the House has moved expeditiously but cautiously in bringing to final passage, with amendments, the Senate-passed bill. Chairman JOHN CONYERS, of the Subcommittee on Crime, and the members of the subcommittee, are to be commended for fashioning the final compromise position, reflected in subcommittee amendments that were accepted without change in the full Judiciary Committee; and we have every reason to expect it will be accepted in the House.

Mr. GUDGER. Mr. Speaker, I thank the gentleman from New Jersey for his comments.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the Speedy Trial Act Amendments of 1979 are being brought before the House. There is a great urgency that this bill be passed and enacted into law as soon as possible, since the dismissal sanctions that were contained in the original Speedy Trial Act became effective on July 1, 1979, and there still is a substantial backlog of criminal cases in many of the district courts around the country.

The important provisions of this bill are 12, and I would like to outline them very briefly today.

□ 1150

First of all, the bill suspends until July 1, 1980, the sanction of dismissal for failure to meet the time limits of section 3161 (b) and (c). Provision is made for earlier reinstitution of the dismissal sanction in districts prepared to do so.

Second, the bill merges the 10-day indictment-to-arraignment and the 60-day arraignment-to-trial time limits contained in section 3161(c) into a single 70-day indictment-to-trial period.

Third, the bill requires, in the absence of a waiver by the defendant, a minimum of 30 days time between the defendant's first appearance with counsel and trial.

Fourth, the bill requires that, if a defendant is to be tried on an indictment or information dismissed by a trial judge and reinstated on appeal, the trial shall commence within 70 days, with provi-

sion for extension of this time limit to 180 days if trial within 70 days is impractical.

Fifth, the bill clarifies certain periods of exclusion from the time limits of section 3161 (b) and (c), and clarifies provisions relating to authority for courts to order continuances when required to meet "the ends of justice."

Sixth, in the case of persons in custody or designated as "high risk" defendants, the bill makes permanent the interim limit of 90 days from commencement of custody or designation as a high risk defendant to beginning of trial, with provision for release from custody or review of the high risk designation if this time limit is exceeded.

Seventh, the bill requires all districts except those which elect to reimpose the dismissal sanction prior to July 1, 1980, to file one additional speedy trial plan. Provisions of section 3166 relating to the contents of such plans are amended to require the inclusion of certain information relating to the civil docket in the district, and by permitting the inclusion of circuit council guidelines to be used in the implementation of the act.

Eighth, the bill amends section 3167 relating to reports to Congress to require additional information to be included in the next report to Congress to be submitted by the Administrative Office of U.S. Courts, and by requiring a one-time report by the Department of Justice to be submitted to the Congress not later than December 31, 1979, detailing the experience of U.S. attorneys in implementing the act.

Ninth, the bill amends section 3168 to require that the membership of each district planning group include an attorney in private practice with substantial experience in civil litigation.

Tenth, the bill makes the data collection requirements of section 3170 permanent.

Eleventh, the bill amends the provisions of section 3174 relating to extension of time limits due to judicial emergency to provide for final approval of such extensions by the circuit councils, and by modifying the provisions for granting of additional extensions of time limits beyond the initial extension.

Finally, the bill authorizes the chief judge of each district to suspend the time limits of section 3161 for a period of 30 days when the need for such a suspension is found by the chief judge to be of great urgency.

I believe that passage of this bill will give the district courts throughout the country the degree of flexibility which they require in seeking extensions of the sanctions contained in the Speedy Trial Act that was passed by Congress a number of years ago.

Finally, the appointment and confirmation by the other body of the new judges that were authorized by the Omnibus Judges Act of 1978 will provide the district courts throughout this country the additional judicial manpower that should be required to take care of criminal and civil backlogs and to provide for speedy trials without the requirements of this act within a short period of time. So I would urge the membership of the House to give this bill overwhelming approval.

At this point I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. I thank the gentleman for yielding.

First of all, I want to commend the gentleman from Wisconsin (Mr. SENSENBRENNER) for his valuable service in reporting this bill to the floor of the House, together with the distinguished gentleman from North Carolina (Mr. GUDGER), and to emphasize the importance of having prompt enactment of this legislation by the Congress. It is my understanding that unless this legislation is passed, there is a threat that 5,000 suspected felons would have to be released without bringing them to trial on the crimes with which they have been charged.

This legislation is recommended by the Department of Justice, by the Judicial Conference, as well as by both the House Committee on the Judiciary and the Senate Committee on the Judiciary. The objective of providing for speedy trials as required by the sixth amendment is a very laudatory one. But I question whether or not specifying a particular number of days is the way in which we should fulfill that constitutional mandate. I question that we should do that.

Hopefully, with the additional number of judges, with the additional authority that we have granted to magistrates, it may be possible to accelerate the time for bringing people to trial and, thus, to reduce the time below the number of days as specified in this legislation. For the time being it is extremely important for us to enact this legislation, and perhaps during the 2-year period before the legislation becomes effective to further review this concept and determine whether it might not be wiser to reconsider the question of a time limit which is specified in terms of number of days as set forth in the legislation which we are undertaking now to amend and extend.

So I commend the members and the Committee on the Judiciary for bringing this legislation to the floor, and I commend its passage to the Members of the House.

Mr. SENSENBRENNER. I thank the gentleman from Illinois (Mr. McCLORY) for his constructive comments. Mr. Speaker, at this time I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank my colleague for yielding.

Mr. Speaker, I, too, rise in support of this legislation. I might have supported a little longer period of time and, in fact, in the conference it may be possible that the Senate will prevail in its 2-year cutoff period as against the 1-year cutoff period extension in the bill before us today. Be that as it may, it is a very reasonable piece of legislation. It was worked out adjusting to all the various interests involved. I think it should be well known that we do not want to send out to the judiciary a message that they can be dilatory, that they can be less than forthright in their efforts to bring their dockets up to date, and yet at the same time we recognize the realities in that once in a while theory must spare the phenomenon. The theory of setting an arbitrary date and, say, you have your dockets in shape at that cutoff time makes a lot of sense. But when you come up against that particular arbitrary period and you see the dockets have not necessarily been brought up to date in some of the jurisdictions, and you see the possibility that felons might escape proper judicial treatment simply because of an arbitrary date that we set, then I think at that point it is very reasonable to say at least for 1 year or 2 years this particular event shall not happen.

I particularly commend the chairman of the subcommittee. I know he recognized there are many diverse points of view. He had in many ways to compromise, to compromise in a right sense, not necessarily in a sense of giving in on an honest position.

There were divergent points of view, and I would say that what we ended up with is something we can all support, again throwing in the caveat that it would not infuriate me if in conference we were to go to the 2-year rather than the 11-year cutoff date.

Mr. GUDGER. Mr. Speaker, I thank the three distinguished gentlemen who have spoken so effectively for the minority and have added so materially to this record on this very important legislation.

□ 1200

At this time I would like to yield 3 minutes to the distinguished gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Speaker, I wish to rise also in support of this legislation and to commend the other members of the subcommittee and the committee for the diligent work they performed producing this legislation.

I personally feel that the 1-year removal or suspension of the sanctions is adequate. I also feel that by restricting it to 1 year instead of 2 years, but also giving to the various districts that are having difficulty a continuation of 1 year for suspension of the time limit is an adequate provision.

I believe this delay will work in two ways. It will: First, provide to those districts having difficulty an opportunity to try to adjust within this next year; and second, it give to us on the subcommittee an opportunity to hold additional hearings.

Mr. Speaker, we did have hearings but the hearings were not as complete as they needed to be and I look forward to having additional hearings on permanent changes which will involve both the Department of Justice and also the various district judges who are having difficulties, so we can learn the various types of difficulties that do arise in the various districts.

At this time I would like to yield to the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, I thank the gentleman from Missouri. I compliment him because it is, after all, his amendment, it is the Volkmer amendment the committee ultimately adopted. Also, I wish to express my appreciation as a member of the subcommittee to the gentleman from North Carolina (Mr. GUDGER) for handling the bill in such able fashion today.

I would also say I think this is a reasonable approach. I know that some Members, including the gentleman from Michigan (Mr. CONYERS), our subcommittee chairman, probably on balance would have preferred no accommodation but he who was so instrumental originally in fashioning the 1974 Speedy Trial Act is to be complimented because in the final analysis this bill does not change the ingredients of the original proposal. We have preserved those.

I think the gentleman from Michigan (Mr. CONYERS) in a sense has a victory in this bill, notwithstanding the fact that we are extending the implementing of the sanctions for exceeding the trial time limits. It is reasonable, I would suggest, because we are at this time as a result of the omnibus judgeship bill, seeing the nomination and confirmation of new Federal district judges. This process will go on for some months if not a year or more and by the time these judges are effective, certainly a period of time will elapse during which I think there is good reason to defer the full implementation of this act.

● Mr. CORRADA. Mr. Speaker, I rise in support of S. 961, a bill to amend the Speedy Trial Act of 1974.

The Speedy Trial Act will require by July 1, 1979, the dismissal of certain criminal cases if not processed within a certain timeframe. The main reason that moved Congress to pass this legislation was the need to process criminal cases promptly. A timeframe totaling 100 days was selected as an ideal goal and a 4-year phase-in period was granted to allow district courts to move smoothly toward that goal. Four years later more work needs to be done by the justice system components to be able to reach the 100-day-limit goal.

If the act is not amended, a number of criminal cases will have to be dismissed. This will have an adverse and perhaps a damaging effect on the Federal criminal justice system.

I support and endorse S. 961. These are important and necessary changes to the Speedy Trial Act of 1974 and I urge you to vote for it. There are some differences between the House and Senate version which I trust will be solved in conference.●

Mr. GUDGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend each of those who have spoken on this legislation. I feel very sincerely that in this instance we have seen one of the best traditions of the legislative process fulfilled when Congress has confronted a time dilemma so well defined by the gentleman from Illinois (Mr. McCLORY). It has the ability to address the problem sympathetically, congenially, and harmoniously. Both the majority and minority have worked effectively together to deal with the problem in an effective way.

Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. GUDGER) that the House suspend the rules and pass the Senate bill, S. 961, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

HIGHER EDUCATION TECHNICAL AMENDMENTS OF 1979

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4476) to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Technical Amendments of 1979".

COMMUNITY SERVICES AND CONTINUING EDUCATION PROGRAMS

SEC. 2. (a) Section 101(a) of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended by striking out "fiscal years 1977, 1978, and 1979" and inserting in lieu thereof: "for the fiscal year 1977 and for each of the succeeding fiscal years ending prior to October 1, 1980".

(b) Section 101(b) of the Act is amended by inserting before the period a comma and the following: "and for each of the succeeding fiscal years ending prior to October 1, 1980".

COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

SEC. 3. (a) The first sentence of section 201(b) of the Act is amended by inserting before the period a comma and the following: "and for the succeeding fiscal year".

(b) Section 232 of the Act is amended by inserting before the period a comma and the following: "and for the succeeding fiscal year".

STRENGTHENING DEVELOPING INSTITUTIONS

SEC. 4. Section 301(b)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

STUDENT ASSISTANCE

SEC. 5. (a)(1) Section 411(a)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(2)(A) Section 411(a)(3) of the Higher Education Act of 1965 is amended by adding at the end thereof the following new subparagraph:

"(D) Notwithstanding any other provision of law, regulations required to be promulgated by the Commissioner under this paragraph for the academic year 1979–1980 shall be effective with respect to funds appropriated for the purpose of making payments under this subpart for that academic year.".

(B) Sections 411(b)(3)(B)(ii) and 411(b)(4)(B) of the Higher Education Act of 1965 shall not apply to funds appropriated for the purpose of making payments under subpart 1 of part A of title IV of such Act for the academic year 1978–1979, and any funds available at the end of that academic year shall remain available through September 30, 1981, for the purpose of making payments under that subpart with respect to entitlements for succeeding academic years.

(3) Section 413A(b)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(4) Section 415A(b)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(5) Section 417A(b) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(6) Section 418A(b)(1) of the Act is amended by inserting before the period a comma and the following: "and for the succeeding fiscal year".

(7)(A) Section 420(a)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(B) Section 420(a)(4) of the Act is amended by striking out "1980" and inserting in lieu thereof "1981".

(b) Section 428(a)(8) of the Higher Education Act of 1965 is amended by adding at the end thereof the following new subparagraph:

"(C) If the Commissioner has not promulgated regulations pursuant to this paragraph on or before September 30, 1979, all eligible lenders (other than those excluded under subparagraph (A)) shall be deemed approved by the Commissioner for purposes of this paragraph.".

(c)(1) Section 438(b)(2) of the Act is amended—

(A) by striking out "(A) Subject to subparagraphs (B) and (C) and" and inserting in lieu thereof "Subject to", and

(B) by striking out subparagraphs (B) and (C).

(2) Notwithstanding any other provision of section 438 of the Higher Education Act of 1965, effective October 1, 1979, the Commissioner shall determine the special allowance pursuant to the provisions of section 438(b)(2) of that Act (as amended by paragraph (1) of this subsection), except with respect to—

(A) eligible loans held during the second quarter of the calendar year 1979, holders of such loans shall be entitled to a special allowance payment increased by the difference between (i) the special allowance determined with respect to such loans for such quarter under section 438(b)(2) (prior to the amendments made by paragraph (1) of this subsection), and (ii) the amount which would be determined with respect to such loans for such quarter under section 438(b)(2) as so amended; and

(B) eligible loans held during the third quarter of such calendar year, such holders shall be entitled to a special allowance payment increased by the difference described in subparagraph (A) (computed with respect to loans held during such third quarter).

Section 438(b)(4) of that Act shall not apply to any amounts payable with respect to the difference determined under subparagraph (A).

(d)(1) Section 461(b)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(2) Section 461(b)(2) of the Act is amended by striking out "1979" each place it appears and inserting in lieu thereof "1980".

(3)(A) Part E of title IV of the Higher Education Act of 1965 is amended by adding at the end thereof the following new section:

"COLLECTION OF DEFAULTED LOANS

"SEC. 467. The Commissioner is authorized to attempt to collect any loan, which was made under this part and which is in default, referred to him by an institution, with which he has an agreement under sub-

section (a) of section 463, on behalf of such institution under such terms and conditions as the Commissioner may prescribe, including reimbursement for expenses he may reasonably incur in attempting such collection.".

(B) Nothing in the amendment made by this paragraph shall be construed to authorize the enactment of new budget authority for fiscal years 1979 or 1980.

(e)(1) Section 491(b)(1) of the Act is amended by striking out "and any proprietary institution of higher education" and inserting in lieu thereof "any postsecondary vocational institution; and any proprietary institution of higher education".

(2) Section 491(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(4) For the purposes of this subsection, the term 'postsecondary vocational institution' means a school (A) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (B) which meets the requirements of clauses (1), (2), and (4) of section 1201(a), (C) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (D) which has been in existence for at least two years. For the purpose of this paragraph, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authorities to the quality of training offered.".

TEACHER CORPS AND TEACHER TRAINING PROGRAMS

SEC. 6. (a) Section 511(b) of the Act is amended by inserting before the period a comma and the following: "and for the succeeding fiscal year".

(b) Section 531 of the Act is amended by inserting after "1979," the following: "and for the succeeding fiscal year".

FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

SEC. 7. (a) Section 601(b) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(b) Section 601(c) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

SEC. 8. (a) Section 701(b) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(b) Section 721 of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(c)(1) Section 741(b) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(2) Section 745(c)(2) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

GRADUATE PROGRAMS

SEC. 9. (a) Section 901(c) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(b) Section 922(a) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(c) Section 941(a) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(d) Section 961(b)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(2) Section 966(a) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

COMMUNITY COLLEGE ESTABLISHMENT AND EXPANSION

SEC. 10. (a) Section 1001(b)(1) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

(b) Section 1011(b) of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

LAW SCHOOL CLINICAL EXPERIENCE PROGRAM

SEC. 11. Section 1103 of the Act is amended by striking out "1979" and inserting in lieu thereof "1980".

STATEWIDE PLANNING AUTHORIZATION

SEC. 12. Sections 1203(d)(1) and (2) of the Act are amended by striking out "1979" and inserting in lieu thereof "1980".

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

SEC. 13. Section 404(e) of the General Education Provisions Act is amended by striking out "1979" and inserting in lieu thereof "1980".

NATIONAL INSTITUTE OF EDUCATION

SEC. 14. The last sentence of section 405(j) of the General Education Provisions Act is amended by striking out "and" the first place it appears therein and inserting in lieu thereof a comma, and by inserting before the period at the end thereof the following: ", and $125,000,000 for fiscal year 1980".

NATIONAL DEFENSE EDUCATION ACT

SEC. 15. Section 604 of the National Defense Education Act of 1958 is amended by striking out "1979" and inserting in lieu thereof "1980".

MIDDLE INCOME STUDENT ASSISTANCE

SEC. 16. (a) Section 9 of the Middle Income Student Assistance Act (Public Law 95-566) is amended by striking out "August 1, 1979" and inserting in lieu thereof "July 1, 1979".

(b) Nothing in the amendment made by this section shall be construed to authorize the enactment of new budget authority for fiscal years 1979 or 1980.

EFFECTIVE DATE

SEC. 17. (a) The amendments made by section 5(c) shall take effect on October 1, 1979.

(b) The amendments made by section 5(e) shall take effect with respect to grants, loans, and other financial assistance made available to students for the academic year 1979-1980 and for academic years thereafter.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan (Mr. FORD) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may continue.

Mr. Speaker, this legislation responds to two emergency situations that require action be taken before the August recess.

The first emergency arises because under current law the special allowance paid to lenders under the guaranteed student loan program may not exceed 5 percent when averaged over four consecutive calendar quarters. The special allowance is tied to the yield on 91-day Treasury bills, and it is designed to make student loans comparable in attractiveness to other lending opportunities. As a result of high Treasury bill rates this year and the 5-percent cap, lenders will receive a substantially lower yield on student loans in the second and third quarters of this year than the relationship of the special allowance to Treasury bills would otherwise justify.

If lenders receive this lower yield, they will make substantially fewer student loans. This problem is particularly critical in the third quarter of 1979, which began July 1, when approximately 50 percent of the annual volume in student loans occurs, as loans are made to students for the fall semester.

Right now, lenders, whose participation in this program is voluntary, are calculating their return on student loans for the just concluded second quarter and estimating their return for the third quarter, which just began. Unless they can be reassured in the very near future that student loans will continue to yield a return that is reasonably related to the cost of money, there is a substantial risk that many students and their families will be disappointed in their attempt to borrow for school this fall.

In a hearing before the Subcommittee on Postsecondary Education on May 30, Mr. Alfred Fitt, testifying on behalf of the Congressional Budget Office, predicted:

> If the present ceiling formula is retained, there will be strong downward pressure on the inclination of banks to make new student loans, just when there seem to be extraordinary upward pressures in the demand for such loans.

Testifying at the same hearing, Ms. Eileen Dickenson, president of the New York State Higher Education Services Corporation, argued that if the rate of return to lenders is sharply curtailed through the operation of current law, banks "may well prefer other investments to student loans and may precipitate a student loan capital crisis." She urged that "legislation should be passed as soon as possible to insure that students have access to loans to pay for fall 1979 educational costs."

In a statement filed with the subcommittee, Mr. John D. Wickert, speaking for the American Bankers Association, said:

> The concept of the special allowance floating free (no caps) with the Treasury Bill rate would allow the lender to cope with all market conditions over this extended investment period and is the approach that would most effectively encourage the lenders to invest the necessary funds in the Guaranteed Student Loan Program. This could assure that there would be sufficient loans available to meet the normal demands plus those additional loan requests generated by the Middle Income Student Assistance Act and thereby to provide families with the funds needed to finance the rising costs of education.

At a hearing on June 5, Mr. William Ihlanefeldt, testifying on behalf of the Consortium on Financing Higher Education, said:

> [T]he ceiling on the special allowance should be eliminated in order to retain the participation of financial institutions during periods of limited credit. At current interest rates, it is quite likely that in the last two quarters of this year, because of the ceiling on the special allowance, students may find that financial institutions will not lend.

Section 5(c) of the bill simply removes the 5-percent limitation for a 12-month period on the interest subsidy. This change in the special allowance is made

effective for the second quarter of 1979 and for succeeding quarters.

It is important to note that when the Higher Education Act was enacted in 1965, the maximum interest rate permitted was 6 percent, with no special allowance. When interest rates rose in the spring of 1968, lender participation decreased and was only restored when Congress enacted Public Law 90-460 in August 1968, raising the maximum interest rate to 7 percent. Interest rates continued to rise and by the summer of 1969, a similar crisis occurred. The result was the enactment of the Emergency Insured Student Loan Act of 1969 which authorized a special allowance up to a maximum of 3 percent to be paid to lenders. As interest rates continued to rise and the 3-percent maximum special allowance was about to be reached, the law was modified by the Education Amendments of 1976 to the current provision providing for a maximum 5-percent special allowance averaged over four consecutive quarters. Thus, each time in the past when the statutory maximum yield on guaranteed student loans has made them unattractive to lenders because of generally higher yields available from other investments, the Congress has acted to increase the yield to lenders from student loans to insure their continued participation in the program.

The bill delays the payment to lenders of a special allowance in excess of what they would receive under current law until after October 1, 1979. This is done so that the budgetary impact of this change in the special allowance will occur in fiscal year 1980 rather than fiscal year 1979 in order to avoid potential problems under the Budget Act.

This provision of the bill incorporates H.R. 3554 introduced by Congressman BIAGGI on April 10, 1979. Congressman BIAGGI has been in the forefront of recognizing the urgent need for this legislation. His statement in the RECORD of May 16, further elucidates the importance of making this change in the law at the earliest possible date.

The cost of removing the cap is $78.1 million.

In a letter to the Speaker of June 19, 1979, the administration requested that the ceiling for the special allowance be raised from 5 to 6 percent for the second and third quarters of calendar 1979 and that the new 6-percent ceiling for these two quarters not be affected by the requirement of averaging four quarters. The cost of this proposal is approximately $75 million. The letter to the Speaker also notes that—

> This relief is necessary to ensure the continued availability of capital for the making of new student loans for the upcoming academic year.

The second emergency relates to the payment of increased basic grants to independent students.

Independent students are self-supporting students; generally widows, veterans, displaced homemakers, and other adult learners striving to improve their situation through education. Eighty percent of them are over the age of 22.

The Middle-Income Student Assistance Act, which was signed into law on November 1, 1978, provided for more equitable treatment of independent students. As a result of these changes about 70,000 new independent students became eligible for basic grants and approximately 612,000 independent students became eligible for larger grants.

In a letter of July 6, Acting Secretary of HEW, Fred Bohen, informed me that "in the absence of favorable action by the Congress on the technical amendment, we do not have the legal authority to fund fully the independent students provisions" of the Middle-Income Student Assistance Act. As a practical matter, this means that in the current summer school session, which began July 1, approximately 70,000 independent students will either not receive a basic grant or will receive a smaller basic grant than provided for by the Middle-Income Student Assistance Act. Since these students had already been notified of their eligibility for basic grants under the terms of the Middle-Income Student Assistance Act, their grants are now being recalculated to reduce their awards or to make them completely ineligible. Thus the promise made to these students by the Congress in the Middle-Income Student Assistance Act is being broken.

In addition, if this technical amendment is not adopted prior to the August recess, approximately 600,000 independent students will receive no basic grant or a smaller basic grant than provided for by the Middle-Income Student Assistance Act during the fall semester.

Recommendations from the administration to deal with these two emergency situations were provided in letters to the Speaker on May 7 and June 19, 1979. However, the full gravity of the situation with respect to independent students did not become apparent until Acting Secretary Bohen's letter to me of July 6.

Two provisions of the bill will solve the independent student emergency:

First, clarification of the Commission's regulatory authority under the basic grant program.—Section 5(a)(2)(A) of the bill makes it clear that the basic grant family contribution schedule issued by the Commissioner for the 1979-80 academic year governs the expenditure of funds appropriated in fiscal year 1979 as well as funds carried over from fiscal year 1978. This family contribution schedule implements the broadening of the basic grant program to students from middle-income families and the more equitable treatment of independent students as provided for by the Middle-Income Student Assistance Act (MISAA).

If this amendment is not adopted, HEW believes that the independent student provisions included in the Middle-Income Student Assistance Act could not be funded through the fiscal year 1979 appropriation.

While these changes in the treatment of independent students could be funded through the unexpended fiscal year 1978 money (assuming the waiver of the limitation on basic grant carryover amounts is adopted), the Office of Education would have to establish two separate funding tracks—one for dependent students from fiscal year 1979 funds and one for independent students from fiscal year 1978 funds. At the institutional level, schools would have to set up separate records, accounting procedures, and reporting mechanisms for the fiscal year 1978 and fiscal year 1979 funds. This would create a large and needless administrative burden.

This amendment was requested by the administration in a letter to the Speaker of May 7, 1979.

Second, waiver of the limitation on basic grants carryover amounts.—Current law (sections 411(b)(3)(II) and 411(b)(4)(B) of the Higher Education Act) requires that when appropriations for the basic grant program exceed the amount expended for basic grants in a given year by more than 15 percent of excess appropriations may not be carried over to the next year. Instead they must be allocated to students in that year if all students have not received the full amount of their entitlement. The appropriation for basic grants in fiscal year 1978 was $2.14 billion to be expended in the just-concluded 1978-79 academic year.

In large part because of the tighter administration of the basic grant program last year, $700 million of the fiscal year 1978 appropriation remains unexpended. Also, during the 1978-79 academic year appropriations were geared to a maximum grant of $1,600 rather than the $1,800 maximum in the law. Since the unexpended $700 million exceeds 15 percent of the fiscal year 1978 appropriation and since students did not receive the full amount of their entitlement in academic year 1978-79, the law prohibits the $700 million from being carried over for use in subsequent years and requires that this money be allocated to students who participated in the program in 1978-79. This would require, in practice, that the basic grant awards to the 1.9 million students who received basic grants in 1978-79 be recalculated based on a $1,800 maximum grant rather than a $1,600 maximum grant and that these students be given any additional amount for which they are eligible. It obviously would be an administrative nightmare to recalculate the awards of 1.9 million students for the past academic year. Students, or former students, would also receive, in effect, a windfall—an additional basic grant award after the academic year is over.

The administration's fiscal year 1980 budget recommendations, the first concurrent resolution on the fiscal year 1980 budget and the fiscal year 1980 Labor-HEW appropriations bill as passed by the House all anticipate that excess fiscal year 1978 basic grant funds be carried over to subsequent fiscal years.

In particular, the funds carried over from fiscal year 1978 are anticipated for use with the fiscal year 1979 appropriation for the basic grant program to implement the Middle-Income Student Assistance Act in the academic year 1979-80. Without these carryover funds the more equitable treatment of independent students provided for by MISAA cannot be accomplished. This amendment, section 5(a)(2)(B) of the bill, was requested by the administration in a letter to the Speaker on May 7, 1979.

In addition, H.R. 4476 includes four other technical amendments:

First, correction of error in the Middle-Income Student Assistance Act.—Section 16 of the bill modifies the periods of enrollment covered by the changes in the basic grant program made by the Middle-Income Student Assistance Act from "periods of enrollment beginning on or after August 1, 1979" to "periods of enrollment beginning on or after July 1, 1979." This change corrects a drafting error in the Middle-Income Student Assistance Act and conforms it to the current administrative practice of the basic grant program.

The 1979–80 family contribution schedule revisions submitted by the administration were not disapproved by the October 1 deadline stated in the law. These revisions, therefore, automatically become effective for the 1979–80 academic year (July 1, 1979 to June 30, 1980). The proposed revisions set the assessment rate on parental income at 12 percent. However, MISAA set the assessment rate at 10.5 percent and became effective on August 1, 1979.

Without this technical amendment, HEW reports that dependent students would have to have their awards calculated on the basis of a family contribution schedule which has a 12-percent assessment rate. This rate would apply for only that month. As of August 1, these students' awards would have to be recalculated on the basis of a family contribution schedule which uses a 10.5-percent rate to cover all periods of enrollment after August 1. This would present a significant administrative burden for schools and would cause confusion for students and schools.

This amendment was requested by the administration in a letter to the Speaker of April 11, 1979.

Second, implementation of interest subsidy and special allowance payments on multiply disbursed loans. Section 428(a)(8) of the Higher Education Act, enacted by the Education Amendments of 1976, permits commercial lenders to provide guaranteed student loans to students in multiple disbursements. It also provides that these lenders can collect the interest subsidy and the special allowance on the entire amount of the loan, not only on the portion actually disbursed.

This provision was intended to provide a strong incentive for experienced commercial lends to make loans available to students in multiple disbursements. Multiple disbursement of student loans would help to reduce loan defaults since students who drop out during the school year would not yet have received all of the loan and would owe a smaller amount for repayment.

Implementation of section 438(a)(8) is tied to the issuance of regulations by the Commissioner. Although the Education Amendments of 1976 were enacted on October 12, 1976, the regulations to implement this section have not yet been promulgated. Section 5(b) of this bill states that, if these regulations have not been promulgated before September 30, 1979, all commercial lenders will be approved to receive the interest subsidy and special allowance on multiply disbursed loans without the benefit of the regulations. This provision would operate as an interim measure until the Commissioner promulgates the regulations required by section 428(a)(8).

In a May 30 hearing before the Subcommittee on Postsecondary Education, a representative of the U.S. Student Association called to the attention of the subcommittee the failure of the Commissioner to implement this provision of the Education Amendments of 1976. Joel Packer noted that implementation of section 428(a)(8) would "help increase lender participation * * * (and) capital availability, reduce amounts of default, and probably reduce the probability of default."

Third, improved collection of national direct student loans. Current law (section 463(a)(5) of the Higher Education Act) permits the Commissioner to collect defaulted national direct student loans only after they have been in default for at least 2 years and also requires that the institution "assign" the loan to the Commissioner and that any money which the Commissioner recovers be returned to the Treasury. This provision is a deterrent to the effective collection of defaulted national direct student loans for several reasons:

The Commissioner can only assist an institution in NDSL collections if a loan has been in default for at least 2 years. After a loan has been in default for 2 years or more, it is generally very difficult to locate the borrower or initiate an effective collection effort. Assistance from the Commissioner in collecting defaulted national direct student loans would be much more effective if it could occur sooner than 2 years after a loan has gone into default.

The requirement that national direct student loans be "assigned" to the Commissioner bars some public institutions from allowing the Commissioner to collect defaulted loans. Some States have laws prohibiting the assignment of State assets to another party. In the case of NDSL programs at public institutions, the 10-percent institutional matching required under the program is State money. In States with such laws these loans may not be assigned to the Commissioner for collection.

Since institutions cannot receive any of the money collected by the Commissioner, not even their 10-percent match, there is no incentive for them to assign them to the Commissioner even if there is not a State law barring such action in the case of public institutions.

The bill includes a new provision—section 5(d)(3)—allowing the Commissioner to collect defaulted national direct student loans which avoids these problems. Under this provision, the Commissioner could collect defaulted loans "on behalf of" the institution. Thus the loans need not be "assigned" to the Commissioner, and the problem of State laws barring the assignment of State assets is avoided. In addition, the Commissioner would return to the institutions any amounts he collects less any expenses of collection he incurs. Therefore, institutions would have a much greater incentive to seek the assistance of the Commissioner in collecting these loans. Finally, the loans would not be required to have been in default for 2 years.

Testifying on behalf of the National Association of Student Financial Aid Administrators on May 30, Mr. Arthur Fritz urged that the committee adopt legislative changes to deal with the problems in NDSL collections presented by current law. A similar recommendation was made to the subcommittee on June 19 by Mr. Charles Saunders, vice president for governmental relations of the American Council on Education.

It is our intent simply to improve the capabilities of the Commissioner to respond to requests from institutions for assistance in collecting defaulted student loans. We do not intend to require institutions to use this option or to preclude them from continuing to collect loans either through their own efforts or by contracting with private sector collection agencies.

Fourth, providing equal treatment for students at nonprofit postsecondary vocational schools. The new general regulations governing the basic grant program, which were published earlier this year, require that in order to be eligible for Federal student assistance students attending nonprofit postsecondary vocational schools must be enrolled in programs of at least 1 year's duration. On the other hand, to be eligible for Federal student aid students attending proprietary vocational schools need only be enrolled in programs of at least 6 months' duration. This disparity in the treatment of students in identical programs stems from the definition of these programs in section 491 of the Higher Education Act. An analysis of this situation prepared for the subcommittee by the Congressional Research Service indicates that there is no policy purpose for this disparity to be found in the legislative history of the Higher Education Act. It appears to be simply an oversight in legislative drafting. The unfairness of this situation has been most forcefully brought to the attention of the subcommittee by the gentleman from South Dakota, Congressman ABDNOR.

Section 5(e) of the bill simply conforms the treatment of nonprofit postsecondary vocational schools to that accorded to proprietary schools, requiring that they both offer programs of at least 6 months' duration.

Finally, Mr. Speaker, the authorizations for most of the programs in the Higher Education Act, as well as title VI of the National Defense Education Act, the fund for the improvement of postsecondary education and the National Institute of Education, expire at the end of fiscal year 1980. H.R. 4476 provides for a 1-year extension of the expiring programs.

This 1-year extension is being sought solely for the purpose of keeping the fiscal year 1981 appropriations for the higher education programs and NIE on track in the regular appropriations process while action is being completed on the major reauthorization bill. Without this 1-year extension, the appropriations for these programs would have to

be provided in a fiscal year 1981 supplemental after action on the reauthorization is completed next summer. The appropriations committee will not consider appropriations for programs which are not authorized. Such a delay in the appropriations would be very disruptive to the programs, particularly to the forward-funded student aid programs.

It is not at all the intent of this 1-year extension to sneak the continuation of these programs by the House without providing for an opportunity to fully debate and to amend the programs. We expect to bring before the House a bill to reauthorize the programs later in this session. This reauthorization bill will be considered under an open rule. Therefore, within a few months the House will have the opportunity to fully debate and to amend the higher education programs. This 1-year extension is not intended to preempt or to prejudge that process.

In the last Congress, a similar 1-year extension (H.R. 8040/S. 1752) was provided for the forward-funded elementary and secondary education programs while action on that reauthorization bill was concluded. That bill passed in both the House and the Senate by voice vote.

The Congress has been moving expeditiously to meet the emergencies which this legislation addresses. H.R. 4476 was introduced on June 14. It was reported by the Education and Labor Committee on June 27. The committee report was filed on July 5 and the bill was subsequently referred to the Appropriations Committee because lifting the 5-percent cap on the GSL special allowance provides for new entitlement authority for fiscal year 1980 in excess of the new entitlement authority allocated to the Committee on Education and Labor by the first concurrent resolution on the budget for fiscal year 1980. The Labor-HEW Appropriations Subcommittee reported the bill by voice vote on July 17, and it was reported by voice vote by the Appropriations Committee on July 19.

Mr. Speaker, I urge the adoption of H.R. 4476.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. Yes, I yield to the gentlewoman.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding.

I am hoping very much that I may be allowed to testify concerning a bill I have introduced and, I believe, is before the gentleman's committee. It relates to the collection of defaulting student loans, a system that has been used in New Jersey by our department of higher education and found to be most useful, very simple, no expense and not very much paperwork involved, simply reporting the loan when it is in default to the credit bureaus, not the collection agencies.

There is a very fine letter I received this week which suggested an amendment I would be happy to put in the bill. It would allow the officials of the university or college or higher education institution not to report the loan as defaulting if there were extenuating circumstances, illness in the family, or anything of that kind which might suggest that default was accidental and not chronic and, therefore, would not have to be reported.

I hope that I may be allowed to come before the gentleman's committee to do this.

I was happy to see what the gentleman is doing about the educational opportunity funds. I was on that board when I was in my State. I know how valuable and how important those funds are and anything that facilitates their use is in my opinion highly desirable.

Mr. FORD of Michigan. Mr. Speaker, I thank the gentlewoman for her contribution.

We do have the gentlewoman's bill before our subcommittee, and it will be a part of the consideration of reauthorization. It is a part of several suggestions coming from the administration, from members of the committee, and Members of the House, that will be under consideration actively in September when we are marking the bill up.

Mrs. FENWICK. Oh, not this week? I thought the gentleman said they were having hearings this week.

Mr. FORD of Michigan. Hearings are to be concluded in Washington this week. We have an additional hearing in Burlington, Vt., and one or two others during the August recess. We will try to accommodate the gentlewoman's suggestions.

Mrs. FENWICK. Would there be any time in the hearings this week for me to appear on behalf of my bill?

Mr. FORD of Michigan. We will do the very best we can to accommodate the gentlewoman, and if the gentlewoman will chat with the gentleman from Alabama (Mr. BUCHANAN) we will work on that with the staff. I can assure the gentlewoman that she will have a priority.

Mrs. FENWICK. I thank the chairman.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, as an original cosponsor and member of our Postsecondary Education Subcommittee, I rise to implore my colleagues to pass H.R. 4476, the Higher Education Technical Amendments of 1979.

Let us not be mistaken for 1 minute—this is emergency legislation. Specifically, I refer to section 5(c) of the bill which proposes to lift the ceiling on the special allowance paid to lending institutions to insure their continued participation in the guaranteed student loan program (GSLP). Unless we are prepared to lift this ceiling—a move forced upon us solely because of the effects of inflation—the market for student loans through commercial lending institutions could dry up.

On April 10, 1979, I introduced H.R. 3554, in response to this problem which was brought to my attention by Eileen Dickinson, the president of the New York State Higher Education Services Corporation which services the guaranteed student loan program for New York State. It became apparent that the 12-month ceiling on the special allowance, the rate of which is set at 3.5 percent below the Treasury bill rate, must be lifted and allowed to float within prevailing interest rates. Since the special allowance is paid quarterly, any one of the computed quarterly payments may exceed 5 percent but the sum total of the four quarters cannot exceed 5 percent during any 12-month period.

Inflation has affected all of us, as reflected by the soaring interest rates which lending institutions must contend with. Because of this inflationary spiral, the computed quarterly payments of the special allowance have been very high for the last two quarters of this year—6.25 percent. If the 5-percent ceiling is not removed, the following two quarterly payments will be depressed, in order to remain within the 5 percent annual average, well below 5 percent. Student loans will be greatly affected by this because it will mean fewer loans at the time of greatest demand.

In my own State of New York, it is estimated that GSL applications will increase 35 percent from last year. If only half the demand for these loans in the third quarter of this year is not met, over 16,000 New York students seeking loans will not receive them. Even if there is no growth in the program, but an increase in demand from last year, it is likely that almost 33,000 students in my State will not be receiving loans, notwithstanding the fact that New York lending institutions will be committing $200 million to this program in the third quarter alone.

A crisis even if there is no decrease in lender participation will arise not only in New York, but in many other States in this Nation as well. According to the New York State Higher Education Services Corp., all of the other State guarantee agency representatives which they have spoken to have reported increases in excess of New York's 35 percent. Many State agencies have reported 50 percent increases in their GSL applications.

It is because of this impending crisis that I introduced H.R. 3554 when it became apparent that these students as well as the lending institutions which guarantee their loans would be adversely affected. The money which lenders commit to this program in the third quarter alone—last year it was nearly $1 billion—must also be protected.

The administration is to be commended for its insight into this problem as well. As outgoing Secretary of HEW, Joe Califano noted in his March 30 testimony to our Postsecondary Subcommittee:

> Guaranteed student loans vary greatly in availability for many reasons. First, the willingness of banks to commit capital to student loans is not uniform across the nation. The amount of loan money available varies from time to time as alternative investment options become more or less attractive. In addition, commercial lenders often set arbitrary limits on loan amounts, and many discriminate against students who are seen as "poor risks"—freshmen, vocational students, poor students and students whose families are not regular customers. For some students, this means they simply cannot get loan money. I am concerned about the substantial variation in loan availability and the potential inquiry which can result.

In a later hearing on the same issue, the New York State Higher Education Services Corp. noted that if the rate of return to lenders is sharply depressed with the current 5 percent ceiling on the special allowance, banks "may well prefer other investments to student loans and may precipitate a student loan capitol crisis." In the same May 30 hearing, Alfred Fitt from the Congressional Budget Office forecasted:

If the present ceiling formula is retained, there will be strong downward pressures on the inclination of banks to make new student loans, just when there seem to be extraordinary upward pressures in the demand for such loans.

Two other groups at the hearing, the National Council of Higher Education Loan Programs and the American Bankers Association also urged immediate congressional action in this matter and expressed support for my bill.

The response to this bill has been equally enthusiastic from private banks as well as from institutions of higher education. Since I introduced this bill in April, many commercial lenders, from New York to California, urged its passage so that they may remain active in the GSLP. Presidents of universities, such as Father James Finlay of Fordham University which is in my own district in the Bronx, also wrote and asked that I urge my colleagues to support this measure.

I wish to commend my colleagues on the Education and Labor Committee, most especially BILL FORD, chairman of our Postecondary Education Subcommittee and our distinguished chairman from Kentucky, Mr. PERKINS, for their insight for recognizing this problem and guiding the committee in composing the package of technical amendments which we reported out of full committee on June 27 and what you have before you now as H.R. 4476. The main component of this technical amendment package is the special allowance provision.

This swiftness with which this legislation has progressed is an indication of how strongly we feel that this bill deserves passage. Also important is the fact that the Appropriations Committee also favorably reported this bill on July 19. I also want to thank my colleagues on that committee for their timely attention to this bill.

It is now July 31. Many students will be beginning or returning to school in less than a month. Many of these students are still waiting to see if their loan applications will be approved. Many of these same students depend on these loans to finance their entire educational costs.

I strongly urge my colleagues to support the Higher Education Technical Amendments of 1979 and assure the students of this Nation that their financial needs will be met for this September. Higher education is a basic right which all people of this country should freely have access to—a right which the Middle Income Student Assistance Act promised to insure when we passed it last year. The elimination of the special ceiling would serve to end once and for all discriminatory banking policy against students from lower income backgrounds, who would be the first to suffer if there were an insufficient amount of loan moneys available. The middle-income student, whose banking affiliations are limited, at best, and who is the first to be eliminated from competition for loans in lieu of higher income students who are better risks must be protected. We must make financial aid a profitable situation for both lenders as well as students from all income backgrounds.

Let us rededicate ourselves to the spirit of MISAA which proved the commitment of this body to the middle-income student, whose educational needs are equally as great but means and access to financial aid programs are so often limited. The lifting of the 5-percent ceiling on the special allowance would insure across-the-board participation in the Federal loan program by all interested students.

Mr. FORD of Michigan. Mr. Speaker, I thank the gentleman and would observe for the record and for the House that the provisions of this bill removing the ceiling on the special allowance for lenders in the guaranteed student loan program are, in fact, legislation introduced by the gentleman from New York (Mr. BIAGGI). We incorporated his bill into this legislation with his full cooperation and we appreciate very much his contributions.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I rise in strong support of H.R. 4476, the Higher Education Technical Amendments of 1979. I am pleased we are able to consider this bill in the House today because early and expeditious action is essential to prevent a predicted reduction in the availability of insured student loans.

Before going further, Mr. Speaker, I want to commend the chairman of our Subcommittee on Postsecondary Education, the gentleman from Michigan (Mr. FORD) for his efforts. Chairman FORD has once again exhibited extremely effective leadership as he swiftly moved the bill through subcommittee and full committee, from which it was unanimously reported on July 27.

Mr. Speaker, I want to pay tribute also to our distinguished colleague from New York (Mr. BIAGGI) who foresaw at an early date the necessity for amendments to the special allowance provisions in the insured program. On April 10, considerably before we received the administration's bill, Mr. BIAGGI introduced H.R. 3554 to remove the ceiling on the special allowance. Recognizing the potential crisis for college students and their parents, he has worked diligently to secure enactment of this change.

I want to compliment also the distinguished chairman of our Subcommittee on Select Education, the gentleman from Illinois (Mr. SIMON). H.R. 4476 proposes a 1-year extension of the National Institute of Education which is under the jurisdiction of the select subcommittee.

Chairman SIMON has urged such an extension in order to insure an orderly budget and appropriations process in the NIE.

Mr. Speaker, this has been a bipartisan effort and I wish to complement members of the committee from both sides of the aisle.

With respect to the guaranteed student loan program, I am pleased to advise my colleagues that there has been a considerable increase in the volume of lending, largely due to the Middle Income Student Assistance Act. Continuing high interest rates, however, are causing considerable problems at this time, the very time when traditionally the greatest number of applications for student loans are submitted. Roughly, 50 percent of all loans are processed between July and September each year. There is in current law a ceiling on the special allowance the Federal Government pays to participating lenders. That allowance is paid in order to hold down interest charges to students. In this period of high interest rates, the current ceiling is simply too low and the testimony before our subcommittee indicates that many lending institutions simply will not continue to process loans. This could very well lead to a crisis situation.

Accordingly, H.R. 4476 removes the current ceiling so that the special allowance will be determined according to market conditions without an arbitrary ceiling. The special allowance will fluctuate in its relationship to Treasury bills, increasing the payment as market conditions warrant.

H.R. 4476 also contains a number of technical but very needed changes in the basic grant program. These are necessary in order to provide for smooth implementation of the Middle Income Student Assistance Act. An amendment is also proposed to the national direct student loan program to take still another step in improving the collection of defaulted loans.

Finally, Mr. Speaker, the bill provides for a 1-year extension of education programs expiring in fiscal year 1980. The Subcommittee on Postsecondary Education has been involved in hearings on the reauthorization of the Higher Education Act for many months. It was the chairman's firm hope that by this time a reauthorization bill would have been through the House. However, the administration did not provide us with their recommendations, which are rather substantial, until last week. We want nothing to complicate the appropriations process. Therefore, a 1-year extension of expiring programs is proposed in order to allow for orderly funding. It will still be some time before we complete work on a reauthorization bill and we simply want to guard against any possibility of delaying the appropriations and budget processes.

Mr. Speaker, I urge approval of the bill.

□ 1220

Mr. BUCHANAN. Mr. Speaker, I yield such time as he may consume to the distinguished ranking minority member of the Committee on Education and Labor, the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I want to join with the distinguished chairman of the Education and Labor Committee, Mr. PERKINS, and the distinguished Postsecondary Education Subcommittee chairman, Mr. FORD of Michigan, in urging the passage of H.R. 4476, the Higher Education Technical Amendments of 1979. Congress needs to take immediate action on this measure in order to insure that guaranteed student loans will be available to students this this fall and to provide independent students with basic grants to which they are entitled by the Middle Income Student Assistance Act.

In the guaranteed student loan program under the current law, the special allowance paid to lenders may not exceed 5 percent when averaged over four consecutive calendar quarters. The special allowance is tied to the yield on 91-day Treasury bills, and it is designed to make loans comparable in attractiveness to other lending opportunities. Because of high Treasury bill rates this year and the 5-percent cap, lenders are reluctant to loan students money when other loans would give higher yield.

H.R. 4476 removes the 5-percent cap and allows the special allowance to float in its relationship to Treasury bills. This will make guaranteed student loans particularly attractive to lenders in the critical third quarter of 1979 when approximately 50 percent of the annual volume in student loans occur.

The Middle Income Student Assistance Act which was signed into law on November 1, 1978, changes the treatment of independent students so that approximately 70,000 new independent students became eligible for basic grants and approximately 612,000 independent students became eligible for larger grants. In a July 6 letter from the then-acting Secretary of HEW, Mr. Fred Bohen, Congress was told that unless the technical amendments are passed, they did not have the legal authority to fully fund the independent student provisions of the Middle Income Student Assistance Act. Most of the students affected by the new treatment of independent students in MISAA have been notified of their enhanced eligibility, therefore, they are now making decisions based on the assumption they will receive larger basic grants for the fall. I believe it is critical that Congress keep its commitment to these students.

Many of my colleagues are probably concerned, as they should be, that we be voting on a bill here today under suspension of the rules that extends programs with authorizations of over $5 billion. Upon closer review, you will realize that H.R. 4476 only extends for 1 year, through fiscal year 1981, those higher education programs and the National Institute of Education which are currently authorized through 1980. The only reason for this 1-year extension is to maintain the normal appropriations process for the higher education programs and NIE while action is being completed on the major reauthorization legislation.

The Appropriations Committee will not consider appropriations for programs which are not authorized, therefore, without the 1-year extension, the appropriations for these programs would have to be provided in a supplemental appropriation late next year. This, of course, would seriously disrupt the normal funding process of these programs and would be injurious to the student recipients.

It is my understanding that the education and Labor Committee will begin markup on the Higher Education Act reauthorization bill sometime in September, and it is the intent of the committee to bring the reauthorization to the full House before the end of the first session. At this time, we will have every opportunity to amend the Education and Labor Committee bill, because it will be brought under an open rule. If my understanding of the future of the Higher Education Act reauthorization is correct, I urge immediate passage of H.R. 4476 so that the student aid programs will not be adversely affected this fall.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to associate myself with the remarks of the distinguished chairman of the Postsecondary Education Subcommittee and urge immediate passage of H.R. 4476. It is critical that this legislation be passed by both Houses of Congress before the August district work period and signed into law by the President as soon as possible thereafter. Literally hundreds of thousands of students are waiting for us to pass this bill, because it would provide increased loan opportunities for many students and higher basic grants for other students.

Many of my colleagues will wonder why a bill of this magnitude is being brought under suspension of the rules. One of the major provisions in the bill extends all those programs authorized by the Higher Education Act, as well as the authorization for the National Institute of Education for 1 year. This 1-year extension until the end of fiscal year 1981 provides for over $5.3 billion in authorizations. Let me assure my colleagues that this is not an effort to end-run the normal legislative process and that the 1-year extension is necessary in order to allow the Appropriations Committee to fully review these programs next year. The Appropriations Committee will not consider appropriations for programs which are not authorized. Therefore, if we do not extend these programs until fiscal year 1981, the committee could not review them under the normal appropriations process and a supplemental appropriations bill would be required.

As Chairman FORD noted in his opening remarks, the Subcommittee on Postsecondary Education has been involved in extensive hearings to review all the programs authorized by the Higher Education Act. To date there have been 30 days of hearings, and we expect to have an additional 5 days of hearings before marking up the reauthorization bill in the middle of September. I think it is obvious that the subcommittee is taking seriously its mandate to review these programs very carefully, and all Members of the House will be afforded the opportunity of commenting on the reauthorization bill and amending it, if it is their desire, by the end of the first session of the 95th Congress.

I want to take this opportunity to commend Chairman FORD for the outstanding manner in which he is conducting the reauthorization process. Last year he had the foresight to ask that all groups interested in the Higher Education Act programs to send to him their recommendations for reauthorization by February 15, 1979. This procedure resulted in the most comprehensive reauthorization recommendation documents I have ever seen and surely will provide for excellent legislation this fall. No one can truthfully say that their voice was not heard during this reauthorization process. If someone has a complaint about any of the programs which are being extended in the Higher Education Act as provided by H.R. 4476, I would urge them to communicate their concerns to the gentleman from Michigan (Mr. FORD) and myself as soon as possible so that we can reflect these concerns in the reauthorization bill.

The immediacy of passing the Higher Education Technical Amendments of 1979 results from problems in the guaranteed student loan program and the basic educational opportunity grant program. As noted before, the first problem arises because, under current law, the special allowance paid to lenders under the guaranteed student loan program may not exceed 5 percent when averaged over four consecutive calendar quarters. This special allowance, being tied to the 91-day Treasury bill, is used to make student loans attractive to lending institutions. Due to the high interest and high Treasury bill rates this year, the 5-percent cap has been exceeded in previous quarters, therefore, lenders would receive substantially lower yields on student loans in the second and third quarters of this year without this legislation. Participation of lenders in this program is voluntary, therefore, the lower yields will substantially curtail lending during the peak lending season between April and September when most students are preparing to finance their education for the academic year 1979–80.

The Subcommittee on Postsecondary Education has heard extensive testimony from the Congressional Budget Office, the State Guarantee Agencies, the Higher Education Institutions, and the American Bankers Association which indicates that without relief during these very critical quarters many students will not be able to obtain loans. H.R. 4476 removes the 5-percent cap and allows the special allowance to float in relationship to Treasury bill rates thus encouraging lender participation because of the higher yield.

The second significant problem has haunted the Subcommittee on Postsecondary Education for almost a year now. I will not deal with the chronology of this problem, but I would like to enter into the RECORD an article from a recent chronical of higher education which details the frustrations of Congress in trying to implement the independent student provisions of the Middle Income Student Assistance Act.

The article follows:

Just when you think you finally have straight in your own mind the latest fed-

eral policy on aid to "independent" students, the Administration seems to change its mind.

Two years ago, officials in the Office of Education decided they *should* help self-supporting students. With the approval of Congress, they liberalized eligibility for Basic Educational Opportunity Grants.

A few months later, officials in the Department of Health, Education, and Welfare said they *couldn't* help—at least for a year. They got the approval of Congress to delay, until the fall of 1980, spending any more funds on students who are financially independent of their families.

But, under pressure from key education leaders on Capitol Hill, the HEW officials changed their minds again and said they *would* help, after all. They proposed the Middle Income Student Assistance Act of 1978, which eased the requirements for self-supporting students to receive aid.

When the fiscal 1980 budget proposals were released in January, however, senior Administration officials had decided they *couldn't* help. First, officials in the Office of Education insisted that they did not have the technical authority to put the liberalized criteria into effect. Later HEW officials argued they did not have the money to do so.

By spring, Washington lawmakers were growing impatient. They said the Administration must help or they would hold up all basic grant funds.

So HEW agreed once again they would help, until their lawyers discovered this spring they couldn't help. Congress must amend the Middle-Income Act, they said, to change the date for putting the liberalized eligibility criteria into effect. It must be shifted from Aug. 1, the date set in the law, to July 1, the time grants are handed out for fall, they said.

But when July 1 came and went without Congressional action, the Administration decided it could go ahead and distribute the awards while Congress finished work on amendments to the Middle-Income Act. Then the General Accounting Office got into the act, saying officials could not proceed until Congress finished its work.

"Meanwhile," one education official admitted in a bit of understatement, "we have a problem."

Last fall, in the Middle Income Student Assistance Act, Congress liberalized the treatment of independent students so that their consideration in financial needs analysis would be made more equitable, even though both the Education and Labor Committee and the Appropriations Committee have constantly indicated their intent to implement the independent student provisions in the 1979–80 academic year, we are faced, approximately 3 weeks before the opening of the fall semester, with not knowing whether these provisions will be implemented.

If we do not adopt these technical amendments prior to the August recess, approximately 600,000 independent students will receive no basic grant or a smaller basic grant than provided for in MISAA. This has complicated processing by the student financial aid administrators of not only basic grants but of all the student aid programs. The basic grant is the basis upon which all other student aid and packaging decisions are made, therefore, the aid officers must wait until the final basic grant award is determined before they can package the remaining student aid for the student. Not only has this complicated the processing, but it has confused the students who were anticipating the changes provided in MISAA. I feel it would be a grave injustice to the students not to take the action provided for in H.R. 4476.

In addition to solving the problems noted above, H.R. 4476 makes the following noncontroversial changes:

Clarifies the Commissioner's regulatory authority under the basic grant program in order to implement the Middle Income Student Assistance Act (MISAA);

Corrects an error in MISAA regarding the period of enrollment covered by the changes in the basic grant program;

Implements, as of October 1, 1979, the interest subsidy in special allowance payments on multiply disbursed loans as provided by the Education Amendments of 1976;

Permits the Commissioner to collect, on behalf of higher education institutions, national direct student loans which have been in default for less than 2 years and allows the collections to be returned to these institutions, minus administrative costs; and

Provides equal treatment for students in nonprofit post-secondary vocational schools and proprietary schools in the basic grant program.

It is my understanding that the Senate will consider our bill as soon as we can pass it here today and send it to the Senate. I hope that there will not be objections to the bill in the Senate so that it may progress through the legislative process as expeditiously as possible.

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Alabama (Mr. BUCHANAN) and I would like to say that anyone who has had an opportunity to observe the operation of our committee will recognize that we have worked together. The gentleman from Alabama (Mr. BUCHANAN), as the ranking minority member, has gone out of his way many, many times to make it possible for us to progress with this bill as we have.

The gentleman from Alabama has put aside other important matters on many occasions in order to make it possible for us to legally carry out our activities as a committee in developing the record for reauthorization. I think that this spirit of active cooperation by the minority members of my committee led by the gentleman from Alabama (Mr. BUCHANAN) should be noted, and it will contribute, I am sure, to the strong probability that we will meet the time schedule of bringing a reauthorization bill before the House this fall.

I would also like to note, in the passing of this bill, that it was necessary, because of the new entitlement authority, to refer this bill to the Commitee on Appropriations after it had been acted on by the Committee on Education and Labor. If you look at the time frame in which these technical amendments have been handled, you will realize that the full Committee on Education and Labor considered and acted on the legislation and then the Subcommittee and the full Committee on Appropriations acted on the legislation.

I might add that the Democratic policy and steering committee also gave clearance for this method of bringing the bill to the floor. All of this occurred within the span of approximately 4 weeks after we had the last recommendation from the administration with respect to the technical amendments they thought were necessary. I think this is indicative of how effectively the House has been able to cooperate with HEW when they tell us what it is they would really like to accomplish.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank the distinguished chairman of the subcommittee, and I take this opportunity to rise only because I guess one could say it is a matter of personal honor or defense. I have reference to the particular section that allows the increase in the allowance or increase in interest on the guaranteed loan.

Certainly I do so reluctantly because I hate to throw a little drop of sourness into what is obviously a very meritorious accomplishment by the subcommittee. This matter really motivates me only because I have held a very strong position and feeling throughout my congressional career about this type of expediency. I have fought this in my own Committee on Banking, Finance and Urban Affairs in the recent housing legislation that permitted what I consider to be the nationalization of usurious rates of interest.

This is a losing fight. I know it is tilting at windmills, but I am secure in the feeling that the Congress insistence on abdicating this very important defense is a very serious flaw.

I have waged the same fight with respect to the policies of the Small Business Administration. I have waged the fight on all of these basic programs, small business aid, housing, mortgage and construction aid, and, of course, student guaranteed loan aid.

This type of related issue in other areas of Federal activity reveals what I consider to be a complete surrender to the usurious interest rates that have literally taken over the country. I consider the question of interest rates to be the prime problem, and yet nobody seems to be addressing himself or herself to that issue on the national level.

Mr. Speaker, I feel that if through this policy we are going to suborn the basic principle of this type of aid, which is to provide below market interest rate loans, we are abdicating a trust.

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Texas (Mr. GONZALEZ) for his contribution, but I would like to observe that there is perhaps a little misunderstanding on his part. I am familiar with the gentleman's long and persistent protection of people of all kinds in this country against people who would take advantage of economic conditions to unjustly enrich themselves. I take some pride in being a follower of the gentleman many times when he has taken the lead on that issue.

But I would assure the gentleman that if this were the only interest rate on the money repaid in the loans, the committee would not have acted in this fashion. However, there are two thresholds in this program. One is the provision in the law that the special allowance will not exceed 5 percent when averaged over four quarters, so it gives inadequate flexibility for changes in the money market.

The second is that no matter what we do with the cap, the amount of the special allowance is really based on what the current cost of money is, at the time the loan is made. The special allowance is tied to the rate of return on 91-day Treasury bills.

It is interesting to note that all of the experts with whom we have checked on this seem to believe that 91-day Treasury bills will be at their peak in this current quarter, during which young people who are seeking to go to school this fall will be applying for loans. The rate for 91-day Treasury bills is expected to drop off in the very next quarter, and in the first quarter of 1980 it should drop even further.

□ 1230

We have modified this cap several times since 1965. We decided this time not to take the chance on jeopardizing anybody's student loan this fall by playing with the numbers, since the numbers are really controlled by our Treasury bills, the cost of 91-day Treasury bills in the marketplace. We are allowing the special allowance to float with that cost.

I can assure the Members that, while it is important that we do this to restore and to reinforce the confidence of lenders, many of whom are being induced for the first time to come into this program, it is not going to amount to a long-range windfall.

The SPEAKER pro tempore. The time of the gentleman from Michigan (Mr. FORD) has expired.

Mr. BUCHANAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. FORD).

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Speaker, I agree with everything that has been said about the importance of this litigation. I would just add a word or two. One is that we have had excellent leadership on this subcommittee. Until recently, the gentleman from Michigan (Mr. O'HARA) was the chairman of this subcommittee. The gentleman from Michigan (Mr. FORD) has moved in and has provided practical, knowledgeable, effective leadership there. On the Republican side, at that point the minority side was dominated by our former colleague from Minnesota, Mr. QUIE, whom the gentleman from Minnesota (Mr. ERDAHL) succeeds ably, and the gentleman from Alabama (Mr. BUCHANAN) and the gentleman from Ohio (Mr. ASHBROOK) have moved in there and have done very well.

There are two points I would make. One is in response to my colleague, the gentleman from Texas (Mr. GONZALEZ), whose name I remember reading in the CONGRESSIONAL RECORD years before I came here. He and Wright Patman were fighting this battle against higher interest rates long before I even knew either one of them. And they are correct. It is a factor we have to watch. One-sixth, roughly, in our inflation rate last year was caused by an increase in interest rates. But this legislation has to recognize the realities—not our hopes—and has to get loans to the students. We cannot say we would like to have artificially low-interest rates.

The second point I would make is that part of this legislation is reauthorization for 1 year for the National Institute of Education. It emerged from the subcommittee, which I happen to chair, and has become part of this legislation.

One of the things we did was to reduce the authorization level. That is not because there is any feeling that NIE is doing anything but an excellent job; but it is the prejudice of this Member, and some of the other members of the subcommittee, that we should not have these authorization levels artificially way above the appropriation levels. So we simply reduced that. NIE is doing an excellent job, and I think that is generally acknowledged. I am pleased to support this legislation.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume in order to associate myself with the remarks of the distinguished gentleman from Michigan (Mr. FORD) and the distinguished gentleman from Illinois (Mr. SIMON) on the subject of the loan changes. I do not believe we here contribute to high interest rates, but we are recognizing this unhappy fact of life and its impact upon lenders and upon students.

Again, if we do not pass this legislation, what it is going to mean is that the many thousands of young people simply will not be able to get loans that they need for their education this fall. So I do believe that, while not contributing to the problem, we are recognizing its existence. I hope, like our distinguished friend, the gentleman from Texas, we can find a way to combat something that really is, in my judgment, a part of our problem of inflation itself and a contributing factor toward it.

Mr. SPEAKER, I yield 3 minutes to the gentleman from Illinois (Mr. MICHEL), the distinguished minority whip.

Mr. MICHEL. Mr. Speaker, I am certainly not going to oppose this legislation, but I think the Members ought to be aware of what it does regarding the increased special allowance to lenders under the guaranteed student loan program.

That current ceiling for special allowance payments is 5 percent, which, when coupled with the regular 7-percent interest subsidy, means that the banks can receive up to 12 percent interest on these loans. The bill would lift the ceiling on special allowance payments and in effect substitute a floating rate tied to the 91-day Treasury bill rate. The result will be the payment of interest in excess of 12 percent on these loans.

This action was undertaken to insure that lenders will continue to have an incentive to make student loans during a time of rising interest rates. There apparently is a concern that a sizable dropoff in the number of loans issued will occur if the ceiling is not lifted.

This may be justified in and of itself, but the problem is that the bill does not just apply this provision to future loans but also makes it retroactive, going all the way back to April 1. In other words, the banks will receive higher interest rates paid by the Federal Government for loans already made at lower interest rates.

We have heard an awful lot concerning what has been expressed in recent days over excess profits. Well, if this does not smack of the windfall profit, I do not know what does. It represents a bonanza to the banks, and the cost of these retroactive payments, according to the Budget Office, will be $38 million. If this defect in the bill is not corrected, we will, of course, have to appropriate through our Appropriations Committee the money at some point down the road. If the increase in the special allowance is intended to serve as an incentive to banks to continue making loans, it would hardly seem necessary to apply it to loans that have already been made.

The procedures under which we are considering the bill today prevents us, obviously, from amending it; however, I understand that there may be a move in the other body to delete this retroactive provision, and I hope that the Members of this body, when going to conference, will certainly give serious thought to agreeing to deleting that provision in conference, because, as I said, it is an undue windfall profit for the banks of $38 million. Those loans have already been made. In my judgment, to restore the integrity of the program, as I would like to support it, I think we ought to make it prospective rather than retroactive.

Mr. BUCHANAN. Mr. Speaker, I think the gentleman's point is well taken. I, for one, will certainly take a look at that. We do need to provide incentives to lending institutions. We are trying to do that. I urge the passage of the bill.

Mr. Speaker, I have no further requests for time.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. FORD) that the House suspend the rules and pass the bill, H.R. 4476, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order: House Concurrent Resolution 80, and S. 961.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

MARTIN LUTHER KING STATUE

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution (H. Con. Res. 80).

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 80) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 408, nays 11, not voting 15, as follows:

[Roll No. 405]

YEAS—408

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—11

Ashbrook
Collins, Tex.
Hansen
Ichord
Kelly
McDonald
Paul
Rousselot
Stump
Symms
Young, Fla.

NOT VOTING—15

Anderson, Ill.
Ashley
Bolling
Conyers
Diggs
Dingell
Flood
Forsythe
Hutto
Marlenee
Mazzoli
Mitchell, Md.
Roth
Treen
Waxman

□ 1250

The Clerk announced the following pairs:

Mr. Mitchell of Maryland with Mr. Anderson of Illinois.
Mr. Ashley with Mr. Forsythe.
Mr. Dingell with Mr. Marlenee.
Mr. Mazzoli with Mr. Roth.
Mr. Waxman with Mr. Conyers.
Mr. Hutto with Mr. Flood.

So (two-thirds having voted in favor thereof), the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MICA). Pursuant to the provisions of clause 3(b)3 of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

SPEEDY TRIAL ACT AMENDMENTS OF 1979

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the Senate bill, S. 961, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. GUDGER) that the House suspend the rules and pass the Senate bill, S. 961, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 416, nays 1, not voting 17, as follows:

[Roll No. 406]

YEAS—416

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—1

Murphy, Pa.

NOT VOTING—17

Akaka
Anderson, Ill.
Ashley
Bolling
Conyers
Diggs
Emery
Flood
Forsythe
Goodling
Hutto
Maguire
Marlenee
Mazzoli
Pepper
Roth
Treen

□ 1300

The Clerk announced the following pairs:

Mr. Pepper with Mr. Anderson of Illinois.
Mr. Ashley with Mr. Marlenee.
Mr. Akaka with Mr. Roth.
Mr. Mazzoli with Mr. Forsythe.
Mr. Hutto with Mr. Goodling.
Mr. Maguire with Mr. Emery.
Mr. Conyers with Mr. Flood.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all Members may have up to 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the bill, H.R. 4476.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT, ALONG WITH MINORITY OR SEPARATE VIEWS, DURING AUGUST RECESS ON H.R. 3712, AMENDING SECTION 103 OF INTERNAL REVENUE CODE OF 1954

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may be permitted to file a report, along with any minority or separate views, during the August recess on H.R. 3712, to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I was inadvertently absent for rollcall No. 224 on Wednesday, June 13, 1979. This vote was the automatic rollcall on closing to the public the meetings of the conference committee on S. 429, the supplemental military authorization bill for 1979. Had I been present, I would have voted "yes."

APPOINTMENT OF CONFEREES ON H.R. 4394, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts? The Chair hears none and, without objection, appoints the following conferees: Messrs. BOLAND, TRAXLER, STOKES, BEVILL, Mrs. BOGGS, Messrs. SABO, STEWART, WHITTEN, COUGHLIN, MCDADE, YOUNG of Florida, and CONTE.

There was no objection.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, there being only five minutes allotted for the last vote, I failed to get to the floor in time to vote.

Had I been present, I would have voted "aye" on S. 961.

EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the Senate bill, S. 1030, with Mr. FASCELL in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, July 25, 1979, section 2 had been considered as having been read and open to amendment at any point.

Are there any further amendments to section 2?

AMENDMENT OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT:

Page 17, strike out line 9 and all that follows down through line 18 and insert in lieu thereof the following:

"(A) the President—

"(i) has transmitted a copy of such contingency plan to the Congress;";

(2) by redesignating subparagraphs (A) and (B) as clauses (ii) and (iii), respectively;

(3) in clause (ii) (as redesignated), by inserting after "has found" the following: ", not earlier than 30 days of continuous session of Congress (determined in accordance with section 551(d)) after the transmittal of such plan,", and by inserting after "program" the following: "; subject to paragraphs (2) and (3)";

Page 19, strike out line 14 and all that follows down through line 25 on page 20 and insert in lieu thereof the following:

subparagraphs (A) and (B) of paragraph (2).".

(d)(1) As soon as practicable after the date of the enactment of this Act (but in no event later than 90 days after such date of enactment), the President shall prepare and transmit to the Committee on Interstate and

Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report describing the measures taken after such date of enactment (and the costs thereof) to establish a system of rationing of gasoline and diesel fuel pursuant to sections 201 and 203 of the Energy Policy and Conservation Act (42 U.S.C. 6261, 6263), together with a description of the measures to be taken in establishing such system, a timetable for completion of such measures, and an estimate of the costs thereof.

(2) The report under paragraph (1) shall include—

(A) a description of the extent to which coupons or other evidences of right under such a rationing system would be distributed to each end-user of gasoline or diesel fuel on the basis of such end-user's needs, and an explanation of the extent to which such distribution may not be based on such end-user's needs;

(B) an analysis of providing that the entitlement under the rationing system to such end-user rights be granted on the basis of individuals licensed to operate motor vehicles on the public roads and highways, and explanation of the extent to which such entitlement will be granted on that basis;

(C) a description of the extent to which the rationing system would meet the needs and hardships of end-users by the use of local boards as provided for under section 203(d) of such Act (42 U.S.C. 6263(d)), and an explanation of the extent to which such boards may not be used;

(D) a description of how the rationing system complies with the objective of providing for the mobility needs of handicapped persons (including means for their obtaining such end-user rights) as required under section 203(a)(2)(A) of such Act (42 U.S.C. 6263(d)); and

(E) a description of the steps to be taken to provide adequate end-user allocation under the rationing system for the needs of those in suburban and rural areas, particularly mid-sized cities, small towns and rural communities in the countryside, not adequately served by any public transportation system.

(3) The President shall keep such Committees fully and currently informed, on a biweekly basis, about the progress of efforts to establish a system of rationing and of any problem and delays in establishing the system.

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) insist on his point of order?

Mr. BROWN of Ohio. Mr. Chairman, if I may, I would still like to reserve a point of order at this point until we get a description of the amendment.

Mr. WRIGHT. Mr. Chairman, I will address myself at this time to the amendment, if I may.

Mr. Chairman, this amendment makes four significant changes in the legislation as it was amended last week.

It restores the language in the bill as it was reported by the Committee on Interstate and Foreign Commerce to permit the President to develop a rationing plan, subject only to a one-House veto at the time of implementation of the plan.

It preserves the possibility of a legislative veto, but it drops the requirement of a double legislative veto. It would remove the requirement inserted in the Gilman amendment that Congress vote twice.

That, it seems to me, was the evil inherent in the 1975 law. It required us to take possession at a given point in time, when we were ill prepared to do so, of a plan that had just been changed by the President himself. The administration had made those changes only days prior to that moment in order to gain approval in the other body.

The 1975 law set up an impossible criterion. It created unnecessary and overlapping opportunities for vetoing. It created opportunities for obstruction and, therefore, the plan failed of its own weight.

If we are going to give the President of the United States an opportunity to develop a rationing plan, then it seems fully adequate to me, Mr. Chairman, that the rights of the House and the Senate shall be protected by our right to veto the implementation of that plan. We will already understand the plan because my amendment requires that the President report to us fully on his progress in its development and on its final contents.

My amendment also contains some additional changes which I think are beneficial. It requires that in his report on any rationing plan, the President will submit to the Congress a report explaining how the plan will attend to the special needs of the handicapped for transportation. The report also must explain how the plan will meet the particular needs of rural areas and small towns which are not adequately served by public transportation.

I realize, Mr. Chairman, some Members have difficulty in comprehending the danger inherent in this double-veto opportunity, but I am certain it is real.

The provision that was inadvertently included in the 1975 bill for two legislative vetoes invited special interests to descend upon us before the plan was even presented, before there was even any real need for it. Each group was looking to gain special advantage.

The double-veto invites the worst kind of parochialism, pitting State against State, region against region, and city dweller against farmer.

Mr. VOLKMER. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1320

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 407]

Abdnor	Ertel	Leland
Addabbo	Evans, Del.	Levitas
Akaka	Evans, Ind.	Lewis
Albosta	Fary	Livingston
Alexander	Fascell	Lloyd
Ambro	Fazio	Loeffler
Anderson, Calif.	Fenwick	Long, La.
Andrews, N. Dak.	Ferraro	Long, Md.
Annunzio	Findley	Lott
Anthony	Fish	Lowry
Applegate	Fisher	Lujan
Ashbrook	Fithian	Luken
Aspin	Flippo	Lungren
Atkinson	Florio	McClory
AuCoin	Foley	McCloskey
Bafalis	Ford, Tenn.	McCormack
Bailey	Fountain	McDade
Baldus	Fowler	McDonald
Barnard	Frenzel	McEwen
Barnes	Frost	McHugh
Bauman	Fuqua	McKay
Beard, R.I.	Garcia	McKinney
Beard, Tenn.	Gaydos	Maguire
Bedell	Gephardt	Markey
Bellenson	Giaimo	Marks
Benjamin	Gibbons	Marriott
Bennett	Gilman	Martin
Bereuter	Gingrich	Matsui
Bethune	Ginn	Mattox
Biaggi	Goldwater	Mavroules
Bingham	Gonzalez	Mica
Boggs	Goodling	Michel
Boland	Gore	Mikulski
Boner	Gradison	Miller, Ohio
Bonior	Gramm	Mineta
Bonker	Grassley	Minish
Bouquard	Gray	Mitchell, N.Y.
Bowen	Green	Moakley
Brademas	Grisham	Moffett
Breaux	Guarini	Mollohan
Brinkley	Gudger	Moore
Brodhead	Guyer	Moorhead, Calif.
Brooks	Hagedorn	Mottl
Broomfield	Hall, Ohio	Murphy, Ill.
Brown, Ohio	Hall, Tex.	Murphy, N.Y.
Broyhill	Hamilton	Murphy, Pa.
Buchanan	Hammer-schmidt	Murtha
Burgener	Hance	Myers, Ind.
Burlison	Hanley	Myers, Pa.
Butler	Hansen	Natcher
Byron	Harkin	Neal
Campbell	Harris	Nedzi
Carney	Harsha	Nolan
Carr	Hawkins	O'Brien
Carter	Heftel	Oakar
Cavanaugh	Hefner	Oberstar
Chappell	Hightower	Obey
Cheney	Hillis	Ottinger
Clausen	Holland	Panetta
Clinger	Hollenbeck	Pashayan
Coelho	Holt	Patten
Coleman	Holtzman	Patterson
Collins, Tex.	Hopkins	Paul
Conable	Howard	Pease
Conte	Hubbard	Pepper
Corcoran	Huckaby	Perkins
Corman	Hughes	Petri
Cotter	Hutto	Peyser
Courter	Hyde	Pickle
Crane, Daniel	Ireland	Preyer
Crane, Philip	Jacobs	Price
Daniel, R. W.	Jeffords	Pritchard
Danielson	Jeffries	Pursell
Dannemeyer	Jenkins	Quayle
Daschle	Johnson, Calif.	Quillen
de la Garza	Johnson, Colo.	Rahall
Deckard	Jones, N.C.	Railsback
Derwinski	Jones, Okla.	Rangel
Devine	Jones, Tenn.	Ratchford
Dickinson	Kastenmeier	Regula
Dicks	Kazen	Reuss
Dingell	Kelly	Rhodes
Dixon	Kemp	Richmond
Dodd	Kildee	Rinaldo
Donnelly	Kindness	Ritter
Dornan	Kogovsek	Roberts
Downey	Kostmayer	Robinson
Duncan, Tenn.	Kramer	Rodino
Early	LaFalce	Roe
Eckhardt	Lagomarsino	Rose
Edgar	Latta	Rostenkowski
Edwards, Ala.	Leach, Iowa	Roth
Edwards, Okla.	Leach, La.	Rousselot
English	Leath, Tex.	Roybal
Erdahl	Lederer	Royer
Erlenborn	Lee	Rudd
		Runnels

Russo	Stangeland	Wampler
Sabo	Stanton	Watkins
Satterfield	Stark	Weaver
Sawyer	Steed	White
Schroeder	Stenholm	Whitehurst
Schulze	Stewart	Whitley
Sebelius	Stockman	Whittaker
Seiberling	Stratton	Whitten
Sensenbrenner	Studds	Williams, Mont.
Shannon	Stump	Williams, Ohio
Sharp	Swift	Wilson, Bob
Shelby	Symms	Wilson, Tex.
Shumway	Synar	Winn
Shuster	Tauke	Wirth
Simon	Taylor	Wolf
Skelton	Thomas	Wolpe
Slack	Thompson	Wright
Smith, Nebr.	Traxler	Wyatt
Snowe	Trible	Wydler
Snyder	Van Deerlin	Wylie
Solarz	Vander Jagt	Yates
Solomon	Vanik	Yatron
Spellman	Vento	Young, Fla.
Spence	Volkmer	Young, Mo.
St Germain	Walgren	Zablocki
Stack	Walker	Zeferetti

□ 1330

The CHAIRMAN. Three hundred and sixty-eight Members have answered to their names, a quorum is present, and the Committee will resume its business.

□ 1340

The Chair will state that the gentleman from Texas (Mr. WRIGHT), at the time the point of order of no quorum was made, had 1½ minutes remaining.

(On request of Mr. DINGELL and by unanimous consent, Mr. WRIGHT was allowed to proceed for 4 additional minutes.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, my amendment would fully preserve the right of a legislative veto against a Presidential plan of rationing. It would allow the Congress to assert that right at the very time the plan was submitted for implementation. My amendment would require that the plan lay over a sufficient time for Congress to have the opportunity to assert that right.

That is the right time for Congress to have this privilege—when it can see and evaluate the conditions that the President's plan would seek to alleviate.

But my amendment would take away the redundancy of the double veto. My amendment would remove the temptation which already has scuttled one Presidential plan and made it appear that Congress was utterly incapable of agreeing on any plan. That happened because the double veto offered a temptation for the very worst form of parochialism.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my friend, the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I appreciate the gentleman's yielding.

Last week during the consideration of the standby rationing plan, I voted for the two-House veto provision. Arkansas as a State uses 24 percent more gasoline per vehicle than the national average. Inasmuch as no mention is made of allocation and given the tendency of some planners to favor the high density urban areas, I am concerned about the question of equity of distribution.

Unless equity of distribution is provided as a principle to be used in the formulation of a standby rationing plan there is a chance of discrimination against citizens living in midsized cities, small towns, and rural communities.

Mr. Chairman, I would like to ask the gentleman from Texas (Mr. WRIGHT) how he has addressed the question of the equity of distribution that I have raised.

Mr. WRIGHT. Mr. Chairman, if the gentleman will permit, I will say to the gentleman from Arkansas (Mr. ALEXANDER) that we have included in my amendment language which requires the President to describe in his report to Congress exactly what actions he proposes to meet the needs of people in rural, suburban, and small town areas which have no adequate public transportation. In many instances, these areas have no transportation facilities whatever.

Mr. Chairman, the gentleman from Arkansas (Mr. ALEXANDER) has consulted with me in advance, and the gentleman from Arkansas has indeed suggested language which is incorporated in this amendment to alleviate those fears and concerns which his people rightly feel.

Mr. ALEXANDER. Mr. Chairman, if the gentleman will yield further on this one point, does the gentleman feel that the language on page 3 added to section (E), which says that the description of the steps shall include "particularly midsized cities, small towns and rural communities in the countryside not adequately served by any public transportation system," cures my concern for this equity question?

Mr. WRIGHT. I surely do, and I think that is a needed addition to the bill.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my friend, the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I would like to simply point out that in addition to the protections which have been added by this amendment which I support, we have in the bill itself an assurance of equal sharing among the States on the basis of a consideration of the most recent data available, which does assure that each State will share equally in the shortfall, and those States which are disadvantaged due to an absence of mass transit and alternative methods of transportation would be protected.

I think the amendment offered by the gentleman from Texas (Mr. WRIGHT) adds to this protection by assuring that handicapped people in the rural areas and suburban areas are protected by the plan that would come forth under these guidelines. I think it is important that we emphasize that we have here a stronger set of guidelines.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my friend, the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, would the gentleman from Texas (Mr. WRIGHT) explain as to where it is stated in here that anyone would have the right of judicial review of the plan to assure that the concepts that were stated there by the gentleman from Texas and also the gentleman from Arkansas are in fact carried out?

Mr. WRIGHT. Mr. Chairman, if the gentleman would stop and ponder this, I think he would realize that there is not, and has not been, any review process other than what we are providing.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the assurances that the principles of fairness are carried out, I would advise the gentleman, are made through the mechanism of the one-House veto, and before the plan can be implemented the plan must be submitted by the President to the Congress. Under the accelerated review process of the Congress, the Congress would have the opportunity to veto the implementation of the plan if we found it in any fashion to be unfair.

So, Mr. Chairman, I commend the majority leader, and I support his amendment with great enthusiasm.

Mr. WRIGHT. Mr. Chairman, I thank the gentleman for his remarks.

Mr. Chairman, I believe the gentleman from North Carolina (Mr. BROYHILL) really would recognize, too, that this is a bill designed to meet emergency situations which we hope will not occur. If they should occur, it would be an emergency, and the question of judicial review or a separate review process would become important.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(On request of Mr. LEVITAS, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I would like to ask the distinguished majority leader to expand a little bit further on the point he made in his original presentation.

First of all, I would like to state that I supported the President's plan when it came over here the last time, so it is not a question of whether I favor it or do not favor it. But as the gentleman knows, I am very interested in the mechanism of the legislative veto. I do not think we need to have two or three or four in the same program, but I think it is essential we have a legislative veto.

What assurance do we have that this vote—and I do not know how I am going to vote on this—is not a test of the legislative veto itself?

Mr. WRIGHT. Mr. Chairman, if the gentleman will let me respond, I will say to the gentleman from Georgia (Mr. LEVITAS) that all of our colleagues and I are fully aware of his deep concern about the increasing tendency of administrative personnel to want to write laws without the inconvenience of running for Congress. I think the gentleman from

Georgia has performed a noteworthy public service by bringing this again and again to the attention of the Congress.

As the gentleman is aware, I have been one of those who have supported his efforts. Certainly this does not in any way abrogate those efforts because it protects, as the gentleman from Michigan (Mr. DINGELL) will further explain, every right of legislative review.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think it is very clear that the legislative veto was included in the proposal as submitted to the House by the Committee on Interstate and Foreign Commerce. So this amendment is not and cannot be a test, because the bill originally had the one-House legislative veto before implementation which, as I understand it, is precisely the principle that the gentleman from Georgia (Mr. LEVITAS) so ably espoused.

The amendment now offered by our distinguished majority leader again provides that before the program of rationing can be implemented by the President there must be the one-House veto, so this cannot be viewed in any fashion as a test.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I will yield to the gentleman from New York (Mr. GILMAN) first, and then I will yield to the gentleman from California (Mr. JOHN L. BURTON).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

I would like to address some questions to the gentleman from Texas (Mr. WRIGHT).

Essentially what the gentleman's amendment seeks to do—and I commend the gentleman for trying to strengthen this proposal—is to elaborate on what has to be in the President's plan when he submits it during that 30-day layover period; is that not correct?

Mr. WRIGHT. That is correct. The gentleman from New York (Mr. GILMAN) correctly interprets my intent. It further requires that he submit it even earlier than 90 days, if possible.

Mr. GILMAN. In addition to that, the gentleman's amendment strikes out my one-House congressional review of the plan at the time of its submission; is that not correct?

Mr. WRIGHT. Mr. Chairman, the gentleman is correct indeed. That is the purpose of the amendment.

□ 1350

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(On request of Mr. GILMAN and by unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

Mr. GILMAN. Mr. Chairman, if the gentleman will yield further, essentially, then, what the gentleman is concerned about is the congressional scrutiny of the President's proposal at the time he initially sends the rationing plan to the Congress. The gentleman does not object to the veto during an emergency period, at which time we would have to then, for the first occasion, under the gentleman's plan, address ourselves to whether we feel the substance of the plan is in order; but the gentleman would prefer that we do not do that at the time the President submits the plan, when there could very well not be any emergency at all and we would have a cool, deliberative atmosphere in which to take a look at the President's proposal. Am I correct? Is that the gentleman's intent?

Mr. WRIGHT. Mr. Chairman, the gentleman states it in a way that I would not state it. But I cannot quarrel with what he said beyond the fact that it seems to me that my amendment gives us ample and adequate protection. It requires the President to lay before us a full and complete plan. Therefore, we will have ample opportunity to know what it consists of and can measure it then against the emergency with which it would be designed to cope.

Mr. GILMAN. If that be the case, I cannot understand why the gentleman would object to the House having a voice in the substance of that plan at the time the President proposes it, since he has taken such precautionary measures to make certain that the plan as submitted to the Congress is all-inclusive.

I would urge my colleagues to defeat the gentleman's proposal unless it includes an opportunity to review and veto that measure at the time of its initial submission so that the Congress does have a voice about the substance of the measure and not merely the implementation.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, my concern is this: Under the bill that is reported from committee, there has to be an emergency. The President submits a plan that we can veto in the middle of an emergency, which does not give you much of a cool, deliberative, rational discussion on the merits, and it is either like your backs are against the wall, you are either going to do something or you are going to drop over, and I would much prefer the approach that the gentleman from New York had, or maybe something in between. Once you are in an emergency, once he comes up with a plan, and it is either put up or shut up at that time, does not give Congress too much of a voice, unless you are in a lame-duck session and you do not have to worry about it much.

Mr. WRIGHT. Mr. Chairman, I appreciate the gentleman's concern. But I point out to the gentleman that, under the terms of this amendment, as under the terms of the bill itself, the President would have to submit this plan a minimum of 30 days prior to the finding of an emergency, and then the House would have 15 more days.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has again expired.

(On request of Mr. OTTINGER and by unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to my good friends, the gentleman from California and the gentleman from New York, that consideration of a plan in advance is not going to be cool or deliberative. What you are going to do is to invite every interest in the country, which feels that somehow or another it has been shortchanged, to try and defeat that plan. In my opinion, judged on the experience based on the last time the plan was presented, we just will not get an emergency plan in place. I think this is an emergency plan. And the gentleman from Texas has provided that it will be available to the committees, having thorough consideration beforehand, and the House will be advised of that progress on a periodic basis, and we will have a chance to act if something is outrageously proposed. But to say that we have to have action on it in the Congress beforehand I think is just unrealistic.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, in the first place, let me ask the gentleman this: Is it 30 days or is it 30 legislative days?

Mr. WRIGHT. Thirty calendar days.

Mr. KAZEN. Thirty calendar days.

The second question I have is this: What is meant by a one-House veto? In the procedure the President submits to the Congress, the Speaker then sends it to the committee. Now, is a pocket veto by the committee sufficient, or must the House vote on it?

Mr. WRIGHT. Any Member may discharge the bill. The committee cannot keep it bottled up. The House can get a vote on the motion of any Member within 15 legislative days after the submission of the plan and the declaration of an emergency. It is 15 legislative days continuous session, so any Member could call it up for a vote. It cannot be bottled up. It could not be vetoed simply by the committee. It would have to be vetoed by the whole House.

Mr. KAZEN. I want a positive vote by the House. I do not want any Amtrak situation; in other words, where the committee did not bring anything out, and the Department downtown said, "The Congress approved of it simply because the Congress did not vote on it."

Mr. WRIGHT. It is precisely that concern so ably voiced by the gentleman from Texas that we address in this amendment. It would require that there be a vote on the floor of the House by a majority of the Members if the plan is to be rejected.

Mr. KAZEN. I thank the gentleman.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, further on the question just asked by the gentleman from Texas (Mr. KAZEN), it is my understanding, and I would like for the gentleman from Texas (Mr. WRIGHT) to confirm this, that the motion which would be offered is a highly privileged motion and one which would have to come to the floor of the House within the time period provided for so that the House could exercise a veto.

Mr. WRIGHT. The gentleman is absolutely correct.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Washington.

Mr. PRITCHARD. I thank the gentleman for yielding.

Mr. Chairman, the gentleman had a colloquy with the gentleman from Arkansas, in which he talked about the President taking into consideration supposedly unusual circumstances. We do not know. What disturbed me with the last plan was that if you deduct the 8 gallons that you gave to the Governor, that the State of Texas would get some 51 gallons, the State of Arkansas would get, I think, 52 gallons, the State of Georgia was to get 50 or 51 gallons, but the State of Washington was to just get 38 gallons a month for their people. I could never straighten that out. What disturbed me is that this same type of approach, judging from what the gentleman said to the gentleman from Arkansas, will be presented to us again at a time when we are in a crisis. I think we have it just backwards. We ought to be perfecting the plan before the crisis comes, and I would prefer to give the President freedom to move in the crisis, but I would like to have something to say about this plan before we get into the crunch.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has again expired.

(On request of Mr. PRITCHARD and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Mr. Chairman, I would like to respond to the gentleman by calling attention to the language on page 21, line 6:

> . . . the end-users rights specified in paragraph (1) shall be distributed on a basis that results in the degree of shortfall involved being equally shared among the various States, considering the most recent data available. . . .

It is just precisely the kind of parochial quarrel that ensued on the House floor and spelled the end of the most recently offered plan that we would seek to avoid. We would seek to guarantee that fairness and equity should apply among the States.

But, heaven knows, nobody is going to be satisfied, and it is going to avail us little if we fall into petty parochial quarrels among ourselves, State against State, region against region, town against city, city against farm.

Heaven knows, the problem will be a national problem if it were to occur—and we hope it does not occur—and that is why we ask that the President have all this time to perfect a plan and submit it to the Congress within, at the most, 90 days, so that we will know what it contains.

Mr. PRITCHARD. I think the gentleman is describing the legislative process.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) insist upon his point of order?

Mr. BROWN of Ohio. Yes, Mr. Chairman, perhaps without a great deal of hope, but I do insist upon the point of order to this extent:

It seems to me that the rules of the House provide that, once an amendment to legislation under consideration of the committee is passed, once that amendment is passed, an amendment then to undo that amendment is not in order. There is a procedure to deal with that problem, and the procedure is that, when the consideration moves from the committee to the full House of Representatives, there can be a revote on the request of any individual Member of an issue that has been passed as an amendment.

The Gilman amendment was passed by this House, which provides for the opportunity for the House to veto the plan as submitted.

The amendment offered by the gentleman from Texas (Mr. WRIGHT), the majority leader, whose eloquence I admire, provides for the termination of the Gilman amendment; in other words, it just kills the Gilman amendment.

It seems to me that the gentleman has chosen an improper vehicle to try to kill the Gilman amendment. The vehicle should have been when we get into the full House, if he has his vote changed, he should ask for the Gilman amendment to be revoted and defeated at that time. But the amendment offered by the gentleman from Texas (Mr. WRIGHT), it seems to me, is merely that procedure, and that is not permitted under the rules of the House.

□ 1400

Mr. WRIGHT. Mr. Chairman, I would appreciate the privilege of being heard against the point of order.

I think there is ample precedent for striking out an amendment already agreed to and inserting a new provision where it is a different proposition, contains new provisions, and where the section has not been amended in its entirety.

For example, Deschler's Precedents in the instance of the Vietnam Humanitarian and Evacuation Systems Act, the date of April 23, 1975, states that while it is not in order to further amend an amendment previously agreed to, an amendment encompassing a more comprehensive portion of the bill, including original texts not yet amended, is in order. I suggest that the amendment I offer makes several substantive changes in section 2 of the committee bill, and therefore is fully in order.

First, the amendment requires that the report that is to be submitted to the committee shall be furnished as soon as possible after enactment so that the Congress does not need to wait for a full 90 days.

Second, the amendment adds a new provision requiring that the report describe the actions taken by the President to meet the mobility needs of the handicapped.

Third, it adds a new provision to require that the President describe actions taken to meet the needs of people in rural and smalltown and suburban areas, those that have no adequate public transportation services.

Fourth, it provides that the President keep the appropriate committees of Congress fully and currently informed, and that it seems to me is a viable substitute in the sense of language that would make fully acceptable the amendment that I have offered by the standpoint of parliamentary germaneness; and it requires that the President report to Congress during the implementation of any such plan on a biweekly basis, which strengthens again the oversight powers of the Congress.

And finally, the amendment provides an opportunity for either House of Congress to have one opportunity to disapprove implementation of the rationing plan.

For all those reasons, Mr. Chairman, in keeping with the precedents, I think it must be held that this amendment would be in order.

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) desire to be heard further?

Mr. BROWN of Ohio. Merely to state again, Mr. Chairman, that the precedents I do not think do provide for killing an amendment once adopted until we get out of the committee, and certainly not by the mere substitution of a meaningless report.

The CHAIRMAN. The Chair is prepared to rule.

The Chair has examined the amendment offered by the gentleman from Texas, and, indeed, while the gentleman from Ohio is correct that it would not be in order merely to further amend an amendment that had previously been agreed to, it is in order to consider an amendment which has substantive changes in the bill going beyond the original amendment; and in the matters which the gentleman from Texas has described, particularly in the first paragraph, in the second paragraph, and, indeed, all new subparagraphs (D) and (E) on page 3, those are entirely new, substantive matters, and, therefore, come within the precedents cited that a more comprehensive amendment may be offered notwithstanding the fact that a previous amendment had been adopted; therefore, the Chair overrules the point of order.

Mr. BROYHILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would point out to the Members that all that the Gilman amendment attempted to do was to let the Congress have a reasonable period of time to have a logical look at the de-

tails of any rationing plan that the President might submit.

Then that plan would be stored away for such future time that it might be used, that is, if an energy emergency occurred, then the energy plan, rationing plan, could be taken off the shelf and implemented.

Now, the 15-day period that the gentleman from Texas includes in his amendment, that 15-day period which is included in the committee plan and also in the plan of the gentleman from Texas would be at the time that the President would implement this plan.

The catch is that in its review at that time the Congress would be focusing not on the details of the plan itself. The Congress would be focusing on the severity of the energy emergency and as to whether or not it is necessary to implement a rationing plan.

It seems to me that the Members of this House would want the substance of a rationing plan to be considered.

The Gilman amendment does give the Congress that right to consider the details of the plan before it is put into storage.

I would urge the defeat of the Wright amendment so that we can return to the Gilman amendment as it has been passed already.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is clear that the issue of whether there should or should not be a legislative veto in connection with a gas rationing plan has been resolved in favor of having a legislative veto. The issue before us at this time simply is where should that veto occur. At what point?

It is not whether we are going to have a legislative veto. We are. We are going to have a legislative veto. The question is when it will occur in point of time.

The gentleman from New York (Mr. GILMAN) advocates, as does our colleague from North Carolina (Mr. BROYHILL), that it occur at the time the plan is formulated.

The gentleman from Texas in his amendment suggests that it ought to occur not at the time of formulation, but at the time of implementation.

I must confess that I am somewhat torn between these two situations.

There needs to be, without a doubt, a mechanism for thorough congressional review of the plan prior to that plan being formulated and put on the shelf.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Would the gentleman not agree with me at the time it is being implemented if there is a severe energy shortage that the Congress is not going to be looking at details of the plan, but they are going to be looking at the severity of the energy emergency? That is why we are insisting that the review be at the time that the plan is initially submitted.

Mr. LEVITAS. I think that the gentleman is correct to a very large extent. I listened very carefully to the gentleman's remarks when he was addressing the Committee of the Whole just a few minutes ago.

He said there needs to be a mechanism for careful congressional review of the plan before it is put on the shelf.

In just a few minutes, I will offer an amendment to the amendment offered by the gentleman from Texas, which goes in that direction, and we will have an opportunity to discuss that mechanism for further congressional review.

The question of whether there should be a legislative veto or not has been resolved. There will be a legislative veto in this bill and the Wright amendment is no test of that issue except to underscore that there will be a legislative veto.

Reading the Washington Post editorial this morning, I find that they are opposed to legislative veto in this bill.

The Washington Post of course takes the position, most of the time, that there should be no legislative vetoes, so, therefore, it is not surprising that on this occasion, even though they obviously do not understand what this is all about, that this question of whether there should or should not be a legislative veto has anything to do with this bill.

□ 1410

The editorial says that the FTC legislation, which is moving through the House and the other body, is another example of how the Congress is interfering with the elitest acts of the bureaucrats. Well, they are just plain wrong. They do not even know that the FTC legislative is not a one-House veto. They ought to find out what the score is, notwithstanding their bias against legislative veto of bureaucratic rules. If they would just examine the facts and take their blinders off for a minute, they might understand why there will be more legislative vetoes and especially on the FTC rules.

Now, the fact of the matter is the laws in this country should be made by the elected officials and not by the unelected bureaucrats.

I find it also interesting and strange that when it suits their purpose the Washington Post and other elitists have no difficulties in supporting legislative vetoes. For example in February 1977 the Washington Post strongly supported the legislative veto when it was part of the President's reorganization authority. It just depends on which legislative vetoes we are talking about when the Washington Post is for or against the idea. That hypocrisy ought to be made a matter of record. At this point I include the three Post editorials I referred to:

NAY-SAYING ON CAPITOL HILL

In voting itself two chances to kill any future gas-rationing plan, the House last week went twice as far as usual—but on a well-trodden track. Provisions for vetoes of regulations, by one house of Congress or both, are being tucked into all sorts of bills these days. It's one reflection of Congress' fragmented, disgruntled state. The lawmakers have great trouble agreeing on what agencies should do, but various factions know what they don't like. Squelching and second-guessing regulations is an easy way to bring controversial agencies to heel. The one-house veto even allows a Senate or House majority to impose its will without having to reach accord with the other house.

Besides standing the legislative process on its head, the veto undermines all the efforts over the years to make regulatory processes open, fair and somewhat insulated from day-to-day political pressures. For instance, a great number of business groups have been loboying hard in the Senate for a legislative veto over the Federal Trade Commission's rules. (The House has already agreed.) If such a law is passed, you can be sure that the same groups will be constantly appealing to one house or the other to reject FTC rules that they oppose. And the results could turn less on the merits of each issue than on the influence of contending lobbies and legislators, or even on the mood of the House or Senate on a given day.

That is no way to make regulation more consistent and sensible. It is a formula for more governmental confusion and delay and congressional irresponsibility. Congress already has enough techniques for curbing agencies that act rashly or seriously exceed their statutory authority. And it already spends too much time carping at regulators and taking them to task for their handling of problems that Congress has bucked. Instead of spinning further down this path, the legislators should concentrate on pulling themselves together, reaching more agreement among themselves on larger issues of regulation, and giving better overall direction to the agencies.

SABOTAGE

It has become fashionable to invoke Watergate as a way of arousing old political reflexes, much as orators used to "wave the bloody shirt" after the Civil War. House Government Operations Committee chairman Jack Brooks (D-Texas) has carried this tactic to ludicrous lengths in trying to justify his opposition to President Carter's request for limited power to reorganize the executive branch.

Mr. Carter seeks the authority to prune and consolidate federal agencies—but not to create or abolish Cabinet departments—by submitting reorganization plans that would take effect in 60 days unless disapproved by the Senate or the House. He is asking for no more flexibility than Congress gave previous chief executives between the early 1930s and 1973. Mr. Brooks, however, claims this is too much. The country has seen, he said the other day, "what can happen when Congress makes broad delegations of its powers to a President. I do not want any President to have the opportunity to abuse our governmental process that Mr. Nixon assumed he had."

Waving the specter of Watergate in this way is nonsense. Watergate was not about presidential abuse of the reorganization law. When Mr. Nixon set up the "plumbers" or endorsed the Huston plan, he was operating outside of any authority that Congress or the Constitution had actually conferred on him. This is not to say that Mr. Nixon ignored or abused his lawful authority to reorganize. He used it, for instance, to create the Environmental Protection Agency and the National Oceanographic and Atmospheric Administration. Far from being aspects of Watergate, those are good examples of how valuable the time-tested procedures can be.

Rep. Brooks, however, wants Congress to retain a larger role in future executive-branch overhauls. He advocates making reorganization plans contingent on approval by both the Senate and the House within 60 days. This could enable a few opponents of a plan, or even a single senator, to defeat it by blocking a floor vote until the deadline had passed. Even if such obstructionism could be precluded, as Mr. Brooks optimistically asserts, his approach would still require both houses to act on every plan. That could greatly reduce Mr. Carter's ability to abolish superfluous offices and committees, consolidate agencies whose functions overlap, and straighten out the lines of management and responsibility.

Mr. Brooks seems to be trying to stir up a great debate about the distribution of authority between the executive branch and Congress. But this quarrel is really about the allocation of power between the new administration and Mr. Brooks. House Republican leader John J. Rhodes (D-Ariz.) has already seized on the opportunity to embarrass the Democrats by introducing the administration bill, which Mr. Brooks has refused to endorse. The rest of the congressional majority will be even more embarrassed if they allow one cantankerous chairman to sabotage Mr. Carter's efforts to carry out the promise of more effective government that was central to his campaign.

REPRESENTATIVE BROOKS' RESPONSE

On the opposite page today, House Government Operations Committee Chairman Jack Brooks (D-Texas) takes exception to a recent editorial that criticized his opposition to the executive-reorganization law President Carter seeks. We welcome Mr. Brooks' arguments for the reorganization process he prefers, just as we welcome the recent news that he plans to open hearings on the subject on March 1.

We are especially glad to see that Mr. Brooks is playing down one idea that had loomed larger in his earlier statements. That is the notion that the reorganization procedure in effect until 1973 contributed in some fashion to the Watergate abuses and illegalities. To find the fallacy in this argument you need only examine the one Watergate "connection" he cites—that two of the more prominent Watergate conspirators, John Ehrlichman and Egil Krogh Jr., were on the staff of the Domestic Council which was created by a reorganization plan in 1970. While that is true, it is utterly irrelevant. They could have performed the same roles for Mr. Nixon in the Watergate affair while holding any of a number of equally influential posts unrelated to the 1970 reorganization plan—as did H. R. Haldeman, Charles Colson, John Mitchell and others in the Watergate crew.

Mr. Brooks' broader and more substantial concern involves, in his word, "our constitutional form of government, with its separation of powers, its checks and balances and its representative government." He agrees with Mr. Carter that Congress should grant the President some statutory power to reorganize agencies. He disagrees about what kind of check Congress should have over the President's specific uses of that delegated power. Under Mr. Carter's approach, reorganization plans would take effect unless disapproved by either house of Congress within 60 days. Under the Brooks bill, plans would die unless approved by both House and Senate within 60 days.

It is significant that neither proposal treats executive and legislative power as totally, rigidly separated by an impenetrable wall. Both fall into that middle ground of great constitutional and political complexity in which, over the years, a large variety of accommodations between the two branches of government has evolved. What is at issue here, in short, is not so much a matter of principle as it is a matter of degree. In our view, the time-tested approach favored by Mr. Carter does give Congress sufficient chance to exercise a check over the President's restructuring of agencies. The real question, though, is how much authority over this aspect of federal management a majority of this Congress wants to wield. We hope that Mr. Brooks will invite an answer from his colleagues by bringing the issue promptly to the House floor.

The issue now before us, which during the course of this debate, I, along with the rest of my colleagues, will have to resolve, is whether it will come at the time of the formulation of the plan, and whether the amendment that I will be offering shortly to Mr. WRIGHT's amendment will be adequate to give us that type of oversight and control to make sure that the rationing plan which is formulated is one which we would be willing to implement when the severe shortages occur, as the gentleman from North Carolina has pointed out.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I am happy to yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. I want to commend the gentleman from Georgia for his remarks and also for underscoring the need for a congressional voice in vital issues of this nature. For the Congress to abdicate its responsibility to the American people at a time when we are considering a critical proposal of this nature that is going to affect everyone's way of living would certainly be an irresponsible decision. I would hope that the proposal that the gentleman intends to offer will give the Congress an opportunity to review any rationing plan in an atmosphere removed from any emergency.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(At the request of Mr. PANETTA and by unanimous consent Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to my colleague from California, if I may just make one comment on the remarks of my colleague from New York. I fully agree with what the gentleman has said. As important as the gas rationing plan is, and I support the need for this plan and, indeed, supported the President when he submitted his plan last time, and voted for it, the fact of the matter is gas rationing is going to have a major impact on the lives of all Americans and we would be remiss in our duty as elected officials, the lawmakers of the United States, to turn that legislative decision over to the administration and not to do it ourselves as elected lawmakers. I hope this amendment will achieve that purpose.

I will be happy now to yield to my colleague from California, Mr. PANETTA.

Mr. PANETTA. I thank the gentleman for yielding. The gentleman obviously as the author of the legislative veto understands the process and, indeed, I have supported him. Is not the point here we are accepting the idea of the legislative veto per se in this legislation? The question, as the gentleman has indicated, is when will it take place, at the end of the 30-day period when we can evaluate the plan, or will it take place at the 15-day period? I agree we ought not to have two veto processes. But it seems to me we have gotten rid, at least in this amendment, of the wrong one, because at the point of 15 days we ought to let the President, with some guidelines, decide whether, indeed, that plan ought to be implemented. But if we are going to have the veto it ought to take place at a time when we can evaluate it carefully, and not at the point of the crisis.

Mr. LEVITAS. May I suggest to the gentleman that that is precisely the question we have to resolve. When I offer my amendment to the amendment of the gentleman from Texas (Mr. WRIGHT) perhaps we will get a little more opportunity to make that judgment as to whether the mechanism I propose is adequate or is not. I think that is what the vote will ultimately be on the Wright amendment, with my amendment added to it.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(At the request of Mr. FITHIAN and by unanimous consent Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman.

Mr. FITHIAN. I thank the gentleman for yielding. The gentleman from New York has raised the issue of irresponsibility in the event we would not review this plan. Would the gentleman in the well not concur with me and agree with me that the most irresponsible thing we could do is not to have a standby rationing plan? That is the most irresponsible action this House could take.

Mr. LEVITAS. I would agree with my colleague completely, that if we have a 20-percent shortfall in our gasoline supplies we are not just going to have inconvenience, we are not just going to have gas lines, we are going to have chaos and anarchy. We have got to have a standby rationing plan, in my opinion

Mr. FITHIAN. If the gentleman would yield further, would the gentleman not further agree when we considered this matter previously, a month or so ago, the various amendments that were offered here on the floor constituted a gallant effort on the part of the House to write a rationing plan by directing the administration and the President to give certain specific allowances here or there? Was that not an attempt by this body to write a rationing plan?

Mr. LEVITAS. Of course, the House and the other body also were trying to negotiate with the administration at that time, and regrettably we could not under the law even amend the plan. I think this will give us an opportunity to make those changes.

Mr. FITHIAN. My concern is that having had our day at trying to write a rationing plan, and now insisting upon a double jeopardy, double-veto arrangement, we are demonstrating clearly that by our division and our discord we may very well go on down to the time when we have a real crisis in the world, and that could come at any time. Then I would like to see who it is that will stand before his constituents and say yes, I voted to prevent a standby rationing

plan. I do not believe there is a Member of this House who would dare do that.

Mr. LEVITAS. I would like to say I think the gentleman from New York has very reasonably said the Congress needs an opportunity to review a plan before it is put on the shelf.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(At the request of Mr. LAGOMARSINO and by unanimous consent Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding. I want to commend the gentleman for his leadership in the role of presenting and having adopted many congressional vetoes and, indeed, I have joined with him many, many times in the past. As a matter of fact, on a few occasions I have even gotten ahead of the gentleman. I agree with him completely. I think if we are going to have a meaningful say about this legislation it has to be before the emergency that we all hope will never occur.

I think there is another consideration too, and that is if we are to back off of what we did last week I think it is going, in my own personal opinion, and I hope I am wrong, but I think it is going to encourage those in the Department of Energy and perhaps those in the White House to think what they submitted last time is a good bill. I very much fear that we are going to see that exact same bill back, perhaps with a few little cosmetic changes so they can say it is a compromise with the majority leader's new criteria. But I think we are going to see essentially the same thing because I for one have not heard anything from the White House or the Department of Energy that would indicate that they in any way think that the plan they presented to us was not fair in the first place. So I think if we are going to have anything to say about this we had better make sure it happens long before the crisis that we all hope will never occur does occur.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I am happy to yield to the gentleman.

Mr. OTTINGER. We have specifically provided that it cannot be the same kind of a plan by requiring that the burdens of this new plan be divided equally among the States and by providing that end users, to the maximum extent practicable, shall be considered, and by providing that the handicapped, and that the suburban and the rural areas' needs be taken care of under the Wright amendment. So it cannot be the same plan or the same kind of a plan that I agree was a very deficient plan, even though I voted for it because I thought we should have one in place. But I agree that the last plan was deficient; but it cannot be the same kind of a plan.

Mr. LEVITAS. I thank the gentleman for his contribution.

Again, let me say that the issue and the fight over whether there will be a legislative veto has been favorably resolved. The only question now is, and that is the question we have to resolve in the next few minutes or hours, the only question is should it come at the time of formulation of the plan or should it come at the time of implementation of the plan?

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Michigan.

Mr. DINGELL. The logical time for having the legislative veto is at the time of the implementation. The most foolish thing in the world is to have a veto of the plan but not have a veto of the decision to implement the plan. The imposition of the plan may be unwise because the plan may be obsolete or the plan when viewed in light of changed circumstances may be undesirable in the view of the Congress. So the way that we handle that is by killing two birds with one stone, by having the veto at the time of the implementation.

The sad thing about the amendment of the gentleman from New York (Mr. GILMAN) is that it provides for two legislative vetoes, a legislative veto at the time the plan is formulated, and a legislative veto before it goes into effect.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(At the request of Mr. GILMAN and by unanimous consent Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I am happy to yield to my colleague from New York.

Mr. GILMAN. I want to make it very clear to the gentleman from Michigan that there is no misunderstanding on this side of the aisle about my amendment. We have proposed a congressional veto to take effect at the time that the President initially submits his plan so that the Congress has a voice in the substance of such a rationing proposal.

□ 1420

In addition to that consideration, there will be a veto at the time of implementation of the plan. We say that the time for Congress to look at the substance of any rationing plan is not when there is an emergency; but when we can look at it with cool, clear eyes, not a time when we have the heat of an emergency breathing down our necks.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I thank the gentleman for yielding. I had supported the gentleman's commitment to the concept of legislative veto. I would disagree perhaps with the gentleman's analysis under the amendment we have before us, that we continue our commitment to the concept of a legislative veto, at least that we continue our commitment to the concept of meaningful legislative veto.

The other day I heard the President speak, and he accused the Congress of timidity. I did not agree with that characterization. There are many times when I disagree with what the Congress does, but I certainly do not think that the Congress is timid or that the leadership is timid. But, I wonder if perhaps maybe we are showing a bit of timidity here when, after the House has acted on the Gilman amendment, the President cries a little bit about it and we come rushing back to the floor of the House and say, "We did not really mean it, Mr. President," if we are showing a little timidity.

I would like to make one more point. I know the way this Congress operates, the way it works. What is going to happen if we do not insist on the right to a veto on the substance of this plan is, this plan is going to come back to us in a panic, in a big rush, and some of the leadership are going to take the well and say, "Gentlemen, we have to do this, we have to pass this plan. Hold your noses and vote for it."

I do not think we ought to be in that position.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the thing my good friends and colleagues on the Republican side of the aisle constantly miss is that there is no assurance that the plan is not going to be implemented in a time of crisis, because we exist in a time of crisis. When we are subject to a shutoff of Arab oil today, Mr. Chairman, there is no assurance that that will not occur today or tomorrow or some time prior to the time the President can actually implement his plan. So, the assurance that we are going to be able to consider this thing calmly is not here. There is no way anybody can get the assurance that we are going to be able to consider this calmly, not in an atmosphere of crisis.

As a matter of fact, we are in an atmosphere of crisis. The possibility of something happening just at the snap of my finger, that is going to create a grave crisis, is very, very real.

Mr. LEVITAS. I would like to respond to my colleague from Oklahoma and his comment. I do not think when we take a second look at a measure we have adopted it as an act of timidity. That is the reason I specifically commended the gentleman from New York for saying that what we need is an effective mechanism for congressional review. Whether we will develop an effective mechanism, whether it will require a legislative veto or two vetoes, I think that is the question. I think what we need to address ourselves to is the amendments to the amendment, and at what time the legislative veto should occur.

I think the gentleman from New York will be the first to say that his amendment is not the only answer. It may not even be the best answer. We all should be working together, not as Democrats

and not as Republicans, but as Americans, to develop a plan which is fair, but which can save this Nation from the chaos and anarchy that would occur in the event of a 20-percent shortfall of gasoline.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I do not dispute the gentleman. All I am saying is that if we are going to have a legislative veto, it is meaningless unless it is a substantive legislative veto and not something after the fact that is going to be conducted in an atmosphere of crisis where we are told, "Hold your noses and vote for it. We know it is bad, but we do not have any choice."

AMENDMENT OFFERED BY MR. STOCKMAN TO THE AMENDMENT OFFERED BY MR. WRIGHT

Mr. STOCKMAN. Mr. Chairman, I offer an amendment to the amendment.

Mr. OTTINGER. Mr. Chairman, I reserve a point of order against the amendment.

The Clerk read as follows:

Amendment offered by Mr. STOCKMAN to the amendment offered by Mr. WRIGHT:

On page 1 of the amendment, strike out lines 2 and 3 and insert in lieu thereof the following:

"(1) has transmitted a copy of such contingency plan to the Congress in accordance with section 551(b) and neither House of the Congress has disapproved (or both Houses have approved) such plan in accordance with the procedures specified in section 551;".

And on page 1 of the amendment, beginning on line 7 strike out the following: "not earlier than 30 days of continuous session of Congress (determined in accordance with section 551(d)) after the transmittal of such plan," and insert in lieu thereof the following: "if the plan is not disapproved during the period provided for such disapproval (or if the plan is approved) under clause (1),".

And on page 1 of the amendment, line 12, strike out the quotation marks and the period which follows and insert the following new paragraphs:

"(4) For purposes of considering the plan submitted to the Congress under paragraph (1)(A)(1), the 5 calendar days specified in section 551 shall be lengthened to 10 calendar days and the 15 calendar days shall be lengthened to 30 calendar days.

"(5) No amendment to any such plan may take effect unless that amendment is submitted and not disapproved (or is approved) as provided for under paragraph (1)(A)(1)." and any rationing contingency plan submitted by the President pursuant to this Act shall not be subject to the disapproval provisions of section 201(e) of such Act.

The CHAIRMAN. Does the gentleman from New York (Mr. OTTINGER) insist on his point of order?

Mr. OTTINGER. I do not, Mr. Chairman.

The CHAIRMAN. The gentleman withdraws his point of order.

Mr. STOCKMAN. Mr. Chairman, I ask unanimous consent to strike the last three sentences from the amendment as read. They are redundant. They are provisions already included within the amendment as written.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STOCKMAN. Mr. Chairman, the purpose of this amendment is very simple. It is designed to resolve this whole argument that we have been having here this morning about double veto, double jeopardy, about the time at which the veto opportunity can appropriately occur. I am trying to do the logical thing that was suggested by the gentleman from Georgia and that was referred to by the gentleman from California.

That is simply to strike, to eliminate the veto upon implementation, because I think we can all agree that it is meaningless. It would serve no useful purpose. It would not be exercised. We have put the essential legislative veto in the place where it belongs, on the front end of the process during a period of time in which this Congress can consider the plan as proposed by the President under an atmosphere in which it could be considered calmly, deliberately, and rationally.

I think this meets the essential argument the majority leader so eloquently laid out when he presented his original amendment. He referred to double jeopardy; it is unwieldy, it is cumbersome. I would suggest to the Members of this House that the reality is that under the Gilman amendment as written, that there is really no double veto, and under the Wright amendment as presented, that there is no veto at all.

For, to have a veto upon implementation in the midst of a national and international crisis, in the midst of a worldwide oil shutdown, which would be required to meet the trigger level specified in the bill before us, to have a veto in those circumstances is about as useful as adding maternity benefits to the Medicare program. It would be nice to do, but it is not likely to be used. So, I would suggest that we read what is in this bill. The trigger level is a 20 percent shortfall of the total domestic petroleum supplies for a sustained period of time, not just gasoline for a month or two, but total petroleum for a sustained period of time.

Now, what does that imply? That implies that we would have upwards of a 40-percent cutoff in our oil imports on a daily basis. It implies a major shortfall in the entire world oil market, the likes of which we have never experienced. What we have before us is a way of putting emergency authority on the books so that, in a sense, we would have a civil defense emergency plan if we have a terrible international crisis. To achieve this 20 percent shortfall, the conditioning in which we really might want to use rationing, would require something far more significant than what happened during the embargo of 1973, and more certainly during the 2- or 3-month supply blib we had during the Iranian shutoff a few months ago.

I would just ask the House, under that kind of international crisis, under that kind of traumatic event, is it reasonable to think that if we were presented with a plan and given 15 days, that we would do anything but approve whatever was on the shelf, no matter how flawed, no matter how defective, no matter how inequitable?

□ 1430

So I would like to suggest to the House—and I will yield in a moment to the gentleman from New York (Mr. AMBRO) because I share his concern—that the real issue here is that if you want the veto opportunity for a measure which really is unprecedented in peacetime history, which would involve a massive regimentation of the daily lives of 110 million American motorists, if you want that veto opportunity, if you want a meaningful veto, if you want effective, full participation by Congress in a measure of this nature, then the veto must come before you put it on the shelf and not after you take it out of the holster. That is what my amendment does, and I would hope that the House would pass it because I think it is responsive to the majority leader's concern but still preserves our role.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. AMBRO. I thank the gentleman for yielding. In other words, the gentleman's amendment preserves the Gilman amendment?

Mr. STOCKMAN. At the front end in terms of the veto, the 30-day veto opportunity when the plan is formulated.

Mr. AMBRO. Does it deal with the trigger percentage?

Mr. STOCKMAN. It does not. That stays the same in the bill as written. That is a consensus product from both sides of the aisle, and I think it reflects the fact that we want this as a weapon of last resort, nor for minor or even modest contingencies.

Mr. AMBRO. I must say to the gentleman that I have an amendment that does precisely the same thing with one exception, that it removes the 20-percent trigger and places a 10-percent floor for the President, after which he can certify to the Congress an emergency based on a plan on the shelf in terms of the Gilman amendment. So, therefore, I would certainly urge support of the gentleman's amendment, after which I would urge support of the removal of the 20-percent floor.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, the gentleman from Michigan (Mr. STOCKMAN) declares that his amendment would restore the front-end veto and would do away with the veto at the time of implementation.

As I read the amendment, it would once again have a proliferation of vetoes. But let us assume that the gentleman is correct and that he has drafted it to achieve the objective that he describes.

If the House is to have one opportunity—and I think one opportunity is all that we really can afford to approve or disapprove what the President would suggest to us to cope with a serious emergency—which shall we have?

Do we want to approve or disapprove the plan in its final form, without the capacity for change, months or even years before the emergency occurs, and when we do not even know its dimensions? Or do we want to approve it at the time of the emergency with which it is designed to cope?

Would we set a plan in concrete without the capacity to amend or alter or change, not even knowing the conditions that we would have to cope with and respond to? I think not.

Some years ago we had a serious shortage of natural gas in this country. It caused dire suffering in the northern parts of our country in the winter. That condition does not exist today.

In certain shortages we have found that the shortage occurred primarily with regard to diesel fuels. We might discover a shortage where the farmer was most severely impacted, or another where the trucker felt its brunt most crucially.

But the President, under the gentleman's amendment, would be powerless to alter the rationing plan. Once approved by the Congress, it would become the only plan that he could submit to us. In other words, we would set ourselves in a deep freeze months in advance before we even knew the kind of an emergency we had, before we knew what shortages were most critical. It might not be a plan which would work at all.

So if we are to have one chance to veto it, surely—surely—the Congress would want to preserve its right to look at it and approve or disapprove based on the conditions that the plan sets out to correct. The veto should not come on some theoretical notion many months or even years in advance of the reality of an emergency.

I believe that the gentleman's amendment inadvertently would set in motion two vetoes and not one. I know the gentleman has declared that this is not his intention, and I accept his declaration in perfectly good faith.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. STOCKMAN. I thank the gentleman for yielding. That certainly is not my intention. The concept is very clear: one veto, one opportunity at the front end. This amendment was drafted hurriedly, and there is a wording problem, but at the proper time I will ask unanimous consent that the wording be changed.

Mr. WRIGHT. I appreciate the gentleman's candor. That is the point that was unclear to me, and I think it is unclear in the way in which the gentleman's amendment is worded.

But let us assume, then, that it is just what the gentleman intends it to be. If we have one chance to look at it and approve or disapprove a plan, for heaven's sake, Mr. Chairman, let us preserve that one opportunity for the time when it will go into effect.

The only other occasion when we had rationing of gasoline and other commodities such as sugar and leather was World War II.

If we had required President Roosevelt to submit rationing plans months or years before that war began, and if we had required the approval of Congress for each of his plans' precepts and details in a peacetime atmosphere, Congress never would have given the President the authority to do what absolutely had to be done.

Those are the handcuffs that we place upon our Government by the kind of an amendment that the gentleman from Michigan offers. We would handcuff the Government to a program that we would approve in detail without even knowing the emergency with which we have to cope. That is why I urge that we reject the gentleman's amendment.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I will yield first to the gentleman from New York (Mr. AMBRO). Then I will yield to the gentleman from Georgia (Mr. LEVITAS), and then to the gentleman from Michigan (Mr. DINGELL).

Mr. AMBRO. I thank the gentleman for yielding. I am always enthralled by the eloquence of the best speaker in the United States.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. AMBRO, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.

Mr. AMBRO. If the gentleman will continue to yield, I must tell the gentleman that what he is suggesting is that which the President himself said that he did not want when asked the question by maybe a misguided reporter 2 hours after the passage of the Gilman amendment:

> Question. Mr. President, the House of Representatives today amended a standby rationing plan bill that gives either House the authority to veto any rationing plans that you would come up with. Now, is that acceptable to you, or if that survives in both Houses would you veto the legislation?

The answer by the President of the United States, after a bit of timidity about Congress, was as follows:

> I don't object to the one House veto if it's done expeditiously—

Meaning the Gilman amendment.

Mr. WRIGHT. I do not yield further for that.

Mr. AMBRO. What I do object to are the other restraints that have been placed in the evolution of the bill, and one is the implementation veto. The President himself is opposed to what the gentleman suggests.

Mr. WRIGHT. If the gentleman would withhold, I do not yield for that interpretation of the President's remarks, nor do I believe it to be a fair and accurate interpretation of what the President intends. I do not think that is the President's position. I think it is quite the reverse.

Surely it is not the position of the committee that has considered this legislation and brought it to us. I would urge that we reject the amendment offered by the gentleman from Michigan.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I would like some clarification from either the gentleman from Texas (Mr. WRIGHT) or the gentleman from Michigan (Mr. STOCKMAN) on this point, or the chairman of the subcommittee. In the event the President sends a plan for rationing over and there are procedures written into the law for a specific review and reporting to the Congress after that, if the committee recommends changes in the President's plan in order to accommodate the various concerns that are brought to the attention of the committee, would it be in order for the President then to be able to amend that plan to be able to respond to the desires of the Congress as expressed through its committee reviews?

Mr. WRIGHT. Under the committee bill, yes, it would, and under my amendment, yes, it would be possible and, indeed, that is what is contemplated.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Under the amendment offered by the gentleman from Michigan (Mr. STOCKMAN), if I understand the situation, it would not be possible because the plan, once approved by Congress, would be the only plan authorized for implementation, notwithstanding the need for change.

□ 1440

Mr. LEVITAS. Mr. Chairman, will the gentleman yield further on this point?

Mr. WRIGHT. I yield to the gentleman from Georgia.

Mr. LEVITAS. In the event that the committees of the Congress reviewing the plan and making recommendations for its modification, finds that those recommendations strongly felt by the House or the Senate are not implemented by the President, is it not then available to the Congress to put restrictions in appropriations bills that would prohibit a plan from being implemented which did not contain those features recommended by the Congress back to the President?

Mr. WRIGHT. For practical purposes, I think what the gentleman suggests is correct. Of course the gentleman is fully aware it would depend upon the ruling of the Chair and it would depend upon the wording of the amendment itself. Some are so constructed that they are germane and others are constructed in a way that they are ruled out of order as legislation on an appropriations bill.

Generally speaking, yes, if it is a limitation upon the appropriation, it has been held that it would be germane on an appropriations bill.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. STOCKMAN. I think it needs to be pointed out it would not be true that once approved, even if Congress looked it over and approved it, we would have our hands tied from that point forward. EPCA provides the standing procedure for the President to formulate a plan and he could very easily formulate another one if one set on the shelf and got musty and decayed for a period of time.

Mr. WRIGHT. If the gentleman is correct, then what purpose would be served by the gentleman's proposal? In the event he submitted another plan, an entirely different plan, would it have to come to us twice again?

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman from Michigan.

Mr. STOCKMAN. It would have to be approved under the procedure.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Michigan for a unanimous-consent request.

Mr. STOCKMAN. Mr. Chairman, I ask unanimous consent to make minor modification on three lines of the amendment pursuant to the colloquy that I had with the majority leader.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. DINGELL. Mr. Chairman, I reserve the right to object.

Mr. STOCKMAN. Mr. Chairman, I think everyone understands, the concept is clear.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) reserves the right to object.

The Clerk will report the modification.

The Clerk read as follows:

> At the end of the amendment offered by Mr. STOCKMAN of Michigan to the amendment offered by Mr. WRIGHT of Texas, add the following three lines: "and rationing contingency plan proposed to be implemented by the President pursuant to this Act shall not be subject to the disapproval provisions of paragraph (1)(B) of this subsection.".

Mr. DINGELL. Mr. Chairman, I reserve the right to object.

Mr. Chairman, can my good friend, the gentleman from Michigan (Mr. STOCKMAN), tell me what he is doing here?

Mr. STOCKMAN. Very simply what we are doing is saying a plan that was approved by Congress pursuant to the procedure of this amendment would then not be subject to veto under the standing EPCA procedures at point of implementation. We are simply removing or nullifying that back-end veto, and that is the whole concept of the amendment and it has been thoroughly discussed here this morning.

Mr. DINGELL. Mr. Chairman, continuing my reservation, that is somewhat at variance with what the language says. The language says:

> Any rationing plan proposed to be implemented by the President pursuant to this Act shall not be subject to the disapproval provisions of paragraph (1)(B) of this section.

The amendment earlier requires two vetoes.

Mr. STOCKMAN. Mr. Chairman, I do not know how it can be resolved except to say that it does not require two vetoes. It requires opportunity for one of the two Houses to veto during the 30-day period and if that opportunity were not exercised it becomes an approved standby plan, it is on the shelf.

Mr. DINGELL. Mr. Chairman, I want to yield to the gentleman but I am not sure he is describing the amendment he has here because his amendment says:

> No amendment to any such plan may take effect unless that amendment is submitted and not disapproved (or is approved) as provided for under paragraph (1)(A)(i) and any rationing plan proposed to be implemented by the President pursuant to this Act shall not be subject to the disapproval provisions of paragraph (1)(B) of this subsection.

Unless I am in error what the gentleman is doing is obviating in its entirety the one-House veto that we are trying to provide in the bill.

Mr. STOCKMAN. I would disagree with the gentleman.

Mr. DINGELL. Mr. Chairman, the gentleman is entitled to disagree but I think my interpretation is correct. I think what the gentleman has here is a rather serious unanimous-consent request which amends his amendment in a fashion which he did not earlier describe and which creates a set of circumstances wherein he does things precisely the opposite of those which he has described to the House.

I yield to my friend if he can enlighten me.

Mr. STOCKMAN. I would be delighted to try to enlighten the distinguished chairman of the committee. I have stated it a number of times.

Mr. DINGELL. I know what the gentleman has said but I read the language and the language appears at variance with the comments of the gentleman from Michigan.

Mr. STOCKMAN. That is a matter of a difference of opinion. I think it clearly amends EPCA in the proper way to accomplish the purposes intended.

Mr. DINGELL. Mr. Chairman, continuing my reservation, it strikes me when we have an amendment so badly drawn in the first instance and is amended in the fashion which appears to be obscure to both the author, to me and to the counsel who sits to my left and on which there is such controversy, it appears to me we would be well served to reject the amendment. As first offered, it required two vetoes. As amended, it requires only one veto. But that veto applies to the plan, not to the implementation.

Although I am in opposition to the amendment, I withdraw my reservation of objection.

Mr. OTTINGER. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from New York (Mr. OTTINGER) reserves the the right to object.

Mr. OTTINGER. Mr. Chairman, is this language which the gentleman intends to add not virtually identical to the language in his original amendment that he asked unanimous consent to withdraw?

Mr. STOCKMAN. There is one wording change and that is what we have accomplished in the unanimous-consent request. We had to put in the word "proposed." That is the major thing changed from the original amendment I sent to the desk. It is very clear, as I tried to explain to the gentleman from Michigan, that the concept behind this amendment is one opportunity for veto at the time of submission. Clearly the language of this amendment does that. It removes the second veto at time of implementation under the existing EPCA procedure and I think an effort is being made here to create confusion where none exists.

Mr. OTTINGER. Mr. Chairman, further reserving the right to object, it seems to me that clearly two vetoes are still provided here.

Mr. BAUMAN. Mr. Chairman, I demand regular order.

The CHAIRMAN. Regular order is demanded.

Mr. OTTINGER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan (Mr. STOCKMAN) to modify his amendment?

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) has one-half minute remaining.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, I am a great admirer of the gentleman from Texas (Mr. WRIGHT) for his dramatic eloquence and the gentleman from Michigan (Mr. DINGELL) for his legislative prowess. I have the feeling what we have seen here today though is not the best of either, in that I think the amendment of the gentleman from Texas is an effort to frustrate the Committee's support of the opportunity to veto the plan submitted by the President. That is what the Gilman amendment, passed last week, did. The amendment of the gentleman from Michigan (Mr. STOCKMAN) is an effort to return to the amendment offered by the gentleman from New York (Mr. GILMAN). The Stockman amendment will put the veto power in the hands of the Congress at the time of submission of the plan rather than at the time of implementation, when we are going to have a 20-percent shortage of petroleum product supplies. The Congress is not going to be interested in vetoing anything under conditions of a 20-percent shortfall. We are going to take anything that is there, including the possibility of having as a proposal the same thing the Congress turned down a few weeks ago.

□ 1450

Now, let me just say that I recall as a youngster an old song about a girl who was asked by the young man if she would be his bride and she did not think that he was such a hot number and she said, "I'll marry you only when apples grow on the pear tree."

They went to the dance that night. He took her home in the carriage. It was a long ride home, and the next morning found her tying apples to the pear tree, because he had apparently been persuasive over that long period of the evening.

Well, I have the same feeling that the distinguished majority leader has been a little persuasive with some of his colleagues and he has tried to tie apples to the pear tree in his amendment. But

the amendment offered by the gentleman from Texas (Mr. WRIGHT) really does very little except repeal the action taken in the Committee of the Whole House to support the concept that the gentleman from New York (Mr. GILMAN) advanced, that we ought to have the right to veto the substance of the plan when it is submitted.

Now, the amendment of the gentleman from Texas (Mr. WRIGHT) takes that one-House veto over the merits of the plan out. It provides for a House veto within the same 15 days of the implementation of the plan and then it adds some language requiring nothing but a description in a report of how wonderful the President's plan is. I mean, it suggests a report that just is submitted by the President that says, "What I have submitted to you fellows and girls is a wonderful plan, wonderful plan and it takes care of rural and urban motorists and it takes care of the handicapped and you can be confident that it's OK."

But we do not get a chance to determine whether we are confident it is OK because we do not get to veto it or even look at it. We just get to read that wonderful, praiseworthy report.

Mr. Chairman, the gentleman from Georgia (Mr. LEVITAS), the father of the legislative veto, properly put his finger on it. The question is, do we as Members of the House get to veto the plan when it is submitted? If we do not have that opportunity, we get stuck with the plan and can only veto the plan when we get into an emergency. Of course, we are not likely to do that because it will be the only show in town. We either approve the President's rationing plan, bad as it may be, or there is not any plan to deal with the emergency. What kind of a choice is that for us?

The answer is clear. It is no choice and we will approve whatever turkey the President has plucked for us ahead of the day that we have to make the decision to put it into effect.

Now, what the gentleman from New York (Mr. GILMAN) has proposed, what the gentleman from New York (Mr. AMBRO) has proposed, what the gentleman from Michigan (Mr. STOCKMAN) has proposed, what the gentleman from Georgia (Mr. LEVITAS) has proposed, is a fairly broad spectrum of this House which wants not timidity but an opportunity to be in one the game. We want to share with the President the responsibility to be able to go home to our constituents and say, "We approved the plan and if there is an emergency, we will support that plan that the President submitted." That is what we are here for, to represent not only our people, but also to lead them when we have a problem in this country and do something in the national interest.

The gentleman from Texas (Mr. WRIGHT) is proposing we go back to S. 1030 as it was modified from the Senate by the House Committee on Interstate and Foreign Commerce. What the gentleman from Texas (Mr. WRIGHT) is proposing is that we say, "Well, the President has to come up with a plan. We are going to close our eyes and not know what is in that plan and then when the emergency arises we are going to say, "Oh, the plan doesn't work," and turn it down.

Oh, I think not. What we will do is approve the plan, no matter what is in it.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

(By unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Then we will say when our people start complaining to us, we will then say, "Oh, but that is the President's plan. We did not OK that. We did not have anything to do with that. We did not even look when he proposed it. We only have the right to say whether it is implemented, or we do not have any plan."

Now, frankly, I think that is unfair to the President of the United States. Perhaps some of you find that unusual for me; but the President does not need any more enemies than he has. I would like to see us share with him the responsibility of devising the plan. That is what we are here for. We are here to legislate. If we are not going to legislate a plan, then at least let the President propose one and let us put our stamp of approval on it. Then we can stand like men and women and say when the emergency comes, "Yes, that is the plan we thought was OK and we have got the courage to stand by the President and say that there is an emergency and this plan is fair, will work and ought to be implemented."

Mr. Chairman, last week, this bill was quickly pulled off the floor when we adopted the Gilman amendment to section 2, the gasoline rationing part of the bill. The Gilman amendment, which simply provides for congressional review of the plan itself by means of a one-House veto period of 30 days, has been the subject of confusion and controversy. The Gilman amendment can best be understood as a compromise between current law, the Energy Policy and Conservation Act, and the House version of S. 1030, the committee bill. My colleagues should realize that the Gilman amendment does not obstruct the implementation of a rationing plan one single day. It provides the Congress with a 30-day review period over the substance of the plan so that we may assure our constituents that the national rationing plan will be capable of fairly managing a severe energy shortage of 20 percent of normal petroleum product supplies.

Mr. Chairman, we have put together a chart which clearly demonstrates what the Gilman amendment does and does not do. I ask unanimous consent that this chart be inserted at this point in the RECORD.

HOW THE GILMAN AMENDMENT TO S. 1030 REALLY WORKS

How A Gasoline Rationing Plan Would Be Approved By Congress, and Implemented under current law, under the Gilman Amendment, and under S. 1030 as reported without the Gilman Amendment. By this comparison, it is evident that the Gilman Amendment does *not* obstruct or even delay the implementation of a gasoline rationing plan, but rather is a reasonable compromise between current law and the Committee bill which allows Congress a 30-day review period over the merits of the plan to ensure that the plan will be capable of managing serious energy shortages.

CURRENT LAW (EPCA)

1. President develops plan, submits to Congress.
2. Both Houses of Congress must approve the plan within 60 days or plan is automatically rejected.
3. If approved, plan is held in standby status until called into effect by President, subject to one-House veto period of 15 days regarding the timing of implementation.
4. If not vetoed, plan is ordered into effect.

S. 1030 WITH GILMAN AMENDMENT

1. Same as Committee bill.
2. If neither House of Congress vetoes the plan on its merits within 30 days, plan is automatically approved. Congress is given the ability to review the plan, but not so much as current law—under whose provisions the rationing plan was rejected in May.
3. Same as current law.
4. Same as current law.

COMMITTEE BILL

1. President develops plan, submits to Congress. Plan must lay-over for 30 days before President may call it into effect.
2. Congress can "review" plan, but is precluded from taking any action over the merits of the plan. Plan automatically approved in advance, sight unseen.
3. Same as current law.
4. Same as current law.

This chart delineates the different procedures for planning, approving, and implementing a rationing program under current law, under S. 1030 with the Gilman amendment we accepted last week, and under the Commerce Committee version of S. 1030 minus the Gilman amendment.

Under current law (Energy Policy and Conservation Act): The President would develop the rationing plan and submit it to the Congress, where both Houses must approve it within 60 days, or it is automatically rejected. This is the procedure used when this House wisely rejected the administration's plan in May. If approved, the plan would be held in standby status until the President determined it was necessary for implementation. At that time, the Congress would have 15 days to veto the timing of implementation. The current law, therefore, allows the Congress an opportunity to review the plan itself, requires two-House approval before it can be held in standby status, and it provides for a 15-day one-House veto over the timing of implementation.

Under the committee bill without the Gilman amendment: The President would develop the plan, and submit it to the Congress where it must lay over for 30 days before the President can make his determination to implement rationing. The plan, yet to be developed by the Administration, is effectively approved sight unseen in advance.

The Commerce Committee's report says, on page 19, the following about the 30-day layover:

Under the amendment to EPCA, there must be at least 30 calendar days between the transmittal of the plan to Congress and the finding that it is necessary to put the plan into effect. The purpose of the provision is to ensure that the Congress is not given copies of the plan only after it is

found necessary to implement the plan. The 30-day requirement is designed to ensure that the plan is ready before it is needed and available for review.

Mr. Chairman, while this 30-day layover is provided for "review," neither House is given any authority to make that review effective. Without the Gilman amendment, perhaps some congressional leaders would have the muscle to make changes in the plan, but the overwhelming majority of both Houses would simply have to "take it," without the ability to "leave it."

The implementation veto in the committee bill restates the current law. In this respect over the timing of the President's decision to use rationing, all three procedures are identical.

Under the Gilman amendment: The President would still have complete latitude to design the rationing as he sees fit. The plan would be sent to the Congress, subject to the 30-day layover period provided for in the House Commerce Committee of S. 1030. If neither House has vetoed the plan by the end of the 30-day period, then the plan is automatically approved. Therefore the Gilman amendment is a middle course between the two-House approval with no meaningful review of the committee bill.

Mr. Chairman, there has been some confusion over exactly what the Gilman amendment does. I hope I have been able to quiet that confusion long enough to point out that the Gilman amendment is nothing to fear. It is harmless, unless the rationing plan developed by the President—and he has yet to begin developing one—is so inequitable and so ineffective as to be nothing more than a sham. Should such a plan be developed, only the Gilman amendment could protect the Nation from being forced to rely upon a rationing plan worse, perhaps, than none at all. The Gilman amendment has an inherent ability to pressure the administration into producing, this time, a sound and fair plan. For all these reasons, I urge my colleagues to resist the effort to vote down this amendment accepted by the Committee of the Whole—and keep the Congress able to examine the administration's rationing plan so we may assure the Nation that we are well-equipped rather than ill-equipped to meet a severe energy crisis.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, if ever we reach the point that we are dealing with a 20-percent shortfall or a 40-percent foreign shortfall of oil, we are dealing with an enemy. You do not try to draft the battle plans for an enemy, you try to be ready to draft the plans when you see what the enemy is doing.

We will find out only when that kind of an emergency is striking us what, in fact, is going to be needed. The reason for the veto is so that we know something unreasonable cannot come down from any Presidency. At this moment we do not know which President from what party; but we do know that we have to have authority for a standby rationing plan in a method which will meet the emergency when it arises. If it is a plan that has been approved, not in the presence of an emergency, you have no way of knowing whether it needs modification; so the time to act is during those 15 days that the emergency strikes, because if for 30 days we have a 20-percent shortfall, we are dealing with an enemy; we are trying to figure out how to survive and we want to be prepared to act then with the best plan available at that moment in time.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. Gladly.

Mr. BROWN of Ohio. Would the gentleman agree that perhaps if back in 1941 we had been a little better prepared, we might not have been so badly damaged at Pearl Harbor? In other words, if we had had our battle plan ready and on its way, so that we could put it into effect immediately, Pearl Harbor would not have been quite as devastating.

Mr. HEFTEL. Unfortunately, as I recall Pearl Harbor, it was an example of a country and a Congress who thought they were prepared, did have their standby plan, and found out they were stripped naked.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman would yield further, I would suggest to the gentleman that perhaps if we had had our plan ahead of time at Pearl Harbor and had known what was going to happen to us, we would not have been quite so much in difficulty as we were after that attack occurred. In this case, it is my suggestion that we get behind the President with a plan. Let him submit a plan. Let us approve the plan and then we are all together when we get that emergency, rather than being surprised by it and then all of a sudden have a plan that does not work.

Mr. HEFTEL. If we were dealing with a plan to prevent the emergency, I would agree. We are only dealing with a plan which deals with what will be caused by the emergency, but in no way to attack the emergency directly.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman.

Mr. TAUKE. Mr. Chairman, as I understand what the gentleman is saying, he is actually questioning the need for a standby gas rationing plan. The gentleman is suggesting to us that what we really need is not a standby gas rationing plan, but the ability for the President to develop a plan at the time the crisis arises.

Mr. HEFTEL. I am suggesting that the President should have the prerogative to develop a plan, that the President should know that if an emergency strikes, he can decide what final form to put it into and to know that we will act to veto or not veto at that moment in time.

Mr. TAUKE. Mr. Chairman, if the gentleman will yield further, then the gentleman is really denying the need for a standby plan. All the gentleman wants is for the President to have the authority to create a plan. The standby plan by its very nature and by the name of it suggests that is going to be standing by for an emergency to occur. The gentleman is suggesting that we cannot have that kind of a plan, because that kind of a plan can never meet the type of emergency that may occur. What we need is a plan to be developed at the moment the emergency strikes.

Mr. HEFTEL. I am suggesting that in the same sense we have a military establishment, not knowing how we will use it until the emergency strikes, we would be in the same position here. That final decision how to implement and use would be made by the Presidency at that time and then submitted to us and we would be able to act in terms of the reasonableness of the plan in light of the emergency.

□ 1500

If we act before then, we do not know whether or not it will fit what will be occurring at the time of the emergency.

Mr. TAUKE. Under the gentleman's analysis of what a standby plan is, all that is needed in this legislation is for the President to have thought about an emergency situation and done all the necessary planning.

Mr. HEFTEL. Mr. Chairman, what has occurred in the past 6 months makes it eminently clear that great dialog was needed if ever we were to be prepared for any kind of a gas rationing program from the Congress and from the Presidency.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Michigan (Mr. STOCKMAN).

Mr. Chairman, the majority leader told us what the problem is with the amendment. That is that my good friend, the gentleman from Michigan (Mr. STOCKMAN), offers an amendment which would provide that a plan would be approved and then which could not be changed without the whole tedious, time-consuming set of events that would go on through proceeding under the one-House veto.

Under the changing circumstances in which we find ourselves, we might very well find that the President and the Congress would spend a very large percentage of their time engaging in the forming and the re-forming of the plan. But once the plan had arrived at the point where the triggers would go off if there was a 20-percent shortfall or the President found a 20-percent shortfall, then he would order it into effect without so much as a by-your-leave by Congress. Then citizens might say, "Wait a minute. Why is it you let this plan go into effect at this time? There is no shortfall." Or they might say, "The plan is inequitable as it affects us." And the Congress would have no say.

The bill before us is carefully crafted. It imposes a number of limitations on the President. First of all, he must find that there is a 20-percent shortfall in the supply of petroleum. That is a shortfall larger than the Arab crisis, which only reached about 15 to 17 percent. It is a shortfall that everyone tells us would create something on the border of serious economic and social disorder.

But equally important, before the President can implement such a plan, he must see to it that the end users' rights, as

specified in the paragraph, will be distributed on the basis of the effects of the shortfall being equally shared among the various States, considering the most recent data. He must consider to the maximum extent practicable such rights as are available to each end user on the basis which takes into account the needs of the end users, and he must see to it that end user rights are available to carry out the requirements of paragraphs 1 (A) and (B). Those are the paragraphs which deal with the rights of business and other priorities. These are some of the tests the President has to reach.

But under the amendment offered by the the gentleman from Michigan (Mr. STOCKMAN), the Congress would have no say on implementation, but we would have a great deal to say about what the plan would contain and whether or not we would approve a particular plan.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I will yield in just a minute to my good friend, the gentleman from Michigan.

First let me say that this is simply getting the cart in front of the horse.

Let me state what the gentleman from Michigan (Mr. STOCKMAN) has offered. It is a one-House veto of the plan and no veto on the implementation. The amendment offered by the gentleman from Texas (Mr. WRIGHT) has a one-House veto of implementation but not a veto of the plan because we have laid out the criteria. The gentleman from New York (Mr. GILMAN) has offered two one-House vetoes, which absolutely assures that nothing will happen.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Mr. Chairman, I have mentioned the name of the gentleman from Michigan (Mr. STOCKMAN), so I will yield first to him, and then I will yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. STOCKMAN. Mr. Chairman, I appreciate the gentleman's yielding.

The gentleman has very eloquently stated the arguments for my amendment.

Mr. DINGELL. No, I stated the arguments against it.

Mr. STOCKMAN. The gentleman has pointed out the severity of the situation under a 20-percent disruption, and he describes it as social chaos.

Mr. DINGELL. Mr. Chairman, the gentleman from Michigan cannot have it both ways. If the gentleman wants to have safeguards and have the plan go into effect in the event there is a serious shortfall in supply, then that ought to be the criteria.

If the gentleman wants to say, "OK, we will have a one-House veto on implementation and we will reduce the shortfall," I think I might be able to go along with him, but the gentleman cannot have it both ways.

Mr. STOCKMAN. Mr. Chairman, if the gentleman will yield further, I think we have the best of both possible worlds in this compromise. What we need to affect the implementation, so it will not be used lightly in the wrong circumstances, is an objective test of the severity of the shortage. That is in the bill. The gentleman supported it, I supported it, and that is the 20 percent.

Mr. DINGELL. Mr. Chairman, that stands with the bill, but with all respect to my good friend, the gentleman from Michigan (Mr. STOCKMAN), I simply point out that the definition of the word, "compromise," is an agreement between two differing parties.

I would point out that the compromise which has been put forward by my good friend, the gentleman from Michigan (Mr. STOCKMAN), is a compromise between my good friend, the gentleman from Michigan (Mr. STOCKMAN), and perhaps some of his Republican colleagues. It is in no fashion a compromise which involves any Members on this side of the aisle of whom I am aware, and it is not based on any consultation with any Members on this side of the aisle of whom I am aware, including the gentleman from Michigan, the chairman of the subcommittee which is supposed to be handling this legislation.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Michigan (Mr. STOCKMAN) and in opposition to the amendment offered by the gentleman from Texas (Mr. WRIGHT).

Mr. Chairman, the majority leader has presented us an amendment on which he has labored for 6 days, and on the 7th day he has rested his case, and it has been found wanting.

I am surprised that he could not have done better in 6 days with all the staff he has available. A week is enough to come up with some sort of convincing argument.

The Wright amendment does one thing. It undoes the vote on the Gilman amendment that was taken about a week ago, and it returns the bill essentially to where it was before that.

What is it that the majority in this particular situation is afraid of? I say, "the majority" advisedly because last week theirs was a "minority" effort. What is it the majority leaders on that side of the aisle are afraid of? Apparently somewhere in the back of their minds they might recall that we swore an oath to the Constitution which in the very first section of the first article, says the Congress shall be composed of a Senate and a House of Representatives and they shall have all power to legislate.

What power? To write the laws of the land.

Can we imagine any law that would have more impact on, say, a lady in central Texas who has to drive miles to get her groceries, on a waterman on the Chesapeake Bay, or on the logger in Idaho? Is there any legislation that would have greater impact on the elderly who must go to drugstores miles away to get prescriptions? But you want to surrender your control to the President.

I suggest to the Members that we have no great unity in this House on the issue of rationing, because, stated simply, we are not convinced there is a need for it.

Apparently there are people in the executive branch who are very much convinced that there is a need for it.

But then we picked up the paper yesterday and read that there would be a world glut of oil in the next year. We are told by the gentleman from Michigan (Mr. DINGELL), on the other hand, that there is a gasoline crisis as we meet here today. On the other hand, we have been told by others that we should wait a while and only institute a plan if an emergency arises.

If there is a crisis that will arrive in the future, when will it be? No one seems to really agree.

But on one thing I think we can agree, and that is that when the final plan for rationing is applied as the law of the land on the backs of the American people, disrupting their lives or helping their lives, this Congress has a constitutional obligation to have some say about the plan. The only way that that duty—nay, that right that we have as Members of Congress can be vindicated is to adopt the amendment offered by the gentleman from Michigan. (Mr. STOCKMAN). That will allow the President to draft the plan, submit it to us, and then we can have some comment about it and consider the possibility of whether we agree or disagree.

We have heard the gentleman from Michigan telling us that we can have a series of plans, one after the other, but I refer the Members to the current law—and the gentleman wrote the things; I am sure he knows it is there somewhere—which says that in the case an amendment to a plan is needed after the Congress acts, 15 days is all it takes. I am sure the gentleman knows that to be the case. We are not going to string this things out.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I think the gentleman from Maryland (Mr. BAUMAN) has also made one other eloquent point in his comments that truly describes where we are. And that is that there may be some reason for the low esteem in which the public holds a Congress which is unwilling to face up to an issue like rationing. The majority leader would have us say that we will just accept whatever the President proposes, and then be able to hide behind the fact that we would not address that issue and find fault with the President's offering.

I think that is an abdication of our responsibility to legislate, as the gentleman said, and it is perhaps why we seem to be in some trouble as a body in terms of public esteem.

□ 1510

Mr. BAUMAN. I would say to the gentleman that in the last week we have been publicly accused by the President of timidity. We have been, if the newspaper account I read is correct, publicly accused by the majority leader of stupidity, which I felt was a rather unusual thing to apply to a Congress controlled overwhelmingly by his party. But the gentleman is right. We have a duty to

our people to make sure we have some say in the final form that rationing will take. Under the majority leader's amendment we abdicate that completely to a President, a President about which questions have been raised so far as his energy policies, so far as his ability to manage his Cabinet. Certainly we ought to work with that President. He is going to be there for another year and one-half, at least. But in the meantime we should not surrender to an imperial Presidency. That is really the issue here.

Mr. BROWN of Ohio. I am not so timid as wanting to just yield all of this up to the President. I think maybe we ought to try to exercise something more than timidity, the courage to share the responsibility with him.

Mr. BAUMAN. I certainly urge a vote for the Stockman amendment and against the Wright amendment.

Mr. AMBRO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the great advantages of speaking last is that most things that one wanted to say have been touched upon, but I do think that the debate is here and now. I think that what we do with respect to the Stockman amendment to the Wright amendment is really the essence of what we are going to do with the standby gasoline rationing plan, which I think all prudent people would want to give to the President.

But it seems to me that, when one talks about the Constitution, one must talk about where we are precisely now with respect to the Gilman amendment, which gives us, as was correctly said, the opportunity to legislate, if we have to, with respect to a plan. But with the language in the bill, as crafted by the gentleman from Michigan, and others, we intrude on the President's executive prerogatives to execute a plan which is in place and on the shelf. So indeed I am convinced that the President in this case, in response to a question from a reporter, was absolutely correct when he said, "I can live with a one-House veto," which was the Gilman amendment.

But he said, and I am going to get this in the RECORD:

> What I do object to are the other restraints that have been placed on the evolution of a standby gasoline rationing plan. Under the proposed plan, even before I got it to the floor of the House today, for instance, we could have a 60 percent shortfall of gasoline, which would almost devastate our Nation's economy, and unless that shortage lasted for 20 days I could not implement a rationing plan.

Implement is what he said.

Now, he takes issue with that which is in the bill now. It seems to me that what has been done here is the best of all worlds. I strongly supported the Gilman amendment because I thought it was the right way to go at the time. I will now strongly support an effort, maybe not the Stockman amendment—I am not convinced that the language is precise enough, and besides, I must say, parenthetically, it is devastating, to trigger the plan at 20 percent shortfall of product because if the previous shortfall at 6 percent caused such severe disruption, with three times that we might as well turn the key to the country and go home.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman for yielding.

Mr. Chairman, I commend to the gentleman the reading of this bill, as I commended it to the President when he made his statement concerning a shortfall and inability to act. The bill clearly says "has resulted or is likely to result * * *." Therefore, under the provisions of this bill, if the President had evidence that a shortfall would occur, that that shortfall would be of sufficient duration, he would then have the power to call on rationing, to hire the 50,000 bureaucrats.

Mr. AMBRO. Mr. Chairman, I do not think that the gentleman or anyone else can condemn a man, who is a brilliant, quick study, the reading of an amendment or the reading of a bill and not understand it. I think the President understands it. The example he gave was just that—an example. But it seems to me that whoever devised the 20-percent trigger could not have at all addressed the needs of this country. It seems to me that those who argue that the time to cast a legislative veto—whatever scare word that is—is at the time of implementation is just kidding oneself.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from New York.

Mr. OTTINGER. With respect to the inadequacy of draftsmanship, to which the gentleman referred, I would like to point out that the Stockman amendment does not necessarily do what either the gentleman in the well or the gentleman from Michigan claimed to want it to do.

Mr. AMBRO. My amendment, which I will bring up, depending upon what happens here on the floor, does indeed address this. It preserves the Gilman language. It sets a floor—not a trigger—at 10 percent, at which time the President can certify an emergency without coming back here for implementation and it does away with that devastating 20-percent trigger.

Mr. OTTINGER. I agree with the gentleman about the 20-percent figure. I would just like to point out that there is no requirement in the Stockman amendment that the plan be submitted in advance. In point of fact, the President could wait until the last minute, and you would have exactly the same emergency conditions at consideration of implementation.

Mr. AMBRO. That is a very strange argument, when all we have got now in the Wright amendment is the President describing to us what is going on, without any ability whatsoever to turn that description in the direction of more realistic legislation. It seems inadequate, at best.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Stockman amendment.

Mr. Chairman, we have boiled down this issue essentially to the number of congressional vetoes and to the timing of those congressional vetoes.

To briefly review, before we vote, my amendment provides for a 30-day consideration of any rationing measure after the President has submitted it during the 30-day layover period, giving the Congress an opportunity to look at the substance of the plan.

The Wright amendment strikes out the Gilman amendment, eliminating our 30-day congressional veto but does preserve the 15-day veto on implementation.

The gentleman from Michigan (Mr. STOCKMAN), by his substitute amendment, has reintroduced the Gilman 30-day amendment and has stricken the 15-day tail end implementation veto.

I urge my colleagues to vote yes on the Stockman amendment to the Wright amendment. That amendment restores the opportunity to the Congress to scrutinize any proposed plan in a cool, deliberative atmosphere, prior to any emergency.

I would hope that my colleagues would support the Stockman measure.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

Mr. Chairman, without addressing the merits of the amendment, but just to put the parliamentary situation in perspective, I want to point out as I stated earlier during the debate, I have at the desk an amendment, which is not in order at this time. In the event that the Stockman amendment is not adopted, then I would at that time offer my amendment. But that depends on the action of the Committee of the Whole House in deciding on the Stockman amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding.

Mr. Chairman, I am going to support the amendment offered by our colleague, the gentleman from Michigan. If there is to be just one approval or review by the Congress, the right time is, of course, when it is presented to Congress. It would be unfair with the President to have an authority or standby authority, a program presented to the Congress and Congress knew at the time it would not allow it to be implemented. It would be unfair to the country to have to wait until the time rationing was needed to then reject it.

If the Members will read the title of this bill we are considering, it is an emergency energy conservation act. Emergency. How in the world can we wait until implementation and then have 15 days to consider it if there is an emergency? I really felt, when I came to the floor today, that we probably needed only one opportunity to approve or disapprove

and that would be at the time it would be presented to the Congress. But after the argument was made, particularly from the other side, that conditions could change in the country, I really do not foresee at this time what conditions might change that the President might not see also and revise his program. But I believe if we are to have it we ought to have an opportunity to disapprove at the time of implementation, because things could change. In no event, how can we possibly not consider the plan that will be presented to Congress and disapprove it if it is inconsistent with the wishes of this body or the other body? I think if there is only one review, then we should have it at the time it is presented. But I think what the bill now provides with the Gilman amendment is a better way to approach the problem.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for his contribution and for underscoring the importance of a congressional veto.

□ 1520

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Stockman amendment. You know, we have been held up before in this House. We were faced not long ago with a measure—voting $662 million or else—and the "or else" was so terrible. It meant people left helpless without food stamps.

Under that kind of a gun, you have no choice. That is precisely what I think we have to avoid here.

When we think of the suffering of an oil shortage we know what we are talking about. This is not like a war, with an enemy that may attack on any front. It is a gas shortage. Our people know perfectly well what it is. Commonsense tells you what is going to happen with a gas shortage or heating oil shortage or any of these shortages. We know perfectly well what we are dealing with.

As far as a glut is concerned, we can have 2 million more barrels a day and have a glut. On the other hand, we know what happened when we lost 3 million barrels a day from Iran.

We cannot be without some kind of a standby plan, and we should be able to handle it here in the House.

We have all heard aspersions cast on the ability of the House to resist the political pressures that one group or another group may subject the Members to. But can we say in all honesty that we are weaker in resisting pressure than would be one man, a candidate, under pressure to promise one thing to one group or do one thing for one group and not another?

I think the House with its variety of people and variety of pressures is perhaps a safer place for such a program to be hammered out.

I hope very seriously that we will consider what we do. We must have some commonsense in our approach to the problems of the people of this country. The place we can exhibit it is in hammering out the kind of rationing plan we ought to have in the public interest.

I voted for the last standby rationing plan—many in this House did not—in May. I believe we must have one. Surely we ought to stand up and do what we know ought to be done.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. STOCKMAN), as modified, to the amendment offered by the gentleman from Texas (Mr. WRIGHT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LOEFFLER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 192, noes 232, not voting 10, as follows:

[Roll No. 408]

AYES—192

Abdnor
Alboata
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Breaux
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Fountain
Frenzel
Gilman
Gingrich
Goldwater
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hansen
Harkin
Harsha
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Hubbard
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nichols
O'Brien
Panetta
Pashayan
Paul
Perkins
Petri
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—232

Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Chisholm
Clay
Coelho
Corman
Cotter
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harris
Hawkins
Hefner
Heftel
Holland
Howard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—10

Anderson, Ill.
Bolling
Conyers
Diggs
Flood
Forsythe
Marlenee
Massoli
Treen
Wilson, C. H.

□ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Marlenee for, with Mr. Flood against.

Mr. MOORE changed his vote from "no" to "aye."

So the amendment, as modified, to the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1540

AMENDMENT OFFERED BY MR. LEVITAS TO THE AMENDMENT OFFERED BY MR. WRIGHT

Mr. LEVITAS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS to the amendment offered by Mr. WRIGHT: At the end, insert the following new paragraph:

(4) Within 120 days after the date of the submittal of the report under paragraph (1) and, to the extent practicable, before the transmittal of the plan under sections 201 and 203 of such Act, each such committee shall conduct hearings on that report and such matters relating thereto as the committee considers appropriate, and to make such findings and reports to the House and Senate (as the case may be) as the committees consider appropriate.

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the amendment.

Mr. LEVITAS. Mr. Chairman, this is the amendment which I earlier described to the House, and that I said I would offer if the Stockman amendment—which I voted for—failed. It simply would give the House and the other body the opportunity to consider in detail the plan that is submitted by the President, to let the Members of Congress, Governors, and the interests, and citizens that are affected, come before us and explain their problems with the plan so that revisions can be made in it. Then, there will be a report by the committees to the House and other body with specific findings and recommendations about the plan.

This will be a means for getting changes made in the plan prior to implementation and will provide a mechanism for congressional control which the gentleman from New York (Mr. GILMAN) was seeking to achieve.

If the President fails to accept these recommended changes we not only have a legislative veto prior to implementation, we also have other means to get them accomplished such as limitation written into appropriation bills.

By mandating oversight hearings and reports we achieve a large measure of control along with legislative veto.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I commend the gentleman on his amendment. I am happy to accept it, and I urge my colleagues to vote for it.

I point out that this is something the subcommittee would in any event plan on doing, and I commend the gentleman for his leadership.

Mr. LEVITAS. I thank the gentleman.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I think the amendment offered by the gentleman is fully in order. I think it strengthens my amendment, in fact. It makes certain that we shall have adequate legislative oversight, and that we will have every opportunity to have a congressional veto, if that should be our desire, at the proper time, at the time that we can compare it with the emergency it seeks to cope with.

I commend the gentleman, and urge Members to vote for the amendment.

Mr. LEVITAS. I thank the distinguished majority leader for his comments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEVITAS) to the amendment offered by the gentleman from Texas (Mr. WRIGHT).

The amendment to the amendment was agreed to.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I hope all of the members of the Committee of the Whole will get a copy of the Wright amendment. None of us saw it before today. It was not made available until the gentleman from Texas came to the floor and offered it. We had to go to the rostrum to get copies.

If Members are going to vote for Presidential rationing power, they ought to be able to go back and explain to their people that they were not stupid, they were not timid, but they swallowed rationing whole and handed Jimmy Carter, President of the United States, the right to write a rationing plan as he likes it, and gives the Congress no chance to have any legislative say over it.

That is what the Wright amendment does, pure and simple. All the talk about taking care of the various interests, I think Members will find when they read this amendment, is totally without meaning. This amendment is riddled with descriptive words like, "rural communities in the countryside." I live in one of those, a beautiful place.

"Handicapped persons; local boards; end user gasoline; equity; needs and hardships."

But those attractive words bear little relationship to the bill's grant of power to the President. If he chooses to include these things he may but he need not. The bill only provides an analysis and another description; a third description, a fourth description; and it says that the President will keep us informed about what he is doing. But, it does not say that Congress has even one right to put anything in his plan; that he can write the plan himself if he wishes.

This is the same President, the same Department of Energy—I will grant that it has a new "Coca Cola" executive at the head of the Department of Energy—but the same people who brought us the plan a few months ago that shortchanged the taxicabs in New York City, the farmers in the West and in my district, the people who drive long distances to work—it was a plan we rejected.

If Members want the President to have that kind of power just vote for the Wright amendment. That is precisely what is entailed. I think Members will live to regret it when they come to that day when the plan is finally imposed, and you will have abdicated your responsibility.

Mr. AMBRO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to say one thing very quickly. Where we stand now is, we have ensconced in the bill, by virtue of last week's vote, the Gilman amendment, which permits us to review a plan promulgated by the President. There is a flaw in the bill, it seems to me; that is the requirement that when the President has a plan on the shelf, as the result of the Gilman amendment and after that plan has been approved by this House, in effect, he then has to come back for a one-house veto or, in reverse, an approval of the Congress, for implementation of the plan.

Now that, it seems to me, intrudes on the President's ability to execute or implement a plan, which is his right. Now, lest Members think that their only choice is the Wright amendment, I must tell them that if the Wright amendment fails, in order to correct that deficiency I have an amendment which will preserve the language of the Gilman amendment, thereby giving the Members the opportunity to see what the President has, but then changing in almost a 180-degree fashion that which is installed in the bill.

I am sorry to intrude on the pride of authorship around here, but it seems to me that the 20-percent trigger is an outrageous figure. We can turn a key on the country if we ever get to that point. So that, what the amendment does is set up a 10-percent floor, after which the President, upon getting the approval of the Congress for a plan on the shelf, can implement or place into effect that plan merely upon the certification of an emergency to the Congress; dropping the trigger from 20 percent to a 10-percent floor, and do away with the one-House veto on implementation.

□ 1550

It seems to me that they would take into account everyone's concerns. I think it is a most reasonable approach, but I just tell the Members this now because there is an alternative to the Wright proposal, and insofar as the Members think there might not be one. I assure them there will be.

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the Wright amendment. I call to the attention of my colleagues who may not have been in the Chamber following this debate earlier that what this issue boils down to now is just when there will be a congressional veto. The Wright amend-

ment preserves the 15-day tail-end implementation veto at the time of an emergency. As you may recall, my amendment which we adopted earlier, provides for a 30-day consideration by the Congress with the opportunity to veto during a calm, deliberative period when no emergency exists. It comes about right after the President submits his plan to the Congress for a 30-day layover period. There is no delay involved in my amendment. It is an opportunity for the Congress to have a voice in the consideration of the substance of any rationing plan. The Wright amendment strikes out the Gilman amendment. By adopting the Wright amendment, we will never have a congressional voice. We will only have a voice as to whether or not there is an emergency in the heat of an emergency without an opportunity, a real opportunity, to examine the merits of the program. Accordingly, I urge my colleagues to vote against the Wright amendment.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are back at that point again where we are being asked to change our minds and our vote and decide that we ought to have no right to look at any rationing proposal that the President is going to advance to us, and merely vote on its implementation. This is what the Wright amendment proposes. If we have a major shortfall of gasoline and oil in this country, I cannot think that anybody in this Congress is going to vote "no" on the implementation of any plan, whatever that plan is—good, bad, or indifferent. But it is very likely to be a bad plan because the last one that was proposed to us was a bad plan which did not balance the needs of our society equitably, and the Congress, this House, turned it down.

Now we are saying that that is too difficult a responsibility for us to review the President's plan. If we approve the Wright amendment, we are saying that we do not want to know what is in that plan, just, Mr. President, you propose it and put it on the shelf, and we will approve it if we decide that a 20-percent shortfall merits some kind of rationing proposal. If that is not reversing the legislative and executive process, I never saw it. We decide when it goes into effect—aha!—with a 20-percent shortfall. The Members know we will decide it will go into effect. But we give the President the right to legislate the plan. It is no wonder that people distrust the Congress. The Wright amendment gives us, of course, the opportunity to say after the plan is implemented, well, we did not know what was in the plan; we cannot be held responsible; it is the President's fault that the plan is not right. Maybe you want to do that; I do not. I would rather go with the Gilman proposal that lets us be in partnership with the President of the United States. Let him propose a plan. We should have the opportunity to say that we are for the plan or we are against it, and then when it is approved and put on the shelf, I do not care whether we approve its implementation or not. That is an Executive decision. We are putting a 20-percent trigger in there, and if we have a 20-percent shortfall and that plan is in effect, we will be ready.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

For a point of clarification, I understood the gentleman from Maryland (Mr. BAUMAN) earlier to say the Wright amendment does not give the Congress the right to have a congressional veto, and now I understand the gentleman in the well to say the main difference between the Wright amendment and the Gilman amendment is that the Wright amendment requires reports to the Congress in the interim, but that there is a congressional veto before the plan can be implemented, and that the Gilman amendment requires two congressional vetoes, at the planning stage and the implementing stage.

Mr. BROWN of Ohio. Let me tell the gentleman what the Wright amendment proposes. The Wright amendment says that there will be no Gilman congressional review of the plan. That is, when the plan is proposed, we do not have a thing to say about it. The Wright amendment provides a one-House veto of the implementation of the plan when there is a 20-percent shortfall.

Mr. JONES of Oklahoma. There is a one-House veto, with the Wright amendment.

Mr. BROWN of Ohio. The gentleman will vote for it when there is a 20-percent shortfall, even if it denies any oil to Oklahoma.

Mr. JONES of Oklahoma. That is not true.

Mr. BROWN of Ohio. Because with that kind of a shortfall, we will all be for it. But the report that is required in the plan has no merit whatsoever because all it requires is that the President has to submit to us a report telling how equitable and wonderful the plan is, and that is it. There is nothing in that report that we either approve or disapprove when the plan is proposed. It has been legislated without our ever having laid a finger on it. Of course, it will give us the opportunity to say, "Ah! But the President is responsible for all these errors." I, frankly, am not terribly proud to do that. I think that maybe when I do that, I am saying I did not legislate very well; I did not even exercise my responsibility as a Member of Congress to try to protect the people in my constituency.

Mr. Chairman, I think what we ought to do is to vote down the Wright plan, and we will have the Gilman plan that we voted for last week, and which we voted for, I think, quite properly in the interest of trying to protect the concerns of the people whom we represent under the Constitution.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WYDLER, and by unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 3 additional minutes.)

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

The thing that has not been said here on the floor today and seems to be implied, it seems to me, is the fact that we do not know what the President's rationing plan is. As a practical matter, we know exactly what the President's rationing plan is. He has already proposed it, and that is the one he is going to send down to us if we vote for the Wright amendment today. That is the one that is going to go into effect when we have this tremendous shortfall. Is it not?

Mr. BROWN of Ohio. It is the one that he put his stamp of approval on before.

Mr. WYDLER. That is right.

Mr. BROWN of Ohio. It is the one that did not provide for people who have to drive 40 miles a day to work, or people who are traveling salesmen, or who live in the suburbs, or anyone else.

Mr. WYDLER. It is the one that the House voted down; is it not?

Mr. BROWN of Ohio. It is.

Mr. WYDLER. So today what the House is being asked to do by voting for the Wright amendment is to vote in favor of that Presidential rationing plan that we already rejected here on the House floor; is that not a fact? That is a result of what is going to happen?

Mr. BROWN of Ohio. The only way one can argue against that is to say that surely the President would not propose that plan. But the fact is he did. He did. And we voted against it.

Mr. WYDLER. So that a vote for the Wright amendment is a vote for the President's rationing plan. That is what it really comes down to here on the floor of the House today.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding.

Even assuming that the gentleman from New York (Mr. WYDLER) is wrong and the President did modify that plan to correct the problems that we had in the previous plan. If there was something else that was at fault with his new plan, this body or the other body would have no opportunity to recommend changes until rationing was needed, and what has been told to us time and time again here today is it would be too late then. Our backs would be to the wall. There might be something very obvious that Congress noted that the President did not, but we would have no opportunity to have a change until it is too late.

Mr. BROWN of Ohio. The fact is if we vote for the Wright amendment, we are voting to approve a plan that we have never seen, and we do not have any idea what it will contain.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT), as amended.

The question was taken; and the

Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LOEFFLER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 234, noes 189, not voting 11, as follows:

[Roll No. 409]

AYES—234

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Chisholm
Clay
Coelho
Corman
Cotter
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCloskey
McCormack
McHugh
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—189

Abdnor
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Breaux
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Frenzel
Gilman
Ginn-rich
Goldwater
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hyde
Ichord
Jeffords
Jeffries
Johnson, Colo.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lundine
Lungren
McClory
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marriott
Martin
Mattox
M'c-el
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Panetta
Pashayan
Paul
Perkins
Petri
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Sensini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
White
Whitehurst
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—11

Anderson, Ill.
Bolling
Conyers
Diggs
Flood
Forsythe
Marlenee
Mazzoli
O'Brien
Treen
Wilson, C. H.

□ 1610

The Clerk announced the following pairs:

On this vote:

Mr. Flood for, with Mr. Marlenee against.

Mr. Anderson of Illinois for, with Mr. O'Brien against.

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MARKS

Mr. MARKS. Mr. Chairman, I offer an amendment.

Mr. DINGELL. Mr. Chairman, I reserve a point of order against the amendment.

The Clerk read as follows:

Amendment offered by Mr. MARKS: Page 18, strike out lines 6 through 13.

Page 18, line 14, strike out "(ii)" and insert "(i)".

Page 18, line 17, strike out "(iii)" and insert "(ii)".

Page 18, line 20, strike out "(iv)" and insert "(iii)".

Mr. MARKS. Mr. Chairman, each and every one of us is hopeful that a rationing plan will not have to be instituted by the President of the United States. I am satisfied that the President of the United States has the same hope. I sense that the American people if asked at this moment would be telling us here in the Congress that we should do nothing to restrict the option of the President of the United States to institute a rationing plan based on the information that he has, if in fact he believes and if in fact an emergency exists.

Section 2(A)1, lines 6 through 13 of this bill, does just that. It restricts the flexibility of the President of the United States to avert and overcome an emergency.

We have just now, Mr. Chairman, once again provided ourselves with an absolute right to stop dead in its tracks a rationing plan implemented by the President of the United States. We have done this, I assume, to insure that this House can exercise its responsibility, its constitutional responsibility to its constituents. No rationing plan, absolutely no rationing plan whatsoever can go into effect if we, the Congress, forbid it.

Having that safeguard, my amendment strikes out what I think is an illogical, irrational requirement, that before the President of the United States can implement any plan whatsoever, we have to have reached a crisis of such proportions that frankly I doubt that any plan or anything we could do could salvage the situation.

□ 1620

Mr. Chairman, I suggest that considering the absolute veto that we have here in the Congress and the other safeguards that are in the bill, we must now eliminate the 20-percent shortfall requirement.

May I read to my colleagues what the bill suggests are the safeguards in addition to the 20-percent requirement. If the 20-percent requirement is eliminated, these safeguards exist: The President would have to find a severe energy supply interruption, which, according to the act, means a national energy supply shortage which he, the President of the United States, determines, if, first, it is not manageable under any emergency or energy emergency authority, including any energy conservation contingency plan approved under subsection (b); or second, is expected to persist for a period of time sufficient to seriously threaten the adequacy of domestic stocks of refined petroleum products; or third, is having or can reasonably be expected to have a major adverse impact on national safety or the national economy.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I rise in support of the gentleman's amendment.

I would like to point out that those necessary conditions to which the gentleman refers are not "ors"; they are "ands." Each one of those conditions must be met before the President can institute a plan.

I think that is adequate protection. I do not think we want this country on

its knees before the President has the power to submit his plan to Congress for approval.

Mr. Chairman, earlier I submitted a limitation of a 15-percent shortfall. The gentleman from Pennsylvania (Mr. MARKS) is absolutely right. We must give the President this authority, and I support the gentleman's amendment.

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Pennsylvania (Mr. MARKS) and commend him for offering this amendment. It seems to me that if the problems we experienced this year resulted from a shortfall of less than 5 percent, we could have absolute chaos created in this country without enabling the President to act to institute rationing. I think the gentleman's amendment is an excellent one, and I commend him for offering it.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MARKS) has expired.

(By unanimous consent, Mr. MARKS was allowed to proceed for 2 additional minutes.)

Mr. MARKS. Mr. Chairman, if in fact it is necessary for us to institute a rationing plan, if it is necessary for the President of the United States to do so, he does so under the most hazardous of all conditions. May I suggest to the Members that at least according to one if not both the authors of the 20-percent requirement, this country would be in chaos at that particular point. That would be a shortfall of approximately 40 percent of imported oil.

May I suggest that, if we forced the President of the United States at that time to wait until that moment, there would be no chance whatsoever of bringing us out of that tailspin, and there might not be any reason to have rationing.

It seems to me that we have to provide him with this authority. If we are going to criticize him for inaction, at least as some of my colleagues have done, then for goodness sake, let us not tie his hands in time of emergency. We have a right to expect him to act. He asks for the opportunity to do so.

Mr. Chairman, I suggest that the 20-percent requirement would in fact tie his hands.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I want to congratulate the gentleman from Pennsylvania (Mr. MARKS) on his amendment and on his statement. I think he is absolutely correct. We need this to give the President some flexibility.

We do not have experience with managing shortfalls of over 15 percent. The trigger at least should be reduced to that figure, if not below, and it would be better to eliminate it.

Mr. Chairman, I hope the Members support the gentleman's amendment, and I congratulate him for offering it.

Mr. GRAMM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we voted on a proposal to lower the trigger from 20 to 15 percent, and this body very wisely voted 329 to 93 in opposition to that amendment. We are here asked to knock the triggers out altogether.

I think it is important to note that this is not just a standby rationing plan. In many ways rationing has gotten a disproportionate amount of play in the discussion of this bill. This is a conservation plan as well.

We have 28 pages of conservation measures to be used at the State and Federal levels to deal with shortfalls that are manageable under conventional means.

Our subcommittee held extensive hearings on rationing, and witnesses, both in the administration and outside of government, clearly concluded that rationing is a very expensive process, costing between $1.5 billion and $2.5 billion, requiring the employment of 50,000 bureaucrats. The consensus of those representing the private sector and those representing the administration was that with anything less than a 20- to 30-percent shortfall the cost of imposing rationing would greatly exceed the benefits of rationing.

This body voted down the President's standby bill on May 10 because it was not a standby plan. Despite all the discussion of the Stevens resolution in the Senate, there were no prohibitions against premature usage of rationing by the President. We have in this bill a protection against rationing, requiring that it be used only under the most severe circumstances, a protection that is dictated by the hard facts that rationing is not a panacea for all our problems. Rationing is very expensive and must be used only under the most severe circumstances.

I think it is imperative, Mr. Chairman, that we vote down this amendment and make it clear to the American people that we are not voting rationing in this bill, but that we are instead voting a standby plan only to be used in periods of emergency, and that this bill clearly contains conservation measures to be used to lessen the shortage.

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I think the suggestion of the gentleman from Texas (Mr. GRAMM) that the bill we have before us or any amendment to that bill is anything more than bringing in place a standby rationing plan is not a fair summary of what is going on.

May I suggest that my amendment or any other amendment has no effect whatsoever on this being a standby plan or not being a standby plan.

Mr. GRAMM. Mr. Chairman, I will reclaim my time and simply point out that the 20-percent figure in this bill makes it a standby plan to be used only with a clear finding from the President that a 20-percent shortfall has existed for 30 days or that there is reason to believe that such a shortfall will occur. That provision makes it a standby plan, and I urge this body to keep those provisions in this bill.

Mr. MARKS. Mr. Chairman, will the gentleman yield again?

Mr. GRAMM. I am happy to yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Chairman, may I suggest that the use of the term, "protection," by the gentleman from Texas (Mr. GRAMM) again does not seem to be a fair analysis of what is happening here. The absolute protection that this Congress has and the American people have through their representatives in Congress is that we have an absolute right to veto whatever program the President of the United States puts forth.

Mr. GRAMM. Mr. Chairman, reclaiming my time again, I point out that the best protection this body has against premature rationing is to clearly write the provision under which we will allow rationing to occur in this bill. The committee voted this language in, we held it in through the subcommittee and the committee and brought it to floor. I urge my colleagues to vote this amendment down.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I would like to state that I agree with what the gentleman from Texas (Mr. GRAMM) is saying.

It is important to note that the committee has taken a twofold approach and has a twofold purpose. One is to deal with the near catastrophe, and that provides for rationing. The second is to deal with a sort of intermediate kind of situation with intermediate steps, the conservation steps the gentleman has mentioned. One of the surest ways to see that rationing does not go into effect is to have those conservation steps in there, as the gentleman has correctly pointed out.

I think another thing has to be said, and that is that there are those of us who care about passing the bill, and I know the gentleman from Pennsylvania does.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GRAMM) has expired.

(On request of Mr. MOFFETT, and by unanimous consent, Mr. GRAMM was allowed to proceed for 1 additional minute.)

Mr. MOFFETT. Mr. Chairman, will the gentleman yield further?

Mr. GRAMM. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I know the gentleman from Pennsylvania (Mr. MARKS) and the gentleman from New York (Mr. OTTINGER) do want a bill, but

I think the political equation is such that we only have to look at the number of votes we have had and how close they have been, and I refer to the amendment offered by the gentleman from New York (Mr. GILMAN), the amendment offered by the gentleman from Michigan (Mr. STOCKMAN), and the amendment offered by our majority leader.

We know that in order to get a bill through here, we are going to have to find some sort of trigger mechanism, and I think this is a fair one. The gentleman who was the author of the amendment in the subcommittee is absolutely correct in saying that we must keep this particular trigger in the bill.

Mr. GRAMM. Mr. Chairman, I thank my colleague, the gentleman from Connecticut (Mr. MOFFETT), for his support.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I am very happy to yield to the gentleman from Arizona.

Mr. RUDD. Mr. Chairman, is it the gentleman's understanding that if this amendment is adopted, there would be no trigger at all and the President would be able to establish an emergency at any time and declare that emergency so that rationing could be instituted?

Mr. GRAMM. In terms of the technical requirements of the bill, that is absolutely correct.

Mr. RUDD. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, the actions which this House is asked to take in the name of "energy conservation" never cease to astound me.

The provisions of S. 1030, if adopted, would trample over the individual rights of our citizens and over the prerogatives of the States, all in the name of "energy conservation."

The bill, as reported by the House Interstate and Foreign Commerce Committee, would bring the supply and use of energy consumed in the United States under the thumb of the President and Department of Energy bureaucrats.

Both the Congress and the individual State legislatures would be effectively precluded from any review or modification of State conservation measures.

The bill would grant the President authority to impose energy consumption conservation standards for every State if he deems that a "severe energy interruption" exists.

On the surface, such a proposal may seem laudable in view of our recent energy difficulties. However, I am reminded of the wise words of former President James Madison who cautioned—

> I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations.

I am not certain that the adjectives "gradual" or "silent" are characteristic in this analogy, but certainly a proposal including such sweeping Presidential authority is an encroachment on the liberties of the American people without just cause.

As has been pointed out under the vague and sweeping authority recommended by this bill, the Department of Energy may conceivably have the authority to set arbitrary restrictions on the operating hours of businesses, factories, and so forth, restrict the operating hours—or days—of gas stations; limit the use of recreational vehicles; and impose other restrictive requirements on our Nation's citizens.

Such restrictions on the mobility and independence of our people should not be imposed in the casual manner advocated by the proponents of this legislation.

This bill would grant to the Governors of the States vast power to supersede the wishes of their State legislatures in devising State conservation plans.

In turn, the Department of Energy would be granted enormous discretionary power to override or amend the Governor's plan and impose one to its own liking.

To further intimidate the States, the Secretary of Energy would be allowed the power to cut off Federal conservation funds from the States until they comply with the Washington-approved standards.

Surely each State knows best how to reduce energy consumption in light of the unique circumstances in that State. What works in Washington or New York might not necessarily work in Arizona.

The answer is to give unlimited discretionary authority to a burgeoning Federal Government. On the contrary, never has Henry David Thoreau's observation been more appropriate—

> This Government of itself never furthered any enterprise, but by the alacrity with which it got out of its way.

We need to eliminate the stifling rules and regulations which have strangled the production of oil and natural gas in this country. It would be the height of folly for this House to ignore past mistakes and compound these errors by adding yet another layer of misguided Federal intervention.

The people's individual liberties would be further restricted by the provision allowing the President to implement a 6-day driving week. Under this bizarre scheme, the Nation's drivers would "choose" one day of the week on which they would forego the use of their car.

A sticker designating that day would be placed on the car, and it would be an offense to drive the car on the prohibited day.

When the President spoke to the Nation several Sundays ago, his theme was an upbeat, optimistic one. Yet now, we find the legislation pushed by the administration, in actuality, promoting the same old negativism.

The President and the Department of Energy are still devising plans and contingencies for allocating shortages rather than developing the needed proposals for increased energy production.

Nothing in this bill will produce one drop of oil.

Our present energy situation has been exacerbated by horrendous bureaucratic judgments of the Department of Energy, and I cannot support legislation which would grant them yet more power over the American people.

Instead of imposing another layer of bureaucratic regulation, this Nation must return to the principles of the free enterprise marketplace. Only then can we realistically hope to have adequate supplies of energy at reasonable prices.

I urge defeat of the amendment, and of the bill.

□ 1630

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) insist upon his point of order?

Mr. DINGELL. I do not, Mr. Chairman.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is not true that there are no other limitations with respect to putting into effect a rationing plan. Other than an imminent 20 percent shortfall. There is item 2, that the situation is not manageable under any energy emergency authorities, including any energy conservation provisions, et cetera; 3, there is expected to persist for a period of time a shortage sufficient to seriously threaten the adequacy of domestic stocks of petroleum products; and, 4, the shortage is having or can reasonably be expected to have a major adverse impact on the national safety or the national economy.

I would like to suggest to the Members that one of the most probable adverse impacts on national safety and on the national economy is not an actual 20 percent reduction in gasoline available. It is that there will be such an avaricious demand for gasoline at any given time, as there was this spring and summer, that the stocks of crude petroleum will be so reduced that there will not be sufficient petroleum stocks to produce both No. 2 fuel oil and diesel fuel.

We have been assured by the Department of Energy—and I think we have been assured openly and honestly—that there is not going to be a shortfall of No. 2 fuel oil this year. That is, of course, the prime humanitarian demand on such crude stocks. But to the extent that the avaricious demands for gasoline, plus the necessary human demand for No. 2 fuel oil, diminishes these stocks of crude oil, we magnify an extremely dangerous possibility of a severe shortfall of diesel fuel.

Diesel fuel is the lifeblood of our economy and our commerce. That is what drives our trains, that is what moves the trucks, that is what operates the mobile forces of the United States. A 1-percent shortfall of diesel could throw this economy into the grips of the worst depression that we have ever seen.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, the gentleman is so right. And it is not only what diesel would do to our economy, but the middle distillates for the home heating oil. This target of 240 or 249 billion barrels is not an adequate response to the home heating oil problem or the diesel problem, because the distributors have not got the storage in their tanks and

they are not going to have it, and the customers have not got the storage in their tanks and they are not going to have it. By October 1, the general rule was the customer's tank full, the distributor's tank full, and then you had the refiners with their reserves for the winter. That is not going to happen.

The distributors in my State are 50 percent short now in their storage capacity, and the consumers are down 65 percent. That is the most that any of them have. This is not a sound situation. I am so glad the gentleman is bringing it to the attention of this House.

Mr. ECKHARDT. I thank the gentlewoman from New Jersey for her comments.

Mr. Chairman, the gentleman who has offered this bill is a member of my Subcommittee on Oversight and Investigation. We have gone into the question of the pending shortage of middle distillates. That is the important thing. We are missing the main point here when we are looking at gasoline as the grave danger. We could cut our use of gasoline by 20 percent and our economy would not come to its knees, but if we fall short of diesel fuel by 2 percent, our economy may be severely crippled.

I wish my colleagues would listen very seriously to the proposal of my colleague Mr. MARKS. I know that it may be politically advantageous to go ahead with the bill with this exception in it. But I want to warn you that we are not at the end of the crisis situation in this year and certainly we are not at the end of the crises at the end of this year. We are going to face the question of a shortage of middle distillates as sure as I am standing here. I hope that you consider this amendment seriously.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Texas.

Mr. LOEFFLER. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman from Texas if he believes that the Department of Energy and the President would do a better job at rationing the so-called diesel shortage than they have in allocating the shortage.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has expired.

(On request of Mr. LOEFFLER and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, let me answer the question in this way: I heard the speakers from the gentleman's side of the aisle saying a moment ago—and I think they said it with considerable force and persuasion—that to await a 20-percent shortfall is to await a situation which constitutes a fait accompli; whatever the President does will have to be followed at that point.

I suggest to the gentleman that, if that be true, then it is also true that it would be better to permit the President to anticipate a critical situation with a lesser shortfall of gasoline and consider the possibility of a shortage of diesel. Then he may come in with a plan, and if his plan is not acceptable, we can stop the implementation of that plan by the veto provided in the Wright amendment, which I do not disagree with and which I previously supported.

I frankly do not trust any bureaucracy nor any President alone always to make a right decision. But I suggest that a failure to have some trust in the agencies of Government that must, if anyone does, protect us in a crisis, is to create an extremely dangerous situation in this country.

Mr. LOEFFLER. If the gentleman will yield further, I might just say, however, that the Department of Energy, through the allocation program, has been trying to deal with the shortfall that we have with diesel to no avail, in the sense of trying to overcome the shortage situation. That is simply based upon the fact that we do not have an adequate supply of crude.

Mr. ECKHARDT. Not necessarily. It depends on how we husband crude. For instance, what we have done in the last period from the beginning of this year to the present time, is to create every incentive to take more gasoline from a barrel of crude, and that is one of the reasons why we may run into a shortfall in middle distillates.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has again expired.

(By unanimous consent, Mr. ECKHARDT was allowed to proceed for 1 additional minute.)

Mr. ECKHARDT. Mr. Chairman, on March 1, of this year, we provided an additional incentive to move crude oil toward gasoline by providing an additional 10-percent margin for passthrough of price of crude oil to gasoline. This does not exist in the case of middle distillates.

We also provided that, generally speaking, there can be about a 50-percent increase in the amount of markup from the processing of crude oil to gasoline in order to encourage gasoline production. I suggest that this may be extremely dangerous if there is an insufficient supply of crude to meet our middle distillate needs this fall.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has again expired.

(On request of Mr. OTTINGER and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, we have just been through a situation where, with less than a 10-percent shortfall, we had literally chaotic conditions in this country, with long lines in those areas which were suffering those kinds of shortfalls.

I would like to suggest that, with this 20-percent limitation, there is not a standby rationing authority; it really is a fraud on the public because you do not have a plan that the President could put into effect unless the country were on its knees. Particularly, as the gentleman points out, that is so with respect to our middle distillates.

There is adequate protection in here, by way of the one-House veto, to make sure the President does not exercise this authority frivolously. But failure to give him this kind of flexibility means that you have given the appearance of a rationing plan without really doing so.

I think, in order to really present the President with the tools he needs to face the kind of crisis we are very likely to confront, that this is a minimum requirement. We have enough protections in this bill. The President ought to be allowed to present the Congress the standby rationing plan with much less than the 20-percent shortfall.

Mr. ECKHARDT. Mr. Chairman, I would like to conclude the time that the gentleman has generously obtained for me by saying that I think it is time for us to quit making appearances of doing something about a problem and get to doing something about it.

I also feel that we are trailing the American people in our willingness to accept rationing. I think the people want us to give sufficient authority to meet a real problem, not to afford token authority with limitations placed on that authority which assure that it cannot be used until a crisis in fuel has chilled our houses and stilled our means of transport.

□ 1640

I am told by the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL) that there is a deal of flexibility within his proposal, and I take it for granted that there may be; but I want to be assured of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MARKS).

The question was taken; and on a division (demanded by Mr. WALKER) there were—ayes 7, noes 41.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 63, noes 356, not voting 15, as follows:

[Roll No. 410]

AYES—63

Ashley	Harkin	Reuss
Barnes	Harris	Richmond
Bedell	Holtzman	Rodino
Bingham	Howard	Roybal
Boner	Hughes	Sabo
Bonker	Kastenmeier	Scheuer
Burton, John	Lowry	Seiberling
Burton, Phillip	Lujan	Shannon
Corman	Lundine	Simon
D'Amours	McCloskey	Solarz
Deliums	McHugh	Spellman
Dodd	Maguire	Stark
Downey	Marks	Swift
Duncan, Oreg.	Matsui	Thompson
Early	Mavroules	Udall
Eckhardt	Mineta	Van Deerlin
Edwards, Calif.	Nolan	Vanik
Fenwick	Obey	Vento
Garcia	Ottinger	Walgren
Gore	Pease	Weaver
Gray	Pritchard	Weiss

NOES—356

Abdnor	Edwards, Okla.	Leland
Addabbo	Emery	Lent
Akaka	English	Levitas
Alboste	Erdahl	Lewis
Alexander	Erlenborn	Livingston
Ambro	Ertel	Lloyd
Anderson, Calif.	Evans, Del.	Loeffler
Andrews, N.C.	Evans, Ga.	Long, La.
Andrews, N. Dak.	Evans, Ind.	Long, Md.
Annunzio	Fary	Lott
Anthony	Fascell	Luken
Applegate	Fazio	Lungren
Archer	Ferraro	McClory
Ashbrook	Findley	McCormack
Aspin	Fish	McDade
Atkinson	Fisher	McDonald
AuCoin	Fithian	McEwen
Badham	Flippo	McKay
Bafalis	Florio	McKinney
Bailey	Foley	Madigan
Baldus	Ford, Mich.	Markey
Barnard	Ford, Tenn.	Marriott
Bauman	Fountain	Martin
Beard, R.I.	Fowler	Mathis
Beard, Tenn.	Frenzel	Mattox
Bellenson	Frost	Mica
Benjamin	Fuqua	Michel
Bennett	Gaydos	Mikulski
Bereuter	Gephardt	Mikva
Bethune	Giaimo	Miller, Calif.
Bevill	Gibbons	Miller, Ohio
Biaggi	Gilman	Minish
Blanchard	Ginn	Mitchell, Md.
Boggs	Gingrich	Mitchell, N.Y.
Boland	Glickman	Moakley
Bonior	Goldwater	Moffett
Bouquard	Gonzalez	Mollohan
Bowen	Goodling	Montgomery
Brademas	Gradison	Moore
Breaux	Gramm	Moorhead, Calif.
Brinkley	Grassley	Moorhead, Pa.
Brodhead	Green	Mottl
Brooks	Grisham	Murphy, Ill.
Broomfield	Guarini	Murphy, N.Y.
Brown, Calif.	Gudger	Murphy, Pa.
Brown, Ohio	Guyer	Murtha
Broyhill	Hagedorn	Myers, Ind.
Buchanan	Hall, Ohio	Myers, Pa.
Burgener	Hall, Tex.	Natcher
Burlison	Hamilton	Neal
Butler	Hammer-schmidt	Nedzi
Byron	Hance	Nelson
Campbell	Hanley	Nichols
Carney	Hansen	Nowak
Carr	Harsha	O'Brien
Carter	Hawkins	Oakar
Cavanaugh	Heckler	Oberstar
Chappell	Hefner	Panetta
Cheney	Hertel	Pashayan
Chisholm	Hightower	Patten
Clausen	Hillis	Patterson
Clay	Hinson	Paul
Cleveland	Holland	Pepper
Clinger	Hollenbeck	Perkins
Coelho	Holt	Petri
Coleman	Hopkins	Peyser
Collins, Ill.	Horton	Pickle
Collins, Tex.	Hubbard	Preyer
Conable	Huckaby	Price
Conte	Hutto	Pursell
Corcoran	Hyde	Quayle
Cotter	Ireland	Quillen
Coughlin	Jacobs	Rahall
Courter	Jeffords	Railsback
Crane, Daniel	Jeffries	Rangel
Crane, Philip	Jenkins	Ratchford
Daniel, Dan	Jenrette	Regula
Daniel, R. W.	Johnson, Calif.	Rhodes
Dannemeyer	Johnson, Colo.	Rinaldo
Daschle	Jones, N.C.	Ritter
Davis, Mich.	Jones, Okla.	Roberts
Davis, S.C.	Jones, Tenn.	Robinson
de la Garza	Kazen	Roe
Deckard	Kelly	Rose
Derrick	Kemp	Rostenkowski
Derwinski	Kildee	Roth
Devine	Kindness	Rousselot
Dickinson	Korovcek	Royer
Dicks	Kostmayer	Rudd
Dinell	Kramer	Runnels
Dixon	LaFalce	Russo
Donnelly	Lagomarsino	Santini
Dornan	Latta	Satterfield
Dougherty	Leach, Iowa	Sawyer
Drinan	Leach, La.	Schroeder
Duncan, Tenn.	Leath, Tex.	Schulze
Eckart	Lederer	Sebelius
Edwards, Ala.	Lee	Sensenbrenner
	Lehman	Sharp
Shelby	Stokes	Whittaker
Shumway	Stratton	Whitten
Shuster	Studds	Williams, Mont.
Skelton	Stump	Wilson, Bob
Slack	Symms	Wilson, Tex.
Smith, Iowa	Synar	Winn
Smith, Nebr.	Tauke	Wirth
Snowe	Taylor	Wolff
Snyder	Thomas	Wolpe
Solomon	Traxler	Wright
Spence	Tribble	Wyatt
St Germain	Ullman	Wydler
Stack	Vander Jagt	Wylie
Staggers	Volkmer	Yates
Stangeland	Walker	Yatron
Stanton	Wampler	Young, Alaska
Steed	Watkins	Young, Fla.
Stenholm	White	Young, Mo.
Stewart	Whitehurst	Zablocki
Stockman	Whitley	Zeferetti

NOT VOTING—15

Anderson, Ill.	Flood	Rosenthal
Bolling	Forsythe	Treen
Conyers	Ichord	Waxman
Danielson	Marlenee	Williams, Ohio
Diggs	Massoli	Wilson, C. H.

□ 1650

Messrs. RICHMOND, HOWARD, LOWRY, ASHLEY, and McHUGH changed their vote from "no" to "aye."

Mr. ROE changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Chairman, this afternoon I missed rollcall No. 410, the vote on the Marks amendment to the rationing bill which was under consideration.

Had I been present, I would have voted no.

□ 1700

AMENDMENT OFFERED BY MR. YOUNG OF MISSOURI

Mr. YOUNG of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Missouri: Page 17, line 2, strike out the period and insert in lieu thereof the following: "," and by adding at the end thereof the following new sentence: "The President to the maximum extent practicable shall consult with the Governors of the various States (or the representatives of such Governors) during the development of the rationing contingency plan under this section.".

Mr. YOUNG of Missouri. Mr. Chairman, we all recognize the need for development of a standby gasoline rationing plan with all possible speed. Nevertheless, I want to insure that the plan fulfills the conditions set forth in section 2(a) of this act—and I quote—

That the burden of reduced supplies of motor fuel be shared by all groups in a fair and equitable manner and that the economic and social impacts be minimized.

Therefore, I am offering the amendment to section 2(b) to require the President to consult with the Governors (or their representatives) in developing a rationing plan.

I believe that this amendment, with its requirement for consultation, will provide a valuable input from those who best understand the needs of the people of their region.

We are all aware of the differing conditions which exist within our States and regions. Some of our communities are served by excellent mass transit systems. In other areas, no alternatives to the automobile are available to provide for the absolute necessities of life. Many suburban residents face this situation. In rural areas, the farmer must have adequate fuel not only to run his tractors, but also to transport workers to and from the fields at harvest time and to transport his produce. I believe my amendment will help insure that any standby gasoline rationing plan will address such problems in a fair, equitable and workable manner.

We have allowed for extensive reliance upon State judgment in the development of plans to meet the conservation targets. We should offer the States an opportunity to advise the President in the formulation of the standby gas rationing plan as well.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Missouri. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the gentleman from Missouri has made this amendment available to the committee. I think it is desirable that the President should consult with the Governors of the various States during the development of the emergency rationing plan.

I think the amendment is helpful, and I am happy to accept it.

Mr. YOUNG of Missouri. I thank the gentleman.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Missouri. I yield to the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, we have no objection to the amendment, and support the gentleman's amendment.

Mr. YOUNG of Missouri. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. YOUNG).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 19, strike out lines 10 through 14.

Page 17, line 18, strike out "paragraphs 2 and 3" and insert in lieu thereof "paragraph 2".

Page 19, line 9, insert after the period close quotation marks and a period.

Mr. OTTINGER. Mr. Chairman, I very much fear that this Committee is going to live to regret the actions that were just taken on the Marks amendment to eliminate the 20-percent figure, or my efforts the other day to reduce that 20 percent to at least a more reasonable 15 percent. We are very likely to have a situation of a shortfall much less than 20 percent which will produce chaos in the country, and because of the actions taken the President is going to be disabled from acting under that kind of a situation. Everyone who voted against those two amendments is going to have

to bear a responsibility for the inability of the President to act.

This is one last endeavor to try to get some sensible flexibility in the hands of the President to be able to submit a rationing plan to Congress in a worldwide shortage situation. The triggers for instituting rationing, in addition to those that have been enumerated in the last discussion on the amendment by my colleague, Mr. MARKS, provide that the President can trigger sending a rationing plan to Congress if he finds it is necessary to do so in order to meet our international obligations under the international energy agreements. Now, the committee, at the instance of the same people who do not want to see rationing at all, has put in a paragraph which I have just stricken, that says:

"(3) As used in paragraph (1), the term 'necessary to comply with obligations of the United States under the international energy program' refers to a necessity which is determined to have impacts comparable with those provided for under subparagraphs (A) and (B) of paragraph (2).".

In other words, the 20-percent shortfall requirement is made to apply to disable the President from meeting our international agreement. Members will be told that the President, under these international agreements, can institute rationing with just a 7-percent domestic shortfall, but that simply is not so. The President still has to meet all the requirements that are put forward in this act, that there will be a severe energy supply interruption that is not manageable under our existing energy emergency authority, that is expected to persist for a time sufficient to seriously threaten the adequacy of our domestic stocks, that it would have or can reasonably be expected to have a major adverse impact on national safety and the national economy. In order to meet our international agreements, however, in a worldwide shortfall—even though we do not have a 20-percent domestic shortfall or a likelihood of a 20-percent shortfall in this country—we may still have to have rationing in order to meet those international agreements.

I pray of the Members to reconsider on this question, because the President must have that kind of authority. He is still subject to a one-House veto if the Congress feels that it is not proper to institute rationing, or that the plan is not proper at that time. We can still turn it down, but to tie the hands of the President in his best judgment in order to meet our international obligations would be exceedingly unwise.

So, I hope the Committee will approve this amendment.

Mr. GRAMM. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, this now is the third time we have voted on this basic amendment. We voted on this amendment five times in committee, twice in the subcommittee, three times in the full committee. On our first vote on the House floor it was voted down by a vote of 329 to 93. In the last vote just taken, it was voted down by a vote of 356 to 63. I think the intent of this body is clear, we are willing to give the President standby rationing authority, but standby authority only—only to be used in circumstances of a real shortage.

We have heard a lot of talk here today about tying the hands of the President, but the people who are tying the hands of the President are the people who continue to offer these amendments which clearly are not acceptable to this House.

I suggest that we get on with the job at hand and complete the rationing section, complete the conservation section, and get this bill out of the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. AMBRO

Mr. AMBRO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AMBRO: Page 17, strike out line 3 and all that follows down through line 2 on page 18 and insert in lieu thereof the following:

(c) Section 201(e) of such Act (42 U.S.C. 6361(e)) is amended to read as follows:

"(e)(1) The President may put a rationing contingency plan into effect if the President—

"(A) has transmitted a copy of such contingency plan to the Congress in accordance with section 551(b) and neither House of the Congress has disapproved (or both Houses have approved) such plan in accordance with the procedures specified in section 551; and

"(B) if the plan is not disapproved during the period provided for such disapproval (or if the plan is approved) under subparagraph (A), has found that putting such contingency plan into effect is required by a severe energy supply interruption or is necessary to comply with obligations of the United States under the international energy program, subject to paragraphs (2) and (3)."

Page 18, line 11, strike out "equal to 20 percent or more" and insert in lieu thereof "equal to 10 percent of more".

□ 1710

Mr. DINGELL. I reserve a point of order, Mr. Chairman, against the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I would like to reserve a point of order also.

Mr. AMBRO. Mr. Chairman, in keeping with my image of being a compromiser, it seems to me, and even though we have had 10 or 11 or 12 attempts to reduce the trigger, this amendment does a couple of things. What it does, in the first place, is restore in part the language of the Gilman amendment which brings a plan developed by the President back to this House. What it does, in the second place, is remove the requirement for a veto at the time of implementation by having the President find that we have an emergency where the figure is in excess of 10 percent shortfall of product and in effect certify to that emergency, not have to go to 20 percent, and then implement without congressional approval. In other words, it meets the needs of the review process which was contained in the Gilman amendment. It does away with hamstringing the President with respect to requiring the legislative veto at a catastrophic 20-percent shortfall of product, and it meets the checks and balances in the Constitution by providing us the ability to legislate and the President to execute the policy. It seems to me that the amendment is a method of wending its way between what happened earlier in the passage of the Wright amendment on the one hand and the doing away with the Gilman amendment on the other; it is a proper course of action and I urge its adoption.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. DINGELL. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, this is the Stockman amendment which was just previously rejected by the House. It provides for a total change from the Wright amendment back to the proposal that was put forward by the gentleman from Michigan (Mr. STOCKMAN) so that the second one-House veto would be dispensed with on the question of implementation of the plan, and so that there would then be a one-House veto on the question of the preparation of the plan by the President. Since the rules of the House do not allow the offering of the same amendment twice, I make the point of order that the amendment is not properly made and does not conform with the rules.

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) desire to be heard on the point of order?

Mr. BROWN of Ohio. Mr. Chairman, only to make a point that I made earlier in the day on another amendment, and that is that this amendment seeks another vote on precisely the language on which we have already voted and in some respects on the same issue on which we have already voted. I would submit that if it is the desire of the gentleman to reverse the position of the committee previously taken when it was meeting in the Committee of the Whole that this effort should be undertaken in the full House and have another vote on that same amendment. It is the same point, I believe, that the gentleman from Michigan (Mr. DINGELL) made.

The CHAIRMAN. Does the gentleman from New York (Mr. AMBRO) desire to be heard on the point of order?

Mr. AMBRO. I do, Mr. Chairman. In the first place, the language is quite different from that of the Stockman amendment. In the second place, it deals with a trigger change with which the Stockman amendment did not deal. In the third place, it seems to me that the eloquent argument used against the gentleman from Ohio (Mr. BROWN) by the majority leader (Mr. WRIGHT) with respect to his point of order should prevail as well now, and I would like, without burdening the House with that argument, to rest on that as well.

The CHAIRMAN (Mr. FASCELL). The Chair is prepared to rule.

For the reasons stated by the gentleman from New York (Mr. AMBRO), the Chair overrules the point of order.

Mr. GRAMM. Mr. Chairman, I rise in opposition to the amendment. Mr.

Chairman, this amendment requires no real debate. We have debated both major portions of the amendment, we have voted on those subjects, and the House has spoken clearly on them. The amendment seeks to lower the trigger from 20 to 10 percent. The House has voted down the reduction overwhelmingly at the level of 15 percent. It also seeks to put the restrictions of the Stockman amendment and the Gilman amendment back into the bill. That has also been voted down by this House. I, therefore, urge that we vote this amendment down.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I am happy to yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman for his remarks. We should save the time of the House and reject the amendment, as we have earlier today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. AMBRO).

The amendment was rejected.

AMENDMENT OFFERED BY MR. KRAMER

Mr. KRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRAMER: Page 22, after line 24, insert the following new subsection:

"(g) Section 203(f) of such Act (42 U.S.C. 6363(f)) is amended by striking out "shall expire on the same date as authority to issue and enforce rules and orders under the Emergency Petroleum Allocation Act of 1973." and insert in lieu thereof "shall cease to have effect after September 30, 1980.".

Mr. KRAMER. Mr. Chairman, this is one part of a two-part amendment which, if this is successful, will be offered later on in the bill to the energy conservation section. Simply put, what this amendment does is limit the President's authority under the rationing aspect of this particular bill to 1 year. As it presently reads, that authority expires in September of 1981. This would reduce that expiration date to September of 1980. We have already abdicated our authority for making laws in this body to the President under the bill as presently constituted with the votes that have been taken earlier this afternoon. Let us not compound the effect of those votes by extending this authority beyond a reasonable period of time.

If you believe, as I do, that the particular rationing authorities as granted by the bill for emergency conditions are extraordinary, go far beyond anything we have ever given to the President in peacetime, and go far beyond the EPCA contemplation of what the President's power would be, then certainly a reasonable approach would be to allow us to look at the end of 1 year and see what we have done, and whether or not conditions have changed and whether circumstances are different; so that perhaps we ought to take a second look and reemphasize those things that need to be emphasized and change those things that need to be changed.

The conditions of energy emergency vary. They vary substantially as to degree, duration, and impact. It is really folly for us to expect that today's conditions will be the same as those conditions facing us a year from now. Therefore, it is imperative that the Congress assure itself the opportunity to meet the conditions facing us next year with a legislative remedy appropriate to those conditions. This amendment does not preclude an extension of the rationing authority as contained in this bill. It would simply guarantee that before such an extension was granted, the Congress would exercise its responsibility to review the authority and its impact and the conditions existing at that time. On the basis of that information, the Congress would be in a better position to determine the appropriate action to take to meet current conditions. Just as we cannot predict what the situation will be 1 year from now, we should not anticipate congressional reaction, as this bill does in its present form.

□ 1720

I would hope that because of the extraordinary nature of the power that is vested in the President by this legislation that at least we will be sufficiently responsible to reclaim the authority and power we have abrogated and at least hold this to a 1-year rather than a 2-year period. I hope the Congress will see fit to terminate the President's authority unless we see fit to extend it after that 1-year period has expired.

Mr. Chairman, I yield back the balance of my time.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words and will speak in opposition to the amendment.

Mr. Chairman, my colleagues should know that the Emergency Petroleum Allocation Act expires on September 30, 1981. The legislation before us is the amendment to EPCA, the Energy Policy and Conservation Act. That act provides that the rationing authority shall expire when the EPCA expires.

Now, the amendment of the gentleman from Colorado (Mr. KRAMER) is an expression of his desire and I think it is a proper one, that this legislation should expire at an appropriate time and should be subject to oversight and review by the Congress. I concur in that belief.

Mr. Chairman, I do not concur in the particular expression we have before us. The amendment would end the authority of the President to ration gasoline on September 30, 1980. Under the law I have just cited the Energy Policy and Conservation Act, the authority would continue to September 30, 1981, and the bill before us is an amendment to that statute. The date of the Emergency Petroleum Conservation Act, the Energy Policy Conservation Act of 1973, and the expression of the language in this legislation before us all expire on the same date.

It is likely that the Department of Energy will take at least 6 months to have a new plan ready and then it would take probably longer to have it in the state of readiness. If we adopt the amendment before us the rationing authority would expire just when it is available to be used.

Under present law it would expire in 1981. I see no reason for us to have to reconsider this before that time and I think that orderly housekeeping for this body and good use of the time of the House and good use of the time of the administration would allow us to at least have a standby plan which would be available for a reasonable period of time and would not suffer the unreasonable constraints that would be imposed upon it by the amendment of my friend from Colorado.

Mr. KRAMER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Colorado.

Mr. KRAMER. I thank the gentleman for yielding.

Mr. Chairman, it seems to me that to use the EPCA standards which contemplated Congress having a preexisting knowledge and a preexisting approval of the terms of a plan that they have seen is an entirely different proposition when we are now faced with a plan, imposition and the terms of which we have not seen basically prior to the imposition and it seems to me that to use the EPCA standard and the EPCA duration of 1981, when we have a totally new ballgame, is most inappropriate.

We have an extraordinary situation.

Mr. DINGELL. Mr. Chairman, I thank the gentleman.

I would simply observe if the amendment of the gentleman is adopted it will leave us practically no time to have in place a program for emergency standby rationing of gasoline. Let me just read from the basic statute to which the legislation before us is an amendment.

Notwithstanding section 531, all authority to carry out any rationing contingency plan shall expire on the same day as the authority to issue and enforce rules and orders under the Emergency Petroleum Allocation Act of 1973.

The Congress has already addressed the question of when the power to ration should expire and terminate. I have just quoted from the statute which the Congress passed at an earlier time which dictated the time at which the expiration should occur. I would think an understanding of the reasoning of that time and an understanding of the fact that the gentleman's amendment would leave virtually no time for the plan to stay in readiness or availability and the time for the commencement of oversight and other things would be so short as to be almost unworkable, would make it apparent to the House we should reject the amendment and I urge my colleagues to reject the amendment offered by the gentleman from Colorado for the reasons just stated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. KRAMER).

The question was taken; and on a division (demanded by Mr. KRAMER) there were—ayes 15, noes 26.

Mr. KRAMER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The gentleman from Colorado (Mr. KRAMER) demands a re-

corded vote and makes a point of order that a quorum is not present.

Evidently a quorum is not present.

Mr. KRAMER. Mr. Chairman, I withdraw my point of order of no quorum.

The CHAIRMAN. Does the gentleman withdraw his point of order of no quorum?

Mr. KRAMER. Yes, Mr. Chairman.

The CHAIRMAN. The Chair has already ruled that a quorum is not present, and we will have to proceed with the quorum call.

Mr. KRAMER. Mr. Chairman, I ask unanimous consent to withdraw my point of order.

The CHAIRMAN. The Chair will advise the gentleman from Colorado that is not in order.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 411]

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
DeLlums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lunsren
McClory
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ranzel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1740

The CHAIRMAN pro tempore. (Mr. BENNETT). Four hundred and two Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Colorado (Mr. KRAMER) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. The Chair will remind the Members that this will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 162, noes 250, not voting 22, as follows:

[Roll No. 412]

AYES—162

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Coleman
Conable
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Leland
Levitas
Lloyd
Long, La.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mica
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Satterfield
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solarz
Spellman
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Studds
Swift
Synar
Taylor
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Weaver
Weiss
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOES—250

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Butler
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Coleman
Conable
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Leland
Levitas
Lloyd
Long, La.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Satterfield
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solarz
Spellman
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Studds
Swift
Synar
Taylor
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Weaver
Weiss
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—22

Alexander
Bolling
Burton, John
Conyers
Davis, S.C.
Diggs
Edwards, Calif.
Flood
Forsythe
Lederer
Lehman
McEwen
Marlenee
Mazzoli
Mikva
Mitchell, Md.
Murphy, N.Y.
O'Brien
Rosenthal
St Germain
Treen
Waxman

□ 1750

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien for, with Mr. Lederer against.

Mr. Marlenee for, with Mr. Mitchell of Maryland against.

Mr. HALL of Texas changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: Page 22 at the end of line 24 add the following new section:

BUILDING TEMPERATURE RESTRICTIONS

SEC. 3. Section 202 of the Energy Policy and Conservation Act is amended by adding at the end thereof the following new subsection:

"(d)(1) Any plan established under subsection (a) may not provide for any measures that would regulate building temperatures unless such plan permits an exemption for any building affected by such restrictions which will achieve an equivalent reduction in energy consumption by other means.

"(2) Any plan approved before the date of the enactment of this subsection shall be deemed to provide for the exemption required under paragraph (2)."

Mr. DINGELL. Mr. Chairman, I reserve a point of order against the amendment.

Mr. WYLIE. Mr. Chairman, what my amendment would do would be to provide for a comparable savings plan as an alternative to the 78-degree summer thermostat setting and the 65-degree winter thermostat setting.

What my amendment would do would

be to allow maximum flexibility to achieve the target of energy reduction by other means.

Under standby conservation plan No. 2, the 78-degree thermostat settings are provided for and the 65-degree thermostat settings are provided for. They are designed to achieve a reduction in the use of oil by 3 to 5 percent.

In Ohio, our electricity is produced from coal. So it does not matter whether we set our temperature at 78 degrees or 65 degrees or not. We are not conserving oil.

This amendment would provide for an equivalent reduction in energy which must be shown to be feasible as an alternative to the 78-degree reading in the summer and the 65-degree reading in the winter, by rules promulgated as a part of standby conservation plan No. 2.

Various business people in the city of Columbus have contacted me and have said that the 78-degree thermal reading does not provide the optimum work situations, that in the middle of the afternoon the air becomes stale and the people become sluggish and they are, therefore, not as productive as they should be.

What my amendment would do would be to allow a business to, say, set the thermostat at 76 degrees in the afternoon, to circulate the air a little bit, to clear out some of the stale air in these buildings with these huge thermal windows, and it would allow a higher temperature setting in the evening. As I say, this amendment would allow businesses the flexibility to adjust the temperatures in buildings during nonoccupancy hours to meet the standard as prescribed by standby conservation plan No. 2.

An alternative plan may even be easier to administer. Compliance could be documented by a review of the utility bills or by a simple reading of the meter. No thermostat inspectors would be required to comply with the law. So what my amendment would say would be that the business would have to comply with standby energy conservation plan No. 2 unless a plan would permit an exemption which would achieve an equivalent reduction in energy consumption by other means.

Restaurants are especially hard hit by the 78-degree thermostat reading. As a matter of fact, with the high humidity that we have had in Columbus—and I just called a little while ago, and it is about 98 percent—the restaurant business is going to be off tonight because a 78-degree temperature thermostat reading translates into a temperature of about 86 degree or 90 degrees, with customers coming into that restaurant.

All of us want to be patriotic and, besides, we want the cheapest energy of all, which is conservation; but I think that if businesses can be allowed this alternative method to standby conservation plan No. 2 in setting the thermostats at 78 degrees, then we ought to allow it.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I would be glad to yield to the distinguished gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the gentleman might also point out, I think—because he is absolutely right on this amendment and absolutely right on the issue that that restaurant is not going to get business tonight because it is too warm in there to be comfortable and to eat with your coat on—with any kind of a cooling facility for some of the foods, such as desserts, it may in fact be using more energy to lower that temperature in that showcase because the outside temperature of the room is 78 degrees. The same thing applies to supermarkets and a lot of other places. You could achieve that saving if you turned off, say, the Coke machines at night elsewhere in the building where the restaurant is when the restaurant is closed. The gentleman is quite right.

Mr. WYLIE. I thank the gentleman very much for his remarks, and the gentleman is absolutely right.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. On the gentleman's proposed tradeoff, as I call it, would it be possible to turn off the TV lights and turn the air-conditioning back on here on the House floor?

Mr. WYLIE. I suppose we could adopt an alternative energy plan if we could achieve an equivalent reduction of energy consumption by other means, yes. That is a distinct possibility.

□ 1800

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. DINGELL. Mr. Chairman, I do not.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Ohio is offered in good faith. I certainly have the highest respect and greatest regard for the gentleman from Ohio.

There are a number of problems with the amendment that the committee ought to be aware of. The first is that under the basic legislation under which the President has issued his orders regarding thermostats, the States have the ability to come forward with alternative plans which would save a commensurate amount of energy.

To the best of my knowledge, none of the States has, and on checking, the State which is so ably represented by the gentleman from Ohio (Mr. WYLIE), has not come forward with an alternative plan which would save a commensurate amount of energy.

Now, the committee has heard my colleagues raise questions about the number of thermostat inspectors who would gallivant about the land dealing with the questions of thermostat settings. If you want to see thermostat setters and thermostat inspectors and you want to see paperwork and redtape relating to thermostat settings, then my counsel would be to adopt the amendment offered by my good friend from Ohio.

The problem is that it requires on a business-by-business basis that we establish the amount of savings, how much would be comparable savings. It is im-

possible to know. It would then require the finding as to how much energy the business has actually saved. This is impossible, but it would require the diligent labors day on end by a goodly number of Federal thermostat inspectors to find out what the saving was, what the comparable savings could be.

There would be massive disputes over what was conservation and what were the effects of other conditions such as changed business conditions, weather conditions and so forth.

Now, while the amendment appears to be fair and appears to be desirable and while it appears to permit businesses to use alternative means to conserve the same amount, it would make the requirements of the basic legislation to which this is an amendment totally unworkable, and it would deluge this country with armies of folks who would go about inspecting thermostats and making calculations as to what would be comparable savings and then comparing that with the individual who owned the business as to what in effect were the savings.

I would agree with the gentleman, if he would withdraw the amendment, that we would have the committee go into it, and we would inquire into the questions as to whether or not there are or not alternative methods through which we could achieve a commensurate saving of energy, and that we could accomplish I think much of that which the able gentleman from Ohio (Mr. WYLIE) seeks to achieve. But I would point out that what will be achieved by the amendment offered by the gentleman from Ohio is massive expenditures of money, massive paperwork, enormous burdens on businessmen, no conservation, but vast controversy and difficulty.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. My respected chairman, because of his position, is so close to the Department of Energy and to the administration in these matters, I wonder if he could advise me and the rest of my colleagues just how long the Department of Energy has had these regulations out in pursuance of, I think it was energy action No. 3 that we passed by this Congress, that allowed those standards to be set?

Unless I am in error, those regulations have only been out for less than a month, plus we also have got receipts of compliance and all those other fun things that the Department of Energy sends to people to indicate that they are complying with that energy action, and they have not even been sent yet. Of course they were sent in the mail, so they may not be there until later this winter, but the point is that the States do not know what the regulations are until lately.

I do not think the State of Ohio or, from my knowledge, any other State in the Union has been able to come up with an alternate energy plan because the DOE has just finished up forming this plan based on energy action No. 3. Am I not correct?

Mr. DINGELL. We have a new Secretary of Energy. I am sure he is going to solve all of those problems. I urge, for that reason, we should reject the amendment.

I will try to go into the matter and see to it that we correct it, because there are complaints that are legitimately raisable about the situation. The gentleman from Ohio (Mr. WYLIE), has raised some proper concerns, but I would think that an amendment of this kind is really just burning down the barn to cook the bacon. I do not think that is a desirable way to legislate.

Mr. LOEFFLER. Mr. Chairman, I rise in support of the amendment.

First of all, the existing thermostat control regulations which are currently being implemented do not significantly or effectively conserve oil. Basically, electrical power is generated not only by oil, but also nuclear power, hydro power, and gas.

Roughly throughout the United States 6 percent of electrical generation comes from hydro, 13 percent from nuclear, 40 percent from coal and 40 percent from oil and gas.

The first three, nuclear, hydro, and coal, are all derived as a result of domestic energy production. As we analyze electrical generators use of oil, of the remaining 40 percent, 20 percent is produced in the United States and 20 percent from abroad.

In addition, certain regions such as New England do generate the majority of their electricty with oil. They may be able to conserve some oil in those regions, but the plan itself is so rigidly and ineffectively enforced throughout the United States that little or no energy savings result.

The Wylie amendment would allow percentage reduction plans which can save far more energy than the current existing temperature restriction plan.

Further, it would achieve conservation in a more workable fashion and also would assist the individual businesses throughout the United States in maintaining necessary work productivity from its employees.

I am pleased to join the gentleman in support of his amendment.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman very much for his support. I think the gentleman, in speaking in opposition to this amendment, made a point which I would like to reiterate. That is the fact that we had a Secretary of Energy who promulgated rules and regulations which are now being laid on the States. That Secretary of Energy is gone. We think we know who the new Secretary of Energy is, but I believe that this is an issue on which this House should speak.

People across the United States right now are upset by the 78-degree/65-degree thermostat settings.

As I said before, we all want to be patriotic and we want to conserve energy, because that is the cheapest energy of all. But if there is a different way to conserve energy which this amendment would provide through an alternate means, then I think we should adopt it.

The regulations of the Department of Energy at the present time do provide for an alternate means if a State adopts a plan.

What my amendment simply does is says that if a business adopts a plan which would provide for an alternate means and would conserve the same amount of energy, 3 to 5 percent or whatever is suggested, then that plan ought to be adopted. I think it is a reasonable approach to standby conservation plan No. 2, which I might say was passed on a voice vote after the last time when we voted on rationing.

I want my colleagues to know there are a lot of people in my district very unhappy about it. I am sure that is true in the gentleman's district.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I thank the gentleman for yielding.

I think there is one point that ought to be very well made in this whole debate. That is that the Wylie amendment attempts to restore incentives to save back to the private sector of this country, whereas, the arbitrary amendment, the setting of 78 degrees, destroys any incentive.

You can set 78 degrees in a warehouse, and you can set 78 degrees in a building which has been well insulated, that has put in thermopane windows and done everything to conserve energy. We are destroying incentive with what the President has done at 78 degrees.

The Wylie amendment is trying to restore that incentive. I urge my colleagues to adopt it. I think this point should be made because of the business community, because of the ingenuity of the American people in rising to an occasion; and we cannot take that away from them. We cannot take that incentive away. That is what we have done.

□ 1810

Mr. LOEFFLER. I certainly agree with the gentleman from South Carolina, and he makes another good point when he speaks with respect to the ingenuity of the American people. I believe we will conserve on our own and that it is most difficult to respond adequately to such inept mandatory-type thermostat control procedures.

I might also add that the thermostat settings differ for various buildings and a mere across-the-board implementation of that program from Washington just is not effective.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I will yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding and I would like to support the amendment.

I talked to a major hotel owner in my congressional district just this weekend and he would like to have that flexibility, but he is dependent on a major turnout for his lunch and for his evening dinners,

and his air conditioning is very important to attracting customers from the private sector. So I think this is an excellent amendment and I think we should allow that flexibility in the American economy.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. MOORHEAD of California and by unanimous consent Mr. LOEFFLER was allowed to proceed for 2 additional minutes.)

Mr. MOORHEAD of California. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from California.

Mr. MOORHEAD of California. Mr. Chairman, I rise in support of this amendment. As this matter came up on the floor to be voted on and to be considered immediately following the turndown of the gas rationing plan, I stood in the well here waiting to be recognized. The bill was passed in confusion with no one having an opportunity to speak, no one having a chance to voice opposition to the plan. This certainly is not the way to pass legislation.

I think it is time that we looked at this very carefully because there are many businesses in my district that are losing their products because they cannot withstand the 78-degree temperature. I know there are people that are doing less work than they would be able to do otherwise and many industries would be able to save more fuel efficiently in other areas if they were allowed to have the temperature in their workingplaces kept at a reasonable level.

Seventy-eight degrees is far too high for the health of the American people. I ask for an "aye" vote on the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The gentleman from California mentioned 78 degrees is too high a temperature. I would ask my colleagues to wait until we get into this winter and 65 degrees is as high as we can set the thermostats in the houses where there are old people and there are severe problems from the health standpoint of old people in that setting.

I might say to the gentleman from Texas that I rode on an airplane not very long ago with a young man who was part of a new business firm made up of a number of people from IBM, I think it was, about five of them, and they had developed a system whereby they can shut off all of the motor systems in a building at night when that building is unoccupied, and by keeping the building, in effect, totally turned off at night when it is not necessary to have things running, they saved much more than could be saved by raising the thermostat temperature on the air conditioning from 72 degree to 78 degrees. There are a lot of imaginative ways that we can do this that are less destructive than the one presented here.

Mr. MOFFETT. Mr. Chairman, I move to strike the last word and rise to speak against the amendment.

It should be noted that there are already exemptions to the thermostat controls. It is, of course, not a perfect regulation.

Our friends on the Republican side of the aisle, in most instances, are not for mandatory conservation measures. If they had had their way, we would not have had the automobile miles-per-gallon standards which are saving hundreds of thousands of barrels of oil and will save millions of barrels of oil in the future. If they had had their way, we would not have had appliance efficiency standards. If they had had their way, there would be no mandatory conservation whatsoever.

I would suggest to my colleagues that if they adopt this amendment they are putting even more uncertainty into the marketplace. Our Republican colleagues are fond of telling us that we should not have uncertainty in the marketplace; yet that is precisely what we are going to have, if we adopt this amendment. The small businessman, for example, will be in the position of being quite uncertain about whether or not he is in compliance because he cannot calculate what a comparable savings means.

I would urge my colleagues, particularly those who have voted in favor of mandatory conservation in the past, that it is in fact working, though it is quite unheralded.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to point out to my friend and respected colleague on the Energy and Power Subcommittee that I realize why he is so interested in appliance efficiency standards. But we do not have those standards yet. One of the reasons we objected to those standards is that it is going to take so long for those standards to be put into place the way the Federal Government was trying to do it, and we were having it done on a voluntary basis anyway. Once we got the Federal Government involved in the process, it was slowed up considerably, so we do not have appliance efficiency standards yet and have not saved anything on appliances in terms of energy.

I might say also to the gentleman from Connecticut if we had adopted some of the ideas that were suggested on this side of the aisle a couple of years ago we would not have the shortage of fuel we have in the country now, because we had a little bit more domestic production. We have lost something like 23 percent of our oil in this country since 1973, thanks to the systems that have been set up by this Congress.

The issue here is not whether we ought to be saving the fuel. Nobody argues that. We are all for trying to conserve and avoid the importation of foreign oil. The point is whether or not we are doing it in a sensible way, whether or not we are not mandating by Presidential authority or by act of this Congress, whichever, the specific method that we want to do something, and in that process not really accomplishing very much.

I will mention again, because I think it is important to mention, that where we have a building that has the necessity to have certain parts of that building cool, like in a supermarket where we have the cold frozen-food sections, but we set the temperature for the ambient air in the supermarket at 78 degrees, we may very well be chewing up more Btu's of energy to keep those frozen supermarket lockers down to that low temperature because the outside temperature is 78 degrees.

That is just the oldest problem in the world with government, and that is that we try to apply the same standard to everything all over the country and say "You shall do it or else." My guess is there are an awful lot of buildings that ought to be at 78 degrees, that inside of a few months will not be at 78 degrees, they will be down to 74, and 76, and maybe even 72 or 70. The same thing goes when we get to the 65-degree temperature in the winter, because people just are not going to do it as a matter of mandating that particular temperature setting. They might respect a little more if we mandated the savings goal, and that is precisely what we ought to be doing.

The gentleman from Ohio has a very logical amendment, and that is save the same amount of energy by trying to accomplish it in a way that is the best for that particular business or for that particular area or whatever it may be. It seems to me that it is essential good sense that the gentleman speaks to us on this amendment. I see no reason for us not to accept the goal of saving the energy as opposed to the goal of everybody having a 78-degree thermostat setting. I just have to say to the gentleman that it is a little bit like the prohibition amendment, it may be a wonderful goal, but I wonder how many people are actually going to welcome the government inspector to come in and look at their thermostat and see if it is at 78 degrees. My guess is there will not be very many government inspectors that will ever see a thermostat.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the last word and I rise in support of the Wylie amendment.

I would like to respond to my colleague from Connecticut. The gentleman is absolutely correct, the Standby Conservation Act No. 2 is clearly not a perfect regulation. As a matter of fact, it is a very defective regulation and my colleague, Mr. WYLIE, is merely trying to correct one element of that, especially as we approach, in the not too distant future, winter. If there is a better way to provide the regulated temperature and that will conserve energy, then I believe this amendment in place is a proper one. After all, we are told that this act before us is to save, to conserve energy.

The amendment of my colleague from Ohio, Mr. WYLIE, is very carefully drafted to do just that and to allow the State to have the basic responsibility to provide compliance for this act, primarily through building inspectors and otherwise, I am not saying they are the only ones, and I realize that there are plenty of people over at the Department of Energy running around, I understand that. I see my colleague from Michigan standing up quivering because I have

eliminated or have not talked about all of those wonderful inspectors over at DOE.

□ 1820

In any regard, my colleague from Ohio has very carefully drafted this amendment to comply with this law that is before us, and that is to encourage and provide incentive for conserving energy in a proper way and to overcome the substantial defects of the great act we passed the other day by voice vote.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding. The gentleman from Connecticut (Mr. MOFFETT) a little while ago said that compliance would be difficult under my amendment. I submit that compliance with standby energy conservation plan No. 2 with my amendment would be much easier because compliance could be documented through utility bills and through monthly reading of the meters rather than through inspection of thermostats to see if they are on 78 degrees at a particular time.

Also, my amendment would allow the maximum flexibility to achieve conservation through the use of other energy sources other than oil. As I said, in Ohio our electricity is produced from coal. Almost no electricity is produced from oil. Therefore, a 78-degree temperature is not doing what standby conservation plan No. 2 is designed to do in the first place.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Michigan.

Mr. STOCKMAN. Mr. Chairman, I want to associate myself with the gentleman's remarks. I think the point has not been crystallized by the House that as the rules stand today, they are actually anticonservation. They apply to about 5 million commercial buildings in this country. And what do we say? The 78-degree rule, what does that say to the owner of the building?

It says,

No matter how much you spend for insulation; no matter how much you spend for a new, more efficient air conditioning system; no matter how much you spend to rip out the old heating system and put in a new heat pump system, which is far more efficient; no matter how much you spend to replace a roof that leaks; no matter how much you spend on any of the structural conservation devices that can help energy consumption reduction over the remaining life to that building, it will do you absolutely no good because the ambient temperature inside still has to be 78 degrees.

Here just last fall we passed a bill to give a conservation tax credit, to encourage business to do just these things. Now, we have an inflexible, rigid rule put in place that is discouraging businesses from responding to that tax credit, from responding to the price factors of the marketplace. It will encourage them for the duration of the life of this program to sit on their hands and not make any conversions to conserve energy in the long run.

So, I am suggesting that this amendment is a very much needed modification of the program. It will not result in any loss of energy savings, but it will permit the retrofit process to go forward so that when this program ends in a year—and that is all the authority they have—we will have buildings that are more efficient and will continue to reap the benefits of those gains for years into the future.

Mr. ROUSSELOT. Mr. Chairman, my colleague from Michigan makes eminent good sense, and I hope that will prevail in support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LOEFFLER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 267, noes 152, not voting 15, as follows:

[Roll No. 413]

AYES—267

Abdnor
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bevill
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dodd
Doman
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Findley
Fish
Flippo
Florio
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Marriott
Martin
Mathis
Mattox
Mavroules
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nichols
Nowak
O'Brien
Oakar
Pashayan
Paul
Pease
Perkins
Petri
Pickle
Pritchard
Pursell
Quayle
Quillen
Rahall
Rallsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Udall
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOES—152

Akaka
Albosta
Alexander
Ambro
Annunzio
Anthony
Ashley
Baldus
Barnes
Bedell
Bellenson
Bethune
Biaggi
Bingham
Blanchard
Boland
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Fascell
Fazio
Ferraro
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Garcia
Gephardt
Giaimo
Gibbons
Gore
Gray
Gudger
Hall, Ohio
Hawkins
Hefner
Heftel
Hollenbeck
Hoyer
Huckaby
Hughes
Hutto
Ireland
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Leach, La.
Lehman
Leland
Long, Md.
Lowry
Luken
McHugh
Maguire
Markey
Marks
Matsui
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nelson
Nolan
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pepper
Peyser
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Rodino
Rose
Rosenthal
Roybal
Santini
Scheuer
Seiberling
Shannon
Sharp
Skelton
Solarz
St Germain
Stack
Stark
Stewart
Stokes
Studds
Swift
Thompson
Trazler
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weaver
Weiss
Whitley
Wilson, C. H.
Wirth
Wright
Yates
Young, Mo.

NOT VOTING—15

Anderson, Ill.
Bolling
Clay
Conyers
Diggs
Flood
Forsythe
Lederer
Lewis
Madigan
Marlenee
Massoli
Myers, Ind.
Treen
Williams, Ohio

□ 1840

The Clerk announced the following pairs:

On this vote:

Mr. Lederer for, with Mr. Flood against.

Mr. LEVITAS and Mr. WYATT changed their vote from "no" to "aye."

Messrs. FORD of Michigan, BETHUNE, and RODINO changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to my good friend, the gentleman from New York (Mr. BIAGGI) for purposes of colloquy.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I had intended to introduce an important amendment to S. 1030. This amendment sought to remedy what is, I am sure, an unintended ambiguity in this legislation—namely permitting those states which have instituted energy savings through conservation to be rewarded by sufficient allocation of gasoline if a rationing plan were to be imposed.

This legislation is less objectionable on this point than its predecessor, which I opposed and was defeated on May 10. There the definition of "need" was based solely on so-called historical use—or consumption. Nothing was said about allocation for states which have successfully reduced gasoline consumption conservation measures.

In S. 1030, the issue is only slightly better. The legislation leaves the term "need" open for interpretation by the President when he determines a plan. It was my intention in this amendment to insure that savings achieved through conservation measures by states be used as a criteria for allocation of gasoline under rationing. I have received assurances that the matter would be handled in due time. However, I feel it is imperative to reflect the congressional intent on this issue as clearly as possible at this time.

Mr. Chairman, I have noted that the primary criteria used to determine gasoline allocations under this bill is the "most recent data available." Certainly, I recognize that this emphasis is necessary to protect those States with high growth. In no way would this amendment seek to change this emphasis or take gasoline away from those States.

Rather, my amendment would only have sought to insure that those States which can prove energy conservation savings, will not be penalized. In other words, my amendment only sought to insure equity in formulating a fair gasoline allocation plan.

While I agree with the committee report that it is difficult for some States to determine their energy conservation savings, I have found that for many States, including New York, this is not the case.

The State of New York has informed me that pursuant to State energy conservation plans mandated by the Energy Conservation Act of 1975, New York's transportation energy savings alone, will total 31.23 trillion Btu's or the equivalent of 5.5 million barrels of oil a year by the end of 1980.

These figures are based on careful estimates of the effectiveness of New York's five major transportation energy savings programs, including: right turn on red (1.1 trillion Btu's saved); car pooling (.03 trillion Btu's saved); 55 miles per hour speed limit (16.6 trillion Btu's saved); local transportation systems management (10.2 trillion Btu's saved); and general outreach, which includes such things as keeping tires inflated, and keeping cars tuned (3.2 trillion Btu's saved).

I must emphasize that this amendment places the burden upon the States to show that it is practical to calculate conservation savings. If a State is unable to substantiate their energy savings with solid evidence, the President need not take such factors into account when determining a State's gasoline allocation.

Further, this amendment limits "the accounted" energy reductions to those achieved under a State conservation plan. The amendment does not attempt to take into account energy reductions attributable to demographics or business exodus. It is aimed only at measuring the effectiveness of a State's energy efficient efforts.

It is time that we recognized that conservation is an essential ingredient to any long- or short-term energy policy. It seems contradictory to talk about gas rationing on the one hand and consumption on the other. It seems even less logical for any rationing plan to reward those States using the most. Those who achieve savings through conservation should have the opportunity to compete fairly in this process. Otherwise, what incentive is there to conserve? On the basis of a previous discussion with the Chairman, Dr. DINGELL, I will not offer my amendment but will engage in colloquy in order to obtain my objective an assurance that States that conserve energy are not penalized for doing same.

Mr. Chairman, in my home State of New York, significant savings in energy use have been achieved through conservation. Yet I am concerned that this might penalize my State in the distribution of a shortage under rationing. I would ask the chairman if my concerns are real.

Mr. DINGELL. I appreciate the concern of my distinguished colleague from New York. His State and others have taken steps to encourage conservation and have achieved savings.

When this committee drafted the amendment, we considered that problem and the problem of growth. We made it clear that end-users' rights shall be distributed on a basis that results in degree of shortfall involved being shared equally among the States, considering the most recent data available.

This is noted in the committee's report on page 22. Reflecting the use of such data should avoid the concerns expressed by my colleague. That data will reflect conservation, as well as growth.

Mr. BIAGGI. Would the most recent data available measure both consumption and savings achieved by conservation, which would result in lower consumption?

Mr. DINGELL. The answer is yes. It is not the intention of the committee that any State be penalized under the plan for its efforts in reducing energy demand.

Mr. BIAGGI. I thank the gentleman.

Mr. DINGELL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read section 3.

The Clerk read as follows:

AMENDMENT TO NATIONAL ENERGY CONSERVATION POLICY ACT

SEC. 3. Title VI of the National Energy Conservation Policy Act is amended by redesignating parts 3, 4, 5, and 6 as parts 4, 5 6, and 7, respectively, by reassignating section 641 as section 651, and by inserting after part 2 the following new part:

"PART 3—EMERGENCY ENERGY CONSERVATION

"Subpart A—General Provisions

"SEC. 631. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds that—

"(1) serious disruptions exist in the gasoline and diesel oil markets in various regions of the United States;

"(2) it is likely that such disruptions may worsen and spread to other regions of the United States;

"(3) interstate commerce is significantly affected by those market disruptions;

"(4) an urgent need exists for the conservation of gasoline and diesel oil;

"(5) emergency measures are required to respond to that need and to cope with the market disruptions; and

"(6) up-to-date information concerning the supply and demand of gasoline and diesel oil, and other related data, is not available to the President, the Congress, or the public.

"(b) PURPOSES.—The purposes of this part are to—

"(1) conserve gasoline and diesel oil and other energy sources which may be in short supply;

"(2) provide a means for States to establish emergency conservation measures with respect to gasoline and diesel oil and other energy sources which may be in short supply;

"(3) establish mechanisms to alleviate disruptions in gasoline and diesel oil markets; and

"(4) obtain data concerning such fuels.

"SEC. 632. DEFINITIONS.

"For purposes of this part—

"(1) The term 'severe energy supply interruption', when used with respect to motor fuel or any other energy source, means a national energy supply shortage of such energy sources which the President determines—

"(A) is, or is likely to be, of significant scope and duration;

"(B) may cause major adverse impact on national security or the national economy; and

"(C) results, or is likely to result, from an interruption in the energy supplies of the United States, including but not limited to, supplies of imported petroleum products, or from sabotage or an act of God.

"(2) The term 'international energy program' has the meaning given that term in section 3(7) of the Energy Policy and Conservation Act (42 U.S.C. 6202).

"(3) The term 'automobile' has the meaning given it in section 501(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001(1)), as in effect on the date of the enactment of this part; except that the term 'automobile' includes any multipurpose passenger vehicle, within the meaning of that term under section 2(2) of that Act (15 U.S.C. 1901(2)).

"(4) The term 'motor fuel' means gasoline and diesel oil. The Secretary may, by rule, include any other liquid fuel or any gaseous fuel within the meaning of the term 'motor fuel' if the Secretary determines that such fuel is used in significant quantities as a fuel for vehicles and that such inclusion is consistent with the need of the Nation to conserve gasoline and diesel oil.

"(5) The term 'emergency services' means Federal, State, and local law enforcement, firefighting, snow removal, sanitation services, and emergency medical services. The Secretary may, by rule, include within the meaning of the term 'emergency services' any other category of public service if the Secretary determines that such category to be essential and that such inclusion is consistent with the need of the Nation to conserve gasoline and diesel oil.

"(6) The term 'person' includes (A) any individual, (B) any corporation, company, association, firm, partnership, society, trust, joint venture or joint stock company and (C) the government or any agency of the United States or any State or political subdivision thereof.

"(7) The term 'operate,' when used with respect to any automobile, means the driving of that automobile on any public street, road, or highway.

"(8) The term 'vehicle' means any vehicle propelled by motor fuel and manufactured primarily for use on public streets, roads, and highways.

"(9) The term 'automobile capable of off-highway operation' has the meaning given it in section 501(3) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001(3)), as in effect on the date of the enactment of this part.

"(10) The term 'rental automobile' means any automobile rented or leased in the regular course of business for periods of 14 days or less.

"(11) The term 'Secretary' means the Secretary of Energy.

"(12) The term 'Governor' means the chief executive officer of a State.

"(13) The term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

"(14) The term 'armed forces' has the meaning given it in section 101(4) of title 10, United States Code.

"Subpart B—Minimum Automobile Fuel Purchases

"SEC. 633. MINIMUM AUTOMOBILE FUEL PURCHASES.

"(a) GENERAL RULE.—If the provisions of this subsection are made applicable under subsection (c), no person shall purchase motor fuel from a motor fuel retailer in any transaction for use in any automobile or other vehicle unless—

"(1) the price for the quantity purchased and placed into the fuel tank of that vehicle equals or exceeds $5.00; or

"(2) in any case in which the amount paid for the quantity of motor fuel necessary to fill the fuel tank of that vehicle to capacity is less than $5.00, such person pays to the retailer an additional amount so that the total amount paid in that transaction equals $5.00.

Any person selling motor fuel in transactions to which the provisions of this subsection apply shall display at the point of sale notice of such provisions in accordance with regulations prescribed by the Secretary.

"(b) $7.00 TO BE APPLICABLE IN THE CASE OF 8-CYLINDER VEHICLES.—In applying subsection (a) in the case of any vehicle with an engine having 8 cylinders (or more), '$7.00' shall be substituted for '$5.00'.

"(c) APPLICABILITY.—(1) Unless applicable pursuant to paragraph (2), the requirements of subsection (a) shall apply in any State only if—

"(A) the Governor of that State submits a request to the Secretary to have such requirements applicable in that State; and

"(B) the attorney general of that State has found that (i) absent a delegation of authority under a Federal law, the Governor lacks the authority under the laws of the State to invoke comparable requirements and (ii) under applicable State law, the Governor and other appropriate State officers and employees are not prevented from administering and enforcing such requirements under a delegation of authority pursuant to Federal law.

Subject to pragraph (2), such provisions shall cease to apply in any State if the Governor of the State withdraws any request under subparagraph (A).

"(2) The requirements of subsection (a) shall apply in every State if there is in effect a finding by the President that nationwide implementation of such requirements would be appropriated and consistent with the purposes of this part.

"(3) Such requirements shall take effect in any State beginning on the 5th day after the Secretary or the President (as the case may be) publishes notice in the Federal Register of the applicability of the requirements to the State pursuant to paragraph (1) or (2).

"(4) Notwithstanding any other provision of law, the authority vested in the President under this subsection may not be delegated.

"(d) EXEMPTIONS.—The requirements of subsection (a) shall not apply to any motorcycle or motorpowered bicycle, or to any comparable vehicle as may be determined by the Secretary by regulation.

"(e) ADJUSTMENT OF MINIMUM LEVELS.—The Secretary may increase the $5.00 and $7.00 amounts specified in subsections (a) and (b) if the Secretary considers it appropriate. Adjustments under this subsection shall be only in even dollar amounts.

"(f) CIVIL PENALTIES.—(1) Whoever violates the requirements of subsection (a) shall be subject to a civil penalty of not to exceed $100 for each violation.

"(2) Any penalty under paragraph (1) may be assessed by the court in any action brought in any appropriate United States district court or any other court of competent jurisdiction. Except to the extent provided in section 640(c), any such penalty collected shall be deposited into the general fund of the United States Treasury as miscellaneous receipts.

"(g) STATE AUTHORITY TO ADMINISTER REQUIREMENT.—The administration and enforcement of this section shall be in accordance with section 640.

"(h) COORDINATION WITH OTHER LAW.—The charging and collecting of amounts described in subsection (a)(2) under the requirements of subsection (a), or similar amounts collected under comparable requirements under any State law, shall not be considered a violation of—

"(1) the Emergency Petroleum Allocation Act of 1973 or any regulation thereunder; or

"(2) any Federal or State law requiring the labeling or disclosure of the maximum price per gallon of any fuel.

"Subpart C—Emergency Energy Conservation Program

"SEC. 634. NATIONAL AND STATE EMERGENCY CONSERVATION TARGETS

"(a) DETERMINATION AND PUBLICATION OF TARGETS.—(1) As soon as practicable after the date of the enactment of this part, the President shall establish monthly emergency motor fuel conservation targets for the Nation generally and for each State.

"(2) With respect to any energy source for which the President determines a severe energy supply interruption exists or is imminent or that actions to restrain domestic energy demand are required in order to fulfill the obligations of the United States under the international energy program, the President may establish monthly emergency conservation targets for the Nation generally and for each State. The President shall transmit to the Congress and make public the information and other data on which any determination under this paragraph is based.

"(3)(A) Each such State conservation target for motor fuel or other energy source shall be equal to (i) the State seasonally adjusted base period consumption reduced by (ii) a uniform national percentage conservation goal.

"(B) For the purposes of this subsection, the term 'State seasonally adjusted base period consumption' means, for any month, the product of the following factors, as determined by the President:

"(i) the consumption of the energy source for which a target is established during the corresponding month in the 12-month period prior to the first month for which the target is established; and

"(ii) a growth adjustment factor, which shall be determined on the basis of the change in the use in that State of such energy source during the 36-month period prior to the first month for which the target is established.

"(C) In establishing national percentage conservation goals under this subsection, the President shall take into consideration for the energy source involved the past and projected supply and demand, international commitments, and such other factors as the President considers appropriate.

"(4) The President shall notify the Governor of each State of each target established under this subsection, and shall publish in the Federal Register, the targets, the base period and other data on which the targets are based, and the factors considered under paragraph (3).

"(5)(A) In connection with the establishment of any national conservation target under this subsection, the President shall establish a separate emergency conservation target applicable to Federal installations and activities.

"(B) Before any executive agency adopts any rule or policy of general applicability, such agency shall make a finding that such rule or policy is consistent with conservation targets established under this section. Such finding shall not be reviewable.

"(6) From time to time, the President shall review and, consistent with paragraph (3), modify to the extent the President considers appropriate the National and State energy conservation targets established under this subsection.

"(b) ANNUAL REVIEW AND FINDING REQUIRED FOR TARGETS TO REMAIN IN EFFECT.—(1) Before the end of the 12th month following the establishment of any conservation target under this section, and annually thereafter, the President shall determine, for the energy source for which that target was established, whether a severe energy supply interruption exists or is imminent at that time or that actions to restrain domestic energy demand are required in order to fulfill the obligations of the United States under the international energy program. The President shall transmit to the Congress and make public the information and other data on which any determination under this subsection is based.

"(2) If the President determines such a energy supply interruption does not exist or such actions are not required, the conservation targets established under this section shall cease to be effective.

"(c) DETERMINATION AND PUBLICATION OF ACTUAL CONSUMPTION NATIONALLY AND STATE-BY-STATE.—Each month the Secretary shall determine and publish in the Federal Register (1) the level of consumption for the preceding month, nationally and for each State, of motor fuel and of any other energy source for which a target is in effect under subsection (a), and (2) whether the targets under subsection (a) have been substantially met or are likely to be met.

"(d) PRESIDENTIAL AUTHORITY NOT TO BE

DELEGATED.—Notwithstanding any other provision of law, the authority vested in the President under this section may not be delegated.

"SEC. 635. STATE EMERGENCY CONSERVATION ACTIONS.

"(a) STATE EMERGENCY CONSERVATION PLAN.—(1) Not later than 45 days after the date of the publication of any energy conservation target under section 634(a), the Governor of each State shall submit to the Secretary a State emergency conservation plan designed to meet or exceed the emergency conservation target or targets in effect for that State under section 634(a).

"(2) The Secretary may, for good cause shown, extend to a specific date the period for the submission of any State's plan under paragraph (1) if the Secretary publishes in the Federal Register notice of that extension together with the reasons therefor.

"(3) At any time, the Governor may, with the approval of the Secretary, amend a plan established under this subsection.

"(b) CONSERVATION MEASURES UNDER STATE PLANS.—(1) Each State emergency conservation plan under this section shall provide for emergency reduction in the public and private use of motor fuel or other energy source involved for which an emergency conservation target or targets are in effect under section 634(a). Such plan may provide for reduced use of that energy source through voluntary programs or through the application of one or more of the following measures described in such plan:

"(A) measures which are authorized under the laws of that State and which will be administered and enforced by officers and employees of the State (or political subdivisions of the State) pursuant to the laws of such State (or political subdivisions); and

"(B) measures—

"(i) which the Governor requests the Secretary to have implemented and enforced in accordance with subsection (d); and

(ii) which the attorney general of that State has found that (I) absent a delegation of authority under a Federal law, the Governor lacks the authority under the laws of the State to invoke, and (II) under applicable State law, the Governor and other appropriate State officers and employees are not prevented from administering and enforcing under a delegation of authority pursuant to Federal law.

"(2) In the preparation of such a plan (and any amendment to the plan) the Governor shall, to the maximum extent practicable, provide for consultation with representatives of affected businesses and local governments and provide an opportunity for public comment. In connection with the implementation of any plan for motor fuel, the Governor shall consult with affected businesses and business organizations to facilitate the creation of voluntary lawful arrangements for the staggering of the business hours maintained by motor fuel retailers in order to assure the availability of motor fuel to all segments of the public.

"(3) Each such plan shall contain such information as the Secretary may reasonably require.

"(c) APPROVAL OF STATE PLANS.—(1) As soon as practicable after the date of the receipt of any State plan, but in no event later than 30 days after such date, the Secretary shall review such plan and shall approve it unless the Secretary finds—

"(A) that, taken as a whole, the plan is not likely to achieve the emergency conservation target or targets established for that State under section 634(a) for the motor fuel or other energy source involved,

"(B) that, taken as a whole, the plan is likely to impose an unreasonably disproportionate share of the burden of restrictions of energy use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof,

"(C) that the requirements of this section regarding the plan have not been met, or

"(D) that a measure described in subsection (b)(1) is—

"(i) inconsistent with any otherwise applicable Federal law (including any rule or regulation under such law),

"(ii) an undue burden on interstate commerce, or

"(iii) a tax, tariff, or user fee not authorized by State law.

"(2) Any measure contained in a State plan shall become effective in that State on the date the Secretary approves the plan under this subsection or such later date as may be prescribed in, or pursuant to, the plan.

"(d) STATE ADMINISTRATION AND ENFORCEMENT.—(1) The authority to administer and enforce any measure described in subsection (b)(1)(B) which is in a State plan approved under this section is hereby delegated to the Governor of the State and the other State and local officers and employees designated by the Governor. Such authority includes the authority to institute actions on behalf of the United States for the imposition and collection of civil penalties under subsection (e).

"(2) All delegation of authority under paragraph (1) with respect to any State shall be considered revoked effective upon a determination by the President that such delegation should be revoked, but only to the extent of that determination.

"(e) CIVIL PENALTY.—(1) Whoever violates the requirements of any measure described in subsection (b)(1)(B) which is in a State plan approved under this section shall be subject to a civil penalty of not to exceed $100 for each violation.

"(2) Any penalty under paragraph (2) may be assessed by the court in any action brought in any appropriate United States district court or any other court of competent jurisdiction. Except to the extent provided in section 640(c), any such penalty collected shall be deposited into the general fund of the United States Treasury as miscellaneous receipts.

"(f) REPORTS.—The Governor of each State shall submit to the Secretary, at such time as the Secretary shall prescribe, reports and information with respect to activities under its plan, as well as other information regarding supply, demand, and conservation within that State with regard to motor fuel and other energy sources for which a target is in effect under section 634.

"(g) FAILURE TO SUBMIT PLAN.—Notwithstanding any other provision of law, the Secretary may prohibit the obligation or expenditure of funds or other assistance under part D of title III of the Energy Policy and Conservation Act for any State if the Secretary has found that the Governor of the State has not submitted a plan complying with the requirements of this section.

"SEC. 636. FEDERAL EMERGENCY CONSERVATION ACTIONS.

"(a) IMPLEMENTATION WHERE STATE CONSERVATION ACTIONS INADEQUATE.—At any time after—

"(1) the 90th day after a State plan is approved under section 635, or

"(2) the 180th day after the date of the publication of the applicable energy conservation target, if such a State plan has not filed and approved before such day,

the President shall make all or any portion of the standby Federal plan described in section 637 effective in that State for such periods as the President determines appropriate, if—

"(A) the Secretary has determined under section 634(c) that any conservation target or targets in effect under section 634 for that State have not been substantially met and are likely to continue not to be met,

"(B) the President has affirmed that determination on the basis of the information published under section 634(c) and such other data and factors as the President considers appropriate, and

"(C) the President determines that for the 3-month period beginning after such determination a severe energy supply interruption exists that is likely to be equal to or greater than a 10 percent reduction in the total available supply of motor fuel or other petroleum products as compared to a prior corresponding 3-month period that the President determines to be appropriate.

"(b) STATE AUTHORITY TO ADMINISTER PLAN.—At the request of the Governor of any State, the President may provide that the administration and enforcement of all or a portion of the standby Federal plan made effective in that State under subsection (a) be in accordance with section 640.

"(c) PRESIDENTIAL AUTHORITY NOT TO BE DELEGATED.—Notwithstanding any other provision of law (other than subsection (b)), the authority vested in the President under this section may not be delegated.

"SEC. 637. STANDBY FEDERAL CONSERVATION PLAN.

"(a) ESTABLISHMENT OF STANDBY CONSERVATION PLAN.—Within 90 days after the date of the enactment of this part, the Secretary, in accordance with section 501 of the Department of Energy Organization Act (42 U.S.C. 7191), shall establish a standby Federal emergency conservation plan. The Secretary may amend such plan at any time.

"(b) REQUIREMENTS OF PLAN.—The plan established under subsection (a) shall—

"(1) be designed so that the plan, if implemented, would be likely to achieve the emergency conservation target or targets in effect under section 634 for which it would be implemented,

"(2) be designed so as not to impose an unreasonably disproportionate share of the burden of restrictions of energy use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof, and

"(3) not contain any measure which the Secretary finds—

"(A) is inconsistent with any otherwise applicable Federal law (including any rule or regulation under such law),

"(B) is an undue burden on interstate commerce,

"(C) is a tax, tariff, or user fee, or

"(D) is a program for the assignment of rights for end-user purchases of gasoline or diesel fuel, as described in section 203(a)(1)(A) and (B).

"(c) PLAN MAY INCLUDE SECTION 638 STICKER SYSTEM.—The plan established under subsection (a) may include a standby automobile sticker system described in section 638.

"(d) PLAN MAY NOT AUTHORIZE WEEKEND CLOSINGS OF RETAIL GASOLINE STATIONS.—(1) Except as provided in paragraph (2), the plan established under subsection (a) may not provide for the restriction of hours of sale of motor fuel at retail at any time between Friday noon and Sunday midnight.

"(2) Paragraph (1) shall not preclude the restriction on such hours of sale if that restriction occurs in connection with a program for restricting hours of sale of motor fuel each day of the week on a rotating basis.

"(e) CIVIL PENALTIES.—(1) Whoever violates the requirements of such a plan, once implemented under section 636, shall be subject to a civil penalty of not to exceed $100 for each violation.

"(2) In determining whether to impose a penalty under paragraph (1), or the amount of the penalty, the court shall take into con-

sideration whether the violation was unavoidable by reason of health, safety, or other factors creating a justificable necessity.

"(3) Any penalty under paragraph (1) may be assessed by the court in any action brought in any appropriate United States district court or any other court of competent jurisdiction. Except to the extent provided under section 640(c), any such penalty collected shall be deposited into the general fund of the United States Treasury as miscellaneous receipts.

"SEC. 638. STANDBY AUTOMOBILE STICKER SYSTEM.

"(a) EMERGENCY CONSERVATION STICKER SYSTEM.—A standby automobile sticker system described in this section is one designed to conserve motor fuel by restricting automobile usage through the use of a system of stickers required to be displayed on automobiles.

"(b) REQUIREMENTS UNDER SYSTEM.—Such a system, if made effective, would provide that—

"(1) no person may operate any automobile unless there is attached to that automobile (in such manner and location as determined under regulations prescribed by the Secretary) a sticker indicating (A) which day of each week that vehicle will not be operated or (B) indicating that the vehicle is exempted under subsection (c) from operation restrictions; and

"(2) no person may operate any automobile during any day for which the sticker for that automobile indicates it will not be operated, unless that vehicle operation is necessary to provide emergency services.

Such system may provide for a fee to recover the costs of administering the provisions of this section, which fee may be imposed and collected in any manner which the Secretary, in the Secretary's discretion, determines to be consistent with the purposes of this part.

"(c) EXEMPTIONS.—Under such system, the requirements of subsection (b)(2) would not apply with respect to any automobile—

"(1) used exclusively for emergency services;

"(2) capable of off-highway operation and used exclusively for agricultural purposes;

"(3) used exclusively for national defense purposes by one or more of the Armed Forces (unless that automobile has been designated by the head of the executive department involved to be covered by the requirements of subsection (b)(2));

"(4) used exclusively as a taxicab or similar common carrier;

"(5) used exclusively as a rental automobile;

"(6) used exclusively by the United States Postal Service for postal transportation or deliveries;

"(7) the majority use of which is for commercial purposes, as determined in accordance with guidelines which the Secretary shall prescribe by rule; or

"(8) within any other category which the Secretary determines, by rule, should be exempt from the requirements of subsection (b)(2).

"Subpart D—Study

"SEC. 639. STUDY.

"(a) STUDY OF COMMERCIAL AND INDUSTRIAL STORAGE OF FUEL.—Not later than 180 days after the date of the enactment of this part, the Secretary shall conduct a study and report to the Congress regarding the commercial and industrial storage of gasoline and middle distillates (other than storage in facilities which have capacities of less than 500 gallons or storage used exclusively and directly for agricultural, residential, petroleum refining, or pipeline transportation purposes).

"(b) CONTENTS OF REPORT.—Such report shall—

"(1) indicate to what extent storage activities have increased since November 1, 1978, and what business establishments (including utilities) have been involved;

"(2) the estimated amount of gasoline and middle distillates (in the aggregate and by type and region) which are in storage within the United States at the time of the study, the amounts which were in storage at the same time during the preceding year, and the purposes for which such storage is maintained; and

"(3) contain such findings and recommendations for legislation as the Secretary considers appropriate, including recommendations for improving the availability and quality of data concerning such storage.

"Subpart E—Administrative Provisions

"SEC. 640. ADMINISTRATION; DELEGATION TO STATES.

"(a) ADMINISTRATION AND ENFORCEMENT DELEGATED TO STATES.—There is hereby delegated to the Governor of any State, and other State and local officers and employees designated by the Governor, the authority to administer and enforce, within that State, any provision of this part which is to be administered and enforced in accordance with this section. Such authority includes the authority to institute actions on behalf of the United States for the imposition and collection of civil penalties under sections 633(f) and 637(e).

"(b) REVOCATION OF DELEGATION.—(1) All delegation of authority under subsection (a) with respect to any State shall be considered revoked effective (A) upon the receipt of a written waiver of authority signed by the Governor of such State or (B) upon a determination by the President that such delegation should be revoked, but only to the extent of that determination.

"(2) The Secretary shall administer and enforce any provision of this part for which a delegation of authority is considered revoked under paragraph (1).

"(c) RETENTION BY STATES OF CERTAIN RECEIPTS.—The Secretary may enter into an agreement with the Governor of any State under which amounts collected pursuant to sections 633(f), 635(e), and 637(e), may be collected and retained by the State to the extent necessary to cover costs incurred by that State in connection with the administration and enforcement of provisions of this part under authority delegated under this section or section 635(d).

"SEC. 641. INFORMATION.

"The Secretary shall use the authority provided under section 11 of the Energy Supply and Environmental Coordination Act of 1974 for the collection of such information as may be necessary to carry out this part. In carrying out his responsibilities under this part, the Secretary shall insure that timely and adequate information concerning the supplies, pricing, and distribution of motor fuels (and other energy sources which are the subject of targets in effect under section 634) is obtained, analyzed, and made available to the public. Any Federal agency having responsibility for collection of such information under any other authority shall cooperate fully in facilitating the collection of such information.

"SEC. 642. REGULATIONS.

"(a) INTERIM REGULATIONS.—Not later than 20 days after the date of the enactment of this part, the Secretary shall prescribe and make effective interim regulations necessary to carry out this part, notwithstanding section 501 of the Department of Energy Organization Act. Such regulations shall take effect on the date they are prescribed (except to the extent that a later date is determined to be necessary by the Secretary and is set forth in such regulations), and shall cease to have effect on the date final regulations prescribed under subsection (b) take effect.

"(b) FINAL REGULATIONS.—(1) Not later than 120 days after the date of the enactment of this part, the Secretary shall, in accordance with section 501 of the Department of Energy Organization Act, prescribe and make effective regulations necessary to carry out this part.

"(2) The Secretary, for good cause, may extend the time limit under paragraph (1) for an additional 60 days.

"(c) SCOPE.—This section shall not apply with respect to any authority vested in the President.

"SEC. 643. EFFECTS ON OTHER LAWS.

"No State law or State program in effect on the date of the enactment of this part, or which may become effective thereafter, shall be superseded by any provision of this part, or any rule, regulation, or order thereunder, except insofar as such State law or State program is in conflict with any such provision of section 633 or 636 (or any rule, regulation, or order under this part relating thereto) in any case in which measures have been implemented in that State under the authority of section 633 or 636 (as the case may be).

"SEC. 644. REVIEW; TERMINATION.

"(a) REVIEW.—During the 12 month beginning after the date of the enactment of this part, the Secretary shall conduct a review of this part and the actions taken pursuant to its provisions and shall prepare and transmit to each House of the Congress a report on such review. Such report shall contain such recommendations as the Secretary considers appropriate.

"(b) TERMINATION.—Unless otherwise provided by any statute enacted after the date of the enactment of this part, the preceding provisions of this part, including any actions taken thereunder, shall cease to have effect September 30, 1982. Such expiration shall not affect any action or pending proceeding, administrative, civil, or criminal, not finally determined on such date, nor any administrative, civil, or criminal action or proceeding, whether or not pending, based upon any act committed or liability incurred prior to such expiration date."

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of section 3 be dispensed with, that it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

● Mr. DERWINSKI. Mr. Chairman, I want to express my strong opposition again today to the proposal to give the President standby gasoline rationing authority.

It is impossible to devise any rationing plan that will be fair to all the American people. Furthermore, any plan put into effect would inevitably be subject to manipulation and abuse and arouse intense irritation from the public. We do not need another Federal regulatory agency.

Second, the cost of administration, estimated at $2 billion annually, is outrageous at a time when we must be cutting, not adding to, the Federal budget.

But the most important reason for opposing rationing is that it will not solve the problem of a shortage of gasoline. It would not enforce or encourage conservation and would in no way contribute to

the long-range solution of our energy problems. Only by stimulating increased domestic production of petroleum and development of alternative energy sources can the United States meet the gasoline and other energy needs of the future.●

● Mr. LUNDINE. Mr. Chairman, I am deeply concerned over the energy situation in this country. We should have a standby gasoline rationing plan ready for use during emergency periods of serious supply shortfalls. Our reliance on OPEC oil makes us vulnerable to supply cutoffs from abroad and we must be prepared to deal with this in some reasonable manner. In addition, we must make maximum efforts to conserve our available energy. To that end, there are provisions in S. 1030 requiring establishment of conservation targets for each State.

I am in favor of providing the President flexibility not allowed under current law to utilize a standby gasoline rationing plan and to manage an energy crisis situation. At the same time, I feel strongly that Congress must have the opportunity to review components of any standby gasoline rationing plan which this Nation will come to rely on in times of serious shortfall situations.

S. 1030, as reported from the committee, seeks to provide the President with exclusive authority to draw up a rationing plan with Congress only having an opportunity to act through blocking its implementation at a time of severe shortfall, which is defined as a 20-percent gasoline shortage for a period of 30 days. Such a procedure cannot insure that the plan drawn up by the President will be acceptable to the Congress or that it will be properly or carefully considered should the crisis situation defined in the bill arise.

I do not agree with the argument that the administration and Congress cannot cooperate to arrive at an acceptable standby gasoline rationing plan. Because there are a number of competing interests within the Congress on this matter makes it all the more important that a plan which does not shortchange any segment of the American public be adopted.

I represent a rural and tourist area whose lifestyle and economy is totally dependent on availability of gasoline supplies. Its vital interests must be protected under any rationing plan put forth by Congress or the administration. I come from a State which has already underway an aggressive effort at the State level to conserve oil and gasoline. Any rationing formula which is set forth by the Congress or the administration must not discourage continuation of conservation efforts such as these.

In an attempt to provide the President more flexibility in this matter, but yet insure that the Congress will retain some say over his decisions, I would support an effort providing the President with authority to draw up a standby gasoline rationing plan, which would be subject to a one-House congressional veto 30 legislative days after it is submitted to the Congress. Once approved by the Congress, the President would then have the authority to utilize the standby gasoline rationing plan without a second approval by the Congress and without specific trigger conditions being mandated by the Congress.

This gives the President's plan a presumption of fairness and places the burden of finding otherwise on the Congress. It gives the legislative branch some opportunity to act on the merits of a plan if we choose to do so. Most importantly this approach would give the President immediate authority to act in an emergency.

I, too, believe it is vitally important that we get on with the business of dealing with our energy situation, but I feel obligated to oppose legislation which will not provide the Congress an opportunity to review a standby gasoline rationing plan which ultimately, if used, will be an acceptable compromise which satisfies the vital interests of all segments of our constituencies.●

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 168. Concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979, and a recess of the Senate from August 3 to September 5, 1979.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 975) entitled "An act to authorize appropriations for fiscal year 1980 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BAYH, Mr. INOUYE, Mr. STEVENSON, Mr. JACKSON, Mr. LEAHY, Mr. NUNN, Mr. HART, Mr. GOLDWATER, Mr. WALLOP, Mr. MATHIAS, Mr. CHAFEE, and Mr. DURENBERGER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1319. An act to authorize certain construction at military installations, and for other purposes.

CONFERENCE REPORT ON H.R. 3363, STATE DEPARTMENT AUTHORIZATIONS 1980 AND 1981

Mr. FASCELL submitted the following conference report and statement on the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency and the Board for International Broadcasting:

CONFERENCE REPORT (H. REPT. NO. 96-399)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—DEPARTMENT OF STATE

SHORT TITLE

SEC. 101. This title may be cited as the "Department of State Authorization Act, Fiscal Years 1980 and 1981".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. (a) There are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and other purposes authorized by law, the following amounts, subject to the limitation in subsection (b):

(1) For "Administration of Foreign Affairs", $849,423,000 for the fiscal year 1980 and $1,009,815,000 for the fiscal year 1981.

(2) For "International Organizations and Conferences", $502,945,000 for the fiscal year 1980 and $525,082,000 for the fiscal year 1981.

(3) For "International Commissions", $26,733,000 for the fiscal year 1980 and $36,-091,000 for the fiscal year 1981.

(4) For "Migration and Refugee Assistance", $104,910,000 for the fiscal year 1979 (in addition to amounts otherwise authorized), $248,951,000 for the fiscal year 1980, and $254,188,000 for the fiscal year 1981.

(b) The aggregate amount appropriated under paragraphs (1), (2), and (3) of subsection (a) may not exceed $1,369,401,000 for the fiscal year 1980 and may not exceed $1,-547,778,000 for the fiscal year 1981.

(c) Funds appropriated under paragraph (2) of subsection (a) may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less—

(1) 25 percent of the amount budgeted for that year for the Committee on the Exercise of the Inalienable Rights of the Palestinian People (or any similar successor entity), and

(2) 25 percent of the amount budgeted for that year for the Special Unit on Palestinian Rights (or any similar successor entity).

ASSISTANCE FOR REFUGEES SETTLING IN ISRAEL

SEC. 103. Of the amounts authorized to be appropriated by section 102(a)(4) of this Act for the fiscal year 1980 and for the fiscal year 1981, $25,000,000 for each such fiscal year

shall be available only for assistance for the resettlement in Israel of refugees from the Union of Soviet Socialist Republics and from Communist countries in Eastern Europe.

UNITED STATES-YUGOSLAVIA BILATERAL SCIENCE AND TECHNOLOGY AGREEMENT

SEC. 104. In addition to the amounts authorized to be appropriated by section 102(a) of this Act, there are authorized to be appropriated to the Secretary of State $1,400,000 for the fiscal year 1980 and $1,400,000 for the fiscal year 1981 for payment of the United States share of expenses of a five-year bilateral science and technology agreement between the United States and Yugoslavia, following entry into force of such agreement.

NONDISCRETIONARY PERSONNEL COSTS, CURRENCY FLUCTUATIONS, AND OTHER CONTINGENCIES

SEC. 105. (a) The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, is amended by adding at the end thereof the following new section:

"SEC. 24. (a) There are authorized to be appropriated for the Department of State, in addition to amounts otherwise authorized to be appropriated for the Department, such sums as may be necessary for any fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law.

"(b) In order to maintain the levels of program activity provided for by the annual authorizing legislation for the Department of State, there are authorized to be appropriated for the Department such sums as may be necessary for any fiscal year to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year.

"(c) Amounts authorized to be appropriated for a fiscal year for the Department of State or to the Secretary of State are authorized to be made available until expended.

"(d) Amounts authorized to be appropriated for the Department of State for a fiscal year for the 'Administration of Foreign Affairs' account, the 'International Organizations and Conferences' account, the 'International Commissions' account, or the 'Migration and Refugee Assistance' account may be appropriated for that fiscal year for any other such account, except that the total amount appropriated for a fiscal year for any such account may not exceed by more than 10 percent the amount specifically authorized to be appropriated for that account for that fiscal year.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

EFFECTIVE DATE FOR CERTAIN PROMOTIONS OF FOREIGN SERVICE OFFICERS

SEC. 106. The promotion for each of 64 Foreign Service officers of classes 8 and 7 to the next higher class, as the case may be, for which the Senate gave its advice and consent on March 31, 1979, and which was attested to on March 22, 1979, shall be considered for all purposes to take effect on December 17, 1978. Any payments made in implementation of this section shall be from funds previously authorized and appropriated for the fiscal year 1979.

IMPROVEMENT IN FOREIGN NATIONAL PAY PLANS

SEC. 107. (a) It is the sense of the Congress that the Secretary of State should—

(1) improve coordination between the Department of State and the Department of Defense and other departments and agencies of the United States operating outside the United States with respect to foreign national pay systems and wage schedules to the extent that—

(A) joint wage surveys and compatible pay schedules are adopted in countries where two or more departments or agencies of the United States directly employ foreign nationals, and

(B) Department of Defense wage rates are included in wage surveys of the Department of State where the Department of Defense operates under indirect-hire arrangements;

(2) monitor the establishment of wage rates outside the United States more closely to insure that United States missions—

(A) operate under salary schedules that reflect private sector average pay or average pay ranges,

(B) include the cost of severance in making pay adjustments, and

(C) survey jobs in the private sector which represent as closely as possible the work force of the mission; and

(3) substitute, whenever possible, prevailing local retirement plans for civil service retirement with respect to the retirement of foreign nationals employed by the United States.

(b) Section 444(b) of the Foreign Service Act of 1946 (22 U.S.C. 889) is amended by inserting before the period at the end thereof the following: "and such regulations as the Secretary may prescribe".

UNITED STATES CONSULATES

SEC. 108. (a) The following United States consulates shall not be closed or, if closed on the date of enactment of this Act, shall be reopened as soon as possible after such date: Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; Adana, Turkey; Tangier, Morocco; Mandalay, Burma; Brisbane, Australia; and Surabaya, Indonesia.

(b) Personnel assigned to the consulates described in subsection (a) shall not be counted toward any personnel ceiling for the Department of State established by the Director of the Office of Management and Budget.

NONIMMIGRANT VISAS

SEC. 109. Section 21 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (22 U.S.C. 2691), is amended—

(1) by inserting "(a)" immediately after "SEC. 21."; and

(2) by adding at the end thereof the following:

"(b) This section does not apply to representatives of purported labor organizations in countries where such organizations are in fact instruments of a totalitarian state.

"(c) This section does not apply with respect to any alien who is a member, officer, official, representative, or spokesman of the Palestine Liberation Organization.

"(d) The Secretary of State may refuse to recommend a waiver for aliens from signatory countries which are not in substantial compliance with the provisions of the Helsinki Final Act, particularly the human rights and humanitarian affairs provisions.".

UNITED NATIONS TECHNICAL ASSISTANCE PROGRAMS

SEC. 110. Title I of the Department of State, Justice and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979 (Public Law 95-431; 92 Stat. 1021), is amended in the paragraph under the heading "Contributions to International Organizations" by striking out ", of which no part may be made available for the furnishing of technical assistance by the United Nations or any of its specialized agencies".

TITLE II—INTERNATIONAL COMMUNICATION AGENCY

SHORT TITLE

SEC. 201. This title may be cited as the "International Communication Agency Authorization Act, Fiscal Years 1980 and 1981".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 202. There are authorized to be appropriated for the International Communication Agency $433,547,000 for the fiscal year 1980 and $465,944,000 for the fiscal year 1981 to carry out international communication, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law.

ADMINISTRATIVE AUTHORITIES

SEC. 203. (a)(1) Section 1001 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1434) and section 104(f) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2454(f)) are repealed.

(2) Section 1304(a) of title 5, United States Code, is amended by striking out "209a, and 1434" and inserting in lieu thereof "and 290a".

(b)(1) Section 801(5) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(5)) is amended to read as follows:

"(5) to employ persons on a temporary basis without regard to the civil service and classification laws, when such employment is provided for by the pertinent appropriation Act; and".

(2) Section 804(1) of such Act (22 U.S.C. 1471(1)) is amended to read as follows:

"(1) employ, without regard to the civil service and classification laws, aliens within the United States and abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages or the preparation and production of foreign language programs when suitably qualified United States citizens are not available, and aliens so employed abroad may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) for such time and under such conditions and procedures as may be established by the Director of the International Communication Agency and the Attorney General;".

(c) Section 602(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474) is amended—

(1) by striking out "or" at the end of paragraph (19);

(2) by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or"; and

(3) by inserting immediately after paragraph (20) the following new paragraph:

"(21) the Director of the International Communication Agency with respect to the furnishing of facilities in foreign countries and reception centers within the United States.".

(d) Section 108(a) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2458(a)) is amended—

(1) by inserting "(1)" immediately after "SEC. 108. (a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, the Director of the International Communication Agency may provide, on a reimbursable basis, services within the United States in connection with exchange activities otherwise authorized by this Act when such services are requested by a department or executive agency. Reimbursements under this paragaraph shall be credited to the applicable appropriation of the Agency.".

(e) Section 801(3) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(3)) is amended to read as follows:

"(3) whenever necessary in carrying out title V of this Act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of associated real property (either within or outside the United States) for periods not to exceed ten years, or for longer periods if provided for by an appropriations Act, and the alteration, improvement, and repair of such property, without regard to section 322 of the Act of June 30, 1932 (40 U.S.C. 278a), and any such real property or interests therein which are outside the United States may be acquired without regard to section 355 of the Revised Statutes of the United States (40 U.S.C. 255) if the sufficiency of the title to such real property or interests therein is approved by the Director of the International Communication Agency;".

(f) Title VI of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1466-1468) is amended by adding at the end thereof the following new section:

"UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY

"SEC. 604. (a) The United States Advisory Commission on International Communication, Cultural and Educational Affairs, established by section 8 of Reorganization Plan Numbered 2 of 1977, is hereby redesignated as the United States Advisory Commission on Public Diplomacy (hereafter in this section referred to as the 'Commission').

"(b) The Commission shall have a Staff Director who shall be appointed by the Chairman of the Commission. Subject to such rules and regulations as may be adopted by the Commission, the Chairman of the Commission may—

"(1) appoint such additional personnel for the staff of the Commission as the Chairman deems necessary; and

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.".

TECHNICAL AMENDMENTS

SEC. 204. (a) Section 801(1) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(1)) is amended by striking out "within the limitation of such appropriations as the Congress may provide".

(b) Section 804 of such Act (22 U.S.C. 1474) is amended—

(1) in paragraph (10) by striking out "five" and inserting in lieu thereof "ten";

(2) by striking out "and" at the end of paragraph (13);

(3) in paragraph (14) by striking out the comma and all that follows thereafter and inserting in lieu thereof a semicolon; and

(4) by adding at the end thereof the following new paragraphs:

"(15) hire passenger motor vehicles;

"(16) purchase passenger motor vehicles for use abroad, and right-hand drive vehicles may be so purchased without regard to any maximum price limitation established by law;

"(17) procure services of experts and consultants in accordance with section 3109 of title 5 of the United States Code;

"(18) make advances of funds; and

"(19) notwithstanding section 5946 of title 5 of the United States Code, pay dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others.".

(c) Section 806 of such Act (22 U.S.C. 1475a) is amended by striking out "are authorized to be made" and inserting in lieu thereof "shall be".

(d) Section 108A(a)(2) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2458a(a)(2)) is amended by striking out "(E)" and "(F)" and inserting in lieu thereof "(F)" and "(G)", respectively.

(e) Title VII of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476-1477a) is amended by adding at the end thereof the following new section:

"NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS

"SEC. 704. (a) Amounts appropriated for a fiscal year to carry out this Act are authorized to be made available until expended.

"(b) There are authorized to be appropriated for the International Communication Agency, in addition to amounts otherwise authorized to be appropriated for the Agency, such sums as may be necessary for any fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law.

"(c) In order to maintain the levels of program activity provided for by the annual authorizing legislation for the International Communication Agency, there are authorized to be appropriated for the Agency such sums as may be necessary for any fiscal year to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year.".

BOARD OF FOREIGN SCHOLARSHIPS

SEC. 205. (a) Section 106(e) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2456(e)) is amended—

(1) in the second sentence, by striking out "the Board,";

(2) in clause (ii) of the second sentence, by striking out "such Board,"; and

(3) by adding at the end thereof the following: "Members of the Board shall be entitled to such expenses and per diem in lieu of subsistence as provided for under clause (i) of the preceding sentence and, while performing services for the Board, to compensation at a rate, prescribed by the Director of the International Communication Agency, not in excess of the daily rate for the first step of GS-15 of the General Schedule under section 5332 of title 5, United States Code.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1979.

DISTRIBUTION WITHIN THE UNITED STATES OF THE FILM ENTITLED "MARGARET MEAD—REFLECTIONS"

SEC. 206. Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the International Communication Agency shall, upon receipt of reimbursement for any expenses involved, make available to the Administrator of General Services, for deposit in the National Archives of the United States, a master copy of the film entitled "Margaret Mead—Reflections" (including the unedited footage for such film), and the Administrator shall make copies of such film available for purchase and public viewing in the United States.

DISTRIBUTION WITHIN THE UNITED STATES OF THE FILM ENTITLED "ASPEN"

SEC. 207. Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the International Communication Agency shall, upon receipt of reimbursement for any expenses involved, make available to the Administrator of General Services, for deposit in the National Archives of the United States, a master copy of the film entitled "Aspen", and the Administrator shall make copies of such film available for purchase and public viewing in the United States.

DISTRIBUTION WITHIN THE UNITED STATES OF THE ENGLISH TEACHING FORUM

SEC. 208. The second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended by striking out "which may continue to" in the parenthetical clause and inserting in lieu thereof "and the 'English Teaching Forum' which may".

EFFECTIVE DATE

SEC. 209. The amendments made by sections 203 and 204 shall take effect on October 1, 1979, and to the extent that they provide new authorities involving the expenditure of appropriated funds, shall apply only with respect to funds appropriated after the date of enactment of this Act.

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SHORT TITLE

SEC. 301. This title may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1980 and 1981".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 302. Section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to carry out the purposes of this Act—

"(A) $81,917,000 for fiscal year 1980 and $86,787,000 for the fiscal year 1981, of which amount for each such year not less than $790,000 shall be available only to carry out the provisions of this Act other than the provisions of paragraph (1) of section 4(a); and

"(B) such additional amounts for any fiscal year as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law.

"(2) In order to maintain the level of operations authorized under paragraph (1) for RFE/RL, Incorporated, there are authorized to be appropriated such additional amounts as may be necessary for any fiscal year to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year. Amounts appropriated under this paragraph shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines (and so certifies to the Congress) is necessary, because of such fluctuations, in order to maintain the level of operation authorized under paragraph (1) for RFE/RL, Incorporated.

"(3) Amounts appropriated under this subsection are authorized to be made available until expended.".

REPORTING REQUIREMENT

SEC. 303. The Board for International Broadcasting Act of 1973 (22 U.S.C. 2871-2878) is amended by adding at the end thereof the following new section:

"SEC. 10. Under the authority of section 4(a)(3) of this Act, the Board shall prepare and transmit to the Congress, on or before October 1, 1979, a report setting forth alternative plans for the relocation to the territory of the United States of such activities of RFE/RL, Incorporated, as would result in the transfer to the United States of not less than 10 percent, 25 percent, and 50 percent, respectively, of the total personnel of RFE/RL, Incorporated. For each such alternative plan, the report shall include—

"(1) proposals for the timing of such transfer and the recommended location in the United States of such personnel;

"(2) estimates of the costs and amortization period for such plan;

"(3) a consideration of the impact of such plan on the operating efficiency of RFE/RL, Incorporated, and on the effectiveness of RFE/RL, Incorporated, in achieving its program objectives; and

"(4) any other significant anticipated consequences of such a relocation.".

TITLE IV—MISCELLANEOUS PROVISIONS

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SEC. 401. Section 7 of the Act entitled "An Act to establish a Commission on Security and Cooperation in Europe", approved June

3, 1976 (22 U.S.C. 3007), is amended by adding at the end thereof the following new subsection:

"(c) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.".

CHANGE IN STATUTORY REFERENCE

SEC. 403. Any reference in any provision of law to the Committee on International Relations of the House of Representatives shall be deemed to be a reference to the Committee on Foreign Affairs of the House of Representatives.

EGYPTIAN-ISRAELI CULTURAL, SCIENTIFIC, AND ECONOMIC RELATIONS

SEC. 405. It is the sense of the Congress that it should be the policy of the United States to promote and encourage cultural, scientific, and economic relations between the Arab Republic of Egypt and the State of Israel.

APPLICATION OF THE INTERNATIONAL ORGANIZATIONS IMMUNITIES ACT TO THE INTERNATIONAL LABOR ORGANIZATION

SEC. 404. Section 12 of the International Organizations Immunities Act (22 U.S.C. 288f-3) is amended by inserting "and may continue to be extended to the International Labor Organization" after "Unity".

MORATORIUM ON THE COMMERCIAL KILLING OF WHALES

SEC. 405. (a) The Congress finds and declares that—

(1) whales are a unique marine resource of great esthetic and scientific interest to mankind and are a vital part of the marine ecosystem;

(2) the protection and conservation of whales are of particular interest to citizens of the United States;

(3) in 1971 the Congress adopted resolutions requesting the Secretary of State to negotiate a ten-year moratorium on the commercial killing of whales;

(4) the United States, which effectively banned all commercial whaling by United States nationals in December 1971, has sought an international moratorium on the commercial killing of whales since 1972;

(5) the United Nations Conference on the Human Environment adopted a resolution in 1972 calling for a ten-year moratorium on commercial whaling;

(6) the United Nations Governing Council for Environment Programs in 1973 and 1974 confirmed such call for a ten-year moratorium, and the Council continues to support ongoing efforts relating to whale conservation;

(7) the International Convention for the Regulation of Whaling, signed in 1946, as implemented by the International Whaling Commission, is not providing adequate protection to whales;

(8) the data-gathering structure established under the International Whaling Commission has not provided all the available data necessary for sound whale conservation;

(9) there is strong evidence that the members of the International Whaling Commission continue to import, in some instances in increasing amounts, whale products from countries not members of the Commission; and

(10) defects in the implementation of the International Convention for the Regulation of Whaling by the International Whaling Commission allow harvests of the declining whale species.

(b) The Congress urges—

(1) the International Whaling Commission to agree to a moratorium on the commercial killing of whales; and

(2) Brazil, Denmark, Iceland, Japan, Norway, the Soviet Union, and the Republic of Korea, as parties to the International Convention for the Regulation of Whaling and which still engage in commercial whaling, and Chile, the People's Republic of China, Peru, Portugal, the Democratic Republic of Korea, Spain, and Taiwan, as countries which are not parties to the Convention and which still engage in commercial whaling, to recognize and comply voluntarily with a moratorium on the commercial killing of whales, as endorsed by the United Nations Conference on the Human Environment and the United Nations Governing Council for Environment Programs.

PRIVATE SECTOR REPRESENTATIVES ON THE UNITED STATES DELEGATION TO THE WORLD ADMINISTRATIVE RADIO CONFERENCE

SEC. 406. The provisions of sections 203, 205, 207, and 208 of title 18, United States Code, shall not apply to a private sector representative on the United States Delegation to the World Administrative Radio Conference to be convened in Geneva on September 24, 1979, who is specifically designated to speak on behalf of or otherwise represent the interest of the United States at such Conference with respect to a particular matter, if the Secretary of State or his designee certifies that no Government employee on the delegation is as well qualified to represent United States interests with respect to such matter and that such designation serves the national interest. All of such representatives shall have on file with the Department of State the financial disclosure report required for special Government employees.

UNITED STATES CITIZENS ABROAD

SEC. 407. Subsection (a)(2) of section 611 of the Foreign Relations Authorization Act, Fiscal Year 1979, is amended to read as follows:

"(2) United States statutes and regulations should be designed so as not to create competitive disadvantage for individual American citizens living abroad or working in international markets.".

(b) Subsection (b) of such section is amended—

(1) in the text preceding paragraph (1) by striking out "1979" and inserting in lieu thereof "1980";

(2) in paragraph (1) by striking out "discriminate against United States citizens living abroad" and inserting in lieu thereof "treat United States citizens living abroad differently from United States citizens residing within the United States, or which may cause, directly or indirectly, competitive disadvantage for Americans working abroad relative to the treatment by other major trading nations of the world of their nationals who are working outside their territory";

(3) in paragraph (3) by striking out "inequitable" and inserting in lieu thereof "competitively disadvantaging"; and

(4) in paragraph (3) by inserting "or working" immediately after "living".

SANCTIONS AGAINST ZIMBABWE-RHODESIA

SEC. 408. (a) The Congress finds that—

(1) it is in the interest of the United States to encourage the development of a multiracial democracy in Zimbabwe-Rhodesia based on both majority rule and minority rights;

(2) the elections held in April 1979, in which Zimbabwe-Rhodesians approved through elections the transfer of power to a black majority government, constituted a significant step toward multiracial democracy in Zimbabwe-Rhodesia;

(3) the Government of Zimbabwe-Rhodesia has expressed its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues;

(4) it is in the foreign policy interest of the United States to further continuing progress toward genuine majority rule in Zimbabwe-Rhodesia and to encourage a peaceful resolution of the conflict; and

(5) the Government of Great Britain, which retains responsibility for Zimbabwe-Rhodesia under international law, has not yet taken steps to recognize the legality of the new government.

(b) In view of these considerations, the President shall—

(1) continue United States efforts to promote a speedy end to the Rhodesian conflict; and

(2) terminate sanctions against Zimbabwe-Rhodesia by November 15, 1979, unless the President determines it would not be in our national interest to do so and so reports to the Congress.

If the President so reports to the Congress, then sanctions shall be terminated if the Congress, within 30 calendar days after receiving the report under paragraph (2), adopts a concurrent resolution stating in substance that it rejects the determination of the President. A concurrent resolution under the preceding sentence shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976 and in the House of Representatives in accordance with the procedures applicable to the consideration of resolutions of disapproval under section 36(b) of the Arms Export Control Act.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
STEPHEN J. SOLARZ,
DONALD J. PEASE,
DANIEL A. MICA,
MICHAEL D. BARNES,
WM. H. GRAY III,
DAVID R. BOWEN,
WM. BROOMFIELD,
EDWARD D. DERWINSKI,
JOHN BUCHANAN,
JOEL PRITCHARD,
Managers on the Part of the House.

FRANK CHURCH,
CLAIBORNE PELL,
GEORGE MCGOVERN,
JOE BIDEN,
JACOB K. JAVITS,
CHARLES H. PERCY,
JESSE HELMS,
S. I. HAYAKAWA,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached in the committee of conference, and minor drafting and clarifying changes.

TABLE I.—BUDGET ISSUES: FISCAL YEAR 1980

[In thousands of dollars]

	Executive branch request	House bill	Senate amendment	Conference
Department of State:				
Administration of foreign affairs	849,423	849,423	849,423	849,423
International organizations and conferences	502,945	502,945	502,945	502,945
International commissions	26,733	26,733	26,733	26,733
Migration and refugee assistance	223,951	[1] 248,951	[1] 248,951	[1] 248,951
Science and technological agreements	7,000	1,400	1,400	1,400
Subtotal Department of State	1,610,052	1,629,452	[2] 1,629,452 (1,610,052)	[2] 1,629,452 (1,619,752)
International Communication Agency	432,782	432,547	426,962	432,547
Board for International Broadcasting	86,917	81,917	86,917	81,917
Total	2,129,751	2,143,916	2,143,351 (2,123,951)	2,143,916 (2,134,216)

[1] Includes an earmarking of $25,000,000 for Soviet and Eastern European refugees migrating to Israel.

[2] Despite the fact that the line items total $1,629,452,000 for fiscal year 1980, the Senate amendment required the Secretary of State to make cuts necessary to bring the authorization down to the administration's budget request. Accordingly, the Secretary of State was authorized to reduce the amount authorized to be appropriated for administrative purposes by $19,400,000 for fiscal year 1980.

[3] The conference substitute places an aggregate ceiling of $1,369,401 on the appropriations for fiscal year 1980 for the following accounts: Administration of foreign affairs, international organizations and conferences, and international commissions.

TABLE II.—BUDGET ISSUES: FISCAL YEAR 1981

[In thousands of dollars]

	Executive branch request	House bill	Senate amendment	Conference
Department of State:				
Administration of foreign affairs	1,009,815	1,009,815	[1] (1,009,815)	1,009,815
International organizations and conferences	525,082	525,082	(525,082)	525,081
International commissions	26,081	26,081	(26,081)	26,081
Migration and refugee assistance	229,188	[2] 254,188	[2] (254,188)	[2] 254,188
Science and technological agreements		1,400	(1,400)	1,400
Subtotal, Department of State	1,790,166	1,816,566	(1,816,566)	[3] 1,816,566 (1,803,366)
International Communication Agency	465,179	465,944	(460,379)	465,944
Board for International Broadcasting	91,787	86,787	(91,787)	86,787
Total	2,348,132	2,369,297	(2,368,732)	2,369,297 (2,356,097)

[1] The figures in parentheses reflect the amounts authorized to be appropriated for fiscal year 1981 by the Senate amendment. However, according to sec. 407 of the Senate amendment, no funds are authorized by this act for fiscal year 1981.

[2] Includes an earmarking of $25,000,000 for Soviet and Eastern European refugees migrating to Israel.

[3] The conference substitute places an aggregate ceiling of $1,547,778 on the appropriations for fiscal year 1981 for the following accounts: Administration of foreign affairs, international organizations and conferences, and international commissions.

TITLE

The House bill contained a descriptive title encompassing both fiscal years 1980 and 1981. Short titles were provided for the separate titles of the bill.

The Senate amendment contained a descriptive title encompassing only fiscal year 1980 and the fiscal year 1979 supplemental authorization. One short title was provided for the bill.

The conference substitute is identical to the House provisions.

2-YEAR AUTHORIZATION

The House bill authorizes appropriations for both fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

The Senate amendment authorizes appropriations for these agencies only for fiscal year 1980.

The conference substitute is identical to the House provisions.

LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS

The Senate amendment (section 106) limited the total authorization for the Department of State for fiscal years 1980 and 1981 to the executive request level * * * accounts was greater than the executive request. In order to carry out this requirement, the Senate amendment authorized the Secretary of State to reduce accordingly the amounts authorized for administrative purposes. This would result in a $19.4 million reduction in the "Administration of a Foreign Affairs" account.

The House bill contained no comparable provision.

The conference substitute amends the Senate provision to place a ceiling of $1,369,401,000 on the appropriations for the following fiscal year 1980 Department of State accounts: "Administration of Foreign Affairs", "International Organizations and Conferences", and "International Commissions". An aggregate ceiling of $1,547,778,000 is also placed on the three accounts for fiscal year 1981.

PROHIBITION ON SALT LOBBYING

The Senate amendment contained a proviso that none of the funds authorized for the "Administration of Foreign Affairs" account could be used to lobby the U.S. Senate on behalf of any arms control treaty or agreement in contravention of 18 U.S.C. 1913 (relating to lobbying with congressionally appropriated moneys).

The House bill did not contain a comparable provision.

The conference substitute contains no provision on this issue.

FISCAL YEAR 1979 REFUGEE SUPPLEMENTAL

The House bill authorized $104,910,000 for fiscal year 1979 for the "Migration and Refugee Assistant" account.

The Senate amendment amended the fiscal year 1979 Foreign Relations Authorization Act to authorize the same amount. The effect of amending the 1979 Act would be to raise the total amount available by $10.4 million over the $104,910,000 request, due to the annual 10-percent transfer authority.

The conference substitute is identical to the House provision.

The committee of conference feels that the designation of groups or classes of refugees to be admitted into the United States should take into account the underlying intent of the United Nations Convention and Protocol Relating to the Status of Refugees and, in particular, article 2, which requires that "the contracting states shall apply the provisions of this convention to refugees without discrimination as to race, religion or country of origin."

The United Nations High Commissioner for Refugees estimates that there are now 3 to 4 million African refugees, the highest number in the world for any continent and the fastest growing refugee population in existence.

In view of these growing problems, and their domestic implications, the new analysis of U.S. refugee and immigration policy which is being undertaken by the Select Commission on Immigration and Refugee Policy should strongly consider the matter of African and Caribbean refugees.

NONDISCRETIONARY PERSONNEL COSTS, CURRENCY FLUCTUATIONS, AND OTHER CONTINGENCIES (DEPARTMENT OF STATE)

A. The House bill provided permanent authorization (thus precluding the need for annual authorization) for currency fluctuations in order to maintain the "authorized level of program activity", thus giving the Appropriations Committees the authority to provide funds in anticipation of currency fluctuations.

The Senate amendment was similar, but required certification from the Director of OMB to the Congress that the currency fluctuation increases were necessary before funds could be appropriated to maintain the "budgeted level of operation of the Department of State".

The conference substitute is identical to the House provision.

B. The House bill provided that any funds appropriated to the Department of State or to the Secretary could be made available until expended.

The Senate amendment provided that only funds appropriated for nondiscretionary personnel costs and currency fluctuations were authorized to remain available until expended.

The conference substitute is identical to the House provision.

FOREIGN LANGUAGE STANDARDS FOR FOREIGN SERVICE OFFICERS AND OTHER U.S. EMPLOYEES

The House bill contained two provisions which expressed the sense of Congress with regard to langage proficiency of U.S. Government personnel abroad.

The first emphasized the need for language proficiency for Foreign Service officers assigned abroad. The second called upon the Secretary of State to conduct a comprehensive review and submit a report in 6 months concerning U.S. Government needs for personnel with foreign language competence and for services involving foreign languages. It also required him to establish standards for designating foreign language-required positions for U.S. personnel.

The Senate amendment did not contain comparable provisions.

The conference substitute contains no provisions on these issues.

The committee of conference believes that U.S. Government personnel abroad must be proficient in the language of the country in which they are serving, to the greatest extent possible, and that study of the kind provided for by the House bill ought to be undertaken.

The committee of conference, therefore, requests the General Accounting Office to conduct a study which evaluates the effectiveness of current programs and personnel practices with regard to foreign language needs in all agencies and to recommend standards for designating foreign language-required positions for United States personnel.

Such study shall include an estimate of the costs, if any, to be incurred in upgrading the language proficiency of U.S. personnel abroad. Within 8 months of the date of enactment of this legislation, the General Accounting Office shall submit a report to the Senate Foreign Relations Committee containing the results of this study and recommendations for correcting any deficiencies which might exist.

ISSUANCE OF VISAS TO MEMBERS OF PROSCRIBED ORGANIZATIONS

The House bill stated that the so-called "McGovern amendment" dealing with visas waivers shall not apply with respect to any alien who is associated with the Palestine Liberation Organization and aliens from signatory countries which are not in substantial compliance with provisions of the Helsinki Final Act, particularly the human rights and humanitarian affairs provisions.

The Senate amendment stated that the so-called "McGovern amendment" dealing with visa waivers shall not apply with respect to any alien who is associated with the Palestine Liberation Organization or to representatives of purported labor organizations in countries where such organizations are in fact instruments of a totalitarian state.

The conference substitute combines the language of the House bill and the Senate amendment.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

The Senate amendment repealed the provision in the fiscal year 1979 Department of State Appropriation Act which precluded assessed funds for the U.N. and its specialized agencies from being used for technical assistance activities.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate provision.

EFFECTIVE DATE FOR CERTAIN PROMOTIONS OF FOREIGN SERVICE OFFICERS

The Senate amendment provided retroactive effect to December 17, 1978 for the promotions of 64 Foreign Service officers of classes 8 and 7 to which the Senate gave advice and consent on March 21, 1979.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

WAIVER OF CERTAIN NONIMMIGRANT VISA REQUIREMENTS

The Senate amendment amended the Immigration and Nationality Act to authorize an expansion of existing authority to waive nonimmigrant business and tourist visa requirements for persons coming from countries where visa fraud was low and which extend reciprocal privileges to U.S. citizens.

The House bill did not contain a comparable provision.

The conference substitute contains no provision on this issue. The committee of conference strongly endorses the concept of expanding visa waiver authority as envisioned by the Senate amendment. The Committee notes that under this procedure an estimated saving of $1.5 million and 65 positions could be realized within the Department of State. Such a procedure would also contribute to the further implementation of the Final Act of the Conference on Security and Cooperation in Europe. The members of the conference committee agree that the Senate amendment has considerable merit and express the hope that prompt consideration be given by the House Judiciary Committee to this proposed change in the Immigration and Nationality Act. If the House does not act on the waiver authority embodied in the Senate amendment, the committee of conference believes that any re-enactment by the Senate of the waiver authority should be favorably considered.

U.S. CONSULATES

The House bill stated the sense of the Congress that U.S. consulates in the following cities should remain open: Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; and Adana, Turkey.

The Senate amendment mandated the continued operation of the same consulates included in the House bill, plus the following consulates: Tangier, Morocco; Mandalay, Burma; Brisbane, Australia; and Surabaya, Indonesia. The Senate provision also authorized "the allocation of additional positions as may be necessary".

The conference substitute incorporates the Senate language mandating the reopening of the consulates and including all the consulates mentioned in the Senate provision. In addition, the conference substitute clarifies the Senate language relating to allocation of personnel positions in order to make clear that personnel assigned to these consulates shall not be counted toward any personnel ceiling for the Department of State established by the Office of Management and Budget.

PERSONNEL STUDY AND REPORTING REQUIREMENT

The Senate amendment required the Secretary of State to conduct a study of the personnel needs and resources of the Department of State and to submit the report to the Congress together with recommendations by January 1, 1980.

The House bill did not contain a comparable provision.

The conference substitute contains no provision on this issue.

IMPROVEMENT IN FOREIGN NATIONAL PAY PLANS

The Senate amendment expressed the sense of the Congress that the Secretary of State should implement, to the extent possible, the recommendations of the April 5, 1979 General Accounting Office report concerning improved coordination and greater uniformity in foreign national pay plans through regulations prescribed by the Secretary.

The House bill did not contain a comparable provision.

The conference substitute identical to the Senate provision with an amendment to change "uniform" pay schedules to "compatible" pay schedules and to add an amendment to provide for the substitution of local retirement plans for Civil Service retirement "whenever possible."

LEASEHOLDS FOR RADIO TRANSMISSION FACILITIES

The House bill authorized ICA, among other things, to acquire leaseholds for our radio facilities for periods of 10 years or longer if provided for in an appropriation act.

The Senate amendment authorized the acquisition and operation of radio facilities, but did not specify the duration of the leases, and also eliminated the provision of existing law that leases of radio facilities may not be for periods longer than 10 years unless provided for in an appropriation act.

The conference substitute is identical to the House provision.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

The House bill changed the name of the Advisory Commission overseeing ICA to the U.S. Advisory Commission on Public Diplomacy and provided authority for the Commission to hire staff.

The Senate amendment did not contain a comparable provision.

The conference substitute is identical to the House provision.

TECHNICAL AMENDMENT

The House bill corrected a reference in section 108(a)(2) of the Mutual Educational and Cultural Exchange Act of 1961.

The Senate amendment did not contain a comparable provision. The conference substitute is identical to the House provision.

NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS (INTERNATIONAL COMMUNICATIONS AGENCY)

The House bill provided permanent authorization (thus precluding the need for annual authorization) for currency fluctuations in order to maintain the "authorized level of program activity" for ICA thus giving the Appropriations Committees the authority to provide funds in anticipation of currency fluctuations.

The Senate amendment was similar, but required certification from the Director of OMB to the Congress that the currency fluctuation increases were necessary before funds could be appropriated to maintain "the budgeted level of operation" of the Agency.

The conference substitute is identical to the House provision.

BOARD OF FOREIGN SCHOLARSHIPS

The Senate amendment established the compensation of members of the ICA's Board

of Foreign Scholarships at a level not to exceed the daily equivalent of GS-15 rather than the current $50 per day.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

DISTRIBUTION WITHIN THE UNITED STATES OF CERTAIN FILMS

The House bill provided for the domestic distribution of the ICA film entitled "Aspen".

The Senate amendment further provided for distribution of the film entitled "Margaret Mead—Reflections".

The conference substitute is identical to the Senate provision, but also adds a clarifying amendment relating to the release of out-takes from the film "Margaret Mead—Reflections."

DISTRIBUTION WITHIN THE UNITED STATES OF THE ENGLISH TEACHING FORUM

The House bill provided for the domestic distribution of the ICA publication entitled "English Teaching Forum".

The Senate amendment did not contain a comparable amendment.

The conference substitute is identical to the House provision.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The House bill clarified the authority of CSCE to use up to $6,000 of appropriated funds each fiscal year for reception and representational expenses.

The Senate amendment did not contain a compabale provision.

The conference substitute is identical to the House provision.

CHANGE IN STATUTORY REFERENCES

The House bill conformed existing provisions of law to the change made in the House Rules in the name of the Committee on Foreign Affairs.

The Senate amendment did not contain a comparable provision.

The conference substitute is identical to the House provision.

PANAMA CANAL TREATIES

The House bill precluded the use of appropriated funds in this bill to implement the Panama Canal Treaties of 1977 until the Secretary of State had communicated to the Government of Panama our insistence that Panama must meet fully all its treaty obligations.

The Senate amendment did not contain a comparable provision.

The conference substitute contains no provision on this issue.

AUTHORIZATIONS OF APPROPRIATIONS (RFE)

The Senate amendment earmarked not less than $800,000 for the expenses of the Board for International Broadcasting for fiscal years 1980 and 1981.

The House bill did not contain a comparable provision.

The conference substitute earmarks not less than $790,000 for the expenses of the Board for International Broadcasting for fiscal years 1980 and 1981.

FOREIGN CURRENCY FLUCTUATION (BOARD FOR INTERNATIONAL BROADCASTING)

The House bill provided permanent authorization (thus precluding the need for annual authorization) for currency fluctuations in order to maintain the "authorized level of program activity" for RFE/RL, Inc. and required certification from the Director of OMB to the Congress that increases were necessary, thereby giving the Appropriations Committee the authority to provide funds in anticipation of currency fluctuations.

The Senate amendment was similar, but authorized funds to "maintain the budgeted level of operation".

The conference substitute is identical to the House provision.

USE OF BROADCASTING FACILITIES BY COMMUNIST COUNTRIES

The Senate amendment repealed section 307 of the fiscal year 1979 Foreign Relations Authorization Act relating to the prohibition of funds to RFE/RL, Inc. if Communist countires were permitted to use those radio facilities on a nonreciprocal basis.

The House bill did not contain a comparable provision.

The conference substitute does not contain a provision on this issue.

The committee of conference welcomes initiatives by the administration and the Board for International Broadcasting to encourage the Soviet Union and other governments to end jamming of RFE/RY broadcasts. Many in Congress are understandably concerned that a unilateral offer by the United States to permit Soviet or Eastern European governments to have a "right of reply" might be misused by Communist countries, providing them with access to U.S. facilities without achieving an end to jamming. The Congress would welcome a proposal by the President or the Board for International Broadcasting which would insure an end to jamming and which might permit foreign use of FRE/RL on a selective basis to provide a right of reply whenever the President deems such a reply appropriate.

REPORTING REQUIREMENTS

The Senate amendment required the Board for International Broadcasting to submit a report setting forth alternative plans for the relocation to the United States of 10 percent, 25 percent and 50 percent of RFE/RL, Inc. personnel and outlined issues to be covered in that report.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

EGYPTIAN-ISRAELI CULTURAL, SCIENTIFIC, AND ECONOMIC RELATIONS

The Senate amendment expressed the sense of the Congress that the United States should promote and encourage cultural, scientific, and economic relations between Egypt and Israel.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate amendment.

APPLICATION OF THE INTERNATIONAL ORGANIZATION IMMUNITIES ACT TO THE ILO

The Senate amendment amended section 12 of the International Organizations Immunities Act to authorize the continuation of diplomatic immunities and privileges to employes of the International Labor Organization even though the United States withdrew from the ILO in November of 1977.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate amendment.

The committee of conference notes that, while the United States was a member, the International Labor Organization was entitled to certain privileges and immunities (e.g., legal capacity to sue, tax exemption, immunity for its archives and for official acts of personnel) under the International Organizations Immunities Act. However, the application of that act is generally limited to international organizations to which the United States belongs.

Since the United States no longer belongs to the ILO, its status in the United States is ambiguous and legislation is necessary to clarify the situation. The ILO operates two offices in the United States, in Washington, D.C. and New York, with a total of 17 employees. The conference substitute simply authorizes the continuation of the application of the International Organizations Immunities Act to the ILO. The organization would not receive any new or additional benefits. The committee of conference notes that this action is consistent with prior actions taken by the Congress to extend the application of the statute to organizations to which the United States does not belong. The committee further notes that the adoption of the conference substitute in no way signifies support for or opposition to renewed U.S. membership in the ILO.

MORATORIUM ON THE COMMERCIAL KILLING OF WHALES

The Senate amendment stated several findings of the Congress with respect to the commercial killing of whales and urged the International Whaling Commission and all whaling nations to recognize and comply voluntarily with a moratorium on the commercial killing of whales as endorsed by the United Nations Conference on the Human Environment and the United Nations Governing Council for Environment Programs.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

The Senate amendment established within the Executive Office of the President an Assistant and a Deputy Assistant to the President for National Security Affairs, who would be appointed by and with the advice and consent of the Senate.

The House bill did not contain a comparable provision.

The conference substitute does not contain a provision on this issue.

The committee of conference is, however, deeply concerned about the role of the President's Assistant for National Security Affairs and the lack of his accountability to the Congress. The members of the conference committee believe it is essential that the Secretary of State be perceived clearly to be the principal officer other than the President with responsibility for formulation and implementation of foreign policy. The President clearly should have appropriate personal staff support in the White House to enable him to discharge his Constitutional responsibilities. Officers, however, who enunciate and shape U.S. foreign policy must be accountable to Congress. The committee of conference believes that a thorough review by both the Congress and the Executive of the function of the NSC structure and the specific role of the Assistant to the President for National Security Affairs is necessary and should be conducted in the near future.

ADDITIONAL TRAVEL EXPENSES FOR STATE AND ICA EMPLOYEES' DEPENDENTS

The Senate amendment provided for two, rather than one, annual round trips from the United States for dependents of the Department of State and International Communication Agency employees, who are obtaining an undergraduate college education, and whose parents are serving in a post overseas.

The House bill did not contain a comparable provision.

The conference substitute does not contain a provision on this issue, since the International Development Cooperation Act (H.R. 3324) contains a similar provision which includes the Department of State, the International Communication Agency, and the Agency for International Development.

UNITED STATES CITIZENS ABROAD

The Senate amendment amended section 611 of the Foreign Relations Authorization Act, Fiscal Year 1979, relating to United

States laws discriminating against U.S. citizens abroad. The Senate amendment would revise that provision to (1) change the required reporting date from January 20, 1979, to January 20, 1980, and (2) substitute the existing provision's policy statement with a statement that American statutes and regulations should be designed so as not to create competitive disadvantage for American citizens living abroad and working in international markets.

The House bill did not contain a comparable provision.

The conference substitute is similar to the Senate provision with an amendment to change "and" to "or" to make it clear that the report should include American citizens living abroad *or* working in international markets. It is the intent of the conferees that the word "citizens" not include corporations and other juridical entities.

PRIVATE SECTOR REPRESENTATIVES ON U.S. DELEGATION TO THE WORLD ADMINISTRATION RADIO CONFERENCE

The Senate amendment exempted from certain conflict of interest provisions a private sector representative, who is specifically designated to speak on behalf of or represent the interest of the United States, on the U.S. Delegation to the World Administrative Radio Conference in Geneva beginning September 24, 1979. Such representatives would have to file with the Department of State the financial disclosure report required for special Government employees.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

SANCTIONS ON ZIMBABWE-RHODESIA

The Senate amendment stated that no later than 14 days after the installation of a new government in Rhodesia or June 30, 1979, whichever was earlier, the President would submit to the Congress a report setting forth a determination with respect to section 27 of the International Security Assistance Act of 1978, together with his reasons for such a determination; and stated the findings of Congress with respect to section 27 of the International Security Assistance Act of 1978 that (1) the Government of Zimbabwe-Rhodesia had demonstrated its willingness to negotiate in good faith at an all parties conference, held under international auspices, on all relevant issues, and (2) Zimbabwe-Rhodesians had approved through free elections the transfer of power to a black majority government; and expressed the sense of the Congress that the President, within the time limits specified above, should determine that the requirements of that act have been met and should not enforce sanctions against Zimbabwe-Rhodesia.

The House bill did not contain a comparable provision.

The conference substitute incorporates the Senate provision with an amendment.

The committee of conference notes with approval the progress made in Zimbabwe-Rhodesia toward majority rule under the government installed as a result of the elections of April 1979. The Committee expresses its hope that additional progress will be made toward the establishment of majority rule and the protection of the rights of all the people in that troubled land.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
STEPHEN J. SOLARZ,
DONALD J. PEASE,
DANIEL A. MICA,
MICHAEL D. BARNES,
WM. H. GRAY III,
DAVID R. BOWEN,
WM. BROOMFIELD,
EDWARD D. DERWINSKI,
JOHN BUCHANAN,
JOEL PRITCHARD,
Managers on the Part of the House.

FRANK CHURCH,
CLAIBORNE PELL,
GEORGE MCGOVERN,
JOE BIDEN,
JACOB K. JAVITS,
CHARLES H. PERCY,
JESSE HELMS,
S. I. HAYAKAWA,
Managers on the Part of the Senate.

REQUEST TO MAKE IN ORDER ON AUGUST 1, 1979, OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT ON H.R. 3363

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that it shall be in order on Wednesday, August 1, or any day thereafter to consider the conference report on H.R. 3363, the State Department authorization for fiscal years 1980 and 1981, and said conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida (Mr. FASCELL).

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

CONFERENCE REPORT ON H.R. 4389, MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES

Mr. NATCHER submitted the following conference report and statement on the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies:

CONFERENCE REPORT (H. REPT. NO. 96-400)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 7, 10, 25, 27, 34, 35, 37, 38, 39, 43, 46, 47, 55, 57, 67, 68, 69, 70, 72, 73, 74, 84, 85, 86, 87, 89, 90, 91, 92, 93, 94, 95, 102, 106, 110, 116, 120, 121, 125, 126, 143, 144, 145, 146, and 147.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 12, 13, 14, 19, 22, 23, 26, 33, 36, 40, 41, 44, 61, 63, 66, 76, 81, 96, 97, 99, 100, 122, 123, 124, 128, and 141 and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$826,094,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$692,086,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$266,900,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$183,164,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows: ": *Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for the inspection, investigation, or enforcement of any activity occurring on the Outer Continental Shelf which exceeds the authority granted to OSHA by any provision of the Outer Continental Shelf Lands Act, or the Outer Continental Shelf Lands Act Amendments of 1978"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$140,747,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

SEC. 102. None of the funds appropriated under this title shall be used to pay any prisoner for work performed prior to 12 months before the presumptive release date of such prisoner.

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,325,278,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,800,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$282,413,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$405,243,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$188,695,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,500,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,968,156,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$126,195,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($3,330,343,000)"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,794,556,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($3,330,343,000)"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$315,298,000"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,000,000"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$881,880,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$124,817,000"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "*Provided further*, That $2,500,000 shall be made available for carrying out section 317 of the Adult Education Act, and that $2,500,000 shall be made available for carrying out section 318 of the Adult Education Act"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$399,730,000"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$268,488,000"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$171,000,000"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "($3,617,000)"; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$118,223,000"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$91,172,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,484,000"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows: In lieu of the matter stricken and the matter inserted by said amendment insert the following: "aid to Cuban Refugees within the United States and other domestic refugee assistance, $75,540,000.".

And the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,557,981,000"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "202"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "203"; and the Senate agree to the same.

Amendment numbered 131: That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "204"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "205"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "206"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "207"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "208"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "209"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "211"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 16, 17, 21, 30, 31, 42, 48, 51, 52, 62, 64, 65, 71, 77, 78, 88, 101, 111, 112, 113, 115, 117, 127, 137, 139, 140, and 142.

WILLIAM H. NATCHER,
NEAL SMITH,
EDWARD J. PATTEN,
DAVID R. OBEY
(except No. 114),
EDWARD R. ROYBAL
(except Nos. 61 and 137),
LOUIS STOKES
(except Nos. 61 and 137),
JOSEPH D. EARLY,
JAMES L. WHITTEN
(with reservations),
EDWARD P. BOLAND,
ROBERT H. MICHEL
(except Nos. 68, 69, and 141),
SILVIO O. CONTE,
GEORGE M. O'BRIEN,
CARL D. PURSELL,
Managers on the Part of the House.

WARREN G. MAGNUSON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
THOMAS F. EAGLETON
(with exception to the Senate language on No. 137),
BIRCH BAYH,
LAWTON CHILES,
QUENTIN N. BURDICK,
DANIEL K. INOUYE,
RICHARD S. SCHWEIKER,
CHARLES MCC. MATHIAS, JR.,
MARK O. HATFIELD,
LOWELL P. WEICKER, JR.,
HARRISON SCHMITT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year

ending September 30, 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

Amendment No. 1: Authorizes the expenditure of $33,791,000 from the Unemployment Trust Fund as proposed by the Senate, instead of $33,081,000 as proposed by the House. The additional funds are for the support of 53 full-time permanent secretarial positions for the Veterans Employment Service.

Amendment No. 2: Deletes language proposed by the Senate which would have earmarked $710,000 for the purpose of providing secretarial assistance. The conferees are agreed that $710,000 shall be available for the purpose of providing secretarial assistance to State Veterans Employment Representatives.

EMPLOYMENT AND TRAINING ASSISTANCE

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment with an amendment appropriating $6,500,626,000, instead of $6,335,254,000 as proposed by the House and $6,423,055,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes the following changes from the amounts proposed by the House:

Youth employment and training program (YETP)	+$158,931,000
Young adult conservation corps (YACC)	+16,541,000
National programs (CETA title III)	−10,000,000

The conferees are agreed that the Apprenticeship Outreach Program is to be continued at the fiscal year 1979 funding level. However, the conferees direct the Secretary to conduct a thorough and complete evaluation of the goals and accomplishments of the program, as well as the manner in which it is being administered. The conferees expect a report from the Secretary concerning this evaluation by January 15, 1980.

Amendment No. 4: Deletes language proposed by the Senate which would have earmarked $5,000,000 for projects under section 308 of the Comprehensive Employment and Training Act. The conferees have elected not to earmark funds in the bill. However, the conferees direct the Department to utilize a significant portion of CETA title III resources to fund projects for middle-aged and older workers under section 308 of the Act.

Amendment No. 5: Provides that not more than $826,094,000 shall be available for title IV, part A of the Comprehensive Employment and Training Act, instead of $667,263,000 as proposed by the House and $931,982,000 as proposed by the Senate.

Amendment No. 6: Earmarks $592,086,000 for subpart 3 of part A of Title IV of the Comprehensive Employment and Training Act, instead of $533,255,000 as proposed by the House and $797,974,000 as proposed by the Senate.

Amendment No. 7: Deletes language proposed by the Senate which would have restated existing law with respect to the treatment of community-based organizations under the Comprehensive Employment and Training Act. The Conferees direct that the Secretary shall assure to the maximum extent possible that community based organizations which have demonstrated effectiveness in the delivery of employment and training services continue to receive special consideration from recipients of financial assistance in carrying out, with funds appropriated under this title, programs authorized by titles II, IV, VI, and VII (Private Sector Opportunities for the Economically Disadvantaged) of the Comprehensive Employment and Training Act of 1973, as amended.

Amendment No. 8: Deletes language proposed by the House which would have earmarked $5,000,000 for offender programs under title III of the Comprehensive Employment and Training Act. The conferees have elected not to earmark funds in the bill. However, the conferees direct the Department to utilize a significant portion of CETA title III resources to fund projects for offenders.

TEMPORARY EMPLOYMENT ASSISTANCE

Amendment No. 9: Appropriates $1,627,000,000 as proposed by the Senate, instead of $1,815,000,000 as proposed by the House.

Amendment No. 10: Deletes language proposed by the Senate which would have prohibited the allocation of public service employment funds under title VI of the Comprehensive Employment and Training Act to any prime sponsor whose unemployment rate was less than four percent. The conferees understand that, while unemployment nationally has improved, thereby justifying a reduction of the title VI countercyclical public service employment program, very high unemployment persists in some urban and rural areas, particularly among persons who are economically disadvantaged.

Therefore, the conferees believe that, to the extent possible, unutilized funds should be redistributed so as to insure maximum effectiveness in alleviating unemployment where it remains severe and in easing the effect of phasing down the title VI program in such areas.

Accordingly, the conferees direct the Secretary of Labor, pursuant to his authority under section 108 of CETA (Public Law 95-524), to give consideration to reallocating some portion of the unutilized funds for titles II-D and VI public service employment programs to prime sponsor areas experiencing severe unemployment which reasonably can be expected to make full use of such reallocated funds.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Amendment No. 11: Appropriates $266,900,000, instead of $258,550,000 as proposed by the House, and $275,250,000 as proposed by the Senate. The conferees expect the Department to obligate the increase over the House bill as soon as possible to achieve the 10 percent increase in enrollment.

GRANTS TO STATES FOR UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICES

Amendment No. 12: Authorizes the expenditure of $1,773,590,000 from the Unemployment Trust Fund, as proposed by the Senate, instead of $1,774,300,000 as proposed by the House.

EMPLOYMENT STANDARDS ADMINISTRATION

BLACK LUNG DISABILITY TRUST FUND

Amendment No. 13: Earmarks $434,072,000 for payment of benefits and interest on advances, as proposed by the Senate, instead of $436,171,000, as proposed by the House.

Amendment No. 14: Earmarks $21,628,000 for transfer to Employment Standards Administration, Salaries and Expenses, as proposed by the Senate, instead of $19,529,000, as proposed by the House.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 15: Appropriates $183,164,000, instead of $181,520,000 as proposed by the House, and $184,809,000 as proposed by the Senate. The increase over the House bill is for the support of 71 additional full-time permanent positions.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows: "*Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten (10) or fewer employees who is included within a category having an occupational illness and injury incidence rate less than seven per one hundred employees as published in the 1977 Bureau of Labor Statistics survey of three-digit (or if unavailable, two-digit or one-digit) Standard Industrial Classification Code industries, except:

"(1) to take any action authorized by such Act with respect to any employer or group of employers within such category whom the Secretary determines to be engaged in an activity involving very substantial occupational hazards;

"(2) to provide requested consultation, technical assistance, educational and training services, and to conduct surveys and studies;

"(3) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

"(4) to take any action authorized by such Act with respect to imminent dangers;

"(5) to take any action authorized by such Act with respect to health hazards;

"(6) to investigate an employment accident which is fatal or results in hospitalization of one or more employees, and take any action pursuant to such investigation authorized by such Act;

"(7) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act. This proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which reads as follows: "*Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for any State plan monitoring visit by the Secretary of Labor under section 18 of the Occupational Safety and Health Act of 1970, of any factory, plant, establishment, construction site, or other area, workplace or environment where such a workplace or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the 6 months preceding such inspection: *Provided further*, That this limitation does not prohibit the Secretary of Labor from conducting such monitoring visit at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act, or in order to investigate a complaint about State program administration including a failure to respond to a worker complaint regarding a violation of such Act, or in order to investigate a discrimination complaint under section 11(c) of such Act, or as part of a special study monitoring program, or to investigate a fatality or catastrophe".

Amendment No. 18: Deletes language proposed by the House relating to follow-up inspections by Federal OSHA inspectors with respect to employers who have already been inspected by State inspectors pursuant to section 18 of the Occupational Safety and Health Act. The conferees agreed to similar language proposed by the Senate in amendment number 17. Also restores language proposed by the House which prohibits OSHA from conducting any inspection or investigation on the Outer Continental Shelf which

exceeds the authority granted to OSHA by the Outer Continental Shelf Lands Act.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 19: Earmarks $6,801,000 for the National Mine Health and Safety Academy as proposed by the Senate.

Amendment No. 20: Appropriates $140,747,000, instead of $131,710,000, as proposed by the House and $142,983,000, as proposed by the Senate. The increase over the House bill includes $6,801,000 for the National Mine Health and Safety Academy and $2,236,000 to support 96 additional positions.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows: "; *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirement, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate or surface limestone mine".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 22: Deletes House language which is similar to the language agreed upon by the conferees in amendment number 21.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

Amendment No. 23: Appropriates $101,797,000 as proposed by the Senate, instead of $86,197,000 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 24: Modifies House language regarding use of funds in the bill to pay prisoners for work performed. The language as modified prohibits payment to any prisoner for work performed prior to one year before the presumptive release date of such prisoner.

Amendment No. 25: Restores section number proposed by the House.

Amendment No. 26: Deletes language proposed by the House which would have prohibited the Mine Safety and Health Administration from carrying out section 601(1) of the Powerplant and Industrial Fuel Use Act of 1978.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

Amendment No. 27: Restores the citation proposed by the House which permits support of National Health Service Corps private practice grants authorized by Title VII of the Public Health Service Act.

Amendment No. 28: Appropriates $1,325,278,000 instead of $1,318,343,000 as proposed by the House and $1,342,642,000 as proposed by the Senate. The conference agreement includes the following changes from the amounts proposed by the House:

Community health centers	−$18,936,000
Research centers (Section 341)	+4,936,000
Comprehensive grants to states (Section 314(d))	+16,000,000
Hypertension	+2,739,000
Genetic information and counseling	+4,000,000
Migrant health	+1,700,000
National Health Service Corps:	
Private practice grants	−500,000
Home health services	−1,000,000
BCHS program support	−2,204,000
PHS Hospitals:	
Estimated excess DOD reimbursement (non-add)	(+16,800,000)
Payment to Hawaii	+200,000

The conferees are agreed that the Department should give first priority in allocating home health funds to training those qualified to provide these services. The conferees are further agreed that community health facilities supported by this appropriation shall not be located in areas where existing facilities providing comparable services are not being fully utilized.

Amendment No. 29: Earmarks $1,800,000 for payments to the State of Hawaii for care of persons afflicted with Hansen's Disease, instead of $1,600,000 as proposed by the House and $2,000,000 as proposed by the Senate.

Amendment No. 30: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which clarifies that the limitation on the use of 314(d) funds added by the House and agreed to by the Senate applies only to State-level administrative employees.

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the Senate amendment which requires the Department of Defense to reimburse the Health Services Administration for the cost of care provided to DOD personnel in Public Health Service Facilities. It is the intention of the conferees that this system be on a reciprocal basis with the Public Health Service reimbursing DOD from this appropriation for the care provided to PHS beneficiaries which might otherwise have been provided in PHS facilities.

CENTER FOR DISEASE CONTROL

PREVENTIVE HEALTH SERVICES

Amendment No. 32: Appropriates $262,415,000, instead of $264,915,000 as proposed by the House, and $298,415,000 as proposed by the Senate. The conference agreement includes the following increases over the amounts proposed by the House:

Venereal disease	+$6,000,000
Childhood immunization	+6,000,000
Rat Control	+1,000,000
Lead-based paint prevention	+1,000,000
Health education	+3,500,000

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

Amendment No. 33: Appropriates $1,000,000,000 as proposed by the Senate, instead of $961,158,000 as proposed by the House.

NATIONAL INSTITUTE OF DENTAL RESEARCH

Amendment No. 34: Appropriates $68,318,000 as proposed by the House, instead of $67,000,000 as proposed by the Senate.

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES

Amendment No. 35: Appropriates $341,246,000 as proposed by the House, instead of $315,000,000 as proposed by the Senate.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

Amendment No. 36: Appropriates $242,000,000 as proposed by the Senate, instead of $240,622,000 as proposed by the House.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Amendment No. 37: Appropriates $215,402,000 as proposed by the House, instead of $200,000,000 as proposed by the Senate.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

Amendment No. 38: Appropriates $312,478,000 as proposed by the House, instead of $304,000,000 as proposed by the Senate.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Amendment No. 39: Appropriates $208,981,000 as proposed by the House, instead of $204,000,000 as proposed by the Senate.

NATIONAL INSTITUTE ON AGING

Amendment No. 40: Appropriates $70,000,000 as proposed by the Senate, instead of $68,910,000 as proposed by the House.

NATIONAL EYE INSTITUTE

Amendment No. 41: Appropriates $113,000,000 as proposed by the Senate, instead of $107,528,000 as proposed by the House.

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which provides that $3,000,000 shall remain available until expended to carry out a program of grants for public and nonprofit private vision research facilities.

RESEARCH RESOURCES

Amendment No. 43: Appropriates $169,193,000, as proposed by the House, instead of $161,000,000 as proposed by the Senate.

NATIONAL LIBRARY OF MEDICINE

Amendment No. 44: Appropriates $44,000,000 as proposed by the Senate, instead of $42,431,000 as proposed by the House.

The conferees are agreed that the amount for the National Institutes of Health provided in the bill will support 26 additional positions for the National Cancer Institute, 70 additional positions for the National Institute on Aging, and 55 additional positions for the National Institute of Environmental Health Sciences. The conferees are also agreed that the amounts allocated to investigator-initiated research project grants should not be less than the amount provided for that purpose in the House bill.

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

Amendment No. 45: Appropriates $405,243,000 instead of $393,017,000 as proposed by the House, and $508,618,000 as proposed by the Senate. The Conferees are agreed that the appropriation includes the following changes from the amounts in the House bill:

Capitation grants:	
Medicine, Osteopathy & Dentistry	−$7,132,000
Public Health	+550,000
Construction grants	+1,000,000
Student assistance:	
Loans	+3,500,000
Exceptional need scholarships	+3,000,000
Allied health	+10,000,000
Family medicine	+5,000,000
Interdisciplinary training	+1,500,000
National Advisory Committee on Graduate Medical Education	−500,000
Supply and distribution reports	−2,700,000
Program support	−3,992,000
Primary care residencies & training	+2,000,000

Amendment No. 46: Deletes language proposed by the Senate which would have earmarked $1,500,000 to be available only for the program relating to nutrition education for health professionals.

Amendment No. 47: Deletes language proposed by the Senate which would have provided that $1,000,000 shall remain available until expended by grant for expansion of clinical teaching facilities under section 720(a)(1) of title VII, which shall be made without regard to section 720(b) of title VII.

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which provides that the Secretary shall give special

attention under section 786(d) of the Public Health Service Act to programs which address health manpower shortages in medically underserved areas.

ASSISTANT SECRETARY FOR HEALTH

SALARIES AND EXPENSES

Amendment No. 49: Appropriates $188,-696,000, instead of $186,986,000 as proposed by the House, and $198,508,000 as proposed by the Senate. The conference agreement includes the following changes from the amounts proposed by the House:

Health Statistics:	
National health surveys	−$1,598,000
Cooperative health statistics	−2,000,000
Health Maintenance Organizations:	
Grants and contracts	+2,980,000
Program support	+500,000
Health Technology	+750,000
Adolescent Pregnancy	+2,500,000
Health Services Research:	
Research	−1,000,000
Program Support	−323,000

The conferees approve use of the general loan guarantee fund in Fiscal Year 1980 to implement Section 1305A of the Public Health Service Act for acquisition and construction of ambulatory health care facilities.

Amendment No. 50: Earmarks $1,500,000 for projects under section 1317 of the Public Health Service Act, instead of $1,000,000 as proposed by the House and $2,000,000 as proposed by the Senate.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the amendment of the Senate which extends the availability beyond September 30, 1980 of any budget authority which is not required during fiscal year 1980.

Amendment No. 52: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate as follows:

"No payment shall be made from this appropriation to reimburse State or local expenditures made prior to September 30, 1978.".

This language provides for a one year limitation on the time period available to the States during which they can claim federal matching funds for state or local expenditures.

PAYMENTS TO HEALTH CARE TRUST FUNDS

Amendment No. 53: Appropriates $7,965,-156,000 instead of $7,966,406,000 as proposed by the House and $7,969,906,000 as proposed by the Senate. Funds added over the House allowance are for hospital review costs of the Professional Standards Review program (PSRO).

PROGRAM MANAGEMENT

Amendment No. 54: Appropriates $126,-195,000 instead of $121,695,000 as proposed by the House and $134,695,000 as proposed by the Senate. The additional funds included over the House allowance are to expand the program of research related to long-term care.

Amendment No. 55: Deletes additional funding added by the Senate for the Professional Standards Review Program (PSRO's).

EDUCATION DIVISION

OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATION

Amendment No. 56: Earmarks $3,330,-343,000 for title I, parts A and B of the Elementary and Secondary Education Act instead of $3,477,132,000 as proposed by the House and $3,228,343,000 as proposed by the Senate.

Amendment No. 57: Deletes legal citation proposed by the Senate.

Amendment No. 58: Appropriates $3,794,-556,000 instead of $3,936,962,000 as proposed by the House and $3,787,418,000 as proposed by the Senate.

The conferees are agreed that the appropriation includes the following:

Evaluation and studies	$13,000,000
Bilingual education:	
Grants to school districts	107,263,000
Materials development	10,000,000
Research and studies	4,625,000
Basic skills improvement	35,000,000
Ethnic heritage studies	3,000,000
Aid to the Virgin Islands	3,000,000
Territorial teacher training	2,000,000

With regard to bilingual education grants to school districts, the Office of Education is directed to establish minimum eligibility criteria which each proposal must meet in order to qualify for funds.

Amendment No. 59: Provides that $3,330,-343,000 for title I, parts A and B of the Elementary and Secondary Education Act shall become available for obligation on July 1, 1980 instead of $3,477,132,000 as proposed by the House and $3,328,343,000 as proposed by the Senate.

Amendment No. 60: Provides $15,000,000 for section 116 (Incentive grants) of the Elementary and Secondary Education Act instead of $30,000,000 as proposed by the Senate. The House bill included no funds for this purpose.

Amendment No. 61: Provides $200,000,000 for section 117 (Concentration Grants) of the Elementary and Secondary Education Act as proposed by the Senate, instead of $345,789,000 as proposed by the House. The conferees direct the Commissioner of Education to take steps necessary for the development of a clear plan on the use of concentration grants by local school districts.

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows: "; and of which $245,000,000 shall be for the purposes of subpart 1 of such part B, and $145,000,000 shall be for the purposes of subpart 2 of such part B, and any reductions in entitlements required thereby shall be proportionate among the States)".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 63: Earmarks $250,000 for section 417(a)(2) as proposed by the Senate instead of $1,250,000 as proposed by the House.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

Amendment No. 64: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which appropriates $772,000,000 instead of $744,000,000 as proposed by the House and $700,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 65: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which earmarks $690,-000,000 for entitlements under sections 2 and 3 of Public Law 81-874 instead of $662,-000,000 as proposed by the House and $618,-000,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 66: Earmarks $399,000,000 for entitlements under section 3(a) as proposed by the Senate instead of $371,000,000 as proposed by the House.

Amendment No. 67: Restores language proposed by the House relating to entitlements and payments under sections 3(a) and 3(b).

Amendment Nos. 68, 69 and 70: Deletes language proposed by the Senate relating to payments under section 3(b).

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment limiting payments for certain children under section 3(a) to the amounts paid in fiscal year 1979.

Amendment No. 72: Appropriates $33,-000,000 for school construction authorized by Public Law 81-815 as proposed by the House instead of $25,000,000 as proposed by the Senate.

Amendment No. 73: Earmarks $13,000,000 for construction under section 10 (schools located on Federal property) as proposed by the House instead of $9,000,000 as proposed by the Senate.

Amendment No. 74: Earmarks $17,000,000 for construction under section 14 (schools located on Indian lands) as proposed by the House instead of $13,000,000 as proposed by the Senate.

EMERGENCY SCHOOL AID

Amendment No. 75: Appropriates $315,298,-000 instead of $340,650,000 as proposed by the House and $299,539,000 as proposed by the Senate. The conferees are agreed that the appropriation includes $118,800,000 for grants to school districts, $95,769,000 for special projects, $42,604,000 for magnet schools, $5,-000,000 for grants to non-profit organizations, $1,000,000 for evaluation, and $75,675,-000 for civil rights training and advisory services.

Amendment No. 76: Deletes language proposed by the House which removes the statutory reservation on appropriations contained in paragraph 2 of section 604(b) of the Emergency School Aid Act.

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which removes the statutory reservation on appropriations contained in section 604(b)(2) and the limitation contained in section 613 of the Emergency School Aid Act.

EDUCATION FOR THE HANDICAPPED

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment amended to read as follows: "$1,049,025,000: *Provided*, That funds appropriated under P.L. 95-480 for Part C of P.L. 91-230, Education of the Handicapped Act, as amended, shall remain available through September 30, 1980".

This amount is in lieu of the $1,045,325,000 as proposed by the House and $1,054,025,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 79: Earmarks $25,000,000 for pre-school incentive grants instead of $20,000,000 as proposed by the House and $30,000,000 as proposed by the Senate.

OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

Amendment No. 80: Appropriates $881,880,-000 instead of $879,880,000 as proposed by the House and $884,880,000 as proposed by the Senate. The conferees are agreed that the appropriation includes $562,266,000 for vocational education basic State grants and $4,-800,000 for bilingual vocational training.

Amendment No. 81: Earmarks $10,000,000 for part B, subpart 2 of the Vocational Education Act (programs of national significance) as proposed by the Senate instead of $13,000,000 as proposed by the House.

The Conference Committee directs that within the programs of national significance

that funding be continued for the National Center for Research in Vocational Education and maintain support for Curriculum Coordinating Centers, the National Occupational Information Coordination Committee, and various research and demonstration projects.

Amendment No. 82: Earmarks $134,817,000 for part A, subpart 2 of the Vocational Education Act (program improvement and supportive services) instead of $112,817,000 as proposed by the House and $137,317,000 as proposed by the Senate.

Amendment No. 83: Earmarks $2,500,000 for section 317 of the Adult Education Act instead of $5,000,000 as proposed by the Senate and earmarks $2,500,000 for section 318 of the Adult Education Act instead of $5,000,-000 proposed by the Senate. The House bill contains no funds for these purposes.

STUDENT ASSISTANCE

Amendment No. 84: Earmarks $550,000,000 for part C (College work study) of the Higher Education Act as proposed by the House instead of $510,000,000 as proposed by the Senate.

Amendment No. 85: Earmarks $300,800,000 for part E (National direct student loans) of the Higher Education Act as proposed by the House instead of $242,800,000 as proposed by the Senate.

Amendment No. 86: Appropriates $3,056,-935,000 for "Student assistance" as proposed by the House instead of $2,958,935,000 as proposed by the Senate.

Amendment No. 87: Earmarks $3,015,550,-000 to remain available until September 30, 1981 as proposed by the House instead of $2,917,550,000 as proposed by the Senate.

Amendment No. 88: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which deletes language proposed by the House reappropriating $726,000,000 of the fiscal year 1979 appropriation for basic opportunity grants and inserts language proposed by the Senate relating to the use of balances available from fiscal year 1978 and fiscal year 1979 appropriations for basic opportunity grants.

Amendment No. 89: Deletes language proposed by the Senate extending the availability of work study grants.

Amendment No. 90: Deletes language proposed by the Senate relating to funds appropriated for basic opportunity grants.

Amendment No. 91: Deletes language proposed by the Senate relating to the distribution of up to $20,000,000 of funds for national direct student loans.

HIGHER AND CONTINUING EDUCATION

Amendment Nos. 92, 93, 94 and 95: Restores legal citations proposed by the House.

Amendment No. 96 and 97: Insert legal citation proposed by the Senate.

Amendment No. 98: Appropriates $399,730,-000 instead of $408,080,000 as proposed by the House and $361,380,000 as proposed by the Senate. The conferees are agreed that the appropriation includes the following:

Special programs for the disadvantaged	$147,500,000
Educational information centers	3,000,000
Developing institutions	110,000,000
Graduate/professional training	8,850,000
Law school clinical experience	4,000,000
Architectural barrier removal	25,000,000
National academy of peace and conflict	500,000

With regard to the program for developing institutions the conferees are agreed that each school shall not enter into a financial agreement with more than one assisting agency.

Amendment No. 99: Deletes earmarking of $6,000,000 for cooperative education demonstration programs proposed by the House.

The conferees urge the education authorizing committees which are considering the Higher Education re-authorization to give serious consideration to the Cooperative Education program, and in particular the need for a stepped-up commitment to Urban Initiatives Demonstration Grants. The conferees are very impressed with the success and viability of the cooperative approach, particularly as it is applied in large urban areas with a significant need for a highly trained and skilled work-force.

Amendment No. 100: Inserts earmarking of $10,000,000 for part A of title I of the Higher Education Act as proposed by the Senate.

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which relates to the distribution of the appropriation for part A of title I of the Higher Education Act.

LIBRARY RESOURCES

Amendment No. 102: Deletes legal citations proposed by the Senate.

Amendment No. 103: Appropriates $266,-488,000 instead of $264,475,000 as proposed by the House and $272,500,000 as proposed by the Senate.

Amendment No. 104: Earmarks $171,000,-000 for title IV part B of the Elementary and Secondary Education Act, instead of $162,-000,000 as proposed by the House and $180,-000,000 as proposed by the Senate.

SPECIAL PROJECTS AND TRAINING

Amendment No. 105: Earmarks $3,617,000 for part G (Consumers education) of the Elementary and Secondary Education Act instead of $3,135,000 as proposed by the House and $4,100,000 as proposed by the Senate. The increase recommended by the conferees over the House bill will be used to support additional grants.

Amendment No. 106: Deletes legal citation proposed by the Senate.

Amendment No. 107: Appropriates $118,-223,000 instead of $124,626,000 as proposed by the House and $110,706,000 as proposed by the Senate. The conferees are agreed that the appropriation includes $2,850,000 for cities in schools, $20,000,000 for career education incentives, and $30,000,000 for teacher corps.

NATIONAL INSTITUTE OF EDUCATION

Amendment No. 108: Appropriates $91,-172,000 instead of $96,285,000 as proposed by the House and $84,058,000 as proposed by the Senate.

In light of the highly positive review of the lab and center program, the conferees direct that at least $29.8 million be used to continue and strengthen the program.

OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION SALARIES AND EXPENSES

Amendment No. 109: Appropriates $34,-484,000 instead of $34,930,000 as proposed by the House and $34,037,000 as proposed by the Senate. The conferees are agreed that the appropriation includes $13,500,000 for the fund for the improvement of postsecondary education and $9,947,000 for the national center for educational statistics.

POPULATION EDUCATION

Amendment No. 110: Deletes appropriation of $2,000,000 proposed by the Senate.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the amendment of the Senate which extends the availability beyond September 30, 1980 of any budget authority which is not required during fiscal year 1980.

ASSISTANCE PAYMENTS PROGRAM

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the amendment of the Senate which extends the availability beyond September 30, 1980 of any budget authority which is not required during fiscal year 1980.

Amendment No. 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate as follows:

"No payment shall be made from this appropriation to reimburse state or local expenditures made prior to September 30, 1978.".

This language provides for a one year limitation on the time period available to the States during which they can claim federal matching funds for State or local expenditures.

REFUGEE ASSISTANCE

Amendment No. 114: Appropriates $75,-540,000 instead of $23,500,000 as proposed by the House and $91,500,000 as proposed by the Senate. This is the same amount as requested in the President's budget and will support 75% of the costs of the Cuban program. This agreement reinstates the six-year phase-out of the Cuban program agreed to by the House and Senate in P.L. 95-480, the fiscal year 1979 Labor-HEW Appropriations Act.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES GRANTS TO STATES FOR SOCIAL AND CHILD WELFARE SERVICES

Amendment No. 115: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which provides that the appropriation shall remain available until expended.

Amendment No. 116: Restores language proposed by the House and deleted by the Senate which provides that not to exceed $75,000,000 may be used for training authorized by section 2001 of the Social Security Act.

Amendment No. 117: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which provides that no payment shall be made from the appropriation to reimburse State or local expenditures made prior to September 30, 1978.

HUMAN DEVELOPMENT SERVICES

Amendment No. 118: Appropriates $3,867,-981,000 instead of $3,519,430,000 as proposed by the House and $3,603,073,000 as proposed by the Senate. The conferees are agreed that the appropriation includes the following:

Child welfare training	$7,575,000
Aging:	
Area agency services	246,970,000
Nutrition services	320,000,000
Indian Tribes	6,000,000
Rehabilitation:	
Basic State grants	817,484,000
Independent living	15,000,000
Research	31,500,000
Developmental disabilities, university affiliated facilities	7,000,000
Salaries and expenses	74,202,000

For child welfare training, the conference committee agrees on $7,575,000, which is $575,000 below the fiscal 1979 level and that provided by the Senate. This is $3,-575,000 above the budget request and $575,000 more than that provided by the House. Included in the above is funding for Federal National and Regional Training Centers. The conferees are in agreement that child welfare training center grants shall be funded at the level of the budget request.

Amendment No. 119: Earmarks $6,000,000 for title VI of the Older Americans Act instead of $6,000,000 as proposed by the Senate. The House bill included no earmarking for this purpose.

Amendment No. 120: Appropriates $808,000,000 for activities under section 100(b)(1) of the Rehabilitation Act of 1973 as proposed by the House instead of $825,316,000 as proposed by the Senate.

Amendment No. 121: Deletes earmarking of $1,200,000 for section 100(b)(3) of the Rehabilitation Act proposed by the Senate.

Amendment No. 122: Earmarks $15,000,000 for section 711 of the Rehabilitation Act as proposed by the Senate instead of $10,000,000 as proposed by the House.

Amendment No. 123: Earmarks $43,180,000 for part C of the Developmental Disabilities Services and Facilities Construction Act as proposed by the Senate instead of $46,880,000 as proposed by the House.

Amendment No. 124: Inserts earmarking of $7,500,000 for section 113 of the Developmental Disabilities Services and Facilities Construction Act as proposed by the Senate. The House bill included no earmarking for this purpose.

Amendment No. 125: Deletes language proposed by the Senate authorizing use of funds to conduct a study focusing on the need for safe housing for the elderly.

WORK INCENTIVES

Amendment No. 126: Appropriates $365,000,000 as proposed by the House, instead of $385,000,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment No. 127: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment amended to read as follows:

"SEC. 201. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $500,000,000; *Provided*, That this reduction shall be achieved by the reduction of fraud, abuse, and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act: *Provided further*, That the requirements pertaining to AFDC and Medicaid error rates, as specified in the conference report on the fiscal 1979 Supplemental Appropriations Act (P.L. 96-38), shall be carried out except where the Secretary determines, in certain limited cases; that states are unable to reach the required reduction in a given year despite a good faith effort.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferences intend that reductions in waste, fraud, and abuse totalling $500 million be made in the individual accounts covering the programs cited by the Inspector General in his report of March 31, 1978, as containing waste, fraud, and abuse. These reductions shall be over and above any savings due to reduced waste, fraud, and abuse already included within these accounts in this Act. The total amount available for expenditure under this Act, therefore, shall not exceed the sum of the individual program allocations in the Act minus $500 million.

The conference agreement prohibits any reduction or elimination of benefits under these programs to those persons legitimately entitled to such benefits, and the conferees direct the Department not to undertake any action designed to contravene this requirement. The conferees also reaffirm the requirement pertaining to AFDC and Medicaid error rates contained in the conference report on the F.Y. 1979 Supplemental Appropriations Act (P.L. 96-38) except that the Secretary may grant a yearly waiver in certain limited instances if a state is unable to reach the required reduction in a given year despite a good faith effort. The conferees emphasize that this waiver process is to be limited to extraordinary circumstances.

In meeting the mandated reductions contained in this section, the Secretary of Health, Education, and Welfare may include savings made in F.Y. 1980 from prior year appropriations, provided that such savings are fully documented and presented to the House and Senate Appropriations Committees for approval. The conferees also intend that any Federally-developed savings in the non-entitlement programs shall be returned to the Treasury, rather than reallocated to the programs, and may be included as part of the reductions under this section, with the following exceptions: 1.) any increased collection on defaulted loans under the Federally Insured Student Loan program may be counted as reductions if returned to the Student Loan Insurance Fund, and 2.) under the Direct Student Loan Program, any increased default collections either returned to the Treasury or offset by the withholding from obligation of any equal amount of appropriated funds may be counted as reductions.

SYSTEM FOR HOSPITAL UNIFORM REPORTING (SHUR)

Amendment No. 128: Deletes language proposed by the House which would have prohibited implementation of the System for Hospital Uniform Reporting (SHUR) during fiscal year 1980. The conferees are concerned, however, with the unnecessary and unintended burden on health care facilities which would have resulted if the regulations originally proposed for this system had gone into effect. The conferees therefore direct that the Secretary not issue final regulations for the program until the Department's proposed revisions have been formally approved by the appropriate committee of each House designated by the Speaker of the House of Representatives and the Majority Leader of the Senate.

Amendments 129-136: Adjust section numbers.

Amendment No. 137: Reported in disagreement.

Amendment No. 138: Adjusts section number.

Amendment No. 139: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the Senate amendment, amended to read as follows:

"SEC. 212. None of the funds appropriated or otherwise made available in this title shall be used to implement section 15 (d) and (e) of the Small Business Act, as amended, or Executive Order number 12073, dated August 16, 1978, in regard to requests for proposals for research, rehabilitation, training or other highly professional health, education and social services which will not substantially affect employment levels.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 140: Reported in technical disagreement. The Managers on the part of the House will move to recede and concur in the Senate amendment, amended to read as follows:

"SEC. 213. Funds appropriated to the Department of Health, Education, and Welfare under title II may not be used to pay the compensation of experts or consultants (other than full-time employees) or organizations thereof, or to procure by contract the services of experts or consultants or organizations thereof, in excess of $170,000,000 during fiscal year 1980. Expenditures for all consultant services in the fourth quarter of fiscal year 1980 may not exceed 30 per centum of the total annual fiscal year 1980 expenditure for such consultant services.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The conferees are agreed that in allocating funds for experts and consultants, first priority should be given to congressionally mandated studies and to the Inspector General and other activities relating to elimination of waste, fraud, and abuse.

TITLE III—RELATED AGENCIES

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

Amendment No. 141: Appropriates $796,100,000 as proposed by the Senate, instead of $548,000,000 as proposed by the House. The conference agreement contains the following changes from the amounts proposed by the House:

Community action agencies	+$6,000,000
Community food and nutrition	+10,000,000
Emergency energy conservation services	+3,700,000
Energy Crisis Intervention	+228,000,000
Program administration	+400,000

The conferees direct the agency to utilize $2,500,000 of the funds provided in the bill for demonstration for projects under the Demonstration Employment and Training Opportunity Program (section 222(a)(7) of the Act).

The conferees have agreed to provide the budget request of $250 million for the energy crisis intervention program. During the conference, the conferees received a letter from the Office of Management and Budget, dated July 30, 1979, requesting that level of funding. The pertinent portion of the letter follows:

Hon. WILLIAM H. NATCHER,
Chairman, Subcommittee on Labor-HEW, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On July 12, 1979, we sent a letter to the Senate Committee on Appropriations in support of a $250 million amendment by Senator Eagleton to establish an energy crisis assistance program. It is important to have such a program for low income households in time for the coming winter. This type of emergency assistance can be of critical help to low income families facing energy crises.

We hope you will favorably consider the $250 million in your conference mark-up session today on the Labor-HEW Appropriations Bill. We support the increases with the understanding that after the Energy Security Fund is established, the general fund will be reimbursed from the trust fund. This would be the initial step of the Administration's low income energy assistance proposal; we are planning to request further increases for FY 1980 to:

Raise the energy crisis assistance program to $.4 billion; and

Initiate a new $1.2 billion energy cash assistance program for low income households, subject to enactment of authorizing legislation for this program and the Energy Security Fund.

The conferees direct that an allocation formula be developed immediately based on past severity of weather, relative increase in the cost of fuel, and the numbers of low-income individuals residing within the state. The conferees believe that a single allocation to the states in advance of the onset of cold weather will assist immeasurably in rational planning and efficient implementation of this program.

Funds would be provided to states for use as either cash grants or emergency assistance such as heaters, blankets, food, alternate shelter and the like to low income families. Governors will be given the flexibility to designate specific local delivery system. Included in the type of assistance allowed would be direct payments to eligible households or direct vendor payments for fuel costs of eligible households. State administrative costs are not to exceed 10 percent of the grant.

Aid under this program should be limited to households at or below 125% of the U.S. Census poverty level, and individuals eligible for Supplemental Security Income payments. Highest priority should be placed on serving the low income elderly.

Payments made under this program are not to be considered as income for purposes of determining eligibility or benefits under any income maintenance program including, but not limited to, public assistance, veterans' benefits, food stamps, or Supplemental Security Income. It is also the intent of the conferees that any assistance to the poor provided under state and local authority will not be reduced.

Finally, the conferees are aware that the Administration is formulating its policy for some form of energy assistance program, and understand that the recommendation may include administration of this program by another agency. Thus, the conferees would have no objection to CSA delegating all or part of these funds to another agency to administer a similar program. If a supplemental request for expansion of this program as a part of a comprehensive energy proposal is submitted by the Administration, the conferees will give further consideration to this matter early in the next fiscal year.

COMMUNITY DEVELOPMENT CREDIT UNIONS, REVOLVING FUND

Amendment No. 142: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment with an amendment appropriating $6,000,000, instead of $12,000,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

Amendment No. 143: Restores the word "and" as proposed by the House.

Amendment No. 144: Deletes language proposed by the Senate for carrying out the Labor-Management Cooperation Act of 1978.

Amendment No. 145: Appropriates $23,075,000 as proposed by the House, instead of $28,075,000 as proposed by the Senate.

TITLE IV—GENERAL PROVISIONS

Amendment No. 146: Deletes language proposed by the Senate which would have permitted the Chairman of the National Mediation Board to spend $2,500 from appropriated funds for official reception and representation expenses.

Amendment No. 147: Deletes language proposed by the Senate which would have prohibited the use of funds in the bill in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any quota related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to the admissions policies or practices of any institution of higher education.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follows:

New budget (obligational) authority, fiscal year 1979	$73,422,491,000
Budget estimates of new (obligational) authority, fiscal year 1980 [1]	73,687,742,000
fiscal year 1982	(172,000,000)
House bill, fiscal year 1980	72,779,333,000
fiscal year 1982	(172,000,000)
Senate bill, fiscal year 1980	72,821,245,000
fiscal year 1982	(172,000,000)
Conference agreement	72,352,613,000
Fiscal year 1982 advanced appropriation	(172,000,000)
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1979	−1,071,878,000
Budget estimates of new (obligational) authority, fiscal year 1980	−1,337,129,000
House bill, fiscal year 1980	−426,720,000
Senate bill, fiscal year 1980	−470,632,000

[1] Includes an additional $210,000,000 for energy crisis intervention services requested in a letter from the Office of Management and Budget on July 30, 1979; excludes $889,795,000 of estimates which were not considered due to lack of authorizations.

WILLIAM H. NATCHER,
NEAL SMITH,
EDWARD J. PATTEN,
DAVID R. OBEY
(except No. 114),
EDWARD R. ROYBAL
(except Nos. 61 and 137),
LOUIS STOKES
(except Nos. 61 and 137),
JOSEPH D. EARLY,
JAMIE L. WHITTEN
(with reservations),
EDWARD P. BOLAND,
ROBERT H. MICHEL
(except Nos. 68, 69, and 141),
SILVIO O. CONTE,
GEORGE M. O'BRIEN,
CARL D. PURSELL,
Managers on the Part of the House.

WARREN G. MAGNUSON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
THOMAS F. EAGLETON
(with exception to the Senate language on No. 137),
BIRCH BAYH,
LAWTON CHILES,
QUENTIN N. BURDICK,
DANIEL K. INOUYE,
RICHARD S. SCHWEIKER,
CHARLES McC. MATHIAS, JR.,
MARK O. HATFIELD,
LOWELL P. WEICKER, JR.,
HARRISON SCHMITT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

(Mr. MURPHY of Illinois asked and was given permission to revise and extend his remarks.)

Mr. MURPHY of Illinois. Mr. Speaker, yesterday I was holding hearings in the city of Chicago of the Select Committee on Narcotics Abuse and Control for which I had official leave of absence. I was, therefore, surprised to see the RECORD shows me recorded on votes taken yesterday and I ask unanimous consent that the permanent RECORD reflect the fact that I was not present and did not vote on Monday, July 30.

I also request that the Committee on Standards of Official Conduct look into this matter and, being a member of the Committee on Standards of Official Conduct I will step aside while they look into the matter.

□ 1850

MAKING IN ORDER ON AUGUST 2, 1979, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT ON H.R. 3363

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that it shall be in order on Thursday, August 2, or any day thereafter, to consider the conference report on the bill, H.R. 3363, Department of State Authorization Act, 1980 and 1981, and said conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

MESSAGE FROM THE SENATE

The SPEAKER pro tempore. The Chair lays before the House the following message from the Senate:

A message from the Senate by one of its clerks informed the House that the Senate had agreed to House Concurrent Resolution 168 entitled "Concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979 and a recess of the Senate from August 3 to September 5, 1979," with amendments in which the concurrence of the House is requested.

The Clerk read the Senate amendments, as follows:

Page 1, strike out lines 5 and 6 and insert: "Thursday, August 2, Friday, August 3, or Saturday, August 4, 1979, pursuant to a motion made by the majority leader in accordance with this resolution, it stand in recess until 11 o'clock a.m. on Wednesday, September 5, 1979.".

Amend the title so as to read: "Concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979, and a recess of the Senate from August 2, August 3, or August 4, 1979, to September 5, 1979.".

The SPEAKER pro tempore. The question is on the Senate amendments.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ANNUAL REPORT OF THE SECRETARY OF THE INTERIOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the

accompanying papers, referred to the Committee on Education and Labor, and to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

In accordance with Section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, I hereby transmit the Annual Report of the Secretary of the Interior.

Part I of the Report details the activities of the Mining Enforcement and Safety Administration. Part II describes the mining research activities of the Bureau of Mines.

JIMMY CARTER.

THE WHITE HOUSE, *July 31, 1979.*

FBI CHARTER ACT OF 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-172)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

I am transmitting today the FBI Charter Act of 1979, which will provide the first comprehensive Charter for the functioning of the Federal Bureau of Investigation. This legislative proposal will govern all the investigative and law enforcement functions of the Federal Bureau of Investigation.

The foreign intelligence and counterintelligence functions of the Bureau will be governed by a separate charter for the entire foreign intelligence community.

This proposal was developed by the FBI and the Justice Department and has received close scrutiny and personal approval from Attorney General Griffin Bell, Deputy Attorney General Benjamin Civiletti, and Director William Webster.

The law enforcement Charter would bring together in one statute the authorities and responsibilities that the FBI now exercises as a matter of custom and practice.

Although most departments and agencies operate under detailed statutory schemes, the FBI has lacked a statutory framework, although it is one of the most important and sensitive of all Executive Branch agencies. A one-paragraph 1908 law creating the Bureau is all that presently exists. The controversies in past years regarding particular actions of the Bureau, such as those directed at Dr. Martin Luther King, Jr., and various other persons and organizations, are to some degree attributable to this lack of statutory direction. It was these controversies which led me to call for a clear and binding charter for the FBI when I ran for President. Statutory safeguards would insure that the Bureau exercises its responsibilities in a manner sensitive to the fundamental rights of all Americans. The public must be assured that the FBI is acting properly under the law.

We need to recognize that the FBI serves a vital national function and that it has rendered distinguished service to the Nation. It has set a standard for competence, dedication and professionalism of which we should all be proud. We must be careful to maintain the fundamental capability of an institution which has served us so well. This Charter maintains that capability. Under Director William Webster the conduct of the Bureau has been exemplary and I applaud his leadership.

A clear definition of the authorities and responsibilities of the FBI is essential to its proper functioning and is in the best interest of national law enforcement and the proper administration of justice. Enactment of this Charter will enable FBI agents to carry out their duties with greater certainty, confidence, and effectiveness.

The bill I submit today reflects three fundamental objectives:

—The Charter should be a document of broad principles, not a long detailing of procedures. It should enumerate the FBI's jurisdiction, functions and powers and set forth the limits on its activities, but should leave to the Attorney General the power to issue specific detailed procedures and guidelines.

—With few exceptions, coupled with procedural safeguards, the investigative power of the FBI should be limited to the detection, prevention and prosecution of federal crimes. This will prevent the unrestricted accumulation of information concerning individuals not suspected of criminal conduct.

—The Charter should strike a proper balance between the true needs of law enforcement and the civil liberties guaranteed by our Constitution. The greater the potential for impairment of rights, the stronger the authorization and accountability systems required.

The Charter authorizes the FBI to employ traditional and lawful investigative techniques in carrying out its responsibilities. These include confidential informants, undercover agents, and undercover operations.

Two primary types of criminal investigations are authorized: investigation of criminal acts that violate federal law and investigations into criminal enterprises that involve racketeering or terrorism. No investigation may be commenced unless based on "facts and circumstances that reasonably indicate" a criminal violation.

For the most part, this bill simply codifies current practices. However, FBI authority would be significantly expanded in two areas:

1. The FBI could issue "investigative demands" for financial records. This is a compulsory process enforceable in the courts comparable to the administrative subpoenas issued by agencies such as the Securities and Exchange Commission and the new Inspectors General in each Federal agency. This is essential if the FBI is to be effective in combatting white collar crime, fraud, corruption, and organized crime.

2. The FBI could investigate patterns of terrorist acts that involve violations of state criminal laws even without federal violations, following the model of current racketeering statutes.

The bill continues existing restrictions, procedural controls, and requirements for accountability on FBI activities. It adds, however, several new restrictions providing tighter controls over the use of informants. For example, infiltration of groups under investigation for terrorist activities and participation by an informant in criminal activity must now be approved by a supervisory FBI official.

The Charter requires that the Attorney General promulgate, and periodically review, operational guidelines for each of the Bureau's major activities. These guidelines will be filed with the Congress and made available to the public unless, in a specific case, their release would jeopardize the investigative process. The FBI is also required to report on important and sensitive activities to the Attorney General and the Congress.

This Charter strikes the proper balance between assuring both that the civil rights and liberties guaranteed to Americans by our Constitution are protected and that the FBI can fully pursue its appropriate functions.

I urge the Congress to give this bill the careful and urgent attention it deserves and to pass the first Charter for the FBI.

JIMMY CARTER.

THE WHITE HOUSE, *July 31, 1979.*

REQUEST FOR CLARIFICATION OF UNANIMOUS-CONSENT REQUEST

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, the gentleman from Illinois (Mr. MURPHY) just made a request, a notation earlier. Some of us were in the Chamber. We did not hear the Chair make a response to the unanimous-consent request at all.

Some of us noticed before, when the gentleman from Illinois made an observation about not having been here yesterday and yet having been recorded by a vote. If we heard correctly, the comment was made by the gentleman that he was asking the Chair to take certain action with unanimous consent. Some of us believe that there was nothing on the part of the Speaker by way of a response asking for anybody in the Chamber to object to that request for unanimous consent.

My question is this, Mr. Speaker. Is it not proper for a Member in the Chamber then to interpose an objection at this point, since the Chair has not made any ruling saying without objection, so ordered?

The SPEAKER pro tempore. The Chair would advise the gentleman that the gentleman to whom he refers did not make a unanimous-consent request, other than to address the House of Representatives for 1 minute and no objection was heard to that unanimous-consent request.

Mr. DANNEMEYER. We have no objection to that. I thank the Speaker.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2172, INTERNATIONAL SUGAR STABILIZATION ACT OF 1979

Mr. DODD, from the Committee on Rules, submitted a privileged report (Rept. No. 96-401) providing for the consideration of H.R. 2172, to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes, which was referred to the House calendar and ordered to be printed.

THE RADIAL TIRE EXCISE TAX REPEAL ACT OF 1979

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIRTH. Mr. Speaker, earlier today I introduced the Radial Tire Excise Tax Repeal Act of 1979. This measure would eliminate the Federal excise tax on radial ply tires, thus providing an incentive for consumers to purchase radials, thereby saving gasoline.

With our energy situation becoming increasingly serious, we must seek out and take advantage of every possible method to reduce this Nation's consumption of precious, and scarce, energy resources. Motor vehicles consume more than 25 percent of this Nation's fuel; therefore, one of the best ways to reduce energy consumption is to make vehicles more energy efficient.

Recent tests conducted by the Transportation Systems Center for the Department of Transportation, as well as a variety of other tests by the tire industry and other organizations, indicate that the use of radial ply tires can increase fuel economy 3 to 10 percent. This variance depends on the speed traveled, the age and tread wear of the tire, tire inflation, and other factors. Radials are most efficient with proper inflation at speeds of 50 miles per hour.

Twenty percent of vehicle consumption, or roughly 5 percent of the fuel consumed in the United States, is accounted for by tire rolling resistance—the lower the rolling resistance, the higher the fuel economy. The average rolling resistance of a radial ply tire is 12 pounds per foot per 1,000 pounds, compared to 16 pounds per foot per 1,000 pounds for the conventional bias ply tire. This reduction of the rolling resistance of 25 percent amounts to an average fuel savings of 5 percent, with a 10-percent savings for sustained speeds. This savings amounts to an extra mile per gallon and almost $2 per tankful. Today, with 50 percent of all cars on the road equipped with radials—80 percent of the new cars coming out of Detroit have radials—the fuel savings is over 3 billion gallons per year—if all cars traveled on radials, the fuel savings would be over 6 billion gallons per year. This is quite a substantial reduction in gasoline consumption.

The excise tax on radial tires is 10 cents per pound, or 5 cents per pound for offroad vehicles, such as farm equipment. This tax has been in place since 1932 with the advent of the automotive excise tax which taxed tires, tubes, and a variety of other accessories for cars, trucks, and buses. The revenue generated from this tax in 1978 was under $850 million. The gasoline savings that would derive from this repeal would more than make up for the loss of revenue.

The repeal of this tax would reduce the price of a radial tire by as much as $5. It is my hope that with this tax eliminated, consumers would be more inclined to purchase radials, thus improving automobile efficiency and saving gasoline.

This idea is not new—similar initiatives have been undertaken in the past. A provision of the Energy Tax Act of 1978 repealed the Federal excise tax on radials used by trucks and buses, with a resulting fuel savings of about 6 percent.

This measure is one of the many initiatives that must be taken in the drive to reduce the demand for energy resources. The Radial Tire Excise Tax Repeal Act of 1979 contains little cost, many benefits and no liabilities. I urge its swift adoption.

□ 1120

TRIBUTE TO KING KAMEHAMEHA III

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, it is with a sense of deep gratitude and hope for the future of our beloved Nation, and the nations, that I rise and offer this tribute to Hawaii's King Kamehameha III, who on July 31, 1843, 136 years ago today, spoke the words that are now the motto of the State of Hawaii:

Ua mau ea o ka aina I ka pono—the life of the land is perpetuated by righteousness.

The righteousness of which he spoke is evident in the way he guided his nation. Where once the King of the Hawaiian Islands held absolute power over his subjects, King Kamehameha III, in 1840, gave to his people their first Bill of Rights and Constitution. This voluntary sharing of power through a new fundamental law of the kingdom is one of the great examples of justice, mercy, and good will in the history of mankind. The King began Hawaii's first code of civil laws, with the words of Holy Scripture:

God hath made of one blood all nations of men to dwell on the face of the Earth. Book of Acts 17:26.

By sharing the privileges, responsibilities, and powers of government, King Kamehameha III exemplified the highest teachings of his new found Christian faith. In words that could well preface the constitutions of all nations today, the King declared in the preamble: "God has established governments for the purposes of peace."

His faith and trust in God was given noteworthy vindication in 1843. In February of that year, contrary to the views of London, the commander of the British frigate *Carysfort*, Lord George Paulet, forced the king by threat of cannon fire, to surrender his kingdom to the British Government. Upon London receiving word of Paulet's action, British Admiral Richard Thomas hastened to Honolulu to make amends to end Paulet's perfidy. The kingdom was restored to King Kamehameha III on July 31, 1843. It was on that joyous day, from the pulpit of historic Kawaiahao Church, the church that my brother, the Reverend Dr. Abraham K. Akaka now serves, that the king articulated the principle of righteousness contained in the Holy Scripture:

Righteousness exalted a nation, but sin is a reproach to any people. Proverbs 14:34.

I invite our Nation to share in the gratitude of the people of Hawaii. For King Kamehameha III, whose belief that God's righteousness exalts any nation, calls us all to the universal source of hope for peace and security in our Nation and in all nations. Indeed, our Nation's motto and Hawaii's are one: "In God we trust."

FUEL STAMP ACT OF 1979

(Mr. SABO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SABO. Mr. Speaker, it is obvious to all of us that the days of cheap energy are gone forever. While many people can readjust their spending patterns to accommodate the rapidly rising costs of energy, a significant number cannot make these adjustments. These people are going to experience serious, life-threatening hardships in this and future winters.

Today I am introducing the Fuel Stamp Act of 1979. This bill is an attempt to alleviate some of the most severe hardships caused by rising energy prices. The proposal provides fuel stamps to low-income people which can be used to help pay heating bills. It is designed to work in a way which is simple for the recipient and requires no additional bureaucracy.

The proposal piggy-backs onto the food stamp program in the following ways:

First. Anyone whose income is low enough to qualify for food stamps automatically qualifies for fuel stamps. There is no new certification required, consequently no new bureaucracy is needed and no unnecessary complications are inflicted on the recipients.

Second. Fuel stamps would be available for the months of December, January, February, and March. In these 4 months food stamps recipients could receive fuel stamps at the same time they pick up their food stamps.

Third. The value of the fuel stamps offered is determined as simply as the eligibility. Fuel stamps would be available to a household in the same amount that the household receives in food stamps, with two exceptions:

No household would receive less than $20 in fuel stamps. For instance, if a household qualifies for only $10 in food stamps it would still qualify for $20 in fuel stamps in the four months when fuel stamps are offered.

No household will receive more than $50 in fuel stamps. Even though a household receives $100 in food stamps, it could only receive $50 in fuel stamps.

All households receiving food stamps of more than $20 and less than $50 in value would qualify for fuel stamps in the same amount as their food stamps.

Fourth. Fuel stamps may be used to pay heating bills to any utility dealer which provides fuel for heat. They may also be used to pay a portion of the rent to any landlord who includes heat in the rent.

This program will be administered through the Department of Agriculture by the same agencies which administer the food stamp program. It should be very easy to establish and will cost approximately $970 million in 1980.

TELLICO DAM PROJECT SHOULD BE COMPLETED

(Mr. DUNCAN of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DUNCAN of Tennessee. Mr. Speaker, as we in the Congress approach a vote on the Tellico Dam project in my district in Tennessee, I would like to bring to your attention three letters on the subject, that heretofore, for reasons unknown to me, have not been made public. The contents, to my knowledge, have not been referred to in any report. I do not know why this information was not made available to the Congress, to the press, the public or in reports to the Endangered Species Committee.

I quote from a letter from the Department of Energy, dated October 6, 1978:

New evidence indicates that the snail darter fish can survive and reproduce in the Hiwassee River where it was transplanted in 1975.

The report also states that the reservoir development has a superior benefits-cost ratio—and the letter says:

We support the early completion of the Tellico project.

The letter is as follows:

DEPARTMENT OF ENERGY,
Golden, Colo.

Mr. S. DAVID FREEMAN,
Chairman, Office of the Board of Directors, Tennessee Valley Authority, Knoxville, Tenn.

DEAR MR. FREEMAN: Thank you for the invitation to review your draft report "Alternatives for Completing the Tellico Project." We wish to present the following comment for the official record.

We note that Congress approved the initial appropriation of funds for the Tellico Project in 1966. Currently construction of the projects as originally planned is 95 percent complete. Expenditures and obligations through May 1978 have totaled $100,000,000. Costs for completion of the original project are estimated as $19,400,000. Additional spillway capacity to handle a new inflow design flood as computed by the USBR would cost an additional $12,500,000.

New evidence indicates the Snail Darter fish can survive and reproduce in the Hiwassee River where it was transplanted in 1975. If additional studies prove that the Tennessee River would no longer be critical habitat, then the Snail Darter could be removed from the endangered species list and reservoir development could proceed.

The report also shows that reservoir development has a superior benefit-cost ratio. Although it stated that "benefit-cost comparisons often have been comprised by the unevenness and unreliability of benefit forecast," the proven and predictable benefits of clean hydro-power generation are apparent.

Since the oil embargo of October 1973, the National oil consumption has risen above pre-embargo levels despite a 75 percent increase in the retail price of gasoline. Oil imports have risen to the point that they total 48 percent of the oil consumed in this country, causing the attendant problems of inflation, balance of payment deficit, and weakening of the dollar abroad.

Our experience indicates that the demand for hydro-power resources in the Western Area Power Administration marketing area increases as the availability of nonreplaceable oil and gas fuel resources for electric generation decline. The development of new hydro-power resources and their integration with thermal generation provides a desirable and efficient use of the resources available for electric power production.

We trust the Snail Darter will be removed from the endangered species list, or other suitable solutions will be found and, therefore, support the alternative for reservoir development and early completion of the Tellico Project.

Sincerely,

Hon. ROBERT L. MCPHAIL,
Administrator.

A letter of October 17, 1978, from the Office of the Secretary of Transportation says in part:

While the project has had a contentious history, present evidence appears to provide a basis for a decision to complete the project.

The full letter is printed below:

OFFICE OF
THE SECRETARY OF TRANSPORTATION,
Washington, D.C., October 17, 1978.

Mr. S. DAVID FREEMAN,
Chairman, Office of the Board of Directors, Tennessee Valley Authority, Knoxville, Tenn.

DEAR MR. FREEMAN: We appreciate having had the opportunity to review the joint Tennessee Valley Authority (TVA) and Department of Interior (DOI) report on the status of, and the available options, on the Tellico Dam project. We regret that our comments could not be made available within your suggested time frame but are submitted since your conclusions are not yet final.

We found the report to be most interesting and consider that it carefully balances the opposing possibilities of further development. However, we believe the substantial evidence of support by public officials including the U.S. Congress, the Governor of Tennessee and the Tennessee State legislature, when considered along with the potential economic benefit of completing the original project, is persuasive of the view that the project should be completed. We consider that the problem of danger to the Snail Darter is being adequately addressed and that a habitat can be developed in which that species can exist.

While the project has had a contentious history, present evidence appears to provide a basis for a decision to complete the project.

Sincerely,

RAY WARNER,
Director, Office of Intergovernmental Affairs.

A letter, dated September 20, 1978, from the Department of State, Agency for International Development had this to say:

While the land used for the reservoir is indeed prime quality land, it is a small portion of the prime and good agriculture land available in the immediate and downstream area.

The reservoir option offers a better mix of opportunities, including industrial and other development. The cost of removing the dam is greater than that required to complete the reservoir, while the reservoir options yield a higher benefit-to-cost ratio.

The letter follows:

AGENCY FOR INTERNATIONAL
DEVELOPMENT,
Washington, D.C., September 20, 1978.

Mr. S. DAVID FREEMAN,
Chairman, Office of the Board of Directors, Tennessee Valley Authority, Knoxville, Tenn.

DEAR MR. FREEMAN: Governor Gilligan has asked me to review and comment on the draft, Alternatives for Completing the Tellico Project, submitted with your letter of August 16, 1978.

The draft report establishes the baseline of evaluation of available options as the present condition of the Tellico project. Therefore the broad consideration is whether it is more beneficial to complete the project as planned, complete and operate it purely as a flood control facility or remove it.

On balance the difficult areas of judgment are the soft, unquantifiable areas such as the cultural, aesthetic and historical. These are highly personal and subjective. The report seems to give greater weight to these factors than would appear appropriate considering the present condition of the project and its history, including the extensive debates conducted in the region and in the Congress before construction started in 1967.

While the report was prepared jointly by TVA and Interior, the Interior team did not include water resources experts from the USGS and the Bureau of Reclamation.

Our overall assessment supports the reservior alternative based on the following considerations:

Agricultural benefits and programs can be achieved reasonably with any of the alternatives. The reservoir option providing flood protection and water management for supplemental irrigation should provide greater overall benefits for agriculture. While the land used for the reservoir is indeed the prime quality land, it is a small portion of the prime and good agricultural land available in the immediate and down stream area.

The reservoir option offers a better mix of opportunities including industrial and other development. Water transport and a power dimension are increasingly valuable in view of energy requirements. The multi-objective potential of this option is superior to the other options.

Most of the cultural and educational objectives can be adequately achieved with the reservoir option. The one constraint in educational and historical activities which cannot be entirely met is in the actual location of reconstructed and restored facilities on the exact original site. There is considerable disagreement on the critical value of this.

There is no guarantee that the snail darter would survive if nothing in its habitat were changed. The fact that reproduction at another site seems to be proceeding successfully supports this doubt. There is no evidence to indicate any economic or ecological benefit to be derived from protecting the snail darter from extinction. NEPA has definite economic objectives and considers the harmonious interaction of man and his environment important.

The benefit-cost evaluations show a smaller spread in calculated benefits for the reservoir option indicating a better basis for these values. The cost of removing the dam is greater than that required to complete the reservoir, while the reservoir option yields a higher benefit-to-cost ratio.

Sincerely yours,

FRANK A. DIMATTEO, P.E.,
Director, Office of Engineering.

□ 1130

OIL COMPANY PROFITS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, those of us in Congress who do not represent the wealthy stockholders of oil companies feel compelled, as elected officials, to stand and speak on behalf of the average citizen.

The average citizen in this country of 220 million does not have the luxury of clipping his oil company investment coupons. Rather, he is required to invest his time and energies in a daily employment routine in order to make ends meet. Once again, the newspapers herald the profit reports of major oil companies: Getty, 149 percent; Texaco, 132 percent; Cityservice, 90 percent; Standard Oil of California, 61 percent; Shell, 55 percent. This is the clearest indication that the Senate must now approve the windfall profits tax as passed by this Chamber.

How much longer will the beleaguered consumer who relies so heavily upon petroleum base products be subjected to these reports. How much longer will the person, who must pay escalating prices and who depends upon gasoline to get to and from work, No. 2 home heating oil to warm his residence in winter, No. 6 residual oil to power the utilities for electricity, hear of these huge reports. What are we to tell those on fixed incomes and pensions when the winter months bring the additional cost of home heating oil.

Mr. Speaker, I am aware that the increase in profits for the oil industry this first quarter of 1979 reflects some aberrations in the industry. I realize that the increased value in the dollar in Europe in 1979 caused the sales figures to be somewhat inflated. However, it must be stated that Fortune magazine has calculated a total return to investors for the major companies in its list of industrials for the last 10 years. The study revealed that investors in the 10 largest oil companies would have received an annual rate of return of 5.5 percent versus 4.4 percent for the nonoil group. This study assumed that one invested the same amount of money in 1968 and sold the stock in 1978.

In addition, the rate of return on stockholders' equity for the oil industry in 1974, just after the price hikes, averaged 18.4 percent verses 13 percent for nonoil industries.

Needless to say, this country is once again experiencing numerous OPEC-induced price increases. I can only assume that the rate of return for the oil industry will once again outstrip that for the nonoil industry. We must look to the remainder of 1979 to determine the severity of the rate of return. We are in the midst of a worldwide energy crisis. This is not the time to increase the rate of return on equity as well as profits at the consumers' expense.

AMERICA AND ALLIES OBSERVE CAPTIVE NATIONS WEEK 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, in all sections of our country and overseas the 1979 Captive Nations Week was successfully observed. Despite the somewhat overshadowing news of turbulent changes in the administration, Americans in various spheres of our society had let it be known, both with confidence and conviction that the natural bonds of our freedom and the aspirations of the captive nations for their regained freedom are unbreakable. This unquestionably represented rays of hope and determination in what was depicted as a crisis of confidence. The truth is that there are no limits to these rays in terms of the politico-economic ramifications of the captive nations ideology.

As further expressions of the 1979 observance, I submit the following in accordance with Public Law 86-90: First, a statement by Gov. Pierre S. Du Pont, of Delaware, and a certificate of recognition by Gov. John N. Dalton of Virginia; second, proclamations by Mayors E. Clay Shaw, Jr., of Fort Lauderdale, Fla.; Richard L. Berkley, of Kansas City, Mo.; and Tom Bradley, of Los Angeles, Calif.; third, a photographed description of the New York parade under the caption of "Captive Nations Week Begins" in the New York News; fourth, an account on "A New Life for V. Moroz," who participated in the Washington, D.C., activities, appearing in the July 18 Washington Star; fifth, two items in the China Post, of July 13, 14; and sixth, a Captive Nations appeal by the Bishop of Stamford, Conn., Basil H. Losten, in America:

STATE OF DELAWARE,
Dover, Del.

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czecho-Slovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Pierre S. du Pont, Governor of the State of Delaware, do hereby declare the week of July 16, 1979, as "Captive Nations Week" in Delaware, and call upon all citizens to join in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

PIERRE S. DU PONT,
Governor.

CERTIFICATE OF RECOGNITION

By virtue of the authority vested by the Constitution in the Governor of the Commonwealth of Virginia, there is hereby officially recognized: Captive Nations Week 1979.

Many peoples, caught in the vice of totalitarian dictatorships, still look to America and her freedoms for their inspiration and understanding.

Reminding us of this, the President and the Congress have joined the National Captive Nations Committee in setting aside July 15-21 as "Captive Nations Week," and I call the message it suggests to the attention of all Virginians.

JOHN N. DALTON,
Governor.

OFFICE OF THE MAYOR, CITY OF FORT LAUDERDALE—PROCLAMATION

Whereas, the republican form of government—based upon "the consent of the governed"—which has existed in the United States of America for 203 years, has resulted in the development of a warm understanding and sympathy for the aspirations for freedom of peoples everywhere and in recognition of the natural interdependency of the peoples and nations of the world; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in conquered nations constitutes a powerful deterrant to any ambitions of aggressive leaders to initiate a major war; and

Whereas, the freedom loving peoples of the world look to the United States as a citadel of human freedom and to the people of the United States as leaders in bringing about freedom and independence; and

Whereas, it is vital to the national security of the United States and other free nations of the world that the desire for liberty and independence on the part of the peoples of the world should be steadfastly kept alive;

Now, Therefore, I, E. Clay Shaw, Jr., Mayor of the City of Fort Lauderdale, Florida, do hereby proclaim the week of July 15 to 21, 1979, as "Captive Nations Week" in the City of Fort Lauderdale.

Dated this the 9th day of July, 1979.

E. CLAY SHAW, Jr.,
Mayor.

CITY OF KANSAS CITY, MO.—PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czecho-Slovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia,

Slovenia, Tibet, Cossackia, Turkestan, North Vietnam Cuba, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples:

Now, Therefore, I, Richard L. Berkley, Mayor of Kansas City, Missouri, do hereby proclaim the week commencing July 16, 1979 as "Captive Nations Week" in Kansas City, Missouri and call upon all citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

Done this 16th day of July, 1979.

RICHARD L. BERKLEY,
Mayor.

CITY OF LOS ANGELES—PROCLAMATION

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the Captive Nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies, and activities; expressing their sympathy with and support for the just aspirations of captive peoples:

Now, Therefore, I, Tom Bradley, Mayor of the City of Los Angeles, on behalf of its citizens, do hereby proclaim July 16-21, 1979, as "Captive Nations Week" and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

TOM BRADLEY,
Mayor.

CAPTIVE NATIONS WEEK BEGINS

Paraders march down Fifth Avenue yesterday in kickoff of 21st Captive Nations Week. Third week in July is set aside as a special time to affirm efforts to bring about religious and political freedom in countries unwillingly dominated by Communists. Observance was begun in 1959.

A NEW LIFE FOR V. MOROZ

(By Jurate Kazickas)

There is an old Ukrainian saying: "Last year's snowstorm does not interest me." And with that simple statement, Ukrainian dissident Valentyn Moroz explained why he does not think any more about the 12 years, 10 months, 26 days of his 43-year life he spent in Soviet prisons.

He would rather talk about his new life in America, his hopes and fears about the West, and his continuing efforts to make his homeland free again one day.

On April 27, Moroz arrived in New York with four other dissidents, including Alexander Ginsburg, after a dramatic exchange with Russia for two convicted Soviet spies. He begged American journalists at the first press conference not to call him a Russian dissident. "I am Ukrainian," he said.

These last 10 weeks, Moroz, who has taken a position as a research fellow at Harvard, has been traveling around the U.S., Canada and Europe talking to fellow Ukrainians and world leaders to gain support for his struggle for a free Ukraine and "to fight for the cause of freedom in general."

For his relentless and outspoken opinions about Soviet oppression, Moroz was put into solitary confinement for four years, beaten and tortured. Prison authorities attempted to have him declared insane and committed.

Throughout the years, his dark-haired wife Raisa fought to bring world attention to his plight. She sat next to Moroz yesterday during an hour-long interview, occasionally patting his arm as if trying to temper some of his statements. But Moroz is as outspoken as ever. He shushed his wife gently as the interpreter raced to translate his words about the man who helped to win his freedom.

"President Carter seemed to have a much more optimistic view of himself and America when he started his term," said Moroz in reference to Carter's speech Sunday night. "I would like to see him remain that Baptist preacher who is firm, knows what he wants and how to get it. He seems to have lost confidence in himself and his own convictions. Everyone in the East thinks America is the strongest nation in the world. It sure would be good if Americans thought so too."

Moroz feels that the U.S. has not taken advantage of what he calls "Moscow's critical situation" as Europe, the U.S., Japan, and China forge closer ties. He believes that if the U.S. really wanted, it could get the release of all political prisoners in the U.S.S.R.

"President Carter had a handful of aces he could have played when they dealt the cards in Vienna, but he left all the aces at home instead. Why, with one weapon—wheat—the U.S. and Canada could bring Moscow to its knees and gain concrete concessions, including general amnesty for political prisoners. An iron glove has to have an iron hand. Carter could have done so much more, beyond merely proclaiming human rights."

He was not impressed by the SALT agreements.

"They did not accomplish anything. What kind of real guarantees do we have from Moscow? It has never fulfilled any of its obligations," said Moroz, who is constantly amazed at the naivete of Americans about the Soviets.

"Americans ask me if I do not worry that my hard line about the Soviets will lead to a cold war. And I say, but the cold war has never ended. In fact, the third world war started in 1945. We should not fear Soviet missiles because they take over countries without firing a shot—Cuba, Angola, Ethiopia . . .

Moroz paused. He smiled, which he does often, and his gold teeth flashed. "I know that I take positions that are strange to some Americans but I only speak what I think," he said. "And I can see that in the U.S. they respect someone who has firm beliefs."

He has found that he feels more comfortable and less of a stranger in America than he thought he would "because Ukrainians and Americans have that same individualistic character."

Although seemingly more reluctant to speak about his surface impressions of the U.S. than his political analyses, Moroz ventured after being asked that he was not surprised by dirty streets or slums because in the Soviet Union, that's all they ever write about life in the U.S.

"So when I came here, I saw less of those things than I imagined," he said, then added poetically, "I came to America dressed in psychic armor, so nothing I see will create a despairing impression."

Moroz, hardly any fatter than he was upon his release from prison—said he was impressed by the sleek women he saw everywhere. "When I went on a five month hunger strike in prison some considered it a great act but here, American women are on hunger strikes all the time and it is not considered heroism."

Moroz (and his prettily plump wife) laughed at the little joke, but he clearly preferred getting back to serious talk.

What is most important to him is to defend the Ukraine, which he calls a greater resource in the hands of the West than the oil reserves of the North Sea because "a free Ukraine would restore the balance of power in Europe and lock Russia forever to the East."

And for those who say that a free Ukraine, which has not been independent for more than three years since the 17th century, is an impossible dream, Moroz shrugs and smiles.

"It is not a question of principle, but a question of time."

[From the China Post, July 13, 1979]

DR. KU OFF TO U.S. CAPTIVE NATIONS WEEK ACTIVITIES

Dr. Ku Cheng-kang, honorary chairman of the World Anti-Communist League flew to the United States yesterday for the American activities to mark the 1979 Captive Nations Week, organized by the U.S. National Captive Nations Committee.

Dr. Ku was invited by several U.S. Senators and the committee to take part in the activities and will attend the activities in New York and Washington, D.C.

Before his departure yesterday, Dr. Ku said the people on the mainland of China are stepping up their fighting for their freedom and their actions to fight for their freedom should be supported by the people of the free world.

The Captive Nations Week was resolved by the U.S. Congress in 1959 in a resolution stating that the third week of July will be Captive Nations Week.

[From the Ukrainian Catholic Daily, July 19, 1979]

CAPTIVE NATIONS WEEK APPEAL TO ALL CLERGY, RELIGIOUS AND PEOPLE OF GOD

(By Most Reverend Basil H. Losten)

Sunday, July 15, 1979, commences the 20th annual observance of Captive Nations Week. After a number of wars one would hardly believe that nations would be faced with brutal suppression of people behind Iron Curtains in Europe, Asia and Africa. It seems that the just have died in vain. Godless oppressors have put many nations—among them, the Ukrainians—into bondage. Wake up, Free World, and guard our basic freedoms! Learn what Communism is all about and how the Communists operate.

Captive Nations Week will be observed across our Nation and abroad in the period of July 15-21, 1979. Public Law 86-90, passed by Congress and signed by President Eisenhower in July 1959, is really more applicable today than it was 20 years ago. This week has become a national institution, and who detests it vehemently are the Red

regimes across Euro-Asia and in the Caribbean. The basic reasons for this have been known for a generation by those who understood Public Law 86-90 and the analysis behind it.

Millions of our enslaved brothers and sisters await our help, but most of all our prayers for their perseverance in holy faith, for constancy and fidelity in religion and national ideals.

Let us commemorate Captive Nations Week with humble and sincere prayers to the Lord for a better fortune for all enslaved people. On Sunday, July 15th, after each liturgy, pray for our persecuted Church and suffering brethren; that God have mercy, enlighten the free, and give strength and guidance to those in cruel bondage.●

LEGISLATION TO REPEAL MARINE SANCTUARIES TITLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. BREAUX) is recognized for 5 minutes.

● Mr. BREAUX. Mr. Speaker, I am introducing a bill today to repeal the marine sanctuaries title (title III), of the Marine Protection, Research, and Sanctuaries Act of 1972. I have come to the conclusion that this Nation does not need, nor can it afford, a marine sanctuaries program. The program is not needed because the authority provided by title III of the 1972 act for the protection of the environment is redundant with other authorities, such as those provided by the Outer Continental Shelf Lands Act (OCSLA), the Clean Water Act, and the Fishery Conservation and Management Act (FCMA), among many others. The program cannot be afforded, because it substantially complicates and seriously impedes the work of the Federal Government and the activities of our citizens and provides no countervailing benefit that cannot be achieved through other programs.

Title III provides that the Secretary of Commerce may establish marine sanctuaries and regulate any and all activities in them where necessary for the purpose of preserving or restoring areas for their conservation, recreational, ecological, or esthetic values. A marine sanctuary is any area in the ocean which is set aside for the above listed protective purposes. To carry out the purposes of the title, the Secretary has the power to override any and all existing regulations for the area and to revoke any and all permits for activities in the area. That is very sweeping authority and there is no guidance in the act and very little in the very brief legislative history as to how the Secretary is to carry out the law—except that there should be a balance of competing interests. Other statutes which provide for protection of the marine environment have detailed provisions which are illuminated by extensive legislative histories.

The implementation of the program has been the very poorest performance of the executive branch in my experience. The Department of Commerce has foundered repeatedly when attempting to define a mission for its marine sanctuaries office. In short, there has been nothing approaching a consistent, coherent policy and, in my opinion, there is no prospect that such a policy will emerge. The Commerce Department has never demonstrated that title III provides any environmental protection beyond that which other, well established and relatively smoothly functioning programs can provide. The Department has almost completely ignored the views of the Congress on matters of policy.

Until now, I supported the marine sanctuaries program, because I hoped that it could be managed without duplication and confusion of bureaucratic effort and might provide useful augmentation to other programs to protect the marine environment. The Congress gave the executive branch maximum flexibility in title III and that has proven to be a mistake. I have personally attempted to provide policy guidance to bring the program into conformity with reasonable congressional intent in my capacity as chairman of the authorizing subcommittee, but these efforts have been to no avail. Certainly, sufficient time has been given to allow this program to work. I am now convinced that the executive branch cannot make it work, and I believe that the Congress should recognize this fact and repeal the law. The $3 million authorized for the program can be put to better use elsewhere without any environmental loss.

Since 1972, only two sanctuaries have been established: One to protect the wreck of the Civil War vessel, *Monitor*, the other to protect coral reefs off Key Largo, Fla. Each sanctuary is very small and has little impact on marine activities. In fact, there is no need for either sanctuary—the *Monitor* can be given special protection and Key Largo corals can be protected by Interior under the OCSLA and by Commerce under the FCMA, as well as by other agencies pursuant to other existing authority.

The program managers became more ambitious, however, based on the 1977 Presidential environmental message in which Commerce was directed to consider the establishment of sanctuaries where OCS oil and gas development was imminent. In almost no time, the Commerce sanctuaries program had more than 200,000 square miles of the OCS under consideration. There were no clear, uniform standards for deciding which areas would become sanctuaries and no criteria for balancing competing uses and protecting environmental values. In investigative oversight hearings in the House and the other body, there was severe congressional and private consternation and criticism. The compelling, but unanswered questions, were to what extent would commercial and recreational fishing activities, marine transportation and oil and gas operations be affected and what environmental values would be more effectively protected by this program than by others? There were very disturbing, contradictory answers by the agency on each point.

Congressional criticism resulted in the promulgation of new programmatic regulations which, while more detailed and comprehensible than the earlier ones, remained unsatisfactory on a number of very important points, including notably, providing a proper balance of competing interests and assuring that unnecessary regulation and expense would be avoided. While maintaining some serious reservations, I was on the whole, somewhat encouraged. I was prepared to see whether the program was able to prove its worth in a concrete case.

In its first draft environmental impact statement under the revitalized program, the Department has badly failed the test. The DEIS is on the Flower Garden Banks off Texas and Louisiana, an area with which I am very familiar, and concerning which there is a great deal known, by, among others, scientists, sport and commercial fishermen, environmentalists and oil and gas operators.

The DEIS demonstrates that the sanctuaries program really offers no means to protect the environment that is not already available under other programs administered by Commerce, Interior, and EPA, among others. The DEIS shows that recreational uses of the area, oil and gas operations, marine transportation, commercial and sport fishing, and any other foreseeable use of the area, all can be effectively regulated to provide strict environmental protection, without establishment of a marine sanctuary. A marine sanctuary on Flower Garden Banks would result in the imposition of a new layer of bureaucracy and duplicative regulatory requirements, with the attendant direct and indirect costs to the taxpayers and users of the area. There is no reason to believe that in any other marine area the situation would be any different.

There are other problems with the program, as reflected in the DEIS. Title III appears to invite bureaucrats to seek open-ended authority to regulate what they perceive, and in some cases, cannot demonstrate, to be threats to the marine environment. For example, Commerce cannot show that the very low level of spearfishing on the Flower Garden Banks—which are more than 100 miles off the coast—constitutes an environmental risk, but nevertheless, the administrator of the proposed sanctuary would have totally unlimited authority to restrict that activity.

Marine transportation is always an environmental risk. But on the high seas, that activity may be regulated only through international agreement, so far as foreign vessels are concerned. With respect to U.S.-flag vessels, there is already ample authority to assure protection of the banks without a sanctuary. Nevertheless, Commerce wants overriding authority (consistent with international law) to regulate vessel traffic in the area of the banks without showing any additional benefits to be gained.

Commerce would ban for at least 5 years new oil and gas development in a proven hydrocarbon province in a large area outside the Flower Garden Banks, in order to permit further research. Had Commerce not failed to consider more than 50 relevant, authoritative studies, had it not relied upon "personal com-

munications" and "unpublished documents" and a great deal of speculation, the moratorium for the purposes of further study would never have been proposed. Moreover, the moratorium is, in my view, inconsistent with a well-conceived program for increased domestic hydrocarbon development.

The President has announced a policy to remove unnecessary Government red-tape and unreasonable bureaucratic duplication with respect to energy development. The marine sanctuaries program, in my view, has proven to be the kind of program toward which that policy ought to be directed.

Lacking any in-house expertise, and ignoring the expertise of others, Commerce proposes additional restrictions on existing and future hydrocarbon operations in a large area surrounding the banks. Every one of those restrictions could be imposed by Interior or EPA, but Commerce wants to do the job with a whole new layer of bureaucracy and with overriding regulatory authority.

I should add two other criticisms. The Flower Gardens DEIS is frought with factual errors, not the least of which is the description of the proposed sanctuary area as being approximately 173 square nautical miles, when the area is in reality about 260 square nautical miles. Worse still, key elements of the DEIS were never discussed with vitally interested Federal agencies such as the Department of Energy, nor with members of congressional committees, notwithstanding clear commitments, on the record, by Commerce officials that such consultations would take place prior to the publication of this important document.

Other marine areas under consideration include those off California's Point Reyes and Farallon Islands, Monterey Bay and Big Sur and Santa Barbara Channel Islands. Each proposal involves a possible ban or curtailment of oil and gas development. Off Maine, Commerce is considering a sanctuary for Georges Bank (notwithstanding the Canadian claim to one-third of the bank), an area of 20,000 square miles. Commerce has requested that Interior delay lease sale No. 42 while a DEIS is prepared for the bank sanctuary and stated that Interior should specify that "designation of a marine sanctuary will, if required by sanctuary regulations, constitute a basis for modification, suspension, or cancellation of the affected leases with attendant rights to compensation for cancellation as provided in section 5 of the Outer Continental Shelf Lands Act." As in the cases of the Flower Garden Banks and California sanctuaries, there would be a significant impact on hydrocarbon development.

As if that were not enough, the Beaufort Sea frontier development areas and other OCS areas off Alaska will shortly be considered for sanctuary status.

I think that it is time that this program be repealed. Clearly, it is unnecessary to protect the marine environment, is a source of additional Government red-tape and expense, and is run with little regard to either congressional or Presidential opinion on energy development and Government efficiency.

How many times has the Congress been asked to provide an agency with broad powers in the name of environmental protection and found that the results have been massive government and private expense and little, if any, demonstrable benefit to the environment? For how long will the American people have to complain before concrete steps are taken to reduce the burgeoning Federal bureaucracy to eliminate needlessly high taxes to support it, and to stop excessive government intervention in the lives of all citizens through overregulation and redtape? When will something really be done to remove unnecessary and costly impediments to the development of our domestic hydrocarbon resources? I believe that the repeal of the marine sanctuaries program would be a meaningful response to these problems. I intend to hold intensive hearings on the marine sanctuaries program and the proposal for its repeal. I expect controversy, but I believe that the Congress will repeal title III when all the facts are out on the table.●

U.S.S. "MONITOR"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, next month, the National Oceanic and Atmospheric Administration, the principal civil oceans-related Federal agency, in cooperation with the State of North Carolina and the Harbor Branch Foundation, will begin a 3-week series of dives on the Union ironclad U.S.S. *Monitor*. This research project, using both divers and manned submersibles, will be the most complete investigation yet made of this famous ship which foundered in a gale and sank 117 years ago 16 miles off the coast of Cape Hatteras, N.C.

The U.S.S. *Monitor* site is the first marine sanctuary designated under the Marine Protection, Research, and Sanctuaries Act of 1972. Indeed, the *Monitor* represents an especially important part of this country's maritime heritage. The 2-day engagement at Hampton Roads, Va. in March 1862 between the *Monitor* and the Confederate ironclad *Virginia* (originally named the *Merrimack*) demonstrated the power of the ironclads and was critically studied by the navies of the world. Crude as these first ships of their type were, they introduced elements of naval construction in use even to the present day: The revolving turret, armor plate, protective deck, rifled guns, all heavy guns, and enclosed below deck anchor. No engagement since the time of Nelson was more significant in the development of naval science. France and England had already begun building armored ships, but their superiority had never been tested in battle. Hampton Roads furnished the demonstration. The *Monitor* gave birth to a whole class of *Monitor*-class vessels—the last of which was decommissioned in 1937.

Rear Adm. P. H. Colomb of the Royal Navy, a keen student of naval warfare, wrote in the London Times, December 1894:

> In the American Civil War, the deciding battle was between the *Monitor* and the *Merrimack*; and no one can doubt that . . . if the *Merrimack* had gained the victory there would scarcely now be the United States of America. The fate of that Nation was decided then and there.

I have often thought that my great-great Grandfather Raphael Semmes, commanding officer of the Confederacy's most successful commerce raider, CSS *Alabama*, would have welcomed the opportunity to have matched wits with the *Monitor*.

I would like to share with my colleagues an article which appeared in the Washington Post on July 24, 1979. The article describes the operation to investigate the *Monitor* but one correction is necessary. An opening will not be cut to gain entry into the ship. Rather, with the *Monitor* resting bottom-up, divers will attempt to enter the officers' quarters through the collapsed bottom plating.

The article follows:

[From the Washington Post, July 24, 1979]

BOARDING THE MONITOR

(By Karlyn Barker)

The USS Monitor, the ironclad Civil War vessel that sank in a storm 117 years ago, will be entered for the first time next month when scientists cut an opening in the sunken ship and attempt to remove artifacts from her officers' quarters.

This would be the first full-scale examination of the ship by researchers since it was discovered 20 miles—and 220 feet deep—off Cape Hatteras, N.C., in 1973. Scientists on the diving expedition also hope to learn whether the famed Union ship can be raised.

Spokesman for the National Oceanic and Atmospheric Administration yesterday announced plans for the month-long expedition, calling it "the most important underwater archeological event of this century."

The NOAA administrator, Richard Frank, said about 30 divers, scientists and technicians will photograph the wreck from every angle, retrieve artifacts and test the ship's structural soundness.

The Monitor made naval history on March 9, 1862, when it engaged the Confederate ironclad Merrimac in a battle that ended the era of wooden fighting ships. Nine months later, while being towed south for blockade duty, she foundered in a gale and sank with a crew of 16 men.

There have been two previous expeditions to the wreck site. In 1977, divers photographed the upside-down ship and retrieved a brass lantern and other small pieces of metal lying nearby.

But those underwater missions were intended to serve as preparation for the one next month, according to NOAA officials. They said no one has actually boarded the ship since its discovery.

"It's pretty crunched up," said Bill Brennan, a NOAA spokesman who described plans for the expedition. "Whether it can be raised or not we will begin to learn from this exploration. We don't know if it will fall apart, particularly if it is exposed to air."

The $265,000 August mission is jointly financed by NOAA, the state of North Carolina and the Harbor Branch Foundation, a private, nonprofit oceanographic research organization based in Pierce, Fla.

NOAA designated the Monitor wreck site a marine sanctuary in 1975 to protect the historic ship from damage by souvenir hunters.●

LEGISLATION TO CREATE CHARTER FOR FBI

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

● Mr. RODINO. Mr. Speaker, I am today introducing legislation to create a charter for the Federal Bureau of Investigation.

At the outset, before commenting on any specific part of the FBI charter, I would like to say that I agree with its purposes and its general direction. I recognize the necessity for the charter. It is time that the important investigative work assigned to the FBI be spelled out in general principles for all to know so that the public will appreciate what is expected of the FBI and the men and women of the Bureau will know with reasonable certainty their duties and mission. The important work of the Bureau has been and will be done under this charter with honor and respect for constitutional guarantees for all citizens, with minimal intrusion into the rights of our citizens, and with full regard for the civil liberties of the American people.

The administration's proposal of the FBI charter, in its present form, addresses many of the issues which have been a subject of some debate in the past. This charter addresses those issues well and I believe it provides a firm and sound constitution for the future of the FBI.

The charter codifies for the first time the functions of the FBI which it has been performing for more than 40 years with little or no statutory framework. This charter will provide this long awaited and needed framework.

The American people deserve a strong, free and sure FBI. The concepts that are embodied in this charter to strengthen the FBI and to permit it to achieve the goals of the American people are as follows:

The focus of all FBI investigations is criminal conduct and not activities otherwise protected by the Constitution.

Investigative techniques are examined and a requirement for minimum levels of intrusiveness into protected activities is established, depending on the nature of the crime being investigated.

Periodic review of investigative activities is required. This review will help assure accountability of the agency and its employees.

The charter does not and cannot deal with every detail of investigation or direction in the operation of the FBI. It is a grant of authority with limitations. I have had concerns and reservation generally about the absence of the specific AG guidelines dealing with matters such as the identity of informants, the use of various techniques in investigation, the retention and use of information in the Bureau's criminal records, and other areas which touch on sensitive questions of civil liberties. Therefore I am particularly pleased that the charter calls for the promulgation of guidelines which will set forth with particularity the work rules in these and other important areas. I am confident that the Attorney General guidelines, work on which I understand has already begun, will deal with care and specificity to protect the full enjoyment of all constitutional rights, the freedoms against unreasonable intrusions by whatever technology, while at the same time providing safe, sound, and effective law enforcement.

I look forward to supporting this charter in its legislative process along with my colleagues in the House Judiciary Commitee and the Congress of the United States. I look forward to new strength in the FBI under this charter and I know the American people support the FBI and will support this charter.●

MAJORITY POLITICAL FACTION OF WEST GERMAN PARLIAMENT MAKES PRONOUNCEMENT ON SIGNING OF SALT II AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, the CDU–CSU, the majority political faction of the West German Parliament, has recently made an important pronouncement on the signing of the SALT II agreement.

As we consider the SALT II agreement I believe it is important to have the benefit of the views of one of our most important friends and allies on the subject. For that purpose I request that the CDU–CSU policy statement be placed in the RECORD at this time for the benefit of my colleagues:

STATEMENT BY THE CHAIRMAN OF THE CHRISTIAN DEMOCRATIC UNION OF GERMANY, DR. HELMUT KOHL, ON TODAY'S SIGNING OF THE SALT II AGREEMENT—JUNE 18, 1979

1. As the CDU has already declared on a number of occasions in the past, it welcomes the American-Soviet negotiations on the limitation of nuclear strategic weapons. The SALT negotiating process of which SALT II only constitutes one stage and one segment can in fact stabilize the nuclear strategic balance and thus help to preserve peace inasmuch as the Western deterrent remains credible. At the same time, steps must also be taken to ensure under the cover of intercontinental strategic parity that the continental strategic disequilibrium in Europe is not aggravated in such a manner as to impair the credibility of the deterrent and the realization of the strategy of a flexible response. On these assumptions, SALT agreements could exercise a positive influence on the general development of East-West relations—a development in which we have a particular interest.

2. There can be no isolated assessment of SALT II. It must be viewed in the context of American nuclear policy as a whole as well as against the background of the given balance of forces and the world-wide relations between East and West. For this reason, crucial importance also attaches to the forthcoming fundamental and individual decisions to be taken in the USA and in the Alliance on modernising the global strategic and the continental strategic theater nuclear systems. From our standpoint, the SALT Treaty only represents one element, though admittedly a weighty element, in the whole system of American nuclear policy. With this in mind, we also welcome the fact that the occasion of the ratification procedure in respect of the SALT II Treaty has revived a fundamental debate in the United States not only on the experience gained to date on American-Soviet arms control policy and its future prospects, but also on the USA's overall nuclear policy and its implications for the security of her allies.

As a number of statements made by the American Administration and the Congress go to show, there is clear recognition in the United States of the fact that American-Soviet arms control policy affects not only the security of the United States herself, but also that of the NATO states as a whole. A geographically and politically exposed ally like the Federal Republic of Germany—a state whose confidence in the American guarantee of nuclear protection led it upon its accession to NATO to renounce in principle vis-à-vis its allies any self protection through a nuclear deterrent of its own and moreover a state which assumed a corresponding obligation towards the Soviet opponent of the Alliance in the Non-Proliferation Treaty pursuant to American wishes—cannot fail to appreciate just how much is at stake for vital West European security interests in American nuclear strategy. These interests are only safeguarded in a credible manner if the USA at all times explicitly manifests her acceptance of them as her very own.

After all, psychological and political stability in Western Europe and thus also in the Federal Republic of Germany depends to a substantial degree on the general public's continuing belief in the credibility of the USA's nuclear shield.

Hence, the shaping of public opinion in Western Europe will not depend primarily on the issue of whether American-Soviet arms control negotiations and agreements are still possible and desirable. On the contrary, particular significance will attach to the consideration as to whether such negotiations and agreements are linked to an American nuclear strategy which is guided by the principles underlying the credibility of the deterrent, the essential equivalence of the nuclear forces and the axiom of the indivisibility of the risks faced by the Alliance.

Hitherto, the view prevailed in Western Europe that the European NATO partners were allied with a world power who could rightly regard itself as "second to none". Yet the accelerated Soviet nuclear build-up gives rise to misgivings in this context. If the impression were to arise among the public opinion of Western Europe and the Federal Republic of Germany that the global strategic and the continental strategic balance of forces in Europe were to shift against the USA and the Atlantic Alliance, that might encourage trends towards a political adjustment with the Soviet world power—a move which the CDU has unequivocally opposed for decades and which she will continue to oppose.

Thus, the future basic line on foreign policy in Western Europe and Germany will largely depend upon the conclusions drawn by the peoples of the Alliance from the basic discussion on the whole make-up of American nuclear policy. That explains why clearness on the continuing credibility of all components of the Alliance strategy is just as important as the argument about the more technical aspects of SALT II such as the question of verification, an issue which must be primarily resolved by the USA herself.

The aim of the SALT Treaty is to establish approximate strategic parity between the two world powers. However, the payload advantage of Soviet intercontinental missiles and their improved accuracy may already lead in the early 1980s to a certain superiority on the part of the Soviet Union in the global strategic sector. According to the testimony furnished by the current American administration, there is a risk that the Soviets will obtain the capacity for a first strike against

land-based American intercontinental missiles during the life of the Treaty.

Since these shortcomings cannot be rectified during the life of SALT II due to the long preparatory period prior to introducing new strategic systems, the actual nuclear strategic balance of forces after 1985—irrespective of the ratification of the SALT II Treaty—will hinge upon a timely making and implementing of the requisite decisions about modernizing and strengthening this potential needed to maintain the American deterrent.

Hence, the CDU explicitly welcomes President Carter's recent fundamental decision to produce an MX system.

We expect that the USA will also carry out further rearmament measures which serve to strengthen European confidence in the real basis of her nuclear guarantee.

The USA may well be able to live for a fairly long period of time in a position of significant inferiority vis-à-vis the Soviet Union in the nuclear strategic sector. But in the case of Western Europe, whose military strength compared with the Soviet Union is marked by inferiority in both the nuclear and the conventional sector, the situation would become intolerable in such a development and the political outcome incalculable.

3. However, any attempt to stipulate the approximate intercontinental strategic nuclear parity of the world powers invariably produces a situation whereby regional disequilibria become more and more dangerous—militarily, politically and psychologically. A world power may in future be sensitive or even vulnerable to blackmail in those areas where it cannot demonstrate its global interests to its international adversary with equal firmness by virtue of regional systems. But in such an event, the allies of a world power which fails to make intensive efforts to diminish regional disequilibria are less secure and even more susceptible to pressure. They are bound to entertain fears in these circumstances that the other side will attempt to use its capacity for applying pressure in order to obtain political influence.

The Soviet Union has clearly discerned the regional consequences of agreements to establish global nuclear strategic parity. Parallel with the negotiations on SALT II, she has been accelerating her build-up of nuclear weapons targeted on Europe during a period of "détente" and this process is in fact continuing. In consequence, the Soviet Union has attained a position of continental strategic superiority in Europe and this is still growing at an alarming rate.

The Federal Republic of Germany is thus faced by the imperative question as to what concrete measures the Alliance in general and the USA in particular should take to counteract the emergence of an escalation gap in medium-range nuclear weapons. In the opinion of the CDU, steps must be taken parallel with the ratification procedure to ensure that the Alliance counters the questioning of the concept of a flexible deterrent and to ascertain how to do this.

As things stand, this cannot be achieved solely by arms control; it calls for a modernisation and calculated strengthening of the nuclear medium-range potential in Europe.

Past experience has taught us that East-West negotiations—such as the CDU also deems essential—on continental strategic theater nuclear weapons require a lot of time. On this account, the urgently necessary modernization and strengtening of NATO's theater nuclear potential cannot become dependent upon arms control negotiations betwen the USA and the Soviet Union. Furthermore, there are many signs that such arms control negotiations, carefully coordinated within the Alliance, only enjoy any real chance of success if the East is convinced of the seriousness of the Western intention to provide an appropriate reply to the Eastern challenge.

In this context, we would also emphasize the expectation and indeed confidence of the CDU that the USA will pay as much attention to the security interests of Western Europe as to her own in any possible incorporation of the nuclear weapon systems targeted on Europe within a continuation of the SALT negotiating process.

4. It is a matter of great moment in this regard that the SALT II Protocol closes the options on weapons for three years—a period of time which possesses decisive importance for re-establishing an appropriate capability of escalation. In particular, it prohibits the stationing of land and sea-based cruise missiles with a range over 600 kilometers, a factor whose significance for Western security needs no further explanation.

Since a re-establishment of the impaired balance of forces in Europe hardly seems feasible in the long run without this weapons system, steps must be taken to ensure that this Protocol does in fact expire without any sequel after the agreed term of validity so that the options are legally and politically kept open for all those systems which the West's deterrent potential cannot renounce if it is to retain credibility.

As previous Soviet pronouncements on this subject have intimated, the USSR will probably undertake the attempt after ratification of the Treaty to make any advance in future SALT negotiations dependent upon the actual continued validity of the SALT II Protocol. There is likely to be considerable Soviet pressure upon the USA to achieve this. Indeed, there is every likelihood that the Federal Republic of Germany would also be subjected to massive efforts designed to influence her toward inducing the USA to take a more pro-Soviet line "for reasons of detente" and in the interest of continuing the arms control dialogue.

The CDU proceeds on the assumption that the USA assigns the highest priority to the interests of the Alliance in this matter and that she will make it unequivocally clear during the ratification procedure that neither the threat of a change in the atmosphere surrounding arms control talks nor a marginal concession on strategic inter-continental weapons can prevent the expiry of the Protocol after three years.

5. The SALT II Treaty contains an ambiguous non-escape clause designed from the Soviet point of view to restrict the requisite military and technological cooperation between the USA and her European allies in sectors which are important for security reasons. Admittedly, the USA has explained her own interpretation of the non-escape clause during internal consultations with her European allies and she has given them appropriate concrete assurances. Yet in view of the growing Soviet potential to menace Europe—a potential capable of producing an arsenal of options for political intimidation, pressure, threats and blackmail—the SALT Treaty (if ratified) must not burden Western Europe with the political mortgage of American-Soviet differences over correct interpretation and application. As a world power, the USA might be able to indulge in a future dispute with the Soviet Union about interpreting SALT II. On the other hand, the impact of this on an exposed non-nuclear state like the Federal Republic of Germany wooed as she is by Moscow would be incalculable.

On this point, the suggestion has also been put forward that the American interpretation should already be made public during the ratification stage so as to remove any doubts and misunderstandings on either side. At all events, the CDU believes in the absolute need for watertight safeguards in respect of all the options underlying cooperation within the Alliance.●

PROTECTING INDEPENDENT CONTRACTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, recently I testified before the House Subcommittee on Select Revenue Measures in support of H.R. 3245, Congressman GEPHARDT's legislation establishing criteria which would give independent contractors a solid basis on which to establish their tax status. I believe this issue is of the utmost importance, and in order to bring the issue to the attention of my colleagues, I would like to insert at this point in the RECORD a copy of my statement before the subcommittee.

In addition, I would like to say that I hope the subcommittee will act swiftly on this legislation in order to meet the December 31 deadline that was established by the Revenue Act of 1978. Clearly, we cannot permit the confusion that now exists to continue.

My statement before the subcommittee follows:

TESTIMONY OF THE HONORABLE LEON E. PANETTA BEFORE THE SUBCOMMITTEE ON SELECT REVENUE MEASURES JULY 17, 1979

Mr. Chairman, in my testimony today I would like to discuss the general issue of taxation of independent contractors, the nature of my own involvement in this issue, which was a result of unfair Internal Revenue Service (IRS) treatment of independent contractors, and the Gephardt bill, H.R. 3245, which I believe to be the best current approach to this entire situation.

As the members of this Subcommittee know, there are crucial differences in tax status between employees and independent contractors. The tax sequences are particularly important for the businesses involved. When an individual is classified as an employee, the employer is required to act as a collecting agent for the Federal government, withholding and remitting to the Treasury both income taxes and the employees' share of social security taxes, as well as paying unemployment taxes and the employer's share of social security taxes. If an individual is classified as an independent contractor, though, he is responsible for paying his own income taxes and self-employment taxes.

In years past, the determination of independent-contractor status was made under the common-law test. This system worked smoothly and fairly, providing certainty to all parties involved. Whether the classification was one of employee or independent contractor, all parties, including the IRS, knew at all times what their responsibilities were and thus had no unusual difficulty in carrying them out.

Unfortunately, in the early 1970's, the IRS arbitrarily decided to begin reclassifying as employees workers who previously had met the common-law test for independent-contractor status. This policy ran contrary not only to previous court decisions but also to published revenue rulings and private IRS letter rulings and tax audits of the very businesses whose employees were being reclassified. Obviously, this was an extremely unfair and irrational situation. These reclassifications were retroactive, and they presented many companies with huge back tax assessments. In addition, they removed the certainty upon which companies who made

use of independent contractors had relied in the past. Of course, the redesignations also hurt the individuals involved, since they suddenly lost their status as independent contractors and became subject to the strictures of employee status.

In 1976, reacting to what they saw as an obvious injustice, both Houses of Congress backed a statement in the conference report on the Tax Reform Act of 1976 which urged the IRS "not to apply any changed position or any newly stated position which is inconsistent with a prior general audit position in this general subject area to past, as opposed to future taxable years" until the completion of a study by the staff of the Joint Committee on Taxation. The IRS, though, ignored this judgment and continued to initiate audits and to assess businesses with taxes resulting from these reclassifications.

This matter first came to my direct attention when I began receiving complaints early last year from small business people in my district regarding this problem. It was apparent to me then that by reclassifying independent contractors in over 14 industries, the IRS was in effect reversing 30 years of past audit practices. Real-estate brokers, insurance agents, direct sellers, beauticians, service-station operators, loggers, and others were being asked to pay these back taxes on hundreds of individuals who had historically considered themselves independent contractors. It was clear that a legislative remedy had to be found.

In response to this need, I introduced, as did Congressman Gephardt and Senator Dole, legislation to call an immediate halt to audits inconsistent with practices in effect as of January, 1976. This legislation drew a great deal of support in the House, and the entire Congress recognized the necessity for this kind of action by including in the Revenue Act of 1978 a provision prohibiting the IRS from applying any new or changed position from that of common-law determination with respect to an individual's status for employment tax purposes if the position was inconsistent with pre-1976 practices. This legislation also terminated any tax liabilities for taxpayers who had a reasonable basis for treating workers other than as emoloyees. I was very pleased at the passage of this legislation, and as you know, it is that provision that has given this Subcommittee, and the entire Congress, the opportunity to do what is necessary to remedy the situation.

I am very pleased to be a cosponsor of Congressman Gephardt's bill, which is the main subject of these hearings. H.R. 3245 would establish criteria which, if met by an individual, would automatically qualify him to be classified as an independent contractor. However, failure to meet any of these five requirements would not preclude such a determination. In these cases, the IRS, under this legislation, would be required to use the common-law test, which was in effect prior to the IRS's arbitrary decision to change its rules in this area.

The five criteria written into the Gephardt bill include the following: (1) the individual must control both the amount and the scheduling of hours worked; (2) the worker must have his own place of work, or pay rent for it; (3) the individual must have a substantial investment in assets used in connection with the performance of the service, and he must risk fluctuations in income due to its dependence upon sales or other output; (4) there must be a written contract that spells out the individual's responsibilities as well as the fact that the individual will not be treated as an employee for tax purposes; (5) the individual must file the requisite forms with the IRS.

In my view, as important as these criteria are, their most important aspect is their very existence. In 1977, the General Accounting Office conducted a study of problems related to the taxation of independent contractors. It concluded—and the IRS stated its basic agreement with this principle—that Congress should amend the Internal Revenue Code to provide more precise criteria to define employees and self-employed persons. H.R. 3245 is a natural outgrowth of this suggestion, and it provides for specific and workable criteria.

The complaint I have heard over the past two years from independent contractors and from business people is that lack of certainty has made it difficult for them to plan financially and to know how to carry out their responsibilities with respect to Federal taxation. These taxpayers want to comply with the law; they do not want to avoid their fair share of taxes. What they need, though, is a set of specific rules which, if followed, will guarantee them the tax status to which they have rightfully become accustomed. I think this is the least that the Congress can do for these people.

As the members of this Subcommittee know, current tax law includes countless provisions that are discriminatory, unfair, or confusing. In my view, this legislation provides us with a chance to place in the Internal Revenue Code a provision that simplifies, that recognizes the reality of certain business relationships, and that provides a very large group of taxpayers with an opportunity to conduct their businesses and pay their taxes in a well-defined, fair manner. The Supreme Court ruled recently that regulations on withholding should provide taxpayers with certainty as to how to comply. This bill would adhere to that ruling and would make the jobs of the taxpayer and the IRS simpler. I certainly hope the Subcommittee will see fit to report it to the full Committee. Thank you very much.●

PERSONAL EXPLANATION

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, last Friday, July 27, prior commitments caused me to miss two important votes on the Nurse Training Amendments of 1979. In view of the controversy surrounding this legislation, resulting from the President's veto last year, I want to take this opportunity to explain how I would have voted had I been present. On rollcall No. 395 I would have voted "no." The amendment in question would have drastically reduced the amount of funds in the bill for nurse training programs which had already been significantly reduced by the Interstate and Foreign Commerce Committee. I fully accept the views and recommendations of the committee in providing sufficient funds to provide the necessary supply of trained nurses and nurse practitioners to achieve the desired goal of economical health care delivery. Obviously, therefore, I would have voted "yes" on rollcall No. 396, final passage of the bill.●

SYRACUSE "MOOSE" DEDICATE NEW BUILDING

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, on July 8, 1979, a new building was formally dedicated in Syracuse, N.Y., with high purpose by the Syracuse Loyal Order of Moose Lodge 625. Beyond its function as a convenient and appropriate social and business meeting place, it will serve as an outward sign of the stability and integrity which the Loyal Order of Moose lends to the Syracuse community.

Founded on the principle that love of neighbor under the fatherhood of God may best be channeled and expressed through organization, the Loyal Order of Moose was founded 80 years ago. With the exemplary goal of aiding one another in time of need and contributing to the communal good by civil involvement, the fraternal order has grown so that today it numbers nearly 2 million men and women worldwide.

The Syracuse lodge was chartered in 1911 and through unswerving commitment to the order's goals has achieved a membership of 1,900 today.

I am proud to salute these dedicated citizens, Mr. Speaker. Their sense of civic and fraternal responsibility is a model for all of us today.

The Syracuse lodge has more than a new building. They have a renewed spirit to pursue the goals they recognized as so worthy many years ago. That spirit speaks to all America today.●

FEDERAL TRAVEL PROCUREMENT POLICY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, the report of the Subcommittee on Special Small Business problems dealing with Federal Travel Procurement Policy merits the attention of all persons in Government who administer and use travel services for official purposes. It is a detailed and comprehensive overview of the failure of agencies and individuals within the governmental structure to take best and most efficient advantage of the travel options which a diverse travel industry has available at reasonable and cost-reduced prices.

The catalog of misuse of air travel by several agencies for what appears to be personal convenience or stature enhancement of staff and administrators is an unacceptable alternative to prudent and expeditious use of travel opportunities. There has been abuse and misuse of air travel and a poor-cousin treatment for rail and bus travel by many agencies. This has resulted in cost levels for official travel not campatible with efficiency or energy conservation or cost effectiveness.

The judgment by individuals as to their travel arrangements—including mode, time consumed, lodging, meals—appears not to include any consideration for the combination of circumstances most readily available to accommodate conveyance and shelter needs at the lowest cost to the Government. This is particularly true of travel within the Northeast corridor where rail appears to offer equal services at a lower cost, yet seems to be shunned by official travelers.

What the report seems to argue for—the temporary lifting of the ban on the

use of outside travel agents services by Federal agencies—offers some hope that there would be a greater utility of cost-saving travel options and a more efficient administration of travel budgets by the Government generally. A test of this idea may indeed prove the point to be true.

However, it does seem that the observations of the GAO have weight as well. There does seem to be a confusion about the misuse of travel options and the ability of private agent companies to redress that misuse. What appears to be needed from the recommendations of the subcommittee is a tightening up of the oversight function of existing travel regulations for all agencies and an encouragement—perhaps a mandate—for use of lowest fare, timely, and efficient travel options for individuals and groups; a training course in travel arrangements for existing Federal employees responsible for travel bookings; and the administrative centralization of travel information by agencies and for the whole Federal structure.

The lifting of the ban is not necessary to achieve these goals, though it may be that other advantages of travel agent service may occur if they are permitted to make their professional training and expertise available to agencies.

The problem that I see, however, is that they will have what is essentially a client-patron relationship and as such will not be in position to resist the selection of non-cost-saving travel by agency staff, especially by agency heads and those responsible for the selection of the private travel agency having exclusive contracts with that agency. Furthermore, the interpretation and enforcement of agency travel guidelines by an entity outside of Government raises questions of propriety and self-sufficiency concerning that agency's integrity.

Implementation of the recommendations of the subcommittee could well lead to results hardly intended by that body. In fact, the results could just as well backfire and achieve a result antithetical to the mandate of the subcommittee.

First, if travel agents displaced air carriers in the functions they perform, functions which have in and of themselves not been documented as abusive by the subcommittee, this could require an organizational capacity and financial strength beyond that of many agencies, beyond that of any small business in the travel field. This would be given since the ability to wait for repayment of Government vouchers would have to be underwritten to a degree by a steady cash flow from other sources.

Second, there is no differentiation made in the report between travel procured in the United States and that for travel commencing abroad. The latter instance could open the procurement of U.S. Government agency travel to foreign travel agencies at the expense of American flag carriers and even American travel agents. A provision to guarantee an "American First" policy with real meaning and mandate would seem an absolute necessity in this case.

In conclusion, I would agree that there is not adequate monitoring of travel by our Government agencies. There is not sufficient encouragement of lowest cost travel and most energy efficient travel opportunities. There is not sufficient documentation of total travel costs and utility by all agencies. The correction of these faults is within the capacity of the existing structure and could be effective in enhancing efficiency and savings even without opening up the Government travel mechanism to private agencies.

A limited relaxation may be more demonstrative of advantages to the Government than the speculations thus far advanced and I would endorse a testing of that advantage, but not without assurances that no negative features accrue to carriers or agencies.●

WINDFALL PROFITS

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, for the edification of my colleagues and the readers of the CONGRESSIONAL RECORD, I would like to share with them the material which the Gulf Oil Co. sent to its stockholders urging opposition to the "windfall profits" tax.

Certainly, Gulf has every right to mobilize its stockholders to support the company position, but it is also important for Members to understand the source of a portion of their mail on the issue.

Incidentally, the material was sent along to me by an angry constituent, a Gulf shareholder, who was not pleased with the strategy and tactics of the corporation.

The material follows:

POINTS YOU MAY WANT TO INCLUDE WHEN WRITING YOUR LEGISLATORS ABOUT CRUDE OIL PRICE DECONTROL/EXCISE TAX

1. Urge your legislators to vote against the so-called "windfall profits" tax and to vote for gradual decontrol of crude oil prices.

2. If you choose, identify yourself as a Gulf shareholder and tell your legislators that since you're familiar with the issues, you are confident the oil companies will use the great bulk of money that crude price decontrol will provide to finance the search for more gas and oil and to develop our alternate energy sources. You can point out that you also know oil company profits are not excessive; in fact, they are slightly below the average for all manufacturing industries.

3. Tell your legislators that the "windfall profits" tax will divert much of the money from decontrol away from the oil industry, which could better use it to search for and produce more domestic oil and gas, to the federal treasury where it could be diluted for countless social and political programs.

4. Point out that government, without any new taxes, would already get more than half of the decontrol revenues from existing taxes and royalties, which could be used for energy-related social and developmental projects.

5. The question comes down to whether industry or government can solve the energy problem. Explain to your legislators that the oil industry has proven by its past investments that it can do the job.

6. Ask your legislators for their views on the Decontrol/Tax issues, and tell them that you will be watching how they vote on this important question.

TIPS ON WRITING YOUR PUBLIC OFFICIALS

Your letter to a public official must compete for attention against other points of view on that subject and with hundreds of other letters on a wide range of topics. Here are some tips to help get your message across:

Use proper greeting: Address any legislator in the U.S. as "the Honorable" (or Hon., without "the" when abbreviated) on the envelope or the inside address. In the salutation, Senators are called "Dear Senator," U.S. Representatives are addressed "Dear Mr." or "Dear Ms."

If you know the Senator or Representative on a personal basis, you certainly may address him or her by first name and the complimentary close can be as warm a greeting as you care to use. The letter can be handwritten, but please make every effort to have it as legible as possible, particularly the signature and address portion.

Clearly identify yourself: If you are writing as an official representative of a company or organization, indicate so. If you are writing as a private citizen, indicate that and be sure to include your return address on the letter.

Keep to one subject: A many-subject letter tends to dilute the impact. Limiting your letter to one item makes it easier for the public official to deal with.

Get to the point: Summarize your position or problem in the first paragraph; use the balance of the letter to explain your views.

Try to be brief: A long letter is likely to be set aside to be read "when there is more time." Try to keep your letter to one page, two pages at the most.

Be factual: Avoid using argument that can't be substantiated with facts. Otherwise, you will hurt your credibility. If you have concise factual reference material for clarifying an issue, enclose it with your correspondence.

Personalize the argument: If you are writing about a legislative proposal, explain how it affects you or your business.

Timing your correspondence: Try to write your position on a bill while it is in committee and certainly before it comes to the Senate or House for a floor vote.

Use proper references: If writing about legislation, refer to the subject to which it pertains. Often there is more than one measure dealing with a particular subject. If the bill number is known, refer to it.

Ask for response: Ask the official to state his position on the issue in his reply. As his constituent, you're entitled to know.

Follow-up correspondence: Keep up your line of communication and let your legislator know you are aware of his voting position. Be sure to thank him if his vote on an issue pleased you. Everyone appreciates a complimentary letter—and remembers it.

Stimulate others to write: Urge others you know to write on this issue also. Despite the volume, letters from you and your friends could possibly make a difference, particularly if they are well reasoned and reflect personal views, especially as to how you and other persons close to you might be adversely affected if he or she doesn't vote in your favor.

Here is a point paper on the current U.S. fuel supply situation that was prepared by Gulf Oil Refining & Marketing Company to help explain Gulf's position on prices and supplies. We hope this will be helpful to you in discussions with your family, friends, and relatives. Feel free to duplicate the paper to makes copies for any interested parties:

POINTS ON GASOLINE SHORTAGES, ALLOCATIONS

Supplies of gasoline will be extremely tight this summer, but there probably won't be a "crisis." Unfortunately, it is likely that supplies next summer will be tighter, and tighter yet in 1981.

Unleaded gasoline supplies will be tighter than leaded.

There are two basic problems facing oil companies, dealers, and gasoline users:

1. There is now an absolute shortage of capacity to make enough unleaded gasoline to meet demand, and overall product demand is growing faster than refining capacity, making supply more vulnerable to unscheduled shutdowns.

2. Light crude oil availability is less than demand, resulting in lower gasoline production.

The Iranian situation has had some effect on the shortage, but shortages would have developed in the industry even had Iranian supplies not been reduced.

1. Iranian production cutbacks reduced U.S. imports in March an estimated 600,000 barrels per day of crude and products, according to the U.S. Department of Energy, about three percent of normal supply.

2. Federal pricing and environmental regulations have retarded the ability of refiners to add equipment to produce greater amounts of unleaded gasoline.

3. Because of shortages of crude oil and unscheduled shutdowns, U.S. refineries recently have been able to operate at only 83–84 percent of capacity. (Gulf has been able to operate at about 94 percent.)

4. Total U.S. gasoline demand in January and February was up 5.4 percent over 1978's corresponding months; jet fuel demand was up an astonishing 6.6 percent.

5. Demand for gasoline has been abnormally high because Americans continue to be encouraged to drive a record number of miles by the availability of what is still a very cheap commodity—gasoline.

6. The current shortfall is not a problem of stock levels, but rather the rate at which stocks are being depleted, of both crude oil and product. In the month of February, U.S. refiners were drawing down inventories at two and a half times the normal rate to make up for the reduction in anticipated imports and heavy increases in demand.

Demand has been particularly heavy for unleaded gasoline, which is increasing its share of the total gasoline pool by more than half percent a month, a rate that can be expected to increase to one percent per month later this year. Major reasons are:

1. An increasing number of cars on the road that require unleaded.

2. Newer cars are not achieving their hoped-for mileage rates.

3. Newer cars are more voracious in their octane appetites than auto manufacturers claim they are.

Gulf's refining capability and sales forecasts were fairly in balance for 1979—we expected to be able to meet our historic demand growth with refining capacity on gasoline running a few percentage points above projected sales. But customers of refiners who were experiencing shortages because of Iran and refinery problems turned to us for product and we were experiencing demand increases approaching 20 percent in January and February, more than we could manufacture and distribute, and drawing down our inventories.

Gulf went on allocation in March, even though it had not been using Iranian oil in this country. But even with March and April allocations based on 100 percent of year-ago sales, we still were experiencing a demand increase of 10 to 11 percent, and so we reduced our May allocation to 90 percent, based on government's revised base period regulations.

This reduction we expect will permit two things to happen:

1. We hope to be able to maintain inventory in anticipation of heavier demands in the summer driving months.

2. It allows us flexibility to build inventory of home heating oil, where there is potentially a very serious industry-wide problem facing us next winter.

Between 1975 and 1978, Gulf's ability to produce gasoline increased 6.7 percent, and to make unleaded, by 51.6 percent. Demand for all gasolines increased about 3.4 percent, but the unleaded segment of total demand went up almost 180 percent.

Unleaded gasoline made up 11.8 percent of Gulf's total gasoline sales in 1975, but was 31.8 percent of 1978 sales.

To meet these demands for more gasoline volume and to increase the octane of larger quantities without the use of lead and/or MMT requires additional refinery hardware—catalytic crackers, reformers, and alkylation units.

But refiners have not been adding that particular kind of capacity basically because government regulations provide little or no incentive to invest the capital.

Any investment in facilities to upgrade gasoline making capacity has not been allowed to provide profits above the fixed cents per gallon margin that existed in May, 1973.

Making unleaded gasoline produces less product from the crude oil barrel, so you make the same low, fixed margin on fewer gallons.

Costs of refining equipment have soared since 1973; a grassroots refinery that cost $200-250 million in 1973 would cost at least $600 million today.

Price controls have impeded the refiner's ability to recover the cost of new equipment he needs to increase gasoline production or to increase octane production, the key element in producing unleaded gasoline.

Until recently price regulations have made all but impossible the ability to earn a satisfactory return on the investment needed for this new equipment, i.e., putting the money in a savings account would at least earn interest for the company's shareholders.

The government's small refiner bias regulations have encouraged the construction or the resurrection of small, less efficient refineries that have at best limited gasoline production and little or no ability to produce unleaded. Crude oil allocation regulations assure them charge stock, depriving larger, efficient gasoline-producing refiners of some crude supply and creating insecurity in their planning for crude oil supplies.

Within the last decade, more than 30 companies have announced intentions to build refineries on the East Coast. Primarily because of environmental concerns, none has been built. There has not been a new refinery brought on stream on the East Coast since 1956.

Since gasoline is in tight supply the world over, opportunities for importing meaningful quantities are slim at best; in Gulf's case, they are non-existent.

If imports were available, national security and balance of payments problems encountered in crude oil imports would be even more harrowing for gasoline imports.

Gulf has been running its gasoline and home heating oil manufacturing facilities at maximum capacity since last fall, when it shook free from some serious mechanical problems.

Gulf has been able to invest in refining equipment over the last few years not because of the profit motive in increased sales, but because by putting in new equipment and expanding to a larger scale and using the latest technology, it has been able to achieve internal efficiencies and economies and to shut down obsolete equipment that was expensive to run. In other words, Gulf through cost reductions has self-generated the funds necessary to make these adjustments.

Gulf is near the end of its ability to subsidize cheap fuel with internal efficiencies.

Gulf at present has about leveled off in its ability to produce additional gasoline, at least in the short term, but a few projects still under way, such as a $60 million reforming unit being built at Port Arthur, will enable it to increase its octane production to some extent, meaning it will be able to increase production of unleaded gasoline for awhile to meet demand increases.

Gulf is an industry leader in its ability to produce gasoline volume from crude oil, and to produce octane; i.e., few, if any, companies can do better than Gulf in meeting demand under present circumstances.

The "Tilt" regulation, which was designed to help refiners recover more of their cost increases from gasoline and to spur additional investment in refining equipment, may be offset to some extent by the President's price stabilization guidelines.

Several things can be done to help increase refinery output in the short term:

1. President Carter has proposed an extension of the EPA's lead phase-down program. This will keep the industry from losing 500,000 barrels per day of gasoline, according to EPA estimates. In Gulf's case, it will conserve seven million barrels per year.

2. Lifting the ban on MMT as an octane booster in unleaded gasoline would conserve another 100,000 barrels per day of total U.S. supplies.

3. The government and Detroit should place a limit on the octane requirements of new engines. Those requirements have been climbing about one number per year and each octane number increase equates to a loss of about 800,000 barrels a day for the industry, 1.5 million barrels a year at Gulf.

4. Obviously, we also need to conserve energy, especially petroleum products, whenever and wherever possible.

Decontrol of gasoline prices and discontinuance of the crude oil allocation program are essential to overcome shortages in the longer term.

This would restore a free market in which the prospect of being able to profit from investment would encourage refiners to increase supply to meet demand.

Decontrol, it has been estimated, might add 3 to 5 cents per gallon to the wholesale price of gasoline if supplies were adequate.

Decontrol would create efficiencies by permitting refiners to adjust to actual market demand rather than an obsolete allocation formula, and by reducing the gigantic load of paperwork and auditing that controls demand.

Even at that, it still takes three to five years or more to plan, engineer, and build new refining equipment, so anticipate shortages until the profit motive is restored and then for some years beyond.

The lack of adequate refining capacity is a supply problem. The solution to a supply problem is profit.

There is little comfort in the fact that the gasoline one is unable to buy would be cheap if available.●

DANGERS IN CREATING A MASSIVE SYNTHETIC FUELS INDUSTRY

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, last month I voted with the majority of the House to pass the Moorhead bill, as modified by the Wright amendment, to create a 2,000,000-barrel-a-day synthetic fuels industry by 1990. I did so for two basic reasons.

First, it seemed to me to be important to start the wheels in motion to build some synthetic fuels plants on a commercial scale, so that we can evaluate the costs, and the associated problems

and be prepared to go ahead to create a new industry if the economic, environmental, and strategic considerations make it necessary and appropriate. I do not see how we can evaluate these factors until and unless we have built several full-scale 50,000-barrel-a-day plants. At that point we will have presumably mastered the technological factors, so that they are not an obstacle.

Second, it seemed important, at a time of crisis in our gasoline supply, to demonstrate to the American people that the Congress is capable of moving ahead with programs to make the country less dependent on imported oil. While synfuels are certainly only one of the alternatives we must explore, they are an important one.

Having said and done that, it is important that we recognize the serious risks and dangers that may lurk in a synfuels program. It would be the height of folly to make synfuels the centerpiece of our national energy effort. Instead we should proceed in a careful, balanced way to develop all the energy options on a commercial scale, while focusing most on the one option that promises the quickest and most significant results at the lowest cost and the least environmental risk.

It may surprise many to learn that that option is not energy production but energy conservation.

Mr. Speaker, a letter in the New York Times for July 27, 1979, from Richard C. Bell, of the Energy Policy Information Center in Boston, Mass., summarized the situation well. Mr. Bell pointed out that a large synfuels program may have a disastrous impact on the environment—overheating the climate, melting the polar icecap, and flooding all coastal cities.

He also points out that such a program can be extremely costly, crowding other investments out of the capital market and adding to inflation. By contrast, he notes, most of the energy conservation options, such as home insulation, are far less costly, yet will result in significant reductions in energy consumption while creating thousands of new jobs.

A longer article by John M. Barry in the Washington Post for July 29, 1979, outlines at greater length the extraordinary economic costs, risks, and uncertainties of a massive synfuels program.

Mr. Speaker, we frequently hear statements to the effect that the World War II synthetic rubber program, in which we created a large new industry in about 4 years, shows that we can do the same with synfuels by a similar effort. I have considerable familiarity with the synthetic rubber industry, having made a continuing study of it during the years when I was an attorney for The Goodyear Tire and Rubber Co.

I can agree that the wartime synthetic rubber program involved a truly massive effort, including the construction of some 20 large plants. Nevertheless, the effort was small by comparison to a synfuels program of 2,000,000 barrels a day.

The output of the entire synthetic rubber industry at the close of World War II was in the range of 3,000 tons a day. This is the equivalent of around 20,000 barrels of oil per day, or 1 percent of the production of the proposed synfuels program. Nevertheless, it absorbed a sizable amount of skilled engineering manpower, money, and critical materials. Multiply that effort by 100 and you begin to have an idea of the scale of investment and effort of a 2,000,000-barrel-a-day synfuels industry.

Mr. Speaker, the full text of the Bell letter and the Berry article follow these remarks:

DANGERS IN RUSHING TO EMBRACE A SYNTHETIC FUELS PROGRAM

To the EDITOR:

Do the American people really "seem to prefer the risks of synfuel production to the pain of conservation"? (Editorial July 11)

The speed with which the Congress and the Carter Administration have rushed to embrace synfuels has been nothing short of obscene. Here we are, about to set up paramilitary production control boards and commit as much as $100 billion to a totally unproved, dangerous and expensive technology, without even a fig leaf of public debate as to whether this is a wise course of action. How can the public be said to prefer these risks, when people are almost totally unaware of what a commitment to synfuels might mean?

A report of a group of scientists to the Council on Environmental Quality warns that a large synfuels program may have a disastrous impact on the environment within 50 years, causing global heating, melting of the polar icecaps and coastal inundation; and a Rand Corporation report to the Department of Energy warns that a crash synfuels program could result in billions of dollars in cost-overruns and crowding out of other investments in the capital markets (new stories July 11). What else don't we know about synfuels?

The idea that energy conservation must necessarily be painful is one of the most pernicious myths about our energy problems. Many of the most effective energy conservation techniques involve no "pain" at all.

Take residential building insulation, for example. A report completed in 1978 by the Massachusetts Energy Office calculated that a $1.6 billion investment (1978 dollars) to insulate homes in New England would cut residential energy use 30 percent by 1985 and reduce total New England energy use by 10 percent. This investment would also boost regional economic production by $1.2 billion (1974 dollars) and create over 28,000 new jobs. Using this report, the Energy Policy Information Center has calculated that such an investment would save the energy equivalent of about 66 million barrels of oil a year—about $1.3 billion a year at today's prices for oil.

The only "pain" that such conservation efforts might be said to involve is the cost of paying for them, costs that could easily be met if we were willing to invest our tax dollars in the most productive way possible.

Instead of multibillion dollar giveaways to the oil companies, we should be finding ways to help people insulate their homes, improve our transit systems, install cogeneration facilities and speed the introduction of other conservation technologies. These investments, with their relatively short pay-back periods, stand in complete contradistinction to synfuel investments, which will produce nothing for years.

The people of this country deserve more time to consider the implications of a synfuel program. We urge the Senate to resist the profoundly antidemocratic synfuel stampede and to enact a multibillion dollar conservation program instead.—RICHARD C. BELL, *Co-Director, Energy Policy Information Center, Boston, July 11, 1979.*

GOAL MAY PROVE ELUSIVE, COST TOO HIGH

(By John M. Berry)

President Carter and the Congress are fast committing the nation to a massive, expensive, risky new program to develop energy alternatives to imported oil.

The appeal is undeniable, for the goal is nothing less than to free America from the dictates of an avaricious world oil cartel that is using the "oil weapon" not just to extract dollars but foreign policy concessions as well.

But there is a real chance that the goal will prove elusive and the costs extraordinarily high, not just in government spending, but also in the form of higher inflation, added pollution, decreased non-energy investment by business and at least a temporarily lower standard of living for many Americans.

Opposition to some parts of the program has been overwhelmed by the sudden political need to respond to the long lines at gasoline stations and rapidly rising prices at the pump. Now, however, skeptics are emerging even in Congress. They are wondering out loud whether the nation may not be leaping unawares into the synthetic fuels production plans that are the heart of the new program.

Administration officials acknowledge the uncertainties, but say enough is known to push ahead. "There are no substitutes to imported oil other than the range of production alternatives we've proposed," says one.

Today, the Washington Post begins a series of occasional articles that will explore the costs, the risks and the benefits of this mammoth commitment of national purpose for the decade of the 1980s.

The first article deals with coal liquification—the process of turning part of the nation's abundant coal deposits into liquid fuel, either crude oil, a form of alcohol called methanol, or directly into gasoline. Five groups of companies with five different processes each claim to be able to do the job—if the government somehow will help to finance a $2 billion commercial-scale plant turning out 50,000 barrels of fuel each day.

No plant of that size using any of the five processes exists. The largest in the United States produces only about 150 barrels a day. There is a 20,000-barrel-a-day plant in South Africa that uses one of the processes to produce gasoline, and a larger plant under construction there will produce an estimated 120,000 barrels daily.

All of the synthetic fuels, like coal liquification, involve changing a source of energy from one form to another. All of them are expensive, with only oil shale likely to cost little more than oil at current prices.

Because something has never been done is hardly a sign that it cannot be, of course. But doing something for the first time, and in a great hurry, can lead to some unpleasant surprises, particularly in terms of costs.

President Carter put the cost of his program at $142 billion over 10 years, but that estimate is not really based on costs at all. Rather it is simply a figure close to the minimum amount of money the administration calculates its proposed windfall tax on domestic crude oil will bring in. "Any reduction in the receipts . . . will require reductions in these program levels," said a footnote to the White House fact sheet describing the program.

At this point, anybody's figures probably should be taken with a grain of salt. As a recent Rand Corp. study for the Department of Energy put it, "Estimates of capital costs of pioneer energy process plants have been poor predictors of actual capital costs."

Early estimates, even adjusted for inflation, "have routinely understated definitive-design or ultimate costs by more than 100 percent for oil shale, coal gasification and liquefaction (liquids), tar sands, solid waste and nuclear fuel reprocessing plants," the study warned.

Anyone can recall story after story about weapons systems cost overruns. Yet the Rand study concluded that, on average, the actual cost of weapons systems was much closer to original estimates than the actual cost of energy process plants to original estimates. First-of-a-kind plants always cost far more than expected, and building them on a tight schedule—as will have to happen to meet Carter's 1990 goals—"can cause both higher cost and poor system performance," the study concluded.

Building the plants—most of which will have to be located in relatively remote parts of Montana, Wyoming, Colorado and North Dakota—may strain the nation's supply of skilled construction manpower. Construction wages could soar, adding sharply to the costs not just of the plants themselves but also other projects such as chemical plants and oil refineries. Production of some of the equipment needed in the plants also could mean that other types of process plants might have to do without.

All that could add to inflation generally.

Nevertheless, Carter has earmarked $90 billion with which to spur production of the energy alternatives. About half of the remaining $50 billion is supposed to be used to help low-income families bear the burden of higher energy costs. More than $16 billion will be used for mass transit and some as yet unspecified program to increase automobile mileage efficiency. The remainder is destined to aid utilities in switching power plants from oil to coal, to speed energy conservation measures in residential and commercial buildings, and to give new incentives to use of solar energy.

Little of the $90 billion would be used directly by the government to construct the coal, oil shale and "biomass"—a catch-all phrase covering organic materials ranging from wood chips to corn to garbage—conversion plants. A new Energy Security Corp. is supposed to use a combination of loans, loan guarantees, price guarantees and purchase agreements to entice private industry to build the 30 to 40 plants with 50,000-barrel-a-day outputs needed to meet Carter's goal.

Even at $2 billion each, that's $60 billion to $80 billion. If the Rand study is right, the total could be far more. In addition, the continuing cost to the government as a result of its price or purchase guarantees could run into the billions of dollars every year once a plant starts operating.

Outgoing Energy Secretary James Schlesinger predicted last week, "It will be a hard struggle to get the Energy Security Corp. passed on Capitol Hill." Other administration officials are resigned to the fact that Congress will be making major changes in the ESC proposal. Those officials are worried that Congress may try to tie the new group's hands and require specific appropriations for the guarantees extended each plant.

Ironically, if the Organization of Petroleum Exporting Countries imposes big oil price increases in coming years, it will swell receipts from the windfall tax—unless Congress fails to make it permanent, as it well may do—and reduce any future outlays as a result of price and purchase guarantees.

In short, no one knows what the costs of Carter's program will turn out to be.

No one knows, either, what the environmental bill will add up to in the end.

A DOE study released July 12 found that only 31 counties in the entire country have coal reserves adequate to supply a 100,000-barrel-a-day plant for 25 years, with enough water resources within 50 miles, and with sufficient room under present federal air quality standards that the plants could be built.

Most of the sites are in the West where water is already in short supply. Obtaining enough rights to water use for the plants probably would mean buying large blocks of ranch and farm land whose owners now control those rights.

The coal and oil share supplying the plants would come largely from surface mines in semi-arid areas in which reclamation is still highly uncertain.

And most of the counties have only very small populations that might be overwhelmed by the influx of workers needed to build and operate the plants. Including workers, employes of support facilities and their families, a 100,000-barrel-a-day plant would mean a 20,500-person increase in population, the DOE study said. Some of the 41 counties have populations as low as 1,000 people.

To cope with the population influx associated with a single 50,000-barrel-a-day plant, the added community facilities could cost more than $70 million.

Beyond that sort of impact, the range of unanswered environmental questions is still enormous. The same DOE study cautioned:

The accelerated commercialization schedule (set by Carter) may require that the first commercial plants be constructed before environmental concerns are assessed fully.

If problems exist, the number of these first commercial plants in specific locales can lead to an increased risk that a primary health standard will be violated.

Small laboratory and pilot plant facilities may fail to indicate pollution problems that would surface in the larger scale of a commercial operation.

Carter is counting on displacing 500,000 to 1 million barrels of oil imports with such gas, which is locked so tightly in rocks that they generally must be fractured in some way before the gas will flow in any quantity. The gas dissolved in deep reservoirs of brine along the Texas and Louisiana coasts also falls into this category, but that gas carries with it far more uncertainties than that held tightly in the Devonian shales of West Virginia.

All of the energy alternatives—liquids from coal, "natural" gas from coal, oil shale, gasohol, garbage, wood, wind, geothermal, heavy oil and tar sands, and solar—will be covered in the articles to come. Some of the questions raised will be answered. Some will not be, because for them there are as yet no answers.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 3712, THE MORTGAGE SUBSIDY BOND TAX ACT OF 1979

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ULLMAN. Mr. Speaker, on July 30, 1979, the Committee on Ways and Means ordered favorably reported to the House H.R. 3712, the Mortgage Subsidy Bond Tax Act of 1979. As approved by the Committee on Ways and Means, the bill imposes reasonable limitations on the issuance of tax-exempt mortgage subsidy bonds by State and local governments. The bill was approved with strong bipartisan support in the Ways and Means Committee after a thorough and responsible review of the massive unrestricted proliferation of these bonds in the last 12 months. The further proliferation of these bonds without the limitations contained in the committee's bill would be an inefficient way to subsidize housing, resulting in a staggering revenue loss of billions of dollars and totally frustrating the American people's desire for a balanced Federal budget. The Committee on Ways and Means has acted responsibly to preserve the fiscal integrity of the Federal Government's revenue base, while permitting tax-exempt housing bonds to be issued in the future for low- and moderate-income families in targeted areas or where low-down-payment conventional mortgage financing is unavailable. In addition, the committee's bill provides generous transition rules for tax-exempt housing bonds caught in the pipeline when H.R. 3712 was introduced.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for consideration of H.R. 3712 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified open rule which would only provide for:

(1) Committee amendments, which would not be subject to amendment;

(2) If printed in the CONGRESSIONAL RECORD, the following amendments in the nature of substitutes for section 1 of the bill (relating to single-family, owner-occupied housing) which would be offered and considered in the following order, which would not be subject to amendment and each of which would be debated for not to exceed 30 minutes, equally divided:

(a) An amendment, if offered by Mr. Moore, which would

(i) prohibit the further issuance of tax-exempt mortgage subsidy bonds, and

(ii) provide, in lieu of mortgage subsidy bonds, a $200 exclusion ($100 in the case of single returns) for interest earned on a savings deposit in a financial institution, if such deposit is used to provide home mortgage loans;

(b) An amendment if offered by Mr. Jacobs and Mr. Fisher, which would

(i) prohibit the further issuance of tax-exempt mortgage subsidy bonds, and

(ii) provide, in lieu of mortgage subsidy bonds, a tax credit of a certain percentage for down payments and mortgage interest payments of first-time home purchasers;

(c) An amendment, if offered by Mr. Jones of Oklahoma, which would provide a moratorium on the further issuance of tax-exempt mortgage subsidy bonds until July 1, 1981, after which time bonds could be issued under the limitations and restrictions contained in the committee amendments;

(3) Two hours of general debate, to be equally divided;

(4) Waiving all necessary points of order; and

(5) One motion to recommit with or without instructions.

In addition, the Committee requests that the rule permit Committee amendments of a technical and conforming nature in the event that any of the substitutes is adopted by the House.

We intend to officially report H.R. 3712 to the House and file the official committee report during the August recess. It is our intention to request a hearing before the Committee on Rules at the earliest opportunity in September.●

CONFERENCE REPORT ON H.R. 4392

Mr. SLACK submitted the following conference report and statement on the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 96-402)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 10, 11, 13, 38, 46, 47, 48, 52, 58, and 66.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 9, 14, 16, 17, 18, 19, 20, 30, 38, 39, 40, 45, 49, 53, 59, 61, 63, and 69, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$32,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$106,267,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$232,915,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$318,465,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,375,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$604,900,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$77,670,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$702,250,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,675,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$99,672,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$96,528,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,305,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$56,500,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,270,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$84,470,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$72,535,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$396,010,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,667,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,120,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$300,000,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,000,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$565,000,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,474,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 7, 21, 22, 23, 24, 26, 29, 32, 41, 51, 62, 64, and 69.

JOHN M. SLACK,
NEAL SMITH,
BILL ALEXANDER,
JOSEPH D. EARLY,
JACK BRIGHTOWER,
JAMIE L. WHITTEN,
GEORGE M. O'BRIEN,
MARK ANDREWS,
SILVIO O. CONTE,
Managers on the Part of the House.

ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
DANIEL F. INOUYE,
QUENTIN N. BURDICK,
DENNIS DECONCINI,
DALE BUMPERS,
JIM SASSER
(except for number 26),
LOWELL P. WEICKER, JR.,
MARK O. HATFIELD,
TED STEVENS,
PAUL LAXALT,
JAKE GARN,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $709,011,000 instead of $712,700,000 as proposed by the House and $712,322,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amount agreed to by the conferees includes $2,600,000 for Middle East negotiations and reflects the transfer of $2,100,000 to the account entitled "Payment to the American Institute in Taiwan" and a reduction of $4,189,000 in funds for wage increases for Foreign Service national employees.

The budget estimates made provision for wage increases for foreign national personnel averaging 15.2 per cent and ranging up to 45 per cent. The Conferees cannot endorse such increases when the American wage earners are being requested to hold their wage increases to 7 per cent. If the Department feels it is compelled to increase wages above 7 per cent to overseas employees, it will have to find the wherewithal within the amount recommended.

Representation allowances

Amendment No. 2: Appropriates $8,090,000 as proposed by the Senate instead of $8,100,000 as proposed by the House.

Payment to the American Institute in Taiwan

Amendment No. 3: Appropriates $5,954,000 as proposed by the Senate.

International organizations and conferences

Contributions to International Organizations

Amendment No. 4: Appropriates $411,500,000 as proposed by the House instead of $411,552,000 as proposed by the Senate.

General Provisions—Department of State

Amendment No. 5: Deletes proposal of the House which stated that no more than 95 per cent of the funds appropriated by this title shall be expended.

TITLE II—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 6: Appropriates $32,500,000 instead of $35,550,000 as proposed by the House and $33,000,000 as proposed by the Senate. The amount agreed to by the conferees includes all of the items added by the Senate except funds for contract evaluations identified in the Senate report. However, the conferees agree that those projects, which include management analysis of the Immigration and Naturalization Service and preparation of a plan for case management and tracking systems for each judicial district, should be carried out with funds allocated for the Federal justice research program.

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which gives the Attorney General the authority to make such provisions as are necessary and appropriate for the efficient and effective administration of funds included herein for State and local drug strike forces.

Legal activities

Salaries and Expenses, General Legal Activities

Amendment No. 8: Appropriates $106,267,000 instead of $100,900,000 as proposed by the House and $107,800,000 as proposed by the Senate. The amount appropriated include $474,000 for the Office of Special Counsel to investigate various loan transactions between the National Bank of Georgia and the Carter warehouse; $1,024,000 to fund 29 additional positions for dealing with an increase in the number of civil cases arising from enforcement and defense of Department of Energy regulatory programs; a total of $2,300,000 for investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals; and $1,235,000 to fund 30 additional positions for the Land and Natural Resources Division to deal with problems associated with toxic substances and hazardous wastes. In addition, funds above the budget are included as follows: $833,000, including funds for 18 additional positions, for the Civil Rights Division; $946,000 to fund 41 additional positions for the Criminal Division; and $970,000, including funds for 20 additional positions for the Land and Natural Resources Division. The conference action also reflects the reduction of $115,000 in funds for the Office of Legal Counsel, as proposed in a budget amendment.

Amendment No. 9: Deletes proposal of the House to earmark $2,300,000 for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals. However 2,300,000 of the funds provided under this heading is for the Nazi program, as indicated in the previous paragraph.

Salaries and Expenses, Antitrust Division

Amendments No. 10 and 11: Delete proposals of the Senate to provide $5,000,000 for antitrust enforcement grants to States and language to earmark funds for that purpose. Although authorizing legislation to continue the program has passed the Senate, final enactment at this time is uncertain. If authorizing legislation is ultimately enacted, the Committees on Appropriations will be receptive to proposals for providing funds.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

Amendment No. 12: Appropriates $232,915,000 instead of $231,275,000 as proposed by the House and $233,700,000 as proposed by the Senate. The amount appropriated includes proposals of the Senate to provide $700,000 for continuation of the service of private process for indigents and an increase of $940,000 to fund 27 positions for the witness security program.

The amount provided reflects a reduction of $785,000 in funds requested for dealing with bankruptcy matters. However, the reduction is made solely in anticipation of delays in filling positions for this new program.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

Amendment No. 13: Appropriates $4,925,000 as proposed by the House instead of $4,473,000 as proposed by the Senate.

FEDERAL BUREAU OF INVESTIGATION

Salaries and Expenses

Amendment No. 14: Appropriates $584,408,000 as proposed by the Senate instead of $577,408,000 as proposed by the House.

IMMIGRATION AND NATURALIZATION SERVICE

Salaries and Expenses

Amendment No. 15: Appropriates $318,465,000 instead of $299,326,000 as proposed by the House and $318,854,000 as proposed by the Senate. The amount appropriated includes $3,000,000 to automate processing and recordkeeping in district offices and $1,600,000 to redesign, update and maintain the Nonimmigrant Document Control System. In addition, $14,500,000 above the budget is included to fund 495 positions for augmentation of the Border Patrol.

Amendments No. 16 and 17: Delete proposals of the House to earmark funds for automation in district offices and funds for the nonimmigrant control system. However, $3,000,000 is provided for automation in district offices and $1,600,000 for the nonimmigrant control system, as indicated in the previous paragraph.

FEDERAL PRISON SYSTEM

Salaries and Expenses, Bureau of Prisons

Amendment No. 18: Deletes portion of heading as proposed by the Senate.

Amendments No. 19 and 20: Appropriates $321,500,000 as proposed by the Senate instead of $311,600,000 as proposed by the House. The increase of $9,900,000 in new budget authority over the House amount is provided in lieu of the transfer of $9,900,000 from "Buildings and Facilities" proposed by the House.

Buildings and Facilities

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes language permitting the use of unobligated balances for carrying out the 1980 program and inserts language making a direct appropriation of $5,960,000 for that purpose. Unobligated balances in the account result from cancellation of the Detroit Metropolitan Correctional Center. The conferees agree to leave funds provided for the Detroit facility intact until the issue of whether to resume the project is resolved.

No new construction projects are included in the 1980 budget, however, the conferees are concerned about the situation in the Los Angeles area. The House Committee report accompanying the 1979 appropriation bill alluded to problems in the Los Angeles area in contracting for the housing of federal prisoners, and indicated that the Department should report to the Committee on how it planned to deal with the problem. No report has been forthcoming. The Department is again directed to pursue the matter and report to the appropriate committees on the advisability of placing a federal facility in that area. The report should also indicate the estimated cost of such a facility and should present alternative sites.

OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a heading.

LAW ENFORCEMENT ASSISTANCE

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $443,695,000, to remain available until expended: *Provided*, That $342,695,000 of said amount shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amount included in the foregoing amendment is the same as the Senate proposal, but the language has been revised slightly and has been amended to make the availability of funds not yet authorized contingent on the enactment of authorizing legislation.

RESEARCH AND STATISTICS

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

RESEARCH AND STATISTICS

For research, development, demonstration, statistical and related efforts directed towards the improvement of civil, criminal and juvenile justice systems authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, including salaries and other expenses in connection therewith, $43,768,000 to remain available until expended: *Provided*, That these funds shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amount included in the foregoing amendment is the same as the Senate proposal, but the language has been revised slightly and has been amended to make the availability of funds not yet authorized contingent on the enactment of authorizing legislation.

TITLE III—DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 25: Appropriates $27,375,000 instead of $26,715,000 as proposed by the House and $28,625,000 as proposed by the Senate.

The conference agreement provides $285,000 and 8 positions for management improvements in the Department's personnel and budget offices and for processing of antidiscrimination complaints, $125,000 and 3 positions for the Office of the Assistant Secretary for Tourism, and $1,250,000 and 25 positions for the Inspector General's Office.

PARTICIPATION IN UNITED STATES EXPOSITIONS

Amendment No. 26: Reported in disagreement. The managers on the part of the House will offer a motion to insist on its disagreement to the amendment of the Senate numbered 26.

BUREAU OF THE CENSUS

PERIODIC CENSUSES AND PROGRAMS

Amendment No. 27: Appropriates $604,900,000 instead of $562,900,000 as proposed by the House and $614,400,000 as proposed by the Senate.

The conference agreement provides $19,300,000 for the local review program, $1,700,000 for a post Census survey of disability, and $2,800,000 for the Census Promotion Plan. The conference agreement also reflects the full budget request for travel of enumerators for the 1980 Decennial Census.

The conference agreement does not provide any of the $19,000,000 requested for the allowance for contingencies in connection with the 1980 Decennial Census. However, the conferees are agreed that the Department of Commerce may submit a budget request for any emergency requirements for the 1980 Decennial Census should the need arise.

Amendment No. 28: Deletes language proposed by the Senate which would designate up to $2,800,000 for the Census Promotion Plan.

The conferees are agreed that out of the total amount provided for the 1980 Decennial Census, the amount available for the Census Promotion Plan shall not exceed $2,800,000, and that the Department is not to reprogram any additional amounts for this purpose.

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which deletes the prohibition on the expenditure of funds for further dissemination of certain 1978 Agricultural Census forms, but retains the provision prohibiting the expenditure of funds for prosecution of any person for failure to return such forms or for preparation of similar forms for any future agricultural census. The text of the amendment is as follows:

In lieu of the matter proposed by said amendment, insert:

None of the funds made available to the Bureau of the Census under this Act may be expended for prosecution of any person for the failure to return 1978 Agricultural Census forms 78–A40A or 78–A40B, or 78–A40C or 78–A40D, or for the preparation of similar forms for any future agricultural census.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

ECONOMIC AND STATISTICAL ANALYSIS

SALARIES AND EXPENSES

Amendment No. 30: Appropriates $17,875,000 as proposed by the Senate instead of $17,728,000 as proposed by the House.

INDUSTRY AND TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

Amendment No. 31: Appropriates $77,670,000 instead of $77,394,000 as proposed by the House and $78,837,000 as proposed by the Senate.

The conference agreement provides $260,000 for continuation of the Sydney International Marketing Center, $150,000 for planning Federal participation in international expositions to be held in the United States, and $4,000,000 for the Worldwide Information and Trade System (WITS). The conferees are agreed that the Industry and Trade Administration will fully involve the private information industry in the development of WITS. The conferees also expect the Industry and Trade Administration to insure that private sector efforts are enhanced and that ITA does not duplicate or compete with the private sector.

The conference agreement does not provide any funds for travel data, policy, and coordination functions or for the trade promotion program in Taiwan, which is now funded through the Department of State.

UNITED STATES TRAVEL SERVICE

SALARIES AND EXPENSES

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $8,000,000 for the United States Travel Service.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

Amendment No. 33: Appropriates $703,350,000 instead of $688,656,000, as proposed by the House and $711,939,000 as proposed by the Senate.

The conference agreement includes $1,800,000 for upgrading NOAA's central computer facility, $2,000,000 above the budget request for the MARMAP program and grants to the Regional Fishery Management Councils, and $3,500,000 above the budget for the Sea Grant program. The conference agreement also includes $915,000 for the U.S. contribution to the INPFC salmon tagging study with Japan, $2,950,000 for additional construction and operating costs for the aquaculture laboratory at Newport, Oregon, and $1,133,000 for design of the aquaculture laboratory at Manchester, Washington. In addition, the conference agreement provides $400,000 for the Precipitation Augmentation for Crops Enhancement (PACE) program; $250,000 for a radar at Beckley, West Virginia; $589,000 and 40 positions for maintaining and operating 23 weather stations proposed for closing; and $157,000 for the catfish aquaculture project in Stuttgart, Arkansas. The conference agreement also reflects the transfer of $100,000 to the Marine Mammal Commission for East Coast whale studies. Finally, the conference agreement provides for a total of $1,200,000 to develop, under contract, national applicable evaluation technologies for two types of operational weather modification projects—summertime rain enhancement and wintertime snowpack augmentation—based on the North Dakota and Utah ongoing, state-sponsored operational projects.

COASTAL ZONE MANAGEMENT

Amendment No. 34: Appropriates $64,675,000 instead of $63,575,000 as proposed by the House and $65,925,000 as proposed by the Senate.

The conference agreement includes $1,100,000 and four positions to begin a program of ocean use and assessment studies.

PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

Amendment No. 35: Appropriates $99,673,000 instead of $97,563,000 as proposed by the House and $102,000,000 as proposed by the Senate.

The conference agreement provides $2,038,000 for additional patent printing costs and $72,000 for additional trademark printing costs.

SCIENCE AND TECHNICAL RESEARCH

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

Amendment No. 36: Appropriates $96,528,000 instead of $96,344,000 as proposed by the House and $97,825,000 as proposed by the Senate.

The conference agreement provides $200,000 for a study of the feasibility of integrating the Science Information Exchange program with the National Technical Information Service.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 37: Appropriates $17,305,000 instead of $15,315,000 as proposed by the House and $18,410,000 as proposed by the Senate.

The conference agreement provides $1,685,000 to fund a public service satellite network using commercial satellites and $305,000 and 4 positions to administer an increased level of public telecommunications facilities grants.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

Amendment No. 38: Appropriates $23,705,000 as proposed by the Senate instead of $12,000,000 as proposed by the House.

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

Amendment No. 39: Appropriates $101,000,000 as proposed by the Senate instead of $32,000,000 as proposed by the House.

TITLE IV—THE JUDICIARY

COURT OF CLAIMS

SALARIES AND EXPENSES

Amendment No. 40: Appropriations $5,230,000 as proposed by the Senate instead of $5,290,000 as proposed by the House.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

FEES OF JURORS AND COMMISSIONERS

Amendment No. 41: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which permits funds to be used for refreshments for jurors.

BANKRUPTCY COURTS, SALARIES AND EXPENSES

Amendment No. 42: Appropriates $58,500,000 instead of $57,000,000 as proposed by the House and $60,000,000 as proposed by the Senate.

TITLE V—RELATED AGENCIES

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

Amendment No. 43: Appropriates $18,270,000 instead of $17,670,000 as proposed by the House and $18,870,000 as proposed by the Senate.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

Amendment No. 44: Appropriates $84,470,000 instead of $82,990,000 as proposed by the House and $84,700,000 as proposed by the Senate.

The amount provided in the conference agreement includes $790,000 for expenses of the Board for International Broadcasting, $80,430,000 for grants to Radio Free Europe/Radio Liberty (RFE/RL, Inc.) and $3,250,000 for fluctuations in foreign currency exchange rates.

Amendment No. 45: Designates $3,250,000 for fluctuations in foreign currency exchange rates as proposed by the Senate instead of

$2,000,000 for this purpose as proposed by the House.

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

Amendment No. 46: Appropriates $11,230,000 as proposed by the House instead of $11,370,000 as proposed by the Senate. The six positions requested for implementation of age and handicap discrimination programs, authorized by Public Law 95–444, are to be funded within the total amount appropriated.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

Amendment No. 47: Designates not to exceed $15,000,000 for payments to State and local enforcement agencies as proposed by the House instead of $16,500,000 as proposed by the Senate.

Amendment No. 48: Appropriates $119,000,000 as proposed by the House instead of $125,000,000 as proposed by the Senate.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

Amendment No. 49: Provides language proposed by the Senate which would permit the Federal Communications Commission to rent space in the District of Columbia and elsewhere:

Amendment No. 50: Appropriates $72,535,000 instead of $71,816,000 as proposed by the House and $73,255,000 as proposed by the Senate.

The conference agreement provides $99,000 and 10 positions above the House allowance for land mobile radio license processing and $400,000 and 10 positions above the House allowance for the Office of Science and Technology. The conference agreement also provides a total of $440,000 for an economic study of converting AM radio channels from a 10 kilohertz to a 9 kilohertz system, of which $220,000 is to be allocated from the research budget. The conference agreement does not provide any funds for answering mail concerning the subject of religious broadcasting.

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides language that will permit the FCC to use funds deposited in the General Fund of the Treasury by the State of Florida as a result of the expense of the construction and relocation of the Fort Lauderdale Monitoring Station.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Amendment No. 52: Appropriates $11,175,000 as proposed by the House instead of $11,217,000 as proposed by the Senate.

FOREIGN CLAIMS SETTLEMENT COMMISSION

SALARIES AND EXPENSES

Amendment No. 53: Appropriates $1,030,000, to be derived by transfer, as proposed by the Senate instead of $1,000,000, to be derived by transfer, as proposed by the House.

INTERNATIONAL COMMUNICATION AGENCY

SALARIES AND EXPENSES

Amendment No. 54: Appropriates $396,010,000 instead of $399,200,000 as proposed by the House and $395,445,000 as proposed by the Senate. The reduction from the House amount reflects the transfer of $1,390,000 to the State Department appropriation for "Payment to the American Institute in Taiwan" and a decrease of $1,900,00 in funds for Foreign Service national employees.

As noted in the discussion under the Department of State, the budget estimates make provision for wage increases for foreign national personnel ranging up to 45 percent. The conferees cannot endorse such increases when the American wage earners are being requested to hold their wage increases to 7 percent. If the Agency feels it is compelled to increase wages above 7 percent to overseas employees, it will have to find the wherewithal within the amount recommended.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Amendment No. 55: Appropriates $14,667,000 instead of $14,500,000 as proposed by the House and $14,835,000 as proposed by the Senate.

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

Amendment No. 56: Appropriates $15,130,000 instead of $14,106,000 as proposed by the House and $16,200,000 as proposed by the Senate.

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

SALARIES AND EXPENSES

Amendment No. 57: Appropriates $300,000,000 instead of $305,000,000 as proposed by the House and $291,800,000 as proposed by the Senate.

Amendment No. 58: Restores proposal of the House which would prohibit the use of funds for aliens known to be in the United States illegally.

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

Amendment No. 59: Appropriates $940,000 as proposed by the Senate instead of $840,000 as proposed by the House.

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

SALARIES AND EXPENSES

Amendment No. 60: Appropriates $4,000,000 instead of $3,900,000 as proposed by the House and $4,273,000 as proposed by the Senate. The $100,000 above the House amount is for expenses of the U.S. representative to the Textile Surveillance Board in Geneva.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

Amendment No. 61: Appropriates $68,986,000 as proposed by the Senate instead of $68,946,000 as proposed by the House.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which amends the heading.

Amendment No. 63: Appropriates $182,800,000 as proposed by the Senate instead of $192,300,000 as proposed by the House. The funds appropriated under this heading are to be distributed as follows:

Procurement Assistance	$8,100,000
Technology Assistance	1,800,000
Advocacy	2,000,000
Public Communications	624,000
Economic Research	3,776,000
7(j) Call Contracting	10,000,000
Management Assistance	19,437,000
Small Business Development Centers	6,500,000
Finance and Investment	49,238,000
Minority Small Business	11,187,000
Subtotal	112,662,000
All Other	69,638,000
Total	182,300,000

The program levels reflect a reallocation of certain agency salary and expense resources to reflect the mandates of Public Law 95–507 not taken into account in the President's budget. Four additional specific program activities are also enumerated.

The Conferees intend that $500,000 of those funds appropriated for the agency's Management Assistance program shall be used to fund an increase of 14 positions for the Office of International Trade. This increase includes ten regional export development specialists to be assigned to each one of the SBA regional offices.

The amount recommended includes $1,000,000 solely to further develop the small business indicative data base comprised of names and addresses and related information.

The increase in funding for small business development centers is based upon the assumption that legislative guidelines will be enacted into law. Accordingly, the conferees direct that no part of this appropriation shall be used to fund any small business development center or university business development center pilot program, or any combination thereof, in any state in excess of $300,000 per state until enactment into law of S. 918, or similar legislation.

Amendment No. 64: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows: ", and in addition $11,650,000 for disaster loan making activities shall be transferred to this appropriation from the 'Disaster Loan Fund' and $5,000,000 for disaster loan servicing, as compensation for 275 temporary or permanent full time employees, shall be transferred to this appropriation from such 'Disaster Loan Fund' ".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment provided for the transfer of $11,650,000 from the "Disaster Loan Fund". The conferees agreed to that transfer and agreed to provide for the transfer of an additional $5,000,000 for 275 employees for disaster loan servicing.

BUSINESS LOAN AND INVESTMENT FUND

Amendment No. 65: Appropriates $565,000,000 for additional capital instead of $580,000,000 as proposed by the House and $411,000,000 as proposed by the Senate.

The amount appropriated is to enable the Small Business Administration to carry out programs under the Business Loan and Investment Fund at the following levels:

7(a) Business loans:	
Direct and immediate participation	$319,000,000
Guaranteed	3,200,000,000
Total	3,419,000,000
7(b) Handicapped loans:	
Direct and immediate participation	20,000,000
Guaranteed	5,000,000
Total	25,000,000
7(i) Economic opportunity loans:	
Direct and immediate participation	65,000,000
Guaranteed	70,000,000
Total	135,000,000
7(l) Energy loans:	
Direct and immediate participation	15,000,000
Guaranteed	30,000,000
Total	45,000,000
Development company loans:	
Direct and immediate participation	45,000,000
Guaranteed	100,000,000
Total	145,000,000

Investment company loans:

Direct and immediate participation	27,000,000
Guaranteed	190,000,000
Total	217,000,000
Total, business loan and investment fund:	
Direct and immediate participation	391,000,000
Guaranteed	3,595,000,000
Total	3,986,000,000

DISASTER LOAN FUND

Amendment No. 66: Deletes proposal of the Senate to legislate changes in the disaster loan program. The conferees are agreed that these changes should be dealt with in authorizing legislation.

UNITED STATES METRIC BOARD

SALARIES AND EXPENSES

Amendment No. 67: Appropriates $2,474,000 instead of $1,613,000 as proposed by the House and $3,335,000 as proposed by the Senate.

The conferees are agreed that of the $361,000 provided in the conference agreement over the House allowance, $742,000 should be allocated to the Research, Coordination and Planning function and the remaining $118,000 should be allocated to other program areas as determined by the Metric Board.

TITLE VI—GENERAL PROVISIONS

Amendment No. 68: Deletes proposal of the House which would prohibit the Department of Justice from bringing any sort of action to require transportation of any student to a school other than the school nearest the student's home, except for a student requiring special education as a result of being mentally or physically handicapped.

TITLE VII—SUPPLEMENTAL APPROPRIATIONS, 1979

Amendment No. 69: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $2,835,000 in 1979 supplemental funds for U.S. Attorneys and Marshals, to be derived by transfer.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follow:

New budget (obligational) authority, fiscal year 1979	$9,148,933,000
Budget estimates of new (obligational) authority, fiscal year 1980	[1] 8,526,868,000
House bill, fiscal year 1980	7,695,007,000
Senate bill, fiscal year 1980	8,253,334,000
Conference agreement	[2] 8,345,091,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1979	−803,842,000
Budget estimates of new (obligational) authority, fiscal year 1980	−181,777,000
House bill, fiscal year 1980	+650,084,000
Senate bill, fiscal year 1980	+91,757,000

[1] Reflects $559,056,000 in budget estimates not considered by the House.

[2] Reflects House position of no allowance for Amendment No. 26 which is in true disagreement.

JOHN M. SLACK,
NEAL SMITH,
BILL ALEXANDER,
JOSEPH D. EARLY,
JACK EDWARDS,
JAMES L. WHITTEN,
GEORGE M. O'BRIEN,
MARK ANDREWS,
SILVIO O. CONTE,
Managers on the Part of the House.

ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
DANIEL K. INOUYE,
QUENTIN N. BURDICK,
DENNIS DECONCINI,
DALE BUMPERS,
JIM SASSER
(except for No. 26),
LOWELL P. WEICKER, JR.,
MARK O. HATFIELD,
TED STEVENS,
PAUL LAXALT,
JAKE GARN,
MILTON R. YOUNG.
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous material:)

Mr. THOMAS, for 60 minutes, today.

Mr. COLLINS of Texas, for 20 minutes, today.

(The following Members (at the request of Mr. SWIFT) to revise and extend their remarks and include extraneous material:)

Mr. FLOOD, for 5 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. STOKES, for 60 minutes, today.

Mr. WEAVER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BREAUX, for 5 minutes, today.

Mr. ALEXANDER, for 10 minutes, today.

Mr. RODINO, for 10 minutes, today.

Mr. CHARLES H. WILSON of California, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. GLICKMAN on August 1, for 5 minutes.

Mr. GLICKMAN on August 2, for 5 minutes.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DANIELSON, personal explanation on vote to follow rollcall No. 410, Marks amendment.

Mr. JENRETTE, immediately before rollcall No. 404.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. CARTER in four instances.

Mr. YOUNG of Alaska.

Mr. CLAUSEN in two instances.

Mr. DERWINSKI in two instances.

Mr. LATTA.

Mr. HAGEDORN.

Mr. SYMMS.

Mr. LUJAN.

Mr. HOPKINS.

Mr. DORNAN in two instances.

Mr. PAUL in two instances.

Mr. RHODES.

Mr. DANIEL B. CRANE.

Mr. MARTIN.

Mr. RUDD.

Mr. BOB WILSON in three instances.

Mr. LEWIS.

Mr. PHILIP M. CRANE.

Mr. MCKINNEY.

Mr. TAYLOR.

Mr. LOTT.

Mr. GUYER.

Mr. MCEWEN.

(The following Members (at the request of Mr. SWIFT) and to include extraneous matter:)

Mr. WOLFF in two instances.

Mr. BENJAMIN.

Mr. HAMILTON in two instances.

Mr. FROST.

Mr. WIRTH in two instances.

Mr. ANNUNZIO.

Mr. PATTERSON in five instances.

Mr. OTTINGER.

Mr. MAZZOLI.

Mr. LAFALCE in two instances.

Mr. PATTEN.

Ms. OAKAR in two instances.

Mr. LELAND.

Mr. WEAVER.

Mr. ROSTENKOWSKI.

Mr. MINETA in two instances.

Mr. RAHALL in two instances.

Mr. BONKER in two instances.

Mr. ROYBAL.

Mr. HARKIN.

Mrs. SCHROEDER in two instances.

ADJOURNMENT

Mr. SWIFT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 58 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 1, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2160. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of defense equipment to Japan (Transmittal No. 79-65), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2161. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Japan (Transmittal No. 79-65), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2162. A letter from the Secretary of Health, Education, and Welfare, transmitting the first annual report on drug abuse prevention and treatment, pursuant to section 405(b) of the Drug Abuse Office and Treatment Act of 1972, as amended (92 Stat. 1268); to the Committee on Interstate and Foreign Commerce.

2163. A letter from the Secretary of Health, Education, and Welfare, transmitting the 1979 Annual Plan for fiscal years 1980 through 1984 on the national cancer program, pursuant to section 404(a)(9) of the Public Health Service Act (92 Stat. 3425); to the Committee on Interstate and Foreign Commerce.

2164. A letter from the Secretary of Commerce, transmitting the third report on the activities of the Regional Fishery Management Councils and the Department of Commerce concerning fishery management plans, pursuant to section 305(f) of of Public Law 94-265; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL: Committee of conference. Conference report on H.R. 3363 (Rept. No. 96-399). Ordered to be printed.

Mr. NATCHER: Committee of conference. Conference report on H.R. 4389 (Rept. No. 96-400). Ordered to be printed.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 393. Resolution providing for the consideration of H.R. 2172. A bill to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes (Rept. No. 96-401). Referred to the House Calendar.

Mr. SLACK: Committee of conference. Conferee report on H.R. 4392 (Rept. No. 96-402). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX:

H.R. 5018. A bill to repeal title III, Marine Sanctuaries, of the Marine Protection, Research, and Sanctuaries Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. GARCIA:

H.R. 5019. A bill to amend the Energy Policy and Conservation Act to provide a means for reconciling differences in reports by the Department of Energy and the Bureau of the Census of the volumes of petroleum products imported and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JENRETTE:

H.R. 5020. A bill to provide for an epidemiological study of fluorosis in certain areas where fluoride occurs naturally in drinking water systems to determine whether the presence of such fluoride presents any health problems, and if so, to what extent, and to suspend the application of the fluoride standard in such areas under the Safe Drinking Water Act pending the completion of such study, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEMP:

H.R. 5021. A bill to amend the National Flood Insurance Act of 1968 for the purpose of authorizing flood insurance for breakwalls and other flood-prevention structures; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LONG of Maryland:

H.R. 5022. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Interstate and Foreign Commerce.

By Mr. MINETA (for himself, Mr. THOMPSON, and Mr. COPPE):

H.R. 5023. A bill to amend the act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act; to the Committee on House Administration.

By Mr. NEAL:

H.R. 5024. A bill to amend chapter 53 of title 5, United States Code, to increase the salaries of the Chairman and members of the Federal Reserve Board; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:

H.R. 5025. A bill to amend title 10, United States Code, to provide that any person eligible for medical care under the civilian health and medical program of the uniformed services (CHAMPUS) who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities; to the Committee on Armed Services.

By Mr. OTTINGER:

H.R. 5026. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 5027. A bill to establish a commission to review certain regulations relating to aviation for the purpose of insuring that the interests of all persons involved in aviation in the United States are represented in the process of issuing the regulations, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 5028. A bill to amend the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to certain aspects of the control of navigable airspace; to the Committee on Public Works and Transportation.

By Mr. ROBINSON (for himself and Mr. TREBLE):

H.R. 5029. A bill to amend title 18, United States Code, to impose criminal penalties for the willful or malicious injury or destruction of a nuclear facility or appurtenance thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. MCCLORY, Mr. HYDE, and Mr. SENSENBRENNER):

H.R. 5030. A bill to create a charter for the Federal Bureau of Investigation, and for other purposes; to the Committee on the Judiciary.

By Mr. WIRTH:

H.R. 5031. A bill to amend the Internal Revenue Code of 1954 to eliminate the excise tax on radial tires; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 5032. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF:

H.R. 5033. A bill to provide for the termination of the Interim Convention on the Conservation of North Pacific Fur Seals of February 9, 1957, to prohibit the taking of seals in the Pribilof Islands, and for other purposes; jointly, to the Committees on Foreign Affairs, Merchant Marine and Fisheries, and Interior and Insular Affairs.

By Mr. YATRON:

H.R. 5034. A bill to amend the Federal Food, Drug, and Cosmetic Act to assure the freshness of packaged foods sold to consumers; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Alaska (for himself, Mr. HUGHES, Mr. LAGOMARSINO, Mr. MURPHY of New York, Mr. EVANS of the Virgin Islands, Mr. WYATT, Mr. LOWRY, Mr. STUDDS, Mr. OBERSTAR, Mr. FORSYTHE, Mr. BOWEN, Mr. DINGELL, Mr. PRITCHARD, Mr. MCCLOSKEY, Mr. CLAUSEN, and Mr. EVANS of Delaware):

H.R. 5035. A bill to promote the transfer of various fisheries technologies and techniques and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KOGOVSEK (for himself and Mr. JOHNSON of Colorado):

H.R. 5036. A bill to require the Secretary of the Interior to convey a parcel of land located in Colorado to the Ute Mountain Ute Tribe and to pay an amount to such tribe for economic development; to the Committee on Interior and Insular Affairs.

By Mr. MITCHELL of Maryland (for himself, Mr. D'AMOURS, Mr. BARNARD, Mr. MATTOX, and Mr. CAVANAUGH):

H.R. 5037. A bill to amend the Federal Reserve Act respecting the positions of Chairman and Vice Chairman of the Federal Reserve Board; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RAHALL:

H.R. 5038. A bill to amend the Black Lung Benefits Act to provide that certain benefits paid to miners who originally filed claims under part B of title IV of such act shall not be considered workmen's compensation benefits for purposes of the Social Security Act; to the Committee on Education and Labor.

By Mr. SABO:

H.R. 5039. A bill to authorize the Secretary of Agriculture to assist participants in the food stamp program to pay the cost of fuel consumed for residential heating during the period of December through March; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. FORD of Michigan (for himself, Mr. CONYERS, Mr. WOLPE, Mr. CARR, Mr. KILDEE, Mr. TRAXLER, Mr. BONIOR of Michigan, Mr. DIGGS, Mr. NEDZI, Mr. DINGELL, Mr. BROOKHEAD, Mr. BLANCHARD, Mr. PERKINS, Mr. HAWKINS, Mr. THOMPSON, Mr. CLAY, Mr. GAYDOS, Mr. BRADEMAS, Mr. PHILLIP BURTON, Mr. SIMON, Mr. REUSS, Mr. VENTO, Mr. ROE, Mr. BAILEY, Mr. OBERSTAR, Mr. PRICE, Mr. BOWEN, Mr. MOAKLEY, Mr. JOHN L. BURTON, Mr. SABO, Mr. RAHALL, Mr. MURPHY of Pennsylvania, Mr. BROWN of California, Mr. STARK, Mr. FLOOD, Mr. RODINO, Mr. MILLER of California, Mr. STOKES, Mr. DOWD, Mr. PATTEN, Mr. EDWARDS of California, Mr. DOWNEY, Mr. DASCHLE, Mr. MURPHY of Illinois, Mr. LEHMAN, Mr. GRAY, Mr. SOLARZ, Mr. MAGUIRE, and Mr. ZABLOCKI):

H.R. 5040. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance to employees who suffer an employment loss caused by changes of operations; to authorize the Secretary of Labor to provide assistance to such business concerns, and to such affected employees and local governments; and for other purposes; jointly, to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

By Mr. RAHALL:

H.J. Res. 386. Joint resolution to authorize National Family Day; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland:

H. Con. Res. 169. Concurrent resolution expressing the sense of the Congress that free or reduced cost parking spaces provided to Federal employees should continue to be provided free or at reduced cost; to the Committee on Public Works and Transportation.

By Mr. GLICKMAN (for himself, Mr. SEBELIUS, Mr. ENGLISH, Mr. ROSE, Mr. JONES of Tennessee, Mr. DASCHLE, Mr. HARKIN, Mr. HUCKABY, Mr. CAVANAUGH, Mr. HANCE, Mr. EDGETTOWER, Mr. WHITTAKER, Mr. WINN, Mr. NOLAN, Mr. JEFFRIES, Mr. STANGELAND, and Mr. LEATH of Texas):

H. Res. 394. Resolution to establish a wheat set-aside for the 1980 crop year; to the Committee on Agriculture.

By Mr. OTTINGER (for himself, Mr. FISHER, Mr. FUQUA, Mr. ROE, Mr. MCCORMACK, Mr. HARKIN, Mr. LLOYD, Mrs. BOUQUARD, Mr. BLANCHARD, Mr. WALGREN, Mr. FLIPPO, Mr. GLICKMAN, Mr. GORE, Mr. YOUNG of Missouri, Mr. FRASE, Mr. WOLPE, Mr. NELSON, Mr. ANTHONY, Mr. ERTEL, Mr. HANCE, Mr. WINN, Mr. FISH, Mr. DORNAN, Mr. WALKER, Mr. FORSYTHE, Mr. KRAMER, Mr. DAVIS of South Carolina, Mr. WHITEHURST, Mr. RICHMOND, Mr. LAGOMARSINO, Mr. FLORIO, Mr. LAFALCE, Mr. HUGHES, Mr. MCHUGH, Mr. KOSTMAYER, Mr. SIMON, Mr. FROST, Mr. VENTO, Mr. HORTON, Mr. CORCORAN, Mr. MOAKLEY, Mr. CARR, Mrs. PENWICK, Mr. NOLAN, Mr. WEAVER, Mr. DELLUMS, Mr. BINGHAM, Mr. BROWN of California, Mr. DOWNEY, Mr. FAZIO, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. PRITCHARD, Mr. SCHEUER, Mr. PEPPER, Mr. WEISS, Mr. GRAY, Mr. WIRTH, Mr. LEHMAN, Mr. HOWARD, Mr. MINETA, Mr. AKAKA, Mr. DASCHLE, Mr. SEIBERLING, Mr. BONIOR of Michigan, and Ms. HOLTZMAN):

H. Res. 396. Resolution expressing the sense of the House of Representatives that the President's proposal for solar energy credits should be enacted and made retroactive to April 5, 1979; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PATTERSON:

H.R. 5041. A bill for the relief of Morris Ohfuku McHenry; to the Committee on the Judiciary.

H.R. 5042. A bill for the relief of Guillermo Esteban Feres-Garcia; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 100: Mr. ANNUNZIO, Mr. BEDELL, Mr. BENJAMIN, Mr. BONIOR of Michigan, Mr. BROOMFIELD, Mr. CARR, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. DAVIS of South Carolina, Mr. DELLUMS, Mr. DIGGS, Mr. DIXON, Mr. DOWNEY, Mr. DRINAN, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EVANS of the Virgin Islands, Mr. FAUNTROY, Ms. FERRARO, Mr. FLORIO, Mr. GOODLING, Mr. GRAY, Mr. GUARINI, Mr. HAWKINS, Mr. HOLLENBECK, Mr. LELAND, Mr. LONG of Maryland, Mr. LOWRY, Mr. MCCLOSKEY, Mr. MAGUIRE, Mr. MARKEY, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NEDZI, Mr. OTTINGER, Mr. PRICE, Mr. PRITCHARD, Mr. RANGEL, Mr. RICHMOND, Mr. ROE, Mr. ROSE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SCHEUER, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STEWART, Mr. STOKES, Mr. TRAXLER, Mr. WAXMAN, Mr. WEISS, Mr. CHARLES H. WILSON of California, Mr. WOLPE, Mr. YATES, and Mr. YOUNG of Missouri.

H.R. 113: Mr. STANGELAND.

H.R. 333: Mr. BERKLEY, Mr. EDWARDS of Oklahoma, Mr. FASCELL, Mr. MITCHELL of New York, and Mr. SANTINI.

H.R. 393: Mr. PRITCHARD.

H.R. 605: Mr. LEACH of Louisiana, Mr. GOODLING, Mr. LENT, Mr. NOWAK, Mr. NICHOLS, Mr. PEPPER, Mr. SOLARZ, Mr. SANTINI, Mr. CHARLES H. WILSON of California, Mr. THOMPSON, Mr. WILLIAMS of Montana, Mr. STOKES, and Mr. CLEVELAND.

H.R. 739: Mr. BAUMAN, Mr. ROBINSON, Mr. SAWYER, Mr. ASHBROOK, Mr. PHILIP M. CRANE, Mr. DANIEL B. CRANE, Mr. SYMMS, Mr. LOTT, Mr. GUYER, Mr. SHUSTER, Mr. STUMP, and Mr. DOUGHERTY.

H.R. 996: Mr. DANNEMEYER, Mr. OTTINGER, and Mr. WEISS.

H.R. 2255: Mr. MONTGOMERY, Mr. ANNUNZIO, Mr. BLANCHARD, Mr. CAVANAUGH, Mr. MATTOX, Mr. WATKINS, Mr. HAMMERSCHMIDT, Mr. D'AMOURS, Mr. DERRICK, Mr. HOWARD, Mr. HUCKABY, Mr. BERKLEY, Mr. CORCORAN, Mr. KILDEE, Mr. LEATH of Texas, Mr. NEAL, Mr. RINALDO, Mr. TRAXLER, Mr. WYATT, Mr. BEVILL, Mr. MCKINNEY, Mr. COLLINS of Texas, Mr. PATTEN, Mr. DUNCAN of Tennessee, Mr. MCHUGH, Mr. COTTER, Mr. BIAGGI, Mr. GILMAN, Mrs. HECKLER, and Mr. SHELBY.

H.R. 2392: Mr. ERDAHL.

H.R. 2490: Mr. PATTERSON, Mr. LAGOMARSINO, Mr. JONES of North Carolina, Mr. BONIOR of Michigan, Mr. HUTTO, Mr. BOB WILSON, Mr. BENJAMIN, Mr. CARR, Mr. YATRON, Mr. BEDELL, Mr. CORLISS, Mr. WYATT, Mr. NOWAK, Mr. LIVINGSTON, Mr. EVILL, Mr. MCEWEN, Mr. FAZIO, Mr. CLINGER, Mr. DANNEMEYER, Mr. BAILEY, Mr. HOLLENBECK, Mr. TAUKE, Mr. MITCHELL of New York, Mr. EVANS of Delaware, Mr. MAGUIRE, and Mr. CLEVELAND.

H.R. 2602: Mr. WAXMAN, Mr. STAGGERS, Mr. CARTER, Mr. PREYER, Mr. MAGUIRE, Mr. WALGREN, Ms. MIKULSKI, Mr. LELAND, Mr. MURPHY of New York, Mr. MADIGAN, Mr. LEE, Mr. VAN DEERLIN, Mr. ECKHARDT, Mr. WIRTH, Mr. MOFFETT, Mr. SANTINI, Mr. MARKEY, Mr. RINALDO, Mr. ROYBAL, Mr. ANDREWS of North Carolina, Mr. JOHN L. BURTON, Mr. BONKER, Mr. FORD of Tennessee, Mr. LUNDINE, Ms. HOLTZMAN, Mr. LLOYD, Mr. WATKINS, Ms. FERRARO, Mr. RATCHFORD, Mr. MICA, Mr. STACK, Mr. SYNAR, Mr. ATKINSON, Mr. REGULA, Mr. DORNAN, Mr. HOLLENBECK, Mr. GREEN, Mr. SHUMWAY, Mr. HOPKINS, Mrs. SNOWE, Mr. LUNGREN, Mr. WHITTAKER, Mr. MARKS, Mr. ADDABBO, Mr. AKAKA, Mr. AMBRO, Mr. ANDERSON of California, Mr. ANDERSON of Illinois, Mr. ANDREWS of North Dakota, Mr. ANTHONY, Mr. APPLEGATE, Mr. ASHLEY, Mr. AUCOIN, Mr. BAILEY, Mr. BARNES, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BEILENSON, Mr. BENNETT, Mr. BLANCHARD, Mrs. BOGGS, Mr. BOLAND, Mr. BOLLING, Mr. BOWEN, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BUCHANAN, Mr. PHILLIP BURTON, Mr. BUTLER, Mr. CARR, Mr. CHAPPELL, Mrs. CHISHOLM, Mr. CLINGER, Mr. COELHO, Mr. CONABLE, Mr. CONTE, Mr. COTTER, Mr. COURTER, Mr. D'AMOURS, Mr. DANIELSON, Mr. DAVIS of Michigan, Mr. DAVIS of South Carolina, Mr. DERRICK, Mr. DIXON, Mr. DODD, Mr. DOWNELLY, Mr. DUNCAN of Tennessee, Mr. EMERY, Mr. ERDAHL, Mr. ERTEL, Mr. EVANS of Virgin Islands, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Mr. FISH, Mr. FISHER, Mr. FITHIAN, Mr. FLIPPO, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FOWLER, Mr. FUQUA, Mr. GARCIA, Mr. GEPHARDT, Mr. GILMAN, Mr. GRAY, Mr. GRISHAM, Mr. GUARINI, Mr. GUYER, Mr. HAGEDORN, Mr. HALL of Ohio, Mr. HANLEY, Mr. HARRIS, Mr. HARSHA, Mrs. HECKLER, Mr. HEFNER, Mr. HEFTEL, Mr. HILLIS, Mr. HINSON, Mr. HORTON, Mr. HUBBARD, Mr. HUCKABY, Mr. HUTTO, Mr. JENKINS, Mr. JENRETTE, Mr. JOHNSON of California, Mr. JONES of Tennessee, Mr. KEMP, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LEACH of Iowa, Mr. LEDERER, Mr. LONG of Louisiana, Mr. LOTT, Mr. LOWRY, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCHUGH, Mr. MCKAY, Mr. MCKINNEY, Mr. MATSUI, Mr. MAVROULES, Mr. MILLER of California, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of Illinois, Mr. NEAL, Mr. NEDZI, Mr. NOWAK, Mr. OBERSTAR, Mr. PANETTA, Mr. PASHAYAN, Mr. PATTERSON, Mr. PEASE, Mr. PETRI, Mr. PEYSER, Mr. PICKLE, Mr. PRICE, Mr. PRITCHARD, Mr. PURSELL, Mr. REUSS, Mr. ROSENTHAL, Mr. ROUSSELOT, Mr. ROYER, Mr. SABO, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SHANNON, Mr. SLACK, Mr. SMITH of Iowa, Mr. SOLOMON, Mrs. SPELLMAN, Mr. STANGELAND, Mr. STANTON, Mr. STARK, Mr. STEED, Mr. STENHOLM, Mr. STOKES, Mr. SYMMS, Mr. THOMPSON, Mr. TRAXLER, Mr. VANDER JAGT, Mr. WEAVER, Mr. WEISS, Mr. WHITEHURST, Mr. WILLIAMS of Montana, Mr. CHARLES WILSON of Texas, Mr. WOLPE, Mr. WON PAT, Mr. YATES, Mr. YOUNG of Florida, Mr. ZABLOCKI, Mr. ANNUNZIO, Mr. COLEMAN, Mr. DASCHLE, Mr. COUGHLIN, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GONZALEZ, Mr. GOODLING, Mr. GORE, and Mr. GRAMM.

H.R. 3227: Mr. SHARP.

H.R. 3246: Mr. HUBBARD.

H.R. 3345: Mr. PHILLIP BURTON, Mr. EDWARDS of California, Mr. RINALDO, Mr. SIMON, Mr. STACK, Mr. ZEFERETTI, Ms. MIKULSKI, Mr. BOLAND, Mr. LAFALCE, Mr. CHARLES H. WILSON of California, Mr. SHANNON, Mr. ST GERMAIN, Mr. STARK, Mr. JOHN L. BURTON, Mr. MOFFETT, Mr. ERDAHL, Mr. JOHNSON of California, Mr. DODD, Mr. FAZIO, and Mr. SANTINI.

H.R. 3677: Mr. LEACH of Iowa and Mr. SABO.

H.R. 4211: Mr. GUARINI, Mr. FISH, Mr. YATRON, Mr. LENT, Mr. WEAVER, Mr. PRITCHARD, Mr. ERTEL, and Mrs. CHISHOLM.

H.R. 4259: Mr. FAUNTROY, Mr. MITCHELL of Maryland, Mr. LAFALCE, Mr. CAVANAUGH, Mr. HANLEY, Mr. MOORHEAD of Pennsylvania, Mr. WYLIE, Mr. GREEN, Mr. BARNARD, Mr. HANSEN, and Mr. MCKINNEY.

H.R. 4313: Mr. CLAUSEN.

H.R. 4329: Mr. EDWARDS of Oklahoma.

H.R. 4411: Mr. LAGOMARSINO, Mr. CARTER, Mr. GRISHAM, Mr. BEDELL, Mr. LAFALCE, Mr. DANNEMEYER, Mr. SIMON, Mr. STOKES, Mr. CLEVELAND, Mr. FRENZEL, and Mr. BONIOR of Michigan.

H.R. 4460: Mr. KEMP, and Mr. GRASSLEY.

H.R. 4466: Mr. SYMMS.

H.R. 4549: Mr. LLOYD, and Mr. SHUMWAY.

H.R. 4574: Mr. STANGELAND, Mr. RINALDO, Mr. LONG of Maryland, Mr. YATRON, Mr. GIBBONS, Mr. BEARD of Rhode Island, Mr. ROSENTHAL, Mr. SCHEUER, Mr. GOODLING, Mr. HOLLENBECK, Mr. HANLEY, Mr. EDWARDS of California, Mr. MAGUIRE, and Mr. DODD.

H.R. 4597: Mr. WHITEHURST, Mr. BURGENER, Mr. MITCHELL of Maryland, Mr. DOUGHERTY, and Mr. HINSON.

H.R. 4789: Mr. THOMPSON, Mr. MAGUIRE, Mr. FLORIO, Mr. PATTEN, Mr. HUGHES, Mr. FORSYTHE, Mrs. FENWICK, Mr. MINISH, Mr. RINALDO, Mr. GUARINI, Mr. HOLLENBECK, Mr. RODINO, Mr. HOWARD, and Mr. COURTER.

H.R. 4809: Mr. BARNES, Mr. MOAKLEY, Mr. WEISS, Mr. WOLPE, Mr. PICKLE, Mr. JEFFORDS, Mr. CLAY, Mr. GINGRICH, Mr. CARTER, Mr. SABO, Mr. RICHMOND, Mr. VENTO, Mr. MIKVA, Mr. LLOYD, Mr. HEFTEL, Mr. MARKS, Mr. BEDELL, Mr. THOMPSON, Mr. DOWNEY, Mr. MAGUIRE, and Mr. DOUGHERTY.

H.R. 4986: Mr. RATCHFORD, Mr. ROSENTHAL, Mr. MAGUIRE, Mr. MINETA, Mr. RAHALL, Mr. MOFFETT, Mr. PURSELL, Mr. RINALDO, Mr. YOUNG of Alaska, Mr. LONG of Maryland, Mr. MYERS of Pennsylvania, Mr. KASTENMEIER, Mr. FORD of Michigan, Mr. OTTINGER, Mrs. COLLINS of Illinois, Mr. STARK, Mr. EDWARDS of California, Mr. LEE, Mr. GUARINI, Mr. MAVROULES, Mrs. HOLT, Mr. CONTE, Mr. FORD of Tennessee, Mr. MILLER of California, Mr. JOHN L. BURTON, Mr. LEHMAN, Mr. LLOYD of California, Mr. MOLLOHAN, Mr. MURPHY of Pennsylvania, Mr. ALBOSTA, Mr. PRICE, Mr. STRATTON, Mr. MATSUI, Mr. COELHO, Ms. MIKULSKI, Mr. DORNAN, Mr. CORMAN, Mr. RANGEL, Mr. RICHMOND, Mr. PATTEN, Mr. PANETTA, Mr. BENJAMIN, Mr. RODINO, Mr. EARLY, Mr. MCCORMACK, Mrs. BOUQUARD, Mr. SOLARZ, Mr. ATKINSON, Mr. NOWAK, Mr. KOSTMAYER, Mr. DONNELLY, Mr. YOUNG of Florida, Mr. LAGOMARSINO, Mr. PEPPER, Mr. BIAGGI, Mr. CHARLES H. WILSON of California, Mr. WEISS, Mrs. SNOWE, Mr. WAXMAN, Mr. STOKES, Mr. FISHER, Mr. BOLAND, Mr. BAILEY, Mr. OBERSTAR, and Mr. NEDZI.

H.R. 4998: Mr. NEAL, Mr. HANSEN, and Mr. PAUL.

H.J. Res. 145: Mr. MOAKLEY.

H.J. Res. 278: Mr. GINGRICH, Mr. KINDNESS, Mr. WHITEHURST, Mr. DANNEMEYER, Mr. SYMMS, Mr. LAGOMARSINO, Mr. MILLER of Ohio, Mr. DORNAN, Mr. LUNGREN, Mr. ROBERT W. DANIEL JR., Mr. BADHAM, Mr. CHARLES WILSON of Texas, Mr. BURGENER, Mr. GRASSLEY, Mr. BROWN of Ohio, Mr. GRADISON, and Mrs. HOLT.

H.J. Res. 383: Mr. CLAUSEN and Mr. MARRIOTT.

H. Res. 382: Ms. OAKAR, Mr. FLOOD, Mr. SYMMS, Mr. HYDE, Mr. WINN, Mr. ROE, Mr. HINSON, Mr. HUGHES, Mr. STOKES, Mr. JEFFORDS, and Mr. STANGELAND.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3000

By Mr. VENTO:

—Add the following new section 202:

SEC. 202. (a) There are authorized to be appropriated such funds as may be necessary to the Department of Energy for the fiscal year ending September 30, 1980, for a study by the Department of Energy to consider exercising the authority granted to the President, and by delegation from him, to the Department of Energy, under section 12(g) of the Emergency Petroleum Allocation Act of 1973, as amended, pursuant to which the Energy Department may reimpose price and allocation controls.

(b) Not later than 15 days from the date of the enactment of this Act the Secretary of Energy shall file a report to both Houses of Congress in which the Secretary shall examine the middle distillate situation and, in so doing, make detailed findings with respect to all matters required to be addressed in findings made pursuant to section 12(d)(1) of the Emergency Petroleum Allocation Act of 1973. In making the report, the Secretary shall examine the middle distillate situation as though he were reaching an initial decision to decontrol the product, and shall, in the report, reach the conclusion that pursuant to the requirements of section 12(d)(1) of the Emergency Petroleum Allocation Act of 1973, such a decision is or is not warranted.

(c)(1) If the Secretary finds in accordance with section 12(d)(1) of the Emergency Petroleum Allocation Act of 1973 that a decontrol decision is not warranted he shall, without regard to any administrative procedural requirements which ordinarily apply to such action, immediately exercise the authority delegated to him under section 12(f) of the Emergency Petroleum Allocation Act of 1973 and order reimposition of price and allocation controls.

(2)(A) The controls the Secretary shall order reimposed pursuant to section 2(b)(1) of the Emergency Petroleum Allocation Act of 1973 shall be those which existed at the time middle distillate controls were effectively removed from the Emergency Petroleum Allocation Act of 1973 requirements in 1976, unless the Secretary shall find that any part of such requirements is inequitable or inappropriate, in which case the Secretary shall modify such part as he deems necessary and appropriate; provided however, that the Secretary shall submit a detailed explanation of each such modification to both Houses of Congress pursuant to the Procedures of section 551 of the Energy Policy and Conservation Act, and that such modification shall not take effect if either House of Congress disapproves such modification within 21 days under the Procedures of section 551 of the Energy Policy and Conservation Act.

(B) If the Secretary, pursuant to the requirements of this Act, orders the reimposition of price and allocation controls over middle distillate products, he shall also immediately order such other actions within his authority as may be necessary to alleviate problems caused by the shortage of such products, and, if he deems it necessary and appropriate, he may waive any and all administrative procedures which ordinarily must be followed before taking such actions.

(d) For the purposes of this Act, "middle distillate" and "middle distillate products" shall mean numbers 1 and 2 heating oils, numbers 1–D and 2–D diesel fuels and kerosene.

H.R. 4040

By Mr. HARKIN:

—Page 33, after line 8, add the following new sections:

SEC. 818. The President shall prepare and transmit to the Congress a plan of alternative transportation of the MX missile system. Such plan shall include recommendations with respect to the desirability and feasibility of floating the missiles up and down the Mississippi River on barges.

SEC. 819. The President shall prepare and transmit to the Congress a plan of alternative transportation of the MX missile system. Such plan shall include recommendations with respect to the desirability and feasibility of sending the missiles out to sea on presently mothballed ships.

SEC. 820. The President shall prepare and transmit to the Congress a plan of alternative transportation of the MX missile system. Such plan shall include recommendations with respect to the desirability and feasibility of transporting the missiles on abandoned Amtrak lines.

SEC. 821. The President shall prepare and transmit to the Congress a plan of alternative transportation of the MX missile system. Such plan shall include recommendations with respect to the desirability and feasibility of transporting the missile using gasohol-powered tractors.

SEC. 822. None of the funds authorized to be appropriated by this act shall be available for Army public-relations or publicity demonstrations of any kind.

SEC. 823. There is to be authorized $55,000,000 for research and development of a solar-powered cruise missile.

SEC. 824. The President shall prepare and transmit to the Congress a plan of alternative energy use in armed forces vehicles, including methane, gasohol, and wind-generated torpedoes, combat vehicles, missiles, naval vessels, and aircraft.

SEC. 825. Of the funds authorized to be appropriated by this act for nuclear attack submarines 10% of the funds must be used to develop a coal-powered attack submarine.

SEC. 826. This section shall authorize that 50% of the troops in each of the Army, Navy, Marine Corps, and Air Force must complete, as part of their educational training, a full course in Transcendental Meditation.

Page 33, after line 8 add the following new sections:

SEC. 827. The President shall prepare and transmit to the Congress an energy-use analysis and report of every armed services vehicle, including tanks, planes, and weapons systems.

SEC. 828. In an effort to preserve cultural and religious diversity within the Armed forces, troop strength shall include a 2 percent quota each of members of the Divine Light Mission, the Hare Krishna movement, the Worldwide Church of God, the Unification Church, and the Catholics.

SEC. 829. All personnel of the Selective Service System, including local boards and appeals boards, shall participate in periodic training exercises to simulate emergency mobilization procedures. Such training exercises shall include sit-ups, jumping jacks, running in place, and deep knee bends.

SEC. 830. Under the provisions of section 8 of this bill, the President is empowered to conscript into special service, on a rotating basis, all members of Congress who vote for the reinstatement of registration section of this bill.

SEC. 831. All members of Congress conscripted under section 830 of this bill, shall participate in periodic training exercises to simulate emergency mobilization procedures, which will include twice daily fast trots around the Washington monument.

SEC. 832. All Members of Congress conscripted under section 830 of this bill, shall eat together at a special training table, to be set up in the Longworth Cafeteria from 12 noon to 2 p.m. daily.

SEC. 833. Effective January 1, 1981, the President shall authorize registration and classification of male persons becoming eighteen years of age after December 31, 1981, for military service. Classification shall be based upon religious affiliation, dental history, political party, and high school athletic records.

By Mr. HUGHES:

—Page 33, after line 8, add the following new section:

PURCHASES OF GASOHOL AS FUEL FOR MOTOR VEHICLES

SEC. 818. To the maximum extent feasible and consistent with overall defense needs and sound vehicle management practices, as determined by the Secretary of Defense, the Department of Defense is authorized and directed to enter into contracts by competitive bid, subject to appropriations, for the purchase of domestically produced alcohol or alcohol-gasoline blends containing at least 10 percent domestically produced alcohol for use in motor vehicles owned or operated by the Department.

By Mr. VENTO:

—Page 33, after line 8, add the following new section:

RESTRICTION ON PROVISION OF COSMETIC MEDICAL CARE FOR DEPENDENTS

SEC. 818. (a) No facility of the Department of Defense may be used to provide, and no physician or other health professional who is a member of the Army, Navy, or Air Force or who is employed by the Department of Defense may provide, care or treatment to dependents of members or former members of the Armed Forces for the elective correction of minor dermatological blemishes and marks or minor anatomical anomalies.

(b) The Secretary of Defense shall prescribe regulations to carry out this section.

—Page 33, after line 8, add the following new section:

RESTRICTION ON PROVISION OF VETERINARY CARE

SEC. 818. The Department of Defense may not provide veterinary care or treatment for any animal (or bird, fish, or reptile) which is

not directly used by the Department of Defense in a defense-related function.

By Mr. CHARLES H. WILSON of California:

—Page 27, strike out section 810 (lines 6 through 20) and redesignate the succeeding sections accordingly.

H.R. 4440

By Mr. HARSHA:

—Page 33, after line 21, add the following new section:

SEC. 317. None of the funds provided in this Act shall be available for the implementation of any aspect of the program contained in Notice of Proposed Rule Making No. 78-19, issued on December 27, 1978 (44 Federal Register 1322).

H.R. 4473

By Mrs. COLLINS of Illinois:

—Page 9, line 15, strike out "$14,250,000" and insert in lieu thereof "$28,500,000".

S. 1030

By Mr. AMBRO:

—Page 17, strike out line 3 and all that follows down through line 2 on page 18 and insert in lieu thereof the following:

(c) Section 201(e) of such Act (42 U.S.C. 6361(e)) is amended to read as follows:

"(e)(1) The President may put a rationing contingency plan into effect if the President—

"(A) has transmitted a copy of such contingency plan to the Congress in accordance with section 551(b) and neither House of the Congress has disapproved (or both Houses have approved) such plan in accordance with the procedures specified in section 551; and

"(B) if the plan is not disapproved during the period provided for such disapproval (or if the plan is approved) under subparagraph (A), has found that putting such contingency plan into effect is required by a severe energy supply interruption or is necessary to comply with obligations of the United States under the international energy program, subject to paragraphs (2) and (3).

Page 18, line 11, strike out "equal to 20 percent or more" and insert in lieu thereof "equal to 10 percent or more".

Page 19, in paragraphs (4) and (5), as inserted after line 14 by the amendment offered by Mr. Gilman, strike out "paragraph (1)(A)(i)" each place it appears and insert in lieu thereof "paragraph (1)(A)".

EXTENSIONS OF REMARKS

NATIONAL MUSEUM FUNDING

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. MINETA. Mr. Speaker, the existing authorization for the National Museum Act of 1966 expires at the end of fiscal year 1980. I am joining today with the two other Smithsonian Regents from the House of Representatives, Mr. THOMPSON and Mr. CONTE, to introduce legislation which would authorize 3 additional years at the existing authorization level.

With the National Museum Act of 1966, the Congress responded to the needs of museums across the Nation through grants and contracts for training museum professionals, training in museum practices, the study of museum problems and opportunities, the preparation of museum publications related to support management, research in museum techniques with special emphasis given to research and training in conservation, and cooperation with agencies of the Government concerned with museums.

Under the act funds are appropriated to the Smithsonian for implementation of the National Museum Act and are then made available to museums, professional associations and individuals after review by the National Museum Act Advisory Council. The membership of the Advisory Council encompasses the principal museum disciplines—art, science, and history—and is broadly representative of the various regions of the United States. The Council advises and assists in determining priorities and assessing the quality of proposals for which seeking support is requested under the act.

The Smithsonian Institution, the Institute for Museum Services, and National Endowment for the Arts, and the National Endowment for Humanities regularly consult and review programs and proposals in order to prevent duplication and to meet, insofar as possible, the increasing needs of museums and museum professionals. The programs of the endowments are concentrated on the public aspects of specific museums such as exhibitions, renovations, catalogs, and purchases; those of the Institute for Museum Services are related to direct operating costs; and those that the Smithsonian administers under the National Museum Act are designed to serve the needs of the museum profession in general.

The authority for appropriations under the National Museum Act has been extended for 3-year periods since 1966, and the program is looked upon as beneficial to the museum field. The authorized level has been fixed at $1 million per year for the past decade. The funding levels have been $793,000 in fiscal year 1978 and $798,000 for fiscal year 1979; the fiscal year 1980 budget request for the program is also $798,000. Existing authority for appropriations for the National Museum Act expires at the end of fiscal year 1980.

At its meeting on May 7, 1979 the Board of Regents of the Smithsonian Institution requested its congressional members to introduce and support legislation authorizing additional appropriations for purposes of the National Museum Act for 3 additional years at the existing level of funding.●

THE AMERICAN SPIRIT—OUR UNLIMITED, RENEWAL RESOURCE

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. ROSTENKOWSKI. Mr. Speaker, we are working long and late on problems that need solutions now. Distrust and change seem a part of our daily routine. But while there are some things wrong in America, there is a lot right, too. An editorial in Iron Age says just that. In short, it points out that we once had abundant natural resources and people with a strong work ethic. We had an "ingenious political system" that allowed a good relationship to thrive among our people, their material resources and their Government. Now, one of those elements is missing—our natural resources. We still have the people and the system, and with these two, we can find ways to make up for dwindling natural materials.

We can develop new ways to meet our energy needs; we can devise new ways to curb our energy demands; we can refuse to allow the erosion of every American's hope for a better life for his children. American determination is unlimited, renewable and can only be depleted by pessimism. I insert into the RECORD this rather cogent expression on our Nation's past and future:

TWO HUNDRED AND THREE YEARS LATER

This year the 203rd anniversary of our country slipped by rather somberly.

Unlike three years ago, there was little to compare with the flotilla of Tall Ships in New York Harbor, the four hours of stunning fireworks at Independence Hall and the rousing Pops concert by Arthur Fiedler in Boston.

Instead, there were incidents of civil disorder stemming from the gasoline shortage; punchouts at the gas pumps; cancelled vacation and travel plans; a rising discontent and suspicion directed mostly at government and business leaders; and, overall, the haunting fear that after 203 years of freedom and progress America's wheels were falling off.

No wonder.

After years of ineffectual jostling by America's leaders, the energy problem impacted the daily lives of people who still believed that there was really no problem.

Inflation, despite hollow assurances and economic tinkering, has reached the level Americans used to read about with shock when it happened in other countries.

Social problems remain unsolved and there is the growing feeling that they defy solution.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

As a result of all this, there is some feeling that the country is adrift and nobody seems to believe in anything or anybody any more.

But wait a minute.

Before we demoralize ourselves, let's not forget:

Our standard of living is the highest in the world;

Our economy is still unequalled by any measure;

Serious as they are, our social problems are not hidden from the world's view;

And our personal freedom is unmatched anywhere on this earth.

Don't forget, too, that the country which almost single-handedly rebuilt the world with the Marshall Plan is now taking in more "boat people" than anyone else—by far.

So, is America at 203 years of age all that bad?

Still, we cannot overlook the changes that have swept through America in recent years.

In its early years the country was built on a rich store of natural resources, a strong work ethic, and an ingenious political system, that melded the resources and the people's will to build a way of life that was—and still is—the wonder of the world.

Now our natural resources are thinning out. No longer can we count on the sheer abundance of our natural wealth to carry us through almost anything.

But the people are still here and the system, thankfully after 203 years, remains intact. Here lies the best promise for America's future.

After all, of the three things America had going for it in 1776, these two were—and are the best.●

NUCLEAR MISHAPS

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. WEAVER. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I am today introducing the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

1944 ATOMIC ACCIDENT NO. 2

Excerpt source: Pharmacology and Toxicology of Uranium Compounds National Nuclear Energy Series, Division VI, Vol. 1, McGraw-Hill Book Company, Inc., 1949, pgs. 997-1002.

An accident occurred at an experimental laboratory where a very large amount of uranium hexafluoride escaped, resulting in the death of two employees, serious injury to three others, and slight injury to thirteen additional persons.

The cause of the accident was the sudden rupture of a large tank containing the hexafluoride and hydrofluoric acid, plus steam ture of high-pressure steam lines. This resulted in a very dense cloud of the compound and its hydrolysis products, uranium oxyfluoride and hydrofluoric acid, plus steam released from the broken lines.

A study revealed that the exposure of the various individuals differed remarkably, but, in general, injury was in direct proportion to the intensity of the exposure. The duration of the exposure was relatively short in all cases.

It is estimated that the average exposure was about 17 seconds. The characteristics of the individual exposures varied somewhat because of the different actions taken on the part of the individuals, e.g., holding the breath, closing the eyes, and removal from contaminated areas. A further variation in exposure resulted from the individuals' actions in showering and removal of clothes.

Case Reports of Fatally Injured Workers. Case No. 1. Clinical Observation. He was the more seriously injured of the two fatal cases and nearer to the point of explosion. He was in extremis when first seen, apparently having been sprayed with live steam containing liquid, solid, and gaseous material in large quantities. He died 16 minutes after the accident.

Case No. 2. Clinical Observations. Following the accident his condition appeared to be good. A short time after admission to the hospital (20 min.) he developed a progressive respiratory distress associated with considerable generalized pain. He expired 70 minutes after the explosion.

Description of Findings in the Nonfatal Cases. In addition to the two fatal cases previously described, 19 men were exposed to the huge chemical cloud that enveloped almost everything within a radius of approximately 100 yds of the center of the explosion. This cloud required several minutes to dissipate. Three of these individuals developed no symptoms. Fourteen were immediately hospitalized for observation and treatment (besides the one that died almost immediately and the other who died in slightly more than 1 hr.).●

SENATE—*Wednesday, August 1, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. BILL BRADLEY, a Senator from the State of New Jersey.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Father-God whose presence is the answer to every prayer, help us this day to think upon what is true and just and righteous in Thy sight. Grant us grace to speak prudently when we must speak; to remain silent when we have nothing to say; to learn by listening; to be unafraid of the hard decision; to act in accord with Thy will as we are able to discern Thy will, and to leave the consequences to Thy providence. Reward our faithfulness by souls at peace with Thee.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 1, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BILL BRADLEY, a Senator from the State of New Jersey, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BRADLEY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL 9 A.M. FRIDAY, AUGUST 3, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until 9 o'clock Friday morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS FROM FRIDAY, AUGUST 3, UNTIL 9 A.M. SATURDAY, AUGUST 4, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday, it stand in recess until 9 o'clock on Saturday morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognised.

COOPERATION BETWEEN THE PRESIDENT AND CONGRESS

Mr. BAKER. Mr. President, this morning, at 8 o'clock, the joint Republican leadership in the House and the Senate met with the President of the United States in a meeting that I think augurs well for future efforts at cooperation between the administration and the majority and the minority in Congress.

On previous occasions, I have advised the President that I thought some degree of cooperation between the majority and the minority had been the rule in the past and had been a useful adjunct to the governing process, and I hoped it might be extended and embellished in this administration.

A few days ago, the President proposed to arrange regular meetings with the Republican leadership, and I believe this morning was the first of what will be, in fact, a series of meetings with the minority.

I express my appreciation to the President for this meeting today, and I look forward to further meetings. I believe there is a good prospect that they will produce a higher level of understanding and in many cases will improve prospects for cooperation between the majority and the minority, and I am pleased that this result was obtained.

KISSINGER'S VIEWS ON SALT II

Mr. BAKER. Mr. President, yesterday the Committee on Foreign Relations heard the testimony of former Secretary of State Henry Kissinger on his views of the proposed Strategic Arms Limitation Treaty, SALT II.

Dr. Kissinger's brilliant analysis of the treaty in the context of current geopolitical and military trends is an extremely important contribution to the debate on SALT II, and it deserves the careful attention and consideration of every Member of the Senate.

I ask unanimous consent that the full text of Dr. Kissinger's testimony be printed in the RECORD today, so that all of my colleagues may have the benefit of this remarkably cogent statement on this most complex and crucial issue.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE HENRY A. KISSINGER

THE PROBLEM OF SECURITY

In his essay "Perpetual Peace" the philosopher Immanuel Kant wrote that world peace would come about in one of two ways: after a cycle of wars of ever increasing violence, or by an act of moral insight in which the nations of the world renounced the bitter competition bound to lead to self-destruction.

Our age faces precisely that choice. For the first time in history two nations have the capacity to inflict on each other and on mankind a level of destruction tantamount to ending civilized life; yet they have also before them unprecedented possibilities of cooperation to harness the wonders of technology to improve the human condition.

Both mankind's hopes and fears are bound up with the relationship between the United States and the Soviet Union. These two countries possess huge nuclear arsenals; they also espouse sharply opposing concepts of justice and hold conflicting visions of the future. The ideology of Soviet leaders does not make them content to practice their preferred social system at home; they strive for its victory worldwide. Hence the Soviet Union and America clash in areas that each considers vital. We have allies whose interests we will not sacrifice. Soviet allies such as Vietnam and Cuba are quite capable of generating crises of their own, all too frequently encouraged by Moscow to do so.

The peace we seek therefore must rest on something more tangible than a hope or a fear of holocaust. It must also reflect a military and geopolitical equilibrium. The notion of balance of power has always been unfashionable in America. But it is the precondition of security, and even of progress. If the mere avoidance of conflict becomes our overriding objective, and if our own military power is disparaged, the international system will be at the mercy of the most ruthless. If the desire to conciliate becomes the sole operational basis of policy, we run the risk that the threat of war will become a weapon of blackmail; our allies and our moral values will both be permanently in danger. The desire for peace will be transformed into a caricature of itself, and become instead the beginning of appeasement. How to strive for both peace and our moral principles; how to avoid nuclear war without succumbing to nuclear blackmail—this is the overwhelming problem of our period.

The United States must proceed simultaneously on three fronts:

First, we must maintain a military balance that does not tempt aggression against our friends or allies, against our vital interests, or in the extreme case against ourselves.

Secondly, beyond resisting naked aggression, we have a stake in the principle that political or economic pressure or military or terrorist blackmail, not become the arbiter of the world's political disputes. The geopolitical equilibrium must be maintained lest radical forces hostile to the West gain such momentum that they appear as the irresistible wave of the future.

And thirdly, on the basis of a balance thus achieved and preserved, we must be ready to explore routes to genuine peaceful coexistence. The great powers, having learned that they cannot dominate each other, must practice moderation and ultimately cooperation. The creativity of a world of diversity and peaceful competition can be the basis of unparalleled human progress. A stable balance is the most hopeful—perhaps the only—basis for the control and ultimately the reduction of weapons of mass destruction.

Too often these requirements are posed in the alternative. But the quest for security and for peace are inseparable; we cannot achieve one without the other. No democracy can court conflict. Our government will have support in resisting challenges to our vital interests only if confrontation is seen to have been unavoidable. Our people have a right to expect of their government that it will explore all avenues to a genuine peace. And our allies will insist on it.

The new Treaty poses a particularly complex problem for me. When I was a professor, I participated in the academic discussions of military doctrine and strategy that underlay early initiatives in arms control. I helped design the first SALT agreements in 1972. I was involved in the negotiations of the Vladivostok accord of 1974 which marked the first breakthrough of SALT II; I played a major role in the negotiations which came close to completing an agreement in January 1976. I have a long-standing personal commitment to the process of limiting strategic nuclear arms. As an historian I am conscious of the lessons of World War II when a global war resulted because the democracies disdained to maintain the balance of power. But equally we must not forget the tragedy of World War I: when disaster resulted even with an equilibrium of power, when technology and rivalry outran the control of statesmen.

Thus SALT cannot be considered in isolation. It is one element in our overall national security policy. It must be viewed in the context of the global balance that it reflects, or purports to affect.

Thus I regret to have to say that the present Treaty comes up for ratification at a time of grave danger to our national security and to the global equilibrium. The military balance is beginning to tilt ominously against the United States in too many significant categories of weaponry. The unprecedented Soviet use of proxy forces in Africa, the Middle East, and Southeast Asia, and the turmoil caused by radical forces and terrorist organizations sponsored by Moscow's friends, mark ours as a time of profound upheaval. We have learned painfully that we alone cannot be the world's policeman. But neither our moral values nor our safety can tolerate the Soviet Union's increasing tendency toward global intervention. As the United States nurses its wounds after Vietnam, radical forces are threatening regional stability and attempting the violent overthrow of moderate governments friendly to the West. If present trends continue, we face the chilling prospect of a world sliding gradually out of control, with our relative military power declining, with our economic lifeline vulnerable to blackmail, with hostile forces growing more rapidly than our ability to deal with them, and with fewer and fewer nations friendly to us surviving.

In addressing the Treaty before you, I respectfully submit, the Senate has a responsibility to examine the broader condition of our national security. The Senate has an opportunity at least to begin to reverse the unfavorable trends in the military balance and to put the Soviet Union on notice that we consider the constant probing of every regional equilibrium and the encouragement of subversive and terrorist groups as incompatible with any definition of coexistence. Without such an affirmation SALT will become a soporific, a form of escapism. I shall submit specific proposals to achieve this, later in the statement.

THE SHIFTING STRATEGIC BALANCE

The basic technical facts about the current military balance have been presented in great detail before this and other committees. Let me concentrate first on the serious transformation, adverse to our interests, that has taken place in the overall strategic balance during the last decade and a half.

For about the first twenty-five years of the postwar period, the problem of maintaining the military equilibrium was relatively straightforward. The Soviet Union was always superior in ground forces on the Eurasian continent; we were vastly ahead in strategic striking power as well as in theater nuclear forces. The reach of the Soviet Union was limited to regions accessible to motorized ground transport, generally adjacent territories in Europe and to some extent China, Africa, most of the Middle East, even Southeast Asia were beyond the

capacity of major Soviet military intervention. And the areas which were hostage to Soviet ground armies were protected by three factors:

First, by the American preponderance in strategic nuclear striking power capable of disarming the Soviet Union or at least reducing its counterblow to tolerable levels while still retaining large residual forces for attacks on industrial targets;

Second, by a vast American superiority in so-called theater nuclear forces everywhere around the Soviet periphery;

And thirdly, in Europe by substantial American and allied ground forces that posed at least a major probability that Soviet ground attack would trigger the nuclear retaliation of the United States.

Not surprisingly, the major crises in the first twenty years of the postwar period—whether in Berlin, Korea, or Cuba—were ultimately contained, because the risks of pushing them beyond a certain point always appeared exorbitant to Moscow.

This state of affairs will soon have ceased to exist. Starting in the 1960's, the military balance began to change—almost imperceptibly at first, so great was our superiority—but with growing momentum in recent years. It is imperative that we recognize without illusion the dangerous trends that are emerging. It is crucial that we begin now to rectify them.

The growth of Soviet strategic nuclear forces has been inexorable for a decade and a half. In 1965 the Soviet strategic arsenal comprised about 220 Intercontinental Ballistic Missiles (ICBMs) and 100 Submarine-Launched Ballistic Missiles (SLBMs). By 1968 the number had grown to 860 ICBMs and over 120 SLBMs. We had stopped our build-up at 1054 ICBMs and 656 SLBMs in 1967. By mid-1970 the Soviets had caught up with us in numbers of launchers. Our intelligence estimates of their plans invariably turned out to be too low; contrary to popular mythology the Soviets did build on the scale of the "worst case" hypothesis of our intelligence community and not to the level that was defined as "most probable."[1] Instead of stopping when they reached parity with us, as the Johnson Administration expected, the Soviets continued their missile build-up—until they were frozen at the levels of the ceilings established by the first SALT agreement in May 1972. Then they switched energetically to qualitative improvements in their missile forces.

Our problem derives not only from the larger number of warheads on Soviet ICBMs but above all from the difference in the types of weaponry emphasized by the two sides. In the Sixties, the United States unilaterally decided to base its strategic forces on light but highly accurate ICBMs, the less vulnerable but also less accurate SLBMs, and the more versatile but more vulnerable manned bombers. The Soviets made the opposite decision, relying on large land-based missiles capable of delivering a far heavier payload. At first the crudeness of their technology and the lack of accuracy deprived these weapons of effectiveness against military targets. But as Soviet technology improved, its advantage in numbers and missile payload was bound to tell. For the land-based ICBM is always likely to be the most accurate and powerful strategic weapon, and the one most capable of a rapid attack against the military targets of the other side. In short the Soviets have emphasized quick reaction forces by modernizing their ICBMs; we concentrated on slow-reacting forces like air-launched cruise missiles. Thus the asymmetry in the capacity of the two sides to destroy each other's military targets has grown with every passing year.

There is now general agreement that their improvements in missile accuracy and warhead technology will put the Soviets in a position to wipe out our land-based forces of Minuteman ICBMs by 1982. Whether this capability is ever exercised or not—and I consider it improbable—it reverses and hence revolutionizes the strategic equation on which our security and that of our friends have depended through most of the postwar period.

The revolution in the strategic balance is aggravated by a comparable build-up of Soviet aircraft and missiles that threatens to overturn the American advantage in theater-based nuclear forces. The Soviet Union has deployed scores of new missiles of 2000-mile range—the SS-20—which carries a MIRVed warhead of three reentry vehicles. Several hundred supersonic Backfire bombers will threaten all peripheral areas in the Eighties (leaving aside for the moment their utility for intercontinental missions). A Soviet superiority in theater striking forces is therefore upon us. The inequality is demonstrated by the fact that we have had to assign part of our strategic forces—a number of Poseidon boats—to cover targets threatening NATO. Thus in case of war we are likely to be strained either with respect to our strategic or with respect to our theater nuclear coverage.

All this has been accomplished while the Soviet advantage in conventional forces has grown, and while the reach of Soviet power has been extended enormously by the rapid development of the Soviet Navy, an expanding long-range airlift capability, the acquisition of Soviet bases in countries like South Yemen and Vietnam, and the establishment of vast Soviet arms depots in such countries as Libya and Ethiopia, which will enable the Soviet Union to move its own or proxy troops rapidly to their prepositioned weapons. At the same time our Navy declines and our access to overseas bases shrinks.

Rarely in history has a nation so passively accepted such a radical change in the military balance. If we are to remedy it, we must first recognize the fact that we have placed ourselves at a significant disadvantage voluntarily. This is not the result of SALT: it is the consequence of unilateral decisions extending over a decade and a half: by a strategic doctrine adopted in the Sixties, by the bitter domestic divisions growing out of the war in Vietnam, and by choices of the present Administration. All these actions were unilateral, hence avoidable. They were not extracted from us by clever Soviet negotiators; we imposed them on ourselves by our choices, theories, and domestic turmoil. It is therefore in our power to alter them.

The prevailing American strategic doctrine of the Sixties went under the modest name of "assured destruction." According to it, deterrence was guaranteed so long as we possessed the ability to destroy a predetermined percentage of Soviet population and industrial capacity. Strategy thereby turned into an engineering problem, an economic analysis essentially independent of the size of the opposing forces. So long as enough of our weapons survived to wreak the theoretically calculated havoc, deterrence would be maintained; our military effectiveness was essentially independent of the threat we faced; the vulnerability of part of our forces—such as our ICBMs—was irrelevant so long as enough warheads would remain to inflict an "unacceptable" amount of damage on the Soviet Union.

This doctrine not only took for granted continued Soviet inferiority in technology; it also ignored the psychological inhibitions in the way of implementing such a strategy. The targeting scenarios developed from this doctrine left a President with no other options in a crisis but the mass extermination of civilians, or capitulation. This strategy was morally questionable even in an era when we had superiority. In an age of strategic equality it would be a formula for mutual suicide.

The emergence of a new strategic nuclear environment should have forced a reconsideration of this targeting doctrine and a renewed attention to regional nuclear and conventional balances. Unfortunately, at the precise moment that such a reexamination became urgently necessary, all our defense programs came under systematic attack as a byproduct of the bitter domestic debate over Vietnam. On the one hand, the Vietnam war reduced funds available for modernization of our military forces; even more important, the wholesale assault on defense spending and programs jeopardized even those major projects for which funds were available and budgeted. New weapons were decried as excessive, as symptoms of a military psychosis, as wasteful and dangerous. "Reordering national priorities" was the slogan of the day; it was the euphemism for cutting the defense budget. The ABM passed by only one vote and was then emasculated in the appropriations process; the C-5A transport aircraft which later saved an ally in the 1973 Middle East war was challenged repeatedly on budgetary grounds; MIRV's, the only strategic system available to us to offset the Soviet numerical superiority in the 1970's, were under constant attack. In the realm of strategic doctrine, paradoxically it was those most alarmed at the arms race who clung to the most bloodthirsty targeting strategies, in the hope that these would obviate the need to strengthen or increase our strategic forces.

In this atmosphere, maintaining even the strategic forces inherited from the Sixties absorbed the energies of the Administrations up to the end of the Vietnam war; obtaining funds for new programs was enormously difficult. The best that could be accomplished in the early 1970's was to alter the older strategic doctrine and shift targeting from civilian to military objectives. (Paradoxically, however, the decline of our capability for a counterforce strategy turned even the more sophisticated targeting into a high-risk tit-for-tat option with no logical stopping place.)

After the end of our involvement in Vietnam, new strategic programs could at last be funded: the B-1 manned strategic bomber, to become operational in 1979; the MX ICBM, to become operational in 1983; the Trident submarine and missile, expected to become operational in 1978; various kinds of cruise missiles for the 1980's—all of which would give the United States greater options and some of which would bring about a new counterforce capability.

Every one of these programs has been cancelled, delayed, or stretched out by the current Administration, so that we are at a point where only the Trident (with only the most limited counterforce capability) can be operational during the period of the projected SALT Treaty. In addition, even the Minuteman production line was closed down, leaving us without an emergency hedge for rapid build-up in unexpected contingencies. We now face the challenge of the early Eighties with forces designed in the Sixties. We have been able to develop new programs in only four years out of the last fifteen, and most of them have been held in abeyance since 1977.

Furthermore, a remedy will be more difficult if the Administration intends to return to the pure "assured destruction" strategic doctrine. In his State of the Union address last January 23, President Carter proclaimed that "just one of our relatively invulnerable Poseidon submarines . . . carries enough

[1] See Albert Wohlstetter, "Is There a Strategic Arms Race?" *Foreign Policy*, no. 15 (Summer 1974), pp. 3–20; "Rivals, But No 'Race,'" *Foreign Policy*, no. 16 (Fall 1974), pp. 48–81.

warheads to destroy every large and medium-sized city in the Soviet Union."

But this truism demonstrates rather than solves our strategic dilemma. Even under SALT conditions we will have in the early Eighties at best equality in the capacity of our strategic forces to inflict civilian damage, and a clear inferiority in the ability to attack and destroy the land-based missiles of the other side. Our Minuteman missiles do not carry sufficient warheads or possess adequate throwweight for a disarming attack against Soviet ICBMs; our present strategic forces can put at risk less than one-half of Soviet ICBMs. All of our ICBMs will in the Eighties be vulnerable to an attack by the greater number of missiles and warheads, and improving accuracy, of Soviet land-based missiles.

Since our modern military doctrine and strategy have depended much more on strategic forces than those of the Soviets, even overall equality revolutionizes the postwar security and geopolitical structure. But in fact the situation is worse. My principal worry is not only the growing vulnerability of our land-based forces—though this must be remedied—but the growing invulnerability of Soviet land-based forces. The deterrent effect of our strategic forces in defense of allies will continually decline; our strategic forces will surely lose their ability to offset the Soviet capacity for regional intervention. And this capacity will be reinforced by the growing edge in Soviet theater nuclear forces, a naval and airlift capability which immeasurably extends the reach and preponderance of Soviet conventional power.

I want to reiterate that it is not necessary for present purposes to debate whether the Soviet Union would in fact run a risk of war on the global level; it will be grave enough if the Soviet willingness to run risks in regional conflicts is magnified. And that seems to me the minimum consequence of what is ahead. The side that can defend its interests only by threatening to initiate the mutual mass extermination of civilians will gradually slide toward strategic, and therefore eventually geopolitical, paralysis. The consequence, to put it bluntly, is that in the 1980's regional conflicts—whether deliberately promoted or not—threaten increasingly to grow out of control unless we drastically reverse the trend. We cannot possibly continue to gamble with inferior forces for regional defense, a shifting balance in theater nuclear forces, vulnerable land-based strategic forces, and invulnerable Soviet ICBMs without courting the gravest dangers. The decline in relative power must be dramatically reversed.

Even more important is a strategic doctrine which answers the following questions:

(1) How in the Eighties will we safeguard our national security when we face adverse trends in every significant military category?

(2) How will we fulfill our commitments to our allies in the absence of a significant counterforce capability, when strategic parity is at best tenuous and the theater nuclear balance is turning against us?

(3) How will we protect our vital interests in areas such as the Middle East with our present conventional forces, airlift, and declining naval capability?

(4) How will we prevent global blackmail? Our safety and that of all of those who depend on us depends on the response. Every day we delay in dealing with the issue magnifies our peril.

The Senate therefore cannot deal with the SALT Treaty in a vacuum; it must simultaneously seek to restore the military and geopolitical balance. No responsible leader can want to face the 1980's with the present military prospects. This, and not SALT in isolation, is the principal problem facing us.

SALT IN THE CONTEXT OF AMERICAN STRATEGY

The idea of arms control developed in the late Fifties and early Sixties. The underlying rationale derived from the indisputable fact that thermonuclear weapons and intercontinental missiles have added a new dimension of peril to the historical problem of military rivalry. In the past it could be argued that weapons were a symptom rather than a cause of tension. Indeed it is difficult to find an historical example for the cliché that arms races cause wars. (What caused World War I was mobilization schedules, not the rate of increase of armaments.) But today, indeed, the nuclear age combines weapons of unprecedented destructive power, extremely rapid modes of delivery of intercontinental range, and high vulnerability to a surprise attack.

In these new and unprecedented circumstances, the conclusion seemed inescapable that the side whose capacity for retaliation was vulnerable must react in crises in ways which would heighten the likelihood of cataclysm; a country whose strategic forces were not secure could be driven, even against its will, to strike first rather than await the opponent's attack which it would know it could not survive. In the late Fifties, one of the most brilliant students of deterrence, Albert Wohlstetter, correctly perceived that what Churchill called the "balance of terror" was perilously delicate. Arms control sought to circumscribe and if possible eliminate this danger by measures that would enhance each side's "second-strike capability," that is, its secure capacity to retaliate, thereby reducing the incentive and capacity for surprise attack.

This analysis was essentially correct. At the same time this novel military doctrine—according to which an adversary's invulnerability was thought to add to stability—was combined with "assured destruction" reasoning to produce a kind of "minimum deterrence" theory by which we allegedly had no need to consider the threat posed by the level of Soviet forces. Even theorists of arms control who valued maintaining the strategic balance only dimly perceived that the strategic stability they sought implied a strategic revolution. For if attained, it would greatly magnify the danger at levels of violence below that of general nuclear exchange. If crises no longer produced fear of escalation to all-out war, they would also grow more likely. Thus even strategic stability (not to speak of a Soviet edge) would require new major military efforts by us on the regional level or else major political weakness would result. Above all it was erroneously assumed the Soviets held a similar view. In fact, there was no evidence that Soviet strategic planners—almost all military men—subscribed to the academic subtleties of American strategic theory. As Secretary Harold Brown has said, our unilateral restraint does not seem to be reciprocated by the Soviets: "We have found that when we build weapons, they build; when we stop, they nevertheless continue to build. . . ." [2]

As one of the architects of SALT, I am conscience-bound to point out that—against all previous hopes—the SALT process does not seem to have slowed down Soviet strategic competition, and in some sense may have accelerated it. The Soviets worked hard and successfully to enhance the first-strike capabilities of their land-based ICBMs despite our restraint and within the framework of SALT. The Administrations of the early 1970's of which I was a member sought to use SALT to demonstrate their commitment to easing tensions and thereby restore a public consensus behind a strong national defense; to some extent we succeeded. But we will not draw the appropriate conclusion if we do not also admit that SALT may have had a perverse effect on the willingness of some in the Congress, key opinion makers, and even Administration officials to face fully the relentless Soviet military build-up.

New weapons systems have long had to overcome the traditional objection of advocates of "minimum deterrence" that they were unnecessary (because we already possessed an "overkill" capability); they were now also attacked by arms control experts as endangering the prospects of SALT. Indeed, many new programs could be put through the Congress less on their merits than as a "bargaining chip"; they were needed, various Administrations argued, so that they could be traded in a negotiation. Whatever the tactical utility of this argument, it tended to reduce the energy with which such programs were pursued. The Pentagon found it difficult to muster enthusiasm—or scarce resources—for programs which were ephemeral by definition. After a while the Soviet Union began to play the game deliberately: from ABM to cruise missiles it systematically sought to use SALT to inhibit our military and technological development; it tried to fuel our domestic debate, adding its own propaganda pressures to domestic pressures against new weapons systems.

The theory that new American weapons weakened the prospects of arms control thrived despite all evidence to the contrary. In 1967, before we had an ABM program, when President Johnson suggested to Soviet Premier Kosygin at Glassboro that both sides renounce ABMs, Kosygin contemptously dismissed the idea as one of the most ridiculous he had ever heard. By 1970, after the Nixon Administration had narrowly won its Congressional battle for funding of an ABM, Soviet SALT negotiators refused to discuss any subject except ABM, and it required the most strenuous negotiating efforts to maintain the crucial linkage between offensive and defensive limitations. Conversely, neither the abandonment of the B-1 by the current Administration, nor its stretch-out of the MX missile, nor the slowdown in the Trident program, speeded up SALT negotiations or improved the terms.

The SALT negotiations have always proceeded against the background of the strategic balance as it existed, and must be considered in this context.

The negotiations for SALT I grew out of the ABM debate of the 1960s: whether the U.S. should follow the Soviet lead and build a defense against ballistic missiles, or try to head off such a new competition by negotiating some limits with the USSR. After considerable Soviet stalling, to see whether Congress might kill the ABM without any need for Soviet reciprocity, the SALT negotiations began in November 1969. Almost from the outset it was apparent that the only system the Soviets were eager to limit by negotiation was the sole system we were building—the ABM. In the 1972 ABM treaty both sides agreed in effect to leave themselves indefinitely vulnerable to missile attacks; AMBs were restricted to a token deployment at one site (which we then unilaterally abandoned for budgetary reasons). In effect we traded our superior ABM technology for a halt to the numerical build-up of Soviet offensive forces.

To restore equality in this critical area—strategic offensive forces—proved to be enormously difficult, largely due to the unilateral decisions of the Sixties that stopped both our ICBM and SLBM programs by 1967. As I have said, in pure numbers of offensive

[2] Statement of Secretary Brown before the Senate Foreign Relations Committee, July 9, 1979.

missiles the Soviets passed the United States in 1970; in this category we had no bargaining chips. Our only active program was adding multiple warheads (MIRVs) to our land- and sea-based missiles. The Soviet numerical building program was so considerable, and Congressional opposition to comparable American programs was so unrelenting, that it was the Defense Department which in July 1970 and then again in January 1972 urged a five-year mutual freeze on offensive weapons, primarily to arrest the momentum of the Soviet build-up and to give us an opportunity to catch up.

The first SALT agreement on offensive weapons was thus a photograph of the existing balance, not an alteration of it: it froze the numbers of American and Soviet land- and sea-based missiles for five years. The numerical balance was favorable to the USSR in the same proportion that the previous decade of unrestricted arms competition had produced. Because of our MIRV program, the United States retained a substantial advantage in numbers of warheads for the lifetime of the Interim Agreement and beyond. The criticism later heard, that SALT I "gave" the Soviets unequal numbers, missed the central point: what had produced the Soviet numerical edge was not SALT I but the unilateral American decisions of the Sixties to stop our strategic building programs, and then the Congressional and public attacks on the defense budget growing out of the Vietnam war. The 1972 SALT agreement curtailed no American offensive program; it did halt the numerical growth of the Soviet strategic forces. It gave us an opportunity to catch up—which we sought to do by pushing the development of the BX1 slated to be operational in 1978, the Trident submarine and missile planned for 1979, the MX missile for 1983, and a variety of cruise missiles for the early Eighties.

But the simple Interim Agreement of SALT I could not deal with—nor did it pretend to address—the rapid evolution of technology. Modernization of existing weapons was allowed, and both sides proceeded apace with new programs. The U.S. funded its MIRV program, and the Soviets developed a new generation of ICBMs; in doing so they pushed to its outer limit the SALT I provision restricting conversion of "light" to "heavy" missiles. It was these larger missiles (the SS-17, 18 and 19), soon equipped with MIRVs, and with the potential of greatly improved accuracy, that were bound to give the Soviets for the first time in history a capacity to launch a first strike against our land-based missiles.

These trends, which would eventually put our force of ICBMs into jeopardy, led us first to undertake a complex but eventually fruitless negotiation to set a low, long-term ceiling on Soviet missile capabilities both in numbers and in quality. For a time these negotiations seemed promising; but they fell victim to the collapse of executive authority resulting from Watergate. In the wake of President Nixon's resignation, it seemed prudent to pick up the thread of a simpler agreement that at least consolidated numerical equality, and then to move as quickly as possible in SALT III into the more intricate discussion of the qualitative factors (missile accuracy, throwweight, number of warheads, testing limits and so forth). Thus, in November 1974 in Vladivostok, President Ford pressed for an agreement based on equal aggregate ceilings, and the Soviet Union accepted our proposal. A framework accord was reached specifying strict equality of 2400 missiles and strategic bombers for each side, and an equal limit of 1320 missiles with MIRVs, in an agreement to run through 1985.

The Ford Administration had first hoped that a treaty implementing the Vladivostok accord could be completed in 1975. But two new issues intervened to slow down the talks: first was the Soviet insistence that cruise missiles be entirely banned if they had a range of more than 600 kilometers (350 miles); second was the U.S. counter-demand that the Soviet aircraft called the "Backfire" be counted as a "heavy" bomber and thus be included in the SALT totals. Inevitably the two systems became linked in the talks. Throughout 1975 and into early 1976, the U.S. and the USSR made proposals to resolve the dispute. Basically, the Ford Administration was prepared to limit the range and number of some cruise missiles provided the Soviets would reciprocate by limiting the Backfire bomber in some comparable manner. In January 1976, we were close to a compromise along these lines which also would have lowered the Vladivostok ceilings of 2400 to "below 2300."

Two events prevented the completion of the negotiations. First, the introduction of 25,000 Cuban proxy troops in Angola raised serious doubts about Soviet motives and fueled a whole new debate in this country about U.S.-Soviet relations. And the imminent American Presidential election convinced President Ford that it would be best to keep SALT from turning into a partisan issue and so to wait to conclude an agreement after the election.

The advent of a new Administration brought with it the obligatory new approach. The first proposal to Moscow in March 1977 abandoned the negotiations as they then stood. An entirely new proposal was submitted, immediately rejected, and quickly withdrawn. The parties returned to earlier proposals, and over two more years were spent refining the agreement. Meanwhile the presuppositions of that agreement were daily challenged by technological change, the pace of the Soviet build-up, and the unilateral abandonment or stretching out of major American weapons systems, all of which further tilted the strategic balance dangerously against us.

Three conclusions emerge: The imbalances we now face, and which concern so many, stem in essence from unilateral American decisions rather than from the SALT negotiating process. This is important when we consider the provisions of the SALT Treaty. No negotiation can achieve through diplomacy that for which we have been unwilling to make unilateral efforts.

Second, SALT by itself cannot bring about parity; it can only ratify trends which exist. SALT cannot be a substitute for defense programs. If we fall behind by our own actions, SALT runs the risk of perpetuating an inequality. But whether that comes about is up to us; and to avoid it must be a principal concern of the Senate.

Third, SALT III cannot simply be an extension of the previous process. It must be explicitly related to our long-term strategic program. Its principles must be clearly worked out between the Administration and the Congress and settled with our allies before we launch ourselves into it.

THE VIENNA TREATY: HOW DOES IT AFFECT THE STRATEGIC BALANCE?

We must now ask, how does the SALT II agreement affect the strategic balance? The agreement is composed of three documents:

The Treaty itself, running until the end of 1985, would limit the total numbers of ICBM and SLBM launchers (though the term is not defined); heavy bombers; MIRVed missiles; and land-based MIRVed missiles. It also defines counting rules for MIRVed missiles and for heavy bombers equipped with air-launched cruise missiles.

Second is a Protocol that restricts cruise missiles other than on heavy bombers to a range of 600 kilometers (or 350 miles) and bans the testing and deployment of mobile ICBMs. The Protocol is supposed to expire on December 31, 1981.

Third is a set of principles to guide the negotiations for SALT III.

Any fair-minded analysis must recognize the beneficial aspects of the SALT II agreements. The overall ceiling of 2,250 will force the Soviets to get rid of 250 strategic systems, including some modern ones, while giving us the right to equalize the numbers. The permitted number of land-based Soviet MIRVs (820) is some 100 below the maximum number that they probably intended to build in the absence of SALT. There are some restrictions on missile testing procedures. There are limits on numbers of missile warheads on ICBMs and a prohibition on more than one "new" ICBM. There is for the first time an agreed baseline of information on the Soviet forces. The counting rules are a useful way of dealing with the MIRV problem.

Regrettably none of these very real achievements affects the grave strategic situation which I have described and which must urgently be reversed. The Treaty does not reduce the Soviet first-strike capability against our land-based forces, or improve our ability to survive a first strike. It does not diminish the Soviet residual capability to destroy civilian targets in the United States. And it does not enhance—indeed it may slightly inhibit—the possibility for the United States to catch up in the capacity of our strategic forces to attack military targets.

To be sure, the Soviets will be obligated after 1981 to reduce the total number of their launchers by about 250. But the new ceiling of 2,250 will not limit the Soviets' ability to destroy our ICBM force or to inflict devastating damage upon the United States. The reduction in Soviet numbers is irrelevant to our strategic problem. For the danger to our security derives from warheads, not from launchers, and the Soviet total of ICBM warheads will increase from 3,200 at the time of the signing of SALT II to over 6,000 even after the reduction in Soviet launchers is supposed to take place; the total number of Soviet warheads (including SLBMs) will approach 12,000 in 1985 as compared to 8,000 at the time of the SALT signing. (In fact, if the Soviets went all out they could get 8,000 MIRVed warheads in the permitted new land-based missiles.) Moreover, the total Soviet missile throwweight will increase from about 6 million pounds at the time of the signing of SALT I, to 7 million pounds at the signing of SALT II, to 9 million pounds (compared to our 2.5 million) in 1985. And improvements in Soviet accuracy will approach ours by 1982; the practical effect of this will be to reduce the number of warheads that need to be aimed at our ICBM silos, freeing a larger number of the ever-increasing Soviet warheads for other targets.

The agreed ceiling, of course, is some 200 above the 2060 operational systems we now possess. We thus have some considerable room for expansion of single-warhead systems. But given the cancellation of the B-1 bomber, the delay in the operational date for MX, and the slow pace of Trident production, there is almost no chance that the United States can reach the permitted total of 2250 except perhaps by keeping in service ten older Polaris submarines (with 160 missiles); this the Navy is likely to oppose because of the heavy cost of operation and relatively short range of its missiles. The result, therefore, is that in practice the overall aggregate numbers will continue to be unequal.

The limitation of land-based MIRVed launchers to 820, which may be some 100 below the probable Soviet program, is equally welcome and similarly without significance to our fundamental problem. The Soviet Union can destroy our land-based ICBMs with about half of the land-based MIRVs permitted by the Treaty; this would leave over 300 Soviet land-based MIRVed launchers, 380 seabased MIRVed sys-

tems, and some 500 single-warhead systems—or well over 5,000 warheads—aimed at our civilian population and industrial potential. (By contrast, if we expended our entire land-based force against the Soviet ICBM silos we could destroy less than half.) [3]

Nor is the threat to our forces and to the overall strategic balance reduced by the provision limiting new missiles during the time of the Treaty. The provision is drafted so as to permit the deployment of the MX for the United States, a comparable new missile for the Soviet Union, and the modernization of existing missiles allowing an increase in their volume of up to five percent in each direction. Except for setting a precedent for qualitative restraints, these limitations have little operational effect on the Soviet program—all the less so as there seems to be no definition of baselines. The testimony of Administration witnesses seems to confirm that no known Soviet program is affected.

In short, the Vienna Treaty will not diminish the threat to the strategic balance. During the life of the Treaty the Soviets will complete their counterforce capability against our ICBMs. This will coincide exactly with our period of maximum danger. To be sure, a good case can be made for the proposition that in the absence of the Treaty the relative numbers will be even worse. But the analysis here suggests that what is allowed to the Soviets will meet all their foreseeable counterforce and residual needs.

But I must repeat: any SALT treaty is likely to ratify existing strategic trends. SALT negotiators cannot produce what our military programs—for whatever reason—have neglected. The Soviets will never agree to unilateral reductions. If we want equality, we must build to equality. We must reverse the strategic trends if we are serious about an equitable SALT treaty. Nothing in the Vienna Treaty diminishes the need for a substantial military build-up by the United States. In fact, the situation which SALT reflects makes such a build-up imperative.

In fairness, it must be pointed out that the same was true of the SALT II aggregates worked out in the previous Administration. There are nevertheless three essential differences: first, the rate of advance of Soviet technology which has been unexpectedly rapid (the estimate at Vladivostok was that Minuteman would not become vulnerable to a Soviet counterforce strike until after 1985); second, the unilateral abandonment or stretch-out of almost every American strategic program inherited by the Carter Administration, which makes the Soviet threat even more ominous; and third, the Soviet geopolitical offensive in Africa, the Middle East, and Southeast Asia which has gained momentum since. But to help a bipartisan solution I am willing to concede that the problem we face has origins going back at least 15 years.[4]

The novel—and to me the most disturbing—feature of the current Treaty is its negative impact on the theater nuclear balance. The Soviet Backfire bomber is limited to production of no more than 30 per year, through an oral agreement outside the Treaty or Protocol. There has been dispute about the utility of the Backfire in carrying out unrefueled attacks against the United States. There is no doubt of its ability to threaten all our allies as well as China and the sea approaches to Eurasia. In addition, the Soviet Union is developing a large number of SS-20 missiles each with a range of 2000 miles and three MIRV warheads. Like the Backfire, the SS-20 is convertible to intercontinental range—in the case of the Backfire by adding fuel tanks, or an aerial refueling capability; in the case of the SS-20 by adding another stage, thereby converting it into the already tested mobile SS-16. These actions are prohibited by SALT II but they are not easily verifiable, and in any event they represent a rapid break-out potential should the Treaty be broken or lapse.

The most immediately available American counter to these weapons has been cruise missiles. In the negotiations conducted by the Ford Administration, proposed restrictions on cruise missiles were made conditional on comparable restrictions on the Backfire. The concept was to limit the number of cruise missiles of more than 600-kilometer range in some relationship to limits on the Backfire. The Protocol, on the other hand, prohibits the deployment of land- and sea-based cruise missiles and of air-launched cruise missiles of more than 600-kilometer range on other than heavy bombers altogether—even when they carry conventional warheads. The same Protocol prohibits the testing and deployment of mobile ICBM launchers, even though the Soviets have already tested a mobile system (the SS-16) and we have neither tested nor developed a comparable weapon.

The provisions of the Protocol with respect to cruise missiles, especially, restrict exclusively American programs; they affect not a single Soviet program. They amount to a unilateral renunciation of an American capability. The Protocol also for the first time limits American weapons relevant primarily to the theater nuclear balance—thus affecting important interests of our allies—in return at best for restrictions relevant primarily to the United States. This is something we have heretofore consistently refused to do as a matter of principle in the decade that SALT negotiations have been taking place. It is a dangerous precedent.

Two arguments are advanced on behalf of the Protocol: First, that it was necessary to induce the Soviet Union to go along with limits in the overall Treaty; second, that since the Protocol will lapse at the end of 1981 and since we will have no cruise missiles of more than 600-kilometer range before then, no real concession is involved. These propositions are mutually inconsistent; if the Protocol restrains nothing we can do before the end of 1981 and will lapse, then why are the Soviets so insistent on it?

The answer is that the Soviets know the history of moratoria and protocols very well; they are aware that such "provisional" agreements almost never end on their expiration date, especially if a negotiation is then taking place. At a minimum the Protocol's terms will be the point of departure for the next round of negotiations. The Soviets will have the option of offering a seeming concession—for example, reducing the SALT totals to 2150 (which we know they can accept since at one stage in the current negotiations they suggested it), or even lower. They can conversely threaten to abandon whatever negotiation is then taking place. Will we then insist on pursuing the development of cruise missiles, without which we have done for nearly three years? And if we do extend the moratorium, we will then have explicitly traded theater capabilities important to our allies in return for marginally reducing the threat against ourselves.

This deficiency of the Protocol would not be cured by a proposed Senate amendment or reservation stating that it may not be extended except with the Senate's approval. Such an amendment, to begin with, implies that the Protocol with its existing one-sided terms might well be extended, albeit with the Senate's consent. This will make it more difficult to appropriate significant sums for cruise missile programs which may at any moment be ended by a extension of the Protocol.[5] Moreover, if the Protocol comes up for extension independently of a broader consideration of the strategic balance, the temptation to extend it could easily be overwhelming.

To sum up: I have serious reservations about the Protocol. As for the Treaty, I conclude that its terms do not improve our strategic situation but neither do they prevent our remedying it during the remaining six years of its life. Undoubtedly it imposes some inhibitions on us—the prohibition against "heavy" missiles for the United States, for example, as well as the Protocol's ban on mobile missiles through 1981. But I believe that the Senate can deal with these during the ratification process. (The issue of heavy missiles seems to me most relevant to the period after the expiration of the Treaty since we could not build any before 1985 and since MX should take care of immediate needs.)

The crucial question is whether we can unite behind what is clearly necessary. Ratifying SALT—or rejecting SALT—makes sense only if it prompts a renewed dedication to our national defense and security. The Senate's judgment of the Vienna Treaty should hinge, in my view, on what will be done to remedy existing trends and on the international impact of ratification or rejection.

Let me turn, therefore, to the broader political context of this SALT II agreement.

THE GEOPOLITICAL PROBLEM

A. The Soviet Union

The awesomeness of modern weapons, and the aspirations of all peoples for peace, impose the imperative of peaceful coexistence. No democratic leader deserves the public trust if he fails to make a genuine effort to reduce the dangers of nuclear holocaust, and to free national energies for dealing with the many urgent problems of mankind. The temptation is overwhelming to view this common stake in peace as a common bond between us and the Soviet Union. It should be and someday it must be if a cataclysm is to be avoided. But we cannot in good conscience

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[3] Though the permitted total of land-based MIRV's is some 300 above what we possess, we cannot expand our land-based MIRVs significantly since the Treaty also contains a subceiling of 1200 permitted MIRVed vehicles. We could thus increase the number of our land-based missiles only by reducing the number of submarine-based missiles. That sublimit will also force us to dismantle either one Poseidon boat (or 14 Minuteman III) when the seventh Trident submarine goes on sea trials, probably by 1983. If the eighth and ninth Trident were to become operational before December 1985, three more Poseidon boats or 48 Minuteman II or some combination of the two would have to be dismantled.

[4] On at least one occasion I contributed to the existing ambivalence. After an exhausting negotiation in July 1974 I gave an answer to a question at a press conference (which I have come to regret: "What in the name of God is strategic superiority?" I asked. "What is the significance of it . . . at these levels of numbers? What do you do with it?" My statement reflected fatigue and exasperation, not analysis. If both sides maintain the balance, then indeed the race becomes futile and SALT has its place in strengthening stability. But if we opt out of the race unilaterally, we will probably be faced eventually with a younger group of Soviet leaders who will figure out what can be done with strategic superiority.

[5] Apparently the Navy has virtually abandoned the development of cruise missiles aimed at land targets—a role still considered important enough in the Ford Administration to cause the Joint Chiefs of Staff in 1976 to withhold their consent to an agreement which did not protect that capability.

say that current evidence supports the proposition that the time has yet arrived.

For a too brief period in 1972 and 1973, our insistence on restraint in the conduct of international relations seemed to bear fruit. SALT I was accompanied by a declaration of principles signed by the United States and the Soviet Union. It affirmed the necessity of avoiding confrontation, the imperative of mutual restraint, the rejection of attempts to exploit tensions to gain unilateral advantage, the renunciation of claims to special influence in any region of the world. These principles, of course, reflected an aspiration, not a contract, they defined a yardstick by which to assess Soviet behavior. The strategy of détente was to encourage observance of these standards by a combination of positive incentives for constructive behavior and firm responses to block adventurism. The principles agreed in Moscow were a paradigm of conduct which the Soviet Union could violate only to its political cost.

Whether the Soviet Union ever intended to comply with them, or whether it was tempted into an adventurous course by the collapse of our executive authority as a result of Watergate (which deprived us of both incentives and penalties), or whether a combination of all these factors was responsible, will never be known.

Whatever the cause, the fact is that since 1975 there has been an unprecedented Soviet assault on the international equilibrium. 1975 saw the introduction of Cuban combat forces into Angola, eventually reaching 40,000, backed by Soviet financing, airlift, and policy support. By 1977 Soviet planes and pilots were flying air defense missions out of Cuba so that the Cuban airforce could operate in Africa. 1977 witnessed the spread of Cuban forces to Ethiopia. East German military and intelligence advisers have now joined the Cubans all over Africa and the Middle East. There have been two invasions of Zaire—and there may yet be a third; there have been Communist coups in Afghanistan and South Yemen; and the occupation of Cambodia by Vietnam, preceded by a Soviet Friendship Treaty designed to secure Hanoi's rear during its aggression. Soviet arms depots in Libya and Ethiopia fuel insurgencies all over Africa. While the collapse of the Shah of Iran had many causes, one contributing factor surely was the demoralization of a pro-Western leadership group by the gradual and unopposed growth of Soviet power in nearby areas.

Nor is this all. Terrorist organizations supported by Communist funds, armed by Communist weapons, and trained by Communist instructors are becoming a systematic instrument of anti-Western policy threatening countries friendly to us on several continents. They are not, to be sure, all controlled by Moscow; but someone who has started a rockslide cannot avoid responsibility by claiming that the rock he threw was not the one that ultimately killed bystanders. These tactics, reinforced by a Soviet military build-up clearly threatening the strategic, theater, and conventional balances, are incompatible with any notion of détente or coexistence.

Some argue that SALT is necessary lest we risk a return to the Cold War. This is a curious argument. Whatever label we give to recent Soviet conduct—whether "Cold War" or opportunism—it must be ended if there are to be any prospects for East-West coexistence or cooperation. No leader serves his people by pretending that SALT is needed to perpetuate an acceptable state of affairs. It is not an acceptable state of affairs, and it cannot be continued.

The Vienna summit recorded no progress toward a clear understanding with the Soviet Union on the key issue of political restraint. It was not possible, of course, to settle in the space of three days all the outstanding issues of Africa, the Middle East, or Southeast Asia. Nor can the Senate responsibly delay SALT until these vexing matters are settled; they must be dealt with by intelligent and patient diplomacy and firm resistance to pressure. But it would have been important to give at least symbolic expression to what is the overwhelming political challenge of our period: The ultimate test of an improved relationship—the real turning away from the Cold War—must be restrained Soviet international conduct. The refusal of the Soviets even to discuss the subject at Vienna, the reiteration by Brezhnev of the commitment to so-called struggles of liberation, is worrisome indeed.

What is involved here is a profound issue in U.S.-Soviet relations which is both philosophical and practical. Can peace be realized exclusively by restraint in the field of arms? Or does the structure of peace require a geopolitical dimension as well? Is it possible to proceed in separate negotiations on their merits, or must there be some relationship between all the various interactions of two superpowers in the field of foreign policy? In the language of recent controversies, should there be "linkage" or not?

In my view, to seek to separate U.S.-Soviet relations into discrete compartments runs the risk of encouraging Soviet leaders to believe that they can use East-West cooperation in one area as a safety valve while striving for unilateral advantage elsewhere. The Administration, imagining that linkage was a personal idiosyncrasy of previous administrations, decided to "abolish" it. SALT was pursued for its own sake, unaffected by Cuban troops in Ethiopia and East German auxiliaries in Mozambique; by Communist coups in Afghanistan and South Yemen; or by Soviet Friendship Treaties such as the one with Vietnam that was a prelude to the occupation of Cambodia.

This raises several problems. First of all, it is not possible to "abolish" the simple reality that the two superpowers impinge on each other on a broad range of issues and areas. Moreover, the attempt to do so produces an almost compulsive commitment to whatever particular subject seems susceptible to solution, such as SALT, thus permitting the Soviets to dictate the pace of negotiations and to use it to reduce the risks of aggressiveness. And it simultaneously overloads the issue under negotiation. If SALT must bear the whole weight of East-West relations, it runs the risk of turning into escapism; it will eventually crumble under the strain.

No serious person would maintain that nothing should be settled until all issues are settled; nor should SALT become the hostage of every passing political tension of a world in flux. What is needed, however, is a broad recognition that in an interdependent world the actions of the major nuclear powers are inevitably related and have consequences beyond the issue or region immediately concerned. A demonstration of American impotence in one part of the world erodes our credibility and hence the stability of other regions; pressures against our friends, encouraged by the Soviet Union or its proxies, cannot be compensated for by other negotiations such as SALT. If we ignore these facts we paradoxically enhance the attractiveness of such adventures. It surely is not provocative to ask the Soviet Union to accompany restraint in arms with restraint in political conduct. Attention to this kind of linkage ensures that no agreement stands alone vulnerable to the next crisis, or turns into a soporific to lull the West while adventurism runs free.

I am inclined to agree that the failure to ratify an agreement negotiated over seven years by three Administrations would have a disruptive impact on East-West relationships, creating a crisis atmosphere for which we may have little public or allied support. This is undoubtedly one of the telling arguments in favor of ratification. But the Senate will also wish to consider that to deal with SALT in isolation runs the risk of seriously misleading the Soviet Union. Moscow cannot have it both ways: the slogan of detente and the reality of the systematic undermining of the geopolitical equilibrium. We should use the SALT debate to force a decision. The Senate will want to make clear that Soviet expansionism threatens the peace and that coexistence depends above all on restrained international conduct, for which the Senate should define some criteria.

In the long run this also in the Soviet interest, for current trends will make a confrontation inevitable sooner or later. Our country will not be defeated without noticing it and when it does take notice, it will resist. The course of inadequate defense preparation, gradual reduction of military capacity, and partial accommodation to Soviet expansionism must be reversed—on a bipartisan basis and by cooperation between the Administration and the Congress.

B. The concern of allies

All our allies have expressed support for ratification of the Vienna Treaty. But their endorsement results from a complex of factors of which approval of the provisions of the Treaty is by far the least significant. Each has been urged, if not pressed, by the Administration to express support. In some cases the Soviets have added their entreaties. Refusal to comply would thus risk relations with both superpowers over an issue that is of high technical complexity and has been under negotiation for seven years. If the Treaty failed as a result of their opposition, our allies might find themselves in the uncomfortable position of taking on both superpowers. Some governments are loath to expose themselves to domestic criticism as an "obstacle to detente"—especially over a Treaty which the United States has already declared compatible with Western security. Some allies want to keep open their own individual options for detente and increased East-West trade. Some are afraid lest their objection endanger their essential defense cooperation with the United States (even while worried about the non-circumvention clauses of the Treaty). Some sense the changing military balance but, unsure of our direction and unwilling to demand domestic sacrifice, seek to mitigate their perils by accommodation with the Soviet Union, staying one step ahead of us on the road to Moscow. All are reluctant to contribute to a further weakening of American executive authority, reasoning correctly that whatever their views on particulars their ultimate security depends on the self-assurance and credibility of the American President. There is no doubt that failure to ratify the Treaty will shake European confidence in an American government that for seven years assured them that it knew what it was doing.

At the same time, allied endorsement should be seen in the context of a pervasive ambivalence. Our allies, especially in NATO, fear an exacerbation of tensions—but they are also deeply worried about the military imbalance on the European continent which the ratification of the present strategic relationship brings to the forefront of concern. The thoughtful leaders among them know that the basis of their security is eroding as our strategic superiority ebbs—but they fear there is not enough domestic support for a really significant defense effort, especially when American attitudes on that score are so ambiguous. They do not want to be perceived as an obstacle to SALT II, but they are highly uneasy about the inevitable SALT III, in which some limitation of theater-based nuclear weapons has already been placed on the agenda.

The United States thus stands in danger of being blamed by our allies at one and the

same time for risking detente and for paying inadequate attention to security, for provoking the Soviet colossus and for jeopardizing the defense of the free world. It has ever been thus in the postwar period. The ultimate test of our leadership cannot be a poll of our allies, which will always reflect a mixture of incommensurable motives. The test of our leadership is American willingness to give a clearcut signal of what we understand by Western security and how we intend to maintain it. No other country or group of countries, however closely associated, can take this burden from our shoulders. None of our allies will forgive us if we fail.

RECOMMENDATIONS

We thus return to our original problem. The Senate is in the anomalous position of being asked to ratify a treaty which is essentially peripheral to our basic security and geopolitical concerns but whose either simple ratification or simple rejection would have a profound and dangerous symbolic impact. Failure to ratify an agreement negotiated over seven years would compromise international confidence in our ability to perceive our own interests or to harmonize the various branches of our government. But it is equally true that if the custodian of free world security neglects its task, sooner or later panic will become inevitable. The Senate in considering ratification needs urgently to address our dangers in a comprehensive way:

First, how the Senate can take concrete steps to begin redressing the military balance;

Second, how to deal with the specific problems in the Treaty and Protocol; and

Third, how the Senate can put the Soviet Union on notice that continued attempts to upset the global equilibrium will not be tolerated.

Some, whose analysis I respect, have urged amendments to the Treaty to accomplish these goals. These amendments are of two kinds. The first category would not require any renegotiation with the Soviet Union. They would either express the Senate's interpretation of the meaning of ambiguous clauses of the Treaty, or instruct our negotiator on criteria to be applied in any follow-on negotiations, or reassure uneasy allies about our intentions in applying SALT provisions, for example, on non-circumvention. The second category of amendments would seek changes in the text. These amendments would require renegotiation of the Vienna agreement and they again fall into two categories: One type would alter the strategic balance during the term of the Treaty, for example, by forcing a reduction of Soviet throwweight or heavy missiles. The second type would represent a claim of equal "entitlement"—such as an American right to possess 308 heavy missiles—which cannot be exercised during the life of the Treaty and would therefore represent an assertion of principle rather than a contribution to the strategic balance.

The only amendments that would make any immediate difference are the kind which go to the heart of the problem: they would remove the Soviet counterforce capability against our ICBMs (by mandating a drastic reduction of throwweight, for example). Such amendments are almost certain to be rejected by the Soviets; they would be accepted, if at all, only after an actual buildup of our forces, which in turn might well be delayed by the very fact that renegotiations were underway. If we maintained current limits while negotiating, the result would be a continuation of the existing deterioration of the strategic balance. We might thus wind up without either SALT or a strengthened defense.

After much reflection I have concluded that I can support ratification only with the following conditions:

First, if it is coupled with a defense program representing an obligatory understanding between the Congress and the President which overcomes on an urgent basis the grave peril posed by the current military balance.

Second, if it is accompanied by amendments—not requiring renegotiation—clearing up ambiguities in the Treaty, defining the status of the Protocol, the meaning of non-circumvention, and setting guidelines for follow-on negotiations.

And third, if it is accompanied by a vigorous expression of the Senate's view of the linkage between SALT and Soviet geopolitical conduct.

This approach would avoid the negative consequences of a collapse of SALT. But ratification must not become an end in itself. In my view it can only be justified if the Administration is prepared to unite our country by demonstrating its determination to restore our military strength and the geopolitical equilibrium. This seems to me the sense of what Senator Nunn among others has proposed, and it points the way to a bipartisan resolution of the issue.

A. To redress the military balance

With respect to the military programs, I respectfully recommend that the Senate give its advice and consent to ratification of the Vienna Treaty only after the Administration has submitted, and the Congress has authorized and begun appropriating, a supplemental defense budget and a revised five-year defense program that will begin rectifying some of the shortcomings I have identified. The Congressional recess provides an opportunity to prepare such a program, on which work should already be far advanced as part of the normal budgetary process. If the Administration is unable to put forward such a program to this session of Congress, I recommend that the Senate delay its advice and consent until a new military program has been submitted to and authorized by the next session of Congress. I would be open-minded about other methods to achieve this end, provided they are unambiguous, and represent an obligatory commitment by both branches of our government.

Assurances that the Executive Branch intends to proceed with individual weapons systems like the MX are not enough, either for the reality of our danger or to reverse the political and psychological trends which will make the immediate future a period of great peril. Nor have the percentage figures of projected increases—such as the three-percent increase agreed with NATO—proved effective, because of ambiguities about the baseline and how to compute rates of inflation. I am worried that if the consideration of defense programs takes place after SALT is ratified, the debate over the proposed defense programs may stifle remedial actions or delay them beyond all relevance—all the more so as the Administration seems to have a far from settled view about the need for a strengthened defense. Witness the cancellation of the B-1, the nuclear carrier, and the neutron bomb; the closing down of the Minuteman III production line; and the stretch-out of the MX, Trident, and cruise missile programs. After ratification, Soviet propaganda pressures can be expected to multiply, particularly against any MX basing system that ensures survivability. Allied doubts about the security situation—especially with respect to theater forces—will grow.

It is not a question of balancing the insistence of conservatives for higher defense with the considerations of liberals for a reduction in our military spending. The issue is what our country needs for its long-term security. The President and the Congress must choose. After fifteen years of giving inadequate priority to defense, it is time for a serious long-term effort to prevent a menacing imbalance against us. The program must include accelerated development of a counterforce capability through the MX and Trident II, air defense against Backfire, immediate steps to restore the theater nuclear balance, and urgent measures to beef up our capacity for regional defense including accelerated modernisation and expansion of our Navy. Our current five-year program is deficient in all these categories. My support for ratification is entirely conditional on the development of a new program and doctrine given some binding form by the Congress.

The Joint Chiefs have testified that the rapid improvements required cannot be achieved at expenditures representing less than a five percent real increase over current programs, for at least the next five years. The burden of proof to the contrary should rest with the Administration.

B. Clarifying the treaty and protocol

In addition to these military programs, I recommend that the Senate add the following amendments to its advice-and-consent resolution. None of them requires renegotiation with the Soviet Union:

First, as far as cruise missiles are concerned, that the Protocol may not be extended after 1981. The Senate should stipulate that its particular limitations can be submitted to the Congress again only as part of an equitable arrangement for theater nuclear forces. Specifically, no limitations may be negotiated for American theater weapons—such as cruise missiles—which are not matched by similar limitations on Soviet weapons performing comparable missions. This will bring cruise missiles into some equilibrium with the Backfire and the SS-20.

Second, the Senate should specify that as part of SALT III the United States be entitled to any weapons system permitted to the Soviets in the new agreement unless the Soviets agree to some compensation by giving up a weapons system of equivalent characteristics allowed to us. This should take care of the heavy missile inequity within the only framework—that of SALT III—which will give us a real option to produce it.

Third, that the non-circumvention clause be interpreted by the Senate as not interrupting cooperative relationships with allies with respect to technology needed to modernize their forces. No technology available to us should be barred for transfer.

I also suggest that the Senate reexamine the SALT Agreement every two years, specifically to determine its verifiability.

C. To address the geopolitical problem

Finally, I respectfully urge the Senate to use the ratification process to put the Soviet Union on notice that this country is prepared, nay eager, for peaceful coexistence that reflects true stability and equality in arms, and also political restraint. We are ready to pursue the control and reduction of arms with dedication. But we will brook no subterfuge, nor can we continue a conciliatory policy if Moscow chooses to exploit that policy as a convenient opening to Soviet predominance. The Senate should attach to its instrument of advice and consent an expression of the following principles:

That the absence of political restraint will seriously jeopardize continuation of the SALT process.

That the Senate understands this to include Soviet supply or encouragement of intervention by proxy military forces; the use of Soviet forces on the territory of its allies such as Cuba to free Cuban forces to fight in Africa; the support, financing, or encouragement by any member of the Warsaw Pact of groups and activities seeking to undermine governments friendly to the United States; or the exacerbation of regional conflicts.

That the Administration be required to submit an annual report to the Senate on the degree to which the Soviet Union is living up to these criteria.

That the Senate vote every two years its judgment whether the Soviet Union has lived up to these criteria. If the judgment is negative, the Senate should then vote whether whatever SALT negotiations are taking place should be continued.

Finally, if we thus reassess our strategic position, we must also take another look at the SALT process. Though the strategic conditions I have described result largely from unilateral American decisions, they have been reflected in the SALT process which was essentially a confirmation of them. The fact that I have participated in the process—and must share some of the responsibility—entitles me to warn against continuing it by rote. I urge that its long-term implications be carefully considered. Never in the postwar period has there been more disagreement and intellectual confusion about the requirements of strategic stability and the implications of arms control. A thorough reassessment and the fullest consultation with our allies are crucial before we launch ourselves into SALT III, which will directly affect our allies and hence may jeopardize our alliance.

CONFUSION

I recommend the approach outlined here because it gives this country an opportunity to address its dangers without abandoning an important negotiation that has already extended over seven years. And it gives us an opportunity to proceed as a united people. If the Administration rejects this approach, the Senate will have no alternative except to go to the route of farther-reaching amendments, either holding the Treaty in abeyance or forcing a renegotiation. The result will almost certainly be a diplomatic stalemate until the Soviets are convinced that we are determined to restore the strategic balance; it would be an indirect—and in my view less productive—route which, even if successful, would lead to the same result of a major new effort to meet our imperative security needs.

RECOGNITION OF SENATOR STEWART

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alabama (Mr. STEWART) is recognized for not to exceed 15 minutes.

S. 1613—RURAL ENERGY INDEPENDENCE ACT OF 1979

Mr. STEWART. Mr. President, I am introducing today the Rural Energy Independence Act of 1979 for myself, for Senator TALMADGE, the distinguished chairman of the Committee on Agriculture, Nutrition, and Forestry, and for Senator LUGAR.

In the past several weeks the Nation has heard of little besides the energy crisis. The President has submitted major energy legislation which will require massive resources from our country. Virtually every committee of Congress seems to be considering energy legislation.

In the midst of this hue and cry, I am very concerned for the rural areas of this country. The rural people of America have unique energy problems. Shortages and price increases hit them harder than most residents of our cities. So, in consideration of any new energy policy, it is imperative that the interests of rural America be protected and promoted.

This bill will do just that. It will allow the rural areas of the country to develop their own energy resources. It will let many farmers of this Nation not only be self-sufficient for their energy needs, but will also let them actually be producers and contributors of energy.

This bill, drafted through the combined efforts of Senator TALMADGE, Senator LUGAR, and myself, would add a new title to the Food and Agriculture Act of 1977. This new title would establish programs necessary for the rapid development of renewable resources, including wood and wood wastes, as a source of energy production, as well as programs to insure that farmers and rural communities will have reliable supplies of energy as fossil fuels become less available and more expensive.

More specifically, this bill would direct the Secretary of Agriculture to make loans for on-farm or commercial projects for the production of energy from agricultural commodities and forest products. Up to $250 million in direct loans and $1 billion in guaranteed loans annually would be authorized.

Also, the Rural Electrification Administration would be authorized to make loans for electric power generation projects using previously abandoned hydropower facilities along small streams and rivers or energy derived from biomass, including wood and peat.

Mr. President, this bill does not create a new bureaucracy. It does not require the development of unproven and very expensive technologies. It does not have severe environmental problems. It is not a source that has to wait until the late eighties or the nineties. This bill provides for the production of alcohol fuels, made from everything from grain to wood to animal waste.

This program would be administered through existing agencies within the Department of Agriculture. It has the ability to reach every farmer in the country and to provide each farmer with an energy alternative.

According to experts in this area, alcohol fuels could offset the need for 2 million barrels of oil per day by 1985. This, Mr. President, is a full 25 percent of our imports. Surely we cannot overlook such a critical source of fuels.

Unfortunately, that is exactly what is happening. The President recently submitted his comprehensive legislation, with a massive commitment to exotic and expensive synthetic fuels. Alcohol fuels scarcely received a footnote.

This Nation is at a critical point in its history. We are about to make perhaps the most important domestic policy decision of this decade. We are talking about the very structure of our society. The decisions that are made by this Government in the next few months will have the most profound repercussions.

In light of the magnitude of the problem, what has happened? The President has decided that synthetic fuels are the answer, the pancea. If we create this huge Energy Security Corporation, he promises us, our energy problems will be solved through the expenditure of $88 billion of taxpayers money.

This proposal, I submit, is not the answer to our energy problems. In fact, there is a significant chance that the program submitted by the White House would worsen our energy crisis. If the crash program to produce synthetic fuels should not be successful, and we cannot forget that the technology is unproven, then the Nation will have spent massive amounts of time and money for no return.

Before we rush into this program, let us take a look at it. Who dreamed up this idea? If one can believe the local newspaper in Washington, this idea was hatched over lunch at one of Washington's fine French restaurants by two prominent lawyer-lobbyists. These men were not, to my knowledge, experts in the energy field. Yet, they devised the scheme that is now the cornerstone of the President's proposal.

If we follow the President's idea, what will be the result? Who will be making the energy decisions for this country? His proposal would tax the oil companies and then give that same money back to the oil companies to build coal gasification and liquefaction plants. These are the same multinational energy conglomerates that have been making the energy decisions for years. And, frankly, Mr. President, I am not pleased with all the decisions that have been made by them.

Synthetic fuels sound nice. They are a headline-grabbing idea. A bandwagon developed both in Congress and the Senate. But as more and more people take a look at where this wagon is leading us, there is more and more skepticism about the program.

Let us look for a moment at the problems of synthetic fuels. The environmental difficulties are severe. The amounts of water required are astronomical. The increase of carbox dioxide could radically affect our weather patterns.

Look at the cost. President Carter has proposed spending $88 billion to produce 2.5 million barrels of oil daily by 1990. Alcohol fuels could produce nearly that much by 1985 at one-tenth the cost.

If the technology does not work, we will be so committed to synthetic fuels that we have no alternative. These massive expenditures, $88 billion, will drain our capital markets so there will not be enough capital to develop other technologies, or for other business needs. We would be putting all of our energy eggs in one basket and hoping the eggs hatch. No nation should be so foolish to gamble its future on an unproven technology.

So, rather than spend $88 billion on synfuels, why do we not diversify our efforts? I do not believe that synthetic fuels should be ruled out. It should be explored, perhaps with five or six demonstration projects. Once these projects have proven themselves and once we have learned from them, then we could make a rational decision on whether to continue to pursue that course.

But, in addition to synthetic fuels, it is our belief that we must aggressively pursue many different methods of insuring our energy independence. We

must look at every option we have available.

The foundation of our national energy policy must be built on two concepts: Conservation and solar energy. The recent study by the energy project at the Harvard Business School superbly documents the reasons why we must pursue these methods.

Based on the work done by this project and by other reputable sources, we find that our Nation could continue to grow and prosper while we were using, by the year 2010, 20 percent less energy. Thus, we are not talking about changing lifestyles or discomfort. We are talking essentially about technical changes in buildings and processes that will, for very low one-time capital costs, remove the need for massive amounts of energy.

Then, we have solar energy. A source that many say is a technology of the next century. In fact, solar energy is here today. This energy, from the sun, the wind, the ocean, from plants, from wood, can be the energy salvation of our Nation. By the year 2000, a full 20 percent of our Nation's energy supply can come from solar, if we make the right choices this year.

The greatest things about solar and conservation is that they do not have to wait until the next decade.

They can begin easing our energy problems within a matter of months, if the right Government policies are established.

Unfortunately, the President does not agree with my assessment. For some unknown reason, he and his people have hooked their fortunes and this Nation's energy future to the rising star of synthetic fuels. This star, Mr. President, may look bright at this time to them. I believe, however, that this star will flame out and disintegrate as this Congress considers the legislation that is placed before it.

And I, for one, will use every fiber in my body to oppose this synthetic fuels monstrosity, unless major modifications are made. Until the President submits a truly workable equitable program with large commitments to conservation and to fuels from renewable resources, I shall oppose these programs.

Mr. President, I send the bill to the desk at this time for appropriate referral and will yield at this time to Senator LUGAR who has some comments to make.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

Mr. ROBERT C. BYRD. I yield my remaining time to the minority leader.

Mr. BAKER. And I yield my time, Mr. President, to the Senator from Indiana.

Mr. LUGAR. Mr. President, it is a distinct honor to join with my colleague on the Agriculture Committee, Senator STEWART of Alabama, who also serves as chairman of the Subcommittee on General Legislation of the Agriculture Committee, and with the distinguished chairman of the Agriculture Committee, Senator HERMAN TALMADGE, in introducing this morning the Rural Energy Independence Act of 1979.

Our subcommittee was privileged to hear testimony from many farmers in this country, from those associated with our great research efforts in agriculture research, and from citizens who are deeply concerned about the energy problems of the country, but with specific focus on those in the farm communities.

We were convinced after hearing this testimony that distinct possibilities could come about for energy independence for the farmers of this country if, in fact, some of the activities which are now a part of farming were recognized and if financial resources through appropriate loans were made available to others who are seeking energy independence on their farms.

Specifically, we have heard from farmers who have been involved in the production of alcohol on their farms which they use in tractors and various other agricultural vehicles, even in automobiles. The procedures often are unsophisticated. This led us to a belief that if in fact small units could be produced for farm use or other means discovered for production a great deal of the anxiety that now surrounds farm communities with regard to energy could be alleviated through the efforts of farmers themselves, through co-ops, through extension agents, and through universities that assist those farmers. Indeed we found that wood products are available in many parts of this country, wood products that otherwise will simply go to waste, which now do go to waste, due to lack of proper application on energy solutions.

So a major thrust of our legislation is to try to take a look at a frugal, prudent, and practical way for use of wood products in this country that can be a part of the energy solution on a small basis.

One of the characteristics of our legislation, Mr. President, is that it addresses the problems of common, ordinary people who are attempting to cope with a difficult economic situation, who have resources available but who need at least some of the coordination that the Federal Government, State government, and local government can give when they do work at their best to bring resources into proper focus and coordination.

For these reasons, Mr. President, we feel there is urgency in our legislation. This is the reason for the early introduction of this legislation today.

We are certain that this body will engage in a constructive and useful debate on energy solutions during September and October of this year. Certainly a mass of solutions has been suggested involving tens of billions of dollars.

Our legislation is a relatively modest effort. As a matter of fact, a case could be made, as some of us analyze it, that the economic good that will come from it will far overbalance any of the risks and costs of the processing of loans and grants that may be involved.

For these reasons we want to highlight the agricultural problem and suggest that rural energy independence is a very suitable and large subportion of the total independence situation we are trying to seek as a country with regard to energy. We are hopeful that our colleagues will give this legislation careful attention and, likewise, prompt action.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I believe the minority leader is in the cloakroom and I want to dispose of this budget waiver, if someone will get him.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the action on the budget waiver and the time it takes not be taken out of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor and I thank the Senator from Wisconsin for his patience.

SENATE RESOLUTION 216—SUBMISSION OF A RESOLUTION RELATING TO CONSTRUCTION OF SENATE OFFICE BUILDINGS

Mr. PROXMIRE (for himself, Mr. CANNON, Mr. DECONCINI, Mr. SASSER, Mr. MCCLURE, Mr. DANFORTH, Mr. HUMPHREY, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. HELMS, Mr. NUNN, Mr. SIMPSON, Mr. DOLE, Mr. HEINZ, Mr. PRYOR, Mr. BOREN, Mr. CHAFEE, Mr. ZORINSKY, Mr. DURKIN, Mr. PRESSLER, Mr. RANDOLPH, Mr. ARMSTRONG, Mr. ROTH, Mr. MORGAN, Mr. EXON, Mr. GARN, Mr. HARRY F. BYRD, JR., Mr. CHURCH, Mr. BAUCUS, Mrs. KASSEBAUM, Mr. THURMOND, and Mr. BAYH) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 216

Resolved, That it is the sense of the Senate that no office building should be constructed for the Senate after the date on which this resolution is agreed to, other than any office building which is under construction on such date.

Mr. PROXMIRE. Mr. President, I introduce for appropriate reference a resolution on behalf of myself and 31 other Senators. The resolution is one sentence long. It is clear, straightforward, and necessary. Quite simply, my resolution expresses the sense of the Senate that no new Senate office buildings should be built, other than the one currently under construction at such date.

The Hart Building controversy made it clear to me that many Senators want to curb wasteful Government spending. Unfortunately, the issue of new Senate office buildings is far from dead. Rather, each and every proposal for a new building seems to take on a life of its own.

At the end of this year, the Architect of the Capitol may recommend that the Congress build new Senate office buildings. In his most recent published report, the Architect pinpointed five "recommended building sites." Four of these

he calls "basic elements" for development.

In total, the Architect has 2.5 million additional square feet in mind for the Senate—2.5 million over and above the space we will occupy after the Hart Building is completed. And if the Senate staff grows at past rates, the Architect says we will fill that additional space in 25 years.

Although the Architect's past estimates have been somewhat askew, he is correct in assuming that growth of the Senate's physical plant is inextricably tied to growth in staff. The more staff we have, the more space we need. But bear in mind that this is a two-way street.

As the junior Senator from Rhode Island (Mr. CHAFEE) has said, staff expands to fill the space available to it. And what I might refer to as the first law of congressional dynamics also holds true—space chasing staff and staff chasing space is the ultimate in perpetual motion. We seem to be caught in a vicious and costly circle. And if we do not extricate ourselves quickly, by the time we are through expanding we will have a hundred office buildings—one for every Senator.

Now, Mr. President, there is no reason for the Senate to expand. We have adequate staff. We are getting proper advice. But if we give ourselves room to grow, we will end up with more staff. Everyone in this Chamber knows that. And everyone knows that the congressional process will get more confusing and that Senators will do less of the personal and individual work we were elected to do.

Growth is not only unnecessary, it is economically unsound. We cannot expect simultaneously to balance the budget and spend millions of dollars on expansion. These are contradictory goals. Meanwhile, inflation is running rampant. Just last Friday the Bureau of Labor Statistics reported that the past 6-month inflation rate was the worst since 1951. And that was a war year.

If anybody thinks that is going to go away in a hurry, he is certainly out of step with the realities of life. Every indication is that inflation is likely to worsen as the years go on. And nowadays, a 13 percent loan from the bank looks like a good deal. Despite all of these pessimistic economic facts, we are thinking about fueling inflation and making things worse for the American people. This makes no sense.

Nor can we justifiably make cuts in the many good programs we are forced to trim and still manage to consider spending more money on ourselves. We have been called upon to cut health and housing and education and many of us have voted to do that. At the same time, we approved $142 million for the Hart Building. And now we have to consider that there may be more office buildings up the pike, that the Senate may expand even more.

In the midst of all these budget cuts, it is the height of hypocrisy for us to talk about and vote to cut spending on the health, education and housing of the hard-working American citizens, and then to build palaces without end to house ourselves.

Somehow every Senate office building we erect ends up being a palace. The $48 million Hart Building of 1972 is now $140 million castle; and we will probably be asked to spend even more.

A vote for this resolution is a vote against more bad estimates, more multimillion dollar boondoggles, and more monuments to congressional extravagance. Moreover, it is a vote for congressional responsibility to our constituents and to the future.

I would have a very embarrassing time, and I think most Senators would, telling their constituents—I would have an embarrassing time telling a Wisconsin taxpayer I voted to cut programs for him but not for myself.

This resolution enables the Senate to control its housekeeping. Let us avoid another tortuous discussion. Let us avoid a repetition of history. Furthermore, let us avoid being maneuvered into a position where bulldozers are buzzing away, gutting old structures, and building new ones just because we failed to act.

Each and every Senate office building we erect will be a symbol of our profligacy, a symbol of our self-indulgence. By expanding, the Senate would be publicly saying that everyone else should hold back spending. Everyone else. But not us.

Our past appetite for Senate office buildings has been insatiable. We voraciously gobble up every single square foot of space we can find. Now is the time for the Senate to go on a strict diet. We must not get fat devouring buildings while eating up all the taxpayers' dollars in the process.

Mr. President, I urge my colleagues to support this resolution.

Mr. President, one Senator told me he was opposed to the resolution because we cannot bind future Congresses. Now, that position is correct. But we can go on record now to serve notice on future Congresses and on the Architect that the intention of the Senate to date, as of now, is we want no more new buildings.

That means that if the Architect is to start a building, this body should be notified in advance, notified openly and clearly, and we should have a chance to go on record by rollcall as to whether we want the building or not, and go on record by rollcall before the money is committed, the land is cleared, and structures are put in place.

This resolution is necessary because Senator after Senator told me—at the time the Chafee motion to stop the Hart Building lost by the narrowest of margins—that they would oppose the building if it were not already half built, but that to stop it after the steel beams were in place would make the Senate look idiotic.

I disagreed with that viewpoint, but I understood it, and I understood why that was the only practical reason the Senate went ahead with this monument to extravagence. Now, how does the Senate avoid this kind of power play in the future?

I have been through this before, Mr. President. For many years I did my best, from the very beginning, to stop the Hart Building. I was unsuccessful. Once a project like this is initiated, somehow it disappears; it is hard to follow, and to know what is coming on.

How do we prevent ourselves from being forced into the same impossible box of being confronted with a commitment of bricks, mortar, and money that makes it impossible for us to persuade a majority of our colleagues to stop it?

The answer is to say no before any money is expended on such a project. This resolution is the way 32 Senators recognize first that the Senate should not build more office buildings, and, second, it is the way we are assured that we will be put on notice before, not after, the money is expended.

Mr. President, we have just asked for cosponsors in the last day or two. I am confident that a majority of Senators will support this resolution, and I suspect that other Senators will want to add their names as cosponsors when they know about the resolution and have had an opportunity to consider it.

Mr. President, before I yield the floor, I wish to say I intend to do all I can to persuade the Rules Committee to report this resolution out. I know these resolutions have a way of disappearing and being forgotten, but I hope the Rules Committee will not do that under these circumstances. In fact, there are members of the Rules Committee, prominent members, who are cosponsors of the resolution, and I am very hopeful that they will help bring it to a vote in the committee, so that we can have an up-or-down vote on the floor.

I had hoped we could bring it up directly on the floor, but I understand the objections to that. That would evade the normal procedure which the majority leader insists be followed properly on all resolutions.

But I am very hopeful we can take it up shortly after we come back from the recess. It should not require more than a very short debate. I think all Senators understand it. I would hope we could have a time limit, and handle it, maybe, in half an hour or less on the floor after we come back, if the Rules Committee reports it, which I hope and trust the committee will do.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred.

● Mr. ROTH. Mr. President, I support the resolution offered by the Senator from Wisconsin.

Mr. President, the American people are tired of more costly Government and constantly increasing governmental size. They have spoken out clearly in the last few months all across this Nation. In over 30 States this year, citizens' movements rose to force State and local governments to cut back on their spending and reduce the tax burdens shouldered by the American taxpayer. Thirty States have passed resolutions asking the Congress to call a Constitutional Convention for the purpose of formulating an amendment to the Constitution which would place limits on spending by the Federal Government.

Yet, we in the Congress refuse to recognize the demands of the American people. We have decided we need a new

marble and bronze guilded castle so we can coddle ourselves and work in palatial surroundings. The Senate moved on July 18 to approve an additional $57.5 million appropriation for the completion of the Hart Senate Office Building which, when added to the funding already approved, will bring the total cost of the building up to $142.6 million according to the latest projections. How can we expect labor, business and all sectors of our economy to make sacrifices in the fight against inflation when we spend $142 million dollars to add another building to the eight we already occupy? How can we expect the bureaucracy to cut back on wasteful spending when we spend lavishly on ourselves?

Yet, the Senate has approved the latest installment of the "Congressional Palace Mortgage and Self-Indulgement Act" and we are now committed to completion of the project. The Hart Building will contain more floor space than would be available in 580 average American homes sold this year. The cost of the building when money was first appropriated in 1972 was $48 million and now it will cost the taxpayer at least $143 million to complete. Perhaps we could help pay off some of the huge Federal deficit if we simply completed the building and left it unoccupied to be sold in 5 or 10 years time to the highest bidder. With Washington real estate values the way they are, who knows how much of the deficit we could pay off?

Mr. President, I have spoken out many times before against this marble barn raising we are funding by plowing the taxpayers under. Last year, I supported Senator CHAFEE and others as we offered an amendment to remove funding for the building proposed in a supplemental appropriations bill. I have opposed this project since its inception.

Unfortunately, I have been overruled by the majority of my colleagues and the building will be finished. It is time now to look to the future, to prevent such unnecessary expenditures from happening again. It is time the Senate went on record to crush its creeping construction psychosis and halt our "congressional public works program." I urge my colleagues to support this resolution.●

MINOR OBJECTIONS TO GENOCIDE CONVENTION ARE NOT SUBSTANTIVE

Mr. PROXMIRE. Mr. President, the Genocide Convention has been before the Senate for 30 years. We have been afforded more than an ample opportunity to scrutinize this treaty. Yet there still seems to be a necessity for reclarification of some of the minor, though important clauses.

Today I would like to address criticism about possible ambiguity surrounding the phrase "as such" in article II of the Genocide Convention. The phrase "as such" in context reads "genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such."

Does this language create an ambiguity? Could it provide a technical loophole for persons who killed with intent to kill a group of people not covered by the Genocide Convention? For example, would persons responsible for intending to kill and actually killing a group of teachers, who actually comprised a religious group in a particular country, be excluded from prosecution under the Genocide Treaty?

This seems highly unlikely almost to the point of absurdity.

Past cases of "genocide" have not been disguised. Rather, they have been bold actions. There is no reason to expect that in the future masqueraded cases would ever arise. The nature of genocide as a crime does not lend itself to such subterfuge.

There can actually be little cause for concern with respect to the phrase "as such." Rather, objections to ratification of the treaty based on this phrase seem to be feeble attempts to cling to a point that actually causes little confusion. Continued discussion on this point serves only to unnecessarily lengthen consideration of the Genocide Convention.

Once again, I would urge my colleagues to give the Genocide Treaty the careful consideration which it deserves, and subsequently to vote in support of ratification of this treaty.

CONVEYANCE OF CERTAIN LANDS LOCATED IN BELL COUNTY, KY.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 41.

The ACTING PRESIDENT pro tempore (Mr. BRADLEY) laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 41) entitled "An Act to require the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Kentucky, to the Board of Education, Bell County, Kentucky", do pass with the following amendments:

Page 2, line 2, strike out "in deed book numbered 120, page 460,", and insert: "in deed book numbered 159, page 550,"

Page 2, line 4, after "*Provided*,", insert: "That this conveyance in no way affects the undivided interest of the United States in coal, oil, gas, and other minerals (not outstanding or reserved in third parties) reserved by the United States in said deed: *And provided further*,"

Amend the title so as to read: "An Act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Kentucky, to the Board of Education, Bell County, Kentucky.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for not to exceed 5 minutes to the the consideration of the House amendments.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, S. 41 directs the Secretary of Agriculture to release a reversionary interest of the United States in a 47.04-acre parcel of land owned by the Bell County, Ky., Board of Education in order to permit construction of an urgently needed high school. If this reversionary interest is not released, Bell County will be unable to issue the revenue bonds needed to finance construction because prospective bond purchasers will not accept as security land that is subject to such an interest. In addition, the bill provides that mineral rights in the land would be retained in the name of the United States and would allow the subsequent orderly disposition of the minerals under the authorities vested in the Secretary of the Interior.

The House amendments are merely technical in nature.

I yield to my colleague from Kentucky.

Mr. FORD. I thank my distinguished colleague.

Mr. President, I am pleased to be a sponsor of S. 41 legislation to transfer 47.04 acres of Forest Service land to Bell County, Ky. There is a most commendable reason and urgent need for this measure. Currently, the Bell County Board of Education is operating two high schools that are located within a flood plain. Consequently, these schools have in the past suffered significant amounts of damage from flood waters.

Congress would provide a great service to the people of Bell County by passing this piece of proposed legislation. The ultimate benefit would be that the Bell County Board of Education would be able to replace both of the current high schools with a new, more secure facility which would be located outside the flood plain.

Alternative solutions to this problem have been attempted, all of them unsuccessfully. The problem is compounded by the fact that suitable sights located outside the flood plain and not controlled by the Federal Government are unavailable. Administrative attempts to release the Forest Service land were not successful. So, after 12 months of futile effort to solve this problem, the Department of Agriculture has concluded that S. 41 is necessary.

I agree, Mr. President, because without it the Bell County Board of Education will be forced to continue without a school where staff and students may function in a safe environment. With it, on the other hand, the taxpayers of Bell County, Ky., will be able to start supporting a school secure from flooding, not paying for repairs of flood damages in their present facilities.

Mr. President, let me immediately assure my colleagues in the Senate that S. 41 does not affect mineral rights to the 47.04 acres involved in this transaction. This was insured by a House amendment, which I am prepared to accept.

The Bell County Board of Education is ready to act immediately upon learning that it may have access to this land. In fact, the board had hoped to see construction work begin this spring. That dream is behind them, but with the passage of S. 41, the Bell County Board of Education will be able to begin construction before winter comes.

Mr. HUDDLESTON. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ENVIRONMENT RESEARCH, DEVELOPMENT, AND DEMONSTRATION AUTHORIZATION ACT OF 1980

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 2676.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreements to the amendment of the Senate to the bill (H.R. 2676) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. CULVER, Mr. GRAVEL, Mr. HART, Mr. STAFFORD, and Mr. CHAFEE conferees on the part of the Senate.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 299.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, this item is cleared on our calendar, and we have no difficulty with it.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 212) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 914.

The resolution was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 914. Such waiver is necessary because this legislation was not transmitted to the Congress until April 4. This did not allow sufficient time for the committee to give full consideration to the bill before May 15. The committee notified the Budget Committee of this fact and, as an interim measure, reported by May 15 a bill, S 1150, containing the major authorizations but leaving other matters unresolved. S. 914, as amended, provides for a slightly higher authorization level but is still substantially below the amount provided in the First Congressional Budget Resolution.

The effect of defeating consideration of this authorization will be to impede the extension of the Public Works and Economic Development Act and to prevent the establishment of a major new development financing program under that Act.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar Order No. 298.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 200) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1125, was considered and agreed to, as follows:

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1125, a bill to improve and expand the Federal crop insurance program, and for other purposes. Such waiver is necessary to permit consideration of crop insurance subsidies to become effective in a fiscal year for which the first concurrent resolution on the budget has not yet been adopted. Sufficient time must be allowed for the Department of Agriculture to establish and implement the all-risk crop insurance program under S. 1125, of which the subsidies are an integral part.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR SENATE TO PROCEED ON WEDNESDAY, SEPTEMBER 5, 1979, TO CONSIDERATION OF H.R. 4393, APPROPRIATIONS FOR TREASURY, POSTAL SERVICE, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on September 5, after the two leaders have been recognized under the standing order and any orders for the recognition of Senators which may have been entered prior to that time, the Senate proceed to the consideration of the Treasury, Postal Service appropriations bill.

Mr. BAKER. Mr. President, reserving the right to object, and I do not plan to object, I reserve for the purpose of saying that this is a measure that was on the list that the majority leader and I discussed of those measures he wished to complete before the August break. It is also on the list of legislation that I had noticed to the Republican Members of the Senate that we would have to dispose of before the break occurred.

I frankly think this is a better arrangement, and I am pleased the majority leader has made the request.

The Treasury-Postal Service bill would be controversial in many respects and I think this would be a more orderly way to handle it.

So I will not object to the request and, indeed, I think it is an appropriate piece of legislation to have pending when we return.

I thank the majority leader for rescheduling that event.

Mr. ROBERT C. BYRD. I thank the minority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, before I yield the floor, may I say that it would be impossible to bring it up in any event before we go out this week. I understand Mr. SCHMITT has requested 3 days in which to file minority views.

Mr. BAKER. Mr. President, if the majority leader will yield, I think that is correct. That is indicative of the problems we might have with the bill, and I think this is a better part of discretion in scheduling.

Mr. ROBERT C. BYRD. Anyone who supported it would have to run the gamut of the 3-day rule.

NATIONAL PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 914, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 914) to provide public works, business financing, and other development assistance to alleviate economic distress.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and Urban Affairs and the Committee on Environment and Public Works, jointly, with amendments to strike and insert new language.

Mr. BURDICK. I ask unanimous consent that the following staff members of the Environment and Public Works Committee be granted the privilege of the floor during consideration of votes on S. 914: Richard Harris, John Yago, Dick Greer, Phil Cummings, Bailey Guard, Jackee Schafer, Steve Swain, Ann Garrabrant, Jim Range, Lee Puller, and Pete Rosenburg.

I also make the same request for Mike Aubey of Senator MUSKIE's staff, Mimi Feller of Senator CHAFEE's staff, and Lee Strause of Senator CULVER's staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I ask unanimous consent that Jim Rock of Senator BENTSEN's staff be granted the privilege of the floor during consideration and votes on this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point?

Mr. BURDICK. Yes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Elinor Bachrach and Kenneth McLean, of the Banking Committee staff, be granted the priv-

ileges of the floor during the consideration of the pending legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, the bill before us, S. 914, amends the Public Works and Economic Development Act and thereby extends the programs of the Economic Development Administration—EDA for 4 years beginning October 1, 1979.

S. 914 was introduced on April 5 as the administration's long-awaited National Public Works and Economic Development Act. It represented a substantial overhaul of the present law. It was not sent to the Congress earlier because the President had not decided whether to fold EDA into a newly formed department with other economic and community development agencies. As we know, he decided against such a reorganization.

As introduced in April, S. 914 represented a significant increase in the dollar volume of EDA programs. Public works grants were increased to a level of $595 million the first year. The modestly funded business development programs of title II were replaced by a greatly expanded development financing program including some features of the earlier National Development Bank proposal. The first year's budget authority requested was $569 million, with authority to guarantee loans up to $1.8 billion. More than $90 million was requested for an augmented planning and technical assistance program authorized under title III. The administration bill called for $1.259 billion in authority the first year of a 6-year authorization.

However, the Committee on Environment and Public Works reported a 1-year extension (S. 1145) of the EDA programs in order to comply with the May 15 deadline under the Congressional Budget Act. The Senate Banking, Housing and Urban Affairs Committee likewise reported a 1-year extension as S. 1150. The reported bill before us, S. 914, is the product of extensive consideration by two committees. At the time of referral and by unanimous consent, title III, the development financing program, was referred exclusively to the Banking, Housing and Urban Affairs Committee. Those parts of the bill dealing with research and demonstration, eligibility, and administration were referred jointly to the two committees. The remainder of the bill—public works, planning and technical assistance—was referred exclusively to the Environment and Public Works Committee.

Mr. President, the Subcommittee on Regional and Community Development, of which I am chairman, held a number of days hearings on the proposal. The subcommittee recommended that, rather than proceeding with an entirely new act as proposed in S. 914, with new titles and unsettled meanings, it made sense to amend existing law, adding improvements from the administration's proposal and other changes recommended by the committee.

The bill before us, therefore, amends the existing Public Works and Economic Development Act. It is being considered in lieu of S. 1145 and S. 1150. It is a composite bill, representing the recommendations of the two committees. The report on the bill is likewise a joint report setting forth the views of the two committees. The differences in the areas of joint jurisdiction are commendably few. I wish to extend my thanks to the Senate Banking Committee and its staff for their cooperation in this effort.

Mr. President, I shall speak now about those parts of the bill under the jurisdiction of the Environment and Public Works Committee. The most significant changes proposed as amendments to the Public Works and Economic Development Act are: First, the increase in authorization for public works and development financing, and second, a complete revision of eligibility criteria.

The Public Works Committee proposes an authorization for public works grants totaling $615.2 million in fiscal year 1980 and $715 million in each of fiscal years 1981, 1982, and 1983. The administration requested $595 million for fiscal year 1980. Fiscal year 1979 appropriations for public works grants and adjustment assistance were, however, $335 million. I will return shortly to a more detailed consideration of the various public works programs.

The second major change in the present law is a complete revamping of eligibility criteria contained in section 401. Under present law, approximately 85 percent of the population of the country is eligible for assistance. By adopting the eligibility criteria proposed in the bill the coverage is reduced to 67 percent—still a very broad coverage.

The effect of the recommended changes in the eligibility criteria is to improve the ability to target assistance to distressed areas and to simplify the procedure for designating areas. Controversial measures, such as population growth or decline, have been eliminated from the designation criteria since they have been shown to be of questionable validity as indicators of distress.

The revised criteria provide for recognizing long-term economic distress, sudden and severe economic dislocation, and anticipated or threatened dislocation. The criteria recognize the necessity that unemployment data cover a sufficient period of time to have statistical validity. New criteria simplify existing criteria by reducing them to four measures: low per capita income, high unemployment, low employment growth rate, and large population—16½ percent—of population below the poverty level.

The poverty criteria have been added to improve targeting to areas where a large proportion of the residents have low incomes but where the conventional average income and unemployment statistics do not reflect this condition.

There is also a provision for "Pockets of Distress." This gives EDA considerable flexibility in going into small areas of highly concentrated need within larger areas that otherwise do not qualify.

The criteria, contained in section 401 also includes a definition of economic adjustment areas which provide formal requirements absent in the existing law. Community economic development areas under title VII of the Community Services Act of 1974 are also giving redevelopment area status and are thus eligible for EDA assistance.

The reported bill provides that areas presently designated which fail statistically to qualify under these new criteria will nevertheless be permitted to retain eligibility for EDA programs—except title II—for a period of 2 years after enactment of this act.

TITLE I—PUBLIC WORKS GRANTS

Mr. President, I return now to a more detailed description of title I since the committee recommends certain significant changes. Section 101 authorizes direct grants not to exceed 80 percent of the eligible costs for the design, engineering, acquisition and development of land and improvements for public works, public services or development facilities. This is the tried and tested basic EDA grant program. The largest portion of the $555 million authorized for all of title I will be allocated to this basic grant program.

Section 102 authorizes a new program of grants to eligible applicants to establish non-Federal revolving loan funds in accordance with an approved development plan. The grant is to be used for loans to carry out the development objectives of the plan, including loans for industrial land assembly and land banking; for acquisition of surplus government property; for acquisition of industrial sites or abandoned properties with redevelopment potential; for the rehabilitation of historical buildings and empty factory buildings and the recycling of land for and facilities for job creating economic activities. Repayment of these loan funds must be placed in the revolving fund for reloaning for similar purposes.

This is essentially the same program that is currently contained in section 204, which was added to the law in 1976. The difference between section 102 and 204 is that the latter has EDA lending the money to an eligible applicant. Most generally such an applicant would be a city. But most cities are forbidden by State constitution or their own charters from borrowing in such manner. The 204 program never got off the ground, except that the few millions appropriated for it were recycled through title IX's economic adjustment program. Placing the 204 program in section 102 in title I as a grant program insures fulfillment of its original purposes. For fiscal year 1980, EDA projects, $30 to $35 million will be expended for such projects.

Section 103 authorizes EDA to make grants to eligible applicants to pay the cost of any private sector economic development project which would not be undertaken in an area without such assistance. Assistance would be limited to 15% of the total project cost, that is, public and private financing.

Grants under this section may be made in tandem with EDA development financing assistance under title II, or they may be made without such packaging. The basic difference between these and basic public works grants is that these

grants may be used to benefit a single firm. Eligible grant activities that directly benefit private business include acquisition and development of land; construction, alteration, rehabilitation, expansion of a commercial or industrial plant; access roads; and other infrastructure improvements.

The committee recommends that this program function on a demonstration basis for fiscal year 1980. It is a new and untested program. The committee expects that not more than $50 to $75 million of title I funds will be used in this program the first year.

Section 104 is simply the present title IX economic adjustment program transferred to title I to join the other public works grants programs. It will be remembered that title IX provides assistance for areas experiencing or about to experience a sudden and severe loss of employment and resultant local economic dislocation. The title IX program has provided assistance to areas experiencing the unemployment impacts of military base closures, or the shutdown of industrial facilities because of Federal pollution control requirements or import competition. This authority will continue under the transplanted section 104. An amendment to section 104 was added in committee that provides that adjustment assistance may, in clearly defined instances, be provided to areas adversely impacted by energy development. The bill provides that not less than 5 percent nor more than 35 percent of title I appropriations can be spent for economic adjustment projects.

PLANNING

Mr. President, the Environment and Public Works Committee has been concerned about the overlap and duplication in planning in this country. EDA funded planning for economic development purposes at the local economic development district, and State levels in recent years has received emphasis by EDA on what is called in the trade "capacity building." I take that to mean the development of a process that realistically assesses needs, gives them priority one to the other, clearly identifies the resources needed to implement proposals, and does so within a realistic time frame involving the people that are sure to get the tasks done.

The bill adds language to present law that calls for greater coordination among "plans, programs and investment strategies" in order to minimize duplication and to provide a more informed basis for economic development decisions.

Amendments to the planning sections refine planning requirements which aim to insure that every recipient of an EDA planning grant have an active economic development strategy. Amendments to the section 304 State grant program provide that distribution of these funds may be made on a discretionary basis by EDA. The committee presses for greater compatibility between the section 302 State economic development planning programs and the section 304 grants that may be used to supplement a variety of Federal projects.

Further amendments to the planning sections in title III call for the definition and enforcement of performance standards among EDA planning grantees. The committee was of the opinion that annual grants would not be considered an entitlement, that in some cases in which planning and development organizations perform consistently poorly, their grants ought to be reduced or terminated.

The bill contains no amendment setting down requirements for the composition of the governing boards of economic development districts. The committee does not believe such requirements should be frozen in the law. Rather an amendment provides guidance in calling for broad participation of all important elements of the economy as part of the district development process. The ideal is a board with a majority of elected officials together with representatives of the local economy such as business, agriculture, labor, and representatives of the disadvantaged, including disadvantaged minorities. And I think EDA ought to be sure that women are active participants in these organizations. Where State law sets out requirements not adaptable to these guidelines, EDA has regulations soon to become effective that permit the granting of waivers in such hardship situations.

It should be emphasized that economic development is a public sector/private sector undertaking. Both are needed. Both ought to play decisionmaking roles in the determinations of funded development organizations.

UNFAIR COMPETITION

This provision in section 702 of existing law is often referred to as the excess capacity provision. Quite simply, it prohibits EDA from assisting a business when such assistance would result in an increase in production of goods, services or facilities where there is insufficient demand to absorb the production of existing competing enterprises. Put another way, this provision was to prevent unfair competition which would lead to the creation of jobs in one location at the expense of employment elsewhere in the country.

The committee adopted an amendment to this existing law. The modification permits the Secretary to provide financial assistance to projects when that assistance will not result in a significant increase in existing production, capacity, or services and when modernization of existing productive facilities is essential to retain employment in an economically distressed area.

ENERGY ASSISTANCE

Section 704(e) of existing law prohibits the use of EDA financial assistance for facilities to generate, transmit, or distribute electrical energy or to produce or transmit natural gas except when such projects are authorized by Congress or the Secretary finds that project financing is not available from private lenders. Not more than $7 million from titles I and II could be expended annually for such projects.

The reported bill contains an amendment, appearing as section 703 in the bill, which provides that financial assistance may be extended to projects supporting the development of small-scale hydroelectric plants at existing dams, facilities in rural areas for the production of gasohol, expanded use of solar equipment, and coal gasification units for small industrial application. These projects must contribute to the creation or preservation of jobs. Not more than 5 percent of titles I and II funds of this act may be spent annually on such projects.

Mr. President, I wish to conclude this lengthy recitation by calling attention to a few more amendments of significance to the present Public Works and Economic Development Act. Section 17 of the bill amends title V of the present law to authorize the Southwest Border Regional Commission to make grants to eligible local school districts in the Mexican border States of Texas, California, New Mexico, and Arizona. These grants are for the construction of much needed classrooms for the education of Mexican alien resident children. Senator BENTSEN has made a persuasive case for a 2-year authorization of $45 million. I am sure he will provide a more thorough explanation of the amendment.

We have added an amendment authorizing assistance to employee ownership plans in section 715. Section 701(9) permits the Secretary to forgive certain outstanding public works loans, principally to Indian tribes and Alaskan Native villages under the Area Redevelopment Act. Section 714(c) requires the Comptroller General to undertake a thorough review of the administration of these programs and report back to Congress early in 1981.

Mr. President, in general we did not set out to substantially change the overall programs of the present act. We set out to improve them, to update them to current national realities and needs, and to preserve that which has worked in the past. I hope we have achieved that much.

The committee was unanimous in reporting the bill. I wish to extend my thanks to the chairman, Senator RANDOLPH, to Senator STAFFORD, the ranking minority member of the full committee, to Senator CHAFEE, the ranking minority member of the subcommittee, who was most diligent in staying at my side through long hearings, and to other members of the committee. Thanks are due also to the staff who worried about getting quorums to do business to get this bill out and moving before the August recess.

Finally, I wish to thank the members of the Senate Banking Committee and staff who cooperated to such a degree that we were able to report a joint bill with few differences where we share jurisdiction and a joint report on the bill.

Mr. President, I ask unanimous consent that Judy Bardacke of Senator MOYNIHAN's staff be granted privilege of the floor during consideration of this bill.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I yield the floor.

Mr. CHAFEE. Mr. President, I yield the

floor to the senior Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, as the distinguished Senator from North Dakota has indicated, there is shared jurisdiction on this bill.

The Public Works Committee has jurisdiction over titles I and II exclusively. The Banking Committee has jurisdiction over title III exclusively. The shared jurisdiction is on the rest of the titles.

Mr. President, I must confess, to begin with, that I oppose this bill for a number of reasons. It is too much money. It is money that is very badly targeted. But I have the responsibility as chairman of the committee to do my best to assist in getting the bill through. I will do that up until the end, when I will vote against it.

Mr. President, the bill before us today, S. 914, the National Public Works and Economic Development Act of 1979, is the product of a joint referral and a cooperative effort between the Committee on Banking, Housing, and Urban Affairs and the Committee on Environment and Public Works. Titles I and II of the administration bill were referred exclusively to the Committee on Environment and Public Works, title III was referred exclusively to the Committee on Banking, Housing, and Urban Affairs, and all other parts if the bill were considered jointly by the two committees.

The joint bill, as reported, contains amendments to existing law, rather than the new language proposed by the administration. Nonetheless, the bill makes a number of significant changes in existing law. These are intended to make the program more effective. They include tighter eligibility criteria and a new and expanded business financing program.

The purpose of this legislation is to aid economically distressed urban and rural areas through programs to create and retain jobs and to benefit socially and economically disadvantaged people. The bill provides for targeting assistance to areas which meet certain specific measures of economic distress. It offers a package of programs, including planning and technical assistance, development financing for private business, and research and demonstration.

ELIGIBILITY CRITERIA

Mr. President, the eligibility criteria are the key to this effort. They define which areas can get assistance and how efficiently the resources can be allocated. This part of S. 914, which is now under section 401, was referred jointly to the two committees. I am pleased to say that the Committee on Banking, Housing, and Urban Affairs and the Committee on Environment and Public Works were in complete agreement on the need to amend and tighten those criteria. Under existing law, as it has evolved—or eroded—over the years, 84.5 percent of the population is eligible for assistance.

Get this, 84.5 percent of the population eligible for assistance—84.5 percent of the population. That is ridiculous. It is a joke. It means that seven out of eight people in this country are now in areas eligible for assistance under this program. I think about six of those seven would be willing to agree they should not be eligible for assistance. They do not want it. They do not need it.

I do not know how you can run a reasonable economic development program if you have to define 84.5 percent of the population as eligible and as living in distressed areas.

Well, the program has been tightened, cut back to 67.6 percent, so that just two-thirds of the people would be eligible. That is still much too high. I would prefer to see it cut back even more. Then maybe the program would really be targeted. Still, it is a major improvement—one which I hope the Senate will approve without changes.

I should add here that the Committee on Banking, Housing, and Urban Affairs, in its consideration of this matter, took note of the fact that EDA has discretion to target assistance more directly within the bounds of the criteria set out in the bill. I certainly hope and pray they will do this. Accordingly, the committee directed EDA to give primary emphasis in allocating assistance to those areas which are the most distressed in terms of the eligibility criteria established under section 401. A reasonable guideline would be that 75 percent of the assistance provided go to areas in the lower 50 percent in terms of distress, as measured by the eligibility criteria.

Maybe it should even be the lowest 10 percent because of the limited resources we have in the bill and the enormous size of the problem.

Mr. President, it is vital that the development financing and other assistance provided under this legislation go first and foremost to the neediest areas, in terms of the criteria set out in S. 914. Otherwise, there will be the risk of simply substituting Government financing for private financing and of not really achieving the purpose of the act.

Nobody questions the fact we are a capital-rich country with tremendous financial resources available to competent businesses throughout the country. What we should do is fill in the areas where, because of unfortunate economic circumstances, the capital needed is not available. We have 16,000 financial institutions in this country and we should not try to substitute for them.

This bill retains the specific procedures for reviewing area eligibility contained in existing law. These require annual review of each area, and modification or termination of the designation if the area no longer meets the criteria, except that no area can be terminated less than 3 years after its designation. The primary reason that eligibility has gone so high in recent years is that a moratorium was placed on dedesignation of areas. According to EDA officials, that moratorium means that there are 40 million people living in over 800 areas that are eligible for assistance even though they no longer meet even the existing eligibility criteria. I understand that that moratorium expires on September 30, just as this bill is slated to come into effect.

This means that EDA will institute the new criteria at the same time that the new development financing program gets underway. For this reason, areas declared ineligible under the new criteria will not be entitled to a 2-year phaseout for development financing, although they are for existing programs.

DEVELOPMENT FINANCING

The Committee on Banking, Housing, and Urban Affairs was particularly involved in shaping the development financing program, which is now title II of the joint bill. The purpose of this title is to create or maintain jobs in distressed areas by providing financial assistance to businesses in order to encourage them to remain, locate, or expand in such areas. It does this through providing a variety of financing tools and some specific requirements for selecting projects to receive that assistance.

Under title II, EDA is authorized to provide loan guarantees, direct loans and interest subsidies to finance eligible projects which meet the purposes of the act. A project must involve one or more eligible activities. These can include the purchase, development of modernization of land, buildings and equipment, and the provision of working capital.

The loan guarantee program under section 203 is intended to be the heart of the expanded development financing effort. It is authorized at $1,800,000,000 for fiscal year 1980 and the same amount for fiscal year 1981. Guarantees can be for no more than 90 percent of the loan, which means that private lenders are expected to bear a portion of the risk, as well as to do much of the processing of the applications. The bill requires that a guarantee be provided only to the extent that the financing needed is not available from other sources. Various other conditions are attached to the guarantee program, including the requirement that the borrower put up a 15-percent equity share.

Certain provisions included in section 203 are intended to encourage private lender participation and to provide liquidity to financial institutions making EDA-guaranteed loans. In order to stimulate the growth of a private secondary market in these loans, the bill makes it clear that the guarantees are backed by the full faith and credit of the United States, and that their validity is incontestable.

Mr. President, this loan guarantee program is now authorized at the level proposed by the administration in S. 914—$1,800,000,000—rather than at the $1,000,000,000 level originally approved by the committee. I myself have strong doubts about EDA's ability to use this large amount of guarantee authority effectively in the first year of the program. It represents a 429-percent increase over the present fiscal year 1979 level—think of that, more than four fold—and a 324-percent increase over the level originally proposed for fiscal year 1980. Nonetheless, this amount is in the bill.

Direct loans are authorized under section 204 of this title: $150,000,000 in fiscal year 1980, and the same amount in fiscal year 1981. This is below the $191,430,000 requested by the administration, but still considerably higher than the $91,430,000 originally requested for fiscal year 1980. These loans may only go to projects which could not be accomplished with a guarantee. This means generally smaller projects, and especially those which involve minority-owned firms. In order to encourage sound projects, the bill provides that direct loans can cover no more than 65 percent of the project and that the borrower must put up a 15-percent equity share.

Interest subsidies are authorized under section 205 of the bill. They can only be provided if they are used in conjunction with a loan made or guaranteed under this title and if they are found to be necessary to accomplish the project in an area. These subsidies can be used to reduce interest payments by up to 5 percentage points, and down to as low as 5 percent.

Mr. President, in the Banking Committee's hearings, we encountered more opposition to this program than to any other aspect of S. 914. Witnesses told us that the cost of capital is just a small fraction of the cost of doing business—6 to 10 percent. Therefore, you will not get any investments that would not have happened otherwise if you subsidize interest rates.

That was the consensus of expert witnesses appearing before us, people of experience in the field, who knew what they were talking about, and they were not contradicted.

Moreover, guaranteed loans and direct loans already carry an implicit subsidy. Guaranteed loans, of course, automatically have a lower rate of interest because there is no risk involved. Direct loans are made at close to Treasury borrowing rates.

So any project that needs an explicit interest subsidy as well is probably not very sound to begin with and should not qualify. Even the administration witnesses said they did not expect to create any new jobs that would otherwise not have existed through this program. They simply hope to influence locational decisions.

In view of all this, the Banking Committee decided to restrict the authority for interest subsidy contracts to $50,000,000—well down from the $350,000,000 requested in the administration bill—and to confine that authorization to one year. The committee indicated further that the program should be treated as a demonstration project, to see whether it produces results which warrant its continuation.

Selection criteria for projects to be financed under this title are set out in section 208. These criteria are vitally important for achieving the purposes of the act. They require the Secretary to give primary consideration in selecting projects to such factors as the extent to which the project will provide long-term private sector jobs, the degree of economic distress in the area involved, and the degree to which the project will benefit socially and economically disadvantaged persons. Other factors must be taken into account as well. The committee intends that the Secretary direct the assistance provided toward the areas of greatest need, and toward projects most likely to generate jobs and alleviate distress.

Section 207 of the bill places certain conditions on providing assistance under the act. The Secretary must determine that credit is not otherwise available on terms adequate to accomplish the project. There must also be a reasonable assurance of repayment.

Section 208 places limitations on the assistance provided under the loan guarantee and direct loan programs. The Banking Committee feels that these limitations are very important for achieving the purpose of the act. The intent is to target most of the resources available toward small- and medium-sized businesses—which are the biggest creators of new jobs—while at the same time leaving some flexibilty to aid a few larger firms. These limitations include the following: $10,000,000 limit on direct loans to any one firm; $20,000,000 limit on guarantees to any one firm, except that up to 10 percent of the guarantee authority available may be used for larger amounts, with an absolute cap of $50,000,000; and a requirement that not more than 10 percent of the assistance available go to firms with more than $50,000,000 in assets.

In making use of those exceptions, the committee directs that EDA select only those projects which best meet the selection criteria under section 206 and which are located in the most distressed areas under section 401.

RESEARCH, EVALUATION, AND DEMONSTRATION

Section 303 provides for an expanded research, evaluation, and demonstration under title III of the act, along the lines proposed by the administration. However, it authorizes $10 million for each of the fiscal years 1980, 1981, 1982, and 1983. This represents an increase over the $4,000,000 requested by the administration.. The committee intends that EDA use some of this money to do ongoing evaluation of the programs authorized under the act and research into improving their effectiveness. In addition, the committee authorized a specific equity financing demonstration program, to explore ways of giving smaller firms access to equity capital.

Mr. President, this summarizes the main actions taken by the Committee on Banking, Housing, and Urban Affairs with respect to S. 914, the National Public Works and Economic Development Act of 1979. Other actions are described in some detail in the joint committee report on the bill, a copy of which is on the desk of each Senator.

Mr. GARN. Mr. President, we have before us S. 914, the National Public Works and Economic Development Act of 1979, with amendments from the Environment and Public Works and the Banking, Housing, and Urban Affairs Committee. This bill is basically a major increase in funding for the programs of the Economic Development Administration and revisions to the eligibility criteria which determine the areas that can apply for EDA assistance.

My view of this legislation boils down to the simple reality that it is out of step with the need for budgetary restraint. The most critical economic problem facing the Nation is continuing inflation fueled by excessive Government spending, and yet this bill authorizes for fiscal year 1980 a 63-percent increase in spending for EDA programs compared to 1979 appropriations plus a 429-percent increase in business development loan guarantees.

The Banking Committee had exclusive jurisdiction over the expanded business development financing in section 3 of S. 914 and joint jurisdiction with the Public Works Committee over the revised eligibility criteria in sections 12 and 13, the research and demonstration programs in section 9, and the general administrative provisions in sections 15 and 19. I will confine the rest of my remarks to those areas.

The development financing programs in section 3 of the bill are the principal areas of expansion in EDA activity. These loan guarantees, direct loans, and interest subsidies are intended to develop the private economies of distressed areas. Can that objective be achieved though?

First, the programs do not create any new capital investment which is essential for permanent economic growth. This bill rather lets EDA use Government borrowing and guarantees to shift credit from one area or sector to another.

Second, the premises of the legislation seem inherently flawed. If the assistance is successful in attracting businesses to economically distressed areas, then it will either give a Federal subsidy to investments that would have been made anyway, or it will subsidize business projects that simply may not be economically viable. With either result the assistance would not achieve the objective of creating long-term improvement in the area's economic health.

Finally, the development finance program authorizations are simply too much too fast.

The bill provides $1.8 billion in loan guarantees, $150 million for direct Federal loans, and $50 million for interest subsidies which amounts to a fivefold expansion from the fiscal year 1979 EDA program for business finance assistance. There is serious doubt whether EDA can effectively implement such a massively increased program. EDA must not only assess the financial viability of projects but also the potential for job creation and whether the project could occur without the EDA assistance.

The $1.8 billion in loan guarantees is a 430-percent increase over last year for EDA and is another example of how Federal credit programs are expanding out of control. In the 10 years since 1969, outstanding Federal loan guarantees have grown from $177 billion to over $440 billion.

Fortunately, the Banking Committee pared down the administration's request for $350 million in interest subsidies to $50 million for fiscal year 1980, but this still is too much authority for a new program. EDA has never administered an interest subsidy program and many witnesses before the Banking Committee heavily criticized interest subsidies as inevitably being a temporary, expensive

crutch to business projects that are so financially risky they should not proceed.

Equally unsettling is the rhetoric from the administration about why they propose the changes in area eligibility criteria now incorporated in sections 12 and 13 of this bill. The administration indicates these changes will achieve targeting of aid to economically distressed areas. I have more faith in the underlying strength of the U.S. economy and more common sense than to believe that two-thirds of our population live in economically distressed areas. These new criteria somewhat reduce eligibility from the present 85 percent of the population, but by no means have EDA's computers developed factors that identify the most distressed areas of the country. I point out to my colleagues that even with these new criteria so much of the country is eligible that we leave great discretion for EDA to decide where to extend the assistence in this bill. I hope these changes in eligibility criteria will not disguise substantial shifts in the relative distribution of EDA assistance, for example, from the sun belt to the snow belt.

In conclusion, I find two particular provisions of the bill to be especially troubling.

First, in authorizing EDA research, evaluation and demonstration programs, the Banking Committee has required a demonstration to test the feasibility of an equity financing program. Although the author of this amendment and the committee report state that Federal Government ownership of private firms is not the intent of the provision, it is difficult to conceive how else EDA can finance equity shares in business. Direct Government financing of equity in firms would be a serious change to the role of Government in our economic system. Furthermore, firms which cannot meet the equity requirements of credit markets without Government assistance are likely to be so risky that EDA should not participate in their projects.

Second, the goals of this legislation are clearly contradicted by application of Davis-Bacon wage requirements to projects receiving assistance. Davis-Bacon requirements reduce the likelihood that low-skilled and disadvantaged people will be hired on construction work because contractors simply cannot afford to pay them wages prevailing for full-time, skilled construction workers. Furthermore, the General Accounting Office finds that Davis-Bacon wage determinations are often higher than rates prevailing in the local area with the result that nonlocal contractors hire nonlocal labor. Employing low-skilled, disadvantaged, local residents of distressed areas is, however, precisely one of the primary purposes of projects to be assisted by this legislation.

Mr. CHAFEE. Mr. President, I ask unanimous consent that two members of the staff of Senator GLENN, Mr. Tom Doherty and Mr. Edward Furtek, be allowed the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Albert Eisenberg, Don Campbell, and Charlesetta Griffin, of the Committee on Banking, Housing, and Urban Affairs, have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, when I ran for the Senate, economic development was an issue which deserved great attention. It deserved attention then and it deserves attention now. Economic development means jobs. But that does not mean that we can afford to do a less-than-well-crafted piece of legislation. In line with this, I am happy to report to my colleagues that the Committee on Environment and Public Works unanimously approved the bill before us today. We report this bill jointly with the Senate Committee on Banking, Housing, and Urban Affairs, which has exclusive jurisdiction over the development financing authorities. We share jurisdiction over eligibility criteria, research and demonstrations, and a variety of administrative provisions in the program.

Mr. President, I must say that one of the reasons a bill of this size made it through the committee unanimously is due to the leadership of our chairman, Senator RANDOLPH. He is a longstanding supporter of economic development and has worked hard to pass the program before us. I also wish to highlight the role of our Regional and Community Development Subcommittee chairman, Senator BURDICK, who presided over lengthy hearings on the bill and faithfully participated in all of our working sessions. And of course the ranking minority member, Senator STAFFORD, has a deep interest in the programs of the EDA and has sought to make sure that the agency's attention to rural as well as urban problems does not diminish.

The Public Works and Economic Development Act was first passed in 1965. The Congress was attempting to focus the resources of the Federal Government to assist areas in the country which did not share in the general economic prosperity of those times. Let me quote from the purpose section of that act, which still remains the basis of economic development law:

> Some of our regions, counties, and communities are suffering substantial and persistent unemployment . . . that to overcome this problem, the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development.

Fourteen years later, we find that these problems persist and new problems have developed. The complexity of our economy has increased immensely during the past few years. At the same time, we have learned more about what does and does not work to promote economic development and prosperity among our people.

Policymakers used to operate on the assumption that areas were lagging behind because public entities lacked adequate infrastructure—good roads, adequate water supply, suitably developed land—to attract private commercial and industrial firms who would bring jobs and income into an area. Direct assistance to individual businesses was a relatively small part of EDA's program throughout most of that agency's history. More recently, however, the Economic Development Administration has increased assistance to individual firms to help them and their host communities adjust to economic dislocations caused by foreign competition, cutbacks at defense installations, or other forces.

The trend of increasing direct, rather than indirect assistance to commercial and industrial firms is dramatically accelerated in the bill before us today.

Beginning next fiscal year, EDA will administer a greatly expanded program of direct business assistance. The Banking Committee's part of this bill includes $228 million in budget authority for direct loans and interest subsidies. It also authorizes the Economic Development Administration to guarantee $1.8 billion in loans in fiscal year 1980 and the same in fiscal year 1981.

Likewise, the Committee on Environment and Public Works proposes two new grant programs that may directly assist individual firms. Section 102 provides for the establishment of non-Federal revolving funds to enable a State or city to lend money to businesses that will create jobs in distressed areas. Section 103 of our bill establishes a new program of direct grants to a public body which may be used to defray up to 15 percent of the capital expenses of a firm agreeing to locate or remain in a distressed area.

I must reassure my colleagues that our bill also provides additional funds for the more traditional purpose of public works and similar development facilities. But, Mr. President, the big dollars—the "real money" as they say—will go toward direct assistance to businesses. I am not decrying this trend. I am highlighting it as an important change in character of the Economic Development Administration and of Federal economic development efforts generally.

Now, Mr. President, I would like to get into the particulars of the bill before us. First I want to talk about money.

The authorizations in this reported bill are within the targets contained in the first concurrent budget resolution. Also, due to economies imposed by the Banking Committee, the bill is about $317 million under the adminstration's request. Furthermore, S. 914 as reported does not include a separate new program of inland energy impact assistance, which the administration requested and which was contained in S. 1145, reported by this committee on May 15. That bill met the Budget Act deadline and represented this committee's tentative effort to estimate the costs of extending the economic development program.

On the other hand, this bill will support a program significantly larger than what the Economic Development Administration presently operates. We provide budget authority 50 percent greater than the appropriation for this program in the current fiscal year. In addition, the bill

authorizes EDA to guarantee $1.8 billion in private loans and such sums as necessary to cover defaults, in 1980 and the same in 1981. This is four to five times the value of loans EDA expects to guarantee this fiscal year. The bill before us increases grants for public works and economic adjustment projects from a level of $335 million this year to $615 million in fiscal year 1980 and $715 million in each of fiscal years 1981, 1982, and 1983.

The committee believes that these increases are justified by conditions of poverty and unemployment that characterize our inner cities on the one hand, and by similar conditions in some rural areas. It is also needed for flexible Federal assistance to help communities overcome sudden and severe economic dislocations. The bill also provides increases for planning, for technical assistance to communities and businesses, and for research and evaluations which contribute to promoting economic development. In sum, Mr. President, S. 914 authorizes $943 million for fiscal year 1980 and $1,016 million in fiscal year 1981 for all of these purposes. Similar amounts are provided for fiscal years 1982 and 1983, except for the development financing program in title II, which is only authorized for 2 years. At this point, Mr. President, I ask unanimous consent to have printed in the RECORD two tables that illustrate the breakdown of funds in S. 914.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

S. 914—NATIONAL PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AUTHORIZATIONS FISCAL YEARS 1980–83

[In millions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
Economic development and adjustment grants	615.2	715.0	715	715
Sec. 106 (Public works: revolving fund, adjustment)	(555.2)	(600.0)	(600)	(600)
Sec. 304 (State grants)	(20.0)	(75.0)	(75)	(75)
Sec. 403 (10 percent bonus grants; economic development centers)	(40.0)	(40.0)	(40)	(40)
Other grants	99.78	105.0	115	125
Planning, technical assistance (sec. 305)	(89.78)	(95.0)	(105)	(115)
Research and demonstrations (sec. 303)	(10.00)	(10.0)	(10)	(10)
Business development financing [1]	227.923	195.920		
Direct loans	(150.0)	(150.0)		
Interest subsidies	(50.0)	(0)		
Reserve against default	(27.923)	(45.920)		
Administrative expenses [2]	62.181	NA	NA	NA
Total	942.903	1,015.92	830	840
Total including administrative expenses	1,005.084			

[1] Banking committee jurisdiction. Does not reflect $1,800,000,000 in loan guarantee authority (90 percent of face value of loans).
[2] Revised administration request. No specific limit on authorization.

Note: Sec. 17 of S. 914 authorizes a non-EDA program of grants to local education agencies for the construction of school facilities to assist in providing education to immigrant children, $45,000,000 to be available in fiscal years 1980 and 1981 is authorized to be appropriated to the Southwest Border Regional Commission for this purpose.

NATIONAL PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT—COMPARISON OF S. 914 AND PREVIOUS AUTHORIZATIONS

[In millions of dollars]

	Authorization fiscal year 1979	Appropriation fiscal year 1979	Administration request (S. 914) fiscal year 1980	S. 914 (as reported) fiscal year 1980
Public works and economic development and adjustment	670	334.5	595.2	615.2
Title I (public works)	(425)	(196.0)	.....	(555.2)
Sec. 304 (State grants)	(75)	(20.0)	.....	(20.0)
Sec. 403 (10 percent bonus; economic development centers)	(45)	(30.0)	.....	(40.0)
Title IX (Special economic adjustment)	(100)	(88.5)	.....	.....
Sec. 404 (Indian economic development)	(25)	(0)	.....	.....
Planning, technical assistance, research	75	61.425	94.78	99.78
Planning (sec. 302)	(47)	(38.245)	(37.28)	(40.40)
Technical assistance (sec. 301)	(20)	[1](15.180)	(53.50)	(49.38)
Research and evaluations (sec. 301)	(8)	(8.00)	(4.00)	(10.00)
Business development	325	191.758	569.35	[2] 227.923
Title II (loans and guarantees)	(325)	(21.0)	.....	.....
Trade Act	.....	(95.758)	.....	.....
Appropriations	.....	(75.000)	.....	.....
Total	1,170	618.104	1,259.33	942.903
Administration	.....	30.601	[3] 62.181	.....

[1] Additional $19,400,000 for technical assistance to businesses included in Trade Act appropriation.
[2] Banking Committee jurisdiction. Does not reflect $1,800,000,000 in loan guarantee authority (90 percent of face value of loans).
[3] Revised administration request. No specific limit on authorization.

Mr. CHAFEE. Mr. President, I would like to say a few words about eligibility, which is of vital concern to every Member. In considering this bill we learned that, under current law, about 85 percent of the population in this country lives in so-called distressed areas. My opinion is this is a patently absurd proposition. Clearly, there is something wrong with the process of becoming designated for financial assistance under current law. Recognizing this, the administration proposed a new set of eligibility criteria which would more precisely define the characteristics of areas suffering economic distress. The effect of the recommended changes in the eligibility criteria is to simplify the procedure for designating areas, and to improve EDA's ability to target assistance to truly distressed areas.

In general, the revised criteria provide for recognizing: First, long-range economic distress; and second, anticipated sudden and severe economic dislocation. The new criteria identifying long-term economic deterioration have been simplified to four measures: low per capita income, high unemployment rates—both short-term and long-term unemployment—low employment growth rate, and high proportion of an area's population with income below the poverty level. This last criterion is an important indicator which will target assistance to areas where a large proportion of the residents have low incomes but where the conventional average income and unemployment statistics obscure this form of distress. In other words, poor people in healthy communities are targeted for assistance.

Under the present system, areas can become statistically qualified under nine overlapping and occasionally meaningless criteria. Even worse, Congress in 1970 enacted a moratorium on the process by which EDA redesignates areas, making them ineligible for financial assistance. Consequently a number of economically healthy areas continue to qualify for Federal assistance. Many of these areas became qualified when, for a short period of time during the last recession, a very loose unemployment criterion allowed easy designation. Thus at present there are 2,231 places eligible for EDA assistance. Of this number 823 areas do not meet any of the statistical tests contained in current law.

The new criteria proposed in this bill are simpler, better balanced, and better targeted to places with substantial economic distress. Using recent statistics, these criteria cover about 68 percent of the United States population compared to 85 percent under current law. On a commonsense level, this percentage may still seem far too high.

However, it is very important to remember that eligibility is not entitlement. Under this act EDA is given broad authority to target assistance to areas of severe economic distress where projects will directly benefit the unem-

ployed and the poor. It is also important to note that the proposed bill phases out areas that are not statistically eligible under the new criteria. It does not cut them off in the middle of a project development process. Specifically, in fiscal years 1980 and 1981 EDA may continue to assist areas designated under the current eligibility criteria. Thereafter, however, assistance will be limited to areas designated under the new eligibility criteria. On the other hand, financial assistance for new programs created in this legislation—title II and sections 102 and 103—is limited to applicants in areas statistically qualified under the terms of this bill.

In addition to areas that qualify under the new criteria, other areas may receive assistance in special circumstances. In the first place, pockets of distress in otherwise healthy areas may receive assistance if they can demonstrate extreme need to the Secretary using statistical information peculiar to that area. Pockets of distress may be found in otherwise healthy cities or in particularly distressed areas of a rural county.

Second, the bill provides for the designation of adjustment areas. Upon application, the Secretary must determine that the area has recently suffered or is threatened with a severe economic adjustment problem. Furthermore the area must have the Secretary's approval of an economic adjustment plan to address those problems. Eligibility for adjustment assistance may be warranted by the closing of a major private employer or defense installation, by pollution control requirements, or when a community faces rapid growth associated with energy resource development.

An adjustment area may, or may not, be an area otherwise qualified for assistance as a redevelopment area. I should also note that adjustment assistance is limited to between 5 percent and 35 percent of the appropriations under title I of the act. Thus the maximum amount of money available for adjustment assistance is $194 million in fiscal year 1980 and $210 million in each fiscal year 1981 through 1983. As a practical matter, however, EDA expects that only between $40 to $50 million will be needed for adjustment projects.

Next, Mr. President, I would like to talk a little bit about one of the new programs authorized in this bill that I believe will be especially helpful.

Aside from the new and expanded loans, loan guarantees, and interest rate subsidies, which have been amply described by my colleagues from the Banking Committee, the bill before us includes two new programs. One of these establishes a grant program which will finance non-Federal revolving loan funds.

An eligible applicant—a State, a city, a county government, an economic development district—may apply for a grant to capitalize a revolving loan fund to encourage job-creating economic activity.

These activities include:

Loans for industrial land assembly and land banking;

Acquisition of surplus government property;

Acquisition of industrial sites or abandoned properties with redevelopment potential;

The rehabilitation of historical buildings for industrial and commercial use;

The rehabilitation of empty factory buildings for industrial and commercial use; and

Other investments which will accelerate the recycling of land and facilities.

Repayment of these loans must be placed in the revolving fund to be used solely for other loans to support the economic redevelopment of an eligible area. EDA has some experience with this kind of activity under its title IX adjustment program. This bill provides additional resources to expand this activity. On a parochial note I might mention that the industrial development corporation recently established by the city of Providence, R.I., is a good example of a candidate for this type of assistance. Next year EDA expects to spend up to $35 million on this program.

Mr. President, that concludes the comments that I have on the bill before us. My colleague, Senator BURDICK, and my friends on the Banking Committee have described for Senators other major parts of this legislation. By and large, I believe we have reported a good bill to the Senate. It is one which will be very beneficial to areas of economic distress in this country and will contribute to meeting the economic needs of all our people.

Mr. President, this is a measure that I believe deserves our closest oversight during the years to come.

For example, as the distinguished Senator from Wisconsin pointed out, under these eligibility rules, we really have something that seems a bit ridiculous. As he pointed out, under the current law, 85 percent of the population of the United States are considered to live in distressed areas. No matter how we slice it, I do not think that only 15 percent of Americans are not living in distressed areas and that the other 85 percent are living in distressed areas. I just cannot believe that.

We have tried to tighten up the criteria that characterize what, in effect, is an area suffering economic distress. Even so, when we are through with this measure, it only gets down to 67 percent, and that only after 2 years.

However, I believe the important point to make is that, even though this estimate of the vast percentage of the people of this country—67 percent—living in distressed areas seems foolish, nonetheless, I do believe there are sufficient restraints within the bill—fiscal restraints, for one—that prohibit EDA from granting assistance to areas that by no criteria are considered distressed.

Mr. President, I believe it behooves the Committee on Environment and Public Works to exercise a good deal of oversight over the EDA's administration of this act—and, indeed, all the measures we take up. One of the problems I believe we all encounter is that we are so busy wrestling with legislation, the wording of it, and reauthorizations, that unfortunately, we cannot give the time to oversight that we should.

Mr. RANDOLPH. Mr. President, with other members of the Committee on Environment and Public Works, I have been intensely interested in this subject as it affects our action in 1979 and in prior years.

I know the philosophy of the able Senator from Wisconsin who has spoken. I say this advisedly: I think we are fortunate in the Senate to have his expertise and understanding and commitment in the committee he chairs so well.

From time to time through the years, we have had colloquy on matters that have to do with public works—the Federal highway programs and others that fall into the category of assisting the growth of this country and the well-being of its people. I am sure the Senator from Wisconsin will not be too upset with me when I say that the opposition he expresses today is a continuing opposition. It comes not only in 1979 but also in the other years. I do not fault him for that. That is his conviction.

However, I do want us to know for the record that the opposition he expresses here is not something new. It has been his philosophy through the years, and I think we have to understand that as we bring this measure from the Committee on Environment and Public Works, and from the Committee on Banking, Housing, and Urban Affairs.

There were differences within our committee. There were very thorough hearings before the subcommittee chaired by Senator BURDICK. There were long sessions within the committee itself. If we want to use the voting process as an indication, there was within the committee a strong feeling that this was very important legislation and that it should be considered and passed in the Senate.

I take this opportunity to commend the 13 members of this committee who served with me, Democrats and Republicans. We who bring to the floor not a mish-mash of legislative history, but documented belief, supported by the hearings, which causes us to have the measure before us today in its present form.

This measure continues assistance to areas suffering economic decline or lack of growth. These programs are designed to create infrastructure so that a community can retain existing job opportunities and attract new employers to build a stronger economic base.

As an area begins to lose employment opportunities and drops from the economic mainstream, investment in new job creating enterprise is often difficult to obtain. The Public Works and Economic Development Act has since 1965 performed an important role in seeing that areas of our country receive assistance to plan and develop public works projects which encourage investment by the private sector in such communities.

The act, administered by the Economic Development Administration, has proved to be a catalyst in bringing together assistance for lagging areas and distressed places. That mission will continue under the bill reported by the members of the Committee on Environment and Public Works. The changes

made by the committee in the program authority are more in the nature of refinements than substantive. The basic act is one that works and the committee chose not to adopt recommendations from the administration which would have substantially rewritten the program. Why alter the basic form of a program which has met needs of many areas for 14 years?

The changes recommended in the legislation under consideration consolidate public works grants and adjustment assistance into title I of the bill without radical changes in authority. The bill also improves and coordinates the planning process for economic development.

There are many agencies at the local and State levels which are involved in economic development planning. They receive funding from various Federal programs. This bill begins the process of requiring coordination in the planning efforts of these various bodies. The expectation is that one overall planning process can be developed from which investment decisions can be made by various Federal agencies which fund economic development programs. This is especially true of a coordinated effort between the regional commissions and the public works and economic development program. The bill specifically requires that coordination be undertaken by the Secretary of Commerce in the grant making decision process.

The most significant change, however, is in the eligibility criteria for the program. Under existing law approximately 86 percent of the population of the country is eligible for assistance under the Public Works and Economic Development Act. Through the legislation recommended to the Senate approximately 67 percent of the Nation's population ultimately will be eligible. This effort is a response to the need to target assistance more carefully to those areas suffering the greatest need. Under the criteria recommended by the committee, unemployment, poverty, per capita income, and rate of employment growth are the factors which will be examined to determine area eligibility. These are factors which measure the problem facing lagging communities and are the best measure of a continuing need for Federal economic development assistance.

This legislation affirms, in section 403 (a)(5), that all elements of the economy within economic development districts should participate in the development process.

In many areas such participation is assured by including representatives of the local business community, the long-term unemployed, and socially and economically disadvantaged minorities in the membership of district governing boards. EDA has, in fact, interpreted the law to require that district boards include such representation. I do not believe this to be a necessary interpretation.

It is possible, and may even be preferable, to assure participation of local businesses and the economically disadvantaged by other means than board membership. If districts can meet this participation goal in any other way, they should be permitted to do so. I see no reason why districts taking part in this program who can meet this goal with alternative to board membership should have to comply with the cumbersome waiver procedure currently required by EDA.

Mr. President, it is very important that we understand that there is hardly an area of the United States of America—Wisconsin, Rhode Island, Utah, all the States; not West Virginia alone or a dozen States, but all the States—that has not benefited from the economic administration of the program in the public works area.

I was thinking of EDA earlier today, how much it has meant to the smaller communities, not just the great metropolitan areas of our country. I am thinking now of Keyser in Mineral County, W.Va. That is the hometown of Mary, my wife, who has worked with me for a period of almost 35 years in various capacities in the House of Representatives and Senate. We often think of that hometown area in which she was born and what happened there. We were able to develop an industrial park through EDA assistance. What did that grant do? Did it just bring in a piece of land and acreage?

That grant and the subsequent development have meant much in that area of West Virginia, very, very much as the industrial park, the water and sewer lines, helped the plants, the factories of the area of which I speak.

Another important project funded by EDA was the Civic Center in Charleston, our State capital city. Completion of this facility will do much to encourage development of facilities in the downtown area.

Of importance to West Virginians has been the loan and loan guarantee program administered by EDA under this act. Important employers in several of our communities have remained open through the assistance of an EDA loan. Two of the best examples are a loan to Fourco Glass Co. in Clarksburg and Rockwell in Morgantown. These two facilities remained in operation because of the loan package put together by EDA. Jobs were saved and a strong employment base continued.

While the examples that I have cited are important, so too is the loan program undertaken by EDA to assist the steel industry in becoming a viable competitor with foreign companies. EDA has set aside $500 million in loan guarantees to assist smaller steel companies in meeting pollution control requirements and in modernization of facilities. These loan guarantees assure that smaller steel companies will be able to compete and continue to be employers in the areas in which they are located. Without this assistance several of these smaller companies may have failed. The result could have been catastrophic for local economies because of the loss of jobs and a reduced tax base.

With respect to loans under this program, the committee has clarified in section 702 the test for determining if EDA assistance will unfairly favor one company over another. The language inserted in section 702 will allow EDA to continue to fund through loans or guarantees those facilities in redevelopment areas which will retain existing employment. The Secretary of Commerce need only find that a significant increase in production of goods will not occur as a result of such a loan. This modification brings the statute into conformity with existing law.

Mr. President, this extension of the Public Works and Economic Development Act comes at a time when it is clear that the past program for declining or stagnant local economies are those with a long range goal of creating jobs and raising income. The programs authorized by this Act have demonstrated in all levels the soundness of this approach. Local officials and private citizens are involved in fashioning economic development plans which when funded bring forth new opportunities. I recommend to my colleagues the amendments to this Act from the Committee on Environment and Public Works.

I hope that the purpose of this legislation will receive the approval of the Senate and, ultimately, after a conference with the House, will be signed into law.

Someone may say, "Well, Senator RANDOLPH rises and he tries to rewrite again in other language the New Deal days."

There was nothing wrong with the New Deal days, nothing whatsoever wrong with them. Nothing was wrong with the programs that came out of the New Deal. They were created because there was a desire to help people, to help people to place the country on its feet.

That is what we continue to do here. It is not to scuttle the programs that have been effective, but through experience to bring into this body well-reasoned and productive legislation.

I appreciate the work of all the members of this committee. We have never allowed the surfacing of politics within the committee, never.

I commend Senator BURDICK, chairman of our Subcommittee on Regional and Community Development, for his efforts to bring this important bill to the Senate floor. Senator CHAFEE, ranking minority member of the subcommittee, is also to be commended, as is Senator STAFFORD the ranking minority member of the full Committee. I also thank all members of the Committee on Environment and Public Works for their diligence and enthusiasm as the committee brought forth this major 4-year extension of the Public Works and Economic Development Act.

I hope for the approval of the pending bill.

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I ask unanimous consent that the committee amendments in the nature of a substi-

tute, except that language appearing on page 113, line 11, through page 113, line 25, and the language appearing on page 142, lines 3 through 11, be agreed to as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 486

Mr. BURDICK. Mr. President, I offer an amendment and send it to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota (Mr. BURDICK) proposes an unprinted amendment numbered 486:

On page 112, after line 12, insert the following:

Sec. . Section 404 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3172) is amended by striking out the "and" following "September 30, 1978" and by inserting after "1979" the following:

"September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983".

Mr. BURDICK. Mr. President, inadvertently the committee did not extend authority under section 404, Indian economic development. It was not our intention not to extend the guarantee providing the Indians are guaranteed $25 million each year from the appropriated funds.

The PRESIDING OFFICER. The amendment at this point is not in order, until all of the committee amendments have been disposed of. The only exception would be amendments to the remaining committee amendments.

Mr. BURDICK. Very well. Then we will offer it again.

There are no committee amendments pending.

The PRESIDING OFFICER. It is the understanding of the Chair that there are two remaining committee amendments.

Mr. BURDICK. There are none. There are amendments pending from the floor. There are no committee amendments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I move that the language appearing on page 113, lines 11 to 25, and on page 142, line 3 through line 11, be deleted.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BURDICK. Now, Mr. President, I will reoffer the other amendment I have previously sent to the desk.

The PRESIDING OFFICER. The Chair informs the Senate that with the disposition of the two remaining committee amendments, the amendment offered by the Senator from North Dakota from the floor is now in order.

Mr. BURDICK. Mr. President, inadvertently the committee did not extend the authority in section 404 under Indian Economic Development. There is no intention not to extend this provision. It provides that Indian communities are guaranteed $25 million each year of the appropriated funds.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

Mr. CHAFEE. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, the amendment (UP No. 486) is agreed to.

UP AMENDMENT NO. 487

(Purpose: To clarify the effective date of the act)

Mr. RANDOLPH. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an unprinted amendment numbered 487:

On page 93, after line 17, insert the following:

"(d) The amendment to Title II of the Public Works and Economic Development Act of 1965 made by this section shall not apply to any loan guarantee project for which a Guaranty Agreement is executed on or before September 30, 1979."

On page 142, after line 11, insert the following:

"Sec. . This Act shall become effective October 1, 1979, or upon enactment, whichever is later."

Mr. RANDOLPH. Mr. President, section 3 of the bill rewrites title II, development financing, of the Public Works and Economic Development Act. In the process, it makes a number of changes in existing law including the establishment of statutory limits on amounts which may be guaranteed; also, funds held in the economic development revolving fund currently authorized by section 203 of the act would be transferred to the Secretary of the Treasury.

This entire bill relates to authorities beyond the current fiscal year. It is, I believe, the intent of both the Committee on Environment and Public Works and the Committee on Banking, Housing, and Urban Affairs that these changes should not be effective until fiscal year 1980 and should have no retroactive effect which might jeopardize projects now under development. My amendment would make it clear that these changes in the law would be effective on October 1, 1979, the first day of the new fiscal year, or on the date of enactment, whichever is later.

Another concern is that EDA has under negotiation or is committed by executed guaranty agreements to guarantee loans which may be drawn down by the borrowers in fiscal year 1980 and beyond. My amendment would make it clear that execution of a guaranty agreement by the agency is the operative date for determining the applicable law and that the changes in title II made by this bill would not affect any project for which a guaranty agreement is executed on or before September 30, 1979.

I ask the managers of the bill, Senator BURDICK and Senator CHAFEE, what is their feeling about this amendment? Would the Senator from North Dakota comment on the amendment?

Mr. BURDICK. I believe this is under title II, which would be under the jurisdiction of the Banking Committee. Senator PROXMIRE would be more familiar with it than I would be.

Mr. GARN. Senator PROXMIRE is not on the floor at this time. I see nothing wrong with this amendment. The Senator is only dealing with dates, with no substantive changes that I can see in title II. As far as the minority on the Banking Committee, I would have no objection to it, but I cannot speak for Senator PROXMIRE.

Mr. CHAFEE. As far as the minority is concerned, we are willing to accept the amendment.

Mr. GARN. I understand from Senator PROXMIRE's staff member that the amendment has been cleared with him.

Mr. RANDOLPH. I appreciate the comments of the Senator from Utah (Mr. GARN) and the minority manager of the bill from our committee (Mr. CHAFEE). I appreciate that these matters have been cleared. I did not realize Senator PROXMIRE was not in the Chamber.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I must say I rise today with considerably mixed feelings about this bill. There is no doubt that EDA has, in some measure, been extremely helpful to my State and many other States. There is no doubt that the managers of this bill and the committees which are handling this bill have done, I believe, a very workmanlike job and worked very hard in bringing us this legislation. I commend the Senator from North Dakota (Mr. BURDICK), the Senator from Rhode Island (Mr. CHAFEE), the chairman of the committee (Senator RANDOLPH) and the chairman of the Banking Committee (Mr. PROXMIRE).

In the comments I am about to make, I am not aiming at any of the committees or people who have brought this legislation before the Senate. I believe they have done an excellent job in every regard. But I am aiming at the Economic Development Administration and the way it operates.

What we have before us, Mr. President, in S. 914, the National Public Works and Economic Development Act of 1979, is a bill reauthorizing the EDA public works and business financing programs at considerably higher funding levels. There is little question that the programs contained in the legislation are important to the economic health and progress of the Nation.

Assuming that the various grants, loans, loan guarantees, and subsidies are administered in an efficient manner, considerable progress can be achieved in revitalizing our economically distressed regions.

So I am in concept, in spirit, and in philosophy, supportive of the programs in this bill.

However, I am deeply concerned that EDA may not have the expertise in whole, in part, or in any degree, to administer these programs properly.

I must say, Mr. President, I have been absolutely surprised, shocked, and disappointed throughout the Banking Committee's hearings and markup sessions on this bill. I was continually frustrated by the inability of top-ranking EDA officials who, even after I met with them 2 days before the hearings, were unable to provide any information at the hearing for thoughtful policy decisions. Requests at the hearings for data and other material brought few results. Requests were often ignored, or information was provided only after the longest possible delay. Broad, sweeping statements have time and again been substituted for detailed analysis. Members' questions were often, and I speak not for myself as much as I do for other members of the committee, left unanswered.

(Mr. EXON assumed the chair.)

Mr. HEINZ. The administration is asking Congress to significantly increase EDA funding levels and broaden its mandate. Program expansion should not be taken lightly at a time when we are trying to limit Government expenditures and move toward a balanced budget. Hard facts, clear justification, and detailed analyses are needed to make the decision, implicit in this legislation, of whether we will substantially expand funding for EDA's activities. Unfortunately, as far as I can tell, EDA has delivered none of the above, except a large bill which Congress and the taxpayers are expected to pay.

Let me be more specific for the benefit of my colleagues, especially for the members of the Committee on Public Works and Environment, who, I do know, want the EDA to perform at the highest possible level. During Banking Committee deliberations on this legislation, considerable debate centered on what size firms should receive development assistance. We had a considerable amount of testimony which centered on the growing realization that assistance should be targeted to small firms because they are central to job creation and because these businesses have the greatest amount of difficulty in gaining access to the capital markets.

Indeed, David Birch, of MIT, has found that firms with 20 employees or less created 66 percent—two-thirds—of all the new jobs created in the United States. Beldon Daniels, of Harvard, has concluded that corporations with less than $1 million in assets are excluded, for all intents and purposes, from both long-term debt and equity markets. In the light of these findings on small firms, the committee attempted to find out from EDA whether this kind of firm was the kind of firm receiving assistance. But what we found from EDA is that they do not have on hand the necessary data to make such determinations. In fact, we could not even get a consistent answer out of EDA on a suitable definition of a "small firm."

I finally asked EDA, during the committee's markup session, to provide some detailed information on the distribution of EDA's business assistance over the last 4 years. It turns out—*I find this incredible, Mr. President*—that the data maintained on firm size by employees, assets, revenues are simply not routinely maintained by EDA.

As a result, it took EDA over a month to obtain what has to be among the most basic data that any analyst could ever ask for. I conclude, therefore, that there is not one analyst at EDA who knows what he is doing, because they do not even have the information that the most elementary analysis would require. So, Mr. President, I question how EDA can even make rational decisions, let alone policy judgments, on its business assistance programs if it does not have the very basic data it needs.

In reviewing the material provided, which I ask unanimous consent to have printed in the RECORD, Mr. President, I have found it to be seriously flawed and, I am sorry to say, not particularly helpful.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—EDA BUSINESS LOANS AND LOAN GUARANTEES, DISTRIBUTION OF FIRMS AIDED BY NUMBER OF EMPLOYEES (FISCAL YEARS 1976–79) [1]

Number of employees [2]	Number of firms	Percent of firms	Loans	Guarantees	Amount of loans	Average loan	Amount of guarantees	Average guarantee	Percent of total aid	Jobs created [3]	Jobs saved [3]
A. 1 to 20	6	2.80	3	3	$2,090,000	$696,667	$4,806,000	$1,602,000	1.97	945	64
B. 21 to 50	29	13.55	22	10	8,827,558	401,253	4,265,950	426,595	3.75	1,474	590
C. 51 to 100	41	19.16	36	9	28,253,567	784,821	8,132,538	903,615	10.42	3,441	1,408
D. 101 to 250	59	27.57	43	24	41,980,730	976,296	19,820,500	825,854	17.69	6,806	2,821
E. 251 to 500	50	23.36	32	21	51,570,289	1,611,571	67,294,000	3,204,476	34.02	8,207	8,863
F. 500 plus	29	13.55	17	16	31,956,000	1,879,765	80,373,400	5,023,338	32.15	14,143	16,397
Total	214	100.00	153	83	164,678,154	1,076,327	184,692,388	2,225,209	100.00	35,016	30,143

[1] For fiscal year 1979 data includes loans and loan guarantees made through May 1979.
[2] Includes 56 firms with no workforce at the time of aid—either new ventures or businesses put back into operation. For those firms "Number of employees" is projected by the firm at fully operational level.
[3] Applicant estimates.

TABLE II.—EDA BUSINESS LOANS AND LOAN GUARANTEES, DISTRIBUTION OF FIRMS AIDED BY AMOUNT OF ASSETS (FISCAL YEARS 1976–79) [1]

Amount of assets (millions)	Number of firms	Percent of firms	Loans	Guarantees	Amount of loans	Average loan	Amount of guarantees	Average guarantee	Percent of total aid	Jobs created [2]	Jobs saved
A. Under $1	51	23.83	42	12	$34,884,513	$830,583	$13,429,200	$1,119,100	13.82	5,940	1,518
B. $1 to $5	88	41.12	70	30	58,250,151	832,145	32,824,288	1,094,143	26.16	10,068	6,622
C. $5 to $10	30	14.01	17	16	27,327,000	1,607,471	30,609,900	1,913,119	16.58	4,927	5,007
D. $10 to $25	29	13.55	18	13	38,834,740	2,157,485	46,539,000	3,579,923	24.63	5,647	9,705
E. $25 to $50	12	5.61	6	8	5,381,750	896,958	39,060,000	4,882,500	11.25	3,188	4,866
F. $50 to $100	2	0.94	0	2	0	0	14,400,000	7,200,000	4.22	2,452	2,433
G. $100 to $250	2	0.94	0	2	0	0	7,830,000	3,915,000	2.34	2,864	0
Total	214	100.00	153	83	164,678,154	1,076,327	184,692,388	2,225,209	100.00	35,016	30,143

[1] For fiscal year 1979 data includes loans and loan guarantees made through May, 1979.
[2] Applicant estimates.

TABLE III.—EDA BUSINESS LOANS AND LOAN GUARANTEES, DISTRIBUTION OF FIRMS AIDED BY AMOUNT OF REVENUES[1] (FISCAL YEARS 1976–79)[2]

Amount of annual revenues (millions)	Number of firms	Percent of firms	Loans	Guarantees	Amount of loans	Average loan	Amount guarantees	Average guarantee	Percent of total aid	Jobs saved[3]	Jobs created[3]
A. Under $1	23	10.74	16	9	$12,893,768	$305,861	$12,967,950	$1,440,833	7.40	5,271	1,536
B. $1 to $5	77	35.98	65	22	42,022,429	656,600	14,992,538	681,479	16.32	6,688	3,797
C. $5 to $10	37	17.28	25	16	26,868,575	1,074,743	27,733,000	1,733,313	15.63	4,596	2,375
D. $10 to $25	42	19.62	28	15	48,555,632	1,734,129	36,275,000	2,418,393	24.28	7,345	7,500
E. $25 to $50	21	9.81	11	18	14,456,750	1,314,250	54,743,000	4,211,000	19.81	5,241	8,764
F. $50 to $100	14	6.54	8	8	19,881,000	2,485,125	37,980,000	4,747,500	16.56	5,875	6,171
Total	214	100.00	153	83	164,678,154	1,083,275	184,629,388	2,225,209	100.00	35,016	30,143

[1] Revenues for new ventures and firms not operating at the time aid was granted are projected by the firm at fully operational level.

[2] For fiscal year 1979 data includes loans and loan guarantees made through May 1979.

[3] Applicant estimates.

Mr. HEINZ. Mr. President, Let us take a brief look at these statistics, and I think Senators will agree that they do not do very much—in fact, they do far too little—to answer our questions on the size of firms receiving EDA assistance. First of all, there is no correlation provided by EDA between the numbers of employees and assets and revenues. Accordingly, we are still confused over any acceptable criteria or the relationship between criteria for defining a small business.

Second, no statistics are provided on the age or the type of firm assisted. Lacking information on whether the firm is young or old, or involved in manufacturing, wholesaling, or retailing, it is impossible to target assistance to firms which are the most likely to grow and the most likely to create the largest number of new jobs. The lack of information on defaults also raises questions as to whether EDA is truly assisting firms with some risk or is merely substituting taxpayer dollars for private market capital.

We had a long discussion in the committee about EDA and it was suggested that the default rate that they were experiencing, which was relatively low, might be a measure of a typical bureaucratic failure to take any risks. When you are engaged in job creation, you can be pretty sure of one thing, that not every business is going to succeed—indeed, most small businesses do not—and that if you have zero risk, chances are, your net increment of gain in creating jobs is probably not far away from the same number—zero. So there is a considerable amount of subjective as well as objective evidence that, by having extremely low-risk levels and thereby protecting bureaucratic posteriors, what EDA is doing is merely substituting taxpayer dollars for private market dollars.

Third, Mr. President, a close examination of the statistics reveals that the information provided on jobs created and jobs saved is all applicant estimates—applicant estimates. I have nothing against applicant, but it seems to me inconceivable that EDA would not at least make, at one time or another, their own independent estimate on what jobs might be created or might be saved. Indeed, it seems to me incredible that EDA keeps no actual records at all—none at all—on actual jobs created or saved, even measured against what the applicants originally said.

Fourth, the data provided do not allow any correlation between the jobs created or saved and the percent of aid received.

Finally, in this chronicle of bureaucratic horrors and perhaps indicative of the effort EDA has put into the charts that I trust they made available to everyone, table III has the jobs saved and the jobs created columns confused—or at least, I hope they are confused because, if they are not confused, the totals in the other tables are incorrect and that will raise considerable doubt over the validity of all the other figures.

The committee may not want to know this, but I could go on citing inadequacies in this information somewhat indefinitely, but I trust that I am making a point. However, if I have not made a point, I am prepared to continue at greater length.

Let me say, Mr. President, that if the administration and EDA in particular, are going to testify on legislation, they must be prepared to provide detailed information on existing programs and the need for change. I, for one, frankly, am just not willing to spend a lot more money on behalf of our hard-pressed taxpayers based only on an agency chief's belief, his hope, his desire, that a program is working well. Simply because he is saying it is working well and simply because he says so or dreams that it is working well does not necessarily make it so.

We have done too much of that wishful thinking in this Congress over the years. I do not think my colleagues should be asked to legislate blindly.

If EDA cannot provide the materials needed for informed decisionmaking, I do not see how it can be so confident it can handle its fourfold increase in funding. I do not see how it can evaluate those programs or target its business assistance programs to those most in need and, therefore, be effective.

I can assure Senators that when it comes time to review this legislation. I will be asking these questions again. If EDA does not provide more suitable responses, we need to evaluate whether the Agency can handle its role in our economic development efforts.

Mr. President, I am happy to yield to the Senator from Utah.

Mr. GARN. I thank the Senator from Pennsylvania. I want to make two quick comments to follow up what the distinguished Senator is saying.

On June 7, the Banking Committee, at the request of EDA, adopted some revised eligibility requirements.

I have before me the booklet from them dated July 30, 1979, showing the effect of those revisions. It is rather thick.

We adopted the requirements and requested more information. It took them about 7 weeks to come up with what was asked to be done on June 7.

The Senator from Pennsylvania asked some questions of them, which the Banking Committee directed they answer within a week, and it took 5½ weeks for them to answer the questions.

Mr. HEINZ. If the Senator will yield, they said they would have the data within a week or two.

Mr. GARN. That is correct.

Mr. HEINZ. We asked for a week. They said, "We can do it in 2 weeks," and they took 5½ weeks.

Mr. GARN. This is one of the reasons I oppose this bill. Their past activities, even though we have had some great benefit in my own State, have been extremely inefficient and bureaucratic. Here we have a 63-percent increase in funding when they have not handled very well the previous appropriations.

I thank my colleague.

Mr. HEINZ. Mr. President, I think we really need to do something much more effective on EDA than we have done.

I want to ask the committee to what extent they are aware of these kinds of problems and what the committee might constructively do, or what we, together with the managers of the bill and the committee, might constructively do, because I think we all like to see the EDA program succeed, but I do not think we want to see it succeed in the way in which it is now succeeding, which is receding backward.

Mr. RANDOLPH. Will my colleague yield?

Mr. HEINZ. I am pleased to yield to the Senator.

Mr. RANDOLPH. I think what the Senator is saying is very salutary.

I do not want to indicate that I know the situations that developed with him individually, and members of the Banking Committee, because I do not know those facts. I presume, and have every reason to believe exactly, that what he is saying is true.

We have not had that problem within our committee insofar as I know. I have not heard that problem raised by members, individual members, of the committee.

I do say this, and I say it in no attempt to divert from the issue the Senator is addressing, which is very timely, but I find that I have difficulty in having a letter answered by the White House.

I send a specific request to the right person, I hope, to the President, and feel that the President will route it.

Mr. PROXMIRE. Will the Senator yield?

Mr. RANDOLPH. Yes.

Mr. PROXMIRE. I presume that trouble at the White House occurred before 1977, as well as since January 1977, is that correct?

Mr. RANDOLPH. I am going to say something about that.

Mr. President, as to one agency of Government, the Environmental Protection Agency, Mr. Costle, when he was before us, I said that I think he is a good administrator. Frankly, I have been able to work better with him than I have with the Department of Energy. He actually sits and talks with us and tries to work with us, rather than individuals who are, let us say, concerned with problems that have to do with possible creation of more energy and some of the restraints that perhaps they can discuss.

I want to come back, however, to the Environment and Public Works Committee. I did not write for myself, I wrote for the committee. But from EPA I have had no response in over 3 months.

This is another agency of the Federal Government. I find that throughout the agencies there sometimes is a failure to realize that we do not look upon ourselves here on Capitol Hill as demanding something. That is not the posture that I shall ever assume. But when I write a letter and ask for information from an agency, very frankly, the committee through its chairman has a right to have a reply. If the information is not available very quickly, a letter, certainly, should come in a few days saying that the information is being collected and we shall receive it.

I do not believe there is a Member of this Senate who has not had, in one way or another, the personal experience which the able Senator from Pennsylvania is discussing.

Now, someone might say back home, "Yes, but, Senator, you don't always reply to your constituents too quickly," and that is an actual fact.

There are times when there are pressures of work or the volume of mail is great.

A man called the other day. He said, "Jennings, I have not heard from you." I said, "When did you write me?" He said, "Well 3 days ago."

Of course, as the mails now move, I may have gotten the letter 7 days after its dispatch.

Mr. HEINZ. The Senator would be lucky.

Mr. RANDOLPH. We understand that.

I do not want to jump from Government to private business, but when the Congress turned over the postal system to business people, we thought everything would be all right. We all remember that. It was discussed here, that we take it out of Government and place it in the private sector and there would be a better administration of the mails.

I am not trying to leave the Senator's point. I am trying to come to it by way of saying that there are experiences which happen to us, the Senator from Pennsylvania and other Senators, which thoroughly illustrate the concerns that Senators have in this body.

Now, this is what I want to say. There is every reason to believe, and I shall follow through, not a year from now but weeks from now, I say to the Senator from the Commonwealth of Pennsylvania—they have all the wealth in Pennsylvania, that is why I used the word "Commonwealth"——

Mr. HEINZ. West Virginia has all the coal.

Mr. RANDOLPH. And we have all the problems.

But I say that as to Senator STAFFORD, although I have no right to speak for him, we are ready to not just have a namby-pamby review session, no. We are not ready just to have an oversight get-together. But we will ride herd—and I use the word advisedly, although, I am not from the West—we will ride herd on the agency officials in connection with the matters the Senator has mentioned. Information has a right to be in his hands and the hands of the committee, whichever committee may have jurisdiction.

Having said all this, I now come to a pleading position.

I hope the Senator, knowing of the reason for this legislation, the effectiveness of it in his own State and throughout the country in the past, will not allow this sort of situation, as real as it is, to deter him from voting for the measure. We make this promise, and I am sure that the Committee on Banking, Housing and Urban Affairs would want to move in concert with us: It will be done. It will be done.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. HEINZ. First, I thank the Senator from West Virginia, the distinguished chairman of the committee, for his very thorough understanding of these problems and his appreciation of the difficulties they pose for all of us. He is characteristically understanding and generous in his response, and I thank him for getting to the heart of the matter.

I particularly thank the Senator for his suggestion that there be some comprehensive oversight hearings on EDA. I believe this would be extremely valuable.

I had considered the possibility of a General Accounting Office investigation, but I think it would be better to wait and see what we might achieve through oversight.

It would be my request, if the chairman of the committee and ranking minority member would agree, that members of the Banking Committee submit, for the record, questions that will elicit the answers we are looking for to these problems. I have a list of approximately 11 areas of inquiry which I would like to share with my colleagues for the record.

Mr. RANDOLPH. May I interrupt for a moment?

I think it would be most appropriate and helpful, and I would advocate that members of the Committee on Banking, Housing, and Urban Affairs sit with us during the oversight hearings. I do not think it would violate any rules of the committee of which I am chairman. It has been done before. Frankly, I have been asked, as have other members of our committee, to sit in and even question witnesses. I want to make it that type of hearing which will adduce the facts.

The Senator does a service, not a disservice. He comes not as a carping critic; he comes in a constructive manner.

I hope that with this sort of agreement and understanding, we can have his support for the proposed legislation.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HEINZ. First, I thank the Senator from West Virginia for his constructive comments.

I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the Senator from Pennsylvania is a valued member of the Banking Committee, and he is a very vigorous member.

Of course, he knows that whatever requests he makes of the chairman of the Banking Committee will be honored, particularly a request of this kind.

I want the Senator to know that we do intend to have vigorous oversight hearings on those sections of the bill over which we have jurisdiction. We do not have jurisdiction over titles I, but we certainly will get into the development financing program authorized under title II. As an active and veteran member of the committee, we would expect the Senator from Pennsylvania to take an aggressive part.

Mr. HEINZ. I will.

Mr. PROXMIRE. Very good.

Mr. HEINZ. Mr. President, I am delighted to hear that we will have hearings on that.

I should like to set forth what I think are some constructive areas of inquiry.

First, development by EDA—absent to date—of a working definition of a small business, based on assets, revenues, employees, the sector of the economy in which that small business operates, and other relevant factors.

Second, we need a detailed analysis of EDA's past business financing efforts, examining the type and size of firms assisted, by category of type and size, and the impact on jobs created and/or saved.

Third, I think we need to know what types of firms are in the greatest need of various development finance tools.

Fourth, I think an assessment of the proper amount of risk that should be assumed by EDA is long overdue.

Fifth, a clearer examination of the role of the private sector in meeting the financial needs of small business firms would appear necessary.

Sixth, an assessment is needed of whether, in fact, EDA is the most appropriate vehicle to deliver the proposed development programs and whether they have adequate number of personnel, and whether the personnel are adequately trained to deliver the proposed programs.

Seventh, an assessment is needed of the kind of corporations eligible to receive this kind of financing.

Eighth, I think an analysis of whether NPWEDA's geographically targeting maximizes the impact of the programs must be carried out.

Ninth, we need an analysis of whether the financial assistance lowers costs sufficiently to change the location decisions of corporations.

Tenth, although this is not an all-inclusive list, I believe we need an analysis of whether EDA's business financing programs correct the critical market failures that particularly small businesses fall prey to.

Those are the areas where I hope we could elicit some detailed responses, thoughts, policy, and so forth, from EDA.

I hope that the Committee on Banking, Housing, and Urban Affairs and the Committee on Environment and Public Works, as we hold oversight hearings—as apparently we now plan to do—will require from EDA something much better than they have provided to us in the past.

I thank the Senator from West Virginia, the Senator from Wisconsin, and the Senator from Utah for their constructive comments and additions to the colloquy.

UP AMENDMENT NO. 488

Mr. GLENN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 488:

On page 90, between lines 6 and 7, insert the following new subsection (e):

(e) In order to permit the orderly phase-out of the special Economic Development Administration steel loan guarantee program, the limitations contained in subsections (a) and (c) of this section shall not apply during fiscal years 1980 and 1981 to any loan guaranteed under such program, provided that the aggregate amount of such guarantees shall not exceed $100,000,000.

Mr. GLENN. Mr. President, I support limitations on loan guarantee programs contained in S. 914.

I want to reduce Government spending wherever possible and to limit the scope of Government intervention in the private sector. However, such limitations should not disrupt economic development programs in progress—I repeat, economic development programs in progress—such as the special EDA steel loan guarantee programs.

That program is the product of the President's task force on steel known as the "Solomon Report." It addressed the serious long-term problems of those steel communities most severely affected by the steel crisis in 1977.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

In an effort to prevent the closing of facilities that could prove viable and the substantial economic dislocation these closings would cause, the Task Force recommends that additional funds be made available for the current and future budget of the Economic Development Administration of the Department of Commerce for industrial loan guarantees and continue to provide further appropriations for this loan guarantee fund in the next few years.

The Task Force suggests that steel firms meeting all of the following criteria be considered eligible for loan guarantees and be given priority: firms with serious financial problems, with little or no access to capital markets; firms seeking funds for modernization of plants located in areas of high and rising unemployment or threatened massive layoffs; and firms with viable plans for modernization.

The Task Force has examined the available alternative means for providing funds to smaller depressed steelmakers for projects that are economically justified. We feel the use of EDA loan guarantees is the simplest and most direct way to assure that viable modernization projects of these firms actually receive the funds necessary for their completion. These funds may be complemented to some degree by those now available in other government programs that relate to communities with steel making facilities that require, and can justify on an economic basis, modernization projects in steelmaking.

Mr. GLENN. Mr. President, the communities affected by the steel crisis of 1977 need a reasonable amount of time to develop programs in response to that crisis.

Among the communities affected by that crisis, the Youngstown community was among the hardest hit for nearly 5,000 steelworkers in Youngstown lost their jobs as a result of that crisis.

Moreover, the Youngstown community has demonstrated great courage and initiative in its efforts to develop an economic development program.

The Youngstown community was promised $100 million in a loan guarantee for a viable steel project in Youngstown in a letter from Mr. Robert Hall, Assistant Secretary for Economic Development, Department of Commerce, dated March 29, 1979.

Mr. President, I ask unanimous consent that his letter in its entirety be printed in the RECORD so that the RECORD will be complete on what the people of Youngstown have been depending on if they can get replacement for what they have lost there in the steel industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
THE ASSISTANT SECRETARY FOR
ECONOMIC DEVELOPMENT,
Washington, D.C., March 29, 1979.

Most Reverend JAMES W. MALONE,
Chairman, Executive Committee, Ecumenical Coalition of the Mahoning Valley, Youngstown, Ohio

Hon. PHILLIP RICHLEY,
Mayor of Youngstown, Youngstown, Ohio

GENTLEMEN: As Chairman of the Interagency Task Force appointed by Jack Watson to study the proposals submitted by the City of Youngstown and the Ecumenical Coalition of the Mahoning Valley, I am writing to inform you of our conclusions.

Although the Coalition's Plan is presented in three phases, we have evaluated the proposal for the first two phases as a single project, since almost everyone concerned agrees that Phase I is not viable for more than a few years without Phase II. In addition, since the first phase of the project would not involve steel-making facilities, it would not qualify for the program, which was established for basic steel producers. Only by including the proposed steel-making facilities in the project, can we qualify it for consideration at all.

The principal and overriding difficulty we have with your proposals is the eventual requirement for EDA guarantees of some $245 million, a sum which is well in excess of the $100 million amount which had been set as the maximum loan guarantee for any one company under the special steel program.

It may be helpful to review the history of the steel loan guarantee program, so that all concerned can better understand why it is virtually impossible to provide a guarantee of this amount. The possibility of a steel loan guarantee program was first raised in connection with the so-called Solomon Report, transmitting the findings of the Federal government in response to the serious problems facing the United States steel industry. The proposal to use the EDA program was somewhat unconventional since it proposed to use a revolving fund which had never previously been used to make or guarantee loans. Moreover, the scale of the program encompassing loan guarantees of $500 million for a single industry, was far in excess of EDA's previous experience. It was agreed by all those who had a part in the decision that the maximum EDA guarantee for any single company would be $100 million. Since that time, the Administration has further indicated its unwillingness to participate in large financing for private industry by limiting Federal participation to $50 million in programs other than steel, without Congressional approval.

Since the steel loan guarantee program went far beyond anything which had been envisioned at the time EDA's budget for the year had been approved by Congress, it fell within a provision in the reports of the appropriations subcommittees of both Houses which directed EDA to secure the approval of both appropriations subcommittees for any program changes which were significantly different from those which had been used to justify the budget. Where this approval was requested, both subcommittees required EDA to present testimony in justification of the steel program. EDA also testified on the program before the Trade Subcommittee of the House Ways and Means Committee.

Thus, EDA is on the record before Congress as well as the public at large with testimony stating that the agency would not approve any guarantees in excess of $100 million. It would be improper for EDA to approve $245 million in loan guarantees in the face of this record. This commitment to $100 million maximum formed the basis for my announcement last October that EDA would reserve $100 million in loan guarantees for a viable steel project in Youngstown. This commitment was confirmed by Jack Watson's letter of October 18, 1978.

EDA considered whether it ought to go to Congress and seek the approval of the appropriation subcommittees for the larger loan guarantees being sought in this instance. EDA has concluded that it should not go before Congress to seek approval for a project whose cost is so significantly in excess of the $100 million loan guarantee target and which lacks adequate assurance of economic viability.

It is important to note that the total amounts in EDA's revolving fund presently stands in the neighborhood of $250 million, of which some $100 million is required as a reserve for existing loans, either approved or under consideration. This leaves something in the neighborhood of $150 million for the project in question.

While it has been EDA's practice to obligate 20% of the amount guaranteed as a reserve, that practice is based on a large number of guaranteed loans averaging somewhere in the neighborhood of $2 million. We believe that it would be improper to set aside a similarly small percentage where a single loan guarantee, by itself, could wipe out the entire revolving fund in the event EDA was required to reimburse the lenders as a result of default.

Moreover, we are not considering a project where the chances of default are minimal. For reasons stated below, the prospects of default in this case warrant caution in committing resources. In fact, we have grave

doubts about the viability of the project. These doubts go to the following issues:

1. *The availability of additional funds.* We believe that the opinion of the Coalition's financial counsel is so carefully hedged and conditioned that we cannot rely on its assurances that financing can be obtained. Indeed, EDA's own experience in the administration of its steel loan guarantee program leads EDA to the conclusion that the necessary additional equity funding could not be obtained.

With $245 million in loan guarantees requested, EDA's regulations require an equity of 15 percent, or over $36 million in equity. Even if the proposed UDAG and EDA grants, totaling $27 million, were counted as equity, a practice of doubtful propriety, and even if it were possible to raise $3 million in private purchases of stock as proposed, the project would be short an additional $6.75 million in equity funds.

Moreover, we believe that the capital cost estimates may be considerably underestimated. The allowance for contingencies is less than one percent, which allowance is far below standard practice, and particularly dangerous for a project where there are no recent price quotes for the equipment to be purchased. If additional capital funds are needed, it will become even more difficult to secure the necessary private funds.

2. *The market study.* While we agree with the general conclusion that the demand for steel will be strong in the years ahead, the only basic conclusion of the market study is that the reopened facility can sell its output if the price is competitive, the quality is good and delivery is reliable. It is our judgment that this means that the reopened facilities will regain markets slowly and over a long period of time as it establishes a reputation for a quality product and good delivery service. It is questionable whether the company will have the financial staying power to reach this point.

3. *Management.* While assurances have been provided that management is available, there is no documentation that a qualified in-depth management loan can be assembled for this project.

4. *Financial feasibility.* We believe that the financial feasibility of the project rests largely upon assertions about increased labor productivity which cannot be documented. We admit that a strong case has been made, but the expectation for cost savings through increased labor productivity remains only a hope. The proposal puts too much at risk on the basis of this hope. The financial studies do not make allowances for cyclical swings in the steel industry and there is little likelihood that the weak financial posture of the new company could withstand any extended period of heavy losses due to a downturn in the steel industry. It should be emphasized, however, that even if these doubts about the viability of the project were to be resolved by further work and research, the project, as presently conceptualized, cannot be funded under EDA's steel loan guarantee program because of the $100 million ceiling.

We recognize and are sensitive to the large amount of devoted, intelligent and skillful effort which has gone into the development of this project. There are few efforts more worthy of sympathetic support than those which go to the alleviation of unemployment, particularly when those who are unemployed have had so many years of faithful service to a particular industry. We commend the Ecumenical Coalition and the City of Youngstown for their valiant efforts to find a way by which the Campbell Works can be reopened. While we cannot encourage continued efforts along the lines of the present proposal, consistent with Jack Watson's letter of October 18, 1978, we are willing to continue to reserve $100 million of our authority to guarantee loans for a viable steel project in the Mahoning Valley, either in connection with the Campbell Works or on some other site. Jack Watson has asked that I advise you of his and my willingness to meet with you to discuss in detail the basis of our decision and alternative approaches to meet the needs of the Mahoning Valley.

We stand ready to work with the Coalition and the City to develop and find appropriate financing for other proposals directed toward the alleviation of the area's unemployment. It should be noted here that EDA has provided $700,000 for the preparation and administration of an economic development recovery plan. A revolving loan fund of $1 million to help small business has been made available to the Western Reserve Economic Development Agency. A number of proposals for new industries in the area are under consideration, and we plan to continue working closely with you and other local leaders to bring these proposals to reality.

EDA is also supporting activities which deal with the long range future of steel production in the Mahoning Valley. These include research on coking capability, direct reduction facilities and establishment of a research center utilizing the available blast furnaces. It is still too early to know whether any of these proposals are viable, and if so, when they can be put into operation.

While it is disappointing to realize, after so much effort and community commitment, that there seems to be no viable plan for the reopening of the Campbell Works, we believe that these other efforts can result in restoration of economic health to the Mahoning Valley.

To that end, we pledge continued cooperation and support from the Federal agencies. We will continue to work with you and with other community officials and leaders to attain our common goal—the relief of excess unemployment in the Mahoning Valley. If you desire to meet with us, please call me at 202-377-5081.

Sincerely,

ROBERT T. HALL,
Assistant Secretary for Economic Development.

Mr. GLENN. Mr. President, this amendment insures that the Government's commitment to Youngstown, one that they have taken very, very seriously, will be kept and provides for an orderly completion of the special Economic Development Administration steel loan program.

It is my understanding that this amendment is acceptable to the managers of the bill, and I am prepared to yield back the remainder of my time after whatever appropriate comments the Senator from Wisconsin wishes to make.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. PROXMIRE. Mr. President, it is my understanding that this particular amendment goes to a section of the bill, section 208, over which the Banking Committee has jurisdiction and a considerable amount of interest.

I might say to my good friend from Ohio that I congratulate him on the amendment. I think it makes sense under the circumstances. I will accept it, but I am reluctant because, as the Senator knows, one of the main purposes of title II of this bill is to target the financial assistance to small- and medium-sized firms. They need the assistance most. It is certainly most difficult for them to get the capital they need. Therefore, the bill places dollar limitations on the amount of loan guarantees and direct loans to any one firm and the size of company to be assisted.

But I understand that this section raises a problem for the ongoing Economic Development Administration (EDA) steel loan program. As the Senator says, it is a loan program in progress. He wishes to make sure that a project already well underway will not be interrupted because of this action we are taking today, and particularly not for one specific project which is unable to qualify for a guarantee before September 30, 1979. The steel program was supposed to end on that date, after which the new act will go into effect.

This amendment, as I understand it, would permit an exception to the limitations in section 208 for this one steel project only. I wish to emphasize that that is a very narrow exception. It applies only to this one steel project. The exception is limited to $100 million in loan guarantee authority to be available during fiscal years 1980 and 1981. Is that correct?

Mr. GLENN. This is to the community and not to an individual steel company. It would be for the community in its attempts to try and get replacement for the company that has closed down there.

Mr. PROXMIRE. That is fine. In fact, I think that makes it more acceptable.

I certainly have no objection. Although I am, as I say, reluctant to open this up, because we do want to have these limitations, I congratulate the Senator on a very needy and necessary amendment and I am happy to support it.

Mr. GLENN. I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I will not take the Senate's time other than to say I concur with what my distinguished chairman of the Banking Committee has stated. We did have a limit in our bill of $50 million but because of the narrowness of the exemption going to $100 million I will also accept it.

Mr. GLENN. I thank the distinguished Senator.

Mr. RANDOLPH. Mr. President, will the Senator from Ohio yield?

Mr. GLENN. I yield.

Mr. RANDOLPH. Mr. President, how many workers were employed in the Youngstown steel company?

Mr. GLENN. There were 4,650 who were laid off their jobs and, of course, when you double this or triple it, depending on what the multiplier factor is on jobs in the whole community, it was a real blow to the Youngstown community when that situation developed.

Mr. RANDOLPH. That is true, and we have had that in varying degree even in other areas where steel plants are in operation or frankly in the process of being closed.

I do not want to bring into this debate the problems that we have had with dumping of steel into this country from overseas at prices less than it costs to make the steel in Japan. Our steel caucus,

of which the Senator from Ohio is a valued member, and the Senator from Pennsylvania is a member, with some 35 Members now of the Senate, has attempted to work and successfully so that those steel imports have dropped 35 percent in the first 3 months of 1979 over the first 3 months of 1978.

But here is the situation that is different in degree, but it was caused frankly, I am sure, in substantial degree because of the dumping of the steel from overseas. Is that correct?

Mr. GLENN. That is correct.

There are some hopeful signs in the steel community, as the distinguished Senator from West Virginia, who has taken such an active part and lead in the steel caucus, knows. The steel industry has had some protection and is recovering. So there are hopeful signs in that area.

I think that perhaps it might even be we might even say that the odds of some of these loans being exercised are perhaps receding and I hope that is the case because I want to see businesses developed there. I think it is good that we are diversifying apart from the steel industry perhaps in some of those areas.

Mr. RANDOLPH. I thank the Senator. Although the matter is within the jurisdiction of the Committee on Banking and Currency, from the standpoint of the Committee on Environment and Public Works, not only in connection with this measure, but also personally as well, we are in approval of the amendment.

Mr. GLENN. I thank the distinguished Senator from West Virginia for his comments.

Mr. CHAFEE. Mr. President, the minority has no objection to this and commends the Senator for his amendment.

Mr. GLENN. Mr. President, I am prepared to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

(Putting the question.)

The amendment was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. STAFFORD. Mr. President, I yield, asking unanimous consent that I not lose my right to the floor, to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Dennis Sheed and Ed Twilley, of Senator THURMOND's staff, be accorded the privilege of the floor during the consideration and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I suggest a time limit as follows: 1 hour on the bill, one-half hour on amendments, and 40 minutes on an amendment to be offered by Mr. STEVENS, divided in the usual fashion.

I will withdraw that.

Go ahead with the amendment. I yield back the floor to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

UP AMENDMENT NO. 489

(Purpose: To assure that this Act is not utilized for the purpose of stream channelization)

Mr. STAFFORD. Mr. President, I send an unprinted amendment to the desk and ask that it be stated and for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont (Mr. STAFFORD) proposes an unprinted amendment numbered 489.

On page 72, line —, insert the following: at the end of line 11, strike the period, then insert a semicolon and the following:

"and

"(g) No grant shall be made under this title for any project having as its principal purpose the channelization or dredging of any natural watercourse, or the construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historical site) and having as its permanent effect the channelization or dredging of such watercourse or construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historical site)."

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, the amendment which has just been stated and is being immediately considered seeks to prevent the use of EDA funds for stream channelization.

Mr. President, one of the most environmentally destructive activities is the channelization of the streams. While it may be done occasionally following careful environmental and congressional review, I believe it is generally a poor practice. We certainly should not encourage its use, and this amendment provides for such a limitation. This restriction, I might add, is similar to language included in section 106(a) of the Public Works Employment Act of 1976, which is Public Law 94-369.

Mr. President, I offer this provision to be consistent with the Senate's past insistence on adequate protection of our water resources.

Mr. President, I urge the adoption of the amendment and I believe the managers of the bill may be in position to accept it.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, I would like to ask the Senator a question about this amendment.

Mr. STAFFORD. Certainly.

Mr. BURDICK. As the Senator well knows, he is the sponsor and author of the small low-head dam electrical generation in the area, and I was wondering if his amendment would in any way interfere with that development.

Mr. STAFFORD. In the opinion of this Senator this amendment in no way would interfere with the construction of low-head hydroprojects where a project already exists and is being refurbished and put back into use as a generating facility.

I would call the attention of the distinguished manager of the bill to the fact that I deleted from the amendment the words "damming, diversion" in two different places in the amendment to assure myself and the Senator that this amendment is not intended to make it difficult or impossible to construct any low-head hydroprojects in the future that have not yet been developed but which we might want to very well develop in view of our energy shortages today.

So were the amendment to make it impossible to develop low-head hydroprojects in the future, should we wish to find some way to do that, I would not be able to offer the amendment, and I make that as part of the legislative history.

Mr. BURDICK. As a further question, part of the Senator's language reads, "One of the most environmentally destructive activities is channelization of streams." I would like to have the legislative history developed here to indicate that that does not include, let us say, snagging of a river to make a hydrosite possible.

Mr. STAFFORD. The amendment, in the opinion of this Senator, would permit the clearing of underbrush that may have fallen into a water course so long as the water course itself is not altered. So if I understand the word "snagging" it would permit the snagging of a stream.

Mr. BURDICK. In other words, you can assure the Senate that there is nothing in your amendment that would impede the development of these low-head hydro dams.

Mr. STAFFORD. That is correct.

Mr. BURDICK. I have no objection.

Mr. CHAFEE. Certainly, the minority of the Public Works and Environment Committee has no objection.

Mr. GARN. Mr. President, I will not object to this amendment because I think the outcome is clear. Even if I did I know it would pass easily.

But I do want to express concern over the language which states "channelization is one of the most environmentally destructive activities." This would be an absolute prohibition of ever using the money for such projects which disturbs me.

The situation may be different in Utah. I do not like channelization, but sometimes channelization includes projects that do not have great environmental impacts but that prevent destruction from flooding.

While I would not object, I want to make the point that just to bar channelization and say it has adverse environmental impacts, is not correct. Some people who have been flooded in the dry desert areas in my State where streams run rampant, would not be convinced that channelization would always be bad environmentally.

Mr. STAFFORD. I am sure the distinguished Senator has in mind that in this piece of legislation we are only talking about channelization where EDA funds might be employed in the reconstruction of existing low-head hydroprojects that

are no longer being used, and I did not want to offer an amendment which might in the future make it impossible for other low-head hydroprojects to be developed which do not now exist.

Mr. GARN. I understand that, so I will not object. I just wanted to express my concern.

Mr. STAFFORD. I presume all time has been yielded back? At least I yield back mine.

The PRESIDING OFFICER. There are no time restrictions, so it is not necessary to yield back time.

Mr. STAFFORD. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 490

(Purpose: To assure adequate public and environmental review of projects under this Act)

Mr. STAFFORD. Mr. President, I have another brief amendment I would like to get action on at this time. I have an unprinted amendment which I send to the desk and ask that it be stated and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Vermont (Mr. STAFFORD) proposes an unprinted amendment numbered 490:

On page 119, at the end of line 3, strike the period, then insert a semicolon and the following:

"and

"(14) determine whether the projects proposed for the Secretary's approval are consistent with federal, state and local environmental regulations and plans, and have been developed with adequate public participation in the planning process. The Secretary shall have a *minimum* of 90 days in which to review any proposal under this Act. Approval shall not be granted until the Secretary has consulted with relevant Federal departments and agencies, has issued adequate public notice, and has solicited and reviewed public comments.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, the amendment which I sent to the desk and which has been read and is under consideration, clarifies the section on the "powers of Secretary," enabling the Secretary to carry out a public works program so that it is compatible with the requirements of other Federal laws. We need to be certain that this legislation will not undermine the laws the Congress has enacted for the protection and improvement of environmental quality.

This amendment requires that any project under the act shall involve local planning, and must also involve review of Federal, State and local environmental laws and regulations.

The provision gives the Secretary a minimum of 90 days to review proposals, a time needed to assure that the process under the National Environmental Policy Act has time to run, and making that NEPA information available to the public and the Secretary. And, it is important that the Secretary be required to undertake adequate public reviews.

This amendment, I believe, would be consistent with the action of the Senate yesterday when it incorporated protection for the National Environmental Policy Act into the Appalachian Regional Development bill.

Mr. President, I move the adoption of the amendment.

Mr. GARN. Mr. President, I do have some concerns about this amendment. I just received a copy of this for the first time. The amendment states: "The Secretary shall have a minimum of 90 days in which to review any proposal under this act." Now, in all of the testimony we heard, one of the biggest problems was delays and bureaucratic redtape, fueling the inflation in project costs, while trying to get these projects underway.

I do not know where you draw the line, but to make a blanket 90-day time for review will only add to that problem. There are some very small projects, and to go to this 90-day minimum review period for all projects will not serve such purpose. Much as I respect my distinguished friend and colleague from Vermont, I am not willing to agree to the language of a 90-day minimum on every single project assisted under this act, regardless of how big or how small. So I will insist, as it is written, that we have a rollcall vote.

Mr. BURDICK. Mr. President, will the Senator yield?

Mr. STAFFORD. Certainly.

Mr. BURDICK. I was concerned about the same sentence, that "the Secretary shall have a minimum of 90 days in which to review any proposal under this act." Of course, the purpose of this bill is to get movement, to stimulate the economy.

Now, as I read that language there is no maximum. That is a minimum; there is no maximum. It might take longer than 90 days to get this together; would this not involve unnecessarily delaying projects?

Mr. STAFFORD. In the opinion of the staff, it will not involve any unnecessary delay.

Mr. BURDICK. We are not talking about maximal; we are talking about minimal.

Mr. STAFFORD. Yes, Mr. President, it may be that we need a minute to confer. I would be willing, subject to my right by unanimous consent to resume on this amendment, to temporarily set it aside so that the Senator from Ohio (Mr. METZENBAUM) might proceed with an amendment he has.

Mr. METZENBAUM. I am very grateful to my friend from Vermont.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 491

Mr. METZENBAUM. Mr. President, I call up an amendment that is at the desk and ask unanimous consent that the names of the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Vermont (Mr. LEAHY) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself, Mr. LEAHY, and Mr. WILLIAMS, proposes an unprinted amendment numbered 491.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 75, after line 24, insert the following:

(3) Whenever notice is given of an anticipated closure or realignment of any military installation under 10 U.S.C. 2687, the Secretary shall provide, upon application, appropriate technical or other financial assistance under this section, including planning funds, for the purpose of preserving or creating jobs in the affected area. Notwithstanding any other provision, this section shall apply to any military installation closure or realignment which has been announced under 10 U.S.C. 2687 and which has not been completed upon date of enactment of this act: *Provided, however*, That no assistance under this section may be provided that is otherwise available through programs administered by the Office of Economic Adjustment in the Department of Defense.

Mr. METZENBAUM. Mr. President, the amendment I am offering is designed to provide special assistance to local communities who are affected when the Department of Defense announces it plans to close a military base or installation. I have been informed that this amendment is acceptable to both the committee majority and the committee minority, and the Department of Commerce has informed me that it does not oppose this language.

The Department of Commerce, through its Economic Development Administration, has assisted many communities that have been hit with the closing or realinement of a military installation. But for a variety of reasons, many such communities that need and deserve the assistance that EDA can provide are simply not getting that help. In my State of Ohio, the Defense Department has announced that it will close military installations in Columbus, Dayton, and Cleveland involving more than 4,000 jobs. Yet at this time, EDA is not involved in local efforts to save civilian jobs in those areas and to help revive those local communities except in the case of Dayton, where EDA officials are involved in an overall effort to revive the area following the loss of over 5,000 jobs at the Frigidaire plant.

Under this amendment, the EDA will be required to provide technical assistance and, if appropriate, planning funds and financial aid to a community which is hit with a base or installation closing. In my opinion, EDA is the most appropriate agency to provide that assistance. The agency has a wide variety of assist-

ance programs, both to help revive a community that has suffered from a short-term economic setback and in those cases where communities need assistance for long-term economic development.

The need for this language is best illustrated by the closing of the Rickenbacker Air Force Base that is currently underway in Columbus, Ohio. Earlier this year, the Department of Defense announced that it will close almost all of the military operations of that facility, a move that will affect over 1,700 military personnel and another 400 or more civilian employees. But that is only the direct economic loss. When the ripple effect of that cutback is felt through the local community, there will be an overall loss of at least 3,000 jobs. The Columbus area has already been hit in the past year with the closing of the Federal Glass plant, which resulted in the loss of 1,600 employees and by the administration's decision to stop production of the B-1 bomber, which resulted in the loss of hundreds of jobs at the nearby Rockwell International plant. There is no question that the Columbus area has been hard hit by these independent Federal actions and needs assistance under EDA programs.

The people of Columbus have not been passive about these cuts. As soon as the community was notified that the Rickenbacker Air Force Base was to be closed, a community task force, chaired by Dr. Sherwood Fawcett, who is president of the Battelle Memorial Institute, was formed in an effort to save jobs and revive the local economy. As a result of those efforts, the task force is now engaged in an attempt to utilize the abandoned Air Force site as a new air-industrial park which would serve as a magnet to attract new private firms to the area.

Mr. President, here is a community that has been hit by the closing of a military base and which has attempted to get back on its feet, but still it is not getting assistance from EDA. Any long-term recovery will require assistance of the type that is available under EDA programs, including sewer and water systems, access roads, planning and engineering studies and runway improvements. At this time, the local task force has not even received assistance in the planning efforts.

Following my inquiries this week, I have been informed that Robert Hall, Administrator of the EDA, will personally examine these developments at Rickenbacker. I expect to hear from him on this matter by the end of the week and at that time I am hopeful we can get EDA to assist the Columbus efforts. I am very pleased with EDA's willingness to cooperate on this matter. But I am offering this language to prevent such a lapse from occurring in the future and to require that EDA provide appropriate levels of assistance when such base installations are closed or realined.

This amendment will also assist other Ohio communities, and communities throughout the country, that have been notified of military installation closings. In Cleveland, where the Defense Department has announced plans to realine the Defense Contract Administration services region headquarters, efforts are already underway to save the 500 jobs that will be lost by that move. I support efforts to keep that military installation in Cleveland, but at the same time we should provide every assistance possible to help reduce the negative impact that such a cutback would have on the local economy.

Local businessmen and community leaders are already involved in efforts to strengthen that economy, and this amendment will greatly assist those efforts. Similarly, the Defense Department has announced plans to eliminate about 600 jobs at the Defense Electronics Supply Center (DESC) in Dayton. We have been fighting with the Defense Department for over a year now to keep those jobs in Dayton, because the Defense Department has not made a good case to transfer them out of Ohio. But efforts are underway to assist that community. Both because of the DESC closing and the loss of the Frigidaire plant, and this amendment will assist in those efforts as well.

Finally, I would emphasize that this is not intended to duplicate or circumvent the work that is currently being performed by the Department of Defense Office of Economic Adjustment (OEA). Instead, it is intended to supplement those efforts. At the present time, the OEA hires an outside consulting firm to draw up an economic plan for a community that has a military installation closed, but that agency does not have a variety of programs at its disposal to implement those plans. Under this amendment, local communities can get assistance from EDA to develop their own economic strategy, and, significantly, those communities will be working with EDA to tailor their recovery plans along the lines that will best allow them to take advantage of the EDA programs. By working with both EDA and the Defense OEA, local communities that are hit with military installation cutbacks will be in a much improved position to rebuild their local economies.

I am informed that this amendment is acceptable both to the majority and the minority.

Mr. BURDICK. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. I yield for a question?

Mr. BURDICK. In your language, you say "the Secretary shall provide, upon application, appropriate technical or other financial assistance."

Does the Senator interpret that as a mandate?

Mr. METZENBAUM. It is a mandate only to provide assistance, but it does not mandate the kind of assistance. It might be financial, it might be planning, it might be some other kind of cooperation. It mandates the EDA to move in, but it also has an exception at the end providing that if other assistance is available by the Office of Economic Adjustment or the Department of Defense, then the EDA would not be called upon for this assistance.

Mr. BURDICK. In other words, the word "appropriate" there involves also discretion; it still lies with the Secretary?

Mr. METZENBAUM. That is correct. The Senator from North Dakota is correct.

Does the Senator from Rhode Island——

Mr. CHAFEE. Mr. President, this amendment is revised as the Senator from Ohio and I discussed it, as I understand.

Mr. METZENBAUM. That is correct.

Mr. CHAFEE. To provide that the Secretary shall provide appropriate technical or financial assistance?

Mr. METZENBAUM. That is correct.

Mr. CHAFEE. Fine. The minority has no objection to the amendment.

Mr. GARN. Mr. President, may I ask a question of the Senator from Ohio?

The PRESIDING OFFICER. Does the Senator from Ohio yield?

Mr. METZENBAUM. I yield for a question.

Mr. GARN. Does the Senator's amendment also apply to financial assistance under the development financing title, or only title I?

Mr. METZENBAUM. Only title I.

Mr. GARN. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 491) of the Senator from Ohio.

The amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I would like to express my appreciation to the Senator from North Dakota handling the bill, to the Senator from Rhode Island representing the minority, and to my good friend the Senator from Vermont for permitting me to go forward.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Vermont.

Mr. STAFFORD. Mr. President, we need another minute. I suggest the absence of a quorum.

Mr. TSONGAS. Mr. President, will the Senator withhold that, and yield to me for a statement on the bill generally?

Mr. STAFFORD. Will the Senator indicate how long his statement might be

Mr. TSONGAS. Under 30 seconds.

Mr. STAFFORD. Mr. President, the Senator from Vermont again will be glad to have his amendment temporarily set aside, without losing his right to bring it up again. I make that unanimous-consent request so that I may yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator may yield to the Senator from Massachusetts. It is not necessary to set aside his amendment.

Mr. STAFFORD. I thank the Chair.

Mr. TSONGAS. Mr. President, I want to express my strong support for S. 914, The National Public Works and Economic Development Act of 1979, and for

the business development finance program, which is contained in title II of the NPWEDA legislation. The business finance program holds great promise for our Nation's distressed urban and rural areas.

I think it is vital to view this legislation in the context of the urban policy announced by President Carter 16 months ago. I would point out to my colleagues that so far the urban policy has produced only one significant economic stimulus program to create new jobs and promote new business activity in areas experiencing economic decline—the urban development action grant program. I am pleased that the Senate has approved an increase in funding for that program. I hope that we can approve this important second piece of economic development legislation today.

The business finance program has one major goal—to create new private sector jobs in distressed areas.

In hearings on the legislation, Prof. Beldon Daniels of Harvard told the Senate Banking Committee that if fully funded, the EDA program would have assets equivalent to the 60th largest bank in the country.

In designing a limited Federal program that would have impact in a private capital market in excess of $1 trillion, the Banking Committee considered the following factors:

Targeting to areas which need new private sector jobs to reverse economic decline.

Targeting to firms which create new jobs.

Providing firms with assistance which is not available in private markets.

This legislation is far from perfect, but I feel that we have made some progress in each area.

First. Targeting to distressed areas. My personal view is that targeting assistance to 68 percent of the population is not strict enough. The UDAG program targets to roughly 32 percent of the population, and I would like to have seen the same guidelines for EDA. However, I urge the Senate to adopt the 68-percent figure, which has been agreed upon by both the Banking and Public Works Committees, and which reflects the administration's request. At this point, our real effort will be to prevent our distinguished colleagues on the House Public Works Committee from broadening eligibility even further. It is important that we take a firm stand on the issue of targeting if we are to deliver assistance only where there is real distress.

Second. Targeting to firms which create new private sector jobs. Research shows that the overwhelming number of new jobs are created by small firms. The business finance program contains a number of provisions which target funds directly to those firms. No more than 10 percent of the EDA program funds can be used to assist firms with more than $50 million in assets. Within that scope, there are further limitations on the amount of assistance that EDA can provide to a firm for one transaction, and on the total amount of assistance a firm can receive for multiple transactions. The legislation provides EDA with some flexibility in this area, but makes it clear that EDA must begin to direct the majority of funds to small firms.

Third. The provision of assistance which is either unavailable or too costly in private markets. The major portion of assistance provided under this program is in the form of loan guarantees. However, the legislation also provides direct loans and a small program of interest subsidies to be used in assisting firms which cannot obtain private financing even with the loan guarantee. These three categories of assistance are for fixed asset and operating capital. Senator HEINZ and I have also included a provision which will allow EDA to test the feasibility of providing equity financing to small firms.

This type of assistance is almost completely unavailable to small firms in today's private markets. I am hopeful that EDA will move quickly to implement this program, and that it can be fully funded in future years.

Finally, language which I included in the report accompanying this legislation directs EDA to decentralize the business finance program, using the resources and capabilities of State and local public and private development corporations. Senator RIEGLE and I have offered an amendment to this legislation requiring EDA to report to the Congress on the specific mechanisms which can be used in the future to decentralize the business finance program further.

I congratulate Senator PROXMIRE and his staff for the excellent work they have done on this legislation. I think it is more effective than the administration's proposal and will have greater impact. It is a good first step toward a truly comprehensive economic development program for the creation of new jobs in distressed areas.

Mr. President, I ask unanimous consent that a letter from James M. Howell, senior vice president of the First National Bank of Boston, relative to this measure, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE FIRST NATIONAL
BANK OF BOSTON,
May 22, 1979.

Hon. WILLIAM S. MOORHEAD,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN MOORHEAD: I am writing to express my views on the EDA reauthorization legislation, HR 4099 and 4100, now before the Subcommittee on Economic Stabilization. This legislation is of particular concern to me in my capacity as Chief Economist of The First National Bank of Boston, the largest bank in New England. From this special vantage, I have witnessed first-hand—and documented through numerous empirical surveys—the economic problems of our older industrialized cities, specifically the sharp decline in manufacturing capital spending. Moreover, during the past five years, I have taken part in several task forces which have examined business development financing in the context of local economic development and regional capital market needs.

In my view, the issues raised in the legislation under consideration by your subcommittee are national, not regional in scope. Let me briefly explain why. A study entitled Urban Fiscal Stress, released by the Bank and Touche Ross and Co. in March, showed quite dramatically that older industrially aged cities are most likely to be fiscally stressed. The root cause appears to be stagnation in the local economy.

The study further revealed that industrially maturing cities are found in significant numbers in all regions, and that the potential for economic stagnation is not a unique feature of one region. I emphasize this point because the need for improved business development financing tools to strengthen stagnating local economies—the heart of the debate over this year's EDA reauthorization legislation—should not be seen exclusively, or even largely, as a regional issue.

Before turning to my specific comments on the legislation, I would like to state emphatically that, in my view, EDA is the appropriate agency to administer the new financing provisions set forth in both bills. The legislation provides for a consolidation and better coordination of existing programs with which EDA has had considerable experience, while avoiding the government layering and likelihood of greater inefficiency in capital markets that would arise from the creation of a National Development Bank. I might add that EDA loan programs are well known among businessmen in the Northeast as having the fastest turn around time among Federal loan programs and the last cumbersome regulations.

In the remainder of this letter I want to raise five points of special concern pertaining to the EDA reauthorization legislation.

First, geographic targeting is of paramount importance if the array of business financing tools in HR 4099 and 4100 are to benefit areas experiencing decline as a result of disinvestment. Ironically, legislation which seeks to hasten economic growth could be detrimental to distressed areas if the eligibility net is spread too broadly. For example, if 90 percent of the country were deemed eligible for assistance—as in the version of the bill voted by the House Public Works Committee, HR 2063—businesses might well make use of the loans, loan guarantees and other financing provisions of the legislation to locate out of older cities in favor of those growing areas which are also eligible. Similarly, there would be little incentive for start-ups to take place in areas encountering long-term distress if the new capital development tools could be utilized elsewhere.

In short, I am arguing for refinements in the spatial targeting under the legislation. I support the EDA statutory criteria which would encompass roughly 60 percent of the country, and am hopeful that refinements via administrative guidelines would provide further adjustments in targeting to distressed urban areas. To be sure, a politically appealing program is often one which maximizes eligibility. Nonetheless, in terms of program effectiveness the more targeted criteria are clearly preferable.

Second, there is another dimension to the concept of targeting which goes beyond the spatial allocation of capital. Namely, new business development financing mechanisms must also respond to identifiable gaps in capital markets. HR 4099 and 4100 meet one of two distinct capital gaps identified by our research at the Bank: the nonavailability of long-term debt financing for small- to medium-sized business firms. These are firms that do not have access to the bond market because of a lack of recognition and shorter track record. Traditional sources of financing, such as insurance companies, show little interest in financing these firms because of the costs involved in packaging and servicing their smaller capital needs. Moreover, banks often view these firms as

nonbankable because of a banker's preference for short-term lending.

The EDA reauthorization legislation would make long-term financing more readily available to these firms. The direct loans will help meet the financing needs of small- and medium-sized firms, while the loan guarantees will encourage lending facilities to give longer-term loans to less established business firms.

Third, HR 4099 and 4100 only indirectly recognize what we have identified as a second important capital gap: the shortage of equity funds for new business start-ups. In the past decade, there has been a prolonged weakness in the equity market which has all but closed off the new issue market for small firms. As a result, venture capitalists have been frozen into their start-ups, unable to recycle their money and engage in new start-ups.

Congressman Robert Edgar has sought to require EDA to use a portion of the R&D money authorized in the legislation for experiments in equity financing. The EDA reauthorization legislation passed by the House Public Works Committee, HR 2063, as you know, allows but does not require EDA to engage in such experimentation. Whether through statutory language or administrative action, I would strongly encourage EDA to use a sizeable portion of its R&D funds for innovative uses of equity financing. I personally believe that the payoff for small- and medium-sized businesses would be substantial.

Fourth, this legislation would be particularly helpful to small businesses, the very firms which have proven to be the greatest source of job growth in the central cities during the '70's. Recent studies have shown that fast-growing small firms are more likely to be influenced by capital incentives in their locational decisions than other kinds of firms. These new small firms initially undergo a difficult survival period and the rate of failure is remarkably high. Their need for capital is great and while all firms look for the same advantages in locational decisions, these rapidly growing firms cannot afford to scatter production facilities. Consequently, they depend heavily on supporting infrastructure and services already in place, typically found in the more highly-agglomerated cities.

Both H.R. 4099 and H.R. 4100 are far more geared to the needs of these small businesses than was the National Development Bank legislation introduced during the 95th Congress. In particular, the sums authorized for direct loans, the higher loan guarantees, and direct technical assistance are especially attractive to small, less well-established firms.

Moreover, working capital is provided in both bills, another improvement over earlier development banking legislation which included only capital for fixed assets.

H.R. 4100 is more closely targeted to small businesses, although its substantially lower funding levels would make less capital available in the aggregate to these firms than would H.R. 4099.

Finally, I would like to call special attention to those components of the legislation which facilitate the leveraging of public capital to increase private investment.

The provision of development grants to localities to help defray the cost of a private investment project—through land acquisition, site preparation, development of commercial or industrial facilities, or infrastructure improvements—necessitates a close working relationship between the private and public sectors.

My recent experience studying the economic development process in eleven older industrialized New England cities—and the role of the commercial banker in particular—demonstrates that in those communities where revitalization efforts have been successful, there is a strong public-private sector partnership.

This partnership has effectively exploited opportunities to maximize private capital investment through leveraging governmental funds and packaging a variety of loan and grant programs available to both municipalities and businesses.

The opportunities for leveraging and packaging funds in the program design of the business development financing provisions are a unique strength of this legislation.

A number of additional issues and proposed changes have been raised during the deliberations of the Senate Banking Committee and The House Public Works Committee. I hope, however, that timely enactment of the EDA reauthorization legislation, largely along the lines of the Administration bill, will be the outcome. In this connection, I am well aware of the concern voiced over the needs for more information on the capital requirements of small- to medium-sized businesses, as well as the importance of capital as a factor in business locational decisions.

To this end, the Economic Department of The First National Bank of Boston in conjunction with The First National Bank of Minneapolis and Continental Bank in Chicago, has launched a mail-out/mail-back survey of approximately 20,000 manufacturing and non-manufacturing firms in the Northeast and Midwest. The survey results will yield new insights into the pattern of spatial location, capital availability and the asset structure and financing needs of businesses throughout the country. This information could be used by EDA in implementing the new business development financing provisions of the reauthorization legislation.

Nonetheless, the compelling issue today is the passage of this legislation. Distressed areas, especially older central cities, in all parts of the country, sorely need fresh business investment. Small- to medium-sized businesses have a clear need for the kinds of incentives provided in this legislation, and we should not overlook the possibility that passage of this legislation will help to restore the momentum towards a national urban policy.

In closing, I look forward to furnishing you and members of your Subcommittee with additional information, as your deliberations on this important legislation continue.

Sincerely

J. M. HOWELL.

Mr. TSONGAS. I thank the Senator from Vermont.

Mr. RIEGLE. Mr. President, will the Senator yield briefly?

The PRESIDING OFFICER. The Senator from Vermont has control of the floor.

Mr. RIEGLE. I wonder if the Senator from Vermont will yield to me for a question.

Mr. STAFFORD. I will be glad to do that. We are in the process of preparing a change in an amendment that the Senator from Vermont has offered.

Mr. RIEGLE. All right. I, too, would like to insert in the RECORD my statement in support of this legislation.

Mr. President, the Senate now has before it S. 914, the National Public Works and Economic Development Act of 1979.

This bill would reauthorize the programs of the Economic Development Administration. It would consolidate and greatly expand the Nation's ability to address persistent problems of our economy.

It would help correct the problems of economic decline or lagging growth of many local economies. Some areas suffer from chronic decline. Some are burdened by persistent underdevelopment and low income. Others show signs of incipient economic deterioration. Still others have highly localized and concentrated economic distress in otherwise stable and growing areas.

These are problems for the Nation. They leave the Nation with underutilized resources and manpower. They undermine the confidence that private firms need if they are to take full advantage of business opportunities before them. They can also weaken the ability of U.S. firms to compete in international markets.

These are problems that require a national response. Some are created by major developments in technology, some are caused by profound changes in international trade, others result from Government policies or imperfections in the private markets. Most of the solutions are beyond the resources of individual firms or State and local governments.

I am pleased that I could participate in bringing this bill before the Senate.

The programs that would be authorized by this bill are programs that work. I know they have worked in my State of Michigan.

In project after project I have seen a relatively small amount of Federal assistance from EDA serve as the catalyst for much larger investments by private firms and State and local governments. I have seen how these programs have helped turn the tide in economically distressed localities to build new confidence and make possible new growth. I have seen jobs saved and I have seen new jobs created.

These achievements do not come easily. But I am sure that most, if not all, of my colleagues have also seen specific instances where the EDA programs work.

It is always hard to demonstrate conclusively what would happen if we did not have a particular Federal program—especially when that program is underfunded and stretched thin as EDA has been since its inception.

However, a 1979 study of B. F. Kiker and Randolph C. Martin of the University of South Carolina found that counties receiving ARA-EDA (Appalachian Redevelopment Administration and Economic Development) assistance were demonstrated to have faster growth rates than their counterpart counties in the same regions. During the pre-ARA period of the 1950's, the growth rate of the pre-aided counties was lower than the unaided groups. This result demonstrates a definite association between EDA assistance and the rate of economic development.

The study also found a significant relationship between the amount of aid a county receives relative to its economic size and its level of economic development. There is a direct link between the degree of EDA assistance and the degree of economic growth.

The proposed bill will give this agency the capacity to influence large amounts of private resources through the effective use of a relatively small amount of public funds. Even in this time of budget

constraint, this program is one that warrants full funding. And the first budget resolution targets would accommodate that funding.

This expanded program will provide a variety of business development tools.

Direct loans will make credit available to firms which are either considered risky or lack adequate access to local bank resources. Loan guarantees will reduce the lender's risk of loss on a loan, and will make lenders more likely to charge a lower rate of interest and set a longer term. Interest subsidies will enable EDA to encourage private investment in distressed places where such investment would not otherwise occur. Grants to local public entities to defray up to 15 percent of the fixed asset costs of eligible private sector projects will provide important cost savings to firms at those critical times when they are either starting up or in the process of expanding. And technical assistance grants will aid firms in improving their management and planning capabilities.

This bill would expand the programs of EDA so that they will more nearly match the program needs. This is productive spending, spending now to avoid spending in the future. By increasing the productivity of stagnant declining local economies and creating jobs for the structurally unemployed, it reduces over time the need for "welfare" spending and addresses the problems of people and places in the least inflationary fashion possible.

I strongly support this bill and urge my colleagues to vote for it.

I wonder if I might also say to the Senator from Vermont, I do not know how long his amendment is going to take. The Senator from Massachusetts and I have a minor amendment which is prepared to be accepted, which at some point we would like to offer. I do not want to delay the Senator from Vermont if he is ready to go, but if he is not, maybe we can do it in a minute or two.

Mr. STAFFORD. The Senator from Vermont does not want to stand in the way of progress; so once again I ask unanimous consent that my amendment be temporarily set-aside, and I yield without losing my right to the floor to the Senator from Michigan.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Chair recognizes the Senator from Michigan.

Mr. RIEGLE. I thank the Senator very much, and will be brief. If this develops into something that will require some time, I will ask that it be taken down, so that the Senator from Vermont will not be delayed.

UP AMENDMENT NO. 492

Mr. RIEGLE. Mr. President, I ask that the clerk report an amendment I have sent to the desk on behalf of myself and the Senator from Massachusetts (Mr. TSONGAS).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE), for himself and Mr. TSONGAS, proposes an unprinted amendment numbered 492:

On page 123, line 5, insert the following:

Mr. RIEGLE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 123, line 5, insert the following: after the period: "Not later than March 1, 1980, the Secretary shall transmit to the Congress a detailed report reviewing plans for implementing Title II, Section 303, and Section 401 of this Act.

(1) plans for delegating decisionmaking to regional offices of the Economic Development Administration for the purpose of cutting down on processing time and making the programs authorized under this Act responsive to local development needs;

(2) plans for using, as appropriate, the resources of State and local development financing agencies, multi-State agencies, financial institutions, private investment companies, and such other entities as may be designated by the Secretary;

(3) actions taken by the Secretary to implement research and demonstration programs, including the equity financing demonstration program, pursuant to Section 303; and

(4) efforts undertaken to assure the effectiveness of regulations to provide for targeting the assistance authorized under this Act according to Section 206(a)."

Mr. RIEGLE. Mr. President, I am joined in offering this amendment today by my good friend and colleague on the Banking Committee (Mr. TSONGAS).

Our amendment makes no substantive change in the bill now before the Senate. It directs the Secretary of Commerce to report to Congress by March 1, 1980, on her plans for implementing the business development financing programs that will be authorized by this legislation.

This amendment reflects my conviction that this is very important legislation. In my judgment, this legislation will benefit local communities, it will strengthen the national economy and it will invigorate productive partnerships across the country among private business, States, localities, and the Federal Government.

Mr. President, because of its promise, this legislation poses a challenge to the administration and to the Congress. The task of implementing the programs that are authorized by this bill will be difficult. The programs require a myriad of sensitive decisions that match long-term development strategies with the needs of local economies which differ profoundly from one another.

I want to state, Mr. President, that the present leadership of the Economic Development Administration has earned my deep respect. I am pleased to note that they recently have told the Congress that—

By the end of the first quarter of fiscal year 1980, EDA will have an operational delivery system that will:

Rely heavily upon private lenders for loan processing,

Make maximum use of local and State planning and development agencies and other development organizations for project development and loan packaging.

Delegate decisionmaking to the EDA regional offices to cut down on processing time, and

Use a simplified set of processing procedures.

The top administrators of EDA recognize the profound implications that this legislation has for the agency's organizational structure and decisionmaking procedures.

I believe Congress should lend visibility and force to the efforts of EDA management. The policies included in this legislation and the actions to implement these policies are integral parts of the same national initiative.

Mr. President, when I came to the Congress 13 years ago, my training and experience had been in management in the private sector. During my years in Congress, I have noted with concern that those in Government tend to behave as if policymaking and program implementation can be considered in isolation from one another.

The pressures on us here in the Congress and the chronic turnover in the top levels of the executive branch greatly complicate efforts to form program policy and carry out program implementation as one enterprise. The issues of program implementation by their nature require detailed, long-term attention.

Nevertheless, Mr. President, I am sure that sound public action on complicated problems such as those addressed by this bill, will result only if those who form policy remain sensitive to the demands of policy implementation.

There are, of course, important distinctions between the responsibilities of the executive branch and the legislative branch. Those distinctions must be maintained. I am troubled by the tendency to involve the Congress formally in detailed review of program regulations and in second-guessing of administrative decisions.

Mr. President, the important new initiatives included in this bill require an ongoing dialog between the Congress and the administration. I believe that the report requested in my amendment would be a useful part of that dialog.

The programs authorized by this bill are very important to me and I look foward to that dialog. I intend to involve private businessmen, public officials, and others from my own State of Michigan in that dialog.

I yield to the Senator from Massachusetts.

Mr. TSONGAS. Mr. President, with the passage of this legislation, EDA will undertake a number of important new initiatives.

Program resources will be targeted not only to areas of distress, but to small firms wishing to remain or relocate within those areas.

A program will be undertaken to test

the feasibility of equity financing for small firms.

Current efforts to use the capabilities of local development finance agencies will be expanded.

This amendment will provide for a report on the implementation of new EDA programs, and will allow both EDA and the Congress to assess ways in which EDA assistance can be delivered more effectively.

Clearly this is an important bill. It is important that we be able to assess which way it is going. I thank the Senator from Michigan for his initiative on this amendment.

Mr. RIEGLE. Mr. President, it is my understanding that both sides have been sold on this proposal, and are prepared to accept this amendment requiring a report next March.

Mr. RANDOLPH. Mr. President, may I respond?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. I think that perhaps the State of Michigan, in a sense, has had as much upheaval from the standpoint of unemployment as any State in the Union. We do know that in Michigan, with its impact of unemployment in the automotive industry and other industrial situations, EDA has been helpful with this problem. That is true, I am sure, in the Commonwealth of Massachusetts as well. I ask the Senator from Massachusetts, is that not so in his State?

Mr. TSONGAS. Yes, it is so.

Mr. RIEGLE. Profoundly so in Michigan.

Mr. RANDOLPH. Yes. I feel that this amendment is a perfecting or strengthening amendment, and we are ready to accept it, as I understand; is that correct?

Mr. CHAFEE. Mr. President, I would like to ask the sponsors of this amendment a couple of questions.

First, going to the last line of their amendment, and I will direct these remarks to the Senator from Michigan, if I might read (4):

> efforts undertaken to assure the effectiveness of regulations to provide for targeting the assistance authorized under this act according to section 206(a).

Section 206(a) solely refers to the criteria which are to deal with title II. Yet they have these criteria applying for the targeting of assistance authorized under the entire act. I would suggest that for the words "this act" they substitute "title II," rather than the entire act.

Mr. RIEGLE. I will accept that modification, and ask that our amendment be so modified to reflect the change as suggested by the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. Will he send his modification to the desk?

The amendment, as modified, is as follows:

> On page 123, line 5, insert the following after the period: "Not later than March 1, 1980, the Secretary shall transmit to the Congress a detailed report reviewing plans for implementing title II, section 303, and section 401 of this Act—
>
> "(1) plans for delegating decisionmaking to regional offices of the Economic Development Administration for the purpose of cutting down on processing time and making the programs authorized under this Act responsive to local development needs;
>
> "(2) plans for using, as appropriate, the resources of State and local development financing agencies, multi-State agencies, financial institutions, private investment companies, and such other entities as may be designated by the Secretary;
>
> "(3) actions taken by the Secretary to implement research and demonstration programs, including the equity financing demonstration program, pursuant to section 303; and
>
> "(4) efforts undertaken to assure the effectiveness of regulations to provide for targeting the assistance authorized under title II according to sections 206(a) and 401."

Mr. RIEGLE. The amendment, with that change striking "this act" and inserting "title II" has been noted.

Mr. CHAFEE. Mr. President, if I might direct a couple more questions to the Senator from Michigan, I was a little reluctant to place Secretaries in positions where they must come forward with detailed reports on various subjects at specific times. It seems to me it presents problems in paperwork and in straitjacketing Secretaries into performing functions which perhaps are not totally necessary. Nevertheless, I can understand the thrust of this amendment. Furthermore, since it deals with title II, which is a Banking Committee provision, I would be interested to hear from the Senator from Utah.

I was wondering if the Senator from Michigan discussed this with the ranking member of the Banking Committee, the Senator from Utah.

Mr. RIEGLE. Yes, the Senator advises that that has been done. Senator TSONGAS and I are both on the Banking Committee. I can report that he has no objection to this.

Let me also say in response to the Senator that in his first comment he has spoken like a true former Secretary, concerning the lament about reporting requirements which I am not totally unsympathetic with. But I believe it is important to note here that EDA has indicated that they have set for themselves certain specific performance objectives by the end of the first quarter of fiscal 1980. They have indicated that they will have an operational delivery system in place at that point. They have spelled out several things that they intend to have accomplished by that time. All this would do is to make sure that they stay on that track. It would have them convey to us a report at that time which will simply bear out the fact that they have accomplished what they have announced as their intentions. So it really imposes no new requirements. It is simply a way for us to make sure that we are on track.

I offer this amendment as a strong supporter of EDA. I believe it actually puts us in a position to give them greater support. In other words, it is an affirmative connecting link and not in any way designed to be a contentious amendment. I speak as a strong supporter of the program.

Mr. CHAFEE. Mr. President, I note that it is a one-shot deal. In other words, the Secretary just makes this report on March 1, 1980. It is not continuous.

Mr. RIEGLE. That is exactly right. It is only because it is a new addition. This is a major, new approach. I would like to see it move toward a heavier partnership with the private sector. I believe if they can make this change, it is a reasonable step to make. But the point is I think we need to know how it is going. I think they should know that we are not only paying attention to what their intentions are but we want to sit down with them at a fixed point up the road at a time of their own choosing, when they say they want to have this implemented. It creates the kind of positive oversight connecting link which is good for them and good for us.

Mr. TSONGAS. Will the Senator yield?

Mr. RIEGLE. I yield.

Mr. TSONGAS. Let me give an example. One of the new phenomena is the development of private, nonprofit, and quasi-governmental institutions which tend to be much more effective in channeling Federal moneys toward private sector investment. We have tried to get EDA to look at these institutions and perhaps use them as a viable channel for their funds. This amendment is a way of making sure that EDA's review and analysis of this proposal takes place in a timely fashion rather than waiting for the authorization to come up the next time.

Mr. CHAFEE. I would like to address another question to the sponsors of the amendment. I have the concern that when the report comes forward the Secretary will be, in accordance with paragraph 3, delineating the actions taken to implement this program. I have some concern that when this is all set down on paper, people in the Senate might squabble over the division of the pie. In other words, has everybody gotten their little bit? I am not suggesting that that is the objective of the sponsors, but I am just worried whether, when the information comes before us, we will want equal geographical distribution, whether we will want it spread around in such a fashion that it may not be really achieving the goals we are all seeking through this title II. Will the Senators direct their answers to that?

Mr. RIEGLE. I think we both want to comment. I will yield to the Senator from Massachusetts.

(Mr. STEWART assumed the chair.)

Mr. TSONGAS. I think this legislative history will be important because we are not looking to issues such as geographical distribution. We are looking at concepts and how the concepts are evolving. That is what the report will include. I do not want to speak for the Senator from Michigan, but I do not believe this will get into the kinds of concerns that the Senator from Rhode Island was just voicing.

Mr. RIEGLE. Also, these organizational changes involve changing in part the delivery system. Those are always difficult things to implement. I want to make sure it is working. I would want the

RECORD to be clear that this is not aimed in some way at trying to press in on the question of how funds are divided, although I might also say we all have an interest in that. I would not want to see us basically take the reverse presumption that says that a lack of knowledge of things is somehow more helpful to us than having knowledge. In other words, I think we are better off, especially when we are implementing a new approach, to be able to keep track of how it is going.

As I say, I am a supporter of this program. I fight for its funding in the Budget Committee, I fight for its funding in the Banking Committee, and I will be doing so later today in the Budget Committee. So I rise as a friend of this legislation. But to better the linkage here between the Congress and these new initiatives can only help. To have the information at the time when they say they will have this implemented I think is not an unreasonable request.

Mr. CHAFEE. Mr. President, I have no objection. The minority has no objection.

Mr. GARN. Mr. President, representing the Banking Committee minority, I have no objection to this amendment.

Mr. RIEGLE. I thank the Senators. I know of no objection on the majority side.

Mr. PROXMIRE. That is right. I have no objection. I am happy to accept it.

Mr. RIEGLE. I thank the Senators. Therefore, there being no objection, I ask that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question occurs on amendment No. 490.

Mr. STAFFORD. Mr. President, unless the Senator from Michigan wanted to say something, I shall suggest the absence of a quorum.

Mr. RIEGLE. If the Senator will withhold that, I just want to be clear that the amendment has been adopted.

The PRESIDING OFFICER. The amendment of the Senator from Michigan has been adopted.

Mr. RIEGLE. I thank the Senator from Vermont for his courtesy in allowing us to do this.

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 493

(Purpose: To permit eligible recipients to use Federal grant funds to acquire surplus Federal Government property)

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. There is an amendment pending. It will take unanimous consent to set that amendment aside. It is the amendment of the Senator from Vermont.

Mr. CHAFEE. Mr. President, I think the amendment of the Senator from New York is very brief. It has been agreed to. I suggest that, with unanimous consent, we proceed with the amendment.

Mr. RANDOLPH. I agree with that, Mr. President.

Mr. JAVITS. Mr. President, I ask unanimous consent that the amendment may be considered and that it may temporarily displace the pending amendment, which will immediately follow.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 493:
>
> On page 67, line 6, add a comma after the word "improvements" and insert the following "including surplus Federal Government property."

Mr. JAVITS. Mr. President, the purpose of this amendment is to make available aid in a redevelopment area plan according to section 101 of title I of the bill, Federal grants for the purpose of acquiring surplus Federal property. Though the law is not explicit on the subject, the present policy of the EDA is not to allow such grants to be used for that purpose.

Mr. President, the purpose of the amendment is to get the most out of these grant dollars because, in many cases, there are many parcels of surplus Federal property—shipyards, air and naval bases—which are closed, which could be modernized and renovated and made available again for a fraction of the cost of building brandnew facilities. So, really, we are dealing with an opportunity clause as far as the Federal Government is being concerned, its objective being to get these properties used for redevelopment purposes. It is defeating itself when a nonprofit organization or a municipality simply is unable to find the the money for the purpose of acquiring that property for that purpose under every one of the conditions of the law and utilizing it, simply because the only kind of money it has is grant Federal money under this law and from the EDA.

Mr. President, I have, in New York, a very specific example; I am sure it is true in other places. The Brooklyn Army Terminal has a great potential to be used for warehousing and other industrial development, two large buildings totaling 4 million square feet. The city of New York estimates that if it could acquire the property and cause it to be used for redevelopment, it could create 1,200 new jobs for each 1 million square feet renovated, and the terminal could be an important source of industrial development for years to come. It is prohibited from doing it because of EDA's policy, which is based upon the law, though, as I say, not specifically in words under the law.

It is for that reason that I have discussed this amendment, Mr. President, with the managers of the bill. I have discussed it as well with the agency itself, the EDA, and I believe it is acceptable to them. I hope the managers can accept it.

Mr. RANDOLPH. Mr. President, we have studied the amendment offered by the able Senator from New York (Mr. JAVITS). We believe that what he is doing is a further practical way to approach the use of those surplus properties, whatever they may be, that can well benefit people. That is the intent of the Senator, is it not?

Mr. JAVITS. It is, Mr. President.

Mr. RANDOLPH. With that intent, and the language properly drafted, I am very happy to have the majority accept his proposal.

Mr. JAVITS. I thank the manager very much.

Mr. CHAFEE. Mr. President, as I understand the amendment, the property so acquired would be owned by the eligible applicant, namely, the public body, be it a State, a city, or county, whatever it is.

Mr. JAVITS. That is correct.

Mr. CHAFEE. Subsequently, the eligible applicant might lease it out to a private firm, but the ownership would be in the eligible applicant?

Mr. JAVITS. That is exactly right, and it would only be as an element of the redevelopment plan.

Mr. CHAFEE. Mr. President, the minority of the Environment and Public Works Committee has no objection.

Mr. BELLMON. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield.

Mr. BELLMON. Mr. President, I have not seen the amendment. Does the amendment apply only to parcels of real estate? Would it apply to surplus property, also—say, trucks, bulldozers, office equipment, that sort of thing?

Mr. JAVITS. It applies only to structures and lands.

Mr. BELLMON. I thank the Senator.

Mr. JAVITS. Mr. President, I am ready for action on the amendment. I yield back my time if necessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CHAFEE. Mr. President, just on that last point, I am not sure that I understand the intention of the Senator from New York. It was to have his amendment apply solely to real estate?

Mr. JAVITS. That is correct, Mr. President.

Mr. CHAFEE. Mr. President, is that clear in the amendment?

Mr. JAVITS. We drafted it in consultation with the managers and the agency, but I am happy to do anything the managers feel is necessary to make it clear.

Mr. CHAFEE. I was interested in the question of the Senator from Oklahoma. I do not have any interest, one way or the other, as to real versus personal property. If the Senator from Oklahoma wanted it definitely to cover that, I suppose the word "real" could be inserted in there.

Mr. JAVITS. Or we could say, "Including such surplus Federal Government property," as it follows the words "land and improvements."

Including such surplus Federal property, if the Senator would rather have me do that, I will be happy to do it.

Mr. CHAFEE. I will stay out of the middle and let the Senator from Oklahoma decide.

Mr. BELLMON. I have not seen the amendment, but it sounds to me from what was said that that might clear up what might otherwise be an ambiguity.

Mr. JAVITS. Mr. President, I modify the amendment by inserting after the word "including" the word "such."

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

On page 67, line 6, add a comma after the word "improvements" and insert the following: "including such surplus Federal Government property,"

Mr. JAVITS. Mr. President, if that is agreeable to Senator BELLMON, I am ready to vote.

Mr. BELLMON. That is right.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York, as modified.

The amendment (UP No. 493, as modified) was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. I thank the managers and Senator BELLMON very much.

UP AMENDMENT NO. 490

The PRESIDING OFFICER. The question recurs on amendment No. 490.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, the understanding of this Senator is that the pending business is an amendment which the Senator from Vermont has offered.

The PRESIDING OFFICER. The Senator is correct.

Mr. STAFFORD. Mr. President, the Senator from Vermont further understands he has the right to amend the amendment which is pending before the Senate.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. STAFFORD. The Senator from Vermont then moves to modify his pending amendment as follows: after the third word of the pending amendment, which is preceded by (14), insert the words "public works" so that part of the amendment reads:

whether the public works projects proposed for the Secretary's approval.

The Senator from Vermont moves to further modify his amendment by striking the word "adequate" wherever it appears in the amendment, and to delete the second sentence of the amendment which begins with the words "the Secretary" and insert in lieu thereof the following:

The Secretary shall assure the preparation of any required Federal environmental impact statement or assessment on any proposal or project.

Other than that, the Senator from Vermont urges adoption of the amendment.

The PRESIDING OFFICER. Will the Senator please send those suggested modifications to the desk?

Mr. STAFFORD. The Senator will be glad to do so.

The amendment, as modified, is as follows:

On page 119, at the end of line 3, strike the period, then insert a semicolon and the following; "and

"(14) determine whether the public works projects proposed for the Secretary's approval are consistent with federal, state and local environmental regulations and plans, and have been developed with public participation in the planning process. The Secretary shall assure the preparation of any required Federal environmental impact statement or assessment on any proposal or project. Approval shall not be granted until the Secretary has consulted with relevant federal departments and agencies, has issued adequate public notice, and has solicited and reviewed public comments.

Mr. STAFFORD. Mr. President, the Senator from Vermont believes the amendment is now acceptable to the managers of the bill from both Banking and Currency and Environment and Public Works.

Mr. GARN. Mr. President, with the suggested modifications made by the Senator from Vermont, I remove my objection to his amendment.

Mr. PROXMIRE. Mr. President, I have no objection to the amendment.

Mr. BURDICK. Mr. President, there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Vermont.

The amendment (UP No. 490, as modified) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further amendment?

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I support section 518 of the proposed bill, southwest border education assistance. This section provides much needed emergency construction assistance to school districts located on the United States-Mexico border that are impacted by substantial enrollments of legal alien children.

Mr. President, it is Federal policy that has caused the need for this assistance in these border communities. Last year, Federal immigration policy admitted 187,000 legal aliens from the Western Hemisphere, 44,000 of them from the Republic of Mexico. Many of these legally admitted Mexican immigrants tend to settle in southwest border communities, which have traditionally been among the poorest and least advantaged regions of this country. In Texas border counties, for example, the average personal income is only about 60 percent of the national average while unemployment is generally twice the national figure.

These same counties are being asked to absorb a legal alien population in their public school systems that averages almost 10 percent of total student enrollment, and nearly 30 percent in some school districts. This situation is repeated all along the border area of the four States that border the Republic of Mexico, and this percentage goes even higher.

Of all the counties in the four States located in the southwest border region, only one reaches the national average in per capita personal income. In one county, average personal income is only 36 percent of the national average. And nearly all must contend with a flow of legal immigration that strains their economic position even further.

Mr. President, most of the these immigrants are "poverty refugees," and add little to the tax base of already distressed border communities. In Texas border counties, 82 percent participate in the free lunch program. Those of school age come with the hope of and the legal right to the quality education that will be their passport to success, and a better, more productive future in their new country.

But this influx of legal immigration from Mexico places real and substantial hardships on communities least able to afford the expense of educating additional children. Because of their proximity to the border and because of Federal immigration policy, a disproportionate share of the cost of constructing school facilities falls on these communities that plainly and simply lack the resources to respond adequately. This system is inherently unfair to both the legal alien and American children of the region, and both groups suffer accordingly.

Overcrowded facilities in school districts along the border are prevalent. This condition is greatly aggravated by the presence of legal alien students, and is already severe in many of these districts. In the Brownsville Independent School District in Brownsville, Tex., for example, there are nearly 4,000 legal aliens attending public schools. This represents the equivalent of eight average size elementary schools. Currently, the Brownsville district has 158 portable buildings, a condition that has become very common at border schools. In a survey recently completed for the Southwest Border Regional Commission, nearly 75 percent of the border school districts in California, Arizona, New Mexico and Texas that responded reported that they have had to purchase or rent portable facilities.

Our Government has traditionally provided substantial assistance to communities impacted by the children of Government and military employees, on the theory that such children are present in the various jurisdictions because of Federal Government policy and employment practices. I would submit that the same logic should apply to the Southwest border communities. Legal immigrants are admitted to this country, and rightfully so, as a result of official Government policy. To the extent that they cluster in specific areas, such as the border communities, the Government has an obligation to help relieve the costs incurred by local jurisdictions.

Mr. President, this proposal provides for emergency classroom construction assistance to Southwest border school districts that are heavily impacted by legal alien students. To qualify, a district must have a minimum enrollment of 7 percent of Mexican alien children, and at least 20 such alien children. It is my intention that for the purposes of this section, the most recent available data be utilized. As I have already stated, this type of impact falls on the communities of this Nation that are least able to respond to it. The Committee on Environment and Public Works has determined it appropriate and justified that the Federal Government share in this burden. I hope my fellow colleagues determine likewise and recognize the clear and urgent nature of this legislation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 494

Mr. RANDOLPH. Mr. President, pursuant to the order of the Senate on yesterday, I move that S. 914 be amended by adding the text of S. 835 as amended by the Senate.

Mr. President, we report to the majority leader, and through him to the Members of the Senate, that we considered carefully the bill dealing with the Appalachian Regional Commission and other commissions on yesterday and went to third reading. At this time, with the action on the Economic Development Administration measure, with the cooperation of the Committee on Banking, Housing, and Urban Affairs, which has jurisdiction in the matter, we are prepared to act in the fashion I have requested.

I thank the majority leader for his understanding during this entire debate yesterday and today. I commend to my colleagues, the reading of the remarks of the majority leader yesterday, as I had the opportunity to do this morning, with respect to this measure—its constructive impact not only on West Virginia but the country as a whole.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished senior Senator from West Virginia for his kind statement, and I commend him for his work on this bill.

I also commend Mr. BURDICK and Mr. CHAFEE on the skill and expertise they have demonstrated in the passage of the bill.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an unprinted amendment numbered 494, which incorporates the language of S. 835, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

● Mr. MUSKIE. Mr. President, the bill before us, S. 914, represents a significant rewrite and extension of the Economic Development Act of 1965. I strongly support this bill, and I would like to express my admiration for the excellent work and long hours put in on this legislation by all the members of both the Environment and Public Works Committee and the Banking Committee.

SECTION 402(A) WAIVER

Mr. President, because S. 914 authorizes appropriations for fiscal year 1980, but was reported after May 15, 1979, it required a waiver under section 402(a) of the Budget Act in order to be taken up in the Senate.

The Budget Committee favorably reported Senate Resolution 212 and recommended that the waiver be granted. It took this position for several reasons. First, without passage of the legislation, EDA's legislative authority will expire at the end of fiscal year 1979. Second, funding at the level authorized in S. 914 could be accommodated within the function 450 targets of the first budget resolution. Third, the legislation was not submitted by the President until April, leaving the committees inadequate time before the May 15 deadline to resolve questions of jurisdiction and to consider and issue their recommendations on major new initiatives.

BUDGETARY IMPACT

Mr. President, full funding of S. 914, as reported, could be expected to be accommodated within the fiscal year 1980 targets of the first budget resolution. However, I feel I must alert my colleagues to the fact that full funding of just the counterpart EDA provisions in companion House legislation, H.R. 2063, could cause the targets to be exceeded by $0.8 billion in budget authority and $0.2 billion in outlays. Further, the House bill also provides up to $2 billion for standby local public works projects, an authorization which could boost the fiscal 1980 budget overages of the bill to as much as $2.8 billion in budget authority and $0.6 billion in outlays.

Mr. President, I urge the Senate conferees on this legislation to vigorously oppose the House's local public works provision. The administration opposes it, and—as I have just indicated—there obviously is no allowance for it in the first budget resolution.

But it is not simply on budgetary grounds alone that I believe the Congress must reject the local public works initiative. We passed a similar program just 3 years ago, and our experience with that one should prove to us that the program simply does not work as advertised. It was intended to help solve our economic problems, and instead it worsened them. It was intended to be countercyclical, and instead it contributed to an overheated economy. The principal problem was that the spendout was so slow that the intended countercyclical effect was defeated, and in fact a significant portion of the spending served only to stimulate the economy during a period when fiscal restraint was needed. Further, the program increased demand in tight labor markets, thereby contributing to the horrendous inflationary problem that now confronts us.

NEED FOR EDA

Mr. President, this bill, S. 914, is important to the well-being of America's urban and rural areas. First, most of the money authorized in the bill is intended for the revitalization of the economies of depressed areas, through the provision of direct loans, loan guarantees, and interest subsidies to businesses, and through public works grants, supplementary grants and other economic adjustment assistance to public bodies. The legislation gives EDA a comprehensive set of tools, to use in close cooperation with local officials, to design and implement economic development programs that will attract jobs and investment to areas that are experiencing difficulty maintaining healthy economies.

Second, under part B of title I of the bill, EDA is authorized to carry out the important function of providing readjustment assistance. Specifically, EDA is authorized to provide assistance in communities that "have experienced, or that may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment, or other economic adjustment problems, including those caused by any action or decision of the Federal Government." I should like to give an example of how important, and how crucial, this readjustment assistance can be, by citing an example that has occurred in my State just recently. It involves Loring Air Force Base, a SAC base in the northern part of Maine, the military value of which has never been challenged by the Air Force.

Loring is the closest SAC airbase to the Soviet Union. Virtually every plane that flies to Europe flies over this base. The Air Force is now seeking to convert Loring to a forward operating base at a cost of an 85-percent reduction in personnel that would be expected to raise the unemployment rate in the local area—Aroostook County, which covers an area about the size of the State of Massachusetts—from 12 percent to 23 percent almost immediately.

Mr. President, I was a member of the Maine legislature in 1946 when it was announced that the Loring base was to be built. The manager of the town nearest to where the base was to be located was also a member of the legislature. He

begged us to help him keep the base out of the country, because he foresaw what would happen. He foresaw that the new base would establish an infrastructure, that the private economy would develop around it, and that some day in the future, when the base was reduced in size or closed, those people who had invested their money, their energy, and their lives in the area would be left with the economic dregs.

And that is exactly what has happened. Already the airline that flies into the county, and makes a profit on its flights, has applied for elimination of this route in anticipation of the closing of the base.

To add further to the decline of the area's economy, the potato growing industry has been in a difficult period, compounded by the possibility of lower tariffs on potatoes because of a trade agreement that will make it possible for the few potato processing plants we have to lose even more money.

Every decision the Federal Government has made over a period of many years—there was an earlier military closing in the county as well—has driven these people further and further into the dirt. The Defense Department counts the cost of closing these bases only in terms of its budget. But I want the people of this country to understand that there is another and perhaps more serious cost, one that must be measured in human terms. And because of this cost, we have to create programs like the EDA readjustment assistance program to enable local communities to survive in the face of abrupt Federal policy changes.

In the case of northern Maine, the Economic Development Administration moved quickly to provide to the area, not only their financial resources, but also their planning and technical assistance. And, in just a period of a few weeks, EDA has succeeded in changing the attitude of the citizens of northern Maine from one of depression to one of hope and opportunity. Clearly, the past successes of EDA programs established in Maine contributed tremendously to reestablishing confidence in the ability of local people to improve their economic health.

Although the Air Force decision to reduce Loring may be reversed because of the clear strategic value of the facility, the attention given to the area by the EDA and the immediate success that has arisen, only convince me further of the important role of this agency.

I believe that when the Government moves into any area in any State, transforms its economic base to serve a national purpose, and then disappears, that the Government has the responsibility to help that area to remain economically viable.

TARGETING

Another important feature of the EDA bill, Mr. President, is how well it is targeted upon the communities and areas it is supposed to benefit. This program emerged as a successor to the Area Redevelopment Administration that Senator Paul Douglas supported for so many years, with its central policy objective of investing in depressed areas, to help them get on their feet.

In the years since the basic EDA legislation was passed in 1965, this underlying targeting concept has frequently been challenged. The result is that provisions have been enacted that allow an area to remain eligible for EDA assistance even when it no longer meets the criteria for declaring it eligible in the first place.

Under these provisions, after EDA has come in and done its job and the community is back on its feet once again, no matter how healthy that community becomes, it remains eligible for the grants and low-interest loans that taxpayers originally agreed to finance on the understanding that they would go to communities in need. As a result, 85 percent of the U.S. population now lives in areas eligible for EDA assistance.

I am pleased to be able to say that S. 914 adopts new eligibility criteria, proposed by the President, which over a 2-year phaseout period would reduce the eligible percentage of the population to 68 percent. I must point out to the Senate, however, that the companion House bill, H.R. 2063, simply adds the new eligibility criteria to what is already in existing law, thereby increasing the population percentage to 90 percent.

In my estimation this is an irresponsible course of action and makes a mockery of efforts to target this program efficiently on those whom it was intended to help. However attractive it may be politically to scatter EDA assistance into virtually every city and town in the country, as the House bill does, there are important economic and budgetary results from doing so that must be understood.

First, in order to provide the necessary amount of assistance to distressed areas where it is most needed, more dollars would have to be appropriated. If they were not, and appropriations instead remained the same, the neediest areas simply would receive less assistance.

Second, the basic underlying concept of EDA's programs are that they are to provide a small incremental amount of assistance to distressed areas, above what is available to everyone else, to give them a little push down the road to economic self-sufficiency. But if virtually every community in the country receives EDA dollars on the same basis, that incremental assistance disappears, and the basic conceptual underpinning of EDA assistance disappears along with it.

Third, to the extent that EDA is spread across the entire country, it becomes a general subsidy for development anywhere and everywhere, and there simply is no rationale for that kind of Federal assistance.

I urge the Senate conferees to stand fast to the Senate position and not adopt the House bill's new eligibility criteria. I also repeat, Mr. President, my hope that they will also vigorously oppose the House's ill-advised local public works provision. Federal public works projects do much that is good for the country, but there is sufficient evidence now available to tell us clearly that public works spending should not be used as a part of fiscal policy to influence economic conditions. There simply is too little control over the timing of its expenditures.

Finally, I would reiterate that I strongly support this bill as reported, and I again congratulate the two authorizing committees which have drafted it for an excellent job well done. I urge my colleagues to join me in voting for its passage.

THE MILWAUKEE RAILROAD

● Mr. BAUCUS. Over the course of the past 7 months I have devoted a substantial portion of my time studying the economic significance of the Milwaukee Railroad. I have done that for two reasons: First, the current management of the railroad would like to abandon operations in Montana thereby providing substantial economic dislocations for the shippers, employees, and communities in Montana that depend so heavily on service by the Milwaukee, and, second, the future of the United States will depend in no small part on the ability of railroads to transport—at competitive rates—essential food and energy commodities from Montana to other parts of the Nation—and for worldwide export—that continue to depend with increasing frequency on these commodities.

This leads me, then, to ask whether or not some of the funds in this $1 billion annual authorization bill before us today can be devoted to either save the Milwaukee by providing funds for employee and shipper stockownership programs, or in the event that that becomes unfeasible, to help mitigate the substantial economic hardships that will be thrust upon the State of Montana in the event that the Milwaukee Railroad is allowed to die.

Before responding to that question, I ask that there be included in the RECORD at this point several communiques I have had with the Economic Development Administration in connection with the possible roles that EDA could play in assisting on the Milwaukee problem.

The material follows:

Memorandum for Bert Carp, Deputy Director, Domestic Policy Staff; Lynn Daft, Associate Director; Katherine Schirmer, Associate Director; Bill Johnston, Associate Director; Michael H. Chanin, Deputy Assistant to the President.

From Lawrence O. Houstoun, Jr., Assistant to the Secretary.

Subject Department of Commerce role in the Milwaukee Railroad.

Tuesday, July 24, 1979, Secretary Kreps discussed the economic ramifications of the proposed abandonment of the Milwaukee Railroad with her top staff. George McCarthy, Federal Cochairman of the Old West Regional Commission, discussed the importance of this issue to the northern tier States, and the actions which his Commission and the Pacific Northwest Regional Commission had taken. (See attachments.)

Because of the Department's responsibilities in the areas of expanding export opportunities, encouraging port development and preventing economic dislocation, we agreed to assist the Regional Commissions in the development of a viable solution to this problem. The Economic Development Administration had already written Senator Baucus on July 11, 1979—"We are supportive of efforts to develop a viable solution to this problem, and we would be willing to participate, within the limits of our authority and

resources, in the implementation of a program if an economically viable solution were developed." The Maritime Administration agreed to review how to target technical assistance and programs to enhance rail/port efficiency on the Milwaukee Road, and the Industry and Trade Administration will review how to assist shippers and exporters along the Milwaukee line in the movement of their goods.

The Department of Commerce intends to work closely with the Department of Transportation on this issue, and will seek the assistance of the Department of Energy in identifying how this effort can be coordinated with the President's recent energy program.

George McCarthy (634-3907), Frances Phipps (377-5017) or I would be pleased to provide you with further information.

Attachments.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., July 11, 1979.

Hon. MAX BAUCUS,
Chairman, Subcommittee on Oversight of the Internal Revenue Service, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR SENATOR BAUCUS: The Department of Commerce was pleased to have been able to appear before the Subcommittee on Oversight of the Internal Revenue Service to discuss ways of possibly averting the abandonment of the western lines of the Milwaukee Railroad. As we indicated in our testimony, the Department of Commerce is very concerned about the economic ramifications of abandoning the western portion of the Milwaukee Road. We are supportive of efforts to develop a viable solution to this problem, and we would be willing to participate, within the limits of our authority and resources, in the implementation of a program if an economically viable solution were developed. We would, of course, wish to work closely with the Department of Transportation in any such effort.

If maintenance of the Milwaukee Road were deemed not to be economically advisable, EDA would stand ready to work with firms and communities impacted by the dislocation.

Enclosed are answers to the six questions forwarded under cover of your letter of June 26. We will be happy to provide additional information as necessary.

Sincerely,

ROBERT T. HALL,
Assistant Secretary for Economic Development.

Enclosure.

1. Question: Although it is true that the Federal Railroad Administration has the primary responsibility for railroad transportation matters, the Department of Commerce has primary responsibility for port developments, and this may have some considerable bearing on the Milwaukee situation. Particularly, what impacts would abandonment of the Milwaukee Road have on port development and operations in the Far West and Midwest? (The Department should respond in writing with specific reference to the ports of Tacoma, Seattle, and Portland in the Far West, and Great Lakes ports in the Midwest.)

Answer:

A. Far West Ports.

The Milwaukee Road is one of three primary transcontinental railroads serving the port communities of the Pacific Northwest. The other rail services are the Burlington Northern and Union Pacific. Of the three, the Milwaukee Road is the prime mover of grain exports. Additionally, the grain storage infrastructure is more developed along the Milwaukee Road. An inventory of rail service to northwest ports is presented below.

Transcontinental service

Port:	Milwaukee road	Total rail service
Tacoma	1	3
Seattle	1	3
Portland	1	4
Vancouver	1	3
Kalama	1	3
Longview	1	3
Grays Harbor	1	3
Port Townsend	1	1
Port Angeles	1	1
Everett	1	2

As indicated above, the potential shutdown would have a severe impact on northwest ports, in terms of both service and cost, through the elimination of competitive service. It is quite evident that the most dependent ports, such as Port Angeles and Port Townsend, and their respective communities would be drastically affected.

B. Great Lakes Ports.

The Milwaukee Road (CMSTP & P) has trackage from Louisville and Kansas City on the south to the west coast of Lake Michigan on the east, by Lake Superior on the north and the Pacific Ocean on the west. Its major ports are Chicago, Milwaukee, and Green Bay, which serve 22 states as the westernmost ports of the Great Lakes.

The Milwaukee Road has approximately 480 freight connections and junction points to 88 other transportation companies, barge, rail and drayage. It is said that half of the gross national product of manufactured goods is produced in the ten states immediately adjacent to the Great Lakes. The Milwaukee Road is west and south of that area.

The Milwaukee Road owns and operates 22,872 cars of which approximately 4,500 are hoppers. These are used to handle basic commodities from farm products to coal. In 1978 CMSTP & P's gross freight revenue figure was $425.6 million. Percentage by commodity and carloads are as follows:

	Percent of total	Carloads
Farm Products	14.3	118,142
Lumber and Lumber Products	14.3	126,683
Transportation Equipment	12.0	51,186
Food Products	11.9	49,694
Pulp & Paper	8.6	69,916
Coal	8.1	111,258
Chemicals	6.4	44,359

The economic impact on the states adjacent to the Milwaukee Road's tracks rights would be very difficult to measure, although it probably would be substantial.

2. Question. The Department of Commerce has explicit responsibilities in maintaining and expanding export opportunities to the Far East. Two particular commodities that play an extremely large role in future economic opportunities for the Northern Tier are the exports of grain, coal, and lumber to the Far East. In light of these factors, what is the Department's position about the impact that the abandonment of Milwaukee would have on export opportunities over the affected states?

Answer. It is difficult to project the impact that abandonment of the Milwaukee Road would have on exports of grain, coal, and lumber from the Northern Tier States. The Burlington Northern runs parallel to the Milwaukee Road through much of the Northern Tier. Arrangements might be able to be made with both the Burlington Northern and the Union Pacific to service much of the area currently being served by the Milwaukee Road. However, given the volume of freight carried by the Milwaukee Road (the 1978 figures are 118,142 carloads of farm products, 126,683 carloads of lumber and lumber products, and 111,258 carloads of coal), a significant amount of economic disruption along the area serviced by the Milwaukee would have to be anticipated.

3. Question. The Department of Commerce in general, and the Economic Development Administration in particular, have responsibility for dealing with economic dislocations and displacements. Assuming that the abandonment of the Milwaukee will cause significant economic dislocation not only among the employees of the Milwaukee Road, but more importantly, among the industries and their employees that rely on the Milwaukee as a shipper, what steps does the Department of Commerce anticipate taking in insuring that these dislocations are minimized?

Answer. The Economic Development Administration (EDA) would work with the States and individual communities whose economies would be particularly disrupted as a result of the abandonment of the western portion of the Milwaukee Road. Assistance is available under the Agency's Economic Adjustment Program (Title IX) to enable these communities to prepare a comprehensive plan to minimize the affects of the dislocation on the area economy. In addition, a limited amount of adjustment assistance is available to carry out the specific adjustment activities identified in the plan. These activities could include, for example, the construction of public facilities or provision of business financing to facilitate the expansion of an existing employer, or the location of a new employer. The Maritime Administration (MarAd) in its role as Federal advisor on port development is available to work with the affected communities, railroads and other Federal agencies to rectify this situation. In its program of cooperative port planning, MarAd has joined with northwest ports, as in other regional areas, to identify future waterborne cargo movements and the respective marine terminal requirements. Its first cooperative assessment of these Pacific Northwest ports was completed in 1975. MarAd expects to update this long range cooperative plan during FY 1980. Certainly, the existence of a competitive rail service as important as the Milwaukee Road is a critical issue in any future development of the ports of regions and, thus, the mission of MarAd.

4. Question: The Department of Commerce has a statutory responsibility to minimize the impact of energy developments. The State of Montana has perhaps the most progressive energy impact program of its own. One facet of that program, for instance, provides substantial funds generated from severance tax revenues to minimize the adverse impacts that occur from coal development and "boom towns." On the other hand, many Western states that have substantial coal developments do not have adequate energy impact programs, and it seems safe to assume that in the event the Milwaukee Road is closed, greater coal development will occur in other states where inadequate protections are available for adverse energy impacts. In light of the above, and considering the existence of the Department of Commerce's Energy Impact Mitigation Program, what steps is the Department of Commerce taking with respect to the Milwaukee Road to insure that coal development impact situations are minimized?

Answer. Under present law, EDA has the authority, but very few resources, to provide assistance to areas for the purposes of mini-

mizing the impacts of energy developments. However, there is an Administration-endorsed proposal, now pending before the Senate Environment and Public Works Committee, that would enable EDA to provide a substantial amount of mitigation assistance. Should this Inland Energy Impact Assistance Program become law in its present form, states such as Montana that have their own energy impact programs would not be penalized; rather, these states would be given credit for their efforts under the state allocation formula. You can be assured that, if this program becomes law, EDA would work closely with the State of Montana in any area where it could provide assistance.

5. Question. Two regional commissions (i.e., the Old West Regional Commission and the Pacific Northwest Regional Commission) are actively pursuing a positive role in exploring opportunities for ways to save the Milwaukee Road. As a Senator representing a state that would be severely adversely affected if the Milwaukee Road were abandoned, I want to state that I am particularly pleased by the roles of those two Commissions. How does the Department of Commerce plan to support the initiatives undertaken by its two regional commissions that are working to help maintain and improve the Milwaukee Road?

Answer. As is evidenced by the responses to the other questions, EDA, MarAd, and the Industry and Trade Administration would cooperate fully, within the limits of their authorities and resources, to support an economically viable initiative which might be undertaken to help maintain and improve the Milwaukee Road. We would, of course, be guided in our efforts by the judgements and determinations of the U.S. Department of Transportation.

6. Question: Please provide a detailed description of assistance, both technical and financial, that the Department of Commerce, including the Economic Development Administration, could provide to an employee and shipper organization attempting to purchase and operate portions of the Milwaukee Road property. Please also describe any assistance that could be provided jointly with other agencies including the Farmers Home Administration, the Department of Transportation, and the Federal Railroad Administration.

Answer. EDA's Private Sector Investment programs provide a wide range of financial assistance to almost any type of industrial or commercial venture. The nature of the applicant does not present any problems for EDA, so long as the venture being financed would generate sufficient profits to repay all debt, and the project is located in a geographic area eligible for assistance.

EDA is receptive to innovative financing techniques involving, for instance, ownership of certain assets by a tax exempt entity such as an LDC, with operation of the project by a profit making entity; SBA, FmHA or other Federal Agency financing of a portion of a project with complementary EDA financing of the remainder; and partial financing by way of employee stock ownership plans.

EDA's business financing tools include direct loans, guaranteed loans, guaranteed leases and interest subsidies. Proceeds of EDA (direct or guaranteed) loans can be used for either working capital, fixed assets, or both. Since any reasonable EDA involvement in this project would necessitate business development financing in excess of $10 million, the only practical EDA tool would be that of a guaranteed loan.

Any EDA project of this magnitude will involve many technical details tailored to the specifics of any effort that might be agreed to by all the parties. EDA's major concerns would be the financial viability of the project including its overall repayment ability, adequate equity to give the project financial strength, and EDA's ability to justify the size of the investment in relationship to the number of jobs to be created or saved in the EDA designated redevelopment area(s).●

● Mr. BURDICK. Mr. President, the Economic Development Administration could consider proposals for assistance using funds under this act, where such assistance might either help the Milwaukee remain a viable railroad or mitigate the economic dislocation that would result from the Milwaukee's abandoning operations.●

● Mr. EXON. Mr. President, I rise with a question for the distinguished chairman of the Environment and Public Works Committee, regarding the proposed legislation before us, to extend the authorization for the Economic Development Administration and the various regional economic development commissions.

My question concerns a set of proposed regulations promulgated by the Department of Commerce in the Federal Register of June 7, 1979. The proposal would—in the words of the Department—

> . . . amend existing regulations on the Regional Action Planning Commissions to include requirements governing Commissions' administrative responsibilities and the administrative requirements they apply to financial assistance recipients.

August 6 is the deadline for comments on the proposals.

If the distinguished chairman has had an opportunity to scrutinize this proposal, I would like to ask his opinion of its effect on the future operation of the commissions. In fact, I would urge all Members of this body who support the commission concept to look carefully into the proposal because I believe its adoption will effectively eliminate the regional commissions from the arena of Federal-State relations.

Whether deliberately or unwittingly, I do not know, but in either case the bureaucrats in the Department of Commerce—under the guise of improving accountability and strengthening the State-Federal partnership embodied in the commissions—would by enactment of these regulations put an end to the commission structure. There is basically one reason for that statement.

The proposed regulations would convert what is now an effective and successful partnership into another element of the Federal bureaucracy with the same overbearing requirements and intolerable redtape which removes so much of the potential good in so many other well-intentioned Federal programs.

Specifically, the proposed regulations would:

First. Entrap the commissions within the existing system for Federal grants. The commissions would cease to have their current character, comprising an equal partnership of enlightened Federal support on one hand, and an emerging dynamism among States and local governments on the other.

Second. Reduce the role of Federal cochairman to that of an administrative assistant to the Secretary of Commerce and the Director of the Office of Management and Budget. Work-a-day decisions would become the responsibility of these latter officials, neither of whom has a fraction of the time necessary to devote to effective administration of commission activities.

Third. Remove any flexibility and responsiveness in administration of the programs. In their place, the proposal would substitute an unacceptable burden of paperwork such as that encumbering other Federal grant programs. The popularity of the commissions at the State and local level is the direct result of the rapid response of which they are capable, and the flexibility with which they can operate to meet regional needs. If their programs become intertwined with the weeks and months of paperwork involved in EDA grants, for instance, responsiveness will be greatly diminished. The States and local governments like the commissions the way they are, but they will not accept any more bureaucratic headaches.

It is my view that such stifling regulation by the Department of Commerce was not the congressional intent when this measure came before the Senate 4 years ago. I ask the Senator from West Virginia if my memory is not correct? I also ask the distinguished chairman if there is anything in the authorization which directs the Department of Commerce to draw up these regulations? My reading of the legislation fails to turn up such authorization.

I suggest that anyone who is interested in the continued effective operation of the commissions should add provisions in the current legislation which would prohibit the Department of Commerce from frustrating the intent of Congress by adding bureaucratic layers of redtape to what is now an effective Federal-State partnership.

I ask to have printed in the RECORD a statement of facts on Department of Commerce proposed title V regulations.

The statement follows:

FACTS ON DEPARTMENT OF COMMERCE PROPOSED TITLE V REGULATIONS

ISSUE

Regulations proposed by the Department of Commerce in the Federal Register June 7, 1979 relating to "requirements governing (Title V) Commissions administrative responsibilities and the administrative requirements they apply to financial assistance recipients." Comments are invited until August 6.

PROBLEMS

1. While the regulations permit the Commissions to adopt a code of operating procedures, that Code will not be permitted to depart in any way from the Department's proposed regulations. Simultaneously with issuance of the proposed regulations, the Commissions have developed in cooperation with the Department a Code of Operating Procedures but before it has been given an opportunity to work, the Department is imposing its own restrictive regulations.

2. Attorneys who read the regulations agree that they would effectively turn the Commission program into "just another Federal grant program" which will be unacceptable to administratively-overburdened state and local governments. The proposed regulations

would entrap the Commissions entirely within the existing system for Federal grants, negating the will of the Congress which designed the program to be a true Federal-State partnership.

3. The proposed regulations would reduce the Federal Cochairman to a role of administrative assistant to the Secretary of Commerce and the Director of OMB, destroying the concept of equality between Federal and State partners. By involving the Secretary in work-a-day Commission activities, they will place on that office a responsibility it is not prepared or interested in fulfilling. Congress intended that the Secretary be the coordinator of the program, not the manager.

4. The proposed regulations would remove any opportunity for flexibility in administering Commission programs and impose a burden of paper work on States and local governments which will be unacceptable to them.

5. No such regulations are proposed for the Appalachian Commission (which is not administered through the Department of Commerce) but if the Congress is indeed to seek an ultimate equality among all Commissions, as it consistently maintains it does, the Title V Commissions should have the same authorities as the Appalachian Commission. Appalachia adopts its own operating regulations and the Title V Commissions deserve the same authority.

6. The regulations propose to authorize the Secretary of Commerce to make incentive grants to Commissions, but if the program is effectively an equal partnership, why should the Secretary be authorized to usurp part of the appropriated funds for restrictive grants which may not be acceptable to the State partners.

7. The State Cochairman and gubernatorial members of the Commission are vociferously objecting to the imposition the proposed regulations on the basis of the above points, especially at the same time the Department has sought Commission approval of an operating Code which would be superseded by the regulations before it has had an opportunity to function.

8. The proposed regulations are inconsistent with the President's executive order of March 23 seeing "regulations . . . as simple and clear as possible . . . (which) shall not impose unnecessary burdens on . . . States and local governments."

Mr. RANDOLPH. Mr. President, I share many of the concerns voiced by the Senator from Nebraska. It is critically important that the regional commissions not be subjected to any overbearing dominance by the Secretary of Commerce.

For many years we in fact sought to remove the title V commissions from the Department of Commerce and to have the Federal cochairmen report directly to the President.

Now, however, and in the pending legislation, we support the continued presence of these regional commissions in the Department of Commerce. For the first time we have a Secretary who has taken a personal interest in the regional interest in the regional commissions, and senior department personnel who support and encourage the commissions.

But even though the commissions remain in the Commerce Department, there are some clear limitations on the Secretary's power over them. The committee specifically rejected the idea of a grant relationship between the Secretary and the commissions or the Federal cochairmen.

To clarify the statute on this point, the bill contains section 212(c), which requires the Secretary to provide the Federal cochairman of each commission with the funds due it under the distribution formula.

This is an allocation or apportionment, not a grant. The Federal cochairman holds the funds on behalf of the commission, and the commission approves their use without any interference or approval by the Secretary of Commerce, the Office of Management and Budget, or other Commerce officials. So the grant relationship contemplated by the pending regulations is unacceptable and inconsistent with the intent of the current law or the language of the pending bill.

The bill makes several changes to make the Federal cochairmen more powerful as well as more responsible and more accountable officials. The decisions of the Federal cochairmen are independent and final, not subject to approval or review by higher officials.

At the same time, however, the committee has tried to make the Federal cochairmen and the commissions more accountable. The recent Department of Commerce internal audit revealed several problems with the fiscal management of the commissions. We took steps in this legislation to correct many of these problems, including in section 208 (c) authorizing the Secretary to establish by regulation minimum standards of fiscal responsibility and management. Because of the serious nature of some of the problems, however, with our knowledge and support in principle, the Secretary has proposed regulations under the existing law to address them. We felt we could not wait for the passage of this legislation to put these reforms into effect.●

● Mr. GRAVEL. Mr. President, I rise in support of final Senate approval of S. 914, the EDA reauthorization bill and S. 835, the Regional Development Act of 1979.

Shortly after S. 914 was introduced, I announced my opposition to the bill. This opposition was based upon eligibility criteria included in the administration bill which would have virtually cut Alaska off from EDA assistance, despite the State's extremely high unemployment rate and many areas of poverty. The proposed eligibility criteria were designed to exclude areas with extremely high per capita income and rapid employment growth. However, because of the high cost of living and seasonal nature of the economy, Alaskans have both high per capita income and very high unemployment.

The impact of these new criteria were dramatic. Where almost 95 percent of Alaska is now eligible for EDA programs, only 10 percent would qualify under the original S. 914. At present, there are 27 areas in the State which can apply for EDA assistance—under the new bill only 9 would have been eligible.

Upon learning of my opposition, EDA came forward and admitted that the new eligibility criteria were inappropriate for Alaska. On June 1, EDA sent a letter to the Congress requesting that S. 914 be amended so that Alaska would be excluded from per capita income and employment growth criteria. Accompanying that proposal was a very fine statement of the unique nature of Alaska's problems:

> The income and employment growth trends in Alaska are volatile, unique and not readily comparable to the rest of the United States. Alaska's "roller coaster" economic change, producing boom and bust conditions, makes income and job growth impossible to employ as dependable exclusion indicators. Elsewhere the per capita income and job growth ceilings accomplish a sound purpose. We have concluded that in Alaska they are not reflective of a clear picture of economic conditions and, therefore, should not be applied.

It is my hope that other Federal agencies will take note of these conclusions prior to consideration of future changes in eligibility criteria and formula grant programs.

Following adoption of the Alaska exception, the following census areas again become eligible for EDA assistance: Bristol Bay Borough Division, Cordova, Fairbanks, Fairbanks City, Haines, Juneau City/Borough Division, Kenai-Cook Inlet, Ketchikan Borough, Kodiak, Matanuska-Susitna Borough Division, Prince of Wales, Census Division of Seward, Sitka Borough Division, Skagway-Yakutat, Southeast, Upper Yukon, Valdez-Chitina, Wrangell, and Yukon-Koyukuk.

Mr. President, the bill contains other provisions which are important to my State. Section 106 of the bill contains a provision which requires that not less than 40 percent of EDA's funds must be expended in rural areas. This is designed to assure EDA's traditional rural grantees that the agency is still strongly committed to rural America and intends to maintain a level a financial commitment in keeping with its past history of service.

Section 701(9) includes authority for the Secretary to forgive outstanding public works loans which show little likelihood of repayment. This matter was brought to my attention by the communities of Klawock and Saxman, which were provided financial assistance in the form of loan funds prior to 1970, at which time Congress changed the grant rate from 80 to 100 percent for Indian tribes and Alaska Native communities. In other words, those loans would now be full grants under revised EDA procedures. It is my hope that the Secretary will exercise this authority and allow those communities which are eligible for forgiveness to wipe the slate clean and get back to the job of economic development.

Finally, Mr. President, I am pleased to note that the bill contains a provision authorizing EDA assistance to employee stock ownership plans. The committee report notes:

> Recent studies have shown that when a business would otherwise close or relocate, but could possibly be profitable as an employee owned firm, it is very much in the Government's interest to provide financial assistance to aid the employees in purchasing the company. By doing so, millions of dollars can be saved in foregone taxes, trans-

fer payments and job creation programs. The savings compare very favorably to the small risk the Government undertakes by providing financial assistance when the employees are unable to secure private financing.

It is my fervent hope that EDA will become actively involved in this area and promote efforts to broaden the ownership of capital among the workers of America.

I know that enactment of S. 914 will provide a substantive benefit to the people of my State and the Nation.

I also support approval of S. 835, a bill to provide for a nationwide system of multi-State regional development commissions to promote balanced development in the regions of the Nation.

Mr. President, the Environment and Public Works Committee included in this bill a provision that would mandate the creation of an Alaska Regional Development Commission. Despite the fact that this Commission would be the only single-State Commission, the committee decided that Alaska constituted a region unto itself and deserved a planning body that would focus its attention on the subcontinent of Alaska. Included in that provision was permissive authority for the Commission to review and make recommendations with respect to resource inventories and land use patterns. Also included was a study to find out how the linkage between economic development and the disposition of the land resources could be strengthened within the institution of the regional commission.

In floor action yesterday, the Senate decided to drop the permissive land evaluation authority and the study. In my judgment, this action was taken because of a misplaced fear that these provisions constituted Federal involvement in land use planning. However, following the vote, a short colloquy between myself, Senator BUMPERS and Senator STAFFORD made it clear that the Alaska Commission is not prohibited from examining land disposition questions as long as they are related to the economic development function of the Commission.

Mr. President, I look forward to the formation of the Alaska Regional Development Commission and particularly look forward to it playing a major role in addressing the unique problems in the Alaskan economy.

Mr. President, I urge passage of both these measures.●

● Mr. BAUCUS. Mr. President, I would like to say a few words about the regulations proposed by the Department of Commerce in the Federal Register June 7, 1979, relating to "requirements governing (title V) commissions administrative responsibilities and the administrative requirements they apply to financial assistance recipients."

While the regulations permit the commissions to adopt a code of operating procedures, that code will not be permitted to depart in any way from the Department's proposed regulations. Simultaneously with issuance of the proposed regulations, the commissions have developed in cooperation with the Department a code of operating procedures but before it has been given an opportunity to work, the Department is imposing its own restrictive regulations.

Attorneys who read the regulations agree that they would effectively turn the commission program into "just another Federal grant program" which will be unacceptable to administratively overburdened State and local governments. The proposed regulations would entrap the commissions entirely within the existing system for Federal grants, negating the will of the Congress which designed the program to be a true Federal-State partnership.

The proposed regulations would reduce the Federal cochairman to a role of administrative assistant to the Secretary of Commerce and the Director of OMB, destroying the concept of equality between Federal and State partners. By involving the Secretary in work-a-day commission activities, they will place on that office a responsibility it is not prepared or interested in fulfilling. Congress intended that the Secretary be the coordinator of the program, not the manager.

The proposed regulations would remove any opportunity for flexibility in administering commission programs and impose a burden of paperwork on States and local governments which will be unacceptable to them.

No such regulations are proposed for the Appalachian Commission—which is not administered through the Department of Commerce—but if the Congress is indeed to seek an ultimate equality among all commissions, as it consistently maintains it does, the title V commissions should have the same authorities as the Appalachian Commission. Appalachia adopts its own operating regulations and the title V commissions deserve the same authority.

The regulations propose to authorize the Secretary of Commerce to make incentive grants to commissions, but if the program is effectively an equal partnership, why should the Secretary be authorized to usurp part of the appropriated funds for restrictive grants which may not be acceptable to the State partners.

The State cochairman and gubernatorial members of the commission are vociferously objecting to the imposition the proposed regulations on the basis of the above points, especially at the same time the Department has sought commission approval of an operating code which would be superseded by the regulations before it has had an opportunity to function.

The proposed regulations are inconsistent with the President's executive order of March 23 seeking "regulations • • • as simple and clear as possible • • • (which) shall not impose unnecessary burdens on • • • States and local governments."●

● Mr. BUMPERS. Mr. President, I want to take this opportunity to express my support for the Economic Development Administration and the way it operates. Unfortunately, in most of my dealings with the Federal bureaucracy, I have experienced extreme frustration, chagrin, discouragement, and anger at the lack of sensitivity and compassion expressed for people at the grassroots level.

But the Economic Development Administration is one of the exceptions to those experiences. Its service delivery is one of the most successful of any Federal Government program. This is because EDA recognizes that any successful effort to stabilize or improve local economic conditions cannot be handled from Washington and cannot be based on occasional, unconnected, EDA-financed development projects.

The effort must be locally based and have the commitment and support of the local political structure. It must proceed according to a locally produced strategy that contains clear priorities and coordinates resources and activities that go far beyond those supported directly by EDA. It must closely involve the private sector and disadvantaged groups that are usually the targets of the job creation process. And, most often, this local economic development effort must be carried out in the context of regional and State cooperation, because economic problems transcend the boundaries and capabilities of individual local governments.

These are the elements of an effective local economic development process that form the basis for EDA's approach to economic development. EDA works with the various State and local agencies, to help them determine and implement their own economic development. When some of the projects selected are not considered good EDA investments, the Agency works closely with the State and local governments to find another source of Federal assistance.

In my home State of Arkansas, EDA has spent on the average of $6 million a year over the last 10 years for more than 200 projects. In fiscal year 1979, it will spend in excess of $7 million. This money has not been spent on fluff projects, but on projects which have had a dramatic impact on employment and economic development.

Two of the more important EDA projects in my State are the Pine Bluff Port Authority and industrial park and the Jefferson County industrial park where EDA contributed a total of approximately $2 million. The result of these projects in one county was the location of 23 industries employing 1,150 people and a private investment of $41 million.

Another instance involved the city of Monticello, Ark., where EDA supported three separate water and sewer improvement projects. As a result of an EDA investment of approximately $500,000, 3 new Burlington mills located there, creating 1,400 jobs. Since the completion of this project and the opening of the mills, Monticello's population has more than doubled.

Mr. President, the EDA experience proves that a Federal agency can be responsible, flexible, and supportive of grassroots decisionmaking. The administration of the program in my State has been outstanding, reflecting a sincere concern for responsible economic development in those areas where assistance is needed. I only regret that we do not see these qualities in more agencies, and I hope this body will continue to support the types of efforts EDA represents.

Mr. WILLIAMS. Mr. President, I would like to express my support for the National Public Works and Economic Development Act. This legislation extends the current public works grant program at a slightly higher funding level, and greatly expands the Commerce Department's economic development activities. I am pleased to single out for special mention the bill's economic development sections, which have been grouped under the heading of "Development Financing."

Mr. President, while our national economy continues to produce one of the world's highest per capita incomes, and standards of living, there are numerous urban and rural communities throughout the United States that have not shared fully in this prosperity. Across the country, many communities face economic underdevelopment and deterioration. Many factors contribute to the steady decline of these local, and in some cases, regional economies, but foremost among them is the unwillingness of private enterprise to undertake new investments or to retain existing investments in these areas. The loss of businesses, jobs, and skilled and professional workers can severely undermine tax bases which in turn limits the extent to which localities can provide essential public services. Contrary to media reports, middle-class households are not returning to cities in numbers great enough to shore up dwindling tax bases. Urban decline and poverty combine to limit opportunities in our Nation's cities, thus, creating increasingly dependent populations.

A common denominator for economically troubled areas is the unfavorable climate for private enterprise to grow, operate profitably, and produce enough jobs to maintain a sound economic and social environment. As a result, many areas still experience unemployment rates more than double that of the Nation as a whole. Cities in my home State of New Jersey provide ample evidence that this is the case. For example, in March of this year, Atlantic City's unemployment rate stood at 13.5 percent; in Camden it was 12.1 percent; and in Newark, 13 percent. Rural areas in New Jersey have experienced equally severe unemployment. Among youths and minorities, the rates typically reach above 20 percent to as high as 40 percent.

The long-term solution to this problem is not welfare payments, or public jobs, or fiscal assistance to local governments, or even general community improvements. The solution for these areas, Mr. President, is direct and forceful action to encourage private investment and job creation. For with private investment and jobs come the personal dignity of productive work, and personal income to buy housing and health care, and tax revenues to support public services, and renewed confidence in the community's future. Mr. President, the legislation before us today provides part of the framework of the resources to pursue this course of action.

The National Public Works and Economic Development Act would reauthorize and significantly expand programs of the Economic Development Administration, whose job it has been for the last 13 years to generate private investment and job creation in distressed areas of the country. This legislation symbolizes a new era for the Commerce Department's Economic Development Administration (EDA) for it marks the "coming of age" of Federal economic development policy, in terms of both focus and reach. While the bill before us does not fully fund the President's request, which I have supported, I recognize that the measure does represent a substantial increase in funding over present economic development programs. For development financing, the legislation would authorize $1.8 billion in loan guarantees, $150 million for direct loans, and $50 million in contract authority for loan interest subsidies.

These tools will be used to make credit more available, and to reduce the cost of credit where necessary in order to encourage private firms to remain, expand, or locate in eligible rural and urban areas. Credit access, and the high cost of borrowing, combined with the aversion of many businesses to operating in distressed areas, can present major obstacles to the continued existence of firms in those areas, or to the entry of new ones. The funding under this bill greatly expands the ability of EDA to form Government-private sector partnerships that can aid in removing these obstacles.

Mr. President, as I have noted, the business development financing program expands rather than creates EDA programs authorities. Under the existing loan guarantee program, there are many fine examples of EDA's effectiveness in attracting resources from other sectors of the economy. One notable project in my State involves a $100 million business development financing package to Raritan River Steel Co., to help establish a ministeel mill in Perth Amboy, N.J. EDA guaranteed 75 percent or $9 million of a $12 million private loan. The State economic development authority guaranteed an additional $1.5 million.

The remainder of the package—about $70 million—came from a commitment from a range of private sector interests. For example, Prudential Insurance Co., based in the heart of Newark, N.J., committed $23 million in an unsecured loan. Company officials anticipate a total of 500 new permanent jobs in addition to 400 short-term construction jobs. This project will do much to promote long-term economic stability not only in Perth Amboy but also in areas surrounding the community.

Mr. President, for every funded project there are literally scores of eligible and worthwhile applications for business development assistance that go unfunded each year because the funds for such assistance are limited. The development financing program will greatly increase the opportunities for funding these worthwhile projects.

In addition to the new development financing activities, the bill contains other significant provisions critical to effective economic development action. The bill reauthorizes and expands EDA's authorities to build the basic economic development capabilities of States, local governments, sub-State regional agencies and community-based organizations. Under expanded public works resources included in this bill, grants would be provided not only to undertake land preparation and public facilities work connected with immediate "targets of opportunity" but also for the longer term effort to create an environment that will influence the future plans and decisions of private entrepreneurs.

The bill also provides for a broader research, evaluation and demonstration program for economic development. It specifically authorizes an equity financing demonstration program. In addition, the Secretary is authorized to provide assistance to employee-ownership plans.

Finally, the new or redesigned eligibility criteria included in this bill will aim the assistance provided under the act to those areas and people suffering the most serious economic distress or persistent unemployment. Currently eligible areas that do not meet the new criteria will be gradually removed from the program but subareas within otherwise healthy places may be designated as pockets of distress if they meet certain criteria.

Mr. President, the tools provided in this legislation will not, by themselves, reverse the economic decline of areas targeted by the legislation. Rather, their effectiveness will depend upon the ability of localities to coordinate credit and finance incentives with land and facility development and with the many other resources and authorities that must be strategically employed.

But this is the goal of the legislation before us today: To set in motion and sustain a comprehensive and coordinated local economic development process which can lead to new hope and prosperity for communities now beset by disinvestment and job loss.

Mr. President, as a member of the Banking Committee, I am very pleased to associate myself with this legislation, and I urge its acceptance.

ALTERNATIVE ENERGY ASSISTANCE FOR RURAL AREAS

● Mr. CULVER. Mr. President, I wish to express my support for S. 914, the Public Works and Economic Development Administration Act of 1979.

This legislation contains a provision sponsored by Senator Stafford and myself during consideration of this bill by the Committee on the Environment and Public Works which greatly expands the funds that the Economic Development Administration (EDA) can earmark for energy-related projects.

Under existing law, EDA can only spend as much as $7 million for grants, loans, and loan guarantees for private sector development of alternative sources of energy. This restriction is entirely inadequate. The current energy situation underscores the importance of developing efficient, economical, and vi-

able alternatives. The need is particularly critical throughout small towns and rural America, where residents are especially hurt by rising fuel costs.

The amendment offered to section 704(e) of S. 914 by Senator STAFFORD and myself removes the $7 million for projects that stimulate the development of alternative energy, including gasohol, solar energy, and small dam (low-head) hydroelectric power. Once this arbitrary and inadequate ceiling is eliminated, the administration is prepared to spend a minimum of $10 million to support the development of up to 100 gasohol plants, $50 million for solar energy development, and $60 million to build electric generating plants near low-head dams. These funds would be principally directed toward rural areas where the needs are greatest.

I especially endorse the administration's decision to support the private sector development of facilities to produce gasohol. This fuel is already a growing alternative in Iowa, where more than 600 service stations are expected to sell over 40 million gallons of gasohol this year. This consumer interest demonstrates that the American people are ready to use this fuel, and the government should continue to take positive action to eliminate the remaining barriers blocking the wide-scale development of this major energy source.

Gasohol can be a stable and inexpensive source of fuel that will be of increasing importance to the economic development of small and rural areas. It also represents a renewable resource that will help reduce our reliance on increasingly scarce and costly sources of energy.

I also want to emphasize that the amendment does not increase the total authorization in the EDA bill or violate the budget committee function. It merely assures that funds already contained in S. 914 will be specifically earmarked for projects that will stimulate the development of gasohol, solar energy, and hydroelectric power.

Mr. President, I believe that this provision expanding EDA's authority to make energy-related private sector grants and loans is one of the most effective tools at our disposal to stimulate alternative fuel production. Distressed areas require plentiful and economical fuel, and the amendment allows EDA to make the investments so that communities can develop the necessary infrastructure.

Thank you, Mr. President.●

Mr. ROBERT C. BYRD. Mr. President, today the Senate acted on S. 914, the National Public Works and Economic Development Act of 1979. The bill extends and amends programs under the Public Works and Economic Development Act for an additional 4 years. Authority for the programs—administered by the Economic Development Administration in the Department of Commerce—expires September 30, 1979. I want to thank members of the Environment and Public Works Committee and the Banking, Housing, and Urban Affairs Committee for their diligent work in reporting the bill in a timely fashion.

The legislation, as approved by the Senate, tightens the eligibility criteria for Federal assistance under the Public Works and Economic Development Act. This revision is an important and constructive change from current law. It targets assistance to those communities which need it most.

The bill continues the public works grant program and expands business development financing assistance. These programs are designed to maintain, locate, or expand business investment in economically distressed areas. Changes in the programs will provide the Economic Development Administration with a broad range of tools for strengthening the economies of urban and rural communities.

I want to thank the members of the committees on Environment and Public Works, and Banking, Housing, and Urban Affairs for their contributions to this bill. I want to extend my appreciation to Senator PROXMIRE, chairman of the Banking Committee, and Senator GARN, the ranking minority member, for their valuable participation in the debate today. I also want to thank Senator RANDOLPH, chairman of the Environment and Public Works Committee, as well as Senator STAFFORD, the ranking minority member, for their contribution in managing the bill. Finally, I would like to express my appreciation to Senator BURDICK, chairman of the Regional and Community Development Subcommittee, and Senator CHAFEE, the ranking minority member, for their capable leadership on this legislation.

● Mr. BAYH. Mr. President, I would like to take this opportunity to offer my support for S. 914, the National Public Works and Economic Development Act of 1979. I am especially pleased with the outstanding record of EDA in its efforts to reach out and help many of America's distressed areas. EDA has established a history of responding fairly and flexibly to the particular needs of all types of areas and regions in the country. The agency began with a primary emphasis on rural economic development during a time when our major urban centers still appeared to be flourishing economically and was still the major area of migration.

However, Mr. President, we all realize that there has been a change and that the need has expanded. When the problems facing our cities first surfaced around 1975, EDA responded appropriately by focusing an increasing level of resources in distressed cities, while maintaining a strong commitment to rural economic development. I commend the staff at EDA for their flexibility in responding to the problems of the cities, while still focusing a great deal of their emphasis on rural concerns. Now, Mr. President, I realize that some of my colleagues feel that the EDA program does not utilize an effective targeting method. But in all deference to my colleagues, I feel that one of the more unique and attractive features of the EDA targeting formulas is that it drafts eligibility criteria that includes all areas of the country suffering from a real or potential economic crisis. For example, I know that EDA has aided two areas of my State, one being urban, South Bend, and one being rural, Bedford. Because of the program's flexibility both communities were aided in their struggle to improve the fiscal conditions through the use of EDA funds.

It is also important to note that EDA funding is done on a one-time needs basis. Because an entity is considered eligible 1 year, does not mean that same entity will be eligible the following year. I feel this is fair and equitable because it directs EDA money toward those areas in most need of assistance. Finally, Mr. President, I would like to point out that under the present EDA formula which attempts to be as broad as possible, it does take in 67 percent of the entire U.S. population, which includes a good mix of urban and rural communities.

So in conclusion, I would stress that the present method of reaching out and touching as many communities as needs help is a good one and I feel one of the most efficient ways to assure equal distribution of EDA funds for the continued economic development of both our rural and urban communities.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 83, nays 17, as follows:

[Rollcall Vote No. 242 Leg.]

YEAS—83

Baker	Glenn	Nunn
Baucus	Goldwater	Packwood
Bayh	Gravel	Pell
Bellmon	Hart	Percy
Bentsen	Hatfield	Pressler
Boren	Heflin	Pryor
Boschwitz	Heinz	Randolph
Bradley	Hollings	Ribicoff
Bumpers	Huddleston	Riegle
Burdick	Inouye	Sarbanes
Byrd, Robert C.	Jackson	Sasser
Cannon	Javits	Schmitt
Chafee	Johnston	Schweiker
Chiles	Kennedy	Stafford
Church	Leahy	Stennis
Cochran	Levin	Stevens
Cohen	Long	Stevenson
Cranston	Lugar	Stewart
Culver	Magnuson	Stone
Danforth	Mathias	Talmadge
DeConcini	Matsunaga	Tower
Dole	McGovern	Tsongas
Domenici	Melcher	Warner
Durenberger	Metzenbaum	Weicker
Durkin	Morgan	Williams
Eagleton	Moynihan	Young
Exon	Muskie	Zorinsky
Ford	Nelson	

NAYS—17

Armstrong	Hayakawa	McClure
Biden	Helms	Proxmire
Byrd, Harry F., Jr.	Humphrey	Roth
	Jepsen	Simpson
Garn	Kassebaum	Thurmond
Hatch	Laxalt	Wallop

So the bill (S. 914), as amended, was passed, as follows:

S. 914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. This title may be cited as the "National Public Works and Economic Development Act of 1979".

SEC. 102. Title I of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.) is amended to read as follows:

"TITLE I—GRANTS FOR PUBLIC WORKS, DEVELOPMENTAL FACILITIES, AND ADJUSTMENT ASSISTANCE

"PART A—PUBLIC WORKS AND DEVELOPMENT FACILITIES

"SEC. 101. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or a part thereof, or any pocket of distress, the Secretary of Commerce (hereinafter referred to as the Secretary) is authorized—

"(1) to make direct grants (including grants for design, engineering, environmental analyses, and related expenses) for the acquisition or development of land and improvements, including such surplus Federal Government property, for public works, public service, or development facility usage, and the acquisition, construction, rehabilitation, alteration, demolition, expansion, or improvement of such facilities, including related machinery and equipment, within an eligible area, if he finds that—

"(A) the project for which financial assistance is sought will directly or indirectly (i) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities, (ii) otherwise assist in the creation of additional long-term employment opportunities for such area, (iii) assist in mitigating economic conditions resulting from long-term economic deterioration, or (iv) primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

"(B) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located; and

"(C) the area for which a project is to be undertaken has an approved overall economic development program as provided in subsection (e) of this section and such project is consistent with such program.

"(2) to make direct grants for the renovation of existing facilities and the construction of new projects which will provide immediate useful work for unemployed and underemployed persons in redevelopment areas under section 401(a)(1), pockets of distress under section 401(a)(2), and special impact areas as set forth in section 401(a)(5). In making such grants, the Secretary shall give priority to public works impact projects that involve maintenance of basic facilities, energy conservation, or historic preservation; and

"(3) to make supplementary grants in order to enable the States and other entities within designated areas to take maximum advantage of designated Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share.

"(b)(1) Subject to the provisions of paragraph (2) of this subsection, the amount of any direct grant under this section for any project may not exceed 80 per centum of the eligible costs of such project. The amount of direct grants, within the 80 per centum maximum, shall be as determined by the Secretary by regulation.

"(2) The following types of projects may receive Federal funding of up to 100 per centum of their eligible costs:

"(A) a project sponsored by an Indian tribe;

"(B) a project under subsection (a)(2) sponsored by a State or a political subdivision of a State which can demonstrate that its effective borrowing and taxing capacity is exhausted;

"(C) a project under subsection (a)(2) sponsored by a public or private nonprofit organization or association which can demonstrate that its effective borrowing and funding capacity is exhausted and that there are no other feasible means for accomplishing the project; and

"(D) a project for an environmental analysis.

"(c) The amount of any supplementary grant under this section for any project shall not exceed the applicable percentage established by regulations promulgated by the Secretary, but in no event shall the non-Federal share of the aggregate cost of any such project (including assumptions of debt) be less than 20 per centum of such costs except in the case of a grant to an Indian tribe. Supplementary grants shall be made by the Secretary, in accordance with such regulations as he shall prescribe by the payment of funds appropriated under this Act to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of the applicable Federal programs. Notwithstanding any requirements as to the amount or sources of non-Federal funds that may otherwise be applicable to the Federal program involved, funds provided under this subsection shall be used for the sole purpose of increasing the Federal contribution to specific projects in designated areas under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. The term 'designated Federal grant-in-aid programs,' as used in this subsection, means such existing or future Federal grant-in-aid programs assisting in the construction or equipping of facilities as the Secretary may, in furtherance of the purpose of this Act, designate as eligible for allocation of funds under this section. In determining the amount of any supplementary grant available to any project under this section, the Secretary shall take into consideration the relative needs of the area, the nature of the projects to be assisted, and the amount of such fair user charges or other revenues as the project may reasonably be expected to generate in excess of those which would amortize the local share of initial costs and provide for its successful operation and maintenance (including depreciation).

"(d) The Secretary shall prescribe rules, regulations, and procedures to carry out this section which will assure that adequate consideration is given to the relative needs of eligible areas. In prescribing such rules, regulations, and procedures the Secretary shall consider among other relevant factors (1) the severity of the rates of unemployment in the eligible areas and the duration of such unemployment, (2) the income levels of families, and (3) the extent of underemployment in eligible areas.

"(e) No assistance shall be extended under this title unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area or an economic adjustment plan and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program. Such overall program shall contain a multiyear economic development strategy and annually prepared investment programs identifying projects or other activities to be undertaken each year with assistance under this Act or other identified sources of funding except a redevelopment area within and participating in a designated economic development district shall not be required to have a separate overall economic development plan. Nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local subdivision in which the project would be located, nor prevent the Secretary from requiring such periodic revisions of previously approved overall economic development programs as he may deem appropriate.

"(f) The Secretary shall prescribe regulations which will assure that appropriate local governmental authorities have been given a reasonable opportunity to review and comment upon proposed projects under this section; and

"(g) No grant shall be made under this title for any project having as its principal purpose the channelization or dredging of any natural watercourse, or the construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historical site) and having as its permanent effect the channelization or dredging of such watercourse or construction or enlargement of any canal (other than a canal or raceway designated for maintenance as an historical site)."

"SEC. 102. (a) If an eligible applicant prepares a plan for the redevelopment of the eligible area or a part thereof and submits such plan to the Secretary for his approval and the Secretary approves such plan, the Secretary is authorized to make a grant to such applicant for non-Federal revolving loan funds for the purposes of carrying out such plan. Such plan may include industrial land assembly, land banking, acquisition of surplus Government property, acquisition of industrial sites including acquisition of abandoned properties with redevelopment potential, real estate development including redevelopment and rehabilitation of historical buildings for industrial and commercial use, rehabilitation and renovation of usable empty factory buildings for industrial and commercial use, and other investments which will accelerate recycling of land and facilities for job creating economic activity. Any such grant shall be made on condition (1) that the applicant will use such grant to make loans to carry out such plan, and (2) the repayment of any loan made by the applicant from such grant shall be placed by such applicant in a revolving fund available solely for the making of other loans by the applicant for the economic redevelopment of an eligible area. This section shall not apply to any applicant located in an area not statistically qualified under section 401(a) (1), (2), or (5), of this Act.

"(b) Interest rates for revolving fund loans shall be consistent with rates charged under the area's existing authorities or may reduce the effective interest rate up to 7 percentage points per annum. In no event shall the interest rate payable on such direct loans be less than 3 per centum per annum.

"(c)(1) Each eligible recipient which receives assistance under this section shall, every six months during the period such assistance continues, make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe, and such report shall contain an evaluation of the effectiveness of the economic assistance provided under this section in alleviating economic distress in the redevelopment area and in meeting the purposes of this section.

"(2) The Secretary shall provide an annual consolidated report to the Congress giving a full and complete accounting of all assistance provided under this section, which

shall contain the Secretary's independent evaluation of the effectiveness of such assistance in alleviating economic distress in each redevelopment area and in meeting the purposes of this Act. The first such report to Congress under this subsection shall be made not later than September 30, 1980.

"SEC. 103. (a) The Secretary is authorized to make grants to enable eligible applicants under section 101 of this Act to pay up to 15 per centum of the cost of any private-sector economic development or adjustment project. Funds authorized by section 106 of this Act may be expended for the purposes of this section.

"(b) Activities eligible for assistance under this section include acquisition of industrial sites including abandoned properties with redevelopment potential, rehabilitation, and renovation of usable empty factory buildings for industrial and commercial use, acquisition of fixed plant equipment or other activities which facilitate job creating economic activity.

"(c) Projects must be in areas designated under section 401(a) (1), (2), or (5) or (b) of this Act and would not be undertaken without the assistance authorized by this section.

"PART B—ADJUSTMENT ASSISTANCE

"SEC. 104. (a)(1) The Secretary is authorized to make grants directly to any eligible recipient, as set forth in section 101(a), in an area designated under section 401(b) of this Act which the Secretary has determined has experienced, or may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment, or other economic adjustment problems (including those caused by any action or decision of the Federal Government), to carry out an economic adjustment plan which meets the requirement of subsection (e) of section 301 of this Act and which is approved by the Secretary, and to use such grants for any of the following: public facilities, public services, business development, planning, rent supplements, mortgage payment assistance, research, technical assistance, training, relocation of individuals and businesses, and other assistance which demonstrably furthers the economic adjustment objectives of this section.

"(2) Such grants may be used in direct expenditures by the eligible recipient or through redistribution by it to public and private entities in grants, loans, loan guarantees, payments to reduce interest on loan guarantees, or other appropriate assistance, but no grant shall be made by an eligible recipient to a private proftmaking entity.

"(3) Whenever notice is given of an anticipated closure or realignment or any military installation under section 2687, title 10, United States Code, the Secretary shall provide, upon application, appropriate technical or other financial assistance under this section, including planning funds, for the purpose of preserving or creating jobs in the affected area. Notwithstanding any other provision, this section shall apply to any military installation closure or realignment which has been announced under section 2687, title 10, United States Code, and which has not been completed upon date of enactment of this act: *Provided, however*, That no assistance under this section may be provided that is otherwise available through programs administered by the Office of Economic Adjustment in the Department of Defense.

"(b) The Secretary to the extent practicable shall coordinate his activities in requiring plans and making grants under this section with regional commissions, States, economic development districts, other appropriate planning and development organizations, and shall make such grant in accordance with the plan developed pursuant to the process required under section 301(e) of this Act.

"(c) No economic adjustment problem for which assistance may be provided under this section may include increases in energy development-related employment which has led to a deficit in public facilities or services or in housing, unless—

"(1) the State in which the affected area is located has enacted or adopted a siting procedure requiring economic mitigation, a fiscal or revenue raising mechanism, or other comparable mechanism intended and administered to assure that the owners and operators of energy resources developments directly or indirectly assume the costs of providing public facilities and services and needed housing made necessary by such energy resource development;

"(2) funds provided under this section are only for costs which cannot be met or recovered by means identified under paragraphs (1) and (2) of this subsection; and

"(3) the economic adjustment plan for the area prepared under section 301(e) of this Act (A) identifies all funds or other resources from State or local governments or other Federal programs which can be made available to meet needs identified for such area and the contributions towards meeting such needs to which the owner or operator of the energy development is committed, and (B) such plan is prepared with adequate participation by all appropriate Federal, State, Indian tribal, and local elected officials.

"SEC. 105. Not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

"SEC. 106. There is hereby authorized to be appropriated to carry out this title not to exceed $500,000,000 for the fiscal year ending June 30, 1986, and for each fiscal year thereafter through the fiscal year ending June 30, 1971, not to exceed $800,000,000 per fiscal year for the fiscal years ending June 30, 1972, and June 30, 1973, not to exceed $200,000,000 for the fiscal year ending June 30, 1974, and not to exceed $200,000,000 for the fiscal year ending June 30, 1975, and not to exceed $250,000,000 for the fiscal year ending June 30, 1976, not to exceed $62,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed $425,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979, and not to exceed $555,200,000 for the fiscal year ending September 30, 1980, and not to exceed $600,000,000 per fiscal year for the fiscal years ending September 30, 1981, September 30, 1982, and September 30, 1983. Any amounts authorized for the fiscal year ending June 30, 1972, under this section but not appropriated may be appropriated for the fiscal year ending June 30, 1973. Not less than 25 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1972, June 30, 1973, and June 30, 1974, and not less than 15 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1975, and June 30, 1976, the period beginning July 1, 1976, and ending September 30, 1976, and the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979, and not less than 5 per centum nor more than 25 per centum of all appropriations made for the fiscal years ending September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983, under the authority of the preceding sentence shall be expended in redevelopment areas or pockets of distress for impact assistance under section 101(a)(2) of this title. Not less than 5 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983, under the authority of this section shall be expended for special economic adjustment assistance under section 104 of this title. Notwithstanding any other provision of this section, not less than 40 per centum of all appropriations made for the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982, under the authority of this section for grants authorized under sections 101, 102, and 103 of this title shall be expended in rural areas as defined by the Secretary.

"FINANCIAL ASSISTANCE FOR SEWER FACILITIES

"SEC. 107. No financial assistance, through grants, loans, guarantees, or otherwise, shall be made under this Act to be used directly or indirectly for sewer or other waste disposal facilities unless the Administrator of the Environmental Protection Agency certifies to the Secretary that any pollutant or waste material carried by such facilities will be adequately treated before it is discharged on land or into the waters of the United States so as to meet applicable Federal, State, interstate, or local effluent limitations, water quality standards, and land disposal regulations.

"CONSTRUCTION COST INCREASES

"SEC. 108. In any case where a grant (including a supplemental grant) has been made under this title for a project and after such grant has been made but before completion of the project, the cost of such project based upon the designs and specifications which were the basis of the grant has been increased because of increases in costs, the amount of such grant may be increased by an amount equal to the percentage increase, as determined by the Secretary, in such costs, but in no event shall the percentage of the Federal share of such project exceed that originally provided for in such grant.".

DEVELOPMENT FINANCING

SEC. 103. (a) Title II of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"TITLE II—DEVELOPMENT FINANCING

"STATEMENT OF PURPOSE

"SEC. 201. The purposes of this title are—

"(1) to generate and retain private sector employment opportunities in distressed areas through guaranteed loans, direct loans, and interest subsidies in order to encourage and enable businesses to remain, locate, or expand in such areas; and

"(2) to provide liquidity to financial institutions through guarantees of long-term loans to such businesses.

"ELIGIBLE ACTIVITIES

"SEC. 202. A project is eligible for assistance under this title if it consists of one or more of the following activities, and if the Secretary determines that such activities are related to industrial or commercial purposes and will generate or retain private sector employment:

"(1) the purchase or development of land and facilities including demolition; the construction of new buildings; and the rehabilitation, alteration, conversion, or modernization of abandoned or occupied buildings;

"(2) the purchase or modernization of machinery or equipment;

"(3) the provision of working capital; and

"(4) the payment of debts with respect to which a legally enforceable lien has been obtained to secure the payment of money for the purchase of or improvement to real or personal property or for working capital.

"GUARANTEED LOANS

"SEC. 203. (a) The Secretary is authorized to guarantee the payment of the principal amount of, and interest on, loans made to finance projects upon application of the makers of such loans. The obligation of the United States under a guarantee pursuant to this section may not exceed 100 per centum of 90 per centum of the principal of and

unpaid interest on such loan, except that no guarantee may exceed the guaranteed portion of the amount of the outstanding unpaid balance of such loan, including reasonable costs as determined by the Secretary. The amount of any guarantee may not exceed the amount the Secretary determines is necessary to accomplish the project in the area. The full faith and credit of the United States is pledged to the payment of all guarantees made under this section, including interest as provided for in the guarantee accruing between date of default on a guaranteed obligation and the payment in full of the amount guaranteed.

"(b) The Secretary may not guarantee any loan under this section if—

"(1) the rate of interest on either the portion to be guaranteed or the portion not to be guaranteed is determined by the Secretary to be excessive when compared with loans bearing similar terms and conditions; and

"(2) the interest on the loan is exempt from Federal income tax under section 103 of the Internal Revenue Code of 1954.

"(c) A guarantee under this section may be made only on the condition that at least 15 per centum of the aggregate project cost is to be supplied as equity capital or as a loan repayable in no shorter period of time and at no faster an amortization rate than the loan guaranteed under this section is being repaid, and any security for such other loan is subordinated to the loan guaranteed under this section.

"(d) A guarantee under this section may be made only for a project which is located in an area designated under section 401 (a) or (b) or section 403(a)(2) of this Act and which is consistent with an approved economic adjustment plan or overall economic development program.

"(e) The Secretary shall consult with the Secretary of the Treasury with respect to the interest rate, timing, and other terms and conditions of the financing of guaranteed obligations, in any case where the Secretary of Commerce determines that such financing will have a significant impact on the market for Government and Government-guaranteed securities.

"(f) The Secretary shall assess a fee of not less than one-quarter of 1 per centum of the amount of each guarantee to cover administrative and other costs of the loan guarantee program under this section.

"(g) The Secretary of the Treasury is authorized to purchase loans guaranteed under this section through the Federal Financing Bank only if, and to the extent that, the Secretary of Commerce determines that the private secondary market for such loans is not adequate to achieve the purposes of this Act.

"DIRECT LOANS

"SEC. 204. (a) The Secretary is authorized to make direct loans to finance projects which are located in areas designated under section 401 (a) or (b) or section 403(a)(2) of this Act and which are consistent with an approved economic adjustment plan or overall economic development program.

"(b) A loan under this section shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of the loan, adjusted to the nearest one-eighth of 1 per centum, plus an additional charge of not less than one-quarter of 1 per centum of the amount of the loan to cover administrative and other costs of the loan program under this section. A loan under this section may not exceed 65 per centum of the aggregate project cost to the applicant, excluding all other Federal aid, for all eligible activities.

"(c) A loan under this section may be made only if 15 per centum of the aggregate project cost is to be supplied from other sources as equity capital or as a loan which is repayable in no shorter period of time and at no faster an amortization rate than the loan extended under this section is being repaid, and any security for such other loan is subordinated to any lien securing the loan made under this section.

"(d) The Secretary is authorized, under regulations prescribed by the Secretary, to take such actions as may be necessary or appropriate to collect on or otherwise deal with any loan made under this section.

"(e) The Secretary may provide a direct loan only if the Secretary determines the project could not be accomplished in the area with a guaranteed loan under section 203.

"INTEREST SUBSIDIES

"SEC 205. (a) In the case of any loan guaranteed under this title, the Secretary is authorized to contract to pay annually, or at such shorter intervals as the Secretary deems appropriate, for a period not to exceed ten years, on behalf of the borrower a portion of each interest payment with respect to the principal amount of such loan, except that such payments may be made by the Secretary only if—

"(1) the interest on the loan is not exempt from Federal income tax under section 103 of the Internal Revenue Code of 1954; and

"(2) the loan is not the subject of any other guarantee, interest subsidy, or other form of financial assistance from any other Federal agency, or any State or local government, or any agency, department, or instrumentality thereof.

"(b) In the case of a direct loan under section 204, the Secretary is authorized to provide an interest subsidy by reducing the interest rate established in section 204(b) in accordance with subsection (c) of this section.

"(c) An interest subsidy payment or reduction of interest may be made only if, and to the extent that, the Secretary finds such action necessary to accomplish the project in the area. A payment under subsection (a) or reduction of interest under subsection (b) may not reduce the effective rate of interest payable by more than 5 percentage points, nor may the rate be reduced to a rate lower than 5 per centum per annum.

"PROJECT SELECTION

"SEC. 206. (a) The Secretary shall establish, by regulation, criteria for selecting projects for assistance under this title. In deciding among applications for assistance under this title the Secretary shall give primary consideration to the following factors:

"(1) the extent to which the proposed project will provide long-term private sector employment opportunities to residents of the area, particularly unemployed, long-term unemployed, low-income, and socially and economically disadvantaged residents;

"(2) the degree of economic distress in the area in which the project is to be implemented, as demonstrated by the criteria listed in section 401 and section 403 of this Act;

"(3) the level of private sector equity investment committed to financing the proposed project; and

"(4) the degree to which the proposed project will benefit socially and economically disadvantaged individuals and firms owned by such individuals.

"(b) The Secretary shall also consider other factors, including but not limited to—

"(1) the extent to which the proposed project is consistent with local and statewide development plans or priorities;

"(2) the extent to which the appropriate State and local governments have undertaken or agree to undertake other related actions to encourage economic development and the provision of employment opportunities in the distressed area;

"(3) the extent of the contribution to the economic and fiscal base of the distress area to be made by the project; and

"(4) the appropriateness of the proposed project in view of the area's labor force.

"CONDITIONS OF ASSISTANCE

SEC. 207. The Secretary shall not furnish assistance under this title unless—

"(1) the Secretary determines that credit is not otherwise available on terms adequate to accomplish the project consistent with the purposes of this Act;

"(2) the Secretary determines through an appropriate method that there is reasonable assurance of repayment;

"(3) the Secretary provides the chief elected official or his designee responsible for economic development in the area where the project will be located a reasonable time concurs in the project, (B) such official fails to respond within a reasonable time, or (C) the Secretary grants a waiver of the requirement for concurrence. Such a waiver may only be granted where the Secretary determines that there is an unavoidable conflict of interest or in such other cases may as be specified in regulations which may be prescribed by the Secretary; and

"(4) the loan or guarantee, including renewals or extensions thereof, does not exceed the lesser of thirty years or the expected life of the asset financed, except that the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or to an extension of the maturity of any loan or guarantee made under this Act, beyond the periods stated in such loan, guarantee, or debt or in this Act, for an additional period of not to exceed ten years, if such extension will aid in the orderly liquidation of such loan, guarantee, or debt.

"SEC. 208. (a) With respect to loans guaranteed under section 203—

"(1) the amount of any single guarantee may not exceed $10,000,000; and

"(2) the total principal amount of guaranteed loans outstanding for any one firm may not exceed $20,000,000, except that such limitation shall not apply to not to exceed 10 per centum of the total principal amount of loan guarantees authorized and approved for any fiscal year. In no case shall the amount of such guaranteed loans outstanding for any one firm exceed $50,000,000.

"(b) With respect to direct loans made under section 204—

"(1) the amount of any single direct loan may not exceed $5,000,000; and

"(2) the total principal amount of direct loans outstanding for any one firm may not exceed $10,000,000.

"(c) Of the aggregate amount of loans which may be made or guaranteed in any fiscal year, not more than 10 per centum may be provided for projects involving firms which had assets in excess of $50,000,000 in their most recent fiscal year.

"(d) Not more than 30 per centum of the aggregate principal amount of loans which may be made or guaranteed in any fiscal year may be used to provide working capital.

"(e) In order to permit the orderly phase-out of the special Economic Development Administration steel loan guarantee program, the limitations contained in subsections (a) and (c) of this section shall not apply during fiscal years 1980 and 1981 to any loan guaranteed under such program: *Provided*, That the aggregate amount of such guarantees shall not exceed $100,000,000.

"ADMINISTRATIVE PROVISIONS

"SEC. 209. (a) Any guarantee or interest subsidy agreement shall be conclusive evi-

dence of the eligibility of the obligation for such guarantee or interest subsidy, and the validity of any guarantee, or interest subsidy agreement shall be incontestable.

"(b) To the extent the Secretary finds such action necessary to encourage financial participation in a particular project by private lenders and investors, and except as otherwise provided in section 204(c) of this title, any direct loan extended under this title may be repayable only after other loans not receiving Federal financial assistance made in connection with such project have been repaid in full, and the security, if any, for such direct loan, may be subordinate and inferior to the lien or liens securing such other loans made in connection with the project. The provisions of the preceding sentence may also be applied to not to exceed 10 per centum of loan guarantees authorized and approved for any fiscal year.

"(c) For any direct or guaranteed loan made under the authority of this title, the Secretary is authorized to enter into arrangements for the servicing, including foreclosure, of such loans or evidences of indebtedness on reasonable terms and protecting the financial interests of the United States.

"ELIGIBILITY

"SEC. 210. Notwithstanding any other provision of this Act, an applicant located in an area eligible for designation under section 401 (a) or (b) or section 403(a)(2) of this Act is eligible for assistance under this title during fiscal year 1980, even if such area does not have an overall economic development program approved by the Secretary.

"CONFIDENTIAL INFORMATION

"SEC. 211. To the extent the Secretary deems it appropriate, consistent with section 552(b)(4) and section 552(c)(4) of title 5, United States Code, that portion or any record, material, or data received by the Secretary in connection with any application for financial assistance under this title which contains trade secrets or commercial financial information regarding the operation or competitive position of any business shall be deemed to be 'privileged or confidential' within the meaning of those sections.

"AUTHORIZATIONS

"SEC. 212. (a) The aggregate principal amount of loan guarantees made under section 203 may not exceed $1,800,000,000 for for fiscal year 1980, and $1,800,000,000 for fiscal year 1981, subject to such limitations as may be contained in an appropriation Act.

"(b) For direct loans under section 204, there are authorized to be appropriated not to exceed $150,000,000 for fiscal year 1980, and $150,000,000 for fiscal year 1981. The amount of such loans during any fiscal year may not exceed the amount approved in an appropriation Act.

"(c) The aggregate amount of contracts for interest subsidies under section 205, including reductions in interest payable pursuant to section 205(b), which may be entered into may not exceed $50,000,000 during fiscal year 1980, over the life of the contracts, but only to such extent or in such amounts as are provided for in advance in appropriations Acts. There are authorized to be appropriated such sums as may be necessary to liquidate such contracts.

"(d) To pay the outstanding unpaid balances of loans guaranteed under the authority of section 202 of the Public Works and Economic Development Act of 1965, as such section was in effect on the day preceeding the effective date of the National Public Works and Economic Development Act of 1979, and under section 203, there are authorized to be appropriated not to exceed $27,923,000 for fiscal year 1980, and $45,920,000 for fiscal year 1981. To make any additional payments required under any guarantee under section 203, there are authorized to be appropriated such sums as may be necessary.

"(e)(1) The authority to guarantee or make loans under this title expires at midnight on September 30, 1981.

"(2) The authority to contract to make interest subsidy payments under this title expires at midnight on September 30, 1980.".

(b) All funds under section 203 of the Public Works and Economic Development Act of 1965, as such section was in effect on the date preceding the date of enactment of this Act, shall be transferred to the Secretary of the Treasury and all payments that otherwise would be deposited into that revolving fund shall be deposited in the Treasury.

(c) Any reference in any other provision of law to section 202 of the Public Works and Economic Development Act of 1965 shall be deemed to be a reference to title II of such Act, as amended by this section.

(d) The amendment to title II of the Public Works and Economic Development Act of 1965 made by this section shall not apply to any loan guarantee project for which a Guaranty Agreement is executed on or before September 30, 1979.

SEC. 104. Section 301(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3151) is amended to read as follows:

"SEC. 301. (a) The Secretary is authorized to provide technical assistance to any eligible applicant as defined in paragraph (3) of this subsection. Such assistance may include project planning and feasibility studies, management and operational assistance, management training, studies evaluating the need and potential for economic development and growth, industrial analyses and productivity studies relating to particular industries, and environmental impact analyses and other studies required in connection with projects financed under this Act.

"(1) Such assistance may be provided by the Secretary through members of the Secretary's staff, through the payment of funds authorized for this subsection to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or other suitable institutions, under contracts entered into for such purposes, or through grants.

"(2) The Secretary may require the repayment of assistance provided under this subsection and prescribe terms and conditions for such repayment.

"(3) Eligible applicants for assistance under this subsection are multi-State organizations, States, Indian tribes, political subdivisions of States, sub-State planning and development organizations, area or local private nonprofit organizations, individuals, partnerships, firms, corporations, or other appropriate entities.

"(4) The amount of any grant under this subsection may not exceed 80 per centum of eligible costs, except that grants for environmental impact analyses may be for up to 100 per centum of eligible costs. The Secretary may waive the non-Federal share for Indians and in exceptional cases of need.".

SEC. 105. Section 301(b) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3151) is amended by adding the following new sentence at the end thereof: "Continued assistance under this subsection shall only be available if a development program appropriate to individual State and local economies and institutional settings has been designed and accomplishment of tasks contained in the development program has resulted along with implementation of actions and investments consistent with strategies of the development program.".

SEC. 106. Section 301(e) of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"(e) The Secretary is authorized to make grants to multi-State organizations, States, Indian tribes, political subdivisions of States, economic development districts, and other sub-State planning and development organizations, and area or local private nonprofit organizations which are representative of the area or locality to help defray reasonable costs associated with such organizations for adjustment planning, the preparation of an impact assessment or an economic adjustment plan. Administrative expenses incurred in connection with the overall area coordination and management of adjustment planning are eligible for assistance. Adjustment planning shall be coordinated with an area's or locality's comprehensive development strategy where such a strategy exists. Impact assessments and economic adjustment plans shall be submitted to the Secretary for approval. The Secretary may not approve an economic adjustment plan unless such plan shall—

"(1) identify each economic development and adjustment need of the area for which assistance is sought under this subsection;

"(2) describe each activity planned to meet each such need;

"(3) explain the details of the method of carrying out each such planned activity;

"(4) contain assurances satisfactory to the Secretary that the proceeds from the repayment of loans made by the eligible recipient with funds granted under section 104 of this Act (if any) will be used for economic adjustment; and

"(5) be in such form and contain such additional information as the Secretary shall prescribe by regulation.".

SEC. 107. Subsections (c) and (f) of section 301 of the Public Works and Economic Development Act of 1965 is hereby repealed.

SEC. 108. Section 302 of the Public Works and Economic Development Act of 1965 is amended by adding new subsections (d) and (e) as follows:

"(d) Continued assistance under section 302 shall only be available upon the design of a development program appropriate to individual State and local economies and institutional settings and the accomplishment of tasks contained in the development program. The implementation of actions and investments consistent with strategies resulting from the program must also be demonstrated to the satisfaction of the Secretary.

"(e)(1) Each State shall use the assistance provided under this section in coordination with economic development planning conducted under title III of the Regional Development Act of 1979, and may use such assistance to support such planning. The Secretary shall consider State and regional development plans and investment strategies and areawide action programs prepared under such title III in determining the provision of any assistance under this Act.

"(2) The Secretary shall to the extent practicable assure coordination among plans, programs and investment strategies developed pursuant to this section, section 301 (b) and (e), and section 101(e) of this Act, in order to provide in such plans, programs, and strategies an informed basis for economic development investment decisions and avoid duplication of planning effort.".

SEC. 109. Section 303 of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"RESEARCH, EVALUATION, AND DEMONSTRATION

"SEC. 303. (a) The Secretary is authorized to conduct programs of research and evaluation, including program evaluation, to—

"(1) assist in determining the causes of unemployment, underemployment, severe economic adjustment problems, and chronic distress in areas and regions of the United States;

"(2) assist in formulating, implementing, or improving programs at the National, State, regional, or local levels which are designed to raise income levels, increase employment in private firms, assist depressed industry sectors, or otherwise promote economic development or adjustment.

"(b)(1) The Secretary is authorized to conduct any demonstration program which the Secretary determines is designed to foster regional productivity and growth, prevent outmigration, alleviate problems of economic distress, assist depressed industry sectors, broaden the economic base, or otherwise carry out the purposes of this Act.

"(2) Such demonstration programs may include programs which are intended to test the feasibility of new and innovative approaches which hold promise for general solutions to problems of economic distress in areas and regions of the United States.

"(3) In extending assistance for a demonstration program, eligible activities include any form of assistance authorized under any of the titles of this Act or any other activity, including assistance for employee stock ownership trusts, which demonstrably furthers the objectives of this Act.

"(c) The Secretary shall, under the authority of this subsection, conduct a demonstration program to test the feasibility of establishing an equity financing program to carry out the purposes of title II of this Act.

"(d) The Secretary is authorized to provide assistance under this section—

"(A) in areas designated under section 401 (a) or (b) or 403(a)(2), of this Act; and

"(B) in other areas which the Secretary determines have a substantial need for such assistance.

"(e) Programs authorized under subsections (a), (b), and (c) of this section may be carried out by the Secretary acting through the staff of the Department; in cooperation with or by the provision of funding to other departments or agencies of the Federal Government; or through any form of assistance authorized by this Act to multi-State organizations, State and local agencies, profit or nonprofit corporations, institutions, or other associations, partnerships or persons, whether public or private. The Secretary shall make available to interested individuals and organizations the results of such research. The Secretary shall include in his annual report under section 705 a detailed statement concerning the research, evaluations, and demonstrations conducted under this section together with his findings resulting therefrom and his recommendation for legislative and other action.

"(f) There are authorized to be appropriated for the purposes of this section $10,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983.".

SEC. 110. Section 304 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3153) is amended to read as follows:

"SEC. 304. (a) There are hereby authorized to be appropriated $35,000,000 for the fiscal year ending June 30, 1975, and $75,000,000 for the fiscal year ending June 30, 1976, $18,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $75,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, September 30, 1979, $20,000,000 for the fiscal year ending September 30 1980, $75,000,000 per fiscal year for the fiscal years ending September 30, 1981, September 30, 1982, and September 30, 1983, for allocation by the Secretary among the States for the purpose of supplementing or making grants and loans authorized under titles I, II, III (other than planning grants authorized under sections 301(b) and 302), and IV of this Act and for the purpose of providing the non-Federal share of project funding required by this Act except under title II or by other Federal Acts for projects in areas designated under title IV of this Act.

"(b) Funds allocated to a State under subsection (a) shall be available for supplementing or making such grants or loans if the State makes a contribution of at least 25 per centum of the amount of such grant or loan in each case. Funds allocated to a State under subsection (a) shall remain available to such State until obligated or expended by it.

"(c) Funds allocated to a State pursuant to this section may be used by the Governor in supplementing grants or loans with respect to any project or assistance authorized under titles I (other than grants made under section 103), II, III (other than planning grants authorized under sections 301(b) and 302), and IV of this Act, and approved by the Secretary after July 1, 1974. Such grants also may be used to reduce or waive the non-Federal share otherwise required by this Act except under title II or, notwithstanding any other provision of law, by other Federal Acts for projects which meet the economic development purposes of this Act, subject to the requirements of subsection (b) of this section. In the case of grants or loans under this subsection for projects which receive funds under another Federal Act, the State shall certify to the Secretary that the project meets the economic development purposes of his Act and the requiremens of other Federal laws.

"(d) In the case of any grant or loan for which all or any portion of the basic Federal contribution to the project under this Act is proposed to be made with funds available under this secton, no such Federal contribution shall be made until the State certifies that such project meets all of the requirements of Federal law and could be approved for Federal contributions under this Act if funds were available under this Act (other than section 509) for such project.

"(e) After June 30, 1975, funds allocated to a State under this section shall be used by the Governor in a manner which is consistent with the State planning process assisted under section 302 of this Act, if such planning process has been established in the State.

"(f) Where an economic development district exists, a grant for a project made by a State from funds allocated to it under this section shall be made only if such project is in conformance with the development plan of the economic development district.".

SEC. 111. Title III of the Public Works and Economic Development Act of 1965 is amended by adding the following new section:

"SEC. 305. There is hereby authorized to be appropriated $25,000,000 annually for the purposes of sections 301 and 302 of this Act for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1969, $50,000,000 per fiscal year for the fiscal years ending June 30, 1970, June 30, 1971, June 30, 1972, and June 30, 1973, and $35,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976, $18,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $75,000,000 per fiscal year for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979, and $89,780,000 for the fiscal year ending September 30, 1980, $95,000,000 for the fiscal year ending September 30, 1981, $105,000,000 for the fiscal year ending September 30, 1982, and $115,000,000 for the fiscal year ending September 30, 1983: *Provided*, That, not less than 45 per centum of the funds appropriated for the fiscal years ending September 30, 1980, through September 30, 1983, shall be used for planning under sections 301(b) and 302 of this title.".

SEC. 112. Section 401 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161) is amended to read as follows:

"SEC. 401. (a) Upon the application of any area which meets criteria established by the Secretary by regulation and which has an overall economic development program approved by the Secretary or which is located in an economic development district with such a program, the Secretary is authorized to designate:

"REDEVELOPMENT AREAS

"(1) A developed area suffering chronic economic distress, an area with persistent underdevelopment, or an area exhibiting incipient decline or short-term economic distress as a redevelopment area. Such area shall be eligible for all forms of assistance authorized by titles I, II, III, and IV of this Act. In order to be designated, an area must meet one of the following criteria:

"(A) have a per capita income of 80 per centum or less of the national per capita income as determined by statistics from the Department of Commerce;

"(B) for the most recent five-calendar-year period for which statistics are available from the Department of Labor, suffer an average unemployment rate above the national average unemployment rate;

"(C) for the most recent twenty-four-month period for which statistics are available from the Department of Labor, suffer an average unemployment rate at least 1 per centum above the national average unemployment rate, and suffer an average unemployment rate for the same twenty-four-month period of at least 7½ per centum;

"(D) an employment growth rate that is 20 per centum or less of the national average for the most recent five-year period for which statistics are available from the Secretary of Labor; or

"(E) the percentage of population living in poverty exceeds 16½ per centum of the area's population for the most recent year for which statistics are available.

In the case of a local government which encompasses, or is within a standard metropolitan statistical area or central city for which current population surveys were used to determine annual unemployment rates before January 1, 1976, the Secretary of Labor, for the purposes of clauses (B), (C), and (D) of this subsection, shall determine or assign the unemployment rates for such government calculated by the current population survey methodology, if such rates are higher than rates determined or assigned by the Secretary of Labor for that government for the appropriate six-month periods without applying the current population survey methodology. This methodology shall be used until such time as the Secretary of Labor determines that current population survey data is available for use on a satisfactory basis for such areas and the remaining area of each State.

"POCKETS OF DISTRESS

"(2)(A) An area as a pocket of distress if such area has severe economic distress as indicated by the criteria of paragraph (1) (A), (B), (C), (D), or (E) of this subsection but the appropriate Department of Labor or Department of Commerce statistics are not available or, in areas of extreme need, such area does not otherwise meet the definition of area established by the Secretary by regulation. An area requesting designation as a pocket of distress shall submit the statistical information on which it relies for qualification to the Secretary: *Provided, however*, That the designation of an area which is defined without regard to political boundaries shall be requested by the chief executive officer or the officer's designee of the political subdivision(s) within which it is con-

tained. The Secretary shall evaluate the accuracy and reliability of such statistics and shall determine if such statistics qualify the area for designation. A pocket of distress is eligible for all forms of assistance under titles I, II, and III of the Act.

"(B) Notwithstanding any other provision of this Act, the Secretary shall have the authority to waive or modify the overall economic development program requirement for pockets of distress in circumstances where the capacity of the area and the nature of the assistance sought make the requirement inappropriate.

"AREA INELIGIBILITY

"(3)(A) Any area which has a per capita income in excess of 125 per centum of its group average national per capita income is not eligible for designation under the criteria of clause (B), (C), or (D) of paragraph (1) and under paragraph (2).

"(B) A project may not be located in any community which is in a designated area and which has a per capita income in excess of 125 per centum of its group average national per capita income, except where the area's overall economic development program specifically sets forth the proposed project and the project will have substantial benefits to the unemployed and underemployed of the area.

"(C) The percentage of its group average national per capita income used to limit designations in clause (A) shall, for local governments in the State of Hawaii, be increased by the average State percentage of basic pay which civilian employees of the United States Government receive as an allowance under section 5941 of title 5, United States Code. Such average State percentage shall be determined for the most recently completed calendar year for which data are available based on data provided by the Office of Personnel Management and reported to the Secretary.

"(D) Any area which has for the most recent five-year period for which statistics are available an employment growth rate exceeding 200 per centum of the national group average employment growth rate is not eligible for designation under the criteria of clause (B), (C), or (E) of paragraph (1) or under the criteria of paragraph (2), unless the area's average unemployment rate for that five-year period exceeds 150 per centum of the national average unemployment rate for that period.

"(E) The provisions of clauses (A), (B), and (D) of this paragraph shall not apply to areas which are located in the State of Alaska.

"(4) A project may not be located in a nonqualified balance of central county area in a redevelopment area unless the Secretary determines that such project shall provide substantial direct benefits to the population of the qualified areas within such counties.

"SPECIAL IMPACT AREAS

"(5) An area receiving financial support from the Community Services Administration as a special impact area under the provisions of part A of title VII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2981) shall be eligible for all forms of assistance authorized by titles I, II, III, and IV of this Act.

"CONTINUED ELIGIBILITY

"(6) Areas designated under the authority of title IV of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3161 et seq.) which are or remain designated in fiscal year 1979 shall be eligible to receive assistance under titles I, III, and IV of this Act except as otherwise provided for fiscal years 1980, and 1981.

"ECONOMIC ADJUSTMENT AREAS

"(b)(1) Upon the application of an area, the Secretary is authorized to designate such an area as an economic adjustment area eligible for assistance authorized by section 104 of this Act if—

"(A) the Secretary determines that the area has recently suffered, or is threatened with, a severe economic adjustment problem; and

"(B) the Secretary approves the area's economic adjustment plan.

"(2) A designation under this subsection shall expire in three years unless the Secretary approves an application for continued designation.

"(3) The Secretary shall terminate or modify such designations whenever such areas no longer satisfy the designation requirements of this subsection.".

SEC. 113. (a) Section 403(a)(1)(D) is amended to read as follows:

"(D) the proposed district has a district overall economic development program which includes adequate land use and transportation planning and contains a specific program for district cooperation, self-help, and public investment and is approved by the State or States affected and by the Secretary and such overall program shall contain a multiyear economic development strategy and annually prepared investment programs identifying projects or other activities to be undertaken each year with assistance under this Act or other identified sources of funding,".

(b) Section 403(a)(2) is amended to read as follows:

"(2) to designate as 'economic development centers', in accordance with such regulations as he shall prescribe, such areas as he may deem appropriate, if—

"(A) the proposed center has been identified and included in an approved district overall economic development program and recommended by the State or States affected for such special designation;

"(B) the proposed center is geographically and economically so related to the district that its economic growth may reasonably be expected to contribute significantly to the alleviation of distress in the redevelopment areas of the district; and

"(C) the proposed center does not have a population in excess of five hundred thousand according to the last preceding Federal census.

No project shall be funded in an Economic Development Center unless the applicant demonstrates that the project will provide benefit to an area designated as a redevelopment area within the district.".

(c) Section 403(a)(3) is amended by deleting "sections 101, 201, and 202" and insert in lieu thereof "titles I and II".

(d) Section 403(a) is further amended by adding a new paragraph (5) as follows:

"(5) to provide for participation in district activities by all important elements of the district economy, including appropriate local governmental authorities, the private sector, minorities, and representatives of the disadvantaged and long-term unemployed.".

(e) Section 403(e) is amended by deleting "sections 101, 201, and 202" and inserting in lieu thereof "titles I and II".

SEC. 114. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 is amended by inserting after "September 30, 1979," the following: "and not to exceed $40,000,000 per fiscal year for the fiscal years ending September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983,".

SEC. 115. Section 404 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3172) is amended by striking out the "and" following "September 30, 1978" and by inserting after "1979" the following: "September 30, 1980, September 30, 1981, September 30, 1982, and September 30, 1983".

SEC. 116. Title VI of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3201) is amended to read as follows:

"TITLE VI—ADMINISTRATION

"CONSULTATION WITH OTHER PERSONS AND AGENCIES

"SEC. 601. The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment.

"ADMINISTRATION, OPERATION, AND MAINTENANCE

"SEC. 602. No Federal assistance shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

"COORDINATION AMONG PROGRAMS

"SEC. 603. The Secretary is authorized to take such actions as are necessary to ensure coordination with activities assisted under the Comprehensive Employment and Training Act of 1978 (29 U.S.C. 801), and to provide employment opportunity in activities assisted under this Act for persons eligible under the provisions of the Comprehensive Employment and Training Act of 1978.".

SEC. 117. Title VII of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3211) is amended to read as follows:

"TITLE VII—MISCELLANEOUS

"POWERS OF SECRETARY

"SEC. 701. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans or guarantees made or evidences of indebtedness purchased under this Act, and collect or compromise all obligations assigned to or held by him in connection with such loans, guarantees, or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

"(5) further extend the maturity of or renew any loan or guarantees made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan, guarantees, or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan, guarantees, or evidence of indebtedness;

"(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by him in connection with loans or guarantees made or evidence of indebtedness purchased under this Act;

"(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans or guarantees made or evidences of indebtedness purchased under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans or guarantees made or evidences of indebtedness purchased under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

"(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized by this Act;

"(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans or guarantees made or evidences of indebtedness purchased under this Act and the Secretary is authorized to cancel loans made under the authority of the Area Redevelopment Act and under the authority of section 201 of this Act prior to the enactment of the National Public Works and Economic Development Act of 1979 if the Secretary determines that such loans cannot be repaid and are uncollectable;

"(10) employ experts and consultants or organizations therefor as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 3109), compensate individuals so employed at rates not in excess of the per diem rate authorized for GS-18 of the General Schedule, including traveltime, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 5703) for persons in the Government service employed intermittently, while so employed: *Provided, however*, That contracts for such employment may be renewed annually;

"(11) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 507(b) and 2679 of title 28, United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 517);

"(12) in making grants, retain an amount not to exceed 10 per centum of the grant until the recipient provides assurances satisfactory to the Secretary that the project meets all the requirements imposed pursuant to this Act;

"(13) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act; and

"(14) determine whether the public works projects proposed for the Secretary's approval are consistent with Federal, State, and local environmental regulations and plans, and have been developed with public participation in the planning process. The Secretary shall assure the preparation of any required Federal environmental impact statement or assessment on any proposal or project. Approval shall not be granted until the Secretary has consulted with relevant Federal departments and agencies, has issued adequate public notice, and has solicited and reviewed public comments.

"PREVENTION OF UNFAIR COMPETITION

"SEC. 702. No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises. Nevertheless, financial assistance may be provided in those instances where the extension of financial assistance will not result in a significant increase in existing production, capacity or services and where the project is located in an economically distressed geographical area and when modernization of such existing productive services or facilities is essential for the retention of existing employment in that area.

"ENERGY ASSISTANCE LIMITATIONS

"SEC. 703. No financial assistance authorized under this Act shall be used to finance the cost of facilities for the generation, transmission, or distribution of electrical energy, or to finance the cost of facilities for the production or transmission of gas (natural, manufactured, or mixed), except (1) for projects specifically authorized by Congress, and (2) for local projects for industrial parks and industrial or commercial areas in communities where the electrical energy or gas supply is, or is threatened to be interrupted or curtailed resulting in a loss of jobs, or where the purpose is to save jobs, or create new jobs, on condition that (A) the Secretary finds that project financing is not available from private lenders or other Federal agencies on terms which, in the opinion of the Secretary, will permit accomplishment of the project, and (B) the State or Federal regulatory body regulating such service determines that the facility to be financed will not compete with an existing public utility rendering such a service to the public at rates or charges subject to regulation by such State or Federal regulatory body, or if there is a determination of competition, the State or Federal regulatory body must make a determination that in the area to be served by the facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake; and (3) for projects supporting the development of small-scale hydroelectric plants at existing dams, facilities for the production of alcohol for use as a supplement to motor fuel, expanded use of solar energy equipment, and coal gasification units for small industrial application, where such projects will contribute to the creation or preservation of jobs. Not more than $7,000,000 of the funds available to carry out titles I and II of this Act may be expended annually for projects under clause (2) of this subsection, and not more than 5 per centum of the funds available to carry out titles I and II of this Act may be expended annually for projects under clause (3) of this subsection.

"SEPARABILITY

"SEC. 704. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act or the application thereof to any persons or circumstances shall be adjudged by any court of competent jurisdiction to be invalid such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which judgment shall have been rendered.

"ANNUAL REPORT

"SEC. 705. (a) The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act, including section 718 relating to employee ownership, describing the implementation of the programs authorized by this Act and assessing the extent to which such programs are achieving the purposes of this Act, for each fiscal year beginning with the fiscal year ending June 30, 1966. Such report shall be printed and shall be transmitted to the Congress not later than February 1 of the year following the fiscal year with respect to which such report is made.

"(b)(1) Either separately or as part of the report required under subsection (a) of this section, the Secretary shall make an annual consolidated report to the Congress giving a full and complete accounting of all economic adjustment assistance provided under section 104 of this Act, which shall contain an evaluation of the effectiveness of such assistance in solving the economic adjustment problem or problems for which assistance was provided to each eligible recipient. The first such report to Congress under this subsection shall be made not later than September 30, 1980.

"(2) In order to carry out this requirement, the Secretary is authorized to require each eligible recipient which receives economic adjustment assistance under section 104 to make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe. Not later than March 1, 1980, the Secretary shall transmit to the Congress a detailed report reviewing plans for implementing title II, section 303, and section 401 of this Act.

"(A) plans for delegating decisionmaking to regional offices of the Economic Development Administration for the purpose of cutting down on processing time and making the programs authorized under this Act responsive to local development needs;

"(B) plans for using, as appropriate, the resources of State and local development financing agencies, multi-State agencies, financial institutions, private investment companies, and such other entities as may be designated by the Secretary;

"(C) actions taken by the Secretary to implement research and demonstration programs, including the equity financing demonstration program, pursuant to section 303; and

"(D) efforts undertaken to assure the effectiveness of regulations to provide for targeting the assistance authorized under title II according to section 206(a) and 401.

"USE OF OTHER FACILITIES

"SEC. 706. (a) The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in suuch manner as will assist in carrying out the objectives of this Act.

"(c) Funds authorized to be appropriated under this Act may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

"APPROPRIATION

"SEC. 707. There are hereby authorized to be appropriated such sums as may be necessary to carry out those provisions of the Act for which specific authority for appropriations is not otherwise provided in this Act. Appropriations authorized under this Act, except under title II, shall remain available until expended unless otherwise provided by appropriations Acts.

"PENALTIES

"SEC. 708. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any financial assistance under this Act or any extension thereof by renewal, deferment or action, or otherwise, or the acceptance, release or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(b) Whoever, being connected in any capacity with the Secretary in the administration of this Act (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether beloning to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to decieve any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized draws any orders or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly, or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

"SEC. 709. No financial assistance shall be extended by the Secretary under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

"PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

"SEC. 710. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance for projects under this Act without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1964, as amended (40 U.S.C. 276c).

"RECORD OF APPLICATIONS

"SEC. 711. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under this Act, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan or grant for which application is made, (3) the purposes for which the proceeds of the loan or grant are to be used, and (4) a general description of the security offered in the case of a loan.

"RECORDS AND AUDIT

"SEC. 712. (a) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this Act.

"(c) Not later than February 1, 1981, the Comptroller General of the United States shall conduct a thorough review of the programs authorized by this Act and shall transmit to the Congress a detailed report on his findings, including therein the Comptroller's evaluation of the administration and effectiveness of the programs authorized by this Act in achieving the purposes of this Act, a description of any failure to comply with the requirements of this Act, and recommendations for corrective legislative or administrative action.

"ASSISTANCE LIMITATION

"SEC. 713. All financial and technical assistance authorized under this Act shall be in addition to any Federal assistance previously authorized, and no provision hereof shall be construed as authorizing or permitting any reduction or diminution in the proportional amount of Federal assistance to which any State or other entity eligible under this Act would otherwise be entitled under the provisions of any other Act.

"NONRELOCATION

"SEC. 714. Financial assistance under this Act shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them. Such limitations shall not be construed to prohibiting assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area which it conducts such operations.

"EMPLOYEE OWNERSHIP

"SEC. 715. Assistance may be provided in accordance with this Act to aid employee ownership plans, including employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954, in order to preserve jobs and business activity. The Secretary shall issue rules to assure that the interests of participants and beneficiaries in an employee ownership plan established with assistance provided under this Act will be adequately safeguarded.

"NONDISCRIMINATION AND AFFIRMATIVE ACTION

"SEC. 716. (a) No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under this Act.

"(b) The Secretary shall administer the programs under this Act in a manner affrmatively to further participation in those programs, and in the projects they support, by socially and economically disadvantaged individuals and by firms owned by such individuals.

"(c) The Secretary may require each State or political subdivision of a State, applying for assistance under this Act, to demonstrate reasonable progress in providing socially and economically disadvantaged individuals with opportunity for equal employment.

"INTERSTATE COMPACTS

"SEC. 717. In order to fulfill the purposes of this Act, an eligible applicant located in one State or a State itself is authorized to enter into agreements with an eligible applicant located in another State or another State to apply jointly for assistance under this Act.

"AVAILABILITY OF FINANCIAL ASSISTANCE

"SEC. 718. It is the intent of Congress that the financial assistance under this Act shall be available throughout the United States, notwithstanding State laws which may restrict the lending of public credit in certain localities.

"DEFINITIONS

"SEC. 719. As used in this Act, the term—

"(1) 'area' means any political jurisdiction or group of political jurisdictions, or any community or neighborhood defined without regard to political or other type of boundary, that meets criteria established by the Secretary;

"(2) 'balance of central county area' means the area of the central county of a metropolitan area excluding that county's central

city and the other separately qualified areas within the county;

"(3) 'business owned and controlled by socially and economically disadvantaged individuals' means a business—

"(A) which is at least 50 per centum owned by one or more socially and economically disadvantaged individuals; and

"(B) whose management and daily business operations are substantially controlled by one or more socially and economically disadvantaged individuals.

Socially and economically disadvantaged individuals include black Americans, Hispanic Americans, Native Americans, and other minorities or any other individual found to be disadvantaged by the Small Business Administration pursuant to section 8 of the Small Business Act;

"(4) 'economic adjustment plan' means a document that discusses the nature, causes, magnitude, and impacts of an economic dislocation; the adjustment needs arising from a dislocation; the proposed actions for responding to the adjustment needs, including the immediate reemployment or other needs of the dislocated workers; and the method of carrying out an adjustment program;

"(5) 'group average national per capita income' when used to limit eligibility under section 401(a)(3) of this Act means the separately computed national per capita incomes for standard metropolitan statistical areas and for areas outside standard metropolitan statistical areas;

"(6) 'impact assessment' means a document that identifies the magnitude and specific impacts of an economic adjustment problem;

"(7) 'Indian tribe' means the governing body of a tribe, an Indian authority, or tribal organization or entity, an Alaskan Native Village, or any Indian group which is recognized as an Indian tribe by the Secretary of the Interior;

"(8) 'overall economic development program' means a document that describes—

"(A) the organizational structure, operating procedures, and proposed planning and coordinative activities necessary to support an ongoing economic development effort, and

"(B) a multiyear economic development strategy that is based on an analysis of economic problems and potentials and lays out development goals and the public and private actions and investments needed to achieve them;

"(C) an annually prepared investment program identifying projects or other activities to be undertaken each year with assistance under this Act or other identified sources of funding;

"(9) 'Secretary' means the Secretary of Commerce;

"(10) 'severe economic adjustment problem' means the sudden and permanent loss of a significant number of jobs resulting from direct actions of the Federal Government; import competition; a disaster that permanently destroys a significant part of the employment base and for which other recovery assistance is unavailable; or other reasons:

"(11) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and

"(12) 'underemployed, disadvantaged, and long-term unemployed' shall be defined in regulations by the Secretary of Commerce in consultation with the Secretary of Labor to assure consistency among Federal programs.

"SEC. 118. Title V of the Public Works and Economic Development Act of 1965 (as amended), is amended by adding the following new section:

"SOUTHWEST BORDER EDUCATION ASSISTANCE

"SEC. 518. (a)(1) The Southwest Border Regional Commission established under this title (hereinafter in this section referred to as the 'Commission') shall, in accordance with the provisions of this section, make a grant to each eligible local educational agency for the construction of school facilities in order to assist such agencies in providing education to immigrant children.

"(2) The amount of the grant to which a local educational agency is entitled under this shall be equal to the number of immigrant children aged five to seventeen, inclusive, who are enrolled at the schools of that agency and for whom that agency provided free public education during the school year 1978–1979, multiplied by $1,000.

"(3)(A) A local education agency shall be eligible to receive a grant under this section if the number of immigrant children enrolled during such school year at the schools of that agency is equal to or greater than twenty and is equal to 7 per centum or more of all children aged five to seventeen, inclusive, who are enrolled at such school during each year.

"(B) No immigrant child may be counted for the purpose of this section by any local educational agency unless—

"(i) the parents of such child reside within the school district of such agency.

"(ii) the guardian of such child resides within the school district of such agency.

"(iii) the individual having lawful control of the immigrant child resides within the school district of such agency, or

"(iv) such child resides within the school district of such agency.

"(C) Determinations with respect to the number of immigrant children by the Commission under this section shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimation, to deprive any local educational agency of its entitlement to any payment (or the amount thereof) under this section to which such agency would be entitled had such determination been made on the basis of accurate data.

"(b) Notwithstanding the other provisions of this section, a local educational agency shall not be eligible for a grant under this section if the Commission determines that the amount determined for such agency under subsection (b) is not adequate to provide such agency with any meaningful assistance in the education of immigrant children.

"(c)(1) In addition to sums available under section 509 of this title, for the fiscal years ending September 30, 1980, and September 30, 1981, there are authorized to be appropriated to the Southwest Border Regional Commission not to exceed a total amount of $45,000,000 for grants pursuant to this section. These funds shall be available until expended.

"(2) If the sum appropriated for making grants under this section is not sufficient to pay in full the total amount which local educational agencies are entitled to receive under this section, the entitlements of such local educational agencies shall be ratably reduced to the extent necessary to bring the aggregate of such entitlements within the limits of the amount so appropriated.

"(d)(1) No local educational agency shall be entitled to any grant under this section unless that agency submits an application to the Commission at such time, in such manner, and containing or accompanied by such information, as the Commission may require. Each such application shall—

"(A) provide that the grant made under this section be used for the construction of school facilities to be administered by such agency;

"(B) provide assurances that the application will be submitted to be the appropriate State educational agency for comment;

"(C) provide that such fiscal control and fund accounting procedures will be established as may be determined by the Commission to be necessary to insure the proper disposal of, and accounting for, Federal funds paid to the agency under this section; and

"(D) provide for the furnishing of such other information and reports as the Commission may reasonably require to perform its functions under this section.

"(2) The Commission shall approve an application which meets the requirements of paragraph (1) of this subsection. The Commission shall not finally disapprove an application of a local educational agency except after reasonable notice and opportunity for hearing to such agency.

"(3) Whenever the Commission after a reasonable notice and opportunity for a hearing to any local educational agency, finds that there is failure to meet the requirements of this section, the Commission shall notify that agency that further payments will not be made to the agency under this section until the Commission is satisfied that there is no longer any such failure to comply. Until the Commission is so satisfied no further payment shall be made to the local educational agency under this section.

"(e) As used in this section—

"(1) the term 'construction' means (A) erection of new or expansion of existing structures, and the acquisition and installation of equipment therefor; or (B) acquisition of existing structures not owned by any agency making application for assistance under this section; or (C) remodeling or alteration (including the acquisition, installation, modernization, or replacement of equipment) of existing structures; or (D) a combination of any two or more of the foregoing;

"(2) the term 'elementary school' means a day or residential school which provides elementary education, as determined under State law;

"(3) the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law;

"(4) the term 'free public education' means education which is provided at public expense under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State;

"(5) the term 'local educational agency' means a public board of education or other public authority legally constituted within a State which is a member of the South West Border Regional Commission, for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivisions of such State, or such combination of school districts or counties as are recognized in such State as an administrative agency for its public elementary or secondary schools, and such term also includes any other public institution or agency in such State having administrative control and direction of a public elementary or secondary school;

"(6) the term 'immigrant child' means a child born in the Republic of Mexico and who has legally immigrated to the United States, or born of parents who have legally immigrated from the Republic of Mexico and are not citizens of the United States (other than a child in a family which is in the United States for the purpose of representing another government in a diplomatic or similar capacity), and who is provided free public education by a local educational agency of a State;

"(7) the term 'school facilities' includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes; but

such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public; and

"(8) the term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.".

SEC. 119. Titles VIII, IX, and X of the Public Works and Economic Development Act of 1965 are hereby repealed.

AMENDMENT TO TITLE 18, UNITED STATES CODE

SEC. 120. Section 665 of title 18, United States Code, is amended to read as follows:

"§ 665. Theft or embezzlement; improper inducement

"(a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any agency or other entity receiving financial assistance under either the Comprehensive Employment and Training Act or the Public Works and Economic Development Act of 1965 or embezzles, willfully misapplies, steals, or obtains by fraud any other moneys, funds, assets or property which are the subject of a loan guarantee, grant, or contract of assistance pursuant to such Acts shall be fined not more than $10,000 or imprisoned for not more than two years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(b) Whoever, by threat of procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a grant, loan guarantee, or contract of assistance under the Comprehensive Employment and Training Act or the Public Works and Economic Development Act of 1965, induces any person to give up any money or thing of any value to any person (including such grantee agency) shall be fined not more than $1,000, or imprisoned not more than one year, or both.".

SEC. 121. This Act shall become effective October 1, 1979, or upon enactment, whichever is later.

TITLE II

SEC. 201. This title may be cited as the "Regional Development Act of 1979".

SEC. 202. It is the purpose of this title to authorize creation of regional commissions and to provide a framework for regional commissions to coordinate the efforts of Federal, State, and local governments in (1) planning and implementing programs to improve the capability of States and local governments to resolve shared and interstate regional problems of economic decline and dislocation due to rapid growth; (2) undertaking shared efforts to establish stable and diversified regional economies and meet basic service needs in areas and communities experiencing economic decline or dislocation due to rapid growth; (3) providing a mechanism for improving the ability of Federal programs and policies to function effectively, taking into account specific regional differences and perspectives; (4) establishing priorities from the regional perspective for public and private investment in areas affected by economic decline or dislocation due to rapid growth; (5) fostering creation of regional institutions to address shared problems and encouraging commonality of services on a regional basis where appropriate; and (6) meeting the special problems created in a region as a result of national policies or needs.

PART A

SEC. 210. This part may be cited as the "Appalachian Regional Development Act Amendments of 1979".

SEC. 211. Section 2 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) The fifth sentence of subsection (a) of such section is amended by inserting "including the provision of services to people in the region," after "special problems,".

(2) The sixth sentence of subsection (a) is amended to read as follows: "The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, including emerging small cities and urban centers and areas affected by energy development, where the expected return on public dollars invested will be the greatest, and in remote and hard-to-reach areas where there are special problems in providing for human service needs.".

SEC. 212. Subsection (b) of section 105 of the Appalachian Development Act of 1965 is amended to read as follows: "To carry out this section there are hereby authorized to be appropriated to the Commission, to be available until expended, for the two-year period ending September 30, 1981, not to exceed $7,000,000 (of which not to exceed $1,100,000 shall be available for expenses of the Federal Cochairman, his alternate and his staff) and for the two-year period ending September 30, 1983, $8,500,000 (of which $1,400,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).

SEC. 213. Section 106 of the Appalachian Regional Development Act of 1965 is amended as follows:

(1) Paragraph (5) is amended by adding at the end, "The Office of Personnel Management is further authorized, under such terms and conditions as it shall prescribe, to contract with the Commission and with any regional commission established or recognized under the Regional Development Act of 1979 for coverage as of the date of the Appalachian Regional Development Act Amendments of 1979 in such retirement and other employee benefit programs of the Federal Government, of any employee of the Commission not covered in such programs who gives written notice to the Commission of his desire to come within the purview of such coverage.".

(2) Paragraph (7) is amended by striking out "1979" and inserting in lieu thereof, "1983".

SEC. 214. Title 5, United States Code, is amended as follows:

(1) The last sentence of section 5334(a) of title 5, is amended by striking out "was a Federal employee immediately prior to such employment by a commission and".

(2) Such title is amended by inserting after section 6312 a new section as follows:

"§ 6313. Accrual and accumulation for former Appalachian Regional Commission and title 5 regional commission employees

"Services rendered as an employee of the Appalachian Regional Commission under section 106(2) of the Appalachian Regional Development Act of 1965, or of a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, or pursuant to the Regional Development Act of 1979 shall be included in determining years of service for the purpose of section 6303(a) of this title in the case of any employee as defined in section 6301 of this title. The provision of section 6308 of this title for transfer of annual and sick leave between leave systems shall apply to the leave system established for such employees.".

SEC. 215. (a) Section 201(g) of the Appalachian Regional Development Act of 1965 is amended by striking everything after "1980", and inserting in lieu thereof: "$350,000,000 for fiscal year 1981; $400,000,000 for fiscal year 1982; $450,000,000 for fiscal year 1983; $500,000,000 for fiscal year 1984; and $500,000,000 for fiscal year 1985.".

(b) The third sentence of section 201(a) of the Appalachian Regional Development Act of 1965 is amended by striking "three thousand twenty-five" and inserting in lieu thereof "three thousand fifty-eight".

(c) Subsection (h) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum" and by adding at the end the following: "Projects approved after March 31, 1979, and on or before the date of enactment of the Regional Development Act of 1979 may be adjusted to receive a Federal share not greater than 80 per centum.".

SEC. 216. (a) Section 202 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsection:

"(f)(1) The Commission may make grants to the States for innovative projects and for demonstrations approved pursuant to section 303, of methods and techniques for meeting human services needs of individuals and families in the region which the Commission determines cannot reasonably be accomplished under other provisions of this title or other Federal programs, and shall give special emphasis to demonstrations serving people in the more remote and hard-to-reach areas of the region and in areas impacted by energy development.

"(2) States may carry out such demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(3) Demonstrations may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate to a maximum of 80 per centum. No component of a demonstration shall receive financial assistance under this title after five years following the commencement of the assistance for such component.".

(b) The seventh sentence of section 202(c) of the Appalachian Regional Development Act of 1965 is amended by striking everything after "except" and through "child development demonstrations" and inserting in lieu thereof "that child development demonstrations assisted under this section during fiscal year 1979 may, upon State request, be approved under section 303 of this Act for continued support beyond that period".

SEC. 217. (a) Section 207(c)(2) of the Appalachian Regional Development Act of 1965 is amended by—

(1) inserting "(including land acquisition)" after "reasonable site development costs";

(2) striking "10 per centum" each place it occurs and inserting in lieu thereof "25 per centum"; and

(3) adding at the end thereof "The Secretary (or a State acting under subsection (e) of this section) shall assure that reductions in the cost of housing units due to the acquisition of land pursuant to this section shall accrue to the benefit of ultimate purchasers or tenants of such housing units and not to the financial benefit of any profit-making entity.".

(b) Section 207 of the Appalachian Regional Development Act of 1965 is amended by adding the following new subsections:

"(f) In furtherance of the purposes of this section, at the request of the Commission in accordance with section 303 of this Act the Secretary of Agriculture is authorized to use all of the authority to acquire land under the provisions of section 601(c) of the Power-

plant and Industrial Fuel Use Act (Public Law 95-260). Funds for such acquisition shall be provided under this section or by the affected State.

"(g) The Commission is authorized and directed to undertake a demonstration of appropriate incentives or programs to attract large scale housing developers to operate in the central Appalachian region. In conducting such demonstration, the Commission, after consultation with potential developers and to the extent practical, shall select at least three sites or areas, and the Commission is authorized to use the authority of this section or section 302 of this Act.".

SEC. 218. Title II of the Appalachian Regional Development Act of 1965 is amended by inserting after section 208 the following new section:

"BUSINESS, RAILROAD, AND ENERGY RESOURCE ACTIVITIES

"SEC. 209. (a) In order to assist in stimulating agriculture, mining, construction, manufacturing, commercial, and other economic activities in the region, including the development of indigenous arts and crafts, the Commission is authorized to make grants approved pursuant to section 303 to the States, for—

"(1) Business related technical assistance, including entrepreneurial development, management advice, market analyses, and utilization or financial feasibility studies.

"(2) Establishing revolving funds to be used for business, agricultural and forestry enterprise development loans, with special emphasis on loans furthering development opportunities for entrepreneurs that are identified through technical assistance activities under this Act.

"(3) Making grants for—

"(A) Projects for the acquisition of rail properties by public bodies where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 80 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(B) Projects for the rehabilitation, repair, and modernization of rail properties (except rolling stock) where critical to a State investment program approved pursuant to section 303. No such grant for a project shall exceed 50 per centum of the cost thereof, and the non-Federal share may be in cash or in kind, fairly evaluated, including but not limited to equipment and services.

"(4) Demonstration projects in connection with the development, production, utilization, and conservation of the region's energy resources, including site development where necessary for the feasibility of projects.

"(5) Assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

"(b) States may carry out such activities directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(c) Assistance under this section may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any service. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share as the Commission determines appropriate.".

SEC. 219. The first sentence of subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 is amended by striking "December 31, 1978" and inserting in lieu thereof "October 1, 1983".

SEC. 220. The last sentence of section 302(b)(1) of the Appalachian Regional Development Act of 1965 is amended to read as follows: "No more than $5,000,000 shall be obligated for such energy resource related demonstrations in any fiscal year under this section or section 209(a)(4), and no more than $2,500,000 shall be obligated for such indigenous arts and crafts demonstrations.".

SEC. 221. Section 302(b) of the Appalachian Regional Development Act of 1965 is amended by adding the following new paragraph:

"(5) The Commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this section and assistance under section 207 to increase the use of solar energy equipment in residences in the Appalachian region, to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installation costs in residential mortgage financing. The Commission is authorized to conduct pilot projects to put in practice the findings of such investigation.".

SEC. 222. Title II of the Appalachian Regional Development Act of 1965 is amended to add a new section 304 as follows:

"SEC. 304. The Commission shall provide for the continuing evaluation of projects and programs authorized under this Act which shall include measures of their effectiveness in achieving the goals and objectives prepared pursuant to sections 102(a)(1) and 225 of this Act. The Commission shall prepare an annual evaluation program which (1) includes a statement of specific actions that have been or will be taken as a result of previous evaluations, and (2) lists those specific program evaluations to be performed during the current and succeeding years, including the estimated cost of conduct such evaluation.".

SEC. 223. Section 401 of the Appalachian Regional Development Act of 1965 is amended to read as follows:

"SEC. 401. (1) In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there are authorized to be appropriated to the President, to be available until expended, to carry out this Act and the Regional Development Act of 1979, $340,000,000 for the two-fiscal-year period ending September 30, 1981, and $380,000,000 for the two-fiscal-year period ending September 30, 1983.

"(2) No more than 25 per centum of the funds available for obligation in any fiscal year under this section shall be obligated for direct grants by the Commission to carry out the purposes of sections 202(f), and 209.".

SEC. 224. Section 403 of the Appalachian Regional Development Act of 1965 is amended by adding the following:

"The Commission is authorized and directed to study whether, in view of the purposes set forth in section 2 of this Act and in the Regional Development Act of 1979, any counties contiguous to the Appalachian region should be added to the region or remain in regions established or recognized under the Regional Development Act of 1979, and whether, in view of such purposes, any such counties or blocks of counties currently in the Appalachian region should be transferred to a region established or recognized under the Regional Development Act of 1979. Such study shall be conducted in conjunction with the study required under the last sentence of section 308 of the Regional Development Act of 1979, and the results of such study together with any recommendations shall be submitted to the Congress not later than two years after enactment of the Appalachian Regional Development Act Amendments of 1979.".

SEC. 225. Section 405 of the Appalachian Regional Development Act of 1965 is hereby repealed.

PART B

SEC. 230. This part may be cited as the "Regional Commission Act of 1979".

SEC. 231. (a) The Secretary shall recognize appropriate "development regions" within the United States upon the written request of the Governors of the States in which such region will be wholly or partially located if the Secretary finds that there are common cultural, economic, geographic, natural resource, and social relationships among the areas within such region and that the region is of sufficient geographic size and population to warrant recognition.

(b) It is the intention of the Congress that each area of the Nation be included in not more than one development region.

(c) It is the intention of the Congress that every region consist of two or more States, except in the case of Alaska, which is hereby recognized as the Alaska Development Region.

(d) The boundaries of a region may be subsequently altered in the same manner as they were established.

ESTABLISHMENT OF REGIONAL COMMISSIONS

SEC. 232. (a) Upon the recognition of a development region, the States shall establish a regional development commission for such region. In the case of the Alaska Development Region, at the request of the Governor of Alaska, the Secretary shall take any action necessary to establish and operate the Alaska Regional Development Commission not later than October 1, 1979. Any such commission shall be established and shall operate in accordance with section 502 (b) through (e) of the Public Works and Economic Development Act of 1965. Sections 505 (b), 506, 507, and 508 of such Act shall apply to each such commission.

(b) Each regional commission established pursuant to the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 shall continue in operation under this title unless boundaries or State membership of such commission are altered pursuant to this title.

SEC. 233. (a) In carrying out the purpose of this title, each regional commission shall, with respect to its region:

(1) in accordance with part C of this title, develop and implement a regional growth policy process which shall include the preparation of (i) a multiyear regional development plan with policies and priorities for action programs to guide Federal, regional, State, private, and substate investments, and (ii) annual regional investment strategies which include specific policies and investment proposals affecting Federal, regional, State, and substate participation in support of regional growth policies and priorities;

(2) develop and implement mechanisms for coordinating the development and growth management activities of State governments and substate entities with regional policy development, including, but not limited to, economic development, coastal zone management, comprehensive planning, environmental protection, energy conservation and development, transportation, cultural resource development, outdoor recreation planning, and implementation programs;

(3) conduct, in cooperation with relevant Federal and State agencies and private resources, research on and analysis of interstate and shared problems, resources, and opportunities for advancing regional development;

(4) provide consultation to and continuing liaison with Federal Regional Councils and those Federal agency members whose planning and development activities bear on regional priorities, policies, and plans regarding the regional interest in such activities;

(5) advise Federal agencies that fund mul-

tistate organizations not covered by this legislation on the relevance of such funding to regional commission plans, priorities, policies, and programs and on the steps required to avoid duplication of activities;

(6) provide a working liaison (A) with private sector leadership, especially those which operate at the multistate level; (B) with other multistate organizations including other regional commissions; and (C) with substate entities engaged in functional or comprehensive planning which bears on the fulfillment of regional plans, priorities, and policies;

(7) engage in cooperative activities with other regional commissions established under this title, with other regional organizations, with local governments, and with Federal agencies.

(b)(1) As the Presidentially appointed Federal partner to the Governors, each Federal Cochairman has the dual responsibility of presenting the national perspective to the regional commission and of communicating the regional concerns of the State members to the Federal Government. Each Federal Cochairman is responsible for coordination and cooperation between the Commission and Federal departments and agencies. As a member of a commission, each Federal Cochairman has the responsibility for fostering the development of a collaborative institutional setting in which both State and Federal members jointly determine regional development policy.

(2) Each Federal Cochairman shall—

(A) present to the Congress, the committee established under section 251 of this title, other affected parties, and except in the case of the Appalachian Regional Commission, the Secretary, on behalf of the Commission, the regional development plan, annual investment strategy, growth policy recommendations, legislative recommendations, and reports on the activities of the Commission;

(B) encourage Federal departments and agencies to apply their programs and policies to support development plans, programs and priorities established by the commission;

(C) involve Federal departments and agencies in the activities of the Commission, as appropriate;

(D) assist the Commission in its participation in the regional growth policy process;

(E) to the extent practicable, consult with appropriate Federal departments and agencies concerning significant programs and projects to be considered by the Commission prior to voting on such matters;

(F) represent, in dealings with the Commission, Federal policies affecting regional development established by the President and, except in the case of the Appalachian Regional Commission, the Secretary;

(G) assure that the Commission gives adequate attention to problems and solutions which are shared by two or more States in the region and preference to projects or programs for which effort by two or more States is useful in addressing needs effectively;

(H) take a leadership role in the preparation of the Commission budget for submission through the Secretary (except in the case of the Appalachian Regional Commission) and such persons as the Secretary may designate to the Office of Management and Budget and the Congress; and

(I) assure commission compliance with applicable Federal fiscal and management requirements established or identified under section 237 of this title or, in the case of the Appalachian Regional Commission, established or identified by the Federal Cochairman or such Commission.

Nothing in this title shall preclude the Federal Cochairman from presenting the Commission's budget to the Office of Management and Budget or from communicating with appropriate committees of the Congress.

(3) When a Federal Cochairman dies, resigns, becomes disabled, is removed, or is absent from the country, a designated assistant or the executive director of the Commission shall perform the routine administrative duties of the Federal Cochairman not involving the exercise of the vote of the Federal Cochairman, until a successor is confirmed or the absence or disability stops.

(c)(1) Each Commission shall employ an executive director as the chief administrative officer of the Commission and such other officers and staff as the Commission may determine. The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff and for such other duties as the Commission may assign. The executive director shall be appointed and may be removed by vote of the Commission. All other officers and employees of the Commission shall be appointed by the executive director under such rules of procedure as the Commission may determine.

(2) All appointments and promotions of officers and employees of the Commission shall be on the basis of merit and fitness and no test or qualification with respect to politics, race, color, sex, age, physical handicap, or religion shall be permitted or given consideration. Any officer or employee of the Commission who is found by the Commission to be guilty of a violation of this paragraph shall be removed from office by the Commission.

(d) Any regional commission established pursuant to this title shall have no responsibility for the development or assessment of land use plans.

SEC. 234. (a) An application for a grant or for any other assistance for a specific project under section 236 of this title shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. No application for grants or other assistance for specific programs or projects under any provisions of this title shall be approved unless it is certified by the State member and determined by the Commission, including the affirmative vote of the Federal Cochairman—

(1) to implement the Commission's regional development plan;

(2) to be described in the Commission's annual investment strategy;

(3) to be backed by adequate assurance and evidence that the project will be properly administered, operated, and maintained; and

(4) to otherwise meet the requirements for assistance under this title.

(b) Nothing contained in this title shall be interpreted as requiring any State or political subdivision thereof to engage in or accept any project under this title without its consent.

SEC. 235. (a) In addition to other activities authorized by this title, the Secretary is authorized to provide to commissions technical assistance and incentive grants to aid the commissions in carrying out their responsibilities under this title and to undertake new program and policy objectives. In general, such assistance may be provided through members of the Secretary's staff or through incentive grants to the commissions; through the payment of funds authorized for this section to other departments or agencies of the Federal Government; through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes; or through grants to institutions of higher education or nonprofit organizations. Technical assistance may include studies and plans evaluating the needs of, and developing potentialities for, regional development; administrative management; interregional cooperation; research on improving the conservation and utilization of the human, cultural, and natural resources of the region; planning, investigations and studies; economic and demographic information and analysis; and training programs which will further the purposes of this title. Special provision shall be made to assure that newly formed commissions are able to function fully and effectively as soon as practicable.

(b)(1) In carrying out its functions under this title, each commission is authorized to engage in planning, investigations, and studies, and to provide other technical assistance to States, substate areas and communities, both urban and rural, including the payment of administrative expenses to substate planning and development organizations (including economic development districts created under the Public Works and Economic Development Act), which will further the purpose of this title, and which have been included in the approved annual investment strategy. Such activities may be carried out by the Commission through the payment of funds to departments, agencies, or instrumentalities of the Federal Government, or through the employment of private individuals, partnerships, firms, nonprofit corporations, or suitable institutions under contracts or grants entered into for such purposes or through grants-in-aid to agencies of State or local governments.

(2) In carrying out this subsection each commission is authorized to provide assistance to communities in maintaining, restoring, or augmenting commercial air passenger service, but not including capital assistance or operating subsidies.

(3) Each commission shall investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this subsection and section 236 to increase the use of solar energy equipment in residences in its region, to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installations costs in residential mortgage financing. The commission is authorized to conduct pilot projects to put in practice the findings of such investigation.

(c) The Secretary is authorized to make incentive grants to commissions for the following purposes:

(1) Encourage and enable States to develop and improve mechanisms for coordinating State development programs and planning within each State and with commission development programs and planning with substate development activities and with State budget processes. Such grants are to enable Governors to develop among State agencies and levels of government a unified set of development objectives for programs such as economic development, comprehensive planning, outdoor recreation, cultural resource development, coastal zone management, transportation, and environmental protection.

(2) Encourage and enable commissions to develop procedures, including public hearings, consultations, and surveys program review, to enable Governors and State legislatures to participate in regional growth policy processes for the purpose of shaping Federal and State programs and policies necessary for the successful implementation of regional plans.

(3) Encourage commission and cooperative State actions augmenting national energy, export, urban, and rural community conservation, and similar policies whose effectiveness would be strengthened by commission and State participation.

(4) Encourage other special activities

needed to strengthen the overall program including fostering interregional cooperation; creating regionally based systems for demographic and economic analysis; expanding activities of a multistate character; and increasing State Government financial and other support for commission plans.

SEC. 236. (a) In addition to any authority under the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965, each regional commission is authorized to provide financial assistance for projects which will further the purpose of this title as expressed in section 202 (1) and (2). Such projects may include, but are not limited to, transportation, energy development and conservation, environmental and natural resource management activities, fisheries, agriculture, tourism, forestry, export promotion, business or industrial development, productivity improvements, community conservation and growth management, human resources, vocational, educational and training programs, development of indigenous arts and culture, and flood or other natural hazard protection activities. To the maximum extent practicable, each commission shall provide assistance under this section by transferring funds for programs or projects approved by the commission to the heads of Federal departments or agencies to be used for—

(1) all or any portion of the basic Federal contribution to programs or projects under any Federal grant-in-aid program authorized on or before September 30, 1983, and for the purpose of increasing the Federal contribution to programs or projects under such programs above the fixed maximum portion of the costs of such programs or projects otherwise authorized by the applicable law; and

(2) the Commission contribution to programs or projects and for grants management and technical assistance provided by the department or agency for projects at the request of the Commission.

Notwithstanding any other law, the heads of Federal departments and agencies are hereby authorized to accept such funds, to disburse them in accordance with policies adopted by the Commission, and to provide any assistance which may be necessary to carry out the approved program or project. The Federal portion including the Commission portion, of the costs of each program or project assisted shall not exceed 80 per centum of such costs.

(b)(1) Each commission may make direct grants to the States or to qualified multistate organizations for innovative projects and for demonstrations of unique methods and techniques for meeting the purposes of subsection (a) of this section which the Commission determines cannot reasonably be accomplished under subsection (a) of this section or any other Federal program and are in accordance with the regional development plan.

(2) States may carry out such projects and demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through grants with public bodies and private nonprofit organizations.

(3) Such projects and demonstrations may be funded entirely from appropriations to carry out this title which are apportioned to the commissions by the Secretary or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds provided to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate. No component of any such project or demonstration shall receive financial assistance under this title, the Appalachian Regional Development Act of 1965 or title V of the Public Works and Economic Development Act of 1965 after five years following the commencement of any assistance for such component under one of the above Acts.

(4) Except as provided in subsection (c), grants for innovative projects and demonstrations under this subsection may be made for up to 80 per centum of the costs of any project.

(5) No grant shall be provided for an innovative program or demonstration project unless the Commission as a matter of policy determines in what respect the project is innovative and what it is intended to demonstrate and certifies that there is a reasonable plan to evaluate the results of the innovation or demonstration by an independent source and to disseminate the results.

(6) No more than 20 per centum of the funds available to any commission under this part shall be used for the purposes of this subsection or subsection (c) of this section, unless such commission determines that a greater percentage of such funds must be put to such use to implement a major objective of the regional development plan addressing a need shared by two or more States in the region.

(c) Each commission is authorized to make grants for the operation of any project, including initial operating funds which comprise, among other things, the cost of recruiting and training qualified personnel, for which the Commission determines that funds for operation are not available under any other Federal, State, or local program. A grant for the operation of any project shall be made only if the project or facility is not operated for profit. Such grants may be made for up to 100 per centum of the costs thereof for the two-year period which begins, for each component facility or service assisted under any such operating grant, on the first day that such facility or service enters into operation as a part of a project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of any project shall be made after five years following the commencement of such initial grant for operation of the project. No such grants shall be made unless the Commission is satisfied that the operation of the project will be conducted under efficient management practices designed to avoid operating deficits. The Federal contribution may be provided entirely from funds authorized under this section, or in combination with funds provided under other Federal programs.

(d) Financial assistance under this section shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law. Funds appropriated to carry out this title shall be available without regard to any limitations on authorization for appropriation in any other Act.

(e) No financial assistance shall be provided under this title to assist private establishments relocating from one area to another or to enable private contractors or subcontractors to undertake work theretofore performed in another area by other contractors or subcontractors. Section 704(e) of the Public Works and Economic Development Act shall apply to all financial assistance under this title.

(f) The authorities and requirements of this section and section 235 of this title shall supersede and replace the authority of sections 505(a), 509, 515, 516, and 517 of the Public Works and Economic Development Act of 1965.

(g) No commission shall provide financial assistance under this section for the purposes of allowing a recipient to use grant funds to make grants to profit-seeking business enterprises.

(h) No State and no political subdivision of such State shall be eligible to receive benefits under this title unless the aggregate expenditures of State funds exclusive of local funds (other than those originated as revenues collected by the State) and Federal funds, and, in the case of the Appalachian Regional Commission, exclusive of expenditures for participation in the National System of Interstate and Defense Highways, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of such expenditures for its last two full fiscal years preceding the date of enactment of this title. A commission may recommend a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of the last two years or when it finds that a State's average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region. Funds may be provided for programs and projects in a State under this title only if the commission determines that the level of Federal and State financial assistance under this title, and under Acts other than this title, for the same type of programs or projects in that portion of the State within the region will not be diminished in order to substitute funds authorized by this title.

(i) Each commission in providing assistance under this section shall afford first attention to areas affected by economic decline, and in addition shall address basic service needs in areas experiencing dislocation due to rapid growth, as appropriate.

COORDINATION

SEC. 237 (a) Taking into account all relevant national policies, the Secretary shall coordinate and provide for Federal policy guidance to the Federal Cochairmen.

(b)(1) There is hereby established the Regional Development Council, composed of the Federal Cochairman of the regional development commissions, which shall serve as a mechanism for consultation regarding policy and administrative improvements in the program authorized by this title. The Secretary shall select, after consultation with the members, one of its members to serve as chairman and one to serve as vice chairman. The council shall participate in the liaison and coordination responsibilities provided under section 251 of this title.

(2) There is hereby established in the Department of Commerce an Office of Regional Development, which shall be headed by a Director, appointed by the Secretary after consultation with the Chairman of the Regional Development Council, and composed of such staff as may be necessary to carry out its functions. Such Office shall perform such duties in support of the regional commissions as are prescribed by the Secretary, provide staff for the Regional Development Council, perform reviews and studies, assist the Federal Cochairman in the preparation of the budget for the commission program, facilitate intercommission relationships, and provide supplemental technical and support services as necessary for the Federal Cochairman. In addition such Office shall, subject to the provisions of this title, assist States in initiating Regional Commissions or proposed boundary modifications.

(c) The Secretary shall identify the basic areas in which minimum standards of fiscal responsibility and management, including uniform cost principles, must be adopted to assure that commission activities are consistent with the provisions of this title. The Secretary shall specify such minimum standards in regulations and require each regional commission to adopt them as part of their internal regulations. In addition, the

Secretary shall adopt, after consultation with the Council, procedures and regulations governing—

(1) the recognition of regions and changes in boundaries;

(2) records to be kept by commissions and recipients of commission funds;

(3) administrative policies and procedures developed by the commissions;

(4) the establishment and operation of a management information system covering activities authorized under this title.

(5) conditions under which the Secretary may withhold funds from a commission for violation of this title or any regulations adopted under this title.

(d)(1) Each commission shall develop and adopt administrative policies and procedures to prevent the overobligation of commission funds. Each commission, in accordance with this section, shall develop and adopt specific policies and procedures to promote economy and efficiency in the administration of its programs and operations and to prevent and detect fraud and abuse in such programs and operations.

(2) Each commission shall adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained.

(e) This section other than subsection (d) shall not apply in the case of the Appalachian Regional Commission. Such Commission shall consider adopting the minimum standards of fiscal responsibility and management and the procedures established under subsection (c) of this section.

(f) The Secretary shall evaluate on an annual basis the performance of the regional commissions, other than the Appalachian Regional Commission, in adhering to procedures and regulations established under this section and in implementing the provisions of this title.

BONDING, INSURANCE, LIABILITY

SEC. 238. (a) The executive director of a commission and such other employees as the Commission requires shall be bonded in such form and amounts as the Commission may require. The Commission may pay the premium for the bonds.

(b) The Commission shall purchase insurance and pay the premiums therefor against loss or damage to any of its personal property and against liability for injury to persons of property. Such insurance coverage shall be in such form and amount as the Commission may determine.

(c) The Commission shall be responsible for claims arising out of negligent acts or omissions of its officers, agents, and employees only to the extent prescribed by law generally with respect to officers, agents, and employees of the Government of the United States.

RECORDS AND AUDIT

SEC. 239. (a) Each Commission shall keep such records which will fully disclose the amount and disposition of the funds provided to the Commission, and such other records which will facilitate an effective audit. The records, books, and accounts shall be available for audit by any member of the Commission, the Secretary (except in the case of the Appalachian Regional Commission), and the Comptroller General of the United States or their duly authorized representatives.

(b) All recipients of assistance from a commission and all contractors of a commission shall keep such records which will fully disclose the amount and the disposition by each recipient of the proceeds of such assistance, the total cost of the project or activity for which such assistance is given or used, and the amount or activity supplied by other sources, and such other records which will facilitate an effective audit. The Secretary (except in the case of the Appalachian Regional Commission), the Commission, the Comptroller General of the United States or any of their duly authorized representatives shall have access for the examination and audit of any books, documents, and records of any and all recipients that are pertinent to assistance received under this part. Any recipient or contractor who fails to abide by this requirement or who refuses to readily make his books available for inspection and audit by those authorized to audit such records shall not be eligible for further funding under this part.

NONDISCRIMINATION

SEC. 240. No person in the United States shall, on the grounds of race, color, national origin, sex, or physical handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from a regional development commission.

SEC. 241. (a) There are authorized to be appropriated to the Secretary to carry out this title other than part A, to be available until expended, for each of the fiscal years 1980, 1981, 1982, and 1983, not to exceed $250,000,000.

(b) After deducting such amounts as are required for the administrative expenses of commissions other than the Appalachian Regional Commission, the Secretary shall distribute the remainder of the sums appropriated under this authorization for any fiscal year as follows:

(1) beginning in fiscal year 1981 any funds in excess of the sums appropriated for fiscal year 1980, but not to exceed 20 per centum of the total sum appropriated each year, may be set aside for the purposes authorized under section 235 (a) and (c) of this title.

(2) the balance of the sums appropriated to be provided to the eligible commissions (other than the Appalachian Regional Commission) to carry out the activities authorized under sections 235(b), 236, and 252 of this title, according to a formula to be developed by the Secretary after consultation with the commissions and the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

(c) Funds appropriated under this section shall be provided by the Secretary to each of the Federal Cochairmen for the benefit of the appropriate regional commission, in accordance with the distribution established under subsection (b) of this section. Obligation of such funds shall be approved by each commission in accordance with section 234 of this title. Each Federal Cochairman is authorized to receive and hold such funds, subject to the preceding sentence, on behalf of such Commission.

PART C

SEC. 250. This part may be cited as the "Regional Growth Policy Process Act".

SEC. 251. (a) The President shall establish an interagency committee, or use an existing committee, composed of a senior White House official (who shall chair such committee), the Chairman of the Regional Development Council, and senior officials of the departments and agencies concerned with regional development activities, to provide means for program coordination and support for the regional commissions and the Federal Government in determining policies and recommendations which will further the purposes of this title.

(b) The President shall assure the provision of effective liaison between the Federal Government and the regional commissions and access to Federal funding and technical assistance for regional development activities.

(c) The recommendations contained in each commission's regional development plan and regional growth policy recommendations shall be brought to the attention of the heads of the Federal departments and agencies by the committee established under subsection (a) and its Chairman, acting together with the Federal Cochairman, and a schedule shall be established by the Chairman for review and response by the agencies and departments affected. The Chairman shall assure that discussions necessary to the resolution of any issues occur between representatives of the commissions and those of the affected Federal departments and agencies. The Chairman shall also attempt to identify and encourage solutions to regional issues which involve the participation of two or more departments or agencies. The Chairman, in transmitting such plans and policy recommendations to the Federal departments and agencies, shall assure that, to the extent practicable, adjustments in policies and procedures necessary to the successful implementation of each commission plan will be made.

(d) To the extent practicable, the Federal Cochairman of a regional commission shall be appointed as chairperson of the appropriate Federal Regional Council.

(e) Each Federal department or agency shall, consonant with law, cooperate with such commissions in assisting them in carrying out their activities under this title and, to the maximum extent practicable, adjust its procedures and policies in order to assure—

(1) its participation in developing and implementing each Commission's regional development plan; and

(2) coordination among development programs and planning activities within States and between State and regional development programs and planning activities.

(f) Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs shall take steps to assure that, to the maximum extent practicable, such programs are not inconsistent with the goals, objectives, plans, and strategies established by the commissions pursuant to this title.

(g) Each Federal department and agency shall consult with the appropriate commission or commissions in advance of providing financial assistance to any multistate organization engaged in activities related to the purposes of this part.

SEC. 252. (a) Each Commission shall set requirements for State members to prepare and submit for Commission approval a development plan for their States in the region. Such plan shall be revised annually. Each State development plan shall reflect the goals, objectives, and priorities established in any regional development plan, shall be built upon an assessment of State problems and opportunities that involves the participation of State legislatures, local governments, the private sector, and substate planning and development organizations, and shall—

(1) describe the State organization and continuous process for comprehensive development planning, including the procedures established by the State for the participation of development districts in such process; the means by which such process is related to State budget processes; and the method of coordinating development planning, policies, and programs in the State under this title and other Federal and State programs;

(2) set forth the development goals, objectives, and priorities of the State and identify the needs and opportunities on which such goals, objectives, and priorities are based;

(3) describe the development program for achieving such goals, objectives, and priorities, including funding sources and recommendations for an implementing investment program, including specific projects to receive assistance under this title, in sufficient detail to explain their contribution to the goals, objectives, and priorities;

(4) describe the mechanisms established to assure appropriate opportunity for participation of the private sector in development planning and programing and to coordinate activities between public and private institutions;

(5) set forth a system for periodically evaluating in quantitative and qualitative terms, as appropriate, the effectiveness of plans, programs, and projects affecting the attainment of the goals, objectives, and priorities of the regional and State plans and programs.

(b)(1) Substate planning and development districts certified by the State under subsection (c) of this section provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, State shall consult with local planning and development districts, local units of government, citizens, and private sector organizations, and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of substate activities.

(2) Each Commission shall develop a plan for and as soon as practicable require the preparation and execution of areawide action programs which specify interrelated projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area. To the extent permitted under this title, State and substate planning processes shall be designed to coordinate and utilize to the maximum extent possible existing substate institutions and Federal, State, and local programs and projects in the affected areas and shall consider anticipated private as well as public investments.

(c) No entity shall be certified as a development district for the purposes of this title, unless the Governor finds that—

(1) it is one of the following:

(A) a nonprofit public body organized or chartered under the law of the State in which it is located;

(B) an agency or instrumentality of a State or local government;

(C) an agency or instrumentality created through an interstate compact; or

(D) a combination of such bodies, agencies, and instrumentalities;

(2) the proposed district is geographically and politically structured to carry out a comprehensive planning and development program;

(3) the district and its governing body have responsibility for all or most of the relevant development planning activities being undertaken in its area;

(4) it is part of a single statewide system of development districts;

(5) the governing body of the district is composed of at least a majority of local elected officials of general purpose local governments from the affected area.

Wherever possible, areawide clearinghouses designated by either the Office of Management and Budget or the Governor pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 as amended or title IV of the Intergovernmental Cooperation Act of 1968, as amended, shall be certified as substate planning and development districts pursuant to this section.

SEC. 253. (a) Within eighteen months after its establishment or after enactment of this title, whichever is later, each regional development commission shall prepare in consultation with Federal, State, interstate, private, and substate development organizations and local governments, a multiyear development plan for its region. The plan shall reflect and accommodate the goals, objectives, and priorities established in the State development plans accepted by the commission. The plan shall be built upon an assessment of regional problems and opportunities that involves the participation of State and local governments and the private sector in the regional development process and shall give due consideration to the planning and proposed activities of other Federal, State, interstate, substate, and local organizations and governments which may significantly affect the region. The plan shall include the following elements:

(1) a review of—

(i) prior regional studies of and plans for the region,

(ii) the current regional economy and the projected economy based on the best available data,

(iii) relevant plans of other public planning bodies and major private sector interests in the region,

(iv) multistate and shared problems requiring regional attention.

(v) the adequacy of existing Federal, State, and local programs and policies to meet the commission's goals and strategies;

(2) a framework for the continuing analysis of data needed to conduct effective regional development activities and to make decisions on programs and project selection;

(3) a determination of necessary and feasible regional goals, objectives, and priorities for regional development;

(4) a development program to achieve the commission's goals and objectives;

(5) strategies to implement the plan and recommended levels of Federal, State, and local funding for implementing Commission programs to attain the goals, objectives, and priorities; and

(6) criteria for the identification and selection of projects which are consistent with the goals of the Commission.

(b) Each Commission shall prepare an annual investment strategy on a Federal fiscal year basis to implement its regional plan. This strategy shall include (i) identification of specific Federal, interstate, State, and substate programs and projects which will assist the commission in regional development activities; (ii) proposed funding of activities under this title or the Appalachian Regional Development Act of 1965; and (iii) proposed policies which may be adopted by Federal departments and agencies and State and local governments in order to reflect in the administration of their programs and regulations, insofar as applicable statutes permit, perspectives, conditions, and approaches particular to each region and necessary to the successful implementation of the regional plans. Such strategy shall be transmitted to the committee established under section 251 and, except in the case of the Appalachian Regional Commission, the Secretary, prior to the start of the new fiscal year, and shall be used as the basis of consultation with the heads of Federal departments and agencies through the interagency mechanism described in such section.

(c)(1) Prior to a commission vote to approve a regional development plan or annual investment strategy under this section and after the preparation of any required environmental impact statement or assessment, the Federal Cochairman shall have a maximum of seventy-five days in which to review the plan or strategy and seek review by the Secretary in accordance with paragraph (2) of this subsection. The Federal Cochairman shall vote on the plan or strategy only after consultation with appropriate Federal departments and agencies, in order to assure that—

(A) the plan or strategy is consistent with national economic and social policies and trends,

(B) the plan or strategy addresses shared and interstate regional problems and solutions and provides a mechanism for project or program funding selection which adequately attends to such problems and needs, and

(C) the plan or strategy reflects interregional consistency and compatibility, so that the activities of a commission will not adversely affect the conditions in or plans of another region.

(2) Except in the case of the Appalachian Regional Commission, the plan described in paragraph (a) of this section shall be reviewed by the Secretary and may be disapproved within sixty days of transmittal, only if the Secretary determines that the requirements of paragraph (1)(A) and (C) of this subsection are not met by the plan.

(d) Each commission shall review its multiyear plan annually and undertake a formal assessment of such plan every five years.

(e) Notwithstanding section 234(a)(1) of this title, for a period not to exceed eighteen months after the establishment of a commission or the enactment of this title, whichever is longer, assistance may be provided under this title on the basis of State development plans and commission annual investment strategies.

SEC. 254. (a) The development planning process and the regional growth policy process shall reflect the goals, objectives, priorities, and recommendations of development districts and local governments as reflected in State development plans. To the extent practicable, the regional development plan, and annual investment strategies shall be developed from and shall incorporate such goals, objectives, priorities, and recommendations. The State, in the preparation of a State development plan, and the Commission, in the preparation of the regional development plan and annual investment strategies, shall accommodate and to the extent practicable harmonize the diverse goals, objectives, priorities, recommendations, and needs identified by development districts and local governments.

(b)(1) To the maximum extent practicable, planning processes required or assisted under this title shall be based on and not duplicate existing planning processes and institutions, and shall make appropriate use of any existing plans for the affected area. Planning assisted under section 302 of the Public Works and Economic Development Act shall be integrated to the maximum extent practicable with planning required or assisted under this title, and such planning shall be conducted in conjunction with the review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968.

(2) Each commission shall establish a satisfactory process of consultation with general purpose local governments and local planning and development districts to assure compliance with section 252(a), (b)(1) and (b)(2) and section 253(a). Such process of consultation shall provide that any local government or development district may petition to the commission for review of any action of a State or the commission inconsistent with such sections.

(c) Public and private sector participation in the development of the goals, objectives, and priorities of regions, States, and development districts shall be provided for, encouraged, and assisted. Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity for public and private sector participation in the establishment of such goals, objectives, and priorities.

SEC. 255. When used in this title.

(1) The term "regional development"

means the selective management of resources and activities toward the achievement of regional goals in the approved regional plan, including those goals affecting human and cultural resources, institutional, community, and economic development;

(2) The term "commission" refers to a regional development commission established pursuant to this title, the Appalachian Regional Development Act of 1965, or title V of the Public Works and Economic Development Act of 1965, unless the context indicates otherwise;

(3) The term "Secretary" means the Secretary of Commerce;

(4) The term "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories of the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands;

(5) The term "Governor" includes the chief executive officers of the territorial and political units included in the definition of the term "State";

(6) The term "regional growth policy process" means the process of developing and communicating recommendations affecting shared and interstate problems of growth and decline set out in the regional plan and annual investment strategy with specific reference to policy recommendations applicable to the Federal, State, and local governments and necessary to the successful implementation of the plan and strategy;

(7) The term "substate planning and development district" is a multijurisdictional entity certified to a regional development commission either by the Governor or legislature of the State in which such entity is located, or by the State officer designated by State law to make such certification, as having responsibility for continuous, coordinated, comprehensive public facilities and services planning. Unless otherwise provided under State law, local development districts previously certified pursuant to the Appalachian Regional Development Act of 1965 and economic development districts designated pursuant to the Public Works and Economic Development Act of 1965 shall be recognized as substate planning and development districts certified pursuant to this paragraph; and

(8) The term "annual investment strategy" means the annual project packages, investment programs, or proposed funding elements of the member States as approved by the Commission and certified by such Commission to be consistent with and in furtherance of an approved regional development plan.

Sec. 256. (a) Each regional commission shall make a full and detailed report each fiscal year to the Congress, each State member, and the Secretary with respect to the commission's past and proposed activities. The first such report shall be made for the first fiscal year in which a commission has been in existence for more than three months after enactment of this title. Such reports shall be printed and transmitted to the Congress not later than six months after the end of the fiscal year for which the report is made.

(b) Each biennium, each regional commission, with the assistance of the Secretary (except in the case of the Appalachian Regional Commission), shall submit a report to the Congress of the economic trends, development inhibitors, growth opportunities, and other relevant economic and social data for each region.

Sec. 252. Within six months after the first biennium after enactment of this title, the President shall conduct a comprehensive review of the commissions operating under the authority of this title. This review shall include, among other things, an evaluation of the commissions' program effectiveness, a determination of the effectiveness of Department of Commerce management and support of commissions, any recommendations for preferred placement of the program in the executive branch, and an assessment of the progress made in unifying and coordinating federally assisted regional, State, and substate development programs and planning activities. Within eighteen months after enactment of this title, the President shall conduct a review of the appropriateness of regional commission and Federal Regional Council boundaries. The President shall report the results of such reviews to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

Sec. 258. (a) There is hereby established a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission. Within one year after enactment of this section, the Commission shall, subject to the concurrence of the State, designate one university in each border State for membership in the system of Institutes.

(b) It shall be the duty of each such Institute to initiate and support research programs in the various fields relative to border problems and to provide for educational programs and the training of specialists through such research, investigations, and experiments. Such research, investigations, experiments and training may include population issues; water, land and air resource issues; and other aspects of border resource problems, including the dissemination of the results of research deemed potentially significant for the solution of border resource problems.

(c) The Commission is hereby charged with the responsibility for the funding and proper administration of the Institutes and shall prescribe such rules and regulations as may be necessary to carry out these provisions. The Commission shall furnish such advice and assistance as will best promote the purposes of the Institutes and encourage and assist in the establishment and maintenance of cooperation by and between the Institutes and between them and other research organizations.

Mr. BURDICK. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read as follows:

A bill to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for multistate regional development commissions to promote balanced development in the regions of the Nation.

Mr. BURDICK. Mr. President, I ask unanimous consent that 200 copies of S. 914 be printed for the use of the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

FISHERY CONSERVATION AND MANAGEMENT AUTHORIZATIONS

Mr. PACKWOOD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 917.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 917) entitled "An Act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That section 406 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1882) is amended by inserting at the end thereof the following:

"(6) $33,000,000 for the fiscal year ending September 30, 1980.

"(7) $40,000,000 for the fiscal year ending September 30, 1981.

"(8) $47,000,000 for the fiscal year ending September 30, 1982.".

Sec. 2. (a) The last sentence of section 302(a)(6) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1852(a)(6)) is amended to read as follows: "The Pacific Council shall have 15 voting members, including 10 appointed by the Secretary pursuant to subsection (b)(1)(C) (at least 2 of whom shall be appointed from each of the States of California, Oregon, and Washington, and 1 of whom shall be appointed from the State of Idaho).".

(b) Of the 2 additional voting members of the Pacific Regional Fishery Management Council provided for by subsection (a), the Secretary of Commerce shall appoint one such member to serve an initial term of 1 year beginning on August 11, 1979, and one such member to serve an initial term of 2 years beginning on such date.

Mr. PACKWOOD. Mr. President, I would like to commend Senator MAGNUSON for the strong support he has given to this legislation in the Commerce Committee. I would also like to thank Senator MAGNUSON for his help and his leadership on section 3 of this bill, an amendment which he has named the Packwood-Magnuson amendment.

Mr. President, the policy of our Nation for many years has been to support international conservation agreements. Among the conservation efforts which the United States has supported is the worldwide effort to protect the great whales from extinction. The Packwood-Magnuson amendment puts real economic teeth into our whale conservation efforts.

The core of the Packwood-Magnuson amendment is simply that any foreign nation which directly or indirectly conducts whaling operations or allows its nationals to conduct whaling operations or engage in trade in whale products in disregard of the conservation regulations of the International Whaling Commission shall be denied access to the rich fishery resources of our 200-mile zone. This amendment has been drafted and redrafted to incorporate provisions suggested by Members of the House of Representatives and by administration officials, and others, but the core of the amendment remains unchanged.

There is widespread public support for this action, and the amendment is consistent with our national policy of support for the IWC. Finally, Mr. President, I want to thank Chairman MAGNUSON again for his support and urge passage of the legislation.

Mr. President, this is a relatively simple bill. It is the reauthorization of the Fishery Conservation and Management Act. There is one very important amendment in it which would take the United States a long way toward prohibiting illegal whaling in the world. This amendment that Senator MAGNUSON and I are offering which the House is going to accept will prohibit those nations which violate the conservation regulations of the International Whaling Commission from fishing within our 200-mile zone. As Senator MAGNUSON and I had initially drafted it, it would have prohibited them from totally fishing in the zone if they violated the conservation regulations, but it would not have prohibited it until their permit to fish within the zone had to be renewed, and that would be up to a year.

Consequently, in working with the House managers we have reached a compromise which says that if any nation that fishes within the 200-mile zone violates the whaling conservation regulations, they will immediately, not having to wait until their permit can be renewed, lose 50 percent of their allocation for fishing within our 200-mile zone. If between that time and the time of the renewal of the permit they have not brought themselves in compliance with the regulations of the International Whaling Commission they will totally lose the right to fish in our 200-mile zone.

The reason that this amendment will be so effective is because it is going to force Japan and Russia, which are the two principal violators of the International Whaling Commission regulations, to choose between the continued taking and/or buying of illegal whale meat, to choose between that privilege and the privilege of fishing in our 200-mile zone. The privilege of fishing in our 200-mile zone is an infinitely superior economic privilege and any country in its right mind when forced to the decision between fishing in the 200-mile zone and giving up illegal whaling is going to give up illegal whaling. This amendment would have the effect of forcing that decision, and it is probably the most significant step this country can take toward protecting the remaining whales of the world.

Mr. MAGNUSON. Will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. MAGNUSON. Mr. President, I support the amendment concerning whaling just discussed by the Senator from Oregon. I think we have come a long way in the international whaling agreement. I think it is because of the efforts of the Senator from Oregon, and others of us, that the Japanese decided not to proceed with their whaling operations. The major part of the bill, of course, is reauthorizing appropriations for the Fishery Conservation and Management Act of 1976. It merely extends the so-called 200-mile-limit zone for a 3-year period. This amendment has been agreed to by almost everyone. The amendment is in the nature of a substitute to the bill as it passed the House. I do not think there will be any problem at all in the House. The time is running out for the 200-mile-limit and must be extended.

Mr. President, this bill reauthorizing appropriations for the Fishery Conservation and Management Act of 1976 is an important piece of legislation. This is an amendment, in the nature of a substitute, to this bill as it passed the House.

Section 1 of this bill reauthorizes the FCMA for 3 years, in the amounts of $33 million for fiscal year 1980, $40 million for fiscal year 1981, and $47 million for fiscal year 1982.

Section 2 of this bill is an amendment to section 4311 of the Revised Statutes. Its purpose is to remedy an unforeseen inconsistency in the relationship between the U.S. vessel documentation requirements and the FCMA. This issue is explained in more detail in the Senate report on S. 917. (S. Rep. 9672) The amendment merely remedies an unforeseen and certainly unintended interpretation by the Coast Guard that would have allowed foreign-built fishing vessels to operate with all the privileges of U.S. fishing vessels between the 3-mile territorial sea and the 200-mile limit of our fishery management jurisdiction.

It bears repeating that this amendment does not apply to processing vessels. It applies only to vessels engaged in harvesting fish from our 200-mile jurisdiction. I also want to redirect the National Marine Fisheries Service's attention to the Senate Commerce Committee's request to study all the implications of using foreign-built processing vessels in our zone. It is only appropriate that there a thorough study of this matter and the consequences of a U.S. construction requirement extending to processing vessels before any recommendation be made to limit the stay of such vessels in our waters. It is also imperative that this study be made in close cooperation with the affected segments of the fishing industry and with the Marine Fisheries Advisory Committee.

The administration in comments on section 2 of this bill has stated:

> With respect to international fisheries matters, it is our understanding that this amendment is not intended to affect foreign fishing under the Fishery Conservation and Management Act (FCMA), the Governing International Fishery Agreements (GIFA's) or other fishery agreements to which we are party. It is also our understanding, which we believe should be made clear in the amendment process, in light of the provisions of the Covenant to Establish a Commonwealth of the Northern Mariana Islands, in Political Union with the United States of America, that Section 2 of S. 917 would not preclude the use of foreign-built vessels by fishermen of the Northern Mariana Islands (NMI) when fishing in the fishery conservation zone or from landing their catch. Bearing in mind the great importance of these vessels to the development of indigenous NMI fisheries, the Department is particularly concerned that the proposed amendment is clear in this respect.

The administration is correct in both regards. First, the amendment does not affect foreign fishing under the FCMA, GIFA's or other such agreements. And second, the amendment is not intended to preclude the use of foreign-built vessels by fishermen of the Northern Mariana Islands when fishing in the FCZ or from landing their catch.

The last important amendment to this bill, section 3, is the Packwood-Magnuson amendment designed to provide important teeth to this country's commitment to provide greater worldwide protection for the world's whale populations. If a foreign country is certified by the Secretary of Commerce for violating or diminishing the effectiveness of international whaling regulations or for engaging in trade that diminishes the effectiveness of the international regime regulating the taking of whales, then that nation will be denied access to fish in our 200-mile fishery conservation zone. This amendment is a significant addition to the sanctions presently available under the Pelly Amendment (22 U.S.C. 1978).

There are several things that should be pointed out in this regard. First, the Japanese Government recently prohibited the importation of whale products from non-International Whaling Commission member nations. This action of the Japanese should be sincerely commended—it is a significant step forward. However, this does not mean that the Japanese traders should become complacent now or misread the intent of this amendment. If Japan or any other nation imports whale products from IWC member countries and this trade is merely a routing mechanism for whales taken outside international regulation, such as by the pirate ship *Sierra*, or otherwise diminishes the effectiveness of whale programs described earlier, then this amendment will still be invoked.

The other feature of this amendment is that it provides some flexibility to the administration so that a nation so certified by the Secretary is not completely excluded from our 200-mile zone on the date of certification. That nation's allocations must be immediately reduced by at least 50 percent but if the nation remedies the situation quickly it can regain its full allocation. However, if the situation is not fully remedied within 1 year, that nation will be completely banned from our fishery conservation zone.

Mr. President, S. 917 is a significant and important piece of legislation, and I urge my colleagues to support its immediate passage.

Before closing, Mr. President, I would like to commend the commitment and hard work of Senator PACKWOOD, who has worked so hard during his years in the Senate to provide the maximum protection we can to the world's whale populations. Senator PACKWOOD deserves great credit for his efforts.

I thank the Senator from Oregon.

Mr. PACKWOOD. I thank the Senator.

Mr. CANNON. Mr. President, the amendment to be offered by Senator MAGNUSON to S. 917 has been agreed to by both the majority and minority members of the Senate Commerce Committee and the House Merchant Marine and Fisheries Committee, and I urge my colleagues to support its immediate passage.

Section 1 of the bill reauthorizes the Fishery Conservation and Management Act for 3 years. Section 2 of the act is an amendment by Senator MAGNUSON to amend a loophole that has developed in the interplay between the FCMA and the vessel documentation laws. Section 3 is the Packwood-Magnuson amendment that will significantly increase the U.S.

ability to protect the world's whale populations.

This bill is an important step forward for demonstrating our concern over the fate of the ocean's whale populations and its immediate passage is important.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, I move the adoption of the amendment in the nature of a substitute.

The PRESIDING OFFICER. The question is on a motion to concur in the amendment of the House.

Without objection, the motion is agreed to.

AMTRAK IMPROVEMENT ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 712, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar No. 194, a bill (S. 712) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

The Senate proceeded to consider the the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Amtrak Improvement Act of 1979".

DEFINITIONS

SEC. 2. Section 102 of the Rail Passenger Service Act (45 U.S.C. 502) is amended—

(1) in paragraph 4 thereof, by striking out "Act," and inserting in lieu thereof "Act until October 1, 1979, on or after which date 'basic system' means the system of intercity rail passenger service designated by the Secretary under section 4 of the Amtrak Improvement Act of 1978 (Public Law 95-421) and approved by the Congress, and changes thereto made by the Corporation using the Route and Service Criteria."; and

(2) by adding at the end thereof the following new subsection:

"(10) 'Route and Service Criteria' means the Criteria and Procedures for Making Route and Service Decisions established pursuant to section 403(d) of this Act.".

PURPOSE OF CORPORATION

SEC. 3. The second sentence of section 301 of the Rail Passenger Service Act (45 U.S.C. 541) is amended by inserting immediately after "intercity rail passenger service," the following: "to improve the ratio of revenues to expenses incurred in providing such service,".

GENERAL POWERS OF THE CORPORATION

SEC. 4. Subsection (1) of section 305 of the Rail Passenger Service Act (45 U.S.C. 545(1)) is amended by striking out the words "security guards" each place they appear and inserting in lieu thereof the words "railroad police".

APPLICABILITY OF OTHER LAWS

SEC. 5. Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is amended—

(1) in subsection (a) thereof, (A) by striking out the period in paragraph (3) and inserting in lieu thereof the following: ";

"(4) the issuance of securities or the assumption of any obligation or liability in respect of the securities of others.";

(2) in subsection (j)(2) thereof, by striking out "motor carrier." and inserting in lieu thereof "domestic or international motor, air, or water carrier."; and

(3) by adding at the end thereof the following new subsections:

"(l) The Corporation shall not be subject to any State or local law pertaining to pay periods or days for payment of employees.

"(m) The Corporation shall be deemed to be qualified to do business in each State in which it performs any activity authorized under this Act. In connection therewith the Corporation shall accept service of process addressed by certified mail to its Corporation Secretary at its principal office and place of business located in Washington, District of Columbia.".

SERVICE CHANGES

SEC. 6. Section 403 of the Rail Passenger Service Act (45 U.S.C. 563) is amended to read as follows:

"Sec. 403. Service Changes.

"(a) After October 1, 1979, all route additions and discontinuances by the Corporation shall be in accordance with the Route and Service Criteria.

"(b)(1)(A) Any State, regional, or local agency may request of the Corporation rail passenger service beyond that included within the basic system. The Corporation shall institute such service under an agreement if the State, regional or local agency agrees to reimburse the Corporation for 50 percent of solely related costs and associated capital costs of such service if service can be provided with the resources available to the Corporation and if it is consistent with the following requirements:

"(i) The State or agency must make an adequate assurance to the Corporation that it has sufficient resources to meet its share of the costs of such service for the period such service is to be provided under this section.

"(ii) The State or agency has conducted a market analysis acceptable to the Corporation to insure that there is adequate demand to warrant such service.

An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than 2 years. Any decisions which are likely to have a significant effect on the scheduling, marketing, or operations of the service provided pursuant to this section shall be made by contract or other agreement between the Corporation and the State or agency which is obligated to reimburse the Corporation for all or part of the operating loss, and associated capital costs, of such service. The State or agency shall be entitled to reimbursement for staff services in an amount equal to 3 percent of the Corporation's share of operating losses and associated capital costs.

"(B) If more than one application is made for service and all applications are consistent with the requirements of this subsection, but all the services applied for cannot be provided with the available resources of the Corporation, the Board of Directors shall decide in its discretion which application or applications best serve the public interest and can be provided with the available resources of the Corporation, except that a proposal for State support of a service deleted from the basic system in effect prior to October 1, 1979, or the basic system in effect after such date, shall be given preference.

"(C) The Board of Directors shall establish the basis for determining the solely related costs and associated capital costs and the total revenue of the service provided pursuant to this subsection. The Corporation, at the request of States, may conduct studies during the fiscal year ending June 30, 1976, to determine benefits of seasonal routes to recreational areas.

"(2) The Corporation is authorized to operate commuter rail passenger service under an agreement with a State (or local or regional transportation agency) if such State or agency agrees to reimburse the Corporation for the avoidable cost of operating such commuter rail passenger service. For purposes of this subsection, the term 'commuter rail passenger service' means rail passenger service operated in metropolitan and suburban areas, usually characterized by reduced fare, multiple-ride, and commutation tickets and by morning and evening peak period operations. The Board of Directors shall establish the basis for determining the avoidable cost of the service provided pursuant to this section. An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than 2 years. Funds appropriated for capital costs of the basic system pursuant to section 601(b)(1)(B) of this Act shall not be available to purchase equipment or make capital improvements to facilities principally for the purpose of providing commuter rail passenger service.

"(3) Five percent of all revenues generated by each particular route operated under the authority of section 403(b) of this Act, shall be dedicated to advertising and promotion of such service on a local level.

"(c) Unless it has entered into a contract with the Corporation pursuant to section 401(a)(1) of this Act, no railroad may discontinue any intercity passenger train whatsoever prior to January 1, 1975, the provisions of any other Act, the laws or constitution of any State, or the decision or order of, or the pendency of any proceeding before a Federal or State court, agency, or authority to the contrary notwithstanding. On and after January 1, 1975, passenger train service operated by such railroad may be discontinued under the provisions of section 13a of the Interstate Commerce Act. Upon filing of a notice of discontinuance by such railroad, the Corporation may undertake to initiate passenger train operations between the points served.

"(d)(1) Within 120 days after the date of enactment of this subsection, the Board of Directors of the Corporation shall study, develop, and submit to the Secretary, to the Commission, and to the Congress an initial proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services. Such criteria and procedures shall include, but need not be limited to—

"(A) methods for evaluating the economic and environmental impact of any addition or discontinuance of intercity rail passenger service including an evaluation of the economic impact to the Corporation and to the Nation of the addition of new service points along existing or new intercity routes within the Northeast corridor;

"(B) methods for evaluating the effects of any such addition or discontinuance on connecting parts of the national system of intercity rail passenger service;

"(C) methods for estimating, with respect to any such addition or discontinuance, the population to be affected, the demand for intercity rail passenger service, the revenue per passenger mile, and the effect on capital costs and revenue of the Corporation;

"(D) methods for evaluating the availability of alternative modes of transportation;

"(E) methods for giving public notice of, and obtaining public comments on, any such addition or discontinuance; and

"(F) methods for establishing a priority ranking system for routes and trains to meet the needs of the public convenience and necessity for a balanced transportation system, taking into consideration the criteria and procedures referred to in subparagraphs (A) through (E) of this paragraph, together with such other criteria as the Board of Directors deems appropriate.

"(2) Within 150 days after the date of enactment of this subsection, the Secretary and the Commission shall submit to the Congress and to the Board of Directors of the Corporation their comments on the initial proposal setting forth criteria and procedures developed by the Board of Directors of the Corporation, together with such recommendations, as they may deem appropriate.

"(3) Within 30 days after receipt of comments submitted by the Secretary and the Commission under paragraph (2) of this subsection, the Board of Directors of the Corporation shall consider such comments and shall submit to the Congress a final proposal setting forth the criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services within the national system of intercity rail passenger services. The criteria and procedures set forth in such final proposal shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of its submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve such a final proposal. If no resolution is adopted as providing in the preceding sentence, the Corporation may add or discontinue routes and services in accordance with the criteria and procedures set forth in the final proposal, notwithstanding the provisions of section 13a of the Interstate Commerce Act or of section 404(b)(3) of this Act, relating to discontinuance of service within the basic system. Service beyond the basic system referred to in section 404(b)(2) of this Act shall not be discontinued under this subsection until March 1, 1977. For purposes of this paragraph, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded from the computation of the 60-day period."

CONFORMING AMENDMENT

SEC. 7. Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is hereby repealed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended by adding at the end thereof the following new subsection:

"(b)(1) There are authorized to be appropriated to the Secretary for the benefit of the Corporation:

"(A) for the payment of operating expenses of the basic system, including the Northeast corridor, and for operating and capital expenses of rail passenger service provided pursuant to section 403(b) for those trains in operation on September 30, 1979, not to exceed $581,300,000 for the fiscal year ending September 30, 1980, and not to exceed $610,000,000 for the fiscal year ending September 30, 1981;

"(B) for the payment of the costs of capital acquisition or improvements to the basic system, not to exceed $122,000,000 for the fiscal year ending September 30, 1980, and not to exceed $223,000,000 for the fiscal year ending September 30, 1981;"

"(C) for the payment of the principal amount of obligations (other than leases) of the Corporation which are guaranteed by the Secretary pursuant to section 602 of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1980, not to exceed $25,000,000 for the fiscal year ending September 30, 1981;

"(D) for the payment of operating and capital expenses for service commenced pursuant to section 403(b) of this Act on or following October 1, 1979, not to exceed $10,000,000 for the fiscal year ending September 30, 1980, and not to exceed $10,000,000 for the fiscal year ending September 30, 1981; and

"(E) for labor protection payments required pursuant to section 405 of this Act, not to exceed $50,000,000 for the fiscal year ending September 30, 1980, and not to exceed $32,000,000 for the fiscal year ending September 30, 1981. Any sums authorized by this subparagraph which remain available after such labor protection payments are made shall be made available to the Corporation for use in the payment of expenses and costs in accordance with subparagraphs (A) and (B).

"(2) Funds appropriated pursuant to this section shall be made available to the Secretary during the fiscal year for which appropriated except that appropriations for capital acquisitions and improvements may be made in an appropriations Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation. Funds appropriated shall remain available until expended. Appropriated sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with (A) the Secretary's budget request as approved or modified by Congress at the time of appropriation and (B) guidelines established by the Secretary. Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days, unless the Corporation, for good cause, requests more frequent payment before the expiration of any 90-day period.

"(3) Funds appropriated for capital grants pursuant to this subsection shall be paid to the Corporation in each fiscal quarter, and such grants may be used by the Corporation for temporary reduction of outstanding loan balances, including loans guaranteed by the Secretary pursuant to section 602 of this Act.".

TECHNICAL AMENDMENT

SEC. 9. Subsection 602(d) of the Rail Passenger Service Act (45 U.S.C 602(d)) is amended by inserting the words "or clause (C) of section 601(b)(1)" immediately after the words "section 601(a)".

ADEQUACY OF SERVICE

SEC. 10. Section 801 of the Rail Passenger Service Act (45 U.S.C. 641) is repealed.

INTERMODAL TERMINAL PROGRAM

SEC. 11. The first sentence of paragraph (5) of section 4(1) of the Department of Transportation Act (49 U.S.C. 1653(1)(5)) is amended by striking out "within two years following the approval of the application for Federal financial assistance under this subsection." and inserting in lieu thereof "within such a time period as is established by the Secretary.".

REPORT ON REVENUES AND EXPENSES

SEC. 12. Title VIII of the Rail Passenger Service Act is amended by adding at the end thereof the following new section:

"REVENUE REPORT

"SEC. 808. Within 60 days of the end of each fiscal year beginning with fiscal year 1981, the Corporation shall report to the Congress on the ratio of revenue to total expenses on all routes in the basic system. As part of such report, the Corporation shall specifically identify those train routes which did not achieve a 50 percent revenue-to-expense ratio, and the Corporation shall include statements explaining the reasons which prevented such ratios from being achieved.".

SYSTEMWIDE SPEED GOAL

SEC. 13. The Secretary of Transportation, in consultation with the Corporation, shall study the potential benefits of a 55-mile per hour speed goal, and determine the desirability and costs of attaining such a goal. Within 12 months of the date of enactment of this section, the Secretary shall report to the President and the Congress on the results of such study.

IMPLEMENTATION OF THE NEW ROUTE PLAN

SEC. 14. Section 4(g) of the Amtrak Improvement Act of 1978 (Public Law 95-421) is amended by adding before the period at the end of the sentence the following: ": *Provided, however*, That implementation of the Secretary's recommendations which require: (1) operation over rail lines not used in intercity passenger service upon the date of approval thereof; (2) use of new facilities; or (3) new labor agreements, may be deferred by the Corporation until any necessary capital improvements in such rail lines or facilities, or required labor agreements, are made, to permit service that is equivalent or improved service and is consistent with the goals contained in subsection (a) of this section: *And provided further*, That pending deferred implementation of such recommendations, the Corporation may provide substitute service over existing routes without reference to the Criteria and Procedures for Route and Service Decisions issued pursuant to section 403(d)(3) of the Rail Passenger Service Act".

EXTENSION OF AUTHORITY TO ISSUE AND SELL FUND ANTICIPATION NOTES

SEC. 15. (a) Section 505(e) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(e)) is amended by striking "1979," and inserting in lieu thereof "1980".

(b) Sections 507(a) and 507(d) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 827 (a) and (d)) are amended by striking out "1979" and inserting in lieu thereof "1980".

(c) Section 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 829) is amended by striking "1979" each place it appears therein and inserting in lieu thereof "1980".

The PRESIDING OFFICER. The Senate will be in order.

Time for debate on this bill is limited to 2 hours, to be equally divided between and controlled by the Senator from Louisiana (Mr. LONG) and the Senator from Oregon (Mr. PACKWOOD), with 40 minutes on any amendment except an amendment on train fares to be offered by the Senator from Tennessee (Mr. BAKER), on which there shall be 20 minutes; and 20 minutes on any debatable motion, appeal, or point of order.

Who yields time?

WINDFALL PROFITS AND THE ENERGY PROGRAM

Mr. DANFORTH. Mr. President, before we get to the question of Amtrak, I would like to——

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, I yield myself 1 minute.

Before we get to the Amtrak question, I would just like to point out some facts that were elicited in the Finance Committee today with respect to the windfall profits tax.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators desiring to carry on conversations are asked to leave the floor.

Mr. DANFORTH. Mr. President, the justification that the administration has put forth for a windfall profits tax,

which heretofore I have supported, is that $142 billion will be needed between now and 1990 to pay for the administration's energy program.

Mr. President, may we have order?

The ACTING PRESIDENT pro tempore (Mr. BRADLEY). The Senate will be in order.

Mr. DANFORTH. The justification put forth for the windfall profits tax was that $142.5 billion was needed by 1990 to finance the administration's energy program.

It was elicited in the Finance Committee today, from the staff of the Joint Committee on Taxation and from the Treasury Department, that without any windfall profits tax, increased income taxes by virtue of decontrols plus royalties would produce for the Federal Government additional income of $173 billion over this period of time.

In addition to that, the windfall profits tax would produce another $105 billion, or a total of $278 billion by 1990, to be raised by a combination of income taxes, royalties, and windfall profits taxes. That amount of $278 billion exceeds the administration's needs for an energy program by $135.5 billion.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, the unanimous-consent order provides that the time on this measure be equally divided between the Senator from Louisiana (Mr. LONG) and me, for 2 hours. Senator DANFORTH will be handling the bill in behalf of the minority; therefore I ask unanimous consent that the 1 hour of controlled time in behalf of the minority be transferred to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that Bill Johnson of the staff of the Commerce Committee be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. Mr. President, I ask unanimous consent that Pam Weller of my staff have the privilege of the floor during the debate and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. I yield myself such time as I may require.

Mr. President, the bill we are now calling up (S. 712) authorizes appropriations for Amtrak for 2 additional years.

I would like to begin my remarks today by clearly stating that the purpose of this legislation is to improve Amtrak operations—and I want to emphasize the word "improve." In reporting this legislation, it was not the intent of the Commerce Committee, nor do I believe that it was the intent of the administration in recommending a smaller Amtrak route system, to impede the development of a first-class rail passenger system in this country. In calling for a reduction in the Amtrak system the intent was to eliminate those trains representing an unreasonable waste of limited resources. Amtrak's President, Alan Boyd, has stated on numerous occasions, including in testimony before the Surface Transportation Subcommittee, that Amtrak must have a smaller system if it is to have any hope of providing improved service.

It is my own belief that we do much greater harm to the cause of improving rail passenger service if we continue to press for higher and higher operating subsidies for a system that Amtrak cannot possibly manage and operate. The more logical and prudent approach is to bring the Amtrak system into line with the realities of the marketplace and the resources available to Amtrak.

Mr. President, I asked unanimous consent 15 minutes ago that Bill Johnson be permitted to be in the Chamber during the consideration of this measure. I am informed that the Doorkeeper is keeping him outside. I ask that the Sergeant-at-Arms be directed to find Mr. Johnson and bring him in here.

The ACTING PRESIDENT pro tempore. The Sergeant-at-Arms will find Mr. Johnson and bring him into the Chamber.

Mr. LONG. All right.

In order to fully understand the need for a reduction in the Amtrak route system, I would like to briefly review Amtrak's 8-year history. Amtrak was created in 1970 as a way of maintaining and improving rail passenger service in this country. The Government gave Amtrak $40 million in direct "seed money" subsidies and another $100 million in guaranteed loan authority. Over the years, the deficit grew yet service deteriorated. During the energy crisis in 1973–74 ridership increased substantially, but dropped immediately after the crisis ended. Throughout the 8-year period, Amtrak continued to add new routes without any ability to effectively evaluate the performance of the new or even existing routes. The gap between revenues and expenses continued to widen to the point where Amtrak was this year only recovering one-third of its costs through the fare box—the remainder was coming from taxpayer subsidies, Compared to the $40 million subsidy Amtrak began with, its operating subsidy alone reaches $600 million today.

In an effort to reduce its growing subsidy needs and eliminate unproductive routes, Amtrak in 1977 attempted to eliminate some of its low performance trains. The congressional response to that management initiative was to demand that Amtrak continue to operate all trains, regardless of the cost, regardless of the poor ridership figures, and regardless of the energy inefficiency inherent in those ridership figures. As a result, Amtrak has kept the trains running—all 27,000 route miles—at a total cost of some $3 billion in direct subsidies and another $900 million in loan guarantees.

Last year, Congress said enough is enough. If the majority of intercity passengers will not support rail passenger service through usage, how can the Federal Government continue to justify compelling the 99 out of 100 taxpayers who do not ride the trains to pay two-thirds the fare for the less than 1 in 100 who patronizes the rail passenger system. This is an appalling level of subsidy and the taxpayer has every right to demand that we produce an efficient, effective, and beneficial passenger rail system and quit throwing good money after bad.

The decision was made to try and rationalize the route system—an approach supported by a General Accounting Office study entitled "Amtrak's Subsidy Needs Cannot Be Significantly Reduced Without Reducing Service." And what is the alternative to the rationalization of Amtrak's routes—the expenditure of billions of dollars for new facilities and equipment. Several weeks ago, we heard one of our colleagues tell us that if we had only provided billions of dollars 5 years ago in subsidies for equipment, we would have a much better system today. My answer to that is simply this: how in the world can anyone justify the expenditure of billions of taxpayer dollars on a system that less than three-tenths of 1 percent of the traveling public is using? Furthermore, how can we justify such subsidies in the public section when we have an intercity bus system, operating in the private section, that is totally capable of providing energy efficient, low cost, public transportation?

There has been a great deal made of the direct and indirect subsidies that have gone into both our highway and air systems. The fact of the matter is that people are using these other modes: until very recently, people were not using Amtrak. In point of fact, Amtrak carried less passengers in 1978 than it did in 1977. No one is seriously arguing against subsidies to Amtrak or any other mode: the issue is whether or not the public benefit offsets the expenditure. It only takes a quick trip to the beltway or out to National Airport to confirm that people are using the highways and airports. Until the recent energy problem the same could not be said for Amtrak. But let me say that for my part, I would rather see us eliminate a substantial part of the system rather than continue on our present course of spending billions of dollars on a system that is only utilized in crisis situations.

I might add at this point that even with the energy shortage and increased ridership on Amtrak, many of the trains in the current system are still running less than half full. The fact remains that as long as people can ride their automobiles or airplanes, they will prefer those modes over Amtrak or any other rail passenger service.

What then should be the solution? I believe in the short term, Amtrak must rationalize its route system so that management can run the railroad the way it ought to be run. In the long run, if public demand warrants it, the Federal Government should provide the necessary funds for capital improvements and new equipment for a totally modernized rail system. But for the moment, we cannot escape the problem that Amtrak has too much mileage and not enough equipment or manpower to provide decent service.

Mr. President, I would like to now turn to S. 712, the authorizing legislation that will provide funds for a reduced, manageable Amtrak system. While it is true that,

in reporting this legislation, the committee accepted the Secretary's route recommendations terminating a substantial portion of Amtrak's more costly and unproductive route miles, the committee has not shut its eyes to the problems associated with the route plan or to the fact that external factors have changed since the publication of the route recommendations and since S. 712 was reported out of committee. On the contrary, the committee has attempted to deal fairly and honestly with new information concerning ridership increases, energy problems, and other problems associated with implementation of the new route structure.

Since S. 712 was reported out of committee, we have experienced an energy shortage which produced a surge in Amtrak ridership. The Department of Transportation has since abandoned its original proposal to cut 43 percent of the Amtrak system and has recommended to the committee that additional money be provided for the inclusion of routes which meet certain objective criteria. Many of our colleagues share our concern that S. 712 as reported may be too rigid to adjust to any sustained increase in ridership. As a result the committee has worked with various Members to develop appropriate amendments to the committee's bill which I expect to accept at the appropriate time. At this time I will yield to the Senator from Vermont who will offer a substitute amendment to S. 712, which has the full support of myself and Senator CANNON, and which, after discussion, I will accept for the committee and urge its adoption.

Mr. CANNON. Will the Senator yield to me first for a brief statement?

Mr. LONG. Let me yield to the Senator from Vermont first.

Mr. LEAHY. I yield to the Senator from Nevada without losing my right to the floor.

Mr. CANNON. Mr. President, I rise in support of S. 712, the Amtrak Improvement Act of 1979. In my judgment, the passage of this bill, along with the implementation of a restructured Amtrak route system would be in the best interest of rail passenger service and our Nation's overall transportation and energy goals. Pursuant to the Amtrak Improvement Act of 1978, the Secretary of Transportation undertook an indepth study of the Amtrak route system. As a result of that study, along with the findings of the Rail Services Planning Office, which conducted extensive public hearings, the Department developed a final route plan. On February 1, 1979, the Department submitted its "Final Report to Congress on the Amtrak route system."

After an extensive period of analysis and evaluation, the committee, on May 1, voted not to disapprove the Department's plan as it believes that a restructured route system offers the only reasonable solution to the dilemma facing the Federal Government with respect to Amtrak: How to maintain an essential and viable national rail passenger system and yet minimize the burden on the American taxpayer of supporting that system.

I am sure all of you are aware that Amtrak's subsidy needs have been steadily increasing since its inception in 1971. At that time, the annual subsidy was only $40 million. While some will make the point that this seed money was insufficient for the job demanded, the fact remains that Amtrak has now reached the point where in 1979 its operating subsidy alone amounts to $600 million.

Since the creation of Amtrak, the Federal Government has contributed more than $2 billion in operating grants, $500 million in capital grants and $900 million in loan authority to Amtrak.

And what does Amtrak have to show for all of this?

The railroad industry has spent a considerable amount of money in catching up on its deferred maintenance on their right-of-way, new service contracts have been renegotiated with the contracting railroads, schedules have been adjusted and yet the on-time performance of Amtrak trains is getting worse. New equipment has been added to the system and yet the average speed of Amtrak trains is less now than it was 30 years ago.

And finally, with this investment and with the commitment to maintaining rail passenger service, the Federal Government is faced with the hard fact that after 8 years of operations Amtrak is still carrying less than 1 percent of intercity passengers, while the taxpayer has to pay, in due course, a billion dollars per year for something that 99 out of 100 of them do not use.

It was clear last year, and it is clear now that the only road to improved rail passenger service in the United States is a smaller, more manageable system with improved facilities that will encourage intercity passengers to abandon their cars and to seek public transportation.

Amtrak's financial performance is of particular concern to me. I have long since accepted the fact that Amtrak will never be a financially viable and profitable corporation. However, I cannot and will not, in the best interest of Amtrak and the American people, sit by quietly and allow the declining trend of Amtrak's ratio of revenues to expenses continue. The current ratio is 37 percent, compared to the 50 percent ratio which existed when Amtrak was created in 1971. To state this another way, for every 37 cents a passenger pays for an Amtrak ticket, the American taxpayer must finance the other 63 cents. There is no way we can justify such an outrageous subsidy, particularly in light of the fact that our Nation is currently facing a head-on collision with recession.

S. 712, as reported, contains a number of provisions designed to encourage Amtrak to improve its financial performance and to assist Congress in monitoring that improvement. In its report on the recommended route structure, DOT set a goal for Amtrak to improve its ratio of revenues to expenses to 50 percent by fiscal year 1985. I believe this goal is attainable, even before 1985, but not under the current Amtrak system. Fares must be increased so the traveling public pays a fairer share of the costs of operation and the system must be restructured to drop those trains which are clearly a financial drain on the entire system.

The new route plan would increase the number of passenger-miles per train-miles—a measure of the number of passengers who are on any given train at any given moment—from the present systemwide average of 141 to an average of 173 on the new system. In terms of cost savings, the DOT plan would provide an overall savings of $1.3 billion over the next 5 years. Most important, the new route plan maintained a national rail passenger service grid that would provide service to every region of the country.

Some people would argue that the DOT plan would eventually lead to a collapse in the entire system. On the contrary, the DOT plan will strengthen it. The routes proposed to be cut averaged just 78 passengers per mile in fiscal year 1978, not enough to fill a single Amfleet coach which holds 80 passengers. By pruning out these routes, which have proven they are not financially viable or energy efficient, Amtrak's management will be able to concentrate its time, good equipment, and scarce resources on building up those trains that people are using.

It is important to note that the new route system will result in an improvement in Amtrak energy efficiency on a passenger-mile basis, reducing Btu's—British thermal units (about 125,000 Btu's are contained in a gallon of gasoline)—from 3,601 to 3,381, a reduction of 6 percent. Even with this improvement, the new Amtrak system will remain less energy efficient than the private automobile and the bus.

As compared with other transportation modes, with similar load factors, the intercity bus achieves 129 passenger miles per gallon, while Amtrak achieves only 44 passenger miles per gallon. In the air, the passenger miles per gallon is 26.7. The average Amtrak train, in fiscal year 1978, carried 128 passengers. Amtrak would have to average over 138 passengers to compete with an average automobile, and over 400 passengers to compete with the bus industry.

Furthermore, in the event of a national energy emergency, the simple fact is that Amtrak does not have the equipment or the manpower to handle significantly higher ridership levels. Even if Amtrak were to triple its present ridership, it would still carry less than 1 percent of intercity passengers.

While recognizing the need for a cut in Amtrak's current system, the committee is well aware that the market demand for rail passenger service is undergoing some change due to the increased energy problems facing our Nation. Since none of us can accurately predict the full impact of these changes, it is important that Amtrak have some flexibility to add and delete routes affected by such changes. Although S. 712 provides $5 million in each fiscal year for Amtrak's Board to use for this purpose, I am willing to support a number of amendments which will be offered today with the full consent and endorsement of the Commerce Committee to increase the funding in S. 712 to permit Amtrak to add additional trains

to the recommended route structure that meet certain designated criteria. These amendments have been the result of the efforts by Senators LEAHY, CHURCH, MAGNUSON, PACKWOOD, EAGLETON, WEICKER and many others working closely with the committee and I commend the cooperative and constructive manner in which the proposals have been developed.

In closing, Mr. President, I would again like to reemphasize my support for a restructured route system. I realize the social and economic value of trains and their as yet unmet potential to be a more energy efficient and cost effective mode of transportation. A collapse in the rail system would work a grave hardship on the Nation, but that is what we are headed for with the current energy losing and costly system intact today.

Furthermore, it is time that those people who ride Amtrak begin to bear an increasingly larger share of the cost of its operation than the 99 percent who do not. Amtrak's revenues have risen 205 percent since 1971, but expenses have risen over 290 percent. We cannot allow this trend to continue and S. 712 is designed to reverse it.

S. 712 as amended today will reduce Amtrak's present system of 27,408 route miles by 5,322 miles, a reduction of about 20 percent (19.4). This will be a major first step toward establishing a more energy-efficient, cost effective and reliable rail passenger service for our Nation.

I thank the Senator for yielding.

UP AMENDMENT NO. 495

(Purpose: An amendment in the nature of a substitute for the text of S. 712, together with an amendment to the title of the bill)

Mr. LEAHY. Mr. President, I send to the desk an amendment in the nature of a substitute and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY) for himself, and Mr. STAFFORD, Mr. MAGNUSON, Mr. CHURCH, Mr. ROBERT C. BYRD, Mr. BAYH, Mr. EAGLETON, Mr. KENNEDY, Mr. WILLIAMS, Mr. DURKIN, Mr. SCHMITT, Mr. LEVIN, and Mr. WEICKER proposes an unprinted amendment numbered 495 in the nature of a substitute.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment in the nature of a substitute is as follows:

In lieu of the language intended to be proposed by the Committee insert:

SHORT TITLE

"SECTION 1. This Act may be cited as the Amtrak Improvement Act of 1979.

"DEFINITIONS

"SEC. 2. Section 102 of the Rail Passenger Service Act (45 U.S.C. 802) is amended—

(1) in paragraph 4 thereof, by striking out 'Act' and inserting in lieu thereof 'Act until October 1, 1979, on or after which date 'basic system' means the system of intercity rail passenger service designated by the Secretary under section 4 of the Amtrak Improvement Act of 1978 (Public Law 95-421) and approved by the Congress, and changes thereto made by the Corporation using the Route and Service Criteria'; and

"(2) By adding at the end thereof the following new subsection:

'(10) 'Route and Service Criteria' means the Criteria and Procedures for Making Route and Service Decisions established pursuant to section 403(d) of this Act.'.

"PURPOSE OF CORPORATION

"SEC. 3. The second sentence of section 301 of the Rail Passenger Service Act (45 U.S.C. 541) is amended by inserting immediately after 'intercity rail passenger service,' the following: 'to improve the ratio of revenues to expenses incurred in providing such service,'.

"GENERAL POWERS OF THE CORPORATION

"SEC. 4. Subsection (1) of section 305 of the Rail Passenger Service Act (45 U.S.C. 545(1)) is amended by striking out the words 'security guards' each place they appear and inserting in lieu thereof the words 'railroad police'.

"APPLICABILITY OF OTHER LAWS

"SEC. 5. Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is amended—

"(1) in subsection (a) thereof, (A) by striking out the period in paragraph (3) and inserting in lieu thereof the following: ';

'(4) the issuance of securities or the assumption of any obligation or liability in respect of the securities of others.';

"(2) in subsection (j)(2) thereof, by striking out 'motor carrier,' and inserting in lieu thereof 'domestic or international motor, air, or water carrier,'; and

"(3) by adding at the end thereof the following new subsections:

'(l) The Corporation shall not be subject to any State or local law pertaining to pay periods or days for payment of employees: *Provided*, That no employee shall be paid any less frequently than such employee is paid as of the date of enactment of this subsection, unless pursuant to an applicable collective bargaining agreement.

'(m) The Corporation shall be deemed to be qualified to do business in each State in which it performs any activity authorized under this Act. In connection therewith the Corporation shall accept service of process addressed by certified mail to its Corporation Secretary at its principal office and place of business located in Washington, District of Columbia. The Corporation shall be deemed to be a citizen of the District of Columbia for the purpose of determining the original jurisdiction of the district courts of the United States in civil actions to which the Corporation is a party.'.

"SERVICE CHANGES

"SEC. 6. Section 403 of the Rail Passenger Service Act (45 U.S.C. 563) is amended to read as follows:

'SEC. 403. SERVICE CHANGES.

'(a) After October 1, 1979, all route additions and discontinuances by the Corporation shall be in accordance with the Route and Service Criteria.

"(b)(1)(A) Any State, or group of States, or any regional or local agency, may submit an application to the Corporation requesting the institution of rail passenger service in addition to that service provided in the basic system. The Corporation shall institute such service under an agreement if the State, group of States, regional or local agency agrees to reimburse the Corporation for 20 percent of the solely related costs of such service in the first year of operation, 35 percent of such costs in the second year of operation, and 50 percent of such costs in each subsequent year of operation, and 50 percent of the associated capital costs of operating such service; if service can be provided with resources available to the Corporation; and if it is consistent with the following requirements:

'(i) The State or agency must make an adequate assurance to the Corporation that it has sufficient resources to meet its share of the costs of such service for the period such service is to be provided under this section.

'(ii) The State or agency has conducted a market analysis acceptable to the Corporation to insure that there is adequate demand to warrant such service.

An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than 2 years. Any decisions which are likely to have a significant effect on the scheduling, marketing, or operations of the service provided pursuant to this section shall be made by contract or other agreement between the Corporation and the State or agency which is obligated to reimburse the Corporation for all or part of the operating loss, and associated capital costs, of such service. The State or agency shall be entitled to reimbursement for staff services in an amount equal to 3 percent of the Corporation's share of operating losses and associated capital costs."

(B) If more than one application is made for service and all applications are consistent with the requirements of this subsection, but all the services applied for cannot be provided with the available resources of the Corporation, the Board of Directors shall decide in its discretion which application or applications best serve the public interest and can be provided with the available resources of the Corporation, except that a proposal for State support of a service deleted from the basic system in effect prior to October 1, 1979, or the basic system in effect after such date, shall be given preference.

'(C) The Board of Directors shall establish the basis for determining the solely related costs and associated capital costs and the total revenue of the service provided pursuant to this subsection. The Corporation, at the request of States, may conduct studies during the fiscal year ending June 30, 1976, to determine benefits of seasonal routes to recreational areas.

'(2) Five percent of all revenues generated by each particular route operated under the authority of section 403(b) of this Act, shall be dedicated to advertising and promotion of such service on a local level.

'(c) Unless it has entered into a contract with the Corporation pursuant to section 401(a)(1) of this Act, no railroad may discontinue any intercity passenger train whatsoever prior to January 1, 1975, the provisions of any other Act, the laws or constitution of any State, or the decision or order of, or the pendency of any proceeding before a Federal or State court, agency, or authority to the contrary notwithstanding. On and after January 1, 1975, passenger train service operated by such railroad may be discontinued under the provisions of section 13a of the Interstate Commerce Act. Upon filing of a notice of discontinuance by such railroad, the Corporation may undertake to initiate passenger train operations between the points served.

"(d)(1) Within 120 days after the date of enactment of this subsection, the Board of Directors of the Corporation shall study, develop, and submit to the Secretary, to the Commission, and to the Congress an initial proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services. Such criteria and procedures shall include, but need not be limited to—

'(A) methods for evaluating the economic and environmental impact of any addition or discontinuance of intercity rail passenger service including an evaluation of the economic impact to the Corporation and to the Nation of the addition of new service points along existing or new intercity routes within the Northeast corridor;

'(B) methods for evaluating the effects of any such addition or discontinuance on connecting parts of the national system of intercity rail passenger service;

'(C) methods for estimating with respect to any such addition or discontinuance, the population to be affected, the demand for intercity rail passenger service, the revenue per passenger mile, and the effect on capital costs and revenue of the Corporation;

'(D) methods for evaluating the availability of alternative modes of transportation;

'(E) methods for giving public notice of, and obtaining public comments on, any such addition or discontinuance; and

'(F) methods for establishing a priority ranking system for routes and trains to meet the needs of the public convenience and necessity for a balanced transportation system, taking into consideration the criteria and procedures referred to in subparagraphs (A) through (E) of this paragraph, together with such other criteria as the Board of Directors deems appropriate.

'(2) Within 150 days after the date of enactment of this subsection, the Secretary and the Commission shall submit to the Congress and to the Board of Directors of the Corporation their comments on the initial proposal setting forth criteria and procedures developed by the Board of Directors of the Corporation, together with such recommendations as they may deem appropriate.

'(3) Within 30 days after receipt of comments submitted by the Secretary and the Commission under paragraph (2) of this subsection, the Board of Directors of the Corporation shall consider such comments and shall submit to the Congress a final proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services within the national system of intercity rail passenger services. The criteria and procedures set forth in such final proposal shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of its submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve such a final proposal. If no resolution is adopted as provided in the preceding sentence, the Corporation may add or discontinue routes and services in accordance with the criteria and procedures set forth in the final proposal, notwithstanding the provisions of section 13a of the Interstate Commerce Act, relating to discontinuance of service within the basic system. For purposes of this paragraph, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded from the computation of the 60-day period.

'(e)(1) The Corporation is authorized to operate commuter rail passenger service under an agreement with a State (or local or regional transportation agency) if such State or agency agrees to reimburse the Corporation for the avoidable cost of operating such commuter rail passenger service. An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than two years. For purposes of this subsection, the term 'commuter rail passenger service' means rail passenger service operated in metropolitan and suburban areas, usually characterized by reduced fare, multiple-ride, and commutation tickets and by morning and evening peak period operations. The Board of Directors shall establish the basis for determining the avoidable cost of the service provided pursuant to this section.

'(2) Any rail passenger service which is operated by the Corporation on January 1, 1979, and which constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, continue to be operated by the Corporation and funded in accordance with the method of funding in effect for that service on January 1, 1979. In addition, any rail passenger service which (A) is operated by the Consolidated Rail Corporation, (B) is the subject of an application for discontinuance filed with the Commission before July 15, 1979, and (C) constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, be operated by the Corporation and funded by the Corporation in the same manner as service operated under the preceding sentence.

'(3) The Corporation shall, until April 1, 1981, continue to accept commuter based fares for any rail passenger service which it operates and for which such fares were accepted on January 1, 1979. Nothing in this paragraph shall be construed as prohibiting the Corporation or any other railroad from increasing the amount of any fare charged for rail passenger service.

'(f) Where reductions in operating expenses can be obtained, the Corporation shall operate rail passenger service over any long distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978, with or without any restructuring of such route to serve major population centers as end points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

'(1) the short term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than 7 cents per passenger mile; and

'(2) the passenger mile per train mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 150.

Short term avoidable loss per passenger mile calculated by the Corporation for purposes of this subsection shall be based upon consistently defined factors for all types of routes, and such short term avoidable loss and passenger mile per train mile shall be calculated in the same manner for all routes. The Corporation shall make its calculations under this subsection on the basis of the most recent available statistics for a 90-day period, except that the Corporation may also utilize historical data (such as seasonal fluctuations in ridership) as long as such data is adjusted to reflect the most recent available statistics. The Corporation shall, no later than 30 days after the date of enactment of this subsection, submit a report to the Interstate and Foreign Commerce Committee of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the methodology, equations, factors used, assumptions, and results in connection with the calculation of short term avoidable loss per passenger mile and passenger mile per train mile under this subsection.

"(g) Notwithstanding any other provisions of this Act (including the requirements of section 403(d)), the Corporation is authorized, to the extent available resources permit, to operate short-haul trains, on a demonstration basis for the purpose of determining the feasibility and benefits of such services, on additional routes of 200 miles or less which link two or more major metropolitan areas.'.

"CONFORMING AMENDMENT

"SEC. 7. Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is hereby repealed.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 8. Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended by adding at the end thereof the following new subsection:

'(b)(1) There are authorized to be appropriated to the Secretary for the benefit of the Corporation:

'(A)(i) for the payment of operating expenses of the basic system, including the Northeast corridor, and for those trains operated pursuant to section 403(e), not to exceed $576,300,000 for the fiscal year ending September 30, 1980, and not to exceed $605,000,000 for the fiscal year ending September 30, 1981;

'(ii) for the payment of operating expenses for rail passenger service provided pursuant to section 403(f) of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1980, and not to exceed $25,000,000 for the fiscal year ending September 30, 1981;

'(B) for the payment of the costs of capital acquisition or improvements to the basic system, not to exceed $122,000,000 for the fiscal year ending September 30, 1980, and not to exceed $223,000,000 for the fiscal year ending September 30, 1981;

'(C) for the payment of the principal amount of obligations (other than leases) of the Corporation which are guaranteed by the Secretary pursuant to section 602 of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1980, not to exceed $25,000,000 for the fiscal year ending September 30, 1981;

'(D) for the payment of operating and capital expenses for service commenced pursuant to section 403(b) of this Act on or following September 30, 1979, not to exceed $20,000,000 for the fiscal year ending September 30, 1980, and not to exceed $20,000,000 for the fiscal year ending September 30, 1981; and

'(E) for labor protection payments required pursuant to section 405 of this Act, not to exceed $30,000,000 for the fiscal year ending September 30, 1980, and not to exceed $32,000,000 for the fiscal year ending September 30, 1981. Any sums authorized by this subparagraph which remain available after such labor protection payments are made shall be made available to the Corporation for use in the payment of expenses and costs in accordance with subparagraphs (A) and (B).

'(2) Funds appropriated pursuant to this section shall be made available to the Secretary during the fiscal year for which appropriated except that appropriations for capital acquisitions and improvements may be made in an appropriations Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation. Funds appropriated shall remain available until expended. Appropriated sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with (A) the Secretary's budget request as approved or modified by Congress at the time of appropriation and (B) guidelines established by the Secretary. Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days, unless the Corporation, for good cause, requests more-frequent payment before the expiration of any 90-day period.

'(3) Funds appropriated for capital grants pursuant to this subsection shall be paid to the Corporation in each fiscal year, and such grants may be used by the Corporation for temporary reduction of outstanding loan balances, including loans guaranteed by the Secretary pursuant to section 602 of this Act'.

"TECHNICAL AMENDMENT

"SEC. 9. Subsection 602(d) of the Rail Passenger Service Act (45 U.S.C. 602(d)) is amended by inserting the words 'or clause (C) of section 601(b)(1)' immediately after the words 'section 601(a)'.

"ADEQUACY OF SERVICE

"SEC. 10. Section 801 of the Rail Passenger Service Act (45 U.S.C. 641) is repealed.

"INTERMODAL TERMINAL PROGRAM

"SEC. 11. The first sentence of paragraph (5) of section 4(i) of the Department of Transportation Act (49 U.S.C. 1653(i)(5)) is amended by striking out 'within two years following the approval of the application for Federal financial assistance under this subsection' and inserting in lieu thereof 'within such a time period as is established by the Secretary.'.

"REPORT ON REVENUES AND EXPENSES

"SEC. 12. Title VIII of the Rail Passenger Service Act is amended by adding at the end thereof the following new section:

'REVENUE REPORT

'SEC. 808. Within 60 days of the end of each fiscal year beginning with fiscal year 1981, the Corporation shall report to the Congress on the ratio of revenue to total expenses on all routes in the basic system. As part of such report, the Corporation shall specifically identify those train routes which did not achieve a 50 percent revenue-to-expense ratio, and the Corporation shall include statements explaining the reasons which prevented such ratios from being achieved.'.

"SYSTEMWIDE SPEED GOAL

"SEC. 13. The Secretary of Transportation, in consultation with the Corporation, shall study the potential benefits of a 85-mile per hour speed goal, and determine the desirability and costs of attaining such a goal. Within 12 months of the date of enactment of this section, the Secretary shall report to the President and the Congress on the results of such study.

"IMPLEMENTATION OF THE NEW ROUTE PLAN

"SEC. 14. Section 4(g) of the Amtrak Improvement Act of 1978 (Public Law 95-421) is amended by adding before the period at the end of the sentence the following: ": *Provided, however*, That implementation of the Secretary's recommendations which require: (1) operation over rail lines not used in intercity passenger service upon the date of approval thereof; (2) use of new facilities; or (3) new labor agreements, may be deferred by the Corporation until any necessary capital improvements in such rail lines or facilities, or required labor agreements, are made, to permit service that is equivalent or improved service and is consistent with the goals contained in subsection (a) of this section. *And provided further*, That pending deferred implementation of such recommendations, the Corporation may provide substitute service over existing routes without reference to the Criteria and Procedures for Route and Service Decisions issued pursuant to section 403(d)(3) of the Rail Passenger Service Act.'.

"EXTENSION OF AUTHORITY TO ISSUE AND SELL FUND ANTICIPATION NOTES

"SEC. 15. (a) Section 505(e) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(e)) is amended by striking '1979,' and inserting in lieu thereof '1980'.

(b) Sections 507(a) and 507(d) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 827 (a) and (d)) are amended by striking out '1979' and inserting in lieu thereof '1980'.

(c) Section 509 of the Railroad Revitalization and Regulatory Act of 1976 (45 U.S.C. 829) is amended by striking '1979' each place it appears therein and inserting in lieu thereof '1980'.".

Amend the title so as to read: "A bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 2 additional years, and for other purposes.

Mr. LEAHY. Mr. President, I ask that the following of our colleagues be included as cosponsors of the amendment: Mr. STAFFORD, Mr. MAGNUSON, Mr. CHURCH, Mr. ROBERT C. BYRD, Mr. BAYH, Mr. EAGLETON, Mr. KENNEDY, Mr. WILLIAMS, Mr. DURKIN, Mr. SCHMITT, Mr. LEVIN, and Mr. WEICKER.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, my amendment, which is in the nature of a substitute amendment to the committee bill S. 712, represents what I feel is a fair and balanced compromise between those who would prefer no changes in the current Amtrak system and those who advocate wholesale reductions of rail passenger service.

It is an amendment which, if accepted, will go a long way toward establishing a first-rate national rail passenger system. My amendment would eliminate only those routes which have never been, and never would be, successful in terms of ridership and cost efficiency. It would, by eliminating costly, underutilized routes, insure that those routes which have been successful, or which have shown a potential for success, receive sufficient levels of funding to provide first-rate, energy-efficient passenger service.

Mr. President, before I describe the specific provisions of my amendment, I want to compliment the Commerce Committee chairman (Mr. CANNON) and the Surface Transportation Subcommittee chairman (Mr. LONG) for their efforts to bring this Amtrak authorization bill to the Senate floor before the August recess. They have worked hard to see that a compromise was reached which will provide for a strong Amtrak system—a system which is based on objective performance criteria, and which has the capacity to accommodate recent increases in demand for passenger rail service.

I also wish to compliment my distinguished colleague from Idaho (Mr. CHURCH) for his efforts in support of a strong national rail passenger system. At a time when fuel prices are rising, and reserves falling, his efforts on behalf of Amtrak, and the equally ardent efforts of the Senator from New Mexico (Mr. SCHMITT) have done much to create support for a strong national Amtrak system. These Senators, and others of our colleagues have worked hard on this issue, and it is because of their efforts that this legislation is now before the Senate.

Mr. President, when in January of this year the Department of Transportation announced its recommendation that 43 percent of Amtrak's current system be curtailed, I introduced a resolution disapproving that recommendation. I did so for two reasons.

I was extremely concerned because the DOT plan proposed the elimination of my State's only passenger train, the Montrealer. That concern quickly turned to anger when I discovered that in recommending the elimination of the Montrealer, DOT was proposing to discontinue a train which in fact was outperforming many trains in the recommended system.

My second cause for concern was the overall size of the proposed reductions. I was convinced that in light of this Nation's growing need for adequate mass transportation alternatives, 1979 was not the appropriate year to cut out 43 percent, or 11,825 miles, of our national rail passenger system. Mr. President, I ask unanimous consent that the full text of my statement upon introducing the resolution of disapproval be inserted in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. LEAHY. Mr. President, the compromise worked out with the committee and with a number of the other Senators who have demonstrated a strong interest in Amtrak, fully satisfies both of the concerns I have just described.

It authorizes both a well balanced route system which is sufficient to meet our national needs, and a level of capital funding which is sufficient to provide for the equipment necessary to service those routes in a timely, comfortable, and energy efficient manner.

For my train, the Montrealer, it offers all I ever asked for. Namely, a chance to compete fairly, on the basis of well defined, objective criteria, against other routes in the Amtrak system.

If I might get a bit parochial for a moment, I would like to point out that the Amtrak ridership statistics just released show a passenger-mile per train-mile for the Montrealer in April of 194, and a year-to-date passenger mile per train-mile of 164. These figures place the Montrealer well above all but two trains in the entire Amtrak system. It would appear, therefore, that the Montrealer is a strong candidate for being added back into the system under the provisions of this compromise. What is more important, however, is that if it does get added back, it will be because it was supported where it counts most—at the ticket window.

Mr. President, in all fairness I must state that I have felt all along that the DOT plan took a much needed step in the right direction. My quarrel has been only that DOT simply went too far.

I have never questioned the need to reduce the size of the current system. Not even Amtrak's president, Mr. Alan Boyd, disputes the fact that, given the available level of resources, the Amtrak system must be reduced if the quality of service is to be improved.

Mr. President, before I launch myself into a discussion of the details of my proposal, I want to clarify a couple of terms I will be using. When I refer to my amendment, I mean the Leahy substitute amendment as introduced. When I refer to the compromise package, I mean the Leahy amendment as modified by amendments which I understand will be offered by Senator CHURCH and Senator WEICKER, and which I, and I believe the committee, are prepared to accept at the appropriate time.

Mr. President, my amendment would reduce the size of the Amtrak system by 25 percent. It would authorize a total of $798.3 million for operating and capital grants in fiscal year 1980, that is, $1 million more than S. 712 as reported by the Commerce Committee, and $171.7 million less than would be needed to operate the current Amtrak system.

The entire compromise package, again that is the Leahy amendment as modified by amendments to be offered by Senators CHURCH and WEICKER, would result in a 20-percent reduction in the size of the Amtrak system. It would authorize a total of $867.3 million for operating and capital grants in fiscal year 1980, or $70 million more than S. 712, and $112.7 million less than the cost of operating the current system.

Mr. President, the compromise package would result in savings of $112.7 million in fiscal year 1980, and yet it would eliminate only 20 percent of Amtrak's route miles, all of which are lightly traveled and thus energy inefficient.

I must admit to a sense of pride in being able to sponsor this amendment which strengthens the Amtrak system, and at the same time conserves $112 million of scarce Federal resources.

I would like to describe in some detail the ways in which my amendment differs from the committee bill, S. 712, for which it is a substitute.

First my amendment adds $20 million both in fiscal year 1980 and fiscal year 1981 to the $5 million already contained in S. 712 for the purpose of providing service in addition to that recommended in the DOT system. My amendment also sets up objective performance criteria which trains must meet in order to qualify for funding out of this $25 million "criteria train" pool. Those criteria are: 150 passenger miles per train mile—a measure of ridership—and 7-cent loss per passenger mile—a measure of cost. The data which is to be used for the purpose of deciding which trains meet these criteria is the "most recent available statistics for a 90-day period," or as Amtrak informs me, the April, May, and June ridership and cost statistics.

Mr. President, it is extremely important to note that both these criteria, and the data which will be applied to them, are identical to those in the House passed bill, H.R. 3996. By accepting my amendment today, the Senate will insure that Amtrak can proceed with the crucial business of deciding what system they will operate come this October. To impress upon my colleagues the importance of enabling Amtrak to proceed with the business of deciding on routes, I might point out that if Amtrak cannot do so, if the compromise is not accepted and if Amtrak remains uncertain as to what trains it will run next year, that uncertainty alone may cost the taxpayers upward of $15 million per month.

While the pool for "criteria trains" in my amendment is only $25 million in both fiscal year 1980 and fiscal year 1981, I must point out that Amtrak should have a full $45 million available to them for the purpose of operating criteria trains in both fiscal years. This is because, through increased fares and ridership, and improved management practices, Amtrak will have a $10 million operating surplus in fiscal year 1979, and expects a similar surplus in fiscal year 1980. Thus in fiscal year 1980 the $25 million authorized in this compromise plus the $10 million surpluses for fiscal years 1979 and 1980 should result in a $45 million pool for operating criteria trains.

In addition to adding $20 million for criteria trains, and establishing the criteria by which those trains are to be added, my amendment includes $10 million more in fiscal year 1980 and fiscal year 1981 than S. 712 for 403(b), State-assisted trains. The 403(b) trains are funded by a formula which accounts for financial support from both Amtrak and individual States. The compromise being offered today not only increases the funds available for these trains, it also changes the operating subsidy for 403(b) trains from the current 50 percent Federal/50 percent State formula, to 80 percent Federal/20 percent State in the first year, 65 percent Federal/35 percent State in the second year, and 50/50 in subsequent years.

Mr. EAGLETON. I commend the distinguished Senator from Vermont (Mr. LEAHY) for his amendment and his fine leadership in fashioning a consensus on this legislation.

One of the sections of the Leahy proposal incorporates part of my amendment No. 239 which I introduced together with Senators DANFORTH, TSONGAS, HAYAKAWA, JAVITS, HEINZ, PRYOR, MATHIAS, and SARBANES. I would like to ask the Senator from Vermont whether the basic thrust of my amendment which is to liberalize the terms under which a State may enter into a section 403(b) agreement with Amtrak has been preserved under his proposal.

Mr. LEAHY. The answer is "Yes." My proposal adopts the Eagleton formula for sharing operating deficits under any 403(b) program. It is presently a 50–50 cost-sharing arrangement. Under the Eagleton amendment and my own proposal, that formula would change to an 80 percent Federal share and 20 percent State share in 1980, a 65 percent Federal share and 35 percent State share in 1981, and thereafter a 50–50 cost-sharing for all new 403(b) routes.

Mr. EAGLETON. I note that the Leahy amendment reduces the overall authorization from the $25 million in fiscal year 1980 and $30 million in fiscal year 1981 provided in my amendment to $20 million in both years. Is the Senator satisfied that this will be adequate to meet the need?

Mr. LEAHY. I believe it is sufficient, but I would note that the House bill provides authorization levels similar to those proposed by the Senator from Missouri. House conferees may have a different view and I am sure that the issue will be discussed thoroughly in the conference.

Mr. EAGLETON. The only other difference between the Eagleton and Leahy amendments is the deletion of my provision for an 80-percent Federal and 20-percent State sharing of capital improvement costs in a 403(b) program. I have no objection to that change but I would like to have the Senator's assurance that the intent here is to retain the present 50–50 cost-sharing for capital improvements and not to eliminate that aspect of the 403(b) program altogether. Given the structure of the Leahy amendment, I have some concern that that could be the unintended effect of this change.

Mr. LEAHY. The intent is to preserve the existing 50–50 formula for capital costs. I am satisfied that my amendment does that.

Mr. EAGLETON. May I ask the distinguished chairman of the Commerce Committee, Senator CANNON, whether he is prepared to accept this modified version of the Eagleton amendment.

Mr. CANNON. I am prepared to accept the amendment.

Mr. EAGLETON. On that assurance, I am prepared to withdraw my amendment although my cosponsors will have to speak for themselves.

Mr. President, finally, my amendment provides for $29 million less than S. 712 for labor-protection payments. This is because, with more trains running, there will be less need for labor-protection payments. The $29 million reduction assumes that my amendment will be further amended by Senator CHURCH, and thus reflects the labor protection savings of the entire compromise package.

There is one other provision contained in my substitute amendment which is not in S. 712, and which, though it involves no additional money, deserves mention. My amendment authorizes current Amtrak-operated commuter trains to be fully funded for an additional 18 months. These commuter trains will be funded out of the operating grant for the basic system.

● Mr. BAYH. Mr. President, I compliment the Commerce Committee chairman Mr. CANNON, and the Surface Transportation Subcommittee chairman Mr. LONG, for their efforts to bring this Amtrak authorization bill to the Senate floor at this time. I know it has been very difficult to try and accommodate all the various, conflicting views on Amtrak as to how extensive a system we should have; how much funding should be authorized; which trains should be legitimate candidates for inclusion into the system, et cetera. The bill as reported, plus the amendments that will be offered by Senators LEAHY, CHURCH, and WEICKER, I believe, represents a good compromise between those who want to freeze the present Amtrak system and those who feel that no long-distance trains should be operated. There will obviously be some disruption and discontinuance of train service under the bill as it will be amended under the amendments of Senators LEAHY and CHURCH, but those adjustments are held to a minimum.

We are told by Amtrak that they could not offer good service if we did not cut some of the trains which are presently being operated, but which hold out no hope for meeting the ridership criteria of those trains which will be continued. By adding additional operating funds above what is necessary to run the basic DOT restructured system and giving the Amtrak Board of Directors the authority to add back trains which now meet the 150 passenger mile per train mile criteria, as well as the loss per passenger mile criteria, we are recognizing that some of the trains scheduled for abandonment under DOT's recommendations may now be meeting the same criteria as those in their system. In light of the recent upsurge in ridership, we should allow for such additional service. As far

as freezing the current system, such action would cost an additional $100 million this year and Amtrak would not have the necessary equipment to run good, efficient service. So, I support the DOT restructured system plus the additional service that will be operated under the amendments of Senators LEAHY and CHURCH.

As a cosponsor of the Leahy amendment, I would like to point out that a portion of the amendment will enable Amtrak to operate the ConRail commuter service from Valparaiso to Chicago. I worked with Congressman BENJAMIN to have a similar provision included in the House bill. I am convinced that Amtrak will do a much better job of operating this service than ConRail has done. Since ConRail took over the operation of this commuter service, there have been numerous operational and maintenance problems. Reports come in almost every week about the poor service, the bad air-conditioning and heating, nonfunctioning toilets, late departures, and so forth. Because of these problems, ridership has dropped since ConRail took over in 1976. But, still some 700 people depend on this train to get to work each day. I am certain that number will quickly double when people see that Amtrak is willing and able to provide more dependable service.

Another portion of the Leahy amendment which I welcome and gladly join in cosponsoring is a provision that enables Amtrak to initiate additional short-haul service between city pairs of no more than 200 miles, within available funds. This type of service appears to me to be the kind that Amtrak can do the best job at. They can effectively compete in such short-haul service with the energy efficiency of intercity buses and with the airlines on trip time. In talks with Amtrak's President, Alan Boyd, I have stressed the importance of such service. He agrees with me that Amtrak should do very well in such markets. I believe that a train between Indianapolis and Chicago, the Nation's 3d and 11th largest metropolitan areas in the country, would be a very worthwhile service. I would like to ask the author of the amendment, Mr. LEAHY, if this is the type of short-haul service he has in mind under the language contained in his amendment.

Mr. LEAHY. Yes, the distinguished Senator from Indiana, as chairman of the Appropriations Subcommittee on Transportation, is very familiar with the Amtrak system and the past difficulties we have faced on the Appropriations Committee with the Amtrak budget. Every year, it seems we have faced a situation where Amtrak has come back for more funds and threatened to cut service unless those funds were provided. I am hopeful that this bill is the beginning of a new period for Amtrak. A period where more people will use the trains that are being operated. I agree with the Senator from Indiana that one of the most obvious places where short-haul service makes sense is in the corridor between Indianapolis and Chicago. I believe that Amtrak should do all that they can to market the trains that they will be operating under this new bill and then go out and do a good job of providing service. That, coupled with the increased level of capital that the bill provides for equipment purchases, will enable us to get the most out of the dollars that are necessary for our Nation's rail passenger system.●

● Mr. WILLIAMS. Mr. President, Senators MATHIAS, SARBANES, ROBERT C. BYRD, BAYH, BRADLEY, HEINZ, WEICKER, and TSONGAS join me in strong support of the commuter service provision of the Leahy substitute to S. 712. This provision will assure the continuation of Amtrak's commuter services for 18 months. During that time, Amtrak will be required to continue accepting commutation fares. This provision is the same as the commuter provision included in the House-passed bill.

Mr. President, I wish to thank Senator CANNON, chairman of the Committee on Commerce, Science, and Transportation, Senator LONG, chairman of the Surface Transportation Subcommittee, and Senator LEAHY, sponsor of the substitute, for their great cooperation in accepting this provision. I compliment each of them for their fine efforts in fashioning the fair and reasonable compromise that is now before us.

Mr. President, Amtrak currently operates some 24 trains per day which primarily serve commuters. These are among Amtrak's most heavily patronized trains. They carry over 2½ million commuters annually between cities all along the Northeast corridor, and also between Washington and Martinsburg, W. Va., and between Detroit and Jackson, Mich. They include the "clockers" between New York and Philadelphia, which have by far the highest ridership of any trains in Amtrak's system.

Most of these commuter trains were already running at or beyond full capacity before this year's gasoline shortage. In many cases, they have simply not been able to meet the increased demand brought by long gas lines and dollar-a-gallon gas.

Clearly, this is not the time to cut back on these essential commuter services. Yet, the Department of Transportation plan proposes to do just that. The plan would require Amtrak to discontinue all commuter services by October 1, unless State or local transit authorities agree to subsidize them.

As the chairman of the subcommittee with jurisdiction over mass transit, I know only too well that State and local budgets are already strained to maintain existing commuter programs. And it has been a constant struggle to get the Department of Transportation to live up to the Federal commitment to these programs. Thus, DOT has recommended that Amtrak drop its commuter service without proposing any realistic alternative for picking it up.

The commuter provision of the Senate substitute would correct this unwise and ill-considered recommendation. It would allow time for all parties—DOT, Amtrak, and State and local commuter authorities—to work out a fair means of subsidizing service, without raising the specter of thousands of stranded commuters.

Mr. President, I urge my colleagues to support this important provision and to approve the substitute bill before us.●

Mr. LEAHY. Mr. President, as I have stated, my amendment would authorize a total of $798.3 million in fiscal year 1980 and $930 million in fiscal year 1981.

I have also stated that the Senator from Idaho, Mr. CHURCH, and the Senator from Connecticut, Mr. WEICKER, have amendments to my substitute amendment which I believe strengthen this legislation and which it is my understanding the Commerce Committee is prepared to accept.

Again, Mr. President, I might point out that both Mr. CHURCH and Mr. WEICKER have been working closely with the group I mentioned before, along with Mr. SCHMITT and others, to try to put together a package which is not only fiscally responsible, but one which makes some sense out of rail passenger service in this country.

The Church amendment would add money in each of the next 2 fiscal years for the addition of short distance and regional "criteria" trains, and would establish criteria for the addition of trains in those categories. In my view, it would insure that the Amtrak system is truly a national one, and would allow Amtrak to operate additional short distance trains which have the potential to be very profitable.

The Weicker amendment would add money for capital. This money is essential in light of the increased number of trains Amtrak will be required to operate, and in view of Amtrak's chronic equipment shortages.

Mr. President, this entire compromise package, that is the Leahy amendment as amended, would authorize $867.3 million in fiscal year 1980, and $945 million in fiscal year 1981.

In fiscal year 1980, the $867.3 million total breaks down briefly into the following general categories: $576.3 million for operating expenses, out of which will be funded the basic DOT system as proposed by Amtrak, $508.5 million; payments on the interest on Amtrak's debt to the U.S. Government, $38 million; operation of existing commuter systems for a period of 18 months, $7.5 million; the costs of implementing DOT's restructured system and continuing certain lines pending the restructuring, $22.3 million.

In addition, $40 million is provided for the operation of long- and short-haul "criteria" trains, plus regional quadrant trains; $176 million for capital expenditures; and $25 million for the reduction of Amtrak's Federal debt; $20 million for section 403(b) State-assisted trains and $30 million for labor protection.

The fiscal year 1981 authorization breaks down in general terms as follows: $605 million for operating expenses; $40 million for the "criteria," regional balance trains; $223 million for capital expenditures; $25 million for payment of Amtrak debt; and $20 million for the operation of 403(b) State-assisted trains; and $32 million for labor protection provisions.

Mr. President, my amendment and the entire compromise, has the full support of the committee, Amtrak, and the Department of Transportation. I urge that my colleagues support my amendment,

and the compromise, and thus insure the operation of an efficient and effective national rail passenger system.

EXHIBIT 1

AMTRAK ROUTE STUDY

Mr. LEAHY. Mr. President, agencies of the Federal Government have been accused often of shortsighted rulings. When the Department of Transportation last month recommended the abolition of almost a half of the Nation's passenger rail system, it earned the dubious distinction of making a blindsighted ruling. My resolution today asks that the Senate send the Department's study on the Amtrak system back to the agency so that huge bureaucracy can put some sense, logic, and even foresight into its next set of recommendations.

Less than 1 year ago, the Congress instructed DOT to recommend "an optimal intercity railroad passenger system. * * *" A procedure was developed for a preliminary report, public hearings and then a final recommendation. Nowhere in these congressional deliberations was DOT told that the Congress wanted the system to meet a specific cost requirement. No dollars were discussed, no minimums, no maximums. The instruction was clear—DOT was to design the optimal system.

Somewhere along the way things got confused.

Instead of responding to this congressional instruction, DOT, in cahoots with the Office of Management and Budget, arbitrarily selected a figure, $552 million in operating subsidy, and designed a national rail passenger system within that figure. This is not only unresponsive to the congressional request, it raises serious political and legal questions as well.

Congress, not the Executive, is responsible for creating national policy. Elected officials, not anonymous bureaucrats or political appointees, were entrusted with this task, because we have a direct responsibility to the people of this Nation, our constituents. This is a basic, constitutional requirement. It is not to be ignored, bypassed, or forgotten.

However, this DOT plan represents an Executive power play designed to usurp the constitutional delegation and separation of power. Make no mistake, when DOT and OMB decided how much they would spend on an Amtrak system, they were declaring national policy. In addition, once they decided to form policy, they decide to go all the way.

Not only have these executive agencies decided how large Amtrak will be, not only have they decided which trains will run and which will not, not only have they decided how much we the Congress will spend on Amtrak next year, they are attempting to dictate a national transportation policy which will have a direct impact on our lives and the lives of our children well into the next century.

By reducing Amtrak by 43 percent, by allowing over 10,000 miles of usable track to quickly deteriorate to a stage where future use becomes economically prohibitive by raiding Amtrak's capital account for nearly $100 million to cover labor protection costs, and by making false and empty promises to have new lines ready to replace the existing lines they have decided to terminate, DOT is attempting one of the biggest political fast shuffles I have witnessed in years.

The transportation needs of our country, although not a politically exciting project, is crucial to shaping the future. Although we know it works sort-of-sometimes, rail passenger service has never been truly tested. Every other developed country has made a commitment in time, money, and priority which puts our efforts to shame. It is clear that DOT's proposal, if it is accepted by the Congress, will eliminate rail passenger service as a major component in meeting our present and future transportation needs. That is a big decision. And I believe it is one too big for DOT to make through administrative fiat.

When Congress instructed DOT to recommend the optimal railroad passenger system, we asked that the route structure be based upon current and future market and population requirements. In addition, the Secretary of DOT was told to consider—

First, any unique characteristics and advantages of rail service as compared to other modes of transportation;

Second, the role that rail passenger service can play in helping meet the Nation's transportation needs while furthering national energy conservation efforts;

Third, the relationship of benefits of given services to the costs of providing such services, computing the costs in loss or profit per passenger mile rather than total loss or profit per route;

Fourth, the transportation needs of areas lacking adequate alternative forms of transportation; and

Fifth, frequent alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service.

I have read the DOT preliminary report. I have read the contradictory final report. I do not believe the agency has fulfilled the congressional mandate.

The Department of Transportation is foisting this proposal on our country at a time when the call for cutting the budget is popular and easy. Cutting the budget is politically expedient, but not always sensible. DOT is taking advantage of this money-conscious mood and using it as a smokescreen to cripple our national passenger rail system.

By now we are also acutely aware of our responsibility to cut the budget, because our constituents demand lower taxes and inflation is fueled by Government spending. Passenger rail systems are an easy target, but will we save money in the long run if we show a quick reduction in costs now?

I would like to elaborate on three points of economy with regard to the transportation study of Amtrak.

If 43 percent of the lines are abandoned as proposed by the agency, those tracks will deteriorate rapidly and become irreparable.

The Department of Transportation recommends that a number of new lines be added, and estimates of contract costs paid to private railroads for this run as high as $100 million, and yet DOT has allocated only $10 million.

Labor contracts for existing lines set for nonrenewal contain labor protection clauses which will cost an estimated $69 million out of Amtrak capital expenditures next year alone and may total nearly $100 million within 4 years.

Besides the folly in false economics and poor policy, Mr. President, I have to admit to a personal gripe with the Transportation Department. It ignored New England in its hearing schedule, it failed to notify me or my New England colleagues of its study results, and the agency suggests that the only passenger rail system to northern and central New England be terminated. That is the Montrealer, Vermont's only passenger rail line.

I do not want to defend wanton Federal spending or unnecessary $100 million programs. However, we cannot abrogate our responsibilities while we examine our expenditures. We cannot be so shortsighted as to fail to realize that the short-term solution of a lower Federal subsidy this year, might well be saddling our children's generation with much more serious, and expensive, transportation problems in the future.

The Amtrak subsidy must also be considered against the Federal subsidies other transportation modes receive. For example, we do not know how expensive an airplane ticket would be if it included the cost of FAA air comptrollers, the cost of operating the airports themselves, and the other Federal largess which is absolutely crucial to the air industry's survival, but is never listed as a budget line subsidy item. I understand that a report on these costs for all transportation modes is being prepared and should be available in about 1 month. I, for one, will be most interested in reading that report and urge all my colleagues to do the same.

By now we are acutely aware of this Nation's need to conserve energy. Automobiles are prime consumers of petroleum products and more efficient mass transit systems become more attractive as energy reserves diminish. When then are we slashing one of the best long-distance, mass transit systems available?

No wonder we are developing inferiority complexes.

Risking the label of "parochial," I want to wander a little about the Montrealer, because the tradition of iron horses is closely ingrained in my State's history.

The Boston and Maine Railroad used to ply the track up the Connecticut Valley for years. Dairy farmers woke to the whistle and began their daily chores of milking cows and fixing fence and cutting hay and milking the herd again at day's end when the train would run by the other way. In 1966, the Interstate Commerce Commission forced the B. & M. to stop its Vermon run. The State was without passenger rail service until 1972 when the Montrealer ran the route up the Connecticut.

But that route was established only after years of work by Senator Winston Prouty and my esteemed predecessor Senator George Aiken. Vermonters will not easily lose their rail line again.

To reiterate, last year Congress asked the Transportation Department to assess the rail system and report on an optimal system. Then, OMB stepped in and set an arbitrary ceiling on the amount of money this system could use. Simply by setting this limit, OMB instructed the transportation agency to curtail by almost one-half the existing service.

Mr. President, I shall submit a resolution to disapprove of the final recommendations of the Secretary of Transportation designating the basic route system for Amtrak.

Mr. MAGNUSON. Mr. President, with respect to section 403(g), it is my understanding that this provision will allow Amtrak the flexibility to operate short-haul trains on routes of 200 miles or less which link two or more major metropolitan areas. A prime example of such service, and one that I sincerely hope Amtrak will give consideration to under this provision, is the Pacific International operating between Seattle, Wash., and Vancouver, British Columbia.

This line shows increasing promise, and is particularly important because of its status as an end point to the Canadian rail system. Am I correct in assuming that section 403(g) is intended to be applied to this type of service?

Mr. LEAHY. That is correct.

Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Idaho (Mr. CHURCH) without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 496

(Purpose: To preserve Regional balance in the National intercity rail passenger system, and for other purposes)

Mr. CHURCH. Mr. President, I send to the desk an amendment to the substitute and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment is not in order until time on the pending amendment is used or yielded back.

Mr. CHURCH. I ask unanimous consent that, notwithstanding, this amendment might be considered in order.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) for himself, Mr. MAGNUSON, Mr. PACKWOOD, Mr. JACKSON, Mr. TOWER, Mr. BENTSEN, Mr. PRYOR, Mr. HATFIELD, and Mr. BUMPERS proposes an unprinted amendment numbered 496.

Mr. CHURCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 9, of the Leahy amendment UP-495

In proposed section 403(f), insert "(1)" immediately after "(f)".

In proposed section 403(f), strike "(1)" and insert in lieu thereof "(A)"; and strike "(2)" and insert in lieu thereof "(B)".

At the end of proposed section 403(f), strike the quotation mark and the period, and insert in lieu thereof the following: ".

"(2) Where reductions in operating expenses can be obtained, the Corporation shall operate a rail passenger service over any short distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978, with or without any restructuring of such route to serve major population centers as end-points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

"(A) the short-term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than nine cents per passenger mile; and

"(B) the passenger mile per train mile, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 80.

"(g)(1) In order to preserve regional balance in the national intercity rail passenger system and to ensure that long distance routes recommended for discontinuance by the Secretary pursuant to section 4 of the AMTRAK Improvement Act of 1978 which provide service to regions with few population centers in a large geographic area have equal opportunity to qualify for continued operation, the Corporation shall operate a long distance route in each section of the United States (with sections being determined by dividing the United States into four quadrants) if—

"(A) service is not maintained on any long distance route in that section under the criteria set forth in subsection (f)(1) of this section; and

"(B) the Corporation determines that (i) a long distace route exists in that section which has shown and will show improvements in performance under the criteria set forth in subsection (f)(1) of this section, and (ii) such route shows potential, under such criteria, to warrant maintenance in the system.

"(2) The Corporation shall not continue to operate any route under this subsection if service is provided on a significant part of that route by any other route.

"(3) Service operated on a route under this subsection shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in subsection (f)(1) of this section.".

In proposed section 601(b)(1)(A)(ii), strike "$25,000,000" wherever it appears, and insert in lieu thereof "$40,000,000" in each such place

At the end of proposed section 14 of the bill, strike the quotation mark and the period and insert in lieu thereof the following: "Substitute service provided over an existing route under this paragraph shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in section 404(f)(1) of the Rail Passenger Service Act.".

Mr. CHURCH. Mr. President, the amendment I offer to the Leahy substitute is designed to preserve a regional balance in the availability of rail passenger service. I am pleased to be joined by Senators MAGNUSON, JACKSON, PACKWOOD, HATFIELD, MCCLURE, BENTSEN, TOWER, PRYOR, and BUMPERS in offering this amendment.

The substitute now before us, as I understand it, goes a considerable distance toward restoring many of the route cuts called for in the Department of Transportation's original route restructuring package. The distinguished Senator from Vermont is to be commended for recognizing the need to retain an adequate level of rail passenger service.

The effect, however, of the route retention criteria in this substitute, would be to deprive major regions of our land of rail passenger service. Under the original Department of Transportation route plan, the rural and western segments would have been left virtually devoid of service. The bill before us rectifies this situation, except for the Pacific Northwest and the Southwest quadrants of our country.

Mr. President, I feel strongly that the Senate should not permit rail passenger service, which is supported by taxpayers of all regions, to be so heavily concentrated east of the Mississippi River. Citizens in the West are quick to point out that over 70 percent of Amtrak's operating deficit is incurred east of the Mississippi. A subsidized national rail passenger system must be truly national.

The amendment I offer is responsive to these concerns for equity and regional balance in our national rail passenger system. And it is reflective of the fact that certain routes which currently serve the West have experienced strong gains in ridership during the past 7 months.

This amendment provides that if no other long-distance route is to be retained in a significant portion of any quadrant in the country, then that quadrant will be entitled to at least one train. This entitlement is to be for a 2-year period. The thrust of the amendment is to allow at least one train in each quadrant an opportunity to reach the continuation criteria contained in the substitute before us. Since this substitute would allow such service to continue in the Northeast and the Southeast, the practical impact of this amendment is to provide for comparable service in the Southwest and the Northwest. The amendment also addresses the need to retain short-haul service in a balanced fashion. Criteria are provided to allow continuation of those short-haul trains which have demonstrated the capacity to provide useful service in the future.

Mr. President, the addition of this amendment to the substitute bill will provide fairness to each region. I understand that the amendment is acceptable to the administration, and that it parallels action already taken by the House. I hope that the amendment can be agreed to by the author of the substitute. I assure him that it is important to the West and deserves the Senate's endorsement.

Mr. SCHMITT. At this time, I would like to raise a point of clarification with the distinguished chairman of the Surface Transportation Subcommittee and the Republican floor manager. It is my understanding that the Church amendment, which is being offered as a substitute to S. 712 as reported out of the Commerce Committee, contains our committee's original language regarding the implementation of the new route plan located at page 22, lines 1 through 18 of S. 712. Further, it is my understanding that the Church amendment does not add any language or change the intent of the original section 14 of S. 712. Am I correct?

Mr. LONG. The Senator is correct.

Mr. DANFORTH. I agree; there are no changes to the original section 14 which is preserved in toto in the Church amendment.

Mr. SCHMITT. Mr. President, I raise this point of clarification because of the extreme importance in maintaining the text and the intent of section 14 of S. 712 as reported out of the Commerce Committee. While the committee expects that new routings will result in improved service, both in terms of the ridership and financial performance, we recognize that it would be counterproductive to the achievement of the goals of the route restructuring process to mandate service that may result in lower levels of service than is presently being provided over existing train routes. It is my hope that the conferees on behalf of the Senate will insist on the Senate language that was reported out of the Senate Commerce Committee as section 14 implementation of the new route plan, page 22, lines 1 through 18 of S. 712.

Mr. LONG. I agree with the Senator from New Mexico and I share his position on this issue.

Mr. DANFORTH. I concur.

Mr. PACKWOOD. Mr. President, the amendment offered by the Senator from Idaho (Senator CHURCH), the Senator from Washington (Senator MAGNUSON), and myself is a most rational approach to solving the Amtrak route restructure dilemma the Congress now faces. During consideration of the Amtrak Improvement Act of 1978, the Congress was working with a history of ridership and subsidy statistics which were less than favorable. Ridership on the Amtrak route system grew only 20 percent from Amtrak's first year of operation in fiscal year 1972 through fiscal year 1978. In addition, Amtrak's total annual costs rose from $306 million in fiscal year 1972 to $891 million in fiscal year 1978, an increase of $585 million. In addition to

these increased costs, Amtrak's revenues rose only $160 million, from $153 million in fiscal year 1972 to $313 million in fiscal year 1978. The result has been that the annual deficit funded by the Federal Government has more than tripled since fiscal year 1972. The total Federal investment through the end of the current fiscal year will total more than $4 billion, including guaranteed loans for capital acquisitions.

It was a most logical step for the Congress to order the Secretary of Transportation to reexamine the present route structure and submit a recommendation for a more efficient, economical, and responsive national rail passenger system. Unfortunately, the Department of Transportation did not have a crystal ball to predict the severity of an energy shortage, reductions in air service to small communities, and the discontinuance of many intercity bus routes to small communities throughout the United States. All these factors contributed to a most welcome result—substantially increased ridership on every Amtrak intercity route. As I mentioned earlier, Amtrak has only experienced a 20-percent ridership increase from its early operations in 1971 through the end of fiscal year 1978. However, ridership from the beginning of fiscal year 1979 through the end of June 1979, has increased almost 12 percent over the identical period a year before. Further, ridership during the month of June 1979 is up 24.2 percent above the level of ridership in June 1978. Mr. President, the trend is continuing throughout the Nation and must not be considered just a temporary trend.

The Secretary's redirection study was most critical of many of the long-haul trains traveling through the more sparsely populated areas of the Nation. My own train, the Pioneer, was one of the trains that received the most criticism. It was argued in the redirection study that we should not be channeling our funds to long-haul trains traveling through the sparsely populated areas of our Nation. It is argued that they are not considered essential, and the ridership, which has been low in the past, has emphasized that point. Mr. President, the public support for Amtrak in the last several months of this fiscal year has been clear. The passenger mile per train mile total on the Pioneer is up over 33 percent through April of this fiscal year. I mentioned the ridership through April because that is before the gasoline shortage reached its critical stages.

Long-haul trains have all experienced substantial increases that must not be overlooked. The Secretary's redirection study did not have the benefit of these most recent statistics; accordingly, it is most appropriate that we revise the redirection recommendation by the Secretary with this amendment.

Essentially, our amendment will divide the United States into four quadrants, and each quadrant will be entitled to one long-haul train in addition to any long-haul train provided in the Secretary's route restructure for that particular quadrant. It will be up to the discretion of the Amtrak Board of Directors to determine which long-haul train shall continue.

Each of these "quadrant trains" will be given a 2-year "trial period" to reach a passenger mile per train mile level of 150 and a loss of no more than 7 cents per passenger mile, as provided in the Leahy substitute. Mr. President, the rail passenger public will then make the final decisions. If their support continues as it has been throughout this fiscal year for rail passenger service, the trains will certainly satisfy the criteria provided in the Leahy substitute. The trains will then continue beyond the 2-year trial period so long as they maintain the qualifying criteria. However, if the increased ridership trends decline and the qualifying criteria are not met, the trains will be discontinued after the 2-year trial period.

Mr. President, the Secretary's route recommendation was the culmination of a year-long study by the Department of Transportation, the Interstate Commerce Commission, and the Rail Services Planning Office and was a monumental undertaking. However, the substance of that route restructure was essentially decided in May 1978; the final report on January 31, 1979 had many refinements, but the substance of the recommendation was the same as the one presented in May 1978. The ridership statistics and the most welcome public support for Amtrak must not and cannot be overlooked during consideration of the Secretary's route recommendation. Accordingly, our amendment provides the necessary opportunity for these long-haul trains to prove themselves; a chance they would not have under the Secretary's route recommendation.

Mr. President, I urge my colleagues to support this amendment. Thank you, Mr. President.

● Mr. TOWER. Mr. President, in consideration of the amendment to preserve a regional balance in the Amtrak system offered by my distinguished colleague from Idaho (Mr. CHURCH), I wish to express my concern that certain routes retained for this purpose might not be preserved in their integrity. For instance, if it is objectively determined that regional balance is best served by retention of the Inter-American route between Chicago and Laredo, Tex., rather than my State's other threatened route, the Lone Star, I would hope that the criteria used to assess the surviving route or routes are applied uniformly to all segments of the routes, and that a surviving route is not fragmented in determining which portions of the route are to survive and which are to be eliminated.

The original Amtrak legislation before the House last week laid open the possibility that the 150-mile segment from San Antonio to Laredo, on the border, could be eliminated on the basis of a different set of criteria than used for the rest of the Inter-American route. This segment was saved by approval of an amendment offered by my colleague in the House, Mr. KAZEN, which stated that the Inter-American train should continue to operate to the Mexican border, provided, of course, that such train meet the criteria contained in the amendment calling for regional balance in the Amtrak system.

Mr. President, my expression is not intended to prejudge the merits of retaining one route over another in furnishing rail passenger service in my State. In fact, it would be my desire that both the Inter-American and Lone Star routes be spared by the Amtrak cutback. The Church amendment to which I speak sets forth certain criteria by which Amtrak routes are to be analyzed on the basis of geographic distribution and service. Should this measure carry, the decision is going to be made as to whether the Lone Star or the Inter-American survives. My remarks are directed only to the contingency that, should the Inter-American be retained, then this route should be preserved in its integrity, thus assuring continued rail passenger service from San Antonio to the border.●

Mr. LEAHY. Mr. President, I find myself in total agreement with the Senator from Idaho, and wish to accept this amendment to my substitute. If the managers have no objection, I ask unanimous consent that the amendment of the Senator from Idaho be made part of my substitute amendment.

Mr. LONG. We certainly can accept the amendment.

Mr. McCLURE. Mr. President, reserving the right to object, and I shall not object, I only reserve the right in order that I may associate myself with the remarks of my senior colleague from Idaho and to indicate that, in the Appropriations Commitee, we have looked at this issue. Increased ridership on some of these routes as a result of the change will fully justify continuation.

The ACTING PRESIDENT pro tempore. The Senator has a right to modify his amendment. Does he so modify it?

Mr. LEAHY. Mr. President, I modify it by including the amendment of the Senator from Idaho.

The ACTING PRESIDENT pro tempore. The amendment is so modified.

Mr. LEAHY. Mr. President, I ask unanimous consent that I may yield to the Senator from New Mexico without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The Chair points out that, under this arrangement, the time counts against the Senator from Vermont.

Mr. LEAHY. I understand.

Mr. MAGNUSON. Will the Senator yield?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes.

Mr. LONG. Mr. President, I yield 1 minute to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I rise to support the amendment offered by the Senator from Idaho. The amendment stands as a reasonable compromise among those who would ignore the recent changed circumstances to follow the original DOT regulation.

Events of recent months have made it clear that the original Department of Transportation recommended Amtrak system as reported by the Committee on Commerce, Science, and Transportation is no longer adequate. There has been a dramatic increase in ridership coincident with rising gasoline prices and declining availability of supplies. Even Amtrak's most vocal critics will concede that now

is not the time to reduce the system by almost 43 percent.

This amendment stands as a reasonable compromise between those who would, on the one hand, prefer to freeze the existing system, and those who would ignore the recent changed circumstances and follow the original DOT recommendation.

Mr. President, a 1-year moratorium on cutting back the Amtrak system would have considerable appeal were it not for two factors. Alan Boyd, the President of Amtrak, has made it clear on numerous occasions that he does not have the equipment to continue operating the existing system. Additionally, the Secretary of Transportation, while willing to support this amendment, would recommend that the President veto this legislation if it contains a moratorium provision.

Mr. President, if Amtrak is to succeed, it is essential that we maintain a truly national rail-passenger system. This compromise will provide the type of regional balance necessary to meet that goal, and I urge my colleagues to support this amendment.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. McCLURE. It has been indicated by the Chair that under this arrangement, the time consumed by the Senator from Idaho would be charged to the Senator from Vermont. Is that correct?

The ACTING PRESIDENT pro tempore. It has been.

Mr. McCLURE. Mr. President, I ask unanimous consent that the time that would otherwise have been allotted to the Senator from Idaho for offering an amendment would be added to the time of the Senator from Vermont.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that I be allowed to yield to the Senator from New Mexico without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, as many are aware, there has been a great deal of water, a great number of trains, a great many words, that passed by since this issue was raised by the restructuring proposals of the previous Secretary of Transportation.

Mr. President, I am pleased to join with Senator LEAHY in offering this substitute to the Amtrak Authorization Act of 1979 (S. 712). I feel that this compromise is a rational alternative to the original Commerce Committee bill which was reported out before the American public began to demonstrate their strong support for the Amtrak system. This support has not only been in the nature of letters, telegrams, and numerous personal contacts to congressional offices; their support has been in the form of increased ridership on every route in the Amtrak system.

Mr. President, this substitute gives every route on the Amtrak system a chance to prove itself—a chance not available under the proposed route restructure by the Secretary of Transportation. Under this substitute, any route, regardless of geographic area, can "qualify" for inclusion in the Amtrak system if its ridership has reached a level of 150 passenger miles per train mile and if its operating losses are no more than 7 cents per passenger mile. Although 150 passenger miles per train mile are less than the 173 passenger miles per train mile goal set by the Secretary's route restructure, it is an increase above the current system of passenger mile per train mile average of 141. Mr. President, many of us have long advocated the need to rationalize the Amtrak route system and to increase our support for the routes which are growing and have a definite potential for increasing ridership. There is no question about the fact that the substitute we are offering is a step in the right direction.

Mr. President, since the Secretary's route reexamination process began, ridership on many routes has increased far beyond anyone's expectations. For example, the Southwest Limited, is a train that I am extremely familiar with that provides long haul services between Chicago and Los Angeles, and it provides a most necessary transportation service to my State. This train was originally scheduled to be cut by the Secretary's restructure proposal. However, since the Secretary's restructuring proposal was announced on January 31, 1979, ridership on the Southwest Limited has already gone beyond the 173 passenger mile per train miles projected average for the Secretary's restructured system. Further, it is projected that the Southwest Limited will reach a 215 passenger mile average in fiscal year 1980. Amtrak also predicts that this particular train will have a cents per passenger mile loss of 5.13 cents. Mr. President, this comes very close to the low cents-per-passenger-mile average for the Northeast Corridor.

My example of the Southwest Limited is indicative of the trend across the Nation. Virtually every route recommended for discontinuance by the Secretary of Transportation has shown market ridership increases. Granted, many of the ridership increases have been minimal and may not have reached a point that would indicate potential for future increases to justify retaining the lines.

However, many of the lines have demonstrated that they have a tremendous ridership potential which must not be overlooked. Without the benefit of this substitute amendment, these trains would be gone forever. This new rail passenger market, which is crucial to Amtrak's survival, would also be lost. The Secretary's basic system would result in a reshuffling of routes and finally result in ridership chaos and diversion to other modes.

The cutbacks in Amtrak service proposed by the administration would have been a deathblow to passenger rail service in the United States rather than the cure claimed by its advocates. Contrary to the Department of Transportation's position, modern rail transportation is at the current time an infant industry in the United States. This becomes more apparent when we consider, that 150-mile-per-hour trains are either operational or in the planning stages in Japan, France, Germany, and Great Britain. While the rest of the world forges ahead with more research and development into new technology for faster, safer, more efficient, and more comfortable rail transportation, we languish behind, insuring the eventual phase-out of our existing rail service to the detriment of all transportation service.

The distingushed Senator from Illinois and others have pointed out at other times the dangers of our current technological depression; our attitude toward rail transportation is symptomatic of this problem. Amtrak trains today travel no faster than they did over 30 years ago.

But if we were to develop safe, efficient, comfortable, highspeed, reliable trains and support systems along the coasts of this continent and between the major cities in each of the United States, I have little doubt that the interest of the public would be stirred and that these trains would be well used. Trains can be enjoyable as well as efficient.

The critics of Amtrak have accurately pointed out that we cannot return to the railroad system of the past. We cannot afford to just satisfy the nostalgic yearnings of a handful of railroad buffs. What we can do, however, is to build the railway system of the future—a system that will attract people away from their cars, not because it is a train system, but because it is safer, faster, more comfortable, cheaper, more fuel efficient, and more fun.

I urge my colleagues to give this substitute careful consideration. It is a cost saving measure, as well as a rational extension of the original bill reported by the Senate Commerce Committee. Almost $30 million in labor protection will be saved in view of additional trains that will continue to run. In turn, the substitute increases operating grants by $20 million to accommodate the additional routes that will be preserved by this substitute amendment. The original Commerce Committee bill preserved the Montrealer route and the Cardinal route for limited periods to monitor ridership trends. The substitute includes those routes as well as the Southern Crescent, the Inter-American, and one of the two Florida-to-New York trains.

Mr. President, this is a most reasonable approach, and I urge my colleagues to give it their full support.

Mr. President, it is extremely important that we not take precipitate action to destroy a rail system that I believe eventually this country will find it not only needs, but clearly desires to have.

The people are very supportive of such a concept. I think we will, in fact, find this action is warranted by time and by circumstance.

Mr. LEAHY. Mr. President, I ask unanimous consent that I be allowed to yield to the Senator from Connecticut time on the bill without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 497

Mr. WEICKER. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the amendment being in order at this time?

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BUMPERS. Is the Leahy amendment now an amendment to the Church amendment, which is the pending business?

The ACTING PRESIDENT pro tempore. The Church amendment was incorporated into the Leahy amendment.

Mr. LEAHY. The Church amendment, as modified.

The ACTING PRESIDENT pro tempore. The amendment, as modified, on which time has not expired. So the amendment is not in order.

Mr. WEICKER. I ask unanimous consent, Mr. President, that my amendment to the Leahy substitute, as modified, be in order at this time.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER), for himself, Mr. HATFIELD, and Mr. HEINZ, proposes an unprinted amendment numbered 497 to the amendment intended to be proposed by Mr. LEAHY:

On page 11, in proposed section 801(b)(1)(B), strike "$122,000,000" and insert in lieu thereof "$176,000,000".

Mr. WEICKER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. WEICKER. What is the time situation relative to this amendment?

The ACTING PRESIDENT pro tempore. There are 20 minutes on each side for each amendment. The Senator has the floor at the sufferance of the Senator from Vermont.

Mr. WEICKER. Mr. President, I ask the Chair, am I using up the time of the distinguished Senator from Vermont.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. WEICKER. Mr. President, I ask unanimous consent that the time allotted to me on this amendment be added to the time of the Senator from Vermont.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. WEICKER. Mr. President, first, I commend the distinguished Senator from Vermont (Mr. LEAHY), the distinguished Senator from Idaho (Mr. CHURCH), the distinguished Senator from Louisiana (Mr. LONG), the distinguished Senator from Nevada (Mr. CANNON), for their efforts in getting all parties together and arriving at the legislation that is now before the Senate.

I cannot let the moment go by, however, without giving vent to my feelings on the subject of rail passenger service in the United States, which feelings have been compromised in the sense of the legislation which I have put before the Senate.

It is probably my unwillingness to compromise that does not make me as good a legislator as the Senator from Louisiana, the Senator from Nevada, or the Senator from Vermont. But at least I can say what is on my mind. That is, that I feel very strongly that this Nation should have a first-class passenger rail system, which system shall not or should not be expected to make a profit, or even break even. In short, I believe in the nationalization of rail passenger service in this country.

I feel every section of the country, not just the Northeast corridor, but every section of the country, regardless of population, should have decent, first-class rail passenger service.

Over the past several years, the Senators from the northeastern part of the United States were alone in supporting rail passenger services. We were accused of defending our parochial interests. But here we stand today, the Senator from New Mexico, the Senator from Idaho, the Senator from Nevada, the Senator from Louisiana, in addition to the Senator from Vermont and the Senator from Connecticut. This is a problem now that concerns the entire Nation. It is no longer solely a Northeast problem.

It will continue to be a problem as long as we expect from Amtrak in its delivery of this passenger service, concepts of profit as would attach to private enterprise.

None of the free enterprise nations of the world, with their strong economic systems, demand a profit from their rail passenger systems. I do not think the United States should, either.

So I want to make clear that I think the eventual answer to this situation lies only in the nationalization of rail passenger service. I am not including the freight, but rail passenger service alone.

I do not expect rail passenger service to turn a profit. I do expect it to exist in every corner of this Nation, and to have it available to every citizen of this Nation.

So much for the undiluted feelings of the Senator from Connecticut. I now arrive at my brief comments on the compromise.

Mr. President, last year Congress directed the Secretary of Transportation to recommend "an optimal intercity railroad passenger service." In developing the recommendation, the Secretary of Transportation was directed, pursuant to section 4(a) of the Amtrak Improvement Act of 1978, to consider:

First, any unique characteristics and advantages of rail service as compared to other modes of transportation;

Second, the role that rail passenger service can play in helping meet the Nation's transportation needs while furthering national energy conservation efforts;

Third, the relationship of benefits of given intercity rail passenger services to the costs of providing such services, computing the costs in loss or profit per passenger mile rather than total loss or profit per route;

Fourth, the transportation needs of areas lacking adequate alternative forms of transportation;

Fifth, frequency and fare structure alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service; and

Sixth, the adequacy of other transportation modes serving the same points to be served by the recommended route system.

In addition to the criteria set forth in the legislation, the conference report on the bill indicated that:

The Conferees wish to point out the importance of tourism and the impact rail passenger service may have on the tourism industry. Many States . . . do not exhibit high concentrations of population, but rely heavily on tourism to maintain their economic growth. In areas where alternative modes of transportation are lacking, the relative importance of rail passenger transportation to tourism should be weighted heavily in the Secretary's final recommendations.

On January 31 of this year, former Secretary of Transportation Brock Adams submitted to Congress his final recommendations, which called for the elimination of 12,000 miles, or 43 percent, of the present rail system. When asked to explain the criteria used in making the final recommendations, Mr. Adams stated in a letter dated April 30, 1979 that:

The final decisions were predicated primarily on the quantitative ridership and cost economics of the various components of the system.

Mr. President, in light of the serious energy crisis facing this Nation, it makes no sense to cut nearly in half what little rail passenger service the Nation has. With every sign pointing to increasing restraints on future private auto travel, Amtrak should be strengthened, not truncated.

I am amazed that the administration has not only proposed to cut rail passenger service, but also has proposed to shift money saved in rail passenger funding to highway funding. At the same time the administration recommended slashing Amtrak funds for fiscal year 1980, it requested a 6-percent increase to $6.93 billion in highway construction money. I might add that the $1.4 billion that the administration hopes to save over the next 5 years in Amtrak costs is approximately the amount it will cost for New York City's proposed Westway highway.

Mr. President, alternatives to automobile travel must be developed. Amtrak offers a potentially energy-efficient mode of intercity transportation. As DOT itself recognized in its preliminary report on the reexamination of the Amtrak route structure which was submitted to Congress in May 1978:

One of the primary benefits to the public of maintaining Amtrak is its availability as an alternative to the automobile in an era of increasing energy problems. Therefore, of special note in any review of Amtrak history is its performance during the 1973–1974 energy crisis . . . during the period from November 1973 to April 1974, as compared with the equivalent 6-month period in 1972–1973, Amtrak registered gains in passenger miles across all major categories of routes (+36 percent in the NEC Northeast Corridor, +50 percent on long-distance routes and +54 percent on short distance routes). Fur-

ther, the corporation managed in so doing to reduce the system wide deficit per passenger mile by 19 percent.

While the positive ridership increases of the energy crisis period did not continue in later periods and while the deficit per passenger-mile soon began to increase again, it is clear that during the 1973–1974 period of reduced availability of gasoline, people turned to the train. It is also clear that an unexpected surge in traffic was accommodated by Amtrak and a portion of that increase (19 percent) was retained in the following year.

Mr. President, when Amtrak was created in 1971, it had no employees, no tracks, no rolling stock, no stations. Only $40 million was appropriated for starting the system. The failure of the Federal Government to provide adequate financial assistance to rail passenger service is quite evident. From 1789 through the end of World War II, direct Federal aid to transportation was approximately $7.3 billion for highway transportation, $1.1 billion for air, $4 billion for domestic water and $0.5 billion for rail transportation. During this same time period, the Federal Government took in approximately $5.8 billion in the form of highway user charges and $1 billion from the railroads in reduced rates on the Federal Government's freight and passenger traffic.

Since the end of the Second World War, the Federal Government has contributed heavily to highway and air transportation. However, a longstanding network of institutional support at the Federal level has not existed for railroads, with the Federal Railroad Administration only being created in 1967. The railroads have not been able to use public rights of way as other modes of transportation have, and they have also not utilized any federally guided system planning.

A comparison of the different modes and the level of Federal obligations for the post-war period points out some dramatic differences:

[In billions]

Mode:	*Obligations*
Highways	$102.8
Air	30.6
Domestic water	13.3
Ocean shipping	7.4
Mass transit	13.3
Rail	5.9

Thus the Federal highway spending has been about 19 times greater than rail funding, airways spending 5 times greater, and domestic water spending more than twice as great.

Since 1971, when Amtrak was created, the Federal Government has spent $76 billion in transportation subsidies. $41 billion have gone for highways, $14 billion for aviation, $9.5 billion for mass transit and only $3 billion each for Amtrak and Ocean shipping.

Mr. President, the Federal Government has done little to help the rail passenger systems. In fact, the Federal transportation policy has hurt rail transportation. As pointed out in a 1977 DOT study of Federal aid to rail transportation:

Federal involvement, which enables mobilization of resources on a scale that cannot be matched by the private sector and the states, permits the compression of time. The great disadvantage of Federal direct aid policy vis-a-vis the railroads is not so much that this industry received no Federal assistance, but that the Federal aid provided to the competitive modes vastly accelerated and increased the adjustment problems which the railroads had to face from the new technologies, further compounded by the deaf Federal ear turned to the notion of simultaneously providing the railroads any form of transitional assistance and allowing the railroads to meet the new competitive environment they were encountering.

Despite the poor performance recorded by the Federal Government, Americans have recognized the value of rail passenger services during times of energy shortages. During the 1973 to 1974 energy crisis, Amtrak registered gains in passenger miles across all major categories of routes. Similarly, Amtrak has registered significant gains in ridership and passenger miles during the present energy crisis. Amtrak recently released data comparing ridership, passenger-miles, average trip length, and passenger-mile per train-mile for the second week in May of this year with the second week of May in 1978. Ridership was up 19.6 percent in 1979, the average trip length was up nearly 10 percent, the total passenger-miles increased by 31 percent, and the passenger-miles per train-mile increased over 28 percent this year.

Mr. President, I would also like to call to the attention of my colleagues the tremendous increases registered by Amtrak in May 1979 in reservations, ridership and sales. For the month of May 1979, compared to the same month in 1978, the following increases were experienced: reservations went up by 127.8 percent; denials due to sold-out conditions rose by 1,011. 5 percent; there was a 301.8 percent increase in calls to Amtrak Central Reservations Offices; and total sales for the month of May rose nearly 28 percent to $36.1 million. Clearly, the American public is willing to turn to Amtrak as an alternative mode of transportation.

As the people of our Nation get out of their automobiles, which they are going to have to do, they must have an alternative method of transportation. Amtrak provides an energy efficient alternative. The House Committee on Interstate and Foreign Commerce in its report on the Amtrak authorization bill stated that:

Despite the conflicting studies and statistics advanced by proponents of various modes of transportation, it is widely recognized that with sufficient ridership levels and modern, state-of-the-art equipment, the passenger train is the most energy-efficient of all modes. The engineering characteristics of the train are superior to those of other modes. A steel wheel rolling on a steel rail produces significantly lower friction than is possible with rubber-tired highway vehicles. The train is also the only passenger transportation mode with inherent size flexibility in that train consist can be varied. Additional cars added to railroad locomotives produce minimal additional aerodynamic drag. This drag must be overcome by each highway vehicle, resulting in relatively lower energy-efficiency as transportation capacity is added. Moreover, passenger train energy superiority is more pronounced at greater speeds.

Mr. President, transportation consumes 30 percent of all energy consumed in this country and 96 percent of the movement of people and goods runs on liquid petroleum fuel. The automobile consumes 53 percent of all petroleum used in transportation, and this does not include the vast amounts of energy required for the production of automobiles and for construction of the roads and other property upon which they operate.

No form of present day transportation designed for the mass movement of passengers in intercity service is as energy effective as Amtrak's new Amfleet trains.

An automobile which gets 20 miles per gallon can move one passenger 20 miles on 1 gallon and an automobile which gets 40 mpg can move four passengers at the rate of 160 pmg (passengers miles per gallon) and six passengers at the rate of 240 pmg. The effective fuel consumption of automobile travel lies somewhere between 20 and 40 pmg. These optimum limits are affected significantly by stop-and-go driving and other less-than-the-best circumstances. The average auto gets less than 20 mpg and the average passenger load is 2.2; therefore, the average fuel efficiency of the automobile today is less than 44 passenger miles per gallon.

According to the Boeing Commercial Airplane Co., a 747–200B, one of the most efficient aircraft ever built, can carry 385 mixed-class passengers at the rate of 62.1 passenger miles per gallon and the 727–200, the most popular aircraft ever put into commercial service, can carry 134 passengers at the rate of 36.2 pmg. These aircraft exceed the average fuel efficiency of the automobile and because of their speed and range, provide passenger service which is unparalleled in passenger movement irrespecting of energy efficiency.

For comparison, an Amtrak Amfleet train of eight cars behind a modern diesel locomotive with two Amcafe cars to provide food service and six Amcoaches can carry 624 passengers at 50 mph with a fuel efficiency of 380 seat miles per gallon. It takes 15 big intercity buses, with 15 drivers, stretching out over one-half mile of highway at 50 mph to carry the same number with a fuel efficiency of 265 seat miles per gallon.

To carry 1,560 passengers at 50 miles per hour requires a 20 car Amtrak train of 4 Amcafe and 16 Amcoach cars. To move the same number of passengers by bus requires 36 loaded buses with 36 drivers and more than 1½ miles of roadway at the same speed. The Amtrak train's fuel efficiency will rise to 525 seat miles per gallon while the bus efficiency remains the same at 265 seat miles per gallon.

This comparison demonstrates how the train's flexibility increases fuel efficiency. As passenger cars are added, fuel efficiency goes up appreciably. In a 1974 report to the Department of Transportation, the Mitre Corp. pointed out "the only mode (of passenger transportation) with inherent size flexibility is the railroad where the makeup of the train can be varied to suit the expected load of the day. The train has the best potential for fuel economy of any major transportation mode. The slender shape of a multi-car train minimizes aerodynamic drag and involves small penalty for adding additional cars." The report also noted that "the steel-on-steel rolling friction of the train is lower than is possible with rubber-tired highway vehicles. Finally, the exclusive right-of-way of the trains can minimize both grades and stop-and-start traffic losses."

Mr. President, among the routes included on the list of proposed cuts was the Montrealer, which provides service between Washington, D.C. and Montreal via the inland route through Connecticut, central Massachusetts, and Vermont.

The Montrealer provides the only passenger service to many rural communities in the New England region, thereby establishing an essential link to large metropolitan and industrial areas. The proposed elimination of this route caused widespread reaction in this region, which relies heavily on the tourist industry and small businesses to sustain its economy. The residents of the region were concerned that without the alternative of rail services, coupled with inevitable restrictions on automobile use, tourist and service-oriented businesses would disproportionately suffer.

As ranking Republican on the Select Committee on Small Business, I chaired a hearing held in Burlington, Vt., on May 11 concerning the impact of the proposed termination of Amtrak's Montrealer service on small businesses in New England. Eighteen witnesses testified on the important role played by the Montrealer in the New England economy.

Congress, in the Amtrak Improvement Act, emphasized the importance of public input into DOT's restructuring process. Accordingly, prior to DOT making its final recommendations, the Rail Service Planning Office held over 50 public hearings around the country. However, there were no hearings held in Vermont, New Hampshire, western Massachusetts, or Connecticut. Thus, the people in the region primarily affected by the termination of the Montrealer did not have the opportunity to express their views and needs prior to the elimination of the route. Moreover, the Secretary of Transportation did not have the benefit of this input prior to making his recommendation.

Mr. President, the witnesses who appeared before the committee at its hearing made a compelling argument in support of the retention of the Montrealer. Ralph DesLauriers, chairman of the New England Council, quite eloquently summarized the sentiment of the witnesses about the proposal to eliminate the Montrealer:

The public, the private sector, individual businesses and the individual states have heard the call from the administration and from Congress that there is a national energy emergency, and have taken steps to implement energy-efficient transportation plans. They have invested both time and money toward achieving this goal, and now, with a single almost irrational stroke, the Department of Transportation suggests we eliminate the "Montrealer", an energy-efficient means of transportation that serves the heavily-populated northeast corridor and its vacationland.

In times of energy shortage, it is easy to add cars or even a second train to an established route. However, if the "Montrealer" were dropped, it would be almost impossible to restore train travel to this region. The public and customer acceptance of this train is strong, and would, in fact, argue for a second train over the same route, rather than a cutback. It is a good safe, energy-efficient essential means of transportation through New England and Vermont, and should be retained.

Mr. President, it has become increasingly obvious that the Department of Transportation's recommendation to cut 43 percent of the Amtrak system was erroneous. Amtrak ridership increased 20 percent this past May over May 1978 and advanced reservations soared 128 percent. Amtrak service, which offers a potentially energy-efficient alternative mode of intercity transportation, should be expanded, not contracted.

Unfortunately, as Amtrak President Alan Boyd has noted, the Amtrak fleet is composed of "traveling antique museums" and Amtrak simply does not have enough equipment to provide efficient service on all existing routes.

This compromise amendment recognizes the inability of Amtrak to, at present, efficiently accommodate all routes. This amendment, which is similar to printed amendment 283 that I had intended to propose, provides for retention of service, based on objective criteria, on many of those routes scheduled to be terminated pursuant to the DOT recommendation. Using economic performance and ridership levels as the criteria for qualifying routes, the amendment would require Amtrak to operate service over routes which would not be continued under the DOT plan. Based on these criteria and present projections, Amtrak would be required to maintain, in addition to those routes in the basic system recommended by DOT, the Montrealer, the Crescent, a New York to Florida line, and a version of the Inter-American. In all, 80 percent of the present system would be retained.

Mr. President, the $54 million increase in Amtrak's capital budget authorized by the amendment that I am offering to the compromise would enable Amtrak to purchase the equipment it will need to accommodate its increased ridership and to make it a more attractive transportation alternative.

If Amtrak is indeed going to provide a viable alternative to automobile travel, it must have a reliable fleet of equipment. As Alan S. Boyd, Amtrak's president, stated in a letter to me dated June 19 of this year:

If it is the policy of the United States to discourage unnecessary consumption of gasoline through voluntary conservation, we can expect a further increase in gasoline prices or some form of gasoline rationing. I would certainly hope that in this event, the American public could turn to a safe, efficient, comfortable and reliable rail passenger transportation system. In terms of the long-range future of rail, it is obvious that a reliable fleet of equipment is essential. Without modern equipment Amtrak will never attract sufficient passengers to make it viable, nor will it be able to serve the many individuals who may ultimately depend on rail to meet their personal mobility needs.

Mr. President, we in Congress have never given Amtrak a chance. We have denied it the funds it needs to provide efficient service, and when passengers have not stampeded to use the old, inefficient Amtrak equipment, we have responded by saying "We told you so," and further cut funds. However, this country is now faced with a severe energy crisis that will not go away at the end of the summer. It will be with us for the next 20 years.

Alternatives to automobile transportation must be developed. Amtrak offers a potentially energy-efficient alternative. Yet, it does not have the equipment it needs to attract, or accommodate, new riders.

When Amtrak began in 1971, it had a fleet of equipment, which it leased and purchased from private railroads, that averaged 20 years old. The vast majority of the rolling stock Amtrak inherited was in disrepair, and intercity railcar production capacity in this country had been virtually abandoned. Most cars badly needed renovation and mechanical overhaul, which Amtrak began in November 1971.

As ridership increased, Amtrak bought 606 more old cars from the railroads. During the first 3 years, Amtrak spent over $114 million to purchase and repair this vintage equipment. Of this original rolling stock of 1,881 cars, about 1,230 cars are now used on a daily basis. However, due to the age of the equipment and high cost of repair, Amtrak loses an average of three cars a week from the total pool.

Due to the advanced age of the fleet, Amtrak has developed a capital program to purchase turbine trains for short distance routes, Amfleet cars for corridor and medium distance routes and newly designed bi-level cars for long-distance routes. However, nearly two-thirds of the 1,200 serviceable Amtrak cars average more than 29 years of age. The Eastern and Southern long hauls—the Broadway, the Florida lines, and the Crescent—are currently equipped with cars built between 1948 and 1952 which are approaching the end of their serviceable life.

In addition, Amtrak is supplementing new equipment purchases with programs to upgrade and extend the life of older equipment until it, too, can be replaced. While upgrading is essential to maintain a fleet, it ultimately adds only 3–5 years of service and postpones recognition of the real problem. Fully 28 percent of Amtrak's operating budget for fiscal year 1978 ($235,591,000) was spent on maintenance of equipment.

Mr. President, Amtrak's basic locomotive fleet is powered by diesel fuel, although in the corridor electric locomotives are used between Washington and New Haven, and on the Harrisburg, Pa. spur line. Amtrak's diesel locomotive fleet consists of 292 locomotives averaging over 8 years of age.

Amtrak's capital program anticipates purchasing approximately 70 Swedish designed electric locomotives which will eventually replace existing 37-year-old electric locomotives. Fifteen of these lightweight locomotives are now on order and being built by General Motors. The

Swedish electric locomotive is the first locomotive designed specifically to haul passenger equipment that Amtrak has purchased. The remainder of the fleet are essentially freight locomotives and considerably heavier, and as a result, not as responsive to passenger service.

Furthermore, because of delays in the delivery of the superliner equipment (over 2½ years) and the shortage of conventional cars due to upgrading programs and necessary basic maintenance, Amtrak's equipment availability may in fact worsen before it improves. The energy shortage and increased demand for rail will exacerbate this problem.

Mr. President, the negligence of the United States in providing adequate equipment for efficient rail passenger service is apparent when one looks at the record of other countries. Britain has 17,463 locomotives and cars for 11,258 miles of track; France has 15,320 pieces of equipment for 22,478 track miles; Japan has 26,099 for 13,218 track miles. What is our record? The United States has only a total of 1,913 cars and locomotives to serve 26,000 miles of track.

Mr. President, I would like to call to the attention of my colleagues the manner in which the capital budget for Amtrak was determined. During the budget process, Amtrak, in December 1978, requested a budget mark of $213 million, plus such amounts as might be necessary for new track connections. However, it subsequently agreed that $171 million capital budget proposed by DOT would meet the needs of the reduced national system recommended in the DOT's final restructuring report. Yet, after Amtrak agreed on the $171 million, the Carter administration decided to recommend that Congress require that an estimated $69 million in fiscal year 1980 labor protection payments associated with reducing the system, come out of the $171 million. Thus, the capital funding was reduced to $102 million. The Commerce Committee subsequently added $20 million to the capital figure, giving Amtrak a capital budget of $122 million.

Mr. President, Amtrak's capital needs are critical. I would like to draw to my colleagues' attention some of the impacts of the DOT capital budget proposal.

First. The DOT budget mark would reduce Amtrak's proposed $62 million for lightweight locomotives to $36 million. This would interrupt the production line, breaking Amtrak's contracted right to purchase these locomotives at prices agreed upon with the Electro-Motive Division of General Motors; would significantly increase the eventual cost for these new locomotives; would defer Amtrak plans to retire obsolete, energy-inefficient, expensive-to-maintain GG-1 locomotives; and could result in Amtrak's having insufficient new electric motive power which the Northeast corridor improvement project will institute.

Second. The DOT budget mark would delay $8 million in fiscal year 1980 funding which Amtrak had proposed for conversion of 65 conventional coaches to head-end power in order to meet the need to free Amfleet equipment currently in use throughout the system for use in the Northeast Corridor. This will delay introduction of less energy-consuming cars which are both more attractive to the public and more economical to operate. It would also cause inefficient, unproductive cycles in utilization of facilities and labor.

Third. The Amtrak-proposed capital budget for fiscal year 1980–81 would program $51 million in fiscal year 1981 to begin acquisition of new passenger equipment needed for eastern routes outside the Northeast Corridor, including New York-Florida service and Broadway (New York/Washington-Chicago) service, which have never been provided with new equipment. The DOT budget mark for fiscal year 1980 would delay the ordering of this new equipment, thereby delaying receipt until at least fiscal year 1984.

Fourth. The DOT budget mark would delay $9 million out of a total of $23 million in proposed capital improvements at Amtrak maintenance facilities in Chicago, which is intended to increase productivity and improve efficiency of these operations, as well as at other maintenance facilities to improve environmental protection.

Fifth. The DOT budget mark would delay $12 million of a proposed $21 million in fiscal year 1980 capital improvements at Amtrak stations in Baltimore, Philadelphia, Newark, New York, Providence, Harrisburg, Boston, Portland, Alexandria, Los Angeles, Tampa, Fayetteville, Altoona, Charlottesville, Memphis, El Paso, and San Antonio.

Mr. Alan S. Boyd, the president of Amtrak, wrote me on June 19 to express his concern for the inadequacy of the authorization for Amtrak's capital acquisitions. I would like to share his concerns with my colleagues:

Since our original agreement with DOT, circumstances have changed considerably. First, the Administration decided to recommend that Congress require that the estimated $69 million in FY 1980 labor protection payments associated with reducing the system come out of the $171 million capital funding. This resulted in a real capital budget of $102 million (S. 712 would separate labor protection payments from capital funding and provides $122 million for capital—$49 million short of our original agreement with DOT and $83 million less than what Amtrak originally believed was necessary). Second, it now appears that the Amtrak system in FY 1980 will be somewhat larger than either Amtrak or DOT had considered it would be when we worked out the capital budget for FY 1980.

Third, no one can predict how long the current surge in ridership will continue or how long gasoline availability may be a problem.

In terms of the long-range future of rail, it is obvious that a reliable fleet of equipment is essential. Without modern equipment Amtrak will never attract sufficient passengers to make it viable, nor will it be able to serve the many individuals who may ultimately depend on rail to meet their personal mobility needs.

I appreciate the fact that you have recognized that one of the most serious problems facing Amtrak is the lack of modern, safe and efficient equipment. I, therefore, support your efforts to improve Amtrak's equipment inventory and reduce the associated problems by increasing our capital funding. I hasten to add that capital dollars utilized now will defray the inflationary impact that we will certainly experience by deferring capital expenditures. In addition, I should point out that capital expenditures for equipment will be partially offset by a reduction in our operating budget as a result of the reduced cost of maintenance. This becomes evident when you consider the fact that in 1978, maintenance of equipment was almost equal to the cost of transportation ($236 million for maintenance vs. $289 million for transportation), fully 28 percent of Amtrak's operating budget. This percentage would be unheard of in any other transportation mode. I strongly believe that we will never really know the real potential of Amtrak as long as we have locomotives built in the 1930's, passenger cars built in the 1940's and 1950's, stations which are falling apart and a fleet which can never be responsive to peak demand.

Mr. President, the amendment which I am now offering would increase the authorization level for Amtrak capital acquisitions and improvements in fiscal year 1980 from the $122 million contained in S. 712 to $176 million. I had originally intended to offer an amendment which would have increased the authorization levels for Amtrak's capital appropriations by $100 million in both fiscal years 1980 to 1981, to levels of $222 million and $323 million respectively.

Mr. Boyd indicated in his June 19 letter that the additional funds to be provided by the amendment I had intended to offer would have been used as follows:

Amtrak would use the entire increased funding to speed up the acquisition of 285 new low-level medium distance and long haul coaches, sleeping cars, lounges and diners. This will allow replacement of failure plagued conventional cars that range in age between 20 to 35 years with modern attractive and efficient new equipment. Acquisition of this equipment is currently called for in Amtrak's 5-year capital program; however, scarcity of capital funding delayed the proposed inception of the program to FY 81 with the conclusion of funding in FY 84.

Much of the Amfleet equipment currently being used on the Amtrak network outside the Northeast Corridor on trains such as the Panama Limited, the Inter-American and the Cardinal, is essentially on loan. When the NEC improvements are completed in FY 82, the Amfleet equipment will have to be recalled to the NEC to handle passenger loads generated by the NEC projects. The trains which will lose Amfleet equipment will require equivalent replacement equipment, none of which has been contracted for or produced. (The Superliner equipment has already been fully allocated to the major Western longhauls.) In addition, the Eastern and Southern longhauls—The Broadway Limited, the Florida trains, and the Crescent—are currently equipped with cars built in 1948–52. This fleet of cars has approached the end of its serviceable life and in order to continue such services beyond the next two years, modern replacements would be required.

Amtrak has found that equipment is the greatest single stimulant to increasing ridership and revenues. If Amtrak is to substantially improve its ratio of revenue to cost, new and improved equipment must be slotted on the production line as soon as possible. This would be accomplished with the proposed increase in the Senate's capital authorization level.

Mr. President, the $54 million increase in the authorization for Amtrak's capital acquisitions which this amendment would provide represents a compromise between the $100 million increase which I feel is appropriate and the authorization level which the Commerce Committee desires. Amtrak estimates that it will cost them at least $15 million a month in additional expenses until Congress indicates which lines will be continued after October 1, 1979. This compromise is being offered in an attempt to insure passage of the Amtrak authorization bill prior to the August recess.

Mr. President, this amendment will authorize funds to enable Amtrak to purchase the new equipment that it needs. People are now turning to Amtrak in increasing numbers as a result of the gasoline shortage. As the people of our Nation get out of their cars, which they are going to have to do, they must have an alternative method of transportation. Amtrak provides an energy-efficient alternative, and we must make sure that Amtrak has the equipment it will need to accommodate its increased ridership.

That is the problem in a nutshell. I would hope that we would now concentrate on the capital requirements of Amtrak, with the knowledge that only when we meet these needs will we even stand a chance of arriving at a break-even proposition. It is only when we provide Amtrak with the capital equipment it needs that we will even stand a chance of delivering the type of service which I believe the people of this Nation have a right to expect.

Maintenance of old cars is not the answer. Just keeping their nose above the water, in an operating sense, is not the answer. The answer lies in capital investment. It does in industry, and it does insofar as Government operation of a system such as Amtrak is concerned.

We cannot avoid this any longer. Otherwise, yes, the answer will be a dismal answer, year after year, as Amtrak loses more and more in the sense of funds, more and more in the sense of ridership.

Rather, the time has come for energy conservation, while protecting the environment, and preserving mobility. We must have the rail systems of the United States not just the equivalent of the other advanced nations of the world, but the best in the world.

I strongly urge the adoption of the amendment.

Mr. President, I ask unanimous consent that, without losing my right to the floor, I may yield for comments on this amendment to the distinguished cosponsor, the Senator from Pennsylvania (Mr. HEINZ).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HEINZ. I thank the Senator from Connecticut.

Mr. President, I ask unanimous consent that the time I may take, not to exceed 5 minutes, be on the bill.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. LONG. Mr. President, might such time be yielded?

Mr. DANFORTH. Mr. President, I am happy to yield to the Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator from Missouri.

Mr. President, I commend the Senator from Connecticut for offering this amendment to meet the absolutely essential—and, I emphasize, it meets only the very essential—capital needs of Amtrak.

We all know that as a result of a considerable awakening by the administration and by Congress, the administration's original proposal, which would have cut back about 43 percent of our national rail passenger service, is now viewed not only as a grave error, but also, in view of the energy situation, which was then developing, as a totally shortsighted and even irresponsible decision.

We all recognize that the Leahy amendment, of which this will be a part and which I expected to be adopted, will increase substantially the configuration of the Amtrak system. Amtrak, in order to provide service on all the routes of this expanded system will need to refurbish, to put into operating state, to purchase new equipment. In other words, without improved equipment, Amtrak will be incapable of meeting the passenger needs that I think we will wisely decide must be met.

Thus, I am a very strong supporter of the amendment offered by Senator WEICKER, of which I am pleased to be a cosponsor.

I point out that, regrettably, the amendment does not at this point go as far as perhaps we need to go, which is to provide more funds for the purchases of new equipment. Nevertheless, I am satisfied that new car needs may be accommodated through an arrangement in the appropriations process that will allow us to meet those needs as they arise.

Mr. President, overall, I would like to comment on the Leahy amendment and on the bill.

As part of our effort to resolve the energy problems which have burdened our citizens so profoundly, I am convinced that we must establish without delay a national transportation policy which provides the traveling public with alternatives to the automobile. Rail passenger service is such an alternative. It has proved itself in the past, having played an important role in the economic development of our country.

For some inexplicable reason, we have turned away from rail passenger service. I have mentioned that the administration proposed at the beginning of this year a 43 percent cutback in the rail passenger transportation system; and now the energy crisis, manifested most visibly by long gas lines and increased Amtrak ridership, has established the total folly of that policy for all to see.

To drastically reduce rail passenger service would be a step backward in the effort to solve the energy problem.

It would be worse than a retreat. It would be total capitulation.

We should be looking for ways to put people back on public transportation, not back in their cars. In a time of long gas lines and of efforts to conserve energy, we can neither justify, nor explain the elimination of public transportation. Such short-sighted public policy can only exacerbate the energy problems facing our country and defeat our efforts to escape the economic strangulation inherent in our dependence on foreign oil.

A viable, effective rail passenger system must be part of our national transportation network. Thus, I opposed the drastic cuts in the Amtrak system initially proposed by the administration. Not only did those wholesale cuts in the Amtrak system concern me, but the abrupt elimination of Federal assistance to commuter lines and inadequate level of funding for the 403(b) program, the local rail service program, also struck me as being short-sighted.

With respect to the former, the commuter service, it would have clearly been impossible for State and local authorities to make arrangements for the continuation of vital commuter lines under the scenario initially proposed by the administration. The amendment proposed by the Senator from Vermont includes a provision extending Federal assistance for various commuter lines for 18 months.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. HEINZ. Mr. President, I ask unanimous consent for 2 additional minutes on the bill.

Mr. DANFORTH. I am happy to yield 2 additional minutes to the Senator from Pennsylvania.

Mr. HEINZ. The Senator from Missouri is more than kind.

The amendment proposed by the Senator from Vermont includes a provision extending Federal assistance for various commuter lines for 18 months. That provision is responsive to our public transportation needs, and I wholeheartedly support it.

The level of funding for the local rail services program proposed by the administration was also clearly blind to the transportation needs of many localities throughout the country. Such local service can serve as a complement to the national rail passenger network and to mass transit systems. These considerations, and the impact that such service could have on reducing the consumption of gasoline, led me to cosponsor, along with Senator EAGLETON and several other colleagues, an amendment increasing the level of 403(b) funding and the percentage of the operating expenses which the Federal Government would pay. Although the compromise contained in the amendment offered by the Senator from Vermont does not go quite as far as the amendment we initially proposed, it does provide for an increase in the level of funding for local rail service and a change in the Federal share. I strongly support the provision offered by the Senator from Vermont concerning 403(b) funding.

Without adequate funding we will not be able to move forward with needed ideal rail service. For example, an application for local rail service in my home State between Pittsburgh and Altoona has been under analysis by Amtrak for not 1 year, not 1½ years, but for over 2 years.

It is time that this service was established, and this amendment increasing

the level of local rail service assistance will bring it one step closer to reality.

Finally, the Senate will today adopt, I am certain, a national rail passenger system which reflects our transportation and energy needs and which represents at the same time a wise expenditure of the tax dollars of Americans. The configuration of the final system will be broader than that initially proposed by the administration. The increases in Amtrak ridership, up almost 20 percent in May of this year compared to May of last, justify a broader configuration. However, in order to insure that Amtrak has the capability to provide this increased service, I have joined Senator WEICKER on an amendment adding $54 million to the Amtrak authorization for capital needs. I hope the Senate will adopt this amendment.

The amendments to the Amtrak authorization which will be considered today, the continuation of Federal assistance to commuter lines for another 18 months, the expansion of the local rail service assistance program, and the addition of more funds for Amtrak's capital needs, are responsible steps toward the development of a sound national transportation system. Such a system will contribute to the resolution of our energy problems.

I am hopeful that the Senate will see the wisdom of these amendments and I urge my colleagues to adopt them.

I thank the Senator from Connecticut for yielding.

Mr. BUMPERS. Mr. President, I strongly support the amendment of the Senators from Vermont, as amended by the amendment by the Senators from Idaho and Washington, Mr. CHURCH and Mr. MAGNUSON.

This is the wrong time and the wrong place to cut down on an efficient transportation system.

With this fuel crisis upon us, it would be an outrage to discontinue one of the more efficient transportation systems we have in the country.

Mr. President, whenever we have experienced a gasoline supply disruption, the American people have turned to trains in record numbers. When OPEC reduced the supply and increased the price of fuel, Americans crowded onto Amtrack and many have been turned away because seats were not available.

In 1972, Amtrak moved 16.6 million passengers, and this year the figure will top 20 million. The latest figures provided by Amtrak for its automatic reservations and ticketing system are for May. In that month, space was denied to 756,246 prospective ticket buyers because trains were full. This is an increase of 1,011.5 percent over last May. Ridership was up 20 percent over May 1978. Average trip length was up 10 percent. Passengers per train mile were up 28 percent.

Calls to Amtrak have also increased dramatically. More than 6.8 million calls were made in May, almost 5 times as many as 1 year ago. Reservations are booming even though Amtrak operators were only able to answer 1.5 million of these calls.

	May 1978	May 1979	Increase (percent)
Automatic reservations and ticketing system:			
Reservations	194,000	443,000	127.8
Denial space due to soldout conditions	68,040	756,246	1,011.5
Central reservations offices:			
Calls attempted	1,695,731	6,812,827	301.8
Busy signals received	92,937	4,865,588	
Calls handled	1,550,235	1,503,173	−3.0
Reservation and ticketing activity:			
Ridership	1,651,000	1,975,000	19.6
Average trip length (miles)	197	216	9.6
Passenger miles (millions)	325	426	31.0
Passenger miles per train mile	121	155	28.1
Total sales for May (millions)	$26.7	$36.1	27.7

Amtrak has a rail pass that allows people to ride on the trains for up to 2 weeks at one price. They had to discontinue it because everybody wanted one and there was not enough room for all of the people who wanted the 2-week passes.

The fuel crisis should drive us toward developing a modern and truly national passenger rail system. It is not an accident that every other industrialized nation in the world has achieved efficient rail passenger service. The Japanese are spending $4.1 billion this year on their passenger trains system. France is spending almost $1 billion subsidizing its passenger train system. Britain is spending $728 million.

For a railroad system that includes 27,500 miles, Amtrak operates only 1,234 cars. This point really becomes dramatic when compared to other countries' rail-to-route-mile ratios. For example, Great Britain operates 17,000 cars over 11,000 miles of track. France operates 15,000 cars over 23,000 miles of track.

According to the DOT, petroleum products account for more than 95 percent of the energy consumed in transportation and transportation uses more than 50 percent of the national annual petroleum consumption. When this Nation is spending more than $40 billion to import oil, can we seriously consider abandoning parts of our mass transportation system—a system that offers the greatest potential for moving our citizens in an energy efficient way?

We hear a lot about the advantages of short-haul trains, but with modern equipment, or even with old equipment, the long-distance trains are capable of producing 70 passenger-miles per gallon, compared to about 33 passenger-miles per gallon for automobiles, and 24 for airplanes. Modern trains can now achieve over 100 passenger-miles per gallon.

Mr. President, one of my principal interests in the Amtrak system is the preservation of the Inter-American line. Ridership on the Inter-American has increased dramatically this year. In January, the route posted an increase of 40.2 percent over January of last year. In February, the increase was 15 percent over the previous February. A slight decrease in March may very well have reflected the fact that not one of the 24 trains run in February arrived on time. In April, ridership rebounded, gaining 30.7 percent over April 1978.

At the request of the Department of Transportation, Amtrak compared the performance of 12 selected routes for a week's period in May. The Inter-American showed an increase of 35.9 percent over a comparable week last year. In 1978, the passenger mile per train was 69.7 for that week; this year, the ratio was 100.9, an increase of 44.8 percent.

The Little Rock Amtrak ticket office indicates that in June, ridership and revenues were the largest in the history of the Inter-American. At Little Rock, 2,574 passengers got on or off, bringing in $38,728 in revenue which is up from $10,500 in June, 1978.

The Inter-American has been plagued with slow operating speeds, schedule deficiencies, recurring equipment failure, and inadequate station facilities.

The Marketing Research Department of Amtrak has recently recommended changes in the Inter-American schedule which should vastly improve the ridership on the route. It is estimated that these proposed changes would increase ridership by 146,800 passengers per year and revenues would increase by $3,588,819 per year.

Ingenuity and commonsense would improve the operations of Amtrak considerably. For example, the "Hog-trains"—packaged football specials to University of Arkansas football games using the existing Inter-American schedules—resulted in increased revenues at the Little Rock ticket office by about $13,000. This effort was the result of a brainstorming session of the officers of the Arkansas Association of Railroad Passengers. I encourage the officials of Amtrak to follow the Arkansas example in stimulating Amtrak ridership.

Mr. President, I am pleased to join with Senators CHURCH and MAGNUSON in their amendment to the Leahy and Weicker amendment which offers a rational approach to preservation of viable routes of the Amtrak system.

Mr. WEICKER. Mr. President, the distinguished Senator from Pennsylvania in his remarks is right on target.

I point out to my colleagues that the $54 million which I ask for capital improvements in this amendment is down from the $100 million which was in the original amendment.

Let me say clearly that even the $100 million was inadequate. In order to get a first-class rail system in this country we would have to spend exactly what we spend on highways, and we are talking about $6 billion a year. Then we would have ourselves a rail system which would be first class, such as the highway system is first class in this Nation.

So understand that those of us who believe in the concept are trying to build slowly toward this goal, block by block, from the ground up. We are very much inhibited by the highway trust fund spending its $6 to $8 billion on more highways. Yet we know that the people of America are going to get kicked out of the automobile.

We are expected to do with $54 million to start from scratch what a highway system, which is already first class, is getting $6 to $8 billion a year to do. It does not make much sense.

But in any event, there has to be a starting point, and this is it.

I ask unanimous consent that my amendment be accepted as a modification of the Leahy substitute.

Mr. LEAHY. Mr. President, I have no objection to accepting as a modification to my substitute amendment the amendment offered by the distinguished Senator from Connecticut and the distinguished Senator from Pennsylvania. I think it is an improvement to the substitute, and I am perfectly willing to accept it.

The ACTING PRESIDENT pro tempore. The Senator from Vermont has the right to modify his amendment, and it is so modified.

Mr. LEAHY. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 19 minutes remaining.

Mr. LEAHY. Mr. President, I ask unanimous consent to be able to yield to my distinguished colleague how much time he needs without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I strongly support the amendment which I coauthored with my colleague from Vermont, Senator LEAHY. The more it gets modified, I might say, the better I like it and the more pleased I am to be an enthusiastic cosponsor with Senator LEAHY.

Mr. President, for nearly a decade, I have urged the Federal Government to modernize our Nation's railroad system, rather than to scrap it.

Everything that has happened in this decade has served to convince me that Congress made the right decision in 1970 when it created the National Railroad Passenger Corporation, which is known as Amtrak.

Today, as the Senate begins to consider S. 712, the Amtrak Improvement Act of 1979, it appears that the administration is paralyzed by indecision, ineptitude and an inability to recognize that times have been changing.

We are facing another gasoline pinch and some agencies of this administration are urging conservation, while others are calling for a cutback in rail passenger service—the method of transportation that can be the most fuel efficient of all.

Americans are responding to the gasoline crunch by turning to Amtrak in record numbers. Amtrak tells us that ticket sales increased by more than 72 percent during May and that advance reservations are running 90 percent ahead of 1978 levels, and some trains are carrying standing passengers. Other trains are turning away potential passengers.

Amtrak President Alan Boyd tells us that he is unable to keep pace with increased demand because of a shortage of equipment. Back during the Arab oil embargo of 1973–74, Roger Lewis, who was then president of Amtrak, told me he was short of equipment.

It seems we have not learned very much in 6 years.

Stated simply, the spectacular increase in Amtrak demand cannot be calculated by the statistics that have been made available to us because the entire Amtrak system has broken down under the surge in demand.

Amtrak has not had enough telephone lines to handle calls or enough employes to handle the telephone lines that were needed. Amtrak has not had enough equipment to handle the number of Americans who have wanted to turn to fuel efficient trains for transportation.

We are, in short, reaping the bitter fruits of our short-sighted policies. We still do not have enough modern equipment to encourage ridership, and we still are unwilling to make the necessary investment in rail passenger service.

Americans do not know whether they will be able to get enough gasoline to meet their needs this summer and autumn, and they do not know whether enough trains will be available this summer—or whether trains will be running at all after October 1—to provide an alternative form of transportation.

Now, the so-called experts who have delivered us into this condition are telling us that the best solution is to lop off 43 percent of Amtrak's service mileage, and not to spend too much money to buy new equipment.

It is clear that events and forces that are beyond the control of this paralyzed administration are demanding that we develop a balanced transportation system that places a premium on energy conservation.

Amtrak is that system. But, we are being told that we must scrap a significant part of that system and that we must allow the remaining portion of the system to continue to disintegrate and to be sent to the junkpile.

We are being told that Americans will lose their affection for Amtrak when the gasoline crunch is ended, just as they did after the 1973–74 shortages ended.

Who says the current gasoline crunch is going to end? Who can predict when it will end, if it does?

Americans may be discouraged from using Amtrak because they cannot get reservations, or because there are not enough modern coaches, or because some overnight trains do not have sleeping cars.

The recent history of Amtrak has demonstrated that.

But, is not it about time that we gave Amtrak and the American traveling public a chance to make their attraction a permanent one?

I am aware that the administration's proposed cutback of Amtrak service will save an estimated $280 million a year in rail passenger subsidy payments.

But, unless we act now—before we scrap a vast portion of our existing rail passenger system—we will find that it will cost us a lot more than $280 million a year to replace a rail network that has been allowed to turn to rust.

On virtually every domestic front, this administration appears to have been paralyzed by the fear of making a mistake. It has responded to inflation with inaction. It has responded to the gasoline shortage with inaction.

Now it proposes the same formula—no changes to meet changing circumstances—in response to Amtrak's problems.

Clearly the time has come for decisive action. Clearly we cannot expect any action or leadership from the administration.

The Senate has the opportunity to take the kind of action the American people deserve. We have that opportunity as we consider S. 712, which is now before us.

I have joined in support of several proposals that will be offered in an attempt to preserve Amtrak's present system and to improve both the quality and quantity of its equipment. I am prepared to support other proposals that seek to improve Amtrak, not to send it to the scrap heap.

I urge my colleagues to join me in the kind of positive action that seems to find no favor in the executive branch these days.

Mr. LEAHY. Mr. President, I welcome so much the cosponsorship of my distinguished senior colleague. For months and months Senator STAFFORD has been a bulwark of strength in trying to work out the problems within the Amtrak system and to work out a viable alternative to DOT's proposed plan.

I really do not think it would have been possible to come this far and work out the compromise we have without his help. It is a case where we obviously looked at parochial interests. Congressman JEFFORDS from Vermont worked so very hard with Senator STAFFORD and myself. But we looked also at the broad overview of the whole country. I think the fact we have had cosponsors in support from across the country shows that parochialism has not been the watchword here but what is best for the country has. With the help of my distinguished colleague, it has made a great difference in that regard.

● Mr. HEFLIN. Mr. President, in May of this year I supported, along with the majority of the Commerce Committee members, the Department of Transportation plan to reduce the Amtrak route system by 43 percent. The Secretary of Transportation correctly perceived a need to cut back on certain inter-city passenger trains based on the studies presented to him by his staff. These studies reflect 1977 and 1978 figures. Both trains from Alabama were designated to be terminated by this plan, I might add.

As an economic conservative, I simply could not justify increased subsidies to an underused, energy inefficient system. The Department of Transportation statistics for 1977–78 showed that the Government could fly first class every man, woman and child riding the Southern Crescent from Birmingham to Washington free of charge to the passengers and then give them each $41 to boot compared to the cost of running the train service. The subsidy for the trip from Birmingham to Chicago amounted to $163 per person.

These statistics made it impossible for me to support such an economically wasteful system. By the Department of Transportation's own figures the Southern Crescent needed a ridership increase of a dramatic 84 percent in order to equal the performance of the average long distance train in the Amtrak system. No one at that time believed that such a leap in ridership was imaginable.

Almost immediately following the administration's presentation of S. 712, the supply of gasoline in this country began to tighten. What almost no one predicted might happen has become all too real. This country has a critical fuel shortage which is likely to persist. This fuel shortage has resulted in an enormous increase in ridership on many Amtrak trains previously marked for retirement.

At the present time, Amtrak is operating many of these same trains on a standing room only basis. Amtrak's operators cannot handle the volume of requests for advance reservations. The percentage of people denied space on Amtrak trains due to sold out conditions according to Amtrak's May figures is up 1,000 percent in 1979 as compared to 1978. The passenger ridership figures on some trains, such as the Southern Crescent, is up as much as 85 percent over last year. As a consequence of these increased ridership figures, it is no longer true that the Government is subsidizing a grossly underused system.

Given the change in the energy forecast for the future in this country, coupled with the dramatic demand for Amtrak services, I have become convinced that this is not the time to reduce the Amtrak system by a full 43 percent. However, I intend to watch carefully the quality of service and the cost to the taxpayer of the Amtrak system in the coming year.

It is with these thoughts in mind that I have cosponsored the Leahy amendment to S. 712.●

Mr. LEAHY. Mr. President, I yield to the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, I rise to endorse this amendment that establishes regional balance criteria to achieve more balanced passenger train service. Every American taxpayer in every State shares the cost of operating our national passenger railroad system. It is fair and reasonable to insure that every region has access to Amtrak service, not on a permanent basis, but on a 2-year trial basis, during which period of time they must meet the same criteria as other lines.

If we want to overcome our energy shortage and meet our tremendous future transportation needs effectively, then we cannot afford to preclude railroad mass transportation in our planning. The long gas lines and recent Amtrak ridership increases undeniably prove the necessity that we have a well-equipped system which will serve America's many dynamic markets. To ignore these realities is to invite disaster in the crucial days ahead.

Not only is it imprudent not to acknowledge the significant role which Amtrak can play in alleviating our energy and transportation concerns, but it is also wishful thinking to assert that Amtrak's present fleet can efficiently serve our regional demands. Indeed, one of the problems that Amtrak is faced with is the lack of adequate equipment. They are operating a 27,000 mile system with approximately 2,000 passenger cars. This is less than 1 car per 13 miles and over 50 percent of these cars are over 20 years old—thus contributing to the poor reliability of the service. It is significant to note that other nations such as Japan, England, France, and South Africa have one or more cars per mile servicing their passenger rail systems. Unless we are ready to provide massive Federal funding for the purchase of new equipment, it is unlikely that we will be able to attract the ridership that could decrease the per passenger Federal subsidy.

Aside from increasing her fleet, Amtrak can do much more to satisfy the growing ridership demands throughout out Nation. For instance:

First. Increase advertising. Many passengers have reported that they have never seen an advertisement in a newspaper or magazine, either about Amtrak or a particular line.

Second. Gain intermodal cooperation. Ridership on buses and trains would increase were there more intermodal cooperation, with direct across-the-platform connections at conveniently scheduled times. Now, there is precious little cooperation between Amtrak and the major bus companies, primarily due to paranoia about Amtrak's alleged stealing passengers away from bus companies. Bus ridership might well increase if they cooperated in interchanging with Amtrak in a meaningful way.

Third. Improve stations. Parking facilities at some stations are poor. At one station in Idaho there is no night-time illumination, no real security, no public restroom, and an unmanned glass cage depot which is locked 24 hours a day. There is no drinking water available, no trash receptacles, no telephone, no attendant.

In addition, I submit the following considerations to meet the rising demand for Amtrak across the country:

Fourth. Increase cooperation with travel agencies.

Fifth. Keep ticket windows open longer.

Sixth. Carry more mail.

Seventh. Honor bank cards aboard trains.

Eighth. Let patrons know that you can buy a ticket on-board.

Ninth. Emplace large signs along roads pointing to Amtrak stations.

Mr. President, by proceeding aggressively to improve Amtrak's nationwide service, we will be securing an option for the future. There is no doubt that the cost of rail transportation will look increasingly more favorable as the price of gasoline climbs. There is no doubt about the potential benefits of rail transportation from an energy standpoint. Let us give Amtrak and America the opportunity they deserve—and pass the Amtrak bill with the regional balance amendment.

Mr. LEAHY. Mr. President, I ask unanimous consent to be permitted to yield to the Senator from Maryland without losing my right to the floor.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

UP AMENDMENT NO. 498

(Purpose: To provide for a route allocation study)

Mr. MATHIAS. Mr. President, I ask unanimous consent that it may be in order for me to offer an amendment to the Leahy substitute.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BUMPERS. As I understand, was the Senator from Connecticut's amendment accepted?

The ACTING PRESIDENT pro tempore. As a modification.

Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

Mr. LEAHY. Parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. LEAHY. Is it in order for the Senator from Maryland to propose his amendment without it being on my time?

The ACTING PRESIDENT pro tempore. It would be in order.

Mr. MATHIAS. I so request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an unprinted amendment numbered 498.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Insert the following at the appropriate place:

AMTRAK ROUTE ALLOCATION STUDY

SEC. 16. (a)(1) Not later than December 31, 1979, the President of the National Railroad Passenger Corporation shall establish a system of uniform cost allocation for the Corporation which shall include—

(A) the avoidable cost by route;

(B) the revenue (including mail and State subsidies, if any) by route;

(C) the fully allocated cost by route;

(D) the number of passengers carried by route;

(E) the avoidable profit or loss by route;

(F) the fully allocated profit or loss by route;

(G) the profit or loss per passenger by route; and

(H) the profit or loss by revenue passenger mile.

(2) For the purposes of this section the term—

(A) "avoidable profit or loss" means the result of all revenue attributable to a route minus all reasonable and necessary expenses (including use of tracks and other facilities) which would be incurred by a carrier in providing a service which the carrier can establish that it would not incur if such service were not operated, and all other services were continued; such costs shall be restricted to costs solely related to the service and variable portion of common costs which would not be incurred but for the existence of the service; such costs shall exclude fixed common costs, allocation of any common costs which do not vary as a consequence of providing the service, return on investment, rent, and any other costs which the carrier cannot establish that it would not have reasonably and necessarily incurred but for the existence of the service;

(B) "fully allocated profit or loss" means the avoidable costs plus all other costs, other than unallocated costs, allocated to a route according to the Corporation's current accounting practices; and

(C) "unallocated costs" means those corporate interest, general, and administrative costs not assigned to particular routes.

(b)(1) The Corporation shall prepare and submit to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and the Committee on Interstate and Foreign Commerce and the Committee on Appropriations of the House of Representatives not later than February 15, 1980, a report containing—

(A) a profit and loss table by route for the upcoming fiscal year, assuming a 50 per centum Government reimbursement of the fully allocated losses experienced by each such route; and

(B) the average ticket subsidy required to show a systemwide public service profit (above and beyond such 50 per centum Government reimbursement) for the upcoming fiscal year.

(2) Such reports shall be based on the best possible data available to the Corporation including, but not limited to, historical ridership trends, marketing studies, general economic conditions, ticket pricing policies, levels of services and equipment availability among other factors.

(3) For the purposes of this section the term "public service profit" means the profit or loss experienced on each route after the Government subsidies (both operating and ticket) are added to such route's revenues.

(c) The Corporation shall also include in each report pursuant to subsection (b), a five year financial plan which shall contain—

(1) the steps and conditions necessary to realize a public service profit on each of its routes based on the combined Federal reimbursements and subsidies described in subsection (b)(1);

(2) recommendations or route restructuring, based primarily on the public service profit calculations described in subsection (b)(1)(B); and

(3) a description of the routes, services, marketing, and pricing actions necessary to operate the system for each of the five years with assistance limited to such Federal reimbursements and subsidies as determined for the first fiscal year of the planning period.

(d)(1) In determining the ticket subsidy the President of the Corporation shall identify those tickets which are eligible for such a subsidy. In making such a determination the President of the Corporation shall identify those factors such as mileage and ticket price that would be used to determine eligibility. The President of the Corporation shall apply those factors uniformly without reference to route for each eligible ticket the amount of the subsidy shall be the same, regardless of route or the costs involved.

(2) The President of the Corporation shall submit with his February 15, 1980 report the proposed subsidy per ticket, the means used in determining such amount, the means used in determining ticket eligibility for the purposes of this section, and an estimate by route of the number of eligible and ineligible tickets which will be sold during such year.

(e) The President of the Corporation shall evaluate the value of instituting the allocation system, developed through this study, on an annual basis. In making his evaluation the President of the Corporation shall document the benefits of establishing such a "contractual" relationship with the Congress and any technical changes that would increase the benefits of such an allocation procedure. The President's February 15, 1980 report should contain his assessment of the cost allocation system.

Mr. DANFORTH. Mr. President, whose time is the Senator from Maryland being charged against?

Mr. MATHIAS. No time.

The ACTING PRESIDENT pro tempore. Every amendment has 40 minutes. There will be 40 minutes on the amendment.

Mr. MATHIAS. Mr. President, let me advise the Senator from Missouri that I will not be more than about 2 minutes, so it will not be a matter of great importance one way or the other.

Mr. President, the time has come for the Congress to provide guidelines for Amtrak's management that clearly specify what we expect from our National Rail Passenger System. Our continuing energy crisis dramatizes this need. The more dependent we become on fuel-efficient modes of transportation, such as passenger rail, the more we need some assurance that they are being operated as they should be. I am pleased that the Senate Commerce Committee has addressed this situation through the Amtrak authorization bill by proposing ridership and cost criteria for trains included in the Amtrak system. These are steps in the right direction. But more must be done. Once Amtrak's route structure is defined through the procedures specified by the committee, we still face the problem of determining what service should be provided by each individual route and how to make it cost effective.

In March, I introduced S. 800—the Amtrak Cost Allocation Act—which gave birth to the concept embodied in the amendment I now offer. This amendment would provide a framework for uniform cost allocation by which Congress and Amtrak could evaluate the performance of each route. It would also lead to a much-needed "contractual" relationship between Amtrak management and the Congress, and it would help the American people equate rail service provided with tax dollars expended. Had such a mechanism been in place when the administration proposed route restructuring, we might have avoided that long, agonizing process.

The Amtrak route allocation study, established by this amendment, would direct Amtrak to explore the merits of basing its annual subsidy request on the total number of tickets sold the previous year together with a projection of anticipated increase in ridership. As the managers of the bill know, under the current procedure, the Federal subsidy is based solely on the projected yearly operating loss.

Under the new procedure and the public service value formula contained in this amendment, at least half of all the Amtrak route would show a public service profit annually. This would enable Amtrak to direct its management decisions, such as fare restructuring, schedule changes and equipment improvement, to those individual routes not producing a public service profit with the objective of improving their accountability within the entire system.

This amendment also provides that a public service value formula be used, containing two basic components. First, there will be a Federal Operating Contribution (OC) amounting to 50 percent of the fully allocated loss on each of Amtrak's routes. The Federal Operating Contribution (50 percent) would remain constant.

The second component of the formula is a ticket subsidy. The Federal Government's subsidy to Amtrak under this component would be predicated on the number of riders carried on each of the routes. The effect of a direct ticket subsidy would be to encourage Amtrak to increase ridership on their routes.

The concepts embodied in this formula have precedent in the urban mass transit legislation passed in the 95th Congress where the Federal mass transit subsidy is determined by ridership rather than by mileage. I am proposing the extension of this model to the Amtrak arena.

I think it would also lead to a much-needed contractual relationship between Amtrak management and Congress, and it would help the American people equate rail service provided with tax dollars for expenditures. Had such a mechanism been in place when the administration proposed route restructuring we might have avoided that long ago agonizing process.

Adoption of this amendment would require Amtrak to submit reports on the feasibility and effects of such a cost allocation system to the authorizing and appropriating committees in the House and Senate. Amtrak will also submit a 5-year financial plan which would include an analysis of what needs to be done to realize a public service profit on each of its routes. This plan would describe the route service, marketing and pricing actions necessary to operate the system for each of the 5 years based on the allocation formula contained in the amendment.

The passage of this amendment will help bring order to an otherwise chaotic process. It would establish clear goals and objectives for Amtrak and it would provide an incentive to efficient management and to increasing ridership.

Many of the programs that we in America will have to undertake in order to become energy secure will pay no benefits for years and even decades to come. But we can realize immediate and considerable energy savings by putting our passenger rail system on a firm foundation. It is inevitable that we turn to more fuel-efficient modes of transportation as our energy problems deepen. In order to introduce a much needed element of stability into the Amtrak system, I urge passage of this amendment.

Mr. LEAHY. Mr. President, I think

the proposal of the Senator from Maryland has a great deal of merit, and I accept it as a modification of my amendment, which is pending, in the nature of a substitute.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. MATHIAS. I thank the Senator from Vermont.

Mr. LEAHY. Mr. President, I yield to the Senator from Connecticut, and I ask unanimous consent that I do without losing my right to the floor, and ask unanimous consent that the time for his amendment not be taken out of my time.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 499

(Purpose: To provide for a feasibility study of restoration of certain intercity passenger trains)

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask unanimous consent that it be read.

The PRESIDING OFFICER (Mr. BOREN). Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an unprinted amendment numbered 499.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. 16. Not later than January 31, 1980, the Corporation shall submit to Congress a study of the feasibility of restoring any intercity rail passenger train operated on February 1, 1979, which is not in service on October 1, 1979, and of operating any other trains on a portion or segment of any such discontinued route which the Corporation determines may produce social benefits which would warrant the costs of providing such additional service. The study shall include a detailed analysis and statement of the following information for trains on each route studied:

(1) for trips to and from locations on a particular route, the availability and cost of alternate modes of transportation, with special emphasis on significant changes in the cost or availability of gasoline which have occurred recently or might reasonably be expected to occur in future periods;

(2) changes in energy consumption by all modes which would occur if a particular train were operated;

(3) other positive or negative social and environmental effects which may be caused by a decision with respect to restoration or addition of train service on a particular route;

(4) the type of rail passenger car and the different car configurations within each type would be required to provide appropriate services on a particular train;

(5) the propulsion and mechanical systems of locomotives to be operated on each train;

(6) the amount of equipment required to provide train service on a particular route, or on several connecting routes, including the source, cost, and time required in order to obtain such equipment;

(7) the ridership (in both number of riders and passenger train miles) which can reasonably be projected for a particular train, and the revenues of all types which would be obtained from operation of such train; and

(8) the total cost (including necessary capital acquisitions or improvements) which would be incurred in operating a particular train, including the amount of each of the cost elements of which such total is comprised.

Mr. WEICKER. Mr. President, this amendment, which would require Amtrak to study the feasibility of restoring service to areas affected by the elimination of services, is contained in part (g) of printed amendment 301.

Today the Senate has before it a plan which would retain 80 percent of the present Amtrak system. This is a vast improvement over the DOT recommendation which would have slashed 12,000 miles, or 43 percent, of present rail services.

Yet, even under the Senate plan, people who are presently riding Amtrak will be unable to do so come October 1. Based upon the criteria contained in the plan approved by the Senate, and projected ridership figures, people who are riding the Hilltopper, the Hiawatha, the National Limited, the Floridian and the Lone Star will not have Amtrak service after September 30.

In essence, what this amendment does is to make sure there is still an opening in the future for bringing service to areas which might lose that service under the DOT plan, as modified here on the Senate floor.

Mr. President, in light of the serious energy crisis facing this Nation, Amtrak service should be expanded, not truncated. The Senate plan, however, recognizes that Amtrak simply does not have enough equipment to provide efficient service on all routes and accordingly eliminates certain nonproductive routes.

Although it would not be practicable for Amtrak to continue to run, at this time, all existing routes, we should not forget those riders who will be deprived of Amtrak service. Accordingly, I am offering this amendment which directs Amtrak to study the feasibility of restoring service, when it has sufficient equipment to provide efficient service, to areas affected by the elimination of existing routes.

Pursuant to this amendment, Amtrak would be required to submit to Congress by January 31, 1980, a study of the feasibility of restoring any intercity rail passenger train which is eliminated, and of providing rail service over a portion or segment of any such terminated route. This would enable the Commerce and Appropriation Committees to make necessary adjustments for fiscal year 1981. This study will include information on: First, the availability and cost of alternate modes of transportation to the affected areas; second, changes in energy consumption of all modes of transportation, such as automobiles and taxis, which would occur if a particular train were operated; third, social and environmental effects; fourth, ridership projections; and fifth, costs.

Mr. President, the House adopted a similar study in the Amtrak authorization bill which they passed last week. The Senate should do likewise. I strongly urge that this amendment be adopted.

Mr. LEAHY. Mr. President, I have no objection to the Weicker amendment. Again, I believe it is helpful to the overall thrust of the Leahy substitute, and I ask that my amendment in the nature of a substitute be modified by the addition of the Weicker amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Several Senators addressed the Chair.

Mr. SARBANES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. LEAHY. It would probably be appropriate to yield to the managers of the bill, and I so yield the floor.

Mr. THURMOND. Mr. President, will the Senator yield 5 minutes to me?

UP AMENDMENT NO. 500

(Purpose: To amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for three additional years, and for other purposes)

Mr. DANFORTH. Mr. President, could I dispose of an amendment first? Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

Is there objection to the consideration of the amendment? The Chair hears none, and it is so ordered.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. DANFORTH) proposes an unprinted amendment numbered 500.

Mr. DANFORTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Delete section 308(a)(1) of the Rail Passenger Service Act of 1970 and in lieu thereof, insert the following:

"(a)(1) Not later than the thirtieth day following the end of each calendar month, the Corporation shall transmit to the Congress and release to the public the following information applicable to its operations for such calendar month:".

Mr. DANFORTH. Mr. President, one of the problems with the existing relationship between Amtrak and Congress is the lengthy delay in reporting of operating statistics to Congress. For example, a good part of the argument, and one which I will address later on in the afternoon, concerns alleged changes in the usage of Amtrak, in the ridership of Amtrak, as a result of gasoline lines.

Because of the long delay, 80 days, in making reports to Congress now found in the bill, it is difficult, if not impossible, to get enough factual evidence to either confirm or rebut such allegations.

Therefore, in order to prevent us from getting into the same situation in future years with respect to knowledge as to ridership, and so forth, this amendment is designed to cut 80 days to 30 days the reporting time between Amtrak and Congress.

The amendment has been checked with the chairman of the committee

and the chairman of the subcommittee. I have also spoken with the Senator from Vermont about it, and hope it will be acceptable to him as an amendment to his amendment.

Mr. LEAHY. Mr. President, I ask that the amendment be accepted as an amendment to my amendment in the nature of a substitute, which is pending.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 501

(Purpose: To provide provisions relating to retention and maintenance of facilities)

Mr. DOLE. Mr. President, I send to the desk an amendment to the amendment of the Senator from Vermont, and ask for its consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment? Without objection, the amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 501.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

RETENTION AND MAINTENANCE OF FACILITIES

"SEC. 16. Title IV of the Rail Passenger Service Act (45 U.S.C. 561) is amended by adding at the end thereof the following new section:

"SEC. 406. RETENTION AND MAINTENANCE OF FACILITIES.

"(a) No facilities of a railroad (including a regional transportation agency) which are used in the operation of rail passenger services by the Corporation on February 1, 1979, shall be downgraded or disposed of without obtaining the prior approval of the Secretary under this section.

"(b) Whenever any railroad intends to downgrade or dispose of a facility referred to in subsection (a) which is not currently being used in the operation of services by the Corporation, such railroad shall first notify the Corporation of its intention to take such action. If, within sixty days after receipt by the Corporation of such notice, the Corporation and such railroad are not able to enter into an agreement for the retention or maintenance of such facility or for the conveyance to the Corporation of such facility or an interest therein, the railroad may apply to the Secretary for approval of the downgrading or disposal of the facility.

"(c)(1) If the Corporation does not object to an application of a railroad to downgrade or dispose of a facility within thirty days after the date such application is submitted, the Secretary shall promptly approve such application.

"(2) If the Corporation makes a timely objection to such an application, the Secretary shall, within one hundred and eighty days after the date of such objection, determine the costs which the railroad could avoid if it were not required to maintain or retain the facility in the condition requested by the Corporation. If the Corporation does not, within sixty days after the date of the Secretary's determination, agree to pay such avoidable costs to the railroad, the Secretary shall approve such application.

"(d)(1) In electing whether to enter into an agreement pursuant to this section to pay a railroad the avoidable costs of maintaining or retaining a facility, the Corporation shall consider—

"(A) the potential importance of restoring rail passenger service on the route on which such facility is located;

"(B) the market potential of such route;

"(C) the availability, adequacy, and energy efficiency of alternate modes or alternate rail lines for providing passenger transportation to or near the points which would be served by the route;

"(D) the extent to which major population centers would be served by such route;

"(E) the extent to which the provision of service over such route would encourage the expansion of a national intercity rail passenger system; and

"(F) the possibility of increased ridership on lines of railroad connecting with such route.

"(2)(A) In order to prepare for a valid and timely analysis of a facility, after a railroad gives notice pursuant to this section that it intends to downgrade or dispose of such facility, the Corporation shall conduct a survey of population centers with railroad passenger service facilities and shall update such survey from time to time as may be necessary or appropriate. Within ninety days after the date of enactment of this section, the Corporation shall take steps to prepare a survey plan which shall provide for—

"(i) a target completion date for the survey of population centers of not later than three hundred and sixty days after the ninetieth day after such date of enactment; and

"(ii) a system of collection, compilation, and storage of information gathered pursuant to the survey according to geographic region and according to whether a facility would be part of a short- or long-haul route.

"(B) The survey should facilitate an analysis of—

"(i) ridership potential by ascertaining existing travel patterns or changing travel patterns which would maximize efficiencies of railroad passenger service;

"(ii) the quality of service of competitors or likely competitors;

"(iii) the likelihood of the corporation offering service at a competitive fare;

"(iv) opportunities to target advertising and fares to potential classes of riders;

"(v) economic characteristics of railroad passenger service associated with a facility and the extent to which such characteristics are consistent with sound economic principles of short- or long-haul railroad operations; and

"(vi) the feasibility of applying effective internal cost controls to a facility and the route which the facility would serve in order to improve over time the ratio of transportation expenses, excluding maintenance of track, structure, and equipment and depreciation, to passenger revenue.

"(e) For purposes of this section—

"(1) the term 'facilities' means railroad tracks, rights-of-way, fixed equipment and facilities, and real property appurtenant thereto, and includes signal systems, passenger station and repair tracks, station buildings, platforms and adjunct facilities such as water, fuel, steam, electric, and air lines;

"(2) the downgrading of a facility means a reduction in track classification as specified in the Federal Railroad Administration track safety standards (46 C.F.R. 213), or any other change in such facilities which may increase the time required for a passenger train to operate over the route on which such facility is located; and

"(3) approval of downgrading or disposal under this section shall not be construed as relieving a railroad from compliance with its other common carrier or legal obligations with respect to a facility.".

Mr. DOLE. Mr. President, I have discussed this amendment with the distinguished Senator from Vermont. I do not know of any objection to it. It is a "rail bank" amendment. It simply says that we provide that the track and facilities owned by private railroads and used by Amtrak for passenger service now recommended for discontinuance this fall shall not be downgraded or disposed of until Amtrak has assessed the importance of preserving such tracks or facilities in passenger condition.

Under the provisions contained in the 1971 agreement between Amtrak and the railroads, a railroad cannot downgrade or dispose of track currently being used for passenger service if Amtrak continues to use the line. However, elimination of passenger service over a line segment permits a railroad to modify its trackage and eliminate certain facilities, such as signal lights and platforms. Railroads frequently take advantage of this by downgrading track and eliminating facilities when passenger service is discontinued.

Although it is impossible to accurately predict the costs of upgrading track and facilities once downgraded, an example illustrates the potential expense. The Department of Transportation is proposing a new line segment between Cumberland and Pittsburgh for the restructured Broadway Limited. Present estimates for upgrading this segment range between $30,000 and $60,000 per route mile. By comparison, Amtrak estimates that it will cost only $1,000 per route mile per year to continue to maintain track at existing levels.

Under the House version of the Amtrak bill, 4 to 5,000 miles of track will be discontinued this October 1. The Senate version will affect nearly the same amount of track. Once service is discontinued, some of that track is likely to be downgraded to such an extent that passenger trains would be unable to use the track in the future.

However, recent Amtrak sales trends show that future passenger service needs are still in doubt. For a variety of reasons, primarily gasoline shortages, total passenger miles traveled in May were up 31 percent over a year ago. Total sales increased 27.7 percent and ridership increased 19.6 percent over 1978. These trends are encouraging and significant, however, right now we simply do not know if these trends will continue. If gasoline shortages continue and prices rise, it is possible that Amtrak ridership will increase even more. However, Amtrak patronage could return to normal as gasoline lines disappear and the pumps are full. The only thing that is clear is that substantial uncertainties still exist with respect to future levels of rail passenger transportation demand.

In light of this uncertainty, it is important that we have the option of reinstating passenger service on some of the routes now scheduled to be discontinued this fall. My amendment would preserve that option by insuring that passenger track is available in adequate condition should the need for additional service arise. This could be a relatively inexpensive way of maintaining flexibility while rail use is changing, without

continuing to subsidize presently nonviable portions of the system.

This would work in the following manner. The railroad would first notify Amtrak of its desire to downgrade track. Amtrak and the railroad would then have 60 days to reach an agreement for retention, maintenance or conveyance of that track. If no agreement was reached, the railroad could apply to the Secretary of Transportation for approval of the downgrading. If Amtrak did not object within 30 days, the Secretary would approve the downgrading. If Amtrak did object, the Secretary would determine the costs to the railroad of continuing maintenance. If Amtrak did not agree to pay those costs, the railroad could downgrade the track. Because of monetary constraints, Amtrak would have to establish priorities as to which track would most likely be needed for passenger service.

The cost of maintaining this track is a small price to pay to insure that our rail passenger service is adequate to meet the potential demands of the future. This "rail banking" provision recognizes the possibility that some of the lines being discontinued this year may be needed next year. However, it also recognizes the view that it would be wasteful of our tax dollar to continue to operate all of this track merely because of a short-term increase in Amtrak ridership. The rail bank is a reasonable and limited safeguard to guarantee that we have sufficient railroad facilities standing by if they are needed.

As I say, I know of no objection to the amendment.

Mr. LEAHY. Mr. President, again, the amendment of our distinguished colleague from Kansas is offered as an addition to my amendment. I ask unanimous consent that my pending amendment in the nature of a substitute be modified to incorporate the amendment of the Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I commend the chairman of the committee (Mr. CANNON), the chairman of the subcommittee (Mr. LONG) and the Senator from Vermont (Mr. LEAHY) for working out the proposal now before us and in particular, for responding to a very serious problem concerning Amtrak commuter service. Under the plan put forward by the Department of Transportation Amtrak would have discontinued all commuter service by October 1 of this year unless State or local transit authorities agreed to undertake the financing of those services.

A provision in the Leahy substitute requires Amtrak to maintain that service for 18 months. It is extremely important provision, and I want to thank the Senator from Vermont and others who have worked on this matter and ensured the continuation of commuter service.

Second, it has been reported that the Amtrak board would cease to accept commutation fares on Amtrak trains. The substitute bill contains a specific provision which would require that such fares be accepted until April 1, 1981.

Maryland citizens have been particularly attracted to rail travel and continuing the Blue Ridge intercity week-day service is an important step in presenting the option of increased commuter rail travel and sustaining the enthusiasm for intercity rail travel. The Blue Ridge is an important intercity train serving Martinsburg and Harpers Ferry, W. Va.; Brunswick, Gaithersburg, and Rockville, Md., and Washington, D.C. as well as patrons from Virginia and Pennsylvania. Patronage of this train has increased from 118,900 in fiscal year 1974 to 253,900 in fiscal year 1978. This increase has occured in the absence of any real marketing effort. In addition, the Blue Ridge generates more passenger miles per train than any of the State-assisted trains listed in the DOT Amtrak Report and, according to DOT's own figures, loses less per passenger mile than most of the 403(b) services. For these reasons it is my belief that the service offered by the Blue Ridge should be continued, and the commuter service amendment in the Leahy substitute will insure this service for 18 months.

The hundreds of Blue Ridge passengers from each of these jurisdictions will therefore not be faced with the prospect of returning to automobile usage after October 1, 1979—a prospect which does not comport with a national policy of transporting intercity travelers by energy-efficient transportation modes.

In addition, section 6(e)(3) of the Leahy substitute would require Amtrak "to continue to accept commuter based fares for any rail passenger service which it operates and for which such fares were accepted on January 1, 1979."

This section would permit the several hundred passengers who commute between Baltimore and Washington to continue to have their commutation tickets honored by Amtrak.

I therefore again commend the Senator from Vermont for including in his substitute these two critical provisions for maintaining important rail services.

Mr. President, in closing I also want to commend the distinguished senior Senator from Idaho (Mr. CHURCH) for the fine leadership he has shown with respect to the critical question of rail service, and the very active and vigorous part he has played in helping to bring about a strong legislative response to the many problems that many Members saw in the Department of Transportation's proposal to eliminate important rail service all across the country.

Because of the action of the Senator from Idaho and the response of the Senator from Vermont, the Senator from Nevada, and the Senator from Louisiana, I think we are now moving in the proper direction—we must insist on maintaining needed rail service, while also developing the option of improving and expanding the Nation's rail transportation system.

I thank the Senator from Vermont for yielding.

Mr. LEAHY. Mr. President, I thank the Senator from Maryland. I appreciate his help in getting together the substitute amendment in all respects, and particularly in the two areas he mentioned here. His efforts were invaluable.

Mr. MELCHER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Montana?

Mr. LEAHY. Mr. President, I believe the more appropriate thing to do would be for me to yield the floor.

Mr. MELCHER. Mr. President, I ask for time to be yielded by the managers from the time on the bill.

Mr. McCLURE. Mr. President, will the Senator from Vermont yield for a question?

Mr. LEAHY. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Montana.

UP AMENDMENT NO. 502

(Purpose: To provide for continuation of the Amtrak system until a route plan responsive to energy shortages is developed)

Mr. MELCHER. Mr. President, I have a perfecting amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment be will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) for himself, Mr. BOREN, Mr. STONE, Mr. SASSER, and Mr. BAUCUS, proposes an unprinted amendment No. 502 to unprinted amendment No. 495.

Mr. MELCHER. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 2 is amended by striking "1979" from line 5 thereof and inserting "1980"; and by striking lines 7, 8, and 9 and line 10 to the semicolon and inserting "the Corporation in accordance with the provisions of this Act."

Section 5 is amended by striking lines 31 through 36 on page 2 and by inserting "(1)" in place of "(m)" in line 1 on page 3.

Section 8 is amended by striking "$76,-300,000" from line 6 on page 11 and inserting "$718,000,000"; by striking "$605,000,000" from line 7 on page 11 and inserting "$753,-450,000"; by striking "not to exceed $30,000,-000 for the fiscal year ending September 30, 1980," and from lines 27, page 11 and lines 1 and 2 on page 12; by striking $20,000,000" from line on page 12 and inserting "$10,-000,000"; by striking the quotation mark and period (".) at the end of line 10 on page 13; and, by adding a new subparagraph "(4)" as follows:

"(4) During the fiscal year ending September 30, 1980 the Board of Directors of the Corporation shall analyze each of its routes and the passenger trains operating thereon and shall determine, on the basis of that analysis those trains and routes which will continue in operation during the fiscal year ending September 30, 1981: *Provided*, That any reductions in trains, routes or service shall not exceed $30,000,000 in the aggregate: *And provided further*, That the Board's analysis must give weight, among other factors, to the present and future energy needs of the Nation, the percentage of increase or decrease in ridership of each train examined, and the potential for each train given a minimum reasonable quality of service in terms or roadbed, track, equipment, on-time performance and scheduling.".

Section 14 is stricken in its entirety and section 15 is renumbered as section 14.

On page 3, line 17, insert "established by the Comptroller General in accordance with subsection (d)" after "Criteria".

On page 6, strike lines 1 and 2 and substitute the following:

"(d)(1) Not later than February 1, 1980 the Comptroller General".

On page 7, line 7, strike "Board of Directors" and substitute "Comptroller General".

On page 7, lines 17 and 18, strike "Board of Directors of the Corporation" and substitute "Comptroller General".

Mr. MELCHER. Mr. President, I strongly support the continued operation of the present Amtrak system. The 1-year moratorium before the Senate is a reasonable response to the rapidly changing environment in which Amtrak is presently operated.

Mr. President, we have accepted, under the substitute which is before us, some 80 percent of the present Amtrak system. What I am proposing to do is to have a 1-year moratorium to consider the balance of 16 percent of the present Amtrak system.

The PRESIDING OFFICER (Mr. CHURCH). The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, I ask the managers of the bill to yield to me 1 hour of the time allotted for consideration of the bill.

The PRESIDING OFFICER. The Senator has 13 minutes remaining on the amendment in his own right.

Mr. MELCHER. I ask the managers now, to clear this up, to yield to me 1 hour off the bill. There have been many requests of other Senators to speak on this.

Mr. CANNON. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. The Chair is informed that there are 100 minutes remaining on the bill, 50 minutes allocated to each side.

Mr. CANNON. Mr. President, there has been an agreement that the Senator from Montana would be given 1 hour on his amendment. He has 13 minutes left, I understand.

The PRESIDING OFFICER. He has 12 minutes now.

Mr. CANNON. I have 20 minutes left in opposition to his amendment. I yield him 15 minutes of the 20 minutes remaining there. That will give him a total of 25 minutes. I yield him 35 minutes off the bill, for a total of 1 hour.

Mr. MELCHER. I thank the Senator.

Mr. President, although the administration had recommended a 43-percent cut in the Amtrak system, President Carter recently modified the administration's position and is now recommending continuation of a larger system than the 57 percent it originally proposed. It is not quite clear just how large that will be, but as the price of gasoline goes up and the calls to Amtrak for tickets continues to rise in this fuel crunch, it is obvious that the administration's position is changing, if not daily, at least by the week and by the month, on how much of the Amtrak system they would like to have continued. Action here rather parallels what happened in the House, where the House system, as they passed it, leaves intact 80 percent of the present 27,000-mile route structure. I think by the adoption of the modifications to the Leahy amendment, we are getting up to about 83 or 84 percent if that is accepted.

So, Mr. President, what I am asking now is that the Senate consider a year's moratorium on the remaining 16 to 18 percent that would be lopped off if we accept what has already been indicated would be accepted here, in the Senate.

The House very narrowly, in voting on that a week or two ago, lost the year's moratorium by a vote of 214 to 197, a very close vote. I believe a strong case can be made for continuing all of the current Amtrak trains for another year.

Now, Mr. President, I yield to the Senator from Oklahoma without losing my right to the floor.

Mr. BOREN. Mr. President, I rise today in support of this amendment by the Senator from Montana. As the Senator has pointed out, decisions have already been tentatively reached which would grant subsidies for continuation of over 80 percent of the passenger rail service in this country. To discontinue the rest would be an arbitrary decision not warranted by the current situation which we face.

Mr. President, in January of this year, when the Secretary of Transportation submitted his plan to restructure the Amtrak passenger route system, no one was aware of what the next few months would hold in terms of large increases in ridership that our Nation's passenger trains have experienced. Reports are coming in from all across the country of trains running at "standing room only," of trains booked for several weeks ahead of time, and of continuous busy signals on the telephone lines when seeking reservations from Amtrak reservation clerks. It has been estimated that Amtrak reservation clerks put nearly 50,000 prospective customers across the country on hold in a recent week, and bookings on some trains are running 50 percent ahead of last year. This does not even take into account the numbers of people who were not able to get through because of busy signals.

Under the proposed Amtrak restructuring and under the House version of the bill we are considering today, there is the distinct possibility that some States, like my home State of Oklahoma will lose their last remaining rail passenger service. This could have serious economic consequences for those States that are left with no rail passenger service. Many jobs could be lost in areas that cannot afford to lose them.

With current high prices and serious shortages of gasoline that many parts of the country are experiencing, it is imperative that another look be taken at the rail passenger service system.

The amendment offered by the Senator from Montana would do this. It would allow the present route structure to be retained through the 1980 fiscal year so that the restructuring could be reevaluated in the light of the gasoline situation and the resulting large increase in ridership. I think it is important that Amtrak have the opportunity to do this so that one of our country's mass transit systems can be maintained, and even improved.

Oklahoma is one of the States that may lose its last rail passenger service. I know that many other Senators could stand here today and quote statistics about how the trains in their States have experienced large increases in ridership and advanced bookings. The fact is, these arguments are true and these factors should be taken into consideration and reevaluated before any trains are eliminated from the system. In my home State this week, it was reported that the Lone Star left Oklahoma City with standing room only for some 75 passengers. Ridership is up this year by 25 percent. It is hard to estimate the potential ridership because many people never try to go by train because they have heard the factual accounts of a shortage of equipment and reservation personnel which creates crowded conditions.

It will be much more difficult and expensive to return to passenger service on some of these rail lines if we later change our minds than it will be to maintain them at their present levels so that this new era of passenger train use can be studied. Several years ago, we almost killed the railroads by over regulation. We severely crippled them. Now we badly need them again for energy-efficient freight transportation. But once they were allowed to fall into disrepair, the cost of revitalizing them became much greater than if they had never been allowed to get sick in the first place.

Mr. President, Amtrak will continue to play an ever-increasing role in our mass transit system. We have seen this to be true in the past several months. For this reason, I intend to support this amendment so that the system can be adequately evaluated on the basis of new ridership figures.

Mr. MELCHER. Mr. President, I yield now to the Senator from Tennessee without losing my right to the floor.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Montana for yielding.

During the past several weeks Mr. President, I have risen on a number of occasions to advocate a stay of execution for passenger railroad service in the United States. Today I reiterate my opposition to the Department of Transportation's plan to cut 43 percent of the Nation's intercity train service.

Action last week in the House of Representatives does not bode well for the future of passenger railroad service. If

we do not take action today, the future will indeed be dark.

A few days ago, our President spoke to the American future about the need to conserve energy. He extolled the virtues of mass transportation. He asked us to turn our thermostats to 80 degrees in the summer and 65 degrees in the winter. He has asked for the authority to ration gasoline. He has asked us to drive our cars less.

Mr. President, I support the President's efforts to cut back on the national consumption of fuel. We are becoming indentured servants of Arabian oil sheiks and the multinational oil companies, who are taking a larger and larger share of our expendable income. Most of us do not like that. Now we have a chance to do something about it.

The people of this country are doing something about the energy crisis. As it becomes harder to find a gas station open, and when drivers have to pay a dollar a gallon when they do find a station, they are seeking alternatives to driving four tons of steel.

The people of this country want to ride the trains. They do not want massive cutbacks. I know that from my conversations with the people of Tennessee. I see it in my mail. We can all see it clearly in the demand for train service.

Amtrak has never been so busy. Passengers are being turned away by the thousands and there are not enough employees at Amtrak to answer the calls for reservations.

There could be no more unsuitable time to cut almost half of the passenger railroad service in the United States. We need to upgrade railroad service. For many years, the Europeans have understood the importance of rail service in energy conservation. As we debate a proposal to cut 43 percent of our service in the midst of a terrible energy crisis, the Europeans are in the process of improving 8,000 miles of track and laying 3,500 miles of new track.

Those trains do not make money for anyone, not for the governments or for any private corporation. No one expects them to do so. Rather, it is understood that passenger trains are a vital, sensible, fuel-efficient means of transporting people. I hope that we Americans can recognize that. I believe that the thousands of new passengers taking advantage of Amtrak service do. I believe that more people will realize the benefits of Amtrak service if that service is available. However, if we give support to the DOT plan, millions of Americans will have no passenger service.

I do not think that the Amtrak plan is a good plan and I do not think that the study it is based on is a good study. Some routes are saved because they have histories of high ridership rates. But, the Department of Transportation cannot tell you how many passengers on those trains have transferred from other trains that will be cut by the current plan.

Mr. President, I support a delay in cutting routes because we are at an uncertain time. It is uncertain what the future demands for rail service will be, and the current plan is based on uncertain information.

As I said before, the American people are coming to realize the importance of mass transportation for intercity travel. I hope that my colleagues here in the U.S. Senate will not be too far behind.

(Mr. BOREN assumed the chair.)

Mr. MELCHER. Mr. President, I yield now to the Senator from Kansas without losing my right to the floor.

Mrs. KASSEBAUM. Mr. President, first, I commend those who have guided the Amtrak restructuring through the Committee on Commerce. As a member of the Committee on Commerce, I have strongly supported the Department of Transportation's proposals on the restructuring of Amtrak. We have been subsidizing Amtrak at $800 million a year and it has been running at a deficit of $300 million. I felt, as we were trying to address fiscal responsibility as well as efficient transportation, the time had come to take a long, hard look at Amtrak.

I was dismayed by the action of the House last week when they began adding back on various routes so that, now, we have almost 80 percent of the total route structure back on. There was a great deal of talk around here about 2 months ago about a moratorium, but as trains have been added back on, that talk has dissipated.

It is my belief now that it would be far more beneficial to hold the present structure in place for a year, that this will enable us, in fact, to address the needs of our transportation system more effectively in a year's time than if we grant the compromise proposal for 2 years, which is simply a bandaid measure which in no way, addresses the basic needs of either fiscal responsibility or efficient transportation. That is why, at this point, I am strongly supporting a moratorium, in the hope that we shall be better able, in a year's time, starting again with the structure that we have, to address the needs that we have.

Also, we have a change in the Department of Transportation. With that change of administration there, I think we can also expect to see different approaches to our transportation problems.

It is a difficult position for me to take, believing that we need to make cuts to address the deficit, to address the inefficiency of the Amtrak system. On the other hand, I see no point in going to this solution with the politics of compromise, which is business as usual. I fully appreciate the importance of compromise, but I think this one does not address the needs of our transportation system.

I thank the Chair.

Mr. MELCHER. Mr. President, I yield now to the Senator from Montana without losing my right to the floor.

Mr. BAUCUS. I thank my colleague for yielding.

Mr. President, I rise to support my senior colleague's amendment and to thank Senator MELCHER for his service in trying to protect Amtrak service across the country.

Mr. President, what this debate really boils down to is does it make sense for Congress to cut out a large portion of America's rail passenger transportation service at this time? All Americans are trying to find ways to cope with the energy crisis. And here we are today, eliminating one of the most efficient forms of passenger service in a very large portion of the country.

We in the Western States do not have alternative forms of passenger transportation. We have virtually no air transportation in vast portions of the Western States.

Major airlines and the feeder airlines serve some cities, but miss a good number of communities in Montana.

Beyond that, we have very little bus service. Many other States with very vast expanses face a similar situation.

We are taking a very myopic view of budget problems by cutting public transportation service to a large portion of America.

I suggest, Mr. President, that the United States should be just that—united. We have to have a solid united Amtrak system to provide that national unity.

Mr. President, the Secretary of Transportation's plan to eliminate great portions of our existing passenger rail network made little sense when it was announced last January, and the proposals to cut back the route structure have even less credibility now.

Rising fuel prices and continued shortages have caused Americans to turn to rail travel in unprecedented numbers, rendering the statistics and projections on which the plans were drawn meaningless. Thanks to OPEC and our national energy conservation goal, it is a whole new transportation ball game, and we cannot win it without the availability of travel alternatives to the family car—nationwide.

The public has dramatically demonstrated a renewed interest in train travel. The latest available figures show that in May bookings soared 128 percent over the previous year, and more than three-fourths of a million people were turned away because accommodations were completely full. The telephone reservation system was so flooded with calls that almost 5 million prospective customers received busy signals, with less than one-third that number actually getting through—most often after extended waits. Despite this poor service, ridership and trip length made sizable gains and dollar sales rose an impressive 28 percent.

All this is happening, Mr. President, in spite of not only a woefully inadequate reservation system, but also antiquated locomotives and cars with frequent heating and cooling malfunctions, deteriorating on time performance and little or no advertising or promotional efforts.

Let me speak for a moment about the Northwest—where distances are great and the travel options limited—and the situation I know best, my own State of Montana. Currently, this market is served by two trains operating between

Chicago and Seattle, with service on alternate days across different sectors of my State. The DOT plan eliminates the southern route now serving the population centers of Billings, Bozeman, Butte, Missoula and points in between, including Livingston—one of the gateways to Yellowstone National Park.

Bookings have increased dramatically on this route, with Amtrak's own advance reservations report showing the train, as of July 22, 96 percent sold out for the next 2 weeks and 88 percent 6 weeks ahead. Yet, under the so-called compromise plan being offered today, it is highly questionable whether this line would survive.

I call on my colleagues to recognize that circumstances have changed dramatically, rendering obsolete the premises and predictions on which these proposals are based. Time is needed to develop the data necessary to correctly blend the public's changing travel habits and our energy conservation goals into a national route structure truly meeting America's needs for the future.

The cost of a 12-month delay while this information is gathered and evaluated will be small indeed compared to the huge outlays needed should these same circumstances force us in the years ahead to face the necessity of resurrecting those lines shortsighted expediency caused to be abandoned.

Mr. President, I strongly urge passage of the amendment proposed by my colleague from Montana.

Mr. MELCHER. Mr. President, I yield to the Senator from Kansas without losing my right to the floor.

Mr. DOLE. Mr. President, I thank my colleague from Montana.

I commend my colleague from Kansas (Mrs. KASSEBAUM) for her statement. I think we find ourselves in somewhat the same situation.

I remember very well when Secretary Adams announced the proposal to cut Amtrak rail passenger service.

My staff rushed in with a press release condemning Adams and his action. I did not issue that press release because, like many others, I feel that somewhere along the line we have to stand up without being parochial and say that we have to cut spending.

That was some months ago and much has happened since that time. Many of the happenings have been discussed on the Senate floor.

This Senator from Kansas offered the "rail bank" amendment to the Leahy substitute on the theory that the best alternate would be a 1-year moratorium, but if that fails, as it could, then as a fallback, the "rail bank" proposal would be part of the substitute which I assume will be adopted.

So I say very honestly that when Secretary Adams made his statement, I was quietly supporting that statement. But since that time, about 80 percent, as I think the Senator from Montana pointed out, of the trains affected have been restored.

So those of us who were not included in the compromise are now——

Mr. CANNON. If the Senator will yield on that point, I am sure he would not want the record to be incorrect.

There have not been 80 percent of those proposed to be continued to be restored. The proposal originally was to discontinue 43 percent of the track lines. The proposal now, as amended by the Leahy proposal, would have about 20 percent of the track lines discontinued.

Mr. DOLE. That is right. His arithmetic is better than mine.

I thank the distinguished Senator from Nevada.

Mr. President, I would like to express my support for the amendment offered by the Senator from Montana. The proposed cuts in Amtrak rail passenger service are scheduled for the wrong time, and the cuts have been made in the wrong way.

It just does not make sense to me to kill passenger trains that are running full almost every day and are experiencing the most dramatic increases of rail history, especially as our Nation faces energy shortages that threaten to alter our transportation habits. Amtrak ridership figures have skyrocketed since the Department of Transportation announced its proposed cutback earlier this year. When the changes were first announced, I must admit that I was leaning in favor of them. We in Congress need to do all that we possibly can to cut wasteful or marginal Federal spending, and some of the less efficient trains seemed like the perfect place to begin. My own State of Kansas stood to lose two trains, but my first thoughts were that parochial concerns should not stand in the way of directing our tax moneys where they were most needed.

But things have changed since January. Amtrak trains have been running full. When the lines at the gas stations started forming, so did the lines at the Amtrak ticket offices. Figures released by Amtrak in May reveal this undeniable trend. Passenger ridership increased 20 percent over 1978. Passenger miles rose 31 percent. Total sales rose 27.7 percent. Reservations increased 127 percent. Most impressively, denial of space because trains were sold out skyrocketed 1,011 percent.

The trains serving my home State of Kansas have been a part of this phenomenal interest in riding Amtrak. The Lone Star running from Chicago to Houston saw an increase in passenger miles of over 100 percent, and the National Limited running from New York to Kansas City had a 12-percent increase in passengers and an 86-percent increase in passenger miles. As of June 3, reservations alone on the Lone Star were running at 84 percent of capacity. This does not reflect sales closer to and on the day of departure. Yet, both of these trains will be discontinued under this bill.

These figures tell us that people want to ride Amtrak. In fact, thousands of potential riders are being turned down. This simply is not the time to cut service. Our country needs alternatives to the gas-guzzling automobiles. We talk of a massive development of synthetic fuels. We talk of increasing mass transportation. Yet, the train is about the only mass transit the rural areas of our country have. Hutchinson, Wichita, and Garden City, Kans., just do not have the facilities of New York and Washington, D.C.

As the Senator from South Carolina just pointed out, we can all cite statistics and figures when we are trying to preserve something that could even be marginal, in some cases. I have cited the figures on the Lone Star route, running from Chicago to Houston. We saw an increase in passenger miles of over 100 percent on that particular route.

So I suggest that there is a need for these trains.

I think it is well to point out that some of us live in rural States. As I said earlier we do not have the mass transit systems that they have in Chicago, or Washington, D.C., or New York. We are talking about cities the size of Hutchinson, Kans. and Garden City, Kans. Even Wichita is not all that large in relative terms.

It just seems to me that what is being suggested does not do violence to those who are concerned about the Federal budget.

I think it would indicate to those who administer Amtrak the great concern there is.

The increased demand forces me to conclude that we should keep these trains running. They may not all be moneymakers, but few train systems in the world run at a profit. We must simply set our priorities. Since Amtrak was created in 1971, we have subsidized all modes of transportation to the tune of $94.5 billion. Amtrak has only received $2.6 billion of that, less than 3 percent. That is undeniably a great deal of money, but as our energy concerns grow and Amtrak demand skyrockets, it is money well spent. This moratorium will cost about $150 million more than the committee compromise. That is a small price to pay for this service.

It seems to me that with all the energy concerns and gas lines, and many Americans listening to the President of the United States and others talk about the crisis of confidence and the need to conserve energy, that we are looking for alternatives. They believe the President when he says we must save.

One way to make that possible for us is keep every mode of transportation we can.

So I suggest that what may be a different attitude on the part of this Senator was caused in large part by the deepening energy crisis.

The proposed changes have also been made in the wrong way, with an eye toward politics and compromise so that this bill could be agreed to before the August break. I agree that we must move quickly to give Amtrak direction for the coming year, but not at the price of a reasoned and rational approach to the problem. Some trains may need to be cut, but no one pretends that this compromise cuts only the worst trains and saves only the best. Of course compromise is necessary in Congress, but lines must be drawn. Our train system is too important to be altered in such a haphazard way.

Mr. President, the Senator from Kansas hopes that this body will recognize our future transportation needs. We should be open to the changing facts that confront us and be willing to continue service that is needed. During the next year, many unanswered questions will be resolved as ridership trends stabilize in light of our changing energy situation. We should adopt this moratorium and reassess the Amtrak system a year from now.

I hope that the amendment of the Senator from Montana will be adopted.

Mr. President, with all due respect for the difficult decision the Wichita Chamber of Commerce had to make, and with the understanding that their views may have changed in recent months, as circumstances have changed, I ask unanimous consent to have printed in the RECORD an editorial published in the Wichita Eagle of April 18, 1979. I believe it accurately discusses the reasons for saving the Lone Star. Events since its publication only emphasize the need.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LONE STAR ROUTE IS NEEDED

The Wichita Area Chamber of Commerce is wrong to support federal Transportation Secretary Brock Adams' proposal to eliminate the Lone Star Amtrak train that runs through Wichita.

We applaud the chamber's conclusion that mere "community pride or selfishness" should not be allowed to undercut any orderly effort to reduce federal deficit spending, and we acknowledge that it has made a careful study of transportation alternatives available to Wichita.

But we believe that the chamber's willingness to give in so easily on loss of the Lone Star, which runs between Chicago and Houston, has been based partly on faulty information.

And it overlooks one extremely important factor: the growing need for conservation of energy fuels. Train travel is, or can be, the most energy efficient mode of transportation. All energy fuels are going to be, in the future, increasingly expensive and in limited supply.

Instead of limiting the opportunities for train travel, the government should, in the interest of long-term efficiency and energy conservation, be encouraging the public to ride trains more, and should be developing the kind of rail travel service that people will want to utilize.

Because of all this, the chamber is right to oppose changes in the Southwest Limited route, which now angles across Kansas on it way from Chicago to Los Angeles.

But the chamber apparently has been misinformed about the extent of ridership decline on the Lone Star. It seems to have accepted without question a Department of Transportation assertion that Lone Star "usage declined 17 percent in fiscal 1978."

A check of Amtrak ridership figures for fiscal 1978 and fiscal 1977 shows that the decline actually was about 7 percent, not 17. Amtrak's totals for the two years are, respectively, 245,100 and 263,711—a difference of 18,611.

Lone Star ridership since has taken an upturn, and for the period of October through January, this year's total was 1.2 percent ahead of the same period a year earlier.

It should be remembered that the Lone Star competes, for Texas passengers, with a train called the Inter-American, which also runs to the Fort Worth-Dallas area by way of St. Louis and Little Rock. It offers connections with Mexican National Railways at Laredo.

It also was on Mr. Adams' list for elimination, but Texans have been fighting hard for its retention. If it is retained and the Lone Star dropped, there still will be a Chicago-Texas train, but it won't serve Wichitans or Oklahomans.

The chamber notes that travelers along the Wichita-Oklahoma City-Houston corridor are well servd by airlines and bus lines. This is true, but air travel is expensive and a long bus ride is not everybody's idea of pleasure.

The chamber points out that it worked vigorously several years ago to insure that the Wichita area would have Amtrak service. Newton isn't far away, and continuation of the Southwest Limited on its present route still would give this area good rail service to the West Coast and to Chicago.

But good service to points south is important, too, and we wish the chamber had put more stress on a couple of points made near the end of the letter to Secretary Adams.

"We support the DOT position to raise the level of revenue Amtrak generates. . . .

"We believe there is an unserved demand for quality passenger train service. If Amtrak will develop passenger trains of quality, it will attract passengers who will pay a competitive price for it. To efficiently serve the public, strides must be made by Amtrak to: reduce costs, streamline work schedules, upgrade employee productivity, modernize equipment, and improve passenger service—including on-time performance and passenger amenities both on the trains and in the depots. . . ."

That, we think, makes sense. Killing the Lone Star doesn't.

Mr. MELCHER. Mr. President, I appreciate the remarks of the Senators in support of the amendment.

I think it is appropriate to note at this time the broad geographic range of the Senators who are speaking on behalf of the amendment.

I believe a strong case can be made and is being made by us in support of the amendment for continuing all concurrent Amtrak trains for another year.

First, the much higher price presently being paid for gasoline is projected to increase another 20 to 25 percent before the end of the year if all the recent OPEC price increases on oil will have been absorbed.

Mr. President, the continuing strong ridership numbers on Amtrak can no longer simply be attributed to the lack of gasoline supply. On the contrary, the high price of gas is now the driving force. No one expects the price of gas to come down, and concurrently Amtrak ridership is unlikely to decrease.

Second, the increased ridership on Amtrak cannot be assessed properly on the routes that are proposed for discontinuance until Amtrak has met the marketing needs required by the rapidly increasing demand for passenger service on these lines. Currently, the Amtrak reservation system is swamped with calls, and literally no one has been answering the phone when hundreds of thousands of would-be Amtrak passengers have called for train reservations. Yet, reservations are required on the five major routes which the compromise amendment would discontinue.

Consequently, no proper assessment of the needs of the people wishing to use these trains can be computed at this time. Amtrak admits that only 22 percent of the calls were actually answered during May of this year. It is obvious that while additional personnel are being added by Amtrak to handle the business of making reservations and selling tickets, the rapid growth of demand nevertheless indicates the possibility that the lines considered for discontinuance may become viable when all passengers who desire service are given a chance to use Amtrak.

Third, most of the routes that are projected for discontinuance are in sparsely populated areas where Amtrak is comparable to mass transit. Both the administration and Congress have advocated more Federal responsibility for mass transit. We believe that Amtrak routes in sparsely populated areas should have sufficient recognition by Congress to give those people an opportunity to use a transportation system that is more fuel efficient than automobiles. While bus service may be available in some of these States, we believe it is also equitable and a wise fuel conservation move to provide the additional availability of Amtrak.

Excluding Amtrak, these sparsely populated areas receive very little in the way of mass transit money from the Federal Government. Amtrak is a means of providing some equity.

Fourth, the advance booking report for nine Amtrak trains illustrates that demand on the five trains eliminated even under the compromise proposal is greater as a percentage than those proposed to be served under the compromise. Simply put, the compromise proposal will still eliminate five major trains running at or near capacity and based on the advance booking reports, these trains will continue to operate at or near capacity. Let me read from the advance booking report. Here are five of the proposed discontinued routes:

The Floridian: The advance booking for the next 2 weeks, or the 2 weeks following July 22, is 77 percent. For the 6 weeks following that date, it is booked 61 percent. For the 13 weeks after that date, it is booked 36 percent. It is interesting to note that that advance booking may well be ahead of any advanced booking for comparable airline service between those points which are served by this train.

The National Limited is another one that is to be executed and deleted by the compromise that is before us now. The National Limited has an advance booking for the next 2 weeks following July 22 of 85 percent of full capacity; 6 weeks from that date, 72 percent of full capacity, and 13 weeks from that date, 42 percent.

The Lone Star, another one to be executed under the terms of the proposal before us, had advanced booking of 86 percent for the 2 weeks following July 22. Sixty-six percent of total capacity is already reserved for the 6 weeks following July 22, and 42 percent for the 13 weeks following that date.

The North Coast Hiawatha—and that one really hits home with me, because it winds its way from Chicago, the Twin Cities, through North Dakota and Montana, and across the tip of Idaho, and out to the coast in Washington—is 96 percent filled for the 2 weeks following July 22; 88 percent filled for the 6 weeks following that date, and 52 percent already booked up for the 13 weeks following that date. Even Northwest Airlines cannot match that in percentage of reservations for those periods of time.

Finally, two trains in the South, the Champion and the Silver Meteor, also are showing such advance booking as has been described adequately previously by the Senator from South Carolina (Mr. THURMOND), so I will not repeat how they are involved.

Mr. President, I now yield to the Senator from Idaho.

THE MORATORIUM

Mr. CHURCH. This amendment is the so-called freeze or moratorium amendment. When the Department of Transportation released its recommended route plan, many of us in the Senate were deeply troubled by the direction this plan would have taken.

First, the proposal called for a drastic slashing of service on the Amtrak system. Approximately 43 percent of the route miles were to be cut. Many of our major cities were to be without rail passenger service. Even more shocking was that this proposal reached the Congress during a time when our Nation was entering an era of spiraling gasoline prices and chronic fuel shortages.

One of the first of my colleagues to recognize the shortsighted nature of the DOT proposal was the distinguished Senator from New Mexico (Mr. SCHMITT). I was pleased to join with him in supporting his efforts within the Commerce Committee to air the weaknesses of this misguided route plan. Attempts to obtain a resolution of disapproval nearly succeeded and my colleague from New Mexico is to be congratulated for his persistence in the committee.

Mr. President, when this bill was reported 3 months ago, we were faced with a drastic reduction in rail passenger service just when our trains were becoming more important. Across the land, Amtrak trains were experiencing an explosion in ridership. People needed the trains. Virtually every route witnessed a surge in ridership. I believed then, and I believe now, that we need these trains.

While gasoline lines have eased recently, we still face a very uncertain supply in the future. I know of no one who believes that gasoline prices are going to level off any time soon. All of these factors make the retention of the current system sensible.

In response to that situation, I offered this moratorium amendment. Senator SCHMITT and 18 of our colleagues joined as cosponsors. The moratorium is designed to retain the current system for an additional year while the route structure is restudied in light of the boom in train ridership and our bleak petroleum supply outlook.

Mr. President, it has been gratifying to see the response to this amendment. Senior citizens, working men and women, and a broad range of organizations and individuals rallied behind this effort to reverse the major cut in rail passenger service that was pending. As my colleagues know, Representatives GORE and FOWLER offered this amendment last week in the House and made a powerful argument for it. The House, however, narrowly rejected this approach. Yet it is to be noted that the effect of the "freeze amendment" led to a House-passed bill which would result in a 20 percent route reduction instead of the proposed 43 percent cut. The Senate substitute, as now modified by inclusion of another amendment of mine, would result in a 19 percent reduction. Moreover, the funding and formula for joint State-federally supported trains has been improved and additional capital has been added to the bill.

Mr. President, I wish it were possible to retain every train we now have operating on the Amtrak system. However, the House has rejected the freeze, while the Commerce Committee and the administration have agreed to restore about two-thirds of the routes that had been scheduled for termination. The Congress has until October 1 to resolve this issue before the 43-percent cut plan would come into effect. I am aware that the response shown by the committee to the concerns raised by those of us who have advocated continuation of the complete system has lessened the necessity for and the prospects of approval of this amendment.

Nevertheless, I commend the able Senator from Montana (Mr. MELCHER) for pressing the moratorium to a vote and assure him of my full support.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MELCHER. I yield.

Mr. MAGNUSON. Mr. President, I have struggled with this Amtrak matter for some time, and I temporarily agreed in the Commerce Committee that possibly we should not ask for a freeze of the whole system but that we should make some compromises as proposed by the Senator from Idaho. However, that was some time ago.

As a matter of fact, the Department of Transportation started this study more than a year ago, I believe, and had no idea of the gas shortage at that time. Conditions have changed.

The Hiawatha, of course, is a train that comes into Seattle. Although we fare well in the compromise, I am constrained to vote for this amendment, because I did not realize that the bookings on the Hiawatha were as high as they are, until the Senator from Montana called it to my attention. Therefore, I am going to vote for the amendment.

Mr. MELCHER. I thank the Senator, and I yield to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I agree with Senator MAGNUSON that things have changed, and we are adding a few trains.

I again appeal to those Senators who originally supported the position of the administration to make effective cuts in the Amtrak program to consider this moratorium in the light of being able to address effectively a transportation system, which I do not think we will be able to do for at least another year, and probably 2, if we do not keep in place the present structure and give it time.

Then, next year, with the changes that have occured in administration, in ridership, in energy, and in the continual flux we are meeting in this problem, perhaps we can come up with something more than the mandate approach we have taken.

Mr. MELCHER. Mr. President, I ask unanimous consent that the name of the Senator from Minnesota (Mr. DURENBERGER) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, those who are supporting the compromise cannot be guaranteed that trains will remain in the system. Under the quadrant approach, the Lone Star and the Inter-American will be pitted against each other. Guarantees aside, the advance booking report illustrates that those who are supposedly assured that their train will stay in operation may face court action from the States left out if the criteria for those States left out is better. Consequently, those who are supporting the compromise thinking that the trains are in may have an unpleasant surprise.

Also, Mr. President, I have the most recent consist figures for the five routes to be cut under the compromise.

I ask unanimous consent that this information be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	Normal assignment per April consist book coach seats only	Actual for July 22–28
Trains to be cut:		
North Coast Hiawatha	222	190, 206, 212, 200.
Lone Star (Houston)	140	145 on July 23–24.
National Ltd	240	324, 240.
Floridian	192	220, 192, 254, 288.
Silver Meteor	284	288, 290.
Champion	284	282, 338.
Trains to be saved:		
Southwest Ltd. (No. 3)	280	352 Sa–F; 328 Sa.
San Francisco Zephyr (No. 5).	178	248, 260, 234, 262, 238, 238, 244.
Coast Starlight (No. 11)	378	406, 434, 408, 478, 408, 438, 402.
Panama Ltd. (No. 59)	352	377, 485, 369, 461, 431, 444, 549.
Montrealer (No. 61):		
Monday–Thursday	208	392, 288, 222, 308.
Friday–Sunday	268	344, 428, 512.

Mr. MELCHER. Mr. President, this information clearly proves that the trains proposed to be cut are running at their near-capacity levels. I wish to read from a summary of these figures.

As to the trains to be cut listed, first of all, the North Coast Hiawatha, the April consist book seats only 222 and the actual for July 22 to 28 for those 4 days is 109, 206, 212, and 200. So there were a few seats left available on the North Coast Hiawatha during that time.

I am citing these figures because they are like last week and I think it is important to know how much these trains are being used now.

For the Lone Star, with 140, which is a normal assignment, that was listed

per April on the consist book 140. There are actually 145 seats used between July 23 and July 24. Those were the only 2 days we could get on that particular train.

For the National Limited April on the consist book there are supposed to be 240 seats available, but that figure ran 324, way above the consist and then 240 right at the consist level; for the Floridian 192 which is supposed to be the seats available as listed as of April, but in these days of July it was listed as actually having passengers amounting to 220, 192, 250, 208, and only one of those days was it actually running at the proposed full capacity. The other days there were additional tickets sold and people riding the train.

The Silver Meteor and the Champion have like figures, and I think this points out that these trains indeed are running very, very close to capacity.

Mr. President, there are other factors that need to be considered. Do we really want more people forced back on our Nation's highways at a time when we all know how much of an impact the importation of foreign petroleum has had on our dollar and the economy in general? But there are other costs on turning the public back on the highways. The Office of Technology Assessment in a recent report found that automobile accidents during 1975 cost this country $75 billion, composed of $37.6 billion in car repairs, $13.3 billion in lives, if the value of human life can be enumerated, $6.1 billion in injuries, and $18.2 billion in other property damage.

No one died as a result of an Amtrak accident during 1977 or 1978. We did lose 97,880 lives on our highways.

I think those figures would be a useless statistic if people were not using the trains.

I am delighted to yield the floor to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I support the amendment proposed by the Senator from Montana and I would like to join him as a cosponsor.

There is one important point that has not been mentioned here. That is weather conditions across the northern part of the United States. There are days in almost every winter when because of weather conditions, blizzards, etc., there is no airline service at all and even the buses cannot run. The trains then are the only means of transportation we have sometimes for days at a time.

I mention that one extra need for passenger service in that part of the United States. I think it is very important.

Mr. MELCHER. I thank the Senator from North Dakota for making that very pertinent observation because it indeed is a problem that we share in the northern tier States in the winter belt of having availability of passenger train service when nothing else can move, including the airlines. It is very helpful to us.

I yield to the Senator from Florida.

Mr. STONE. I thank the Senator.

Mr. President, as the author of a resolution disapproving the Department of Transportation's plan for "restructuring" Amtrak and a cosponsor of the Church amendment proposing a 1-year moratorium on any cuts in Amtrak service, I am both happy for my many colleagues who will benefit from the Senate compromise and dismayed that my own State of Florida has profitted so little from the private negotiations.

What we have in the compromise is the temporary restoration of almost the entire Amtrak system. While DOT and others would stress that no one can predict which trains will be kept because that will depend on ridership statistics not yet available, we all know that private assurances have been made to various Members of Congress and the list of trains to be eliminated has been circulated widely.

It seems rather ridiculous that the Senate is now down to squabbling about the retention of a handful of trains. The fact that so few trains are still in danger and that the statistics on most of those trains compare very favorably with trains kept in the compromise, makes a 1-year moratorium on route cuts seem like the sensible course.

With most of the Amtrak system being retained, you can imagine that many Floridians are not pleased to see 50 percent of their rail passenger service being threatened. There are trains being retained in the compromise that cannot compare with the New York-to-Florida trains in terms of ridership, and if Amtrak were required to apply the proposed criteria in such a way that the trains with the best statistics would have to be retained over trains with worse statistics, both New York-to-Florida trains (the Champion and the Silver Meteor) would have to be retained. However, because there is only so much money in the pot and other Members whose trains do not rank as high might lose their trains, only one of the New York-to-Florida trains will be kept in the compromise.

I can appreciate the sentiments of other Members who do not want to lose their train at the expense of a train which goes to my State (even if the latter has a better passenger mile to train mile ratio and a lower avoidable loss per passenger mile). And I am sure they can appreciate my feelings. Let us be candid. If we are going to fund trains that are not yet doing as well as we would like, let us not do it at the expense of better trains in the system.

I do not particularly want to take on the majority leader over the Cardinal, or the New England Senators over the Montrealer, or the Senator from Idaho over the Pioneer, because I think there may be very valid reasons to keep those trains. But if those trains were required to met the same criteria the New York to Florida trains had to meet, they would be eliminated in October.

I think rail passenger service has a future in this country if we are willing to make the investment.

Maybe some routes do need restructuring. Certainly the Floridian (which I might note had an increase in ridership of 52 percent this April over April of 1978) needs to be rerouted. The Amtrak board of directors agrees with this. But given the contradictory assertions over energy efficiency, the great demand for rail service in recent months and the obvious reluctance in Congress to jettison a national rail passenger network, would it not be better to postpone any curtailments in Amtrak service until we have an opportunity to assess our energy-related transportation needs and this year's ridership increases?

I think so and I hope that a majority of my colleagues will agree, even if their particular concerns have been taken care of by the compromise proposal.

Mr. President, in a recent editorial in the Washington Star a few days ago appears this accurate analysis of the situation we are in at this moment:

AMTRAK: WHEN LESS IS LESS

The House had a better idea, rejecting by a resounding 397–18 vote the Carter administration's proposal for radical surgery on Amtrak. It would have been even better had the House approved an amendment for a year-long moratorium on any Amtrak amputations. That notion was defeated by only 17 votes.

There is a second chance. A moratorium amendment, by Sen. Frank Church, D-Idaho, is expected to be before the Senate in a few days when the Amtrak authorization bill comes to the floor.

As the gasoline lines dismally bloomed in the spring, the administration moderated the extent it wanted to lop off Amtrak segments. But President Carter still threatens to veto a bill that would retain Amtrak's status quo for a year—a short-sighted way to run a railroad. Indeed, the administration's disdain of rail-passenger service as a centerpiece of energy mobilization is inexplicable.

The original proposal by the Department of Transportation would have slashed Amtrak's route structure by 43 percent, from a 27,500-mile system to about 15,000 miles. The administration's plan was like the punchline to an old joke: You can't get there from here. The House-approved bill would retain a 22,000-mile operation.

The past few months have dramatically supported the arguments for a rejuvenated passenger-rail system. The gasoline shortage caused multitudes of travelers to remember the railroad and Amtrak's business boomed; in May, the last month for which figures are available, Amtrak had to turn away more than 750,000 prospective passengers. But Amtrak's ridership already had been increasing over the past few years, despite antique rolling stock, decrepit facilities and deteriorated roadbeds.

There is a problem of perception here, a rather critical one: Whether the eruption of rail passenger demand is temporary or a reasonable indicator that Americans are becoming convinced the energy crisis is real, severe and continuing. We think it is the latter.

The case for retaining—indeed undertaking a long-term expansion—of passenger rail service seems to us overwhelming. By every criterion railroads justify themselves as a re-integrated part of a balanced national transportation system.

Those reluctant to see the nation commit itself to a robust rail system contend that Amtrak has not been cost-efficient and cannot be as the 27,500-mile system is constituted. One of the familiar melodies has been that on particular Amtrak routes it would be cheaper to buy every passenger a first-class plane ticket to his destination and give him a chunk of cash to spend when he gets there.

The argument is wobbly. After all, other forms of public transportation are significantly subsidized—cars and trucks on the interstate highways, air travel to an enormous degree. The public bill last year for transportation subsidy was $14 billion: Of that, a mere 5 percent went to railroads. Which might be called the moral equivalent of indifference.

The House bill is a decent effort to stimulate Amtrak's vital signs. It would authorize $2.7 billion over the next three years, including more money to buy desperately needed equipment. The bill would generally favor short-haul routes; a number of longer-distance trains would almost certainly be dropped under a passenger "per mile-per train" formula—a formula which begs a number of questions. The House also dictated that there be a "regional balance" in Amtrak operations.

The defeated House amendment, offered by Reps. Albert A. Gore Jr., D-Tenn., and Wyche Fowler, D-Ga., and Senator Church's pending proposal, would provide time for more precise study and thought about Amtrak. Nothing would be forfeit by a year's pause, and we might avoid consigning a vital resource to a role far below its potential. This is not nostalgic or romantic.

There are awful problems in rehabilitating rail-passenger service. There may be irreparable losses in not making a full and ambitious effort.

Mr. President, the Florida Times-Union published an editorial recently, the headline of which states "It's no time to cut Amtrak as riders are turned away." It then cites two Florida trains in only 1 week, a week for which recent figures are available, the Silver Meteor, which carried 5,443 passengers the 3d week in May compared to 4,897 the same week the previous year, and the Champion which a year earlier of that week carried 3,503 and it rose to 4,077 passengers.

I myself rode one of the Florida trains a few weeks ago. It was at capacity. I wished to have a few reporters travel with me to observe the conditions of ridership, and I had to negotiate for as many as four reservations on that trip. The train was full. It was full leaving Florida, not just coming to Florida.

Mr. President, we need all of these trains to be looked at for another year in the light of the gasoline crunch, the lines at the gas pumps, and the very real threat that those lines will be repeated.

It seems ridiculous that the Senate is now down to scrapping about the retention of a handful of trains.

May I point out that a number of the trains being kept under the so-called compromise, which is better than nothing, but a number of those trains being kept would not measure up in ridership to a number of the trains—notably those going to Florida from New York—which are up for the ax. That is wrong. It is not fair. And we should be candid with each other.

I do not wish to cancel some of these trains at the expense of Florida trains. I wish to have these trains analyzed in the light of the current circumstances which were far different than the circumstances under which the Department of Transportation promulgated its formula and against which this compromise now in the bill had to be negotiated.

So I support the pending amendment.

Mr. President, I ask unanimous consent to print in the RECORD an editorial of Monday, July 2, 1979, from the Florida Times-Union entitled "It's No Time To Cut Amtrak As Riders Are Turned Away"; an editorial of Monday, February 5, 1979, from radio station WIOD in Miami; and an editorial of Thursday, June 14, 1979, from television station WTVJ in Miami to the same effect.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Florida Times-Union, July 2, 1979]

IT'S NO TIME TO CUT AMTRAK AS RIDERS ARE TURNED AWAY

The U.S. Department of Transportation's second thoughts—about cutting two Amtrak New York-to-Florida routes (both of which pass through Jacksonville)—are sound thoughts.

The two trains are the Silver Meteor, which carried 5,443 passengers the third week in May compared to 4,897 the same week the previous year; and the Champion, which rose from 3,503 to 4,077 passengers in the same period.

These aren't the only encouraging Amtrak statistics. Some others:

Last May there were only 1.7 million calls to Amtrak's five central reservations offices; this May there were 6.8 million calls. So many, in fact, that 4.8 million callers got a busy signal (compared to only 92,000 the previous May).

The Chicago Amtrak station recorded a travel increase this past Memorial Day weekend of more than 40 percent compared to the same holiday last year.

Ridership on the six daily Amtrak trains between San Diego and Los Angeles has increased by more than 40 percent since April of last year.

Overall nationally, reservations this May were up more than 72 percent over last May.

In dollar volume, the May '79 income jumped to $33 million from only $19 million the previous May.

And all of the above happened even though Amtrak had to turn away more than three quarters of a million would-be passengers (756,246 to be exact) during that month.

It seems apparent that the worsening gasoline shortage and soaring prices have spurred use of Amtrak—and much more of the same, not less of it, appears ahead in the future.

The second thoughts that DOT is having should be shared by Congress, which has the final word on such matters.

The Carter administration's plan to cut 11,800 miles of Amtrak's 27,500 miles of routes by this Oct. 1 could hardly have been more poorly timed.

Indeed—if it has not happened already—surely the White House too will start to have some second thoughts.

Thirty-five years ago about 75 percent of all inter-city travel was by train.

Today it's less than three-tenths of one percent.

Conditions today are not (at least yet) like those of the railroad's passenger peak during World War II with tight gas rationing. (Remember the standing space only with "Is this trip necessary?" signs posted everywhere?)

But the fact that gasoline supply is inevitably going to be tighter in the future surely indicates that it is, if anything, a time to expand—not contract—Amtrak routes.

WIOD EDITORIAL

Passenger train service in this country has been cut to the bone already. But Transportation Secretary Brock Adams wants to wipe out nearly half of what we have left, claiming it would save over a billion dollars in five years. Now, we have always been in favor of cuts in government spending and tax savings. However, the Amtrak plan is short-sighted. The same government that proposes side-tracking our trains is trying its best to force us from using our cars. How are we supposed to get around? With gasoline climbing toward a dollar a gallon—and expected to keep climbing—we are going to need passenger trains, or else stay at home. We've sunk millions of dollars into foreign aid and what has it done for us? It hasn't bought us many friends. We'd much rather see these millions spent on the railroads than some ungrateful foreign country. We're going to need a good rail system in the not-too distant future. Perhaps we should seek aid from our European allies or Japan. Maybe they can help us for a change. They all have crack railroads. And, one thing is certain . . . we don't know how to run a railroad.

[From TV Station WTVJ, June 14, 1979]

MIAMI NEEDS ITS THREE AMTRAK TRAINS

When you can't go by car . . . there is always the plane, the bus and the train.

Persons who normally get into the family car for the drive to Florida are rightfully nervous about running into a lack of gasoline en route.

So it's no surprise that Greyhound reports a 25% increase in bus passengers in this area since the gas crunch hit.

The company is being pressed to put more buses into service as is its competitor . . . Trailways.

The airlines also report a passenger increase in and out of Miami-Fort Lauderdale.

But an equal winner in all of this is Amtrak. The demand for tickets on the three trains serving Miami has caused a passenger volume of 89% of capacity.

Across the nation last month Amtrak was forced to turn away some three-quarters-of-a-million people who wanted to buy tickets. There just wasn't space available on the 26,000-mile Amtrak system.

But, come October first, Amtrak plans to cut back 12,000 miles of track. Two of the three trains to and from Miami would be eliminated.

The Floridian . . . serving Chicago and the Silver Meteor to New York would go . . . leaving only the Silver Star to New York.

A year ago those three trains were operating half empty. Now the Floridian is at 89% of capacity . . . the Star is at 85%.

The government got into the railroad passenger business in an effort to provide a meaningful nationwide rail service for the public. Now that the public needs such service . . . Amtrak should revise its cut-back order.

Miami is showing that it needs and can support three trains. Let them continue to operate!

Mr. STONE. Mr. President, I ask Senators to reconsider this and let us support this amendment and look at these trains during this year in the light of the ridership, the current ridership, and above all uniform standards for the trains to be canceled as compared with the trains retained.

The PRESIDING OFFICER (Mr. TSONGAS). Who yields time?

Mr. MELCHER. Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. How much time is remaining, Mr. President, on this amendment?

The PRESIDING OFFICER. The Senator has 5 minutes remaining. The Senator from Montana has 13 minutes.

Mr. DANFORTH. How much time do I have?

The PRESIDING OFFICER. Whether or not the Senator has time on the amendment will be determined by whether the Senator from Nevada is opposing the amendment.

The Chair will also advise the Senator he has 50 minutes on the bill.

Mr. DANFORTH. Fifteen?

The PRESIDING OFFICER. Fifty.

Mr. DANFORTH. All right. Supposing the Senator from Nevada is opposed to the amendment. How much time would I have in opposition to the amendment?

The PRESIDING OFFICER. Only the time you have on the bill.

Mr. CANNON. I yield myself 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. I want to get the attention of some of my distinguished colleagues who have just spoken, particularly the Senator from Florida, who is the latest to speak, and who pointed out that in Florida they were very disturbed about these trains being discontinued.

I can well image they might be. I can tell you why, because the taxpayers subsidized the Champion to the extent of $109.57 per passenger so far this year.

The taxpayers subsidized the Floridian to the tune of $140.39 per passenger so far this year. That is one way, Mr. President, so I do not think it is reasonable to come here and say, "We would like to have this train continued because it is having such great ridership."

Yes, the ridership has increased, but that is the loss per passenger so far this year on those two trains.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. CANNON. I will yield on the Senator's time.

Mr. STONE. I just have one question.

The PRESIDING OFFICER. The Senator from Florida has no time unless it is yielded to him.

Mr. MELCHER. Mr. President, at this time I ask for additional time from the managers of the bill so that we can have an adequate debate on this subject. I ask for another 10 minutes on the bill.

Mr. CANNON. I only have 25 minutes left myself. The other side has 50 minutes.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the time be extended 10 more minutes.

The PRESIDING OFFICER. Is there objection to 10 more minutes?

Mr. DANFORTH. Mr. President, reserving the right to object, where will the 10 minutes come from?

The PRESIDING OFFICER. It would be in addition to.

Mr. DANFORTH. In addition to the time on the bill?

Mr. LEAHY. Evenly divided?

Mr. DANFORTH. Further reserving the right to object, Mr. President, would that be evenly divided?

The PRESIDING OFFICER. It has not been so requested, the Chair will advise.

Mr. MAGNUSON. Mr. President, I ask that the time be extended 20 minutes, 10 minutes on each side to be equally divided.

The PRESIDING OFFICER. Is there objection to the request, 20 minutes, 10 on each side? If not, it is so ordered.

Who yields time?

Mr. MELCHER. I yield to the Senator from Florida as much time as he will require.

Mr. STONE. I thank the Senator.

I ask the Senator, Is it not the case that the Floridian, the most berated of all the trains, and one to be canceled, rose in ridership 19.6 percent during the last fiscal year? And is it not the case that the New York-to-Florida trains, all three New York-to-Florida trains, rose from 381,777 passengers to 426,700 passengers, an increase of 21.2 percent in ridership? And is it not the fact that all the riders on the long-distance trains are subsidized by the taxpayers?

And is it not the fact that if you do not want ridership because it costs the taxpayers money then why have any trains, particularly long-distance trains? And why have a new train through the Senator's home State?

Mr. CANNON. The Senator has asked me so many questions, I will make an attempt to answer them en bloc, if I may.

First, the ridership has increased somewhat, and it has on all of the trains. But a 100-percent increase of 1 is the figure of 2, so you have to look at the figure you start with.

These starting figures, the Senator's percentage of ridership, are very low on those trains. As a matter of fact, if they were high they would not be excluded under the criteria test that the Secretary has established. The trains can be continued if they can be justified, and they will be——

Mr. STONE. Senator, is it not true——

Mr. CANNON. Does the Senator want me to answer the question?

Mr. STONE. Yes.

Mr. CANNON. They will be continued if they can be justified.

The Secretary and Mr. Boyd have set forth the criteria that would apply to continuing the ridership on these trains. Some of them may be able to meet that. If they are able to meet the criteria they will be continued. If they do not meet the criteria they will be discontinued and let off, and we will be reducing that subsidy, as I said in the case of the Floridian, by the sum of $140 per passenger.

The Floridian, which runs from Chicago to Florida, according to the Department of Transportation, lost over $25 million in 1978. Its revenues were less than $4 million, and it could only achieve 60 passenger-miles per train-mile.

Mr. STONE. How about the New York trains, Senator?

Mr. CANNON. The figure today on the Floridian—the Floridian now has increased very substantially, it is up to 100 passenger-miles per train-mile, but far, far below the criteria for continuing the train.

Mr. STONE. How about the New York-to-Florida trains, one of which is up to be canceled, compared to the trains to the West which are to be retained under the so-called compromise?

Mr. CANNON. Well, the New York-to-Florida train, the Silver Star, is to be continued. It has a passenger-mile per train-mile of 263.6, which is more than double that of the Floridian to which I just referred. It is more than double. It is almost three times.

Mr. STONE. How about the other New York to Florida trains?

Mr. CANNON. Give me the names of them.

Mr. STONE. The Silver Meteor, and the Champion.

Mr. CANNON. The Silver Meteor——

Mr. MELCHER. Mr. President, will the Senator yield while he is looking it up? Might I just say that none of these criteria are objective. They are weighted against these very trains that are going to be lopped off, and that is why the amendment contains a requirement that during the year of moratorium the GAO will look at this whole thing and establish some criteria that make sense for the traveling public and is in the best interests of the country.

Mr. STONE. I could not agree more that what we need are objective criteria after all, and if the train, the Floridian, cannot cut it at the end of the year, off it goes. But for us in Florida to be cut while other trains with worse ridership and worse figures will be retained, that is not fair.

Mr. CANNON. Well, the point I think the Senator should recognize is that two of the three Florida trains would remain. One train would go out. I cannot tell you which one of those three. It would be the one with the lowest criterion.

Mr. STONE. That is the problem, Senator. If all three New York to Florida trains have better ridership and better figures than any of the trains to be retained, it is not fair. I will live with a cancellation of a Florida train which is not as good as the trains being retained. But I do not think it is right for any of the Florida trains to be canceled when any of the other trains with worse ridership and worse figures are to be kept, and that is the point of the 1-year period of the Senator from Montana, which will allow us to find out objectively which are the political trains.

I say a train is a political train if it is retained, when the figures are worse than a train canceled whose figures are better. That is a political train.

Mr. CANNON. Well, the Senator is not correct in his facts in the first instance. Second, the criteria are developed fairly; and, third, let me tell you what alternatives are, and I hope everyone will listen to this. Here are the alternatives. If you freeze this system in place this year, the President will veto the legislation. That means—and if you have any doubt about that we have been told that by the prior Secretary of Transportation—and I have a letter here from the present Acting Secretary of Transportation.

Mr. MELCHER. Mr. President——

Mr. CANNON. I have the floor, Mr. President. I have here a letter from the Acting Secretary of Transportation.

The PRESIDING OFFICER. The Senator from Montana's time is being used.

Mr. MELCHER. Mr. President, I just ask that the time the Senator from Nevada is using be charged against him. I would like to have it half and half on this colloquy, and I know the Senator from Nevada wants it that way.

Mr. CANNON. I thought that was charged to me. I yield myself 2 minutes on this point. Here is a letter from Graham Claytor, who is the Acting Secretary of Transportation, who says:

I must reiterate the position taken by Secretary Adams on the freeze. If Congress passes legislation freezing the existing Amtrak route system, I will recommend to the President that he veto the legislation containing the freeze.

I believe that there is no basis to add trains unless sustained ridership growth provides the sound economics to do so. If we are forced into a veto situation and into a continuing resolution, Senators should know that we will have to operate a much smaller Amtrak system than reflected in either H.R. 3996 or S. 712.

I ask unanimous consent that Secretary Claytor's full letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, D.C.

DEAR SENATOR CANNON: As interim sucessor to my friend, Brock Adams, I would like to reaffirm the position of the Department of Transportation and the Administration opposing any attempt to freeze the present Amtrak route structure. Instead, we support the substance of H.R. 3996, as amended and passed by the House of Representatives. This would maintain the basic route structure proposed by the Administration with additional supplemental routes which meet ridership (based on 150 passenger miles per train mile) and cost criteria (based on a short term avoidable loss per passenger mile of 7¢ projected to fiscal year 1980), and would ensure in addition a long-distance train in each of the nation's quadrants. The Amtrak Board would be responsible for the selection of routes based on criteria contained in the legislation.

I believe that any amendment, such as that proposed to the pending Amtrak bill, S. 712, to freeze the existing system would do a great disservice to rail passenger service in this country. It would force Amtrak to operate its entire present route system with its insufficient equipment, perpetuating the past unacceptable level of Amtrak performance. It would require the expenditure of substantial sums on routes which cannot be justified either economically or on the basis of energy efficiency. Good Amtrak routes would suffer, and the entire Amtrak system would appear as inefficient as in the past.

Accordingly, while we have reservations about several provisions in the bill as adopted by the House that we have reviewed with the Commerce Committee staff, including particularly Section 105 which provides that Amtrak's debt held by the Federal Financing Bank be eliminated in return for the issuance of preferred stock, I want to emphasize that the Department and the Administration endorse this middle ground position of maintaining those trains that have a real potential for saving energy for this country. I urge your support for this approach.

I must reiterate the position taken by Secretary Adams on the freeze. If Congress passes legislation freezing the existing Amtrak route system, I will recommend to the President that he veto the legislation containing the freeze. I believe that there is no basis to add trains unless sustained ridership growth provides a sound economic base to do so. If we are forced into a veto situation, and into a continuing resolution, it should be recognized that we may well end up with a much smaller Amtrak system than reflected in either H.R. 3996 or S. 712.

As you may know, I have something of a reputation as a passenger train buff. I also have the responsibility for avoiding waste of the taxpayers' money. I feel very strongly that the proposal summarized above would be in the public interest as well as in the interest of passenger train users throughout the country. I am personally interested in doing everything possible to improve the quality of our passenger train service, and believe this approach will be most effective in accomplishing this goal.

I urge that we move forward as rapidly as possible due to Amtrak's real need to implement the new system by the beginning of fiscal year, October 1. Amtrak requires sufficient time to prepare for its implementation.

Sincerely,

W. GRAHAM CLAYTOR,
(Acting) Secretary.

Mr. STONE. Mr. President, there was an amendment offered, and it was not accepted——

The PRESIDING OFFICER. Who yields time?

Mr. MELCHER. Mr. President, I yield to the Senator from Florida.

Mr. STONE. I thank the Senator from Montana. There was an amendment offered on the House side and rejected, and I would ask whether the managers of this bill would be willing to accept it in order to demonstrate that we are using objective criteria.

That is, that if there is a shortfall and it is necessary to cancel trains, the way you will cancel trains will be that the route which has the lowest avoidable short-term loss per passenger mile and the highest passenger total per train mile would be retained. If we do it that way, and it proves that the train to our areas are canceled, we can say, "OK, it just did not cut it," but we would not have to worry about retention of trains to areas that are the areas most needing to be served, if our areas are canceled.

Several Senators addressed the Chair.

Mr. MELCHER. Mr. President, I have the floor. I yielded to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. MELCHER. I will only take 1 minute, Mr. President, just to say that the letter that has been read was written by the Acting Secretary of Transportation, who would recommend a veto.

I do not know how heavy that recommendation is, but if the Acting Secretary of Transportation can speak for the administration as of next week, the week after, or next month, whenever this bill happens to hit the President's desk, I would be surprised, because the continuation of these advance bookings which we have already shown on these routes is up to 50 percent 13 weeks from now, and up to 79 and 80 percent 6 weeks from now, in advance bookings.

I would think that the President is going to look at those figures and be delighted that we have given him an opportunity to make a worthwhile move to help in the energy crisis.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. MELCHER. I am delighted to yield.

Mr. STONE. I have in front of me the advance booking report as of July 2, 1979, and for the 2-week period, would the Senator believe this figure: For the Champion, which is one of those trains that might be canceled, there is an increase in advance bookings of 94 percent; for the Super Meteor, which might be canceled, there is an increase in advance bookings—these are Amtrak figures—of 95 percent.

I just have a hunch that the advance bookings on some of the western trains—I will not read the names of the trains, but which will be retained—the advance bookings increased 40 percent in one instance; the advance bookings increased 50 percent for that great train that will be retained going to our northern neighbor. For another train which is to be retained, 59 percent.

All I can say, Senator, is that if those figures are correct—and they come from Amtrak—the trains that are getting the greatest increase are the ones that are up for cancellation, and the trains which are going along with some modest increase will be retained.

Mr. MELCHER. Mr. President, I ask unanimous consent that the names of Senators YOUNG and NELSON be added as cosponsors, and I reserve the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield myself an additional 2 minutes.

Reservations are one thing, and riders are another. Using the advance booking report has no relation to ridership, because it has relation to only one segment of the route. I will give you now some of the ridership on these routes, if I can find it.

Mr. MELCHER. Mr. President, if there is a lull here, I will read the figures.

Mr. CANNON. Why not do it on your time while I am trying to find it?

Mr. MELCHER. All right; I am delighted to do it. I have already cited some of them, but I want to talk about it. If the real criterion is how many people are on board, I think we are meeting that test.

We look at the Hiawatha, which, on July 7, on Saturday, left Chicago with 168 passengers out of a total capacity of 190, and on Monday, July 23, left with 129 occupied seats out of a total of 206. On Wednesday, July 25, 181 seats were full out of a total of 212, and last Saturday, 190 seats were full out of a total of 200.

Mr. President, I point out that those are people who came down to the train despite the fact that they could not get through on an 800 number, or any number, to find out whether they could get a reservation, and you have to have a reservation on that train; they fought the system that Amtrak has set up, and went down and got on. That is a pretty big obstacle. If they were running the business like they should, these people could call a number and find out whether they could get on it, and go down, get a ticket, and get on. We get letters in my office, as I suppose other Senators are, about how difficult it is to get a ride on Amtrak these days.

Mr. STONE. Mr. President, will the Senator yield

Mr. MELCHER. I yield to the Senator from Florida.

Mr. STONE. Is not the suggestion that every time there is a prospect of important trains showing increased ridership, the argument against them is that it costs taxpayer money every time you have a passenger? If that is the case, why have any train system at all?

Mr. MELCHER. I think that is exactly right, Mr. President. They want to get a ticket, they come down, there is some question about whether they can even get on, but they buy a ticket, and then the train goes out practically as full as you can get it.

People ought to pay their way when they buy a ticket. The real issue here is that gasoline prices are going up. They are going to continue to go up, at least the rest of this year, and because of that fact we are driving up the demand for the use of Amtrak. I think that is the real issue.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I yield myself 1 minute on the bill.

These questions about percentage of increase can be misleading. For example, here are figures on the Floridian, a train discussed a few minutes ago. In May 1978, it had an average ridership of 50.2. That is a 50-rider average on that train. Then in May 1979, this year, it had an average of 72 riders. That is an increase of 43.4 percent. But, Mr. President, that is a whole train. You have a train crew of about five men—changing crews, by the way, every 100 miles.

Mr. MELCHER. Mr. President, will the Senator repeat those figures?

Mr. LONG. These are figures I have here on ridership. The Floridian, 50.2 in May 1978, and in May this year, 1979, 72.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG. I yield myself 1 more minute.

A bus driver can drive lots of miles. The average teamster drives a truck 90,000 miles.

The average crew member on a railroad crew goes 1/6th that number, about 15,000 miles. They change crews about every 100 miles and put another crew on. It costs a great deal of money to do that. You have to pay for five of those guys, or four, in some cases, if you are lucky.

If that were a bus, it would not weigh one fraction what that pullman car weighs or what the coach car weighs, as the case may be, and you would have one driver drive the thing 300 or 400 miles. So here we are paying this money, we are paying three times the cost——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG. I yield myself 1 more minute. For every dollar these things take in it costs you about three. For each one of these trains, for each dollar you take in, it costs you $6. So here you have 99 people in the country paying the tab for one guy. The 99 who are paying, what are they doing? They are riding on the airplane or the bus, which are taxpaying organizations.

Mr. MELCHER. Will the Senator yield?

Mr. LONG. On the Senator's time.

Mr. MELCHER. Yes, on my time.

We have the figures under the coach seats that are listed in April, which are 192. Taking the last figures available, July 22–28, from Amtrak, they are 220, 192, 254, 208. Out of a system of 192, it is obvious they have not only increased the ridership over what it was previously, but they have increased the ridership over what were the total available seats in April. Who is paying the way? Those folks are paying the way and they are making a profit for Amtrak. It is absolutely unfair to be representing this as some sort of a drain on the Treasury when they are kicking money into the till which makes a profit for Amtrak. They are doing that, Mr. President, because gasoline prices have gone up and they want to ride Amtrak.

Mr. DANFORTH. Will the Senator yield?

Mr. LONG. I will yield in just a few minutes.

Mr. President, for April I am told the figure was 100, an average of 100, in April, for the Floridian. Mr. President, take 100. At best that is about two busloads. For two busloads, you put a driver on each bus, two people, and they will drive you a long way, just one driver on a bus. You put these trains out there and you have to put people inside the trains, the conductors and porters, and in addition to that you have to put a four- or five-man crew on that and change that crew every 100 miles or so. Compared to the number of miles an ordinary teamster takes a truck, it is a very low percentage of miles that you get for the crew.

When you are losing $6 for every $1 that comes in, or you are losing $3 for every $1 that comes in, 99 people are not using the service and paying taxes to support it for every one that is, there comes a limit as to how much imposition we ought to impose on the taxpayers. The rates on this thing should be increased, and, if so, you would not have as many people using it.

When we started out, we were losing about $40 million a year in operating subsidies for Amtrak, $40 million a year when they sold us this turkey. Now it is losing $600 million a year and scheduled to go up to $1 billion a year.

Mr. President, once this energy crisis subsides, there will be just a lot less people using those Amtrak trains than there are now. Right now when people cannot get gas, they will buy a ticket on the train when they would not otherwise buy one.

There is a limit as to how much imposition these people should make on the taxpayers.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG. I yield myself an additional 30 seconds. What is the answer the proponents of this amendment propose to give 99 percent of the taxpayers not riding on this thing, paying all this money in taxes for service they are not going to use? What do they propose to give them? Nothing, no relief at all. It all goes to the small number who are riding it. There comes a time when we ought to cut back on the imposition on the 99 percent of the people who are paying taxes to support something which is an overall money loser.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, the issue here is money. The issue here is how much can we put into Amtrak by way of subsidy. If we were to freeze the system as the Senator from Montana is suggesting in his amendment, the subsidy would be $702 million.

Mr. MELCHER. Will the Senator yield?

Mr. DANFORTH. Under the proposal of the Department of Transportation, the subsidy would be $550 million. Under the amendment offered by the Senator from Vermont, the subsidy would be about $605 million.

Mr. MELCHER. Will the Senator yield?

Mr. DANFORTH. Therefore, Mr. President, the difference between the amendment offered by the Senator from Vermont and the Senator from Montana is about $115 million. That is the issue that is before us right now.

Mr. MELCHER. Will the Senator yield?

Mr. DANFORTH. If the Senator from Montana will withhold, I would like to just make a few points. It will not take me very long. But I have been waiting to do it and I would appreciate the Senator's help.

The story of Amtrak's history, Mr. President, has been as follows:

In the first full year of operation Amtrak was subsidized in the amount of $153 million. At that time it was anticipated that the subsidy would not last forever, that eventually Amtrak would be a profitmaking system, or at the very least it would be able to hold its own, that it would be able to operate without further subsidy. But instead the fact is that the subsidies have been going up steadily since 1972. Whereas in 1972 the subsidy was at $153 million, the projected subsidy for 1979 is $670 million. Now we are talking about the difference between $600 million and $720 million in subsidy.

When the Department of Transportation made its proposal to cut back the rail system by 43 percent, I thought, despite the fact that I had a lot of criticism within my State, that that was a reasonable proposal. I thought that it was a reasonable proposal for the reason that it would have saved $170 million at a time when we have substantial deficits in the Federal budget. The aggregate deficit in the Federal budget from 1970 through 1978 was $413 billion. Therefore, it was my view, and the view of many other people, that this was an opportunity to save at least some money and still serve 91 percent of the passengers on Amtrak.

Forty-three percent of the track was to be cut but only 9 percent of the passengers were to be affected.

If Amtrak were to operate its present route system at full capacity, absolutely full capacity, what percent of intercity transportation would that cover? If every seat on Amtrak were full, on every route, every day, we are talking about 1.2 percent of intercity travelers. So the

original proposal of the Department of Transportation would have cut nine-tenths of 1.2 percent of intercity transportation and would have saved $170 million doing that.

Politics and legislating are the business of compromise. I would have preferred to stay with the original proposal of the Department of Transportation, but there are others who feel differently. Therefore, I am willing to go along with the amendment offered by the Senator from Vermont, but I am not prepared to go any further than that.

The Amtrak system in 1978 was a system in which the passengers, the riders, paid only 37 percent of the cost of riding Amtrak. The taxpayers paid the additional 63 percent of the cost. And the subsidies——

Mr. MELCHER. Will the Senator yield on that?

Mr. DANFORTH. If I could pursue this line for just a minute, I would very much appreciate it.

The subsidies on the routes that have been terminated by the Department of Transportation have already been adequately covered by the Senator from Nevada. They are very, very substantial subsidies per passenger. When the taxpayer is paying up to $193 for a passenger, just to subsidize one passenger's transportation from Chicago to Florida, that is a very substantial subsidy.

The point is that, at a time when we have a 13.2 inflation rate, the time has come, I believe, to start taking a hard look at some of the frills in the Federal budget. These routes to be terminated have to be classified as frills.

The argument has been made, well, maybe the Department of Transportation had some logic behind it, just considering the use of the trains last winter. But it is a whole new ball game now, it is said. The rules have changed. We have an energy problem, it is said. We have gasoline lines and because of the gasoline lines, we are going to have more people riding Amtrak and Amtrak is going to start getting itself out of the hole.

Well, the response to that is, think, in several forms: First, last March, when the President of Amtrak testified before the Senate Committee on Commerce, he stated at that time that if Amtrak were running at 110 percent of capacity—that is, standing room only on every single train—it still could not cover its expenses. It still could not break even on the present system.

The second thing that should be said is that the projections that have been made as to increased ridership are projections which are made, really, on the basis of speculation, on the basis of advanced bookings and decisions as to who will be using those tickets several months down the road. They are speculations; they are projections made at a time, in May and June, when gasoline lines were especially long.

Now, then, the gasoline lines are no longer so long. As a matter of fact, the Secretary——

Mr. MELCHER. Will the Senator yield?

Mr. DANFORTH. If I can just finish this.

Mr. MELCHER. The Senator is making some errors.

The PRESIDING OFFICER. The Senator from Missouri has the time.

Mr. MELCHER. Will the Senator yield?

Mr. DANFORTH. The Secretary of Energy has stated as follows:

> Expectations are that July gasoline supplies will be somewhat higher than those for May and June. Current gasoline stock levels at 232.6 million barrels are in the normal range for this time of year and are, in fact, slightly above last year's inventory level for this date.

I do not want to try to persuade the Senate that we do not have an energy problem. We certainly do have an energy problem and it is going to come back. But to project ridership to say that the trains are suddenly going to be full and everybody is going to be using Amtrak, on the basis of 1 month's gasoline lines, I think, is an unreasonable projection.

Mr. STONE. Will the Senator yield?

Mr. DANFORTH. Finally, then I shall be happy to yield the floor, I say this: It is said that, at a time of energy crisis, people should be encouraged to use the trains because trains are energy-efficient. That is the argument that is made. For the Nation's good, it is said, we are going to have to put more people on railroad trains and somehow, this 1.2 percent of total intercity transportation, total intercity passengers, this 1.2 percent, if they are all riding the train, is supposed to help our energy situation.

But the facts are as follows: Trains, it turns out, are not so energy-efficient. As a matter of fact, assuming all seats are occupied, the Btu consumption per passenger mile on railroads is somewhat higher than in automobiles and is about three times higher than on buses. So, as a matter of fact, it turns out that trains are less energy-efficient than alternate modes of transportation.

In May of 1979, when the allegations began to be made that the energy crisis is starting a whole new ballgame with respect to Amtrak, at that time the Congressional Budget Office issued a report entitled "The Current and Future Savings of Energy Attributable to Amtrak." The report made conclusions on the basis of three assumptions. One was simply what it called the current situation; that is, the current energy crisis without any changes by Amtrak. The second set of assumptions was what would happen if Amtrak substantially invested in new equipment, as the Senator from Connecticut (Mr. WEICKER) has proposed in his amendment.

The third set of circumstances that was described by the Congressional Budget Office was assuming there is a major energy emergency in another part of the world, another Iran, then what would happen. I want to read some excerpts from this report. Under the current energy situation, the report concluded as follows, that even with the increased ridership and with an energy crisis, it said:

> Outside the Northeast Corridor, the nation would save energy if no rail service were operated. Amtrak outside the Northeast Corridor is less energy-efficient than the average auto. The energy losses from people who have switched to Amtrak from auto or bus are larger than the gains from those who switched from air.

Then it was asked, well, supposing there are substantial equipment improvements in Amtrak. The Congressional Budget Office concluded as follows:

> Trains could use considerably less energy per passenger-mile than at present if they made use of new, become more efficient equipment and were able to attract enough passengers to operate cars more nearly filled. By the time these improvements could be realized, however, autos will have become efficient in their use of fuel, partly in response to the fuel economy standards embodied in the Energy Policy and Conservation Act of 1975. Airlines will also be more fuel-efficient as they phase in new aircraft. Under optimistic assumptions about future improvements for rail relative to other modes—that is, assuming rail passengers per car improve by 25 percent but there is no change for other modes—rail is far less fuel-efficient than bus and far more fuel-efficient than air, both inside and outside the Northeast Corridor. Rail appears to be more fuel-efficient than the typical auto inside the Northeast Corridor, but not outside it.

We are talking here about proposed cuts only outside the Northeast Corridor, and according to this, even if there were a massive investment in new equipment, as the Senator from Connecticut has proposed, even under those circumstances, outside the Northeast Corridor, automobiles would be more fuel-efficient than the Amtrak train.

Finally, the report of the Congressional Budget Office addresses what would happen if there were an emergency, a real shutoff of energy supply. The report says as follows:

> If imports of petroleum were severely curtailed, tight restrictions could be placed on the amount of petroleum allocated to airlines and autos. Under these circumstances, both bus and rail could provide emergency transportation. In such a crisis situation, savings of petroleum are more important than savings of other forms of energy. Rail service in the Northeast is at an advantage in this regard since it runs chiefly on electricity, and electrification of additional track is planned for that region. Under assumptions that are very optimistic for rail service—namely, that the fuel efficiency of vehicles will increase by 20 percent and that trains will run absolutely full, including a large number of standing passengers—it appears that rail service in the Northeast Corridor can operate using only one-third as much petroleum per passenger-mile as buses. Even under these assumptions, rail service outside the corridor uses more than twice as much petroleum per passenger-mile as buses.

So, Mr. President, the problem with the Senator from Montana's amendment is that it costs the American Government money when we do not have money to spend and that it costs us fuel when we do not have fuel to waste.

Mr. President, I yield the floor.

Mr. MELCHER. Will the Senator yield on his own time for me to respond to a couple of the points?

The Senator has about 40 minutes remaining. We only have about 7 or 8 minutes remaining.

Mr. DANFORTH. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Missouri has 33 minutes. The Senator from Montana has 9 minutes.

Mr. LONG. Mr. President, prior to that, we should permit the Senator from Maine to get his statement in. He is needed elsewhere. I will yield the Senator 1 minute.

Mr. MUSKIE. Mr. President, I have listened with a great deal of interest to the debate. I am sorry I could not get over earlier, but we are in the midst of budget markup.

I think it appropriate to point out that in that markup, on the basis of what Congress has done up to this point, our budget deficit is going to climb to $34 billion, probably close to $35 billion, by the end of the markup this week.

Here we are, adding, if we were to support the Melcher amendment, another $300 million a year in budget authority and $300 million in outlays to the transportation function, adding that much more to the deficit.

Mr. President, the Senate now has before it S. 712, the Amtrak Improvement Act of 1978. As reported this bill represents a sound approach to Amtrak. I want to compliment the Commerce Committee on the responsible approach it took toward a very difficult legislative problem. Under the leadership of its chairman, Senator CANNON, and the chairman of the Surface Transportation Subcommittee, Senator LONG, the Commerce Committee reported a bill I believe is deserving of the Senate's support. Unfortunately, there are floor amendments—that I will discuss later—which could transform the bill such that it would not be worthy of support.

Mr. President, as I understand it, S. 712 as reported basically supports the implementation of the Department of Transportation plan for restructuring Amtrak's routes and services. That DOT plan was requested by the Congress in 1978 after several years of frustration in trying to improve Amtrak's operating results and to control the level of Federal subsidies required by Amtrak. The DOT plan recommends a responsible reduction in Amtrak's route mileage through elimination of the least economic, least patronized routes.

The Commerce Committee modified some aspects of the DOT plan, primarily in recognizing problems in restructuring certain routes and in providing an expanded opportunity for State governments to support continuation of services they wished to see continued.

This resulted in an increase of $49 million in the amounts authorized in S. 712. These additional amounts were not assumed when the first budget resolution targets were approved by the Congress, but I accept the committee's judgment and I support that particular increase because it appears to still provide for a reasonable approach to the Amtrak situation.

I believe that all Senators share my desire for restraint in the growth of Federal spending, and that they also recognize the need to devote available resources to areas providing substantial public benefit. Therefore, if they will take a dispassionate view of the DOT restructuring proposal, I believe that they must agree that funding should be concentrated where rail service shows some evidence of being a reasonable transportation alternative, and not on routes that DOT has called hopeless.

Mr. President, I cannot support pouring ever-increasing Federal funds into services which meet no objective criteria. I note that Amtrak's revenue contribution toward operating costs has been falling since fiscal year 1973, and has now reach a ratio of approximately 1 to 3. That is, on the average, Amtrak collects only about $1 of revenue for each $3 of operating expenses which it incurs! And I would remind you that this is the average. The least economic routes, those which would be eliminated by the DOT plan, show considerably worse results than this system-wide average. Fortunately, S. 712 wisely includes a provision that seeks to improve Amtrak's ratio of revenue to operating expenses, and sets a goal of 1 to 2.

It is also worthwhile to consider Amtrak's overall cost levels that underlie these ratios. In fiscal year 1978, Amtrak's average cost of service came to 25.5 cents per revenue passenger mile, and the deficit or loss associated with that service was 16.5 cents per passenger mile. That means that Federal taxpayers provided Amtrak with operating subsidies of 16.5 cents for each mile travelled by each Amtrak passenger.

Mr. President, we have other modes of transportation that are willing and able to provide passenger service at considerably less cost, and to make a profit while doing so. For example, the airlines were able to make a handsome profit in 1978 while charging fares that averaged only 8.5 cents per passenger-mile. Another example is provided by the intercity bus industry, which consistently has been able to realize a profit, in spite of heavy Federal subsidies to one of its principal competitors, Amtrak, while charging fares equal to or slightly less than Amtrak.

Speaking of the intercity bus industry, it is worth a brief aside to note that the willingness of this industry to compete against a rival transportation mode that is being excessively and unfairly subsidized by the Federal Government is steadily evaporating. Therefore, I for one am certain that if we continue to subsidize Amtrak in an unreasonable and extravagant manner, then we can be sure that the intercity bus industry is going to demand and may eventually get similar subsidies. The effects on the Federal budget, of course, would be disastrous.

Mr. President, I would like to remind the Senate of the budgetary consequences for Federal subsidies to Amtrak that would be expected to result if we were to continue the Amtrak rail network as it exists today. According to estimates by the Congressional Budget Office, the additional subsidies required in order to continue to support Amtrak's current rail network would exceed congressionally-approved budget targets by up to $0.3 billion for fiscal year 1980, and by $1.4 to $1.7 billion over the next 5 years. Mr. President, the Congress has approved budgetary targets in the first budget resolution that assume restraint in the Amtrak deficit, and I believe that we should make a serious effort to stay within those targets. I therefore strongly urge the Senate to reject any attempt to freeze the existing Amtrak system.

I take this position with full awareness of recent energy shortages. Those trains that would be discontinued under the DOT plan carry few passengers and are not energy efficient. In fact, a CBO study shows that trains outside the heavily traveled Northeast corridor actually waste energy. I quote:

> On average, Amtrak outside the Northeast corridor is less energy efficient than the average auto.

Even with substantial improvements in ridership and other optimistic assumptions about the future, operation of the current Amtrak system will not save energy. If, on the other hand, the proposed route reductions do take place, then real energy benefits could be realized. This is because Amtrak, relieved of the requirement to service low-ridership routes, could shift equipment to where it is needed to carry additional passengers on high-ridership routes.

Now, Mr. President, before I comment on the amendments that are pending to S. 712 as reported, I would like to discuss briefly the companion legislation under consideration in the House. In particular, I want to warn my colleagues that there are serious problems with the House-reported Amtrak bill. The House bill, H.R. 3996, contains several unacceptable provisions that do violence not only to the budget targets just adopted by the Congress, but also to sound budgetary principles and procedures. I will discuss briefly the three most serious problems with the House bill.

First, the House bill, when measured on a comparable basis, implies direct authorizations which exceed the budget resolution assumptions by almost $200 million, to permit continued Amtrak operations over numerous routes scheduled to be eliminated under the DOT plan. Taken in conjunction with its treatment of Amtrak debt, my next point, full funding of the House bill would amount to a rejection of the DOT plan. Its enactment, therefore, could essentially eliminate the potential savings of the DOT plan, and insure that the Congress will not be able to live within the fiscal year 1980 and future-year budget targets approved for transportation.

Second, the House bill would end the current policy of making annual appropriations for the repayment of Amtrak debt. Amtrak capital expenditures have been financed in large part through Federal loan guarantees. These guarantees have been transformed into off-budget direct loans through purchase by the Federal Financing Bank. Amtrak's current loan balance with the FFB is roughly $680 million, but existing additional commitments assure that the loans eventually will exceed $800 million. Because Amtrak has literally no prospects of ever repaying these loans from operating revenues, they are essentially bad debts. The Senate bill recognizes this fact by continuing the practice established in 1978 of authorizing appropriations of $25 million annually to retire the debt. That is to say, S. 712 recognizes that off-budget loan guarantees were an inappropriate funding mechanism, and provides for gradual budget recognition of the Government's losses on its Amtrak investment.

The House bill, by contrast, would end this responsible approach, and instead would simply wipe the slate clean on Amtrak's bad debts. It would do this by creating a form of so-called preferred stock which Amtrak would issue to the FFB, which would be required to accept it in satisfaction of its loans. Next, the FFB would give the stock to the Treasury, which would be required to accept it in payment of its loans advanced to the FFB to finance the FFB's loans to Amtrak. The end result of this financial sleight of hand would be that the Federal Government had loaned to Amtrak and lost over $800 million which was never reflected in any Federal budget.

Mr. President, this not only would constitute extremely bad budgetary practice, but also would establish a very dangerous precedent in the treatment of off-budget Federal loans and loan guarantees, over $200 billion of which are now outstanding. If off-budget direct and guaranteed loans need never be reflected on budget, even when they go bad, then the incentive to abuse their exemption from the budget will be increased immeasurably, and the definition of the budget as a statement of the Federal Government's fiscal operations will be eroded to the point where it has no real meaning. The FFB was not created to facilitate this sort of financial manipulation and budgetary gimmickry, and such perverted use of its financing mechanism is probably the best way I can think of to assure that the agency is eliminated altogether.

One further point on forgiveness of Amtrak's outstanding debt. As proposed by the House bill, forgiveness of Amtrak's debt would eliminate Amtrak debt service expenses of about $63 million per year which are now funded from the overall Amtrak authorization. Therefore, one additional effect of the House provision is to raise the Amtrak authorization available for operating subsidies by another $63 million, yielding a total effective authorization that is very close to that which is estimated as required to continue all existing Amtrak routes and services. This underscores what I indicated before—the nature of the House bill strongly suggests that it represents no intention whatever of implementing the DOT plan.

Mr. President, the third aspect of the House bill that I find particularly troublesome is its authorization of Federal payment of state and local real estate taxes owed by the bankrupt railroads in the Northeast and Midwest. Apparently, this provision was added at the request of various State and local governments which, like numerous other creditors to bankrupt railroads, are seeking Federal assumption of their claims. CBO estimates the cost exposure of this provision to be $400 to $500 million in fiscal year 1980 alone for currently bankrupt railroads eligible under this bill. Further, if the precedential nature of the provision were ultimately to affect all rail bankruptcies, or bankruptcies in other industries, the budgetary implications clearly could amount to billions of dollars per year. Clearly, therefore, this is not the kind of provision we can afford in this time of necessary fiscal restraint.

Taken together, these three House provisions could cause the first budget resolution targets for transportation to be exceeded by $0.6 billion to $0.7 billion in both budget authority and outlays, while at the same time opening a budgetary loophole which could generate abuse involving additional billions of dollars.

Mr. President, these provisions, which are currently included in the House version of S. 712, are not acceptable as part of a responsible approach to dealing with Amtrak's continuing difficulties. I strongly believe that a bill that included these provisions would be worse than no bill at all. I would, if necessary, urge the Senate to reject a conference agreement which incorporated them. Further, I believe that the President should and would veto any legislation that included such questionable provisions.

I strongly urge the Senate conferees to stand firm against further increases in the authorization levels, and against incorporation of any of the other budget-breaking, and budget-mocking, items which are in the House bill.

In sharp contrast to the approach taken on the House side, the Senate Commerce Committee in the legislation which it reported, steered a prudent course toward improving the Amtrak program while recognizing budgetary considerations. S. 712 as reported pulls no budgetary punches. However, I am sorry to say that amendments are now being considered that could seriously compromise the responsible approach which the Commerce Committee selected when it voted to report S. 712.

Mr. President, I have followed with interest the development of these amendments to continue on a trial basis the operation of additional trains. I recognize that many Senators were concerned about reducing train service in light of the energy shortages and Amtrak ridership increases that occurred early this summer. And indeed, it seems to me that the continuation, on a trial basis, of trains that are in fact experiencing real, sustainable, increases in ridership which would place them on an equal footing with the poorest performers included in the DOT plan warrants serious consideration. I was prepared to support a modest increment for routes in this category and the administration expressed its willingness to request additional funding.

Unfortunately, the amendments that are before us go much further and could be detrimental to the preservation and improvement of Amtrak services over those routes where rail service might be a reasonable and appropriate transportation alternative. The criteria have been weakened to include trains that, even with ridership increases, would not have qualified for the original plan. Other trains will be operated based on regional balance, a euphemism for trains that cannot meet even the weaker criteria. Worst of all, I find little assurance that the performance of these additional trains will be measured against objective criteria or that they will be eventually discontinued if they are found lacking.

Taken all together, the amendments that represent the final compromise position will increase funding authorizations by $120 million over the level requested by the administration for the original Amtrak plan. Measured on a comparable basis, the House-passed bill increases authorizations by almost $200 million. I am not prepared to support funding increases of this magnitude. We face an extended period of tight budgets, and our limited Federal assistance must be applied where it makes sense, both with regard to our overall transportation system and with regard to energy conservation. These amendments do not measure up in either context.

Burdened by several amendments which increase funding authorizations and permit the continued operation of questionable trains, trains that do not save energy and are unlikely to attract riders, I cannot support the overall legislation. Further, I do not believe that the Budget Committee will be willing to accommodate funding for all of these authorizations in the second budget resolution ceilings in light of the overall budgetary picture. Therefore, I intend to vote against any amendments that would serve to increase the cost of S. 712 as reported, and I urge other Senators to do likewise.

Mr. President, I think my statement's relevance to this amendment and to other amendments that have been considered in the Senate will be clear to those who read the RECORD. I do not think it is necessary for me to say anything further.

This is a very closely contested debate. I think the issues in which I am interested have been reported.

I am opposed to the Melcher amendment because of the budget prospects, and to the Leahy amendment for the same reason.

I am for the bill as it came out of committee, and my complete statement indicates why.

Mr. MELCHER. Mr. President, before the chairman of the Budget Committee leaves the Chamber, I think it is important to note that what we are talking about is an increase on figures that are already outdated. But if we use those outdated figures, the increase is about up to $112 million over and above what we are talking about with the Leahy amendment.

I know what the Senator from Maine meant to say when he said——

Mr. MUSKIE. I made it clear that I am against the Leahy amendment.

Mr. MELCHER. But the Senator identified my amendment as entailing $350 million.

Mr. MUSKIE. Let me clarify it.

Mr. MELCHER. All right.

Mr. MUSKIE. The original Amtrak plan, largely adopted by the committee-reported bill could have saved up to $300 million, budget authority and outlays. Any additions would reduce those savings.

The Leahy amendment, which is a combination of several, I have not priced out. If I had the pricetag, I would put it in.

Mr. MELCHER. I can supplement that, about $112 million——

Mr. MUSKIE. The Senator's, amendment, which would freeze the system, he has explained his rationale in offering it—would restore us to the present system and cost up to $300 million a year more than assumed in our budget targets.

It is not to suggest it is that much more costly than the Leahy amendment.

Mr. MELCHER. I thank the Senator.

Mr. President, I ask the Senator from Missouri if he is willing to yield on his time so we can direct some questions.

Mr. DANFORTH. Mr. President, the Senator from Montana has some 9 minutes of his time. I think that would be pretty well adequate to respond to my statement. I did not take very much time.

Mr. STONE. Mr. President, will the Senator from Montana yield?

Mr. MELCHER. Mr. President, I ask unanimous consent that we have an additional 5 minutes to be allotted our side so that we can direct some questions to the Senator from Missouri on some of his statements.

The PRESIDING OFFICER. Is there objection?

Mr. DANFORTH. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. STONE. Mr. President, I ask the Senator from Montana for 2 minutes.

Mr. MELCHER. I yield to the Senator from Florida for 2 minutes.

Mr. STONE. I thank the Senator from Montana.

Mr. President, the CBO report which the Senator from Missouri quoted was rebutted rather firmly and effectively by a letter to the chairman of the Subcommittee on Transportation in the House, May 14, by Amtrak.

Among other things, it pointed out that fully 50 percent of passenger riders on Amtrak ride on electrified trains.

So to say that the oil situation would not impact is at least 50 percent inaccurate.

Second, all of the figures in the CBO report are rather effectively analyzed and, to a great extent, rebutted.

Mr. President, I ask unanimous consent that that letter be printed in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL RAILROAD PASSENGER CORPORATION,
Washington, D.C., May 14, 1979.

Hon. ROBERT B. DUNCAN,
Chairman, Subcommittee on Transportation, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We have received a copy of the Congressional Budget Office report you requested entitled "The Current and Future Savings of Energy Attributable to Amtrak." We take exception with many of its findings, as the attached response indicates.

The fundamental problems with the report, however, are three-fold:

1. It uses historical data, key parts of which predate either Amtrak or our new equipment.

2. Most of the data attempts to measure operational efficency rather than energy efficiency. I have already testified many times to the fact that Amtrak's present operations are not at optimal efficiency—how could it be with old low-density equipment, old facilities and poorly maintained track, and

3. Unbalanced comparisons are made with the other transportation modes. Amtrak trains, for example, are depicted as energy inefficient at varying speeds. Yet no data is presented to compare one-passenger automobiles at low, stop and go speeds, or a bus negotiating in and out of downtown New York, or an airplane waiting in line at La Guardia at 5:00 p.m. on a Friday night.

With today's gas lines and tomorrow's oil shortages, that are certain to come, this report is misleading.

P. vi:

"If imports of petroleum were severely curtailed, tight restrictions could be placed on the amount of petroleum allocated to airlines and autos. Under these circumstances, both bus and rail could provide emergency transportation. In such a crisis situation, savings of petroleum are more important than savings of other forms of energy."

Fact:

Amtrak generally agrees. Rationing of fuel for autos is already being considered by the government. But, in the future—and that is what Amtrak is concerned about—buses, airlines and trains will be called upon for more than "emergency" transportation. All the public modes will have to fill the intercity transportation gap caused by the reduction of travel by auto. Since DOT has already acknowledged that the commercial modes cannot now handle even a 5–10 percent shift from auto travel, it follows then that more, not less capacity will be needed over the long term.

P. viii:

"Amtrak rail service may be helpful in conserving energy within the Northeast Corridor. In the rest of the country, however, Amtrak appears to be an energy-loser, both now and in the future. Both within and outside the Northeast Corridor, rail appears to be far outperformed by bus in its use of energy."

Fact:

Amtrak is either energy efficient or it isn't. Use of the words "may be helpful," "appears to be an energy loser," and "appears to be far outperformed by the bus" should be totally unacceptable to the Congress. As will be shown in the following sections, simplified assumptions and manipulation of "data" produced inaccurate conclusions.

P. 1:

"Answers to these (energy) questions are necessarily somewhat speculative because of variations in the performance of locomotives, differences in the number and type of cars in each train, differences in the quality of road beds, variations in the number of passengers per train and the distances they travel, and so forth."

Fact:

Amtrak agrees and these aspects were not considered. Yet, the report goes on to say "Nevertheless, some approximate answers can be constructed from the actual operating experience of Amtrak computer simulations and estimates of the improvements likely to be realized in the future."

P. 3:

"A consistent index for gauging the potential performance of a technology is the energy consumed per seat mile. This should not, however, be considered as a measure of the efficiency of energy used in actual service, since no mode of intercity transportation is able to fill its vehicles to capacity on a regular basis."

Fact:

This statement indicates one of the fundamental flaws in the report: the authors' attempt to measure energy efficiency when in fact they construct their case on historical, operational efficiency factors. Energy efficiency is what is designed and built into a locomotive, an airplane, an automobile or a bus. The rate of fuel consumption is determined by the way the vehicle is engineered and manufactured. The amount of fuel it uses in operations is the result of how it is operated, how many people it carries, how well the track is designed, what the headwind for an airplane is and other similar factors. But these are all operational factors. If petroleum shortages are coming in the outyears, should historical data analyzing old equipment and inefficient operating practices drive national energy policy decisions?

P. 5 and figure 1:

The Mittal study shows a Metroliner at different speeds and concludes the least energy is required at 20–30 mph.

Fact:

This case is absurd. To compare energy efficiency, one must compare various modes with each other with a common base point. It makes no sense to study a set of railroad cars, designed for speeds up to 150 mph, at 20–30 mph in isolation. What compounds the exercise is that the authors' data reflects the alleged inefficiency of the electrical generating plant (33 percent) and charges that against the train's efficiency. Did they also charge against the auto and the bus the inefficiency of the internal combustion engine and the inefficiency of the crude oil refining process?

P. 6.—Table 1:

"Factors Influencing the Use of Energy in Intercity Transportation: Current Operations"

The authors base their case on DOT rail data taken from the "Final Programmatic Environmental Impact Statement" which analyzes different types of equipment, both electrical and diesel-electric, used in the Northeast Corridor in 1975. The range of BTUs per seat mile of each class of equipment was 743 to 1615. Yet, the authors selected the Metroliners—which make up less than 20 percent of the daily NEC service and are the most inefficient because of high speeds—as the reference point for train efficiency. Amtrak's own engineering data of Metroliner efficiency at the same 80 mph cruise speed used in the report is 365 BTUs per seat mile, not 1019.

Amtrak also disputes the off-corridor train data. The DOT report cited above, (which uses data from a 1973 private engineering paper), shows that diesel-electric engines between New Haven and Boston consume 914 BTUs/seat mile. Amtrak engineering data shows BTUs per seat mile on all the different mixes of equipment powered by diesel-electric engines strikingly below that and fall in the 284–522 BTU range. What base data did the authors use to arrive at 1737 BTUs? Moreover, what data was used for auto, bus and air? No sources were cited and are therefore suspect also.

P. 9:

"This computation assumed that all Amtrak trains experience a load of 44.1 percent.'

Fact:

"Load factor" is a term best applied to aircraft operations and when used for trains, it must be used wisely or not at all. A train may pull out of one city with standees, i.e. more than 100% load factor. At the next city, it must accept more standees or hope that some people disembark. Hours later when the train is running through the night, its load may dwindle to 10 or 20 percent. Then in daylight, the load factor may build again. This is normal train operations and does not lend itself to the same type of analysis as the "load factor" measurements in the airline business where a plane bound from Washington to Chicago has one load for the trip and it does not change.

Furthermore, the CBO study treats the "load factor" concept differently for different modes. Automobiles, which the CBO study finds are more energy efficient than trains outside of the corridor, have a nationwide average ridership of 2.2 passengers per auto (U.S. DOT-1977). This means the average 6 passenger car has a 36.6% load factor and the average 5 passenger car has a 44% load factor. These are the kinds of statistics which are there, but they mean almost nothing.

The conditions under which Amtrak trains are required to run as a result of its inadequate equipment inventory brings about long-distance, once-a-day operations which are obviously inefficient, but that does not mean that "rail passenger service" when operated efficiently with speed and frequency would be the same. CBO's fixation on historic figures, rather than on modern railroad figures, provides unrealistic conclusions.

P. 10:

"Air operations in the Northeast Corridor utilize short-haul aircraft, which tend to be smaller planes that are relatively energy-intensive on a seat mile basis."

Fact:

This statement completely misreads all known air operation facts. The commonest and best commercial aircraft ever built is the Boeing 727–200 for short-haul service. This aircraft, in Boeing's own publications, gets a 36.2 passenger mile per gallon rating when all 134 seats are full. This plane uses, on average, 1,750 gallons of fuel per hour in flight, and it uses more than 540 gallons per hour when it is on the ground taxiing and waiting for take-off. This second point is most important in crowded areas such as at LaGuardia, Kennedy, Newark and Washington National, where there are thousands of hours of aircraft delays on the ground.

CBO's statement of "relatively energy intensive" for such planes simply is not correct.

On the other hand, an Amtrak train with Amfleet cars can produce 330 to 525 passenger miles per gallon, or better, in the same type of short-haul runs anywhere in the country.

P. 10:

"There is relatively little dispute about the numbers for energy used per seat mile by the air, auto, and bus modes. Minor variations (typically 5–10 percent) can be found, depending upon the year of the estimate and details of the estimation procedure."

Fact:

This statement ignores the obvious that can be seen in almost every report issued on energy. There is widespread disagreement as to which mode is efficient under what conditions. Dozens of studies have been made with few agreeing on the results. In the 1973–74 oil embargo era, for example, the following estimates were made on the efficiency of the bus:

1. Greyhound advertising, 85 pm/g;
2. National Science Foundation, 85 pm/g;
3. DOT/SRI, 215 sm/g;
4. DOT/Greyhound, 260 sm/g;
5. DOT–TSC–OST–75–4 (43 seats at 8.8 mpg), 378.4 pm/g;
6. DOT–TSC–OST–75–4 (47 seats at 8.8 mpg), 417.7 pm/g.

The widespread discrepancies shown continue today because most of the data being used is historical, based on various reports using different assumptions, and based on operations that will differ substantially in a petroleum-short society.

P. 13:

Circuity—The CBO study uses as an argument for the efficiency of aircraft the idea of circuity and the fact that aircraft fly a direct great circle route.

Fact:

This thought was presented in a Boeing Company paper some years ago to extol the advantages of aircraft. In that context, it is useful. As a tool for comparing aircraft with other modes of transportation, it is unreliable.

There is an advantage of going directly from city to city, but the argument is simply one of scale. Trains go from city to city on a direct line, but the communities they join are relatively close. Aircraft go from city to city directly, but the cities they join are far apart. It is not economical to land a plane 32 times between New York and Chicago, but it is the thing to do with a train.

The circuity argument is contrived and presents no reasonable relationships among modes.

It would be as unreasonable and as inefficient to expect a train to go from Seattle to Denver directly as it would be to expect an airplane to land at 20 or 30 communities en route. On this issue the characteristics of the various modes are so different as to make this comparison invalid.

P. 13:

"Single-person parties make up 40 to 60 percent of travel on air, bus, or rail, while less than 20 percent of auto travel is by single-person parties; see U.S. Bureau of the Census, National Travel Survey of 1967, TC67–N1, p. 37."

Fact:

Use of 1967 data when making judgments to fit 1979 and beyond is very questionable. The latest available National Travel Survey, based on 1977 data and released in February 1979, shows a totally different picture on auto travel. Over half of the 202 million trips made by auto in 1977 were by single-person parties.

P. 16:

Energy used for construction and access.

CBO chose to gloss over this item and in so doing, talks only of trains in a disparaging manner.

The use of asphalt and concrete in highways and airports creates tremendous demands upon energy resources. The manufacture of cement is one of the most energy-consuming industries and much of its product goes into highways. Asphalt is derived from petroleum.

On the subject of access. New airports long under consideration for New York City are 14,000 and 20,000 acres in size (by comparison, the Northeast Corridor from Washington to Boston is about 6,000 acres) and these airports are 10 to 30 miles from the city center.

Trains have always been regarded as having the very best access because they service the city center. And more importantly, from an energy point of view, the trains have direct access to the city center with no traffic and no stop lights, etc. Buses and automobiles must fight their way through traffic into the city center and in this process, consume tremendous quantities of petroleum.

P. 20:

"In order to estimate the fraction of passengers that would use each of the other modes if there were no rail service, the figures in Table 3 were used. These reflect the results of the latest Amtrak survey, which asked riders which mode they would use if Amtrak were not available."

Fact: Amtrak's actual study, done in February 1979, shows entirely different numbers than used in the report. Major categories were omitted. For example, 14.9 percent of those surveyed said they would go by train over another route if the one they were riding was not available (see chart).

P. 23: "New autos will achieve an average of 27.5 mpg for a combination of city and highway driving by 1985."

Fact: The Office of Technology Assessment, February 1979, states that "automobile fleet fuel economy (mpg) in 1985 (will be) 19.4." This is a more credible figure than the one used by CBO and different by a wide margin.

Furthermore, CBO could have found from General Motors, the leading manufacturer of locomotives, that two F40PH locomotives pulling 14 Amfleet passenger cars with 1,100 passengers at 100 mph can produce 330 pm/g, or the same train at 80 mph can give 400 pm/g. And, with only one locomotive on the same train at 50 mph, it can produce 525 pm/g.

More important than any of the above, Congress must take into account the fact that all other modes studies are dependent upon portable liquid fuel and none of them presently operate on anything else. Petroleum is running out and no matter what those modes produce in energy effectiveness today, with no portable fuel, they must undergo costly, if possible changes. Trains do not totally rely on portable liquid fuel. In fact, 50 percent of our riders today are on electrically powered trains.

A NOTE ON CBO FOOTNOTES

Many of the CBO sources are outdated, inadequate, and some irrelevant. A good example of the problem is on p. 11, Eric Hirst, "Energy Intensiveness of Passenger and Freight Transportation Modes: 1950–1970" Oak Ridge National Laboratory, April 1973. This report is called by CBO "representative of a wide body of research."

This report, which in its time and for precisely what it was written to show, is a good report, but the use of such outdated (1950–1970) data for *current* energy considerations is inexcusable. That era predates Amtrak and predates our new equipment.

AMTRAK PASSENGER ASSESSMENT SURVEY, FEBRUARY 1979

[In percent]

	Total survey	Fallback transportation mode: Long distance	Short distance	NEC	Non-NEC
Automobile	38.3	29.6	46.9	37.5	39.3
Bus	22.5	13.2	23.2	25.2	18.8
Plane	17.5	34.3	16.6	12.6	24.4
Reroute on other train	11.5	10.4	3.9	14.9	6.7
Not gone	4.1	6.2	5.4	2.9	5.8
Other	1.1	.7	1.1	1.3	.9
Not answered	5.0	5.6	2.9	5.6	4.1
Total	100.0	100.0	100.0	100.0	100.0

When you have had the time to read our reply, I would welcome the opportunity to discuss it further with you.

Sincerely,

ALAN S. BOYD,
President.

AMTRAK CRITIQUE ON CBO ENERGY REPORT MAY 1979

P. ii:

"In weighing the merits of federal spending on passenger rail service in the United States, the Congress has considered costs, environmental benefits, effects on highway and airway congestion, impacts on urban and regional development, and benefits to persons without other forms of public transportation available to them."

Fact:

This initial statement, which sets the tone for the whole report, totally misrepresents the facts. While Congress is now reviewing the cost implications of Amtrak, Congress has not fully considered the merits of passenger rail service vis a vis environmental benefits, effects on highway and airway congestion, impacts on urban and regional development, and benefits to persons without other forms of public transportation available to them. The only consideration of any of these aspects regarding Amtrak has been done by a DOT consultant—DeLeuw,

Gather/Parsons—and reported in an Environmental Impact Statement to DOT. Even then, the study directed itself only to selected cities along routes DOT proposes for discontinuance. No consideration was given, for example, of the impact of reduced air service to small and medium-sized communities that has occurred since air deregulation. Nor was any consideration given to the fact that over 200 cities served by Amtrak have no air service.

P. iii:

"Trains could use considerably less energy per passenger-mile than at present if they made use of new, efficient equipment and were able to attract enough passengers to operate cars more nearly filled."

Fact:

Amtrak agrees. This statement acknowledges what the corporation has said all along. The train is the most efficient mode when it carries high volumes of people. New locomotives and passenger cars now operating on many routes are substantially more efficient than the 10, 20 or 30 year old equipment the report uses as "base cases."

Mr. STONE. Mr. President, the Senator from Missouri made the rather startling statement that trains are less energy efficient than automobiles.

The Department of Transportation in its report of May 1978, before this operation commenced, said as follows:

The passenger train, if it is operated well and if it carries a reasonable number of passengers, is energy efficient. The 1973–74 fuel crisis demonstrated that the American people will ride trains when automobile fuel is in short supply. We probably will reach a time when supplies will be permanently limited. In the meantime, we must work at improving the Amtrak system and its operations so that the American people will, when the time comes, have available an energy efficient alternative.

Mr. President, anyone who has read the newspaper in the last several days and noticed the cutbacks announced of——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. STONE. One more minute.

Mr. MELCHER. I yield to the Senator from Florida for 1 more minute.

Mr. STONE. They will not be so confident in saying that the gas lines will not return.

For us who are asking only 1 year to prove that there are some trains now to be canceled that can be both energy and financially efficient is pennywise and pound foolish.

Mr. President, this amendment does not propose to continue all trains forever. It says, for these few months, let us look at which trains, under the current energy situation, can prove that they can make a valuable contribution to our energy situation and our financial situation.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I again say that the decision to cut back on Amtrak in any way, even a modest way, is going to be an unpopular decision for many of us to make.

Better to do so in a nonelection year than in an election year.

My fear, Mr. President, is that if we put this off another year and then decide we are going to make a decision then, we would simply not go ahead and make the cuts that I think a $30 billion budget deficit requires.

Mr. LONG. Mr. President, it is my understanding that under the unanimous-consent agreement and the understandings that were entered into pursuant to them, it was generally agreed that the Senator from Montana was to have more time than has been allocated to him.

In order to fulfill that understanding in good faith to the Senator from Montana, I ask unanimous consent that he be allowed an additional 20 minutes.

Mr. DANFORTH. Mr. President, reserving the right to object, may I inquire how much time the Senator from Montana has had so far?

The PRESIDING OFFICER. There is no record as to how much time has been consumed; rather, how much time remains.

Mr. DANFORTH. How much time does the Senator from Montana believe he would have?

Mr. MELCHER. I believe our side has used up a little more than an hour, about an hour and 5 or 10 minutes.

Mr. LONG. It is understood that the Senator is to have an hour and 20 minutes, and I will keep the commitment.

Mr. LEAHY. Mr. President, reserving the right to object—and I may—we have a substitute amendment before the Senate. My time on it, as I recall, was 40 minutes, evenly divided. We have added several amendments to it, keeping within that time. I have been waiting here for a vote on this matter so that we could determine whether my amendment is going to be accepted.

I have been patient, and would like to point out that we have gone about an hour and 20 minutes here. I believe we can reach a conclusion one way or the other. I think all the arguments have been heard back and forth. At least, I have heard them a half-dozen times this afternoon.

I wonder whether the unanimous-consent request of the distinguished chairman of the subcommittee can be shortened somewhat.

Mr. LONG. Mr. President, I do not expect to use more than a few minutes, but I also want to keep faith with my colleague.

Mr. LEAHY. I have made my observation. I will not object.

Mr. METZENBAUM. Mr. President, reserving the right to object—and I will not object—many of us have been waiting on the floor for a considerable period of time, thinking this matter was coming to a vote.

I ask the majority leader: Is it possible to obtain a unanimous-consent agreement to have a time certain when we will vote on this amendment?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur 20 minutes from now.

Mr. LONG. I object, because that would not give us any time to respond. Make it 25 minutes.

Mr. ROBERT C. BYRD. I ask unanimous consent that the vote occur at 5:30.

The PRESIDING OFFICER (Mr. SARBANES). Is there objection to the request that the vote occur at 5:30? The Chair hears none, and it is so ordered.

Mr. METZENBAUM. I thank the majority leader.

The PRESIDING OFFICER. Is there objection to the request for 20 minutes by the Senator from Louisiana?

Mr. ROBERT C. BYRD. That is included, is it not? That was included in the half hour. So that is objected to.

Mr. MELCHER. Mr. President, I say to my colleagues that it may not be necessary to use all that time, but there are some points that have been raised by the Senator from Missouri and some of the opponents of the amendment, and I think it is only appropriate that we have some response on some of those points.

If the Senator from Missouri will yield, is it not true that the figures that have been cited are figures that had been cited long before there was this increased ridership on Amtrak which was brought about by the increasing prices of gasoline and, in some cases, by shortages of gasoline?

Mr. DANFORTH. Mr. President, in response to the Senator from Montana, the projection by the President of Amtrak, that if all trains were operated at 110 percent of capacity every day, Amtrak still could not break even, was made in March.

Mr. MELCHER. My question is, is it not true that the figures of projected loss for Amtrak were figures based on data that are out of date now because of increased ridership due to gasoline shortages or higher prices of gasoline?

Mr. DANFORTH. In response to the Senator from Montana, the projection made by the president of Amtrak last March assumes not only absolutely full ridership but also standing room only ridership on every train. So that the projection that was made by the president of Amtrak, that the present route structure still would be a loser, assumes the most far out projections as to the results of any energy crisis.

Mr. MELCHER. I appreciate that response from my friend from Missouri, but that probably should be related to how much equipment is available to Amtrak and how many extra seats could be added that people want to buy. That was not my question.

My question was this: The Senator cited some figures, ranging from $500 million to $720 million or $730 million, as a projected loss for Amtrak. Those were March figures. Is that not correct? That was well ahead of the time when the upsurge in ridership in Amtrak occurred because of either higher prices of gasoline or shortages of gasoline.

Mr. DANFORTH. That is correct; that is right. These projection figures——

Mr. MELCHER. I think that is very important. I thank the Senator for making that clear, because what we are really doing now is citing figures for ridership as of the week of July 22 to 28. I will not repeat them, because Senators who have been listening to the debate are aware that the ridership during that week on the trains that would be lopped off under the proposal was at or near full capacity.

Surely, the Senator from Missouri

would not want to leave the impression that those figures that were cited on ridership during the most recent week available were ridership figures for some other time.

Mr. DANFORTH. I am not sure what figures the Senator from Montana has for what week. I will say this——

Mr. MELCHER. The week is from July 22 to 28.

Mr. DANFORTH. One can pick out the most favorable week, when the gasoline lines are the longest, and then use those figures and project at that time, on the basis of future orders, not actual ridership, and make just about any case one would want to make.

I say to the Senator from Montana that the point I have been trying to make is that on the route structure as it exists now, assuming total capacity plus standing room only—that is, making an assumption that would exceed the wildest dreams of anybody—the facts in those cases are two: first, that Amtrak would be a loser, would lose money; second, that according to the Congressional Budget Office, it would consume more energy under those circumstances than either the bus or the car.

Mr. MELCHER. I thank the Senator for that observation, which he has made previously. It is one that probably none of us would agree with.

I do want to make clear that we were talking about the week of July 22 to 28, which is last week, the last week available. I think the Senator from Missouri will agree that that is not when the gas lines were the longest. In fact, in most areas, the gas lines were nonexistent.

If the Senator cares to indicate that there is something wrong or faulty with that, I would be glad to have a response.

Mr. DANFORTH. I would, because we have been trying to get figures on actual ridership for June and July, and we have not succeeded in doing so. So I think the Senator from Montana is not using actual ridership figures but only anticipated figures.

Mr. MELCHER. I inform the Senator from Missouri that these are actual ridership figures acquired from Amtrak, from the horse's mouth. They are not anything we pulled out of the air. They are not reservations. They are actual ridership figures. I would like to read from the report that has been submitted.

Mr. DANFORTH. Mr. President, if the Senator from Montana will yield at this point——

Mr. MELCHER. I will be delighted to yield on the time of the Senator from Missouri. He has much more time than I have.

Mr. DANFORTH. Mr. President, on my time I will make the following statements.

The sheet that I have has a heading on it: "Coach Passengers Anticipated Per Advanced Reservations as Train Left," which is not the same as actual ridership figures.

I believe that is the table that the Senator from Montana is relying on.

Further, these figures are not provided by Amtrak.

Mr. MELCHER. Mr. President, I think the Senator is correct on that last point. They are figures obtained for Amtrak through the National Association of Rail Passengers.

Despite how misrun at times Amtrak is on getting a reservation on it, I think it is fair to say they generally can total up the number of seats that are occupied when the train pulls out of the station.

I wish to read some excerpts from the report from Boyd, who runs Amtrak, to the Honorable ROBERT DUNCAN, chairman of the Subcommittee on Transportation of the House of Representatives because they are enlightening and it refers to the CBO report Mr. DUNCAN requested about Amtrak. Mr. Boyd says:

The fundamental problems with the report, however, are three-fold:

1. It uses historical data, key parts of which predate either Amtrak or our new equipment.

2. Most of the data attempts to measure operational efficiency rather than energy efficiency. I have already testified many times to the fact that Amtrak's present operations are not at optimal efficiency—how could it be with old low-density equipment, old facilities and poorly maintained track.

3. Unbalanced comparisons are made with the other transportation modes. Amtrak trains, for example, are depicted as energy inefficient at varying speeds. Yet no data is presented to compare one-passenger automobiles at low, stop and go speeds, or a bus negotiating in and out of downtown New York, or an airplane waiting in line at La Guardia at 5:00 p.m. on a Friday night.

Or I might say out at Chicago, either to take off or to land.

With today's gas lines and tomorrow's oil shortages, that are certain to come, this report is misleading.

I think it is fair to say that the figures that have been based on projected costs are faulty because they are outdated and do not take into consideration the true events that have taken place.

The point was made by the Senator from Missouri about how many people want to ride trains as compared to some other form of travel. The Secretary of Transportation—and those are the figures I think the Senator from Missouri was relying on—has relied on a low figure, trying to justify the severe cut in Amtrak service.

The fact is that of the markets Amtrak serves, 14 percent of the inner-city passengers travel by train and, considering that many of the major markets are served in the middle of the night, 14 percent is a pretty healthy figure. I think people should have that opportunity to travel.

Mr. President, I reserve the remainder of my time.

Mr. LEAHY. Mr. President, I yield myself 1 minute of my time on my amendment.

Mr. President, if we enact the freeze today, as the Senator from Montana proposes, we are, in effect, asking for a veto. It will cost Amtrak millions of dollars, and we will cause a tremendous disruption of the entire system.

The PRESIDING OFFICER. The Chair observes to the Senator from Vermont that he must be yielded time to speak on the time allocated to this amendment.

Mr. LONG. Mr. President, I yield the Senator 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. LEAHY. If we enact the freeze, Amtrak estimates the following consequences:

Employees to be laid off could not be identified and given required notice by October 1, and could receive up to 45 days full pay despite not working—30 days required notification plus 15 days to implement.

No printed timetables would be available to the public or to sales agents for up to the first 2 months of operation.

Mail contracts yielding $4 million in revenue would be canceled, and Amtrak would not be able to regain this revenue during fiscal year 1980.

Amtrak would be exposed to penalty costs and breach of contract suits for insufficient notice of changes. Contractors affected would include railroads—30 day notification needed—maintenance contractors—30 days needed—and construction contractors—10 days notice needed.

Excess costs would result from delays in final auditing and/or revision of internal cost control reporting system.

Mr. President, when you add to this cost the cost of adding at least $112 million for a handful of trains, trains with high cost and low ridership, it is painfully evident that the worst service we could do Amtrak and our national rail passenger system at this time would be to support this amendment to my amendment.

Mr. President, having demonstrated broad geographical and bipartisan support for the Leahy amendment, I hope we will stay with the Leahy amendment and not add this amendment to it.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. On the amendment of the Senator from Montana, the Senator from Louisiana has 4½ minutes, and the Senator from Montana has 9 minutes.

Who yields time?

Mr. BAYH. Mr. President, I wish a couple of minutes to be yielded to me from the Senator from Louisiana to speak in opposition to the Senator.

Mr. LONG. I yield to the Senator 1 minute.

Mr. BAYH. I would as soon not have any. I cannot say what I have to say in 1 minute.

Mr. LONG. Mr. President, I yield to the Senator 2 minutes.

Mr. BAYH. Two minutes are fine.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. BAYH. Mr. President, I thought we had an agreement worked out here in which everyone had a little give and take and we were going to do something about the fact that the cost of Amtrak is going right through the ceiling.

The reason I left the HUD conference to come up here is that I happen to have the responsibility of providing for the money for what we decide up here in the Chamber right now.

We asked the people down at the De-

partment of Transportation to come up with a study so we could get rid of some of these losers. I thought most of us were going to have courage enough to say, if the train happens to go through our State, it is a dog, it is a dog, it is a dog.

Here at the last minute we are going to try to freeze in this system some of those that are costing the taxpayers hundreds of millions of dollars.

It is not easy for me to have a major train run through my State and say I am going to cancel it, but the fact of the matter is you could buy someone a first-class airplane ticket to Miami cheaper than the taxpayers could afford to subsidize the program.

I am just going to say I am only one Senator and I am one who happens to chair one subcommittee, and the whole Subcommittee on Appropriations may go along with me. But I am not going to sit there and vote to authorize the kind of subsidy for this program that is going to cost us a billion dollars to subsidize a program that is hauling fewer citizens than it should. It is not as efficient as buses, and I think the people of the country better recognize what they are getting for their money.

I wish to have a good Amtrak that people are using. The fact of the matter is even if they were using it, it is not as efficient as bus transportation in many of these instances. Buses are not as glamorous, but if we are talking about saving energy and tax dollars then it seems to me we better take a good hard look where we go before we freeze in this system for another year.

I say that with all respect to my good friend from Montana who has a very important reason for doing this.

But looking at that whole picture and being asked to write the check once a year on this in the Transportation Appropriations Subcommittee I am not going to continue a program that loses more and more and more.

I am just one Senator speaking with one voice, but I thought it was incumbent upon me to come in here at this time when we are authorizing this to ask the Senate to look at where we are going to be when we get ready to pay the bill for what we are now authorizing.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MELCHER. Mr. President, I am delighted at the point the Senator from Indiana has made. I want to relieve his mind. What we are really talking about is whether or not we are going to cut out some 18 percent of the trains which we have demonstrated here this afternoon have high ridership on them, where we have shown actual ridership for the last week available, showing them almost full, and we have shown through the projected reservation of these trains that even looking 6 weeks in advance they are 50 percent booked.

We can compare this to anything we want to. If you want to compare it to what is booked on airlines, and you can show that 13 weeks from now—I misspoke myself a little bit ago, I said 6 weeks are 50 percent booked—it is 13 weeks from now they are booked—and if we can look at airline routes and show they are 50 percent booked, then we would say that is a pretty good airline route.

If we could look 6 weeks in advance and say it is 75 to 80 percent booked we would say that is a good airline route.

Yet these very trains that are being eliminated in this 18 percent cut—and that is all it amounts to—are these types of trains.

These are not trains going empty. These are not trains that currently are being subsidized. These are trains making money for Amtrak, and I think it is appropriate to keep them in place for another year, and have the General Accounting Office survey the criteria that go into this and find out whether or not these trains we are talking about are not, truly not, dogs, but very good moneymakers for Amtrak, as they appear to be at this moment.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Here is the kind of losses we are talking about with this program. From Chicago to Seattle you have two trains running. One is the Hiawatha and the other the Empire Builder. Both of them lost a lot of money. But under the present plan the Hiawatha would be discontinued. They would still have the Empire Builder available to them.

Now, on the Hiawatha, for a passenger to go from Chicago to Seattle it loses $138.87. Anywhere along the Hiawatha route a person can and does buy tickets to ride on the bus. It costs $73, about one-half of what the loss is on the Hiawatha, about one-half of what we pay to subsidize a person to take the Hiawatha. That is what it costs for a person to buy a bus ticket all the way through, and people are riding on buses at their own expense, and paying taxes to do so, and the buses are paying taxes.

How can we justify continuing to run up this cost? We started out—I say we, the Congress started out—with this program losing $40 million a year for operating costs. Now it has worked up to $600 million a year, projected to go up to $1 billion a year. How long can we justify those kinds of losses? How can we justify doing nothing to protect the taxpayers against these rising increases, where losses on this thing have increased 15-fold and are scheduled to go up to 25-fold, how can we justify those kinds of increases without any kind of a cutback?

No wonder the President is threatening to veto the bill if this thing is frozen in place. I would hope, Mr. President, that the amendment would not be agreed to.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Montana.

Mr. MELCHER. Mr. President, the Senator from Louisiana has presented some figures based on the criteria that have been used by the Department of Transportation.

But there are also—whether or not they are faulty is a question of argument, a question of debate, here this afternoon, and we feel that there probably should be some improvement on those criteria and that, indeed, we ask the General Accounting Office to look at this during the year to see whether or not they cannot be improved on.

But beyond that, it is so evident that the figures cited have nothing to do with the current situation. They are figures that were computed prior to the time gasoline prices began to rapidly increase, and will continue to increase during the remainder of the year.

I would like to point out also that something is wrong in their figures. I am going to read a memorandum that was prepared for myself and Senator BAYH, Senator EAGLETON, and Senator METZENBAUM, as well as Senator GLENN. It was prepared by Jim Snyder, national legislative director of the UTU. He said, to begin with, that there is incorrect reporting on the number of passengers handled on the Amtrak National Limited between Indianapolis and St. Louis.

Conductor Victor Tryon, regularly assigned to train numbers 30 and 31 of the National Limited furnished me the following information today, and that is as of August 1, on the incorrect passenger count given to Members of Congress by Amtrak:

In July, 1978—Train No. 31 handled 119.93 passengers in coaches; 16.56 passengers in sleepers.

Train No. 30—Handled 113.51 passengers in coaches; 11.10 passengers in sleepers.

In July, 1979—Train No. 31 handled 168.34 passengers daily in coaches; 19.93 passengers daily in sleepers.

Train No. 30—Handled 160.56 passengers in coaches; 13.03 passengers in sleepers.

The sale and use of rail passes and the reduced rates were eliminated in July 1979 and based on the 1978 figures, there could have been approximately 30 passengers or more daily, if these reduced rate rail passes had been in use.

To show how Amtrak figures are inaccurate which are given to the press and others—

Including Congress:

Conductor Tryon has retained copies of the manifests furnished him, which is supposed to show the number of passengers on the train, and he has placed on these manifests the correct number of tickets collected on July 22, 1979, the manifests showed 148 passengers out of St. Louis and 162 actual tickets were collected. Conductor Tryon says that typically there will be 15 or 20 more ticketed people on board than is shown on the manifest.

I think it is apparent that there are some basic wrongs in not only the criteria that are set up for determining which trains should be kept on but there are some basic wrongs also of how Amtrak keeps track of actually how many people are on board.

I think at a time when people are having extreme difficulty getting on Amtrak trains, at a time when all the main trains we are looking at that would be eliminated if we do not accept this amendment I have offered, are running full or 95 percent full, it would be simply unconscionable for us to eliminate that opportunity for the traveling public.

I would hope, Mr. President, that we could take note of the changing conditions that exist, the fact that we are only talking now about the difference between 82 percent of the full route and 100 percent, a mere 18 percent, that we would

allow the continuation of Amtrak as it exists and for the next year and during that year's moratorium, having the GAO review for the Congress better criteria to examine what trains we really need, and whether, indeed, we are running into the time in the United States when we really and truly want to go back to ride on a very vibrant and very worthwhile passenger system in this country.

If we do not accept this amendment we are going to lop off some trains that are running full now and are projected to run full for at least the next 6 weeks, and probably run full for the next 13 weeks. I think that means money in the till for Amtrak, and I think we can forget about losses on these trains. We can look at profits, break even or profits, hopefully in the future on these trains.

I hope we can accept the amendment. Mr. President, I think I have used up all my time and, unless somebody is requesting more time, I am prepared to yield back the remainder of my time.

Mr. CANNON. Mr. President, I speak in opposition to any amendment which would propose to freeze the Amtrak system as it is presently constituted. The increasing burden on the American taxpayer of supporting the national rail passenger system must be minimized. The taxpayer has been faced with Amtrak's increasing operating subsidy, which by 1979 has reached $600 million. Even though Amtrak's revenues have risen 205 percent since 1971, expenses have risen over 290 percent. The widening gap between costs and revenues for the Amtrak system must be narrowed if the Federal subsidies are to be decreased. A freeze would only prevent the changes in the system necessary to decrease these subsidies.

S. 712 as amended today would provide for the maintenance of the trains necessary for an efficient and effective system and would be in the best interest of rail passenger service and our Nation's overall transportation and energy goals. Rail passenger service in the United States can only be promoted through a smaller, more manageable system with improved facilities which will encourage intercity passengers to use the rail system.

S. 712 as amended today would establish specific and objective criteria of ridership and costs to determine which trains should be part of the Amtrak system. The committee is well aware of the impact which the energy situation has had on demand for rail passenger service. If use of certain trains has increased dramatically in recent months, such trains could be maintained under the proposed criteria. However, there are trains, even in this time of increased ridership, which would not meet the criteria. Those trains should be eliminated, since they have been draining resources which could be used to improve overall service. A freeze would do no more than perpetuate this drain on the system.

Take, for example, the Floridian. Unfortunately, it ranked next to last in ridership per passenger mile of all long-distance trains, with only 60 passenger miles per train in 1978. According to the Department of Transportation, its costs in 1978 were $25.2 million. Fares covered only $4.7 million, leaving a loss of $20.5 million. The Federal subsidy amounted to $163 per passenger, more than the cost of a first class plane ticket from Chicago to Miami. There is no justification for continuing trains such as this one by freezing the system.

A freeze on the system would insure that the system would not survive unless further Federal funding were provided. It has been estimated that there would be an additional $200 million needed under a 1-year moratorium to provide the capital for those trains which would otherwise be discontinued. Are we ready to vote for even more subsidies? I think not. Today we should vote for a more economic and efficient system, and a 20-percent cut is a major step in that direction.

I also would like to read a letter just received from Amtrak endorsing the criteria in the Leahy compromise as the only reliable criteria for determining the retention of trains in the route system:

NATIONAL RAILROAD PASSENGER CORPORATION,
Washington, D.C., August 1, 1979.

Hon. HOWARD W. CANNON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CANNON: In the debate over how specific Amtrak routes should be judged and on what basis a train should be included in the system, there have been conflicting and sometimes incompatible numbers used to support various positions.

This is disturbing to me, but I must admit understandable. Assessing train performance is a complex task. We have and use many different measures: ticket sales; advance bookings; space denial; ridership by segment; passenger miles; seat miles; avoidable loss; fully allocated costs and many more. Each of these must be examined in context, some, like advance bookings, must be carefully adjusted for considerable seasonal fluctuations.

I am convinced, and I know that DOT agrees, that passenger miles per train mile and loss per passenger mile (using both a long-haul and a short-haul measure) is the fairest, soundest and most reliable criteria of train performance.

This is not to say that these statistics would be relied on to the exclusion of all other data, but they form the foundation for primary judgment as to the viability of a given route. There are operational and marketing considerations which are also critical in assessing as well as predicting train performance.

All of which is to say that I am totally satisfied that the data base and criteria specified in the compromise Amtrak bill (which duplicates that of the House passed bill) is the best measure possible. We have worked with your Committee, as we have with the House Committee, and will continue to do so, assuring that the methodology and application of these criteria meets the full intent of the Congress.

Sincerely,

ALAN S. BOYD,
President.

Alan Boyd, president of Amtrak, has appropriately summarized the arguments in opposition to a freeze as follows:

Amtrak cannot handle a freeze of its current system, and I am opposed to efforts, however well-meaning, which would do this. We must have a smaller route system if we are ever to be able to offer the public the level and quality of service it expects and deserves.

I urge my colleagues to vote against such a freeze.

● Mr. NELSON. I support the amendment offered by the Senator from Montana (Mr. MELCHER). The committee bill would authorize $581 million for Amtrak's operating expenses in fiscal 1980 and $610 million in fiscal 1981. This amendment would increase those authorizations to $718 million in fiscal 1980 and $750 million in fiscal 1981. The amendment would preserve the existing Amtrak system for 1 year while Amtrak's Board of Directors can analyze each route and each of its trains. During the second year, fiscal year 1981, under the terms of this amendment, the Amtrak Board of Directors would be empowered to order up to $30 million in cuts of uneconomical trains and routes. I consider this amendment to be eminently sensible and worthy of support.

Last winter witnessed a spirited debate concerning the relative fuel efficiency of automobiles, buses, and trains. The administration argued that Amtrak would have to average more than 140 passengers on its trains to compete with automobiles for intercity fuel efficiency and 400 or more to compete with buses. In fiscal year 1978, the administration argued that the average Amtrak passenger load (128) was well below the number required for fuel efficiency. The pro-Amtrak forces countered by challenging the administration's fuel efficiency figures and by saying that Amtrak's ridership would greatly increase if service were improved or if automobile travel became markedly more expensive and inconvenient.

It seems clear that in light of growing uncertainty about energy supplies, our country must maintain a viable network of passenger railroad lines.

However, whatever the merits of each position, the debate has simply been overtaken by events. In my judgment, our various energy woes of the past 2 months, ranging from truck stops blocked by enraged truckers to endless and frustrating lines in front of gasoline stations, add up to a national crisis whose effects will be profound and long lasting. I believe that for the first time since the Second World War, the American people's reliance on the private automobile as our basic transportation mode has been fundamentally shaken. These last 2 months have marked a revolution in popular attitudes toward transportation, and we ought to recognize and act on this change.

What is happening can perhaps best be glimpsed in Amtrak's systemwide figures for May, which are just in. In May of 1978, Amtrak sold 194,000 reservations. Last month, it sold 443,000, an increase of 127.8 percent. In May of 1978, 68,040 persons were denied reservations on Amtrak trains due to lack of space. Last month, 756,246 persons were denied seats because of sold-out trains, a staggering increase of 1,011.5 percent over May 1978. In May of 1978, Amtrak's

central reservations office recorded 1,695,731 incoming calls. Last month, there were 6,812,827.

The full meaning of these astonishing figures has yet to be digested. It may be that some Amtrak routes will still not prove to be cost effective and should be eliminated. The Melcher amendment gives Amtrak the flexibility to do just that in 1981. But to reiterate the main point, no studies of Amtrak's future made before April 1979, are now worth anything. We are now in a new energy era, and to cripple Amtrak at the outset of such an era appears to me to be the height of folly.●

A FALSE ECONOMY

● Mr. SCHMITT. Mr. President, the amendment being offered by the distinguished Senator from Montana and myself would provide for the Amtrak route structure to be maintained in its current status for the next 2 years while the Congress, Amtrak, and the Department of Transportation jointly consider the system's future.

It would be unjustifiable for the proposed restructuring of Amtrak's routes to be approved in full by the Congress in the midst of the current energy crisis and demand for space on trains. It would be more rational for rail transportation to be expanded at such a time.

The full cutbacks in Amtrak service proposed by the administration could be a death blow to passenger rail service in the United States rather than the cure claimed by its advocates. Contrary to the Department of Transportation's position, modern rail transportation is at the current time an infant industry in the United States. This becomes more apparent when we consider that 150 mile-per-hour trains are either operational or in the planning stages in Japan, France, Germany, and Great Britain. While the rest of the world forges ahead with more research and development into new technology for faster, safer, more efficient, and more comfortable rail transportation, we languish behind, insuring the eventual phaseout of our existing rail service to the detriment of all transportation services.

The distinguished Senator from Illinois and others have pointed out the dangers of our technological depression; our attitude toward rail transportation is symptomatic of this problem. Amtrak trains today travel no faster than they did over 30 years ago. But if we were to develop safe, efficient, comfortable, high-speed, reliable trains and support systems along the coasts of this continent and between the major cities in each of the United States, I have little doubt that the interest of the public would be stirred—that these trains would be well used. Trains can be enjoyable as well as efficient.

The critics of Amtrak have accurately pointed out that we cannot return to the railroad system of the past. We cannot afford to satisfy the nostalgic yearnings of a handful of railroad buffs. What we can do, however, is to build the railway system of the future—a system that will attract people away from their cars, not because it is quaint, but because it is safer, faster, more comfortable, cheaper, more fuel efficient, and more fun.

I admit to a certain parochial interest in this matter. Under the administration's plan, New Mexico would lose the Southwest Limited, formerly the famous Super Chief. Although the Department of Transportation has claimed that the ridership on this train cannot justify its continued operation, the passenger volume for this train—in Albuquerque alone—grew from 48,000 in 1976 to over 62,000 in 1978—and this is with equipment that is 25 years old and virtually no local Amtrak advertising. Ridership is expected to increase significantly in the coming year with the delivery of new sleeping cars, dining cars, lounges, and chair cars.

To prematurely amputate this route and other routes from the system without allowing it an opportunity to operate with modern equipment does not make any logical or economic sense.

The rerouting of the Chicago-Los Angeles train will not only lengthen the distance of this strip—a questionable move in a system seeking to increase the speed of its trains—but it will also require the rehabilitation of many miles of deteriorated track at considerable expense. This move not only appears to be devoid of any benefit for the public—but it will impose difficulty, expense, and in many cases, even hardship on those who are dependent upon Amtrak for their basic transportation needs.

DOT has made it clear in private meetings that they feel that rail transportation can only be effective in the Northeastern States and that trains in the West are relics of the past. DOT has no problem with spending $2.4 billion for the Northeast corridor, but tells the people of my State and many others to forget it; I cannot accept this attitude.

Mr. President, I believe in two principles relative to the railroads: First, passenger rail transportation is an essential component of a national transportation network for the use of the American public; second, modern technology and modern management techniques can provide this Nation with an economical high-quality passenger rail system.

The question is how to provide for an expansion and improvement of passenger rail service, not how to terminate such services for all except the favored few.

At a time when the use of our Nation's energy resources has become a matter of critical national importance, it has been proposed that our potentially most energy-efficient form of passenger transportation be cut by some 43 percent. Because it can be electrified, rail is the only form of transportation that can be run without petroleum. But DOT has openly admitted that the possibility of an energy crisis was in no way factored into the proposal before the Congress.

Proponents of the full Amtrak cut point out that they would reduce existing ridership by only 9 percent. What they do not point out is that the savings generated amounts to only 8 percent of Amtrak's budget in fiscal year 1980. This is the same false economy used to justify other reductions in Federal services to rural areas of the country.

This proposal also ignores what the route reductions do to potential ridership. The Amtrak system is in the process of being upgraded significantly with the purchase of new cars and the improvement of track. Ridership is expected to grow. These cuts drastically limit the capacity for future growth of Amtrak ridership, and, in fact, will in the long run reduce it. This move lays the foundation for future route reductions and opens the possibility for outright elimination of Amtrak in every area of the country save a heavily subsidized Northeast corridor.

It is unfortunate that DOT has failed to take into account these and other factors in their development of a proposed "optional" passenger rail network. It is apparent, however, that the route terminations in the final proposal announced on January 31, 1979, are significantly different than those originally envisioned by DOT. The first Amtrak proposal announced in May 1978, was a far more moderate approach which would have maintained a reasonable level of passenger train service in America.

What happened to change DOT's perception of an "optional" system between May of 1977 and January 1978? The answer was provided by Charles Swinburn, Deputy Director of the Federal Railroad Administration, who stated recently that negotiations with the Office of Management and Budget resulted in a "compromise" that would allow for an Amtrak authorization of $552 million in fiscal year 1980. DOT then developed a new "optional" system within this ceiling. This arbitrary budgetary reorganization is hardly what the Congress had in mind when we directed DOT to prepare a recommendation, and this action raises questions as to who formulates national transportation policy: Congress or OMB?

Finally, I do not question the possible need for some restructuring of Amtrak routes. But we must recognize that only 31 percent of Amtrak's costs are related to passenger transportation. As the ICC noted in its report on Amtrak of March 15, 1978:

> Surprisingly, the cost to Amtrak of actual passenger transportation (including train crews, station agent, and on-board personnel) represents only 31.4 percent of Amtrak expenses, or $266.3 million of $847.9 million. . . . We are concerned that the share of expenses attributable to transportation is so low. . . . Even reductions in service over unprofitable routes *would have a minimal impact on Amtrak's operating deficit, as the burden by transportation expenses is minimal.* (Emphasis added)

The proposed route restructuring is premature and should have been preceded by a significant Amtrak effort to reduce its nontransportation related costs. To propose the elimination of Amtrak routes all over the country, as the administration has, before examining the alternatives, is like amputating a patient's limb before a thorough diagnosis has been performed. The result may be needlessly crippling.

We must remember that, once abandoned, passenger rail routes are not easily reestablished; the rail bed deteriorates rapidly and cannot be quickly restored. We must remember that, at present, some 84 percent of the American public lives within 50 miles of Amtrak services, but under the DOT proposal, this would decline to 65 percent. We can hardly call it a national rail network if it fails to serve over a third of the people, desperately in need of efficient, low-cost mass transportation.

The proposal by DOT is irresponsible—it is poor management—it ignores the reordering of national transportation priorities that are necessary to respond to the energy crisis, and it should be rejected outright by the Congress.

Mr. President, it is clear that this amendment will not be accepted. The compromise that has been developed by Senator LEAHY and members of the Commerce Committee has reduced the support for an outright moratorium on Amtrak route changes. While the proposed compromise does not satisfy all of my objections to the administration's proposal, it is a step in the right direction. Hopefully, continued improvement in Amtrak's service and performance will allow for the Congress to consider an expansion of the route system in the future, rather than the ill-advised cutbacks proposed by the administration at this time.●

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Montana in substitution of the amendment of the Senator from Vermont.

Mr. LEAHY. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. LEAHY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered on the amendment of the Senator from Montana, the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Members in the Chamber who desire to vote?

The result was announced—yeas 35, nays 65, as follows:

[Rollcall Vote No. 243 Leg.]

YEAS—35

Baker	Durkin	Moynihan
Baucus	Goldwater	Nelson
Boren	Gravel	Packwood
Boschwitz	Hatfield	Pressler
Bumpers	Inouye	Pryor
Burdick	Jackson	Sasser
Church	Jepsen	Schmitt
Cranston	Kassebaum	Stevens
DeConcini	Magnuson	Stone
Dole	McGovern	Tower
Domenici	Melcher	Young
Durenberger	Morgan	

NAYS—65

Armstrong	Chiles	Hatch
Bayh	Cochran	Hayakawa
Bellmon	Cohen	Heflin
Bentsen	Culver	Heinz
Biden	Danforth	Helms
Bradley	Eagleton	Hollings
Byrd, Harry F., Jr.	Exon	Huddleston
Byrd, Robert C.	Ford	Humphrey
Cannon	Garn	Javits
Chafee	Glenn	Johnston
	Hart	Kennedy
Laxalt	Pell	Stennis
Leahy	Percy	Stevenson
Levin	Proxmire	Stewart
Long	Randolph	Talmadge
Lugar	Ribicoff	Thurmond
Mathias	Riegle	Tsongas
Matsunaga	Roth	Wallop
McClure	Sarbanes	Warner
Metzenbaum	Schweiker	Weicker
Muskie	Simpson	Williams
Nunn	Stafford	Zorinsky

So Mr. MELCHER's amendment (UP No. 502) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DANFORTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 503

Mr. BAUCUS. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Will the Senator suspend?

Will the Chamber please be in order? Will Senators please clear the well?

The amendment will be stated.

Mr. LEAHY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Is an amendment appropriate without unanimous consent to my amendment, all time not having been yielded back?

The PRESIDING OFFICER. It is not in order except by unanimous consent.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

Mr. BAUCUS. Mr. President, will the Senator withhold his request?

Mr. LEAHY. Yes.

Mr. BAUCUS. Mr. President, this amendment is not addressed to the amendment of the Senator from Vermont. I suggest that it be deferred until the amendment of the Senator is dispensed with.

Mr. LEAHY. Mr. President, I am not necessarily going to object. I just want to know what the amendment is.

Mr. BAUCUS. This amendment, for the Senator's information, addresses a section of the bill which extends section 505 of the 4-R Act for another year.

Mr. LONG. Mr. President, the Senator has discussed this amendment with me. I have not had the opportunity to discuss it with other Senators, but basically, this amendment would make it discretionary with the Department of Transportation——

The PRESIDING OFFICER. The Chair inquires of the Senator from Montana, to what is the amendment being offered?

Mr. BAUCUS. The amendment being offered is an amendment to the 4-R Act portion of the bill. It is not an amendment to Senator LEAHY's amendment.

Mr. LONG. Then the time in opposition would be under the control of the manager.

The PRESIDING OFFICER. Is the amendment to the bill or to the committee substitute?

Mr. BAUCUS. Whatever is appropriate.

Mr. LONG. Mr. President, I would just as soon consider the amendment to the bill. It is in order.

Mr. BAUCUS. Mr. President, the amendment is to add a new section. It is my understanding that it is, therefore, an amendment to the bill.

The PRESIDING OFFICER. The Chair informs the Senator from Montana that his amendment could be offered to the bill, the committee substitute, or the Leahy substitute, but it cannot be done except by unanimous consent at this point, because there is still time outstanding on the Leahy substitute.

Mr. LONG. Mr. President, how much time is outstanding?

The PRESIDING OFFICER. Twenty-nine minutes.

Mr. LONG. I ask unanimous consent that the amendment may be offered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Reserving the right to object, Mr. President, how much time will the Senator from Montana consume?

Mr. BAUCUS. No more than 2 minutes.

Mr. LEAHY. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Montana.

The assistant legislative clerk read as follows:

> The Senator from Montana (Mr. BAUCUS), for himself, Mr. CHURCH, Mr. MELCHER, Mr. YOUNG, Mr. MAGNUSON, and Mr. MCGOVERN, proposes an unprinted amendment numbered 503.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 23, after line 8, add a new section 16—
>
> Section 505(d) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 835) is amended by redesignating the existing paragraph (3) as (4) and inserting the following new paragraph (3):
>
> "(3) In the case of a railroad in reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205), or other railroads which may acquire properties of that railroad, the Secretary may agree to purchase trustee certificates or redeemable preference shares of such railroads, as appropriate, for purpose of acquiring, improving, or maintaining such properties. In determining the extent to which a project will provide public benefits, the Secretary shall give priority to projects that will improve or maintain competitive freight services, regardless of present levels of traffic on lines that may be affected.

Mr. BAUCUS. Mr. President, this amendment is very simple. The bill presently before us extends the authority, under section 505 of the 4-R Act, of the Department of Transportation to provide financial assistance for railroad rehabilitation. The program would expire otherwise.

The purpose of my amendment is to instruct the Secretary of Transportation to provide funds based on criteria other than the ones currently used. The amendment states that the Secretary, in

allocating funds at his discretion, can use other criteria regardless of historic use or density of traffic. Thus, the Milwaukee Railroad, which is in severe financial straits, is more likely to be entitled to funds.

As DOT regulations are now written, section 505 funds are not available for a large portion of the Milwaukee system, even though these portions are potentially viable and of national importance for grain and coal transportation.

Next Monday, August 6, the Milwaukee bankruptcy trustee intends to file with the bankruptcy court a plan of reorganization. I sincerely hope that the trustee takes into account the fact that section 505 funds may be available under the amendment I have proposed.

It is my understanding that the amendment is acceptable to the manager of the bill and also to the ranking minority member of the committee. At this time I would like to thank Senators CHURCH, MELCHER, YOUNG, and MCGOVERN, who have joined me as cosponsors of this amendment.

If I have time, Mr. President, I reserve the remainder of it. I hope that the amendment will be accepted.

Mr. LEAHY. Mr. President, I note that it is a good amendment. I certainly have no objection to its being a modification to my amendment. I ask unanimous consent that my amendment in the nature of a substitute which is pending before the Senate be modified to incorporate the language of the Senator from Montana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, on behalf of the managers of the bill, I have no objection to the amendment.

The PRESIDING OFFICER. The substitute of the Senator from Vermont has been appropriately modified to encompass the amendment which has just been offered by the Senator from Montana pursuant to the unanimous-consent request.

The amendment was further so modified.

AMENDMENT NO. 210

(Purpose: To require that the National Railroad Passenger Corporation establish a reduced fare program for the elderly and handicapped individual)

Mr. SASSER. Mr. President, I call up my amendment No. 210 and ask for its immediate consideration.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Is the amendment of the Senator from Tennessee an amendment to the Leahy substitute or an amendment to the bill?

The PRESIDING OFFICER. The Chair would inform the Senator from Tennessee that unanimous-consent request is required in order to offer the amendment at this point.

Mr. SASSER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. SASSER. Under the unanimous-consent agreement which was entered into to take up this bill, I was allotted 20 minutes for the amendment.

I ask the Chair, would it be in order for me to offer this?

Mr. President, I ask unanimous consent——

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Chair would inform the Senator from Tennessee that time is still outstanding on the Leahy substitute. Until that time has been used, the amendment is not in order except by unanimous consent.

Mr. LONG. I ask unanimous consent, Mr. President, it be in order to consider the amendment.

Mr. McCLURE. Reserving the right to object, we have gotten ourselves involved in a rather strange parliamentary situation here, in which, as I understand it, the Senator from Vermont is offering what is, in essence, a substitute, has attempted to allow those with whom he had already had conversations, to offer amendments which would be accepted to his substitute. We would then vote on the Leahy substitute.

It was my intention at that time to suggest that the Leahy substitute be adopted, or voted upon, upon the condition it would then be treated as original text for the purpose of further amendment, which would then permit the Senator from Tennessee to offer his amendment to the Leahy substitute after the Leahy substitute had been adopted.

Mr. President, I might ask of the managers of the bill if there is any objection to that process so that we could then go ahead and vote on the Leahy substitute and reserve the rights of the Senator from Tennessee and others who have perfecting amendments to offer.

Mr. LONG. I think the Senator has a good suggestion.

I ask unanimous consent that the Senate be permitted to agree to the Leahy amendment and that if the amendment is agreed to, it would be regarded as original text and remain subject to amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. ROBERT C. BYRD. Reserving the right to object, would the original text be subject to amendment in one degree only, or in two?

Mr. LONG. It would be subject to amendment in two degrees, first and second, just like original text.

Mr. McCLURE. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Mr. President, reserving the right to object, and I hate to object to having my own amendment accepted by unanimous consent, but I want to make sure I understand what is happening here.

Does this mean there would not be a vote on my amendment?

The Leahy amendment would be accepted, in effect, as though having been voted on unanimously by the Senate?

Mr. LONG. It is all right with me to vote on it, but I am just asking consent that when the Leahy amendment is agreed to, that it remain subject to amendment.

When it is agreed to, it remains subject to amendment.

Mr. ROBERT C. BYRD. Mr President, reserving the right to object, it does not matter to me either way, but at the moment the Senator's amendment is not open to amendment in two degrees.

I just want the Senator to know what we are doing. We are going to make it subject to amendment in two degrees. That is fine with me. If he wants to make it subject to amendment in one degree, which it is now, it is all right with me.

Mr. LONG. The Senator might want a record vote on his amendment, as far as I am concerned, but I ask unanimous consent that, if the Leahy amendment is agreed to, it be regarded as original text and be subject to amendment as original text, which means in the first and second degree.

The PRESIDING OFFICER. The Senator from Louisiana is not asking that the amendment be agreed to——

Mr. LONG. Not at this point.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

Mr. LEAHY. Mr. President, with that unanimous-consent out of the way, I wonder whether it might be wise, with most of our colleagues here, to yield back the remaining time on the Leahy amendment, ask for the yeas and nays, have the vote on that, and then anybody who wants to move amendments within the confines of that agreement, go ahead.

Mr. BENTSEN. Will the Senator yield on the unanimous-consent request?

Mr. LEAHY. Without losing my right to the floor.

Mr. BENTSEN. Mr. President, I rise today to urge support for the modified Church amendment, which I cosponsor, and the Leahy amendment, which I support. This is a responsible compromise that will terminate a number of routes while continuing others that have experienced improved ridership and can be justified economically. I will oppose any amendment that would restore each and every route, because some have not attracted sufficient ridership while others we simply cannot afford to continue.

I support the Leahy amendment. It sets a rational criteria for continuing some trains. Long-haul trains would have to attract 150 passengers for each mile of service. They would have to lose less than 7 cents for each passenger mile. Additional funds would be provided under the 403(B) formula to enable States to join the Federal Government in continuing other routes of major importance to localities.

I cosponsor the Church amendment because it will guarantee a national system that preserves the spirit of the National Railroad Passenger Corporation. This amendment would continue several trains, including one of the two Texas trains now set to be cut, that provide important regional service and attract strong passenger support.

We must continue a national system. We must make improvement in service and equipment that can make such a system attractive. We should make strong and sound investments in short-

haul service between populated areas such as Houston, Dallas, San Antonio, and Austin.

We cannot afford to make such improvements if we continue every train now running. Some trains are grossly uneconomic and should not be continued, period. Others have shown potential but we cannot afford them right now. We must make some cuts today, so we can improve overall service in the days to come. Only then can we build passenger support for the system. Only then can we make sound investments that enable us to plan for the future.

To summarize, I support the Leahy amendment which provides sound criteria and standards for continuing some trains now set to be terminated. I cosponsor the Church amendment, which would provide for regional balance. I oppose any amendment to retain the entire current system, which, if such an amendment passed, would be spread too thin. I support increased efforts to improve short haul service between major markets that show great promise, and I will work toward this in the years ahead. This compromise, by blending policies that preserve some promising routes and terminate others, is in the long term interest of rail passenger service.

Some trains, including one that serves Texas, will be retained. Others, including one that serves Texas, will be cut. Across the Nation some routes will be eliminated, including the Hilltopper, Boston to Kentucky; the North Coast Hiawatha, Chicago to Seattle; the National Limited, New York to Kansas City; one New York to Florida train, and one of the trains now serving Texas.

Mr. President, before coming to the Senate in 1971 I ran a business for 16 years. We had to make some tough decisions. We had to provide quality, and we had to do so in a cost efficient manner. I strongly supported the initial efforts to establish rail passenger service and I support this program today.

To do it effectively, to attract paying customers, we must end some routes and improve others. We must recognize that some routes make no economic sense and we should not continue them. We should recognize that for others improvements are needed and we should make them.

Amtrak's operating deficit has grown from $153 million in fiscal 1972 to over $521 million in 1977. Losses were $9 per passenger mile in 1972 and by 1977 they rose to $27. In the end, the taxpayer was left subsidizing perhaps two-thirds of a system that went unused by the vast majority of our people.

Until the spring of 1979 the American people failed to provide sufficient support. They voted with their tickets and too often they voted no. Gasoline prices were around 60 cents a gallon and the dark days of the Arab oil embargo were long forgotten.

As prices rose and supply dwindled, riders came. In this summer of energy discontent, ridership boomed. Nationwide it is up some 15 percent from last year. On the three Texas trains it is up over 27 percent. Look at the InterAmerican, which runs from Chicago to Laredo. A fair indicator of passenger support is the number of passenger miles per train miles. Comparing last year to this year, until April, passenger miles per train miles are up on the InterAmerican 41 percent. Comparing April to April, it is up over 66 percent. For 1 selected week in May, it is up almost 45 percent. Will it last? Will there be a major shortfall in energy supplies that could increase ridership even more? Or could we go the other way, and see ridership decrease? The compromise before the Senate today will give some trains 2 years to meet the established criteria to continue. I think this is reasonable. I think it is fair. Time will tell.

With our national energy and transportation needs we must make every effort to provide rail passenger service in a fiscally responsible manner. To this end I support the Leahy-Church proposals and the committee position today. It is realistic. It insures nationwide rail passenger service. It sets a firm and fair criteria for continuing such service. It allows for improvement in service and equipment for routes that show great promise. It saves some routes and cuts some others and does so in a careful manner that serves both the taxpayer and the passenger.

This legislation will encourage the citizen to vote with his tickets, and hopefully, more than in the past, to vote yes.

Mr. EAGLETON. Mr. President, I commend the distinguished Senator from Vermont (Mr. LEAHY) for his amendment and his fine leadership in fashioning a consensus on this legislation.

One of the sections of the Leahy proposal incorporates part of my amendment No. 239, which I introduced together with Senators DANFORTH, TSONGAS, HAYAKAWA, JAVITS, HEINZ, PRYOR, KENNEDY, MATHIAS, and SARBANES. I would like to ask the Senator from Vermont whether the basic thrust of my amendment, which is to liberalize the terms under which a State may enter into a section 403(b) agreement with Amtrak, has been preserved under his proposal.

Mr. LEAHY. Mr. President, if we could just have order, if I am going to be praised so well by the Senator from Missouri, I should like to have quiet so everybody can hear.

The PRESIDING OFFICER. The Chair understands the request of the Senator from Vermont. The Senate will be in order.

Mr. LEAHY. I thank the Chair.

Mr. President, the answer is "Yes." My proposal adopts the Eagleton formula for sharing operating deficits under any 403(b) program. It is presently a 50–50 cost-sharing arrangement. Under the Eagleton amendment and my own proposal, that formula would change to an 80-percent Federal share and 20-percent State share in 1980; a 65-percent Federal share and 35-percent State share in 1981, and thereafter a 50–50 cost sharing for all new 403(b) routes.

Mr. EAGLETON. I note that the Leahy amendment reduces the overall authorization from the $25 million in fiscal year 1980 and $30 million in fiscal year 1981 provided in my amendment to $20 million in both years. Is the Senator satisfied that this will be adequate to meet the need?

Mr. LEAHY. I believe it is sufficient, but I would note that the House bill provides authorization levels similar to those proposed by the Senator from Missouri. House conferees may have a different view and I am sure that the issue will be discussed thoroughly in the conference.

Mr. EAGLETON. The only other difference between the Eagleton and Leahy amendments is the deletion of my provision for an 80-percent Federal and 20-percent State sharing of capital improvement costs in a 403(b) program. I have no objection to that change but I should like to have the Senator's assurance that the intent here is to retain the present 50–50 cost sharing for capital improvements and not to eliminate that aspect of the 403(b) program altogether. Given the structure of the Leahy amendment, I have some concern that that could be the unintended effect of this change.

Mr. LEAHY. The intent is to preserve the existing 50–50 formula for capital costs and I will modify my amendment to make that clear if the committee staff agrees there is ambiguity in the language.

Mr. EAGLETON. May I ask the distinguished floor manager (Mr. LONG) whether he is prepared to accept this modified version of the Eagleton amendment?

Mr. LONG. Mr. President, I am prepared to accept the amendment, with that understanding.

Mr. EAGLETON. On that assurance, Mr. President, I am prepared to withdraw my amendment, although my cosponsors will have to speak for themselves.

Mr. CANNON. Mr. President, the essential objectives of the amendments to be offered today by Senator LEAHY and Senators CHURCH, MAGNUSON, and PACKWOOD are to provide Amtrak with additional discretion and flexibility to add to the route structure originally proposed by the Department of Transportation those additional trains which may meet specified criteria to be set out in the law. We are all aware that there has been an increased use of our Nation's rail passenger service because of the energy crisis. None of us are absolutely certain as to what the long-term impact will be on Amtrak's operation. We do not yet have reliable data from Amtrak regarding their ridership levels for the months of May, June, or July, but selected data for the month of May together with crowded trains and clogged reservation lines make it apparent that Amtrak trains are experiencing a significant volume increase.

These amendments will authorize a total of $40 million to permit Amtrak to run additional long-haul trains which meet a criteria of 150 passenger miles per train mile and an avoidable loss of 7 cents per passenger mile and short-haul trains which meet a criteria of 80 passenger miles per train mile and 9 cents loss per passenger mile. These amendments will also insure a long-distance train in each of the Nation's quadrants in the event that one is not run

by Amtrak under any of the above criteria. However, any train designated in such a quadrant, which after a 2-year period does not meet the specified criteria, will have to be discontinued. Finally, the exact identity of each of these trains to be run under either the criteria or the quadrant selection is a decision to be made solely by the Amtrak Board of Directors.

There is an additional amendment—Weicker—which will increase the authorization for Amtrak's capital expenditures in the amount of $54 million for fiscal year 1980 to a total of $179 million to assist in the capital needs which will be necessary for Amtrak to buy the equipment needed to run these additional trains.

The net effect of all these amendments together with the bill as reported out of the committee will result in a reduction in Amtrak's 27,408-mile route system by 5,322 miles, which is a reduction of about 20 percent—19.4.

I might add that this approach, which is essentially the same as that adopted by the House of Representatives, is one which has the endorsement of the Department of Transportation and I would like to include at this point to follow my remarks a letter from Acting Secretary W. Graham Claytor, Jr., supporting the compromise amendments that are being considered by the Senate today and strongly reaffirming the Department's and administration's opposition to freezing Amtrak's route structure in its present form.

Finally, for the general information of my colleagues, I would point out that the total funds which this bill would authorize for Amtrak's operations in fiscal year 1980 with these amendments added to S. 712 as reported by the committee would amount to $867.3 million. This total breaks down briefly into the following general categories: $576.3 million for operating expenses, out of which will be funded the basic DOT system as proposed by Amtrak, $508.5 million; payments on the interests on Amtrak's debt to the U.S. Government, $38 million; operation of existing commuter systems for a period of 18 months, $7.5 million; the costs of implementing DOT's restructured system and continuing certain lines pending the restructuring, $22.3 million.

In addition, $40 million is provided for the operation of long- and short-term criteria trains plus regional quadrant trains; $176 million for capital expenditures; and $25 million for the reduction of Amtrak's Federal debt; $20 million for section 403(b) State-assisted trains and $30 million for labor protection.

S. 712 together with the amendments that would be adopted today would also provide an additional total of $945 million for the operations of Amtrak in fiscal year 1981. The fiscal year 1981 authorization breaks down in general terms as follows: $605 million for operating expenses; $40 million for the criteria, regional balance trains; $223 million for capital expenditures; $25 million for payment of Amtrak debt; and $20 million for the operation of 403(b) State-assisted trains; and $32 million for labor protection provisions.

The letter follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 27, 1979.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science, and Transportation, Washington, D.C.

DEAR SENATOR CANNON: As interim successor to my friend Brock Adams I would like to reaffirm the position of the Department of Transportation and the Administration opposing any attempt to freeze the present Amtrak route structure.

The amendment to S. 712, as proposed by Senator Church would do a great disservice to rail passenger service in this country. It would force Amtrak to operate a route system with insufficient equipment, perpetuating the past unacceptable level of Amtrak performance. It would require the expenditure of substantial sums on routes which cannot be justified. Good Amtrak routes would suffer, and the entire Amtrak system would appear as inefficient as in the past.

H.R. 3996, as amended and passed by the House of Representatives, would maintain the basic route structure proposed by the Administration with additional supplemental routes which meet ridership (based on 150 passenger miles per train mile) and cost criteria (based on a short term avoidable loss per passenger mile of 7 cents projected to fiscal year '80), and would ensure a long-distance train in each of the nation's quadrants. The Amtrak Board would be responsible for the selection of routes based on criteria contained in the legislation.

Accordingly, while we fully support the fundamental approach taken by H.R. 3996, we do continue to have reservations about several provisions in this bill, as adopted by the House, which we have reviewed with your staff. Particularly, we are strongly opposed to Section 105 which provides that Amtrak's debt held by the Federal Financing Bank be eliminated in return for the issuance of preferred stock, thus turning a loan into a grant. In addition, we prefer the provisions of S. 712 concerning the Section 403 (b) state assistance program. I want to emphasize again, however, that the Department and the Administration endorse the approach to maintain all trains that have the potential for saving energy for this country and we urge your support for it.

I must reiterate the position taken by Secretary Adams on the freeze. If Congress passes legislation freezing the existing Amtrak route system, I will recommend to the President that he veto the legislation containing the freeze. I believe that there is no basis to add trains unless sustained ridership growth provides a sound economic base to do so. If we are forced into a veto situation, and into a continuing resolution, Senators should know that we will have to operate a much smaller Amtrak system than reflected in either H.R. 3996 or S. 712.

As you may know, I have something of a reputation as a passenger train buff. I also have the responsibility for avoiding the waste of the taxpayer's money. I personally feel very strongly that the proposal summarized above would be in the public interest as well as in the interest of passenger train users throughout the country.

I urge that we move forward as rapidly as possible due to Amtrak's real need to implement the new system by the beginning of the fiscal year, October 1. Amtrak requires sufficient time to prepare for its implementation.

Sincerely,

W. GRAHAM CLAYTOR, JR.,
Acting Secretary.

Mr. PELL. Mr. President, I am pleased to support the Amtrak Improvement Act of 1979. I believe the Commerce Committee has achieved an excellent compromise over the original route restructuring plan proposed by the Department of Transportation. This bill eliminates less than 20 percent of the current mileage, instead of the 43 percent cutback originally proposed. While I was a supporter of the original route restructuring plan, the very encouraging increase in ridership on all trains in recent months more than justifies the action we are taking today.

As one who has been advocating improved rail passenger ever since I first came to the Senate in 1961, I very much hope the ridership increases continue. If they do, I know the Congress will continue to support the kind of national rail passenger network this bill embodies. At the same time, a note of caution is in order. One of the primary reasons Congress directed the Secretary of Transportation to make a study of the Amtrak route system was the concern that rapidly mounting Amtrak deficits were eroding overall support for rail passenger service. The route restructuring plan presented to Congress earlier this year was a response to the need for consolidating service in areas where the level of ridership justified continued public investment. Without a continuation of the currently very robust ridership on nearly all trains, the Congress will be faced again with the need to justify spiraling deficits. So I sincerely hope that we are not just in a temporary situation, but rather the beginning of a new era of public support and patronage of trains.

I particularly support the increased funding for Amtrak's capital budget, which will promote the purchase of badly needed new equipment. One of the reasons that we as a country have turned our backs on rail passenger service is the fact that, too often, the service is unreliable and uncomfortable. Aging equipment which frequently breaks down has given passenger service a bad name. The best investment we can make is in new rolling stock and improved track conditions. Today's action by the Senate takes a small step in the right direction, which I hope future Congresses will expand upon.

Faced with our present energy crisis, I do not believe any Member of this body needs to be convinced of the value of public investment in rail transportation. In other countries, the trains are a first rate and heavily utilized alternative to highways. Sadly, we have allowed rail passenger service to fall into relative disrepair and disuse. The gasoline supply crisis has led us to the long overdue realization that the Federal Government must do more to make trains attractive to the American public. We have a long way to go before we can emulate the rail passenger service found in other western countries. But I am convinced that this bill is an important step toward a more rational rail transportation policy, and I urge my colleagues to join me in supporting S. 712, the Amtrak Improvement Act of 1979.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by Senator LEAHY.

As the Senate is considering S. 712, the Amtrak Improvement Act of 1979, we must bear in mind that the deliberations on this bill and our decision to accept or reject the Department of Transportation's proposed route restructure for Amtrak will determine what role rail passenger service will play in meeting this country's intercity transportation needs not only for next year, but for the next decade and, indeed, the next generation.

Mr. President, recent increased usage of Amtrak service plus the energy efficiency of rail transportation have convinced me of the need for continuation and improvement of our Nation's rail passenger service. Intercity rail transportation should be made an efficient, economical, and dependable service that will attract and retain users. Rail passenger service can and should be made to further national energy conservation efforts by providing a uniquely comfortable means of long-distance travel.

Passenger trains are more energy efficient than buses, airplanes, and automobiles. According to several studies, even with old equipment, long-distance trains are already producing in the neighborhood of 70 passenger miles per gallon, compared to about 24 by airplanes and 33 by automobiles. Modern trains can easily achieve about 100 pmpg on long-distance runs and 150 pmpg in corridors. At a time of rising fuel costs and fuel shortages, the passenger train is a good alternative to less energy efficient modes of transportation. There is also a need for train service to serve communities that do not have other types of commercial transportation service.

With the proposed route cuts, there would be no passenger train service at all in eight States and train service would be severely curtailed outside of the Northeast Corridor.

Amtrak, the National Railroad Passenger Corporation, provides most intercity rail passenger service in the United States. This is now and has been the case since the enactment of the Rail Passenger Service Act of 1970. Amtrak took charge of the intercity rail passenger network after 20 years of steady decline of rail passenger revenues and patronage.

Since Amtrak initiated service in 1971, rail ridership has increased and service on trains has improved. These increases have occurred despite a lack of sincere commitment to rail passenger service by either Congress or the executive branch.

Recognizing the need to further improve Amtrak, Congress included in the Amtrak Improvement Act of 1978 (Public Law 95-421) a directive for the Secretary of Transportation to formulate and implement an optimal intercity route system for Amtrak. The legislation directed Secretary Adams, in cooperation with Amtrak, to develop a preliminary recommendation for a route system for the Corporation which would provide an optimal intercity railroad passenger system based on current and future market and population requirements.

Secretary Adams complied with the congressional mandate by recommending a new basic route system for Amtrak in the final report to Congress on the Amtrak route system, submitted to Congress at the end of January 1979. His recommendation included a cut of 11,800 miles from Amtrak's present 27,500-mile system—a 43-percent reduction in route miles.

Since that report was submitted, the Nation's gasoline shortage has brought travelers back to the trains in waves. Amtrak's nationwide computerized information and reservations system has been swamped with calls seeking Amtrak reservations. Advance reservations, already up nearly 50 percent over last summer, are rapidly filling reserved long-distance trains for the early summer months.

Mr. President, the National Railroad Passenger Corporation recently conducted a survey and issued the following report:

SELECTED RIDERSHIP DATA: MAY 1979 VERSUS MAY 1978

At the request of the DOT, Amtrak recently tabulated the ridership for twelve selected trains for the third week of May 1979 and compared the data for these trains to the ridership of these same trains for the third week of May 1978. The third week of May was selected in both instances since the week is traditionally not a peak travel period, nor is traffic affected by a major national holiday. The twelve trains surveyed are all long-distance trains slated for discontinuance October 1, 1979.

Almost all trains showed a substantial growth in passenger miles and average trip length. The latter statistic is significant in that not only were more passengers riding, but they were riding considerably longer distances.

Several parallel routes were examined, such as Chicago-Texas, where both the Inter-American and the Lone Star showed growth in all categories; and New York-Florida, where the Silver Meteor and the Champion experienced growth in nearly every category. It should be pointed out that even higher growth—in ridership and passenger mile per train mile—could be expected if, instead of two services, one train were to connect these end points.

On the basis of these tabulations, and the surge in advance bookings Amtrak is currently experiencing, substantial ridership growth over last year is expected to continue. However, as Amtrak heads into its traditionally heavy summer travel season, the percentage growth of ridership of each train should taper off as Amtrak exhausts the capacity available for each train.

I think this survey dramatically demonstrates the American people's willingness and desire to travel by rail. Given these developments, the Government's response ought to be to expand the services of Amtrak to meet the needs of the American people.

It is amazing that Amtrak has been able to increase ridership at all considering the enormous problems it inherited from the railroads whose passenger service it acquired. Old equipment, deteriorating roadbeds, and a poor public image of rail transportation are three of the major obstacles Amtrak has had to overcome. Amtrak has only 1,250 cars in operation on any given day to serve its 27,000 route mile system—compared to British Rail which has 18,000 cars for 11,000 miles of track and the West German Federal Railroad which has 17,000 cars for 17,000 miles. Poor frequency of runs (largely due to the chronic shortage of cars), less than admirable ontime performance, and unnecessarily time-consuming trips (due to the slow speed most of the trains must maintain because of bad track) are but a few of the problems Amtrak has had to overcome.

Of course, we must be prepared to face the fact that there will be some cost to the taxpayers from having a Government-subsidized corporation providing passenger service. This is not, however, a new policy in transportation assistance. Our Government has in the past invested the taxpayer's money to build the best highway and air traffic systems in the world. Considering the energy-efficiency advantages of rail travel, perhaps the time has come to do the same, within the framework of a balanced Federal budget, for rail passenger service.

Recently, the U.S. Conference of Mayors prepared a report on Federal aid to transportation. This report reflects the levels of Federal subsidies obligated each year to the major modes of transportation. I found this report informative and wish to share the findings with my colleagues.

This report shows that from 1971, when Amtrak was created, through 1978, the Federal Government alone has provided $94.5 billion in subsidies to all modes of transportation. Of this amount, Amtrak has received $2.6 billion—less than 3 percent.

A comparison of the different modes and the level of Federal obligations for the postwar period points out some dramatic differences:

[In billions]

Mode:	*Obligations*
Highways	$102.8
Air	30.6
Domestic water	13.3
Ocean shipping	7.4
Mass transit	13.3
Rail	5.9

Thus the Federal highway spending has been about 19 times greater than rail funding, airways spending 5 times greater, and domestic water spending more than twice as great.

USER CHARGES AND TAXES

Any study of gross direct aid to transportation must be tempered by a look at the revenue or "user charges" that each transportation mode generates. For example, loans are not considered subsidies if they are repaid; Federal outlays for building any kind of transport facilities are not subsidies if the outlays are returned through fees levied on the users of the facility.

While large amounts of direct aid from Federal, local and State governments have supported the various transportation modes, significant amounts of funds have also been collected from the system users by levying a series of Federal taxes. According to the DOT's Study of Federal Aid to Rail Transportation, rough estimates show that the biggest "gap" between Federal obligations and user charges has occurred in the air system, with obligations exceeding revenues by nearly $19 billion when taking into account all years including 1975 and earlier. The domestic water transportation "gap" is about $14.5 billion; rail, as of 1976, shows $1.8 billion in obligations as compared to $0.1 billion in user revenues. (For the period from 1971–1978, all rail obligations represent about

11 percent of the total obligations for all modes, with Amtrak obligations coming to approximately 2.7 percent).[8] Highways show no "gaps" since user revenues by 1975 had exceeded Federal obligations by over $10 billion. However, these figures must be considered in the context of other institutional support provided to each mode by Federal, State or local governments.

CONCLUSIONS

In review, direct Federal aid to transportation has played a crucial role in building up the U.S. transportation system. A major point made by DOT's Study of Federal Aid to Rail Transportation is that the money provided by this Federal aid allowed improvements to be made to transportation modes at a faster pace than if the private sector had provided all the financing. The report continues:

"Federal involvement, which enables mobilization of resources on a scale that cannot be matched by the private sector and the States, permits the compression of time. The great disadvantage of Federal direct aid policy vis-a-vis the railroads is not so much that this industry received no Federal assistance, but that the Federal aid provided to the competitive modes vastly accelerated and increased the adjustment problems which the railroads had to face from the new technologies, further compounded by the deaf Federal ear turned to the notion of simultaneously providing the railroads any form of transitional assistance and allowing the railroads to meet the new competitive environment they were encountering."

Mr. President, the Secretary of Transportation has often suggested that his plan eliminates only low-ridership routes. In fact, it eliminates many routes which are experiencing increasingly heavy ridership. For example, the Secretary claims the Washington-New Orleans "Southern Crescent," which makes several stops in the Piedmont section of South Carolina, was ideally operated but that it still had low ridership and high deficits. He says one recent trip departed Washington with only 28 passengers. Actually, the train averaged over 231 passengers per trip in 1978. It seems highly improbable that the train could have left here—the heavy end of the run—with only 28 passengers, and the Secretary's staff has not been able to document such a trip.

Crescent ridership rose every year since the end of the last energy crisis; revenue ridership in 1978 was 168,865—up 7.8 percent from 1975. This increased ridership has come about despite no advertising since mid-1976, despite aged cars with unreliable heating and air-conditioning, and despite only triweekly service southwest of Atlanta. Southern maintained stations separate from Amtrak in Birmingham and Charlottesville. When Amtrak took over on February 1, it consolidated stations, cutting costs and improving passenger convenience. Amtrak also eliminated switching in Atlanta, using the savings to establish daily service all the way to New Orleans, which has improved revenues.

February marked the first month the Crescent was included in Amtrak's system. The train served 12,083 passengers, a 48-percent increase over 8,146 aboard when it was operated by Southern Railway in the same month last year. In the third week of May this year, the Crescent carried 5,849 passengers as compared with 3,157 passengers carried the same week last year. This is an 85.3 percent increase in one year.

Elimination of the Crescent Limited would leave the thickly populated and fast-growing corridor from Washington to Atlanta without passenger train service.

With the exception of the Boston-Washington Corridor, there is no section of the country more justified in having passenger train service than the areas served by the Crescent.

Mr. President, we cannot ignore the relationship between the growing gasoline crisis and Amtrak. It is essential that we reduce our dependence on foreign oil. To do this, we must develop alternative modes of transportation and encourage efficient mass transportation wherever practicable rather than use of individual cars. In the near future, I believe Amtrak could become a significant element in U.S. intercity travel.

While we may have to continue some Federal subsidy to Amtrak in the short run in order to save certain routes, I believe it will be less expensive in the long run to subsidize these routes now, rather than to abandon them and then later try to resurrect rail passenger service. Once these passenger trains are lost, it will be extremely difficult and probably prohibitively expensive to reinstate them.

Furthermore, Mr. President, the cost of maintaining these needed routes is really only a matter of getting our priorities in order. We can, I am convinced, balance the budget and still provide an effective passenger train system for this Nation. On this point, Mr. President, I would like to share with my Senate colleague an astute observation made by Congressman BILL YOUNG from the Sixth District of Florida while testifying before the House Commerce Transportation Subcommittee. He said:

> While the Administration is willing to deny railway passenger service to many parts of our country, the Administration seeks to increase our foreign aid program to India (by $45 million), to a proposed Fiscal Year 1980 level of $135 million, and our appropriations for the World Bank Group (by $690.1 million), to a proposed FY 1980 level of $2.15 billion. You may ask, "What does this have to do with railroads?" Well, this is the same India which only recently agreed to provide Vietnam with credits amounting to $50 million, mostly for the purchase of railroad equipment. Also, it is the same World Bank/IDA which recently approved the 14th loan to India for railway development. With this loan, total World Bank/IDA lending to Indian railways alone amounts to $1.09 billion. As you know, the United States is the largest single contributor to these international institutions. Incidentally, it is this same IDA (International Development Agency) which is currently considering a $40 million soft loan to Vietnam for the purpose of assisting in their railroad development. Needless to say, if the Administration can find the scarce resources necessary to assist foreign governments with their railroad needs, the American taxpayers should expect their government to do the same for them.

Mr. President, the immediate past President of Amtrak, Mr. Paul Reistrup, recently wrote an article entitled "Amtrak and the Rail Passenger System of the Future," which appeared in the Indiana Business Review. I commend this article to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMTRAK AND THE RAIL PASSENGER SYSTEM OF THE FUTURE

(By Paul Reistrup)

Secretary of Transportation Brock Adams has long been a proponent of getting it all together in transportation. In the February 1975 *Readers Digest*, he wrote, "The action: convert our present every-industry-for-itself transportation system into an interlocking network in which all the parts work together." This is a good statement of the objectives of Amtrak. Congress created Amtrak to be a part of a balanced transportation system that works together efficiently for the benefit of the public.

Shortly after Secretary Adams moved from Congress to the Department of Transportation in 1977, he formed task forces and sent them across the country to listen to state and local government officials, their staffs, and interested private citizens talk about their transportation systems and their ideas abou federal transportation programs. To add to this beginning, he wanted further detailed information, so in December 1977, his department commissioned Hart Research Associates to conduct a nationwide poll. When Adams released the findings of this poll on March 24, 1978, he said:

"The public expects that changes in our life styles will be necessary in the future, and transportation is an area of change specifically cited by some four in ten of the people queried."

It is considered especially significant that despite infrequent usage of rail passenger service, over 50% of the people queried responded that there should be continued subsidization of rail passenger service to preserve it as an option. In a special sense, this reaffirms, the balanced transportation concept of Congress and recognizes the more recent pressures of the energy shortage.

It is important that we sense this grass roots groundswell across the country and interpret what it means for the future of transportation. The public tends to believe that change is in the wind and wants to keep its options open.

This is not only a grass roots movement. In some of the highest offices of our government, essentially the same ideas are being voiced. In a year-end wrap-up statement last December, Energy Secretary James R. Schlesinger said that oil and gas are the key to our future and "facing Americans is the need to adapt the nation's entire capital stock—its buildings, factories, ways of doing business and ways of daily living—to the fast-approaching day when their won't be enough oil and gas to go around." It carries great impact to hear this from the one person at the top who is charged with the responsibility to prepare this country for a future in which there will not be oil and gas enough to go around. Such a future has a direct impact upon transportation. We know that transportation consumes 25 percent of all the energy and 60 percent of all the petroleum used in this country. We know that 96 percent of the movement of people and goods runs on petroleum and that the most knowledgeable experts warn we will begin feeling the petroleum pinch seriously by 1982–1985. The pinch does not begin when the last drop of oil has been extracted from the earth. It begins when the daily demand begins to exceed the daily supply derived from available resources. Then prices will rise abruptly and general availability of petroleum will have to be curtailed. It is

this condition that will tell us we must change our way of living and our way of travel. Secretary Schlesinger's statement contains a message of fundamental urgency. A nation of 220 million people does not change its "ways of doing business and ways of daily living"—either easily or overnight. Nevertheless, change is underway and the need for it will accelerate.

ALTERNATIVES TO THE AUTO

The automobile consumes 37 percent of all petroleum used in this country, and it accounts for 95 percent of all local travel and 87 percent of all intercity passenger travel. When the oil barrel begins to run dry, the consumer is not going to have the automobile available for short runs to the store, a trip to grandmother's house, and that vacation in the Rockies. There are going to have to be alternatives available.

In Great Britain, the automobile is utilized for only 77 percent of all intercity passenger travel, compared to the 87 percent total in the United States. A modest drop of 10 percent in this country would have tremendous impact. Today, the airlines carry 10 percent of intercity travel, the motorbuses carry 2 percent, and Amtrak carries 1 percent. It may be estimated for purposes of example that if automobile travel did drop 10 percent bus and rail travel might be selected to fill the gap, and if so, they would triple to 6 percent and 3 percent, respectively. The estimated split would then be 77 percent auto, 11 percent air, 6 percent bus, and 3 percent trains.

At first glance, a drop from 87 to 77 percent in automobile travel would appear to be rather insignificant. But, if most of those travelers did choose to travel by bus or by train, bus and train passenger loads would triple. Amtrak, running today at about 20 million passengers per year, could expect a load of 60 million or more. Actually bus ridership has been declining precipitously during the past decade while Amtrak ridership has been gaining. It is quite possible then that the 10 percent shift from the automobile would be more toward trains than buses. If so, we could expect an even heavier burden to fall upon the relatively small rail passenger system. This prospect underscores the urgency underlying Amtrak's need for growth now.

BALLOONING RIDERSHIP

A 1977 report from the U.S. Department of Transportation, forecasts that all passenger travel will more than double from 1975 to 1990. If this prediction proves to be correct the bus and rail modes will also have to pick up their share of that extra volume of expanding ridership. Hence, Amtrak's ridership might balloon to 120 million or more by 1990. In sum, intercity passenger travel modes are going to have to contend with the energy crisis as it looms larger and larger each year and drives millions of travelers to public carrier systems. Barry Commoner wrote recently, "Transportation dominates the energy picture. It is the largest single end use of energy, consuming twenty-five percent of the total energy budget."

As the necessity to conserve petroleum assets intensifies, we are going to have to find ways to utilize the more energy-efficient modes of travel and reduce the use of those that are not. As long as some useful fuel is available, the airlines will have to have it, even if its must be apportioned to them because there is no more reasonable way to travel far and fast than by modern airliner. But what about other trips?

THE BENEFITS OF TRAIN SERVICE

The most energy-effective modes of passenger transportation are the bus and the train. For the short, two-to-three-hour trip with a 30- to 40-passenger load, the bus is efficient. For longer moves and for larger groups of people, the train is without peer. An intercity bus, fully loaded with 44 passengers, delivers approximately 265 passenger miles per gallon of fuel. An Amtrak "Amfleet" train with five cars, one of them an "Amcafe" car, carrying approximately 400 people, delivers 300 passenger miles per gallon. This figure rises as more cars are added to the train. When a second locomotive is added, it continues to rise until, with 20 cars and more than 1,600 passengers, it delivers over 500 passenger miles per gallon. The train benefits in fuel efficiency because of its flexibility and low aerodynamic drag (see the accompanying chart).

These statistics reveal that rail passenger transportation is, of necessity, going to increase, because of fuel efficiency. With that in mind, what kind of service should Amtrak provide in the next five, ten, or fifteen years in order to best serve the traveling public?

We must start at some base point, such as passenger car inventory. Amtrak cannot do any more than its fleet capability, and that capability is the total of its earning power. Today Amtrak owns 1,925 rail passenger cars of all types, plus 61 Metroliners, 65 Turboliner cars, and 12 Rail Diesel cars. With this small and mostly ancient inventory, Amtrak must serve a nationwide, coast-to-coast passenger network of more than 26,000 miles. This huge infrastructure is too big and too costly, and the car inventory is too small. One of the first changes that must be made is to increase Amtrak's earning capacity by increasing its inventory of cars and thereby to come closer to covering the cost of its fixed base infrastructure. A farmer who could not recover the cost of his orchard with 100 trees will not improve his income by cutting down some of the trees. He would come closer to covering costs or even making a profit if he had 1,000 trees. It is a basic economic principle that, to continue corporate existence, there must be a balance between earning capacity and the cost of doing business. Then income must increase or costs must decrease to produce a profit.

How big should a system like Amtrak be? In 1929, there were about 62,000 cars of all kinds in passenger service in this country. Of course, at that time we did not differentiate between "intercity" service and "commuter" service as we do today, but still the difference is so great that it tells us something. Amtrak's tiny fleet is too small. Even at the end of World War II when the passenger fleet had been overworked and no new cars had been built, there were still 45,000 cars in service. Of these, more than 9,000 were Pullman cars alone.

The figures underscore the question, "How big should an Amtrak be?" In the Union of South Africa, there are 9,700 rail passenger cars; in France, 15,320; Germany, 17,726; Great Britain, 17,463; and Japan, 26,099. All of these countries have route networks of from one-third to two-thirds the size of Amtrak. Again, we do not have the number of commuters in those systems, but we have to be impressed by the ratio of Amtrak's small fleet to these other passenger fleets. They have 5 to 15 times greater earning capacity than Amtrak and fixed cost infrastructures that are much smaller.

In addressing the question, "What should Amtrak provide in the near future?" it appears to be indisputable that it must first provide many more cars than it has now. This will cost money and will require *considerable* lead time to accomplish. Consider the fact that on April 2, 1975, Amtrak contracted to purchase the first 235 of a 284 car order from the Pullman Company for more than $200 million; more than three years later not a single one of those cars is yet in revenue service.

WHY THE DELAYS?

When Amtrak was created in 1970 and began operations on May 1, 1971, it was setting out to breathe life back into an almost dead industry. The rail passenger industry, which had been losing money at the rate of $200–$400 million per year and which had been negotiating with the government for a decade to get out of the passenger business, is not the kind of an industry that places orders for new equipment. With few exceptions, new cars had not been ordered for a generation or more. As a result, when Amtrak began, it discovered that the passenger car industry had been dead for a long time. No one in the United States was making the type of car required, and foreign cars could not be utilized without modifications.

When a parent industry expires, the important subcomponent industry drifts into other pursuits or it dies too. And when both of them, prime and subcomponent, are gone, research and development stagnate. Amtrak discovered this fact of life when it went to the old standby manufacturers, the Budd Co. and the Pullman Co., to order cars.

In spite of all this, an agreement was arranged with the Budd Co., and today Amtrak has in service 492 new, though rather austere, cars. Now that production has stopped again, Amtrak does not know whether or not Congress shall appropriate enough funds to enable it to place orders for more Amfleet cars—not just to build a much-needed inventory, but also to keep that bit of the industry alive. As stated above, Amtrak has not received any of the Pullman cars, but they are expected this year. As the only purchaser in this country for this type of equipment, Amtrak cannot support such a manufacturing industry alone unless its flow of capital funds is great enough and steady enough to keep it a profit-making business for them. Amtrak is caught between the gripe of a vise: Congress must provide those funds and the industry must have them to exist.

All of this underscores an important fact of this business. When Amtrak came into existence, it was able to purchase from the railroads an inventory of about 2,000 cars. They were good cars, but they were old, and they had come from many sources. They were hard to stock supplies for and difficult and costly to maintain. About three-quarters of Amtrak's inadequate fleet consists of these costly antiques. The influx of new Amfleet cars served only to permit the retirement of the oldest and most unreliable of that original fleet. Hence, those 492 cars did not increase the size of Amtrak's inventory. Without an inventory increase, it is all but futile to consider an increase in service at this time, in terms of either new trains and new routes or increased frequencies on established routes.

THE DEMAND FOR MORE TRIPS

Frequency of service is a fundamental factor in passenger transportation. A 1978 British Rail survey, "Marketing Case," has this to say for frequency of service:

"Regular train service frequency has been the key feature of the intercity package, as time waiting for a train—which good frequency reduces—is seen by the passenger as part of the total journey time. Principal cities and towns are linked with London at least every hour. Cross-country service intervals are often as good, and where there is lower traffic potential, a frequency of at least every two hours is usual."

In another section of this same survey, British Rail says:

"Research confirms convincingly that reduced journey times resulting from higher speed coupled with good frequency have been the most significant factors in attracting more rail passengers."

Modern rail passenger service cannot meet the demand of busy and frequent travelers unless it can provide a frequency of service that will assure a train when needed and, what's more important, the convenience of a return trip without the necessity of spending the night away because there was no other way to catch a return train. When Amtrak makes a contract with a passenger to travel in one direction and that passenger leaves his automobile at home, Amtrak should provide a convenient option for the return trip.

This service is a fundamental part of Amtrak's future plans. Today, the great majority of the communities served by Amtrak are served only once a day in each direction. In most cases, the scheduled time of arrival of that train is merely a function of when that train departed from some distant endpoint city many hours or even days before. This kind of operation results in an almost impossible round-trip situation for all intermediate community passengers, and it results in many schedules that fall during the most inconvenient hours of the day and night. The solution to this serious problem requires cars.

Transportation planners know about the essential value of frequency, but with a severely limited inventory the only choice is to do the best with what is available. The existing system must be changed if Amtrak is ever to have the capability to meet current needs and to prepare for the heavy demands that can be expected in the next decade of diminishing petroleum supplies.

ACHIEVING HIGHER SPEEDS

Essential to better service in the world of transportation is higher speed. No one at Amtrak expects to see three and four hundred mile-an-hour trains crisscrossing the country. We would like to have trains run at what used to be called "express train" speeds, which average about 75 mph. In corridor-type passenger service, modern trains should be able to run between 110 and 120 mph, if not a little faster. Speeds in excess of 100 mph are offered by blue-ribbon services in many countries today. It will be 1981 before the improvement of the Northeast corridor will enable Amtrak to schedule trains to New York City from Washington in 2 hours and 40 minutes. At that time, it will also be possible to go from New York to Boston in 3 hours and 40 minutes. In order to make this schedule, with the prescribed five stops, the trains will have to hit 120 mph en route. Even higher average speeds will be achieved in the future.

The complex physical and engineering problems with track are very costly to solve. Amtrak trains of today, running over a system of 26,000 miles all over the country, do so on schedules that must accept an overall average speed of about 45 mph. This is much too slow. There are many reasons for this poor average. First of all, there are too many unprotected grade crossings. In many municipalities and townships speed restrictions have been instituted for the safety of motorists where thousands of these dangerous grade crossings exist. These safety "slow orders" cause countless reductions in speed and very slow overall schedules. Second, an increase in track maintenance work all over the country has produced another wave of maintenance "slow orders" and Amtrak's trains are slowed by that essential work. Third, Amtrak trains are delayed on far too many miles of track for no other reason than the fact that the track and its roadbed are not good enough and safe enough to permit the operation of faster trains. This is deplorable, but cost and other factors have created a situation that seems all but beyond resolution.

The subject of speed in the railroad business brings up other important matters. A faster track is generally a more comfortable track. When safety regulations permit a train to run faster, it is usually because the track is in better condition; and if it is in good condition, it is comfortable. Amtrak's trains on many miles of slow track are uncomfortable; this problem cannot be rectified unless the track is improved by the private freight railroads that own it. In actual practice, Amtrak can do nothing about it.

Higher speeds are also essential for more economical operation of trains. When it takes a train 20 hours to go 800 miles, Amtrak loses the service of the crews, the cars, and the locomotives for 20 hours. If a train could run that 800 miles in 10 hours, overall costs would be reduced considerably. Such a step forward must wait, however, until the railroads improve the track sufficiently to permit that type of operation in comfort—reliably and safely.

Speed means a lot to the passenger, too, of course. The trip between New York City and Kansas City takes about 30 hours. The average speed is under 45 mph. If Amtrak could run that trip at an average speed of 75 mph, it could do the trip in about 18 hours. At today's speeds, the passenger must have dinner on the train, have breakfast the next morning, then lunch, followed by another dinner. For an individual or family on a through trip, that food cost adds up appreciably, as does the cost of the bedroom. On an 18-hour schedule, costs to the traveler would be greatly reduced.

In sum, Amtrak must find some way to meet these fundamental requirements during the next five, ten, and fifteen years: a larger inventory; greater frequency of service and more routes; ability to support a manufacturing industry and, in turn, have that industry capable of supporting research and development; and more speed, which implies more comfort, more safety, more reliability, and lower costs to Amtrak and to the passenger.

IMPROVING PASSENGER SERVICES

In a service industry there is always room for improvement in personal service, although Amtrak has already made some great strides in this area. Amtrak has done much with its computerized information and reservations system. If that system could be integrated with the electronic data processing systems of other modes of transportation, the entire transportation network would be improved. These changes come with professionalism and dedication to the task at hand. They begin to fall into place if the major elements of the overall development can be achieved. In final analysis, Amtrak's management can accomplish results to the extent it is given the money, the means, and the authority required.

When Amtrak was created in 1971 many people supported it because they felt that it would be nice to have trains again. Today there is a more pressing need. The energy crisis tells us that we are going to have to have a better rail passenger system in this country than we have ever had before. Those who know the most about our energy situation say that we will run out of petroleum, in inexpensive and ever-ready quantities, no later than 1982–1985. In terms of the time it takes to generate an industry as large as a nationwide rail passenger system, 1982 is tomorrow. We are already behind that schedule and we are going to have to run hard to catch up.

Because most passenger trains run on electricity, (the majority of them in the Northeast) they offer the only present mode of transportation for large groups that is not dependent upon petroleum fuel sources. As long as petroleum fuels are available, trains will do the most to help conserve that valuable asset. The rail passenger train is therefore the most energy efficient means of transportation available. The significance of these two facts is going to become more meaningful in the next decade. Amtrak's job is to do everything possible to get ready for the demand that is just around the corner.

Mr. THURMOND. Mr. President, the public outcry to save Amtrak train service has been tremendous. I wish to bring to the attention of my colleagues the following Time magazine essay, which is but one of many similar editorials in newspapers and magazines throughout the country.

I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE SAD STATE OF THE PASSENGER TRAIN

Certain public services are so obviously desirable that they are beyond debate in modern urban societies. The thought of doing without schools, parks, hospitals, street lighting and such could scarcely enter a civilized mind. The ever wandering human species recognized roads as obvious necessities soon after man began meandering across the earth. Later, mechanical wonders that aided travel were put in the same category. Today every ranking industrial nation nurtures the use of cars, buses and airplanes. Along with these, railroads are treated as indispensable in every well-developed country—except one.

The amazing exception happens to be the U.S., a nation that pioneered in railroading with more vigor and daring than any other in the 19th century. It also did so on a grander scale, binding an immense continent with tracks and producing trains of such magnificence that they moved Nathaniel Hawthorne to exclaim: "They spiritualize travel!" Most Americans once agreed, and even today travelers lucky enough to wind up on a good train find this way of traveling superior in every way to the fumes and peeves of the throughways and the sardine-can intimacy of the time-rupturing jet planes. Yet, in spite of the heroic past, the U.S. has let its passenger rail travel system fizzle and sputter down into a national embarrassment.

Today service is scant, schedules are unreliable and amenities are often sparse. The equipment includes, in the forthright phrase of Amtrak President Alan Boyd, "a lot of junk." The situation might be called ridiculous if only in light of the universal recognition of the passenger train as the most expedient mode of moving large numbers of people from city to city. In an energy-short era, the railroad, fully exploited, offers the most fuel-efficient means of public transport.

The plight of U.S. passenger travel is downright humilitating when it is compared with the superb services of, say Japan, France and Britain. British trains run so close to the mark that passengers carp about a five-minute overdue arrival. Japan's celebrated bullet trains, at up to 130 m.p.h., make the U.S. counterparts seem like earthworms. Naturally such service does not come free. Britain subsidizes its trains at a yearly rate of $728 million, Japan (with less than half the U.S. track mileage) at $4.1 billion and France at $930 million.

When Amtrak was created eight years ago there was hope for improved U.S. passenger trains, and there was even some progress. But now, with the country still needing to do a great deal better, it stands at the verge of deliberately doing worse. Reason: a Department of Transportation plan that would amputate 12,000 miles from Amtrak's 27,500-mile system. It would also wipe out some popular trains, including the Washington-New Orleans Crescent and New York-Canada Montrealer. This would be accompanied by slashes in Amtrak funds, forcing the company into offering truncated services at higher fares.

Though the plan would likely reverse the recent trend of growing ridership. Transportation Secretary Brock Adams insists that it is, constructive. Still, he has pushed it in Congress mainly as a handy device for saving perhaps $300 million a year. Congress, which must reject or acquiesce in the scheme by May 22, has so far seemed woefully ready to let it go into effect without substantial changes.

Rail travel advocates fear that, on top of the sudden loss of almost half of Amtrak's system, the plan might mark the beginning of the end for all significant intercity rail services in the U.S. Even if it may be too late to stop the DOT plan, it is not too late to examine how the U.S. came to such a shabby pass.

The amputation plan embodies a whole bundle of questionable notions that have long clouded the prevalent American view of passenger rail service. A conspicuous one among them was evident in the chartering of Amtrak, which was directed to function as a profit-making organization. The cold fact is that no national passenger system, in the final accounting, ever pays its own way. Amtraks succession of deficits ($600 million this year) was inevitable, and the DOT reaction rested on yet another flawed notion: the remedy for an insufficent passenger system is to cut it back and make it even less sufficient. These and other peculiar notions—including the specious belief that Americans do not really like to ride railroads—add up to a sort of official mythology of passenger travel in the U.S.

The odd thinking that has long held sway in national rail travel policy springs out of a stubborn resistance to rail travel as a public service justified not by profits but by its contribution to social convenience and well-being. After all, municipalities everywhere subsidize local mass transit and recognize the obvious need to do so. Washington still thinks of automobile transportation as strictly private, even though the Federal Government alone has invested some $48.6 billion in roads since 1971. Airlines are similarly considered private, even though they would be as financially strapped as Amtrak if they were billed for only the nearly $2 billion the public pays each year for the air traffic control systems. Every attentive citizen, finally, becomes aware of the inextricable public-private money mix that sustains all transport. But the strangest thing—and perhaps the most revealing—is that nobody gets worked up about it except when the issue of railroads comes up.

This peculiar official sentiment is linked, underneath, to a mental picture of the railroad industry that lingers from the past. The trains that used to inspire novelists and songwriters were contrivances of freebooting laissez-faire capitalism, and they became symbolic monuments to a time that believed that any enterprise that could not make a profit deserved to die. In fact, though, an extensive passenger-train network tenuously survived into the 1940s, when, suddenly needed for war duty, it worked profitably at capacity. Then, in the postwar period, when the nation lavished attention and money on the development of air and highway transport, rail travel sank into the red. One reason was that the mail subsidies that used to help pay the basic cost of a passenger train were increasingly handed to truckers and airlines. Passenger trains fell into the trend of continual service cutting that both reduced chances for a comeback and encouraged Americans to turn more and more to cars.

Despite this unfortunate history, the nation that has so superbly cultivated highway and air travel could plainly do just as well by rail travel if it chose. The energy crunch alone, which is already creating a surge of new riders on Amtrak's long-run trains, is good cause for so choosing. But there are many other reasons for doing so, not least that train travel at its best, in addition to being highly efficient, is perhaps the most attractive form of travel for millions. Before any obviously desirable passenger system can be built, however, the country will have to realize that it is not the passenger train, but only its thinking about it, that is obsolete.

—FRANK TRIPPETT.

Mr. THURMOND. Mr. President, I also wish to point out the following article that appeared in Spartanburg Herald-Journal, Sunday, July 8, 1979 and ask that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"AMTRAK WORKS," SAYS PROFESSOR

It takes patience and willingness to adapt, but train travel is alive and well in the United States. In fact, it might even be the best way to see the country these days, with automobile travel plagued by fuel shortages and high prices.

That's the verdict of Jim Sloan, assistant professor emeritus of political science at the University of South Carolina at Spartanburg. He spent the month of June traveling more than 9,000 miles on such Amtrak runs as the Southern Cresent, the Broadway Limited, the Empire Builder, the Coast Starlight and the Southwest Limited.

"Amtrak works," Sloan said after arriving back in his native Clinton with his wife Alice on June 30. "Especially if you are on a coast to coast tour like we were. You get to see a lot more of the sights than if you were driving, and you can sleep through a lot of the miles that tire you out so much when you're in a car.

"That doesn't mean that there aren't problems though," he added. "If we Americans want a passenger rail system that is really meaningful, in terms of the total number of people carried, it's going to take better administration and more money."

Sloan says the biggest problem with the rail systems on this particular trip was the inability of the trains to stay on schedule. "In one case we were 3½ hours late, and we usually were running behind. It didn't make much difference to us, but it did to some others around us who didn't have quite as much time or patience."

The USCS professor also said that Amtrak definitely shows the effects of two decades of neglect of the nation's rail system. "The newer coaches are more comfortable than either airplanes or buses, but the increase in business caused by the fuel shortage caused Amtrak to put a lot of World War II vintage coaches back on line, and these leave something to be desired. (Some stations were clean and modern—others were not). Some of the roadbeds out west were in such bad shape that the train could only run 20 miles per hour."

According to Sloan, these problems were offset by several pluses for train travel. He said Amtrak officials tried very hard to be helpful, including providing alternative transportation when he and his wife missed a connection in Los Angeles. The porters and conductors, now often young men and women, proved to be friendly and helpful, giving a good measure of personal attention. The food was reasonably priced and offered a variety often not available to the traveler.

But the Sloans say the thing they enjoyed most about the train was the chance to move around while traveling and meet people. "Taking a trip like this reaffirms your faith that the United States is bigger than Watergate or Vietnam. It's a big rich country with good friendly citizens," said Sloan. "We've been to Latin America and Europe on our summer tours the past few years, but I think we enjoyed this tour more than any other we've taken."

Mr. THURMOND. Mr. President, we must not abrogate our responsibilities while we examine and seek to reduce our expenditures. We cannot be so short-sighted as to fail to realize that the short-term solution of a lower Federal subsidy this year, might well be creating serious and expensive transportation and energy problems in the future.

Mr. President, I stand for fiscal responsibility and my position on Amtrak is no deviation from this policy. By proper promotion and service, proper route structuring and upgrading, and the purchase of essential equipment, the Nation's rail passenger service can be continued without any great loss to the Federal Treasury and with tremendous benefit to the American people. The amendment offered by Senator LEAHY will accomplish this by establishing criteria to insure that profitable and well-patronized routes will be continued while insuring that those routes that are not utilized shall be discontinued. I intend to vote for this amendment and urge my colleagues to also support this amendment.

● Mr. McGOVERN. Mr. President, I rise in support of the amendment offered by my distinguished colleague, Senator LEAHY, and ask that I be added as a cosponsor.

The provisions of this amendment represent a long overdue compromise between those of us who firmly believe that rail passenger service can play a major role in our Nation's transportation as well as reducing our dependence on foreign fuels, and the administration, which has determined that extensive cuts are necessary from a budget perspective. I find the administration's position difficult to understand when they are prepared to invest over $140 billion of the taxpayers' money in an energy program based on technologies that may be infeasible as well as creating irreparable impacts to our environment.

We must keep in mind that Amtrak was created on the premise that the Government was making a large investment that, over time, would generate sizable economic and social benefits for the American people. I believe that we can and will reach that goal, but not under the administration's program.

Amtrak was created because the Congress perceived a desire on the part of the American public for a continuation of some level of rail passenger service. It was also evident at that time that the United States could not rely solely upon further massive construction and maintenance of highways and airports to meet its long-term transportation needs.

Creation of a national rail passenger system, therefore, was viewed as a method to save for the future an alternate form of transportation that possessed a priceless asset—existing tracks and rights-of-way into major population centers of the Nation.

At the inception of Amtrak, in 1971, it inherited a dying business. The corporation had virtually no employees. The majority of the passenger cars were old, many of them in disrepair. Train stations and maintenance facilities had been severely neglected. The Corporation did not own any railroad tracks, stations, terminals, switching yards, locomotives, or other rail equipment.

Today, 8 years later, we must remember how Amtrak began before we make critical decisions impacting on its future. Although the administration insists that Amtrak has not met its goals, I think we have come a long way since 1971, when all we really possessed was a "paper corporation."

True, some trains have proved to be inefficient and cost-ineffective—and some trains may continue to lose money. Some of these routes may be cut, but the proposals offered by the Department of Transportation reflect no understanding of the need to provide essential transportation services.

Therefore, Mr. President, I support this amendment as well as an amendment offered by Senator CHURCH. These amendments offer a fiscally responsible approach to preserving essential passenger rail service, while preserving the original premise upon which Amtrak was founded. Such massive Federal investments rarely result in overnight successes, but over time, provide for critical social and economic needs of the American public.●

Mr. LEAHY. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. I yield to the Senator.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Dave Moran, of Senator DOMENICI's staff, be granted privilege of the floor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. LEAHY. Mr. President, I ask the distinguished managers of the bill whether there is any objection to yielding back our time, if nobody objects.

Mr. LONG. If I have any time, I yield it back.

The PRESIDING OFFICER (Mr. NUNN). All time has been yielded back. The question is on agreeing to the amendment of the Senator from Vermont. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 89, nays 11, as follows:

[Rollcall Vote No. 244 Leg.]

YEAS—89

Baker	Byrd, Harry F., Jr.	Culver
Baucus	Byrd, Robert C.	Danforth
Bayh	Cannon	DeConcini
Bentsen	Chafee	Dole
Biden	Chiles	Domenici
Boren	Church	Durenberger
Boschwitz	Cochran	Durkin
Bradley	Cohen	Eagleton
Bumpers	Cranston	Eaton
Burdick	Garn	Ford
Glenn	Lugar	Roth
Gravel	Magnuson	Sarbanes
Hart	Mathias	Sasser
Hatch	Matsunaga	Schmitt
Hatfield	McClure	Schweiker
Hayakawa	McGovern	Stafford
Hefin	Melcher	Stennis
Heinz	Metzenbaum	Stevens
Helms	Morgan	Stevenson
Hollings	Moynihan	Stewart
Huddleston	Nelson	Stone
Inouye	Nunn	Talmadge
Jackson	Packwood	Thurmond
Javits	Pell	Tower
Kennedy	Percy	Tsongas
Laxalt	Pressler	Warner
Leahy	Pryor	Weicker
Levin	Randolph	Williams
Long	Ribicoff	Young
	Riegle	Zorinsky

NAYS—11

Armstrong	Jepsen	Proxmire
Bellmon	Johnston	Simpson
Goldwater	Kassebaum	Wallop
Humphrey	Muskie	

So Mr. LEAHY's amendment (UP No. 495) was agreed to.

Mr. LEAHY. Mr President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY and Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I shall just take 30 seconds.

I do wish to thank the distinguished leaders of the bill for their help in this. Certainly my distinguished senior colleague put innumerable hours in on this measure.

I make a personal mention of two staff members, Michael Choukas and David Julyan of my staff, who worked weekends, evenings, throughout the day, working with other Senators in putting in the coalition for this amendment. Without their help it would have been impossible. I thank them and my colleagues.

AMENDMENT 210

(Purpose: To require that the National Railroad Passenger Corporation establish a reduced fare program for elderly and handicapped individuals)

Mr. SASSER. Mr. President, I have at the desk an amendment and I ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. SASSER) proposes an amendment numbered 210.

Mr. SASSER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

REDUCED FARE PROGRAM

SEC. . Section 305(c) of the Rail Passenger Service Act (45 U.S.C. 545(c)) is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Within ninety days after the date of enactment of this paragraph, the Corporation shall establish a reduced fare program for elderly and handicapped individuals. Such program shall establish a fare for elderly and handicapped individuals for rail passenger service provided by the Corporation which is not in excess of 75 per centum of the regular fare for such service.

"(B) For purposes of this paragraph—

"(i) the term 'elderly individual' means a person who has attained the age of sixty-five years; and

"(ii) the term 'handicapped individual' means any person who has a physical or mental impairment which substantially limits one or more of such person's major life activities, has record of such an impairment, or is regarded as having such an impairment, but the term handicapped individual does not include any person who is an alcoholic or drug abuser.".

STUDY REQUIRED

SEC. . Within one year after the date of enactment of this section, the National Railroad Passenger Corporation shall prepare and transmit a report to the Congress concerning the effect of the amendments made by this section 16. The report shall include an analysis of the social and economic impacts of providing a reduced fare program for elderly and handicapped individuals.

The PRESIDING OFFICER. Will the Senator from Tennessee answer a question for the Chair?

Mr. SASSER. Yes.

The PRESIDING OFFICER. Is this the amendment on which there was to be a time limit of 20 minutes?

Mr. SASSER. That is correct.

The PRESIDING OFFICER. I thank the Senator.

Mr. SASSER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, I yield to the distinguished Senator from Michigan (Mr. RIEGLE).

Mr. RIEGLE. I thank the Senator for yielding.

Let me just advise my colleagues that the Senator from Tennessee is yielding for the purposes of myself, Senator LEVIN, and Senator JAVITS to engage in a brief colloquy on a matter with the chairman of the committee. So this should not take long. I appreciate very much the Senator from Tennessee for yielding. This colloquy concerns the intent of section 4 of the bill.

My remarks are intended to follow up on a dialog that occurred in the House between Mr. FLORIO the chairman of their Subcommittee on Surface Transportation and several members of the New York delegation.

I notice in the proposed restructuring plan submitted by the administration that a direct Detroit-Buffalo passenger line called the Lakeshore Line is under consideration. Currently, passengers traveling from Detroit to New York must travel to Chicago in order to get a train that goes directly to New York. Anyone can look at a map and see the absurdity of going west in order to get to the east coast, and the Lakeshore Line will remove this ridiculous situation.

My reading of the language in section 4 indicates that the corporation will have

some discretion under limited circumstances to defer the implementation of routes recommended by the Secretary for restructuring. I interpret this language to read that the implementation must take place as expeditiously as possible.

It seems to me that the language supposes that the rerouting will occur unless the corporation makes a demonstration that the new routes fail to provide "equivalent or superior service." In other words, the burden of proof will be on the corporation to show that a new route, such as the Lakeshore Line, will not meet the criteria of "superior service," otherwise the plan will be implemented.

We have received indications that Amtrak does not intend to make this restructuring decision, and our dialog is intended to remove any doubt as to the meaning of this section. Rail service is very important to my State, we support passenger and rail operations in a large way, and the addition of the Lakeshore Line will enhance rail service for Michigan and for the country.

I thank the Senator from Tennessee and I now yield to my colleague from Michigan.

Mr. LEVIN. I thank my senior colleague and also thank the Senator from Tennessee.

Mr. President, it is most important that we clarify the impact of the new language added by this bill to section 4(g) of the Amtrak Improvement Act of 1978.

Mr. President, I ask unanimous consent that the remainder of my written remarks appear at this point in the RECORD.

Mr. HEINZ. Mr. President, reserving the right to object, I wish to know what the Senator is going to be saying on this issue. We are writing legislative history and I do not want the history just to be put into the RECORD. I want to be able to say that I agree or disagree with it.

So I must respectfully object if any of the material that the Senator puts into the RECORD bears on the issue of what is intended by the section of this bill giving Amtrak the ability to chose when it should or should not commence service recommended by the route restructuring, but which is presently impossible or inadvisable to commence because of track or other difficulties.

Mr. LEVIN. I thank the Senator from Pennsylvania.

I shall read an additional portion which I think will answer his question.

Let me first provide a little background to this request. I am proud to say that Michigan is one of four States (the others being New York, Illinois and California) that has actively worked with Amtrak to develop and improve rail passenger service. Last year the State of Michigan spent a total of $51 million on railways in our State. Over $6 million went for passenger service. Just recently the legislature appropriated over $200,000 for a feasibility study of very high speed rail service. So Michigan is committed to improved passenger service.

When the DOT plan first appeared, although it cut the national system by 43 percent, I did not work to disapprove it, but to improve it—to add more money for capital and operating expenses, to expand section 403(b) funding, and to guarantee a smooth implementation. In looking at that plan, I relied on the fact that the plan contained a rerouting of the Lakeshore Limited that connected Detroit to Buffalo and on to New York and Boston. That is an essential link for not only my State but for residents of New York, Illinois, and points west. DOT estimated 228 passenger miles per train mile as a result of the rerouting and as opposed to 163 passenger miles per train mile on the present Lakeshore Limited route.

Under the current system, as it exists today, to get from Detroit to New York or Boston, you have to go by way of Chicago. For those unfamiliar with American geography, that means today you have to go 250 miles west in order to go even 1 mile east from Detroit on Amtrak.

I followed this bill in the Surface Transportation Subcommittee and knew of the language submitted by Senator EXON which, at that time, we thought was to insure the operation of the current system only until such time as the new system would be implemented. That made sense and I even sent a letter to the committee which spoke, in part, on that subject. I did not know at that time that Amtrak was considering not implementing the Lakeshore rerouting.

I then started to hear the rumors that Amtrak planned not to implement the Lakeshore rerouting. I could not believe it. Detroit is the fifth largest city in this country, and Amtrak wants to leave this major metropolitan center without an east coast connection. In following up these rumors, I was told that the reason Amtrak would not implement the Lakeshore restructuring was because there was a problem in securing the track and routing permission in Canada. I then found out that the track in Canada is owned and operated by ConRail. I was then told that the rerouting would not take place because the ConRail track had been downgraded to a 30-mile an hour track and that it would cost too much to bring it up to passenger service level. In chasing down the facts behind that allegation, I was told by ConRail that the track—which is actually double track—is in excellent shape and that the average train could run at about 50 mph. I further found out that ConRail did intend to downgrade one of the tracks and that it had petitioned the Canadian Transportation Commission to do so. My office along with Senators JAVITS, RIEGLE, and Governor Milliken's offices then met with ConRail—Amtrak had not approached ConRail on this subject to my knowledge—and asked them to postpone the downgrading until January 1, 1980, in order to provide us some time to clear up the confusion with Amtrak and to avoid additional and substantial costs of rehabilitating the track. ConRail is meeting on this decision this week in Philadelphia.

What I am puting in is background, and if there is anything other than that, it is not intended.

To continue my remarks, however, after those written remarks, they are as follows: I read section 4(g), Mr. President, to mean that the deferral is just that, a deferral, and deferral is allowed under that section only until needed improvements are made on the new routes to achieve equivalent or improved service.

Now I have two questions of the chairman: Is it the intent of this legislation that the rerouting contained in the DOT plan be effectuated if a proposed new route is equal to or better than an existing route?

Mr. LONG. Yes, the Senator is correct.

Mr. LEVIN. Is there any language in this bill that would permit a permanent deferral of the rerouting if the proposed new route is equal to or better than an existing route?

Mr. LONG. No, there is no language that would permit a permanent deferral.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. HEINZ. I think it is very important that we be very clear on what we are talking about.

The Senator from Michigan has propounded the question whether a deferral may continue for an extended period of time. The Senator from Louisiana has said no, it may not. It, in fact, as I read section 14, does not say either yes or no to that question.

It simply says, as I understand it, that until such time as necessary improvements are made—not stating that they ever have to be made—then Amtrak may defer establishing new service, in this case, via a Canadian route rather than the present route which, for the sake of full disclosure, happens to run through Erie, Pa., and not through Canada, and obviously will not. So I have a personal interest in this matter.

I might only just add that I think it would be a mistake, and I say this to my chairman most respectfully, to read into this legislation something that really is not there plain for all to see in the section we are discussing.

The chairman is entitled, as we all are, to express his opinion as to what the legislation does or does not mean. But if the chairman's opinion is that Amtrak has to every year explain why in detail that it costs too much money and that it does not want to put millions and millions and millions of dollars of the American taxpayers' money into Canada, then I would have to say that that is a needless example of foreign aid.

I know the Senator from Louisiana's attitude on foreign aid. He is 100 percent American so far as that is concerned, and I salute him for that attitude.

I just do not want to load this gun in favor of Canada here.

I do not understand why we want to give Amtrak encouragement to just slash away some more at what is left of the U.S. route structure.

So I would hope, Mr. President, that there is no confusion about what, in fact, the legislation says. It says neither yes nor no, as I read it, to the Senator from Michigan's question.

Mr. RIEGLE. I yield briefly to the Senator from New York.

Mr. JAVITS. Mr. President, I think my point goes to this discussion. There is one defect in Mr. HEINZ' argument, and that is if, in fact, the service from New York to Detroit or Detroit to New York is superior to the existing service on a given train, to wit, the Lakeshore Limited, then it seems to me that section 14 of this bill enables Amtrak to accomplish the restructuring expeditiously. That is all we are really talking about.

This depends upon whether Senator RIEGLE's assertion is correct, and they will test that out as a professional railroad matter. But if it is then correct, in our judgment—and that is all we are saying and asking the chairman the same thing—then the restructuring should be accomplished.

As I understand it, in the first place, this Canada business, as the Senator knows, is pure rhetoric. He knows that as well as I do. Canada is our closest neighbor. We need her and she needs us. What is this business? We might as well prohibit our planes flying over her airspace or our planes landing in Montreal or Toronto or their planes in our airports. I do not think this is a credible argument to make in this problem where you have a serious problem in my State and in Michigan, and your State is not going to be hurt, as I understand it because of rerouting of the Broadway Limited.

So that is the only thing. We are trying to lay down a set of criteria which can be dealt with, which can be based upon the fundamental assertion of the Senator from Michigan that it is a superior service, if it is.

Mr. HEINZ. Mr. President, if the Senator would yield, and I will ask——

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. SASSER. Mr. President, I yielded to the Senator from Michigan a moment ago for a 3-minute colloquy.

The PRESIDING OFFICER. The Senator from Tennessee has 5 seconds left.

Mr. RIEGLE. I ask unanimous consent that the time of the Senator from Tennessee be restored, and that the colloquy that has taken place, which has taken longer than was anticipated, not be charged against his time. I ask unanimous consent that his time on his amendment be restored.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. Seven minutes will be restored.

Mr. HEINZ. Mr. President, I do not know who yields time. I would like a chance to complete the colloquy with the Senator from New York, who raised a good point.

Mr. JAVITS. If we may, Mr. President, I think we want to hear from the chairman, too. I ask unanimous consent that we go on for 5 minutes, and yield 2 minutes to the Senator and 2 minutes to the chairman.

The PRESIDING OFFICER. Is there objection?

Mr. GLENN. Mr. President, would this preclude any statement I might wish to make? I would like to get involved in this colloquy.

Mr. JAVITS. We could ask for 10 minutes.

The PRESIDING OFFICER. Is the Senator from New York asking for 5 additional minutes beyond that allocated?

Mr. JAVITS. Is there any allocated to us? I thought our time was up.

The PRESIDING OFFICER. There are 10 minutes in opposition to the amendment controlled by the Senator from Louisiana.

Mr. JAVITS. That is fine. If he would be kind enough then to yield just 1 or 2 minutes to the Senator——

Mr. GLENN. Mr. President, I ask unanimous consent——

Mr. HEINZ. I thank the Senator from New York, the Senator from Louisiana, the Senator from Michigan, the other Senator from Michigan, the Senator from Tennessee for yielding me 2 minutes.

Mr. GLENN. While we are having these unanimous-consent requests, might I ask that I be allotted 5 minutes of this time?

The PRESIDING OFFICER. I think the unanimous-consent request will have to be reposed, because the Chair understood the Senator from Ohio to object when he took the floor, so I think——

Mr. JAVITS. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. That is no longer necessary. The Senator from Louisiana has the time and he has yielded, and I am sure he will yield the rest of it.

Mr. SCHWEIKER. I would like 2 minutes, too, Mr. President.

The PRESIDING OFFICER. Does the Senator from Louisiana yield time?

Mr. LONG. I yield 2 minutes to the Senator from Pennsylvania, 2 minutes to the other Senator from Pennsylvania, and 2 minutes to the Senator from New York.

Mr. HEINZ. I thank the Senator.

Mr. LONG. Three minutes to the Senator from Ohio.

Mr. HEINZ. Mr. President, let me quickly claim my 2 minutes and not stand around until they expire.

Mr. President, the issue here is, very frankly, a question of what the legislation says. I listened carefully to what the Senator from New York said, and he is a master politician and wordsmith, and he is saying very carefully he wants Amtrak to move expeditiously, and that is the key question—whether the section at issue here requires any movement at all.

What section 14 says, no matter what we may say it says, is that Amtrak has the right to continue service on existing routes until such time as it is able to do the various things necessary, points 1, 2 and 3 in section 14, so that equivalent or improved service or service that is consistent with the goals contained in subsection (a) can be provided.

It does not say that Amtrak has to do it tomorrow, has to do it next year or has to do it in 10 years. The word "until" is neutral, and all the expedition or immediacy or tomorrowness that the Senator from New York or the Senator from Michigan would wish to put into the language simply is not there.

At present I do not wish to argue with anybody, except to make the point that we should not say something about legislation which creates an impression that simply would not be correct, based on the language of the legislation.

I thank the Senator from New York and I thank the Senator from Louisiana for the time.

Mr. SASSER. I yield the Senator from Pennsylvania such time as he may require.

Mr. SCHWEIKER. Mr. President, I am concerned over the rerouting of the Lake Shore Limited, a New York-Boston to Chicago train. This train has served Erie, Pa., well for a number of years. I seriously question the rationale for rerouting it through Canada. It will not even make any stops in Canada. Erie, Pennsylvania's third largest city, needs the essential service provided by Amtrak.

The cost of rerouting the Lake Shore could be as much as $7 million, which will have to come out of the Amtrak capital budget. Amtrak could make better use of this money by purchasing new rolling stock or improving railroad stations.

In addition, rerouting of the Lake Shore is contingent on the rerouting of the Broadway Limited between Pittsburgh and Cleveland. This will cost up to $19 million. All told, we are talking about a capital expenditure of $26 million. Beyond this, however, annual operating expenses will increase by millions of dollars if those trains are rerouted. Why reroute the Lake Shore at this high price in taxpayer dollars when it performs well on its present route?

In May 1978, an analysis by the Federal Railroad Administration showed that the Lake Shore was "considerably above the Amtrak total system average of 138 passengers." Most of these passengers ride for long distances; this high average is not increased by short distance commuters. Yet shortly after the FRA did this analysis of the Lake Shore, the Department of Transportation, in its final report on the Amtrak route structure, decided it wanted to reroute the Lake Shore.

In a letter to me, dated May 2, 1979, then-Secretary Adams stated that much of the patronage increase estimated by DOT for a rerouting of the Lake Shore would occur not because of the rerouting—rerouting had nothing to do with it—but because of two other factors. First, 15 percent of the anticipated increase would occur due to the use of new equipment—they could use that on the present line; and second, the Department of Transportation assumes a 2 percent higher ridership in fiscal year 1980, even without the rerouting. In other words, 17 percent of the anticipated patronage increase would not be due to rerouting but to other factors.

It is also interesting to note that ridership in April was up 35 percent over last year.

For all these reasons, I would urge Amtrak to go slow in rerouting the Lake

Shore Limited. I think it might well be a mistake to reroute a train that has already proved its merit.

Mr. JAVITS. Mr. President, Senator LONG has kindly yielded 3 minutes to Senator CANNON, so that we may hear from the chairman of the committee on this question. I would like to hear from him; I ask his views.

Mr. CANNON. Mr. President, as chairman of the committee, it is my position that if Amtrak agrees with the Senator's judgment, the Senator is correct, that section 14 would permit an expeditious restructuring; but that would depend on whether Amtrak actually did agree that the particular service was superior to another service. If they made that determination and agreed to those changes, they would have the authority to accomplish an early restructuring.

Mr. JAVITS. I thank the Senator. I think that answers it, because my question was conditioned on exactly the provisional answer that Senator CANNON has given. I thank him very much.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I would like to ask the distinguished Senator from New York, since I came in, in the middle of the colloquy, I was concerned about the Lakeshore Line. Is it assumed that the colloquy would encourage the abandonment of the Lakeshore Line as soon as the Canadian route was available?

Mr. JAVITS. Mr. President, in the first place, the colloquy was initiated by the Senator from Michigan (Mr. RIEGLE), who uttered those words. I did not.

Nevertheless, I will reply. There are no implications of any kind beyond those specified by Senator CANNON. He predicated those words on the finding that this is a superior route.

All we say is that when an agency is told that it has the authority to do something if the findings are right, we have a right to expect it to do it expeditiously, and not to kill it by dragging it out. That is all we say. But all of the questions will still have to be answered in the affirmative. That is all Senator CANNON says, and that is all we say.

Mr. GLENN. I was concerned that this perhaps would be superior between New York and Detroit, along the northern side of Lake Erie, but it may eliminate some of the service we now have between Cleveland and points west, and if that were true, I would be strenuously against it.

Mr. JAVITS. Senator, there is nothing in the world to keep you from being strenuously against it, or anybody else. If it is demonstrated to be superior, we are going to be for it, assuming that the word "superior" is true. That is all we say.

Mr. GLENN. I do not see how you could say that we would have superior service for the people of Cleveland, Lorain, Elyria, and Toledo, when you go along a Canadian route.

I ask the Senator from Michigan, when is it anticipated that these decisions would be made?

Mr. RIEGLE. Mr. President, I do not know that anyone can answer that question. That is a judgment that Amtrak would have to make. I am not familiar with their determination process, but only that they have spelled out that that is a criterion for final judgment. I do not know of anyone who can give you that answer.

Mr. GLENN. I submit the way it begins to look to me is that if we do not fund the Broadway Line, which runs to Cleveland from central Pennsylvania, and we are about, some of these days, to eliminate the Lake Shore Line, that leaves us in northern Ohio with virtually no train service through there, if we are transferring that over to the Canadian side of Lake Erie in order to facilitate better service between Cleveland and New York.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The 1 minute remaining belongs to the Senator from Louisiana.

Mr. GLENN. I can only say I am going to have to look at this very closely.

Mr. LONG. Mr. President, having yielded on my time on the amendment—how much time do I have remaining?

The PRESIDING OFFICER. Forty seconds.

Mr. LONG. I take my 40 seconds to ask that my time be restored to me, because I have yet to use any of it.

The PRESIDING OFFICER (Mr. PRYOR). Is there objection? Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I ask unanimous consent that the time allotted to my amendment be increased to 40 minutes. A number of Senators have indicated they wish to speak.

Mr. LONG. Mr. President, reserving the right to object, I must object to that, because I believe we are going to accept the Senator's amendment. If that is the case, I believe an amendment will be offered to it to fund it, but as modified I believe we are going to accept it, and I do not think we need all that time; and I am anxious to get home this evening.

I would ask the Senator, if he is confident that we are going to agree to his amendment, does he want more time to talk people out of it? Because I believe it will be accepted, with an amendment.

Mr. DANFORTH. Mr. President, further reserving the right to object, I was going to suggest to the Senator from Tennessee that, given the fact that his amendment will be accepted on both sides, he might consider vitiating the order for the yeas and nays.

Mr. SASSER. Mr. President, I am reluctantly going to have to stick with my request for the yeas and nays.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SASSER. Yes.

Mr. JAVITS. I just wish to express my strong support of Senator SASSER's amendment.

Mr. President, I strongly support the Sasser amendment, of which I am a cosponsor. Our elderly and handicapped citizens are too often impeded by transportation barriers not faced by more mobile individuals, and even our most modern systems of mass and inter-city transit, systems which should reflect the landmark efforts made in providing other services to these persons, continue to be inaccessible.

The physical obstacles to the handicapped and elderly are manifold. A 4-inch curb becomes a mountain to one in a wheelchair, to an older person who must carry a cane to support arthritic limbs. Our older mass transit systems present often insurmountable barriers to the mobility of these persons, who cannot climb the 3 steps into a bus, or descend the 40 steps into the subway station.

While we must make reasonable accommodation for the intracity transit needs of these individuals, so too can we encourage intercity ridership of the elderly and handicapped by promoting reduced fares on Amtrak, as proposed by our amendment. This need not result in any increased cost to taxpayers, for the reduced fares should be compensated for by a significantly increased ridership. Furthermore, it should result, where the tradeoff is between the use of the rail system or driving in automobiles, in the reduced use of fuel by those who would now find it cheaper to take the train to their destination. Moreover, with this fare reduction, we might expect to see the survival of routes which have not been self-sustaining in the recent past. I urge the adoption of this amendment, which is not only economically reasonable, but will enable the handicapped and elderly members of our society to participate fully in its mainstream.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, I yield 3 minutes to the Senator from Nebraska.

Mr. EXON. Mr. President, I have asked for 3 minutes basically to get involved in this colloquy, because section 14 was essentially an Exon amendment adopted in the Commerce Committee. I believe our chairman has alluded to it. This was an amendment that I worked out with the—could we have order in the Senate, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. EXON. This is an amendment we worked out with the leadership of Amtrak, to give them the flexibility we thought they needed.

However, when you talk about the language in section 14, I would point out that Amtrak feels the Southwest Limited, the Lakeshore Limited, the Broadway Limited, and the Zephyr are key trains, and it should not be interpreted that this was something to essentially restructure those routes. Those are four trains that they believe should be continued as part of the Amtrak service, and this is one place where they fundamentally disagreed with the Department of Transportation.

Also, I would point out that we are not talking about superior service, but the

amendment says "to permit service that is equal or improved service."

I thank the Chair, and I thank my friend from Missouri.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to support the amendment offered by the distinguished Senator from Tennessee which would require Amtrak to provide reduced fares to the elderly and handicapped. I would think that because of the broad support this amendment has we might avoid a rollcall vote.

I want to say a word for the handicapped because they are included in this amendment. I might say that I have mixed emotions about the amendment because I think handicapped Americans want to be part of the mainstream, not always segregated or set aside or given some special treatment because somebody may think they are handicapped. We in Congress have placed the emphasis on common needs and concerns which handicapped individuals share with everyone else in an effort to assimilate handicapped individuals to the fullest extent possible. For too long they have been singled out for some kind of protective this or protective that. We understand the need for that in some cases, but it can become too much of a habit.

I am also convinced that one reason the handicapped individuals are fighting for their civil rights and equal opportunities is because through the years the public attitude has kept them from assuming their full responsibilities within society. So it is with some mixed feelings that I support this amendment.

It is not so much the ticket prices that keep the handicapped people from riding Amtrak. It is the accessibility. They may not be able to get on Amtrak, on the bus, or anything else. Even free tickets cannot resolve the problem of physical barriers which restrict their movement.

But in the final analysis, I would urge handicapped Americans to take advantage of this amendment, not because they are handicapped, but because it is an opportunity to demonstrate that this is an area of concern and a type of transportation that should be used. It is a fact that handicapped individuals do not have equal access to educational opportunities as do the nondisabled. It is a fact that, on the average, the disabled have lower incomes than the nondisabled. And, it is a fact that many nondisabled persons fail to recognize that many disabled persons can move about freely and travel extensively if given the opportunity.

When all is said and done, I believe that it is a good amendment, but I want the record to show that it is not a patronizing amendment directed to handicapped Americans. The handicapped Americans are going to make it all right. They do not have to be segregated. They do not have to be patronized. The handicapped Americans just need the same opportunities as everyone else. But reduced fares can certainly be advantageous to encourage a disabled person to travel more. For that reason, I think it is a good amendment.

Finally, I would like to recognize that this statement has addressed primarily issues affecting the handicapped. I am pleased that older persons will also benefit by this amendment, and support attempts to bring some relief to those who are living on fixed incomes. The high rate of inflation we have experienced poses many hardships on older Americans. To the extent that this amendment will help soften the effects of inflation in even one small way, then I believe it is worthwhile.

I appreciate being a cosponsor of the amendment offered by the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I rise to support the amendment, which I cosponsor, which has been offered in this body by the able Senator from Tennessee.

I certainly can agree with what Senator DOLE has said. That is the feeling of the members of the Subcommittee on the Handicapped in the Senate, five Members of this body. We work under the framework of the Committee on Labor and Human Resources.

But there is an equity which is involved here. We do know that the airline fares, I believe I am right, and I will ask Senator DOLE, are reduced in certain instances for the elderly and for the handicapped. We do want the handicapped to be in the mainstream of American life. We fight for that, we work for it.

I remember that in this past year we had 3,900 blind people who were operating the vending facilities in the cafeterias, not only in Federal buildings but in State buildings and in private industry as well. For this past year, they averaged more than $10,000 in earnings. Think of it. They sold $132 million worth of items and articles to the public.

We believe in the handicapped, of course, being in the mainstream, as the Senator from Kansas has said, of the American society. They are certainly in the marketplace and they are succeeding. But in this instance I think the equities are with the amendment and I cosponsored it.

Mr. President, as I said, I support the amendment offered by the able Senator from Tennessee (Mr. SASSER) which requires that Amtrak establish a reduced fare program for the elderly and the handicapped. Through my work as chairman of the Subcommittee on the Handicapped, I have supported opportunities for the handicapped. This amendment is a vehicle for enhancing mobility for handicapped and elderly citizens.

Many handicapped persons have taken advantage of the reduced air fares program the Congress created a few years ago. I believe the same opportunity should be afforded to rail travelers.

As many Members know, Amtrak was given the authority in 1973 to take steps to improve and facilitate rail travel for elderly and handicapped persons, but Amtrak has not exercised that authority to date. A few months ago, Amtrak did develop a program in this area, but decided not to implement it.

This amendment would require that a reduced fares program be established by Amtrak. We would provide a 25 percent reduction for elderly and handicapped persons. According to a study by the Congressional Budget Office, such a program will not add to the Amtrak deficit.

Approval of this amendment will further our national goal of providing greater opportunities for full participation in our society by elderly and handicapped persons. With reduced fares available, trains will increase their ridership. Most importantly, the elderly and handicapped who often have limited incomes, will have the mobility they need.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, it is my amendment and I am running out of time.

Mr. DOLE. Will the Senator yield 30 seconds?

Mr. SASSER. I yield.

Mr. DOLE. I just wanted to say that many handicapped Americans are in the mainstream because of the efforts of the distinguished Senator from West Virginia (Mr. RANDOLPH).

Mr. SASSER. Mr. President, I offer this amendment on behalf of myself and Senators RIEGLE, JAVITS, BURDICK, JEPSEN, DOLE, DURKIN, CHURCH, PRYOR, and the distinguished chairman of the Subcommittee on the Handicapped (Mr. RANDOLPH).

This amendment is similar to legislation I introduced earlier this year with Senator JAVITS, S. 752. The amendment would require the National Passenger Railroad Corporation to establish a reduced fare at least 25 percent below the full fare for elderly and handicapped passengers.

Mr. President, our country and the Congress have a long history of commitment to programs that reflect the compassion and commonsense that our society shows toward those who most need assistance.

We are now in the process of considering a $1.7 billion bill to keep Amtrak afloat. Yet without my amendment we will be giving no special attention to the people who most need a national commitment to facilitate their movement and transportation. These people are the elderly and the handicapped.

Mr. President, it seems obvious to me that, if we are going to spend $1.7 billion of the taxpayers' money, we should make a point of saying that the elderly and handicapped should receive a reduced fare.

Mr. President, we are facing a crisis in this country for citizens on fixed incomes. Many will be unable to afford gasoline much longer—especially for long-distance trips.

These intercity trips are very important to the health and well-being of our Nation's senior citizens. They need to see family or friends instead of being

confined to their own homes. Many need to travel to other cities to receive medical care should comparable services not be available in their city.

Many elderly and handicapped persons are unable to drive automobiles. Passenger trains are an essential mode of intercity transportation for these individuals.

So my amendment makes a minimum 25-percent reduction in fares for the elderly and handicapped. I do not think there is any doubt that, if we reduced fares by 25 percent, more of our Nation's elderly and handicapped individuals will travel between cities to visit family, seek medical care, or for other purposes.

AMENDMENT NEEDED TO PROD AMTRAK

Now, Mr. President, I offer this amendment only because the current management of Amtrak has refused to take this commonsense step on its own. When I first began my efforts in this area, my staff was working with Amtrak under the assumption that this reduced fare plan would be put into effect on May 15 of this year. The plans were drawn. The studies were made. The details had been worked out. Yet when May 15 came along, we were informed by Amtrak that it had decided not to implement the reduced fare structure. Thus, I am concerned that without this congressional action, we may never see an increase of ridership on Amtrak by those who most need passenger rail service between cities.

Mr. President, this amendment is not some new idea or hastily drawn concept. Amtrak has been under a congressional mandate since 1973 to improve the ridership of the elderly and the handicapped. It has made some minor improvements in its facilities and in its advertising, yet Amtrak has not taken the most logical step of all—fare reduction—to meet its congressional mandate.

Let me quote from the 1973 law—a 6-year-old law—which authorizes the step which I propose today:

(C) The corporation is authorized to take all steps necessary to insure that no elderly or handicapped individual is denied intercity transportation on any passenger train operated by or on behalf of the corporation, including but not limited to, acquiring special equipment and devices and conducting special training for employees; designing and acquiring new equipment and facilities and eliminating architectural and other barriers in existing equipment and facilities to comply with the highest standards for the design, construction, and alteration of property for the accommodation of elderly and handicapped individuals; and providing special assistance while boarding and alighting and in terminal areas to elderly and handicapped individuals.

That is a 1973 law, Mr. President.

Let me describe the legislative history of that section. It was not included in the original bill introduced. Rather, it was added in committee in the Senate after the subject of the elderly and handicapped had come up at a hearing. The provision then passed the Senate, and the Senate prevailed in conference with the House. So the idea of using Amtrak to facilitate the travel of the elderly and the handicapped is an idea which came out of the Commerce Committee 6 years ago and which was endorsed by the Senate 6 years ago.

And where did the impetus for the 1973 section come from, from Amtrak. Let me read from an Amtrak executive memorandum dated March 15, 1972, which was included in the 1973 Commerce Committee hearings:

The subject of this memorandum is "policy for the aged and handicapped," and it is addressed to "corporate staff."

It is the policy of Amtrak to make the right of travel a reality for all people. We want to carry all passengers safely, with a minimum of expense and inconvenience while providing whatever services are needed to make travel safe and enjoyable.

Amtrak will achieve a combination of service, assistance, accessible facilities and equipment that will enable most aged and handicapped—those with non-ambulatory disabilities, semi-ambulatory disabilities, slight disabilities, hearing disabilities, disabilities of incoordination—to travel without an attendant.

Mr. President, I ask unanimous consent that the remainder of this executive memorandum be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

[From Commerce hearings, May 18, 1973]

NATIONAL RAILROAD PASSENGER CORPORATION

EXECUTIVE MEMORANDUM NO. 72-4, MARCH 15, 1972

Subject: Policy for the Aged and Handicapped

To: Corporate Staff.

Intent:

It is Amtrak policy to make the right of travel a reality for all people. We want to carry all passengers safely, with a minimum of expense and inconvenience while providing whatever services and facilities are needed to make travel safe and enjoyable.

Amtrak will achieve a combination of service, assistance, accessible facilities and equipment that will enable most aged and handicapped—those with nonambulatory disabilities, semiambulatory disabilities, slight disabilities, hearing disabilities, disabilites of incoordination—to travel without an attendant.

Amtrak will overcome mobility barriers, to the extent possible, by providing service and assistance to the aged and handicapped passengers when barriers are present, and by reducing these barriers in equipment and facility renovation. Barrier-free design will be a mandatory requirement for future equipment and facility construction.

Service:

Employee training will include instruction for the proper assistance of disabled passengers.

Amtrak will provide information for the aged and handicapped regarding trains, boarding time, scheduling, special facilities available at the station and any design barriers which may exist.

Employees will assist disabled passengers with their baggage into and through the station and aboard the train at departure. They will assist in seating, feeding, and use of the rest rooms aboard trains. They will further assist disabled passengers out of the seat, off the train, and through the station upon arrival.

Equipment design:

Amtrak design specifications for all new equipment will include barrier-free access for aged and handicapped persons in at least the following areas:

Access between cars;
Vestibules wide enough for wheelchairs;
Negotiable aisles and vestibules;
Storage and securing space for folder wheelchairs, braces, crutches;
Available seat belts and shoulder harnesses;
Serving tray for in-seat dining;
Adequate support for aisle movement;
Audio announcements in the train car;
Rest rooms with handrails and wider doors.

Renovation:

Recognising that present day equipment does not adequately provide access for the disabled, Amtrak will, where practical and economically feasible, renovate older passenger cars to assure barrier-free access in the following areas:

Aisles;
Vestibules;
Storage and securing space for wheelchairs, braces, and crutches;
Adequate support for aisle movement;
Rest rooms;
Meal service;
Special sized wheelchairs on board for narrow aisles.

Facility design:

Amtrak design specifications for all new facilities will include barrier-free access for aged and handicapped persons as prescribed by the American National Standards Institute and will include at least the following:

Entrance walks uninterrupted by steps or abrupt changes in level;
Parking spaces large enough to accommodate passengers with wheelchairs;
Ramps and handrails leading to the entrance;
No slip and textured surfaces for all walkways;
One primary entrance usable by nonambulatory people;
A meeting area for employee-passenger interface;
Audio signals and announcements for blind passengers;
Color coding or symbol identification of pathways, platforms, rest rooms;
Rest rooms equipped with at least one stall usable by wheelchair passengers;
Phones, water fountains, counters, and mirrors at wheelchair level;
One approach to the tracks by elevator or ramp, not stairs or escalators;
Raised platform for easy entrance by wheelchair or crutches;
A mobile passenger lift or ramp for platforms that are not raised;
Accessible snack and beverage facilities.

Renovation:

Recognizing that some facilities do not adequately provide access for the disabled, Amtrak will, where practical and economically feasible, renovate such stations to assure barrier-free access in the following areas:

Entrances;
Extra-wide parking slots;
Textured surfaces for walkways;
Audio announcements in the station;
Access to the platform by elevator;
Rest rooms with usable facilities for the handicapped;
Amenities, (phone, mirrors, etc.) at wheelchair level;
A mobile passenger lift or ramp for platforms that are not raised.

Mr. SASSER. Mr. President, so all my amendment is doing is carrying forward a policy advocated by Congress, developed by Amtrak, and written into law by the Commerce Committee. That is, a truly national rail passenger transportation network should encourage ridership by all Americans—including those elderly and handicapped persons now unable to use Amtrak services.

Mr. President, I am concerned that Amtrak, after all of its well-intentioned plans to institute a reduced fare for the elderly and the handicapped, declined to do so and has indeed opted to oppose my amendment.

And, Mr. President, I am disturbed that the administration, which has done so much to promote the well-being of the elderly and the handicapped, would oppose such a sensible step toward assuring intercity rail transportation. The Department of Transportation has just recently completed an exhaustive effort to bring DOT policies into line with the national effort to break down barriers for the elderly and the handicapped, and yet they oppose this sensible amendment.

COST NOT A FACTOR

Mr. President, this brings me to my final point, and then I shall listen to my colleagues' statements on this amendment. Of all of the billions of dollars we have put into saving Amtrak, my amendment is not expected to cost one single penny, according to the Congressional Budget Office.

Amtrak, since it opposes the amendment, has circulated figures showing the amendment to cost a million or more dollars, which is still not bad for such a worthwhile cause. But the Congressional Budget Office questions Amtrak's assumptions and data and says that the Sasser amendment is just as likely to bring in money for Amtrak as it is to bring about a revenue loss. Let me quote from the CBO report:

Little information is available to precisely estimate revenue changes of this type. The magnitude of two key factors, the number of new passengers generated and the number of passengers diverted from higher fares, is particularly uncertain. However, Amtrak's elasticity of demand figure appears low, relative to other estimates.

With adjustments for the elasticity and other factors, we project that the revenue change resulting from a 25 percent discount could range from a decrease of up to $1.5 million to an increase of a similar amount. The range for a 33 percent decrease would be plus or minus $2 million. In both cases, revenues would vary based on the number of routes to which the discount applies and the way the program is marketed. The revenue gains or losses would also be balanced somewhat by additional marketing costs, and a small amount of added operating costs.

Mr. President, this is a CBO report to me dated June 15, 1979, and I ask unanimous consent that the entire letter be printed in RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 15, 1979.

Hon. JIM SASSER,
Chairman, Legislative Subcommittee, Committee on Appropriations, U.S. Senate Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR: At the request of the Subcommittee staff, we have examined the effects of a reduced fare program for elderly and handicapped riders on the Amtrak system. Any change in fares will directly affect Amtrak's revenues, and any revenue loss must be covered by a reduction of service on the Amtrak system, increased fares for other travelers, or increased federal subsidy.

The fare reductions will alter Amtrak revenues by attracting new riders to the system and by drawing current riders from the use of higher price tickets to the discount fares. The former effect will increase revenue, while the latter reduces revenue. The net result of these two factors will be the cost to Amtrak of the discount program. Amtrak estimates this cost to be $0.9 million for a 25 percent discount and $1.6 million for a 33 percent discount.

Little information is available to precisely estimate revenue changes of this type. The magnitude of two key factors, the number of new passengers generated and the number of passengers, diverted from higher fares, is particularly uncertain. However, Amtrak's elasticity of demand figure appears low, relative to other estimates. With adjustments for the elasticity and other factors, we project that the revenue change resulting from a 25 percent discount could range from a decrease of up to $1.5 million to an increase of a similar amount. The range for a 33 percent decrease would be plus or minus $2 million. In both cases, revenues would vary based on the number of routes to which the discount applies and the way the program is marketed. The revenue gains or losses would also be balanced somewhat by additional marketing costs, and a small amount of added operating costs.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. SASSER. Mr. President, let me quote again the pertinent sentence from the Congressional Budget Office on the cost:

We project that the revenue change resulting from a 25 percent discount could range from a decrease of up to $1.5 million to an increase of a similar amount.

Now, Mr. President, these are independent figures submitted by economists who neither support nor oppose the amendment, and I consider these figures more reliable than Amtrak's figures under the circumstances.

And, even if the amendment ends up costing money, which I do not believe it would if the program were well-administered, my amendment provides that Amtrak shall report back to Congress after a year on the effects of the reduced fare structure, and Congress can determine at that time whether or not the program should be continued.

So, Mr. President, I believe that the amendment is sound policy. It is consistent with a policy long advocated by the Senate Commerce Committee and the Congress, and it is consistent with Amtrak's recent plans. I hope the Senate will adopt this amendment.

Mr. President, before concluding, I ask unanimous consent that a telegram from the American Coalition of Citizens with Disability, and a letter from William R. Hutton, executive director of the National Council of Senior Citizens, Inc. be printed in the RECORD. I also wish to thank Michael Walls, Irwin Kuhn, and Howard Orenstein of my staff who worked on this amendment.

Finally, I wish to praise the Honorable CLAUDE PEPPER of Florida for his leadership in offering this amendment in the House.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *July 31, 1979.*

Sen. JAMES R. SASSER,
Senate Office Building,
Washington, D.C.

The American Coalition of Citizens with Disabilities (ACCD) strongly supports your proposal to amend S. 712 by adding a provision which would require Amtrak to reduce the fares it charges Americas disabled and elderly citizens. At a time when gasoline prices are sky rocketing, ACCD believes that such a measure is a critical means of enabling America's vast number of disabled and elderly citizens to travel throughout this country.

JOHN JAY DYSTEL,
Director of Advocacy for ACCD.

NATIONAL COUNCIL OF
SENIOR CITIZENS, INC.,
Washington, D.C., June 5, 1979.

Hon. JAMES R. SASSER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SASSER: The National Council of Senior Citizens strongly supports your amendment to S. 712, the Rail Passenger Services Act providing reduced fares for the elderly and handicapped.

Because many elderly and handicapped persons cannot drive an automobile their mobility is greatly restricted. Easy access, both in terms of eliminating physical as well as social and economic barriers to transportation, is second in importance only to guaranteeing the four basic necessities—energy, food, housing and health care—to our nation's elderly and handicapped.

If there is anything th National Council can do to help you in this effort, do not hesitate to contact us.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

Mr. SASSER. Mr. President, I yield 1 minute to the distinguished Senator from Idaho.

Mr. CHURCH. Mr. President, I am proud to be a cosponsor of this amendment and I commend the distinguished Senator from Tennessee for offering it.

In my years in the Senate there has been no work that has given me greater satisfaction than the work I have been able to do on behalf of senior citizens. I know that these citizens have greater reliance upon rail transportation than any other group of citizens in the country. They need this kind of discount if they are to use the trains and derive the benefit from rail transportation that we wish to furnish them. The discount is entirely in line with their own capacity to pay, and the restrictions on their retirement income. I am very hopeful that the Senate will approve this amendment overwhelmingly. Again, I commend the able Senator for offering it.

Mr. SASSER. I thank the distinguished Senator from Idaho for his remarks.

Mr. President, I urge the adoption of this amendment. I yield back the remainder of my time.

Mr. McCLURE. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana has 23 seconds remaining.

UP AMENDMENT NO. 504

Mr. McCLURE. Mr. President, I send an amendment to the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Senator from Louisiana has not yielded back his remaining time.

Mr. LONG. Mr. President, I yield back my remaining 23 seconds so the Senator can offer his amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE) proposes an unprinted amendment numbered 504 to the amendment by Mr. SASSER, amendment number 210.

Mr. McCLURE. Mr. President, I ask unanimous consent to dispense with further reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amend amendment No. 210 by Mr. Sasser to S. 712 by adding at the end thereof a new section as follows:

SEC. 18. The Federal Railroad Administration of the Department of Transportation is authorized to pay to the National Railroad Passenger Corporation not less than quarterly the amount in dollars of the total differential between full fare and the reduced fare for elderly and handicapped individuals, as provided herein, not to exceed $4,500,000 per annum.

Mr. McCLURE. Mr. President, the Senator from Tennessee and the floor managers have copies of the amendment. I will summarize it quickly by saying that it provides that whatever the fare differential is it will be reimbursed to Amtrak so that the other customers of the system and the system itself will not have to absorb this cost. Whatever the social benefit is from the amendment by the Senator from Tennessee, whatever the cost may be, not to exceed $4.5 million a year, will be reimbursed to Amtrak so that the system does not bear the cost.

I understand the Senator from Tennessee has no objection to it and the managers of the bill have no objection to the amendment. If that is the case, I am prepared to yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the Sasser amendment, as amended.

Mr. SASSER. Mr. President, I ask unanimous consent that the Senator from Iowa (Mr. CULVER) be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I also ask unanimous consent that the distinguished Senator from Nebraska (Mr. EXON) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. May I suggest to my distinguished colleague that if he were to waive the yeas and nays he would win the support of his colleagues as well as the handicapped for this particular amendment.

Mr. SASSER. Mr. President, I am impressed by the eloquence of the Senator from Nevada and I will waive the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I ask unanimous consent that I be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment, as amended.

Without objection, the amendment, as amended, is agreed to.

Mr. CANNON. May the record show that the vote was unanimous, Mr. President.

● Mr. PRYOR. Mr. President, in May I spoke on the Senate floor outlining the reasons I think the Amtrak system should not be reduced by 43 percent at this time. Today my convictions are even stronger. The recent long gasoline lines and prospects of further fuel problems is convincing evidence that the automobile will continue to become a less and less reliable and practical means of transportation.

We must recognize the fact that the picture has changed drastically since the Department of Transportation first released its route restructuring proposal on March 1. The studies on which the Secretary based his decision to cut back on intercity passenger train services are now outdated and of no value in judging Amtrak's future. I think that most of us will now agree that gasoline shortages will be a recurrent feature in our society, rather than a one-time, temporary problem. With this in mind, it simply makes no sense to reduce by almost half the most energy-efficient system of mass transportation we have.

Mr. President, I was very disappointed that the full Senate did not have an opportunity to vote on the disapproval resolution before the deadline in May. An issue of this magnitude should have the close and careful consideration of all Members of this body. I am glad that we have this second opportunity today to look at DOT's proposal in light of the worsening fuel situation. I sincerely hope that the conclusion of this body will be that we simply cannot afford to reduce our Amtrak system to the degree proposed by the DOT.

The rationale for cutting back the Amtrak system by 43 percent was that many of the trains were not used heavily enough to justify the trains economically. Time and time again DOT has pointed out that trains are not fuel efficient if they have no riders. I know of no one who will disagree with this, but I ask my colleagues and my friends at the Department of Transportation to take a look at Amtrak's fuel efficiency figures this summer.

People are clamoring to ride the trains, in spite of poor train station facilities, unpredictable and inconvenient departure and arrival times, poor on-board services, and other drawbacks. This evidences a strong desire—almost an insistence—to utilize whatever services Amtrak has to offer.

Gasoline shortages and fears about the ability of many people to travel this summer by automobile have, in fact, brought more customers to Amtrak than at any time since it was established by Congress in 1971. During the month of May, the dollar volume of ticket sales soared 72½ percent to $33 million, compared with $19 million in the same month last year. Advance reservations are running 90 percent ahead of the 1978 levels and some trains are now carrying standing passengers.

In this light, I wholeheartedly support the amendment offered by my colleague from Idaho. I had signed as a cosponsor to the amendment he first proposed, which would have frozen the entire Amtrak system for 1 year. I admit that I looked on the current amendment with a bit of skepticism at first, but further investigation has convinced me that it is a good compromise, and I am pleased to join as a cosponsor. Mr. President, it is only right that the trains chosen for continuance be required to meet certain requirements, and Mr. CHURCH's amendment, combined with Mr. LEAHY's substitute bill, sets up a fair mechanism for this.

Naturally, I am very concerned about the status of the Inter-American train, which runs through Arkansas. This train clearly deserves to be continued. Even more so than many other long-distance trains, the Inter-American has experienced phenomenal gains in ridership since the inception of the gasoline shortage. Arkansas, lacking an alternate mass transportation system, needs the services of the Inter-American, and I am sure that the ridership increases reflected at the Little Rock station will continue as people realize that fuel problems are here to stay.

To handle the huge increase in traffic on the Inter-American, the Little Rock Amtrak ticket office recently expanded its station hours substantially. In June of this year, the office set an all-time record in both ridership and sales revenues. For some comparitive figures, in June of 1978 the Little Rock station handled an average of 18 passengers per train for a total ridership of 1,104. For this same period in 1979, the number of Amtrak passengers handled per train increased 238 percent, for an average of 61 passengers per train and a total ridership of 2,574 passengers. In June of 1978, I might add, there were 60 trains running, but only 42 trains accounted for the higher ridership in June of this year.

It is interesting to note that Little Rock is third, following only Chicago and St. Louis, in the number of passengers handled on the Inter-American.

The month of June was the greatest sales producing period in Amtrak's entire 5-year history at Little Rock. The station produced a total of $38,728 in sales, compared to $10,150 for June of last year, for a 282 percent increase. There is no doubt that these phenomenal increases have been spurred by the gasoline crisis. According to the agent in charge of the Little Rock office, 75 percent of those calling in to make reservations mentioned the gasoline shortage as their primary reason for traveling on Amtrak.

The amendment now under consideration, by retaining all but 16 percent of the current Amtrak system, recognizes

this renewed need for train service and provides an additional $15 million for short distance and regional balance trains additional to the ones which the DOT proposal leaves intact. After 2 years, trains authorized by the amendment would be terminated unless they met Amtrak's performance criteria, outlined in Mr. LEAHY's substitute bill. To achieve his regional balance, one of the trains serving the mid-Southern region of the country would be maintained. A look at ridership statistics for this spring and summer leaves me convinced that the Inter-American would most likely meet the criteria.

At the request of the Department of Transportation, Amtrak recently tabulated the ridership for 12 selected trains, including the Inter-American, for the third week of May 1979 and compared the data for these trains to the ridership for these same trains for the third week of May 1978. The trains surveyed are all long-distance trains slated for discontinuance in October. The Inter-American showed growth in all categories, and its performance record was better in all categories than most of the other trains for this representative week.

In the number of passenger miles per train mile, the Inter-American experienced a 53.7-percent increase, second only to the Crescent from New York to New Orleans. Ridership for this period increased 35.9 percent on the Inter-American, again second to only one other long-distance train.

The ridership increases on the Inter-American are repeatedly throughout the Amtrak system, ironically on many of the routes DOT plans to cut. Systemwide, total Amtrak revenues rose 29½ percent from May 1978 to May 1979, but many cities which would lose service under the DOT plan had much larger increases, including Little Rock (291 percent), Port Worth (210 percent), and Dallas (90 percent).

Amtrak is so busy, in fact, that many people are unable to get reservations. In May, Amtrak actually turned away 756,000 requests for reservations and made reservations for 443,000 people. This inability to reserve space for would-be riders is over 1,000 percent worse than last year's record, and is proof that many more people would ride the trains if only the services were available.

Focusing on the U.S. position in world energy consumption, it is evident that we must reduce our consumption of oil and gas, and that reducing private auto usage is one of the best ways to do this. According to DOT figures, the United States, with 6 percent of the world's population, uses 35 percent of its energy. American cars and trucks use one-seventh of all oil used in the world every day, of 14 percent. Utilizing our passenger train system to its fullest is clearly an option which would improve these fuel consumption figures. It should be obvious that we need, not only to retain most of the present system, but to seek ways to expand and improve it.

I know of no reason that any of my colleagues would want to support the DOT proposal, short of a belief that the fuel crisis is merely a passing vapor. I sincerely hope that my colleagues are more realistic than this.

Mr. President, I think I can summarize the important issue before us today somewhat simply: First, there is and will continue to be a fuel shortage, second, as the fuel shortage continues, Amtrak ridership will continue to increase, as long as the facilities are there to handle it; third, passenger trains are potentially the most fuel efficient of all modes of transportation. Fourth, we should recognize these realities and allow those trains whose recent performances show that they deserve to be continued to remain a part of our only rail passenger system.●

● Mr. EXON. Mr. President, I rise in support of the compromise substitute to S. 712, amending the Rail Passenger Service Act and authorizing appropriations for Amtrak for 3 additional years.

Mr. President, as a member of the Committee on Commerce, Science, and Transportation, I had the opportunity to attend the many days of hearings on this bill and the route restructuring plan over the past few months. I want this body to know, the Commerce Committee made every attempt to objectively look at the Department of Transportation's proposed restructuring plan and act on this proposal in light of the information which continued to come to the members during their deliberations. Our discussions on this matter went to the very heart of the Amtrak system, its operational difficulties, its management problems, and its financial condition. Mr. President, upon completion of these extensive and very telling hearings on S. 712 and the restructuring plan, the Senate Commerce Committee reported to the floor of this body a bill which at that time was believed to have addressed Amtrak's needs in the best way possible.

I must point out to the membership of the U.S. Senate that committee consideration of the act brought to light information which began the evolution of change from its original draft. Amtrak officials, concerned with certain proposed route restructures investigated and found that certain of the proposed restructured lines were impossible to complete before the October 1 deadline. One of these four routes is the San Francisco Zephyr which is the major link between Chicago and the west coast. Accordingly, upon further supportive investigation and with agreement between the Department of Transportation, Amtrak, and the Commerce Committee membership, I offered an amendment which was adopted to give Amtrak the flexibility it should have had all along to determine the feasibility of such proposed route restructurings which will permit service that is equivalent or improved. As a result, service will be maintained on the Broadway Limited, Southwest Limited, Lake Shore Limited, and the Zephyr.

Mr. President, today the distinguished Senator from Vermont has offered this compromise substitute which continues this evolution of Amtrak. This proposed substitute, I understand, is acceptable to both Senators CANNON and LONG, chairman of the full committee and the chairman of the Surface Transportation Subcommittee, respectively. This proposal contains the same provisions as the bill reported by the committee with two major exceptions: First, it contains an additional $20 million for the operation of criteria trains which would bring the total for these trains to $25 million, and second, it reduces the authorization for labor protection from $59 to $30 million, certainly a significant savings. Thus, in addition to those trains recommended in the DOT system and those trains continued due to restructuring impossibilities, six additional routes will be continued.

Now, Mr. President, critics of this proposal may ask: Why include these additional routes to a system which is already in a state of financial crisis, a system which has consistently lost substantial, yes, even exorbitant sums in recent years? Four months ago, justification for such action would have been difficult if not impossible. However, today in light of the energy crisis which plagues our Nation and the need for our citizens to remain mobile, we have seen what some may call a renaissance in rail passenger travel. Estimates place ridership over the last few weeks at well over 90 percent of capacity, certainly a figure which cannot be taken lightly. Reservation centers for the Amtrak system have been unable to answer the flood of calls for tickets. The American people desire and need to remain mobile and have shown that rail travel is a viable alternative to the automobile.

I must interject at this point, Mr. President, that while the bloom is still on the Amtrak rose through increased ridership, we must still move cautiously. We must not obligate ourselves to other segments of the current system which we know will never attain a status of financial well-being. We must instead move, as this compromise proposal suggests, reasonably and responsibly.

I therefore ask my colleagues for their support of the proposal offered by the Senator from Vermont. I believe it is reasonable and responsible and will allow Amtrak to continue to service the vast majority of the American people.●

AMTRAK SERVICE TO IOWA

● Mr. CULVER. Mr. President, I want to state my support for the action taken by the Commerce Committee to continue the present routing of the San Francisco Zephyr through Iowa for at least another year.

As you know, this line was scheduled for consolidation under the Department of Transportation's initial Amtrak reorganization plan. However, the railroad will not be able to complete the necessary track maintenance, and institute needed signaling and communications facilities in time for the new route to begin service by May 1980. Rather than providing no rail service until the new route is in service, the Amtrak authorization bill authorizes continued operations of the San Francisco Zephyr along its current route until the consolidated Southwest Limited/Zephyr is ready for operation some time in 1981.

This action also preserves the option of keeping the San Francisco Zephyr running indefinitely. As a result of the recent energy shortage, ridership for the Zephyr has increased during the last several months. If this trend continues, I am hopeful that Amtrak will reconsider its initial decision to consolidate the line. The committee's action gives the Zephyr one last opportunity to demonstrate its capability to offer efficient and cost-effective service, and demonstrate the viability of long-distance rail passenger service.●

Mr. PROXMIRE subsequently said. Mr. President, earlier today when the Amtrak bill was being considered, the distinguished Senator from Maine spoke on the floor.

Mr. President, I share the reservations of the Senator from Maine regarding the potential use of the Federal Financing Bank to wipe out some $800 million in loans to Amtrak which are not likely to be paid back. This would not only be a serious violation of the principles of the budget process. It would also be a serious violation of the intended role of the Federal Financing Bank (FFB).

The Bank comes under the jurisdiction of the Committee on Banking, Housing and Urban Affairs. As approved by the committee and passed by the Congress in 1973, the FFB is supposed to act as a conduit for Federal financing transactions. Its main role at that time was intended to be to coordinate the borrowings of various Federal agencies, in order to achieve lower interest rates and more orderly procedures.

Since that time, some concerns have developed regarding the role actually played by the Federal Financing Bank and its impact on the budget. In particular, there is the problem that Federally guaranteed loans which are purchased by the FFB are in effect transformed into direct loans. Since direct loans are on-budget but guaranteed loans are off-budget, this means that the Bank can be used to make off-budget direct loans and thus escape the budget process.

I have expressed my concerns about this end-run around the budget process before, and I will repeat them here today. I do not believe that the Banking Committee intended to have the Federal Financing Bank used for backdoor, off-budget direct loans.

However, that appears to be one of the problems that we face with Amtrak today, and there are more problems besides. It is my understanding that Amtrak's capital expenditures have been financed largely through federally-guaranteed loans, which have subsequently been purchased by the FFB and thereby converted into direct loans. These FFB-held loans will be about $680 million at the end of fiscal year 1979, and with additional commitments the total comes to over $800 million. I understand further that Amtrak is basically unable to pay back these loans, and that the practice was begun in fiscal year 1978 of authorizing appropriations to repay the debt.

Now I judge that it is being proposed to use the Federal Financing Bank to actually retire that debt—off-budget. Under the House bill, H.R. 3996, the outstanding loans to Amtrak would be converted into preferred stock which would be issued to the FFB in satisfaction of the loans. The FFB would then give the stock to the Treasury in payment for the borrowings the Bank made in order to provide those loans to Amtrak. And presto—the $800 million debt would disappear without a trace—no sign in the budget that it had ever existed. And the U.S. Treasury through the FFB would become a major stockholder in Amtrak, along with being the major bill-payer.

Mr. President, this would be a most alarming development, and a terrible precedent to set. It would say that loan guarantees not only are off-budget but may not even have to be paid back—and there are over $200 million in Federal loan guarantees outstanding.

It also says that the Federal Financing Bank can be used to wipe out debts, simply by helping to convert them to stock and then selling them to the Treasury. This is a mammoth distortion of the proper role of the Federal Financing Bank, which is supposed to have an absolutely neutral impact on the budget. It is not supposed to affect the budget in any way.

If the Senate adopts a provision along the lines discussed, then we may be creating a monster. We will have a Federal Financing Bank that can overturn the budget process and that can convert Federal loans and guarantees into stock and turn the Treasury into a stockholder in large corporations. The next thing we know, the Treasury will be buying billions of dollars in Chrysler stock off-budget.

Mr. President, I wish to state here most emphatically that the Committee on Banking, Housing and Urban Affairs, which authorized the Federal Financing Bank to begin with and which has a continuing interest in fiscal responsibility and proper budget treatment—the committee did not intend in any way the use of the Federal Financing Bank described above. And I urge the Senate to reject any attempts to use the FFB in this way either on the bill before us today or in conference with the House.

Mr. CANNON. Mr. President, so far as I know, there are no further amendments. I will not personally insist on the yeas and nays, though I do not know whether someone else wants them or not. We have already voted on the substitute.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CANNON. Mr. President, I ask unanimous consent that after the bill is voted on, the bill as passed be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall the bill, as amended, pass?

The bill (S. 712), as amended was passed.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, on February 1, 1979, the Secretary of Transportation presented to the Congress his plan for reducing the number of trains and track mileage operated by Amtrak. Since then this plan has received close scrutiny in both the House and the Senate. Either body could have vetoed this plan, but did not. Consequently, it is to be effective on October 1, 1979.

A rapid escalation in motor fuel prices this spring has resulted in a return by Americans to the use of our trains. Some of the trains that had been proposed for termination have experienced dramatic increases in ridership. These increases mark the biggest enlargement of usage in almost 30 years. Ridership is up 72 percent over a comparable period in 1978. Currently, there is some erosion in usage of short-haul routes, which has resulted in a reduction of standees only. But overall ridership is being maintained at a new high level.

In June 1979, the Secretary of Transportation proposed a modification of his original plan, which would increase the Federal operating subsidy for Amtrak by $35 million and would maintain in the route system some of the trains proposed for termination. This amendment to his plan was a direct result of the dramatic increase in popularity and use that Amtrak has been experiencing. This proposal has helped to allay fears expressed by rail travel advocates, who viewed the DOT Amtrak plan as the beginning of the end for all significant intercity rail services. I fully understand these rail advocates in their fears as they are applied to my State of West Virginia. The DOT Amtrak plan proposes to terminate all intercity trains serving my State.

West Virginia, like other Appalachian States, has a rugged terrain that makes travel by bus and automobile slow and difficult. Also, as a direct result of the Airline Deregulation Act of 1978, air service has been drastically curtailed or eliminated at many of our smaller cities. Therefore, I believe it imperative that rail transportation be maintained in West Virginia and in other States that are facing similar difficulties in maintaining mass transportation systems.

At my request, the distinguished chairman of the Committee on Commerce, Science, and Transportation, Senator CANNON, included an amendment to the operating budget, which will continue rail service to the Cardinal—a train, which serves the end points cities of Washington and Chicago and traverses the central portion of West Vir-

ginia including Charleston, our capital city, and Huntington, our largest city, as well as smaller cities across the State.

Both the Congress and the administration have taken a hard look at the facts and an equally hard look at the defined role that Amtrak is to play in meeting the transportation needs of our citizens. I am hopeful that this legislation will reflect the best results of these labors and that the Cardinal and Shenandoah will be maintained when the Joint Conference Committee reports a bill back to the Senate and the House.

There are many Senators who deserve commendation and thanks for their work on the Amtrak bill. Senator CANNON, chairman of the Commerce Committee Senator LONG, chairman of the subcommittee on Surface Transportation, Senator LEAHY, and—on the other side of the aisle—Senator PACKWOOD, the ranking minority member of the full committee and Senator DANFORTH, the ranking minority member of the Surface Transportation Subcommittee.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976 AMENDMENTS

Mr. MAGNUSON. Mr. President, I move that the Senate concur in a House amendment with an amendment as follows——

Mr. STEVENS. Will the Senator from Washington explain which bill he is referring to? I have no objection, but I am a little bit at a loss as to what bill we are addressing.

Mr. MAGNUSON. The earlier action of the Senate on the 200-mile limit had a technical error which I want to correct.

Mr. President, I ask unanimous consent that the earlier action of the Senate on S. 917 be vitiated and that the Chair lay before the Senate a message from the House.

The PRESIDING OFFICER (Mr. LEAHY) laid before the Senate a message from the House on S. 917.

Mr. MAGNUSON. Now, Mr. President, I move that the Senate concur in the House amendment with an amendment. It is a technical amendment, I say to my friend.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. No, I am delighted to support what the Senator from Washington is doing. I just want to make sure I understand what it is.

UP AMENDMENT NO. 505

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON) proposes an unprinted amendment numbered 505.

Mr. MAGNUSON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

That section 406 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1882) is amended by inserting at the end thereof the following:

"(6) $33,000,000 for the fiscal year ending September 30, 1980.

"(7) $40,000,000 for the fiscal year ending September 30, 1981.

"(8) $47,000,000 for the fiscal year ending September 30, 1982.".

SEC. 2. Section 4311(a) of the Revised Statutes of the United States (46 U.S.C. 251 (a)) is amended by adding at the end thereof the following new sentence: "For the purposes of this subsection, the term 'fisheries' shall include the planting, cultivation, catching, taking, or harvesting of fish, shellfish, marine animals, pearls, shells, or marine vegetation at any place within the fishery conservation zone established by section 101 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1811).".

SEC. 3. (a) Section 201(e) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821(e)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) and (D), respectively;

(2) by inserting "(1)" immediately after "Allocation of Allowable Level.—"; and

(3) by adding at the end thereof the following new paragraph:

"(2)(A) For the purposes of this paragraph—

"(i) The term 'certification' means a certification made by the Secretary that nationals of a foreign country, directly or indirectly, are conducting fishing operations or engaging in trade or taking which diminishes the effectiveness of the International Convention for the Regulation of Whaling. A certification under this section shall also be deemed a certification for the purposes of section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)).

"(ii) The term 'remedial period' means the 365-day period beginning on the date on which a certification is issued with respect to a foreign country.

"(B) If the Secretary issues a certification with respect to any foreign country, then each allocation under paragraph (1) that—

"(i) is in effect for that foreign country on the date of issuance; or

"(ii) is not in effect on such date but would, without regard to this paragraph, be made to the foreign country within the remedial period;

shall be reduced by the Secretary of State, in consultation with the Secretary, by not less than 50 percent.

"(C) The following apply for purposes of administering subparagraph (B) with respect to any foreign country:

"(i) If on the date of certification, the foreign country has harvested a portion, but not all, of the quantity of fish specified under any allocation, the reduction under subparagraph (B) for that allocation shall be applied with respect to the quantity not harvested as of such date.

"(ii) If the Secretary notified the Secretary of State that it is not likely that the certification of the foreign country will be terminated under section 8(d) of the Fishermen's Protective Act of 1967 before the close of the period for which an allocation is applicable or before the close of the remedial period (whichever close first occurs) the Secretary of State, in consultation with the Secretary, shall reallocate any portion of any reduction made under subparagraph (B) among one or more foreign countries for which no certification is in effect.

"(iii) If the certification is terminated under such section 8(d) during the remedial period, the Secretary of State shall return to the foreign country that portion of any allocation reduced under subparagraph (B) that was not reallocated under clause (ii); unless the harvesting of the fish covered by the allocation is otherwise prohibited under this Act.

"(iv) The Secretary may refund or credit, by reason of reduction of any allocation under this paragraph, any fee paid under section 204.

"(D) If the certification of a foreign country is not terminated under section 8(d) of the Fishermen's Protective Act of 1967 before the close of the last day of the remedial period, the Secretary of State—

"(i) with respect to any allocation made to that country and in effect (as reduced under paragraph (B) on such last day, shall rescind, effective on and after the day after such last day, any harvested portion of such allocation; and

"(ii) may not thereafter make any allocation to that country under paragraph (1) until the certification is terminated.".

(b) Section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978) is amended—

(1) by amending subsection (a) by redesignating paragraph (3) as paragraph (4), and by inserting immediately after paragraph (2) the following new paragraph:

"(3) In administering this subsection, the Secretary of Commerce or the Secretary of the Interior, as appropriate, shall—

"(A) periodically monitor the activities of foreign nationals that may affect the international programs referred to in paragraphs (1) and (2);

"(B) promptly investigate any activity by foreign nationals that, in the opinion of the Secretary, may be cause for certification under paragraph (1) or (2); and

"(C) promptly conclude; and reach a decision with respect to; and investigation commenced under subparagraph (B)."

(2) by redesignating subsections (d) through (g) as subsections (e) through (h), respectively; and

(3) by adding immediately after subsection (c) the following new subsection:

"(d) After making a certification to the President under subsection (a), the Secretary of Commerce or the Secretary of the Interior, as the case may be, shall periodically review the activities of the nationals of the offending country to determine if the reasons for which the certification was made no longer prevail.

Upon determining that such reasons no longer prevail, the Secretary concerned shall terminate the certification and publish notice thereof, together with a statement of the facts on which such determination is based, in the Federal Register."

Section 4 notwithstanding the provisions of section 4132 of the Revised Statutes of the United States (46 U.S.C. 11), or any other provisions of law, the Secretary of the department in which the United States Coast Guard is operating shall cause the vessel Widow Maker, owned by Strohe Brothers of Lake Charles, Louisiana, to be documented as a vessel of the United States, upon compliance with the usual requirements, with the privilege of engaging in the coastwide trade and the fisheries so long as such vessel is owned by a citizen of the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

BISHOP MUZOREWA OFFERS TO RECEIVE 1,000 BOAT PEOPLE

● Mr. HELMS. Mr. President, yesterday in Parliament, Prime Minister Abel Muzorewa announced that Zimbabwe-Rhodesia was prepared to receive 1,000 of the boat people of South East Asia, and he called upon the other African nations to follow in like example.

This is a very generous offer by Bishop Muzorewa, when his own nation is in the midst of great difficulties and suffering. But it is highly significant that the Zimbabwe-Rhodesian Government is able to be outward-looking and perform an act of global statesmanship and humanitarian concern. Indeed, there has been far too little inclination on the part of most African nations to take a broader perspective on world affairs. This is an act of leadership which demonstrates that Zimbabwe-Rhodesia can and will make a significant contribution to peace and harmony through the world.

Bishop Muzorewa said:

The government of Zimbabwe-Rhodesia is very conscious of the human problems of South East Asia and in particular of the tragedy caused by Viet Nam's brutal expulsion of its own people, the so-called "boat people."

In fact this matter has been considered at meetings of the executive council over the last three weeks.

The government has decided that in the interests of humanity and Christian principles it will accept up to 1,000 Vietnamese "boat people" into the country.

Mr. President, as a nation, the United States ought to be very supportive to a nation which avowedly acts upon Christian principles instead of Marxist principles. Our own Western heritage calls out upon us to respond to the leaders of a nation that has cast its lot with our highest spiritual and moral traditions.

Instead, we seem to be continuing to demand of Zimbabwe-Rhodesia concessions that are all but impossible of fulfillment in the midst of an external Marxist-Leninist attack, supplied and directed by the enemies of the West. The Senate-House conference on the Foreign Relations Authorization Act has come to an agreement under which the lifting of sanctions will occur by November 15, a date which approximately correlates with the last date under which British sanctions will be applied. This is a great improvement in that it at least gives a target date for the end of the officially imposed ordeal of Zimbabwe-Rhodesia.

Yet the setting of a deadline, particularly a deadline so far from the present, contributes every day to the needless deaths of loyal Zimbabwe-Rhodesians—now occuring at the rate of one every hour. Had sanctions been lifted in June, the work of reconstruction could have been started immediately, and the nation's enemies would have known that the game was up. This would have thoroughly demoralized the rank and file of the guerrillas, and contributed greatly to seeking amnesty and an end to the war.

Moreover, had we made a positive decision to end the war, the United States could have used its considerable influence on nations such as Tanzania, Botswana, and Zambia to end their support of the guerrillas.

Instead, what has resulted is an open-ended situation, in which the Marxists knew that they had an indefinite period to apply pressure, hoping to destabilize the Muzorewa government. The United States and Great Britain are directly responsible for giving the terrorists a period of carte blanche for terror.

It now appears fairly certain that the middle of November is the terminus and quem for legal sanctions. The United States can help to redress the balance for its mistakes by helping to plan for the revival of the economy, and by removing the untoward diplomatic pressures which we have been applying on the Muzorewa government. This would be an act that is both humanitarian and practical. It would help end the war, and help relieve suffering.

Meanwhile, as I have already pointed out, Bishop Muzorewa is already taking a worldview that transcends the particular problems of his nation. I find it incredible that the U.S. press—at least that which I have seen today—has not seen fit to report this important development to the American people. Instead, we read only trivia datelined Salisbury about government personnel, and highly selective man-in-the-street interviews, as in this morning's Washington Post.

Mr. President, I ask unanimous consent that the Prime Minister's speech, delivered in Parliament at 2:30 p.m. yesterday, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF PRIME MINISTER MUZOREWA, JULY 31, 1979

The Government of Zimbabwe Rhodesia is very conscious of the human problems of South East Asia and in particular of the tragedy caused by Viet Nam's brutal expulsion of its own people. The so called 'boat people'.

In fact this matter has been considered at meeting of the executive council over the last three weeks.

The government has decided that in the interest of humanity and Christian principles it will accept up to 1000 Vietnamese 'boat people' into the country.

It wishes that it could make a greater contribution to alleviate the suffering of the Vietnamese people, but because of economic sanctions and the war which has disrupted the lives of so many of its innocent civilians it feels that it cannot make a greater contribution at this time as its prime consideration must be for its own people.

The Government calls for a greater international awareness of the problems of refugees including those made homeless by the war in this country. In regard to the 'boat people' it calls upon its fellow African states to follow its example and give a home to thousands of Vietnam refugees suffering terrible privation in refugee camps and on the high seas.●

ADDRESS BY GOV. JAY HAMMOND AT WESTERN GOVERNORS' CONFERENCE

Mr. STEVENS. Mr. President, at a recent meeting of the Western Governors' Conference, Jay Hammond, Governor of the State of Alaska, addressed the conference. Governor Hammond's remarks focused on Alaska's continuing reluctant, unconsulted role as an unpitied, battleground for developers and environmentalists. He feels Alaska would be able to be both our Nation's oil barrel and the world's park if only the two sides were not so polarized and uncompromising. He knows neither can have their own way totally without facing debilitating consequences.

Although Governor Hammond is adamant that Alaskans be allowed to wield more influence on the future direction of their home, he feels strongly that Alaska should not stand alone. He solicits the aid of the other Western States in particular, because the resolution of Alaska's present problems will surely be used as a precedent for resolution of similar, existing and future situations in these States. The lack of a balanced, reasonable legislative settlement of the Alaska lands issue and the absence of any concerted, comprehensive national energy plan can only doubly hurt not only Alaska, but other Western States since they are both consumers and producers; can only stall the problem which entails tremendous, potentially irrevocable ecological and economic consequences; and can only promote further misunderstanding about the public lands of our Nation.

I ask unanimous consent that Governor Hammond's remarks be inserted in the RECORD immediately following my statement.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PUBLIC LANDS AND THE ENERGY CRISIS—THE CHALLENGE FOR THE 80'S

Early in my first term, I tried to capture Alaska's public land and energy frustrations by suggesting that we were being asked to be both oil barrel for the nation and national park for the world. Since then I have had occasion to invoke this phrase much, much too often. It was invoked when we were fighting to slow down the imprudent, accelerated federal OCS/Alaska leasing schedule. It was invoked during all our struggles of the last two years to bring some rationality and greater balance into the emotional Congressional debates surrounding treatment of Alaska lands. It was invoked when urging the federal policy permitting oil swaps and exchanges when such could benefit us all.

Unfortunately, however, rather than reducing our frustrations, they seem to multiply while the opportunity to play that dual role effectively has substantially diminished. During these past few years, what has happened to Alaska may well be an unhappily accurate precursor of what may happen elsewhere as the conflicts which now shake Alaska reverberate throughout your states.

We Alaskans have been expected to be all things to all people. As a pawn of those who would attempt to make us such, we have suffered both the consequences and the blame for decisions we played little part in. We, in Alaska, have been the unhappy guinea pigs for radical political experiments

to which all the western states may well be subjected. Accordingly, I am glad to have this opportunity to share a few thoughts with you and to suggest strongly that we adopt the unified approach based on sane and solid principles designed to help us through the upcoming period of increasing stress. Certainly one paramount issue now confronting all of us is how to reconcile our obligation to help meet our nation's energy needs with increased environmental consciousness, while yet retaining our prime lifestyle. As that lifestyle is threatened, whether by too much development, too much government regulations, or too much land use restriction, we have become acutely aware of what we have and more determined than ever to keep it and enhance it.

One natural manifestation of this determination is, of course, an increased environmental conscience. The recent rapid development of this environmental conscience was closely tied to the high quality of our lifestyles and affluence. People could afford to worry more about such things. Thus, in essence, our expanded environmental conscience developed as a luxury.

We were able to worry about such things as quality of life and cleaner air and water because energy was cheap; the nice little economy was booming and there seemed more than enough to go around. With changing circumstances calling these presumptions into question, new questions now confront us. Is our escalated environmental conscience a luxury we cannot now afford? Or is a necessity we cannot now afford to do without? I believe it to be the latter. However that conclusion does not mean that we cease mineral extraction, timber harvest, industrial growth, revert to 19th century modes of transportation, and all go back to living off the land.

Not only is there no longer enough land to go around, but the bulk of what land remains unencumbered is found in our western states and I for one am not entranced at the thought of Alaska's Matanuska Valley metamorphosizing into a semblance of Manhattan. Accordingly, I would hope we western states would stand together and strive for proper balance between rational resource development and adequate environmental protection.

On one hand we must ever recognize that unless rational development is accommodated, irrational development will, no doubt, someday be thrust upon us. On the other hand, should we permit desecration of our wonderous natural values for short-term monetary gain, we will not deserve the stewardship to which we had been entrusted.

Rational development and adequate environmental protection are objectives to which most give lip service when they speak of proper balance. Unfortunately, however, we western states seem ever trying to steady a wildly fluctuating balance beam which first tilts dangerously one way and then the other as extremists, oftentimes from elsewhere, keep up the popular political ballast of the moment in an effort to outweigh and overwhelm their extremist opposition.

Too often in the process reason is abandoned because it wins few political points for those who would promote it. Instead it becomes far too easy and politically expedient to pander to one extreme position or another in recognition of the fact that the middle ground of reason is occupied by few passionate believers who rise in militant support. Conversely, of course, such support is easily achieved if one is willing to engage in demagoguery which appeases at least one extreme or the other.

As one who was supported by environmentalists, opposing development extremists charged that I, too, was an environmentalist in hope of catching some advantage from the backlash which that charge now, in some quarters, can envoke. Yet that charge is one to which I willingly plead guilty. Of course I am concerned with the environment. Are there those in public office who will confess that they are not?

However, my concerns are for environs social, spiritual and economic as well as physical. Unless all are given adequate consideration, the primacy of anyone alone will not long endure.

It is too often overlooked that the words ecology and economics have common roots which must be nurtured by reason rather than politically polluted if they are to flourish. No doubt other western governors have been buffeted by both extremists, developers and preservationists. In my own case, that buffeting has been accompanied by some pain and no little hazard at the polls for unlike the consummate politician who could convince both ends of the spectrum that he is with them, I seem to convince them both that I am in total opposition. Thus, when I bought back hallowed oil leases previously conveyed in a marine environment of extreme sensitivity, it was charged by some that I was a pawn of preservationists. Yet later when I proposed elsewhere another oil lease, some charged that I had sold out to an oil interest.

I suppose that proper balance is achieved when both extremists are equally unhappy, and so, perhaps, I have achieved that. At least, insofar as alleged offenses inflicted on them by my administration are concerned, I find no special interest which feels that they have been short changed.

Yet for all of this, I remain convinced that we in the west can yet approximate the most aspired to of all circumstances—the capability of both having our cake and eating it. But only if we prevent one extreme interest or another from scrapping off the icing, leaving naught but crumbs for all the others. Regrettably, in that regard, too often the federal government and Congress compound the difficulty of both achieving balance and assuring that the cake is properly apportioned.

Thus, one issue already passed the Congress, one issue yet before them, as well as one action by the President should be of prime concern to those who would strive for balance. I refer, of course, to the implications and the pending application of Rare II, the Alaska lands bill, and the unprecedented arbitrary and excessive Presidential abusage of the Antiquities Act to accomplish that which Congress should properly address. All western governors should be distressed at the establishment of this latter, most dangerous precedent. For such arbitrary Congressional bypass may some day in the future rise up to haunt each and every one of you.

Consider, for example, the fact that no matter what the Congressional resolution of your Rare II situation might entail, there is no assurance whatsoever that the President won't again use the Antiquities Act in a manner which may well dismay you. Similarly, Alaska land legislation recently emerging from the House should also give you pause. Embodied in that action is not only a virtual reneging of commitments made at statehood and undue federal intrusion into a sovereign states' basic right to manage fish and game, but also an insensitivity to views of those who must live most closely with decisions rendered.

Remember, what the Congress and the President are permitted to get away with in regard to Alaska, has great bearing on what they may well do to you. Unfortunately, the bombast regarding the Alaska d(2) lands bill has created the presumption that it is a simplistic issue of environment vs. development, oil vs. caribou. As some extremists tell it, the only question is whether we lock it all up or louse it all up.

So polarized have people become that even in my state there are those that believe anything short of demanding secession from the Union is an unacceptable capitulation to an oppressive federal government, while some others charge that anything short of instant wilderness for Anchorage is excessive environmental degradation. Yet, what most Alaskans really want is not irrational no more than what each of you would demand were our roles reversed.

The resolution which I have introduced does not ask that environmental sensitivity be sacrificed. Rather, it seeks to assure that we indeed will have the tools to reconcile economy with ecology. It also seeks to assure perpetuation of states' rights in a belief that only through their retention and exercise will any sovereign state be capable of assuring that we can fulfill our roles as suppliers of our nation's energy needs without squandering the very qualities which have caused most of us to choose to locate where we are. Instead, the resolution cites the major consensus points aspired to by most Alaskans. Taken one by one, I am sure you would support them.

For example, we believe that any Alaskan lands legislation should revoke fully the President's excessive and arbitrary usage of the Antiquities Act for purposes other than to which it was intended. We believe, as well, that such legislation at long last should fulfill commitments made to Alaskans some 20 years ago with statehood when we were promised some 104 million acres of land, of which some 70 million acres is yet to be conveyed.

We believe it is not unreasonable that there be a mechanism to provide for adequate access across federal lands to lands belonging to private parties and the state. Anything less makes mockery of the conveyance process.

We believe that in view of this nation's crucial and expanding energy needs, that it is imprudent to place known, highly valuable resource commodities within overly restrictive federal systems which would preclude even the most environmentally responsible development.

We believe also that insofar as possible traditional uses of land such as commercial trapping, which is the mainstay of many of our native peoples, should be permitted to continue so long as they are conducted in an environmentally responsible manner which does no violence to the national interest.

Finally, we believe that just as do all other sovereign states, Alaska should retain full rights to manage fish and game. Unfortunately, some who live elsewhere believe it necessary to save Alaska from Alaskans. Too often their conclusions and inconsistencies are based on ignorance. Take for example the extreme concern exhibited by Congress and the Administration relative to the proposal to explore the Arctic wildlife range for oil. If such exploration would decimate the caribou, I would be the first to fight it. Yet, as a fish and wildlife biologist who some 30 years ago made caribou surveys on what is now the Arctic Range, I must admit that under the constraints proposed, there would be little hazard to the caribou.

I draw that conclusion also from experience as a biologist, guide, and bush pilot who has been privileged to live for over 30 years on the Alaska Peninsula where I was first sent to monitor the resident grant caribou herd. During that time, far less sensitive oil exploration activities were conducted on prime caribou habitat than that which would have been permitted under the constraints contained in legislation rejected by the Congress. Yet, rather than a decline in the herd, there was almost a tenfold increase.

Thus, pardon me, if I have little patience for persons hard pressed to state with assurance which end of the caribou wears the antlers rejecting these conclusions and asserting that not even the most environmentally sensitive assessment of the range might be conducted.

More preferable, it seems to me, that some by the numbers environmentally sensitive approach to exploration be accommodated rather than finding that some day under the press of energy demands exploration is undertaken on insensitive crash basis. Most professional biologists agree that under terms and conditions stipulated in legislation rejected by the Congress—incidentally, legislation which better met Alaska's so-called consensus points—constraints on oil exploration were so restrictive as to make significant adverse impact upon the caribou most unlikely.

Nonstheless, this proposal prompted ardent administrative opposition. And yet subsequently, I've learned, that the same national administration which viewed any incursion whatsoever into the Arctic Wildlife Range as sort of an environmental watershed which, if permitted in d(2) legislation would incur veto, that same administration has just sanctioned invasion of the far more environmentally sensitive waters of Bristol Bay.

Yet most biologists conclude that these waters are much more vulnerable than the Arctic Wildlife Range and should be among the last to be explored for oil, since they harbor the world's largest red salmon run, entire populations of certain water fowl, multitudes of sea mammals, and have certain tidal peculiarities which make them especially vulnerable.

So concerned have been Alaskans in this regard that we have created a fish sanctuary in Bristol Bay and have protested any OCS leasing there. And yet here we find a federal government ardently supporting d(2) legislation far more restrictive. Who, pray tell, is going to protect us from an inconsistent federal government? I submit that we can do so collectively only. We must stand together each time there are proposals to strip away, anyone of us of our born rights, deny us input on critical issues or upset the balance we must strive for.

As western governors, we spend much time juggling this nation's energy needs with our desires for prime environment and lifestyle. Certainly collectively we can operate from a strong position with knowledge gleaned from experience. We know, in other words, that we need never again sell our race horses at bargain basement prices in order to entice development and jobs. We know that we do now have to beg development and pay for it through undue environmental or economic subsidies. We know that we can, for the most part, have development on our own terms if we are well enough prepared to state those terms clearly from the start.

We are sellers in the sellers market and have the capability to ensure that Alaska development within our state will pay its way and be environmentally sound. Forces that affect our future stem from both national and international considerations. Unless we stand together, these may well overwhelm us. Together we should demand simple, rational decisions regarding energy development on public lands. We must increase communications with each other on these matters and determine how we can respond constructively, coherently, and effectively to federal actions.

If I may, I would like to summarize two major goals we western states should strive for. First, it is absolutely crucial that we demand a clearcut energy policy from Congress. Every school child knows that this is a major problem facing the U.S. Yet sometime one wonders if that message is getting through to Congress. We need desperately a clearcut policy which lays out production and use incentives and restrictions for various types of energy, provides aggressive research for new or more readily available energy resources, strong energy conservation guidelines.

Congress seemingly has been doing little but whistling past the graveyard or condemning the President for failing to come up with some sort of simplistic popular solution. If Congress does not like the President's energy policy proposals, what is their alternative?

Westerners, as both producers and consumers, were placed in double jeopardy by this inconsistency and lack of policy. Without a coherent national energy policy, how can we possibly plan to bring our various energy resources on line in the future? What will really be the demand for coal for 1990, the year 2000? How can we program oil and gas lease sales when we are kept in the dark on the most fundamental issues, such as what prices will the Federal Government allow us for our oil and gas? Will they permit rational exchanges of crude oil when such can benefit both producer and consumer? Will they or won't they expeditiously approve needed facilities for production and transportation? How will the Federal Government treat foreign natural gas when that treatment hinders the viability of some proposed U.S. gas production or transportation project? This list goes on and on, as does the indecision.

It becomes dismayingly clear that federal and Congressional inaction on these issues makes it impossible for western states to act aggressively on their own and in the national interest, no matter how much they want to. Westerners must have a coherent national energy plan which gives us both as producers and consumers enough security to make those decisions which must be made to assure rational environmentally sensitive development.

Secondly, we must somehow force this nation into a truly rational resolution of today's monumental public land issues. Only if we westerners will stand together can we force the President and Congress to weigh accurately the alternatives and maximize the positive aspects of public land decisions in a way that best accommodates the legitimate concerns of westerners who must live most closely with those land decisions.

In closing, black or white decisions to today's problems are less tolerable perhaps than they once were. When we had the luxury of some flexibility, radical solutions offended nothing more than logic. Yet today irrational or radical decisions, or indicisions, which could block a viable environmentally acceptable development project for purely frivolous or philosophical considerations can offend far more than logic. It can lead to genuine and unnecessary economic hardship, blacklash, and, in the long term, even to a greater loss of the philosophical point of view that might have been the case had the project been permitted under proper guidelines.

One of the ironies of recent years that I would like to point out to my environmental friends, is that the environmental movement these days is suffering from the same overreaching inertia that the laissez faire capitalists suffered from before.

Environmentalism is still, in many instances, a movement more of ideology that pragmatism. A game of giant poker stakes where the gamble is either lost overwhelmingly or won overwhelmingly.

Once again I suppose this was exciting and acceptable when we had the flexibility to absorb setbacks and still survive. However, in this day and age when energy problems are very real and backlashes occur almost overnight, environmental and economic resource Russian roulette is at best outdated, and at worst suicidal.

Thank you.

TRANSPORTATION OF NUCLEAR WASTES IN THE PACIFIC

Mr. ROBERT C. BYRD. Mr. President, yesterday the Senate passed S. 1119, a bill to require the Secretary of the Interior to report to Congress on projects affecting the territories and possessions of the United States. I would like to express my appreciation to the distinguished Senator from Hawaii (Mr. MATSUNAGA) for his expert handling of this matter. As a member of the Energy Committee and as the Senator from Hawaii, he has clearly acted in the best interests of the Congress and the Pacific community by managing this bill for the majority.

The distinguished Senator from Idaho (Mr. MCCLURE) the original sponsor and minority manager for the bill, has performed admirably in ironing out problems with the bill.

As amended, S. 1119 will ensure that the Congress is kept fully informed as to the activities of the Departments of State, Energy, and Interior with respect to the transportation of nuclear wastes in the Pacific region and elsewhere.

This bill will protect the policymaking prerogatives of Congress in the critical area of nuclear power. At the same time, the people of the Pacific community will be assured that their interests are being represented, and their voice heard.

Once again, Mr. President, I thank Senator MATSUNAGA for his efforts, as well as Chairman JACKSON, and Senators MCCLURE and HATFIELD for their cooperation.

THE FIGHT TO KEEP IDAHO'S PIONEER RAIL PASSENGER SERVICE

Mr. CHURCH. Mr. President, a little over 2 years ago, service was inaugurated on the Pioneer, an Amtrak route serving southern Idaho. Having fought hard to see this service brought to the citizens of Iadho, I was pleased to participate in the inauguration ceremonies and to ride the Pioneer across southern Idaho.

From its hopeful beginning, the Pioneer has consistently shown an ability to steadily increase ridership. Despite the difficulties any new route encounters, the Pioneer has displayed a continuous rise in utilization. This route is not perfect. It crosses my State at awkward hours and the small service conveniences that add so much to a pleasant journey have not always been present.

I was therefore astounded to learn last year that the Department of Transportation was recommending termination of this promising new route over a year before the end of its 2-year trial period. The Pioneer was unfairly compared to well-established routes because ridership data from its early, struggling months of operation was compared to data from routes that had been in service for years. Like many Idahoans, I believed that the Pioneer should have been given its full period to prove its worth. The prejudgment rendered on the Pioneer was undeserved and unfair.

During the current fiscal year, which commenced in October 1978, ridership on the Pioneer has been very impressive. During several of these past months, the increase in ridership on the Pioneer has been the highest of all long-distance routes in the Nation. The Pioneer now generates sufficient revenue to pay all direct costs, including fuel, labor, and food services. The Pioneer has redeemed its proponents faith in the promise this new route offered for Idaho.

Faced with extinction under the Department of Transportation's route slashing plan, the Pioneer's future looked bleak. Like citizens across our land, Idahoans knew that a drastic reduction of an energy-efficient mode of transportation during the beginning of an era of spiraling gasoline prices and chronic supply shortages would be exactly the wrong decision.

In response to this situation, I requested that the Amtrak authorization bill be delayed in the Senate so that I could attempt to reverse this course. I proposed an amendment to this bill which would have retained the current system for 1 year while the energy outlook was assessed and consideration given to the remarkable surge in passenger train ridership. Second, I prepared a backup amendment designed to insure that the West was not stripped of its fair share of rail passenger service.

The response of my colleagues in the Senate to these efforts has been gratifying. A strong coalition of Senators from all regions and of all political persuasions joined in this effort to restore as much of the Amtrak system as feasible. Idahoans responded to a citizen initiated petition circulated by "the Emergency Coalition to Save the Pioneer." Within weeks, I received the signatures of thousands of Idahoans who expressed the strong desire to see the Pioneer given a fair opportunity to continue to serve Idaho. A coalition of senior citizens, environmental groups, working men and women and just plain concerned citizens joined in support of these efforts to retain the Pioneer and other threatened Amtrak routes.

In April, a group of 97 senior citizens boarded the Pioneer in Dalles, Oreg., and traveled on it to Salt Lake City, Utah. These were not wealthy people. Like all of our citizens on fixed or limited incomes, they were feeling the increasing bite of the inflation. This voluntary trip to show their support for retention of the Pioneer cost them almost $10,000.

The fight to retain the Pioneer has been a tough uphill struggle. But it has been a fight worth making. By its action today in approving my amendment to retain the Pioneer and other trains in the West, the Senate has shown a clear understanding of the concerns raised by Idahoans. A recent editorial in the Idaho Statesman, supporting retention of the Pioneer summed up the feelings of many in Idaho. I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FACTS ON PIONEER

Fairness of the Department of Transportation's Amtrak route re-evaluation depends, as we said recently, on the test DOT applies to the trains being re-evaluated. It is quite easy for Secretary of Transportation Brock Adams to devise an unfair test that Pioneer, the Amtrak train running through Idaho, does not stand a chance of meeting.

Adams has mandated that just such a biased test be used in most measurements of train efficiency. This measure is called average passenger miles per train mile, or pm/tm. Pm/tm sounds complicated but it is not. It is derived by dividing the number of passengers served by the miles traveled. If Adams insists on applying only this unfair measure to the threatened trains, Pioneer might well not survive. We remain convinced this is precisely what he wants.

The pm/tm test is discriminatory against rural, long-distance trains by definition. If 100 people board a train for a 100 mile trip in the East, the passenger miles per train miles is 1. If the same 100 people board a train for a 200 mile trip in the West, the pm/tm is .5, or half that for the Eastern train. That doesn't tell you much about the efficiency of the train, but it certainly skews the evaluation against Western trains.

Given the bias of pm/tm measurements, Pioneer is still doing quite well. It is not as good as some other trains, but it is better than others. The projected pm/tm for Pioneer in fiscal 1980, a projection that will prove conservative because of the rapid ridership gains of the past few months, is 91. The projected pm/tm for the Cardinal from Washington to Cincinnati, not a threatened train, is 67.

Pioneer pm/tm has increased 49 percent in the first 6 months of fiscal 1979, the best increase for any train in the Amtrak system. Since pm/tm is up that amount, it can be argued that Pioneer revenue will also increase in the same range, since fixed costs of operation remain relatively stable.

But the pm/tm standard gives no consideration to revenue, although it would certainly seem proper, if you are concerned with the size of subsidy to Amtrak trains, to include in the evaluation some recognition of the level of subsidy for each train.

Pioneer has the fourth-lowest subsidy of any long-distance Amtrak train, and a lower subsidy than many shorter routes. Pioneer's loss per passenger mile was 9 cents in fiscal 1978. That is better than many of the Amtrak routes to be retained. And as we said, that 9 cents figure should drop significantly when ridership increases for 1979 are figured in. In total ridership, Pioneer also looks good. It has one of the highest ridership per capita ratings for the area it serves of any Amtrak train. In the first 6 months of fiscal 1979, Pioneer carried 78,428 passengers, an average monthly increase of 15.1 percent. In February, ridership jumped an incredible 29.6 percent. Only four long-distance Amtrak trains are growing at a faster rate than Pioneer. And if you exclude the Portland-Seattle passengers on Pioneer, ridership for the first 6 months of fiscal 1979 increased an average of 24 percent per month.

This is all fairly technical, but as you can see, by any measure but that chosen by Brock Adams, Pioneer is a good buy that is getting better. It deserves continued life as a regular link in the Amtrak route system.

THE PIONEER

Mr. CHURCH. Mr. President, those of us who have been honored by having the opportunity to serve in the U.S. Senate have, on occasion, received letters from constituents which earn a special place in our hearts.

Recently I received such a letter. During the past 3 months I have heard from thousands of Idahoans urging me to keep fighting to retain the Pioneer passenger train. Eric Barchas, a 7-year-old resident of my hometown of Boise, recently wrote to me urging that the "Pionear" be retained. His message was simple, direct, and warm. It is the kind of delightful letter which is reassuring in its honesty and refreshingly to the point.

I wanted to share Eric's letter with the Senate as we consider the future of our national passenger system. If we make the right decision now, the "Pionear" may still be carrying Eric to "Seatel" and back when he is 17. I ask unanimous consent that the text of Eric's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Sat. July 14, 1979.

Dear sen. Cherch, my name is Eric Barchas I'm 7 years old. My famly and I love to ride the train.

We ride it whenever we get a chans to. I'm glad that you are trying to save the Pionear. I hope you succeed so I can ride lots more. I have wriden the Pionear 1eght times ones to Nampa, ones to Berdleton and back Portland and back Seatel and back and back from Seatel again and my Dad even went to Saft lake city.

Signed Eric Barchas, 603 Locust st., Boise, I.D. 83702.

FRANCIS SCOTT KEY BICENTENNIAL

Mr. MATHIAS. Mr. President, today is the 200th anniversary of the birth of Francis Scott Key, the author of our National Anthem, a great American and one of western Maryland's most distinguished native sons. On August 1, 1779, Francis Scott Key was born on his family's farm, "Terra Rubra" in Frederick County near Taneytown, Md. He is buried at Mount Olivet Cemetery in Frederick, Md.

Every schoolchild in America knows the dramatic details of how Francis Scott Key composed "The Star Spangled Banner," but I wonder how many know that Mr. Key was an early and vigorous opponent of slavery? A contemporary account of Mr. Key arguing a case before the Supreme Court tells us that:

(H)e closed with a thrilling and even an electrifying picture of the horrors connected with the African slave-trade which would have done honor to either Pitt or Wilberforce in their palmiest days.

Francis Scott Key did not confine his opposition to slavery to rhetoric alone. During his lifetime he freed all his slaves and was a founding member of the African Colonization Society, an organization set up to help freed slaves return to Africa. Even Thomas Jefferson, the towering moral and intellectual figure of the age, did not free all of his slaves in his lifetime although he provided for their freedom in his will. George Washington, whom we honor with the title "Father of his country", never freed his slaves but bequeathed them to his heirs in his will.

In many other ways, Francis Scott Key was a remarkable figure for his, or any

other age. From the distance of 200 years, it is difficult to look back and accurately appraise the measure of a man. Fortunately, however, Francis Scott Key so impressed his contemporaries that a number of accounts of his activities and descriptions of his personal endowments survive. For example, Governor Foote of Mississippi in his Reminiscences provides this description:

Mr. Key was tall, erect, and of admirable physical proportions. There dwelt usually upon his handsome and winning features a soft and touching pensiveness of expression, almost bordering on sadness, but which in moments of special excitement, or when anything occured to waken the dormant heroism of his nature or to call into action the higher power of vigorous and well-cultivated intellect, gave place to a bright ethereality of aspect and noble audacity of tone which pleased while it dazzled the beholder.

Clearly, Francis Scott Key was a man of heroic proportions to his contemporaries and, as we mark the bicentennial of his birth, it seems appropriate to review the highlights of his life not in the prosaic language of our own age, but in the elegant and evocative phrases of his time. For this reason, I ask unanimous consent that the account of Francis Scott Key's life, contained in J. Thomas Scharf's "History of Western Maryland" be printed in the RECORD at the conclusion of my remarks. That admirable history, first published in 1882, relies very heavily on primary sources which makes it, at least to my taste, more lively and interesting than the bare bones history we read in school nowadays.

As a native of Frederick County, I take special pride in the contributions Francis Scott Key made to our Nation and special pleasure in the fact that his name will live in the hearts of all Americans for as long as this "land of the free and home of the brave" endures.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

BIOGRAPHY OF FRANCIS SCOTT KEY

(By J. Thomas Scharf)

Francis Scott Key, author of the "Star-Spangled Banner," and a distinguished lawyer, was born at the residence of his father, John Ross Key, near Pipe Creek, in Frederick County, a short distance from Emmittsburg, on the 1st of August, 1779, and died in Baltimore while on a visit to his son-in-law, Charles Howard, on Wednesday, the 11th of January, 1843. His father was a Revolutionary officer, who died in Frederick County, Oct. 12, 1821. Francis S. Key was educated at St. John's College, Annapolis, and studied law in that city in the office of his uncle, Philip Barton Key. In 1801 he commenced the practice of law at Frederick, but in a few years removed to Washington City, D.C., where he was chosen United States District Attorney. Mr. Key was a gentleman of the highest order of talent, of ardent feelings, and benevolent mind . . .

His chief title to fame, however, rests on his patriotic and soul-stirring poem, "The Star-Spangled Banner," written to commemorate a Maryland triumph, but so thoroughly impregnated with the true spirit of patriotism that it has become a national lyric. The circumstances under which it was composed are as follows:

"On the retreat of the British army from Washington through Marlborough," says Mr. Gleig, who was with them, "though there appeared to be no disposition on the part of the American general to follow our steps and to harass the retreat, the inhabitants of that village, at the instigation of a medical practitioner called Beanes, had risen in arms as soon as we were defeated, and falling upon such individuals as strayed from the column, put some of them to death and made others prisoners.

A soldier whom they had taken, and who had escaped, gave this information to the troopers just as they were about to return to headquarters; upon which they immediately wheeled about, and galloping into the village, pulled the doctor out of his bed (for it was early in the morning), and compelled him, by threat of instant death, to liberate his prisoners, and mounting him before one of the party, rode into the camp in triumph."

Dr. Beanes was the leading physician in Upper Marlborough, and an accomplished scholar and a popular gentleman. It is said his house, which was one of the best in Upper Marlborough, was selected by Admiral Cockburn and some of the principal officers of the army as their headquarters when the British troops encamped there on their march to Washington. As the British officers had shown him much courtesy and protected his property, they were greatly incensed at his actions.

Mr. Taney says the British "entered Dr. Beanes' house about midnight, compelled him to rise from his bed, and hurried him off to their camp, hardly allowing him time to put his clothes on; he was treated with great harshness and closely guarded; and as soon as his friends were apprised of his situation they hastened to the headquarters of the English army to solicit his release, but it was peremptorily refused, and they were not even permitted to see him, and he had been carried as a prisoner on board the fleet."

Alarmed for the safety of Dr. Beanes, a number of his friends hastened to Georgetown to procure the assistance of Francis S. Key, who was then serving as a volunteer in Maj. Peter's artillery. Mr. Key promptly undertook to obtain the release of his friend, and immediately obtained the President's permission to visit the British fleet, Mr. John S. Skinner, the government's agent for the exchange of prisoners in Baltimore, who was well known as such to the officers of the fleet, being directed to accompany him.

As soon as the necessary arrangements were made they embarked at Baltimore and sailed for the British fleet, which was then at the mouth of the Potomac, preparing for the expedition against Baltimore. Mr. Taney says that Mr. Key "was courteously received by Admiral Cochrane and the officers of the army as well as of the navy. But when he made known his business his application was received so coldly that he feared it would fail.

Gen. Ross and Admiral Cockburn, who accompanied the expedition to Washington, particularly the latter, spoke of Dr. Beanes in very harsh terms, and seemed at first not disposed to release him. It, however, happened, fortunately that Mr. Skinner carried letters from the wounded British officers left at Bladensburg, and in these letters to their friends on board the fleet they all spoke of the humanity and kindness with which they had been treated after they had fallen into our hands.

After a good deal of conversation and strong representations from Mr. Key as to the character and standing of Dr. Beanes, and of the deep interest which the community in which he lived took in his fate, Gen. Ross said that Dr. Beanes deserved much harsher punishment than he had received; but that he felt himself bound to make a return for the kindness which had been shown to his wounded officers whom he had been compelled to leave at Bladensburg, and upon that ground, and that only, he would release him.

But Mr. Key was at the same time informed that neither he nor any one else would be permitted to leave the fleet for some days, and must be detained until the attack on Baltimore, which was then about to be made, was over. On the other hand, he was assured they would make him and Mr. Skinner as comfortable as possible during their detention. . . .

"Mr. Key and Mr. Skinner continued on board the 'Surprise,' where they were very kindly treated by Sir Thomas Cochrane, until the fleet reached the Patapsco and preparations were made for landing the troops. Admiral Cochrane then shifted his flag to the frigate, in order that he might be able to move farther up the river and superintend in person the attack by water on the fort; and Mr. Key and Mr. Skinner were then sent on board their own vessel, with a guard of sailors and marines, to prevent them from landing.

They were permitted to take Dr. Beanes with them, and they thought themselves fortunate in being anchored in a position which enabled them to see distinctly the flag of Fort McHenry from the deck of the vessel. He (Mr. Key) proceeded then, with much animation, to describe the scene on the night of the bombardment. He and Mr. Skinner remained on deck during the night, watching every shell from the moment it was fired until it fell, listening with breathless interest to hear if an explosion followed.

While the bombardment continued it was sufficient proof that the fort had not surrendered. But it suddenly ceased some time before day, and as they had no communication with any of the enemy's ships, they did not know whether the fort had surrendered or the attack had been abandoned.

They paced the deck for the residue of the night in painful suspense, watching with intense anxiety for the return of day, and looking every few minutes at their watches to see how long they would have to wait for it; and as soon as it dawned, and before it was light enough to see objects at a distance, their glasses were turned to the fort, uncertain whether they should see the Stars and Stripes or the flag of the enemy.

At length light came, and they saw that "our flag was still there," and as the day advanced they discovered, from the movements of the boats between the shore and the fleet, that the troops had been roughly handled, and that many wounded men were carried to the ships. At last he was informed that the attack on Baltimore had failed, and that the British army was re-embarking, and that he and Mr. Skinner and Dr. Beanes would be permitted to leave them and go where they pleased as soon as the troops were on board and the fleet ready to sail.

"He then told me that, under the excitement of the time, he had written the song, and handed me a printed copy of 'The Star-Spangled Banner.' When I read it and expressed my astonishment, I asked him how he found time, in the scenes he had been passing through, to compose such a song.

"He said he commenced it on the deck of their vessel, in the fervor of the moment, when he saw the enemy hastily retreating to their ships, and looked at the flag he had watched for so anxiously as the morning opened; that he had written some lines of brief notes, that would aid him in calling them to mind, upon the back of a letter which he happened to have in his pocket, and for some of the lines, as he proceeded, he was obliged to rely altogether upon his memory, and that he finished it in the boat on his way to the shore, and wrote it out as it now stands at the hotel on the night he reached Baltimore, and immediately after he arrived.

"He said that on the next morning he took it to Capt. Joshua N. Nicholson, commander of the Baltimore Fencibles and chief justice

of the Baltimore Court, and one of the judges of the Court of Appeals of Maryland, to ask him what he thought of it; that he was so much pleased with it that he immediately sent it to a printer and directed copies to be struck off in hand-bill form; and that he, Mr. Key, believed it to have been favorably received by the Baltimore public."

The song was first set in type by Mr. Samuel Sands, who was then an apprentice-boy at the office of the Baltimore *American*, on the east side of Harrison Street near Baltimore, and who afterwards became the proprietor and editor of the *American Farmer*. It was set to the tune of "Anacreon in Heaven." It is said it was first sung in camp, afterwards nightly in the Holliday Street Theatre.

While studying law at Annapolis Mr. Key became the intimate friend of Roger Brooke Taney, afterwards chief justice, who, as previously stated, married Mr. Key's only sister. Besides the "Star-Spangled Banner," Mr. Key wrote a number of other verses, but it is doubtful whether he ever intended them for publication, as they appear to have been hastily composed on the impulse of some passing fancy. Mr. Key was a contemporary of Edward Coote Pinkney, and contributed to the same periodicals for which Edgar Allen Poe wrote. He was a thorough gentleman, and a man of cultivated tastes, but literature was not the serious business of his life, his time being mainly occupied with the practice of his profession . . .

"Everybody who knew Frank Key loved him, and there was not a more agreeable companion to be found." Mr. Key was a member of the Episcopal Church, and for many years taught a Sunday-school class at Rock Creek Church. His wife was Mary Taylor Lloyd, daughter of Col. Edward Lloyd, of Talbot County, Md., a charming lady, who contributed greatly to the attractiveness of their hospitable home. During the Nullification troubles in South Carolina he was sent in an unofficial capacity to that State, and it is said contributed not a little by his personal efforts to the peaceful settlement which was finally obtained.

Mr. Key conducted the prosecution of the would-be assassin of Gen. Jackson in 1835, and acted with great circumspection and a due regard for the rights of the prisoner.

The man was adjudged insane and sent to an asylum. Of Mr. Key's appearance in an important case in the United States Supreme Court, ex-Governor Foote, of Mississippi, in his "Reminiscences," says, "I was very much entertained with the whole argument, but I was particularly with the speech of Mr. Key and that of Mr. Berrien.

Mr. Key was tall, erect, and of admirable physical proportions. There dwelt usually upon his handsome and winning features a soft and touching pensiveness of expression, almost bordering on sadness, but which in moments of special excitement, or when anything occurred to waken the dormant heroism of his nature or to call into action the higher power of vigorous and well-cultivated intellect, gave place to a bright ethereality of aspect and noble audacity of tone which pleased while it dazzled the beholder.

His voice was capable of being in the highest degree touching and persuasive. His whole gesticulation was natural, graceful, and impressive, and was completely free from everything like affectation or rhetorical grimace as any public speaker I have known. . . . On this occasion he greatly surpassed the expectations of his most admiring friends. The subject was particularly suited to his thoughts, and was one which had long enlisted in a special manner the generous sensibilities of his soul.

It seemed to me that he said all that the case demanded, and yet no more than was needful to be said, and he closed with a thrilling and even an electrifying picture of the horrors connected with the African slave-trade which would have done honor to either a Pitt or a Wilberforce in their palmiest days." One of the most convincing proofs of Mr. Key's great benevolence and kindness of heart is found in the fact that he manumitted all his slaves and was one of the founders of the African Colonization Society.

While visiting his daughter, Mrs. Charles Howard, in Baltimore, Mr. Key was seized with pneumonia, and died suddenly in January, 1843. The United States Supreme Court adjourned in his honor on being acquainted with his death, and next day the Attorney-General of the United States, Mr. Legaré, of South Carolina, presented resolutions of condolence passed by the bar, and made an address testifying to Mr. Key's great intellectual attainments, and to his admirable qualities of heart and mind.

Similar action was taken by the bar of Frederick and of Baltimore City and County, and his remains were borne to the grave universally regretted and beloved. Mr. Key was buried at Greenmount Cemetery, Baltimore, but subsequently the remains were removed to Frederick, where they lie beside those of his wife in the cemetery of Mount Olivet. His grave is marked by a simple slab.

WARSAW UPRISING 35TH ANNIVERSARY

Mr. DURENBERGER. Mr. President, today marks the 35th anniversary of the Warsaw uprising, an event that was a tragic, yet noble, celebration of the human spirit. It is fitting that we, as representatives of the greatest bastion of freedom and democracy, pause in commemoration of those brave and proud people who made the ultimate sacrifice in the name of justice and integrity.

Our country is faced with pressing issues today. Yet, our perspective becomes clearer during this moment of reflection. An ounce of the courage and dedication to ideals that marked the members of the proud Home Army would serve us well as we confront the challenges of 1979.

The anniversary of the Warsaw uprising has special meaning to me. My heritage lies in the countryside of Poland. My relatives suffered the tragedy of occupied Poland. Their strong wills, their love of freedom, and their commitment to survival as proud men and women were traits they shared with members of the Home Army.

I pray that the story of the Warsaw uprising is never forgotten. It is a reminder of the unspeakable horrors of war, and a 35-year-old plea for peace.

Mr. President, I ask unanimous consent that an article by Ted Humes be printed in the RECORD. Even though the article was published in 1974, it is a timeless story.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESISTANCE ITSELF NEVER PERISHES IN POLAND

(By Theodore L. Humes)

Yesterday marked the 30th anniversary of one of the most noble, futile, and tragic episodes in the history of military endeavor; the Warsaw Uprising.

By mid-July, 1944, Rokossovsky's 1st Belorussian and Konev's 1st Ukrainian Fronts were advancing westwards and cross the Vistula on a broad 130 mile front toward Warsaw and to the south.

The Vistula, although a broad river about 200 yards wide, had in places a depth of not more than six feet and was only a minor obstacle with many of the great Russian rivers which the Red Army had already crossed.

To the north, Radzievsky's 2nd Tank Army had reached the Warsaw suburb of Praga just across the Vistula to the east and had attempted a bridge crossing into Warsaw proper.

The Home Army (Armja Krajowa), the oldest and largest resistance organization in Poland, at the pinnacle of its development in the first half of 1944, consisted of 350,000 soldiers.

In the four years of its existence it lost almost 5,000 officers, 29,000 non-commissioned officers and 28,000 enlisted men in sporadic battles with the Nazis or through arrests and execution.

Its Commander-in-Chief was the intrepid General Tadeusz Komorowski, alias Forest (Bor) acting under orders of the Polish-Government-in-exile under Prime Minister Stanislaw Mikolajczyk in London.

On Aug. 1, 1944, the streets of Warsaw were full of Home Army youths. Women with suspicious parcels were hurrying about. Everywhere, in street cars, on bicycle-rickshaws, in doroshkas, conspirators sped toward unknown destinations. Those in on the secret warned each other, and their numbers grew with every minute.

As Stefan Korbonski described the scene: "The streets were unusually animated. The tramcars were crowded with young boys, who unconcernedly occupied even the front platform, reserved 'Nur Fur Deutsche' without the Germans present doing anything about it.

"On the sidewalks women in two, or threes were walking along briskly with obvious haste carrying heavy bags and bundles.

"They are transporting arms to the assembly points," I muttered to myself. A stream of bicycles followed along the roadway. Boys in top boots and jackets were pedalling as hard as their legs could go.

"I noticed that one of the boys carried a rucksack from which protruded something resembling a walking stick, wrapped in a newspaper and tied with a piece of string. Anyone could see it was the end of a rifle. (Fighting Warsaw).

The uprising started officially on August 1st, at 5 p.m., to the following command:

"Soldiers of the Capital!"

"Today I gave the order, desired by you, for an open fight with the eternal enemy of Poland—the German aggressor.

"After almost five years of continuous hard struggle led by the Underground, you rise today openly with arms in your hands to restore freedom to your country and to deal out to the German criminals exemplary punishment for the terror and crimes committed on Polish land.

COMMANDER OF THE HOME ARMY BOR

By August 2nd, Warsaw for the most part was occupied by the insurgents. In the liberated streets, the Varsovians joyfully removed all traces of the German occupation. All inscriptions, all posters, announcements, portraits of the Hitlerite dignitaries and German flags quickly disappeared.

Polish and Allied flags emerged, and handmade posters were displayed on the walls, appealing for a fight for freedom.

On the second day bulletins and war communiques appeared on the walls. On Aug. 3rd, commanders of the individual regions reported further insurgent victories. On that day the Home Army's position was most advantageous.

Almost three-quarters of Warsaw was under Home Army control, and many German dignitaries found themselves under siege, notably Governor Fischer and General Stahel, Commander of the Warsaw garrison, trapped at Pilsudski square.

However, the Home Army was lamentably short of weaponry while the Germans were well armed with no supply problems. The population of Warsaw believed implicitly in ultimate help from the Allies and that their effort and the blood they sacrificed would be rewarded.

On August 4th, Bor Komorowski sent the following message to London: "I categorically request aid in ammunition and anti-armor weapons. A few days struggle at least is awaiting us and we have to get supplies for this period. We have put everything at stake to hold the Capital; and let you in London make some effort."

To the east, the Soviet Government, well understanding the mentality and aspirations of the Polish Government in London hardly wished the uprising well. If it had supported the insurgents with all the means in its power and had succeeded in occupying Warsaw during August, it would have been faced with the existence of a formidable patriot army which would have been an embarrassment to the Soviet-sponsored Lublin Government.

At the height of the battle, Moscow informed the British Government that it proposed to have nothing to do with the uprising, and on August 19 a British-American request for landing facilities in Soviet territory to land arms, ammunition and food was refused.

Meanwhile, brave Poles fought on against insuperable odds with no hope whatever of outside relief. The futility of the situation was expressed by General Bor in a report of September 30, 1944:

"Our struggle is dying. Today only an immediate successful assault by the Soviets on Warsaw can save us."

Warsaw no longer resembled a normal city. Rows of graves lay silently amid the ashes and ruins in the streets, the squares and among the blasted buildings. There was persistent fighting throughout the days in almost every house, on every floor and the Germans took a fearful toll of civilians, young and old. On October 2, 1944, the struggle was over.

Home Army losses were about 35,000 while the Germans lost 26,000 men; losses among the civilian population was in excess of 150,000.

On the next day, the Polish Government in exile in London issued a proclamation a portion of which said:

"On 1st August 1944, we undertook an open struggle in Warsaw against the Germans. We did this at the moment when the Russian forces were approaching Warsaw; when our Western Allies had started a decisive march on Berlin; when the Home Army could no longer remain hidden; when the desire for freedom after long years of occupation, grew and could no longer be held in check."

The uprising has failed because we have received no effective help, at a time when our Army is helping to liberate France, Belgium, Italy and Holland.

Soldiers, whose only weapons against tanks, planes and cannons were pistols and gasoline filled bottles, are heroes. Women who, in spite of the bullets bandaged the wounded, carried reports; who in bombed cellars prepared meals and fed children and adults; and kept up their good spirits are heroines. The people of Warsaw are heroes.

And immortal is the nation which can afford such universal heroism. Those who have died have conquered already, and those who live on shall continue to fight and will bear witness again to the truth that Poland is alive while Poles are alive.*

General Bor the tragic leader of Polish Resistance died years ago.

Resistance itself never perishes in Poland.

*Title and first line of Polish National Anthem.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Arizona (Mr. GOLDWATER) as congressional advisers to the World Administrative Radio Conference of the International Telecommunications Union, to be held in Geneva, Switzerland, convening September 24, 1979 for 10 weeks.

RELIEF OF THE CITY OF NENANA, ALASKA

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4811.

The PRESIDING OFFICER (Mr. LEAHY) laid before the Senate H.R. 4811.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, this measure is a House-passed bill which deals with two problems. First, the city of Nenana is in the process of building a sewer system to meet EPA standards, but because of inaccuracies of the original and subsequent townsite surveys, the city does not have title to some streets, alleyways and other property within the boundaries of the townsite. This measure would transfer the interest of the United States in these areas to the city and provide the assurance that the financing for the sewer system which will be located underneath the streets and alleyways could be obtained.

The second problem dealt with by this bill concerns the previously approved Cook Inlet Land Exchange. Under this exchange, the Cook Inlet Regional Native Corp. is granted certain selection rights from a pool of Federal lands, including surplus lands, which the Secretary of the Interior must select. Due to a number of circumstances, the Secretary was unable to fulfill his statutory obligation to establish the selection pool by July 15, 1979. The Department of the Interior and Cook Inlet Region agreed that an extension of the deadline was necessary and the Energy Committee reported legislation, S. 1479, which provided for a 2-year extension of the period in which the selection pool was to be established.

The House recently passed this measure, which provides for a 1-year extension. There was a discussion on the floor of the House during the consideration of the measure which indicated that certain Members of the House feel the Department should conclude its obligations under this amendment within 1 year. It is my hope that the Department of the Interior will establish the selection pool within 1 year, but I do not want my constituents' interests to be jeopardized by the failure of the Department to fulfill its obligations under the amendment.

Therefore, I would like to recommend that the Senate accept the House language but note that the Energy Committee, along with the Department of the Interior and Cook Inlet Region, Inc., recommended that a 2-year extension was more appropriate. It is my hope that a further 1-year extension will not be needed, but I will not hesitate to ask for further time if the recommendation for 2 years appears necessary.

Mr. President, I move that the Senate accept the House language of H.R. 4811.

● Mr. GRAVEL. Mr. President, I thank the committee for expediting this legislation. The problems of geography and existing land ownerships in the Cook Inlet Native Corp. region have made implementation of the Alaska Native Claims Settlement Act of 1971 extremely tough.

Although we solved many of the complex Federal, State, and Native land ownership problems in the region with the 1976 Cook Inlet land trade, full implementation of this agreement as incorporated in Public Law 94-204 has still not been attained. Thus, an extension of the time in which to compile a pool of land from which the corporation can select its remaining land entitlement is necessary. This amendment in no way grants the corporation more land under the Settlement Act, but simply extends for an additional 2 years the time for the Department of the Interior to identify lands, hopefully in the region, which can be selected by the corporation.

It is critical that this legislation be swiftly passed, as some lands may "slip through the cracks" and not be available for possible selection due to the legal hiatus which we now find ourselves in with the expiration of the July 15 deadline on formulation of the Department's pool. I strongly support passage of this legislation and urge my colleagues to help correct this problem through quick action on this measure.●

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 4811) was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INDEFINITE POSTPONEMENT OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 264 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 183 be indefinitely postponed. That is the Appalachian Regional Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar

Order No. 177 be indefinitely postponed. That was concluded today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 163 be indefinitely postponed. That also was concluded today.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—NOMINATION

Mr. STEVENS. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. It is my understanding that we shall now go to the Civiletti nomination. Is that the majority leader's intention?

Mr. ROBERT C. BYRD. Yes.

Mr. President, as in executive session, I ask unanimous consent that there be a time limitation on Mr. Civiletti's nomination of not to exceed 30 minutes, to be equally divided between Mr. KENNEDY and the acting minority leader or his designee.

The PRESIDING OFFICER. Is there objection? Without objection, as in executive session, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Civiletti.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of Benjamin R. Civiletti, of Maryland, to be Attorney General.

Mr. KENNEDY addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will allow me, Mr. PROXMIRE asked that there be a rollcall vote on the nomination, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. STEVENS. Mr President, if the Senator will allow me for one moment, as I understand it, that will bring the vote on this sometime around 20 minutes of or quarter of the hour.

Mr. KENNEDY. As a point of information, I do not intend to take more than 5 or 7 minutes. I think earlier than that. It should be within 10 or 12 minutes.

Mr. STEVENS. I thank the Senator.

Mr. KENNEDY. Mr. President, I yield myself such time as I might use.

Mr. President, among the most serious responsibilities which the Committee on the Judiciary must exercise is the consideration of nominees for a broad range of positions in the executive and judicial branches of Government. These positions often involve policymaking or interpretation of laws at the highest levels, which directly and dramatically affect the lives of our citizens.

Today the Senate takes up consideration of the nomination of Benjamin R. Civiletti for the chief legal officer of the United States—the position of Attorney General. The Judiciary Committee has given this nomination careful and thorough examination.

We have held 3 days of hearings. Our investigative and legal staff have looked into any and all allegations relating to Mr. Civiletti's handling of matters during his tenure in the Justice Department. We have reviewed the nominee's financial records and other materials submitted in response to the committee's request.

I am pleased today to state to my colleagues that Mr. Civiletti has passed each test with flying colors. Yesterday he was approved by a unanimous vote of the committee.

The position of Attorney General of the United States is one of the most prestigious legal positions in the country; it is also one of the most important and most powerful. His decisions, and those of the Department for which he is responsible, cover the entire legal spectrum. International antitrust policy, domestic immigration procedures, enforcement of environmental laws, prosecution of major organized crime and sophisticated white collar fraud cases, management of the entire Federal prison system, supervision of the two major law enforcement agencies in the country, filing and defending civil suits on behalf of the United States—these responsibilities only begin to define the complexity and the difficulty of the office of the Attorney General.

Because of that complexity and because of that difficulty, the nominee for the position must, in a word, be exceptional. He must be able not only to administer, but also to lead. His integrity must be unquestioned and his credentials, both in terms of experience and expertise, must be impeccable. Throughout the history of the country, great men served us well as Attorneys General, and the rule of law and the dispensation of justice has been the hallmark of their office.

The current Attorney General is one of those men, and one whose resignation will leave the Department and the country the less for it. I believe that Mr. Civiletti will carry forward in the same tradition as his predecessor.

Perhaps Judge Bell's words to the committee best describe Mr. Civiletti's attributes that well suit him for the job to which he has been nominated:

> He has never shied from even the toughest issue. He is firm, decisive, a leader and a manager. He is a man of the law, a lawyer's lawyer. He will continue and even enhance the policies of professionalism, openness, and independence that are a Justice Department tradition.

I believe that, in his response to the challenging and forceful testimony of representatives of Hispanic Americans, Mr. Civiletti showed his mettle. He was willing to address specific cases they pressed him on. He stated his own strong personal dedication to enforcement of Hispanic rights. He announced the formation of a special Hispanic-American Advisory Counsel as a focus for access and communication. And he provided a list of initiatives to respond to the concerns of those who felt that the Department of Justice had not been doing justice in areas affecting their lives and liberties.

Our committee hearings touched on a number of substantive areas—from white collar crime to immigration policy, from vigorous enforcement of civil rights to merit selection of Federal judges, from development of an FBI charter (which we announced in a joint press conference yesterday) to appointment of U.S. magistrates. Throughout, Mr. Civiletti appeared intimately familiar with the work of the Department. He understood the issues. His comments were responsive. He indicated a strong sense of continuity in leadership. And yet he made clear that he would be his own man, and independently review matters as they came before him. He assured the committee cooperation in providing access to departmental documents and information needed by us. He appeared sensitive to administrative problems in his agency. And Mr. Civiletti showed the kind of clear sensitivity to fairness, civil rights, and equality under law that should be the hallmark of our Nation's chief legal officer.

On two occasions during our hearings Mr. Civiletti discussed his own views on what constitutes "equal justice under law." On the first afternoon of our hearings he was asked by Senator BAUCUS how he, as Attorney General, would interpret the Executive order requirement that nominees to the Federal judiciary "possess and demonstrate commitment to equal justice under the law." Mr. Civiletti answered:

> I think equal justice under the law means that he has demonstrated, either in his conduct, or if he's a judge, in his decisions and his actions, that he is color blind, and race blind, and ethnically blind in his handling of legal issues, and that he enforces the law and determines cases on the merits of the cases regardless of who the parties happen to be or happen not to be, and that his speeches, his course of conduct, his actions, his decisions reflect that commitment to fair and equal justice which rests at the heart of our system.
>
> I think that it is clear in the law generally, in all phases of the law, constitutionally as well as statutorially, that the law is based on equal justice, and whether you're talking about employment, or if you're talking about housing, or you're talking about voting, or talking about any one of a hundred important areas in the daily lives of individuals, our law is, you know, loaded with principles, sound principles of equal justice, so that that's why that particular issue is so important. The whole fabric of the law relates and is dependent on it.

On the final morning of hearings, Mr. Civiletti stated his own belief and commitment to equal rights as follows:

> I am totally committed to equal rights for all Americans. I am totally committed to preservation of the civil rights for citizens and persons that are in the United States and I am equally concerned with the police brutality cases just as I am with education and with housing and with employment and other vital and important rights of all Americans and persons in the United States.

Mr. President, as a private lawyer, as Assistant Attorney General, as the Deputy Attorney General, Ben Civiletti has done honor to his Government, his profession, and his fellow Americans. I am sure he will serve as Attorney General with honesty and integrity, with energy and determination, with sensitivity and understanding. He will be a credit to all of us, and I strongly support his confirmation as Attorney General of the United States.

Mr. SARBANES. Will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, twice before the Senate has confirmed Benjamin R. Civiletti, of Baltimore, for high and responsible positions in the Department of Justice—in March of 1977 when he was nominated for the position of Assistant Attorney General for the Criminal Division and again in May of 1978 when he was nominated to be Deputy Attorney General of the United States. His work in those positions has been outstanding and fully justifies his nomination by the President to be the Attorney General of the United States. He has had to deal with some very difficult problems. He has addressed them all with fairness, objectivity, principle, and a calm steadiness.

It is not necessary to reiterate once again the complete details of Ben Civiletti's distinguished career. I have known him well for almost 20 years, from the time we were both law clerks for Federal judges in Baltimore. He is a person of absolute integrity, great legal skill, and deep commitment to the Constitution and the rule of law. His career at the bar, both in private practice and in public service, clearly demonstrates independent and mature judgment, strength and firmness of character, and dedication to the public interest.

At the heart of Ben Civiletti's achievement is a profound appreciation of the importance of our legal system to the well-being of our society. He knows the ancient Greek saying, given to us by Aristotle, that "Law is a pledge that the citizens of a state will do justice to one another." He will be steadfast in seeing that our people are assured of the liberties and rights which the Constitution and our laws guarantee to them and in seeing that our laws are faithfully enforced against those who would break them.

Ben Civiletti is an outstanding lawyer and a remarkable person. In all respects—intellect, character, experience, and above all commitment to our constitutional system of free self-government—he is superbly qualified to be the Attorney General of the United States. I urge the Senate to act favorably on his nomination.

Mr. KENNEDY. I yield 3 minutes to the Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise in support of the nomination before the Senate today of Ben Civiletti to be Attorney General.

First, let me compliment the distinguished chairman of the Judiciary Committee for the fairness in which he conducted the hearings.

There was indeed some objection to Mr. Civiletti. Due to the chairman's fairness and his willingness to hear from all citizens, I think a good hearing was put forward. I believe some important aspects of the Justice Department were brought out that can be improved.

I am very satisfied that Mr. Civiletti expressed not only to the committee but also to people who were in opposition or who raised some question that he indeed is sensitive, that he indeed understands the civil rights laws of this country, that indeed he is aware that there are violations, and that as Attorney General he will be cognizant of this effort.

Also, I wish to comment on Mr. Civiletti's commitment with respect to organized crime, the effort to combat crime in this country, as a top priority. He has indicated to me in private conversations, as he did before the entire Judiciary Committee, that he believes that a greater effort can be put forward; that he is proud of the effort that Griffin Bell, present Attorney General, has demonstrated with respect to the commitment to combat organized crime and organized narcotics.

Mr. Civiletti made a commitment to the Senate Judiciary Committee that he will continue in this effort and expand it in every way possible, to see that the organized crime efforts in this country are brought to some tolerable level—if there is any level of organized crime that is tolerable.

I also wish to say a word about Mr. Civiletti's abilities to try cases, to be an effective prosecutor. I am extremely pleased that the President of the United States has chosen a prosecutor. As the distinguished Presiding Officer knows, if you are going to be in the law enforcement business, if you are going to be effective, having a little background in the prosecutorial area is certainly helpful. I believe Mr. Civiletti will bring the toughness and the fairness of a truly seasoned prosecutor to that office. In my judgment, at this time in the history of this country, there is nothing we need more.

I also take this opportunity to compliment the present Attorney General, Judge Griffin Bell, a man who truly has brought dignity to this office, who has brought the office back to where it should be, under the crises that have faced it in the past 4 or 5 years.

Judge Bell deserves the heartfelt thanks of this country and of this body. I am truly disappointed that he is leaving the service, but I anticipate that Judge Bell will continue to participate as the outstanding citizen and jurist and Attorney General he is.

Mr. SARBANES. Mr. President, if the Senator will yield, I join the Senator in his words with respect to Judge Bell. I believe he has done an outstanding job as the Attorney General.

I recall that at the time the confirmation of his nomination was before the Senate, there was some controversy. I supported him then. I think that judgment has been borne out in full measure by the extraordinary service he has rendered to the country during his tenure as Attorney General.

Mr. DECONCINI. I thank the Senator from Maryland. I concur completely.

In closing, Mr. President, I reiterate that I believe that civil rights will gain and has gained a real advocate and a friend in Mr. Civiletti's nomination and eventual confirmation.

I know that law enforcement will advance and will be ahead and that the apex and success of the Justice Department's efforts toward the criminal element in this country will be more vigorous than even in the past 2½ years.

I thank the distinguished chairman of the Judiciary Committee for yielding.

Mr. THURMOND. Mr. President, I support the nomination of Benjamin R. Civiletti to be Attorney General of the United States.

Mr. Civiletti had a fine record as a trial attorney and as a member of a prominent law firm before he came to the Justice Department. Attorney General Bell selected him to be head of the Criminal Division and later to be Deputy Attorney General. Judge Bell has spoken very highly of Mr. Civiletti's work in the Justice Department.

Mr. Civiletti is a hard worker. He is industrious and energetic, and he has been aggressive in proposing policies of the Justice Department. He has appeared before the Judiciary Committee a number of times. The members of the committee have had the opportunity to examine him and cross-examine him, and the general opinion is that he is well qualified to be Attorney General. In view of his experience as a practicing attorney and in view of his experience in the Justice Department, it would seem that he is properly qualified to fill this high position, and I am pleased to endorse him at this time to be Attorney General.

Mr. President, I should like to take this occasion to say a word in behalf of Attorney General Griffin Bell.

Judge Bell was a very prominent Federal judge. He had an outstanding reputation, and he gave up a position on the Federal bench to become Attorney General.

When he was appointed Attorney General, some people had some reservations about him; but the longer he served in the office, the more people saw that he was a man of capacity and a man of courage.

He was courteous in his actions and dealings with Members of Congress and others with whom he came in contact, and he gave a general impression that he was a dedicated public servant. He has rendered this country a fine service.

I wish Judge Bell good luck and happiness in his future work, as he goes back to Atlanta, Ga., to join a law firm. I am sure he carries with him the good wishes of all those who had the pleasure of

knowing him here and who appreciate the outstanding job he did as Attorney General.

Mr. WALLOP. The Attorney General of the United States has an enormous responsibility to the President and to the people of this country to set the tone for the full and fair enforcement of the laws throughout the land and to administer the Department of Justice which must carry out this important mandate. My vote will be cast against confirmation of Mr. Civiletti for the highest position in the Justice Department because of some continuing concerns I have about the nominee's skills as an administrator, one of the major tasks facing any Attorney General.

Benjamin Civiletti has thrice been nominated to serve in executive level positions in the Department. I first had occasion to examine the nominee in March of 1977, after he was nominated to be the Assistant Attorney General of the Criminal Division. At that time, Mr. Civiletti was to assume responsibility for the investigation and prosecution of the Korean influence-peddling cases.

The following January 1978, Mr. Civiletti was nominated by the President to become the Deputy Attorney General, the second highest official of the Justice Department. As a member of the Judiciary Committee at that time, I took an active part in the hearings on that nomination. The scope of my examination was broad and touched upon a number of cases before Mr. Civiletti in his capacity as Assistant Attorney General of the Criminal Division.

The issues of the day included the firing of David Marston as U.S. Attorney in Philadelphia, his responsibility for the investigation of allegations against Bert Lance, his handling of the Korean bribery cases, and the disposition of the Helms case. At that time, I was quite concerned about the manner in which these cases were handled under the nominee's direction. Further, it was my conclusion then that Mr. Civiletti's abilities as an administrator were wanting; that his forte clearly was not as an effective supervisor or administrator.

Since his confirmation as Deputy Attorney General, a little more than 1 year has passed. Throughout that time, I have remained interested in the activities of the Department. For that reason, I submitted questions to the nominee on the occasion of his nomination to be Attorney General. The passage of time and the nominee's written responses bear out that many of the controversial cases addressed in the hearings last year are no longer at issue (that is, Korean influence buying cases). Others will soon be brought to trial (Lance); or investigations will continue (obstruction of justice in Marston firing); or have been referred to a special prosecutor (banking irregularities and spinoffs involving Carter peanut warehouse). I will remain an interested observer of these cases until they are finally resolved.

What concerns me now is the ability of the nominee to effectively administer the Department and to make it more responsive to the public. In light of problems occurring in the recent past involving communications with attorneys in the Department, and in light of noted failures to supervise attorneys under his charge, I am concerned that if Mr. Civiletti assumes the No. 1 position in the Department management problems will be compounded rather than cured. It is because of this concern that I cannot vote for confirmation of the nominee. Do let it be known, however, that for the sake of the administration of justice, I hope that I am proved wrong.

Before closing, I think it important to express the sense of frustration I experienced upon review of the nominee's answers to my questions. The thought crossed my mind that Mr. Civiletti may not even have reviewed all the questions, let alone responded to them. One answer, in fact, was written in the third person about Mr. Civiletti, which lends credence to my suspicions. Another answer conveys an arrogance which is not suited to a public official. My question was based upon statements emanating from the White House in which the highest premium has been placed on political compatibility and loyalty to the President as the first qualifications for Cabinet level positions.

I asked Mr. Civiletti if he felt that he could fulfill the President's own campaign promise to depoliticise the Justice Department in an atmosphere in which political compatibility and loyalty are the criteria for selection of Cabinet officers. In his answer, the Attorney General-designate rejected the premise of my question, which manifests, at least to this Senator, a rebuke to the very President he will serve. Notwithstanding his answer which ignores current events, I am hopeful that the Department will be run as a zone of neutrality.

Finally, if this nomination is confirmed by the Senate, as I suspect it will be, I want to express to Mr. Civiletti my hopes that, under his stewardship, the Department of Justice will forge to new heights, and to wish him well in attaining that goal.

● Mr. BAYH. Mr. President, I am happy to support the confirmation of Benjamin Civiletti as the next Attorney General of the United States. Mr. Civiletti has had a long and distinguished career in private practice in Baltimore as well as a creative and professional tenure as Deputy Attorney General under Griffin Bell.

I was able to be in attendance for Mr. Civiletti's appearance before the Judiciary Committee and I was impressed at that time as I had been in the past with his intelligence and his professional view of the role of the Department of Justice in insuring that the laws of the United States are applied with equity. As you know, Mr. President, my colleagues on the Judiciary Committee share my view of Mr. Civiletti since his confirmation was reported unanimously by the full committee yesterday.

As chairman of the Subcommittee on the Constitution I look forward to working with Mr. Civiletti in the areas of civil rights, civil liberties, juvenile justice, and issues which affect the constitutional rights of the American people.

I want to congratulate Mr. Civiletti on this honor and offer to him my support and cooperation in carrying out the difficult responsibilities which lie ahead for him.●

Mr. MATHIAS. Mr. President, the confirmation of the nomination of Benjamin Civiletti to be the Attorney General of the United States will make him the seventh citizen of the State of Maryland who has come to that great honor. He follows a long line of distinguished Maryland lawyers who have served as the chief law enforcement officer of this Republic. They include William Pinckney, John Nelson, Reverdy Johnson, Roger Brooke Taney, Charles Bonaparte, and William B. Rogers.

So as Mr. Civiletti assumes these duties, he brings with him a tradition of distinguished public service—a tradition which I am sure he will maintain. I believe that he merits the support of the Senate. I believe that the President has chosen well in choosing him. I say that not only on the basis of his professional qualifications, his education, and his early experience as a lawyer, because these are obviously superlative, but I say it on the basis of his record at the Department of Justice.

He has served in important positions at the Department of Justice as an Assistant Attorney General and as Deputy Attorney General, and he has done it with a highly professional degree of skill. He has been nonpartisan. I believe he will carry these characteristics into the office of Attorney General.

That office should not be a partisan office, and I am sure he will continue, as he has begun, to administer the Department of Justice in an impartial and a nonpolitical way.

So I heartily support the nomination of Mr. Civiletti to be the Attorney General of the United States, and I look forward, as a member of the Senate Judiciary Committee, to working closely with him in the days ahead.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Benjamin R. Civiletti to be Attorney General?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Louisiana (Mr. LONG), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The PRESIDING OFFICER (Mr. BOREN). Are there any other Senators desiring to vote?

The result was announced—yeas 94, nays 1, as follows:

[Rollcall Vote No. 245 Ex.]

YEAS—94

Armstrong	Glenn	Muskie
Baker	Gravel	Nelson
Baucus	Hart	Nunn
Bayh	Hatch	Packwood
Bellmon	Hatfield	Pell
Biden	Hayakawa	Percy
Boren	Heflin	Pressler
Boschwitz	Heinz	Proxmire
Bradley	Helms	Pryor
Bumpers	Hollings	Randolph
Burdick	Huddleston	Ribicoff
Byrd, Harry F., Jr.	Humphrey	Riegle
Byrd, Robert C.	Inouye	Roth
Cannon	Jackson	Sarbanes
Chafee	Javits	Sasser
Chiles	Jepsen	Schmitt
Church	Johnston	Schweiker
Cochran	Kassebaum	Simpson
Cohen	Kennedy	Stafford
Cranston	Laxalt	Stevens
Culver	Leahy	Stewart
Danforth	Levin	Stone
DeConcini	Lugar	Talmadge
Dole	Magnuson	Thurmond
Domenici	Mathias	Tower
Durenberger	Matsunaga	Tsongas
Durkin	McClure	Warner
Eagleton	McGovern	Weicker
Exon	Melcher	Williams
Ford	Metzenbaum	Young
Garn	Morgan	Zorinsky
	Moynihan	

NAYS—1

Wallop

NOT VOTING—5

Bentsen	Long	Stevenson
Goldwater	Stennis	

So the nomination was confirmed.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—NOMINATION OF PAUL VOLCKER

Mr. ROBERT C. BYRD. Mr. President, while still in executive session, I ask unanimous consent that when the Senate completes action on the Clement nomination tomorrow the Senate then proceed to the consideration of Mr. Volcker; that there be a 30-minute time limitation to be divided as follows: 15 minutes under the control of Mr. PROXMIRE; 5 minutes under the control of Mr. GARN; and 10 minutes under the control of Mr. ARMSTRONG.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—NOMINATION OF WILLIAM MILLER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes action on the Volcker nomination tomorrow the nomination of Mr. William Miller be laid before the Senate and that there be a time limitation on that nomination of 45 minutes to be divided as follows: 15 minutes under the control of Mr. PROXMIRE; 15 minutes under the control of Mr. LONG; and 15 minutes under the control of Mr. DOLE.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR LEGISLATIVE SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate disposes of that nomination the Senate return to legislative session on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS—NEW REPORTS

Mr. ROBERT C. BYRD. Mr. President, while the Senate is still in executive session, I ask unanimous consent that the Senate proceed to the consideration of the nominations beginning with "New Reports" under Department of State; Agency for International Development, Mr. Douglas Bennet; under U.S. International Development Cooperation Agency, Thomas Ehrlich; under National Council on the Arts, Mr. James Rosenquist; under National Mediation Board, Robert Joseph Brown; and the Calendar Orders numbered 300, 301, and 302 under Department of Justice.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF STATE

J. Brian Atwood, of Maryland, to be an Assistant Secretary of State, vice Douglas J. Bennet, Jr.

Harvey J. Feldman, of Florida, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papau New Guinea and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Solomon Islands.

Frank George Wisner II, of the District of Columbia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

Thomas J. Watson, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

James W. Spain, of California, a Foreign Service officer of class 1, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Douglas J. Bennet, Jr., of Connecticut, to be Administrator of the Agency for International Development, vice John J. Gilligan, resigned.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Thomas Ehrlich, of California, to be Director of the United States International Development Cooperation Agency (new position).

NATIONAL COUNCIL ON THE ARTS

James Rosenquist, of Florida, to be a member of the National Council on the Arts for a term expiring Sept. 3, 1984, vice Billy Taylor, term expired.

NATIONAL MEDIATION BOARD

Robert Joseph Brown, of Maryland, to be a member of the National Mediation Board for the term expiring July 1, 1982, vice David H. Stowe, term expired.

DEPARTMENT OF JUSTICE

Alan A. Parker, of California, to be an Assistant Attorney General, vice Patricia M. Wald, resigning.

Jose A. Lopez, of Puerto Rico, to be U.S. marshal for the District of Puerto Rico for the term of 4 years (reappointment).

Irvin B. Smith, Jr., of Delaware, to be U.S. marshal for the District of Delaware for the term of 4 years, vice Peter J. McLaughlin, resigned.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the vote by which the nominations were confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 30 minutes, and Senators may speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR KENNEDY HIGHLIGHTS ENERGY CONSERVATION IN ADDRESS BEFORE NATIONAL URBAN LEAGUE

Mr. PERCY. Mr. President, on July 23, my very able and distinguished colleague Senator KENNEDY delivered an address before the National Urban League Conference in Chicago. I would like to commend Senator KENNEDY for his remarks on that occasion and express my shared concern for a number of the issues he raised.

Senator KENNEDY identified energy as the No. 1 challenge facing America today. Let me quote briefly from his remarks:

> What we face in reality is a national security crisis over energy. Our present energy system relies too heavily on massive supplies of oil imported from a small group of politically unstable but oil-rich nations in the Middle East. If America is to retain its preeminent position of world leadership, we cannot afford to play OPEC roulette with our energy future. We must regain control of the energy lifeline of our nation.

Praising the goals set by President Carter's energy plan, Senator KENNEDY

rightly questioned the means by which the President proposes to meet those goals. Specifically, he expressed doubts as to the wisdom of making synthetic fuels development the cornerstone of the President's plan.

Synthetic fuels may help to reduce our dependence on imported oil in the 1990's, but they will do nothing to ease our energy burdens in the 1980's. Moreover, as Senator KENNEDY pointed out, synfuels are no match for conservation in terms of cost effectiveness.

As I see it, the President's plan includes $88 billion for the Energy Security Corporation, which would set as its goal the production of 2.5 million barrels per day of synthetic fuel by 1990. This means that the Federal Government would pay $35 billion to produce 1 million barrels of synthetic fuel per day in 1990.

For residential and conservation measures, the President has proposed a total new Federal expenditure of $2 billion between now and 1990. The estimated savings from these measures would be 0.5 million barrels per day by 1990. In other words, the President's proposed conservation measures, according to the administration's own calculations, would be over 9 times as cost effective as the proposed synfuels development program.

I agree wholeheartedly with Senator KENNEDY's statement that "our most important guideline should be that the Government subsidies shall go to the most competitive method of reducing oil imports." If the President's plan were based upon this principle, conservation would play a much more prominent role

Promoting energy conservation across the Nation depends upon an effective partnership between the Federal Government, States, and localities. Unfortunately, the Federal Government to date has all but ignored the important role which localities can play in this shared endeavor. On July 18, I introduced the Local Energy Management Act of 1979 (S. 1537), a bill which would encourage localities to tap their own unique energy resources—through conservation measures and the development of renewable energy resources. I am pleased that Senator KENNEDY is an original cosponsor of this bill.

The need for conservation is nowhere more urgently felt than in the homes of lower-income Americans. Home heating oil subsidies alone are an inadequate solution to this grave problem. We must focus equal attention on helping these families to cut their energy needs through prudent conservation investments. Senator KENNEDY has just introduced legislation to address this challenge. I commend Senator KENNEDY for his active concern about low-income energy needs, and I look forward to studying his proposals closely.

I am certain that my colleagues would benefit greatly from a closer look at Senator KENNEDY's remarks before the National Urban League. I therefore ask unanimous consent that the full text of his speech be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR EDWARD M. KENNEDY

It is an honor for me to be here with all of you today and to address this 69th Annual Conference of the National Urban League on "Mobilizing for the Challenges of the 80's." I am grateful to Coy Eklund for his kind introduction. I also thank Jim Compton, President of the Chicago Urban League, who continues the fine tradition established by Bill Berry. Whenever I need a lesson in registering people to vote, I know where to come.

I have been proud to work in Washington with Vernon Jordan and Ron Brown and other leaders of the Urban League on the many different issues we care about. I am especially pleased to have your strong support in our struggle to enact a program of comprehensive national health insurance for all the people of this nation.

I am pleased to be here as well with Emory Jackson and Joyce London Alexander of the Urban League in Boston, and Henry Thomas of the Springfield Urban League, who are providing leadership on a broad range of major issues of importance to the state of Massachusetts. Early next month, as you know, Joyce will be sworn in as the new United States magistrate in Massachusetts. I am confident that she will bring to the federal judiciary in our state the same sensitivity and experience she has demonstrated in her fine work for the Urban League, enhancing the rights of all our citizens.

Throughout its long and proud history, the Urban League and the 115 affiliates you have today have been blessed with outstanding leadership. You have made a real and very important difference on critical domestic issues in every aspect of American life.

Because of the work of leaders in the Urban League and other great leaders of Black America, this country has made dramatic progress on some of the most difficult questions the nation has ever faced. In recent decades, we have begun to deal more effectively with the unfinished business of the American Revolution and the Civil War. We have begun to build a stronger nation at home and around the world.

We honor the heroes of the past. In remembering the leadership of A. Philip Randolph, we recall how, on the eve of war in 1941, he led the first great civil rights march on Washington to end racial discrimination in the defense industries of the United States. President Franklin Roosevelt responded, and when Pearl Harbor came America's military machine entered the war under a landmark presidential order requiring fair employment practices in every aspect of our national defense. A. Philip Randolph knew that if black and white Americans were to fight side by side on the battlefields of Europe or Asia, they must also be allowed to work together in the factories and on the assembly lines in every city, town, and village in America.

Today as well, we remember the leadership of Whitney Young and his brilliant effort to achieve one of the noblest dreams of the Urban League, the concept of a Marshall Plan for the United States in the 1960's, a plan to bring millions of Black Americans into the mainstream of American economic life.

We remember also another great march on Wednesday. At the Lincoln Memorial in 1963, irresistible momentum was generated for the enactment of the three greatest civil rights laws of this century—the Public Accommodations Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968.

And we also remember that dramatic day in August of 1965 that marked the turning point in Vietnam, the day when perhaps the greatest civil rights leader of them all, Dr. Martin Luther King, announced his opposition to the war. It was time, he said, for the civil rights organizations of America to use their full resources to end the escalation of the war, to halt the bloodshed in Indochina, and turn to the urgent and more important business of building a stronger nation here at home.

Because of brilliant black leadership like this, America embarked on a soaring new commitment to fulfill the needs of all the citizens of this country—not just the rich, but the poor as well; not just the strong, but the weak as well; not just the powerful, but others as well—the women and the blacks and the Spanish-speaking and all the others who have too long been denied the reality of the pledge of 1776, that this nation shall be a land of freedom and justice and opportunity for all.

It is a measure of how far we have fallen short of these great goals that we meet now at a time of doubt, a time of reaction and resistance, a time when the flame of the dream has too often seemed to flicker on critical issues like jobs, and housing, and education, and health care.

Many in the nation, agreeing with the eloquent theme of this conference, will say good riddance to the decade of the 70's as we mobilize for a new assault in the 80's on the challenges we face. Let us pledge here to keep the flame alive, to march again the way we marched before, to resume our progress toward the goal of full and genuine equality of opportunity for every citizen of this land.

To those who say not now, or who would pull up the ladder to keep others off the ship, I reply that delay is wrong. It will only make the problems worse. Cover the mineshaft and the fires still rage below. Flee from our problems now, and we shall dump them on our children, on our children's children, and on generations yet unborn.

As Vernon Jordan told this annual conference a year ago:

"We of the Urban League movement are saying to America, let justice roll down like water, and righteousness like a mighty stream.

"We are saying to America, every valley shall be exalted, and every mountain and hill shall be made low, the crooked places made straight, and the rough places made plain.

"Yes, we are saying to America, hate evil and love good, and establish justice within the gates."

All Americans deserve to share in the justice within our gates. The strength of this country depends on our military power. But it also depends on the quality of life we leave for our children and for future generations.

We know that many things are wrong.

It is wrong that a child's future in America is limited by the hopeless poverty that his parents, and their parents before them, have inherited and have struggled desperately to escape.

It is wrong that a child growing up in the ghetto of a city is more likely to drop out of high school than to graduate from college.

It is wrong that a child should know no home except a forlorn and temporary shack in a migrant labor camp.

It is wrong that a newborn black child lives sicker and dies younger than other children, to the point where, as Vernon Jordan told our Senate Health Subcommittee, the Surgeon General should issue a warning that "Being Black can be dangerous to your health."

It is wrong that any child's future in America should be limited by the color of his skin, or by the Spanish inflection of his name, or by the sharing of an Indian heritage.

You know as well as I that when inflation, recession and energy begin to press heavily on the economy, as they do today, it is those who have the least who feel the pain the most. Whether you live in South Chicago, or Roxbury, in Watts or Harlem

or Buttermilk Bottom in Atlanta, the heaviest burden of our economic crisis falls squarely and unfairly on the elderly and the poor and low-income groups.

They are the first to feel the pressure of higher prices from inflation. They are the first to lose their jobs in recession. They are the first to see their lights go dark, their tables bare, their children sick, and their homes cold because of the soaring price of food and heating oil and medical care.

It isn't fair. No one in this country should have to choose between adequate food and adequate heat and adequate health. If sacrifice is necessary in the United States of America in this year 1979, it is sacrifice that must be shared equally, not borne unfairly by any group of citizens in our society.

One week ago yesterday, President Carter issued a new challenge to America, a challenge to mobilize our national resources and our national will to deal with our energy problems.

As we debate the way to respond to this challenge, there are two questions that must be answered. Is there really an energy crisis? And, if there is a crisis, what steps should we take to overcome it?

It is clear to me that we do face a serious national crisis over energy. But the nature of the crisis is an unusual one. America is not running out of energy. We have abundant non-oil sources waiting to be tapped. We have a 400-year supply of coal, a 100-year supply of shale oil, and huge supplies of other sources. The amount of solar energy that reaches the earth's surface every two weeks is equivalent to all of the known reserves of coal, gas, and oil throughout the world.

You may well ask, if we have these enormous supplies available, why do we fail to use them? The answer is their cost—they are more expensive than imported oil today. The reason we use imported oil is not, as some would claim, because of excessive environmental restrictions on energy development here at home, or because of excessive bureaucratic regulation. We use imported oil for the simple reason that it is the cheapest alternative now available.

What we face in reality is a national security crisis over energy. Our present energy system relies too heavily on massive supplies of oil imported from a small group of politically unstable but oil-rich nations in the Middle East. If America is to retain its pre-eminent position of world leadership, we cannot afford to play OPEC roulette with our energy future. We must regain control of the energy lifeline of our nation.

To meet this threat to our national security, I believe that the people of America are prepared to unite to take whatever steps are necessary. As citizens, all of us are prepared to do our share to end our dangerous dependence on foreign oil. The question is, how?

In large measure, I support the goals announced last week by President Carter. While I differ with the Administration on some details and approaches, I am confident that the national debate now under way in Congress will resolve these questions rapidly and in a way that puts America squarely on the road to a more secure supply of energy in the future.

I believe that in at least 4 areas, we must do more than the Administration has proposed.

First, we must move as swiftly as possible to enhance the efficiency of our current energy use. This is the best and most cost-effective method to reduce our excessive reliance on imported oil. Already, because of the success of efforts in this area since 1973, our level of imports today is 2.8 million barrels a day below what it would otherwise have been.

Second, we must diversify our oil supplies by exploring for new oil in the vast areas of the world that lie outside the control of the OPEC nations in the Middle East.

Third, we must use our free enterprise system to develop alternatives to oil as sources of energy as we move into the 1980's and on toward the year 2000.

Fourth, we must provide adequate additional protection for the millions of low and middle income citizens and small businesses hit hardest by the astronomical increases in the cost of gasoline and home heating oil.

Next week in the Senate I shall introduce, along with Senator John Durkin of New Hampshire, a bill to establish a program to improve the efficiency of the way America uses its current supplies of energy.

The Administration has recognized the potential of this energy conservation approach by proposing a modest program in this area. But the saving they propose is only 500,000 barrels of oil a day from residential buildings.

I believe we can do many times better than that. The legislation I propose will concentrate exclusively on the positive side of conservation, by insisting—not that we use less energy—but that we use our existing energy more efficiently in residential buildings, commercial buildings, and basic industrial processes.

We know that such a program can work. The Canadian Home Insulation Program, for example, was recently expanded into a Canada-wide effort, after a successful demonstration program in Nova Scotia proved that it could work.

Together, these energy efficiency proposals, which will be entirely voluntary, can save four million barrels of oil a day by 1990, or about eight times the savings proposed in the Administration's plan. The cost will be about $10 a barrel saved, compared to the world price today of $20 a barrel for oil.

In addition, these new proposals will put urgently needed dollars into areas hardest hit by the cost of imported oil. They will help families directly, by enabling them to reduce their energy bills. And they will also create 400,000 new jobs, many of which will go to the unemployed in our inner cities.

While we work to reduce our imports, however, America must also encourage the diversification of its overseas oil supplies. To the extent we continue to import oil, we must do so in ways that avoid excessive dependence on any specific region of the world. It is little short of scandal that, six years after the Arab Oil Embargo of 1973, we have not yet seriously begun to explore for oil in other regions of the world.

Significant new supplies of oil are waiting to be discovered, especially in South America and the Far East where the potential for new sources is the greatest. We have drilled more holes in Arkansas in search of oil than in all of Latin America, more holes in North America than in the rest of the world combined.

No example is more telling than Mexico. When President Ford visited that nation in 1975, the proven reserves of Mexico were 2.5 billion barrels. By the time President Carter visited Mexico earlier this year, the known reserves had mushroomed sixteenfold to 40 billion barrels. Some experts now feel that the actual level may be five times as great again.

We have a new Saudi Arabia just south of our border. For the past two years, I have pleaded with the Administration and the Department of Energy to develop a common North American energy market with our friends and neighbors in Canada and Mexico. Now, the time to act has come.

Finally, for the long run, we must begin now to develop alternative sources of energy—from synthetic fuels, from solar power, and from other products of American ingenuity.

But as we move toward these alternative fuels, let us proceed with caution and common sense. Let us not delude ourselves that a crystal ball in Washington allows us to see accurately into the future and decide which of today's possible technologies will provide the wisest answers for tomorrow's energy needs.

There is a sad precedent for the energy lesson we should have learned. Thirty years ago, the crystal ball seemed to be saying that nuclear power was the answer. And so the federal government foolishly embarked on a massive research and development program devoted almost exclusively to nuclear power. The potential of coal and solar power was ignored.

Today, after three decades and tens of billions of dollars in government spending, America's marriage to the atom is over. The future of nuclear power has been deeply clouded by the accident at Three Mile Island. Unless we can build our nuclear plants safely, unless we can dispose of their wastes effectively, we should not build them at all.

The comparable fad today is synthetic fuel. Perhaps it will prove to be the answer to the energy crisis. But we cannot yet say for certain whether synthetic fuel or any other technology is the answer. We do not even know whether some new and even more promising technology will appear suddenly on the horizon and surpass all the others that now exist.

If we are to make a national commitment to the development of extensive new energy sources here at home—and I believe we must—let us do so in ways that provide the highest probability of actually hitting the target. The system that built this Nation and made it great—the system of competition and free enterprise—should be allowed to make America's energy choices for the future—not the bureaucrats in the Department of Energy in Washington, not the industry lobbyists who have the ear of Congress, and certainly not the executives in the board rooms of the oil companies that have brought us to our present low estate.

Instead of deciding in Washington to pour $88 billion solely into synthetic fuels, let us expand the program by letting competition work. Let us offer these huge government subsidies on an equal basis to any new technology that promises a realistic and cost-effective solution to our needs.

For example, one of the leading current proposals in Congress, already adopted by the House of Representatives, would require the Federal Government to guarantee the purchase of several million barrels a day of synthetic fuel from the lowest bidders.

But why should such a program be limited only to the producers of synthetic fuel? Why not open up the bidding process to all alternative energy sources? Coal energy, solar energy, wind energy, geothermal energy, hydroelectric energy, oil diversification energy from overseas, new techniques for energy efficiency, and whatever else the mind of America can devise—all should be allowed to compete for the massive funds the government makes available. Our most important guideline should be that the government subsidies shall go to the most competitive method of reducing oil imports.

We cannot afford to rely solely on synthetic fuel. As H. L. Mencken once said, "There is always an easy solution to every human problem—neat, plausible, and wrong." It would be a tragedy of monumental dimension for the United States government over the next ten years to pour tens of billions of hard-earned tax dollars into the energy equivalent of the Goodyear blimp, only to learn a decade from now that two brothers named Wright had discovered a better way to fly.

The challenge we face today is to make these decisions wisely. But we cannot do so unless leaders like yourselves and others

throughout the country participate in the debate.

On energy and all the other great issues you face, you do not have to go on suffering in silence and misery because of policies that contradict your interests and confiscate your pocketbooks. You can alter those policies. You can change the direction of the Nation. You can become a powerful political force in modern America. You can make the system work for you, just like the oil companies and so many other special interest groups now make it work for them.

Together, we can meet our energy crisis in a responsible way, and make progress toward all our other goals.

We can pass the Fair Housing Bill and provide the effective enforcement procedures needed to end discrimination in housing in America.

We can honor the cause of Civil Rights by passing the legislation to make Martin Luther King's birthday a national holiday.

We can defeat the Mottl Busing Amendment in the House of Representatives tomorrow, and rescue the Constitution from a shameful threat of an amendment that would reverse the tide of a century of progress toward ridding this nation of segregation and racial discrimination.

We can do other things as well.

We can pass National Health Insurance, and make health care in this rich land a basic right for all, not just an expensive privilege for the few.

We can put more blacks and other minorities on the federal bench in every state.

We can insure that federal aid to education provides adequate support for the struggling black colleges and universities of this land.

We can ratify the Equal Rights Amendment, so that no woman in America becomes the victim of discrimination because of sex.

And we can also ratify the D.C. Voting Rights Amendment, so that the people of the District of Columbia receive the full voting representation they deserve in the United States Senate and House of Representatives.

We cannot afford to be discouraged or disheartened by the opposition we face or by the temporary setbacks we may suffer. If we have confidence in ourselves, confidence in our nation, confidence in our future, we know that right shall finally prevail.

In the epic poem John Brown's Body, President Lincoln speaks eloquently. There is always something left, he says—a last ounce of courage that can be summoned to achieve triumph over even the greatest adversity. As he stated:

We can fail and fail
But deep against the failure,
Something goes forward, something lights a match,
Something gets up from the ground,
Armed with a bitten and a blunted axe,
And after twenty thousand wasted strokes,
Brings the tall hemlock crashing to the ground.

Let each of us, to the best of our ability, make those words our own. Let us keep faith with our great commitments of the past. Let us summon new confidence, so that we too may succeed in bringing the tall hemlocks of racism and discrimination crashing to the ground.

THE WATSON APPOINTMENT

Mr. PERCY. Mr. President, I wish to bring to the attention of my colleagues two editorials from major American newspapers concerning the nomination and confirmation of Thomas J. Watson, Jr., to be Ambassador to the Soviet Union. These editorials, in the Chicago Tribune of July 25, 1979, and the Washington Star of August 1, 1979, endorse Mr. Watson's qualifications for the position and make the important point that an ambassador of Mr. Watson's unique experience can serve the national interest well in Moscow.

The Washington Star originally opposed this nomination. It is evidence of greatness for a newspaper to reassess its position in the light of new evidence and evaluation and publicly proclaim a different conclusion.

I ask unanimous consent that the editorials be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

THE WATSON APPOINTMENT

This newspaper initially opposed the nomination of Thomas J. Watson Jr. to be American ambassador to the Soviet Union. Grounds: that the job would be better filled by a professional diplomat with language skills and long on-the-spot immersion in the politics of the Soviet bloc.

Nevertheless, the Senate's confirmation of Mr. Watson is a reminder of how strong a case there is for *not* giving the post to a Foreign Service officer and for giving it to a knowing outsider such as Mr. Watson.

There is evidence that the Soviets are put off by the Foreign Service Slavic scholars; their very qualifications rouse Kremlin paranoia about foreign embassies as espionage centers. An ambassador who, rightly or wrongly, stirs suspicion in these highly suspicious people may be held at arm's length by the Soviet power structure, to the point where nothing gets done.

Government officials in the U.S.S.R. are more likely to develop comparatively easy-going relations with a person accustomed to straightforward business negotiations than with one known for nimbleness in diplomatic footwork. Furthermore, the contemporary Soviet interest in promoting trade makes a businessman a congenial choice as an American ambassador to Moscow at this time. Particularly one with the Watson expertise in computers—as head of International Business Machines, Mr. Watson directed the setting up of a computer exhibit in Moscow in 1959. Later, the new ambassador showed Nikita Khrushchev through an IBM plant in the United States.

Besides, as chairman of the General Advisory Committee on Arms Control for nearly two years, Mr. Watson is a man whose awareness of and interest in the fine print on U.S.-Soviet relations goes far beyond matters of trade. And, while he is not wholly fluent in the Russian language, he is sufficiently at home in it that he was able to handle the servicing of his aircraft when he was flying all over the U.S.S.R. as a World War II pilot for General Follett Bradley, who was in charge of opening up the lend-lease ferry route for planes being delivered from the United States.

An equally significant area of qualification for an American ambassador is, paradoxically, freedom from the entanglements of the Foreign Service system. For all the detached professionalism the system breeds, it is also subject to the lures of the courtier mentality.

When careers rise and fall by what Washington thinks, as they do for FSOs, there is a great temptation to tell the people back in The Department what they want to hear. Or, at least, what the field thinks they want to hear. Many a disastrous foreign policy turn can be traced to misinformation designed to please somebody's boss.

Fearless candor comes easier when an ambassador has a power base outside the system. The Averell Harriman example of the non-diplomat ambassador to Moscow some years ago comes to mind. Fresh approaches come easier when an ambassador has not spent years conforming to patterns of thinking and behavior fixed in Foggy Bottom. The Moscow embassy calls for all the courage and freshness of style the United States can put there.

We wish Mr. Watson success.

THE WATSON APPOINTMENT

President Carter ruffled a few well-groomed feathers in the State Department when he named Thomas J. Watson as ambassador to the Soviet Union. Career foreign service officers in the department are complaining that Mr. Watson, formerly head of IBM, is unqualified for the touchy post. He lacks a detailed professional knowledge of the Kremlin's politics and personalities, and he does not speak fluent Russian. In an age of nuclear tensions, say the critics, the Moscow job should go to a career diplomat, not to an amateur who happens to be a friend of the President.

Those objections miss the fundamental point.

As was all too clear during the tenure of outgoing Ambassador Malcolm Toon, a highly knowledgeable career foreign service officer can still be a disastrous ambassador in Moscow. Mr. Toon, despite his long experience in tough posts, his linguistic ability, and his detailed knowledge of Soviet affairs—or perhaps because of them—despised the Soviets and everything they stood for. And he made no secret of his feelings. His sharp-tongued criticism of the Kremlin's incumbents was the subject of general diplomatic gossip in Moscow and while his opinions may well have been justified, they made him worse than useless as our representative there—especially at a time when the future of the world depends on relations between the two superpowers.

Obviously it is desirable that an ambassador have a broad professional knowledge of the politics and language of the country to which he is assigned; too many of our ambassadors have been weak on the language count. But other things are more important in Moscow just now—such as finding ways to expand trade, communication, and technological cooperation with the Soviets. Mr. Watson is excellently qualified for that task, both because of his experience at IBM and because of his numerous trips to the Soviet Union, dating back to Lend-Lease, to negotiate commercial deals.

There is a place in Washington for the skeptical mind of a Mr. Toon. Certainly it would be folly to take every profession of Soviet good will and sincerity at face value. But outspoken cynicism at the bargaining table is not the way to build the cooperative, mutually beneficial relationship with the Soviets that is essential if we are to avoid war and persuade the Soviets to become more open and humane. In this task, we wish Mr. Watson every success.

MESSAGES FROM THE HOUSE

At 12:09 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to H.R. 2807, an act to amend the Bankruptcy Act to provide the nondischargeability of certain student loan debts guaranteed or insured by the United States.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate.

H.R. 4930. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 80. A concurrent resolution authorizing a bust or statue of Martin Luther King, Junior, to be placed in the Capitol.

The message also announced that, pursuant to the provisions of 22 U.S.C. 276a-1, as amended by Public LAW 95-45, the Speaker has appointed Mr. PREYER, chairman, Mr. DERWINSKI, vice chairman, Mr. FOUNTAIN, Mr. PEPPER, Mr. PICKLE, Mr. DE LA GARZA, Mr. GOODLING as members of the delegation to attend the Conference of the Interparliamentary Union, held in Caracas, Venezuela, on September 13 to September 21, on the part of the House.

At 5:21 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House agrees to the amendments of the Senate to House Concurrent Resolution 168, a concurrent resolution providing for an adjournment of the House from August 2 to September 5, 1979 and a recess of the Senate from August 3 to September 5, 1979.

ENROLLED BILL SIGNED

At 6:36 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 961. An Act to amend the Speedy Trial Act of 1978.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 8:25 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the amendment of the Senate to H.R. 4476, an act to extend certain programs under the Higher Education Act of 1965 for one year, and for other purposes.

The message also announced that the House passed the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, with amendments; that the House insists upon its amendments to the bill and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. DINGELL, Mr. OTTINGER, Mr. SHARP, Mr. MOFFETT, Mr. BROYHILL, Mr. BROWN of Ohio, and Mr. STOCKMAN were appointed managers of the conference on the part of the House.

HOUSE BILL AND CONCURRENT RESOLUTION REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4930. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 80. A concurrent resolution authorizing a bust or statue of Martin Luther King, Junior, to be placed in the Capitol; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment, and with a preamble:

S. Con. Res. 35. A concurrent resolution reaffirming the commitment of Congress to the right of the people of Puerto Rico to determine their own political future (Rept. No. 96-281).

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. Res. 217. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1110. Referred to the Committee on the Budget.

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment:

S. 1110. A bill to include home delivery of children's publications in the existing rates for children's publications sent to schools (Rept. No. 96-282).

By Mr. PRYOR, from the Committee on Governmental Affairs, without amendment:

S. Res. 218. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3923. Referred to the Committee on the Budget.

H.R. 3923. An Act to amend chapter 25 of title 44, United States Code, to extend for two years the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes (Rept. No. 96-283).

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment:

S. 25. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday (Rept. No. 96-284).

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S.J. Res. 99. A joint resolution to provide for the designation of a week as "National Lupus Week."

S. 88. A bill for the relief of Soerjanti Bonzoumet-Soetarto (Rept. No. 96-285).

S. 216. A bill for the relief of Chong Hui Schrein (Rept. No. 96-286).

S. 707. A bill for the relief of certain aliens (Rept. No. 96-287).

H.R. 896. An Act for the relief of Joseph J. Andrews (Rept. No. 96-288).

H.R. 899. An Act for the relief of Mr. and Mrs. Aaron Wayne Ogburn (Rept. No. 96-289).

H.R. 932. An Act for the relief of Doris Mauri Coonrad (Rept. No. 96-290).

H.R. 1168. An Act for the relief of James C. Wilkinson (Rept. No. 96-291).

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment:

S. 151. A bill for the relief of Jerry W. Manandic and Ceferino W. Manandic (Rept. No. 96-292).

S. 319. A bill for the relief of Chan Siu Ha (also known as Linda Chan) (Rept. No. 96-293).

S. 974. A bill for the relief of Tin Foo Chan (also known as Michael Chan) (Rept. No. 96-294).

By Mr. MORGAN, from the Select Committee on Ethics, without amendment:

S. Res. 220. An original resolution amending the Standing Rules of the Senate (together with minority views) (Rept. No. 96-295).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

G. William Miller, of California, to be Secretary of the Treasury.

(The above nomination from the Committee on Finance was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Paul A. Volcker, of New Jersey, to be a Member of the Board of Governors of the Federal Reserve System.

Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System.

Harold Alonza Black, of North Carolina, to be a Member of the National Credit Union Administration Board.

P. A. Mack, Jr., of Indiana, to be a Member of the National Credit Union Administration Board.

(The above nominations from the Committee on Banking, Housing, and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEWART (for himself, Mr. TALMADGE, and Mr. LUGAR):

S. 1613. A bill to further the purpose of the Food and Agriculture Act of 1977 in providing price and income protection for farmers and assuring consumers of an abundance of food and fiber at reasonable prices; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BENTSEN:

S. 1614. A bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations.

By Mr. HOLLINGS (for himself, Mr. THURMOND, Mr. CRANSTON, and Mr. HAYAKAWA):

S. 1615. A bill for the relief of James R. Thornwell; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 1616. A bill for the relief of the estate of Timothy E. Nunley; to the Committee on the Judiciary.

By Mr. HEFLIN:

S. 1617. A bill for the relief of Byung Ho Choe, his wife, In Sook Choe, and his sons, Ki Hyuk Choe and Ki Kwan Choe; to the Committee on the Judiciary.

By Mr. FORD:

S. 1618. A bill for the relief of Clarence S. Lyons; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 1619. A bill to amend the Internal Revenue Code of 1954 to provide that motion picture films and video tapes which are produced for sale or rent as training films are to be treated as educational films for purposes of the investment credit; to the Committee on Finance.

S. 1620. A bill to amend the Internal Revenue Code of 1954 to increase the dividend exclusion from $100 to $1,000; to the Committee on Finance.

S. 1621. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax at the same rate as the investment tax credit to investors purchasing bonds the proceeds of which are to be used to acquire new section 38 equipment; to the Committee on Finance.

S. 1622. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax to individuals in respect of their acquisition of stock traded on an established market; to the Committee on Finance.

S. 1623. A bill to amend the Internal Revenue Code of 1954 to provide an inflation adjustment in the determination of capital gains and losses of individuals; to the Committee on Finance.

By Mr. GRAVEL:

S. 1624. A bill for the relief of Francisco Pang; to the Committee on the Judiciary.

By Mr. McGOVERN:

S. 1625. A bill to amend the Act of December 20, 1944, as amended; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH:

S. 1626. A bill for the relief of H. F. Mulholland and the estate of John Oakason; to the Committee on Energy and Natural Resources.

By Mr. TSONGAS:

S. 1627. A bill entitled the "Consumer Checking Account Equity Act of 1979"; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HART:

S. 1628. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEWART (for himself, Mr. TALMADGE, and Mr. LUGAR):

S. 1613. A bill to further the purpose of the Food and Agriculture Act of 1977 in providing price and income protection for farmers and assuring consumers of an abundance of food and fiber at reasonable prices; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. STEWART when he introduced the bill appear earlier in today's proceedings.)

By Mr. BENTSEN:

S. 1614. A bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I am today introducing a bill to help preserve independent newspapers by exempting holdings in independent local newspapers from taxes on excess business holdings of private foundations.

In 1969 section 4943 was added to the Internal Revenue Code. Under this section, all private foundations will be prohibited after May 26, 1989 from owning more than 50 percent of the assets of stock of any business enterprise owned by them on May 26, 1969.

My bill would permit the private foundations which presently own interests in independent daily newspapers to continue that ownership. In addition, it would encourage individuals who own controlling interests in other independent newspapers to bequeath their interests in these newspapers to private foundations since ownership by the private foundation could be continued for more than the present 5-year mandatory divestiture period. Such bequests would accomplish at least two very worthwhile objectives.

First, a significant amount of assets would be irrevocably committed to charitable purposes.

Second, locally owned, independent newspapers would be preserved.

Under current law, continued ownership of independent newspapers is very difficult. If the newspaper is owned by a private foundation, section 4943 mandates its sale. If the newspaper is owned by an individual, the payment of the Federal estate tax obligations incurred upon the death of the principal owner often necessitates sale. The proposal would permit the ownership of only one independent, local newspaper by a private foundation.

To insure the continuation of a broad-based, independent, free press in the United States, the policy of Congress should be to encourage, rather than discourage, the ownership of independent local newspapers throughout the country. The bill I am introducing today would promote that objective.●

By Mr. HOLLINGS (for himself, Mr. THURMOND, Mr. CRANSTON, and Mr. HAYAKAWA):

S. 1615. A bill for the relief of James R. Thornwell; to the Committee on the Judiciary.

JAMES R. THORNWELL

Mr. HOLLINGS. Mr. President, today I am introducing legislation to provide relief for Mr. James R. Thornwell, a native of South Carolina now living in California. Joining with me in support of this bill are Senators THURMOND, CRANSTON, and HAYAKAWA. Congressman RONALD V. DELLUMS and several of his colleagues in the House of Representatives are today taking similar action.

The attached memorandum and materials more fully express the circumstances surrounding Mr. Thornwell's case and clearly state the compelling reasons for this legislation. In brief, Mr. President, this bill seeks to correct the abusive treatment Mr. Thornwell received from the U.S. Army. Without his knowledge, he was administered LSD as a subject of "Operation Third Chance" in 1961. This program consisted of a series of Army experiments performed in Europe to test LSD as a "truth serum" in intelligence interrogations of individuals placed under extreme physical and mental abuse. Mr. Thornwell endured the abuse. However, this sad state of affairs did not end with the testing. Mr. Thornwell was released, without being notified of the testing or conditions that he had undergone, and without having any corrective treatment or receiving any aid from the Army. His life since then, needless to say, has been nothing but disorientation and despair.

The U.S. Army recognizes the mistakes it made relative to Mr. Thornwell's treatment and supports this bill, as does the Department of Justice. I believe, Mr. President, that this legislation provides an appropriate remedy for Mr. Thornwell, and I urge its earliest consideration.

Mr. President, I ask unanimous consent that the bill as well as supporting materials be made a part of the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, $1,700,000 to James R. Thornwell, originally of South Carolina and now of Oakland, California. Such sum shall be in full satisfaction for the severe physical, psychological and economic damage, including pain, suffering, emotional distress, trauma and permanent injuries, inflicted upon James R. Thornwell as a result of the administration by Army personnel of LSD to him in 1961 without his knowledge or consent after subjecting him for six preceding weeks to extreme physical and emotional stress, as part of an Army drug testing program in which he was the only American subject, and as a result of the concealment by the Army of the use of LSD from James R. Thornwell for 17 years thereafter, during which time he suffered from severe psychological disorientation, and of the Army's failure to provide him any follow-up care. The payment of such sum shall be in full satisfaction of all claims of James R. Thornwell, his heirs, executors, personal representatives or assigns, of any nature whatsoever against the United States and its agencies, or against any past or present employee, agent, officer or person of or associated with the United States, in connection with the circumstances of his injuries compensated hereunder, including injuries incurred subsequent to his discharge from the Armed Forces, and such payment shall be in lieu of any further compensation or award for such injuries.

SEC. 2. No part of the amount appropriated by this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of the provision of this section is a misdemeanor punishable by a fine not to exceed $1,000.

BRIEFING PAPER ON PRIVATE LEGISLATION FOR JAMES R. THORNWELL

I. Background facts:

A. The LSD experiment on Thornwell.

In June, 1961, James R. Thornwell, then a United States Army private, was administered LSD without his knowledge or consent as part of a covert drug testing program conducted by the Army. For sixteen years thereafter, the Army deliberately concealed

from Thornwell the fact of his exposure to this highly potent and hazardous drug, and, despite knowledge of the severe psychological and physical effects of this experiment, failed to provide him any follow-up care. It was not until October, 1977, and then only as the result of his own initiative in requesting Army records under the Freedom of Information Act, that Thornwell learned of his surreptitious subjection to LSD.

As documented in these Army records, Thornwell was the only American subject of "Operation Third Chance," a series of Army experiments performed in 1961 in Europe to test LSD as a "truth serum" in intelligence interrogations of individuals placed under extreme physical and mental stress. Thornwell was stationed in France at this time, assigned to an Army message center in Orleans.

For six weeks immediately prior to his LSD drugging, Thornwell was almost continuously brutalized by agents of the Army Counter Intelligence Corps. During this period, Thornwell was solitarily confined in a small chamber with covered windows and deprived of food, drink, sleep, and the use of toilet facilities. His isolation was broken only by periods of interrogation about the disappearance of classified documents from the Orleans message center. During the interrogations, Thornwell was beaten, threatened, verbally degraded, injected with sodium pentathol and hypnotised by Army agents.

Climaxing these weeks of sustained brutality and deprivation, Thornwell was taken in June of 1951 to an abandoned mill outside of Orleans and given LSD. According to a report prepared by the Army team conducting the LSD experiment, Thornwell, already disoriented and weakened by the preceding weeks of stress, had an "extreme paranoic reaction" to the drug, the effects of which were "highly sustained and almost incapacitating." Thornwell, the Army team stated, experienced the "[m]ost profound behavioral effects of all subjects of Operation Third Chance."

While under these effects, Thornwell was again interrogated by inhumane methods including threats to extend his drug-induced state to a permanent condition of insanity. At no time, however, did the Army or any other investigating agency produce credible evidence of Thornwell's involvement in the disappearance of any classified documents, and all charges of misconduct by Thornwell were dropped.

B. The damage resulting to Thornwell.

Prior to the months of physical and psychological anguish inflicted on him by the Army in 1961, Thornwell was a healthy, highly motivated and hard-working individual. He had no history of psychiatric disorders. Examinations of Thornwell by Army doctors before the LSD exveriment confirmed that he was mentally sound and neither psychoic nor depressed. Thornwell's performance in secondary school was superior, earning him a college scholarship awarded to the most outstanding black student in his high school class. He completed one year of college before joining the Army, and had scholarship funds available for return to school after completion of his military service. Thornwell also had an active and successful social life.

The Army's LSD experiment on Thornwell, and its sixteen-year failure to treat his consequent illness or even to inform him of its cause, have left him a chronic social and emotional cripple. In marked contrast to his pre-1961 accomplishments and patterns of behavior, Thornwell has, since his discharge from the Army in 1961, been unable to maintain gainful employment except for short periods, and unable to sustain satisfying relationships with family or friends. Objective expert examiners have diagnosed him as suffering from serious physchiatric disorders attributable to his torture and drugging by the Army in 1961 and the Army's subsequent neglect of his condition. A medical specialist retained by the Army itself in 1978 confirmed the causal link between Thornwell's present impaired state and the extraordinary trauma he experienced in the 1961 experiment.

II. Appropriateness of private legislation:

Thornwell's case is uniquely appropriate for private relief legislation. He is the *only* American whose rights were so flagrantly violated by the Army in the course of its LSD experiments; Army records clearly reflect that no other United States citizen was the subject of the "Operation Third Chance" LSD experiments or of any comparable Army LSD testing program using human subjects without their knowledge or consent.

Moreover, the Army has acknowledged the facts recited above as to Thornwell's unwitting participation in this inhumane experiment and as to the Army's failure to inform him of his exposure to LSD or to provide any follow-up care.

Yet, Thornwell has been held to be barred from obtaining any judicial relief for the severe damage caused by the drug experiment on him. In October, 1978, Thornwell brought suit in the District of Columbia to obtain relief for the injuries suffered as a result of the LSD experiment and the Army's sixteen-year neglect of his resulting illness. On May 30, 1979, United States District Judge Charles Richey ruled that the United States and its officers are immune from liability to Thornwell for the injuries from his subjection to LSD in 1961 and other governmental abuse while he was in military service.

Both the Department of the Army and the Department of Justice have committed their full and vigorous support for this private legislation for Thornwell. Following is an itemization and documentation of the damages for which the legislation is intended to compensate Thornwell.

PRIVATE LEGISLATION FOR JAMES R. THORNWELL: DAMAGE ITEMIZATION AND DOCUMENTATION

The itemization of damages below and supporting materials attached hereto as Exhibit A and B establish the basis for private legislation compensating James Thornwell in the sum of $1,700,000. Both the Department of the Army and the Department of Justice consider this to be an appropriate and fully substantiated amount of compensation for Thornwell. Payment to Thornwell under the bill is contingent upon his relinquishment of all claims against the United States and its officers and agents.

1. Lost Earnings (These figures have been calculated by an economic expert on the faculty of the Wharton School of the University of Pennsylvania. The expert's calculations, and his explanations therefor, are attached as Exhibit A. They are based on the assumption that Thornwell entered the workforce in 1965 when he was 27, after completing the college education he had begun before the 1961 LSD experiment left him physically and psychologically incapable of continuing.)

a. Lost past earnings	$378,000
Less estimated past earnings by Thornwell during brief, intermittent periods when he was able to work	42,000
Total	336,000
b. Lost future earnings	727,000
Total	1,063,000

2. Expenses for Psychiatric Care (These figures have been calculated in consultation with Thornwell's treating psychotherapist, an expert in the field who has observed Thornwell over a period of 18 months of intensive treatment. The expert opinion at present is that Thornwell's severe mental illness will require approximately five additional years of psychotherapy.)

(a) Past expenses for psychiatric diagnosis and treatment	$7,200
(b) Future expenses for psychiatric treatment	42,000
Total	49,200

3. Physical and Psychological Injury (See exhibit B attached.)

(a) Injury from administration of LSD without Thornwell's knowledge or consent under conditions of extreme physical and mental stress (including six weeks of confinement and deprivation of food, drink and sleep, other physical abuse and threats of permanent instanity and deaths)—assault, battery, intentional infliction of mental distress, negligence, constitutional violations.	
(i) physical and mental pain and suffering	
(ii) psychological damage (documented in reports prepared by three experts, including a medical expert retained by the Department of the Army)	$293,900
(b) injury from government's sixteen-year failure to inform Thornwell of subjection to LSD or to provide any follow-up care—intentional infliction of mental distress, negligence, misrepresentation, constitutional violations	
(i) physical and mental pain and suffering	
(ii) psychological damage (documented in reports prepared by three experts, including a medical expert retained by the Department of the Army)	293,900
	587,800
Total	1,700,000

ESTIMATED INCOME FOR 1965–79 OF MALES WITH 4 YR OF COLLEGE WHO WERE 27 YR OLD IN 1965

	Age (1)	Average mean income[1] (2)	Productivity increase from 1972[2] (3)	Estimated mean income at 1979 prices[3] (4)
1965	27	9,517		15,973
1966	28	10,581		17,759
1967	29	10,882		18,264
1968	30	11,258		18,895
1969	31	12,959		21,750
1970	32	13,110		22,004
1971	33	13,829		23,211
1972	34	14,875		24,966
1973	35	15,406	1.022	26,426
1974	36	15,902	1.0445	27,877
1975	37	16,362	1.0675	29,315
1976	38	16,787	1.0910	30,739
1977	39	17,177	1.1150	32,145
1978	40	17,531	1.1395	33,529
1979	41	17,850	1.1646	34,890
Total				378,000

[1] Source: U.S. Bureau of the Census, Current Population Reports, Series P–60, No. 93, "Annual Mean Income, Lifetime Income, and Educational Attainment of Men in the United States, for Selected Years, 1956 to 1972," U.S. Government Print-Office, Washington, D.C., 1974, Tables 9–18.

Income is money income, not including pension contributions, medical insurance benefits, and other income supplements.

Means incomes for 1965–1972, in 1972 prices, reflect two sources of growth: (1) the rise in incomes with age and experience, and (2) the rise in incomes at each age as a reflection of the rise in productivity of the economy at large.

Means incomes for 1973–1979, taken from a cross section of the appropriate ages in Table 9 for 1972, embody only the growth of incomes with respect to age. They must be adjusted by an estimated growth factor, given in column (2).

[2] Productivity increase of 0.022 per annum estimated from the average rate of growth of incomes of college graduates, age 34, from 1964 to 1972 as indicated in Table 9; and the average rate of growth of output per hour of all persons in the private business sector from 1972 to 1977. (Data from Bureau of Labor Statistics, Department of Labor, as reported in the Annual Report of the Council of Economic Advisors, U.S. Government, 1978, Table B–37, at 300.) The value of 0.022 is consistent with but somewhat below the long-term average rate of growth of output per man-hour in the economy since 1900.

Entries in column (3) for years 1973–79 are $(1.022)^n$, where $n=1$ through 7.

[3] Price adjustments use the consumers price index, Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. Index for middle 1979 is estimated from December 1978 data and subsequent changes.

Entries in column (4) for 1965–1972 are col (2) × 210.3/125.3. For 1973–1979, entries are col (2) × 210.3/125.3.

ESTIMATED PRESENT VALUE IN 1979 OF LIFETIME INCOMES OF MALES WITH FOUR YEARS OF COLLEGE, AGE 42 IN 1980

The U.S. Bureau of the Census estimated that the expected average lifetime earnings of males with four years of college education in 1972 was 372,000 dollars.[1] The concept of income is money income, exclusive of pension contributions, medical insurance, and other income supplements.

The figure reflects expected changes in income that accompany changing age and expected mortality and worklife experience, but it assumes that the rate of growth of productivity and prices and the discount rate are all zero.

To adapt this estimate for use in 1979 it must be adjusted for the changes in productivity and prices from 1972 to 1979. Thus, with an estimated average annual growth factor of 0.022[2] and an increase in the consumer price index from 125.3 in 1972 to 210.3 in 1979[3] the comparable figure for 1979 is $372{,}000 \times (1.022)^7 \times 210.3/125.3$, or $372{,}000 \times 1.1646 \times 1.6784 = 727{,}007$.

Future incomes would be expected to rise as a result of growth of productivity, in the range of 2 to 3 percent per annum, supplemented by the rate of increase of prices. On the other hand these rising future incomes must be discounted to present 1979 values at some appropriate rate of interest, such as the long-term government bond rate. Essentially, these factors tending to increase and decrease the present value of the future income stream tend to offset each other. In particular, rates of inflation and interest rates tend to rise and fall together. On balance, therefore, the present value in 1979 of expected average lifetime incomes of males at age 42 in 1980 can be estimated conservatively at $727,000.

PSYCHOLOGICAL AND PHYSICAL INJURY

Injury such as that to be compensated as part of the award under this private legislation, consisting chiefly of psychological trauma, permanent damage and intense pain and suffering, is virtually impossible to quantify. Assigning a monetary value to the psychological and physical injury inflicted on James Thornwell involves unique problems. His situation is *sui generis*: no other American citizen was subjected to the "Operation Third Chance" experiments or any comparable Army LSD testing program; no other legislative or judicial award is known to which the amount provided under this bill for psychological and physical injury can be meaningfully compared. Moreover, the extreme governmental abuse for which this bill attempts to afford redress, committed in an earlier and different time, is peculiarly difficult for the contemporary mind even to comprehend.

The Army team that conducted the LSD experiment on Thornwell itself described his reaction to the drug as "extreme paranoiac," "highly sustained and almost incapacitating," stating that he experienced the "most profound behavioral effects of all subject[s] of Operation Third Chance." Over the longer term, the LSD experiment on Thornwell, and the Army's' sixteen-year failure to treat his consequent illness or even to inform him of its cause, have left him a chronic social and emotional cripple. In marked contrast to his pre-1961 accomplishments and patterns of behavior, Thornwell has, since his discharge from the Army in 1961, been unable to maintain gainful employment except for short periods, and unable to sustain relationships with family or friends. Competent, objective examiners have diagnosed him as suffering from serious psychiatric disorders attributable to his torture and drugging by the Army in 1961 and the Army's subsequent neglect of his condition. A medical specialist retained by the Army itself in 1978 confirmed the casual link between Thornwell's present impaired state and the extraordinary trauma he experienced in the 1961 LSD experiment.

In sum, Thornwell's loss has been the loss of the ability to lead a normal, productive and satisfying life in human society, the ability to fulfill the high promise he demonstrated before his unwitting subjection to LSD experimentation.

In cases of much less profound intrusions into a human being's life and mind, court awards have not infrequently far exceeded the sum provided under this bill for the psychological and physical injury suffered by James Thornwell. That sum, $587,800, is surely the minimum amount in which Thornwell can fairly be compensated for such severe and permanent damage.

FOOTNOTES

[1] From U.S. Bureau of the Census, Current Population Reports, Series P–60, No. 92, "Annual Mean Incomes, Life-time Income, and Educational Attainment of Men in the United States, for Selected Years, 1956 to 1972," U.S. Government Printing Office, Washington, D.C., 1974, Table 9.

[2] Productivity increase of 0.022 per annum estimated from the average rate of growth of incomes of college graduates, age 34, from 1964 to 1972 as indicated in Table 9; and the average rate of growth of output per hour of all persons in the private business sector from 1972 to 1977. (Data from Bureau of Labor Statistics, Department of Labor, as reported in the Annual Report of the Council of Economic Advisors, U.S. Government, 1978, Table B–37, at 300). The value of 0.022 is consistent with but somewhat below the long-term average rate of growth of output per man-hour in the economy since 1900.

[3] Price index is the consumers price index of the Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. Index for 1979 is estimated from December 1978 data and subsequent changes.

By Mr. BAUCUS:

S. 1616. A bill for the relief of the estate of Timothy E. Nunley; to the Committee on the Judiciary.

● Mr. BAUCUS. Mr. President, I am today introducing private relief legislation on behalf of the estate of Timothy E. Nunley. Let me briefly summarize the sad circumstances that make this action necessary.

Timothy Nunley, then just 19, passed his preinduction physical examination and went on active duty with the Navy on September 7, 1973. During the next weeks, despite repeated visits to medical facilities complaining of back, chest, and groin discomfort, he was continually told that he was medically fit and suffering from no illness. It was not until early 1974 that a condition of terminal carcinoma of the lymph system was finally diagnosed, the tumors now beyond the operable stage. Tim died on September 20, 1974.

The evidence in the case strongly suggests negligence of duty on the part of military medical personnel, beginning with Mr. Nunley's April 1973 preinduction examination. The Nunley family has expended great amounts of time and funds, both through the Navy Department and the courts, seeking just compensation for this possibly preventable tragedy. The court, while not contesting the facts as presented, cited the "Feres" doctrine as a bar to any claim under the Federal Torts Claim Act.

Shortly, I will be introducing legislation revising the law to permit pursuance of such claims in the courts, to prevent others from facing the years of suffering and frustration already endured by the Nunley family. I hope that many of my colleagues will join me in that effort.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

S. 1616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Timothy E. Nunley the sum of $765,314 in full satisfaction of all claims of such estate against the United States for negligence of Navy personnel in failing to diagnose a carcinoma of the lymph system in the course of a physical examination preceding the induction of the said Timothy E. Nunley into the United States Navy and in failing, after his induction, to provide appropriate medical treatment for such carcinoma which resulted in his death.

SEC. 2. No part of the amount appropriated by the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.●

By Mr. MATHIAS:

S. 1619. A bill to amend the Internal Revenue Code of 1954 to provide that motion picture films and video tapes which are produced for sale or rent as training films are to be treated as educational films for purposes of the investment credit; to the Committee on Finance.

● Mr. MATHIAS. Mr. President, I find it ironic at best that television films, however violent, and entertainment films, however sexually explicit, are entitled to an investment tax credit, while films designed to increase productivity

and help people fulfill their human potential are denied that benefit.

But that is the way things stand under the Tax Reform Act of 1976. Industrial training films were excluded from the investment tax credit because it was assumed that all industrial training films had a short life and were produced for in-house training on a risk-free basis.

But many training films do not fit into the short-life/risk-free category. There is a small number of firms whose principal business is the production and distribution of ready-made training films and video programs designed for use in industry, business, government agencies, and educational institutions.

There are perhaps 20 companies at present in this business in the United States, producing at most $4,000,000 worth of films per year. The majority of the films has an average life of 7 years, and is used as a vital aid to training directors and instructors over a period of time well in excess of most feature movies and television shows. The estimated loss in revenue to the Government would be only about $400,000.

Simple equity recommends enactment of my bill. Educational film producers are allowed to use the investment tax credit, and they are beginning to make training films and video programs that appeal to the same market as the films produced by training film companies.

My bill will make training film companies competitive by allowing them to use the investment tax credit too. I have no doubt that the resulting equity in the marketplace will provide a stimulus in this industry and will lead to increased efficiency, more competition, better quality products, and lower prices.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subparagraph (B) of section 48(k)(1) of the Internal Revenue Code of 1954 (relating to movie and television films) is amended by inserting after "educational purposes" the following: "(including training films and tapes produced primarily for sale, rent, or license to other industrial and commercial organizations)".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after December 31, 1974.●

By Mr. MATHIAS:

S. 1620. A bill to amend the Internal Revenue Code of 1954 to increase the dividend exclusion from $100 to $1,000; to the Committee on Finance.

S. 1621. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax at the same rate as the investment tax credit to investors purchasing bonds the proceeds of which are to be used to acquire new section 38 equipment; to the Committee on Finance.

S. 1622. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax to individuals in respect of their acquisitions of stock traded on an established market; to the Committee on Finance.

S. 1623. A bill to amend the Internal Revenue Code of 1954 to provide an inflation adjustment in the determination of capital gains and losses of individuals; to the Committee on Finance.

TAKE STOCK IN AMERICA

● Mr. MATHIAS. Mr. President, the administration has just given us some grim economic news—we are now officially in a recession. Productivity is down, the dollar is down, and unemployment will soon go up.

To pull ourselves out of the trough, we have got to do something to spur capital investment in plant expansion and new business. In 5 years, 6 million investors have dropped out of the stock market. While close to half of America's households owned corporate shares in the mid-sixties, in 1977 only one-quarter did. Ten years ago, three-hundred high-technology companies were started; last year none was. For every 100 businesses that are set up this year, it is predicted that over 50 will fail within 12 months.

The almost punitive capital gains tax enacted in 1969 practically dried up investment funds for new companies in the market. This kind of short-sighted tax policy is counterproductive. Contrary to expectations, following the increase in the tax, we experienced a drastic fall in tax revenues, in large part because the investment capital needed for new business had evaporated. Unless we adopt an enlightened tax policy that stimulates rather than impedes the creation of new businesses and the expansion of existing ones, we cannot hope to recuperate economically. We must continue the revitalization process begun in 1978 when Congress took a first cautious step by voting a moderate capital gains tax reduction. The free enterprise system runs on the fuel of capital investment, especially venture capital, and the reasons for making capital investment more attractive are clear and compelling.

In a recent statement before the Judiciary Antitrust Subcommittee, a representative of the Chamber of Commerce, Mr. John V. Jures, of Dresser Industries, pointed to a real structural flaw the Congress needs to address—the problem of capital formation. It has always been more difficult for smaller firms to obtain access to capital than larger firms, but over the past decade, I am afraid our governmental policies have all but destroyed the capital market as far as small firms are concerned.

Unless we adopt a tax policy that encourages private enterprise to create new business or to expand existing ones, our country will end up with a different form of economy, and a different social structure.

The time has come for Congress to act decisively to give a boost to business investment. I now introduce several bills that will, if enacted, help foster an economic climate in which American private enterprise can breathe deep and thrive again.

TAX CREDIT FOR STOCK PURCHASES

One way to increase investment is to make it more attractive to the investor. The French Government has encouraged citizen investment with a new law that allows every French taxpayer to write off all money invested in the stock market up to $1,100. Predictably, prices on the stock market have jumped and investment has increased.

The bill I introduce today would allow investors a tax credit of 10 percent of their investment in the stock market, with a maximum credit of $100. If the investor buys $1,000 in stocks, he or she can deduct $100 from the tax he or she owes for that year. I think such a bill would help bring the small investor back into the stock market and would increase capital investment.

INVESTMENT TAX CREDIT FOR INDIVIDUALS

Among the positive measures initiated by the 95th Congress was the 10 percent investment tax credit being made permanent. As it stands in the Revenue Act of 1978, the credit applies only to the purchase of qualified used property by companies, though. I would like to see this tax break extended to cover small investors as well as businesses. One of the bills I introduce today would allow small investors to take the same 10 percent credit on all investments in bonds that the company has designated to finance new equipment. Again, the credit would apply to 10 percent of the investment, up to $100. This bill would give the little investors the same tax break industry now gets for money used for new construction. And it would be a powerful inducement for them to invest.

INCREASED DIVIDEND EXCLUSION

Another way to encourage small investors is to make more attractive the rewards of risk-taking. My third bill would increase the tax exclusion on dividend earnings of stocks from the present $100 to $1,000. This measure would greatly increase the amount of venture capital available for new or expanding business, and thereby improve the economic and employment conditions in the country. It will also enhance the vitality of competition by allowing new and aggressive competitors to enter the market with innovative projects.

The existing $100 exclusion dates from the 1950's and, if we were to adjust that figure for inflation alone, we would raise it at least to $400. But I am convinced we should do more. If we are to lure the small investor back into the stock market, we have got to make it much more attractive. If investors risk money on corporate America or on someone they know who has a good idea, they should get some reward for taking the risk. The current law provides only minimal incentive, and this state of affairs has caused the venture capital market to dry up. My bill will provide a powerful inducement to invest and will help get money back where it will do some good.

CAPITAL GAINS TAX INDEXATION

Finally, I introduce a bill to index the capital gains tax to inflation. It would work roughly as follows. If Mary Smith bought $15,000 worth of stock in 1967 and sold it for $25,000 in 1979, her profit on paper is $10,000. Under the present tax law, she pays no tax on 60 percent of this gain, or $6,000, but adds the remaining $4,000 to her taxable income of $55,000, thus bringing the total to $59,000. Her marginal tax rate is 49 percent, and

under current law she pays a tax of $1,-960 on her capital gain. But since the value of the dollar has been cut in half since 1967, her original $15,000 investment is worth $30,000 in today's market. Thus, in real dollars, Mary Smith actually lost $5,000. If capital gains indexation had been in effect, however, she would not have been obliged to pay a capital "gains" tax on what in fact was a capital loss.

While I generally shy away from the idea of indexing anything to the rate of inflation because that means institutionalizing inflation and, by institutionalizing it, losing our incentive to fight against it, I think in the case of capital gains, the situation is different. As a general rule, capital investments—be they in stocks, bonds, or a house—are held for a long time, and the accumulated effect of inflation over a 20-year period can greatly reduce the value of the investment. Capital gains tax indexation would eliminate this invisible tax and would be fair to people who save and invest.

Mr. President, these bills are a start in the right direction, and deserve serious consideration. We have got to make this country a great place to do business again if we are to meet the challenge of the future.

I ask unanimous consent that the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended by striking out "$100" each place it appears and inserting in lieu thereof "$1,000".

(b) The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1978.

S. 1621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. INVESTMENT IN CERTAIN EQUIPMENT FINANCING BONDS.

"(a) GENERAL RULE.—There is allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to a percentage (equal to the regular percentage under section 46(a)(2)(B)) of the amounts paid or incurred by the taxpayer for the taxable year for the purchase of equipment financing bonds.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The credit allowed by subsection (a) for any taxable year shall not exceed $100 ($200 in the case of a joint return).

"(2) MINIMUM HOLDING PERIOD.—If any equipment financing bond for the purchase of which the taxpayer claimed the credit allowed by subsection (a) is sold or otherwise disposed of by the taxpayer less than 84 months after its purchase, then the tax under this chapter for the taxable year in which such sale or disposition occurs shall be increased by an amount equal to 150 percent of the amount of the credit allowed under subsection (a) with respect to the purchase of that bond.

"(3) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section other than the credits allowable by sections 31, 39, and 43.

"(4) CERTAIN TAXES NOT CONSIDERED TAXES IMPOSED BY THIS CHAPTER.—For purposes of this section, any tax imposed for the taxable year by section 55 (relating to alternative minimum tax for taxpayers other than corporations), section 56 (relating to minimum tax for tax preferences), section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), section 402(e) (relating to tax on lump sum distributions), section 408 (f) (relating to additional tax on income from certain retirement accounts), section 531 (relating to accumulated earnings tax), section 541 (relating to personal holding company tax), or section 1378 (relating to tax on certain capital gains of subchapter S corporations), and any additional tax imposed for the taxable year by section 1351 (b) (1) (relating to recoveries of foreign expropriation losses), shall not be considered tax imposed by this chapter for such year.

"(c) DEFINITION OF EQUIPMENT FINANCING BOND.—For purposes of this section, the term 'equipment financing bond' means a bond (as defined in section 171 (d)) (other than a bond the interest on which is excluded from gross income under section 103) issued for the purpose of, and used for, financing the acquisition of section 38 property (within the meaning of section 48 (a)).".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44D. Investment in certain equipment financing bonds.".

(c) CONFORMING AMENDMENTS.—Subsection (b) of section 6096 of such code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply with respect to taxable years beginning after December 31, 1979.

S. 1622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. INVESTMENT IN CERTAIN STOCK.

"(a) GENERAL RULE.—In the case of an individual there is allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 10 percent of the purchase price paid in money by the taxpayer for the taxable year for the purchase of common stock regularly traded on an established market.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The credit allowed by subsection (a) for any taxable year shall not exceed $100 ($200 in the case of a joint return).

"(2) APPLICATION WITH OTHER CREDITS.—

"(A) LIMITATION TO TAX LIABILITY.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section other than the credits allowable by sections 31, 39, and 43.

"(B) CERTAIN TAXES NOT CONSIDERED TAXES IMPOSED BY THIS CHAPTER.—For purposes of subparagraph (A), any tax imposed for the taxable year by section 55 (relating to alternative minimum tax for taxpayers other than corporations), section 56 (relating to minimum tax for tax preferences), section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), section 402(e) (relating to tax on lump sum distributions), section 408(f) (relating to additional tax on income from certain retirement accounts), section 531 (relating to accumulated earnings tax), section 541 (relating to personal holding company tax), or section 1378 (relating to tax on certain capital gains of subchapter S corporations), and any additional tax imposed for the taxable year by section 1351(b)(1) (relating to recoveries of foreign expropriation losses), shall not be considered tax imposed by this chapter for such year.

"(c) MINIMUM HOLDING PERIOD.—

"(1) RECAPTURE FOR PREMATURE SALE.—If any stock for the purchase of which the taxpayer claimed the credit allowed by subsection (a) is sold by the taxpayer less than 36 months after its purchase, then the tax under this chapter for the taxable year in which such sale occurs shall be increased by an amount equal to 150 percent of the amount of the credit allowed under subsection (a) with respect to the purchase of that stock.

"(2) DEATH OF OWNER; PROPERTY SETTLEMENTS.—The provisions of paragraph (1) do not apply to the sale of a share of stock during the 36-month period—

"(A) on account of the death of any individual having a legal or equitable interest therein occurring during such period, or

"(B) pursuant to a settlement in a divorce or legal separation proceeding.

"(d) RELATED PARTIES.—No credit shall be allowed under subsection (a) with respect to the purchase of stock from a person whose relationship to the purchaser would result in the disallowance of losses under section 267 or 707(b).

"(e) DEFINITION OF PURCHASE PRICE.—For purposes of this section, the term 'purchase price' means the adjusted basis of the taxpayer with respect to the stock on the date on which it is purchased.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44D. Investment in certain stock.".

(c) CONFORMING AMENDMENTS.—Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply with respect to taxable years beginning after December 31, 1979.

S. 1623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIMINATION OF DEDUCTION FOR CAPITAL GAINS OF INDIVIDUALS.

Section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is hereby repealed.

SEC. 2. INFLATION ADJUSTMENT FOR CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.

(a) IN GENERAL.—Part III of subchapter P of chapter 1 of such Code is amended by adding at the end thereof the following new section:

"SEC. 1224. INFLATION ADJUSTMENT FOR CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.

"For purposes of computing gain or loss from the sale or exchange of a capital asset held for more than 1 year (and for no other purpose), a taxpayer other than a corporation shall treat as his adjusted basis in such asset an amount equal to the product of—

"(1) the taxpayer's adjusted basis in the asset (without regard to this section), and

"(2) a fraction, the numerator of which is equal to the consumer price index in the taxable year in which the asset was sold or exchanged and the denominator of which is equal to the consumer price index in the taxable year in which the asset was acquired.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter P of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"SEC. 1224. INFLATION ADJUSTMENT FOR CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.".

SEC. 3. REVISION OF TREATMENT OF CAPITAL LOSSES OF INDIVIDUALS.

(a) IN GENERAL.—Subsection (b) of section 1211 (relating to limitation on capital losses of taxpayers other than corporations) is amended to read as follows:

"(b) OTHER TAXPAYERS.—

"(1) IN GENERAL.—In the case of a taxpayer other than a corporation, long-term capital losses shall be allowed only to the extent of the long-term capital gains, plus whichever of the following is smaller:

"(A) the taxable income for the taxable year reduced (but not below zero) by the zero bracket amount, or

"(B) $3,000 ($1,500 in the case of a separate return by a husband or wife).

"(2) COMPUTATION OF TAXABLE INCOME.—For purposes of paragraph (1)(A), taxable income shall be computed without regard to long-term capital gains or losses and without regard to the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof.".

(b) CAPITAL LOSS CARRYOVERS.—Subsection (b) of section 1212 of such Code (relating to capital loss carryovers for taxpayers other than corporations) is amended to read as follows:

"(b) OTHER TAXPAYERS.—If a taxpayer other than a corporation has an excess of long-term capital losses in the taxable year over the amount allowed under section 1211(b) for such taxable year, the amount of such excess shall be treated as a long-term capital loss in the following taxable year."

SEC. 4. DEFINITION OF CONSUMER PRICE INDEX.

Section 1222 of such Code (defining certain terms relating to capital gains and losses) is amended by adding after paragraph (12) the following new paragraph:

"(13) CONSUMER PRICE INDEX.—The term 'consumer price index' means, when used with respect to a taxable year, the average, over the 12-month period ending on July 31 of the calendar year with or within which such taxable year ends, of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics for such 12-month period, or a comparable measure of prices as determined by the Bureau of Labor Statistics, for years in which such Index is not published."

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to the sale or exchange of capital assets in taxable years beginning after December 31, 1979. ●

By Mr. HART:

S. 1628. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

OLD OIL ADJUSTMENT TAX AND NEW OIL DEREGULATION ACT OF 1979

● Mr. HART. Mr. President, I am introducing legislation today to propose an alternative approach to oil pricing. This legislation unites the previously conflicting goals of maximizing domestic oil supplies and protecting consumers from paying unearned profits to the major oil companies.

The concept is simple. First, previously discovered oil should be priced in relation to its cost of production. Revenue from old oil should provide reasonable and adequate profits in relation to the investment, but it should not be whatever today's market—the OPEC cartel market, not a free market—demands.

Second, there is a need to provide a simple, prompt and obvious incentive for expanded domestic production to protect the Nation's security. Accordingly, the price for oil yet to be discovered in this country should be the same as the price we pay OPEC for its oil, and the same as that received for oil discovered in foreign countries. This will maximize the incentive to search for new oil reserves within U.S. borders.

This approach is fair to consumers and producers alike. With it, there would be no cartel-induced profits for producers from the sale of previously discovered oil that is already providing investors a fair return on their capital. Yet, there would be no shortage of profits to be earned from the successful search for new domestic oil supplies.

This concept differs markedly from those embodied in the President's oil decontrol and windfall profits program, and from the nearly identical windfall profits bill passed in the House. Those proposals still allow substantial excess profits from the sale of old oil.

Those proposals also blunt the incentive to search for new oil by taxing away half of the price increase above $16 per barrel—even though it may cost more than that to find and produce oil from newly discovered reserves.

There is no reason to support a proposal that pursues two objectives at half speed when both can be pursued at full speed.

This full-speed approach is a basic modification of the windfall profits tax proposed by the President and passed by the House. Rather than tax half the "windfall profits" on old oil, I propose to tax all profits which are created as a direct result of arbitrary OPEC cartel price increases and the President's decision to lift price controls. Rather than give oil companies half the incentive of decontrol on new oil, I would eliminate the tax and give them all the incentive after January 1, 1980.

I propose taxing the unearned profits of the largest oil companies and at the same time promoting U.S. oil production through the following means.

First, this legislation will increase the tax on the sale of old oil to 100 percent. This proposal is in reality a severance tax on the difference between the old, controlled price of oil and the deregulated OPEC price.

Oil from older reservoirs in the country generally sells for around $6 a barrel, and oil discovered after 1973 sells for about $13. Upon full deregulation, that oil could sell for $20 a barrel or more. Such an increase in price is unnecessary to maintain production for most of the old oil reserves.

Even without full decontrol, the major oil companies are now earning record profits in the hundreds of millions of dollars. Unfortunately, some of the major companies are investing much of their current profits from this oil in industries other than oil.

Second, it will exempt any oil produced after January 1, 1980, from any tax.

While the oil companies do not need and should not get higher profits from old, previously discovered oil—profitably produced at much lower costs—they do need higher profits for the investment to find new oil. We need to make these incentives as strong as possible to insure maximum search efforts for new oil and oil which is expensive to produce.

Third, my bill will exempt from the tax any producer which sells less than 3,000 barrels of oil a day.

In effect, this proposal would deregulate oil production for all but the 70 or so largest oil producers in the United States.

Compared to the major oil companies, the small producers have limited resources to gain outside capital to fund the search for new reserves. Characteristically, the independent producers invest more each year than they receive in total revenues from the sale of old oil. Also, the small producers commonly do not have assets other than petroleum resources against which to borrow to obtain more funds for further exploration.

My proposal would also exempt from the tax any oil produced from "stripper" wells producing less than 10 barrels a day and oil produced through high-cost tertiary methods. A tax on this oil would be counterproductive. It would not, however, expand the definition of "deep stripper" wells as the President has proposed.

Studies of tertiary recovery techniques, such as by the Office of Technology Assessment, show that much additional oil can be produced when prices reach the $20 to $25 per barrel range. Under the House-passed proposal, the world oil price would have to reach $30 in order for the producer using tertiary methods to receive just $23 per barrel.

World oil prices now in the $20 range would encourage such tertiary production, if the windfall tax is not applied. Hence, in my legislative proposal, oil produced by tertiary methods is not subject to the windfall tax.

The severance tax proposed in this legislation will provide approximately the same level of revenues as proposed by the President or the House of Representatives. The magnitude is $5 to $10 billion a year in revenues. The objective of this tax should not be to raise a specific amount of revenue, but to establish Federal oil pricing policy with the twin objectives of maximum incentives to produce and fair revenues from the sale of old oil.

I hope my colleagues on the Senate Finance Committee and my other colleagues here in the Senate will strongly consider this approach as the most logical way to deal with the oil pricing situation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Old Oil Adjustment Tax and New Oil Deregulation Act of 1979."

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. WINDFALL PROFIT TAX.

(a) IN GENERAL.—

(1) Amendment of subtitle d.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.
"Sec. 4989. Windfall profit; removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Newly discovered oil; certain Alaskan oil; tertiary recovery projects.
"Sec. 4992. Other definitions and special rules.
"Sec. 4993. Records and information; regulations.

"SEC. 4986. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) TAX PAID BY PRODUCER.—The tax imposed by this section shall be paid by the producer of the crude oil.

"(c) EXEMPTION FOR SMALL PRODUCERS.—

"(1) IN GENERAL.—The tax imposed by subsection (a) for any taxable period shall not apply to any person whose qualified production during such period does not exceed the product of—

"(A) 3,000 barrels, multiplied by

"(B) the number of days during such taxable period.

"(2) Allocation among related persons.—

"(A) In the case of persons who are members of the same related group during that period, the 3,000 barrel amount contained in paragraph (1) for days during such period shall be reduced for each person by allocating 3,000 barrels among all such persons in proportion to their respective qualified production during such period.

"(B) RELATED GROUP.—For purposes of subparagraph (A), the term 'related group' means—

"(i) a controlled group of corporations (as defined in section 613A(c)(8)(D)(i)),

"(ii) a group of entities among which an allocation would be made under subparagraph (B) of section 613A(c)(8), and

"(iii) members of the same family (as defined in section 613A(c)(8)(D)(iii)) and any corporation, trust or estate 50 percent or more of the beneficial interest in which is owned (directly or through the application of section 267(c)) by members of such family.

"(C) SPECIAL RULE.—If an entity is a member of more than 1 related group for any period, the determination of the entity's allocation under subparagraph (A) shall be made by reference to the related group which results in the smallest allocation to such entity.

"(4) QUALIFIED PRODUCTION DEFINED.—For purposes of this subsection—

"(A) IN GENERAL.—A person's qualified production during any taxable period is the number of barrels of taxable crude oil—

"(i) which are removed from the premises during such taxable period, and

"(ii) with respect to which such person would be liable for the tax imposed by subsection (a) (determined without regard to this subsection).

"(B) PRODUCTION FROM TRANSFERRED PROPERTY.—

"(i) IN GENERAL.—In the case of a transfer (including the subleasing of a lease) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property, the qualified production of the transferee (or sublessee) shall not include any production attributable to such interest.

"(ii) SPECIAL RULES.—For purposes of clause (i)—

"(I) The term 'proven oil or gas property' has the same meaning as when used in section 613A(c)(9)(A).

"(II) Rules similar to the rules of section 613A(c)(9)(B) shall apply.

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—Except as provided in the provision referred to in subsection (b), the amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be—

"(1) in the case of tier 1 and tier 2 oil, 100 percent of the windfall profit on such barrel, and

"(2) in the case of tier 3 oil, 60 percent of the windfall profit on such barrel.

"(b) PROVISION PROVIDING FOR 50 PERCENT RATE.—For provision providing tax rate of 50 percent in the case of Sadlerochit oil, see section 4991(b)(1)(A).

"(c) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"SEC. 4988. TAXABLE CRUDE OIL; THE 3 TIERS FOR TAX PURPOSES.

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than—

"(1) qualified Alaskan oil (within the meaning of section 4992(b)(6)), and

"(2) newly discovered oil and incremental tertiary oil.

"(3) stripper oil.

"(b) THE 1 OIL.—For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1980 and each month thereafter by 1½ percent (instead of 3 percent).

For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter.

"(c) THE 2 OIL.—For purposes of this chapter, the term 'tier 2 oil' means upper tier oil other than—

"(1) oil described in subsection (b)(2),

"(2) Sadlerochit oil (within the meaning of section 4991(b)(3)).

"(d) THE 3 OIL.—For purposes of this chapter, the term 'tier 3 oil' means taxable crude oil other than tier 1 oil and tier 2 oil.

"(e) LOWER AND UPPER TIERS.—For purposes of this chapter—

"(1) LOWER TIER OIL.—The term 'lower tier oil' means domestic crude oil which is or would be subject to the lower tier ceiling price rule of the June 1979 energy regulations.

"(2) UPPER TIER OIL.—The term 'upper tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"(3) MARGINAL PROPERTY PROVISIONS DISREGARDED.—The determination of whether crude oil is or would be lower tier oil or upper tier oil shall be made without regard to the provisions of the June 1979 energy regulations which provide for a different base production control level for marginal properties.

"SEC. 4989. WINDFALL PROFIT; REMOVAL PRICE.

"(a) GENERAL RULE.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4992(d).

"(b) NET INCOME LIMITATION ON WINDFALL PROFIT.—

"(1) IN GENERAL.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel.

"(2) DETERMINATION OF NET INCOME.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) TAXABLE INCOME FROM THE PROPERTY.—For purposes of paragraph (2)—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) CERTAIN DEDUCTIONS NOT ALLOWED.—No deduction shall be allowed for—

"(i) depletion,

"(ii) section 263(c) costs, and

"(iii) the tax imposed by section 4986.

"(C) TAXABLE INCOME REDUCED BY COST DEPLETION.—Taxable income shall be reduced

by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all section 263(c) costs had been capitalized and taken into account in computing cost depletion, and

"(ii) cost depletion had been used with respect to such property for all periods.

"(D) SECTION 263(c) COSTS.—For purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this chapter (other than this paragraph). Such term shall not include costs incurred in drilling a nonproductive well.

"(4) SPECIAL RULES FOR TRANSFERS OF PROVEN OIL OR GAS PROPERTIES.—

"(A) IN GENERAL.—In the case of any proven oil or gas property transfer which, but for this subparagraph, would result in an increase in the amount determined under paragraph (3)(C) with respect to the transferee, paragraph (3)(C) shall be applied with respect to the transferee by taking into account only costs incurred during periods after such transfer.

"(B) PROVEN OIL OR GAS PROPERTY TRANSFER.—For purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613A(c)(9)(A)).

"(5) SPECIAL RULE WHERE THERE IS PRODUCTION PAYMENT.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) REMOVAL PRICE.—For purposes of this chapter—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) SALES BETWEEN RELATED PERSONS.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) OIL REMOVED FROM PREMISES BEFORE SALE.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) REFINING BEGUN ON PREMISES.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) MEANING OF TERMS.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"SEC. 4990. ADJUSTED BASE PRICE.

(a) ADJUSTED BASE PRICE DEFINED.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—For purposes of subsection (a) the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978 (June 30, 1979, in the case of tier 3 oil).

"(2) FIRST REVISION OF PRICE DEFLATOR USED.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(c) BASE PRICE FOR TIER 1 OIL.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(d) BASE PRICE FOR TIER 2 OIL.—For purposes of this chapter—

"(1) IN GENERAL.—Except as provided in paragraph (2), the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(2) MONTHLY INCREMENTS STARTING NOVEMBER 1, 1986.—Beginning with November 1986, the base price for tier 2 oil of any grade and location shall include such monthly increments as may be provided pursuant to regulations prescribed by the Secretary (and modified by him from time to time) for the purpose of eliminating (as ratably as may be practicable) over the 50 month period ending December 31, 1990, the gap between the tier 2 base price for such oil and the tier 3 base price for such oil.

"(e) BASE PRICE FOR TIER 3 OIL.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in December 1979 if the average landed price during such month for imported crude oil were $16 a barrel.

"SEC. 4991. NEWLY DISCOVERED OIL; TERTIARY RECOVERY PROJECTS; CERTAIN ALASKAN OIL.

"(a) NEWLY DISCOVERED OIL DEFINED.—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter)—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) REOPENINGS.—The term 'newly discovered oil' does not include crude oil produced from a property from which there has been any production of crude oil after 1969 and before 1979. For purposes of this paragraph, the term 'property' has the meaning given to such term by the June 1979 energy regulations.

"(3) BEHIND-THE-PIPE OIL.—The term 'newly discovered oil' does not include crude oil produced from a reservoir on a tract or parcel if—

"(A) the reservoir was penetrated after 1969 and before 1979 by a well (on such tract or parcel) from which crude oil was produced (whether or not such production was from such reservoir), and

"(B) crude oil could have been produced from such reservoir through such well before 1979.

"(4) PRODUCTION MUST HAVE BEEN IN COMMERCIAL QUANTITIES.—For purposes of paragraphs (2) and (3), only production in commercial quantities shall be taken into account.

"(b) ALASKAN OIL FROM SADLEROCHIT RESERVOIR.—For purposes of this chapter—

"(1) IN GENERAL.—In the case of Sadlerochit oil—

"(A) RATE OF TAX.—The rate of tax provided in section 4987(a)(2) shall be 50 percent instead of 60 percent.

"(B) BASE RATE.—The base price shall be $7.50.

"(C) ADJUSTED BASE PRICE INCREASED BY TAPS ADJUSTMENT.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(D) REMOVAL PRICE DETERMINED ON MONTHLY BASIS.—The removal price of such oil removed during any calendar month shall be the average of the producer's removal prices for such month.

"(E) SEVERANCE TAX ADJUSTMENT NOT TO APPLY.—The amount of the windfall profit shall be determined without regard to section 4989(a)(2).

"(2) TAPS ADJUSTMENT.—

"(A) IN GENERAL.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26 plus the product of $6.26 and the inflation adjustment, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) INFLATION ADJUSTMENT.—For purposes of subparagraph (A), the inflation adjustment shall be determined under section 4990(b) as if paragraph (1)(B) thereof referred to the calendar quarter ending June 30, 1978.

"(C) TAPS TARIFF.—For purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(D) TAPS DEFINED.—For purposes of this paragraph, the term 'TAPS' means the Trans-Alaskan Pipeline System.

"(3) SADLEROCHIT OIL DEFINED.—The term 'Sadlerochit oil' means crude oil produced from the Sadlerochit reservoir in the Prudhoe Bay oil field.

"(c) INCREMENTAL TERTIARY OIL.—For purposes of this chapter—

"(1) INCREMENTAL TERTIARY OIL DEFINED.—

"(A) IN GENERAL.—The term 'incremental tertiary oil' means the excess of—

"(i) the amount of crude oil which is removed during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over

"(ii) the base level for such property for such month.

"(B) BASE LEVEL.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed from such property during the 6-month period ending March 31, 1979, reduced by the sum of—

"(i) 1 percent of such amount for each month which begins after 1978 and before the project beginning date, and

"(ii) 2½ percent for each month (after the last month described in clause (i) or, if no such month, after 1978) which is before the month for which the base level is being determined.

"(C) MINIMUM AMOUNT IN CASE OF PROJECTS CERTIFIED BY DOE.—In the case of a project described in paragraph (3)(A), the amount of the incremental tertiary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(2) ALLOCATION RULES.—The determination of which barrels of crude oil removed during such month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between oil which (but for this subsection) would be tier 1 oil, oil which (but for the subsection) would be tier 2 oil, and oil which (but for this subsection) would be tier 3 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(3) QUALIFIED TERTIARY RECOVERY PROJECT.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such is in effect under the June 1979 energy regulations, or

"(B) any project for the tertiary recovery of crude oil which meets the requirements of paragraph (4).

"(4) REQUIREMENTS.—A project meets the requirements of this paragraph if—

"(A) the project involves the application (in accordance with sound engineering principles) of one or more tertiary recovery methods which can reasonably be expected to result in a significant increase in the amount of crude oil which will ultimately be recovered from the property,

"(B) the project would be uneconomic without the benefits of this subsection,

"(C) the project beginning date is after May 1979, and

"(D) the operator submits (at such times and in such manner as the Secretary may by regulations prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets the requirements of subparagraphs (A), (B), and (C) (and continues to meet the requirements of subparagraph (A)), and

"(ii) such other information as the Secretary may by regulations require.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) TERTIARY RECOVERY METHOD.—The term 'tertiary recovery method' means—

"(i) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or

"(ii) any other method to provide tertiary enhanced recovery which is approved by the Secretary.

"(B) PROJECT BEGINNING DATE.—The term 'project beginning date' means the date on which the application of the method or methods referred to in paragraph (4)(A) begin.

"(C) PROJECT ONLY AFFECTS PORTION OF PROPERTY.—If a qualified tertiary recovery project affects only a portion of a property, such portion shall be treated as a separate property.

"(D) SIGNIFICANT EXPANSION TREATED AS SEPARATE PROJECT.—A significant expansion of any project shall be treated as a separate project.

"(d) STRIPPER OIL.—For purposes of this chapter, the term 'stripper oil' has the same meaning as such term is defined in the June 1979 energy regulations.

"SEC. 4992. OTHER DEFINITIONS AND SPECIAL RULES

"(a) PRODUCER.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(2) EXCEPTION IN CASE OF CERTAIN SPECIFIED AMOUNT PRODUCTION PAYMENTS.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(A) is not limited by time or to a specified number of units, but

"(B) will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the holder of the economic interest from which the production payment was created (rather than the holder of the production payment) shall be treated as the producer of such portion.

"(b) OTHER DEFINITIONS.—For purposes of this chapter—

"(1) CRUDE OIL.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) BARREL.—The term 'barrel' means 42 United States gallons.

"(3) DOMESTIC.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) UNITED STATES.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas.

"(5) POSSESSION OF THE UNITED STATES.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) QUALIFIED ALASKAN OIL.—The term 'qualified Alaskan oil' means any crude oil produced from a well north of the Arctic Circle other than Sadlerochit oil.

"(7) TAXABLE PERIOD.—The term 'taxable period' means each calendar quarter beginning after December 31, 1979.

"(8) ENERGY REGULATIONS.—

"(A) IN GENERAL.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as amended.

"(B) MARCH 1979 ENERGY REGULATIONS.—The March 1979 energy regulations shall be the terms of energy regulations as such terms existed on March 1, 1979.

"(C) JUNE 1979 ENERGY REGULATIONS.—The June 1979 energy regulations—

"(i) shall be the terms of energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) CONTINUED APPLICATION OF REGULATIONS AFTER DECONTROL.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) PURCHASER COLLECTS TAX.—If the removal of any taxable crude oil is determined under section 4989(c)(1)—

"(1) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amount of such tax from amounts payable for such oil,

"(2) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(3) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

In determining the amount to be collected under paragraph (1), section 4989(b) shall not apply.

"(d) SEVERANCE TAX ADJUSTMENT.—For purposes of this chapter—

"(1) IN GENERAL.—The severance tax adjustment with respect to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been extracted and sold at its adjusted base price.

"(2) LIMITATION ON AMOUNT OF SEVERANCE TAX.—The amount of severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979.

"(e) SPECIAL RULES FOR POST-1978 TRANSFERS OF PROPERTY.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer—

"(1) crude oil produced from any portion of such property shall not constitute stripper oil or newly discovered oil if such oil would not be so classified if the property had not been divided, and

"(2) the allocation of the base production control level among portions of the property shall be made under regulations prescribed by the Secretary.

"(f) EXEMPTION FOR CERTAIN INTERESTS HELD BY STATE OR LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—If—

"(A) an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution which is an agency or instrumentality of any of the foregoing, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to public education,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest. For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to such interest.

"(2) AMOUNTS PLACED IN CERTAIN PERMANENT FUNDS TREATED AS DEDICATED TO PUBLIC EDUCATION.—The requirements of paragraph (1)(B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to public education.

"SEC. 4993. RECORDS AND INFORMATION; REGULATIONS.

"(a) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purpose of this chapter, including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or appropriate to carry out such purposes."

(3) CLERICAL AMENDMENT.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 45. Windfall profit tax on domestic crude oil."

(b) TECHNICAL AMENDMENTS.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(2) Subsection (a) of section 613 (relating to percentage depletion) is amended by inserting before the last sentence the following new sentence: "For purposes of this subsection and section 613A(d)(1), in the case of taxable crude oil (within the meaning of section 4988(a)), gross income from the property shall be reduced by the amount of the windfall profit (within the meaning of section 4989(a) determined without regard to the severance tax adjustment) and taxable income shall be determined without regard to the tax imposed by section 4986."

(c) TIME FOR FILING RETURN OF WINDFALL PROFIT TAX; DEPOSITARY REQUIREMENTS.—

(1) TIME FOR FILING RETURN OF WINDFALL PROFIT TAX.—

(A) Part V of Subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"SEC. 6076. TIME FOR FILING RETURN OF WINDFALL PROFIT TAX.

"(a) GENERAL RULE.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4992(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) CROSS REFERENCE.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax."

(2) DEPOSITARY REQUIREMENTS.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) WINDFALL PROFIT TAX.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations."

(3) TECHNICAL AMENDMENT.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) CERTAIN INFORMATION REQUIRED TO BE FURNISHED.—

(1) GENERAL RULE.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC 6050C. INFORMATION FURNISHED BY PURCHASER AND OPERATOR REGARDING WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL.

"(a) CERTAIN INFORMATION FURNISHED BY PURCHASER.—Under regulations prescribed by the Secretary, the purchaser of taxable crude oil (within the meaning of section 4988) shall furnish to the taxpayer liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable crude oil purchased from such taxpayer during such month,

"(2) the removal price of such oil,

"(3) the base price and the adjusted base price with respect to such oil,

"(4) the amount of such taxpayer's liability for tax under section 4986 with respect to such oil, and

"(5) such other information as may be required by regulations prescribed by the Secretary.

"(b) INFORMATION FURNISHED BY OPERATOR.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) TIME FOR FILING MONTHLY STATEMENT.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) CERTIFICATION FURNISHED BY OPERATOR.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4990) with respect to such crude oil. For purposes of section 6652(b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) CROSS REFERENCES.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profit tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information furnished by purchaser and operator regarding windfall profit tax on domestic crude oil."

(e) CRIMINAL PENALTY FOR FAILURE TO FURNISH CERTAIN INFORMATION.—

(1) IN GENERAL.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"SEC. 7241. WILLFUL FAILURE TO FURNISH CERTAIN INFORMATION REGARDING WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil."

(f) INFORMATION FURNISHED BY PARTNERSHIPS, TRUSTS, AND ESTATES.—

(1) INFORMATION TO BE FURNISHED TO PARTNERS AND TO BENEFICIARIES OF ESTATES AND TRUSTS.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"SEC. 6050D. WINDFALL PROFIT INFORMATION TO BE FURNISHED TO PARTNERS AND TO BENEFICIARIES OF ESTATES AND TRUSTS.

"(a) REQUIREMENT.—Under regulations prescribed by the Secretary, each partnership, estate, and trust producing domestic crude oil for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050C,

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) TIME FOR FURNISHING WRITTEN STATEMENT.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts."

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1980.

SEC. 3. STUDY OF EFFECTS OF DECONTROL OF OIL PRICES AND OF WINDFALL PROFIT TAX.

(a) GENERAL RULE.—The President shall, not later than January 1, 1983, submit to the Congress a report on the effect of decontrol of oil prices and the windfall profit tax on—

(1) domestic oil production,

(2) foreign oil imports,

(3) profits of the oil industry,

(4) inflation,

(5) employment,

(6) economic growth,

(7) Federal revenues, and

(8) national security.

(b) REPORT TO INCLUDE RECOMMENDATIONS.—The report required under subsection (a) shall include such legislative recommendations as the President determines to be advisable.●

ADDITIONAL COSPONSORS

S. 254

At the request of Mr. CHURCH, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 254, a bill to provide that time spent by American civilians in enemy prisoner of war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs.

S. 446

At the request of Mr. WILLIAMS, the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 446, the Equal Employment Opportunity for Handicapped Individuals Act of 1979.

S. 1149

At the request of Mr. BAYH, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 1149, a bill to incorporate the Gold Star Wives of America.

S. 1328

At the request of Mr. HATFIELD, the Senator from Wisconsin (Mr. NELSON) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 1328, a bill to amend the Water Pollution Control Act.

S. 1425

At the request of Mr. RANDOLPH, the Senator from North Dakota (Mr. BURDICK), the Senator from Rhode Island (Mr. PELL), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1425, a bill to amend title 39 of the United States Code to reduce postal rates for small newspapers and magazines.

S. 1465

At the request of Mr. TALMADGE, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

S. 1511

At the request of Mr. NELSON, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 1511, the Longshoremen's and Harbor Workers' Compensation Act Amendments of 1979.

SENATE JOINT RESOLUTION 99

At the request of Mr. CRANSTON, the Senators from Tennessee (Mr. SASSER and Mr. BAKER) and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of Senate Joint Resolution 99, a joint resolution to provide for the designation of a week as "National Lupus Week."

AMENDMENT NO. 210

At the request of Mr. SASSER, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of Amendment No. 210 intended to be proposed to S. 712, the National Railroad Passenger Corporation authorization bill.

SENATE RESOLUTION 217—ORIGINAL RESOLUTION REPORTED WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. GLENN, from the Committee on Governmental Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 217

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1110, a bill to include home delivery of children's publications in the existing rate for children's publications sent to schools.

Such waiver is necessary because the Governmental Affairs Committee was unable to report the measure prior to the May 15 deadline due to priority business related to energy and nuclear waste issues. The Committee intends to offer an amendment to S. 1110 postponing the effective date of enactment until fiscal year 1981 in order to comply with section 402(a) of the Act.

SENATE RESOLUTION 218—ORIGINAL RESOLUTION REPORTED WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. PRYOR, from the Committee on Governmental Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 218

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 3923. Such waiver is necessary because of the delay in development of an administration proposal for reauthorization of the Commission to be funded. Moreover, funding for this purpose has been assumed in the fiscal 1980 budget and included in fiscal 1980 appropriations. Also, the nature (grants to agencies and institutions) of the program makes its uninterrupted continuation important and a waiver would not be disruptive to the budget process because of the size ($4 million) of the program and its inclusion in budget and appropriations actions.

SENATE RESOLUTION 219—SUBMISSION OF A RESOLUTION RELATING TO ELDERLY AND HANDICAPPED REPRESENTATIVES ON STATE PUBLIC UTILITY COMMISSIONS

Mr. HEINZ (for himself, Mr. RIEGLE, Mr. WALLOP, Mr. BAYH, Mr. JAVITS, and Mr. CULVER) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 219

Whereas low-income elderly and many handicapped individuals suffer disproportionately from the rising cost of utilities;

Whereas State commissions regulating utilities are under increasing pressure to approve substantial rate increases;

Whereas State commissions may consider not only the rate amounts but also the way they are allocated to various categories of users;

Whereas in setting rates in the public interest State commissions must be informed of how they affect all population groups: Now, therefore, be it

Resolved, That it is the sense of the Senate that low-income elderly and handicapped individuals be appointed to, or serve as advisors to, State commissions regulating public utilities and similar State agencies.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the chief executive of each State.

● Mr. HEINZ. Mr. President, I am pleased to submit today for myself, Senators RIEGLE, WALLOP, BAYH, JAVITS, and CULVER, a resolution that expresses the sense of the Senate that low-income elderly and handicapped individuals be appointed to, or serve as advisers to, State commissions regulating public utilities.

We have all been affected by the energy crisis. In order to meet rising energy costs we are readjusting our lifestyles and cutting back on certain leisure or luxury spending. Unfortunately, there exists within our society a population of 5 million individuals that must make even greater sacrifices. The individuals that I am referring to are the low-income elderly and the handicapped.

Mr. President, the low-income elderly and handicapped people in this Nation have borne the brunt of the energy crisis. They exist on fixed incomes which, in real terms, have actually decreased since our energy problems began in 1972. This situation, coupled with soaring energy costs, is severely disrupting and threatening their lives.

Statistics from the Department of Energy indicate that while the middle-income household today spends 9.6 percent of its annual income on energy, the low-income elderly spend as much as 27 percent of disposable income, and estimates are that this latter figure soars to as much as 55 percent during winter months. With the continued threat of additional price increases, this figuure could jump even higher.

The low-income elderly and handicapped individuals are struggling to make ends meet. Because such a large percentage of their income must be used to pay utility bills, they have been forced to cut back on basic necessities. I have heard horror stories of individuals who have been forced to cut back on medical care or who have gone hungry for part of each month because of the drain of utility costs on their meager resources and fixed incomes.

State commissions regulating utilities are responsible for making decisions in the public interest. They must balance the needs of the utility companies and of the various population groups that are affected by their decisions. Not only must they consider the amount of the rates that they establish and the way they are allocated, but they must also be informed of how these rates will affect the lives of various users. For this reason, it is important that they are cognizant of, or representative of, the various

groups that their actions affect; particularly those whose health and well-being are most likely to be affected.

In light of the recent large and rapid increases in utility costs, it is important that low-income elderly and handicapped individuals have direct input to commissions regulating public utilities since they are seriously affected by their decisions. Therefore, the resolution that we are introducing which would express the sense of the Senate that these individuals be appointed to or serve as advisers to commissions regulating public utilities, is one way that we can be assured that these commissions will be fully appreciative of the impact of their decisions on such individuals and that they will carry out their functions fairly and sensitively.●

THE NEED FOR CONSUMER REPRESENTATION ON STATE PUBLIC SERVICE COMMISSIONS

● Mr. BAYH. Mr. President, I am pleased to join with my colleague from Pennsylvania, Senator HEINZ, in sponsoring a resolution calling on the States to appoint lower income elderly and handicapped individuals to serve on the State bodies charged with regulating public utilities.

Across the Nation, and certainly in my State of Indiana, rising utility rates have created unduly heavy burdens on our citizens. Very few of us have not received utility bills sent in by constituents indicating the unbelievable escalation in utility costs over the past few years. All of us recognize the terrible strain that these bills place on budgets already stretched to the limit. It seems to me rather wider of the mark to talk about slowing down the current inflationary spiral without addressing the significant role that increased utility costs, which have soared some $48 billion over just the last 4 years, have placed in contributing to double digit inflation. What is more, inflation's most devastating effects are on the poor, the elderly, and those living on small incomes or savings which cannot possibly keep pace with the rapid increases in the cost of living which we are experiencing.

Increases in utility bills have made most Hoosiers cut their utility usage to the bare minimum. Even this has not served to reduce the bills they face. And we all recognize, Mr. President, that there is a point beyond which individual conservation efforts cannot go. People must have heat and light, and none of us has forgotten the tragic consequences of the termination of service to those unable to pay tremendous bills has had over the last two winters. The bottom line is that my constituents have no other choice but to consume a certain amount of energy in heating their homes throughout cold Hoosier winters and pinch and scrape and try to pay their bills. In many cases these bills are now larger than homeowners mortgage payments.

State public service commissions now have the primary responsibility for regulating utilities and deciding on rate increase requests. They are supposed to act in the public interest. It is little wonder to me, Mr. President, that the public is not convinced of the consideration given to their needs by these bodies. Time and time again, the full amounts requested by utilities have been granted, many almost in summary fashion. Many of my constituents have expressed their grave concerns to me regarding the performance of Indiana's public commission in safeguarding the the public interest. A Senate resolution can put the U.S. Senate on record in support of the view that those who are impacted by the decisions of these regulatory bodies should have a say in their deliberations.

To address the concerns many Americans have about State utility commissions, Congress included provisions in the national energy plan enacted last year to make the regulatory process fairer and to guarantee that the interests of consumers are considered in decisions on utility rates. A Senate resolution, in an extension of this important principle, and complements the goal announced in our earlier legislative efforts of encouraging the development of rate structures that are equitable to consumers and which encourage more efficient use of existing facilities.

While the utility bill enacted last year requires public service commissions to thoroughly study and consider reforms in the rate structure, many have been reluctant to do so. It seems to me, Mr. President, that the inclusion of public members on such commissions would provide a moving force to assure that alternative rates are given meaningful consideration.

There is no question, Mr. President, that those issues, which most directly affect consumers' pocketbooks—such as rate structures which charge less the more power you use, or lifeline rates which assure that subsistence amounts of electricity are available at affordable prices, or fuel adjustment clauses that are fair or safeguards in termination of service proceedings, or whether consumers should pay for corporate political advertising—are traditionally not given sufficient consideration in ratemaking proceedings. What better way to assure that these interests are addressed than by providing for public representation? Even though the national energy plan authorizes the Department of Energy to intervene in State proceedings in an advisory capacity, to assure that such factors are taken into account, encouraging direct public participation through appointment of consumers to commissions appears to me to be more a direct and effective way to accomplish this goal.

Mr. President, I urge my colleagues to consider this resolution favorably. It gives us the opportunity to send a clear signal to our State legislatures that we in Congress are committed to regulation of utilities that is in the public interest, and reaffirms the age-old democratic precept that those most directly affected by public policy ought to have some influence on how it is made. I hope that leaders in State governments around the Nation will react positively to this expression of congressional concern, and provide opportunities for consumer representation on State public service commissions.●

● Mr. CULVER. Mr. President, I am pleased to join today as a cosponsor of the sense of the Senate resolution to encourage States to appoint elderly and handicapped persons as members or consultants to their public utility commissions.

From the outset, it should be emphasized that this resolution is not binding on the States and it does not require them to take any action. Rather, it expresses the sense of the Senate that it would be desirable for State utility commissions to have this type of formal mechanism to insure input from the elderly and handicapped segments of our society.

The reason we feel this input from senior citizens and handicapped individuals is so vital is that they are the people hardest hit by the spiraling energy costs. Several factors combine to make these people much more vulnerable to the harsh effects of rising fuel prices. First, their incomes are substantially lower than those of other households—typically only about half the level of other families. Second, generally speaking, the homes of the elderly and handicapped are more likely to be older, less valuable, and less energy efficient. And third, their poorer health and reduced mobility makes them much more susceptible to the dangers posed by cold temperatures in their homes.

The dramatic increases in fuel costs we have recently witnessed will place an absolutely intolerable burden on most low-income senior citizens and disabled persons. Many of these people are completely at the mercy of utility bills, and have already had to make tragic choices between heat and food, or heat and medical care. Whereas utility bills for the average American family average 5 to 10 percent of their income, fuel bills regularly amount to 20 or 30 percent of senior citizens' income. And in the wintertime, heating bills often can consume half or three-fourths or more of their monthly income.

Since the beginning of 1970, heating fuel oil prices have jumped 278 percent, natural gas prices 185 percent, and electricity 115 percent. In the last 12 months alone, fuel oil prices rose 38 percent, natural gas 15 percent, and electricity 7 percent. And the price outlook is very bleak, indeed, with foreign oil price unlikely to hold steady and decontrolled domestic oil rising to foreign price levels within 2 years.

Mr. President, I believe elderly and handicapped representation on the State utility commissions would be very beneficial for both the commissions and our low-income consumers. These people could offer a much-needed perspective on utility rate structures, rate increases, and other matters which dramatically

affect elderly and disabled customers, such as shutoff policies and lifeline rate proposals. This type of valuable input can make the commissions more aware of the impact of rate structures and increases, and perhaps result in methods by which low-income utility customers can more easily pay their monthly utility bills.

Therefore, Mr. President, I welcome this opportunity to cosponsor this sense of the Senate resolution, and I urge my colleagues to give it their careful consideration.●

SENATE RESOLUTION 220—ORIGINAL RESOLUTION REPORTED TO AMEND THE STANDING RULES OF THE SENATE

Mr. MORGAN, from the Select Committee on Ethics, reported the following original resolution, which was placed on the calendar:

S. Res. 220

Resolved, that the Standing Rules of the Senate are amended—

(1) by striking out rule XLII, and:

(2) by adding a new rule XLII as follows:

"RULE XLII: PUBLIC FINANCIAL DISCLOSURE"

For purposes of this Rule, the provisions of Title I of the Ethics in Government Act of 1978 shall be deemed to be a Rule of the Senate as it pertains to Members, officers, and employees of the Senate.

EXECUTIVE AMENDMENTS SUBMITTED FOR PRINTING

SALT II TREATY—EX. Y, 96-1

EX. AMENDMENT NO. 6

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to the treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna, on June 18, 1979, Ex. Y, 96-1.

● Mr. MOYNIHAN. Mr. President, the SALT debate has become a debate on rearmament. If this is cause for dismay, it is no occasion for surprise.

For some while the pace of the Soviet arms buildup and the "asymmetry" of the SALT I agreement has been obvious to all save those whose concern it has been to avoid the obvious.

This avoidance was the subject of my first address to the Senate on March 4, 1977. At that time—not so very far distant—to draw attention to the rise of Soviet strategic power was to invite suspicion of grave unorthodoxy.

Thus in March 1977 the principal thrust of my remarks was to question the assumption, seemingly in place within the administration, that Soviet behavior in nuclear weapons was basically imitative of United States behavior. This of course implied that if the United States restrained the growth of its forces, so also would the Soviets. I stated that there was no evidence for this.

I continued to press this point, and its corollary that the Soviets were approaching the moment when they will have neutralized our Minuteman force and attained to something like strategic superiority.

I put the case that the longer we took to recognize this reality the more likely it was to astound and confound us when finally we did.

It took a good 2 years, so far at least as the public pronouncements of the present administration are concerned. Whether this was longer than need have been is beside the point. The time came.

Specifically, on February 21, 1979, in presenting the fiscal year 1980 defense budget to the Senate Budget Committee, Defense Secretary Harold Brown said that it "reflects the President's determination to begin countering the Soviet military buildup that has been underway for over 15 years." The Secretary went on to document the trends in military spending during this period, here and in the Soviet Union. U.S. military investments, measured in terms of constant dollars, have been in a general decline since 1969.

The Soviets have had uninterrupted growth since about 1960. Since the early 1960's the Secretary said, "Soviet investment in new military hardware has increased twofold . . . and is more than twice ours today. . . . The upward trend shows every sign of continuing. . . . Soviet spending has shown no response to U.S. restraint—when we build they build; when we cut they build."

In terms of military power, the Secretary used the phrase "rough equivalence, parity" to describe the balance today. During a brief colloquy, I asked "Would you say this, Mr. Secretary, that if the trend lines proceed, the Soviets would be ahead?" Secretary Brown replied, "They would be clearly ahead militarily."

The President finally spoke to the point in his address to the American Publishers Association in New York City on April 25, 1979. He stated:

> Over the past decade, the Soviets have steadily increased their real defense spending, while ours has had a net decrease.

In the hearings now concluding on SALT II the thrust of this statement has been repeated over and again by the Secretary of State and the Secretary of Defense. On Monday of this week, the present head of the Arms Control and Disarmament Agency predicted the Soviet Union would continue a "relentless" arms buildup, with or without the pact.

An administration that has seemed blind to reality, suddenly seems blinded by it.

On Wednesday of last week I met with a high official whom the administration had had testifying before the Senate Foreign Relations Committee in favor of the SALT II. He had made his support conditional on a considerable increase in arms expenditure. I asked him to consider that the MX missile might never be built. In that event, he said, "We are lost."

Without wishing to belabor the point, I would repeat that the present alarums are in many ways the predictable consequence of the previous torpor. This is nothing new, and would be of no great matter were it not that in the course of our present debate on rearmament we risk abandoning all hope of a Strategic Arms Limitation Treaty that might actually limit strategic arms.

More and more SALT II is referred to as peripheral or even irrelevant to our international position, either military or diplomatic.

More and more it is said of SALT II that its value, such as it may be, is that it preserves the SALT process.

I would contest this. The only value I can see in a SALT treaty is that it should limit strategic arms. The great irony is that the SALT process may in fact have become a barrier to just that. Far from solving the problem, the process has become the problem.

Certainly certain facts are clear.

In 1969 when discussion of an arms limitations treaty began, the Soviets had 1,050 ICBM warheads. In 1985 at the conclusion of SALT they will have upward of 12,000. This is four warheads for every county in the United States.

In terms of missile throw weight the Soviets will continue their rapid increase from their current level of 11.3 million pounds to 15.0 million pounds by 1985, the treaty's expiration date. This will be half again the American throw weight. The number of Soviet MIRVed missile launchers alone will almost double under the treaty period from the present level of about 700 to 1,200 in 1985.

The problem I suggest with the process is that—so far—it has required American negotiators to reach agreement with the Soviet Union in an area where there is no agreement. Their strategic buildup has been underway, as Secretary Brown attests, for 15 years. It was well underway when formal SALT negotiations began. It has never ceased because the Soviets would not agree to do so.

As a result, more often than not, the actual negotiations in SALT have taken place within the American Government. The process goes something as follows. The advocates of strategic arms limitations obtain agreement to have "talks"—that is the term—with the Soviets. In these talks they find the Soviet Government has already agreed with its military to continue their nuclear buildup. At the time of SALT I the Soviets had already decided to build the SS 19, which they proceeded to do. This is one reason why our Minuteman force is now threatened.

Accordingly a treaty is drafted which permits the increase in Soviet strategic forces the Soviets have already planned. Our negotiators return with this treaty which the American military in all honor cannot support unless a corresponding increase in American nuclear forces is also to take place. This is then agreed to on our side through a complex negotiation involving the White House,

the State Department, and the Defense Department and the Congress.

Thus, as the Washington Post observed only this morning, the commitment to the Trident submarine was made in order to gain approval of SALT I. Whatever its military utility, it was deemed to serve the purpose of the moment—to win ratification of SALT I—simply because it was—big.

Similarly the M-X has become the price of SALT II. It is hard to describe this weapons system, for it changes every day. At minimum it is complex. More seriously, it will require the Soviets to deploy some 8,000 warheads to neutralize it. (Two warheads per 20 possible sites for 200 missiles.)

Thus the United States joins the arms race the Soviets insist on. This is the ultimate irony. Without thinking, without so far as I can tell even noticing, United States behavior in nuclear weapons has become basically imitative of Soviet behavior, because we have accepted the Soviet definition of "arms control."

By the end of SALT II the United States will have four nuclear warheads for every "rayon"—the Soviet equivalent of our county—in the Soviet Union.

In the meantime our conventional military forces grow relatively weaker with respect to the Soviets. In the kind of conflict one can imagine and could accept we are evermore likely to be overmastered. All because we wanted arms limitation and went about it badly.

The gods must weep.

I would hope we do not have to settle for this. I believe we can still negotiate a strategic arms limitation agreement that will limit arms.

Such hope as there exists for this is found in the "Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms," an appendage to the treaty, though not a part of it that sets the agenda for the next round of SALT. This joint statement calls for a third SALT agreement that will bring about a "reduction in the numbers of strategic arms, as well as for their further qualitative limitation."

These are not instructions; even if they were they are not binding. They reflect nothing more than the ideals with which SALT I and SALT II were entered upon—on our side. For it is an open secret that when the United States in Moscow, in March 1977, proposed a specific reduction in strategic arms of one-third, the Soviets rejected any such specific. Less known, but now more important, at Vienna in June the United States proposed to the Soviets that the joint statement on SALT III call specifically for a one-third reduction in strategic arms and again the Soviets refused.

Worse. The United States entered into the negotiations for SALT I with a pronounced advantage in strategic weapons and those for SALT II with a sufficient advantage. The prospect is that the SALT III negotiations will begin with the Soviets anticipating strategic supremacy by the end of the process. In such circumstance, to hold out hopes for any real reduction is self-deception or worse.

Our only hope is to obtain agreement for a SALT III reduction of arms now while the United States still retains the option to head off that shift in the strategic balance. If there are to be reductions in SALT III, their attainment must be written into SALT II.

I therefore propose an amendment to the treaty which will add a new provision to article XIX of the text:

> 4. The Parties shall conclude, by December 31, 1981, an agreement which shall, as a result of the negotiations undertaken in accordance with the Joint Statement of Principles and Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms agreed upon at Vienna on June 18, 1979, effect significant and substantial reductions in the numbers of strategic offensive arms, consistent with the requirement for the maintenance of essential strategic equivalence. This agreement shall enter into effect immediately upon the expiration of the present Treaty or sooner, as the Parties shall decide. If the Parties are unable to conclude such an agreement by December 31, 1981, the present Treaty shall terminate on that date.

Unlike other proposals which have been made to force the pace of the SALT III negotiations, this provision does not require undoing the present SALT II treaty. With respect to timing, it meshes with the expiration of the protocol to the treaty, which will itself automatically lapse on December 31, 1981.

This much is certain: Our margin for error in SALT has disappeared. We must rescue the "process" from itself, otherwise it will present us with ever more unappealing choices. We must recover for SALT the possibility of arms limitation and genuine arms reductions. This, so it seems to me, is the major contribution the Senate can make to the preservation of the SALT process which the President, and others, seek. We must at least make the effort.

What I propose, in short, is to make it plain, so far as the future of the SALT process is concerned, that there will be no alternative to arms reductions. And I should think that 2 years is a sufficient time to achieve this goal, if there is a willingness to do it.

We have been at this process for 10 years. We must now face the real issue and our real prospects. And we must now say to the Soviets—and to ourselves—that if there are not going to be any significant strategic arms reductions, we will not wait until the Soviets surpass us in strategic nuclear power, or are on the verge of so doing, before establishing this fact.

If the Soviets have no intention of reducing strategic arms until they have first attained to strategic superiority, now is the time to find out.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENT EFFICIENCY AND THE DISTRICT OF COLUMBIA

● Mr. EAGLETON. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia, of the Committee on Governmental Affairs, will hold hearings on August 1 and 2 on the SEC's annual report on the accounting profession and the status of the profession's self-regulation program. The hearings will be held in 6226 Dirksen Senate Office Building, beginning at 9:30 a.m.

Any questions about these hearings should go to Ira Shapiro of the subcommittee staff at 224-8785.●

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

● Mr. DURKIN. Mr. President, I would like to announce that the Subcommittee on Energy Conservation and Supply of the Committee on Energy and Natural Resources will hold a hearing on Monday, August 6, in room 3110 of the Dirksen Senate Office Building, on the Energy Productivity Act, at 10 a.m.

Anyone desiring additional information about the hearing should contact Veronica Kun of the subcommittee staff at 224-47166.●

ADDITIONAL STATEMENTS

IF "IF" WORKS IT COULD . . .

● Mr. METZENBAUM. Mr. President, I would like to call the attention of my colleagues to an article by Albert Rosenfeld that appeared in the July 1979 issue of Life magazine. This article, entitled "If IF Works It Could . . .," summarizes the findings of years of research on a drug that could be a "vital weapon in the battle against cancer, protect against viral and bacterial disease, provide a cure for shingles, rabies, chickenpox and eye infections, and prevent the common cold."

The article describes the activity at a recent conference on interferon research held at the Rockefeller University in New York. The cochairperson of the conference was Dr. Mathilde Krim, director of the Interferon Laboratories at Memorial Sloan-Kettering Cancer Center. Dr. Krim is described as "an outstanding geneticist and cancer virologist" who is the "energetic impresario of the current drive on interferon." Mr. President, as a friend of Dr. Krim, I can only add my words of respect for her work as a dedicated professional in this massive research effort.

As I consider the promise of research programs such as this one, I am aware that there are those who believe that the Federal Government is spending too much of the taxpayers' money on biomedical research. Some of that research may sound esoteric to the layman, but in fact, biomedical research is one of the best investments that we as a nation can make. The research efforts that we support today will in the future pay off in longer and healthier lives for the American people.

Mr. President, I am not suggesting that interferon is the be-all and end-all of pharmacology. But I do believe that the promise of this drug, and the superhuman efforts of researchers like Dr. Krim are impressive examples of what

we receive in return for the funds that we spend on basic scientific research. In the future, let us be sure to encourage Dr. Krim and all her research colleagues, so that American health technology and research capacity remains at the highest levels.

Mr. President, I ask that the text only of the article be printed in the RECORD.

The article follows:

IF IF WORKS IT COULD . . .

(By Albert Rosenfeld)

"I don't claim that interferon will be the 'magic bullet,' as you call it, for cancer," says Dr. Mathilde Krim. "But can you tell me what other substance has, so early in its experimental life, shown such promising activity against major forms of cancer? And can you name another cancer therapy that has shown so few side effects—all of them reversible?"

She pauses to greet a Danish virologist who has just walked up the carpeted staircase, balancing a drink in one hand and a plate of food in the other as he moves lightly around a regal seal point Siamese. Krim, with her radiant smile and warm European accent, reminds me instantly of Zsa Zsa Gabor. She is an outstanding geneticist and cancer virologist and codirector of the Interferon Laboratories at the Memorial Sloan-Kettering Cancer Center in New York.

As the energetic impresario of the current drive on interferon—or IF, as it is referred to by professionals—she is clearly the appropriate hostess for the party celebrating the opening of a major international interferon workshop at Rockefeller University in New York. Gathered at the Krim home are more than 300 of the world's leading interferon investigators, who have come from 27 countries—a concentration of the scientific talent responsible for the sudden explosion of interest in a substance known since 1957.

Interferon is a hormonelike molecule of protein combined with some carbohydrate. The body's own cells produce it in minute quantities in response to viral attack. But it now takes enormous quantities of human blood to extract a small amount of interferon. Because it is such an intrinsically fascinating—if highly expensive to produce—substance, exerting far-flung effects on nearly all the cell's basic mechanisms, it has drawn the keen interest of virologists, microbiologists, immunologists, geneticists and cell biologists. Because it also promises to become one of the most versatile therapies in all of medical history, it has attracted increasing attention from clinicians, too, ranging from cancer doctors to infectious-disease specialists to transplant surgeons.

The American Cancer Society has just begun a $2 million clinical testing program—the first time in the organization's history that such a sum has been set aside for so highly focused a project. Two million dollars does not buy an impressive amount of interferon. A pound of it (if a whole pound were obtainable) would cost billions of dollars. However, interferon units are measured only in picograms—trillionths of a gram. A recurrent topic at the conference will be how to meet the challenge of producing more, and cheaper, interferon.

Cochairing the conference with Krim is Sloan-Kettering colleague Dr. William E. Stewart II, a tall, trim-bearded, cowboy-booted Texan, who stands nearby in animated conversation with two virologists who came from China to attend the workshop. Krim says that Dr. Stewart's new book, *The Interferon System*, "will be indispensable for everyone in the field."

"Isn't it exciting!" Mary Lasker, of the Albert and Mary Lasker Foundation, greets me. Mrs. Lasker has put the weight of her own prestigious medical organization behind interferon, and her enthusiasm on the subject is contagious. "Even if interferon turns out to be disappointing as a cancer treatment, and I doubt that it will, it is still the greatest hope we've ever had for protection against a whole spectrum of viral ailments."

Behind the wave of excitement about the long-range possibilities of interferon are the known effects IF has already had on a number of diseases. They include several forms of cancer, some of which had been resistant to chemotherapy. Scientists warn that the cases involved are few; that the interferon used has not been pure enough to rule out the possibility that other ingredients had caused the observed effects; that all programs are in their very earliest experimental stages. The belief now is that, at the very least, interferon will serve as a useful supplement to existing therapies for some cancers.

IF has shown promise in controlling nonmalignant growths, such as warts and papillomas, and it may help prevent rejection of transplanted organs. Though considered mainly an antiviral, interferon may also afford some protection against at least a few kinds of bacterial, protozoal and rickettsial infections, including malaria, as well as autoimmune diseases (rheumatoid arthritis and multiple sclerosis are suspected of being autoimmune in nature).

IF is, as Mrs. Lasker says, our best hope for a broad-spectrum antiviral. Its prospects look good for the long-range treatment of hepatitis-B, the chronic form that can be dangerous to liver function (and may even contribute to the commonest form of liver cancer).

IF may also be at least a supplementary enhancer for rabies vaccines. Some investigators think that interferon will eventually be able to do the whole job. Shingles and chicken pox, both caused by the same herpes virus, should be good candidates for interferon therapy. The same is true of cold sores and other herpes infections, including the one that now causes the third most prevalent form of venereal disease. IF has shown signs of effectiveness against systemic viral infections of newborns and even more promise in upper-respiratory diseases, including influenza and the common cold. There is particular optimism for its use in the topical treatment of sometimes blinding eye infections. And this by no means completes the impressive inventory of interferon possibilities.

The little circle around Mrs. Lasker includes a man who participated in much of the pioneering antiviral research. He is Dr. Thomas C. Merigan, with whom I recently talked about interferon at Stanford, where he heads the Division of Infectious Diseases. In 1972, in colloboration with researchers at the British Medical Council's Common Cold Unit in Salisbury, Merigan conducted tests that strikingly demonstrated interferon's potential as a protection against common cold viruses. But it required $2,000 worth of interferon spray per person to prevent each cold. Until a more inexpensive interferon is available, Merigan and others will concentrate on the more life-threatening viral infections.

"The patient with a malignancy, for example, is doubly vulnerable," says Merigan. "His immune system is already subnormal. It is further suppressed by chemotherapy and radiation. With resistance so low, infections may appear in their most virulent form. They can cause some patients more misery and anguish than tumors do. Many cancer patients die, not of cancer, but of an accompanying infection. One of the worst of these is herpes zoster—shingles.

"Zoster is not only excruciatingly painful but can endanger the cancer victim's life as it spreads over the body's skin surface and to the viscera as well. In a series of three trials involving 90 lymphoma patients, we did observe some interferon side effects—fever, for example, and transient marrow suppression at the high dosages necessary. But our trials did demonstrate that interferon can prevent the spread of zoster in cancer patients. We now have every reason to believe that there may be a very useful role for interferon in the treatment of systemic viral infections. The same considerations hold true for transplant recipients," he adds. "They too have had their immune systems suppressed to prevent rejection—and they are vulnerable to infections which could perhaps be headed off by interferon."

Dr. Jordan Gutterman of Houston's M. D. Anderson Hospital and Tumor Institute, who had originally requested the grant from the American Cancer Society, is asked how his trials are going. "Well, the results have continued to be extremely encouraging," he says, "in breast cancer, lymphoma and multiple statistics until the results appear in The New England Journal of Medicine. And in support of what Tom Merigan was just saying, we've noticed that none of the patients on interferon seem to be catching colds or other viral infections."

I spot another interferon pioneer, Dr. Hans Strander of Stockholm's Karolinska Hospital, whom I had recently visited in Sweden. Strander was the first cancer clinician to use interferon on a series of cancer patients. At the time, he was criticised for it—and his optimistic findings were disbelieved. But he now appears well on his way to vindication. Strander is in conversation with Dr. Harri Nevanlinna, who is director of the Finnish Red Cross's Blood Transfusion Service as well as a friend and associate of Dr. Kari Cantell—the first person to have produced enough interferon to give to others for research—of Finland's Central Public Health Laboratory. If one were to choose a single hero in this distinguished group of interferon luminaries, it would have to be Kari Cantell.

"Many people have told me that Cantell could never have done his work without your help."

Nevanlinna replies, "Oh, I only supplied the blood. Kari supplied the imagination." Nevanlinna is a trim, balding Finn with the look of a man who really savors life.

"It is amazing to me that a country the size of Finland should be supplying the whole world with interferon."

"It was Kari's determination. He thought that human leukocytes—the white blood cells—might be good interferon producers if they were challenged with some agent relatively harmless to humans, such as the Sendai virus. But where to get the leukocytes? Well, when you centrifuge human blood to separate the cells of differing densities, all the white cells come out in a layer that floats on top. We call that the buffy coat. If you take off the buffy coats, you have the white cells."

"And the blood that remains is still good for transfusion?"

"Oh, yes. Even better. There is reason to believe that the white cells sometimes cause adverse reactions. So no one is cheated out of blood transfusions by removing the buffy

coats. Gradually, over the years, as Kari learned how to make the leukocytes produce interferon and then went through the painstaking and very expensive process of extracting it, more and more of Finland's blood supply has been made available for producing what is known as human leukocyte interferon." (Since there are other types of interferon, they are often referred to as "the interferons.")

"Of course," Nevanlinna continues, "what we get is still far from a pure substance. And it still takes hundreds of gallons of white cells to produce frustratingly small amounts of usable interferon. If the clinical results continue to look so encouraging, there may be a demand in Finland that we keep our limited interferon supplies at home. By then we hope that countries like the United States and Sweden, which have the best research facilities, will be producing their own.

"Strander here has been through all this with us—right, Hans?"

Dr. Strander says he worked for five years in Helsinki and closely watched the results of mouse cancer experiments before he was ready to try interferon on human cancer patients. "There was some trepidation in the beginning, of course. And some surprises. One of the first persons I injected with interferon was a young woman with plantar warts on her feet, which she had had all her life. They completely disappeared! But when we stopped giving her interferon, they came back. Now, one cannot go around giving constant doses of interferon to keep away common warts.

"But there is a kind of wart—a nonmalignant, virus-caused papilloma—that afflicts children in a most distressing way. It is called juvenile laryngeal papilloma and is fortunately rare. These growths are not cancers but they could easily kill. They fill up the whole larynx so that the child can barely speak or breathe. And the only treatment is surgery. The papillomas have to be cut out again and again. One of the children I saw had already undergone more than one hundred operations! I now have some seven cases where the use of interferon has cleared up these growths. They do come back again, but repeated courses of interferon are infinitely easier on a child than repeated surgery."

Dr. Strander says he was also impressed with tests on patients with osteogenic sarcoma, a rare form of cancer that may accompany the spurt of growth occurring at puberty. The tumor tends to grow around the long bones, and amputation is a usual treatment. This disease has a fairly predictable course in the majority of cases: metastases to other parts of the body and death within a couple of years.

"In our first thirty-four cases treated with interferon—Kari Cantell's, of course—only half as many patients developed metastases as might have been expected, and they survived longer. Some scientists understandably objected that we had used 'historical controls'—that is, case histories of past patients. Now we have added some contemporary controls to our tests, and I think the results are turning out to be more acceptable."

They have, in fact, been accepted by many scientists—not as definitive, of course, but as exciting and encouraging—and have been reinforced by the work of others.

The optimism expressed at Dr. Krim's party—and very apparent at the conference working sessions—should not be mistaken for euphoria. More than one scientist remarks that IF is a most appropriate designation; the whole topic is still so iffy. More mystery than knowledge has existed in the field since the discovery of interferon in 1957 by the late Dr. Alick Isaacs, at Britain's National Institute for Medical Research, along with his Swiss-born collaborator at Oxford, Dr. Jean Lindenmann.

Already well known at the time was the phenomenon called viral interference: the presence of one virus interferes with the action of another. A patient with one viral disease will seldom succumb to another. In laboratory cultures, it is difficult to infect a group of cells with a virus when a prior virus is already at work. If two live-virus vaccines are administered near the same body site, they will interfere with each other. Why? Logic would predict that an organism weakened by one virus would be even more vulnerable to the next viral invasion.

And why are so many virus diseases "self-limiting"? Here, too, logic falters. A virus takes over a cell by commandeering its metabolic machinery, ordering it to make more viruses instead of its own stuff. The occupied cell complies, destroying itself and spewing forth a host of newly manufactured viruses. One would think that the freshly reinforced viral hordes would now be more irresistible than before. Yet they are resisted. How?

Isaacs and Lindenmann, working with membranecell cultures from chicken eggs, infected them with flu virus. Then they removed all viruses and cells from the culture before a new virus was introduced, and the interference remained just as strong, protecting new cells placed in it. It was not, then, a case of one virus interfering directly with another. The first virus obviously induced the cell to produce something, an interfering substance—which turned out to be the protein Isaacs and Lindenmann named interferon.

On being invaded by a virus, cells begin to make IF. The IF molecules do not take on viruses directly; instead, the IF goes to surrounding cells and stimulates them to manufacture other substances. These effectively inhibit virus multiplication within the cells and make individual cells, as well as whole organisms, resistant to the spread of virus. Thus, IF molecules are, in effect, chemical "warning" messages sent from cell to cell. The "interferon system" is itself a complex series of intracellular and intercellular events.

This system is clearly the organism's first line of defense against viruses. It moves into battle position within hours after the first viral spearheads have been detected, long before other elements of the body's immune system can mobilize their forces.

The discovery that the body produced an anti-viral substance of its own held out the promise that IF—isolated, purified, synthesized and mass-produced—might be, for the viral diseases, what antibiotics are for bacterial infections. Investigators in many countries took up the challenge, their principal support furnished by the Medical Research Council in England and the National Institute of Allergy and Infectious Diseases (NIAID) in the U.S. Why has it taken them so long to get anywhere, clinically speaking?

For one thing, unlike other, similar molecules—such as insulin for diabetes—IF proved to be largely (though not absolutely) "species-specific." You need rat IF for rats and human IF for people. And from the very beginning IF was extraordinarily difficult to extract. "There was at least one other immediate difficulty," says Dr. Samuel Baron, a veteran interferon virologist. "Skepticism. Quite understandable skepticism." Baron, for many years with NIAID, has more recently been head of microbiology at the University of Texas Medical Branch in Galveston, which has now become a thriving center of interferon research. Baron had the early advantage of working with Alick Isaacs.

"I shared the prevailing skepticism about interferon at the time," he admits. "When I saw at first hand what was happening in those cultures—how completely the cells were protected from lethal viruses—I became an overnight believer. I have remained so over the years. People have decried the lack of 'results' in therapeutic terms, but there really has been steady and encouraging progress."

Part of this steady progress has been the result of a greater understanding about interferon's basic mechanisms. Because it is a large molecule, its laboratory synthesis is likely to take some time. But once accomplished, this will make possible large-scale production of IF. We have also learned that there are at least four different kinds of IF and also a set of IF inducers, substances that stimulate its production.

For the most part, the IF inducers have proved too toxic for use in humans. But at the conference, Dr. Hilton B. Levy of NIAID said that a new inducer called PICL (pronounced "pickle") "revives hope for an agent that might, after all, bypass the whole process of making interferon on the outside."

Most researchers believe that we will need every type of IF and IF inducer we can produce, merely to carry out the research needed to define the limits of the fantastic medical promise of the substance. With so much promise—and with so much research in need of doing—high priority will be placed on speeding up production. "As long as interferon remains so scarce," says Kari Cantell, "we will have trouble allocating it wisely. For example, we know that interferon is effective against the herpes eye infections which cause blindness in many of their victims. Suppose there are 100,000 people with such infections and we could treat them all with existing interferons supplies. Is that what we should do with our supplies—or conduct trials on a few hundred cancer patients? This is the kind of ethical dilemma we will continue to face until we get a lot more interferon."

The last session of the three-day conference is held in a small, hot auditorium at Memorial Sloan-Kettering, with standing room only. After summaries of all the intensive, early-morning-to-late-evening sessions have been presented, Dr. Frank J. Rauscher Jr., head of research for the American Cancer Society, is called upon to describe the interferon trials now under way. The trials, he says, will cover only four types of cancer. Only about 150 patients will be involved over a period of months because of the scarcity and high cost of IF. "I am working on the ACS board," he says, "to add some more money for interferon research, but I can't say what further success I'll have."

Mary Lasker asks, somewhat hesitantly, "Do you think it's worth mentioning some of the preventive possibilities you talked about the other day?"

"Oh, yes!" Dr. Rauscher says. "There is every reason to hope that if interferon turns out to be an effective therapy for cancer, it should also be an effective cancer preventive. If we had plenty of it—and if it were found safe to take—I can imagine that people with a genetic or familial predisposition to some form of cancer might want to take it as a possible preventive. The same might be true for people who have worked around or have been exposed to dangerous substances, such as asbestos or radioactive materials."

It is not unreasonable to imagine a time when several kinds of pure interferon, in different dosage forms—over-the-counter or

by prescription—would be purchasable at neighborhood pharmacies. We might use it to ward off colds all year round and flu in flu season. We might not have to worry about rabies, about shingles or hepatitis or warts or cold sores or eye infections or other familiar ailments. We might be able to regulate our immune systems at will, maintaining our resistance to a variety of diseases in all seasons and at all ages. We could keep our transplanted parts and organs from being rejected. And perhaps we can count on interferon to cure and/or prevent cancer!

Was there ever a panacea-hawking, snake-oil salesman at any carnival who promised more of his product? Yet it could all come true some day.

IF . . .●

MILITARY DEPENDENTS OVERSEAS

● Mr. GOLDWATER. Mr. President, in considering proposals to legislate a reduction of military dependents overseas, I believe it is extremely important that we know what the commanders in the field think about the idea. The Department of the Air Force shares this belief and consequently it asked for opinions from its respective theater commanders and found that they were strongly opposed to the idea of removing dependents.

Because of the importance of these opinions, Mr. President, I ask that the messages received by the Air Force from its commanders in the European and Pacific theaters be printed in the RECORD.

The material follows:

MESSAGES RECEIVED

The following quotes are from General John W. Pauly, Commander in Chief, United States Air Forces in Europe, concerning dependents overseas:

"I am deeply concerned about recent Congressional proposal to legislate a reduction of dependents in Europe with the associated shortened tours. I strongly oppose these efforts because of their potentially catastrophic effects on the readiness of the command and the quality of our force.

"The command would be hard-pressed to meet its combat readiness requirements with TDY rotations or shortened unaccompanied tours without a substantial increase in the CONUS training base. For example, current in-theater checkouts for aircrew members range from approximately 20 days in a C–130 to 150 days in an F–111 before they become initially combat ready. Theater checkout time is influenced by prevailing weather, complex multi-nation C2 systems, compressed airspace, limited training facilities, and unique aircraft systems. Reducing tour lengths in Europe will decrease the share of an overseas tour in which crewmembers are mission ready and adversely affect "C" status in our combat units.

"The inherent technical sophistication of our weapons systems requires the utilization of a large percentage of experienced and senior personnel, most of whom are married and serve accompanied tours. Their stability is a direct enhancement to our readiness posture and, in fact, acts as a force multiplier. The presence of their dependents is a positive, and perhaps vital, factor in their morale and well-being and thus a primary element in our ultimate fighting ability.

"We have developed non-combatant evacuation plans and exercise these plans at frequent intervals. Given the minimum required time for execution, we are confident that we can carry them out. It seems paradoxical that the relatively small number of military dependents among the million and a half Americans in Europe should be the center of focus in possible hostage considerations and evacuation chaos concerns. In an emergency, our problems will not revolve around our organized and tightly controlled body of dependents, but the large mass of other Americans requiring evaluation and other assistance.

"The impact of certain Congressional proposal on the retention of qualified personnel could be disastrous. Even now, we in USAFE are experiencing the highest pilot losses in our history. Further, in this command it is becoming increasingly difficult to fill key accompanied positions and downright problematic to fill unaccompanied positions in our less desirable locations.

"The constant stream of perceivably inequitable trends in compensation and entitlements must be reversed. Otherwise, we are in jeopardy of losing our members' unswerving dedication, loyalty and subsequently, large numbers of highly trained and valuable professionals. Pay caps, reallocations and proposed changes to our retirement system, are viewed as efforts to reduce the cost of the military establishment at the members' expense."

In a presentation to the Vice Chief of Staff concerning military dependents overseas, Lt. Gen. James D. Hughes, Commander-in-Chief, Pacific Air Forces, stated:

Impact on our allies.

Overall: Presence of dependents indicate U.S. believes situation is stable and secure.

Dependents contribute to deterrence by their presence. Indicate U.S. resolve to defend the country.

Indicate U.S. intention to remain.

Japan continues to be concerned over U.S. resolve in the Pacific. Korea withdrawal was a shock that qualitative increases in our force structure barely outweighed, Japan now awaiting evidence of our continuing commitment.

Benefit of greater resolve is new vitality in U.S./Japan relations. Cost of not doing is lost opportunities to solve critical bilateral problems.

Reduction of dependents in Japan would clearly signal a lessened commitment, a precursor to further withdrawal.

Reduction in dependents may be resented by Japanese. Would indicate trend to an occupation Army mentality by the U.S., contrary to the theme of equal partnership being fostered by our Ambassador.

GOJ expending $100 million a year in construction for U.S., mostly housing. Japanese want American families.

Any dependent reduction in Japan would have to be matched with reduction in Europe to avoid anti-Asia implications.

Korea:

Gen. Jones, when CSAF, implemented program to contribute to combat capability in Korea by increasing tour lengths through accompanied tours. ROKG is providing housing because they realize corporate knowledge will be improved and the presence of American families clearly indicate U.S. intention to keep forces in Korea.

Korea would interpret dependent reduction as a major reversal in U.S. policy. Timing is particularly bad following President's trip.

Philippines:

Without accompanying offset in military expenditures to balance financial losses associated with reduced dependents, the GOP may ask for increased financial aid.

Provides another indication of U.S. withdrawal from East Asia, and reduction of interests in the area.

Indicates U.S. may consider situation unstable and war more likely if we see need to remove dependents.

Adds evidence that isolationism is growing more popular among U.S. Congressional leaders.

Contrary to our basic values—central role played by the family in American society.

Policy over time could create an overseas mercenary type force separated from mainstream of American society.

U.S. military families overseas comprise large percentage of American's goodwill ambassadors. They learn the host's culture and teach ours. These cultural exchanges would be cut-off if dependents never went overseas.

Main impacts of proposed reduction:

Decreased operational readiness. Lessened rated/maintenance expertise. Loss of supervisory skill, continuity, corporate memory.

Adverse impact upon morale/retention: Increased disciplinary problems. Increased separations/retirements.

Political considerations: Conveys lack of commitment to allies-lack of resolve to enemies. Adversely affects on-going cooperative efforts with allies."●

U.S. POLICY SPURS REFUGEE FLIGHT

● Mr. HUDDLESTON. Mr. President, on June 12, 1979, the distinguished Senator from Massachusetts, Mr. KENNEDY, placed in the CONGRESSIONAL RECORD a series of articles on refugees from the Philadelphia Inquirer. Included in these articles was one which stated that the massive flow of refugees in Southeast Asia is a "push-pull" phenomenon. Conditions within the countries are pushing people out and the large-scale publicity given the resettlement efforts is pulling people out by giving them added encouragement to leave. According to the article:

There is a danger of creating a self-generating monster that will live for years beyond its normal life," said one representative of the United Nations High Commissioner for Refugees (UNHCR). "The more the West accepts, the more will leave Indochina. In Vietnam, particularly, everyone listens to the Voice of America and British Broadcasting. Those stations report every step of every new resettlement program.

The migration goes beyond the legacy of radios that the West left behind when it fled. Refugees come to the United States, build up a little nest egg and send money back home. The folks back home use the money to buy their way out.

The validity of this push-pull concept is becoming increasingly apparent and is supported by more recent stories from Southeast Asia. On July 29, 1979, the Courier-Journal ran an article entitled "U.S. Rescue Spurs Flight, 'Boat People' Say," which stated that:

The U.S. Navy's mission to rescue refugees in the South China Sea is encouraging more Vietnamese to flee their homeland, rescued "boat people" said yesterday. . . .

All those rescued said they had been planning to leave Vietnam but set out when they did because they heard of Carter's order and hoped to be spotted.

I can understand the desire to offer every assistance to these people. However, in the final analysis we have accomplished little if we lure more people to

make the escape attempt. I believe that the refugee bill, S. 643, which has recently been reported by the Senate Judiciary Committee, will perpetuate this push-pull tragedy. The bill continues our open-ended policy on refugee admissions by not establishing firm procedures for setting admission levels. If this bill is passed the word will again go out to dissatisfied thousands, many of whom will be encouraged to try to get in the long line of refugees who are already waiting to get into the United States.

Perhaps the American people have a greater understanding of the forces at play here than the administration.

An NBC-Associated Press poll released on July 20, 1979, showed that "only one-fourth of the public favors the entry of additional refugees. Two-thirds are opposed to this effort." This response was in regard to proposals to double the number of Vietnamese refugees admitted.

I believe that we as elected officials would do well to pay heed to views of the public on this issue.●

A SALUTE TO THELMA THOMAS DALEY AND DELTA SIGMA THETA

● Mr. MATHIAS. Mr. President, many organizations have been in the forefront of the struggle for the preservation of human worth and dignity. But none has been more dedicated and forthright in its efforts than Delta Sigma Theta, Inc., under the leadership of its current national president, Mrs. Thelma Thomas Daley, of Baltimore.

For more than 50 years Delta Sigma Theta, Inc., with a membership of nearly 100,000 women, has undertaken an array of activities designed to carry out its commitment to public service in areas such as education, economic development, legislation, housing, including the elderly and the handicapped, arts and letters, and so forth. Annually, the sorority awards more than $500,000 to deserving students to assist them in attending colleges and universities. Contributions to other groups total more than $750,000. Each year, Delta Sigma Theta, Inc., makes a $1,000 contribution to the national black achievement scholarship committee of the Nation's merit scholarship program. More than 50 of this organization's nearly 700 chapters participate in the reading-is-fundamental program—RIF—a federally matching grant program which provides books for children.

Under a $134,000 grant from the Department of Health, Education, and Welfare, Delta Sigma Theta has for the past year, engaged in developing a women's educational equity training and assessment program. Its goal is to develop and test materials for use by personnel in public and private institutions and by community groups in an effort to combat sex stereotypes and promote educational equity for women.

Delta Sigma Theta has organized and now has in operation as national programs, four "life development centers" designed to meet a variety of community needs related to its five-point program. Recognizing the need for continued support of black colleges, Delta has established the distinguished professor endowed chair. This effort will provide continuing financial support to black colleges. Last year Delta Sigma Theta awarded minigrants to seven black colleges.

With a $2.76 million grant from the National Science Foundation, Delta has established a resource center in science and engineering to increase the number of scientists and engineers from minority and low-income groups. Its national office has contributed a reading shelf to the Hubert H. Humphrey Institute of Public Affairs on the roles of women in the civil rights movement of the 1960's.

DST Telecommunications is the mechanism through which Delta Sigma Theta supports the arts and letters. To date, this dynamic organization has produced a record album and a film on the artistic advancement of black people.

For the 11th year, Delta has operated its direct search for talent project in Baltimore. With funding of approximately $750,000 from the U.S. Office of Education, Delta identifies students in selected high schools for counseling services, tutorial assistance, guidance, career testing and evaluation services, and financial aid services. A second direct search for talent project has been instituted by the North Jersey alumnae chapter with more than 20,000 participants.

Delta Sigma Theta's Washington, D.C., alumnae chapter has received a $5,000,000 grant to provide housing for senior citizens and handicapped persons.

The Federal City alumnae chapter has also spearheaded an effort in support of the equal rights amendment and full voting representation for the District of Columbia.

In 1978 Delta Sigma Theta received more than $5,200,000 in grants which provide services directly affecting more than 100 communities.

Many of these accomplishments can be attributed to the outstanding leadership of Mrs. Thelma Thomas Daley. Mrs. Daley is a nationally recognized guidance and counseling professional and former national president of both the American Personnel & Guidance Association and the American School Counselor Association. She has served on the faculties of Coppin State College, Western Maryland College, and the University of Wisconsin. She has also served on the Harvard University College Admission Summer Institute staff. Employed by the Baltimore City Department of Education, she has just completed 2 years of service with the Maryland Department of Education as a consultant in career education and as Federal project director. Mrs. Daley's professional and community involvement is extensive: Trustee, Educational Testing Service; former trustee, College Entrance Examination Board; member of the National Advisory Council on Career Education; appointed by Joseph Califano, former Secretary of HEW, to chair the National Advisory Commission on Cancer Education; member of the board of directors of the Voluntary Action Center of Central Maryland; Cochairperson of the Maryland Foster Care Committee; and chairperson of the statewide special program for the adoption of babies in Maryland.

Mrs. Daley has received numerous citations and awards including a plaque from the NAACP citing her outstanding contribution to the life membership program; the Continental Society, Inc., Outstanding Black American Award; the Governor's Citation; Lambda Kappa Mu Outstanding Woman Award; and she is listed as 1 of the 100 most influential black women. Mrs. Daley is also listed in "Personalities in the South" and "Who's Who in Black America."

I join members of Delta Sigma Theta and all Marylanders in saluting Mrs. Daley as she leaves office on a job well done. Thelma Thomas Daley has provided an example of leadership and has written a record of accomplishment that would be hard to follow, but she also leaves an organization capable of meeting that challenge.●

IMPACT OF GOVERNMENT INTERVENTION, UNNECESSARY RULES AND REGULATIONS ON AMERICAN SOCIETY

● Mr. NUNN. Mr. President, recently, Dr. Fred Davison, president of the University of Georgia, delivered an outstanding commencement address to the 1979 graduating class in which he described the adverse impact of Government intervention, unnecessary rules and regulations on American society. The challenge he presented the members of the 1979 class is worthy of review by each of us, and I commend it to the reading of each of my colleagues.

I ask that the address be printed in the RECORD.

The address follows:

DR. DAVISON'S COMMENCEMENT ADDRESS

We have gathered here this morning for one of higher education's grand occasions . . . Commencement.

Today we officially recognize accomplishment. Today we officially induct new degree holders into the ranks of educated men and women.

This day means a great deal to you who will be awarded degrees. It holds great significance for your friends, your families and your loved ones.

Today you are special, you are singled out, you have reached a milestone.

This holds as true for the 2,000 of you who have earned advanced degrees as for the 4,000 bachelor's degree candidates of this academic year. You join a group of 110 thousand living alumni of The University of Georgia.

You have set yourselves apart, and each of you is recognized today as a member of that elite body of people to whom knowledge is a precious and revered commodity.

I deliberately use the word "elite" although that term might cause some discomfort. We are living in an age where a major

social goal seems to be "total equality." We are in a period where the word "elite" is considered almost undemocratic.

If you are uncomfortable or embarrassed by the term "elite," I believe it is a sad commentary on the trend of anti-intellectualism that has swept through our society.

By completing the demanding requirements for a degree at The University of Georgia, you have joined Thomas Jefferson's "natural elite." This is a group not defined by wealth or birth but rather by virtue and talent.

You who receive degrees today are not average or ordinary; the effort and work you have expended is not mundane: your belief in education is not shared by all and your appreciation of learning and knowledge makes you stand out.

The diploma you receive today symbolizes that you have cast your lot with all those scholars and thinkers who, for all of recorded time, have struggled against ignorance and fear.

You are proof positive that some people step forward and stand out from the crowd, stand out from the average.

The trend toward leveling all people, goals and aspirations in our society to a common standard was addressed by former Texas Representative Barbara Jordan.

Representative Jordan, speaking at Boston University, spoke of the preoccupation in Congress with total egalitarianism, with leveling societal aspects.

"We have become so brainwashed by an erroneous definition of democracy that we have difficulty prescribing any program . . . because we recognize some people are excellent," she said. "As members of Congress," she concluded, "we should not be engaged in a leveling process . . . Congress ought to enunciate and promise those policies which would lead, absolutely, categorically, and without hesitation to the best this country has to offer."

This institution firmly and without reservation stands for equal educational opportunity for all our citizens.

But, equal opportunity to gain an education and equality of accomplishment through use of that education are not the same thing.

Do not be afraid to stand out, to be excellent, to be more than average, to be one of the "elite" of American society. Use your talents and learning to enhance your lives and to accomplish great things. Use it to make your country better and your own life better.

Face tomorrow with confidence in yourself and your future and build upon what The University of Georgia has been able to give you.

The faculty, staff, alumni and friends of the University have worked together to provide you with the best possible place to learn.

A great many people over many decades have worked toward building the excellent institution we have today. It was done for you and those who will come after you.

Here the people of Georgia have provided a great university that, in the words of poet John Masefield, "stands and shines;" a place where "the free minds of men, urged on to full and fair inquiry, may still bring wisdom into human affairs."

Wisdom in human affairs is always in short supply. Confusion and doubt are often in great abundance.

As tomorrow's leaders in government, business, military and social affairs, you must try to bring more wisdom and less confusion to bear on our dealings with each other.

Each age has grave concerns and important questions that must have answers.

Many of us grow increasingly concerned about the current confusion, doubt and woe we encounter in our own nation. We have grown timid and uncertain, and in many ways, less competitive.

I believe the direction and role of our federal government has given rise to many of the doubts and much of the confusion we face today.

As President of the University of Georgia I have become increasingly concerned with the rising level of intrusion into the affairs of higher education by all branches of the federal government. We have spent much time and considerable financial resources complying with mounds of regulations and decrees that are not only confusing but often counter-productive.

We have seen straightforward laws passed by Congress turned into a confusing jumble of do'a, don'ts and requirements by a remote bureaucracy.

These requirements divert more and more of our energy and resources away from our primary educational missions of teaching, research and service. At the same time, the object of the original laws is often not being served by this expenditure.

I see daily this contradiction of purpose and have to ask why. Why has this come to be our way of life in America?

Why do we continue to grope for some method by which every person can be declared a success? Why do we do this even if the end result is a lowering of standards to a point where everyone is, in fact, a failure?

Why has our nation almost conceded our formerly unchallenged world leadership in all facets of new technology?

Why have we forced the pharmaceutical industry, with its wondrous potential for humanitarian discovery, to move its research and development to Europe?

Why do we have a state bordering on national hysteria over the Three Mile Island incident and development of nuclear energy? Why does the same hold true over whether recombinant DNA research should be allowed?

This litany has no end. The question remains * * * Why?

I answered this question recently before another group of new graduates. I believe it bears repeating here.

I believe that, in part, all of our frantic legal, legislative and regulatory mania comes from an attempt to remove the risk of failure. Our search for the lowest common denominator is born of a growing fear of risk, I believe.

Our loudly voiced concerns with zero tolerances, noise levels and catastrophic scientific accidents—none of which ever quite materialize except in science fiction—may be connected to a pathological fear of risk.

Our government seems to be a party to this change in the American character. Our government, it seems to me, is trying to create the illusion that we can have a riskless society.

We have been led to believe that every problem can be solved through regulation or government action.

Even though we live in a world facing the most unforgiving set of problems in history, we somehow have come to believe we can legislate and regulate our way into safe harbors.

The agenda of problems we face as a society is awesome and threatening.

It includes the need for food and fiber to feed and clothe a hungry world;

the shortage of traditional energy sources coupled with ever-increasing levels of consumption;

the uncontained growth of population in a world of finite resources and limited abilities to deal with more people;

and the danger of living in a world whose peace is jeopardized by America's possible slide from superiority to parity to inferiority.

You, the members of the class of 1979, and those who will work and live with you, will not solve these problems with regulations and without risk.

If these problems are to be solved, and they must if we are to survive, then risks must be taken.

We can and should reduce the level of risk, but we cannot eliminate risk completely. Without the possibility that we will fail, with no risk whatsoever, we will make no progress.

We will find no solutions, no answers.

If we attempt to retreat into a totally riskless society, we will, in my opinion, begin to die as a nation.

We need to refresh our collective memory about how America was built and came to be what it is.

We need to remember that our advancement and world leadership has been based on the willingness to take risks. In tomorrow's world, our very survival will more than likely depend on that same willingness.

This should not seem strange to you since risk taking, venturing into the unknown, is much of the essence of higher education.

Education pushes back the darkness where current knowledge ends. Education takes us to our known personal limits and enables us to grow.

We attempt new undertakings, we learn new abilities, we solve new problems with the tools that education has given us. Education makes us confident enough to face the risk of failure.

A society that fails to support endeavors such as education or hampers them to the point that excellence, inquiry and performance are subdued, does irretrievable damage to itself.

A society that does not expect or require a high standard of achievement from education and other endeavors, may be forecasting its own doom.

You are now educated adults with the capability and the responsibility to make your own decisions, to make of your life what you will.

Take your education and use it. Change the world, or a small part of the world, for the better.

When I think of the word change, I think of a remark by the commencement speaker of five years ago, Dr. Anne Firor Scott.

Her theme was the world in 1974 as contrasted with the world of her graduation day in 1941, poised on the brink of world war after barely surviving a world depression.

Dr. Scott said her one wish for the graduates was "that you should find each year, increasing pleasure in learning and thinking; in using your mind and developing your capacity to perceive, so that you can at least partly understand and deal with the changes as they come."

That is good advice for all of us here today. I would only add that you must also be willing to direct those changes as well as understand them.

Have faith in your country and your education. Take away from this place a determination to be the best you can be at whatever you do. I challenge you to make reasoned judgments and resist emotionalism;

To strive for excellence and not be too deterred by risks;

To be as wise as you can and not to be afraid;

To be proud that you have accomplished something important in your life, as symbolized by the diploma you have earned today.

Reestablish boldness as a part of the American character and you will return to all of us a precious gift.

Your parents and friends are proud of you. Those of us on the faculty are proud of you.

The University of Georgia is enhanced by its association with you just as it will always be a part of you.

I pledge to you that we will always work to see that your University remains devoted to the highest principles of learning, to freedom of thought and experience, to fulfillment of potential and to truth.

We will work to see that you will always be proud that the University of Georgia is your alma mater.

We will work to see that it always "stands and shines," that it always represents what is best and what is right. We will work to see that it is, in the highest meaning of the word, a University.

I congratulate each of you and thank you for the honor that has been mine in directing a few thoughts to you on this important day.●

THE AMERICAN STYLE OF WARFARE AND THE MILITARY BALANCE

● Mr. GOLDWATER. Mr. President, because more and more Members of this body are beginning to be aware of the rather dismal position of the United States when compared in conventional arms and strategic forces with the Soviet Union, I think all of us might well read an interesting article which appeared in this month's issue of Air Force magazine.

We cannot any longer hide our heads in the sands of ignorance and complacency as we debate the passage of a treaty that can irrevocably give the Soviets the best hand in the deck. I ask that the article to which I referred "The American Style of Warfare and the Military Balance" by Edward N. Luttwak be printed in the RECORD.

The article follows:

THE AMERICAN STYLE OF WARFARE AND THE MILITARY BALANCE

(By Edward N. Luttwak)

National styles differ in war, as they do in the pursuits of peace. Embodied in the tactical orientation of military forces and revealed by their structures, these national styles reflect not only the material and human attributes of societies but also their collective self-image. That is why the attempt to transplant a national style of warfare into the armed forces of another nation, with a different pattern of strengths, weaknesses, and social relations, usually fails. One recalls vividly the failure of Egypt to practice Soviet-style armored warfare in 1967, and equally her success with her own tactics, at least during the first days of the 1973 war.

To each his own, therefore. But even so, a fatal dissonance can arise: National styles of warfare, embedded as they are in culture and society, may retain their domestic authority even while being overtaken by changes in the external military environment. Particularly dangerous are those changes which are subtle and cumulative rather than overt and dramatic. The latter may awaken attention and stimulate a rethinking of military methods and structures which may yet save the situation. But when change is slow and not manifest, routines are apt to go on as before, until the sudden and catastrophic discovery of inferiority in war itself.

ATTRITION VS. MANEUVER

There is now a real danger that the American style of warfare is being overtaken by precisely this kind of change in the external military environment. Even while the Soviet Union is closing the quality gap in one dimension of military strength after another, and even while the United State's overall military resources are declining relative to those of the Soviet Union, she holds on to the belief in her own material superiority. To be sure, the official spokesmen of the services constantly remind us of the growing Soviet advantage in the numbers and the steady improvement in the quality of Soviet weapons, and yet the *operational* implications of these facts have not been absorbed. The American national style of warfare remains unchanged: It still presumes a net superiority in material, for it is a style based on the methods of attrition rather than maneuver.

We all know what attrition is. It is war in the administrative manner, of Eisenhower rather that Patton, in which the important command decisions are in fact logistic decisions. The enemy is treated as a mere inventory of targets, and warfare is a matter of mustering superior resources to destroy his forces by sheer firepower and weight of materiel.

Maneuver, by contrast, is not a familiar practice in recent American military operational form. In fact, in the language of the US Army, maneuver is frequently confused with mere movement, or at least offensive movement. Maneuver may well call for movement, but it is very much more than that. It can be applied not only in ground combat but in all warfare, and indeed in all things military, even research and development. Maneuver describes "relational" action—that is, action guided by a close study of the enemy and his way of doing things—where the purpose is to muster some localized or specialized strength against the identified points of weakness of an enemy that may have superiority overall.

Maneuver thus depends much more on Intelligence (and intellect) than attrition warfare, which can almost be a matter of mere procedure. It also entails a higher degree of risk. But while the side that has materiel superiority can choose freely between attrition or maneuver, the side whose resources are inferior overall can only prevail by successful maneuver. If an inferior force remains tied by tradition and attitude to low-risk or low-payoff attrition methods, it must be defeated. In the cumulative destruction of the forces ranged against one another which characterizes an attrition contest, the inferior force will inevitably be exhausted first.

AMERICAN CONCEPTS OUT OF DATE

It is not surprising that maneuver warfare is so unfamiliar to American military men—in whose self-image material superiority still looms large—while it is almost instinctive to those who see themselves as inferior in resources, be they from Vietnam or Israel.

It is by now obvious that the US Army, Navy, and Air Force would no longer enjoy an automatic superiority in materiel if confronted by the forces of the Soviet Union, and yet their structure and their methods still implicitly reflect the presumption of a net advantage in resources.

The US Army, for example, has recently promulgated a new manual of tactical doctrine for a major conflict in Europe (FM 100–5). This is a doctrine of pure attrition: Soviet forces are expected to attack in deep columns of armor, and the Army means to oppose them by positioning armor and infantry battalions in their path—some pushed forward to act as a "covering force," but the bulk concentrated on the main line of resistance. Advancing Soviet armor is to be defeated by sheer firepower, in sequence: First air attacks well forward of the battle line, then artillery (with precision munitions), then the guns and antitank missiles of the yielding "covering force" in a shoot/fallback/shoot sequence, then the main forces with their own guns, missiles, and small arms. Single battalions are to leapfrog one another in a slow withdrawal, to reload with ammunition so that they can resume the orderly administration of firepower.

Catch phrases associated with the new doctrine have an industrial sound: "force-generation," "target-servicing," etc. The invading enemy is treated as a mass of individual targets to be destroyed one by one, with the strength of the defense in firepower being ranged against hard armor. No attempt is made to seek out and exploit weaknesses in the modus operandi of the enemy or in his array of forces. No thought is given to the possibility of attacking the long flanks that columns of armor must necessarily have. The Army's new doctrine thus continues to presume a net superiority in firepower: U.S. forces are to "mow down" Soviet armor as British imperial infantry once dealt with the Zulu impis. The British won, though they were outnumbered as the U.S. Army would be today, but unfortunately the Soviet forces are not Zulus and they will not be outgunned.

A MANEUVER DEFENSE FOR NATO

A maneuver defense for the North Atlantic Treaty Organization (NATO) would be quite another thing. Far from seeking to muster strength against strength in a frontal clash of firepower vs. armor, it would rely on attacks against the weak points of the Soviet array. For example, Soviet divisions draw their resupply from convoys of trucks following in their wake, 1,800 trucks for each tank division and 2,200 for each "motorized rifle" division. Behind each hard wedge of armor there is the soft column of unprotected and road-bound trucks. A maneuver alternative to the Army's new doctrine might deploy all-armored and highly agile strike forces which would sidestep the oncoming thrust of Soviet armor columns, penetrate through the spaces between the columns, and then advance deeply enough into the enemy's rear so that they could then turn to attack the "soft" traffic of artillery, combat-support and service units, and supply columns following in the wake of the Soviet armor.

While American tanks and combat carriers would be formed into these strike forces, the infantry (which is already well equipped with antitank missiles) would be placed in the path of the Soviet advance to form resilient and amorphous defense zones. The aim would be to slow down and embed the enemy armor spearheads rather than to destroy them in costly combat. In the meantime, the strike forces would be on their way, to advance in parallel to the advancing enemy columns before turning to wade into them.

While American battle tanks could no doubt do much better against trucks and artillery carriages than in tank-to-tank combat, the operational goal—as in all genuine maneuver—would not be so much to destroy enemy resources as to dislocate the enemy's scheme of operations. Instead of being faced with an entirely predictable frontal resistance (which they are well organized to defeat), Soviet commanders would be confronted by confused entanglements and sudden emergencies in their own vulnerable rear, as the elusive strike forces attack road-bound traffic, only to disappear (when attacked in turn) to come back and attack

again somewhere else along the columns. Soviet armor spearheads would in some cases run out of supplies while fighting it out in the resilient defense zones; above all, the stream of reinforcement echelons (on which the Soviet method depends) would be drawn away to confront the strike forces in the rear, instead of being fed into the penetrating advance to keep up its momentum.

This is not by any means a fully analyzed idea, and it is, of course, at the extreme end of the risk/payoff spectrum, but it does illustrate the general principles of maneuver warfare as they apply to all combat—land, sea, or air.

First, one's own high-quality forces must not be expended against those of the enemy; instead, they are to find and attack the weak points in the enemy's array of forces. In the meantime, the enemy's main effort is to be contained (though it cannot be defeated) by a specialized defense, organized from the lower-cost forces.

Second, the key to victory in maneuver is force disruption rather than destruction. Of course, there will be some attrition, but its purpose must be to dislocate the enemy's system of war, rather than to reduce his forces in piecemeal combat. The goal is to force the enemy to abandon his program, rather than just to reduce the forces he has to implement that program.

Finally, maneuver warfare cannot be fought by standard, general-purpose forces shaped by traditional preferences and bureaucratic priorities. Instead, one must deploy forces especially tailored to cope with a specific enemy—that is, forces which are configured to exploit his particular weaknesses, rather than to maximize all-around capabilities. One allows the enemy to dictate one's force structure and tactics; the "organizational initiative" is conceded in order to seize the operational advantage.

EXAMPLES OF MANEUVER DEFENSE

An outlined airpower example illustrates the generality of these rules. Soviet battlefield air-defense systems are now much more formidable in Europe than they were in Arab hands in October 1973, when Israel lost almost a quarter of her air force in three days. To do its work, which is to help in the *land* battle, the U.S. Air Force (USAF) plans to defeat the array of Soviet antiaircraft guns and missiles by attrition and sheer weight of materiel: special "defense-suppression" aircraft are deployed to attack Soviet radars directly, while other special aircraft are to neutralize Soviet radars with electronic countermeasures. In addition, each line aircraft is to carry self-protection electronic devices. In the first few days of a NATO war, when airpower would be needed most to give time for the ground forces to deploy, the USAF would, in fact, be busy protecting its own ability to operate at all.

It is interesting to note that others have reacted differently. The Royal Air Force (RAF) simply cannot afford to fight it out with Soviet air defenses; its plan is to *evade* rather than defeat them. The RAF has decided to use its aircraft in the immediate rear of the battlefield, to attack Soviet reinforcement echelons rather than the first wave of Soviet forces on the battlefield itself—where defenses are thickest. As some RAF officers see it, the American insistence on taking on the Soviet Union where she is strongest may result in an air force which will be "taking in its own washing" instead of earning its keep. The RAF approach is "relational" maneuver; that of the USAF a form of attrition.

In the case of naval forces, a counterexample can be cited from the opposite side. When Stalin decided to build an oceanic navy as part of the armament program that began in earnest very soon after V–E Day, his plan reportedly called for a *nonrelational* "balanced fleet" on the Anglo-American pattern, with destroyers, cruisers, and aircraft carriers, as well as submarines—the indispensable weapons of the weaker fleet. Had Stalin's successors continued on this path, the Soviet navy would have been a much inferior imitation of the American and bound to be outclassed in every encounter.

But after Stalin's death his naval plans were scrapped and the Soviet Union adopted a relational "maneuver" approach; she built her own navy specifically to exploit the weaknesses of the US Navy, instead of trying to imitate its structure. As a result, the American surface navy of carrier task forces is now confronted by an array of Soviet anti-carrier forces, based on the use of antiship missiles carried in submarines, naval aircraft, and surface warships. The Soviet navy, which this relational scheme has produced, cannot do many of the things that the US Navy does so well, but it does have a fair chance of winning a naval war, at least in some circumstances. A nonrelational Soviet navy, built to realize the typical naval ideal of a "balanced fleet," would by contrast have guaranteed absolute and total inferiority at sea for the Soviet Union.

THE IMPLICATIONS OF INFERIORITY

Now that the United States has chosen to place herself in a position of military inferiority to the Soviet Union by reverting to the pattern of underspending of the interwar years, the nonrelational procedure, with its low-risk/high-cost attrition solutions to every threat, is becoming increasingly obsolete. In one area of defense after another there is no third alternative between higher-risk maneuver methods and a guaranteed defeat. In part, the persistence of an obsolete style of warfare is due to an understandable cultural lag: The services are in the position of those remaining ill-informed American tourists who, in Germany or Japan, still offer *sotto voce* to pay their hotel bills in dollars—and expect a discount. But aside from cultural lag there is another source of irrationality, and ironically it is the product of the striving to substitute logic and calculation for military instincts and bureaucratic goals. Many of the "systems-analysis" techniques introduced by [former Secretary of Defense Robert S.] McNamara and revived by the present civilian defense chiefs are based on mathematical models that treat warfare as a cumulative exchange of firepower; they are, in fact, pure attrition models in most cases. Even though the historical record of war shows quite conclusively that superior firepower is often associated with defeat, and that winners more often than not were actually inferior in firepower, these mathematical models continue to be devastatingly influential because they capture all that is conveniently measurable about warfare. Thus, bookkeepers may fancy themselves strategists.

Unfortunately, these models miss the essence of warfare, which has little to do with the orderly administration of superior firepower on a passive set of targets. To their great discredit, the uniformed military have chosen to play the bureaucratic game, and now have their own models, suitably rigged. Instead of resisting the pressure to conform, and devoting their intellect to the study of war as it really was in history, and as it may be again on the battlefield, the military waste their talents on studies and models that are based on premises that are false, and which they *know* to be false. Hence, the blind lead, and those who could see follow in order to defeat the mathematics of the civilian "systems analysts" with their own, ever more elaborate computer models. Unfortunately, the tactics of bureaucratic conflict in the Pentagon are of no use on the battlefield.●

IF IT'S DEAD, WHO KILLED NUCLEAR POWER?

● Mr. GOLDWATER. Mr. President, an interesting phenomenon of our times is that in a period of grave energy shortages we have put a virtual stop-order on the further development of nuclear power. What we are doing in effect is rejecting one technology for its unknown hazards and rushing off to develop other technologies which may have lethal qualities of their own. This is a very fundamental question, Mr. President, and it was very skillfully explored in a recent Washington Post article by Mr. William Greider entitled "Against the Grain."

Because of its importance, I ask that this article be printed in the RECORD.

The article follows:

IF IT'S DEAD, WHO KILLED NUCLEAR POWER?

(By William Greider)

The American process seems infinitely capable of creating peculiar exceptions to its own passions, which is part of what makes our nation so much more interesting than most others. Europeans, in those choice moments when they express themselves honestly, are apt to explain us away as *dingue:* There's no accounting from crazy Americans.

This season, the national passion for new energy is launching a thousand position papers and a flood tide of dollars. We shall roll up our sleeves and go get it. Even if we must tear apart the Colorado mountains to squeeze oil from the rocks.

Meanwhile, with hardly a nod of public recognition, this nation has effectively put a "stop order" on nuclear power. We reject one technology for its unknown hazards, one which the rest of the industrial world is embracing. And we rush off to develop other technologies which have their own lethal qualities.

I am not attempting to find here the fundamental answer on nuclear power—whether America is leading mankind in the right direction or has taken a wrong turn all alone.

My head tells me it's right to stop nuclear expansion for the moment until all the hard questions are answered satisfactorily, until the industry faces the problem of waste storage convincingly, for instance.

But my bones tell me it's a wrong turn. My hunch is that after a decade of filling our air with coal soot and polluting more rivers with acid mine drainage and killing thousands of miners and threatening the globe's atmosphere with too much carbon dioxide, we will take a second look at nuclear technology and decide that it's not as scary as we thought.

The synfuel warriors, signing up for Jimmy Carter's coal war, ought to read the very scary report on carbon dioxide accumulations in our atmosphere, submitted recently to the Council on Environmental Quality. This pollution has the potential of upsetting the global balance of weather and water within a few decades. Burning plain old coal and oil is bad—but burning synthetic fuels is nearly twice as bad.

Of course, I could be all wet, as I often am. Perhaps someday a nuclear disaster in France or Japan or Russia will convince the

rest of the world that the American process in its own chaotic way, made the right decision first—to turn away from nuclear.

Meanwhile, I am asking an easier question: How was this decision made? Whom should we thank? Or blame? There was no presidential edict, no decisive roll call in Congress, no popular referendum, not even big black headlines announcing the moratorium. It is a classic example of interlocking powers in the American system, a machine of whirling wheels that interact but do not control one another.

A lobbyist for nuclear power puts it starkly, perhaps too starkly: "Nuclear is dead. Forget it. There's no way a utility is going to order one now. You won't see another nuclear plant order until the middle 80's, when we start having rolling brownouts, like the gas lines. That's when the recriminations begin. Who lost our electricity?"

THE NUCLEAR MORATORIUM

I checked his gloomy forecast with several analysts at investment banking firms—men who are paid to make accurate forecasts on the energy business—and with several political types. They agree with the lobbyist's diagnosis of the present, but believe the pressures for nuclear may come back sooner than 1985, perhaps in two or three years after our recession. To be precise, we ought to say that nuclear development is not exactly dead, but in 1979 it slipped deeper into a death-like coma.

To understand these interlocking wheels, one begins with the creakiest one—the electric utilities industry—which plodded along happily for 25 years on postwar growth, assured profits, no competition and no back talk from the customers.

"If the utility executive makes a mistake, somebody pats him on the head and gives him an 8 percent return," the lobbyist said. "That's what he's used to. He can't operate in this new environment. The utilities are scared witless." Actually, he didn't say witless, he used another word.

The new environment includes post-OPEC conservation by America's electricity consumers, particularly American business, and the compelling critique from anti-nuke scholars and propagandists. Twenty-five years ago, the private utilities demanded and won from the Eisenhower administration the right to develop atomic power generation as a private business. That decision had profound safety implications (see Alvin Weinberg's account in the summer issue of the Wilson Quarterly), but economic insecurities caught up with nuclear first.

Utilities were accustomed to a robust growth rate of 7 percent in electricity consumption. They ordered new nuclear plants confident that, when the juice started flowing 7 to 10 years hence, a growing market would absorb it. By 1975, in the era of higher energy prices and soaring utility bills, they began to grasp that their world had changed.

Growth in energy consumption fell rather dramatically, down to 4 or 5 percent, and suddenly those long-term commitments to vastly expensive nuclear plants didn't look so assured. All projections became very shaky. Since 1975, only two new nuclear plants have been ordered, both by Commonwealth Edison of Chicago, which is already heavily committed to nuclear. Commonwealth Edison's two orders may have involved a bit of pro-nuke boosterism.

In the same decade, the federal government stepped back a pace. For a generation, the old Atomic Energy Commission played cheerleader and sponsor, providing discreet subsidies and political protection for the atomic wonders. The Nuclear Regulatory Commission, created in 1974, was intended to become an earnest regulator, instead of a rich uncle. Meanwhile, some nuclear scientists were sharpening their questions and the anti-nuke movement began to gain momentum. If these power plants are engines of Armageddon in our midst, it is a righteous cause. Yet it reminds me occasionally of the farm laborers rioting against the steam-driven tractor or newspapers inveighing 80 years ago against the dangers of new-fangled automobiles.

In any case, nuclear growth stopped four years ago—1979 was going to be the year when the nuclear industry broke out of its moratorium—through political action more than economic factors. If Congress could be persuaded to shorten the regulatory process, speed up the time it takes to build and operate a nuke, then maybe those nervous-Nelly utility execs would start ordering again. That was the industry's implicit political goal and the campaign was well underway.

Then the gauges went crazy at Three Mile Island. A scary episode indeed. It seems tiresome to keep stating that nobody got killed; obviously public opinion doesn't find that fact very reassuring. The event seemed to confirm the anti-nuke prophecies of a disaster in our future.

On Capitol Hill, senators and representatives began searching for an anti-nuke vote they could take home to show the folks that they are zealous watchdogs. The political backlash will get worse in the next 18 months, the lobbyist predicts.

"You're going to start seeing Republicans and conservative Democrats opposing nuclear," he said. "They're getting too much heat on it, and they aren't willing to go under for that issue."

The president will proceed as a tepid advocate of nuclear expansion at his own peril. In New Hampshire next winter, a state which just defeated a pro-nuke governor, Jimmy Carter will confront an army of anti-nuke activists knocking on doors in behalf of Jerry Brown and a non-nuclear future.

So now the cautious utility executive faces higher hurdles. If he plunks down a billion dollars or two on a 10-year gamble on future electricity consumption, he risks a stockholder lawsuit. Will the public let him turn it on 10 years from now? Beyond that, he will have lots of trouble convincing Wall Street to lend him the capital at a reasonable interest rate. Then he has to ask: where will we build it?

The public opinion polls still show about 46 percent of the people in favor of nuclear, roughly an even split with the opposition. But the crucial point is that most Americans (2-to-1) do not want a nuke in their neighborhood. This is the reverse of popular sentiments two years ago. As Public Opinion magazine put it so felicitously, the atom splits the sexes—women oppose neighborhood nukes much more strongly (66 percent) than men (46 percent).

If the public is scared, can politicians be far behind? Yet the nuclear industry, more than ever, needs political action in order to revive. Whither America? The de facto moratorium gives both sides an opportunity of sorts. The anti-nuke movement will be pounding nails in the coffin, in the form of additional regulatory safeguards. The industry will be trying to clean up its act and convince us that it has solved the safety problems so long unsettled.

My hunch is that, given the cautious self-interest of private investment decisions, the nuclear question will wind up approximately where the development of synthetic fuels has arrived—directly in the hands of the federal government. This scenario is already popular among some business types, who foresee an ultimate up-or-down political decision someday.

One investment analyst put it thus: "Industry will say: If the government wants these nuclear plants, you're going to have to build them and give them a clean bill of health before we can take the risk."

Maybe a few power brownouts will lower public resistance to nuclear, the way gas lines soften us up for price increases. Or another accident will confirm public fears. It seems a rather crude way for a nation to make its fundamental choices, bruising one another until necessity yields a decision. But that is the American process. Usually, it does produce its own rough reason. Like other human systems, it also makes mistakes.●

JUDGE WILLIAM B. JONES: A MEMORIUM

● Mr. BAUCUS. Mr. President, the Nation lost yesterday one of Montana's greatest contributions to the Federal bench when Judge William Jones died of cancer.

Judge Jones was a confidant and close friend of our former esteemed colleague, Ambassador Mike Mansfield. I know how fond Senator Mansfield was of Bill Jones. He was a true friend, a loyal Montanan, and a great compassionate judge with a true sense of justice and a vision for effective and fair enforcement of our Nation's laws. He will be missed by all of us, but we must remember to follow the important standards of decency his tenure on the bench established for us all.

In the 5 years I have served my country in the House and Senate I have not seen fit to insert in the RECORD a newspaper article. I have refrained from doing so, because I believe our RECORD should not be filled with excessive extraneous material. However, because of the important contributions made by Judge Jones to the active interpretation of the laws passed by this body, I would like to make a brief exception to my rule by asking that the obituary for Judge Jones which appeared in today's Washington Post be printed.

The obituary follows:

W. B. JONES DIES; EX-CHIEF U.S. DISTRICT JUDGE HERE

(By J. Y. Smith)

Senior federal Judge William B. Jones, 72, a former chief judge of the United States District Court for the District of Columbia, died of cancer yesterday at his home in Chevy Chase.

Judge Jones was sworn in as a federal judge here on May 14, 1963, having been appointed by President John F. Kennedy under the sponsorship of former Sen. Mike Mansfield (D–Mont.). He became chief judge by reason of seniority on July 14, 1975, and remained in that capacity until March 20, 1977, his 70th birthday. He remained on the bench as a senior judge until his death.

By reason of its being in Washington, the court on which Judge Jones served decides more cases of national as well as of local significance, perhaps, than any other federal trial court in the country. In his years on the bench, Judge Jones became highly esteemed among his colleagues as well as by members of the bar. His reputation as a trial judge was national as well as local.

Among his rulings was one in 1973 in which he blocked attempts by the Nixon administration to dismantle the Office of Economic Opportunity by administrative fiat. Judge Jones said that the central elements of the office—the community action, economic development and legal services programs—could be terminated only by an act of Congress, which had established them.

In a series of rulings in 1975, he compelled the Washington Metropolitan Area Transit Authority to make its Metro subway facilities accessible to handicapped persons by installing elevators and other necessary equipment.

As chief judge, he expressed the view that persons convicted of fraud, embezzlement, corruption and other white collar crimes should be sentenced to prison terms rather than merely being fined or placed on probation. He believed that jail should not be reserved for those who commit street crimes and crimes of violence.

During a court hearing in 1976 in which he sent two offenders to jail, Judge Jones said, "This white collar crime business has simply got to stop. This court is going to do everything it can to deter white collar criminals."

The hallmark of Judge Jones' work as a trial judge was careful preparation. He mastered the issues involved in cases that came before him and for this reason many lawyers considered themselves lucky to be in his courtroom.

Judge Jones told an interviewer in 1975 that one of the major responsibilities of a judge is to "control a trial and see that it is fair." He had a reputation for making attorneys stick to the important questions and he could be stern with those who strayed from them. He also was noted for the care and scholarship he brought to the preparation of his written opinions.

William B. Bryant, now the chief judge of the court, described his late colleague as "really an ideal trial judge."

"Disputes that find their way into the judicial system should be resolved on the basis of the real issues," Bryant said. "That is the way of assuring use of the best justice we can get. Bill was ever sensitive to that kind of standard."

"What he wanted to do was administer justice," said Judge Paul F. McArdle of D.C. Superior Court.

Shortly before his 70th birthday, Jones announced that he would become a senior judge, meaning that he would put aside full-time duties while at the same time continuing to hear cases and creating a vacancy on the court. "Younger men or younger women are needed to come into this challenging court," he said at that time. There is interesting work to be done here."

William Blakely Jones was born in Cedar Rapids, Iowa, on March 20, 1907. He grew up in Denison and Sioux City, Iowa, and then went on to the University of Notre Dame. He played football under the fabled Knute Rockne there as an undergraduate. While studying for his law degree at Notre Dame, he was a coach of the freshman football team under Rockne's direction. Rockne helped the future judge get his first full-time job, which was football coach at Carroll College in Helena, Mont.

He was admitted to practice law in Montana in 1931 and was sworn in by A. J. Horsky, the chief judge of Montana and the father of Charles Horsky, now a noted lawyer in Washington and a longtime friend of Judge Jones.

Judge Jones established a private law practice in Montana and also served as a special assistant attorney general of that State.

In 1937, he moved to Washington and became a lawyer in the lands division of the Justice Department. At the time, he did not plan to stay here. In the event, he spent the rest of his life in Washington.

In 1943, he was appointed chief counsel of the tire and automobile rationing programs in the Office of Price Administration, one of the major economic agencies of World War II. He also was secretary of the Joint British-American Patent Interchange Committee during the war.

In 1946, he entered private practice with the Washington law firm of Hamilton & Hamilton. He specialized in trial work and soon became a partner. He remained with the firm until he was appointed to the federal bench.

Charles Horsky, who first knew Judge Jones in Montana, credits his friend's experience as both a government and a private attorney with the broad outlook he displayed as a judge.

Before his appointment to the bench, Judge Jones was active in the Bar Association of the District of Columbia. He was a member of its board of directors, chairman of its judicial selection committee and a delegate to the National Conference on Court Administration. He also held several positions in the American Bar Association, including membership on the Committee of Professional Ethics. He was elected a fellow of the American College of Trial Lawyers in 1959. He was chairman of the Judicial Administration Division of the American Bar Association in 1972 and 1973.

But his favorite legal project was the National Institute of Trial Advocacy, of which he was a founder and board member. The institute conducts seminars to train lawyers in trial work. Judge Jones said in an interview in 1973 that the D.C. Bar "has some very fine trial lawyers, but the majority of them aren't that well trained." The institute's program is nationwide.

In private life, Judge Jones was known as a gregarious man whose interests ranged from sports to ballet. Swimming was among the recreations he enjoyed. He retained his love of the West.

Judge Jones was a member of the Metropolitan Club, the Columbia Country Club and the National Lawyers Club of Washington.

Survivors include his wife, the former Alice Danicich, of Anaconda, Mont., of the home in Chevy Chase, and a daughter, Barbara, of Washington.

The family suggests that expressions of sympathy be in the form of contributions to a charity of one's choice.●

FEC—A LACK OF SOUND JUDGMENT

● Mr. HUMPHREY. Mr. President, during the extended debate last week on the nomination of Frank Reiche to be a member of the Federal Election Commission, I mentioned my deep concern about the abuses and excesses of the FEC in its administration of the election laws.

In the give-and-take of the discussion, I did not have an opportunity to present as much documentation as planned.

For that reason, Mr. President, I wish at this time to call attention to the various lawsuits and compliance actions prosecuted by the Federal Election Commission.

Let me remind you that the qualities of a potential Commissioner are required by statute. The law says that Commissioners "shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment." (Title 2, United States Code, section (437c(a)(1)(3)).)

Let us examine the record of the Federal Election Commission and see if the requisite maturity, impartiality, and good judgment are exhibited.

THE MC CARTHY SUIT

We all are familiar with former Senator Eugene McCarthy and his attempt to run for the Presidency in 1976. However, many of us may not know several important facts concerning this man who decided to run an independent campaign in 1976. First of all, it was Senator McCarthy, along with former Senator James Buckley and others, who in early 1975 filed a major lawsuit against the Federal Election Commission alleging that many parts of the Federal Election Campaign Act were unconstitutional.

The Supreme Court held in 1976 in the landmark decision in Buckley against Valeo that the Federal Election Commission, as then constituted, could not exercise any executive functions. It also held that independent expenditures, as well as expenditures from the personal funds of a candidate, could not be limited. The Court did uphold other provisions of the law, including public financing. Having won the case on various grounds, let us see what the Federal Election Commission did to the McCarthy Campaign Committee, a relatively small organization with a sizable debt which was incurred by successfully challenging various State laws regarding unfair barriers to ballot access.

In the early stages of his campaign, the McCarthy committee asked the Federal Election Commission for an advisory opinion regarding the status of the committee. Basically, the issue was whether McCarthy's committee could qualify for public financing. What was the result? No opinion at all. The three Democratic Commissioners said he was not eligible; the three Republicans said he was. The result: A standstill; no opinion issued, to the detriment of McCarthy. That was just the beginning. All six Commissioners then joined in to harass the McCarthy committee even further. It appeared to the Federal Election Commission that there were "serious" reporting violations that warranted instituting costly and lengthy enforcement actions against the campaign. Depositions were taken; bank records were subpenaed; witnesses interviewed.

Was this the Federal Election Commission's investigation of the Lance-Rafshoon-Carter irregularities? No.

What were the sinister and unlawful activities of the McCarthy campaign? According to the Federal Election Commission, McCarthy's committee was not fully disclosing the source of certain moneys his campaign received when he

spoke before certain college groups. Here was his crime: The McCarthy campaign scheduled the Senator to speak before various college groups on topics of national importance. More often than not, the Senator was highly critical of the Federal Election Commission and its operation. The committee would receive an amount of money for the speech from the school or group. The committee filed reports with the Federal Election Commission listing the date of the speech, the name of the school, the location of the school, the date on which the campaign received the money, and the exact amount of money received, with a further explanation that it was given in connection with the speech by McCarthy.

So what is the problem, you might ask? Really, nothing. But the so-called mature Commissioners decided to spend large amounts of tax dollars to bring an action against him because the disclosure was not full and complete.

What was missing? The ZIP code of the college? Believe it or not, the Federal Election Commission said that nothing was missing. The problem was that McCarthy disclosed too much information. The Commissioners exercised their so-called judgment by going into court and asking that the court order the campaign to reduce its voluminous and detailed reports on the source of its money and reduce it to one single entry, namely, the name of the candidate and the total amount of funds involved. I ask my colleagues, which method discloses the source of McCarthy's money better, his detailed reports or that sought by the Federal Election Commission? The answer is clear. It would be like the Internal Revenue Service filing a suit against you because you told it too much as to where you got your money or income.

The Federal Election Commissioners refused to settle the case out of court. Instead, it committed its resources to attacking McCarthy's committee which was already strapped for funds and staff help. Perhaps in another way to impress upon McCarthy who was boss, the Federal Election Commission chose his committee for an audit at the height of the FEC's court action against the committee. Most people would succumb to this kind of heavy pressure and concede. But McCarthy and his lawyer fought on.

Ironically, the case was initially assigned to Judge John Sirica, who sent the Watergate figures off to prison, which era precipitated the campaign laws. Here was a new case for him, not of bag money or corporate gifts and the like, but a case where an independent candidate disclosed too much.

However, Judge Sirica had to excuse himself; that is, take himself off the case. It appears that the judge had asked the Federal Election Commission for an advisory opinion earlier regarding the permissible activity of honorariums which the judge would get from a university. It is little known that the Federal Election Commission has jurisdiction over Federal judges with regard to this kind of activity. (See title 2, United States Code, section 441(1)). The Federal Election Commission had given Sirica an adverse ruling.

The case was then transferred to Judge Oberdorfer, who heard the matter. At one hearing, the court appeared dumb-founded by the Federal Election Commission lawsuit against McCarthy. In open court, the judge sharply criticized the Federal Election Commission for bringing this frivolous lawsuit. The transcript is filled with chastising remarks to the Federal Election Commission for its lack of judgment and maturity. At one point, the judge remarked:

> Well, my problem is ultimately whether this is almost—whether it's a case of controversy, whether there is a serious problem, whether this is a federal case, whether this is just a word game or whether the differences are de minimis, whether you really ought to have—you ought to engage your goodwill with the Federal judiciary and commit the power and the imprimatur of the Federal Court in chasing this what looks to me like a will-of-the-wisp.

The Federal Election Commission was using up to six attorneys on this case, and other staff, including auditors, to chase after "will-of-the-wisps." The judge also told the Federal Election Commission that its credibility was harmed in his court. Needless to say, the judge dismissed the Federal Election Commission case and granted McCarthy's motion for summary judgment. The Federal Election Commission's handling of the case also raises several questions.

The Commission subpoenaed the McCarthy committee's bank records without notifying them or their attorney; the Commission withheld certain information during discovery which eventually had to be obtained under the Freedom of Information Act. The judge even asked McCarthys' lawyer in court as to his belief why the Federal Election Commission brought this suit. It was pointed out that harassment certainly could not be ruled out, considering McCarthy's strong objections to the Federal Election Commission.

By the way, what was the final cost to the taxpayers for this 2½-year enforcement action and lawsuit by the Federal Election Commission? The Commission will not say.

THE REAGAN LAWSUIT

Maybe the McCarthy suit was the exception, one might say. Surely no Federal agency would bring to bear on citizens the weight of the Federal Government without good cause. Unfortunately, the Federal Election Commission's poor judgment and lack of maturity in the McCarthy case is constantly repeated at every turn.

After the 1976 election, the Commissioners decided to bring lengthy and expensive enforcement actions against Governor Ronald Reagan's campaign for President. What was his heinous crime? It was about as bad as Senator McCarthy's. It seems that certain named contributors did not disclose to the Reagan campaign their occupations which the Federal Election Commission forms call for. Perhaps certain Americans still think that their business is nobody else's, especially the Federal Government. As everyone in this room knows, running a campaign cannot be letter perfect, especially where the information required to be reported is in the peculiar knowledge of the donor. In fact, one could pick up any Federal Election Commission report and note that the absence of listing of contributors is a fairly common occurrence.

So why did the Commissioners pick on Reagan's committee? Good question. The Federal Election Commission had no guidelines as to what steps a campaign should take to obtain the occupation information. In fact, the Reagan committee sent out further inquiries to these certain contributors for the occupation information. Maybe it was just possible that some of these Americans did not have any. In any event, the Federal Election Commission felt that all this information was vitally important. Forget about committing resources to serious problems like the Carter audit; the Federal Election Commission clearly has gone after the little guy or controversial candidates for picky problems. And it goes right into court.

The Commissioners told the judge that they thought Reagan's committee had taken sufficient steps to get the information. The only problem, they said, was that Reagan's people took those steps too late—that is, after the election. The judge noted that other campaign committees had similar problems: Senator CHURCH's campaign, Senator JACKSON's Presidential campaign; Carter, Ford, and others. Why treat Reagan differently? The judge asked that question. The Federal Election Commission said that other campaigns took some efforts before the election, but agreed with the judge when he pointed out that they still did not get any better information than Reagan. The judge said to the Federal Election Commission: "They certainly fooled you." The judge finally got irate and lambasted the Federal Election Commission for the lack of guidance given to the committees. Judge Hart said on March 1, 1979:

> You have got, well, a terrific amount of pressure with bedlam going on in most headquarters at the time and then you have got a new law and you have got an agency that is supposed to overlook this thing and guide them that sends out no regulations or instructions—what kind of a business is that?

Finally, an attorney for the Federal Election Commission acknowledged:

> If more guidance was necessary as to what kind of efforts should have been made, I regret that that was not spelled out more sufficiently.

Needless to say, the judge quickly threw the Federal Election Commission case out of court, ruling from the bench. What was the cost to the taxpayers for this frivolous compliance ac-

tion and lawsuit? The Federal Election Commission would not say, yet it keeps coming back to us for a bigger budget.

More importantly, has the Federal Election Commission taken the judge's warning and issued any rules or guidelines or measures that candidates should take to get the apparently crucial occupation information? No. But it has been reported that the Federal Election Commission has a secret manual for the auditors that states what level of omissions of occupations and like information is acceptable and what is not. The Federal Election Commission will not release this manual. The Federal Election Commission continues to exercise poor judgment.

Mr. President, there is apparently no end to the Federal Election Commission's bias. Let me cite the TRIM case as another prime example.

THE TRIM CASE

One would think that in this era of first amendment rights, the Commissioners would be sensitive to encroaching on such freedoms. If anything, the opposite is true. Another typical example of poor judgment is the Federal Election Commission's decision to bring a costly court case against a New York and New Jersey group of citizens called Tax Reform Immediately Committee, or "TRIM" for short.

Apparently, Federal Election Commission auditors spotted an outbreak of free speech in New Jersey and New York when they were informed that the TRIM group was passing out leaflets at a shopping center which informed the readers of the voting record of certain legislators on spending issues. The group obviously believes, as do many other people, that as long as the Federal Government continues to spend money, taxes will go up. The Federal Election Commission said that such information constituted communications advocating the election or defeat of a clearly identified candidate, and since the expenditure was just over the $100 threshold, the Federal Election Commission was going after them.

The American Civil Liberties Union came in on the case. It is clear to any person with a minimal knowledge of election law and an understanding of Buckley against Valeo and the first amendment, that informing people of the voting records of legislators is protected activity that cannot be regulated by the Federal Election Commission. No candidate is identified in the pamphlets; there are no expressions of advocating the election or defeat of any person. Yet, the mature Federal Election Commissioners feel that our Republic cannot stand for such outbreaks of free speech. The leader of the New Jersey TRIM group, Bill Burke, explained the Federal Election Commission action would have dangerous ramifications. If you cannot talk about your Congressman in a pamphlet, the Federal Election Commission can go after anything:

"We were really surprised by this," he said. In no way is it targeted to the election. It just seems to me as an individual that, if you can't use the Congressional Record publicly, and talk about how your Congressman votes, then freedom of speech doesn't mean what I thought it did. It means that every group—left, right or center—won't be free to say what it thinks.

The cases are still pending, but it is clear that the Federal Election Commission had no business bringing the weight of the Federal Government down on such groups. How much has this case cost the American taxpayers? The Federal Election Commission will not say.

As evidence that the actions of the Federal Election Commission can sometimes be reduced to comic-opera proportions, I cite the case of AFSCME, or the American Federation of State, County, and Municipal Employees.

THE AFSCME CASE

Although the Federal Election Commission is pursuing the TRIM cases, the writing is on the wall. In the AFSCME case, a judge has again thrown the Federal Election Commission out of court for bringing a frivolous action.

On May 14, 1979, U.S. District Court Judge John L. Smith dismissed the Federal Election Commission's complaint filed last November against the American Federation of State, County and Municipal Employees (AFSCME) for failing to report its expenditures made for a political poster circulated to its members in 1976. (*FEC* v. *AFSCME*, Civil Action No. 78-2114). The court held that the poster did not expressly advocate the election or defeat of any candidate and thus did not come under Federal Election Commission jurisdiction.

The poster, more in the nature of a cartoon, depicted a caricature closely resembling then-President Ford embracing another figure resembling former President Richard Nixon. The Ford figure is wearing a button reading "Pardon Me" and beneath the figures is a quote attributed to President Ford made on July 24, 1974:

I can say from the bottom of my heart—the President of the United States is innocent, and he is right.

The printing and circulation costs of the poster amounted to $983.73.

According to the Federal Election Commission, AFSCME violated 2 U.S.C. 431 (f)(4)(C) for failing to report the costs of that poster. That section of the law, known as the Packwood amendment, requires corporations and unions to report the costs of a "communication expressly advocating the election or defeat of a clearly identified candidate," but only if the communication is "primarily devoted" to such express advocacy, and then only if the costs exceed $2,000. Since AFSCME had already reported $23,000 in such costs for expressly advocating the election of candidate Carter, and thus exceeded the $2,000 threshold, the costs of the poster were, according to the FEC, required to be reported.

On December 6, 1978, AFSCME filed a simple, 10-page brief in support of its motion to dismiss the Federal Election Commission complaint under rule 12(b)(6) for failure to state a claim upon which relief can be granted. AFSCME basically argued that the poster did not amount to "express advocacy" under the statute, and that if it did, such a reading of the statute would be unconstitutional under the first amendment. The American Civil Liberties Union filed a short brief amicus arguing the basic points raised by AFSCME.

Two months later, after asking for several extensions, the FEC filed an opposition to the AFSCME motion. Most of the Federal Election Commission's short, 13-page brief, was devoted to procedural aspects of the case and the legislative history of section 431(f)(4)(C). The last two pages of the brief addressed the merits of the Federal Election Commission case which consisted principally of arguing that if AFSCME's poster was not considered as "expressly advocating" the defeat of candidate Ford, then there would be a loophole in the law since communications which impliedly advocate the election or defeat of a candidate would be exempt from Federal Election Commission regulation.

The court apparently had no trouble in dismissing the Federal Election Commission complaint. In his terse 2½-page decision, the judge noted that the definition of "expressly advocating the election or defeat" of a candidate was derived directly from the Supreme Court decision in *Buckley* v. *Valeo* 424 U.S. 1 (1976) when it held that former section 2 U.S.C. 434(e) requiring disclosure of independent expenditures could withstand first amendment challenge on overbreadth grounds only if they "expressly advocate" the election or defeat of a candidate. The Supreme Court illustrated that such terms of express advocacy are "vote for," "elect," "support," "cast your ballot for," "Smith for Congress," and the like. Indeed, the Federal Election Commission's own regulation defining "expressly advocating" parallels the Supreme Court definition. The district court further noted, that although the poster may have influenced the voting of AFSCME's members, the poster "contains communication on a public issue widely debated during the campaign," and as such is political speech exempted from the election laws.

POSSIBLE IMPACT OF THE DECISION

It seems quite evident to many observers that the Federal Election Commission action against AFSCME would not be sustained, and it seems curious as to why the Federal Election Commission brought the action in the first place. There is some speculation that the Commissioners purposely brought this suit against the union knowing full well it was going to lose. In other words, as was shown by other speeches today, the Federal Election Commission has clearly exhibited biased enforcement actions on the side of big-labor. The National Right-to-Work Committee has successfully sued the Federal Election Commission three

times on the Federal Election Commission's nonenforcement against labor organizations using compulsory dues for political purposes. Thus, by bringing this case, the Federal Election Commission could say that it brought a case against a union which was not initiated by the National Right-to-Work Committee. In that way, they can try to portray themselves as equal enforcers of the law. However, this is a facade as has been clearly shown. Furthermore, this decision is bound to have some application to other Federal Election Commission actions pending against issue-oriented groups.

For example, the Federal Election Commission, as previously noted, is pursuing court actions against the TRIM groups. In those TRIM cases, the Federal Election Commission is arguing that the distribution of literature containing the voting record and commentary on Members of Congress regarding spending issues is "expressly advocating" the election or defeat of those Members of Congress who happen to be candidates at the time of the publication. It is doubtful that the Federal Election Commission will be successful in those cases. It is also doubtful that any serious consequences will arise if groups such as TRIM choose to exercise their first amendment rights even though those rights are considered by the Federal Election Commission to be a loophole. As long as candidates timely report the source of their contributions, both monetary and in-kind, the voters are sufficiently informed of the influences placed upon a candidate in order to evaluate his possible performance in office.

Since the poster was circulated only to AFSCME's members, the issue as to whether such communications could be made to the general public without regulation was not before the Court to decide although the Court, as noted above, stated that the poster contains communication on a public issue; that is, Watergate, and President Ford's handling of a certain aspect of it. Thus, the Court correctly stated that this political speech is "protected from regulation under 2 U.S.C. 431, et seq." Slip opinion at 3. Consequently, it could be argued that under this decision and *First National Bank of Boston* v. *Bellotti*, 98 S. Ct. 140 (1978) which also dealt with communications on an "issue," that corporations could make such expenditures without any regulation from the Federal Election Commission. Of course, political committees already registered with the Federal Election Commission would report these expenditures anyway since they are required to report all expenditures, regardless of their nature.

Mr. President, has the Federal Election Commission learned from this AFSCME opinion? Obviously not. Within a few weeks after the ruling, the Federal Election Commission decided advisory opinion 1979-13. The majority of the Commissioners ruled that the Raymond International Co. could not include in its employee newsletter, general information about its political action committee, even though such notice did not include a request for funds. It is truly a sad state of affairs in our country today that the chilling effect of the Federal Election Commission is such that a company cannot print legitimate news in its newsletter. Although many observers think that the Federal Election Commission was clearly wrong there, it is asking too much that everyone who comes before the Federal Election Commission be prepared to take the time and money to seek judicial review of this rampant agency. It is not asking too much, however, to ask the Senate as part of the confirmation process to make a detailed and careful review of the qualifications of the nominees to the Commission, to make certain they will exhibit mature judgment and will not further suppress our precious freedom of speech.

The frightening aspect of the Federal Election Commission's track record is not so much that it is abysmal, and that its litigation is held up to ridicule by other enforcement agencies and even judges themselves. What is more troubling is the plethora of serious cases that get buried or covered up by the Federal Election Commission. Unfortunately, it is asking the impossible to expect a citizen to hire lawyers to prod the Commission into action. Since the Commission knows this, it is easy for the members to duck out of investigating the difficult cases without much fear that they will be called to task for their actions. In one particular case, for example, Congressman PANETTA filed a complaint recently with the Federal Election Commission charging that the United Farm Workers, headed by Cesar Chavez, was forcing its members to pay money to its political funds.

The Federal Election Commission investigation consisted of a simple inquiry to the United Farm Workers, and were told by letter that sure, the Farm Workers extract this money from its members, but it goes to State campaigns rather than Federal campaigns. Blindly and without further question, the Federal Election Commission accepts that answer as the full investigation of the matter and closes the case. No audit, no request for records, nothing, in spite of the fact that the Farm Workers Federal Fund shows an unexplained accounting of $13,000 which the Federal Election Commission never bothered to trace. Where there are legitimate complaints, the Federal Election Commission buries its head in the sand. When no one complains, such as in the McCarthy and Reagan cases, the Federal Election Commission goes hog wild, only to be told by the judge that they are wrong. In other cases concerning the AFL-CIO and the NEA, it has been mentioned that only when pushed, will the Federal Election Commission finally take responsible action.

Mr. President, since incumbents can be easily identified with an issue and how they handled it during their tenure, much favorable and unfavorable communication regarding a candidate will be chilled by the specter of Federal Election Commission enforcers swooping down with the Commissioners' blessing, even though the Supreme Court has clearly told the Federal Election Commission that the first amendment is hands off. For example, President Carter's handling of the Panama Canal or Taiwan defense treaties should be able to be critically assessed and discussed without the chilling effect of Federal Election Commission interference. Our citizens should be able to communicate to each other their opinion of our roles and views in the current SALT II debates in complete freedom.

But they cannot be assured of that freedom unless they are willing and able to hire lawyers to face up to the Federal Election Commission.

I hope that in the future the Senate will take a closer look at the nominees, particularly those submitted by Presidents who themselves have actions pending before the Commission in relation to their own campaigns. It would be a travesty for us to rubberstamp the nomination of a Commissioner who will give us more of the same irresponsible Federal Election Commission actions.●

THE APPALACHIA PROGRAMS

● Mr. STENNIS. Mr. President, I strongly support the Regional Development Act of 1979, which will extend the authorization for the programs of the Appalachian Regional Commission for another 4 years. Since 1967 I have had the opportunity to watch at first hand the growth and success of these programs in a part of the State of Mississippi, and can vouch for their effectiveness.

Mississippi was not included in the Appalachian Regional Development Act of 1965, as it was originally passed. In 1966 I initiated an effort to have the counties of northeast Mississippi included in the programs. A study by the staff of the Appalachian Commission demonstrated that this portion of Mississippi was integrally related to the Appalachian Region, and should be included in Appalachia. In October of 1967 the Congress amended the Appalachian Act to include 20 counties in northeast Mississippi and also added the two contiguous counties in northwest Alabama.

By this time all authorized mileage for regional development highways had been allocated to other States, and none was availalbe for Mississippi. When this authorization was last considered, in 1975, I offered an amendment to increase the highway authorization by 200 miles. The amendment was accepted by the committee and enacted into law, and I am pleased to say that Mississippi is now a full partner in the development highway system.

As my fellow members know, the programs sponsored by the Appalachian Commission are to further economic de-

velopment, educational improvement, and health care within the 13-State Appalachian Region. Since my amendment of 1967 was signed into law, very significant progress has been made in these programs, all aimed at health, education, and job development. During the 12 years projects have been completed or approved that for Mississippi now have a dollar total, through the last fiscal year, of $180 million. Of this money about half came from grants from the Appalachian Regional Commission, and half from other Federal programs and matching funds of State and local money.

About a third of the money has been spent in education, and another third in community facilities, for the most part for water and sewer facilities. A sixth went for health projects, and the rest for child development, recreation, and transportation. In addition there have been substantial investments in highways, especially access highways for economic development purposes.

Within the 20 county area many fine vocational and technical education facilities and health care facilities have been provided, as well as other projects intended to stimulate the economy and enable the people to take full advantage of the additional economic opportunities presented. These programs have been extremely effective in Mississippi, and I strongly support the Regional Development Act, now before the Senate to continue the authorizations for another 4 years.●

A SOVIET DAY OF SHAME

● Mr. ZORINSKY. Mr. President, August 21 marks the 11th anniversary of the Soviet-led invasion of Czechoslovakia. Like the invasion of Hungary in 1956, the Russian assault on Czechoslovakia was a bitter affront to democratic principles.

Alexander Dubcek had begun to make democratic reforms in a country which lies at the heart of Communist tyranny in Eastern Europe. The hopes which Dubcek had kindled across Eastern Europe were destroyed on the night of August 20, as troops from five Warsaw Pact countries invaded Czechoslovakia.

Despite protests from most of the world's Communist parties not involved in the crisis, as well as the free world, the Soviet Union carried out their invasion and ousted Dubcek and other key democratic reformers in the Czech Government.

At this time I would like to pay tribute to one of Czechoslovakia's brightest hopes: The Charter 77 group. Nearly 1,000 courageous Czech men and women have signed this document, which is a plea to the Czech Government to adhere to the Helsinki Agreement and their own democratic constitution. Charter 77 members have increasingly been subjected to harassment on the part of the Communist government in Prague; I feel it is about time that the Czech Government stopped making a mockery of their international agreements and even their own constitution.●

THE "EVERYWHERE" RADIO SERVICE

● Mr. GOLDWATER. Mr. President, the examples of occasions when amateur radio has provided great benefits in times of disaster are almost too numerous to count. Ham radio operators were there in Wichita Falls, Tex. this spring when a devastating tornado left 45 dead and 1,500 injured. And they were in Jackson, Miss. when the Pearl River overflowed its banks.

Mr. President, we owe these amateurs a great vote of thanks for their help in time of trouble. And on this note, I ask that an article from the Mobile Times entitled "The Everywhere Radio Service," written by Perry Williams of the American Radio Relay League be printed in the RECORD.

The article follows:

[From Mobile Times, August 1979]

THE "EVERYWHERE" RADIO SERVICE—AMATEUR RADIO

(By Perry Williams)

On April 10, 1979, a devastating tornado cut a path a mile wide, several miles long, through Wichita Falls, Texas. It left 45 dead, 1,500 injured, 6,500 houses, 1,500 apartments and 175 mobile homes wiped out. In a matter of minutes, one-fifth of the population of 100,000 was homeless; the entire city without commercial power and telephone. With such total devastation, how were casualties kept so low? Amateur Radio is the answer.

Amateur Radio operators had provided the necessary "eyes" for the National Weather Service, allowing it to give ample warning for the citizens to take cover. In the relief phase Amateurs provided communications from battery-powered rigs for city officials, Red Cross and the like until the telephones and power lines were restored days later.

Hams were there in Wichita Falls, Texas, this spring, and in Jackson, Mississippi, when the Pearl River went farther over its bank than ever before. The Amateurs were ready at Three Mile Island, prepared to coordinate communications between the Pennsylvania Emergency Management Agency and evacuation centers.

Amateurs aided the birth of the Forestry Radio Service as we read in Gary Gray's story in Mobile Times for May. Dr. Frank Conrad switched easily from Amateur station 8XK to the pioneering broadcast station KDKA–Pittsburgh, in 1920. Clarence Tuska laid down his blue pencil as editor of QST at the start of World War I to accept an Army commission. As a trainer of radiomen at Camp McClellan, Tuska said, "The very first student we looked for was an Amateur . . . he has all the experience . . . acquaint him with a few special facts and he is ready for his Army job . . ."

In 1921, Amateur Station 1FBF relayed an SOS from a ship in distress to the Boston Navy yard. In 1979, 13-year-old Mike Davis, WD9FFV, in California relayed a distress message for the yacht Miss Carmen in the Caribbean to the Coast Guard in Miami. In 1923, Don Mix, 1TS, operated from the schooner Bowdoin during McMillan's Arctic expedition. In 1978 Naomi Uemura, JG1-QFW, had Amateur Radio gear with him on his solo trek across the North Pole.

Who are these Amateurs? Senator Barry Goldwater, ranking minority member of the Senate Subcommittee on Communications and author of "Rewrite" Bill S. 622, operates as K7UGA. You expect Roy Neal to man an NBC mike; he's also on the air from K6DUE. WA6FVA is the call of Joe Rudi, outfielder for the Angels. Guitarist Joe Walsh of the Eagles, recent grammy winners, hams under the call WB6ACU. Country music fans know Ronnie Milsap; hams recognize him as WB4KCG. Bill Leonard heads up CBS News; he's W2SKE on the ham bands. The Heath Company, makers of kits for do-it-yourselfers in Electronics, is headed up by D. W. Nurse, W8GCD. And to top off this list royally, there is JY1 of Jordan, King Hussein at the mike.

What do Amateurs do? With equipment at home or in the car, they talk to each other, not always with voice: Morse code, teleprinter, television (using fast, medium or slow scan) or even facsimile may come into play. Ham clubs have their own VHF repeaters supported by the dues of a couple dozen to several hundred members. This makes their mobile or hand-held rigs very useful for local emergency work. As a matter of fact, the hams in Wichita Falls had used repeaters, hand-held and mobiles in a citywide drill a week before the tornado struck. Some of the equipment in the typical Amateur repeater has been built by members, particularly the control devices. Other Amateurs use the moon, meteor trails and the aurora as reflectors for their signals. Hams have been in the space age since 1961 with Orbital Satellites Carrying Amateur Radio—OSCARs for short. Just beacon satellites at first, the second generation, including Oscars 7 and 8 now in use, featured bandpass repeaters. A third generation of semi-stationary birds is almost ready for orbit. All these Amateur activities are carried out on frequencies allocated by the International Telecommunications Union and FCC ranging from 1800 kiloHertz to 300 GigaHertz.

Amateurs need licenses from FCC which come in five levels of expertise, Novice to Extra Class. Morse Code at speeds from 5 to 20 words per minute, technical tests ranging from elementary to complex, and questions on regulation face the applicants. Some study on their own, but most take advantage of free or inexpensive courses in their hometowns taught by skilled Amateurs.

Yes, Amateurs are everywhere, and certainly among readers of Mobile Times. How about sending me your QSL with a note or two about your profession and your ham activities? Write American Radio Relay League, Dept. MT, Newington, Connecticut 06111.●

CENTER FOR INDEPENDENT LIVING LAUDED

● Mr. CRANSTON. Mr. President, the August issue of Psychology Today contained an interesting article about the Center for Independent Living (CIL) in Berkeley, Calif. Written by Sonny Kleinfield, a reporter for the New York Times, the article describes the CIL—a program that I strongly believe in and support.

Mr. President, CIL has served as a focal point for efforts by handicapped individuals to seek their full and equal share of the rights to which all are entitled in our land. CIL has been a pioneer in the development of the concept of independent living services—a concept that gave rise to title VII of the Rehabilitation Act of 1973, as added by last

year's Rehabilitation Act Amendments, Public Law 95–602.

Mr. President, I work very closely with CIL's excellent staff; I support their efforts and am pleased that Psychology Today has featured them in its August 1979 issue.

I ask that the article be printed in today's RECORD.

The article follows:

DECLARING INDEPENDENCE IN BERKELEY

(By Sonny Kleinfield)

They make revolutions in Berkeley. This is where the Free Speech and the People's Park struggles found their momentum. The hotbed of liberal fervor. In more recent years, something new and positive has been happening here. The handicapped were clanking into town and living independent lives. The reason for all the action, I was told almost reverently, was the Center for Independent Living.

The center crouched low on Telegraph Avenue. It had the look of a lawn-furniture store from the outside, an unlovely affair with walls splashed with white paint, wedged between Panche's Villa Mexican restaurant and a small parking lot. With a staff of 120 people, half of them disabled, the center now serves about 5,000 clients on an irregular basis. Every conceivable degree of disability is handled, from the elderly who have mild mobility problems and need to be bused, to the totally paralyzed.

I walked inside. There was an imploded look to the place. Some individuals in wheelchairs jostled along the hallways. Several people at the reception desk were hugging phones and talking animatedly. The white hallway walls were scuffed from wheelchairs whacking against them. They resembled retaining walls at auto racetracks, dirtied from cars slewing out of control. From an open office I heard a young woman, progressively going blind, tearfully unloading her problems to a counselor. I checked out some of the many notes thumbtacked to cork bulletin boards in the corridor. One read: "Disabled man seeks companion for headtripping, studying together, Scrabble, etc. Ray." Another: "For sale, one chrome wheelchair. Used for three months. $100. Call Peter." Another: "For sale. 1977 Dodge van. Built to drive from a wheelchair. Low mileage. Like new. Price: $10,000. Call Mike." Another: "Self-defense course. Become familiar with your own areas of strengths and weakness and how to apply these to self-defense techniques. The course will concentrate on using canes, crutches, and wheelchairs as tools in self-protection. Starting March 6." If you were disabled and needed help, this seemed the place to come.

The mover and shaker behind the center was an outspoken and vigilant man named Ed Roberts. In 1962, Roberts, a postpolio quadriplegic, became one of the first severely disabled students to attend the University of California at Berkeley. Not only was Roberts confined to a wheelchair, but he also needed to spend most of his time inside an iron lung. He was put up at the Cowell Hospital on campus. Within a couple of years, Cowell became a haven for a dozen seriously disabled students in what had turned into a formal program, the Cowell Residence Program. The patients, however, found the hospital custodial in nature. They rarely ventured off campus into the community, the main reason being that the community was architecturally inaccessible to them. A unity developed, with a dim sense of purpose. They began to entertain the selfish, ambitious hope that they could get out of the hospital and live like the abled-bodied.

They decided to whip up some alternative to the Cowell arrangement. With funds from the federal Office of Education, they created a Physically Disabled Students' Program in 1970. It was a sharp departure from past practice in medical and rehabilitation fields. The notion was to assume a hostile approach to society's limitations and to set up services directed at getting disabled people to live independent lives. The philosophy of the nine founding members was: those who best know the needs of the disabled are the disabled themselves; comprehensive programs are urgently needed to meet those needs; disabled people must get out and get into the community.

As the founders began to sculpt and implement programs, they found the disabled student population steadily swelling at Berkeley; more and more of these students began to move from Cowell into the community. Requests for help rose at an astonishing rate. Rarely were pleas turned away, even when they came from nonstudents. By the spring of 1971, the amount of time devoted to community people began to impinge seriously on the program's ability to meet the needs of students. Thus was hatched the idea of a separate Center for Independent Living to serve everybody.

The particulars were hammered out for more than a year. The group was officially formed in April of 1972. A roach-infested two-bedroom apartment was found with haste on, appropriately enough, Haste Street. The organization had one nagging problem: no money. Dollars were dug out of personal pockets, some benefit poker games were arranged, but not until July of 1972 was the financial squeeze settled. The Rehabilitation Services Administration produced a grant for $50,000, enough to tide them over while other funds were secured.

Jerry Wolf, who uses a walker to hobble about because of the crippling effects of multiple sclerosis, coordinates the housing department. He was my first stop.

The purpose of Wolf's department is to act as a listing agency of accessible housing for the disabled and as an advocacy group to prod landlords into making their housing accessible. The formidable hurdles it faces were in black and white on a tattered map of Berkeley tacked to the wall behind Wolf's desk. Shaded-in portions represented accessible housing. That meant six or fewer steps to get in. Most of the town, perhaps 34 percent, was unshaded. One reason was that a ramp to surmount just six steps could cost as much as $1,000.

"The general vacancy rate in Berkeley is just 1 percent," Wolf said to me, "Finding wheelchair accessible places cuts the supply down quite a lot. Anyway, rents are usually too high. They've gone up a good deal lately, so that a two-bedroom is $200 on up. Finding a studio under 150 bucks is a feat of magic. We keep lists of people looking and try to arrange roommates. That's the only way some of these people can afford to put a roof over their heads." Wolf pointed out that although the disabled can apply for housing subsidies, they're tough to get and insufficient as yet to keep pace with demand.

Around 100 requests a month were streaming into the department, far too many to fill. "One of the problems we have is that Berkeley is being advertised as a Utopia for the disabled," Wolf said. "But not enough housing is available. People are literally flocking here from all over the country. They are landing at the airport and calling us up. About once a month someone pulls up outside in a taxi with all his belongings and says, 'Here I am.' One person showed up with an attendant and we had to put him in a hotel. His attendant left and he started asking bellhops to employ his leg bag. The hotel kicked him out. We finally found him a place with another attendant. People commonly show up with no money. One guy hitchhiked here with his wheelchair."

Wolf shook his head. "The truth is, we're placing about eight to 10 people a month, though sometimes I'm surprised that we place anyone at all."

I wonder how successful Wolf had been in convincing landlords to make the modifications that would render more dwelling accessible to the disabled.

"Mixed success," he said. "A lot of landlords are reluctant to do anything because they think ramps look ugly. Then again, every so often we get a call from a landlord who wants to rent to the handicapped. He likes them because the turnover tends to be low. One of the big problems is that no one provides money for modifications. We try charitable organizations and private benefactors. We do get money sometimes, but not much. It's a case of twisting arms."

New housing, under law, is required to set aside a certain number of apartments accessible to the handicapped. However, the law is useless if no housing is going up. Berkeley hasn't seen any since 1973. Land is expensive; nobody is buying.

I walked outside and meandered through the parking lot to a cluster of garages. This was where the van-modification and wheelchair-repair departments were housed. At the far end of the garages was a shop where wheelchairs were fixed.

"We can fix most anything the same day," one of the men in the shop said. "You go to many places and they'll take weeks. Here, if we take any length of time, we have chairs to loan out so these people don't lose their mobility."

Eight repairmen work in the shop, three of whom sit in chairs themselves. The shop does about $10,000 worth of repair work a month. Wheelchair frames break constantly. "We do a whole lot of welding work," one of the men said. "A regular user may be in almost every week for repairs. These chairs are made terribly."

In a small room off the chair shop toiled Vince Grippi, design engineer. Since late in 1975, he has been working to build the perfect wheelchair, a superchair. If he has his way, extant wheelchair manufacturers can go into the lawnmower business. His chair will be the best. Taped on the wall was a gigantic artist's rendition of it.

"You know, nobody has given a thought to the mobility of the handicapped," Grippi said, playing with a pencil. "Nobody cares about building a better chair. Well, I care. We talked to a lot of disabled people and most of them were unhappy with what they were sitting in. The speed, the range, the reliability, the flexibility. They really had no voice in what they needed. 'Here's a wheelchair,' they were told; 'take it or leave it.' Wheelchairs, understand, are their legs. We started with a clean sheet of paper."

He pointed out some of the features of the superchair. It will have a cast frame that will be much sturdier. State-of-the-art technology will be incorporated. Grippi has designed an electric system that he claims will be much more reliable than conventional systems. "Most chairs will go four or five miles an hour and 10 or 12 miles before the battery needs charging," he said. "Ours will go six miles an hour and 30 miles without charging. We've got a totally solid-state system, rather than a relay system."

The chair will be adjustable to handle any size person. With a traditional chair, you have to pull the armrests out of the sockets and toss them on the floor to transfer out of the seat. In Grippi's chair, the rests will

pivot downward electronically. The wheels are sturdier. And the chair is being constructed out of standard equipment that you can get anywhere. For instance, it uses Schwinn bicycle tires and an ordinary automobile battery. Everest and Jennings has its own tires and batteries. The model is expected to be out sometime in late 1980.

That night, I ate dinner with Phil Draper and Judy Heumann—executive director and associate director, respectively, of the center. Both are quadriplegics. The typical discussion of where to go ensued. Everyone had a favorite place. A Chinese restaurant, Tung Yuan, was mentioned. Draper shrugged noncommittally. He said that would be okay, except he could fit under only one table there. Draper is tall. "Let's just hope we get it," he said. We were in luck. The table was vacant.

Heumann came down with polio when she was 18 months old, she has been paralyzed from the shoulders down ever since. Draper has lived with other demons.

In 1961, Phil Draper was a fun-loving, carefree 17-year-old, interested in the same things most young men that age are interested in: girls, cars, booze. So, it was not surprising that he and two friends set out in Draper's car on a weekend jaunt to Fairfield, California, near where he lived, to see what was happening there. Nothing was, as it turned out, so the trio turned around and headed home. There was beer in the car. Draper had two cans. He says he wasn't drunk; he could hold a lot more than that.

His memory stops three miles before the collision. He was later told that it had been raining that night, but he remembers no rain. He was doing 55 when he jerked giddily to the left, crossed the divider, and slammed head-on into the onrushing car. Draper's neck was broken. He was left a quadriplegic.

Draper spent most of three years in hospitals. Having been a bullheaded individual, he reacted to his disability with a combination of bitterness, depression, and resentment. Once he was released from the hospitals, he didn't get on with his parents, so he lived on his own with full-time attendant care. "This was back in the 60s.

It had never been heard of. It was a new experience. A vegetable living by himself." It wasn't much of a life, though. "I was far from active. I was thrust back into society as a freak. I lived an active life of doing nothing." For the most part, Draper drank. Beer. Wine. Hard stuff. Whatever he could get his hands on. He was drunk most of the time. The moments he wasn't he mostly spent reading. He remembers one day reading every single word in the morning newspaper, including every word of advertising copy. "It was possibly the most boring experience in my entire life." He came to Berkeley in 1970 for no particular reason, learned about plans for an independent living center, got involved, and abandoned drinking. He is now in his mid-30s.

The Chinese restaurant was a tiny, dimly lit place. A half-dozen young people were crammed into the small room, their leathery faces and rumpled clothes blending with the dun-colored walls. Because of its proximity to the center, the restaurant often was patronized by the handicapped and so fellow diners paid us no particular mind. Draper used a fork that was strapped to his wrist with an Ace bandage. But he could shovel food down pretty fast. The wheelchair doesn't disguise Draper's owlish, rabbinical bent. He speaks, not with soapbox intensity, but softly, with an almost mournful tone.

I asked Draper and Heumann how they spent their time. "The administration of CIL devotes most of its time to looking for money," Draper said unhappily. "It's a hard sell. It shouldn't have to be that way. We're not eating the money. This is a damned good cause. You find me a better one." The center was operating on a yearly budget of approximately $1.2 million, money extracted from about 25 different sources. "We have tapped every conceivable source," Draper said. "One of the biggest problems is that we have no permanent source for funding. So it's soft money. Most places fund for a year and that's it. Social-service programs have a high mortality rate."

I asked them how the movement was going. "One thing that's very important," Draper said, "is the collectiveness, people working together. That's how they get their strength. Activism is found in only a few places in this country. We need more involvement. Too many disabled people are still sitting in their attics and reading old comic books. They've got to start shouting."

Heumann is a petite woman with a positive, earnest manner. She is 30. She was once arrested on an airplane for refusing to get off after she and her wheelchair had been cleared to fly. She went to court and won.

"I think the movement lies in the hands of disabled individuals," she said. "I am concerned that not enough people understand the independent-living programs. One of the reasons I think CIL is so successful is because it's run by disabled people. Our clients have hope when they see other disabled people managing their own lives. I don't think that the government is pleased that the disabled run these programs. Disabled people need to be much more militant about this. I think the next few years are going to be critical in the development of the movement. In a sense, the movement is just beginning."

Are more demonstrations needed? "More involvement," Draper said. "Just more involvement."

Huemann was crisp and downright. "We need more demonstrations. We still have many scores to settle."

The center's Law Resource Center is housed in a shopworn building across the street from the main building, and the next morning, I went there to talk to the program's director. Mismatched desks and chairs and bookshelves were spaced around the room. The floor was much scuffed up; track marks from wheelchairs were plainly visible. Old Congressional Records and Federal Registers were piled high on the floor. Coffee was percolating in a percolator. A spider plant was hanging in the window.

The director of the law center, Bob Funk, is a lawyer, one of two in the department. We sat and talked in a small, airless room.

"Our goal here is to be a backup to a lot of community groups," Funk said. "We're agitating to get the disabled to be more assertive. To have them know they can raise hell."

A good deal of what the office does is to explain the laws and rights of disabled people. It will also file suits and negotiate settlements. Funk said three suits were in court at the moment, and six were about to be filed. Three previous suits had already run their course, all successful for the center. He said he was trying to help about 160 clients at the moment, the vast majority of them complaining about discrimination of one form or another. Funk rattled off some recent cases. Three local restaurants wouldn't serve customers in wheelchairs. A waiter at one of them flatly said, "We don't serve wheelchairs." The second restaurant said it would serve the person if he sat in an isolated walkway that joined the place to a coffee shop. The third place refused service because it said the person was too disturbing a presence. He was in a wheelchair folded out like a bed. "He would be disturbing," Funk said. "But that's tough. That's the law."

Complaints were reaching the center about auto-insurance firms charging the handicapped 30 to 50 percent higher rates than the able-bodied, though documentation makes clear they aren't greater risks. Funk said a class-action suit was being readied against one immense insurance firm.

"We are clearly in the right in almost every case we get," Funk said. "They're blatant cases of discrimination. Not even subtle discrimination. They haven't a chance in court. Discrimination is such a traditional thing in this country that these people don't even realize they're discriminating. We can't possibly lose most of these cases. In fact, we're forced into court a lot more often than we should be."

Funk laughed at the thought of how ridiculously simple most of the cases were. "What's likely to happen is that, at first, all of the cases will be blatant. Then, they'll get subtler and subtler. People will get more sophisticated in their discrimination. Restaurants will refuse to serve a handicapped person, but say the reason is that he's rowdy or doesn't have a tie on. The disability won't even be mentioned. This happened with the civil rights movement, and it took 20 years to run its course. The same will happen with the handicapped."

Anna Steiner is a beautiful woman with raised eyebrows and poignant circles of pure white skin around her eyes. Her only disability is a bad case of arthritis. She's in her 30s and has an infirmity most people don't get until their 60s. She heads the center's job-development program, which faces the awesome task of trying to get jobs for the disabled.

"Basically, we're a placement service," Steiner told me. "Somebody has to come in here with some education, skills, abilities that could be translated into jobs. We've had lawyers. We've had a person who was a missionary. We've had a talented artist. We're mostly working with the physically handicapped, but we're expanding into the mentally handicapped."

The program has a caseload of 125 clients, Steiner said. Since the program began in the fall of 1975, the placement rate has hovered around 40 percent, she said, though it had of late nudged up to 60 percent.

She spoke of some unusual cases. A blind janitor had been placed in a nearby town. "This was one of the cases where I said, no way, there's just no way for this one." The man told Steiner that he had experience scrubbing his father's laundromat. He was totally blind in one eye and legally blind in the other. How would he clean a room? He said he would scout out the premises in advance until he knew the area by memory. How would he tell what was dirty and what was clean? He said he would assume everything was dirty and clean it all. Steiner said that a man with muscular dystrophy got a job doing drafting for the Navy. The only necessary concession was a lower drafting table.

"We work a lot with employers, too," Steiner said. "Basically, we try to advocate for the disabled in general. We don't go in and say, 'Hey, you're really stupid to have the kind of attitude you have.' We're subtler than that. We generally work with personnel people, who are sympathetic, because they don't have to work with the handicapped people. We'll do whatever is needed to help the employers. We'll check out the work environment to see what modifications are necessary. We'll help draft affirmative-action plans. We're getting a lot more interest from employers worried about the law."

Tanya Temporal, a counselor in the research and demonstration project sat on top of a desk on the first floor, beneath the blind-services department. She was finishing a staff meeting. Temporal counsels severely disabled people. The project she is a part of hopes to prove that peer counseling of the handicapped works better than any other kind. Her short frame and lean, cheerful face belongs in California; her hair, wild and electric, looks fine in Berkeley. She's in her early 20s, and prematurely gray. Her conversation is a stream of information, a Niagara of words that, even so, somehow seems laconic. She smiles quickly and steadily.

"One of the main things we do is emotional counseling," she told me. "Getting people to deal with their disability and to accept it. We have five part-time counselors, and each one handles about 10 clients. We have a caseload, altogether, of about 80 clients."

She talked about her most difficult case at the moment: a 23-year-old girl afflicted with severe cerebral palsy who was living in an institution. Her speech is extremely difficult to understand.

"I'm dealing with her on an emotional level," Tanya said. "I'm not really telling her. I'm allowing her to discover. A lot of time we role-play. 'Okay, here we are in your apartment. I know you like to bowl. Lets go over how you'll set up a bowling appointment. Who are you going to call?' I've got to get her to demand to go out and do things, not wait around for others to ask. She hasn't really accepted her disability. She views it as a burden that God has placed on her. She believes that by God's magic power she'll recover some day. She's very religious. I try not to discourage that belief altogether. I try to tell her, okay, for today you're not going to get better. What can we do today?"

Tanya studied human development in college. For 13 years, she has suffered from rheumatoid arthritis. She has no idea why she got it. She has no pain, but has trouble walking and holding things. She occasionally resorts to a wheelchair. "I have accepted my disability," she said. "I can't say I don't get angry when I drop something on the floor and can't pick it up. But I don't let anger overtake me. I'm not going to paint the picture of the Super Crip. Some people make it out that they're the Super Crip and it's wonderful to be disabled. Well, that's going overboard the other way. It's never wonderful to be disabled. But you can still be a whole person, still be a happy person."

I went next to another hive to chat with Lon Kuntze. He, too, is in his early 20s, a big, broad-shouldered man with frizzy hair and a beard. Deaf since birth, he runs the deaf-services program. He nodded hello when I came by. Lynette Taylor, the center's staff interpreter, was to assist in our interview, though she was preoccupied with some phone calls. Kuntze suggested we begin by writing questions and answers on a legal pad.

"The biggest problem for deaf people," he wrote, "is, of course, communications. The deaf are the only disabled group that can't regularly use the phone."

The only way the deaf can talk, Kuntze explained, is by use of what are known as TTYs. Basically old teletypewriters that, by use of a jack, can be hooked to a phone line, they clack out in written form what conversation is to be exchanged. They aren't cheap and they aren't readily available, so even if a deaf person could get hold of one, he couldn't call very many people. Some federal offices have installed them, as has the phone company at a few of its service centers. One of the troubles is that it's an agonizingly slow way to talk, yet anyone talking over a TTY pays standard phone rates. A popular deaf person can run up staggering bills.

Lynette finished with her calls, and came over to interpret. Her mother was deaf, so she picked up sign language early on. Kuntze was relieved; he was getting a writing cramp.

"Deafness is a disability on the communications level, whereas other disabilities are on a physical level," Kuntze said. "The deaf can't deal with people who don't know sign language. The best remedy for the communications problem is interpreters. The biggest trouble is there aren't enough interpreters, and there's no money for interpreters. They cost up to $10 an hour. Most of them get $7.50. Court work costs $15. The money, from their standpoint, is terribly low. It should be equal to foreign-language interpreters, who get $15 to $35 an hour. That's why more interpreters haven't been attracted to the field. Deaf interpreters simply don't get a decent wage."

My last visit was with the community affairs department. Its aim is to address community issues and to inspire demonstrations when it senses the need. I spoke with Kitty Cone, who has muscular dystrophy, and with Hale Zuykas, whose cerebral palsy is so severe that he has but limited use of his hands and can barely utter intelligible speech. When he gets bogged down, he spells out his thoughts with a brisk tapping of the pointer. The back of his wheelchair sports a button reading: "ACCESS AMERICA."

Of late, the department had been working at mobility and architectural issues. Thumbtacked on the wall were two immense maps, one of Berkeley and one of Oakland. Black dots were inked in where ramps or curb cuts had been made. Berkeley looked pretty good, but Oakland had a long way to go before it could be called an accessible city.

"We are working quite a bit on transportation issues," Kitty said.

Hale began to struggle, wanting to say something. I couldn't understand his grunting. Saliva drooled down his beard and onto his clothes. Kitty had to interpret. "Hale says, 'Boy do we work on transportation. We're suing everybody in the world.' "

Paramount to all severely disabled people is the issue of getting around. For long distances, matters have improved since the Federal Aviation Administration ruled in May of 1977 that airlines can't deny seats to handicapped individuals. It had been common practice for the airlines to boot disabled people off planes, contending that they might hamper evacuation procedures should there be an emergency. Now, all airline personnel are required to be properly schooled in ways of handling the disabled. Several cruise ships have started to take wheelchair travelers. The first ocean liner so designated, the *Queen Elizabeth II*, boasts nine staterooms that were made for the disabled, with 12 more that are accessible to them. Thirteen elevators are on the ship. Some of Amtrak's trains can accommodate wheelchairs in certain bedrooms, and these trains offer accessible bathrooms. Stations are being built barrier-free. Hertz and Avis have hand-control cars at some of their locations, and the newer highway rest areas accommodate the handicapped. For lodging, Holiday Inns is making one in every 100 rooms accessible to the disabled population.

Local travel, though, is something else again. Wheelchair users can't very well hop into taxis. Subways, with the exception of the San Francisco, Washington, and Atlanta lines, aren't available to the severely disabled. And no available evidence suggests they ever will be. Elevators would be needed, and the cost is prohibitive. Public buses aren't much better, since their floors are around 35 inches above street level. A protracted battle, involving a spate of suits by handicapped groups, resulted in an order in May of 1977, from Transportation Secretary Brock Adams, requiring that buses with 22-inch floors—called Transbuses—be produced by 1979. Twenty-two inches is about as low as buses can be made without having them scrape the ground when climbing hills or going over bumps. The buses would also have to include ramps that would shoot out from underneath to allow wheelchairs and mobility-hampered individuals to come aboard.

The handicapped, however, aren't exactly ablaze with enthusiasm over the Transbuses. For one thing, the low-floor buses won't start rolling down city streets until 1981 or 1982, and a complete transition will take a good deal longer. The old buses must first wear out. What's more, how are the handicapped people going to get from their homes and offices to the nearest bus stops?

The center was in the midst of a suit against AC Transit, the biggest bus line in the Berkeley area, for failing to order accessible buses, as required by a California law, as well as by the federal order. AC owns a fleet of about 800 buses. As I talked with Kitty and Hale, a big AC bus rumbled past.

"Let us ride your bus," Kitty shouted out the window.

Hale laughed loudly and nodded his head in agreement.

Another transportation issue had to do with BART (Bay Area Rapid Transit). One of the three accessible subway systems in the country, BART was planning to automate a lot of its stations by withdrawing agents and monitoring stations through closed-circuit TV. The disabled were aghast at the prospect. They sometimes needed help to pay their fares, and if someone has an epileptic seizure or a blind person falls on the tracks, no agent would be available to assist. The main issue is safety, though, since the disabled fear that muggings and rapes would climb at an alarming rate. So Kitty and Hale were orchestrating protests to pressure BART into abandoning the idea. Pickets and rallies were being planned.

"We don't want to badmouth BART, because they are accessible to us," Kitty said. "But this just isn't going to happen. No automation. Automation is for the birds."

Kitty then related a horrifying story that illustrated the inequities in the benefits system for the handicapped. A 27-year-old woman named Lynn Tompson, afflicted by muscular dystrophy, lived with an attendant in Los Angeles. The pain from her disease was so bad that her legs had to be disconnected from her hips. Most of her medical expenses were being picked up by Supplemental Security Income payments. In general, Social Security laws define a disabled person as someone who can't engage in "substantial gainful activity." Such activity, according to these laws, in any enterprise generating an average income of $300 a month over a nine-month stretch.

That means, in effect, that someone who can't budge a muscle below his chin, but who holds a job paying a mere $300 a month, isn't disabled in the eyes of the law, and thus isn't eligible for the SSI program or for Medicaid and other benefits. It's a rotten system, the handicapped agree.

Without paying staggering premiums, severely disabled people can't get conventional medical coverage. The architects of the welfare laws plainly never imagined that severely handicapped people might earn a salary. Under current laws, they would have to

either make a pretty scant income and get benefits to help out, or else earn a fairly hefty salary.

Lynn Tompson wasn't happy sitting in her apartment and rotting away. So she started working as a dispatcher. She enjoyed hearing other people's voices and felt good about accomplishing something. Eventually, she worked her way up to an income of $500 a month, hardly enough to meet all her bills by itself, but she was gaining some freedom. Social Security people stopped in one day to check up on her and discovered her extra income. She hadn't reported it to them. Her payments were immediately cut off. What's more, she was notified that she owed $10,000 in back payments that had been made to her. The only way she could live would be to go to a nursing home. Instead, in February of 1977, she committed suicide. She left a note saying that her death could be blamed on Social Security.

One of the cruel ironies of the case was the fact that, unbeknownst to Lynn, California had recently passed a measure allowing handicapped people to draw medical coverage, as well as funds to pay for home nursing care, while they're working. The law established a graduated scale so that, beyond a certain income, a person chips in part of his expenses and the state furnishes the rest. Handicapped groups are trying to persuade other states to follow that precedent.

"The tragedy of this story," Kitty said, "is that Lynn Tompsons can be found all over the country. California has done something to rectify the benefits problem, but what are other states doing? The handicapped must scream at their legislators to start moving, because the laws are sending us to psychological deaths."

Early the next morning, I caught a plane out of San Francisco, leaving the center behind. Beyond doubt, I had returned to the "real" world. I checked carefully the passengers aboard my crowded United Airlines flight. Not one was disabled.●

HOW'S BUSINESS? REALLY?

● Mr. GOLDWATER. Mr. President, all of us know about how the psychology of a recession can affect business. But there is a story about a man who sells hot dogs which illustrates this point in a dramatic way. It was sent to me by Murrell Smith, executive manager of the Mesa Chamber of Commerce.

Because of its pertinence with the economic situation of today, I ask that this short story be printed in the RECORD.

The article follows:

HOW'S BUSINESS? REALLY?

The story below is not new, but it does point out that we can compound the problem by our attitudes:

THE MAN WHO SOLD HOT DOGS

There was a man who lived by the side of the road and sold hot dogs.

He was hard of hearing, so he had no radio.

He had trouble with his eyes, so he read no newspapers, or saw television.

But he sold hot dogs.

He put signs on the highway telling how good they were.

He stood on the side of the road and cried: "Buy a hot dog, Mister?"

And people bought.

He increased his meat and bun orders.

He bought a bigger stove to take care of his trade.

He finally got his son home from college to help him out.

But then something happened.

His son said, "Father, haven't you been listening to the radio?

Haven't you been reading the newspapers?

There's a recession.

The world situation is terrible.

The domestic situation is worse."

Whereupon the father thought, "Well, my son's been to college, he reads the papers, and he listens to the radio, and he ought to know."

So the father cut down on his meat and bun orders, took down his advertising signs, and no longer bothered to stand out on the highway and sell his hot dogs. And his hot dog sales fell almost overnight.

"You're right son," the father said to the boy.●

PARALYSIS IN A RISK-FREE SOCIETY

● Mr. GOLDWATER. Mr. President, we have heard a great deal recently about public confidence and what has happened to the old irrepressible American spirit. Many causes have been advanced, but one of the most interesting is the contention that the American spirit of adventure and innovation is being paralyzed by a desire to build a risk-free society.

In this connection, I ask that an article on this subject which appeared recently in the Washington Post be printed in the RECORD.

The article follows:

PARALYSIS IN A RISK-FREE SOCIETY

(By Henry Fairlee)

When the President spoke of the decline in America's confidence in its future—which all of its anxious but hoping allies regard as a real and ominous phenomenon—my mind fixed immediately on one of its most obvious but almost unmentionable causes. The once rambunctious American spirit of innovation and adventurousness is today being paralyzed by the desire to build a risk-free society.

No other great industrialized society has reacted with what can only be described as such palsy to the accident on Three Mile Island. It is simply beyond the bounds of credulity that the French would halt or reduce their huge nuclear power program—would forego their own chance to be "energy-secure"—in response to the kind of misadventure that is naturally to be expected in any humanly inspired endeavor.

Yet in his television address, the president of the United States did not dare to mention nuclear power, and on the following day he corrected the omission only in a muted and almost strangled voice.

No other country took it into its head to ground the DC-10's for as long as did the United States, and I hope that Sir Freddie Laker and the operators of other airlines will succeed in their suits for damages. After the remarkable record for efficiency and safety that has been set by the American aircraft industry in its fleets of planes which today carry the traffic of the world, one engine falls off one aircraft in circumstances that are unlikely ever to be repeated and the American authorities seem almost to set out to destroy the reputation of as trustworthy a commercial aircraft as is now flying.

But these are only the two most recent and glaring examples. The desire to build a risk-free society runs through the whole of American life today. It is draining the spirit from America's inventiveness and from its hope for the future.

If the American people for the first time no longer believe that life will be better for their children, it is at least in part because they are beginning to think that there will be no food which their children will be able to eat without dying like rats of cancer, no form of transport that will be considered safe enough to get them from here to there and in fact nothing that their children may safely do except sit like Narcissus by a river bank and gaze at their wan and delicate forms as they throw the last speck of granola to the fish.

The desire to build a risk-free society has always been a sign of decadence. It has meant that the nation has given up, that it no longer believes in its destiny, that it has ceased to aspire to greatness, and has retired from history to pet itself.

If many more safety regulations are introduced in the United States, it might as well have men with red flags walking in front of the automobiles. Ralph Nader seems sometimes to be interested in designing not motor cars but baby carriages, and even then the baby probably would be suffocated by air bags. He appears not to be aware that one of the main uses to which cars are put is necking, and that this is very difficult if the yearning couple are held back by a harness of seat belts that would hold down even an unbroken stallion.

In no other country is the faddishness of environmentalism so rampant as in America today. If some of the more extreme of the environmentalists had their way, there would have been no industrial revolution, no burst of industrial might in America at the end of the last century, none of the brilliant inventiveness of its technology in the past generation, and, as a result, millions of Americans would still be living the confined lives of the past, and many more millions in Europe would be enduring existences of mere serfdom, their lives bound within (as Marx put it) the narrowest possible compass.

There is a way in which much of my writing about America as an outsider has turned on these questions. For although I am often cheerfully bemused by the more fanciful and extravagant displays of American technology and gadgetry, and although I think that they are sometimes carried too far, so that people may soon use a Cuisinart to scramble an egg before they cook it, I have no doubt that in important ways it is here that lies the genius of the country, for what it all says is that things "ain't necessarily so." Do not Americans now distrust their future because they are being told that the things (including nature) are necessarily so?

Zero population growth is the purest expression of the risk-free society. Preciously and exquisitely "I" am here; there are enough wild berries for "me" at least to live on; let no one else come and spoil it.

Back to Eden: For what was Eden but a garden of zero population growth; and indeed what was it but a risk-free society of two? But whenever I try to imagine the life of Adam and Eve, before their fall, it seems to me that it must have been one of infinite boredom.

But the more one thinks seriously of their boredom, the more one realizes why mankind had to escape into risk. Part of the malaise of the American spirit at the moment seems to me simply an expression of boredom. It hangs like a pall, worse than any pollution, over the lives of the people. There is no ship to board; it has been laid up as unseaworthy. There is no carriage to the stars; it might fall like Skylab. It is dangerous to dream; one might feed in one's sleep on a carcinogen. Feverishly and fretfully, the unused energy is spilled out, into the frenzy of white water and the disco.

I turn from the notion of a risk-free society to the epic of Homer, to the magnificent testimony to a people's will in the Old Testament, to the sagas of the Vikings and the daring of the Elizabethans, and there is not a hint of a safety regulation in one of them. But turn nearer to hand. It was not just the wretched and oppressed who came to America, but the wretched and the oppressed who would risk. It was the strong, and not the weak, who came, and then still came. They did not ask if the Mayflower was seaworthy—it was a miserable hulk even for its times—and into our own century they still got onto tubs that might break apart to cross an ocean. What I feel most in America now is the ever more constricted sinews of a country that was made by such people.

Soft and swaddling are the constraints—do not do this because it might hurt you; even worse, it might make you feel "uncomfortable"—but they are binding the spirit of a great people like a fetter.

This draining pusillanimity runs into personal as well as into social relationships. The American people are being cajoled into talking to each other as I used to think that only a few people talked to their indoor plants. To ask a president to reach so deep into a malaise is to ask too much. What is "wrong" with America can be put quite simply. With a Ralph Nader at the head of a wagon train, no one would have made it across the plains, none would have crossed the Rockies and no immigrant would have pushed noisomely out of the gutter.

Risk-free? Living is sweat, danger and death. From those come the laughter. And curiously, from those comes also the ease of heart.●

CORPORATE SURVIVAL IN A POLITICIZED WORLD

● Mr. NELSON. Mr. President, recently, I read a provocative statement on the role of corporations in the public sector. The speech, given by Mr. John H. F. Hoving, senior vice president of Public Affairs and Public Relations for Federated Department Stores, Inc., prescribes one very effective method for guaranteeing consideration of private sector concerns in public policy formulation.

Mr. Hoving's advice is candid, practical, and literate. If followed, I believe the benefits to the public would be many, because it would signal renewed emphasis on the social responsibilities of the private sector.

I commend this document to my colleagues, and I ask that it be printed in the RECORD.

The document follows:

CORPORATE SURVIVAL IN A POLITICIZED WORLD

(By Mr. John H. F. Hoving)

I was asked to talk to you today on the subject of "What Every Business Executive Should Know about Public Relations and Public Affairs." A most presumptuous title and not a subject I could hope to cover in one appearance.

What I am going to do is to pretend that you have the responsibility for the external affairs of a corporation. I shall set forth a few things that I think that you need to keep in mind as you carry out your duties.

First we should define our terms.

When I say public relations, I am talking primarily about work with the news media—print and video, general and specialized or trade. Public affairs involves work with the community and governments—all governments, local, state and federal.

When I was growing up there was a very magic thing called vaudeville—live performance in a theater or movie house in big cities and small towns. One particular lesson came down to me from that era and it was this: The best comedians would tell you they were going to tell you a joke, then they would tell you the joke, and then they would button it all up by telling you that they had told you a joke. That gave you some clues as to when to laugh. They took no chances on being misunderstood. This is an appropriate formula for a speech or lecture.

So, here is what I am going to talk to you about.

First, what is this external environment in which a corporation tries to survive?

That leads it to worry about such things as public relations and public affairs? How did we get where we are today? What are the major trends and problems that a corporation today must pay such careful attention to?

Second, why should corporations care? Why should they hire professionals, develop programs and sometimes spend large sums of money? The high level interest in this area is relatively new to many corporations.

John deButts, who recently retired as the top man at AT&T, said he had come to believe that every aspiring chief executive officer in business should be required to spend at least one year in Washington. This Mr. deButts said, had become necessary so an executive could know the difference between shadow and substance in the company's relationship with the government. That's one chief executive's viewpoint. We're going to look at the why of all this.

Third, I'm going to spell out briefly some operating maxims from my experience that may come in handy for you, should you ever be given the responsibility, as well as some thoughts on how to plan and organize a program in this area.

And finally, I'm going to talk about what are some of the major things that I believe face corporations in the future. I'll ask you to imagine that these are some of the major problems and opportunities that you might be asked to advise on, develop programs to deal with.

That's the agenda. Again let me emphasize that this is merely a survey of these areas. I shall not pretend to be definitive.

Where are we in the United States today and how did we get there? I am going to be very selective about this and only highlight those things that I think are the most significant in understanding the public relations and public affairs problems of the corporation today and in the relatively near future. What we want to get to is a sense of the environment today, the social, economic and political context in which we live. It is this which sets the realities, the framework for corporate decision making.

First, because of the great economic and population growth since World War II, we have developed what I would describe as a vertical society—a major organizational and sociological change for America.

Our system of democratic problem solving requires considerable common experience on the part of all, a recognition of common interests. The idealized concept of the small town or neighborhood governs much of our thinking, our perspective, our notion of how to get things done.

The banker, the merchant, the doctor, the sheriff, the innkeeper—even the town drunk—understand each other and could arrive at ways to solve problems—a schoolhouse, a volunteer fire department, whatever. They lived in the same world. They saw each other frequently. They were specialists, but they knew how to deal with each other. There was, in a sense, a small town patriotism or community of interest. So, they could agree on a common course of action.

But what has happened in America? In order to deal effectively with the great economic and population growth, we have developed huge, complex vertical institutions. This was necessary because the tasks to be performed were huge—whether waging war, manufacturing automobiles, distributing paper towels nationwide, or healing the sick—and required large specialized organizations. People spend the great part of their lives wholly within one of these organizations. This requires a special language, often a special way of looking at things.

Peter Drucker has pointed out that we have become a society of organizations in which the first job of the manager is to make his organization perform. These bureaucracies understandably have almost nothing in common with each other. The leaders of businesses, churches, universities, unions, government agencies, discover they have little in common, that they really have difficulty communicating with each other. There are many fundamental divisions within these categories. For instance, frequently business itself is divided. So we have lots of big, busy, organized institutions without any automatic sense of the common interest, but with a life philosophy and modus operandi all of their own.

Please keep this dilemma in mind as we proceed. People and institutions with vertical experience, planning and loyalty are constantly trying to cope with the community's need for solutions that can only be developed by horizontal agreement among institutions. This is not merely a semantic or communications problem. It is more complicated than that. There are basic disagreements as to what is important, what is the essential timing and what agreements require give and take.

You should never assume that people from one vertical structure understand people from another. We are very short of sufficient renaissance men and women.

Frankly, I consider this vertical dilemma our major problem in American society today. However, there are a few other major trends that also complicate the life of a corporation very severely.

Briefly stated, these are:

1. The pressures we face as we continue the long, painstaking task to make America truly an equal opportunity society for all Americans—minorities, women, everyone, at work, at play, at home.

2. The breakdown in many social disciplines.

3. The internal mass migrations that have produced what we call "The Urban Problem" and "The Suburban Sprawl" with all the accompanying social and financial dislocations.

4. The phenomenon described by sociologist Dan Bell as the transformation of the "revolution of rising expectations" into a "revolution of rising entitlements."

5. Extreme inflation. No need to say more.

6. International, economic involvements, ranging from raw material availability to trade and protectionism.

7. An increase in the participation by people so that sooner or later almost all problems become politicized. This was described by Roy Amara, president of the Institute for the Future:

"One of the major forces that is affecting—and is likely to affect—the future role of all institutions is increasing citizen par-

ticipation in social decision making. By participation is meant individuals' direct involvement in and control of those decisions that affect their lives. And no sector of society is immune to the effects."

8. And finally, all these problems exist within the framework of a new, high intensity, mass communications web.

We could go on listing problems for some time. Or we could elaborate on what we have. For instance, the new communications structure puts great emphasis on the word—the slogan, the memo, the speech. Programs are initiated or halted because of the word. And this, of course, is what provides considerable opportunity for the intellectual who lives for and with the word. This shifts emphasis to critique, analysis, what went wrong, what might go wrong. More emphasis, in other words, on problem definition rather than to solutions. More praise for critics than for builders or unifiers or leaders. The late Joseph Schumpeter commented on this once:

"Intellectuals are people who wield the power of the spoken and written word, and one of the touches that distinguish them from other people who do the same is the absence of direct responsibility for practical affairs. The critical attitude (of the intellectual) arises no less from the intellectual's situation as an onlooker than from the fact that his main chance of asserting himself lies in his actual or potential nuisance value. The intellectual group cannot help nibbling, because it lives on criticism and its whole position depends on criticism that stings."

Ralph Nader, for instance, truly understands the value of "the word" in our society. He recently chided President Carter for not making speeches:

"What Presidential addresses can do immediately is to take local developments and give them national visibility. Presidents can also take unglamorous but essential subjects, neglected by the media, and make even Time Magazine sit up and take notice.

"President Carter should not neglect using this important White House resource. Words endure. Words that are meant to endure more. And words that quicken the pulse of the citizenry can last for generations. History has shown us the truth of such an observation."

All this has its effect on how we live, how we think, what we decide to do as individuals, as a society. Particularly what we decide to do about corporations.

All of these trends that I have listed tend to produce disunity and dispute. Another distinguished sociologist, Morris Janowitz, in his new study "The Last Half Century—Societal Change and Politics in America" has concluded:

". . . the population increase (since WW I) and the elaboration of the division of labor . . . have not been accompanied by the emergence of effective institutions of coordination and self-regulation appropriate for a democratic policy. The clear implication is that extensive institutional disarticulation increases the probablity of conflict and, in turn, violence."

The study of warfare is valuable because it reminds you that you are seldom in control of time and events. Also recall General Sherman's famous advice to "put the enemy on the horns of a dilemma."

Teach yourself to think holistically—that is a knowledge of process, of becoming—a view of the pattern, system, organism as a whole.

Always imagine that you personally have to live with the results of your analysis and decision—sharpens up the wits.

General George C. Marshall used to say: "There is no limit to the good a man can do if he doesn't care who gets the credit." Quite true, but if you don't get some credit you won't be retired.

Make people write checklists before actions. This will surface the mental checklists and reveal flaws, gaps and mistaken assumptions.

When you start something, think how you will conclude it. When you go in, determine how to get out. Watch out for the "Vietnam syndrome," it has trapped many.

Maintain momentum—idle while you review the situation if you must, but do not lie dead in the water—know what you are doing and plan to do—and keep moving toward your goal.

Develop confidence to deal with the unexpected. Welcome it. Glory in it. This is the spice of life to a professional.

Hope for the best, prepare for the worst, but don't be so quick to give in. Go back. Think it through and try again.

Think strategically and tactically. Exploit breakthroughs. Enjoy a good fight. Plan carefully so you may be opportunistic. That's how to win.

Train yourself to look at things differently than others in your corporation and then you will be able to understand and to report accurately what is going on in the outside world.

Be imaginative, cultivate creativity, serendipity, showmanship and perhaps most of all a sense of metaphor. A legislative proposal was killed because its opponents described it imaginatively as "setting the rabbits to guard the lettuce."

An effective persuasion campaign requires careful thought. John Steinbeck wrote in "The Grapes of Wrath": "The ideal act of propaganda consists in identifying your cause with values that are unquestioned." Others have pointed out that fresh ideas receive greater acceptability if they can be described as the revival in modern terms of a time-honored principle or practice.

Mark Twain observed that a cat who sat on a hot stove would not be likely to sit on a hot stove again but would also probably avoid all stoves, hot or cold. Feedback must be accurate or it's very dangerous. Charles Lamb described this dilemma in an essay on roast pig. I commend it to you. Myron Tribus, professor at Massachusetts Institute of Technology, expressed this concern:

"I am still profoundly affected by Jay Forrester's observation that in matters such as urban renewal, conventional wisdom can lead to policies which are counterproductive. We deal with complex, non-linear, multi-loop feedback systems for which intuition is often a faulty guide. Add to that a proclivity in the government utilize adversary proceedings for almost all issues and the need for the introduction of rational predictive techniques becomes urgent."

To do a good job in this kind of work you must like people, be confident, and gain satisfaction in helping to create an active consensus.

Always be ethical. Never do for a corporation or a government what you wouldn't do for yourself. Be prepared to walk out if necessary. Otherwise public affairs is not a new profession, merely the world's oldest.

Don't be afraid to bring bad news to your management. Be precise, accurate, not a "chicken little," and try to propose solutions at the same time, but most of all report the truth.

Don't be afraid of ridicule or criticism no matter how powerful the source. If you are not getting any, you aren't doing your job.

Don't be afraid of being called a professional or a mercenary. A. E. Housman praised the volunteer British Army in World War I in these marvelous words:

Epitaph on an Army of Mercenaries

These, in the day when heaven was falling,
The hour when earth's foundations fled,
Followed their mercenary calling
And took their wages and are dead.

Their shoulders held the sky suspended;
They stood, and earth's foundations stay;
What God abandoned, these defended,
And saved the sum of things for pay.

Be careful of intuition. It is valuable, but you must be careful you are not suffering from heartburn or a misreading of experience.

When you feel like praising yourself, remember Graham Green's warning: "Success for a writer is failure delayed." Applies to any kind of professional work.

As a final note. You should be prepared to walk alone as you learn and develop. I ran across a description of an athlete by novelist Mark Harris the other day that I think is quite appropriate and perhaps heartening.

"He came with a talent and desire and health. But to deliver work so good over so long a period of time requires also an independence of character sufficient to resist the mockery of people who, never having dared an art, remain ignorant of its demands."

Now let's discuss for a few minutes how a business executive should go about organizing a public affairs program—some elementary guidelines.

What are the key elements to consider in organizing effective corporate public affairs program?

1. The precise structure depends to a great deal on the chief executive—his outlook, his strategy of power and management, his personal capabilities, his operating style and his perspective.

2. Specific corporate goals in this area are essential. Theodore Levitt, professor of business administration at Harvard University, has pointed out correctly that "If you don't know where you're going, any road will take you there."

3. Don't forget the general management maxim that you can't delegate what you don't know.

4. A determination of what constituencies must be influenced, to what degree, by and through whom, and over what time frame.

5. This requires the setting of priorities, detailed planning, the allocation of time and money, the involvement of all subsidiary levels of management required for effective execution.

6. Evaluation of future trends so that to some degree the intuitive sense of the future can be at least partly institutionalized so that it is believable and actionable for management. This is well understood as a problem for individual leaders. Henry Kissinger wrote in the early 1960's (*The Reporter*, November 22, 1962):

". . . the most difficult problem of policy making, that of conjecture. The dilemma of any statesman is that he can never be certain about the probable course of events. In reaching a decision, he must inevitably act on the basis of an intuition that is inherently unprovable. If he insists on certainty, he runs the danger of becoming a prisoner of events. His resolution must reside not in 'facts' as commonly conceived but in his vision of the future."

7. A recognition by corporate management that if you pay careful attention to what is going on in the world, read the signs and trends correctly, then you ought to be able to step out and forcefully influence events instead of always being at the wrong end of an adversary relationship with the government.

Arie Y. Lewin, professor at the Duke University Graduate School of Business Administration, has described this opportunity very well.

"Early warning provides two basic opportunities. Both are aimed at diffusing the issues and forstalling their getting on the public agenda and from there on to the legislative agenda. The first is the opportunity to participate in shaping the issues from their inception. The second is to permit an internal review of organizational practices affected by the issue with the objective of implementing internal changes which allow the organization to self adapt as societal values and expectations change. If the objective is to ultimately shift the management of issues from crisis fighting in the halls of congress to dealing with emerging issues as they arise, then corporations will have to institutionalize a social policy thorn in the thigh of the organization. This is a management problem and an organization design problem which would have to be solved by each corporation individually."

8. If a corporation wishes to do this, then it must invest the time, money, and management to train, develop and organize seasoned professionals with sufficient experience and judgment to represent and to expose to risk the corporation. The comprehensive management is essential because in politics as in war the dictum spelled out by Julius Caesar applies: "In war, trivial causes produce momentous events."

I would like to conclude this section with comments by two chief executive officers who set themselves and their corporations to have a positive impact on the environment.

First, Charles Mechem of Taft Broadcasting. He presented these suggestions to a group of broadcasters:

"Sit down with your top management associates and ask yourself . . . and them . . . the following questions . . . and write down the answers . . . and don't use any reference materials.

"First, name all of the legislators, federal, state and local, who represent the area or areas where you do business.

"Opposite each name, write down the office they hold, the length of time they have been in office and the committees on which they serve.

"In another column, write down the date you last made a call on each legislator in his office, the last time he was in your office, and the last time you discussed broadcasting with him—whatever the location.

"Write down in the next column the number of times you have corresponded with each legislator and the subject of the correspondence, and in another column the names of anyone in your organization who knows your legislator or has any personal contact—even if it is someone's child playing on the same Little League Team with the legislator's son or daughter!

"Then, review everything you have written and then write on a separate sheet of paper a brief resume of your political action program—what it consists of, who is in charge of it, what its objectives are, when it was last discussed in any meaningful way by your management group.

"If you will go through the exercise, I promise you that several things will happen, including the following:

(1) You will be ashamed of yourself.

(2) You will wonder how we in broadcasting have fared as well as we have.

(3) You will revitalize your governmental effort.

"There are formidable adversaries out there—it's time we really started to battle—after all, it's a system worth preserving—one that's been good to you and to me, but, more importantly, for the American public. It's time we got angry. There's a lot of really mushy thinking going on about what's right for Americans and who should mandate it.

"I know it's a cliche—but it was never more true than it is in this context—we will get precisely what we deserve."

Second, Reginald H. Jones, chairman of General Electric Company, to the Wharton Club of Washington, D.C. (May 17, 1978):

"Business leaders are going to have to think politically in a politicized economy.

"Business leaders these days are trying to make themselves heard, and I think we are making some honest headway. But we will not get the serious attention of the Congress until we have the vocal backing of a solid constituency. That is why we must raise these issues with our employees, our customers, our success of American business. They and their families number in the millions. Their potential as a base of support for sound policy is enormous. But we are not going to have their support unless we work for it as a politician works for it—earning their trust, discussing the issues, demonstrating how they are personally affected, and asking them, directly and persuasively, for their wholehearted support."

That is what it takes for a corporation to survive in this active democracy.

Let me suggest some problems that our society will deal with one way or another over the next few years. Possibly even drift or delay decisions. However, whether action or inaction, the results will affect the way in which business is done in the United States. You should be thinking about what a corporation might have to do from a public relations or public affairs standpoint about these problems. How it would anticipate, how it would react, what it would do to shape its own future.

Here are just some of them:

Continuing rapid inflation;
Slower economic growth;
Increasing energy costs and shortages;
Key raw material shortages;
Pressure for national economic planning;
Sufficient jobs for youth;
Sufficient trained people for jobs;
An aging population, politically organized;
International economic competition and protectionism;
International political instability; and
Equal opportunity pressure from all minorities.

Those are just some of the major problems and trends corporations are facing. Of course, the American society always has had problems and it has solved them. I have no question but these will be dealt with by a strong America. However, the question is how, by whom, to whom, and for whom, to paraphrase Mr. Lincoln.

Ralph Nader has taken a look at these problems and has concluded there is need for a new national political party in the United States.

Nader said the new party, which he hoped would come into existence by 1984, would combine consumer groups, antinuclear organizations, community-based citizens organizations and some of the major trade unions and would focus on what he termed "the overriding issue of our times—corporate power" and "the expansion of citizen access to all branches of government, the mass media and corporate decision-making."

That should get corporate management's attention.

It was the rise of the national consumerism movement in the sixties that brought the retail industry into the more direct orbit of the federal governments. There has been an increased federal interest ever since, and it has required a coherent government affairs program on the part of Federated and other retailers.

A very distinguished lawyer, Ira Milstein, warned recently that it is "incumbent on every business, and retailing particularly, to conceive of itself as a regulated industry."

That kind of advice does get the attention of a corporation. So, the next step is to get organized to deal with the reality.

As I told you earlier, although business in general has relations with government, very often individual industries and even individual corporations have problems that are unique to them, extremely important, but not necessarily to others in the industry nor to business in general.

Up to now I have been describing the need for business—as a system—to defend itself and have an influence. It should be noted that you must also think carefully how to defend your industry and your individual corporation as well as business in general. There is frequently disagreement within the business community itself. Perhaps this should not be. However, there are disputes—sometimes strident, sometimes bitter—among the various types of business. Let me spell out some of these controversies along with appropriate actions using my own industry—department store retailing—as an example.

One is energy. We have a general policy to support programs that would expand available supply. We also favor "cost of service" as an equitable guide for the establishment of utility rates. As to conservation, we have a comprehensive, detailed internal program to reduce the use of all forms of energy. We resist, however, arbitrary decisions on store operating hours—such as no evening or no weekend hours. Equally so we object to rigid rules for thermostat settings. These are handy for regulators but in truth do not conserve energy. We believe that decentralized responsibility produces far better answers. Tell us the goal and we'll produce. As I said, thermostat-setting regulations won't really save money, but the regulations will lead to lower sales and unemployment. They do provide a clear, visible example of action by politicians and government administrations.

Oddly enough, neither other retailers nor our associations see this problem the same way we do. So we have passive allies in the opposition of the government. We often have to get a point across in spite of powerful opposition or, more frequently, indifference on the part of other businesses or retailers as to a proposed government program or policy. When you are on your own, a corporation must do a number of things. These are:

1. Think the problem through so it knows its objectives.

2. Try to fit these in with public interest needs.

3. Know who it must persuade in Congress, the executive agencies, the media, the states.

4. Work with its trade associations—in Federated's case the American Retail Federation, the National Retail Merchants Association, the Associated Merchandising Corporation and state retail organizations.

5. See how many other allies from business and labor can be enlisted.

6. See if anything can be done to develop support, or at least benevolent neutrality, from such general business organizations as the U.S. Chamber of Commerce or the Business Roundtable.

I have gone into detail in this example because I want you to understand all of the areas that have to be tracked, all the bases that have to be touched, all the people and institutions that have to be coordinated just so you can protect your corporation's interests.

But there are other major issues where retailing has political and governmental inter-

sets that are special enough so that it must take care of itself. It cannot depend on others.

Tax policy is an area of considerable significance where business is divided frequently, to say nothing of all the groups who are vigorously and creatively antibusiness.

The effective federal tax rate for retailing firms is 36.9%. The effective tax rate for industrial and mining firms is only 13%. Quite a difference, don't you think—36% for retail, only 13% for industrial.

Now, how did this come about? Very simply. Manufacturing interests over the years persuaded the Congress that special concessions in the way of tax credits for the purchase of machinery or trucks or airplanes would encourage productive investment and generate jobs. This was done in lieu of general business tax reductions. These concessions were argued to be in the general public interest, and over a number of years a serious inequity developed.

There is a vital need to increase capital investment by all business so as to generate jobs and improve productivity. This would be in the public interest for the economy as well as in the interest of all business. There is a proposal being developed by Congressmen James Jones, Democrat from Oklahoma, and Barber Conable, Republican from upstate New York, that would do the job, and all business is beginning to unite behind it. Federated will support it vigorously. However, in the meantime there are these inequities that have to be dealt with individually until we can develop the broad consensus for an overall solution.

Retailing proposed that the investment tax credit be extended to the construction of retail buildings and documented that this would generate a large number of jobs and also stimulate investment in downtown areas.

We then proceeded to organize a vigorous campaign that has had some success and will continue.

There are other areas of special interest. Free trade, for instance, and there we are almost all alone and in some trouble. Protectionism in the U.S. and throughout the world is on the rise. We have worked hard to counter this, but we may have to go farther and help organize a greater recognition within business of the value of exports and imports in order to develop substantial political support for international trade. Business and labor in the steel and textile industries, for instance, have forged strong alliances and mounted expensive campaigns to persuade Congress and they have been very successful.

Another area is inflation and efforts for mandatory federal wage and price controls. We are opposed in general to controls, and if legislation is proposed for controls on specific scarce commodities, we believe the great complex, highly competitive thing called retailing should be exempt. It is important to note that general merchandise retailing has not contributed to inflationary pressures. Why? Here's what Federated's chairman, Ralph Lazarus, said recently:

". . . the highly competitive nature of retailing and its consistent emphasis on productivity improvement have done more to hold down department store prices than any guideline or control program so far suggested.

"From 1967 through 1977, improved efficiency and free market competition held the rate of increase in general merchandise prices more than 40 percent below the rate of increase recorded in the government's overall Consumer Price Index (CPI). Last year alone, general merchandise retail prices increased at only half the rate of the overall CPI."

Those are just some of the major political issues where retailing—and Federated—has to look out vigorously for its own interests.

One of the important complications is that due in part to the pervasive nature of retailing, it has no natural political base or constituency in the Congress. This is very important. So, it has had to begin to construct a constituency step by step through individual efforts and careful planning and analysis.

In order to accomplish this, we have spent a great deal of time with our national and state trade associations, we have developed a one-on-one program through our divisions that we call Congressional Intensification, and finally, we put together a modest political action committee.

Our feeling is that our voice must be heard if we are to protect the interests of our employees, our customers and our shareholders. This, of course, involves a program developed and managed by professionals with the close cooperation of top management. In the long run, however, it requires the enthusiastic and intelligent participation of many more business men and women. You will know that corporations are serious about this when the same amount of total executive time and money goes into political and community activities as now goes into United Way. No less will do.

This is particularly true at the community level where corporations must work with others to make sure there are quality schools, thriving downtowns, peaceful neighborhoods and economically viable communities. These public interest goals require very heavy personnel and financial commitments similar to the United Way.

We've talked about the environment in which business must function today and then we've discussed why business corporations should care. Before I make some suggestions as to how you might organize a public policy activity, let me just run through a few operating maxims that I have found useful in public relations and public affairs.

But, first let me emphasize the significance of the "word." It is vital where the action is, where it is all decided. The media and government. Those are the intertwined, interdependent battlegrounds with a strong symbiotic relationship. The media receives, interprets and sets the parameters of what is significant, worthy of attention and action. The government-legislative both receives from the media and communicates to it.

All this produces a dynamic situation in which the "word," and the way in which words and actions are perceived, becomes all important.

Dr. Tony Schwartz, a brilliant media consultant, tells about the woman who visits the psychiatrist. When he shows her a series of Rorschach patterns, she takes one look at them and says, "Doctor, I didn't come here to see dirty pictures."

"Previous experience determines how people react, consciously or non-consciously, to what they see, hear, or read," Dr. Schwartz reminds us.

Of course, how we perceive may come from many things; what we have read, our experiences, our social or educational background, all may affect us. The great economist, John Maynard Keynes, warned:

". . . the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas."

The backgrounds of these people in the media and the government can become quite important to us. Everett Carll Ladd Jr., recently concluded ("What the Polls Tell Us," The Wilson Quarterly, Spring, 1979):

". . . the upper-middle class in the United States has shed much of its identification with the business world. Increasingly, large segments of the broad, new upper-middle class think of themselves primarily as professionals—business administrators, engineers, accountants, lawyers, and so on—all responding to intellectual values rather than the profit orientation traditionally associated with business. Along with their counterparts in the growing public sector, the upper-middle-class professionals have become the core of a new 'intelligentsia.' The content of most serious magazines, newspapers, and network television news broadcasts is shaped by them (intelligentsia). The result is a two-step transfer of ideas and information from the intelligentsia via the media to the nation at large."

Another study by sociologist Herbert J. Gans ("Deciding What's News") arrived at this interesting conclusion:

"When I began my fieldwork, I assumed that journalists, especially reporters, knew more about America than anyone else . . . but this is not the case. Journalists obtain their information about America from their customary sources (mainly public officials); from what they themselves read in the paper (mainly the *Times*); and, because they have trouble crossing the social barriers that separate them from strangers, from what they learn from peers and personal contacts, notably relatives and friends."

Louis Banks, former managing editor of Fortune, now an adjunct professor of management at the Sloan School, Massachusetts Institute of Technology, said:

"Basically most ranking editors of mass media see business as suspect until proved innocent. At the attitudinal level this means a greatly overweighted coverage of antibusiness pronouncements. The average editor of print or tube becomes an easy mark for the leak from governmental or public interest agencies, some of which have a vested interest of sorts in being antibusiness."

Now does this mean I am holding out the spectre of a dangerous, radical media intent upon destroying business enterprise? Not at all. But the media does present a problem to business management. Before we get to that, let us recognize that the media itself has some complications of its own. Walter Lippman said: "The theory of a free press is that the truth will emerge from free reporting and discussion, not that it will be presented perfectly and instantly in any one account."

A former White House press secretary, now a professor at Marquette University, George Reedy in "The Twilight of the Presidency" cautioned:

"There is a deep-seated human tendency to confuse unhappy news with unhappy events and to assume that if the news can be altered, so can the events."

Then he went on to conclude:

"An objective evaluation would be that the degree of accuracy with which the news is reported is astounding when it is contrasted with the conditions under which it is gathered."

Walter Cronkite, the "news daddy" to millions of Americans, however, spent some time recently criticising newspapers. He expressed concern that newspapers were not covering local, state and regional news adequately nor were they reaching the poor and the unemployed, the residents of the central city and those between 18 and 30.

He concluded gloomily: "Perhaps we could say that the trouble for at least some newspapers is that they are being prepared for people who can't read by people who can't write."

However, our concern today is the impact of media on business. One important area the media affects and reacts to is government.

A great Harvard economist, Joseph A. Schumpeter, once wrote:

"In a parliamentary democracy, legislation and administration are incidental to the fight for power."

In my experience this is not entirely true but accurate often enough so that you should always keep it in mind. It will help to explain a great many things that go on in politics and government and even in corporations.

Now what I would like to do is set forth for you a number of operating maxims that I have come across or experienced over the years that might be useful to you. They are not in any particular order because I want you to recognize that this whole profession I am talking about is interrelated. You must not think separately of media, politics, community—it's all a seamless garment.

Now here are some random thoughts and suggestions as to how to think and act about public affairs and public relations.

Corporations must welcome the opportunity to take part in the political process and not be dragged in reluctantly. That's a good way to waste money and valuable executive time and be ineffective.

Many corporations, large and small, do it badly. They refuse to allow the necessary time or money to develop a professional organization. This is shortsighted, even dangerous, for a vulnerable corporation, and most of them are.

You and your corporation should always think like a leader if you practice a low profile or backstage role. If you accept the responsibility of leadership, you will influence events and not merely be influenced.

Touch all bases and stay on top of what is going on—politics is a collective art. It also must be planned. Imagine all complications, don't assume. Plan for all eventualities. Figure your opponent's capabilities, don't guess his intentions.

Remember Washington and other capitals are bipartisan—neglect no one, no party.

To lobby effectively you must truly believe in the legislative process.

Successful lobbyists develop friendly, useful relationships over time. They try to be truly helpful. Robert Strauss, one of the best, described his approach in this way:

"What I always do is to figure out what the bottom line is: How do you come up with a profit for the guy you're going to? You have to figure out what does he want, how does what you want help his constituents. It's damn rare you get something on the Hill without their getting something in return. The guy's got to see that it helps his constituents—or, at least, that it's a draw, that it doesn't hurt his constituents. His bottom line is how does it affect his constituents."

Assume the legislators, staff persons, civil servants, media persons are all honest, capable, willing to listen until you are proven wrong.

In politics there are no natural allies. You enter a coalition for a specific purpose and when that's accomplished it's over.

Timing is vital. A. J. Liebling told the story of the Victorian lady who took a cab to Waterloo Station. She felt the horse was not making sufficient progress. "Hit him," she told the driver, "hit him in a vital spot." "Madam, I've hit him in every vital spot save one," said the driver, "and I'm saving that for the hill!" Practice saving for the hill.

Timing and proper exploitation can work for and against you. Senator Metzenbaum, Democrat of Ohio, has a mandated corporate governance bill that is not getting much support. He warned some business leaders: "Remember all it needs to pass is a couple of new scandals."

If you lobby, organize your material and arguments so as to be persuasive. This means thinking through the problem in great detail before leaping forward. Do a careful priority analysis of all of the legislators who must eventually be involved. Write it so you miss nothing but don't make any copies.

Many of today's legislators at federal or state level are young, inexperienced, but usually intelligent and pragmatic. Don't let seniority or party or ideological label confuse you. Again, neglect no one.

Be honest with the media and Congress. A witness prior to a Congressional hearing was advised as follows: "Be careful. Give short answers. Try to answer yes or no. Don't lie, but for God's sake don't blurt out the truth." Wise counsel indeed.

Your actions, a corporation's reputation over time, its credibility are what give it standing with media and politicians. Ralph Waldo Emerson summed it up many years ago:

"Do not say things. What you are stands over you the while and thunders so that I cannot hear what you say to the contrary."

To the press "no comment" is an admission and sometimes that's the way it has to be. However, try to do better. If you are open, positive and helpful to the press in the quiet times, you will be better off when the inevitable hard and noisy times come. Practice speaking out whether the news is good or bad. It will pay off.

All institutions—corporations included—try to manage the news. Weigh benefits and risks carefully. It may not be worth it to try because the odds favor failure. Be the steady source of accurate information about your corporation.

Discipline all communications efforts so as to be persuasive. If you write a speech, prepare a press release first: the lead, with a partial quote; then the facts of where, when, etc.; and finally, a full paragraph quote. Speech writers object to this but it works.

Internal corporate clearance can flatten and deaden a speech. Show enough energy and imagination to get one memorable phrase and idea into the final product.

Sadly, the media can be manipulated (not usually by corporations) and you should study carefully to see how it is done so that you can cope with it if necessary. Observe Ralph Nader, the other so-called public interest groups, and candidate managers in presidential primaries. They are all masters at it.

Accurate, up-to-date intelligence is vital. Don't move without it. Demand it from your associates. Fight for it. Napoleon said, "The good general may be defeated, but we should never be surprised."

Watch out for those who say: "There's something wrong with the customer," "That won't solve all the problems," "We don't have time to make a plan," or "I've checked him out and we're sure we know where he stands."

Also watch out for those who practice adroitly postponing decisions. The outside world often won't wait.

"Most of all, watch out for those "hard data" types who fall for the McNamara fallacy: (1) Measure whatever can be easily measured; (2) disregard what cannot be easily measured; (3) presume what can't be easily measured is not important; (4) imagine what can't be easily measured does not exist.

The result is considerable frustration on the part of the nation's leaders and the public. Daniel Yankelovich, president of the Public Agenda Foundation, concluded recently:

"The country's leadership—in government and business—is well aware that our problems are growing more complex, ambiguous, and insoluble. But the more complex they become, the more leaders depend on technicians, experts and special-interest groups to deal with them and the less they share the problems with the country at large. The public reacts against being excluded and inevitably fights abuse with abuse. As a result, virtually all leadership groups in the country feel beset, beleaguered, and powerless while the public grows even more angry, frustrated, mistrustful and cynical."

Some of this public reaction came together in California's Proposition 13 vote. It should be noted, however, that the public is by no means some kind of mindless monster. A national survey administered last fall by the Washington Post concerning Proposition 13 concluded that "Their real concern is that it is the bureaucracy, not the public, that benefits from taxes." (Washington Monthly, March, 1979)

To some degree political leaders have concluded that we are in a period that could be termed a watershed. In any case, the result seems to be government by loggerhead. Nothing quite gets done. Each interest group seems to have a veto. The problems, however, remain.

A key leader of the House of Representatives, Congressman Richard Bolling, Missouri Democrat, recently observed:

"People are not conservative, they're very uncomfortable, they're unsure. What's going on now is that we've finished up the World War II era, both in terms of the economy and the society, and we're not quite set on the next go-round. We're struggling to find the basic facts for us to come up with the next synthesis, so that we can go on in a society that's more complicated, more dependent on the world than it was . . . I don't think we know enough yet for the next set of answers."

So there it is—an uncertain, complicated, difficult, perhaps even dangerous environment for business corporations to survive in. Now I would like to turn to a couple of questions about corporations. Why should corporations be concerned actively about the outside world and what can they truly and effectively do about it? Please keep in mind that whenever you make plans or recommendations involving a corporation, you are fooling with other people's money. A sobering thought.

All right, why should corporations care?

The first reaction by people to that question is frequently "of course." After all, a corporation is legally a person, so in a democracy it has the rights and obligations of a person. But it's not all that simple. Milton Friedman and others feel a corporation should ignore the external political world. That it should only do what it does best—produce, at a profit, goods or services, pay dividends and just be a good business. I consider that naive, although appealing to some.

Since this is a democracy becoming more participatory all the time, there is no hope at all that governments will leave corporations alone. A distinguished political scientist, Harold Lasswell, used to teach that politics is the story of who gets what, when, where and how. This society of ours is a pluralism in which powerful forces are constantly battling for the control and allocation of productive resources. That's what the political process is all about, and if you do not take part with all your wit and imagination, you will be told by someone else or some institution just what to do. There is no way in which a corporation can say to this political world: "Stop! I want off!"

There are two basic questions involved

here. First, must business in general be active at all in the public policy process? Second, should I, as a business executive, or should my corporation start from the assumption that it is necessary to take part, or could I safely assume that if I tend to my business that someone, my trade association, larger business with more at stake, will take care of it? Let's take the overall question first.

One of the wisest Republican members of Congress—Barber Conable—has put the problem in blunt terms: "This is an activist society."

His implication is clear. If you don't take part in the political process, some person or institution will actively influence the government in a direction you may not like.

It should be noted that this activism sometimes is directed at fairly fundamental changes in our economic world. Arie Lewin of Duke and James G. Wiles of Georgetown have pointed out:

"The issue of corporate governance—the legal/political issue most likely to affect major corporations in the near future—arises from what large portions of society and many key members of the policy community perceive to be the illegitimacy of corporate management in a democratic, pluralistic society."

The thrust of the activists produces social or economic regulation. Some of this is universally felt to be in the public interest. Unless business is in at the beginning, it is likely to get regulation that appears to meet immediate political objectives without regard to its impact on productivity or economic growth. More important, over the long haul the regulations and the regulatory agency may not even meet the social objectives of the reformers. Our kind of government requires a hands-on approach to legislation and administration at all times. This calls for oversight and attention.

Just so you don't think this is a partisan question, Republicans are as inept as Democrats in the regulatory dance. Kenneth Arrow, professor of economics at Harvard and Nobel prize winner, pointed out, ". . . the most egregious uses of inefficient regulation came under the impeccable auspices of the Nixon Administration."

Regulation per se is only part of the problem. There are many other things that government can do or not do that affect the economy that in turn have an impact on business. Incidentally, we need to keep in mind that state and local governments—the fastest growing elements of our public sector—can be just as important to corporations—positively or negatively—as is the federal government.

A major requirement for business is to bolster the capability and will of elective and appointive officials to manage with thoughtful care and not be at the mercy of every vagrant political or media windstorm.

Alan K. Campbell, director of the Federal Office of Personnel Management, has warned:

"The inability of officeholders to behave responsibly because of political weakness is pervasive in American political life today."

But the demand for business involvement in the political process does not stem entirely from the fears and concerns that an activist democratic society will destroy the free market system. There are many thoughtful people who look to business leadership to help actively to solve the many social problems of America. Vernon Jordan, distinguished president of the National Urban League, wrote this (Business and Society Review, Winter 1978–79):

"Society expects business to be more than a profit-making machine; it expects it to demonstrate creative concern for the environment and the cities, for the well-being of employees and consumers, and for employment of minorities victimized by discrimination.

"By tempering raw, unbridled capitalism with humane concerns, and by opening its doors to long-neglected human resources, the private sector finds renewed vitality and strength. It more accurately reflects the society it serves, and by helping to solve the problems of the society, it ensures an environment in which it can survive and, indeed, prosper."

A leading businessman, Irving S. Shapiro, chairman of E. I. duPont de Nemours & Company, Inc., had this to say (Harvard Business Review, March-April 1978):

"I think we're a means to an end, and while producing goods and providing jobs is our primary function, we can't live successfully in a society if the hearts of its cities are decaying and its people can't support their families. We've got to help make the whole system work, and that involves more than just having a safe workplace and providing jobs for the number of people we can hire. It means that just as you want libraries, and you want schools, and you want fire departments and police departments, you also want businesses to help do something about unsolved social problems."

Federated Department Stores believes that a corporation is an entity with a full range of rights and duties and responsibilities. Like any citizen, a corporation must be productive. It should be responsible to its shareholders, earn a profit, and manage its fiscal affairs soundly. Like any citizen, a corporation has a responsibility to be part of the democratic process—to be an active participant in community affairs and the conduct of its government. Like any citizen, a corporation has only itself to blame if, without its active "personal" involvement, the wheels of government move off in directions counter to the nation's or the corporation's best interests.

Social responsibility actions that arise out of a vague sense of guilt, which many corporations apparently feel on this score, are likely, we think, to be essentially random in character and subject to the vagaries of fashion. Social responsibilities that are the natural activity of a good corporate citizen seem more likely to produce rational programs and the kind of humane social involvement that has traditionally characterized Federated and its divisions.

Of course, if corporations are to counter unreasonable regulation and take steps to be useful citizens of the greater society, then they must organize to do so. Reginald H. Jones, CEO of General Electric, said, ". . . business must develop a constituency—a body of hard-core supporters who will defend it in times of trouble and speak up for it in the debate over public policy. Business is the only institution that does not have such a constituency at the present time."

The notion that retailers should be involved in the political process is not a new one. You may recall that when those gathered in Philadelphia in 1776 came down on the side of "life, liberty and the pursuit of happiness," it was John Hancock who signed his name "big enough for King George to read." He was a merchant from Boston.

Retailers always have been involved in the political process at the community or local level. They didn't use that term because it seemed as natural as breathing for a department store chief executive to worry about downtown development, the quality of the public schools, the paving of the streets, the need for efficient and economic city services, and they believed that it was appropriate to work with other businessmen as well as politicians to get the jobs done.

State governments dealt with many tax and regulatory issues affecting the operations of retail stores. As a result, retailers eventually got very involved in the political process of states. This led to the development of some highly professional and effective state retail organizations.

We must deal with these political, social and economic questions if we are to survive as a nation. And this will be be easy because I am not at all certain that simple, easy, painless answers are readily at hand. We're going to have to do some searching, some experimenting, some testing, some debating, some persuading and some agreeing.

A very wise man, Felix G. Rohatyn, who is a senior partner in the investment banking firm of Lazard Freres & Co. and has become well educated in New York City finances, recently warned that "the U.S. desperately needs a breathing spell to put its house in order and negotiate new, lasting international trade and monetary structures." He argues that "we are at war with unemployment, with inflation, with racial discrimination, with lack of education" and concluded "we may have to adopt a wartime program" of sweeping controls and broad national programs to meet the challenge.

Without question we shall have to stretch our minds and our hearts, and our institutional thinking.

However, when we are all through, we want to make sure that we have retained the fundamental strength of our participatory democracy. We want to make sure that we are still able to say to each individual: "You have a right to life, liberty and the pursuit of happiness and equally you owe your democratic society duties and obligations so that those rights are available to all."

That—put simply—is our task. That's what it's all about.

Whenever you take the time to review all the problems and complexities of today, it is very easy to become discouraged and depressed. It is often tempting to conclude that nothing can be done or that only some kind of sweeping, radical solution will suffice.

Truly there is much to be done. And corporations must join with all the other elements of our democratic society to develop the answers and organize an active consensus. We will need to encourage innovation and a sense of urgency. Most of all, we must learn to walk in the other person's shoes and then work out mutually beneficial answers.

Difficult? Of course, but there is no other answer. If we are to solve the domestic and international difficulties and retain our free society, then all—business, labor, government—must work together. And you, particularly if you have a public affairs or public relations responsibility in a corporation, must learn to study, to anticipate, to create, to needle, urge and persuade to make all this happen.

Our free society is strong, but we sometimes fail to remember what makes it strong. It's useful to listen to an outsider. Some of you have read of Vladimir Bukovsky, who spent 12 years in Soviet prisons, work camps and psychiatric hospitals. He said:

"The pampered Western democracies have forgotten their past and their essence, namely that democracy is not a comfortable house, a handsome car, or an unemployment benefit, but above all the ability and the desire to stand up for one's rights . . . to be alone is an enormous responsibility."

He was asked why he had persisted in his fight against tyranny for 12 years. He responded with a very powerful question: "If not me, who?"

But let me refer you to someone closer to home. Woody Allen told Ms. Natalie Gittelson of The New York Times:

"We've got to give up the immediate, self-gratifying view. We've got to find the transition to a life style and a culture in which we make tough, honest, moral and ethical choices simply because—on the most basic

pragmatic ground—they are seen to be the highest good."

These are things to think about as you proceed upon a business career. As a final word, I would remind you of the charge by Pericles to his fellow Athenians.

"The secret of happiness is freedom and the secret of freedom is a brave heart." ●

SEVEN QUESTIONS ON SALT II

● Mr. CRANSTON. Mr. President, yesterday I placed into the RECORD that portion of the prepared statement of Gen. George M. Seignious II, Director, U.S. Arms Control and Disarmament Agency, which dealt with the five fundamental standards that General Seignious used in evaluating SALT II. Today I would like to add to the RECORD the testimony of General Seignious concerning seven questions that have arisen during the debate over SALT II. These seven questions or issues on SALT II are the following:

First. Linkage, the relationship of SALT to United States-Soviet relationships.

Second. The Soviet heavy missiles, the effect of the Soviets having 308 modern, heavy ICBM's while the United States has none.

Third. The Soviet Backfire bomber, the effect of the exclusion of the Backfire in the count of nuclear weapons "launchers" and an evaluation of Backfire as an intercontinental bomber.

Fourth. The comprehensive proposal of March 1977, the reasons why it was made and why it could not be achieved.

Fifth. The "new types" provision, the problem of verification and effectiveness of the limitations on the modernization of ICBM's.

Sixth. Cruise missile range verification, the rationale concerning the 600-kilometer limitation on GLCM's and SLCM's.

Seventh. The SALT process as arms control, how to measure the value in terms of arms control of SALT II and the entire SALT process.

Mr. President, there are other important questions in connection with the SALT II Treaty, but I think everyone would agree that the foregoing seven questions or issues are certainly some of the more important that have been raised and discussed in the SALT II debate. Since General Seignious condensed his oral testimony before the Senate Committee on Armed Services on Monday, July 30, I think it appropriate that the written testimony of General Seignious on these important seven questions on SALT be available to the Senate in full.

Therefore, I ask unanimous consent that the following portion of the prepared testimony of Gen. George M. Seignious II, Director, U.S. Arms Control and Disarmament Agency, submitted to the Committee on Armed Services of the U.S. Senate on July 30, 1979, be printed in full in the RECORD, as follows:

TESTIMONY OF GENERAL SEIGNIOUS

I want to begin with linkage because it's a false argument and an argument that if carried to its conclusion would diminish not enhance our role in the world. SALT II has properly been debated in the context of our foreign policy, for SALT is the centerpiece of the U.S./Soviet relationship and rejection of SALT II would have serious consequences for this relationship and for stability elsewhere. But, some would link SALT II to every world problem, and some would decorate SALT II like a Christmas tree with burdens it neither merits nor can endure.

SALT II will in no way hinder our ability to compete with the Soviet Union where competition is required. SALT II, however, will enable us to continue the important process of cooperation, a process in which, as in negotiations, one nation's gain need not be the other nation's loss.

I agree that we cannot quarantine SALT entirely from Soviet actions in other spheres. But to burden SALT with every aspect of the Soviet challenge would mean we could settle nothing with the Soviets unless we settled everything. The nuclear threat to everyone's security is so overriding that we cannot wait until that day.

The Soviet challenge today is a challenge to be met on many fronts. To use SALT to meet every aspect of that challenge is not only inappropriate; it means that we lack the imagination and the will to use the many other, more effective resources at our disposal.

For those who would discard SALT because of Soviet activities elsewhere, I ask: what would they offer in return? What Soviet challenge could they meet in the nations of Africa and Asia by rejecting SALT? Would we be better able to respond to the Soviet buildup in Europe while spending even larger sums on nuclear rather than conventional forces?

A nuclear arms race, with the gloves off, would not just mean billions and billions more for defense, it would focus our attention on strategic military rivalry and competition. Our response to other pressing problems—such as energy and economic problems of our own and of our friends—could not help but suffer, for strategic security would be our first concern.

A stable world is an arena best turned to our advantage. An unrestrained and tension-filled nuclear arms race is not the recipe for a stable economy, and it is not the recipe for a stable world.

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The second question concerns Soviet heavy missiles. In SALT II, the freeze on launchers of modern heavy ICBMs has been carried over from the SALT I Interim Agreement. Thus the Soviets can have up to 308 of such launchers while the U.S. will have none.

The United States has no plans for modern heavy ICBMs, and would not develop and deploy them even if permitted under the SALT II Treaty. The MX missile, which has the same target coverage as the SS–18, better serves our military requirements. Thus, the SALT II limitations on modern heavy ICBM launchers have no effect on U.S. programs or plans.

It was in this context that the United States gave up the right to modern heavy ICBMs in the course of the SALT I negotiations and agreed at Vladivostok in 1974 to continue this situation in SALT II. At Vladivostok, President Ford was able to gain important concessions in other areas, in particular, the Soviets agreed to drop their insistence on limitations on U.S. European-based aircraft and on compensation for the nuclear systems of our NATO Allies.

Furthermore, the Soviet right to heavy ICBMs only applies to silo-based ICBMs, an important consideration for the future as all fixed land-based ICBMs become increasingly vulnerable. Neither side is permitted mobile launchers of heavy ICBMs, heavy SLBMs or their launchers, or heavy air-to-surface ballistic missiles (ASBMs). We could have retained the option to deploy heavy mobile ICBMs, since this option was still open in the Treaty in the fall of 1976. However, if such an option had been left open, it was possible that the Soviets might well have deployed a heavy mobile ICBM, while the U.S. almost certainly would not have done so. We weighed this issue and, with the support of the Joint Chiefs of Staff, proposed to the Soviets that mobile launchers of heavy ICBMs, heavy SLBMs and their launchers, and heavy ASBMs be banned. The Soviets accepted this proposal.

It is also important to recognize that the Treaty sets a ceiling on the maximum number of reentry vehicles on ICBMs, and, in particular a limit of ten on all Soviet heavy ICBMs of the SS–18 type. This has two consequences. First, it will prevent the Soviets from developing and deploying by 1985, for example, an SS–18 ICBM force with 30 or more reentry vehicles on each ICBM, which is within their capability to do. Second, this fractionation limit will have the effect of allowing the U.S. to build a light ICBM of equivalent effectiveness to the Soviet heavy ICBMs. The MX ICBM will be permitted the same maximum number of reentry vehicles, ten, as the SS–18, and will have better accuracy. The MX will be the equivalent of the SS–18 in both soft and hard target kill capability. Thus, the Soviets will not be able to exploit the greater throw-weight of their heavy ICBMs in any meaningful fashion.

Finally, the problem of the increasing vulnerability of the U.S. silo-based ICBM force does not depend on the presence or absence of Soviet heavy ICBMs. For example, even if all the Soviet heavy ICBMs and their launchers were banned, and thus subsequently dismantled or destroyed, the Soviets could deploy enough SS–19s with enough hard-target-capable reentry vehicles to threaten the entire U.S. Minuteman force and still have a large number of residual reentry vehicles for other missions. Thus, a total ban on all Soviet heavy ICBMs would not solve the Minuteman vulnerability problem.

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The third question concerns the Soviet Backfire bomber. The Soviet Union is currently deploying Backfires in both their long-range air force and in naval aviation units. Close observation over a period of years indicates that this bomber is being deployed for use in a theater or naval strike role and is a replacement for older Soviet medium bombers. However, this aircraft can reach the United States from home bases on a one-way, high-altitude, subsonic, unrefueled flight.

The ability to strike the territory of the other side is not the criterion for determining whether an aircraft is a "heavy bomber" and, thus, subject to the limitations in SALT II. For example, the U.S. has 67 FB–111's which are part of our strategic bomber force and dedicated to attack on the Soviet Union. They are not limited by SALT II. We also have over 500 aircraft deployed in the European and Pacific theaters which have the capability to strike Soviet territory. The Soviet Union at one time tried to get these aircraft included in SALT on the grounds that they could strike the Soviet Union. With the firm support of our Allies, we adamantly resisted that position on the grounds that these aircraft, whatever their theoretical capability, are deployed for theater missions and, thus, are not subject to SALT limitations. The Soviets have used this same argument with respect to the Backfire.

Nevertheless, the Soviets agreed to make certain important commitments concerning the Backfire. At the Vienna Summit, President Brezhnev handed President Carter a written statement in which the Soviet Union informed the United States that it did not intend to give the Backfire bomber the capability of operating at intercontinental distances, would not increase the radius of action of the Backfire in such a way as to enable it to strike targets on the territory

of the United States, and did not intend to give it such a capability in any other manner, including by in-flight refueling. This statement also stated that the Soviets would not increase the production rate of the Backfire over the current rate. President Brezhnev confirmed that the Backfire production rate would not exceed thirty per year. President Carter, in return, stated that the United States enters into the SALT II agreement on the basis of the commitments contained in the Soviet statement, and that the United States considers the carrying out of these commitments to be essential to the obligations under the Treaty.

These commitments are consistent with the US objective of constraining the strategic potential of the Backfire force, while continuing to exclude our own European- and Pacific-based theater aircraft from SALT. These commitments will inhibit Backfire from being given an operational intercontinental role, and they will give us a basis for challenge if we should detect any evidence that Backfire is being given an intercontinental mission. Additionally, limiting the number of Backfires available means that Soviet diversion of Backfire from its theater and naval missions to a strategic role would substantially reduce Soviet strength in those areas, while adding only marginally to overall Soviet strategic capability.

Finally, under SALT II we are permitted to build a bomber comparable to Backfire if we decide that it is required for our security. Such a bomber would not be counted in the overall SALT II aggregate limit, and it would be subject to none of the restrictions that we have gotten the Soviets to accept on Backfire in SALT II.

* * * * *

The fourth question concerns whether we should have insisted on the Comprehensive Proposal of March 1977. I want to state at the beginning that this was a significant proposal that would have substantially limited the nuclear arms race. But, as stated recently during the hearings on SALT, it takes two hands to clap. The Soviets were simply not ready for this kind of sweeping progress. If we had "stuck to our guns" as some have suggested, the result would not have been a better agreement. It would have been no agreement at all.

March 1977 is not July 1979. In March 1977, the potential Soviet threat to our Minuteman ICBMs was imprecise; today, Soviet missile accuracy has improved to the point that in the 1980's the threat will be much less ambiguous. This passage of time demonstrates how little we can afford to delay. Technology is a powerful enemy of humanity's ability to place rational limits on arms. To discard the significant progress we have already achieved in SALT II in search of an ideal agreement would merely deal more time to technology, its strongest suit.

Those who advocate a return to the March 1977 Comprehensive Proposal from the reality of July 1979 are being unrealistic. Now, in view of the clear and imperative need to modernize and make more survivable our strategic deterrent, a return to the Comprehensive Proposal is out of the question:

The proposal, particularly the heavy missile reduction to 150 and the MIRV ICBM reduction to 550, would not make it possible to preserve the invulnerability of Minuteman. Even with these deep reductions in Soviet ICBMs, the Soviet SS-17 and SS-19 could still adequately target our Minuteman;

The proposal would ban the development, testing, and deployment of mobile ICBM launchers, as well as the development, testing, and deployment of new ICBMs; thereby, it would kill the MX program for both silo and mobile basing of any kind;

The proposal would keep Backfire out of the SALT II aggregate total but with no limits on production or upgrade;

The proposal would restrict air-launched cruise missile range to 2500 kilometers, which SALT II does not;

The proposal would ban modification of existing ICBMs and therefore preclude improvement of Minuteman II and III, and Titan II. Consequently, this restriction might prohibit the MK 12A warheads;

* * * * *

The fifth question deals with verification of the limitations on the modernization of ICBMs, the so called "new types" provisions. One of the major problems in arms control is that the pace of technology exceeds the rate at which we can limit such technology. SALT II, however, begins to put bounds on the way in which ICBMs—the most threatening of all systems—can be modernized.

Our major goal in negotiating the ban on new types of ICBMs was to force the Soviets to make choices in such modernization. The precise point at which we drew the line between a modernization of an existing type and a new type was somewhat arbitrary. Nevertheles, we strongly preferred to draw the line tightly even though we would have higher confidence in monitoring a looser, but less meaningful definition of a new ICBM type. The new types provision accomplishes our major goal and is an important step in limiting technological advance. This provision will, for practical purposes, affect only the Soviet Union. For example, if they replace the SS-11 with a new, larger single-reentry vehicle missile, they will not be permitted to replace the SS-17 or SS-19 with a new 10-reentry vehicle missile. They may not do both under SALT II. This provision will force them to make choices which they otherwise would not have to make while the United States can go ahead with its one new type, the MX. Both sides will, of course, be allowed to modernize within the 5 percent constraints stipulated. Modifications in excess of the provision, that might go undetected, would add little capability. If the accusation is that a 5 percent enhancement is a new missile, I do not feel that it is of military significance.

* * * * *

The sixth question concerns cruise missile range verification. During the SALT II negotiations, we have also had to consider the tradeoff between verification considerations and the need to ensure that we would be able to take the necessary steps under SALT II to maintain strategic equality. There are uncertainties in verifying the range of cruise missiles. Within the limits of airframe design, more fuel and a lighter warhead could be carried, thus increasing the range. We do, however, have extensive information on current Soviet cruise missiles as a result of monitoring tests over many years.

It would be easier to verify a total ban on all cruise missiles than it will be to verify some of the cruise missile provisions in the agreement, such as those which temporarily limit the range of deployed ground- and sea-launched cruise missiles to less than 600 kilometers, but which permit full development and testing of these missiles. The Soviets wanted to ban all cruise missiles; we did not. However, the United States decided that, on balance, it was in the interest of our national security to be allowed to pursue these development and test programs, even though allowing the Soviets the same options may complicate verification in the future. Mobile ICBMs are an area where we made a similar choice, deliberately preferring to keep important military options open to us after the Protocol period, at the price of a potentially more difficult verification job.

* * * * *

The seventh question concerns value of the SALT process as arms control. I do not measure the process against an ideal we might want to achieve; I do judge the process against what would have occurred had the process never existed at all. Is there anyone who can maintain that the arms race would not have been significantly greater without SALT I?

If there is, they overlook the ABM Treaty which has prevented a de-stabilizing and extremely expensive arms race in defensive systems that would have triggered an accelerated offensive arms race as well. They overlook the fact that the Soviet Union dismantled 209 large, older missiles under the SALT I Interim Agreement and replaced those missiles with smaller, less threatening submarine-launched ballistic missiles. They overlook the fact that our intelligence estimated at the time of SALT I that the Soviets were going for a force of over 400 heavy ICBMs, not 308. They overlook the fact that, after the Soviets reached the allowed ceiling on ballistic missile submarines and submarine-launched ballistic missiles near the end of the five-year term of the Interim Agreement, they have continued to stay within the terms of the Interim Agreement by dismantling perfectly good submarine-based launchers. These launchers are newer than some of those we now have deployed on our own submarines.

I have already stated my belief that by the end of 1985, without SALT II, the Soviets would certainly exceed the SALT II limits in enormous numbers. For instance, current Soviet programs indicate that they will attain the ceiling of 820 MIRVed ICBM launchers next year—five years before the end of the Treaty. I find it hard to believe that the Soviets would stop at 820 unless SALT II required them to.

To be sure, SALT II legalizes high limits, but it does limit. It provides predictability; it provides a measure of mutual confidence through this predictability and through verification provisions that enhance our intelligence; and it gives us time to modernize our forces so that equality and momentum will be our companions when SALT II expires.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on July 27, 1979.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 27, 1979.

In reply refer to: I-4622/79ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near East country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Agency.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the four notifications I have just received.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 30, 1979.

In reply refer to: I-1828/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-62, concerning the Department of the Air Force's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $32.0 billion. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.

Attachments.

[Transmittal No. 79-62]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Jordan.

(ii) Total Estimated Value: Major Defense Equipment, *$30.0 million; other, $2.0 million; Total, $32.0 million.

(iii) Description of Articles or Services Offered: Six (6) F-5F aircraft plus transportation and management.

(iv) Military Department: Air Force (SDS and SEA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: 30 July 1979.

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 31, 1979.

In reply refer to: I-5955/79 ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-65, concerning the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services estimated to cost $173.9 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Attachments.

[Transmittal No. 79-65]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Japan.

(ii) Total Estimated Value: Major Defense Equipment,* $110.7 million; other, $63.2 million; total, $173.9 million.

(iii) Description of Articles or Services Offered: Four (4) E-2C aircraft with a total support package and training for aircrew and maintenance personnel.

(iv) Military Department: Navy (SAV).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 31, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 30, 1979.

In reply refer to: I-5974/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-66, concerning the Department of the Air Force's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $137.5 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Attachments.

[Transmittal No. 79-66]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: United Kingdom.

(ii) Total Estimated Value: Major defense Equipment *$0.0 million other, $137.5 million; total, $137.5 million.

(iii) Description of Articles or Services Offered: One hundred thirty-six (136) AN/ALQ-131 Electronic Countermeasure (ECM) pods and associated support equipment.

(iv) Military Department: Air Force (YAU).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 30, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 27, 1979.

In reply refer to: I-564/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-73, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $1.230 billion. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Defense Security Assistance Agency.

Attachments.

[Transmittal No. 79-73]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value: Major Defense Equipment,* $.037 billion; other, $1.193 billion; Total, $1.230 billion.

(iii) Description of Articles or Services Offered: Phase II of the Saudi Arabian National Guard (SANG) Modernization Program Follow-on (CY 82-85). Includes organizing, equipping, and training a light armor brigade and continued support for combat units already organized and trained, a SANG depot activity, and a SANG military schools system.

(iv) Military Department: Army (ZAC-5).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 27, 1979.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. KENNEDY. Mr. President, I am submitting today several additional items from newspapers around the country which are representative of editorial opinion on the issue of deregulation of the trucking industry.

The editorials are from newspapers in the States of North Carolina, Ohio, Pennsylvania, Oregon, Rhode Island, and South Carolina.

I commend them to the attention of my colleagues, and ask that they be printed in the RECORD.

The editorials follow:

[From the Lexington (N.C.) Dispatch, May 31, 1979]

OFF THE WHEEL

Any trucker is welcome to go into the business of hauling raisins to market, provided they are unprocessed or coated with cinnamon, honey or sugar. But if the raisins happen to be the chocolate-covered variety, the same trucker has to apply for permission from the Interstate Commerce Commission—and stand a real chance of being turned down. This is the crazy world of truck regulation. The industry, which is important locally in the distribution of furniture, is buried under rules and paperwork that cost the public billions in excessive shipping charges. The system has survived since 1935 only because some politically powerful trucking companies and their union drivers benefit more from the restrictions on open competition than they lose on inefficient operations.

Lately, things have been looking up for the public. The I.C.C., once the truckers' doormat, is scrapping some of the most

wasteful anticompetitive restrictions. But there are risks in relying on the commission to reform the regulations; its policies are no more predictable in the long run than the commissioners appointed to make them. And that is why the Carter Administration is asking Congress for legislation that would sharply reduce the Government's role in trucking.

Under the plan, all restrictions on the types of commodities hauled by licensed carriers and on the stops they make along their routes would be dumped by 1983. "Backhaul" restrictions, which can force carriers to waste fuel by returning home empty, would be eliminated immediately. The proposal would also make it easier to serve specific routes. Today, the I.C.C. has the discretion to turn down an applicant because competing operators protest.

No less important, the industry would lose its immunity to the antitrust price-fixing laws. No longer would truckers be allowed to agree on rates among themselves and then provide the I.C.C. with a single rate filing.

For those of us who see no more reason to regulate trucking than, say the furniture or textile industries, this bill is a compromise. It would be preferable to phase out the I.C.C. altogether, in the way the airline deregulation act dealt with the Civil Aeronautics Board. The Federal duty to assure safety could easily be assumed by other agencies.

Given the trucking industry's political power, however, compromises like this one are realistic. The Senate Commerce Committee, which is soon to consider trucking reform, will be under enormous pressure to protect the industry and the teamsters' union, that corrupt organization that hardly needs protection considering the power that it wields. The compromise bill would still leave in place a tangle of red tape, but a few years of that should persuade even the truckers to join the campaign for removal.

[From the Columbus (Ohio) Citizen Journal, June 8, 1979]

DERREGULATING TRUCKING

The White House finally is getting into gear on deregulation of the trucking business.

After promising—more than two years ago—that he would reduce the government's role in over-the-road freight hauling, President Carter has begun circulating a proposal calling for sweeping deregulation.

It's not clear what took the administration so long. It may have been heat from Senator Edward M. Kennedy, D-Mass., that finally broke the plan loose. Kennedy, chairman of the Senate Judiciary Committee, began drafting his own trucking deregulation bill a few weeks ago and let it be known that if the White House didn't move, he would.

Neither the big trucking companies nor the Teamsters Union will like the administration's plan. They don't want their cosy arrangement disrupted. Truckers like the way the government keeps a lid on competition. And the Teamsters find it easier to deal with a few big regulated companies.

The trucking lobby carries great weight on Capitol Hill, so the fight over deregulation is expected to be fierce. But if Congress has the interest of consumers at heart, deregulation forces will prevail.

OPENING THE ROAD

The Interstate Commerce Commission has taken another step toward encouraging greater competition in the trucking industry.

The ICC has already lowered some of the barriers that restrict competition among intercity truckers and tend to keep out new owner-operators. It now says that, beginning about the middle of March, it will give preference, when considering applications for operating rights, to truckers who pledge to provide cut-rate services.

The commission believes the new policy will stimulate innovative pricing and service options by trucking companies, and at the same time promote efficient and well-managed operations.

Predictably, the announcement has brought groans from the trucking industry. Some spokesmen are calling the ICC's action a kind of end run around Congress, which this season is expected to take up the issue of deregulation.

Viewing that prospect, trucking executives have been ringing many of the same alarm bells sounded by the airline executives when deregulation of their industry was first proposed a few years ago.

According to Bennett C. Whitlock, president of the American Trucking Associations, deregulation would "plunge the trucking industry into chaotic rate wars, drastically reducing the number of firms engaged in the business."

This would hurt many small towns whose only link with the outside economy is truck transport, he says. Moreover, he says, it would be impossible for the shipping public to know with any degree of certainty the transportation charges on the thousands of commodities which the 16,500 ICC carriers regularly transport throughout the country.

In short, the industry claims regulation has served both the truckers and the nation well so don't mess with it.

Poppycock!

The airlines warned of "chaos and confusion" in event of deregulation—but both they and the public are now enjoying it. Indeed, the advent of more open route and fare competition has resulted in the biggest boom in airline history.

And though truckers and airlines can't be compared exactly, chances are that deregulation would be just as good for the one as it has been for the other.

[From the Albany (Oreg.) Democrat-Herald, June 20, 1979]

REMOVE SHACKLES FROM TRUCK INDUSTRY

Most of the trucking industry is said to be opposed to deregulation of that business. That's to be expected. Major trucking firms are protected from competition under the incredibly complex set of rules governing who can haul what to where and for how much. But that's exactly why deregulation makes sense.

To his credit, President Carter has proposed a sweeping change in the way the government treats the trucking industry. He would do away with most of the present restrictions.

It's hard to see how a supposedly intelligent government could have come up with all those rules in the first place. For instance, the Interstate Commerce Commission estimates 20 percent of all truck miles are driven empty because of government restrictions. Also, some trucks now must drive hundreds of miles out of their way to go through points specified in their permits. There are restrictions on the type of cargo truckers may transport. According to an Associated Press report, one trucker is allowed to haul pineapples only if they are mixed with a load of bananas. Another truck firm is allowed to haul paint in two-gallon cans but not five-gallon cans.

Competition now is restrained because of rules which require truckers to prove, before starting a new route, that their service is necessary for the public's convenience. These proceedings can drag on for years. Not only that, but the present rules allow regulated truckers to set joint rates without being subject to antitrust law.

The government estimates all this costs the country an estimated $5 billion a year in higher prices for all kinds of goods. The system also wastes fuel by requiring those empty runs and circuitous routes.

Some will protest that deregulation may deprive some smaller towns of truck service because the big firms would serve only the most profitable points. Sure, this has happened in airline deregulation. But why should the government force any industry to provide a service on which it loses money? And anyway, we can't imagine why truckers wouldn't serve any point, anywhere, if there's a load to be carried for a fair charge. In the airline business, smaller independent carriers in some cases have jumped in where the bigger airlines pulled out.

This initiative to return some common sense and competition to truck transportation has been long overdue. We hope the president's proposal is quickly translated into action.

DEREGULATE, SAYS TRUCKERS' REP.

(By Lance Robertson)

Independent truckers don't need a rollback in diesel-fuel prices or special surcharges to keep them on the road, says the head of a major trucking association—they'd be happy just to carry full loads in their huge trailers.

"If we could utilize our trucks 100 percent, we wouldn't need a 10 percent surcharge to help us operate," said Richard "Dick" Card, president of the Western Truckers Association, a coalition of independent and non-union truckers.

Card and the vice president of the organization, Greg Etchison, have spent the last two weeks on the road to bring truckers' problems into the public eye and promote deregulation of the trucking industry.

They've negotiated twice with Oregon Gov. Vic Atiyeh and left Saturday for their second meeting in Washington, D.C., with federal officials and congressmen.

Card, a Medford-area trucker for 25 years, said his goal is to change state and federal rules, which now don't allow most independent truckers to solicit finished products. They can drop off products at a manufacturing plant, he said, but rules prohibit them from picking up a full load and taking it somewhere else.

If truckers could do that, he added, they could afford to pay high diesel-fuel prices because they would be paid to drive both ways, not just one.

"(President) Carter has assured us that we will get our fuel. I'm fairly satisfied with that. But now we want to work for deregulation," Card said.

Card said that while in Washington, "we're going to fully support Carter's and (U.S. Sen. Edward) Kennedy's efforts."

Carter and Kennedy propose deregulating the trucking industry, a move they say will save consumers $5 billion a year.

But the measure is strongly opposed by truckline owners and the Teamsters Union.

His recent campaign hasn't left Card much time for a home life but he says the effort is worth it. But so far he has failed to unite independent trucking groups, which have been split into several factions.

Card said the Western Truckers Association is the best group to represent truckers in Oregon because it has been in existence for eight years and it represents truckers who work for various companies, not just independents.

The West Coast Owner-Operators Association, which is split between factions in Salem and Portland, has disagreed on how to handle the protest. Some members want to block pumps at truck stops, while others advocate a shutdown, followed by negotiations.

The Western Truckers Association supports the shutdown of independent truckers—but not violent acts.

"We have supported the shutdown," Card said. "We'd like to put our trucks back to

work at this time, but we're not going to do that. This is the best way to get our point across.

"In no condition do we support violent acts," he added.

Violence, which has hit Oregon and 17 other states, only intensifies public resentment against truckers, said Card. Many consumers blame the trucking industry for high prices, but independent truckers say they are only reacting to the high prices forced upon them by oil companies.

"It's about time we should be getting support from the public to help us solve this situation," said Card. "The independent trucker on the West Coast has gotten no support for increasing wages or changing regulations to allow him to haul both ways with full loads."

[From the Eugene (Oreg.) Register-Guard, Apr. 2, 1979]

DEREGULATION MAKES SENSE

Transportation Secretary Brock Adams says that this year's battle to deregulate the trucking industry is going to make last year's scrap over airline regulation look like a minor squabble.

He's probably right. But when the dust clears, it will be the trucking industry that suffers a loss of credibility, not the Carter administration.

The trucking industry favors federal regulation because it limits competition, thus producing handsome industry profits for existing firms with a minimum of effort. . . .

The airline industry claimed a lessening of federal regulations would be a disaster if such a bill were ever passed by Congress and the fight raged up and down Capitol Hill before the issue was settled on the side of deregulation. There was no disaster. Ticket prices fell as the airlines began competing with each other for new business and ridership soared along with profits. . . .

The success of the airline (deregulation) simply encouraged the administration to do the obvious: look for other parts of the economy where deregulation could stimulate better consumer service at a lower cost.

The proposal to deregulate the trucking industry and freight railroads will be submitted to the 96th Congress and we urge Texas' congressional delegation to work aggressively towards its speedy adoption.

[From the Providence (R.I.) Bulletin, June 22, 1979]

INDEPENDENT TRUCKERS

The countrywide blockades and sporadic violence by some independent truckers are an assault on the public. While the truckers have some legitimate complaints, their cause is not helped by illegal tactics, and it falls squarely on the shoulders of governors in the affected states to deal sternly with those who break the law.

The violence hits close to home. On Wednesday, in this area, a truck carrying 10,000 gallons of gasoline was hit twice by gunfire, and a trailer truck received a bullet in its radiator. Fortunately nobody was injured, but the deadly potential of an accident involving a loaded gasoline tanker truck on the highway is appalling.

Under these circumstances, Governor Garrahy's meeting with both sides in the dispute and offers to try to resolve their disputes was a useful first step. The judicious approach is Mr. Garrahy's particular style, and it has its pluses. But when lawbreaking and violence are involved, a sympathetic ear and offers to mediate were not enough, as he apparently sensed.

The Governor has an obligation to raise his head and roar in this situation. As the state's chief executive he could leave no doubt that violence will not be condoned. No blockades, no shutdowns, no endangering of the state's economy or public safety. The Governor thus did well to assure state police protection for truckers who want to do their jobs but fear violence, and to alert the National Guard in case more violence should arise.

As for the basic complaints of the truckers, however, there is little that Governor Garrahy or any governor can do. Most of those complaints stem either from actions by the federal government, or from the world oil situation, over which even Washington has no control.

There are four basic issues to be addressed: lack of adequate fuel supplies to keep the independent truckers rolling; the high cost of fuel when they can find it; the lack of uniform state rules on truck load limits; and finally, the proposed federal deregulation of the trucking industry, an issue on which even the truckers themselves do not agree.

The White House has already indicated it will take steps to assure truckers an increased fuel supply. This it should do. The country's economy is utterly dependent on the movement of goods over the highways, and there are no practical alternatives to that dependency. As a tradeoff for more fuel, however, the federal government should retain and insist that states enforce the 55 m.p.h. national speed limit, which the truckers won't like.

As for high fuel prices, the truckers must bear them along with the rest of us. The Interstate Commerce Commission has already granted truckers a 6 percent rate surcharge to offset these costs. Complaints that this does not cover the 30 percent increase in fuel prices since January are a numbers game. Fuel costs are only one part of any trucking operation, and there is no simple correlation between them and the final rate charged customers.

Truckers have a half-legitimate beef on the lack of uniform state regulations governing truck-load weight limits. Uniformity is desirable. But the truckers want that uniformity at the maximum of 80,000 pounds, while 10 states—which have to pay the costs of maintaining roads—have sound economic reasons for holding the limit below that. It is not beyond the capability of the federal government to work out a compromise between truckers and states, offering uniform regulations in exchange for a lower maximum weight. If the truckers want to get uniformity badly enough, they ought to be willing to give a bit to achieve it.

As for deregulation of trucking rates, these newspapers are already on record in favor. The objections to it by some truckers and by the Teamsters' Union, for all their sophistication, boil down to fear of competition. Regulatory powers should be limited to the prevention of monopolistic practices. Allowing truckers to set their own rates remains the best form of price control yet devised. The protests of those who fear the cold shower of competition only underscore the cosy relationship that has evolved between the regulators and those whom they are supposed to regulate. That situation has not benefitted the public.

All of this, of course, takes time—a commodity in shorter supply than diesel oil. Farmers in the South are already starting to suffer losses from crops that cannot be shipped, and the resulting shortages will be felt all too soon by the consumer, especially in the Northeastern states.

President Carter takes off for a trip to the Orient tomorrow. Before he climbs aboard Air Force One, he should crack his whip over the heads of the Transportation Department and the ICC to do what needs to be done to get the trucks rolling again.

[From the Providence (R.I.) Journal, June 27, 1979]

DEREGULATING THE TRUCKERS: THE SKY WILL NOT FALL

On one front, at least, President Carter's anti-inflation thrust is right on target, and American consumers can serve their own best interests by sending this message to their representatives in Congress: Vote YES for Mr. Carter's trucking deregulation bill.

Although the recent country-wide trucker strikes have nothing to do with Mr. Carter's proposed legislation, they underscore the key role of the $108 billion industry that carries about 25 percent of all freight and collects 72 percent of the national freight bill.

The premise of Mr. Carter's measure is that the Interstate Commerce Commission which regulates the trucking industry, ought to base its decisions on the following standards: maximum competition; free entry into the industry by newcomers; fair wages and decent working conditions; improved transportation safety; and better service to small communities.

In fact, however, since Congress set up the ICC in 1935 to regulate trucking, it has restricted it. Instead of using its rate-setting powers to keep prices down, it has rubber-stamped price increases that the truckers set for themselves (because Congress unwisely exempted them from antitrust laws). Instead of helping the industry improve productivity, it has done the opposite with regulations that would make a Soviet commissar blush.

By eliminating many of these nightmarish regulations, Mr. Carter's reforms would save the consumer a conservatively estimated $5 billion a year. This would strike a meaningful blow against inflation. It would save vast quantities of fuel, at a time when not only motorists but truckers themselves are struggling with a gasoline and diesel fuel shortage.

Among the specific recommendations of the Carter deregulation bill:

Immediate removal of backhaul restrictions. Forcing truckers to "deadhead" back to their point of origin with empty vans is an unconscionable waste of fuel, man-hours and money.

Immediate removal of prohibitions on intermediate stops. Truckers should be able to make any stops they want in order to maximize loads. This would increase their productivity, and give smaller towns the best possible service.

Phase out by December, 1981 route restrictions and circuitous routing. There is no justification for the ICC to specify the exact route over which a truck must travel. Requiring a truck to dog-leg through "gateway cities" hundreds of miles out of the way is bureaucracy gone amok.

End all commodity restrictions by December, 1982. No useful public purpose is served by telling a carrier he may haul crated but not uncrated machinery. Or paint in two-gallon but not five-gallon cans. Or bananas but not pineapples.

These are typical of the reforms sought by Mr. Carter. That they are needed can hardly be in question. What is in question is how the ICC ever strayed from its intended mission of protecting the public to its current ambivalent role of pampering and punishing the trucking industry, while abandoning utterly the public interest.

A good guess has to be that powerful segments of the trucking industry are willing to put up with such insanity because the ICC has been all too willing to lend its powers to give these interests an edge in their particular corner of the market. This might explain the trucking industry's frantic drive to shoot down President Carter's deregulation bill, and to draw up a substitute measure of its own.

Those truckers who bleat that deregulation will do more harm than good should take a look at their sister airline industry, which got a bit hysterical when Congress proposed deregulation. To its credit, Congress ignored the warnings of dire consequences and pulled the regulatory plug.

Most of the air carriers now love it, and the public benefits from more choices among flight schedules and fares.

It is high time for the truckers to take the same cold shower—and for the ICC to get back to the basics of what government regulation ought and ought not to be.

[From the Anderson (S.C.) Independent, Feb. 23, 1979]

SHOULD TRUCKING BE DEREGULATED? 10–4, OLE BUDDY

Having shared in the outstanding benefits resulting from the deregulation of the airlines, many people are yearning for more. They want to apply the same medicine to trucks. Congress is in the mood to listen. In fact, several key senators have given the idea a big 10–4.

As is often the case, however, there's a professor who thinks otherwise. Countering the many studies which calculate the tremendous savings from trucking deregulation in the form of reduced freight rates and lower priced goods, a Dr. Daryl Wyckoff of Harvard points to a cost. Truckers not subject to regulation are less safe, says the professor.

Basing his conclusions on a study of truckers now exempt from the control of the Interstate Commerce Commission, Wyckoff found:

Exempt drivers receive more traffic tickets and are in more accidents than their regulated cousins.

Exempt drivers often drive longer hours than allowed by ICC regulations. As a result, the drivers take more pep pills and sleep at the wheel more often.

On the basis of this survey information, Wyckoff thinks deregulation would be a bad thing. He paints a picture of increased accidents involving truckers.

The professor has a point, we admit, but not an argument against removal of trucking from the iron grip of the ICC. Safety and the regulation of rates and entry are two different things.

We say free up the competition in trucking. Let the law enforcement officers handle the safety problem. That's their business. Higher fines and longer sentences might reduce the incidence of reckless driving.

The use of freight rates to regulate safety is hardly the most efficient way to go. While lawbreakers are always at jeopardy, competitive trucking will give everyone cheaper goods. In short, we think the benefits outweigh the costs.●

EDWARD ROWNY, U.S. ARMY, RETIRED

● Mr. TOWER. Mr. President, today the Senate Armed Services Committee received testimony from Lt. Gen Edward Rowny who has been, for the last 6 years, the representative to the SALT negotiations for the Joint Chiefs of Staff. General Rowny is a faithful public servant and a man of tremendous integrity who has served the Joint Chiefs under three administrations. His testimony today represented a high point in moderate, objective, and balanced study of the SALT II Treaty and related agreements. The quality of his testimony should not have been surprising. General Rowny has not only a superb background and education, but he has had more experience in the details of the SALT process, over a longer period of time, than any other witness who has appeared before our committee.

There is no doubt that General Rowny has served the Joint Chiefs of Staff extremely well. Yesterday, Gen. Lewis H. Wilson, until a month ago the Commandant of the Marine Corps, made this clear for the record:

Mr. Chairman, Lt. Gen. Edward Rowny, U.S. Army (Ret.), the JCS negotiator has served the JCS and his country in an exceptionally outstanding manner during his six years' involvement in the SALT negotiations. I agree with his judgment that had the United States been more persistent we could have obtained a more equitable and verifiable agreement.

General Wilson is one of the most highly decorated and honorod Americans ever to wear the military uniform, and I agree with his judgment completely.

In his statement to our committee, General Rowny makes it clear that we could have obtained a more equitable and verifiable agreement. And we still can.

I would urge all of my colleagues to take time during the upcoming August recess to read carefully General Rowny's prepared statement, and I ask that it be printed in the RECORD following my remarks.

The statement follows:

STATEMENT OF LT. GEN. EDWARD ROWNY

Mr. Chairman, for more than six years I represented the Joint Chiefs of Staff at the Strategic Arms Limitation Talks. I had been selected for this job because of my experience as Chief of the Mutual and Balanced Force Reductions (MBFR) Working Group in NATO and because I had on numerous occasions expressed my belief in the utility of limiting strategic arms. I continue to hold this belief.

As their representative, I supported the goals of the Joint Chiefs of Staff aimed at achieving limitations on strategic arms provided—and only provided—such limitations were consistent with maintaining our security. If such goals were achieved, our long-term objectives of enhancing deterrence and strengthening global stability would be served. I believe that an agreement which reduces the strategic arms of both sides to equal levels—in numbers as well as in overall capability—is in our nation's interest. I am convinced that such an agreement was—and still is—attainable.

Over the six year period that I was the JCS Representative to SALT, I expressed my views to the Joint Chiefs of Staff in numerous messages and memoranda. At their request I submitted an assessment of SALT in a classified memorandum dated 6 January 1978. I brought that assessment up-to-date on 5 January 1979 and again on 27 March 1979. I mention these assessments to make clear that my final judgments are based upon a long, continuous process of study and evaluation. On 21 May 1979, after the announcement that "agreement in principle" had been reached on the remaining issues of SALT II, I made a final assessment. I concluded that—even though the Joint Chiefs of Staff have made it a considerably better Treaty than it would have otherwise been—this Treaty does not meet minimally acceptable standards. I stated that it was my judgment, based on years of negotiating with the Soviets, that a Treaty meeting the criteria of the Joint Chiefs of Staff was—and is—attainable. However, since negotiations were to be concluded on less than satisfactory terms, I asked to be relieved of my duties and requested retirement. My request was approved and I retired on 30 June 1979.

I would like to state at the outset that in principle there are some positive aspects of the Treaty signed in Vienna on 18 June 1979. The Treaty establishes the principle that there should be equal and lower ceilings of strategic offensive arms. It calls for numerical reductions which, because the Soviets have surged ahead of us, will impact upon the Soviet Union. It seeks to limit the Soviet Union to a maximum of ten warheads per ICBM—and in theory—to one new light ICBM during the life of the Treaty. The Treaty contains certain provisions which are intended as aids to vertifiability of missile launchers. Finally, the Treaty provides for an exchange of certain data on the numbers of strategic offensive arms.

However, most of these positive features have serious negative aspects. Specifically, the agreement in principle that there be equal ceilings of strategic arms remains an achievement more in theory than in practice. This is so because a significant number of Soviet strategic systems are allowed to go uncounted. Moreover, the ceilings are set at such high levels and the capabilities of these systems are so great that they are militarily virtually meaningless. The reductions agreed upon are extremely modest. Thus, even if the Soviets reduce to the lower ceiling of 2250 by 1982, the United States, having at that time only about 2050 less capable operational systems, would *still* need to build up actually to achieve equality with the Soviet Union.

Since qualitative improvements are virtually unrestricted by the Treaty, the numerical limitations imposed upon the Soviet Union will *not* reduce their overall capability. Indeed, that capability will grow enormously during the life of the Treaty. Furthermore, because qualitative improvements are far harder to monitor than mere numbers of systems, the emerging Treaty will afford us less predictability of the capabilities of their systems and hence less stability. The freeze on the number of warheads per MIRVed missile and the limitation to ten warheads per ICBM allows the Soviets a total number of warheads far greater than are required to destroy the hard targets of the United States. This is hardly a stabilizing influence. Moreover, and a point often overlooked, these limits expire with the Treaty at which time our negotiating posture will be much weaker than it is now. While it is commonly assumed that these fractionation limits will be continued beyond the expiration of the Treaty, it is difficult to imagine what leverage the United States will possess for assuring that such fractionation limits can, in fact, be extended.

Given the current throw-weight potential of Soviet missile systems after 1985, it will permit the Soviets to deploy even greater numbers of reentry vehicles on their existing ICBMs. While the Treaty in theory limits the Soviets to one new type of light ICBMs, in practice the agreed terms of the Treaty permit the Soviets to deploy several new types of missiles. The provisions regarding verifiability are insufficient by a large margin to make the Treaty adequately verifiable. In fact certain aspects are inherently unverifiable unless cooperative measures, steadfastly opposed by the USSR, were to be agreed upon and included in the Treaty.

These positive and negative aspects aside, the Treaty should be tested against objective standards for measuring the worth of a Treaty. A SALT agreement designed to limit strategic offensive arms would be in the interest of our military security and hence in our national interest if it were equitable and verifiable, if it strengthened European security, and if it contributed to allied coherence.

THE TREATY IS UNEQUAL

The Treaty is not an equal one. It grants certain rights to the Soviets and not to us. Two of these inequalities are of cardinal importance: first, the 308 launchers of heavy ICBMs permitted the USSR but not the US, and the second, the exclusion of 375 Soviet Backfire bombers from the Soviet aggregates.

The exclusive right of the Soviet Union to deploy 308 launchers of heavy ICBMs is the most glaring inequity of this Treaty. These heavy missile launchers account for

over one-third of the Soviet ICBM destructive potential and for one-half of the ICBM warheads the Soviets are permitted to deploy under the Treaty. The heavy missiles which can be fired from these 308 heavy ICBM launchers contain more destructive potential than all of our US ICBMs and SLBMs combined. The more than 3,000 warheads on these heavy missiles alone could destroy 90 percent of our ICBM force in Soviet first-strike. If it were not for these Soviet heavy missiles we would not need to develop and deploy as extensive or expensive a multiple basing mode for the M–X missile, a program which will cost the US in excess of 30 billions of dollars.

I have heard it asserted that our M–X light missile will be the equal of the SS–18 heavy missile. This assertion is wrong. If two missiles are of equal accuracy, (and we no longer hold a monopoly on highly accurate ICBMs), the one with greater yield is more effective because it makes up for near misses. More importantly, an SS–18 possesses the potential for carrying two or three times as many warheads as the M–X once the Treaty expires. It is this break-out potential of the SS–18 which is often overlooked when comparisons are made which equate the SS–18 with the M–X. Therefore, instead of bounding the MPS deployment problem, the planned MPS basing scheme will become obsolete and unbounded even before the M–X is deployed.

It is sometimes argued that the U.S. elected not to build heavy missiles and consequently that we should not fault the Treaty for giving the Soviets the sole right to develop them. This argument is wide of the mark. At that time our planners believed that lighter missiles could, given sufficient accuracy, adequately cover Soviet hard targets. Accordingly, the United States, believing that the Soviet Union could not match us in accuracy, and believing it to be consistent with the objective of holding down the number, size, and destructive potential of strategic offensive arms, decided to deploy only lighter missiles.

The Soviets, however, did not follow our example and chose to develop and deploy heavy missiles. Each of these heavy missiles is six times as powerful as our Minuteman missiles and carries three times as many warheads as do our MIRVed missiles. I believe the U.S. should have persisted in its objective of insisting upon a reduction in the Soviet number of launchers of heavy ICBMs (as we did in March 1977). The best way to reduce the threat from these heavy missiles is to cause it to go away. Failing that, we should insist on being compensated for this glaring and militarily significant asymmetry. Otherwise, we may find ourselves under increasing pressure to invoke in the near future the supreme interest clause. Rather than to risk unraveling SALT completely, we might be better off trying to renegotiate SALT II.

The second unilateral right afforded the U.S.S.R. is its right to exclude from the Soviet total their 375 Backfire intercontinental bombers. Various U.S. intelligence estimates, although they disagree as to its precise capabilities, all agree that the Backfire is capable of striking targets in the U.S. on unrefueled missions and recover in third countries. This is precisely the way in which B–52s, which are counted in U.S. totals, would perform strikes against the U.S.S.R. The Backfire, two-and-a-half times as large as any medium bomber on either side, and exceeding the capability of many of our B–52s, has the capability of carrying a 20,000 pound bomb load to over 10,000 kilometers. It is seldom appreciated that the 375 Soviet Backfire bombers add an additional one-third in destructive potential to the already formidable total strategic throw-weight possessed by the U.S.S.R.

It is sometimes argued that bombers are second-strike or follow-on systems, and therefore that we need not be concerned over this Soviet "add-on" capability. If this argument were accepted, it would follow that the U.S. does not need B–52s. This is obviously a spurious argument. Furthermore, many of our B–52 airbases could be attacked by Soviet sea-launched cruise missiles of less than 600 km range (permitted by the Treaty), whereas Backfire bases cannot be hit by U.S. short-range sea-launched cruise missiles.

Further, while air-launched cruise missiles and the B–52s from which they would be launched would suffer severe attrition as a result of extensive Soviet air defenses, the U.S. has virtually no air defenses and it is a near certainty that the Backfire could carry out its missions. As it is, the U.S. may, according to some Pentagon estimates, need to spend upward of 8 billion dollars over the next ten years to improve its air defenses to counter the threat of what some label an "insignificant" Backfire threat. To argue that the Soviets intend to use these modern long-range penetrating aircraft for theater or naval missions is to overlook the inherent flexibility of heavy bombers. We military persons must deal with capabilities, not mere intentions. Our use of B–52s tactically in Southeast Asia would not have prevented our using them, if the need arose, in a strategic role.

Finally, the negotiating history of the Backfire issue, especially when one considers the conflicting statements the Soviets made concerning its performance at various profiles, to say nothing about the blatant manner in which the Soviets have refused to enter into any serious discussions of the Backfire's capabilities, can only give future Soviet negotiators comfort that the United States will continue to accept Soviet declarations of weapons capabilities as carrying more weight than our intelligence estimates. In sum, as the Joint Chiefs of Staff have made repeatedly clear, there are no objective reasons why Backfire should not be counted in the Soviet aggregate. If they were properly so counted, the Soviets would be forced to replace 375 first-line central systems from their inventory.

The Treaty allows an initial ceiling, until the end of 1981, of 2400 strategic systems. It is sometimes argued that the U.S.S.R., since it has 2550 systems today, is disadvantaged since it will be required to reduce 150 systems, whereas the U.S. will not have to reduce any systems. Implicit in this argument is the notion that the U.S.S.R. should be rewarded for not showing restraint and for having forged ahead of the U.S. while SALT negotiations were in progress. Furthermore, the fact that the ceilings will be reduced to 2250 after 1981 will not rectify the asymmetry favoring the Soviets. By that time a number of the "bone-yard" B–52s, now mothballed and only marginally recoverable for use, will have been completely scrapped. At the end of 1981 the U.S. will have only about 2050 systems in its inventory.

Thus the U.S.S.R. will stay ahead of the U.S. in the number of strategic systems throughout the life of the Treaty. One way in which this situation could have been equalized would have been for both sides to make greater reductions, say to reduce to 2000 systems by 1985. The JCS made repeated recommendations that deeper reductions of this sort should be made. Their recommendations were consistently rejected. A second way in which the large asymmetries between the U.S. and the U.S.S.R. could have been equalized would have been to abide by Public Law 92–448—the Jackson Amendment, which called for equal levels of forces which went beyond mere numbers and would limit, for example, throw-weight.

It has been stated by some that we gave the Soviets a unilateral right to heavy missile launchers in a trade for their abandonment of counting our so-called FBS. Others stated that we traded the Soviets not counting Backfire for our not counting FBS. Neither of these statements is supportable by the record. What is supportable is that the Soviets abandoned their FBS argument when we insisted that they include their more numerous and more powerful comparable systems. The simple fact is that the Soviets dropped their FBS argument when we insisted that they count their counterpart systems which are twice as numerous and possess at least ten times the destructive potential of ours.

In short, the Soviets dropped their FBS argument because it was in their own self-interest to do so.

The number of systems possessed by the two sides is not even a rough measure of their respective strengths. More accurate comparisons must take into account the number of warheads each side will have, the types of systems these warheads will be deployed upon, and the yield of these warheads. Under the Treaty, the USSR is permitted to deploy by 1985 over 6000 warheads on existing types of ICBMs, the US slightly over 2000. Since the US has deployed only 3 re-entry vehicles, RVs for short, on each of its 550 MMIIIs and the USSR has deployed 4 RVs on its SS–17s, 6 RVs on its SS–19s, and 10 RVs on its SS–18s, these obvious inequalities result in the 3 to 1 asymmetry of RVs on ICBMs in the Soviets' favor by 1985.

Moreover, each Soviet ICBM warhead will, by the early 1980s, possess accuracies comparable to ours. ICBMs are for a number of reasons the most destructive and most destabilizing of strategic offensive systems. First, practically all ICBMs can be launched (as opposed to SLBMs where one-half of the force is in port at any one time). Secondly, ICBMs have secure and redundant communications (in contrast to the more tenuous communications available for submarines). And thirdly, only an ICBM warhead possesses the combination of yield and accuracy which gives it the certain capability of destroying hard targets. The 3 to 1 Soviet advantage in ICBM warheads takes on even greater importance when one considers that the US has only one-half the number of hard targets as does the USSR.

It is sometimes argued that the current US lead in SLBM warheads compensates for the Soviet ICBM asymmetry because it gives the US the greater number of deliverable weapons. This argument is militarily invalid. Today's SLBM warheads cannot destroy Soviet hard targets. SLBM warheads have roughly one-tenth the yield and thus are one-tenth as powerful as ICBM warheads.

Further, SLBM accuracy is generally considered to be roughly one-half that of ICBMs, and since the effect of reduced accuracy is an inverse square function, SLBMs are only one-fourth as effective as ICBMs of equal yield. Thus the average SLBM warhead is only one-fortieth as effective as an ICBM warhead.

Furthermore, only one-half of the SLBMs can be expected to be on submarines at sea at any one time. Finally, the full complement of 14 warheads can seldom if ever be effectively employed; the maximum number is closer to ten. When one puts all these factors together it becomes clear that an SLBM possesses one-eightieth to one-hundredth of the potential value of an ICBM. Accordingly, one should not count ICBM and SLBM warheads as though they were equal. Or to be more graphic, weapons the size of grapes should not be thought of as being in the same class as those the size of grapefruits.

There are a host of other inequities in the Treaty. One example becomes immediately discernible from a glance at the history

of the negotiating process concerning cruise missiles. Prior to Vladivostok, limitations on cruise missiles were practically never mentioned. Indeed, after the meeting at Vladivostock President Ford reported that cruise missiles had not been mentioned at all and that it was his understanding that only ballistic missile constraints were discussed with the Soviets. Following the Vladivostock meeting the Soviets refused to initial the aide memoire in which the US had insisted that it refer only to ballistic missiles. After several days the aide memoire was initialled with the understanding that the term "air-launched missile" did not encompass cruise missiles. This point was later countered by the Soviets who argued that if the accord was meant to restrict only ballistic cruise missiles the aide memorire would have explicitly said so.

Thus cruise missiles, which we maintained were not covered by the agreement, were subsequently subjected to an ever-increasing number of restrictions. The JCS, as General Wilson has testified, recommended that no constraints be placed on cruise missiles since to do so would not be in the national interest. Since the US is ahead in cruise missile technology, and since only the US has a requirement for air-launched cruise missiles to make B-52s capable of penetrating Soviet air defenses, limitations on cruise missiles—for all intents and purposes—constrain only US systems. This is a glaring inequality of the Treaty as drafted.

The second inequality in cruise missile limitations is the cut-off range between systems to be limited from those not to be limited. The Soviets insisted that this distance be 600 km, a cut-off point which greatly favors the USSR. Soviet sea-launched cruise missiles of under 600 km range could attack between 50 and 75 percent of the population and industry of the US, whereas missiles of the same range launched by the US can reach less than 2 percent of the population and industry of the USSR. As is well known, the Soviets have hundreds of cruise missiles which approach this range. Originally, the JCS wanted the cut-off point between tactical and strategic cruise missiles to be set at a more equitable figure, say at 100 or at most 200 km. However, this view did not prevail.

Another inequality in connection with cruise missiles resulted from the inclusion of aircraft equipped for air-launched cruise missiles in the 1320 aggregate. In January of 1976, in one of the large number of offers made by the United States, we proposed to the Soviets that such aircraft count in the 1320 aggregate in trade for counting all Backfires over 75 (the number the Soviets were expected to deploy by the time the Treaty was expected to be signed). The Soviets pocketed our offer to include in the 1320 aggregate aircraft equipped for cruise missiles, and no more was heard of the Backfire end of the bargain. Worse, the Soviets argued that no Backfires should be counted at all.

In March 1977, the Carter Administration, as an alternative to its Comprehensive Proposal, offered to postpone decisions on Backfire and cruise missiles for three years after the Treaty went into force. The Soviets rejected this proposal, just as they had rejected the Comprehensive Proposal. Rather than be resolute in our negotiating position, the U.S. hurriedly abandoned this postponement proposal, just as it had abandoned its Comprehensive Proposal. The net result is that Backfire is not counted at all in the Treaty and ALCM carriers count in the 1320 MIRV total. Worse, cruise missiles have since then been subjected to an increased number of restrictions, to include counting conventionally armed air-launched cruise missiles as though they were nuclear armed.

THIS TREATY IS NOT VERIFIABLE

The conclusion I reached in my assessment of 21 May 1979 to the JCS regarding verifiability was that the Treaty is not adequately verifiable. Problems in verification stem in large measure from the great advantages accruing to the closed society of the USSR over the open society of the US. The USSR, playing its cards close to the chest whereas we play ours face up on the table, has little difficulty in verifying US system. The press, unclassified Congressional hearings, production reports and other U.S. publications provide the Soviet Union with all the information it needs to satisfy its verification needs.

Practically no information of a similar nature is available to the US. I shall not discuss here in open session the recent difficulties facing the US in monitoring Soviet activities which already aggravate the problem of verifiability. My assessment of verifiability rests for the most part not on monitoring but on the unsatisfactory provisions of the agreement itself to which monitoring applies. The USSR has consistently refused to agree to provisions necessary to assure adequate verification of mobile ICBMs, MIRVed ICBMs and SLBMs, new types of ICBMs, heavy bombers and cruise missiles. Many of the provisions to which we agreed involve ambiguities and contain loopholes.

Provisions pertaining to the verifiability of mobile ICBMs are loosely drawn. The Soviets have agreed not to deploy the SS-16 mobile ICBM during the period of the Treaty. However, the US did not insist that the third stages of such missiles be destroyed. Hence the USSR could, in a break-out scenario, employ these (or clandestinely produced third stages) on any of the SS-20s it has in its inventory.

As for the verifiability of numbers of MIRVed systems, the Soviets have agreed to the "look-alike/count-alike" rule. However, there are those who agree with the Soviets that they granted us a concession and that counting launchers as MIRVed are exceptions to—rather than compliance with—agreed counting rules. Thus we cannot be certain that the Soviets will accept our interpretation of this counting rule in the future.

The provisions for the verifiability of new types of ICBMs are so loosely drawn that it is extremely unlikely that the Treaty will restrict the Soviets to one new type of ICBM. Parameters which would make effective verification more likely were not agreed to by the Soviets and therefore are not a part of this agreement.

Provisions for verifying heavy bombers are practically non-existent, largely because the Soviets insisted that no definition of a heavy bomber be included in the Treaty. Hence, under the Treaty, an aircraft is a heavy bomber if it is specified by a side that it is one. Under this arrangement the Backfire, clearly a heavy bomber based on estimates derived from data gathered by national technical means, is not included as a heavy bomber simply because the USSR asserts that it is not a heavy bomber. What is often forgotten is that Vladivostok resulted in the US counting its large number of bombers in the total aggregate while the USSR has fewer to include in its total and subsequently succeeded in excluding not only its Backfires but its dual purpose bombers used for anti-submarine warfare and reconnaissance. Thus the basic objective of achieving equal aggregates of central systems turned out to be a net loss rather than a gain.

Whether or not a cruise missile is nuclear-armed can be verified with some degree of confidence since storage and handling techniques for nuclear warheads are much more elaborate and specialized than for conventional warheads. This confidence could be assured if cooperative or intrusive measures were adopted. However, the Soviets, using the pretext that the type of armament of cruise missiles is non-verifiable, succeeded in getting the US to count conventionally-armed cruise missiles as though they were nuclear-armed.

The JCS have repeatedly stated that access to unencrypted telemetry is essential to verification. The United States does not encrypt telemetry. However, the USSR has encrypted telemetry on a number of its ICBM tests. Encryption of telemetry can have only one purpose—to deny or conceal information.

The Treaty provision finally agreed upon has three parts: (1) the freedom of a side to encrypt, (2) a ban on encryption which deliberately impedes verification, and (3) a requirement that such deliberate interference must relate to provisions of the agreement. The most satisfactory resolution of the problem would have been an insistence on availability of information needed to verify the agreement. However, the Soviets have not agreed to provisions with respect to the new type ICBM which would establish a requirement for unencrypted telemetry. Left unclear is what is impeded or concealed, what is deliberate and not deliberate, and who is to be the judge? It begs the question to leave this critical issue to the Standing Consultative Commission. This issue should be resolved in the Treaty. Thus, the language on encryption of telemetry finally agreed upon is virtually meaningless.

Proponents of the current SALT agreement state that in the absence of a Treaty the Soviets could interfere with national technical means of verification. This is not so. Existing agreements—the ABM Treaty for example—prohibit such interference. Moreover, the absence of agreement on what constitutes national technical means makes verifiability of this Treaty tenuous. We have already heard Soviet statements that overflights of territory of our allies are not national technical means.

Proponents of this Treaty also maintain that it is adequately verifiable because the United States could detect cheating which altered the strategic balance in time to take corrective action. I challenge this view. Surprises can come at any time and the lead-time for countering them is great. The history of SALT is a history replete with surprises. In 51 U.S. national intelligence estimates of predicted Soviet performance over the past ten years, 49 have underestimated the situation, some by a large margin.

Early in 1979 US officials publicly stated that the US intelligence community had badly underestimated the speed with which the USSR could develop and deploy its MIRVed missile systems. With this consistently poor record of predictability in the past, there is little assurance that in the future we can detect significant changes which would affect the strategic balance in time to take corrective action.

THE TREATY UNDERMINES DETERRENCE

An essential condition of the effectiveness of any SALT agreement is that the composition and size of the force of strategic arms possessed by one of the two sides is that the other side be deterred from taking actions which it might otherwise take which would lead—consciously or inadvertently, to a nuclear exchange. Measured against this standard, the Treaty signed in Vienna will undermine deterrence. The static and dynamic criteria by which strategic parity are generally measured demonstrate clearly that the U.S. will fall behind the Soviets strategically in the early 1980s. The fact that the U.S. will be strategically inferior to the USSR from the early 1980s to at least the end of the Treaty is the primary factor undermining the potential of our strategic forces to fulfill their role of deterrence.

Furthermore, our current plans call for our MX in a mobile basing mode to be deployed in 1986 and the system fully operational by 1989. Accordingly, our ICBM force will, under current plans, remain vulnerable for the next ten years. I am distressed over talk that we need not be overly concerned about our fixed ICBM vulnerability because

we could launch from under attack. Adoption of the bankrupt policy which such action implies would mark the end of intelligent arms control. Aside from the technical difficulties and risks inherent in such a situation, we should simply not place the President of the United States in positions which result from an espousal of such a course of action. Indeed, we should take rigorous action to minimize chances that any U.S. President will be put in such a position.

Whether or not future Soviet leaders are deterred is a subjective judgment they will make. A situation in which the U.S. is strategically inferior and its ICBMs vulnerable can only cause future Soviet leaders to be less deterred than they would otherwise be if these two conditions did not exist. This is not to argue that Soviet leaders will deliberately risk a first-strike against the U.S.

It does argue, however, that Soviet leaders will be more adventuresome and far less inhibited from taking risks in some future crisis such as a Berlin crisis. Who knows where the next crisis could arise. It could, for example, be occasioned by Soviet interference in a possible Yugoslav leadership successorship, or perhaps denial of Middle East oil. If the Soviets feel they are strategically superior to us in such crises it could contribute to the Soviet's announced objective of spreading their hegemony and contribute to escalation to situations in which nuclear arms might be employed.

Thus, I agree with the Joint Chiefs of Staff that essential equivalence will be lost in the early 1980s and that we should first arrest and then reverse this strategic situation as a matter of the highest national priority. A SALT Treaty which required the USSR to accept greater reductions and to eliminate the asymmetries in ICBM warheads and throw-weight would make the achievement of the U.S. task of regaining strategic parity more rapid and less expensive. It is for this reason that I believe we should decide to renegotiate the provisions of this Treaty. There are two ways to regain strategic equality—one by building up our forces and the other by having the Soviets reduce theirs. I believe the second course of action is more conducive to arms control, is sensible, and is possible. It should therefore not be ruled out.

I agree with the Joint Chiefs of Staff who expressed it as their most serious concern that SALT II could be allowed to become a tranquilizer to the American people and the adverse trends confronting us could be irreversible. I also applaud Senator Nunn's statement that if the Senate believes SALT II will prevent our nation from taking the necessary steps to reverse current trends it should be rejected. However, I have heard no official and authoritative voice call for urgent and major additions to the Defense budget. We are apparently prepared to live with strategic inferiority from the early '80s until the '90s when the long-range correctives will hopefully begin to have an impact. This appears to me to be a dangerous acquiescence to the threat of Soviet pressure which will be backed up by superior military might. What we need is immediate and concrete action—not promises out action—in the form of major supplements to our defense budget in both the strategic and conventional fields.

THE TREATY DOES NOT CONTRIBUTE TO STABILITY

The Treaty signed in Vienna does not contribute to stability. The fundamental fact is that the Treaty does not blunt the momentum of the massive Soviet buildup in strategic offensive arms. It has been stated that requiring the Soviets to reduce their number of strategic offensive arms and restricting them to one new type of ICBM will add to stability because it will enable us to know the size and composition of their strategic force structure. This hope has little chance of being realized. There is no evidence that the Soviets will reduce their current commitment of resources to strategic arms. I agree with Admiral Turner's judgment that "a SALT agreement along the lines currently being discussed is not likely to slow the growth of Soviet defense spending significantly." He estimated that "such an agreement would probably not reduce the rate of growth of (their) total defense spending by more than 1/5 of a percentage point per year." Since provisions in the Treaty limiting the qualitative improvement of systems are practically non-existent, Soviet resources can be expected to be channeled into less predictable and less verifiable qualitative fields.

Moreover, since the Soviets will soon have sufficient warheads to cover all U.S. targets, to include a 2-on-1 attack on U.S. ICBMs, the route of qualitative improvements is clearly the one Soviet planners can be expected to pursue.

What concerns me most is the growing realization at home and abroad that the USSR will soon have a decisive advantage in the strategic field. This will allow the Soviet Union to move against nations friendly to the U.S. with greater certainty that the U.S. will not respond.

THE TREATY COULD WEAKEN NATO

The Treaty signed in Vienna could weaken NATO. The Protocol constrains, for the most part, U.S. systems. While the deployment of mobile systems for the period of the Protocol is denied both sides, the remaining portions of the Protocol deal with ground and sea-based launched cruise missiles, systems that the U.S. and NATO—but not the Soviet Union—require. Soviet spokesmen have on numerous occasions stated that they expect the provisions of the Protocol to be extended and remain in force. Indeed, the Joint Statement of Principles states that protocol issues will be resolved in SALT III. Moreover, there would be no reason for the Soviets to insist that there be a Protocol if they did not consider it would serve as a precedent. In the absence of a Protocol the U.S. would have great incentive for entering into sorely needed accelerated programs for developing long range ground and sea launched cruise missiles for early deployment in Europe.

Article XII of the Treaty states that the parties undertake not to circumvent the provisions of the Treaty "through any other state or states, or in any other manner." However, this provision is so broad that it will certainly be interpreted by the USSR in a manner which suits their best interests. Thus, the United States can fully expect Soviet challenges to arise when it attempts to transfer systems or technology to its NATO or other allies. Accordingly, the interest of our allies, and especially our NATO ones, can be expected to be damaged by our hesitancy, that is our conceivable unwillingness, to transfer systems of technology to NATO. Such challenges of U.S. actions by the Soviets will, under their interpretation, be permissible by the Treaty.

I am of course aware that the leaders of our NATO allies have expressed support of SALT II. I suggest that this Committee carefully study General Haig's comments which explain these Allied attitudes. His views conform to my own observations resulting from the close contacts I have maintained with military leaders in NATO. Like Secretary Kissinger and General Haig, I take little comfort in the mixed views one hears from Western Europe. NATO's leaders would be unquestionably in favor of an equitable and verifiable Treaty and one which did not raise serious questions about their own security interests. In the last analysis, what is their alternative but to support the official position of the United States?

THE BASIC PROBLEM: SOVIET MOMENTUM IS NOT CURBED

As I have mentioned above, the crucial problem facing the U.S. is the large and continuing buildup of Soviet strategic forces. This momentum continued unabated while SALT was being negotiated, and there is no evidence that this Soviet momentum will slacken. As early as 1965, Secretary McNamara decided to scrap 300 B-58 bombers, which were then only three years old. Further, he decided that the U.S. would not add to its force of heavier ICBMs and would limit itself to 1000 light MM ICBMs. He said that the USSR had neither the intention, nor the capability, of matching us strategically. He was clearly wrong. By the time the Interim Agreement was signed the Soviet Union had a greater than 50% lead over us in ICBMs and submarines.

Thus, Secretary McNamara initiated a trend, which has continued throughout the SALT negotiating process, that puts faith in the belief that our examples of unilateral constraints will be followed by the Soviets. This helps explain the cancellation of the B-1, the shutdown of the MM production line, the delays in the TRIDENT program, and the delays in the MX and cruise missile programs. Meanwhile, the Soviets have neither slowed down nor have they cancelled weapons programs which create a climate conducive to better bargaining in SALT negotiations. Their tactic is to develop and deploy systems and then negotiate from the higher levels achieved. Even if we were to spend 40 percent more per year for strategic forces to restore our position of strategic equality, we would be unable to regain parity before 1986 and probably not even before the end of the decade. Thus the Treaty signed at Vienna will sanction and codify U.S. strategic inferiority. This situation, in my judgment, could have been avoided if the SALT II Treaty had been so negotiated that it did not permit gross inequalities and large asymmetries to exist. This situation can still be corrected by reopening negotiations.

MY ASSESSMENT OF THIS TREATY

In making my assessments I have not been unmindful of the plus side of the ledger. The objectives sought by many proponents of the Treaty are goals which I share. Like the proponents of this Treaty I favor the continuation of the SALT negotiating process. I am convinced that this process will continue irrespective of whatever course of action the Senate decided upon. However, the shortcomings of this Treaty and its failure to meet the important objective criteria by which it should be measured in actual fact tilts the balance heavily against the United States. This Treaty is seriously flawed. This Treaty in its present form will, in objective terms, harm rather than enhance our security. Furthermore, rather than contribute to the continuation of the SALT process, the ratification of the Treaty signed at Vienna is bound to make it virtually impossible to negotiate a good SALT III agreement.

In my more than six years of negotiating with the Soviets I have met with them more than 350 times for a total of more than 1000 hours. My six years at the negotiating table convinces me that a Treaty meeting the criteria of acceptability set down by the Joint Chiefs of Staff was—and still is—attainable. Like the JCS, I strongly favor arms control, provided it does not undermine our security.

Most of the discussion on this Treaty in the Senate so far has focused on arguing whether an unequal Treaty might or might not be preferable to no Treaty. We should instead compare this Treaty with a fair and equal one. I also reject the view that the challenge facing us in the long run will be greater if this Treaty is not ratified.

There have also been arguments before the Senate that this Treaty does not prohibit us from pursuing any U.S. programs we

wish to build. I challenge these arguments. The Treaty will undoubtedly constrain—and the Soviets can be expected to press to prohibit altogether—our deployment of the MX missile in a mobile mode. Additionally, it will certainly constrain, if not prohibit, the deployment of long-range ground and sea launched cruise missiles. The Treaty will require us to give up ICBM or SLBM launchers if we wish to deploy more than one-third of our planned development of 170 carriers of air launched cruise missiles. It will constrain us from deploying long range conventionally armed cruise missiles. And I could go on. The simple fact of the matter is that the Treaty places constraints on U.S. forces and far fewer meaningful constraints on Soviet forces which will soon be superior in capabilities, as they are now in numbers, to the United States.

One point needs to be thought through most clearly. It is clear that the Soviets have been building, and are continuing to build, their strategic forces at a near wartime level of effort which is at—or near—their capacity. The Soviets cannot greatly increase their defense spending further or continue their war-like footing indefinitely. At the same time, this Treaty will not serve to blunt or to reverse their momentum. Therefore the sooner we realize our precarious position and cause the Soviets to turn their momentum around, the better. Now is the time to tell the Soviets clearly and firmly that we will only ratify a Treaty which is fair and equal and that we will not ratify a Treaty which codifies U.S. acceptance of Soviet unilateral rights which make the Treaty unequal. The Soviets want and need a treaty and will, in view of their own economic constraints, not wish to arouse us to develop to the utmost our full economic/financial and technological resources. If they find us resolute on renegotiating the Treaty, we stand a good chance of arriving at one which will put us on the road to true arms control, one which will contribute to deterrence and stability and will save us—and them—money.

If the Soviets are unreceptive to renegotiation, I am convinced they will not be so for long but will soon return to the negotiating table. The Soviets know that a Treaty is in their long-term interest. What they do not yet know is that we will not ratify an unequal Treaty.

We can, if we need to do so, afford to spend what it takes to regain and to maintain our national security. We cannot afford not to do so. It is imperative that we decide now to act quickly and decisively to regain parity we will soon lose. Spending a single percentage point of our GNP will maintain our position of parity, once regained, for the indefinite future.

I have been asked why I believe we can get a better deal when others have said that this is the best deal we can get. My answer is simple—I was there—intimately involved with the Soviets at various negotiating levels. I know that the Soviets want and need a Treaty. I know that we, the United States, made reaching almost any SALT Treaty an over-riding policy objective. As a result our security has suffered. Unlike the Soviets who put their security first, we have tailored our military planning to optimistic expectations of the outcome of the SALT process. Like the Joint Chiefs of Staff I believe we should pursue two tracks: arms control and our security. I believe we have pursued the first track at the expense of the second. In my professional judgment the risks to our national security under this agreement are too great for the hoped-for gains in arms control. It is my considered view that approval of this Treaty as it now stands will undermine our security and will hinder and not further the process and the likely progress of arms control.

In summary, the Treaty signed in Vienna on 18 June 1979 does not meet minimally acceptable standards. It is my considered and professional military judgment that this Treaty is not equal and not adequately verifiable. It will neither enhance deterrence nor add to stability. It could well detract from NATO security and allied coherence. It could seriously damage the prospects for significant reductions in any future SALT negotiations. This particular SALT agreement is not in the interest of the United States and should be renegotiated.●

REVENUE ALLOCATION

● Mr. HUDDLESTON. Mr. President, last week the distinguished chairman of the Surface Transportation Subcommittee of the House Committee on Public Works and Transportation, Representative JIM HOWARD, offered his suggestions to the Ways and Means Committee on how to allocate certain portions of the revenues to be derived from any tax that may be imposed on excessive oil company profits. Though the majority of chairman HOWARD'S statement concerns his desire to establish a public transportation trust fund to fund improvements in our Nation's transit system, my good friend also addresses an issue which has been of deep concern to me for many years—the adequacy of those portions of the country's transportation system which must carry domestic energy supplies from the point of production to point of use.

There can be absolutely no doubt that the expected increases in domestic energy supplies and need for transport of these supplies to not only present users, but also for use by to be developed alternative energy source sites, will strain certain segments of our highway and rail systems beyond their original design capacities. As a result it is likely bottlenecks will occur and the chances of achieving our stated desire of reducing reliance on foreign oil will be diminished.

I have, many times in the past, tried to focus the attention of the administration and my colleagues on the shortcomings of our energy transportation system. I, therefore, believe that consideration of a proposal in the nature offered by Representative HOWARD to address these shortcomings is a sensible way to proceed. I commend him for his knowledge in this area.

We must provide assistance to the States in their efforts to rehabilitate and expand the highways, bridges, and rail-highway crossings serving energy producing areas. In my mind it is totally logical to have a portion of the windfall profits tax revenues used for such assistance.

Therefore, I commend to the attention of my colleagues those sections of Representative HOWARD'S statement before the Ways and Means Committee dealing with the deficiencies of our energy transportation system. In so doing I also seek the advice and assistance of those committees having jurisdiction in these matters in developing a specific proposal to deal with this most important problem.

I respectfully request that Representative HOWARD'S statement be printed in the RECORD.

The statement follows:

STATEMENT OF HON. JAMES J. HOWARD

Thank you, Mr. Chairman. I appreciate the opportunity to testify here this afternoon on a very important aspect of our energy problem—using crude oil excess profits tax revenues for improving the efficiency of our transportation system. At the outset, I would like to recognize the contribution which you, Mr. Chairman, and the members of the Ways and Means Committee have continued to make over the last several years toward solving our Nation's energy crisis. Those of us who have been involved in the energy issue realize both the complexity and controversy that surrounds the whole question of our energy future and we do recognize the progressive solutions which the Committee on Ways and Means has brought forward to the House. The Committee on Public Works and Transportation has likewise undertaken to monitor the energy problem and to address specific concerns arising within its jurisdiction. It is one of those concerns that brings us before you today.

As chairman of the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation, I have been concerned for some time about the need to establish a public transportation trust fund to support a contract authority funding program for capital improvements to our Nation's transit systems. Recent evidence indicates that the appropriate time for consideration of this problem has arrived. When the President announced his April 5 energy initiatives, he issued a fact sheet which begins with the following statement:

"In both the short and long term, conservation remains a cornerstone of United States energy policy. It is still cheaper in most instances to save a barrel of oil than to buy one, either from foreign or domestic sources."

Later in the same document the president recognized the role of public transportation in the petroleum conservation effort:

"Although transportation accounts for over half of the total petroleum consumption of the United States, the most energy-efficient form of transportation—mass transit—accounts for only 6 percent to 7 percent of all travel trips. Mass transit ridership must increase in the coming years if we are to hold in check our consumption of precious liquid fuels."

Since April 5, the nation has experienced another energy crisis, not unlike the 1973–1974 Arab oil embargo. The fuel shortages and the gasoline price increases remind us of our nation's dependency on petroleum. Over the past 50 years, petroleum has become the life blood of our nation's economy. The growth of our national transportation system has been closely tied to our development of energy and of petroleum in particular. Transportation consumes more than half of every barrel of crude oil used in this country. Coincidentally, the United States obtains half of its oil from foreign imports. Clearly, the transportation sector can make a tremendous contribution to petroleum conservation, and thus to the reduction of imports.

After the House passed the bill H.R. 3919 on June 28, establishing a windfall profits tax on domestic crude oil, this committee announced its intention to consider phase three of the President's program. Given the President's April 5 initiatives, the domestic situation and the passage of the windfall profits tax, I believe the time is right for the Congress to consider long-term assured funding for our nation's public transportation systems. Accordingly, the subcommittee which I chair, and on which Mr. Shuster sits as ranking minority member, held hearings on July 10, 12, 17 and 18 so that we might develop a record on the issue of a public transportation trust fund to serve as the basis for our testimony here today. I have with me a copy of the statements presented at those hearings along with materials submitted for the record which I am providing for your consideration in these hearings.

I realize that the country must pursue increased energy production as well as conservation. Certainly, the circumstances indicate the need for a range of solutions. However, the country cannot place total reliance on increased domestic production of oil substitutes.

While these efforts proceed, in order to maintain our mobility, we will have to improve our public transportation systems so that our citizens will have an alternative to private automobile transportation which will undoubtedly continue to suffer fuel supply interruptions.

As I indicated, Mr. Chairman, the Subcommittee on Surface Transportation has just completed four days of hearings on the establishment of a public transportation trust fund with revenues generated by the crude oil excess profits tax. The testimony presented at these hearings provides overwhelming support for the concept of a public transportation trust fund. Equally important, however, is the evidence presented which shows that the American public is turning to public transportation in greater numbers with each succeeding month, even in areas which have not experienced gas lines. For example, the U.S. Conference of Mayors appeared before our subcommittee on July 12. In their testimony, the Conference of Mayors called for the establishment of such a trust fund and presented the results of a survey which they have just completed covering the impact of the fuel shortage on one hundred (100) American cities. These included the 50 largest cities in the Nation, as well as 50 other cities selected at random. Mr. Chairman, the results were remakable. Although forty-seven of these 100 cities have experienced gas lines, 77 of these cities experienced an increase in transit ridership.

It's obvious, Mr. Chiarman, that there are factors at work here other than simply the fuel supply. Recent experience may indicate that high gasoline prices are causing a shift to public transit. And, the American people are becoming more aware every day that the energy crisis is real and that they should begin to use more fuel efficient forms of transportation.

On July 17, the director of the California Department of Transportation, Adriana Gianturco, testified before our subcommittee on the continuing growth of transit ridership in the State of California. Her statement contained a summary of the situation in that State which I believe is indicative of the nationwide trends:

"Another very key point, I believe, is that—in California at least—the demand for more and better transit exists. People will ride transit, and they have been riding transit, and they are riding transit now. This is a pattern which pre-dates the current energy crunch and it has been sustained since the gas lines in our State pretty much disappeared. (We got them first and we got rid of them first.) I'd like to give you some statistics on the trends in transit use in California to support this point.

"From 1972 to 1978, transit ridership in California increased by 42%, a rate significantly higher than the rate of increase in auto travel. Although transit patronage is still only a fraction of auto trips statewide, in some areas—notably those areas with good transit systems, transit is a major contributor to people movement. For example, in San Francisco, even before the current energy crisis, about 20% of trips in and out of the city were by bus or rail.

"A very important feature of the growth in transit patronage in California in recent years is that it has been continuing. With the gasoline shortages—which showed up in May at our gas stations—there was a dramatic jump in transit ridership as well as carpooling. Although patronage for some but not all transit operators has fallen off slightly since the gas lines disappeared, we're still on a definite growth curve, starting from a much higher point than we were before the supply disruption. To give you a couple of examples from our major transit systems, BART ridership in May 1979 (the month of the gas lines) was 23% higher than in May of the year before. June 1979 ridership dropped less than 5% from the May 1979 peak and was still at a level 18% higher than in June of the year before. The Southern California Rapid Transit District, our principal operator in the Los Angeles area (and the third largest transit system in the country) registered a 24% increase in ridership in May 1979 over May 1978, and growth in this case continued into June. The June numbers for SCRTD were 13% higher than the May numbers, and 58% higher than the numbers for June 1978. Similar patterns are evident across the state in our other metropolitan areas."

Another important insight obtained from our hearings was the realization that each area of the country has different needs in developing alternatives to the private automobile. What may be the most energy efficient solution for New York, Chicago and Los Angeles may not be for Rochester, Tulsa or Salem, Oregon. I believe that there is a tremendous latent demand for public transportation throughout the country—in rural as well as urban areas. In order to satisfy this demand in an efficient and expeditious manner, an assured source of funding at adequate levels is required.

The goal of petroleum conservation necessarily involves improving the efficiency of the transportation systems which our citizens use to fulfill their most basic mobility needs, such as traveling to and from work and school. As the heart of that effort, we must expedite targeted investments in our public transportation systems and in highway facilities which support more efficient automobile use. We must rebuild as well as provide for expansion of our existing bus fleets. We must finance supporting bus facilities, including maintenance facilities and terminal facilities. We must provide for the modernization and expansion of our existing rail facilities, through the purchase of new and more energy efficient cars, such as the flywheel subway car, track rehabilitation, signal system modernization and route extensions.

We must support projects which will facilitate carpools, vanpools and other high occupancy automobile solutions. And, we must begin now to establish new public transportation services. The energy efficient solution for each area of the country will include some or all of these projects. Many areas have already undertaken the necessary planning.

I know of no other single action which the Congress could take to support such an effort than the clear and definite commitment of assured support through a dedicated public transportation trust fund. As you know, the President in his July 15 address to the Nation recommended an additional $1 billion per year for the next ten years be set aside from the excess profits tax revenue for public transportation. By adding $1 billion per year to our authorized funding levels as projected through 1990 for public transportation systems and for highway projects which foster carpools, vanpools and other high occupancy operations, I believe that we can enhance both the short and long-term energy security of our Nation. Interestingly, the additional $1 billion per year combined with our projected authorized funding levels would amount to approximately one-fourth of the revenues of the energy security fund. I would like to recommend that the committee on ways and means at the earliest opportunity establish a trust fund for public transportation and for improvements to the highway system which complement public transportation. And, at least initially, I recommend that this new public transportation trust fund have as its source of revenue one-fourth of the funds deposited in the energy security fund each year.

Mr. Chairman, I would like to take just a few minutes to describe how such a public transportation trust fund should be structured. First, we sat down and examined the present Federal commitment to public transportation capital improvements. Then, we projected that basic program out over the period ending with the year 1990. If, Mr. Chairman, you then take the President's incremental commitment to public transportation from his most recent speech of $1 billion per year through 1990 and add that to the basic program levels you arrive at the following figures:

[In billions of dollars]

	CBO estimate tax revenues House bill [1]	Revenues public transportation trust fund [2]	Transportation capital program
1980	5.6	1.4	(3)
1981	12.2	3.1	3.6
1982	16.0	4.0	3.8
1983	16.6	4.1	4.0
1984	17.2	4.3	4.2
1985	18.1	4.5	4.4
1986	18.9	4.7	4.6
1987	19.4	4.9	4.8
1988	19.9	5.0	5.0
1989	20.6	5.1	5.3
1990	21.0	5.4	5.6
Total	186.1	46.5	45.3

[1] Assumes a current world oil price of $20.12 per barrel and a 1.5-percent real price increase per year.
[2] 25 percent of revenues generated by the windfall profits tax.
[3] Fiscal year 1980 appropriation for capital expenditure is estimated to be $2,400,000,000, the fully authorized amount. The administration is presently considering whether an additional $1,000,000,000 should be added to the fiscal year 1980 program from revenue generated by the windfall profits tax.

Again, in comparing those figures to the projected revenues for the energy security fund. It turns out that they closely approximate 25% of the fund through each of the years from 1981 to 1990.

Therefore, setting aside 25% of the fund for public transportation assures not only a commitment to the new $1 billion but to the basic program, as well.

So far, Mr. Chairman, we have talked about the transportation sector's contribution to petroleum conservation through the establishment of a public transportation trust fund. I would like now to make a few brief remarks about the impact of new domestic energy production on the transportation system. Although we advocate and fully expect public transportation to be expanded significantly, the country will continue to rely on automobile transportation as the dominant mode. Truck transportation will continue to play an important part in the movement of freight. The president's program and related developments in energy policy could have unintended effects on our highway transportation programs. First, there may be a significant decline in highway trust fund revenues in the 1980's from the following changes:

1. The proposed permanent exemption of gasohol from the 4 cent per gallon tax;
2. The possible exemption of synthetic fuels from the 4 cent per gallon tax;
3. The reduction in the use of gasoline in favor of other fuels;
4. The potential reduction in overall use of liquid fuels.

At the same time, highway needs are increasing and inflation is eroding the value of contributions to the highway trust fund. The subcommittee received considerable testimony on this issue. Circumstances may warrant study by your committee into the possibility of a fuel tax increase or a shift to an ad valorem percentage tax. I believe this is a separate issue from the establishment of a public transportation trust fund, but something I am obligated to call to your attention so that we may begin to examine possible actions in this area.

In addition to the impact of changing energy policy on the highway trust fund, increased domestic production of alternative energy sources will impact the highway system itself. Truck shipments of coal and increased unit train service over our nation's rail-highway crossings will require additional funds for these energy impacted segments of our highway systems.

The Department of Transportation reports that "significant increases in coal truck traffic on the nation's highways and particularly on Appalachian roads (will require) new roads to be built and increased maintenance on the existing network." A separate report issued by the Appalachian Regional Commission indicated coal hauling trucks in the region now travel over 6,800 miles of roadway and 900 bridges that were not designed for such heavy traffic. This same report estimates that by 1980 more than 8,500 miles of roadways and between 1,100 and 1,300 bridges will be unsafe for coal hauling purposes. The problem is not strictly an Appalachian one. Between now and 1985 a major shift will occur in mining use.

While it is a regional fuel today, by 1985 increased coal production west of the Mississippi River will increase transportation needs, plus more coal will be used in other parts of the country (particularly the south) making coal a national fuel.

These types of improvements, Mr. Chairman, would support the energy development goals of this country, and could logically be funded from the windfall profits tax revenues; of course not from the public transportation trust fund. The Committee on Public Works and Transportation expects to examine the impact of increased domestic energy development on the highway system in the near future. In conclusion, Mr. Chairman, I would like to summarize our recommendations.

1. That the Congress establish a public transportation trust fund for capital programs (both urban and rural) under the Urban Mass Transportation Act (including interstate transfers) and certain highway programs which expedite traffic movement and conserve energy (e.g., for improved traffic signalization, preferential lanes, fringe parking facilities, high occupancy vehicles, carpools, and vanpools);

2. That 25% of the revenue generated by the windfall profits tax be placed in this fund. However, if the revenue estimated to be generated by the tax which the Congress ultimately approves is less than the estimates upon which I have based my testimony, then an appropriate increase in this percentage should be made to support the program level I have outlined;

3. That to the extent synthetic fuels tax exemptions reduce highway trust fund revenues, this committee may wish to consider, now or in the future, some mechanism to provide adequate sources of revenue for the highway trust fund; and

4. The committee should consider providing funding from the windfall profits tax revenues for energy impacted components of the highway system, such as rail-highway crossings and roads and bridges which are experiencing increased coal truck traffic.●

THE WORLDWIDE PROBLEM OF HUNGER AND STARVATION

● Mr. LAXALT. Mr. President, daily in this body we find ourselves immersed in a multitude of pressing issues demanding our immediate attention—the energy crisis, the SALT hearings, and other matters dominate much of our time and thought. But with all this flying about, from time to time I feel it is necessary for us to be brought back to basics by focusing on fundamentals. One such fundamental matter which has grave consequences for us all is the worldwide problem of hunger and starvation.

For this reason, I ask my colleagues to take a few moments to read an insightful editorial featured recently in the Valley Times on this subject. I believe we should all reflect upon our collective responsibility to aid in saving millions of people from starvation.

Mr. President, I ask that the editorial entitled "No One Is Starving on the Vegas Strip," from the June 22, 1979, edition of the Valley Times be printed in the RECORD.

The editorial follows:

NO ONE IS STARVING ON THE VEGAS STRIP

Perspective can be sobering and humbling.

While Las Vegans, presumably, are worrying about casino delicensing and mob infiltration, there are millions of others in the world who are concerned with something a bit more important—hunger and starvation.

While we here feel inconvenienced by the shortage of gas, people in Southeast Asia worry about the absence of food. We are concerned about gaming scams; they struggle to keep themselves and their little children from literally starving to death.

Striking Las Vegas garbagemen seek—and undoubtedly deserve—$10 an hour. The average wage earner in New Delhi earns $10 a month, when he has a job. For some, the eating of garbage would be a luxury.

Ten years ago, the United Nations urged governments around the world to increase world food supply by undertaking the amino acid fortification of food to enhance supplies to malnourished peoples of the world.

A Japanese firm, Ajinomoto, has offered to donate amino acids as a means of improving diet and nutrition. This would not, of course, solve the problem of starvation, but it would be a significant start. Yet the offer, which still stands, remains unaccepted.

To the overall problem of world hunger, there has been little response, and unless something is done soon, if food supplies are not appreciably increased, millions of children, with their parents, will die of starvation in 1979 which, ironically, has been designated as the International Year of the Child.

The starving people around the world could do with fewer slogans and public relations gestures—and more food.

Edouard Saouma, Director-General of the United Nations Food and Agricultural Organization, recently appealed for a massive, emergency international relief program, under which food-rich nations could individually or jointly contribute food to the starving nations.

The world food crisis, particularly in Southeast Asia, comes at a time when many American farmers have surplus crops.

In brief, much of the world needs food, and the United States has it. Let's cut the bureaucratic tape and with the same determination and ingenuity that sent men to the moon, get the food where it's so desperately needed.

We would hope that Nevada's congressional delegation would prod the Carter administration to give high priority to saving millions of people from starvation.

The cause of human rights, to which the administration is avowedly dedicated, ought to include the one right without which all other rights are of little value—the right to remain alive by having enough to eat.

In our preoccupation with SALT II, we ought to realize that a weapon-free world—or a crime-free Las Vegas—would be of little benefit, or solace, to a young child who has died of starvation.●

DIVERSE CITIZEN AND BUSINESS GROUPS SUPPORT TRUCKING DEREGULATION BILL

● Mr. KENNEDY. Mr. President, the trade associations who speak for the regulated trucking companies in this nation have charged repeatedly that the impetus for trucking deregulation comes solely from an isolated band of "ivory tower economists," big businesses, Government seeking "political advantage." The charge appears so frequently in trucking industry publications that many in the industry itself—and even in the Congress—tend to lose sight of how broad the spectrum of support for less Government regulation of this industry truly is.

In recent days, I have been submitting for publication in the RECORD numerous editorials in support of trucking deregulation which have appeared in newspapers throughout the country. These editorials give a clear indication of the overwhelming support in the press for comprehensive reform in this area.

Newspaper editorial boards are not alone in their judgments. Members of Congress should know that a very wide range of divergent interest groups agree that substantial reform of Government regulation of this industry is long overdue.

Organizations as diverse as the National Association of Manufacturers and the Consumer Federation of America, the National Federation of Independent Businesses and Ralph Nader's Public Citizen, the Minority Trucking Transportation Development Corporation and Sears Roebuck, the American Farm Bureau and the Friends of the Earth—all support the trucking deregulation legislation (S. 1400). President Carter and I have jointly sponsored.

On June 21, at a White House ceremony to announce our legislative proposal, these and other organizations and individuals released statements in support of the bill. I know that Members and their staffs will be interested in the reasons why so large a segment of the public believes the reforms we have proposed are so urgently needed. In coming days, I intend to submit for the RECORD a number of these statements, that my colleagues might see for themselves why this legislation enjoys the broad support that it does.

One of the most interesting statements of support, particularly from a historical perspective, came from the National Grange. The Grange itself was in large measure responsible for the creation of the ICC; it was also active in securing an exemption for agriculture when ICC regulation was extended to the trucking industry in 1935. The organization's reasons for supporting deregulation today are compelling ones, and I urge my colleagues to consider them carefully.

I ask, Mr. President, that the Grange's statement be printed in the RECORD. I also ask that excerpts from other statements of support be printed in the RECORD following the Grange's statement. These excerpts convey the tenor of many of the comments which have been received. I hope to submit these and other

statements for inclusion in the RECORD, for the benefit of Members and staff, in the near future.

The material follows:

STATEMENT OF JOHN W. SCOTT

The National Grange can justly lay claim to having advanced the idea of the Interstate Commerce Commission in 1876. Our purpose then was to protect farmers and the public generally from the lack of competition in the transportation industry and the resulting monopoly held by the railroads. Today there is competition by highway, water, air and pipelines. Competition has always made for progress and efficiency; therefore, de-regulation rather than increased regulation is the keynote in developing a transportation policy to meet the needs of modern agriculture.

The Administration bill to reform regulation of inter-state trucking will be beneficial to agriculture and meets the criteria of the National Grange in developing a modern agricultural transportation system. The trucking industry is a vital component of the transport system serving agriculture. Trucks haul practically 100 percent of the milk, poultry, eggs and livestock, about 90 percent of fresh fruit and vegetables, about 85 percent of the meat and most of the short-haul grain.

Congress, at the insistence of the Grange and other farm interests, established an "agriculture exemption" when the Interstate Commerce Act was extended to the trucking industry in 1935. Under this "exemption" truck movement of unmanufactured products of agriculture, such as fresh fruit and vegetables, now move unhampered by the rate, route, service, and entry restrictions of the Interstate Commerce Act. The "agriculture exemption" include frozen poultry but not fresh red meat, cooked fish but not canned vegetables, grain but not feed.

The "agriculture exemption" has worked very well. Agricultural interests have been firm ever since 1935 in their support of the exemption and have fought off attempts by the regulated trucking industry, through the Interstate Commerce Commission, to narrow or eliminate the exemption. It has been a cardinal principle of Grange transportation policy to broaden the exemption to include all processed food and major inputs of agricultural production. Studies have found that exempt trucking provides efficient and adequate service at reasonable rates and with returns to truckers sufficient to sustain a competitive trucking environment.

Agriculture will benefit from the provision of the bill that provides for the expansion of the "agriculture exemption" to include all food products of agriculture and farm supplies: not only do these exemptions promise direct benefits in the form of readily available and reasonably priced trucking services for these commodities, but also certain problems affecting the transportation of these commodities will be solved. The rapidly shifting markets for regulated agricultural commodities, especially red meats, have often caused shortages of truckers with operating authorities to serve new markets. At times, meat processors have had to cease operations because of truck shortages. In the case of feeds and fertilizers that have moved to local distributors by rail, rail line abandonments have on occasion left voids in for-hire transportation links to these distributors. These supplies could become backhauls for grain truckers who now return empty. Exemptions for food products and farm supplies in this Bill therefore are most welcome.

These provisions for new exemptions promise some savings in direct transportation costs for these commodities. Perhaps equally important, they will make it more feasible for agricultural cooperative and exempt truckers to arrange more nearly profitable loads in both directions and therefore help to lower costs of transportation for currently exempt commodities which has been a problem with agricultural trucking up to present.

It is equally important to point out that expanding the "agriculture exemption" will go a long way in preventing "dead heading", the return of an empty truck, therefore making the entire operation more energy efficient.

In addition to the provisions of direct and immediate benefit to agriculture and consumer represented by the provisions on cooperative trucking (removing the 15 percent restriction on non-farmer, non-member trucking) and the agricultural exemptions, trucking in rural areas also will improve as a consequence of the following provisions:

Motor Carrier Policy. The national transportation policy is to be amended to include as a criterion of public interest the encouragement of entry to and additional service for small or isolated communities.

Restriction Removal. All restrictions on route of travel and intermediate stops, which limit a carrier's opportunity to serve small or out-of-the-way towns, are to be removed.

Entry. Fitness is to be the only test for entry into the trucking industry for the purpose of serving areas not otherwise served or as a substitute for abandoned rail service. Also, improved service to small communities is specifically included as a criterion of public convenience and necessity where such entry test is to be applied.

Small Package Exemptions. All items weighing less than 500 pounds are to be exempted from regulation, thus enhancing the opportunities for bus companies to provide increased small-package freight service to small towns.

Therefore, the Grange believes that these several provisions will increase the efficiency of agricultural and rural trucking to the benefit of farmers and consumers and will be more energy efficient. We welcome this opportunity to support the "Trucking Competition and Safety Act of 1979".

JOHN W. SCOTT,
Master, the National Grange.

THE WHITE HOUSE

The following are some of the comments received by the White House on its proposals for trucking deregulation:

"As one who was originally opposed to the deregulation of the airline industry because of my concerns as to the possible adverse impact of unlimited route entry and pricing freedom on Eastern and our industry, I feel I must now go on record as stating that my fears proved groundless.

"Deregulation, for the first time, gives us the ability to adjust our services and prices to conform to the needs of the marketplace. Consequently, in the eight months since the 'Airline Deregulation Act of 1978' was enacted into law, Eastern has expanded its operations into a number of new cities and states; is providing a better service to the consumer at a lower price and has greatly enhanced its financial position.

"The trucking industry is in many ways similar to our own and it is my sincere belief that it and the consumer will realize similar benefits through deregulation."—Col. Frank Borman, Chairman and President, Eastern Airlines.

"Common Cause strongly applauds President Carter for the comprehensive trucking deregulation bill he is sending Congress today. The President's bill directly attacks the Alice in Wonderland system we have in this country for regulating the trucking industry . . .

"In a time of high inflation trucking regulation is adding billions of dollars in costs to consumers. In the midst of severe energy shortages and dwindling resources, trucking regulation—by such absurdities as route and backhaul restrictions—is wasting precious fuel. We commend the President for his leadership on this critical issue and urge the Congress to move swiftly to adopt the legislation."—Fred Wertheimer, Senior Vice President, Common Cause.

"We believe that effective competition is essential to a strong freight transportation system, and that statutory and administrative regulation should be held to a minimum consistent with operational safety and continuance of service in the public interest."

We believe that the following elements are vital to regulatory reform of the trucking industry: remove barriers to entry and competition by existing and new firms; insure service to small and rural communities; increase pricing flexibility; and reform of antitrust immunity for collective ratemaking activities of carriers. The present draft bill is consistent with these principles, and we wish to emphasize our support for them."—R. Heath Larry, President, National Association of Manufacturers.

"I regret that I am unable to accept your kind invitation to join you at the White House as you send to the Congress your proposed legislation to ease regulation of the nation's trucking industry. I congratulate you on these proposals and offer my support for your efforts to maximize competition within the trucking industry, reduce barriers for the entry of new carriers, improve transportation safety and increase trucking service to the nation's cities, large and small. You may count on my full support."—Coleman A. Young, Mayor, City of Detroit.

"The NCA (National Cattlemen's Association) is in support of the overall concept 'The Trucking Competition Reform and Safety Improvement Act of 1979.' We feel that the substantial removal of regulations affecting truck transportation will benefit both producers and consumers with the resulting efficiencies and rate flexibilities. . . . The NCA hopes that the legislation when introduced will move quickly through the Congress."—National Cattlemen's Association.

"We support effective regulatory reform, particularly in those industries where economic deregulation will increase competition, stimulate product quality, and improve job safety and opportunities. We therefore advocate deregulation in the transportation sectors, which assures maximum employment and service while increasing entry into the market, efficient use of vehicles and fuels, and price competition."—National Consumers League.

"The present scheme of trucking regulation seems somehow lifted out of a Kafka novel. Costing billions to the American consumer, hampering entry of minority firms into interstate trucking, denying effective service to many American communities, and wasting millions of gallons of fuel, the system seems largely to benefit only the transportation bar. . . . It is my personal opinion that this bill is a major step forward. I believe that the majority of members of the Ripon Society, the nation's largest organization of moderate and progressive Republicans, would concur with this judgment."—John C. Topping, Jr., President, The Ripon Society.

"We welcome and support your proposal to reform regulation of interstate trucking. The proposal to expand the agricultural exemption to food products and farm supplies should contribute directly to lower costs for the ultimate consumer. The thrust of the bill should also enable certain elements of the trucking industry, that are now endangered economically, to survive in a fair and competitive market environment.

"Specifically, we believe the provisions of the draft bill will permit carriers of exempt commodities to arrange more nearly profit-

able loads in both directions. Service for small communities in rural areas should be improved by removal of restrictions on route of travel and intermediate stops. Modification of entry requirements should provide relief for those communities suffering the loss of rail branch line service.

"We welcome the opportunity to analyze the bill in more detail and urge its early consideration in the Congress. You are to be commended for initiating this action that may lead to remodeling the regulation of the trucking industry. As farmers and ranchers, we are vitally concerned that adequate service be available at reasonable costs. We have a great deal of common interests with the independent truckers and propose to follow the progress of the draft legislation closely in the Congress."—Charles L. Frazier, Director, Washington Office, National Farmers Organization.

"NFIB, on behalf of its 580,000 small and independent business members, strongly supports the trucking deregulation legislation your Administration is announcing.

"This legislation attacks inflation and strengthens free competitive enterprise. We believe it will reduce trucking costs, provide better trucking service and create new trucking opportunities for small entrepreneurs. These results are good for small business and good for the public.

"NFIB commends you for action to attain trucking deregulation and looks forward to working with your Administration and other proponents in order to achieve it."—James D. "Mike" McKevitt, Washington Counsel, National Federation of Independent Business.

"The Federal Trade Commission strongly endorses the proposed Trucking Competition Reform and Safety Improvement Act of 1979. . . . The proposed Act represents significant progress in improving competition and safety in this important industry . . . For several years, the Commission has vigorously advocated the reduction of restraints on competition in the trucking sector. We applaud you for this effort to eliminate such restraints and to infuse greater competitive vigor into this vital area of the economy."—Michael Pertschuk, Chairman, Federal Trade Commission.

"Trucking reform is an unusual opportunity for Congress to drag an entrenched industry into the competitive marketplace and help consumers battle inflation. Competition is essential to a strong freight transportation system. But ICC trucking regulations stifle competition by controlling routes and allowing price fixing . . . The trucking reform bill is a first step toward eliminating these protectionist regulations . . . We have seen the benefits of airline deregulation. Though the rewards are not as obvious as a cheaper airline ticket, reform of the $12 billion a year trucking industry should bring even more dramatic benefits to consumers."—Public Citizen.

"The American Retail Federation applauds your new proposals to deregulate motor carriers, and encourage marketplace economics in the industry. We congratulate you on the steps which have been taken and hope the principles involved in these legislative proposals will receive prompt action by the Congress."—Loyd Hackler, President, American Retail Federation.

"The National Grange can justly lay claim to having advanced the idea of the Interstate Commerce Commission in 1876. Our purpose then was to protect farmers and the public generally from the lack of competition in the transportation industry and the resulting monopoly held by the railroads. Today there is competition by highway, water, air and pipelines. Competition has always made for progress and efficiency; therefore, deregulation rather than increased regulation is the keynote in developing a transportation policy to meet the needs of modern agriculture.

"The Administration Bill to reform regulation of inter-state trucking will be beneficial to agriculture and meets the criteria of the National Grange in developing a modern agricultural transportation system. . . Agriculture will benefit from the provision of the bill that provides for the expansion of the 'agricultural exemption' to include all food products of agriculture and farm supplies; not only do these exemptions promise direct benefits in the form of readily available and reasonably priced trucking services for these commodities, but also certain problems affecting the transportation of these commodities will be solved."—John W. Scott, Master of the National Grange.

Other comments on the Truck Competition and safety Act include:

"We firmly believe that greater competition in what is probably the nation's most heavily regulated industry can lead to savings for the consumer and more efficient and productive use of our precious energy resources. . . Administration moves aimed at easing entry barriers, providing greater freedom for backhauling, and developing more flexible rate structures should provide a beneficial impact on the consumer and industry alike."—Burger King Corporation.

"We have concluded that as a shipper of small shipments, unnecessary regulation such as anti-trust immunities and severe entry restrictions have produced higher transportation costs and suppressed transportation service that could be made available. This stated situation of higher cost and poor service is a direct result of an "over-regulated" industry creating mandatory costly circuitous shipping. We are pleased that the Administration is taking action to provide cost relief to the public by eliminating or modifying the existing procedure of 'price-fixing' and providing a vehicle by which competition might again be experienced."—Orion Industries.

"As a small regulated carrier, I would like to extend our gratitude to your administration for its efforts to reduce the existing overregulation of our industry. Currently, I am forced to charge shippers more than I feel I should because of the collective rate tariff system; further, we would like to provide a currently non-existent service for our customers to several remote desert cities which is not allowed due to a restrictive entry system."—ALTA Freight Systems.

"The Minority Trucking Transportation Development Corporation, the Association representing minority truck transporters, congratulates you on addressing the need to develop a unified comprehensive truck deregulatory plan and for linking your legislative proposal with that of Senator Kennedy. MTTDC feels that this is the impetus needed to move this important concern forward."—Minority Trucking Transportation Development Corporation.

"I am pleased to know that Administration is offering a new policy to deregulate the trucking industry. Competition stimulated by deregulation will be in the best economic interest of the American people at a time when the inflationary costs of interstate regulation adds to inflation."—Charles F. Horn, Mayor, Kettering, Ohio.

"As an association of small business people—and hence, small shippers—this new Act would bring competition back to the trucking industry, would allow our members more freedom to locate the most cost-effective trucking firm, and equally important, would reduce government regulation, allowing truckers to operate with more efficiency . . . This nation was built on the free enterprise system. President Carter's proposal would put the trucking industry into the system."—National Audio Visual Association.

"The Chemical Manufacturers Association applauds the President's initiative in making a regulatory reform proposal to reduce the amount of economic regulation of the motor carrier industry and to increase competition in this area. A reduction in the amount of regulation will assist in stemming the tide of inflation. Maximum reliance on competition, and minimum reliance on regulation, consistent with fostering a strong transportation system, is the best way to assure fair prices and fair treatment for all concerned."—Chemical Manufacturers Association.

"At a time when fuel is scarce and the Country is becoming more dependent on foreign sources of energy, at a time when the cost of fuel is rapidly escalating and at a time when both the Congress and the American people are concerned about ways and means of stemming the tide of inflation and when consideration is given to the role of transportation and distribution in determining the cost of a product to the end consumer, the Council feels certain that the proposal to remove the current restriction on intercorporate transportation amounts to a significant and timely response to such issues."—Private Truck Council of America.

"The Cooperative League of the USA, having studied the thrust of the Administration's trucking reform bill, endorses the purposes of this legislation and its major provisions. The objective of making trucking regulation achieve better service for the shipper and more flexibility for the agricultural community in such matters as removing backhauling restrictions and making it easier for transportation to serve the rural areas are ones with which the cooperatives of this country are in sympathy. Increasing price competition and making it easier to enter the trucking field are in the tradition of the American free enterprise system."—Cooperative League of the USA.

"We commend the President and Senator Kennedy for working jointly on a comprehensive program that . . . would include the removal of inflationary backhaul restrictions and costly intermediate stop prohibitions . . . the American consumers could realize a savings of $300 million each year in food costs alone if ICC regulations were altered to reduce such empty backhauls of trucks carrying farm produce."—Consumer Federation of America.

"As a support of modernizing truck regulation, CURRENT applauds the Administration's proposing strong, competition oriented, regulation-lessening, legislation to Congress. . . . The legislation is sound in providing for cutting back on collective pricing, cutting back on entry restrictions, and, in more competitive circumstances, allowing carriers more flexibility in service offers."—Committee Urging Regulatory Reform for Efficient National Trucking.

"I endorse the Trucking Competition and Safety Act of 1979. The objectives of this legislation are very similar to those now incorporated in the Airline Deregulation Act of 1978 . . . The airline industry, like the trucking industry, was virtually unanimous in its opposition to airline deregulation during the time Congress considered the issue. But, our experience to date with airline deregulation is that the industry is profiting from its new found competitive freedom—1978 was the most profitable year in the airline industry. More importantly, the consumer is reaping the benefits of greater travel options . . . Deregulation of the airlines is working to the benefit of consumers and the industry. I am convinced that enactment of this legislation should lead quickly to similar benefits for the trucking industry, its users and the public at large."—Marvin S. Cohen, Chairman, Civil Aeronautics Board.

"We applaud your efforts to expand the free enterprise concepts of competition and

free market entry in the trucking industry . . . It is our belief that the leadership you are taking to permit competitive market forces to play a greater part in freight rate setting will, over time, result in lower rates and, therefore, will dampen inflation. We also anticipate that deregulation of trucking will have a second tier competitive impact on the furniture industry. Because freight costs are a major element of the cost of furniture, a reduction of these costs will undoubtedly result in lowering the prices consumers will pay for household furnishings."—National Association of Furniture Manufacturers.

"We want to congratulate you and your staff on the preparation of a legislative proposal which will do much to correct the problems of the regulated motor carrier industry . . . We find that the proposals to easy entry and allow carriers greater freedom to manage their operations, are very productive. We especially appreciate and applaud the expanded exemption for agricultural and food products. We look forward to working with you and Congress to expedite the Congressional passage of the proposed reform legislation."—National Independent Meat Packers Association.

"We are pleased that President Carter is providing leadership in reforming outmoded and costly truck regulation, and that agreement has been reached with Senator Kennedy to be the chief sponsor of the legislation . . . we believe the bill is generally in line with our long-standing position in favor of greater reliance on the forces of competition and less reliance on the regulatory authority of the Interstate Commerce Commission."—American Farm Bureau Federation.

"It is a pleasure for me to strongly endorse the Trucking Competition and Safety Improvement Act of 1979 which has been proposed by President Jimmy Carter . . . The citizens of Buffalo and our local industries will benefit tremendously through the enaction of this outstanding proposal, which should reduce cost by increasing competition. This legislation is a boost for the American consumer, and I will work diligently for its passage during my stay in Washington."—Delmar L. Mitchell, President, The Council, City of Buffalo.

"We strongly support this legislation which will bring about more competition in the Nation's trucking industry. The reforms proposed in this legislation will lead to lower costs, energy savings and better utilization of our existing transportation network. President Carter deserves a great deal of credit for vigorously pursuing reform of the transportation regulatory system."—Friends of the Earth.

". . . the time has come for the trucking industry to face the competitive free market system, an admittedly harsh reality, but one to which consumers are exposed every time they make a purchase. Repeal of the Reed-Bulwinkle anti-trust exemption for price-fixing by trucking rate-bureaus and liberalized entry restrictions will have a strong and immediate anti-inflationary impact . . ."—Community Nutrition Institute.

"Congratulations on the President's proposal to reform the regulation of the motor carrier industry. Every regulatory barrier eliminated means greater supplies, more service and lower prices. American industry needs this bill to be passed."—Super Valu Stores.

"We believe that over-regulation is one of the principal causes of inflation and a major obstacle to improved economic prospects. We hope this legislation will not only stimulate competition within the trucking industry but also reduce inflation. The success of airline deregulation is undeniable and should serve as clear evidence of the value of reducing unnecessary and anticompetitive regulation."—National Home Furnishings Association.

"This marks the first major improvement within the trucking industry in over forty-four years and this administration should be particularly congratulated by every consumer for having the courage and foresight to present such a bill at this time. . . Movement toward regulatory reform, particularly expanding the ICC-exempt areas, will benefit the owner-operator, the farmers and others engaged in bringing food to America, and ultimately and more importantly the consumer."—National Agricultural Transportation Association.

"My congratulations to you and Senator Kennedy for acting forthrightly in presenting a bill for truck deregulation. As I told Mr. Kennedy and his committee last year in Denver, regulation of motor carriers has hurt, not helped American industry, and has raised not controlled or lowered prices. The public will be benefactors of your courageous stand in the face of powerful, special interest opposition. It is our sincere hope that your plans are successful."—Ken Cook Hubinger Company.

"We congratulate you on your decision to proceed with a motor carrier deregulation bill. During these critical times we must do everything possible to conserve our energy and to take advantage of our full transportation resources. The motor carrier industry needs changing to meet every changing requirement of shippers and receivers."—Ore-Ida Foods Inc.

"Your Trucking Competition and Safety Act of 1979 is designed to place greater reliance on competition rather than government regulation in the trucking industry . . . We believe greater competition and freedom from unnecessary governmental restraints is essential to a privately owned transportation system . . . We agree that there is little question that the regulation of the transportation industry through the years has created excessive expense and serious dislocations. We, therefore, believe that changes must take place, and support efforts to make such changes a reality."—Sears, Roebuck and Co.

"The Interstate Commerce Commission is a classic example of a regulatory agency operated of, by, and for the industry it supposedly regulates. The ICC operates a cartel for established businesses, keeping prices high, and new competitors out. The total cost to the economy of ICC regulation has been estimated at amounts as high as $15 billion a year. But how can we put a dollar figure on the cost of keeping potential new entrants—often poor or minority entrepreneurs—out of the marketplace . . . Competition in the trucking industry is long overdue, and deregulation is the only way to achieve it."—Council for a Competitive Economy.

"The National Grain and Feed Association is pleased to support the proposed exemption from regulation under the Interstate Commerce Act of truck transportation of livestock and poultry feed."—National Grain and Feed Association.

"Mattel Toys . . . supports in general your proposed bill for the deregulation of the trucking industry. We believe with the cooperation of Government, Industry and Labor, a bill can be passed which will be beneficial to all Americans."—Mattel Toys.

"TRALA anticipates that by enhancing the ability of private carriers to engage in 'backhauling', the strength of the private carrier industry will be significantly increased. Permanent extension of backhaul privileges to private carriers should result in more efficient fleet utilization, more economic transportation of goods and marked fuel savings."—Truck Renting and Leasing Association.

"It is a pleasure to inform you that the Executive Committee of the National Restaurant Association has unanimously agreed to support the trucking regulatory reform proposals outlined in your announcement of June 21, 1979."—National Restaurant Association.

"Beatrice Foods Co. fully supports the general concept of increased competition within the Truck Transportation Industry as a means to slow inflation.

"Further, we believe elimination of one-way operating authorities and gateway or route restrictions and the granting of intermediate stop authority and permitting parent/subsidiary hauling will contribute greatly to energy conservation and improve truck efficiency."—Beatrice Foods Co.

"This is to confirm our strong support for the Administration's trucking deregulation proposal. We have seen deregulation so successful in our own industry and are certain that it will be similarly successful if it is applied to the trucking industry."—Frank Lorenzo, Chairman, Texas International Airlines.

"We endorse the concept of bringing greater competition, increased safety and extensive rate freedom to the transportation industry and thus, relying on the marketplace and complete freedom of action by the managers so that best judgments can be made on the basis of what is dictated by the marketplace. Such a philosophy will, in my opinion, provide the maximum opportunity for business to offer its goods and services to the consumer at the lowest possible price."—Dominic P. Renda, Western Airlines.

"Airline deregulation has confirmed the benefits of pricing and service freedom which Continental has fought so hard for over the past 15 years . . ."—Robert F. Six, Chairman, Continental Airlines.

"Removing governmental restraints has produced free competitive entry, fare flexibility, and a more efficient air transportation system. Despite the early concerns of some other airlines and organizations who originally opposed airline deregulation, the air transportation industry is doing very well."—Paul C. Barkley, President, Pacific Southwest Airlines.

"The basic objectives of the legislation are clearly consistent with our general views on the desirability of freeing business from unnecessary government regulation so that business will be free to respond to market forces. . . In view of the serious fuel shortages which we are experiencing, it is absolutely essential that carriers such as Flying Tiger, which have specialized in expedited freight services, promptly receive expanded opportunities to utilize surface transport."—Wayne M. Hoffman, Chairman, Tiger International.

"I am writing to you today to lend our endorsement to your effort to deregulate the trucking industry. Our endorsement is based on our own experience which we believe to be a very viable example of the effect on a 'small airline' in a deregulated atmosphere. Airline deregulation has been instrumental in the expansion and prosperity of small carriers."—Eli Timoner, President, Air Florida.●

TECHNICAL CORRECTIONS TO THE EDUCATION AMENDMENTS OF 1978

● Mr. ARMSTRONG. Mr. President, I commend the Senate for its prompt consideration and passage, on July 24, of H.R. 4591, a bill making technical corrections to the Education Amendments of 1978. Earlier this year, I joined Senator JIM SASSER's efforts to eliminate needless paperwork requirements from the Education Amendments of 1978. The 1978 legislation unfortunately required that each local education agency participating in title I programs for the dis-

advantaged provide every member of every parental advisory committee a copy of the title I statute and copies of all relevant Federal and State regulations. Our bill, S. 1106, provided that the burden on local education agencies be removed by requiring only one copy of the law and applicable regulations be given to each parental advisory committee, while still preserving the right of individual committee members to receive a copy upon request. I am pleased to note that the provisions of S. 1106 have been incorporated in H.R. 4591 and that Colorado's local education agencies, as well as those throughout the country will soon be relieved of this onerous and unnecessary paperwork burden.

I commend my colleague from Tennessee (Mr. SASSER) for his leadership in bringing this matter to the attention of the Senate early this year and for his dedication to the elimination of unneeded and wasteful paperwork burdens on local education.●

S. 265—THE EQUAL ACCESS TO JUSTICE ACT

● Mr. GLENN. Mr. President, this past Tuesday, I was pleased to vote in favor of the Equal Access to Justice Act.

This bill, which provides that prevailing parties in contested disputes with governmental agencies may receive attorney's fees in instances where Government action was unreasonable, should give real relief and hope to the thousands of small businessmen who find themselves at a severe financial and personal disadvantage in attempting to assert and gain their legal rights in the face of our giant bureaucratic armies.

S. 265 should deter some of the bureaucratic excesses that many Government agencies have subjected our citizens to. In this sense, S. 265 is a real inflation fighter in that it will tend, by deterrence, to reduce the ever-growing proliferation of Government-initiated redtape, excess regulation, and litigation.

I am happy to support S. 265.●

A FABLE FOR NOW: THE EMPEROR'S NEW CLAUSE

● Mr. HATCH. Mr. President, I would like to draw the attention of my colleagues to a fascinating story entitled "A Fable for Now: The Emperor's New Clause" in the Washington Star of July 16, 1979. It describes the calamities that befall an imaginary kingdom when its misguided emperor foolishly bans all profits because he considers them obscene. Fortunately, the fable has a happy ending when the emperor reverses his decision, recognizing the foolish and grim consequences of his actions. Unfortunately, the frightening trends we see in our society today will not be as easily reversed as in this fairy tale.

The same fallacious arguments that deceived the emperor are being preached with vigor throughout our country today. Government leaders and bureaucrats, eager to pin the blame for our current national difficulties on a convenient scapegoat, continue to play their old broken record about "immoral corporations" "ripping off the poor" with their "obscene profits."

But when the rhetoric ends and calmer heads prevail, we find that the purpose of profits is not to line the pockets of the rich. American businesses need profits for reinvestment, creation of new jobs, expansion of industry, invention of new products, exploration of new sources of energy, and other productive goals for society. The portion of business profits that is used to repay investors is not spent exclusively on the rich, as is commonly supposed. Pension funds, profit-sharing plans, and union funds are major investors in American businesses. Through their investments in these private funds, many American workers are unknowing partners with businesses in reaping the benefits of profits. Limiting profits will not only weaken our economy by discouraging business expansion and contributing to unemployment, but will also provide an excuse for further Government intervention to "shore up" the free enterprise system.

Since the free enterprise system will not work if we tie the hands of American businesses, it is time for us to let business do its job unhampered by Government intervention and regulation. Now that administration officials are being forced to acknowledge that the Federal Government is the major cause of inflation, perhaps they will also be courageous enough to recognize that America will benefit from encouraging businesses to maximize their profits, not minimize them to avoid accusations of "obscene profits."

I ask that the article "A Fable for Now: The Emperor's New Clause" be printed in the RECORD.

The article follows:

A FABLE FOR NOW: THE EMPEROR'S NEW CLAUSE

Once upon a time there lived an Emperor who believed in only what he could tell through his senses, especially his sight. Perhaps this was because once upon a slightly earlier time he had disregarded his senses and so appeared completely unsuited to be a dandy leader.

In redress, he banned the abstract and immaterial. Truth and Beauty he ordered cloistered, Fair Play he locked up in the tower, and the Spirit of Brotherly Love he exiled to Philadelphia. Only Revenge he spared, stashed under his bed in case those swindling weavers should return.

Soon, every criminal was presumed guilty. "Behold my innocence," the accused would cry. "Nope, just can't see it," the Emperor would reply, nodding so his crown slid over his eyes onto his nose. "Out of sight!" his courtiers would cry.

None in the Empire really grieved, for though the Emperor banished Happiness, he also did away with Misery, and Hunger, and other such Evils. The Empire thus continued to thrive, until the day the Emperor banned Profits.

"Knave, what is this?" he thundered to the Royal Habedasher. "In this new robe I see flax and weaving . . . yes, wonderfully opaque . . . and embroidery and tailoring, but what is this extra 'thirteen per centum' you would receive?"

"Just a bit of Profit, oh Potentate."

"Profit? Why?" demanded the Emperor. "You are keeping me warm, and thereby serving all that's good. A Profit on goodness is obscene."

"Out of sight," his retinue parroted in glee.

"Out of his mind," the Haberdasher thought, "calling it 'obscene' to earn a lousy thirteen per centum on everything I've put into the business. Is there to be no reward for my investment and labor?" He fled to a saner land.

The Emperor, however, was pleased at his latest coup, and added a No-Profit clause to all contracts. The news swept quickly through the Trades and Guilds. "Oh dear," the Royal Provisioner fretted, "if I am restricted just to my costs, where will I get the extra money to expand?" The Merchant of Venison thus realized he wouldn't be able to pay for a global voyage he had planned to seek more deer. "I'm afraid there'll be no herd shot 'round the world," he told the Explorer, who thereupon advised the Tinker to give up trying to build a better crossbow.

So it went. The Tinker reconciled himself to using his old, worn tools longer and canceled his order for new ones. The Blacksmith, in turn, shelved plans to rebuild his smithy to make it more efficient and productive, and sat down to brood beneath a chestnut tree (but that's another story). That eliminated work for the Builder, and thus for the Woodsman. And so the Emperor's nephew had no summer job chopping trees.

"What's that?" muttered His Highness on hearing the nephew would be idle. "Well, I'll just nationalize the woods, and have the Army cut the trees. I'll make my nephew a major."

"What!" said the Royal Vizier. "You cannot seize the forest for the trees. The Army has deserted. Some soldiers ran away when you ordered them to drain that fen of stagnant waters after there was no longer private money for the cleanup. Others fled when you took over that bankrupt colliery and made the soldiers scrub the coal by hand so it would burn clean. The rest left when they weren't paid."

"Not paid?" the mogul asked. "Why?"

"Because the Treasury is empty," said the adviser. "Money it lent to spur industrial development never came back because the borrowers could make no Profits to permit repayment. Less money came in because of no Profits to tax."

"No taxes?" said the ruler. "That's obscene."

"Worse yet," said the Vizier, "the whole economy is falling apart. Your ban on Profits crippled investment and invention, expansion and exploration. It precludes new jobs, and keeps old ones from being made more productive. In fact, you indirectly banned Prosperity itself!"

Well, of course the Emperor saw the error of his ways (else this would be a grim fairy tale) and retracted the ban. This time, at least, the bare facts meant a happy ending.

Moral: A profit is not without honor—something to remember at a time when America's economy needs more strength, more jobs, more investment, more productivity . . . and less inflation. Stronger corporate profits can help the U.S. reach all those goals. And that's no fable.●

WHY SALT II IS NOT A CALL TO DISARM

● Mr. McGOVERN. Mr. President, many of the critics of SALT II suggest that the treaty should not be judged on its merits but rather must be placed in the larger context of American foreign and defense policy. In a recent article in the Nation, Marcus Raskin has done just that. Instead of finding that SALT is a tranquilizer, as many critics have charged, he finds that SALT has developed into an attempt at joint arms planning between the military and national security bureaucracies of the United States and the Soviet Union. He also finds that the outcome of this planning process is a

shift toward war fighting doctrines and counterforce missile technology on both sides. Mr. Raskin also proposes a number of resolutons which the Senate could consider to strengthen the contribution of SALT II to a less militarized conception of national security for both sides. I commend Mr. Raskin for his creative thinking and insights.

I submit the text of "SALT II: A Call To Disarm," by Marcus Raskin, for printing in the RECORD for the benefit of my colleagues who are now reviewing the SALT II treaty.

The text of the article follows:

[From the Nation, July-August 1979]

SALT II—A CALL TO DISARM

(By Marcus G. Raskin)

SALT II is an attempt at a joint arms-planning arrangement between the military and national-security bureaucracies of the United States and the Soviet Union. Under the agreement, the Soviets will dismantle 250 strategic but vulnerable missiles. Although the missiles are outmoded, the Soviet commitment should nevertheless be counted as an impressive achievement of American negotiators. On the other hand, SALT II does not touch or transform the institutional structure of the U.S. national-security state, its assumptions or purposes. Nor, for that matter, does it alter the assumptions of the Russian security and military apparatus, or the bureaucratic mind set of its military and national-security planners.

The Soviet interest in signing the SALT II agreement is primarily political. Brezhnev and other Soviet leaders see it as a way of relieving the sense of national encirclement that the U.S.S.R. has harbored for hundreds of years. A grand alliance with the United States has been the goal of Communist leaders since 1945. Brezhnev and Gromyko want to leave the Russian political scene having accomplished what Molotov, Malenkov, Bulganin and Khrushchev failed to bring about.

The support for the treaty by American leaders derives from their perception of it as a means of controlling adventurous elements among politicians and the bureaucracy. SALT II is not intended to change a fundamental tenet of American foreign policy—this country's "leadership of the Free World." Rather, it is based upon the political and tactical grounds of co-opting the more "rational" factions within the national-security bureaucracy into ratification machinery.

SALT II is seen as a planning process involving military and national-security groups from the Departments of State and Defense, the Central Intelligence Agency and the National Security Agency, as well as the National Security Council. These groups are by and large made up of sober people, conservative in outlook and, within the framework of their world, not "crazy." If the treaty is passed, these who are made a part of the process will be strengthened. They will be assigned "joint planning" responsibilities related to arms control. This involvement might make some of them more open to arms limitations. On the other hand, if there is a defeat of the treaty in the Senate this group's elevation will cease, and the bureaucrats may well conclude that only bellicosity is rewarded.

If the present Democratic leadership wins the 1980 election and there is no treaty, the arms race will proceed at a much faster pace. If the Republicans win with a right-wing nationalist candidate and there is a treaty, it is possible that the SALT II group within the Government will be able to stalemate the war hawks. But if the Republicans win in the absence of a treaty, there will be no such group inside the national-security bureaucracy to brake the inertial momentum toward a more warlike stance or war itself. Further, one cannot expect the Senate to be a moderating voice during this period, because it is likely to have more conservative members after the 1980 elections than it presently has. Almost three times as many Democratic Senators stand for re-election in 1980 as do Republicans.

A move to the political right tinged with nationalist aggressiveness will strengthen American planners and politicians who argue that our willingness to spill blood will prove to the Russians and other political adversaries, as well as to our allies, that this country is determined to retain its world leadership. Under John Connally or Ronald Reagan the pace would be further quickened, and the national-security planners, to please their masters, will seek to resurrect belligerent war plans previously discarded as impractical.

With improved independent technical-intelligence verification of the missile and arms development of the Soviet Union, increased military expenditures for building the MX, the addition of the Trident submarine and submarine-launched ballistic missiles to the fleet, and an increase in the numbers of tactical nuclear weapons and missile-delivery planes in Europe, the chance for a successful first strike in a "controlled" nuclear war against Russia will be seen as much greater than it has been in the past.

One may confidently predict that Russian national-security planners will seek to increase their technical intelligence, including adding a number of bases and listening posts. They will claim that this is the only way to guard against a first strike. They will press ahead in their MIRVing activities and seek bases outside the Soviet Union. The C.I.A. and N.S.A. will likewise demand a quantum leap in their budgets for covert and technical intelligence activities as the price for their initial support of the treaty. This price will get even higher after the treaty is signed. The C.I.A.'s supporters are claiming that it has been almost mortally wounded over the last several years by "irresponsible" attacks. Further, other voices within the military will call for new intelligence listening posts to replace those lost in Iran. Thus, ironically, an increase in the number of U.S. military and intelligence bases will now be justified as necessary for arms control.

Even with the treaty apparatus operating under conditions of the utmost trust between the parties, the inertial direction of the arms race will continue upward. More important will be the fears and hopes of the national-security and political elites in both nations. To justify an increase in weaponry the conservatives are claiming that it is Russia that can mount a first strike because of its new, heavier MIRV-carrying missiles. It is true that the nature of nuclear war-fighting capability has changed over the last twenty years. American nuclear strategists have convinced their Soviet counterparts to change their defense views from deterrence to a strategy of fighting a nuclear war, and from disarmament to arms control. We taught them the value of MIRVing, pinpoint targeting and smaller nuclear bursts.

The Soviet Union has sought, like the United States, to develop nuclear-war options beyond deterrence. This change in doctrine has created the "need" for a larger and more varied system of nuclear missiles. Each side has thousands of its thermonuclear weapons aimed at the other's. Both the Soviet Union and the United States have integrated nuclear missiles into their political and diplomatic strategies as well as their military strategy—even though planners long ago ran out of military targets. The horror is that while it was once thought that nuclear Armageddon would end within several hours, we are now finding serious men talking about controlled wars—long, drawn-out engagements using nuclear weapons.

Such wars are neither conceivable nor in either nation's interest. The possibilities of maintaining command and control in the context of nuclear exchange are very low indeed. The likelihood is that communications systems on both sides will be jammed almost immediately, which would result in submarines, bombers and missile crews operating independently of central authority.

The nuclear pirates and marauders with missiles, who will almost certainly appear during a nuclear exchange, would threaten the very existence of the nation-state system. So it is little wonder that even the most cynical of statesmen favor "putting a cap on the arms race," as Henry Kissinger put it when he negotiated the first SALT agreement. "Both sides," Kissinger added, "have to convince their military establishments of the benefits of restraint, and that is not a thought that comes naturally to military people on either side."

The defenders of SALT II usually argue that not supporting the treaty encourages groups like the Committee on the Present Danger and the American Security Council to plump for an even faster-paced arms race, including the testing of each other's will and military might in battle.

This is by no means an insignificant argument. The hard-line policy planners who proclaim themselves protectors of Western civilization against the Tartar hordes see the Russians as "teddy bears" who could be defeated in war because they are encircled by the world's most powerful nations and have undependable allies. But the Russians are also portrayed as militarily stronger than ever, expansionist in purpose and paranoid in behavior. Both views sustain the ideologically conservative military planner in his belief that the Russians must be given their comeuppance relatively soon. But the consequences of the defeat of SALT II are not likely to be what former national-security planners like Paul Nitze and Eugene Rostow envisage. Actually, the Senate's rejection of the agreement would cause the U.S.S.R. to feel even more isolated and surrounded. Members of the Politburo who favored détente would surely lose their political power, while the military hard-liners would be in the ascendancy. Soviet leaders would step up their wooing of West Germany, seek to settle differences with China and act as if a war were inevitable. The Soviet war hawks are quite prepared to foment international turbulence, and there will be no disarmament advocates within their bureaucracy to counterbalance them.

American hawks argue that the United States would win any test of military strength with the U.S.S.R. because we have fought in several wars since 1945, while the Russian military remained untested in battle and has grown rusty. This is usually offered as proof that Soviet leaders will soon test their armed forces.

The war hawks who would rather not be bothered with the niceties of a U.S.-Soviet joint arms-planning arrangement are, however, fearful that a repudiation of SALT II by the Senate will encourage the defense and foreign affairs ministries of other nations to speed up their own military preparations, including nuclear-weapons development. Otherwise they will not be able to defend their territories and interests against incursion and likely war among the great powers. Other nations will take the Senate's rejection as a devil's blessing to build up their own nuclear arsenals.

It is not surprising that even the war hawks among U.S. military planners fear this situation. The nuclear game of chess (or is it poker?) between the Russians and themselves looks stable in comparison to the anarchy of nuclear proliferation and catalytic war situations in which individual nations arm to the teeth and pursue their own ambitions and hatreds. Thus, the SALT II

agreement has an important symbolic influence on the direction of the world arms race. If the Senate rejects the treaty, war and defense planners in other nations will have all the more reason to conclude that arms control is an empty game.

We thus find ourselves in a tragic dilemma—one in which any action is dangerous and will predictably add to our overall problems. The question becomes whether support for the SALT II agreement will lead to smaller, less disastrous problems than not supporting it. In my view, the answer to this question is yes.

There is, however, a qualifier. This affirmative answer is linked to the manner in which the agreement is supported and the political strategems employed to pass the treaty. Senators Mark Hatfield, George McGovern and William Proxmire are politically correct in questioning whether the treaty would be an advance over the present situation. Their apparent intention is to signal the President that the liberal segment of the Senate will not have its support of this treaty taken as a silent assent to a counterforce or limited-counterforce strategy and a faster arms race.

Recently, Senator Hatfield told President Carter that he was deeply concerned about the Administration's adoption of a counterforce strategy. Hatfield and other Senators have made it clear that the creation of a counterforce arms system would outweigh the benefits of a SALT II agreement. Unfortunately, counterforce was sanctified into official doctrine by then Defense Secretary James Schlesinger in January 1974, and has been the preferred strategy ever since. Already we have purchased weapons to sustain this strategy, and it would be extraordinarily difficult to interrupt it. Even George M. Seignious 2d, the head of the Arms Control and Disarmament Agency and the President's chief arms-control adviser, urges that the United States adopt the MX system to assure itself of counterforce capability.

From a progressive perspective the only courses of action are changing the institutionalized military and national-security nature of states—the primary cause of the arms race—and devising policies that offer an alternative to the military's disastrous doctrines. The political questions to be considered thus become:

(1) Can conversion planning away from the arms race and toward peaceful economic enterprises take place between the Soviet Union and the United States through diplomatic negotiations, as well as within their respective borders? Is such planning and implementation activity inspectable?

(2) Is it possible to make clear statements and undertake actions that show the SALT II agreement is not contradictory to disarmament?

(3) Finally, is there a means (such as mass actions) to get across to the hawks that war and war planning are not the highest purposes of civilization, but rather perversions in them, which must be judged as criminal activities? (I realize that the question of liberation struggles against racist and fascist regimes will remain, but from an international standpoint, and from the standpoint of the United States, these struggles are local, and must be judged in the light of the common strivings of humankind for human rights. Besides, there is little prospect of, say, blacks in South Africa using nuclear weapons in their struggle. It is the white South Africans who have the nuclear capability, after all, and who are likely to use it.)

The national debate over SALT II provides an opportunity for organizations to put forward proposals in communities, cities and Congress that point more clearly in the direction of arms limitation than does the agreement that Carter and Brezhnev signed in Vienna. One such proposal would be a resolution or an amendment (the form it would take would depend on the nature of the Senate debate, but preferably an amendment by the Senate) which would make clear that the United States wanted to begin discussions on international conversion and plans to end the arms race. This question would necessarily include pressing proposals for conversion of the present national-security structures that in an automatic, almost unconscious manner produce the arms race. Thus, an amendment to SALT II should be drawn up that outlines immediate steps for joint discussions on conversion, budget limitations and ways to reinstitute the framework of disarmament laid out in the McCloy-Valerian talks of 1962. Those discussions were committed to seeking comprehensive world disarmament in stages.

Second, this amendment should take into account the various resolutions of the United Nations on disarmament and conversion, including the statements of the U.S. representative. This would be the prime signal of a shift in war planning. By highlighting the way that the arms race is institutionalized in the SALT II agreement, we will be exposing its economic and political causes. The policy consequences of armaments that other nations should bear in mind are dramatized in the dollar increases for tactical nuclear weapons, conscription, MX development and so on.

An additional resolution or amendment to the SALT II treaty would place the signatories on record as favoring a moratorium on the design, development, production or acquisition of all major weapons systems. Such an amendment would lead to formal negotiations within the McCloy-Valerian framework, and that of the United Nations disarmament discussion. Another amendment should be drawn up stating that the SALT II agreement is not meant to stimulate military expenditures, weapons development and testing, etc., in areas not covered by immediate agreement. It is likely that this kind of amendment or resolution would have the broadest support within the Senate, and should be the minimal position taken by those in favor of ending the arms race. Resolutions of this nature should also be introduced in the House of Representatives as a way of emphasizing that Congress as a whole wants a disarmament process.

Finally, resolutions should be drawn up making clear that the arms race itself is a moral and political disaster for American and world civilization, that we are all in mortal danger of genocidal crimes against humanity and that we must redouble our efforts to forge a new system of international security. It could be stated in this resolution that the United Nations Charter calls for the formation of an international security committee to fashion a world security arrangement. This article of the charter should be referred to in an amendment or resolution. Upon its being made a reality rests the hope that new security arrangements can be devised that will enable world civilization to avoid untold misery without abandoning the human need for liberation.●

SALT II: HOW NOT TO NEGOTIATE WITH THE RUSSIANS

● Mr. HAYAKAWA. Mr. President, I would like to draw the attention of my colleagues to a small monograph. SALT II: How Not To Negotiate With the Russians," which has just been published by the Advanced International Studies Institute. Its author, Foy Kohler, has served with distinction as U.S. Ambassador in Moscow from 1962 to 1966. His foreign service experience has included key policy making and negotiating positions under three U.S. Presidents on such issues as the Korean conflict, the Cuban missile crisis, and the protracted Berlin problems.

I find it gratifying that the analysis by this experienced diplomat confirms my own observations which I presented last year in the Journal of International Relations:

Soviet diplomats enjoy the great advantage of operating within a unified command structure. By contrast their American colleagues are subject to continuous pressures partly emanating from feuding departments in the Executive branch and partly from diverse groups in Congress.

Ambassador Kohler's evaluation of our negotiating process reaches similar conclusions. It certainly comes at an appropriate time. As the following excerpt indicates, it deserves the careful attention of a foreign policy oriented readership:

EXCERPT

The failure of the U.S. side to recognize, much less to react effectively to, the skill, purposefulness, and ruthlessness with which the Soviets have approached and sought to exploit the SALT negotiations has constituted a fundamental weakness in the U.S. conduct of the negotiations that has kept us continually off-balance and repeatedly placed us at serious disadvantage. But this by no means marks the limit of our faults.

Most grievous has been free play for a proclivity that has all too often seriously impaired the effective conduct of American foreign policy: a proclivity of Washington bureaucracies and special interest groups to do most of the negotiating for an adversary, usually before the two parties even face each other across the table.

A fact of great consequence in this connection is that the U.S. has institutionalized advocacy of disarmament in this country. It has, in other words, created a large full-time bureaucracy the mission of which is solely that of attempting to secure disarmament agreements with the USSR. This bureaucracy is encompassed first and foremost in the Arms Control and Disarmament Agency, set up in the early 1960s. But it has appendages in a number of bureaus of the State Department, in sections of the National Security Council staff, and in various offices of the Defense Department, especially the Office of the Assistant Secretary for International Security Affairs. It also has a private sector auxiliary encompassing a spectrum of special interests groups ranging from convinced pacifists to advocates of a new world order.

Our situation in this particular is unique in the community of nations. It was born of an inspiration that our peace loving image would be greatly enhanced if we had an establishment dedicated to reducing and controlling arms just as we have one dedicated to military preparedness. But what was left out of account was that any bureaucracy given a specific mission tends to make that mission the center of its universe. The mission for and of itself becomes all important. Success or failure of the bureaucracy, as a whole and for the individuals making it up, depends upon achieving agreements per se, that is agreements for their own sake.

To be sure, the disarmament bureaucracy does not act alone. Throughout the government, especially among those who are responsible for military-security affairs and for the promotion and protection of our foreign policy interests, there are deep concerns and conflicting attitudes toward the emotionally packed subject of disarmament and there exist mechanisms whereby these receive a hearing in the decision-making process for SALT. But the result is that more negotiating takes place inside Washington than with the Soviets and that our representative in the talks themselves is likely to reach the negotiating table with "compromise" positions more designed to be acceptable to the Russians than to implement a firm policy

based on an objective assessment of the national interest.

Of particular moment here is a somewhat strange preoccupation on our side with the matter of "negotiability." Rather than following what one would consider the norm for any negotiation process and developing, tabling and then striving energetically for proposals and positions dictated by U.S. security interests and needs, those responsible for U.S. SALT negotiations have arbitrarily set as one of the major constraints on their efforts avoiding that which they judge to be "not negotiable" with the Soviets. The practical effect is that our people have repeatedly decided in their own councils what the Soviets will and will not accept and have adapted our negotiating positions accordingly, thus giving, as it were, Moscow control of the game before it even started.

When this does not happen in advance, a flat Soviet rejection of a U.S. proposal can be counted on to start up the intramural American negotiating process and to result in more Soviet-oriented proposals at the next bilateral meeting.

The fate of the "comprehensive" Carter proposal tabled in Moscow by Secretary of State Vance in March, 1977 is a sobering case in point. Although accompanied by a stop-gap alternative designed essentially to clear the decks by a quick wrap-up of agreements and a postponement of differences if the Soviets should prefer that course, the comprehensive proposal was treated by the new President as reflecting the basic objectives that his Administration would pursue in further SALT negotiations. He called the proposal "a radical departure" which if agreed to would lead "to drastic reductions and strict limitations in the future which have never been part of previous agreements."[1]

The disarmament bureaucracy manifested little enthusiasm for the proposal, which was the result of government-wide consultations, including key members of Congress, and which in a number of important particulars overrode the bureaucracy's recommendations. The cutting point for the bureaucracy was that of "non-negotiability" from the Soviet standpoint. Carter acknowledged the likelihood of stiff Russian resistance, but insisted that he would "hang tough" against it and would "remain very strong in my position." He asserted further that he was "not in a hurry; it's important enough to proceed methodically and carefully."[2]

When faced with the proposal, the Soviets, as the President had anticipated, strongly objected, and not only to the comprehensive proposal but to the stop-gap alternative as well. But the U.S. side did anything but "hang tough." The Vance team that presented the proposal in Moscow made no real effort to counter Soviet objections or to support U.S. positions. In fact, if testimony given by Gromyko at a special press conference held while the Vance delegation was still in Moscow can be believed, the Americans received in shame-faced silence the verbal lashing that the Soviet Foreign Minister, in typical Soviet negotiating fashion, dished out.[3] Then, President Carter in his turn backed off. Within hours after the Presidential plane returned from Moscow the heralded Carter package was, as the Soviets would put it, tossed onto the trash heap of history. The Administration went back to the drawing board with, as so often before and after, its weather eye focused on what would be acceptable to Moscow rather than on what would be best for the United States.

The Soviets, needless to say, have not been oblivious to the propensity of their American opposites to show such concern for their sensitivities and of the opportunities this provides them. They have increasingly staked out extreme demands and stuck doggedly to them and waited for the U.S. to decide upon the concessions necessary for a "breakthrough." The U.S. response has been to constantly shift positions in attempts to accommodate to Soviet intransigence. In other words, the Soviets have capitalized on our concern to reach agreement by inducing us to accept propositions which, by any measure of prudence, we ought to have treated as unnegotiable on our own part. Also, the Soviets capitalize on the advantages offered by the public nature of our debates, which of course has no parallel in the USSR.

For its own part, the Kremlin assesses Soviet interests and determines Soviet aims and objectives in complete secrecy, then usually adds a few extraneous points to the negotiating position as bargaining chips. If there are internal debates or differences they do not come to light and are effectively suppressed, once a decision is made at the Party Politburo level, by the ruling principle of "democratic centralism." Nothing remains for the Soviet negotiators but to outmaneuver and outlast their less decisive adversary, and often even the bargaining chips don't have to be given up.

Further, Moscow is not only fully aware of the nature and content of the debate that goes on in the U.S. over disarmament issues. It actively seeks to influence that debate through top level policy statements, diplomatic maneuvers, and skillful use of its vast propaganda apparatus, seeking especially to involve and exploit those American and European special interests groups that have for one reason or another blindly dedicated themselves to the disarmament cause.

Thus, throughout the long drawn out SALT negotiations the Soviet delegation to the U.N. has regularly tabled each year a set of far-out disarmament proposals, some directly related to SALT issues and others not, but all aiming to make the USSR appear the great champion of arms control and the U.S. the great obstacle. Further, Brezhnev and other top leaders have made a practice of publicly singling out particular areas in contention and formulating loaded Soviet positions, which have then been made the object of worldwide diplomatic and propaganda campaigns.

Illustrative, Brezhnev in his "electoral" speech in June 1975 suddenly called for an international agreement to ban the development and production of new weapons and new weapons systems.[4] In the following November, the Soviets submitted to the U.N. a draft treaty for such a ban. Brezhnev made the proposition central to his discussion of disarmament in his report to the 25th Soviet Party Congress in 1976. Subsequently, Moscow interjected it into SALT negotiations, particularly in connection with its rejection of President Carter's March, 1977 SALT package. The scheme in question would have resulted in great advantage to the Soviets in that it would provide them an effective hunting license to get at any and all arms development undertakings in the U.S. while, given the Soviet practice of absolute secrecy for all research and developmental programs and activities, the U.S. would have no parallel opportunities in the USSR.

Similarly, when any specific suggestion has emerged in the U.S. for some special effort to offset the growing imbalance in U.S.-Soviet military power, the Kremlin has gone all out, and with no little success, to marshal U.S. and other Western opinion against the effort in question and otherwise to inhibit our leadership from its pursuit. Outstanding cases in point have been the B-1 bomber, deployment of the Trident submarine, the cruise missile, the neutron bomb, the MX missile.

The campaign against the neutron bomb was typical. Hardly had Washington signalled a revived interest in a weapon which had long since been technologically proved out but had still been left on the back-burner, than Moscow unleashed a massive propaganda campaign to demonstrate its incompatability with the spirit if not the letter of SALT. To this was soon added a special diplomatic effort in the form of letters from Brezhnev to selected chiefs of western governments stressing the alleged inhumane horrors of the weapon, on the one hand, and its potentially destabilizing effect on the strategic balance and on detente, on the other. And, of course, Moscow continues even now to claim credit for having forced President Carter to back off from his, at most, somewhat timid consideration of utilization of the weapon. Thus *Red Star*, the main organ of the Soviet Armed Forces, wrote on June 14, 1979:

"The wave of indignation raised throughout the world and to a considerable extent the Soviet Union's warning that it would be forced to take steps in response, have forced the U.S. leadership to retreat temporarily."[5]

A striking feature of such continuing Soviet efforts to influence U.S. opinion and decision-making processes is Moscow's practice, as the Soviets themselves frankly explain, of directing any diplomatic intercourse, whether in connection with an ongoing negotiating process like SALT or other types of relationships, to "two addresses:" the "government or governments" involved on the one hand, and the "people" on the other. This is admittedly seen by the Soviets as requiring couching Soviet proposals in terms that will insure "their correspondence to the interests of the masses of the people."[6]

In practice, the effect has been a systematic attempt at what Fred Iklé, a former Director of the U.S. Arms Control and Disarmament Agency, has aptly called "semantic infiltration," that is to the Soviets' taking over and exploiting for their own purposes words and expressions basic to the political heritage of the Western world. We should recall in this connection Stalin's summons in his last public pronouncement with which he closed the 19th Soviet Party Congress in October, 1952. Stalin admonished the assembled Soviet and foreign communist leaders "to pick up the banner of bourgeois-democratic freedoms" and the "banner of national independence, national sovereignty" if "you wish to gather around yourselves the majority of the people" and if "you wish to be patriots of your countries * * * to become the leaders of nations."

In truth, the Soviets have been untiring and one must admit highly successful in their efforts to pervert to their own ends such cherished Western terms as "peace," "democracy," "social progress," "equality," "national sovereignty," "freedom." They have fully captured the word "liberation" and by use of such phrases as the "national liberation movement," the "liberation struggle," "wars of national liberation," and so on have managed an adroit substitution for the word "revolutionary" which had proved so counterproductive as the one time keystone of Soviet foreign policies and activities.

Such efforts at semantic infiltration have been more manifest than in the Kremlin's conduct of SALT negotiations. Any Soviet proposal is treated as by definition in the interest of peace, while any U.S. proposal not to Soviet liking is castigated as threatening to peace. Any attempt by the U.S. to link arms control prospects with Soviet conduct in such places as Africa, the Middle East or Southeast Asia is stamped as attempts to "blackmail" the USSR into abandoning what Breshnev called during his June, 1979 summit meeting with Carter its "solidarity" with the "liberation struggle of the peoples."[7]

On a somewhat different track, the Soviets have made a near art of utilizing extremist-type arguments of American SALT proponents to influence U.S. decisions. Americans are endlessly quoted to saddle the U.S. with unique responsibility for achieving agree-

Footnotes at end of article.

ment, and for the dire consequences that will presumably follow failure. Thus, President Carter's assertion that the U.S. will be branded as a "warmonger" if the Senate fails to ratify SALT II is being continually cited by Soviet spokesmen, as are his remarks about damage to U.S.-Soviet relations and the danger to world peace. Similarly, there is an orchestrated play-back of American views that it is up to the Senate to make the choice between agreement and a "spiraling arms race" and between reducing or multiplying the "threat of a nuclear war."

As for Soviet responsibility, Moscow rather grandly eschews any such thought and again makes use of made-in-America arguments to back itself up. Throughout the long course of SALT negotiations, whenever there was a hang-up over any issue the Russians have had but to dig in their heels and wait on a sycophancy of U.S. Salteers in and out of government to place blame on the U.S. and to mount pressures for changes in our policies.

There is another aspect of the Soviet practice in negotiations which Americans seem unwilling or unable to understand and which has resulted in weighty advantage for Moscow in the SALT process. The Russians, as Dean Acheson has said, "negotiate by acts and not by debate, offer and counter offer."[8]

Those of us who have been involved with the Russians in both times of crisis and in times of attempted accommodation know all too well how Moscow operates in this particular. A few examples will suffice: The sudden instigation of the Berlin blockade in the midst of negotiations following the Western decision to introduce currency reform in West Berlin; direct linkage of successive sputnik successes to efforts to intimidate West European countries into adopting anti-American positions and to efforts to drive the Western Powers out of Berlin; building the Berlin wall while intense negotiations were underway over the Berlin problem; Khrushchev's sudden announcement that the USSR had decided to break the moratorium on nuclear weapons tests after new impetus had been given to ongoing negotiations for a definitive test ban agreement at and following the Vienna summit between Kennedy and Khrushchev; planting missiles in Cuba at the moment of Kennedy-Khrushchev exchanges looking toward an overall relaxation of tensions; encouragement and support for the Arabs in precipitation of the October, 1973 Middle East War while the glow of the new "detente" relationship was still all pervasive; the Angolan and the Ethiopian breakouts from detente; and so on over the spectrum of relationships during both the "cold war" and "detente" eras.

The SALT process from its beginning has provided a classic proving ground for this Soviet technique of interlocking action with negotiation. When after months of preparatory work, formal talks were inaugurated in November, 1969 the U.S. could view the strategic balance situation with equanimity. The USSR had, it was well known, been busying itself with efforts to narrow the gap in capabilities between the two countries. But at the time the U.S. could still rest comfortably with the evident solid lead it enjoyed in the most critical elements of the strategic equation. But while negotiations for SALT I dragged on over the next two and a half years, and while the U.S. leadership apparently operated on the assumption that the balance was remaining relatively stable, the Soviets were feverishly pushing forward with their strategic buildup.

The result was that by April, 1972 when presumably for domestic political reasons the Nixon Administration opted for quick attainment of some sort of presentable agreement, Washington found itself facing a Soviet Union possessed of a formidable array of new strategic resources. It consequently strove desperately, including agreeing to a trade-off of still distinctly superior antiballistic missile capabilities, to get any kind of an agreement from Moscow for offensive strategic weapons. The outcome was U.S. acceptance of decided advantages for the USSR in numbers and destructive power of nuclear missiles and in numbers and modernity of missile bearing submarines. The Nixon Administration could by then only say in explanation that this was the only way in which the U.S. could save itself from falling hopelessly behind in a continuing race. The race, according to Henry Kissenger, could not be allowed to become a rout for the U.S.[9]

Hope was held out that with the SALT I "freeze" on numbers of missiles and submarines, the U.S. could rectify the situation by bringing to bear its superior technology to effect unmatchable qualitative improvements in its then, and thenceforth, fewer and less powerful nuclear missiles and submarines. SALT II was in the offing and the U.S. would with its new strengths have greater leverage and do better by itself in negotiating a follow-up agreement.

But again it was the USSR and not the U.S. which effectively married action to negotiation. Moscow raced forward, as Brezhnev had warned Nixon it would,[10] with the full range of its offensive weapons programs. The U.S., during the remaining years of the Nixon-Ford Administration, raced nowhere, largely confining itself to the drawing board and research laboratory. And in the Carter years it has not only continued with this course, but in addition has unilaterally discarded, slowed, or frozen work on a number of its most promising weapons, as for example, abandonment of further work on the Safeguard ABM system, cancellation of the B-1 bomber, deferment of the cruise missile, stretch-out of the Trident program, and a freeze on production and deployment of the neutron bomb.

This adds up to a simple fact. During SALT II the U.S. has staked heavily on faith in the give and take of negotiations. The USSR, on the other hand, has through its action changed the environment in which the negotiations were taking place and in doing so has effectively predetermined the outcome of those negotiations. It has accumulated year by year more and more leverage. The U.S. year by year has lost leverage. Indeed, one can say that over the course of negotiations for SALT, the strategic positions of the U.S. and the USSR have been effectively reversed.

FOOTNOTES

[1] See *Weekly Compilation of Presidential Documents*, "SALT Negotiations With the Soviet Union," Vol. 13, No. 14, pp. 467–73.

[2] *Ibid.*, p. 472.

[3] See *Pravda*, April 1, 1977 for the text of Gromyko's March 31 press conference.

[4] *Pravda*, June 14, 1974.

[5] *Krasnaia Zvezda*, June 14, 1979, p. 3.

[6] For an illuminating discussion of the Soviet "two addresses" approach, see A. Kovalev, *Azbuka Diplomatii* (Moscow; Institute of International Relations, 1968), 2nd edition.

[7] *Pravda*, June 18, 1979.

[8] Dean Acheson, "On Dealing with the Russians: An Inside View," *New York Times Magazine*, April 12, 1950.

[9] *Weekly Compilation of Presidential Documents*, Vol. 8, No. 93, p. 932.

[10] Department of State *News Release*, June 20, 1972, p. 28.●

TRIBUTE TO JOHN B. BRECKINRIDGE

● Mr. FORD. Mr. President, the Commonwealth of Kentucky lost one of its most respected and dedicated public servants this past weekend when death claimed our former colleague in the House of Representatives, John B. Breckinridge, at the age of 65.

The name Breckinridge has long been found among the names of America's history. In the halls of the Capitol is the bust of a Vice President of that name.

Most recently, Kentuckians took pride in another Breckinridge who served his State and country, that being John B. Breckinridge, Member of Congress from 1972–78. He was the fifth Breckinridge to serve in Congress and was a direct descendant of the Vice President.

Congressman Breckinridge's record of service to the people of Kentucky is a long proud one that included terms in the State legislature and as State attorney general. Kentuckians remember him not as a politician, but as a statesman and a thinker who in many respects was ahead of his time.

Today, two of the most significant issues of discussion before the Congress are the windfall profits tax and the SALT II Treaty. John Breckinridge, however, was a strong advocate of these long before they became the popular topics they are today.

He was deeply concerned about the need for a strong national defense, and he was greatly interested in domestic problems. An advocate of small business, he devised a plan whereby jobs could be created in the private sector at no cost to the Government. Agriculture was another of his special concerns, and he founded and served as cochairman of the congressional rural caucus.

Those of us who knew him well remember him as a kind man with a keen sense of humor, as a hard taskmaster who worked tirelessly and with dedication to promote those causes to which he was committed. He embodied those qualities Americans admire in their political leaders and left a heritage to which Kentuckians can point with justifiable pride.

Mr. President, without question our friend John Breckinridge—and there are many in this body who remember him well—left a positive mark on the future of our State and Nation. We have lost a devoted public servant and friend, and on behalf of the U.S. Senate, I extend my heartfelt sympathy to his wife and family.●

FOURTH ANNIVERSARY OF THE HELSINKI FINAL ACT

● Mr. PELL. Mr. President, today, August 1, 1979, marks the fourth anniversary of the signing of the Helsinki Final Act. Thirty-five signatory states—Europe East and West, with the United States and Canada—agreed to closer business cooperation, to promote greater understanding through a freer flow of information, and to develop ways to decrease military tensions. What makes the Helsinki accords unique, however, is that it encourages initiatives to broaden human contacts. Not only did the 35 signatory countries promise to promote the freer movement of people across national borders, but also to "encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms . . . including the freedom of

thought, conscience, religion or belief . . . all of which derive from the inherent dignity of the human person."

For us, as Americans, this concept of individual rights and freedoms is embodied in our Constitution and Bill of Rights. For many people, however, this concept in the relationship of the Government to the governed is in glaring contrast to daily reality.

After reading the complete text of the Helsinki Final Act in their newspapers—which was a notable exception to the usual information vacuum—many people in Eastern Europe and the Soviet Union responded to the challenge and opportunities contained in this unique and international document. Groups such as Charter 77 in Czechoslovakia, Helsinki Monitoring Groups in Moscow, Kiev, Vilnius, Yerevan and Tbilisi in the U.S.S.R., and the Committee for Social Self-Defense in Poland were formed to examine and encourage compliance with the human rights aspects of the Helsinki accords in their own countries.

It may be too much to claim that Helsinki spurred the formation of the first independent human rights groups in these countries. It is important to stress, however, that the Final Act has acted as a catalyst to unite activists who hitherto had not worked on common ground. The accurate reports issued by these groups—and the echos heard in the West—caused the Soviet and Czechoslovakia authorities to act against them. To date, there are 17 Helsinki monitors still imprisoned in the Soviet Union. People who saw Aleksandr Ginzburg just after he got out of Gulag must wonder that anyone can survive the rigors of its torture by hunger, cold, and overwork. Just now, as if to flaunt its contempt for its humanitarian pledges in the Helsinki accords, the Czechoslovak authorities are preparing a major show trial of 10 leading members of the charter group, the Committee for the Defense of the Unjustly Persecuted.

While some countries, such as Hungary, have liberalized their emigration policies, and other countries, such as Poland, seem to be able to tolerate dissent to a greater degree than in most other European countries, other countries have retreated from their human rights commitments at Helsinki. For example, the German Democratic Repubic, which previously had allowed a wider latitude for the expression of unorthodox views, recently proclaimed a repressive new law code. For that matter, the new Soviet constitution adopted in 1977 proclaims for its citizens freedom of speech, press, and of assembly—but only if they are in the interests of the so-called working people, a well-known euphemism for the Communist regimes of the Warsaw Pact. And, of course, it is the exclusive preserve of the party—not of the individual—to define what is in the interests of the so-called proletariat.

As I have aready indicated, principle VII of the Final Act also gives broad guarantees for religious liberty. The fervor of the Polish reception of their Pope provided ample evidence of the vitality of religion in Eastern Europe and the U.S.S.R. Coincidental with the election of a Polish Pope, several churchmen in Lithuania have formed the Catholic Committee for the Defense of Believers. Inspired by such guarantees in the Helsinki accords, citizens have formed groups to document the difficulties of believers in their countries. The Romanian Christian Committee for the Defense of Religion and Conscience and the Christian Committee for the Defense of Believers' Rights in the U.S.S.R.—despite arrests and threats—have issued hundreds of reports on the difficulties of religious communities such as Baptists, Pentecostals, Adventists, Catholics, Jews, Moslems, and others.

Helsinki guarantees are not limited to individual and religious rights, but also extend to the protection of "the right of—national minorities—to equality before the law * * * and the full opportunity for freedoms." Protests in Georgia and continuing unrest in the Baltic republics and Ukraine are disturbing indications of blatant Soviet attempts to repress indigenous culture and language in non-Russian republics. Although Jews are one of the few ethnic groups currently allowed to leave the U.S.S.R. in significant numbers, anti-Semitic propaganda is on the upsurge in the Soviet Union. Other Soviet ethnic groups with particularly tragic fates are nations, such as the Crimean Tatars, deported by Stalin to remote areas, who still cannot return.

As Cochairman at the Commission of Security and Cooperation in Europe, I am deeply concerned about continuing violations of the provisions of the Helsinki accords. I felt that this anniversary should not pass without informing my colleagues of the distressing lack of compliance in some areas by a few signatory countries. I am still optimistic, however, that the long range effects of the Helsinki accords will be positive and that the continued vigilance of the West will ultimately bring about improvements in the daily lives of the citizens of even those countries which still have disappointing records of progress toward the noble humanitarian goals proclaimed in the Final Act of Helsinki.●

IMPROVED OPPORTUNITIES FOR HIGHER EDUCATION

● Mr. CULVER. Mr. President, last evening the Senate approved an important piece of legislation affecting literally thousands of college-bound students and families this fall. The Higher Education Technical Amendments of 1979 with provisions regarding U.S. Treasury bill rates and carryover of surplus funds are aptly titled. But the technical nature must not obscure the fundamental and real benefits this bill will have for deserving students.

First, this legislation will help insure the continued availability of guaranteed student loans from lending institutions. By eliminating the cap on allowances paid to these lenders for the loans they make, it increases their incentive to provide needed financial assistance to postsecondary students. From October 1, 1978, to May 31, 1979, over half a million students—10,283 in Iowa alone—received a guaranteed student loan. Any reluctance on the part of banks and other agencies to provide this aid in the absence of this legislation would certainly have darkened the financial and educational outlook for many students.

Second, the higher education amendments assure that nearly 700,000 independent students will receive full and promised basic educational opportunity grants this year. Mr. President, these students are characteristically self-supporting—widows, veterans, displaced homemakers, and other adult learners no longer able to count on parental financial aid. In many cases, the pocketbooks of these individuals can ill afford increasing educational costs without financial help. Yet without additional training and education, they are limited occupationally and economically. This bill helps enable independent students to achieve their educational objectives.

Third, the legislation approved by the Senate allows for improved collection of national direct student loans. Through this mechanism, taxpayer moneys are recovered for reinvestment in future students and valuable educational programs.

Fourth and finally, Mr. President, the action of the Senate in approving this bill will preclude anticipated administrative problems for college financial aid offices and many students. If the Senate had failed to approve the various technical adjustments in this legislation prior to the start of the fall school term, it is likely that students would have received less aid than they had been promised and student benefits would have to have been recomputed at substantial costs to the college involved. I know that Iowa college and university officials were troubled by that possibility and I am pleased to be able to report to them that prompt congressional action has prevented that from occurring.

Mr. President, I was pleased to join in the action of the Senate last night in approving the Higher Education Technical Amendments of 1979. I share with thousands of other Americans a concern that educational costs do not make educational opportunities impossible for many deserving American students.●

AMNESTY INTERNATIONAL MEETING UNDERLINES THE PLIGHT OF ARGENTINE MOTHERS

● Mr. KENNEDY. Mr. President, it has been over 3 years since a coup put the military government of President Jorge Rafael Videla into power in Argentina. In that time, despite the many promises on the part of the Videla regime of "stabilizing the situation," and ending the "necessary but extreme measures," and despite the marked decline of antigovernment terrorist activity, there has been no significant improvement in the human rights situation in Argentina.

While at one time the Videla regime did indeed face severe problems of terrorism from the left, and was forced to adopt strong measures to counter them, the marked decrease in cases of such terrorism—a decline acknowledged by the Argentine Government—precludes it as an excuse for measures such as those

used in Argentina today. For as many concerned and internationally respected organizations have shown, the "antiterrorist" practices of the military junta affects too wide a segment of the population, and their cruelty is too great, to be the methods of a popularly based regime fighting extremist threats.

Numerous international organizations have documented the continuing arrests, detentions, torture and disappearances that have brutalized the life of so many Argentines and which have virtually destroyed public trust and hope in that society. Amnesty International has reported that in the 3 years since the military coup of March 1976, Argentina "has witnessed a continual state of siege, indefinitely suspended basic constitutional guarantees, the detention of 4,000 officially acknowledged prisoners, the widespread use of sophisticated means of torture, and the disappearance after arrest of thousands of Argentines, refugees, and foreign nationals living in Argentina. This last chilling phenomenon, kidnapings by self-proclaimed members of the Argentine police and security forces, has resulted in the disappearance without a trace of approximately 15,000 men, women, and children."

I request unanimous consent that the full text of a recent Amnesty International bulletin on the situation in Argentina be inserted into the RECORD at the conclusion of my remarks.

Human rights violations on such a massive scale often seem far removed from this country. However, last week, the visit to Washington of two brave Argentine women, who belong to a group known as the "Mothers of the Plaza de Mayo" reminded us that we cannot allow ourselves to close our eyes to such continuing injustice.

These two women belong to a group made up of the wives and mothers and grandmothers of people who have "disappeared" for political reasons. I have met personally with members of this group and was deeply impressed by their personal courage, their dedication, and above all, their refusal to give up hope. Until a few months ago, they gathered every Thursday in front of the Casa Rosada (the Argentine Presidential Palace) seeking news of their disappeared relatives. The Argentine Government not only spurned their pleas for information but actively persecuted the women, eventually barring the Plaza de Mayo to them. The Washington Post recently reported:

> Last January, 44 mothers were stopped by police as they arrived for their weekly protest and taken to a jail cell. Many of them were pushed into a jail cell in which lay the dead body of a young man who was a victim of a car crash. They were told he could be one of their sons.

Last Tuesday, two women belonging to the group visited Washington to dramatize the plight of their relatives. In a public ceremony in the Rayburn House Office Building "Julia" and "Maria"—who could not give their real names lest they "disappear" on their return to Argentina—presented scarves embroidered with the names of disappeared relatives to 20 American women, including Assistant Secretary of State for Human Rights Patt Derian; Representatives MILLICENT FENWICK, ELIZABETH HOLTZMAN, MARY ROSE OAKAR, BARBARA MIKULSKI, and PAT SCHROEDER; Isabel Letelier, wife of assassinated Chilean Foreign Minister Orlando Letelier; and columnist Mary McGrory. A scarf was also presented, I am proud to say, to Ms. Diana Laing of my staff.

Megan Rosenfeld of the Washington Post has graphically and movingly described the plight of "Maria" and "Julia"—and, in the process, that of all those people in Argentina separated from their loved ones as a consequence of arbitrary government brutality. As she notes, "They are merely mothers—not political players—and all they want to know is what has happened to their children." The courage of these women demands an answer from us. For as Maria explains, "We only ask for justice." Mr. President, I request that the full text of Ms. Rosenfield's article be printed in the RECORD.

The material follows:

AMNESTY INTERNATIONAL BULLETIN ON THE HUMAN RIGHTS SITUATION IN ARGENTINA

THE HISTORY

In the three years since the military coup of March 1976, Argentina has witnessed a continual State of Siege, indefinitely suspending basic Constitutional guarantees, the detention of 4,000 officially acknowledged prisoners, the widespread use of sophisticated means of torture, and the disappearance after arrest of thousands of Argentines, refugees, and foreign nationals living in Argentina. This last chilling phenomenon, kidnappings by self-proclaimed members of the Argentine police and security forces, has resulted in the disappearance without a trace of approximately 15,000 men, women and children.

No social, economic or religious sector in Argentina has been unaffected. The ranks of the "disappeared" include professors and students, labor leaders and rank-and-file trade-unionists, scientists, political leaders, medical doctors, and psychiatrists, including the President of the National Society of Psychologists in Argentina. The International Commission of Jurists has documented the disappearance of at least forty-one lawyers and judges; *Le Monde* in January 1978 reported that forty journalists had "disappeared"; on April 20, 1979, *The San Francisco American Jewish Bulletin* commented that two officials of the Anti-Defamation League expressed fear that most of the more than 600 Jews who have "disappeared" in Argentina over the last three years may be dead.

Many of these "disappeared" persons have never had any political or ideological affiliations of any kind. In December 1977, two French nuns were abducted by security forces, after attending a meeting of relatives of "disappeared." Their whereabouts have never been determined.

Many "disappeared" are believed to be held in secret places of detention where torture is reported to be routine, according to the testimony of the very few who have been freed.

THE PROBLEM

The Argentine Government has consistently denied all knowledge of the circumstances and whereabouts of the "disappeared." Despite assurances by the Argentine Government that investigations into such cases are conducted, AI knows of no specific evidence to support such claims.

Tens of thousands of habeas corpus writs have been answered negatively, as no records are kept for the "disappeared."

Relatives of "disappeared" persons continue to appeal in vail to the authorities for information about their loved ones, despite hostile or indifferent responses. Besides living in anguished uncertainty, they often suffer cruel reprisals for their efforts and some have "disappeared" as well.

One group of these relatives, known as the "Mothers of the Plaza de Mayo," who every Thursday at 3:30 p.m. met in silent protest in front of the Casa Rosada, were constantly harassed, sometimes arrested, and are now forbidden access to their "beloved plaza."

They write in a letter dated March 21, 1979, "We are a group of mothers, representative of thousands, who suffer anguish for lack of news about our 'disappeared' children in Argentina.

"We have exhausted all legal resources in our country. The authorities persist in keeping ominously silent about the whereabouts of our kidnapped relatives.

"There are hundreds of 'disappeared' children, innocent victims of this savage and indiscriminate repression which has been carried out over these past three years.

"Old people have been taken away from their homes when those being sought were not found.

"Many school-age children were taken from the schools which they were attending. There are also many children who were forced to witness the torture of their parents . . ."

THE PROBLEM OF DISAPPEARANCES IN ARGENTINA

Just before take-off, the wife of a prominent Argentinian surgeon and five of their children are forcibly disembarked from flight 284 of Aerolineas Argentinas by uniformed security forces. All the passengers witness the abduction. Mother and children are bound and blindfolded and driven to a military establishment where they are held for six days. The children are then abandoned on a Buenos Aires street corner in the middle of the night, after being told that their mother would be released after a "problem of documentation" had been solved. It was February 1977. More than two years have passed since then, and the whereabouts of Mrs. Nelida SOSA de FORTI remain unknown.

A fourteen year old boy is arrested by men in civilian clothing as he leaves school one afternoon in Ciudad Alberdi, Argentina. His headmaster immediately lodges a complaint at the local police station. A senior officer tells him that the boy has been detained by the Intelligence Corps of the Army, which is carrying out inquiries, but promises that the boy will be released shortly. Nearly three years since the August 1976 kidnapping, there is no further news of Juan Angel NUGHES.

A young girl and her brother are taken from their home in Mar del Plata, Buenos Aires Province, to the local army base known as GADA 601. They are tortured for six days. She is transferred to a secret detention camp until six months later, when she is taken back to Mar del Plata and recognized as an official prisoner. Following another six months she is cleared of all charges and released into exile. Patricia PEREZ CATAN still bears marks of electric torture. More than two years after the January 1977 abduction, the only news of her brother, Jorge, is that somebody saw him alive in a secret camp in early 1978.

Amnesty International knows that these are not isolated or unrepresentative incidents in Argentina. These are only a tiny fraction of the total number of disappearances, which Amnesty International believes to be as many as 15,000.

A SYSTEMATIC PATTERN

The disappeared fall into four categories—(i) Those who are murdered and whose corpses are sometimes found on waste-ground, in forests or at the bottom of lakes; (ii) those who remain indefinitely in the secret camps and whose detention is never

acknowledged; (iii) those who are transferred to official prisons, and (iv) those who are released after a short period of time (one to thirty days). This is the largest category.

From the testimonies of detainees who have subsequently been released (and who have usually been warned not to speak about their detention), AI has been able to piece together a characteristic train of events in the lives of the *desaparecidos* (disappeared persons). During their captivity they are kept hooded and blindfolded; as a result they have great difficulty in recognizing their place of detention. Nevertheless, a number of prisons have been clearly located throughout Argentina. During 1977, perhaps as many as sixty secret camps, often military barracks or garrisons, were used as prisons. The detention camps vary in size; sometimes there are few prisoners, sometimes there are several hundred. Systematic torture and summary executions are routine in these camps. Frequently, the *desaparecidos* are handcuffed and chained. They are usually subjected to torture and physical abuse.

HOW MANY HAVE REALLY DISAPPEARED?

In February 1979 the Buenos Aires Herald estimated that over the previous three years there had been an average of between three and ten kidnappings each day.

Amnesty International, along with the human rights organizations within Argentina, believes that the number of written complaints (often accompanied by writs of habeas corpus) is far below the total number of people missing after arrest. The limitation of the figures is partly the result of fear (relatives and friends fear that their complaints will make things worse for the person who has disappeared), and partly due to ignorance of formal procedures. Furthermore, since the authorities often treat discussion and/or reporting of human rights violations as "subversive," very little genuine information is published in the country's media about the actions of those who complain. A sample inquiry carried out by human rights organizations within Argentina, covering twenty towns whose size made it possible for every disappearance to be catalogued, suggested that to obtain the total figure, the number of registered disappearances would have to be multiplied by at least five. These organizations, to date, have registered 4,500 cases; the real figure of persons missing after abduction is probably about 15,000.

On three occasions, the Argentine government has published lists of people who, it claims, were thought to be missing but have since been found (12 April 1978—232 people; 7 August 1978—201 people; 14 December 1978—159 people). However, no names on the government lists have ever corresponded to the cases known to Amnesty International.

THE GOVERNMENT KEEPS SILENT

Despite censorship and the risk of retaliations, the families of the victims and human rights workers within Argentina have increased their campaign to press the government for information on the disappeared. In May 1978 they obtained the publication in the daily La Prensa of a list of 2,500 missing persons whose cases had been presented to the Supreme Court of Justice. In November 1978, another petition denouncing the disappearance of 1,542 people, and signed by 1,221 relatives of missing people was presented to the Supreme Court. The signatories stated that they were appealing to the Court because all other means of establishing the whereabouts of the disappeared had failed. The petition emphasized that the abductions had taken place with a great show of uniformed men, firearms and vehicles, and had all the appearances of a legally sanctioned operation. This petition, like all previous requests and complaints, has elicited no information from the government. On March 3, 1979, the Supreme Court accepted for the first time an appeal from a relative of a missing person—the father of Alfredo Antonio Giorgi, a 33-year-old scientist who was abducted from the National Institute of Industrial Technology on 27 November 1978. The Supreme Court had, until it heard this case, declared the problem of the disappeared to be outside its jurisdiction. In the Giorgi case, however, it has said that even though it has no formal jurisdiction in such matters, it will order an Appeals Court to begin an investigation.

The Inter-American Commission on Human Rights of the Organization of American States recommended in its Annual Report 1976:

"That all the necessary measures be taken to prevent the security forces or other authorities from arresting and detaining persons without the knowledge of the competent authorities and of the relatives of the prisoner, so as to put an end to the so-called cases of "disappearance." Among these measures the following may be mentioned: close vigilance by the high officials and by the Judicial Branch over the actions of the security forces; periodic visits to the places described as illegal detention centers and imposition of severe sanctions on members of these forces who give an evasive or false reply to requests for information about persons they have detained."

Amnesty International believes that the fate of those who have disappeared in Argentina is too serious a matter to be ignored. In view of President Videla's own statement, quoted in *La Prensa* on 6 September, that "I admit that there are people who have disappeared. I admit that perhaps there has been too great a repression. But now we are trying to stabilize the situation," AI considers it imperative that the Argentine government clarify the fate of those who have "disappeared" so that families may at least know whether their missing relatives are alive or dead.

WHAT YOU CAN DO

Continued efforts are called for to support the demands of the relatives that the "disappeared" be accounted for. Appeals from the international community may bring sufficient pressure to bear on the Argentine authorities to establish the whereabouts of these individuals. Write to the President of the Argentine Republic and the Minister of Interior requesting:

1. that the Government make public information about the fate of the "disappeared."

2. that the Government prevent further abductions, extra-legal detentions, and extra-judicial executions.

Exmo. General Jorge Rafael Videla, Presidente de la Republica, Argentina, Casa Rosada, Buenos Aires, Argentina.

General Albano Harguindeguy, Ministro del Interior, Casa de Gobierno, Balcarce 50, Buenos Aires, Argentina.

For further information, contact: Amnesty International USA.

National Section Office, 304 West 58th Street, New York, N.Y. 10019.

Washington office, 413 East Capitol St., S.E., Washington, D.C. 20003.

Western Regional Office, 3618 Sacramento Street, San Francisco, Calif. 94118.

MISSING PERSONS, ANGUISHED MOTHERS: THOUSANDS "DISAPPEAR" IN ARGENTINA

(By Megan Rosenfeld)

"Julia" is a short, plump woman in her 60s who has worked all her life as a clerk in Buenos Aires, Argentina. About 2½ years ago her daughter-in-law called her at 4 in the morning to report that her son had been taken away by what appeared to be police. "Julia" says she has been unable to find any trace of her son ever since.

Yesterday she and "Maria," another "Mother of the Plaza de Mayo," went to Capitol Hill under the auspices of Amnesty International to gain attention for what they say are 15,000 men, women and children who have simply "disappeared" since the military coup in Argentina in March 1976.

To dramatize their cause, they presented white cotton scarves embroidered with the names of different "disappeared" to women leaders, including Patricia M. Derian, the assistant secretary of State for human rights, who said she represented not only the State Department but First Lady Rosalynn Carter and the senior women in the White House.

The occasion was emotional: the women talked about babies as young as 20 days old who have been swept up in a military dragnet originally aimed at rounding up terrorists who had brutalized the country before the coup. They are merely mothers, they said, not political players—and all they want to know is what has happened to their children.

According to Amnesty International, which won the Noble Prize in 1977 for its work in helping political prisoners around the world, most of the 15,000 "disappeared" are not terrorists. Some are leftists, some are labor union leaders, some are intellectuals—such as the 31-year-old head of the Buenos Aires Psychologists Association.

The mothers—who numbered at their peak, 2,000—are the most recent in an apparently unending flow of people who see themselves as human rights victims seeking solace in the United States. Speaking graphically of torture, punishment for opposing government policy, random arrests and imprisonments, house arrests, intimidation and other harassment, they've come speaking for "prisoners of conscience" in the Soviet Union, Chile, Paraguay, Brazil, South Africa, El Salvador and other countries.

But Amnesty spokesmen say the situation in Argentina is different because so many have not received even a travesty of due process; they simply are picked up, some to return as corpses, minus their hands to prevent identification, floating in the river. A few are released, but most are believed to be in "clandestine" detention camps.

"Julia" and "Maria" were afraid to be photographed, they would not give their real names and insisted that factual details about their lives be changed. They are afraid that they, like some other protesting mothers, will "disappear."

A spokesman for the Argentine Embassy here, Massini Excurra, said he questioned figures cited by Amnesty Internazional. He did say that between November 1974 and June 1979, 8,713 people were arrested in Argentina in connection with suspected terrorist activities; of these, 5,913 have been released and 1,723 are still under "executive-power arrests." That means the president decides they should be arrested and jailed indefinitely without trial. Two weeks ago, Escurra said, the government said they would hold trials for those people.

The U.S. government apparently agrees more with Amnesty's figures, as Congress voted to cancel the sale of arms and to vote against loans to Argentina from the Inter-American Development Bank.

"It's in our national interest to stand for the principles that we believe in," said Derian. "Originally the military junta was faced with the very real problem of terrorism. In the process [of eradicating them], they dehumanized the enemy; they became more dangerous than the terrorists themselves. The root cause was panic, inexperience, and a failure to be deeply rooted in the civilizing aspects of constitutional rights and due process."

"We ask only for justice," said "Maria," in heavily accented English. "Try them—if they are guilty, punish them. But if they are not guilty, release them."

Both women are apologetic about their English. "Maria" speaks more than "Julia"; both have been traveling for about a month

in Europe and are now here to plead for international pressure on Argentina. They met in the Plaza de Mayo—Argentina's equivalent of Lafayette Square—where mothers gathered every Thursday in a vigil of demand.

"Maria" is a teacher; she, like many of the "disappeared," is Jewish. She says her efforts to get information about her son and daughter through legal channels have resulted in "nothing." Now in her 50s, she is a widow. She and "Julie" were elected, along with two others who have since, returned to Argentina, by the mothers to make this trip. It is the third time the group has sent representatives to America.

Yesterday as they presented the embroidered scarves to 20 women such as Rep. Barbara Mikulski (D-Md), Rep. Patricia Schroeder (D-Col.) and columnist Mary McGrory, the two kissed each woman as she took the scarf.

"Maria" gave away one scarf with the names of her own children embroidered on it; but she could not reveal this for fear of later being identified.

The mothers and their sponsors chose to make their public ceremony to women. "We think maybe women can have a better understanding of say that time will cure all injuries. But no mother will ever forget her children."

According to "Maria":

Last January, 44 mothers were stopped by police as they arrived for their weekly protest and taken to a jail cell. Many of them were pushed into a jail cell in which lay the dead body of a young man who was the victim of a car crash. They were told he could be one of their sons.

They were told not to meet again in the Plaza de Mayo. If they did, police warned, they could end up in jail permanently.

Babies born to women who were pregnant at the time of their arrest have been given away or sold, they claim. One woman, Estrella Iglesias Espasandin, was released on May 15 after a year and nine months of imprisonment. She is a Spanish citizen who has joined her husband in France, but she gave a report of her experience, including torture:

"The torture consisted of applications of electric current to the genitals, breasts, toenails, mouth and gums; stretching my arms, mostly my right arm until they dislocated it; putting rats on my face and between my legs," she wrote . . . "During the entire trip (to jail) they socked me in the face and on my body. They also told me that I wasn't detained, nor had I disappeared, nothing like that; now I'd just been absorbed, kidnapped, 'sucked up.' "

She also gave a list of names of 18 people who have been "disappeared," people who were still alive at the time she was released.

Escurra said there is no torture in Argentina. "How could I agree with that?" he said. He said the two mothers would not be punished for speaking here, "unless they are involved in some terrorist-related activity."

"I've had people tell me 'intellectual subversion is as dangerous as real subversion,' " said Jeannie Harris, wife of the foreign service officer who until recently was assigned to spend full time on human rights at the embassy in Argentina. F. Allen Harris has not yet been replaced.

Harris, who was praised lavishly by the two mothers, had his three-year human rights assignment cut short recently to join the SALT task force in the State Department. Even within the embassy in Buenos Aires, the commitment to deal with this problem is less than enthusiastic, according to several observers. "It's too unpleasant to document," one source said.

"Maria," dressed in a bright red blouse and blue skirt, said she at first could not believe that her son had simply disappeared.

"How can you believe a thing like that? It's incredible. He had no weapons, he was not political. The most he might ever have done is write a slogan on a wall. There are many of them people who may have sympathy with the left, idealistic. But they are what they call 'parsley'—how do you say, insignificant."

Her voice is a little hoarse from talking so much; the phrases are starting to sound practiced. Her eyes are red. "I'm exhausted," she said.●

A VIABLE COMPROMISE

● Mr. WARNER. Mr. President, I rise in support of S. 712 as amended as I believe that it strikes a very delicate balance between a viable national transportation network and fiscal responsibility.

When S. 712 was first reported out of committee, I supported the reorganization of the Amtrak system as proposed by the administration as strong evidence was presented that, at the time, the system, as currently in effect, was vastly underutilized and was costing the American taxpayers enormous amounts of money.

In fact, the committee received testimony that if this pattern did not change the American taxpayer would have been forced to subsidize this underutilized system over the next 5 years by an aggregate amount of $1.3 billion. This was too much money to spend on this system under the then existing ridership patterns.

However, no one anticipated the severity of the energy crisis which suddenly crippled automobile transportation.

The energy crisis struck America full force subsequent to the committee's original action on S. 712. The American public economically hurt by sharp increases in gasoline prices frantically searched for alternative methods of transportation other than the automobile, and turned to the underutilized Amtrak system as an alternative mode of intercity transportation.

As Amtrak ridership dramatically soared in the last 3 months it became readily apparent to me that amendments to S. 712 were needed to address the ever-changing factual situation.

The amendments that have been added to S. 712 substantially strengthens the bill, solidifies the ability of Amtrak to act as a viable option in the Nation's transportation network, provides needed funds for Amtrak capital equipment, sorely needed trains and trackage, provides funds to aid State-supported trains, and cuts out only those trains which appear presently not to be viable in nature.

The amendments to S. 712 will call for a reduction in the Amtrak system of only some 19 percent but yet will provide substantial savings to the American taxpayer.

For these reasons I strongly support S. 712 as amended and vote for its passage.●

QUORUM CALL

Mr. MATHIAS. Mr. President, I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTRICT OF COLUMBIA RETIREMENT REFORM ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 248, S. 1037.

Mr. STEVENS. There is no objection, Mr. President.

There being no objection, the Senate proceeded to consider the bill (S. 1037) to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits, which had been reported from the Committee on Governmental Affairs with amendments as follows:

On page 17, line 5, strike "1978" and insert "1980";

On page 35, line 12, strike "2004" and insert "2006";

On page 35, line 20, strike "2002" and insert "2004";

On page 38, line 24, strike "1979" and insert "1981";

On page 39, line 2, strike "2003" and insert "2005";

On page 40, line 13, strike "2003" and insert "2005";

On page 40, line 22, strike "1978" and insert "1979";

On page 41, line 5, strike "1981" and insert "1983";

On page 41, line 6, strike "2002" and insert "2004";

On page 107, line 14, strike "1978" and insert "1979";

On page 114, line 18, strike "1980" and insert "1981";

On page 120, line 22, strike "1980" and insert "1981";

On page 135, line 2, strike "1980" and insert "1981";

On page 135, line 8, strike "1980" and insert "1981";

On page 136, line 12, strike "1980" and insert "1981";

On page 138, line 5, strike "1980" and insert "1981";

On page 141, line 17, strike "1980" and insert "1981";

On page 143, line 20, strike "1978" and insert "1979";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act, with the following table of contents, may be cited as the "District of Columbia Retirement Reform Act".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.

TITLE I—FINANCING OF RETIREMENT BENEFITS

PART A—FINDINGS AND PURPOSE; DEFINITIONS

Sec. 101. Findings and purpose.

Sec. 102. Definitions.

PART B—ESTABLISHMENT OF RETIREMENT BOARD AND RETIREMENT FUNDS

Sec. 121. District of Columbia Retirement Board.

Sec. 122. District of Columbia Police Officers and Fire Fighters' Retirement Fund.

Sec. 123. District of Columbia Teachers' Retirement Fund.

Sec. 124. District of Columbia Judges' Retirement Fund.

Sec. 125. Management of Retirement Funds.

Sec. 126. Payments from the Funds.

PART C—FINANCING OF RETIREMENT BENEFITS

Sec. 141. Limitation on investment of Retirement Funds.

Sec. 142. Determination of Federal and District of Columbia payments to the Funds.

Sec. 143. Information about retirement programs.

Sec. 144. Federal and District of Columbia payments to the Funds.

Sec. 145. Reduction in Federal contribution for excessive cost of police officers and fire fighters' disability retirement.

Sec. 146. Conforming amendments.

PART D—REPORTING AND DISCLOSURE REQUIREMENTS

Sec. 161. Personal financial disclosure by Board members.

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TITLE I—FINANCING OF RETIREMENT BENEFITS

PART A—FINDINGS AND PURPOSE; DEFINITIONS

FINDINGS AND PURPOSE

SEC. 101. (a) The Congress finds that the retirement benefits authorized by various Acts of Congress for the police officers, fire fighters, teachers, and judges of the District of Columbia have not been financed on an actuarially sound basis. Neither Federal payments to the District nor District of Columbia appropriations have taken into account the long-term financial requirements of the District's retirement programs. As a result, the annual budget cost to the District of Columbia for annuities and refunds of deductions is growing at a rapid rate and, in the case of the retirement program for police officers and fire fighters, is predicted to exceed the cost of salaries for active police officers and fire fighters by the year 2000.

(b) It is the purpose of this title—

(1) to establish separate retirement Funds for police officers and fire fighters, for teachers, and for judges of the District of Columbia;

(2) to establish a Retirement Board with responsibility for managing these Funds;

(3) to require that these Funds be managed on an actuarially sound basis in order to provide proper financing for the benefits to which the District's retired police officers, fire fighters, teachers, and judges are entitled;

(4) to require that the Retirement Board comply with reporting and disclosure requirements similar to those imposed under the Employee Retirement Income Security Act of 1974; and

(5) to provide for Federal payments to these Funds to help finance, in part, the liabilities for retirement benefits incurred by the District of Columbia prior to the establishment of self-government under the District of Columbia Self-Government and Governmental Reorganization Act.

DEFINITIONS

SEC. 102. At used in this title:

(1) The term "Mayor" means the Mayor of the District of Columbia.

(2) The term "Council" means the Council of the District of Columbia.

(3) The term "Speaker" means the Speaker of the House of Representatives.

(4) The term "President pro tempore" means the President pro tempore of the Senate.

(5) The term "Board" means the District of Columbia Retirement Board established by section 121 of this Act.

(6) The term "Custodian of Retirement Funds" means the Board, except that until such time as the members of the Board are first elected and the Board certifies pursuant to section 121(h) that it is assuming responsibility for the Funds established by this title, the term "Custodian of Retirement Funds" means the Director of the Office of Budget and Financial Management of the District of Columbia (established by Organization Order Numbered 30, Commissioner's Order Numbered 72-80, April 5, 1972 (D.C. Code, title 1—Appendix)).

(7) The term "retirement program" means—

(A) the program of annuities and other retirement and disability benefits for members and officers of the Metropolitan Police force and the Fire Department of the District of Columbia, but does not include the program of annuities and other retirement and disability benefits for members and officers of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division under the Policemen and Firemen's Retirement and Disability Act;

(B) the program of annuities and other retirement and disability benefits for judges of the courts of the District of Columbia under subchapter III of chapter 15 of title 11 of the District of Columbia Code; or

(C) the program of annuities and other retirement and disability benefits for teachers in the public day schools of the District of Columbia.

(8) The term "State" means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, and the Canal Zone.

(9) The term "party in interest" means—

(A) any person (including a member of the Board) having fiduciary responsibilities under this title;

(B) any person providing services to a Fund;

(C) the government of the District of Columbia;

(D) an employee organization; and

(E) a spouse, ancestor, lineal descendant, or spouse of a lineal descendant of any individual described in subparagraph (A) or (B).

(10) The term "Fund" means the District of Columbia Police Officers and Fire Fighters' Retirement Fund established by section 122, the District of Columbia Teachers' Retirement Fund established by section 123, or the District of Columbia Judges' Retirement Fund established by section 124.

(11) The term "current value" means fair market value where available (as determined in good faith by a fiduciary in accordance with regulations promulgated by the Board) or otherwise the fair value (as determined in good faith by a fiduciary in accordance with regulations promulgated by the Board), assuming an orderly liquidation at the time of such determination.

(12) The term "future value" means a liability for a given prior fiscal year expressed in terms of the price level expected to prevail in a given future fiscal year, adjusted at the rate of inflation used with regard to determinations made under section 142(a)(1).

(13) The term "qualified public accountant" means a person who is a certified public accountant, certified by a regulatory authority of a State.

(14) The term "enrolled actuary" means an actuary enrolled under subtitle C of title III of the Employee Retirement Income Security Act of 1974.

(15) The term "security" means a security as defined in section 2(1) of the Securities Act of 1933.

(16) The term "employee organization" means any labor union or any organization of any kind, or any agency or employee representation committee, association, group, or plan, in which individuals covered by a retirement program participate and which exists for the purpose, in whole or in part, of dealing with the government of the District of Columbia concerning such retirement program.

(17) The term "teacher" means a teacher as defined in section 13 of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31-733).

(18) The term "judge" means a judge as defined in section 11-1561(1) of title 11 of the District of Columbia Code.

(19) The term "participant" does not include an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division to whom the Policemen and Firemen's Retirement and Disability Act applies; and, unless the context requires otherwise, the term "beneficiary" does not include a beneficiary under such Act of any such officer or member.

PART B—ESTABLISHMENT OF RETIREMENT BOARD AND RETIREMENT FUNDS

DISTRICT OF COLUMBIA RETIREMENT BOARD

SEC. 121. (a) There is established, as an independent agency of the government of the District of Columbia, a board of trustees to be known as the District of Columbia Retirement Board which shall have exclusive authority and discretion (subject to the requirements of this title) to manage and control the Funds established by this title.

(b)(1) The Board shall consist of eleven members selected as follows:

(A) One member or officer of the Metropolitan Police force of the District of Columbia, to be elected by the members and officers of the Metropolitan Police force.

(B) One retired member or officer of the Metropolitan Police force of the District of Columbia, to be elected by the retired members and officers of the Metropolitan Police force.

(C) One member or officer of the Fire Department of the District of Columbia, to be elected by the members and officers of the Fire Department.

(D) One retired member or officer of the Fire Department of the District of Columbia, to be elected by the retired members and officers of the Fire Department.

(E) One teacher in the public day schools of the District of Columbia, to be elected by the teachers of the public day schools of the District of Columbia.

(F) One teacher in the public day schools of the District of Columbia who is retired, to be elected by the retired teachers of the public day schools of the District of Columbia.

(G) Two individuals appointed by the Council of the District of Columbia.

(H) Three individuals appointed by the Mayor.

A vacancy on the Board shall be filled in the manner in which the original selection was made.

(2) The first election of the Board members described in subparagraphs (A) through (F) of paragraph (1) shall be conducted within six months after the date of the enactment of this title in accordance with regulations which the Mayor shall promulgate. Thereafter, elections shall be conducted by the Board. In any such election, voting shall be by secret ballot, and each individual to be represented on the Board by the winner of such election shall be eligible to vote in such election.

(3)(A) Except as provided in subparagraph (B), the members of the Board shall each serve a term of four years, except that a member selected to fill a vacancy occurring prior to the end of the term for which his predecessor was selected shall only serve until the end of such term. A member may serve after the expiration of his term until his successor has taken office.

(B) Of the members of the Board who are first selected—

(i) two shall serve for a term of one year,

(ii) three shall serve for a term of two years,

(iii) three shall serve for a term of three years, and

(iv) three shall serve for a term of four years,

as determined by a lot at the first meeting of the Board.

(4) No individual shall serve more than two terms as a member of the Board, except that an individual serving less than two years of a term to which some other individual was originally selected shall be eligible for two full terms as a member of the Board and an individual serving two years or more of a term to which some other individual was originally selected shall be eligible for only one full term as a member of the Board.

(5) Any individual who was selected as a member of the Board under subparagraph (A), (C), or (E) of paragraph (1) and who ceases to be a member or officer of the Metropolitan Police force, member or officer of the Fire Department, or a teacher, as the case may be, may not continue as a member of the Board.

(6) No member of the Board may hold or be a candidate for any elective office in the District of Columbia.

(7) No member of the Board may have any personal interest, direct or indirect (except as a participant in a retirement program), in any transaction involving assets of the Funds established by this title and shall otherwise comply with the standards of conduct applicable to fiduciaries in the District of Columbia, as well as those standards of conduct established by part E of this title.

(8) Not less than two of the members of the Board appointed by the Mayor under paragraph (1) shall be individuals who have professional work experience in the banking, insurance, or investment industry.

(9) Any member of the Board may be removed from the Board by a vote of two-thirds of the members of the Board for a breach of fiduciary responsibility with respect to a Fund or for a violation of section 184.

(10) The Board shall elect one member of the Board to be chairman of the Board. The chairman shall be elected for a term of one year, but may be removed from such position by a vote of two-thirds of the members of the Board.

(11) The Director of the Office of Budget and Financial Management of the District of Columbia shall be an ex officio member of the Board, and shall not be counted for purposes of a quorum.

(c) Subject to the availability of appropriations therefor, each member of the Board shall be entitled to receive the hourly equivalent of the annual rate of pay in effect for the highest step of grade GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each hour such member is engaged in the actual performance of duties vested in the Board, except that any member of the Board who is a full-time officer or employee of the District of Columbia or the United States shall not be entitled to receive pay under this subsection for performance of duties vested in the Board.

(d)(1) The Board shall meet at least once each calendar quarter at a regular and specified time. It shall meet at such other times as the chairman or any three members of the Board may prescribe.

(2) And six members shall constitute a quorum for the transaction of the business of the Board.

(3) Except as otherwise provided in this title, actions of the Board shall be determined by a majority vote of the members present and voting.

(e) The Board shall from time to time promulgate rules and regulations, adopt resolutions, issue directives for the administration and transaction of its business and for the control of the Funds established by this title, and perform such other functions as may be necessary to carry out its responsibilities under this title.

(f)(1) All administrative expenses incurred by the Board in carrying out this title, including compensation for the members of the Board, shall be paid out of funds appropriated for such purpose.

(2) The budget prepared and submitted by the Mayor pursuant to section 442 of the District of Columbia Self-Government and Government Reorganization Act shall include recommended expenditures at a reasonable level for the forthcoming fiscal year for the administrative expenses of the Board.

(3) The Mayor and the Council may establish the amount of funds which will be allocated to the Board for administrative expenses, but may not specify the purposes for which such funds may be expended or the amounts which may be expended for the various activities of the Board.

(g)(1) The Board shall engage the services of competent investment counsel or counsels who shall be qualified under the Investment Advisors Act of 1940. Such investment counsel or counsels shall be fiduciaries, to the extent designated by the Board, with respect to services rendered to the Board. Such fiduciary relationship shall be specified in a written agreement between the investment counsel or counsels and the Board.

(2) The Board may appoint such staff as it considers necessary to enable it to carry out its responsibilities under this title. The staff of the Board shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no staff member may receive pay in excess of the annual rate of basic pay in effect for GS-15 of the General Schedule under section 5332 of title 5, United States Code.

(h) Not more than ninety days after all initial members of the Board have been selected in accordance with subsection (b) of this section, the Board shall certify in writing to the Director of the Office of Budget and Financial Management of the District of Columbia that the Board is assuming responsibility for the Funds established by this title.

DISTRICT OF COLUMBIA POLICE OFFICERS AND FIRE FIGHTERS' RETIREMENT FUND

SEC. 122. (a) There is established a fund to be known as the District of Columbia Police Officers and Fire Fighters' Retirement Fund into which shall be deposited the following, which shall constitute the assets of the Fund:

(1) Any amount paid to the Custodian of Retirement Funds pursuant to the last sentence of subsection (d)(1) or to subsection (c)(5) of the Policemen and Firemen's Retirement and Disability Act or pursuant to the proviso in the paragraph under the heading "Policemen and Firemen's Relief Fund" in the Act of June 14, 1935.

(2) Any amount appropriated for such Fund under part C of this title.

(3) Any return on investment of the assets of such Fund.

After September 30, 1980, or after the end of the thirty-day period beginning on the date on which funds are first appropriated to the District of Columbia Police Officers and Fire Fighters' Retirement Fund, whichever is later, all payments of annuities and other retirement and disability benefits (including refunds and lump-sum payments) under the Policemen and Firemen's Retirement and Disability Act shall be made from the Fund (except for any such payment which is made to an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division, or to a beneficiary of any such officer or member).

(b)(1) The last sentence of subsection (d)(1) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4-524(1)) is amended by striking out "Such" and inserting in lieu thereof "In the case of a member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia, such deductions and withholdings shall be paid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act) and shall be deposited in the District of Columbia Police Officers and Fire Fighters' Retirement Fund established by section 122(a) of such Act; and in the case of any other member, such".

(2) The proviso in the paragraph under the heading "Policemen and Firemen's Relief Fund" in the Act of June 14, 1935 (D.C. Code, sec. 4-502), is amended by inserting immediately before the period the following: ", except that all moneys required to be deposited with respect to officers and members of the Metropolitan Police force or the Fire Department of the District of Columbia shall be paid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act) for deposit in the District of Columbia Police Officers and Fire Fighters' Retirement Fund established by section 122(a) of such Act".

(3) The Act entitled "An Act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief, District of Columbia", approved July 21, 1947 (D.C. Code, sec. 4-504a), is amended by inserting "or the District of Columbia Police Officers and Fire Fighters' Retirement Fund (established by section 122(a) of the District of Columbia Retirement Reform Act)" immediately after "District of Columbia," the first place it appears.

(c) The amendments made by paragraphs (1) and (2) of subsection (b) shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act. The amendment made by paragraph (3) of such subsection shall take effect on such date of enactment.

DISTRICT OF COLUMBIA TEACHERS' RETIREMENT FUND

SEC. 123. (a) There is established a fund to be known as the District of Columbia Teachers' Retirement Fund into which shall be deposited the following, which shall constitute the assets of the Fund:

(1) Any amount paid to the Custodian of Retirement Funds pursuant to the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946, or under the Act entitled "An Act to authorize certain teachers in the public schools of the District of Columbia to count as creditable service for retirement purposes certain periods of authorized leave without pay taken by such teachers for educational purposes", approved June 27, 1960.

(2) Any asset transferred to such Fund under subsection (c).

(3) Any amount appropriated for such Fund under part C of this title.

(4) Any return on investment of assets of such Fund.

Annuities and other retirement and disability benefits (including refunds and lump-sum payments) payable from the District of Columbia teachers' retirement and annuity fund established by section 2 of the Act of August 7, 1946, shall continue to be paid from such fund until all amounts in such fund have been expended or transferred under subsection (c) to the District of Columbia Teachers' Retirement Fund, and thereafter such benefits shall be paid from the District of Columbia Teachers' Retirement Fund.

(b)(1) The Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946, is amended—

(A) in the first section (D.C. Code, sec. 31-721)—

(i) by adding at the end of the first paragraph the following new sentence: "After the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, any amounts deducted and withheld pursuant to this paragraph shall be paid to the Custodian of Retirement Funds (as defined in section 102(6) of such Act) for deposit in the District of Columbia Teachers' Retirement Fund established by section 123(a) of such Act.", and

(ii) in the first sentence of the second paragraph, by striking out "Collector of Taxes, District of Columbia"; and inserting in lieu thereof "Custodian of Retirement Funds";

(B) in section 2 (D.C. Code, sec. 31-722), by striking out "The" in the first sentence and inserting in lieu thereof "Until the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, the";

(C) in clause (ii) of paragraph (1) of section 5(b) (D.C. Code, sec. 31-725(b)(1)(ii)), by striking out "returned to the teachers' retirement and annuity fund established under section 2 of this Act" and inserting in lieu thereof "repaid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act) for deposit in the District of Columbia Teachers' Retirement Fund established by section 123(a) of such Act";

(D) in section 9(a) (D.C. Code, sec. 31-729(a)), by striking out "deposit in the fund" in the second proviso and inserting in lieu thereof "repay to the Custodian Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act) for deposit in the District of Columbia Teachers' Retirement Fund established by section 123(a) of such Act,";

(E) in clause (ii) of section 9(b)(1) (D.C. Code, sec. 31-729(b)(1)), by striking out "returned to the teachers' retirement and annuity fund established under section 2 of this Act" and inserting in lieu thereof "repaid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act) for deposit in the District of Columbia Teachers' Retirement Fund established by section 123(a) of such Act"; and

(F) in section 17 (D.C. Code, sec. 31-737), by inserting "(including any assets of the District of Columbia Teachers' Retirement Fund established by section 123(a) of the District of Columbia Retirement Reform Act)" immediately after "Act".

(2) Section 4 of the Act entitled "An Act to increase annuities payable to certain annuitants from the District of Columbia teachers' retirement and annuity fund, and for other purposes", approved September 2, 1958 (D.C. Code, sec. 31-744), is amended by inserting immediately before the period at the end of the first sentence the following: "until such time as all amounts in such fund have been expended or transferred under section 123(c) of the District of Columbia Retirement Reform Act to the District of Columbia Teachers' Retirement Fund established by section 123(a) of such Act and thereafter from the District of Columbia Teachers' Retirement Fund".

(3) The Act entitled "An Act to authorize certain teachers in the public schools of the District of Columbia to count as creditable service for retirement purposes certain periods of authorized leave without pay taken by such teachers for educational purposes", approved June 27, 1960 (D.C. Code, sec. 31-745), is amended by striking out "the deposit by such teacher to the credit of the teachers' retirement and annuity fund of the District of Columbia" and inserting in lieu thereof "payment by such teacher to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act), for deposit in the District of Columbia Teachers' Retirement Fund established by section 123(a) of such Act.".

(c) Notwithstanding any other provision of law, any asset held in the District of Columbia teachers' retirement and annuity fund established by section 2 of the Act of August 7, 1946, may be transferred to the District of Columbia Teachers' Retirement Fund established by subsection (a).

(d) The amendments made by subsection (b) shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

DISTRICT OF COLUMBIA JUDGES' RETIREMENT FUND

SEC. 124. (a) There is established a fund to be known as the District of Columbia Judges' Retirement Fund into which shall be deposited the following, which shall constitute the assets of the Fund:

(1) Any amount deposited pursuant to subchapter III of chapter 15 of title 11 of the District of Columbia Code.

(2) Any asset transferred to such Fund under subsection (c).

(3) Any amount appropriated for such Fund under part C of this title.

(4) Any return on investment of the assets of such Fund.

(b)(1) Section 11-1561(4) of title 11 of the District of Columbia Code is amended by striking out "Judicial Retirement and Survivors Annuity Fund as provided in section 11-1570" and inserting in lieu thereof "Judges' Retirement Fund established by section 124(a) of the District of Columbia Retirement Reform Act".

(2) Section 11-1563(a) of such title 11 is amended by striking out "deposited in the fund in accordance with procedures established by the Commissioner" and inserting in lieu thereof "paid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act) for deposit in the fund".

(3) Section 11-1564(d)(4) of such title 11 is amended in the first sentence by striking out "Judicial Retirement and Survivors Annuity Fund" and inserting in lieu thereof "Judges' Retirement Fund established by section 124(a) of the District of Columbia Retirement Reform Act".

(4) Section 11-1570 of such title 11 is amended—

(A) in subsection (a)—

(i) in the first sentence, by inserting immediately before the period "until such time as all amounts in such Fund have been expended or transferred to the District of Columbia Judges' Retirement Fund established by section 124(a) of the District of Columbia Retirement Reform Act"; and

(ii) by striking out the second and third sentences and inserting in lieu thereof the following: "Thereafter the retirement salaries, annuities, refunds, and allowances provided for in this subchapter shall be paid from such Fund.";

(B) in subsection (b)—

(i) by striking out "such funds" and inserting in lieu thereof "the District of Columbia Judicial Retirement and Survivors Annuity Fund";

(ii) by striking out "from the fund" and inserting in lieu thereof "under the first sentence of subsection (a)"; and

(iii) by striking out "fund" the second place it appears and inserting in lieu thereof "District of Columbia Judicial Retirement and Survivors Annuity Fund"; and

(C) in subsection (d), by inserting "(including moneys in the District of Columbia Judges' Retirement Fund)" immediately after "subchapter".

(c) Notwithstanding any other provision of law, any asset held in the District of Columbia Judicial Retirement and Survivors Annuity Fund may be transferred to the District of Columbia Judges' Retirement Fund established by subsection (a).

(d) The amendments made by subsection (b) shall take effect at the end of the ninety-

day period beginning on the date of the enactment of this Act.

MANAGEMENT OF RETIREMENT FUNDS

SEC. 125. (a) The Custodian of Retirement Funds shall be the custodian of the assets of each Fund established by this title and shall manage and invest such assets in accordance with this title.

(b) The assets of each Fund shall be kept separate from other moneys which may be under the control of the Custodian of Retirement Funds, but need not be kept separate from the assets of the other Funds if the Board determines that commingling of such assets is advisable for investment purposes.

c) The Board shall maintain, in an appropriate depository, a cash reserve for the Funds in an amount determined by the Board to be sufficient to meet current outlays for annuities and other retirement and disability benefits authorized to be paid from such Funds.

PAYMENTS FROM THE FUNDS

SEC. 126. The Mayor shall notify the Custodian of Retirement Funds of any payments to be made from the Funds established by this title for annuities or other retirement or disability benefits (including refunds and lump-sum payments), and the Custodian of Retirement Funds shall make such payments from the appropriate Fund.

PART C—FINANCING OF RETIREMENT BENEFITS

LIMITATION ON INVESTMENT OF RETIREMENT FUNDS

SEC. 141. (a) The assets of the Funds established by this title may not be invested in the following:

(1) Interest-bearing bonds, notes, bills, or certificates of indebtedness of the government of the District of Columbia, the government of the Commonwealth of Virginia, or the government of the State of Maryland, or the government of any political subdivision thereof, or of any entity subject to control by any such government or any combination of any such governments.

(2) Obligations fully guaranteed as to the payment of both principal and interest by the government of the District of Columbia, the government of the Commonwealth of Virginia, or the government of the State of Maryland, or the government of any political subdivision thereof, or of any entity subject to control by any such government or any combination of any such governments.

(3) Real property in the District of Columbia, Virginia, or Maryland.

(4) Loans, mortgages, bonds, notes, bills, or certificates of indebtedness secured, in whole or in part, by real property in the District of Columbia, Virginia, or Maryland.

(b) Until such time as the members of the Board are first selected and the Board certifies pursuant to section 121(h) that it is assuming responsibility for the Funds established by this title, the assets of such Funds may only be invested in the following:

(1) Interest-bearing bonds, notes, bills, or certificates of indebtedness of the United States Government, or obligations fully guaranteed as the payment of both principal and interest by the United States Government.

(2) Interest-bearing certificates of deposit issued by National, State, or District of Columbia savings and loan institutions.

DETERMINATION OF FEDERAL AND DISTRICT OF COLUMBIA PAYMENTS TO THE FUNDS

SEC. 142. (a)(1) The Board shall engage an enrolled actuary who may be the enrolled actuary engaged pursuant to section 162(a)(4)(A), who shall, on the basis of the entity age normal cost funding method and in accordance with generally accepted actuarial principles and practices, makes the following determinations with respect to each Fund:

(A) At the times specified in paragraph (2), the actuary shall determine the level percentage of payroll, expressed as a percentage (hereinafter in this title referred to as the "net normal cost percentage"), which shall be the percentage such that the amount equal to the product of such percentage and the present value of future compensation for participants in the retirement program, if paid annually into the Fund from the date of hire of each participant in the retirement program until the date of such participant's death, retirement, or other withdrawal from employment covered by the retirement program, is equal to the amount of the difference between (i) the present value of the future benefits payable from the Fund to such group, and (ii) the present value of all future employee contributions to the Fund.

(B) At the times specified in paragraph (2), the actuary shall determine the amount (hereinafter in this title referred to as the "accrued actuarial liability") that is the difference between (i) the present value (as of the date of the determination) of the future benefits payable from the Fund, and (ii) the sum of—

(I) the present value of all future employee contributions to the Fund; and

(II) the product of the net normal cost percentage and the present value of future compensation for participants in the retirement program.

(C) At the times specified in paragraph (2), the enrolled actuary shall determine the current value of the assets in the Fund.

(D) Each year, not later than sixty days prior to the date on which the Mayor is required to submit the annual budget for the government of the District of Columbia to the Council under section 442(a) of the District of Columbia Self-Government and Governmental Reorganization Act, the enrolled actuary shall determine—

(i) an estimate of the current annual active duty payroll;

(ii) the amount (hereinafter in this title referred to as the "future Federal obligation") that is the amount of the present value of the sum of the amounts auhorized by section 144(a) to be appropriated to the Fund for fiscal years beginning on or after the date of the determination; and

(iii) the amount (hereinafter in this title referred to as the "net pay-as-you-go cost") that is the difference between (I) the amount of the obligation of the Fund during the next fiscal year for the payment of benefits payable from the Fund during such year, and (II) the amount of employee contributions to the Fund for such year.

The actuary shall also determine such additional information as the Board may require in order to make the determinations specified in paragraph (4) and in subsection (b).

(2) The actuary engaged by the Board pursuant to paragraph (1) shall make the determinations described in subparagraphs (A), (B), and (C) of such paragraph at the following times:

(A) Not later than sixty days after the date of the enactment of this Act.

(B) Upon a request by the Board or by the Director of the Office of Management and Budget.

(C) Not later than the end of the ninety-day period beginning on the first day of the third fiscal year occurring after the fiscal year in which the last such determination was made pursuant to any subparagraph of this paragraph.

(3) On the basis of the most recent determinations made under paragraph (1), the enrolled actuary shall certify to the Board each year, at a time specified by the Board, the following information with respect to each Fund for the next fiscal year:

(A) The net normal cost, which shall be computed as the product of the net normal cost percentage and the estimate by the actuary of the current annual active duty payroll.

(B) The accrued actuarial liability.

(C) The current value of assets in the Fund.

(D) The future Federal obligation.

(E) The net pay-as-you-go cost.

(F) The unfunded actuarial liability, which shall be computed as the difference between the accrued actuarial liability and the sum of the current value of the assets in the Fund and the future Federal obligation.

(4) The Board shall determine—

(A) the amount of the Federal payment for the next fiscal year for each Fund authorized to be appropriated under section 144(a); and

(B) on the basis of the most recent certification submitted by the enrolled actuary under paragraph (3), the amount of the District payment for the next fiscal year for each Fund, as described under subsection (b).

(b)(1)(A) For the District payment for each Fund for each fiscal year through fiscal year 2005, the Board shall determine—

(i) the unfunded actuarial liability for such Fund as of the end of fiscal year 2005;

(ii) the unfunded actuarial liability as of October 1, 1979, in future value as of the end of fiscal year 2005 for such Fund; and

(iii) the amount equal to the lesser of (I) the net pay-as-you-go cost, and (II) the sum of the net normal cost and the amount of annual interest (computed at the valuation rate used in the determination under subsection (a)(1)) on the unfunded actuarial liability, as computed under subsection (a)(3)(F).

(B) If the amount determined under subparagraph (A)(i) is equal to the amount determined under subparagraph (A)(ii), the amount of the District payment for the fiscal year for such Fund shall be the amount determined under subparagraph (A)(iii).

(C) If the amount determined under subparagraph (A)(i) is greater than the amount determined under subparagraph (A)(ii), the amount of the District payment for the fiscal year for such Fund shall be the amount equal to the sum of (i) the amount determined under subparagraph (A)(iii), and (ii) the amount of the level amortization payment that, if paid annually into the Fund through the next ten fiscal years (and accrued at the rate of interest used in the determinations under subsection (a)(1)), would reduce the amount determined under subparagraph (A)(i) to the amount determined under subparagraph (A)(ii) by the end of such ten fiscal years.

(D) If the amount determined under subparagraph (A)(ii) is greater than the amount determined under subparagraph (A)(i), the amount of the District payment for such Fund shall be the amount determined under subparagraph (A)(iii) reduced by the amount of the level amortization payment that, if paid annually for the next ten fiscal years, would have a future value as of the end of fiscal year 2005 equal to the difference between the amount determined under subparagraph (A)(ii) and the amount determined under subparagraph (A)(i).

(E) The amount of a District payment determined under subparagraph (C) may not exceed the amount determined under subparagraph (A)(iii) by more than 10 per centum of the net pay-as-you-go cost, in the case of a payment to the District of Columbia Police Officers and Fire Fighters' Retirement Fund, or by more than 30 per centum of the net pay-as-you-go cost, in the case of a payment to the District of Columbia Teachers' Retirement Fund or to the District of Columbia Judges' Retirement Fund.

(F) Determinations under subparagraph (A) shall be made in accordance with generally accepted actuarial principles and practices.

(2) The amount of the District payment to each Fund for fiscal year 2006 and for each fiscal year thereafter shall be the sum of (A) the net normal cost, and (B) the amount of annual interest (computed at the valuation rate used in the determination pursuant to subsection (a)(1)) on the unfunded actuarial liability.

(c)(1) On the basis of the most recent determinations made under subsection (a)(4), the Board shall—

(A) not later than March 15 of each year through calendar year 2004, submit to the President and to the Congress a request for appropriation of the Federal payment for the next fiscal year for each Fund; and

(B) not less than thirty days prior to the date on which the Mayor is required to submit the annual budget for the government of the District of Columbia to the Council under section 442(a) of the District of Columbia Self-Government and Governmental Reorganization Act, certify to the Mayor and the Council the amount of the District payment for each Fund.

(2) The Mayor, in preparing each annual budget for the District of Columbia pursuant to section 442(a) of the District of Columbia Self-Government and Governmental Reorganization Act, and the Council of the District of Columbia, in adopting each annual budget in accordance with section 446 of such Act, shall include in such budget not less than the full amount certified by the Board under paragraph (1)(B) as being the amount of the District payment for the next fiscal year for each Fund. The Mayor and the Council may comment and make recommendations concerning any such amount certified by the Board.

(d)(1) Whenever any change in benefits under a retirement program is made, the Mayor shall engage an enrolled actuary, who may be the enrolled actuary engaged pursuant to section 162(a)(4)(A), to estimate the effect of such change in benefits over the next five fiscal years on (A) the net normal cost percentage with respect to the retirement program, (B) the accrued actuarial liability with respect to the retirement program, (C) the net pay-as-you-go cost with respect to the retirement program, and (D) the level of the District payments to the Fund. The Mayor shall transmit the estimates of the actuary under the preceeding sentence to the Board and to the Speaker and the President pro tempore, and such change in benefits may not go into effect until the end of the thirty-day period beginning on the date such transmittals are completed.

(2) In the event a change in benefits under a retirement program is made that increases the present value of benefits payable from the Fund, a level amortization payment for a period not to exceed twenty-five years shall be paid by the District to the Fund such that the present value of the sum of such level amortization payments equals the increase in the present value of such benefits. Such payments shall be made in addition to any other payment to the Fund required to be made by the District, and such increase in present value of benefits payable from the Fund and such payments shall be disregarded in calculating the unfunded actuarial liability under subsection (b)(1)(A).

(e) Whenever the amount authorized to be appropriated to the District of Columbia Police Officers and Fire Fighters' Retirement Fund for any fiscal year under section 144(a)(1) is reduced under section 145(c), the District shall, beginning with the next fiscal year, pay a level amortization payment to such Fund for a period not to exceed ten years such that the present value (determined as of the beginning of the fiscal year for which such authorization is reduced) of the sum of such level amortization payments equals the amount of such reduction. Such payments shall be made in addition to any other payment to such Fund required to be made by the District and shall be disregarded in calculating the unfunded actuarial liability under subsection (b)(1)(A).

(f) The Comptroller General of the United States shall have access to all books, accounts, records, reports, files and other papers necessary to carry out the responsibility of the Comptroller General under section 736(a) of the District of Columbia Self-Government and Governmental Reorganization Act and under section 144(e) of this Act.

INFORMATION ABOUT RETIREMENT PROGRAMS

SEC. 143. Upon a request of the Board, the Mayor shall furnish to the Board such information with respect to retirement programs to which this title applies as the Board considers necessary to enable it to carry out its responsibilities under this title and to enable the enrolled actuary engaged pursuant to section 142(a) to carry out the responsibilities of the enrolled actuary under this title.

FEDERAL AND DISTRICT OF COLUMBIA PAYMENTS TO THE FUNDS

SEC. 144. (a) There is authorized to be appropriated from the revenues of the United States for fiscal year 1981 and for each fiscal year thereafter through fiscal year 2005—

(1) as the Federal payment to the District of Columbia Police Officers and Fire Fighters' Retirement Fund, the sum of $49,270,000, reduced by the amount of any reduction required under section 145(c);

(2) as the Federal payment to the District of Columbia Teachers' Retirement Fund, the sum of $15,510,000; and

(3) as the Federal payment to the District of Columbia Judges' Retirement Fund, the sum of $220,000.

(b)(1) Amounts appropriated as a Federal payment to a Fund established by this title shall not be subject to apportionment and shall be deposited in the appropriate Fund not more than thirty days after they are appropriated or thirty days after the beginning of the fiscal year for which they are appropriated, whichever is later.

(2) Amounts appropriated as a District of Columbia payment to a Fund established by this title shall be deposited in the appropriate Fund in equal quarterly installments, the first of which shall be made on the first day of the first quarter of the fiscal year, or on the first day thereafter that funds for such installment become available, and the remainder of which shall be made on the first day of succeeding quarters of the fiscal year, or on the first day thereafter that funds for such installments becomes available.

(c) If at any time the balance of any Fund established by this title is not sufficient to meet all obligations against such Fund, such Fund shall have a claim on the revenues of the District of Columbia to the extent necessary to meet such obligations.

(d) If, for any fiscal year, the Mayor and the Council do not carry out the requirements of subsections (c)(2), (d), and (e) of section 142 with respect to a Fund, no funds authorized to be appropriated for such Fund by this section shall be available for such Fund for such fiscal year.

(e)(1) In the year 2005, the Comptroller General shall determine whether the Federal share with respect to each Fund has been paid in full by payments made pursuant to appropriations authorized under subsection (a) of this section and, in the case of the District of Columbia Police Officers and Fire Fighters' Retirement Fund, by payments made or to be made under section 142(e).

(2) For the purposes of this subsection, the term "Federal share", with respect to a Fund, means the accrued unfunded liability as of October 1, 1979, for members retired prior to January 2, 1975, and beneficiaries of such members.

REDUCTION IN FEDERAL CONTRIBUTION FOR EXCESSIVE COST OF POLICE OFFICERS AND FIRE FIGHTERS' DISABILITY RETIREMENT

SEC. 145. (a) After January 1, and before March 1, of each year beginning with calendar year 1983 and ending with calendar year 2004, the enrolled actuary engaged pursuant to section 142 shall, with respect to the District of Columbia Police Officers and Fire Fighters' Retirement Fund—

(1) determine the estimated present value (as of the date of the determination) of the cost to the Fund of the future benefits payable from such Fund for disability retirements under subsections (f)(1) and (g)(1) of the Policemen and Firemen's Retirement and Disability Act to those officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia who first became such officers or members on or before the end of the ninety-day period beginning on the date of the enactment of this Act and who were not retired on the first day of the preceding calendar year;

(2) determine the estimated present value (as of the date of the determination) of the cost to the Fund of the benefits referred to in paragraph (1) determined as if such officers and members retire or had retired under the provisions of subsection (f)(2) or (g)(5) of such Act, as in effect on the day after he end of the ninety-day period beginning on the date of the enactment of this Act, except that in making determinations under this paragraph, the enrolled actuary shall not take into account reductions pursuant to subsection (j)(3) of the Policemen and Firemen's Retirement and Disability Act; and

(3) state whether the ratio of the amount determined under paragraph (1) to the amount determined under paragraph (2) is greater than 1.02.

The enrolled actuary shall report the determinations and statement made under paragraphs (1) through (3) for any year to the Board and to the Comptroller General of the United States not later than March 1 of such year.

(b)(1) The Board and the Comptroller General shall each transmit a copy of each report by the enrolled actuary under subsection (a) to the Speaker, the President pro tempore, the Mayor, and the Council not later than March 31 of the year in which the report is made, and each shall submit comments on such report.

(2) The Comptroller General shall include in his comments on each such report transmitted under paragraph (1) a statement of whether the determinations and statements made by the enrolled actuary under subsection (a) were made in conformance with generally accepted actuarial practices and principles and whether such determinations and statement fairly present in all material respects the amounts described in paragraphs (1) and (2) of such subsection.

(c) Notwithstanding any other provision of this Act, with respect to the fiscal year commencing in any calendar year in which a report of the enrolled actuary under subsection (a), as transmitted to the Congress in accordance with subsection (b), includes a statement by the enrolled actuary under paragraph (3) of subsection (a) that the ratio of the estimates determined under paragraphs (1) and (2) of such subsection is greater than 1.02, the amount authorized by section 144(a)(1) to be appropriated to the Fund for such fiscal year shall be reduced. Such reduction shall be an amount equal to the product of the amount specified in such section and the ratio of the number of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia who retired during the preceeding calendar year under subsections

(f)(1) and (g)(1) of the Policemen and Firemen's Retirement and Disability Act to the number of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia who first became such members prior to the end of the ninety-day period beginning on the date of the enactment of this Act and who retired, died, withdrew by taking out a lump-sum payment, or separated from active duty while eligible for a deferred annuity under the Policemen and Firemen's Retirement and Disability Act during such year.

(d)(1) Notwithstanding any provision of the Policemen and Firemen's Retirement and Disability Act or any other provision of this Act, in any case in which any officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia retires during calendar year 1979 or any subsequent calendar year through calendar year 2001 under subsection (f)(1) or (g)(1) of the Policemen and Firemen's Disability Act, the Board of Police and Fire Surgeons shall determine, within a reasonable time and in accordance with regulations which the Mayor shall promulgate, the percentage of impairment of such officer or member and shall report such percentage of impairment to the Police and Firemen's Retirement and Relief Board. In the case of such officer or member, such Board shall determine, within a reasonable time, the percentage of disability of such officer or member giving due regard to—

(A) the nature of the injury or disease;

(B) the percentage of impairment reported pursuant to the preceding sentence;

(C) the position in the Metropolitan Police force or the Fire Department of the District of Columbia held by the officer or member immediately prior to such officer or member's retirement;

(D) the age and years of service of the officer or member; and

(E) any other factor or circumstance which may affect the capacity of the officer or member to earn wages or engage in gainful activity in his disabled condition, including the effect of the disability as it may naturally extend into the future.

(2) The Police and Firemen's Relief Board, on or before January 31 of each calendar year from 1980 through 2002, shall make available to the Comptroller General and the enrolled actuary all determinations (including related documents and information) made during the preceding calendar year pursuant to paragraph (1) of this subsection in order to enable the Comptroller General and the enrolled actuary to make the determinations and statement required by this section.

CONFORMING AMENDMENTS

SEC. 146. (a)(1) Section 7 of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31-727), is repealed.

(2) Section 14 of such Act of August 7, 1946 (D.C. Code, sec. 31-735), is amended as follows:

(A) in the third sentence, by striking out "The" and inserting in lieu thereof "Until such time as all amounts in the teachers' retirement and annuity fund have been expended or transferred to the District of Columbia Teachers' Retirement Fund established by section 123(a) of the District of Columbia Retirement Reform Act, the"; and

(B) by striking out the fourth sentence.

(3) Section 15 of such Act of August 7, 1946 (D.C. Code, sec. 31-735), is repealed.

(b) The proviso in the fourth paragraph (relating to District government retirement and relief funds) under the heading "Compensation and Retirement Fund Expenses" in the Act of July 31, 1953 (D.C. Code, sec. 31-716a), is repealed.

(c)(1) Section 7 of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved January 15, 1920 (D.C. Code, sec. 31-707), is amended by striking out the second and third sentences of the first paragraph.

(2) Section 14 of such Act of January 15, 1920 (D.C. Code, sec. 31-715), is amended by striking out the third and fourth sentences.

(3) Section 15 of such Act of January 15, 1920 (D.C. Code, sec. 31-716), is repealed.

PART B—REPORTING AND DISCLOSURE REQUIREMENTS PERSONAL FINANCIAL DISCLOSURE BY BOARD MEMBERS

SEC. 161. (a) Each member of the Board shall, within ninety days of his selection as a member of the Board and not later than April 30 of each year thereafter, submit to the Mayor, the Council, the Speaker, and the President pro tempore a personal financial disclosure statement with respect to the preceding calendar year. Such statement shall be in such form as the Council may by regulation require and shall contain such information with respect to the member's financial condition as the Council may by regulation require, including the following information:

(1) The amount and source of all income (as defined in section 61 of the Internal Revenue Code of 1954) received during the year.

(2) The identity and category of value of each liability owned, directly or indirectly, that exceeds $2,500 as of the last day of the year (excluding any mortgage that secures real property that is the principal residence of such member).

(3) The identity and category of value of any property held, directly or indirectly, in a trade or business or for investment or the production of income that has a fair market value of not less than $1,000 as of the last day of the year.

(4) The identity and category of value of any transaction, whether direct or indirect, in securities or commodities futures during the year in excess of $1,000 (excluding any gift to any tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1954), and the identity, date, and category of value of any purchase or sale, whether direct or indirect, of any interest in real or tangible personal property during the year the value of which exceeds $1,000 at the time of such purchase or sale (excluding any purchase or sale of any property that is the principal residence of such member or that is used as furnishings for such principal residence).

(5) The nature and extent of any interest during the year in any bank, insurance company, or other financial institution, or in any brokerage or other securities or investment company.

(6) The nature and extent of any employment during the year by any bank, insurance company, or other financial institution, or by any brokerage or other securities or investment company.

A member shall not be required to submit a personal financial disclosure statement to the Speaker and the President pro tempore for calendar years after calendar year 2003.

(b) For purposes of paragraphs (2), (3), and (4) of subsection (a), the member reporting need not specify the actual amount of value of each item required to be reported under such paragraphs, but shall indicate which of the following categories such amount or value is within:

(1) Not more than $5,000.

(2) Greater than $5,000 but not more than $15,000.

(3) Greater than $15,000 but not more than $50,000.

(4) Greater than $50,000 but not more than $100,000.

(5) Greater than $100,000.

ANNUAL REPORTS

SEC. 162. (a)(1)(A) The Board shall publish an annual report for each fiscal year (beginning with fiscal year 1980) with respect to each retirement program to which this title applies and with respect to the Fund for such retirement program. Such report shall be filed with the Mayor, the Council, the Speaker, and the President pro tempore in accordance with section 164(a) and shall be made available and furnished to participants and beneficiaries in accordance with section 164(b).

(B) The annual report shall include the information described in subsections (b), (c), (d), and (e) and, when applicable, subsection (f), and shall also include—

(i) the financial statement and opinion required by paragraph (3) of this subsection; and

(ii) the actuarial statement and opinion required by paragraph (4) of this subsection.

(2) If some or all of the information needed to enable the Board to comply with the requirements of this title is maintained by—

(A) an insurance carrier or other organization which provides some or all of the benefits under the retirement program, or holds assets of the Fund for such retirement program in a separate account;

(B) a bank or similar institution which holds some or all of the assets of the Fund in a common or collective trust or a separate trust, or custodial account; or

(C) the Mayor (or the Police and Firemen's Retirement and Relief Board, established pursuant to section 122 of the Act of September 3, 1974, in carrying out the Mayor's responsibilities under the Policemen and Firemen's Retirement and Disability Act);

such carrier, organization, bank, or institution, or the Mayor, shall transmit and certify the accuracy of such information to the Board within one hundred and twenty days after the end of the fiscal year (or such other date as may be prescribed under regulations of the Board).

(3)(A) Except as provided in subparagraph (C), the Board shall engage an independent qualified public accountant who shall conduct such examination of any financial statements of the Fund, and of other books and records of the Fund or the retirement program, as the accountant may deem necessary to enable the accountant to form an opinion as to whether the financial statements and schedules required to be included in the annual report by subsection (b) of this section are presented fairly in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Such examination shall be conducted in accordance with generally accepted auditing standards and shall involve such tests of the books and records of the Fund and the retirement program as are considered necessary by the independent qualified public accountant. The independent qualified public accountant shall also offer his opinion as to whether the separate schedules specified in subsection (b)(2) of this section and the summary material required under section 164(b)(2) present fairly, and in all material respects, the information contained therein when considered in conjunction with the financial statements taken as a whole. The opinion by the independent qualified public accountants shall be made a part of the annual report.

(B) In offering his opinion under this section, the accountants may rely on the correctness of any actuarial matter certified to by an enrolled actuary if he so states his reliance.

(C) The opinion required by subparagraph (A) need not be expressed as to any statements required by subsection (b)(2)(G) prepared by a bank or similar institution or insurance carrier regulated and supervised and subject to periodic examination by a State or Federal agency if such statements are certified by the bank, similar institution, or

insurance carrier as accurate and are made a part of the annual report.

(4)(A) The Board shall engage an enrolled actuary who shall be responsible for the preparation of the materials comprising the actuarial statement required under subsection (d) of this section.

(B) The enrolled actuary shall utilize such assumptions and techniques as are necessary to enable him to form an opinion as to whether the contents of the matters reported under subsection (d) of this section—

(i) are in the aggregate reasonably related to the experience of the Fund and the retirement program and to reasonable expectations; and

(ii) represent his best estimate of anticipated experience under the Fund and the retirement program.

The opinion by the enrolled actuary shall be made with respect to, and shall be made a part of, each annual report.

(C) In making a certification under this section, the enrolled actuary may rely on the correctness of any accounting matter under subsection (b) as to which any qualified public accountant has expressed an opinion if he so states his reliance.

(b)(1) An annual report under this section shall include a financial statement containing a statement of assets and liabilities, and a statement of changes in net assets available for benefits under the retirement program, which shall include details of revenues and expenses and other changes aggregated by general source and application. In the notes to financial statements, disclosures concerning the following items shall be considered by the accountant: A description of the retirement program, including any significant changes in the retirement program made during the period and the impact of such changes on benefits; the funding policy (including the policy with respect to prior service cost), and any changes in such policy during the year; a description of any significant changes in benefits made during the period; a description of material lease commitments, other commitments, and contingent liabilities; a description of agreements and transactions with persons known to be parties in interest; and any other matters necessary to fully and fairly present the financial statements of the Fund.

(2) The statement required under paragraph (1) shall have attached the following information in separate schedules:

(A) A statement of the assets and liabilities of the Fund, aggregated by categories and valued at their current value, and the same data displayed in comparative form for the end of the previous fiscal year.

(B) A statement of receipts in and disbursements from the Fund during the preceding twelve-month period, aggregated by general source and application.

(C) A schedule of all assets held for investment purposes, aggregated and identified by issuer, borrower, or lessor, or similar party to the transaction (including a notation as to whether such party is known to be a party in interest), maturity date, rate of interest, collateral, par or maturity value, cost, and current value.

(D) A schedule of each transaction involving a person known to be a party in interest, the identity of such party in interest and his relationship or that of any other party in interest to the Fund, a description of each asset to which the transaction relates; the purchase or selling price in case of a sale or purchase, the rental in case of a lease, or the interest rate and maturity date in case of a loan; expenses incurred in connection with the transaction; the cost of the asset, the current value of the asset, and the net gain or loss on each transaction.

(E) A schedule of all loans or fixed income obligations which were in default as of the close of the fiscal year or were classified during the year as uncollectable and the following information with respect to each loan on such schedule (including a notation as to whether parties involved are known to be parties in interest): The original principal amount of the loan, the amount of principal and interest received during the reporting year, the unpaid balance, the identity and address of the obligor, a detailed description of the loan (including date of making and maturity, interest rate, the type and value of collateral, and other material terms), the amount of principal and interest overdue (if any) and an explanation thereof.

(F) A list of all leases which were in default or were classified during the year as uncollectable and the following information with respect to each lease on such list (including a notation as to whether parties involved are known to be parties in interest): The type of property leased (and, in the case of fixed assets such as land, buildings, and leaseholds, the location of the property); the identity of the lessor or lessee from or to whom the Fund is leasing; the relationship of such lessors and lessees, if any, to the Fund, the government of the District of Columbia, any employee organization, or any other party in interest; the terms of the lease regarding rent, taxes, insurance, repairs, expenses, and renewal options; the date the leased property was purchased and its cost; the date the property was leased and its approximate value at such date, the gross rental receipts during the reporting period, expenses paid for the leased property during the reporting period, the net receipts from the lease, the amounts in arrears, and a statement as to what steps have been taken to collect amounts due or otherwise remedy the default.

(G) The most recent annual statement of assets and liabilities of any common or collective trust maintained by a bank or similar institution in which some or all the assets of the Fund are held, of any separate account maintained by an insurance carrier in which some or all of the assets of the Fund are held, and of any separate trust maintained by a bank as trustee in which some or all of the assets of the Fund are held, and in the case of a separate account or a separate trust, such other information as may be required by the Board in order to comply with this subsection.

(H) A schedule of each reportable transaction, the name of each party to the transaction (except that, in the case of an acquisition or sale of a security on the market, the report need not identify the person from whom the security was acquired or to whom it was sold) and a description of each asset to which the transaction applies; the purchase or selling price in case of a sale or purchase, the rental in case of a lease, or the interest rate and maturity date in case of a loan; expenses incurred in connection with the transaction; the cost of the asset, the current value of the asset, and the net gain or loss on each transaction.

(3) For purposes of subparagraph (H) of paragraph (2), the term "reportable transaction" means a transaction to which the Fund is a party and which is—

(A) a transaction involving an amount in excess of 3 per centum of the current value of the assets of the Fund;

(B) any transaction (other than a transaction respecting a security) which is part of a series of transactions with or in conjunction with a person in a fiscal year, if the aggregate amount of such transactions exceed 3 per centum of the current value of the assets of the Fund;

(C) a transaction which is part of a series of transactions respecting one or more securities of the same issuer, if the aggregate amount of such transactions in the fiscal year exceeds 3 per centum of the current value of the assets of the Fund; or

(D) a transaction with or in conjunction with a person respecting a security, if any other transaction with or in conjunction with such person in the fiscal year respecting a security is required to be reported by reason of subparagraph (A).

(c) The Board shall furnish as a part of an annual report under this section the following information:

(1) The number of individuals covered by the retirement program.

(2) The name and address of each member of the Board.

(3) Except in the case of a person whose compensation is minimal (as determined under regulations of the Council, which regulations the Council shall initially promulgate within ninety days after the date of the enactment of this Act) and who performs solely ministerial duties (as determined under such regulations), the name of each person (including any consultant, broker, trustee, accountant, insurance carrier, actuary, administrator, investment counsel, or custodian who rendered services to the Board or who had transactions with the Board) who directly or indirectly received compensation from the Board during the preceding year for services rendered to the Board or the participants or beneficiaries of the retirement program for which a Fund was established, the amount of such compensation, the nature of his services, his relationship, if any, to the District of Columbia government or any employee organization, and any other officer, position or employment he holds with any party in interest.

(4) An explanation of the reason for any change in appointment of any accountant, insurance carrier, enrolled actuary, or investment counsel apponted by the Board.

(5) Such other financial and actuarial information as the Council may by regulation prescribe.

(d) An annual report under this section for a fiscal year shall include a complete actuarial statement applicable to the fiscal year which shall include the following information:

(1) The date of the actuarial valuation applicable to the fiscal year for which the report is filed.

(2) The date and amount of the payments to the Fund for the fiscal year for which the report is filed and contributions for prior fiscal years not previously reported, including payments by the participants, the United States, and the District of Columbia.

(3) The following information applicable to the fiscal year for which the report is filed:

(A) The amounts determined under section 142(a)(1).

(B) The accrued liabilities.

(C) An identification of benefits not included in the calculation.

(D) A statement of the other facts and actuarial assumptions and methods used to determine costs.

(E) A justification for any change in actuarial assumptions or cost methods.

(4) The number of participants and beneficiaries covered by the retirement program.

(5) A certification of the amount of the payments to the Fund necessary to reduce the accumulated funding deficiency to zero.

(6) A statement by the enrolled actuary of any change in actuarial assumptions made with respect to the Fund during the year.

(7) A statement by the enrolled actuary of the estimated current value of vested benefits under the retirement program.

(8) A statement by the enrolled actuary that to the best of his knowledge the report is complete and accurate.

(9) A copy of the opinion required by subsection (a)(4).

(10) Such other information regarding the retirement program as the Council may by regulation require.

(11) Such other information as the enrolled actuary may determine is necessary to

fully and fairly disclose the actuarial position of the Fund.

The actuary shall make an actuarial valuation of the Fund for every third fiscal year, unless he determines that a more frequent valuation is necessary to support his opinion under subsection (a)(4) of this section.

(e) A report under this section for a fiscal year shall include a statement prepared by the Board of—

(1) the relative riskiness of the investments during the fiscal year of the assets of the Fund;

(2) a comparison of the average return on the investments of the Fund during the year with the average return on the investments of other public pension funds during the year that have comparable asset valuation; and

(3) the average daily balance of, and the average rate earned by, assets of the Fund in each of any time or demand deposits during the year.

(f) If some or all of the benefits under the retirement program are purchased from and guaranteed by an insurance company, insurance service, or other similar organization, a report under this section shall include a statement from such insurance company, service, or other similar organization covering the fiscal year and enumerating—

(1) the premium rate or subscription charge and the total premium or subscription charges paid to each such carrier, insurance service, or other similar organization and the approximate number of persons covered by each class of such benefits; and

(2) the total amount of premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such company, service, or other organization; dividends or retroactive rate adjustments, commissions, and administrative service or other fees or other specific acquisition costs paid by such company, service, or other organization; any amounts held to provide benefits after retirement; the remainder of such premiums; and the names and addresses of the brokers, agents or other persons to whom commissions or fees were paid, the amount paid to each, and for what purpose.

If any such company, service, or other organization does not maintain separate experience records covering the specific groups it serves, the report shall include, in lieu of the information required by paragraph (2), a statement as to the basis of its premium rate or subscription charge, the total amount of premiums or subscription charges received from the Fund, and a copy of the financial report of the company, service, or other organization and, if such company, service, or organization incurs specific costs in connection with the acquisition or retention of any particular Fund or Funds, a detailed statement of such costs.

RETIREMENT PROGRAM SUMMARY DESCRIPTION

SEC. 163. (a)(1) A summary description of each retirement program to which this Act applies shall be furnished to participants and beneficiaries as provided in section 164(b). The summary description shall include the information specified in subsection (b) of this section, shall be written in a manner calculated to be understood by the average participant or beneficiary, and shall be sufficiently accurate and comprehensive to reasonably apprise such participants and beneficiaries of their rights and obligations under the retirement program.

(2) A summary of any material modification in the terms of the retirement program and any change in the information required under subsection (b), written in a manner calculated to be understood by the average participant or beneficiary, shall be furnished in accordance with section 164(b)(1).

(b) Each summary description of a retirement program shall contain the following information: The name and type of administration of the retirement program; the name and address of the chairman of the Board, who shall be the agent of the Board for the service of legal process; the name, title, and address of each member of the Board; a description of the relevant provisions of applicable collective-bargaining agreements; the retirement program's requirements respecting eligibility for participation and benefits; a description of the provisions providing for nonforfeitable pension benefits; circumstances which may result in disqualification, ineligibility, or denial or loss of benefits; the identity of any organization through which benefits are provided; the procedures to be followed in presenting claims for benefits under the retirement program; and the remedies available under the retirement program for the redress of claims that are denied in whole or in part.

FILING REPORTS AND FURNISHING INFORMATION TO PARTICIPANTS

SEC. 164. (a)(1) The Board shall file with the Mayor, the Council, the Speaker, and the President pro tempore—

(A) the annual reports for a fiscal year within two hundred and ten days after the end of such year;

(B) a copy of each summary description of a retirement program within one year after the date of the enactment of this Act; and

(C) a revised summary description of a retirement program, incorporating any material modification in the terms of the retirement program, within sixty days after such modifications is adopted or occurs.

The Mayor shall make copies of such retirement program descriptions and annual reports available for public inspection in an appropriate location. The Board shall also furnish to the Mayor, the Council, the Speaker, and the President pro tempore, upon request, any documents relating to the retirement program or the Fund, including any bargaining agreement, trust agreement, contract, or other instrument under which the retirement program or Fund is operated.

(2)(A) The Mayor or the Council may reject any filing under this section within thirty days of such filing—

(i) upon determining that such filing is incomplete for purposes of this part; or

(ii) upon determining that there is any material qualification by an accountant or actuary contained in an opinion submitted pursuant to section 162(a)(3)(A) or section 162(a)(4)(B).

(B) If the Mayor or the Council rejects a filing of a report under subparagraph (A), and if a revised filing satisfactory to the Mayor or the Council is not submitted within forty-five days after the determination under subparagraph (A) to reject the filing is made, and if the Mayor or the Council considers it in the best interest of the participants, then the Mayor or the Council may take any one or more of the following actions:

(i) Retain an independent qualified public accountant on behalf of the participants to perform an audit.

(ii) Retain an enrolled actuary on behalf of the participants to prepare an actuarial statement.

(iii) Bring a civil action for such legal or equitable relief as may be appropriate to enforce the provisions of this title.

The Board shall permit any accountant or actuary so retained to inspect whatever books and records of the Fund are necessary for such audit.

(3)(A) Either House of Congress may reject any filing under this section within thirty days of such filing by adopting a resolution stating that such House has determined—

(i) that such filing is incomplete for purposes of this part; or

(ii) that there is any material qualification by an accountant or actuary contained in an opinion submitted pursuant to section 162(a)(3)(A) or section 162(a)(4)(B).

(B) If either House of Congress rejects a report under subparagraph (A) and if either a revised filing is not submitted within forty-five days after adoption of the resolution under subparagraph (A) rejecting the initial filing or such revised filing is rejected by either House of Congress by adoption of a resolution within thirty days after submission of the revised filing, then either House of Congress may, if it deems it in the best interests of the participants, take any one or more of the following actions:

(i) Retain in independent qualified public accountant on behalf of the participants to perform an audit.

(ii) Retain an enrolled actuary on behalf of the participants to prepare an actuarial statement.

The Board and the Mayor shall permit any accountant or actuary so retained to inspect whatever books and records of the Fund and the retirement program, are necessary for performing such audit or preparing such statement.

(C) If a revised filing is rejected under subparagraph (B) or if a filing required under this title is not made by the date specified, no funds appropriated for the Fund with respect to which such filing was required as part of the Federal payment may be paid to the Fund until such time as an acceptable filing is made. For purposes of this subparagraph, a filing is unacceptable if, within thirty days of its submission, either House of Congress adopts a resolution disapproving such filing.

(b) Publication of the summary retirement program descriptions and annual reports shall be made to participants and beneficiaries as follows:

(1) The Board shall furnish to each participant, and to each beneficiary receiving benefits under the retirement program, a copy of the summary retirement program description and all modifications and changes referred to in section 163(a) within ninety days after he becomes a participant or in the case of a beneficiary, within ninety days after he first receives benefits. The Board shall furnish to each participant, and to each beneficiary receiving benefits under the retirement program, every fifth year an updated summary retirement program description described in section 163 which integrates all retirement program amendments made within such five-year period, except that in a case where no amendments have been made to a retirement program during such five-year period this sentence shall not apply. Notwithstanding the foregoing sentence, the Board shall furnish to each participant, and to each beneficiary receiving benefits under the retirement program, the summary retirement program description described in section 163 every tenth year. If there is a modification or change described in section 163(a), a summary description of such modification or change shall be furnished to each participant and to each beneficiary who is receiving benefits under the retirement program not later than two hundred and ten days after the end of the fiscal year in which change is adopted.

(2) The Board shall make copies of the latest annual report and of any bargaining agreement, trust agreement, contract, or other instruments under which the retirement program or the Fund is operated available for examination by any participant or beneficiary in the principal office of the Board and in such other places as may be necessary to make available all pertinent information to all participants (including such places as the Council may by regulation prescribe).

(3) Within two hundred and ten days after the close of the fiscal year, the Board shall furnish to each participant, and to each beneficiary receiving benefits under the retirement program, a copy of the statements and schedules described in subparagraphs (A) and (B) of section 162(b)(2) for such fiscal year and such other material as is necessary to fairly summarize the latest annual report.

(4) The Board shall, upon written request of any participant or beneficiary, furnish a copy of the latest updated summary retirement program description, the latest annual report, and any bargaining agreement, trust agreement, contract, or other instruments under which the retirement program or Fund is operated. The Board may make a reasonable charge to cover the cost of furnishing such copies. The Council may by regulation prescribe the maximum amount that will constitute a reasonable charge under the preceding sentence.

(c) The Council may by regulation require that the Board furnish to each participant and to each beneficiary receiving benefits under a retirement program a statement of the rights of participants and beneficaries under this title.

REPORTING OF PARTICIPANTS' BENEFIT RIGHTS

SEC. 165. (a) The Board shall furnish to any participant or beneficiary who so requests in writing, a statement indicating, on the basis of the latest available information—

(1) the total benefits accrued, and

(2) the nonforfeitable retirement benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable.

(b) A participant or beneficiary is not entitled to receive more than one report under subsection (a) during any twelve-month period.

PUBLIC INFORMATION

SEC. 166. (a) Except as provided in subsection (b), the contents of the descriptions, annual reports, statements, and other documents filed with the Mayor, the Council, the Speaker, and the President pro tempore pursuant to this part shall be public information, and the Mayor, the Council, the Speaker, and the President pro tempore may use the information and data in such documents for statistical and research purposes and may compile and publish such studies, analyses, reports, and surveys based thereon as may be considered appropriate.

(b) Information described in section 165 (a) with respect to a participant or beneficiary of a retirement program may be disclosed only to the extent that information respecting that participant's or beneficiary's benefits under title II of the Social Security Act may be disclosed under such Act.

(c) Except to the extent that information which is protected from public disclosure under subsection (b), or which relates to personnel matters the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, is involved, all meetings of the Board shall be open to the public.

RETENTION OF RECORDS

SEC. 167. The Board shall maintain records on the matters required to be disclosed by this title which will provide in sufficient detail the necessary basic information and data from which the required documents may be verified, explained, or clarified, and checked for accuracy and completeness, shall include vouchers, worksheets, receipts, and applicable resolutions in such records, and shall keep such records available for examination for a period of not less than six years after the filing date of the documents based on the information which they contain. Except to the extent that information is involved which is protected from public disclosure under section 166(b), all such records shall be available for inspection by the public.

ADDITIONAL INFORMATION

SEC. 168. (a) In addition to the information specifically required to be furnished by this part, the Board shall furnish promptly such additional information as the Mayor, the Council, the Speaker, or the President pro tempore may request.

(b) The Board shall, at regular intervals to be determined by the Board, compile and publish all regulations then in effect which were issued by the Board or the Council under this title.

CRIMINAL PENALTIES

SEC. 169. Whoever willfully violates any provision of this part (other than sections 165 and 168), or any regulation or order issued under any such provision, shall be fined not more than $5,000 or imprisoned not more than one year, or both, except that in the case of such a violation by a person not an individual, such person shall be fined not more than $100,000.

PART E—FIDUCIARY RESPONSIBILITY; CIVIL SANCTIONS

FIDUCIARY RESPONSIBILITIES

SEC. 181. (a)(1) The Board and each member of the Board shall discharge responsibilities with respect to a Fund as a fiduciary with respect to such Fund. The Board may designate one or more other persons who exercise responsibilities with respect to a Fund to exercise such responsibilities as a fiduciary with repect to such Fund. The Board shall retain such fiduciary responsibility for the exercise of careful, skillful, prudent, and diligent oversight of any person so designated as would be exercised by a prudent individual acting in a like capacity and familiar with such matters under like circumstances.

(2) A fiduciary shall discharge his duties with respect to a Fund solely in the interest of the participants and beneficiaries and—

(A) for the exclusive purpose of providing benefits to participants and their beneficiaries;

(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent individual acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(C) by diversifying the investments of the Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(D) in accordance with the provisions of law, documents, and instruments governing the retirement program to the extent that such documents and instrumetns are consistent with the provisions of this title.

(b) In addition to any liability which he may have under any other provision of this part, a fiduciary with respect to a Fund shall be liable for a breach of fiduciary responsibility of another fiduciary with respect to the same Fund—

(1) if he knowingly participates in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach of fiduciary responsibility;

(2) if, by his failure to comply with subsection (a)(2) in the administration of his specific responsibilities which give rise to his status as a fiduciary, he has enabled such other fiduciary to commit a breach of fiduciary responsibility; or

(3) if he has knowledge of a breach of fiduciary responsibility by such other fiduciary, unless he makes reasonable efforts under the circumstances to remedy the breach.

(c) Except as provided in subsection (f), a fiduciary with respect to a Fund shall not cause the Fund to engage in a transaction, if he knows or should know that such transaction constitutes a direct or indirect—

(1) sale or exchange, or leasing, of any property between the Fund and a party in interest;

(2) lending of money or other extension of credit between the Fund and a party in interest;

(3) furnishing of goods, services, or facilities between the Fund and a party in interest; or

(4) transfer to, or use by or for the benefit of, a party in interest, of any assets of the Fund.

(d) A fiduciary with respect to a Fund shall not—

(1) deal with the assets of the Fund in his own interest or for his own account;

(2) in his individual or in any other capacity act in any transaction involving the Fund on behalf of a party (or represent a party) whose interests are adverse to the interests of the Fund or the interests of its participants or beneficiaries; or

(3) receive any consideration for his own personal account from any party dealing with such Fund in connection with a transaction involving the assets of the Fund.

(e) A transfer of real or personal property by a party in interest to a Fund shall be treated as a sale or exchange if the property is subject to a mortgage or similar lien which the Fund assumes or if it is subject to a mortgage or similar lien which a party in interest placed on the property within the ten-year period ending on the date of the transfer.

(f) The prohibitions provided in subsection (c) shall not apply to any of the following transactions:

(1) Contracting or making reasonable arrangements with a party in interest for office space, or legal, accounting, or other services necessary for the establishment or operation of the Fund, if no more than reasonable compensation is paid therefor.

(2) The investment of all or part of a Fund's assets in deposits which bear a reasonable interest rate in a bank or similar financial institution supervised by the United States or a State, if such bank or other institution is a fiduciary of such Fund and if such investment is expressly authorized by regulations of the Board or by a fiduciary (other than such bank or institution or affiliate thereof) who is expressly empowered by the Board to make such investment.

(3) The providing of any ancillary service by a bank or similar financial institution supervised by the United States or a State if such bank or other institution is a fiduciary of such Fund and if—

(A) such bank or similar financial institution has adopted adequate internal safeguards which assure that the providing of such ancillary service is consistent with sound banking and financial practice, as determined by Federal or State supervisory authority, and

(B) the extent to which such ancillary service is provided is subject to specific guidelines issued by such bank or similar financial institution (as determined by the Mayor after consultation with Federal and State supervisory authority), and adherence to such guidelines would reasonably preclude such bank or similar financial institution from providing such ancillary service (i) in an excessive or unreasonable manner, and (ii) in a manner that would be inconsistent with the best interests of participants and beneficiaries of the retirement program.

Such ancillary services shall not be provided at more than reasonable compensation.

(4) The exercise of a privilege to convert securities, to the extent provided in regulations of the Council, but only if the Fund receives no less than adequate consideration pursuant to such conversion.

(5) Any transaction between a Fund and a common or collective trust fund or pooled investment fund maintained by a party in interest which is a bank or trust company supervised by a State or Federal agency, or a pooled investment fund of an insurance company qualified to do business in a State, if—

(A) the transaction is a sale or purchase of an interest in the Fund;

(B) the bank, trust company, or insurance company receives not more than reasonable compensation; and

(C) such transaction is expressly permitted by the Board, or by a fiduciary (other than the bank, trust company, insurance company, or an affiliate thereof) who has authority to manage and control the assets of the Fund.

(g) Nothing in subsection (c) shall be construed to prohibit any fiduciary from—

(1) receiving any benefit to which he may be entitled as a participant or beneficiary in the retirement program, so long as the benefit is computed and paid on a basis which is consistent with the terms of the retirement program as applied to all other participants and beneficiaries;

(2) receiving any reasonable compensation for services rendered, or for the reimbursement of expenses properly and actually incurred, in the performance of his duties with respect to the Fund; or

(3) serving as a fiduciary in addition to being an officer, employee, agent, or other representative of a party in interest.

LIABILITY FOR BREACH OF FIDUCIARY DUTY

SEC. 182. (a) Any person who is a fiduciary with respect to a Fund who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by this title shall be personally liable to make good to such Fund any losses to the Fund resulting from each such breach and to restore to such Fund any profits of such fiduciary which have been made through the use of assets of the Fund by the fiduciary and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary.

(b) No fiduciary shall be liable with respect to a breach of fiduciary duty under this title if such breach was committed before he became a fiduciary or after he ceased to be a fiduciary.

EXCULPATORY PROVISIONS; INSURANCE

SEC. 183. (a) Any provision in an agreement or instrument which purports to relieve a fiduciary from responsibility or liability for any responsibility, obligation, or duty under this part shall be void as against public policy.

(b) Nothing in this subpart shall preclude—

(1) the Board from purchasing insurance for its fiduciaries or for itself to cover liability or losses occurring by reason of the act or omission of a fiduciary, if such insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation by such fiduciary;

(2) a fiduciary from purchasing insurance to cover liability under this part from and for his own account; or

(3) an employee organization from purchasing insurance to cover potential liability of one or more persons who serve in a fiduciary capacity with regard to the Fund from which the annuities and other retirement and disability benefits of the members of such employee organization are paid.

PROHIBITION AGAINST CERTAIN PERSONS HOLDING CERTAIN POSITIONS

SEC. 184. (a) No person who has been convicted of, or has been imprisoned as a result of his conviction of, robbery, bribery, extortion, embezzlement, fraud, grand larceny, burglary, arson, a felony violation of Federal or State law involving substances defined in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970, murder, rape, kidnapping, perjury, assault with intent to kill, any crime described in section 9(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(a)(1)), a violation of any provision of this Act, a violation of section 302 of the Labor-Management Relations Act, 1947 (29 U.S.C. 186), a violation of chapter 63 of title 18, United States Code, a violation of section 874, 1027, 1503, 1505, 1506, 1510, 1951, or 1954 of title 18, United States Code, a violation of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 401), or conspiracy to commit any such crime or attempt to commit any such crime, or a crime in which any of the foregoing crimes is an element, shall serve or be permitted to serve—

(1) as a fiduciary, investment counsel, agent, or employee of any Fund established by this title; or

(2) as a consultant to any Fund established by this title;

during or for five years after such conviction or after the end of such imprisonment, whichever is the later, unless prior to the end of such five-year period, in the case of a person so convicted or imprisoned, his citizenship rights, having been revoked as a result of such conviction, have been fully restored, or the Board of Parole of the United States Department of Justice determines that such person's service in any capacity referred to in paragraph (1) or (2) would not be contrary to the purposes of this title. Prior to making any such determination the Board of Parole shall hold an administrative hearing and shall give notice of such proceeding by certified mail to the State, county, and Federal prosecuting officials in the jurisdiction or jurisdictions in which such person was convicted. The Board of Parole's determination in any such proceeding shall be final. No person shall knowingly permit any other person to serve in any capacity referred to in paragraph (1) or (2) in violation of this subsection. Notwithstanding the preceding provisions of this subsection, no corporation or partnership will be precluded from acting as an administrator, fiduciary, officer, trustee, custodian, counsel, agent, or employee, of any Fund established by this title, or as a consultant to any Fund established by this title, without a notice, hearing, and determination by such Board of Parole that such service would be inconsistent with the intention of this section.

(d) Whoever willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(e) For the purposes of this section:

(1) A person shall be deemed to have been "convicted" and to be under the disability of "conviction" from the date of entry of the judgment of the trial court or the date of the final sustaining of such judgment on appeal, whichever is the later event.

(2) The term "consultant" means any person who, for compensation, advises or represents a Fund or who provides other assistance to such Fund concerning the operation of such Fund.

(3) A period of parole shall not be considered as part of a period of imprisonment.

BONDING

SEC. 185. (a)(1) Each fiduciary of a Fund established by this title and each person who handles funds or other property of such a Fund (hereinafter in this section referred to as "Fund official") shall be bonded as provided in this section, except that no bond shall be required of a fiduciary (or of any director, officer, or employee of such fiduciary) if such fiduciary—

(A) is a corporation organized and doing business under the laws of the United States or of any State;

(B) is authorized under such laws to exercise trust powers or to conduct an insurance business;

(C) is subject to supervision or examination by Federal or State authority; and

(D) has at all times a combined capital and surplus in excess of such a minimum amount as may be established by regulations issued by the Council, which amount shall be at least $1,000,000.

Subparagraph (D) shall apply to a bank or other financial institution which is authorized to exercise trust powers and the deposits of which are not insured by the Federal Deposit Insurance Corporation only if such bank or institution meets bonding or similar requirements under State law which the Council determines are at least equivalent to those imposed on banks by Federal law.

(2)(A) The amount of such bond shall be the lesser of 10 per centum of the amount of the funds handled by such fiduciary and $500,000, except that the amount of such bond shall be at least $1,000.

(B) The Mayor, after notice and opportunity for hearing to such fiduciary and all other parties in interest to such Fund, may waive the $500,000 limit.

(C) The amount of such bond shall be set at the beginning of each fiscal year.

(3) For purposes of fixing the amount of such bond, the amount of funds handled shall be determined by the funds handled by the person, group, or class to be covered by such bond and by the predecessor or predecessors, if any, during the preceding reporting year, or if the Fund has no preceding reporting year under this title, the amount of funds to be handled during the current reporting year by such person, group, or class, estimated as provided in regulations to be prescribed by the Council.

(4) Such bond shall provide protection to the Fund against loss by reason of acts of fraud or dishonesty on the part of the Fund official, directly or through connivance with others.

(5) Any bond shall have as surety thereon a corporate surety company which is an acceptable surety on Federal bonds under authority granted by the Secretary of the Treasury pursuant to sections 6 through 13 of title 6, United States Code. Any bond shall be in a form or of a type approved by the Council, including individual bonds or schedule or blanket forms of bonds which cover a group or class.

(b) It shall be unlawful for any Fund official to receive, handle, disburse, or otherwise exercise custody or control of any of the funds or other property of any Fund without being bonded as required by subsectiton (a), and it shall be unlawful for any Fund official or any other person having authority to direct the performance of such functions to permit such functions, or any of them, to be performed by any Fund official with respect to whom the requirements of subsection (a) have not been met.

(c) It shall be unlawful for any person to procure any bond required by subsection (a) from any surety or other company or through any agent or broker in whose business operations the Fund or any party in interest in the Fund has any control or significant financial interest, direct or indirect.

(d) Nothing in any other provision of law shall require any person required to be bonded as provided in subsection (a) because he handles funds or other property of a Fund to be bonded insofar as the handling

by such person of the funds or other property of such Fund is concerned.

(e) The Council shall prescribe such regulations as may be necessary to carry out the provisions of this section.

LIMITATION ON ACTIONS

SEC. 186. (a) No action may be commenced under this title with respect to a fiduciary's breach of any responsibility, duty, or obligation under this part, or with respect to a violation of this part, after the earlier of—

(1) six years after (A) the date of the last action which constituted a part of the breach or violation, or (B) in the case of an omission, the latest date on which the fiduciary could have cured the breach or violation; or

(2) three years after the earliest date (A) on which the plaintiff had actual knowledge of the brach or violation, or (B) on which a report from which he could reasonably be expected to have obtained knowledge of such breach or violation was filed with the Mayor, the Council, the Speaker, or the President pro tempore under this title;

except that in the case of fraud or concealment, such an action may be commenced not later than six years after the date of discovery of such breach or violation.

CIVIL ENFORCEMENT

SEC. 187. (a) A civil action may be brought—

(1) by a participant or beneficiary—

(A) for the relief provided for in subsection (b) of this section, or

(B) to recover benefits due to him under the terms of his retirement program, to enforce his rights under the terms of the retirement program, or to clarify his rights to future benefits under the terms of the retirement program;

(2) by a participant or beneficiary or the District of Columbia for appropriate relief under section 182; or

(3) by a participant or beneficiary or the District of Columbia (A) to enjoin any act or practice which violates any provision of this title or the terms of a retirement program, or (B) to obtain other appropriate equitable relief (i) to redress any such violation, or (ii) to enforce any provision of this title or the terms of a retirement program.

(b) If the Board fails or refuses to comply with a request for any information which the Board is required by this title to furnish to a participant or beneficiary (unless such failure or refusal results from matters reasonably beyond the control of the Board) by mailing the information requested to the last known address of the requesting participant or beneficiary within thirty days after such request, then the Board may, in the court's discretion, be liable to such participant or beneficiary in an amount of up to $100 a day from the date of such failure or refusal, and the court may order the Board to provide the required information and may in its discretion order such other relief as it considers proper.

(c) The Board may sue and be sued under this title as an entity. Service of summons, subpena, or other legal process of a court upon the chairman of the Board in his capacity as such shall constitute service upon the Board.

(d) In any action under this title by a participant, beneficiary, or fiduciary, the court in its discretion may allow a reasonable attorney's fee and costs of action to either party.

CLAIMS PROCEDURE

SEC. 188. In accordance with regulations of the Council, the Mayor shall provide to any participant or beneficiary who has a claim for benefits under a retirement program denied—

(1) adequate written notice of such denial, setting forth the specific reasons for such denial in a manner calculated to be understood by such participant or beneficiary; and

(2) a reasonable opportunity for a full and fair review of the decision denying such claim.

TITLE II—CHANGES IN RETIREMENT BENEFITS

PART A—POLICE OFFICERS AND FIRE FIGHTERS' RETIREMENT BENEFITS

SALARY BASE PERIOD FOR COMPUTATION OF ANNUITY

SEC. 201. Paragraph (17) of subsection (a) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code sec. 4-521(17)) is amended—

(1) by striking out "twelve consecutive months of police or fire service," and inserting in lieu thereof "thirty-six consecutive months of police or fire service in the case of a member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia and who first becomes such a member after the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, or over any twelve consecutive months of police or fire service in the case of any other member,"; and

(2) by inserting "or thirty-six consecutive months, as the case may be," immediately after "twelve consecutive months" the second place it appears.

CREDITABLE SERVICE FOR FULL-TIME OFFICIALS OF EMPLOYEE ORGANIZATIONS

SEC. 202. (a) Subsection (c) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4-523) is amended by redesignating paragraphs (6) and (7) of such subsection as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6)(A) Any period of time during which a member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia is on approved leave without pay to serve as a full-time officer or employee of a labor organization shall be considered to be police or fire service for purposes of this section if such member files an election in accordance with subparagraph (B) and makes payments as described in subparagraph (C). The basic salary in effect at any time for the grade in which a member was serving at the time he entered on approved leave described in the preceding sentence shall be considered to be the basic salary in effect for such member for purposes of this section if the period of time when such member is on approved leave is considered to be police or fire service under this paragraph.

"(B) To be eligible to have any period of approved leave described in subparagraph (A) considered to be police or fire service for purposes of this section, a member described in such subparagraph must, not later than the end of the sixty-day period commencing on the day such member enters on such approved leave or the effective date of this paragraph, whichever occurs later, file an election with the Mayor to have such period of approved leave considered to be police or fire service for purposes of this section.

"(C)(i) To have any period of approved leave described in subparagraph (A) occurring after the effective date of this section considered to be police or fire service, a member described in such subparagraph must each month deposit with the Custodian of Retirement Funds (as defined in section 102(c) of the District of Columbia Retirement Reform Act) for deposit in the District of Columbia Police Officers and Fire Fighters' Retirement Fund established by section 122(a) of such Act a sum equal to one-twelfth the annual new-entrant normal cost of the annuity of a member receiving the basic salary in effect during such month for the grade in which such member was serving at the time such member entered on such leave.

"(ii) To have any period of approved leave described in subparagraph (A) which occurred before the effective date of this section considered to be police or fire service, a member described in such subparagraph must deposit with the Custodian of Retirement Funds (as defined in section 102(c) of the District of Columbia Retirement Reform Act) for deposit in the District of Columbia Police Officers and Fire Fighters' Retirement Fund established by section 122(a) of such Act, in a manner to be determined by the Mayor, a sum equal to the new-entrant normal cost of the annuity of a member receiving the basic salary in effect during the period of such leave for the grade in which such member was serving at the time such member entered on such leave.

"(iii) The Mayor shall make an annual determination of the new-entrant normal cost for purposes of clauses (i) and (ii) according to information supplied by the actuary retained pursuant to section 142 of the District of Columbia Retirement Reform Act.

"(D) For purposes of this paragraph, the term 'employee organization' means any organization of any kind, or any agency or employer representation committee or plan, in which members or officers of the Metropolitan Police force or the Fire Department of the District of Columbia participate and which exists for the purpose, in whole or in part, of dealing with the government of the District of Columbia concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.".

(b) The amendment made by subsection (a) shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

REQUIREMENTS FOR OPTIONAL RETIREMENT

SEC. 203. (a) Subsection (h)(1) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4-528(1)) is amended—

(1) by striking out "who completes twenty years of police or fire service" and inserting in lieu thereof "who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia and first becomes such a member after the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act and who completes twenty-five years of police or fire service and attains the age of fifty years and any other member (other than a member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia who first becomes such a member after the end of such ninety-day period) who completes twenty years of police or fire service."; and

(2) by striking out "twenty years: *Provided* and inserting in lieu thereof "(A) twenty-five years, in the case of a member who becomes a member after the end of such ninety-day period, or (B) twenty years, in the case of any other member: *Provided*".

(b)(1) Paragraph (2) of subsecton (h) of the Policemen and Fireman's Retirement and Disability Act (D.C. Code, sec. 4-528) is amended by striking out "in subsection (h)" and inserting in lieu thereof "under".

(2) Paragraph (3) of such subsection is

amended by striking out "of this subsection (h)".

DISABILITY RETIREMENT

SEC. 204. (a) Subsection (g) of the Policemen and Firemens Retirement and Disability Act (D.C. Code, sec. 4–527 (is amended—

(1) in paragraph (2), by striking out "In any case in which the proximate cause of an injury incurred or disease contracted by a member" and inserting in lieu thereof "In any case involving a member who is an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division, in which the proximate cause of an injury incurred or disease contracted by the member"; and

(2) by adding at the end thereof the following new paragraph:

"(4) A member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia may not retire and receive an annuity under this subsection on the basis of the aggravation in the performance of duty of an injury incurred or a disease contracted in the performance of duty unless—

"(A) in the case of the aggravation of a disease, the disease was reported to the Board of Police and Fire Surgeons within thirty days after the disease was first diagnosed; or

"(B) in the case of the aggravation of an injury, the injury was reported to the Board of Police and Fire Surgeons within seven days after the injury was incurred or, if the member was unable (as determined by such Board) as a result of the injury to report the injury within such seven-day period, within seven days after the member became able (as determined by such Board) to report the injury.

The burden of establishing inability to report an injury in accordance with subparagraph (B) within seven days after such injury was incurred and of establishing that such injury was reported within seven days after the end of such inability shall be on the member claiming such inability. Any report under this paragraph shall include adequate medical documentation. Nothing in this paragraph shall be deemed to alter or affect any administrative regulation or requirement of the Metropolitan Police force or the Fire Department of the District of Columbia with respect to the reporting of an injury incurred or aggravated, or any disease contracted or aggravated, in the performance of duty.".

(b)(1) Subsection (f) of such Act (D.C. Code, sec. 4–526) is amended—

(A) by striking out "Whenever" and inserting in lieu thereof "(1) Except as provided in paragraph (2), whenever"; and

(B) by adding at the end thereof the following new paragraph.

"(2) Whenever any member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia and who first becomes such a member after the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act completes five years of police or fire service and is found by the Mayor to have become disabled due to injury received or disease contracted other than in the performance of duty, which disability precludes further service with his department, such member shall be retired on an annuity which shall be 70 per centum of his basic saalry at the time of retirement multiplied by the percentage of disability for such member as determined in accordance with subsection (g)(5)(B)(ii) of this section, except that such annuity shall not be less than 30 per centum of his basic salary at the time of retirement.".

(2) Subsection (g) of such Act, as amended by subsection (a) of this section, is further amended—

(A) in paragraph (1), by striking out "Whenever" and inserting in lieu thereof "Except as provided in paragraph (5), whenever"; and

(B) by adding at the end thereof the following new paragraph:

"(5)(A) Whenever any member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia and who first becomes such a member after the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act is injured or contracts a disease in the performance of duty or such injury or disease is aggravated by such duty at any time after appointment and such injury or disease or aggravation permanently disables him for the performance of duty, he shall upon retirement for such disability, receive an annuity computed in accordance with subparagraph (B).

"(B)(i) In the case of any member who retires under this paragraph or paragraph (2) of subsection (f), the Board of Police and Fire Surgeons shall determine, within a reasonable time and in accordance with regulations which the Mayor shall promulgate, the percentage of impairment for such member and shall report such percentage of impairment to the Police and Firemen's Retirement and Relief Board.

"(ii) In the case of any member described in clause (i), the Police and Firemen's Retirement and Relief Board shall determine within a reasonable time the percentage of disability for such member giving due regard to—

"(I) the nature of the injury or disease,

"(II) the percentage of impairment reported pursuant to clause (i),

"(III) the position in the Metropolitan Police force or the Fire Department of the District of Columbia held by the member immediately prior to his retirement,

"(IV) the age and years of service of the member, and

"(V) any other factors or circumstances which may affect the capacity of the member to earn wages or engage in gainful activity in his disabled condition, including the effect of the disability as it may naturally extend into the future.

"(iii) The percentage of impairment or the percentage of disability for a member to whom this paragraph applies may be redetermined at any time prior to the time such member reaches the age of fifty and his annuity shall be adjusted accordingly.

"(iv) The annuity of a member who is retired under this paragraph shall be 70 per centum of his basic salary at the time of retirement multiplied by the percentage of disability for such member as determined in accordance with clause (ii), except that such annuity shall not be less than 40 per centum of his basic salary at the time of retirement.

"(v) For purposes of this paragraph—

"(I) the term 'impairment' means any anatomic or functional abnormality or loss existing after maximal medical rehabilitation has been achieved; and

"(II) the term 'disability' means any actual or presumed reduction in or absence of ability to engage in gainful activity which is caused, in whole or in part, by an impairment."

(c) The amendment made by paragraph (1) of subsection (a) shall not apply with respect to officers and members of the Metropolitan Police force or the Fire Department of the District of Columbia who apply for disability retirement under subsection (g) of the Policemen and Firemen's Retirement and Disability Act prior to the end of the ninety-day period beginning on the date of the enactment of this Act. The amendment made by paragraph (2) of subsection (a) shall not apply with respect to injuries incurred or diseases first diagnosed prior to the end of such ninety-day period.

RECOVERY FROM DISABILITY

SEC. 205. (a)(1) Subsection (j)(1) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4–530(1)) is amended in the first sentence by striking out "shall cease" and all that follows in such sentence and inserting in lieu thereof "shall cease—

"(A) upon reemployment in the department from which he was retired,

"(B) one year from the date of the medical examination showing such recovery,

"(C) one year from the date of the determination that he is so restored, or

"(D) in the case of an annuitant who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia and who first became such a member after the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, upon a refusal by such annuitant to accept an offer of reemployment in the department from which he was retired at the same grade or rank as he held at the time of his retirement,

whichever is earliest.".

(2)(A) Such subsection (j)(1) is amended in the second sentence by striking out "in each of two succeeding calendar years" and inserting in lieu thereof ", in each of two succeeding calendar years in the case of an annuitant who was an officer or member of the United States Park Police force, Executive Protection Service, or the United States Secret Service Division, or in any calendar year in the case of an annuitant who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia,".

(B) Subsection (j) of such Act is further amended by adding at the end thereof the following new paragraph:

"(3)(A) If any annuitant who is retired under subsection (f) or (g), who prior to such retirement was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia, and who first became such a member after the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, receives, directly or indirectly, income from wages or self-employment, or both, in any calendar year after the calendar year in which he retired—

"(i) in an amount in excess of the difference between 70 per centum of the current earnings limitation and the amount of annuity payable to such annuitant during such year under each such subsection prior to the reductions provided for in this paragraph, then (except as provided in subparagraph (D)) the annuity of such annuitant shall be reduced by 50 cents for each $1.00 of such income received during such year in excess of such difference; and

"(ii) in an amount in excess of the difference between the current earnings limitation and the amount of annuity payable to such annuitant during such year under each such subsection prior to the reductions provided for in this paragraph, then (except as provided in subparagraph (D)) the annuity of such annuitant shall be further reduced by 20 cents for each $1.00 of such income received during such year in excess of such difference.

"(B) For the purposes of subparagraph (A), the term 'current earnings limitation', with respect to an annuitant, means the greater of—

"(i) the current annual salary for the position which such annuitant held immediately prior to the retirement of such annuitant; or

"(ii) the current entry level salary for active officers and members, divided by .7.

"(C) The reductions provided for in subparagraph (A) shall be made as follows:

"(i) Such reductions shall be pro rated over a period of twelve consecutive months, with equal amounts withheld from each payment of annuity during such twelve-month period.

"(ii) The twelve-month period during which such reduction is made shall begin as soon after the end of the calendar year involved as is administratively practicable (as determined in accordance with regulations which the Mayor of the District of Columbia shall promulgate).

"(D) If the Mayor of the District of Columbia determines that the level of income of an annuitant whose annuity would otherwise be reduced in accordance with subparagraph (A) has decreased significantly (other than in accordance with normal income fluctuations for such annuitant) during the period in which such reduction would occur, the Mayor may authorize the withholding during such period, or any portion thereof, of such lesser amount than the amount prescribed in such subparagraph as the Mayor considers appropriate or the Mayor may waive the requirements of subparagraph (A) if he finds that circumstances justify such waiver.

"(E)(i) Any annuitant who is retired under subsection (f) or (g) and who prior to such retirement was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia shall, at such times as the Mayor of the District of Columbia shall by regulation prescribe, submit to the Mayor a notarized statement containing such information as the Mayor shall by regulation require with respect to the income received by such annuitant from wages or self-employment, or both. After examining such statement, the Mayor may require such annuitant to submit to the Mayor a further notarized statement containing such additional information with respect to the income received by such annuitant from wages or self-employment, or both, as the Mayor deems appropriate.

"(ii) Any annuitant described in clause (i) who willfully furnishes materially false information with respect to his income in any statement required to be submitted under such clause shall forfeit all rights to his disability annuity. Any such annuitant who refuses or otherwise willfully fails to timely submit such statement as required by this subsection, payment of the annuity to such annuitant shall cease and such annuitant shall not be eligible to receive such annuity or part thereof for the period beginning on the date after the final day for timely filing of such statement and ending on the date on which the Mayor receives such statement. Nothing in this clause shall affect any rights to a survivor's annuity under subsection (k) based upon the service of such annuitant.".

(b) Subsection (m)(2) of such Act (D.C. Code, sec. 4–533(2)) is amended—

(1) by inserting "(A)" before "If a member";

(2) by striking out the last sentence of such subsection and adding after "is based." the following: "The Commissioner shall not require employment questionnaires under subsection (j)(3)(C) or the medical examination of such member under subparagraph (B) after such member reaches the age of fifty."; and

(3) by adding at the end of such subsection the following new subparagraph:

"(B) The Mayor shall, by regulation, require any annuitant who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia and who retired before, on, or after the date of the enactment of the District of Columbia Retirement Reform Act under subsection (f) or (g) of this section to undergo, during each twelve-month period following the effective date of this subparagraph, at least one medical examination of the disability upon which the annuitant's retirement under subsection (f) or (g) is based. No such annuitant shall be required under such regulations to undergo a medical examination during any such twelve-month period during which the annuitant was required to undergo a medical examination under this subsection in connection with such annuitant's employment. Such annual examination shall be carried out by the Board of Police and Fire Surgeons or by a physician designated by the Board.

"(2) Such regulations shall further provide for notification by the Board of Police and Fire Surgeons to each such annuitant as to the time and place for such examination and the consequences of failure to appear and submit to such examination.

"(3) In any case in which the requirement to undergo a medical examination under this section would impose on an annuitant an undue hardship because of the physical or mental condition of such annuitant, the Mayor, by regulation, shall provide other means sufficient to determine the continuance of the disability on which such annuitant's retirement under subsection (f) or (g) is based.

"(4) Such regulations shall further provide that, in any case involving any such member so retired who refuses or otherwise fails to undergo any medical exam required by this section, payment of the annuity to such member shall cease and such member shall not be eligible to receive such annuity or any part thereof for any period commencing on the day next following the day on which such member was required to undergo such examination, and ending on the date on which such member undergoes such examination. Nothing in this paragraph shall be construed as affecting any rights to a survivor's annuity under subsection (k) based upon the service of such member.".

(c) The amendments made by subsections (a) and (b) shall take effect at the end of the ninety-day period beginning on the date of enactment of this Act. The amendment made by paragraph (2)(B) of subsection (a) shall apply with respect to income from wages or self-employment, or both, received directly or indirectly during calendar year 1979 or the calendar year after the year in which the member retires, whichever is later, and any calendar year thereafter.

SURVIVORS' ANNUITIES

SEC. 206. (a)(1) Subsection (k) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4–531) is amended—

(A) in paragraph (2)—

(i) by inserting "(A)" immediately after "40 per centum" the second place it appears, and

(ii) by striking out "computed," and inserting in lieu thereof "computed in the case of a member who was an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division, or (B) of the adjusted average pay of such former member in the case of a member who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia;"; and

(B) by amending paragraph (3) to read as follows:

"(3) Each surviving child or student-child of any member who dies before retirement, or of any former member who dies after retirement, shall be entitled to receive an annuity equal to the smallest of—

"(A) in the case of a member or former member who is survived by a wife or husband—

"(i) 60 per centum of—

"(I) the member's average pay at the time of death, or

"(II) the basis upon which the former member's annuity at the time of death was computed in the case of a member who was an officer or member of the United States Park Police force, the Exectuive Protective Service, or the United States Secret Service Division, or the adjusted average pay of the former member in the case of a member who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia,

divided by the number of eligible children;

"(ii) $1,548; or

"(iii) $4,644 divided by the number of eligible children; and

"(B) in the case of a member or former member who is not survived by a wife or husband—

"(i) 75 per centum of—

"(I) the member's average pay at the time of death, or

"(II) the basis upon which the former member's annuity at the time of death was computed in the case of a member who was an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division, or the adjusted average pay of the former member in the case of a member who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia,

divided by the number of eligible children;

"(ii) $1,860; or

"(iii) $5,580 divided by the number of eligible children.".

(2) Subsection (a) of such Act (D.C. Code sec. 4–521) is amended —

(A) by striking out the period at the end of paragraph (4) of such subsection and inserting in lieu thereof the following: ", in the case of a member who was an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division, or the surviving husband of a member or former member who was a member or officer of the Metropolitan Police force or the Fire Department of the District of Columbia if—

"(A) he was married to such member or former member (i) while she was a member, or (ii) for at least one year immediately preceding her death, or

"(B) he is the father of issue by such marriage."; and

(B) by inserting the following new paragraph immediately after paragraph (17):

"(18) The term 'adjusted average pay' means the average pay of a member who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia increased by the per centum increase (adjusted to the nearest one-tenth of 1 per centum in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics, between the month in which such member

retires and the month immediately prior to the month in which such member dies.".

(b) The amendments made by subsection (a) shall apply with respect to survivor annuities under the Policeman and Firemen's Retirement and Disability Act for survivors of officers or members of the Metropolitan Police force or the Fire Department of the District of Columbia which commence on or after the first day of the first month which begins after the end of the ninety-day period beginning on the date of enactment of this Act.

DEFERRED ANNUITIES

SEC. 207. (a)(1) The Policemen and Firemen's Retirement and Disability Act is amended—

(A) by redesignating subsections (l) through (r) as subsections (m) through (s), respectively; and

(B) by inserting immediately after subsection (k) the following new subsection:

"DEFERRED ANNUITIES

"(l)(1) Except as provided in paragraph (2), any member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia who completes five years of police or fire service and who is thereafter separated from his department, except for retirement under subsection (f), (g), or (h), shall be entitled to an annuity commencing on the first day of the month during which such member attains the age of fifty-five or on the first day of the first month beginning after such member's separation from his department, whichever month occurs later. Such annuity shall be computed at the rate of 2½ per centum of his average pay for each year of service up to twenty years of service and at the rate of 3 per centum of his average pay for each year of service after twenty years of service, or, in the case of a member who first became such a member after the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, after twenty-five years of service, except that such annuity may not exceed 80 per centum of the average pay of such member.

"(2)(A) Any member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia who completes five years of police or fire service and who is thereafter separated from his department (other than a member who retires under subsection (f), (g), or (h)) may elect, at the time of his separation, to receive a refund of the amount of deductions made from his salary under this section. Receipt of such refund by the member shall void all annuity rights under this section.

"(B)(i) Any member who, by electing to receive a refund under subparagraph (A), loses annuity rights under this section, may reestablish all such rights at any time prior to attaining the age of fifty-five by redepositing the amount of such refund plus interest computed in accordance with paragraph (3).

"(ii) If any member who receives a refund under subparagraph (A) is subsequently reappointed to any department whose members come under this section and elects, at the time of such reappointment, to redeposit the amount refunded to him under subparagraph (A) plus interest computed in accordance with paragraph (3), then credit shall be allowed under this section for such member's prior period of service. Such redeposit (and the required interest thereon) may, at the election of the member, be made in a lump sum or in not to exceed sixty monthly installments, except that if the member dies before depositing the full amount due under the preceding sentence, the requirements of such sentence shall be deemed to have been met.

"(3) The interest which is required by paragraphs (2)(B)(i) and (ii) of this subsection and by paragraph (2)(B) of subsection (d) to be paid by a member who redeposits the amount of previously refunded deductions shall be computed as follows:

"(A) Interest shall be paid at a rate which (as determined by the Mayor of the District of Columbia) is equal to the average rate of return on investment (adjusted to the nearest one-eighth of 1 per centum) for the District of Columbia Police Officers and Fire Fighters' Retirement Fund (established by section 122 of the District of Columbia Retirement Reform Act) for the period beginning on the first day of the first month which begins after the end of the service with respect to which the redeposit is made and ending on the last day of the month which precedes the month during which he redeposits the refund if he makes a lump sum payment or during which he makes the first monthly payment if he makes monthly payments, except that for so much of any such period which precedes October 1, 1981, the average rate of interest on interest-bearing obligations of the United States forming a part of the public debt (adjusted to the nearest one-eighth of 1 per centum) shall be used in determining the interest rate to be paid on redeposits under this section.

"(B) Interest shall be payable for the period beginning on the first day of the first month which begins after the end of the period of service with respect to which the redeposit is made and ending on the last day of the month which precedes the month during which he redeposits the refund.

"(C) If a member elects to make his redeposit in monthly installments, each monthly payment shall include interest on that portion of the refund which is then being redeposited.".

(2) Subsection (k) of such Act (D.C. Code, 4–531), as amended by section 206 of this Act, is further amended—

(A) in paragraph (2)—

(i) by striking out "or" in the first place it appears, and

(ii) by inserting "or of any member entitled to receive an annuity under subsection (l) (regardless of whether such member is receiving such annuity at the time of death)," immediately after "after retirement,";

(B) in paragraph (3)—

(i) by striking out "or" the second place it appears, and

(ii) by inserting "or of any member entitled to receive an annuity undersubsection (l) (regardless of whether such member is receiving such annuity at the time of death),' immediately after "after retirement,"; and

(C) in paragraph (6)—

(i) by striking out ", may," in the first sentence and inserting in lieu thereof "may",

(ii) by inserting ", and any member entitled to receive an annuity under subsection (l) of this section may at the time such annuity commences," immediately after "such retirement," in the first sentence,

(iii) by striking out "the retired annuitant" in the first sentence and inserting in lieu thereof "such member's",

(iv) by striking out "the retiring" in the proviso in the first sentence and inserting in lieu thereof "such",

(v) by striking out "retiring" in the second and fourth sentences,

(vi) by striking out "retirement" in the last sentence and inserting in lieu thereof "election", and

(vii) by striking out "or (h)" in the last sentence and inserting in lieu thereof "(h), or (l), as the case may be".

(b) The amendments made by subsection (a) shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

INTEREST ON REFUNDS AND ON DEPOSITS FOR PRIOR SERVICE CREDIT

SEC. 208. (a)(1) Subsection (d) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4–524) is amended—

(A) in paragraph (2)—

(i) by striking out "Any member coming under the provisions of this section" and inserting in lieu thereof "(A) any member who is an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division,"; and

(ii) by adding at the end of such paragraph the following new subparagraph,

"(B) Any member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia with less than five years of police or fire service who is separated from his department, except for retirement under subsection (f), (g), or (h), shall be refunded the amount of the deductions made from his salary under this section. The receipt of payment of such deductions by such member shall void all annuity rights under this section, except that if such member is subsequently reappointed to any department whose members come under this section and such member elects, at the time of such reappointment, to redeposit the amount refunded to him pursuant to the preceding sentence plus interest computed in accordance with subsection (1)(3), then credit shall be allowed under this section for the prior period of service. Such redeposit (and the interest required thereon) may be made, at the election of the member, in a lump sum or in not to exceed sixty monthly installments, except that if such member dies before depositing the full amount due under the preceding sentence, the requirements of such sentences shall be deemed to have been met.";

(B) in the proviso at the end of paragraph (3), by inserting immediately before the period ", except that if the member was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia, no payment shall be made if no natural person is determined to be entitled thereto"; and

(C) in paragraph (4)—

(i) by striking out "after retirement", and

(ii) in the proviso at the end of such paragraph by inserting ", except that if the member was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia, no payment shall be made if no natural person is determined to be entitled thereto" immediately before the period.

(2) Paragraph (5) of subsection (c) of such Act (D.C. Code, sec. 4–523(5) is amended to read as follows:

"(5)(A) A member shall be allowed credit for government service performed prior to appointment in any of the departments mentioned in subsection (a)(1) of this section, if such member deposits a sum equal to the entire amount, including interest (if any), refunded to him for such period of government service. A member who is an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia shall deposit such sum, plus interest computed in accordance with subparagraph (B), with the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act) for deposit in the District of Columbia Police Officers and Fire Fighters' Retirement Fund established by section 122(a) of such Act. All other members shall deposit such sums with the Mayor of the District of Columbia for credit to the revenues of the District of Columbia. If the member so elects, he may deposit the total amount of such refund in monthly installments not exceeding twenty-

four, except that in the case of a member who is an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division, such monthly installments shall be of equal amounts. No deposit shall be required for days of unused sick leave credited under subsection (h) of this section.

"(B) Interest required on deposits under this paragraph for members who are officers or members of the Metropolitan Police force or the Fire Department of the District of Columbia shall be computed as follows:

"(i) Interest shall be paid at a rate which (as determined by the Mayor of the District of Columbia) is equal to the average rate of return on investment (adjusted to the nearest one-eighth of 1 per centum) for the District of Columbia Police Officers and Fire Fighters' Retirement Fund (established by section 122 of the District of Columbia Retirement Reform Act) for the period beginning on the first day of the first month which begins after the end of the service with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made if he makes a lump-sum payment or during which he makes the first monthly payment if he makes monthly payments, except that for so much of any such period which precedes October 1, 1981, the average rate of interest on interest-bearing obligations of the United States forming a part of the public debt (adjusted to the nearest one-eighth of 1 per centum) shall be used in determining the interest rate to be paid on deposits under this paragraph.

"(ii) Interest shall be payable for the period beginning on the first day of the first month which begins after the end of the period of service with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made.

"(iii) If a member elects to make his deposit in monthly installments, each monthly payment shall include interest on that portion of the refund which is then being redeposited.".

The amendments made by subsection (a) shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act. The amendments made by paragraph (2) of subsection (a) shall not apply with respect to deposits made, in whole or in part, prior to the end of such ninety-day period.

COST-OF-LIVING ADJUSTMENTS OF ANNUITIES

SEC. 209. (a)(1) The Policemen and Firemen's Retirement and Disability Act is amended—

(A) by redesignating subsections (m) through (s), as redesignated by section 207(a)(2)(A) of this Act, as subsections (n) through (t), respectively; and

(B) by inserting immediately after subsection (l), as added by the amendment made by section 207(a)(1)(B) of this Act, the following new subsection:

"COST-OF-LIVING ADJUSTMENTS OF ANNUITIES

"(m)(1) Each month the Mayor of the District of Columbia shall determine the per centum change in the price index. On the basis of this determination, and effective the first day of the third month which begins after the price index shall have equaled the rise of at least 3 per centum for three consecutive months over the price index for the base month each annuity payable under this section which—

"(A) is payable to a survivor of a member who was an officer or member of the United States Park Police force, the Executive Protective Service, or the United States Secret Service Division, and

"(B) has a commencing date on or before such effective date,

shall be increased by 1 per centum plus the per centum rise in the price index. For purposes of this paragraph, the term 'base month' means the month for which the price index showed a per centum rise forming the basis for a cost-of-living annuity increase under this paragraph, except that, until the first cost-of-living annuity increase under this paragraph, the base month shall be the last month which was the base month for purposes of subsection (k)(7) before its repeal by section 209(b) of the District of Columbia Retirement Reform Act.

"(2) With respect to any annuity payable under this section which is payable to a member who was an officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia, or to a survivor of any such member, the Mayor shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the per centum change in the price index published for December of the preceding year over the price index published for June of the preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the per centum change in the price index published for June of such year over the price index published for December of the preceding year.

"(3) If in any year the per centum change determined under either paragraph (2)(A) or (2)(B) indicated a rise in the price index, then—

"(A) in the case of an increase under paragraph (2)(A), (i) each annuity described in paragraph (2) having a commencing date not later than March 1 of such year shall, effective March 1, be increased by the per centum change computed under such paragraph, adjusted to the nearest one-tenth of 1 per centum, and (ii) each annuity described in such paragraph having a commencing date after such March 1 but before the effective date of the next increase in annuities under this paragraph shall, effective such commencing date, be increased by such per centum change, adjusted to the nearest one-tenth of 1 per centum, or

"(B) in the case of an increase under paragraph (2)(B), (i) each annuity described in paragraph (2) having a commencing date not later than September 1 of such year shall, effective such September 1, be increased by the per centum change computed under such paragraph, adjusted to the nearest one-tenth of 1 per centum, and (ii) each annuity described in such paragraph having a commencing date after such September 1 but before the effective date of the next increase in annuities under this paragraph shall, effective such commencing date, be increased by such per centum change, adjusted to the nearest one-tenth of 1 per centum.

"(4) The monthly installment of annuity after adjustment under this subsection shall be fixed at the nearest dollar, except that such installment shall after adjustment reflect an increase of at least $1.

"(5) For purposes of this subsection, the term 'price index' means the Consumer Price Index for All Urban Consumers published monthly by the Bureau of Labor Statistics.".

(2) Subsections (m) (2) and (3) of the Policemen and Firemen's Retirement and Disability Act, as added by the amendment made by paragraph (1)(B) of this subsection, shall apply (A) to any increase after the effective date of such amendment in annuities payable under subsection (k) of such Act, except that with respect to the first date after the effective date of such amendment on which the Mayor is to determine a per centum change for the purpose of such an increase, such per centum change shall be determined by computing the change in the price index published for the month immediately preceding such first date over the price index published for the last month which was the base month for purposes of subsection (k)(7) of the Policemen and Firemen's Retirement and Disability Act before the repeal of such subsection by subsection (b) of this section, and (B) to any increase in each annuity payable under such Act having a commencing date after the effective date of such amendment.

(b) Subsection (k)(7) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4–531(7)) is repealed.

(c) Section 301 of the District of Columbia Police and Firemen's Salary Act of 1953 (D.C. Code, sec. 4–518) is amended by adding at the end thereof the following new subsection:

"(e) This section shall not apply with respect to officers and members of the Metropolitan Police force or the Fire Department of the District of Columbia who retire after the effective date of this subsection.".

(d) The amendments made by this section shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

AUTHORITY TO WAIVE COLLECTION OF OVERPAYMENTS

SEC. 210. Subsection (o) of the Policemen and Firemen's Retirement and Disability Act, as amended by section 205(c) of this Act and redesignated by section 209(a)(1)(A) of this Act (D.C. Code, sec. 4–533), is amended by adding at the end thereof the following new paragraph:

"(3) Except in a case of fraud against the District of Columbia, the Mayor may waive collection of any amount less than $100 which was paid to an annuitant in excess of the amount to which such annuitant was entitled under this section.".

COMMENCING DATE OF PAYMENT OF ANNUITIES

SEC. 211. Subsection (p) of the Policemen and Firemen's Retirement and Disability Act, as redesignated by section 209(a)(1)(A) "accrues monthly" in paragraph (1) the following: "(except that an annuity accrues over any portion of a month after the commencing date of such annuity but before the first day of the next month and is payable for such month in an amount pro rated in a manner to be determined by the Mayor)".

PAYMENT OF ANNUITIES TO MINORS AND MENTAL INCOMPETENTS

SEC. 212. Subsection (p) of the Policemen and Firemen's Retirement and Disability Act, as redesignated by section 209(a)(1)(A) of this Act and amended by section 211 of this Act (D.C. Code, sec 4–534), is amended by redesignating paragraph (2) and (3) of such subsection as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) Payment due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. If a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the claimant, payment may be made to any person who, in the judgment of the Mayor, is responsible for the care of the claimant, and the payment bars recovery by any other person.".

PART B—TEACHERS' AND JUDGES' RETIREMENT BENEFITS

COST-OF-LIVING ADJUSTMENTS OF TEACHERS' ANNUITIES

SEC. 251. (a)(1) Section 21(b) of the Act entitled "An Act for the retirement of public school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31–739a(b)), is amended to read as follows:

"(b)(1) The Mayor shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the per centum change in the price index published for December of the preceding year over the price index published for June of the preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the per centum change in the price index published for June of such year over the price index published for December of the preceding year.

"(2) If in any year the per centum change determined under paragraph (1)(A) or (1)(B) indicates a rise in the price index, then—

"(A) in the case of an increase under paragraph (2)(A), (i) each annuity described in paragraph (2) having a commencing date not later than March 1 of such year shall, effective such March 1, be increased by the per centum change computed under such paragraph, adjusted to the nearest one-tenth of 1 per centum, and (ii) each annuity described in such paragraph having a commencing date after such March 1 but before the effective date of the next increase in annuities under this paragraph shall, effective such commencing date, be increased by such per centum, or

"(B) in the case of an increase under paragraph (2)(B), (i) each annuity described in paragraph (2) having a commencing date not later than September 1 of such year shall, effective such September 1, be increased by the per centum change computed under such paragraph, adjusted to the nearest one-tenth of 1 per centum, and (ii) each annuity described in such paragraph having a commencing date after such September 1 but before the effective date of the next increase in annuities under this paragraph shall, effective such commencing date, be increased by such per centum change, adjusted to the nearest one-tenth of 1 per centum.".

(2) The amendment made by paragraph (1) shall apply to any increase after the effective date of such amendment in annuities payable from the District of Columbia teachers' retirement and annuity fund established by section 2 of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946, or from the District of Columbia Teachers' Retirement Fund established by section 123(a) of this Act, except that with respect to the first date after the effective date of such amendment on which the Mayor is to determine a per centum change, such per centum change shall be determined by computing the change in the price index published for the month immediately preceding such first date over the price index published for the last month before such effective date for which the price index showed a per centum rise forming the basis for a cost-of-living annuity increase under section 21(b) of such Act of August 7, 1946, as in effect immediately before the amendment of such section by paragraph (1).

(b) Section 21(c) of the Act entitled "An Act for the retirement of public-school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31-739a(c)), is amended—

(1) by striking out "governed by the commencing date of each annuity payable from the fund as of the effective date of an increase" and inserting in lieu thereof "as provided in subsection (b)(2)"; and

(2) by striking out "from the fund" in paragraph (1) of such section.

(c) The amendments made by subsections (a) and (b) shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

COST-OF-LIVING ADJUSTMENTS OF JUDGES' ANNUITIES

SEC. 252. (a) Section 11-1571(a) of title 11 of the District of Columbia Code is amended by inserting ", or who, before the next such increase first becomes payable under such section, receives such salary or annuity, either immediately after "salary or annuity".

(b) The amendment made by subsection (a) shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

INTEREST ON TEACHERS' REFUNDS AND DEPOSITS

SEC. 253. (a)(1) The first section of the Act entitled "An Act for the retirement of a public-school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31-721) is amended—

(A) in the first paragraph by inserting "or the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, whichever is earlier" immediately before the period at the end of the proviso in the second sentence; and

(B) in the second paragraph—

(i) in the first sentence—

(I) by striking out "at 3 per centum per annum compounded as of December 31 of each year" and inserting in lieu thereof "computed in accordance with section 24(a) of this Act" and

(II) by striking out "an interest rate of 3 per centum per annum compounded annually" and inserting in lieu thereof "the interest rate computed in accordance with section 24(a) of this Act"; and

(ii) in the second sentence, by inserting "to the date of such death or separation or the end of the ninety-day period beginning on the date of enactment of the District of Columbia Retirement Reform Act, whichever is earlier" immediately after "are made".

(2) Section 1A(b) of such Act (D.C. Code, sec. 31-721a(b)) is amended by striking out "with interest at 4 per centum compounded annually" in the first sentence and inserting in lieu thereof ", with interest computed in accordance with section 24(b) of this Act,".

(3) Section 8 of such Act (D.C. Code, sec. 31-728) is amended in the first paragraph—

(A) in the second proviso in the sixth sentence—

(i) by striking out "the accumulated contributions and interest" and inserting in lieu thereof "(1) the accumulated contributions", and

(ii) by inserting immediately before the colon at the end of such proviso ", and (2) interest thereon computed in accordance with section 24(b) of this Act"; and

(B) in the seventh sentence, by striking out "with interest at 3 per centum per annum compounded annually".

(4) Section 9(a) of such Act (D.C. Code, sec. 31-729(a)) is amended—

(A) in the first proviso—

(i) by inserting "(computed to the date of separation or the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, whichever is earlier)" immediately after "thereon", and

(ii) by inserting "(computed to the date of separation or the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, whichever is earlier)" immediately after "interest" the second time it appears;

(B) in the second proviso, by inserting "(including the interest thereon) plus interest computed in accordance with section 24(c) of this Act" immediately before the colon at the end of such proviso; and

(C) in the third proviso, by striking out ", with interest at 3 per centum compounded annually".

(5) Section 10(f)(3) of such Act (D.C. Code, sec. 31-730(f)(3)) is amended by inserting after "interest" the first time it appears ", earned prior to the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act,".

(6) Such Act is further amended by adding at the end thereof the following new section:

"SEC. 24. (a) For purposes of determining the amount available to purchase an annuity under the second paragraph of the first section of this Act, interest shall be deemed to accrue on deposits at the following rates for the following periods:

"(1) Prior to the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, interest shall accrue at the rate of 3 per centum per annum compounded as of December 31 of each year.

"(2) For the period beginning at the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act and ending on September 30, 1981, interest shall accrue at a rate which (as determined by the Mayor of the District of Columbia) is equal to the average rate of interest on interest-bearing obligations of the United States forming a part of the public debt (adjusted to the nearest one-eighth of 1 per centum).

"(3) After October 1, 1981, interest shall accrue at an annual rate which (as determined by the Mayor of the District of Columbia) is equal to the average annual rate of return on investment (adjusted to the nearest one-eighth of 1 per centum) for the District of Columbia Teachers' Retirement Fund established by section 123 of the District of Columbia Retirement Reform Act.

"(b) Interest required on deposits under section 1A or 8 of this Act or under the Act of June 27, 1960, shall be computed as follows:

"(1) Interest shall be paid at a rate which (as determined by the Mayor of the District of Columbia) is equal to the average rate of return on investment (adjusted to the nearest one-eighth of 1 per centum) for the District of Columbia Teachers' Retirement Fund (established by section 123 of the District of Columbia Retirement Reform Act) for the period beginning on the first day of the first month which begins after the midpoint of the period with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made if he makes a lump-sum payment or during which he makes the first payment if he makes installment deposits, except that—

"(A) for so much of any such period which occurs between the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act and October 1, 1981, the average rate of interest on interest-bearing obligations of the United States forming a part of the public debt (adjusted to the nearest one-eighth of 1 per centum) shall be used in determining the interest rate to be paid on deposits; and

"(B) for so much of any such period which occurs prior to the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, the rate of 3 per centum a year, compounded annually, shall be used in determining the interest rate to be paid on deposits.

"(2) Interest shall be payable for the period beginning on the first day of the first month which begins after the midpoint of the period with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made if he makes a lump-sum payment or during which he makes the first payment if he makes installment deposits, except that—

"(A) for so much of any such period which occurs between the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act and October 1, 1981, the average rate of interest on interest-bearing obligations of the United States forming a part of the public debt (adjusted to the nearest one-eighth of 1 per centum) shall be used in determining the interest rate to be paid on deposits; and

"(B) for so much of any such period which occurs prior to the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, the rate of 3 per centum a year, compounded annually, shall be used in determining the interest rate to be paid on deposits.

"(3) If a teacher elects to make his deposit in installments, each payment shall include interest on that portion of the refund which is then being redeposited.".

(b) The Act entitled "An Act to authorize certain teachers in the public schools of the District of Columbia to count as creditable service for retirement purposes certain periods of authorized leave without pay taken by such teachers for educational purposes", approved June 27, 1960 (D.C. Code, sec. 31-745), is amended—

(1) by striking out "and interest"; and

(2) by inserting immediately before the colon at the beginning of the proviso "plus interest computed in accordance with section 24(b) of such Act of August 7, 1946".

(c) The amendments made by this section shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

INTEREST ON JUDGES' REDEPOSITS

SEC. 254. (a) Subchapter III of chapter 15 of title 11 of the District of Columbia Code is amended—

(1) in section 11-1561—

(A) in paragraph (9)(C), by inserting immediately before the semicolon at the end thereof "or the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, whichever is earlier", and

(B) in paragraph (10)(C), by inserting immediately before the semicolon at the end thereof "or the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, whichever is earlier"; and

(2) in section 11-1569(c), by inserting "or the end of the ninety-day period beginning

"(3) If a teacher elects to make his deposit in installments, each payment shall include interest on that portion of the refund which is then being redeposited.

"(c) Interest required on deposits under section 9(a) of this Act shall be computed as follows:

"(1) Interest shall be paid at a rate which (as determined by the Mayor of the District of Columbia) is equal to the average rate of return on investment (adjusted to the nearest one-eighth of 1 per centum) for the District of Columbia Teachers' Retirement Fund (established by section 123 of the District of Columbia Retirement Reform Act) for the period beginning on the first day of the first month which begins after the end of the service period with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made if he makes a lump sum payment or during which he makes the first payment if he makes installment deposits, except that—

"(A) for so much of any such period which occurs between the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act and October 1, 1981, the average rate of interest on interest-bearing obligations of the United States forming a part of the public debt (adjusted to the nearest one-eighth of 1 per centum) shall be used in determining the interest rate to be paid on deposits; and

"(B) for so much of any such period which occurs prior to the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, the rate of 3 per centum a year, compounded annually, shall be used in determining the interest rate to be paid on deposits.

"(2) Interest shall be payable for the period beginning on the first day of the first month which begins after the end of the service period with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made.

"(3) If a teacher elects to make his deposit in installments, each payment shall include interest on that portion of the refund which is then being redeposited.".

(b) Such subchapter III is further amended—

(1) in section 11-1563(b), by striking out "at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year" and inserting in lieu thereof "computed in accordance with section 11-1564(d)(2)";

(2) by amending section 11-1564(d)(2) to read as follows:

"(2) Interest on deposits under this subsection and section 11-1567(b) shall be computed as follows:

"(A) Interest shall be paid at a rate which (as determined by the Mayor of the District of Columbia) is equal to the average rate of return on investment (adjusted to the nearest one-eighth of 1 per centum) for the District of Columbia Judges' Retirement Fund (established by section 124 of the District of Columbia Retirement Reform Act) for the period beginning on the first day of the first month which begins after the end of the service period with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made if he makes a lump sum payment or during which he makes the first payment if he make installment deposits, except that—

"(i) for so much of any such period which occurs between the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act and October 1, 1981, the average rate of interest on interest-bearing obligations of the United States forming a part of the public debt (adjusted to the nearest one-eighth of 1 per centum) shall be used in determining the interest rate to be paid on deposits;

"(ii) for so much of any such period which occurs between January 1, 1948, and the end of the ninety-day period beginning on the date of the enactment of the District of Columbia Retirement Reform Act, the rate of 3 per centum a year, compounded annually, shall be used in determining the interest rate to be paid on deposits; and

"(iii) for so much of any such period which occurs prior to January 1, 1948, the rate of 4 per centum a year, compounded annually, shall be used in determining the interest rate to be paid on deposits.

"(B) Interest shall be payable for the period beginning on the first day of the first month which begins after the end of the service period with respect to which the deposit is made and ending on the last day of the month which precedes the month during which the deposit is made.

"(C) If a judge elects to make his deposit in installments, each payment shall include interest on that portion of the refund which is then being redeposited.

Interest may not be charged for a period of separation from the service which began before October 31, 1956."; and

(3) in section 11-1567(b), by striking out "at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year" and inserting in lieu thereof "computed in accordance with section 11-1564(d)(2)".

(c) The amendments made by this section shall take effect at the end of the ninety-day period beginning on the date of the enactment of this Act.

RESTORATION OF TEACHERS' ANNUITIES IN THE EVENT OF PREDECEASED BENEFICIARIES

SEC. 255. (a) Section 5(b) of the Act entitled "An Act for the retirement of public school teachers in the District of Columbia" approved August 7, 1946 (D.C. Code, sec. 31-725(b)), is amended by adding at the end thereof the following new paragraph:

"(4) In the event an individual designated as a surviving widow or widower or as a survivor annuitant under this subsection predeceases the teacher designating such individual, the annuity of such teacher shall, effective the day after the death of such individual, be the amount it would have been if no such beneficiary had been named.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979, or at the end of the ninety-day period beginning on the date of the enactment of this Act, whichever is later.

TERMINATION OF TEACHERS' DISABILITY ANNUITIES BASED ON OUTSIDE EARNED INCOME

SEC. 256. Section 4 of the Act entitled "An Act for retirement of public school teachers in the District of Columbia" approved August 7, 1946 (D.C. Code, sec. 31-724), is amended by inserting after the second paragraph thereof the following new paragraph:

"Notwithstanding the foregoing provisions of this section, if during any calendar year an annuitant who is receiving a disability annuity under this section and who has not reached retirement age (as defined in section 3) receives income from wages or self-employment, or both, in an amount not less than 80 per centum of the current rate of pay of the position occupied by the annuitant before retirement, the annuity of such annuitant shall be terminated by the Board of Education effective January 1 of the first calendar year after such calendar year, except that this sentence shall not apply with respect to income received during the year in which the annuitant retired. The annuity of any annuitant whose annuity is terminated under the preceding sentence shall be restored, at the rate which would have been in effect but for such termination, effective January 1 of any year following a year during which the amount of such annuitant's income from wages and self-employment is less than 80 per centum of the current rate of pay of the position occupied by the annuitant before retirement, or effective immediately if the Board of Education determines that, outside of normal fluctuations in such annuitant's income, such annuitant's income is reduced to a level which on an annual basis is less than 80 per centum of such current rate of pay.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments were agreed to.

Mr. EAGLETON. Mr. President, Senator MATHIAS, who joins with me in this effort, and I urge the passage of S. 1037 by the Senate without amendment. This bill contains comprehensive reforms for the District of Columbia pension systems for policemen, firemen, teachers, and judges. It also provides for Federal and District of Columbia payments to establish a fund that will put the District's pension system on an actuarially sound basis.

S. 1037 is, in virtually all substantive aspects, identical to the conference report to H.R. 6536 that was accepted unanimously by the Senate at the end of the 95th Congress last October. Only the year in which the Federal funding will begin—formerly 1979, now 1981—has been changed.

The problems in the District's pension system are substantial, and are due primarily to the actions and inactions of

the Federal Government. Congress established the pensions for police officers, firefighters, teachers, and judges in 1916. We passed the legislation defining the benefits. And during the 1960's and early 1970's, Congress mandated that the city hire an additional 2,000 police officers, bringing the total of that force to 5,100—substantially larger than any other city of comparable size. However, Congress never provided for adequate funding of the pension system. By the time the District took over management of its own affairs under home rule in 1975, the projected pension liability for these groups had grown to monstrous proportions.

This unfunded liability, according to our last calculations is estimated at $1.566 billion for police and fire pensions, $798 million for teachers, and $12.5 million for judges—giving a total accrued unfunded liability of over $2.4 billion—assuming current benefits. The District is now funding pension benefits from general revenues on a pay-as-you-go basis, congressionally mandated to be maintained at $61.5 million in face value per year. This method will soon fail to cover pension costs, as the group of additional police officers enter the system, and the full effect of overly generous disability pensions is felt.

Since the Federal Government created and had total responsibility for these pension systems until 1975, the bill responds to the Federal responsibility by authorizing annual payments to the retirement funds to amortize over a 25-year period that portion of the unfunded liability which results from costs for those who retired before the grant of home rule, January 2, 1975. Based on the most recent actuarial valuations available, we determined the unfunded accrued liability for retirees as of the effective date of home rule, incorporating the cost savings anticipated under S. 1037. The amount authorized to be appropriated in this bill would be sufficient to amortize that share of the liability payable after enactment.

Because the Federal Government is largely responsible for the unsound funding, it has a responsibility to place the District on a viable financial basis so that District can assume the costs of future pension payments.

Pension costs for police and firefighters will be 57 percent of payroll in 1979, and under current law would exceed payroll by 1999. To pay more in retirement benefits than in active-duty salaries would be untenable for any city and impossible for the District because of its limited tax base. Nonetheless, as the Nation's Capital, the District must maintain large uniformed services and assure high professional standards through quality recruitment and stable and prudent compensation and retirement benefits.

The city must protect the 1.5 million persons who commute to the District daily, the numerous heads of state and visiting dignitaries, the millions of tourists who visit the Capital annually, and the delegates who come to Washington to petition their Government officials. Essential to these objectives is the need for a reform of present systems to eliminate costly abuses and establish sound funding that will permit the District to sustain trained and skilled public service.

Also, the city's population has declined from 802,000 in 1950 to less than 700,000 today, resulting in a steadily decreasing tax base. Thirty percent of District revenues are budgeted for debt service, welfare payments, and federally mandated programs, and these budget items are rising at the rate of 4 percent a year.

To insure that adequate funds are available to pay the costs of those retiring after 1975, the District will pay net normal cost plus interest on its share of the unfunded liability; a transition period is mandated to prevent massive budget dislocations in the early years of the funding program. This will put the District on an actuarially sound financing schedule from the first year and assure adequate reserves by advance funding to meet future costs.

The other aspect of this legislation—the reform of extravagant and abused disability and service retirement benefits—is equally, if not more, important. Benefits under the existing systems were so generous that the vast majority of retirees could claim disability and get large tax-free pensions. Ten years ago, for example, an astounding 99 percent of retiring firefighters and 98 percent of police officers were receiving disability retirements.

During the same period, the average in other major cities was between 15 and 46 percent. Under the pressure of pending congressional reform and with vigorous tightening of administration by local officials, the percentage has dropped to about 44 percent in the District. This is a considerable and commendable achievement. But the laws themselves must be rewritten. Permissive provisions and swollen benefits must be changed to eradicate the potential for abuse in the future. I would not support the expenditure of one dollar of Federal money without such reforms.

Among the comprehensive changes in retirement benefits are the following, which Senator MATHIAS and I believe will help eliminate abuses and significantly reduce the costs attributable to them:

Requirements for optional retirement. Under present law any fireman or policeman with 20 years of service is eligible for normal retirement. This bill provides that future employees must reach age 50 and have served 25 years to be eligible for normal retirement. The existing 20-year rule remains for current employees.

Under current law, optional retirement benefits are calculated at 2.5 percent of basic pay for each of the first 20 years and at 3 percent of basic pay for each additional year up to 30 years of service. This legislation changes the calculation to 2.5 percent for each of the first 25 years and 3 percent for each year thereafter for future employees. The existing rule remains in effect for current employees.

Disability retirement. Under current law a policeman or fireman may retire on disability if he or she aggravates a disease or injury in the performance of duty, even if the proximate cause of the injury or disease is in doubt or is shown not to be from performance of duties.

The bill removes as a basis for disability retirement, for current and future employees, the aggravation of a preexisting injury or disease not incurred in the line of duty and requires that a disease or injury be reported to the Board of Police and Fire Surgeons when first diagnosed or incurred. If activity in the line of duty is determined to be the proximate cause of disability, a policeman or fireman will be eligible for a duty-connected disability annuity regardless of the existence of any nonduty-related condition. These provisions are not intended to deny disability benefits to any individual who incurs injury or disease in the performance of duty, regardless of a preexisting injury or disease.

Further, this section creates a percentage disability system for computation and payment of annuities for future employees. The Board of Surgeons will determine, within a reasonable time, the percentage of physical or mental impairment of a disability applicant.

The Police and Firefighters Retirement and Relief Board will determine the percentage of disability based on the percentage of impairment determined by the Board of Surgeons, the nature of the injury or disease, the member's position, age, and years of service, and other factors affecting the claimant's ability to earn future income. A claimant's disability pension will be computed as it would have been under existing law but reduced by the percentage disability factor if there is less than total disability. However, a claimant's annuity may not be less than 40 percent of basic pay for service-connected injuries or 30 percent of basic pay for non-service-connected injuries.

Recovery from disability. Under the bill, the 1-year grace period is eliminated and all current and future retirees are required to submit to medical examinations and to file reports of income on an annual basis. Failure to file such reports will result in a suspension in rights to an annuity.

For all members who retire 90 days after enactment, annuities will be reduced based on outside income earned. For each dollar that the total of annuity and earned income exceed 70 percent of the current salary of the last position held, the annuity is reduced by $0.50. Failure to file income reports or willful falsification of such reports will result in a revocation of all present and future rights to an annuity.

Last November, Mr. President, this bill was the victim of a pocket veto by the President. However, during the 96th Congress, the White House has had the opportunity to review new actuarial projections based on the later funding date, to discuss additional administrative reforms with the Mayor's Office, and to take a careful look at the current Federal responsibility for the situation. I am optimistic that the reform bill that emerges from conference this year will receive a better reception at the White House.

Mr. President, these reforms cannot be further delayed. Simply by waiting for

1 more year, the unfunded liability of the District's pension system has grown by hundreds of millions of dollars. The Senate, the House, the District, and the President must act this year to curb the pension abuses and assure those on whom we rely for the safety and security of the Nation's Capital that the legitimate pensions they deserve will be adequately funded.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CENSUS BUREAU SPACE RENTAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 294, S. 1318.

Mr. STEVENS. We have no objection.

There being no objection, the bill (S. 1318) to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the Act of June 30, 1932, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter I of chapter 1 of title 13, United States Code, is amended by adding at the end thereof the following new section:

"§ 15. Leases for 1980 decennial census

"The 15 percent limitation contained in section 322 of the Act of June 30, 1932 (47 Stat. 412; 40 U.S.C. 278a) shall not apply to leases entered into by the Secretary for the purpose of carrying out the 1980 decennial census, but no lease may be entered into for such purpose at a rental in excess of 105 percent of the appraised fair annual rental of the leased premises, or a proportionate part of the appraised fair annual rental in the case of a lease for less than a year.".

(b) The table of sections for such subchapter is amended by adding at the end thereof the following:

"15. Leases for 1980 decennial census.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, at 8 o'clock p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 8:25 p.m., when called to order by the Presiding Officer (Mr. BOREN).

ORDER FOR RECESS TO 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable with the distinguished acting Republican whip, and I understand it is, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:45 a.m.—is that right?

The PRESIDING OFFICER. It is 9 o'clock.

Mr. ROBERT C. BYRD. I am a 10 o'clock fellow in a 9 o'clock town.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE ACHIEVEMENTS, 96TH CONGRESS, 1ST SESSION, JANUARY 15–AUGUST 3, 1979

Mr. ROBERT C. BYRD. Mr. President, since the Senate will soon recess until September 5, I invite Members to turn their attention briefly to Senate achievements to date.

During the last 6½ months, the Senate has debated and passed 58 of the 67 authorization bills requiring action this year. In other words, the Senate has already passed over 86 percent of the necessary authorizations. During the last 2 weeks, the Senate has passed six of the regular 1980 appropriation bills. In considering these measures, Senators have dealt with numerous controversial issues. The remaining necessary authorization and appropriation bills will be considered in September before turning to debate on the SALT II Treaty.

With regard to international matters already considered by this body, the Senate passed legislation last week implementing the Panama Canal Treaty of 1977. It agreed to ratification of six conventions clarifying tax matters with four nations and has passed the five major international authorizations. Both the Senate and the House agreed to a reorganization of foreign aid activities and have enacted a special Middle East assistance bill in support of the peace treaty between Egypt and Israel. The Senate has expressed its will with respect to economic sanctions against Rhodesia, aid to Turkey, and development of the MX missile. To improve the efficiency of export licensing and to provide for periodic and systematic review of export policy, the Senate passed a new export control statute superseding the act of 1969. Legislation was enacted approving and implementing the trade agreements negotiated in the Tokyo round of multilateral trade negotiations. These trade agreements include phased tariff reductions, reform of nontariff barriers, certain agricultural agreements, and a framework for reform of the general agreement on tariffs and trade (GATT). The Congress took an important step toward normalizing U.S. relations in the Far East by writing into law a clarification of commercial, cultural, and other unofficial relations with the people on Taiwan in light of U.S. recognition of the People's Republic of China. Extensive televised hearings by the Foreign Relations Committee and the Armed Services Committee on SALT II have given the public and Senators a better understanding of the complex issues involved.

In response to the accident at the Three Mile Island nuclear reactor in Pennsylvania, the Senate recently agreed that nuclear powerplants could be shut down beginning next year in States without emergency response plans approved by the Nuclear Regulatory Commission. Additional planning for nuclear emergencies and improved training of inspectors and operators were required and the authorization for the Nuclear Regulatory Commission was increased to upgrade the quality of nuclear regulation and improve NRC's efficiency and effectiveness.

Other action relating to energy includes congressional approval of the President's standby emergency building temperature restriction contingency plan requiring owners of nonresidential buildings, except for hospitals and certain other designated buildings, to keep thermostat no higher than 65 degrees in the winter and no lower than 80 degrees in the summer. The Senate voted to give the President emergency authority to create a conservation program under which State Governors would be authorized to identify and submit for approval their own plans for the most appropriate methods for conserving energy in their States. The President's modified standby gasoline rationing plan was approved by the Senate but rejected by the House.

Relative to the environment, the Senate authorized funds for 3 years for programs under the Endangered Species Act. It extended authorizations for the Environmental Protection Agency, marine protection programs, ocean pollution research, safe drinking water, solid waste disposal, toxic substances control and noise pollution control. It voted to establish a new program to assist airports and surrounding communities in the development and implementation of noise abatement programs.

For the first time in history, an authorization for the Justice Department was debated and passed by the Senate. Programs under the Law Enforcement Assistance Administration were reauthorized for 5 years.

Earlier this year, the Senate acted again to establish a Cabinet-level Department of Education as a means of strengthening the Federal commitment to education while assuring that the responsibility for education continues to be reserved to the States and local school systems.

In the health field, the Senate has extended five health programs dealing with alcohol abuse and alcoholism prevention, drug abuse and treatment, emergency medical services, health planning, and nurse training.

The ceiling on food stamp expenditures was raised for 1979 because of unanticipated increases in food costs and program participation. Major housing and community development programs were extended for 1 year. The Economic Development Administration authorization bill was passed today which includes im-

portant revisions to their programs and those under the Appalachian Regional Development Act.

At the outset of the 96th Congress, the Senate made changes to the Standing Rules of the Senate necessitated by the increasing use of the cloture rule to delay Senate proceedings after cloture has been invoked. The Senate agreed to a 100-hour cap on time after cloture, while including mechanisms for protecting the rights of Senators to be heard and to offer amendments. These important modifications have helped restore the original intent of cloture to close off dilatory action and have lessened the ability to use the cloture rule to unduly prolong debate. It has allowed the Senate to debate and pass numerous bills dealing with controversial issues.

A more complete listing of the bills passed by the Senate is contained in a report prepared by the staff of the Democratic Policy Committee. I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SENATE LEGISLATIVE ACHIEVEMENTS INDEX

(Prepared by Senate Democratic Policy Committee, ROBERT C. BYRD, Chairman)

AGRICULTURE

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Agricultural Subterminal Storage Facilities (S. 261).
Consolidated Farm and Rural Development Loans (S. 985).
FIFRA (S. 717).
Peanut Marketing Penalty Reduction (S. 994, P.L. 96-31).
Rural Development Loans; Pilot Energy Projects (S. 892).
Rural Development Policy (S. 670).
School Nutrition Programs Study (S. Res. 90).
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APPROPRIATIONS

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Supplemental (H.R. 4280, P.L. 96-38).
1980:
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Rescissions: First Budget Rescission, 1979 (H.R. 2439, P.L. 96-7).
Resolutions: First Budget Resolution, 1980; Third Budget Resolution, 1979 (H. Con. Res. 107).

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DEFENSE

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Defense Production (S. 932).
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D.C. Retirement Benefits (S. 1037).
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Council on Wage and Price Stability (H.R. 2283, P.L. 96-).
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International Investment Survey (S. 758).
Public Debt Limit—Balanced Budget (H.R. 2534, P.L. 96-5).
Savings and Loan Exemption from Federal Trade Commission (H.R. 3978, P.L. 96-37).
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Educational Technical Amendments (H.R. 4591, P.L. 96-).
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Multilateral Development Banks (S. 662).
NATO (H.J. Res. 283, P.L. 96-9).
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State Department Authorization (H.R. 3363).
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Frederick Law Olmsted National Historic Site (S. 495).
Yakima River Basin Feasibility Study (S. 585).

NOMINATIONS

Benjamin R. Civiletti to be Attorney General.
Charles W. Duncan to be Secretary of Energy.
Robert J. Kutak to be Member of Legal Services Corporation.
Frank P. Reiche to be Member of FEC.
Leonard Woodcock to be Ambassador to China.

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Estate and Gift Tax Convention with the United Kingdom (Ex. R, 96-1).
International Wheat Agreement (Ex. L, 96-1).
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Protocol to the Tax Convention with the United Kingdom (Ex. Q, 96-1).
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Tax Convention with Korea (Ex. P, 94-2).

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Veterans Health Care (S. 7, P.L. 96-22).
Veterans Health Resources and Programs (H.R. 3892).

AGRICULTURE

Agricultural Stabilization Service Employee benefits: Amends title 5, U.S.C., to allow former county committee employees of the Agricultural Stabilization and Conservation Service, upon obtaining employment in any Federal agency, to transfer certain benefits including entry into any Federal agency at their highest previous salary level, transferral of accumulated annual and sick leave, and crediting of service for the purpose of leave and reduction of force. S. 383—Passed Senate May 22, 1979. (VV)

Agricultural subterminal storage facilities: Amends the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for agricultural commodities that can be transported in bulk from the farm and temporarily stored in bulk quantities without undergoing processing or packaging, and commodities and products (that can be stored or shipped in bulk) used by producers in the production of agricultural commodities; authorizes $3.33 million for fiscal 1980, 1981 and 1982 to fund Federal planning grants (up to 80 percent of the cost of developing the plan) for the development of State and regional subterminal facilities plans; conditions the availability of planning funds on the establishment of a plan review commission consisting of local producers, local elevator operators, representatives of the affected motor and rail carriers and other interested parties; requires that a majority of the membership of any plan review commission be local producers; and authorizes the Secretary to insure and guarantee loans for the construction and improvement of subterminal facilities with funds allocated for that purpose by the Secretary from the Rural Development Insurance Fund with preference given to existing agricultural elevator operators and local producers in the area to be served by the subterminal facility. S. 261—Passed Senate May 23, 1979. (VV)

Consolidated farm and rural development loans: Amends the Consolidated Farm and Rural Development Act, which authorizes rural development loan programs, to set overall lending limits for fiscal 1980, 1981 and 1982 (pursuant to section 346 of that act which requires that lending limits for the loan programs be set every three years) as follows: for loans under the Agricultural Credit Insurance Fund: real estate loans—$1.615 billion (including $1.5 billion for farm ownership loans of which $1.4 billion is for insured loans, $100 million for guaranteed loans and $100 million for water development, use and conservation loans of which $90 million is for insured loans and $10 million for guaranteed loans); operating loans—$1.2 billion (of which $1.15 billion is for insured loans and $50 million for guaranteed loans); and emergency disaster loans—such amounts as necessary to meet needs resulting from natural disasters; and for loans under the Rural Development Insurance Fund: insured water and sewer loans—$1 billion; business and industrial development loans—$1.5 billion (of which $100 million is for insured loans and $1.4 billion for guaranteed loans); and insured community facility loans—$500 million. S. 985—Passed Senate May 23, 1979. (VV)

FIFRA: Extends the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) for two years, through fiscal 1981, and authorizes therefor $62.25 million for fiscal 1980 which includes funds for the Environmental Protection Agency's research and development program involving exposure to pesticides. S. 717—Passed Senate May 22, 1979. (VV)

Peanut marketing penalty reduction: Authorizes the Secretary of Agriculture, effective with the 1978-81 crops of peanuts, to reduce any penalty assessed against producers who have marketed peanuts in excess of their quota if he determines that the marketing was done unintentionally or unknowingly and the reduction will not impair the effective operations of the program. S. 994—Public Law 96-31, approved July 7, 1979. (VV)

Rural development loans; pilot energy projects: Extends for two years, through fiscal 1981, the annual authorization of $20 million for the rural development extension, rural development research, small farm research and small farm extension programs conducted under title V of the Rural Development Act of 1972; requires the Secretary of Agriculture to provide for additional pilot energy projects for the production of industrial ethanol and gasohol from agricultural commodities and forest products through loan guarantees, not to exceed $500 million and limited to $30 million per project, from the Commodity Credit Corporation; and modifies the Consolidated Farm and Rural Development Act to permit Indian tribal governments to receive Farmers Home Administration disaster assistance loans. S. 892—Passed Senate June 14, 1979. (VV)

Rural development policy: Amends the Rural Development Act of 1972 to require the Secretary of Agriculture to establish and maintain a rural development policy management process in partnership with local and State governments and involving all Federal departments and agencies and major private institutions having policies and programs affecting the quality of life in rural America, and authorizes therefor $1.5 million annually; repeals the requirement for the submission to Congress of five annual reports on rural conditions and substitutes a requirement that the Secretary prepare and submit to Congress comprehensive 5-year appraisals of rural conditions establishing goals and strategies for a national rural development program; authorizes the Secretary to initiate new and expanded on-going research and development efforts to solve rural development, economic, technological, and social problems; authorizes planning grants of not to exceed $15 million annually to assist in establishing and maintaining the policy management process at the State and local levels; and directs the Secretary to establish and operate, in no less than five rural states, rural information and assistance centers as demonstration projects to provide current data and information on existing Federal programs and other related financial, eligibility, and statistical information. S. 670—Passed Senate June 14, 1979. (VV)

School nutrition programs study: Requests the Secretary of Agriculture to conduct a study of the school nutrition programs administered under the National School Lunch Act and the Child Nutrition Act of 1966 including: (1) program costs; (2) income of participating families; (3) use of the programs for nutrition education purposes; (4) contribution of the programs to the agricultural economy; (5) income verification procedures; and (6) the need for legislative changes; and requests the Secretary to report to Congress on the progress of the study by January 31, 1980, and to submit a final report by March 31, 1981. S. Res. 90—Senate agreed to June 20, 1979. (VV)

Wheat set-asides: Urges the Secretary of Agriculture to establish a minimum wheat set-aside for the 1980 crop year of not less than five percent of the 1980 wheat acreage. S. Res. 206—Senate agreed to July 30, 1979. (VV)

APPROPRIATIONS—FISCAL 1979

Supplemental: Makes Supplemental appropriations totaling $13,783,823,100 for fiscal 1979 which includes funds for the activities

of nearly every governmental department and agency and to meet increased pay costs; includes $2,412,228,100 for increased pay costs for military and civilian personnel; $900 million for the food stamp program; $116,500,000 for the child nutrition program; $194,000,000 for disaster relief; $185,000,000 for NASA research and development: $1,120,400,000 for VA compensation and pensions; $301,700,000 for VA readjustment benefits; $554,429,000 for Medicaid; $243,189,000 for the student loan insurance fund; $188,548,000 for grants to States for social and child welfare services; $162,000,000 for the Corporation for Public Broadcasting; $108,910,000 for migration and refugee assistance; $1,018,000,000 for SBA disaster loans; $119,000,000 for Amtrak; $239,000,000 for Conrail; $336,355,000 for the Civil Service retirement and disability fund; $1,470,000,000 for the Middle East peace treaty; $190,000,000 for the M-X missile; and $1,353,000,000 for the purchase of 4 DD6-993 destroyers; reduces the interest rate on SBA disaster loans for disasters occurring between October 1, 1978, and October 1, 1982, to homeowners at 3 percent for the first $55,000 and to businesses who are unable to obtain sufficient credit elsewhere to no more then 5 percent; and increases to $235,375,000 the overall ceiling on military assistance program funds. H.R. 4289—Public Law 96-38, approved July 25, 1979. (151)

APPROPRIATIONS—FISCAL 1980

Agriculture: Appropriates $16.6 billion in new budget authority for Agriculture, Rural Development and Related Agencies for fiscal 1980;

Contains $4.85 billion for agricultural programs, including $571 million for Federal and Cooperative Research, $274.8 million for Extension Activities, $248.2 million for disease and pest control, $278.4 million for meat and poultry inspection, and $3.06 billion for prior year Commodity Credit Corporation (CCC) losses; allows CCC loan guarantees for gasohol projects for up to $500 million;

Contains funding for Rural Development programs, including loan authorizations through several revolving loan funds, as follows: $4.1 billion for rural housing loans, $2.4 billion for agricultural loans (including $870 million for farm ownership and $875 million for farm operating), $2.1 billion for various rural development loans, and $1.1 billion for telephone and electric loans of the Rural Electrification Administration (REA);

Provides funding for eight different rural development grants programs, including $300 million in grants for rural water and waste disposal systems and funding for staffing expenses of the Farmers Home Administration and REA to administer these programs;

Includes in the conservation area $272 million for technical assistance provided by the Soil Conservation Service and $162.5 million for watershed operations; $32 million for a Resource Conservation and Development program; $75 million for a Nonpoint Source Pollution Control program; and $190 million for the Agricultural Conservation Program;

Contains $8.5 billion for domestic feeding programs and $1.8 billion in transfers to be used for these programs; $3.1 billion for child nutrition programs; $6.2 billion for food stamps; $771.5 million for special supplemental food programs; and $142 million for special milk;

Contains $719.4 million for international programs, including $660.7 million for Public Law 480, Food for Peace, which includes $222 million for titles I and III credit sales and $438.7 million for title II loan programs; provides an additional $58.7 million for these programs by the transfer of unobligated prior year balances;

Contains $353.5 million for the Food and Drug Administration and the Commodity Futures Trading Commission;

General Provisions: Permits appropriations to remain available until expended for the following accounts: Scientific Activities Overseas special foreign currency program; Public Law 480; Rural Housing for Domestic Farm Labor; Mutual Self-Help Housing; Watershed and Flood Prevention Operations; Resource Conservation and Development and Buildings and Facilities, Food and Drug Administration; and states that funds provided by this act for personnel compensation and benefits shall be available for obligation for that purpose only with excess funds to revert to the Treasury without the need for rescission. H.R. 4387—Passed House June 19, 1979; Passed Senate amended July 19, 1979; Senate requested conference July 19, 1979. (191)

District of Columbia: Appropriates $385,-121,500 in Federal funds (which includes $500,000 for the Federal share of the expenses of the Temporary Commission on Financial Oversight) and $1,561,110,200 in District of Columbia Funds for fiscal 1980 making a total of $1,946,231,700 available for the operations and activities of the District of Columbia; allocates the Federal appropriations as follows: Federal payment, $249.1 million; payment in lieu of reimbursement for water and sewer services to Federal facilities, $10.5 million; and loans for capital investment, $125 million; allocates D.C. funds as follows: government direction and support, $64.8 million; economic development and regulation, $16 million; public safety and justice, $296.1 million; public education system, $317.3 million; human support services, $350.4 million; transportation services, $92.8 million; environmental services, $79.2 million; personal services, $58.3 million; repayment of loans and interest, $120.4 million; and capital outlays, $165.3 million; denies the request to establish the Educational Institution Licensure Commission and the Commission of Healing Arts Licensure as independent bodies; establishes guidelines, effective October 1, 1980, for the reprogramming of funds in excess of $100,000 or resulting in an annual 10 percent increase or decrease in any program, which calls for Congressional approval within 30 calendar days of a written request unless this time is extended by the Committee; increases the mileage allowance for privately owned automobiles and motorcycles used on official business; expands the personnel ceiling to include revolving fund positions and the reimbursable positions requested by the city for a total ceiling of 38,230 and specifically designates 34,003 appropriated positions; requires the fiscal 1981 budget to be submitted by February 1, 1980; deletes two sections in the House bill limiting funds for abortions; gives the Temporary Commission on Financial Oversight authority to appoint and remove staff; makes $500,-000 available for the settlement of property damage claims not exceeding $1,500 each; and excepts vehicles used for police, firefighting and fire prevention activities from the established price ceilings for government vehicle procurement. H.R. 4580—Passed House July 17, 1979; Passed Senate amendment July 27, 1979; Senate requested conference July 27, 1979. (230)

Energy-water: Appropriates $10,829,015,000 for energy and water development programs for fiscal 1980; includes $5,538,544,000 for the Department of Energy except for fossil fuel programs and certain conservation and regulatory programs; requires a $6.88 million reduction in funds for the Department of Energy to force curtailment of their consumption of gasoline and diesel fuel for motor vehicles; includes $2,794,576,000 for the Department of the Army Civil Functions—U.S. Army Corps of Engineers' Civil Works program; includes $597,553,000 for the Department of the Interior's Bureau of Reclamation; includes $898,342,000 for related independent agencies and commissions including the Appalachian Regional Commission and Appalachian Regional Development programs, the Nuclear Regulatory Commission, the Tennessee Valley Authority, and the Water Resources Council; and includes $57,480,700 to complete the Hart Senate Office Building; sets a $142,627,700 ceiling on total construction costs for the building; and provides, upon completion of the Hart building, for the expeditious removal of personnel, equipment, and furnishings from the Carroll Arms, Senate Courts, Plaza Hotel and Capitol Hill Apartments, which buildings shall remain unoccupied by the Senate until demolished. H.R. 4388—Passed House June 18, 1979; Passed Senate amendment July 19, 1979; Conference report filed. (185)

HUD: Appropriates a total of $72.1 billion in new budget authority for the Department of Housing and Urban Development, Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation, Department of Treasury, Veterans Administration and 16 others agencies, commissions, boards, corporations, institutes and offices for fiscal 1980;

HUD—$33.6 billion as follows: Housing Programs, $28.5 billion; Community Planning and Development, $4.7 billion; Neighborhoods, Voluntary Associations and Consumer Protection, $22 million; Policy Development and Research, $50.3 million; Fair Housing and Equal Opportunity, $3.7 million; Management and Administration, $281 million;

Independent Agencies—$38.4 billion including American Battle Monuments Commission, $7.6 million; Consumer Product Safety Commission, $40.6 million; DOD-Civil, $7.6 million; Environmental Protection Agency, $4.6 billion; Executive Office of President, $5.7 million; Federal Emergency Management Agency, $441.9 million; General Services Administration, $1.3 million; HEW, Office of Consumer Affairs, $1.8 million; National Aeronautics and Space Administration, $4.9 billion; National Commission on Air Quality, $5.5 million; National Consumer Cooperative Bank, $25.9 million; National Institute of Building Sciences, $750,000; National Science Foundation, $1 billion; Neighborhood Reinvestment Corporation, $12 million; Selective Service System, $7.8 million; Department of Treasury, $6.9 billion; Veterans Administration, $20.3 billion;

General Provisions: Prohibits agency employees from taking annual leave in the course of travel on agency business; prohibits the use of appropriated funds to contract for plant care or watering services; and provides that if construction has begun within six months of the time a construction grant project is approved, no additional EPA requirements may be issued. H.R. 4394—Passed House June 27, 1979; Passed Senate amended July 27, 1979; In conference. (232)

Labor-HEW: Appropriates $72,993,245,000 for fiscal year 1980 for the Departments of Labor, Health, Education, and Welfare and related agencies;

Department of Labor: Appropriates a total of $11,183,225,000, including: $6,423,055,000 for public service employment and special programs for the economically disadvantaged, unemployed and underemployed persons, such programs as the Job Corps, summer youth employment and year-round employment initiatives; $1.485 billion for public service jobs for the structurally unemployed to support an average of 250,000 public service jobs, with 267,000 enrollees expected to be on board by the end of fiscal 1980; $1.627 billion for countercyclical public service jobs for low-income, long-term unemployed which will support 200,000 public service jobs by the end of fiscal 1980; prohibits the use of funds to enforce Occupational Safety and Health Act (OSHA) regulations with respect to employers of ten or fewer full-time employees who have an occupational injury incidence rate less than seven per 100 full-time employees and who had an incidence rate of less than six lost workdays due to occupational injury per ten full-time employees; prohibits the use of funds to inspect a business which has been inspected within the preceding six months; prohibits the use of funds for worker training requirements of the Mine Safety and Health Act for shell dredging, sand, gravel, stone, surface, clay, colloidal phosphate or limestone mine employers;

Department of Health, Education and Welfare: Appropriates a total of $60,261,-626,000 including $3,367,575,000 for the various National Institutes of Health;

Prohibits the use of funds to perform abortions except where the life of the mother would be endangered if the fetus were carried to term or except for the victims of rape or incest which have been promptly reported or except where severe and long-lasting physical health damage to the mother would result as determined by two physicians;

Prohibits the use of funds by HEW in connection with the enforcement of racial or sexual quotas in admissions to educational institutions;

Related agencies: Appropriate a total of $1,548,394,000 which includes funds for the Community Services Administration, Railroad Retirement Board, National Labor Relations Board, Corporation for Public Broadcasting and ACTION. H.R. 4389—Passed House June 28, 1979; Passed Senate amended July 20, 1979; Conference report filed. (204)

State-Justice-Commerce: Appropriates $8,-253,334,000 in new budget authority for the Departments of State, Justice, Commerce and the Judiciary and related agencies for fiscal 1980;

Department of State: Appropriates therefor $1,375,387,000; establishes a new appropriation for the payment to the American Institute in Taiwan which consolidates all the funding of the continuing U.S. interest on Taiwan; provides for expenses connected with the Middle East Peace negotiation which is offset by deducting the funds budgeted for wage increases for foreign national employees exceeding 7 percent;

Department of Justice: Appropriates therefor $2,402,724,000 including funds for: the State and local drug task forces, the 81 additional positions authorized for the Criminal Division, the 35 additional positions for the Civil Rights Division, and 75 of the 131 additional positions authorized for the Land and Natural Resources Division; the full $584,408,000 authorized for the FBI; a major expansion of the Border Patrol to deal with illegal aliens; $486,463,000 for the new Office of Justice Assistance, Research and Statistics which replaces the former Law Enforcement Assistance Administration (LEAA) including funding of the juvenile justice and delinquency prevention program at its current $100 million level;

Department of Commerce: Appropriates therefor $2,085,142,000 including $614.4 million for the 1980 decennial census that fully restores the local review program; continues the U.S. Travel Service at a reduced rate and provides increased funding for the National Oceanic and Atmospheric Administration including retention of 22 part-time weather service stations; increases the Patent Office budget by $4.4 million to maintain current pendency between the time applications are filed and approved; includes $23,705,000 for the educational television station facilities within the amount for the National Telecommunications and Information Administration; and includes funds for three dry bulk carriers requested by the Maritime Administration;

Judiciary: Appropriates therefor $592,806,-000 which reflects the funds required for the 152 new judgeships authorized in the 95th Congress and the staff and associated expenses to support them; and includes $3 million for new bankruptcy courts;

Related agencies: Appropriates therefor $1,797,277,000 including $18.7 million for the Arms Control and Disarmament Agency, $11.37 million for the Commission on Civil Rights, $125 million for the Equal Employment Opportunity Commission, $11,217,000 for the Federal Maritime Commission, $4.273 million for the Office of Special Representative for Trade Negotiations, $3,335,000 for the U.S. Metric Board, $73,255,000 for expenses of the Federal Communications Commission, $291.8 million for the Legal Services Corporation, and $657.3 million for the Small Business Administration. H.R. 4392—Passed House July 12, 1979; Passed Senate amended July 24, 1979; Conference report filed. (216)

ATOMIC ENERGY AND NASA

NASA authorization: Authorizes $4,-961,000,000 for the National Aeronautics and Space Administration for fiscal 1980 of which $3,838,500,000 is for research and development, $157,600,000 is for construction of facilities including the space shuttle, and $964,900,000 for research and program management; contains the following authorizations for new initiatives to meet future needs in space and technology: $2 million for development of a solid state, multispectral resource sampler for remote sensing applications; $9 million for technology of variable cycle aircraft engines; $5 million for a program in advanced rotocraft technology directed at maintaining U.S. leadership in this aircraft technology; $3 million for an increased effort on the development of advanced space structures; and $2 million to support additional activities to identify and verify potential contributions to national energy needs; requests the Administrator to submit, by October 1, 1979, a final report to Congress on the management and financial assessments of the space transportation system in conjunction with resumption of production of the fifth orbiter; calls for internal reallocation of $1 million for advanced programs in the space flight operations program for definition studies of a large deployable antenna, including planning for multiagency participation in a demonstration project; authorizes cost variations up to 10 percent of the sums authorized for the construction of facilities or up to 25 percent with Congressional notification and permits certain reprograming of research and development funds to the construction category; expresses the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds when feasible and that NASA should explore such distribution of its research and development funds; increases from $5,000 to $25,000 the amount by which NASA may settle or adjust claims for actions resulting from the conduct of its functions; and authorizes the Administrator to provide liability insurance to any user of a space vehicle to compensate them for third party claims for damage resulting from described activities. H.R. 1766—Public Law 96, approved 1979. (VV)

NASA supplemental authorization: Authorizes $185 million in fiscal 1979 supplemental funds to NASA for research and development in connection with the space shuttle program which when added to the $1,443,400,000 appropriated would provide a total authorization of $1,628,300,000 for the program. H.R. 1787—Public Law 96-16, approved June 4, 1979. (VV)

Nuclear Regulatory Commission authorization: Authorizes $395.3 million for fiscal 1980 for the Nuclear Regulatory Commission (NRC) which includes $57.04 million for nuclear reactor regulation; $41.2 million for inspection and enforcement; $14.27 million for standards development; $29.605 million for nuclear material safety and safeguards; $210.57 million for nuclear regulatory research; $14.925 million for program technical support; and $30.69 million for program direction and administration;

Provides a reprogramming mechanism applying to any reallocation resulting in increasing or decreasing the amount allowed for an office by more than $500,000 which requires prior notification to the appropriate Congressional committees;

Directs NRC to expand its resident inspector program to require one inspector at each operating reactor unit and at each unit undergoing pre-operational testing, in addition to an inspector assigned at each facility site; calls for a GAO study of the advantages of expanding the resident inspector program and/or of expanding the regional inspection program; requires NRC to promulgate demographic requirements within 180 days for the siting of nuclear facilities;

Authorizes a $700,000 increase over NRC's request for the nuclear waste management program to implement the Uranium Mill Tailing Radiation Control Act of 1978 (Public Law 95-604); authorizes NRC's request of $6.7 million for nuclear waste activities within the Office of Nuclear Regulatory Research; prohibits redirection of these funds through reprogramming;

Designates $4.4 million to continue the program of research into improved safety systems for nuclear power plants and prohibits reduction of this amount through reprogramming;

Adds $400,000 for eight additional positions in the Division of Contracts, Office of Administration, to address contract monitoring and close out deficiencies at NRC; requires the establishment of a Senior Contracts Review Board to review and approve all arrangements with other Federal agencies, all contracts for research services, and modifications to existing contracts and arrangements, in amounts greater than $500,-000 and requires NRC approval for amounts greater than $1 million;

Amends the Atomic Energy Act of 1954 to increase from $5,000 to $10,000 the amount of civil penalty which may be imposed for a single violation and to eliminate the $25,000 ceiling on the amount of penalty which may be assessed for continuing violations; extends criminal penalties to any individual who knowingly and willfully violates NRC safety standards that govern construction or operation of a nuclear plant;

Requires NRC to enter into a contract for an independent study of its management structure, process, procedures and operation for submission to the Congress within one year;

Prohibits, effective upon enactment, the issuance of a license for a new nuclear generating facility unless NRC is satisfied that the State emergency response plan for that facility adequately protects the public health and safety; gives each State having a licensed facility up to nine months to obtain NRC approval of its emergency plan or face an order directing the shut-down of plants; directs NRC to promulgate minimum requirements for State plans within nine months and, pending promulgation of these requirements, to rely on the guidelines employed in the voluntary concurrence program in assessing the adequacy of State plans; requires NRC to implement measures to safeguard the public health for facilities without approved State plans;

Directs NRC, within six months, to promulgate by rule a plan for responding to an "extraordinary nuclear occurrence", as defined in the Atomic Energy Act;

Requires the President to prepare, publish and periodically revise, a national contingency plan to protect the public health and safety in case of extraordinary nuclear occurrence which would include designation of an interagency task force headed by NRC and include certain Federal agencies and departments; provides that implementation

of the plan be triggered by an NRC determination of a possible or actual extraordinary nuclear occurrence which would also trigger its own plan to be regarded as conclusive; requires incorporation of NRC's emergency response plan into the national plan;

Amends the licensing requirements of the Atomic Energy Act to require immediate NRC notification by a plant operator in the event or likelihood of an extraordinary nuclear occurrence and provides that failure to give such notification could result in revocation of an operating license; directs NRC to establish a means for instant communication with a nuclear power plant during an emergency and, within 90 days, to prepare and transmit to Congress a plan for remote and instantaneous NRC monitoring of the principal safety instruments and radiation monitors at all nuclear power plants;

Mandates a comprehensive study to explore the deficiencies in communications encountered by the various NRC officials, licensee officers and personnel, and the Governor and other State officials in the 30-day period following the March 28, 1979, accident at the Three Mile Island unit 2 nuclear generating facility in Pennsylvania which shall include a determination of the need for improved procedures and for advanced technology; requires submission of a report by January 1, 1980, on the findings of the investigation and study including recommendations of any measures necessary to provide for expeditious and reliable communications in the event of a future accident at a nuclear generating facility; provides that each recommendation not requiring new legislation be implemented as soon as practicable as well as included in NRC's emergency response plan;

Directs NRC to submit to Congress: (1) a plan including criteria for improved training, retraining and licensing programs for reactor operators which emphasizes emergency response training and direct attention to assure that the plant is operating in accordance with the requirements of its license and (2) a feasibility study of licensing plant managers and other utility personnel who have authority to make operating decisions affecting the plant;

Amends Public Law 95-601, the fiscal 1979 NRC Authorization Act, to require NRC and EPA, in consultation with the Secretary of HEW, to expand the feasibility study of epidemiological research to include populations exposed to low levels of radiation during and after the Three Mile Island accident and individuals exposed during ultimate decontamination, decommissioning or repair of the facility; extends the final reporting date from September 30, 1979, to March 1, 1980;

Requires the NRC by October 1, 1979, to promulgate regulations providing State notification prior to transport of nuclear waste within its borders; provides the NRC with certain authority for temporary suspension of agreements in emergency situations; and prohibits the use of funds for disposing nuclear wastes in the oceans. S. 562—Passed Senate July 17, 1979. (178)

Territorial storage of nuclear materials: Directs the Secretary of the Interior to inform Congress of any proposal for transportation of spent nuclear fuel or high level radioactive waste to, or for interim, long-term or permanent storage on, any U.S. territory or possession; and requires specific authorization by Congress before implementing such a proposal. S. 1119—Passed Senate July 31, 1979. (VV).

BUDGET

Deferrals:

American fisheries: Disapproves the deferral of funds under the Saltonstall-Kennedy Act totaling $6,579,000 for the promotion and development of fishery products and research pertaining to American fisheries as recommended by the President in his message of October 2, 1978. S. Res. 50—Senate agreed to March 13, 1979. (VV)

Rescissions:

First budget rescission, 1979: Rescinds $723,609,000 of the $914,617,000 recommended by the President in his message of January 31, 1979, as follows: $608,167,000 as recommended for HUD ($600,000,000 for State housing finance and development agencies and $8,167,000 for new community assistance grants); $95,850,000 instead of $227,258,000 as recommended for HEW ($37,000,000 for the NIH building and facilities, $46,350,000 instead of $167,893,000 for health resources and $12,500,000 instead of $22,365,000 for special projects and training in the Office of Education); $8,000,000 instead of $9,000,000 for payment of Vietnam and U.S.S. Pueblo prisoner of war claims; $6,065,000 instead of $14,665,000 for salaries and expenses of the Small Business Administration; $3,127,000 as recommended for the Bureau of Mines, Helium fund, within the Department of Interior; and $3,400,000 as recommended for NASA research and program management; and disapproves in its entirety the proposed rescission of $50,000,000 for fossil energy construction within the Department of Energy. H.R. 2439—Public Law 96-7, approved April 9, 1979. (VV)

Resolutions:

First budget resolution, 1980: Third budget resolution, 1979: Recommends levels for fiscal 1980 for Federal revenues of $509.0 billion, budget authority of $604.4 billion and outlays of $532.0 billion, with a deficit of $23.0 billion, and public debt limit of $887.2 billion; amends the 1979 second concurrent budget resolution by setting Federal revenues at $461.0 billion, budget authority at $559.2 billion and outlays at $494.5 billion, with a deficit of $33.5 billion, and public debt limit of $834.2 billion; and contains projections for fiscal 1981 and 1982 to achieve a balanced budget by fiscal 1981;

Assumes a $1 billion rescission in fiscal 1980 of funds already appropriated for the Strategic Petroleum Reserve; includes budget authority of $9.5 billion and outlays of $9 billion for all health programs other than medicare and medicaid; reflects the possibility that the Congress may consider changes in General Revenue and enact new programs of targeted fiscal assistance; provides for no tax cut in fiscal 1980; recommends that ways be found within the Congressional budget process to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget; contains a provision relating to reports by House Committees regarding legislative savings and unobligated balances which do not apply to Senate Committees which already provided similar information in their March 15 reports to the Senate Budget Committee; and makes the following recommendations for budget authority (BA) and outlays (O) by function for fiscal 1980 as compared to the President's requests (in billions of dollars):

National Defense—$135.6 instead of $138.3; O: $124.2 instead of $125.4;

International Affairs—BA: $12.6 instead of $13.4; O: $7.9 instead of $8.4;

General science, space and technology—BA: $5.7; O: $5.5;

Energy—BA: $18.8 instead of $19.8; O: $6.8 instead of $7.6;

Natural resources and environment—BA: $12.6 instead of $12.8; O: $11.7 instead of $11.6;

Agriculture—BA: $5.0 instead of $4.9; O: $5.4 instead of $5.2;

Commerce and housing credit—BA: $6.9 instead of $8.3; O: $3.2 instead of $3.3;

Transportation—BA: $19.5 instead of $19.1; O: $18.2;

Community and regional development—BA: $8.9 instead of $11.3; O: $8.1 instead of $7.9;

Education, training, employment and social services—BA: $30.9; O: $30.5 instead of $30.9;

Health—BA: $58.1; O: $53.6 instead of $55.0;

Income security—BA: $214.8 instead of $216.9; O: $183.3 instead of $184.4;

Veterans' benefits and services—BA: $21.2 instead of $21.0; O: $20.6 instead of $20.5;

Administration of justice—BA: $4.2 instead of $4.3; O: $4.4;

General government—BA: $4.4 instead of $4.5; O: $4.3 instead of $4.4;

General purpose fiscal assistance—BA: $8.1 instead of $8.8; O: $8.1 instead of $8.8;

Interest—BA: $56.0 instead of $56.4; O: $56.0 instead of $56.4;

Allowances—BA: —$0.1 instead of $2.2; O: —$0.1 instead of $1.4;

Undistributed offsetting receipts—BA: —$19.7 instead of —$19.8; O: —$19.7 instead of —$19.8;

Makes the following revisions to the Second Budget Resolution for fiscal 1979 (H. Con. Res. 683) recommending budget authority (BA) and outlays (O) as follows (in billions of dollars):

National defense—BA: $127.0; O: $114.4;

International affairs—BA: $11.4; O: $7.5;

General science, space and technology—BA: $5.4; O: $5.2;

Energy—BA: $7.6; O: $7.4;

Natural resources and environment—BA: $12.9; O: $11.3;

Agriculture—BA: $8.3; O: $6.2;

Commerce and housing credit—BA: $5.9; O: $2.9;

Transportation—BA: $19.1; O: $17.0;

Community and regional development—BA: $9.2; O: $9.7;

Education, training, employment and social services—BA: $32.7; O: $29.7;

Health—BA: $53.0; O: $49.7;

Income security—BA: $194.2; O: $161.1;

Veterans' benefits and services—BA: $20.4; O: $20.2; O: $4.2;

Administration of justice—BA: $4.2; O: $4.2;

General government—BA: $4.3: O: $4.2;

General purpose fiscal assistance—BA: $8.7; O: $8.8;

Interest—BA: $52.4; O: $52.4;

Allowances—BA: $0.7; O: $0.7;

Undistributed offsetting receipts: BA: —$18.1; O: —$18.1.

Pursuant to the mandate in the Public Debt Limit Act, includes aggregate totals reflecting the House and Senate recommended budgetary levels in order to achieve a balanced budget in fiscal 1981 and 1982, as follows (in billions of dollars):

Fiscal 1981—Senate: Revenues, $583.3; Budget authority, $640.3; Outlays, $577.7; Surplus, +$5.6; House: Revenues, $579.8; Budget authority, $658.7; Outlays, $577.7; Surplus, +$2.1;

Fiscal 1982—Senate: Revenues, $621.0; Budget authority, $691.6; Outlays, $616.9; Surplus, +$4.1; House: Revenues, $655.3; Budget authority, $721.4; Outlays, $622.7; Surplus, +$32.6. H. Con. Res. 107—Action completed May 24, 1979. (61)

CIVIL AND CRIMINAL JUSTICE

Civil Rights Commission: Amends the Civil Rights Act of 1957 to authorize such sums as may be necessary for fiscal 1980 to carry out the duties of the United States Commission on Civil Rights; requires the Commission to study and report to Congress and the President no later than April 1, 1980, on the legal questions involved in eliminating the legislative branch's exemption from the Civil Rights Act; and requires the Commission to continue to appraise the laws and policies of the Federal Government and report to Congress concerning discrimination against Americans who are members of eastern and southern European ethnic groups. S. 721—Passed Senate June 7, 1979. (124)

CONGRESS

Congressional award program: Establishes an award program designed to recognize excellence and leadership among young people between the ages of 14 and 23 in the areas of public service, physical and expedition fitness, and personal interest; provides for administration of the program by a 15-member Congressional Award Board (appointed by a commission consisting of the majority and minority leaders of the Senate and the Speaker and minority leader of the House) headed by a National Director whose responsibilities will be defined by the Board; creates the following three levels of award Medals; bronze for individuals 14 to 16 years of age, silver for individuals 16 to 19 years of age, and gold for individuals 19 to 23 years of age; authorizes the Board to perform certain functions which include initiation and administration of the program; and requires the Board to submit to Congress, by March 1, of each year, a report summarizing previous year activities and making appropriate recommendations. S. 221—Passed Senate July 19, 1979. (VV)

National symphony concerts: Permits the National Park Service to sponsor a series of four National Symphony Orchestra concerts on the Capitol Grounds during 1979, to be free to the public and arranged so as not to interfere with the needs of Congress. H. Con. Res. 114—Action completed May 3, 1979. (VV)

CONSUMER AFFAIRS

Consumer controversies: Provides for the establishment, within 60 days of enactment, of a dispute resolution program within the Department of Justice to be administered by the Attorney General; establishes a Dispute Resolution Resource Center as part of the program which shall (1) serve as a national clearinghouse for the exchange of information concerning the improvement of existing and the creation of new dispute resolution mechanisms, (2) provide technical assistance to State and local governments, (3) conduct research and development, (4) undertake comprehensive surveys of the various State systems and major private dispute resolution mechanisms, (5) identify those dispute resolutions that are most effective and fair to all parties and suitable for general reapplication and (6) make grants and enter into contracts for research, demonstrations or special projects; prescribes the duties of the Attorney General under the act in establishing the program; specifies the purposes for which funds authorized under the act may be used and the distribution of such funds to the various States; provides that the Attorney General may suspend payments, after the opportunity of a hearing, if he finds that the project for which the grant was received no longer complies with the provisions of the act or the application as approved by the Attorney General; requires recipients to keep such records as the Attorney General may prescribe; gives the Attorney General access to any records or books of recipients for audit purposes and gives the Comptroller General such access for financial and performance audits; requires submission of a report by February 1 of each year which shall include a list of grants awarded and the results of financial and performance audits; and directs the Federal Trade Commission to hire and assign applicants for employment and to promote, train, discipline, demote and dismiss employees on the basis of individual merit, without regard to race, color, sex, religion or national origin and without engaging in any act or practice which has the purpose or effect of illegal discrimination against any individual because of his or her race, color, sex, religion or national origin. S. 423—Passed Senate April 5, 1979. (VV)

Motor vehicle safety standards: Authorizes $60 million for fiscal 1980, $70 million for 1981, and $70 million for 1982 to the National Highway Traffic Safety Administration to continue vehicle safety research, develop existing and, when necessary, promulgate new vehicle safety standards, conduct defect and noncompliance testing, and enforce existing provisions under the National Traffic and Motor Vehicle Safety Act of 1966; amends the Motor Vehicle Information and Cost Savings Act as follows: in Title I—Bumper Standards, authorizes $400,000 for fiscal 1980 and $450,000 each for 1981 and 1982 to provide for monitoring of bumper standards; in Title II—Automobile Consumer Information, authorizes $2.4 million for fiscal 1980 and $3 million each for 1981 and 1982 for continued study and investigation of the methods for determining damage susceptibility, crashworthiness, ease of diagnosis, and repair of certain automotive system; in Title IV—Odometers, authorizes $500,000 each for fiscal 1980 through 1982 to allow DOT to add additional investigators to combat odometer tampering; incorporates the annual required report on bumper standards as a part of the annual report of the National Traffic and Motor Vehicle Safety Act; sets at 2.5 miles per hour the limitation on bumper impact velocity testing and requires the Secretary to comply with this limitation until September 1, 1984; allows the Secretary of Transportation to promulgate exemptions from the odometer disclosure requirements for motor vehicles when odometer readings have no meaningful relationship to the value or performance of an automobile; amends the National Traffic and Motor Vehicle Safety Act to relieve tire dealers of certain mandatory recordkeeping and reporting requirements; and limits the regulatory burden the Secretary can impose upon the States to enforce the 55 mile per hour speed limit. S. 1159—Passed Senate July 11, 1979. (VV)

Truth-in-lending: Amends the Truth-in-Lending Act in order to provide the consumer with clearer information, make creditor compliance easier, limit creditor civil liability for statutory penalties to only significant violations, and strengthen the administrative restitution enforcement; excludes agricultural credit from the act's coverage with respect to the $25,000 cut-off for disclosure requirements and also excludes from the $25,000 cut-off, purchases of mobile homes expected to be used as a principal dwelling; amends the definition of "open-end credit" in order to curb the use of spurious open-end credit by requiring that the merchant must reasonably contemplate repeated transactions on an open-end credit plan which he operates; requires the Board to promulgate model forms and clauses for common credit transactions which utilize readily understandable language; sets October 1 of each year as the effective date for any Board regulation or interpretation requiring new or different disclosures and allows a creditor to comply with a change prior to its effective date; makes clear that certain charges incurred in a transaction, such as sales tax, license and registration fees, are not included in a finance charge; establishes an acceptable tolerance of one-eighth of one percent for disclosure of the annual percentage rates; establishes parameters for restitution by enforcement agencies when they discover understatement by a creditor of an annual percentage rate or finance charge; allows the Board to submit a single annual report to the Congress on its functions under the Truth-in-Lending Act, the Federal Trade Commission and the Equal Credit Opportunity Act; simplifies the act's general disclosure requirements; expands the rescission provisions in the bill to persons whose principal residence is a mobile home or trailer; increases from 10 to 20 days the period in which the creditor must refund the consumer's money and take possession of the property after a consumer exercises a right to rescind; preserves the consumer's right of rescission where an enforcement agency institutes a proceeding and concludes that the consumer was not informed of his or her right to rescind within three years by extending that right for one year following the decision; provides that a consumer who exercises his right to rescind may also bring suit under the act for other violations not relating to the rescission; simplifies the disclosures required for "open-end" credit and makes compliance with the act's billing requirements easier for small creditors; reduces the number of disclosures for "closed-end" (single transaction) credit; restricts creditor civil liability for statutory penalties; requires a notice of how to contact the creditor in the event a card is lost or stolen and provides that consumer liability be curtailed after the card issuer is made aware of the loss; requires the Federal Reserve Board to initiate a pilot project to determine the feasibility and value of "shopper guides", which would be issued periodically in metropolitan areas, listing the annual percentage rates charged by creditors in that area for common types of loans; and loosens current restrictions on credit advertising in the hope of enhancing creditor competition. S. 108—Passed Senate May 1, 1979. (VV)

DEFENSE

Coast Guard authorization: Authorizes $1,391,593,000 for fiscal 1980 for the operation and maintenance of the Coast Guard of which $1,058,357,000 is for operating expenses including expenses related to the Capehart housing debt reduction of $224,216; $292,811,000 is for acquisition, construction and improvement of vessels, aircraft, shore units and aids to navigation; $14,900,000 is for alteration or removal of bridges which shall remain available until expended; and $25,526,000 is for research, development, test and evaluation; sets the end-of-year strength for active duty personnel at 39,578; authorizes the average military training student loads; increases the ceiling on commissioned officers from 5,000 to 6,000; raises the statutory limit on the annual pay of lighthouse keepers from $7,500 to $15,000; and provides for paying the Coast Guard's only remaining, full-time civilian lighthouse keeper (at Coney Island) back pay of about $2,900 which represents the difference between what the keeper actually received after his salary reached the statutory ceiling in 1974 and what he would have received under the general schedule salary rates had there been no such limitation. S. 709—Public Law 96-23, approved June 23, 1979. (VV)

Defense production extension: Extends for two years, through fiscal 1981, the expiring titles of the Defense Production Act of 1950, as amended, which contain the sole authority for a number of programs designed to maintain the national defense industrial production base in peacetime, prepare mobilization programs, and provide a pool of trained manpower for war production management. S. 932—Passed Senate June 20, 1979; Passed House amended June 26, 1979. (VV)

Military construction: Authorizes $3,728,166,000 for fiscal 1980 to provide construction and other related authority for the military departments and the Office of the Secretary of Defense, within and outside the United States; includes $747,695,000 for the Army, $462,210,000 for the Navy, $480,050,000 for the Air Force, $265,635,000 for the Defense agencies, $1,683,425,000 for military family housing, and $96,151,000 for the reserve forces; permits execution of minor construction projects at specified locations identified in the annual military construction program submitted to Congress, immediately upon the enactment of the annual authorization and appropriation bills; provides for the development of energy sources on military lands or on private property in order to cover cases such as construction by private enterprise of a refuse derived fuel heating plan where the contractor might

not be willing or able to locate on government-owned land; authorizes the Secretary to negotiate with the landowners of the Island of Roi Namur, Marshall Islands, for the past use of their land by the Department of Defense; authorizes the Secretary of the Air Force to convey to King County, Washington, the 143rd Combat Squadron, Washington Air National Guard, leased site located at Boeing Field in Seattle upon the provision of a replacement facility of comparable value for the National Guard Unit; authorizes the Secretary to expend up to $500,000 of the minor construction authority for a capital contribution to the International Institute of Strategic Studies; authorizes the temporary use of 5.6 acres of land and improvements on the remaining portion of the former Ent Air Force Base, Colorado Springs, Colorado, by the U.S. Olympic Committee in furtherance of U.S. Olympic amateur athletic activities; authorizes the use of mass transit systems on military installations in an attempt to save energy and reduce air pollution; permits DOD to make the contribution required by EPA for the construction of waste treatment works; prohibits, for strategic reasons, the realignment of Loring Air Force Base; requests the Secretary of Defense to submit to the Armed Services Committee by March 1, 1980, a report which examines the options available for the long range basing requirements for strategic systems and which addresses in particular the question of whether or not existing SAC bases should be abandoned; and waives the provisions of the Davis-Bacon Act with respect to the wages paid to laborers and mechanics for work or services performed under government contract of $10,000 or less for new construction or $2,000 or less for repairs and maintenance. S. 1319—Passed Senate July 30, 1979. (VV)

Military procurement: Authorizes a total of $40,108,896,000 billion for fiscal 1980 for military procurement, research and development and civil defense;

Procurement: Authorizes $26,439,700,000 for procurement of aircraft, missiles, naval vessels and weapons including tracked combat vehicles, torpedoes and related support equipment of which $3,847,200,000 is for the Army, $12,267,300,000 is for the Navy (including Marine Corps) and $10,325,200,000 is for the Air Force, which represents, by weapons systems, $13,437,700,000 for aircraft, $4,974,900,000 for missiles, $5,791,600,000 for Naval vessels, $1,538,000,000 for tracked combat vehicles, $336,800,000 for torpedoes and $348,700,000 for other weapons; authorizes additions of $351.5 million to procure 25 Navy F-18 fighter aircraft; $88.9 million for 6 Navy A-6E All-Weather Attack Aircraft, $79 million for 8 C-130H cargo aircraft for the Air National Guard and Reserves, $149.2 million for 12 2-place A-7K aircraft for the Air National Guard, $55 million for 208 Army fighting vehicles, and $60 million to upgrade 251 Army M60A1 tanks to M60A3 configuration; reduces by 120 missiles and $15.4 million funds for Navy Sparrow missiles and 660 missles and $59.7 million for Air Force Sparrow missiles; authorizes $1.760 billion for a modified Kennedy-class large-deck conventionally powered carrier rather than the requested CVV medium carrier at a cost of $1.617 billion; and authorizes DOD to waive certain charges and undertake certain obligations pursuant to the Multilateral Memorandum of Understanding on the NATO AWACS aircraft programs.

Research and development: Authorizes $13,562,396,000 for research and development which includes $5,341,000 for the special foreign currency program as follows: $2.318 billion for the technology base portion of the programs; $637.1 million for advanced technology development (which includes $8.3 million in the Air Force's all-weather target sensing system and $3.6 million for the Army fuels and lubricants advanced development program to accelerate the engineering scale-up of the cellulosic waste/alcohol conversion program at the Natick Laboratory); $2.334 billion for strategic programs (which includes $30 million to the Air Force for continued flight testing of the third and fourth B-1 bomber prototypes, $6.75 million to resume advanced development of the Extremely Low Frequency (ELF) communications systems if a site is selected and the President approves the site for deployment, and $670 million for full scale development of the M-X missile and basing system); $5.327 billion for tactical programs (which includes $1.549 billion for the Army of which $63.4 million is for the XM-1 tank, and $47.490 million for continued development of a 120-millimeter gun for the XM-1 tank), $2.672 billion for the Navy of which $12.419 million is for advanced ship development, $54.953 million for ship development (engineering), and $25 million for the design of a new light carrier; and $1.106 billion for the Air Force; $1.023 billion for intelligence and communications; and $1.982 billion for defensewide mission support, which includes funds for a new naval surface warfare training devices program;

Requests the Secretary to review the strategic command and control area and report to Congress by January 15, 1980; requests the Secretary to review the Cruise Missile Program (which includes the air launched cruise missile (ALCM), the ground launched cruise missile (GLCM) and the sea launched cruise missile (SLCM), and report to Congress by September 28, 1979, his findings as to the adequacy of the ALCM and GLCM test programs and the potential for shifting tests from the SLCM program to the ALCM and GLCM programs; requires the President and the Secretary to report by October 1, 1979, on the final characteristics of the M-X missile and basing system and provides that no funds may be spent for the program for 60 days after receipt of the report unless each House passes an approval resolution within that period; contains a mechanism whereby passage of a disapproval resolution by either House within this time period would bar expenditure of funds for this program;

Active Forces: Sets the overall active duty end strength at 2,047,000 as follows: 776,700 for the Army, 524,000 for the Navy, 189,000 for the Marine Corps and 557,300 for the Air Force; includes no further withdrawal of combat troops from Korea; increases Army personnel involved in military sales to Israel and Navy personnel involved in military sales to Saudi Arabia; and increases manpower in intelligence analysis capabilities;

Recommends certain actions in order to reduce the number of dependents of military personnel overseas and requests the Secretary to report by December 31, 1979, on the implementation of these recommendations and other management actions planned to reduce the number of dependents by 10 percent in 1980 and by 30 percent within 5 years; discontinues payment for future travel of dependents, household goods and automobiles for junior enlisted personnel; provides for the counting of Reserve general and flag officers of all the Services serving on active duty against only the active duty strength authorizations; requires each of the Service Secretaries to submit an Officer Grade Distribution Report and promotion plan to the Congress each year as part of the annual Manpower Requirements Report;

Reserve Forces: Sets the average strength in the Reserve Forces at 835,200 as follows: 335,700 for the Army National Guard, 197,400 for the Army Reserve, 87,000 for the Naval Reserve, 33,600 for the Marine Corps Reserve, 92,500 for the Air National Guard, 57,300 for the Air Force Reserve and 11,700 for the Coast Guard Reserve; sets an end strength of 14,547 for full-time active duty personnel within the authorized average strength of the Armed Forces as follows: 6,244 for the Army National Guard, 4,288 for the Army Reserve, 1,707 for the Naval Reserve, 67 for the Marine Corps Reserve, 1,560 for the Air National Guard, and 681 for the Air Force Reserve; repeals the authority for additional pay for Reserve and National Guard commanders for the performance of administrative duty;

Civilian personnel: Sets the end strength for civilian personnel in DOD at 980,900; includes a 100 man increase for intelligence functions; directs the Secretary to give priority to maintenance and related activities for force readiness; includes planned productivity improvements in the Naval shipyards as well as a program of overhauls that will reduce to 13 the backlog of ships awaiting overhauls; recommends maintaining the current provision in law which allows the Secretary to exceed the civilian authorization by 1¼ percent when he determines it is in the national interest to do so;

Military training Student Loads: Sets the average student load at 230,488; includes a separate authorization of 27,790 for the Army One Station Unit Training; requires the Secretary to adjust the training loads so that they are consistent with changes in the authorized active duty reserve and civilian personnel strengths; requests the Secretary to submit, by December 31, 1979, a report outlining the goals, planned programs and alternatives with respect to ROTC scholarships, junior ROTC scholarships and platoon leaders class program;

Civil defense: Authorizes $106,800,000 for civil defense; increases from $35 million to $40 million the limit on the amount that can be appropriated annually for Federal contributions for personnel and administrative expenses; limits Federal contributions for emergency operation centers or similar facilities to 65 percent;

General provisions: Amends article 2 of the Uniform Code of Military Justice (UCMJ) to affirm the law and public policy of the U.S. dealing with the commencement of in personam jurisdiction for purposes of the Code: reaffirms the law as set forth, by *the Supreme Court In re Grimley*, 137 U.S. 147 (1889); requires compliance with only the following two factors before an enlistment will be considered valid: capacity to understand the significance of enlistment in the armed forces and the voluntary taking of the oath of enlistment; provides for jurisdiction based upon a constructive enlistment which arises at the time an individual submits voluntarily to military authority, meets the mental competency and minimum age qualifications, receives military pay and performs military duties; amends article 36 to clarify the authority of the President to promulgate an authoritative manual of procedure for the military justice system covering not only trial procedures but all procedures relating to an offense as well; requires the President to cease import restrictions on strategic materials from Rhodesia and to lift all other trade sanctions against that country upon enactment of this act, or June 30, 1979, whichever is later; bars the use of funds for deactivating any of the Navy's Polaris submarines earlier than 1 year after enactment and requires the Secretary of the Navy to submit to Congress a study of maintaining Polaris submarines in full operational status or for transferring the Polaris submarines to a standby operational status and maintaining them in such status during fiscal 1980 through 1985; increases the dollar levels above which Selected Acquisition Reports must be submitted and changes the date by which the first report must be submitted each year; and authorizes up to $10 million for assistance in the 1980 Winter Olympic Games for certain specialized services uniquely within the competence of DOD and not readily provided locally by the Lake Placid Olympic Organizing Committee or by other State and Federal agencies. S. 428—Passed Senate June 13, 1979. (127)

Military procurement supplemental: Authorizes $2,020,000,000 in supplemental funds for fiscal 1979 in addition to amounts previously authorized for procurement of aircraft missiles, naval vessels and other weapons and for research development, test and evaluation for the Armed Forces;

Procurement: Authorizes a total of $1,719,500,000 as follows: $90.1 million for the U.S. portion of the NATO AWACS program and limits waiver authority—necessary for U.S. participation in the program pursuant to the Multilateral Memorandum of Understanding on NATO AWACS—to those specific items that apply to the expenditure of fiscal 1979 funds, or the liability arising out of such expenditure and then only to the extent provided for in appropriations acts; $15 million for initial procurement of modification kits for equipping the B-52G with an air inlet that will serve as a functionally related observable difference for arms control verification purposes; $20 million for F-100 engine modules to improve the readiness posture of the F-15 aircraft program; $20 million for the Air Force ALQ-131 electronic countermeasure (ECM) pods; $1.353 billion for 4 DDG-993 Spruance class destroyers originally intended for Iran; $59 million for Harpoon missiles already produced or for missiles, subsystems and spares which were originally produced for Iran; $58.8 million for 150 Phoenix missiles for the Navy; $25.9 million for 258 surface-to-air missiles already built for Iran for use in alleviating current shortages in the Navy inventory; and $97.7 million for final settlement of shipbuilding claims;

Research and development: Authorizes a total of $300,500,000 as follows: $13.7 million for improvements in the TOW antitank missile to maintain NATO capability to defeat first-line Warsaw Pact tanks; $30 million to accelerate full scale engineering development of the Army's Pershing II missile system; $3 million to continue feasibility studies and exploration of various propulsion concepts for the Navy SWATH (Small Wetted Area Twin Hull) program; $190 million to start full scale development of the Air Force M-X missile and the multiple protective structure (MPS) basing system; $33 million for the Air Force to cover cost growth and expanded scope of work associated with the integration of the air-lanuched cruise missile with the B-52; $10 million for ground test equipment for the Air Force air-launched cruise missile plus an additional $12 million for Air Force development of an added air inlet for the B-52G's equipped with cruise missiles; and $8.8 million to accelerate improvements to the VLF channels that are a part of the minimum essential emergency communications network (MEECN);

States the sense of the Congress that (1) maintaining a survivable land-based intercontinental ballistic missile system is vital to U.S. security and that the development of a new basing mode for land-based intercontinental ballistic missiles (ICBM's) is necessary to assure the survivability of the land-based system; and (2) the basing mode for the MX missile should be restricted to location on the least productive land available; directs the Secretary of Defense to immediately proceed with full scale engineering development of the Mulitple Protective Structure (MPS) system concurrently with the full scale engineering development of the MX missile unless and until he certifies to Congress that an alternative basing mode is militarily or technologically superior to, and more cost effective than, the MPS system or the President informs Congress that, in his view, the MPS system is not consistent with U.S. security interests; and provides that nothing in the act shall be construed to prohibit or restrict the study of alternative basing modes of land-based ICBM's. S. 429—Public Law 96-29, approved June 27, 1979. (81)

National defense stockpile: Revises the Strategic and Critical materials Stock Piling Act, which provides for the acquisition and retention of stocks of certan strategic and critical materials in order to preclude, whenever possible, a dangreous and costly dependence by the United States upon foreign sources for supplies of such materials in times of national emergency and to provide for the timely disposal of excess materials; authorizes the President to determine stockpile requirements and provides, for the first time, Congressional guidance as to how these determinations are to be made; combines the three existing stockpiles (National, Supplemental, and Defense Production Act Inventory) into one stockpile to be collectively known as the National Defense Stockpile and requires that excess materials under the control of any Federal department or agency be transferred to the stockpile; retains the existing provisions requiring authorization by commodity and quantity before any excess material is released from the stockpile and adds a requirement that acquisition of required materials also be authorized; provides standing authority for routine stockpile operations which would be subject only to the annual appropriations process; provides that the President shall designate an appropriate Department or agency to manage the Stockpile, outlines those management responsibilities, and provides guidance on acquisitions, disposals, and barter; provides the authority for the disposition of the stockpiles for their intended purpose; gives the President broad authority to direct studies and investigations to improve the readiness and reliability of the stockpile; establishes in the Treasury a separate fund to be known as the National Defense Stockpile Transaction Fund to earmark receipts from the stockpile sales for use in purchasing other necessary stockpile materials, and to provide a ready reference for analysis of the scope and status of stockpile activity; contains a "sunset provision" to require that moneys remaining in the fund after three years would revert to the Treasury as miscellaneous receipts; provides for the establishment of advisory committees to assist and advise on stockpile operations; requires periodic reports by the Advisory Committees; and retains the provision requiring a report to Congress every six months on stockpile operations. H.R. 2154—Public Law 96-41, approved July 30, 1979. (VV)

DISTRICT OF COLUMBIA

D.C. retirement benefits: Establishes an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits. S. 1037—Passed Senate August 1, 1979. (VV)

Temporary Commission on Financial Oversight: Increases from $16 million to $38 million the authorization for the Temporary Commission on Financial Overright of the District of Columbia. H.R. 3879—Public Law 96-27, approved June 21, 1979. (VV)

ECONOMY-FINANCE

Carson City silver dollars: Amends the Bank Holding Company Act Amendments of 1970 to authorize the Administrator of the GSA to conduct future sales of the remaining inventory of approximately one million rare Carson City silver dollars using such terms, conditions and prices as he deems proper. H.R. 1902—Public Law 96-2, approved March 7, 1979. (VV)

Council on Wage and Price Stability: Amends the Council on Wage and Price Stability Act to extend the authority of the Council for an additional year, through fiscal 1980, and to increase its authorizations from $2,210,000 to $6,952,000 in fiscal 1979 and to $8,483,000 in fiscal 1980 in order to enable the Council to hire additional personnel to monitor the wage and price standards outlined in President Carter's voluntary anti-inflation program; amends the Employment Act of 1946 to establish numerical goals for gradual reduction of the share of the GNP accounted for by Federal outlays to 21 percent or less by fiscal 1981 and 20 percent or less by fiscal 1983, provided that these policies do not upset the goals for the reduction of unemploment; requires the President in his economic report to establish numerical goals for the current year and the next four calendar years for Federal outlays as a proportion of the GNP; allows the President to recommend to the Congress a modification of the timetable for achieving the 21 and 20 percent ratios of Federal outlays to GNP; urges the Council to consider the need to stimulate productivity in monitoring wages and prices; and directs the Council to submit a report to Congress recommending policies designed to promote greater national productivity growth. H.R. 2283—Public Law 96-10, approved May 10, 1979. (35)

Economic development—Appalachian regional development: Authorizes various financial assistance programs for the purpose of generating and retaining private sector jobs in distressed areas and encouraging and enabling businesses to remain, locate or expand in such areas; and provides for an expanded research, evaluation and demonstration program for economic development, an equity financing demonstration program, and assistance to employee ownership plans; authorizes $1.8 million in loan guarantees annually for fiscal 1980 and 1981; $150 million in direct loans annually for 1980 and 1981; $50 million in contract authority for interest subsidies for 1980; and $27,923,000 for 1980, and $45,920,000 for 1981 to cover losses on loan guarantees in default under existing law; retains the 15 percent limitation in existing law on the share of title I funds that may be expended in any one State: authorizes $555.2 million in 1980 and $600 million annually for 1981 through 1983, reserving between 5 and 25 percent for labor intensive projects and between 5 and 35 percent for special economic adjustment; authorizes $89.78 million, $95 million, $105 million, and $115 million for fiscal 1980 through 1983, respectively for title III of the Public Works and Economic Development Act; authorizes $40 million annually for fiscal 1980 through 1983 for bonus public works grants for areas participating in economic development districts and for economic development centers;

Extends for 4 years, through fiscal 1983, the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act, and expands the authorities of regional commissions; authorizes therefore $250 million each for fiscal 1980 through 1983 for regional commissions; $340 million each for fiscal 1980 and 1981, and $380 million for fiscal 1982 and 1983 for the Appalachian Regional Commission; and $350 million, $400 million, $450 million, $500 million, and $500 million for fiscal years 1989 through 1985 respectively for the Appalachian Development Highway Program. S. 914—Passed Senate August 1, 1979.

Federal Reserve Banks purchase of U.S. obligations: Restricts the Treasury's current authority to borrow cash from the Federal Reserve to "unusual and exigent circumstances" and only when authorized by at least five members of the Board of Governors of the Federal Reserve System for renewable periods of up to 30 days; gives the Treasury new authority to be used in more routine circumstances, to borrow securities from the Federal Reserve and sell them in

the open market to meet its short-term cash needs under the direction of the Federal Open Market Committee; requires the Treasury to repurchase the securities and return them to the Federal Reserve within six months; raises the limit on the amount of the Treasury's borrowings (of cash or securities) from $5 billion to $15 billion at any one time; and extends the draw authorities for five years. H.R. 3404—Public Law 96–16, approved June 8, 1979. (VV)

Financial privacy notification repeal: Repeals the notice requirement contained under section 1104(d) of the Right to Financial Privacy Act which would become effective on March 10, 1979, and require every creditor and financial institution to notify all of their customers of their rights under the act. S. 37—Public Law 96–3, approved March 7, 1979. (VV)

International investment survey: Authorizes $4.4 million for fiscal 1980 and $4.5 million for 1981 for the data collection activities authorized under the International Investment Survey Act which relate to foreign investments in the United States S. 758—Passed Senate May 17, 1978. (VV)

Public debt limit—balanced budget: Provides for a temporary increase in the public debt limit through September 30, 1979, by increasing the temporary limit of $398 billion to $430 billion which combined with the statutory limit of $400 billion provides for a combined limit of $830 billion;

Requires the Budget Committees of the Senate and the House to report by April 15, 1979, balanced budgets for fiscal 1981 and 1982 and by April 15, 1980, a balanced budget for fiscal 1981 and by April 15, 1981, a balanced budget for fiscal 1982; requires the Committees to show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security; requires the President to submit an alternate balanced budget for any year for which he submits a budget which is not balanced;

Increases by $8 billion, from $32 billion to $40 billion, the authority for the Secretary of the Treasury to issue long-term bonds with interest rates above 4¼ percent to the public; increases the present ceiling on the interest rate for savings bonds from 6 percent to 7 percent, and authorizes the Secretary of the Treasury to raise the rate on new and outstanding issues of savings bonds to that level, with the approval of the President. H.R. 2534—Public Law 96–5, approved April 2, 1979. (28)

Savings and loan exemption from Federal Trade Commission: Amends the Federal Trade Commission Act to exempt savings and loan associations from the jurisdiction of the Federal Trade Commission; gives the Federal Home Loan Bank Board specific regulatory authority with respect to savings and loans which is identical to that conferred upon Federal institutions that have responsibility for bank regulation; requires the Federal Home Loan Bank Board to promulgate rules similar to those the Federal Trade Commission promulgates, within 60 days after the effective date of an FTC rule, unless the Bank Board determines that such acts or practices are not unfair or deceptive with respect to Federal Reserve Board action. H.R. 3978—Public Law 96–37, approved July 23, 1979. (VV)

Small Business Administration authorization: Authorizes $677,453,000 for fiscal 1980 and $850,100,000 for fiscal 1981 for the small Business Administration; includes an open-ended authorization for the disaster loan program; provides program authorizations for SBA's loan and other financial and guaranteed assistance programs, for capital appropriations for the various revolving funds, and for salaries and expenses;

Calls for a study on the small business timber set-aside program to identify trends and conditions affecting the survival of small businesses as a viable portion of the forest products industry; provides that energy shortage loans may be made available to small businesses injured by an energy source shortage unless the shortage is caused by a strike, boycott or embargo directed against the business; provides a three percent rate of interest on the first $55,000 on SBA disaster loans to homeowners; provides a five percent rate of interest on disaster loans to concerns that cannot obtain credit elsewhere; sets the same rate of interest as provided in section 324 of the Consolidated Farm and Rural Development Act (currently 8¼ percent) for concerns that can obtain credit elsewhere, and amends the Consolidated Farm and Rural Development Act to provide the same terms for emergency loans under that act; disallows the investment of excess monies from the surety-bond guarantee fund in bonds or guarantees; allows excess monies from the pollution control bond fund to be invested in bonds or guarantees; authorizes SBA to guarantee debentures of certain State and local development companies; authorizes the transfer of loan processing functions to qualified banks; provides a sunset for the guaranteed loan program on October 1, 1981; sets a $350,000 ceiling on direct loans; authorizes organizations and individuals eligible for handicapped assistance loans to participate in the procurement set-aside program; provides priorities for the placement of government procurement contracts in labor surplus areas; revises the duplication of benefits provisions applicable to SBA disaster loans;

Provides for the establishment of a small business development center program to provide a single local source to aid small businesses in such areas as management, marketing and government regulations; authorizes SBA to make grants to States to defray up to 50 percent of the cost of developing and operating the program;

Establishes a national small business economic policy to assist the development and expansion of small and medium-sized businesses and requires certain means of addressing and implementing the policy;

Requires SBA to establish a data base of economic information pertaining to small business, and to regularly publish indices of that data; establishes the Office of the Chief Counsel for Advocacy at Executive Level IV; requires a study of small business credit needs;

Provides for enabling legislation and funding authorization for the White House Conference on Small Business; outlines the purposes of the conference; requires annual reports on the status and implementation of the Commission's findings and recommendations for a three-year period following submission of the final report; and

Authorizes SBA to make loan guarantees of up to $500,000 available under the regular business and loan guarantee program to employee organizations seeking to buy their companies and to firms or employee organizations using Employee Stock Ownership Plans who meet specified qualifications for such loans. S. 918—Passed Senate May 16, 1979; Passed House amended May 22, 1978; In conference. (VV)

Small business employee ownership: Authorizes the Small Business Administration to make loans of up to $500,000 available under the 7(a) regular business loan guarantee program to both employee organizations seeking to buy their companies and to firms or employee organizations using Employee Stock Ownership Trusts (ESOT's) provided they otherwise meet specified qualifications; requires that loan applications submitted by employee organizations for consideration by the SBA (1) include a plan demonstrating that all employees will be offered an opportunity to participate in the plan, (2) that the distribution of company stock will be fully vested by the time the loan is repaid and will comply with IRS requirements, (3) that a majority of the employees will own a majority of the stock by the time the loan is repaid, (4) that managerial or owner-employees have at least one year of service with the firm, (5) that certified plans provide for voting rights, periodic review of the mode of company organization, and adequate management contracts and (6) that the plan enable the company to repurchase stock from employees when they leave the firm or sell their stock and provide a method of wage deductions in non-ESOP cases where such deductions are determined to be necessary to repay the loan; requires SBA to report periodically to Congress on the status of employee-owned firms; states that guarantees may be made directly to the seller of a business when selling under an installment sales contract, provided that the seller agrees to pay a specified penalty, if after the buyer defaults, he chooses to reassume the contract and resell the business; and amends SBA's section 8(a) minority assistance program to clarify that a firm in which 51 percent of the stock is owned by socially and economically disadvantaged individuals through an ESOP may also qualify for participation in the SBA section 8(a) minority assistance program. S. 363—Passed Senate May 1, 1979. (VV)

EDUCATION

Education technical amendments: Makes technical corrections and miscellaneous amendments to certain education laws contained in the Education Amendments of 1978 (Public Law 95–561); clarifies the means for electing members of parental advisory councils under title I of the Elementary and Secondary Education Act, and reduces the volume of materials to be distributed to these councils and council members; revises the way in which States receive coordination money for the migrant program under title I and guarantees each State a certain minimum amount for the program for strengthening State departments of education in title V of ESEA; makes certain technical changes to the title XI Indian Education programs and permits the use of carryover funds from title IV–B for guidance and counseling for one year only; and contains amendments to the Family Educational Rights and Privacy Act, the Vocational Educational Act, and the Career Education Incentive Act, to take care of minor problems not anticipated when these programs were last amended. H.R. 4591—Public Law 96– , approved 1979. (VV)

Department of Education: Provides for the establishment of a cabinet-level Department of Education which shall be administered by a Secretary of Education appointed by the President with the advice and consent of the Senate; provides for the transfer of agencies and functions from the Department of Health, Education, and Welfare (HEW) as follows: all programs of the Education Division, the Office of the Assistant Secretary for Education, the Institute of Museum Services, the Office of Information and Resources for Handicapped Individuals, the Rehabilitation Services Administration (except for the development disabilities programs), the National Institute of Handicapped Research, the Interagency Committee on Handicapped Research, the Helen Keller Center for Deaf-Blind Youth and Adults, and the National Council on the Handicapped; also transfers HEW's education functions for the Office for Civil Rights, for education advisory committees, the telecommunications-demonstrations grants, HEW's responsibilities for Gallaudet College, Howard University, the American Printing House for the Blind and the National Technical Institute for the Deaf, and the student loans for health professions and nurse training; transfers from other agencies: Department of Defense operation of overseas schools for dependents; National Science Foundation's science education programs, including programs for the undergraduate instructional improvement, assistance, and research in science education; the Department of Agriculture's graduate school; Department of Justice's law enforcement student loans and grants; the Department of Housing and Urban Development's college housing program; the Department of Labor's migrant education program; and the Advisory Council of Education Statistics; states that some of the purposes of the Department are: to enable education to receive appropriate emphasis at the Federal level; to continue and strengthen the Federal commitment to equal educational opportunity; to supplement and complement State and local school systems and other instrumentalities of the States and tribal governments, the private sector, public and nonpublic institutions, including educational research institutions, community organizations, parents and students; and to improve educational utility and quality; states that the establishment of the Department of Education shall not increase the authority of the Federal government over education or diminish the responsibility for education which is reserved to the States, the local school system, and other instrumentalities of the States and tribal governments; states the intent of Congress in establishing the Department to protect the rights of these entities in the areas of educational policies, administration of programs, competency testing and selection of curricula and program content; and redesignates HEW as the Department of Health and Human Services. S. 210—Passed Senate April 30, 1979; Passed House amended July 11, 1979; In conference. (70)

Higher education amendments: Extends for one year, through fiscal 1981, authorizations for programs under the Higher Education Act, title VI of the National Defense Education Act, and Fund for the Improvement of Postsecondary Education and the National Institute of Education at the same level of authorization as fiscal 1980, with the exception of the National Institute of Education which is decreased from $200 million to $125 million; makes it clear that the basic grant family contribution schedule which implements the broadened basic grant program under the Middle Income Student Assistance Act issued by the Commissioner of Education for the 1979–80 academic year governs the expenditure of funds appropriated in fiscal 1979 as well as funds carried over from fiscal 1978; eliminates the prohibition against carrying over unexpended basic grant appropriations to the next year if the excess is more than 15 percent of the appropriation; allows commercial lenders to collect the interest subsidies if the regulations governing the Student Loan Program loans have not been promulgated by September 30, 1979; removes the ceiling on the annual special allowance paid lenders by the Federal Government for interest in excess of the seven percent interest charged students and eliminates the provision that the special allowance may not exceed an average of five percent; delays the payment of the special allowance in excess of the allowance permitted in current law until after October 1, 1979, and provides that no penalty interest shall be paid on the increase due to the removal of the ceiling; amends the Higher Education Act to establish a new procedure whereby the Commissioner can collect defaulted National Direct Student Loans on behalf of post secondary institutions and permits the Commissioner to retain the costs of collection; requires that nonprofit and proprietary postsecondary vocational schools offer programs of at least six months duration; corrects an error in the Middle Income Student Assistance Act (Public Law 95–566) by permitting basic educational opportunity grant awards as modified by Public Law 95–566 to apply to periods of enrollment beginning on or after July 1, 1979 H.R. 4476—Passed House July 31, 1979; Passed Senate amended July 31, 1979. (VV)

ELECTIONS

Federal Election Commission authorization: Authorizes $8,881,000 for the Federal Election Commission for fiscal 1980. S. 832—Passed Senate April 4, 1979. (VV)

Authorizes $250,000 to the Federal Election Commission in fiscal 1980 for distribution to the States to cover their expenses in receiving, indexing and maintaining reports required to be filed under the Federal Election Campaign Act, as amended; and directs the Commission to devise a formula for distributing the funds to States in accordance with the number of electoral votes each State cast in the previous Presidential election. S. 994—Passed Senate May 10, 1979. (VV)

EMPLOYMENT

Employee retirement income security: Amends the Employee Retirement Income Security Act of 1974 by postponing for 10 months, from July 1, 1979 to May 1, 1980, the date on which the Pension Benefit Corporation (set up by Congress to administer the termination insurance program which guarantees benefits of retirees and workers in pension plans terminated with insufficient assets to pay benefits) may pay benefits under terminated multi-employer plans. H.R. 3915—Public Law 96–24, approved June 19, 1979. (VV)

ENERGY

Department of Energy—Military: Authorizes $3,001,798,000 for fiscal 1980 to the Secretary of Energy for the operating expenses and capital equipment and construction costs related to the national defense programs of the Department of Energy of which $1,707,605,000 is for the nuclear weapons program which includes expected new requirements for the Advanced Strategic Air Launched Missile, Trident II Missile and the Pershing 11 and provides for the production of new nuclear weapons for the stockpiled weapons approved by the President; $37,860,000 for the verification and control program; $512,248,000 for the materials production program; $285,201,000 for the defense waste management program; $133,890,000 for the inertial confinement fusion program; $278,367,000 for the naval reactors development and $46,627,000 for the nuclear materials security and safeguards program;

Prohibits the reprogramming of funds in excess of five percent of an authorization or $10,000, whichever is less, without prior approval by the appropriate Congressional committee within 30 calendar days; authorizes the Secretary to carry out any construction projects under the general projects provisions if the total estimated cost does not exceed $1 million; prohibits initiation of a construction project costing more than $5,000 if its estimated cost exceeds by 25 percent the amount authorized without approval by the appropriate Congressional committee within 30 calendar days; authorizes the transfer of funds, to the extent specified in appropriations acts, to other government agencies for work for which such sums were appropriated; authorizes the Secretary, using funds for plant engineering and design, to carry out advanced planning and construction design and to obtain architectural and engineering services, not exceeding $300,000, in connection with construction projects not authorized by law; authorizes such funds as necessary for increases in salary, pay, retirement, or other benefits authorized by law; prohibits use of funds, with respect to the waste isolation pilot plant project, for purposes other than a demonstration project for the long-term storage of nuclear waste generated by the nuclear weapons research, development, and production complex; directs the Secretary, within a ten-year period and in consultation with other agencies, to carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center, West Valley, New York, which shall include: (1) solidification of the high level liquid nuclear wastes which are present there, (2) transportation of solidified waste to an appropriate Federal repository, and (3) decontamination and decommissioning of the facilities, materials, and hardware used in connection with the project; and requires submission of progress reports to the appropriate Congressional committees by February 1 of each year. S. 673—Passed Senate June 18, 1979. (VV)

Domestic energy summit conference: States as the sense of the Senate that the President should convene a Domestic Energy Summit Conference to provide the American people with an authoritative explanation of the present energy supply shortage; directs the President to bring together representatives of the oil industry, consumer representatives knowledgeable on energy matters, officials of the Executive Branch and from other levels of government, and such other persons as he deems appropriate to review energy supply data submitted by industry and other sources and report to the President the group's agreements and disagreements on the reasons for current and expected shortages, a prognosis for the future, and recommendations for public and private action to meet these shortages; and requires the President to report to the American people the results of the Conference along with his recommendations with respect to the formation of a national energy council to monitor our progress in achieving a national energy policy. S. Res. 191—Senate agreed to June 26, 1979. (VV)

Domestic oil and coal production: States the sense of the Senate that the U.S. should pursue a policy of displacing a specified percentage of foreign oil with domestic coal; and that the President should submit to Congress within 60 days a target and plan which will, to the maximum extent practicable, achieve such displacement. S. Res. 175—Senate agreed to June 4, 1979. (VV)

Emergency advertising lighting restrictions: Rejection of the resolution approving Standby Emergency Advertising Lighting Restrictions Contingency Plan Numbered 3 which would prohibit any person from using electricity (1) to illuminate any advertising sign (except to indicate if open for business or to identify products or services supplied) or (2) illuminate any window display; makes the plan applicable in every State (including the District of Columbia, Puerto Rico or any territory or possession of the United States) and provides that it shall preempt any State or local law that is inconsistent with this plan or any rule, regulation or order promulgated pursuant to it; authorizes the President to exempt a State or locality from this plan, in whole or part, during a period for which (1) he determines that it has in effect a comparable program (defined as a mandatory program which deals with the same subject matter as this plan, and which conserves at least as much energy as this plan), or (2) he finds special circumstances exist in the State or locality; and requires the Secretary to review requests for an exemption and to submit his recommendations thereon to the President or his delegate. S. Res. 123—Senate rejected May 2, 1979. NOTE: (See also S. Res. 120, 122, and 153 on other energy conservation plans.) (76)

Emergency building temperature restrictions: Expresses Senate approval of Standby Emergency Building Temperature Restrictions Contingency Plan Numbered 2 which

requires owners of non-residential buildings (except hospitals and other health care facilities and other buildings as determined by the Secretary of DOE) to maintain thermostats at no higher than 65 degrees F. for room heating and at no lower than 80 degrees F. for cooling room or at other ranges for heating or cooling as determined reasonable and necessary by the Secretary; exempts from these temperature level areas where a "manufacturers warranty" requires specific temperature levels for the operation of special equipment or where special environmental conditions are required to protect animal or plant life or materials;

Requires owners of non-residential buildings to maintain thermostats controlling hot water at no higher than 105 degrees F. or at other levels as determined by the Secretary; permits higher water temperatures specifically for dishwashing purposes for which health codes require higher sanitizing water temperatures;

Makes the plan applicable in every State (including the District of Columbia, Puerto Rico or any territory or possession of the United States) and provides that it shall preempt State or local law or to the extent that such law is inconsistent with this plan or any rule, regulation or order promulgated pursuant to it; authorizes the President to exempt a State or locality from this plan, in whole or in part, during a period for which (1) he determines that it has in effect a comparable program (defined as a mandatory program which deals with the same subject matter as this plan, and which conserves at least as much energy as this plan would be expected to conserve), or (2) he finds special circumstances exist in the State or locality; and requires the Secretary to review State requests for an exemption and to submit his recommendations thereon to the President or his delegate. S. Res. 123—Senate agreed to May 2, 1979. H. Res. 209—House agreed to May 10, 1979. NOTE: (See also S. Res. 120, 123, and 153 on other energy conservation plans.) (74)

Emergency energy conservation: Authorizes the President to create an emergency energy conservation program and permits State Governors to identify the most appropriate methods to conserve energy in their States; authorizes the President, whenever he finds that a severe energy supply interruption exists or is imminent or that actions to restrain domestic energy demand are required in order to fulfill the obligations of the United States under the international energy program, to: (1) announce a national emergency energy conservation target which, if achieved, will, to the maximum extent practicable, minimize the impact of anticipated energy shortages on the domestic economy by saving an amount of energy equivalent to the projected shortage; (2) notify the Governor of each State of the State emergency energy conservation target established by the President for that State; provides that the target for each State shall be a uniform national percentage reduction in an adjusted base period energy use for each State which may be adjusted to reflect: (a) reduction in energy consumption already achieved by conservation program; (b) current trends in population and economic activity; (c) energy shortages which may be having an effect on energy consumption; (d) variations in weather from seasonal norms; and (e) such other factors as the President finds relevant; (3) notify the Governor of each State of the Federal implementation plan which would be imposed in that State if their State plan is not submitted and approved; (4) announce an emergency energy conservation plan for the Federal Government which will take into consideration energy consumption reductions by Federal buildings and equipment, by Federal employees through car and van pooling, preferential parking for multipassenger vehicles and greater use of mass transit and by executive departments and agencies as a result of modification in Federal procurement policies; specifies that the President is not authorized to restrict weekend gasoline sales unless sales on other days of the week are similarly restricted; exempts from any conservation plan wood, solar energy, bio-mass, gasohol, or synthetic fuel, fuels used in the production exploration or distribution of fuels, used for pumping of water for hydropower storage or for production of agricultural goods and fibers; allows the President to prohibit the hoarding of petroleum fuels in excess of reasonable need regardless of the state of energy emergency; allows the States to appeal their conservation targets in the courts; and requires that any conservation plan not constitute a burden on interstate commerce. S. 1030—Passed Senate June 5, 1979. (120)

Oil company participation in IEP: Extends from June 30, 1979, until October 31, 1979, the provisions of section 252 of the Energy Policy and Conservation Act (EPCA) which govern oil company participation in the International Energy Program (IEP). S. 1317—Public Law 96-30, approved July 9, 1979. (VV)

Pipeline safety: Amends the Natural Gas Pipeline Safety Act of 1968 (NGPSA) to clarify and update existing provisions; clarifies the Department of Transportation's (DOT) authority to regulate liquified natural gas; clarifies that safety standards applicable to new pipeline facilities (those relating to design and construction) can be made applicable to existing facilities that are considered hazardous to life or property; leaves in place the existing policy on preemption, criteria for establishing standards and procedures for granting waivers with States having the right to adopt more stringent safety standards for intrastate pipeline transportation if compatible with the Federal standards issued under NGPSA; requires State agencies to encourage and promote programs to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunneling or construction activities; increases from $1,000 to $5,000 the level of property damaged required to trigger the State reporting requirements and requires State agencies to investigate and report on any accident which the agencies consider significant; strengthens and expands the enforcement powers of the Secretary by providing authority to issue compliance orders, expedited collection of civil penalties, and criminal penalties for willful violations;

Establishes the Hazardous Liquid Pipeline Safety Act (HLPSA) which replaces the Transportation of Explosives Act (TOEA) and gives it a statutory framework similar to the NGPSA to regulate transportation of hazardous liquids by pipeline; establishes regulatory authority over the transportation and storage of hazardous liquids moved by pipeline which is parallel to that of the NGPSA; gives the Secretary authority to promulgate safety standards and assure compliance of covered facilities with the standards; establishes a State enforcement program so that the appropriate agency within a State would be certified to enforce the Federal standards and establishes a State grant-in-aid program to fund the program; provides the same inspection, recordkeeping, administrative and judicial remedies as NGPSA; and

Authorizes $8.5 million for fiscal 1980 and $9.1 for 1981 for DOT's Research and Special Programs Administration which includes $3.5 million for 1980 and $3.8 million for 1981 for grants-in-aid to State agencies for conducting gas pipeline safety programs and hazardous liquids pipeline safety programs. S. 411—Passed Senate June 14, 1979. (VV)

"Severe energy interruptions" definition: Expresses the sense of the Senate that the term "severe energy interruptions" as used in section 201(c) of the Energy Policy and Conservation Act (Public Law 94-163) to determine the severity of a petroleum supply shortage in the United States which would require the President to recommend to the Congress that the Standby Gasoline Rationing Plan provided for in that section be implemented, shall be a national energy supply shortage which the President determines: (1) has or is likely to result in a loss to the U.S., or an allocation away from the United States under international obligations, of more than 20 percent of the U.S. supply of petroleum for a period exceeding 30 days, (2) cannot be managed adequately through withdrawals from the Strategic Petroleum Reserve or acquisition from other sources, (3) is not manageable under other energy emergency authorities including any approved Energy Conservation Contingency Plans, (4) is expected to persist for a period of time sufficient to threaten seriously the adequacy of stocks of crude oil or petroleum products, (5) is and can be expected to continue to have a major adverse impact on the national safety or economy, and (6) has resulted from an interruption in the supply of petroleum by an act of God, sabotage or by governmental decisions of the several oil producing countries to limit the export of crude oil to the United States, or to governments with which the United States has obligations; and states further that the commencement of international hostilities under constitutional authorities, including commitment of troops by the President under the War Powers Act and the determination that rationing of gasoline is necessary to assure adequate supplies to protect the national security, shall be sufficient cause for the President to recommend to the Congress that the Standby Gasoline Rationing Plan be implemented. S. Res. 151—Senate agreed to May 9, 1979. (VV)

Small hydroelectric powerplants: Amends the Public Utility Regulatory Policies Act of 1978 to increase the authority of the small hydroelectric program by including loans for feasibility studies and construction of projects at new or existing hydroelectric projects up to 25MWe; and extends the authorization for the loan program for two additional years, through fiscal 1982, at $100 million annually. S. 948—Passed Senate June 14, 1979. (VV)

Standby gasoline rationing plan: Expresses Senate approval of the Standby Gasoline Rationing Plan Numbered 1 which establishes a gasoline rationing program in the event of serious oil supply shortage which would involve the use of rationing checks and coupons to allocate available gasoline to owners of State-registered gasoline-powered vehicles, as revised by Contingency Plan No. 6 as contained in S. Res. 153; requires DOE to calculate ration allotments for each class of vehicle; allots a State Ration Reserve to each State to meet the priority needs of the handicapped and for other hardship applications; provides priority allotments to essential public services such as fire protection, police, ambulances and public transportation; provides sufficient allotment to delivery vehicles for delivery of goods and services, and sufficient ration rights to tractors and other off-highway gasoline powered equipment for food and fiber production; requires ration checks to be issued quarterly which would be redeemable in ration coupons which drivers would present at gas stations in order to purchase gasoline; and allows individuals with a lesser need for gasoline to sell a portion of their ration coupons to others with a greater need. S. Res. 120—Senate agreed to May 9, 1979. H. Res. 212—House defeated May 10, 1979. Note: (See also S. Res. 122, 123 and 153 on other energy conservation plans.) (85)

Makes revisions to Standby Gasoline Rationing Plan Numbered 1 (S. Res. 120) which: (1) provides each State with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan but to add flexibility to the States in dispensing supplemental ration allotments to citizens with special needs; establishes a National Ration Reserve which would be made up of approximately two percent of the available gasoline supply to meet emergency disaster relief and certain national security needs; (2) provides a new method for calculating the ration rights by basing allotments entirely on historical gasoline use in each State; and (3) limits the number of ration rights received by each household to three vehicle allotments but does not preclude a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors. S. Res. 153—Senate agreed to May 9, 1979. NOTE: (See also S. Res. 120, 122 and 123 on other energy conservation plans.) (84)

Tennessee Valley Authority debt limit: Increases the debt limit for the Tennessee Valley Authority from $15 billion to $30 billion. S. 436—Passed Senate June 20, 1979. (VV)

Three Mile Island Commission: Confers certain powers on the Presidential Commission appointed pursuant to Executive Order Numbered 12130, of April 11, 1979, to investigate the Three Mile Island nuclear power plant accident including (1) the power to subpena and (2) the power to issue an order for Commission members to inspect the Three Mile Island Nuclear power plant; provides that, upon application by the Attorney General, any U.S. district court may issue an order requiring the appearance of a witness or production of material, and provides that the court may issue a contempt citation against any person failing to obey a court-issued order; and provides witnesses with the same fee and mileage expenses that are paid witnesses in the courts of the United States. S.J. Res. 80—Public Law 96-12, approved May 23, 1979. (VV)

ENVIRONMENT

Endangered species: Extends the authorization for the Endangered Species Act at a level of $23 million for fiscal 1980, $25 million for 1981 and $27 million for 1982 to the Department of the Interior; authorizes $2.5 million for fiscal 1980, $3 million for 1981 and $3.5 million for 1982 to the Department of Commerce which is charged with the protection of endangered and threatened marine species, and continues through fiscal 1982 the current annual authorization of $600,000 for the Endangered Species Committee;

Authorizes $500,000 to carry out the proposed recovery plan for the California condor, which was developed pursuant to a report produced jointly by the National Audubon Society and the American Ornithologists Union; changes the various terms in the 1978 amendments concerning the potential impact of a Federal action on a threatened or endangered species or its critical habitat to "is likely to jeopardize"; makes an emergency designation (whereby the Secretary may list a species or critical habitat on an emergency basis if a situation exists which poses a significant risk to the continued existence of the species) effective for one year instead of 120 days; requires the Secretary to withdraw the listing if he finds at any time, based on substantial showing using the best scientific and commercial data available, that the emergency condition no longer exists or that the species should not in fact be listed; clarifies congressional intent under the 1978 amendments that when the Secretary finds that a permanent exemption would result in the extinction of a species, the Endangered Species Committee would have 30 days to determine whether the exemption should be granted; requires the Secretary, if he determines that a Federal agency action is likely to jeopardize the existence of a proposed endangered species or adversely modify the proposed critical habitat of the species, to complete or withdraw, within 90 days, the proposed listing and critical habitat designation notwithstanding any other requirements; and specifies that, when a permit or license is involved, the exemption applicant has 90 days after final agency action on a permit or license to apply for an exemption. S. 1143—Passed Senate June 13, 1979. (130)

EPA authorization: Authorizes a total of $379,635,000 for the environmental research and development programs conducted by the Environmental Protection Agency for fiscal 1980 as follows: $96,899,500 for water quality research of which $32,340,000 is for the energy program; $9,368,000 for pesticide research and demonstration; $27,734,000 for drinking water research and demonstration of which $4,065,000 is for the energy program and $4 million for a new program for groundwater research and development; $33,977,000 for toxic substances research; $2,930,000 for radiation research; $134,731,500 for air quality programs of which $58,769,500 is for the energy program and $50,624,000 for the health and ecological effects program; $19,728,000 for research and development on solid waste of which $11,585,500 is for the energy program; $2,000,000 for noise control; $24,544,000 for intermedia activities; $27,452,000 for program management and support; and $4 million for two environmentally related research programs at the National Bureau of Standards; and authorizes the Administrator to allow the Agency's facilities to be used by an outside organization with appropriate reimbursement which may be waived if he determines it to be in the public interest. H.R. 2676—Passed House March 27, 1979; Passed Senate amended May 23, 1979; House requested conference July 10, 1979 (VV)

Industrial cost recovery payment moratorium: Amends the Clean Water Act of 1977 to extend for one year, until June 30, 1980, the existing moratorium on industrial cost recovery (ICR) payments to the Treasury (contained in the Federal Water Pollution Control Act of 1972 to insure that industrial participants in municipal treatment plants repay the share of the Federal construction cost attributable to the treatment of their industrial wastes) in order to allow the Environmental Protection Agency to continue their study, mandated under the Clean Water Act of 1977, on the effectiveness and need of the ICR provision and issues relating to their implementation, taking into account the desirability of industries joining municipal treatment works. S. 901—Passed Senate June 14, 1979; Passed House amended June 26, 1979. (VV)

Marine protection: Extends for two years, through fiscal 1981, title III of the Marine Protection, Research and Sanctuaries Act of 1972, which provides for the designation of marine sanctuaries to preserve or restore specific areas of ocean, coastal and Great Lakes Waters chosen on the basis of conservation, recreational, ecological, scientific or esthetic values; adds the term "scientific" to the list of criteria for which a marine sanctuary can be established; and authorizes therefor $3 million for fiscal 1980 and $4 million for 1981 to the National Oceanic and Atmospheric Administration, charged with administering the program. S. 1140—Passed Senate May 22, 1979. (VV)

National Advisory Committee on Oceans and Atmosphere: Authorizes $565,000 for fiscal 1980 and $600,000 for 1981 to the National Advisory Committee on Oceans and Atmosphere which is mandated to (1) undertake a continuing review of national ocean policy, coastal zone management and the status of U.S. marine and atmospheric science and service programs and (2) advise the Secretary of Commerce with respect to carrying out the programs of the National Oceanic and Atmospheric Administration; and strikes the provision allowing for the carryover of funds from one fiscal year to the next. H.R. 3577—Public Law 96-26, approved June 21, 1979. (VV)

Ocean pollution: Authorizes $9.5 million in fiscal 1980 for the National Oceanic and Atmospheric Administration to monitor ocean dumping and to carry out research on marine pollution, under title II of the Marine Protection, Research and Sanctuaries Act of 1972. S. 1123—Passed Senate June 6, 1979. (VV)

Extends for three years, through fiscal 1982, title I of the Marine Protection, Research and Sancturaries Act under which the Environmental Protection Agency has the authority to regulate transportation of materials for ocean dumping and prevent ocean dumping of any material which would adversely affect human health or welfare, the marine environment, an ecological system or economic potentialities; authorizes therefore $1,232,000 each for 1980 through 1982; and authorizes EPA to conduct a study evaluating the technological options available for the removal of heavy metals and other toxic organic materials from the sewage sludge of New York City which is to be completed by July 1, 1980. S. 1148—Passed Senate June 6, 1979. (VV)

Ocean pollution research and development: Authorizes $4.3 million for fiscal 1980 to carry out the provisions of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 (Public Law 92-273). H.R. 2520—Public Law 96-17, approved June 4, 1979. (VV)

Quiet communities: Amends the title of the Noise Control Act of 1972 to read the "Quiet Communities Act" and conforms all references in law to the new name; authorizes $15 million annually for fiscal 1980 and 1981 to carry out the provisions of the act; requires the Administrator of the Environmental Protection Agency to develop a five-year plan to be submitted to Congress by March 1, 1980, setting forth a detailed description of the objectives of each program and activity which the Administrator will carry out in fiscal 1981 through 1985, and to prepare and submit to Congress a revision of the plan by January 31, 1981, and each two years thereafter; requires that the plan contain a separate discussion of the Administrator's research objectives with respect to the health aspects of noise and that the research portion of the plan (1) set forth the relative priorities assigned to various categories of noise research activities to be performed by EPA or other Federal agencies, a detailed statement of the annual levels of funding to be allocated to each category, and a schedule or timetable of activities proposed to attain the noise research objectives; and (2) contain an analysis of the relationship between the research elements and the other activities for programs described elsewhere in the plan; requires that the plan contain a separate portion on aircraft and airport noise studies; and allows local governments to petition EPA requesting a change in Federal Noise regulations which affect fixed railroad facilities. S. 1144—Passed Senate June 14, 1979. (VV)

Safe drinking water: Extends for three years, through fiscal 1981, the programs under the Safe Drinking Water Act and authorizes therefor $59.2 million for fiscal 1980, $69.1 million for 1981 and $81.6 million for 1982; includes $21.4 million for 1980, $24.5 million for 1981 and $30.5 million for 1982 for research and primary enforcement responsibilities; $29 million for 1980, $30 million for 1981 and $35.9 million for 1982 for grants to States for public water suspension programs; and $7.8 million for 1980, $14.5

million for 1981 and $15.2 million for 1982 for grants for underground water source protection programs; and contains $1 million authorization for a new program of demonstration projects for abatement and control of drinking water contaminants in water supply systems serving 5,000 persons or less. S. 1146—Passed Senate May 22, 1979; Passed House amended July 30, 1979. (VV)

Solid waste disposal: Extends the Solid Waste Disposal Act for three years through fiscal 1982; authorizes therefor $158.95 million for 1980, $170 million for 1981 and $180 million for 1982 for the Environmental Protection Agency and $5 million for each of these years for the Department of Commerce to carry out the purposes of the act; makes minor modifications of the statute;

Allows the Administrator to delegate the power to enforce Solid Waste Disposal Act regulations to other agencies in order to avoid duplication of compliance efforts; provides greater administrative flexibility in allocating funds while retaining an emphasis on technical assistance to States and local governments on funding for hazardous waste control; requires that a minimum of 25 percent of the funds appropriated under the act be used for support of State and local solid waste planning and management activities; suspends subtitle C of the Resource Conservation and Recovery Act with respect to drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil or natural gas for a 24-month period to enable EPA to conduct and submit to Congress a study to determine the degree of hazard associated with these wastes, the adequacy of existing State and Federal regulatory programs, potential changes to regulatory programs, and the cost and impact of those changes on the exploration, development and production of crude oil and natural gas; establishes a procedure for congressional approval of any hazardous waste regulations; codifies the existing common law concept that the generator of waste is responsible for assuring its arrival at an appropriate facility; authorizes the Administrator to distinguish in establishing performance standards for hazardous waste treatment storage and disposal facilities between requirements for new facilities and those for facilities in existence; specifies that the Administrator may authorize EPA contractors to obtain samples, perform inspections and examine records at facilities which handle hazardous wastes; provides that the Agency's access, entry and inspection authority applies to persons or sites which have handled hazardous wastes in the past but are no longer doing so; gives the Agency the option of requesting that persons handling such wastes either provide records or furnish information in the form of a summary; adds provisions to assure appropriate confidentiality of data in the hands of private contractors; amends the enforcement provisions to bring them into line with those in the Clean Air and Clean Water Acts; imposes a civil penalty of up to $25,000 per day for dumping of hazardous wastes regardless of whether the dumping party has been served with an order to stop dumping; authorizes the Administrator to act against violations before a 30-day period has elapsed; clarifies the authority of the Administrator to issue an order suspending or revoking an operating permit and to go to court to enforce suspension or revocation; specifies that grant funds for State hazardous waste activities can be used for inactive site response planning and control; and that both States and local governments may not be prohibited from entering into long-term contracts for operation of hazardous waste disposal facilities or long-term contracts to secure markets for these materials; prohibits open dumping after publication of criteria to define this practice; gives EPA the flexibility to choose which products would be purchased for recycled materials and to set timetables for issuance of new specifications; extends the deadline for changing specification to allow use of recycled materials from 18 months to 5 years; directs the Administrator to issue final guidelines by specified times which will be used by Federal agencies in procuring products containing recovered materials; allows the Agency to take enforcement action against any practice which is presenting a substantial endangerment to health or the environment; modifies the judicial review provisions of the act to follow comparable provisions in the Clean Air and Clean Water Acts; requires that all court actions challenging regulations under this act, including petitions to modify regulations, be heard in the Appeals Court for the District of Columbia; gives the Administrator authority to subpena records and compel testimony of witnesses in enforcement actions; and calls for a special study of the degree of hazard and adequacy of existing regulatory programs associated with drilling fluids, produced waters and other oil and gas exploration and production wastes. S. 1156—Passed Senate June 4, 1979. (VV)

Toxic substances: Extends the Toxic Substances and Control Act three years, through fiscal 1982, and authorizes therefor $69.3 million for fiscal 1980, $94 million for 1981 and $121 million for 1982 to EPA to carry out its responsibilities under the act which include production, use and effects of commercial chemicals; limitation of the import and distribution of harmful chemicals; and improving coordination among Federal and State agencies concerned with toxic substances. S. 1147—Passed Senate May 22, 1979. (VV)

FISHERIES

Anadromous Fish Conservation: Extends the Anadromous Fish Conservation Act of 1965, through fiscal 1983, and authorizes therefore $10 million in 1980, $11 million in 1981, $12 million in 1982, and $13 million in 1983 to the National Oceanic and Atmospheric Administration and the U.S. Fish and Wildlife Service to carry out their responsibilities under the Act; removes the restriction on use of funds for operation and maintenance costs of facilities constructed under multi-State projects; vests title of lands acquired under the Act to the cooperating States or other non-Federal interests rather than to the Federal government to encourage purchase of necessary lands and to conform to other closely related Federal fish and wildlife grant-in-aid programs; modifies the $1 million limitation that a State may receive in any year to $1 million or 20 percent, whichever is greater, of the funds appropriated in any fiscal year in order to allow the Federal government to increase the funds available to a State above the $1 million limitation; directs the Secretary of Commerce, acting through the Director of the National Marine Fisheries Service, and the Secretary of the Interior, acting through the Director of the Fish and Wildlife Service, to cooperate with States and non-Federal interests in conducting studies of: (1) the status of the striped bass (Morone Saxatilis) population in Atlantic coastal waters, and (2) the factors responsible for the decline in the number of such fish available to the public for recreation and commercial use, including a determination of the extent and success of annual spawning, an analysis of the extent and causes of mortality at successive stages in its life cycle, a determination of the effects of pollutants on viability and condition of eggs and larval fish; and a survey of economic significance of the striped bass to both recreational and commercial fishing; and requires Congress to annually report on the progress of the study, and where appropriate include their legislative recommendations, and authorizes therefore $1 million in fiscal 1980, $1.75 million in 1981, $2 million in 1982 and $2 million in 1983. S. 838—Passed Senate June 18, 1979; Passed House amended June 25, 1979. (VV)

Fishery Conservation and Management: Extends for three years, through fiscal 1982, the Fishery Conservation and Management Act of 1976 (FCMA) and authorizes therefore $30 million for fiscal 1980, $40 million for 1981 and $47 million for 1982 to provide for the continued conservation and management of fishery resources of the U.S.; updates the definition of the term "fisheries" in the shipping laws to reflect the 200-mile U.S. fishery conservation zone; and denies access to the U.S. fishery conservation zone; and denies access to the U.S. fishery conservation zone to fishing vessels of any foreign national certified by the Secretary of Commerce (under section 8(e) of the Fishermen's Protective Act) to be in violation of any international whaling or fishery agreement. S. 917—Passed Senate April 30, 1979; Passed House amended June 25, 1979. (VV)

GENERAL GOVERNMENT

Archaeological resources protection: Provides greater protection than now exists for archaeological resources on public and Indian lands of the United States; sets guidelines for issuance of permits for the purpose of excavation or removal of archaeological resources; provides regulations allowing for the exchange of archaeological resources removed from public and Indian lands between museums and other institutions and the disposition of such resources by the Secretary of the Interior; lists those activities which would be prohibited and extends those prohibitions beyond existing law to include persons who deal in stolen artifacts; insures that persons in lawful possession of archaeological resources prior to the date of enactment of this act may retain or dispose of those resources as they wish, without fear of prosecution; provides for civil penalties with a maximum fine of $1,000 for each violation or $2,000 for subsequent violations and provides for criminal penalties for persons who knowingly violate the prohibitions contained in this Act; directs the Secretary of the Treasury, at the recommendation of the appropriate Federal agency, to pay up to one-half of the civil or criminal penalty not to exceed $500, to persons furnishing information leading to the finding of a civil violation or criminal conviction; and provides a specific exemption from the Freedom of Information Act for the location of archaeological sites on public and Indian lands by placing discretionary disclosure authority with the appropriate Federal agency. H.R. 1825—Passed House July 9, 1979; Passed Senate amended July 30, 1979. (VV)

1980 Census: Permits the Secretary of Commerce to enter into lease agreements for purposes of conducting the 1980 Decennial Census, using as a price guideline the amount of 105 percent of the Fair Market Value which is the standard applied by the Economy Act of 1932. S. 1318—Passed Senate August 1, 1979. (VV)

FBI intelligence activities authorization: Amends the ceilings established by the Department of Justice Appropriations Authorization Act, fiscal 1979, and the Intelligence and Intelligence-Related Activities Authorization Act, fiscal 1979, to allow for the transfer of $2.7 million from the Department of Justice-Bureau of Prisons to the Federal Bureau of Investigation in order to increase its capabilities for the conduct of foreign counterintelligence investigations to protect the United States against clandestine intelligence activities in this country by, or on behalf of, foreign powers. S. 1512—Passed Senate July 13, 1979. (VV)

Federal fire prevention and control: Authorizes $27,274,000 for the United States Fire Administration (USFA) and $5,600,000 for the Center for Fire Research within the Department of Commerce for a total authorization of $32,874,000; includes funding for the Federal arson, firefighter protection and rural firefighting assistance programs; contains increased funding for major acceleration of the National Fire Academy (established by the Federal Fire Prevention and Control Act of 1974) programs which, with the purchase of a site in Emmitsburg, Maryland, are expected to be implemented this year; and calls for the Administrator of the USFA to carry out a ten-month study on the effectiveness of smoke and heat detectors and sprinkler systems in saving lives, preventing injuries, and limiting property damage in fires and to report his findings to Congress and the President. S. 1160—Passed Senate May 23, 1979; Passed House amended June 4, 1979. (VV)

Federal procurement policy authorization: Extends the Office of Federal Procurement Policy for an additional five years, through fiscal 1984, and authorizes such sums as may be necessary for the Office to carry out its duties. S. 756—Passed Senate May 21, 1979. (VV)

Intelligence activities authorization: Authorizes such amounts as specified in a classified report prepared by the Senate Select Committee on Intelligence for fiscal 1980 for intelligence activities of the United States Government including specific amounts for the Central Intelligence Agency, National Security Agency, military services, Departments of State, Treasury and Energy, Federal Bureau of Investigation, and the Drug Enforcement Administration; provides that copies of the report shall be made available to the House Permanent Select Committee on Intelligence, the Committees on Appropriations and Armed Services of the House and Senate, and to the appropriate entities of the intelligence community for which funds are authorized; conforms the fiscal 1980 Intelligence Authorization to actions taken by the Senate regarding intelligence activities of the FBI; provides dependent educational travel benefits for CIA and NSA employees serving overseas; authorizes $12,627,000 for the Intelligence Community staff which provides support and assistance to the Director of the Central Intelligence Agency in fulfilling his responsibilities for management and direction of the intelligence community; sets at 245 the end strength of full-time employees for the intelligence community staff and provides that any employee detailed to the staff from another entity shall be detailed on a reimbursable basis except that an employee may be detailed on a non-reimbursable basis for a period of not less than one year for performance of temporary functions as required by the Director of Central Intelligence; and authorizes $51,600,000 for the Central Intelligence Agency Retirement and Disability System. S. 975—Passed Senate June 20, 1979; Passed House amended July 10, 1979; (VV)

International Affairs of Treasury: Authorizes $23,175,000 for fiscal 1980 for the international affairs functions of the Treasury Department, including sums for official functions, receptions and representation expenses of which $800,000 is for nondiscretionary increases arising from cost-of-living adjustments mandated by law or by the provisions of the Civil Service Reform Act of 1978. S. 976—Public Law 96- , approved 1979. (VV)

National Science Foundation authorization: Authorizes $1,001,700,000 for the National Science Foundation for fiscal 1980 plus an additional $6 million in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States; contains funding for the following categories in the total amount of: $293.4 million for mathematical and physical sciences and engineering; $241.5 million for astronomical, atmospheric, earth and ocean sciences; $55 million for the U.S. Antarctic program; $170 million for biological, behavioral and social sciences; $86.2 million for science education programs of which not less than $2.5 million be available for the program Minorities, Women and the Handicapped in Science and $2.05 million for the program Ethics and Values in Science and Technology; $68.7 million for applied science and research applications of which not less than 12.5 percent shall be expended to small business concerns, $21.8 million is for the Earthquake Hazards Mitigation program, and $2.6 million for a program of science and technology to aid handicapped; $27.3 million for scientific, technological and international affairs; and $59.6 million for program development and management; requires that not less than four percent of the total available funds for equipment and instrumentation under the categories of mathematical and physical sciences and engineering; astronomical, atmospheric, earth and ocean sciences; and biological, behavioral and social sciences be available to two- and four-year colleges for equipment and instrumentation costing $25,000 or less; requires the Foundation to develop measures of the status of and needs for scientific instrumentation in the U.S.; prohibits the Director from transferring funds to or from the science education programs and applied science or research applications categories exceeding ten percent prior to notifying Congress and gives Congress 30 calendar days to disapprove the transfer; requires the Director to keep the relevant Congressional committees informed with respect to all activities of the Foundation; directs that 20 percent of the funds allocated for the science faculty professional development program be used to establish a pilot program of Institutes and Conferences and the remainder used to provide 3 to 12 month leaves at academic institutions or industries for college level faculty members; and directs the Foundation to undertake and submit to Congress a comprehensive study of these two programs. H.R. 2729—Public Law 96- , approved 1979. (VV)

National tourism policy: Establishes a national tourism policy and the principal mechanisms for coordinating an implementing that policy; creates a cabinet-level Policy Council to deal with issues of duplication, contradiction and lack of coordination among Federal agencies having tourism and tourism-related programs and policies; and creates a Federally-chartered, nonprofit corporation as an implementing mechanism for the national policy to: (1) develop and administer a comprehensive program to stimulate and encourage travel to the United States, (2) monitor Federal programs for compliance with the national tourism policy, (3) act as the tourism industry's advocate within the several government agencies impacting tourism and (4) develop and administer programs to assist the industry and consumer. S. 1097—Passed Senate May 14, 1979. (VV)

President's Commission on Pension Policy: Provides a statutory basis to continue for two years the President's Commission on Pension Policy which was established under Executive Order No. 12071, effective September 1978, to conduct a comprehensive review of retirement income programs in the U.S., and develop national policies for these programs; requires the Commission to report to Congress on a regular basis and to submit a final report of its recommendations and findings to the President and Congress; provides for the continued service of the present Commission members and requires Senate confirmation of the Chairman in the event of a vacancy; authorizes the Commission to enter into contracts for the conduct of research and surveys, the preparation of reports, and other activities necessary to carry out its duties and responsibilities; authorizes $2 million for fiscal 1980 for the operation of the Commision which shall remain available until expended; and provides for the termination of the Commission 90 days following submission of its final report. S. 532—Public Law 96-14, approved May 24, 1979. (VV)

Smithsonian authorization: Authorizes $500,000 for fiscal 1980 to the Smithsonian Institution to plan the development of the area south of the original Smithsonian Institution Building, known as "the Castle", adjacent to Independence Avenue for the multi-use purpose of constructing a new home for the Museum of African Art (which the Smithsonian acquired pursuant to provisions contained in Public Law 95-414), an Oriental Art Center and several other facilities, including a lower level parking garage consisting of about 400 spaces. S. 927—Public Law 96-35, approved July 20, 1979. (VV)

Smithsonian Canal Zone biological area: Increases from $350,000 to $750,000 the limit on annual appropriations for the Canal Zone Biological Area (the Barro Colorado Island facility of the Tropical Research Institute of the Smithsonian Institution) in order to upgrade the facility. S. 817—Passed Senate April 14, 1979. (VV)

U.S. travel service: Continues funding the United States Travel Service, pending the legislative recommendations of the National Tourism Policy Study, for one year at a reduced level of $8 million and requires a 60 percent staff reduction in the Washington office by September 1, 1979. S. 233—Passed Senate March 8, 1979.

GOVERNMENT EFFICIENCY AND REORGANIZATION

Alaska natural gas pipeline reorganization: Approves Reorganization Plan No. 1 of 1979 which provides for the establishment of an Office of Federal Inspector for the Alaska Natural Gas Pipeline as a separate unit in the Executive Branch to be headed by a Federal Inspector appointed by the President and subject to Senate confirmation; transfers to the Federal Inspector authority to enforce the terms and conditions of permits, certificates, leases, rights-of-way, and other authorization issued by the Departments of Agriculture, Interior, Transportation and Treasury, the Federal Energy Regulatory Commission (FERC), the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers; provides for the creation of an Executive Policy Board composed of the Secretaries of Agriculture, Energy, Interior and Transportation, the Administrator of EPA, the chief of the U.S. Army Corps of Engineers and the Chairman of FERC which will serve in an advisory capacity to the Federal inspector; and provides that the Office shall be phased out one year after the initial operation of the Alaska pipeline system. S. Res. 126—Senate rejected disapproval resolution May 23, 1979. H. Res. 199—House rejected disapproval resolution May 31, 1979. (VV)

Ethics in Government amendments: Makes certain clarifying and technical amendments to the Ethics in Government Act (Public Law 95-521) which: specifies that the ban on "aiding and assisting in representing" is limited only to those particular matters in which the former official has been "personally and substantially" involved while in office; limits "aiding and assisting in representing" to on-site appearances before the Government; equalizes the treatment of military officers and civilian officials insofar as automatic inclusion for certain provisions such as the one-year "cooling off" period by increasing the military grade subject to automatic inclusion from a O-7 (brigadier general) to O-9 (three star general); specifies that no Federal employee below GS-17 (except members of the Senior Executive Service) and no military personnel below O-7 could be subjected to the "no contact" provisions; allows certain exemptions for contact with employers in a different bureau in an agency; and exempts the prohibition of contact for employees of State and local governments, institutions of higher education, and non-

profit medical facilities. S. 869—Public Law 96-28, approved June 22, 1979. (VV)

GOVERNMENT EMPLOYEES

Federal employees health benefits: Amends section 4 of the Retired Federal Employees Health Benefits Act by revising the Retired Federal Employees Health Benefits Program (RFEHB) to make the government contribution to RFEHB equivalent to the cost of part B of Medicare (currently $8.20), with a built-in escalator allowing for subsequent increases. S. 716—Passed Senate May 23, 1979. (VV)

Federal employee participation in Pan-American and Olympic Games: Provides for paid leave of up to 90 days for a Federal employee participating in the Pan American or Olympic games as a representative of the official U.S. team. S. 387—Passed Senate May 23, 1979. (VV)

HEALTH

Alcohol abuse and alcoholism prevention: Extends the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, through fiscal 1982, and authorizes therefor $208 million for 1980; $223 million for 1981 and $238 million for 1982 to continue the alcohol abuse and alcoholism research, prevention, treatment and rehabilitation programs of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) in the Department of Health, Education and Welfare; establishes an Associate Director for Underserved Populations within NIAAA, to develop and coordinate prevention, treatment, research and administrative policies and programs to assure increased focus on minority and other underserved populations; provides greater emphasis on prevention, evaluation, occupational programs and families of alcoholics; replaces the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism with an Interdepartmental Committee for Alcohol Abuse and Alcoholism to better coordinate Federal alcoholism activities; creates an Intradepartmental Committee for Departmental Activities on Alcohol Abuse and Alcoholism to coordinate alcoholism activities within HEW; provides for more coordination between NIAAA and the National Institute on Drug Abuse in matters of data collection, program management and evaluation; establishes a 2-year center for American Indian-Alaskan Native Concerns within the National Institute on Alcoholism and Alcohol Abuse to study the problem of alcoholism and alcohol abuse among American Indians and Alaskan Natives; authorizes a small grant program to States for demonstration and implementation of insurance regulations to cover alcoholism and alcohol abuse; extends the prohibition of discrimination against alcoholics in health care facilities to all services receiving Federal support; authorizes emergency assistance to victims of alcohol-related domestic violence; encourages technical assistance to States; includes social consequences of alcohol abuse as a subject of research; increases the maximum annual grant to National Alcohol Research Centers to $1.5 million; specifies research on biomedical, behavioral and social issues; authorizes designation of consortia as Centers; requires laboratory, reference and data analysis suited to Center research plans; establishes a two-year National Commission on Alcoholism and Alcohol-Related Problems, consisting of eight members of Congress (four from each House) and eleven public members appointed by the President, to undertake a comprehensive national study of alcohol-related problems and make recommendations to the President and Congress at the end of the two-year period; and authorizes therefor $2 million. S. 440—Passed Senate May 7, 1979. (VV)

Drug abuse and treatment: Revises and extends for one year, through fiscal 1980, the authorizations under the Drug Abuse Office and Treatment Act of 1972 to continue drug abuse prevention, treatment and rehabilitation programs, and certain research programs of the National Institute on Drug Abuse (NIDA) with a contingent extension of such authorizations for an additional year if Congress fails to consider renewal legislation during the forthcoming fiscal year; authorizes $243 million in fiscal 1980 and the same level for 1981 for the contingent extension; provides for greater emphasis on evaluation, occupational programs and prevention and emphasizes the need for Federal, State and local planning, adaptability to changing demographic and drug use patterns, coordination of domestic and international activities, and the active involvement of municipalities in planning and coordination of drug abuse services; abolishes references to the former Office of Drug Abuse Policy (IDAP) and transfers responsibility for coordinating Federal, international and domestic drug policy to the President, as provided for under Reorganization Plan No. 1 of 1977; requires special emphasis on prevention and treatment services to currently underserved populations; provides for greater representation of minorities, poverty groups, and vulnerable populations on State advisory panels and enhances the role of general local government units by authorizing small grants for planning and coordination to local governments with high concentrations of drug abuse; extends the prohibition on discrimination against drug abusers in health care facilities to other Federally supported social services; encourages technical assistance to States; provides for the designation of an Associate Director for Underserved Populations within the National Institute on Drug Abuse to develop and coordinate prevention, treatment, research and administrative policies and programs to assure increased focus on minority and other underserved populations; and provides for more coordination between NIDA and the National Institute on Alcohol Abuse and Alcoholism in data collection, program management, credentially and related areas. S. 525—Passed Senate May 7, 1979. (VV)

Emergency medical services: Extends for three years, through fiscal 1981, the programs under the Emergency Medical Services Systems (services; research, burn, trauma or poison; and training) and authorizes therefor $50 million annually; deletes the requirement under present law that no more than 50 percent of the sums appropriated each year for planning grants and contracts may be made for second planning grants; requires that priority in awarding planning grants be given to those EMS regions which have not had a first planning grant; includes $40 million annually for grants or contracts for planning, to initiate development and expansion of an EMS; earmarks one percent of the funds appropriated for planning grant; includes $40 million annually for grants or contracts for planning, to initiate development and expansion of an EMS; earmarks one percent of the funds appropriated for planning grants rather than the 2½ to 5 percent earmarked in current law; extends the current requirement that not less than 20 percent of systems development funds be used for (1) grants or contracts for the initial operation of an EMS system, and (2) grants for expansion of an EMS system; includes $3 million annually for grants and contracts for research in emergency medical services; provides for a representative of the Federal Emergency Management Agency as a member of the Interagency Committee on EMS; includes trauma and poison in the Burn Injury Program and authorizes therefor $3 million annually; and authorizes $4 million annually for grants or contracts for training in emergency medical services.

Establishes an administrative unit within HEW to carry out the Sudden Infant Death Syndrome (SIDS) program and requires the Secretary to provide the unit with adequate staff to carry out the program effectively; authorizes the Secretary to make grants and contracts to non-profit private organizations for projects pertaining to SIDS and related issues such as death investigation and biomedical research activities and authorizes therefor $5 million for fiscal 1980 and $7 million for 1981; requires the Secretary to develop an annual reporting system for data collected by the counseling and information projects and to carry out coordinated clearinghouse activities regarding SIDS in order to improve dissemination of information; directs the Secretary to seek an equitable distribution of funds among the various regions and ensure the needs of rural and urban areas; requires annual reports concerning the activities of the counseling and information projects; requires development and submission, with the first annual report, of a plan for expanded counseling and information services to all States by July 1, 1980, and to all U.S. territories and possessions by July 1, 1981; calls for a study regarding the death investigation laws and systems of the various States and their impact on SIDS; and requires the Secretary to provide assurances that adequate funding is made available for the National Institute of Child Health Development's (NICHD) research activities in the area of SIDS and calls for reports on the number of applications approved and the amount of funding required by NICHD, and any other Institute within the National Institutes of Health, to carry out their activities relating to SIDS. S. 497—Passed Senate May 9, 1979. (VV)

Health planning: Extends the authorities and revises the requirements under titles XV and XVI of the Public Health Service Act for health planning and health resources development and adds a new part G under title XVI providing for the establishment of a program to assist the voluntary discontinuance and conversion of unneeded hospital services;

Revises and extends the national health planning and development authority under title XV of the act; authorizes $150 million for fiscal 1980, $175 million for 1981 and $200 million for 1982 for planning grants to health systems agencies; $40 million for 1980, $45 million for 1981 and $50 million for 1982 for grants to State health planning and development agencies; $6 million each for 1980, 1981 and 1982 for grants to State rate regulation programs and $6 million for 1980, $8 million for 1981 and $10 million for 1982 for grants to centers for health planning; makes a number of revisions in the existing program in order to: (1) provide that the State health plan (HSP) is to have the concurrence of the Governor and that the statewide health coordinating council (SHCC) and health systems agencies (HSA's) are to develop a uniform format for use by HSA's in developing health systems plans (HSP's); (2) specify the material to be included in the health systems plans of HSA's and the preliminary State health plans prepared by the State agencies for use by SHCC's; (3) provide for 3-year designation of health systems agencies and State agencies and establish a three-year cycle for development, review and revision of HSP's and State health plans; assure that certificate of need decisions are consistent with the State health plan and that approved certificates of need are reviewed for progress at least once every 24 months (with provision for withdrawal of approval in the absence of substantial progress); (5) extend requirements for certificate of need review to all medical equipment valued over $150,000 if it is to be used to provide services on a regular basis to inpatients of a hospital; provide that only those new institutional health services entailing

annual operating costs of $75,000 or more will be subject to certificate of need review and set forth certain limited criteria that are the sole criteria to be used in processing qualified health maintenance organization applications for the purchase of medical equipment over $140,000 and for new inpatient hospital facilities; (6) provide that each certificate of need be based solely on the record established in administrative and judicial proceedings and stipulate procedures and criteria for review by HSA's and State agencies for purposes of certificates of need and appropriateness of existing services; (8) assure representation of medically underserved populations especially in rural areas; (9) assure effective consumer participation; (10) clarify procedures for redesignation of health service areas, including those involving standard metropolitan statistical areas; (11) increase minimum funding levels for small population HSA's and permit five percent of HSA planning grant appropriations to be used, among others, to increase grants to HSA's with extraordinary expenses due to a large health service area; (12) redefine the requirements for public HSA's to allow for the parent governing body to retain certain responsibilities for personnel rules and budget approval; (13) improve coordination between health planning entities and appropriate drug abuse, alcohol abuse, mental health, area agencies on aging and rate review authorities; and (14) direct that special consideration be given throughout the planning process to the importance of maintaining and improving competition in the health industry;

Revises and extends the health resources development authority under title XVI of the act; authorizes such sums as necessary for 1980, 1981 and 1982 for loans and loan guarantees and $40 million for 1980, $50 million for 1981 and $50 million for 1982 for project grants to eliminate safety hazards or to meet accreditation standards; provides that the Governor as well as the SHCC must approve the State medical facilities plan; extends the loan and loan guarantee program to public as well as nonprofit private entities and sets forth the types of information to be included in applications for loans or loan guarantees; provides no new authorizations for State allotments or for area health services development funds;

Establishes a program to assist the voluntary discontinuance or conversion of unneeded hospital services and authorizes therefor $30 million for 1980, $50 million for 1981 and $75 million for 1982; provides that any hospital in operation on the date of enactment and which (1) intends to discontinue providing all inpatient health services could apply for a debt payment and an incentive payment for this discontinuance, (2) intends to discontinue an identifiable unit of the hospital that provides inpatient health services could apply for an incentive payment, or (3) intends to convert an identifiable part of the hospital into providing long-term services ambulatory care services or any other service designated by the Secretary and provides that they could apply for a conversion payment if the State agency has determined that such new service is needed; and

Contains miscellaneous amendments repealing obsolete sections under title III of the act and repeals title IX entirely. S. 544—Passed Senate May 1, 1979; Passed House amended July 19, 1979; In conference. (VV)

HEW home health services report: States the sense of the Senate that the report submitted by the Secretary of HEW on home health services is not responsive to the requirements under the Medicare-Medicaid Anti-fraud and Abuse Amendments (P.L. 95-142); and returns the report to the Secretary with the direction that it be revised to comply with the stated requirements of Public Law 95-142, including the requirement that recommendations for legislation be submitted, and that the report be returned to Congress no later than September 1, 1979. S. Res. 169—Senate agreed to July 11, 1979. (VV)

Nurse training: Extends the following programs of the Nurse Training Act for one year, through fiscal 1980: nursing school construction at $4 million; Federal guarantees of loans and interest subsidies made by non-Federal lenders or the Federal Financing Ban to nonprofit private schools of nursing for construction of training facilities; loan guarantees and interest subsidies at an open-ended authorization but not to exceed $1 million; capitation grants to schools of nursing at $24 million; special project grants and contracts at $17 million; advanced nurse training programs at $13.5 million; nurse practitioner programs at $15 million; nurse traineeships at $15 million; nursing student loan funds at $13.5 million plus such amounts as necessary through fiscal 1983 to enable students who received a loan ending before October 1, 1980, to complete their education; and nursing student scholarship program with such amounts as necessary authorized through fiscal 1983 to enable schools to continue making payments under scholarship awards to students who received their awards prior to October 1, 1980; prohibits recipients of nursing student loans who attend a nursing school before October 1, 1980, to receive concurrently a National Defense Education Act loan; extends the time period allowed for the capital distribution of the balance of the student loan fund to after September 30, 1981, but not later than December 30, 1983; stipulates that, in the case of a student who received a nursing student loan before the date of enactment, an amount of up to 85 percent may be cancelled for full-time employment as a professional nurse in any public or nonprofit private agency, institution or organization; requires the Secretary of HEW to arrange for a study to (1) determine the need to continue a specific program of Federal finance support to nursing education, (2) make recommendations regarding ways to encourage nurses to practice in medically underserved areas and (3) examine the rate at which nurses leave the nursing profession, the reasons therefore and any recommendations for steps that could be taken to retain nurses within the profession; and requires the Secretary to request the National Academy of Sciences, acting through its Institute of Medicine, to conduct the study. S. 230—Passed Senate May 7, 1979; Passed House amended July 27, 1979; In conference. (VV)

State Health Planning Agencies: Authorizes the Secretary of Health, Education and Welfare to extend, until July 31, 1979, or thirty-six months, whichever comes later, the period for conditional designations of State health planning and development agencies. H.R. 4556—Public Law 96-33, approved July 16, 1979. (VV)

HOUSING

Housing and Urban Development: Amends and extends certain Federal laws relating to housing, community and neighborhood development and preservations;

Community and Neighborhood Development and Conservation: Authorizes $130 million for fiscal 1980 for the section 312 rehabilitation loan program which provides long-term HUD loans at interest rates ranging from three percent up to the Federal government's cost of borrowing to property owners and renters for the rehabilitation of residential and commercial structures in specific areas; allows the $130 million authorization to be combined with $55 million in repayments to the program's revolving fund to permit the Department to lend up to $185 million for fiscal 1980 which would be sufficient to rehabilitate about 10,100 units;

Authorizes $50 million for fiscal 1980 to extend the section 701 Comprehensive Planning program which, since 1954, makes grants for State, areawide and local comprehensive planning and management programs concerned with urban and rural development and which may cover up to two-thirds of a project's cost;

Authorizes $12 million to allow for the continued expansion of the programs of the Neighborhood Reinvestment Corporation which use relatively few Federal dollars to attract large amounts of private investment in urban areas;

Authorizes for fiscal 1980 $13.5 million for the Neighborhood Self-Help Development Program and $4.5 million for the Livable Cities Program which have been authorized for two years but have not yet received appropriations;

Increases the Urban Development Action Grant Program (UDAG) by $275 million from $400 million for a total authorization for fiscal 1980 of $400 million, under which the Secretary is authorized to make grants to severely distressed cities and urban counties to help alleviate physical and economic deterioration through reclamation of neighborhoods having excessive housing abandonment or deterioration; makes a city or urban county eligible for the UDAG program if it contains one or more areas of severe economic and physical distress; allows up to 20 percent of the total UDAG funds to be available to cities and urban counties with pockets of poverty;

Authorizes the Secretary to reimburse the VA and FmHA insurance reserve funds for properties transferred to local urban homesteading programs and authorizes FmHA and VA to transfer properties directly to local urban homesteading programs; exempts local governments from the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act when acquiring properties both for purchase and donation for use in approved urban homesteading programs;

Housing assistance programs: Authorizes $1,145,494,000 in new annual contributions contract authority for the section 8 assisted and public housing programs, Indian housing and the modernization of public housing units for fiscal 1980; reduces the eligibility ceiling for section 8 assisted housing from 80 percent of area median income to 70 percent, thereby reducing families eligible for assisted housing by approximately five million to better target funds to the more needy; provides that no one presently residing in Federally assisted housing units shall be affected by this provision; authorizes for fiscal 1980 $741.5 million in operating subsidies to meet operating costs of public housing projects;

Authorizes for fiscal 1980 $82 million in operating assistance payments to troubled multifamily housing projects which would be combined with an estimated $9 million in excess rental charges for a total fiscal 1980 funding level of $91 million, sufficient to assist approximately 2,440 projects; directs the Secretary to utilize amounts credited to the section 236 rental housing assistance fund prior to October 1, 1979, but remaining unobligated on October 31, 1978, for the sole purpose of carrying out the section 201 troubled projects program; provides that no amounts may be approved in an appropriation act for payments from the section 236 rental housing assistance fund for the section 201 troubled project program for any fiscal year beginning after September 30, 1981; authorizes $91 million for flexible subsidies for troubled multifamily projects with the expectation that HUD will administer the flexible subsidy program in a manner designed to minimize foreclosures of troubled projects financed by FHA insured mortgages or by assigned mortgages and that HUD will seek to reduce the cost of such subsidies;

Assures that a State or its communities cannot lose any of its "fair share" of funds

through reallocation to another State unless the Secretary explicitly finds that other areas of the State cannot use the funds within the fiscal year; directs the Secretary to provide an expedited procedure for review of amendments to housing assistance plans to assure that a community can update their housing assistance plans as necessary to reflect local needs and conditions, and that changes to the fund allocation mix between types of housing units would be allowed to reflect the updated housing assistance plan;

Requires that a minimum term of 20 years be required under a contract for section 8 assistance to new or substantially rehabilitated units; requires a project owner to agree to maintain the low- and moderate-income character of the project for the period at least equal to the remaining term of the project mortgage; makes uniform the eligibility and adjusted income definitions of section 8, section 236 and the rent supplement programs by using the section 8 method of calculating rent;

Program amendments and extensions: Extends for one year the authority of the Secretary of HUD to insure mortgages or loans under certain HUD-FHA mortgage or loan insurance programs contained in the National Housing Act; extends through September 30, 1980, the Secretary's authority administratively to set interest rates for FHA-insured mortgage loans to meet the market at rates above statutory maximum; extends until October 1, 1980, the authority of the Government National Mortgage Association to enter into new commitments to purchase mortgages under the interim mortgage purchase authority; increases loan insurance limits and terms for mobile homes and mobile home lots;

Increases the maximum authorized dollar limits on mortgages insured under the National Housing Act by the Federal Housing Administration in its homeownership mortgage insurance programs which were last increased in 1977 even though the median sales price of homes has increased approximately 30 percent; increases the maximum authorized dollar limits on mortgages for one- to four-family mortgage insurance program from $60,000 to $70,000 for a single-family residence, from $65,000 to $80,000 for a 2-family residence; from $65,000 to $99,000 for a three-family residence, and from $75,000 to $120,000 for a 4-family residence; provides corresponding increases in the FHA's one- to four-family program for conservation and renewal areas; provides for an increase from $60,000 to $70,000 in the maximum amount of an FHA mortgage on a serviceman's or servicewoman's home and on a condominium unit; requires the Secretary of HUD to conduct a study of possible alternatives to fixed, across-the-board maximum FHA mortgage limits; allows higher purchase limits on the GNMA-tandem program for mortgages that involve section 8 multifamily projects;

Creates a new graduated payment mortgage program allowing lower down payments and provides more alternatives for repayment gradations; increases the high cost area adjustment for multi-family homes from 50 percent to 90 percent; creates a temporary mortgage assistance program as an alternative to the existing assignment program to provide assistance to homeowners in default on FHA mortgages; amends the mortgage interest subsidy program to allow a 25 percent increase in mortgage limits in areas undergoing revitalization in order to relieve the effects of displacement; authorizes for section 202 elderly housing $520 million in new borrowing authority for fiscal 1980, $950 million for 1981 and $975 million for 1982; and makes other program improvements;

Exempts FHA loans from State usury laws unless a State subsequently reenacts a usury limit:

Crime, riot and flood insurance: Extends the National Flood Insurance, Crime Insurance and Riot Reinsurance programs for one year; authorizes $74 million for flood insurance studies;

Rural housing: Authorizes for fiscal 1980 the rural housing grant programs and extends for one year the homeownership and rental assistance programs, the farm labor housing programs, and the very low income labor housing program as well as other rural housing loan authorizations of the Farmers Home Administration; and increases significantly the limitation applicable to housing assistance payments which may be made under the recently authorized rural homeownership assistance program. H.R. 3875—Passed House June 7, 1979; Passed Senate amended July 13, 1979; In conference. (169)

INDIANS

Navajo-Hopi Relocation Commission: Increases, from $500,000 to $1 million, the annual authorization of the Navajo-Hopi Relocation Commission established by the act of December 22, 1974, to administer and implement the relocation of members of the Navajo and Hopi Indian Tribes pursuant to a land partitioning between the two tribes in order that they may hire the additional personnel needed to adequately carry out their required relocation plan which, based on information obtained from the Department of Interior, is expected to take at least 5 more years. H.R. 3661—Public Law 96-40, approved July 30, 1979. (VV)

INTERNATIONAL

Ambassador to Afghanistan: Provides that the Senate shall not grant its advice and consent, as required under article II, section II of the United States Constitution, on the appointment of an Ambassador to Afghanistan, until the President certifies to Congress that the Government of Afghanistan has officially apologized and given satisfaction to the U.S. concerning the death of Ambassador Adolph Dubs and has provided satisfactory assurances respecting the security of U.S. government personnel in Afghanistan. S. Res. 106—Senate agreed to May 17, 1979. (VV)

Arms Control and Disarmament Agency: Authorizes $18,876,000 for fiscal 1980 to fund the operations of the Arms Control and Disarmament Agency (ACDA); provides that no commissioned officer of the Armed Forces serving on active duty may be appointed either Director or Deputy Director of the Agency; provides that only one of the two positions (Director or Deputy Director) may be held at any time by a person who has, within the ten preceding years, been relieved from active duty or retired as a commissioned officer of the regular components of the Armed Forces; and requires the Director of the ACDA, in consultation with the appropriate officials of the executive branch to conduct a comprehensive study on the impact of military expenditures and U.S. economy and the impact of specified economic factors on national defense policy decisions and to submit a report thereon to the President and Congress within one year of enactment. H.R. 2774—Passed House March 22, 1979; Passed Senate amended May 2, 1979; Senate requested conference July 12, 1979. (VV)

Economic assistance review: Requests the President to review U.S. foreign assistance programs to determine whether more or all development, humanitarian and disaster assistance should be provided through multilateral organizations and private voluntary organizations and to submit to Congress a report on the results of the review by September, 1979. S. Res. 92—Senate agreed to May 16, 1979. (VV)

European Parliament: Congratulates the newly elected Parliamentarians of the Parliament of the European Community and welcomes them into the family of freely elected representative bodies; and pledges the support of Congress for continued close relations with Parliamentarians from the European Community and affirms its readiness to continue the semiannual discussions with them on issues of common concern and to explore mutually beneficial measures for their improvement. H. Con. Res. 159—Action completed July 18, 1979. (VV)

International development assistance—food for peace: Authorizes $1,978,854,000 for fiscal 1980 for foreign economic assistance; includes $659 million for agriculture, rural development and nutrition assistance in developing countries; $201 million for family planning and population control programs; $141 million for health assistance programs including health delivery systems, and disease control; $105 million for education and human resources development programs; $125 million for technical cooperation programs and other selected development activities which includes post-disaster reconstruction, research, energy and urban development assistance; $25 million to implement the Sahel Development Program which shall remain available until expended; $25 million for the American Schools and Hospitals Abroad Program; and $67,280,000 for voluntary contributions to International Organizations and Programs; $21.8 million for programs of assistance of victims of natural and manmade disasters; and $14.92 million for the relief and rehabilitation of African refugees;

Includes energy development and production as one of the critical problems upon which U.S. aid should focus; authorizes the President to furnish assistance (including data collection and analysis and the training of skilled personnel) to enable developing countries to undertake development of their energy resources; provides up to $7 million for use by non-OPEC developing countries to facilitate survey work and encourage exploration for energy reserves; states Congressional findings that energy production and conservation are vital elements in the development process and that an enhanced effort to increase the access of the poor to energy resources and to expand energy resources of developing countries is required;

Authorizes the President to permit selected least developed countries to pay the sum equivalent to principal interest on U.S. loans under Part I of the Foreign Assistance Act into local currency accounts to fund development activities agreed upon by the recipient country and the Administrator of AID and authorizes therefor $18.8 million; directs the Administrator of the agency primarily responsible for administering part I of the act to conduct an annual review of bilateral concessional loan balances and to determine and identify those countries whose financial resources make possible accelerated loan repayments; specifies that European countries that were recipients of concessional loans by AID's predecessor shall be contacted to negotiate accelerated repayments; requires that the Senate Foreign Relations Committee and the House Foreign Affairs Committee be consulted in establishing the criteria used to determine which countries should accelerate their loan repayments and that an annual report on the status of such accelerated loan repayments be provided to the Committees;

Increases from five to six the number of Latin American countries in which the productive credit guaranty program operates and raises the ceiling on the program from $15 million to $20 million; increases the ceiling on guaranty authority for housing guaranty programs from $1.16 billion to $1.55 billion and extends the period of program authority through September 30, 1982; extends the program authority for the issuance of guarantees under the Agricultural and Productive Credit and Self-Help Community Development Programs through 1982; deletes the existing formula for establishing interest rates on loans guaranteed under the Housing Guaranty program on the basis

of a range establishing both minimum and maximum interest rate levels and replaces it with a new formula for setting maximum interest rates without specifying minimum interest rates; deletes the existing limitation on housing guarantees to countries which are receiving, or in the previous two fiscal years, have received development assistance and replaces it with a requirement that guarantees be issued only for housing projects which are coordinated with and complementary to any development assistance being furnished under chapter 1 of part 1 of the Foreign Assistance Act; earmarks $25 million each in Housing Guarantees for Israel and Egypt;

Provides that $9.5 million of the $52 million authorized for the U.N. Relief Works Agency for Palestinian Refugees will be disbursed only when matched by equivalent contributions by members of the Organization of Petroleum Exporting Countries (OPEC); prohibits use of the U.S. assessed contributions to the U.N. organizations for technical assistance; earmarks $10 million for the U.N. Environment Program, $3 million for the U.N. Development Fund, and $17.5 million for the U.S. contribution to the programs of the Organization of American States;

Prohibits use of funds under this act to Afghanistan until the President certifies that the Government of Afghanistan (1) has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs, and (2) agrees to provide adequate protection for all U.S. government personnel in Afghanistan; states that these provisions shall not apply if the President determines that it is in the national interest of the U.S. because of substantially changed circumstances in Afghanistan; authorizes the use of up to $3.8 million for the Reimbursable Development Program; contains $268 million for operating expenses of AID; changes the responsibility for registering private and voluntary agencies for eligibility to receive AID resources from the Advisory Committee on Voluntary Foreign Aid to AID;

Authorizes $105,400,000 plus such sums as necessary for increases in salary, pay, retirement or other employee benefits authorized by law for fiscal 1980 for the Peace Corps; gives the Director of the Office of Personnel Management authority to establish rules and conditions whereby former and current Peace Corps employees may enter competitive service;

Includes a Food-for-Peace title amending Public Law 480 by making certain policy changes (1) to reflect the determination that U.S. food assistance be provided in a way that will not serve as a disincentive to local food production and marketing and (2) to strengthen the U.S. commitment to use food aid to encourage economic development in needy countries; makes clear that either the value of the commodities themselves or the meets other criteria under the food-for-development programs; provides for American agriculture participation in food-for-development programs;

Earmarks $5 million of available fiscal 1979 Middle East Special Requirements Funds for Lebanon; provides $1.7 million in grant military assistance to Sudan, changes from March 15 to May 1, 1979, the date for presidential submission of regulations establishing a unified personnel system for AID; requires the Secretary of State to report to Congress on the impact of foreign relations of annual human rights status of every foreign country; prohibits use of funds for aid to Vietnam, Cambodia or Cuba; urges that all nations which are not a party to the Treaty on Nuclear Non-Proliferation become parties to that Treaty and directs the Secretary of State to submit a report by November 1, 1979, to the appropriate committees of the Congress respecting Department implementation of this provision on a country-by-country basis; provides travel expenses for up to two annual round trips to the U.S. for college student dependents of employees of the State Department, the International Communication Agency, and the Agency for International Development; expresses the sense of the Congress that the President should negotiate with other developed countries to increase their aid contributions; allows the President to make available funds under this act for the benefit of any country demonstrating any significant improvement in its human rights record if it would serve U.S. national interests; requires the Secretary of State to report to Congress on the impact on foreign relations of annual human rights status of every foreign country; requires the President to periodically report on the prospects for permanent resettlement of Indochina refugees, in conjunction with bilateral and multilateral development assistance programs; urges the President to continue to support efforts of the Secretary General of the U.N. in dealing with the Southeast Asia refugee crisis; clarifies U.S. policy in the relationship between development and illicit narcotics production;

Establishes an Institute for Scientific and Technological Cooperation to assume responsibility for AID's development-related research with a global focus and to develop cooperative research and development arrangements with developing countries;

H.R. 3324—Passed House April 10, 1979; Passed Senate amended June 19, 1979; Senate agreed to conference report July 31, 1979.

International Security Assistance—arms export control; Authorizes a total of $2,887,000,000 for fiscal 1980 which includes $1.959 billion for economic support fund assistance, $673.5 million for foreign military sales, $159.6 million for grant military assistance;

Economic support fund: Authorizes $1.959 billion primarily for countries of the Middle East, including $785 million for Israel, $750 million for Egypt, $96 million for Turkey and $75 million for Southern Africa; authorizes $100 million in supplemental economic assistance to Turkey in fiscal 1979; calls for withdrawal of foreign forces from Cyprus, except UN forces;

Gives the President contingency authority to draw upon $10 million appropriated for other foreign aid purposes in case of economic emergencies and gives him the authority to draw down $10 million in Defense Department stocks in case of emergencies requiring military aid; authorizes $54.4 million for international narcotics control programs which include $16.6 million for Colombian interdiction programs;

Foreign military sales: Authorizes $673.5 million for foreign military sales financing which would allow the Federal Financing Bank to make FMS-guaranteed loans totaling $2.225 billion, of which $1 billion is earmarked for Israel; eliminates the $40 million ceiling on military assistance to African countries;

Authorizes the President to waive on a reciprocal basis various administrative costs and fees for arms sales made pursuant to NATO cooperative projects; provides that prohibitions controlling the export of nuclear weapons materials shall not cover depleted uranium of no use for radioactive characteristics;

Military grant assistance: Authorizes $159.6 million for military grant assistance programs with specific allocations as follows: $30 million for Portugal, $3.8 million for Spain, $30 million for Jordan, $25 million for the Philippines and $50 million for Turkey; provides termination of the availability of funds three years after the last fiscal year for which assistance was authorized;

Establishes a ceiling of $95 million on the value of additions to overseas stockpiles of defensive articles designated as war reserve stocks; authorizes the establishment of stockpiles in the Republic of Korea outside U.S. military bases; requires the President to transmit to Congress by December 31, 1979, a report on the war reserve program in Korea; increases the ceiling on commercial sales of major defense equipment from $25 million to $35 million; authorizes the assignment of more than six military personnel to perform security assistance management functions in each of fourteen specified countries;

Authorizes the grant transfer to the Arab Republic of Egypt of the facilities and related projects of the Sinai Field Mission and of $11.6 billion war reserve materiel and property located on Taiwan to the people of Taiwan; releases Thailand from its obligation to repay $10 million for ammunition; authorizes $6 million for the Sinai Field Mission and $9 million for Cyprus for peacekeeping operations; provides emergency transfer authority of $10 million between the Economic Support Fund and the peacekeeping account; authorizes the President to make available the resources of the Department of Defense in removing foreign troops from Zaire;

Reports to Congress: Excludes construction and non-weapons service, training or support sales from the President's arms sales report required under the Arms Export Control Act and requires the Administration to improve the accuracy of the report and to update it semiannually; requires the President to transmit to the Congress detailed estimates of the international arms traffic; directs the President to review the procedure governing the transfer of sensitive weapons technology; requires the President's report on arms sales to identify the degree of sensitivity of the technology of articles to be sold; extends the due date of quarterly reports on commercial and FMS sales and exports from 30 to 60 days after the close of the quarter; requires that the personnel costs of performing the functions covered by the Arms Export Control Act be accounted for; and explicitly exempts confidential information furnished in connection with arms export licenses from disclosure unless the Secretary of State finds the disclosure to be in the national interest. H.R. 3173—Passed House March 29, 1979; Passed Senate amended May 22, 1979. (107)

International Wheat Exporters Conference: States as the sense of the Senate that the collapse of international negotiations and the current situation in the world wheat market makes it imperative that the President actively work toward convening a negotiating conference of wheat exporting nations with the intent of reaching a cooperative arrangement to improve wheat trade policy and achieve equitable prices for producers while assuring adequate supplies for consumers. S. Res. 163—Senate agreed to May 23, 1979. (108)

Iranian human rights: Expresses abhorrence of the summary executions without due process in Iran and welcomes the recent statement of the Ayatollah Kohmeini that hereafter executions for crime in Iran shall be limited to the crime of murder and be based upon proof of guilt; and states that the Senate will act to prevent and to punish any attempts to carry out criminal or terrorist actions against persons in the U.S. whatever their alleged offenses in other countries. S. Res. 164—Senate agreed to May 17, 1979. (VV)

Mideast arms sales: Declares that the U.S. policy supports the peace treaty concluded between Egypt and Israel on March 26, 1979; urges the President to continue to exert every effort to bring about a comprehensive peace and to seek an end by all parties to the violence which could jeopardize this peace; authorizes the President to: (1) enter into contracts for the construction of two air bases in Israel to replace the Israeli air bases

located at Etzion and Etam on the Sinai Peninsula that are to be evacuated by Israel within three years after the date of the exchange of instruments of ratification and (2) provide to Israel on a grant basis up to $800 million (which is authorized to remain available until expended) worth of defense articles and services to construct the air base; makes the authority of the President to incur such obligations subject to a requirement that the Israeli government provide the U.S. with any additional funds that may be required over the amount authorized and in advance of the time that the payments are due; states the sense of the Congress that the President take necessary measures to insure completion of the Negev bases in an efficient and timely manner; authorizes the hiring of 60 non-government U.S. employees on a contract basis to expedite construction;

Authorizes an additional $3.7 billion under the Arms Export Control Act to guarantee loans of $2.2 billion to Israel and $1.5 billion to Egypt for the purchase of defense articles and services; states that this does not authorize or approve the sale of any particular weapons system to either country; establishes special terms which call for repayment of the $3.7 billion within a period of not less than 30 years and includes a ten-year grace period; states a finding of Congress that it may become necessary to modify the terms of the loans; directs the President to transmit by January 15 of each year a report regarding the economic conditions in Israel and Egypt and the impact of these conditions on their ability to meet their repayment obligations;

Authorizes an additional $300 million for economic aid to Egypt pursuant to chapter 4 of part II of the Foreign Assistance Act; authorizes the President to transfer to Egypt facilities and related property of the U.S. Sinai Field Mission as he may determine upon termination of the activities of the mission under the terms of the treaty; states the sense of the Congress that other members of the Organization for Economic Cooperation and Development (OECD) should give favorable consideration to providing financial support for implementing the Israel-Egypt treaty; requests the President to consult with other OECD members to develop an agreement to establish a peace development fund to underwrite the costs of implementing the treaty and encourage investments in Israel and Egypt and other countries that join the agreement and submit a report thereon to Congress by January 31, 1980; requires a report on the impact of Arab economic sanctions on Egypt;

States the sense of the Congress that the U.S. should be prepared to participate at an appropriate time in trilateral cooperative projects of a scientific and technological nature with Egypt and Israel; calls upon the President to develop a plan to guide the participation of Government agencies and private institutions in such projects and to submit the proposed plan to Congress within 12 months of enactment; directs the President to submit to Congress a detailed report, within 90 days of enactment, on the costs to the U.S. of implementing the treaty including estimates, and urges all countries in the Middle East who are not a party to the Treaty on the Non-Proliferation of Nuclear Weapons, including Israel and Egypt, to become parties to that Treaty. S. 1007—Public Law 96-35, approved July 20, 1979. (90)

Multilateral Development Banks: Authorizes additional subscriptions for the period 1979-1982 of $2.543 billion to callable capital (requiring no budgetary outlays) in the Inter-American Development Bank (IADB) and additional contributions of $1.476 billion to the Bank's Fund for Special Operations and to the lending facilities of the Asian Development Bank and the African Development Bank;

Authorizes the U.S. Governor of the IADB to vote for two resolutions proposed at a special meeting in December, 1978, and pending before the Board of Governors which (1) increase the authorized capital stock of the Bank and additional subscriptions thereto and (2) increase the Fund for Special Operations and Contributions; authorizes $2,749,207,968 as the U.S. subscription for the newly authorized capital stock ($2.543 billion callable and $206.19 million paid-in) and a contribution of $700 million to the Fund for Special Operations;

Authorizes a contribution of $445 million as the U.S. share of the Asian Development Fund (which is the soft loan window of the ADB);

Authorizes a contribution of $125 million as the U.S. share of the African Development Fund;

Provides that all authorized funds shall be available without fiscal year limitation; requires that all authorizations in this act be provided for in advance of appropriations acts; and provides that the act shall take effect upon enactment but that no funds shall be available prior to October 1, 1979. S. 662—Passed Senate May 17, 1979. (101)

NATO: Reaffirms, on the occasion of its 30th anniversary, the North Atlantic Treaty Alliance (NATO) as a vital commitment and cornerstone of United States foreign policy and rededicates the bi-partisan spirit that inspired its birth to the purpose of strengthening it further in the cause of peace and security; recognizes the contribution of the Canadian and European allies to the common defense and to the preservation of the civilization and common heritage of the west; and pledges Congressional support for the Alliance as the indispensable basis for the achievement of our mutual security, the reduction of tensions and the pursuit of improved relations among all nations. H.J. Res. 283—Public Law 96-9, approved April 19, 1979. (VV)

Nazi War Criminals: Expresses the sense of the Senate that West Germany abolish or extend its statute of limitations, which expires on December 31, 1979, concerning the prosecution of Nazi and other war criminals in order to allow a period of time sufficient for their prosecution. S. Res. 99—Passed Senate May 21, 1979. (VV)

Panama Canal implementation legislation: Provides for the implementation of the Panama Canal Treaty of 1977 and related agreements;

Panama Canal Commission: Establishes the Panama Canal Commission as a government corporation, to be the successor of the Panama Canal Company, and provides for the continuation of U.S. direct investment in the present Panama Canal Company on the books of the Commission; continues the current requirement that the Panama Canal Company pay interest to the U.S. Treasury on the net U.S. direct investment in the Canal operation; contains a formula which insures that the contingent payment to Panama will be made only after all operating costs have been met; provides for an annual U.S. payment of $10 million to Panama for certain public services in the Canal operating and housing areas which will be reevaluated every three years.

Provides for the appointments of all members of the nine-member Panama Canal Commission Board by the President and requires that the five U.S. members be confirmed by the Senate; provides that a quorum for the Board to transact business shall consist of a majority of the directors of which a majority present must be U.S. nationals; provides that the Administrator (who shall be a U.S. citizen until 1990 and a Panamanian thereafter) and the Deputy Administrator (who shall be a Panamanian until 1990 and a U.S. citizen thereafter) of the Canal Zone shall be appointed by the President and requires Senate confirmation of the Administrator;

Provides for an ombudsman (who shall be a U.S. citizen with no administrative authority) to receive individual complaints and suggestions from government personnel concerning problems resulting from implementation; restates the sue-and-be-sued clause to provide that the amenability of the Commission to suit is limited by the immunities provided by article VIII (which provides that the Commission, as an agency of the U.S. government, is immune from the jurisdiction of Panama) or otherwise by law; makes specific powers of the Commission subject to the requirements of the Government Corporation Control Act, the Treaty and related agreements; provides for the Commission to assume the assets and liabilities of the Panama Canal Company and the Canal Zone government that have been transferred to other U.S. agencies or to Panama and specifies the accounting basis to be used for those assets which are to be transferred and depreciated; preserves the basic authority of the U.S. to prescribe regulations governing the navigation of the waters of the Canal and its adjacent areas, the passage of vessels and pilotage in the Canal; continues the arrangement under which the Commission would be reimbursed for amounts expended in maintaining defense facilities in standby condition for DOD; directs the President to designate an agency to provide educational and health care services which, under the Treaty, the Commission is not authorized to operate; permits establishment of a system for the assignment of U.S. employees to assist in operating the activities transferred to Panama; authorizes the Commission and other agencies to enter into cross-servicing agreements for the use in furnishing services and performing functions;

Provides procedures for prescription of measurement rules and setting of tolls which are generally consistent with provisions of the Administrative Procedures Act and incorporates the provisions of understanding regarding factors to be considered in the adjustment of rates or tolls included by the Senate in the Resolution of Ratification of the Neutrality Treaty; specifies procedures for their revision and provides for judicial review of such changes; authorizes the present Panama Canal Company to review and change the rates of tolls so that increased rates may become effective on October 1, 1979, to cover the increased financial obligations of the Commission imposed by the annuity provisions; amends the tolls formula to assure that tolls will be set at a level sufficient to provide for the operation of the Canal on a self-sustaining basis; and requires payment of direct tolls by U.S. vessels, including warships and other military vessels, transiting the Canal;

Revises the types of damages recoverable from the Commission in vessel accident claims; establishes a statute of limitations for vessel accident suits against the Commission; establishes a board of local inspectors, as an administrative arm of the Commission, to conduct vessel accident investigations;

Authorizes the President to appoint the U.S. representatives to any joint committee subsequently designated to study the possibility of a sea-level Canal in Panama; requires that the study be transmitted to the Congress; and precludes U.S. construction of such a Canal in Panama unless expressly authorized by Congress;

Panamanian relations and security matters: Provides for the establishment of a Panama Canal Consultative Committee to advise the U.S. and Panama on policy matters affecting the Canal's operations; directs the Commission to establish a Joint Commission on the Environment to monitor the environmental effects of implementation;

gives the U.S. Ambassador to Panama full responsibility for coordinating the transfer of functions to be assumed by Panama except for Commission responsibilities of operating, managing and maintaining the Canal; expresses the sense of the Congress, in accordance with Condition No. 2, that the President should enter into negotiations with Panama to arrange for the stationing of U.S. military forces and the maintenance of installations and facilities after the expiration of the Treaty and requires a report on the status of these negotiations; excludes from application to the Canal Zone certain provisions of title 50, U.S.C., concerning the regulation or seizure of foreign vessels in time of national emergency; provides diplomatic immunity for up to 20 officials of the Panama Canal Commission and their dependents; repeals certain provisions of the Panama Canal Code and the Arms Export Control Act inappropriate under the new Treaty arrangements;

Employees and postal matters: Applies title VII of the Civil Service Reform Act as the statutory foundation to govern union representation and collective bargaining for employees of the Panama Canal Commission and the Department of Defense; continues the provisions of present law that exclude foreign territory from the coverage of the Fair Labor Standards Act application of the minimum wage; provides additional benefits for certain individuals who were employed in the Canal Zone prior to October 1, 1979, which will affect two major groups of Federal employees: (1) those whose jobs will be abolished as of October 1, 1979, who would be eligible for liberalized involuntary benefits; and (2) those who will be transferred to the Department of Defense and the Panama Canal Commission for employment in the Canal Zone after October 1, 1979, would be eligible for liberalized early retirement benefits and increased annuities; authorizes the payment of a cost-of-living allowance beginning October 1, 1984, in an amount to be determined by the Commission to offset any increased cost of living which may result from the expiration of eligibility to buy from U.S. military facilities to U.S. citizens who are employed by the Panama Canal Commission prior to October 1, 1979, and to persons of any nationality who are recruited outside the Republic of Panama on or after that date; provides for payment of certain dependent travel for undergraduate study in the U.S.; mandates certain other benefits to be provided by the Panama Canal Commission, the Office of Personnel Management and the Department of Defense; provides for the discontinuance of the postal service as required under the Treaty but authorizes the Panama Canal Commission to pay outstanding postal savings and money orders and otherwise handle the liquidation of the service; sets up a procedure for handling mail addressed to the Canal Zone through military offices;

Miscellaneous: Provides for governing court jurisdictions, custody of prisoners and related matters, during the transition period after the Treaty enters into force;

Permits the immigration into the U.S. of certain foreign employees of the U.S. government in the Canal Zone and their dependents; and limits to 25,000 the total number of individuals who may be admitted with an annual ceiling of 7,500;

Makes technical amendments to the Canal Zone relating to health care facilities operated by the Canal Zone Government, which under the terms of the Treaty would be discontinued and operated by an agency other than the Commission; implements Reservation No. 3 to authorize the expenditure of funds for the removal, transportation and reinterment of the remains of U.S. citizens; requires the President to continue operation of the Canal Zone College for the duration of the Treaty; and sets effective dates for the various Treaty provisions. H.R. 111—Passed House June 21, 1979; Passed Senate amended July 26, 1979; In conference. (226)

Peace Corps authorization: Authorizes $105,400,000 plus such sums as necessary for increases in salary, pay, retirement or other employee benefits authorized by law for fiscal 1980 for the Peace Corps; deletes the provision earmarking $1 million for support of the United National volunteer programs; and confers upon qualified former and current Peace Corps employees, with 3 years of service, the civil service status which would enable them to reenter Federal service as civil service employees. S. 802—Passed Senate June 14, 1979. NOTE: (These provisions are also contained in H.R. 3324 as passed by the Senate.) (VV)

Reorganization of foreign aid activities: Establishes the International Development Cooperation Agency (IDCA), whose Director would be the principal advisor to both the President and the Secretary of State on all trade, science and technology and other matters significantly affecting developing nations; transfers authority over the developmental aspects of U.S. participation in multilateral development banks from the Treasury Department to IDCA; transfers from the State Department to IDCA budget and policy responsibility for eight major international development programs, including the U.N. Development Program, UNICEF, the World Food Program, the U.N. Disaster Relief Organization and four other international development organizations or programs in the UN or the Organization of American States; includes in IDCA the Agency for International Development (AID) and the proposed new Institute for Technological Cooperation (which was deleted from the International Development Assistance Act; and provides that the IDCA Director will replace the AID Administrator as Chairman of the Board of Directors of the Overseas Private Investment Corporation (OPIC). S. Res. 140—Senate rejected disapproval Resolution July 9, 1979. (160) H. Res. 231—House rejected disapproval resolution July 11, 1979.

Rhodesian election observers: Provides for the President pro tempore of the Senate and the Speaker of the House, acting jointly after consultation with the majority and minority leaders, to appoint two cochairpersons of a team of observers of the Rhodesian elections on April 20, 1979, these cochairpersons to select 25 to 50 other observers; delineates the purpose of the observers as being to determine whether all the people of Rhodesia were given a fair opportunity to participate in the election, whether public participation was disrupted by guerilla activities, and whether eligible voters expressed opposition to the election by voluntarily refraining from voting; authorizes an amount not to exceed $250,000 from the contingent fund of the Senate to cover the expenses of the observer team; and provides that nothing in the resolution shall be deemed to endorse or legitimize the election or the government of Rhodesia. S. Con. Res. 8—Senate agreed to March 28, 1979. (31)

State Department authorization: Authorizes a total of $2,123,951,000 for fiscal 1980 for the Department of State, the International Communication Agency and the Board for International Broadcasting (which makes grants to Radio Free Europe/Radio Liberty); and authorizes a total of $104,910,000 in fiscal 1979 supplemental funds for the Department of State;

Authorizes $1,610,052,000 for fiscal 1980 plus an additional $104,910,000 in supplemental funds for 1979 for the State Department; includes $849,423,000 for Administration of Foreign Affairs which includes almost all salaries, expenses and allowances for officers and employees of the State Department; funds for foreign service buildings abroad; and funds for mandatory payments to the Foreign Service Retirement and Disability Fund; makes $268,000 available on a contingency basis to open a post in Rhodesia, Namibia, Uganda or Angola if the President determines that it is in the foreign policy interests of the United States; states the sense of the Congress that the President, not later than 10 days after the installation of the black majority government in Rhodesia, should determine that section 27 of the International Security Assistance Act of 1978 has been substantially complied with and should not enforce sanctions against Rhodesia; requires the President to report to Congress, no later than two weeks after the installation of a new government in Rhodesia or June 30, 1979, whichever is earlier, his determination as to whether section 27 has been complied with so that sanctions against Rhodesia may be lifted; contains $502,945,000 for International Organizations and Conferences which includes the U.S. assessment to the United Nations, and its specialized and associated agencies, Inter-American Organizations, regional organizations including NATO, and other international organizations and conferences; contains $26,733,000 for International Commissions which includes U.S. boundary commitments with Canada and Mexico and the U.S. share of the expenses of nine international fisheries commissions; contains $248,951,000 for Migration and Refugee Assistance which provides U.S. assistance to migrants and refugees through contributions to the Intergovernmental Committee for European Migration, the U.N. High Commissioner for Refugees, the International Committee of the Red Cross and direct assistance through voluntary agencies; earmarks $25 million of the amount authorized for the purpose of resettling Soviet and Eastern European refugees in Israel; contains $104,900,000 in supplemental funds for 1979 necessary to assist the unexpected increase in refugees from the Soviet Union, Eastern Europe and Indochina; makes permanent the following authorities, which in the past have been provided annually: (1) authorization to pay nondiscretionary employee benefits authorized by law; (2) authority to provide appropriations for a fiscal year to offset adverse fluctuations in the value of the dollar which would undermine the regular and necessary operational activities of the Department; (3) authorization for funds to remain available for expenditure beyond the end of the fiscal year when so provided; and (4) authority to transfer funds from one departmental account to another because of unanticipated changes and requirements; provides for a new appropriation request of $1.4 million to finance the U.S. share (50 percent) of an ongoing program of Science and Technology Cooperation with Yugoslavia for a second 5-year period; repeals a provision adopted to the 1979 State Department Appropriations Act (Public Law 95-374) which prohibited the U.N. to use any of the U.S. assessment to furnish technical assistance; makes the promotions of 64 Foreign Service Officers of classes 7 and 8 on the promotion list confirmed by the Senate on March 21, 1979, retroactively effective to December 17, 1978; amends the Immigration and Nationality Act of 1952 to authorize a narrow expansion of existing authority to waive nonimmigrant business and tourist visa requirements for persons coming from countries where visa fraud is very low; requires the State Department to keep open the following 6 of the 13 consulates slated for closing pursuant to the Civil Service Reform Act (Public Law 95-454) requiring Federal personnel level reductions: Goteborg, Sweden; Bremen,

Germany; Salzburg, Austria; Turin, Italy; Nice, France; and Adana, Turkey; calls for a study of the State Department's overall personnel needs and resources and requires submission of a report thereon to the Congress by January 1, 1980; requires the Secretary of State to implement to the maximum extent possible, the recommendations of the April 5, 1979, GAO report relative to coordinating and monitoring pay systems and wage schedules of foreign nationals employed by U.S. agencies overseas;

Authorizes $426,962,000 for 1980 for the International Communication Agency (ICA), (which came into being on April 1, 1978, as a result of Reorganization Plan No. 2 which consolidated into it the functions previously performed by the U.S. Information Agency and the Bureau of Educational and Cultural Affairs in the Department of State); places into permanent law the same authorities as those granted the State Department with regard to Nondiscretionary Personnel Costs and currency fluctuations; equalizes the compensation of members of ICA's Board of Foreign Scholarships with that of members of other Federal advisory boards; authorizes the distribution within the United States of the films "Aspen" and "Margaret Mead—Reflections" if the agency obtains the necessary copyright clearances; repeals conflicting provisions to allow the agency to conduct its security clearances more efficiently; amends the Smith-Mundt Act of 1948 to extend ICA's present authority to employ aliens for the preparation and production of foreign language programs as well as for narration and translation and provides permanent authority for ICA to hire aliens within the U.S.; permits the procurement of furniture and furnishings from sources other than the GSA; authorizes the reimbursement for services which ICA performs at an agency's request in connection with exchange activities; provides authority in ICA's basic legislation to make payments for rent, repairs and improvements for land and equipment used by the Voice of America; and makes certain technical amendments to the Act which include authority to enter into real estate leases abroad for up to 10 years and to purchase righthand drive vehicles without maximum price limitations;

Authorizes $86,917,000 for 1980 for the continued oversight activities of the Board for International Broadcasting (BIB) and for its grants to Radio Free Europe/Radio Liberty (RFE/RL) for broadcasts to Eastern Europe and the Soviet Union; earmarks $800,000 of these funds for BIB to carry out its oversight responsibilities; repeals a provision enacted in the 1979 Foreign Relations Authorization Act (Public Law 9–426) which prohibits funds to RFE/RL if it permits a Communist country to use its broadcasting facilities without having the use of that country's broadcasting facilities on a comparable basis; requires BIB to prepare and transmit to the Congress a report setting forth alternative plans for the relocation of RFE/RL headquarters in Germany; and

States the sense of the Congress that it should be U.S. policy to promote and encourage cultural, scientific and economic relations between Egypt and Israel; authorizes the continuation of diplomatic immunities and privileges to employees of the International Labor Organization (ILO), from which the United States withdrew in November of 1977, since a return to the ILO is under active consideration; urges the International Whaling Commission and all whaling nations to adopt a complete cessation of commercial whaling; and establishes, within the Executive Office of the President, the positions of Assistant and Deputy Assistant to the President for National Security Affairs and requires that these positions be subject to Senate confirmation if filled. H.R. 3363—Passed House April 24, 1979; Passed Senate amended May 15, 1979; Conference report filed. (95)

Taiwan relations: Provides statutory authorization for the maintenance of commercial, cultural and other unofficial relations with the people on Taiwan in light of the recognition of the People's Republic of China (PRC) as the sole legitimate government of China; provides that relations with respect to the people on Taiwan shall be conducted by or through the American Institute in Taiwan, a private corporation which is funded by the U.S. Government and whose trustees are appointed by the Secretary of State; assures that the recognition of the PRC does not affect the ownership of property owned by Taiwan in the name of the Republic of China, including its former embassy at Twin Oaks;

States U.S. policy: to preserve and promote extensive, close and friendly relations with the people on Taiwan, mainland China and all in the Western Pacific area; to make clear that the U.S. decision to recognize the PRC rests on the expectation that any resolution of the Taiwan issue will be by peaceful means; to consider any effort to resolve this issue by other than peaceful means, including boycotts or embargoes, as a threat to the peace and security of the Western Pacific area and of grave concern to the United States; to provide the people on Taiwan with arms of a defensive character; and to maintain U.S. capacity to resist force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan; states that nothing in this act shall contravene the U.S. interest in the human rights of the people on Taiwan; provides that in furtherance of this policy, the U.S. will assist the people on Taiwan to maintain a sufficient self-defense capability through the provision of defensive articles and services, the nature and quantity of which the President and Congress shall determine; directs the president to inform the Congress promptly of any threat to the security or social or economic system of Taiwan and any danger to U.S. interests arising therefrom;

Provides that no requirement or diplomatic relations or for recognition by the U.S. as a condition of eligibility for participation in programs, transactions or other relations under U.S. law shall apply to Taiwan; provides that recognition of the PRC shall not affect the ownership of properties held by the people on Taiwan before or after December 31, 1978;

Provides that the $1,000 per capita income restriction applicable to the Overseas Private Investment Corporation in regard to its determining whether to provide any insurance, reinsurance loans or guarantees for a project shall not apply with respect to Taiwan;

Provides that U.S. programs, transactions and other relations be conducted through the American Institute in Taiwan and authorizes its employees in Taiwan to assist and protect Americans abroad;

Requires the Secretary of State to transmit to Congress the text of any agreement to which the Institute is a party;

Provides that the House Commitee on Foreign Affairs, the Senate Committee on Foreign Relations and other appropriate committees of the Congress monitor the implementation of this act; and authorizes for fiscal 1980 such funds as may be necessary for the Secretary of State to carry out the provisions of this act. H.R. 2479—Public Law 96–8, approved April 10, 1979. (17, 32)

Ugandan Aid: Removes existing restrictions on humanitarian and economic assistance to Uganda which were imposed by authorities under the International Development and Food Assistance Act of 1978 (Public Law 95–424) and the Foreign Assistance and Related Programs Appropriations Act, 1979 (Public Law 95–481) and removes the trade restrictions invoked against Uganda by authorities under the International Monetary Fund Amendments of 1978 (Public Law 95–435) and the Export-Import Bank Act Amendments of 1978 (Public Law 95–630). S. 1019—Passed Senate May 7, 1979; Passed House amended May 21, 1979; Conference report filed. (VV)

United Nations Commission on Americans MIA's in Southeast Asia: States the sense of the Congress that the President should instruct the Secretary of State to seek the good offices of the Secretary General of the United Nations for the purpose of establishing a special investigatory commission composed of individuals selected because of their impeccable credentials and their long-standing service to the principles embodied in the United Nations Charter, charged with the responsibility of securing a full accounting of Americans listed as missing in Southeast Asia. H. Con. Res. 10—Action completed July 18, 1979. (VV)

JUDICIARY

Antitrust procedural improvements: Implements the following four recommendations of the National Commission for the Review of Antitrust Laws and Procedures for statutory changes to the Antitrust Civil Process Act, in order to expedite and reduce the cost of antitrust litigation: (1) gives the Attorney General and the Assistant Attorney General in charge of the Antitrust Division, express authority to issue civil investigative demands for products of discovery in the hands of parties to litigation not involving the Department of Justice; clarifies the authority of the Antitrust Division to use outside contractors to process, analyze and evaluate materials produced pursuant to civil investigative demands: subjects outside contractors to criminal penalties under 18 U.S.C. 1905 for unauthorized disclosure of material obtained pursuant to civil investigative demands; (2) makes an attorney who engages in conduct primarily for the purpose of delay or increasing costs liable for the excess expenses and attorney fees reasonably incurred; (3) authorizes Federal judges to award to successful antitrust plaintiffs interest on their actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time of judgment; and (4) permits Federal courts to apply in private antitrust actions following Government suits against the same defendants the same collateral estoppel principles now applicable in other cases; and amends section 7 of the Clayton Act to allow the Department of Justice and private parties to challenge anticompetitive acquisitions involving noncorporate business entities and individuals. S. 390—Passed Senate July 20, 1979. (VV)

Attorney fees: Permits a court, in its discretion, to award attorney fees and other expenses to prevailing parties in civil litigation involving the U.S. to the same extent it may award fees in cases involving private parties; establishes a general statutory exception for an award of fees against the government under which certain parties who prevail in administrative adjudications or civil actions brought by or against the U.S. will be entitled to attorney fees and related costs unless the government action is shown to be "substantially justified"; sets at $75 per hour the maximum attorney fee that may be awarded; includes as parties eligible to recover fees under these new sections individuals whose net worth is less than $1 million and sole owners of unincorporated businesses, partnerships, corporations, associations or other organizations whose net worth is less than $5 million; and allows agriculture cooperatives to qualify for reimbursement without regard to net worth. S. 265—Passed Senate July 31, 1979. (238)

Bankruptcy code treatment of student loans: Amends the Bankruptcy Act to close a gap created under the 1978 amendment (Public Law 95–598) which repealed, effective November 6, 1978, provisions of the

Higher Education Act making student loans nondischargeable and transferred these provisions to the Bankruptcy Code effective October 1, 1979, by providing that these amendments will apply to any proceeding commenced under the Bankruptcy Act during the period beginning on the date of enactment and ending October 1, 1979; and clarifies that any educational loan made, insured, or guaranteed by a governmental unit, or made or funded in whole or in part by a governmental unit or a nonprofit institution of higher education is nondischargeable in bankruptcy for a period of five years unless it would cause an undue hardship on the debtor or dependents of the debtor. H.R. 2807—Public Law 96– , approved , 1979. (VV)

District Court relocations: Amends section 4 of the Federal District Court Organization Act of 1978 (Public Law 95–408) to assign the senior district judge of the former eastern district to the new southern district on the effective date of the act; provides for a second judge for the newly constituted southern district to be appointed by the President; assigns the remaining district judge from the former eastern district and the district judges from the former southern districts to the new central division; provides that the tenure of the U.S. attorney, the assistant U.S. attorney and the U.S. marshal of the eastern district will remain the same though their district of service will become the southern district and makes the same provisions for officers in the former southern district which will become the central district; ensures that the inquiry and indictment powers of any grand jury impaneled in the new districts extends to acts committed within the territory they encompassed before or after the effective date of the realinement; and conforms the effective date of Public Law 95–573 which placed Kankakee County, Illinois, into the Central District of Illinois with the March 31, 1979, effective date in Public Law 95–408. H.R. 2301—Public Law 95–4, approved March 30, 1979. (VV)

Federal rules of criminal procedure and evidence: Delays until December 1, 1980, or earlier if approved by Congress, the effective date of the following amendments promulgated by the Supreme Court and transmitted to Congress on April 30, 1979: Rules 11 (e)(6) of the Federal Rules of Criminal Procedure and rule 410 of the Federal Rules of Evidence which deal with the admissibility of statements made during plea negotiations; Rules 26.2 and 17(h) of the Federal Rules of Criminal Procedure which would amend the Jencks Act (18 U.S.C. 3500) by providing that statements of defense witnesses be disclosed to the Government prior to cross-examination; Rules 32.1, 32(f) and 40(d) of the Federal Rules of Criminal Procedure which deal with probation revocation procedures, currently being studied as part of the criminal code recodification legislation; and Rule 44 (c) of the Federal Rules of Criminal Procedure which deals with multiple-defendant representation by a single attorney and the potential conflict of defendants' interests which may arise. H.R. 4712—Public Law 96– , approved 1979. (VV)

Justice Department authorization: Authorizes a total of $1,928,816,000 for the Department of Justice for fiscal 1980 as follows: $31,417,000 for general administration; $5,555,000 for the U.S. Parole Commission; $111,748,000 for general legal activities which includes $30,315,000 for the criminal division, $25,207,000 for the civil division, $16,076,000 for the civil rights division, $16,439,000 for the land and natural resources division, and $23,711,000 for other legal activities; $48,592,000 for the antitrust division; $232,573,000 for U.S. attorneys and marshals; $25,100,000 for support of U.S. prisoners; $27,052,000 for fees and expenses of witnesses; $5,428,000 for community relations services; $584,408,000 for the Federal Bureau of Investigation; $313,317,000 for the Immigration and Naturalization Service; $193,836,000 for the Drug Enforcement Administration; and $349,790,000 for the Federal Prison System;

Prohibits authorized funds to pay the salary of any attorney (except a foreign counsel in special cases) employed after enactment unless the attorney is licensed and authorized to practice under the laws of any State, territory or the District of Columbia; adds language which states that the Department of Justice will not be required to absorb from appropriated sums any increases in salary and other nondiscretionary costs in order to encourage the Administration to seek a pay supplemental; prohibits the use of funds under the act to purchase or lease message-switching equipment until the Judiciary Committees of both Houses have approved; authorizes the FBI to use funds for certain activities connected with its undercover operations, such leasing space, upon certification by the Director or the Attorney General; requires the Director to conduct a detailed fiscal audit of any undercover operation having gross receipts or income in excess of $50,000 and to submit a report thereon to the Attorney General and calls for the Director to make similar reports to the Congress annually; retains the requirement that the Department of Justice inform the appropriate Congressional committees of impending reprogrammings with a modification which requires committees notification 20 working days prior to the action; directs the Attorney General to complete evaluations on the efficiency and effectiveness of Justice Department programs at the request of either the Senate or House Judiciary Committee and requires the Attorney General to submit to the requesting committee, within 30 working days, a design and timetable for making the evaluation; requires the Attorney General to obtain a comprehensive, independent management analysis of the Immigration and Naturalization Service and to submit a report to Congress on the results of the analysis together with any administrative or legislative recommendations to improve the operations of the Service; requires the Attorney General to prepare and submit to the Senate and House Judiciary Committees by January 1, 1980, a plan for the activation and coordination of comprehensive case management information and tracking systems for each judicial district; provides for a separate appropriation for the Special Counsel appointed by the Attorney General on March 23, 1979; prohibits the Immigration and Naturalization Service from paying any of its employees more than the amount earned by the Commissioner; authorizes the Attorney General to initiate, at his discretion, investigations of possible violations of the environmental or natural resources laws; amends the Controlled Substances Act to (1) authorize the Attorney General to make payment for tort claims arising in a foreign country as a result of the operation of the Drug Enforcement Administration, and (2) provide that informants who furnish information leading to the seizure and forfeiture of goods under customs laws are entitled to compensation of up to 25 percent of the value of the forfeited goods, but not to exceed $50,000; contains $5 million for joint State and local law enforcement agencies engaged in cooperative enforcement; terminates the service of private process by U.S. marshals, except for indigents or as ordered by a court; and requires the Attorney General to submit a plan to Congress on the rehabilitation of the Leavenworth Penitentiary. S. 1157—Passed Senate June 4, 1979. (115)

LEAA: Reauthorizes the Federal criminal justice improvement program for five years, through fiscal 1984; restructures LEAA to assist State and local governments in improving the quality of their justice systems and reforms Federal criminal justice research, statistics and assistance efforts to make them more effective and to reduce redtape and delay;

Restructures the current law enforcement assistance programs by establishing two new organizations within the Department of Justice: the National Institute of Justice (NIJ) to engage in and encourage research and development activities relating to the administration of justice; and the Bureau of Justice Statistics (BJS) to provide for and encourage the collection and analysis of statistical information relating to crime and the justice system; establishes an Office of Justice Assistance, Research and Statistics (OJARS) to coordinate the activities of these two new organizations and the Law Enforcement Assistance Administration; requires Senate confirmation of the Directors of NIJ, BJS, LEAA and OJARS; and authorizes $825 million annually for fiscal 1980 through 1984 for law enforcement assistance programs and $15 million annually to pay death benefits for public safety officials killed in the line of duty;

Contains other reforms to: Reduce redtape by eliminating burdensome annual planning requirements and replacing them with simplified, three-year applications; provide States and localities greater flexibility to deal with unique needs by eliminating earmarking of funds except for juvenile delinquency and community anticrime programs; guarantee large cities and countries a fixed allotment of funds; grant localities greater control over the uses of LEAA funds in their communities; eliminate the matching requirements for funds for criminal justice improvement projects; place limitations on the use of funds for administrative or equipment costs and curtail use of funds for general salary payments and construction costs; guarantee citizen, neighborhood and community groups opportunities to participate in the priority-setting process and to be represented on State and local advisory boards; authorize research directed at developing new methods for the improvement of police-minority relations; encourage prison industry programs through not more than seven pilot projects; require LEAA to provide a comprehensive analysis of criminal justice in 18 central aspects; require evaluation of funded programs and use of resources for essential purposes; develop programs to reduce parental kidnapping; provide that all States shall be considered equally for reallocated funds; exempt energy impact areas from the prohibition on the expenditure of funds for certain criminal and juvenile justice programs and continue judicial coordination functions and special recognition of judicial need. S. 241—Passed Senate May 21, 1979. (103)

Speedy trials: Amends the Speedy Trial Act to: suspend until July 1, 1980, the sanction of dismissal for failure to meet the specified time limits; merge the ten-day indictment-to-arraignment and the 60-day arraignment-to-trial time limits into a single 70-day indictment-to-trial period; require in the absence of a waiver by the defendant, a minimum of 30 days between the defendant's first appearance with counsel and trial; require that, if a defendant is to be tried on an indictment or information dismissed by a trial judge, and reinstated on appeal, trial shall commence within 70 days, and provides for extension of this time limit to 180 days if trial within 70 days is impractical; clarify certain periods of exclusion from the time limits and clarify provisions relating to authority for courts to order continuances when required to meet "the ends of justice"; make permanent the interim limit of 90 days from

commencement of custody or designation as a high risk defendant to beginning of trial, with provision for release from custody or review of the high risk designation if this limit is exceeded; require all districts except those which elect to reimpose the dismissal sanction prior to July 1, 1980, to file one additional speedy trial plan; require additional information to be included in the next report to the Congress to be submitted by the Administrative Office of U.S. Courts, and require a one-time report by the Department of Justice, to be submitted to Congress not later than December 31, 1979, detailing the experience of the U.S. Attorneys in implementing the act; require that the membership of each district planning group include an attorney in private practice with substantial experience in civil litigation; make the data collection requirements permanent; provide for final approval by the circuit councils of time limit extensions due to judicial emergency; modify the provisions for the granting of additional extensions of time limits beyond the initial extension; and authorize the chief judge of each district to suspend the time limits for a period of 30 days, when the need for such a suspension is found by the chief judge to be of great urgency. S. 961—Public Law 96– , approved 1979. (VV)

Supreme Court cases—School prayer: Provides greater discretion to the U.S. Supreme Court in selecting the cases it will review by converting its appellate jurisdiction from being totally obligatory to being almost totally discretionary with minor exceptions; repeals the mandatory appellate jurisdiction in the Supreme Court for cases from district courts where one judge has invalidated an Act of Congress involving the U.S. Government as a party; substitutes review by writ of certiorari for mandatory appellate jurisdiction in cases involving Federal questions arising from the U.S. Court of Appeals; provides for writ of certiorari rather than appellate jurisdiction over cases from the highest State court involving Federal questions, and from the Supreme Court of Puerto Rico; abolishes three special appellate jurisdictions over cases involving (1) the Federal Election Campaign Act, (2) certain California Indian lands and (3) the construction of the Alaska pipeline; specifically allows direct jurisdiction over Alaska pipeline cases by writ of certiorari; and eliminates all jurisdiction of the Supreme Court and the District Courts over any case arising from State legislation relating to voluntary prayer in public schools. S. 450—Passed Senate April 9, 1979. (40)

U.S. Attorneys for Eastern District, New York: Amends section 545(a), title 28, U.S.C. (which requires that U.S. attorneys and assistant U.S. attorneys reside in the district for which they are appointed), to allow the U.S. attorney and the assistant U.S. attorneys appointed for the eastern district of New York to reside within 20 miles of the district. S. 567—Passed Senate May 2, 1979. (VV)

U.S. Magistrates Jurisdiction: Expands the jurisdictional provisions for U.S. magistrates (section 636, title 28, U.S.C., in civil cases and section 3401, title 28, U.S.C., in misdemeanor cases) in order that they may finally determine civil and all misdemeanor cases;

Makes the authority to try civil cases subject to the consent of the parties to trial before the magistrate and requires that the district court judges approve the magistrate's exercise of this authority; provides a right of appeal from any judgment entered to the proper court if both parties consented at the time of reference to the magistrate; provides that a magistrate may serve in one or more adjoining districts upon the concurrence of a majority of the judges of each of the courts involved; requires the Judicial Conference to promulgate standards for the qualifications of magistrates and procedures for their selection and requires the Director of the Administrative Office of the United States Courts to report to Congress on the implementation of the new selection procedures; extends existing provisions for payment of certain litigation expenses for indigent parties to include proceedings before a U.S. magistrate;

Expands the existing jurisdiction of magistrates to try minor offenses to include all misdemeanors; provides the government with the right to remove a particular misdemeanor from the magistrate for trial before a district judge for good cause; authorizes magistrates to conduct misdemeanor proceedings involving juveniles subject to specified limitations;

Authorizes the magistrates to accept guilty pleas or pleas of nolo contendere in a case lying outside of his trial jurisdiction; directs the Judicial Conference to conduct a comprehensive study of the magistrates system and report its findings and recommendations to Congress within 18 months of enactment; provides the Judicial Conference and the Administrative Office with the necessary authority to consider magistrates' needs for legal assistance in allocating staff support; and authorizes such sums as necessary to carry out this act. S. 237—Passed Senate May 2, 1979; Passed House amended June 6, 1979; Senate requested conference July 10, 1979. (VV)

NATURAL RESOURCES AND NATIONAL HISTORIC SITES

Colorado River Basin salinity control: Increases from $155,500,000 to $333,382,000 the appropriations ceiling for the construction of a large desalting plant near Yuma, Arizona (pursuant to an agreement with Mexico dated August 30, 1973) to cover increases in construction costs and certain project changes; authorizes the use of excess power and energy from the Navajo Generating Station at Page, Arizona, to meet the power requirements of the program; authorizes the Secretary to enter into contracts for the delivery of certain water within the United States for irrigation, municipal and industrial uses; and authorizes the Secretary to provide measures to mitigate fish and wildlife habitat losses resulting from the construction S. 496—Passed Senate June 4, 1979. (VV)

Frederick Law Olmsted National Historic Site: Establishes the home and office of Frederick Law Olmsted, in Brookline, Massachusetts, as a national historic site within the National Park System; authorizes the Secretary of the Interior to acquire the home and office together with the Olmsted archival collection which is housed there, and to enter into a cooperative agreement with an appropriate entity to provide for the management of the collection; authorizes, from the Land and Water Conservation Fund, $514,000 for the acquisition of the archival collection, $1,230,000 for its preservation and $200,000 for site development plus such sums as necessary for land acquisition; requires submission of the following reports to the appropriate Congressional committees: within three years of enactment a general management plan; within six months, an acquisition progress report and provisions for management and permanent protection of the archival collection; and within one year the final management and protection arrangements for the collection; limits entrance and admission fees charged at units of the national park system to those areas and rates which were in effect as of January 1, 1979; and makes technical and clarifying amendments to the National Parks and Recreation Act of 1978 (Public Law 95-265) and to the Wild and Scenic Rivers Act of 1968. S. 495—Passed Senate June 7, 1979. (VV)

Yakima River Basin Feasibility Study: Authorizes the Secretary of Interior to conduct a feasibility study of the proposed Yakima River Basin Water Enhancement Project, in Washington; authorizes the Secretary to accept money from the State and others to assist in financing the study; and provides that State funds shall be credited to the total amount of costs it would be required to bear if Congress authorizes and appropriates the project. S. 585—Passed Senate July 24, 1979. (VV)

NOMINATIONS

(Action by Roll Call Vote)

Benjamin R. Civiletti, of Maryland, to be U.S. Attorney General: Nomination confirmed August 1, 1979. (245)

Charles W. Duncan, Jr., of Texas, to be Secretary of Energy: Nomination confirmed July 31, 1979. (241)

Robert J. Kutak, of Nebraska, to be member of Board of Directors of Legal Services Corporation: Nomination confirmed May 2, 1979. (75)

Frank P. Reiche, of New Jersey, to be member of the Federal Election Commission: Nomination confirmed July 25, 1979. (219)

Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China: Nomination confirmed February 26, 1979. (9)

SENATE

Female Senate employees: Repeals S. Res. 112, adopted in the 92d Congress, permitting the appointment of Senate pages, elevator operators, post office employees or Capitol policemen without discrimination on the basis of sex, which was superseded by Rule L of the Standing Rules of the Senate, effective January 3, 1979, which barred employment discrimination with respect to any Senate employee based on race, color, religion, sex, national origin, age or state of physical handicap. S. Res. 119—Senate agreed to May 14, 1979. (VV)

Financial Disclosure Rule Review: Directs the Senate Ethics Committee to review the desirability of repealing in part or modifying Rule XLII (42) of the Standing Rules of the Senate (dealing with public financial disclosure) and review the provisions of S. Res. 109 (substituting a new rule XLII which contains disclosure provisions that are comparable to the 1978 Ethics in Government Act including higher cutoff levels for reporting, elimination of random audits, disclosure of travel expenses, elimination of mandated reporting on certain private matters such as home mortgages and furniture and car loans, and raising liability disclosure from $2,500 to $10,000) and, after consultation with the Governmental Affairs and Rules Committees, report to the Senate within 30 days on the results of its review, together with any recommendations. S. Res. 117—Senate agreed to March 28, 1979. (VV)

Honoraria Limitations: Delays from January 1, 1979, until January 1, 1983, the effective date of rule XLIV (44) of the Standing Rules of the Senate, as added by the adoption of S. Res. 110 of the 95th Congress (the Senate Ethics Code), which limits honoraria of a Senator to 15 percent of his or her annual salary, or $8,625.00 based on present rates, and $1,000 per honorarium, and places the same limitations on Senate officers and employees earning over $35,000 per year with a $300 limit per honorarium. Note: This action permits the continuance of the limits on honoraria earned by Senators under the Federal Election Campaign Act of 1976 of $25,000 per year and $2,000 per honorarium. S. Res. 93—Senate agreed to March 8, 1979. (VV)

Makes rule XLIV (44) of the Standing Rules of the Senate—as added by the adoption of S. Res. 110 of the 95th Congress (the Senate Ethics Code)—effective on January 2, 1979, thereby upholding the March 8, 1979, voice vote on S. Res. 93 which delayed until January 1, 1983, the effective date of the rule limiting honoraria earned by a Senator to 15 percent of his or her annual salary or $8,625.00 based on present rates, and to $1,000 per honorarium, and limiting Senate officers and employees who are paid over $35,000 per year, to a $300 limit per honorarium. S. Res. 115—Senate rejected March 28, 1979. (29)

Human Resources Committee name change: Changes the name of the Committee on Human Resources to the Committee on Labor and Human Resources. S. Res. 30—Senate agreed to March 7, 1979. (VV)

Post cloture rule changes: Amends rule XXII (22) of the Standing Rules of the Senate regarding postcloture procedures to provide a 100-hour "cap" on debate after cloture is invoked and to provide mechanisms for protecting the rights of Senators to be heard and to offer amendments;

One hundred hour cap: Provides that at the expiration of 100 hours after cloture has been invoked the Senate shall proceed without debate to vote on the pending matter; provides that no amendments or motions not then pending shall be in order except motions to table, to reconsider or to establish a quorum immediately before the final vote; allows the 100 hours to be increased by a vote of three-fifths of the Senators duly chosen and sworn, with the additional time to be equally divided between and controlled by the Majority and Minority Leaders, or their designees; provides that no more than one motion to extend the time can be made in a calendar day and that such motions are not debatable;

Amendments: Provides that no Senator may call up more than two amendments until every other Senator has had the opportunity to call up two amendments; provides that if a measure is reprinted after cloture, amendments which were in order before the reprinting may be conformed as to lineation and pagination and remain in order; provides that after cloture has been invoked, the reading of amendments shall be dispensed with if the amendment has been available in printed form at the members' desks for at least 24 hours; requires that first degree amendments, to be in order, must be submitted in writing to the Journal Clerk by 1:00 p.m. on the day following the filing of the cloture motion; and requires that second degree amendments, to be in order, must be submitted in writing at least one hour prior to the beginning of the cloture vote;

Speaking guarantees: Allows any Senator who has not used or yielded ten minutes of his time to speak for up to ten minutes after the cap has expired;

Yielding time: Allows a Senator to yield all or part of his time to the Majority or Minority Leaders, or the majority or minority floor managers, provided however, that none of these Senators may have more than two hours yielded to him or her; allows the leaders and floor managers to yield time to other Senators; and

Reading of the Journal: States that while cloture is in effect the reading of the Journal shall be dispensed with and the Journal shall be considered approved to date. S. Res. 61—Senate agreed to February 22, 1979. (6)

Senate photograph: Temporarily suspends paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the U.S. Capitol (prohibiting the taking of pictures in the Senate chamber) to permit a photograph of the Senate in Session. S. Res. 210—Senate agreed to July 31, 1979. (VV)

Senate witness fees: Increases from $35 to $50 the limitation on daily witness fees payable to witnesses summoned to appear before the Senate or any of its committees thus making the fee consistent with the per diem rates for government employees traveling on official business. S. Res. 178—Senate agreed to June 13, 1979. (VV)

SOCIAL SERVICES-WELFARE

Domestic volunteer services (ACTION): Extends authorizations for certain programs within the Domestic Volunteer Service Act of 1973 (Public Law 93-113) which expired at the end of fiscal 1978, and improves the ACTION agency's ability to administer its domestic programs and carry out its mandate to encourage volunteerism; makes a number of substantive amendments to the Act as follows: extends for three years through fiscal 1981, the authorization for VISTA, University Year for ACTION (UYA), and ACTION's demonstration program for special or demonstration projects; requires that for any fiscal year after 1979 not less than 50 percent of moneys appropriated in excess of the amount of the fiscal 1979 appropriation must be used to carry out fixed-income counseling and "Helping-Hand" programs; extends through fiscal 1979 the authorization for business volunteer programs (SCORE/ACE) and for program administration; modifies the career development plan provisions for low-income VISTA volunteers to permit the initial plan to be made available within 30 days after (rather than prior to) assignment and to make such a plan available to any other full-time, one-year title I volunteer upon request; requires the Governor to state in writing reasons for disapproving a VISTA volunteer serving in the State or requesting that a project be removed from the State; makes terms of payment for VISTA volunteer stipends consistent with provisions in the Peace Crops Act; places limitations and requirements on national and regional VISTA grants to maintain current volunteer service year levels at no more than $5.8 million; requires competitive awarding of such grants and contracts for new projects and requires a poverty focus; seeks to ensure that sufficient funds are provided to enable the agency to meet commitments to its current UYA grantees, while providing greater flexibility to the agency in supporting other service-learning programs particularly those of demonstrated effectiveness; reinforces the Director's discretionary demonstration program authority assisting victims of domestic violence, fixed-income persons, and for programs focused on deinstitutionalization ("Helping-Hand"); provides support for short-term, part-time volunteers who are enrolled for period of service of 20 hours or more per week for 26 or more consecutive weeks; ensures that VISTA volunteers (whose prior AGDC or Medicaid eligibilities are protected under existing law) not be required to register with a Work Incentive Program (WIN) sponsor; requires that the Director of ACTION take appropriate steps to encourage employers to consider favorably experience in volunteer work by applicants for employment; provides that part-time volunteers enrolled for a period of service of not less than 20 hours per week for at least 26 consecutive weeks may be deemed to be Federal employees for purposes of the Hatch Act, Internal Revenue Code, Social Security Act, Federal Tort Claims Act, and Federal Employees Compensation Act, and makes full-time and part-time volunteers Federal employees for the purposes of waiving collection of erroneous payments; expands non-discrimination provisions; includes provisions to encourage the reduction of paperwork; authorizes the Commissioner of Rehabilitation Services in HEW to continue funding, until December 31, 1980, certain entities conducting projects under the Rehabilitation Act of 1973 (Public Law 93-112); establishes a Commission on Volunteerism to study appropriate roles for volunteers and to determine the proper function of the Federal government in encouraging volunteerism; and forbids the use of ACTION funds to influence State or local legislation unless those activities are requested by State or local legislative bodies, committees or members. S. 239—Passed Senate June 20, 1979. (140)

Food stamps: Increases from $6,158,900,000 to $6,778,900,000 the fiscal 1979 authorization for the food stamp program; provides an excess medical expense deduction for households that contain elderly persons or persons receiving Supplemental Security Income (SSI) benefits for amounts exceeding $35 per month, indexed semiannually; removes the ceiling on the amount of the excess shelter expense deduction for households that contain elderly persons or persons receiving SSI benefits; requires the Secretary to file monthly reports on food stamp program costs for the second preceding month and to state whether there is reason to believe that reductions in food stamp benefits will be necessary due to insufficient appropriated funds; requires the Secretary to take requisite action to reduce benefits within 60 days of the issuance of a monthly report in which the Secretary expresses his belief that benefit reductions will be necessary; requires the Secretary, within seven days of taking action to reduce benefits, to report to the Congressional Agriculture Committees on the basis for the action, the manner in which the allotments will be reduced, and the action, the manner in which the allotments will be reduced, and the action that has been taken to reduce the allotments; permits the Secretary to make reductions in the value of food stamp allotments on other than a pro rata basis (by weighing reductions toward higher-income recipients) if such action becomes necessary due to insufficient appropriated funds; authorizes the Secretary to prescribe special provisions applicable to the elderly and disabled and minimum allotments if reductions in the value of allotments become necessary; authorizes the Secretary and State agencies to require social security number of food stamp applicants; requires persons who fraudulently receive food stamps to repay the value of those food stamps by cash repayment or through benefit reductions; permits States to retain 50 percent of the value of food stamps recovered from fraudulent recipients; extends benefits to handicapped persons living in community living centers; and repeals the food stamp authorization ceiling for fiscal 1980 and 1981. H.R. 4057—Passed House July 11, 1979; Passed Senate amended July 23, 1979; Senate agreed to conference report July 27, 1979. (VV)

WIC and other food programs: Amends the Child Nutrition Act of 1966, as amended (Public Law 95-627), to reduce from $800 million to $750 million the fiscal 1980 authorization for the special supplemental food program for women, infants and children (WIC); authorizes the withholding of funds from States which fail to administer properly, effectively and efficiently the child feeding programs; authorizes the extension of nutritional assistance programs to dependents of military servicemen and DOD employees overseas; and limits service institution eligibility in the summer food service program. S. 292—Passed Senate May 23, 1979. (111)

TAXATION

Tax exempt mortgage bonds: Expresses Senate support for the transitional rules, to H.R. 3712 (which denies issuance of tax-exempt bonds for single-family homes after April 25, 1979) tentatively agreed to by the House Ways and Means Committee, allowing for: (1) the issuance of bonds that were in the process of being issued on April 25, 1979, if certain conditions are met; (2) the refunding of rollover of tax-exempt obligations issued before April 25, 1979, with certain restrictions, and (3) completion of certain projects that were under development on April 25, 1979; and allows Texas public nonprofit corporations to issue mortgage subsidy bonds in compliance with these provisions if qualifying official action had been taken prior to April 25, 1979. S. Res. 188—Senate agreed to July 19, 1979. (VV)

Tax treatment of State legislators' residence—social services amendments: Extends for one additional year, to taxable years beginning before January 1, 1979, the effective date of a provision which allows a State legislator to treat his place of residence within

his legislative district as his tax home for purposes of computing the deduction for living expenses;

Makes permanent a provision for Federal matching of the costs incurred by States for providing services to families not on welfare to assist them in obtaining child support from absent parents;

Makes permanent the authority for States to use title XX social security funds to reimburse the costs of hiring welfare recipients in child care jobs; increases the maximum per recipient annual combined tax credit and title XX reimbursement from $5,000 to $6,000; makes the payment and credit available for part-time as well as full-time employment in child care jobs; permits the credit to be computed on the basis of the full wages, including the part reimbursed under title XX, subject to a minimum combined tax credit and title XX payment not to exceed 100 percent of the first $6,000 of wages; makes the tax credit coverage applicable to the date it previously expired, October 1, 1978, and the effective date of the new credit enacted on January 1, 1979; and

Makes permanent the authority of States to use funds under title XX for certain services to drug addicts and alcoholics. H.R. 3091—Passed House March 27, 1979; Passed Senate amended March 28, 1979; In conference. (VV)

TRADE

Export control: Establishes a new four-year export control statute, the Export Administration Act of 1979, superceding the Export Administration Act of 1969 which expires on September 30, 1979; adds new findings and policy declarations to those contained in the 1969 Act; retains the authority delegated to control exports subject to U.S. jurisdiction, or by any person subject to U.S. jurisdiction, and the financing, transporting and servicing thereof, as necessary to carry out the stated declaration of policy;

Control of Militarily Critical Technology: Requires that export controls maintained for national security purposes be reviewed by the President every three years in the case of multilateral controls (maintained cooperatively with other nations) and every year in the case of unilateral controls; provides that priority in administering such controls be given to preventing exports of militarily critical goods and technology; requires the Secretaries of Commerce and Defense to review and revise such controls to insure that they are focused upon and limited, to the maximum extent possible, to militarily critical goods and technology and the mechanisms through which they may be effectively transferred; and gives the Secretary of Defense responsibility for listing critical goods, but leaves the responsibility for imposition of controls with the Secretary of Interior;

Foreign Policy Controls Termination: Terminates on December 31, 1979, or one year after imposition, export controls maintained for foreign policy purposes unless they are extended by the President in accordance with specified consideration; requires the President to inform Congress within 30 days of imposing, increasing or extending export controls for foreign policy purposes, and to the extent consistent with the national interest, to make public a report specifying his conclusions with respect to the considerations;

Foreign Availability of Controlled Items: Requires that foreign availability of goods and technology subject to export controls be determined both with respect to controls maintained for foreign policy purposes and those maintained for national security purposes; prevents the imposition of export controls for national security or foreign policy reasons when the goods or technology are available without restriction from sources outside the U.S. in significant quantities, and are comparable in quality to those produced in the U.S., unless the President determines adequate evidence has been presented demonstrating that the absence of such controls would prove detrimental to U.S. foreign policy or national security; requires the President, if he so determines, to initiate negotiations with foreign governments to try to eliminate the availability;

Export Control List: Requires maintenance of an export control list to be reviewed every three years in the case of multilateral controls and annually in the case of unilateral controls;

Export License Procedures: Simplifies the export licensing process by requiring the Secretary to establish at least three types of export licenses: (1) validated controls—used primarily for exports subject to COCOM (a multilateral control agency maintained by Japan and all NATO countries except Iceland), (2) qualified general—used for multiple shipments to particular consignees or end uses in controlled countries, and (3) general—used to authorize exports without specific approval if in accordance with regulations; establishes export license review procedures to expedite action; and provides that no license shall be granted for the export of goods to any country which the Secretary of State has found to support international terrorism;

Non-Agricultural Exports: Revises the criteria and reporting requirements for monitoring non-agricultural commodities in short supply situations;

Alaskan Crude Oil: Prohibits the export of domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to the Trans-Alaska Pipeline Authorization Act (except when swapped for convenience or transportation efficiency with an adjacent foreign state or temporarily exported across such state) unless the President makes and publishes an express finding that such exports: (1) will not diminish U.S. refined petroleum supplies; (2) will result within three months in lower acquisition costs to refiners for imported crude and reduced wholesale and retail prices of products refined from such imported crude; (3) will be made only pursuant to contracts which may be terminated if U.S. crude supplies are interrupted, threatened or diminished; (4) are clearly necessary to protect the national interest; and (5) are in accordance with the bill's provisions; authorizes the President to export oil to any foreign nation with which the U.S. has a bilateral international oil supply agreement prior to May 1, 1979, or has entered into a multilateral supply arrangement pursuant to section 251(d) of the Energy Policy and Conservation Act; excludes petroleum products refined in U.S. Foreign Trade Zones or Guam from export controls unless a product is found to be in short supply; and provides that both Houses must disapprove a Presidential decision to allow oil exports for the decision not to go into effect;

Agricultural Exports: Revises provisions concerning the export of agricultural commodities which prohibit export controls on any agricultural commodity, including fats, oils, animal hides and skins, unless approved by the Secretary of Agriculture; permits agricultural commodities purchased for future export to be stored in the U.S. and exported later with the approval of the Secretary, in consultation with the Secretary of Agriculture, under specified conditions; provides that one House may veto an agricultural export control; but that the other House may override the veto; retains the prohibition on the export by sea of horses for slaughter;

Commercial Agreements with Controlled Countries: Requires U.S. firms to report to the Secretary concerning commercial agreements to transfer technical data to controlled country governments; excepts educational institutions from this requirement;

COCOM Negotiations: Requires the President to negotiate with other COCOM nations to reach agreements to: (1) publish COCOM control lists and related information; (2) hold periodic high-level meetings to provide guidance on export control policy to COCOM; (3) modify COCOM export controls to a level accepted and enforced by all participating governments; and (4) adopt more effective export control enforcement procedures;

Controlled Goods and Technology: Authorizes the Secretary to consider annual increases in the performance levels of controlled goods or technology in order to periodically remove obsolete controls;

Foreign Boycotts and Hardship Relief: Contains, without change, the antiboycott provisions adopted in the Export Administration Amendments of 1977, Public Law 95-52; repeats the provision in the present act which enable persons suffering unique hardship due to export controls to seek relief from the Secretary, who is required to grant or deny the petition within 30 days;

Petitions for Monitoring of Controls: Establishes for the first time a formal, public petition and hearing procedure whereby any entity representative or substantial segment of an industry processing any material or commodity may petition the Secretary requesting export controls; authorizes the Secretary to appoint technical advisory committees (TAC's) composed of representatives of U.S. industry and government knowledgeable with respect to particular groupings of goods or technology, to obtain their advice on export control policy matters including technical matters, foreign availability, licensing procedures, and proposed revisions in COCOM controls; requires the Secretary, whenever a TAC certifies the existence of foreign availability sufficient to render U.S. controls on particular goods or technology ineffective, to investigate and report to the TAC on whether he or she concurs and, if so, submit a recommendation to the President;

Violations: Removes the distinction between penalties for first and second violations contained in the present act; provides maximum fines of five times the value of the exports involved or $50,000, whichever is greater, and/or imprisonment of up to five years, for knowingly violating any provision of this bill or regulation issued thereunder; increases the penalty for knowingly violating controls or exports to countries to which exports are restricted for national security or foreign policy purposes by imposing fines of up to five times the value of the exports involved or $10,000, whichever is greater, and/or up to ten years imprisonment; authorizes, by administrative procedure, civil penalties of up to $10,000 for each violation, suspension or revocation of authority to export; establishes procedures for imposing administrative sanctions, collecting fines and bringing civil actions for payment of fines;

Enforcement: Contains the same enforcement provisions as in present law; restates Congressional intent in adopting the 1977 amendments that confidential information obtained under the bill be exempt from disclosure unless the Secretary determines withholding such information is contrary to the national interest; states that nothing in the bill would authorize withholding any information from Congressional committees having appropriate jurisdiction; prohibits any committee from disclosing confidential information unless the full committee determines that withholding the information is contrary to the national interest; requires that reporting requirements be designed so

as to minimize cost and inconvenience, and be periodically reviewed and revised, to the extent feasible consistent with effective enforcement and compilation of useful trade statistics;

Annual Reports: Requires the Secretary to make annual reports to Congress; specifies the content of these reports and requires the full cooperation of other departments and agencies in their preparation; and

Authorization: Authorizes $8 million to the Commerce Department for fiscal 1980 (plus necessary amounts for increases in salary, pay, retirement, other employee benefits authorized by law and other nondiscretionary costs) of which $1.25 million is to be used to establish the capability to make foreign availability assessments; prohibits any appropriation to the Commerce Department for expenses to carry out the bill for any year after fiscal 1980 unless previously and specifically authorized by legislation. S. 737—Passed Senate July 21, 1979. (210)

Countervailing duty extension: Extends retroactively from January 3, 1979, the authority of the Secretary of the Treasury to waive the imposition of countervailing duties under section 303 of the Tariff Act of 1930 to the earliest of the following dates: (a) the date on which either House of Congress defeats, within 90 legislative days, the legislation to implement the Multinational Trade Agreements governing the use of subsidies, (b) the date of enactment of the implementing bill or (c) September 30, 1979; and provides that any waiver in effect on January 2, 1979, shall remain in effect until the earliest of the following dates: (a) the date of the above extension, (b) the date the Secretary revokes the waiver or (c) the date either House of Congress adopts a resolution disapproving a waiver. H.R. 1147—Public Law 96-3, approved April 3, 1979. (30)

Multilateral trade agreements: Approves and implements the Trade Agreements negotiated under the Trade Act of 1974 in the Tokyo Round of Multilateral Trade Negotiations (MTN);

Countervailing and Antidumping Duties: Applies a new countervailing duty law to imports from countries which have assumed the obligations (or substantially equivalent obligations) of the MTN agreement relating to subsidies and countervailing measures; repeals the Antidumping Act, 1921, and replaces it with a comprehensive statute built upon the 1921 act and consistent with the MTN Antidumping Code under which duties would be imposed upon a determination that fair-value and that a U.S. industry is, or is likely to be, sold in the U.S. at less-than-fair-value and that a U.S. industry is, or is likely to be, injured or retarded by reasons of imports of that merchandise;

Customs Valuation: Revises section 402 of the Tariff Act of 1930, which specifies the methods for determining the value of an import for purposes of applying *ad valorem duties*, to make it consistent with the Customs Valuation Agreement negotiated in the MTN and repeals the Final List and American Selling Price methods of customs valuation;

Government Procurement: Implements the Agreement on Government Procurement, which will require signatory countries to apply uniform and open procedures to purchases by covered national government agencies; authorizes the President to waive certain "Buy American Act" restrictions in U.S. law or practice which discriminate against particular products of designated countries;

Product Standards: Provides the statutory framework for U.S. implementation of its obligations under the Agreement on Technical Barriers to Trade (relating to product standards) many of which are widely followed in the U.S.;

Tariff Negotiations: Provides for the implementation of certain tariff concessions negotiated in the MTN, which involve reduction or increases in the rates of duty in amounts which exceed the President's authority to proclaim a reduction or increase in a rate of duty under sections 101 and 109 of the Trade Act of 1974, or changes in non-most-favored-nation (MFN) duties or in headnotes, nomenclature and classification affecting non-MFN duties would be made;

Civil Aircraft: Implements tariff changes required under the Agreement on Trade in Civil Aircraft; permits the President to eliminate duties on articles covered by the Agreement; and eliminates the 50 percent duty on repairs on U.S. civil aircraft in foreign countries;

Agricultural Measures: Implements concessions to foreign countries under a number of bilateral agreements relating to cheese, chocolate crumb (a mixture of chocolate and milk solids) and meat; increases the amount of cheese imports permitted under U.S. quotas and extends quotas to 85 percent of imported cheese; establishes procedures, in lieu of the countervailing duty law, to prevent subsidized cheese imports under quota from undercutting domestic cheese prices; increases the existing U.S. quotas on chocolate crumb; and establishes a 1.2 billion pound floor on meat import quotas under the meat import law;

Treatment of Distilled Spirits: Repeals the wine-gallon method of taxing and levying duties on foreign distilled spirits; changes U.S. law to include taxing bottled imports on the proof-gallon system, extending by one-half month the time period for payment of excise taxes by domestic bottlers, establishing the all-in-bond system, and assessing duties on a proof-gallon basis if the President determines reciprocal concessions have been received in the MTN;

Enforcement of U.S. Rights: Revises section 301 of the Trade Act to permit enforcement of U.S. rights under the MTN agreements and imposes time limits on investigations procedure and recommendations by the Special Representative for Trade Negotiations and on Presidential action; provides a procedure for private parties to request government action to remedy foreign violations of the trade agreements;

Judicial Review: Provides increased opportunities for appeal of certain interlocutory and all final rulings in antidumping and in countervailing duty cases; expands existing opportunities for judicial review of determinations by the Customs Service of the appraised value, classification or rate of duty of imported goods; and provides for judicial review of Custom Service decisions regrading the certification of the "country of origin" of products covered by the Government Procurement code;

Miscellaneous Provisions: Extends until January 3, 1988, the President's authority to enter into trade agreements to eliminate nontariff barriers and other distortions adversely affecting U.S. commerce; authorizes the auction of import licenses used to administer quantitative restrictions under certain laws; extends the private sector advisory system on trade matters; requires the President to study the desirability of entering into trade agreements with Mexico and Canada to promote mutual economic growth; clarifies the jurisdictional relationship between the U.S. International Trade Agreements with Notrh American countries; clarifies the jurisdictional relationship between the U.S. International Trade Commission and the Department of the Treasury and establishes new civil penalties in section 337 (Tariff Act of 1930) cases; requires trade statistics on a cost-insurance-freight (CIF) basis to be released 48 hours before trade figures arrived on other bases; requires the President to submit proposed legislation to the Congress by July 10, 1979, on restructuring the international trade functions of the U.S. government; requires the President to submit to Congress by July 15, 1980, a study on U.S. competitiveness; and modifies the Generalized System of Preference under title V of the Trade Act. H.R. 4537—Public Law 96-39, approved July 26, 1979. (212)

Amtrak: Authorizes $667.3 million for Fiscal 1980 and $945 million for Fiscal 1981 for the National Railroad Passenger Corporation (Amtrak) to provide for the implementation and operation of Amtrak's new route plan recommended by the Department of Transportation, and to improve Amtrak operations through adoption of amendments to the Rail Passenger Service Act; extends the period for full implementation of the new route plan and requires continued service on existing routes until that time; contains provisions to improve Amtrak's financial performance and to establish the basis upon which future service changes can be made; extends for one year the $700 million available under title V of the Railroad Revitalization and Regulatory Reform Act for railroad rehabilitation and improvement projects;

Provides additional funding to add long-distance trains to the system which meet designated criteria; reduces payments for labor protection; changes the 50% Federal to 50% State subsidy operating formula to 80% to 20% in fiscal 1980, to 65% to 35% in 1981 and to 50% to 50% in subsequent years; authorizes Amtrak to continue subsidies for commuter trains for an additional 18 months; provides increased funding for new 403(b) State-assisted train service; provides additional funding to add short-distance and regional balance trains to the system which meet designated criteria;

Increases Amtrak's capital budget for 1980 by $54 million; directs Amtrak to study the feasibility of restoring discontinued routes and the feasibility of an alternative cost accounting system; authorizes Amtrak to make payments for maintenance of discontinued tracks; and establishes a reduced Amtrak fare for the elderly and handicapped. S. 712 passed Senate August 1, 1979.

TRANSPORTATION

Aviation safety and noise abatement: Authorizes $90 million for fiscal 1980 to establish a new program to assist airports and surrounding communities in the development and implementation of noise abatement programs to reduce existing noncompatible land uses and prevent future noncompatible land uses around airports; authorizes an increase for airport construction and development of $87 million for air carrier airports and $13 million for general aviation and reliever airports; authorizes the Secretary of Transportation to provide waivers from noise regulations on a case-by-case basis when the aircraft operator has made a good faith effort to comply, but external circumstances prevent compliance; authorizes the Secretary of Transportation to grant a waiver from noise regulations compliance deadlines if an operator has a signed contract with a manufacturer for a new technology Stage three aircraft by January 1, 1983, for two or three engine aircraft, and by January 1, 1985, for four engine aircraft; exempts two or three engine aircraft exceeding the regulatory level by no more than five decibels; sets guidelines for the Civil Aeronautics Board to use its existing authority to impose a surcharge to ensure that noise compliance is met even if industry profits dip drastically; and provides a schedule for the Secretary of Transportation to submit timely reports on the status of the development of collision avoidance systems and proposed timetables for im-

plementation of such systems. S. 413—Passed Senate May 1, 1979. (73)

Hazardous materials transportation: Extends the Hazardous Materials Transportation Act for one year, through fiscal 1980, and authorizes therefor $5.5 million to continue the Department of Transportation's hazardous materials transportation safety responsibilities. S. 1141—Passed Senate May 22, 1979. (VV)

Maritime authorization: Authorizes $517,-288,000 (which includes $73,506,000 in carryover and deferral funds) for the Maritime Administration as follows: $101 million for ship construction-differential subsidies; $256,208,000 for operating-differential subsidies; $16,360,000 for research and development; $34,616,000 for maritime education and training expenses including $25,874,000 for maritime training at the U.S. Merchant Marine Academy at Kings Point, N.Y., $6,-785,000 for assistance to State marine schools, and $1,957,000 for supplementary training authorized under section 216(c) of the Merchant Marine Act, 1936; $35,598,000 for maritime administration operating expenses, including $6,377,000 for the National Defense Reserve Fleet and $29,221,000 for operating expenses related to the development and use of waterborne transportation systems and to general administration; includes fisheries facilities in the loan obligation guarantee program and the capital construction fund; and provides that a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the U.S. shall be considered a U.S. citizen for the purposes of the Merchant Marine Act. S. 640—Passed Senate May 24, 1979; Passed House amended July 27, 1979. (113)

Merchant Marine march: Declares as the sense of the Congress that "Our Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine. H. Con. Res. 3.—Action completed April 10, 1979. (VV)

Railroads:

Office of Rail Public Counsel: Authorizes $500,000 for fiscal 1980 for the Office of Rail Public Counsel which is expected to be phased out by not later than September 30, 1980. S. 448—Passed Senate May 8, 1979. (VV)

Chicago, Milwaukee, St. Paul and Pacific Railroad: Expresses the findings of Congress with respect to the embargo on service requested by the Trustee of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company that: (1) the embargo would reduce service on approximately 75 percent of the system, (2) the embargo would result in the loss of thousands of jobs, (3) continued operation of the Railroad is essential to further national policy established by Congress in the Power Plant and Industrial Fuel Use Act of 1978 to rehabilitate coal-carrying railroads, (5) the Secretary of Energy examine every way in which that act can be implemented to alleviate this crisis, and (6) emergency measures be considered to avoid the substantial economic damage that would result; and directs the Secretary to conduct immediately an assessment of present and potential railroad coal hauling needs in the area and report his findings to Congress within 30 days of enactment. S. 967—Passed Senate May 3, 1979 (VV)

Requires continuation of rail service by the Chicago, Milwaukee, Saint Paul and Pacific Railroad for a period of sixty days, using funds authorized under the Emergency Rail Services Act of 1970, in order to explore every possible alternative to an embargo, including time for the Milwaukee Railroad, employees, shippers and all interested parties to come up with a plan to purchase and operate those portions of the railroad that the trustee wants to abandon and to enable States to find other adequate means of transportation in the event of an embargo. S.J. Res. 81—Passed Senate May 23, 1979. (VV)

U.S. Railway Association: Authorizes $30 million to the U.S. Railway Association (USRA) for administrative expenses during fiscal 1980. S. 447—Passed Senate April 10, 1979. (VV)

Shipping rebating practices: Amends the Shipping Act, 1966, to strengthen the Federal Maritime Commision's (FMC) enforcement authority over rebating practices in the United States foreign waterborne trades; increases the civil penalties for malpractices (such as the giving or receiving of lower rates by means of false billings, weight or classification) from not more than $5,000 per violation to not more than $25,000 per violation; increases penalties for tariff-related violations other than rebating (such as failure to file a tariff, charging rates other than those set by tariffs, and changing tariffs without proper notice) from $1,000 per day to not more than $5,000 per day; increases penalties for rebating from not more than $1,000 per day to not more than $25,000 per shipment; permits FMC to suspend for up to one year a carrier's tariffs for rebating violation subject to disapproval by the President for national defense or foreign policy reasons; authorizes FMC to require from executives or carriers, shippers and forwarders certificates attesting to company policies and efforts to prohibit rebating and pledging cooperation in any investigation of rebating; imposes a civil penalty of not more than $5,000 per day for failure to file a certificate; authorizes FMC to suspend the tariffs of a U.S. or foreign carrier for failure to comply with subpoenas for discovery orders in adjudicatory investigations of illegal rebating; requires FMC to notify the Secretary of State where a carrier claims inability to produce the necessary documents or information because of a "blocking statute" and directs the Secretary to consult with the government of the nation within which the documents or information are located; permits the President to nullify the suspension for national defense or foreign policy reasons; provides for a penalty of not more than $50,000 per shipment for the carriage of cargo during a suspension period; clarifies that penalties for rebating should be entirely civil; and authorizes FMC to assess all civil penalties under the Shipping Act. S. 199—Public Law 96-25, approved June 19, 1979. (VV)

TREATIES

Estate and gift tax convention with France: Replaces an existing Estate Tax Treaty with France which has been in force since October 17, 1949, and establishes new rules governing taxation of gifts to alleviate double taxation on the estates and gifts of citizens and domiciliaries of the U.S. and domiciliaries of France, in some situations by allowing only one country to impose its tax, and in others by allowing both countries to impose a tax but requiring one of the countries to allow a credit against its tax for the taxes paid to the other country; allows, in most situations, the country of domicile to assert primary tax jurisdiction but gives the situs country priority taxation in the case of real property, tangible personal property and business assets which are located in that country; provides that the domicile of an individual will be determined separately under laws of each country; and sets forth extensive rules to determine an individual's domicile for purposes establishing primary tax jurisdiction under the treaty in the event that both countries treat the individual as a domiciliary under their domestic laws. Ex. J, 96th-1st—Resolution of ratification agreed to July 9, 1979. (154)

Estate and gift tax convention with the United Kingdom: Replaces an existing Estate Tax Treaty with the United Kingdom which has been in force since July 25, 1946, and establishes new rules governing the taxation of gifts to alleviate double taxation on the estates and gifts of citizens and domiciliaries of the United States and the United Kingdom by modifying the jurisdictional rules of estate and gift taxation with respect to these individuals; permits each asset held by an estate or each gift to be subject to primary tax jurisdiction in only one of the two countries by allowing both countries to impose their tax but requiring one of the countries to allow a credit against its tax for the taxes paid to the other country; provides that the domicile of an individual will be determined separately under the laws of each country; and sets forth extensive rules to select one of the two countries as an individual's domicile for purposes of establishing primary tax jurisdiction. Ex. R, 96th-1st—Resoluton of ratification agreed to July 9, 1979. (157)

International wheat agreement: Extends until June 30, 1979, the International Wheat Agreement consisting of (1) the Wheat Trade Convention, an administrative body established as a mechanism for international cooperation in matters relating to the production and sale of wheat, and (2) the Food Aid Convention which commits its nine parties to provide minimum annual quantities of food aid to developing countries. Ex. L, 95th-1st—Resolution of ratification agreed to June 26, 1979. (153)

Protocol to the tax convention with France: Amends the current U.S.-France income tax treaty which entered into force on July 11, 1968, and amended by protocol which entered into force on January 21, 1972; divides the tax liability of U.S. citizens residing in France between the U.S. and France in order to avoid double taxation of these individuals, which would result because of a change in French domestic law which, effective January 1, 1979, subjected U.S. citizens resident in France to French tax on their worldwide income, including income from the United States; prescribes special rules for taxing the income of partners of partnerships with income from U.S. sources and retirees whose pensions are attributable to U.S. sources; exempts French insurers from the U.S. excise tax on foreign insurance of U.S. risks; revises the geographical scope of the treaty so that it covers income from natural resources on each country's continental shelf; revises the provisions governing shipping and air transport to bring them into closer conformity with the U.S. model income tax treaty; contains certain changes to the rules for taxing employees of shipping companies; exempts interest paid to banks from the ten percent withholding tax allowed under the existing treaty; exempts social security payments made by either country to a U.S. citizen from tax by the other country; and clarifies the "saving clause" of the treaty (which generally allows the U.S. to tax its own citizens and residents without regard to the treaty) so that it expressly applies to certain former U.S. citizens who expatriated to avoid U.S. tax. Ex. K, 96-1st—Resolution of ratification agreed to July 9, 1979. (155)

Protocol to the tax convention with the United Kingdom: Modifies the proposed Tax Convention with the United Kingdom and Northern Ireland; makes the restriction on the use of the worldwide combination/unitary method of apportioning income inapplicable to States or local governments; limits the amount of the British Petroleum Revenue Tax (PRT—imposed on assessable profits from oil and gas extraction activities in the U.K. on a field by field basis) which is allowable under the treaty as a tax credit so that the PRT imposed on extraction income from U.K. sources may only offset U.S. tax on that income; provides that the PRT which is imposed on certain oil transportation, treatment and storage income may only offset U.S. tax on that income; allows each country to tax, under its domestic laws, persons engaged in activities in connection with the exploration for or exploitation of, for more than 30 days in a 12-month period, seabed mineral resources situated in that country; provides that premiums paid to British insurers will not be subject to the U.S. insurance excise tax even if the British insurers have a permanent U.S. establishment; allows the U.S. to continue to impose its withholding taxes on dividends paid to nonresident aliens and foreign corporations by a corporation organized under U.S. law, even if that corporation is managed, and therefore resident, in the U.K.; eliminates a provision of the proposed treaty which would have allowed the U.K. to tax the compensation of a U.S. citizen resident in the U.K. who performed services in that country for the U.S. Government if that individual did not become a U.K. resident solely to perform the services; and overrides U.S. and U.K. statutes of limitations to allow refunds to be made on the basis of the treaty provisions if claims are made within three years after the end of the year in which the treaty enters into force. Ex. Q, 96th-1st—Resolution of ratification agreed to July 9, 1979. (156)

Tax convention with Hungary: Contains provisions substantially similar to other recent U.S. income tax treaties and to the model income tax treaty of the Organization for Economic Cooperation and Development (OECD) which are intended to reduce or eliminate double taxation of income earned in one country by residents of the other country, deal with administrative matters, and promote closer economic cooperation and more active trade between the two countries; contains the standard tax treaty provision on taxation of business income derived from sources within either country and on commercial visitor exemptions under which residents of one country performing personal services will not be required to file tax returns and pay tax in the other unless their contracts exceed certain specified minimums; provides that interest, royalties, capital gains and certain other income derived by residents of either country from sources within the other are generally to be taxed only by the country of residence and not by the country of source and that dividends received by residents of one country from sources within the other are to be taxed at reduced rates by the country of source; provides for the relief by the country of residence of the potential double taxation through a foreign tax credit in the case of the United States or an exemption in the case of Hungary; contains the standard savings clause where each country retains the right to tax its citizens and residents as if the treaty had not come into effect, the standard provision that the treaty will be applied only to benefit of taxpayers, and the standard nondiscrimination provisions; and provides for exchange of information and administrative cooperation between the tax authorities of the two countries to avoid double taxation and prevent fiscal evasion with respect to income taxes. Ex. X, 96th-1st—Resolution of ratification agreed to July 9, 1979. (159)

Tax convention with Korea: Contains provisions substantially similar to other recent U.S. income tax treaties and to the model income tax treaty of the Organization for Economic Cooperation and Development (OECD) which are designed to reduce or eliminate double taxation of income earned in one country by residents of another country, deal with administrative matters and promote closer cooperation and more active trade between the two countries; establishes maximum rates for the U.S. and Korean withholding taxes on passive income payments flowing between the two countries; provides that a resident of one country will not be subject to tax in the other country on business profits unless those profits are attributable to a permanent establishment which the resident maintains in the other country; provides that the host country may tax business visitors present in either country only if certain tests, based on time spent or amounts earned are met; contains a special provision, not found in other income tax treaties, which provides a special exemption for U.S. social security taxes for Korean residents who are working on a temporary basis in Guam; contains a provision in the related exchange of notes whereby the U.S. agrees, when feasible, to resume discussions with Korea with a view toward reaching agreement on a supplementary protocol which would minimize the interference of the U.S. tax system with special incentives provided by Korea to promote the flow of U.S. capital and technology to Korea. Ex. P, 94th-2nd—Resolution of ratification agreed to July 9, 1979. (158)

VETERANS

Veterans health care: Establishes new health services programs for veterans and improves existing programs; specifies that the priority for medical examinations for service-connected disabilities be included in the third property for outpatient care; requires the Administrator to notify the Veterans Committees when VA expenditures for outpatient contract dental care and services exceed the fiscal 1978 expenditure ($45.2 million); extends eligibility for outpatient dental-care benefits to veterans who were prisoners of war for at least six months or who have 100 percent service-connected disabilities and sets certain priorities for service-connected dental care; authorizes limited dental service to hospitalized veterans for non-service-connected dental conditions; establishes a new program of outpatient readjustment counseling and followup mental health services for Vietnam-era veterans; provides that psychologists as well as physicians may make determinations in providing mental health services to the veteran; gives the VA the same authority to furnish Vietnam-era veterans with readjustment counseling and related services through contracts with private facilities as is available to veterans with 100 percent service-connected disabilities incurred in combat if he determines that a VA facility cannot effectively furnish contract services and requiring the Administrator to establish, in regulation, criteria for approval of the quality of such private programs; establishes a five-year pilot program for the treatment and rehabilitation of veterans with alcohol and drug dependence or abuse disabilities; establishes a five-year pilot program of preventive health-care services for veterans with 50 percent or more service-connected disability ratings and for veterans receiving treatment involving a service-connected disability; provides that the maximum expenditures for the pilot program may not exceed $10 million in fiscal 1980, $12 million in 1981, $13 million in 1982, $14 million in 1983 and $15 million in 1984; authorizes care for certain Filipino veterans in VA medical facilities in the U.S.;

Provides greater flexibility to the VA in furnishing medical services through private facilities under contractual arrangements; restores limited authority to expand the circumstances under which certain veterans would be eligible for contract outpatient treatment for non-service-connected disabilities; provides authority for contract diagnostic services for the treatment of a non-service-connected disability at an independent VA outpatient clinic; authorizes the Administrator to enter into contracts with certain organizations to provide emergency medical services at national conventions of VA organizations; requires annual reports on the VA's use of contract care authorities;

Provides that no appropriation shall be made for the construction, alteration or acquisition of any VA medical facility costing more than $2 million, or for the lease of any medical facility at an annual rental of more than $500,000 without the appropriate Congressional Committees having first adopted resolutions approving the projects; allows the Administrator to increase the estimated construction or acquisition costs (including leases) by 10 percent over the amount specified in an approval resolution; requires that the appropriate Congressional committees be notified in advance of any proposed reprogramming of appropriated funds; establishes a revolving fund for certain garage and parking construction projects at VA medical facilities involving expenditures of $2 million or less; requires submission of annual reports on (1) a five-year plan for construction, replacement and alteration of medical facilities that are in need of construction, replacement or alteration; a priority listing of ten or more hospitals most needed; and general plans for each facility (to be submitted by June 30 with an extension to September 1, 1979, for the first report), and (2) a report containing a listing and the status of all approved medical facility projects not completed at the time of the previous report (to be submitted by January 31); recodifies and makes various minor, technical, and conforming amendments to title 38, U.S.C., relating to the construction and acquisition of VA medical facilities;

Requires, in order for VA benefits to be paid to or on behalf of a child residing outside the U.S. who was adopted under the laws of a foreign country, that the adoptive child be under age 18 at the time of the adoption; be receiving one-half or more of his or her annual support from the veteran; be residing with the veteran, except in certain specified circumstances; and not be residing with his or her natural parent, unless the natural parent is the veteran's spouse; requires that such an adoption would be recognized for VA benefits purposes after the veteran's death only if the veteran were entitled to and received a dependent's allowance or similar benefit for the child during the year before the veteran's death, or if the above requirements were met for at least one year prior to the veteran's death; requires submission of a report on various issues involved in the payment of VA benefits to persons residing outside the 50 States and the District of Columbia; and

Makes certain changes with respect to administrative and personnel matters; authorizes the Administrator to prescribe regulations permitting certain employees of the VA's Department of Medicine and Surgery (DM&S) to accept payment from non-Federal agencies, organizations, and individuals for travel expenses in connection with official duties in certain limited circumstances; provides for Senate confirmation of the Deputy Administrator of Veterans' Affairs; repeals the outdated authority for a VA office in Europe and provides certain benefits to VA employees working outside the U.S.; amends the schedules of rates of basic pay for certain DM&S employees to reflect the pay rates set by Executive Order No. 12087, effective October 7, 1978; and requires the Administrator to report to Congress by October 1, 1979, on the need for totally blinded service-connected veterans for home modifications which cost more than the allowable amount. S. 7—Public Law 96-22, approved June 13, 1979. (VV)

Veterans health resources and programs extension: Extends for three years, through fiscal 1982, the annual $15 million authorization for the program of matching grants to the States for construction, remodeling and renovation of State veteran's home hospital, nursing home and domiciliary facilities; provides that under the program of matching grants for State home construction projects no State could receive more than one-third

of the amount appropriated in any fiscal year or $3 million, whichever is greater; extends the annual $4 million authorization for the exchange of medical information (EMI) program; authorizes the Administrator to enter into agreements under the EMI program with public or nonprofit institutions or organizations to participate in cooperative health care personnel education programs within the geographic areas of VA health care facilities located in areas remote from major academic health centers; increases per diem rate payments to State veterans' homes to $6.35 for domiciliary care, $12.10 for nursing home care and $13.25 for hospital care;

Contains three cost-savings amendments which would: (1) limit reimbursements for allowable travel expenses incurred going to and from a VA facility to the excess over $4, in the case of a non-service-connected disability, (2) limit the furnishing of outpatient dental services, treatment and related dental appliances to a veteran with a service-connected noncompensable (zero-rated) dental condition or disability to only those veterans (a) who have served on active duty for a period of at least 180 days and made application for such treatment within 6 months after discharge and (b) who were not provided, during the 90 days immediately prior to discharge, with a complete dental examination (including X-rays) and all appropriate dental services and treatment indicated by such examination; and (3) limit the furnishing of nonprescription drugs, medicines and medical supplies in connection with non-service-connected outpatient care generally to those veterans who are receiving, or are eligible to receive, pension (or who meet the income standard for receipt of pension) under section 521 of title 38; requires the Administrator to promulgate regulations authorizing the furnishing of nonprescription drugs, medicines and supplies as part of non-service-connected outpatient care in order to avoid substantial hardship that would result from the extraordinary cost to the veteran of obtaining such products commercially; requires that, before the cost-savings provisions take effect, the OMB provide the VA with the staffing levels for which appropriations are made and that these measures would remain in effect only if the VA is provided personnel ceilings at the level contemplated in the appropriations act;

Provides for the reimbursement (or direct payment) of reasonable charges for chiropractic services, not otherwise covered by available health insurance or other reimbursement, provided to certain veterans with neuromusculoskeletal conditions of the spine; limits the amount payable for authorized chiropractic services to $4 million in any fiscal year; establishes a September 30, 1983, cutoff date for the provision of chiropractic services for which reimbursement or payment may be made; requires the Administrator to submit an annual report on the utilization of chiropractic services under the new authority; requires prior to the furnishing of fee-basis dental care to a veteran at a cost of more than $500 in any 12-month period, a determination by the Administrator, based on the results of an examination by a VA dentist, that the furnishing of such treatment is reasonably necessary; clarifies that veterans who, as a result of non-service-connected disability, are in need of regular aid and attendance or are housebound are eligible for home health services; provides that the surviving spouse of a person whose death during active-duty service was the result of service-connected causes would be eligible for benefits under the civilian health and medical program of the Veterans' Administration (CHAMPVA) if the surviving spouse had remarried and the subsequent marriage had been terminated by death, divorce or annulment; provides that a CHAMPVA-eligible child between the ages of 18 and 23 who is pursuing full-time study at an approved educational institution and who suffers from a mental or physical disability that prevents the child from continuing his or her studies would remain eligible for benefits until (1) six months after the mental or physical condition is no longer disabling, (2) two years after the date of onset of the disability, or (3) the student's 23rd birthday, whichever comes first;

Specifies that psychologists are among those health professionals who may be appointed to Civil Service positions in DM&S and establishes qualification standards, including a general requirement for licensure or certification by a State, for eligible psychologists; adds a U.S. citizenship requirement for appointment of podiatrists and optometrists in DM&S; shortens from three to two years the probationary period for DM&S professional employes; expands the Administrator's authority to enter into sharing agreements to include agreements between VA facilities and blood banks, organ banks and similar institutions; gives veterans of World War I special priority for VA outpatient service and treatment; and

Directs the Secretary of HEW to conduct a study on the long-term health effects from exposure to "dioxins", especially those produced during the manufacture of herbicides, including those used during the Vietnam conflict, and to report to Congress no later than 30 days after enactment. H.R. 3892—Passed House May 21, 1979; Passed Senate amended June 18, 1979. (VV)

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I call the attention of Senators to the recess resolution (H. Con. Res. 168) that was passed on yesterday. That resolution authorizes the majority leader to move at the close of business tomorrow, Thursday, or at the close of business on Friday, or at the close of business on Saturday, that the Senate stand in recess until September 5.

I would hope there would not be any rumors to the effect that the Senate definitely will complete its business tomorrow. Such rumors would not be long-lived, because I have not indicated that to anyone. It is possible that the Senate could complete its business tomorrow, but it is possible we could still be in on Friday, and it is possible we could still be in on Saturday. I would like to see what develops in connection with the standby gasoline rationing plan, and there are some other bills on the calendar that should be disposed of before the Senate goes out for the recess. Also, I would like some time agreements on legislation that will be coming up following the recess, so that when the Senate comes back it will have several days of business lined up in advance.

So there is no assurance whatsoever that the Senate will complete its business tomorrow, and no assurance whatsoever that the Senate will complete its business on Friday. We could be in Saturday, if the necessities require it.

RECESS TO 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if the distinguished assistant acting Republican leader is agreeable, and I believe he is——

Mr. STEVENS. I am much in agreement.

Mr. ROBERT C. BYRD. I move, in accordance with the order previously entered, that the Senate stand in recess until 9:45 a.m. tomorrow morning.

The motion was agreed to; and at 8:28 p.m. the Senate recessed until tomorrow, Thursday, August 2, 1979, at 9:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 1, 1979:

DEPARTMENT OF JUSTICE

Benjamin R. Civiletti, of Maryland, to be Attorney General.

DEPARTMENT OF STATE

J. Brian Atwood, of Maryland, to be an Assistant Secretary of State.

Harvey J. Feldman, of Florida, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papau New Guinea and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Solomon Islands.

Frank George Wisner II, of the District of Columbia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

Thomas J. Watson, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

James W. Spain, of California, a Foreign Service officer of class 1, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Douglas J. Bennet, Jr., of Connecticut, to be Administrator of the Agency for International Development.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Thomas Ehrlich, of California, to be Director of the U.S. International Development Cooperation Agency.

NATIONAL COUNCIL ON THE ARTS

The following-named person to be a Member of the National Council on the Arts for a term expiring September 3, 1984:

James Rosenquist, of Florida.

NATIONAL MEDIATION BOARD

Robert Joseph Brown, of Maryland, to be a Member of the National Mediation Board for the term expiring July 1, 1982.

DEPARTMENT OF JUSTICE

Alan A. Parker, of California, to be an Assistant Attorney General.

Jose A. Lopez, of Puerto Rico, to be United States Marshal for the District of Puerto Rico for the term of 4 years.

Irvin B. Smith, Jr., of Delaware, to be United States Marshal for the District of Delaware for the term of 4 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, August 1, 1979*

The House met at 10 a.m.

The Reverend Andrew J. Bjalobok, St. Cyril and Methodius Church, Charleroi, Pa., offered the following prayer:

Let us pray.

Almighty and Eternal Father, with heads bowed, we stand in Your presence. As we begin this new day of deliberations, we ask You to send upon these Representatives the Holy Spirit, the spirit of wisdom, the spirit of knowledge, and the spirit of understanding in order that they may carry out their duties for the good of all in this great Nation. The spirit of wisdom that they act and deliberate with justice and prudence in all things pertaining to all peoples. That they may also cooperate with the President to solve the problems that haunt this Nation in these days of crisis. The spirit of knowledge that they find the knowledge to act without selfish personal motives but to act for the national good. The spirit of understanding that this august body may fully be aware of their duties and responsibilities of their office. We turn to Thee, Heavenly Father, in these times of confusion and misunderstanding to enlighten each and every one to act with justice, sincerity, and credibility. Only through Your assistance can this body carry out the duties of their office. We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3324) entitled "An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 961. An act to amend the Speedy Trial Act of 1974.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1625. An act to protect archaeological resources on public lands and Indian lands, and for other purposes; and

H.R. 4476. An act to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 111) entitled "An act to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. JACKSON, Mr. EXON, Mr. LEVIN, Mr. THURMOND, Mr. WARNER, and Mr. HUMPHREY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 265. An act entitled "Equal Access to Justice Act"; and

S. 1119. An act to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States, and for other purposes.

FATHER ANDREW J. BJALOBOK

(Mr. MURPHY of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MURPHY of Pennsylvania. Mr. Speaker, I wish to add just a word of welcome to our guest chaplain today, Father Andrew Bjalobok, more affectionately known as Father Andy.

Father Andy was born in a small town in the suburbs of Pittsburgh, Pa., and has served his entire pastorate life of 35 years in that vicinity, serving the small churches in the southwestern Pennsylvania area, St. Agnes, St. Mary's, and more recently, St. Cyril's church in Charleroi.

Father Andy is also known as a builder of churches. Three times during his career he has built or rebuilt churches. He has just completed the physical rebuilding—the laying of block and tile and doing the carpentry work—on St. Cyril's church in Charleroi, and three times during his pastorate years he has physically built and rebuilt churches.

Father Andy, on behalf of all my colleagues here in the Federal Congress, I say we welcome you, and it is a pleasure to have you here with us this morning.

WE EXCLUDE NO WOMAN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, we celebrate a remarkable historical network when we recall our foremothers' diversity of achievement and commitment. Our timeframe includes women from every generation of our life as a nation. Today we honor the forgotten as well as the famous. We exclude no woman.

Colonial women with singular self-reliance. Black women conquering unspeakable burdens. American Indian women sharing unique wisdom. Pioneer women shouldering tremendous tasks. Chicanas binding together a rich cultural heritage. Women in time of war. Women managing homes. Women sustaining the sick, the poor, the aging, the young. Women doing what they have in them to do, with extraordinary strength and wit.

Women are survivors. We are part of a tradition of struggle. We compete with our own best notion of what we might become. Sharing our history strengthens us in the present by connecting us to the lives of countless women. But we do not intend to let the pursuit of our forgotten past become a substitute for trying to change the present. We will keep marching together in our quest for equality and justice.

In this tradition the 11 Democratic Congresswomen made the following commitment yesterday:

STATEMENT OF THE DEMOCRATIC CONGRESSWOMEN, JULY 31, 1979

The 1980 Presidential election offers an unparalleled opportunity for Democratic women to participate in decision making at the very highest levels. We believe it is important for elected Democratic women, at every level of government, to become actively involved in the delegate selection process and remain active throughout the Presidential election year.

Therefore, we are calling a nationwide conference of elected Democratic women to be held in Washington, D.C. on October 27 to discuss the 1980 convention. The women who attend this conference will represent constituencies throughout the nation. They know how to get elected. We want to urge them to become knowledgeable about the delegate selection process, and to begin to build a communications network that will continue throughout 1980.

Invitations to the conference will be sent to all available lists of elected Democratic women, who are estimated to number more than 4,000. The agenda will focus on strategy and communication. Arrangements will be handled by a separate staff working in nongovernmental office space. Sponsors of the conference include every Democratic Congresswoman:

Lindy Boggs of Louisiana; Marilyn Bouquard of Tennessee; Beverly Byron of Maryland; Shirley Chisholm of New York; Cardiss Collins of Illinois; Geraldine Ferraro of New York; Elizabeth Holtzman of New York; Bar-

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

bara Mikulski of Maryland; Mary Rose Oakar of Ohio; Pat Schroeder of Colorado; and Gladys Spellman of Maryland.

THE ARREST OF CHRISTIAN PASTORS IN BULGARIA

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the Commission on Security and Cooperation in Europe has received numerous reports in recent weeks of the arrest and imprisonment of Christian pastors in Bulgaria. Their crime allegedly stems from currency exchange violations but in reality is the distribution of Bibles and other religious literature. We have been in contact with the Department of State to try to ascertain the extent and precise nature of this harassment. If true, the reported arrests would be in direct violation of Principle VII of the Final Act, which calls upon the signatory states to "recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief in accordance with the dictates of his own conscience."

Bulgaria as one of the Helsinki signatory states is committed to respect and implement all of its provisions. The reported arrests and other harassment of religious observers in Bulgaria would seem to call into question the good faith of the Bulgarian Government in carrying out its Final Act commitments. I hope the Bulgarian authorities will end the current wave of harassment of religious observers and release any pastors who may still be in prison.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO SIT TODAY DURING 5-MINUTE RULE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may be permitted to sit today during the 5-minute rule on the bill, H.R. 5010, providing for technical amendments to the Federal Elections Commission Act.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, REFUGEES, AND INTERNATIONAL LAW OF COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary be permitted to sit today during the 5-minute rule to consider the refugee bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

TAX CUT OF $36 BILLION PROPOSED BY REPUBLICAN MEMBERS

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. RHODES. Mr. Speaker, today we are introducing legislation calling for a $36 billion tax cut to help keep our economy from spinning into a deep recession, and to restore a measure of health and stability. This legislation—which enjoys the overwhelming support of Republican Members in the House—is more than just a tax cut bill. It is a program designed to prevent the loss of more jobs and to create new ones. It is a program to help fight inflation by providing the incentives for our people to produce more—and so retain and improve their standard of living. The administration response is to wait and see what happens.

Mr. Speaker, Republicans believe the time to offer our people the hope—and the opportunity—to limit the damage this recession can do is now, not when millions more are jobless and trying to pay soaring food and fuel bills from unemployment checks.

This is the first part of the Republican game plan for the economy, Mr. Speaker, and, of course, another very important part of it will be unveiled at the time of the second concurrent budget resolution when we propose to work even harder than we have before in order to project a balanced budget for fiscal year 1981.

□ 1010

INTRODUCING LEGISLATION AMENDING WALSH-HEALEY ACT AND McNAMARA-O'HARA ACT

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, today I am introducing legislation which amends the Walsh-Healey Act and the McNamara-O'Hara Act to permit a 4-day 40-hour work week. This bill was introduced in the 95th Congress by our late colleague, Bill Steiger; similar legislation was recently introduced in the other body by Senator Bellmon.

Mr. Speaker, this legislation is necessary if workers under federal contract are to have the option of a compressed work week. Currently, Federal law requires that overtime be paid for work in excess of 8 hours in a day; this obviously precludes the 4-day work week in most instances. The arguments for making this option available are well known: Flexibility is enhanced, productivity may be increased, general costs can be reduced, and workers have more "usable" leisure time.

The key argument, however, is one about which there is currently a great deal of discussion—energy savings. Plants and offices would only have to be heated or cooled for 4 days per week, rather than 5. Lights and various types of equipment could be turned off an additional day each week. Further, a significant reduction in gasoline consumption would result as workers commute outside of rush hour—in addition to driving to work 1 day less per week.

At a time of persistent energy shortages, it makes little sense to preclude any option that can save energy. The legislation I am proposing merely provides the option of a 4-day work week for certain firms and employees—it does not mandate such a system. I therefore urge the support of my colleagues for this small, but important, effort to improve Federal labor laws and to save energy.

A $36 BILLION TAX CUT PROPOSED BY HOUSE REPUBLICANS

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, yesterday, I described how the Carter administration's misguided economic policies were driving us into a recession while simultaneously giving us double-digit inflation. To substantiate my statement, the Commerce Department has just reported that worker productivity fell by 5.7 percent in the second quarter, the largest drop in the 32-year history of the index. This has staggering implications for the future course of inflation in this country.

The reasons for the dismal performance of productivity under President Carter is quite clear. Business is not investing enough because inflation and heavy-handed Federal regulations make the return on too many capital projects a losing proposition. Workers are robbed of their incentive to produce more and earn more because intolerable levels of taxation consume too great a proportion of their incomes. Near confiscatory taxes on investment income have forced many savers to buy into nonproductive tax shelters rather than invest in American businesses employing American workers.

We can do something to end this perverse cycle: We can pass the $36 billion tax cut proposed by the House Republicans and being introduced today. This tax cut would accomplish three things:

First. By reducing individual income taxes by $28 billion, Americans will save and invest more, and the American worker will have greater incentives to work and earn more.

Second. Reducing social security taxes by $3.3 billion will reduce upward pressure on prices and wages.

Third. The accelerated depreciation schedules will begin to restore the incentives of business to invest in new, productivity-increasing plants and equipment.

For those who say this tax cut would be inflationary, I would remind them that without this tax cut, the combination of higher fuel prices, inflation pushing workers into tax brackets once intended for the very rich, and yet another social security tax boost will rob American consumers of more than $50 billion

in purchasing power next year alone. In effect, this tax cut will get us moving in the direction of a strong, noninflationary recovery from this needless and very costly recession.

EXCESSIVE GOVERNMENT REGULATIONS CONTRIBUTE TO CHRYSLER CORP.'S PROBLEMS

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, the Chrysler Corp. announced yesterday that for the second half of 1979, it lost $207.1 million. This represents one of the largest quarterly losses ever for an American business.

While there may be many causes for Chrysler's problems, excessive Government regulations which have forced Chrysler to spend billions in order to comply must be considered. Chrysler is harder hit by Federal regulations than the other auto manufacturers since it sells fewer cars. The estimated cost of Federal regulations per car for Chrysler is $620 as compared to $340 for General Motors which sells about five times the number of cars.

The Chrysler Corp. is the 14th largest corporation in the world. It employs one-half million people in the United States, 15,000 of which work in my home State of Indiana. However, I believe all of us should be concerned about what the Federal regulations are doing to our business community regardless of how many of our constituents work for Chrysler.

It is possible that the Federal Government will be asked to assist Chrysler in the near future. I hope my colleagues will read the full text of Chairman of the Board John Riccardo's news release which I will insert in the Extensions of Remarks today. Mr. Riccardo's comments are extremely revealing as to how detrimental Federal intervention can be to private industry.

PRINTING OF ADDITIONAL COPIES OF REPORT ACCOMPANYING SECOND CONCURRENT RESOLUTION ON THE BUDGET, 1980

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 360) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 360

Resolved, That there be printed for use by the House Committee on the Budget one thousand additional copies, at a cost not to exceed $1,200, of the House report entitled, "Second Concurrent Resolution on the Budget—Fiscal Year 1980."

Mr. HAWKINS. Mr. Speaker, this is a routine printing of the report to accompany the second budget resolution. The cost of the printing is not in excess of $1,200.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NONDISCHARGEABILITY OF STUDENT LOAN DEBTS GUARANTEED OR INSURED BY UNITED STATES

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2807) to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 4, strike out "this Act" and insert "section 1".

Page 2, after line 7, insert:

SEC. 3. Section 523(a)(8) of title 11, United States Code, as enacted by section 101 of Public Law 95-598, is amended—

(1) by striking out "to a governmental unit, or a nonprofit institution of higher education, for an educational loan" and inserting instead "for an educational loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or a nonprofit institution of higher education"; and

(2) in subparagraph (A), by inserting "(exclusive of any applicable suspension of the repayment period)" after "before five years".

Mr. EDWARDS of California. Mr. Speaker, this legislation is part of the process we will be undergoing to deal with corrections and perfection of the Bankruptcy Reform Act of 1978. As you know, that legislation is one of the more complex and complicated bills handled by this House in many years. It is not surprising, therefore, that changes are and will be necessary. H.R. 2807 is designed to deal with nondischargeability of student loans.

When the Bankruptcy Reform Act was enacted upon the President's signature on November 6, 1978, that section of the Higher Education Act dealing with the dischargeability of student loans was repealed and replaced by a provision in the new law which makes such obligations nondischargeable. However, because the new law does not take effect until this forthcoming October 1, between these two times there was created a gap. During this period, without a specific provision limiting dischargeability of such obligations, the matter will be dealt with under existing bankruptcy law which does not provide for the nondischargeability of such debts. This was not the intent of the law under the Higher Education Act, is not the intent of the new bankruptcy law, and is an oversight which we now must cure.

Further, Mr. Speaker, H.R. 2807 now provides, as a result of the Senate amendment, that the scope of coverage of student loan obligations not dischargeable in bankruptcy will be coextensive with federally funded educational support programs. Without this provision only those student loan obligations repayable directly to the Federal Government or to a nonprofit institution of higher education will be nondischargeable. This amendment rationalizes nondischargeability in bankruptcy of student loans and reestablishes as the law what Congress intended in its initial treatment of the subject in the Higher Education Act.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

Mr. Speaker, I join the gentleman from California in supporting our adoption of the Senate amendments to H.R. 2807. The language in the Senate amendments is designed to exempt from discharge in bankruptcy all federally funded educational loans, not just those owed "to" the Federal Government directly, as our original bill might have done. It reinforces the sentiment expressed by the House in its consideration of this question as part of the Bankruptcy Reform Act in 1977, and strengthens the bill as passed by this body on May 7.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

APPOINTMENT OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION IN CARACAS, VENEZUELA

The SPEAKER. Pursuant to the provisions of 22 United States Code 276a-1, as amended by Public Law 95-45, the Chair appoints as members of the delegation to attend the Conference of the Interparliamentary Union, held in Caracas, Venezuela, on September 13 to September 21, the following Members on the part of the House:

Mr. PREYER of North Carolina, chairman;

Mr. DERWINSKI of Illinois, vice chairman;

Mr. FOUNTAIN of North Carolina;

Mr. PEPPER of Florida;

Mr. PICKLE of Texas;

Mr. DE LA GARZA of Texas;

Mr. BOWEN of Mississippi;

Mr. DUNCAN of Oregon;

Mr. WON PAT of Guam;

Mr. MCCLORY of Illinois;

Mr. BUTLER of Virginia; and

Mr. GOODLING of Pennsylvania.

THE VOICE OF AMERICAN PEOPLE IS HEARD LOUD AND CLEAR IN HOUSE CHAMBER

(Mr. BUCHANAN asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Speaker, for the third time in recent weeks the President has spoken of Washington as an island and a place of isolation; and in this connection, he has made reference to the Congress as being a place of isolation.

Mr. Speaker, if this House is an island, it is buffeted by every wind and tide that sweeps across this country, and if one really wants to hear the voice of the people of the United States, I would respectfully suggest the President visit the people's House where every day of every week that the Congress is in session he will hear the voice of the American people speaking loud and clear in this Chamber.

□ 1020

PARLIAMENTARY INQUIRY

Mr. THOMAS. Mr. Speaker, on page 21659 of the CONGRESSIONAL RECORD for July 31, the gentleman from Illinois (Mr. MURPHY), requested and received permission to address the House for 1 minute. In his remarks he indicated that:

Mr. Speaker, yesterday I was holding hearings in the city of Chicago of the Select Committee on Narcotics Abuse and Control for which I had official leave of absence. I was, therefore, surprised to see the RECORD shows me recorded on votes taken yesterday and I ask unanimous consent that the permanent RECORD reflect the fact that I was not present and did not vote on Monday, July 30.

The proceedings of the House as carried in the CONGRESSIONAL RECORD for Monday, July 30, and in particular, votes 397 to vote 402, list the gentleman from Illinois (Mr. MURPHY) as having voted in each instance.

Inasmuch as the gentleman stated he was not present at the time and had official leave of absence that day, and there were substantive legislative matters considered, it would appear the RECORD does not reflect the true facts taken on that day.

Mr. Speaker, my parliamentary inquiry is now and in what manner does the Chair propose to have the RECORD reflect the correctness of these votes as they would appear based on the gentleman's own statement that he was not present and did not vote?

The SPEAKER. All that has happened so far is the statement of the gentleman from Illinois has appeared in the RECORD.

The votes have not been changed.

Mr. THOMAS. I understand the votes have not been changed. However, based upon the correctness of his statement, the votes are inaccurate in the RECORD. Is that correct? My parliamentary inquiry is how does the Chair propose to make the votes correct if they are now incorrect as printed in the RECORD?

The SPEAKER. It is the understanding of the Chair that the gentleman from Illinois has requested the Standards Committee to consider the matter. Also, the Committee on House Administration could look into the matter.

The Chair, through the years since electronic voting, has had a policy of refusing to entertain unanimous consent requests, to correct votes, but has allowed Members to insert statements in the RECORD.

Mr. THOMAS. Mr. Speaker, by that statement, am I to understand that if a vote is taken incorrectly on a substantive matter and that the vote that was taken incorrectly either passes or defeats a measure, and a Member subsequently indicates by clear evidence that he was not present and a vote was cast by mistake, that the measure would still stand or be defeated by an incorrect vote?

The SPEAKER. The Chair would have to take that under advisement to see what the rule of the House would be when there is full and complete information from both the Committee on Standards of Official Conduct and the Committee on House Administration.

Mr. THOMAS. I thank the Speaker.

THE 20TH ANNIVERSARY OF STATEHOOD FOR HAWAII

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, aloha.

The month of August 1959 was quite special for the State of Hawaii. Hawaii was once a nation comprised of separate chiefdoms prior to the 18th century. It then became a proud kingdom when King Kamehameha united the chiefdoms of Hawaii. In the late 19th century, Hawaii became a republic and by action of the Congress of the United States became a territory.

Hawaii enjoyed this status of being a territory until 1959 when it became this Nation's 50th State. At that time, Sam Rayburn was Speaker of the House, John McCormack was majority leader and John Burns was the Delegate of Hawaii. These men among many others played a large part in Hawaii's achievement of statehood.

August 19, 1979, will mark the 20th anniversary of statehood for the Hawaiian Islands. I ask the Members of Congress to join me today in celebration of this important historic occasion.

EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LOEFFLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 390, nays 4, not voting 40, as follows:

[Roll No. 414]

YEAS—390

Abdnor	Daniel, R. W.	Harkin
Addabbo	Dannemeyer	Harris
Akaka	Daschle	Harsha
Albosta	Davis, Mich.	Hawkins
Ambro	Davis, S.C.	Hefner
Anderson, Calif.	de la Garza	Heftel
	Deckard	Hightower
Andrews, N.C.	Dellums	Hillis
Andrews, N. Dak.	Derrick	Hinson
	Derwinski	Holland
Annunzio	Devine	Hollenbeck
Anthony	Dickinson	Holt
Applegate	Dicks	Holtzman
Archer	Dingell	Hopkins
Ashley	Donnelly	Horton
Aspin	Dornan	Howard
Atkinson	Downey	Hubbard
AuCoin	Drinan	Huckaby
Badham	Duncan, Oreg.	Hughes
Bafalis	Duncan, Tenn.	Hutto
Bailey	Early	Hyde
Baldus	Edgar	Ichord
Barnard	Edwards, Ala.	Jacobs
Barnes	Edwards, Calif.	Jeffords
Bauman	Edwards, Okla.	Jenkins
Beard, R.I.	Emery	Jenrette
Beard, Tenn.	English	Johnson, Calif.
Bedell	Erdahl	Johnson, Colo.
Bellenson	Erlenborn	Jones, N.C.
Benjamin	Ertel	Jones, Okla.
Bennett	Evans, Del.	Jones, Tenn.
Bereuter	Evans, Ga.	Kastenmeier
Bethune	Evans, Ind.	Kazen
Bevill	Fary	Kelly
Biaggi	Fascell	Kemp
Bingham	Fazio	Kildee
Blanchard	Fenwick	Kindness
Boggs	Ferraro	Kogovsek
Boland	Fish	Kostmayer
Boner	Fisher	Kramer
Bonior	Fithian	LaFalce
Bonker	Flippo	Lagomarsino
Bouquard	Florio	Latta
Bowen	Foley	Leach, Iowa
Brademas	Ford, Mich.	Leach, La.
Breaux	Ford, Tenn.	Leath, Tex.
Brinkley	Fountain	Lederer
Brodhead	Fowler	Lee
Brooks	Frenzel	Lehman
Broomfield	Frost	Lent
Brown, Ohio	Fuqua	Levitas
Broyhill	Garcia	Lewis
Buchanan	Gaydos	Livingston
Burgener	Gephardt	Loeffler
Burlison	Giaimo	Long, La.
Burton, Phillip	Gibbons	Long, Md.
Butler	Gilman	Lott
Byron	Gingrich	Lowry
Campbell	Ginn	Lujan
Carney	Glickman	Lundine
Carr	Goldwater	Lungren
Carter	Gonzalez	McClory
Cavanaugh	Goodling	McCormack
Chappell	Gore	McDade
Cheney	Gradison	McEwen
Clausen	Gramm	McHugh
Cleveland	Grassley	McKay
Clinger	Gray	McKinney
Coelho	Green	Madigan
Coleman	Grisham	Maguire
Collins, Tex.	Guarini	Markey
Conable	Gudger	Marks
Conte	Guyer	Marriott
Corcoran	Hagedorn	Martin
Corman	Hall, Ohio	Matsui
Cotter	Hall, Tex.	Mattox
Coughlin	Hamilton	Mavroules
Courter	Hammer-schmidt	Mazzoli
Crane, Daniel		Mica
Crane, Philip	Hance	Michel
D'Amours	Hanley	Mikulski
Daniel, Dan	Hansen	Mikva

Miller, Calif.	Reuss	Stokes
Miller, Ohio	Rhodes	Stratton
Mineta	Richmond	Studds
Minish	Rinaldo	Stump
Mitchell, N.Y.	Ritter	Swift
Moakley	Robinson	Symms
Moffett	Rodino	Synar
Mollohan	Roe	Tauke
Montgomery	Rose	Taylor
Moore	Rostenkowski	Thomas
Moorhead, Calif.	Roth	Thompson
	Rousselot	Traxler
Moorhead, Pa.	Roybal	Trible
Mottl	Royer	Udall
Murphy, N.Y.	Rudd	Ullman
Murphy, Pa.	Russo	Van Deerlin
Murtha	Sabo	Vander Jagt
Myers, Ind.	Santini	Vanik
Myers, Pa.	Satterfield	Vento
Natcher	Sawyer	Volkmer
Neal	Schroeder	Walgren
Nedzi	Schulze	Walker
Nelson	Sebelius	Wampler
Nichols	Seiberling	Watkins
Nowak	Sensenbrenner	Waxman
O'Brien	Shannon	Weaver
Oakar	Sharp	Weiss
Oberstar	Shelby	White
Obey	Shumway	Whitehurst
Ottinger	Shuster	Whitley
Panetta	Simon	Whittaker
Pashayan	Skelton	Whitten
Patten	Slack	Williams, Mont.
Patterson	Smith, Iowa	Wilson, C. H.
Paul	Smith, Nebr.	Wilson, Tex.
Pease	Snowe	Winn
Pepper	Snyder	Wirth
Perkins	Solarz	Wolff
Petri	Spellman	Wolpe
Peyser	Spence	Wright
Pickle	St Germain	Wyatt
Preyer	Stack	Wydler
Price	Staggers	Yates
Pritchard	Stangeland	Yatron
Pursell	Stanton	Young, Fla.
Quayle	Stark	Young, Mo.
Quillen	Steed	Zablocki
Rahall	Stenholm	Zeferetti
Ratchford	Stewart	
Regula	Stockman	

NAYS—4

Findley	McDonald	Wilson, Bob
Lloyd		

NOT VOTING—40

Alexander	Dougherty	Nolan
Anderson, Ill.	Eckhardt	Railsback
Ashbrook	Flood	Rangel
Bolling	Forsythe	Roberts
Brown, Calif.	Heckler	Rosenthal
Burton, John	Ireland	Runnels
Chisholm	Jeffries	Scheuer
Clay	Leland	Solomon
Collins, Ill.	Luken	Treen
Conyers	McCloskey	Williams, Ohio
Danielson	Marlenee	Wylie
Diggs	Mathis	Young, Alaska
Dixon	Mitchell, Md.	
Dodd	Murphy, Ill.	

□ 1030

So the motion was agreed to.

The result of the vote was announced as above recorded.

□ 1040

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the Senate bill, S. 1030, with Mr. FASCELL in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 31, 1979, section 3 had been considered as having been read and open to amendment at any point.

Mr. DINGELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purposes of initiating a discussion with my good friends and colleagues on the Republican side for the purpose of trying to get a limitation of time.

I would like to propound a unanimous-consent request.

Mr. BROYHILL. Mr. Chairman, reserving the right to object——

Mr. DINGELL. If my good friend would listen, maybe after I make it he will not want to object.

Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto conclude in 2 hours.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. The request is not in order under the rules.

The CHAIRMAN. Is the gentleman from Maryland objecting?

Mr. BAUMAN. No, the gentleman makes a point of order that the request is not in order under the rules of the House.

The CHAIRMAN. The gentleman from Michigan can impose a time limit by unanimous consent.

Mr. BAUMAN. The rest of the bill has not been read. There are three other sections of the bill.

The CHAIRMAN. The gentleman can still do it by unanimous consent, although his request could have included dispensing with reading of the remainder of the bill.

Mr. BAUMAN. Not to prolong the agony, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. Mr. Chairman, did the gentleman from Maryland object?

Mr. BAUMAN. Yes.

Mr. DINGELL. Mr. Chairman, I know my colleagues here in the House have other business, and I know they would like to get on to it.

Mr. Chairman, I would ask unanimous consent that all debate on S. 1030 and all amendments thereto terminate at 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. Mr. Chairman, I will not ask further unanimous consent. I was just trying to expedite the business of the House. I would hope that my colleagues on the minority side would try to cooperate with us in getting this matter expeditiously concluded and get it to a vote.

AMENDMENT OFFERED BY MR. RINALDO

Mr. RINALDO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RINALDO: Page 42, strike out lines 8 through 11 and insert in lieu thereof:

"(c) PLAN MAY NOT INCLUDE A STANDBY AUTOMOBILE STICKER SYSTEM.—The plan established under subsection (a) may not include a standby automobile sticker system.

Page 43, strike out line 12 and all that follows down through line 9 on page 45.

Page 27, after line 13, insert the following new paragraph:

"(15) The term 'standby automobile sticker system' means any restriction applicable to automobiles (or classes thereof) which, by means of stickers or other devices, identifies vehicles which are prohibited from being operated on designated days (or other periods of time).

Mr. RINALDO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. MOFFETT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the amendment.

Mr. RINALDO. Mr. Chairman, I offer an amendment to strike the standby automobile sticker plan in sections 637(c) and 638, and to prohibit the Federal energy conservation plan from authorizing a sticker system. This is a dangerous provision which I feel is unfair, discriminatory, and would impose undue hardship on millions of Americans.

The sticker plan contained in this bill would restrict the use of a car to 6 days a week. A motorist would choose a nondriving day and display a sticker on the car to indicate that day. This is essentially the same sticker plan defeated by the Senate 10 to 79 when the Senate passed its version of S. 1030.

I am opposed to the use of the sticker plan not because I am against energy conservation, not because I am against giving the President standby gasoline rationing authority, not because I am unwilling to bite the bullet, but simply because this plan lacks the flexibility to be fair and nondiscriminatory.

First, the sticker plan would penalize those who must depend on automobiles for transportation. It would impose an unequal burden on suburban and rural sections of the country and on all areas without adequate mass transit systems.

Second, the sticker plan unfairly singles out those who must use their cars 5 to 6 days a week to get to work, even though their total gasoline consumption may be low. It would allow others to be wasteful in their energy use throughout the week as long as they refrained from driving on one particular day.

The sticker plan could have the undesirable effect of reducing church attendance for the many people who would be forced to give up a driving day on a weekend.

Third, it would cause particular hardship for those who work shifts, irregular hours, or rotating days. Seasonal workers, who often work 7 days a week, and those holding two jobs also would be unfairly penalized. Employers of such job-holders would be adversely affected as well. Whole towns and communities could be thrown into their own areawide recession.

This would cause a problem of significant impact, as it would affect virtually millions of employees across the Nation.

Occupations which would be particularly burdened by the sticker plan include:

Hotel and restaurant employees: waiters, waitresses, cooks, chefs, dishwashers, bartenders.

Postal Service employees and telephone operators.

Clergymen.

Printers, television and radio announcers, newspaper reporters.

Real estate agents and brokers.

Doctors, nurses, and hospital workers (except those providing emergency services).

Policemen and firemen who drive their own cars to get to work.

Those in the transportation field—truck and bus drivers, railroad personnel, airline mechanics, pilots and flight attendants, air traffic controllers, and reservation and ticket agents.

Security guards and building custodians.

Performing artists, such as musicians, singers, and other entertainers.

Such a plan would not only worsen our present unemployment problem, but it would aggravate the national recession we are now facing. The hidden cost would be in the billions of dollars.

I do not feel that the Government should dictate what days Americans may drive their cars. This provision would surely disrupt the lives of millions of Americans with no guarantee of energy savings. I urge your support for this amendment to defeat the sticker plan.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. VOLKMER, and by unanimous consent, Mr. RINALDO was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding. As I understand the sticker system as proposed in the bill, if I were the owner and operator, along with my wife, of three vehicles, it would be possible to have those vehicle stickers for different days; would it not?

Mr. RINALDO. That is not clear the way the bill is presently written. It could be interpreted that way, and if it were interpreted that way, once again it would be discriminatory, because it would allow the people who could afford three or four cars, to pick their days and not be penalized.

Mr. VOLKMER. If my car is stickered on Monday, and the extra car is stickered for Tuesday, then I could use the Tuesday car on Monday and use the Monday car on Tuesday?

Mr. RINALDO. If the gentleman interprets it that way. The bill is silent on that point.

Mr. VOLKMER. Let me ask the gentleman this. If I am sufficiently wealthy, and they sticker all cars in the same family for the same day, what would prohibit me from renting a car for that day?

Mr. RINALDO. Absolutely nothing.

Mr. VOLKMER. All right. Or I could take a taxicab wherever I wanted to go or a limousine?

Mr. RINALDO. Yes.

Mr. VOLKMER. Have I conserved any fuel by doing that?

Mr. RINALDO. The gentleman would not be conserving any fuel at all.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding. I would simply like to say I agree with the gentleman, and I hope his amendment is adopted.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding. I think it is important for the gentleman from Missouri (Mr. VOLKMER) to know that this bill is silent on the two- or three-car family, but the committee, I think, indicated quite overwhelmingly that it would not want a situation to exist where you could just shuffle your cars around. In other words, they would all have to have the sticker for the same day.

Let it be said immediately that with regard to enforcement, as with enforcement now, we are going to have gaps and holes, and a person could go down and register cars in different names. We know that is true, but this is the only plan that we heard in our testimony.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MOFFETT, and by unanimous consent, Mr. RINALDO was allowed to proceed for 1 additional minute.)

Mr. MOFFETT. If the gentleman will yield further, this is the only plan—and I emphasize, the only plan—from all of the witnesses, the jobbers and the retail gasoline people, the marketers, and Triple A, and all these different groups. This is the only plan that they said would save substantial amounts of gasoline, and that is why we did it.

Mr. RINALDO. I reclaim my time.

Mr. MOFFETT. Certainly.

Mr. RINALDO. I respect the gentleman who came up with the plan. I respect his desire to conserve gasoline. But, his plan has never been tried in the world except in one country, Italy. They instituted a Sunday driving ban, essentially the same as this plan, in 1973. It only lasted for 2 or 3 months. It did not work, and the evaluation was that there was absolutely no substantial reduction in gasoline consumption as a result of the plan.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RINALDO was allowed to proceed for 2 additional minutes.)

Mr. RINALDO. The inconvenience and economic harm, especially to tourism, had been great. The Italian experience proved that the small gasoline savings from the 1-day ban did not offset the economic harm.

I want to answer the gentleman on another point. He has mentioned and he has sent out a statement to the effect that various groups, such as the AAA support this plan. I have not received or seen a single letter, a single document from any such automobile association supporting the plan and would like to read part of a letter I received just yesterday from the American Automobile Association:

> In summary, we feel the potential energy savings of the "sticker plan" are minimal and the potential inequity great. Therefore, we support your amendment to prohibit use of the sticker plan as an element of the federal emergency conservation plan.

The letter is dated July 31. It is from Jerry Connors, managing director of the Government Affairs Department of the American Automobile Association.

□ 1100

There is substantive evidence that the sticker plan is unworkable. The plan is full of loopholes. The plan has been tried in one country. It was a proven disaster. We do not want that kind of disaster in America.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to my good friend, the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey (Mr. RINALDO).

Mr. Chairman, am I correct that the committee which brought this bill to the floor of the House has decided that each and every American must abide by a Government edict that they cannot use their automobiles on a given day of the week? Has the encroachment on our freedom gone this far?

Earlier in the month the Senate, when it considered this provision of the bill, overwhelmingly rejected it. The other body's vote of 10 voting "aye," 79 voting "no," reflected a very strong consensus that our constituents do not want another sticker, issued by the Government, telling them when they can and cannot use their automobiles. If, in the face of a shortage of energy supplies, certain conservation measures need to be taken, a restriction on the use of an automobile is unfair and something which will be extremely difficult to enforce.

What about all of you who represent congressional districts where mass transportation is not available or is inadequate to meet the mobility needs of the people? I know that in the part of the country which I represent—a remote suburban and exurban portion of Los Angeles and beyond—it is preposterous to impose a limitation of this magnitude on the lifestyles of those who necessarily depend on their cars to earn a living and provide for their families. There are other remedies to cope with a shortage of gasoline—measures which I have advocated for a long time as a Member of this House. But faced with the reality that we must increase our conservation efforts, this is a most undesirable and impractical to administer approach.

As it is, Government disrupts the lives of millions. To slap this burden on them is going too far. Think of the hard-working, who, in order to tackle this beastly inflation, must work two jobs to make ends meet. What about seasonal workers who use their car 7 days a week for a stretch of months during the year? How in the world is our Department of Energy going to keep track of whether someone is exempt from being issued a sticker? The ways around compliance with such a plan will likely exceed the number of persons who will actually be issued stickers. Take a two-car family, for example. Did it occur to the committee when it drafted this plan that such households will have a distinct advantage over a household with just one automobile? In these times where our economy is so much in need of a productive work force, this sticker plan will just plunge us further into the depths of a recession.

Mr. Chairman, I urge the Committee to follow the action of the other body by rejecting the sticker plan. Vote "aye" on the Rinaldo amendment.

Mr. Chairman, is this the same plan that was overwhelmingly rejected by the other body just recently?

Mr. RINALDO. That is correct. It could only get 10 votes in the other body.

Mr. GOLDWATER. I think that vote reflects the very strong consensus that our constituents do not want another sticker plan and the Government telling them how or when to use their automobiles.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I would just like to make two points. First of all, the gentleman mentioned that the Italian Government lasted 2 months. What the gentleman neglected to mention, of course, was that that was the longest government in Italy's postwar history.

Mr. RINALDO. I will reclaim my time and correct the gentleman's statement. I said that the sticker plan lasted 2 to 3 months.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

Yesterday we completed that section of this bill which deals with standby rationing authority. In general, the House behaved in a very statesmanlike way, rejecting effort after effort to weaken the legislation.

Now we enter that phase of the bill which has to do with conservation. In some ways it is more important even than the standby rationing authority, because it is more likely that a situation will arise requiring conservation plans than the dire situation which would require rationing.

Toward the end of the day yesterday, we adopted one amendment which did weaken to some extent the uniform and equal application of thermostat controls, the one single standard conservation power that the House had deigned to permit the President to exercise. That amendment was not fatal to the bill. Many obviously feel that it has merit. But it would be fatal to the bill and to the public's hopes for an effective energy conservation plan if it should set in motion a chain reactive effect of amendment after amendment tearing down the foundations of our conservation efforts.

Now, the gentleman makes a very poor case when he says that the people do not want the Government telling them when they can drive their cars. The gentleman full well knows that this is an optional plan. It is not mandatory. The States are given the right to employ a sticker plan merely as an optional tool which they may or may not choose to implement. In addition to that, it permits the citizen himself not to be told, but to tell the Government that day which he chooses to curtail the use of his automobile.

There is no painless conservation plan that will save energy for the United States. There is no way that we can be wholly self-indulgent and save energy. There is no way in which Congress can pander to the public, protect everyone from any inconvenience whatever, and then truthfully say that we have an effective energy conservation plan.

The public is wise enough to see through any such shameful pretense. The public knows full well that this is our chance to have effective energy conservation. This is the chance for Congress to demonstrate the strength of character to be leaders of the Nation, to set forth an effective way to save and conserve energy. If we blow it, after so recently having seen the American people subjected to the inconveniences of waiting in long gasoline lines because we had not heretofore demonstrated the gumption to develop such plans, then we do not deserve their continued support.

My friends on the Republican side realize that I have not sought opportunities for partisan commentary. I have tried to be as bipartisan as possible. But I want to remind them that there have been eight serious efforts to weaken this bill, to emasculate it, to tear down whatever strength it had. On those eight successive efforts the Republican Members have voted in a solid phalanx, regardless of the merits of the amendment offered, to weaken the bill. Members on the Republican side have voted to weaken the bill time after successive time.

Let me just recite the numbers. On four of those occasions, all but 3—all but 3 of the 159 Republican Members of this House—voted to weaken this bill. On two other occasions, all but five have voted for the weakening amendments. On one other occasion, every Republican but six voted to weaken the bill. The average number of Republicans voting to protect the legislation from these ravages is fewer than 5—5 out of 159.

Happily, we had strength enough and unity enough on the majority side to resist those efforts on all but one of those occasions.

Let me just offer a friendly admonition to my friends on the minority side. The public does not appreciate obstructionism. The public is wise enough to see if you follow that practice again today. If on amendment after weakening amendment, a solid Republican phalanx comes forward again today to vote for just anything and everything designed to rip holes in this legislation, why, of course, the people are going to see that there is a conspiracy.

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. No, I will not yield at this point.

Of course, the public is going to see that there is a conspiracy to emasculate this bill for no better purpose than to embarrass the President of the United States, and perhaps secondarily to embarrass the Democratic majority in the House.

Now, people do not appreciate that. The people expect and deserve something better than partisan obstructionism. The public wants an effective energy bill. Now may I say to my Democratic friends, some of whom have been described as unguided missiles on occasion, that we have a responsibility. We have a responsibility as the majority party entrusted by the American public with trying to put together sometimes painful plans. The public has a right to expect us not to be pusillanimous, but to be forthright. The public expects us to present them with some orderly and effective program that will get us all to the goal that they want us to achieve, and that is energy sufficiency for the United States.

AMENDMENT OFFERED BY MR. MOFFETT AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. RINALDO

Mr. MOFFETT. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mr. MOFFETT as a substitute for the amendment offered by Mr. RINALDO: Page 45, after line 9, insert the following new subsection:
>
> "(d) NEEDS OF RURAL AND CERTAIN OTHER AREAS.—Any system under this section shall be established only after consultation with the Governors of the States involved and shall provide appropriate consideration of the needs of those in suburban and rural areas, particularly those areas not adequately served by any public transportation system, through the geographical coverage of the system, through exemptions under subsection (c)(8), or through such other means as may be appropriate.

Mr. MOFFETT. Mr. Chairman, first of all, the other body rejected a very strict mandatory sticker plan that had to go into effect whatever the situation and I think the fact that it received 10 votes is about what it deserved, because that is certainly not what we intend in this bill.

You know, it is the easiest thing in the world to come in here and have a list of conservation options before you and to say, "Well, I don't like that one, that one, and that one. This won't work and that won't work."

You can take any crowd you want at any one of your town meetings, at any meeting you go to back home, and you know and I know that they will all think of a thousand reasons why something will not work; but there is a responsibility here to deal with the need for some significant conservation. Sometimes I think that some of my friends on this side are not willing to face up to it, very frankly.

I do not say that in a negative pejorative way, but I think that is really the case.

Why do we need conservation? Because some environmental group said that conservation sounds like a good word? No; the President is imposing quotas, 8.2 million barrels a day.

Secretary Schlesinger said just yesterday that it will be very, very difficult to make those 1977 levels stick throughout the early 1980's.

Now, regardless of what we do on synfuels, and I think the gentleman from Michigan (Mr. STOCKMAN) has pointed this out in a very articulate way, there is real doubt about what synfuels are going to provide; but regardless, take even the most optimistic estimates of synfuels and you are still talking about the late 1980's and 1990. Regardless of what we do on decontrol and regardless of what decontrol produces, and let us take the best estimates, let us take the American Petroleum Institute estimates, 1.5 million barrels a day by 1985 we are still not talking about a way to get through the early 1980's. No matter what you do, no matter where you look, no matter how many witnesses you hear, whether they are for decontrol or against, whether they are for synfuels or against, you come away with the impression, as this subcommittee has and as many people outside this subcommittee have, that you have to plug into this bill some potential for meeting significant conservation and conservation targets.

□ 1110

We have tried to do it in the most flexible way, but there is no dodging it. There is no way we can dodge the need to get significant conservation today.

So what happened when we heard the witnesses? I do not know whether the gentleman from New Jersey read the transcript; I hope he has. All the testimony seems to point to one thing, and that is that as a significant conservation option this at the very least should be in the toolbox. It should be in the President's toolbox.

Now, there are problems with it, but it is the only thing we heard about that could be applied uniformly, that would be simple, that would give the people a choice, and that would provide visible conservation, a 10-percent savings.

Can you imagine those kinds of savings on gasoline? Do we really believe the gasoline crisis is over because we do not have lines in Washington? Does anybody here really believe that?

We have had our fights. We have had our fights about decontrol and prices and consumers, but let us put that aside for a moment. I do not think any of us allege, even during the last crisis with gasoline over the past 2 months—I know I did not—I do not think any of us allege there is no such thing as a product shortage. There was a product shortage, and there continues to be a product shortage.

Whether the product shortage came from refineries not putting out enough, whether it came from the majors having spent their crude oil inventories, whether it came from consumer panic, or whether it came from regulations and the allocation system that some Members here think are crazy, I know that there has been a product shortage. Let us acknowledge that the product crisis is not over. We have got to face it. Obviously we, like the public, face it better when there are long lines.

There are not any long lines now, but I hope this body can come to grips and faces the issue nonetheless. When we decide to face it, we come very quickly to the conclusion, when we listen to the testimony—and for heaven's sake, the subcommittee of this committee listened carefully—we come very quickly to the conclusion that this sticker plan has to be in here as an option.

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I will yield in a moment because the gentleman was kind enough to yield to me.

Mr. Chairman, let me say first that the gentleman from New Jersey has surprised me by his fondness for rationing. I, like the gentleman from Texas (Mr. GRAMM) and others, have come to the conclusion increasingly as we have studied this subject in the subcommittee that rationing would be a disaster, an economic disaster. We have security problems, physical problems with the customers, we would have gas-station holdups in the inner city; we have all sorts of problems when we look at what happens with rationing. That clearly has to be a last resort.

If we really want rationing to be a last resort, though, let us make sure there are some intermediate steps that are much less painful. Let us not kid ourselves. We need intermediate steps other than rationing that are much less economically devastating than rationing. That means we have to have the sticker plan, as well as the other measures in here.

When we look at the conservation measures, what do we find? There can be some very drastic measures taken under the conservation section of this bill. The gentleman from Michigan (Mr. STOCKMAN) has pointed that out, and others on this floor have pointed it out. That is one of the reasons we put the 10-percent trigger in on the conservation part of the bill.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(By unanimous consent, Mr. MOFFETT was allowed to proceed for 5 additional minutes.)

Mr. MOFFETT. Mr. Chairman, when we look at the intermediate steps that help us prevent rationing from ever having to go into effect, we find that the President could take and the Governors could take some pretty drastic steps. A Governor could say as of next week, or most of them have the authority to say, that on certain highways leading into a city during off-hours all cars having only one driver in the car are banned. That would certainly cause more than a little grief and discomfort and more than a little consumer anger, would it not?

The sticker plan does not do anything like that. If the Members will take the time to read the amendment and what is in the bill, they will find the sticker plan is very flexible. We write in there that we do not want anybody getting traffic tickets for violating this if there is a justified necessity for driving. It is not the committee's intent to have police pulling over volunteer firemen. They would clearly come under the emergency category.

The plan is optional. It is a standby plan, and there is no intention on the part of the committee nor on the part of this Member or the sponsors of this part of the bill, both on and off the Committee on Interstate and Foreign Commerce, to have it come down like this and have it hurt rural areas or suburban areas that do not have the benefit of mass transit.

My district does not have mass transit and I think this can be flexibly and efficiently applied in my district. I am not afraid to say that.

Let me say, however, that I think the gentleman from New Jersey and others have raised some very good points about the sticker plan, and that is the reason for the substitute. It also attempts to deal with questions raised by the gentleman from Texas, the gentleman from Michigan, and others. There are rural districts with no mass transit, and there are ranchers, as the gentleman from Texas (Mr. KAZEN) has said, who have to drive 7 days a week.

The substitute insures that no sticker plan will be put into effect unless and until the President has consulted with the Governors of the States affected and considered the needs of suburban areas and rural areas, especially those not served with any public transportation system. Finally, this assures that this system would not be put into effect unless it includes provisions for dealing with such suburban and rural areas.

The President can do that by a number of means, by excluding certain geographical areas. Perhaps he could determine that the district represented by the gentleman from Texas just is not fit for the sticker plan. Perhaps that district and other districts like it would be excluded.

It is clear that what we are trying to do is to get at the large metropolitan areas, frankly, and the suburban areas where there is a mass transit alternative and to get people out of their cars.

I might add that the gentleman from New Jersey (Mr. RINALDO) has said that it has not worked before. There is a program called the commuter connection in California which employs an alternative system by which people have identification cards. If they get picked up along the way to work, they hold that card up, and it has their picture on it.

Let us not underestimate the imagination of the public and of our State and local officials to figure out ways to conserve. They are doing it now. We do not have to wait until 50,000 more buses are produced. We have a lot of imagination and a lot of ingenuity in this country. This part of the bill, not only the sticker plan but the conservation sections, allows the public and our State and local officials to have an opportunity to conserve. If they do that, there is no likelihood of any sticker plan ever coming along.

Mr. Chairman, finally I want to say that I want the gentleman from New Jersey (Mr. RINALDO) to give us the benefit of his knowledge. I am going to yield to him, and I hope he will tell us what his plan is for saving 7 percent, 8 percent, or 10 percent of our gasoline supply.

Let us not say that rationing is No. 1. It is our last resort. And, No. 2, it is not a real conservation measure.

Let us also point out that odd-even and $5 minimum purchases are basically antipanic devices, and they work. They do shorten the lines, and they bring some order to the marketplace.

Mr. Chairman, I will ask the gentleman from New Jersey (Mr. RINALDO), what is the gentleman's conservation plan? I yield to the gentleman so he can answer that question.

Mr. RINALDO. Mr. Chairman, I would be pleased to tell the gentleman from Connecticut (Mr. MOFFETT) about my conservation plan.

My conservation plan is included in legislation. It gives the Governors authority to implement a workable, sensible plan. It should be up to the States but we should not have in the legislation authority for a plan that should properly and rightfully be legislated by this body. Let us not usurp our legislative prerogatives to the Executive.

The gentleman's amendment gets to the very core of the point I am making. The gentleman from Connecticut is offering a weak substitute that, in effect, says the President should consult with the States. Well, I want to improve his position by defeating his substitute and having my amendment approved.

Let the States institute their own conservation plans. Let the States take into account local conditions. Let the States make the determination how to conserve and let us not give the President unbridled authority.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(On request of Mr. KAZEN, and by unanimous consent, Mr. MOFFETT was allowed to proceed for 5 additional minutes.)

Mr. RINALDO. Mr. Chairman, will the gentleman yield further so that I may finish my statement?

Mr. MOFFETT. I yield to the gentleman from New Jersey.

Mr. RINALDO. Mr. Chairman, I thank the gentleman.

The point I am making is that the States, under my amendment, can still put into effect a sticker plan, even though the sticker plan is not a proven method of conserving gasoline. The gentleman in the well stated that the legislation under consideration plugs in significant conservation plans, but by his own admission, he said only 10 percent of the gasoline used would be saved. In an earlier discussion he said only 6 percent, and another figure that has been given is 350,000 barrels a day.

I have seen no estimates from independent sources, but we have to bear in mind that these are all really guesstimates. Nobody knows exactly what the plan will save.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman for his contribution, and I am going to reclaim my time.

Mr. RINALDO. Mr. Chairman, the only hard fact we have is the experience of the Italian Government, and the plan did not work there.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman for his constructive comments.

I still say that the gentleman from New Jersey (Mr. RINALDO) still has not told us what he is going to do to bring about significant contribution. He says, leave it to the States. This subcommittee has focused on this issue and we have asked questions, and there is a need to be specific.

□ 1120

We have had the witnesses parade in. They have come in and they have said, "Listen, there is only one thing that we see that would save significant amounts of gasoline." That is why it is left as an option, and the gentleman takes it away from the Federal Government as an option.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for the amount of work he has put into this idea. I am sorry that I have to differ with the gentleman.

First of all, will the gentleman explain something to me, I understood the distinguished majority leader to say that the individual had the option of a date.

Mr. MOFFETT. Yes.

Mr. KAZEN. Is this provision in the bill? I do not see it in the bill anywhere.

Mr. MOFFETT. It is the committee's intent, it is in the committee report, and in all of our deliberations, and clearly the committee's intent, that in fact you would have the choice. There is no other way to do it, really. If the gentleman would like to offer an amendment, I would accept it.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield on that point?

Mr. MOFFETT. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I want the gentleman from Texas to know that it is my intention momentarily to offer an amendment which would do what the gentleman suggests, an amendment to the substitute.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, I am right that it is not in the bill now?

Mr. MOFFETT. That is right.

Mr. KAZEN. Secondly, when the gentleman says in his amendment "it shall be established only after consultation with the Governors of the States involved," what particular States would be involved? Is it the entire country involved?

Mr. MOFFETT. Yes.

Mr. KAZEN. Why should your amendment say "consultation with the Governors of the States involved?"

Mr. MOFFETT. All that "involved" means there, "involved" really modifies the rest of the conservation section. "Involved" means those States with which the President is dealing at the time who have had their conservation targets set. The gentleman knows from the rest of the bill that there is a whole process that goes on. That is all that we mean by that.

Mr. KAZEN. One more question: Is this a mandatory provision that, if this amendment is adopted, if I choose not to drive on Sunday, that my feet will be set in concrete, and from there on, Sunday would be the only day that I cannot drive my car?

Mr. MOFFETT. No, absolutely not. In fact, it is quite clear again, as the gentleman may know from the report, we said, "We are not trying to write a sticker plan." Maybe the gentleman from New Jersey would like to, if we are going to do it, but we are not trying to write it.

The gentleman brings up a good point, the same point that goes to the rotating shift question. The workers have different days off, and it shifts about once a month. We would hope that there would be provision, and it is our intent that there would be provision for changing one's day.

Mr. KAZEN. This is my concern, because, as I have talked to the gentleman privately, in a rural area, for instance, just one instance out of many, where there is a one-car family, and usually it is a pickup, here again, may I just interject, what does the gentleman mean by saying that commercial and agricultural vehicles are specifically exempted? Is a pickup truck that has a farm license specifically exempt from the provision?

Mr. MOFFETT. Yes.

Mr. KAZEN. I am glad to hear that.

If that person lives about 40 or 50 miles from a hospital, which is the situation in my district and many other districts in this country, and his wife has an operation and she is in the hospital, it would mean that if he had a sticker that says he cannot use his car on a Sunday, that he cannot go visit her at the hospital on a Sunday.

Mr. MOFFETT. Yes.

Mr. KAZEN. He might be stopped. The gentleman might say, "Now, wait a minute. That might be an exception," and so on. But he is going to be picked up and he is going to be brought in, and he is going to have to explain to the satisfaction of a sheriff or constable or other law enforcement officer why he is on the road.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(On request of Mr. KAZEN and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. KAZEN. If the gentleman will yield further, he is going to have to go in and explain to some constable or sheriff or some other law enforcement officer

why he is on the road on that day when his sticker says he cannot be.

Mr. MOFFETT. First of all, I am not trying to make light of the gentleman's example, because there are real examples.

Mr. KAZEN. Let me tell the gentleman that this is serious business in my district.

Mr. MOFFETT. I understand. I take it as seriously as the gentleman does. I think the gentleman knows that. But I would say that one of the things we would like to do is to have a neighbor come by who would like to visit the gentleman's wife and pick him up. That is the kind of intention we want. But let me say to the gentleman that it is the committee's intention—and in all seriousness, and we have said this again and again and again as the examples come up, as the gentleman can see very clearly in the report of the committee—we do not want people picked up, ticketed for driving of justified necessity.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has made an excellent case. I will say to the gentleman from New Jersey, quite frankly, to leave it up to the Governors, how do we know that the Governors are going to come up with a plan that is less enforceable? The fact is, you can pick apart and find holes with any plan, but this plan does not require a huge Government bureaucracy, this plan does not require the printing of a billion dollars worth of coupons, and this plan leaves to the individual the option to think conservation and attempt to get at a problem where we might have a 6-percent or a 7-percent shortfall in supply of gasoline.

Nobody else has come up with a plan.

The gentlemen on this side of the aisle said yesterday that they were appalled with the blank check we were giving to the President with respect to a rationing plan. Here the committee has taken testimony and attempted to draft a plan, an interim measure, imperfect as it is, that would serve as a substitute for a shortfall of gasoline supply. And I think they have done that and they have considered all of the options.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(On request of Mr. COLEMAN and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I feel that the debate over this issue dramatizes the fact that we have emasculated this bill, as far as any real serious and sensible rationing plan is concerned, and we are now trying to come up with other ways of trying to do the job which are not going to be satisfactory.

It seems to me that the sticker plan has so many fishhooks, so many objectionable features, that we do need to make it clear that whatever we may give to the President, that is the kind of thing we do not want.

And I wonder if the gentleman could tell me why we have to have anything in here that says that a person cannot drive if he feels it is necessary, as long as he is not consuming more than the amount of gasoline that he is legitimately supposed to have.

Mr. MOFFETT. The gentleman may be one of those who feels that rationing can be put into effect and we will not have national economic dislocation. That is the gentleman's privilege. I am not one of those. The sponsors of this bill, while I think every single one of them has voted for the administration, the President's position, if you will, the committee's position on the rationing measure, we do not want rationing to come in in a cavalier or casual way. I do not think the gentleman does either.

The gentleman is an acknowledged conservationist in the House and has recognized the need for conservation. I would ask him the same question: This subcommittee has looked and looked and looked for ways to save gasoline. We are serious about it, and I think the gentleman appreciates that. Cosponsors, such as the gentleman from New York (Mr. MCHUGH) and the gentleman from New York (Mr. DOWNEY), who are not on the subcommittee, have joined with us because they, too, have held discussions.

I would say to the gentleman that it is the only way that we found.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. MOFFETT was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, I would just like to say this: I have bitten the bullet on every single rationing issue since I have been in this House. But let me say that I was around in World War II. We had a rationing system. Nobody was prohibited from driving, and we had a far more critical situation then than any that we have experienced since. You do not have to prohibit people from driving on certain days in order to have a workable rationing plan. It is time our friends on the other side of the aisle are willing to go along with us instead of playing games, as the gentleman from Texas said.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding.

Mr. Chairman, first of all, this can be part of the President's standby authority; is this not correct? But it is advisory only; is that correct?

Mr. MOFFETT. That is correct.

Mr. COLEMAN. Under the terms of the bill, who is going to enforce this plan if the President says he wants it in his Federal plan? Who will be the enforcement mechanism?

Mr. MOFFETT. The same way that the 55-mile-an-hour speed limit is enforced.

Mr. COLEMAN. But it is not clear in here.

Mr. MOFFETT. It is clear in the bill, section 640(a).

Mr. COLEMAN. I have the report.

Mr. MOFFETT I would emphasize to the gentleman that the easiest thing in the world to do is to pick up a bill and look for every answer in the bill. But if the gentleman reads the legislative history in there——

Mr. COLEMAN. I have read it.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(On request of Mr. COLEMAN and by unanimous consent, Mr. MOFFETT was allowed to proceed for 3 additional minutes.)

Mr. COLEMAN. I have the report before me.

Mr. MOFFETT. I have not yielded to the gentleman. Let me just finish my sentence.

If the gentleman would look at it, he would find that the committee is clear on this. They are very clear on it. But they are not going to dot every "i" and cross every "t" on what a sticker plan should look like. We are saying that the principle of a sticker plan should be in the toolbox, and we feel very confident it is there.

Mr. COLEMAN. Will the gentleman point out to me where the language is regarding enforcement? To me, it says that the plan may include a sticker system.

Mr. MOFFETT. Yes.

Mr. COLEMAN. Furthermore, it says "civil penalties." And under the civil penalties clause, it says that it will be a civil penalty not to exceed $100 for each violation to be enforced in the U.S. district courts.

To me, as a lawyer, that means that you are going to have Federal Government enforcement officials. I do not know if it is going to be the FBI. I am not sure who it is going to be. But the U.S. Attorney could very well be the one empowered to have to bring this action, as the bill says, in the U.S. district court.

We all want to conserve gasoline.

□ 1130

My concern is we are going to set up the heavy hand of big brother in this entire sticker system where we go into Federal court for a $100 fine and say the guy does not have the money; he could end up in Leavenworth.

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from New Jersey.

Mr. RINALDO. I want to ask the gentleman a question and make a comment.

The gentleman from New York who spoke a short time ago obviously did not read the bill or the report.

The bill already provides for the Governors to implement a plan. I am leaving that provision alone. I am taking away the President's authority to impose a plan nationally, because I feel it should be up to the local States.

Mr. MOFFETT. I thank the gentleman for his clarification.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. GRAMM. I would like to first go back and clarify, if I may, exactly what the subcommittee and the full committee did on the sticker plan. We held hearings. We found this plan to be imperfect, but when the Nation has a 10-percent shortage, people are going to sweat, because buildings are going to be hot. When you are employing odd-even allocation you have the potential for a heavy user of gasoline being forced to pull his car off the road every other day, whether he has appendicitis or whether his wife is in the hospital. With a 10-percent shortage you are going to inconvenience people.

This is not a mandatory plan. It is in the tool box which the Governors may use if they choose. The only case where this plan could become mandatory is if the States refuse to submit a plan or fail to meet guidelines set by the President's conservation plan and if the trigger of a 10-percent shortfall nationwide for 30 days is pulled. If that trigger is pulled, hardship in some form is unavoidable.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(At the request of Mr. GRAMM and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. GRAMM. Mr. Chairman, will the gentleman yield further?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. GRAMM. To continue, Mr. Chairman, if that trigger is pulled, we are in a shortfall that is going to require conservation. The gentleman from Connecticut has given us an imperfect vehicle, but there are no perfect vehicles. The bottom line on his vehicle is that clearly by all testimony taken, it will be an effective vehicle for conservation. It is going to inconvenience people, but to assert that a mandatory rationing program is less inhibitive, less expensive and less burdensome is ludicrous on its face on the basis of all of the facts.

So again, this is an imperfect plan, but it can only be used if two things happen: One, a 10-percent shortfall for 30 days occurs. Two, if the States refuse to do anything else to conserve. Only under those two circumstances could this plan become mandatory.

Mr. MOFFETT. And the substitute insures that there are other conditions now, that special treatment has to be given to those areas and special considerations that do not have alternatives.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, I want to support the Moffett substitute and commend the gentleman for the initiative he has taken in responding to the challenge the President gave this House several months ago, saying come up with some conservation plans and try to come up with plans on your own.

The gentleman has taken a lead in that. This is an imperfect instrument.

I wanted to briefly respond to the gentleman from Ohio, who said that rationing would be a better alternative.

In fact this plan for rationing is not offered as a conservation plan. It can only be employed when there is a 20-percent shortfall or likely to be a 20-percent shortfall. It is a plan for dealing with chaos.

What this plan does is give us a chance to conserve some gasoline. It is a tool in the President's toolbox. The simple fact of the matter is we do not know what kind of circumstances we are going to be facing in the months and years ahead, and we may very well face the exact circumstances that would lead to this plan being used by the President. He ought to have a chance.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(At the request of Mr. HUGHES and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

First, let me just commend my colleague, a member of the class of '94. He has been one of the leaders, no question, in the area of energy and a whole host of other issues, but I have great difficulties with the language in the legislation.

As the gentleman well knows, it is voluntary. There is nothing that mandates the use of the sticker plan. Even the gentleman admits there are basic problems even with the language as written.

I also have some problems with the language of my colleague from New Jersey, which would forbid the President from using the sticker plan.

I am hopeful that what we can do is eliminate that from the bill and leave in the toolbox, as the gentleman says, the option for the President during the hearing process to develop a plan, perhaps a sticker plan, if properly refined, so we can eliminate many of the shortcomings.

I think perhaps that will address many of the concerns of my colleagues in this body with the sticker plan. It seems to me we have an unnecessary tilt in the legislation in favor of the sticker plan.

For that reason, I intend to offer an amendment that would actually strike the language in the Rinaldo amendment that forbids the President from using this as perhaps one of the options. I hope the gentleman can support that

Mr. MOFFETT. If I could reclaim my time and thank the gentleman for his comments at the beginning of his statement. I would say that we feel we have the best staff and the best witnesses advising us, as I think is the case usually on the subcommittee of the gentleman from Michigan (Mr. DINGELL).

Believe me, I apologize if the gentleman does not think the language is perfect, but there was an amazing amount of work that went into that language. It was very difficult. What I hope the gentleman would do—again, let us not cop out. I speak to my Democratic colleagues here for a moment. We have had nothing in the way of constructive conservation alternatives in 5 years from this side; absolutely zero. All they say is "Let the marketplace work its will and so forth."

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(At the request of Mr. HUGHES and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I will yield to the gentleman, but the gentleman from New Jersey and my Democratic colleagues are different. Let us get partisan for a moment and say this side comes up with imaginative alternatives. We try to make constructive suggestions. We are known for that. We think there is a positive role for Government.

The gentleman, I would urge, rather than striking the language, should really offer an alternative. Let us not cop out and say, "Maybe it can be worked out later."

I yield to the gentleman from New Jersey.

Mr. HUGHES. I want to say to my colleague that I do not recall very many votes where I have not supported the committee on this legislation.

On the contrary, I do not think it is a partisan issue as far as most Members of this body are concerned.

I have serious reservations about the sticker plan.

The one issue is, Does it apply to every car? If you own five cars in the family, can you select a different car for each sticker? That is not resolved in the legislation. There are a whole host of other questions that I would have.

It seems to me if you are going to give the President the authority to develop a standby plan, give him the authority. Do not try on a piecemeal fashion to say, "We think you ought to look seriously, however, at the sticker plan."

Mr. MOFFETT. I would say to the gentleman there are a whole host of questions about rationing, are there not, that are left unanswered, but this House voted, I think wisely, to give the President authority, because we made an admission, and it may hurt us to say this, we are not capable, 535 people on this Hill, are not capable of writing a detailed plan with regard to gasoline.

We set out the principles. That is what we are doing in this legislation.

Mr. HUGHES. What we are doing in this instance, we are gratuitously saying to the President, "Take a serious look at this. This is how we want it written." That does not make sense to me.

Mr. MOFFETT. I thank the gentleman.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was necessarily absent from the floor, announcing a Republican tax cut of some $36 billion, at the time the distinguished majority leader took the floor. I am informed that he accused the Republican side of conspiring against

this bill, and said that we are obstructionists.

I feel I must take umbrage at the words of my good friend, the majority leader. I have never known him to be intemperate in his statements before. I am sorry that he chose this time to be, particularly because I think that his charges are completely unjust and completely unfounded.

As a matter of fact, if we were to become obstructionists, it would be because we learned rather well from the way the Democratic side treated the various energy proposals of the two Republican Presidents in the years between 1973 and 1977.

□ 1140

Time after time Presidents Nixon and Ford sent energy plans to the Capitol. Very little consideration was given them. On at least two occasions they did not even get to the floor. I would call that real obstructionism. It was in the days when we could have done something and should have done something about the energy situation.

As a matter of fact, if we had, we would not be talking about rationing today. We are talking about rationing because the people on the Democratic side of the aisle have never understood that the real answer to the problem of energy is supply. Conservation is fine. We are all for conservation. But it is not the real answer. Republicans are not in favor of a contracting economy. The way the plans of the Democrats seem to be unfolding, they feel America will never again have it as good as we have it now. From now on, we go down. We do not think that is true. We think America will be even greater. We are in favor of expanding energy supply.

That is the reason we are not as avid as the gentleman from Connecticut indicated about offering innovative plans for conservation. We will consider his, and if they are good we will vote for them.

But what we really want is to see the might of the private enterprise system of this country freed so that we will not have to worry about rationing. We will have plenty. We will not have to ration. Neither will we have to worry about importing oil from abroad and thus furthering the ability of the OPEC nations to blackmail this country diplomatically.

Those are our two main problems: supply and diplomatic blackmail. Here we are puttering around with a rationing plan which is relatively unimportant, and would not be considered if we had been more concerned with supply instead of politics. Let me just talk about the history of this bill. It came to the floor last week. It could have been brought up many weeks before, but it was not. An amendment was offered by the gentleman from New York (Mr. GILMAN), which would have had the effect of allowing this House and this Congress to take a look at whatever rationing plan the President brought forth and to veto it. Well, now, was that unreasonable? I do not think it was unreasonable. As a matter of fact, the President had sent a rationing plan to this House some weeks before. It was resoundingly defeated by this House—by the vote not only of Republicans, but by Democrats also.

How do we know that if we were to give the President blanket authority to put a rationing program in place that it would not be the same program which we turned down overwhelmingly? All Mr. GILMAN was trying to do was to get us to take a look at the plan and see if we liked the plan before it was promulgated. But no, the leadership on the Democratic side was so confounded, so upset over the adoption of the Gilman amendment that it called the bill down. They did not bring it up for further consideration for nearly a week.

We did not ask them to do that. It was done not because of anything we did, but of their own motion. They cannot blame us for delay.

I ask my colleague, Who is dragging his feet? We are not dragging our feet. We are offering amendments, they are good amendments. Many of them are being adopted. If they are not good amendments you, my colleagues will vote them down. Our Democratic colleagues have helped us adopt several of these amendments and we are grateful. But for Heaven's sake, let us not tell the people of this country that the Republican side, a 36 percent minority in this House, is dragging its feet and keeping you, the 64 percent majority, from voting on this bill. That is not fair, it is not honest, and I hope that the majority leader will retract his statements.

AMENDMENT OFFERED BY MR. MAGUIRE TO THE AMENDMENT OFFERED BY MR. MOFFETT AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. RINALDO.

Mr. MAGUIRE. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MAGUIRE to the amendment offered by Mr. MOFFETT as a substitute for the amendment offered by Mr. RINALDO: At the end insert the following: Page 43, beginning on line 24, strike out "day of each week that vehicle will not be operated" and insert "day of each week the owner of that vehicle has selected for that vehicle not to be operated".

Mr. LOEFFLER. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Texas reserves a point of order against the amendment.

Mr. MAGUIRE. Mr. Chairman, a number of Members, on both the minority and the majority sides, have suggested that the language ought to be more explicit about the individual making the decision as to what day of the week he or she would choose not to drive their car. The intention of those of us who drafted this legislation initially was that there should be freedom of choice on the part of each automobile owner as to what day the automobile would not be driven.

Rather than relying on those intentions and on language which may not be sufficiently explicit, I thought it would be useful at this point to clarify that and to include it. That is the purpose of the amendment.

Let me make some additional comments though about some of the points that have been raised by Members in this debate. There are some who oppose this because it does too much. There are some whose oppose it, as the gentleman from Ohio (Mr. SEIBERLING) did a few moments ago, because it does not do enough.

I think it would be a terrible shame if this House were to defeat this kind of proposal by a combination of those who felt that it either went too far or did not go far enough. The fact is that this is an intermediate type of proposal which, as the gentleman from New York (Mr. DOWNEY) pointed out, is simple to administer and does leave options to the States and to the individual driver, does not get us into all of the difficulties of rationing, but at the same time actually is saving significant amounts of fuel.

We are going to practically double the miles driven in this country between now and the end of the century from over 1 trillion to nearly 2 trillion miles. We are going to have to be sensible about conservation even without a major supply interruption. This bill gives the options that we need.

The gentleman from Connecticut (Mr. MOFFETT) talked about town meetings where some people would have objections to almost anything that we might come up with. Of course that is true of some, but I might say that at my town meetings most people want this Congress to do something. They want some action. They are prepared to have an imperfect plan as long as they know that we have taken action that will protect them and give them fairness in the event that we have difficulties. That is what this provision is all about, and that is why we should support it.

If we are going to knock out every specific proposal that is brought before us—and I am afraid that is what the gentleman, my good friend and colleague from New Jersey (Mr. HUGHES) wants to do has that effect, even though he does not want it to have that effect—if we are going to knock out this proposal, like we compromised the thermostat settings yesterday, and if we are going to take each and every proposal and say it is imperfect, no good, set it aside and make sure that it is not part of the written set of proposals, then we are going to end up with absolutely nothing, which I think would be a tragedy.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank my colleague for yielding. I regret that he should characterize my amendment as actually defeating another conservation tool.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. HUGHES and by unanimous consent, Mr. MAGUIRE was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Will the gentleman continue to yield?

Mr. MAGUIRE. I yield to the gentleman.

Mr. HUGHES. What I am trying to say to my colleague is that all I am trying to do is to give the President the tools without a gratuitous tilt in favor of a sticker plan? I do not subscribe to the suggestion on the part of my colleague from New Jersey (Mr. RINALDO) that we should forbid the President from having this as another one of the tools in his toolbox, so to speak.

Mr. MAGUIRE. If I may say, I appreciate the gentleman's argument and I appreciate his position. But the practical fact is that if we adopt his proposal we will be saying, in effect, that there are problems that the Congress feels are sufficiently serious with yet another proposal for conservation, and that will then go quite consistently with the dismal record that we have had in recent years of not doing enough on conservation. If he does not favor this plan. I think the gentleman ought to offer us some other options.

□ 1150

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank my good friend for yielding. I would point out to my colleagues, first of all, the availability of the use of the sticker plan with the Governors is discretionary. The availability of use of the sticker plan with the President is discretionary, but only in the event that the Governor has failed to act, that the President finds it is desirable, and only with discretion, if the President can then surmount the 10 percent shortfall which has already been imposed by the committee as a trigger for Presidential action. I think that where we have a situation, where we have a potential shortfall in supply, and in fact where we are importing over 8 million barrels of oil a day at prodigious cost to the taxpayers, and where all of that or any of that oil can be shut off at any minute, the only course this country has is to have conservation plans in place which will work.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. MAGUIRE was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. The gentleman from Connecticut (Mr. MOFFETT) has very prudently provided this as an option. The gentleman from New Jersey (Mr. MAGUIRE) has very prudently clarified through his amendment the intention of the committee; that is, that the individual who owns the automobile should have the option to utilize the car on the days of his choice, and can forego it on the day of his choice. All of this remains optional as to whether it goes into place under those amendments, under either the committee bill or the language of the amendment which the gentleman from Connecticut has offered, which affords additional safeguards, additional discretion, and additional matters that must be considered before the plan can be laid in place.

For this reason, I would hope that the committee would adopt the amendment that is offered by the gentleman from New Jersey (Mr. MAGUIRE) to the substitute amendment offered by the gentleman from Connecticut (Mr. MOFFETT), and that it would reject—although it is offered, I know, in the best of good intentions by my good friend from New Jersey—the amendment that is offered by the gentleman from New Jersey (Mr. RINALDO) which does strike the ability of the President to lay in place a plan which may be of great merit to the Nation and which may, conceivably, provide the necessary savings of oil which will help tide us through difficult times.

Mr. MAGUIRE. I appreciate the gentleman's clarifications and his comment and his support. I might say, before I yield to the gentleman from Texas (Mr. KAZEN) which I will do in a moment, and to the gentleman from Pennsylvania (Mr. KOSTMAYER) that I think we really ought to heed the very wise and forceful comments that were made by the majority leader a few months ago. If we allow this legislation to be picked apart—and make no mistake about it, that is what the Rinaldo amendment does and that is what the Hughes amendment does—if we allow this to be picked apart, we are going to go down with another defeat for the Congress in not preparing the American people for contingencies that we may very well have to face.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

(By unanimous consent Mr. MAGUIRE was allowed to proceed for 2 additional minutes.)

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding. This is one of the objections that I had, and it is cured by the gentleman's amendment. I am glad that he offered it.

Mr. MAGUIRE. I thank the gentleman.

Mr. KAZEN. I will certainly support it. However, the entire scheme of the sticker business works against the one-car family because, if I have two cars I can stop one on Saturday and one on Sunday, and it does not bother me a bit. But, a one-car family cannot afford to mandatorily, if this plan is put in, stop that car.

Mr. MAGUIRE. I can only say to the gentleman that the gentleman has pointed out one of the imprefections in the proposal. There is no way to organize the available data to link auto registrations of different people to the same household. We looked at 16 different ways of trying to resolve the kind of problems the gentleman is concerned about and this is the closest we could come.

Mr. KAZEN. I am not blaming the drafters of this sticker provision. They came up with the best they could do. I am just objecting to the result. It is not just, and it tends to work against poor people in this country.

Mr. MAGUIRE. I was very concerned about the gentleman's point as well, but we have done the best we could.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I take this time to speak on behalf of the Moffett substitute and in opposition to the Rinaldo amendment, and to associate myself with the remarks of the gentleman from Connecticut, the gentleman from New Jersey (Mr. MAGUIRE), and others who have led the way in support of this sticker plan.

I represent a district which is largely rural and suburban. This is not a popular plan in my own district, but I think we must take some leadership in this House this afternoon and support this plan. We really are on the verge of doing what we did yesterday when we accepted a very damaging amendment which gutted the temperature settings established sometime ago by the President under congressional authority.

What we did yesterday, essentially, was to send a message to the country that we are going to loosen up on conservation. We have finally made some progress and gotten people at least in general to set their thermostats at 78 degrees. What we did yesterday in gutting that rule is to send a message out that we are not any longer serious about conservation.

I think people will support the sticker plan if we have the courage and the guts and the willingness to pass it.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

(At the request of Mr. KOSTMAYER and by unanimous consent, Mr. MAGUIRE was allowed to proceed for 1 additional minute.)

Mr. KOSTMAYER. If we have the courage to accept it, I think that the American people will follow, but they will follow only if we are willing to lead. While it is not an entirely attractive plan, it is necessary. It will save energy. Let us stop tearing up the President's energy package. Let us have a little courage and accept this substitute offered by the gentleman from Connecticut.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Texas insist on his point of order?

Mr. LOEFFLER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. LOEFFLER. Mr. Chairman, the Maguire amendment, although offered to the Moffett amendment, is really a direct amendment to the bill before us. Therefore, it is not germane to the Moffett substitute. In addition, the Moffett substitute goes to page 45, line 9 of the bill before us. The amendment offered by the gentleman from New Jersey (Mr. MAGUIRE) goes to page 43, line 24.

In addition, it is also not germane for that purpose.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

PARLIAMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Is the gentleman making this point of order for the first time?

The CHAIRMAN. No, the gentleman from Texas reserved his point of order. He is now stating his point of order at the request of the Chair.

Does the gentleman from Michigan desire to be heard on the point of order?

Mr. DINGELL. I do, Mr. Chairman, and I am sure the gentleman from New Jersey desires to do so also.

Mr. Chairman, the question of where the amendment might lie in the bill with regard to page or section is not important. I would observe to the Chair that the amendment offered originally by the minority goes to several pages in the bill. I would point out that what is involved here is the text of the amendments, and whether or not the language and the purposes and the concepts of the amendment are germane and are relative and relevant to the amendment offered by the gentleman from Connecticut.

I believe that a reading of the amendment offered by the gentleman from Connecticut will show that the amendment offered by the gentleman from New Jersey (Mr. MAGUIRE) is in fact germane to it in terms of concept and in terms of purposes for which the amendment happens to be offered. For that reason, I think that the point of order should be rejected.

Mr. MAGUIRE. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, the key point is that this is a refinement of the material that the Moffett substitute deals with. Therefore, the page on which it appears is irrelevant, and the point of order should be overruled.

The CHAIRMAN. The Chair is prepared to rule.

The Chair has examined the substitute and the amendment, and states that while the page references are different, the principal matter of concern is the relationship between the amendment and the substitute. Clearly, there is a substantive relationship that goes beyond the question of the pages, since both deal with auto sticker plans.

□ 1200

On the matter of the scope of the amendment and its germaneness, the Moffett substitute imposes conditions on the entire auto sticker plan in the bill in two diverse aspects. One is a requirement of consultation with Governors, and the other is a special consideration which would be required for suburban and rural areas. The amendment to the substitute clearly deals with another diverse element of the plan itself, and, because of the diverse scope of the substitute, is germane to the substitute.

Therefore, the Chair overrules the point of order.

Mr. STOCKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have been listening very carefully to the arguments against this amendment, and I would like to suggest to the House that if we think back carefully, we have not heard one specific argument against the amendment per se, and we have not heard any concrete, cogent defense of the sticker plan itself. All of the rhetoric that we have heard from this side of the aisle suggests that if you are for the amendment, then you are some kind of a spineless ogre, some kind of an ostrich with its head in the sand, and that you are against conservation in general.

The further argument we have heard is that while this plan may not be perfect, it is the only thing we have, and the implication has been that we are doing absolutely nothing in this country today about conservation. I would like to suggest to the House as important as conservation is, we cannot lose our capacity to discriminate and make judgments about the specific tools and policies that are proposed. I would suggest further that we should not lose our memory; we should not forget that we have done many things policywise and out in the marketplace over the last 5 years which are conserving enormous amounts of energy today.

To hear the debate today, to hear the rhetoric, one would forget that we have got a fuel economy program that this Congress passed, that this year will result in a 40-percent improvement in the cars that will soon be in the showrooms for the 1980 model year.

One would forget that we last year passed an insulation tax credit, and that as a result of that, and the higher prices for heating fuel, the average home in New England today is using 20 percent less energy than it did in 1972.

If one listens to the argument today and to the suggestion that we are doing nothing about conservation, and we have to go with this one idea, one would forget that last year in the National Energy Act we passed a nationwide energy audit which will require the utilities to send inspectors, to send auditors into every home in this country, to find areas where improvements can be made, insulation can be added, furnaces can be improved, and energy can be saved.

To hear the debate today, one would forget that we passed a few years ago a law which will require mandatory performance standards for all the new buildings built in this country if they go into effect in 1980.

To hear the debate today and the suggestion that we are doing nothing about conservation, one would forget that we have an industrial and commercial conservation credit as well.

Then, finally, the argument was made, "Well, all of these things might be well and nice, it might be even conceded that they are saving enormous amounts of energy, 3 million barrels a day relative to what we were using in 1973, but we may have a short-term crisis, and we need tools to deal with the short-term crisis, even as we get better cars and more efficient homes and industrial processes."

Again I think we forget that we passed EPCA in 1975, and that law allows the President to propose an energy conservation plan, like the sticker plan or anything else, and if it is approved by Congress after we have looked at it and weighed the claimed energy savings against the impacts that it would have on the economy and on workers and on production and jobs, then it can go into effect. That is how we got the temperature regulation in effect today. But I would remind the House that is also how we rejected the weekend gasoline closing plan, because, like the sticker plan, it sounded like an idea that might save energy, but there was never any demonstration that it would, and as people looked at it, they concluded that the costs would far outweigh the benefit.

I would suggest to the Members of the House, let us focus not on the broad issue of conservation; let us remember that there are many, many tools in place already working to reduce our energy demand. Let us look at the specifics of the sticker plan and ask whether we want the President to have authority to impose that without any approval by Congress. Let us ask whether we think it could save any energy without unacceptable offsetting costs.

I would suggest to the House, further, that we not be confused by the amendment now pending, the Moffett amendment, the amendment offered by the gentleman from Connecticut, because it does absolutely nothing. That is hortatory language. It merely says, take into account, consult with a few people. But after we have done that, and you are determined to put the sticker plan into place, that hortatory language does absolutely nothing. It is not a basis for litigation. It is not a basis for the Congress to reject the implementation of a sticker plan by the President, or the DOE, if they want to do it.

Further, I would suggest that the Maguire amendment is even worse. The basic failing of the sticker plan is that it cannot be enforced. Are you going to have policemen driving around this country with binoculars to determine whether or not those are counterfeit stickers on the cars? Obviously not.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 1 additional minute.)

Mr. STOCKMAN. I just want the House to recall that we have on the books today a number of so-called conservation or fuel consumption control plans that are not being enforced, that are generating great cynicism among the American public, and how many more do we want to foist on the American public? We have got a 55-mile-an-hour speed limit. It is not being enforced. We are taking no steps to have it enforced.

We have thermostat rulings. We are not enforcing that law. We do not have 50,000 thermostat inspectors going out to enforce that law. I could name a half dozen others which sound nice in general concept, but certainly they are not being enforced. In many cases, they are being ignored and that is exactly what we would have if we put the sticker plan in effect.

Reject the Maguire amendment; reject the Moffett amendment; and approve the amendment offered by the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New Jersey.

Mr. RINALDO. I thank the gentleman for his comments and for yielding.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BROWN of Ohio, and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 5 additional minutes.)

Mr. RINALDO. First of all, I would point out that it is going to be impossible, completely impossible, to have cars driving around with different stickers every week. I think the police of this country would be confused. They would not know how to enforce it, let alone enforce it equitably. How do you change your sticker every week? To whom do you make application? When does it have to be put on? Do you have a Sunday off 1 week and a Monday off the next week? It is a completely irrational plan.

I am surprised at the leadership on the other side. I thought they wanted this passed. I thought they wanted to hand President Carter a bill that provided for standby gasoline rationing. By cluttering the bill with the sticker plan, you are only making it worse. In effect what you are saying is that you are going to make it impossible for the bill to pass, and then blame us.

Let me give the Members one final example of what this bill would do. In my State of New Jersey we have an odd/even plan. If the sticker plan were put into effect in conjunction with the odd/even plan, you could have this kind of situation. If a person were subject to the combination of the sticker plan and the odd/even plan, he would be prohibited—in fact, in my State it would probably be impossible—from buying gasoline in some cases for 4 days in a row. For example, assume you had an odd license plate. The effect would be: Day 1, even; he could not purchase because he has an odd plate. Day 2 is his no-drive day. He cannot purchase that day. Day 3 he cannot purchase again because he has an odd license plate. And if day 4 falls on a Sunday, he cannot purchase because he could not find a gasoline station that is open. So he would have to go 4 days without any gas.

If the sticker plan passes, let us say to the American public, "Put your cars in the garage; quit working; forget about productivity in this country; forget about bringing home a decent wage; and let us close up our shops and factories, throw our hands up in the air, and admit defeat."

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

I would say, first of all, it is not my understanding that the Maguire amendment forces a change every week. Is that the gentleman's understanding?

Mr. STOCKMAN. It would permit it, unless the gentleman gives some other explanation for the language.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I would be happy to yield to the gentleman.

Mr. MAGUIRE. Look, the debate, I am afraid, is really getting into a situation in which people are inventing all kinds of phantoms. Let us at least stick to what is before us. There is nothing here where any rational person would ever suggest that each week all the motorists in a given State or region could shift their days around. Nothing provides for that, and nobody would ever do that. So let us not debate that.

The gentleman from New Jersey, my distinguished friend and colleague, Mr. RINALDO, talked about the implementation of this plan jointly with odd/even. The committee report deals with that. We have already described the problem that the gentleman has mentioned, and it is suggested that it not be implemented with odd/even. So let us talk about what is before us. We can sit here all day dreaming up something that might happen to somebody under some set of circumstances. What this Congress needs to do is act to provide some alternatives and to set out some options for conservation, and to give this country the ability to deal, not with absolute fairness and equity but as fairly as we can, to conserve, with the problems that we may face with energy. Unless we are going to do that, we are not going to do anything here today by playing games.

□ 1210

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman from Michigan.

Mr. Chairman, as the gentleman knows, I have great respect for the gentleman's intellect and for the way in which he approaches these problems.

Mr. Chairman, we really have to come to grips with something here. That is, the gentleman is suggesting we do the same thing here that he wanted us to do with rationing. Let us face it. The gentleman is not for a rationing bill. The gentleman voted against it in the subcommittee. The gentleman believes the marketplace generally will take care of these things. You know, it is rather amusing in a sense to see my colleagues who favor dramatically higher prices for energy now say, "Oh, the inconvenience of this one day, we just cannot stand for this for consumers."

The gentleman from New Jersey (Mr. RINALDO) says people will have to leave their cars at home. They are doing that now because of the price.

I would ask the gentleman from Michigan who supported those kinds of policies, about this.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MOFFETT and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 3 additional minutes.)

Mr. MOFFETT. Mr. Chairman, will the gentleman continue to yield?

Mr. STOCKMAN. I yield to the gentleman from Connecticut.

Mr. MOFFETT. The gentleman has tried to weaken the rationing section and he said, "Oh, we have all these wonderful things we have passed," which the gentleman has opposed most of the time in subcommittee.

The gentleman still has not told us whether he believes that we can meet these import quotas, or perhaps he does not believe in those either, meet the import quota limits in the out years, the early 1980's.

Mr. Chairman, how are we going to get significant gasoline conservation?

The gentleman told me in several conversations that he thought the sticker plan was the best of the conservation options that could take place under this bill. Did not the gentleman tell me that?

Mr. STOCKMAN. I would respond to the gentleman by saying two things. I do not accept his premise. The gentleman is saying, "We need a 10-percent cut in gasoline consumption right now." The gentleman does not say for how long, for how many months, the gentleman does not recognize that the oil supplies are back up, the refinery situation is better, that the availability is improved. We need conservation of gasoline, I agree. But we cannot specify it in terms of x percent this month. Over the long run cars in this country are improving in terms of efficiency and the gentleman knows from the law that he helped craft, that I had some difficulty with, that by 1985 our gasoline consumption in this country will start going down because of those more efficient cars.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would like to ask the gentleman who offers the amendment if this plan is to apply equitably to all people in the country.

Mr. MOFFETT. Whether the plan would?

Mr. BROWN of Ohio. Yes. In other words, everyone has this one day they do not drive.

Mr. MOFFETT. We would like to think this is the most equitable and simple measure.

Mr. BROWN of Ohio. Mr. Chairman, is it going to apply to everybody?

Mr. MOFFETT. We would hope so, yes

Mr. BROWN of Ohio. If it applied to Members of Congress, on which days would Members of Congress not be here? I would guess we are working about 5 days a week now.

Mr. MOFFETT. Is the gentleman one of those who drives his car over from the office to vote? Is that what he is getting at?

Mr. BROWN of Ohio. No, the gentleman is not. The gentleman is one of those who is moving into town so that he can take the subway.

Mr. Chairman, my question is how does this apply to Members of Congress. Will we have one day on which 87 Members of the Congress do not show up? I am trying to think whether that is a blessing or a curse.

Mr. MOFFETT. Mr. Chairman, is the

gentleman in a carpool? Has the gentleman considered that?

Mr. BROWN of Ohio. I am trying to get the gentleman to answer a question about the amendment. Could the gentleman respond?

Mr. MOFFETT. Mr. Chairman, of course it applies to Members of Congress.

Mr. BROWN of Ohio. Very well. May I ask you would the 87 Members who would have been absent last Wednesday—would 45 of those be the ones who changed their vote yesterday?

Mr. MOFFETT. I do not accept the gentleman's premise that you would have any Members absent.

Mr. BROWN of Ohio. Then how does the system work?

Mr. MOFFETT. Mr. Chairman, does the gentleman really believe that Members of Congress could not leave their cars at home 1 day a week? Does the gentleman really believe that?

Mr. BROWN of Ohio. How does the system work?

Mr. MOFFETT. And does the gentleman believe Members of Conrgess could not survive somehow and manage to get here?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan (Mr. STOCKMAN) be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio (Mr. BROWN)?

Mr. ANDREWS of North Carolina. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I observe that the gentleman from New Jersey (Mr. HUGHES) has an amendment he desires to offer. I observe no others.

I ask unanimous consent that all debate on this amendment and all amendments thereto end in 15 minutes and that the gentleman from New Jersey (Mr. HUGHES) have 5 minutes for the presentation of his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Chairman, I object, in view of the fact that I could not get my time and that my request for additional time was objected to in my effort to pursue the colloquy with the gentleman from Connecticut (Mr. MOFFETT).

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WRIGHT. Mr. Chairman, I rise in support of the perfecting amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

There has been a certain amount of harshness and even perhaps vitriol in today's debate. I am told, though I was not on the floor at the time, that the distinguished minority leader, my very good friend, the gentleman from Arizona (Mr. RHODES), characterized my earlier remarks as being intemperate. I hope they were not intemperate. To the extent they may have seemed so to any, I express my regrets.

There is something very important to all of us here, something that transcends partisanship. This is that America confronts the most severe challenge to the future economic independence of our Nation that we have faced since World War II. I think there is no question about that.

The crisis may have seemed to abate simply because the gas lines have gone down, but surely we are wise enough to know that this is only a temporary alleviant. The basic problem has not gone away. The long-term crisis that confronts us is not going to solve itself. It will yield only when we do those things necessary to correct our dependence on foreign oil.

It seems to me there are two basic things the Nation must do. First, we must waste less; second, we must produce more. Conservation and production: These are the two sides of the coin.

It bothers me when I find a tendency on the part of some Members to want to do only one but not the other. As I understand it, the distinguished minority leader suggested we need not piddle around with all these little conservation plans if we will just produce ourselves out of our difficulties. I am inclined to find something attractive about that idea. Surely everyone will recognize I have supported all of the initiatives to increase domestic production both of fossil fuels and of alternates to fossil fuels. I think it is desperately important. I do not think conservation alone will solve our problem. But I do believe that in the next decade, conservation provides our best and most immediate opportunity to buy ourselves some time in which to do these long-range things that must be done in the interests of the Nation's future.

The plan presently under consideration is one possible tool for conservation. There is nothing in this bill that mandates that we shall have a sticker plan. The bill only presents it as one possible alternative option. It is included in the bill as an option first for the States. Then, in a more dire situation if the States of their own initiative were unable to meet the conservation goals, this would be one option the President might use. It is just another tool in the tool shed, another weapon in our arsenal.

□ 1220

Now, why does it evoke such bitter hostility? Should we dismantle our military weapons just because we hope not to have to use them? Certainly that would not be a good thing. Why then would we dismantle this weapon. We hope not to have it used; but it is one weapon in our conservation arsenal. Let us not leave that arsenal bereft.

Let us not give the public the impression that we in Congress today have closed our minds and hidden our heads to this continuing problem. Let us not indulge the misimpressions that the public does not want a solution just because the gasoline lines have temporarily gone away. The public is too wise for that.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes, I yield to my friend, the gentleman from New Jersey.

Mr. HUGHES. Well, I want to commend the majority leader and I just want to tell him that I also joined with him and other Members who supported the last gasoline rationing plan. I was not happy with all aspects of it. I cannot recall very many instances that I have not supported the committee during consideration of this particular plan.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(At the request of Mr. HUGHES and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, if the gentleman will yield further, I have some basic problems with the sticker plan as drafted in this bill. At the gentleman knows, one of the difficulties——

Mr. WRIGHT. If I might ask, the gentleman from New Jersey is aware, is he not, that this bill does not mandate the sticker plan, it just permits it.

Mr. HUGHES. That is the point I want to make. I am going to offer an amendment that would strike this language from the bill since it is gratuitous; but it does provide a tilt, in saying to the President, "Take a look at this plan also," clearly it's gratuitous. It is not mandatory. I do not know why it is necessary to single out the sticker plan, particularly in this manner.

Mr. WRIGHT. If I may ask the gentleman, my friend, the gentleman from New Jersey, would not the gentleman want the President to take a look at this plan along with other plans?

Mr. HUGHES. I have an amendment that would actually strike the language and let the President decide which of the plans that are available makes the most sense. Why tell the President he can consider such a plan and then restrict the manner that it is to be implemented.

What we have done, is create a hybrid in this bill. We suggest to the President, "Take a look at this plan and here is what we want you to look at when you consider it."

Even the committee concedes that there are inequities built into the committee plan; for instance, there is no determination in the legislation as to whether a three-car family has to decide that it is 1 particular day, not 3 different days, that they can drive those three cars. That is something, it seems to me, that should be left to the President in developing a standby rationing and conservation plan.

Mr. WRIGHT. I appreciate the gentleman's point. Let me just conclude my remarks briefly. I think we present to the public a very bad impression if, on one amendment after another, we strip this bill of the tools that it has. That sort of action today would give the impression of a Congress that marched boldly up the hill loudly proclaiming its unswerving determination to whip this energy problem, only to tuck its tail and slink away in surrender at the first faint sign of the tiniest inconvenience. The

American public knows that we cannot have an effective conservation program without some inconvenience.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, of course, may I say to the distinguished majority leader, conservation is necessary. I think everyone recognizes that. The minority side of the aisle supports conservation, but it supports rational conservation plans, not necessarily rationing, but something that is rational and the definition of rational is that it makes sense.

Conservation is as important as is production. I am glad that the majority side of the aisle have finally discovered the necessity of production, because the plans that they have had in the past for dealing with the energy crisis are only conservation plans. During the last 5 years our production of oil in this country has gone down dramatically by about 25 percent, thanks to the plans devised on the majority side of the aisle that have discouraged production of oil in this country so that we could increase our dependence on our friends in the OPEC nations overseas by double, from 25 percent up to 50 percent of the total oil that we consume.

Now, let me just suggest that one of the methods of conservation is for the oil to cost us all a little bit more and then we tend to be encouraged to save.

I think that is just as good as the idea of shortages created by that wonderful Federal organization called the Department of Energy, where we stand in line waiting to get our gasoline, burning gasoline up, wasting it.

Both conservation and domestic production make sense, but what does not make sense is a bunch of whacky plans that will not work. That is what the minority side of the aisle has been trying to address in these proposals.

The answer is not a plan where you cannot drive your car 1 day a week, but you can drive it the other 6 days as much as you want.

The answer is not a plan where you can buy a $100 junk car and get $600 worth of free stickers, $600 worth of stickers that you then sell to your neighbor and make money on a conservation plan, which is the way the President proposed his first rationing plan.

The answer is not a plan where you set 65 degrees as the temperature in the winter that a factory must maintain and do not take into account that the heat from the machinery in that factory and the body heat of the workers in that factory will get that temperature up to the extent that you must turn on your cooling system in the winter in order to keep it down to 65 degrees.

Now, that is a dumb plan. There is no nice way to say anything better about it than that.

What we are trying to do is come up with plans where individuals and businesses and public institutions, governments, can try to devise a system that works, where you save energy, and where you set degree temperatures, not where you say, "Well, you cannot drive your car 1 day a week."

I would like to find out and I have not been able to do it, because I was interrupted in the colloquy that I had with the gentleman from Connecticut, how workers from Newark, Ohio, are going to drive over to Marysville, Ohio, 50 miles away and work under this plan that says 1 day a week they cannot drive their cars.

Now, there is no public transportation system and there may not be anybody else that is going on that same trip on those same roads.

Now, how does a guy get to work? How does that plant keep operating?

The plan that is suggested here is the plan that we are trying to improve on by the amendments we make. The suggestion that we do not care about conservation because we will not take it just the way it is presented is, I think, on its face ridiculous. That is why a number of us voted against the idea that the President devise a rationing plan for gasoline in our automobiles and then we sit idly by and let that impact fall on the people in our constituency without saying one word to change the plan or to try to devise something that served our particular area.

One of the mistakes that my friends on the Democratic side of the aisle make is that the Government is all wise and that the average individual is only half bright and that the average individual cannot figure out ways to meet the objectives that our Nation has as a society. I think that is where my Democratic colleagues are making their mistake.

Mr. Chairman, there has been the greatest amount of controversy over the gasoline and diesel rationing part of S. 1030, as reported, during our debate last week, and today as well.

But at this time, I would like to address another part of this bill—section 3, dealing with State and Federal conservation targets and programs. It is this section of the bill which is both least understood and most deserving of our understanding. For under section 3, the most massive and free-wheeling regulations may be imposed over potentially every energy source—and, therefore, every use of energy—in the United States. Not many of our colleagues are aware that the Department of Energy and the Governors can use section 3 of S. 1030, as reported, to regulate every home, every business, and every system of transportation—and no congressional review, nor veto, nor State legislative action can prevent this unlimited, unchecked exercise of power.

I could easily go through a whole list of horror stories about what the DOE and the Governors can impose on the American people. But, rather, let me just explain how section 3 has developed from the simple idea of letting the States develop and run their own energy conservation plans instead of being subjected to plans imposed by the DOE, into what this bill has become—letting the DOE dictate the energy conservation plans of the States, running over the State legislatures in the process.

Mr. Chairman, between here and the Senate Chamber an awful lot of mischief has climbed inside S. 1030. The bill before us, and here I am referring only to section 3, is vastly different than the bill the Senate passed on June 5.

S. 1030 in the Senate began as a mild alternative to the President's wisely rejected energy plan to require all gasoline stations to close on weekends. It was intended to be largely a State-run program; coordinated by having the President set conservation targets equal to energy shortages with each State developing its own plan to meet these targets. The targets themselves must have been set by the President equivalent to the degree of shortage—an important guideline missing from the House version. I am not stating that the Senate version is perfect, only that the House bill takes the worst of it, and leaves its protections behind.

Mr. Chairman, because the House version is so broad in its delegation of authorities to be virtually unchecked, an amendment will be introduced to strike section 3 except for the minimum purchase requirement authority.

This is the one type of motor fuel conservation program proven to help, rather than weigh down, energy users during shortages.

The rest of section 3 ought to go, so that the States will not be subjected to the unchecked powers of their Governors, and the Nation will not be subjected to the unchecked powers of the Secretary of Energy.

I urge that my colleagues support this amendment when it is introduced by the gentleman from Michigan (Mr. STOCKMAN).

As reported by the House Commerce Committee, section 3 of S. 1030 would work as follows:

First. The President must set "conservation targets" over the consumption of motor fuels for each State and for the country as a whole. Including gasoline and diesel fuels, this means that the Government allocation system which misallocated fuels among regions—will soon be expanded to allocate among each State, and eventually each user of energy. These targets need not correspond to projected shortages in a State, or for the country. For example, Wisconsin could have a surplus of gasoline but a 10-percent shortage of diesel; but the targets could be a 10-percent target on gasoline—and a 2-percent target on diesel—there is no correlation between the targets and the shortages. Do not think for a minute that this is a conservation plan. The targets could be 2 or 80 percent; there are no guidelines.

An amendment will be introduced to remedy this omission. It will require that the conservation targets must be equivalent to the shortage projected for that State, as determined by the President. I urge your support.

Second. The second significant problem is with the delegation of Federal powers—unlimited in this bill—to State Governors where those Governors are prevented from implementing a specific program under current State law.

Under the bill as reported, State legislatures would have no ability whatsoever to review or modify the conservation plans designed by the Governor—to com-

ply with targets set by the President, certified by the Secretary of the DOE.

Mr. Chairman, there will be an amendment to strike the provision allowing a Governor the ability to supersede his State legislature merely by petitioning for, and receiving from, the DOE a grant of Federal authority.

I urge my colleagues' support of this amendment.

Third. Mr. Chairman, the third most dangerous part of section 3—itself the most dangerous part of the bill—is the unlimited nature of the Federal conservation plans.

These Federal plans are designed by the bill to be implemented where a State plan fails to meet a conservation target—and where a State fails even to propose its own plan. These plans to be developed by the DOE are as of now, unknown. But somehow they will be in force throughout many States because many States will either fail the targets—which may be too high—or fail to produce a plan. How many States produced a "comparable plan" under the building temperature plan? Very few.

I have a series of amendments designed to prevent some truly draconian plans from being developed. I could not take all of the possibilities into amendments, but I tried to list more necessary protections—no limits on the operation of homes for the elderly, and no restrictions on full food and fiber production, for example. I urge support for these amendments.

In addition, Mr. Chairman, I urge support for an amendment the gentleman from Michigan may introduce to provide that each end-user of energy can save an equivalent amount of energy by means of his own choice, rather than being forced into a rigid set of regulations.

□ 1230

AMENDMENT OFFERED BY MR. HUGHES TO THE AMENDMENT OFFERED BY MR. RINALDO

Hr. HUGHES. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HUGHES to the amendment offered by Mr. RINALDO: Strike out the language proposed to be inserted by the Rinaldo amendment and insert: Page 43, strike out line 12 and all that follows down through line 9 on page 46.

Mr. HUGHES. Mr. Chairman, I have some serious misgivings about the sticker plan as devised in the legislation. I think I indicated earlier that I supported just about every amendment the committee was in favor of during this session when we had a standby rationing plan before the House.

I believe Americans are willing to conserve gasoline and to abide by practical, effective, and fair plans to curb gasoline use.

Unfortunately, the sticker plan provided in this bill, in my judgment, has none of those qualities. Instead, it is fraught with inequities, it is impractical, it will invite fraud, and I do not think it will maximize conservation to the extent that it will result in conservation, and it will favor the most fortunate in our society.

Perhaps the most glaring inequity in the plan will occur in the case of two-car families where typically one car is used in commuting to and from work and another car is left at home for shopping and for running errands. In each case it is inevitable that the family will select a different sticker for each car it owns. If they own five cars, they will have a sticker for each day of the week. Some will buy a car just for the purpose of getting a sticker. They will use one car for the purpose of commuting, and they may have other cars and they will simply utilize the car which has a valid sticker on the day in question.

Over 25 percent of the households in this country have two cars. An additional 6 percent have three or more cars. Almost all these households are in the upper income brackets. In such cases it is unlikely that the sticker plan will result in any inconvenience or result in any conservation. To the extent the plan works, the burden will fall heaviest and hardest on low-income people and others who do not have the good fortune or the resources to own two or more cars.

Just as importantly, the program would punish the frugal along with the wasteful. The person with a 40-mile-per-gallon car would be kept off the road the same as a person with a 12-mile-per-gallon car. A car used in a carpool would be treated the same as a car with only one passenger. A person who drives 2 miles to a bus station or a train station is treated as just as wasteful as the sole, car-driving commuter or even the joyrider who takes a 50- or 60-mile round trip. I could go on and on with the inequities.

But I am not saying that the President cannot devise a sticker plan and cannot have that in his arsenal of conservation methods that would actually conserve energy in this country and at the same time be fair and equitable. For that reason, I find myself being in opposition to one portion of the Rinaldo amendment and having some difficulties with the bill.

In essence, what the bill does is say to the President, "You may decide how you want to effect a standby rationing and conservation program, but take a good look at the sticker plan. And we are going to tell you how we want the sticker plan devised."

It seems to me that if we are going to give the President the authority to devise a sticker plan, we should let him devise it.

We already have members of the committee agreeing that there are basic inequities. The Maguire amendment addresses one question as to who makes the selection, but it does not address all the other difficulties that I have indicated exist.

What my amendment would do in essence is strike the language in the bill that says to the President, "You may use this as an option." I am not suggesting by this amendment that a sticker plan will not be one of the options the President has to choose from. He will still have that option, but we are not tying his hands to the specific language in this bill—or provide a tilt or preferred position for a sticker plan.

This would also, I think, eliminate what in essence is a red flag that goes up to a lot of the Members who oppose the sticker plan drafted in this legislation.

In essence, I think that if we are going to give the President the flexibility to devise a plan, we should let him have the sticker option as a tool in his arsenal to devise methods to achieve conservation. We should not restrict that flexability by this gratuitous language.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, does the gentleman not think that if the House would accept his amendment, it would be interpreted by not only the public but also the President as an indication that it would be difficult indeed to move ahead at any later time with the sticker plan, and, therefore, the gentleman's amendment really is not neutral with respect to the further possibilities?

Mr. HUGHES. No, I do not agree with that at all. If anything, I think the President would want the flexibility to devise a plan. If the sticker plan happens to be one of the tools selected to achieve conservation, this amendment does not restrict him.

If we are going to give the President the flexibility and he decides that a sticker plan is needed to achieve conservation, why should we tie his hands in this fashion? If the President opts for a sticker plan but does not support some of the provisions in the Committee plan he is left with no flexibility.

Mr. MAGUIRE. Mr. Chairman, I am sure the gentleman agrees the President's hands are not tied by the language in the bill.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. HUGHES) has expired.

(By unanimous consent, Mr. HUGHES was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, on the contrary, let me say to the gentleman from New Jersey (Mr. MAGUIRE), I do not think that this does anything except to eliminate superfluous language in the legislation.

The problem with it is that if the President decides—and hopefully he will not have to decide to implement this type of plan—on a sticker, we are tying his hands as to the details of what is to go into that plan. I do not think that makes sense because that is something that should be determined by the President in light of the circumstances of the overall conservation plan.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am happy to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, let me ask the gentleman, is he not in opposition to what the other gentleman from New Jersey says in saying that he does see reservations and problems with using the sticker plan, that there are com-

plications with using the sticker plan, and that the President, in implementing a plan, should take cognizance of all those problems?

Mr. HUGHES. Mr. Chairman, that is precisely it. My colleague, the gentleman from Missouri (Mr. VOLKMER) has put his finger on my point.

I think my colleague, the gentleman from New Jersey (Mr. RINALDO) in good faith is not really doing the country a service. I do not think we should forbid the President's using this as one of the tools. I think the gentleman makes a good point relative to the committee bill but I do not think we should be tying the President's hands as to what goes into a sticker plan as we are doing with this legislation.

Mr. Chairman, I think we can accomplish what we are interested in doing and what I think most of us want to see in the bill by eliminating the language which is admittedly gratuitous anyway.

Mr. Chairman, I yield back the balance of my time.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on the Rinaldo amendment and all amendments thereto end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

PREFERENTIAL MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BAUMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes in support of his preferential motion.

Mr. BAUMAN. Mr. Chairman, I have listened to this debate with a great deal of interest since my 550,000 constituents will, I assume, be intimately affected by what comes out of this.

I thought it was very interesting that my good friend, the gentleman from Michigan (Mr. DINGELL) would ask to limit debate at this time. We have been in session now nearly 3 hours today. This is the third day of debate on this colossal piece of legislation stretching over more than a week.

We have pending before us the bill, an amendment to the bill, a substitute for the amendment to the bill, an amendment to the substitute for the amendment to the bill, and an amendment to the amendment to the bill. We thus have four different propositions aside from the main question of whether the bill should be passed.

Of those four different propositions, three of them have come from the majority side of the aisle. We in the minority are the obstructionists, we were told by the majority leader earlier today. We are the ones who supposedly are dragging our feet. But most of the amendments have come from your side of the aisle, from Members who I thought had claimed this legislation, if not perfect, has some close association with the Deity, that it cannot be changed because it is written on stone tablets.

Later today we will undoubtedly have this argument repeated when we call up some of our amendments that might be offered. It is dangerous when the House works its will, we were told, because the House floor is no place to legislate.

But why are these amendments being offered from the majority side now? I suggest it arises from the very claim that is made that the legislation is so perfect.

□ 1240

One amendment, I suggest, is to try and calm some of the complaints on that side about the substance of the bill; another meaningless amendment is to block a direct vote on the amendment offered by the gentleman from New Jersey (Mr. RINALDO); still a third is, I think, legitimate. It poses the question of the gentleman from New Jersey (Mr. HUGHES) as to whether we should have a sticker plan in the bill at all. It even goes further than the amendment offered by the other gentleman from New Jersey.

But, Mr. Chairman, we have retreated to the spectacle of members of the majority party, with a 2-to-1 majority, attacking each other over this issue, claiming that they do not know what they are talking about, that they should go this way and that way, while we innocent minority members, who do not have control, sit here trying to solve the problems of the country. And for our pains we are accused of partisanship. Three-to-one is the score of the majority side's amendments floating around the floor, like soap bubbles out of a pipe—and may they burst so readily. But I am just saying to the Members that we in the minority have tried repeatedly in this debate to do one thing, and that is to offer perfecting amendments that would perhaps steer this legislation, assuming that it is going to be passed, in a direction that might help the American people.

If we were partisan, Mr. Chairman, we would let this legislation pass just the way it was presented. Then we would let one of the most erratic Presidents that we have had in recent years do his thing, and he would probably impose the onerous restrictions of the bill within a matter of weeks. The net result of that, politically, would be to wipe out your side of the aisle in the 1980 elections. We are trying to save you. We are not being partisan. You do not want the gentleman from Texas to be the minority leader after the next election necessarily, although it might be arranged.

No. We are trying to save you from the disaster that your plan indicates. I would say to you this afternoon, let us not cut off debate. I say to the gentleman from Michigan, my good friend, we stand together on many issues, things dealing with the environment and furry little animals, and things like that, in the gentleman's Fish and Wildlife Committee capacity; let us not cut off debate, let us have full discussion of the issues before the House, and let us find out which one of the two parties is the one which supports the increased expansion of energy, more production, or which one of the two parties simply wants to redistribute the shortage that your policies have created.

So I beg of my colleagues, let us, in this great parliamentary body—not exactly the mother of parliaments at times, but one in which we all ought to have our say—let us not cut off debate, let us work hard on this legislation and produce something that is for the good of all. Let us not be characterized as stupid or timid or anything else that has been thrown at us in the last few days. Let us, in the best traditions of the House of Representatives, of which the gentleman from Michigan is one by now, after all these years, let us carry out our duties.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Mr. Chairman, the gentleman in the well is one of the leaders in this body because he serves on the Committee on Rules and he serves there because of his great knowledge of parliamentary procedure here. I wonder if the gentleman could explain to me why we had a hiatus of, I think, 5 days on this bill, and now we are trying to hurry it through. We stopped consideration of the legislation last Wednesday night abruptly.

Mr. BAUMAN. Very abruptly.

Mr. BROWN of Ohio. And that was because we passed an amendment known as the Gilman amendment, and we did not take the legislation up again until yesterday. I wonder if that could be explained to us.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

The question is on the preferential motion offered by the gentleman from Maryland (Mr. BAUMAN).

The preferential motion was rejected.

Mr. LOEFFLER. Mr. Chairman, I rise in support of the Rinaldo amendment.

Mr. Chairman, I would like to review the bidding of what we have been through for the last several hours.

Throughout this bill, the President and the Governors are given very broad authority to develop their own conservation plans. The only specific provision in this bill would give the Federal Government the standby authority to impose another rationing scheme, supposedly to achieve conservation, by means of the so-called sticker plan.

This is essentially the same plan defeated by the other body by a vote of 79 to 10.

First of all, this notion of a carless day has been tried, and it has not achieved significant savings of energy. In addition to Italy, the State of Israel, for instance, had implemented a sticker plan, and the Israeli officials estimated that the plan would only save one-half of 1 percent of Israel's consumption.

Further, the claim that this plan will save one-seventh of our gasoline consumption is simply unrealistic. Most drivers would undoubtedly choose their carless days as the one on which they already drive the least amount.

The plan does not resolve whether owners of more than one vehicle could stagger their off-road days, thus not saving any gasoline at all and discriminating against one-car families.

Finally, the sticker plan discriminates most against people who live and work in rural areas, such as west Texas, where no alternatives exist to automobile transportation for basic necessity driving.

Mr. Chairman, the so-called sticker plan is a measure which would not significantly conserve. It is, in reality, another rationing plan which will impose huge burdens upon all sectors of the American public.

I therefore urge my colleagues to support the Rinaldo amendment and to defeat the Maguire and Moffett amendments.

Mr. COLEMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, both gentlemen from New Jersey are on the right track. I think that we do not need to put our Good Housekeeping seal of approval stamp on a sticker plan in this particular piece of legislation. In both the Rinaldo amendment and the Hughes amendment we are withdrawing our certification and our stamp of approval. Either one, if they would pass, would be better than the Moffett amendment which is pending or the legislation which is before us in the bill.

I asked earlier, of the gentleman from Connecticut, who we all recognize as the chief author of the sticker plan language in the bill, what would happen if the President would implement the sticker plan under a Federal plan, who would be the enforcement party? The enforcement parties on behalf of the U.S. Government I assume would be the U.S. attorney's office, with the gathering of facts by the FBI. The legislation itself calls for a civil penalty of $100 for each violation, and each violation, as the language in the legislation says, will be enforced in the U.S. district court. That, to me, is the big hand of Big Brother from the Federal Government going in, actually arresting somebody, a U.S. marshal arresting somebody on the Nation's streets and highways, bringing him in front of a U.S. magistrate or Federal judge, and if the person did not have the $100 to pay, he would be in contempt of court and could very well, theoretically, end up in Leavenworth or in a Federal penitentiary for failure to comply with the language of the bill.

To me, this is absurd, that we would incarcerate people in a Federal penitentiary for driving on 1 day of the week.

People are going to conserve fuel, and they are going to do it voluntarily on their own, under their own lifestyle, and all of us, including those of us who are opposed to the sticker plan, want to conserve gasoline; but for us to come in and say, "You do it, and you make a decision on what day, or else," I think is too much.

When you talk about questions, this thing is all fraught with questions, and I only raise these because I do not have answers to them and I have heard no answers from the author.

Why do we have a fee? Who is going to get the fee for the sticker? And for what purpose is the fee? And where does it go under the Federal plan? Who is going to sell the stickers? Is this going to be through the Department of Energy? Does this mean that they are going to have to hire more people?

None of these things are answered. That is why I think we are getting into very precarious ground when we try to spell out a plan such as this in legislation. That is why both of these amendments are good amendments and should be adopted.

Furthermore, it seems to me that we do discriminate against the poor people. If they have one car, they are going to have to give up that car completely on 1 day of the week. For those of us who have two or more, or those who are more blessed with wealth and have three or four cars, their inconvenience will be limited.

So if my friends and colleagues want to be equitable, want to see fairness in this plan, I suggest that the best we could give to the President is a bill that does not have any of this in there. Sure, he has a toolbox that we talked about today. He will have the same toolbox and the same tools if the Hughes amendment passes today. I would suggest that is a lot better than adopting the language of the bill. I have yet to hear anybody deny, that it is theoretically correct that a person could end up in a Federal penitentiary under the sticker plan as now presently written.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Chairman, the gentleman makes abundantly good sense. I want to commend the gentleman for a very fine statement. I hope that the Members will support the Hughes amendment which will indeed leave the President free to devise a standby rationing and conservation plan without unnecessarily tying his hands. That is what this legislation as presently written would do.

Mr. COLEMAN. Mr. Chairman, I would only point out—and I appreciate the gentleman's remarks—that the Rinaldo amendment does go one step further. If any of the things that I have discussed do concern your conscience and do concern you, then the Rinaldo amendment would wipe it out entirely. Whether or not the President could work these problems out under regulations and submit it in a plan that we would accept later on, I think he would do a lot better job than what the committee has presented to us today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. HUGHES) to the amendment offered by the gentleman from New Jersey (Mr. RINALDO).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MOFFETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 413, noes 3, not voting 18, as follows:

[Roll No. 415]

AYES—413

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorman
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—3

Dellums
Gonzalez
Schroeder

NOT VOTING—18

Anderson, Ill.
Blanchard
Bolling
Coelho
Conyers
D'Amours
Diggs
Dodd
Flood
Forsythe
Giaimo
Luken
Marlenee
Matsui
Rose
Stark
Treen
Wylie

□ 1300

Mr. TAYLOR and Mr. McHUGH changed their vote from "no" to "aye."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. MAGUIRE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MAGUIRE. Mr. Chairman, to clarify the present parliamentary situation, I would like to ask if the next vote which will occur will be the vote on the Maguire amendment to the Moffett substitute which would provide that each owner should make a decision about which day he would have his car off the road, to give individual choice. Is that correct?

The CHAIRMAN. The Chair will advise the gentleman that the next vote occurs on the Maguire amendment to the Moffett substitute.

The question is on the amendment offered by the gentleman from New Jersey (Mr. MAGUIRE) to the amendment offered by the gentleman from Connecticut (Mr. MOFFETT) as a substitute for the amendment offered by the gentleman from New Jersey (Mr. RINALDO), as amended.

The amendment to the amendment offered as a substitute for the amendment, as amended, was rejected.

PARLIAMENTARY INQUIRY

Mr. HUGHES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HUGHES. Mr. Chairman, I have a question as to the parliamentary situation. Will the vote now occur on the Moffett substitute?

The CHAIRMAN. The gentleman is correct.

Mr. HUGHES. Which, in effect, would wipe out the Hughes-Rinaldo amendment directed to the sticker plan and permit the President to have flexibility without a built-in bias in favor of the sticker plan?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MOFFETT) as a substitute for the amendment offered by the gentleman from New Jersey (Mr. RINALDO), as amended.

RECORDED VOTE

Mr. BROWN of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 107, noes 306, not voting 21, as follows:

[Roll No. 416]

AYES—107

Albosta
Ambro
Anderson, Calif.
AuCoin
Bedell
Bellenson
Bennett
Bingham
Blanchard
Bonior
Brademas
Brinkley
Brooks
Burlison
Burton, John
Burton, Phillip
Carter
Chisholm
Clay
Cotter
Danielson
Davis, S.C.
Dellums
Dingell
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Edwards, Calif.
Fascell
Fazio
Fithian
Ford, Tenn.
Garcia
Gephardt
Gore
Gramm
Gray
Hawkins
Hefner
Heftel
Holland
Hutto
Jenrette
Johnson, Calif.
Jones, N.C.
Kildee
Kogovsek
Kostmayer
Lehman
Leland
McHugh
Maguire
Markey
Mattox
Mavroules
Mica
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Neal
Nedzi
Nolan
Oakar
Oberstar
Ottinger
Panetta
Patterson
Pepper
Preyer
Price
Rahall
Rangel
Ratchford
Richmond
Rosenthal
Roybal
Sabo
Scheuer
Schroeder
Shannon
Simon
Snowe
Solarz
Staggers
Stangeland
Stokes
Studds
Tauke
Thompson
Traxler
Ullman
Vento
Weaver
Weiss
Whitley
Wilson, Tex.
Wirth
Wolpe
Wright

NOES—306

Abdnor
Addabbo
Akaka
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Breaux
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dorman
Dougherty
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Marks
Marriott
Martin
Mathis
Mazzoli
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
Nowak
O'Brien
Obey
Pashayan
Patten
Paul
Pease
Perkins
Petri
Peyser
Pickle
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Stump
Swift
Symms
Synar
Taylor
Thomas
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wolff
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—21

Anderson, Ill.
Bolling
Coelho
Conyers
Corman
D'Amours
Diggs
Dodd
Flood
Forsythe
Long, La.
Luken
Madigan
Marlenee
Matsui
Murphy, N.Y.
Rose
Stark
Treen
Waxman
Wylie

□ 1320

The Clerk announced the following pairs:

On this vote:

Mr. Matsui for, with Mr. Coelho against.

Mr. SIMON changed his vote from "no" to "aye."

So the amendment offered as a substitute for the amendment, as amended, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. RINALDO), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to section 3?

AMENDMENT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: Page 43, after line 11, add the following new subsection:

"(f) LIMITATION ON MEASURES AFFECTING FULL FOOD AND FIBER PRODUCTION.—The plan established under subsection (a) may not provide for any measure which would affect full food and fiber production, as determined by the Secretary of Agriculture, unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means."

Mr. BROWN of Ohio. Mr. Chairman, the Natural Gas Policy Act, in which this body and the Senate combined in passing last year as a part of the National Energy Act, gives the Secretary of Agriculture the responsibility to define "full food and fiber production." Those industries and entrepreneurships, which contribute to the full production and distribution of food and fiber in our country, are so important that should there be a natural gas shortage, they would be exempt from the provisions of the Natural Gas Policy Act. They, as a matter of national policy, would have a supply of natural gas available to them so this industry may continue the production and processing of food and fiber for our Nation.

□ 1330

This amendment provides that that same recognition of the significance of the production of food and fiber in the Natural Gas Policy Act be recognized in this most massive conservation plan. In this way, when a conservation plan is promulgated by a State or by the DOE in accordance with conservation "targets" set by the President so the plan will provide an exemption for the producers, processors, marketers, and distributors of food and fiber.

These producers and processors would be exempted, but only if the plan in place does not permit them to devise their own method of saving energy.

Now, it does not exempt them from the requirement to conserve energy but it does say they must be permitted to come up with their own methods of saving energy. They can figure out a way to save energy while at the same time providing all the food and fiber necessary for the operation of the country without having an adverse affect during the process.

Mr. Chairman, I see no reason for this body not to include the same exemption here that we provide for in the Natural Gas Policy Act.

Mr. Chairman, when the diesel fuel situation became critical in this country, the first order that the Department of Energy put out was No. 9. This rule said that the producers of food in the United States during the spring planting time in California and other parts of our country should be able to get all the diesel fuel they need to get the food produced from what they had put into the ground.

Clearly, Mr. Chairman, if we have a shortage it will be a high priority for us to get the food out of the ground in the fall. However, that is not the end of the process. The process must go on from there. The food must be processed in terms of its preparation for the marketplace and then it has to be available to the marketplace and gotten into the hands of the American consumer.

Mr. Chairman, my objective in this amendment is to try to assure that the food producers, processors, and distributors will have that opportunity.

Mr. Chairman, I hope we can adopt the amendment without a great deal of debate.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in strong support of the amendment. It is just as important to the people of America that we irrigate, harvest, process, and deliver our food to market as it is to plant it. This is the most essential thing for the future of America. I hope the gentleman's amendment is adopted.

This is a good amendment to a bad bill. The amendment would exempt those involved in the production, processing, and marketing of agricultural products from the natural gas rationing provisions of this bill.

Mr. Chairman, the food and fiber production industry is a unique one. More than any other industry it is dependent on Mother Nature. The industry is equally dependent on natural gas to take over where Mother Nature leaves off.

Natural gas plays an extremely important role in every step of the food production chain. Any interruption, even a short one, in that chain can result in the destruction of an entire crop, a loss that can put a farmer out of business.

From the time the farmer puts his crop in the ground to the time he harvests it, he is extremely dependent on a ready supply of natural gas to run his irrigation pumps.

In an area like Nebraska, where natural gas accounts for 21 percent of irrigation power, for instance, a corn crop can burn up in a few days without adequate irrigation.

Mother Nature does not wait for gas to get through the pipeline.

It does no good for the farmer to harvest his corn crop if he does not have the natural gas to dry it. If it cannot be dried in a timely fashion it will rot.

It does no good for the farmer to spend money to dry his corn if no one will buy it because they do have the natural gas to process it.

If the farmers cannot be assured of a continuous supply of natural gas, it makes no sense for him to even spend the money to put his crop in the ground.

Planting, irrigation, and harvesting are not the only aspects of agriculture dependent of natural gas.

In the processing of sugarbeets for instance, a continuous supply of natural gas is needed from the beginning to the end of the process.

Mr. Chairman, this is a good amendment that will allow the farmer to plan ahead. It will assure an uninterrupted supply of essential foodstuffs to the American people, even in the event of a severe energy shortage.

Mr. BROWN of Ohio. I appreciate the support of the gentlewoman from Nebraska.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. LOEFFLER and by unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 1 additional minute.)

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, I, too, rise in support of the amendment of the gentleman from Ohio (Mr. BROWN). Food and fiber is this Nation's strength. It is, as the gentlewoman from Nebraska mentioned, absolutely essential that our producers, processors, marketers, and distributors may be able to deliver our food and fibers throughout the United States.

Mr. DINGELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. As the gentleman from Ohio has pointed out, this amendment is not to help the farmer. It is to help the man who farms the farm and I think the House should understand that fact.

Mr. Chairman, it is desirable that we should allow a measure of flexibility in achieving the conservation plans, and I think it is highly desirable that that should be done. However, it must be pointed out that the ability to frame a conservation plan and to deal with alternatives to the goal set by the President is, by earlier enactment of this Congress, vested in the Governors of the several States and it is vested in the legislation which we have here before us, in the Governors of the several States.

Regrettably, Mr. Chairman, what the gentleman from Ohio (Mr. BROWN) does by this particular amendment is to permit the persons who engage in the practice of agricultural or food processing the option to come forward essentially with their own plans. Not plans that are set forth by the Governors, but plans

that are set forth by the individual himself.

Regrettably, and very regrettably, there is no way to check this without massive numbers of persons who would go about the country on Government payroll checking out how the individual was complying and engaging in vast controversy with the individuals concerned. I do not know how many food processing establishments there are in the country, but engaging in massive controversy with the individuals who run these food processing establishments in each instance as to whether or not the goals would, in fact, achieve the same level of conservation and whether, in fact, because of the differing energy uses of these people at different times of year, depending on harvest and whether the plan is working at that particular time, and depending on whether you have had a good harvest or bad, whether they, in fact, are saving more energy or less or not as much.

Mr. Chairman, what the amendment really does—and I regret to say this, and I will yield to my good friend, the gentleman from Ohio (Mr. BROWN)—quite frankly, it gets the bill, insofar as energy conservation measures are going to be dealt with, with regard to food processors.

Mr. Chairman, it should be understood we are not talking about peanut whistle operations here. We are talking about Ralston-Purina, you are talking about A&P, and you are even talking about folks who are producing dog food, cat food and things of that sort.

Mr. Chairman, it is with a great deal of affection for the gentleman from Ohio (Mr. BROWN) who offers the amendment, that I oppose it as an outrageously bad amendment.

Now, I will yield to my good friend from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I appreciate the gentleman yielding. I will also say it embraces every farmer in the United States who produces the food and fiber and it is exactly the same language that is in the Natural Gas Policy Act. It provides that the Secretary of Agriculture shall make the definitions.

Mr. DINGELL. Mr. Chairman, I thank the gentleman but the word "establishment" does not mean "farmer." The word "establishment" in my understanding may mean food processor. The gentleman is entitled to interpret it as he sees fit and if he wants to speak to the matter I will yield to him.

Mr. BROWN of Ohio. I might say to the gentleman, Mr. Chairman, the farming establishment is the same as any other establishment. It is somebody who is in the business of producing food and also in the field of processing it as I think the gentleman well points out.

Mr. DINGELL. Mr. Chairman, I think the dictionary speaks quite loudly on this point. I have never heard a farm called an establishment. I have heard, I will observe, houses of ill repute called establishments, but farms, no.

Mr. Chairman, I do yield back the balance of my time.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

I would like to point out to my colleagues that in agricultural production two things, of course, are important. One, having an adequate supply of fuel and, two, maybe even more important, the opportunity for a timely operation. Timeliness is the key in any agricultural endeavor and this amendment would assure that the wheat producer, the barley producer, the sunflower producer could get the gas or the propane to run his crop drier when he needed it. To fill out 15 forms to 17 different bureaucrats or to exist on a 60-percent cutback when you are running a crop drier in the field, you do not have the time. If you miss 2 weeks you have lost that crop.

Mr. Chairman, in the production of sugar beets which goes on in the State of North Dakota that I represent and in the State represented by my good friend, the gentleman from Michigan (Mr. DINGELL), once you begin a sugar beet harvest and that plant goes onstream that plant has to continue processing these beets.

Mr. Chairman, it probably is a part of the establishment. In our case, there are cooperatives owned by the farmers in processing sunflower oil and a host of other things. They need the energy to carry out their operations on time or the farmer may well lose his crop.

□ 1340

It is extremely important then, that the agricultural sector of our economy have, one, an adequate supply and, two, a timely supply, because if you do not do it at the right time, the seasons wait for no man and the farmer who has not understood the need for timeliness in his operation is the farmer that cannot produce the food and fiber to meet the needs of this Nation and, yes, indeed, to provide the opportunity for export earnings that pay for the oil that has to be imported.

So protecting the farm sector through this kind of amendment could well give us additional income in our Nation to pay for the imports that we have to have in the field of energy. Food energy from the farm has been paying for a good deal of the imports of fuel energy from the OPEC countries and we do not want to throttle down the ability of the American farmer to meet those needs.

Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio and hope that it can be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 3?

AMENDMENT OFFERED BY MR. STOCKMAN

Mr. STOCKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOCKMAN: Page 43, after line 11, add the following new subsection:

"(f) PLAN MAY NOT AUTHORIZE RESTRICTIONS ON BUSINESS HOURS.—The plan established under subsection (a) may not provide for the restriction of the hours during which any business may operate. This prohibition shall not apply to any restriction of hours of sale of motor fuel at retail if that restriction occurs in connection with a program for restricting hours of sale of motor fuel each day of the week on a rotating basis pursuant to subsection (d)(2) of this section."

Mr. STOCKMAN. Mr. Chairman, I regret that it is necessary to offer this amendment; but unfortunately we have a bill which makes it absolutely imperative that we do so. I am not sure whether the House really understands the full import, the full ramifications of section 3 and particularly subsection (c) of this bill or not; but I offer this amendment to make it abundantly clear what we are doing here.

In a sense, this bill delegates unlimited plenary powers to the President and ultimately to the Department of Energy to promulgate fuel use control or so-called energy conservation plans without any limit, without any definitions, without any parameters, and more importantly, without any opportunity for the Congress to review those plans; so therefore, this amendment speaks to one particular area where it would be possible under this bill for the Department of Energy to promulgate a plan.

Obviously, one way to save gasoline, one way to save heating fuel, would be to simply restrict the hours by which business establishments in this country may remain open or may operate. Under this bill it would be possible to have no-shop days, days in which the shopping centers around this country would be ordered shut down by a plan promulgated by the Department of Energy or delegated to the States under other provisions of this bill. It would be possible for the hours of retail establishments, restaurants, retail stores, offices even, to be regulated and controlled under this bill.

Now, obviously, that would save energy, but obviously, that is not the kind of conservation, that is not the kind of fuel use reduction that we want in this country; so if we are determined to pass a bill that gives wide open discretion, that gives total flexibility to the President to promulgate conservation plans, I think we at least ought to take a little time this afternoon to go on the record to establish some restrictions, to establish some parameters about those areas in which he may not invade, and certainly the regulations on an across-the-board basis of business hours is not the kind of thing that we have in mind in this bill.

Now, I think if some of you believe that the possibility that that would happen is far-fetched, I hope you will remember that these plans, the energy conservation plans that will be developed and promulgated pursuant to this bill will actually be the handiwork of GS-13's and -15's down at the DOE. I have to tell you that they have already demonstrated a track record of affinity for an hour's closing approach as a way of saving energy. After all, do you remember the energy plan No. 1, I believe it was, that we had in April? It promised to save about 350,000 barrels of gasoline a day by the simple expedient of closing all the gasoline stations in the country on the weekends. Well, that may or may

not have saved 350,000 barrels of gasoline per day; but obviously, we know it would have been an utter catastrophe for all those businesses, for all those industries, for all those people who have livelihoods related to the conduct of business on weekends, tourism, travel, motels, restaurants, and so forth.

So I offer this amendment because the Department of Energy has already demonstrated that hours control type measures or schemes are something that, indeed, it would likely pursue in order to bring about the energy consumption savings provided by this bill.

I think it is a reasonable limitation. It ought to be included in the bill. I hope the House will adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. STOCKMAN).

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 22, noes 33.

RECORDED VOTE

Mr. BROWN of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 224, not voting 20, as follows:

[Roll No. 417]

AYES—190

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bouquard
Bowen
Breaux
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Evans, Del.
Evans, Ind.
Findley
Fish
Flippo
Gilman
Gingrich
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Colo.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lowry
Lundine
Lungren
McClory
McDade
McDonald
McEwen
Marks
Marriott
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Nichols
O'Brien
Pashayan
Paul
Perkins
Petri
Pickle
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Trible
Udall
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.

NOES—224

Addabbo
Akaka
Alboata
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holtzman
Howard
Hughes
Hutto
Ireland
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lehman
Leland
Levitas
Lloyd
Long, La.
Lujan
McCloskey
McCormack
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solarz
Spellman
St Germain
Stack
Staggers
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Traxler
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, Tex.
Wirth
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—20

Anderson, Ill.
Bolling
Conyers
Crane, Philip
Diggs
Dodd
Erdahl
Flood
Forsythe
Holland
Luken
Marlenee
Martin
Rodino
Stark
Thomas
Thompson
Treen
Wilson, C. H.
Wylie

□ 1400

The Clerk announced the following pairs:

On this vote:

Mr. Philip M. Crane for, with Mr. Conyers against.

Mr. Thomas for, with Mr. Flood against.

Mr. Wylie for, with Mr. Diggs against.

Messrs. LOWRY, PURSELL, and LUNDINE changed their vote from "no" to "aye."

Mr. ALEXANDER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. LOEFFLER

Mr. LOEFFLER. Mr. Chairman, I offer an amendment.

Mr. DINGELL. Mr. Chairman, I reserve a point of order against the amendment.

The Clerk read as follows:

Amendment offered by Mr. LOEFFLER: Page 43, after line 11, add the following new subsection:

"(g) LIMITATION ON MEASURES REGULATING THE OPERATION OF ANY ENERGY PRODUCTION, EXPLORATION, OR TRANSPORTATION FACILITY.—The plan established under subsection (a) may not provide for any measures that would regulate the operation of any energy production, exploration, processing or transportation facility unless such plan permits any establishment or facility affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. DINGELL. No; I do not insist on the point of order, Mr. Chairman.

Mr. LOEFFLER. Mr. Chairman, throughout the country drilling facilities are currently being shut down due to the lack of critical shortages in fuel supplies. I must ask: How can we effectively explore for, develop, and process our important energy resources without adequately recognizing the fuel needs of our American energy industry?

The Department of Energy has previously recognized this important need when it provided priority treatment for those engaged in energy production and exploration through the ill-fated special rule No. 9. As we seek once again to regain energy self-sufficiency, we simply cannot afford any further restrictions in domestic production.

□ 1410

I urge the adoption of this amendment for it will assist in providing a proper domestic energy mix. It will begin to remove the shackles OPEC has about our neck at this moment.

Again, I urge the adoption of this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Some weeks ago, the gentleman from Texas (Mr. ARCHER), took the floor to relate to the House the fact that during the recent shortage of diesel fuel, most of the operators of existing oil wells in the United States faced the problem of the mishandling of our present Federal allocation program. He told us that in fact the diesel fuel supplies, because of the allocation program, were substantially curtailed to the oil industry itself, and since something like 90 percent of the oil wells are operated by engines powered with diesel fuel, that there was at east a temporary shortage

thus preventing pumping oil out of the ground.

Is this the kind of problem the gentleman is trying to get to with this amendment?

Mr. LOEFFLER. It certainly is the kind of problem this amendment addresses, in response to the gentleman from Maryland. In addition, I might add that for a very short period of time, special rule No. 9 gave priority treatment for the use of diesel fuel to agricultural needs as well as to energy needs.

That special rule No. 9 has now been obviated. It is not now in existence. Again, if we are to achieve a proper energy mix here in the United States, we cannot take away the ability of production to occur.

We must have all sorts of energy production here at home, and by this amendment, we would be able to bring on stream domestic production at the earliest possible moment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

I suppose I have some understanding why the gentleman from Texas would want to favor principal industry in his State.

Mr. LOEFFLER. I might just say, in response to the statement of the gentleman from New York, that I am a consumer and all the people in the 21st Congressional district are consumers of energy as well. What we want is an adequate supply of domestic energy.

Mr. OTTINGER. I want to see if I understand this correctly. It would mean that any State regulation, for instance, for car fleets or for van pooling or for turning on electric lights in office buildings that are owned by energy companies, the energy companies would be completely exempt from that, as I read it.

Mr. LOEFFLER. If the gentleman would read the amendment, it says, "Any operation which would include energy production, exploration, processing or transportation facility."

I would leave the interpretation for such language to the Department of Energy, but encourage via legislative intent that it be the very broadest language in order that we can enhance domestic production here at home.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I think the gentleman from Texas (Mr. LOEFFLER) is correct. It is clear from the rest of this amendment, but neither the gentleman from Texas nor the gentleman from New York discussed this. Facilities designed for energy processing, exploration, or transportation should have the option first to save energy by their own plans, before any plan is put into effect by the President or, actually, by a low-level bureaucrat under the arm of the Secretary of Energy.

In other words, before the administration or this Government can tell them how to save, they must have the option to save on their own. They still must save, and must save the exact same amount. It does not just apply to the production of oil and gas, which is the plain thrust of the production facilities in the district of the gentleman from Texas. This applies to production of coal. It would apply also to the production of electricity. It would apply to any energy production that we have in this country. I might say to the gentleman from New York, because I know of his interest, it would even apply to the possibility of production of energy by solar means. Anybody who is in the production of energy by solar means in a major solar undertaking would have the opportunity to save energy consumed in their production, without having to comply with rigid regulations which might negate their best efforts.

The CHAIRMAN. The time of the gentleman from Texas (Mr. LOEFFLER) has expired.

(At the request of Mr. OTTINGER and by unanimous consent, Mr. LOEFFLER was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from New York.

Mr. OTTINGER. I have no desire to see solar manufacturers exempted from State or Presidentially proclaimed conservation plans any more than I would coal or oil.

I am sure the oil companies and the coal companies would say that their office buildings contribute to production, that their automobile fleets contribute to production, and it would effectively exempt a large part of America from any conservation programs, even those proposed by the State.

Mr. LOEFFLER. The question with respect to this amendment is, are we going to get America back on its feet at the earliest possible date? If the gentleman from New York wants to curtail the amount of energy production, be it conventional oil and gas, or the alternate sources of energy, such as nuclear, solar, geothermal, kinetic, synthetic fuels, gasohol, whatever, then he should vote against this amendment. I want America to be back on its feet; the boat to be on an even keel.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Again, I want to emphasize they are not exempt. They are permitted first to try to save energy to the same extent that the President wants it saved, and if they have a means of saving the equivalent amount of what the President wants saved, then they do not have to conform to the President's plan. They are not exempt from the President's targets.

If, however, they do not come up with their own plan to save that amount of energy, then the President's plan can take effect.

In other words, they are put under that plan, but first, they must be given the opportunity to save on their own. What we are saying here is that it is going to be very difficult to devise a plan that can apply to all energy producers.

The producer that is producing energy in a well out in the middle of the Gulf may have a different energy need than a producer who is producing coal in the middle of Kentucky. I do not think you can write one plan that applies to all.

So what in effect you are doing is saying each one can have his own plan, but all the plans must have the same result—or the President's plan goes into effect. The threat of Government regulations should add a new incentive to the national incentive of high energy costs working now.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the law and the bill on which we function today allows the President to fix goals and then allows the State to come forward with plans which would meet those goals. The States failing to meet those goals, the President then would have authority to set nationwide goals and the conservation plans for the different industries.

This amendment fails to meet the same complaint that the other amendments failed to meet earlier, and that is that it turns the whole question of meeting the conservation plan over to the industries affected.

Let me read some of the things that would come about as a result of the amendment here. If under this amendment the President could not prescribe, for example, efficiency standards in any part of the production industry in office buildings owned by the industry, he could not say "Turn down the lights," or have different heating and cooling requirements.

He could not, for example, deal with the question at an electric-generating plant by saying, "You will not use imported oil, but rather, you will use domestically produced natural gas."

He could not say to an electric power company, under his ability to generate a plan, that, "You shall use to the maximum degree possible the nuclear-generating facilities which you have," instead of, let us say, facilities which use No. 2 oil, which is imported and which will be in increasingly short supply.

In like fashion, he could not require, for example, that the industry would use more fuel-efficient pumps and generators.

He could not require, for example, as a part of the conservation plan that the industry move toward cogeneration, that they would generate the heat that they need and at the same time generate electrical power through the device of cogeneration, which is one of the most promising devices that we can have in terms of energy conservation and drawing the maximum amount of energy from our fuel expenditures.

Now, these are some of the things that the President could not do. Instead, the companies affected would come forward with some kind of a nebulous agreement that they would save an equivalent amount of energy.

This amendment looks very good, but it vests too much authority in the com-

panies. It strips too much authority from the President, and it involves the company in too much controversy with the President and with the people who would enforce it.

It ultimately involves for us a situation where we would find ourselves afflicted with massive numbers of people going forth from DOE to engage in massive discussions with the companies affected.

□ 1420

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Since I have discussed the amendment of the gentleman from Texas, I am more than happy to yield to him.

Mr. LOEFFLER. I thank the chairman for yielding. I will be very succinct in my point to say I disagree with the gentleman's interpretation of the intent of the language.

Mr. DINGELL. I thank the gentleman. But I do point out this may require these things to be done on an establishment by establishment basis. The things I have been discussing would probably be prohibited under the amendment.

Mr. LOEFFLER. If the gentleman will yield further, I would say the intent of the language is to allow America to get back on her feet with respect to energy production. It would appear to me that the President would be delighted to have an amendment like this because he would begin to have an opportunity to achieve his goals with respect to the reduction of imported crude.

Mr. DINGELL. I have no ability to speak on behalf of the President as to this precise amendment. But I can tell the gentleman that it would deny the President the authority, for example, in the case of an electrical-generating facility to say, or an electrical-generating company that they have to use their nuclear facility instead of the oil-fired generating facility which might be running on No. 2; and in like fashion it denies him the authority to say fellows, you cannot run your lights in the Standard Oil Building all night long. So I think for those reasons the amendment is a bad one and should be rejected by the committee.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The gentleman has mentioned lighting as one thing this amendment would prohibit. I do not think that is correct because the amendment gives the local operation the chance to make its own arrangements about which of these things to use.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. BROWN of Ohio and by unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman.

Mr. BROWN of Ohio. But the gentleman from Michigan has mentioned the idea of lighting, of a fuel source of a business or an industrial plant, the operating hours of business, the type of machinery and equipment used by that business, and the idea that it might have its own generating plant. Do I understand then that the gentleman from Michigan is saying that the President's conservation plan could speak to each of these details to tell a business what kind of machinery and equipment it would have to use?

Mr. DINGELL. My good friend from Ohio (Mr. BROWN), as a very adroit Member, knows this bill as well as I do. He knows that we are simply affording the President the discretion. He is also aware of the fact that we are not trying to foretell what the President is going to do under that discretion or what precise plans he will evoke or evolve for particular industries.

Mr. BROWN of Ohio. Is the gentleman telling me that the President would have the discretion to tell individual businesses what kind of lighting they would have or what kind of machinery and equipment and relate that to the use of energy?

Mr. DINGELL. What I am telling the gentleman is under the conservation plan he could say "Fellows, cut back on the lighting." He could say, "Move toward cogeneration." He could say, "Do these other things."

Mr. BROWN of Ohio. If the gentleman will continue to yield, could he say "Get this piece of equipment because it is more efficient in terms of energy use than another piece of equipment?"

Mr. DINGELL. No. But he would not be able to say, for example, to, let us say, an electric utility that they have to use their nuclear facility instead of using their oil-fired facilities.

Mr. BROWN of Ohio. I would think, if the gentleman will yield further, that relates to fuel source. The gentleman made a specific reference to machinery, and equipment, and efficiency of that machinery and equipment. Could the President prohibit use of a certain kind of machinery and equipment on the basis that it is not an efficient energy user?

Mr. DINGELL. No, I do not think he could under the plan.

Mr. BROWN of Ohio. What prohibits the President in the legislation from doing that?

Mr. DINGELL. I just do not think that he is authorized in the plan to do so.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

I think this again is a much too broad sweep that prohibits sound conservation plans. If the States fail to meet conservation goals, then the President can fill in with sound conservation plans that do go across-the-board. I can see the possibility of the President promulgating efficiency standards for certain kinds of equipment as, indeed, we have done, with the gentleman from Ohio's agreement, with respect to certain kinds of appliances like refrigerators and requiring the labeling of the efficiency of those particular appliances, or requiring cogeneration with respect to any plant that presently makes steam and does not produce electricity.

There are a whole host of things that can be done with respect to any energy industry or anything involved in the processing or the transportation of energy that would be foreclosed under this amendment, that represents such a broad spectrum of American life. I think this is unsound and I urge the amendment be defeated. I yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we are now getting to the point of what is truly dangerous in this bill, the open-ended conservation targets and plans. I just would like to explain to my colleagues how this works.

We are off of automobile gasoline rationing and now we are into the conservation plan section of the bill, section 3, as reported. Under this section the President must set conservation targets over the consumption of motor fuels for each State and for the country as a whole, including gasoline and diesel fuels. This means that the Government allocation system, which misallocated fuels among regions, will soon be expanded to allocate among each State, and eventually each user of energy. These targets need not correspond to the projected shortages in a State or for the country.

For example, Wisconsin could have a surplus of gasoline but a 10-percent shortage of diesel, but the targets could be a 12-percent target on gasoline and a 2-percent target for reduction of diesel. There is no correlation between the targets and the shortages under the President's conservation plan.

Do not think for a minute that this really is a conservation plan. The targets could be somewhere between 2 percent or 100 percent. There is no guideline, nor any limit in the conservation target part of this bill.

The second significant problem is with the delegation of Federal powers, which are unlimited in this bill, to State Governors where those Governors are prevented from implementing a specific program under current State law. Under the bill as reported, State legislatures would have no ability whatsoever to review or modify the conservation plans designed by a Governor and submitted to the Department of Energy for their approval or disapproval. Frankly, under the plan, the Governor's plan for conservation for that State is very likely to be reviewed by some GS-12 or 13 down in the depths at the DOE, and if he decides he does not like it, he can throw it out. Then the President's plan is substituted for the State Governor's plan. The State legislature would have been preempted, run over in effect, by a bureaucrat at a Federal agency.

For example, if a State has considered blue laws and decided that it does not want to close everything on Sunday, but

the Governor is in favor of blue laws and wants to close everything on Sunday, he can submit a plan from his State to close everything down tight on Sunday in that State and if DOE approves it, that becomes the law in that State. The Governor could impose blue laws under guise of energy conservation.

What kind of an authority is that to give to a Governor and certainly what kind of an authority is it to give to the Department of Energy?

But the thing that startles me in this now is that the gentleman from Michigan, the chairman of the subcommittee (Mr. DINGELL) suggests that under these conservation plans the lighting of an individual company, the machinery and equipment that that company uses, or the source of its power can be determined by the conservation plan. In other words, that the President or the Governor's plan would have the authority to say, "You must use the most efficient piece of machinery to accomplish this purpose." Now, that strikes me as a rather unusual power for any Governor or any President to have. I am a little more concerned than I was initially about these conservation plans.

It occurs to me that we are getting down into the very day to day operation of a business of any kind if we do not have some kind of an exemption. What the gentleman from Texas has offered in the way of an amendment is that in the energy producing and transportation, including the processing at refineries, that we at least allow those industries to make their own determination of how they will achieve the President's targets.

□ 1430

Remember, those targets can be set anywhere—at a 2-percent saving, a 10-percent saving, a 90-percent saving—whatever he wishes. We do not have any authority to oversee those targets. The committee bill does not set any limits on those targets.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. Of course.

Mr. OTTINGER. Mr Chairman, I thank the gentleman for yielding. It seems to me that when the gentleman and others were arguing against lowering the 20-percent trigger for rationing, they said that we did not have to worry about that whole gap between a mild shortfall and the catastrophe represented by 20 percent, because there would be the State and alternate conservation plans that would step in. Now, I find it very disconcerting to find that the gentleman and those same associates say now that we should not have the conservation plans.

Mr. BROWN of Ohio. Oh no, the gentleman misunderstood what I am saying.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. BROWN of Ohio was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. The gentleman misunderstands what I am saying. What I am saying is that the conservation plans should not go to having a Presidential or gubernatorial determination of what kind of machinery is used in a business, or what kind of lighting they have. The targets set by the President—and frankly, I think those targets ought to be related to some shortfall—but the individual company or business ought to have the opportunity to achieve those savings in a way that that business determines; not to let the President, for goodness sakes, come in and say, "Wait a minute, your equipment here is not energy efficient and so you must get rid of that and put something else in in order to save the energy."

That is what disturbs me about the colloquy we had here.

Mr. OTTINGER. If the gentleman will yield further, there is, of course, nothing in this scheme that prevents exactly that kind of regulation being imposed, first of all by the Governor, who can allow that kind of discretion in the individual businesses in meeting goals; or the President. There is nothing that prescribes what shall be done here.

Mr. BROWN of Ohio. But there is nothing that prevents it either. Does it not strike the gentleman as a little bit of police state mechanism if we are going to go into every individual business and residence and tell them about the lighting in their building. I am not against trying to achieve the energy conservation, but at least the business or an individual ought to have the opportunity to achieve it without having a Governor come in and say, "You turn off every third light, or change the kind of equipment you use."

Mr. OTTINGER. It sounds as though the gentleman is all for conservation until any specific is proposed, and as soon as a specific is proposed, he says, "No, we cannot do that."

Mr. BROWN of Ohio. I said earlier that there are too many people in this Congress who think that government knows everything, but that the average guy in private industry is only half bright. So far there has been a savings of 17 percent since the energy embargo of 1973.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(At the request of Mr. STOCKMAN and by unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 3 additional minutes.)

Mr. BROWN of Ohio. That was not done because the Government ordered it. That was done because the individual businesses wanted to save the energy. My guess is that their motivation was not entirely patriotic. It must have been because they wanted to save money, because the cost of energy was going up. But, the fact that they tilted their consumption requirements down is good for this country. They made those decisions on their own. They did not have to be told by the gentleman from New York or by this Congress or by an inspector from DOE or by our very concerned President how to do it. They just have to be encouraged by some mechanism to do it. I do not mind encouraging them to do it, but I do resent the idea of the President coming in with a plan that says, "These are the terms of how you do it. You must change the equipment."

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, just to respond to the gentleman from New York, it is not true that we would not have any tools. Is it not the case that we have EPCA in the law today? There is a method for the President to propose and define a conservation plan that stands before this Congress. Is that not how we got the temperature rules? Is that not how we rejected the weekend station closing?

There has not been any showing that that mechanism does not work. Why do we need another authority that does not have any congressional review.

Mr. BROWN of Ohio. We talked about some of these plans being wacky, and the temperature plan is wacky. We set the temperature, we do not care whether that saves or costs us energy. But we say we have "done something."

Mr. OTTINGER. Mr. Chairman, will the gentleman yield further?

Mr. BROWN of Ohio. Yes.

Mr. OTTINGER. The fact of the matter is that with EPCA, I do not know how many people, including the gentleman from Ohio, supported it——

Mr. BROWN of Ohio. The gentleman in the well supported the EPCA legislation.

Mr. OTTINGER. I know that. We still have 50 percent dependence on imported oil. We still have the country paying out $60 billion a year for imports. It is obvious that something else must be done. It is going to take some time, and in the meantime it is important that the President have conservation authority.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. LOEFFLER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DINGELL. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

Mr. Chairman, I withdraw my point of order of no quorum, and I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 209, not voting 22, as follows:

[Roll No. 418]

AYES—203

Abdnor	Brinkley	Coughlin
Anderson, Calif.	Brooks	Courter
Andrews, N. Dak.	Broomfield	Crane, Daniel
Applegate	Brown, Ohio	Daniel, Dan
Archer	Broyhill	Daniel, R. W.
Ashbrook	Burgener	Dannemeyer
Atkinson	Butler	Davis, Mich.
Badham	Campbell	de la Garza
Bafalis	Carney	Deckard
Barnard	Carter	Derwinski
Bauman	Chappell	Devine
Beard, Tenn.	Cheney	Dickinson
Benjamin	Clausen	Dornan
Bereuter	Cleveland	Dougherty
Boggs	Clinger	Duncan, Tenn.
Bouquard	Coleman	Edwards, Ala.
Bowen	Collins, Tex.	Edwards, Okla.
Breaux	Conable	Emery
	Conte	English
	Corcoran	Erdahl

Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Frenzel
Frost
Gaydos
Gilman
Gingrich
Ginn
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hamilton
Hammer-schmidt
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kasen
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marriott
Martin
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Natcher
Nichols
O'Brien
Pashayan
Paul
Perkins
Petri
Pickle
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stewart
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.

NOES—209

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fuqua
Garcia
Giaimo
Gibbons
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Holtzman
Howard
Hughes
Hutto
Ireland
Jacobs
Jenrette
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Lowry
McCloskey
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—22

Bolling
Buchanan
Conyers
Crane, Philip
Diggs
Dodd
Drinan
Duncan, Oreg.
Flood
Forsythe
Gephardt
Hall, Tex.
Holland
Kindness
Luken
Marlenee
Mikva
Neal
Thompson
Treen
Wilson, C. H.
Wylie

□ 1450

The Clerk announced the following pairs:

On this vote:

Mr. Philip M. Crane for, with Mr. Dodd against.

Mr. Kindness for, with Mr. Drinan against.

Mr. Wylie for, with Mr. Conyers against.

Mr. Marlenee for, with Mr. Diggs against.

Mr. Buchanan for, with Mr. Thompson against.

Mrs. HECKLER changed her vote from "aye" to "no."

Mrs. BOUQUARD and Mr. BROOKS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MOORHEAD OF CALIFORNIA

Mr. MOORHEAD of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD of California: Page 43, after line 11, insert the following new subsection:

"(g) CONGRESSIONAL REVIEW OF STANDBY PLAN.—(1) After promulgation of a standby Federal emergency conservation plan, the Secretary shall transmit such plan to the Congress, together with his findings in support of such plan, in accordance with section 551(b) of the Energy Policy and Conservation Act. Such plan may become effective only if either House of the Congress has not disapproved (or both Houses of Congress have approved) such plan in accordance with the procedures specified in section 551 of such Act.

Mr. MOORHEAD of California. Mr. Chairman, as S. 1030 was reported by the Committee on Interstate and Foreign Commerce, the President is given unbridled authority to set conservation targets for all energy sources in every State. Under the bill, there need be no correlation between the targets and the degree of energy shortage. States are given an opportunity to come up with their own plans to meet Federal requirements. However, if the Secretary of Energy rejects a State conservation plan, and he is given wide discretion to do so, the President may impose a mandatory Federal plan on the State in question. In formulating a Federal conservation plan, the President has few restrictions. He can come up with anything he wants. The executive branch is given almost dictatorial powers. Business, store and restaurant hours could be set by the President.

Resorts and recreational facilities are particularly vulnerable. It is also possible under the bill for travel to be restricted for individuals or for people involved in business enterprises. Factories could be closed and factory hours curtailed. Thousands of people could be layed off from work, in accordance with any one of these plans that could be set into effect under this legislation.

Especially endangered would be people who use oil such as the plastic industry and other people involved in the use of an energy product.

Presently, the conservation section of S. 1030 has no provisions whatsoever for congressional review with respect to the imposition of a Federal conservation plan on the States. Let me make it clear, unlike the rationing part of the bill, there is presently no opportunity for congressional review of a Federal conservation plan. There is no review of either the substance of a Federal plan or the implementation of a Federal plan.

Mr. Chairman, I would also like to point out that under section C there is no triggering point such as there is with the rest of the bill. Actually the section that deals with potential triggers are only vague expressions of conditions that the President needs to find before he puts that portion of the legislation into effect. So, some kind of congressional veto is far more important for this part of the legislation than it is for the other.

Because Federal conservation plans cover all energy sources including coal and natural gas and not just gasoline and because the President is delegated such vast, unchecked powers, these plans could be more disruptive of the lives of the American people than rationing itself. Let us make no mistake. The conservation section of the bill virtually gives the President a stranglehold grasp over all energy supplies in every State of the Union. This is an unprecedented delegation of power. Every State's economy would be controlled by the President.

My amendment would give either House 15 days in which to accept or reject the substance of a Federal conservation plan. These procedures are identical to those contained in present law under section 551 of the Energy Policy and Conservation Act. My amendment would not subject State devised plans to congressional review.

I believe our constituents deserve our protection as far as Federal conservation plans are concerned. We owe it to them to at least provide the opportunity for congressional review of policies that could severely disrupt the lives of the American people and the national economy. If we have the safeguard of congressional review with respect to Federal rationing, would it not be rational to have similar safeguards regarding Federal conservation plans?

In California and in the Washington, D.C., area, we suffered tremendously because the administration admittedly mismanaged the gasoline allocation system. Just think what might happen if we allow the administration to control all energy sources in every State, and the economy of every State in the Union without any congressional oversight. Working people, business people, professional people are asking for our protection. They trust the Congress. I think they deserve our protection. That is why we are here. Consequently, I urge an aye vote to approve this amendment to provide congressional review of Federal conservation plans.

□ 1500

AMENDMENT OFFERED BY MR. GRAMM AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MOORHEAD OF CALIFORNIA

Mr. GRAMM. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAMM as a substitute for the amendment offered by Mr. MOORHEAD of California: Page 40, line 10, strike out "and".

Page 40, line 18, strike out the period and insert ", and" in lieu thereof.

Page 40, after line 18, insert the following:

"(D) notice of the President's decision to make such plan effective is transmitted by the President to the Congress, together with data in support thereof, in accordance with section 551(b) of the Energy Policy and Conservation Act, and neither House of the Congress has disapproved (or both Houses of Congress have approved) such decisions in accordance with the procedures specified in section 551 of such Act.

Mr. GRAMM. Mr. Chairman, my amendment, offered as a substitute, conforms to the existing language as it relates to rationing. It gives a one-House veto of the implementation of the plan and gives us an opportunity not only to look at the substance of the plan, but to assess the situation as to the need for the implementation of the plan.

I ask my colleagues to accept this amendment as conforming to the procedure established under rationing, making conservation and rationing parallel so far as congressional veto is concerned. This gives us protection, not only in terms of a review of the plan, but also in terms of a review of the situation.

Mr. MOORHEAD of California. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I would be happy to yield to my colleague, the gentleman from California.

Mr. MOORHEAD of California. Mr. Chairman, I think that a congressional veto is very important for this section of the bill.

I think also, however, because we probably are not going to be considering the conservation programs in the degree of emergency that we necessarily are the rationing portion of the bill, that a congressional veto on implementation can fulfill the needs that we have in this House. Because I can also count the votes, and I understand that there is no objection on the gentleman's side to this program, I will accept the amendment to my amendment.

Mr. GRAMM. Mr. Chairman, I thank the gentleman from California, and recognize the chairman of our subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GRAMM) as a substitute for the amendment offered by the gentleman from California (Mr. MOORHEAD).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MOORHEAD), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to section 3?

AMENDMENT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: Page 43, after line 11, add the following new subsection:

"(g) LIMITATION ON MEASURES REGULATING THE TEMPERATURE IN ANY PUBLIC OR PRIVATE HOSPITAL, HEALTH CARE FACILITY, OR LIKE ESTABLISHMENTS.—The plan established under subsection (a) may not provide for any measures that would regulate the temperature in any public or private hospital, health care facility, or like establishments unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means."

Mr. DINGELL. Mr. Chairman, will my good friend, the gentleman from Ohio, yield?

Mr. BROWN of Ohio. I will be glad to yield to my colleague, the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, can the gentleman tell me, what do the words "health care facility or like establishment" in this amendment mean?

Does it mean a doctor's office, a massage parlor, a gymnasium, or does it mean a hospital or a clinic or a place where the sick are cared for or does it just mean, for example, a Blue Cross establishment or something of that sort?

Mr. BROWN of Ohio. I think in the context of the language of the amendment, it is fairly clear that we are referring to public and private hospitals, health care facilities, or like establishments; hospitals, public and private in nature, is the first word used.

Mr. DINGELL. I do not have any trouble understanding what a hospital is.

Now, how about a health care facility, Blue Cross?

Mr. BROWN of Ohio. A health care facility would embrace where people are being cared for because of their health.

Mr. DINGELL. It would not mean, for example, an Aetna Insurance Company Health Office?

Mr. BROWN of Ohio. I do not see that it would, no.

Mr. DINGELL. But how about a doctor's office?

Mr. BROWN of Ohio. If the doctor's office is being used for the care of a sick patient, then it very well may.

Mr. DINGELL. Ambulatory sick patients?

Mr. BROWN of Ohio. Ambulatory care for ill patients would be included.

Mr. DINGELL. How about a massage parlor?

Mr. BROWN of Ohio. Well, I do not know what kind of a massage parlor the gentleman has in mind.

Mr. DINGELL. Not being one who attends massage parlors, I do not know, but I want to find out exactly what is meant here.

Mr. BROWN of Ohio. Well, the gentleman must know more about them than I do.

Mr. DINGELL. I profess no knowledge of them.

Mr. BROWN of Ohio. Well, if it relates to the health of the person, then that is one thing.

Now, if it relates to the enjoyment of the ambiance of the massage parlor, I suppose that is another matter.

Mr. DINGELL. How about a gymnasium?

Mr. BROWN of Ohio. I do not think that relates to a health care facility.

Mr. DINGELL. I am just trying to define what is the scope here.

Mr. BROWN of Ohio. Well, it does not seem to me that would be like a health care facility.

Now, the gentleman has used a great deal of my time asking specific questions, so I trust there will be no objection to my taking 5 additional minutes.

Mr. DINGELL. Oh, I would not object to a couple or three.

(By unanimous consent, Mr. BROWN of Ohio was allowd to proceed for 5 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, if I can explain this amendment, so the gentleman will not have to ask these specific questions and so we will not have to get into the question of whether a massage parlor is good for your health or not, it may be wonderful for your health, but not very good for your reputation.

This amendment is an effort to not repeat the Wylie amendment, because the Wylie amendment relates to EPCA under which the President had authority to promulgate certain energy conservation plans and he promulgated one which set temperature maximums and minimums, which was passed on a voice vote here on the floor of the House in the hurry one evening after we had just defeated the rationing bill.

Yesterday we voted by a 2-to-1 vote to put in an amendment in this legislation to kill off that energy action or that energy plan that set temperature maximums and minimums through public facilities around the country.

This is related to the conservation proposals that the President has a right to promulgate. On the theory that the President, and it seems logical to me, is excited about saving energy by just setting temperatures in certain places, I think that we may have a danger to public health if the President sets temperatures and says that this applies to all public facilities, because it is well known that hospitals do generally maintain temperature levels that are applicable to the health of the people in those facilities.

I just want to be sure for the interest of public health that the President does

not try to set in his conservation plan some general temperature level that will be adverse to the health of the people being treated for illness.

Mr. DINGELL. Mr. Chairman, will my good friend yield?

Mr. BROWN of Ohio. I would be glad to yield to my good friend, if the gentleman promises not to mention massage parlors.

Mr. DINGELL. I do not know what the gentleman's fascination is for massage parlors, but I promise I will not mention it.

Mr. BROWN of Ohio. All right, I yield.

□ 1510

Mr. DINGELL. Mr. Chairman, will the gentleman tell me whether this, for example, applies to a podiatrist's facility?

Mr. BROWN of Ohio. Mr. Chairman, I am not going to yield to the gentleman further for these specific questions. I do not yield further to discuss all these things the gentleman can think of and wants to learn more about.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I will be glad to yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I think I have a suggestion that might help to resolve some of the ambiguities. I wonder whether the gentleman would consent to a modification of his amendment by unanimous consent to change "health care facility" to "medical care facility."

Mr. BROWN of Ohio. Mr. Chairman, I do not think that improves the amendment. We use the term, "health care legislation," and "health care" is a common term that we use. We have the Subcommittee on Health and the Environment in our committee.

So I think "health care facility" has a very clear meaning, and a "like establishment" is an establishment that relates to health care facilities and not to fun and games, and I do not yield further to the gentleman for any fun-and-games purpose.

Mr. Chairman, what we have here is an effort for us to be sure the broad power we are giving the President in this bill is not ill-used with reference to public and private hospitals and health care facilities. It is a simple amendment which the majority has tried to make entertaining and tried to make whimsical. It is a very serious amendment, and it is offered in the hope that we can deal with the protection of health by prohibiting the President from setting general temperature levels in his conservation plans and keeping him from doing something that will have an adverse effect on public and private hospitals and health care facilities and like establishments.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN).

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 23, noes 26.

Mr. BROWN of Ohio. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Does the gentleman from Ohio (Mr. BROWN) withdraw his point of order of no quorum?

Mr. BROWN of Ohio. Yes, Mr. Chairman, I will be glad to withdraw my point of order.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. BROWN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 244, noes 170, not voting 20, as follows:

[Roll No. 419]

AYES—244

Abdnor
Albosta
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Boggs
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Florio
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Hubbard
Huckaby
Hyde
Ichord
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kasen
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Marriott
Martin
Mathis
Mazzoli
Michel
Mikulski
Mikva
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Pashayan
Paul
Perkins
Petri
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Robinson
Rodino
Roe
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stenholm
Stewart
Stockman
Stokes
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wolpe
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.

NAYS—170

Akaka
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
Bailey
Baldus
Barnard
Barnes
Beilenson
Beyill
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Corman
Cotter
D'Amours
Danielson
Davis, S.C.
Dellums
Derrick
Dingell
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Gephardt
Gialmo
Gibbons
Ginn
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hanley
Hefner
Heftel
Holtzman
Howard
Hughes
Hutto
Ireland
Jacobs
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lehman
Leland
Lloyd
Long, La.
Lowry
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mica
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Scheuer
Seiberling
Shannon
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stark
Steed
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, Tex.
Wirth
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—20

Addabbo
Bolling
Clausen
Conyers
Diggs
Dixon
Dodd
Emery
Flood
Forsythe
Hinson
Holland
Horton
Luken
Marlenee
Roberts
Treen
Wilson, C. H.
Wright
Wylie

□ 1520

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Conyers against.
Mr. Clausen for, with Mr. Dixon against.
Mr. Emery for, with Mr. Diggs against.
Mr. Hinson for, with Mr. Dodd against.

Messrs. AuCOIN, MYERS of Pennsylvania, WOLPE, FROST, McHUGH, STACK, ANTHONY, and HARKIN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1530

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on section 3 of the bill and all amendments thereto end at a quarter of 4.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. LOEFFLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. Mr. Chairman, I move that all debate on Section 3 and all amendments thereto end at 4 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LOEFFLER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 247, noes 164, not voting 23, as follows:

[Roll No. 420]

AYES—247

Akaka
Albosta
Alexander
Andrews, N.C.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Pascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gialmo
Gibbons
Ginn
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Tex.
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holt
Holtzman
Howard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Scheuer
Seiberling
Shannon
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stark
Steed
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Zablocki
Zeferetti

NOES—164

Abdnor
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Fountain
Fowler
Frenzel
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn
Hamilton
Hammer-schmidt
Hansen
Harsha
Hollenbeck
Hopkins
Hubbard
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Jones, Okla.
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Pritchard
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Studds
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Whittaker
Williams, Mont.
Wilson, Tex.
Winn
Wydler
Young, Alaska
Young, Fla.
Young, Mo.

NOT VOTING—23

Addabbo
Bolling
Bonker
Burton, John
Chisholm
Conyers
Davis, S.C.
Diggs
Flood
Florio
Forsythe
Grisham
Hall, Ohio
Hinson
Holland
Horton
Luken
Marlenee
Roberts
Treen
Williams, Ohio
Wilson, C. H.
Wylie

□ 1540

So the motion was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KELLY

Mr. KELLY. Mr. Chairman, I offer an amendment.

Mr. DINGELL. Mr. Chairman, I reserve a point of order against the amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLY: Page 43, after line 11, add the following new subsection:

"(h) LIMITATION ON MEASURES REGULATING THE OPERATION OF PUBLIC OR PRIVATE HOMES FOR THE ELDERLY.—The plan established under subsection (a) may not provide for any measures that would regulate the operation of any public or private home for the elderly unless such plan permits any establishment affected by such restriction to achieve an equivalent reduction in energy consumption by other means.

The CHAIRMAN. Does the gentleman from Michigan insist upon his point of order?

Mr. DINGELL. I do not, Mr. Chairman.

Mr. KELLY. Mr. Chairman, the purpose of this amendment is to try and bring some order and justice and equity to a system that is going to be substantially fraught with difficulty and distortion throughout the country. Those people who are charged with maintaining homes for the elderly have a responsibility for the care of the people that live there.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from Michigan.

Mr. DINGELL. If the gentleman has completed his remarks, I have no objection to the amendment.

Mr. KELLY. I thank the chairman for that, and I have not quite completed my remarks.

Mr. DINGELL. I may not take the amendment. I would hope the gentleman had concluded.

Mr. KELLY. Would the gentleman give me 30 seconds?

Mr. DINGELL. How about 15?

Mr. KELLY. All right. I will try and hit in there somewhere.

I just wanted to make it clear that there should not be any kind of limitation imposed in order to accomplish conservation that would require a nursing home in Florida, where the average temperature is 82 degrees in July, to maintain a 78-degree temperature in a building, when in Bangor, Maine, the mean temperature is 68 degrees. So that a home for the elderly ought to be able to establish its own conservation measures as long as they accomplish the saving, and not be limited to restricted use of air-conditioning or heat to conserve energy.

I thank the gentleman for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. KELLY).

The amendment was agreed to.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been here now since 10 o'clock this morning. We have had a series of amendments which have dealt with all manner of things, many of which are treated in EPCA, in EPAA, and other statutes, and many of which are treated in the bill. I want my colleagues to know what is going on.

I have here in my hand a list of 17 amendments to be offered by my good friend from Ohio and others of my colleagues on the Republican side. These measures relate to hospitals, they relate to social service institutions—I am not quite sure what that is.

They relate to limitation of measures relating to operators of religious institutions; limitation of measures relating to energy production facilities and trans-

portation facilities, limitation of measures relating to operation of any institution providing for the public health and safety; limitation of measures relating to common carriers; limitation of measures regulating the operation——

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

Mr. DINGELL. I do not yield to my good friend, much as I love him.

POINT OF ORDER

Mr. BROWN of Ohio. Mr. Chairman, a point of order.

Are we not under a time limitation?

The CHAIRMAN. The gentleman is correct. We are on a time limitation that expires at 4 o'clock.

Mr. BROWN of Ohio. And those Members who were standing will not have a chance to offer amendments?

The CHAIRMAN. There were none standing at the time the limitation was imposed, and therefore the Chair did not choose to go that route.

Mr. DINGELL. The amendments offered by the minority, again, are limitation of measures regulating the operation of sports facilities; limitation of measures affecting food and fiber production; limitation of measures regulating the operation of any educational institution; limitation of measures regulating the operation of any public or private newsgathering or disseminating business or organization; limitation of measures regulating the temperatures of any public or private hospital, health care facility, and so forth; limitation of measures regulating the hours of operation of any retail establishment; limitation of measures regulating the operation of any fraternal organization; limitation of measures regulating the operation of any hotel, motel, or lodging establishment.

Mr. Chairman, all of these could have been lumped into one amendment. We could have dealt with the question, but rather my good friends over there, knowledgeable legislators, have chosen to present the House with this kind of dilatory list of 17-plus amendments to consume the time of the House since 10 o'clock this morning until this hour. Now, conceivably the minority can persist in delaying the consideration of this emergency conservation legislation. I hope they will not, but it is my judgment that the orderly process of legislation should be done in such fashion as to enable us to promptly consider the public's business.

Mr. Chairman, I have an amendment which I send to the Clerk's desk.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I just say that some of the amendments to which the gentleman objects have already been passed by the House, and some in fact have been rejected. We feel that the House has a right to work its will on these issues.

Mr. DINGELL. That is correct.

Mr. BROWN of Ohio. That is why they are being presented separately.

Mr. DINGELL. But the gentleman is far too able a legislator to claim that he does not know better than to bring some 17-odd amendments seriatim and separately instead of compiling them into one carefully drawn amendment. The gentleman is too adroit to say that he is not trying to delay the bill.

Mr. BROWN of Ohio. I appreciate the compliments, and I return them, but I would say to the gentleman that some of the amendments were adopted, some were rejected. Obviously, we could not put them all in the same amendment.

Mr. DINGELL. What I simply point out to the House is either the most maladroit handling of legislation or the most deliberate delay of important legislation.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 43, after line 11, insert the following:

"(f) CONSIDERATION FOR CERTAIN INSTITUTIONS.—In establishing a plan under this section the Secretary shall take into account the needs of—

"(1) social service institutions;

"(2) religious institutions;

"(3) educational institutions; and

"(4) health and safety institutions.

Mr. DINGELL. Mr. Chairman, what I have done here is to try and offer the principal amendments that would have been offered by the gentleman from Ohio in a more rational and cohesive fashion, and in a form which would enable the House to vote quickly on them so that we can accept this amendment and reject the items to be offered by the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Is the gentleman offering the amendments that he has just criticized us for offering?

Mr. DINGELL. I am, but much better drawn.

Mr. BROWN of Ohio. But he is offering the amendments he has criticized us for offering?

Mr. DINGELL. The amendment has been read, if the gentleman was paying attention. It is much more carefully and artfully drawn.

Mr. BROWN of Ohio. I appreciate the gentleman as a careful and artful legislator, and do appreciate his support of these amendments. I am overwhelmed at his enthusiasm.

Mr. DINGELL. Having disposed of the gentleman's amendments with these, perhaps we will offer our own.

□ 1600

Mr. BROWN of Ohio. But the gentleman brings out a full list, and the others may wish to offer amendments.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding. Inasmuch as I had intended to offer similar amendments regarding religious institutions and public health and safety institutions, I want to thank the gentleman for incorporating those into his amendment. I will be happy to support them.

Mr. Chairman, there is no question but what an emergency fuel shortage will require governmental measures to allocate scarce supplies. There is less question but that we must be very cautious not to intrude governmental measures and personnel and petty mischief into the operations of religious institutions. I cannot believe the American people would want us to create a mechanism for federal agents to march into the neighborhood church and prescribe how the church can schedule its services, discomfort its worshippers, establish stickers for the church door, and odd/even Sundays, and so forth.

We have no reason to impose such Federal requirements into and thus respecting an establishment of religion.

This amendment will allow religious institutions to comply—as they certainly would be expected to do voluntarily—in ways that will achieve equivalent reduction in energy consumption by other means.

In a similar fashion, public safety and health relies in too crucial a way upon the efficient operations of police precincts, fire stations, ambulances, and the like. It would betray that trust to so encumber these public officers with Federal energy regulations and related paperwork that they could not fight fires, pursue culprits, and protect victims in a timely fashion.

I appreciate the desire of the gentleman from Michigan to secure the interests of such institutions.

Mr. DINGELL. I thank the gentleman.

It pains me greatly to have to do this kindness to my colleagues on the minority side, but I hope we can do that in order to expedite the business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to section 3?

AMENDMENT OFFERED BY MR. TAUKE

Mr. TAUKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is the gentleman's amendment printed in the RECORD?

Mr. TAUKE. It is, Mr. Chairman.

Mr. DINGELL. Mr. Chairman, is this amendment printed in the RECORD under the name of the gentleman in the well?

Mr. TAUKE. Yes.

The CHAIRMAN. The gentleman stated that the amendment he offered is in the RECORD under his name.

Mr. TAUKE. Several times already.

The Clerk read as follows:

Amendment offered by Mr. TAUKE: Page 50, after line 2, insert the following new section:

MONITORING OF MIDDLE DISTILLATE SUPPLY AND DEMAND

SEC. 4. (a) Not later than 60 days after the date of the enactment of this Act, the Secretary of Energy shall establish and maintain a data collection program for monitoring, at the refining, wholesale, and retail levels, the supply and demand levels of middle distillates on a monthly basis in each State.

(b) The program to be established under subsection (a) shall provide for—

(1) the prompt collection of relevant demand and supply data under the authority available to the Secretary of Energy under other provisions of law;

(2) making such data available to the Congress, as well as to appropriate State agencies and the public in accordance with otherwise applicable law, beginning on the 5th day after the close of the month to which it pertains, together with projections of supply and demand levels for the then current month; and

(3) the review and adjustment of such data and projections not later than the 15th day after the initial availability of such data and projections under paragraph (2).

(c) For purposes of this section, the term "middle distillate" has the same meaning as given that term in section 211.51 of title 10, Code of Federal Regulations, as in effect on the date of the enactment of this Act.

(d) The program established under this section shall not prescribe, or have the effect of prescribing, margin controls or trigger prices for purposes of the reimposition of price requirements under section 12(f) of the Emergency Petroleum Allocation Act of 1973.

Redesignate the following sections accordingly.

Mr. TAUKE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TAUKE. Mr. Chairman, for a number of days now I have waited for the opportunity to offer two amendments. This amendment does not contain exemptions. What it does is establish a system for the monitoring of middle distillate supplies in the Nation.

Secretary of Energy James Schlesinger reportedly said recently that he was "embarrassed" by the diesel fuel shortage which developed this spring. He should have been. His agency was woefully unprepared to deal with it and, in fact, did not even know it existed until it was too late.

It is the responsibility of the DOE to know how much fuel is available throughout the Nation. Yet, last April when oil jobbers in my district informed me of the serious diesel fuel shortfall in Iowa and the Midwest, and I asked Department of Energy (DOE) officials what they planned to do about it, their repeated reply was "What shortage?" DOE officials denied the existence of the inordinate diesel shortfall which State energy officials predicted would disrupt the crucial spring planting season.

It has become obvious that the DOE possesses no reliable distillate market survey service. Instead, that agency merely reviews oil company supply projections and State-by-State usage levels from last year. No attempt is made to predict shortfalls. Each State must develop its own market formula in order to predict any energy shortfall that may occur.

The DOE distillate monitoring system has at least four serious problems: First, the projected shortfall figures are woefully inaccurate; second, State-by-State shortfall comparisons are difficult; third, it takes 2 months to get the actual supply/demand figures for a State; and fourth, data on the distillate supplies at the jobber and consumer levels is not available.

By the time the DOE comes to recognize a distillate shortage, it is often too late for an effective response. This spring only the wise use of the State distillate set-aside programs and the beneficence of a few suppliers pulled the Midwest through the planting season relatively unscathed.

But during the harvest and the winter heating seasons, the Midwest and the Nation may not be so fortunate. The confusion about the existence of a shortage may mean a dangerous delay in any effective action to avert severe shortfalls in some sections of the country. An unfinished harvest and unheated homes could well result.

Middle distillate fuels, heating oil and diesel fuel, are absolutely essential to the U.S. economy. They power our factories, heat our homes, insure the production and processing of our food, and transport our commerce throughout the country and the world. It has become clear during the continuing distillate shortage that the American economy runs on middle distillate fuels.

Yet the distillate provisions of S. 1030, which outlines the proposed Federal response to a severe energy shortage, are seriously deficient. Diesel fuel is included in the rationing and conservation sections of the bill, but the measure does not address the fact that the DOE has no reliable system to identify a diesel fuel or a middle distillate shortage.

I offer an amendment to correct these deficiencies in S. 1030.

This amendment would prevent any future distillate embarrassment at the DOE. It would establish a Federal distillate monitoring system within the DOE to guarantee the uniformity and accuracy of reporting that is necessary for proper regulatory action.

My amendment sets up strict monthly deadlines for DOE reporting of the distillate refinery, wholesale and retail supply levels and for DOE projections of the distillate supply and demand picture for each State. The measure would establish a State-by-State breakdown of the data. In addition, it would set up a mid-month review program so that the DOE would have accurate figures on a routine and timely basis. That way supply-short States can be identified and quick action can be taken to avert a severe shortfall.

The DOE presently has the authority to gather the data called for in this amendment. That agency receives supply projections for each State for each month at least 5 days prior to the start of the month. In addition, a sophisticated distillate demand formula can be derived with the use of existing data sources. The DOE has the information. It simply has not organized it into a useful form. This amendment mandates that form.

A revamped monitoring system is necessary to prevent reliance on outdated and accurate shortfall figures. In addition, a State-by-State retail, wholesale, and refinery monitoring system is needed to identify the shortages before it is too late to do anything about them. No one knows how much distillate is now stored at the jobber and the retail levels. Refineries seem to be building up distillate inventories, but the jobbers and heating oil customers are estimated to be 50 percent below their normal summer fill levels. It is important to know just where the distillate supplies in excess of demand exist so that they may be moved where they are needed, prior to the start of the crucial heating and harvesting seasons.

A distillate market survey is necessary to guide prompt DOE regulatory action should a serious shortage develop. The confusion about the existence of a shortage may mean a dangerous delay in any effective action to avert severe shortfalls in some sections of the country. An unfinished harvest and unheated homes could well result. The DOE cannot ration supplies in the dark. A distillate monitoring system is necessary to shed light on the market situation.

It is time to put the confusion about distillate supplies to rest. With the onset of the harvest and heating seasons, the country can no longer afford to shoot in the dark when it comes to projecting distillate shortfalls. This amendment would shed light on the distillate supply situation so that speedy action can be taken to relieve any inordinate hardship that may occur. My amendment plugs a serious gap in S. 1030.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding. I am concerned about one thing, and save that, I think we can take the amendment. The gentleman said, beginning at line 15, "* * * beginning on the fifth day after the close of the month * * *."

I do not believe that is enough time. If we could extend that time and make it the 15th of the month, I think it would be acceptable.

Mr. TAUKE. If the gentleman from Michigan (Mr. DINGELL) would review the amendment more closely, there are two different reporting periods in the amendment. There is a monthly reporting and then a semimonthly update.

Mr. DINGELL. All right. If the gentleman is correct, if the gentleman can change the "5" at line 16 to "10," I think we can take the amendment.

Mr. TAUKE. I would point out to the gentleman from Michigan that if he will read on later in the bill, the material on the fifth is preliminary.

Mr. DINGELL. I understand.

Mr. TAUKE. Later on at line 20 we refer to the 15th.

Mr. DINGELL. I am aware of that. I am saying if the gentleman will say the 10th, we will take it. I ask that "5th" be stricken at line 16 and that the gentleman substitute therefor the word "10th."

Mr. TAUKE. I will be happy to accept that.

Mr. DINGELL. Then we will accept the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I, of course, am happy to accept this amendment, but I just want to rise and congratulate the chairman for being a good legislator, a pretty good negotiator, and not a bad mathematician to get to the 10th from the 15th.

Mr. DINGELL. I thank the gentleman.

Mr. TAUKE. Mr. Chairman, I ask unanimous consent to modify my amendment as follows:

On line 16 strike "5th" and insert in lieu thereof "10th".

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk will report the modification to the amendment.

The Clerk read as follows:

On line 16 strike "5th" and insert in lieu thereof "10th".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. TAUKE), as modified.

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. STOCKMAN

Mr. STOCKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOCKMAN: Page 35, beginning on line 13, strike out "application of one or more of the following measures described in such plan:" and all that follows down through line 7 on page 36 and insert in lieu thereof the following: "application of one or more measures which are described in such plan, which are authorized under the laws of that State, and which will be administered and enforced by officers and employees of the State (or political subdivisions of the State) pursuant to the laws of such State (or political subdivisions).".

Page 38, strike out line 1 and all that follows down through line 25.

Page 39, line 1, strike out "(f)" and insert in lieu thereof "(d)".

Page 39, line 8, strike out "(g)" and insert in lieu thereof "(e)".

Page 47, line 11, strike out ", 635(e),".

Page 47, line 15, strike out "or section 635 (d)".

Mr. STOCKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. OTTINGER. Reserving the right to object, Mr. Chairman, before I agree, can the gentleman just describe very briefly what the amendment is?

Mr. STOCKMAN. If the gentleman will yield, I will say to the gentleman the amendment was printed in the RECORD. It simply removes the ability of the Department of Energy to delegate powers to State Governors that have not been granted such powers by their own legislatures.

Mr. OTTINGER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Is there objection to the consideration of the amendment?

There was no objection.

Mr. STOCKMAN. Mr. Chairman, this is a very modest amendment. It simply attempts to curtail what I believe is one serious excess delegation of power in the bill. I think by now most of the Members understand that this is a joint Federal-State conservation effort, that the Federal Government first establishes targets by fuel for each State, and then the States are given the opportunity to formulate plans to achieve those targets, and only at such time that DOE makes a finding that the States are not meeting those targets would we have Federal preemption and the imposition of a Federal plan. I am not objecting to that mechanism, that procedure, but what I do find very objectionable in the language of this bill is the fact that in that process a State department of energy or a State Governor could come to DOE with a conservation plan for gasoline or for diesel or for some other fuel and have it stamped with a stamp of approval by a GS-14 at DOE that would then become implemented as the law of the State. It would be necessary for every citizen and every business establishment in that State to abide by the details of that plan.

It could be a sticker plan; it could be an hours control plan. It could be a weekend closing plan. All of these powers could be delegated even if the State legislature had considered such a measure and rejected it.

So what we are doing here is totally usurping and preempting the powers of the State legislatures, and in a sense the State constitutions, by allowing the Governors to be delegated authority that they cannot even get from their own State legislatures. I do not think we intend to do that because I think it makes a mockery of the whole Federal-State relationship, and I think it ignores the fact that if these plans are well formulated, it should be possible for the Governors to get that authority from their State legislatures. The fact is that many of them have it already. So this is a very simple effort to allow the mechanism of the bill to go forward but to insure that any State plan would have to be consistent with the powers that the State legislature had granted to its Governor and its energy office, to insure that you would not have a bureaucrat way down in the bowels of the Department of Energy with more power, with greater power over the citizens of any State in this country, than the State legislature itself. So I would hope that this amendment would be adopted by the House.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, with great respect and affection for the gentleman from Michigan, I observe this is the most mischievous amendment.

Governor Lamm, speaking on behalf of the National Governors Conference, pointed out to the committee that authority was needed to be vested in the Governors of some 17 States where the authority to carry out the delegation is lacking under State law.

□ 1610

The bill provides that the Governor has to request the Secretary that he have a delegation of authority to implement emergency conservation plans developed by the State.

The attorney general of the State must find also that, absent the delegation under Federal law, the Governor lacks authority under the State laws to carry out the delegation and under applicable State law the Governor and other State officers are not prevented from administering and enforcing such delegation of State law. The Governor's action must be consistent with State law.

The major premise of the conservation program here is that the States should be permitted to implement their own emergency conservation programs before the Federal Government enters in and implements Federal measures.

Mr. Chairman, we have, therefore, allowed the States time to act before Federal actions are taken. We have also permitted them to receive authority where they find it necessary and where they desire so to do and where the laws permit to carry forward the delegated authorities. Unfortunately, not all Governors have this authority. The bill permits them to request a delegation of these authorities from the Federal Government.

Mr. Chairman, this is not an end run around State legislatures. To the contrary, the bill specifically requires the State's chief legal officer, usually its attorney general, to certify the State law does not prevent the Governor from accepting a delegation of authority. We do not want DOE interpreting State laws. That is the State's function. If the State law does prevent such delegation, as determined by the State's chief legal officer, the acceptance cannot take place and the delegation under the language of the bill cannot be made. In addition, the requested authority must meet certain denominated criteria, such as not placing undue burdens on interstate commerce, and not imposing unreasonable and disporportionate burdens on a particular industry.

Mr. Chairman, if the State cannot do this then you invite Federal plans. Therefore, if the amendment of the gentleman is accepted, in 17 States rather than having the plan crafted at the State level you will find you will get a Federal plan, something which we all assume here we are opposed to.

Mr. Chairman, it assumed in time all Governors may be given some emergency authorities by their State legislatures and this provision might then become unnecessary. For the time being the provision is necessary and it will provide only carefully defined emergency authority.

I urge my colleagues to reject the amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

The design of this legislation, Mr. Chairman, is one which the gentleman from Michigan (Mr. STOCKMAN) should support. We tried to reside maximum authority in the States. The States can act where the Governor has indeed been authorized to act. In some cases, this subject has not been addressed by the legislatures so the Governor could not act in an emergency. We make provision for the Governor to seek delegation. It cannot be done by a GS-14 in his office, it must be done by the Secretary himself, to grant this imprimatur. There should be no delegation.

I would also like to emphasize, Mr. Chairman, what the chairman said about enacting the gentleman's amendment instead of having a State determination at all, then you would have a Federal determination made by the President and a Federal plan put into effect.

Mr. DINGELL. Mr. Chairman, I think the gentleman from New York makes the critical point. If the amendment of the gentleman from Michigan (Mr. STOCKMAN) is adopted, in 17 States you will be virtually mandating a Federal program instead of a State program.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Michigan.

Mr. STOCKMAN. I thank the gentleman for yielding, but I think the gentleman hits the point right on the head. The gentleman says if the State legislature had not acted, that would be the only instance in which the delegation would proceed.

Mr. DINGELL. The gentleman is in error.

Mr. Chairman, I want to make it very clear to the gentleman that unless the State's attorney general certifies: First, the authority's need; and second, the Governor can under State law accept this responsibility, the State delegation cannot take place.

Mr. STOCKMAN. Mr. Chairman, would it not also be true if the State legislature had considered a plan and rejected it it would still be possible for the attorney general to certify?

Mr. DINGELL. Mr. Chairman, the answer is if the legislature so desires they can deal with the matter through the State budget and through the appropriating authority, the power of the purse which is well knewn here and limitation on appropriations, or they can deal with it by specifically revoking the Governor's power to either request or to accept such authority. Remember, if this amendment is adopted you are going to have 17 States in which we will have Federal programs instead of State programs.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. STOCKMAN).

The question was taken; and on a division (demanded by Mr. LOEFFLER) there were—ayes 33, noes 48.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. TAUKE

Mr. TAUKE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is the amendment printed in the RECORD in the gentleman's name?

Mr. TAUKE. It is, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. TAUKE: Page 50, after line 2, insert the following new section:

NATIONAL MIDDLE DISTILLATE SET-ASIDE PROGRAM FOR AGRICULTURAL PRODUCTION

SEC. 4. (a) Not later than 60 days after the date of the enactment of this Act, the President shall establish and maintain a national set-aside program to provide middle distillates for agricultural production.

(b) The program established under subsection (a) shall—

(1) be made effective only if the President finds that a shortage of middle distillates exists within the various regions of the United States generally, or within any specific region of the United States, and that shortage—

(A) has impaired or is likely to impair agricultural production; and

(B) has not been, or is not likely to be, alleviated by any State set-aside program or programs covering areas within that region;

(2) provide that, in regions in which such program is effective, prime suppliers of such fuel be required to set aside each month 1 percent of the amount of the middle distillates to be supplied during that month in that area;

(3) provide that amounts of fuel set aside under such program be directed to be supplied by such prime suppliers to applicants who the President determines would not otherwise have adequate supplies to meet requirements for agricultural production;

(4) provide that such prime suppliers may meet such responsibilities for supplying fuel either directly or through wholesale purchasers who resell fuel, but only in accordance with the requirements established under such program; and

(5) shall not supersede any State set-aside program for middle distillates established under the Emergency Petroleum Allocation Act of 1973.

(c) For purposes of this section—

(1) The term "agricultural production" has the meaning given it in section 211.51 of title 10, Code of Federal Regulations, as in effect on the date of the enactment of this section, and includes the transportation of agricultural products.

(2) The term "prime supplier", when used with respect to any middle distillate, means the supplier, or producer, which makes the first sale of the middle distillate into any region for consumption in that region.

(3) The term "middle distillate" has the same meaning as given that term in such section 211.51.

(4) The term "region" means any PAD district as such term is defined in such section 211.51. Redesignate the following sections accordingly.

Mr. DINGELL. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) reserves a point of order.

Mr. TAUKE. Mr. Chairman, last spring the middle-distillate shortage in the Midwest stopped some tractors in the fields during the crucial planting season. The wise use of State distillate set-aside programs, the beneficence of a few suppliers, and the limited nature of the shortfall started those tractors again and pulled the Midwest through the planting season relatively unscathed.

The fall harvest season approaches and the distillate shortfall continues. Refinery inventory levels are still down 10 percent from last year's levels, and the tanks of the railroads and trucks that must haul the crop to the market are dangerously low. We cannot afford to let agriculture run out of fuel.

Therefore I offer an amendment to insure aquedate middle-distillate supplies for agricultural production in the event of a severe energy shortage. The amendment requires refiners to set aside 1 percent of their distillate supplies to be directed toward certified agricultural users if the President finds that a severe impairment of agricultural production exists due to a distillate shortage. The set-aside is similar in operation to the existing State set-aside programs, except that supplies are to be redirected exclusively to agricultural customers within a petroleum allocation region.

This amendment has four basic features:

First. The amendment recognizes the need to move distillate supplies to those who produce our food. Without the production of our most essential resource—food—all other distillate uses would be rendered frivolous. Agriculture is defined in a way to include agricultural production, processing and transport.

Second. The amendment provides for the priority allocation of distillate fuels short of outright rationing. Agriculture uses 5 percent of all distillates. The 1-percent set-aside, included in the amendment, would thus suffice for a 20-percent (one-fifth) distillate shortage. Beyond that level of shortfall, S. 1030 provides for a rationing system.

Third. The amendment grants the priority needs of agriculture while minimizing the disruption of the distribution of remaining distillate supplies. The 1-percent set-aside can easily be built in the present refinery allocation system. The set-aside concept embodied in the amendment is a proven simple and effective method to move supplies to areas of priority need, much more simple and much more effective than an agricultural allocation system similar to the ill-fated special rule 9.

Fourth. The amendment is designed to supplement, not supercede, the existing State distillate set-aside program. If the State set-aside is insufficient to meet the agricultural need, this regional set-aside plan could be invoked. In that way, supplies can be moved from supply-short to supply-surplus States to relieve the agricultural shortage.

With the onset of the harvest season, this Nation cannot afford to be unprepared to deal with an agricultural distillate shortage. My amendment gives us the tools to relieve a shortage, if it occurs.

My amendment has already received the support of farm groups including the Farm Bureau and the National Farmers

Union. I believe it deserves the support of the House.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I insist upon my point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, the bill before us is a conservation bill. It deals with conservation of petroleum and petroleum products and energy. It deals also with rationing.

Mr. Chairman, if the chairman will observe the amendment before him, he will notice it creates a national middle distillate set-aside program for agricultural production. Now, Mr. Chairman, it is quite possible this is a highly desirable thing but that is not the question before the Chair. The question before the Chair is, Does this bill deal with the set-aside of middle distillates or set-asides of other petroleum products?

□ 1620

The answer to that question is a resounding no. The legislation, S. 1030 before us, contains nothing relating to set-aside of petroleum products or matters relating to set-aside of petroleum products.

The members of the committee could not have reasonably expected set-aside amendments to be laid before them on the basis of the legislation which lies before us; so the purposes of the bill and the purposes of the amendment are quite different and distinct. I would, therefore, urge on the Chair that this amendment is not germane.

I would further state that the proposal goes on to deal with a number of set-aside matters which are not included in the proposal before us, but which are embodied in other statutes, such as the Emergency Petroleum Allocation Act. The legislation deals with the term "agricultural production" as defined in section 211.51 of title X, which is not under the jurisdiction of the Commerce Committee.

The proposal deals with and defines the term prime supplier of middle distillate and the term defines a number of other matters which are not found in the legislation here.

As a matter of fact, it would convert the legislation before us from essentially a conservation program to an allocation program, something which would not be the intention of the committee, as opposed to a rationing program which was.

The CHAIRMAN. Does the gentleman from Iowa (Mr. TAUKE) desire to be heard on the point of order?

Mr. TAUKE. Yes, I do, Mr. Chairman.

Mr. Chairman, in this particular measure that we are considering, we have taken great pains during the past several hours to provide specific consideration for certain businesses that are part of our economy. We considered, for example, nursing homes and health institutions. We have considered with the last amendment of the gentleman from Michigan a whole host of other special businesses in this country. This is a special consideration for the agricultural industry.

In addition, I think it is appropriate to note that in this measure that the bill has been dealing with the allocation of fuels when supplies are scarce. That is what is the exact purpose of this amendment is, to deal with the allocation of fuels at a time when supplies are scarce.

So in view of both of those items, it occurs to me that it is appropriate that this amendment be considered a part of this measure.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I would be happy to yield to the gentleman from California.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. PASHAYAN. Yes, Mr. Chairman.

The amendment offered by the gentleman from Iowa protects agriculture in the only way it can be protected in this entire scheme.

The CHAIRMAN. The gentleman will restrict his remarks to the point of order which has been raised and not the merits of the amendment.

Mr. PASHAYAN. The point of order, I believe, has something to do with the substance of the amendment as it relates to the bill. The point I am making is that although this is dealing with the set-aside, that is only the form. The substance, in fact, relates to the bill, because it is the only way agriculture can be protected under the bill; whereas other businesses do not need set-asides and that is the only way we can protect agriculture, so I do think it relates to the substance of the bill.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. BROWN of Ohio. To speak on the point of order, Mr. Chairman.

Mr. Chairman, this bill before us deals with EPCA in the rationing section and adds a section on conservation.

Now, EPCA stands for the Emergency Energy Policy and Conservation Act. It is in the conservation parts of this bill that we have the Tauke amendment offered.

The Department of Energy regulations, based on the Emergency Energy Policy and Conservation Act, include those DOE regulations based on that act, include set-aside programs for energy conservation or energy usage; so it seems to me that the amendment of the gentleman from Iowa is clearly germane in that he is dealing with set-asides as a method of conservation, but from the standpoint of concern about the agricultural community and whether or not the agricultural community will have adequate energy to meet its needs in the interests of the society.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. OTTINGER. Mr. Chairman, I would like to be heard in favor of the point of order.

Mr. Chairman, I just would like to point out briefly that this is, unlike the other amendments we have had which deal with hospitals, nursing homes and the whole other host of special interests sought to be protected, those all sought to be protected under conservation plans that might be put forward under this bill and the limitation of Presidential powers to put forward such plans.

This amendment is quite different. It seeks to set up an allocation plan specifically to set aside certain amounts of fuel for agriculture.

Therefore, it seems to me quite different from anything else in this bill. It is unrelated and I believe it clearly is out of order.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard on the point of order?

Mr. MYERS of Indiana. I do, Mr. Chairman.

Mr. Chairman, in the title that is under consideration on page 24 in paragraph 3 in the "Purposes" it states:

> Establish mechanisms to alleviate disruptions in gasoline and diesel oil markets.

This is a mechanism to alleviate disruption. The purpose of the bill provides for this.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard further on the point of order?

Mr. BROWN of Ohio. Yes, Mr. Chairman.

One other point that omitted my attention until the staff drew it to my attention, and it is that the very rationing part of this bill was added as an amendment to the basic legislation in the subcommittee. Therefore, making the legislation quite broad in its approach and for that reason of breadth and for the reason that we accepted that rationing amendment or that rationing portion as an amendment in the subcommittee, it seems to me that the offering of the gentleman from Iowa is very appropriate in the full House at this time.

The CHAIRMAN. The Chair is prepared to rule.

The Chair has examined the amendment offered by the gentleman from Iowa and considered the point of order as to its germaneness to the bill raised by the gentleman from Michigan.

The test of a new section in its relationship for germaneness is to the bill as read to this point and in that case we have a bill at this point in which section 2 deals with rationing.

Section 3 deals with conservation and market disruption, specifically the purpose which the gentleman from Indiana pointed out on page 24 which establishes mechanisms to alleviate disruptions in gasoline and diesel oil markets; in addition to which, a new section 4 has been agreed to by the committee which provides for the monitoring of middle distillates and supply of diesel oil.

Therefore, the scope of the bill as read to this point is significantly broadened and it is now considerably more diverse than any one section thereof.

The Chair, therefore, overrules the point of order and holds that the amendment is germane.

Mr. DINGELL. Mr. Chairman, I move to strike the last word. I think we ought to see what this amendment does.

I rise in opposition to the amendment.

Mr. Chairman, the amendment is very broad. It sets up a set-aside, an absolute set-aside of middle distillates for agricultural purposes. That is well within the

present power of the President of the United States.

As a matter of fact, the recent shortages in middle distillates, particularly diesel fuel and the response of the Department of Energy to special rule 9 should give this body the strong incentive to reject the amendment.

As all of us will recall in response to legitimate concerns over the inadequacy of diesel fuel to agriculture during the planting season, the Department of Energy instituted special rule 9, which provided priority for agricultural use.

A series of problems arose, first there was no way of verifying requests. Excessive amounts of fuel were diverted to certain users, ofttimes in excess of needs and almost invariably on undocumented statements of need and without supervision.

Soon we learned that other users of diesel fuel, which were also essential, such as mass transit, truckers, including truckers of agricultural products, were having a major shortfall in terms of their diesel supplies. Truckers could not move goods from farm to market and from manufacturer to market, and as a result we found a terrible imbalance put in because the matter was not carefully thought out by DOE.

□ 1630

Now, it must be understood that diesel oil production can replace jet fuel and home heating oil. It is anticipated or it is very possible that we will have significant shortages of No. 2 fuel oil for purposes of heating homes during the forthcoming fall. I think it is unwise for the Congress to set up a set-aside program without exquisite care and without careful attention to how much diesel is going to be available, how much No. 2 is going to be available, how much fuel oil will be available, what will be the petroleum supplies, what will be the demands, what will be the legitimate needs of agriculture, and what will be the legitimate needs for diesel oil for transportation by barge line, by truck, by railroad, by diesel truck, by bus, and so forth. I think that would be extremely unwise at this time.

The point is that it is dangerous business to establish absolute priorities by statute. We have given the President the authority in other statutes to allocate these products, and I would point out that the authority affords wide discretion both to gather the facts and to make the diesel fuel available to persons who have need for it.

If we adopt this amendment, we are asking to be blamed by persons who operate or are dependent upon buses, trucks, railroads, and other forms of transportation and by homeowners and others who buy middle distillates for their own purposes for taking their fuel and providing it to agricultural users.

I would, therefore, say that the amendment should be considered very carefully and hearings should be held to find out whether in fact it is necessary. I do not believe that it is desirable at all.

At this point, Mr. Chairman, I want to express outrage at the DOE for today ordering the Office of Consumer Affairs to cut its personnel by eight positions. I am strongly opposed to this action and will indicate in writing to the DOE, and particularly to Secretary Duncan. I expect him to rescind the order.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I am glad that we have finally reached a point where I can agree wholeheartedly with the gentleman, but I would just ask one question. This is a bad amendment, but how many rule 9's are going to be given to DOE today? That is the point.

Mr. DINGELL. Mr. Chairman, I think the gentleman from Michigan (Mr. STOCKMAN) raises a good point. Rule 9 was badly drawn. Rule 9 could be changed by administrative action. The amendment that lies before us cannot be changed by administrative action. It is statute, and the matter has to be brought back here and fought out, with all the emotion that surrounds the allocation of petroleum products and the problem of shortages.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I am happy to yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, would the gentleman agree with me when I say it is quite clear that agriculture is different from other things that have been mentioned, in that agriculture needs fuel supplies during the planting season and the harvesting season.

Mr. DINGELL. Mr. Chairman, it is certainly true that fuel must be supplied for agricultural needs during those times, but those needs can be met under existing programs for priorities and set-asides, and there are statutes relating to those matters now that have specific priorities for agriculture.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I think it is important to point out that we are talking about setting up a set-aside and priority use in times that are not specified or limited to planting and harvesting. By setting up set-asides we exacerbate shortages in the system. By spreading the whole shortage on all sectors equally, we ensure that they do not happen to fall entirely on agriculture. While I think it is important for agriculture, I think this must be pointed out.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. RUSSO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. STENHOLM. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I do not know how many of us are aware of this fact, but today the Secretary of Agriculture announced the wheat program for 1979–80. At this time he has called for no set-aside, and this means our farmers are once again going to be called upon to produce fence row to fence row.

PARLIAMENTARY INQUIRY

Mr. ERLENBORN. Mr. Chairman, I have a parlimentary inquiry.

The CHAIRMAN. Will the gentleman from Texas (Mr. STENHOLM) yield for a parliamentary inquiry?

Mr. STENHOLM. I yield, Mr. Chairman.

Mr. ERLENBORN. I have a point of order, Mr. Chairman.

I understood we were operating under a time limit.

The CHAIRMAN. Will the gentleman restate his point of order?

Mr. ERLENBORN. Mr. Chairman, the point of order is that I understood that the House voted a time limit.

The CHAIRMAN. The Chair will state to the gentleman that the time limitation agreement involves debate on section 3. This is a new section.

Mr. ERLENBORN. I thank the Chair.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, the point I want to make is this: We are once again as a nation calling upon our farmers to produce fence row to fence row. I think the gentleman's amendment is very pertinent and is one we should take into consideration.

If we are going to ask our farmers to produce, the least we can do is provide the fuel whereby they can give us that production without getting into some of the problems we will have if we do not have a set-aside that will work on the local and State levels.

Mr. PASHAYAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like simply to underscore the fact that the margin of time that farmers work under is very narrow. It is quite different from the great industrial production facilities in the State of Michigan.

This amendment may not be perfectly written, but if fairly and equitably applied by the administration, it would provide the fuel needed by the farmers at the times they need it. The time is not very long. The harvesting and the planting of crops will not wait; that is an impossibility under the laws of nature.

So, Mr. Chairman, I strongly support the amendment.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think most of us are concerned about the shortage of distillate fuel, and, of course, the people from the farm States are no exception. I do not think any of us who are not from heavy agricultural districts would in any way deprecate the legitimacy of their concern. We are all concerned about it.

When the gentleman from Iowa (Mr. TAUKE) introduced his other amendment—the amendment which passed—on the monitoring of distillates, I applauded that, and I think all of us did, because we need a monitoring system.

What the gentleman was saying with that amendment was that distillate is important not only for the farmers but distillate is important for the truckers, it is important for us in the Northeast with heating oil consumers, and so forth.

One of the things we did on the gentleman's amendment by supporting it was to say that this House does not want different sections of the country to be ripped apart in a distillate civil war, if the Members will pardon the expression, or in a distillate fight for a limited supply of that product. We do not think that should be done.

Unfortunately, what the gentleman is doing with this amendment is getting us back into a distillate war kind of thing where the truckers are fighting the home heating oil customers and the truckers are fighting the farmers, trying to get a piece of this limited supply.

I do not think rule 9 did anybody any great favors. It did not do the farmers any favor, nor did that $5 entitlement they threw as a sop to us in the Northeast do anybody any good. As all of us know, it was eaten upon the Rotterdam market in about 12 hours.

So let us get away from special kinds of set-asides, and so forth, and let us demand that the administration, in the spirit of the gentleman's earlier amendment, have some priority system and have some rational kind of logic and order to just let us have a distillate policy. Let us have a distillate policy that takes care of the harvests, that takes care of the transportation of goods, and that takes care of heating oil needs.

Mr. Chairman, I would suggest that one of the ways to do that is for all of us to join together and put that kind of pressure on, and in that way we can produce more distillates. That is the way to do it.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, the gentleman raised the specter of a distillate war, but has the gentleman considered the specter of a war involving the supply of food?

When we are trying to protect the farmer, we are also trying to protect the American consumer. The farmer feeds the Nation. Unless he can plant and harvest on time, he cannot feed the Nation. I would like to suggest that this amendment protects all America.

Mr. MOFFETT. Mr. Chairman, I understand that, and I appreciate the gentleman's comments.

Mr. Chairman, I do not believe my time has expired, so let me say to the gentleman from California (Mr. PASHAYAN) that that is a legitimate comment. I am not putting down the possibility of food shortages if the farmers do not get enough distillate. I think, and I think most of us feel, that if we have some order rather than chaos in the distillate situation, if the administration and the DOE can give us some remedies, we can have a priority kind of system, just as we do in natural gas.

□ 1640

It does not work well all the time, but at least we know there is a priority system where people who heat their homes are first, and then so on down the line. That is the way we should do it here.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I commend the gentlemen on the other side for their concern, because we should have legitimate concern for the needs of agriculture. But right this minute there is full authority to afford set-asides for that full needs of agriculture in existing law. This amendment adds nothing to that except inflexibility.

Remember, the farmer has needs, not only for distillates, for purposes of plowing and for conducting his farming operations, but he has got to have distillate and diesel fuel to heat his home and he has got to have distillate and diesel fuel for the truckers who carry his goods to market. And this amendment very well could upset that balance and deprive him of the ability to get his goods to market by taking diesel that could go to the truckers who haul his produce away from those truckers and putting it into farming operations where it may very well at that time not be needed.

We are better off having this handled through careful and wise administration rather than some kind of inflexible statute which is not needed because existing authority is sufficient to meet the needs.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Chairman, I concur with a great deal of what the gentleman said during his remarks, but it occurs to me that the farmers that I represent in Iowa, or farmers across the Nation, have a much different need than the truckers I represent, or the people I represent who need to heat their homes.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(On request of Mr. TAUKE and by unanimous consent, Mr. MOFFETT was allowed to proceed for 1 additional minute.)

Mr. TAUKE. If the gentleman will yield further, the thing that is different is that the demand that the farmer faces is a very acute demand over a short period of time. So you may have a 3- or 4-week bubble in the spring, a 3- or 4-week bubble in the fall. At that same time all of the other diesel fuel demands are still occurring in that same area.

Mr. MOFFETT. Can I say something to the gentleman? I will go, arm in arm with the gentleman, down to the DOE—I think there are other Members here who will do that, Members who are concerned about the needs of the truckers, Members who are concerned about home heating oil customers—we will go down there and testify in the proceedings. They announced one today, on refinery yield of distillates. Let us go together, let us have a united front across the aisle, across the regions of the country, and not get into a fight about whether they are going to get distillates to our home heating people or to your farmers.

There is nothing I want more than for the farmers to have fuel for their harvests, and I think everyone, even those from the suburban areas, feel that way very strongly. This is not the way to do it.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the amendment offered by the gentleman from Iowa addresses an issue which should be of great concern to both urban and rural Members alike. This amendment, to put it simply, would attempt to make sure that we have enough middle distillate to produce our food. For whatever reason we may need diesel fuel, unless we have enough to grow the food we eat, all other uses are secondary. To require that refiners set aside only 1 percent of their total distillate supplies for agriculture is, I would suggest, a small price to pay for an adequate food supply.

It is my understanding that agriculture uses about 5 percent of the total middle-range distillates. We are asking for only 1 percent to be set aside.

The gentleman from Iowa makes the point that there is a crucial period of time occurring several times throughout the course of a year, periods of 2 to 3 to 4 weeks, when supply is crucial. Why is it crucial? Because if that supply is not available at that moment, that farmer family's livelihood for the entire year is gone.

It is one thing to talk about going down hand in hand to the Department of Energy to make changes as suggested by the gentleman from Connecticut; but, as a matter of fact, if and when the Department of Energy does make a change, the crucial period may indeed be past, and the income for that family, for that State, for that region, may be gone for the year too.

Mr. Chairman, this is not a regional problem; it is a national problem. We must take steps now to make sure that crops next year will be planted, that they are going to be harvested this year, and that they are going to be irrigated when it is appropriate to irrigate.

I urge every Member, rural and urban alike, to wholeheartedly support the amendment offered by the gentleman from Iowa. And, Mr. Chairman, I would also add that I commend the gentleman for bringing this matter to the attention of the House.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, when the gentleman says that it is a national

problem, I would like to underscore the fact that we are also protecting the American consumer from a shortage of food, and I am sure that is what the gentleman meant when he said that it is also a national problem, not only a problem for the farmers.

Mr. BEREUTER. It is indeed, and I appreciate the gentleman clarifying that point.

Mr. GRAMM. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I come from a district that is predominantly agriculture, and I oppose this amendment because it is a very bad amendment. It will hurt the American economy if this amendment is passed.

A set-aside is a very powerful tool which circumvents the flexibility of the market system. It circumvents our ability to move the resources that are available to fill critical shortages. We keep hearing people talk about harvesting and planting, but nowhere does this amendment mention harvesting or planting. It sets aside resources which are, so far as the distillation process is concerned, perfect substitutes for home heating oil. I think it is imperative that we maintain flexibility. I think it is imperative that in our attempt to limit the ability of this bill to function and in the partnership that has been built up in this debate that we not pass an amendment which is going to make it very difficult for us to deal with a shortage if it does occur.

So to reiterate, I ask my colleagues, especially those from rural areas, to make note of the fact that this is not an amendment which protects agriculture during planting, it is not an amendment which protects agriculture during harvesting; it is an amendment which requires a set-aside of fuel for agricultural use, regardless of how deep the shortage is of home heating oil, regardless of how deep the shortage is in terms of diesel fuel for transportation. I think this is a very poor move, and I think it is imperative that this amendment be voted down.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, the gentleman mentioned flexibility. Is the gentleman aware that in the amendment, first of all, the President must determine that there is a shortage which is likely to affect agriculture; second, that the President has the flexibility of determining whether the set-aside should be in a regional area or several regions or nationwide?

Mr. GRAMM. If I might reclaim my time and answer that question? Any shortage which occurs in middle distillates is going to affect agriculture because agriculture is part of the economy. What the gentleman is asking us to do is to build bureaucratic rigidity into the allocation system, and I think that is basically counterproductive in terms of dealing with a shortage.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I think the gentleman's concern about agriculture hording fuel is really misplaced. Agriculture is not going to invest in fuel at times of the year when it is not necessary. Agricultural people work on a very thin margin of profit. Their overhead is very high. I really think the concern of the gentleman is misplaced because, as I say, farmers are not going to invest in fuel at times of the year that they do not need it. This amendment is simply to assure and to protect the American consumer against a shortage of food.

Mr. GRAMM. Mr. Chairman, I am not at this point willing to enter into a debate about the sacredness and purity of the American farmer. We are talking about middle distillates. We are talking about home heating oil. The question is: Are we to have a set-side for agriculture alone and, therefore, limit through bureaucratic rigidity our ability to deal with the shortage of middle distillates I I think that is a very poor move.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to my colleague, the gentleman from Michigan.

Mr. STOCKMAN. I thank the gentleman for yielding.

Mr. Chairman, I will just say to the gentleman that I think he made a very sensible argument. I think he is right on this amendment, it is a bad one, and I hope it is rejected. But the gentleman talks about rigidity and inflexibility, and what do we have in the bill that the gentleman is supporting? We have a massive authority to the Federal Government to allocate energy by rule. Inevitably, one region of the country is going to be penalized relative to another. Inevitably, under the conservation plans that are going to be imposed under the conservation part of this bill, one industry is going to feel slighted relative to another.

The debate we are having right here will be written large 100 times when you get this authority down to DOE and they actually start formulating concrete plans like the ones offered by the gentleman here. I think that in this case it is an unwise proposal. I think it is clear that if you put up a set-aside for one sector you will encourage hoarding. That is what has happened to gasoline this spring, it will happen to diesel oil if we do it in the case of the agriculture sector. But it seems to me that the arguments that are coming from the other side, from the gentleman from Connecticut, from the gentleman from Texas, are totally contradictory in terms of what you have been saying all afternoon, that we have to empower the Government to move around the fuel supplies in this country and say who gets it and who does not.

Mr. GRAMM. Mr. Chairman, reclaiming my time, I simply say to the gentleman that I agree with the gentleman that no rationing or conservation plan can ever be a substitute for a production plan. What I have argued all afternoon is, let us not kill the plan before it is written.

Mr. RATCHFORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am from a State that is watching week by week as to whether or not the allocation for home heating oil is going to be adequate. We are on the biting edge of a crisis in the North. We do not come to you this afternoon and say, "Treat us specially."

What this amendment says—and I appreciate the concerns of the gentlemen from producing States—is: "Treat us specially."

If we treat the farmers specially, why do we not treat the truckers specially? If we treat the truckers specially, why do we not treat the consumers specially? If we treat the consumers specially, why do we not treat the homeowners specially? If we treat the homeowners specially, why do we not treat the renters specially? If we write all of these special exceptions into the bill, we are moving away from the very intent, and that is to provide standby authority for the President in time of a crisis. If we have one exception for one part of the country and say to the rest of the country, "We are not going to treat your problems," we are inviting real trouble this winter.

□ 1650

I think a general approach is a correct approach. This provincial approach is what is wrong with the debate we have had for the past 2 days.

We ought to defeat the amendment, get on to the bill, pass the bill, and go back to the people of the United States and say, "We finally had the courage to bite the bullet on rationing."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. TAUKE).

The question was taken; and on a division (demanded by Mr. TAUKE) there were—ayes 23, noes 38.

RECORDED VOTE

Mr. TAUKE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 191, not voting 14, as follows:

[Roll No. 421]

AYES—229

Abdnor	Broyhill	Derwinski
Albosta	Burgener	Devine
Alexander	Butler	Dickinson
Anderson, Ill.	Byron	Dornan
Andrews, N. Dak.	Campbell	Dougherty
Anthony	Carney	Duncan, Tenn.
Applegate	Carter	Edwards, Ala.
Archer	Chappell	Edwards, Okla.
Ashbrook	Cheney	Emery
Atkinson	Clausen	English
Badham	Cleveland	Erdahl
Bafalis	Clinger	Ertel
Baldus	Coelho	Evans, Del.
Barnard	Coleman	Evans, Ind.
Bauman	Collins, Tex.	Fazio
Beard, R.I.	Conable	Findley
Beard, Tenn.	Corcoran	Fish
Bedell	Courter	Fithian
Bereuter	Crane, Daniel	Florio
Bethune	Crane, Philip	Foley
Boner	Daniel, Dan	Fountain
Bouquard	Daniel, R. W.	Fowler
Bowen	Dannemeyer	Frenzel
Breaux	Daschle	Gilman
Brinkley	Davis, Mich.	Gingrich
Broomfield	de la Garza	Glickman
Brown, Ohio	Deckard	Goldwater
	Derrick	Goodling

Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hansen
Harkin
Harsha
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Ichord
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kasen
Kelly
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Nolan
O'Brien
Obey
Panetta
Pashayan
Patterson
Paul
Perkins
Petri
Pickle
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wolpe
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.

NOES—191

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Bailey
Barnes
Bellenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Evans, Ga.
Fary
Fascell
Penwick
Ferraro
Fisher
Flippo
Ford, Mich.
Ford, Tenn.
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hanley
Harris
Hawkins
Heckler
Hefner
Heftel
Holtzman
Howard
Hughes
Hutto
Hyde
Ireland
Jacobs
Jenkins
Jones, N.C.
Jones, Okla.
Kastenmeier
Kemp
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Long, La.
Long, Md.
Lowry
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nedzi
Nelson
Nowak
Oakar
Oberstar
Ottinger
Patten
Pease
Pepper
Peyser
Preyer
Price
Pritchard
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stockman
Stokes
Studds
Swift
Synar
Thompson
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Whitley
Wilson, C. H.
Wirth
Wolff
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—14

Bevill
Bolling
Chisholm
Collins, Ill.
Conyers
Davis, S.C.
Diggs
Flood
Forsythe
Holland
Luken
Marlenee
Treen
Wylie

□ 1700

The Clerk announced the following pairs:

On this vote:

Mr. Marlenee for, with Mr. Diggs against.
Mr. Wylie for, with Mr. Conyers against.

Mr. STRATTON and Mr. KRAMER changed their vote from "no" to "aye."

Mr. PHILLIP BURTON and Mr. LONG of Maryland changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1710

AMENDMENT OFFERED BY MR. KOSTMAYER

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOSTMAYER: Page 50, after line 2, insert the following new section:

MIDDLE DISTILLATES REPORT

SEC. 4. Not later than 45 days from the date of enactment of this Act the President shall file a report to both Houses of Congress in which the President shall examine the middle distillate situation and, in so doing, make detailed findings with respect to all matters required to be addressed in findings made pursuant to section 12(d)(1) of the Emergency Petroleum Allocation Act. In making the report, the President shall examine the middle distillate situation as though he were reaching an initial decision to decontrol the product, and shall, in the report, reach the conclusion that pursuant to the requirements of section 12(d)(1) of the Emergency Petroleum Allocation Act, such a decision is or is not warranted.

Mr. KOSTMAYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, is this a long amendment or a short amendment?

Mr. KOSTMAYER. Mr. Chairman, I withdraw my request.

The Clerk concluded the reading of the amendment.

Mr. KOSTMAYER. Mr. Chairman, I will not consume all of my time. Briefly, under the authority granted to the President of the United States through the Energy Production and Allocation Act, President Ford in May of 1976 lifted controls on home heating oil and diesel fuel. He did so because he felt several conditions which allowed him to do so had been met. Among those conditions he felt were met was an adequate supply at that time, and also adequate competition in the marketplace.

It is my belief that those conditions no longer exist or prevail and that there are at present not adequate supplies of home heating oil. We face serious shortfalls this coming winter, and we face serious problems with pricing. In the month of June, for example, the price of home heating oil increased 8.6 percent. From July 1978 until July 1979 the price of home heating oil in this country increased 61 percent.

So, the two conditions which prompted President Ford to remove price controls in May 1976, mainly that there was an adequate supply and that there was competition in the marketplace, no longer exist. Therefore, it is time to reimpose price and allocation controls on home heating oil in this country.

This amendment would require the President of the United States to study this matter, and to report back to the Congress within 45 days from the date of enactment with the recommendation as to whether or not price and allocation controls should be reimposed.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I could agree to this amendment without the last six lines. If the gentleman could agree with me, I could accept language which said:

SEC. 4. Not later than 45 days from the date of enactment of this Act the President shall file a report to both Houses of Congress in which the President shall examine the middle distillate situation and, in so doing, make detailed findings with respect to all matters required to be addressed in findings made pursuant to section 12(d)(1) of the Emergency Petroleum Allocation Act.

That is pretty close to what the gentleman wants, and I think that represents the understanding which the gentleman and I had in our earlier discussions.

Mr. KOSTMAYER. The distinguished gentleman from Michigan had seen the amendment in advance, and I would accept that if he would be willing to include the words:

In making the report, the President shall consider or not whether to re-impose price and allocation controls, on middle level distillates.

Because that is the issue I am asking the President to consider, whether or not to reimpose controls. He, of course, has the option of making a negative recommendation.

Mr. DINGELL. I was familiar with what the gentleman had in mind, but the last six times, I must confess, are new to me. As the gentleman will recall, we did not actually see the language. Certainly, in fact, the President would make the necessary findings pursuant to section 12(d)(1). We think that would accomplish what the gentleman desires, and in that we have come to an understanding that we should deal with the question of whether or not controls would be reimposed.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, in behalf of the minority I would echo the comments of the distinguished chairman of the Subcommittee on Energy and Power and say that we would be willing to take this amendment if, in fact, the gentleman did strike the last six lines.

Mr. KOSTMAYER. Let me ask the gentleman from Michigan, if we put a period at the end of "Allocation Act" and add: "And shall, in the report, determine whether or not to reimpose price and allocation controls."

Mr. DINGELL. The problem I have is that I do not want the President to prejudge, if he studies the matter under section 12(a)(1), those matters which relate to whether or not there should in fact be controls. I would agree with the gentleman that our discussions would outline, among congressional intent, that one of the things the President should consider in the course of his study would be whether or not controls should be reimposed on middle distillates.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. In other words, what I do not want to do is, essentially, prejudge what the President is going to come to in his study. I have no objection to him making suggestions to the Congress, nor the matters in section 12(d)(1), nor do I have any objection to him, if he comes to the conclusion after that study, to arrive at a recommendation to the Congress with regard to reimposition of controls, but I do have objections to the fact that we should in any fashion prejudge the outcome of the study referred to.

Mr. KOSTMAYER. I would respond to the gentleman from Michigan by saying that as he knows, I had intended to offer originally an amendment which would require the President to reimpose price and allocation controls. After discussing that with the Chairman I did not offer it, and I offer this instead. Now, the gentleman from Michigan is asking me to weaken the amendment even further. I simply cannot accede to that request.

Mr. DINGELL. First of all, I advised the gentleman that I would agree to a study. I never saw the language.

□ 1720

I want it very clear that the gentleman and I had an understanding with respect to the study. We did not have any understanding of what I would view as prejudging the results.

Mr. KOSTMAYER. This is a neutral, not a preconceived study.

Mr. DINGELL. I want to be very cooperative with the gentleman, but I can go only so far in accepting amendments. I cannot accept anything other than that which I have indicated. My colleagues on the other side have indicated similarly to the gentleman.

Mr. KOSTMAYER. Again I would say, not meaning to belabor this, I had drawn an amendment which would require the President under force of law to reimpose price and allocation controls.

Mr. DINGELL. I hope the gentleman does not force us to disagree.

Mr. KOSTMAYER. We have been here now 2 days, and we have passed a number of amendments, one of which, according to the press, we passed in response to restaurant owners to alter the temperature settings. We passed one in response, I believe, to people in health facilities to control the temperatures there. We passed an amendment exempting energy companies from conservation standards. Now we are talking about an amendment which deals with the price which people will pay for home heating oil which could double next year. It seems to me that if we can pass amendments for restaurant owners, for people who run health facilities, for energy companies, that we ought to be able to pass an amendment which would bring some kind of stability to the price of home heating oil—not an amendment which would require that but only an amendment which would require the President to study the question and come back and report.

Mr. DINGELL. I have no objection to the President's studying the matter, and I would be happy to support that. My problem is that if we do what we have indicated, I think we would accomplish the gentleman's goal. But if we take the language I see here, I am compelled to oppose it. The choice belongs to the gentleman. I am not prepared to argue.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. KOSTMAYER was allowed to proceed for 1 additional minute.)

Mr. KOSTMAYER. I simply want to ask the gentleman from Michigan if he would be willing to put a period at the end of "Allocation Act" on line 7, strike the remaining six sentences, and add the words "and shall in the report determine whether or not to reimpose price and allocation controls."

Mr. DINGELL. I have no objection to that, Mr. Chairman. I would ask unanimous consent that the amendment offered by the gentleman be amended to conform to that language.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan (Mr. DINGELL)?

Mr. GRAMM. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DINGELL. If the gentleman will yield, Mr. Chairman, I ask unanimous consent to withdraw the amendment, and we will redraft it and reoffer it.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. KOSTMAYER. Mr. Chairman, I stand with my amendment and with the consumers of our country.

The CHAIRMAN. Objection is heard.

Mr. KOSTMAYER. I ask the Members of the House to adopt my amendment, reminding them that we have accepted a number of amendments here for the special interests, and this is one that would benefit consumers and should be passed.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Is it the gentleman's intention and hope that we will move back to price controls in this area?

Mr. KOSTMAYER. That is a determination which would be made in the study, that the President would make in the study. He would report back in 45 days. He could recommend it or not. The amendment merely requires the President to make a study within 45 days to determine whether or not price and allocation controls should be reimposed. I would stand with my amendment.

AMENDMENT OFFERED BY MR. LOEFFLER TO THE AMENDMENT OFFERED BY MR. KOSTMAYER

Mr. LOEFFLER. Mr. Chairman, I offer an amendment to the amendment.

The clerk read as follows:

Amendment offered by Mr. LOEFFLER to the amendment offered by Mr. KOSTMAYER: Strike the last six lines of the amendment.

Mr. LOEFFLER. Mr. Chairman, it is my belief that we should not prejudge the President in his ability to review the middle distillate situation. Earlier today we passed an amendment offered by the gentleman from Iowa (Mr. TAUKE) which in essence does what the first paragraph of the Kostmayer amendment does. I urge my colleagues to adopt the amendment to the amendment. There was earlier colloquy in which the chairman of the subcommittee agreed with this.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman for the amendment to the amendment. I support it. I urge that the amendment offered by our colleague, the gentleman from Pennsylvania (Mr. KOSTMAYER) be amended in the fashion indicated by our colleague, the gentleman from Texas (Mr. LOEFFLER), and I urge an early vote on the matter.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman for yielding. I commend my colleague from Texas on his amendment. I think it is imperative that it be passed. The gentleman from Pennsylvania (Mr. KOSTMAYER) has pointed out we passed a lot of bad legislation and, therefore, we should add one more bad amendment to the bill. I hope my colleagues will vote for this amendment to the amendment.

I thank the gentleman from Texas.

Mr. LOEFFLER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. LOEFFLER) to the amendment offered by the gentleman from Pennsylvania (Mr. KOSTMAYER).

The question was taken; and on a division (demanded by Mr. KOSTMAYER) there were—ayes 63, noes 44.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KOSTMAYER) as amended.

The amendment as amended was agreed to.

AMENDMENT OFFERED BY MR. JENRETTE

Mr. JENRETTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENRETTE: Page 50, after line 2, insert the following new section:

OUT-OF-STATE VEHICLES TO BE EXEMPTED FROM STATE ODD-EVEN MOTOR FUEL PURCHASE RESTRICTIONS

SEC. 4. (a) Notwithstanding any provision of any Federal, State, or local law, any odd-even fuel purchase plan in effect in any State may not prohibit the sale of motor fuel to any person for use in a vehicle bearing a license plate issued by any authority other than that State or a State contiguous to that State.

(b) For purposes of this section—

(1) the term "State odd-even fuel purchase plan" means any motor fuel sales restriction under which a person may purchase motor fuel for use in any vehicle only on days (or other periods of time) determined on the basis of a number or letter appearing on the license plate of that vehicle (or on any similar basis);

(2) the term "motor fuel" means motor gasoline or No. 1 or No. 2 diesel fuel; and

(3) the term "State" means each of the several States the District of Columbia, the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

Redesignate the following sections accordingly.

Mr. JENRETTE. Mr. Chairman, let me say at the outset that I support the purposes of S. 1030, the Emergency Energy Conservation Act of 1979. I believe it is essential that the Nation have in place a gasoline rationing plan so we can deal equitably with a severe petroleum supply interruption. I also support the State conservation planning process that this bill contemplates.

I believe the approach S. 1030 takes to conservation is the right one. It calls for the States to develop their own plans tailored to their own needs and circumstances. This will allow each State to conserve in the way that does least damage to its economy, provided that it meets the goal set by the President. I might add that my own State of South Carolina has been one of the leaders in developing State-level energy conservation planning this year.

While States ought to have broad latitude in developing their conservation plans, at the same time these plans must also provide for the needs of a national transportation and distribution system. In particular they must allow the interstate traveler and trucker to continue to move.

The purpose of the amendment I am proposing to S. 1030 today is to insure that in using one particular conservation device—odd/even motor fuel distribution plans—the States do in fact meet the needs of the interstate transportation and distribution system.

Mr. Chairman, in short this is an interstate travel amendment. Basically, for the benefit of those who listened to the amendment, it is addressed to the States that go to a conservation plan known as the odd/even plan. It says the citizens of States which have such a plan, or of any State contiguous thereto, would be subject to the plan. But the amendment would not allow a State with odd/even to prohibit the sale of gasoline or diesel fuel to a vehicle bearing a license plate from a State other than that State or a contiguous State.

All of us have heard of people having to wait 24 hours under the odd/even plan in order to come into their odd/even day in which their licenses appear. This amendment would allow States to conserve gasoline via an odd/even rationing program, but would insure the foreign travelers not from within that State or a contiguous State, that they would have the opportunity to purchase fuel to get to their destinations without undue delay. This is basically what the proposed amendment does, and I would hope that the committee would go along with it. It would help tourists in interstate travel, and it certainly would help the trucking and agricultural industry transporting its goods. It will insure a balanced approach to fuel purchase controls and provide equity to interstate travelers and areas particularly dependent upon them such as the Sixth District of South Carolina which I represent.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding. The gentleman's amendment has a great deal of merit, and I am happy to support it.

□ 1730

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I think the amendment of the gentleman is a good one. What if you have a situation like Kansas City, Kans.-Kansas City, Mo., or you have Texarkana, Tex., and Ark., and, let us say, you have an interstate agreement between the two States that would somehow permit this odd/even to apply to license plates of both States, would the gentleman's amendment permit such an interstate agreement?

Mr. JENRETTE. To be fair with the gentleman I have some concern as to whether it would or not. I would certainly accept that.

Mr. GLICKMAN. Then let me ask a question for the purpose of legislative history. Does the gentleman's amendment preclude an interstate agreement between two contiguous areas or two States regarding such an odd/even plan?

Mr. JENRETTE. It is not the purpose of the amendment to prohibit such an agreement. Such arrangements would be permissible. In fact it would allow the contiguous States to enter into agreements that best fit their circumstances.

Mr. GLICKMAN. Again for legislative history, the amendment would not preclude such an interstate agreement.

Mr. JENRETTE. The gentleman is correct, it would not preclude such an interstate agreement.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I will be glad to yield to my friend, the gentleman from Texas (Mr. LOEFFLER).

Mr. LOEFFLER. Mr. Chairman, on this side of the aisle we are willing to accept the gentleman's amendment.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. I would like to associate myself with the gentleman's remarks and the gentleman's amendment and urge its passage, inasmuch as I have the pleasure of representing one of the really great tourist attractions of the east coast commonly known as the outer banks.

Mr. JENRETTE. Mr. Chairman, as one great American said, almost paraphrasing, thank God, thank God we have agreed at last.

Mr. Chairman, I ask for passage of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. JENRETTE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: Page 50, after line 2, insert the following new section:

"SEC. 4. SURFACE TRANSPORTATION ENERGY CONSERVATION PLAN.—All operators of motor vehicles on the public roads shall regularly maintain the air pressure in the tires of such vehicles as recommended by the manufacturer of such tires."

Redesignate the following sections accordingly.

Mr. DINGELL. Mr. Chairman, I reserve a point of order.

Mr. MILLER of Ohio. Mr. Chairman, the amendment will be withdrawn but I used it as a vehicle to attract some attention to the subject matter that I would like to present to the House.

I know, to have such an amendment, we would need another 1 million bureaucrats in order to check the tires of the automobiles and trucks over the Nation.

Based on a survey we conducted last year, we found that a vast majority of Americans are driving their vehicles with underinflated tires. Now, Mr. Chairman, if we had all of the hot air we have put out in this Chamber over the last several days and could put it into the automobile tires running on our highways, we would save many, many gallons of gasoline. The underinflated tire is like driving in sand. You are always driving uphill. There are presently some 149 million registered vehicles in the United States. Our findings, based on a

sampling of 1,100 cars and light trucks in the greater Washington, D.C., area, indicated that four out of every five automobiles were being driven with an average underinflation of 5 pounds per tire, and 9 out of every 10 light trucks were being driven with an average underinflation of 8 pounds per tire.

Studies show that gasoline mileage will drop approximately one-half of 1 percent for every pound the automobile tire is underinflated. Therefore, using our average finding of 5 pounds underinflation, the 117 million passenger cars will experience a 2.5-percent loss in gasoline mileage.

If these same vehicles were to operate at the manufacturers' recommended tire pressure, this country could realize a gasoline saving—I would like to emphasize this—a gasoline savings of over 2.5 billion gallons a year at practically no cost.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Illinois.

Mr. HYDE. Is the gentleman telling us he supports inflation?

Mr. MILLER of Ohio. The gentleman does support higher air inflation of the automobile tire.

Mr. HYDE. I thank the gentleman.

Mr. MILLER of Ohio. When converted to dollars this means the American consumer could save over $2 billion in gasoline cost alone simply by observing tire inflation practices. If one was to include the cost of the tire service lost, that one suffers as a result of underinflated tires this would mean an additional $1 billion in saving for the consumer. It is time the American driver realized there is a lot of gasoline and money to be saved by maintaining proper inflation. In this day of almost a dollar-a-gallon gasoline such savings add up in a hurry.

Mr. Chairman, my main purpose in conducting the tire-inflation survey last year was to help find a solution to the problem of underinflated tires that require additional energy from the automobile engine thus consuming additional gasoline and the amendment that I offer now is to try to get the subject before the driving public that it is important that we have our automobile tires amply inflated.

Our main purpose in conducting the survey was to get this feel for it. We have appealed to the Department of Energy and to the Department of Transportation to pursue this subject further with the hope they would help create a greater awareness of the problem with the general public. Very little has been done. It can be pursued. We have given the people and the money to the Department of Energy and they could put on a blits of advertising to convey a message to the people that this is one way that our energy problem can be helped.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the gentleman is a most valuable Member of this body. I have had the privilege of serving on the Technology Assessment Board with him where he serves with great distinction. I join the gentleman in his concern on this matter and I commend him for bringing this matter to the attention of the House.

Mr. Chairman, I agree fully with the gentleman in what he says regarding the need to properly maintain vehicles and properly maintain tire pressure. I do not joke with the gentleman about being in favor of inflation or not and whether he is in favor of it.

I would point out further that in the next few days when we consider the Department of Energy authorization bill a proposal for advertising of this precise kind will be offered as an amendment to the bill and I am sure the gentleman will find it pleasant to observe.

Mr. MILLER of Ohio. I thank the gentleman from Michigan.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio (Mr. MILLER)?

There was no objection.

AMENDMENT OFFERED BY MR. MOFFETT

Mr. MOFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOFFETT: Page 50, after line 2, insert the following new section:

NATIONAL MIDDLE DISTILLATE SET-ASIDE PROGRAM FOR RESIDENTIAL HEATING NEEDS

SEC. 4. (a) Not later than 60 days after the date of the enactment of this Act, the President shall establish and maintain a national set-aside program to provide middle distillates for residential heating purposes.

(b) The program established under subsection (a) shall—

(1) be made effective only if the President finds that a shortage of middle distillates exists within the various regions of the United States generally, or within any specific region of the United States, and that shortage—

(A) has resulted or is likely to result in end-user shortages;

(B) has not been, or is not likely to be, alleviated by any State set-aside program or programs covering areas within that region;

(2) provide that, in regions in which such program is effective, prime suppliers of such fuel be required to set aside each month one percent of the amount of the middle distillates to be supplied during that months in that area;

(3) provide that amounts of fuel set aside under such program be directed to be supplied by such prime suppliers to applicants who the President determines would not otherwise have adequate supplies to meet requirements for residential heating purposes;

(4) provide that such prime suppliers may meet such responsibilities for supplying fuel either directly or through wholesale purchasers who resell fuel, but only in accordance with the requirements established under such program; and

(5) shall not supersede any State set-aside program for middle distillates established under the Emergency Petroleum Allocation Act of 1973.

(c) For purposes of this section—

(1) The term "prime supplier", when used with respect to any middle distillate means the supplier, or producer, which makes the first sale of the middle distillate into any region for consumption in that region.

(2) The term "middle distillate" has the same meaning as given that term in such section 211.51.

(3) The term "region" means any PAD district as such term is defined in such section 211.51. Redesignate the following sections accordingly.

Mr. MOFFETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. MOFFETT)?

Mr. BAUMAN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) reserves the right to object.

Mr. BAUMAN. Will the gentleman tell us what it is the amendment does?

Mr. MOFFETT. If the gentleman will yield, Mr. Chairman, the language should be very familiar to the gentleman. It is the exact same language as the Tauke amendment through which the House voted to have a set-aside for agricultural production, except I have substituted, instead of agricultural production, residential heating, as the gentleman can see. The language is familiar.

Mr. BAUMAN. With what percentage?

Mr. MOFFETT. The same percentage, 1 percent set-aside above what would be the case.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. MOFFETT)?

There was no objection.

Does the gentleman from Texas insist on his point of order?

Mr. LOEFFLER. Mr. Chairman, I withdraw the point of order.

Mr. MOFFETT. Mr. Chairman, I think the arguments are basically the same. My colleagues are familiar with the language before us and with the intent; but I think it is important to say, and it will not take me five minutes to say so, that we have a very strong coalition in the subcommittee that goes across the ideological spectrum. It may not be appreciated because of the partial beating we have taken on some of these amendments, but I think it should be said that the gentleman from Texas (Mr. GRAMM), the gentleman from Michigan (Mr. DINGELL) and myself and a variety of others on the subcommittee have come together on the notion that we need a bill of the kind that is before us, but also that we need gasoline conservation in order to make sure that we can see enough distillate fuel produced, not only for the heating oil customers, but for the truckers and the farmers as we look to the year ahead.

Now, this coalition has tried desperately to try to avoid a first shot in what would be a distillate war, where truckers would fight farmers and farmers home heating oil customers for the admittedly short supply, small supply of distillate that is available.

I have been against, and this group on the subcommittee has been against, and the subcommittee itself has voted against this type of thing, the set-aside, the special treatment for one kind of distillate user; so it is only after the House decided that it wants to go that route, it wants to go the set-aside route that this gentleman and some of my colleagues who have 85 percent or 90 percent of our constituents using fuel oil have no choice but to offer a set-aside, a similar set-aside, inserting the same language for residential heating customers. If it is good for the harvest, it ought to be good for the grandmother who has to heat her home.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I appreciate the gentleman yielding. Just let me say that in recognition of that coalition, and in acceptance of it, because the gentleman from Connecticut and I have worked together on certain other issues, I see nothing wrong with the amendment and would be delighted to accept it.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, the gentleman has said that he wants to avoid another distillate war, and so he is adding another set-aside; but I would suggest to the gentleman that the real set-aside today, the party responsible is the Department of Energy. They have told the refineries to have a target of 240 million barrels; so instead of shipping it out to the distributors in the gentleman's district, they are keeping it at the refinery. That is why we have this great fear in the Northeast that there is going to be a cold winter.

Mr. MOFFETT. Mr. Chairman, if I may reclaim my time, the gentleman and I agree on that. We agree on the need for some rational distillate policy.

I do not like going this route, but I think in terms of equity, we ought to adopt this amendment.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, following up on the problem that was just mentioned, I should read a letter I received. I just met with some of the New York distributors for Gulf Oil. They received a letter from Gulf Oil which reads as follows:

GULF OIL CO.-U.S.,
Hackensack, N.J.

DEAR RESELLER: Effective August 1, 1979, we will discontinue our 1% discount terms. Our new credit terms will be net 10 days for both No. 2 and No. 1 fuel oil. Payment for August deliveries must be in our designated depository on the 10th day after date of invoice. These terms will be strictly enforced, and your compliance is necessary so as to avoid credit suspensions, which could interrupt your purchasing product from us.

At the same time we are discontinuing our Seasonal Finance Loans and they will not be available for the 1979-80 Heating Season. If you require financing for these purchases during the Heating Season, we suggest you immediately make arrangements with your banking facilities.

Very truly yours,

W. R. FAGAN,
District Sales Manager.

Mr. Chairman, it should be clear what is happening, and I hope everyone realizes it, that in order to meet their requirements by DOE, we are not getting heating oil out to the homes or to the distributors.

My statement would be simply hang on to your hats when we really get into our cold season.

Mrs. FENWICK. Mr. Chairman, would the gentleman yield?

Mr. MOFFETT. I would be happy to yield.

Mrs. FENWICK. Mr. Chairman, I just would like to contribute to this. Gulf Oil has a target set by the Government of 18 million barrels in its own refinery.

The distributors in my State are getting 50 percent from the refineries of the middle distillates that they ought to have. The customers are not being filled up, neither are the distributors; so our secondary and our tertiary storage is going to be empty and 249 is a fraud.

Mr. MOFFETT. Mr. Chairman, I agree with the gentlewoman.

Mr. SHARP. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Now, frankly, Mr. Chairman, the gentleman from Connecticut is correct, that as a matter of fairness the House should follow through and set-aside fuel oil for the homeowners in this country.

I would expect that there should be another amendment follow this one in which someone gets up to ask for a set-aside for the truckers to guarantee that we can deliver our goods to the marketplace; but I think what this represents is the error of the passage of the last amendment, because the fact is what we are doing is writing rigidities into the law that I think we will come to regret if they genuinely become law, and I hope that they do not, because what we are going to do is to be insisting on set-asides that will be inflexible. Our experience with set-asides in the last crisis were not very favorable. We should be very careful not to enter quickly into this set-aside business.

When you start holding up 1 percent or in the case of this recent crisis 3 or 4 percent and you do not get that allocated quickly and it takes you 30 or 40 days to get out what you are holding back, you are clearly compounding the distribution of a limited resource in this country.

So while I think the gentleman from Connecticut is correct, regarding the fairness of his amendment, I think the House is simply going to be compounding its error. I would hope when this gets to the conference committee that we will leave at least the flexibility that is under existing law and avoid this business of placating every interest in this country. We must stop voting for amendments simply to be able to go home and point to the voting record and say, "Yes, I was with you," but in practice we are against the people when we write this rigidity into the law.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I will be happy to yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I would like to associate myself with the gentleman's remarks. I think the gentleman has made it very clear that we are not going to undo the Tauke amendment by passing this amendment. We are going to eliminate another degree of freedom in our flexibility to deal with shortages. I think in doing so we are simply going to compound the problem.

Mr. SHARP. Mr. Chairman, in my judgment, the experience we have just been through should teach us that we want to be very careful and very limited in the exercise of governmental authority. If we get into a severe crisis, it is true we will probably have to allocate fuels to guarantee the planting and the harvesting of our crops; but we want to be careful that we do not end up adding to the shortage in the process which was our recent experience.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MOFFETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 233, noes 187, not voting 14, as follows:

[Roll No. 422]

AYES—233

Abdnor	Courter	Hagedorn
Addabbo	Crane, Daniel	Hall, Ohio
Albosta	Crane, Philip	Hall, Tex.
Ambro	D'Amours	Hamilton
Anderson, Calif.	Daschle	Hance
	Davis, Mich.	Hanley
Anderson, Ill.	de la Garza	Harkin
Andrews, N. Dak.	Dellums	Harris
	Devine	Harsha
Annunzio	Dingell	Heckler
Applegate	Dixon	Hightower
Ashbrook	Dodd	Hinson
Atkinson	Donnelly	Hollenbeck
Bafalis	Dornan	Holt
Bailey	Dougherty	Holtzman
Baldus	Downey	Hopkins
Barnes	Drinan	Horton
Bauman	Duncan, Tenn.	Howard
Beard, R.I.	Early	Hughes
Bedell	Edgar	Jeffords
Bellenson	Emery	Kelly
Bennett	Erdahl	Kildee
Biaggi	Ertel	Kindness
Bingham	Evans, Del.	Kostmayer
Blanchard	Evans, Ind.	LaFalce
Boland	Fascell	Latta
Bonior	Fasio	Leach, Iowa
Bowen	Fenwick	Lederer
Broomfield	Ferraro	Lee
Brown, Ohio	Fish	Leland
Broyhill	Fisher	Lewis
Buchanan	Fithian	Lowry
Burton, John	Florio	Lundine
Burton, Phillip	Foley	McDade
Byron	Ford, Mich.	McEwen
Campbell	Ford, Tenn.	McKay
Carney	Fountain	McKinney
Carter	Frenzel	Madigan
Chisholm	Fuqua	Maguire
Clausen	Garcia	Markey
Clay	Gaydos	Marks
Cleveland	Gilman	Marriott
Clinger	Glickman	Martin
Coelho	Gonzalez	Mavroules
Conable	Goodling	Mikulski
Conte	Gray	Miller, Calif.
Corcoran	Green	Miller, Ohio
Cotter	Guarini	Mineta
Coughlin	Guyer	Minish

Mitchell, Md.	Railsback	Studds
Mitchell, N.Y.	Rangel	Swift
Moakley	Ratchford	Traxler
Moffett	Reuss	Trible
Mollohan	Rinaldo	Udall
Moorhead, Pa.	Ritter	Vander Jagt
Murphy, N.Y.	Rodino	Vento
Murphy, Pa.	Roe	Volkmer
Murtha	Roth	Walgren
Myers, Ind.	Rousselot	Walker
Myers, Pa.	Roybal	Wampler
Natcher	Sabo	Waxman
Neal	Scheuer	Weiss
Nolan	Schulze	White
Nowak	Sensenbrenner	Whitehurst
O'Brien	Shannon	Whittaker
Oakar	Shuster	Whitten
Oberstar	Skelton	Williams, Mont.
Obey	Slack	Williams, Ohio
Ottinger	Snowe	Wolff
Panetta	Solarz	Wolpe
Pashayan	Solomon	Wyatt
Patten	Spellman	Wydler
Pepper	Spence	Yatron
Perkins	St Germain	Young, Alaska
Petri	Stack	Young, Fla.
Peyser	Staggers	Zablocki
Price	Stangeland	Zeferetti
Quillen	Stokes	
Rahall	Stratton	

NOES—187

Akaka	Goldwater	Mottl
Alexander	Gore	Murphy, Ill.
Andrews, N.C.	Gradison	Nedzi
Anthony	Gramm	Nelson
Archer	Grassley	Nichols
Ashley	Grisham	Patterson
Aspin	Gudger	Paul
AuCoin	Hammer-schmidt	Pease
Badham		Pickle
Barnard	Hansen	Preyer
Beard, Tenn.	Hawkins	Pritchard
Benjamin	Hefner	Pursell
Bereuter	Heftel	Quayle
Bethune	Hillis	Regula
Boggs	Hubbard	Rhodes
Boner	Huckaby	Richmond
Bonker	Hutto	Roberts
Bouquard	Hyde	Robinson
Brademas	Ichord	Rose
Breaux	Ireland	Rosenthal
Brinkley	Jacobs	Rostenkowski
Brodhead	Jeffries	Royer
Brooks	Jenkins	Rudd
Brown, Calif.	Jenrette	Russo
Burgener	Johnson, Calif.	Santini
Burlison	Johnson, Colo.	Satterfield
Butler	Jones, N.C.	Sawyer
Carr	Jones, Okla.	Schroeder
Cavanaugh	Jones, Tenn.	Sebelius
Chappell	Kastenmeier	Seiberling
Cheney	Kazen	Sharp
Coleman	Kemp	Shelby
Collins, Ill.	Kogovsek	Shumway
Collins, Tex.	Kramer	Simon
Corman	Lagomarsino	Smith, Iowa
Daniel, Dan	Leach, La.	Smith, Nebr.
Daniel, R. W.	Leath, Tex.	Snyder
Danielson	Lehman	Stanton
Dannemeyer	Levitas	Stark
Davis, S.C.	Livingston	Steed
Deckard	Lloyd	Stenholm
Derrick	Loeffler	Stewart
Derwinski	Long, La.	Stockman
Dickinson	Long, Md.	Stump
Dicks	Lott	Symms
Duncan, Oreg.	Lujan	Synar
Eckhardt	Lungren	Tauke
Edwards, Ala.	McClory	Taylor
Edwards, Calif.	McCloskey	Thomas
Edwards, Okla.	McCormack	Thompson
English	McDonald	Ullman
Erlenborn	McHugh	Van Deerlin
Evans, Ga.	Mathis	Vanik
Fary	Matsui	Watkins
Findley	Mattox	Weaver
Flippo	Mazzoli	Whitley
Fowler	Mica	Wilson, Bob
Frost	Michel	Wilson, C. H.
Gephardt	Mikva	Wilson, Tex.
Giaimo	Montgomery	Winn
Gibbons	Moore	Wirth
Gingrich	Moorhead, Calif.	Yates
Ginn		Young, Mo.

NOT VOTING—14

Bevill	Forsythe	Runnels
Bolling	Holland	Treen
Conyers	Lent	Wright
Diggs	Luken	Wylie
Flood	Marlenee	

□ 1800

Mr. REUSS and Mr. WAMPLER changed their vote from "no" to "aye."

Messrs. BADHAM, HAWKINS, AUCOIN, YATES, WEAVER, and HANSEN changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the last word, in order to ask the gentleman from Michigan, my chairman, if there are further amendments. There are no further amendments that I am aware of on this side, and I do not know whether there is any further tendency to delay on the other side, since the last few amendments have come from that side of the aisle.

Could the gentleman tell me if there are any further amendments?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I am aware of none that any Member desires to offer.

Mr. BROWN of Ohio. I thank the gentleman.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EMERY: Page 50, after line 2, insert the following new section:

NATIONAL MIDDLE DISTILLATE SET-ASIDE PROGRAM FOR COMMERCIAL FISHING

SEC. 4. (a) Not later than 60 days after the date of the enactment of this Act, the President shall establish and maintain a national set-aside program to provide middle distillates for commercial fishing.

(b) The program established under subsection (a) shall—

(1) be made effective only if the President finds that a shortage of middle distillates exists within the various regions of the United States generally, or within any specific region of the United States, and that shortage—

(A) has impaired or is likely to impair commercial fishing; and

(B) has not been, or is not likely to be, alleviated by any State set-aside program or programs covering areas within that region;

(2) provide that, in regions in which such program is effective, prime suppliers of such fuel be required to set aside each month 1 percent of the amount of the middle distillates to be supplied during that month in that area;

(3) provide that amounts of fuel set aside under such program be directed to be supplied by such prime suppliers to applicants who the President determines would not otherwise have adequate supplies to meet requirements for commercial fishing;

(4) provide that such prime suppliers may meet such responsibilities for supplying fuel either directly or through wholesale purchasers who resell fuel, but only in accordance with the requirements established under such program; and

(5) shall not supersede any State set-aside program for middle distillates established under the Emergency Petroleum Allocation Act of 1973.

(c) For purposes of this section—

(1) The term "commercial fishing" shall mean the harvesting or production of any aquatic plant or animal for commercial purposes, and includes the transportation of such plants or animals.

(2) The term "prime supplier", when used with respect to any middle distillate, means the supplier, or producer, which makes the first sale of the middle distillate into any region for consumption in that region.

(3) The term "middle distillate" has the same meaning as given that term in such section 211.51.

(4) The term "region" means any PAD district as such term is defined in such section 211.51. Redesignate the following sections accordingly.

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EMERY. Mr. Chairman, I offer an amendment, similar to the amendments just adopted by the House establishing a 1-percent set-aside program for middle distillate for agriculture and home heating oil, to provide protection for commercial fisherman. Although the quantity of middle-distillate set-aside under this proposal would be much smaller than the two previous cases, the impact of this proposal could be very great on an industry plagued by many costly and burdensome problems. I urge support for my amendment to assist commercial fishermen.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, I have no objection to the amendment.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan.

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

CLERICAL AMENDMENTS

SEC. 4. The table of contents for the National Energy Conservation Policy Act is amended—

(1) by striking out "Part 3", "Part 4", "Part 5", and "Part 6" and inserting in lieu thereof "Part 4", "Part 5", "Part 6" and "Part 7", respectively;

(2) by inserting after the item relating to section 623 the following:

"PART 3—EMERGENCY ENERGY CONSERVATION

"Subpart A—General Provisions

"Sec. 631. Findings and purposes.

"Sec. 632. Definitions.

"Subpart B—Minimum Automobile Fuel Purchases

"Sec. 633. Minimum automobile fuel purchases.

"Subpart C—Emergency Energy Conservation Program

"Sec. 634. National and State emergency conservation targets.

"Sec. 635. State emergency conservation actions.
"Sec. 636. Federal emergency conservation actions.
"Sec. 637. Standby Federal conservation plan.
"Sec. 638. Standby automobile sticker system.
"Subpart D—Study
"Sec. 639. Study.
"Subpart E—Administrative Provisions
"Sec. 640. Administration; delegation to States.
"Sec. 641. Information.
"Sec. 642. Regulations.
"Sec. 643. Effect on other laws.
"Sec. 644. Review; termination."; and

(3) by striking out "Sec. 641." and inserting in lieu thereof "Sec. 651.".

FUNDING

SEC. 5. For purposes of any law relating to appropriations or authorizations for appropriations as such law relates to the fiscal year ending September 30, 1979, or the fiscal year ending September 30, 1980, the provisions of this Act (including amendments made by this Act) shall be treated as if it were a contingency plan under section 202 or 203 of the Energy Policy and Conservation Act which was approved in accordance with the procedures under that Act or as otherwise provided by law.

Mr. BAUMAN (during the reading). Mr. Chairman, I ask unanimous consent that section 4 and section 5 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment that is made in order under the rule.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 51, after line 12, insert the following new section:

"SEC. 7. (a) Except to the extent inconsistent with the provisions of subsection (b) the provisions of the Administrative Procedures Act (5 USC 551 et seq.) shall apply to this Act for purposes of judicial review.

(b)(1) Any State may institute an action in the appropriate district court of the United States, including actions for declaratory judgment, for judicial review of the

(A) target for the State established by the President,

(B) determination by the President that the State emergency conservation plan is not achieving the emergency energy conservation target of such State, or

(C) determination that the State plan submitted to the President for approval as a State emergency conservation plan does not comply with the provisions of section 3 of this Act, including the section regarding the share of the burden imposed on any specific class or on any individual segment thereof.

(2) The district court shall determine the questions of law and upon such determination certify such questions immediately to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(3) Any decision by such court of appeals on a matter certified under paragraph (2) shall be reviewable by the Supreme Court upon attainment of a writ of certiorari. Any petition for such a writ shall be filed no later than twenty days after the decision of the court of appeals.

(4) It shall be the duty of the court of appeals to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under this subsection.

Mr. BAUMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BAUMAN. Mr. Chairman, I would hope that the Members would pay attention to this amendment. This is not a partisan attempt by the gentleman from Maryland in any way to harm the bill, which has been amended a number of times in the last few hours, as the Members well know.

This amendment would not have been germane to the bill if the Committee on Rules had not specifically made it germane, because it deals with the power of judicial review of the State conservation plans that may be imposed upon your State by the President of the United States at some point in the future if this bill becomes law.

I ask the Members to understand that under this bill there is no judicial review allowed for the attorney general of your State, for the Governor of your State, if at that final point in time there is a disagreement between the State officials and the Federal Department of Energy officials. The President of the United States, using the power that this bill gives him, could impose upon your State—hopefully, this will never happen—extraordinary provisions that would have the force of law that would control the lives of every one of your citizens.

The only restriction that this bill prevents is the imposition of the closing of gas stations on the weekend. That is the only thing it prevents. Any other possible restriction could possibly be part of a plan imposed upon your State—odd-even days, even the sticker plan as we finally acted upon that could be imposed upon your State.

All I am saying in this amendment, which was adopted by the other body unanimously, is that when you come to that point at which the States disagree with the Federal Government, then the State should have a right to go to the courts quickly under an emergency procedure to test the fairness and the equity of the Federal plan; to have the Federal court say yes or no, that indeed the plan should take effect under the President's extraordinary powers, or, no, the President has exceeded his powers.

□ 1810

Without this amendment there is no legal remedy for the States. They will simply have to knuckle under. All of the explanations of why Congress passed a law such as this will make no difference to your constituency if indeed the Federal plan is not fair. They will suffer. My amendment would allow the State to appeal the targets that the President could impose for conservation; to appeal whether or not the State plan is achieving the emergency energy conservation targets; to appeal whether or not the State plan is fair and equitable under the circumstances that exist in that State.

How many Members here from California recall the gasoline shortages under current Federal allocation law? How many of us have faced the problem of shortages, such as New York City, for instance, where current allocation laws are not doing the job? And you say we should have no appeal?

My own State of Maryland went to court twice in the last 5 years under existing judicial procedures that are allowed under gasoline allocation laws. Once we won, and once we were ruled out because we did not have proper evidence to show that the Federal energy decision was unfair.

If we are going to grant to the President of the United States, this President or any President, such extraordinary powers, powers we have never given any other Chief Executive in peace time, at least we should preserve the union of the States and the constitutional system, and an appeal to the courts.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I think the gentleman has an excellent amendment. I would like to ask him a couple of questions.

He talked about expeditious consideration by the courts. Does the amendment provide for a truly expedited procedure by which a district court could make or an appeals court could make these decisions?

Mr. BAUMAN. The amendment specifically says the States will have the right to apply to the Federal district court, that that court must immediately make determinations as to fact and law and that the only appeal at that point will be to the U.S. circuit court of appeals en banc, and they must immediately take up the matter. That system would prevent any obstruction, any unnecessary delay.

Of course, the State would have to make a good case in court that they are not being treated unfairly.

Mr. GLICKMAN. The second question is, again, what specifically would be subject to judicial review under the gentleman's amendment?

Mr. BAUMAN. The conservation targets that the President might set in the State is the first one, the determination by the President that the State emergency plan is not doing what the Federal Government thinks it should do, and third, the determination that the State plan which it submits to the Federal Government does not comply with the Federal criteria such as sharing the burden amongst the various classes of energy users.

What we are really saying is the equity of the plan that the State wants versus what the Federal Government is seeking to impose would be tested in court.

Mr. GLICKMAN. I would say that since this bill does give extraordinary powers to the executive branch of the Government, and under the circumstances as outlined in the gentleman's amendment which provides for expedited

review, I think it would therefore be remiss to deny the third branch of our Government, the judiciary——

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. BAUMAN was allowed to proceed for 30 additional seconds.)

Mr. GLICKMAN. If the gentleman will continue to yield, I think it would be extraordinarily unwise to deny the judicial branch of the Government that power which the Constitution provides that branch of our Government. To deny judicial review on such an incredibly important piece of legislation would be incredible.

I would urge support for the gentleman's amendment.

Mr. BAUMAN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has again expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. BAUMAN was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I want to commend the gentleman on his amendment and also add the additional point, while we are talking about the right of the States to protect themselves against discrimination, that while there are individuals in those States who may be inconvenienced by a rationing plan, there are also people whose livelihood may be seriously affected.

I think the gentleman's amendment addresses a very important point, because as I understand, without this amendment there is no judicial recourse. We have some very important matters at stake in this bill, including some people's livelihoods.

I commend the gentleman for the amendment and support it.

Mr. BAUMAN. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, if I understand, if the gentleman's amendment passes, there will be judicial review prior to the implementation of the President's decisions on setting the target and also the plan; is that correct?

Mr. BAUMAN. Under the existing judicial procedure, the court could grant an immediate stay of the plan, or it could let the plan go into effect and meanwhile review its fairness. The court has many remedies.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has again expired.

(At the request of Mr. BROWN of Ohio and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. The court has many remedies. So the argument that this amendment is going to in some way hold up the progress of these plans taking effect, I do not think is really true. The court could make the determination whether the plan could be held up, an injunction issued, or whether it could go forward while they reviewed its fairness, and at a later date determine whether it should be withdrawn; but at least we should not repeal the right of the States of the Union to test the fairness of an imposition of this kind of edict from the Federal level which is unprecedented in law up to this time.

Mr. BROWN of Ohio. The reason I ask the question is because the gentleman knows I have been concerned about whether or not the Congress would have a chance to express itself on these plans.

The gentleman from California (Mr. MOORHEAD), in his amendment, as amended by the amendment of the gentleman from Texas (Mr. GRAMM), is now in place in this legislation, so that congressional review of implementation would apparently follow, would it not, the review by the judiciary of the equitability of the plan.

Mr. BAUMAN. That has to do with the national conservation plan, as I understand it. Is that correct?

Mr. BROWN of Ohio. Yes.

Mr. BAUMAN. What I am addressing is the right of the State of New York or California or Maryland or Ohio to go to a district court and test the fairness of the individual State plan imposed from above by the President and the Department of Energy, and that right I think is something we must protect.

Mr. BROWN of Ohio. I thank the gentleman.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, I would like to engage in colloquy with the gentleman about his amendment.

Mr. BAUMAN. So would I.

Mr. DINGELL. If the gentleman would permit, I have a bit of a problem in that the gentleman's amendment has no time limit for the judicial review of the State action. Is it the gentleman's intention that the State action be subject to judicial review at any time without a time limit?

Mr. BAUMAN. It does have a time limit. The direction to the Federal district court is that it must act immediately. And the court of appeals must advance the case for immediate hearing and the Supreme Court, if it goes that far, will have to rule within 20 days.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. I would be glad to discuss it with counsel later if he would like.

Mr. DINGELL. The action of filing the complaint in the first instance, there is no time limit on that.

Mr. BAUMAN. It would come immediately at a point when the plan is imposed.

Mr. DINGELL. I cannot tell the gentleman how long it would be, whether it would be 6 years or 9 years.

Mr. BAUMAN. One of the sections of the gentleman's bill allows the President to change the State conservation plans at any time and this would allow the court to review that change.

Mr. DINGELL. I understand that. What I am trying to do is, I think it is possible, if the gentleman could get support on this side, if we can deal with the particular questions, the first is the question of the time limit for filing for judicial review. I think the gentleman wants a fairly standard time limit on that.

Mr. BAUMAN. That is imposed. The court action comes at the time the plan is imposed.

Mr. DINGELL. I regret I do not find it. I find the filing of the request for the filing of complaint could occur any time, including up to 5 or 16 or 20 years later.

Mr. BAUMAN. If the State feels strongly enough that the Federal plan is unfair to its citizens, then its Governor and attorney general are not likely to wait several years to test it in court.

Mr. DINGELL. I cannot tell. That constitutes rather bad law, the rather subtle law in this country that we try to have time limits for filing of these complaints, filing of actions and things like that.

Mr. BAUMAN. I defer to the gentleman from Michigan what bad law is. I think he knows better than I do based on his sponsorship of this bill.

Mr. DINGELL. I had hoped to try and resolve some of these questions. I guess I will have to offer substitutes to the amendment offered by the gentleman.

Mr. DANIELSON. Mr. Chairman I move to strike the requisite number of words.

Mr. Chairman, this is not our finest hour. For 3 days—for 3 days—we have been quibbling with a bill to give the Chief Executive of the United States, the President of the United States, emergency standby power to impose a rationing plan in the event of a dire national emergency.

We have been sitting around here quibbling about this special interest and that special interest, this set-aside, and that set-aside.

I respectfully submit, Mr. Chairman, that this is not our finest hour. In view of what we are doing, how on Earth could the people of America expect that in the event of a real emergency, not one that we are just contemplating, but a real emergency, that this 435-Member board of directors could sit down and put together an equitable rationing plan to preserve and protect our defense, our industrial and economic base, and the integrity of our society?

□ 1820

If ever there has been a clearly demonstrated example of the type of thing that the Congress should not get into, this is it. For more than 3 days we have sat around here quibbling and picking nits off of gnats on the knuckles of another gnat and never coming to any kind of respectable solution. This special interest, that special interest have all been

argued about. Some have been favored, some have been turned down.

But how about the national interest? Think about the national interest for awhile. It is not a bad idea.

I love every Member of this body. I do not know how so many magnificent, wonderful, excellent, exemplary people could come up with so many bizarre ideas as we have had in the last 3 days. Clearly, we need a vacation.

I do not know what is wrong. Maybe there have been too many insecticides around for too long and we have been inhaling them too deeply. Something has gone wrong around here.

But let us get back to the facts, Mr. Chairman. I submit that all we need to do in this bill is to pass some simple bill that would say that in the event of a national emergency occasioned by the interruption of our petroleum supply by in excess of 10 percent, or 20 percent, the President shall promulgate a rationing formula under which our petroleum resources will be allocated in an equitable manner to the defense of our country, to the preservation of our economic and industrial base and the well-being of our society, period; effective date immediately. We are not, we are not in this spectacle of the last 3 days acting like a Congress.

The Constitution says that the legislative power of the United States shall be vested in the Congress, but it also says that the executive power of the United States shall be vested in the President. We are piddling around with executive functions, not legislative functions. Let us get off this thing and pass a respectable, workable bill that we can be proud of and that the American people can be proud of. And let us get to that vacation which we also badly need. And our Nation needs to have us take one.

Mr. AMBRO. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from New York.

Mr. AMBRO. Mr. Chairman, I thank the gentleman for his love.

Mr. Chairman, during the more than 2 days of debate on this gas rationing bill, I have made repeated objections to and, indeed, attempted to amend certain portions of the legislation as it emerged from committee. My reservations are well known to Members of this Chamber and they remain my reservations. They have not been ameliorated one degree by the persuasive, often eloquent arguments raised against them.

It is my conviction that this legislation is seriously flawed. It is flawed primarily in not giving the Congress an opportunity to grant at least tacit approval to the details of a national rationing program designed by this or some future President. Yes, we preserve the right to veto a Presidential decision to impose rationing and I support that. But, we have abrogated our responsibilities—let me repeat that for emphasis—our responsibility to review, to improve, and ultimately to accept the specifics of a rationing plan.

Some who perhaps were unable to participate in much of the debate do not perceive that as a great distinction. Some might think that I and others are making much ado about nothing. Let me assure you, Mr. Chairman, that those people are grievously mistaken. This distinction, on which I have dwelled so often, is fundamental not only to an effective, fair, and workable rationing program, but also to the very nature of our system of government, our system of divided branches and shared powers.

It is the responsibility of this body to legislate and that of the Chief Executive to execute. It is the responsibility of this body to legislate a rationing program for the Nation and then the job of the President to implement that program at the appropriate time, subject to congressional veto. In failing to accept our responsibility to develop a rationing program working in cooperation with the President, we have been woefully negligent, Mr. Chairman.

For the scenario I see occurring is as follows: In some future energy crisis when we experience a 20-percent shortfall of product, as specified in this bill, the President, whomever he may be at the time, will decide to implement rationing—rationing of his design and his design alone, mind you. At 20-percent shortfall, the country will be in chaos. The American people will be screaming for rationing. This institution will be under extreme pressure to accept the President's decision to implement rationing.

The rationing plan, however, could be a catastrophe, but it will be the only plan we have. It need not necessarily be a catastrophe. It may be a fine, fair, and effective plan. But it could be a catastrophe, and the central point is that this institution will be powerless to change it, as a result of the legislation we will almost certainly pass today.

The only choice for us will be to accept the President's decision to impose the plan, as bad as it might be, since at that chaotic point even a bad rationing plan would be better than no plan at all.

That would be a terribly sad predicament for this hallowed institution. What makes it so sad is that it is so unnecessary. We could have improved this bill. We could have given the Congress an opportunity to work with the President in crafting a rationing program agreed upon by the two great elective branches of our Government. We could have improved this bill by accepting any number of amendments offered to correct the deficiencies I have just noted, including my own amendment.

The amendment I offered yesterday addressed what I perceive to be the second major defect in this legislation and that is the 20-percent "trigger" for implementation of rationing. It is too high, way too high. So high, in fact, as to virtually preclude imposition of rationing. We had in May and June about a 5-percent or 6-percent shortfall of product—and 2-mile-long gas lines. Our stocks of home heating oil, middle distillate fuels, are as of this date terribly depleted and a very difficult winter is expected. All this because of a 5- or 6-percent shortfall. What would a 20-percent shortfall mean? It would, Mr. Chairman, mean anarchy. Before we got close to that level, the country would be brought to its knees. My amendment would have adjusted that level to a 10-percent floor, or a situation about twice as bad as our May–June experience.

I assure all of my colleagues that I do not advocate rationing at every rumble of trouble with crude oil or other petroleum product supplies. Imposing rationing is a serious, major decision and it should be used only in the most severe situations. It must, however, be a power available to the President, and for all practical purposes under terms of this bill, it will not be available because of the 20-percent requirement.

Several attempts to adjust that "trigger" to more reasonable levels, including my own, also failed, as did other efforts at improving the legislation.

Besides this, the conservation portion of this bill has virtually been gutted. The most successful of these—the thermostat provision—has been deleted; the option of keeping the automobile sticker plan has been removed and other tools the President should have had, have either been covered or denied him. This bill has become a sham. But the White House, apart from attacking Congress in a general way, did nothing to indicate its desires on specific issues.

So, the choice before us now is whether to accept this bill or reject it. I believe, Mr. Chairman, that there are very few Members of Congress who feel that the President should not have rationing authority. He must have that authority to address some future energy crisis.

But in view of these most serious reservations, I will not support this bill on final passage. I sincerely hope that at some future time we can make the changes, the improvements, many of us tried unsuccessfully to make during the past several days.

I hope we can make those changes but in view of this bill it is practically impossible. I then hope that Providence guides the hand of this or some future President when he writes a rationing plan which will have the most dire consequences for all of the people we represent. Because that plan is one that we will all have to live with.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. To the gentleman's absolutely-to-the-point remarks I say only "Amen."

Mr. DANIELSON. I thank the gentleman for his constructive comment.

One closing remark. I have the utmost respect for the gentleman from Maryland, Mr. BAUMAN. I truly do. There is a man who knows the parliamentary procedure backward, forward, and sideways. On top of that, he is a highly intelligent and most dedicated person. But it only goes to prove that even exemplary Members of Congress can make a mistake, and he has made one, and it is a lulu.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. DANIELSON was allowed to proceed for 1 additional minute.)

Mr. DANIELSON. The matter pending before us right now, to let the courts review this rationing plan, the only conceivable thing we could do worse than what we have been doing is to drag the courts into this mess. We do not want to do this. I do not think the gentleman knows—and I love the gentleman deeply—but I do not think the gentleman realizes that about 150 of the laws on the books of our Nation all require priority attention by the courts. Now we have another priority. Would the gentleman tell me what do we do when the courts have 75 priorities at the same time?

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. Yes, I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, would the gentleman also like to take the courts out of the business of school busing?

Mr. DANIELSON. Not at the moment, but I would be glad to take that subject on at the appropriate time, after a reasonable amount of voluntary prayer.

I yield back the balance of my time.

AMENDMENT OFFERED BY MR. DINGELL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. BAUMAN

Mr. DINGELL. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL as a substitute for the amendment offered by Mr. BAUMAN: On page 51, after line 12, insert the following new section:

JUDICIAL REVIEW

SEC. 7 (a) (1) Any State may institute an action in the appropriate district court of the United States, including actions for declaratory judgment, for judicial review of—

(A) any target for the State established by the President or under section 634(a) of the National Energy Conservation Policy Act (as added by section 3 of this Act).

(B) a determination that the State plan submitted to the President for approval as a State emergency conservation plan does not comply with the provisions of section 635 of such Act, including the provision regarding the share of the burden imposed on any specific class or on any individual segment thereof,

but only if such action is instituted within 30 days after the date of establishment of the target on the date of the determination that a State plan is not in compliance, as the case may be.

(2) The district court shall determine the questions of law and upon such determination certify such questions immediately to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(3) Any decision by such court of appeals on a matter certified under paragraph (2) shall be reviewable by the Supreme Court upon attainment of a writ of certiorari. Any petition for such a writ shall be filed no later than twenty days after the decision of the court of appeals.

(b) It shall be the duty of the court of appeals to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under this subsection.

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, I offer a substitute here to the amendment offered by the gentleman from Maryland (Mr. BAUMAN). I ask for his attention and then I will be happy to yield to him at the appropriate time.

The differences between the amendment that has been offered by the gentleman from Maryland and that which I offer are, first, the amendment that I offer would limit to 30 days the period in which the complaint could be filed on an appeal regarding the matters here so that the matters would not drag out for years.

Second, the Administrative Procedures Act would not be made applicable to State actions, something which I do not think we want to do since the States have their own procedures and manners of determining how their laws and administrative actions are interpreted.

Last of all there would be no appeal of the determination to implement the Federal conservation plan, because under the proposal which we have adopted that matter would be subject to a one-House veto. I do not believe it would be in the interests of anyone to have a one-House veto mixed up with judicial review because we might find the prerogatives either of the courts or the prerogatives of Congress coming under the review of the other under circumstances which would probably conflict with the traditional constitutional placement of powers.

One further thing. The amendment would provide 10 days for the filing of a writ of certiorari. That, I observe, is at the suggestion of the gentleman from Texas (Mr. ECKHARDT).

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Do I understand correctly the running of the 30 days requiring the State to act would be immediately upon the establishment of the Federal target date imposed upon the State, or the determination that a State plan is not in compliance, or a date when a change was made in the plan?

Mr. DINGELL. The answer is yes.

Mr. BAUMAN. I would say to the gentleman, if he would yield further, this is akin to the confluence of Blue and White Nile, or perhaps Stanley meeting Livingstone in the jungle. The Bauman-Dingell amendment is acceptable to the gentleman from Maryland.

Mr. DINGELL. I thank the gentleman and I yield back.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL) as a substitute for the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN) as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect on the date of the enactment of this Act.

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the Senate bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. If there are no further amendments, the question is on the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute as amended was agreed to.

The Chairman. Under the rule, the Committee rises.

□ 1830

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ROSTENKOWSKI) having assumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, had directed him to report the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GILMAN. Yes, I oppose the bill.

The SPEAKER pro tempore. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GILMAN moves to recommit the bill, S. 1030, to the Committee on Interstate and Foreign Commerce, with instructions that the committee report the bill back to the House forthwith with the following amendment:

Strike section 2 and insert in lieu thereof the following:

DEVELOPMENT OF STANDBY RATIONING PLAN

SEC. 2. (a) The Congress finds that—

(1) a standby rationing plan for motor fuel should provide, to the maximum extent practicable, that the burden of reduced supplies of motor fuel be shared by all groups in a fair and equitable manner and that the economic and social impacts be minimized; and

(2) such a plan should be sufficiently flexible to respond to changed conditions and sufficiently simple to be effectively enforced and administered.

(b) Section 203(a)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6263(a)) is amended by striking out "The President shall prescribe," and inserting in lieu thereof "As soon as practicable after the date of the enactment of the , and by inserting after "program" the following: ", subject to paragraphs (2) and (3)";

(4) by amending clause (iii) (as redesignated) to read as follows:

"(iii) has transmitted to the Congress in accordance with section 551(b) a request to put such contingency plan into effect; and";

(5) by redesignating paragraph (2) as subparagraph (B); and

(6) by inserting at the end thereof the following new paragraph:

"(2)(A) As used in paragraph (1), the term 'severe energy supply interruption' means a national energy supply shortage which the President determines—

"(i) has resulted or is likely to result in a daily shortfall in the United States of petroleum product supplies for a period in excess of 30 days (including reductions as a result of an allocation away from the United States under the international energy program) of an amount equal to 20 percent or more of such daily supplies which were available during the 12-month period before such determination,

"(ii) is not manageable under other energy emergency authorities, including any energy conservation contingency plans approved under subsection (b),

"(iii) is expected to persist for a period of time sufficient to seriously threaten the adequacy of domestic stocks of refined petroleum products, and

"(iv) is having or can reasonably be expected to have a major adverse impact on national safety or the national economy.

"(B) For purposes of paragraph (1)—

"(i) the commencement of international hostilities, including commitment of troops by the President, in accordance with applicable law, or

"(ii) the determination that rationing of gasoline and diesel fuel is necessary for assuring adequate supplies for protecting the national security,

shall be sufficient cause, notwithstanding subparagraph (A), for the President to determine that a severe energy supply interruption exists or is threatened.

"(3) As used in paragraph (1), the term 'necessary to comply with obligations of of the United States under the international energy program' refers to a necessity which is determined to have impacts comparable with those provided for under subparagraphs (A) and (B) of paragraph (2).

"(4) For purposes of considering the plan submitted to the Congress under paragraph (1)(A)(i), the 5 calendar days specified in section 551 shall be lengthened to 10 calendar days and the 15 calendar days shall be lengthened to 20 calendar days.

"(5) No amendment to any such plan may take effect unless that amendment is submitted and not disapproved (or is approved) as provided for under paragraph (1)(A)(i)."

(d)(1) Within 90 days after the date of the enactment of this Act, the President shall prepare and transmit to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report describing the measures taken after such date of enactment (and the costs thereof) to establish a system of rationing of gasoline and diesel fuel pursuant to sections 201 and 203 of the Energy Policy and Conservation Act (42 U.S.C. 6261, 6263), together with a description of the measures to be taken in establishing such system, a timetable for completion of such measures, and an estimate of the costs thereof.

(2) The report under paragraph (1) shall include—

(A) a description of the extent to which coupons or other evidence of right under such a rationing system would be distributed to each end-user of gasoline or diesel fuel on the basis of such end-user's needs, and an explanation of the extent to which such distribution may not be based on such end-user's needs;

(B) an analysis of providing that the entitlement under the rationing system to such end-user rights be granted on the basis of individuals licensed to operate motor vehicles on the public roads and highways, and explanation of the extent to which such entitlement will be granted on that basis; and

(C) a description of the extent to which the rationing system would meet the needs and hardships of end-users by the use of local boards as provided for under section 203(d) of such Act (42 U.S.C. 6263(d)), and an explanation of the extent to which such boards may not be used.

(3) The President shall keep such committees fully and currently informed about the progress of efforts to establish a system of rationing and of any problems and delays in establishing the system.

(e) Section 203(a) of such Act (42 U.S.C. 6263(a)), as amended, is further amended by adding at the end thereof the following new paragraph:

"(3) Any rationing contingency plan prescribed under this section shall provide that—

"(A) the end-user rights specified in paragraph (1) shall be distributed on a basis that results in the degree of shortfall involved being equally shared among the various States, considering the most recent data available;

"(B) to the maximum extent practicable, such rights shall be made available to each end-user on a basis which takes into account the needs of such end-user; and

"(C) adequate end-user rights are available to carry out the requirements of paragraphs (1)(A) and (B).".

(f)(1) Section 201 of such Act (42 U.S.C. 6261), as amended by subsection (b), is further amended by striking out subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Section 201(b) of such Act (42 U.S.C. 6261(b)) is amended by striking out "Except as otherwise provided in subsection (d) or (e) and subject to the requirements of subsection (c), no contingency plan may become effective" and inserting in lieu thereof "Except as otherwise provided in subsection (c), no energy conservation contingency plan may become effective".

(3) Section 201(c)(1) (as redesignated) of such Act (42 U.S.C. 6261(c)(1)) is amended by striking out "a contingency plan" and inserting in lieu thereof "an energy conservation contingency plan."

(4) Section 552(b) and (d)(2) of such Act (42 U.S.C. 6422 (b) and (d)(2)) are each amended by inserting "energy conservation" before "contingency plan" each place such term appears.

(5) Section 552(d) (3) and (4)(A) of such Act (42 U.S.C. 6422(d)(3) and (4)(A)) are each amended by striking out "a contingency plan" each place such term appears and inserting in lieu thereof "an energy conservation contingency plan".

(6) Section 201(e) (as redesignated) of such Act is amended by striking out "or(e)(1)(B)" and inserting in lieu thereof "or (d)(1)".

(7) Section 203(d)(2) of such Act is amended by striking out all that precedes subparagraph (A) and inserting in lieu thereof the following:

"(2) Any rationing contingency plan under this section shall set forth—".

Mr. GILMAN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. DINGELL. Mr. Speaker, I believe a motion to recommit is in order at this time?

Mr. GILMAN. It is a motion to recommit which is presently before the House.

Mr. DINGELL. Does the gentleman ask unanimous consent that the reading be dispensed with?

Mr. GILMAN. Yes.

Mr. DINGELL. Mr. Speaker, reserving the right to object, is the motion to recommit the one that has been made available to the committee wherein the gentleman would move to recommit the bill S. 1030 with instructions that the committee report the bill back forthwith?

Mr. GILMAN. Yes.

Mr. DINGELL. And essentially strike the right amendment and reinsert the Gilman amendment?

Mr. GILMAN. That is correct.

Mr. DINGELL. With that understanding I withdraw my reservation of objection to dispensing with reading of the motion to recommit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from New York (Mr. GILMAN) for 5 minutes.

Mr. GILMAN. Mr. Speaker, I offer this motion to recommit the bill S. 1030 with instructions to offer the House a clear choice on the issue of whether or not the House wants to have a chance to examine the President's rationing plan before it is placed on the shelf for possible use in any emergency.

This motion to recommit restores the original language of section 2 as it stood after the adoption of my amendment. Permit me to briefly recap the facts of the Gilman one-House congressional veto amendment.

When the President formulates his rationing plan, it will come to the House during a 30-day-layover period. At that point, within 30 days, if either House objected strongly enough to the provisions of the plan to pass a resolution of disapproval, the plan would be returned to the President. Otherwise, it would be automatically placed on the shelf awaiting implementation.

If my colleagues have any hesitancy in buying the President's rationing program sight unseen, then I urge them to vote to recommit. Please bear in mind that without this amendment the only chance that we will have to veto the President's plan, whatever it may be, will be only when an emergency occurs, when popular pressure will preclude any opportunity to return the plan to the President for more work.

Mr. Speaker, the Members of the House have a clear choice once again, without any complications or confusions of the prior parliamentary situation. The

question is simply, Do we want the House to have a voice in the rationing plan? If so, I urge the Members to vote to recommit to restore the Gilman amendment.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to my colleague from New York.

Mr. WYDLER. Mr. Speaker, I just want to make it clear to all the Members of the House and make it clear to myself that what we are going to vote on now is the same amendment we voted on last week and which carried in the Committee of the Whole, the so-called Gilman amendment, which gives the House, as the gentleman has explained, the right to review these plans before they go on the shelf. Is that right?

Mr. GILMAN. That is precisely the situation. I thank the gentleman for underscoring the status of this measure.

Mr. WYDLER. In other words, the Members are already on record on this amendment last week. They were on record on this amendment, and it did pass the Committee of the Whole at that time. It was subsequent to that that the President called the Congress timid. Now, we are going to have a chance to find out if the Members are going to stick to their original vote or change under pressure.

Mr. GILMAN. The gentleman from New York has correctly summed up the legislation.

Mr. HAGEDORN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Is this the same amendment that so many of our Democratic friends were confused about and did not understand what they were voting on, as we read in the paper last week?

Mr. GILMAN. I do not understand where the alleged confusion was supposed to exist. I did not hear any confusion on our side of the aisle.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I will be brief. I cannot understand what is the objection to this amendment. If we are going to vote on the bill, surely we do not want to vote under the gun of an emergency, with an up or down vote. It is a form of blackmail. We will be placed in a situation where we are not able to improve that plan, but are going to have to take anyway, because there is an emergency.

Surely, if we are going to vote at all, we ought to vote when the plan is being formed; not, as we have heard from our distinguished colleague from California, Mr. DANIELSON, that these debates are our finest hours, but this is the democratic process. This is the way our republic functions. I urge very much that we adopt this amendment.

Mr. GILMAN. I thank the gentlewoman for her kind contribution.

Mr. WRIGHT. Mr. Speaker, I rise in opposition to the motion to recommit.

This motion to recommit would do away with the amendment which this House adopted yesterday by a 45-vote margin. That action fully assures to the House every right of review. We already have given to the Congress an effective opportunity to approve or disapprove the President's plan.

The recommittal motion would superimpose upon that a proliferation of congressional reviews. It would require the Congress to review a plan twice. The first review probably would have to be made many months, maybe even years, in advance of its need or proposed implementation. It would subject the Congress to the worst kinds of parochial pressures, interest groups vying one with another, each pulling and tugging at us, to influence a plan that would give them the greatest advantage.

It would put us in the unenviable position of having to adjudge petty differences, region against region, State against State, city against farm. It would be an untenable position, the same one we demonstrated ourselves incapable of discharging affirmatively earlier this year.

□ 1840

That is the very position from which we wisely extricated ourselves when we adopted the Wright amendment yesterday. The Wright amendment and the bill itself grant to the Congress the full right to approve or disapprove the plan at the time the plan would go into effect. We could compare the plan and its appropriateness with the emergency that it would be designed to correct. That surely is what the Congress needs. Surely we do not need additional opportunities to frustrate the President. Surely we do not need to require him to set in concrete some plan that may not work against some future emergency that he cannot foresee, and then require him to abide by that plan as though he or we possessed clairvoyance.

Additionally, we must oppose the motion to recommit because it does away with the guarantees we wrote into this bill yesterday for the protection of the handicapped, to make sure that the Presidential plan would contain some provision to care for the special needs for transportation of handicapped Americans.

We provided further—and this recommittal motion would do away with that provision also—that the plan must contain arrangements that those in rural and suburban and small town areas who have no access whatever to any public transportation facilities would not be unduly disadvantaged.

These are the decisions that would be vitiated by the motion to recommit. These are things that this House in its wisdom has decided it wants in the bill. These are provisions which I feel sure our Members want to keep in the bill.

Once again, as we have done throughout this debate, we face yet another effort to weaken the bill, to place impossible conditions between us and the implementation of any effective plan.

We hope no plan will ever have to be implemented. We protect the right of the Congress at the time any implementation would be proposed to have full congressional review. That is what we need. That is all we need. We do not need any other impediments, any other obstructions, and that is exactly what this recommital motion would impose—one additional, needless, troublesome, mischievous obstruction that might make it impossible for us ever in a time of real emergency to have a plan to put into effect.

For all of those reasons I know that my colleagues will join me in rejecting the motion to recommit.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. GILMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 177, nays 246, not voting 11, as follows:

[Roll No. 423]

YEAS—177

Abdnor
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bedell
Bereuter
Bethune
Bresaux
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Fountain
Frenzel
Gilman
Gingrich
Goldwater
Gonzalez
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hammer-schmidt
Hansen
Harsha
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lundine
Lungren
McClory
McDade
McDonald
McEwen
McKay
Madigan
Marriott
Martin
Michel
Miller, Ohio
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
O'Brien
Pashayan
Paul
Perkins
Petri
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Mont.
Wilson, Bob
Winn
Wyatt
Wydler
Young, Alaska
Young, Fla.

NAYS—246

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Chisholm
Clay
Coelho
Corman
Cotter
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goodling
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holtzman
Howard
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Lowry
McCloskey
McCormack
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Solars
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—11

Boling
Conyers
Diggs
Flood
Forsythe
Holland
Luken
Marlenee
Treen
Williams, Ohio
Wylie

□ 1900

The Clerk announced the following pairs:

On this vote:

Mr. Wylie for, with Mr. Diggs against.

Until further notice:

Mr. Luken with Mr. Marlenee.

Mr. Holland with Mr. Conyers.

Mr. FOWLER changed his vote from "yea" to "nay."

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MOFFETT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 263, nays 159, not voting 12, as follows:

[Roll No. 424]

YEAS—263

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
AuCoin
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Coleman
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Howard
Hughes
Hutto
Ireland
Jeffords
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Lowry
Luken
McCloskey
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Minete
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Snowe
Solars
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—159

Abdnor
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Aspin
Badham
Bafalis
Bailey
Bauman
Bereuter
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Burton, John
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Collins, Tex.
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Ind.
Findley
Fish
Frenzel
Gaydos
Gilman
Gingrich
Goldwater
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hyde
Ichord
Jacobs
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lundine
Lungren
McClory
McDonald
McEwen
McKay
Madigan
Marriott
Martin
Mattox
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
O'Brien
Panetta
Pashayan
Paul
Perkins
Quayle
Railsback
Regula
Rhodes
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Whitehurst
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wydler
Young, Alaska
Young, Fla.

NOT VOTING—12

Atkinson
Boling
Conyers
Diggs
Drinan
Flood
Forsythe
Holland
Johnson, Calif.
Marlenee
Treen
Wylie

□ 1910

The Clerk announced the following pairs:

On this vote:

Mr. Diggs for, with Mr. Marlenee against.

Until further notice:

Mr. Johnson of California with Mr. Wylie.

Mr. Atkinson with Mr. Conyers.

Mr. Drinan with Mr. Holland.

So the Senate bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "An Act to establish an emergency program for the conservation of energy and to provide for a standby rationing plan for motor fuel.".

A motion to reconsider was laid on the table.

REQUEST TO AUTHORIZE CLERK, IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 1030, TO MAKE CERTAIN CORRECTIONS AND TECHNICAL AND CONFORMING CHANGES, INCLUDING A CHANGE IN THE NEW SECTION 7(a)(3)

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that, in the engrossment of the House amendments to the Senate bill, S. 1030, the Clerk be authorized to correct section numbers, punctuation, and cross-references, and to make such other technical and conforming changes only as may be necessary to reflect the actions of the House in amending S. 1030, including the striking out of the word "twenty," in the new section 7(a)(3) and inserting in lieu thereof "ten," because that inadvertently failed to appear in the amendment as offered.

The SPEAKER. Is there objection to request of the gentleman from Michigan?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, if the gentleman would be willing to drop the last portion—because he is changing the substance, as he knows—I would not object. Otherwise I will be constrained to object.

Mr. DINGELL. Mr. Speaker, will the gentleman yield under his reservation?

Mr. ROUSSELOT. Yes; I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I have already discussed this with the gentleman from Maryland (Mr. BAUMAN), and he has no objection.

Mr. ROUSSELOT. Yes; but some of us remember what it said. It said, "twenty days." We think that is a sufficient time, and, therefore, I would be constrained to object.

Mr. DINGELL. Mr. Speaker, if the gentleman will permit me to proceed, we have an agreement with the gentleman from Maryland.

Mr. ROUSSELOT. Mr. Speaker, I am just saying what the rest of us voted on in the substitute bill.

Mr. DINGELL. Mr. Speaker, the gentleman may very well cause other problems with respect to the matter being discussed, and if the gentleman will permit, it may amount to dropping the whole amendment.

Mr. ROUSSELOT. I never want to cause little problems—only major problems.

Mr. Speaker, would the gentleman be willing to drop the last portion of his request, whatever it is, including the "twenty," and so forth? If he would just stop amending the Senate bill, S. 1030, I think that is adequate.

Mr. DINGELL. Mr. Speaker, I do not know why I should. I have an agreement with the gentleman from Maryland (Mr. BAUMAN). I would assume that the gentleman from California has as much respect for the gentleman from Maryland as I do.

Mr. ROUSSELOT. Mr. Speaker, the bill was voted on, and it said, "twenty days," and I think we ought to stick with it.

Mr. DINGELL. But it was not 20 days.

Mr. ROUSSELOT. It is 20 days. It says so right here. It says in the amendment "twenty days."

Mr. DINGELL. The problem is that in reproducing the amendment it said "ten," and the Clerk did not pick that up.

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

AUTHORIZING CLERK, IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 1030, TO MAKE CERTAIN CORRECTIONS AND TECHNICAL AND CONFORMING CHANGES

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that, in the engrossment of the House amendments to the Senate bill, S. 1030, the Clerk be authorized to correct section numbers, punctuation, and cross-references, and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending S. 1030.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed, S. 1030.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERSONAL EXPLANATION

Mr. ATKINSON. Mr. Speaker, due to an important constituent commitment, I was unavoidably absent on rollcall No. 424, final passage of the bill S. 1030, Emergency Energy Conservation Act of 1979. I am opposed to the bill and would have voted "no" on final passage.

APPOINTMENT OF CONFEREES ON S. 1030, EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DINGELL. Mr. Speaker, I move to take from the Speaker's table the Senate bill just passed (S. 1030) to establish an emergency program for the conservation of energy and to provide for a standby rationing plan for motor fuel, with House amendments thereto, insist upon the House amendments, and request a conference with the Senate thereon.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. STAGGERS, DINGELL, OTTINGER, SHARP, MOFFETT, BROYHILL, and BROWN of Ohio.

PERMISSION TO HAVE UNTIL MIDNIGHT TOMORROW, THURSDAY, AUGUST 2, 1979, TO FILE CONFERENCE REPORT ON H.R. 4394, HOUSING AND URBAN DEVELOPMENT-INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tomorrow to file a conference report on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MAKING IN ORDER ON TOMORROW CONSIDERATION OF CONFERENCE REPORT ON H.R. 4392, STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. SLACK. Mr. Speaker, I ask unanimous consent that it may be in order on tomorrow to consider the conference report on the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION FOR COMMITTEE ON SMALL BUSINESS TO HAVE UNTIL SEPTEMBER 10, 1979, TO FILE REPORT ON H.R. 4660, SMALL BUSINESS ACT AMENDMENTS

Mr. IRELAND. Mr. Speaker, I ask unanimous consent that the Committee on Small Business may have until September 10, 1979, to file a report on the bill (H.R. 4660) to amend the Small Business Act and an act to amend the Small Business Act (Public Law 94-305, 90 Stat. 668) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements.

The SPEAKER. Is there objection to

the request of the gentleman from Florida?

There was no objection.

HIGHER EDUCATION TECHNICAL AMENDMENTS OF 1979

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4476) to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 5, line 1, strike out all after "subsection)," down to and including "(A)," in line 20 and insert "except with respect to eligible loans held during the third quarter of the calendar year 1979, holders of such loans shall be entitled to a special allowance payment increased by the difference between (A) the special allowance determined with respect to such loans for such quarter under section 438(b)(2) prior to the amendments made by paragraph (1) of this subsection, and (B) the amount which would be determined with respect to such loans for such quarter under section 438 (b)(2) as amended.".

Mr. FORD of Michigan. Mr. Speaker, H.R. 4476 is the Higher Education Technical Amendments of 1979. It was adopted by voice vote by the House under suspension yesterday. It was also adopted by voice vote in the Senate yesterday.

The bill responds to two emergency situations that require action to be taken before the August recess in order to assure that students will receive guaranteed student loans and the basic grants, to which they are entitled, this fall. The bill also includes other technical amendments to the Higher Education Act as well as a 1-year extension of the higher education programs which expire at the end of fiscal year 1980, to assure that funding for these programs will be considered in the regular appropriations process while action is being completed on the major reauthorization bill.

The amendment adopted in the Senate makes the removal of the 5-percent cap on the special allowance in the guaranteed student loan program effective beginning with the current third quarter of 1979 rather than the second quarter of this year. I am delighted that this amendment specifically responds to the concerns expressed yesterday by the distinguished minority whip, the gentleman from Illinois (Mr. MICHEL). I have no objection to the Senate amendment. It will save the taxpayers approximately $30 million, and it will not significantly diminish the effectiveness of the bill in providing adequate incentives to lenders to make student loans.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

A motion to reconsider was laid on the table.

□ 1920

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from Michigan.

There was no objection.

ELECTRONIC VOTING SYSTEM

(Mr. THOMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. THOMPSON. Mr. Speaker, at your direction the House Administration Committee Staff has begun a technical examination of rollcall votes in the House last Monday to try to find out why certain votes were recorded in the electronic voting system attributed to the card assigned to our colleague from Illinois (Mr. MURPHY).

At the outset, Mr. Speaker, it should be pointed out that the electronic voting system has been remarkably accurate. For example, the last major equipment malfunction that necessitated the use of tedious calling of all Members names for recording a yea-and-nay vote took place in March 1978. Of course, the system is designed to be as foolproof as possible, having a backup Control Data Corp. (CDC) 1700 computer to take over operation if the other identical computer should fail. But neither man nor machine is always 100 percent perfect.

Our technical examination will include a study of the many complex combinations of possible explanations, including such questions as voting card and voting station viability, software integrity, and other possible machine malfunctions in the system.

As part of this examination, it would be helpful to the committee if any Members who may have noticed problems in the use of their voting cards last Monday, July 30, would advise us as soon as possible. Individual Members may recall if they had any difficulties in recording their votes on any of the sequence of votes that took place that day. We will appreciate your cooperation.

APPOINTMENT OF ADDITIONAL CONFEREE ON S. 1030, EMERGENCY ENERGY CONSERVATION ACT OF 1979

The SPEAKER. The Chair appoints the gentleman from Michigan (Mr. STOCKMAN) as an additional conferee on the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

REMOVAL OF NAME AS COSPONSOR OF H.R. 4360

Mr. AUCOIN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 4360.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. THOMAS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. WRIGHT). The gentleman will state his parliamentary inquiry.

Mr. THOMAS. Mr. Speaker, perhaps it is not a parliamentary inquiry, perhaps it is a question.

Mr. Speaker, at the end of yesterday's session, the gentleman from Illinois indicated that he would ask that the matter be referred to the Committee on Standards of Official Conduct. This morning, in my parliamentary inquiry to the Chair, he indicated that both the Committee on House Administration and the Committee on Standards of Official Conduct would be involved in this matter. My question is: What would the relationship be between the Committee on House Administration and the Committee on Standards of Official Conduct in investigating this problem?

The SPEAKER pro tempore. The Chair will advise the gentleman that he regrets that he cannot respond with precise knowledge. The gentleman's inquiry is not a proper parliamentary inquiry. Both committees named by the gentleman are committees of the House duly constituted with jurisdiction over matters assigned to them, and the Chair would observe that each of the committees may have a proper claim to jurisdiction and inquiry in the matter that the gentleman makes reference to.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. Mr. Speaker, I was asking for the gentleman from New Jersey (Mr. THOMPSON) to yield to me, I was not recognized and the gentleman walked away. I wanted to direct a question to the chairman of the Committee on House Administration.

The SPEAKER pro tempore. Does the gentleman from California desire to ask a further inquiry?

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

This was no objection.

ELECTRONIC VOTING SYSTEM

(Mr. THOMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, I would ask the distinguished gentleman from New Jersey (Mr. THOMPSON), the chairman of the Committee on House

Administration, what his view is in the relationship between the Committee on House Adminstration and the Committee on Standards of Official Conduct in the pursuit of this matter.

Mr. THOMPSON. Mr. Speaker, in the first place, there is no conflict whatsoever. Before the Committee on Standards of Official Conduct could take any action of any sort they would have to have some data. There is some question arising, as I explained, out of a highly technical computerized voting system. When that analysis is complete, if and when there are any irregularities of any sort, then the time would come for them properly to be referred to the Committee on Standards of Official Conduct. That is the situation. We are proceeding with dispatch. I have discussed the matter with the distinguished gentleman from Florida (Mr. BENNETT), the chairman of the Committee on Standards of Official Conduct, and he agrees with the procedure.

Mr. THOMAS. My understanding, then, is that the Committee on House Administration would examine the mechanical aspects of the electronic voting apparatus and, once that information is compiled, it would then be transmitted to the Committee on Standards of Official Conduct?

Mr. THOMPSON. If there is any indication of an ethical violation or any question of it, the answer is yes.

Mr. THOMAS. So the decision of an ethical violation will be made by the Committee on House Administration and not the Committee on Standards of Official Conduct?

Mr. THOMPSON. If there is what we call in the law reasonable or probable cause, it will be referred promptly.

Mr. THOMAS. Might I respectfully request, as a member of the Ethics Committee, that, once the Committee on House Administration compiles the mechanical information surrounding the voting procedure, that that information be transmitted, regardless of the decision of the Committee on House Administration, to the Ethics Committee?

Mr. THOMPSON. Once that is done, we will certainly give that serious consideration. I will have to take it before the committee, of course.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, I would just like to make the record clear.

At this point the gentleman from Illinois (Mr. MURPHY) has insisted that he did nothing wrong. He was aware he was not present. Until somebody makes an allegation of wrongdoing I would assume that there is nothing for the Ethics Committee to get involved in. Obviously, if there is an allegation of wrongdoing, then we would want the Committee on Standards of Official Conduct or the Ethics Committee to look into it. But at this point, for all we know, it may have been a mechanical malfunction, and I am sure the Ethics Committee is not interested in mechanical malfunctions.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. THOMAS) has expired.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires, and I know that the membership desires, that we proceed with some orderly dispatch to address the legislative matters that still must be addressed before our adjournment this evening.

The Chair is going to be reasonably indulgent in recognizing Members to talk on extraneous matters, but it is the desire of the Chair, and I believe it reflects the desire of the membership, that we proceed with our legislative program.

CONFERENCE REPORT ON H.R. 4388, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

Mr. BEVILL. Mr. Speaker, I call up the conference report on the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceeding of the House of July 25, 1979.)

The SPEAKER pro tempore. The gentleman from Alabama (Mr. BEVILL) will be recognized for 30 minutes, and the gentleman from Indiana (Mr. MYERS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 4388, as well as the Senate amendments reported in disagreement, and that I may include extraneous material and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BEVILL. Mr. Speaker, the conference report on the 1980 energy and water development appropriation bill is a good report. I am pleased to recommend it to you today for your favorable consideration. Our colleagues will recall that the debate on this bill occurred in the House on June 14, 15, and 18. Mr. Speaker, you will recall that the House passed this bill by a substantial margin: 359 to 29.

Mr. Speaker, we held our conference committee meeting last Tuesday and the report was filed on Wednesday. I can report to you today of our continuing friendship with the members of the other body, particularly the Senator from Louisiana, Mr. JOHNSTON, the chairman of the conference committee, and the Senator from Oregon, Mr. HATFIELD, the senior minority member. I also want to thank the House conferees for their support and for their valuable participation during the conference deliberations.

Let me now turn to the various aspects of the conference agreement.

SUMMARY OF THE CONFERENCE REPORT

Mr. Speaker, the bill passed by the House contained $10,685,930,000 in new budget (obligational) authority in four titles. Title V of the House-passed bill contained a general provision. Title V of the Senate-passed bill contains an appropriation of $57,480,700 to continue construction of the new Hart Senate Office Building. As my colleagues know, this item should be contained in the legislative branch appropriation bill and we expressed this sentiment to the Senate conferees. The conferees from the other body pointed out that additional funding was needed as soon as possible in order to assure continuity of construction activities because the delay is costing an added $700,000 each month. Mr. Speaker, this is a controversial item and I will, at the appropriate time, offer a motion to recede and concur in this amendment. Since this amendment is outside the conference report, my discussion of various funding aspects of the conference agreement will not include the proposed funding for the Hart Building at this point.

For the various agencies and programs under the jurisdiction of the Energy and Water Development Subcommittee, the committee of conference recommends $10,798,995,000 in new budget authority. This amount is $195,497,000 below the President's budget. The conference agreement is $417,107,100 more than 1979 appropriations to date, $113,065,000 more than the House-passed bill but $30,020,000 less than the Senate-passed bill.

The conference agreement will provide $6,488,874,000 to the Department of Energy for various research programs and other activities, including $3,061,828,000 for various energy supply research and development programs; $471,900,000 is for general science and research activities; and $2,959,396,000 is for atomic energy defense activities. In the energy accounts, the bill includes a total of $620,879,000 for solar energy development and applications compared to $515,834,000 in

fiscal year 1979. The bill also includes $149,202,000 for geothermal energy; $18,324,000 for small-scale hydroelectric; $569,919,000 for the breeder reactors program; and $355,405,000 for fusion energy.

During House consideration of the bill, an amendment increasing the appropriation for the Department of Energy's Office of Inspector General was adopted. The Senate went further and earmarked $6,165,000 exclusively for the Inspector General. This amendment was accepted by the House conferees. Mr. Speaker, substantially all of the House committee's recommendations and the actions that were taken on the floor amendments to title I were sustained in the conference. The conference agreement for the Department of Energy is $91,800,000 more than the House-passed bill and $49,670,000 less than the Senate bill.

Mr. Speaker, the conference agreement contains $2,795,926,000 in title II for the Army Corps of Engineers. This is $25,120,000 more than the bill as passed by the House and $1,350,000 more than the Senate-passed bill. These funds will finance 25 new and 251 continuing studies, 11 new and 67 continuing planning items and 19 new and 227 continuing construction projects. This agreement provides for two additional construction projects than was contained in the House-passed bill.

For title III, the Bureau of Reclamation, the conferees recommend a total of $607,341,000 which is $8,287,000 less than the House-passed bill and $9,788,000 more than the Senate-passed bill. This will finance 12 new and 63 continuing studies, 7 continuing planning items and 7 new and 93 continuing construction projects.

In my view, the conference agreement provides for a financially prudent and environmentally sound water resources development program.

Mr. Speaker, the conference agreement includes $906,854,000 for seven independent agencies and commissions in title IV, including $359,490,000 forth the Appalachian regional development program, $363,340,000 for the Nuclear Regulatory Commission, $148,677,000 for the Tennessee Valley Authority and $34,614,000 for the Water Resources Council. I will insert a table in the RECORD at this point which summarizes the financial aspects of the conference agreement.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

[Fiscal years]

	New budget authority					Conference compared with—			
	Enacted 1979	Estimates 1980	House, 1980	Senate, 1980	Conference, 1980	1979 enacted	1980 estimate	House bill	Senate bill
TITLE I—DEPARTMENT OF ENERGY									
OPERATING EXPENSES									
Energy supply, research and development activities	$2,044,140,000	$2,140,540,000	$2,050,623,000	$2,053,823,000	$2,048,523,000	+$4,383,000	−$92,017,000	−$2,100,000	−$5,300,000
Uranium supply and enrichment activities	52,316,000	45,790,000	60,523,000	64,523,000	60,523,000	+8,207,000	+14,733,000		−4,000,000
General science and research activities	308,931,000	336,900,000	334,050,000	336,900,000	336,900,000	+27,969,000		+2,850,000	
Atomic energy defense activities	2,193,152,000	2,392,055,000	2,350,547,000	2,388,147,000	2,371,147,000	+177,995,000	−20,908,000	+20,600,000	−17,000,000
Departmental administration	198,746,000	263,872,000	237,329,000	228,029,000	228,279,000	+29,533,000	−35,593,000	−9,050,000	+250,000
PLANT AND CAPITAL EQUIPMENT									
Energy supply, research and development activities	452,300,000	483,578,000	413,878,000	444,478,000	448,478,000	−3,831,000	−35,100,000	+34,600,000	+4,000,000
Uranium supply and enrichment activities	54,800,000	8,800,000	4,000,000	4,000,000	4,000,000	−50,809,000	−4,800,000		
General science and research activities	121,700,000	136,500,000	135,000,000	135,000,000	135,000,000	+13,300,000	−1,500,000		
Atomic energy defense activities	482,158,000	668,924,000	546,249,000	618,249,000	588,249,000	+106,091,000	−80,675,000	+42,000,000	−30,000,000
Departmental administration	29,260,000	51,215,000	31,015,000	40,515,000	36,015,000	+6,755,000	−15,200,000	+5,000,000	−4,500,000
POWER MARKETING ADMINISTRATIONS									
Operation and maintenance, Alaska Power Administration	2,614,000	2,660,000	2,660,000	2,660,000	2,660,000	+46,000			
Operation and maintenance, Southeastern Power Administration	1,421,000	1,400,000	1,400,000	1,400,000	1,400,000	−21,000			
Operation and maintenance, Southwestern Power Administration	35,909,000	32,180,000	32,180,000	32,180,000	32,180,000	−3,729,000			
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	103,252,000	122,800,000	124,900,000	122,800,000	122,800,000	+19,548,000		−2,100,000	
Colorado River Basins Power Marketing Fund, Western Area Power Administration	2,286,000	5,152,000	5,152,000	5,152,000	5,152,000	+2,866,000			
Emergency Fund, Western Area Power Administration	200,000	200,000	200,000	200,000	200,000				
Federal Energy Regulatory Commission	54,000,000	73,937,000	67,187,000	67,187,000	67,187,000	+13,187,000	−6,750,000		
Spent fuel storage fund, energy supply research and development (authority to borrow)		(300,000,000)					(−300,000,000)		
Geothermal resources development fund	181,000	6,181,000	181,000	181,000	181,000		−6,000,000		
Special foreign currency program	2,000,000					−2,000,000			
Sec. 105—General reduction				−6,880,000					+6,880,000
Total, title I, new budget (obligational) authority, Department of Energy	6,139,384,000	6,772,684,000	6,397,674,000	6,538,544,000	6,488,874,000	+349,490,000	−283,810,000	+91,200,000	−49,670,000
TITLE II—DEPARTMENT OF DEFENSE—CIVIL									
DEPARTMENT OF THE ARMY CORPS OF ENGINEERS—CIVIL									
General investigations	137,978,000	133,166,000	142,296,000	140,795,000	142,145,000	+4,167,000	+8,979,000	−151,000	+1,350,000
Construction, general	1,353,711,000	1,774,694,000	1,440,481,000	1,467,566,000	1,467,566,000	+113,855,000	−307,128,000	+27,085,000	
Less amount not allowed for full funding		−354,943,000					+354,943,000		
Net, construction, general	1,353,711,000	1,419,751,000	1,440,481,000	1,467,566,000	1,467,566,000	+113,855,000	+47,815,000	+27,085,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[Fiscal years]

	New budget authority					Conference compared with—			
	Enacted 1979	Estimates 1980	House, 1980	Senate, 1980	Conference, 1980	1979 enacted	1980 estimate	House bill	Senate bill
TITLE II—DEPARTMENT OF DEFENSE—CIVIL—Continued									
DEPARTMENT OF THE ARMY CORPS OF ENGINEERS—CIVIL—Continued									
Flood control, Mississippi River and tributaries	$223,035,000	$193,140,000	$210,515,000	$210,515,000	$210,515,000	−$12,520,000	+$17,375,000		
Less amount not allowed for full funding		−2,415,000					+2,415,000		
Net, flood control, Mississippi River and tributaries	223,035,000	190,725,000	210,515,000	210,515,000	210,515,000	−12,520,000	+19,790,000		
Operation and maintenance, general	833,100,000	825,500,000	850,314,000	848,500,000	848,500,000	+15,400,000	+23,000,000	−$1,814,000	
Revolving fund	46,000,000	50,000,000	50,000,000	50,000,000	50,000,000	+4,000,000			
Flood control and coastal emergencies	126,000,000					−126,000,000			
General expenses	68,900,000	73,200,000	73,200,000	73,200,000	73,200,000	+4,300,000			
Special recreation use fees	3,300,000	4,000,000	4,000,000	4,000,000	4,000,000	+700,000			
Net total, title II, new budget (obligational) authority, Department of Defense—Civil	2,792,024,000	2,696,942,000	2,770,806,000	2,794,576,000	2,795,926,000	+3,902,000	+99,584,000	+25,120,000	+$1,350,000
TITLE III—DEPARTMENT OF THE INTERIOR									
BUREAU OF RECLAMATION									
General investigations	30,870,000	34,320,000	36,905,000	34,176,000	34,451,000	+3,581,000	+131,000	−2,454,000	+275,000
Construction and rehabilitation	221,572,000	313,153,000	215,453,000	205,953,000	213,053,000	−8,519,000	−100,100,000	−2,400,000	+7,100,000
Less amount not allowed for full funding		−106,400,000					+106,400,000		
Net, construction and rehabilitation	221,572,000	206,753,000	215,453,000	205,953,000	213,053,000	−8,519,000	+6,300,000	−2,400,000	+7,100,000
Upper Colorado River storage project	87,399,000	69,303,000	73,203,000	73,203,000	73,203,000	−14,196,000	+3,900,000		
Colorado River basin project	74,770,000	89,217,000	94,217,000	94,217,000	94,217,000	+19,447,000	+5,000,000		
Colorado River basin salinity control projects	17,315,000	38,194,000	38,194,000	32,348,000	34,761,000	+17,446,000	−3,433,000	−3,433,000	+2,413,000
Operation and maintenance	88,736,000	100,653,000	100,653,000	100,653,000	100,653,000	+11,917,000			
Loan program	36,366,000	76,221,000	29,603,000	29,603,000	29,603,000	−6,763,000	−46,618,000		
Less amount not allowed for full funding		−41,334,000					+41,334,000		
Net, loan program	36,366,000	34,887,000	29,603,000	29,603,000	29,603,000	−6,763,000	−5,284,000		
Emergency fund		1,000,000					−1,000,000		
General administrative expenses	26,010,000	27,400,000	27,400,000	27,400,000	27,400,000	+1,390,000			
Net total, title III, new budget (obligational) authority, Department of the Interior	583,038,000	601,727,000	615,628,000	597,553,000	607,341,000	+24,303,000	+5,614,000	−8,287,000	+9,788,000
TITLE IV—INDEPENDENT AGENCIES									
Appalachian Regional Commission: Salaries and expenses	2,200,000	2,990,000	2,990,000	2,990,000	2,990,000	+770,000			
Appalachian regional development programs (funds appropriated to the President)	368,700,000	358,600,000	356,500,000	358,600,000	356,500,000	−12,200,000	−2,100,000		−2,100,000
Delaware River Basin Commission: Salaries and expenses	104,000	107,000	107,000	107,000	107,000	+3,000			
Contribution to Delaware River Basin Commission	245,000	257,000	383,000	257,000	257,000	+12,000		−126,000	
Total, Delaware River Basin Commission	349,000	364,000	490,000	364,000	364,000	+15,000		−126,000	
Interstate Commission on the Potomac River Basin: Contribution to Interstate Commission on the Potomac River Basin	55,000	55,000	55,000	55,000	55,000				
Nuclear Regulatory Commission: Salaries and Expenses	326,601,000	373,300,000	358,340,000	363,340,000	363,340,000	+36,739,000	−9,960,000	+5,000,000	
Susquehanna River Basin Commission: Salaries and expenses	104,000	104,000	104,000	104,000	104,000				
Contribution to Susquehanna River Basin Commission	200,000	210,000	210,000	210,000	210,000	+10,000			
Total, Susquehanna River Basin Commission	304,000	314,000	314,000	314,000	314,000	+10,000			
Tennessee Valley Authority: Payment to Tennessee Valley Authority fund	154,531,000	121,872,000	146,177,000	148,677,000	148,677,000	−5,854,000	+26,805,000	+2,500,000	
Water Resources Council: Water resources planning	14,681,900	66,244,000	37,556,000	24,002,000	34,614,000	+19,932,100	−31,630,000	−2,942,000	+10,612,000
Total, title IV, new budget (obligational) authority, independent agencies	867,441,900	923,739,000	902,422,000	898,342,000	906,854,000	+39,412,100	−16,885,000	+4,432,000	+8,512,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[Fiscal years]

	New budget authority					Conference compared with—			
	Enacted 1979	Estimates 1980	House, 1980	Senate, 1980	Conference, 1980	1979 enacted	1980 estimate	House bill	Senate bill
TITLE V—GENERAL PROVISIONS									
Sec. 502—Construction of an extension to the New Senate Office Bldg		$57,480,700		$57,480,700	$57,480,700	+$57,480,700		+$57,480,700	
RECAPITULATION									
All titles:									
Total, new budget (obligational) authority	$10,381,887,900	11,557,064,700	$16,685,930,000	10,886,495,700	10,856,475,700	+474,587,800	−$700,589,000	+170,545,700	−$30,020,000
Less amount not allowed for full funding		−505,092,000					+505,092,000		
Net total, new budget (obligational) authority	10,381,887,900	11,051,972,700	13,685,930,000	10,886,495,700	10,856,475,700	+474,587,800	−195,497,000	+170,545,700	−30,020,000
Titles I, II, III, and IV:									
Total, new budget (obligational) authority	10,381,887,900	11,499,594,600	10,685,930,000	10,829,015,000	10,798,995,000	+417,107,100	−700,589,000	+113,065,000	−30,020,000
Less amount not allowed for full funding		−505,092,000					+505,092,000		
Net total, new budget (obligational) authority	10,381,887,900	10,994,492,000	10,685,930,000	10,829,015,000	10,798,995,000	+417,107,100	−195,497,000	+113,065,000	−30,020,000

HART SENATE OFFICE BUILDING

Mr. Speaker, let me now turn to the first of the two most discussed issues in the conference—the amendment by the Senate adding $57,480,700 for continued construction of the Hart Senate Office Building. Basically, the controversy over the Hart Senate Building and the Tellico Dam and Reservoir involves proposals or actions that would have the Congress again decide the fate of something that they have already decided. These two projects are not proposals; they have both been underway for years. Whatever the original merits may or may not have been, previous Congresses considered and then decided to finance these projects. What we in this body must do is face the reality that construction of the Hart Building is substantially under way. We have four alternatives:

First. Complete the building as originally planned;

Second. Complete the building with the substantial cost-saving modifications recently proposed by the Senate Office Building Commission;

Third. Terminate further construction activities and tear down the existing structure; and

Fourth. Terminate further construction and "seal up" the existing structure.

Mr. Speaker, we are told that to stop now, settle with the contractors and tear down the existing structure would cost $100,000,000. If the existing structure was left standing, settlement with the constructors would cost $58,000,000. In my view, either of these actions would be unacceptable. The latest estimate of total costs to complete the building and furnish it as designed is $174,550,000. The Senate Office Building Commission, chaired by my friend, the Senator from Louisana (Mr. JOHNSTON), has closely reviewed the project and has cut nearly $32 million in frills so as to reduce the total estimated cost to $142,627,700. Amendment No. 37, before you today, would establish this amount as the new cost ceiling for the building.

Mr. Speaker, we should move forward with the building now. Each month of delay adds an estimated $700,000 in costs to complete the building. We have reviewed the justification for the building, the need for additional space and believe that the amendment should be agreed to. Many of Senate staff are located in buildings that should be considered unsafe. Those structures that are being used are woefully inadequate in my judgment. We have been assured that the new building will accommodate only existing personnel and will not be used as a way to increase the number of Senate staff people.

I hope that we might move to restore the comity between ourselves and the other body that our earlier action on this issue has damaged. The Senate has, in my judgment, offered us a very sound and reasonable compromise. The House should recede from its disagreement to the Senate and concur in Amendment No. 37.

TELLICO DAM AND RESERVOIR

Mr. Speaker, the Tellico Dam and Reservoir project is 98 percent complete. Over $110,000,000 has been spent on this project and despite the continued support of the Congress for this important project, the Supreme Court said last year that unless the language of Amendment No. 30 is enacted, this project cannot be completed. Congress has already considered the merits of the Tellico Dam. Last October, the House of Representatives voted 231 to 157 to exempt Tellico from the Endangered Species Act.

It is foolish to talk about this issue as if the dam and the other structures do not exist. The work has been completed. This project will supply 20,000 homes with valuable electrical energy. The question is whether we are going to complete and use the project as designed so as to confer the valuable project benefits on the people of Tennessee or do we, in the words of Supreme Court Justice Powell:

> . . . wish to defend an interpretation of the [Endangered Species] Act that requires the waste of at least $53 million . . . and denies the people of the Tennessee valley area the benefits of the reservoir that Congress intended to confer.

Mr. Speaker, I have and intend to continue to support the principles of the Endangered Species Act. But I cannot and will not support a determination that requires a waste of taxpayers' money. It is well known that a small minority have sought to use the provisions of the Endangered Species Act to stop the Tellico project. I have not heard one word of opposition from the Members of the Tennessee delegation on this issue. They have been elected by the citizens of Tennessee to represent the public interest, and, as I understand it, they all support the project. At the appropriate time, I will offer a motion to insist on the House position on Amendment No. 30 to retain the Tellico language in the bill.

Mr. Speaker, there was one typographical error in the slip copy of the conference report (H. Rept. 96–388). On page 78, the last sentence of the fourth paragraph should read:

> The conferees hereby refer to Federal Government control over releases of water from Federal projects and do not intend to imply any change in the historic right of a state to allocate its own water supplies.

There were also several typographical errors in the conference report printed in the RECORD. On page 20966, the conference allowance for the St. Louis Harbor, Mo., and Illinois project is $317,000; on page 20967, the conference allowance for the Puget Sound and adjacent waters, Washington project is $1,152,000; on page 20972 under Amendment No. 19, the first sentence should refer to "operation and maintenance, general"; on page 20973, the budget estimate and the conference allowance for the Farm Creek reservoirs, Illinois item is $80,000 and the budget estimate for the Baltimore Harbor and Channels, Md., is $3,470,000; on page 20976 under revolving fund, the sentence should make reference to the Committees on Appropriations and the general investigations allowance for the Upper Snake River water management study should be $110,000; on page 20977 under general investigations, the budget estimate for the Colorado River water quality improvement item should be $2,465,000 and the conference allowance for distributive charges for services facilities, unliquidated obligations should be −$54,000; on page 20978 under Colorado River Basin salinity control projects, the conference allowance for Grand Valley systems improvement and management unit should be $3,650,000 and for Paradox Valley unit, $3,163,000 and the heading "General provisions" should read "General Provision, Department of the Interior"; on page 20979 under Amendment No. 29, the reference should be to "payment to Tennessee Valley Authority Fund" and under the head "conference totals—with comparisons," the first sentence should make reference to 1980 instead of 1890.

Mr. Speaker, I urge the adoption of the conference report.

□ 1930

Mrs. SMITH of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Speaker, first I would like to tell the gentleman again how much we appreciate his outstanding leadership as chairman of this subcommittee.

Mr. Speaker, on page 78, on the third line from the bottom, am I correct in understanding that in the empty space, the word "not" should be inserted?

Mr. BEVILL. This is correct. This was a typographical omission. The word "not" was left out. That should be added.

Mrs. SMITH of Nebraska. Then the report should read:

> The conferees hereby refer to Federal Government control over releases of water from Federal projects and do not intend——

Mr. BEVILL. That is correct. The gentlewoman is correct.

Mr. COELHO. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from California.

Mr. COELHO. I thank the gentleman for yielding.

I congratulate the chairman on the good job on the conference report, but I would like to raise a couple of questions.

In regards to a proposed project that is partially studied in my district, we have an additional capability of $150,000 for fiscal year 1980 that would complete the study.

The Bureau of Reclamation has already invested $546,000 in 8 years. The Bureau also has dropped this proposed study for the Mid-Valley Canal and is working on a concluding report, because they presently feel there is not enough water for the project.

I feel it makes no sense not to complete the study, because there very well may be additional water supplies in the future.

As the chairman knows, there is possibly and probably an enlargement of Shasta Dam coming along that would provide the necessary water for this canal. The California Department of Water Resources' director, Ron Robie, has noted this in communication with the Bureau of Reclamation and urges completion of the study as do San Joaquin Valley east side farmers.

In addition, Senator CRANSTON of California and Senator JOHNSTON of Louisiana have gone on record agreeing that the feasibility study should not be dropped, and that the necessary $150,000 should be appropriated to complete the canal study.

My question is: Would the gentleman approve a reprograming if the Bureau asked for it?

Mr. BEVILL. Yes. The gentleman will have my support on that. I am familiar with this, and I can assure the gentleman he will have my support on it.

Mr. COELHO. I thank the gentleman.

My second question: If they do not ask for it, would the gentleman put the necessary funds in the next bill before his committee?

Mr. BEVILL. At the first opportunity I will recommend putting the funds in the bill.

Mr. COELHO. I thank the gentleman.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to my distinguished colleague, the gentleman from Indiana, who does an outstanding job on the subcommittee.

Mr. MYERS of Indiana. I thank my chairman for the kind remarks. The chairman has done an excellent job in presenting what is in this conference report.

It is important to note that the conference did recommend some increases, as the chairman has said, particularly in solar applications operating expenses, where we are $14,450,000 over the budget, and also on solar technology operating expenses, where we are $18,400,000 over the budget.

Some of the increase is in the photovoltaic program, an existing program, that the authorization committee has identified as being one of the areas where we possibly have an opportunity for a breakthrough in domestic energy production.

It is worth noting that the conference allowance was almost $32 million below the budget request for nuclear fission operating expenses. There are a number of other changes.

The chairman has indicated that under the rules of the House, two votes may occur on separate amendments. It is significant to note that the compromise worked out with the other body is less than a half billion dollars more than last year's bill. This means that we have not kept pace with the inflation rate. If we were to fund the programs at the same real dollar level as we did last year, this year's bill would have to be increased. We are not funding those energy and water development programs as strongly as we did last year when the figures are adjusted for inflation. The conference allowance is still $170 million over the House bill.

I think it is a good conference report. The report represents a true compromise, even though we were required to make some agreements with the other body that we were not enthusiastic to make.

At this time I yield 5 minutes to the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Speaker, I rise today to express my extreme disappointment with the inclusion of $710,000, in this energy and water appropriations measure, to study the Dickey-Lincoln hydroelectric project on the St. John River in Maine.

Last year, the House Appropriations Committee deleted the Army Corps of Engineer's request for funds for the further study of Dickey-Lincoln. The Senate, however, restored these funds and prevailed in conference. This year, the House Appropriations Committee again refused to fund Dickey-Lincoln, and once again, the Senate restored these funds and its will prevailed in conference.

I fully realize that many of you each year express surprise and bewilderment that Dickey-Lincoln continues to hold on. Let me assure you that—especially in view of the opposition of most of the New England congressional delegation, the opposition of three of the four Members of the Maine congressional delegation, and the opposition I believe of a majority of the people in my State—I too share your frustrations and concerns. An additional $710,000 for more study—on top of over $10 million which has already been spent—is nothing more than a waste of money and one of the better examples of what I call the "study syndrome" that besets Government when faced with a difficult decision or a politically volatile issue.

In my judgment—and in the judgment of my colleague from Maine, Mr. EMERY, and in the judgment of the junior Senator from Maine, Mr. COHEN—it is time to turn our attention away from Dickey-Lincoln and to focus instead on the more feasible and more sensible energy alternatives which exist in Maine and in the New England region.

In my estimation, the evidence is overwhelming that this project should be finally laid to rest. I fear that its continued survival stems principally from the distinct advantages that come to those with extended tenure and longevity as a Member of Congress rather than to the persuasiveness of the arguments they enunciate.

I believe that inclusion of these funds is especially unjustified in light of the House Public Works and Transportation Committee's recent vote of 24 to 17 to include deauthorization of this project in their omnibus water resources development bill. It should be very significant to my colleagues that the House Public Works Committee, which as we know, has the authority to authorize and deauthorize water works projects, has looked at Dickey-Lincoln objectively, and determined that it does not merit the committee's endorsement.

There are several reasons why this project should not be funded. From an environmental perspective, Dickey-Lincoln would flood 100,000 acres of Maine Timberland, and destroy 278 miles of free-flowing rivers and streams. From an economic perspective, this project is estimated to cost $1 billion with a benefit/

cost ratio computed by the corps to be 1.2 to 1 based on an unrealistic discount rate of 6⅞ percent. Dickey-Lincoln has the potential to replace 2.3 million barrels of oil annually which represents only one-half of 1 percent of the oil New England uses annually or enough fuel to meet the Nation's needs for only 6 hours. Given the irregular flow of water on the St. John River, this project would only function at its maximum capacity for 2 hours each day, supplying only 17 percent of the Northeast's peaking needs and only 25 percent of Maine's peaking needs. By the late 1980's, therefore, Dickey-Lincoln would generate only 5 percent of New England's electrical energy needs. Consequently, in my judgment, construction of this project, is hardly enough to warrant the environmental and economic costs that would be incurred.

I am speaking today, not to offer a blanket indictment of all waterworks projects, but, simply to call my colleagues' attention to the inclusion of a project with dubious merit. Although I am strongly opposed to the funding of Dickey-Lincoln, I will not act as an obstructionist to our legislative process. This appropriations measures provides funding for a number of deserving and worthwhile projects, including $860,000 for the Passamaquoddy tidal power project in my district.

I will not make a motion to recommit this bill, today; however, I have every intention to continue the battle to deauthorize this project. The time has come to terminate the endless and exhausting consideration of a project which has cost the American taxpayer over $10 million since 1966, and will cost the American taxpayer an additional $710,000 in fiscal year 1980.

□ 1940

Again, as I said, I will support this measure but certainly very hesitantly. There are several projects that are being funded in my district, and though I am very pleased with the action taken by the Public Works and Transportation Committee last week, certainly I will continue to work to make sure that the Dickey-Lincoln dam is deauthorized in the coming months here in the Congress.

Mr. MYERS of Indiana. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise to urge prompt approval of this conference report.

The chairman of the Subcommittee on Energy and Water Development, the distinguished gentleman from Alabama (Mr. BEVILL), and its distinguished ranking member, the gentleman from Indiana (Mr. MYERS), have steered this worthy legislation successfully through both Houses of Congress. He and his committee members are to be commended for this fine legislative handiwork.

It is important that the initiative for public works projects be kept in the Congress where it belongs. Accordingly, it is incumbent upon us to endorse the work of our committees. This appropriations bill has been fully debated in both the Senate and the House subcommittees and committees, as well as on the floor of both Chambers. This legislation has undergone careful scrutiny and is now prepared to be submitted to the President.

I am pleased that my colleagues in this body and in the Senate have seen fit to leave unchanged our request for $200,000 for the second year of the upper Wallkill River flood project. Ever since first coming to Congress in 1973, I have annually tried to impress upon our colleagues the need for this vital flood control initiative in my 26th Congressional District of New York. In 1978, both Houses of Congress recognized the need for this project, which would protect some of our most fertile and productive farmlands from the ravages of flooding, which have become annual.

The chairman of the subcommittee (Mr. BEVILL) and his subcommittee and committee colleagues have been more than responsive. They had taken the time to study and to fully analyze the facts of this request, and have made a just decision.

Unfortunately, the administration did not share their concern, and did not have the time or manpower to look into this request as carefully as our colleagues. Despite the fact that the first year of the study was not only funded but underway, they sought to terminate the Wallkill River flood project in this year's budget, thus throwing the funds already expended down the drain.

That action was unwise, for the fertile "black dirt" region of Orange County, N.Y., produces 45 percent of the onions consumed east of the Mississippi, as well as substantial crops of celery, lettuce, and other truck vegetables. The funds saved the taxpayers by the White House would have been wiped out by increased prices to the consumer for these vegetables.

It was a bitter pill for our vegetable growers to swallow, since much of the flooding problems were caused by an incompleted CCC project which has lain dormant since 1937, causing more fill and debris to seep into the river and back up even more floodwaters.

Millions of dollars worth of damage has been suffered by the growers as a result of this, over $12 million during Hurricane Agnes alone.

Mr. Speaker, it is extremely difficult to explain to our growers why the Federal Government can not correct a situation which is not only beyond their own power to correct, but beyond the power of their local governments, and was partially caused by the Federal Government.

Fortunately, our colleagues in the House and in the Senate have agreed that this project is vitally necessary, that it is cost effective, is justified and is long overdue.

Mr. Speaker, I reiterate my support for the conference report, and express my thanks to our colleagues on the subcommittee and the full committee. I urge my colleagues to join in endorsing this conference report in its entirety.

Mr. MYERS of Indiana. Mr. Speaker, I yield 2 minutes to the ranking minority member of the Appropriations Committee, the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I want to take this opportunity to compliment the gentlewoman from Maine for her fight to try to defeat this project.

Mr. Speaker, as you know, I have been urging this body for several years to vote against further funding for the Corps of Engineers Dickey-Lincoln School Dam project in Maine. This project, the economic value of which is marginal at best, would have severe environmental consequences.

For the second year in a row while the House has not included funds for the project, the Senate has, and once again the Senate position has prevailed in conference.

While I regret the action of the conferees, I do want to report to my colleagues here in the House on two recent legislative actions which I think will move us closer to defeating this project once and for all next year.

First, on July 17, the Senate defeated by only five votes an amendment offered by the junior Senator from Maine to delete the $710,000 provided in H.R. 4388 for advanced engineering for Dickey-Lincoln. Seven of the twelve New England Senators voted in favor of this amendment.

Second, last week the House Public Works and Transportation Committee considered and agreed to an amendment to its omnibus water resources bill to deauthorize the Dickey-Lincoln project. This action had the unanimous support of the Maine House delegation.

I remain vigorously opposed to further funding for the Dickey-Lincoln project.

Mr. MYERS of Indiana. Mr. Speaker, I yield 5 minutes to the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Speaker, I want to associate myself with the remarks of my distinguished colleague from the Second District of Maine (Mrs. SNOWE) and my distinguished colleague from western Massachusetts (Mr. CONTE) for pointing out some of the thoughts of the Maine congressional delegation with respect to Dickey-Lincoln.

It is I think important to point out that three out of the four representatives from the State of Maine in Washington, one Senator and two of us in the House of Representatives, are staunchly and strongly in opposition to the Dickey-Lincoln project.

Nevertheless, as my two colleagues pointed out, the money was included in this legislation for continuing studies which have been completed in the past.

It is my belief that the $710,000 for additional studies will turn up no more information and provide us with no better idea of the environmental damage or the amounts of electricity or economic value or lack thereof than previous studies have shown. Certainly as the question is further discussed in this

body, this legislation, and later on in the water resources bill we will have an opportunity to discuss some of the very severe and serious failings of the Dickey-Lincoln project. For example, the fact that it would cost well over $1 billion to construct; the fact that it would produce very small amounts of electricity indeed. Also, the fact that it would interfere with the operation of woodlands and timber resources in northern Maine which have a very significant impact on the State's economy in an area of the State where jobs and income are very important.

We feel that the Dickey-Lincoln project ought not to be funded. We feel that the $710,000 in this legislation is unnecessary and wasteful and in a time when there are many valuable projects which are needed by farmers and other people in other parts of the country, when we are concerned about utilizing our dollars for the generation of electricity in an efficient and valuable fashion, we feel that this project flies in the face of logic and reason.

I might point out that every major newspaper in the State of Maine has editorialized against this project, that various environmental groups are against it, that industry, by and large, is against it. For many of these groups and organizations there has been a change of heart over the last several years, as there has been with the general population of Maine.

Perhaps 15 or 20 years ago the project would have been considered very popular and desirable, but every public opinion poll of any credibility at all, conducted by any political figures or by newspapers or by organizations in the State of Maine shows conclusively that the vast majority of the people of the State of Maine are opposed to this project. As I mentioned, the two of us from Maine in the House of Representatives and one of the two Senators is also opposed.

I am not going to offer any amendments in disagreement with the conference report. I feel there are many projects in this bill that ought to be considered expeditiously, although we may have disagreements on other matters in the bill, as any Member of Congress has a right to. We are not going to make an effort on this particular conference report, we just feel it is necessary to point out to the membership of this body that there are many unanswered questions as far as the desirability of Dickey-Lincoln. We feel there are a number of points that ought to be brought out so that the House can spend its time and money more wisely to the greater benefit of people for energy purposes and agricultural purposes and other purposes.

So I would hope that the Members would consider our point of view in representing the State of Maine and in the future vote against any further funding for the Dickey-Lincoln project and further funding for additional studies which we feel are unnecessary and unwarranted. I yield back the balance of my time.

□ 1950

Mr. MYERS of Indiana. Mr. Speaker, I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I yield such time as he desires to the chairman of the House Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, at this time I would like to say that this subcommittee has done an excellent job under the chairmanship of the gentleman from Alabama (Mr. BEVILL), our colleague from Indiana (Mr. MYERS), and the members of the committee. As we deal with the many suggestions that come before the Congress this year, where we have held down the budget here again, this is the one on which all the rest depend.

Mr. Speaker, I am happy, indeed, to commend the members of this committee, and commend this report, to my colleagues. I do not know how they could do a better job to try to meet the problems that we have, to try to look after our own country first.

Mr. Speaker, I would like again to call attention to the remarks I made on June 14, 1979, when the bill making appropriations for public works was before the House. These remarks appear on pages 14968 and 14969 and present in detail the programs which affect my area.

In the conference report which we submit herewith based upon subsequent evidence coming to our attention the conferees agreed upon the following language. I quote:

The Chief of Engineers is directed to review the current flood control regulation procedures for the Yazoo Basin Headwater lakes with a view toward determining whether modifications should be made in these procedures that would increase the downstream flow in the rainy nonfarming season so as to decrease soil erosion from the foothill area and enable the Corps to retard or stop the flow at such times as may improve the planting, cultivation and harvesting of crops on lands below the reservoirs.

The conference report containing this language has been approved by both House and Senate. General Morris of the Corps of Engineers has been made aware of the language and I expect the corps' full cooperation.

In connection with Grenada Lake, the following language was agreed upon by the conference. I quote:

No part of the funds in this bill shall be used to acquire flowage rights or property rights of any kind in connection with the Grenada Lake, Mississippi project except upon the voluntary agreement of the owner of such property.

I am hopeful and believe this will give protection from the Corps of Engineers in taking additional flowage rights. The corps has assured me that all land on which they would attempt to obtain flowage rights would be south and east of the railroad.

It seems we get one problem settled only to have another. You will recall that in this area, over the years, we had to change the law to get the right to Jury Trial as to value. This remains the law. Also, we got 75 percent of the land rental back to the county for roads and schools and a few years ago, additional payments in lieu of taxes. When it was important, we even got additional cotton acreage for Yalobusha County.

This year we provide funds to repair Gums Crossing.

I have been the sponsor of all this legislation but find now that with regard to much of the proposed taking of flowage rights by the Corps of Engineers, frequently the amount taken does not justify hiring a lawyer, though you do have the right to a jury trial.

In addition to foregoing the conferees also directed the following:

The Corps is urged to review the flood control problems associated with Twenty Mile Creek and Little Browns Creek, Mississippi and report back to the Committees on Appropriations with appropriate solutions to the problems.

Mr. Speaker, flood problems are continuing ones and these provisions are made necessary by changing conditions and are necessary to carry out the intent of the Congress which provided for these reservoirs before I became a Member of Congress.

Mr. BEVILL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 9, strike out "$2,050,623,000" and insert "$2,053,823,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$2,048,523,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 2, line 21, insert:

The anticipated revenues from Uranium Enrichment Activities for the fiscal year and authorized to be retained by Public Law 93-438 shall be deemed to have been appropriated to the Department for purposes of 31 U.S.C. 665.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 3, line 20, insert "of which $6,165,000 shall be for the Office of Inspector General,".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 4, line 14, strike out "$413,978,000" and insert "$444,478,000,".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein. with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$448,478,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 5, line 6, insert:

The anticipated revenues from Uranium Enrichment Activities for the fiscal year and authorized to be retained by Public Law 93-438 shall be deemed to have been appropriated to the Department for purposes of 31 U.S.C. 665.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 12, line 7, insert:

SEC. 104. Not to exceed 5 per centum of any appropriations made available for the current fiscal year for Energy Supply, Research and Development Activities; Uranium Supply and Enrichment Activities; General Science and Research Activities; Atomic Energy Defense Activities; and Departmental Administration Activities may be transferred between such appropriations, but no such appropriation, except as otherwise provided, shall be increased or decreased by more than 5 per centum by any such transfers, and any such proposed transfers shall be submitted promptly to the Committee on Appropriations and the appropriate authorizing committees of the House and Senate for approval.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 14, line 1, insert "or would result in adverse diminution of generation at hydroelectric facilities on the Niagara or St. Lawrence Rivers: *Provided further*,".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 19, line 18, insert ": *Provided further*, That currently unobligated funds from appropriations made under this heading for payment of Teton Dam disaster claims shall be available to pay costs to irrigation spaceholder contracting entities for American Falls Dam pursuant to section 7, Reclamation Safety of Dams Act (Public Law 95-578), and shall be nonreimbursable in accordance with the terms of that Act.".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 27, line 5, insert:

SEC. 305. Notwithstanding the provisions of the Act of October 1, 1962 (76 Stat. 677), the Secretary of the Interior, in the development of the irrigation lands located in Block 26 of the Columbia Basin project, Washington, shall take such action as may be necessary to assure that the per acre repayment obligation shall be the same as those set forth in repayment contract 11 B 1444, dated October 9, 1945, as amended, between the United States of America and the South Columbia Basin Irrigation District, but in no case shall such per acre repayment obligation exceed $131.60.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 31, line 8, strike out ": *Provided*, That not withstanding the provisions of 16 U.S.C., chapter 35 or any other law, the Corporation is authorized and directed to complete construction, operate and maintain the Tellico Dam and Reservoir project for navigation, flood control, electric power generation and other purposes, including the maintenance of a normal summer reservoir pool of 813 feet above sea level.".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House insist on its disagreement to the amendment of the Senate numbered 30.

PREFERENTIAL MOTION OFFERED BY MR. BREAUX

Mr. BREAUX. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. BREAUX moves that the House recede and concur in the amendment of the Senate numbered 30.

The SPEAKER pro tempore. Does the gentleman from Alabama wish to debate this amendment?

Mr. BEVILL. Yes, Mr. Speaker, I believe I am allotted 1 hour; is that correct?

The SPEAKER pro tempore. The rule would provide 30 minutes on the side. The gentleman from Alabama (Mr. BEVILL) is recognized for 30 minutes.

Mr. BEVILL. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I do not think anyone who has been here for any length of time, who knows the record that I have tried to put together in this House, can in any way, shape, form, or fashion classify me as being a crazy environmentalist or some sort of nut when it comes to environmental issues. I have tried to amend the Clean Water Act, to amend the Clean Air Act; I am one of the major sponsors of efforts termed, "Rape, run, burn," which dealt with the State of Alaska. Coming from that background, I stand before the House and ask that we uphold the integrity of this House and the integrity of the legislative process and vote to remove the Tellico Dam project from the authorizing process, from the appropriations process.

I make this motion to recede and concur in Senate amendment 30 not in defense of the snail darter, nor in opposition to the Tellico Dam in the State of Tennessee, but I do so in defense of the legislative process and the integrity of this House, which I think is at stake.

The issue here is very simple. Is it appropriate for the House to attach a rider on an appropriation bill which exempts the Tellico project in Tennessee from all laws? Not just on endangered species, but from all law; not just clean water laws or clean air laws, but all laws which might affect the operation; from dam safety laws, from all laws. The amendment was added late one Monday afternoon with about 40 seconds of debate. It was not printed in the CONGRESSIONAL RECORD. It was not read on the floor. It was not described, and it was not debated. I think that is a pretty smooth move, but one that I really do not think we should approve of.

I offer a preferential motion to recede from that position and to reinstate and give us a chance to vote against the Tellico Dam project. Let me explain something. All the Members have heard about the Tellico project. We voted on it many times. I, as author of this amendment, have voted to support the project, but I do not do it today because I think that if Members look at it from an economic standpoint it comes out as being a turkey; a turkey not only to us from an economic standpoint but as anything else.

The Endangered Species Act had become unworkable and unreasonable. I am on the committee that wrote that, but we made some changes in the last 2 years. We recommend that projects like the Tellico Dam and Grey Rocks project, a reservoir project, should be considered specially because they are very important projects, that we should have a mechanism to balance the economic value of that project without voting on a snail darter or some other endangered species.

□ 2000

So this Congress by a large margin voted special amendments to the Endangered Species Act. We created a seven-man committee, a seven-person committee, to consider whether to give special exemptions to projects that have been found to be in conflict with the Endangered Species Act. We did it after we debated this issue for 13 days in our committee process. We have created a seven-man committee. The committee has met. It included a member representing the Secretary of Agriculture, the Secretary of the Army, the Chairman of the Council of Economic Advisers, the Administrator of EPA, the Secretary of the Interior, a member from NOAA, and a representative of the State where the project exists, the State of Tennessee. They unanimously—not by a close vote, not by almost doing it—every single member unanimously, after they listened to the merits of whether we should balance this thing economically, voted not to grant an exemption. That is what this House voted for. That is the process we voted for, and I think we should abide by it. We should not say we will go out and play baseball and then when we lose the game, say the answer to that is change the rules. That is not the rule. And also on this we should abide by the decision of the Endangered Species Committee.

It is not a question of whether it is the snail darter or Tellico Dam. It is a question of the integrity of the process of this House. The committee has voted unanimously not to grant an exemption, and I do not think this House, the Congress, wants to be put in the position of every time we have a project having the House sit down and spend days debating the merits of it. We have created a special committee, a seven-man committee, and balanced it with environmentalists and people who believe in construction, and they came down unanimously with the decision that this is not a good project. I support that decision. If it was any other way, I would support it because I have voted for it on a number of occasions.

Some people have said, "Well, it is almost finished; let us go ahead and build it."

TVA said, if you put a pencil to it, to the credit just to complete the remaining 10 percent, the benefits will justify the costs. That just does not wash.

The SPEAKER. The time of the gentleman has expired.

Mr. BEVILL. Mr. Speaker, I yield 30 seconds additionally to the gentleman.

Mr. BREAUX. I thank the gentleman. I would just conclude with the fact that we have a process. This Congress has supported that process. Economically, the committee found that it does not wash. It is not a good project. The benefits already there can be used. There are basically roads, and there are structures that are going to remain after the process.

I say let us support the congressional process. Let us vote for the preferential motion I have offered.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MCCLOSKEY).

Mr. MCCLOSKEY. Mr. Speaker, my colleague, ED FORSYTHE, ranking member of the Fish and Wildlife Subcommittee. He asked that I make this comment in support of the motion of the gentleman from Louisiana with which I concur. In 1979 the Committee on Merchant Marine and Fisheries conducted 13 days of oversight hearings on the Endangered Species Act, primarily because of the Tellico Dam and the snail darter controversy.

As a result of these hearings, the Congress approved legislation providing for more balance in the Endangered Species Act. The Tellico Dam project was considered under the new criteria of the act and it was determined by the newly created Endangered Species Committee that the benefits associated with completing the project did not outweigh the economic and environmental disadvantages of the project. The Representative from Tennessee who sat on the Endangered Species Committee concurred. A report prepared by the General Accounting Office supports the conclusion of the committee that benefits of the Tellico Dam will not be proportionate with the project costs.

Despite this overwhelming evidence the House adopted an amendment exempting the Tellico Dam from the Endangered Species Act and from several other statutes including the Federal Water Pollution Control Act, the National Historic Preservation Act, acts regulating dam safety, and the Fish and Wildlife Coordination Act. The House took this action after 42 seconds of consideration during which the amendment was not fully read let alone debated. In addition, the amendment violated the House rules on germaneness as legislating in an appropriations bill.

I might add that I was present on the floor when the amendment was offered by the gentleman from Tennessee, considered as read, quickly accepted by both the majority and minority floor managers without any discussion or debate that would reveal that we were voting the refunding of the controversial Tellico Dam and setting aside five major Federal laws in the process.

The word "Tellico" was the key word in this amendment. It has been under consideration by this House and its committees. I want to submit to my friends on the Committee on Appropriations that this does attack the integrity of the House proceedings. I would not want to come to you with a Fish and Wildlife bill with an agreement that the gentleman from New York (Mr. MURPHY) and I had agreed on. I think we all understand the danger of condemnation from the public if we adopt without reading an amendment of this degree of controversy.

I would plead with the members of the Committee on Appropriations that they vote in favor of this motion that we set aside the process by which that amendment was adopted for the substantive reason that the economic and environmental costs of the Tellico Dam outweigh its benefits, and for the procedural reasons that the amendment in question was not understood nor fully considered by the House, and it was also in violation of the House rules as being nongermane. I urge the adoption of the gentleman's motion.

Mr. BEVILL. Mr. Speaker, I yield 3 minutes to the gentlewoman from Tennessee (Mrs. BOUQUARD).

Mrs. BOUQUARD. Mr. Speaker, I rise in favor of the motion made by the gentleman from Alabama.

Mr. Speaker, there are several important facts which must be fully understood if we are to make the proper decision on the completion of the Tellico Dam. First of all, I have had any number of public meetings, discussions and debates with those both supporting and opposing the completion of this project. My very strong impression, reinforced time and again in public forums, is that the majority of people in this area support the completion of the project.

A second fact, we are not now discussing whether or not to build a dam on the Little Tennessee River. The dam is built. The amount of $103.2 million of the TVA's ratepayers money has been spent. If the project does not go forward the $103.2 million is a total loss.

A third fact, when this project was initiated there was no Endangered Species Act. If there had been, I doubt we would be facing this question again today, but the fact is that the dam was constructed in accordance with the existing laws and regulations.

A fourth fact, this project will produce some 200 million kilowatt hours of electricity each year. This is a sufficient amount to provide electrical energy for 20,000 homes. To meet peak demand of this amount at the present time TVA burns about 15 million gallons of oil. With completion of the project that oil could be diverted to better purposes. The value of that electricity at today's TVA rates is $2.7 million. Given the probability of TVA rate increases this summer and fall, the value of that electricity will almost certainly exceed $3 million by the end of this year. Given the environmental advantages of hydroelectric power, com-

pletion of the project will contribute to both clean air and clean water goals.

A final fact, though my list is by no means inclusive. If anyone wonders what has become of our friend the snail darter in this controversy, you might like to know that the present snail darter population in the Little Tennessee River is seven. Some 2,500 of the progeny of the 710 who transplanted in this new habitat last year now survive in the Hiwassee River. A second transplant has been made to the Holston River.

Now my colleagues, if you can, with a straight face, answer that you are willing to write off $103.2 million in expended dollars, and give up some $3 million worth of electricity a year in order to protect the continued existence of seven snail darters, then I think your constituents would want you to oppose this motion. If on the other hand, your district demands of you a certain amount of fiscal responsibility and common sense, then I believe you have no alternative but to support our colleague from Alabama, complete this project, and move on to the more crucial business of this House.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Speaker, I rise in support of the motion by the gentleman from Louisiana (Mr. BREAUX) to recede and concur with the Senate on the matter of the Tellico Dam exemption contained in the House version of the energy and water appropriations bill.

There are two issues at stake here. First, should the Tellico Dam be exempted from the Endangered Species Act and other Federal laws so that construction may proceed? Second, should we breach the integrity of the Endangered Species Act as amended only last year, and indeed, tamper with the very rules of the House of Representatives?

I will not consider the issue of the Tellico Dam here in detail, except to say that from what I know of the project it does not make economic sense. Entirely apart from snail darters and the like, it is my understanding that recent studies by the Tennessee Valley Authority and others indicate that a developed river—without a dam—has greater economic potential in terms of jobs and revenues than does a dammed river and reservoir.

My fundamental concern, however, is in the integrity of the legislative process. As a member of the Merchant Marine and Fisheries Subcommittee on Fish and Wildlife Conservation, I participated in the careful and thorough evaluation of the Endangered Species Act in the 95th Congress.

Our subcommittee and committee reviewed the act in detail, and, in the end, we settled on a process which carefully balanced economic and environmental interests. The keystone of these revisions was the establishment of a process by which any project could be considered for an exemption by a Cabinet level review committee. The Tellico Dam project was considered by this committee, and by unanimous vote the exemption was denied.

Now for the proponents of the Tellico project to turn around and come back to Congress for additional consideration strikes me as "sour grapes." I repeat, the Tellico Dam had its day in court and it was found wanting.

Not only did the Tellico proponents come back to Congress for an exemption, but it was done so in a mere 40 seconds of discussion on the floor of the House. Nobody knew what was happening, and in the process, two Rules of the House were violated—germaneness and legislating in appropriation bills.

Mr. Speaker, this is not the way to conduct the business of the House. We established a fair process for considering exemptions to the Endangered Species Act, a process specifically intended to relieve the Congress from the burden of having to review case-by-case exemptions. It is time we reaffirmed our faith in the integrity and wisdom of that process—and in the procedures of the House—by adopting the motion to reject an exemption for the Tellico Dam.

The Senate has twice defeated a motion to grant a Tellico Dam exemption. I urge my colleagues to join with the Senate on this matter and give the Endangered Species Act a chance to work. Otherwise, we make a mockery of the legislative process.

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Mr. BEVILL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I thank my dear friend for yielding to me.

Mr. Speaker, it is appalling to me that the House must again take its time and resources to debate an issue that was put to rest in the 95th Congress. The special body that was constituted by a special act of this Congress to deal with exemptions has said that the Tellico Dam should be laid mercifully to rest on grounds that it has no economic merit. I believe that that judgment having been made we should stand with it. I think we should certainly not overrule that on the basis of an amendment adopted without proper notice to the House and under circumstances where its germaneness is open to very serious question and where that action of the House constituted legislation on an appropriation bill.

Mr. Speaker, the issue before us today was the result of an amendment adopted on the basis of 40 seconds of discussion on a proposal that was neither printed in the CONGRESSIONAL RECORD, fully read, described nor debated. The adoption of the amendment violated the House rules of germaneness and legislating in an appropriations bill. The Members of this body have an institutional responsibility to reject this language.

The issue of the Tellico Dam has been resolved. It was put to rest in the 95th Congress during the extensively debated amendments to the Endangered Species Act. The 1978 amendments to that act created, as one of the provisions, a seven-member Exemption Board to make case-by-case determinations relative to project exemptions from the Endangered Species Act. The Tellico project was given full and thorough consideration by this Board—and an exemption was not granted. Now, we have been asked to overrule that judgment on the basis of an amendment that was adopted under the most questionable circumstances.

On the substance of completing the Tellico Dam, there have been several misleading statements regarding the efficacy of completing the dam and the aggregate benefits which would accrue by removing environmental and other constraints currently impeding its completion.

It has been represented that it has taken $111 million to construct the Tellico Dam. This is simply not true. TVA figures indicate the dam cost $13.8 million in materials and $8.7 million in labor totalling $22.5 million. The major expense of this questionable project was in the purchase of 60 square miles of private farmland and in the construction of roads.

It has also been represented that the completion of the Tellico Dam would constitute a viable and substantial source of hydroelectric power to the TVA system. This statement is not factual. The primary purpose—in the initial construction of the project—was for recreational purposes. The dam has no generators and the only power that could be generated by Tellico would be 22 megawatts produced by water flowing through a small barge canal. Compared to the existing 27,000 megawatt electrical capacity of TVA and the projected capacity of 42,000 megawatts by 1985—it is insignificant.

Tellico has already been condemned by the seven-member Endangered Species Exemption Committee because of its very poor benefit-cost ratio and absence of contribution to a worthwhile purpose.

The amendment should be stricken from this conference report and I urge my colleagues to support the Breaux motion.

I urge my colleagues not to negate the excellent work of this body during the 95th Congress. I move that we take immediate action to rid the House of the albatross of Tellico Dam and defeat this amendment.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the ranking minority member of the Committee on Appropriations, the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in opposition to the chairman's motion to insist on the House position with respect to amendment No. 30. I believe the House language pertaining to the Tellico Dam which is the subject of amendment No. 30 sets a bad legislative precedent and only serves to illustrate how desperate the backers of this project must be to see it brought to completion. I cannot believe that those who support this amendment would want to see this same language uniformly applied to all water projects.

Last year, as a result of the Supreme Court decision relating to the Tellico Dam and the Endangered Species Act, this body passed a bill which later became law establishing a Cabinet-level review committee to weigh the value of preserving endangered species against the economic and social benefits of development projects. Now just a year later, the Tellico Dam question is again before us in spite of the fact that the review committee that we ourselves established has rendered a negative decision on Tellico. If it was not our intention to abide by the reasoned decisions of this reveiw committee, why in the world did we establish it in the first place?

The fact of the matter is that this Cabinet-level committee which included a representative of the Governor of Tennessee reviewed the Tellico Dam project very carefully and after reviewing all the facts this committee voted unanimously that the project simply could not be justified on economic grounds. I call your attention to a letter recently sent to the Speaker by Secretary Andrus who chaired that seven-member committee. The Secretary states that among other things influencing their decision, the committee found that:

First. The annual cost of the project exceeded its annual benefits;

Second. The dam would not meet even Bureau of Reclamation standards for dam safety since the dam would not be able to contain the maximum flood thought probable to occur; and

Third. Any electricity produced would be an indirect benefit of the additional waterflow created by the dam and would not add to the capacity of the TVA system.

What concerns me the most at this time, however, is not whether the snail darter would become extinct as a result of this project or even whether the project is economically justified. What concerns me the most now is the manner in which the proponents of this project have proceeded through the language of this amendment to try to force this project down the throats of the American people. We have absolutely no sound basis on which to overturn the decision of the Cabinet-level committee we ourselves had established to resolve this matter and neither can I think of a single good reason why this Congress should summarily exempt a water project from all statutory requirement, which is what the language of amendment No. 30 does.

Whether or not this language was originally added to the House-passed bill in the "dead of the night," as some have euphemistically called the proceedings that occurred, it is true that this amendment was not published and was not read in its entirety before being quickly agreed to by the committee. The experience in the other body was just the opposite. The amendment was presented and thoroughly debated and, in the subsequent recorded vote taken, the amendment was defeated. I think we should move to recede and concur to the Senate on amendment No. 30, thereby abiding by the decision reached by the Cabinet-level committee, a decision process we ourselves agreed was fair.

Mr. Speaker, I want at this point to read a letter from the Secretary of Interior to the Speaker:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., July 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I understand that the House of Representatives will soon be considering the conference report on H.R. 4388, the Energy and Water Development appropriations bill. On behalf of the Administration, I wish to express our grave concern over the House language which specifically exempts the Tellico Dam from the Endangered Species Act and all other provisions of law. I understand that because the conferees reported this provision in technical disagreement, the House will be considering it separately from the rest of the conference report.

Last year Congress directed a special seven-member Committee, which I chair, to determine whether the dam should be exempted from the Endangered Species Act. In doing so, we were directed to balance the project's economic and related benefits against the benefits of reasonable and prudent alternatives which are consistent with conserving the snail darter, which would become extinct if the dam is completed. After due consideration, we found that Tellico does not meet the criteria set forth by the Congress and that on the basis of economic considerations alone, the project is not justified. In fact, when the committee compared the full range of project benefits against only the remaining costs of completing the Tellico Dam ($35.9 million), we found that the costs of the project exceed its benefits.

We also found:

The annual benefits of the project are $6.52 million, compared to annual cost of $7.25 million.

Although project costs to date total $103.2 million, only $22.5 million has been sunk into actual construction of the dam. Remaining expenditures were for salaries, land acquisition, road construction and the like, most of which have produced or will produce benefits regardless of whether the dam is completed.

Tellico does not meet current Bureau of Reclamation standards for dam safety. In its 1978 report TVA states that the maximum design flood is larger than the maximum flood that can be contained by the dam. That is, in the event of such a flood, the dam would be overtopped and breached, resulting in more significant destruction than if the dam had not been built. Furthermore, for less severe floods, flood control benefits are slight, totalling $1.04 million annually, and a substantial portion of these benefits can be achieved by other means, such as local zoning.

Although project proponents claim substantial energy benefits for Tellico, actual benefits total only $2.7 million annually and are based on the cost saved by substituting 200 million kwh of hydroelectric power for power which would otherwise be generated by TVA's existing coal fired and nuclear facilities. The dam itself has no generators but rather creates water flow to provide additional generation for the nearby Fort Loudon Dam. This electricity is not available as peaking power and does not add to the capacity of the TVA system.

Although approximately one third of annual project benefits ($2.5 million) are justified on the basis of flat water recreation, there are twenty-four other such sites located within a sixty mile radius of the dam. In addition, annual recreation benefits of the free-flowing river alternative exceed those of the dam by $600,000.

Creation of the Tellico reservoir would tie up approximately $40 million in private land values, resulting in an annual loss of $4 million in benefits from alternative land uses.

Contrary to the claims of project proponents, the snail darter transplant into the Hiwassee River has not yet been determined to be successful. Based on the most recent surveys, the river's population of the fish is down from a year ago. An additional problem is posed by the rail transport of sulfuric acid in the Hiwassee River gorge since, according to the TVA report, a large acid spill could conceivably decimate the Hiwassee snail darter population.

In addition to the serious economic problems I have described, the Tellico amendment to H.R. 4388 overturns the deliberate and thoughtful process designed by Congress to deal with conflicts between endangered species and development projects. Moreover, it creates a most serious and undesirable precedent of summarily overturning all statutory requirements relating to the construction of a water project.

Given the uneconomic nature of the Tellico project and the other factors cited above, I intend to urge the President to veto the Energy and Water Development appropriations bill if the language on Tellico remains in the bill, and I urge you to recede and concur with the Senate's position on this matter.

Sincerely,

CECIL D. ANDRUS,
Secretary.

Mr. EDGAR. Mr Speaker, will the gentleman yield?

Mr CONTE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I would like to commend the gentleman.

I think the gentleman in the well has pointed out the importance of trying to focus attention on negative aspects of the Tellico Dam. It is one of several bad dam projects throughout our Nation that should be not constructed. I think the gentleman makes some very cogent points by detailing the strong objection of Cecil D. Andrus, Secretary of the Interior, to this project.

I hope that the Members of the House have read the "Dear Colleague" letters that have been circulated on this issue and that we can resolve it once and for all tonight.

I would also hope that the President would veto this bill as suggested in the July 23, 1979, letter to House Speaker THOMAS P. O'NEILL, JR. by the Secretary of the Interior.

Mr. MYERS of Indiana. Mr. Speaker, I yield 13 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, the Tellico Dam has had a long and a colorful history. Its construction has always been a part of the overall plan for the Tennessee River. In 1965 and 1966 the Congress held hearings on the proposal and because of the support and merit of the project, funds were appropriated and have since been appropriated by every succeeding Congress, including the Congress in 1968. In fact, funds were approved by the Senate and House in 1978 for the closure and completion of the dam which may I say only cost $1,800,000 to close the dam.

Funding was first approved by the

Congress on September 21, 1966, by vote of 354 to 25.

I doubt there is more than two or three Members still in the House that voted against the project funds in 1966.

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Those who voted for the project in 1966 and also in succeeding appropriations through the years exercised good judgment.

Mr. Speaker, I know that Congress is not in the habit of starting and funding and stopping projects it does not want to construct. This is why most of the present membership has expressed its desire that the project be completed.

On October 14, 1978, on a rollcall vote of 231 to 157 the House approved an amendment to exempt the Tellico project from the Endangered Species Act. Because the 95th Congress was close to adjournment the Senate did not accept the amendment.

Mr. Speaker, I would now like to talk about the Endangered Species Committee that was appointed. The committee was not properly appointed and, in fact, the Tennessee member was not appointed as required under the act until 1 day after the hearings were held in Tennessee by hearing officers. Neither the Tennessee member lives in the area nor has the Tennessee member or any member of the Endangered Species Committee visited the eastern part of Tennessee where this dam lies. I personally asked them to do so.

Mr. Speaker, the entire committee is still a complete stranger to the local community and its situation. Because of alleged illegal functions of the committee and the failure to disclose vital information, it is now the subject of a lawsuit that is pending in the U.S. Sixth Circuit Court of Appeals in Cincinnati.

This project is in my district, Mr. Speaker, and if I did not think it was a good project and justified I would not be here today advocating its completion.

The gentlewoman from Tennessee (Mrs. BOUQUARD) has mentioned how it would have saved her home in 1973 if the project had been completed at that time. At that time it had been stopped because of an environmental statement.

Mr. Speaker, I have on several occasions surveyed the public opinion on the Tellico project. In March 1977 I sent a one-question questionnaire to the three counties directly affected by the Tellico Dam, the Counties of Monroe, Loudon, and Blount.

Of those who responded 1,537 were for completion of the dam and 116 were opposed.

In 1977 the Tennessee General Assembly by almost unanimous vote, and again in 1978, passed a joint resolution advocating completion of the project. When the project was first approved there was not a handful of opposition. After the project was started some opposition did develop but much of it was outside the area. The opposition first tried the route of the environmental impact statement. They were thwarted in this attempt by the Federal courts in Knoxville and although they did bring about some delay, and I did mention the case where the gentlewoman from Tennessee (Mrs. BOUQUARD) lost her home. I would like to call your attention to three letters that have for some reason been hidden until yesterday. The TVA requested three Federal agencies to review this project and they received reports and may I ask did the Endangered Species Committee include these reports in their record? Absolutely not. Did they ask for them?

They were from the Department of Energy Western Area Power Administration, the Department of Transportation and the Department of State's Agency for International Development. I would like to include these letters in the RECORD. They are as follows:

OFFICE OF THE SECRETARY OF TRANSPORTATION,
Washington, D.C., October 17, 1978.

Mr. S. DAVID FREEMAN,
Chairman, Office of the Board of Directors, Tennessee Valley Authority, Knoxville, Tenn.

DEAR MR. FREEMAN: We appreciate having had the opportunity to review the joint Tennessee Valley Authority (TVA) and Department of Interior (DOI) report on the status of, and the available options, on the Tellico Dam project. We regret that our comments could not be made available within your suggested time frame but are submitted since your conclusions are not yet final.

We found the report to be most interesting and consider that it carefully balances the opposing possibilities of further development. However, [we believe the substantial evidence of support by public officials including the U.S. Congress, the Governor of Tennessee and the Tennessee State legislature, when considered along with the potential economic benefit of completing the original project, is persuasive of the view that the project should be completed.] We consider that the problem of danger to the Snail Darter is being adequately addressed and that a habitat can be developed in which that species can exist.

While the project has had a contentious history, present evidence appears to provide a basis for a decision to complete the project.

Sincerely,

RAY WARNER, *Director,*
Office of Intergovernmental Affairs.

DEPARTMENT OF ENERGY,
Golden, Colo., October 6, 1978.

Mr. S. DAVID FREEMAN,
Chairman, Office of the Board of Directors, Tennessee Valley Authority, Knoxville, Tenn.

DEAR MR. FREEMAN: Thank you for the invitation to review your draft report "Alternatives for Completing the Tellico Project." We wish to present the following comment for the official record.

We note that Congress approved the initial appropriation of funds for the Tellico Project in 1966. Currently construction of the project as originally planned is 95 percent complete. Expenditures and obligations through May 1978 have totaled $109,000,000. Costs for completion of the original project are estimated as $19,400,000. Additional spillway capacity to handle a new inflow design flood as computed by the USBR would cost an additional $12,500,000.

New evidence indicates the Snail Darter fish can survive and reproduce in the Hiwassee River where it was transplanted in 1975. If additional studies prove that the Tennessee River would no longer be critical habitat, then the Snail Darter could be removed from the endangered species list and reservoir development could proceed.

The report also shows that reservoir development has a superior benefit-cost ratio. Although it stated that "benefit-cost comparisons often have been compromised by the unevenness and unreliability of benefit forecasts," the proven and predictable benefits of clean hydro-power generation are apparent.

Since the oil embargo of October 1973, the National oil consumption has risen above pre-embargo levels despite a 75 percent increase in the retail price of gasoline. Oil imports have risen to the point that they total 43 percent of the oil consumed in this country, causing the attendant problems of inflation, balance of payment deficit, and weakening of the dollar abroad.

Our experience indicates that the demand for hydro-power resources in the Western Area Power Administration marketing area increases as the availability of nonreplaceable oil and gas fuel resources for electric generation decline. The development of new hydro-power resources and their integration with thermal generation provides a desirable and efficient use of the resources available for electric power production.

We trust the Snail Darter will be removed from the endangered species list, or other suitable solutions will be found and, therefore, support the alternative for reservoir development and early completion of the Tellico Project.

Sincerely,

ROBERT L. MCPHAIL,
Administrator.

DEPARTMENT OF STATE,
Washington, D.C. September 20, 1978.

Mr. S. DAVID FREEMAN,
Chairman, Office of the Board of Directors, Tennessee Valley Authority, Knoxville, Tenn.

DEAR MR. FREEMAN: Governor Gilligan has asked me to review and comment on the draft Alternatives for Completing the Tellico Project, submitted with your letter of August 16, 1978.

The draft report establishes the baseline of evaluation of available options as the present condition of the Tellico project. Therefore the broad consideration is whether it is more beneficial to complete the project as planned, complete and operate it purely as a flood control facility or remove it.

On balance the difficult areas of judgment are the soft, unquantifiable areas such as the cultural, aesthetic and historical. These are highly personal and subjective. The report seems to give greater weight to these factors than would appear appropriate considering the present condition of the project and its history, including the extensive debates conducted in the region and in the Congress before construction started in 1967.

While the report was prepared jointly by TVA and Interior, the Interior team did not include water resources experts from the USGS and the Bureau of Reclamation.

Our overall assessment supports the reservoir alternative based on the following considerations:

Agricultural benefits and programs can be achieved reasonably with any of the alternatives. The reservoir option providing flood protection and water management for supplemental irrigation should provide greater overall benefits for agriculture. While the land used for the reservoir is indeed the prime quality land, it is a small portion of the prime and good agricultural land available in the immediate and down stream area.

The reservoir option offers a better mix of opportunities including industrial and other development. Water transport and a power dimension are increasingly valuable in view of energy requirements. The multi-objective potential of this option is superior to the other options.

Most of the cultural and educational objectives can be adequately achieved with the reservoir option. The one constraint in educational and historical activities which cannot be entirely met is in the actual location of reconstructed and restored facilities on the exact original site. There is considerable disagreement on the critical value of this.

There is no guarantee that the small darter would survive if nothing in its habitat were changed. The fact that reproduction at another site seems to be proceeding successfully supports this doubt. There is no evidence to indicate any economic or ecological benefit to be derived from protecting the small darter from extinction. NEPA has definite economic objectives and considers the harmonious interaction of man and his environment important.

The benefit-cost evaluations show a smaller spread in calculated benefits for the reservoir option indicating a better basis for these values. The cost of removing the dam is greater than that required to complete the reservoir, while the reservoir option yields a higher benefit-to-cost ratio.

Sincerely yours,

FRANK A. DIMATTEO, P.E.,
Director, Office of Engineering.

Mr. Speaker, there are hundreds of people including this Member who believe that the small darter thrives and reproduces in many streams and rivers in Tennessee, Kentucky, North Carolina and elsewhere. From June 1975 to February 1976, 710 snail darters were transferred from the Little Tennessee River to the Hiwassee River. In August 1978, a survey of the Hiwassee population reveals a present population of over 2,500 snail darters.

A second transplant is being successfully carried out now in the Holston River while the population of the Little Tennessee has declined and perhaps the Tellico project has aided the survival of the snail darter by removing it to a free-flowing river. The Little Tennessee River was never a free-flowing river, regardless of what the Secretary might have said.

Mr. Speaker, the Little Tennessee has not been a flowing river since about 1917. The return of the Little Tennessee River to a free-flowing stream would require not only the removal of the Tellico Dam but would require the removal of 4 other dams as well. I hope we will not overlook the human considerations of this controversy. Should a worthless, unsightly, minute, unedible minnow outweigh a possible injustice to human beings?

A great deal has been said about farmland.

Mr. Speaker, the land has already been sold. The farmers do not own the land. They have given up their homes and their land for the projects. Roads have been taken out and homes have been demolished. The bridges are out. The topsoil has been taken off the land that the water will cover. Stumps and debris have been put in the area preparing it for flooding when the dam is closed.

Mr. Speaker, even if the original owners could repurchase their land they would perhaps be financially unable to do so. Would it be just and right to sell the land to other prospective land purchasers? Should it be sold in international land sales as has been suggested?

The U.S. Government promised these people a dam and a reservoir. Now, the people wonder whether they have surrendered their homes for nothing, whether they have been duped by a government that says one thing and does another.

Have the taxpayers paid their taxes to build a project that is being terminated after the expenditure of millions of dollars and there is no validity to the fact that you do not count the wages paid to the wage earners as part of the cost of a project. That is the way, I suggest, some Government agencies figure their costs of certain projects.

Mr. Speaker, the people feel betrayed. It is a case of abandoned promises, of raised expectations ending in disappointment.

Mr. Speaker, I feel that the Congress will right this wrong. The money has been spent and estimates given in 1977 showed that removal of the dam would cost over $16 million and because of inflation that estimate, without doubt, today, is conceivably more.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MYERS of Indiana. Mr. Speaker, I yield the gentleman from Tennessee (Mr. DUNCAN) 2 additional minutes.

Mr. DUNCAN of Tennessee. Mr. Speaker, the President has sounded the call for nonpetroleum energy sources as the gentlewoman from Tennessee (Mrs. BOUQUARD) stated. The project will produce 200 million kilowatt hours of electricity per year, enough electricity to furnish heat for 20,000 homes.

Mr. Speaker, there have been some direct and implied statements that the amendment to H.R. 4388, authorizing the completion of the dam was something that happened in the late hours of the day when few Members were present. That is an incorrect statement. The House was full of people. The statement also reflects against the credibility of the chairman of this committee, the gentleman from Alabama (Mr. BEVILL), and the ranking minority member, the gentleman from Indiana (Mr. MYERS), and also this Member.

I think all of us know who these men are. We know they are men of highest credibility and highest integrity.

Mr. Speaker, the amendment was distributed through this House. It was on the table Friday before it came up on Monday and if we knocked out everything that this House when minority and majority agree to accept certain amendments, we would certainly have a lot less laws today than we now have on the books.

□ 2030

It was handled in a proper manner, and, as I say, the entire Tennessee delegation supports this. It is not like Dickey-Lincoln. If they do not want a dam up there, that is all right with us.

But we do support this, and we want the Government to do what they said they would do and not let the judgment of the Congress be transferred to some hasty committee that failed to give consideration not only to the Congress but also to the people of our area.

Mr. QUILLEN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, I thank the gentleman for yielding.

I want to associate myself with the remarks of the gentleman from Tennessee (Mr. DUNCAN), and I commend him for the very fine statement he has made.

When we look at this realistically, it seems absurd certainly to have a little 3-inch snail darter stop the completion of a dam in which the taxpayers have already invested over a $100 million. I made that point in the Committee on Rules when the extension of the Endangered Species Act was before us last year. I had a goldfish there which I had sent out for and bought, a small goldfish, and I put it in a pitcher and displayed it in front of me. I held it up for all to see in the committee, and I said, "A fish this small is stopping the construction of this dam, the Tellico Dam."

Where are our priorities, and what should we do? The gentleman from Tennessee (Mr. DUNCAN), in whose district the dam is located, has explained the situation and has put forth a good statement. I believe we all should support his views.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I think the gentleman from Tennessee (Mr. DUNCAN) has very ably described the situation that is before the House tonight. Approximately one-third of the congressional district that I represent lies within the watershed of the Tennessee Valley.

I have followed the history of this project with great interest, and the Committee on Appropriations has considered this matter very carefully. It seems to me they have given it fair and adequate consideration. As we are grasping for solutions to the critical energy problem facing our Nation this very night, it seems to me that only common sense would dictate that we proceed with the completion of this project so that it can serve the purposes for which it was originally envisioned, and for which it has been constructed.

Mr. Speaker, I urge all my colleagues to vote no on the motion to recede and concur and support the committee's position.

Mr. DUNCAN of Tennessee. Mr. Speaker, I urge all of my colleagues to support the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, terms like "Tellico" and "Dickey-Lincoln" have become household words in this House. Some of us feel like we have been up and down this path so many times, we have the merits and the arguments committed to memory.

The impression has been left here today—and it comes from statements made in the other body as well as from other

sources—that the amendment offered in the House a few weeks ago on this bill was passed in the dark of the night, in violation of House rules. That was not the case.

During the proceedings today on the Emergency Energy Conservation Act of 1979, this same procedure was used four times. I refer to accepting language that was not read. It is a common practice. It was not done for the purpose of misleading our colleagues because most of us understood the language. The gentleman who spoke earlier suggests that we somehow violated the rules of the House. I am sorry if he had that impression because it was not intended.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield briefly to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, does the gentleman mean to give the House the impression that in four instances where the amendments were not read, in all four instances the amendments were not germane to the bill, as was the case in this instance?

Mr. MYERS of Indiana. Tellico Dam was initiated in 1967. Would the gentleman agree with that?

Funds were appropriated by the Congress for the construction of the Tellico Dam in most of the subsequent years. Congress intended that the project be constructed.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield briefly to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, the real point on the amendment that was adopted was the fact that it exempted the Tellico Dam from all laws. I am sure the members of the Committee on Appropriations did not consider that to be appropriation language. It was a major exemption for the dam that was added to comply with all the laws of the United States of America.

That very much tends to sound like authorizing language to the gentleman from Louisiana.

Mr. MYERS of Indiana. Mr. Speaker, the House adopted an amendment to the endangered species authorization to exempt Tellico from the endangered species laws. The vote was taken on October 14 of last year.

Mr. Speaker, the RECORD had not been printed before the conferees from this body caved in to the other body and took that language out. It had passed this House rather substantially last fall. It is not something new to this body.

I would also like to point out that this project was started long before the Endangered Species Act was passed. It was about the same time we started construction here on the Washington subway, and because it was already under construction, it was grandfathered in. It was exempted from the Endangered Species Act provisions. So there is a good case there, and there are many precedents.

Mr. Speaker, Griffin Bell, the Attorney General, appeared before the Supreme Court last year and said that Congress time after time had expressed its intention that the Tellico Dam should be completed. The Supreme Court invited this amendment. It was done in the open; it was not done in the dark of night. It is common procedure. We did proceed under the normal rules and customs of the House, and we merely responded to the invitation by the Supreme Court that Congress should act in this fashion if it wanted the reservoir to be completed.

Over $117 million has been appropriated to date. It will take just a very small sum to finish this project.

Mr. Speaker, I will state to my friends that the issue, frankly, is not one of jurisdiction. The issue is whether we want to see $117 million of our taxpayers' money wasted with absolutely no benefits. The Court has cited in the dissenting views that it would be a waste of money. They were sure that Congress would see fit to insure that the dam is completed because not to do so would be a waste of the taxpayers' funds.

So that is the issue today. We can disguise it if we want to and say it is a jurisdictional problem, but the real issue is: Shall we waste the taxpayers' money, or shall we give the people of Tennessee the benefits from the investments that have already been made?

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. The time of the gentleman from Indiana (Mr. MYERS) has expired.

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, I will make this brief. We have been through this several times. This project, the Tellico Dam, was stopped because of a snail darter that was placed on the endangered species list.

I would like to point out, as the Members know, we supported and voted for the Endangered Species Act. You and I support that act. It is a good act. We are not apologizing for the Endangered Species Act, but you and I may disagree on how it is being interpreted.

That is the issue here today. The people in Tennessee want this dam completed. Every Member of the Tennessee delegation has signed a letter to me urging its completion. All eight House Members from Tennessee signed the letter. They want the dam completed. Are we going to stand here and argue about jurisdiction in this situation?

□ 2040

Let us talk about the snail darter a little bit. I met Friday with the TVA biologists, who are favorable to the snail darter. We paid $850,000 for a report on the snail darter and the studies that have been made. We paid for moving the snail darter from the Little Tennessee River, where the Tellico Dam is, to the Hiwassee River. This effort has been going on now for about 3 years. We are spending money to protect the snail darter. That is what the people want. They want the snail darter protected. I do and you do, and we have protected it. The snail darter is safe.

Let me tell you what it says in this study:

> The snail darter we are transplanting were seined from the Little Tennessee River. A total of 710 snail darters were transplanted to three sites in the Hiwassee. Periodic surveys of the areas where transplants were made show that the darters remain in good condition. Observation of young snail darters one year later indicates successful reproduction and recruitment in the Hiwassee. This strengthens confidence that the future of the snail darter can be assured.

Let me turn to another statement. This is the biologists' report, the biologists who have followed the snail darter all the way through this issue.

> Two years of successful reproduction and juvenile recruitment in the Hiwassee River shows the transplant to be successful to this time. There is no reason to believe that the Hiwassee River snail darter population will not be a self-sustaining population.

We have done our duty. We have taken care of the snail darter. We have moved it. Actually, it is doing better now than it was doing in the Little Tennessee River. They told me last Friday that there were thousands of them now in the Hiwassee River. They moved 710 over there, and now there are thousands. So the snail darter is taken care of.

I know people are very sincere about this. The Secretary of Interior has been quoted tonight. He testified before my committee. He said, "We know that the Endangered Species Act is being used by some people." That was his testimony, and it is in the record.

We know that is taking place. You and I know that.

So we have a small dam here. Maybe you will say, "That is not much oil that it will save." The undisputed testimony shows that the water from this dam will go to the hydroelectric plant down below it and will provide heat for 20,000 homes.

What we have is a project that is 99 percent complete. The people want it. The people of Tennessee want it. You hear these folks who are opposing it, and making all this noise. You do not hear that from the people in Tennessee. So we need to move on. We have $100 million invested in this project, and I do not think that you and I want it to be a monument to this Congress action, against the will of the people of Tennessee, against the delegation, the elected representatives of the people of Tennessee, who want this project completed. The snail darter is safe. Now let us make some energy.

The Members heard the gentlewoman from Tennessee talk about her home being washed away because of the floods that could have been prevented. So, we know we need the energy; we know we need the flood control; we know that the industrial park is important; we know that the recreation part of it is important. We could go over these points too. But this is essentially an energy project. We must start taking these things more seriously. Actually, we are doing just as the Supreme Court of the United States suggested we do. They said, "If Congress wants it, they ought to provide for it." That is what the gentleman from Tennessee provided for in his amendment.

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the gentleman from Alabama (Mr. BEVILL) for his remarks and I would like to point out that the President, in his domestic policy review of solar energy, talked about reaching a 20-percent goal by the year 2000. The Members may not realize this, but in that 20 percent he included hydroelectric, he included both "low-head" and "high-head"—hydro; yes, he included energy generated by hydroelectric dams, big and small.

It is indeed hard to link hydroelectric with solar energy. But nevertheless that is part of the overall energy equation whether as part of "solar energy" or not. That is part of the ability of this country to reduce its dependence on imported energy. Now we are going to have to explain to the American people all over this country how $100 million of the taxpayers' money has been spent and wasted, how a snail darter, which has now been taken care of, shifted into other hospitable waters, still can gum up the works. We are going to have to explain to the American people how we cannot even get our act together to go ahead with an energy producing dam that is 99 percent complete. Is it any wonder that the American people's confidence in its leadership is so low? I think those Members who vote against this Tellico Dam completion will have a very rough time explaining this waste to their constituents at a time of severe energy shortage and a need to move forward.

Mr. BEVILL. I thank the gentleman for his contribution.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from California.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the very fine remarks of the distinguished gentleman in the well. This dam provides energy, it provides flood control, it enhances navigation on the river, and it provides recreation, all beneficial to humankind and the citizens of this country, and I see no reason why a snail darter that does not even provide food for humankind should be under consideration at this time.

I hope that this motion will be defeated.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

Mr. Speaker, I think the gentleman in the well mistakes the purpose of this motion. I think many of us might agree, as the gentleman who made the motion did, with the merits of the Tellico Dam. But I ask the gentleman, is not this in fact legislation on an appropriation bill? And I have heard the gentleman on countless times, and the rest of us who are not on the Appropriations Committee have tried to respect this process, because we do not think we should legislate on an appropriations bill. But the way this amendment was adopted, and the amendment itself, would not the gentleman concede it is major legislation to set aside five major laws to give this dam an exemption? That is our objection. Not on the merits that the gentleman has powerfully argued, but the question of whether or not on an appropriation bill there ought to be major legislation enacted without warning to the other Members of the House.

Mr. BEVILL. Mr. Speaker, you could argue that issue on nearly every bill that comes to this floor. If we do not quit talking about jurisdiction, this country is going to be on its knees with respect to energy. This amendment was handled properly. I did not offer it. I accepted it. The gentleman from Tennessee offered the amendment. Three hundred Members were sitting there. Nobody questioned it.

Mr. McCLOSKEY. I was sitting in the front row.

Mr. BEVILL. The gentleman was sitting in the front row. And that was the time to object under our rules. The gentleman knows that.

But let us not stop there. The gentleman knows that we voted 231 to 157 to continue this project last year.

Mr. BEARD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Speaker, it befuddles my mind that we continue to talk about technicalities such as legislation on an appropriation bill. I wish the Members of this House would take the time or, if they have not seen it, call for a copy of the GAO report that has been done on the enforcement and the implementation of the Endangered Species Act. If the Members did this they would see that you can throw technicalities to the wind, because the endangered species and the activation of the implementation of this Act has been an absolute and total disaster and insult to the integrity of this body as to the direction this body gave it in starting this bill.

The report shows how, on different projects, they turned their head the other way because a particular Member happened to be on a particular committee that could prove embarrassing if they placed this particular endangered species on the list. So, therefore, the head was turned the other way. It just so happens, apparently, the Member of this particular district did not happen to be on the right committee and, therefore, because of connections here and there, the snail darter was placed on it, with no priority, and this project has been stopped. It fulfilled every environmental responsibility when it was initiated. I ask every Member of this House, the way the Endangered Species Act was originally written, under suspension, with approximately 45 minutes of debate, talking about the coyote and the elephant, or whatever, some of the big items, never some of these other ones talked about, 45 minutes of debate. And I want to tell every Member here that each one of you could have had a project that had fulfilled every environmental requirement in this country, it could be 2 years down the road to the project having been completed, and it could have been stopped the way the bill was written. That is what happened here. It was a terrible piece of legislation the way it was written. Intent was good; the legislation and the interpretation by the Department enforcing it was absolutely an embarrassment, and some heads should roll.

So I say to this body and I plead with this body to look at this and to correct this terrible injustice and vote to exempt the Tellico Dam.

Mr. EDGAR. Mr. Speaker, will the gentlemen yield?

Mr. BEVILL. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

Mr. Speaker, I would like to suggest that everyone take a look at the letter by Cecil Andrus that is dated July 27, which was read by my colleague, the gentleman from Massachusetts (Mr. CONTE).

I happen to support the amendment offered by the gentleman from Louisiana (Mr. BREAUX), and I would suggest to the House that this particular dam should be looked at under the regular authorizing process and not put into this legislation at this time.

□ 2050

I would hope that this bill is not vetoed by the President because this amendment is included.

I would like to just say one thing that disturbs me in this debate. We are talkink about the Endangered Species Act, and we are talking about its implementation, whether we are for it or against it, and the way it is processed.

I was disturbed by one of the statements of one of the gentlemen from the other side who said that just because this snail darter is small, it somehow is insignificant.

If you look at the human race in comparison to the universe, we are small, and we are insignificant. I think most of us would agree that we have a right to exist on this particular planet. There is a very delicate interface in the world in which we live in terms of environmental species.

I think that, while you may not like the looks, the shape, or the size of the snail darter, it has a right to exist.

I draw your attention to Cecil Andrus' letter, where he states specifically that, contrary to claims of the project proponents, the snail darter's transplant into a separate river has not yet been determined to be successful.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say, we had Mr. Andrus before our Committee on Appropriations. He agreed with us that this act was not supposed to be used to stop projects, that one could meet the requirements of the act if one transferred the endangered species to new areas.

That occurred in the State of Mississippi. They moved the whooping crane so as not to stop a highway. Mr. Andrus' testimony was, if we did what was done here, it was all right. Mr. Andrus proved it by his own action in going along with Highway 10 in the southern part of our State.

Mr. BEVILL. I thank the gentleman for his contribution. I urge my colleagues to vote "no" on the preferential motion of the gentleman from Louisiana (Mr. BREAUX).

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Louisiana (Mr. BREAUX).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BREAUX. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 156, nays 258, not voting 20, as follows:

[Roll No. 425]

YEAS—156

Addabbo
Ambro
Anderson, Ill.
Andrews, N.C.
AuCoin
Barnard
Barnes
Beard, R.I.
Bedell
Bellenson
Biaggi
Bingham
Blanchard
Bonior
Bonker
Brademas
Breaux
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Cleveland
Conte
D'Amours
Deckard
Dellums
Derrick
Derwinski
Dicks
Dingell
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Evdahl
Evans, Del.
Fazio
Fenwick
Ferraro
Fish
Fisher
Florio
Foley
Ford, Mich.
Fowler
Frost
Fuqua
Gibbons
Gilman
Gingrich
Ginn
Gradison
Green
Guarini
Hall, Ohio
Harkin
Harris
Hawkins
Heckler
Hefner
Hollenbeck
Holtzman
Hughes
Jacobs
Jeffords
Kastenmeier
Kildee
Kindness
Kostmayer
LaFalce
Lee
Lehman
Leland
Levitas
Long, Md.
Lowry
Lundine
McCloskey
McDade
McHugh
Maguire
Markey
Marks
Matsui
Mattox
Mikulski
Mikva
Miller, Calif.
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mottl
Nedzi
Nelson
Nolan
Oberstar
Obey
Ottinger
Patterson
Paul
Pease
Petri
Peyser
Preyer
Pritchard
Pursell
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Rosenthal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Seiberling
Sensenbrenner
Shannon
Simon
Skelton
Snowe
Solarz
Spellman
St Germain
Stack
Stewart
Stokes
Studds
Swift
Udall
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolf
Wolpe
Yates
Zeferetti

NAYS—258

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boggs
Boland
Boner
Bouquard
Bowen
Brinkley
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Devine
Dickinson
Dixon
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Ind.
Fary
Fascell
Findley
Fithian
Flippo
Ford, Tenn.
Fountain
Frenzel
Geydos
Gephardt
Giaimo
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harsha
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDonald
McEwen
McKay
Madigan
Marriott
Martin
Mathis
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
O'Brien
Oakar
Panetta
Pashayan
Patten
Perkins
Pickle
Price
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Santini
Satterfield
Schulze
Sebelius
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Ullman
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wyatt
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—20

Bolling
Brown, Ohio
Conyers
Diggs
Evans, Ga.
Flood
Forsythe
Garcia
Holland
Ireland
McKinney
Marienee
Murphy, Ill.
Pepper
Stark
Treen
Volkmer
Williams, Ohio
Wydler
Wylie

□ 2100

The Clerk announced the following pairs:

Messrs. TRAXLER, ATKINSON, ABDNOR, MAZZOLI, and KOGOVSEK changed their vote from "yea" to "nay."

Messrs. WIRTH and BEARD of Rhode Island changed their vote from "nay" to "yea."

So the preferential motion was rejected.

The result of the vote was announced as above recorded.

□ 2110

The SPEAKER pro tempore (Mr. WRIGHT). The question is on the motion offered by the gentleman from Alabama (Mr. BEVILL).

The motion was agreed to.

The SPEAKER. The Clerk will designate the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 37: Page 32, line 21, insert:

SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building" $57,480,700, to remain available until expended: *Provided*, That the amount of $142,627,700 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building: *Provided further*, That, it is the will of the Senate that upon completion of the Hart Senate Office Building, the Committee on Rules and Administration shall provide for the expeditious removal of personnel, equipment, and furnishings from the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments and that said buildings shall remain unoccupied by the Senate until demolished: *Provided further*, That the Architect of the Capitol shall, within six months of the vacating of the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments, submit to the Senate Committee on Appropriations estimates of the cost of razing and demolishing said buildings together with recommendations for future use, renovation, or demolition of the building known as the Immigration Building.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein.

Mr. BEVILL. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Speaker, I rise in support of the motion by the gentleman from Alabama, the chairman of the subcommittee, that the House recede and concur in the Senate amendment to title V of the energy and water appropriation bill.

First, let me say that I have supported the completion of the Hart Senate Office Building in the past, including the vote last year when this House rejected further funding for construction. I firmly believe in the concept of comity: That we in this body must leave the internal decisions and management of the other body to the 100 men and women who have been elected by the people of the United States to membership in that body.

Second, I share the concerns of many of you that the vehicle for consideration of this issue, the energy and water bill, is probably not the most appropriate one

available. Normally, this type of item should be debated in the context of the legislative branch appropriation. However, I think that circumstances demand that we be pragmatic here. The legislative branch appropriation is, for all intents and purposes, stalled in committee.

And, Mr. Speaker, I am informed that because of inflation each month of delay in completing the Hart Building results in an additional $700,000 in costs to the American taxpayer. While we would like to do something about inflation, in the short-term we must admit that inflation is a reality as far as the Hart Building is concerned. Including the Hart Building as part of the energy and water appropriation will allow the Architect of the Capitol to move toward completion of the project, thus saving time and money down the road.

Third, many of us are concerned about this whole "space" issue. We all know that all of us are severely overcrowded. Senator JOHNSTON says that things are so bad in his office that he has a staffer working in a converted bathroom. Many of us can empathize because we share similarly inconvenient space assignments.

I know that each of us considers this a very serious problem. The staffers working in these overcrowded circumstances are there to help us to properly serve the people who sent us here to Washington—the people of the United States. When there is the possibility of improving their minimum quality working conditions, the quality of service to them—and the quality of representation—that our constituents deserve will enjoy improvement.

Finally, I would like to offer to you some comparisons of the office space available for staff use. According to the Office of the Architect, the average usable space assigned for staff use in the House and Senate Office Buildings (including annexes) is about 67 square feet per person. That is a little better than a space 8 feet by 8 feet.

According to the General Services Administration, the minimum—emphasise minimum—space allocated for clerical personnel in the executive branch of the Government is 150 square feet. The space allocations for professional, supervisory, and executive employees in Federal offices is considerably higher.

I checked with the Building Owners and Managers Association, an international trade association, to see what comparable space allocations are in the private sector. The figures given to me, which are based on average space allocations in calendar year 1977, are amazing.

In Washington, D.C., the average space allotted for office workers in private-sector office buildings was 222 square feet. Of course, Washington is an unusual city. There are a lot of white collar types—trade associations, lawyers, lobbyists, consultants, and so forth, people who try to influence the course of legislation.

In my own city, New Orleans, the private-sector figure was somewhat lower—182 square feet—but that is still better than 2½ times the space available in the House or Senate office buildings for each worker.

Let me give you the 1977 figures on some other cities, bearing in mind that the average space allotted to our—or rather to the people's—employees here on Capitol Hill is 67 square feet: New York, 167 square feet; Chicago, 170 square feet; Seattle, 200 square feet; Philadelphia, 193 square feet; and San Francisco, 159 square feet.

Remember, compare these figures with 67 square feet per office worker on Capitol Hill and 150 square feet per clerical worker in the executive branch: Houston, 250 square feet; Springfield, Mass., 204 square feet; Tulsa, 221 square feet; Indianapolis, 221 square feet; Jacksonville, 209 square feet; Toledo, 223 square feet; and Milwaukee, 216 square feet.

Mr. Speaker, completion of the Hart Building will double the space available for assignment to Senate employees to 150 square feet, yet this will be well below the GSA standard and considerably below the prevailing allocation for employees in the private sector.

I believe the Hart Building must be completed for reasons of comity, economy, and efficiency. I urge adoption of the gentleman's motion.

□ 2120

Mr. MYERS of Indiana. Mr. Speaker, I yield 10 minutes to the very able member of the subcommittee, the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Speaker, I rise in support of the motion that will provide the $57 million to complete this building. I must say I do it with minimal enthusiasm but with no apology for my position. Having reviewed the facts presented to the committee, I think that the sane and sensible and economical thing to do is to finish the building because all of the other alternatives make no sense, in my judgment.

I think we might ask ourselves initially, do they need the space? I think the gentlewoman from Louisiana (Mrs. BOGGS) clearly demonstrated that they do. I wish they did not need the space because I think they, and we, have too much space now. But the facts are that we do not have an office building half finished, and I hope and pray that we do not start one. They are working over there in a very crowded condition. They have 65 square feet per employee, and the General Services Administration minimum is 150 recommended. They have 1,700 people scattered around "the Hill" outside of Federal buildings. They are in apartments and hotels and in rented space, and I assume if we do not complete this building they will stay right where they are. They will not be discharged.

I looked at their staffing pattern, and I was amazed. No wonder they need this building. I discovered, for example, that Senator KENNEDY's Committee on the Judiciary has 217 staffers. By comparison the Senate Armed Services Committee, which deals with $120 billion, has 32 people and they occupy 16 rooms. The Senate Judiciary staff has 217 people and they occupy 62 rooms. I am not entirely sure what they do, but I am sure they will be around at least a few more years.

Let us get to the money that we are talking about appropriating here tonight. The cost until the Senate revised it was $174 million. They have now taken $32 million out of the cost, and the new cost is $142 million. How did they take the money out? They took a lot of things out of the building, and they will really have a kind of an unfinished product when they get through but it will be usable. It will be usable office space. Terrazzo has been substituted for marble; wood has been substituted for marble; there is a different quality carpeting; there are some unfinished offices; the subway is unfinished, and so on.

Here are our options, very simply, before us. We can finish the building and put it in usable condition for $57 million. We can abandon the project and tear it down, and that will cost about $100 million. I do not think we will vote to do that. We can abandon it and leave it standing and, indeed, it will be an eyesore and a conversation piece around the world. But the termination of the contracts will run in excess of $50 million. They examined 8 or 10 other options to finish two floors or three floors and a whole lot of things, and they have decided—and I agree with them—that the sensible thing to do is to strip the building down to the bare essentials. It is not a Taj Mahal. It may have been in its original concept; it no longer will be. But it will be a thing of beauty at least on the outside. It will fit the decor and the decorum of this neighborhood.

I might tell the Members something about cost per square foot. When it is finished it will cost $40 per square foot. The Rayburn Building occupied by some of you in the high-rent district, adjusted to present day prices for inflation, is $218 a square foot by comparison. The FBI Building recently completed downtown was $103 per square foot. Several commercial buildings in the large cities of America are in excess of $100 per square foot.

So I think, Mr. Speaker, that, given these rather unpleasant choices, the sane, the sensible, and the rational one is to complete the building as economically as possible and as soon as possible. I am reasonably certain if we abandon the building to be finished at some later date, that later date will come sooner than we think and many more dollars than we think.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BURGENER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding I think all of us want to be both economical and decent and not make some kind of hideous row between the two Houses of this Congress. But I would like to know what is still there? The luxurious sauna bath and all the things that were written up in the newspapers—are they still included?

Mr. BURGENER. To the best of my knowledge, they are not. But I do not know if the building as adjusted has any sauna baths in it. The $32 million taken

out of the building takes out such things as a light-dimming system, a computerized mail delivery system, certain security guard stations, the grade of carpeting that I mentioned earlier, marble has been substituted with other materials, the subway is unfinished.

Mrs. FENWICK. Have they still got the restaurant on the top and the swimming pool?

Mr. BURGENER. I will have to ask some other Member. I really do not know. I believe the swimming pool has been deleted.

Mrs. FENWICK. What did the gentleman say?

Mr. BURGENER. I believe the swimming pool has been deleted.

Mr. BEVILL. Mr. Speaker, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Alabama.

Mr. BEVILL. I thank the gentleman for yielding. The gymnasium is eliminated. The restaurant on the ninth floor is eliminated. The paneling is eliminated.

Mrs. FENWICK. I see. I thank the gentleman.

□ 2130

In conclusion, Mr. Speaker, given these limited and unhappy choices I think the economical and sensible thing to do is to finish the building now.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from California.

Mr. THOMAS. I am concerned about the relationship between this vote and the previous vote. I want to know if the gentleman has any information about whether or not snake oil is on the endangered species list.

Mr. BURGENER. Mr. Speaker, I might say in the final session in our conference with the Senate, and the Senate voted against the Tellico Dam by a very narrow margin, I think they will be impressed by our vote here tonight, but they said in the final moments of that conference in which both items were discussed—the Tellico Dam which they opposed, reluctantly, and this one which they favor. They said in their final moments, "Should we leave this building unfinished?"

I said, "Certainly not. It is something like a dam."

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding.

Mr. Speaker, I guess the one comparison might be the dam would produce electricity and the Cave of the Winds here would prove some kind of hot air or something but I might say to my friend, on the question of what we might do with this, just as a suggestion to the House, if the House in its wisdom decides not to complete the Senate Office Building, we could put a sign up over there and have all the school children from America when they tour the Nation's capital see it; "This is the highwater mark of the New Deal and this is where it all stopped."

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. BURGENER. I yield to the gentleman from Idaho.

Mr. HANSEN. I would just like to ask if the gentleman knows or if the chairman of the subcommittee knows, where the restaurant was deleted, the swimming pool was deleted, the gymnasium was deleted, if the deletion meant the space is occupied some other way or if the space is still there for completion at some other time.

Mr. BURGENER. I do not know the answer to that. Perhaps the chairman does.

Mr. BEVILL. It is my understanding that all of this space can be used but it will be used for personnel. By the way, these personnel will be moved in from the old fire traps they are in now into this building and the space will be used, but those things that you mentioned will be knocked out and this is cut down to the bare minimum.

Now, perhaps we should ask the distinguished chairman of the legislative appropriations subcommittee who is very knowledgeable about this in that he has been holding hearings on this for a long time. Perhaps he would like to add to that.

Mr. BURGENER. Mr. Speaker, I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I am going to ask for a vote on this issue.

The House disagreed on the spending of the money last year. I have been afraid that so many of my dear friends and colleagues were planning to run for the Senate this time that we might not have a majority vote to defeat this office building this year, until I heard my dear friend from Idaho comment that he thought he would stick with a no vote, and I hope he does.

I want to call the attention of the Speaker to the fact that this was very hard fought in the Senate itself. The vote was at one point even in the Senate. At one time half the Senators opposed it. It finally carried in the Senate by but one or two votes.

In the other body they are roughly evenly divided on this issue and, therefore, I fell the House has every right to step in and concern itself with taxpayers' money.

Mr. Speaker, I know I ran in the election in 1978 to cut out every single penny of unnecessary Government spending and certainly this is in keeping with my promise and I would suggest that other Members would certainly be considering that when they vote.

If there is one way we can cut back on money in the Federal budget it is on ourselves. The House decided to forego a fourth House Office Building several years ago that was in the planning stage and dropped, and I believe the Senate can do the same. They talk about room for staffers. Senators have 30, 40, 60, 80 staffers. We heard what the judiciary and other committees have in staffers. It is their problem. It is time we should cut back on such expenses as staff as well as office buildings and this will be certainly an incentive to do so.

As to those who say they do not want to leave a building unbuilt, I was a builder and certainly it is not going to cost $100 million to tear that building down, but I also point out that the Cathedral in France was left unfinished for over two centuries and I certainly think that that would not be a bad precedent for the Senate Office Building.

Let me say one thing in conclusion. The Wall Street Journal today says that many Americans, many middle-class Americans are forced to live in mobile homes today. They cannot afford any more a single-family residence of the conventional type so they must choose mobile homes. Yet here we are in Washington, D.C., building palaces for ourselves with taxpayers' money. They resent it. I resent it.

Mr. Speaker, I also know that the gentleman from Idaho (Mr. HANSEN) questioned the idea they will put the money back in for the swimming pool, the gym, the restaurant, the jogging path. You know eventually that will go back in. That is a subterfuge that we know from tradition will not be in effect down the road.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MYERS of Indiana. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I rise in opposition to the appropriations to complete the Hart Office Building. The first thing I would like to point out to the Members is that the figures you have been receiving in testimony here today about 65 square feet per Senate employee is a myth. That figure is closer to 100, based upon 7,000 Senate employees. Fifteen percent are in the States of the Senators. There are now 604,000 square feet of office space, not including hearing rooms. Divide the 6,000 remaining employees, not all of whom are people who need office space because those 6,000 employees include some who are painters, janitors, and restaurant workers, et cetera—by dividing those remaining employees, 6,000 into 604,000 square feet you will end up with 100 square feet per workers. That 65 square feet statistic came from the Office of the Architect of the Capitol.

Let me remind you he was the same person who testified recently that when they started out with this building, the purpose of starting out was just "to build a building."

Now, if additional office space is so essential then why is only 32 percent of this new building being used for office space?

No, Mr. Speaker, what is wrong with this office building is that it never started with any clear purpose in the first place except that nebulous purpose that "we set out to build a building" and there were $48 million appropriated for the purpose of building a building.

Mr. Speaker, it took 3 years of lost

time to determine what the purpose of this building was all about and all during that period of time costs went up and up and up. First it was $48 million and then $69 million and then $85 million and, most recently, $134 million and even this year was some talk of $174 million. You know, before it is done—by the way, it is already 4 months behind projected completion time, it is going to cost $200 million. We know that.

Mr. Speaker, what is the purpose of the building? The purpose of the building is to find room and a justification for more staff.

We are all aware of what is referred to as the Parkinson law. It is going to be equally as applicable in the Senate Office Building as any other office building built here in Washington, D.C., or any Government building anyplace in the United States. That is that the space will be filled with employees.

Mr. Speaker, the real issue is how much more space we are going to provide to hire how much more Senate staff.

□ 2140

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, since we have so many monuments here in Washington, why can we not leave the Hart Senate Office Building unfinished as a monument to Government overspending

Mr. GRASSLEY. I think the gentleman's point is well taken.

My final comment is we do not need it. It costs too much. In fact, we do not even know how much it will cost.

Mrs. BOGGS. Will the gentleman yield?

Mr. GRASSLEY. Yes, I yield to the gentlewoman.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for yielding.

Even with the adjusted square footage to 100 square feet per person that is still 50 square feet below the GSA footage for clerical workers in the executive branch of the Government.

Mr. GRASSLEY. The gentlewoman would have in order to guarantee 100 square feet per employee, would have to put a limit on the number of Senate employees, because regardless of how much space we have, it is going to be filled up and it is going to average a lot less than 100 at the rate we are going.

Mrs. BOGGS. Mr. Speaker, will the gentleman continue to yield?

Mr. GRASSLEY. Yes, I will yield.

Mrs. BOGGS. I thank the gentleman so much.

I would like to say that I agree with the gentleman about putting a cap on employees and I think we must address ourselves to this problem; but I would like to also remind the gentleman that this building is not for additional employees, but for those who are now housed in areas like the old Carroll Arms and various buildings which serve as annexes to the Senate Office Building.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, for those of us who have been here a few years, this is a good example in many ways of how this Congress operates. There are three basic principles that seem to be just literally in stone.

First of all, where there is a will, there is a way. The things that we really want to get done around here, they get done. I suppose we ought to be thankful the Senate did not attach this to a hump bill or a jute bill or something related to taxation. They at least put it on an appropriation bill so we can at least thank them for that; but where there is a will, there is a way. We knew they would come back. We knew they would have a way of doing it.

The second general principle that seems to operate around here is start small, but at least start it. That is the big thing, at least get it going. Say, "It is not going to be big."

I remember the Rayburn Building. It was only going to be $20 million; but it blossomed out to $120 million; but above all, just get it started. Then you can come in with the third argument, once it is started, you cannot do anything else but complete it. We do that on project after project after project. The overruns do not seem to make a bit of difference, but if you find a way to do it, if you get it started, just come back and say, "Why, it's irresponsible for us not to complete it."

I suggest that what my colleague, the gentleman from Wisconsin, and what my colleague, the gentleman from Idaho, added to the debate is absolutely correct.

Let us just for once not finish a project. Let us just for once not fall for that sticky paper argument that once you are stuck, you get stucker, you get stucker and you get stucker.

You know, as a matter of fact, what we might do is have a moment there and say this is where the taxpayers' revolt started. We could go to the Metro, they had an overrun. They could give free tickets. Everybody that comes to town could go see it. The Kennedy Center, we are spending a lot of money there that we were not going to spend. They give out free tickets there.

The stadium, the Visitors' Center, we could give out free tickets to all of our constituents when they come to town. They could go to that side of the Capitol, they could take a look and say, "You know something, here is where the taxpayers' revolt started." I do not think it is going to start, but at least it is a good idea.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, many Members of this body will have the opportunity to travel throughout the world next month on factfinding missions. I hope they will use this opportunity to scrutinize many of the beautiful and majestic architectural wonders of mankind, the great edifices across our lovely little planet that have survived the ravages of time. Most of these awe-inspiring structures cost less to construct than the infamous Babylonian Senate building under discussion.

I would strongly suggest that you vote in opposition to this peculiar growth to the east of the Dirksen Building. This monstrosity is no longer what it was designed to be, the horseshoe-shaped completion of the Dirksen Building. A mirror-like completion of that first horseshoe that was finished a decade and a half ago and named the New Senate Office Building. The addition, the second half, has exploded, however, into some sort of weird appurtenance clinging to the side of the symmetrical Dirksen Building with the girders of its rooftop restaurant reaching for the clouds. Finished or not, the ballroom will ring to disco music within our lifetimes I assure you unless you vote no now. If you vote no you will not have to face the following analysis as the months wane into fall during next year's election season.

I have asked the Library of Congress for accurate research on the cost of key architectural works of mankind. I know this deformed twin of the newest Senate Office Building is now going to be more expensive than the Erie Canal, the Empire State Building, even adjusted to 1979 Susan B. Anthony dollars. Much more expensive than the glorious San Francisco Golden Gate Bridge, which by the way, paid for itself with tolls.

I have asked the Congressional Research Service to adjust the slave labor cost used to build some of the great pyramids of the world. Adjusted to 1979 minimum wage costs, you will still find out that the Temples of the Sun and Moon at Teotihuacan, the Tikal Sacrificial Temple in Guatemala, or even Machu Picchu in Peru did not cost as much. Not even the Cheops Pyramid, or the Schwegadon in Ragoon, Burma, which of course some of you will get to see next month will cost as much. Not even the Taj Mahal, which was built in the name of love, rather than as a temple built in the name of fleecing the helpless taxpayer.

You will probably miss Angkor Wat in Cambodia because of ongoing genocides, but, yes, even that did not cost as much.

Now, if you please, look at Europe. Take Ludwig the Second's mad fairy tale palace at Neuschwanstein, which he built mostly with his own money I might add. Yes, that did not cost as much. Or that other mad palace of evil fairies, the Kremlin. And remember, Ivan the Terrible, gouged out the eyes of his architect of St. Basils because he overcharged. Or was it to stop him from designing a Duma office building?

However, need I remind you that the Cologne Cathedral was left uncompleted for over 300 years for a much less worthy reason than the uncompleted symbol of thrift we propose.

Take the Versailles Palace of the Sun King, Louis XIV, even that wonder did not cost this much, or the Eiffel Tower or

the Mother of Parliaments with its adjoining Westminster Cathedral thrown in for good measure. Or, need I point out, this very building completed in 1863, with Lincoln standing out there in the parking lot supervising and holding down finishing costs, yes this magnificent structure undercuts the Dirksen-cast growth cost.

You guessed it—the imposing Diet in Tokyo was a bargain by comparison.

You cannot find any of the great cathedrals of Europe or Asia Minor surpassing this Senate extravaganza. Yea even Hagia Sophia in Constantinople or, not only the exquisite Parthenon itself, but verily all the buildings across the entire Acropolis did not surpass this costliness.

I close with this. Ponder briefly the sweeping majesty of the Escorialle, the Alhambra or dare I say it—the incomparable San Pietro in Rome, yes, that is correct, even St. Peter's Cathedral itself, all bargains. And I will tell you this, the architect of St. Peter's was Michaelangelo Buonorotti, not George White. Even adjusting dollars St. Pete's does not match the $142,627,700 target price tag on this little project.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. DORNAN) has expired.

Mr. MYERS of Indiana. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. DORNAN. Mr. Speaker, with that 1 minute, allow me to conjure up for you the image of the professional President Woodrow Wilson, with the electric button beneath his finger in our very White House at the end of the Mall. That button that would open the final lock of the great Canal at Panama and join the world's giant oceans. In 1914 General Electric out of JACK KEMP's Buffalo opened with Wilson's help that waterway wonder of the modern world at less cost than this building will take to complete, with or without the hanging garden rooftop ballroom.

Let us really respect the memory of Senator Phillip Hart. Let us really respect the memory of the velvet throated Senator Dirksen who would be saying tonight, "Shame on you for spending this taxpayer money." Leave the monster growth as an addition to the ugly abstract art monstrosities in front of the HEW Building.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield for the gentleman's comment on abstract art.

Mr. HYDE. Mr. Speaker, I just want to say, "Eat your heart out, JIM WRIGHT."

Mr. DORNAN. Sic transit gloria. Mr. Speaker, I will close by noting that three of the most wonderful con artists in this country, Jimmy, Teddy, and Jerry, had better beware of the fastest dark horse in the great majority party, the distinguished gentleman from Oregon, Mr. WEAVER. He may well be swept into the White House itself with its electric buttons by the eloquence that he has displayed here tonight in his impassioned defense of the great American taxpayer. We had best heed his sage counsel. I too, urge defeat of further moneys for our 20th century Mausoleum at Halicarnassus.

Mr. MYERS of Indiana. Mr. Speaker, are you not all glad that you did not go home early?

I apologize to the gentleman that we do not have more time. We might have gotten into the 20th century.

□ 2150

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say to my colleagues that I will make this brief.

This building was started and funds were appropriated for this building by the House. Many of us voted against starting this building; that includes me. I voted against starting it, and I know many of the other Members did.

But now I think, in all fairness, we have to take this situation as it is right now. The distinguished gentleman from California (Mr. BURGENER) brought out the facts as to what has been done since this House acted on this legislation. The Senate Office Building Commission is headed by Senator JOHNSTON, who is also chairman of the Senate Energy and Water Development Appropriations Subcommittee, and he added this amendment in the Senate to this legislation, and he cut out some $32 million.

Now, I want the Members to listen to this for just a minute. What are we going to be voting on here? Do we want to just let that building stand there uncompleted? Do we really want to do that?

The costs are going up, and I want the Members to listen to this figure. The cost is going up $700,000 a month.

Let us spend $57 million and finish this building. The frills have been cut out. $32 million has been deleted.

Let us cast a conservative vote and vote for this $57 million to complete this project, because if we do not, it will cost $100 million to tear it down.

This building is 25 percent complete. Fifty percent of the contracts are let. Are the people back home going to expect us to cancel these contracts? Are they going to expect us to take this action that is being advocated here?

So, Mr. Speaker, I urge the Members to vote to go along with the Senate on this amendment for the Hart Senate Office Building that they have actually started. We have put them in the position of cutting this building out, but I say to the Members that you and I can certainly take credit for getting rid of all these frills that have been knocked out of this building. This is what the Members, you and I, advocated.

We have discussed square feet but, my goodness, we cannot leave the steel frame standing there. If we are going to build it, let us build it right. Let us put some walls in and put a roof over it, complete the building, and get those 1,700 employees out of the firetraps. We do not want to pay $100 million to tear it down, but that is what is going to happen if we do not complete it.

Some Members say they are going to be coming back for a swimming pool and other items. We can pass on that at that time, but let us take the situation as it is now. I think that is what our people back home expect us to do, and that is the question we are faced with.

So, Mr. Speaker, I urge the Members to support my motion to concur with the Senate amendment.

Mr. MYERS of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabam (Mr. BEVILL).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WEAVER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. WEAVER) makes the point of order that a quorum is not present. The Chair will count.

Mr. WEAVER. Mr. Speaker, I demand the yeas and nays.

The SPEAKER pro tempore. Does the gentleman from Oregon (Mr. WEAVER) withdraw his point of order that a quorum is not present?

Mr. WEAVER. Yes, I do, Mr. Speaker, and I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. WEAVER) demands the yeas and nays.

As many as are in favor of the motion will rise and remain standing until counted. The Chair will count all Members standing.

The Members will now be seated, and the Chair will count.

Forty-one Members were standing. There are 246 Members present, an insufficient number.

The yeas and nays are not ordered.

Mr. WEAVER. Mr. Speaker, I demand a division.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. WEAVER) demands a division.

As many as favor the motion offered by the gentleman from Alabama (Mr. BEVILL) will rise and remain standing until counted. The Chair will count all Members standing.

The yeas will be seated, and the nays will rise.

The nays will be seated.

On this vote by division, the yeas are 112, the nays are 57, and the motion is agreed to.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. BAUMAN) objects to the vote on the ground that a quorum is not present and makes the point of order that a quorum is not present.

The Chair must count again.

Two hundred and fifty-six Members are present, a quorum.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. BAUMAN) will state his point of order.

Mr. BAUMAN. Mr. Speaker, I make the point of order that the lack of a quorum was established at the time the Chair announced the vote to be 112 in favor and 57 against. The gentleman immediately lost his protest on the lack of that quorum, and it had already been established.

The SPEAKER pro tempore. The Chair will observe that on that vote the Chair counted only those Members standing, the yeas 112, and the nays 57. That does not necessarily presuppose that there were not also in the Chamber Members who, for one reason or another, did not deign to vote either aye or no by standing.

RECORDED VOTE

Mr. BAUMAN. Mr. Speaker, I demand a recorded vote.

As many as favor taking this vote by recorded vote will rise and remain standing.

Forty-nine Members have arisen, a sufficient number, and a recorded vote is ordered.

Members will record their vote by electronic device.

The vote was taken by electronic device, and there were—ayes 173, noes 236, not voting 25, as follows:

[Roll No. 426]

AYES—173

Addabbo
Akaka
Alexander
Ambro
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Atkinson
Badham
Bailey
Baldus
Barnard
Beard, Tenn.
Bellenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonker
Bouquard
Bowen
Brademas
Brooks
Brown, Calif.
Burgener
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Chappell
Clay
Collins, Ill.
Corman
Danielson
Davis, S.C.
Dellums
Dicks
Dingell
Dixon
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Foley
Ford, Mich.
Frost
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gray
Hagedorn
Hall, Ohio
Hanley
Harris
Hawkins
Holtzman
Howard
Hyde
Jenretta
Johnson, Calif.
Jones, Tenn.
Kasen
Kogovsek
Leach, La.
Leath, Tex.
Lederer
Leland
Lloyd
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
Marks
Mathis
Mattox
Mavroules
Mazzoli
Michel
Mikva
Miller, Ohio
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Ottinger
Patten
Perkins
Pickle
Preyer
Price
Pursell
Quillen
Rahall
Rangel
Reuss
Rhodes
Richmond
Roberts
Rodino
Roe
Rose
Rostenkowski
Roybal
Royer
Sabo
Scheuer
Simon
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Stack
Staggers
Stanton
Steed
Stewart
Stokes
Stratton
Synar
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Watkins
Waxman
Weiss
White
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wolff
Wright
Wyatt
Yates
Young, Alaska
Zablocki
Zeferetti

NOES—236

Abdnor
Alboste
Anderson, Calif.
Andrews, N.C.
Applegate
Archer
Ashbrook
Aspin
AuCoin
Bafalis
Barnes
Bauman
Beard, R.I.
Bedell
Bennett
Bereuter
Bethune
Boner
Bonior
Breaux
Brinkley
Brodhead
Brown, Ohio
Broyhill
Buchanan
Butler
Byron
Campbell
Carney
Cavanaugh
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dodd
Donnelly
Dornan
Drinan
Early
Edgar
Edwards, Okla.
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Fithian
Flippo
Florio
Ford, Tenn.
Fountain
Fowler
Frenzel
Fuqua
Gephardt
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Lowry
Lujan
Luken
Lundine
Lungren
McDade
McDonald
Madigan
Maguire
Markey
Marriott
Martin
Matsui
Mica
Mikulski
Miller, Calif.
Minetа
Minish
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patterson
Paul
Pease
Petri
Peyser
Pritchard
Quayle
Railsback
Ratchford
Regula
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Solomon
Spence
St Germain
Stangeland
Stenholm
Stockman
Studds
Stump
Swift
Symms
Tauke
Taylor
Thomas
Trible
Udall
Volkmer
Walgren
Walker
Wampler
Weaver
Whitehurst
Whittaker
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolpe
Yatron
Young, Fla.
Young, Mo.

NOT VOTING—25

Anderson, Ill.
Bolling
Broomfield
Conyers
Diggs
Emery
Fish
Flood
Forsythe
Garcia
Holland
Ireland
McKinney
Marlenee
Murphy, Ill.
Obey
Pepper
Rosenthal
Seiberling
Stark
Treen
Vander Jagt
Williams, Ohio
Wydler
Wylie

□ 2210

Messrs. LEDERER, VENTO, and YATES changed their votes from "no" to "aye."

Messrs. GOLDWATER, COTTER, BUCHANAN, HIGHTOWER, COELHO, and EDWARDS of Oklahoma changed their vote from "aye" to "no."

So the motion was rejected.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves to recede in the amendment of the Senate No. 37 and concur therein with an amendment as follows in lieu of the matter proposed to be inserted by the Senate insert:

SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building "$52,583,400 toward finishing such building and to remain available until expended: *Provided*, That the amount of $187,730,400 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

It is *further provided*, That such building and office space therein upon completion shall meet all needs for personnel presently supplied by the Carroll Arms, the Senate Courts, the Plaza Hotel, the Capitol Hill Apartments and such building shall be vacated.

□ 2220

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state the point of order.

Mr. BAUMAN. Mr. Speaker, this amendment offered at this time would not have been in order had it been offered to the bill as originally before the House. The bill is an appropriation bill and this constitutes legislation on an appropriation bill.

The SPEAKER pro tempore. Does the gentleman from Alabama desire to be heard on the point of order?

Mr. BEVILL. Mr. Speaker, I wish to point out this is merely a change of the language that is in the appropriation bill and it is germane and it is a part of the bill.

The SPEAKER pro tempore. The Chair is prepared to rule. The Chair would like to state that the only requirement of the amendment in the motion offered by the gentleman from Alabama is that it be germane to the Senate amendment. The language is quite clearly germane to the Senate amendment No. 37 and, therefore, the motion is in order and the point of order is overruled.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, under the rules would not a demand by any Member to separate the questions to recede and concur with an amendment be per-

mitted and then only a vote would occur on the first part of that, which would be the motion to recede?

The SPEAKER pro tempore. The gentleman is correct, such a motion would be in order. The House could consider the first part if the two items were separated.

Mr. BAUMAN. Mr. Speaker, I demand that the question be divided.

The SPEAKER pro tempore. The gentleman is protected.

The gentleman from Alabama is recognized for 30 minutes in support of his motion, or such portion of that time as he may consume.

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a reduction of $4 million. We are not specifying where it comes from, but it is cutting down the total costs and the limit on the whole total cost of the building as well as the appropriation, which is reduced to $52,583,400. It further provides that the building and the office space therein, upon completion, shall meet all of the needs for all of the personnel presently supplied by the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capital Hill Apartments, and that these buildings shall be vacated.

This is where the problem is. They are in these dangerous buildings that are firetraps and this is the purpose of the building to begin with, and this is why it was started.

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi, chairman of the Appropriations Committee, Mr. WHITTEN.

Mr. WHITTEN. Mr. Speaker, if I may have the attention of my colleagues, I participated in a discussion with the gentleman from Florida (Mr. PEPPER), where he made a statement in a meeting of the Rules Committee on the Congressional Budget Act. He likened our Government to the Russian troika, where you had three horses. Our Federal Government has the executive, judicial, and legislative branches. If we went off in three different directions, my colleagues can just imagine how far we would get.

I suppose I have had more times to be concerned about the attitude of the folks at the other end of the Capitol than anybody here in that I have been here longer. I know that we reach the point about this time of night and about this time of the session where we would like to just have some fun, among other things. But let me describe to you the situation.

I had nothing to do with building this building. But it is about half complete. Not only that, but at the present time your colleagues on the other side of the Capitol have 1,700 employees in such places as the Carroll Arms Building, the Senate Courts Building, the Plaza Hotel, and the Capitol Hill Apartments.

Let me tell some of my younger friends here that you have younger Senators over there who have employees in three separate buildings working on their office staffs. Now that is the situation. You are spending the money now, or at least they are, for the personnel. It is very inefficient and it is costing you money. They have this frame erected that they have obligated about $80 million on, I understand. And by virtue of this amendment you ask to scale down the building by $4 million, but it is also required that they vacate these four buildings which have all of the defects in the world and go ahead and finish the building that is half completed.

I cannot see how you can oppose this motion and feel that you are voting in the best interests of this country.

I spoke to a joint session of the Mississippi Legislature recently and I said that as Congressmen we are really here as representatives in Congress and as a representative who wants to get something done for your people, do not think you do not have to get a proposal cleared in the Senate as well as the House. I am just saying to you when this language, which I had something to do with preparing, says pull your people out of where they are, vacate the buildings, put them all in this new building that you have already started. I think it is sound. I think it is sensible. I think it is economical. I hope you will support this motion.

Mr. BEVILL. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Speaker, I rise in support of the motion to recede and concur with an amendment offered by the gentleman from Alabama.

This is the Hart Building amendment and it would provide $52,583,400 to complete construction of the extension to the Dirksen Senate Office Building, the so-called Hart Building. In addition, the amendment would place a cap of $137,730,400 on the total construction cost of the building—which consists of the $85,147,000 already appropriated to date plus the $53 million in this amendment.

The amendment just offered by my colleague, the distinguished gentleman from Alabama, the chairman of the Subcommittee on Public Works and Energy Appropriations, would provide the identical amount recommended to complete the project by the Senate Office Building Commission, or $4,897,300 less than finally approved by the Senate.

The amendment also contains language that provides that the space needs of the personnel that now occupy several Senate buildings will be supplied by the new building. That space will be vacated upon completion of the Hart Building. This language carries essentially the same thrust as the language in the Senate bill, but is more specific and, therefore, an improvement.

Mr. Speaker, the other body has taken these actions after conducting extensive studies, hearings, and meetings over the past several months. The Senate Office Building Commission, the Senate Committee on Appropriations, and the Architect of the Capitol, with substantial assistance from construction management consultants, has examined several alternatives for the future course of the Hart Building construction. Their conclusion was that it would cost $89 million to complete the project as planned. The Senate has scaled that estimate back to $57 million—a reduction of $32 million under the cost estimated to complete the project.

The amendment now proposed would scale the estimate back further—to $53 million—a reduction of $37 million under the estimated completion cost.

In other words, Mr. Speaker, the other body has examined this project competently and thoroughly; has reduced its scope where warranted; has done so on the record; and, by record vote on July 18, 1979, voted to complete the project under the conditions I have outlined.

We should go along with the other body, Mr. Speaker. This is a housekeeping item that they have dealt with forthrightly, and I believe the House should respect their decision and ratify it with the adjustments contained in the gentleman's amendment.

Moreover, Mr. Speaker, we will gain nothing by prolonging the decision of what to do with this new building. On three previous occasions the House has agreed to the Hart Building and has provided funds for its construction. We approved H.R. 17034 (Public Law 92-607) which provided the original $47,925,000 construction; we approved H.R. 11576 (Public Law 93-245), which increased the appropriation to $68,825,000; and we approved H.R. 16900 (Public Law 93-554), which increased the appropriation to the level at which it currently stands, $85,147,000.

If we objected to the construction of this new building, we should have stopped it back in 1972 when the House and Senate first agreed to it. Since then, we had two more chances to stop it—both in 1974—but continued to support it with additional appropriations.

To stop it now would be foolhardy—the foundation has been dug; the concrete footers are installed; the steel superstructure is in place—it rises nine floors above the ground; the marble facing has been ordered, inventoried, and paid for; the stainless steel exterior walls are being installed right now as we debate this question; parts of the subground level interior are being worked on, and much of the electrical and mechanical equipment has been ordered and will be roughed-in under a contract that is now going on.

The building is in place, Mr. Speaker. We have already spent $34.5 million and another $23 million would have to be spent even if we stopped construction today. The country cannot afford to waste $57 million to purchase a rusting steel hulk that will be a constant reminder to the taxpayer that the Congress cannot agree on its own housekeeping needs.

It would be even more costly to tear down what has already been put in place. The distinguished majority leader of the other body has estimated that it would cost $100 million to pay off the contractors and dismantle what has already been constructed.

We cannot afford $100 million to cover a hole in the ground, Mr. Speaker.

To delay our decision—which would result if this motion is defeated—would be even more foolhardy. Each month of

delay drives the cost of this building up $700,000—it would cost over $8,000,000 more to complete it if we wait till next year to approve a cap on the construction cost of this building, and we would be no further ahead than we are right now—except the costs would be much higher to terminate, to tear down, or to go ahead and complete.

With respect to cost, Mr. Speaker—the other body has pared the estimated cost to complete the project by almost $32 million. The current estimate had been $89 million to complete. In acting on this estimate, however, they decided to eliminate several items, including: $13.2 million for furniture and furnishings; $335,000 for a light-dimming system in Senators' offices; $2.9 million for an automated distribution system; $2 million for an energy management system; $1.4 million for reduced carpet quality; $5.6 million for ancillary office space and partitions that, as a result, will not be used; $906,000 for the physical fitness facility; and $3.4 million for part of the atrium and various artwork.

Thus, the cost of the building has been reduced substantially by the other body in an apparent effort to economize.

The proposed amendment would eliminate funds for three more items: $2.23 million for paneling in Senators' offices; $1.41 million for the ninth floor dining facility; and $1.26 million for a hearing room.

These deductions had been proposed by the Senate Office Building Commission, but were restored in subsequent actions by the other body.

And this building is not out of line with current construction costs, Mr. Speaker. The 1.2 million square feet in the building will cost $103 per square foot. Adjusted for today's price level, this compares with costs of $142 for the A.T. & T. building in Bedminster, N.J.; $108 for American Can in Connecticut; $109 for Uniroyal in New Jersey; $93 for the FBI Building; $124 for the Rayburn Building; and so on.

This is not a Taj Mahal, Mr. Speaker; the cost of this building is definitely in line with the costs of other office buildings being constructed in the contemporary economic environment.

Finally, Mr. Speaker, there is the question of staff. There is the fear that new staff will be hired to occupy this building. However, the distinguished majority leader of the other body indicates that this new space is needed to displace the 1,700 employees now housed in apartment, hotel, and similar quarters on the other side. Fifty Senators will have their offices there. Their staffs, who now have about 65 square feet of space—although 150 square feet is the GSA minimum standard—will also move into the new space. Their obvious intention is not to use this space to hire more staff—only to house what they now have in more efficient, up-to-date quarters.

Mr. Speaker, regardless of how we look at this amendment—as housekeeping in nature, and therefore subject to the principle of comity between the Houses—as a project which has undergone extensive analysis and reductions in scope—as a building that compares in cost to comparable office structures in Washington and throughout the country—or as an investment in the future of one-half of the greatest deliberative body in the world, the U.S. Congress—the Hart Building passes the test.

I urge that the House support the motion to recede and concur with an amendment on this matter.

□ 2230

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. BENJAMIN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Last year, when we considered this matter, those who supported the erection of this latest example of the Oedipus Complex told us that if in fact the money was not appropriated, the building would have to stop dead in its tracks and nothing more could be done, and a great deal of money was lost. Yet, they have gone on and spent a great deal more. Where did that money come from?

Mr. BENJAMIN. The money had been appropriated in 1972, and again in 1974.

Mr. BAUMAN. The last year's installment was refused, turned down by the House.

Mr. BENJAMIN. The request last year was for the amount of $54,853,000, with a cap of $135 million. That was rejected by this body.

One contract has been let since that time. That was the contract let on December 27, 1978, in the amount of $22,451,500 for mechanical, electrical, and plumbing. All other contracts were let previous to that time.

The contract for the Dirksen temporary access has been completed; excavation and foundation have been completed; stone procurement has been completed; superstructure is due for completion April 17, 1980, and the last contract I mentioned that was let in December is due for completion May 1, 1982. So, after that vote there was a contract let for interior mechanical, plumbing, and electrical systems.

Mr. BAUMAN. Where did they get the money?

Mr. BENJAMIN. From the $85 million this body appropriated on three previous occasions.

Mr. BAUMAN. And then the building doubled in size with no money?

Mr. BENJAMIN. The building doubled in size between 1972 and 1974. The history of this building was that it was originally to be a replica of the Dirksen Building, and those Members who served in the 93d and 94th Congresses approved these moneys and approved the extension of this building. It went from 652,000 square feet to 1,100,000 square feet. This body is not being asked to do that. This body is being asked to make the building occupiable.

Mr. BEARD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Speaker, I must say that I certainly did not want to speak on this issue, and I certainly do not understand why I am at this particular time because I voted against it. But, I find it absolutely amazing that at 10:30 in the evening we are discussing that which is going to be a reality eventually. We have all put in our votes against this building, and I think all of us can go back home and tell our constituencies that we have saved the taxpayers approximately $32 million in the previous cut, and I think this amendment calls for another cut of $5 million, so we are talking about $37 million.

So, I feel that my vote of protest as to the way this was handled, and all the glamour and luxuries, we have accomplished something. But, when I look at what it is going to take to stop the project, the fact that we have voted to create this and everything, this is insanity at its best. I say that I have expressed my position for fiscal conservatism. Let us get on with the building because we have already cut it by $37 million.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield further?

Mr. BENJAMIN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would just say to the gentleman this: It seems to me that the better part of discretion in this matter would be, instead of trying to resolve this issue here, to go back to conference and make it plain to the other body that we want something more than a promise that there will not be sauna baths, gyms, rooftop restaurants; that in fact we will have better than a suggestion that space we are now told will not be used for those projects will indeed be converted into office space in every instance, and the plans be shown to us. Once that is done, then we will vindicate the suggestion of the gentleman from Tennessee and go ahead and finish the construction. Obviously, we cannot tear it down, but tonight to adopt the amendment for $4 million and then say that we voted our commitment to fiscal conservatism is baloney. We ought to vote down this and get the guarantees, and then consider the issue.

Mr. HEFTEL. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Hawaii.

Mr. HEFTEL. Mr. Speaker, this may have already been made known, but I think it is pretty important for us to know, what is the cost per year for the space we now rent that we will eliminate when this building is completed?

Mr. BENJAMIN. They have six buildings. Five of the buildings we are talking about are actually owned by the Government. One is rented. That is the building at 400 North Capitol Street. The other five buildings are Government owned, the Plaza, the Immigration Building, the Capitol Hill Hotel——

Mr. HEFTEL. What are they going to use those buildings for?

Mr. BENJAMIN. Four of them they will vacate. They plan to study the future use, renovation or demolition of the Immigration Building. Consequently, what

we are talking about in space-cost savings is minimal because they are owned by the Government.

Mr. HEFTEL. Those buildings will then be torn down?

Mr. BENJAMIN. That is the plan for the four buildings.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the distinguished chairman of the full committee.

Mr. WHITTEN. Mr. Speaker, I would like to have the attention of my friend from Maryland. Having had something to do with writing this amendment providing that the amount of $137,730,400 shall constitute a ceiling on the total cost of construction. It provides further that the 1,700 employees shall be removed from where they are and that this building shall house the full 1,700. If we write it in here I do not know how we could make it more specific.

Mr. BAUMAN. I believe there already have been several ceilings enacted by the other body, and each time the ceiling has been raised. But, there will not be anything compared to the ceiling raised in the gentleman's district when he goes back and has to explain how he voted for this Taj Mahal.

Mr. WHITTEN. I do not think the gentleman knows my district as well as I think I do. When we have something that is half finished, I think the question will be, "Why did you stop in the middle of the stream?"

Actually, we are caught in the position that my friend from Tennessee noted, we have registered those feelings. The language is specific; they have to live within it. The only thing left for us is to finish the building.

□ 2240

Mr. LEDERER. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Pennsylvania.

Mr. LEDERER. I thank the gentleman for yielding. Mr. Speaker, I would like to ask one brief question. A vote against the amendment would mean I would be pennywise and pound foolish?

Mr. BENJAMIN. That is correct.

Mr. LEDERER. I thank the gentleman.

Mr. BURGENER. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from California.

Mr. BURGENER. I thank the gentleman for yielding.

The body appears anxious to vote. I just wanted to point out that the Rayburn Building was terribly expensive, as we all know. It does contain a swimming pool. It does contain a gymnasium, about which we are being critical of the other body, even though it has been eliminated. The Rayburn Building cost $218 a square foot; this building will cost $140 a square foot, and I want the Members to keep that in mind.

Mr. BENJAMIN. I thank the gentleman. He is absolutely correct in his figures.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

I just note that the vote count we just took was 236 to 173. I would like to speak out, because the cup of redemption is deep, and plead with the distinguished gentleman from Tennessee not to reduce it to 235 because we have made a significant statement here to the American people. I was not jesting when I said I had submitted two of these edifices of mankind—personkind—to the Library of Congress. I will be sending a "Dear Colleague" letter when we get back on every single work of architecture I mentioned.

The gentleman rushed over from the other side to the gentleman from Pennsylvania, rushed to my side in the well and said, please include the citadel at San Clemente. And I will, with all of its environs and Amityville horrorlike condition that existed there at one time.

We are going to have another vote here. Some of us are going to ask for it. And whether it is the winter palace with or without the malachite room or, as one gentleman suggested, Saint Basel's in the Kremlin, where the architect had his eyes gouged out so he could never again recreate this building, that building, too, will sit like the Cathedral at Notre Dame unfinished, and it will be a symbol to America.

I ask that the vote of 236 hold fast in the best interests of ourselves, our constituents, and America.

Mr. BEVILL. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is, will the House recede from its disagreement to the amendment of the Senate No. 37?

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Speaker, I demand a recorded vote, and I request a fair count.

The SPEAKER pro tempore. The Chair will state that the gentleman is fully within his rights to demand a recorded vote and to expect a fair count.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 184, not voting 36, as follows:

[Roll No. 427]

AYES—214

Addabbo	Bevill	Chisholm
Akaka	Biaggi	Clausen
Alboata	Bingham	Clay
Alexander	Blanchard	Coelho
Ambro	Boggs	Collins, Ill.
Anderson, Calif.	Boland	Conte
Andrews, N.C.	Bonior	Corman
Andrews, N. Dak.	Bonker	Cotter
Annunzio	Bouquard	Danielson
Anthony	Bowen	de la Garza
Ashley	Brademas	Delluma
Atkinson	Breaux	Derrick
Badham	Brooks	Dickinson
Bailey	Brown, Calif.	Dicks
Baldus	Broyhill	Dingell
Barnard	Buchanan	Dixon
Beard, Tenn.	Burgener	Dougherty
Bedell	Burlison	Downey
Bedinson	Burton, John	Duncan, Oreg.
Benjamin	Burton, Phillip	Duncan, Tenn.
Bennett	Carr	Eckhardt
	Carter	Edgar
	Chappell	Edwards, Ala.
Edwards, Okla.	Lederer	Reuss
English	Lehman	Rhodes
Erlenborn	Leland	Richmond
Fary	Livingston	Rodino
Fascell	Lloyd	Roe
Fazio	Long, Md.	Rose
Ferraro	Lott	Rostenkowski
Findley	McClory	Roybal
Fisher	McCloskey	Royer
Flippo	McCormack	Sabo
Foley	McEwen	Scheuer
Ford, Mich.	McHugh	Shelby
Ford, Tenn.	McKay	Simon
Frost	Marks	Slack
Fuqua	Mathis	Smith, Iowa
Garcia	Mattox	Snyder
Gaydos	Mavroules	Solarz
Giaimo	Mazzoli	Spellman
Gibbons	Michel	Stack
Ginn	Mikva	Staggers
Gonzalez	Miller, Calif.	Stanton
Gore	Miller, Ohio	Steed
Gramm	Mitchell, Md.	Stenholm
Gray	Moakley	Stewart
Gudger	Moffett	Stokes
Hall, Ohio	Mollohan	Stratton
Hall, Tex.	Moorhead, Pa.	Synar
Hanley	Murphy, N.Y.	Thompson
Harkin	Murtha	Traxler
Harris	Myers, Ind.	Udall
Hawkins	Myers, Pa.	Van Deerlin
Hefner	Natcher	Vanik
Heftel	Nedzi	Vento
Hightower	Nichols	Walgren
Holtzman	Nolan	Watkins
Horton	Nowak	Waxman
Howard	Oakar	Weiss
Huckaby	Oberstar	White
Hutto	Ottinger	Whitley
Hyde	Patten	Whitten
Jeanette	Patterson	Wilson, Bob
Johnson, Calif.	Perkins	Wilson, Tex.
Jones, N.C.	Pickle	Wirth
Jones, Okla.	Preyer	Wolff
Jones, Tenn.	Price	Wright
Kazen	Pursell	Wyatt
Kogovsek	Quillen	Yates
Leach, La.	Rahall	Zablocki
Leath, Tex.	Rangel	Zeferetti

NOES—184

Abdnor	Fountain	Lundine
Applegate	Fowler	Lungren
Archer	Frenzel	McDade
Aspin	Gephardt	McDonald
AuCoin	Gilman	Madigan
Bafalis	Gingrich	Maguire
Barnes	Glickman	Markey
Bauman	Goldwater	Marriott
Beard, R.I.	Goodling	Martin
Bereuter	Gradison	Matsui
Bethune	Grassley	Mica
Boner	Green	Mikulski
Brinkley	Grisham	Mineta
Brodhead	Guarini	Minish
Brown, Ohio	Guyer	Mitchell, N.Y.
Butler	Hagedorn	Moore
Byron	Hamilton	Moorhead, Calif.
Campbell	Hammer-schmidt	Mottl
Carney	Hance	Murphy, Pa.
Cavanaugh	Hansen	Neal
Cheney	Harsha	Nelson
Cleveland	Hillis	O'Brien
Clinger	Hinson	Panetta
Coleman	Hollenbeck	Pashayan
Collins, Tex.	Holt	Paul
Conable	Hopkins	Pease
Corcoran	Hubbard	Petri
Coughlin	Hughes	Peyser
Courter	Ichord	Pritchard
Crane, Daniel	Jacobs	Ratchford
Crane, Philip	Jeffords	Regula
D'Amours	Jeffries	Rinaldo
Daniel, Dan	Jenkins	Ritter
Daniel, R. W.	Johnson, Colo.	Robinson
Dannemeyer	Kelly	Roth
Daschle	Kemp	Rousselot
Davis, Mich.	Kildee	Rudd
Deckard	Kindness	Runnels
Derwinski	Kostmayer	Russo
Devine	Kramer	Santini
Dodd	LaFalce	Satterfield
Donnelly	Lagomarsino	Sawyer
Dornan	Latta	Schroeder
Drinan	Leach, Iowa	Schulze
Early	Lee	Sebelius
Erdahl	Lent	Sensenbrenner
Erlel	Levitas	Shannon
Evans, Del.	Lewis	Sharp
Evans, Ga.	Loeffler	Shumway
Evans, Ind.	Lowry	Shuster
Fenwick	Lujan	Skelton
Fithian	Luken	Smith, Nebr.
Florio	Snowe	Whitehurst
Solomon	Symms	Whittaker
Spence	Tauke	Williams, Mont.
St Germain	Taylor	Winn
Stangeland	Thomas	Wolpe
Stockman	Trible	Yatron
Studds	Volkmer	Young, Alaska
Stump	Walker	Young, Fla.
Swift	Wampler	Young, Mo.
	Weaver	

NOT VOTING—36

Anderson, Ill.	Heckler	Railsback
Ashbrook	Holland	Roberts
Bolling	Ireland	Rosenthal
Broomfield	Kastenmeier	Seiberling
Conyers	Long, La.	Stark
Davis, S.C.	McKinney	Treen
Diggs	Marlenee	Ullman
Edwards, Calif.	Montgomery	Vander Jagt
Emery	Murphy, Ill.	Williams, Ohio
Fish	Obey	Wilson, C. H.
Flood	Pepper	Wydler
Forsythe	Quayle	Wylie

□ 2250

Mr. HANCE changed his vote from "aye" to "no."

So the House receded from its disagreement to Senate amendment No. 37.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is, Will the House concur in Senate amendment No. 37 with an amendment?

The motion was agreed to.

A motion to reconsider was laid on the table.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

□ 2300

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will state that disposal of this business and this conference report concludes the legislative business for today.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C., July 27, 1979.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following public building prospectus on July 27, 1979:

Alteration

U.S. Customhouse, 1 Bowling Green, New York, N.Y.

The original and one copy of the authorizing resolution is enclosed.

Sincerely,

HAROLD T. (BIZE) JOHNSON,
Chairman.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute.)

Mr. ROUSSELOT. Mr. Speaker, I would like to ask our colleagues what the schedule is for tomorrow.

The SPEAKER pro tempore. The Chair will respond to the gentleman's inquiry.

On tomorrow we will take up four conference reports:

The report on food stamps, H.R. 4057.

The conference report on State Department authorizations, H.R. 3363.

The conference report on International Development Corporation Act, H.R. 3324.

And the conference report on State, Justice, and Commerce Appropriations Act, H.R. 4392.

Following that, the House will consider H.R. 3434, social services and child welfare amendments, subject to the adoption of a rule; and H.R. 4034, the Export Administration Act amendments.

H.R. 3236, the disability insurance amendments; and H.R. 4440, making appropriations for the Department of Transportation.

An agreement has been entered, as the Chair understands, that the House will adjourn at 6 o'clock tomorrow.

Mr. ROUSSELOT. I thank the Speaker.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, could the Chair tell us what happened to the conference report on the Department of Health, Education, and Welfare?

The gentleman from Kentucky yesterday received permission to bring that up today or tomorrow and has been waiting here patiently for 2 days. Many of us were told that it would be brought up. It has only one issue, that of abortion.

I am wondering why it could not be considered.

The SPEAKER pro tempore. Well, the principal reason seems to be the compression of time remaining between now and 6 o'clock tomorrow afternoon.

By agreement with the chairman of the subcommittee and the manager of that bill, it has not been scheduled for tomorrow.

All things going well, as we know, if it were possible that the conference reports were to move rapidly and all other things moved with almost unbelievable speed, it is conceivable that some other legislation could be scheduled; but the Chair believes that very unlikely.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, do I understand also that the Private Calendar will be called tomorrow morning?

The SPEAKER pro tempore. The gentleman is correct. The Private Calendar will be called tomorrow.

Mr. ROUSSELOT. And the Private Calendar will be first, Mr. Speaker?

The SPEAKER pro tempore. That is correct. The Private Calender, as usual, will be first.

CANNED LETTERS FROM THE CENSUS BUREAU

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, apparently the U.S. Census Bureau is expecting a lot of unhappy people to complain to Congress about its forthcoming 10-year census operation.

The Bureau has sent to all our offices a series of canned letters, written by Census Bureau functionaries, for our use in answering constituents' understandable questions about the Government's nosiness, and how all the requested confidential information will be protected from disclosure.

The canned letters relate to the Census Bureau's greatness, efficiency, necessity of requested information and difficulties conducting its work and urge recipients of the letters to cooperate with the census takers.

There is an old saying which may be relevant here, that "the wicked flee when no one pursueth."

It is bad enough that Census Bureau personnel have spent their time writing stock letters for Members of Congress to dismiss anticipated complaints about their operation.

It is even more audacious that the Bureau suggests that Members of Congress be used in this fashion as public relations flacks for its own self-serving purposes.

I would like to include the Census Bureau material at this point in the RECORD:

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., July 24, 1979.

DEAR PRESS SECRETARY: In response to requests from many of you, I am enclosing some materials to assist your office in responding to constituent inquiries regarding the 1980 census.

If you do not have responsibility for constituent mail, I hope you will forward this material to the appropriate person in your office.

The attached information, presented in letter form for convenience, is suggested for your consideration when preparing responses to those inquiring about the census in general, about the confidentiality of information supplied, or about the special effort being made to reduce the number of minority persons missed in the count.

Sincerely,

REBECCA LEET,
Congressional Consultant.

DEAR: Thank you for your recent message concerning the confidentiality of information supplied in the 1980 census.

During the past several years, governmental data gathering has come under close

public scrutiny. I understand these worries, but I may be able to ease some of your concerns regarding the census.

Historically, the Census Bureau has an unblemished record for keeping your personal information private—even from Federal agencies such as the FBI and IRS, and state agencies, including the police and social services departments. Strict Federal law protects the confidentiality of such information; every Bureau employee is sworn to uphold that confidentiality and is subject to a five-year prison term and $5,000 fine for violating it. No census employee has ever been formally charged with violating that law.

Bureau data processing procedures are also designed to assure confidentiality; census data are not published in units so small that an individual might be identifiable. Also, no names, addresses, or telephone numbers ever enter a census computer. Social Security numbers are not requested on the census questionnaire.

The value of census data is enormous. Information collected regarding population, housing, income and other subjects provides the statistical foundation for innumerable decisions made daily by leaders of government, business and industry. In government alone, census data are essential components in the distribution of $50 billion annually in Federal funds and billions more in state funds.

While I share your concern regarding the private nature of your personal responses, I believe the Census Bureau's safeguards can be trusted. Therefore, when you receive your census questionnaire in the mail on March 28, I urge you to complete it as soon as possible. Then, depending upon the instructions, either mail it back, postage-free, or hold it for a census taker to collect personally.

Sincerely,

— —.

DEAR: I enjoyed hearing from you recently regarding the 1980 census.

The task of counting about 222 million Americans is an enormous one, and an enormously important one. The census provides the statistical framework for American society, supplying the data base for innumerable decisions made daily by leaders of industry, business and government.

In government alone, census data are essential components in the distribution of $50 billion annually in Federal funds and billions more in state funds. As specified in the Constitution (which requires the census), the population totals are the basis for apportioning the seats in the House of Representatives and, more recently, are used to redistrict many state legislatures.

Many Americans are concerned about the confidentiality of the personal information they provide on census questionnaires. They should know that by law, census data about individuals are confidential and cannot be released—even to other Federal agencies, such as the IRS and FBI, or local agencies, including the police and social services departments. No census employee has ever been proven to have violated that law.

Also, census procedures are designed to assure confidentiality. Social Security numbers are not requested on the census form, and an individual's name, address, or telephone number is never entered into a computer.

You will receive your census questionnaire in the mail on March 28, and I urge you to complete it as soon as possible. Then, depending upon the instructions, either mail it back, postage-free, or hold it for a census taker to collect.

Sincerely,

— —.

DEAR: Thank you for your correspondence regarding the accurate counting of minority persons in the 1980 census.

I share your concern, because we know that uncounted people may mean that a community is shortchanged in government funds and political representation. Census statistics are essential components in the distribution of about $50 billion annually in Federal funds and billions more in state funds. The population totals are the Constitutional basis for apportioning seats in the House of Representatives. They also are used to redistrict many state legislatures.

The Census Bureau has initiated a number of programs to involve local and national minority leaders in efforts to reduce the number of minority persons who go uncounted. The programs include a system of advisory committees comprised of minority leaders, a Census Bureau office to work with national minority organizations, and an expanded, locally-based corps of community service specialists to work with local minority groups. Also, for the first time, the Bureau will have the census questionnaire available in Spanish and will employ bilingual census takers in areas where many residents do not speak English.

The success of these special efforts to assure a fuller count of minority persons will depend largely on minority leaders in local communities. They can best explain that being heard by the people who pass laws, enact programs, and spend money depends upon being seen by them—and that the census is one of the critical opportunities available to ensure such visibility.

Minority leaders can also best explain that the personal information provided in the census is not available to any other individual or group, whether public or private. It is not even available to other government agencies—either Federal ones, such as the FBI and IRS, or local ones, including the police and social services departments.

I hope you will use your influence to let others know that the census is important, and that when they receive the census questionnaire in the mail on March 28, they should complete it as soon as possible. Then, depending upon the instructions, they should either mail it back, postage-free, or hold it for a census taker to collect.

Sincerely,

— —.

PRESSURE IS ON MENDEL DAVIS TO RUN AGAIN

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, it was with pleasure bordering on delight that I read an article appearing in Sunday's Columbia, S.C., newspaper, the State.

For it seems that our colleague from South Carolina's First District, MENDEL J. DAVIS, has decided to "consider reconsidering" his retirement from this body.

Mr. Speaker, I must admit that my feelings bear a taint of selfishness. He is the ranking member of our NATO Subcommittee where he continues to manifest his interest in national defense.

MENDEL DAVIS is one of a select few in this body not afflicted with tunnel vision. He remains, as he was when he first came here 10 years ago, a man of wide interests and concerns.

His constituents will choose well, if they elect him again, and they will be doing a great service to the Congress and the Nation, at the same time.

I believe MENDEL's many friends in the House will appreciate the story, written by the State's Washington bureau man, Lee Bandy, and I include it in the RECORD at this point, as follows:

PRESSURE IS ON MENDEL DAVIS TO RUN AGAIN

(By Lee Bandy)

WASHINGTON.—Rep. Mendel J. Davis, D-S.C., who has announced he will not seek re-election, is having second thoughts. He may run again.

Davis puts it this way: "I'm considering reconsidering. I'm looking at it."

Why?

He gives two basic reasons. One, a groundswell movement has sprung up from Greenville to Charleston urging him to seek re-election. And two, Davis strongly feels there is no one on the horizon who can represent the 1st District better than he.

The Charleston Democrat will make a decision by October in order to be "fair to the other candidates" who have started lining up for his seat.

"In the last month there has been a heliuva lot of pressure coming forth for me to reconsider running again," Davis said in an interview with this reporter. "It originated in this district. Then it became a movement all across the state. People were saying, 'Mendel, we want you to run again. Stay in there.' "

The fifth-term congressman claimed that individuals, groups, and organizations have urged, some he said have "begged", him to reconsider his announcement of May 2.

Davis said the "greatest compliment" he got was when both management and labor pressed him to change his mind. "That makes you feel like you've done a good job on both sides."

But that's not the end of the "draft Davis for re-election" list. He noted the black community "has been very vocal" in his behalf.

With that kind of "groundswell," the Charleston lawmaker had to "consider reconsidering."

"You've got to think about the people you've represented the last 10 years," he said.

For instance, Davis doesn't think it would be fair to leave his constituents in the hands of a freshman congressman if the nation heads into a deep recession—as he thinks it will.

"Maybe they would be better off having somebody represent the bottom half of the state who has been here and who gets things done," he said, while clearly pointing out that he is that person.

When Davis announced he would not seek re-election, he told reporters he was sick and tired of having to deal with single or special interest groups. The pressures weren't worth it, he felt.

Since then, Davis said, several people have come to him promising to back off and to "give and take" a little if only he'll run again.

If they mean it, he added, "Then maybe I can run again and say, 'I'll give a little bit, too.' "

And what about the constituent who sends you a blistering letter? Does that mean you go back to writing a polite response?

"I would have to put up with his drivel. It doesn't say, however, how I would treat it," chuckled Davis, who recently gained national notoriety for firing off a sharp reply to a Mt. Pleasant town councilman who had been a constant irritant.

Davis concedes the reconsideration period is not going to be "an easy thing," especially since he has said he looks forward to quitting Congress to spend more time with his wife and two daughters in Charleston.

"You want to weigh the best interest of your family," he said. But at the same time, Davis indicated, he has got to consider "my

own personal desires and needs and look at the needs of the 1st District."

"You don't think there is anybody who can represent the district better than you, do you?" a reporter asked.

"To be honest with you, no," Davis replied.

He acknowledged, however, it would be "hard" on his family if he seeks re-election. But he said he has his wife's support for whatever he does.

One thing is certain. If he runs again and gets re-elected, the weekends will belong to him and his family. No longer will he spend Fridays, Saturdays and Sundays politicking and making umpteen speeches, Davis stressed.

He said that should he seek re-election, the two major contenders, Democrat Charles D. "Pug" Ravenel and Republican Thomas Hartnett, have "sent me word" they will not run. "That in itself is a compliment," Davis remarked.

"Which way are you leaning?" the newsman asked.

"I really don't know," Davis said. "That's why I say I'm considering reconsidering. If I get to the reconsidering stage, that means I've virtually made up my mind to run again."

SET ASIDE NEEDED FOR 1980 WHEAT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, yesterday I introduced a resolution to request the Secretary of Agriculture to establish a wheat set-aside for the 1980 crop year. Nineteen Members of the House have joined me in this effort. The Senate passed a similar resolution earlier this week.

I understand that the Secretary of Agriculture will probably announce the 1980 wheat program today without a set aside. I feel this is an imprudent move and a number of negative consequences will occur as a result.

First, under the provisions of the 1977 farm bill, in the absence of a set aside, the target price will automatically drop from this year's level of $3.40 to $3.12. This lower figure in no way fairly reflects the inflationary pressures that farmers, like the rest of the country, are suffering. Diesel fuel, alone, is up more than 24 percent from a year ago. This drop in the target represents a 9-percent decrease in the face of a 13-percent annual increase in the inflation rate. This is no way to insure a viable farm economy.

Second, there will be no way to enforce the normal crop acreage established for each producer in the program. Normal crop acreage maintains responsible planting levels. Without it, fence row to fence row planting may very well occur. USDA estimates that 78 million additional acres would be planted without a set aside. Industry estimates fall around 82 million acres. Such an increase in supply would negate any positive gains farmers made this year. Fence row to fence row would also increase energy use and this year's experience has taught us that energy supplies we have come to depend on simply are not as readily available.

Third, without a set aside, the Secretary has no flexibility to adjust target prices. This means that the 1980 target level will be substantially below that for 1979 and any possibility for the Secretary to adjust targets in response to prevailing production and market conditions is eliminated.

Although remedial legislation may be introduced to address some of these problems, the fact remains that the sudden elimination of the set-aside may create a serious price squeeze for wheat growers, and will definitely have a bearish effect on cash wheat prices. If any adjustments are needed in the set-aside program, as the Secretary apparently feels, they should be brought about gradually, as opposed to total abandonment, in order to reduce any negative impact. I feel it is essential that the Secretary know our strong feelings on this.

The following Members have joined me on the resolution: Mr. SEBELIUS, Mr. ENGLISH, Mr. ROSE, Mr. JONES of Tennessee, Mr. DASCHLE, Mr. HARKIN, Mr. HUCKABY, Mr. CAVANAUGH, Mr. HANCE, Mr. HIGHTOWER, Mr. WHITTAKER, Mr. WINN, Mr. NOLAN, Mr. JEFFRIES, Mr. STANGELAND, Mr. LEATH of Texas, Mr. ABDNOR, Mr. STENHOLM, Mr. BERKLEY, and Mr. WATKINS. I would welcome any other cosponsors.

The text of the resolution follows:

RESOLUTION

Resolved, by the House of Representatives assembled, that a wheat set-aside program shall be in effect for the 1980 crop year.

Whereas, the Secretary of Agriculture has been given the responsibility by law to establish crop set-aside programs for the 1980 crop year for certain agricultural commodities; and

Whereas, the Secretary of Agriculture will be making his decision on the wheat set-aside program for the 1980 crop year on or before August 15, 1979; and

Whereas, the 1979 wheat harvest, which includes a 20 percent set-aside, produced some 2.10 billion bushels of wheat which will add to this Nation's current domestic surplus: and

Whereas, a decision to not have a wheat set-aside for the 1980 crop year can only result in a fence-row-to-fence-row planting practices similar to those that occurred in the mid-1970's and resulted in excessive surpluses during a time of reduced world demand an in financial ruin for a large segment of this Nation's wheat producers; and

Whereas, maximizing acreage cultivation increases energy use and reduces acreage which can be revitalized through effective conservation practices; and

Whereas, official Department of Agriculture estimates indicate that 78 million acres will be planted in wheat in the absence of a set-aside program, an estimate by industry of 82 million acres is far more realistic; and

Whereas, 82 million acres of wheat production in 1980, a substantial increase over the estimate of the Department of Agriculture, would drive market prices down from their presently improved level and result in significant savings only to foreign buyers at the expense of domestic producers; and

Whereas, it is the responsibility of the Secretary of Agriculture to use the authority granted him by law to protect the Nation's agriculture sector through the formulation of policies designed to improve production practices and ultimately eliminate the cheap food philosophy which has permeated our Federal Government for too many years: Now, therefore, be it

Resolved, That it is the sense of the House that the Secretary of Agriculture should, and is hereby urged and requested to, establish a wheat set-aside for the 1980 crop year.●

FEDERAL AND CIVIL SERVICE EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. COURTER) is recognized for 10 minutes.

● Mr. COURTER. Mr. Speaker, Members of Congress and the President often forget the plight of America's Federal and civil service employees in coping with the economic difficulties which presently confront our Nation. The thousands of Federal employees in my district are hard-working men and women in need of financial security for both themselves and their families. These dedicated public servants are being held by President Carter to a 5.5-percent wage increase, rather than to the 7-percent raise they so justly require.

A 5.5-percent increase was intended by the President to be a sacrifice in the fight against inflation. Mr. Speaker, the inflation rate is over 13 percent. A 7-percent increase is a sacrifice; a 5.5-percent increase is an example of economic recrimination.

Mr. Speaker, my colleagues here in Congress should demonstrate to all Federal and civil service employees the compassion to represent their views in the same manner we represent the hopes and dreams of our other constituents. As the 96th Congress prepares for its recess, America's Federal employees prepare for little more than continuing days of Government service. It is in this context, Mr. Speaker, that we should finally recognize the loyal and devoted Americans I speak of today.●

STATE DEPARTMENT SALE OF M60 TANKS TO JORDAN UNWISE AT THIS TIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, the Carter administration recently announced its intention to sell 300 of our most modern production-line tanks, the M60A3 to Jordan. This tank is the most up-to-date version of the M60 series tanks including a laser range-finder and advanced night vision equipment. This tank is designed to "replace" an equal number of M48 tanks currently in the Jordanian inventory. However, because the M60A3 is more heavily armed—it has a 105 mm gun compared to only a 90 mm gun on the M48—and has much more advanced fire control equipment giving it a far higher single shot probability of hitting another tank. In short, it represents far more than a simple 1-for-1 replacement.

At least as important as the military dimension of the sale, however, is the diplomatic dimension of the sale. Jordan has thus far refused to make the most modest concessions towards achieving peace in the Middle East. It has de-

nounced the Camp David accords, and is a vigorous participant in the economic and diplomatic boycott of Egypt. Ominously, Hussein has mended a 9-year-old rift with the Palestinian Liberation Organization, a move which could be a prelude to a far more violent period in the Middle East. These moves are hardly conducive to a peaceful settlement of the dispute in the region.

We have seen with the F-15 sale to Saudi Arabia, that arms sales do not necessarily lay the basis for a favorable resolution of political disputes—in fact they may render the recipient less vulnerable to persuasion once we have made a commitment to the sale. The sale of M60A3 tanks should be postponed until Jordan demonstrates a serious commitment to peace in the Middle East.●

SLOVAK DAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. RITTER) is recognized for 10 minutes.

● Mr. RITTER. Mr. Speaker, this weekend, on Sunday, August 5, a very special celebration will take place in my district. I would like to say a few words about it, because this is a matter of great pride to me and to the entire Lehigh Valley of Pennsylvania. Sunday will mark the celebration of Slovak Day.

I was deeply honored to have been invited to attend, and very much regret that my long-planned short vacation with my wife and children—my first vacation of any kind this year—makes it impossible for me to be there on that day. I am deeply grateful to Robert Raykos, chairman of Slovak Day, Frank Palencar, president of the Greater Lehigh Valley Slovak Association and to all Lehigh Valley Slovak-Americans for their kind invitation.

Mr. Speaker, ethnic achievement and pride have always been one of the greatest sources of strength in our Nation. Nowhere is this more true than in the Lehigh Valley. In Lehigh and Northampton Counties, more than 100,000 citizens, or fully one-fifth of our people were foreign born, or have foreign born parents.

Since coming to Congress, one of the things I have been most proud of is my work, as Congressman, toward encouraging ethnic pride. The key has been establishment of my Lehigh Valley Citizens Ethnic Advisory Council. This is a group of citizens representing all major ethnic groups in the Lehigh Valley, and Slovaks have played a major role. The advisory council helps keep alive ethnic pride. It calls attention to ethnic celebrations. It allows the different ethnic groups to appreciate each other. Most importantly, it helps me better represent our ethnic communities, like Slovaks, by keeping me informed about legislative issues, foreign and domestic, that concern ethnic communities. At the same time, the council helps me to better serve individual needs of ethnic citizens, such as helping solve immigration and emigration problems and other casework to assist ethnic citizens.

The need for Congress to be deeply sensitive to ethnic concerns is as vitally important as ever in 1979. Today, in Slovakia, the church, which has played such a brilliant part in the history of the Slovak nation, is still facing the same oppression that it has endured for so many years in modern times. Last year, on the 10th anniversary of the Soviet invasion, the world could see clear, grim reminders of that repression, such as 500 Roman Catholic priests barred from exercising their ministry in 1973 alone.

The Soviet Communists, of course, would love to have the world swallow the lie that all is "normal," that the scars of the invasion have healed. But we who care deeply about the spirit of freedom know better. We know that, as Father Victor Trstensky, a dismissed priest, wrote:

> The laws, and particularly their arbitrary application, are the basis for the most cruel oppression against which the Church has struggled for centuries.

The Communists' oppression of religious practice, of celebrations, of charitable work, and of the whole range of religious life is a symbol. It is a symbol of how desperately the Communist powers want to impose their will once and for all on the Slovak people. They have not succeeded and they will not succeed.

They will not succeed for three reasons. First, because there are proud people like you who will see to it that our ties of blood and friendship with the mother country remain strong, and who will keep that vital link with the free world alive. Second, because there are those in Congress who, like myself, understand the need to keep the defenses of the free world strong, to reverse the growing balance of power held by the Soviet Union. And third, because the Slovak people, like the people of other captive nations, have an unbreakable spirit.

Nowhere was that spirit more clearly shown than several weeks ago, when the courageous visit of Pope John Paul II to his Native Poland lifted the spirits and hearts of freedom-loving men and women everywhere. By his very presence, dignity, and strength of spirit, "this Slav Pope" proved that years of living in the shadow of Soviet tanks have not broken the spirit of the oppressed Slavic peoples. Because of him, today, a new hope has come to brighten Slovakia, and all Eastern Europe.

Several weeks ago I spoke to the people behind the Iron Curtain in a Radio Free Europe broadcast. I felt then, as I feel now, that freedom will survive and that human spirit and dignity will prevail, in Slovakia and everywhere it is threatened.

So, let me once again say how proud I am to represent in Congress a district where ethnic pride is so much alive. May God bless the Slovak people, here and in Slovakia. May all Americans gain a renewed faith in freedom from Slovakia's struggle.

Nech dlho zije Slovensky narod!●

THE SENTENCING REFORM ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing the Sentencing Reform Act of 1979—a bill to make Federal criminal sentencing more rational and equitable.

This reform is long overdue. It has been evident for years that our current sentencing system is inadequate. Its inequities have provided the momentum in the current drive for criminal law reform and recodification.

The major components of the sentencing system in my bill are: First, advisory sentencing guidelines to be developed by the Judicial Conference; and second, greatly increased appellate review of sentences.

The most frequent and serious criticism leveled against the current system is that it produces unwarranted disparity in the sentences handed out to similarly-situated defendants. This is not surprising. Current Federal law gives little guidance to the judge as to what sentence is appropriate for a particular defendant.

Some have attempted to solve this problem by creating a Sentencing Commission that would develop near-mandatory sentencing guidelines for categories of offenses and defendants. If the sentence were above the guideline, it could be appealed by the defendant; if below, by the Government. The Commission's proposals would have the effect of law unless Congress overturned them.

My bill rejects this approach because of the great loss of flexibility. The pressure on a judge to adhere to the guidelines would be so great as to almost preclude individualized treatment of the defendant. Further, such guidelines would enshrine and make permanent the results of whatever sentencing fad was current.

The bill I am introducing today avoids these and other problems. It directs the Judicial Conference to help Federal judges eliminate unwarranted disparity by gathering, analyzing and disseminating data about sentences already imposed in similar cases.

The Judicial Conference is also directed to develop advisory sentencing guidelines and make these available to Federal judges. In developing guidelines the conference must consult a broad cross section of persons interested in the criminal law, including the defense bar, prosecutors, the academic community and the public.

These sentencing guidelines are only advisory. They are to help judges determine a just sentence for a particular defendant; sentencing outside the guidelines is not the basis for an appeal of the sentence. Instead, the bill gives the defendant a right to appeal on the grounds that his sentence was "clearly unreasonable." The Government does not have this right.

I feel that this approach strikes a better balance between individualized sentencing and eliminating unwarranted disparity. Sentencing disparity is in part a function of lack of knowledge. This bill would give judges the information they need to impose a sentence in line with others. But it also gives judges discretion to respond to the unique circumstances of the defendant and legitimate aggravating or mitigating factors. Should judges exercise their discretion unwisely, defendants are protected through appeal to a higher court. As the appellate courts rule on the particular facts, defendants and sentences before them, they will be providing feedback for sentencing courts—developing guidelines for future sentencing.

This is consistent with this country's common law tradition in which courts, by ruling on particular cases before them, develop the law over a period of time.

Appellate review of sentences is clearly the best safeguard against improper sentences. The most appropriate sentence will not be determined by trying to fit the defendant into some predetermined category. Instead, the defendant will be sentenced on the basis of the actual facts. Appellate courts will insure that the trial judge acts on the basis of relevant factors and draws the proper conclusions. To facilitate this the bill requires the sentencing court to state in detail on the record the specific reasons for imposing the particular sentence.

The bill gives further guidance to the sentencing judge by setting out four factors to be considered in imposing a particular sentence. In addition to the advisory guidelines to be developed by the Judicial Conference, these include the nature and circumstances of the offense and the defendant's relevant history and the need for the sentence imposed to provide punishment commensurate with the seriousness of the crime and to promote respect for the law, to provide adequate deterrence, to protect the public and to provide the defendant with appropriate education, training or medical care. And, to increase the use of alternatives to imprisonment, the bill directs judges to consider the kind of sentences available, including effective alternatives to imprisonment.

There are several other important provisions in the bill. Because the issue of prosecutorial discretion has received inadequate attention, the bill directs the Judicial Conference to evaluate the impact of any advisory sentencing guidelines on prosecutorial discretion and plea bargaining. The bill also specifically provides that when an appellate court finds a sentence clearly unreasonable and remands the case, the defendant cannot be given a more severe sentence than the sentence appealed.

I urge the speedy consideration of this bill. I believe it is a first and most important step in reforming the Federal criminal laws.●

NOW ACCOUNTS—ONLY THE RICH NEED APPLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, last week a subcommittee of the Committee on Banking, Finance and Urban Affairs ordered reported to the full committee legislation that would establish nationwide NOW accounts. NOW accounts, which stand for negotiable order of withdrawal, are actually interest-bearing checking accounts.

The sponsors of the legislation have contended that NOW accounts will be highly beneficial to consumers since for the first time it will allow checking account holders in all of the country to receive interest on their balances.

In theory that sounds good, but in practice it just does not work that way. It can easily be seen that the consumer benefit approach is merely a fiction designed to help the banks make more money. This was shown when I offered an amendment that would have required any institution offering NOW accounts to pay interest on any deposits of $100 or more. The subcommittee voted my amendment down 14 to 3 with only the gentleman from Texas (Mr. MATTOX) and the gentleman from Illinois (Mr. HYDE) joining me in the fight to make NOW accounts available to the working men and women of this country, and to millions of people who are living on fixed incomes.

I note that the sponsors of the legislation are circulating a "Dear Colleague" letter asking for additional cosponsors of the legislation. I am taking this time to let people who are being asked to cosponsor know that I plan to offer my "little people" amendment in both the full committee and, if it is not successful there, in the full House.

The House of Representatives should not pass legislation that is designed solely to help the rich, but that is exactly what the NOW account bill will do. Sponsors of the legislation continue to use out-of-date statistics to show that NOW accounts are consumer benefits. Their statistics are more than a year old and do not include the recent experiences of NOW accounts in New York State where many banks require depositors to have $3,000 in a checking account at all times in order to be paid interest. Studies have shown that the average balance in a New York NOW account is $7,000. I wonder how many of your constituents have $7,000 to keep in a checking account?

Many of you have received letters from consumer groups, particularly the Gray Panthers, complaining that not enough is being done to help the small savers who for years have received small interest rates on their savings while depositors with big savings accounts get large interest rates. Many of you have written letters saying that you will work to correct this situation. Now is the time to translate your words into action, and that can be done by supporting the Annunzio amendment which would make certain that everyone gets a fair chance at earning interest on their checking account deposits.

The vote in the Banking subcommittee last week is a clear victory for the American Bankers Association which wants to make certain that interest is paid only to depositors whose average balance is in the five-figure range. It was a complete defeat for millions of Americans who must get by each month on very small checking accounts and who find those dollars shrinking each day because of inflation.

Mr. Speaker, I know that most Members of this House are concerned about the problems of the small savers and will want to join in my amendment. That is why I plan to offer the amendment both in the full committee and on the floor of the House, and to ask for recorded votes on both occasions since I know that Members will want to use an aye vote for my amendment to show that they are deeply concerned about the problems of the working men and women, the pensioner and millions of other Americans who do not have $3,000 to put into a checking account.●

CAPTIVE NATIONS WEEK, 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

○ Mr. FLOOD. Mr. Speaker, reports keep flowing in on the widespread observance of the 1979 Captive Nations Week—the 20th anniversary of this Ameri an institution. What is impressively significant about this observance is the broad diversity of convinced responses to Public Law 86-90. It well demonstrated that, despite many domestic concerns—gas shortages, inflation, "confidence crisis," and so forth—countless Americans yet hold to their politico-morality in the finest traditions of our country. In the face of these domestic concerns they have not lost sight of the meaning and destiny of this Nation in terms of world freedom, human rights, and the principles of our American Revolution, which only 3 years ago we paid tribute to during our Bicentennial. For the still uninformed, this is what the annual Captive Nations Week is all about.

Mr. Speaker, in accordance with Public Law 86-90, I am proud to submit for the RECORD further examples of the highly successful 1979 Captive Nation Week: First, proclamations by Governors Otis Bowen of Indiana, Lee Sherman Dreyfus of Wisconsin, and Bruce Babbitt of Arizona; second, proclamations by Mayors Frank L. Rizzo of Philadelphia, James E. Ward of Santa Ana, Ernest N. Mourial of New Orleans, and Vincent A. Cianci, Jr. of Providence, R.I.; third, an article by Dr. Lev E. Dobriansky of Georgetown University, titled "U.S. Officials Are, Have Been Victims of Myths About Captive Nations"; fourth, a July 8 editorial in Our Sunday Visitor on "Captive Nations"; fifth, notice of the Catholic War Veterans in the Judy 19 Catholic Standard:

STATE OF INDIANA: PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation

and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czecho-Slovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitute a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Otis R. Bowen, Governor of the State of Indiana, do hereby proclaim the week of July 15–21, 1979, as "Captive Nations Week" and call upon the citizens of Indiana to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

THE STATE OF WISCONSIN: A PROCLAMATION

Whereas, the republican form of government—based upon "the consent of the governed"—which has existed in the United States of America for 203 years, has resulted in the development of a warm understanding and sympathy for the aspirations for freedom of peoples everywhere and in the recognition of the natural interdependency of the peoples and nations of the world; and

Whereas, the United States recognizes the needs of world nations to co-exist peacefully and to remove impediments to their bonds of understanding with peoples of foreign nations; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as leaders who believe in their efforts to obtain freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies, and activities, expressing their sympathy with and support for the just aspirations of captive peoples; and

Whereas, it is fitting and proper that the citizens of Wisconsin observe this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world;

Now, therefore, I, Lee Sherman Dreyfus, Governor of the State of Wisconsin, do hereby proclaim July 15–21, 1979 as "Captive Nations Week" in the State of Wisconsin, and I urge the citizens of this state to remember that it is the 20th Anniversary of this annual observance and to support the efforts of the oppressed peoples of the world to regain their freedom.

STATE OF ARIZONA: PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Bruce Babbitt, Governor of the State of Arizona, do hereby proclaim the week of July 15 through 21, 1979 as "Captive Nations Week" and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

CITY OF PHILADELPHIA: PROCLAMATION

Whereas, the principles of self government and human freedom proclaimed in 1776 are universal ideals and the common heritage of all mankind; and

Whereas, Philadelphia is proud of its historic role in helping to formulate the eternal principles of justice, democracy and self-determination in the Declaration of Independence and the Constitution of the United States; and

Whereas, Philadelphia is linked to the captive nations of the world through bonds of family, since among the people of Philadelphia are hundreds of thousands of citizens whose ancestral homes have been overcome by totalitarian rule; and

Whereas, the people of this city in common with all people of the United States want the people of the captive nations to have the same freedom and justice which is ours now:

Now, therefore, I, Frank L. Rizzo, Mayor of the City of Philadelphia, do hereby proclaim the week of July 15–21, 1979 as "Captive Nations Week" in Philadelphia, and urge all my fellow Philadelphians to support the just aspirations for freedom and national independence of the people of the captive nations of the world.

PROCLAMATION CITY OF SANTA ANA:

Whereas, the citizens of the United States of America enjoy a form of government based on the consent of the governed, and equal rights of all citizens of diverse racial, religious and ethnic backgrounds under law; and

Whereas, the freedom-loving peoples of captive nations throughout the world look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about worldwide freedom and independence; and

Whereas, the desire for liberty and independence by peoples in the conquered nations of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idelural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba and others, constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the third week in July each year has been established as Captive Nations Week by the Congress of the United States;

Now, therefore, I, James E. Ward, Mayor of the City of Santa Ana, do hereby proclaim the week commencing July 21, 1979, as "Captive Nations Week" in the City of Santa Ana, and urge all citizens to join in this national observance by supporting the peaceful liberation of the world's oppressed and subjugated peoples.

THE CITY OF NEW ORLEANS: PROCLAMATION

Be it known that the Mayor of New Orleans has this day proclaimed July 15–21, 1979 to be "Captive Nations Week" in New Orleans.

THE CITY OF PROVIDENCE: PROCLAMATION

Whereas, the United States of America has enjoyed full freedom for all of its citizens ever since it became "one nation under God, with liberty and justice for all" in 1776; and

Whereas, throughout the world in 1979, the same rights for freedom and personal liberty to which all men are heirs, are not presently available to countless millions of our fellow human beings in many captive nations; and

Whereas, it is incumbent upon all elected officials in this nation, to whom the deprivation of human liberty and the continuing enslavement of peoples is most reprehensible, to speak out on behalf of all who reside in these captive nations;

Now, therefore, do I, Vincent A. Cianci, Jr., Mayor of the city of Providence, hereby proclaim the week of July 15th through the 21st, 1979 as "Captive Nations Week in Providence" and urge all of my fellow citizens in the capital city of Rhode Island to become cognizant of the fact that all of the personal freedom that we enjoy is still being denied many of our fellow human beings throughout the world.

U.S. OFFICIALS ARE, HAVE BEEN VICTIMS OF MYTHS ABOUT CAPTIVE NATIONS

(By Lev E. Dobriansky)

Then-Vice President Richard M. Nixon, who in his "Six Crises" virtually admits he didn't know what hit him when Nikita Khrushchev berated him for our congressional Captive Nations Week resolution, played on many myths during his visit to the USSR in July, 1959. The so-called "kitchen debate" with the Soviet chief was spectacular but of little substantive value.

What the Kremlin chief undoubtedly reveled in was his repetitive, monolithic terms as "Soviet nation," "Soviet people" and Ukraine as the "Texas" of the mythical nation. I wrote a memo pointing out these and other errors made by him on this visit (Oct. 30, 1959). Nixon cordially replied, saying in part, "You may be sure that I shall find these suggestions most helpful as I continue my study of the many problems we face in this war with communism" (letter, Nov. 11, 1959). By the time he became president there was no improvement; in fact, it was even worse.

During the Kennedy administration, myth-making about "Russia" continued, and reached a high point in the clash between Secretary of State Dean Rusk and our UN ambassador, Adlai E. Stevenson. The latter is a story in itself.

Early in his administration, President Kennedy was presented with a wonderful opportunity by Khrushchev in his challenge to debate imperialism in the UN, really an effect of the Captive Nations Week resolution that Khrushchev railed against for months. Apparently insecure on these grounds, the president failed to accept the challenge for real . . .

Kennedy's view of the USSR can be readily gleaned from his stirring address at American University, when, without foundation, he

asserted, "no nation in the history of battle ever suffered more than the Russians suffered in the course of the second world war" (the Washington "Post," June 11, 1963).

NON-RUSSIANS KILLED

Of the 28 million military and civilians killed, what happened to the Lithuanians, Byelorussians, Ukrainians and others in the non-Russian areas, where most of the fighting was waged? Admittedly it's hard to prove, but taking the two facts of about 43 percent of USSR forces being non-Russian and the non-Russian areas of combat, the probability is that more non-Russians were killed than Russians. Again, underlying the mistaken view is the myth that the USSR equals "Russia."

The fight in 1961 for a Special Committee on Captive Nations in the House brought into sharp focus some contrasting views of the USSR between Kennedy's secretary of state and Ambassador Stevenson. Opposing such a committee, Dean Rusk came forth with a classic blunder in a letter to the Rules Committee chairman, Howard W. Smith: "The U.S. government's position is weakened by any action which confuses the rights of formerly independent peoples or nations with the status of areas such as the Ukraine, Armenia or Georgia, which are traditional parts of the Soviet Union. Reference to these latter areas places the U.S. government in the undesirable position of seeming to advocate the dismemberment of an historical state" (Aug. 22, 1961).

Established in 1922–23, the USSR an historical state? What of the independence periods in the past of the three nations Rusk mentioned—and other non-Russian nations? At least verbally, the USSR Constitution provides for the secession of these non-Russian nations from the ersatz union; yet Rusk wouldn't even have us talk about the right of national independence. Obviously by "an historical state," Rusk meant that the USSR is just another form of "Russia."

MYTH-BUSTING MEMO

Whatever the motivations behind Stevenson's intervention in the battle (he wanted to be secretary of state), his timely release of a memo on the subject caused no end of embarrassment to Rusk. The memo precisely cites the record of Soviet Russian imperiocolonialism and beautifully shows up the conceptual myths of the secretary. As a matter of record, this Stevenson memo is the finest statement yet given on the subject by any of our representatives in the UN (memorandum to UN, delegations Nov. 25, 1962).

In response to this memo and other protests at the time, Rusk sent another letter, dated Dec. 27, 1961, to the Rules chairman, Smith, retreating from his original position . . . and upholding "the national aspirations of the minority peoples of the USSR." So now, the "historical state" myth gives way to another typical myth of "minority peoples" or "minority nationalities." Apart from quantitative questions on the subject, since when, from a qualitative viewpoint, do Georgians or Lithuanians who predominate in their respective, historic homelands suddenly become "minority peoples"? In the use of words, Moscow appears to demonstrate greater sagacity with national references to "equal among equals."

Similar misconceptions dominated the turbulent Johnson era. For masterful confusion this statement by President Johnson is sufficient unto itself: "The common interests of the peoples of Russia and the United States are many—and this I would say to the people of the Soviet Union: There is no American interest in conflict with the Soviet people anywhere" (text of Johnson's speech on "U.S. Aim to Keep Peace," the Washington "Post," June 4, 1965).

In this one statement you find the old czarist imperial usage, "the peoples of Russia," and now they are metamorphosed into one as "the Soviet people," another illusion . . . Former Sen. J. W. Fullbright, who for many years chaired the Foreign Relations Committee, wallowed in a variety of illusions regarding the USSR. For instance, referring to that state, he wrote, "Insofar as a great nation mobilizes its power and resources for agressive purposes, that nation, regardless of ideology, makes itself our enemy" ("Congressional Record," March 26, 1964, p. 6029).

He was supposed to be dispelling "old myths" and . . . pictures the USSR as a nation. In other quotes, like Eisenhower, he too, harbored the illusion of "200 million Russians" in existence.

RECKLESS ERROR

When Nixon became president, the top official view of the USSR didn't improve; it became worse. Nixon never attained to an understanding of the USSR, and his advisor, Dr. Henry Kissinger . . . couldn't help . . . Both were prisoners of a nation-state concept and, in sharp contrast to any administration before or after, they committed the reckless error of accepting the traditional Russian imperial principle of non-interference in the internal affairs of the imperial state in the Moscow Declaration of 1972. When Nixon appeared in Kiev, Ukrain, he called the capital "the mother of Russian cities," similar to designating a woman as half-pregnant. His confused views also can be gleaned from many of his untutored statements.

For example, speaking of the USSR, Nixon declared, "But as we have the valor to defend those principles which divide us as nations, we must have the vision to seek out those things which unite us as human beings" (address at the U.S. Naval Academy, June 5, 1974).

The USSR a nation? Conquerors and exploiters of nations—meaning the non-Russian nations within the USSR and only secondarily those without—are scarcely qualified for such a vision other than when it serves their interests. In an address to "the people of the Soviet Union," Nixon persists with the illusion to the detriment of those captive non-Russian nations: "Our two nations will continue to have differences" ("Weekly Compilation of Presidential Documents," July 8, 1974, p. 746).

During the 1976 presidential campaign, Gerald Ford . . . adamantly held that Eastern Europe was under no Russian domination. Kissinger congratulated him on his performance. Finally, during the Carter administration, some of the noted myths continue to linger on.

An analyst for the Washington "Star," discussing Leonid Breshnev, states, "He has his problems in keeping together the many conflicting groups of his large, diverse nation."

John Kenneth Galbraith, a facile writer (but one who appears to have a confirmed opinion about everything) says, "The reality in the case of the United States and the Soviet Union is of two large industrial nations" ("The New Industrial State," Boston, 1967, p. 332). The USSR a nation? Even Moscow disputes this.

CAPTIVE NATIONS

This week is Captive Nations Week. There will be a parade in New York, probably witnessed only by people with ties to the old country. For most Americans the week will pass unnoticed.

Back in the days of the cold war there was much hoopla about the week. The president and Congress promulgated proclamations, schools had special programs and even the post office issued a commemorative series of stamps that are now a collector's item.

Now with detente, the free world finds it more convenient to be silent. The enslaved are still enslaved and the disenfranchised are still unable to determine their own governments. Captive Nations is not even a listing in current almanacs.

The Helsinki Agreement of 1975 legitimatized the Russian conquest of Eastern Europe. The treaty we signed forever denied a free world forum for the people of Lithuania, Latvia and Estonia. By the pact they no longer existed as independent countries.

But slavery is not always easy to hide. The papal visit to Poland showed that borders were closed to Czechs, Hungarians and Lithuanians. The Poles took the occasion to demonstrate that millions upon millions of them were apart from the government imposed upon them. The other captive nations were voiceless.

It is a pity that the Church in the United States does not use the week to at least show solidarity with its brothers and sisters whose beliefs are under constant pressure and who are discriminated against in their own lands by a tyrannical minority that has the power of Russian guns. If we cannot remember the captive nations, who is left to do so?

TAKE NOTICE

The Catholic War Veterans, D.C. Department, will observe Captive Nations Week at its fourth Sunday Rosary Memorial Sunday beginning at 11:45 a.m. at St. Dominic's Church, Sixth and E Sts., S.W. There will be a social in the parish assembly rooms following the 12:15 p.m. Mass.●

LEGISLATION TO AMEND THE FOOD STAMP ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RICHMOND) is recognized for 5 minutes.

● Mr. RICHMOND. Mr. Speaker, today I am introducing a bill for myself and my colleague, Mr. KELLY, which would lower the threshold for medical deductions in the food stamp program for the elderly, sick, and disabled from $35 to $10. During the House-Senate conference on H.R. 4057, a technicality prevented the House conferees from adopting this amendment which was approved by this body in a vote of 335 to 81 on July 11, 1979.

I feel that this bill carries out the will of the House. I will urge prompt consideration of this measure by the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, which I chair, when the panel considers the Food Stamp Act Amendments of 1980.

For the information of the Members, following is the text of the bill:

H.R. 5057

A bill to amend the Food Stamp Act of 1977 to raise the level of deductions for certain medical and dental expenses in the computation of incomes of households containing a member who is sixty years of age or over or who receives supplemental security income benefits under Title XVI of the Social Security Act or disability payments under Title II of the Social Security Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

Sec. 2. Section 5(e)(A) of the Food Stamp Act of 1977 is amended by—

(1) inserting the following before "exclusive of special diets" : "or their spouses,"; and

(2) inserting "$10" in lieu of "$35."●

EXPORT TASK FORCE ARTICLE NO. 13: TRADE SEMINAR ON EAST-WEST COMMERCIAL RELATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, last night—July 31—the House Export Task Force held its third seminar on U.S. Export Policy and Performance. This latest seminar dealt with East-West commercial relations. The speakers, Dr. Jonh Hardt, the associate director for senior specialists at CRS and Mr. Arthur Downey, the former Deputy Assistant Secretary of Commerce and Director of the Bureau of East-West Trade, delivered excellent presentations on the Export Administration Act, proposed modifications to trade and Eximbank acts, trade agreements, market disruption and dumping and prospects and net benefits for East-West commercial relations. East-West relations is a timely subjects of many facets, several which are presently pending before the Congress. The following is a fact sheet prepared by the CRS on East-West commercial relations. I recommend it highly to my colleagues:

EAST-WEST COMMERCIAL RELATIONS: FACT SHEET FOR HOUSE EXPORT TASK FORCE SEMINAR

I. EXPORT ADMINISTRATION ACT

The Export Administration Act is the primary statutory authority for regulating U.S. exports. The law which replaced the more restrictive Export Control Act of 1949, authorizes export controls for the purposes of preserving national security, furthering U.S. foreign policy, or preventing shortages and export demand-induced inflation in the domestic economy. The national security rationale has been employed most frequently in regulating U.S. trade with communist countries. The EAA provides for controls on exports that make a "significant contribution" to the military power of potential adversaries. However, the Act also contains language designed to promote U.S. trade with all countries. In reconciling these two goals, legislative and regulatory changes during the 1970s have generally made U.S. export controls less restrictive. These changes have contributed to the expansion of U.S. exports to the communist countries.

The EAA is due to expire September 30, 1979. The administration of export controls in East-West trade has been a focal point in Congressional consideration of bills to extend and amend the Act. On July 28, 1979, the Senate passed S. 737, the Export Administration Act of 1979, which would extend the export control system to September 30, 1983. Among the amendments to existing law which may significantly affect U.S. trade with communist countries are provisions designed to:

encourage the Executive Branch to consider the economic consequences of restricting exports;

enhance the authority of the Secretary of Defense in administering national security export controls;

establish legal criteria for imposing export controls for foreign policy purposes;

discourage controls on exports of goods freely available from foreign sources; and expedite and simplify the administration of export controls.

II. MODIFICATIONS PROPOSED FOR TRADE AND EXIMBANK ACTS

The Trade Act of 1974 and the Export-Import Bank Act of 1945 as amended have provided the basis for denying Most Favored Nation (MFN) tariff status and for restricting U.S. Government credits to the USSR and other non-market economy countries. Section 402 of the Trade Act of 1974, (the so-called Jackson-Vanik amendment) ties trade privileges and credit policy to certain standards of emigration. Non-market economy countries that are not complying with this provision are denied MFN status and U.S. Government credits. Full compliance with this provision, however, may be waived standards of emigration. Non-market economy countries that are not complying with provision and (2) he has received assurances from the country on continued substantial compliance with the freedom of emigration requirement. Such waivers were submitted by the President for Romania in 1975 and Hungary in 1978. Subsequent to Congressional approval, both Romania and Hungary received MFN and access to the Eximbank.

Apart from the ban on credits specified in section 402 of the Trade Act, the Export-Import Bank Act itself places certain restrictions on credits to communist countries. Most broadly applicable of these is the requirement that the President determine that Eximbank's credit transactions with a communist country are in the national interest. For loans exceeding $50 million, such determinations must be made separately for each transaction. In addition, the Act provides that before the Bank can extend more than $300 million in credits to the USSR, the President must find that such a higher ceiling is in the national interest and seek and receive Congressional approval for it. The law also bans financing for Soviet fossil fuel production and sets a $40 million limit on credits for fossil fuel research and exploration in the USSR.

In the 96th Congress, Senator Stevenson and Representative AuCoin submitted amendments to both the Trade Act of 1974 and the Export-Import Bank Act of 1945 as amended (S. 5339 and H.R. 1835). The amendments would (1) delete provisions in both Acts which single out the USSR for special restrictions with respect to credits, (2) establish a new overall limit of $2 billion on outstanding Eximbank support for U.S. exports to any Communist nation, and (3) revise the waiver provision concerning emigration practices and eligibility for MFN treatment and Eximbank credits. Specifically, this amendment would abolish the requirement of formal assurance in waiver cases, but would empower the President to make, instead, a determination that the granting of a waiver of section 402 of the Trade Act would lead substantially to the achievement of free emigration objectives. In addition, they would extend the term of the waiver authority to 5 years.

Another AuCoin bill (H.R. 1908) would, in addition to the provisions of S. 339 and H.R. 1835, limit the effective period of a first grant of the waiver to a country to 12 months and of successive waivers to 5 years.

Hearings have been held in both the House and Senate on these proposed Amendments.

III. TRADE AGREEMENTS

A Trade Agreement between the United States and a non-market economy country such as the USSR, China, or the countries of Eastern Europe, is a bilateral agreement which may cover a wide range of issues including most-favored-nation tariff treatment, business facilitation, market disruption, and reciprocal trade obligations.

The specific provisions which a trade agreement with a nonmarket economy country must contain are set forth in the Trade Act of 1974. Also set forth in this Act is a "freedom of emigration" requirement tying trade privileges to certain standards of emigration practice (Section 402).

Before a Trade Agreement can be implemented it must also be approved by Congress. Full compliance with the provisions of the freedom-of-emigration requirement may be waived by the President under authority granted annually by Congress.

Following the signing of a Trade Agreement and a waiver of the freedom-of-emigration provision, and Congressional approval of the agreement, a communist country may receive MFN status and access to U.S. Government credits. Romania in 1975 and Hungary in 1978 concluded Trade Agreements with the U.S. and received MFN treatment.

A U.S.-China Trade Agreement was signed on July 7, 1979, but has not yet been transmitted to Congress for approval. If the President has received sufficient assurances on emigration from Chinese officials, and has determined there is substantial compliance with the Jackson-Vanik provision, Congressional approval of this Trade Agreement and the granting of the MFN status to China would appear likely.

A U.S.-Soviet Trade Agreement, while negotiated in 1972, has never been implemented because, following the passage of the Trade Act, the Soviets objected to the freedom-of-emigration requirement and declared the negotiated agreement null and void. Unless the President receives assurances from the Soviet Union on their compliance with this provision of the Trade Act or unless the Trade Act is amended to remove or substantially alter section 402 (particularly its assurances provision), a Trade Agreement between the U.S. and Soviet Union is not possible.

Legislation to amend section 402 has been proposed by Senator Stevenson and Representative AuCoin in the 96th Congress. While hearings have been held, no vote has yet been taken.

IV. MARKET DISRUPTION AND DUMPING

Section 406 of the Trade Act of 1974 (P.L. 93-618) provides special measures for import relief when imports from communist countries cause disruption of U.S. markets. Market disruption may be found to exist upon a determination by the International Trade Commission (ITC) that imports from a communist country are increasing rapidly and are, or threaten to be, a significant cause of material injury to a domestic industry. When market disruption is found to exist, the President is authorized to take immediate remedial action to restrict imports. He may, on the other hand determine that such import relief is not in the national economic interest and take no action.

In response to petitions from industry groups, the ITC has conducted four investigations under Section 406. In March 1978, the ITC found that imports of gloves from the People's Republic of China were not causing market disruption. Later in 1978, the ITC instituted investigations after receiving complaints that clothespins imports from three communist countries—Romania, Poland and China—were causing market disruption. The investigations resulted in negative findings for clothespins imports from Romania and Poland and an affirmative finding for Chinese imports. The ITC recommended that quotas be imposed on Chinese clothespins imports, but President Carter determined that import relief was not in the national economic interest.

In July 1979, U.S. ammonia producers filed a petition with the ITC for relief from ammonia imports from the Soviet Union. U.S. ammonia imports from the Soviet Union increased rapidly in 1978 as a result of a large compensation agreement signed between Occidental Petroleum Corporation and the Soviet Government. Under the agreement, signed in 1974, Occidental provided technology, equipment and materials to build fertilizer plants in the Soviet Union. Occidental is being repaid with shipments of ammonia, urea and potash produced at the Soviet plants. The ITC has not yet made a decision in this case.

Other than the market disruption provision of the Trade Act, U.S. laws regulating imports from communist countries are identical to those applying to other trade partners. However, there are special problems in applying U.S. antidumping law, which is designed to protect U.S. industry against imports sold at less than fair value, to communist countries. Since prices in state-controlled economies are not set by market forces, U.S. officials must compare the prices of imports suspected of being dumped by such countries with prices of similar products in market-economy countries.

V. U.S. TRADE WITH SOCIALIST COUNTRIES

U.S. EXPORTS

[In millions of U.S. dollars]

	1974	1975	1976	1977	1978
U.S.S.R.	607	1,833	2,306	1,623	2,249
P.R.C.	807	304	135	171	818
East Europe	820	945	1,190	912	1,420
Total	2,234	3,082	3,631	2,707	4,488

U.S. IMPORTS

U.S.S.R.	350	254	221	234	540
P.R.C.	115	158	202	203	324
East Europe	540	480	646	684	970
Total	1,006	893	1,069	1,123	1,838

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NATIONAL EMPLOYMENT PRIORITIES ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, yesterday, together with 46 cosponsors, I introduced the National Employment Priorities Act of 1979. Similar legislation has been introduced in the other body by the senior Senator from New Jersey, Mr. WILLIAMS, and the senior Senator from Michigan, Mr. RIEGLE.

The legislation addresses a serious and increasingly pervasive problem in our society: The phenomenon of sudden plant closings, undertaken without warning to the affected workers and without adequate regard for the devastating social and economic costs a shutdown can have. The costs to a community of the closure of a large workplace—whether it be an automobile factory, a shipyard, or a department store—can be tremendous. And these costs are exacerbated when the closings occur without advance notice to the people who are affected by them.

Without warning, the tax base of local communities may be decimated, leaving schools and municipal services underfinanced and leading to layoffs of municipal employees; unemployment skyrockets before anyone can plan to bring in new industry and jobs; and small businesses that depended on the closed establishment as a customer are left without a market.

The experience of many of the cities in Ohio after their largest industries shut down and relocated elsewhere is well known. Schools closed, police and fire departments reduced their operations, and everybody suffered—schoolchildren, local industry, municipal employees—as well as the workers whose jobs were lost in the plant shutdown.

The costs to individual workers can be tragically high as well. Their families are left without health insurance; their pensions may be wiped out; older workers soon learn that it is impossible for them to find new employment; and the mental and physical health of the displaced workers declines at an alarming rate—just when the community is least able to afford and provide social services.

Studies have shown that the suicide rate among workers displaced by a permanent closing of their workplace is almost 30 times the national average. This sobering statistic should convince even the most skeptical observer that the problem of plant closings is a critical issue, separate and distinct from the issue of unemployment in general. Nearly 1 million manufacturing jobs have been lost from the Northeast and Midwest, alone, in the last decade, and the toll on workers, their families, and their communities has been staggering. It is well established that the affected workers suffer a far higher incidence of heart disease and hypertension, diabetes, peptic ulcers, gout, and joint swelling, than the general population. They also incur serious psychological problems, including extreme depression, insecurity, anxiety, and loss of self-esteem.

All of these consequences of plant closings are very real for the affected workers and their communities. It would be a tragedy for Congress not to recognize the costs to our Nation, costs which the other advanced industrial nations have recognized and dealt with for years. Most European countries have had legislation for more than a decade which has successfully met the problems of economic dislocation without harm to their productivity and economic strength.

Many major American corporations have prospered in Europe, adapting easily to laws and regulations far more restrictive of business mobility and management prerogatives than the legislation I have introduced today. The profit margin of our automotive giants, for example, is greater in Europe than it is at home. It is time for us to learn from the experience of West Germany, France, and Sweden and to seek a comprehensive solution to this gnawing problem.

While the impact of plant closings is felt most heavily at the local level, and numerous States are considering legislation to regulate economic disinvestment, a real solution to the problem must be a national solution. The adverse consequences of plant closings occur on a massive scale nationwide and are actually encouraged by Federal tax policies.

Accelerated depreciation of machinery and structures, the tax deduction of relocation expenses and operating losses as a plant is phased out, and the investment tax credit all provide major incentives for plant relocations and closures.

The argument is made that plant closings are only a problem for the North and that this legislation is "anti-Sunbelt.'" Any serious reflection will reveal that this argument is a red herring. The congressional delegation from Hawaii remembers the economic and social crisis they faced when the pineapple industry pulled up stakes and moved abroad to Taiwan and the Philippines in order to escape paying a decent wage to American workers.

Many of our friends in California and the Southwest know that the threat of industrial relocation in Mexico and Central America is real and growing—and that their constituents are already suffering from that threat.

I am sure that before long our friends throughout the South will realize that the problem of plant closings and relocations is a disease that, like cancer, respects no region of the country. Almost 60 percent of all textile mill closings during the period 1971-76, for both union and nonunion plants, occurred in the South at a cost of almost 50,000 jobs. And anyone with a sense of history will realize that the television industry barely stopped off in the South on its way to the Far East.

Finally, it is difficult to believe that anyone living in the last quarter of the 20th century and the 1st decade of our 3d century as a nation can seriously argue that a social or economic ill affecting one region of our country does not affect us all.

Present policies and programs, such as unemployment insurance, which only take effect after the crisis and trauma have occurred, have proven totally inadequate to meet the challenge of disasters like the closing of the Campbell Works steel plant in Youngstown, Ohio, which left 5,000 workers unemployed with less than a week's notice.

In my own State of Michigan, the cities of Lyons and Hamtramck have been numbered by Chrysler Corporation's recent announcement that their major sources of employment will be shut down. In the case of Lyons, 700 jobs in a town of 800 will be wiped out in one stroke, most of them moving to Canada. There is no National or State law to prevent, minimize, or cure the destructive impact of this corporate decision on so many people who have made a steady, productive contribution to Chrysler and our national economy for years.

The legislation which I have introduced today, the National Employment Priorities Act of 1979, would provide a comprehensive program to prevent the disastrous consequences of sudden, large-scale plant closings. The act would meet the problem of economic dislocation in a number of ways.

First, the workers, their community, and the Federal Government would have

between 6 months and 2 years advance notice of the plant closing—time to find ways to avert the shutdown; to attract new business if the shutdown were unavoidable; to apply for Federal assistance in retraining the workers for other jobs, buying the plant and renovating or retooling it, or finding new ways to employ the displaced workers on projects of benefit to the community.

Second, the act would require the business concern to assume some responsibility for the welfare of the people who served it and the community that supported it. Any displaced worker would be entitled to transfer to a similar job with any establishment under the business concern's control. Workers who were not transferred would be entitled to severance payments from the business concern, supplementing any unemployment compensation or trade adjustment assistance which they received. The employees' pension and health benefits would be maintained for up to 1 year for young employees and longer for older employees. In addition, the business concern would be required to pay the local government 85 percent of any tax revenue loss caused by the decision to close or relocate a plant.

Third, the act would provide numerous forms of assistance to businesses and communities to create new employment opportunities. Among the forms of assistance would be targeted Federal procurement, loans, and grants for the purpose of buying or reconverting the closed establishment, technical assistance, and loans and grants for the development of local public works projects that would lead to permanent employment opportunities.

In short, the act directs Federal aid and protection to prevent the crises and trauma of economic dislocation, rather than allowing a crisis to arise and then attempting a piecemeal patchup afterward.

In conclusion, Mr. Speaker, I would like to say that neither Senator RIEGLE, nor I and the 46 cosponsors of this legislation, are wedded to its specific provisions. The bill reflects lessons learned and information gathered during years of hearings conducted by John Dent and his subcommittee, and important contributions by public interest groups and labor organizations. We think it presents a reasoned and equitable approach to a serious and too-long neglected problem. In the months ahead we will closely examine the details of the bill, but we will insure that the principles of the legislation—that the impact of private disinvestment decisions is a matter of national, public concern; that those decisions must factor in the economic and social costs to workers and their communities; that the workers should not bear the brunt of economic decisions that benefit investors and the whole country; that labor should not be as mobile as capital; and that the Federal Government must have a greater role in the Nation's economic planning—are not compromised.●

TENTH ANNIVERSARY OF APOLLO 11

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

○ Mr. AUCOIN. Mr. Speaker, 10 years ago, between July 16 and July 24, a voyage took place that held the world a captive audience. That voyage was to the surface of the Moon and back.

Somewhat surprisingly, a recent New York Times/CBS poll found people almost evenly divided about whether the Apollo project was worth the $25 billion it cost. A decade after man's greatest adventure, our feelings in hindsight are perhaps more ambivalent than at the height of the tumultuous sixties.

The technology that enabled us to watch those stark figures bounding around the surface of the Moon improved so quickly that by the final Moon mission we could watch the event as clearly and colorfully as if it were taking place in the next room. But how many of us were watching as the Apollo program came to an end? The national anticipation of a manned lunar landing and the imagination and good will of the world that we were able to capture were matched only by the speed in which we returned to business as usual.

Looking back it seemed easy. On May 25, 1961, when President Kennedy said that the United States "should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth," it was anything but easy. An American had not even orbited the Earth. The Saturn V was merely the twinkle in Werhner von Braun's eye. The method for attempting a Moon landing was still a highly debated subject on NASA's drawing boards. The Saturn launch pads had yet to rise from the Florida beaches that would become familiar the world over as Cape Canaveral and Kennedy Space Center, and the Manned Spaceflight Center in Houston had yet to be built.

The problems to be overcome were enormous, simply the design and construction of a rocket, a spacecraft, a landing vehicle and life support systems for a voyage to the Moon and back. It is a tribute to the engineers of the manned space program that not a single American astronaut died during a total of 31 spaceflights by 71 individuals in an accumulation of hundreds of days in space.

As far as space program personnel were concerned, our $25 billion investment was quickly squandered as eight additional planned Moon landings were scuttled due to lack of interest in the Congress and in the Nation. Yet, from a scientific standpoint, the exploration of the Moon had hardly begun when the Apollo 17 astronauts left the Moon in December 1972.

Opponents of the Apollo program had called for space money to be spent on earthly pursuits. But the total $25 billion spent for the space program was stretched out over nearly 9 years. The total spent for space in 9 years looks infinitesimal compared to military spending in a single year. In fact, the total amount spent would have hardly made a dent in social programs that many thought we could have better directed our attention to at the time.

And the practical payoffs were great. An extensive study conducted in 1975 found that high technology endeavors, of which the space program is clearly the largest, result in significant rates of social return out of all proportion to their cost. It was determined that an increase in space research and development programs of $1 billion would have the following effects in just 10 years:

First. The gross national product would be $23 billion higher—an annual return of more than 40 percent.

Second. The inflation rate in 1985 would fall 2 percent.

Third. Unemployment would be reduced by 400,000 jobs and the size of the labor force would rise by 1.1 million new jobs.

The simple fact is that research investments "spinoff" to other industries through sharing of technology and productivity increases.

Just four mature examples of spinoffs are estimated to add up to a $7 billion "payoff" by 1983. Integrated circuits were developed for satellites and communications but are now used in many household products. Gas turbines, initially developed for jet-engine aircraft, have been widely spunoff for use in electric power generation plants. The Structural Analysis Computer Program, originally developed to design spacecraft, is now used to design automobiles, railroad tracks and cars, bridges and skyscrapers. The last mature spinoff is insulation for cryogenic—extremely cold temperature—uses.

NASA has been working on energy-efficient technology for years. NASA's "Tech House" at the Langley Research Center in Virginia is not just a compilation of space spinoffs but it integrates technical developments expected to be commercially available by 1981. Stringent NASA criteria meant that the initial costs of improvements must be repayable over the life of a 20-year mortgage. Space materials include "thermal shutters," fire-retardant materials, super insulation, solid-state appliance controls, low-noise flow valves, wiring, other heat-capture devices.

NASA has been in the forefront of developing technology to utilize alternative energy sources. A satellite power system to transmit energy to the Earth; the harnessing of the wind; solar heating and cooling, NASA-developed solar energy in coordination with the Department of Energy being tested in different climatic zones; solar cells for replacement use of electricity; automobile turbines; electric vehicles; coal mining research—all have been on NASA's drawing boards for some time.

It was notable that Skylab, the program that followed Apollo and used the same hardware to begin investigating the practical applications of space science in-depth, was virtually ignored by the American people. Earth resources photography, undertaken by Skylab and continued with Landsat satellites, has told us more useful information about the Earth than we can absorb. Landsat satellites can look at 13,000 square mile patches of the Earth at one time in a single picture thereby revealing great features, such as geological faults, that are impossible to see from near-Earth. The repetitive coverage of Earth by the continuously orbiting satellites viewing the entire planet over a short period of time allows monitoring of dynamic Earth processes such as crop-growing cycles and land use.

We face a similar dilemma of lack of interest with the Space Shuttle program despite its promise of making manned spaceflight a valuable yet normal experience. But let me mention some significant facts about the ongoing Space Shuttle program.

Some 50,000 people in 47 States work on the Space Shuttle—in addition to those employed by NASA. Reusable Space Shuttle Orbiters will reduce spaceflight costs an estimated $1 billion per year. The savings can mean additional payloads to meet predicted needs for Earth-oriented applications—advanced weather forecasts, communications, Earth resources photography, and other benefits.

A pressurized module will fit in an Orbiter's cargo bay where scientists can work in short sleeve environment for up to 30 days. It offers a platform for intensive Earth observations and human-directed experiments not unlike Skylab.

Naturally, spinoff technology cannot be utilized to its greatest potential if there is no process of disseminating the information. NASA has established a network of Industrial Applications Centers at universities across the Nation to provide information retrieval services and technical assistance to industry. At six campuses NASA utilizes the world's largest technical data bank to apply the resultant information selectively to industry's problems.

The accomplishments of the Apollo program in scientific and engineering terms were enormous. Unlike expenditures in many other areas, the space program was constantly in the public eye, and we demanded a high level of demonstrable success. Despite the sheer complexity of the problem we were undertaking, there were never any cost overruns or pleas for additional time. We set a goal, demanded success, and complied with that demand.

The commitment to the future of manned space flight is in question. Just as with all scientific endeavors the financial cost may seem out of proportion to our immediate gains, but those gains will come about. However, in our quest to solve earthly problems we cannot overlook our desire to explore the unknown or the need to dedicate ourselves occasionally to the pursuit of pure science knowing of its eventual practical payoff. That is what Apollo 11 pointed out, and it is a lesson we should remember as we celebrate the 10th anniversary of that adventure.●

UNITED STATES-MEXICAN RELATIONS AND THE ENERGY CRISIS: REPORT OF A STUDY MISSION TO MEXICO CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, the discovery of vast oil reserves in Mexico creates both the need and the opportunity to inaugurate a new era in United States-Mexican relations for the benefit of both countries. From this new relationship, the United States seeks access to Mexican oil in order to satisfy our domestic demand and reduce our dependence on Middle Eastern oil. Mexico seeks economic development and reduced dependency in the United States. I am convinced that, with the necessary will, we can work out a relationship that satisfies us both. But it will require patience and understanding on both sides. For our part, we must understand not only how oil fits into Mexico's history and policies, but also how oil relates to other issues between our two countries.

My colleague on the Foreign Affairs Committee, Congressman BOWEN, and I spent part of the Independence Day recess in Mexico City in talks with Mexican and U.S. Embassy officials. Although the principal purpose of our visit was to discuss trade issues, especially ways in which our two countries could better cooperate on energy matters, our conversations ranged across the entire gamut of United States-Mexican relations. We will submit a formal report on our trip to the Committee on Foreign Affairs in due course. However, because of the timeliness of the topic, I would like to take this opportunity to share with my colleagues some of my preliminary observations and conclusions from the trip.

As a result of the talks, I was particularly impressed by three factors which make United States-Mexican relations complex and difficult to manage, and which inevitably affect the energy picture. The first is the historical context in which Mexicans view their relations with the United States. Mexicans remember a history lesson most Americans have forgotten: Mexico lost half its territory to the United States in the Mexican-American War. Over the years, the Mexicans have developed a strong sense of their dependency on the United States—a dependency of which they are increasingly resentful, but which they have been powerless to remedy. Mexicans feel they can be severely disadvantaged by unilateral decisions made in Washington without consultation or even concern for their effects on Mexico. Historical grievances and resentment at dependency feed a strong sense of nationalism. Now the discovery of vast oil reserves has given the Mexicans a new sense that they have something we need, that the relationship is no longer so one-sided.

That leads to the second factor: The way the oil issue is linked to other issues in our relationship in the minds of the Mexicans. We were quickly made aware that cooperation on matters of particular concern to our country, such as energy, could not be viewed in isolation from cooperation on other matters of particular concern to Mexico. At the time of our visit, our entire relationship was threatened by the possibility of U.S. antidumping action against Mexican winter vegetable imports.

Third, our relations are made complex because of the way they affect various domestic interests in the two countries. For example, each of our countries has an interest in a reduction in trade barriers by the other country. But a reduction in trade barriers in one country may cost jobs in the affected industry in that country while creating jobs in the other country. To take an even more obvious example, our respective policies toward illegal Mexican immigration into the United States profoundly affects certain sectors of both economies.

What all these factors add up to is that, as one Mexican official put it to us, it is important for the United States and Mexico to find ways to interact so as to build on the natural complementaries in our interests instead of hurting each other. We must learn to deal with the issues in the total context of United States-Mexican relations, not just in terms of special interests. Beyond that, the United States must learn to be more sensitive to Mexican feelings, Mexican needs, and the effects of our actions on Mexico. If we can learn to treat Mexico as a partner and to address our mutual problems in a cooperative way, with full regard for Mexican views, then we will open up significant opportunities for mutual benefit in energy and other areas. If we cannot, we can be assured that will affect Mexican oil production, pricing, and marketing decisions in a manner inimical to our interests.

To spell this out further, let me briefly review the three major issues between our two countries. Undocumented workers, trade, and energy. Many Americans view illegal immigration of Mexicans into the United States with concern because of the possible effects of that immigration on our employment and wage levels. I share that concern. But what too many Americans do not realize is that Mexicans view illegal immigration in even stronger terms—as a national tragedy. It is striking proof of Mexico's inability to offer full employment to its own people, and it leads to the exploitation and brutalization of the migrants by Mexicans and Americans alike.

President Lopes Portillo has frequently and strongly stated that it is Mexico's desire and policy to export goods, not people. But the development of Mexico's economy to the point where it can absorb its own labor force is a long-term proposition. With an estimated 46 percent of Mexico's population under age 14, and

youths entering the labor force at twice the rate that can be absorbed, the problem is going to get worse before its gets better. Meanwhile, money repatriated by Mexicans working in this country constitutes Mexico's biggest source of foreign exchange.

In this situation, the Mexicans rightly plead for patience, restraint, and understanding on the part of their northern neighbor. We must recognize this as a bilateral problem, to be dealt with in close consultation with Mexico. Erecting a "tortilla curtain"—fortifying our common border with the technology we developed for the purpose of killing Vietnamese—is not the answer. Most important, we must be aware of the relationship between the illegal immigration problem and Mexico's economic problems. The more we do to help the Mexicans solve their economic development problems, the more we do to help resolve our common migration problem. This leads to the second issue between our two countries, trade with the United States, on which Mexico is relying so heavily in its attempt to develop its economy.

Immediately upon my return from Mexico, I spoke out on the floor of the House against possible antidumping action against Mexican winter vegetable imports. A petition for such action had been filed with the Treasury Department by the Florida growers. The Mexicans, not without reason, had elevated the "tomato issue" to the level of a symbolic test of whether the United States was prepared to conduct our relations on the basis of cooperation and equality.

Mexico depends on the United States for 66 percent of its export trade, which produces a significant number of jobs. Yet, in the Mexican view, whenever this trade entails competition for U.S. producers, we take steps to protect ourselves by erecting tariff or nontariff barriers. This throws Mexicans out of work and hampers Mexico's development. We have to watch out for our own interests, of course. But we have to do so in a cooperative manner which does not ride roughshod over the interests of our neighbors. The Mexicans are not blameless; they restrict our access to their market as well. But we have a combined market of nearly 300 million people. There is enough business for everyone. We ought to be able to work out ways for productive economic interchange that do not entail unreasonable barriers to trade.

I was gratified when, on July 19, Treasury announced that it was terminating its antidumping investigation against Mexico because the petitioners had withdrawn their complaint to allow time for a negotiated solution to the problem. I hope negotiators on both sides will be forthcoming and the forces of protectionism will not prevail. Over the longer term, we need to develop more stability and predictability in our economic relations, so things do not reach the point where our relationship hinges on something like a dumping determination.

If we can learn to deal with our common immigration and trade problems on a friendly, constructive, nonconfrontational basis, this will have a beneficial effect on the third issue in our relations—energy. Amid all the complexities and difficulties surrounding this issue, we must not lose sight of the fundamental compatibility of United States and Mexican interests in the energy field: Mexico has abundant petroleum, some of which it wants to export to fuel its development; and the United States has vast energy requirements and a need to reduce its reliance on OPEC, and constitutes a natural market for Mexican oil. Mexico wants to decrease its dependence on the United States and is trying hard to diversify its oil exports. Still, there is every reason to hope and expect that the bulk of Mexican oil exports can continue to flow northward to this country, in increased volume, and at prices which reflect lower transportation costs than those associated with Middle East oil. However, to facilitate this outcome, we must once again be sensitive to certain needs and perceptions on the Mexican side.

The main one concerns the issue of natural gas. Associated natural gas produced by Mexican wells is currently being flared, and thus lost to both Mexican development needs and U.S. energy needs. The Mexicans want to capture this gas and transport it by pipeline to this country. In fact, they have taken a basic policy decision not to develop their petroleum reserves at a rate faster than would permit concurrent exploitation of the associated natural gas. Thus our own decisions on importing Mexican natural gas will have an impact on the rate at which Mexico develops and exports its oil.

As we all recall, negotiations over the price at which Mexican natural gas would be sold in the United States were abruptly terminated last year, amid a great deal of acrimony and mutual recrimination. There is no question that this is a difficult and complex issue, and there is blame on both sides. But the issue could have been handled more diplomatically on our end. The negotiations have recently resumed, and I am pleased by reports that they are going well. All Americans have an interest in the successful conclusion of the negotiations.

We can help both the Mexicans and ourselves in other ways as well. The Mexicans do not want their economy to be either too dependent on oil exports, or overinflated by oil revenues. Thus the level of their oil exports will be determined in part by their success in achieving growth in other export sectors and by growth in their ability to absorb oil revenues. An open U.S. market for winter vegetables and manufactured products will help one side of that coin. An absence of U.S. pressure on Mexico to develop its oil resources faster than its overall development strategy permits would help the other. President Carter has stated that the United States understands that the pace of Mexico's oil development must be dictated by Mexican needs. That is a wise policy, and I hope and trust Congress will support it. Both United States and Mexican interests are best served in the long run by an oil policy which conduces to a healthy, growing Mexican economy which can employ its own people and purchase more U.S. goods.

Finally, a problem which concerns me greatly is the effect of United States-Mexican trade on Mexican development. Exports can be helpful or harmful for Mexican development, depending on how they fit into Mexico's overall policies and development patterns. Let me pose several dilemmas Mexico confronts as it seeks to manage its resources in the interest of the development of its people.

As oil resources are developed, Mexican peasants are leaving the land to work in the oilfields, resulting possibly in lower agricultural production and consequently in decreased nutritional levels for the rural and urban poor.

Increased investment in the relatively high-technology oil industry creates fewer jobs than would be gained by investment in more labor-intensive industries, thus exacerbating the unemployment problem and possibly leading to a worse income distribution problem.

We want to facilitate Mexican tomato exports in order to help the relatively labor-intensive tomato industry, thereby providing jobs and income to the rural poor; but as exports increase the tomato industry is likely to become characterized by increased mechanization and land concentration, thereby actually displacing people from land jobs.

Mexican policies can either encourage or discourage these trends. The United States has little to say about it, assuming as I do that we want to adhere to a policy of nonintervention in Mexico's internal development decisions. I can only voice my own hope as a friendly observer that the Mexican authorities will be sensitive to the possibly counterproductive consequences for their own people of building up its exports of oil and other commodities. It would be a tragedy if the Mexican people ended up worse off than they are now.●

● Mr. BOWEN. Mr. Speaker. I am pleased to join with the gentleman from Maryland in reporting to the House on our recent trip to Mexico. I found it a very useful and educational trip, and I want to congratulate my colleague for organizing it and thank him for inviting me to come along. It was my first trip to Mexico City, and I used it not only to explore prospects for energy cooperation, but also to learn more in a general way about our southern neighbor. I would like to share some of my general conclusions.

First, I think there are significant opportunities for cooperation in the energy area, and I hope both sides will find the political will to make that cooperation a reality. I think early agreement on the natural gas issue is particularly crucial. Because of declining production in this country, the United States is currently in a transition away from natural gas toward other sources of energy. An agreement with Mexico which would provide us with a reliable market for natural gas could change those transition plans. If we wait too long, the opportunity may pass. Mexico may lose a market, and we will lose the gas. I hope both sides will be forthcoming on this issue.

Second, as Mexico seeks to place its current and prospective oil revenues at the service of the country's development, it faces several key bottlenecks. One is that increased demand is severely overloading the transportation system. Mexico needs to modernize and expand its railroad beds, highways, and bridges, and import more trucks and locomotives. With the revenues produced by oil sales to the United States, Mexico should be able to purchase much of the equipment and technology it needs to modernize its transportation system from the United States—a clear example of how both countries can benefit from greater trade.

Another bottleneck is trained manpower. Mexico needs skills of all kinds to accomplish the further modernization of its economy.

Perhaps the greatest bottleneck is the agricultural sector. The growth in Mexico's oil production and industrial capability is being matched by an unfortunate decline in Mexico's ability to feed its people. As a member of the Agriculture Committee, I was particularly interested in what Mexico is doing to halt and reverse its declining agricultural productivity. Land reform has been a promise of the Mexican Revolution for 70 years.

Yet the political need for land redistribution needs to be reconciled with the economic need for greater productivity. A solution to the land tenure problem needs to be found which meets the people's needs for land, creates incentives to improve productivity, and fosters the commercial agriculture necessary to feed the burgeoning urban population and to produce for export. It is true that people are leaving the land at an alarming rate because they cannot find a livelihood there. It is also true that the 10 percent of the farms that are of commercial size produce most of Mexico's food. I regret to report that I was not encouraged to believe that Mexico has found a way to reconcile these competing concerns.

Third, I was interested in learning more about Mexican politics. The Institutional Revolutionary Party (PRI) has been in power since its formation in 1929. However, opposition parties do exist and are active, and respect for human rights and civil liberties appears relatively high. Our visit happened to coincide with a parliamentary election in which, for the first time, 100 seats were reserved for opposition parties. Three parties were vying for those seats, and the campaigning was lively and the results closely followed by the media.

Fourth, Mexican foreign policy was of concern to me, particularly with respect to the Nicaraguan civil war which was still raging. I questioned the Mexicans closely regarding their attitude toward the Sandinistas and toward Cuban involvement in Nicaragua. The Mexicans do not believe that there is extensive Cuban involvement in Nicaragua or that the junta is dominated by Marxists. On that, I and many others disagree with them. We will know better in retrospect who was right. But the important point is that the Mexicans are not oblivious to the Cuban problem. We were told that Mexico would be as upset by the Cubanization of Central America as we would be, because Mexico would be affected sooner and more adversely than we would be. But, it was explained to us, because of Mexico's historic experience with the United States, nonintervention is a cornerstone of Mexican foreign policy.

Mexico's attitudes are colored by a history of interventions and attempts by the United States to impose governments on Mexico. The Mexicans honestly believe that the junta represents the choice of the Nicaraguan people, and they do not consider it proper to interfere, whether or not the junta is Marxist. I hope the Mexicans are right that it is not. They state firmly that they have not assisted the Sandinistas with arms of any kind. In any case, I am glad I had the opportunity to understand their position better.

Finally, as a member of the International Operations Subcommittee, which has jurisdiction over the International Communications Agency, I was interested in reviewing our Embassy's public affairs activities in Mexico. I met with the ICA staff and came away with the impression that Stan Zuckerman, the public affairs officer, has an impressive team which is working hard to improve Mexican perceptions of the United States and of United States-Mexican relations. It is not an easy job. Mexico is a highly nationalistic country with a very different view of history than ours. As we proceed with the difficult task of building a better climate for United States-Mexican relations, I hope our Government's actions will help rather than hinder their efforts.●

DOES THE PRESIDENT SUPPORT REGISTRATION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, as the House approaches consideration of the issue of resuming registration with the Selective Service System, it is useful to have the President's own thoughts on this issue—not those of his advisers—as he outlined them yesterday in Bardstown, Ky. As the actual transcript of his words is not available, I am inserting in the RECORD a portion of this morning's New York Times article that quotes the President's remarks. For references, the entire article entitled "Carter Is Cheered in Kentucky Town" commences on page A1 of the August 1, 1979, paper, with the specific portion that follows appearing on page A13.

In answer to a question, Mr. Carter seemed to soften his Administration's position against a standby draft registration when he said, "We might have to have registration for the draft as a precautionary measure." He said that he was reassessing the question of whether young people should be required to register at the age of 18. "We might have a standby registration if I decide it is needed," he said.●

BANKRUPTCY TAX ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on behalf of myself and Mr. CONABLE, I am today introducing the Bankruptcy TAX Act of 1979, making amendments to the Internal Revenue Code with respect to Federal income tax aspects of bankruptcy.

Last year, the Congress enacted legislation (Public Law 95-598) which, effective October 1, 1979, significantly revises and modernizes the substantive law of bankruptcy as well as bankruptcy court procedures. The bill introduced today will update and clarify Federal income tax rules relating to the treatment of discharge or cancellation of indebtedness, the tax treatment of an estate of an individual in bankruptcy, the treatment of corporate insolvency reorganizations, and procedural rules relating to assessment and collection of a bankrupt debtor's Federal tax liabilities. Because of the October 1 effective date set by Public Law 95-598 for repeal of the existing Bankruptcy Act and for implementation of new bankruptcy court procedures, it is essential that the tax bill be enacted during this session, effective for bankruptcy cases instituted on or after October 1, 1979.

It is anticipated that the Committee on Ways and Means will hold a hearing on this bill, the Bankruptcy Tax Act of 1979, soon after the House reconvenes from the August district work period. Interested groups and persons thus will have time to study the bill and to submit comments or present testimony at the hearing.

This bill has been developed by the staffs on the basis of extensive studies, commentaries, and recommendations for changes in bankruptcy tax rules made over the past 6 years. This effort to review and modernize bankruptcy tax law began with establishment by the Congress of the Commission on the Bankruptcy Laws of the United States, and the report issued by the Commission in 1973.

The Ways and Means Committee held hearings in 1978 on H.R. 9973 (95th Congress), dealing with Federal income tax aspects of bankruptcy. Subsequently, the committee has received further comments from the American Bar Association, tax section; Ad Hoc Committee for Bankruptcy Revision; the American Institute of Certified Public Accountants, bankruptcy task force; the Association of the Bar of the City of New York, committee on taxation; the New York State Bar tax section, committee on bankruptcy and insolvency; the National Bankruptcy Conference, committee on tax matters; the Departments of Treas-

ury and Justice; the Internal Revenue Service; and other groups and individuals.

The following is a brief summary of the general scope of the Bankruptcy Tax Act of 1979.

SUMMARY OF SCOPE OF THE BANKRUPTCY TAX ACT OF 1979

DISCHARGE OF INDEBTEDNESS

Under the bill, no amount would be included in income by reason of a discharge of indebtedness in a bankruptcy case. Instead, the amount of debt discharged generally would be applied to reduce the debtor's Federal income tax attributes in the following order; net operating loss carryovers; carryovers of the investment tax credit, WIN credit, and new jobs credit; capital loss carryovers; and the basis of the debtor's assets. However, the debtor's basis in his assets would not be reduced below his remaining undischarged liabilities. Where the debtor reduces basis, the investment credit recapture provisions of present law would not apply.

To achieve general uniformity between insolvent taxpayers whose debts are cancelled outside of bankruptcy and taxpayers whose debts are cancelled in a bankruptcy case, the bill also provides generally similar rules for insolvent taxpayers.

In the case of solvent taxpayers, the bill modifies the present law election to exclude income from discharge of indebtedness, so that a solvent taxpayer whose debts are discharged outside of bankruptcy must reduce net operating losses and credits before reducing basis. This provision would achieve a result generally similar to that of a solvent or insolvent taxpayer whose debts are discharged in bankruptcy.

The bill also provides rules relating to corporate indebtedness in order to better coordinate the treatment of discharged debt at the corporate level with treatment at the shareholder level. The bill provides that no income from debt discharge would arise, and hence no attribute reduction would be required under the above rules, if a corporate debtor issues stock to its creditor for the principal amount of an outstanding security (such as a bond). If a corporate debtor issues stock for other debts (such as debt held by trade creditors or by a lender holding a short-term note), in which case the creditor could recognize a loss on the debt, the corporation is treated as having satisfied the debt with an amount of money equal to the stock's fair market value. To the extent the stock's value is less than the debt discharged, the discharge of indebtedness rules summarized above would apply. The bill similarly provides that the discharge of indebtedness rules would apply to the extent that the amount of debt transferred to a corporation as a contribution to capital exceeds the shareholder's basis in the debt.

Under the bill, the special limitations on net operating loss carryovers (sec. 382 of the Internal Revenue Code) would not apply to the extent creditors receive stock in exchange for their claims. This exception to the section 382 rules is proposed in light of the attribute reduction provisions of the bill, under which loss carryovers would be reduced in certain cases (as described in the preceding paragraph) where the debtor corporation issues stock for debt.

BANKRUPTCY ESTATE OF AN INDIVIDUAL

The bill provides rules relating to the Federal income tax treatment of the bankruptcy estate of an individual as a separate taxable entity in a liquidation of reorganization case under the new bankruptcy statute. Also, the bill provides that no separate taxable entity would be created by commencement of a bankruptcy court case in which the debtor is an individual having no assets other than exempt property, an individual in a case under chapter 13 of the new law (adjustment of debts of an individual with regular income), a partnership, or a corporation.

The Federal income tax rules with respect to the estate of an individual, if treated as a separate taxable entity, include rules as to allocation of income and deductions between the debtor and the estate, computation of the estate's taxable income, accounting methods and periods, the treatment of the estate's administration costs as deductible expenses, the carryover of tax attributes between the debtor and the estate, and requirements for filing and disclosure of returns.

INSOLVENCY REORGANIZATIONS

The bill provides that insolvency reorganizations generally would be governed for Federal income tax purposes by the rules applicable to other tax-free corporate reorganizations. In view of the bill's rules on attribution reduction, the bill would include insolvency reorganizations within the category of transactions resulting in carryover of tax attributes to a transferee corporation.

The bill provides that to the extent property received in a reorganization is attributable to accrued but unpaid interest, the recipient would treat the value of the property received as ordinary income.

Also, the one-year liquidation tax rules would be extended to cover asset sales which are part of an insolvency liquidation. Under the bill, a corporate debtor generally would not be considered a personal holding company while in an insolvency reorganization proceeding. The bill provides that the estate of an individual debtor in a bankruptcy court case would be considered an eligible shareholder in a subchapter S corporation.

TAX PROCEDURAL RULES

In light of new rules for determination of tax liabilities in bankruptcy proceedings, the bill makes various technical changes relating to Internal Revenue Service assessment and collection procedures.

EFFECTIVE DATE

The provisions of the bill generally would be effective for bankruptcy cases commenced on or after October 1, 1979. Present law would continue to apply for bankruptcy cases commenced under the Bankruptcy Act, i.e., prior to October 1, 1979, including Bankruptcy Act cases which were commenced before and continue after that date.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, this afternoon I joined the gentleman from New Jersey (Mr. RODINO), the senior Senator from Massachusetts (Mr. KENNEDY), Attorney General-designate Benjamin Civiletti, and a number of my colleagues on the Judiciary Committee in describing to the press and to the public the work of the Criminal Justice Subcommittee on the revision of the Federal Criminal Code. Due to my commitment to preside at this briefing, I was absent from the House for a brief period during consideration of the Loeffler amendment to S. 1030, the Emergency Energy Conservation Act of 1979. Had I been present for rollcall No. 418, on approval of the amendment, I would have voted "nay."

I was also unavoidably absent from the House during the vote on final passage of S. 1030. Had I been present for rollcall No. 424, I would have voted "yea." ●

THE IRON HEEL STILL RESTS ON CZECHOSLOVAKIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, an authoritarian government is perhaps the worst evil human beings must endure. When such a government extends its control to people in other nations, the evil is compounded.

The Soviet Union, not content to oppress their own citizenry, invaded Czechoslovakia in 1968. August 21 will be the 11th anniversary of that outrage.

When one member of the international community resorts to such barbarism to protect the political and economic prerogatives of its elite, the freedom of individuals everywhere is threatened. As we should have learned well by now, aggression breeds aggression; each oppression makes the next one easier.

The Soviets must not be allowed to forget the Czechoslovakian patriots who, for the brief spring of 1968, tasted freedom. They will certainly not forget.

The Soviets must cease their harassment of those in Czechoslovakia who still keep the memory of 1968 alive, the Charter 77 group.

We Americans know that freedom is indivisible everywhere in the world. We will remember the Czechoslovakian spring.●

EXPORT PROMOTION AND TRADE ASSOCIATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 30 minutes.

● Mr. BINGHAM. Mr. Speaker, today I am pleased to introduce the Export Promotion and Trade Association Act, which will help reverse the alarming balance-of-trade deficit of our country during the past several years. There is evidence that the competitiveness of U.S. industry in international trade and domestic markets is declining. The mammoth deficit has hurt our economy by exerting a downward pressure on the exchange rate, eroding the dollar as an international currency. The deficit has had an inflationary impact on our economy, and is associated with loss of jobs in import-competing industries. Finally, this trade deficit requires an increasingly larger Federal budget deficit to keep the economy growing.

My proposal has two main features which would help reduce this trade deficit. First, it allows service industries to qualify for the antitrust exemption of the Webb-Pomerene Associations. Second, the Department of Commerce would have the responsibility for the administration and active promotion of these associations. This will encourage more American firms to market their goods and services abroad and enable them to compete more aggressively with their

foreign counterparts. Before we look at the bill itself, I think a brief background of the law which it replaces would be helpful.

In 1916, the Federal Trade Commission published a report on "Cooperation in American Export Trade," stating that American manufacturers and producers were disadvantaged in attempting to enter foreign markets individually because of strong combinations of foreign competitors and organized buyers. In 1918, Congress passed the Webb-Pomerene Act, in which American firms were allowed exemption from antitrust laws for export purposes. This law allows companies under certain conditions to combine in "Webb-Pomerene Associations" to meet foreign competition, as long as they do not restrain trade within the United States, restrain the export trade of any domestic competitor of the association, or influence domestic prices of commodities of the same class exported by the association.

In enacting the Webb-Pomerene Act, Congress envisioned an eager American business community availing itself of the opportunity to pool its facilities, resources, and expertise in such a fashion as to implement an ambitious joint exporting program. As history shows, that vision never materialized. The Webb-Pomerene exemption has been little used, with only 250 associations in the first 60 years the law was on the books. Today the number of associations has dwindled to 33, and their share of total U.S. exports has dipped to less than 2 percent.

From these disappointing figures, it is obvious that the Webb-Pomerene Act is not an effective device to promote exports in its present form. Many business executives claim it is too narrow to be useful and guidelines under it are imprecise. The ever expanding U.S. service industries have been excluded from qualifying for the act's antitrust exemption. Perhaps the greatest barrier has been the Department of Justice, as well as the FTC, being perceived by the business community as exhibiting open hostility toward Webb-Pomerene associations.

Considering these inherent weaknesses, I propose that we repeal the Webb-Pomerene Act and pass this new legislation that permits many more American firms to make use of the updated provisions to promote exports. Although it is not possible to estimate the impact of such changes on U.S. exports, the inclusion of service industries in Webb-Pomerene associations provides a vast new potential for increased marketing of these services. Service industries are the fastest growing segment of our economy, and currently provide 65 percent of the Nation's gross national product. The National Construction Association estimates that its industry alone could have a $2 billion annual increase if its members could operate as a Webb-Pomerene association.

Specifically, this bill has the following as its main provisions:

First, it places the administration of the act within the Department of Commerce;

Second, it creates within the Department of Commerce an office to promote the formation of export trade associations;

Third, it makes the export trade association antitrust exemption applicable to the exportation of services;

Fourth, it expands and clarifies the antitrust exemption for export trade associations;

Fifth, it requires that the antitrust immunity be made contingent upon a preclearance procedure;

Sixth, it provides for the establishment of a task force whose purpose will be to evaluate the effectiveness of this act in increasing U.S. exports and to make recommendations regarding its future to the President.

While this bill calls for a relaxation of our antitrust laws for U.S. firms that export abroad, I still firmly believe in the protection of these same antitrust statutes that prohibit Webb-Pomerene associations from restraining trade or influencing domestic prices within the United States. With respect to international economic relations, very few countries restrict their companies as we do. In order to improve our balance-of-trade deficit, we have to be practical and provide some flexibility to U.S. companies to meet foreign competition. This is greatly needed as a response to those countries where we lack a method of meeting our primary competition. At the same time, the provisions of the bill are still tough enough to protect the United States from any domestic anticompetitive spillover resulting from the operations of the export trade associations. An additional safeguard requires the export trade associations to abide by and be consistent with any international obligations assumed by the United States by treaty or statute.

Last September, President Carter announced his initial steps toward the formulation of a coordinated national export policy. At that time he called for a reduction of domestic barriers to exports, and that laws affecting the international business community, including antitrust laws, be administered with a greater sensitivity to the importance of exports. The Export Task Force, a bipartisan ad hoc committee of which I am a member, was also formed last September, with the expressed purpose of strengthening the U.S. economy through increased exportation of U.S. goods and services. With the passage of this proposed legislation, we can take a positive action toward attaining these goals, and reducing our trade deficit.

Section 1. Short Title: Export Promotion and Trade Association Act of 1979.

Section 2. Purpose; Findings: Section 2 sets forth the purpose and findings.

Section 3. Office of Export Trade: Section 3 establishes within the Department of Commerce an office to promote and encourage exports to the greatest extent feasible through the formation of export trade associations eligible for the exemptions provided in this Act.

Section 4. Definitions: Section 4 defines the pertinent terms. The term "Export trade" means trade or commerce in goods or services exported or in the course of being exported from the United States or any territory thereof to any foreign nation. The term "service" means the provision, for a charge, of useful labor that does not produce a tangible commodity, including, but not limited to, business, repair, and amusement services; management, legal, engineering, architectural, and other professional services; and financial, insurance, transportation, and communication services. The term "export trade activities" includes any activities or agreements which are incidental to export trade. The term "trade within the United States" means trade between or among the several states of the United States; the territories of the United States; the several states and the territories of the United States; or the District of Columbia and the several states or territories of the United States. The term "associations" refers to any combination, by contract or other arrangement, of persons who are citizens of the United States, partnerships which are created under and exist pursuant to the laws of any state or of the United States, or corporations which are created under and exist pursuant to the laws of any state or of the United States. The term "antitrust laws" means antitrust laws as defined in Section 4 of the Federal Trade Commission Act (15 U.S.C. 44). The term "Secretary" means the Secretary of Commerce. The term "Attorney General" means the Attorney General of the United States. The term "Chairman" means the Chairman of the Federal Trade Commission.

Section 5. Exemption from Antitrust Law: Section 5 provides that any association which is formed for the sole purpose of engaging in export trade, which is engaged in export trade, and which is certified in accordance with the procedures set forth in this Act shall be exempt from the antitrust laws unless (1) the association or the export trade activities of its members results in a substantial restraint of trade or competition within the United States; or (2) the association or any of its members, with respect to its export trade activities: enters into any agreement with any domestic producer who is not a member of the association, to fix prices or the terms of sale or otherwise restrain the free export of goods of non-member firms engages in any act which results or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods exported by the association or its members; acquires control of any patent or license useful in the production of the goods that the association or member exports; or enters into any agreement with a foreign concern engaged in the manufacture or sale of the same goods exported by the association or member, to fix prices or divide sales territories. Section 5 establishes that federal agencies shall have standing to bring action against an association for failure to meet the requirements set forth above. Section 5 makes provisions for persons to petition a federal agency to bring an action against an association. It also describes the remedies available to the federal agency and creates jurisdiction in the federal courts for an action brought under this section.

Section 6. Acquisition of Stock or Other Capital: Section 6 provides that nothing contained in Section 7 of the Clayton Act shall be construed to forbid the acquisition or ownership by any corporation of the whole or any part of the stock or other capital of any organization organized solely for the purpose of engaging in export trade, unless the effect of such acquisition or ownership may be to restrain trade or substantially lessen competition within the United States.

Section 7. Prohibition on Unfair Methods of Competition Against Domestic Competitors: Section 7 prohibits unfair methods of competition used in export trade against domestic competitors engaged in export trade.

Section 8. Certification: Section 8 establishes the procedure for applying for certification as an export trade association. It describes the information to be included in the application for certification, the methods by which the association conducts its export trade, and any other information which is reasonably available to the applying parties and which is necessary for the certification of the prospective association. It stipulates that the Secretary certify an association within 90 days after receiving the association's application, if he determines that the specified requirements are met. The section also provides for an expedited certification process and an amendment procedure. If there is a material change in circumstances which would cause an association to fail to meet any requirement of Section 5(a), the association must apply to the Secretary for an amendment of its certification within 30 days of the date of the material change. If the Association fails to apply for an amendment within the thirty-day time period, its certification will be void as of the date of the material change. The Secretary, after notifying the association, may (1) require that an association's certification be amended, (2) require that the organization or operation of the association be modified to correspond with the association's certification, or (3) revoke, in whole or in part, the certification of the association upon a finding that the association or its members or its export trade activities do not meet the requirements of Section 5(a).

Section 9. Guidelines: Section 9 requires that the Secretary, with the concurrence of the Attorney General and the Chairman, shall formulate and publish proposed guidelines to be applied in determining whether an association, its members and its export trade activities meet the requirements of Section 5(a) of this Act.

Section 10. Annual Reports: Section 10 stipulates that every certified association shall submit to the Secretary an annual report, in such form and at such time as the Secretary may require.

Section 11. Certification of Existing Export Trade Associations: Section 11 requires the Secretary to certify any association engaged solely in export trade which is in compliance with Section 5 of the Webb-Pomerene Act on the date of the enactment of this Act. In order to obtain automatic certification, an existing export trade association must file an application for certification within 180 days after the date of enactment of this act.

Section 12. Confidentiality: Section 12 provides for the confidentiality of the information contained in an association's application for certification, application for amendment of certification, and annual report.

Section 13. International Obligations: Section 13 allows the Secretary to require any association certified under this act to modify its operations so as to be consistent with any international obligations which the United States assumes by treaty or statute.

Section 14. Regulations: Section 14 authorizes the Secretary, in consultation with the Attorney General and the Chairman, to promulgate such rules and regulations as are necessary to carry out the purposes of this Act.

Section 15. Task Force Study: Section 15 requires the President seven years after the date of enactment of this Act to appoint a task force to examine the effect of the operation of this Act on domestic competition and on the United States' international trade deficit and to recommend either continuation, revision, or terminaton of this Act.

Section 16. Repeal of 15 U.S.C. 61 et seq: Section 16 repeals the Webb-Pomerene Act.●

SOUTHERN SCHOLARSHIP FOUNDATION GIVES YOUNG PEOPLE OPPORTUNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 30 minutes.

● Mr. FUQUA. Mr. Speaker, some time ago my office was contacted by a distraught mother. Her first marriage had ended in divorce, her second had now come to the same end. She was barely able to provide for the necessities of life, and thus her bright and talented daughter was to be denied the opportunity to attend college.

Knowing of the Southern Scholarship Foundation in Tallahassee, Fla., I contacted a man who is one of my closest personal friends and a past president of the foundation, William B. (Jargo) Clark, Jr., of Madison, Fla., to help someone to gain the college education of which she had dreamed.

The foundation accepted that young lady. She took advantage of the opportunity and graduated from Florida State University in Tallahassee with honors.

That story alone would be enough to reward all of those who have given so tirelessly and generously in one of the most remarkable philanthropic educational programs to be found in this Nation. The amazing thing is that this story is only 1 of over 5,000 men and women who have found a hand reaching out to them and as a consequence, where often there was no hope, educations have been attained by bright young people.

My purpose here today is to call attention to this remarkable work, to commend its spirit and purpose to my colleagues in the Congress, and to pay a note of gratitude for all of those responsible.

To understand the Southern Scholarship Foundation, one must of necessity go back to that day in the fall of 1949 when Mode L. Stone, dean of the College of Education at Florida State University, was faced with the problem of helping two young men who had come to him for assistance in getting a college education they could ill afford.

Perhaps Dean Stone's mind went back to that day long before when he stopped at the end of a row he had plowed behind a mule. Perhaps he thought of his hard-working farm family and how he had gone to an academy to get the rest of his high school education.

As he was later to relate the story, a model T pulled up to the fence and Calhoun County Sheriff Charley Clark stepped out. He was a close family friend and a man who was respected and loved by all who knew him.

Young Mode Stone did not know that the conversation they were to have was to change the course of his life, and thousands of lives that he was to influence later.

Sheriff Clark knew that young Stone had a brilliant mind and that he wanted the chance to attend college more than anything else in life. That was a far different day and it was not an easy task for members of rural families of that era to get a college education. It was a period when hard work from daylight to dark generally provided just for the necessities of life.

Sheriff Clark told young Stone that he understood he wanted to attend college and wondered how much it would cost for him to go. It has been said that the young man replied that he "reckoned it would take about $75." The Sheriff reached in his pocket and counted out that amount to an astonished youngster.

Getting back to 1949, Dean Stone was at a loss as to how to help two other youngsters who also came from Calhoun County. They possessed the same burning desire that he had once felt. All they needed was a little boost up the ladder.

A man of less drive and compassion might have failed, but not Dean Stone. He got permission to use an old barracks at an abandoned air base at what was then the edge of town for their quarters, and arrangements were made for the boys to prepare their own meals. Other young men began to arrive on the scene. By the end of the year it was quite a number and thus the foundation was born.

Later a house was found for quarters and Dean Stone and several other interested persons signed a note for its purchase. Thus was a path begun that was to become the major work of Dean Stone's life.

It was not until April 13, 1955, that the foundation was incorporated as a nonprofit foundation. The five founders were: J. Velma Keen, Dr. Stone, Dr. Ralph L. Eyman, Dr. Samuel Lastinger, and Dr. Hazen Curtis. Mr. Keen served as the first president and as one of the really brillant legal minds of his time, providing the legal concepts for the foundation in its early years.

Other houses were added until today the Southern Scholarship Foundation operates 15 houses for more than 270 deserving young men and women who might otherwise not be able to attend college.

But what has been accomplished is only the beginning. The foundation has acquired 6.9 acres of wooded land on the periphery of the FSU campus on which it hopes to construct additional housing for students.

It would be impossible to enumerate all of those who have made the foundation the enormous success that it is, but it is significant. As people have become interested, organizations have begun to sponsor individual houses and they present an interesting roster.

Alpha Delta Kappa, a sorority of school teachers and administrators sponsored ADK Scholarship House which is the college home for 20 women; the Business and Professional Women's Clubs of Florida sponsor a house for 21 women; the Florida Educational Association sponsors two houses for 29 women; and interested citizens of Gadsden County, Fla., provide for the Gadsden County Scholarship House which houses 14 female students.

General contributions allowed the

foundation to establish the Richmond Scholarship House for 9 men while the Lions Club of Northeast Florida provided the Lions Scholarship House for 21 men. The Selby Foundation has become a major supporter of the foundation, responsible for three houses which house 50 male students, and Kiwanis Clubs have provided for two houses providing living quarters for 25 men.

The Pilot Clubs of Florida built the Pilot House which houses 22 women students. Interested citizens of Polk County provided for the Polk County Scholarship House; and the Rotary Club of Tallahassee, the Rotary Scholarship House.

The foundation has had many supporters of its work over the years, but it is significant to note that there are four which have been particularly active in providing financial support. They are the Selby Foundation of Sarasota, the Wentworth Foundation which Bill Goza of Madison represents most actively, the W. S. Babcock Corp. of Mulberry, and the Florida Power Corp. of St. Petersburg.

But the foundation is more than a recitation of figures, the number of houses, the number of students, the budget and the financial problems and successes. It is a story of individuals and the effort to help them achieve their ambitions and dreams.

Robert Carter, Tallahassee, another long-time board member, said that the greatest reward for those working for the Foundation is in finding former participants in the program leading such meaningful lives. He noted:

Not long ago I was on a trip for the Foundation and at one school I visited the principal had been able to get his education in the program. At the very next stop, the very fine math teacher had been one of our students. She was also a very fine wife and mother.

When you see how much the Foundation has contributed to the lives of young people like this, and realize how much they are contributing in developing the lives of others, you know that it is all worthwhile.

A very dynamic member of the board of directors, Mrs. Lucy DeCharme of Bartow, Fla., the immediate past president, tells of the time that her friend, Mode Stone, asked her to help find needy students for the program in Polk County where she was teaching. That was a quarter of a century ago.

The first young man she sought to help was named Jim Morrison. He is now a distinguished faculty member at the University of North Carolina at Chapel Hill. Today, he serves on the board himself and credits the Foundation with his having been able to get an education.

And there is the story of Donald Miller, again of Calhoun County. I want to note my pride in the success and contributions of the Foundation in this county, because it is my home county, also. Donald made a score of 494 on his senior placement test, and since 495 would have been a perfect score, this was an astounding accomplishment. His family simply would not have been able to provide the means for him to continue his education, exactly the case many years before for Mode Stone.

Stone got Miller into the program where this young man finished No. 1 in his class of 1,900. A full scholarship to Duke University Medical School followed.

It is significant to note that Dr. Miller's specialty is arthritis research, the disease which crippled his mother and sentenced her to be bedridden. Today, he is on the staff at Sloan-Kettering Institute.

One of the people with whom I spoke provided the son of his janitor with the opportunity to enter the program and that young man finished last year in accounting.

I believe that the Foundation not only gives these young people an opportunity for an education, but it also gives them much more. At the beginning of each academic year, they elect their officers, establish their finances and get to work. The scholarship houses have no employees except a resident counselor in each house who is a graduate student and who receives a small stipend. Often the students are entirely self-supporting, working part time for their other expenses.

In this fashion, they cut the cost of their education drastically, and just as important, they learn to work with others to exercise responsibility.

Dr. Stanley Marshall, former president of the Florida State University and a board member himself, said that he became involved shortly after joining the faculty at FSU.

I think that the thing the Foundation did for me was to reemphasize how many young people are overlooked in our society. There are many bright youngsters, who for various reasons but primarily economic, are not able to become involved in the social and extracurricular activities of high school life.

Sometimes they are holding down after school jobs to help keep a broken family together, perhaps they are needed to work on the farm or working as a handyman on odd jobs with their parents. If they receive no encouragement from their parents and are overlooked by the school faculty, they simply do not realize that they are exceptional young people and a college education is something they feel they cannot attain.

I can't tell you how many bright young people the Foundation has sought out through the help of interested people and dedicated school faculty members, particularly guidance counselors, and provided the spark that ignited a desire in the hearts and minds of so many bright, but often very poor, youngsters.

My close friend, Colin English, Jr., of Tallahassee, the Foundation president, related that he became interested when he served as president of the senior class at FSU.

We had $500 left over in the treasury and gave it to the Foundation. Later Dr. Stone asked me to serve on the Board and it has been one of the most rewarding experiences of my life. Every year that passes impresses me more with the high quality and serious dedication of these students. I just don't know where anyone can get the rewards which those engaged in the Foundation receive from knowing how much so many have been helped.

One of the primary things we have accomplished is not financial; it is in encouraging many of these young people and to show them that someone cares. It is tragic to realize how many bright minds are lost because these young people were not encouraged in their home or school. I think our hardest job is in reaching out and finding these young people, and for everyone we do find, we are the recipients of a great deal more than we can give.

W. S. Badcock, Jr., another director who is president of Badcock Furniture of Mulberry, noted that his is a program that businessmen can support.

My father initially involved our company in the Foundation because he was impressed with not only the need but the way in which highly motivated young people can help themselves. I think it is a program that would be successful on a nationwide basis.

Getting back to my friend, Jargo Clark, he pointed to letters from grateful young people that bring tears to the eyes of many who read them.

It's a labor of love, next to my family and church; the Foundation has meant more to me than anything I could ever have done. I like to look down the road and think that what we have done and are doing is not as important as what we will do in the future. We will never know how much better we have made the lives of the families of these young men and women because we helped give them an opportunity that they might not otherwise have had.

We've been privileged to help over 5000 young people. That's more than some colleges have enrolled in their entire student body. But the numbers are not important, it's the individual that's important.

Dr. Stone died this year. While any recitation of the accomplishments of the Foundation must of necessity dwell upon his career, I know personally he felt that only one of these success stories more than repaid him for all of his efforts and his dreams.

The Foundation provides a loan fund for some of the very needy students and it is significant that today the Foundation is planning its first venture outside the campus of Florida State University where it was born and has flowered. Plans are now to establish a Foundation house at the University of Florida in Gainesville.

This undertaking on the part of those serving today is no less a challenge than those first tentative steps were for the founders, but there is a much clearer road map to follow.

I know not how successful they will be, but this I do know: Their accomplishments since those first two young men came asking for a helping hand 30-years ago have left a record for time to come.

Future generations will benefit from the contributions of those the Foundation has served and all of us are richer because of its contributions. To all of the men and women who have made it possible, I extend a sincere note of gratitude and a prayer for every success in the future.●

DISABILITY ORGANIZATIONS OPPOSE SOCIAL SECURITY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, the bill H.R. 3236, to cut the disability insurance benefits under the social security program is vigorously opposed by over 150 organizations of the aged, blind, disabled, minority, women, and church groups.

A very convincing statement has been prepared by 15 of these organizations opposing the bill: Members should study these objections very carefully before taking action on H.R. 3236.

PARALYZED VETERANS OF AMERICA,
Washington, D.C.

To Members of Congress.
From Disability organizations concerned about social security.
Subject response to the Stanford Ross letter of July 27, 1979.
Date July 31, 1979.

You recently received a letter from the Commissioner of Social Security which listed a number of "misunderstandings" about H.R. 3236, the proposed Disability Insurance Amendments of 1979. With all due respect to the Commissioner, there is no "misunderstanding" about one fact: passage of H.R. 3236 would be harmful to young disabled workers, disabled workers with families, disabled workers from minority groups, and disabled women.

The Commissioner stated on page 3 of this letter that "The essence of the bill is to improve protection for persons who are legitimately entitled to disability benefits . . ." yet virtually every disability organization in the country, along with organizations representing the elderly, minorities, women, and veterans, have opposed H.R. 3236. If, as Commissioner Ross has stated, "The bill is a balanced package designed to make the disability program work better," why have all these potential beneficiary groups opposed the bill so strenuously?

There are a number of reasons why opponents of the bill have been so strenuous in their efforts to defeat it:

1. Although the proposed cap and reduction in drop-out years would not reduce benefits for current disability insurance beneficiaries, it would reduce benefits significantly for all future beneficiaries with families to support, and for all future beneficiaries who become disabled before reaching age 47.

Social security disability insurance benefits were reduced significantly on January 1, 1979 as a result of the 1977 amendments. Thus, current beneficiaries who qualified for benefits after January, 1979 receive benefits that are much lower than those who qualified for benefits before January, 1979.

H.R. 3236 would impose an additional reduction in benefits to two categories of disability insurance recipients who become eligible for benefits after January, 1980. It would reduce the benefits of all new beneficiaries with families to support (30 per cent of all beneficiaries), and those persons who have the misfortune to become severely disabled before the age of 47.

2. The combination of the proposed cap and reduction in drop-out years would reduce benefits for disabled workers and their families after 1979.

All disabled workers under the age of 47 who qualify for benefits after January, 1980 would have reduced benefits if H.R. 3236 is passed by Congress. This reduction in benefits would be caused by the reduction in drop-out years for younger disabled workers.

Under current law, all social security recipients are allowed to exclude their 5 lowest earnings years when computing their average lifetime earnings (upon which benefits are based). If H.R. 3236 is passed, younger workers will not be entitled to this entire 5-year exclusion, so more years of low earnings will be "averaged in" to determine their average lifetime earnings.

H.R. 3236 also would limit the family benefit to only one-and-a-half times the individual benefit to which the worker is entitled, no matter how large the family is. Thus, all persons with families who qualify for DI after January, 1980 would receive benefits that are substantially less than the current benefit levels.

We are curious. If the object of benefit reductions is to save money, is it ethical to save money by reducing the benefits of disabled persons who have families to support? If the object of the reduction is to provide "work incentives" to disabled workers, what makes a disabled worker with dependents the most likely DI recipient to return to work? It would appear to us that the extent of one's disability—rather than the size of one's family—would be a more likely determinant of employability.

3. H.R. 3236 will have an adverse impact upon beneficiaries as they grow older.

All "cuts" in social security disability benefits carry over to the social security retirement program. Thus, a worker who receives reduced benefits because he became disabled at a younger age will continue to receive benefits at a reduced rate when he qualifies for retirement benefits.

Persons who qualify for disability benefits at younger ages must be among the most severely disabled of all DI beneficiaries in order to qualify for benefits in the first place. Older workers can become eligible for coverage based upon a combination of age, education, training, and work experience. A disabled worker under the age of 45, however, must qualify solely on medical factors.

Secondly, workers who become disabled at a younger age are "frozen" at the average earnings level at which they become disabled. Thus, while their age group peers can share in the growth of the economy, and can add to that by growth in their own earnings capacity, the unfortunate person who becomes severely disabled at a younger age benefits only from regular cost of living increases. What occurs, then, is that the younger worker who becomes disabled at a younger age "falls behind" the growth in the national economy. If the committee proposal is adopted, he not only will start out at a much lower level of benefits, but also will experience a significant additional drop in his relative income as compared to his peers.

4. Veterans are likely to be adversely affected by the cutbacks in social security disability benefits under H.R. 3236. Veterans with non-service-connected disabilities will receive additional compensation to affect the reductions in Disability Insurance benefits, but, only up to a certain level. An NSC veteran with two dependents has an income cutoff figure, the level above which no pensions are paid, of $5,775. Thus, an NSC veteran with Average Indexed Monthly Earning (AIME) above $650 receives no additional compensation from the Veterans' Administration and suffers a reduction in benefits under the proposed "Cap."

The Vietnam Era Veteran is faced with additional inequities built into the structure of H.R. 3236. The Vietnam Era Veteran being either in his or her twenties or thirties, would be permitted fewer drop-out years resulting in a reduced AIME. This situation is compounded when coupled with the extremely high levels of unemployment and marginal employment that beset Vietnam Era Veterans, particularly minority and educationally disadvantaged veterans.

5. A vote for H.R. 3236 is a vote to cut benefits.

Although H.R. 3236 contains several modest work incentive provisions, only a very few disability insurance recipients could ever be expected to return to any substantial employment. Thus, to arbitrarily reduce benefits to future beneficiaries while moderately increasing work incentives to the few who could work seems to us to be patently unfair and ill-advised.

Commissioner Ross implies in the closing paragraphs of his letter that disability insurance recipients can receive more in benefits than they did in predisability "net" earnings. In point of fact, it is virtually impossible to receive more in benefits than one earned prior to becoming disabled. Benefits are based upon average lifetime earnings, which in most cases are considerably lower than one's earnings immediately prior to onset of disability. Furthermore, benefits were reduced greatly as of January, 1979.

Secondly, "net" earnings as defined by the Social Security Administration are based on a series of assumptions that simply do not reflect the average disability insurance recipient's financial situation. In computing "net" earnings, the SSA has assumed, among other things:

a. That the disabled worker is over 47 (so he wouldn't be affected by the reduction in drop-out years);

b. That Federal taxes are computed assuming a standard deduction, and that state income taxes are 19 percent of Federal income taxes (even though income taxes vary greatly from person to person and state to state); and

c. That work expenses equal 6 percent of gross earnings (while SSA subtracts nothing for disability-related expenses after one becomes disabled and makes no allowance whatsoever for the loss of work-related fringe benefits, such as health insurance for one's family or life insurance for oneself).

In summary, people rely upon disability insurance benefits for one reason and one reason alone—they are so severely disabled that they are unable to continue working. They have paid into social security disability insurance throughout their working lives to guard against occurrences such as permanent disability. To reduce benefits to select segments of this population would seriously undermine the basis upon which the entire system is based. It is not "the taxpaying public" that pays for disability insurance. The disability insurance program is financed through a separate trust fund—a trust fund which, according to the fund's trustees, is expected to be in solid condition well past the year 2000.

We urge you to vote against H.R. 3236.

Sincerely,

Paralysed Veterans of America; The National Association of State Mental Retardation Program Directors; United Cerebral Palsy Association; American Federation of the Blind; Center for Independent Living, Berkeley, Calif.; Multiple Sclerosis Society; National Spinal Cord Injury Foundation; American Council of the Blind; American Coalition of Citizens with Disabilities; The Epilepsy Foundation of America; National Association for Retarded Citizens; National Association of Private Residential Facilities for the Mentally Retarded; Westside Community for Independent Living, Los Angeles, Calif.; Disabled American Veterans; and Pennsylvania Alliance of the Physically Handicapped.●

THE EMPLOYEES' INCENTIVE OWNERSHIP ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, today my colleague BILL FRENZEL and I are introducing an important and unusual bill. Important because it would help to stimulate the productivity gains and the new jobs which our economy needs, and unusual because we believe it would also increase Federal tax revenues.

Our bill, The Employees' Incentive Ownership Act, would amend the internal revenue code to reinstate the restricted stock option as an attractive form of corporate compensation. It would enable corporations once again to provide their employees with meaningful incentives to achieve business growth and increased productivity, thereby creating new jobs in the private sector and stimulating our economy. The cost of these incentives would be borne by the corporate shareholders.

We view this bill as a part of the process Congress began last year by lowering the capital gains tax rate. Both Congressman FRENZEL and I were privileged to have been original cosponsors of that measure introduced by our distinguished former colleague the late Bill Steiger. That change in U.S tax policy, reversing a decade of investment stifling legislation, has already had a substantial positive effect on capital spending and risk capital investments in the United States.

It has particularly affected investments in the emerging, growth-oriented companies that can be most effective in creating new jobs. Newsweek magazine reported recently, for example, that in the 12 months since it became clear that capital gains taxes would be reduced, entrepreneurs have raised an estimated $750 million for investment in fledgling companies—an amount roughly equal to all the venture capital raised between 1969 and 1977.

Repeated studies have documented that the smaller, emerging companies create substantially more jobs as they grow than do larger, more mature businesses. However, in order to do so, they need risk capital, and they also need meaningful incentives to attract and motivate talented employees to invest their personal energies toward the goals of company expansion and productivity improvement.

In the past, companies could offer such incentives in the form of restricted stock options. These options, granted by corporations, gave an employee the right to purchase a specified number of shares of the company's common stock for up to 10 years at a price discounted by no more than 15 percent from its market value at the time of the option grant. By having this right, an employee could benefit from the capital appreciation of the company as an owner, without having to invest his or her scarce funds. Even after the employee exercised the option and purchased the stock, he or she could continue to hold it, often holding the stock long enough for it to qualify as a long term capital asset. The employee could then sell the stock purchased under such options and pay a long term capital gains tax on the difference between the selling price and the original purchase price.

Here is an example of how it works. A company grants an option to its employee for $10. The option guarantees the employee the right to purchase the company's stock for up to 10 years at $10 per share. The option is valuable to the employee only if the company grows. It therefore serves as a direct reason for him to work to improve the company's productivity and profitability. If through hard work several years later, the stock is worth, say $20, he exercises the option—purchase the stock for $10.

At that point, no taxes would be due, and the company recognizes no expense on its profit-loss statement. If over the next few years the growth of the company enables its values to reach $50, and if the employee then decides to sell the stock, he pays capital gains tax of up to 28 percent on the $40 gain.

Under present law the company is required to treat the "nonqualified" options it may grant, as expenses at the time the employee exercises the rights. The employee has to treat the difference between the option price and the market value at the time he purchases the shares as ordinary income. In the example above, the employee would count the $10 stock appreciated as earned income and would have to pay income tax on it at rates up to 50 percent. The company, however deducts the $10 as an expense, an amount paid to an employee. Accordingly, it pays less tax. The top corporate tax rate is 46 percent.

The prospect of having to pay ordinary income tax on the "spread" between the price at option grant and the price at the time the employee purchases the stock, has seriously diminished the incentive value of stock options today.

Not only is taxation at ordinary income rates inconsistent with what other owners would pay on their capital appreciation, in addition the employee must pay the tax before he actually realizes the gains from selling the stock. Employees without reserves of funds usually cannot afford both to buy the stock and to pay the tax. Furthermore, they are often prevented from selling the stock immediately to generate such funds because their companies may be privately held or because of insider trading regulations if the stock is publicly held. The prospect of getting into such a financial squeeze is hardly an incentive for outstanding performance.

In other instances, today's law results in gross and unintended hardship. For example, if the value of the stock purchased through an option should decline at the time when the employee needs to sell it, the employee not only loses out on his sale price, but he has already paid taxes on a "gain" he never realized. This is not just a theoretical possibility, it has happened often enough in the last few years to destroy any usefulness employee stock options may have had for companies in volatile industries.

Reinstating restricted stock options would broaden the base of employee ownership throughout the United States by giving employees who could not otherwise afford to risk investing their scarce funds in an emerging enterprise an opportunity to share in its success as owners. Also, restricted stock options would provide incentives for these employees to expand the businesses in which they are involved, thereby creating more jobs and enhancing productivity. These incentives would be strong since it is only by growth in their companies' sales and profits that the employees' options become valuable.

Besides broadening the ownership base of businesses and providing incentives for increasing employment and productivity, we hope the reinstatement of restricted stock options would increase Federal tax revenues. This is because the grant or the exercise of the restricted stock option is not a deductible compensation expense to the corporation, yet it generates capital gains tax revenues when the stock is sold. Instead of being shared with the Treasury through a corporate tax deduction, the full cost of the restricted stock option is borne entirely by the companies' shareholders, who must approve their issuance.

On the other hand, alternatives to restricted stock options such as normal cash compensation or the "nonqualified" stock options that are permitted under current law, do generate corporate expense deductions which offset and may exceed any net revenue gain to the Treasury from the taxes paid by the employee.

From the Nation's point of view, restoring restricted stock options is important because it would allow U.S. companies to increase their productivity and competitiveness without affecting the price of their goods. This is the kind of formula we have to emphasize if we are to ever lick our inflation or survive in the tough international markets in which U.S. companies must compete today.

It is well known that export of U.S. high technology products is one of the few bright spots in this country's current trade balance. These products typically come from small, innovative, and fast growing companies. They are the very companies that would benefit most from the bill we are introducing today. Reinstating restricted stock options would give them a means to compete for top talent on an equal basis with the larger, established companies that can afford to pay high salaries.●

EQUITY FOR THE PHILIPPINE SCOUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, when the House takes up the fiscal year 1980 Defense Authorization bill (H.R. 4040) I intend to offer an amendment to correct a long-standing inequity in our treatment of the former members of the Philippine Scouts. Although they were a part of the U.S. Army and fought and died during World War II alongside their American counterparts, the Philippine Scouts never received the same pay and

benefits. This kind of discrimination is intolerable, and my amendment would go a long way toward rectifying that unfortunate situation.

In describing the Scouts, Gen. Douglas MacArthur called them "excellent * * * completely professional, loyal and devoted." The Scouts were an elite group with a high esprit de corps in which membership was considered an honor by Filipinos and the strictest standards were followed in selection. It was the continued resistance of the Philippine Scouts on Bataan that denied the Japanese an essential base for the projected thrust to the South Pacific. Their protracted defense of the Philippine Islands against incredible odds allowed the United States time to recover from the first blows of the war and begin to send in supplies and reinforcements.

Of the 12,000 men who served in the Philippine Scouts there are less than 465 today receiving regular and disability retired pay from the Department of the Army. Although most of these men live in the United States and many are now citizens, they receive only half the benefits of other retirees with comparable lengths and grades of service.

The cost of my amendment is minimal compared to the sacrifice of life and limb made by the Philippine Scouts. I urge my colleagues to support this noncontroversial and important amendment. The amendment follows:

AMENDMENT TO H.R. 4040, AS REPORTED OFFERED BY MR. PANETTA

Page 33, after line 8, add the following new section:

RETROACTIVE PAY EQUALIZATION FOR WORLD WAR II PHILIPPINE SCOUTS

SEC. 618. (a) The Secretary of the Army shall pay in a lump sum to each person who served as a Philippine Scout during the period beginning on December 7, 1941, and ending on December 30, 1946, an amount equal to the difference between (1) the total amount of basic pay such person would have received for his military service during such period if the rates of basic pay of the Philippine Scouts had been the same as the rates of basic pay during such period for other members of the Army of the United States of corresponding grades and length of service, and (2) the total amount of such basic pay actually received by such person.

(b) In the event a person entitled to a payment under subsection (a) is deceased, such payment shall be made to the persons, and in the manner, prescribed in section 2771 of title 10, United States Code.

(c) The retired pay of each former Philippine Scout shall be computed for periods after the effective date of this Act on the basis of the rates of pay prescribed for other members of the Army of the United States of corresponding grades and length of service.

(d) This section shall take effect as of the first day of the first calendar month which begins after the date of the enactment of this Act.●

AMENDMENT TO EXPORT ADMINISTRATION ACT REDRAFTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. ICHORD) is recognized for 5 minutes.

● Mr. ICHORD. Mr. Speaker, on July 19, I advised this body of my intent to offer a series of amendments to H.R. 4034, the Export Administration Act Amendments of 1979. The first of those amendments consisted of four parts and would have perfected and modified subsection 5(d) of the bill, military critical technologies.

Since that time I have decided, in the interest of clarity, to redraft subsection 5(d) in its entirety so as to embody all four changes in a single amendment.

Mr. Speaker, I would reiterate that it is the intent of this amendment to place the proper focus on the control of those military critical technologies that are vital to our national security. This amendment would also permit the Secretary of Defense, who is responsible to the Commander in Chief for security matters and who has the only body of expertise to determine that which is militarily critical, to place such items on the commodity control list, a list maintained and administered by the Secretary of Commerce.

Mr. Speaker, I would respectfully request that the Members examine my amendment which I have offered to be printed in the RECORD today and support the same in the interest of the national security.●

COMMEMORATING THE FOURTH ANNIVERSARY OF THE HELSINKI FINAL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, 4 years ago today, the heads of state of the United States, Canada, the Soviet Union, and 32 European nations met in Helsinki to sign the Final Act of the Conference on Security and Cooperation in Europe. The signatory states solemnly pledged to work together toward the goal of a more open and secure Europe, based on a set of mutually recognized principles including sovereignty, cooperation among states, and respect for human rights.

The Helsinki accord is an important contributing factor to the long term and complex process of East-West adjustment. Its potential for effecting positive changes—over time—in the attitudes and practices of signatory countries is enormous. Yet the effect of the Final Act can only be as constructive as the participating states are willing to make it. Unfortunately, its impact after 4 years has been sorely disappointing.

Rather than facilitating the freer movement of people and ideas as called for in the Helsinki agreement, the Government of the German Democratic Republic has decided to mark the Helsinki anniversary by enacting restrictive legislation that severely limits their citizens contact with the West. Czechoslovakia has chosen to commemorate the occasion by putting on trial 10 human rights activists and leaders of the Charter 77 movement. Emigration procedures in Romania have worsened since 1975 and the recent crackdown on dissident activity calls into question Romania's willingness to abide by its Helsinki commitments. Bulgaria has—in recent weeks—reportedly arrested a number of Christian pastors for distributing Bibles and other religious literature. In the Soviet Union, 17 members of the Helsinki Monitoring Groups—established to promote Soviet compliance with the accord—still languish in prison or remote Siberian exile for merely attempting to exercise the rights guaranteed to them in the Final Act. While Soviet Jews have been allowed to emigrate in larger numbers, officially sanctioned and virulent antisemitism is on the rise, as reported recently in several major American newspapers and journals.

Many long-standing family reunification and binational marriage cases remain unresolved and thousands of Pentecostals, Ukrainians, Balts, and members of other religious and ethnic groups have little hope of ever receiving permission to leave the U.S.S.R. despite the Final Act's reaffirmation of the universaly recognized right of emigration. Such flagrant violations of the spirit and letter of the Final Act must be strongly condemned.

As we look toward the next review meeting of the participating states, to be held in Madrid in 1980, it is clear that many CSCE signatories have a long way to go before the noble aspirations envisioned in the Final Act become reality. As chairman of the Helsinki Commission, created by Congress to encourage compliance, I assure my colleagues that the Commission will continue to closely monitor progress—or lack thereof—and to actively urge full implementation of all the provisions of the Final Act, including those on human rights, by all the signatories.●

THE HARD TRUTH ABOUT OUR ENERGY FUTURE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, I am still very concerned that the facts about our growing energy dilemma are still not generally understood. Reflected in the media is a great deal of wishful thinking that something will suddenly happen to cause the problem to go away—wonderous technical development, a complete solution by conservation or some other single thing which will save us.

Such understandings are based on misinformation. I have attempted numerous times to present the facts on our energy dilemma during over three decades of work on the energy problem. We on the old Joint Committee on Atomic Energy issued many reports to lay out the facts which must be faced. The reports we published in 1973 and 1974, for example, on our growing energy dilemma clearly pointed out the need for the development of all practical domestic sources but also clearly identified coal and nuclear as our only significant basic sources of energy for the next few decades.

Recently, Dr. Arthur Bueche, senior vice president for technology of the General Electric Co. delivered a paper to the Western Conference of Public

Service Commissioners in Seattle on June 11, 1979, which did an excellent job of presenting the facts concerning our energy problem. Excerpts from this outstanding paper are included at the close of my remarks. (The figures are not presented but the text conveys the most significant data presented in them). I highly commend the data presented by Dr. Bueche to all of my colleagues. He assigns numerical values to each of the factors he analyzes in his review of our energy problem. This, in my view, is the only way to approach this matter.

Dr. Bueche faces the energy facts as they truly exist. As you will see, even with the optimistic assumptions he makes concerning conservation, imports and other things, to be less vulnerable to nit-picking, we are going to be short about 15 to 45 quads per year of energy if we do not face the facts and recognize we must increase the amount of energy we get from coal and nuclear fuels.

I also commend to each of you his analysis of what the minimum shortage—15 quads—would mean to our way of life. The development of such a shortage is plainly unacceptable. Incidentally, the 1973 oil embargo resulted in the equivalent of only 1 quad per year shortage. The national security implication is in itself devastating. We must move ahead with what is available, especially coal and nuclear, which for administrative reasons, are being restrained.

Dr. Bueche's paper follows:

THE HARD TRUTH ABOUT OUR ENERGY FUTURE

(By Dr. Arthur M. Bueche)

Most of us have calculated how old we will be, or hope to be, in the year 2000. Even those of us who are statistical longshots can be impressed by the fact that the goal is only a little over 20 years away.

But what worries me is: how welcome will that rather special New Year's Day be? What can you and I do about our energy future to keep that day not only from being a cold day in our homes but also from being a chilling sign of the future for man and his civilization?

How can we help "unfreeze the future"?

Our immediate problem is that a fantastic amount of misinformation, wishful thinking, outright demagoguery and misplaced hopes are keeping many Americans from looking their future straight in the eye.

Somehow we'd all like to believe that some wonder of science, some miraculous new use of the sun, some unexpected invention, a little energy conservation (preferably by someone else), or some governmental sleight-of-hand will—out of the blue—provide us with the labor-saving productivity improvements, the freedom of personal mobility, the national defense strength and the just plain creature comforts to which we have become accustomed. Indeed, we like to hope and expect that we'll not only have more of these good things for ourselves but also that we'll be spreading them around for those, all over the world, who are now less fortunate.

We can all be in favor of optimism when there's some factual basis for it. But the reality is that if we—as individuals—don't get our energy facts straight right now, and then begin telling the hard truth to our friends, neighbors, and especially the people we've elected to serve us, we could be in for a greater calamity by the year 2000 than wars, plagues, pestilence or natural disasters have ever inflicted on this nation!

But many people say, "The energy situation is too complicated, too complex, too technical. How can anybody ever understand it?"

Well, some of the various aspects and details *are* complex. But the total energy picture between now and the year 2000 is reasonably straightforward if we just look at the hard truth.

To explain what I mean by the "hard truth about energy," let's start with a simple chart (Fig. 1). It shows how much total energy the U.S. has been using since the start of the 20th Century—and the estimate of 78 quads for last year. By coincidence, that was 78 in '78. As a convenience, we count the energy in "quads." A "quad" is a quadrillion BTU's—British Thermal Units—and that sounds complicated. But don't let it be. It just gives us a convenient number to talk about, like yards on a football field.

A "quad" is seven and a half billion gallons of gasoline, enough to run 10 million automobiles for a year. Or it's 46 million tons of coal; that's a string of railroad cars stretching from Seattle to New York—and back. Viewed another way, a quad is about the total energy used by a city of one million people every three years.

How did we use our 78 quads of energy last year? A little more than a quarter of it went for transportation, mainly cars and trucks on the highways. Our homes, offices, and stores used about 3/8ths; and another 3/8ths was required by industry.

Incidentally, about one half of our energy is used to generate heat—heating buildings, water and, for industry, process heat. Without going into a lot of details about other energy use, I will note that the appliances found in most American homes—refrigerators, ranges, mixers, tools, TV, and even all the lights—account for only about 3 per cent of the nation's total end-use energy.

Now, what will happen between now and the year 2000? If we were to simply extrapolate—assume a continuation of the upward growth curve we were having for the 25 years after World War II—the line would go out of sight—off the top of our chart. Total energy use would nearly triple to beyond 200 quads.

Of course, virtually none of the experts think this will happen. Population growth is slowing, age distributions are changing, and the service elements of our economy are growing faster than manufacturing. Price increases are changing things, of course, and other so-called "demographic factors" are involved. It's generally assumed that these demographic factors will, of themselves, reduce that simple extrapolation of more than 200 quads by A.D. 2000 to something close to 175.

But a projection like this still doesn't take into account another factor we're hearing more—and more and more!—about these days: energy conservation.

We do waste a lot of energy. We need more insulation in houses and buildings, better burners, lighter cars. There is ample opportunity to save by changing our old ways. Also, we have new technology coming along to improve energy conversion—heat to electricity, electricity to light and mechanical energy, and so on.

Conservation is important. Vitally important. And much of it is a matter of individual responsibility. It's something each of us can do something about.

People who say "conserve" are certainly right. But people who say "all we've got to do is conserve" are dead wrong—and dangerously wrong as far as our future and that of our children is concerned.

What can conservation do to help shave our projected need for energy by the end of the century?

The Department of Energy—and other governmental agencies—have come up with all kinds of different projections. Typically, they suggest that conservation can account for something in the range of of 40 to 50 quads per year by the end of the century.

But I'd rather not get into an argument about the validity of various governmental—or other—projections. Instead, let's look at the most optimistic combination of what appear to be the most reliable and well-thought-out estimates that can now be found in the authoritative literature. Let's consider the most hopeful guesses for each of the three sectors: transportation, residential/commercial and industrial. We've looked at studies made by the Oak Ridge National Laboratories, by the National Academy of Sciences and by many others, and the most optimistic, reasonable, combined figure we can come up with is a potential total saving of about 65 quads, a somewhat more optimistic figure than most of those that have been predicted. By being optimistic about how much we can conserve, I feel I'll be less vulnerable to nit-picking in regard to my eventual conclusion about our future energy needs, which I'll be describing in a moment.

Our optimistic hopes for possible energy conservation are, then: 25 quads in industrial, 20 in residential/commercial, and 20 more in transportation. It's a tremendous challenge. It will require an enormous amount of capital—perhaps a half trillion dollars—and a true national commitment.

Now, a quick summary (Fig. 2). We first extrapolated to over 200 quads by the year 2000. Then we made demographic allowances down to 175. By being extremely optimistic about conservation in all areas, we reduced the number to 110.

That figure, incidentally, is also the minimum projection cited last year by the Department of Energy after it had looked at a wide variety of predictions by experts from government, industry, the universities and others. Most of the best-considered predictions were higher, in the range of 120 to 140 quads.

Let's see how we can get from 78 to 110. To do this, we have to look at where we got the quads we consumed in the U.S. last year—that 78 in '78. (Fig. 3)

Oil is the largest source, providing nearly half of our total present energy: 37 quads. Nearly 50 per cent of this oil is now being imported, at a staggering cost to our economy.

Natural gas comes next: 20 quads.

Hydroelectric has been producing about 3 quads per year, although extended droughts can be a serious threat to this supply. Incidentally, in compiling its statistics, the Department of Energy now lists hydro power under "solar." For the purposes of our discussion today, I've used an additional heading, "other," in which I've lumped the energy we now get from solar heating systems, biomass (the burning of wood and agricultural wastes), geothermal (using heat from beneath the earth's surface), and the comparatively small contributions from things like windmills, and so on.

The total here is only about one quad, although this needs a little amplication. Frankly, no one seems to measure the amount of biomass fuel (wood and waste products) except for that used to generate electricity. Recent DOE reports suggest that there is another one quad or so of biomass energy used each year that is not included in the customary statistics. So maybe our total figure for '78 should be 79 quads—and this "other" item should be 2 instead of 1. But this wouldn't change the main point, which is that the total energy we presently get from these "other" sources is relatively small.

To move up our chart: last year the figure for nuclear energy was 3 quads, and for coal it was 14 quads. Total: 78.

Now, how about the year 2000?

Here, once again, our estimates will be

based on comparing and interpreting the best, most authoritative and most reasonable projections available.

The present expert concensus is that petroleum, in total quads, will go down only very slightly. This projection is based on the hope that we will be able to maintain, and possibly increase, our domestic production, including some oil from shale. This guess also assumes a relatively high level of imports throughout the period. That's a big "if," but let's give ourselves the benefit of this geopolitical doubt.

While doing this, though, let's not forget the enormous cost. As recently as 1971, the U.S. spent only $3.7 billion a year on foreign oil. Last year it was approximately $45 billion!

Contrast this, for example, with the fact that our total exports of agricultural products last year were just over $15 billion. This nation continues to have an extremely critical balance-of-payments problem; our continuing dependence on imported oil can only serve to make a bad situation much worse. And in the long run, of course, dependence on foreign oil has implications for our national defense that could be far more serious than mere money.

Many experts say that there will be an overall reduction in the availability of natural gas, from 20 quads down to around 15. But others hope there will be new finds—or more imports from Mexico—and they suggest we may be able to keep natural gas supplies nearly constant. Again, we'll make an optimistic projection and assume the statue quo can be maintained. • • •

It will take a mountain of patience in dealing with environmentalists and all the other concerned parties, but hydroelectric could increase as much as 65 per cent, from 3 quads to perhaps 5.

We come now to that collection of unique, unconventional and hoped-for sources of energy that I lumped under "other" when we were adding the total for 1978.

It is at this point that someone typically asks: "Where are all the scientific miracles we keep reading and hearing about in the popular press and on TV? Where are the gasoline-producing bushes and trees? The wind energy? Tidal power? Ocean thermal gradients? Energy from wave motion? Fusion? Electricity directly from sunlight?"

"Can't we just leave the problem to our great scientists and engineers? Won't they invent something just in the nick of time, especially if we just have the Department of Energy give them all the funds they need?"

The fact is that inventions will be made; they are being made. Many of the world's greatest minds are working on these energy challenges. But even under the most miraculous of conditions, new discoveries can't be tested, scaled-up, proved environmentally compatible and actually constructed on a scale big enough to make a major dent in the problem over the next two decades.

In short, I don't know a straight-thinking scientist or engineer anywhere who can look you in the eye and promise you a new technical miracle of any kind—based on an invention not yet made or proved technically feasible—that will close the energy gap looming ahead of us for the balance of this century. • • •

Of course, we keep hearing over and over that the thing that will save us is "solar energy."

What about solar?

Solar energy is really several distinct technologies. At the top of the list must come solar heating, which—after all—has always been with us.

Since the most economic systems now available—with sufficient life and reliability—are in the range of $30 per square foot, it is apparent that solar heating is presently a good bet only in a few special parts of the country where there is either lots of sun or where fuel rates are unusually high. Also, there are unique areas—like the mountains of Colorado—where the climate is cold and the sun shines a lot. But in many parts of the country, the cost of solar collectors will have to come down substantially before wide use can be recommended.

So I do not mean to sound pessimistic. I am sure that in the right locations, and assuming continued technological progress, solar heating systems should find growing use.

However, other types of solar energy have dimmer prospects than do the more straightforward uses of solar heat.

Windmills are an old way of using the sun's energy. The Department of Energy has sponsored the building of some large installations yielding over 100 kilowatts of electric power, including one that is actually being used in New Mexico to feed an electric utility system. But so far the cost of such devices has been in the range of $5,000–10,000 per kilowatt, five to ten times the investment required for a coal or nuclear plant. Proponents of wind power believe these costs can be reduced to permit commercial application in selected areas.

The use of so-called "biomass" energy—that is, the fuel energy of trees, grass, other plants and various kinds of organic wastes—can likely be effective to some extent on a dispersed basis. General Electric's plant at Lynn, Massachusetts, has been experimenting with the use of industrial wastes as fuel for its own power plant. On some farms and feedlots, the waste material can be burned directly or converted into methanol or similar fuels to replace some of the conventional fuels the farm uses. It also has been suggested that modern forestry methods pioneered by the paper industry—among others—might once again make wood a significant energy resource, as it was a hundred years ago.

The economic feasibility of this and most other "biomass" approaches remains uncertain; however, it is estimated that the use of "biomass" will increase slowly in the future.

Several methods of turning solar energy into electricity are worthy of attention. Using the sun as a heat source for a conventional turbine cycle certainly is technically feasible, but once again costs appear extremely high. Prototype plants are in the range of $12,000 per installed kilowatt. This must be improved by a factor of at least six to become economically competitive.

In short, to use the sun's energy effectively for anything other than heat will require a truly major scientific breakthrough.

Let me sum up the projections on solar energy this way. A concerted effort at research, development, and commercialization may result in 4 quads from solar heating by the year 2000, and an optimistic 1 quad from solar-electric and windmills combined. Meanwhile, increased use of biomass and geothermal should bring the total for this "other" category to 10 quads. Then if we include hydro as "solar," as the Department of Energy now does, we would have a projection of 15 quads for "solar" energy. Many experts would say that these estimates are, to say the least, generous.

As for nuclear, if we could count on the nuclear powerplants now actually on the order books, but not yet on stream, we'd have an additional 7 quads. Beyond that, the industry is virtually at a standstill, with no new orders coming in.

And even if some people in this nation stop viewing nuclear power the way people in Salem once viewed witches, it's important to remember how long it takes between placing an order for a new nuclear powerplant and getting it installed and up to full power. Utilities must place their orders today if they expect a plant in actual operation much before the early 1990s. That's how long it takes to build a plant, even one based on knowledge and technology already available and in a field where there are more than two decades of practical experience. It's been pointed out that we mobilized for, fought, and won World War II in about the time it now takes to get preliminary approval for a new power station.

But let's hope that somehow we are allowed to build at least the nuclear plants now on order. That would move the line on the chart up from 3 to 10 quads.

That leaves coal—the present source of 14 of our 78 quads. With its environmental problems—and with the rapidly escalating cost of digging it, moving it and cleaning it—some experts say that we'd be challenged just to hold our own in this area. Arbitrarily, and just for the sake of summarizing the picture at this point in our discussion, however, let's round-off the coal number at about the present level: 15.

Given these projections, in the year 2000 we would have an energy gap (Fig. 3) ranging from a minimum of 15 quads to a maximum—if we look at the top side of the predictions cited by the Department of Energy—of 45 quads.

What does even a 15-quad shortage mean? It's a lot more than just an abstract number. The 1973 oil embargo created a shortage of about 1 quad, and that 1 quad triggered the most serious economic recession this country had undergone for more than 40 years. The gas shortage during the winter of 1976–77, which closed thousands of plants, idled more than a million workers and caused a great deal of human suffering, totaled much less than 1 quad. Just start imagining the consequences of even a 5-quad shortage or a 15—or a 45!

Well, let's consider some of the consequences—consequences which might be lumped under the heading of "changing our whole way of living."

We could give up the impressive social gains of the postwar years.

We could let the bulk of our work force return to the back-breaking toil of the 19th Century.

We could give up on trying to improve human health standards and the quality of medical care.

We could relinquish the idea of income security in adversity and in old age, an idea—like the others I've just cited—that is made possible only by steadily growing productivity in our goods-producing sector.

Perhaps, most serious of all, we could give up our national defense strength and stop trying to be a counterbalance to the military and atomic strength of other nations.

This brings us directly to our responsibilities, yours and mine, with respect to seeking truly viable options—humane options—options that will reflect our nation's spirit, strength, ingenuity and courage.

Looking at our chart again, we can remind ourselves that we are near the upper limits of what we can realistically project for oil, gas and hydro. It is difficult to find any reliable experts, anywhere, who believe these figures can be increased by any significant amount. Indeed, there are many who think the numbers we've already used for oil, gas and hydro are perhaps too optimistic.

The same thing is true about our projections for energy from solar and the other sources. Getting ten quads here already is a major challenge to the nation's innovative skill and its willingness to make adventuresome investments in new technology.

That leaves coal and nuclear. Coal is by far this nation's most abundant energy resource. We have enough to last at least several hundred years. Nuclear, viewed rationally and objectively, is a proven technology. We have more than two decades' experience in building and operating nuclear power plants. They work. They are economic. If viewed the way we view virtually every other aspect of modern life, they rank as by far the safest major development in the history of technology. And there is sufficient uranium fuel to take us well into the 21st Century, giving us time to develop the longer-term prospects like solar electricity, thermonuclear fusion, solar-assisted hydrogen production and whole new families of synthetic fuels.

The simple fact is that we must figure out how to close the energy gap with either coal, or nuclear, or—more likely—the most environmentally acceptable and affordable combination of the two.

In any event, the challenge is enormous.

If we're going to try to do the job with coal, we must start—right now—to map out and dig 300–400 huge new coal mines, which also means starting—right now—an unprecedented expansion of our national transportation system: hundreds of thousands of new railway locomotives, cars and barges; new and improved rail rights-of-way; waterways; and coal-slurry pipelines. And, of course, we must build hundreds of new billion-dollar plants to convert this coal into electricity and other forms of energy cleanly and efficiently. We need an all-out effort to create synthetic fuels from coal that will match the job done during World War II to create synthetic rubber when our imports of natural rubber were cut off.

Going the nuclear route obviously would require, first of all, a substantial change in many current attitudes. There's no sense trying to kid ourselves. Because nuclear power was spawned by weapons technology—and because the human race, at any given moment in time, seems to require a scapegoat, villain or poltergeist on which it can vent pent-up wrath from whatever provocation—and for a lot of other reasons I'll leave to the psychiatrists (and further historians) to try to explain—nuclear energy simply is not currently being viewed, judged or evaluated in a way that permits logical predictions. But, assuming a new dawn of rationality, we could, indeed, fill the energy gap with already-proven nuclear technology. It would, of course, still be a very substantial effort: building 150–250 new large nuclear plants at a cost of $1 billion or more each, and perhaps half again that much for transmission and distribution systems. But we *do* know how to do it.

But the energy job is a job for *everyone*. Here are the things that I believe need doing—right now—to safeguard our future energy supply and our future well-being:

Inaugurate and promote intelligent, realistic energy-conservation programs.

Continue all-out exploration for new oil and gas supplies, which means new ways to identify sources of these fuels and far better methods of getting all that is there out of the ground for our use.

Support research, development—and the entire innovation process—so we can speed the development of solar energy, synthetic fuels and other new technologies that can help in the short-term and provide major solutions to our energy problems for the longer term future.

Recognize that the only real solution over the next 20 years is to be found in getting more energy from coal, or nuclear or both. Insist on national leadership in establishing tough goals, developing realistic plans, creating workable industry-government partnerships and getting on with the job.

Right now!

In short, I urge you to know the hard truth about our energy future and to let it be known. I urge you, and everyone I meet, to speak up, write their Congressmen, send letters to editors or just plain wrongheaded arguments about energy.

We've all got to get ourselves fully, completely, sincerely involved in this energy crusade.

The years are slipping away, and you and I and our families and our friends and our fellow citizens can easily be slipping into an unimaginable catastrophe.

To be blunt, I am not ruling out the very real possibility of social upheaval and revolution.

If you don't carry the message, who will? ●

AMERICAN EDUCATION: AND SUCCESS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, recently a very interesting study was released comparing the achievements of American students with those of other industrialized countries. This study found that American high school students scored near the top in reading comprehension and interpretation which is all the more remarkable in that American schools are unique in retaining most of their students. In other words, the American educational system enables three-fourths of our students to attain a literacy achieved by a very select group in most other similar nations.

I am including an article on this study from Education U.S.A. of November 20, 1978, for the information of the Members since there seems to be such a negative mood abroad in the country that our educational system is not producing the way it ought to. I believe we must look at the facts objectively and acknowledge our success while we constructively try to overcome our failures.

U.S. STUDENTS ON PAR WITH EUROPEANS

The American dollar may be falling when compared to European currencies, but American high school students are not. In literacy and mathematics, the traditional basics in which American students are supposed to be deficient, the International Assn. for the Evaluation of Educational Achievement has found that U.S. students score at or near the top compared to those in 16 other industrialized nations. And American high schools are enrolling a vastly greater percentage of young people than their European counterparts.

On a test of reading comprehension and interpretation, American 14-year-olds scored near the top with an average of 16.5. The only nations with higher scores were New Zealand, 18.7, and Finland, 17.2. The other industrialized nations averaged between 13.8 and 16.4. The differences for students completing high school are more telling, because American schools retain 78 percent of their students. The only comparable percentages are Japan with 70 percent and Sweden, 65 percent. The percentage of other European students finishing secondary school was much lower—Hungary, 28 percent; England, 20 percent; Italy, 16 percent; and the Netherlands, 13 percent. Still, on the literacy test given to secondary school graduates, only four nations had a better average than the United States—New Zealand, England, Finland and Sweden. "It appears that the American educational system enables nearly three-fourths of our youth to attain the literacy that most other nations only achieve with a very select group," Ralph Tyler, director emeritus of the Center for the Advanced Study in Behavioral Sciences, said in summarizing the data for a forum of education leaders in Washington, D.C.

America's top students also seem to be faring as well as those around the world. When the overall test results were looked at, the International Assessment found that the average scores of the top 5 percent of 17-year-olds were about the same. "There were no significant differences among them," Tyler said. The report concludes, "The ablest students in an advanced country will attain a high level of achievement if the opportunity to learn is available and if the society encourages such learning. It seems clear that we have no cause in the United States to fear that our top students are not achieving at a high level."

The picture for American students in other subject areas—math, science and "political socialization"—is less rosy. About 90 percent of American students learn the basics of arithmetic by age 14, probably a higher percentage than anywhere else. But high school graduates in Japan have a far higher average score. "This appears to reflect the great prestige in Japan of engineering, science and other fields involving math," Tyler said. While the top American students score well in math, the majority of high school students seems "not greatly interested in the subject nor are planning a career in the field," so their achievement slacks off. The picture in science is somewhat similar. American 14-year-olds score about in the middle, well below Japan and New Zealand, but above other European nations. But American high school seniors score lower in science than any except those in Belgium and Italy.

American students did worst on tests of knowledge of the political system, but this may not be all bad. Civics is taught in every country, but apparently gets the most attention in recently formed nations or those that have had a tradition of political instability. For 14-year-olds, the highest scores were registered in West Germany, Israel and the Netherlands. For high school graduates, the United States and Ireland ranked lowest in knowledge of the political system. "Of all the Western nations, our political system has survived longest without revolution," the report said. "It may be that our people take it for granted and have little concern for its being clearly understood by the coming generation." ●

THE TAX RELIEF ACT OF 1979

(Mr. CONABLE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CONABLE. Mr. Speaker, today, along with over 130 of my colleagues, I am introducing the Tax Relief Act of 1979. This Republican tax initiative is designed to deal with the major nonenergy economic problems facing our Nation today: Inflation, reduced productivity, and the drag on our economy caused by excessive payroll taxes.

The bill contains staged tax relief over several years as proposed in the Kemp-Roth tax proposal. It would:

Reduce personal income tax rates by approximately $28 billion, which is slightly more than a 10-percent rate reduction;

Index the personal income tax rates, and personal exemptions, effective January 1, 1981, to eliminate the continual and unlegislated tax increases caused by inflation;

Freeze social security taxes at the present 1979 levels and provide for a more moderate future financing arrangement; and

Establish a modern capital formation structure by rewriting present depreciation provisions. This would allow for the expansion and modernization of our Nation's productive plant.

This legislation is needed now if we are to avoid economic disaster. The inflation rate is running at an annual level in excess of 13 percent. Energy costs are skyrocketing. Taxes are increasing.

Our gross fixed investment in 1977 was 17.4 percent of our gross national product, as compared to 30 percent in Japan and 20 percent in Germany. Our productivity increased 2.5 percent in 1978; that compares with 8.3 percent in Japan and 3.7 percent in Germany.

Our household savings as a percent of household disposal income was 6.2 percent in 1976—the last year for which data is available. In Germany it was 16.1 percent in 1975—the last year for which data is available.

We cannot continue on this path. We must do something to protect the people in this country if we are to provide the stable economic climate required for the continuation of our way of life.

If one takes into account income and social security taxes, a family of four—using the zero bracket amount—with a 1979 income of $21,014 will lose $270 in real after tax purchasing power in 1980 even if gross income increases by an amount sufficient to compensate for the inflation rate. With our tax cut, the family would see a real increase in purchasing power of $248. This is more clearly set out in the following chart:

MARRIED TAXPAYER—FAMILY OF 4

	1979	1980	With Republican taxcut
Gross income	$21,014	$23,241	$23,241
Federal income tax	−2,508	−3,043	−2,546
Total	18,506	20,198	20,695
Social security tax	−1,288	−1,425	−1,404
Take home pay	17,218	18,773	19,291
1979 take home pay (adjusted for inflation)		(19,043)	(19,043)
Real gain or (loss)		(270)	248

If some of the family's basic needs are taken into account the situation is worse. After allowing for housing, food, gasoline, and home heating costs the family will lose $307 in real purchasing power in 1980; with our tax cut that family would see a real increase in purchasing power of $211. This is set out in detail below:

MARRIED TAXPAYER—FAMILY OF 4

	1979	1980	With Republican taxcut
Take home pay	$17,218	$18,773	$19,291
Food	−2,841	−3,162	−3,162
Total	14,377	15,611	16,129
Housing (excluding energy)	−2,462	−2,740	−2,740
Total	11,915	12,871	13,389
Gasoline	−1,018	−1,126	−1,126
Total	10,897	11,745	12,263
Home heating oil	−850	−940	−940
Balance	10,047	10,805	11,323
1979 balance (adjusted for inflation)		(11,112)	(11,112)
Real gain or (loss)		(307)	211

Absent our tax cut, a single taxpayer with 1979 income of $9,401 who uses the zero bracket amount and who obtains an adjustment in pay measured by inflation will see real purchasing power, after taxes, drop by $95 in 1980. Again with our tax cut, that taxpayer will see a real increase in purchasing power of $128. This is set out in the following chart:

SINGLE TAXPAYER

	1979	1980	With Republican taxcut
Gross income	$9,401	$10,398	$10,398
Federal income tax	−1,053	−1,261	−1,038
Total	8,348	9,137	9,360
Social security tax	−576	−637	−637
Take home pay	7,772	8,500	8,723
1979 take home pay (adjusted for inflation)		(8,595)	(8,595)
Real gain or (loss)		(95)	(128)

The single taxpayer, after paying for housing, food, gasoline, and heating costs will lose $112 in 1980 in real purchasing power. With our tax cut that taxpayer would see a real increase in purchasing power of $111. Again the details are set out below:

SINGLE TAXPAYER

	1979	1980	With Republican taxcut
Take home pay	$7,772	$8,500	$8,723
Food	−1,282	−1,427	−1,427
Total	6,490	7,073	7,296
Housing (excluding energy)	−1,111	−1,236	−1,236
Total	5,379	5,837	6,060
Gasoline	−1,018	−1,126	−1,126
Total	4,361	4,711	4,934
Home heating oil	−850	−940	−940
Balance	3,511	3,771	3,994
1979 balance (adjusted for inflation)		(3,883)	(3,883)
Real gain or (loss)		(112)	111

Effective January 1981, the bill would index a portion of the individual income tax. This would hold down the unlegislated tax increases which flow from inflation.

Under present law when a worker gets a cost-of-living raise, that worker expects his or her purchasing power to remain at least the same, even though the number of dollars he or she earns may go up substantially. But under the progressive income tax system, because the taxpayer has a greater nominal income, that income is taxed at a higher marginal rate. Since after the taxpayer's raise he or she is paying a larger percentage of income in taxes, purchasing power will actually decline.

Our unindexed tax system was developed for a world of stable prices, but present inflation rates make clear the bias in that system which enables the Government to reap windfall profits at the taxpayers' expense.

Under the proposal, on December 1 of each year, the Secretary of the Treasury would be required to determine the increase in the Consumer Price Index—all items—U.S. urban average—for the year ending September 30. The withholding tables that the Treasury publishes on January 1—tables that employers use to determine how much tax to withhold from an employee's paycheck—would be adjusted by the calculated index number so that fewer dollars would be withheld at every income level. The tax tables we use for tax returns would also be adjusted by that same index number.

For example, the withholding rates for wages paid in January 1982, would be adjusted to account for inflation that took place between September 30, 1980, and September 30, 1981. All dollar amounts in the income tax tables that are published and sent along with the 1040 forms for taxes due for 1982 income would be adjusted by the same rate of inflation.

Indexing would also slow inflation, but not through any direct legislative link. Workers seek pay increases based on three factors: the rise in productivity of labor, the rise in the cost of living, and the rise in taxes that results from an increase in nominal income. If we remove the additional real tax bite that is currently built into the tax laws, we eliminate one component of the wage-price spiral.

The bill also would lower payroll taxes for employees, employers and the self-employed and make the social security system financially sound on a long-range basis.

It would accomplish these goals by shifting more medicare taxes to the social security—old age, survivors and disability insurance—trust funds. The medicare program would be reimbursed from general funds of the Treasury.

There is a strong argument for following this course. The medicare and social security cash benefit programs are clearly different and divisible. Social security benefits are related to contributions; medicare benefits are not. They are related only to medical needs. Contributions to the cash benefits programs are made through a single tax rate, the medicare rate always has been separate. Part B of medicare, which pays physicians' fees, already is financed about 70 percent from general revenues, and this legislation would finance half of part A, which pays hospitalization expenses, from general revenues.

The bill would have the net effect of avoiding any payroll tax increase next year by "freezing" the taxable wage base at its 1979 level. Under current law, the base would rise from $22,900 this year to $25,900 in 1980. This legislation would keep the $22,900 level through next year; thereafter, the base would be adjusted annually according to increases in national wage levels.

Starting in 1981, the bill would lower the payroll tax rate substantially for the rest of this century. Under current law, the rate would rise in 1981 to 6.65 percent. This legislation would lower it to 6.45 percent.

The bill thus would have the net effect of cutting both the tax rate and the taxable wage base back close to levels prevailing before enactment of the mammoth tax increases embodied in the 1977 Social Security Amendments.

In addition to the individual tax cuts, the individual tax indexing proposals, and the social security changes, the bill would stimulate a long term turnaround in productivity rates. It would spur capital investment in plants and equipment, create new jobs and ultimately restore our competitiveness in world markets. At the same time the proposal would fight inflation by adding to the supply side of our economy. This would be accomplished by the elimination of the outmoded "useful life" concept for depreciation and put in its place a greatly simplified, streamlined, entirely new structure.

The streamlining would be achieved by separating an asset's depreciation lifetime from its useful lifetime. Current tax law measures the capital recovery period by the asset's useful lifetime. The simplification would be achieved by replacing the current complex array of depreciation lifetime schedules with a standardized set of depreciation lifetimes for most capital assets.

Three classes of depreciable property would be established:

Class I: 10-year depreciation for buildings and their structural components (excluding residential rental property).

Class II: 5-year depreciation for equipment and other tangible personal property (except for class III).

Class III: 3-year depreciation for automobiles and light trucks—up to $100,000 per year.

All class I and class II property would be eligible for the full 10-percent investment tax credit, as long as the property is of the character eligible for the credit. Class III property would be eligible for a 6-percent investment tax credit. This modification is an improvement over the current application of the investment tax credit which varies with the lifetime of the asset.

Property would be eligible for depreciation and the investment tax credit when the taxpayer actually pays for the asset, or when the property is placed in service, whichever is the earlier.

The proposal contains safeguards to prevent abuse and retain freedom of choice for taxpayers. When a depreciated asset is sold, the previously depreciated amounts will be recaptured as ordinary income. Also, early disposal of an asset would trigger a partial recapture of the investment tax credit. Taxpayers would have the option to claim less than the full depreciation allowance permitted under the proposal and to carry forward the unused allowance to any future year.

The proposal contains a transition rule designed to phase in the new depreciation system in an orderly manner for existing capital investment.

On Wednesday night, July 25, President Carter again stated his opposition to a tax cut this year. This President is strongly committed to a tax-and-spend philosophy; he appears to be blind to basic economic principles. He favors taxes for almost everything and tax cuts for almost no one. The President's tax-and-spend mentality is clearly revealed by an examination of the following chart, which outlines the new taxes, the tax increases, and the tax extensions which the President has proposed. As you can see, they are substantial and would have yielded $320 billion to the Federal Treasury from the pockets of American men and women by 1984.

PRESIDENT CARTER'S TAX INITIATIVES

	Fiscal year— 1978	1979	1980	1981	1982	1983
NEW TAXES						
Waterway user taxes, H.R. 8533, as signed into law				$30	$58	NA
Gas guzzler tax [1]	$500	$500	$500	700	900	$1,200
Crude oil and equalization taxes [1]	2,834	7,173	11,933	13,637	13,259	12,875
Excise tax on business use of oil and natural gas [1]		2,745	7,555	10,499	12,467	16,467
Taxation of unemployment benefits [2]		151	208	205	204	211
Gross windfall profits tax [3]			2,604	8,491	13,683	14,183
INCREASED TAXES						
Social security taxes, as proposed		2,400	6,200	10,725	12,800	
Repeal of refund of motorboat fuel tax [1]	1	4	4	4	4	4
Increase in gasoline taxes [1]		3,750	8,750	13,750	18,750	23,750
4-cents per gallon increase on fuels used by general aviation [1]	44	47	50	55	61	66
Repeal of State and local gasoline taxes deduction [2]		603	947	1,080	1,230	1,402
Repeal of sales tax deduction [2]		1,734	2,720	3,100	3,535	4,030
Repeal of political contributions deduction [2]		1	3	3	3	3
Deduction for medical and casualty expenses [2]		1,336	2,056	2,282	2,533	2,812
Entertainment and travel expenses [2]		664	1,547	1,695	1,843	2,011
Minimum tax changes [2]			284	306	329	352
Phaseout of DISC [2]		249	807	1,551	1,771	1,675
Phaseout of deferral of tax on foreign source income [2]		40	174	580	786	860
EXTENDED TAXES						
Extension of excise tax on gasoline and other motor fuels to Sept. 30, 1985 [1]			3,302	3,404	3,496	3,585
Total		3,379	21,397	49,644	72,087	87,722	85,487
		$319,726					

[1] Contained in the National Energy Act as proposed by the President.
[2] As proposed by the President in tax reduction and reform proposals, 1978 (H.R. 12078).
[3] H.R. 3919 as introduced. Revised to reflect recent OPEC price increases—$22 per barrel.

Mr. Speaker, it is imperative that we act promptly to insure that our economy does not run amuck. We simply cannot tolerate high inflation rates, and high levels of unemployment. That is what we will see if we put our heads in the sand. We are fortunate in that we are now enjoying peace in the world. This gives us an opportunity which we should not squander. We ought to act to put our domestic economy in order, to rationalize our capital formation incentives and to protect our citizens from the ravages of inflation.

Revenue and distribution charts are set out below:

TAX RATE REDUCTION DISTRIBUTION, 1978 INCOME LEVELS

Expended income (thousands)	Net tax change (millions)	Percent of total distribution
Below $5	−72	0.3
$5 to $10	−1,455	5.9
$10 to $15	−2,866	11.6
$15 to $20	−3,918	15.9
$20 to $30	−6,632	26.8
$30 to $50	−5,121	20.7
$50 to $100	−2,630	10.6
$100 to $200	−1,075	4.4
$200 and above	−933	3.8
Total	−24,701	100.0

INDIVIDUAL INCOME TAX CUTS

	1979	1980	1981	1982	1983	1984
Calendar year	7,302	34,394	53,914	76,548	102,654	133,354
Fiscal year		28,729	46,555	68,015	92,812	121,780

●

MANY RISKS AND UNCERTAINTIES IN SYNFUELS PROGRAM

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, yesterday, I inserted in the RECORD two articles outlining some of the massive risks inherent in the synfuels program. These risks are both economic and environmental. Today I wish to call the attention of our colleagues to another article from the Washington Post of Sunday, July 29, by Jerry Knight.

This article outlines in further detail many of the various alternative synfuel proposals. The article points out that virtually all coal liquid products are toxic and many of them are known cancer-causing agents, yet the only way to learn what the problems are and how to deal with them is to build a full scale plant and operate it. The article also notes that the risks are too great for even the largest corporations to do it on their own money, that the cost estimates are so uncertain that a plant expected to cost $2 billion could cost upwards of $5 billion, and that the contention that synfuels can compete with imported oil can prove to be false.

What it suggests, Mr. Speaker, is that we need to proceed to build a sufficient number of plants to perfect the technology and learn what the risks are but that we should not attempt to create a massive new industry until we have found out the answers to these many serious questions.

The full text of the Knight article follows these remarks.

PACE LAGS AND COSTS RISE; A LIQUEFACTION PLANT SYMBOLIZES PROBLEMS

(By Jerry Knight)

Outside Cattletsburg, Ky., where mountains of coal loom over a forest of oil refineries, construction workers are forging a stainless steel link between America's most abundant energy resource and the nation's most critical energy need.

In a few months, coal from the Appalachian mountains will be dumped into one end of that link—a $200 million chemistry set—and oil will flow out the other end into a nearby refinery.

Making oil from coal is the heart of President Carter's synthetic fuels program, and the Cattletsburg complex will be the biggest coal liquefaction plant in America. It is designed to turn 250 tons of coal a day into 625 barrels of "syncrude" that can be refined into gasoline and heating oil.

Cattletsburg's 625 barrels of synthetic oil will make barely enough gasoline to supply a single service station, let alone contribute significantly to the President's goal of producing 1 million to 1.5 million barrels of coal-derived synfuels a day by 1990.

The Cattletsburg coal liquification plant is symbolic of how far the nation has to go to meet the president's target of energy independence. It also is symbolic of the obstacles that are faced—it is at least a year behind schedule and is costing nearly four times as much as expected.

"If you look at the growing pains of the whole national energy situation, you'll see what happened in this development," says Bronek Dutkiewicz, who is in charge of commercializing the coal-to-oil conversion process patented by Hydrocarbon Research Inc., a subsidiary of Dynalectron Inc. of McLean.

Known as "H-coal" Dynalectron's process was developed by Hydrocarbon Research scientists and tested in three laboratory-size pilot plants at Trenton, N.J., for more than 10 years before the Department of Energy agreed to finance the "scale up" project in Kentucky with Ashland Oil and half a dozen other companies as partners.

Since the project was started, the DOE has changed its objectives several times, has switched project managers twice and has picked up the tab for more than $135 million of cost overruns.

Though the Cattletsburg plant has yet to squeeze its first drop of oil from a lump of coal, Dynalectron and some of its partners already are asking the federal government to provide $7 million in planning money for a full-scale commercial plant, a 50,000-barrel-a-day facility that will cost upwards of $2 billion.

Thirty or 40 similar-sized synfuel factories will have to be built in the next decade to achieve the president's energy independence goal.

Dynalectron's H-coal process is one of five coal liquefaction techniques that are struggling toward commercialization, and the coal liquids industry is but one of the alternative energy businesses that will need to be created under Carter's plan.

To eliminate the need for 2.5 million barrels of imported oil a day by 1990, the president proposes producing the equivalent of 1 million to 1.5 million barrels of oil from coal liquids and coal gasification—making a natural gas substitute from coal.

Another 400,000 barrels a day would come from the infant oil shale industry under the White House plan, and about 100,000 barrels a day from a virtually-non-existent "biomass" business under which crops would be cooked into alcohol and other fuels.

Carter also is counting on replacing half a million to a million barrels of oil a day with natural gas from sources that cannot be tapped with today's production methods and with using solar collectors, windmills, cogeneration plants and a host of other nascent technologies to "back out oil."

Achieving energy independence will require creation of a whole new alternative energy industry, a business as big as nuclear power or aerospace.

To a great extent the new energy industry will be the same old energy industry. In the emerging coal liquifactions field, Dynalectron's competitors include Exxon, Mobil, Gulf and the Government of South Africa. Virtually every major oil and energy company already owns a piece of the rock that one day may replace conventional oil as America's chief fuel.

At least four other methods of converting coal to liquid fuels are roughly the same distance from commercial feasibility as H-coal; they work on paper, they produce oil a barrel or two at a time in the laboratory; they appear to be economically eligible for full-scale testing.

The five processes are rivals, but not competitors, DOE officials insist. It is possible—likely if the president's accelerated energy independence program is adopted—that full-scale commercial plants will be built using all five technologies. Development of all five processes is proceeding simultaneously.

Exxon—the world's largest corporation—has invested heavily in a process called Exxon Donar Solvent and later this year will open a federally financed synthetic fuel plant about the same size as Cattletsburg's at Baytown, Tex.

Exxon's EDS process is chemically similar to Gulf's Solvent Refined Coal, which is known as the SRC II process because Gulf is already into the second generation of its development. Gulf runs what is currently the biggest coal liquifaction plant in the nation, converting 30 tons a day into oil at a research facility outside Tacoma, Wash.

By the end of July, Gulf will complete a DOE contract for Phase Zero—the planning of the nation's first full-scale coal liquifaction plant which Gulf hopes to build at Morgantown, W. Va. DOE approval of that project could come this fall.

The South Africans are the world leaders in synfuel production, regularly producing 20,000 barrels a day. But their SASOL process—being pushed in this country by Fluor Corp.—has political, technical and economic problems.

Mobil has yet to get its M-gasoline process out of the laboratory stage, but may be able to scale up faster than the others because 85 percent to 90 percent of the M-gasoline system uses off-the-shelf equipment already proved in commercial use.

Scale-up is the name of the game in synfuels. The trick is to take a process that works in the laboratory or small pilot plant and do it in a big enough way to make it economically feasible. That can require building a plant 50,000 times bigger than a laboratory demonstration unit—the equivalent of going from building lifeboats to building an ocean liner.

But along with efficiencies come risks. Tiny amounts of coal ash that cause no problems in a laboratory coal-to-oil process can clog filters and shut down a 50,000-barrel-a-day plant. Micropollutants unnoticed when they leak from a one-ton-a-day coal cooker can be an ecological disaster in a full-scale plant. Under hundreds of pounds of pressure and intense heat, valves break, 8-inch-thick stainless steel tanks corrode and computer models prove useless.

Environmental and health questions also are being answered by the pilot plant operations, where workers are monitored closely for long-term and short-term medical problems. Virtually all coal liquid products are toxic, most of them more toxic than ordinary petroleum products, and many coal liquid products—including fuel oils produced from coal—are known cancer-causing agents. The danger to production workers is not yet known.

"The only way you learn these things is to build a full-scale plant and run it," said Dynalectron's Dutkiewicz. But, he added, "The risks are too great for even the largest corporations to do that with their own money."

Carter's plan calls for the government to take the risk of building the first two or three plants and for private enterprise to put up the rest with some sort of government financing. A number of federal subsidies are under consideration in Congress, ranging from loan guarantees to government contracts to purchase synfuels at a premium above petroleum prices to accelerated depreciation and tax credits for synfuel investments.

The money would come from the president's windfall profits tax on the oil companies, which would finance the president's "moral equivalent of war" to launch the synfuels industry by 1990.

Ironically the government program to protect against the risks of launching a new synfuels industry may also exaggerate those risks, warns a Rand Corp. study. Jumping directly from the laboratory to full-scale plants in a crash program requires plant construction to start before designs are completed, before environmental rules are written, before all the contengencies have been accounted for, the Rand study said.

Those factors are part of why first-generation energy facilities have proved to cost an average of 2.5 times as much as estimated and why several multi-million-dollar projects have been built and abandoned because they did not work, Rand warned.

"For government officials, cost growth has made (research and development) decisions difficult, has increased the uncertainty in supply planning and has hampered commercialization," Rand said. If cost estimates of coal lequifaction plants prove to be as far off as the Rand study suggested, plants expected to cost $2 billion could cost upwards of $5 billion, and the contention that synthetic fuels can compete with imported oil would prove false.

Until Carter launched his crash program to develop alternatives to oil earlier this month, the DOE was scaling up its coal conversion projects in steps, providing funds for a sequence of increasingly larger plants—with daily outputs of one, 30, 250 and 10,000 tons—gradually approaching commercial scale.

DOE analysts say it isn't necessary to build that sequence of plants for each of the five promising coal liquification processes because many technical problems are common to all the processes, permitting much leapfrogging.

Intermediate-size plants like the Cattletsburg H-coal facility and Exxon's Baytown EDS facility, both utilizing some commercial-scale components, can answer many of the engineering problems, but they can provide only clues about the most difficult question, and the greatest risk—the cost of producing synthetic fuels.

The price of the product that will flow from Exxon's plant "isn't a relevant question," a corporate spokesman said: "That's not what we expect to learn there."

The most recent estimate of how much synthetic fuels will cost to make was issued this month by the Engineering Societies Commission of Energy (ESCOE), which has made a series of studies of alternative energy technologies.

Because the various processes turn out different products—gasoline, natural gas, boiler fuel and others—the engineering study estimated how much it would cost to produce 1 million BTU's of energy by each process: $3.58 from H-coal, $3.62 with Gulf's SRC-II, $3.96 via Exxon's EDS, $4.84 via Mobil's M-gasoline and $4.99 by the Fischer-Tropsch process used in South Africa.

Those prices are competitive with an equivalent amount of energy from a barrel of imported oil, which yields 5.8 million BTUs and costs $20 to $24 delivered in the U.S.

But spokesmen for the companies involved in building coal liquification plants are skeptical of those estimates, calling them lower than their own estimates of synfuel costs, which range from $25 to $35 a barrel.

DOE analysts point out that the price of an equivalent amount of energy may not be the right question to ask when comparing synfuels processes because the products of some processes are in greater demand than the output of others.

The competing coal liquids processes yield varying quantities and qualities of products.

Technically the Exxon, Gulf and Dynalectron processes are known as direct coal liquifaction; Mobil and South Africa use indirect liquifaction, first turning the solid coal into a gas, then converting the gas into a liquid.

Exxon and Gulf dissolve final-powdered coal in a liquid solvent, then process it to added more hydrogen to the coal, converting it to a liquid. The big difference between the two processes is the solvent used; each has its own patented product.

Mobil contends M-gasoline can be commercialized more quickly than the others because only the final step involves new technology. A DOE study of where to locate synfuel plants assumes that indirect liquefaction plants will be built first, but only a couple of years ahead of direct liquifaction.

Conoco (Continental Oil Co.) advocates short-cutting the M-gasoline process and simply converting coal into methanol on a large-scale basis. Methanol, or methyl alcohol, can be burned directly as a fuel in power plants or internal combustion engines, although both require modification.

Conoco officials say methanol is a highly desirable substitute for imported oil in urban power plants because it is clean-burning, and the company is promoting the fuel for use in California where pollution regulations rule out burning coal.

The ESCOE synfuels evaluation concludes that, on cost factors alone, the South African process "has a severe disadvantage." Among the others, the engineering analysis said, "The choice of fuel process depends strongly on the desired products.

"The M-gasoline process appears both competitive and relatively free of process risk. If industrial boiler fuel (to replace oil for power plants) is the needed fuel, the H-coal, EDS or SRC are all serious contenders." ●

GENERAL LEAVE

Mr. LOWRY. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Maryland (Mr. BARNES).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ERDAHL) to revise and extend their remarks and include extraneous material:)

Mr. MILLER of Ohio, for 15 minutes, today.

Mr. COURTER, for 10 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. RITTER, for 10 minutes, today.

(The following Members (at the request of Mr. LOWRY) to revise and extend their remarks and include extraneous matter:)

Ms. HOLTZMAN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. WEAVER, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. RICHMOND, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. BARNES, for 5 minutes, today.

Mr. WHITE, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. ADDABBO, for 15 minutes, today.

Mr. VAN DEERLIN, for 5 minutes, today.

Mr. BINGHAM, for 30 minutes, today.

Mr. FUQUA, for 30 minutes, today.

Mr. SCHEUER, for 5 minutes, today.

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ICHORD, for 5 minutes, today.

Mr. FASCELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CONABLE, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $965.

(The following Members (at the request of Mr. ERDAHL) and to include extraneous matter:)

Mr. FINDLEY.

Mr. ROUSSELOT in three instances.

Mr. DORNAN in seven instances.

Mr. PURSELL.

Mr. BOB WILSON.

Mr. DERWINSKI in three instances.

Mr. RAILSBACK.

Mrs. HOLT.

Mr. MICHEL in three instances.

Mr. SOLOMON.

Mr. HILLIS.

Mr. RUDD in two instances.

Mr. PAUL.

Mr. WYDLER.

Mr. VANDER JAGT.

Mrs. FENWICK.

Mr. PHILIP M. CRANE.

Mr. ROTH.

Mr. GILMAN.

Mr. LEWIS.

Mr. KEMP in three instances.

Mr. JEFFORDS in two instances.

Mr. HAMMERSCHMIDT.

Mr. MILLER of Ohio.

Mr. BERKLEY.

(The following Members (at the request of Mr. LOWRY), and to include extraneous matter:)

Mr. JENKINS.

Mr. MURTHA.

Mr. FROST.

Mr. HAMILTON.

Mr. UDALL.

Mr. LUKEN.

Mr. FORD of Michigan.

Mr. LUNDINE.

Mr. HARRIS.

Mr. DRINAN in seven instances.

Mr. KOSTMAYER.

Mr. GUNN.

Mr. FORD of Tennessee.

Mr. LELAND.

Mr. MATSUI.

Mr. ULLMAN.

Mr. CONYERS.

Mr. CARR.

Mr. HOLLAND in five instances.

Mr. BARNES.

Mr. YATRON.

Mr. MAZZOLI.

Mr. FOWLER in two instances.

Mr. WEISS in two instances.

Mrs. COLLINS of Illinois.

Mr. YOUNG of Missouri.

Mr. ADDABBO.

Mr. SKELTON.

Mr. OTTINGER in two instances.

Mr. GUDGER.

Mr. NOLAN.

Mr. PANETTA.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 265. An act entitled "Equal Access to Justice Act"; to the Committee on the Judiciary; and

S. 1119. An act to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 961. An act to amend the Speedy Trial Act of 1974.

ADJOURNMENT

Mr. LOWRY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Thursday, August 2, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2165. A letter from the Assistant Secretary of Agriculture for Food and Consumer Services, transmitting a report on the evaluation

of food consumption and nutrition in the National School Lunch program, pursuant to section 18 of the National School Lunch Act, as amended; to the Committee on Education and Labor.

2166. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Costa Rica, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2167. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report on receipts and expenditures for the period April 1 through June 30, 1979, pursuant to section 105(a) of Public Law 88-454, as amended (H. Doc. No. 96-173); to the Committee on House Administration and ordered to be printed.

2168. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend certain authorities of the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs and for other purposes; to the Committee on Interior and Insular Affairs.

2169. A letter from the Attorney General, transmitting a draft of proposed legislation to create a charter for the Federal Bureau of Investigation and for other purposes; to the Committee on the Judiciary.

2170. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5911 of title 5, United States Code, to exclude trailer court spaces from the definition of "quarters"; to the Committee on Post Office and Civil Service.

2171. A letter from the Assistant Secretary of Transportation for Budget and Programs, transmitting a draft of proposed legislation to establish uniform national standards for the weight and length of vehicles using the National System of Interstate and Defense Highways during fuel emergencies; to the Committee on Public Works and Transportation.

2172. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a response to recommendations made to the Director of the Office of Management and Budget by the General Accounting Office in its report HRD-79-11, dated May 8, 1979, on federally assisted employment and training programs; jointly, to the Committees on Government Operations and Education and Labor.

2173. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1978 on the Professional Standards Review Organization program, pursuant to section 1172 of the Social Security Act, as amended; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. House Concurrent Resolution 165. Concurrent resolution relating to self-determination for the people of Puerto Rico; with amendment (Rept. No. 96-403). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 2626. A bill to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective; with amendment (Rept. No. 96-404, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN (for himself and Mr. CONABLE):

H.R. 5043. A bill to amend the Internal Revenue Code of 1954 to provide for the tax treatment of bankruptcy, insolvency, and similar proceedings, and for other purposes; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 5044. A bill to amend the Internal Revenue Code of 1954 to provide for the credit or refund of the tax on any gasoline which is used in the production of certain alcohol fuels; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 5045. A bill to amend the Energy Policy and Conservation Act to provide for commercial-scale undertakings which will enhance domestic energy production or conservation; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. FINDLEY:

H.R. 5046. A bill to provide a fair and effective means for the settlement of certain emergency labor disputes; jointly, to the Committees on Education and Labor and Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 5047. A bill to provide for the temporary suspension of duty on the importation of color couplers and coupler intermediates used in the manufacture of photographic sensitized material (provided for in items 405.20 and 403.60, respectively); to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 5048. A bill to amend the act entitled "An Act to preserve within Manassas National Battlefield Park, Va., the most important historic properties relating to the battle of Manassas, and for other purposes", approved April 17, 1954 (68 Stat. 56; 16 U.S.C. 429b); to the Committee on Interior and Insular Affairs.

By Ms. HOLTZMAN:

H.R. 5049. A bill to amend title 18 of the United States Code to make certain reforms respecting the sentencing of criminals, and to repeal obsolete provisions; to the Committee on the Judiciary.

By Mr. CONABLE (for himself, Mr. ABDNOR, Mr. ANDREWS of North Dakota, Mr. ASHBROOK, Mr. BADHAM, Mr. BAFALIS, Mr. BAUMAN, Mr. BEARD of Tennessee, Mr. BERGLAND, Mr. BETHUNE, Mr. BROOMFIELD, Mr. BROWN of Ohio, Mr. BROYHILL, Mr. BUCHANAN, Mr. BURGENER, Mr. BUTLER, Mr. CAMPBELL, Mr. CARTER, Mr. CHENEY, Mr. CLAUSEN, Mr. CLEVELAND, Mr. CLINGER, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. DAVIS of Michigan, Mr. DECKARD, Mr. DERWINSKI, Mr. DEVINE, Mr. DICKINSON, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. ERDAHL, Mr. ERLENBORN, Mr. EVANS of Delaware, Mrs. FENWICK, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mr. GILMAN, Mr. GINGRICH, Mr. GOLDWATER, Mr. GOODLING, Mr. GRADISON, Mr. GRISHAM, Mr. GUYER, Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HARSHA, Mr. HILLIS, Mr. HINSON, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HYDE, Mr. JEFFRIES, Mr. JOHNSON of Colorado, Mr. KELLY, Mr. KEMP, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEACH of Iowa, Mr. LEE, Mr. LENT, Mr. LEWIS, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOTT, Mr. LUJAN, Mr. LUNGREN, Mr. MARRIOTT, Mr. MCCLORY, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCEWEN, Mr. MCKINNEY, Mr. MARTIN, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. MOORE, Mr. MOORHEAD of California, Mr. MYERS of Indiana, Mr. O'BRIEN, Mr. PASHAYAN, Mr. PAUL, Mr. PRITCHARD, Mr. QUAYLE, Mr. QUILLEN, Mr. RAILSBACK, Mr. REGULA, Mr. RHODES, Mr. RITTER, Mr. ROBINSON, Mr. ROTH, Mr. ROUSSELOT, Mr. ROYER, Mr. RUDD, Mr. SAWYER, Mr. SCHULZE, Mr. SEBELIUS, Mr. SHUMWAY, Mr. SHUSTER, Mrs. SNOWE, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. STANTON, Mr. STOCKMAN, Mr. SYMMS, Mr. TAYLOR, Mr. THOMAS, Mr. TREEN, Mr. TRIBLE, Mr. VANDER JAGT, Mr. WALKER, Mr. WAMPLER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. BOB WILSON, Mr. WINN, Mr. WYDLER, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska):

H.R. 5050. A bill to amend the Internal Revenue Code of 1954 to provide for individual income tax reductions, to provide a system of capital recovery to encourage investment and economic growth, and to reduce social security taxes; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself and Mr. RATCHFORD):

H.R. 5051. A bill to amend the Higher Education Act of 1965; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H.R. 5052. A bill to improve the health care services for persons incarcerated in Federal penal and correctional institutions, and for other purposes; to the Committee on the Judiciary.

H.R. 5053. A bill to amend title 18, United States Code, to provide guidance to law enforcement officers and others regarding the confidentiality of medical records; jointly, to the Committees on Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. MURTHA:

H.R. 5054. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that persons who own and operate surface mines without employing any other persons to perform any work at such mines shall be exempt from the provisons of such act; to the Committee on Education and Labor

H.R. 5055. A bill to amend title 23, United States Code, relating to repair of energy impacted highways; to the Committee on Public Works and Transportation.

By Mr. PICKLE:

H.R. 5056. A bill to clarify the tax-exempt status of the Trans-Alaska Pipeline Liability Fund; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself and Mr. KELLY):

H.R. 5057. A bill to amend the Food Stamp Act of 1977 to raise the level of deductions for certain medical and dental expenses in the computation of incomes of households containing a member who is 60 years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act; to the Committee on Agriculture.

By Mr. SHUMWAY:

H.R. 5058. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. SNYDER:

H.R. 5059. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Vally Authority, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma (for himself, Mr. FRENZEL, Mr. GIBBONS, Mr. CONABLE, Mr. ARCHER, Mr. GEPHARDT, Mr. ROUSSELOT, Mr. MOORE, and Mr. AUCOIN):

H.R. 5060. A bill to amend the Internal Revenue Code of 1954 to permit the use of restricted stock options and to eliminate the exercise of restricted stock options as an item of tax preference; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself and Mr. LAGOMARSINO):

H.R. 5061. A bill to establish within the Department of Commerce an office to promote and encourage the formation and utilization of export trade associations, and for other purposes; jointly, to the Committees on the Judiciary and Foreign Affairs.

By Mr. OTTINGER:

H.R. 5062. A bill to declare a national policy goal of national population stabilization, and to establish an Office of Population Policy; to the Committee on Government Operations.

By Mr. OBERSTAR (for himself, Mr. BIAGGI, Mr. BOLLING, Mr. DICKS, Mr. DORNAN, Mr. EVANS of the Virgin Islands, Mr. FASCIO, Mr. FLOOD, Mr. FORSYTHE, Mr. GILMAN, Mr. GINN, Mr. GUARINI, Mrs. HECKLER, Mr. HUGHES, Mr. HUTTO, Mr. JENKINS, Mr. JEFFORDS, Mr. JOHNSON of California, Mr. LONG of Louisiana, Mr. MCDADE, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. PANETTA, Mr. PEPPER, Mr. STACK, Mr. SIMON, Ms. SNOWE, Mr. TREEN, Mr. ULLMAN, Mr. VENTO, Mr. WEAVER, and Mr. ZEFERETTI):

H.J. Res. 367. Joint resolution designating May 13 through May 19, 1980, as "National Fishing Week"; to the Committee on Post Office and Civil Service.

By Ms. MIKULSKI:

H. Con. Res. 170. Concurrent resolution to express the sense of the Congress that the U.S. Postal Service should issue a postage stamp to honor Dr. Marie Zakrzewska; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H. Con. Res. 171. Concurrent resolution expressing the sense of the Congress that the United States should recognize Jerusalem as the capital of Israel, and that the U.S. Embassy in Israel should be relocated to Jerusalem; to the Committee on Foreign Affairs.

By Mr. WON PAT:

H. Con. Res. 172. Concurrent resolution relating to Self-Determination for the People of Guam; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD of Pennsylvania:

H. Res. 396. Resolution approving the printing of additional copies of the report accompanying the Defense Production Act Amendment and Extension; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

274. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to regulation of the hide industry; to the Committee on Foreign Affairs.

275. Also, memorial of the Assembly of the State of California, relative to the Voting Rights Act of 1965; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELLUMS:

H.R. 5063. A bill for the relief of James R. Thornwell; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 5064. A bill for the relief of the Camel Manufacturing Co.; to the Committee on the Judiciary.

By Mr. LEDERER:

H.R. 5065. A bill for the relief of the Chinese Cultural and Community Center of Philadelphia, Pa.; to the Committee on Ways and Means.

By Mr. NELSON:

H.R. 5066. A bill for the relief of Space Systems Laboratories, Inc., of Melbourne, Fla.; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 5067. A bill for the relief of Dr. Toomas Eisler and Carmen Elizabeth Eisler; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska;

H.R. 5068. A bill for the relief of Dr. Samuel K. K. Chung and Margarita Chung; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 70: Mr. ANNUNZIO, Mr. BEARD of Rhode Island, Mr. BONIOR of Michigan, Mr. CHAPPELL, Mr. CLAY, Mr. D'AMOURS, Mr. DANIELSON, Mr. DERWINSKI, Mr. DOUGHERTY, Mr. ERDAHL, Mrs. FENWICK, Mr. FOWLER, Mr. GRAY, Mr. GUARINI, Mr. HARRIS, Mr. HINSON, Mr. LEHMAN, Mr. LELAND, Mr. LLOYD, Mr. MCKINNEY, Mr. MARKEY, Mr. MICA, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. MURTHA, Mr. RITTER, Mr. ROE, Mr. RUSSO, Mr. ST GERMAIN, Mr. STACK, Mr. STEWART, Mr. VAN DEERLIN, Mr. WAMPLER, Mr. WEAVER, Mr. WHITEHURST, Mr. WILLIAMS of Montana, Mr. CHARLES H. WILSON of California, Mr. WIRTH, and Mr. WOLFF.

H.R. 458: Mr. BEVILL.

H.R. 601: Mr. COURTER.

H.R. 631: Mr. PRITCHARD, Mr. WON PAT, Mr. MURPHY of Pennsylvania, Mr. CONTE, Mr. GLICKMAN, Mrs. SPELLMAN, Mr. CLEVELAND, Mr. BOLAND, Mr. RICHMOND, Mr. MITCHELL of Maryland, Mr. EDWARDS of Oklahoma, Mr. LEDERER, Mr. DORNAN, Mr. GRASSLEY, and Mr. KEMP.

H.R. 800: Mr. GRAMM.

H.R. 811: Mr. ROBERT W. DANIEL, JR. and Mr. HUGHES.

H.R. 1000: Mr. LEWIS.

H.R. 1913: Mr. GREEN, Mr. GOLDWATER, Mr. YOUNG of Missouri, Mr. PRICE, Mr. BOWEN, and Mr. HUBBARD.

H.R. 2196: Mr. QUILLEN and Mr. MOAKLEY.

H.R. 2472: Mr. NOLAN.

H.R. 2679: Mr. COURTER.

H.R. 2770: Mr. QUILLEN and Mr. ROYER.

H.R. 3221: Mr. KILDEE and Mr. BLANCHARD.

H.R. 3512. Mr. COELHO.

H.R. 3718: Mr. LUNGREN.

H.R. 3720: Mr. COURTER, Mr. RITTER, and Mr. LAGOMARSINO.

H.R. 3896: Mr. MILLER of Ohio.

H.R. 3937: Mr. FASCIO.

H.R. 3986: Mr. BAILEY, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BROOKHEAD, Mrs. CHISHOLM, Mr. DOUGHERTY, Mr. DOWNEY, Ms. FERRARO, Mr. FLOOD, Mr. GRAY, Ms. HOLTZMAN, Mr. LEDERER, Mr. LELAND, Mr. MCHUGH, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Ms. OAKAR, Mr. PEYSER, Mr. SIMON, Mr. STOKES, Mr. WAXMAN, Mr. WEISS, Mr. CHARLES WILSON of Texas, Mr. WIRTH, and Mr. WOLFF.

H.R. 3991: Mr. COLLINS of Texas, Mr. FRENZEL, Mr. GOODLING, Mr. GRASSLEY, Mr. HOLLENBECK, Mr. LENT, Mr. STANTON, Mr. WOLPE, Mr. FISH, and Mr. GLICKMAN.

H.R. 3992. Mr. PATTERSON.

H.R. 4161: Mr. BEDELL and Mr. JENKINS.

H.R. 4291: Mr. STANGELAND, Mr. COLLINS of Texas, Mr. HALL of Texas, Mr. PAUL, Mr. HUTTO, Mr. ROBINSON, Mr. DORNAN, Mr. MCCLORY, Mr. STRATTON, and Mr. LOTT.

H.R. 4400: Mr. BROWN of Ohio, Mr. COURTER, and Mr. JENRETTE.

H.R. 4511: Mr. DOUGHERTY, Mr. ESTES, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. GILMAN, Mr. MARTIN, Mr. MATSUI, Mr. PATTERSON, and Mr. THOMPSON.

H.R. 4561: Mr. KOSTMAYER and Mr. HAGEDORN.

H.R. 4567: Mr. SENSENBRENNER and Mr. BUTLER.

H.R. 4624: Mr. RICHMOND.

H.R. 4631: Mr. ROYER and Mr. LAGOMARSINO.

H.R. 4693: Mr. WHITEHURST, Mr. PHILIP M. CRANE, Mr. COLLINS of Texas, Mr. DERWINSKI, Mr. BADHAM, and Mr. CLEVELAND.

H.R. 4797: Mr. ROUSSELOT, Mr. ROBERT W. DANIEL, JR., Mr. WHITEHURST, Mr. SHUMWAY, Mr. ICHORD, Mr. STOCKMAN, Mr. WHITTAKER, Mr. BURGENER, Mr. MCDONALD, Mr. BAUMAN, and Mr. KRAMER.

H.R. 4818: Mr. MARRIOTT, Mr. DERWINSKI, Mr. WHITEHURST, Mr. FLOOD, Mr. COURTER, Mr. HINSON, and Mr. ROUSSELOT.

H.R. 4843: Mr. MOTTL, Mr. WINN, and Mr. WEISS.

H.R. 4872: Mr. AUCOIN, Mr. THOMPSON, Mr. WAXMAN, Mr. EDGAR, Mr. MAGUIRE, Ms. HOLTZMAN, and Mr. CARR.

H.R. 4897: Mr. HARKIN.

H.R. 4986: Mr. ASPIN, Mr. PHILLIP BURTON, Mr. HAWKINS, Mr. ZEFERETTI, Mr. HOWARD, Mr. HARRIS, Mr. DICKS, Mr. HOLLENBECK, Mr. MOAKLEY, Mr. SCHEUER, Mr. FOWLER, Mr. MOTTL, Mr. APPLEGATE, Mr. STEED, Mr. COTTER, Mr. STUMP, Mr. BOB WILSON, Mr. ABDNOR, Mr. ROYBAL, Ms. FERRARO, Mr. PEYSER, Mr. FINDLEY, Mr. GILMAN, Mr. MCEWEN, Mr. DOUGHERTY, Mr. CLINGER, Mr. DRINAN, Mr. MARKEY, Mr. WYATT, Mr. MCHUGH, Mr. FISH, Mr. MARRIOTT, Mr. ADDABBO, Mr. HORTON, Mr. BINGHAM, Mr. DOWNEY, Mr. FROST, Mr. LELAND, Mr. BROWN of California, Mrs. CHISHOLM, Mr. ZABLOCKI, Mr. WOLFF, Mr. ANDREWS of North Dakota, Ms. HOLTZMAN, Mr. MCCLOSKEY, Mr. DANIELSON, Mr. DAVIS of South Carolina, Mr. HILLIS, Mr. LEDERER, Mr. VANIK, Mr. LENT, Mr. JONES of Oklahoma, Mr. CLAY, Mr. MURPHY of New York, Mr. BAUMAN, Mr. DEVINE, Mr. CARNEY, Mr. STYAR, Mr. MITCHELL of New York, Mr. TAUKE, Mr. STOCKMAN, Mr. SEIBERLING, Mr. PETRI, Mr. CORRADA, Mr. FUQUA, Mr. GIAIMO, Mr. VAN DEERLIN, Mrs. BYRON, Mr. CONABLE, Mr. JACOBS, Mr. DODD, Mr. BROOMFIELD, Mr. STUDDS, Mr. GINGRICH, Mr. DASCHLE, Mr.

WALGREN, Mr. HAGEDORN, Mr. UDALL, Mr. GRADISON, Mr. WYDLER, Mr. PRESSLER, Mr. BENNETT, Mr. ENGLISH, Mr. EDWARDS of Oklahoma, Mr. LUNGREN, and Mr. SMITH of Iowa.

H.R. 5010: Mr. NEDZI.

H.J. Res. 321: Mr. BEARD of Rhode Island.

H. Con. Res. 126: Mr. DASCHLE, Mr. RUSSO, Mr. MCHUGH, Mr. PASCO, and Mr. PATTERSON.

H. Con. Res. 146: Mr. KILDEE.

H. Con. Res. 155: Mr. SCHEUER, Mr. BURGENER, Mr. LONG of Maryland, Mr. HORTON, Mr. ROUSSELOT, Mr. LEVITAS, Mr. YATRON, Mr. KOSTMAYER, Mr. GILMAN, Mr. GRAY, Mr. MAGUIRE, Mr. KEMP, and Mr. GLICKMAN.

H. Con. Res. 158: Mr. MARKS, Mr. ROUSSELOT, Mr. ROYER, and Mr. ROBINSON.

H. Res. 288: Mr. JEFFORDS and Mr. AUCOIN.

H. Res. 348: Mr. DUNCAN of Tennessee, Mr. PEYSER, Mr. NOLAN, Mr. MURPHY of Pennsylvania, Mr. GINGRICH, Mr. HOLLENBECK, Mr. SOLOMON, Mr. DANNEMEYER, and Mr. ROTH.

H. Res. 374: Mr. ANDERSON of Illinois, Mr. BIRKLE, Mr. DEVINE, Mr. DOUGHERTY, Mr. GOODLING, Mr. JEFFRIES, Mr. PATTEN, Mr. ROE, Mr. WON PAT, and Mr. BENJAMIN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows.

H.R. 4040

By Mr. ICHORD:

—Page 10, strike out line 17 and all that follows down through line 4 on page 12 and insert in lieu thereof the following:

"(d) MILITARY CRITICAL TECHNOLOGIES.—(1) The Congress finds that the national interest requires that export controls under this section be focused primarily on military critical technologies, and that export controls under this section be implemented for goods the export of which would transfer military critical technologies to countries to which exports are controlled under this section.

"(2) The Secretary of Defense shall develop a list of military critical technologies. In developing such list, primary emphasis shall be given to—

"(A) arrays of design and manufacturing know-how;

"(B) keystone manufacturing, inspection, and test equipment; and

"(C) goods accompanied by sophisticated operation, application, or maintenance know-how,

which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a significant advance in a military system of any such country.

"(3)(A) The list referred to in paragraph (2) shall be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act; and

(B) The initial version of the list referred to in paragraph (2) shall be completed and published in an appropriate form in the Federal Register not later than October 1, 1980.

"(4) The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list.

"(5) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

H.R. 4040

By Mr. LONG of Maryland:

—Page 33, after line 8, add the following new section:

EXTENSION OF PERIOD FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE

SEC. 818. Section 811(a)(1) of the Department of Defense Appropriations Authorization Act, 1978 (10 U.S.C. 131 note), is amended by striking out ", and during the fiscal years" and all that follows in such section and inserting in lieu thereof a period and the following new sentence: "The total number of civilian employees of the Department of Defense in grades GS-13 through GS-18, including positions authorized under section 1581 of title 10, United States Code, shall be reduced—

(A) during the fiscal year beginning October 1, 1978, by a percentage equal to the percentage by which the number of commissioned officers on active duty in the Army, Marine Corps, and Air Force above the grade of colonel and on active duty in the Navy above the grade of captain is reduced during such fiscal year below the total number of such officers on active duty on October 1, 1978; and

(B) during the period beginning on October 1, 1979, and ending on September 30, 1981, by a percentage equal to the percentage by which the number of commissioned officers on active duty in the Army, Marine Corps, and Air Force above the grade of colonel and on active duty in the Navy above the grade of captain is reduced during the fiscal year beginning on October 1, 1979, below the total number of such officers on active duty on October 1, 1979."

By Mr. PANETTA:

—Page 33, after line 8, add the following new section:

RETROACTIVE PAY EQUALIZATION FOR WORLD WAR II PHILIPPINE SCOUTS

SEC. 818. (a) The Secretary of the Army shall pay in a lump sum to each person who served as a Philippine Scout during the period beginning on December 7, 1941, and ending on December 30, 1946, an amount equal to the difference between (1) the total amount of basic pay such person would have received for his military service during such period if the rates of basic pay of the Philippine Scouts had been the same as the rates of basic pay during such period for other members of the Army of the United States of corresponding grades and length of service, and (2) the total amount of such basic pay actually received by such person.

(b) In the event a person entitled to a payment under subsection (a) is deceased, such payment shall be made to the persons, and in the manner, prescribed in section 2771 of title 10, United States Code.

(c) The retired pay of each former Philippine Scout shall be computed for periods after the effective date of this Act on the basis of the rates of pay prescribed for other members of the Army of the United States of corresponding grades and length of service.

(d) This section shall take effect as of the first day of the first calendar month which begins after the date of the enactment of this Act.

EXTENSIONS OF REMARKS

FISHERIES ADVANCED TECHNOLOGY TRANSFER ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, today I am joining with a group of my colleagues in introducing the Fisheries Advanced Technology Transfer Act. This bill will continue the excellent work started by the Congress when it passed the Fishery Conservation and Management Act, our Nation's 200-mile law.

Since the FCMA was passed, our domestic fishing industry has begun to take advantage of the opportunities presented by establishing a 200-mile fishery conservation zone. The average increase in dockside value of products landed is now approximately 3.7 percent per year. The average increase in value of processed fisheries products is 3.3 percent per year. Fishermen have invested in new boats and gear and processors have invested in new facilities. Unfortunately, this investment increase is less than it could be for a variety of reasons. One of those is lack of access to technology and techniques currently available to foreign fishermen which can be adapted for use in U.S. fisheries. Without a coordinated means of supplying data on new technology to our domestic industry, we will not be able to accomplish the full utilization of fish species within our fishery conservation zone.

My bill will solve that problem in a simple manner. It directs the Secretary of Commerce to conduct a 6-month study of the techniques and technology available in foreign nations which can be used by our domestic fishing industry. The bill then provides a mechanism for disseminating the data acquired to interested and qualified persons, organizations involved in commercial fishing, and regional fisheries development corporations. The bill also establishes a set of criteria whereby the Secretary can help fund workshops, seminars, demonstration projects, and similar activities to give fishermen and processors first hand experience with the advanced technology identified. Emphasis will be given to those projects which are partially or wholly funded by the participants. Most importantly, this bill accomplishes the necessary technology transfer without allowing the use of foreign vessels.

The concepts embodied in this legislation are supported by fishermen and processors throughout the U.S. fishing industry. Fishermen and processors are especially concerned that the necessary technology transfer takes place without providing additional access to our fisheries by foreign nations. This legislation will solve that problem and promote the further development of our domestic fishing industry.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

TAX EXEMPTION FOR ELDERLY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. OTTINGER. Mr. Speaker, today I am introducing a bill of special interest to senior citizens. This bill would facilitate their capacity to live on a fixed, retirement income by providing a Federal tax exemption of $5,000 over and above other already exempt retirement income received by a taxpayer under any type of retirement program, either public or private, if the taxpayer is 65 years of age or older.

The ability to retire with some degree of financial security is the outstanding concern of people approaching retirement age. Since 1967, the Consumer Price Index has doubled, thereby halving the purchasing power of those on fixed incomes for that 12-year period. Such a phenomenon is certainly unhealthy. In effect, inflation is rolling back the income of our senior citizens.

Mr. Speaker, I continually hear from elderly persons in my district who are concerned over rising property taxes and the general rise in the cost of living. While we at the Federal level have no control over local property taxes, I think that this special Federal tax exemption would help to alleviate some of the problems resulting from the local and State tax situation and enable our 24 million senior citizens to retire with greater security.

I do not contend that this bill will solve all of the problems faced by senior citizens, nor do I wish to imply this is all we should consider. But I do believe that the proposal represents a significant step toward extending better tax treatment to seniors.

I hope that the 96th Congress will consider this and other proposals to help senior citizens cope with the rising cost of living.

The text of the bill follows:

H.R. 5026

A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by inserting after section 123 the following new section:

"SEC. 124. PARTIAL EXCLUSION OF RETIREMENT BENEFITS.

"(a) GENERAL RULE.—Gross income does not include—

"(1) any amounts received by an individual in the taxable year as a pension, annuity, or other benefit under a public retirement system, or

"(2) any amounts received by an individual who is age 65 or over as a pension, annuity, or other retirement benefit under any other retirement plan, program, or system,

to the extent that the aggregate of such amounts (over and above any portion thereof which is excluded from gross income under provisions of this chapter other than this section) does not exceed $5,000.

"(b) DEFINITION.—As used in subsection (a), the term 'public retirement system' means a pension, annuity, retirement, or similar fund or system established by the United States, a State, a territory, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia."

(b) The table of sections of such part III is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 124. Partial Exclusion of Retirement Benefits.

"Sec. 125. Cross References to Other Acts."

SEC. 2. Section 72(p) of such Code (cross reference relating to annuities) is amended—

(a) by striking out "REFERENCE" and inserting in lieu thereof "REFERENCES"; and

(b) by adding at the end thereof the following:

"For partial exclusion of retirement benefits, see section 124."

SEC. 3. The amendments made by this section shall apply only with respect to taxable years beginning after the date of the enactment of this Act.●

HOW SOVIETS ACT TO BEND THE TRUTH

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. DERWINSKI. Mr. Speaker, the continued efforts by the Soviet authorities to interfere with free world correspondents stationed in the U.S.S.R. is the subject of an editorial in the Chicago Sun-Times of July 30. The Sun-Times very properly refutes the trumped-up Soviet charges against Moscow correspondent for the Financial Times of London, David Satter. I wish to insert the editorial for the Members' attention:

HOW SOVIETS ACT TO BEND THE TRUTH

We commend the U.S. Embassy for stiffly protesting Soviet harassment of David Satter, Moscow correspondent for the Financial Times of London and, occasionally, The Sun-Times. Russians burglarized Satter's office, broke into his auto and stole his driving papers, then barred him from driving because he didn't have the papers. Every sign indicates he's to be thrown out soon.

Satter is accused of "hooliganism" and of being rude and abusive to officials. But he is a Chicagoan, and we know him well as a soft-spoken, mild-mannered, ultimately civilized man with a wise head firmly screwed to his shoulders. He is too cool to be rude or abusive, even to the rudest, most abusive Russian. As a hooligan, he scores zero.

The Soviets are abused not by Satter but by the truths about their society that he reports. Nine other correspondents have suffered similar retaliation in recent months. The purpose is to coerce them into shading the truth as the price of surviving in Moscow, and that we must not endure.●

FREE ENTERPRISE CAN SOLVE ENERGY ILLS

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. LATTA. Mr. Speaker, 2 years ago when the House was considering the establishment of the Department of Energy—allegedly as a solution to our energy woes—the argument was made that establishment of the Department would mean a proliferation of Government regulations into the energy market with a subsequent strangling of our private enterprises.

Two years later, we know that argument to be correct, though, even now, some of my colleagues are hesitant to turn to the private sector for a solution without encumbering it with numerous taxes and other so-called safeguards. The other day, I was pleased to receive a letter from a constituent, Mr. Edward J. Metzger, Jr., of Wauseon, Ohio, who makes short, concise, and persuasive argument against the folly of allowing an overweight Department of Energy solve our energy needs. Mr. Metzger's letter mirrors my sentiments on this subject, and I would like to share it with my colleagues for their edification.

Mr. Metzger's letter follows:

JULY 24, 1979.

Representative DELBERT LATTA,
Rayburn House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE LATTA: I am writing to encourage you to allow the private part of "free" enterprise, capitalistic system more freedom to work on the solution to our energy ills. I believe that more than half of our current problems are related to existing government intervention into the marketplace. More regulation from Washington can only make this situation worse.

I understand that the immediate removal of all government controls would cause severe price spasms in energy products, however, I believe controls could be phased out to smooth the transition from regulated market to a free market.

I cannot understand how anyone, comparing the record of achievement of the Federal Energy Department, and the history of our free enterprise system, could possibly opt to have the energy department solve our problems.

Allow the oil companies to keep their profits. Use the tax system to encourage exploration and research into other energy sources. Don't take their profits, thereby reducing their incentive, to have the energy department spend this money in the always wasteful manner of government activity.

Please, have some faith in the system that made us great; allow the free enterprise sys-

tem to function; keep government regulation minimal.

Very truly yours,

EDWARD J. MEYSCHE, Jr.●

SLOVAK DAY IN THE LEHIGH VALLEY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. RITTER. Mr. Speaker, this weekend, on Sunday, August 5, a very special celebration will take place in my district. I would like to say a few words about it, because this is a matter of great pride to me and to the entire Lehigh Valley of Pennsylvania. Sunday will mark the celebration of Slovak Day.

I was deeply honored to have been invited to attend, and very much regret that my long-planned, short vacation with my wife and children—my first vacation of any kind this year—makes it impossible for me to be there on that day. I am deeply grateful to Robert Raykos, chairman of Slovak Day, Frank Palencar, president of the Greater Lehigh Valley Slovak Association and to all Lehigh Valley Slovak-Americans for their kind invitation.

Mr. Speaker, ethnic achievement and pride have always been one of the greatest sources of strength in our Nation. Nowhere is this more true than in the Lehigh Valley. In Lehigh and Northampton Counties, more than 100,000 citizens, or fully one-fifth of our people, were foreign born, or have foreign born parents.

Since coming to Congress, one of the things I have been most proud of is my work, as Congressman, toward encouraging ethnic pride. The key has been establishment of my Lehigh Valley Citizens Ethnic Advisory Council. This is a group of citizens representing all major ethnic groups in the Lehigh Valley, and Slovaks have played a major role. The Advisory Council helps keep alive ethnic pride. It calls attention to ethnic celebrations. It allows the different ethnic groups to appreciate each other. Most importantly, it helps me better represent our ethnic communities, like Slovaks, by keeping me informed about issues that affect legislation, foreign and domestic, that concerns ethnic communities. At the same time, the council helps me to better serve individual needs of ethnic citizens, such as helping solve immigration and emigration problems and problems with families in other countries.

The need for Congress to be deeply sensitive to ethnic concerns is as vitally important as ever in 1979. Today, in Slovakia, the church, which has played such a brilliant part in the history of the Slovak nation, is still facing the same oppression that it has endured for so many years in modern times. Last year, on the 10th anniversary of the Soviet invasion, the world could see clear, grim reminders of that repression, such as 500 Roman Catholic priests barred from exercising their ministry in 1973 alone.

The Soviet Communists, of course, would love to have the world swallow the lie that all is normal, that the scars of the invasion have healed. But we who care deeply about the spirit of freedom know better. We know that, as Father Victor Trstensky, a dismissed priest, wrote:

> The laws, and particularly their arbitrary application, are the basis for the most cruel oppression against which the Church has struggled for centuries.

The Communists' oppression of religious practice, of celebrations, of charitable work, and of the whole range of religious life is a symbol. It is a symbol of how desperately the Communist powers want to impose their will once and for all on the Slovak people. They have not succeeded and they will not succeed.

They will not succeed for three reasons. First, because there are proud people like you who will see to it that our ties of blood and friendship with the mother country remain strong, and who will keep that vital link with the free world alive. Second, because there are those in Congress who, like myself, understand the need to keep the defenses of the free world strong, to reverse the growing balance of power held by the Soviet Union. And third, because the Slovak people, like the people of other captive nations, have an unbreakable spirit.

Nowhere was that spirit more clearly shown than several weeks ago, when the courageous visit of Pope John Paul II to his native Poland lifted the spirits and hearts of freedom-loving men and women everywhere. By his very presence, dignity, and strength of spirit, "this Slav Pope" proved that years of living in the shadow of Soviet tanks have not broken the spirit of the oppressed Slavic peoples. Because of him, today, a new hope has come to brighten Slovakia, and all Eastern Europe.

Several weeks ago I spoke to the people behind the Iron Curtain in a Radio Free Europe broadcast. I felt then, as I feel now, that freedom will survive and that human spirit and dignity will prevail, in Slovakia and everywhere it is threatened.

So, let me once again say how proud I am to represent in Congress a district where ethnic pride is so much alive. May God bless the Slovak people, here and in Slovakia. May all Americans gain a renewed faith in freedom from Slovakia's struggle.

Nech Dihо Zije Slovensky Narod.●

HERBERT G. KOOGLE, P.E.

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. LUJAN. Mr. Speaker, I would like to take this opportunity to congratulate my friend, Herbert G. Koogle, P.E., who was recently elected the vice president of the southwestern region of the National Society of Professional Engineers and serves as the chairman of the Legislative and Government Affairs Committee. The National Society of Professional Engineers is a nationwide organization representing nearly 80,000 individual members from every aspect of the engineering profession.

Before taking on his current position, Herb served as chairman of the professional engineers in private practice division of NSPE, president of the New Mexico Society of Professional Engineers, national director of NSPE from New Mexico and president of the Albuquerque chapter.

Herb is a registered professional engineer and land surveyor in New Mexico. He is president and chairman of the board of Koogle & Pouls Engineering, Inc., located in Albuquerque.

It is an honor for me to congratulate Herb on his recent election and to wish him the best of luck.●

THE 150TH ANNIVERSARY OF THE TYPEWRITER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. BOB WILSON. Mr. Speaker, as an inventor myself, and as one descended from inventors, I would like to direct the attention of my colleagues to the recent anniversary of an invention that is quite possibly—outside of paper—the most important ever to us here in Washington.

One hundred fifty years ago, William Austin Burt received the first patent for the typewriter.

The following article was sent to me by my good friend Richard A. Burt, who is also the great-great-great-grandson of the typewriter's inventor. As we here have such a close association with this machine, I thought we all might benefit from learning of its origins.

AMERICA'S FIRST TYPEWRITER WAS AHEAD OF ITS TIME

ORANGE, CA.—It was 150 years ago, on July 23, 1829, when William Austin Burt received the first typewriter patent of any significance, but, at the time, he was less than ecstatic. The Michigan legislator's writing machine marked the beginning of the typewriter as a practical writing instrument, but its operation, much like the modern toy typewriter, was painfully slow and did little to ease the burden of correspondence that Burt had counted on. A second model was completed the following year to attract investors to purchase the patent rights for commercial development, but neither the facilities nor the capital were available, and Burt turned his attention to other inventions while allowing has patent to expire. In 1836, he invented a solar compass that became standard equipment in the U.S. public land surveys and helped him to discover the first of the rich Great Lakes iron ranges, near Marquette, Michigan, in 1844.

Several European machines preceded Burt's, but they were primarily embossing devices intended for the blind. An English engineer, named Henry Mill, received a patent for a writing machine as early as 1714, although there is no evidence that drawings or an actual model ever existed. After Burt allowed his patent to expire, dozens of other inventors tried unsuccessfully to produce a fast and efficient writing machine, and it was not until 1874 that a prototype, built by Christopher L. Sholes, was purchased by the Remington Company and brought into commercial production. Burt's "typographer" was clearly ahead of its time.

A TRIBUTE TO HENRY HALL WILSON, JR.

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 23, 1979

● Mr. HEFNER. Mr. Speaker, I am saddened by the death of Henry Hall Wilson, Jr., of Monroe, N.C., on July 22, 1979. To his wife, Mary, and his children, Henry III, Jean, and Nancy, I extend my profound condolences. I feel fortunate to have known this gentle, genial scholar who helped shape this country's history during the administrations of three American Presidents.

For the past 6 years, Henry Hall Wilson had made his home in Monroe, the town where he was born 57 years ago. He was one of the most distinguished residents of North Carolina's Eighth Congressional District.

In Washington, Henry Hall Wilson worked as the congressional liaison officer for President John F. Kennedy and President Lyndon B. Johnson. For President Kennedy, he helped persuade the Congress to transform the President's goals into legislative reality. For President Johnson, he helped mold the Great Society during part of Johnson's administration. For Jimmy Carter, he wrote position papers on economics and other subjects.

Although I was not a Member of Congress during Henry Hall Wilson's years in Washington, his legacy remains as an indelible imprint on our society. Those Congressmen who remember him speak of his persuasiveness, his scholarship, his integrity, his humor, his vision, and his sense of history.

Henry Hall Wilson graduated from Duke University and served in the U.S. Army in World War II. He came home after the war and enrolled in Duke University's Law School. After his graduation, he returned to Monroe where he practiced law. He was subsequently elected to serve for three successive terms in the North Carolina House of Representatives.

He formed the North Carolina Young Democratic Club whose chapters have sprung up in virtually every county of North Carolina. He served as the first president of the organization.

Henry Hall Wilson chose not to seek reelection to the State House of Representatives in 1959 and devoted his time and energy to the gubernatorial campaign of Gov. Terry Sanford. He also served as the North Carolina campaign chairman for President John F. Kennedy.

Shortly after President Kennedy's inauguration, Henry Hall Wilson came to Washington to help steer the new President's programs through the Congress. He stayed on to assist President Johnson in the same position. In 1967 he left the White House to become president and executive director of the Chicago Board of Trade. He served with distinction in that capacity until 1973 when he returned to North Carolina and was an unsuccessful candidate for the Democratic nomination for the U.S. Senate. The last years of his life were devoted to business consulting and writing a book, "A More Perfect Union."

Throughout his life, Henry Hall Wilson was a dedicated and devoted Democrat. He was dedicated and devoted to the ideals that have made our country the greatest democracy in the world. We mourn his death.●

HOPKINS CALLS FOR DIGGS EXPULSION

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. HOPKINS. Mr. Speaker, today I voted for House Resolution 378, which officially censures Congressman DIGGS and requires him to repay the House of Representatives for funds he admittedly used illegally. Even though I voted for this motion of censure, I did so because it was the strongest, in fact only, punishment we as Members are going to be able to vote for. I believe House Resolution 378 is far too lenient and had I been given the opportunity I would have voted to expell Mr. DIGGS.

Yesterday I joined with 196 of my colleagues in an effort to bring to a vote a motion to expell. Unfortunately, we were not successful. I find it totally unacceptable the House leadership has persistently thwarted our efforts to have such a vote on a motion to expell Mr. DIGGS.

The illegal conduct of CHARLES DIGGS reflects on the entire House of Representatives. I believe each Member of the House should have had the opportunity to vote for either censure or explusion. As it is the only choice I, and the other Members had, was whether to vote for or against censure.

I do not believe, and the vast majority of the people in my district do not believe, a convicted felon, as Mr. DIGGS is, should serve in the Congress of the United States. This is especially true when the crimes he committed were in the conduct of his official duties as a Congressman.

When Mr. DIGGS votes on an issue, he not only represents the people of the 13th District of Michigan, but he also votes for the people of my district and every citizen of this great Nation.

A man who cannot abide by the law has no business making them. That is the crux of the DIGGS matter. Mr. DIGGS has violated the public's trust and should no longer continue to serve in this body and to allow him to do so reflects poorly on the dignity, integrity, and honor of this House.●

LEGISLATION TO PERMIT A 4-DAY WORKWEEK FOR EMPLOYEES OF FEDERAL CONTRACTORS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. LOTT. Mr. Speaker, on July 20 I introduced legislation to amend the Federal law to make it more responsive to our current energy situation. My bill, H.R. 4885, allows employees working for employers holding Federal contracts to work 10 hours a day, 4 days a week, if they so desire. Applying this revised schedule to a particular company in my own congressional district, where many employees must commute long distances, I can see that cutting out one round trip a week would result in considerable energy savings. Specifically, H.R. 4885 amends the Contract Work Hours Standards Act and the Walsh-Healy Act.

The Contract Work Hours Standards Act now states that individuals employed on construction sites under Federal contract must receive overtime for every hour over 8 they work each day, five days a week. My legislation will continue to assure that employees are not exploited in any way. It will simply allow them to work 10 hours a day for 4 days and be paid overtime for any additional work. Again, let me emphasize that this arrangement would apply only where it is mutually agreeable to workers and employers.

The second part of my bill, to amend the Walsh-Healey Act, applies to persons working for companies that hold Federal contracts for goods in excess of $10,000. Under current law, these workers cannot work more than 8 hours a day or 40 hours a week. The measure I am introducing retains the 40-hour limit but stipulates that, where the workweek is 4 days in length, the employee may work 10 hours a day.

As I have said, my work on this bill is spurred by a real situation in my congressional district. The employees want to work a 4-day week. The employer wants to give the workers this option. But, since the company holds a Federal contract, this arrangement is clearly impossible.

I have heard of numerous situations not involving Federal contracts where companies have begun to go to the 4-10-hour-day workweek. Municipalities in my district are trying it out. President Carter has recommended that it be utilized more within the civil service structure. I think that, where it is mutually agreeable to employees and employers with Federal contracts, it should be permitted as well.●

A TRIBUTE TO WOMEN IN KENTUCKY'S HISTORY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. MAZZOLI. Mr. Speaker, it is a pleasure to have the opportunity to respond to a request made by our distinguished colleague, PATRICIA SCHROEDER, to honor the women of the Commonwealth of Kentucky who have contributed to the history of our State.

I, in particular, would like to pay tribute to Patty Smith Hill, Elsie Ahrens Lang, Alice Caldwell Hegan Rice, Anna Hubbach Settle, and Pinky Watson. All of these women have records of accomplishment of which I and my fellow Kentuckians are proud.

Though these women and many other women in Kentucky's history are not nationally recognized for their achievements, I am happy to call national attention to their work.

One such figure is Patty Smith Hill who made many achievements in the development of kindergarten education. Miss Hill was a student of new ideas in education psychology, adapting, and testing. She coordinated these disciplines into techniques that were relevant to the kindergarten.

Miss Hill wrote little herself, relying instead upon personal demonstration and her skill as a speaker. Her strong belief in the scientific study of childhood led her to take an influential part in founding the Institute of Child Welfare Research in 1924. She was long active in the International Kindergarten Union and served as its president in 1908.

Echoing Dewey's insistence on the role of interest in education, she stressed the need to utilize children's natural play instincts in building the kindergarten program. She emphasized, too, that the school should be a social laboratory in which children learned the basic concepts of democratic living as they solved problems encountered in their own activities. In Louisville she had early discarded the traditional Froebelian sequence of particular games and play materials, to be used as directed by the teacher, in favor of projects offering the children opportunities for initiative, creative play, and problem solving.

Besides her fundamental reform of kindergarten practice, Miss Hill made two particular contributions that came to have wide use: One was the large-scale Patty Hill blocks, a set which permitted children to build large, useful structures. Along with her pioneering teaching work, she collaborated with her sister Mildred to write a song for their young students: "Good Morning To You."

Copyrighted in 1893, the song gained instant fame with different words: "Happy Birthday To You."

Louisville Elsie Ahrens Lang, born in 1886, became active in civic and political affairs as early as 1915, when she went door to door urging women to vote in a school board election 5 years before women acquired the right to vote nationally. The Louisville League of Women Voters was organized in 1920, and Mrs. Lang joined the league in 1922. From 1926–30, Elsie acted as chairman of the nominating committee. During her first administration, she worked for the election of women to the legislature and the naming of women jurors. In 1930 Elsie was treasurer of the national board of the league and also finance chairman of the Louisville league wherein she made her most significant contributions.

In 1951, she was made a lifetime member of the board. While the league was her first love, she devoted much of her time to other civic activities: The Louisville Urban League, the Art Center Association of Louisville, and the Louisville Municipal Housing Commission, to name just a few. In 1965, Mrs. Lang was honored with a brotherhood award by the National Conference of Christians and Jews of Louisville. She died in 1968.

Novelist Alice Caldwell Hegan Rice was born in Shelbyville, Ky., in 1870, but lived in Louisville most of her life. In 1901 she was inspired to write her first novel by the Authors Club of Louisville, a group of aspiring young women writers that included Annie Fellows Johnston, George Madden Martin, and Ellen Churchill Downs.

The novel was "Mrs. Wiggs of the Cabbage Patch," which in 1904, aided by Annie Crawford Flexner's successful stage adaptation, became a best seller, both in the United States and abroad—making Miss Rice not only rich but famous.

The story reflected the author's real concern for the problems of poverty, but her somewhat sentimental view on how easily they were to be solved is revealed by Mrs. Wigg's comment, at the end of the novel;

Looks Like Everything in the World Comes Right, if We Jes' Wait Long Enough.

"The Cabbage Patch" was followed by nearly 20 works of popular light fiction, but illness and financial reverses brought serious hardship in the 1930's and Alice Hegan Rice's later novels were written under the press of necessity. She died in Louisville in 1942 at 72.

Anna Hubbach Settle, another Louisvillian, was born in 1888. For 25 of the 63 years of her life she devoted herself to her career as an attorney and first woman judge in Jefferson County, and to leadership in welfare, cultural, and educational projects in Louisville. Her achievements were several. After her death in March of 1951, the following appeared in the Louisville Courier Journal:

As the leading local member of the National Consumer's League, Mrs. Settle's continuous preoccupation was with laws for the betterment of working conditions for women and minors. She drafted or helped draft an impressive number of the statutes which in Kentucky have established and raised minimum wages, lessened the hours which can legally be worked by women, and given protection to minors in industry. As a lawyer of wide-knowledge she defended these laws in court tests of their constitutionality and had the eventual satisfaction of seeing them become a part of the fabric of life in Kentucky and the rest of the Nation.

Mrs. Settle was active in politics for years, serving as chairman of the women's division in the Jefferson County democratic campaign in 1935. In 1943 she was appointed field representative for the U.S. Department of Labor to work with Manpower Commission officials locally to speed the transfer of women from nonessential jobs to war production work.

In addition to these achievements Mrs. Settle also served as president of the League of Women Voters, the Louisville Chorus, Louisville Women's City Club and the local chapter of Phi Delta Delta, legal fraternity. She was a member of the Louisville League of Catholic Women and Catholic cochairman of the Louisville chapter, National Conference of Christians and Jews. In 1948, 3 years before her death, she was named to the national board of the conference.

Equaling the efforts made by Mrs. Settle, yet with a much different style, was Pinky Watson. Following her attendance at Kentucky State University in Frankfort, Ky., Mrs. Watson married and operated her own beauty shop for 27 years, after which time she tired of it. She sold the shop and went to work in a local department store, but after a serious automobile accident, the doctor told her to stay off her feet as much as possible.

Already actively involved in missionary work in her church, on July 15, 1974, she went to work for the J. B. Tingley Center as a fieldworker in the field of aging which included gathering information and referrals, outreach, escort services and health related services. Her work in the center was outstanding and there she received the love and respect of its members. In addition to her exceptional work at the Tingley Center, she was a member of the Jefferson County Council on Aging and worked with the Department of Handicapped. At Christmas, 1976, Pinky Watson died of a heart attack.

These women are just a few of the many who have made Kentucky history. I am honored to share their achievements with my colleagues.●

LOUIS L. SPORRER

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. ROYBAL. Mr. Speaker, the Los Angeles Police Department is losing an exemplary member of the force with the recent retirement of Assistant Chief Louis Sporrer. It is, therefore, a particular pleasure for me to take these few moments to publicly recognize Assistant Chief Sporrer for his dedicated efforts on behalf of the people of the city of Los Angeles.

Born in Manning, Iowa, Louis Sporrer came to the Los Angeles area at the age of 12. We are fortunate that he decided to make Los Angeles his home, dedicating 30 years of his life to law enforcement efforts.

Over the years Louis Sporrer progressed through the ranks to the position of assistant chief. In this capacity he was assigned as director, office of operations, which include responsibilities for patrol, traffic, investigative and administrative services. He can certainly reflect with pride and satisfaction upon the many accomplishments of his life and his dedicated involvement on behalf of the people of Los Angeles.

In closing, I would just like to take this opportunity to wish Louis Sporer a long and enjoyable retirement filled with continued happiness and good health.●

NATIONAL FAMILY DAY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. RAHALL. Mr. Speaker, as Americans, we have always prided ourselves on the basic freedoms that have been the foundation of our great Nation. Through our over 200-year existence, those freedoms set down by our Founding Fathers have served this Nation well.

The word, "nation" is defined as, "a community of people composed of one or more nationalities and possessing a more or less defined territory or government." In short, we are a nation of many families.

The American family structure has been a cornerstone to our freedom, just as much as the Declaration of Independence and the Bill of Rights. The family institution has solidified our past and will guide our future.

Since we are a nation of families, Mr. Speaker, I am today introducing a resolution to proclaim the third Sunday in August of each year, as "National Family Day."

This resolution calls upon the people of the United States to observe such a day by uniting or reuniting as a family to further the bonds of love, companionship, concern and understanding which have been the hallmark of the American family.

This particular date has been chosen, because over the years, one of this nation's largest families, the Lillys, have held massive reunions on the third Sunday in August.

From the 1930 until World War II, the Lilly reunion drew up to 75,000 to an outdoor gathering site at Flat Top, W. Va. After the war, a crowd of 50,000 came together for the 1949 reunion. However, due to the illness and the death of Mr. A. A. Lilly, who had been the organizer of the reunion for many years, interest seemed to wane.

Through the leadership and hard work of Mr. Jack Lilly of Canton, Ohio, in 1978, Beckley, W. Va., was the gathering site of over 3,000 Lillys from 28 States. August 19 is the date set for this year's reunion.

Mr. Speaker, I urge my colleagues to join me in this effort to recognize the American family and what it stands for.●

ACCURACY OF CENSUS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Ms. OAKAR. Mr. Speaker, as a member of the Subcommittee on Census and Population, I am deeply concerned about the accuracy of the Bureau of Census. The article in this morning's Washington Post is excellent. I hope that all Members will take the time to read it.

The article follows:

COUNTING ALL AMERICANS

(By Eddie N. Williams)

Millions of Americans and their communities are shortchanged each year because the Census Bureau can't count straight and because many federal grant-in-aid formulas ignore a large population of "undocumented" Americans. This is a tragic result of the census undercount.

The undercount has plagued every decennial census since 1870. It is virtually impossible for the Census Bureau to count every inhabitant. In recent years, two factors have made the undercount discriminatory and punitive. One is the growing use of census population data in formulas to allocate federal funds. In fiscal 1975, for example, $33.7 billion was obligated for 75 formula-grant programs that used population or per-capita income data, in whole or in part, as a basis for distributing money. This sum amounted to 22 percent of all state and local expenditures. Clearly, the distribution of these funds would change if there were a change in the population count.

Another factor is that the undercount affects some groups more than others. While almost two-thirds of the 5.3 million persons missed in 1970 were white, the rate of undercount was four times as high for blacks (7.7 percent) as for whites 1.9 percent). The rate for black males was 9.9 percent. The undercount among Hispanics, native Americans, and Asian Americans, in all probability, was also disproportionately high. The undercount rate tends to be highest among blacks and whites who are already the most disadvantaged in the nation.

The undercount not only affects our social and economic well-being, but our political representation as well. Its impact on reapportionment is a complex constitutional issue that has not been resolved. However, the impact on fund allocations is a policy question for which there is an available policy remedy.

Thus, it is understandable that many elected officials, especially those from the cities with heavy concentrations of under-enumerated persons, complain that they are not getting their fair share of federal and state funds. The population data used in allocating those funds are based on the decennial census, which is admittedly inaccurate or incomplete. A Camden, N.J., official provided this perspective: "An undercount does [not] merely suggest that black Americans are being shortchanged, but the greater consequence is that all persons, black and white, poor and middle class, who live in cities like Camden . . . are being shortchanged."

Nearly everyone who examines this problem agrees that it is complex and freighted with inequities. Where, then, might one look for solutions?

Even though the Census Bureau has taken extraordinary steps to reduce the 1980 undercount, most experts and the Census Bureau itself agree there will be an undercount in 1980. Clearly there is a need for a procedure to adjust the 1980 census count so as to avoid financial loss to millions of Americans and to hundreds of cities. The Department of Commerce and its Census Bureau have been urged on numerous occasions to develop and implement an adjustment procedure. Among those who have made such recommendations are elected officials, the U.S. Conference of Mayors, the Black, Hispanic and Asian American Advisory Committees of the Census Bureau, and the National Academy of Sciences.

The recommendations of the National Academy of Sciences are especially noteworthy. Last year, the academy was awarded a contract by the Department of Commerce to determine whether there are feasible methods of adjusting or correcting the census count to assure greater equity in the allocation of federal funds. The academy determined that "methods of adjustment with tolerable accuracy are feasible" and recommended that the secretary of commerce direct the Census Bureau to develop and implement a plan to adjust the 1980 census count.

Secretary Kreps has yet to act on this recommendation. In a June 6 letter to Mayor Maynard Jackson of Atlanta, chairman of the U.S. Conference of Mayors census task force, Secretary Kreps expressed her views as follows:

"While the Panel on Decennial Census Plans of the National Academy of Sciences did recommend that such adjustments be made, it should be noted that the panel did not endorse a specific technique for accomplishing this task.

"As part of our continuing research, the bureau plans to convene a national conference of experts during the spring of 1980 to review this matter."

The negative consequences of an undercount have been known since at least 1950.

Definitive studies have already been conducted. The academy was engaged to review those studies and to make a recommendation, which it did. Moreover, the proposed 1980 conference, at best, would offer relief in the 1990 census—a decade away—if at all. Certainly such a conference is no response to the NAS admonition that ". . . to meet the urgent demand for some greater degree of equity, a temporary expedient has to be considered." The NAS made it clear that it was talking about a "currently available" methodology to adjust the 1980 census.

The secretary's explanation that the academy report " did not endorse a specific technique for adjusting for under-enumeration" serves to cloud rather than to clarify the issue. The fact is that the Department of Commerce did not ask the academy to endorse a specific technique. Rather, it asked for and got a determination on feasibility. In fact, the academy cited three feasible adjustment techniques that could be used. The secretary may choose any one of them or initiate her own adjustment technique.

If the secretary does not act now to implement a "temporary," "expedient," "feasible" and "available" adjustment procedure, an awful lot of people, including needy low-income blacks and whites, will be shortchanged for another decade. This is a matter of national concern.

If the secretary of commerce continues to

delay, the president and the Congress should intervene before the 1980 census undercount and its Catch-22 consequences further erode the people's confidence in the federal government.●

MARIHUANA AND CHILDREN: A SUBSTANTIAL RISK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. WOLFF. Mr. Speaker, the Select Committee on Narcotics Abuse and Control recently completed 2 days of hearings examining the presently known information concerning the health consequences of marihuana. From the testimony at these hearings, as well as from other scientific information, it is clear that we do not now know all that we should about marihuana and its effects on the human body. There is at least one point, however, that the expert witnesses before the committee could agree upon: Adolescents and preteenagers run a substantial risk of harm—both physical and mental—from the abuse of marihuana. This is apparently becuse the drug's interaction with a young person during his or her developmental years can often be far more damaging than its interaction with a biologically matured individual. This fact is particularly disturbing in light of recent trends indicating increased use of marihuana among children in the 8- to 11-year-old range.

I would like to call to the attention of my colleagues an article by Dr. Saul Kapel which recently appeared in the New York Daily News and which underscores the significant potential danger marihuana poses to our children.

NEW STUDIES OF MARIJUANA NEEDED TO PROTECT KIDS

News reports in the last year or so have indicated that the smuggling of marijuana into the United States has developed into an enormous business.

State legislatures continue to debate the question of what penalties, if any, should be imposed upon sellers or those in possession. And there are organized groups seeking to remove any penalties connected with the use of marijuana.

The Drug Abuse and Alcoholism Newsletter published by the non-profit Vista Hill Foundation accurately notes that "we will never have all of the facts concerning the safety or toxicity of marijuana . . . It is now possible to selectively cite the scientific literature and prove that (1) cannabis (marijuana's medical name) is an extremely hazardous material, or (2) that it is completely safe."

One problem with earlier studies of the effects of marijuana is that they focused on the weak U.S.-grown or Mexican varieties. The staple of street usage today is a much stronger version imported from the Far East and Colombia. New and extensive research is needed.

What has been established is that usage of the drug is increasing with the most intensive use among the 12 to 25-year-old group. One survey indicated that 10 percent of all high school seniors smoked marijuana a least once a day.

Perhaps the most alarming trend, even for those who believe marijuana is not particularly a threat, is that pre teenagers, kids 8 to 11, have increased the amount and intensity of their usage. While the effects upon adults may be debatable there is no question that heavy use by children can lead to problems. At risk are the respiratory tract, hormone production, emotions and mental functioning.

It is possible to suffer acute cannabis intoxication. An adult in a drunken stupor from liquor or marijuana is bad enough, but the consequences for a child are obviously much worse. Chronic use of marijuana results in some people, in a loss of drive, poor performance and blunted emotional responses. This can be particularly damaging during the developmental years.

It should be clear that many studies have not labeled pot as harmless, and those that do are primarily based on the use of the older, weaker varieties.

While the debate on decriminalization will likely continue, there is still much we don't know about the effects of the currently available marijuana. However, it seems reasonable that because the young are vulnerable to physical, mental and emotional consequences from cannabis, more attention should be given to ways to deter especially the young teenager from using the drug.●

TRIBUTE TO YOSHIO ANDO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. MINETA. Mr. Speaker, on behalf of Congressman DON EDWARDS and myself, it gives me great pleasure to rise today to honor Mr. Yoshio Ando, who has been awarded the Order of the Sacred Treasure, Fifth Order, from the Japanese Government. This award was first given in 1888 to men who rendered excellent service to their country. It was later expanded to include women and persons of Japanese ancestry who were citizens or residents of other countries. Approximately 10 Americans are honored each year by the Japanese Government for their contributions to the betterment of life for the Japanese community.

Santa Clara County has been privileged in the past to have other honorees; Mr. Ando, however, is the first native American of Japanese ancestry to receive this decoration. Mr. Ando received the commendation from the Japanese Government at a ceremony recently held at the Foreign Department in Tokyo, Japan, in recognition:

First, of his dedication and untiring contributions towards United States-Japan goodwill through his participation in the international farm training program. This program provides an exchange of ideas, methods, and on-site training to the aspiring young Japanese farmer.

Second, of his many years of involvement in local community, civic, church, and cultural activities for the benefit and general welfare of Japanese-Americans; and

Third, for his humanitarian deeds in rendering aid, assistance, and encouragement to those needing housing, employment, and counseling during the difficult post-war resettlement period.

On Thursday, August 9, 1979, the Japanese community will hold a testimonial dinner for Mr. Yoshio Ando. The event is being sponsored by the San Jose Buddhist Church and the Hiroshima Nikkei Jinkai of Santa Clara County. Mr. Speaker, we ask you and our colleagues in the House of Representatives to join us in congratulating Mr. Ando on his award, to thank him for his years of outstanding service and contributions to the Japanese community of Santa Clara County, and to offer him best wishes for the future.●

PRODUCTIVITY IN THE UNITED STATES: A NATIONAL DISASTER

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. LAFALCE. Mr. Speaker, the single most important underlying problem in our economy today is the lagging rate of productivity. Low productivity growth is undermining the battle against inflation and is contributing in a significant fashion to the balance-of-payments deficit. Without a higher rate of productivity growth, our economy may slump into a permanent state of stagflation with U.S. companies unable to compete both at home and abroad.

Yesterday, the Labor Department announced that the productivity situation had once again worsened.

The bad news is productivity in U.S. businesses declined, I repeat, declined, 5.7 percent during the second quarter of 1979, which makes the second quarter of this year the worst since the Department commenced recordkeeping in 1947. This followed a drop of 3 percent in the first quarter of this year, which means that an alarming trend of declining productivity may become a permanent feature of the U.S. economy. It portends nothing short of national disaster.

The good news is that someone is finally paying attention to this trend. In the past, reports about the lagging rate of productivity were tucked away in the finance section of the newspaper, if they were reported at all. However, the decline during the second quarter received front page coverage in both the Washington Star and the Washington Post, which is exactly where this story belongs. At the very least, this productivity decline and the attention it is receiving may induce the administration to reconsider its ill-advised decision to limit the number of employees of the National Productivity Council to two.

The articles follow:

U.S. PRODUCTIVITY TAKES BIGGEST DROP IN 5 YEARS

[From United Press International]

The productivity of American business dropped at an annual rate of 3.8 percent during the second quarter of 1979, the largest such decline since the 1974 recession, the Labor Department said today.

Productivity measures the nation's output of goods and services per hour of labor.

It often declines during recessions, and the current slump was further evidence a recession is under way.

It was the second consecutive quarter in which productivity in the private business sector has declined. It decreased 2.8 percent during the first quarter—January through March.

The drop during the second quarter—April through June—was due to decreases in both output and the number of hours worked by Americans, both indicating a slowing economy.

Output dropped 4.7 percent, the first time it has declined by this measure since the first quarter of 1975, when it plunged 10.9 percent.

The number of hours worked in the second quarter of 1979 fell 0.9 percent, the first decline since the second quarter of 1975.

The 3.8 percent productivity decline in the second quarter was the largest since a 6.9 percent drop in the first quarter of 1975, at the start of this country's worst recession since the Great Depression of the 1930s.

PRODUCTIVITY FELL SHARPLY IN 2D QUARTER

(By John M. Berry)

In a development that will mean more inflation ahead, productivity of U.S. businesses fell more rapidly in the second quarter of this year than at any other time since the government began keeping records in 1947.

The Labor Department reported yesterday that output for each hour worked in nonfarm businesses dropped 5.7 percent, compared with a drop of 3 percent in the first quarter.

With the economy moving into a recession, a decline in productivity is not surprising: Businesses reduce production before laying off workers. But the sharpness of the second quarter drop surprised many economists.

One explanation is that while businesses reduced production, they actually continued to hire new workers, a signal that the current economic slump may not boost the unemployment rate as much as previous recessions did.

But the drop in productivity is bound to be inflationary, because while workers were producing less, they were earning more. The combination pushed up the unit labor cost of producing goods by 14.3 percent in the second quarter.

Economists have found that changes in unit labor costs usually closely match inflation rates. Over the past year, for instance, unit labor costs went up 10.5 percent while consumer prices rose 10.9 percent, the Labor Department said yesterday.

Courtenay Slator, chief economist at the Commerce Department, said the drop in productivity is "what typically happens at the beginning of a downturn. Output is cut back first and then the cutback in employment comes later."

But in the second quarter, businesses kept adding to payrolls, pushing employment up 1.6 percent. Total hours worked were up only 0.4 percent, however, because the length of the average workweek declined by 1.2 percent.

Nevertheless, the continued hiring during a period of falling production may be a signal that this recession will not increase unemployment as much as usual, but also will do little to ease inflation.

Productivity gains have been slowing in recent years, puzzling both government and private economists, who have been at a loss to explain it to their own satisfaction.

Ironically, at the same time the Labor Department was reporting the record productivity decline in the second quarter, it said that the rate of productivity increases over the last two years has not slowed quite as much as was reported earlier.

It revised upward from 1.3 percent to 1.8 percent the increase for nonfarm businesses for 1977, and from 0.5 percent to 1.1 percent the gain in 1978. Unit labor costs rose 6.3 percent in 1977 and 8.1 percent in 1978.

By comparison, productivity grew 3.5 percent in 1976, when the economy was still recovering from the 1974–75 recession. That year unit labor costs went up only 4.7 percent.

The manufacturing sector of the economy fared better in the second quarter than did other areas. Manufacturing productivity rose at a 3.3 percent rate, which means that for nonfarm, nonmanufacturing businesses, productivity plummeted.

The rate of increase in unit labor costs rose to 14.2 percent during the quarter for nonfarm businesses, but worker compensation went up more slowly than it did in the first quarter. In the first three months of the year, higher Social Security tax payments and a higher minimum wage added to the increase.

However, the increase in compensation in the second quarter, at 7.8 percent, was the smallest since the fourth quarter of 1977. Some analysis suggested that the administration's voluntary wage standard, coupled with the first effects of the recession, probably were working together to limit wage increases somewhat.

Meanwhile, the F. W. Dodge Division of McGraw-Hill reported that the Value of new construction contracts signed in June rose $15.3 billion, 5 percent higher than a year earlier.

Substantial gains in nonresidential building just offset continued weaknesses in home building. George Christie, Dodge's chief economist, said this indicates "that the construction cycle is sliding away from its peak."

The value of nonresidential building contracts in June was 22 percent higher than last year, with $4.8 billion worth of contracts signed, mostly for office and manufacturing buildings.

Contracts for residential building posted an 8 percent decline from a year earlier, falling to $7.3 billion—the report said.●

DISTINGUISHED FLYING CROSS AWARDED TO NAVY LT. ORMOND CRAIG FOWLER, JR.

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. BOB WILSON. Mr. Speaker, I would like to invite my colleagues' attention to an incident that occurred late in the Vietnam war which not only gained for Navy Lieutenant Ormond Craig Fowler, Jr., the Distinguished Flying Cross, but also our admiration for his rescue of a fellow serviceman in the face of extremely heavy enemy fire.

Lieutenant Fowler's actions are an inspiration to us all and I would like to add my congratulations to him for receiving this award.

The citation follows:

COMMANDER IN CHIEF,
U.S. Pacific Fleet.

The President of the United States takes pleasure in presenting the Distinguished Flying Cross to Lt. Ormond Craig Fowler, Jr., U.S. Naval Reserve for the service as set forth in the following:

CITATION

"For heroism while participating in aerial flight as Command Pilot and Fire Team Leader of a light helicopter fire team attached to Helicopter Attack (Light) Squadron Three, Detachment Eight in the Republic of Vietnam. On 26 March 1971, a United States Army boat convoy came under a vicious enemy ground attack as one fuel-carrying boat contacted a mine and exploded violently, spewing flaming fuel over the water. Lieutenant Fowler, whose helicopter fire team was flying in support of the convoy, descended to below tree top level over the canal in search of any possible survivors of the explosion and spotted critically wounded United States soldier struggling toward the shore. He hovered a few feet over the canal to effect pickup of the wounded man and, in doing so, flew into the midst of a fierce crossfire between the enemy and friendly forces. Due to heavy foliage on the shore and uneven terrain, he was forced to remain at a hover over the very narrowly restricted canal. Unwilling to depart and leave his crewman who had entered the water to rescue the wounded soldier, Lieutenant Fowler repositioned his aircraft to minimize its vulnerability to the intense crossfire. The force of his rotor wash prevented pickup of his crewman and the casualty so, having no communications with friendly boats, Lieutenant Fowler used his helicopter to gain the attention of one of the craft which effected a successful rescue. Lieutenant Fowler's courage under fire, outstanding judgment and daring actions in the face of personal danger were in keeping with the highest traditions of the United States Naval Service."

For the President

B. A. CLARKY,
Admiral, U.S. Navy,
Commander in Chief U.S. Pacific Fleet.

THE FUTURE OF ENERGY?

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. PATTEN. Mr. Speaker, my good friend Mr. Thomas Murtha of Woodbridge, N.J., during his Naval Reserve basic training, took the liberty to research in his spare time the historical controversy over our energy supplies. He brought to my attention Floyd W. Parson's article from the January 24, 1920, issue of the Saturday Evening Post, which confronted our national petroleum supply, its sources and alternative, means of energy.

In the following paragraphs Parson's view of our oil situation was somewhat similar to today's. This section was printed nearly 60 years ago and regarded questions surrounding petroleum supplies and future oil exploration. In addition, Parson quotes Secretary Lane's energy conservation opinions, which encouraged thrifty production and consumption.

The material follows:

OUR PRECIOUS PETROLEUM

The prosperity of the United States depends largely upon an adequate supply of petroleum. Very few of our great industries as now conducted could exist without it. There are no known commercial substitutes for gasoline or lubricating oils and it is no exaggeration to say that in one form or another petroleum reaches every household in the civilized world.

The United States is faced with the certainty of an increasing demand for petroleum. We know now that the domestic output does not meet our present consumption. Of our original available supply underground we have consumed 40 percent that is unre-

placeable. Within the next two to five years the oil fields of this country will reach their maximum production and from that time on, unless there are new discoveries of oil, we may have to face a steadily decreasing output. This will make us more and more dependent on foreign fields. Authorities tell us that if we assume the same rate of increase during the next decade as in the past ten years it is unsafe to predict an adequate supply of petroleum beyond a ten-year period.

Secretary Lane says: "Petroleum is a challenge to the chemists of the world. All nations are more dependent upon it than they are upon anything else except coal, iron, foodstuffs and textiles. It has jumped to this place of eminence within twenty years and the whole world is concerned in knowing how large a supply there is and how every drop of it can best be used. I think there should be cooperative effort on the part of the oil men themselves to protect against waste. There is much to be learned about saving gas, preventing the wells from being flooded and keeping the pipe lines from leaking.

"We are behind the rest of the world in the use of our oil for fuel purposes. We are spendthrifts in this as in other of our natural resources. We can get three times as much energy as we do out of our oil through the use of the Diesel engine, yet we are doing but little to promote the development of a satisfactory type of stationary Diesel or marine design. Instead of seeing how many hundred millions of barrels of oil we can produce and use our effort should be to see how few millions of barrels will satisfy our needs. Throughout the nation we are making a drive to increase production, but that does not mean we should make a drive to exhaust resources which God alone can duplicate."

The day of empirical formulas and rule-of-thumb methods in our industrial life should not be allowed to continue. By careful scientific research alone can we hope to obtain the most value from our natural resources and particularly from our supplies of petroleum. As one engineer stated: "It is the research man alone who must be depended upon to point out manufacturing losses and indicate the necessary investigative work that will eliminate such wastes. These results should not be stored in the records of one company, but should be available to other manufacturers so that they may profit by the experience and findings of their neighbors. A proper exchange of information will save costly duplication of work.

How about alternative energy resources such as electricity? Can this be a viable means of energy? The application and use of this energy source rapidly grew throughout the country. The following sections reveal Parson's view on the future growth of this safer, cleaner, and more efficient form of energy. Here is part of his article on electric heat and the conversion of petroleum into electricity.

ELECTRIC HEAT TOMORROW

Electricity can be converted into three things—light, power and heat. The first two have become integral parts of our industrial and domestic life, but electric heat has not been developed to the same stage of perfection and economy that attends the use of light and power. No branch of science holds forth greater possibilities for infinite service to mankind than the gradual evolution of the art of electric heating.

At first glance it appears almost ridiculous to assume that a practical and economical process can be developed whereby fuel is first converted into electric energy and then is transformed back into heat again. Such a feat appears still more impracticable when we remember that the efficiency of the transformation of heat to electric energy is at best only about twenty per cent. Nevertheless, the present trend of engineering achievement points to the coming wide use of electric heat in our everyday life.

There appears to be no good reason why this application of electricity to heating should not be applied in our homes as well as in our manufacturing plants. I do not doubt that before long the electric soldering iron will be popular and common in the average household as the electric flatiron is today. When this happy moment arrives we shall all have a chance to get even with our plutocratic friend the plumber.

I shall not go on and tell how electrically heated irons will soon come into general service for branding lumber and dozens of other daily uses, nor will I dilate on the charms of Pittsburgh as a residential city in the coming era, when electric heating will be applied not only to the steel furnaces, as is already coming to be the custom, but to hundreds of other different industries. Let me conclude by saying that here is another art of great importance that has entirely passed the laboratory stage. What we are all aiming to accomplish is the maximum of work with a minimum of labor. In this day, when the human element is the most uncertain thing in industry, any process that cuts down on labor attendance is worthy of the most careful attention. The electric furnace will save thousands of dollars through reducing the number of rejects. Floor space is reduced to a minimum because of the absence of piping, storage tanks, and so on. Working conditions in a heat-treating room equipped with electric furnaces show a great improvement over other methods, due to a lower temperature of the room and to the absence of fumes and noise. This new method also reduces the fire hazard, and by lowering insurance rates saves dollars for the owner.

Best of all, this rapid introduction of electric heating into our industrial life will soon be followed by the greater application of a similar development in our homes and offices. The cost of coal and oil is certain to go higher as the years pass. The cost of electricity will undoubtedly continue to show a decreasing tendency in the decades to come. The more uses we can find for electric current the bigger we can build our central stations. The whole idea appears to be a long step in the right direction.

Dealing with our energy consumption at the present and exploring new areas of energy for the future is becoming part of America's historical social fabric. Perhaps in the future we could reach a plateau in terms of our energy production and consumption. But until that time it appears there will be many more articles similar to that of Floyd W. Parson.●

ELEVENTH ANNIVERSARY OF INVASION OF CZECHOSLOVAKIA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. BOB WILSON. Mr. Speaker, concern for human rights is a principle that all Americans espouse, and therefore when violations of these rights occur, we as Americans must take note and express our outrage at such actions.

Eleven years ago this coming August 21, units of the Soviet Army rolled into the small, peaceful country of Czechoslovakia, thereby ushering in an era of Soviet domination and occupation of the country, with all the attendant repression of civil rights and liberties formerly enjoyed by the people of Czechoslovakia.

In spite of worldwide condemnation and protestations by leaders of the free world, the Soviet Union has continued its brutal domination of this country.

With the 11th anniversary of this reprehensible act fast approaching, I call upon my colleagues to join me in expressing our dismay that this state of affairs is allowed to continue, and to call upon the Soviet Union to at once cease their domination and allow the Czechs to again live as a free people.●

A NATION BORN TO BE FREE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. DORNAN. Mr. Speaker, it is with great pleasure and pride that I honor a young prize-winning author, Sara Shulsinger of Rancho Palos Verdes, Calif., by bringing her clear and forceful thoughts on world government before this great legislative body.

Miss Shulsinger recently entered her essay, "A Nation Born to Be Free," in the Herbert Albright Americanism Essay Contest. It was the third straight year she entered this competition and the third straight year she has taken a prize.

Miss Shulsinger is concerned for the independence of America. Her essay speaks to the concept of international unification and its possible effects on our Government and consequently, our rights. She quite correctly points out that as a nation devoted to individual liberty and free enterprise, the United States is in a diminishing minority in the family of nations. Our ideals could not help but be diluted if the United States were absorbed in a multinational confederation.

Mr. Speaker, I would like to extend my congratulations to Miss Shulsinger and proudly include her most recent prize-winning essay for my colleagues' consideration:

A NATION BORN TO BE FREE

(By Sara Shulsinger)

The United States has always been a peaceful but competitive, independent nation. By this definition, American ideals would never be preserved under any kind of world government.

Our system is unique. We are the only nation in the world with total representation of its population and founded entirely on free enterprise and individual liberty. Since we are in a minority, if we joined a confederation of other nations our way of life would be overpowered.

Two kinds of world governments are empires and amicable confederations, but

no matter how close the organization might be to American institutions, either type would destroy our way of life. Rome is a good example of what might happen to us under an empire. The American system is based in part on that of Rome, but there is at least one basic difference: Rome was a conquering nation which absorbed independent nations and forced them to her will, but the United States has never done that. As Rome grew, representation of all territories was spread thinner, and when Rome fell, it took these territories along with it.

Suppose a country neighboring America merged with us amicably. All kinds of new problems would be encountered. Mexico has a large percentage of illiterate population; also Americans generally speak only one language, while Canadians speak two and Mexicans speak a totally different one. So if America merged with another country not only would we add the problems of that nation to our own, but the government formed by the two countries would be unable to represent all of the people fairly due to language and literacy barriers. If all the people in a nation cannot express their ideas, then they are subject to a form of totalitarianism. Therefore, if this situation were expanded to world scale with all the different languages, rates of progress, and degrees of literacy, the chance for the survival of American ideals would be very slim.

By the very definition of America we could never survive under a world government. Any power enveloping the United States would destroy all our hard-earned standards of equal individual liberties. Therefore America must fight steadily against this, for once the flame of liberty is doused after the centuries of fighting that it took to light it and keep it alight it will be harder than ever to rekindle.●

LITHUANIAN CATHOLICS LOOK TO POPE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. DERWINSKI. Mr. Speaker, it is my policy to keep abreast of the situation behind the Iron Curtain, and specifically, within the U.S.S.R. With the SALT II treaty pending, with trade and defense considerations being affected by Soviet policy, we must keep in mind the oppressive conditions that exist throughout the U.S.S.R.

One of the captive nations within the U.S.S.R. is Lithuania. I wish to insert an article from the New York Times of July 26, in which columnist Craig Whitney reports on the status of the Catholic Church in that Soviet-occupied nation:

IN LITHUANIA, TOO, CATHOLICS LOOK HOPEFULLY TO NEW POPE

(By Craig R. Whitney)

VILNIUS, U.S.S.R.—The Roman Catholic priest sat in the sacristy, at a battered desk on which lay a crucifix and a breviary. He talked about the recent visit of Pope John Paul II to Poland, just across the border from Soviet Lithuania.

"It was a great mission for the people of Poland," the Rev. Vaclavas Aliulis said, "and we expect that this Slavic Pope may eventually bring improvements for us here as well. But it will take time."

Church-state relations in Lithuania, the only Catholic republic in the Soviet Union, could be at a turning point.

Even the Communist authorities here acknowledge that 50 to 60 percent of the 3 million nominal Catholics in this republic are still believing Christians 39 years after the Soviet Union annexed Lithuania in 1940. The proportions are more like those in Poland than in the rest of the Soviet Union, where only 5 to 10 percent of the people are officially described as religious.

IMPACT OF SLAVIC POPE IS SEEN

"Part of the reason is Poland," said Petras Anilionis, the Lithuanian Government's Commissioner for Religious Affairs. His deputy, Edvardas Juosenas, added, "The Polish and Lithuanian clergy have close relations, and they're closer now that the Pope is Polish."

"People here who believe listen closely to what this Pope says," Mr. Juosenas said. "It was one thing when the Pope was Italian. When it's a Slavic Pope who speaks, that's another thing."

The Government's State Committee for Religious Affairs is the real religious authority in Lithuania. Although Soviet officials contend that church and state are strictly separate, the church authorities cannot name a parish priest or select students for the seminary in Kaunas without the approval of Commissioner Anilionis.

Father Aliulis, who is pastor of the Baroque Church of St. Peter and St. Paul in Vilnius, said that when the Pope visited Poland in early June many Catholics in Lithuania traveled south and west to the border to watch Polish television coverage. Soviet television in Lithuania gave only sparse and limited coverage to the visit.

In Poland, the Pontiff pledged solidarity with what he called "often forgotten nations and peoples," including those with Catholic traditions in Lithuania and Czechoslovakia under Communist rule.

But some of the priests who listened eagerly to his words in June now confess to disappointment that deeds had not followed.

"We wish we had gotten a bishop from the Pope's visit," a Vilnius priest said. "We need a bishop."

Bishop Julijonas Steponavicius, the Apostolic Administrator of the Vilnius Archdiocese, was banished by the Government to the town of Zagare in 1958. Mr. Anilionis says the bishop had called on the faithful to resist Soviet laws that subject the church to government regulations and had agitated for the right to conduct organized catechism lessons for the young.

The Soviet Foreign Minister, Andrei A. Gromyko, had an audience with the Pope in Rome on Jan. 24, and Soviet officials say the Pontiff asked about Bishop Steponavicius's status. At the time, Mr. Gromyko may have been more preoccupied with the Vatican's influence on Poland.

On May 26, the Pope appointed 15 cardinals. But he kept the name of one of them secret. Most priests here assume that if the secret one is Lithuanian he could only be Archbishop Steponavicius.

In an interview at the State Committee for Religious Affairs, Mr. Juosenas said of the Archbishop, "He could return to Vilnius if he reflects on the reasons for his punishment and conducts himself accordingly." But, he went on, "a lot will depend on what influence the Polish clergy has on the Lithuanian clergy. They have increased their ties considerably since the Pope's visit in June."

In Poland, the Catholic Church is an organized and flourishing force that rivals the authority of the ruling Communist Party. In Lithuania, many people go to church as an affirmation of historical loyalty to traditions that the Soviet authorities have tried to suppress and the church seems weak and demoralized.

VILNIUS CATHEDRAL NOW A MUSEUM

In Vilnius for instance, the Cathedral was closed by the state in 1951 and reopened later as an art museum. In Kaunas, the church around the corner from the curia office of Bishop Liudvikas Povilonis has been turned into a movie house. When the Bishop was still a pastor in Klaipeda, he was sentenced to eight years in prison for "illegally appropriating building materials" for a new church. It was converted into a concert hall. He was amnestied after having served four years.

There were 40 Catholic churches and monasteries in Vilnius before World War II while the city was under Polish sovereignty and had 180,000 people. Today there are 11 churches, for 481,000 people. The Soviet authorities say there are 712 Catholic clergymen in the whole country, and 72 seminarians studying at the single Catholic seminary, in Kaunas. It is allowed to ordain fewer than a dozen priests a year. In 1978 alone, 23 older priests died in Lithuania.

Still, Mr. Anilionis said, "in the last 10 years we have closed not a single parish in Lithuania."

He and his deputy showed pictures of churches filled to capacity, of religious processions in the streets. The pictures convey the impression the authorities want to convey, of a church freely permitted to function despite what Mr. Anilionis's deputy called "slanderous" reports to the contrary made by daily Lithuanian-language broadcasts from the Vatican radio.

Reality is somewhat different.

A mass at the Polish-language Dominican Church here one recent weekday night looked well attended, and the priest was a young visiting clergyman from Poland. But most of the parishioners were old women, following mass from tattered prayer books printed half a century ago. The priest who hears confessions at the church has been working for 70 years, and he is weary. A colleague expressed a kind of exhausted resignation in talking of the activism that had led to the banishment of Archbishop Steponavicious.

POPE KNOWS SOVIET CONDITIONS

"You can't act here as if you were living in the West," the man said. "You have to adapt to these conditions. This new Pope is better for us. He knows what sort of conditions we have."

Younger priests and parishioners impatient with the results of accommodation to the militant atheism of the Soviet state have protested in underground periodicals smuggled to the West that the internal security police screens seminary applicants to keep the best out, and that the Committee for Religious Affairs appoints only incompetent priests to positions of administrative importance.

On the other hand, at the Church of St. Peter and St. Paul, Father Aliulis said that many parents continued to instruct their children in religion and as many as 50 boys and girls appear on first communion days.

At another church downtown the other day, a stern, kerchiefed woman watched like a hawk over a group of 12 schoolboys and girls attending evening mass, making sure that there was no horseplay.

Such a scene would be hard to find anywhere else in the Soviet Union, where minors are often barred from churches simply because of their age.

"The influence of religion is gradually decreasing," Mr. Juosenas said, "but what happens here next will depend on the leadership of the Vatican."●

STATE AND FEDERAL INITIATIVES TO COMBAT CANCER

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. CARTER. Mr. Speaker, I am inserting in the RECORD today a recent address by Dr. David Goldenberg, executive director of the Ephraim McDowell Community Cancer Network in Lexington, Ky. Speaking at the National Governors' Conference in Louisville earlier this month, Dr. Goldenberg discussed the progress that has been made under our national cancer program as well as the important challenges that lie ahead. In particular, he emphasized the need to strengthen State and local efforts to combat this disease which has been estimated to cost our Nation $30 billion a year.

I have long recognized this need myself. Since approximately 85 percent of cancer patients are first seen and diagnosed at the community level, it is there where a major impact on cancer can be made. I was pleased that I was able to include an amendment in last year's extension of the National Cancer Act authorities to encourage support for locally initiated education and demonstration programs. As described in last year's committee report, this provision calls for the "establishment of locally initiated education and demonstration programs, including regional networks of such programs, to transmit research results and to disseminate information on the detection, diagnosis, prevention, and treatment of cancer and for the rehabilitation and counseling of cancer patients to physicians and other health professionals who provide services and care to those who have cancer."

Last year, the Kentucky General Assembly appropriated $1 million per year for statewide, community-oriented cancer detection, screening, education, and documentation programs. I am proud of our State's commitment to join the national effort to control cancer, and I would encourage other States and communities to do all they can to increase their involvement in this very important field.

The text of Dr. Goldenberg's address follows:

STATE AND FEDERAL INITIATIVES TO COMBAT CANCER, OUR MAJOR HEALTH PRIORITY

Since passage of the National Cancer Act of 1971, a popular question in the press is, "Is America winning the war against cancer?" According to one journalist in New York, "The harsh facts, borne out by available statistics, is that we're not. The death rate goes up every year. Four hundred thousand Americans are expected to die in 1979." Let us briefly review the character and nature of this so-called "war", and where we stand today, 8 years later.

In 1971, former President Nixon spoke of "a total national commitment" to conquer cancer. Nine years later, when we look at the 1980 budget and the $1 billion being discussed by the House and Senate appropriation committees for the National Cancer Program, I cannot help but wonder whether a similar commitment would be made if an enemy of ours would be killing over 1,100 Americans each day, as cancer does.

When in the history of human conflict has a nation sustained such continual losses, and what President, Congressman or Senator would deny the appropriation of many multiples of $1 billion per year to reduce this loss of American lives? The hard facts and figures tell us that we are not waging a battle, no less any war against cancer!

If we look at the Federal budget for fiscal year 1980, the National Cancer Institute is to receive the equivalent of $4.16 per person in the U.S., while a similar calculation places the amount per person at $41.46 for Federal highways and airline subsidies, $18.97 for space programs, and $628.18 for defense programs. And yet, each year cancer takes more lives in this country than we lost in the Second World War.

Although I cannot assure you that any amount of money in a single year will permit us to eradicate this dread disease, the National Cancer Program, although a modest effort in monetary terms, has had an impressive record of accomplishment.

Advances in cancer detection, diagnosis and therapy have had an important effect in reducing the mortality rate in a few kinds of cancer, such as the lymphomas, particularly Hodgkin's disease, childhood leukemia, thyroid cancer, bone cancer, testicular cancer, bladder cancer, and cancer of the uterus. In 1950, we were able to save 25 percent of cancer patients; today, over 41 percent. The American Cancer Society estimates that 3 million people in the U.S. are alive today although they have had cancer.

The best example of eradicating a cancer by improved early detection is that of cancer of the uterine cervix. The Pap test is capable of detecting not only early stages of cancer, but abnormal changes in the cervix 5 to 10 years before it may turn into cancer. Similar research is in progress for the early detection of other cancers, but under the current budget only a fraction of the research deemed acceptable by scientific review can be funded; a fraction that was two-fifths of approved grants in 1978.

I remind you that this is what has been termed a "war on cancer." Since establishment of the National Cancer Institute in 1937, about 8 billion dollars have been invested in cancer research. For the 3 million Americans we have been able to save, we compute that each life saved cost us only $2,667.

How does this compare to the costs of each new cancer death? What is the impact of cancer on our nation's economy? The cost of all diseases in the U.S. in 1975 has been estimated at $245 billion, which includes hospital and physician and other direct costs, as well as indirect—although very real—expenses, such as lost earning power and productivity due to premature death.

Cancer makes up about 9 percent of this total cost, amounting to about $30 billion a year. Dividing this amount by the relative cancer occurrence figures for each state, the cancer economic burden by state in 1978 comes to $2.7 billion for California, $1.5 billion for Florida, Texas, or Illinois, $1.2 billion for New Jersey, $3 billion for New York, $1.8 billion for Pennsylvania, and $510 million for Kentucky.

These are not exaggerations. These figures also do not consider the cultural impact on our society due to the loss of some of its most distinguished members, as well as many who died before they could realize their potentials.

Although 1,120 cancer patients die daily in the U.S., we are achieving a saving of 797 lives each day. This comes to 291,000 Americans being cured each year, which is 41.6% of the 700,000 new cases diagnosed annually. These lives saved each year are enough to populate such cities as Tampa, Spokane, and Lexington in Kentucky.

Since it has been imputed that each premature death due to cancer costs between $41,000 and $69,000, the lives saved each year are returning to the economy in the form of productive work, earnings, and taxes between 11 and 20 billion dollars, or more than has been spent on the entire federal cancer program since the establishment of the National Cancer Institute in 1937.

I have taken this effort to itemize the costs of cancer to you, and to show what the investment in cancer research at the federal level returns to our nation's economy because the public and its leaders need such information in order to make rational decisions regarding budget priorities.

What government programs can show such high returns, not only in dollars but in the lives of members of two-thirds of all our families? As you well know, a cancer victim in one's family imparts an entirely different view of this disease from all the statistics, calculations, and logic one expresses.

Let me now turn to more precise activities that need to be undertaken by state governments. What additional resources are needed, what can be accomplished? The investment of state governments in cancer programs has been minimal, although there have been some noteworthy efforts in Texas, New York and most recently, here in Kentucky.

State and local governments, contribute only about 9 percent of the total national budget for cancer programs. And yet, about 85 percent of cancer patients are first seen and diagnosed at the community level, outside the major medical and cancer centers. It is here where the opportunities for using the latest advances of knowledge in cancer detection, diagnosis and treatment lie, and where a major impact on cancer can be made.

By just applying the knowledge and methods we have today more rapidly and effectively, we should be able to save an additional 10 to 17 percent of Americans afflicted with cancer, or between 70,000 and 119,000 lives each year. The Kentucky General Assembly in 1978 appropriated $1 million per year for statewide, community-oriented cancer detection, screening, education, and documentation programs.

Our Governor and the Kentucky legislature thus accepted this challenge and responsibility to join the federal government in the effort to control cancer. The federal government, through the National Cancer Institute, should support fundamental and applied research on cancer, while the states should be prepared to invest in and develop local public health programs with cancer as the main strategy.

An effective cancer control program, that is, the proper and rapid transfer of new technology and knowledge to the practice of medicine, must reach those who need attention most, at the local, community level. This can be done best by the states and the local communities themselves.

All segments of the public are rightfully impatient and demanding that money breed results, indeed, rapid returns, as measured by important "breakthroughs" and instant "cures," and the journalistic and political forces are easily persuaded that anything less than such accomplishments are failures on the part of science and medicine to fulfill the expectation that we win the so-called "war" on cancer.

The scientist approaches the complexity of cancer with a realisation that it will take a long, sustained, stepwise effort to bring the more than 100 forms of cancer under control.

The patients and their families are slowly learning that cancer is not a hopeless scourge imbued in secrecy and shame.

Physicians no longer dread to diagnose cancer, but work hard to find a tumor, act faster when it is found, and teach their patients to practice self-examination where it is appropriate. Now is the time for the Governors of our nation to seek to understand the full meaning of the cancer problem—medically, socially, and economically—and to set the fiscal priorities needed at the level of state government to better cope with the most feared disease of our time.●

A TRIBUTE TO C. R. LEWIS AND HIS WORK IN ALASKA

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. SYMMS. Mr. Speaker, I wish to insert into the RECORD an article about a very important Alaskan named C. R. Lewis. Clyde Lewis has done a great deal to contribute to the development of Alaska since he moved there in 1939, and he feels strongly about the right of Alaskans to have a say over what happens to their land.

This interview with Mr. Lewis discusses the Alaskan Lands bill, H.R. 39, which has already passed in the House but has yet to be considered in the Senate. I urge my colleagues to take note of Mr. Lewis' comments on this "land grab" bill.

I commend Mr. Lewis for his dedicated service to the State of Alaska and for his efforts to preserve individual liberty in this Nation.

This interview appeared in the April 4 issue of The Review of the News, which is published at 395 Concord Avenue, Belmont, Mass. 02178.

ALASKA IN THE LOCKUP

ALASKA BUSINESSMAN CLYDE R. LEWIS TALKS TO JOHN REES

Forty year ago Montana-born Clyde R. Lewis, then 23, decided that his future was beyond the frontier in Alaska. Since 1939, Lewis has been a part of Alaska's dynamic growth. During his early years in our most northern state, Lewis worked as a miner, pipe fitter, assayer, and as a marine engineer. After wartime service, making use of the experience that he had gained in Alaska's expanding industries, Clyde Lewis founded a pipe fabricating and installation business which for the past quarter of a century has been actively involved in the industrial development of the state.

C. R. Lewis has remained active in the political life of his state, making effective use of his considerable knowledge of the economic problems that now confront Alaska.

Q. Senator Lewis, many people in your part of the country are concerned about a planned federal lockup of more than 40 percent of Alaska's lands. But the federal land grab in Alaska is of serious concern to the Lower 48 as well because it would set dangerous legal precedents and would prevent private development of Alaska's oil, gas, and mineral deposits. The House wrestled with the Alaska Lands Bill, H.R. 39, and passed a version of it in the final days of the last Congress. But the Senate narrowly killed the measure. Would you explain what the problem is with these Alaskan lands?

A. First your readers are going to need a little background on Alaskan statehood. Under the Alaskan Statehood Act of 1958; Alaska was granted over 104 million acres of unreserved federal lands for its own selection as state lands—lands that would be opened up to the people. Alaska had 25 years to pick the lands it wanted under the statehood enactment. Back then, only 83 million acres of reserved federal lands were off-limits to the State of Alaska, which therefore had the legal right to pick what it wanted from the remaining 293 million acres. The State of Alaska moved slowly in picking the land to be opened up because great areas had not been properly surveyed and prospected. Meanwhile, claims by Alaskan Indians and Eskimos were pressed; and, in 1966, President Johnson's Secretary of the Interior, Stewart Udall, unilaterally froze any further conveyance of federal lands to the people of our state—with that freeze becoming a law on New Year's Day of 1969.

Q. How much land did the State of Alaska have of what it was entitled to for its people under the Statehood Act?

A. At the time of the Udall land freeze we had gained title to only 26 million acres or one-fourth of our entitlement under the law.

Q. Then what happened?

A. In 1971 the Congress passed the Alaska Native Claims Settlement Act and the land freeze also was lifted for a period of 90 days. Under that law, the Secretary of the Interior was authorized to withdraw no more than 80 million acres of land that he could urge Congress to freeze into national parks, refuges, national forests, and wild and scenic rivers. Those lands were off-limits to selection either by the State of Alaska, for its people and industry, or by various regional native corporations; and Congress had until the end of December 1978 to determine the use of such lands. After that, they were supposed to revert to the status of ordinary public lands.

So the State of Alaska had 90 days under that Alaska Native Claims Settlement Act of 1971 in which to pick land. It wasted no time and selected 70 million acres, still less than our entitlement under law. But the Department of the Interior went to court to prevent this because Secretary Udall wanted control of those choice areas. At the end of 1972, there was an out-of-court settlement between Alaska and the federal government in which we lost 28 million acres of our 70 million choice selections.

Q. How much of the 104 million acres Alaska was entitled to wrest from federal control under the Statehood Act of 20 years ago does she now have?

A. By the end of 1972, Alaska had picked 96 million acres to be freed, but the federal government, through its Interior Department, had blocked the freeing of all but 66 million acres. And federal selection of lands, native selection withdrawals, and the like have further reduced the land available to Alaska.

You know, even in Alaska land is not limitless. The state land area is 375 million acres. I have seen reports that, by the beginning of 1979, some 300 million acres (80 percent of our land) have been barred to selection by the state for use and development by Alaskans. And, of the current state selections of 75 million acres, only 21 million have been clearly patented to the state for distribution, another 16 million acres have been tentatively approved, and 38 million acres more are still pending approval for transfer.

Q. What then was the purpose of H.R. 39 in the last Congress?

A. Very simply and plainly, H.R. 39 was a bill to place more than 100 million acres of the federally owned 25 million acres in Alaska under categories that would prevent their being used or developed commercially. Despite the repeated efforts of Alaska's congressional delegation to make it clear that bill would absolutely destroy our state's economy, the House of Representatives passed it. In the final version of that bill, the federal government would have taken permanent title to more than 140 million acres of Alaskan land; and, 65 million of those acres were to be designated as "wilderness" region barred forever to any sort of development. Never mind that these regions contained rich mineral deposits, some being likely sites for badly needed oil and natural gas.

When the land-grab bill went to the Senate, a very bad compromise was worked out. Then, under tremendous pressure from Alaska, it was killed by Senator Mike Gravel in the last few hours of the session just before adjournment. At that time the Senate was operating on "unanimous consent" procedures. Gravel, who had himself been part of the ad hoc compromise committee, never let on that he would oppose the bill. At the very last minute, with all Alaska in a fury, he balked and it failed.

Q. But that wasn't the end of it?

A. No, not by any means. When the Carter Administration saw how adamantly opposed to this federal land grab we Alaskans were, and when it saw that it might not be able to force the federal land grab through Congress the way the administration wanted, the President's people decided to make an end run around Congress altogether.

Remember that all those millions of acres of "temporarily" reserved federal lands were supposed to revert back to the status of ordinary public lands on December 31, 1978. To prevent that and to fix the federal hold on those lands, President Carter in December declared 56 million acres of that land to be "national monuments" under the claimed authority of the Antiquities Act. No development of any sort can take place on land taken under the Antiquities Act unless Congress should vote to revoke that authority.

And then Cecil Andrus, Secretary of the Interior, withdrew another 55 million acres under the authority of the Federal Land Policy Act of 1976. And, finally, Secretary of Agriculture Robert Bergland withdrew some 8 million acres within Alaska's two national forests.

Q. What reason did the Carter Administration give for its December land grab?

A. The Administration claimed those December withdrawals were merely to keep options open on the land until Congress should pass another Alaskan land act in this new session, and it claimed it would abide by congressional decision about what to do with these lands. But there is no guarantee of this whatsoever. By claiming authority under those various monuments, land policy, and roadless areas acts, President Carter's people have completely circumvented the legislative process and have put development of our state in the deep freeze.

Q. Was the Senate compromise bill really that much better than the House-approved version?

A. The bill itself—the very concept of the bill—was bad. It was an unconstitutional compromise with the federal leviathan and as moral as throwing your brother to a pack of hungry wolves in the hope they will eat you last.

Q. But a new version of H.R. 39 has again been placed before the Congress.

A. Yes, and it is even worse, if that is possible, than the bill the Congress passed last year. Representative Morris Udall (D.-Arizona), who is the Chairman of the House Interior and Insular Affairs Committee, in-

troduced the new H.R. 39 that is sharply different from its predecessor. In the new bill, a total of 141 million acres, almost 40 percent of the entire State of Alaska, would be placed under restricted use in one of the federal programs. And, in this bill, 85 million acres are designated "wilderness" in which no development may occur that will alter the pristine condition of the region.

Udall's new bill would ratify the President's outrageous action of December. You should remember that, in the bill the House passed, only 27 million acres were set aside as parks, but Udall's new bill makes parks of 13 Carter-designated "national monuments" totaling 41 million acres. Originally native lands were to be excluded from the federal lands, but the new bill would take some of these as well as millions of acres already held or selected by the State of Alaska.

Q. What would this do to oil and gas development in Alaska?

A. It would stymie, practically kill, the oil and gas industries in Alaska. One particularly critical point is the change in status of the National Petroleum Reserve in our state. The old bill designated it a refuge for wildlife with the provision that such classification should not affect oil development. In the new Udall bill, there is no such provision for oil and gas development. It is a lockup.

And most of Alaska's oil and gas basins have been explored only superficially. I've seen that there have been only a dozen exploratory drillings outside Cook Inlet and Prudhoe Bay, and that's on more than 300 million acres. What is even worse, all those wilderness designations in the new H.R. 39 would block new pipeline routes even if gas and oil were to be found in a region where development was permitted. I tell you, these fanatics have us by the throat.

Q. The sponsors of the bill claim mineral acres for development will be relatively unaffected. Is this true?

A. This is very misleading. The Interior Department's Bureau of Mines has classified Alaskan areas as being "highly favorable," "favorable," or "less favorable" for mineral deposits. When you combine all three categories, then roughly two-thirds of them are outside lands to be frozen by the federal government under H.R. 39. But, if you look just at the "highly favorable" category, some 70 percent of all these mineral-rich areas are in the lands the federal government wants for itself under H.R. 39.

Q. What do these minerals mean in potential jobs for Americans?

A. A recent study by the Stanford Research Institute looked just at seven of the most promising mineral locations—the ones most likely to go into immediate production if commercial development is not blocked by H.R. 39. Just these seven mineral locations were estimated to be capable of generating 40,000 and more jobs—that's jobs in the Lower 48, not in Alaska, where the increase in our economy would be substantial. And, as frosting on the cake, these seven mineral locations—if they were in production—would reduce America's trade deficit by one billion dollars each year. You can see that tying up these lands to please the no-growth environmentalists is just as destructive as it can be.

Q. What sort of minerals are in these seven locations the federal bureaucracy is trying to freeze?

A. One is a silver-lead-zinc-cadmium deposit; two of them are very rich lead-zinc-silver-copper deposits; one is asbestos; there are rich nickel-cobalt-copper deposits that could end our dependence on Zaire which was invaded twice in the past couple of years by revolutionaries trained by the Communists in Angola. You know Zaire could well fall to the Communists—it's already pretty much surrounded. If that happens the Reds could cut off most of the Free World supply of cobalt, a strategic mineral, because right now Zaire and the Soviet Union are the major producers.

As for the other major Alaskan mineral sites, there is a major silver-lead-zinc-gold deposit on Admiralty Island which could go into quick production. But that too has been included in President Carter's "monuments" scheme and would be made a "wilderness" area under Udall's H.R. 39.

Finally, the second-largest molybdenum deposit in the world at Quartz Hill (being developed by U.S. Borax at a cost so far of more than $5 million) has been enclosed in President Carter's Misty Fiords "monument" and would be declared a "wilderness" in H.R. 39. It should be noted that Carter Administration officials have openly speculated about abrogating the mining rights currently held by U.S. Borax in Quartz Hill.

Q. You have undoubtedly heard the claims of environmentalists that Alaskan minerals might as well be locked up in federal wilderness because they cost too much to get out and thus are not economical to produce.

A. That is just ridiculous. In 1977 alone, some $70 million was spent on mineral exploration in Alaska by more than 200 companies. In a free economy, profit-making companies do not pour money into investments where they expect no return. But the federal efforts to take permanent control of all the best lands and lock them away from private development is having a serious adverse effect on new exploration.

Q. Many resources are involved, aren't they?

A. Yes indeed. Take the timber industry which is the backbone of the economy of southeastern Alaska. Most of the area now is included in the Tongass National Forest, and lumbering in the forest supports five sawmills, two pulp mills, and directly provides the livelihood of more than 3,000 Alaskans. But H.R. 39 will put 5.5 million acres into "wilderness" classification and will reduce the allowable timber cut by some 40 percent. The only way the gap could be made up would be by overcutting in the non-wilderness areas. This could only go on for a limited time before the forest is completely denuded and the lumber industry destroyed. That is just the sort of "cut and run" type of operation we Alaskans want to avoid. The Forest Service's own data shows that this extensive "wilderness" provision of H.R. 39 will cost Alaska 3,000 jobs.

Q. Senator Lewis, many of us associate your state with sport-hunting vacations. How would the federal land-grab legislation affect this?

A. Almost all the areas of Alaska that offer high-quality sport hunting will be closed to hunting by the "park" or "monument" classifications. The anti-hunting groups are trying to make sure that all the large areas to be made "wildlife refuges" are closed to sport hunting, a multimillion-dollar industry here in Alaska. Hunting licenses alone brought in $1.4 million to the state treasury for 1977. We have 420 registered guides and 1,200 registered assistant guides who work primarily for out-of-state hunter tourists. These hunters support bush pilots, outfitters, and hunting lodges that in turn employ other Alaskans in their businesses. By designating as "wilderness" areas game "preserves" where hunting is specifically "permitted," severe restrictions are placed on aircraft landings, camp facilities, the gathering of firewood, use of equipment, and many activities related to hunting. The effect is to prevent hunting. You know, up in our state, you can't just drive your car up to the edge of a federal "preserve" or so-called "wilderness," walk in, hunt for a couple of hours, walk back out to your car with your game slung over your shoulder, and drive home or to the nearest taxidermist.

The Udall bill would cost Alaska's economy at least $5 million each year by effectively cutting off most of the best hunting areas. So if you are a hunter who has dreamed about coming up here one day and hunting a bear, you can just forget it if this bill goes through.

Q. This gets into the entire Alaskan lifestyle, Mr. Lewis, which is a whole lot different from what we have back down in the Lower 48. Alaska really is our last American frontier.

A. It really is, and I don't think Americans elsewhere fully appreciate this. In my state, our paved road mileage is less than what you have in Washington, D.C., alone. Up here you use an airplane to fly in your supplies, visit your neighbors, and carry on your business. And a snow-machine is not merely a recreational vehicle. It is a utilitarian machine that has in many areas replaced the dogsled. The airplane, riverboat, and snow-machine are tools of the trade for the Eskimos, Indians, and white homesteaders. The bush is a big part of our life in Alaska.

These proposed parks in H.R. 39 include many small mining communities and the home of trappers, homesteaders, guides, and others. At least right now there is no language in the bill to permit these people to go on living where they live and carrying out their customary activities. It is as if Congress had decided to freeze activities in the whole Western part of the U.S.A. in 1870 by declaring 15 states to be a national wilderness too precious for people.

One of the biggest problem areas is trapping. What is termed "commercial trapping" is forbidden in national parks, and so is sport hunting. But virtually all trapping in our state, and this is whether it is done by Eskimos and Indians or by white homesteaders, is to obtain pelts for cash sale. This is one of the few ways these people can earn any cash. But this land grab will not allow their present trapping activities to be classified as "subsistence" activity. Another problem is that the park and refuge classifications deny these small villages the ability to obtain local lumber for their own needs.

The so-called environmentalists have already indicated they want the government either to buy-out or force these frontier people off the newly declared park lands. This would be an action of grave injustice. It is un-American. And the President and his political party have a lot to answer for in trying to do it.

Q. Can you summarize the impact of this proposed Alaskan Lands Act?

A. Studies based on federal statistics estimate the effect of H.R. 39 would be drastically to reduce the population of Alaska. Development of new oil, gas, and mineral areas will be severely curtailed. Many of the best areas will be locked up permanently in federal lands. Our lumbering industry will be destroyed, and so will our sport hunting. Finally, our native and homesteader population will be severely restricted and their lives confined by multitudes of federal regulations. Worse, they may be driven out of their homes in many areas.

Q. How do you rate the work of Alaska's congressional delegation in fighting all of this?

A. Well, we have a very good, hard-working Congressman in Don Young.

You know, there are some people who think that the real core of the Alaskan land grab is a desire by federal planners to move, at some future date, to set up government-run mining and oil and lumber businesses which use capital taken from the taxpayers'

pockets. In other words, at some future date, the federal government would take capital from the taxpayers and go into business as a rival to private development. The idea would be federal takeover. It is a back door to socialism—and it is being hung here in Alaska because this is the last great frontier. The bureaucrats figure that if they can break us they can pretty well break the rest whenever they put their minds to it.

Q. Do you think the governor and state administration are going all out to obtain Alaska's land entitlement and to get that land into the hands of Alaskans?

A. Unfortunately my answer must be no. The governor has publicly stated that *private* ownership of land is the "ultimate lockup." This outlook at the top is naturally reflected throughout the state administration. Obviously it's hard to work to get land for the people if you don't believe in the principle of private ownership.

Actually private ownership of land is the ultimate freedom. It brought millions of people to this country, it sent the covered wagons across the nation, and the hope of land has peopled Alaska.

Q. What about the $2.5 million appropriated to the governor's effort to block the federal land lockup. Has it been well spent?

A. I think not. I have not seen any of it expended in support of Alaska's constitutional right to its land. The effort has largely ignored our rights to land under the U.S. Constitution and also has ignored the unconstitutional presence of the federal government in Alaska. We might have been better off to give that $2.5 million to Nevada, which is in court fighting this same battle for its land based on the Constitution of the United States.

Q. Mr. Lewis, you ran a tough race for the U.S. Senate in 1974 and were nearly successful. Are you considering making another try for the U.S. Senate?

A. We in Alaska have got to have a U.S. Senator in Washington who stands by our Constitution and for the people. Someone who is not in there just for the sake of having a political career and hobnobbing with the fancy Dans in Washington. We need someone who is not interested in making a job for himself, but in *doing* the job for Alaska. I would much rather support someone else. But I'll tell you honestly that if I can't find somebody else I can support, somebody who will fight for principles rather than compromise us into the deep freeze, I just might have to run myself.●

DICKEY-LINCOLN UNWARRANTED EXPENSE OF TAXPAYERS' DOLLARS

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. HAGEDORN. Mr. Speaker, I would like to add my voice to a growing number of those who are opposing the Dickey-Lincoln School hydroelectric project.

The Dickey-Lincoln project is a $1 billion boondoggle that constitutes an unwarranted expense of the taxpayers' dollars. After nearly 15 years of study and attention by the U.S. Congress, it is now time to put a stop to this project, which is opposed by Maine's two Representatives in the House, its junior Senator, and most importantly, an ever increasing number of Maine and New England citizens—those who are presumed to be its beneficiaries.

I have supported attempts to deauthorize this project because the more I studied the issue and the more I listened to those who have been involved extensively with it, the more I realized that this is an unneeded and wasteful expense of the American taxpayers' dollars. Various environmental and economic analyses have shown that the project will not produce enough electricity to justify its construction costs.

Very briefly, from an environmental standpoint, the project would flood some 88,650 acres of timberland and wilderness and destroy 267 miles of free-flowing streams and rivers.

While these environmental objections are substantial, opposition to the Dickey-Lincoln project extends to a sounder basis. The electrical output of the project would supply only 17 percent of the Northeast's peaking needs and would increase New England's electrical capacity by only 1.1 percent, far below the annual growth rate of consumption. The project would save only 2.3 million barrels of oil annually, at a time when the United States imports 9 million barrels of oil daily. Furthermore, various economic analyses have projected a negative-benefit-cost ratio on the investment.

One of the more puzzling aspects of the Dickey-Lincoln project, Mr. Speaker, is the Carter administration's approach to it. It seems a bit incongruous to me that President Carter has taken no firm position on Dickey-Lincoln. I say incongruous because while the President has vigorously attacked various water resource projects that the Congress has passed over the past several years, the Dickey-Lincoln project is one that he is currently saying nothing about. If there is any water project that the President should oppose, it is Dickey-Lincoln.

And what is the reason for the President's silence? Dickey-Lincoln was initially included in the President's 1977 so-called hit list of water projects, but because of pressure exerted by two supporters of the project, Maine Senator EDMUND MUSKIE and then-Senator William Hathaway, the project was removed from the President's list. So, out of one side of his mouth, the President denounces a series of water resource projects that the Congress has deemed necessary, and out of the other side of his mouth he lends his tacit support to a project which is economically and environmentally unsound and is opposed by an increasing large number of Maine citizens and Members of Congress. In fact, just last week, the Water Resources Subcommittee of the House Public Works and Transportation Committee voted 23 to 18 to deauthorize the project.

Mr. Speaker, I denounce this double-talk on the part of the Carter administration. The President is trying to have it both ways. On the one hand, he seeks to serve his own interests by playing the game of politics with Congress in order to maintain good relations with the senior Senator from Maine. Yet, on the other hand, he also attempts to serve his own interests, by publicly condemning those water projects that the Congress has seen fit to pursue, but which he finds politically safe to attack. Mr. Speaker, the American people deserve better from their President on matters of such importance as flood control, adequate water supplies, and energy-producing water projects.

While I strongly believe that this country must decrease its dependence on foreign sources of energy, I do not believe we should accomplish that purpose by building a dam that the people and their elected Representatives do not want, that economic experts find to return a negative—at best marginal—benefit for the cost, and that would be as damaging to the environment as this project. Dickey-Lincoln should be deauthorized.●

ENERGY CRISIS CAN BE SOLVED, IF WE PERMIT IT

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. FROST. Mr. Speaker, as one who has avidly pored over every editorial column in the Washington newspapers these past few weeks searching for comments on the energy crisis, I think it appropriate that we in Congress have the opportunity to read what other newspapers across the country are saying about this subject. I know how easy it is to fall into the trap of insulating yourself from all perspectives except those originating from Washington or your district, and I thought I would offer my colleagues that chance to read what a columnist in Dallas, Tex., has to say about our energy difficulties.

The five part series I am submitting to the RECORD was written by a friend and associate of mine, Mr. Ray Zauber. Mr. Zauber is the editor of the Oak Cliff Tribune, the leading community newspaper in Dallas. Whatever your position on the subject of energy, I think you will enjoy the approach he takes and I hope you will find his remarks as provocative and enjoyable as I did. I am happy to have the chance to share them with you.

The material follows:

ENERGY CRISIS CAN BE SOLVED IF WE PERMIT IT—PART I

(By Ray Zauber)

Scratchpad's father-in-law, Frank Huggins, who died about a year ago, was a principal in a patent to convert coal to natural gas and oil.

Working with a backyard inventor, George Vestal in Denton County, the two men succeeded in completing a bench model of a coal gasification system which emitted gas from a rubber tube and a petroleum-based distillate in a glass beaker.

The two men, sensing a multi-billion dollar breakthrough, guarded their invention zealously. They spent months and years finally getting a patent and attracted small local investors to help finance their operation.

Frank Huggins spent weeks at the time flying all over the United States contacting prospects for underwriting a pilot plant. Included were governors of several states, the Secretary of the Interior, federal judges, top bureaucrats, major industrialists and even some major oil producers.

Several area attorneys and substantial businessmen with small investments in the Vestal System assisted in making contacts for building the pilot.

However, the inventors were so afraid that their system for fragging coal and producing oil and gas would be imitated or stolen, they were unconvincing salesmen. They seemed to be withholding information, or hedging on technical matters, which hardly inspires confidence in a prospective partner.

Scratchpad was one of the few outsiders ever getting an opportunity to watch the bench model operate. Old Scotchman Gordon McLendon and the writer joined Frank Huggins and George Vestal at the shop in Corinth and saw a demonstration.

The end products which we observed—and neither of us has the least bit of scientific background—was some kind of gas which could be lighted as it escaped from the rubber hose and a distillate which looked and felt like motor oil gathered in a glass beaker. Powdered coal was the sole source of raw material.

The inventors later allowed an attorney, who represented some large oil clients, to see the demonstration on the recommendation of Scratchpad and The Scotchman.

However, the father-in-law absolutely refused to allow some respected administrators in the national space program to see a demonstration. Ex-Congressman Olin (Tiger) Teague, who headed the House Science and Astronautics Committee, offered to have some of his top scientists evaluate the Vestal System.

"Why won't you let NASA and my friend Congressman Teague check out your system, Frank?" Scratchpad asked on numerous occasions. "Are you afraid they will tell you that it has no commercial possibilities or is economically unfeasible?"

His answer was always simple and direct. "I'm afraid of the government and the bureaucrats. They could easily steal the program or bury it in paperwork."

Frank Huggins had done cost analysis until he was haggard from juggling figures. He was certain that he could produce gasoline for less than five cents per gallon. The natural gas was virtually a cost-free spinoff.

In dozens of huge cardboard filing boxes now stored by Scratchpad's wife Mary are literally hundreds of folders on the Vestal System.

She has sketches of the bench model and copies of the patent. The volumes of correspondence and his carbon copies are still intact.

Immediately after he died, several of the investors made offers to revive the project. However, none seemed to have the expertise or the financial depth which made their propositions seem worthwhile.

Undoubtedly there are other George Vestals and Frank Huggins throughout the world who have similar schemes and similar dreams. Certainly most if not all the major oil companies have been experimenting with coal gasification.

There must be other chemical, plastic and mining giants who have also been examining the possibilities of converting coal.

Since coal is available in all 50 states and the reserves are tremendous, fragging certainly appears to be one viable possibility for solving the energy crisis.

Scratchpad always thought that Huggins and Vestal wanted to go too far and too fast. Their reticence hardly squared with their aspirations. Could this attitude be part of an international problem in providing new energy sources?

ENERGY CRISIS CAN BE SOLVED IF WE PERMIT IT—PART II

(By Ray Zauber)

Someday many of the natural resources on this old globe called Earth are going to play out. In many instances substitutes or synthetics can be found to circumvent the problems caused by the depletion of basic resources.

Seldom does Scratchpad find himself in agreement with President Carter and sometimes we question the President's sincerity. However, in the case of calling the energy challenge a moral equivalent of war, Mr. Carter may have a case.

If his energy strategy is an example of the Commander-in-Chief's leadership, Lord, please keep us out of war.

So much of the free world is totally dependent on reciprocal engines to move people, goods and raw materials that there is no immediate substitute. Automobiles, buses, ships, trains, planes, trucks and military vehicles basically operate on gas and oil.

Many of us forget that many other widely-used commodities are produced from a petroleum base. Plastics, fibers, synthetic rubber, toys, packaging, housewares—the list is long—consume huge amounts of oil.

Supplying electricity, operating machinery and turbines which turn the wheels of industry depend on an abundant and available source of energy.

In addition to refined petroleum, natural gas has provided a clean and abundant source of energy. However, natural gas is playing out along with crude oil.

The substitutes thus far developed have taken up precious little slack.

Nuclear energy now provides almost 13 percent of the electricity for the United States. However, this source is under such pressure from citizens with a cause, that the future of this program is jeopardised.

The nuke crusaders have driven the cost of nuclear energy production up to ridiculous and unwarranted levels. The communist, while involved in shutting down the nuclear industry in America, are hellbent on developing this source in Russia and the surrounding satellite nations.

While the Administration and the Congress have talked about solar conversion, geothermal, alcohol, coal conversion, tidal, wind, fusion and other new sources of energy, very little progress is being made. The dedication and impatience needed to implement new energy sources have not yet been generated, to turn a phrase.

Dry-cell battery development, which would allow practical electric motor conveyances, has made practically no progress to speak of. Yet, this quiet, non-polluting, efficient form of transport could provide tremendous relief from gasoline lines.

The late John Squier of Oak Cliff, whose gas measurement patents have been a boon to the petroleum industry, did his best to convince City Manager George Schrader's staff the city was burning thousands of dollars worth of natural gas each week at the garbage dump.

Squier outlined a simple and effective means for collecting the methane gas generated by burning ordinary garbage and piping it to city-owned buildings. The Tribune carried several articles on this subject by Squier, who was treated as some kind of eccentric at City Hall.

However, the Aggie engineer explained to The Tribune that there could be enough compatible gas generated from garbage to sell surplus to Lone Star Gas for distribution in Dallas.

There must be a starting place for solving the energy crisis by developing new sources and new techniques. The elimination of reciprocal engines and gas-driven turbines cannot be accomplished in a day or a decade.

However, if we have a 10 percent shortfall and windmills through the plains take up ½ of 1 percent slack, then we are making progress. Only three mile per hour winds are needed to turn the precision stainless steel blades with their ball-bearing rotors. Do-it-yourself kits to convert wind energy to electricity are already available with emergency back-up systems.

Gasohol might provide another 3 to 5 percent relief for gasoline in a crash program. Tidal, fusion, storage cells, coal gasification, hydro electrical, geothermal, solar and new nuclear sources might provide a surfeit of energy if harnessed rapidly and efficiently.

When the atomic bomb was developed in a crash program, the nation's best brains and total resources were yoked together. The energy crisis deserves the same all-out effort by the government, academe and the private sector working in a harmonious cooperative effort.

Short steps and little breakthroughs are important. They cannot be written off. And finding substitutes for diesel, turbine and reciprocal motors must be accelerated.

Scratchpad cannot conceive that another Industrial Age breakthrough is beyond realization.

Because man, left to his own finest resources, has an awesome ingenuity and indomitable spirit that has already conquered the first leg of space exploration.

ENERGY CRISIS CAN BE SOLVED IF WE PERMIT IT—PART III

(By Ray Zauber)

We Americans are the world's biggest suckers.

We allow all kinds of revolutionaries, militants, hippies, cuckoos and oddballs to disrupt our lives, waving their banners in a never-ending stream of causes and campaigns.

We allow our politicians and bureaucrats to get hippies, cuckoos and oddballs to disrupt our lives, adds staggering cost to every phase of managing society.

Seldom do our leaders act to avert crisis or emergency . . . they generally react to problems which could have been anticipated months, years or decades in advance.

In the energy crunch the Alaskan pipeline is a perfect example of government inertia. Eight years after a major oil deposit was found on Prudhoe Bay the pipeline to the Pacific coast was finally started. The costs escalated by billions while loud-mouthed, long-winded, lame-brained detractors debated the project.

As usual the bird watchers and butterfly chasers were hampering construction with their anxieties about damaging frozen tundra where no men and few beasts choose to roam.

Extending the pipeline through Canada to serve areas of the midwest where no petroleum is pumped was discussed and dropped. Instead this heavy crude with its high sulphur content was dispatched to California where the most stringent environmental regulations in the nation have long since halted construction of new refineries.

In the lower half of California the environmentalists have succeeded in blocking not only new refining facilities but even expansion of present facilities.

Then California motorists screamed and sobbed as long lines began to form for gasoline that was not available in that part of

the country where two or three automobiles per household is average.

On the East coast the record on anticipating the energy crisis was even sorrier than that on the west coast. The United States government agreed to allow drilling in the offshore waters extending from New York State and South Carolina.

The butterfly-chasing oddballs teamed up with self-serving politicians, short-sighted judges and other assorted cuckoos with a cause to hamstring completely the sale of leases in such potential oil deposits as the Baltimore Canyon.

Not only has this east and west coast crowd kept tight pricing lids on Texas and Louisiana crude and natural gas, they have also been perfectly willing to allow drilling in the Gulf of Mexico.

In parallel examples of insanity, the bird watchers and butterfly chasers have managed to halt the progress in producing other forms of energy. Take the proposed Tellico Plains dam in the Tennessee Valley Authority system, construction has been halted on this billion dollar project to protect the snail darter, a one and one-half inch fish which is labeled as an endangered species. The project is 2-3rds complete.

While the snail darters thrive there are now parts of the United States where there are insufficient energy, gasoline and fuel oil supplies. This is only one of several such public works programs which has been stopped cold during construction or where approval has been delayed to protect the unstructured flood plains.

The delays make the cost escalate wildly with total disregard for the taxpayers who shoulder the load.

The use of coal and shale as a substitute for oil or natural gas has also been slowed unconscionably by envisonmental redtape and regulations. No matter that there is a 200-year supply of coal which is spread throughout the 50 states of America, the ozone must be protected.

The sheer waste of gasoline in busing for balance is nothing short of criminal. Minorities now have full rights in this nation and opportunities abound for those who would take advantage of them. Mixing races for social equality apparently accomplishes nothing.

Let every child go to his neighborhood school or the school of his choice and stop this inexcusable waste of declining resources, manpower and money.

Eliminating forced busing and converting part of the nation's industry to coal by relaxing environmental standards would provide some of the small but significant stopgaps against the shortfall of energy.

ENERGY CRISIS CAN BE SOLVED IF WE PERMIT IT—PART IV

(By Ray Zauber)

President Carter has called solving the energy crisis the moral equivalent of war.

Yet he still hasn't mobilized his endless pool of talent for the big battle to overcome the shortfall of natural gas and oil products.

There is a multi-million dollar solar program which has been submitted to the Congress and the funds are likely to be approved. However, this is basically to provide low cost loans and tax credits to those individuals, businesses and industries willing to install solar heating devices.

None of the funds are allocated to improving solar heat collection, for perfecting a pilot plant to furnish electricity for one or more small communities or to transfer abundant energy to storage cells.

Everything in the President's approach appears to be piecemeal. Carter talks of fusion, geothermal, tidal, hydroelectric, magnetic, shale, coal tar, coal gasification, gasohol and windmill potential. Still the possibility of developing all these sources—or the best combination of several—has not been jelled.

The thrust of this series by Scratchpad was simply this: any kind of relief from general usage of oil and gas contributes to the overall solution. If windmills can provide 1 percent of the shortage, that frees millions of barrels of crude each year.

If the tides can be harnessed to furnish 2 percent, another clean source of energy to substitute for the present fossil fuels is generated.

If governmental restrictions were eased from nuclear power plants, undoubtedly as much as 25 or 30 percent of the nation's need for electricity could be supplied. Remember nuclear plants—despite all of the red tape and citizen protest—already furnish 13 percent of the electrical generating capacity of the nation.

A real crash program to develop common storage batteries which will power an automobile for 300 or 500 miles before recharging is justified. Electric cars are quiet and clean and nonpolluting.

Gasohol would be using solar power to provide a partial solution to the need for gasoline. Alcohol burns clean and lowers the need for additives in unleaded gasoline.

Since the sun produces the sources of alcohol—wood, grain, garbage, marsh gas—this is solar power at its present optimum use. City garbage dumps are an excellent source of natural gas, presently blown away on the winds. Sawdust, which must be trucked away from large logging camps and sawmills, makes excellent alcohol and briquets.

Fusion is another opportunity for a major source of energy by altering nature. It is less volatile than nuclear fission and does not have the unfair connection with atomic weaponry.

If a monopole exists, magnetism could be harnessed to provide tremendous power. There are eminent university and laboratory scientists searching for a breakthrough in this field.

Instead of crash programs in any one single substitute source of energy, why not a carefully balanced program in which the government, the academic community, the think tanks, industry, business and the nation's greatest scientists cooperate?

A nation which can send a man to the moon and which can produce weapons by smashing atoms can certainly cope with the critical matter of oil and gas depletion.

Congressman Jim Wright of Fort Worth, House Majority Leader, has unfolded a program which addresses this international dilemma. At first blush Wright's ideas seem to be predicated on the same general premises as those advanced by Scratchpad.

Wright is certainly near enough to the highest echelons of power that he can exert considerable influence.

In our concluding installment next week, Scratchpad will discuss the political and economic implications of solving the energy crisis without such dependence on alien sources.

ENERGY CRISIS CAN BE SOLVED IF WE PERMIT IT—PART V

(By Ray Zauber)

There are several scenarios which could be written about the international political consequences which could force the United States into war.

American leadership has allowed the energy crisis to reach a point where about half of this nation's petroleum is imported. The U.S. is literally at the mercy of the Oil Producing Export Countries (OPEC).

Senate Majority Leader Robert Byrd of West Virginia has literally fiddled at The Grand Ole Opry while the oil lamps of his America flicker. He comes from a coal-producing state which could have provided an alternate source of fuel if a crash program had been started a few years ago.

Not that we intend to pick on Byrd but he is a hoedown violinist of some renown who has been fiddling in Nashville. The same criticisms could be made against his predecessor Mike Mansfield or Speaker Tip O'Neill or President Richard Nixon or influential Senator Ted Kennedy or Environmentalist Congressman Morris Udall or the Cabinet members, top bureaucrats, industrial leaders, ad infinitum.

The delays in launching the Alaskan pipeline, the incredible obstacles in seeking tidal basin oil reserves, the environmentalist barricades against enlarged petroleum refineries and the cuckoos railing and ranting against nuclear energy are absolutely indefensible.

Now with Iran in the clutches of an unstable, fanatical holy man and with his communist opposition—the fedayeen—a threat to his control . . . a major source of OPEC crude has been sharply curtailed.

The political implications of a Russian coup in Iran, which controls the strategic Persian Gulf, is frightening beyond words. The most sophisticated border positions from which to verify SALT II went down the tube when Shah Pahlavi was overthrown. Despite what one might read and hear, he was a powerful and unbending friend of the United States.

The political stability of Turkey, another well-respected American ally, has been undermined by this nation's intransigence in the Cyprus dispute. We cut off arms and aid to a country which we need desperately to keep in the free-world fold.

Should the Soviets decide to take advantage of the political instability on the Arabian peninsula and overrun Iran, Turkey, Saudi Arabia and the emirate nations . . . the United States might be sucked into World War III. Russian expansionism is already a fact of present world politics.

Japan, France, Italy, Britain, Israel, Canada, Australia and some other democratic nations who must depend on the Arabian and African oil supplies would also have to fight.

Don't think American public opinion wouldn't reach a fever pitch if the tankers from the Persian Gulf and Libya were suddenly anchored in port. Thus gasoline for personal and business travel would become totally unavailable.

The battle cry would resemble 54-40 or fight, the Alamo, the Maine or taxation without representation . . .

The United States leadership must mobilize the finest minds, the finest technical resources and whatever billions are necessary to overcome the energy crisis with substitute sources. Majority Leader Jim Wright's plan to emphasize development of synthetic fuels is one excellent starting place.

Wind energy, garbage gasses, coal gasification, geothermal, tidal, fusion, magnetic, shale and rock tars, gasohol, synthetics, electricity, solar—what have you—breakthroughs must all be considered in the crash program to find alternate sources for propelling the wheels of the free world.

President Carter, the Congress, the oil industry, the bureaucracy, the scientific and technical fraternity, the academics and the people themselves still are not totally cognisant of the awesome problems ahead . . . the bottom-line consequences.

This nation must be mobilized because

America has the resources and the brains to overcome this energy crunch. But the days grow short and the stakes remain so very high.●

BURNING THE "OIL WITCH"

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. ROUSSELOT. Mr. Speaker, since 1973 OPEC's prices for crude oil have skyrocketed in comparison to prices for domestically produced crude oil. Despite these higher prices we find ourselves importing almost twice as much crude today as in 1973, when OPEC first embargoed oil from the western world. Why hasn't consumption of OPEC oil decreased as OPEC's prices have risen? Why has domestic crude oil production declined in the face of higher prices?

One often cited, but incorrect explanation for our increased reliance on OPEC is that the United States is running out of crude oil. Geologists across the country tell us that there are huge amounts of crude oil and other hydrocarbon fuels which have yet to be included as part of "proven" domestic reserves. Much of this fuel is going to be expensive to produce because it is either located deep beneath the ground, or, because it is located in areas where traditional drilling will not work. At the present time oil is very expensive to buy because the nations of the OPEC cartel control so large a portion of the world's readily producible supplies that they can raise prices by reducing output in the face of rising world demand.

The OPEC finance ministers do not set oil prices capriciously. These men are trying to find a price that will support their authority over the marketplace. To find that price they must carefully estimate the changing capability of the rest of the world to produce oil in response to the lure of higher prices. One of the key variables in their calculations is what the production response of the U.S. oil industry will be as the price of crude oil rises.

American producers are the unquestioned leaders in oil exploration and drilling technology. If and when they shift into high production gear, the amount of new oil produced will not be trivial and the OPEC nations know this. Why hasn't U.S. production been increasing to meet the challenge of OPEC? The answer can be summed up in two words: price controls.

Consider the following: In 1970 domestic crude oil production reached historically high levels of production. Since then it has dropped 10 percent—from 9.6 million barrels per day in 1970 to 8.7 million barrels per day in 1979. Meanwhile, imports of crude oil have skyrocketed from 12.1 percent of consumption in 1970 to 42.7 percent in 1979.

SOURCES OF U.S. CRUDE OIL: BEFORE AND AFTER PRICE CONTROLS

[Millions of barrels per day]

Year	Average daily domestic production	Average daily imports	Imports as a percent of total crude oil needs
1965	7.8	1.2	13.7
1966	8.3	1.2	12.9
1967	8.8	1.1	11.4
1968	9.1	1.3	12.4
1969	9.2	1.4	13.2
1970	9.6	1.3	12.1
1971 [1]	9.5	1.7	15.1
1972	9.4	2.2	19.0
1973 [2]	9.2	3.2	26.0
1974	8.8	3.5	28.4
1975	8.4	4.1	32.9
1976	8.1	5.3	39.4
1977 [3]	8.2	6.6	44.4
1978	8.7	6.0	41.1
1979 preliminary	8.7	6.5	42.7

[1] Wage and price controls imposed in August 1971.
[2] OPEC cartel embargoes crude oil, November 1973.
[3] Alaskan North Slope oil begins flowing to market, March 1977.

Source: Data from the U.S. Department of Energy.

The reasons behind the acceleration in the growth of oil imports are apparent. Since price controls were imposed in 1971, the Federal Government has discouraged domestic oil production by, in effect, telling oil producers to "milk their assets." Under the price guidelines, and later under specific rules engendered by the Emergency Petroleum Allocation Act of 1973 (EPAA), the sale of most domestically produced oil has been controlled at prices below the world market.

Unfortunately, the cost of bringing oil to the marketplace has been rising faster than the controlled price of oil. Prices for oil field equipment have been rising almost lock-step with OPEC's price increases because of the worldwide increase in the demand for drilling and producing equipment. In addition, the oil business is "energy-intensive" and therefore "energy-expensive."

With prices controlled, but production costs escalating to wipe out any windfall profits that might have accrued to the industry, oil producers were quick to realize that if the trends continued they would be forced out of business. They were faced with three choices: First, stop pumping their reserves and wait until controls were lifted; second, pump dry existing wells until profits turned negative, using the funds to get into another business where they could make more money, or third, do some combination of both while looking for oil in places not governed by price controls—places like Arabia, Equador, and Indonesia.

Given the choices, it is not surprising that domestic oil production has fallen off as the spread between the world market price and the DOE below market controlled price has widened. Instead of "milking their assets," much of the oil industry has shifted its drilling and exploration efforts overseas because oil produced there can be sold at world market prices.

DOE ENTITLEMENTS—SUBSIDIZING REFINERS TO IMPORT OIL

Once price controls were in place, the DOE bureaucracy had to find a way to assure that lower prices would be passed on to consumers while maintaining competitive equality in the marketplace. DOE realized that refiners who were able to purchase controlled low price domestic crude were in a position to undersell refiners who relied exclusively on higher priced foreign crude. Therefore, it developed the entitlements program.

The genius behind this program is that refiners of domestically produced oil must pay importing refiners roughly one-half the difference between the price tag on foreign oil and the price tag on domestically produced oil. Payment is made by refiners of domestic oil to refiners of foreign oil for "entitlement" or "right to refine" tickets which are distributed by DOE. In this way, all refiners pay the same average price for crude oil.

Where does the money come from? Most refiners of domestically produced oil are also crude oil producers. The money originates from the same pocket. Most of the loss to U.S. producers is shared with refiners of imported oil. The rest goes straight to OPEC. None of it has been going to consumers.

WHY DECONTROL IS INEVITABLE

With the crude oil price paid by refiners rapidly approaching the world price, the President has been forced to recommend decontrol. Without decontrol domestic production will continue to decline and imports will continue to rise. As this happens, the entitlements program will fall apart, and all refiners will find themselves paying the world price for crude oil. In the end, price controls will have contributed to increased reliance on OPEC without saving consumers one dime. Consumers have been paying the "world" price for gasoline at service stations for five years. How is this possible when everyone knows that gasoline in Europe costs far more than it does in the United States?

PAYING THE WORLD PRICE FOR GASOLINE DESPITE 5 YEARS OF PRICE CONTROL

In actuality, the retail price paid for gasoline in Europe includes steep taxes. The prices we should be looking at in making comparisons across continents are pre-tax, wholesale prices for refined gasoline, and not retail prices.

GASOLINE ACROSS CONTINENTS

[In cents per gallon]

Year	New York spot price [1]	Rotterdam, Holland spot price [1]	Average U.S. dealer tankwagon price (excluding tax) [2]
1974	33.2	35.4	30.5
1975	33.4	32.6	35.8
1976	35.5	37.1	39.0
1977	38.4	36.4	42.5
1978	42.8	42.6	43.7

[1] Spot price—the price for a cargo of gasoline sold on a daily basis.
[2] Dealer tankwagon price—the wholesale price charged to deliver gasoline from the refinery to the service station.

Source: Data from the Platts Oilgram Price Service.

The virtual equality of wholesale spot prices across continents strongly supports the "paying-the-world-price" position advanced by two economists, Charles Phelps at the Rand Corp., and Rodney Smith at the University of Chicago. Two years ago they said the DOE's complicated formula, which enables refiners to raise prices to cover costs, also enables refiners to sell their products at world prices.

In support of this position, Phelps and Smith cited the existence of the "banks" of unrecouped costs which are reported each month by the Department of Energy. These "banks" represent cost increases which refiners are permitted to pass through in the form of higher prices directly to their service station customers. Even higher prices have not been charged because of competition in the marketplace for the consumer's dollar.

In other words, until recently when the "banks" began to be depleted as refiners and service stations raised prices to meet increased demand, their very existence has meant that refiners have been charging as much as consumers have been willing to pay. All this changed when market conditions, resulting from the reduction in Iranian oil production, collided head-on with Federal price controls and allocation rules to create "The Great California Gas Shortage."

CALIFORNIA'S CRISIS: SPREADING ACROSS THE NATION

The shortage hit California first because the total demand for gasoline has been rising much faster there than in the rest of the Nation due to California's higher-than-average economic growth during the past year—800,000 more vehicles on the road. In contrast, the supply of gasoline available to California has not been keeping pace. In the wake of the Iranian upheaval, the DOE told refiners not to purchase high-priced crude oil on the spot market. Inadequate production of domestic crude due to price controls, strict environmental standards, and especially DOE allocation rules which do not allow refiners to shift the flow of gasoline from areas of low demand to areas of high demand, also contributed to the shortage. These allocation rules guarantee localized shortages whenever supplies tighten in the face of rising demand.

The growing imbalance between the forces of supply and demand finally erupted in a series of rapid price increases in California in the months of April and May. These price increases were followed by shortages and long lines at service stations everywhere when prices at gas pumps bumped against maximum Federal price ceilings. DOE's inflexible allocation rules lengthened the lines. With the marketplace no longer signaling to consumers how much to consume, Federal and State governments were forced to step in and adjust gasoline allocations while consumers were forced to wait in line. Unfortunately, consumers will have to get used to the lines because the new oil industry tax virtually guarantees increased reliance on unstable OPEC supplies for years to come.

THE WINDFALL PROFITS TAX: BURNING THE "OIL WITCH"

The new tax will be on sales revenues. It is not actually a tax on windfall profits although it has been heralded as one. To avoid the tax, domestic oil producers will at first try to pass it on to refiners by raising prices. They will not be successful. Refiners will instead purchase less costly foreign oil. The producer's second and more profitable option, is to sit on their unpumped reserves while marketing imported oil, since this oil will not be covered by the tax.

Tax revenues are likely to decrease, and not increase, as domestic oil production continues to falter under the heavy yoke of new taxes. Naturally as production decreases, OPEC's stranglehold on the market will tighten. The new tax enhances OPEC's ability to raise prices by destroying a market competitor—U.S. oil production. The Congress may burn the "oil witch" but it is guaranteeing higher consumer prices at the gas pump.

The ultimate victims of the new tax, along with the consumers, will be the 10,000 or so independent oil producers who are not integrated through the refinery stage of production. These producers rely exclusively on domestically produced oil as their sole source of revenues. As costs rise—but sales revenues do not keep pace—they will be put out of business or at best be forced to sell out to some major oil producer who can better afford to wait in hopes that the tax will be repealed.

Such "fire sales" will lead to increased concentration in the oil industry. The major companies will get larger at the expense of the small independent producers. This prospect is not what the gas-starved American consumer has in mind when he writes to his Congressman and demands a solution to the oil crisis.●

A VOICE OF SANITY ON NUCLEAR ENERGY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. PAUL. Mr. Speaker, Dresser Industries has performed a real public service by publishing today in the Wall Street Journal an article on Three-Mile Island and nuclear power by Dr. Edward Teller.

Dr. Teller, the great nuclear physicist, is one of the few voices of sanity—along with Dr. Petr Beckmann—on the subject of nuclear energy.

I would like to call his eloquent remarks to my colleagues' attention:

I WAS THE ONLY VICTIM OF THREE-MILE ISLAND

"On May 7, a few weeks after the accident at Three-Mile Island, I was in Washington. I was there to refute some of the propaganda that Ralph Nader, Jane Fonda and their kind are spewing to the news media in their attempt to frighten people away from nuclear power. I am 71 years old, and I was working 20 hours a day. The strain was too much. The next day, I suffered a heart attack. You might say that I was the only one whose health was affected by that reactor near Harrisburg. No, that would be wrong. It was not the reactor. It was Jane Fonda. Reactors are not dangerous.

Now that I am recovering, I feel compelled to use whatever time and strength are left to me to speak out on the energy problem. Nuclear power is part of the answer to that problem, only a part, but a very important part.

I have worked on the hydrogen bomb and on the safety of nuclear reactors. I did both for the same reasons. Both are needed for the survival of a free society. If we are to avoid war, we must be strong and we must help to generate the progress that makes it possible for all nations to grow and prosper.

And what is the greatest present-day threat to the prosperity and even the survival of nations? A lack of energy. Both developed and developing nations are threaten.

The citizens of the United States have just begun to recognize the impact of the world's growing energy shortage. Gasoline lines, electrical brownouts and higher prices are minor irritants. They are nothing compared to what may lie ahead. In a struggle for survival, politics, law, religion and even humanity may be forgotten. When the objective is to stay alive, the end may seem to justify the means. In that event, the world may indeed return to the 'simpler' life of the past, but millions of us will not be alive to discover its disadvantages.

When our existence is at stake, we cannot afford to turn our backs on any source of energy. We need them all.

When it comes to generating electricity, we especially need nuclear power. Contrary to what Nader and Fonda, and their friends such as Sternglass, Wald and Kendall, would have you believe, nuclear power is the safest, cleanest way to generate large amounts of electrical power. This is not merely my opinion—it is a fact. Due to the lessons learned at Three-Mile Island, the nuclear way of generating electricity will be made even safer.

I have attempted to respond briefly to some of the questions which people ask about nuclear power. The problems that these questions raise are problems because of political indecision or public fear. Technically, they are non-problems, because the dangers they imply either do not exist or else we have the know-how to solve them. I am absolutely convinced of this, after a lifetime of work as a nuclear scientist.

I was once asked how I would like for my grandson, Eric, to think of me and my life's work after I am gone. Eric is nine years old. He is a terrible guy—he beats me at the game of "GO." I am enormously fond of him, but I have not given much thought to what he will someday think of my life's work. I have given a great deal of thought to whether he will be alive in the next century, and whether he will be living in freedom or in slavery. If he is living under communism, he will know I was a failure.

I believe that we have reached a turning point in history. The anti-nuclear propaganda we are hearing puts democracy to a severe test. Unless the political trend toward energy development in this country changes rapidly, there may not be a United States in the twenty-first century.

The President has recognized the danger of the energy shortage. As yet, he has given only some of the answers. I think—I hope—that democracy has enough vitality to evaluate the risks and to recognize the great benefits of nuclear power to human health and well-being, and to the survival of our free society.

Q. Can a nuclear reactor explode like an atomic bomb?

A. No. Energy cannot increase fast enough in the reactor. Therefore, it is absolutely impossible for a nuclear power plant to explode like a bomb. For this to happen, the laws of nature would have to be repealed.

Q. What is the risk of nuclear power compared to other forms of producing electricity?

A. It is far safer than coal or hydroelectric power, but all three are necessary to meet our need for energy. It may sound strange to say it, because coal has been around so long, but we know more about controlling radiation than we do about controlling the pollutive effects of burning coal. And, of course, a dam has no backup system to protect those who live below it. Indeed many of these people have lost their lives and more their homes.

Q. I live within 50 miles of a nuclear power plant. What are my chances of being injured by a nuclear accident?

A. About the same as being hit by a falling meteor.

Q. What about the effect of an earthquake on a nuclear plant?

A. At the first sign of a tremor, the reactor would shut down automatically. Also, reactors are built to withstand enormous structural damage. The only man-made structures I can think of that are more stable are the pyramids of Egypt.

Q. Is it true that we still have no satisfactory way to dispose of nuclear wastes?

A. No. Ways do exist. What we have not had is a decision by our government on which way to go. Waste disposal is a political problem, not a technical problem.

Q. How much radioactive waste materials are produced by nuclear plants?

A. At the moment, about 12½% of our electricity is generated by nuclear power. If all of it were produced this way, the wastes from these plants over the next 20 years would cover a football field to a depth of about 30 feet. To dispose of this waste a mile underground would add less than one percent to the cost of electricity.

Q. How dangerous is the release of low-level radiation from a nuclear power plant?

A. If you sat next to a nuclear power plant for a whole year, you would be exposed to less radiation than you would receive during a round-trip flight in a 747 from New York to Los Angeles.

Let me put it another way: The allowable radiation from a nuclear plant is five mrems* per year. In Dallas, people get about 80 mrems per year from the natural background of buildings, rocks, etc. In Colorado, people get as much as 130 mrems per year from the natural background. Therefore, just by moving from Dallas to Boulder you would receive ten times more radiation per year than the person gets who lives next to a nuclear power plant.

Q. How much radiation were the people around Three-Mile Island exposed to during the accident?

A. Let me put it this way. Your blood contains potassium 40, from which you get an internal dose of some 25 mrems of radiation in one year. Among the people not working on the reactor, a handful may have gotten as much radiation as 25 mrems.

Q. Should "spent" nuclear wastes be reprocessed to save the plutonium and other by-products?

A. Yes. Plutonium, for example, is as valuable as the original uranium fuel, because of its potential use to produce still more energy. In the end, reprocessing is needed to make nuclear energy abundant and lasting.

Q. Is there a danger that the plutonium produced by nuclear reactors might be stolen by terrorists and used to construct homemade nuclear explosives?

A. I believe that reactor products can be properly safeguarded from terrorists. This can be much more easily done than the guarding of airplanes. Also, any terrorist who puts his mind to it can come up with ways to terrorize a population that are less dangerous to himself than handling plutonium. The answers is not to get rid of the reactors—let's get rid of the terrorists.

Q. Will the expansion of nuclear power by other countries enable them to produce nuclear weapons?

A. Unfortunately, yes. This is already happening. Two-thirds of the reactors in operation in the free world today are outside the United States. Since we can't stop other nations from building nuclear plants or weapons, what we must do is find better solutions to international problems. An energy-starved nation is much more likely to make and use nuclear weapons as a last resort to survival. The only way to prevent that is to see to it that there is enough energy to go around, and to strengthen cooperation and confidence among the nations.

Q. What have we learned from the accident at Three-Mile Island?

A. Two things. First, that nuclear reactors are even safer than we thought. Despite many human errors and a few mechanical failures at Three-Mile Island, the damage was contained. No one was killed, or even injured. We have also learned that a lot can be done by better educated, better paid and more responsible reactor operators, and by a more efficient display of the state of the reactor by modern instrument panels.

Three-Mile Island has cost $500-million, but not a single life. We must pay for safety and, even after we have paid for it, nuclear energy is the cheapest source of electrical power. It is most remarkable that in the case of nuclear energy we are paying for our lessons in dollars, not in lives.●

*A "mrem" is an appropriate unit used to make comparisons.

UNITED STATES MUST RESIST SOVIET BULLYING

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. DANIEL B. CRANE. Mr. Speaker, the Soviet Union's recent attempts to bully the other body into ratifying the disastrous SALT II agreement have been effectively underscored by the Paris, Ill., Daily Beacon-News, edited by my good friend and former Member of Congress, Edward H. Jenison.

I commend Congressman Jenison's July 7, 1979 remarks to the attention of my colleagues:

NEVER NEGOTIATE OUT OF FEAR

We hope the United States Senate is prepared to demonstrate that it does not take marching orders from the Kremlin. In signaling both its independence and its common sense, the Senate will want to amend the SALT II treaty before considering whether the agreement should be ratified or rejected.

It was to be expected that the Soviets, having negotiated a strategic arms treaty that concedes them considerable advantages, would favor its approval by the Senate without alteration. It was likewise to be expected that the Soviets would publicly express their support for the treaty's existing terms even as the Senate prepared to consider whether those terms were, in fact, in the best interests of the United States.

What no one in Washington was quite prepared for was an explicit Soviet ultimatum. Ratify the treaty as is or the entire arms negotiation process will be cancelled. That is exactly what Soviet Foreign Minister Andrei A. Gromyko said in a recent Moscow news conference.

To ensure that there would be no misunderstanding, Gromyko switched from Russian to English to tell reporters, "no matter what amendments would be made, it would be impossible to reopen negotiations. It would be the end of negotiations, the end no matter what amendments would be made."

Should the Soviets stick to this position, we can be all but certain that SALT II is dead. Indeed, Senate Majority Leader Robert Byrd went to Moscow to tell the Russians as much.

Senate Republican leader Howard Baker's announced decision to oppose the treaty unless it is amended appeared to doom chances for ratification without alteration.

Clearly, the Senate should not be deterred by threats from Moscow. If the Soviets insist on ending the decade-long arms negotiation process because of amendments that would render SALT II fair to both sides, so be it. Such an action would unmistakably reveal the Soviet Union's real objectives and alert the American people to the challenge they face.

Conversely, should the Soviets subsequently decide to swallow their objections and accept a truly equitable and verifiable agreement, American security will have been enhanced and the necessary preconditions for negotiating a balanced SALT III treaty will have been established.

Eighteen years ago, John F. Kennedy warned that the United States should "never negotiate out of fear." The Senate would do well to remember that admonition as it ponders the changes that will be necessary if SALT II is to contribute to preserving the peace and safeguarding American security.●

MEMORIES OF A CENTURY

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. HEFNER. Mr. Speaker, on August 11, 1979, Mrs. Laura Green of Landis, N.C., will celebrate her 100th birthday. One of her grandsons, Hughlon Green of Washington, D.C., has worked for the House Ways and Means Committee for 35 years. He is the only member of the committee's staff to have worked for six chairmen of the committee. He originally came to Capitol Hill in 1944 with Congressman R. L. Daughton of the former Ninth Congressional District of North Carolina.

Hughlon Green has written the following reflections on the occasion of his grandmother's 100th birthday. The reflections follow:

MEMORIES OF A CENTURY

Mrs. Laura Green celebrates her 100th birthday on August 11, 1979, in Landis, North Carolina, at the Sherrill family reunion.

Laura grew up in Rowan County, North Carolina, where she was born in a family of eight children. She attended school in Rowan County and later entered Barber-Scotia Seminary in Concord, North Carolina.

Laura married Isaac Green in the year of 1901. He was later employed by Lackawanna Steel Mill Company. She traveled with him and lived in many states, including Maryland, Washington, D.C., Virginia, Delaware, New Jersey, New York, Pennsylvania, and Massachusetts.

Husband Isaac and Laura returned home to North Carolina in 1933. Laura still lives in Landis, North Carolina, at her present residence.

After the death of her husband in 1946, she maintained and cared for herself and her home until the age of 95. Irene, her daughter, moved from New York to help care for her and to enjoy her company. However, Laura is still blessed with good health with the exception of failing eyesight and hearing. She also is active in her home-making duties, such as bed-making, laundering, ironing, cleaning and vacuuming.

The key to her longevity, says Laura, "is to live a good, clean Christian life and trust in the Lord."

Laura is a member of Sandy Ridge Methodist Church. Rev. Quick, her pastor, pays her frequent visits for communion and spiritual guidance.

A walking history book is Laura. She still vividly remembers some of her childhood poems and songs.

Hobbies for Laura include television. She especially enjoys the soap operas and all sports. She knows many sports stars by name. She keeps informed of the daily news. Laura also enjoys listening to the radio, good gospel music, and she likes to cook occasionally.

Such knowledge, wit, and wisdom are remarkable at her age.

Immediate family of Laura includes one daughter, Irene; one grandson, Hughlon; his wife, Madeline; one great-grandson, Reginald; his wife, Diane; and one great-great grandson, Joseph.

Laura says, "I am very, very blessed. I have a good, interesting, and rewarding life. My daughter, Irene, grandson, Hughlon, and all other family members and friends have given me lots of love and good care through the years. To them and to God I am truly grateful."

Reflections by her grandson,

HUGHLON GREEN.●

PROBLEMS WITH THE CLEAN WATER ACT

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. MARTIN. Mr. Speaker, local communities are growing increasingly frustrated in their attempts to clean up their streams and meet the standards we established in the Clean Water Act. Despite the availability of $6.5 billion in funds appropriated to the Environmental Protection Agency, local communities face increasing project delays, voluminous regulatory requirements and rapidly rising costs and cannot get EPA to approve their projects. It now takes an average of 8 to 10 years to build a municipal sewage treatment plant. Many localities estimate that as many as 3 years of their time is a result of Federal administrative delays and new Federal regulations. These new regulations often necessitate projects to be replanned, no matter how close a project is to construction.

Congress never intended the wholesale revisions which EPA has required of local pollution abatement projects. Many projects have literally been stopped dead in the water because of disagreements over regulatory interpretations among EPA, the local communities and the States. Meanwhile, the objective of the act, preventing pollution from entering the Nation's streets and rivers, is unrealized.

Delays from revised planning requirements by EPA have substantially increased wastewater treatments and construction costs as well. But, more importantly, they have required local governments to turn down new industrial opportunities with the jobs and incomes they produce because treatment plants are still in the planning and design stage 5 years or more after the community decided to seek Federal assistance to clean up their waters.

Recently, mayors and consulting engineers from North Carolina visited their congressional delegation in Washington to relate these problems to us. I call my colleagues' attention to an editorial in the Mooresville, N.C., "Tribune" of July 16, 1979, which describes the problems municipalities have in securing EPA assistance and meeting the standards of the Clean Water Act:

VIEWING WITH ALARM

Is the Environmental Protection Agency going the way of the Occupational Safety and Health Administration?

Too many signs point in that direction, said worried local government leaders from Piedmont North Carolina in Washington last week, and members of the state's congressional delegation agreed. EPA, a growing body of evidence suggests, has lost sight of its objective and redoubled its efforts.

That's what neutered OSHA. A reasonable idea fell victim to the unchanging—apparently unchangable—laws of bureaucracy. What started as a public service became a myopic obsession as its goal shifted from safety in the workplace to self-perpetuation. It became more intent on promoting reasons for its being than on doing what it was created to do.

In the end, of course, the people—through their government—lost control of OSHA, and they quickly became its victims rather than its beneficiaries. And Congress had to destroy OSHA in order to save it.

Mooresville Mayor Joe Knox and other regional municipal and county leaders feel EPA is following the same sorry path, and they want it reined in and deflated before it runs amuck and explodes. They told their representatives in Congress as much July 10 when they met with them to vent their frustrations over EPA mismanagement.

Specifically, Knox and the others are concerned about the agency's demands for improved waste treatment and its accompanying foot-dragging in providing the federal money law provides to assist with the improvements. More specifically, they want relief from EPA's glaring inability to cope with complexities of the Clean Water Act.

The Consulting Engineers Council, whose members work with counties and municipalities to meet EPA Clean Water Act demands, points out that 15 states have reached agreements under which they take over handling of EPA grants. North Carolina is not among them. There is no assurance state management is better than EPA management, because EPA policies that must be followed still change almost daily.

The Piedmont delegation's message was this: If local governments are to make any real headway in using federal money to follow the federal directive to clean up the environment and keep it clean, the malignant mass of bureaucratic red tape must be untangled. They can't put the salve on the sore until they get the cap off the tube.

A purely monetary reason to get EPA on the stick or out of business: for every $1 million tied up in delayed EPA projects there is a $20,000 monthly increase in project costs.

For Mooresville, an even more compelling cause for alarm: EPA has prohibited the town from connecting any new customers to its industrial waste treatment plant, even though it is not operating at capacity, and even though quality of its discharge is well within limits set forth in its original EPA permit. Unless the town and EPA can reach a workable understanding, industrial and commercial growth of the community could be stunted before the town's long-delayed $11 million waste treatment plant is ready for use, hopefully by 1982.

Mayor Knox was among five local government leaders who spoke before the congressional delegation that included Rep. Jim Martin of Mooresville and Rep. Bill Hefner of Concord. Knox's remarks write their own editorial:

LONG-RANGE PLANS

Several decades ago town officials and representatives of local industries cooperated in developing long-range plans to ensure that Mooresville had adequate water and wastewater facilities. This positive planning effort continued, and in 1970 the need for updating the plans was recognized. The Town Board undertook this program, identified physical improvements that were necessary, and sought approval of state and federal agencies in an effort to implement construction and gain financial aid.

201 STUDY

In early 1974 the town was directed to undertake a "201 Planning Study," most items in which had been covered by work previously done. The Town Board was advised that the 201 Study was necessary if the town was to receive any benefit in the form of federal funds for construction of pollution abatement facilities. After some delay in funding the work, the 201 Planning Study finally commenced in late 1974.

In full compliance with then-current regulations, the 201 Study was completed and submitted to a "Joint EPA-State Review Committee" for approval in March 1976.

201 REVISIONS

From May 1976 through May 1978 the 201 Study was subjected to constant revision, review, and reinterpretation of regulations by an EPA review committee. Finally, in May 1978 the town received word that the program proposed was adequate, and that the town should file application for funds to aid in the facility design. Incidentally, the revised 201 Plan, identical in concept to the March 1976 version but with totally new supporting data and format, was approved by EPA January 24, 1979.

AUTHORITY TO PROCEED

EPA through the state, had indicated that the town should apply in May 1978 for the step 2 design authority and funding assistance. Applications were submitted in May, and phone inquiries indicated that the application documents were apparently under review. However, on August 3, 1978 in response to a phone inquiry as to status, the town was advised that the applications were lost. The town was directed to resubmit, and did so August 9, 1978. On August 17 the state staff indicated that all the documents were complete, and finally the state certified the application as adequate to EPA and sent it to the Atlanta Regional Office October 16.

Again in response to phone inquiries as to status, EPA representatives in Atlanta in November 1978 indicated there was no problem with the Step 2 grant application and advised that the town would receive an offer of a grant "at an early date." Nevertheless, only after weekly calls and through

the assistance of the office of Congressman Jim Martin did the town finally receive the grant offer form February 26, 1979. The offer was reviewed and accepted by the Town Board in a meeting on March 6, and all requested supporting information was returned to EPA within several days thereafter.

CURRENT STATUS

EPA still has not approved the engineering agreements and supporting data returned with the grant offer. Representatives in the Atlanta office indicate orally that there is no apparent problem with the submittal, but the written authorization or approval has not been received.

Here, eight years after start of the project, and having spent more than five years in dealings with the US Environmental Protection Agency, the town does not have the improved treatment facilities we initially sought.●

ECONOMIC SUCCESS STORY

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. RHODES. Mr. Speaker, as our Nation slides into recession, we are preparing to take steps to reverse the downturn. It is crucial that we understand what is needed to insure an expanding future economy and a prosperous America.

Japan has been one of the world's economic success stories. In a recent talk to the IV Oceans Seminar, sponsored by the Center for Strategic and International Studies, Senator Michiyuki Isurugi from Japan outlined the steps taken by the Japanese. They are, in essence, quite simple—increasing productivity through investment in facilities and upgrading worker skills.

I urge that my colleagues take time to read this thoughtful description of the challenges Japan faced after the last recession, and the methods used to create a favorable balance of trade and a vigorous economy.

Text of Senator Isurugi's remarks is as follows:

REMARKS BY SENATOR MICHIYUKI ISURUGI

Mr. Chairman, Distinguished Delegates,

There was a man in our country, who took a vacation and went to an island country, where he discovered that on average a laborer cost ten cents a day. As he was so impressed by this cheapness of labor, and as he was an enterprising businessman, he decided to build a factory there. Unfortunately, however, he had to discover later that however hard he tried to train workers, they could not produce more than five-cents-a-day products each. This means that the labor of that country was in reality very expensive labor. The man thus was driven to bankruptcy. The ratio between wage rate and labor productivity is called "labor cost". It is neither wage rate as such nor labor productivity as such, but this labor cost that determines the international competitiveness of a nation's economy.

In recent years, there have been economic conflicts between the United States and Japan from time to time. The economic relationship between the United States and Japan is just like relationships among kin folk. Not because the two economies are different from each other nor, for that matter, they dislike each other, but precisely because they are increasingly becoming so alike and mutually interdependent, they quarrel as much as they work together and help each other.

I would like to call your attention to the clear and undeniable facts that when Japan developed a whopping inflation in 1974, we lost almost completely our trade surplus, that as we succeeded in eradicating our inflation on the one hand, and in raising our labor productivity on the other from 1975 through 1978, we came to a mass trade surplus, and that as the exchange rate of the yen was greatly appreciated from the fall of 1977 through the first three quarters of 1978, we came to produce deficits not only in our total or basic balance of payments but also in our trade balance since the second quarter of this year, notwithstanding what some Americans still regard as the Japanese unfair trade practices, non-tariff barriers or close-door.

The important lessons that we learn from these facts are, Gentlemen, that when the labor cost of any nation rises higher than those of other countries, that nation is bound to produce trade deficits, and that when the labor cost of any nation becomes lower than those of other countries, that nation is bound to produce surplus in trade balance. Both of these lessons are correct, of course, unless the exchange rate of the currency of that nation is adjusted in accordance with the labor cost differential that the nation came to produce vis-a-vis other countries.

Economies in the world are now developing what we had better call "oil-inflation". Would this mean that we had to control domestically the prices of oil-related goods? I seriously doubt if this is the right answer to the problem. In so far as the prices of oil-related goods are artificially kept low, the people would hardly come to be aware of the cold fact that the OPEC raised the price of crude oil and hardly try to save those goods. The only answer may be that we must control inflation in general or reduce demand at large, while we exert ourselves to the utmost to raise labor productivity.

In order thus to improve labor productivity, we must above all, encourage business corporations to make equipment and plant investment. Without this investment in private sector, there is no other way to genuinely pull up labor productivity. Gentlemen, the post-War period in the free world has eminently been dominated by "demand management policy". It has appeared from time to time that all what was necessary in the field of economic policies was to stimulate the so-called "effective demand". In order to do this, income tax rates have arbitrarily been lowered and income taxes themselves have been exempted from time to time. It is thus not unusual to find that in some countries the majority of the population do no longer pay any income taxes at all and yet enjoy the democratic privilege of voting.

Thus tax burdens have been shifted more and more from the income of the people to the income of business corporations and created the effect of discouraging business investment. However, what is most keenly needed today is no longer demand stimulation policy but supply stimulation policy. Because of the repetition of oil squeeze, countries in the world have increasingly been plagued by the shortage of supply and not of demand. Supply policy instead of demand policy must be our direction and slogan. The problem of energy, of natural resources in deep seabed. can be solved only by the effective developments of supply policies and the better coordinations of such policies between our countries.

In the face of the rise of gasoline prices, for example. should income taxes be reduced in order to ease the expenditures of consumers, it would be a demand policy. Under the same circumstances, should corporate taxes be reduced or government grants subsidies to oil refinery companies in order to stimulate gasoline production, it would be a supply policy.

Under demand stimulation-policy, it has been asserted that savings were vices and consumptions were virtues. This assertion coupled with inflationary trend has been reducing the people's propensity to save and their saving rates. In so far as a nation consumes almost all of its total national product and does not save its significant part, how can we hope to make necessary investments in order to prepare for the future of the nation? I believe that it is high time for the advanced countries to engage in supply stimulation policy and make coordinated actions for investment tax exemptions as well as corporate tax reductions. Without these actions, I do not believe that we can ever get out of the stagflation that is now going to hit all those economies in the world because of oil squeeze.

Of course, there is one more way to improve labor productivity. It is to increase "on-the-job" training for workers. The Japanese firms have been doing precisely this. They have exerted themselves to the utmost especially in recent years in order to foster "multi-capable and multi-skilled" workers by training them at various jobs. Such training programs, of course, cost a lot, or putting it differently, require the Japanese firms to make a great amount of investment in the formation of "human capital" or for the development of human resources with high qualities. As we say, it is the people that are the castle.

After having made such an investment, therefore, the Japanese firms do not want to fire their workers so easily, because should they do so, they would suffer from serious capital losses. The Japanese workers do not want to quit their firms so easily, because should they do so, they would unavoidably lower their productivities and thus have to accept lower wages than before. The end result of all these has been the emergence of life-time employment practices in Japan.

The labor productivity of our country has been rising at the annual rate of 6 percent in recent years. About half of this 6 percent can be explained by plant and equipment investment and the other half by on-the-job training or by human capital formation in the Japanese firms.

Gentlemen, I sincerely hope that you will come to understand that the most basic factor, which has enabled the Japanese economy to improve its international competitiveness, has been the rise of labor-productivity, or, putting it differently, the decline of labor cost. We might perhaps have something to offer to the benefit of the world in this regard.

Thank you.●

A MAGNITUDE OF ACHIEVEMENT—MOON LANDINGS TO SPACE SHUTTLE—A TENTH ANNIVERSARY

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. FUQUA. Mr. Speaker, I am including in the RECORD an article published by Barbara M. Greenwood in the Taunton Gazette on July 20, 1979. Barbara M. Greenwood of North Swansea, Mass. has been an enthusiastic supporter of the U.S. Space Program from the very beginning. In the accompanying article,

she recalls the past and takes a look at the future of the U.S. Space Program.

The article follows:

A MAGNITUDE OF ACHIEVEMENT—MOON LANDINGS TO SPACE SHUTTLE—A TENTH ANNIVERSARY

(By Barbara M. Greenwood)

The official National Aeronautics and Space Act of July 29, 1958 stated: "The Congress hereby declares that it is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of mankind."

Today, the space program has accumulated points in its favor to the question originally asked by the American people: "Why conquer space?" The most obvious reply is the very simple fact that we are gleaning valuable scientific knowledge from space about the earth, the sun, the universe—and of the individual—which we could not have gotten in any other way! Too, it is good to know that the United States has such technology at its fingertips; it would be a bit scarey to think that only the Russian (Chinese?) vehicles were the bits of technology spinning around our globe day by day. Such pure military advantage would be so powerful that, as a nation, we could actually suffer a kind of psychological shock from which we would probably never recover!

Our space programs have produced more useful technology per dollar invested than in any other organized activity in America today. It has proven to be a furnace in forging new technology, which in turn raises our national productivity and prosperity thus increasing our ability to solve pressing social problems and it is one of the few national programs which actually creates resources rather than uses them. Space exploration furthers international cooperation (as well as global peace) and is needed as inspiration for the modern individual!

We have come a long way since the official statement of NASA in 1958 . . . we have extended ourselves from the thin ribbon of Earth's atmosphere out to the edge of the solar system in two decades. Our first faltering steps have reaped incalculable and unforeseen rewards. Our future possibilities are as limitless as our enterprise chooses to venture.

Our third decade in space is just beginning—a new era will surface later this year when the first orbital test flight of our space shuttle, "Columbia", blasts-off from the Kennedy Space Center. Now, truly, for the first time we will no longer be tied to the exclusive province of highly-trained (especially suited) astronauts for our shuttle will accommodate up to four scientists or other specialists (men and women) who will have the luxury of working in a spacelab in a shirt-sleeve environment. Experiments and other tasks will be performed that heretofore earthbound professionals/workers would find too difficult or nigh-well impossible to accomplish because of our atmospheric hindrances. Tasks that were also considered impractical or overcostly will become routine i.e. in-orbit manufacturing; the assemblage of habitable space settlements from Shuttle-delivered "building blocks"; a sweeping dimension would be a network of Shuttle-erected orbiting power stations capable of converting the sun's energy into unlimited supplies of electricity for Earth use!

With such a technology being used as a baseline, there is always before us the brightness of our perfecting tomorrow's aeronautical machines that will prove to be safer, cleaner, quieter, and less fuel-thirsty—a real bonus in economics for the airline industrial complex both here and abroad .

Our horizon has broadened and we cannot retreat from this exciting technological vista and in order to continue to reap the benefits of our "dividends from space" we have to continually reach out and grasp for the next rung on the staircase to the stars! Yes, we have placed men on the Moon . . . now, let us go a bit further and make a bold move. Can we live in space? I would say, "yes", and before you say, "no", give your imagination a free reign and let it soar for a moment or two. You and I are going on a voyage—not on an ocean liner or a trans-continental plane—but on a personnel module called a heavy-life launch vehicle and our destination is our Earth's space habitat where, already, thousands of former earthbound people are now working, raising families and even living out their normal human lives. This habitat I am speaking of, encircles the Earth much like our Moon and it is an equal distance from both Earth and Moon; it is a ring-shaped tube that is connected by a number of large access route (spokes) to a central hub where incoming spacecraft dock.

To simulate Earth's normal gravity the entire habitat rotates at one revolution per minute about the central hub. Abundant solar energy and large amounts of matter from the Moon (which has already been colonized and is used as a supply depot) are the keys to successfully establishing a community in space. Our vehicle is launched and within minutes we are in orbit and for the first time experiencing weightlessness. This orbit is just a staging area, for the personnel carrier is transferred to an interorbital transport vehicle . . . the workhorse transporter of the future that will move people and cargoes between points in space but would never land upon any planetary body. The rocket engines of the inter-orbital transporter begin to thrust and the vehicle breaks completely from Earth orbit and we begin our 5-day journey to the space habitat. Anxiously, we await our first glimpse of this new world and when it happens we both are a bit deflated, for at first it appears to be just a point of light (this is because you cannot judge distance in space) but gradually this mere point of light begins to exceed the other stars with its brightness and then it forms into a narrow band of sunlight reflected from the radiation shield. Later, we begin to see the spokes and the hub, and it is only after our transporter has matched the orbit of the space habitat that we finally begin to comprehend the hugeness of th's man-made structure. Upon docking and leaving the transporter, we find ourselves in a bright new world, a very busy community that is without skyscrapers and freeways and a city which does not dwarf its inhabitants simply because the human scale of architecture is emphasized by the long lines of sight, and the frequent clusters of small fruit trees and parks. The houses are the most impressive for spaciousness is achieved by terracing structures up the curved walls. . . .

Hopefully, I have only whetted your appetite for the real exposure to a new outlook on the future. Earth is where our roots are but our planet should only be regarded as a nook or niche—not our cage—for just as a tree lifts up its branches skyward, so should we extend and encircle our intellect with a crown of stars for earth and space are now indivisible—together they represent a greater environment whereby man and planet can be restored giving forth options and be able to cope in an existential universe.

Apollo was an exploratory and learning phase. Our graduation is at hand . . . the shuttle will be concentrating on larger payoffs to the people of our country and to the world in general. The opportunity for human expansion into space is offered; it needs only to be grasped.●

18TH ANNUAL OLD ADOBE FESTIVAL

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. CLAUSEN. Mr. Speaker, August 11–12 will mark the 18th annual Old Adobe Fiesta in the city of Petaluma, Calif. The old Petaluma Adobe, a preserved reminder of the hardship and determination of the early settlers, is significant to the people of California, as well as the people of the United States. So that my colleagues and citizens across the Nation may become more aware of the important meaning of this historical edifice and also the dedicated undertaking that a group of Petaluma citizens have assumed, I am placing into the RECORD some of the history concerning this historic fiesta.

PETALUMA OLD ADOBE FIESTA—1979

A significant segment of California history is embodied in the Petaluma Adobe, which stands on a knoll overlooking the valley where the City of Petaluma lies. This site was originally part of the 66,000-acre Rancho Petaluma which was granted to General Mariano Guadalupe Vallejo in 1834 by the Spanish Governor of California, Jose Figueroa. The buildings still standing were originally constructed between 1836 and 1846. They served as the centerpiece of massive cattle, sheep and horse ranching operations, as well as the raising of abundant crops of wheat, barley, and corn. Within the buildings themselves there were housed a variety of manufacturing operations—carpeting, blankets, clothing, horseshoes, hand made nails, spurs, and finished leather products.

In 1850 General Vallejo leased the property to a group of French colonists, and in 1857 he sold the buildings and much of the surrounding lands for ranching purposes.

Over a period of 53 years the buildings were, for the most part, abandoned and fell into almost total disrepair, until, in 1910, the Adobe was purchased by the Petaluma Chapter, Native Sons of the Golden West, who managed to preserve the remaining buildings.

In 1951 the State of California took title to the property and, in 1952, began a continuing program of restoration. As a result of this effort 85 percent of the present walls and 15 percent of the woodwork are original, and today the Petaluma Adobe is a registered National Historical Landmark and is designated as State Historical Landmark No. 18. The State of California acquired additional land adjacent to the restored buildings in 1975 an 1979.

In 1962 an organization of concerned Petaluma citizens recognized that the governments, both State and Federal, couldn't "do it all". They thus formed the Petaluma Old Adobe Fiesta Association, to assist in the perpetuation of this historic landmark and to actively disseminate knowledge of the local cultural heritages related thereto. Over the subsequent years this Association has assisted the State authorities by accomplishing ground and building maintenance and by providing and feeding various farm animals, to be viewed by visitors in their original environment.

Every year since 1962, during August, the Petaluma Old Adobe Fiesta Association has sponsored and presented the Old Adobe

Fiesta, which has featured demonstrations of historic arts and crafts, music and dancing, games and rides, and a gigantic picnic barbeque. Support for this event has also been provided by the City of Petaluma, the County of Sonoma, and the State of California. Visitors to the Fiesta are not charged for admission.

August 11–12, 1979 will mark the 18th Annual Old Adobe Fiesta. In these times of need to remember who are and from whence we came it is appropriate that the Petaluma Old Adobe Fiesta Association and the supporting city, county, and state bodies who support this effort be commended and congratulated for what must be viewed as a major contribution to the renewal and perpetuation of our national spirit.●

BLACK LUNG BENEFITS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. RAHALL. Mr. Speaker, today I am introducing legislation to correct yet another inequity in the black lung benefits program. Through my contacts with the coal miners of southern West Virginia, it has come to my attention that by a small omission, we are depriving certain applicants of the benefits and privileges that come with a certain type of application for this program.

Under current law, part C black lung benefits are offset against social security disability benefits, but part B benefits are not. The logic of the Congress behind this differential is that part C is a "compensation" program since it is paid by the coal mine operators, while part B, paid from social security revenue funds, is not. In the Black Lung Benefits Reform Act of 1977, provision was made to review all previously denied part B and part C claims under the regulations of the new law. However, part B applicants who are being reviewed and approved under the 1977 amendments are being treated as part C claims, both for the purpose of payment and for the purpose of offset against the disability benefits of the recipient.

It is my intention in introducing this legislation to remove the disability offset on the claims which were originally filed under part B but are only now being approved under the new law. It is not the fault of the claimant that he was not previously approved, and he should not be penalized for something that is beyond his control. All other part B beneficiaries are treated in a specific manner, but these claimants have been excepted from that treatment. There is no logical reason to make exception for the ones who have waited the longest period of time—some as long as 10 years—simply because their claim was not approved to start with. When they applied, there was no part C, so their claims should not be thoughtlessly shuffled into another and quite different area of consideration.

This bill seeks to clarify the intent of Congress. It will decisively affect many men and their families who have given up great portions of their lives for the Nation's coal mines. Most probably affected by this legislation will be the older miners or their widows, since this only touches those persons who applied for benefits between 1969 and 1974.

I have been assured by Commissioner Stanford Ross of the Social Security Administration that this proposal would cost approximately $1 million per year, and would be paid from the SSA disability insurance fund.

I ask that all Members review this matter personally and carefully, in hope that they, too, will see the need to correct this inequity, and make more just this particular section of law.●

LET'S KEEP AGRICULTURE PROGRESSIVE

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. TAYLOR. Mr. Speaker, I am sure my colleagues have noticed many young men and women on Capitol Hill in their jackets of national blue and corn gold, who were here to attend the State Future Farmers of America Presidents' Conference.

I was particularly pleased that we had the opportunity to hear from Mr. Kelly Grand, the national FFA secretary, at the congressional breakfast. Kelly is from Morrisville, Mo., in my congressional district and I would like to include his remarks in the RECORD at this time.

PRESENTATION TO THE 1979 CONGRESSIONAL BREAKFAST

(By Kelly Grant)

Back in Morrisville, Missouri, we have an area where people congregate which is just about the size of this room. Only we call it the city limits . . . Not too many years ago, I was of the impression that what happened in Morrisville was public knowledge of people throughout the world. At least, that is what we all thought of the street in Morrisville. We were lead to believe that the world really revolved around the grocery store, gas station, and cafe in our town.

It was only a few years later, as I sat in a restaurant in Tokyo, Japan, enjoying my steak and soybean products from American agriculture, that I realized what I had been lead to believe years earlier in Morrisville, wasn't that far from the truth.

American agriculture begins in places just like Morrisville, but stretch from the vegetable fields of Southern California to the dairy farms of upper New York state. From the corporate board rooms in Chicago to the lawn supply shop in suburban Washington, D.C. And somewhere along the way, it involves one out of every five jobs in private industry. That to me indicates that you don't have to go to Morrisville to find American agriculture at its finest. I think more appropriately, it occurs for most of us about three times a day.

With one hundred percent of our population participating in agriculture, and 20% employed in the production, distribution and marketing of agricultural commodities, it's no wonder we all have a concern for what happens to America's first industry. As recently as last week, public sentiment towards agriculture declined as grocery shoppers pushed one of the most expensive carts through the checkout line in history. This concerns not only the shopper, but the agriculturalist as well. Because an unhappy customer is not conducive to the growth and progress that has benefitted American agriculture over the past hundred years. Our story of progress is amazing indeed. The changes in the past 75 years are greater than the sum of the past 75 centuries.

But, what must we do to insure that the next 75 years will be as progressive as the past? Any businessman can tell you that a positive consumer attitude plus an incentive to produce for a profit will yield the best climate for future progress. With this in mind, how can those of us in the agriculture industry, that's you and me, meet the challenge of continuing our country's most noble profession. This challenge is not confined to the shores of our country, but stretch around the world. America is looked upon as the leader in the race to feed our increasing population.

Are we content to allow America's agriculture to remain at its present level? Must we be content with the accomplishments of our past?

The future of the agriculture industry depends on continued progress. The kind of progress that members of the Future Farmers of America can provide.

The youth you have before you today represent an answer to continued growth and progress in the agriculture industry. Students in the Vocational Agriculture—FAA program learn the importance of setting goals, meeting challenges, and striving for higher accomplishments.

The Motto of our organization, written nearly 50 years ago, yet still appropriate today reads:

Learn to Do
Doing to Earn
Earning to Live
Living to Serve

Our service to agriculture is just beginning. In the years to come, that service will be translated into the challenge of feeding the people of our world.

Today's preparation yields tomorrow's progress. The type of preparation young people are receiving through the Vocational Agriculture—FFA program in the over 8,500 FFA chapters in 50 States and Puerto Rico.

As we prepare for the future, let us all work together to build a stronger agriculture. Yes, let's keep agriculture progressive.●

THE U.N.'S FINANCES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. BONKER. Mr. Speaker, the Subcommittees on International Organizations and International Operations recently held hearings on the financial practices of the United Nations. We heard testimony from representatives of the GAO and the Department of State, which shed some light on the complexities of how the U.N. manages its money.

On the whole, the testimony showed that analyzing the U.N.'s financial situation by lumping the resources of its independent agencies together yields an inaccurate and misleading picture.

The U.N. is not like private enterprise—it cannot loan money or depend upon future "sales" to bail it out—it is dependent upon, and therefore vulnerable to, the whims of sovereign States which can withhold precious operating funds at any time. Contributing States can also require, at their pleasure, the U.N. to keep funds in accounts earning little or no interest in their country until they are needed. Thus, even though the U.N. may keep what some have called "large balances" in their accounts, they cannot depend upon those funds being available when they need them.

I am inserting in the RECORD an editorial by our distinguished former colleague, Chuck Whalen, which I think clearly discusses many of the questions raised at the hearings.

FISCAL PRUDENCE AT THE U.N.

(By Charles W. Whalen, Jr.)

Fiscal prudence dictates that management of public funds be subjected to careful scrutiny. International institutions that administer U.S.-contributed dollars certainly should not be exempt from such analysis. The Washington Post, therefore, is to be commended for its decision to examine the financial practices of the United Nations.

Regrettably, the conclusions that emerge from the two articles on this subject [A1, June 17 and 18] reflect an innocence of any acquaintance with accounting procedures and a misunderstanding of how the United Nations system operates.

First, Post reporter Ronald Kessler contends that the $1.4 billion maintained in the United Nations bank accounts around the world is "excessive." This figure only has meaning when it is applied against the liability side of the ledger, for out of this sum must come payment for current obligations and future commitments. The family, for example, with $10,000 in its checking account on July 1 may find itself in debt on Sept. 1 when college tuition bills come due.

Since most U.N. agencies do not have borrowing authority, meeting two- to four-year commitments out of unpredictable annual contributions requires the accumulation of substantial reserves to meet predictable payments as they come due. Too, many development organizations, such as AID, are required to maintain one dollar in the bank for every dollar of future expenditure commitments. But on December 31, 1977, UNICEF's cash balance of $131 million was less than one-half its 1977 contractual commitments. Using AID's standards, UNICEF's deposits should have been $304 million.

The "commitment" discussion is further complicated when the subject of "pipelines" is introduced. In congressional jargon, this refers to undisbursed commitments. Funds are appropriated and then earmarked, but they are not instantly disbursed, since contracts have to be let, equipment purchased and personnel hired. To the untrained observer, these unliquidated obligations distort the "net worth" of the agency in question.

Second, the series asserts that the U.N. does not earn the highest possible return on its checking accounts. One should not compare 1977 interest rates with current rates, which are substantially higher. Further, it was only recently that federal statutes allowed any interest payment on demand deposits. And, of course, the United Nations and its 40 agencies have more than a thousand accounts scattered throughout the world. Many countries retain their contributions, until callable by the United Nations, in their national treasuries or in domestic financial institutions at rates that, as sovereign nations, they arbitrarily establish.

Third, The Post avers that United Nations financial procedures do not conform to accepted business principles. The United Nations simply cannot be equated with private enterprise. It may not borrow funds against shortfalls or in anticipation of revenues. Decisions of the "board of directors," comprised of representatives of 151 independent nations, often are politically motivated. Contributions of inconvertible currencies can be spent only in the donor's country. Uncollected assessments cannot be written off as "bad debts."

The timing of The Post's articles also is unfortunate. They come in the midst of the appropriation process for United States contributions to the various United Nations agencies when it is not easy to have orderly consideration of these questions.

On June 27 two House foreign affairs subcommittees held joint hearings to consider The Post's allegations. Virtually every one of Mr. Kessler's charges was refuted or explained in its full context, convincing those present that his criticisms were unfair. Unfortunately, one could not discern this from The Post's June 28 account of the session.●

THE SHARP AMENDMENT IS SAVING ENERGY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. HAMILTON. Mr. Speaker, disagreement on what should be done about energy has sometimes kept Congress from acting as forcefully as we might. I was therefore pleased to be reminded by Forbes magazine recently that a major energy saving regulation we passed in 1975 is beginning to have an important positive impact.

Those of you who were here in 1975 will recall that Congressman PHIL SHARP of Indiana authored an amendment to that year's energy bill which required auto manufacturers to improve the gas mileage of their cars. Predictably, there was some complaining about another regulation being imposed, but the August 6, 1979 edition of Forbes carried an update on these standards by Allan Sloan entitled "Regulation That's Working." He points out that the Sharp amendment has already led auto company and oil company officials to predict a drop in demand for gasoline.

It is obvious now that the American consumer wants to buy more fuel efficient cars. Thanks to the Sharp amendment, the U.S. auto industry is building more of these cars. As a result we are not only saving gasoline, but we are also keeping jobs and foreign exchange at home instead of increasing our imports of foreign cars.

Our concern with decreasing our dependence on imported oil as well as our interest in maintaining a strong American auto industry should make us grateful that we had the foresight 4 years ago to pass this legislation. I believe the following article will be interesting to my colleagues:

REGULATION THAT'S WORKING

(By Allan Sloan)

It's not as grabby as horror stories about gasoline lines, but there's good news about gasoline demand in the U.S.: It will be going down very soon. What's more, this pattern is built into the U.S. economy *right* now, and doesn't depend on people giving up their cars and taking the bus to work.

Why is this happening? Because, for a change, the government did something right. The results are just now starting to become apparent. In 1975 Congress set average mileage standards for new cars sold here, starting at 18 miles per gallon for 1978 models and working up to 27.5 mpg for 1985 models. The auto industry has squawked plenty about how hard it is to meet those standards. But when pressed, Detroit's auto executives grudgingly admit their cars wouldn't be anywhere near so fuel-efficient but for Washington's coercion.

Gasoline is already becoming a smaller factor in total U.S. oil consumption. This may help explain why oil companies haven't exactly been breaking down the doors to built big new gasoline-tilted refineries. Gas has declined from 41% of U.S. oil use in 1975 to 39% last year. With oil companies predicting slow or negative growth for gasoline, that proportion will continue to decline. "No one wants to build a refinery for a bulge in the demand curve," says Eric Thor, vice president and senior economist at Bank of America.

Big oil companies contend that the main reason they don't build new refineries in the U.S. is federal regulation which, they claim, does not allow them to earn an adequate return. But they admit privately that another factor is the no-growth market for gasoline.

Now consider these numbers, supplied by General Motors. The average mileage of all U.S. cars on the road last year was 12.7 mpg, but it will rise to 14.1 next year and 18.3 in 1985. (Those numbers include an "in-use factor" because actual mileage is lower than the EPA-rated mileage on which compliance with the mileage standards is measured.) If GM is right, the gasoline that took the average car three miles last year will take it almost four miles in 1985. The increase means we can have more cars, drivers and miles driven than now—and still use less gasoline.

When will demand begin dropping? It depends on who you talk to. Ford Motor Co. thinks demand may be peaking this year and will begin dropping in 1980. Standard Oil Co. of Indiana, a savvy marketer, thinks the newest round of OPEC increases may have already made 1978 the peak year. Other oil companies project gasoline peaks in 1980, 1981 or 1982. The U.S. Department of Energy picks 1980 or 1981. Some economists are projecting a plateau rather than a drop in the 1980s, but no one seems to be projecting an increase—despite the fact that gasoline use in the U.S. rose steadily from 6.5 million barrels a day in 1974 to 7.4 million in 1978.

Those days are over, especially with soaring prices spurring sales of gas-stingy cars. "Gasoline demand is highly inelastic in the car you already own," says Terence Redmond, vice president of planning at Indiana Standard's Amoco Oil subsidiary, but the price of

the stuff "sure affects the new car that you buy."

It isn't every day that Congress does something right, especially when it comes to energy. But thanks to the mileage standards passed four years ago, gasoline usage is finally on its way down.●

THE ALLEGED OIL SHORTAGE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. CARTER. Mr. Speaker, that the Members may be informed, and those of our constituents who read the CONGRESSIONAL RECORD, I am enclosing an article entitled, "That Great Oil 'Crisis' of '79? The Numbers Spell Out Fraud." It was written by Fred J. Cook, an investigative reporter, and appeared in Sunday's edition of the Washington Post.

It is indeed shocking to read what is evidently the truth concerning the alleged oil shortage. It is distressing also to know that the people of this country are having to pay ever-increasing prices, while the "fat cat" oil companies enjoy greater and greater profits with shortages contrived so that prices can be decontrolled. This again results in the consumer paying more and more. Phased decontrol is decontrol over a slightly longer period of time. The actions taken by the "fat cats" may well result in divestiture. The American public has been ripped off too long.

The article follows:

THAT GREAT OIL 'CRISIS' OF '79? THE NUMBERS SPELL OUT FRAUD

(By Frank J. Cook)

The great "oil crisis" of the summer of 1979 may well go down in history as one of the greatest frauds ever perpetrated on a helpless people. The reality is that there was no shortage of oil; this is verified by every responsible source. Indeed, solid statistics show that there was more oil available than there had been in 1978 when there were no gas lines, no murders of frustrated motorists—in a word, no "crisis."

President Carter's Sermon from the Mount on Sunday night, July 15, ignored this reality. He insisted that the shortage was "real." To have admitted that it was not would have entailed an admission of the culpability of Big Oil and of President Carter's own recumbent Department of Energy.

The naive may say to themselves, "Why, this cannot be." So let's begin by citing some sources: A Federal Trade Commission study concluded on May 30 that gasoline supplies were up from 4 to 8 percent (depending on the month in which the comparison was made) during the first four months of 1979 over the comparable period in 1978. U.S. Customs figures, independently verified by House of Representatives researchers, show that the "Iranian shortfall" so widely trumpeted to validate the "crisis" was a red herring, because imports of oil during the first five months of 1979 actually increased 10 percent over 1978. A world energy assessment by the Central Intelligence Agency shows that world oil production in the first quarter of 1979 was up despite the Iranian disruption; that U.S. imports through May showed a big increase over 1978 figures—and that American firms, in this time of supposed "crisis," were exporting more oil than they had in 1978.

When President Carter came down from the Mount, he thumped the table in the Oval Office and announced that he was not going to permit the importation of a single gallon of oil more than we had imported in 1977. But we imported so much oil in 1977 that Big Oil suffered acute glut pains and couldn't get those prices up.

The industry's own figures show total crude oil stocks (in millions of barrels) at yearend 1977 reached 339,859, a 19.1 percent increase over 1976. At yearend 1978, total stocks had dropped to 314,462, a decrease of 7.5 percent, bringing us into 1979 with a potentially short situation.

But, as in almost every facet of this story, things weren't what they seemed. In addition to the normal crude oil supplies, the federal government has established a strategic petroleum reserve. Into this reserve, stored in salt domes in Louisiana, it has poured literally billions of gallons of imported oil; and the Department of Energy, with its usual efficiency, has dumped all that oil into the caverns without thinking about installing pumps to get it out.

If one includes the extra millions of barrels that were committed to the government's strategic reserve in 1978, the figures on the nation's total petroleum stocks, expressed in millions of barrels, read this way: 381,322 at end of 1978 compared with 347,689 at the end of that 1977 "glut" year.

In other words, the nation came into 1979 with 9.7 percent more crude stocks on the market and in the reserve than it had had at the start of 1978, when the industry was moaning because it had so much oil it couldn't even get gasoline prices up to the permitted ceilings. It is enough to make one ask, "What the devil goes on here?" What went on is fairly obvious, though only the naive would expect to get a straight answer from James L. Schlesinger's Department of Energy.

Big Oil drew down stocks during 1978 and by late fall had created a situation where there began to be alarming talk of shortages. Shell Oil led the way, imposing drastic cuts on the delivery of gasoline to its retailers; Mobil, Citgo, the whole tribe fell into line behind the force play. Retail gasoline dealers roared their outrage; there was a nasty flareback of damaging publicity, and the big oil companies backed off for the moment, restoring deliveries to nearly normal.

Then, heaven sent, came Iran. The Iranian revolution closed down the oil fields, and the myth of the "Iranian shortfall" was born. Actually, only 5 percent of our imported oil came from Iran, and this shortage was quickly offset by stepped-up production in Saudi Arabia, increased Alaskan supplies and lesser increases from other sources. CIA figures show that free world production (expressed in thousands of barrels daily) rose to 46,515 in the first quarter of 1979 compared to 46,205 in 1978. Customs figures, as recorded by the Bureau of Census, show that imports through May increased 10 percent over those for the first five weeks of 1978.

Indeed, the imports for these first five months of 1979 almost matched the levels established in the "glut" year of 1977. The CIA in-depth study echoed the Customs Bureau's findings. It showed imports in the first five months of 1979 outstripping 1978. During the first three months, imports averaged well over 8 million barrels a day, and in April and May they were only slightly below that figure. By contrast, in 1978 imports reached the 8 million-barrel-a-day figure in only two of the first five months, and in the remaining months, they trailed considerably behind the 1979 import figures.

The CIA assessment revealed another curious fact. In this 1979 year of "crisis," American firms actually exported more oil in every one of the first five months than they had in either 1977 or 1978. Exports ranged from 329,000 barrels daily in January to 445,000 barrels daily in both April and May. Yet, in lush 1977, exports had ranged from only 192,000 barrels daily to 288,000. The fact that we were exporting more oil in 1979 than we had in the two previous non-crisis years would seem to indicate manipulation of the market.

This suspicion, shared by more than two-thirds of the American people, according to public opinion polls, is reinforced when one reads the Federal Trade Commission memo of May 30. Reporting on a study made by the commission's staff, the memo said:

"The data indicates, among other things, that gasoline supplies in 1979 were up by 4–8 percent, depending on the time period, over 1978s. Net supply of gasoline in April was particularly plentiful compared to the previous April (up by 22.9 percent). Significantly, however, every time period—month, quarter, third—shows increased supplies and no indication of a shortage." Not only were supplies of gasoline more plentiful in 1979, but demand was down. According to figures from the OECD [Organization for Economic Cooperation and Development] in Paris, United States oil consumption in the period from January to April, 1979, was nearly 1 percent below the level of the same period in 1978.

Yet it was in late April and early May that the gasoline pumps in California suddenly went dry, beginning the drought that was to spread across the nation to New York, Washington, D.C., and cities in between. In a nation whose whole economy since World War II has been structured around networks of superhighways on which federal and state governments have lavished billions of dollars, panic struck, accompanied by frustration and fury.

The evidence established that none of this was necessary; it suggests that this was a "crisis" carefully orchestrated by Big Oil, aided and abetted by the complacent nonwatchdog in the DOE and even by the president himself.

Jack Anderson, the Washington columnist, has published excerpts from secret White House minutes indicating that President Carter deliberately cut back gasoline supplies to keep his pledge to other industrial nations that the United States would reduce oil consumption by 5 percent. At a May 7 meeting, just as motorists were queuing up for miles in California, Carter told his Cabinet: "Our priority will continue to be some heating, agriculture and emergency needs over highway driving . . . There will be less gasoline, and it will cost more." Those last words confirm Jack Anderson's scoop. They match word for word the public presidential refrain that all of us have heard for months: "There will be less gasoline, and it will cost more."

Cost more! That is what this scenario is all about. The Carter administration for months has backed every move that would make gasoline and other fuel products more costly, on the theory that higher prices would "force" conservation. For months, the administration talked about $1-a-gallon gasoline. Privately, it was scripting an even more brutal program.

Jerry Ferrara, the outspoken executive director of the New Jersey Retail Gasoline Dealers Association, described in a television appearance on July 2 how he and his associates had "pounded on every door" in

Washington seeking adoption of a more sensible policy. He said he had met face to face with Schlesinger, and he added: "He [Schlesinger] said that, if gasoline got up to $2 a gallon by 1981, the American people would have to conserve. And then he walked out of the room."

Justice Department antitrust lawyers have been trying to find out why it was that, just at this time of supposed shortages, crude oil production went into its steepest decline in seven years. In a preliminary and relatively unnoticed report, Justice Department attorneys, concluded that, from December through April, the falloff in domestic drilling had cost the nation some 11 million barrels of gasoline.

This falloff in domestic production came at a time when oil company profits in the first quarter of 1979 were going through the roof. While the companies were demanding price decontrol as a prerequisite for increased domestic production, first quarter profits at Exxon were up 37 percent; Gulf was up 61 percent and other majors like Standard Oil of Ohio were registering increases of more than 200 percent.

The drop in domestic drilling was accompanied by a second cutback, a reduction of refinery output. "That is where it all hangs out," one industry critic says. It does, indeed. Refineries capable of operating at 91 to 92 percent of capacity (this is virtually full-out considering inevitable maintenance delays) dropped their runs in this season of our travail to 84 percent. The American Petroleum Institute itself acknowledged that, in the second week of June, refineries were operating at 84.1 percent of capacity. The following week, the runs were stepped up to 84.5 percent—still far below capacity at a time when, all reliable evidence shows, crude stocks were in plentiful supply, waiting to be processed.

The situation infuriated Rep. Benjamin S. Rosenthal (D.-N.Y.), chairman of the subcommittee on commerce, consumer and monetary affairs of the powerful House Committee on Government Operations. It also upset Schlesinger, who, in June, confessed that he found the disparity between abundant crude oil stocks and low refinery runs "distressing" and "disturbing." He threatened action against oil companies that had poor refinery performance.

The sequel is perhaps best told in the words of Rep. Rosenthal as recorded in the Congressional Record of June 29. The congressman said:

"Following the hearing on June 14, Secretary of Energy Schlesinger admitted that we had more than adequate oil inventory stock and that he would undertake to use the Department of Energy's allocation authority to urge recalcitrant refiners in the direction of serving the consuming public . . . On Thursday, June 24, Secretary Schlesinger reversed his stand, expressing that the U.S. multinational oil companies might retaliate by withholding oil from the United States. Thus, it becomes obvious that much of the blame for the current gasoline shortages must also be ascribed to deliberate actions by the oil companies and the Department of Energy. This "blackmail" threat by the U.S. multinational oil companies that ship crude oil to Europe instead of the United States calls for a vigorous response by this nation."

It would be difficult to find a clearer demonstration of the power of the oil forces that hold this nation in thrall, but what Rep. Rosenthal called "this 'blackmail' threat" is not the only indication of the contempt in which Big Oil holds the government and the people of the nation.

The brutal price escalation, which puts Schlesinger's $3 gasoline in our immediate future, has been achieved through the delightful collaboration between Schlesinger's DOE and the oil industry. All during 1978, when the gas glut made it impossible to sell gasoline at ceiling prices, individual gas station owners were allowed to "bank" on their records the differential.

Came 1979, the "shortage;" zooming OPEC prices; and, with frustrated motorists on gas lines willing to pay anything, those deferred, spurious "banked" sums were tacked on to the already zooming prices. As usual, the consumer got zonked. The DOE has now ended this "banking" system, but prices have already been driven to levels from which it is almost certain they will never come down.

All of this has taken place during the administration of a president who, in his first fireside chat in 1977, pleaded with the average American to sacrifice for the national good. Wear heavier sweaters. Turn down the thermostat. Car pool. Drive at slower speeds. "Sacrifice" one and all like a band of brothers for everyone's good and the national welfare.

Coming down from the Mount in July, the president is still saying that if we all band together and sacrifice, we can lick the devil dogs of OPEC. One has to wonder where the president has been all these years. Whatever gave him the idea that Big Oil considers itself part of a national brotherhood? The record is undeniable. Big Oil has just one concern—the bottom line. When it comes to "sacrifice," let the poor average American schnook do it.

The latest severe OPEC price hike, announced while President Carter and leaders of the industrial nations were conferring in Tokyo, seems to have shocked these statesmen to the tips of their toes. One has to marvel.

Before the previous price increase earlier in the year, OPEC spokesmen had put the blame squarely on the consuming nations, and Radio Riyadh, before this last bit of extortion, returned to the theme by charging that oil shortages were due to "the operation by certain major powers of huge stockpiles [those salt domes in Louisiana?] or price manipulations by the companies."

What the Arabs were saying quite clearly was:

"You asked for it, and you'll get it."●

RESPECTING A PARENT'S FREEDOM OF CHOICE IN EDUCATION

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. LAFALCE. Mr. Speaker, we have witnessed considerable debate during the last Congress concerning aid to private schools. Most often, the controversy centered around granting tax credits for tuition paid to private schools. While we spent a great deal of time discussing the validity and the constitutionality of such a measure, I would like to point out that we obfuscated the real issue.

The singular issue, which we have avoided, is a parent's right to choose the type of education he wants for his children. Clearly, education is and Government has the obligation of supporting that parental responsibility. Private education is a vital element in the American educational system today and I believe it is important that this dual system continue to exist. It provides an extremely important option for parents who feel their children cannot receive the same quality or kind of education in public schools. Without aid, however, this freedom of choice and the traditional pluralistic educational system in this country may become threatened.

I attended both public and private schools, and can attest to the quality of education I received in both. I certainly hope that this opportunity to attend both is made economically available to those who cannot afford anything other than the public schools.

I have never heard anyone deny a parent's right to select a child's education. Like many other rights, however, it is nearly meaningless unless it is economically feasible, unless the right can be exercised. Only if we make such a right an economic reality will we be giving the parent's freedom of choice any viability.

In this light, I would like to share with my colleagues an article which appeared in the Washington Post on July 25, 1979. I believe it provides cogent and compelling reasons for respecting a parent's freedom of choice and providing aid to attend private schools.

[From the Washington Post, July 25, 1979]

PRIVATE SCHOOLS AND PARENTS' RIGHTS

(By Joseph Sobran)

Like many people, I used to oppose government aid to private education in any form. I attended public schools, and I felt that if other people thought the free system wasn't good enough for their children, they shouldn't complain about having to foot the bill for private schools. Besides, what if a dime of public funds should wind up in some priest's pocket? That would violate the First Amendment, wouldn't it?

I'm afraid this was, and is, a rather mean attitude. People don't choose private schools out of ingratitude, but out of love. They make sacrifices to give their children the best education they can. They deserve at least some consideration for that.

Besides, there is a matter of principle at stake, a principle we have nearly forgotten. Education means, finally, the shaping of the young. This is a grave duty, and it rests primarily with parents, and only secondarily (if at all) with the state.

Sen. Daniel Patrick Moynihan (D-N.Y.), our leading advocate of tax relief for parents of private-school pupils, points out that the issue hasn't really been weighed on its merits. Liberal opponents of even that mild a form of aid to private schools insist it is unconstitutional; but that question can be temporarily waived. The main question is simply whether aid to private schools is a good idea. Both the Democratic and Republican platforms of 1976 agreed that it is.

Liberal ideology generally wants government to supervise things. It is suspicious of private schools as havens of privilege and subterfuges for segregation. In addition, the public-school establishment—state officials and teachers organizations—resents independent schools as it resents parental pressure. It prefers the rule of accredited state "experts," and has been harassing private schools—especially the proliferating religious

schools of the Southeast—in the name of "standards."

There is irony, not to mention impudence, in this. Parents choose private schools in part because the standards of public schools have deteriorated so badly. And private schools generally do a better job of teaching by all measurable criteria.

But measurable criteria are only part of the story. Parents choose private schools for less tangible reasons. They want their children taught in the atmosphere of moral and religious values that are (to some extent necessarily and properly) excluded from public schools. They feel that what the private schools supply is not extra luxuries, but vital necessities. Private schools are in a special sense free schools: free to be purposeful, free to reflect parental values.

All this runs counter to the instincts of modern liberalism, which implicitly regards education as a process of "liberating" the young from the presumably backward values of the home. Though tactfully downplayed, this attitude shows up in the campaigns for sex education and for the minors' "rights" to contraception and abortion.

It also shows up negatively. The fashionable intellectual journals have almost nothing to say on behalf of parents' rights—a strange anomaly in an age that elaborates the rights of minorities, women, homosexuals, even animals. Nobody openly denies a parent's right to select a child's education. But it is a right that is losing weight fast.

Usually, liberals argue that a right worth having is a right worth subsidizing. We are told that poor women don't really have the right to an abortion unless they have "access"—in the form of tax monies—to abortion. We are also assured that subsidizing abortion in no way implies approval of it. Why isn't this logic applied to private education?

In essence, public education has the status of an established church. All, regardless of personal conviction, are required to support it. Dissenters are "free" to support alternatives only after they have paid their dues to the establishment.

That situation trivializes genuine freedom. The preferred status of public education prevents some, and tends to discourage all, from supporting pluralistic education. Justice requires nondiscriminatory tax relief, at a minimum, to parents of private-school pupils. And that means no discrimination against religious schools.●

RALPH AND VIOLA SHANKS REPORT ON SENIOR INTERN PROGRAM

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. CLAUSEN. Mr. Speaker, this year my office was privileged to have had for its senior interns, Ralph and Viola Shanks of Napa, Calif. This dedicated couple have devoted their lives to helping others. After a lifetime of commitment as a minister of the Presbyterian Church, Ralph, in his retirement years has poured his considerable energies behind many of the programs of the Napa Council on Aging.

At considerable personal sacrifice, Ralph and Viola Shanks traveled to Washington to participate in this year's senior intern program. They conscientiously attended scheduled sessions, informally discussed programs with their fellow interns, and asked questions and made suggestions to Federal officials.

They have now returned to Napa and are putting much of the information they obtained to good use in making local citizens better aware of Federal programs for the elderly.

So that my colleagues, and people across the Nation may be aware of their impression of this worthwhile program I am inserting in the RECORD a special report the Shanks prepared for me.

1979 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM REPORT

(By Ralph and Viola Shanks)

Long to be remembered with great joy was the opportunity given to us by our Congressman, the Honorable Don Clausen of California, to represent the 2nd District in the 1979 Congressional Senior Citizen Intern Program, held in Washington, D.C., in May. The thrill of being in our nation's Capitol and sharing in its activities, of listening to and questioning the heads of departments directing programs for the elderly, of meeting the President of the United States in the Rose Garden at the White House, of watching Congress in session, and the subcommittees at work, of making new friends from all areas of the nation, and sightseeing together in our free time, remains with us to emphasize what a memorable experience it was, a bonus for growing old!

And most of all, the warmth and love with which we were received by the Honorable Don Clausen, his Administrative Aide John Bovard and the staff: Larry, Carol, Connie, Kathy, Mary Jane and Sandra, made the two weeks a mental and spiritual uplift.

And we might add, all the walking we did made a physical uplift in our health!

We commend Donna Norton for her hard work, and the girls who assisted her to make the Intern Program run smoothly. We doubt if anything could have been done to improve the two weeks of activity. Every detail seemed to have been taken care of carefully, and always with the comfort and concern of the Interns in mind.

The agenda set up by Donna covered almost every aspect of the senior citizen's life. Our speakers were Congressmen, heads of departments, staff directors, advisors, assistants who presented their information well and answered all questions with patience. Each one was quick to offer assistance and provide published information. It was good to learn about the legislative process firsthand and to share questions and thoughts with each other. In fact, we were impressed, feeling that our government fully realizes the needs and the problems of aging Americans, and is trying to meet these needs.

Having all Interns registered at one hotel was a good plan. This gave us the opportunity to become better acquainted, to chat now and then, to dine together, to share a taxi! Most Interns had been selected carefully and were a delight to know. Most were of a patient and positive attitude. Critics were few. But there were a few. They criticised often. And no doubt they went home to continue their campaign of complaints against our government. We did have opportunity to counter their pessimism, but we wondered how and why they had been chosen for the Intern Program.

One embarrassing and disappointing (at least to us) situation arose the second week of the internship when one of the more elderly gentlemen stepped to the microphone to ask a question, but instead, ignored the rules and went into a lengthy and provincial discussion. Soon a few Interns left the caucus room, then a few more, and finally half of the group had walked out. This, we thought, was rude to the speakers on the panel and to Donna. Donna thoughtfully thanked those who stayed. Someone said to us later: "This sort of thing gives all of us a bad name."

Perhaps it was true that each Intern was connected with one or more aging organizations, and each Intern was well informed on most programs. The two weeks did help to pull all programs into perspective and to give a total picture from the Federal government's participation, to the State and local levels. We learned, too, that without a doubt, the organized groups representing the older citizens carry "clout". We sometimes wonder if these groups lobby for their own special interests without thoughtful consideration of the nation's children and young adults.

All too often, we thought, the discussion and information centered around the low income elderly. (We realize, of course, that government-financed programs are strictly low income oriented.) To a degree, this bothered us. Certainly, we are not averse to aiding the needy. We have been advocates of the unfortunate peoples of our country, and of the world, as well. We spent many years in rehabilitation and social work with the blind, the disabled and the elderly. We know of their traumas and their poverty. And we know their lot has been made easier by caring politicians through new laws that have gone into action bringing aid in barren areas of their lives. In California, these people are more fortunate than in most of the nation. The Federal/State grant is one of the highest in the U.S. We wish other States would do as well for its needy.

However, we did feel strongly that almost none of the Interns were of low income. Perhaps three women who said they served as Foster Grandparents would come under this category. We certainly are not advocating Interns be of low income. What we want to say is that these senior participants in the Intern Program were no doubt active volunteers in their communities, counties and States. And being volunteer workers, they were concerned individually with the Federal and State programs already in progress, as well as legislation of the future that will affect the lives of older Americans.

And what we heard and learned, we needed to hear and learn; or as the case may be, to re-learn. But to many of us now in "forced" retirement, volunteer work is not enough. The great "middle income" elderly people need some attention, too. Inflation is now eating up our savings. Medical insurance does not cover all the bills. A long term illness of one spouse or the other would wipe out the savings of many of us. Some of us would like to work part time. Some would even like to be employed full time again. This seems like an impossibility. When employment opportunities open up almost always the senior citizen is passed over. Perhaps the director of the agency looking for an employee feels insecure when he or she reads the successful resume of a retiree, and then sends out a "sorry, you are highly qualified, but" letter. Perhaps, he or she thinks the job seeker has his retirement check and doesn't need the extra income.

We wish that there had been one session during the two weeks on this topic, at which time we could have asked: "Why can't some government, meaning Federally-funded, agencies be required to hire a certain number of older Americans, not of low income? We would like to have heard about opportunities for life long employment for those who want to continue to work. We would like to have heard about shared jobs.

On the afternoon following our tour of the White House and our meeting with President Carter, we gathered at the GSA auditorium to hear Sam Browne of ACTION. He is an earnest, fine young man who gave an inspirational address. He had to leave right after his speech. The next speaker was the director of Older Americans Volunteer Programs. She, too, was an intelligent, able leader. She was followed by the head of the Foster Grandparent program. More than half of our group knew of this program. The film he showed was excellent, but it made clear that this was an area where only seniors of low income served. When at least three interns tried to question the speaker about other programs available for the person who is not of low income, he seemed to misunderstand and the questions went unanswered. This attempt to turn the discussion toward Vista and the Peace Corp was dropped, and the opportunity to interest some of the Interns present in either of these programs of ACTION was lost. We went away with the feeling that we were considered low income just because we were senior citizens.

Some one has said that senior citizens need to be looked upon as equals. It does seem to us, that too often we are looked upon as a group who are needy and getting too much attention, and too many considerations, like discounts and passes. Agencies, it is said foster these attitudes.

In our involvement with senior citizen organizations in the community, we are often disturbed over the fact that large sums of the funding for a program are drained off for administration. We would have liked a group discussion on this. Would senior citizens be willing to give time and talent? Also, why can not the existing agencies be utilized, rather than set up another bureau? Every area has its departments of Social Service, Health and Mental Health plus an Office of Employment.

Another topic we would like to have had some discussion on was the growing problem of drug and alcohol within the senior citizen group. We live in the heart of the wine country but we know the problem of drinking (and of drugs) is not localized, but is one that is in every town and city across the land. In reading our literature, we have learned that there is legislation being considered. We are glad.

Finally, we hope the Congressional Senior Citizen Intern Program will be continued. We wish for other senior citizens the same splendid opportunity we had. We are proud that our Congressman, the Honorable Don Clausen, agreed to cosponsor a bill to make this a permanent program. We want others to come to the Capital, and to see firsthand how much hard work goes into running the nation's business. In this era of skepticism it is good for as many citizens as possible to observe the dedication of our elected officials in Washington, D.C.

We want to close by expressing our deepest appreciation for the privilege and the honor of serving as senior interns in 1979. It was truly a two week highlight in our life time. Our sincere gratitude and thanks to a man, our Congressman Don Clausen, for whom we have great respect and admiration and affection. The whole wonderful experience, from our Congressman and his beautiful staff persons to the completion of the highly interesting and informative program to the exhilarating free time for sightseeing, was one that "renewed our strength" and made "our cups run over". Thank you, thank you!

God bless you, everyone!●

TWO VICTORIES FOR THE WHALES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. BONKER. Mr. Speaker, I wish to submit for inclusion in the RECORD an editorial from the New York Times of July 18 regarding the recent International Whaling Commission session in London.

The 31st annual International Whaling Commission meeting was highly successful on two acounts. First, the 23-member Commission adopted, over the opposition of Japan and the Soviet Union, a moratorium on factory ship whaling for all species but the minke whale. The ban on commercial hunting of whales, in which the factory ships play a crucial role, will finally provide the protection necessary to prevent the extinction of the world's whale populations. Second, the Commission set a precedent for further protective measures by stipulating that for the next 10 years the Indian Ocean will be a sanctuary for all whale species.

Congress demonstrated its concern about the fate of the world's whales through passage of resolutions condemning commercial whaling. Congressional action helped strengthen the position of our delegation to the International Whaling Commission meeting in negotiating these two important measures.

[From the New York Times, July 18, 1979]

A ROUND FOR THE WHALES

Twice in this century, species of whales on the verge of extinction have been saved by war. During World Wars I and II, human beings were so busy slaughtering each other that they had no time to hunt the harmless leviathans who would otherwise have ended up as pet food and cosmetics.

Now the whale is getting a third reprieve, and the thousands of citizens who have campaigned against the killing have reason to celebrate. The International Whaling Commission has called for a worldwide moratorium on whaling by factory ships, which account for most of the slaughter. The ban regrettably exempts the small minke whale, which Japanese fleets hunt in the Antarctic, but this species is said to be still numerous.

The best news is that protection will finally be extended to the dwindling sperm whale, 10,000 of which were killed last year alone, mainly by Russian harpoons. Moreover, the commission has decreed that for ten years the Indian Ocean is to be a sanctuary for all species of whales. A precedent has thus been set for establishing other sanctuaries elsewhere.

At the commission's London meeting, both Japan and the Soviet Union furiously protested the moratorium, yet they are expected to honor it. The Japanese have also promised to take steps against the sale of catches from pirate whalers. Two key members of Congress, California's Pete McCloskey and Washington's Don Bonker, helped win this grudging concession by warning that any violation of international conservation measures could lead the United States to deny foreign nations the right to fish within this country's 200-mile limit. Both Japanese and Soviet trawlers operate intensively in North Pacific coastal waters.

The Whaling Commission's moratorium on factory ships is late in coming and may not last very long, since it is subject to review next year. But the conservationists have economics as well as widespread good will on their side. Both the factory-ship and offshore whaling industries are in decline anyway because of reduced catches. The London meeting was therefore a clear round for the whales. The song of their progeny may yet be heard, and even understood, by ours.●

CENTENNIAL OF HERNDON, VA.

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. FISHER. Mr. Speaker, 100 years ago, the Town of Herndon was incorporated in Fairfax County of the Commonwealth of Virginia. As the Representative whose district includes that town, I would like to honor Herndon and its 13,000 residents. During the past 100 years, Herndon has grown from a small community of dairy farms around a railroad depot to an important residential and commercial area. It is still a unique, independent community, proud of its heritage and strong local government.

I think it is fitting that this strong, independent town should bear the name of Comdr. William Lewis Herndon, an illustrious Navy hero. I would like to insert in the RECORD the following biography of Commander Herndon from the Dictionary of American Fighting Ships, vol. III, 1968.

I hope the Navy will find it possible to honor Commander Herndon further by naming one of its new vessels for him, and I have written to the Secretary of the Navy requesting that this be done.

(Extracted from the Dictionary of American Naval Fighting Ships, volume III, 1968, pp. 315–316.)

HERNDON

William Lewis Herndon, one of the Navy's outstanding explorers and seamen, was born 15 October 1813 in Fredericksburg, Va. Appointed Midshipman 1 November 1828, he cruised in Pacific, South American, Mediterranean, and Gulf waters from then until 1842. From 1842 to 1846 Herndon served in the Depot of Charts and Instruments (to become the U.S. Naval Observatory) with his cousin and brother-in-law, Matthew Fontaine Maury, preparing oceanographic charts and performing other scientific work invaluable to the safe and accurate navigation of the seas. During the Mexican War, Herndon commanded brig *Iris* with distinction.

In 1851 Herndon headed an expedition exploring the Valley of the Amazon, a vast area as uncharted as the wildest part of central Africa. Departing Lima, Peru, 21 May 1851, Herndon and his small party of six men pressed into the wild and treacherously beautiful jungles. After a remarkable journey of 4,366 dangerous miles, which took him through wilderness from sea level to heights of 16,199 feet, Herndon reached the city of Para 11 April 1852. On 26 January 1853 Herndon submitted an encyclopedic and profusely illustrated 414-page report to Secretary of the Navy, John P. Kennedy.

After 2 years of active service in *Potomac* and *San Jacinto*, Herndon, now a commander, was given leave in 1855 to command the Pacific Mail steamer *George Law*, renamed *Central America*, 20 June 1857, on the New York to Aspinwall run. Making his way up the coast from Aspinwall with $2,000,000 in gold and 474 passengers, as well as 101 crew members, Herndon encountered a heavy gale off Cape Hatteras 7 September 1857. The gale steadily increased in savagery until the 12th, and *Central America* was shipping water through several leaks. As the ship pitched and rolled through the pounding seas, water in her hold put out her boiler fires. Commander Herndon reluctantly admitted that, despite the valiant efforts of crew and passengers alike, his ship was doomed and summoned aid by firing the ship's minute guns. At 2 p.m., West Indian brig *Marine* arrived

to aid the stricken steamer. Disregarding his own life, Commander Herndon supervised the loading of women and children into lifeboats and watched them pull to safety in *Marina*. Herndon's bravery and his concern for his passengers and crew helped save 152 of the 575 people on board. Commander Herndon was last seen in full uniform, standing by the wheelhouse with his hand on the rail, as the ship gave a lurch and went down. A monument at Annapolis commemorates this intrepid explorer and gallant seaman.●

EXPLOSIVES TAGGING: A DUBIOUS PROPOSITION

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. RAHALL. Mr. Speaker, few will disagree that positive action is needed to combat terrorism; however, most people cannot agree on a cure. The panacea currently in vogue, as proposed in S. 333 the Omnibus Antiterrorism Act of 1979, and as originally contained in H.R. 2441, is the insertion of microscopic, color coded plastic taggants into some explosive products. This, it is alleged, will enable law enforcement agents to trace the explosives through the distribution system and back to the bomber himself.

Articles from the New York Times and the Washington Post reporting a Sparrows Point, Md., bombing involving tagged explosives have recently appeared in the RECORD. These articles have heralded this bombing as conclusively proving the utility of taggants; however, such a conclusion is flatly erroneous.

The articles overlooked several salient facts. First, the bomber was not a terrorist. He was an enraged husband who was determined to kill the man who was having an affair with his wife. Would placing taggants in explosives have deterred this man from cold-blooded killing? If not, would it deter the professional, terrorist murderer? Commonsense tells us that the answer to both questions is "No."

The second fact overlooked was that the bomber freely admitted purchasing the explosives. The terrorist does not.

If he purchases the exposives he uses an alias. More often than not, however, the explosives are either stolen, foreign, homemade, or military which under S. 333 would not be tagged.

The third salient fact missed by the articles is that commercially produced explosives (the only types of explosives product to be tagged under S. 333) are used in only 53 percent of all bombings.[1]

Thus, commonsense makes it clear that even the most inept terrorist could easily circumvent a tagging program.

Let us assume, however, that a tagged explosive is used in a bombing. Would the taggants act like a fingerprint and provide an immediate and easily traceable clue? Or would the taggants merely provide a confirmatory tool for an easily solvable amateur bombing?

The reports of the recent bombing have suggested that taggants are like fingerprints; but this conclusion ignores the facts. The affidavit filed in the McFillin bombing clearly demonstrates otherwise. A judicious reading of that report manifestly illustrates that investigators had solved the case before they had completed tracing the taggants. Thus the conclusions drawn by the press from this incident are erroneous and misinformed.

The Institute of Makers of Explosives, the safety organization for the explosive industry, recently addressed this question in answer to questions posed by Chairman RIBICOFF following the hearings on S. 333 held last May. I ask that excerpts from their excellent and thorough analysis be printed in the RECORD.

The excerpts follow:

The much-publicised "McFillin Bombing," involving tagged cap-sensitive explosives, is a case in point. For several reasons, it is clear that taggants were not necessary to establish the nexus between McFillin, and either the crime or the purchase of the explosives:

McFillin was the prime suspect from the beginning because:

(1) he had accused the deceased of having an affair with his wife,

(2) he had previously threatened the deceased with a shotgun, and

(3) the morning before the bombing he had publicly accused his wife of having an affair with the deceased.

BATF suspected McFillin before they knew he had purchased the explosives, because they took McFillin's picture to the dealer.

McFillin signed his real name when he purchased the explosives. Had he acted like the majority of bombers, he would have stolen the explosives, or used an alias.

McFillin admitted purchasing the dynamite, but a search disproved his alibi and uncovered an ignition wire from the deceased's vehicle in the trunk of McFillin's car.[2]

Thus, at best the taggants were a confirmatory tool for an easily solvable, amateur bombing.

Moreover, this was an atypical bombing because the explosive did not completely detonate. Thus, the taggants that were recovered came from the undetonated explosive.[3]●

WASHINGTON, THE CITY—ALIVE AND WELL

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. McKINNEY. Mr. Speaker, during the past few weeks, Washington has once again been characterized as a big bully, totally out of control, sit-there-and-do-nothing menace. A role which it often assumes when this country faces a crisis which cannot be solved in the short term. A scapegoat must be found to serve as the target for the anger of citizens, and without question Washington, more often than not, is sacrificed by the powers that be.

The President had his turn at taking pot shots at Washington during the past few weeks, and if you listen to his press secretary, Washington, and anything or anyone that touchs it or associates with it, deserves a fate one only reserves for their bitter enemies. Even here on Capitol Hill Washington gets blamed for myriad problems when we, in times of desperation, fail to come up with any other patsy. The convenience of the automatic blame-it-on-Washington approach hardly ever serves a useful purpose. In fact, upon closer analysis, I feel that such an approach quite often has a negative effect especially when you realize that the term encompasses two distinct entities—Washington the hub of the Federal Government and Washington, the city.

Anyone who knows my record here in Congress knows full well that I am an ardent supporter of Washington the city. While many of my positions on civil rights, energy, mass transit, housing, environment, urban policy, and the like stem from the political philosophy which I embrace, I would be remiss if I did not acknowledge that my background on these issues has been strengthened by my service on the House Committee on the District of Columbia. It is because of this service and the accrued knowledge and love of this city that I must stand up today and caution those who would use this city for political expediency.

Mr. Speaker, when I came to this Congress in 1971, I welcomed the opportunity to serve on the House Committee on the District of Columbia. The fact that my congressional district contains three major cities was an influential factor in my choosing to serve on the D.C. Committee I truly felt that the knowledge I absorbed in tackling the problems of the District of Columbia could easily be translated into a better understanding of the problems facing my constituents in Bridgeport, Stamford, and Norwalk.

I approach my duties on the D.C. Committee with a twofold goal—to best serve the interests of the citizens of the District of Columbia in relation to the Congress, and more importantly, to strive to see the then evolving Home Rule legislation passed and implemented. Now, 8½ years later, almost 6 years after passage of the Home Rule Act, I still pursue my D.C. Committee duties with vigor since I recognize that unless the attitudes toward the city of Washington are changed here in Congress, then home rule stands at little more than an empty promise.

The uniqueness of the city of Washington as the Nation's capital is the largest contributing factor to the city's problem. This joint designation, as a city and a capital, has served as the battleground whereupon many wars have been fought. In essence, Washington belongs to the entire Nation, and thus, the legislators elected by the people of this Nation should have some say in its future.

Please note that I use the term future instead of operation because interference

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[1] Intelligence Branch, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, *Explosives Incidents: 1977 Annual Report* 22 (1978).

[2] *See* Affidavit of Daniel P. Bosh, *United States* v. *McFillin*, Magic. No. 2-79 133P (D.Md. filed June 18, 1979).

[3] Lyons, *Tagging Bombs, Trapping Bombers, N.Y. Times*, June 24, 1979, at E7, col. 1.

in operation is the chief issue which I am discussing today. The fight for home rule was a long one and the implementation of home rule has gotten off to a terrific start. However, unless we give it room to breath and to grow, our continued interference in D.C. affairs will eventually bring us back to the point where the Congress runs the day to day affairs of the District.

During the past month, a number of bills relating to the District of Columbia have been brought to the floor of the House. Thankfully, the majority of my colleagues found merit with those bills and they were passed and forwarded to the Senate. Unfortunately, prior to passage, some Members took the opportunity to get in their usual whacks at the city. For those of us who recognize the problems of the District and are working hard to correct them, the "let's pick on the District" votes are not something to look forward to. Certainly, there is room for improvement in any piece of legislation and District of Columbia matters are no exception. However, it is not so much the fact that the bills dealing with District of Columbia are opposed, it is the lying in wait for the ambush approach that bothers me.

Mr. Speaker, the problems inherent in today's cities are mind-boggling. In recent years we have all witnessed the plight of New York and Cleveland, and in fact have had to deal with them right here on the floor of the House or in committee. The problems which caught up with those governments are running rampant in all major American cities, District of Columbia being no exception. Without question, it is the skilled management of many an elected mayor and city council that keeps other cities from going under financially and economically.

In November of 1974, a year after passage of the Home Rule Act, the citizens of the District of Columbia elected their first mayor and city council. The problems these officials faced in establishing and implementing a brand new city government were formidable. Under the leadrship of Walter Washington and the men and women serving on the city council, the newly elected government took great strides in correcting the problems of the past and in gearing this city for a future in which its citizens, and those of us who are just passing through, could be justifiably proud. Continuing the endeavor started by the former mayor, Walter Washington, is the newly installed government of Mayor Marion Barry and the city council elected with him last November. Mr. Barry has already presented new ideas, new goals, and most of all, new hope for the people of the District.

This city's government is relatively new. Nowhere in the United States have we in modern times handed over an entire city to a select few men and women and told them; "Here, now it's yours, run it!" We have the right to expect a lot, but we certainly do not have the right to expect miracles. We have the right (under the Home Rule Act) to question certain policies, but I am sure that few if any of us would like to change places with the men and women who are making and implementing those policies on a daily basis. We have the right to see that the government of our Nation's capital is run properly, but just as properly, we should watch how often we interfere. Remember, the District government has rights too. It has the right to grow and to mature, it has the right to move ahead without having Congress jump on it whenever it stumbles. Congressional legislation designed to serve the District should not be the vehicle for pet projects or amendments by Members who have been frustrated in their attempts to add similar restrictions to Federal legislation. The rebuffs that the city of Washington takes in the press, in the White House, and especially here on the floor of Congress go a long way toward shaping this city's image, and thus, the way it is perceived by citizens throughout the Nation.

Perhaps my belief in the future of the city of Washington is a bit stronger than many of my colleagues. However, while I realize that there have been many new faces elected to Congress in recent years, we should not lose sight of the fact that we were the ones who passed the Home Rule Act in the 93d Congress and we were the ones who passed the D.C. voting rights amendment in the 95th Congress. These are the foundations upon which this city hopes to build its future. It is up to this Congress and future Congresses to provide the bricks, not throw them. Washington, as it relates to the Federal Government, may often be quite deserving of the disparaging remarks thrown at it from all sectors, but let us remember that Washington the city is alive and well and trying everyday to improve. It is up to us to help.●

INSTITUTE ON WOMEN'S HISTORY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mrs. SCHROEDER. Mr. Speaker, I can think of no better way to wrap up the Minutewomen series than to salute the 45 women who today completed the Institute on Women's History, an intensive 16-day seminar sponsored by the Women's Action Alliance with cooperation from the Smithsonian Institution and the women's history program of Sarah Lawrence College and funded by the Lilly Endowment, Inc.

Upon completion of the institute courses, the participants, representing 37 national women's organizations, each received a "sistership" in honor of a woman in American history who was of special significance. A big round of applause should go to these women and their faculty—Gerda Lerner, director; Alice Kessler-Harris; and Amy Swerdlow—for helping to spread the word about the beliefs and efforts of our foremothers.

I would like to share with my colleagues the names of the institute graduates and their sisterships:

WOMEN IN HISTORY INSTITUTE SISTERSHIPS: AN EXPLANATION

In honor of:

1. Rose Schneiderman, organizer of the Woman's Trade Union League. Received by Ruth J. Abram, Women's Action Alliance, Inc.

2. Karen Silkwood, union, health and safety activist, martyred at 28 years old attempting to expose plutonium hazards. Received by Marjorie Albert, Coalition of Labor Union Women.

3. Elsie Vervane, Connecticut machinist who supported unionism and suffrage for women. Received by Barbra Apfelbaum, Women's Employment Resource Center.

4. Elizabeth Blackwell, first woman doctor who established women's medical college and nursing schools when excluded from medical practice. Received by Yolanda Bako, National Coalition Against Domestic Violence.

5. Dorothy Crane Pretty Voice, Lakota Sioux woman whose life reflects the strength and fortitude of Native American women, Mother of Matilda BlackBear. Received by Matilda BlackBear National Coalition Against Domestic Violence.

6. Lucy Randolph Mason, Working woman from Virginia who advocated suffrage and was the first Southern PR Director of the CIO. Received by Betsy Brinson, American Civil Liberties Union—Women's Rights Project.

7. Carrie Chapman Catt, activist in the woman's suffrage movement who co-founded the League of Women Voters. Received by Charlotte Callahan, New Jersey League of Women Voters.

8. Jessie Daniels Ames, organized women throughout the south to protest lynching. Received by Cristine Candela, Women's Equity Action League (WEAL).

9. Mary Lyon, founder of Mt. Holyoke College, the first institution of higher learning for women with a liberal arts curriculum. Received by Marjorie Bell Chambers, American Association of University Women.

10. Frances Ellen Watkins Harper, abolitionist and suffragist who was the first published Black woman novelist. Received by Brenda Daniels-Eichelberger, National Alliance of Black Feminists.

11. Sojourner Truth, noted Abolitionist and advocate for women's rights. Received by Shirley Davis, National Congress of Neighborhood Women.

12. Barbara Grier (a.k.a. Gene Damon), pioneer in establishing lesbian publications, publicising lesbian writers and preserving lesbian herstory. Received by Frances Doughty, National Gay Task Force—Women's Caucus.

13. Georgina Mac Dougall Davis, one of the founders of the Women In Communications, Inc. Received by Kathleen Endres, Women In Communications, Inc.

14. Florence Kelley, founder of the Children's Bureau. Received by Joan Engelke, National Women's Political Caucus.

15. Betty Freidan, mother of the second wave of the women's movement. Received by Nancy B. Foys, International City Management Association.

16. Fannia Cohn, organized women workers in the early 20th century and was a pioneer in workers education. Received by Melanie Graves, Wider Opportunities for Women.

17. Edith Macy, co-founder of the Girl Scouts who empahsized the training of adult leadership. Received by Kris Howard, Girl Scouts of USA.

18. Leonora O'Reilly, turn of the century labor leader who rose from the ranks to become an educator, women's rights and trade

union supporter, received by Connie Kopelov, Coalition of Labor Union Women.

19. Alice Paul, activist and strategist for women's suffrage and early supporter of the ERA. Received by Phyllis Lefkowitz, National Organization for Women.

20. Anne Hutchinson, died challenging the theocracy of male Puritans. Received by Judy Lerner, Continuing Committee of Houston National Women's Conference.

21. Sister Mary Luke Tobin, member and former President of the Sisters of Loretto and first official woman observer at the Vatican Council. Received by Kathy Lisurance, Church Women United.

22. Chrystal Eastman, founder of the ACLU and peace activist. An advocate for workers compensation and early supporter of the ERA. Received by Lora Liss.

23. Sadie Sachs, woman whose death from an illegal abortion inspired the work of Margaret Sanger for legal and safe abortions. Received by Cindy Little, National Abortions Rights Action League.

24. Elizabeth Gurley Flynn, feminist and labor union organizer. Received by Molly MacGregor, Commission on the Status of Women—Sonoma County, CA.

25. Rosa Pesotta, charismatic and effective labor union organizer. Received by Ruth Meyers, Women Strike for Peace.

26. Frances Wright, writer, lecturer and founder of an utopian society in the early 19th century. Received by Maureen McCormack, Leadership Conference of Women Religious.

27. Marguerite Rawalt, lawyer and one of the founders of the Women's Equity Action League. Received by Char Mollison, Women's Equity Action League Education and Legal Defense Fund.

28. Rachel H. Johnson, first National President of Girls Clubs of America. Received by Martha May Newsom, Girls Clubs of America.

29. Eva Bowles, first Black YWCA leader who organized support for Black soldiers during World War I. Received by Elizabeth Norris, YWCA.

30. Hannah G. Solomon, founder of the National Council of Jewish Women. Received by Ilene Olansky, National Council of Jewish Women.

31. Ella Baker, leading strategist and organizer throughout the south before and during the civil rights movement. Received by Barbara Omolade, Women's Action Alliance, Inc.

32. Sarah Bagley, first known female labor union organizer. Received by Deborah Pearlman, Women's Community Studies.

33. Lupe Anguiano, founder and director of the National Women's Employment Education and organizer of Mexican American women. Received by Pauline Pesina, National Women's Employment Education.

34. Francisca Flores, a life long organizer of Mexican American women who developed and initiated community programs. Received by Garcia Molina Pick, Comision Feminil Mexicana Nacional, Inc.

35. Anna Julia Cooper, Black woman educator and feminist who felt "Black women must speak for themselves." Received by Gayle Porter, National Alliance of Black Feminists.

36. Harriet Tubman, an escaped slave who organized other slaves to escape slavery and fought with the Union army during the Civil War. Received by Carolyn Reed, National Committee on Household Employment.

37. Rachel Ben Zvi, founder of Pioneer Woman and wife of the 2nd President of Israel. Received by Edythe Rosenfield, Pioneer Women.

38. Emma Goldman, leader in organising women for reproductive freedom and for workers rights who knew that "true emancipation begins in women's souls." Received by Vivian Scheinemann, New Directions for Women, Inc.

39. Ida B. Wells, an anti-lynching crusading journalist who spoke out against injustice in spite of personal danger. Received by Zerita Sutton-Walther, National Federation of Press Women.

40. Mary McLeod Bethune, founder of Bethune-Cookman College and the National Council of Negro Women. Major Black politician for over 20 years. Received by Bettye Thomas, National Council of Negro Women.

41. Grace Abbott, social worker who headed the Children's Bureau and initiated the establishment of children's health and prenatal clinics. Received by Mary Ann Ball Tyler, American Association of University Women.

42. All the un-named Chicana, omitted from American women's history. Received by Rosemary Quesada.

43. Anna P. Dickenson, Philadelphia actress and suffragist orator. Close friend and confidante of Susan B. Anthony. Received by Kay Whitlock, National Gay Task Force—Women's Caucus.

44. Antonia Erol, Polish immigrant steelworker and grandmother of Marsha Zakowski. Received by Marsha Zakowski, Coalition of Labor Union Women—United Steelworkers of America.●

SPECIAL IOC COMMISSION APPROVES OLYMPIC VILLAGE

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. McEWEN. Mr. Speaker, articles have appeared in the press which have cast doubt as to the adequacy of the Olympic Village being constructed at Lake Placid, N.Y., to house the althletes who will compete in the XIII Winter Olympics

The man most concerned, Lord Killanin, president of the International Olympic Committee, appointed a special commission to study the athletes' village objectively.

The following article from the June 1979, Lake Placid Olympian, an official publication of the Lake Placid 1980 Olympic Committee, indicates the positive findings of this commission's onsite inspection of the facility.

SPECIAL IOC COMMISSION APPROVES OLYMPIC VILLAGE

The Lake Placid Olympic Organizing Committee has received a positive report from the International Olymoic Committee's study commission on the athletes village, now under construction for the 1980 Olympic Winter Games.

"We can safely say that we are impressed with the fundamental preparations and pleased with the modifications which are being made and planned for the forthcoming event," James Worrall, chairman of the study commission, said following a four-day inspection of the village and other Olympic facilities.

Worrall, of Toronto, Canada, made the comment at a press conference in Lake Placid. He said the housing and bedrooms would be adequate for the estimated 1,850 athletes and team officials who will use the facility at Ray Brook, N.Y., during the Games next February.

"The bunks are quite comfortable and long enough," Worrall said. "I tested one yesterday and I am six-foot, six inches and weigh 255 pounds. So if it will hold me, it will hold most of the athletes."

Worrall, who has been involved with the Olympic Games since 1936, said there was nothing to criticise about the support services within the village such as the restaurant, entertainment, leisure areas, and housekeeping system.

"We are quite convinced they will not only be adequate but outstanding," Worrall said.

The chairman of the IOC commission said his group, which included Jan Staubo of Oslo, Norway, and Dr. Eduardo Hay, of Mexico City, was in Lake Placid in "a spirit of cooperation and good will, and certainly with a very positive attitude."

The study group recommended that approximately 30 additional mobile homes be located within the Olympic village so that 10 percent of the athletes could have single rooms.

Under the current planning, approximately 100 mobile homes will be placed at the village to meet the requirements for the Games.

"The Lake Placid Olympic Organizing Committee has always been concerned with the type of facilities for athletes because our major concern was to make this a Games for the athletes," Rev. J. Bernard Fell, LPOOC president, said during the conference. "As we moved along in the construction with this facility, we have always been operating in the view that the permanent structures themselves would not be adequate."

Rev. Fell said the organizing committee was considering mobile homes throughout its planning to meet the requirements.

"We have simply increased the number of mobile facilities from 70 to approximately 100 to allow 10 percent of the athletes to be housed in single rooms," Fell said.

Worrall said Lord Killanin had appointed the commission to study the athletes village objectively, after several national Olympic committees and sports federations had criticized the facilities.

"Subject to certain recommendations which we will propose, and on which we are getting the cooperation of the LPOOC, we feel the village will be a very, very adequate and very pleasant place to live while the Games are going on," Worrall said.

Worrall said mobile homes would be adequate for the cold weather experienced in the North Country.

"We in Canada are very familiar with this type of operation since we use it at all the big construction projects in the North Country," he said.

"These modifications would have to be made in any case," Staubo said. "These Games are so popular that there are close to 2,000 persons coming into the village. This is far beyond what has been expected in previous Winter Games, and the modifications are not being done primarily because we are demanding it, but because of the popularity of the Winter Games in Lake Placid, which necessitates that these modifications should be initiated."

At recent Olympic Winter Games, Staubo said, athletes were housed at different locations rather than being housed at one facility. Staubo said the IOC welcomed the system which has been arranged at Lake Placid.

"Here, from the IOC point of view, it is much better," Staubo said.

Worrall said the commission would recommend to the IOC Executive Committee that all athletes be required to pay the daily rate of $27.50 for the use of the village, even if they decided to utilise private housing.

"This is something we should definitely take up with the executive board when we meet with them in Puerto Rico in June. It is the view of this particular commission that they should pay. Where else can you get all the accommodations and all the food you can eat for $27.50?

"Undoubtedly, there will be individual cases where one group or another will decide that some of their athletes shouldn't stay in the village for reasons of performance. This commission believes philosophically that there should be a village, that the athletes and team officials should stay in the village.

"But it recognises for technical reasons, it may be desirable for individual athletes to be removed a day or so prior to their competition. This is something over which we have no control," he said. "It is obvious that the housing situation is being upgraded and the density is being decreased, and as time goes on and the organising committee is more certain of the exact number of people who are coming, there may be some internal flexibility for reductions."

Worrall said team officials would be housed in the industrial building at the village where 177 temporary rooms have been constructed.

"There have been some comments about those rooms not having windows," the commission chairman said. "But I don't find that very distressing. If you pay $20,000 for a world cruise, you get an inside cabin on the world cruise ship and you don't have a porthole. We feel quite confident that decorations and amenities will take care of psychological problems, and technical experts will reduce any noise levels in the heating and ventilation system."

Dr. Hay, who is a physician, said the village was sound from a medical and health point of view. Hay said the details had been worked out with the I.O.C. Medical Commission.

"There is no danger at all from any kind of bacterial problems," Hay said. "I can't see any reason to be concerned with any infection other than the ones which happen in any Winter Games, such as getting a cold. There is no greater danger of colds as a result of the structure of the village than there was at Innsbruck where there were quite a few colds and some viral infections, which is inevitable." ●

YOU SHALL KNOW THE TRUTH

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. CARTER. Mr. Speaker, I thought it would be somewhat enlightening to the Members of this body to know the actual profits made by the different oil companies in this country. Supposedly, there is a shortage. However, my sources of information do not reveal such a shortage. Actually, the first of July of this year, there were 131 million barrels of oil in this country, and at the same time last year there were 4 million barrels less. It seems that improper distribution caused the shortage. There is a strong probability that this distribution formula was politically motivated, for it hit the Nation's Capital harder than any other place with the possible exception of California.

Mr. Speaker, after reading this article from the New York Times News Service, printed in the Washington Star on July 30, 1979, I submit that it would be unwise to buy a used car from any of these large oil companies.

The article follows:

[From the Washington Star July 30, 1979]

OIL COMPANY PROFITS REIGNITE CRITICISM

Earnings of the nation's ma'or oil companies climbed by an average of 68.9 percent in the second quarter, and these gains have revived accusations of oil industry profiteering that promise to become a focal point as Congress debates President Carter's windfall profits tax.

The profits jumps in the April-through-June period ranged from 809 percent for the relatively small Ashland Oil Inc. to 20 percent for the Exxon Corp., the industry leader. Texaco Inc.'s net income rose 106 percent and that of the Gulf Oil Corp. 65 percent. For the first half of the year profits for the 22 largest United States oil companies were up 63 percent to $5.2 billion, according to the American Petroleum Institute.

The companies defend the level of their profits by saying that most of the large increases were derived from their foreign operations and from their booming petrochemical businesses. Price controls on crude oil produced in the United States and on some oil products severely restrict domestic profits, the companies say, even though healthy profits are needed to finance the search for more fuel supplies.

"After these awesome profits the question is not whether we should have a windfall profits tax but whether we should decontrol domestic prices at all," said Harvey Rosenfield, a lobbyist for Ralph Nader's Congress Watch.

The oil industry is very much on the defensive. Last week spokesmen took vigorous exception to President Carter's criticism of their lobbying efforts and his urging citizens to write their congressmen in support of his windfall profits tax, which is now before the Senate.

Oil companies chief executives issued statements promising that their profits would be reinvested in the search for more energy sources. And Exxon—whose controversial $1 billion bid for the Reliance Electric Co. was temporarily halted by court order on Saturday—took out full-page newspaper advertisements detailing the costs of its drilling activity and defending its profit margins as entirely reasonable.

OIL COMPANIES: 20 QUARTER RESULTS

Company	Revenues	Net income	Net income percent change from 1978
Exxon	$19,614,000,000	$830,000,000	+20.3
Mobil	10,600,000,000	401,000,000	+37.9
Texaco	8,532,000,000	365,400,000	+132.1
Standard Oil (California)	7,000,000,000	412,000,000	+50.9
Gulf	6,10 ,000,000	291,000,000	+65.3
Standard Oil (Indiana)	4,600,000,000	401,200,000	+36.4
ARCO	3,731,485,000	260,400,000	+23.5
Shell	3,500,000,000	277,000,000	+54.7
Conoco	3,000,030,000	215,800,000	+67.6
Sun Co.	$2,530,000,000	$158,500,000	+56.6
Phillips Petroleum	2,160,320,000	214,600,000	+44.0
Union Oil	1,866,300,000	128,200,000	+48.0
Standard Oil (Ohio)	1,820,000,000	201,400,000	+70.1
Marathon Oil	1,590,000,000	84,800,000	+67.6
Cities Service	1,446,200,000	76,700,000	+30.5
Getty Oil	1,150,000,000	139,500,000	+149.1
Pennzoil	493,200,000	58,000,000	+80.9

Besides reviving charges of market manipulation, inefficiency and profiteering, the large second-quarter earnings increases have also renewed contentions that the industry actively conspires with OPEC to increase profits and, at the same time, to greatly enhance the value of industry reserves.

It is estimated, for example, that at Exxon alone the value of crude reserves, at least on paper, has soared by $75 billion as a result of the cartel's 60 percent price increase since December.

Some critics point to Texaco's earnings statement as an example of the alleged distortions in the petroleum industry. In the first six months of the year the earnings of Texaco, the third-largest domestic oil company, increased 106 percent to $672.4 million. But its production of oil and gas increased by only 7.2 percent. Refinery runs were up a meager 2.7 percent, and the sales volume of petroleum products registered a slight decline.

The industry says much of its profit was earned overseas, where fewer price controls exist than in the United States. And decontrolled domestic products, like diesel fuel, jet fuel, home heating oil and residual fuel oil, which take more than half of a barrel of crude, furnished good profit margins also.

The companies were able to capitalize on a sellers' market that developed when oilfields were shut off during the Iranian revolution. When the realization spread that oil supplies would be tight, buyers started to bid up the price of refined products before the cartel could act formally to raise prices.

Saudi Arabia, which did not raise prices until the formal OPEC meeting, moved to recoup some of those profits by making the July 1 OPEC increase retroactive to June 1. The move lessened somewhat the second-quarter profit gains of Exxon, the Mobil Corp., the Standard Oil Co. of California and Texaco, which buy the Saudi oil. Exxon, which earned $830 million in the second quarter, said that the move cost it $70 million in lost profits.

The oil companies insist that, even under such favorable conditions, industry profits are not excessive. In the second quarter, according to the American Petroleum Institute, the industry trade group, the return on the $90 billion of invested capital of stockholders was 19.4 percent, compared with an average of about 18.6 percent for the top

100 manufacturing companies in the country.

Under the president's windfall tax proposal, 60 percent of the profit that results from decontrol of domestic crude prices would be siphoned into a fund to support research for alternative fuels and to help mass transit systems and utilities reduce the country's dependence on oil.●

DON MILLER, NOTRE DAME GRID LEGEND

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Ms. OAKAR. Mr. Speaker, this past week Greater Cleveland lost one of its finest citizens and original heroes. Don C. Miller noted lawyer and judge was first and foremost an outstanding father and husband. But, indeed, to Clevelanders and the Nation, he was part of the great legend of college football; he was one of Notre Dame University's four horsemen. The following article in the Plain Dealer mirrors Cleveland's great loss:

[From the Plain Dealer]

DON MILLER, NOTRE DAME GRID LEGEND DIES HERE

The gridiron exploits in the early 1920s of retired Judge Don C. Miller, one of the legendary Four Horsemen of Notre Dame, were to follow him throughout his life.

His rushing average of 6.83 yards (1,933 yards on 283 carries) is still a record at Notre Dame.

Miller died Saturday night at Lakeside Hospital. He had been admitted two weeks ago after a heart attack. He was 77.

He retired in October 1977 from a career as a lawyer and judge here, the last 12 as a federal bankruptcy judge and referee.

Miller played halfback on the varsity football teams at Notre Dame in 1922–23–24 under Knute Rockne. Miller scored 22 touchdowns in three seasons, one of several school marks that stood for several years.

He climaxed his career in the Rose Bowl on Jan. 1, 1925, in which Notre Dame defeated Stanford, 27–10.

New York sportswriter Grantland Rice originated the phrase, "the Four Horsemen of Notre Dame," which grew into a legend after the Army-Notre Dame game of 1924.

Rice's story of the game began:

"Outlined against a blue-gray October sky the Four Horsemen rode again. In dramatic lore they are known as Famine, Pestilence, Destruction and Death. These are only aliases. Their real names are Stuhldreher, Miller, Crowley and Layden."

Jim Crowley, Elmer Layden, Harry Stuhldreher and Miller made up the backfield of Rockne's powerful team.

"The four of us averaged 158 pounds," Miller recalled to a reporter some years ago. "Rockne was the greatest. He was 10 years ahead of his time with the closed T."

Of the four, only Crowley, of Scranton, Pa., survives. He is expected to be in Cleveland today to pay his respects.

In recent years, Miller and Crowley had made many speeches throughout the country, both as a team and individually.

They were scheduled to speak Wednesday night at the national convention of the Eagles in Kansas City. Miller was a life member of the Eagles.

Miller received his law degree in 1925 at Notre Dame. He was president of his senior class.

He was backfield coach at Georgia Tech from 1925 to 1929 and practiced law in Cleveland when classes were out. In 1929 Georgia Tech went to the Rose Bowl and beat California 8–7.

Miller's parish priest at Sacred Heart Catholic Church in Atlanta was a dedicated football fan, so every Sunday Miller dropped an envelope containing two tickets to the next Georgia Tech game in the collection basket.

From Georgia Tech, Miller went to Ohio State University as backfield coach. He gave up football in 1932 for full-time law practice here.

At the time, his brother, Ray T. Miller, was mayor of Cleveland. The late Ray Miller was a power in the Democratic party for four decades and once served as Cuyahoga County Democratic party chairman.

Ray Miller, who was a teammate of Rockne's at Notre Dame, and Don Miller had three other brothers, Harry, Walter and Jerry, who played football at the school.

Judge Miller once told a reporter that he thought Harry was the greatest football player of the five. Harry was named to Walter Camp's All-American team in 1909. Don was the last surviving brother.

One of the awards Miller treasured most was presented to him last year at Yale University. It was the Distinguished American Award from the Walter Camp Foundation.

In 1942 Miller was named U.S. district attorney here for the 40-county Northern Ohio district, a job he held for 10 years. He then returned to private law practice until 1965, when he was named a judge in U.S. Bankruptcy Court.

When Miller retired, he moved the many awards and honors he had received through the years to the walls of the den in his Shaker Heights home. Among them was a letter from Rockne which was written to the New York Times.

"Replying to your letter, I wish to say that Don Miller was the greatest open-field runner I ever had," the letter says.

Miller was named Notre Dame Man of the Year in 1963. He was a past president of the Touchdown Club, the U.S. Attorneys Association and Federal Bar Association. He was on the executive board of the Bar Association of Greater Cleveland.

He was president of the Divot Diggers for 18 years, an organization of business and professional men which anonymously supports 14 charities here.

In 1970, Miller was the last of the Four Horsemen elected to the College Football Hall of Fame.

Survivors include his wife, Mae L.; daughters, Mary Ann Barrett, Nancy Beringer, Dodie Thompson, Judy Collins and Dolly; son, Don C. Jr., and 28 grandchildren.

Services will be at noon Wednesday in St. Dominic Catholic Church, 19000 Van Aken Blvd., Shaker Heights.●

WAIT AND SEE WHAT RATIONING DOES

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. GUYER. Mr. Speaker, I believe this country already has enough problems without putting another one at our doorstep. If you people think social security and IRS have tangles, or censustaking is a can of worms, just wait and see what rationing does.

Let us take a look at gasoline rationing during World War II. It was carried on for 38 months, was reorganized three times and nearly drove people out of their minds.

Black marketing had a carnival. Congress even had hearings on the black market back in April and May of 1944. The underworld went into the printing business. Counterfeit coupons sold for four cents at the peddler level and as high as 10 cents at the carowner level.

Once counterfeit coupons were detected, the service station operator had to appear before a hearing commissioner. Arrests, hearings, trials, and sentences were in epidemic proportions.

One Office of Price Administration official estimated that coupons representing 300 million gallons of gas were stolen from ration boards.

Misuse of a single coupon could result in a $10,000 fine and a year in jail. In a 5-month period from January 1 through June 1 in 1944, the OPA investigators (2,800 of them) arrested 1,362 people for counterfeiting or peddling gasoline coupons. They obtained 607 convictions, and required 40,480 stations to turn over good coupons for sales they had made. More than 1,500 stations were denied the right to sell gasoline for periods ranging from several weeks to the duration of the war. Illegal actions put 156 stations completely out of business.

Gasoline dealers had to cope with a different set of instructions for each type of coupon book. With one coupon book, the dealer had to examine the customer's ration book, check the description of the car, detach the correct number of coupons and place gasoline only in the vehicle the book described. The task of enforcing rationing became the most extensive project ever undertaken by the Federal Government. The number of transactions ran into the billions. The scope of controls was so broad, the number of parties so great, and the violations so numerous that only voluntary patriotism could get anyone to comply with the rules. Many ration boards hired crooks because they knew how and who controlled the black market operations. The buying, selling, printing, and stealing of ration coupons made prohibition look like kids' games.

I believe the American people are entitled to at least commonsense in the management of gasoline production, distribution, and consumption. Having an army of Federal locusts with badges is about the last straw at a time when people are fighting their hearts out to make ends meet, pay their bills, face inflation, and pay taxes already far too high. The last thing they need is another sprawling bureau of interference, meddling and peddling, and stifling their honest efforts to live under regulations that already suffocate their economic lives and snatch at their collective billfolds.

What I have described was a wartime situation when we really were trying to save rubber, not gasoline, in a feeble effort to keep people off the roads so our military could have the rubber to help win the war.

Thank God we are not at war with another country now, which is all the more reason we do not need a straitjacket on the good people of this country.

Just imagine trying to unscramble situations where a Montana rancher drives 600 miles a month, while a Manhattan apartment dweller drives 100 miles in the same period.

Statistics tell us that one out of every five families moves every year. Conjure up if you will the frustration of a family that has to move from California to New York, or a retired couple trying to get to Florida to get away from the cold winter. Then, there are the sick members of a family, that cannot turn off the heat, the migrant worker who has to come to Ohio from Texas to harvest the crops.

I do not believe it takes an Einstein to figure out that gasoline rationing is another name for distributing the shortage, in a manner so inequitable that only the smart, the crooked, and the rich would have gas to drive, while the poor, the honest, and the disadvantaged would spend hours and days trying to convince some official that they have an emergency requiring gasoline.

For one thing, I think the American people have good sense, wise judgment, and the ability to join hands in a successful way to overcome any national crisis, calamity, deprivation, or denial. They can and they will overcome, but they cannot do it with Government getting in their way, riding their backs, and jamming the gears. "Standby" is indeed an appropriate name. Most of us would have to standby, instead of riding to work, to church, to our fine recreation areas, to schools and hospitals, and to markets, shops, and places of help in time of need. Give our free system a chance. But do not give us rationing.●

HIGHWOOD MAKES EVERY CENT COUNT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 31, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, each Member of Congress takes a certain amount of pride in his constituency. Today, I offer the city of Highwood, part of the 12th District of Illinois, as a model for our Nation to emulate. This city, under the leadership of Mayor Fidel Ghini, operates on a cash and carry basis and has no debts. We talk about balanced budgets here in Washington but cannot seem to tighten our belts. I recommend a few lessons from Mayor Ghini:

HIGHWOOD MAKES EVERY CENT COUNT

"People are conservative with their own money and generous with other people's money. That's the problem with politicians," said Mayor Fidel Ghini of Highwood.

Does Highwood have any debts?

"No," says the mayor.

No debts at all?

"None whatsoever."

Our search for a municipality that operates on a cash and carry basis, debt free, led us to this tiny city of 5 630 on the lake shore squeezed among Lake Forest, Highland Park, and Fort Sheridan. It is five-eighths of a mile across and home to many Italian-Americans.

Schaumburg, a suburb some 10 times larger, is almost debt free and doesn't levy a property tax, but it has an enormous financial windfall—Woodfield shopping center and 13 auto agencies.

Highwood has no shopping centers. It has a $700,000 annual budget and $1,250,000 in the bank.

"We run the city as if it were a business—our own business," the mayor told us. "We make every cent count.

"We don't let people fly off to conventions to have a good time. We stay home and mind the store. In 10 years I've never been to a mayor's convention."

If he had, he probably would have been chided by his peers for "not taking advantage of your bonding power," i.e., going into debt.

Mayor Ghini and the aldermen don't draw any salary. The mayor is pretty good at strongarming Highwood residents into volunteering for city projects. He is 67 and is well off financially.

"I've been in every business but stealing," he said. "Real estate, gasoline, excavating, you name it. I was in the food and liquor business during the Depression.

"I told the voters I'd run the city like a business. Mine made profits, and the city should too. I'm familiar with every project, and I know how to make it and how to install it. We're our own general contractor. That means an automatic saving of 20 percent.

"We bid out each phase of a project. I go out and supervise, and I also jump in the ditch and dig once in a while. Work is good for my health. If I sweep a street, that's exercise."

The mayor boasts that in the last 10 years Highwood has built a public works building, a year-round swimming pool, a recreation center, a city hall and police station, and a library. All for cash.

The city's income includes about $120,000 a year in sales taxes, mostly from 25 restaurants and taverns; about $50,000 from a utility tax; $60,000 from real estate taxes; $30,000 from court fines, and $30,000 in licenses and fees.

Money also comes from the state income tax and revenue sharing.

"I've been a fighter all my life," Mayor Ghini said. "I was born in a coal-mining area in Iowa. I stayed after school and swept out the rooms for 50 cents a week.

"Then I went home and milked the cow. I invested those 50 cents. And those 50 cents became more 50 cents and more 50 cents.

"If everyone ran government the way the average person runs a home, we'd never have the problems we have. The whole trouble is that communities hire professionals to get federal funds.

"Federal money should be sent back in the communities on a per-capita basis. The way it is now, the ones with political clout get more money. That's wrong."

Mayor Ghini is blunt and forceful. He has been called a dictator. He ran for mayor three times before he won in 1969.

Highwood isn't the prettiest suburb along the north shore, but no town has more spirit. Several years ago The Tribune ran a story about Highwood and quoted pharmacist Adam Bernardi:

"These people never ask for welfare, never ask for nothing. My people have their own credit rating. It shocks me when someone pulls out one of those BankAmericards; I know he's either a phony or he stole it or he's trying to put something over on me.

"I bet the credit rating here is No. 1 in the country. When they go to a bank in Lake Forest or Highland Park, all they have to say is, 'I'm an Italian and I live in Highwood.' That's their credentials."●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, August 2, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 3

9:00 a.m.

Governmental Affairs

To resume hearings on S. 503 and 865, bills to provide for the confidentiality of medical records and information.

3303 Dirksen Building

10:00 a.m.

Budget

Business meeting, to continue markup of the second concurrent resolution on the congressional budget for fiscal year 1980.

6302 Dirksen Building

Select on Indian Affairs

Business meeting, to mark up S. 751, to provide for the relocation and resettlement of the Navajo and Hopi Indians.

357 Russell Building

Joint Economic

To hold hearings on the employment-unemployment situation for July.

6226 Dirksen Building

10:30 a.m.

•Judiciary

To resume hearings on S. 1246, to protect against the growth of a monopoly power among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.

2228 Dirksen Building

SEPTEMBER 6

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings to examine the economic regulation of the trucking industry focusing on the effects of State and Federal regulations on fuel consumption.

235 Russell Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.

4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Louis F. Moret, of California, to be Director of the Office of Minority Economic Impact, Department of Energy.
3110 Dirksen Building

SEPTEMBER 7

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings to examine the economic regulation of the trucking industry focusing on the effects of State and Federal regulations on fuel consumption.
235 Russell Building

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 11

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 12

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
457 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1561 and 1562, bills authorizing funds through fiscal year 1990 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
5110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 20

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

SEPTEMBER 25

11:00 a.m.
Veterans' Affairs
To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.
5110 Dirksen Building

OCTOBER 1

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 3

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 10

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, August 2, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We give thanks to Thee O God; we give thanks; We call on Thy name and recount Thy wondrous deeds.—Psalms 75: 1.

O God, we remember Your righteous acts for the good of the people—Your creation, redemption, and the promise of life eternal.

We give thanks that You have blessed our Nation and given us opportunities to live and serve and love. Forgive us that we have often squandered our resources and cared little for our neighbor.

Renew us, O Lord, by the power of Your Spirit, that we may see the way of truth and that together we may walk in unity for the good of all people and the glory of Your name.

Bless, dear Lord, the Members of this assembly. Protect, strengthen, and give them Your peace until we meet again. Amen.

THE JOURNAL

The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. ROUSSELOT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. I am sure the gentleman is well aware of the fact that there are over 100 Members at the White House at the present time?

Mr. ROUSSELOT. Yes, I am, Mr. Speaker.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 306, nays 9, not voting 119, as follows:

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

[Roll No. 428]

YEAS—306

Abdnor
Albosta
Alexander
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Murphy, Ill.
Frenzel
Fuqua
Fowler
Florio
Foley
Ford, Tenn.
Garcia
Gaydos
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lowry
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mitchell, N.Y.
Moakley
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Natcher
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Purnell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whittaker
Williams, Mont.
Wilson, Tex.
Wirth
Winn
Wolpe
Wright
Wyatt
Young, Fla.
Young, Mo.
Zablocki

NAYS—9

Derwinski
Holt
Jacobs
Lloyd
Mitchell, Md.
Quayle
Schroeder
Stenholm
Wilson, Bob

NOT VOTING—119

Addabbo
Akaka
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Bailey
Bellenson
Bevill
Boggs
Boland
Bolling
Bouquard
Breaux
Brown, Calif.
Broyhill
Buchanan
Burton, John
Byron
Chappell
Chisholm
Coelho
Conte
Conyers
Danielson
Davis, S.C.
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
English
Ertel
Evans, Ga.
Fazio
Ferraro
Flippo
Flood
Ford, Mich.
Forsythe
Fountain
Frost
Gephardt
Giaimo
Ginn
Goldwater
Guarini
Hammer-schmidt
Hance
Heckler
Hefner
Heftel
Hightower
Hinson
Holland
Hubbard
Ireland
Jeffries
Jones, Okla.
Kogovsek
LaFalce
Lederer
Lehman
Long, La.
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Marlenee
Miller, Calif.
Minete
Minish
Moffett
Montgomery
Moorhead, Pa.
Murtha
Neal
Nichols
Nolan
O'Brien
Patten
Pepper
Price
Rahall
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Russo
Santini
Simon
Stack
Smith, Iowa
Spellman
Stack
Stokes
Treen
Ullman
Walgren
Watkins
Whitley
Whitten
Williams, Ohio
Wilson, C. H
Wolff
Wydler
Wylie
Young, Alaska
Zeferetti

□ 1020

Mr. HANSEN changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4811. An act for the relief of the city of Nenana, Alaska, and to amend the act of January 2, 1976, as amended, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 41. An act to require the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2676) entitled "An act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CULVER, Mr. GRAVEL, Mr. HART, Mr. STAFFORD, and Mr. CHAFEE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the Act of June 30, 1932.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORTS ON H.R. 4985, PRIORITY ENERGY PROJECTS ACT; H.R. 3243, CRUDE OIL TRANSPORTATION AMENDMENTS ACT OF 1979; AND H.R. 2759, DEEP SEABED HARD MINERAL RESOURCES ACT

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight, Thursday, August 2, to file reports on the following bills: H.R. 4985, Priority Energy Projects Act; H.R. 3243, Crude Oil Transportation Amendments Act of 1979; and H.R. 2759, Deep Seabed Hard Mineral Resources Act.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, REFUGEES, AND INTERNATIONAL LAW OF COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary may be permitted to sit today during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object.

The SPEAKER pro tempore. The gentleman from California reserves the right to object.

Mr. ROUSSELOT. Since this is a very full calendar today, why is it necessary to meet?

Mr. KASTENMEIER. I am informed, if the gentleman would yield under his reservation, that testimony and markup on the refugee bill must take place today. The Chair is here, and perhaps the gentlewoman from New York (Ms. HOLTZMAN) could further explain it.

Ms. HOLTZMAN. If the gentleman would yield, the subcommittee is in the process of completing its markup on the refugee bill, which is of extreme importance, because by September 30, if legislation is not adopted, then all of the moneys for resettlement of refugees and programs will expire.

So I would say to the gentleman that there is urgency and the subcommittee expects to finish very quickly.

Mr. ROUSSELOT. The gentlewoman can assure us that no other legislation will be taken up.

Ms. HOLTZMAN. I do.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Wisconsin?

There was no objection.

PERSONAL EXPLANATION

Mr. MARKS. Mr. Speaker, on rollcall 390 I was necessarily absent. I am recorded as paired for the amendment in question when, in fact, had I been present and voting, I would have voted "nay." I ask unanimous consent these remarks appear in the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to advise Members that in addition to those matters which we mentioned late yesterday evening as probable to come before us today, there is at least the possibility that the other body may attach some amendments to the energy conservation and standby rationing bill that we passed yesterday and send it back.

If that were to occur in sufficient time to warrant our acting on those amendments this afternoon, then it would be the purpose of the leadership to schedule action on those amendments.

If that should occur, we will make every effort to achieve clear descriptions of the contents of any such amendments and have them available in writing to all Members prior to bringing that conference report to the floor.

I mention this simply that Members may know what possibilities exist for our consideration later in the day.

OIC SKILLS TRAINING AND PRIVATE SECTOR JOB CREATION WELFARE REFORM ACT OF 1979

(Mr. MYERS of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Pennsylvania. Mr. Speaker, I am today introducing the opportunities industrialization centers (OIC) skills training and private sector job creation Welfare Reform Act of 1979. Two of my Philadelphia colleagues, RAYMOND LEDERER and WILLIAM GRAY, are joining me as cosponsors of this bill.

OIC and other national community-based organizations have shown over and over again their effectiveness in acting as a bridge between the underskilled, unemployed worker and local business employment. In 125 cities, OIC has demonstrated its ability to train the unemployed and to work in cooperation with local industry to place these people in jobs.

My bill will establish OIC and other community-based groups as an intermediary in skills training and job placement to take welfare recipients off the welfare rolls, train them in job skills which are in demand, and then work with local business groups to find or create jobs with permanency for these workers. Not only will this program ease the financial burden of welfare on State and local spending, but also by providing incentives to business to hire these individuals, it will assist in increasing business production.

Many of us in Congress feel that one of the best ways to resolve our Nation's unemployment problems is at the community level with cooperation from local private industry—public service employment can only accomplish so much. The bill I am introducing today will give practical reality to just such a concept.

Thank you.

VANIK RELEASES TREASURY DEPARTMENT STUDY OF OIL COMPANY TAX RETURNS

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, a Treasury Department report I received today based on actual 1977 tax returns for the eight largest multinational and eight largest domestic oil companies reveals some shocking facts.

The eight largest multinationals had sales of over one-quarter trillion dollars—10 times the sales of the eight largest domestic companies.

The same eight American multinationals had taxable profits of over $34 billion on their foreign operations and only $4 billion in profits on domestic operations. The same multinational oil companies wiped out $16.4 billion of their tax liability by utilizing the foreign tax credit. They managed to reduce their tax liability to $1.4 billion on $64.2 billion of gross income from operations—an effective tax rate of 2.2 percent.

Oil price increases and increased consumption of oil since 1977 are bringing oil sales of these eight multinational corporations very close to the half trillion dollar mark. The multiplication of foreign tax credits through these sales will almost completely wash out the tax obligations of the American multinational companies on this incredible foreign source income.

It is time for Americans to consider what value these multinational corporations have to America—if they freeload on the American taxpayer and make no contributions to the taxpayer burdens of protecting and defending their operations all over the world.

Later today I will place into the RECORD the full text of the Treasury Department study.

□ 1030

INTRODUCTION OF RESOLUTION OF INQUIRY

(Mr. FINDLEY asked and was given permission to address the House for 1 minute.)

Mr. FINDLEY. Mr. Speaker, a week ago I asked how many of my colleagues would join me in voicing moral outrage at the new policy started by the State of Israel of hitting at Palestinians any time and any place, a policy that has caused enormous loss of life by civilians, women and children as well as adults, and destruction of property.

Today I am introducing a resolution of inquiry, a highly privileged resolution in an effort to find out if there are any voices of moral outrage in the executive branch. I have heard from only three of my colleagues voicing outrage in this body. I hope there will be others later on.

Since May I have been trying without success to get from the State Department whether or not our Government condones this savage new policy, and I now resort to the resolution of inquiry hoping at long last it will bring their conscience to the surface.

TAIWAN AND THE WINTER OLYMPICS

(Mr. BEREUTER asked and was given permission to address the House for 1 minute to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I would like to remind my colleagues that even though we may be sweltering in the summer's heat, winter is not far behind. And this winter will be a special one for the United States as we again play host to the winter Olympics. Next February, teams from all over the world will return to Lake Placid for the 1980 games, and hopefully, the contest will remain the truly international games that it once was by allowing every country that wishes to send a team to participate.

Because the United States will be the host for the games, we have a special responsibility to make sure that all countries are allowed to attend by the International Olympics Committee. Unfortunately, that international body might not remain impartial and entire nations of people could be excluded from participating in the historic games. This past year the United States unexpectedly severed its diplomatic relations with the Republic of China on Taiwan, and while no decision has yet been handed down, the IOC might attempt to exclude our friends from the games.

But our ties with the Taiwanese remain strong, economically and otherwise. The United States, as host to the games, should insure that the Taiwanese are present at the games, represented by their own team, carrying their own flag, and with their own national anthem as befits any free and independent nation. We should take action if necessary because we must not allow the IOC to politicize the games at Lake Placid. Ensuring open access to the games to all independent countries who wish to attend can protect our rights in the future as well as the rights of the entire international community.

LEGISLATIVE VETO SHOULD BE FIRST ORDER OF BUSINESS IN SEPTEMBER

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute.)

Mrs. SMITH of Nebraska. Mr. Speaker, for years the people of this country have

cried out against the stifling crush of Government overregulation. They have called to us as their elected representatives to stop this outrageous growth of Government bureaucracy. We must heed this call and reverse this trend.

For much too long, the Congress has delegated its constitutional powers too liberally and this has resulted in the usurpation of the legislative powers by the regulatory agencies. One of the mechanisms by which we can reassert our right and responsibility as lawmakers is the legislative veto.

In the 94th Congress, a bill applying the congressional veto to administrative rules and regulations was brought up for floor action under suspension of the rules and was only two votes short of the two-thirds needed for passage. The 95th Congress saw the introduction of myriad bills on the subject, but no comprehensive bill was reported for consideration by the House, even though congressional veto provisions were included in various agency or program authorizations such as HUD, FTC, and FIFRA. The Rules Subcommittee has held 1 day of hearings on a comprehensive legislative veto bill on July 11 of this year and plans to have further hearings after the August recess.

Mr. Speaker, I think that we have procrastinated much too long. Action must be taken immediately to remedy the present situation so that the American people will no longer have to put up with controversial rulings and American businesses will no longer have to go into bankruptcy in order to comply with the unreasonable demands of the regulators.

Legislative veto is neither unconstitutional nor unprecedented, as some say. As maker of the laws, Congress also has the ultimate responsibility for the administrative rules that flow from these enabling laws. As for precedence, since 1932, approximately 159 different acts of Congress with 214 separate provisions mandating some sort of congressional approval or disapproval of executive implementation of those laws have been passed. Thirty-four States have laws which provide for legislative veto and/or review of administrative rules and regulations.

As for interest within the Congress itself, there certainly is no lack of it. The Levitas bill presently has 202 cosponsors and continues to gather more each day.

Mr. Speaker, a day rarely goes by without our receiving complaints from our constituents concerning Government interference in their lives. I hope that this problem of overregulation will be given top priority and that the subject of the legislative veto will be one of the first orders of business to be taken up when we reconvene in September.

REPRESENTATIVE REGULA INTRODUCES BILLS TO ENCOURAGE SAVINGS AND CAPITAL INVESTMENT

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today I am introducing two bills designed to encourage savings and capital investment.

The first will exclude the first $200 of individual savings income from gross income for Federal income tax purposes.

The present low rate of savings in the United States (5.2 percent of disposable income) is a disturbing trend. When compared to 13 percent in the United Kingdom, 15 percent in West Germany and 25 percent in Japan it is quite apparent that U.S. savers are not encouraged to supply the capital needed for economic growth and for investment in new jobs if America is to remain competitive in world markets and to meet the needs of our growing population.

The second bill will increase the dividend exclusion from $100 to $200 for each individual taxpayer. As in the instance of the savings exclusion, this bill is designed to encourage small investors to participate in providing the capital needed to fuel the growth of America and to provide the jobs that result from new technology and capital expansion.

Recent newspaper stories detailing the decline in productivity highlight the need for this legislation.

When this body reconvenes, it is my intention to introduce a bill providing a tax credit equal to 10 percent for research and development spending. This action is vital to enhancing the productivity of American industry.

WELFARE REFORM

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, the Carter administration has recently introduced legislation under the title of "welfare reform." From the time of the mid-1960's and continuing into the present, an almost bewildering array of "Great Society" programs have been launched. All of this legislation is not aimed at welfare reforms based on need, but for an efficient system for the redistribution of income. The advocates of the poor see redistribution of income as correcting an inequity; the socialists see the welfare system as a means of realizing their goals for achieving a different economic system. The people of this country want welfare reform not to mean a redistribution of income nor a guaranteed annual income for everyone but rather, to provide a decent, adequate level of support, composed of both cash and services, to those who are incapable of work. When true need exists, aid must be prompt. Similarly, when need ends, aid must be ended promptly. Americans obviously feel that the Government could both increase aid to the truly needy and cut overall spending—if welfare programs were free of dishonest welfare recipients. A national Gallup poll showed that 67 percent of the country was opposed to a guaranteed annual income.

But does Jimmy Carter listen to the people? No. His welfare reform package is an incremental approach to guaranteed annual income. Mr. Carter promised to remove laws which encourage the breaking up of families. Yet, Mr. Carter is pushing for a guaranteed annual income that has proven to encourage the breakup of families. The results of the most massive experiment in socioeconomic policy ever undertaken: A 10-year study of welfare reforms involving 8,500 families and costing $112 million. It proved that a system of guaranteed income will cause a loss of work incentive and an increase in the breakup of families.

I believe that it is time for this Congress to pass legislation in the area of welfare which will be more prudent with the taxpayer dollars, give more independence to the States to tailor programs to meet the needs of their own people, to encourage the ending of fraud and waste, and to give adequate benefits to those who are truly in need.

PLOWBACK TAX CREDIT

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, we have an opportunity now to go back to our districts and to discuss energy in a practical way. The real energy solution is going to be a plowback tax credit.

As we all know, the problem on our energy is the fact we have become completely dependent on foreign sources for oil. Oil and gas make up 75 percent of our energy. Today, this year we are going to import $60 billion, let me repeat that—$60 billion in oil. Six years ago we imported $3 billion in oil.

We can produce this oil here if we pay the same price for the cost of production as they do abroad. But we have price control on U.S. oil of $5.50 a barrel. We are paying the Arabs $22.40 a barrel to lay it down at U.S. ports. We can produce oil here but we have got to give the plowback tax credit for capital.

I urge my colleagues to go home and talk to their people. Most folks believe in letting the American people produce the oil. It means American jobs, it means American pipe, it means American machinery, but mainly it means American dollars staying at home instead of sending them all to the Arab OPEC countries.

□ 1040

ILLEGAL ALIEN INVASION

(Mr. BURGENER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGENER. Mr. Speaker, I am today introducing the Illegal Alien Act of 1979, with several dozen cosponsors from both sides of the aisle.

I am privileged to represent a district that has some 200 miles of United States-Mexican border. However, from Mexico, there is an invasion of our country occurring. The invasion is peaceful, but it is nonetheless an invasion. Last year, in the San Diego sector alone, some 350,000 illegal aliens were apprehended. It is estimated that for each one of these that were apprehended, at least four came into our country undetected. Incredible as it is to comprehend, that means that perhaps more than 1 million people per year enter illegally, at this one border

point alone. There is no penalty for hiring an illegal alien, and the only penalty to the illegal alien for being here is to be hauled back across the border, only to try again the next day or the next, and eventually to make it undetected.

The administration, and this Congress, has turned their backs on this problem for many years. We want, and we need, the best possible relations with our neighbor to the south. The uncontrolled flow of illegal aliens is not the route to good relations. I believe when the people of Mexico examine our proposal, they will support it with enthusiasm because we believe it to be good for both countries. In today's Extension of Remarks section of the CONGRESSIONAL RECORD, we will have detailed explanations of the bill. We believe it is sane, sensible, humane, and proper, and I ask the support of the Members.

GOOD LUCK, MELANIE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute).

Mr. ASHBROOK. Mr. Speaker, when the House adjourns this evening, many of the unsung heroes of Congress will be returning to their hometowns. Among that diligent group of young men and women is Melanie Delianides, a resident of Norwalk, Ohio in my congressional district. Melanie was the first full time page that I have appointed in my years in Congress. Frankly, I do not think I could have made a better choice.

I know that many of my colleagues have had the opportunity to work with Melanie over the last year and in all that time, I have heard only good things about her. She has been conscientious and vigorous in the pursuit of her job and has given me many reasons to be proud. She is a special young lady and I know that my colleagues will join me in wishing her the very best in her future endeavors.

Earlier this week, Melanie jotted down some of her observations about the last 10 months. I think it appropriate to include them in the RECORD at this point:

Each day of being a page has given me a new and different experience. I have seen history being made in front of me, watching Congress debate and vote on issues that affect our country.

Being a page is one of the highest honors that can be obtained by a high school student. Paging not only gives one the opportunity to see our government in action but it carries with it the responsibility of performing important duties.

Through this experience, I feel I have become a more well-rounded person, while learning to get along with different types of people.

The contacts I have made each day have helped this to become a memorable experience. These great men and women for whom I have worked are each special and each has left a mark on me.

After spending 10 months in Washington, I know that it will be hard to return home and adjust to a different lifestyle, though I know that I will never forget the wonderful experience I had in the Nation's Capitol and the many things it has taught me.

CAN WAYS AND MEANS COMMITTEE MAJORITY PLUG A LOOPHOLE?

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I listened with great attention a few moments ago while the gentleman from Ohio (Mr. VANIK) expressed his shock at the effective tax rate of the multinational corporations, and lambasted the loophole by which they evade and avoid taxes, called the foreign tax credit.

It is my impression that there is a 2-to-1 majority of Democrats on the Ways and Means Committee, which drafts our tax legislation. Rather than venting spleen against the multinational tax corporations, which after all follow the tax laws written by this Ways and Means Committee, which I again remind my colleagues is dominated 2-to-1 by the majority party, I should think that the gentleman would direct his attention and his energies toward getting some meaningful tax reform legislation out of the powerful committee. We have waited for years and listened to the President's ringing promises of tax reform, eliminating concessions, but we still wait.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I would be delighted to yield.

Mr. VANIK. Will the gentleman try to help us get a couple of Republican votes for tax reform?

Mr. HYDE. Does the gentleman need them? He has a majority of 2-to-1 Democrats.

Mr. VANIK. We have to have a few Republican supporters.

Mr. HYDE. Well, some Republicans think that profits is not a dirty word. They are used to pay for jobs, used to pay dividends which are then taxed again, and they are used to invest in new plant equipment and make more jobs.

Mr. VANIK. Will the gentleman yield further?

Mr. HYDE. Not yet. The promises and the pledges of the President, the incumbent in the White House, for meaningful tax reform are still echoeing around this Chamber, and we wait for some performance.

Now, I yield to the gentleman from Ohio.

Mr. VANIK. The massive tax loopholes enjoyed by American multinational oil companies is a national obscenity.

DRUG USE BY FEDERAL EMPLOYEES NOT TO BE TOLERATED

(Mr. BEARD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD of Tennessee. Mr. Speaker, yesterday, five Labor Department employees were arrested for selling marihuana to their fellow workers. One other employee was arrested for selling cocaine.

The local police force characterized the "blatant use of marihuana at the Labor Department as probably typical of drug use at the other Federal agencies."

It is a national disgrace that Federal drug laws are being violated by Federal employees, on Federal property, on the Government's time. It is also a disgrace that a bureaucracy already characterized as "inefficient" is further burdened by drug use that surely makes day-to-day operations even less efficient.

I am happy to say that as a member of the Narcotics Select Committee, I have found that this latest incident is characteristic of our Government's attitude toward drug use. How can we expect the young people of our country to respect the dangers associated with drug use when our own Government does little but look the other way when its own employees are clearly violating Federal law. I am calling on President Carter to make it clear to all Federal employees that drug use will not be tolerated and those who are guilty of using drugs on the job will be terminated immediately.

WINDFALL PROFITS TAX MAY FALL ON CONSUMER

(Mr. GRADISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRADISON. Mr. Speaker, a great deal has happened since the House approved the so-called windfall profits tax. When we voted upon this, our assumption was that it would be paid by the oil companies, and I am sure that assumption had a great deal to do with the vote in support of the tax when it was before this body. All that has changed with the announcement by the President that he intends to impose oil quotas. Once these quotas are in effect, it will be not only possible but likely that the price of oil produced in the United States will exceed the price of oil imported into the United States, and therefore it will be possible for the oil companies to pass this tax on to purchasers; that is, to our consumers and our constituents.

As a result, Mr. Speaker, I would hope that as the other body considers the windfall profits tax, it will decide to waive that tax and not impose it whenever the oil imports quotas are triggered in. Otherwise, the so-called windfall profits tax will be a burden, not on the oil companies, but on the consumers—an objective which would run entirely contrary to the intention of this House.

PRIVATE CALENDAR

The SPEAKER pro tempore. Pursuant to the order of the House of July 31, 1979, this is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

OBSOLETE VESSEL SALE

The Clerk called the bill (H.R. 3094) to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Co., a California corporation, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 3094

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Secretary of Commerce is authorized, within two years after enactment of this Act, to sell, subject to such conditions she deems are appropriate in the national interest, the five obsolete vessels, AF-26 Hyades, AF-49 Zelima, AF-52 Arcturus, AF-54 Pictor, and AF-61 Procyon, for the purpose of conversion and operation in the fisheries of the United States to Inter-Ocean Management Company, a corporation organized under the laws of the State of California, for their appraised value for operation or their scrap value in the domestic market, whichever is greater, as of the date of the sale: *Provided,* That (1) any conversion work shall be performed in the United States; (2) the vessels shall be documented as fishing vessels and operated under the laws of the United States; (3) the vessels shall be operated in conformity with all international fishery conventions to which the United States is a signatory; and (4) if the vessels are scrapped within five years after the date of sale, they shall be scrapped in the domestic market.

With the following committee amendment:

Committee amendment: On page 2, line 16, strike "(4)" and all that follows through line 18 and insert in lieu thereof: "(4) when the vessels are scrapped, they shall be scrapped in the domestic market.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAH MI COHEN

The Clerk called the bill (H.R. 925) for the relief of Leah Mi Cohen.

There being no objection, the Clerk read the bill as follows:

H.R. 925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Leah Mi Cohen may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Edward Cohen and Alberta Cohen, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 275) for the relief of Leah Mi Cohen, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Leah Mi Cohen may be classified as a child within the meaning of section 101(b)(1)(E) of such Act upon approval of a petition filed on her behalf by Mr. and Mrs. Edward Cohen, citizens of the United States, pursuant to section 204 of such Act. The natural parents, brothers, or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

MOTION OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. OBERSTAR moves to strike out all after the enacting clause of the Senate bill, S. 275, and insert in lieu thereof the provisions contained in H.R. 925, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 925) was laid on the table.

□ 1050

EUN KYUNG CHO AND HEI KYUNG CHO

The Clerk called the bill (H.R. 929) for the relief of Eun Kyung Cho and Hei Kyung Cho.

There being no objection, the Clerk read the bill, as follows:

H.R. 929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the immigration and Nationality Act, Eun Kyung Cho and Hei Kyung Cho may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of petitions filed in the behalf of Mr. and Mrs. Anthony Graffeo, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

With the following committee amendment:

On page 2, strike out all of lines 6, 7, and 8.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA ESTELA SIMS

The Clerk called the bill (H.R. 946) for the relief of Maria Estela Sims.

There being no objection, the Clerk read the bill as follows:

H.R. 946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Maria Estela Sims may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf of Mr. and Mrs. Robert Sims, citizens of the United States, pursuant to section 204 of the Act; *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA CORAZON SAMTOY

The Clerk called the bill (H.R. 948) for the relief of Maria Corazon Samtoy.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NYOMAN RAHMAWATI

The Clerk called the bill (H.R. 1153) for the relief of Nyoman Rahmawati.

There being no objection, the Clerk read the bill as follows:

H.R. 1153

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Nyoman Rahmawati may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Marilyn and C. Richard Eckroth citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 2, line 1, strike out the name "Richard Eckroth" and insert in lieu thereof "Richard Eckroth,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLADYS VENICIA CRUZ-SANCHEZ

The Clerk called the bill (H.R. 1163) for the relief of Gladys Venicia Cruz-Sanchez.

There being no objection, the Clerk read the bill as follows:

H.R. 1168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Gladys Venicia Cruz-Sanchez may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Samuel J. Payne and Ida M. Payne, citizens of the United States, pursuant to section 204 of the Act, except that the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 2, line 2, strike out the language "Act, except that" and insert in lieu thereof the following: "Act: *Provided*, That".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAMOM PETERSEN AND DANG PETERSEN

The Clerk called the bill (H.R. 1486) for the relief of Lamon Petersen and Dang Petersen.

There being no objection, the Clerk read the bill as follows:

H.R. 1486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Lamom Petersen and Dang Petersen may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in their behalf by Staff Sergeant and Mrs. Ronald F. Petersen, a citizen of the United States and a lawful resident alien, respectively, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be awarded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 4, after the word "Act," strike out the remainder of line 4 and all of lines 5 and 6 and insert in lieu thereof the following: "Dang Petersen may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by".

On page 2, line 7 strike out the word "beneficiaries" and substitute in lieu thereof the word "beneficiary".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Dang Petersen".

A motion to reconsider was laid on the table.

SUSAN KATHERINE ADAMSKI

The Clerk called the bill (H.R. 1628) for the relief of Susan Katherine Adamski.

There being no objection, the Clerk read the bill as follows:

H.R. 1628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of the Immigration and Nationality Act, Susan Katherine Adamski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to patives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act, or if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SERGIO AND JAVIER ARREDONDO

The Clerk called the bill (H.R. 1753) for the relief of Sergio and Javier Arredondo.

There being no objection, the Clerk read the bill as follows:

H.R. 1753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Sergio and Javier Arredondo may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in their behalf by Mr. Rudolph Albores, a citizen of the United States, and his wife, Dolores Albores, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 2, line 2, after the name "Dolores Albores," insert the following: "a lawful permanent resident of the United States,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ZORA SINGH SUNGA

The Clerk called the bill (H.R. 2433) for the relief of Zora Singh Sunga.

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that the bill, H.R. 2433, be removed from the Private Calendar and rereferred to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

MICHAEL CARL BROWN

The Clerk called the bill (H.R. 3142) for the relief of Michael Carl Brown.

There being no objection, the Clerk read the bill as follows:

H.R. 3142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Michael Carl Brown may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Sylvester and Iris Brown, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motioin to reconsider was laid on the table.

PATRICK A. AND WAYNE L. THOMAS

The Clerk called the bill (H.R. 3146) for the relief of Patrick A. and Wayne L. Thomas.

There being no objection, the Clerk read the bill as follows:

H.R. 3146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Wayne Lloyd Thomas and Patrick Wayne Thomas may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of petitions filed in their behalf by Mr. and Mrs. Keith Stewart, a lawful resident alien and a citizen of the United States, respectively, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REBECCA SEVILLA DeJESUS

The Clerk called the bill (H.R. 3218) for the relief of Rebecca Sevilla DeJesus.

There being no objection, the Clerk read the bill as follows:

H.R. 3218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Rebecca Sevilla DeJesus shall be held and considered to be an immediate relative as defined in section 201(b) of the Act.

With the following committee amendment:

On page 1, line 6, strike out the word "Act." and insert in lieu thereof:

Act, upon approval of a petition filed in her behalf, pursuant to section 204 of the Act, by Dione Maceda, a citizen of the United States.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

JOSE QUINTANA DOMINGUEZ SENDEJAS

The Clerk called the bill (H.R. 3319) for the relief of Jose Quintana Dominguez Sendejas.

There being no objection, the Clerk read the bill as follows:

H.R. 3319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Jose Quintana Domingues Sendejas shall be held and considered to be the natural-born alien son of Rudy Leon and Joann Sendejas, citizens of the United States: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, strike out all of lines 3, 4, 5, and the language "alien son of" on line 6 and substitute the following: "That, in the administration of the Immigration and Nationality Act, Jose Quintana Domigues Sendejas may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYING ALL INTERESTS OF THE UNITED STATES IN CERTAIN REAL PROPERTY IN SANDOVAL COUNTY, N. MEX., TO WALTER HERNANDEZ

The Clerk called the bill (H.R. 1762) to convey all interests of the United States in certain real property in Sandoval County, N. Mex., to Walter Hernandez.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DIRECTING THE SECRETARY OF THE INTERIOR TO CONVEY CERTAIN LANDS IN CLEAR CREEK COUNTY, COLO., TO HAROLD AND DORIS HARLAN

The Clerk called the bill (H.R. 1968) to direct the Secretary of the Interior to convey certain lands in Clear Creek County, Colo., to Harold and Doris Harlan.

There being no objection, the Clerk read the bill as follows:

H.R. 1968

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to convey to Harold Harlan and Doris Harlan, Idaho Springs, Colorado, all right, title, and interest of the United States in and to a tract of land in lot 18, section 1, township 4 south, range 73 west, sixth principal meridian, Clear Creek County, Colorado, known as the Thomas C. Austin Building Site, and more particularly described as follows:

Beginning at Corner Numbered 1, whence corner Numbered 2, Survey Numbered 2053, Gardner Placer, bears south 1 degree 15 minutes west 377.0 feet; thence north 37 degrees east 226.0 feet to corner numbered 2, whence the Shaft Honor on the Gold Medal Mine bears north 30 degrees 40 minutes east and a prominent point of rocks bears north 86 degrees 28 minutes east; thence north 53 degrees west 121 feet to corner numbered 3; thence south 37 degrees west 226.0 feet to corner numbered 4; thence south 53 degrees east 121.0 feet to corner numbered 1, the place of beginning.

SEC. 2. The conveyance authorized by this Act shall be made upon the payment of such sum as may be fixed by the Secretary to reimburse the United States for the administrative costs of the conveyance.

SEC. 3. Notwithstanding section 3 of the Act of December 22, 1928 (43 U.S.C. 1068b), conveyance of title under this Act shall reserve to the United States all minerals in the lands together with the right to prospect for, mine, and remove such minerals under applicable law and such regulations as the Secretary may prescribe, except that if the Secretary makes the findings specified in section 209(b) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2757, 43 U.S.C. 1719) and the conveyance meets the requirements of section 3 of the Act of December 22, 1928 (43 U.S.C. 1068b), the minerals may then be conveyed together with the surface as provided in section 209(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1719).

With the following committee amendments:

Page 1, line 3, strike the words "the Interior" and insert "Agriculture";

Page 2, line 2, following "United States" insert "(except as otherwise provided in this Act)";

Page 2, line 6, beginning with the word "Site," strike the remainder of line 6 through line 18 and insert in lieu thereof the word "Site.";

Page 2, line 21, following the word "Secretary" insert "of Agriculture";

Page 2, following line 22, insert a new section reading as follows:

SEC. 3. The conveyance will be subject to a right-of-way in favor of Clear Creek County for the Soda Creek Road across any lands in Lot 18 within 33 feet of the center line of said road.;

Page 3, strike all of line 3 and through "conveyance" on line 4 and insert in lieu thereof

SEC. 4. Conveyance;

Page 3, line 8, following the word "Secretary" insert "of the Interior";

Page 3, line 12, following the citation strike the remainder of the sentence ending on line 16 and insert in lieu thereof the following: ", the minerals may then be conveyed together with the surface as provided in section 209(b) of such Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to direct the Secretary of Agriculture to convey certain lands in Clear Creek County, Colorado, to Harold and Doris Harlan."

A motion to reconsider was laid on the table.

ANTONIO RIVERA ARISTIZABAL

The Clerk called the bill (H.R. 2098) for the relief of Antonio Rivera Aristizabal.

There being no objection, the Clerk read the bill as follows:

H.R. 2098

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, in the administration of the Immigration and Nationality Act, Antonio Rivera Aristizabal may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Gustavo Aristizabal, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That completes the call of the Private Calendar.

□ 1100

FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976 AUTHORIZATION, 1980–82

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 917) to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes, with the Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

That section 406 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1882) is amended by inserting at the end thereof the following:

"(6) $33,000,000 for the fiscal year ending September 30, 1980.

"(7) $40,000,000 for the fiscal year ending September 30, 1981.

"(8) $47,000,000 for the fiscal year ending September 30, 1982.".

SEC. 2. Section 4311(a) of the Revised Statutes of the United States (46 U.S.C. 251 (a)) is amended by adding at the end thereof the following new sentence: "For the purposes of this subsection, the term 'fisheries' shall include the planting, cultivation, catching, taking, or harvesting of fish, shellfish, marine animals, pearls, shells, or marine vegetation at any place within the fishery conservation zone established by section 101 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1811).".

SEC. 3. (a) Section 201(e) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821(e)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) and (D), respectively;

(2) by inserting "(1)" immediately after "Allocation of Allowable Level.—"; and

(3) by adding at the end thereof the following new paragraph:

"(2)(A) For the purposes of this paragraph—

"(i) The term 'certification' means a certification made by the Secretary that nationals of a foreign country, directly or indirectly, are conducting fishing operations or engaging in trade or taking which diminishes the effectiveness of the International Convention for the Regulation of Whaling. A certification under this section shall also be deemed a certification for the purposes of section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)).

"(ii) The term 'remedial period' means the 365-day period beginning on the date on which a certification is issued with respect to a foreign country.

"(B) If the Secretary issues a certification with respect to any foreign country, then each allocation under paragraph (1) that—

"(i) is in effect for that foreign country on the date of issuance; or

Upon determining that such reasons no longer prevail, the Secretary concerned shall terminate the certification and publish notice thereof, together with a statement of the facts on which such determination is based, in the Federal Register."

Section 4 notwithstanding the provisions of section 4132 of the Revised Statutes of the United States (46 U.S.C. 11), or any other provisions of law, the Secretary of the department in which the United States Coast Guard is operating shall cause the vessel Widow Maker, owned by Strohe Brothers of Lake Charles, Louisiana, to be documented as a vessel of the United States, upon compliance with the usual requirements, with the privilege of engaging in the coastwide trade and the fisheries so long as such vessel is owned by a citizen of the United States.

"(ii) is not in effect on such date but would, without regard to this paragraph, be made to the foreign country within the remedial period;

shall be reduced by the Secretary of State, in consultation with the Secretary, by not less than 50 percent.

"(C) The following apply for purposes of administering subparagraph (B) with respect to any foreign country:

"(i) If on the date of certification, the foreign country has harvested a portion, but not all, of the quantity of fish specified under any allocation, the reduction under subparagraph (B) for that allocation shall be applied with respect to the quantity not harvested as of such date.

"(ii) If the Secretary notified the Secretary of State that it is not likely that the certification of the foreign country will be terminated under section 8(d) of the Fishermen's Protective Act of 1967 before the close of the period for which an allocation is applicable or before the close of the remedial period (whichever close first occurs) the Secretary of State, in consultation with the Secretary, shall reallocate any portion of any reduction made under subparagraph (B) among one or more foreign countries for which no certification is in effect.

"(iii) If the certification is terminated under such section 8(d) during the remedial period, the Secretary of State shall return to the foreign country that portion of any allocation reduced under subparagraph (B) that was not reallocated under clause (ii); unless the harvesting of the fish covered by the allocation is otherwise prohibited under this Act.

"(iv) The Secretary may refund or credit by reason of reduction of any allocation under this paragraph, any fee paid under section 204.

"(D) If the certification of a foreign country is not terminated under section 8(d) of the Fishermen's Protective Act of 1967 before the close of the last day of the remedial period, the Secretary of State—

"(i) with respect to any allocation made to that country and in effect (as reduced under paragraph (B) on such last day) shall rescind, effective on and after the day after such last day, any harvested portion of such allocation; and

"(ii) may not thereafter make any allocation to that country under paragraph (1) until the certification is terminated.".

(b) Section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978) is amended—

(1) by amending subsection (a) by redesignating paragraph (3) as paragraph (4), and by inserting immediately after paragraph (2) the following new paragraph:

"(3) In administering this subsection, the Secretary of Commerce or the Secretary of the Interior, as appropriate, shall—

"(A) periodically monitor the activities of foreign nationals that may affect the international programs referred to in paragraphs (1) and (2);

"(B) promptly investigate any activity by foreign nationals that, in the opinion of the Secretary, may be cause for certification under paragraph (1) or (2); and

"(C) promptly conclude; and reach a decision with respect to; and investigation commenced under subparagraph (B)."

(2) by redesignating subsections (d) through (g) as subsections (e) thorugh (h), respectively; and

(3) by adding immediately after subsection (c) the following new subsection:

"(d) After making a certification to the President under subsection (a), the Secretary of Commerce or the Secretary of the Interior, as the case may be, shall periodically review the activities of the nationals of the offending country to determine if the reasons for which the certification was made no longer prevail.

Mr. MURPHY of New York (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendment to the House amendment be dispensed with, and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I would ask the chairman of the committee for an explanation of his request.

Mr. MURPHY of New York. Mr. Speaker, if the gentleman will yield, H.R. 1798 passed the House on June 25, 1979. As it passed the House, H.R. 1798 would do two things.

First, it would extend the funding authorization for the Fishery Conservation and Management Act of 1976 (FCMA) for a period of 3 years at a level not to exceed $33 million for fiscal year 1980, $40 million for fiscal year 1981, and $47 million for fiscal year 1982.

In addition, it would provide for increasing by two the voting membership of the Pacific Fishery Management Council.

Mr. Speaker, S. 917, as it passed the Senate on April 30, 1979, would do three things.

First, it would extend the funding authorization of the FCMA for the same time period and at the same level of funding as the House bill, H.R. 1798, except the House bill authorized $33 million to be appropriated for fiscal year 1980 whereas the Senate bill authorized only $30 million.

Second, the Senate bill included an amendment offered by Senator MAGNUSON that would prohibit foreign-built fishing vessels that are documented under the laws of the United States from fishing within the 200-mile fishery conservation zone of the United States. Present law only prohibits such vessels from fishing within 3 miles of U.S. shores.

Third, the Senate bill included an amendment offered by Senator PACKWOOD that would prohibit the issuance of fishing permits to foreign nations whose nationals have been determined by the Secretary of Commerce to be in violation of the Pelly amendment to the Fishermen's Protective Act. The Pelly amendment authorizes the banning of fisheries imports from a nation whose nationals are determined to be conducting fishing operations under circumstances that diminish the effectiveness of an international fisheries conservation program.

Mr. Speaker, after the House passed H.R. 1798 on June 25, it subsequently passed S. 917 with the provisions of H.R. 1798 as it passed the House.

Mr. Speaker, with a view toward avoiding a conference on the bill, the staffs of the Committee on Merchant Marine and Fisheries and the Senate Committee on Commerce, Science, and Transportation have worked out compromise language, to which both committees agree, and the amendments to S. 917 which the House is being asked to concur in today incorporate that compromise language.

The net effect of the Senate amendments to S. 917 is to retain the language of the House version of the bill that would extend the FCMA for 3 years at $33 million, $40 million, and $47 million, respectively, for fiscal years 1980, 1981, and 1982; to retain the language of the Magnuson amendment that would prohibit foreign built fishing vessels flying the U.S. flag from fishing within the 200-mile fishery conservation zone of the United States; and to retain, but rewrite, the Packwood amendment that would deny fishing permits to nations whose nationals are certified by the Secretary of Commerce as being in violation of the Pelly amendment.

Mr. Speaker, the rewrite of the Packwood amendment, which I proposed and which the Senate has agreed to, would, first of all, restrict the certification to be made by the Secretary of Commerce for purposes of the FCMA to those nationals of a foreign country who are conducting fishing operations or engaging in trade or taking under circumstances which diminish the effectiveness of the International Convention for the Regulation of Whaling (IWC). The Packwood amendment, as it originally passed the Senate, would have applied to any international fisheries conservation program to which the United States is a signatory. My compromise language would apply only to whales as these are the living resources of the ocean that are in such dire need of protection at this time.

Second, with respect to any nation which the Secretary of Commerce has

certified as being in violation of the IWC, the Secretary of State is required to immediately reduce the unharvested portion of any allocation to such nation by not less than 50 percent. This will, in effect, improve the Packwood amendment by penalizing such foreign nation immediately, rather than having to wait until the next allocation period rolls around, which could be as much as 6 to 9 months, and it will encourage such foreign nation to get back in compliance with the IWC as soon as possible in order to recoup its allocation before it is reallocated to other foreign nations. Under my compromise language, whenever the Secretary of Commerce notifies the Secretary of State that it is not likely the certification of the foreign nation concerned will be lifted before the end of the allocation period or the end of 1 year, whichever comes first, then the Secretary of State would be required to reallocate the remaining unharvested portion of such allocation among other foreign nations for which no certification is in effect.

Third, the Fishermen's Protective Act would be amended to make it clear that the Secretary of Commerce or the Secretary of the Interior, as the case may be, would be required to closely monitor the activities of foreign nations that may affect any international fisheries conservation program; to promptly investigate any activity which his agency has uncovered or which has been brought to the attention of such agency which may be cause for certification under the Pelly amendment, as amended; and to promptly conclude and reach a decision with respect to any investigation commenced.

Mr. Speaker, the reason for this amendment is that in the past the Secretary of Commerce and the Secretary of the Interior have been taking entirely too much time, as much as a year or more in some cases, to make a decision on whether to certify whether the nationals of a foreign country are in violation of the Pelly amendment, as amended. I want to strongly emphasize that it is the intent of this amendment to make it clear that the Congress expects these Secretaries to act swiftly and promptly in making such investigations and decisions in the future.

Finally, Mr. Speaker, S. 917, as amended by the Senate, would authorize the vessel *Widow Maker* to be documented as a vessel of the United States for the purpose of engaging in the coastwise trade and the fisheries of the United States. It is my understanding that this vessel was built in Norway; it is about 44 feet in length; it is owned by two Strohe brothers of Lake Charles, La.; it has met all U.S. safety and navigation requirements; and it will be used as a charter fishing vessel operating out of Port Eads, La.

Mr. Speaker, I think S. 917, with the compromise language which I have proposed and which is included in the bill as passed by the Senate yesterday, is an excellent bill, and I urge its prompt passage.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

● Mr. BREAUX. Mr. Speaker, in agreeing to the Senate amendment to S. 917, as amended by the House amendment thereto, I feel compelled to make several observations.

The chairman of our full committee has explained the amendments which we are agreeing to in some detail. I must state that I also agree in concurring to these amendments in my capacity as chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment because I know that the majority of my colleagues on that subcommittee are in agreement.

Personally, I must take exception to a portion of section 3 of the Senate amendment concerning the sanction against those nations certified to be diminishing the effectiveness of the International Whaling Convention. Presently under the law, any nation so certified could be sanctioned at the President's discretion by prohibiting the import of any fish product from that nation. The present law gives the President of the United States discretion to sanction the nation.

The amendment of the Senate being considered today adds a new sanction for the Secretary of State to utilize once a nation is certified as diminishing the effectiveness of the International Whaling Convention. If a foreign nation was certified, in addition to the discretionary Presidential embargo decision on fish products, the Secretary of State would be mandated to reduce that nation's allocation in our 200-mile fisheries zone by not less than 50 percent. This mandatory requirement of the Secretary is what troubles me.

I do not believe that we should require the Secretary of State to reduce the fishery allocation immediately once the Secretary of Commerce certifies that a foreign nation is diminishing the effectiveness of the International Whaling Convention. We should have a period of time between the certification and the reduction to allow that country to alter whichever practice is diminishing the effectiveness of the IWC. That will not be possible under this Senate language and I believe that it is wrong.

One of the purposes of the amendment originally was to apply leverage on nations such as Japan to agree to a moratorium on the taking of whales in the recent round of negotiations at the International Whaling Convention. That, I believe, has already been accomplished at the latest convention held last month in London. The United States was successful in the adoption of an open ocean whaling moratorium which prohibits the taking of approximately 10,000 whales and the creation of a whale sanctuary in the Indian Ocean. Further, it is my understanding from recent discussion with members of the Japanese Government that Japan will abide by the IWC agreement. Therefore, if this occurs, this purpose of the amendment was obtained.

Since most of our whaling actions in this country are aimed at Japan, I believe that we should recognize when that country has been making progress to meet our objectives. From my recent hearings with Japanese officials I have ascertained the following:

Japan has a law on their books which forbids the exportation of whaling vessels, whaling technology, or whaling equipment.

As of July 5, the Japanese Government issued an administrative order to all Japanese importers to immediately stop the import of all whale products from non-IWC countries.

The Japanese Government has a law which prohibits the export of Japanese currency which will be used in any operation which will serve to violate any conservation agreement such as the International Whaling Convention.

Mr. Speaker, the Japanese Government imports between 50 and 60 percent of our fish products annually—over half of all U.S. fish products caught are sold to Japan. If we restrict their fishing in our U.S. zone by 50 percent or more, what will their response be to our fishermen? I dare say that it would impact our fishermen greatly. I do not think that this is totally fair.

I do not believe that it is fair to potentially penalize our U.S. fisherman for a potential action of a Japanese whaler or importer, but that is what we could do with this amendment. To a nation that imports over 50 percent of our fisheries products and to a nation which I believe has taken giant steps to respond to our concern about whalers, I think that we are reacting too strongly.

I trust that the Secretary of Commerce will be especially careful to examine all the facts surrounding a possible certification if this law is enacted since a certification from this point on can have disasterous effects on our U.S. fishing industry.●

● Mr. OBERSTAR. Mr. Speaker, the legislation before the House, S. 917, strikes a major blow for the integrity of international fishery conservation agreements.

I am delighted that with this vote the House will send to the President legislation which represents a forceful, unambiguous message to the world that the United States intends to enforce the International Convention for the Regulation of Whaling and to end the unnecessary and reckless violations of that agreement, and the irresponsible destruction of whales.

The legislation before the House is the product of considerable thought and discussion among the members of the Committee on Merchant Marine and Fisheries and with Members of the other body. I offered an amendment similar to the language contained in this authorization during subcommittee markup. The language contained in the authorization bill is fair, reasonable, and clear. It can be administered without doubt as to the intent of the Congress.

The language of this authorization links the FCMA to certification under the Pelly amendment to the Fishermen's Protective Act of 1967. The Department of Commerce certifies a nation under the provisions of that amendment when a nation is found to have acted in a manner contrary to international agreements for the protection of a fishery resource.

Mr. Speaker, to date, the Pelly amendment has been somewhat effective in encouraging compliance with fishery agreements. The major weakness has been that certification does not necessarily

impose any penalty on the violator. In fact, in all five certifications to date, the President has not used his discretionary power to impose a penalty.

In order to improve the effectiveness of the Pelly amendment, the legislation before us will provide for a specific penalty to result from certification.

When a nation is certified, the Secretary of Commerce must reduce the allocation of that nation to fish in our 200-mile zone by at least 50 percent.

The nation will have 1 year in which to end the conditions which led to certification under the Pelly amendment.

If the violation does not cease, the nation will lose the right to fish in the 200-mile zone.

The history of certification under the Pelly amendment indicates that the Secretary of Commerce does not certify in haste, that an offending nation has advance notice of even the beginning of an investigation.

In October 1973, the Secretary of Commerce learned that the Soviet Union and Japan had indicated their intention to exceed IWC quotas. Only when final catch statistics became available in April 1974 did Commerce begin its investigation.

The investigation was completed in July. Actual certification was made in November 1974.

The Secretary of Commerce certified Peru, Chile, and South Korea for whaling outside of international regulation on December 14, 1978, 35 months, 1 month short of 3 years, after the Commerce Department had begun its investigation.

In view of the extensive delays in certifications in the past, we are asking the House to approve the language of this bill which would require the Secretary to expedite his investigation for possible certification under the Pelly amendment.

If we are going to sign international agreements for the conservation of our fishery resources and to enact legislation to implement those agreements, we should enforce the agreements and the legislation. We should not waste our time with hollow agreements.

We have a great opportunity with this legislation to let the world know that the United States intends to support the international whaling agreements.

We have reasonable legislation which will provide a violating nation 1 year to end its violation. The penalty for violation is a responsible one. If a nation persists in its violations, then we will not permit that nation to continue to use our fishery resource.

The penalty imposed by this legislation is far less severe than that authorized by the Pelley amendment under which the President could ban all or part of a certified nation's fishery exports to the United States. The major problem with that penalty is that it is both severe and discretionary. The President has yet to invoke it. The Pelley amendment is perceived as almost too severe to be invoked.

Yet, this legislation is a major first step toward decisive U.S. action to save the whales. Though the bill does not go as far as I would have preferred, I am confident that the offending nations will get the message that we mean business, that more stringent measures will follow if they do not comply and I think we are going to see a more cooperative response from the whaling nations of the world.

The legislation before us does not deprive the President of the authority to invoke the discretionary penalty; it adds an additional penalty that is automatic. The Secretary of Commerce must reduce by not less than 50 percent a nation's allocation in our 200-mile limit upon certification. He may, in fact, impose more than 50 percent—to that extent, it is discretionary.

Mr. Speaker, adding an automatic penalty increases the deterrent effect of the Pelley amendment. An automatic penalty will provide such a strong disincentive to violation, that we may not have any further certification under the Pelley amendment because of violation of the Whaling Convention. That certainly is my hope, and I believe it a realistic one. A prudent nation will not risk losing one-half of its allocation in our 200-mile zone for a dying industry as whaling is.

The State Department expressed concern during our oversight hearings that the original language of this amendment contained in the Senate version of the FCMA authorization did not provide any discretion for the Department to negotiate with violating nations. We have responded to the State Department's concern by providing an offending nation with 365 day's after certification to end its violation before it loses the right to take fish from our 200-mile zone.

Mr. Speaker, I am delighted that we are on the verge of enacting this much-needed improvement in the Pelley amendment. If we take our international conservation agreements seriously, if we are genuinely interested in preservation of our marine resources, the House will be proud to send this legislation to the President.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. MURPHY)?

There was no objection.

A motion to reconsider was laid on the table.

AMENDING TITLE 13, UNITED STATES CODE, TO PROVIDE LIMITED EXEMPTION TO BUREAU OF CENSUS

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate bill (S. 1318) to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the Act of June 30, 1932, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. COURTER. Mr. Speaker, I reserve the right to object in order to clarify a couple of points I have in mind.

First of all, I want to make sure why we are bringing this up now. Basically it is because of the emergency nature. The Census Bureau will soon have to enter into lease agreements and we cannot really wait until we come back in session in September; is that correct?

Mr. GARCIA. That is correct, yes.

Mr. COURTER. Second, the bill speaks in terms of 105 percent of fair annual rental, allowing the Census Bureau to enter into a contract at 5 percent over the appraised fair annual rental. It is my understanding that it is fixed at a 5-percent increase and that that is so because many of these rentals will have to be less than 1 year and, obviously, when you negotiate for a rental period of less than 1 year you might have to accept an amount a little above the fair market value; is that correct?

Mr. GARCIA. The gentleman is correct.

Mr. COURTER. Mr. Speaker, I appreciate the distinguished chairman of the subcommittee indulging me in this colloquy.

Mr. Speaker, one final item is the fact that merely because the Census Bureau has the right to enter into a rental agreement of less than 1 year at 5 percent above the fair market value of annual rental, that does not mean they are obligated to do so. They are encouraged to negotiate fairly and vigorously, and as a result hopefully secure space at less than annual fair rental, but it just permits the flexibility, if needed, to go 5 percent above the annual market charge.

Mr. GARCIA. The gentleman is correct.

I would like to thank the distinguished ranking minority member of the subcommittee because the facts the gentleman has stated are absolutely correct.

Mr. COURTER. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. GARCIA)?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter I of chapter 1 of this title 13, United States Code, is amended by adding at the end thereof the following new section:

"§ 15. Leases for 1980 decennial census

"The 15 percent limitation contained in section 322 of the Act of June 30, 1932 (47 Stat. 412; 40 U.S.C. 278a) shall not apply to leases entered into by the Secretary for the purpose of carrying out the 1980 decennial census, but no lease may be entered into for such purpose at a rental in excess of 150 percent of the appraised fair annual rental of the leased premises, or a proportionate part of the appraised fair annual rental in the case of a lease for less than a year.".

(b) The table of sections for such subchapter is amended by adding at the end thereof the following:

"15. Leases for 1980 decennial census.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that

all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 917, which was just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL MEALS ON WHEELS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 367) to authorize and request the President to proclaim the week of September 16 through 22, 1979, as "National Meals on Wheels Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object.

The SPEAKER pro tempore. Does the gentleman have the required number of Members on the bill?

Mr. GARCIA. Mr. Speaker, we have 225 cosponsors.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 367

Whereas, visiting nurses appealed for help to prevent further health breakdown and hospital admissions of several aged patients who were living on grossly inadequate diets; and

Whereas with the delivery of meals beginning in 1954, a new and progressive step in the care of the aged evolved which resulted in maintaining a number of elderly people as free and independent souls living at home instead of in an institution; and

Whereas over one hundred thousand well-balanced meals are delivered daily to aged and ailing people across the Nation to the end that they are happier, more vigorous, and better adjusted individuals; and

Whereas the delivery of meals originated on a volunteer basis in the private sector, has great merit as a direct service to the people, and bears witness to social and economic needs of many of our older citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the selfless service performed, the President is hereby authorized and requested to issue a proclamation designating the week of September 16 through 22, 1979, as "National Meals on Wheels Week" and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such same week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4057, FOOD STAMP ACT AMENDMENTS OF 1979

Mr. FOLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 4057) to increase the fiscal year 1979 authorization for appropriations for the food stamp program.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 27, 1979.)

The gentleman from Washington (Mr. FOLEY) will be recognized for 30 minutes, and the gentleman from Idaho (Mr. SYMMS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 4057, an act to increase the fiscal year 1979 authorization for appropriations for the food stamp program. The heart of this report is a provision that amends section 18 of the Food Stamp Act of 1977 to provide an additional $620 million in authorization of appropriations for the food stamp program between now and September 30. This authorization is necessary to assure the necessary program funds for a smooth, uninterrupted continuation of the provision of food stamp benefits to nearly 19 million persons who are currently receiving them, over half of whom have incomes of less than $300 a month and over 20 percent of whom are elderly.

Had we failed to make this authorization available, the Secretary of Agriculture was prepared in the next 2 weeks to issue a notice to State welfare agencies announcing the termination of the food stamp program for the month of September. Because of H.R. 4057 and action by the House and the Senate in the recent supplemental appropriations bill for fiscal year 1979 providing additional appropriations for the food stamp program during this present fiscal year to the extent of $900 million, $520.3 million of which is to be available only upon the enactment of this authorizing legislation, we no longer have to confront that crisis.

I should remind the House that H.R. 4057 does not solve all the problems posed by the imposition by the House of an annual ceiling on spending for the food stamp program—the so-called cap. For fiscal year 1980, the cap is fixed at $6,188,600,000 and for fiscal year 1981, it is $6,235,900,000. Given the existing level of program expenditures of approximately $600 million each month, including administrative costs, coupled with the steady rise in food prices, which has a significant impact on the level of food stamp benefits provided in future months, it is obvious that the caps set for fiscal years 1980 and 1981 will have to be exceeded if the program is to continue. Accordingly, the House will have to deal with the existence and the level of these caps in the future.

I have, on several occasions this year, together with the distinguished chairman of the subcommittee, Mr. RICHMOND, pledged to the House that the Committee on Agriculture would conduct through hearings on the operation of the Food Stamp Act of 1977 with a view to reporting any necessary amendments and the requisite changes in the cap to the House for its consideration in the course of the forthcoming year. Because of my resolve to fulfill that pledge, I worked with the House conferees to refuse to accept a provision in the Senate version of H.R. 4057 that would have removed the cap ceilings for fiscal years 1980 and 1981. In the face of united House opposition, the Senate receded. The Senate has, however, passed a separate and distinct bill, S. 1309, to the same effect, which has already been referred to the Committee on Agriculture. Therefore, when this matter is dealt with by the House in 1980, the Senate will be ready to go to conference with us on the fiscal year 1980 and 1981 caps, without further Senate action.

The second major feature of this conference report is the provision dealing with excess medical and shelter cost deductions for the elderly, blind, and disabled. Last June 26, the House passed H.R. 4303, a bill which was intended to reinstate the effect upon benefits and eligibility for households containing members who were either 60 years of age or older or who were recipients of supplemental security income (SSI) benefits under title XVI of the Social Security Act of the excess medical and shelter cost deductions that existed in the food stamp law prior to the Food Stamp Act of 1977 as implemented from March 1 through June 30 of this year.

The 1977 Food Stamp Act substituted a standard deduction for all households—$70 a month as of July 1, 1979—for a series of itemized deductions, including one for all medical costs once such costs exceeded $10 a month per household. It further replaced an unlimited excess shelter cost deduction for all shelter costs over 30 percent of net household income, after all other allowable deductions, with a similar deduction applicable only for such costs in excess of 50 percent of net household income and, even then, with a ceiling on such deductions, no more than $90 a month as of July 1, 1979.

As a result, households facing large medical costs or rising rents or increasing utility bills could no longer deduct such items from their gross income in order to ascertain their net income for purposes of calculating food stamp eligibility or benefits. The consequences nationwide were that at least 2 percent of all households containing persons 65 years of age or over were rendered ineligible to participate in the food stamp program and nearly 30 percent of the remainder had their benefits reduced by from $1 to over $50 a month.

Under H.R. 4303, all households containing members who were either 60 years of age or older or who were recipients of supplemental security benefits (SSI) under title XVI of the Social Security Act—basically the blind and disabled, in addition to the elderly—would have been entitled to deduct those household medical expenses which exceed $35

a month, the list of allowable medical expenses would resemble that in effect prior to March 1 of this year, and to deduct all shelter costs in excess of 50 percent of net income without regard to any ceiling.

The impact of these revived deductions upon the eligibility and benefits of the elderly, blind, and disabled should have placed them in a position at least comparable to the situation they were in prior to the advent of the 1977 act on March 1 of this year, even though the new itemised deductions are slightly less generous than the preexisting ones, because of the addition of the standard deduction that was not previously in effect.

Although the House acted on H.R. 4303, the Senate did not and, thus, its provisions were not technically in conference on H.R. 4057. Instead, the House had its H.R. 4057 provision, the Kelly amendment, which allowed deduction of medical expenses in excess of $10 a month, not $35, but only for the elderly, not the blind and disabled. The House provision covered the medical expenses of all household members in households containing an elderly person. The Senate version in H.R. 4057 had a $35 medical expense threshold, but indexed annually upward, for households containing supplemental security income recipients—essentially the blind and disabled—as well as the elderly and a new category added on the Senate floor, recipients of disability payments under title II of the Social Security Act.

To resolve this tangle of provisions and remain within the legal scope of the conference was not an easy task. Although we might have wanted to lower the excess medical cost floor below $35, we could not, because that was the only sum in conference for the blind and disabled, and we did not believe in creating a discriminatory benefits gap between them and the elderly. The elderly could have had a $10 trigger that, as the administration indicated, not only would have been inequitable, but also would have been difficult to administer correctly and conducive to error. Accordingly, we settled for a threshold of $35 across the board, but without the Senate index.

Similarly, we might have wanted to include the excess medical expenses of spouses of the elderly, blind, and disabled, but we could only do that for the spouses of the elderly, since neither the House nor Senate version of H.R. 4057 went beyond that. There may be opportunity in the future to adjust these features of the act when we deal with food stamp legislation again.

The House accepted the Senate specific list of allowable medical expenses, which basically tracks the items permitted under the pre-1977 law certification handbook. This includes the fees of all medical practitioners whose fees are recognized as supportable under other Federal programs, such as medicare, medicaid, and CHAMPUS, as deductible under the Internal Revenue Code medical expense deduction, or as reimbursable under Federal employee health benefits insurance programs. The amount to be deducted would be that incurred or billed during the appropriate certification period, subject to verification of third-party reimbursements or insurance payments whether to the recipients or care provider. We anticipate that this statutory list provides some flexibility in the event that new variations of the listed items or items comparable to them should develop.

We spent considerable time in conference discussing the question of retroactive benefits involving these excess medical expenses and were adamant in our understanding that no household would be entitled to utilize the new deduction system until such time as the State had implemented it, even if the State failed to meet the January 1, 1980, deadline. Even then no household could benefit until and after such time as it newly applied to participate or was scheduled to be certified for continued participation or sought to have its benefits recomputed in accordance with normal rules for processing changes. Thus, no State agency would be required to provide any retroactive benefits to households as they came in for scheduled continued certification or as they requested a review of their case. State agencies would not have to, even if households proffered documentation of expenses, recalculate benefits or eligibility for each month after the final implementation deadline of January 1. The first month of entitlement to a medical expense deduction would be the first month of certification, continued certification, or recomputation, and no earlier.

The House agreed in H.R. 4057, as it had in H.R. 4303, to make the excess medical deduction permanent, rather than merely for fiscal years 1980 and 1981 as in the Kelly amendment, and to remove the ceiling on the allowable amount of the excess shelter expense deduction—now at $90 a month— but expanded to include households containing one or more members receiving disability payments under title II of the Social Security Act.

The House also receded to three separate Senate provisions of an antifraud nature that were essentially identical to the provisions first introduced by me in early June in H.R. 4318, food stamp legislation dealing with 1980 and 1981. One is a provision involving repayment for fraud that would amend section 6(b) of the Food Stamp Act of 1977 to allow States to collect fraud claims through a reduction of the food stamp allotment.

Allotment reduction would be imposed when a recipient who had been disqualified for fraud and had not paid a fraud claim reentered the program after the disqualification period. If the individual who committed fraud did not agree to a reduction in the household's allotment or did not agree to pay the fraud claim in money, the amendment would allow the State agency to disqualify the individual until the person agreed to repay or agreed to the allotment reduction. The income and resources of the individual disqualified for failure to repay the fraud claim would be counted in the same way an individual's income and resources are currently counted when the person is disqualified for fraud or for failure to meet the student work registration requirement during the school year.

In order to collect fraud claims, States must currently rely on voluntary repayment by the household or incur the expense of initiating civil court action to obtain repayment. This amendment provides a simple and efficient mechanism for collecting fraud claims and provides a penalty if repayment is not made. As a result, it is anticipated that the percentage of fraud claims collected will substantially increase without increasing the administrative costs of collecting these claims. These tougher collection procedures should also discourage persons from committing fraud.

A second provision concerns State share of recoveries. States are currently required to return to the Federal Government all funds collected from households that have repaid the value of any food stamps which were overissued to them. Section 6 of the bill would amend section 16(a) of the act by allowing each State to retain 50 percent of the funds it recovered or collected from persons that committed fraud as determined in accordance with section 6(b) of the act. This provision will provide an incentive for States to pursue collection of fraud claims, particularly in those cases where recoupment or disqualification is ineffective because the household is ineligible.

The amendment further specifies that the salaries of persons involved in making fraud determinations will not benefit from the amount of such recoupments or collections. This prohibition on the use of revenues collected in this manner will protect the impartiality of officials making fraud adjudications.

The third and final antifraud section would authorize the Secretary and States agencies to require provision of social security numbers as a condition of eligibility for food stamps. This would permit an individual to be barred from receiving food stamps if that individual had been assigned a social security number, but refused to provide it to the State agency. Individuals not previously assigned a social security number could also be prevented from participating unless the individual applied for and subsequently furnished a social security number. The income and resources of the individual disqualified for failure to provide a social security number would be counted in the same way an individual's income and resources are counted when a person is disqualified for fraud or for failure to meet the student work registration requirement during the school year. This amendment would enable States to match social security numbers to prevent duplicate participation.

An individual entitled to emergency service under section 11(e)(9) of the act would be permitted to furnish a social security number after receiving his first allotment. In this way, an individual who could not furnish his social security

number, or the numbers of all members of his household, before the timeliness standard elapses for providing expedited service would not have benefits delayed simply because a social security number could not be immediately furnished. In addition, households that had not been previously assigned a social security number and must apply for one would be eligible to participate while waiting for a number to be assigned. This section also enables the Secretary to have access to data on SSI recipients that is identical to that obtainable by the Secretary of Health, Education, and Welfare, subject to certain safeguards, particularly as to the purposes for which such data may be used.

All of the antifraud amendments would have to be implemented by final regulation within 150 days after enactment.

The House also accepted two other provisions of the Senate version of H.R. 4057. One, at a cost estimated between $5 and $10 million a year and affecting over 10,000 persons, would allow the "household" treatment now given to narcotics addicts and alcoholics living in certain institutions to apply to blind and disabled recipients of social security disability payments or SSI benefits who are residents in public or private nonprofit group living arrangements serving 16 or fewer residents and certified by State agencies under section 1616(e) of the Social Security Act. This would enable these blind and disabled persons to utilize food stamp benefits even though they live in treatment centers.

The final amendment the House accepted is one that specifies no individual who goes on strike is entitled to benefits solely because he or she is a striker. Instead, every striker has to qualify for food stamps on the same basis as everyone else and is subject to the same vigorous application of the income guidelines and assets and work registration requirements. This clarifies what basically has been the law, but has not been widely understood to be the case.

I hope that the House will join me in supporting this conference report.

□ 1110

Mr. SYMMS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am generally pleased with the overall results of the conference committee action on this. I think the committee and the conference are to be commended for the work that took place.

Though they were forced to raise the dollar value of the food stamp cap by some $620 million, mostly because of the large influx of participants earlier this year brought on by the Department's legally questionable staggered implementation schedule, the conference retained the cap concept.

Clearly, the decision of Assistant Secretary Forman and other food and nutrition service officials to ignore congressional intent and fiscal responsibility by eliminating the purchase requirement in advance of implementing the other income guidelines of the 1977 act is the primary reason the cap needs to be lifted. These actions should not be overlooked as the real culprit in forcing this increased authorization. However, I am happy that the conference chose merely to raise the cap, rather than lift it entirely. This concept is vitally important if the Congress is to measurably impact budgetary restraint in this rapidly expanding program.

I might say to the Members of this House, and to some of us who have been critics of this program, if you have been reading the papers about the economists' predictions for the future of our economy, we probably have not seen anything yet.

The conference substitute also removes the carryover authority contained in existing law, which should make it easier to obtain an actual fiscal year accounting in the program.

Perhaps most significantly, the conference retained the amendment offered by Senator LUGAR in the other body and by myself in the House to allow the Secretary authority to make benefit reductions on other than a pro rata basis, should appropriations be insufficient to fund benefits in any given fiscal year. In such a situation, this would assure that the neediest food stamp recipients would have their benefits reduced the least.

I think all Members prefer to see that those least able to help themselves are the greatest beneficiaries in participation and this provision assures that result.

While I was pleased with the three antifraud amendments added in the Senate and expect some saving of tax dollars from their implementation, I do not want Members to believe that these provisions are the total answer to program mismanagement and abuse.

The real teeth-cutting provisions which would have allowed States more leeway in income verification measures were rejected twice within the conference committee.

I do not feel that we can conscientiously continue to blame the States for poor program administration when we fail to give them the proper tools with which to make a very basic income determination, and when we continue to use a different base for income determination and error rate determination. It stands to reason that the caseworker should have the same access to income data that the error rate examiner does and that simply is not the case today.

I would pledge to my colleagues that I will try to cooperate with the committee and with the chairman of the subcommittee and the chairman of the full committee to pursue this matter in greater detail during the committee hearings on the 1980 authorization bill and it is my hope that the States will ultimately be given the verification tools they need to bring those error rates down.

While I believe the elderly as a group have greatly benefited from the provisions of the 1977 act, it is true that some cases, as predicted, have been adversely affected by the 1977 provisions.

This legislation provides the aged, the blind, and the disabled the opportunity to deduct more medical and shelter expenses than currently allowed in calculating income for the program eligibility purposes.

I do commend the committee on the work that they did on the conference report, the chairman and the chairman of the subcommittee, the gentleman from Virginia (Mr. WAMPLER) and the gentleman from Florida (Mr. KELLY) and others who worked so diligently on this program; but I do think that the conference report is an improvement over the bill as it left the other body and also an improvement of the bill as it left the House, because it was successful in retaining some elements of discipline in the food stamp program.

Having said that, I will still be voting against the food stamp conference report, based on the fact that I think the food stamp program is in a runaway condition. It now costs nearly $7 billion. And, as I said earlier, we have not seen anything yet. This program is going to be expanding at a very, very rapid rate in the future. One out of four Americans will be eligible, if Mrs. Forman has her way, for food stamps. After she gets through with her television advertising program to be sure that all the folks all the way from Zephyr Hills to Sunny Slope know that they are eligible, I think we will find out that this program may be doubled within 5 years from what it is today.

Mr. Speaker, I reserve the balance of my time.

Mr. RICHMOND. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I merely want to take the well at this time to compliment the chairman of the committee, the gentleman from Washington (Mr. FOLEY) and the chairman of the subcommittee, the gentleman from New York (Mr. RICHMOND) and the distinguished ranking members that worked on the bill and on the conference report.

I am particularly pleased and really proud of the action of the House in total when we address the issue of the senior citizens and disabled people who were confronted with a major problem in the legislation previously. It takes, I think, a great body of people to look at a piece of legislation that they had legislated at one point and then found out that through their legislation a real problem had been created for a group of people that we had never intended to hurt and then to have the courage to basically come back and change the regulations involved so that once again the senior citizens and the disabled people in our country would have a fair break under the food stamp program.

I am just very pleased to have played a small part in that. Once again, I congratulate the members of the committee and the House for their actions.

□ 1120

Mr. SYMMS. Mr. Speaker, I yield 7 minutes to the gentleman from Zephyrhills, Fla. (Mr. KELLY), who worked so hard and diligently on this legislation.

Mr. KELLY. Mr. Speaker, the food stamp cap increase that we are discussing here this morning involves a program that has grown 28,000 percent. It started

out as a $30 million program, and it has now developed into a program of over $7 billion.

Right here, by what we are doing today, we are adding another $1 billion to this program to bring it up to over $7 billion. We are adding $620 million, according to the action that we take, and there is $340 million that is added on in addition to that as a carryover from 1978.

Mr. Speaker, while we are doing this, the elderly who are sick have not regained the medical deduction threshold that they lost by the action of this House in 1977. In other words, while we have expanded the program by between 3 and 4 million people and have added on almost $2 billion to the cost of the program, we have diminished the benefits that are given to the elderly who are sick.

Now, part of that has been restored, and I refer to the $35 threshold. This House voted to restore the entire medical deduction for the elderly who are sick to $10. In the conference the House side acceded to the Senate's position.

Mr. Speaker, it might seem as though we are saying, "Well, then, the battle was lost," but I am happy to report to the House that through the action of the chairman of the subcommittee, the gentleman from New York (Mr. RICHMOND), and I, legislation will be coming down the tube of the House here quickly—that will once more fully restore the benefits of the elderly who are sick. This proposed action will not help the matter we are voting on. It does not restore the benefits to the elderly and it does not save $1 billion for the taxpayers.

On the question of the conference report, the House did come back from the conference with an improved bill, because we have provided for some antifraud provisions in the food stamp program. This is a good thing. We have narrowed the benefits of medical deductions to the people who are really most deserving and most needy. That is a definite improvement.

But the food stamp program is No. 1 on the public's "hit list," because there is three-quarters of a billion dollars worth of fraud and mismanagement in this program.

Mr. Speaker, I urge the Members of this House to vote against this cap, to vote against the increase, and to vote against the food stamp program, because the action that was taken by this House in 1977 is typical of the character of the program. We have added between 3 and 4 million people to the program at a time when this Nation is in a period of almost unparalleled prosperity. Now, if people think that times are hard now, I say, "Just hang on. If we keep going the way we are going, you ain't seen nothing yet."

If we are having welfare on this level during a time of prosperity, one can imagine what this program will look like later. This is a bad program. It is too costly. It encourages people not to work. It is an incentive and an encouragement to the people in this country not to work. We had debate on the floor here the other day in which it was stated there are 9,000 jobs in one congressional district that go wanting because people will not work, and the food stamp program is probably the greatest player in that particular game.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I would like to compliment the gentleman from Florida (Mr. KELLY) for the remarks he has made this morning.

I would point out that historically every time a group of people has gone off on a cause, no matter how noble it is, under the guise of helping some disadvantaged group in their society, it has ended up in dismal failure. I only have to cite the example of corn laws at the time of the Industrial Revolution, when they finally had to abolish the program to get people to go back to work.

What we need to do is to remember that people work when they are rewarded for working and producing. Almost everything this Congress does is in the form of rewarding people for not working and not saving and investing. So long as we continue on this course, I think it bodes ill for the American economy.

Mr. Speaker, I think the gentleman from Florida (Mr. KELLY) is quite right in his analysis of what is happening in this program.

Even though this is an improvement over the bill that passed the House, the discipline has been totally removed from the food stamp program since it originally started out. First there was going to be State cost sharing, then the next thing was that there was going to be cost sharing on the part of the recipients of the stamps, but step by step the Congress, in its wisdom or lack of wisdom, has changed the program and taken out all discipline. So now it is just a matter of time, with the outreach program, till the word gets out to all the people out there who are eligible to participate in the program, and then they will have to get one new printing press down here just to print these food stamps up. It is just another form of fiat currency, of course, which is destroying not only the purchasing power in our economy today but the work ethic in this country.

Mr. KELLY. Mr. Speaker, I want to say that I concur with the remarks of the gentleman from Idaho (Mr. SYMMS).

What the Members of this Congress, both Houses, are doing in the food stamp program is this: We are simply buying votes to get ourselves elected, and we are doing it in a most costly way, because not only do we have the direct cost of $7 billion but we see the damage that is done to the character of the American people when they are encouraged not to work. Those who do work are discouraged because they see the people who are prospering on welfare and who are not working.

We have millions of Americans who work along just above the poverty level, and for those people to be subjected to a picture of those who are not working and doing as well or better, that is certainly damaging to the work incentive.

So, Mr. Speaker, I urge every Member to vote against this conference report.

Mr. RICHMOND. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, the legislation that is before the House today is really in the nature of emergency legislation. It is very important that this bill be adopted for those who currently receive the benefits of this program for those who support the program, as well as those who criticize the weaknesses in the food stamp program. If this legislation does not pass, chaos would result because 19 million Americans would face the prospect of having their benefits abruptly terminated or reduced because there are insufficient funds available between now and September 1.

The fact is that this House does face and this Congress does face a dilemma with regard to this program. This program now serves almost 19 million Americans, many of whom are elderly and handicapped and blind. It is just not acceptable for us to turn our backs on that many Americans who do need and receive those benefits in these difficult times.

At the same time it is important to recognize that this is a program that has serious administrative problems and that needs to be looked at carefully by the committee. The fact is that we cannot do that in the present timeframe because there is a need to provide this additional funding now in order that benefits will not suddenly and quickly be reduced, largely for the elderly, between now and September.

So the purpose of this legislation is of an emergency nature. I commend the members of the conference who were able to agree to this temporary increase. I also should point out to those of us concerned about administrative improvements that there are two amendments in here that do improve oversight of this program. These were amendments that I offered in the subcommittee and that have been adopted by the conference committee. One would eliminate the carryover by which the Department could simply take leftover administrative money and add it to the next year for the purposes of the overall cost of the program without reflecting it in terms of the spending cap. That is wrong, and that has been eliminated here.

In addition, we have required the Secretary of Agriculture to report on a monthly basis as to what the status of spending is in the program, and that, too, is contained in the conference report.

Beyond that, we face the direct challenge of looking at this program further for the purpose of providing adequate funding in 1980 and 1981. In that regard, we have the commitment of the chairman of the subcommittee, the chairman of the full committee, and myself as a member of the subcommittee that we will in fact do that in order to make sure the needs of our people are met and, in addition to that, the needs of the taxpayers are also met in terms of this program.

Mr. Speaker, I yield back the balance of my time.

□ 1130

Mr. SYMMS. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Virginia (Mr. WAMPLER), the ranking minority member of the committee.

Mr. WAMPLER. Mr. Speaker, I urge the adoption of this conference report on H.R. 4057, the 1979 food stamp authorization legislation.

This report sets a $6.779 billion ceiling on appropriations for the food stamp program for fiscal year 1979. This increase in authorization is necessitated by greater than predicted food inflation and greater than expected program participation, partly occasioned by the staggered program implementation schedule the Department of Agriculture ill advisedly followed.

Despite the necessity for this greater dollar expenditure, I think we can take comfort in the fact that the conferees did not adopt a Senate provision which would have eliminated altogether the so-called "cap" on food stamps for fiscal years 1980 and 1981. The Congress will have to address that later as a separate issue. Moreover, if benefits should exceed appropriations within a given fiscal year, this legislation gives the Secretary authority to reduce benefits on other than a pro rata basis so that the needs of the lowest income eligibles, the elderly and disabled would receive the greatest priority.

Additionally, I think it wise that the decision was made to disallow the carryover of unspent funds from 1 fiscal year to the next. This provision will enable the Congress to get a more accurate reading on the actual availability of funds within any given fiscal year, something which has been foggy in the past because of the uncertainty of the status of carryover funds.

Households containing aged, blind or disabled members will be able to deduct medical expenses of such members in excess of $35 a month and will be able to deduct shelter expenses in excess of the shelter cap which applies to all other households—currently $90 a month.

Despite all the expressed concern about high program error rates and poor administration, the conference failed to give the States the tools they need in the form of stronger income verification measures. I want to assure my colleagues that I will pursue this matter diligently during consideration of the 1980 legislation and hope for a reasonable solution to this glaring deterrent to lower error rates. In the meantime, I urge the support of my colleagues for the somewhat more modest antifraud measures contained in this report.

I support the conference report on H.R. 4057 also because time is running out to avoid reductions in food stamps to the many needy recipients who would be harmed by our failure to act.

Mr. RICHMOND. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is a momentous occasion for me, particularly, as the subcommittee chairman of this food stamp legislation. We have been working in harmony for 6 months on this bill. I think the entire Congress understands that this conference report, which we so successfully worked out with the Senate, will enable the present food stamp program to continue uninterrupted through the end of this fiscal year.

The gentleman from Virginia, the minority leader on the Committee on Agriculture, supports it. I listened to his remarks very carefully, and I am so happy to hear so many of his remarks which are sensitive to the needs of the people who will benefit through this food stamp program.

During the Senate-House conference committee we did succeed in tightening up the program a bit. One thing we allowed was the submission of social security numbers in reviewing people's applications. We also agreed that those disqualified by fraud must pay back overpayments to the Treasury. We are allowing States to retain 50 percent of the funds they receive as a result of fraud investigations. In other words, we have already taken a number of steps to improve the program's operation. What I want to again pledge to the Members is that, when the Congress reconvenes, we will hold in-depth hearings on the administration of the entire food stamp program, to try to make the program even more sensitive to those Americans who so deeply need the supplementary nutrition afforded by food stamps but, on the other hand, to make sure that the program is run as properly and as error-free as possible.

In the time remaining to me, Mr. Speaker I would like to review in some detail the provisions of this conference report for the benefit of our colleagues.

Two years ago when the House passed the Food Stamp Act of 1977, we made major reforms in the program such as the elimination of purchase requirement which was expected to add up to 3 million new participants. We also replaced itemized deductions with standard deductions, lowered the income eligibility and tightened the assets requirements. In order to maintain fiscal controls on this program which had grown from a demonstration project for eight counties to nationwide coverage with 15 million participants, Congress placed a "cap" on program expenditures.

At that time we were unable to predict the terribly devastating increase in food price inflation that would cripple our economy over the past 2 years. Nor were we able to accurately predict the rate at which households would come onto the program with the implementation of the purchase requirement. These are two of the major factors which have placed the food stamp program in fiscal jeopardy this year, leaving the Secretary with no alternative other than to reduce benefits to all participants unless supplemental funds are authorized by Congress.

H.R. 4057, as agreed upon by the House-Senate conferees, contains a $620 million supplemental budget authorization for fiscal year 1979 for the food stamp program, therefore avoiding any benefit reductions for recipients this fall. The supplemental funds set the "cap" at $6.779 billion for this fiscal year. Because Members have expressed strong concerns during hearings about knowing the status of food stamp expenditures, the Agriculture Department will no longer have authority to carry over unspent food stamp funds into succeeding fiscal years. A provision relating to program expenditures was also included which requires the Secretary to develop a program for benefit reductions if in future years the expenditures begin to exceed funds authorised by Congress. Any benefit reductions would give special consideration to the elderly and disabled. The above provisions were contained in H.R. 4057 as passed by the House.

In the effort to simplify the administration of the food stamp program in the 1977 act, we eliminated the itemized deductions. This change had an unforeseen effect on the elderly, sick, and disabled. In testimony before the subcommittee, the personal accounts of elderly and disabled brought home to us the terrible injustice inadvertently caused by our earlier actions. In response to this intolerable situation, the House passed H.R. 4303 on a vote of 405 to 8 on June 26. H.R. 4057 contains several provisions to increase food stamp benefits to the elderly and disabled which are similar to those in H.R. 4303. These provisions will help remedy the benefit reductions or eliminations from the program that have so adversely affected the poor elderly and disabled across this country.

Household members who are age 60 or over, receiving supplemental security income, or social security disability payments would be allowed a deduction for medical expenses in excess of $35 a month. The definition of allowable medical deductions will be the same as those previously allowed by regulations and guidelines issued under the Food Stamp Act of 1964. The medical expense deduction is made permanent in this bill whereas the House-passed version was effective for only 1979 and 1980.

H.R. 4057, as passed by the House, set the threshold for the medical expense deduction at $10 for the elderly. I am disappointed that a technicality prevented the conferees from lowering this deduction for the elderly, sick and disabled. The $10 threshold would have provided greater assistance to these households that have high medical expenses and no other resources to turn to.

H.R. 4057 removes the ceiling on the shelter expense deduction, which is currently $90, for households containing a member age 60 or over, or who receives supplemental security income benefits or social security disability payments. This provision was contained in H.R. 4303 and was made broader with the inclusion of those eligible participants receiving social security disability payments.

The medical expense deduction and removal of the shelter deduction ceiling are to be implemented no later than January 1, 1980.

Members of the House and their constituents have expressed over and over again the need to eliminate abuse in the food stamp program. Therefore, H.R. 4057 contains three provisions intended to tighten the food stamp program with respect to fraud and abuse. One provision authorizes the Secretary and State agencies to require submission of social security numbers by applicants as a condition of food stamp program eligibility and to have access to data from other Federal programs regarding individual applicants. Clarifying language was added that would limit access to data only when it is necessary for determining or auditing a household's eligibility to receive food stamps or verifying information regarding the household.

Another provision requires that individuals disqualified because of fraud cannot reenter the program unless they repay to the Treasury amounts fraudulently received or have their household's allotment reduced on a prescribed schedule. A third provision allows each State to retain 50 percent of the funds it recovers or collects from individuals who fraudulently receive food stamp benefits. The intent of this provision is to provide a greater incentive to States to intensify efforts to eliminate fraud and abuse under this State administered program. These three antifraud and abuse provisions are to be implemented within 150 days after enactment of this bill.

Another provision of H.R. 4057 makes disabled and blind residents of small State-certified group living arrangements eligible for participation under equivalent conditions currently allowed for drug abusers and alcoholic applicants in residential treatment programs.

The final provision clarifies the eligibility of strikers so that no household that contains a member who participates in a labor-management dispute shall be eligible unless the household meets the income guidelines, asset tests and work registration guidelines of the food stamp program. This provision, however, does not change current law or practice.

Mr. Speaker, I urge my colleagues to join with me in supporting this conference report. This measure assures continuity of benefits to millions of the very poor in this country and restores benefits to the elderly, sick and disabled who have been forced to undergo months of drastically reduced buying power for food which is so vital to health and well-being.

I would like to quote the Field Foundation report on their 10-year followup study on hunger in America.

> The Field Foundation doctors and other observers believe that food stamps are making a crucial difference in improving the quality of lives of many poor Americans.

I personally believe that the food stamp program is the single best social welfare program administered by the Federal Government.

Mr. Speaker, I want to thank both the Democrats and Republicans of this House who supported this food stamp legislation, and I hope that we could pass this $620 million Senate-House conference committee report quickly.

Mr. SYMMS. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Iowa (Mr. GRASSLEY), a member of the Committee on Agriculture.

Mr. GRASSLEY. Mr. Speaker, most of the time in the last 2 or 3 months when I have taken the floor to discuss the food stamp program it was in an effort to try to get the chairman of the subcommittee, the gentleman from New York (Mr. RICHMOND), nailed down on just exactly when we were going to hold hearings on the markup of the 1980 reform bill. I do not take the floor at this time for that purpose. I take the floor because this morning there was an economic report out prognosticating that a year from now there is going to be unemployment in this country at the 8.2-percent rate. That is higher than it has been at any time since 1975.

There are now about as many people on the food stamp program as there was at the height of unemployment in 1975. We thought at that particular time that having that many people on the food stamp program was only a temporary measure and that, as a result of an improvement in the economy, that number would go down and it would go down to a level where we could sustain it more like it had been in the early 1970's, maybe 13 million to 15 million. And, of course, we had the Food Stamp Reform Act of 1977 and, as a result of implementation of new regulations, more people have come on as a result of, in a sense, just opening up the rules and making it easier for people to qualify, and by doing away with the purchase requirement. Whatever the reasons, those people are there on the food stamp rolls.

I think it brings emphasis, though, as we are now maybe 2 or 3 months away from the markup of the 1980 reform bill—at least, hopefully, we are only that far away—to what we do during that markup. During this debate we have heard only about antifraud provisions which need to be revised, rewritten and strengthened. Those things need to be done. We need to give additional incentives to the States for correcting error and for finding fraud.

Nobody is pretending that, that 10-percent error in fraud is going to be cleared up, but even if it were cleared up and there is a zero rate of fraud and error, I think, with an impending 8.2-percent unemployment rate a year from now, we as members of the Committee on Agriculture, as Members of the House of Representatives, had better give some consideration to a wholesale reform and a wholesale overhauling of the food stamp program. It is no time just to be talking about antifraud measures and amendments. It is no time to talk about just tinkering. The time has come to look at the whole program again before those costs go higher, when unemployment gets to 8.2-percent on top of the already almost recordbreaking numbers of people on the food stamp program. Eventually the question is going to be: How much cost can the program sustain? But more importantly, in a participatory democracy, how much cost is the public going to allow the Congress of the United States to put into this program?

Admittedly, there is going to be a large section of the American population which is always going to need the help of the food stamp program. Admittedly, there is always going to be a percentage of the American population which is going to need help, and legitimately so. But if we allow this program to grow and grow and grow, it only means that public respectability for that program is going down. And when that happens and the funds have been shrunken by this Congress due to public pressure, then only the neediest are going to be hurt; and from its inception in 1966, those are the ones that the program was designed to help—those people who spent 30 percent of their income on food and still did not have a nutritionally adequate diet. The program was meant to help those people who had no more than 30 percent of their income for food. Those people are going to be hurt. Then where will we be?

□ 1140

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

As I understand the gentleman, he certainly wants to provide for the elderly and for the disabled and the people who are truly in need.

The SPEAKER pro tempore. The time of the gentleman from Iowa (Mr. GRASSLEY) has expired.

Mr. SYMMS. Mr. Speaker, these two gentlemen are making so much sense, that I yield 2 additional minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. I think, in a very general way, besides those categories of people the gentleman is mentioning, generally people who fall in the income category below the poverty guidelines, whereas, now a large percentage of the people on this program are in the category of people above the poverty guidelines, and people who are voluntarily unemployed like, for instance, workers who are on strike.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Florida.

Mr. KELLY. Does the gentleman intended to support this additional billion-dollar increase of this program?

Mr. GRASSLEY. I intend to support anything to get us over this hump. By anything, I mean I consider this bill in that category, but only as a very temporary measure; and that is why, as the gentleman is, as the ranking minority member of the subcommittee, the gentleman from Idaho (Mr. SYMMS) is, as even people on this side of the aisle, like the gentleman from California (Mr. PANETTA), and the gentleman from Texas (Mr. DE LA GARZA) just raised his hand up. He wants to help.

I think that next year we are going to have an opportunity to really do something in this program. I am asking during this time that the Members look to that opportunity.

Mr. KELLY. If the gentleman will yield further, I urge the gentleman not to pass up this excellent opportunity to bring some sanity to the program and the Nation and to vote against this additional billion-dollar increase. We cannot continually debase the motives of Congress and then help them in their insanity.

Mr. GRASSLEY. Please let me have my time back. I cannot find fault with the gentleman's general proposition. But, on the other hand, there is in this bill a category of people who the gentleman from Florida (Mr. KELLY) has worked hard to help, the elderly who have high medical costs. I do not think we want to let that opportunity go by and avoid our responsibility to those people who have been hurt. They were hurt very badly by the rewrite in 1977. I do not think it intended that they be hurt. We need to correct that.

Mr. FOLEY. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I had not intended to speak any further on this conference report, but I think one or two comments should be made. First, to suggest that most people who are participating in this program are somehow in a condition of nonpoverty is simply not correct.

The overwhelming majority of people in the food stamp program earn less than $300 a month, which would not be considered a great affluence under today's income conditions.

The second matter I would like to bring to the attention of the House is that although 20 percent of program recipients are elderly, 80 percent are not elderly.

Now, I have a concern, as does the gentleman from Florida (Mr. KELLY), and others, about the elderly. However, it seems to me that some of our Members have no concern about the poor unless they are elderly or unless they are disabled.

The fact of the matter is that there are nearly 19 million people participating in the food stamps program today because they are poor.

The gentleman from Iowa correctly stated that the vast majority are not receiving food stamps incorrectly or because of fraud, because the vast majority are correctly receiving food stamps and are poor or disabled or elderly. I think we ought to approach this program with somewhat less cynicism than I constantly hear expressed from the other side of the aisle. I am willing to join with everyone on this committee on either side of the aisle to eliminate fraud and abuse. I will pledge myself to be as vigorous in that undertaking as any Member of the House, but to continually suggest that a majority of the people receiving food stamps are guilty of fraud or abuse or that this program is improperly giving them stamps is absolutely incorrect and in itself a fraud, an unwitting fraud of information and rhetoric on the floor of the House.

Now, I am concerned that we look at the program periodically from time to time, but I would be deeply concerned if Members believed that when unemployment and need arises, the response of the House should diminish. I do not think that is the attitude of the American people.

Time after time Americans have said that they want to help the truly needy in this country. Time after time Americans have said they want to eliminate fraud and abuse, but that they want to help needy people who are deserving and who are trying to help themselves and are unable to do so. Every poll, in every part of our country, indicates this fact.

We are facing an economic downturn, and that economic downturn may put millions of people out of work. I do not think that it is an appropriate time to start thinking about taking from the hands of the needy and the unemployed benefits that they are properly entitled to and that the country wants to provide for them.

Time after time this program has been attacked with the assumption that somehow the vast majority of people in the program are not entitled to its benefits. There is no empirical evidence of that at all. In fact, the evidence is contrary. The overwhelming majority of people in the food stamp prgram are poor, disabled, elderly, and in need of assistance and properly receiving it.

I think that record has to be stated again and again.

Another comment I wish to make is that the administration of this program, at the local level, is handled by States and local agencies, not by the Federal Government.

There is not an army of Federal workers within in the various States administering food stamps. There are State and local employees, and if we have error rates in the program, it is for the most part the result of bad State and local administration which we must try and correct.

The implication is that the entire error problem is solely within the Department of Agriculture. Mistakes are made in Iowa offices, Florida offices, Idaho offices, and Washington State offices. These offices are run by the States and local entities.

So, I think that as we move into this economic downturn, we should take a close and careful look at the food stamp program to be sure that it is serving the needs of only those who deserve to receive its benefits. We should insist that fraud and abuse and bad administration be eliminated. However, we must realize that as unemployment rises and economic conditions worsen the program size will increase to reflect economic needs.

This program has shown its flexibility in the fact that when economic prosperity has occurred, food stamp rolls have been reduced.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding, but I think my chairman misunderstood. I was not castigating the people downtown. I was suggesting that the turkeys are right here in this Congress. This is where the program starts. I did not say anything about the bureaucrats or on the State level or anywhere else.

Mr. FOLEY. The gentleman will have an opportunity to be on the frontline in improving the program. If he can persuade the majority of his colleagues on either side of the aisle, we will change the program.

The SPEAKER pro tempore. The time of the gentleman from Washington (Mr. FOLEY) has expired.

Mr. FOLEY. Mr. Speaker, I yield myself an additional 5 minutes.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, I want to make it clear there are people who are not disabled and who are not elderly, who are poor.

I think the gentleman knows that, but it does not often come across in the gentleman's comments.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Three things: I want the distinguished chairman of the committee to know that I know that there is no more than a 10-percent error rate, and if there was any insinuation that it was the overwhelming majority of the people in the remarks I said, then I am sorry.

Mr. FOLEY. I want to explain that I was complimenting the gentleman from Iowa on stating the error rate correctly and also on distinguishing between error rates, which are underissued benefits as well as overissued benefits, and fraud.

□ 1150

I was complimenting the gentleman on his correct assessment and suggesting that other Members of Congress sometimes imply that the error rates are 50 or 60 percent.

Mr. GRASSLEY. I would also like to tell the gentleman at least the figures I had prior to the recent increases of 2 to 3 million people on the food stamp program, the percentage of people prior to that time who were above the poverty guidelines, and I am not saying they are not entitled to it because under the law they are, but about 20 to 25 percent of the people on the food stamp program at that time, let us say January 1 of this year, were above the poverty guidelines.

Mr. FOLEY. I would say to the gentleman that a great many of those are elderly citizens, as the gentleman knows. In fact, a significant portion of those above the poverty guidelines are elderly. The House has wisely, I think, made special provision that even though they are technically above the poverty guideline, as well as many very much below that, that the elderly deserve our special consideration as well as the disabled.

Mr. GRASSLEY. If the gentleman will yield further for one last comment on what the gentleman said about the State administration, I do not know why any State wants to administer this program. There is no incentive for them to do a good job. They get nothing out of it, they are an agent for the Federal Government. We ought to just thank God, we

ought to just thank God that the States are willing to do it for the Federal Government because they are closer to the matter and they are going to do a better job of it.

Mr. FOLEY. I think the gentleman knows in this very conference report there is a provision that allows the States to retain 50 percent of all funds recovered as a result of fraud.

Mr. GRASSLEY. I know that.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Florida.

Mr. FASCELL. I just want to correct the record. I am a Member of Congress and I do not consider myself to be a turkey. I support this bill and I do not know what the fuss is all about. I may be an old goat, but I am not a turkey.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I am sure that the gentleman from Florida, Judge KELLY, was not referring to his colleague. I do not think he wants to specify who he considers so. But let us let that pass and I will yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding. The gentleman is the chairman of the full Agriculture Committee and this program has been in existence since prior to 1964. There is a 2 to 1 majority on the other side of the aisle, and I would just like to bring this back into perspective, that the error rate we are talking about is three-quarters of a billion dollars. And I guess this is empirical, it is from the Congressional Budget Office, this is what they say. I would think if the people on the other side of the aisle were so concerned about the poor that they would understand that if we cut out the fraud, then the people that deserve it, like the old, and the sick, will get the money.

Mr. FOLEY. I would say to the gentleman, who is very capable, he seems to have difficulty in distinguishing between error and fraud. Let me, for the benefit of the House, if not the gentleman from Florida, explain again the difference. An error may be the fact that a food stamp office has given a family $50 in food stamps when they are entitled to $60. In other words, the office has underprovided that family. That is a technical error and so reported. It is also an error, of course, if the office gives the family $60 worth of food stamps when it is entitled only to $50. The vast majority of errors are inadvertent. They are not the result of deliberate efforts to defraud the Government either on the part of State officials or recipients. The food stamp program is a complicated program, and from time to time errors are made.

Fraud, of course, involves deliberate actions to incur benefits that the recipient is not entitled to. In the current conference report there is a provision designed to encourage the States to discover and redress fraud by recovering fraudulent payments for which they receive 50 percent. The report also provides repayment by recipients committing fraud.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. FOLEY. Mr. Speaker, I yield myself 1 additional minute.

Any person who is found to have committed fraud will not be allowed to continue to receive benefits until the fraudulent payments have been redressed.

Of course, fraud is also a crime under the Food Stamp Act and is subject to penalties.

Let me add, Mr. Speaker, that, contrary to comments I have heard regarding the Congressional Budget Office error rate figure, the Congressional Budget Office has never issued error and fraud estimates for the food stamp program. CBO, however, did state in a January 1979 memorandum to the congressional budget committees that the payment error rate for the program was 12 percent, but this figure, which was based on official USDA data, represented the period July 1977 to December 1977.

Perhaps the half-billion dollar error figure which is mentioned from time to time refers to the General Accounting Office report issued in July 1977 stating that the Government was losing over half a billion dollars annually because of overissued benefits caused by errors, misrepresentations, suspected fraud by recipients, and errors by local food stamp offices.

I remind my colleagues that the CBO memorandum and the GAO report were issued 2 years prior to implementation of major food stamp reform legislation which tightened program administration and provided tougher penalties for fraud and abuse.

Mr. Speaker, at this point I yield 1 minute to the gentlewoman from Ohio, (Ms. OAKAR.)

Ms. OAKAR. I thank the chairman and I certainly want to associate myself with his remarks and to applaud the subcommittee and the full committee for this conference report.

I really agree with the chairman, I think we never scrutinize the way we militarize the world; when we talk about food stamps for the poor we are all into scrutiny. It is very incredible to me that we cannot even, as the richest country in the world, supply the necessary funds to feed our poor. I am especially gratified for that part of the bill and I want to give a special applause for this part of the bill that provides deductions of medical and dental expenses of more than $35 per month for households containing elderly members. I think that is very, very important.

We know that the elderly never want to think of themselves as being on welfare and so forth, and that is why it is especially important to allow them to deduct these medical expenses, so that they can qualify, because the least we can do in this country is to feed our older Americans as well as all of the poor in this country.

I thank the gentleman for yielding.

Mr. SYMMS. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I too had not intended to say any more about this bill. But I do think in talking about our general philosophical approach that what we are listening to here, and I commend the chairman of the committee and the chairman of the subcommittee and the gentleman from Iowa for trying to improve the program. It is an attempt to cross the t's on this program. I think first we should get to the bottom of a welfare program.

We all agree, in my opinion, that a welfare program should be something that helps those people who cannot work, but does not have anything for those people who will not work. I do not know whether it is possible for the Federal Government to run a welfare program efficiently and still be able to satisfy crossing all the t's and dotting all the i's a Congress or an administration requires. I think it is virtually an impossible situation and I think the question we should ask is why are all these people poor?

We are talking about some 27 million people who will be on the program, within another year 19 million more people. Now why are they poor? I think if we would make an examination of why these people are poor we would find out that the reason they are poor is because we have taxed, and we have taxed, and we have regulated, and we have regulated, and the Government has its hand in people's pockets, it is on their back interfering with production, and it is because this Government of ours has been run, and we have to say this, by those people in the majority party here in Congress who set the policies for the last 40 years. They have a view of the world, and I do not doubt anybody's motives because I know the people are sincere in wanting to help the underprivileged, that we have to learn to live with less. I do not buy that as a view of the world.

What we need to do is put the incentive back in our economy and then those people will be hired in the private sector and given real dignity by being given a real job.

Now, this is a great program, but oftentimes the humanitarian programs of Congress turn out to be pseudo-humanitarian programs. I would ask why are these people poor? They have been legislated out of the job market, in many cases by laws passed here in the House, either the minimum wage law is higher than they can earn so they are not able to work, or some other thing has happened because of the tax situation. The tax level is too high. It has taken money away from the private sector and, therefore, these people end up in a condition of unemployment, which is certainly no good.

Yesterday, for example, this Congress passed a bill for gas rationing. There was a great deal of hullabaloo in the press today, and the President says he cannot take all of the amendments that were added to the gas rationing program. The reason we have a rationing program on fuel is because there has been a Government-induced energy production shortage. It was not the energy-producing companies that were not able to produce. It is that we have taxes, we have price regulations, we have Government regulations. If we want to build a powerplant,

there are laws against either mining coal or burning coal.

This is what has caused people to be poor, and this is why if we continue on this course in this country, we cannot print enough food stamps to feed the hungry. Then, finally the day will come, if we continue on this course, of living with less and having the Government divide up the pie. That is all we are doing, having the Government divide up the economic pie and redistribute the income. In any income redistribution program of any country in history, what happens is the standard of living gets worse, and worse, and worse, and worse, and that is what the gentleman from Florida is talking about.

□ 1200

That is what I am talking about. If we want to do something humane for the people of this country, what we need to do is get the Government off the backs of the people and out of their pocketbooks and allow people to go out and work and participate in the economy of this country, and look forward to being productive members of society.

We have used only 2 percent of our energy supplies yet we are inducing a depression because we are telling everybody we are out of energy when there is no shortage, only a Government-induced shortage of energy. That is going to keep a million people on the food stamp program.

The SPEAKER. pro tempore. The time of the gentleman from Idaho has expired.

Mr. SYMMS. Mr. Speaker, I yield myself 2 additional minutes.

We sit in here and argue about how the program ought to be allocated. There is no way we can run a Government food stamp program satisfactorily. I would say that Ms. Foreman, Mr. Bergland and their predecessors all had the same kind of problem trying to run a program based on a faulty premise.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Speaker, the chairman of the full committee pointed out to us that there is a difference between error and fraud, and drew that distinction for us. The Congressional Budget Office said that error and fraud, plain mismanagement, amounts to three-quarters of a billion dollars. As far as I am concerned, that is really the good news. The bad news is that millions of Americans out there are not working, are being paid not to work. That, I think, is the tragedy of this program, the damage done to the character of the American people.

I think, on the logic the gentleman made this morning, we can draw a straight line from the failure of Chrysler to this food stamp program, because we are taking away from the people who work and dividing it. And who are we giving it to under this program? The people that will not work. That is the probable outcome.

Can the Members imagine this country having an automobile industry that is in a state of failure? I mean, this is incredible. And why? Because we in this House, in order to curry favor with those who do not work, are trying to get elected by giving away the produce of the people who will work.

Mr. SYMMS. I thank the gentleman.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. The Chair would like to advise those in the gallery that the House is delighted you are with us, but there will be no manifestations of approval, one way or the other; no applause, please.

Mr. SYMMS. Mr. Speaker, in closing—and I thank the gentleman from Florida for his remarks—I would say that in no way would I wish to say anything that would impugn any of the motives of any of my colleagues here in this Chamber or in this body. But I would only say, Mr. Speaker, that one of the reasons why we have poverty in the United States is because, certainly well-intentioned people have passed too many laws and taxed people to the breaking point.

The SPEAKER pro tempore. All time of the gentleman from Idaho has expired.

Mr. FOLEY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I know that we have had the benefit of the economic views of the gentleman from Idaho and the gentleman from Florida on how we can correct the food stamp program by redirecting our national energy policy and our national economic policy, but we are dealing here with a particular conference report; one that, if the gentleman from Florida did not sign, the gentleman from Idaho did. I assume that he urges his colleagues to support it.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Idaho.

Mr. SYMMS. That evidently is a mistake that was made.

Mr. FOLEY. I apologize to the gentleman. The gentleman did not sign the conference report?

Mr. SYMMS. My name appears on the conference report. If the gentleman from Idaho signed the conference report, he did it in error, and I have only made one mistake——

Mr. FOLEY. I assumed because the gentleman's name was there that he intended to sign it. The gentleman does not recall whether he signed it or not?

Mr. SYMMS. Mr. Speaker, when the conference committee met I had to leave and catch an airplane. I do not believe I signed it, and I was quite surprised this morning to see my name on it.

Mr. FOLEY. Maybe the gentleman could advise the House whether he would have signed it.

Mr. SYMMS. I would not, and I will vote against it.

Mr. FOLEY. I stand corrected. The gentleman from Idaho is opposed to the conference report. If he does not ask for a record vote on this matter I will do so in order that all my colleagues on both sides of the aisle can record themselves on whether they wish to have the program interrupted in September or whether they wish to provide the program adjustment and funding that the bill provides. The House, I think, should have an opportunity to make clear its individual judgment on the matter before us. It is my hope and my expectation that the bill will receive an overwhelming vote.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 72, not voting 26, as follows:

[Roll No. 429]

YEAS—336

Abdnor	Clay	Ginn
Addabbo	Cleveland	Glickman
Albosta	Clinger	Gonzalez
Alexander	Coelho	Goodling
Ambro	Collins, Ill.	Gore
Anderson, Calif.	Conable	Gradison
Anderson, Ill.	Conte	Grassley
Andrews, N.C.	Corcoran	Gray
Andrews, N. Dak.	Corman	Green
Annunzio	Cotter	Guarini
Anthony	Coughlin	Gudger
Applegate	D'Amours	Hall, Ohio
Ashley	Danielson	Hamilton
Aspin	Daschle	Hance
Atkinson	Davis, Mich.	Hanley
AuCoin	Davis, S.C.	Harkin
Bailey	de la Garza	Harris
Baldus	Deckard	Harsha
Barnard	Dellums	Hawkins
Barnes	Derrick	Heckler
Beard, R.I.	Dicks	Hefner
Beard, Tenn.	Dingell	Heftel
Bedell	Dixon	Hightower
Bellenson	Dodd	Hillis
Benjamin	Donnelly	Hinson
Bennett	Dornan	Hollenbeck
Bereuter	Dougherty	Holtzman
Bethune	Duncan, Oreg.	Hopkins
Bevill	Duncan, Tenn.	Horton
Biaggi	Early	Howard
Bingham	Eckhardt	Hubbard
Blanchard	Edgar	Huckaby
Boggs	Edwards, Ala.	Hughes
Boland	Edwards, Calif.	Hutto
Boner	Emery	Hyde
Bonior	Erdahl	Ireland
Bonker	Ertel	Jacobs
Bouquard	Evans, Del.	Jeffords
Bowen	Evans, Ga.	Jenkins
Brademas	Fary	Jenrette
Breaux	Fascell	Johnson, Calif.
Brinkley	Fazio	Johnson, Colo.
Brodhead	Fenwick	Jones, N.C.
Brooks	Ferraro	Jones, Okla.
Broomfield	Findley	Jones, Tenn.
Brown, Calif.	Fish	Kastenmeier
Brown, Ohio	Fisher	Kazen
Broyhill	Fithian	Kemp
Buchanan	Flippo	Kildee
Burlison	Florio	Kindness
Burton, Phillip	Foley	Kogovsek
Butler	Ford, Mich.	Kostmayer
Byron	Ford, Tenn.	LaFalce
Campbell	Fountain	Leach, Iowa
Carney	Fowler	Leach, La.
Carr	Frenzel	Leath, Tex.
Carter	Frost	Lederer
Cavanaugh	Fuqua	Lee
Chappell	Garcia	Lehman
Chisholm	Gaydos	Leland
Clausen	Gephardt	Lent
	Gibbons	Levitas
	Gilman	Livingston

Lloyd	Panetta	Stack
Long, La.	Patten	Staggers
Long, Md.	Patterson	Stangeland
Lowry	Pease	Stanton
Lujan	Pepper	Stark
Luken	Perkins	Steed
Lundine	Peyser	Stewart
McClory	Pickle	Stokes
McCloskey	Preyer	Stratton
McCormack	Price	Studds
McDade	Pritchard	Swift
McEwen	Pursell	Synar
McKay	Quillen	Tauke
McKinney	Rahall	Thomas
Madigan	Rangel	Thompson
Maguire	Ratchford	Traxler
Markey	Regula	Trible
Marks	Reuss	Udall
Martin	Rhodes	Ullman
Mathis	Richmond	Van Deerlin
Matsui	Rinaldo	Vander Jagt
Mattox	Rodino	Vanik
Mavroules	Roe	Vento
Mazzoli	Rose	Volkmer
Mica	Rostenkowski	Walgren
Mikulski	Roybal	Wampler
Mikva	Royer	Watkins
Mineta	Runnels	Waxman
Minish	Sabo	Weaver
Mitchell, Md.	Sawyer	Weiss
Mitchell, N.Y.	Scheuer	White
Moakley	Schroeder	Whitehurst
Moffett	Schulze	Whitley
Mollohan	Sebelius	Whittaker
Moore	Seiberling	Williams, Mont.
Moorhead, Pa.	Shannon	Wilson, C. H.
Murphy, Ill.	Sharp	Wilson, Tex.
Murphy, N.Y.	Shelby	Wirth
Murphy, Pa.	Simon	Wolff
Murtha	Skelton	Wolpe
Myers, Pa.	Slack	Wright
Natcher	Smith, Iowa	Wyatt
Neal	Smith, Nebr.	Yates
Nedzi	Snowe	Yatron
Nelson	Snyder	Young, Alaska
Nowak	Solarz	Young, Fla.
Oakar	Solomon	Young, Mo.
Oberstar	Spellman	Zablocki
Obey	Spence	Zeferetti
Ottinger	St Germain	

NAYS—72

Archer	Grisham	Pashayan
Ashbrook	Guyer	Paul
Badham	Hall, Tex.	Petri
Bafalis	Hansen	Quayle
Bauman	Holt	Ritter
Burgener	Ichord	Roberts
Cheney	Jeffries	Robinson
Coleman	Kelly	Roth
Collins, Tex.	Kramer	Rousselot
Courter	Lagomarsino	Rudd
Crane, Daniel	Latta	Satterfield
Crane, Philip	Lewis	Sensenbrenner
Daniel, Dan	Loeffler	Shumway
Daniel, R. W.	Lott	Shuster
Dannemeyer	Lungren	Stenholm
Derwinski	McDonald	Stockman
Devine	Marriott	Stump
Dickinson	Michel	Symms
Edwards, Okla.	Miller, Ohio	Taylor
English	Montgomery	Walker
Erlenborn	Moorhead, Calif.	Whitten
Evans, Ind.	Mottl	Wilson, Bob
Gingrich	Myers, Ind.	Winn
Goldwater	Nichols	
Gramm		

NOT VOTING—26

Akaka	Gaimo	O'Brien
Bolling	Hagedorn	Railsback
Burton, John	Hammer-schmidt	Rosenthal
Conyers	Holland	Russo
Diggs	McHugh	Santini
Downey	Marlenee	Treen
Drinan	Miller, Calif.	Williams, Ohio
Flood	Nolan	Wydler
Forsythe		Wylie

□ 1220

The Clerk announced the following pairs:

Mr. Akaka with Mr. Wydler.
Mr. Miller of California with Mr. Marlenee.
Mr. John L. Burton with Mr. O'Brien.
Mr. Rosenthal with Mr. Railsback.
Mr. Drinan with Mr. Forsythe.
Mr. Gaimo with Mr. Hammerschmidt.
Mr. Russo with Mr. Wylie.
Mr. Downey with Mr. Hagedorn.
Mr. Santini with Mr. Williams of Ohio.
Mr. McHugh with Mr. Holland.
Mr. Conyers with Mr. Diggs.
Mr. Nolan with Mr. Flood.

Mr. BEARD of Tennessee changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

SELF-DETERMINATION FOR THE PEOPLE OF PUERTO RICO

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 165) relating to self-determination for the people of Puerto Rico.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. CLAUSEN. Mr. Speaker, reserving the right to object, and I do not intend to object, I am wondering if we will have an opportunity to discuss the resolution.

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield, the answer to the gentleman's request is "Yes."

Mr. CLAUSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 165

Whereas the people of Puerto Rico freely chose the present form of their association with the United States in a popular referendum in 1952; and

Whereas successive United States administrations since that time have continued to be publicly committed to the fundamental principle of self-determination for the people of Puerto Rico; and

Whereas certain other governments lacking in a clear understanding of the United States relationship with Puerto Rico have questioned the status of Puerto Rico and the extent to which its citizens enjoy the right to self-determination: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress takes this opportunity to reaffirm its commitment to respect and support the right of the people of Puerto Rico to determine their own political future and to change their relationship with the United States through a peaceful, open, and democratic process.

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIP BURTON: On page 2, line 5, strike out "and to change their relationship with the United States."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California (Mr. PHILLIP BURTON).

The amendment was agreed to.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 30 minutes, and the gentleman from California (Mr. CLAUSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, this is a resolution coauthored by the leadership on both sides of the aisle. It passed out of the Committee on Interior and Insular Affairs unanimously. It restates what has been the policy of the administrations, Republican as well as Democratic, to support the right of the Puerto Rican people to determine their own political future.

Mr. Speaker, I yield back the balance of my time.

Mr. CLAUSEN. Mr. Speaker, I rise in support of House Concurrent Resolution 165 and wholeheartedly endorse the right of the Puerto Rican people to choose by democratic means their own political destiny. This has always been my position—first, as a member of the Ad Hoc Advisory Group on Puerto Rico and later, as a member of this committee. As a cosponsor of House Concurrent Resolution 165, I merely reiterate my strong support for Puerto Rican self-determination.

The challenges of change in this technological era require the most responsive, reasoned and responsible political action on the part of all Americans—both here and in the Caribbean. Moreover, the relationships between the mainland and Puerto Rico continue to be some of the most important in this hemisphere. Not only is Puerto Rico a key link with our friends in the Caribbean, but it represents a major economic and cultural bridge with our friends in all of Latin America. Accordingly, it behooves us all to insure that Puerto Rico remains a showcase of American political values and individual economic incentives.

House Concurrent Resolution 165 reaffirms congressional confidence in the ability of all Americans to shape their political future. Specifically, it assures the people of Puerto Rico that we on the mainland support their political evolution toward more responsive government. Lastly, House Concurrent Resolution 165 demonstrates to the world that America continues to be a freedom-loving Nation—that self-determination remains the cornerstone of our Federal system—that political diversity constitutes national strength. Therefore, Mr.

Speaker, without reservation, I urge unanimous passage.

● Mr. LAGOMARSINO. Mr. Speaker, I rise in support of House Concurrent Resolution 165. House Concurrent Resolution 165 reaffirms the congressional commitment to respect Puerto Rico's right of self-determination. It reiterates the right of all Americans to determine at the polls the form of government under which they wish to reside. That is not to say—as some foreign nations inimical to the democratic traditions of the United States often do—that Puerto Rico has been previously denied this right. On the contrary, Puerto Rico's political freedom continues to be the envy of all Latin America.

The purpose of House Concurrent Resolution 165 is merely to assure the people of Puerto Rico that we in Congress recognize the need for evolutionary change within a federal governmental system. Moreover, House Concurrent Resolution 165 places the political ball—where it rightly belongs—squarely in the Puerto Rican court. If alterations in governmental relationships are warranted, it is now up to the Puerto Ricans to formulate their recommendations for congressional review. As a member of this committee in the 94th Congress, I participated in an effort to alter the political relationships between the mainland and Puerto Rico. As we know, that attempt failed because all political factions on the island were not truly represented in the draft proposal.

House Concurrent Resolution 165 reminds us of this deficiency, for it stipulates that a future change in political relationship must be derived "through a peaceful, open, and democratic process." Obviously, Mr. Speaker, House Concurrent Resolution 165 is a mere reiteration of America's traditional approach in political problem solving. It is a testimonial to the steadfastness of federalism not only for the Puerto Ricans but also for all Americans. Accordingly, I recommend its unanimous passage.●

GENERAL LEAVE

Mr. CLAUSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the concurrent resolution under consideration, House Concurrent Resolution 165.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. CLAUSEN)?

There was no objection.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3363, DEPARTMENT OF STATE AUTHORIZATIONS, 1980 AND 1981

Mr. FASCELL. Mr. Speaker, I call up the conference report on the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 31, 1979.)

The gentleman from Florida (Mr. FASCELL) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from New York (Mr. OTTINGER).

Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I rise in strong support of the conference report on H.R. 3363.

Mr. Speaker, I am sure the Members will be pleased to learn that your conferees on this particular bill have done a marvelous job and I want to take this time to pay tribute to the chairman of the Subcommittee on International Operations for his work in this conference.

Mr. Speaker, I know that many Members were concerned about the closing of consulates. The conferees came back with a provision that the consulates must remain open. The conferees also succeeded in reaching a compromise on the Zimbabwe-Rhodesia question which will hopefully put this issue to rest.

Finally, Mr. Speaker, this conference report contains urgently needed fiscal year 1979 funds for refugee assistance. Since the appropriation has already been enacted, I urge my colleagues to join in agreeing to this conference report without delay.

In conclusion, I also want to pay tribute to the ranking minority member of the committee, the gentleman from Alabama (Mr. BUCHANAN) and the entire subcommittee and the staff for the work they have done in preparing this legislation for the consideration of the House and for the work done during our conference with the Senate.

Mr. BUCHANAN. Mr. Speaker, I yield such time as he may consume to the distinguished ranking minority member of the full committee, the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I rise in support of the conference report to the State Department Authorization Act.

In particular, I would like to compliment the conferees for their efforts in negotiating statesmanlike language which would help to sustain the evolving democratic process in Zimbabwe-Rhodesia.

I believe that the compromise concerning sanctions against Zimbabwe-Rhodesia is positive in the sense that it requires the President to continue U.S. efforts to quickly promote an end to the Rhodesian conflict and to terminate sanctions against Zimbabwe-Rhodesia by November 15, 1979, unless the President determines it would not be in our national interest to do—and so reports to the Congress. If the President reports that it is not in the national interest to lift sanctions, the sanctions can be terminated by the Congress through a concurrent resolution.

Mr. Speaker, through one of the most inclusive and free elections in that region of the world, the people of Zimbabwe-Rhodesa have spoken. They and their new democratically elected government have been long awaiting a supportive answer. With this conference compromise, I believe that the Congress support the people of Zimbabwe-Rhodesia, but the democratic process as well.

I urge my colleagues to adopt the conference report.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I urge full support of this conference report authorizing funds for the Department of State, the International Communications Agency, and the Board for International Broadcasting, to carry out the foreign policy requirements of the United States.

I will state to the Members that the conference report fully supports the House position and comes back even at a lower funding level than when it left the House. We bring you an excellent conference report, Mr. Speaker, and it is urgently needed because it authorizes the fiscal year 1979 supplemental authorization for migration and refugee assistance.

I want to thank the minority members who made it possible to clear this conference report for consideration today, with the possibility that it might be acted on in the other body.

As the Speaker knows, the fiscal year 1979 appropriations bill has already been enacted. Without action on this conference report which authorizes the urgently needed funds for refugee assistance, money cannot be spent.

The voluntary agencies which have been administering these programs have gone out and borrowed money on their own account and have stretched to the limit their budgets in order to deal with the problem of migration and refugee assistance in fiscal year 1979. Therefore, these funds are desperately needed.

I commend my colleagues for agreeing that this conference report might be brought up in this manner so that it could be acted on promptly.

Mr. Speaker, this conference report authorizes funds for fiscal years 1980 and 1981 to carry out the foreign policy of the United States through the Department of State, the International Communication Agency, and the Board for International Broadcasting.

Specifically, for fiscal year 1980, the conference report authorizes $1,619,752,000 for the Department of State, $432,547,000 for the International Communication Agency, and $81,917,000 for the Board for International Broadcasting. For fiscal year 1981, the authorization levels are $1,803,366,000 for the Department of State, $465,944,000 for the International Communication Agency, and $86,787,000 for the Board for International Broadcasting.

The conference substitute places an aggregate ceiling on three State Department accounts—Administration of Foreign Affairs, International Organizations and conferences, and International Commissions—which requires spending cuts of $9.7 million in fiscal year 1980 and $13.2 million in fiscal year 1981. With the exception of these reductions, the conference report authorizations are the same as those of the House bill. The conference report also authorizes an urgently needed fiscal 1979 supplemental of $104,910,000 for migration and refugee assistance.

Due to a congressional initiative to provide assistance to Soviet and Eastern European refugees going to Israel, the authorization for the Department of State is $9.7 million over the executive request. The authorizations for ICA and BIB, however, are lower than the executive request.

The conference substitute also contains a provision that would direct the President to lift sanctions against Zimbabwe-Rhodesia by November 15, 1979, unless he determines and reports to the Congress that it would not be in the national interest. In that case, the Congress could, within 30 calendar days, overrule the President's decision by concurrent resolution. This compromise is consistent with recent actions of both the House and the Senate on this issue.

Due to the great interest expressed by Members of both Houses, the conference substitute also mandates that the Department of State keep 10 consulates open which they had proposed to close. They are located in the following cities: Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; Adana, Turkey; Tangier, Morocco; Mandalay, Burma; Brisbane, Australia; and Surabaya, Indonesia.

The conferees also agreed to delete a Senate provision establishing an Assistant and a Deputy Assistant to the President for National Security Affairs to be appointed with the advice and consent of the Senate. We also deleted a Senate provision which would have amended the Immigration and Nationality Act to provide for a limited waiver of nonimmigrant business and tourist visa requirements for persons coming from countries where visa fraud is low.

Mr. Speaker, this conference substitute represents a very lean, even stringent budget for the foreign affairs agencies. I might point out to the Members that, while we have mandated keeping 10 consulates open, we did not provide money for the purpose. I would venture to say that this Department of State budget is the most stringent of any of the executive departments.

I also want to take this opportunity to express my deep concern at the attempts, some successful, which have been made over recent months and years and are still being made, to take from the Department of State its substantive policy responsibilities in certain foreign policy areas. The Foreign Affairs Committee views these actions as extremely ill-advised and seriously detrimental to the effective and efficient development and implementation of U.S. foreign policy. There must be only one Secretary of State and only one Department of State. If the senior department of this Government is considered ill-equipped to deal with certain of its responsibilities, the answer is to give it the personnel and financial resources to remedy the problem, not to cripple it further by denying it any help. The Department of State and the Foreign Service have done a laudable job for the United States over the past 200 years—without much publicity to remind people of the job it is doing, and without a domestic constituency which will come to its aid when necessary. It deserves our support and encouragement.

Mr. Speaker, I urge my colleagues to join me in agreeing to this conference report.

Now I yield to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I thank the gentleman for yielding.

I simply wanted to take this opportunity to associate myself with the remarks of the distinguished gentleman from Michigan (Mr. BROOMFIELD) concerning the way in which the conference committee has managed to resolve the differences between the House and the Senate over the question of our policy toward Zimbabwe-Rhodesia.

This was clearly one of the most devisive issues confronting the Congress and the country this year and in spite of deeply held views on both sides of this question, I think we have managed to come up with a creative compromise which has managed to satisfy not only distinguished spokesmen for the point of view that we should lift sanctions immediately, like Senators Helms and Hayakawa in the other body, but also those of us in this body, like myself and the distinguished gentleman from Pennsylvania (Mr. GRAY) and others who believe it would be a mistake for us to lift sanctions immediately.

I truly believe that this is a classic example of how the Congress at its best can manage over a period of time to forge the kind of consensus which is genuinely in the best interests of the Nation.

I am hopeful that on the basis of this agreement we will be able to move forward with respect to Zimbabwe-Rhodesia in such a way as to facilitate the rapid establishment of genuine majority rule in that country and the end to a civil war which has really wreaked devastation first and foremost on the people of that troubled land.

So I want to congratulate the distinguished gentleman from Michigan, and also the chairman of the subcommittee, the gentleman from Florida (Mr. FASCELL), who cooperated with us every step of the way; and last, but not least, the chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI), whose strong support for our efforts really helped to make this creative compromise possible.

Mr. FASCELL. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman for yielding. I simply wanted briefly to say that I think the extraordinary leadership that has been shown by the chairman of the Africa subcommittee, the gentleman from New York (Mr. SOLARZ), and the ranking minority member of that subcommittee and the full committee deserves the gratitude of all Americans.

This is one of the toughest issues, one of the most important issues that we have in relation to Africa and the Third World. It affects U.S. policy, not only there, but throughout the world. I think that the leadership we have had here is, indeed, a classic case of how the interests of our country can be protected at the same time that we continue to take a strong stand for the things that we believe in, in this world.

I, frankly, am amazed and quite surprised that the House and the Senate were able to come finally to this solution on the problem. I am just very grateful and pleased that it happened. I want to thank everybody involved.

Mr. FASCELL. Mr. Speaker, I thank the gentleman from New Jersey for his comments. I thoroughly agree with him about the ability and capability of the gentleman from New York (Mr. SOLARZ), the chairman of the Subcommittee on Africa.

Mr. BUCHANAN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I just wish to point out the obvious, that membership of the International Relations Committee or Foreign Affairs Committee, whatever we call it these days, is composed of distinguished people.

In addition to that, they are all unusually knowledgeable in their field, so it should come as no surprise to anyone that they were able to bring back an absolutely marvelous conference report.

I just remind you that while the Members exchange adulations and inflate each other's egos, behind important-looking, impressive Members there is always a great staffman; that is, Dr. Jack Brady, of our committee. He deserves credit also.

Mr. BUCHANAN. Mr. Speaker, I yield myself 30 seconds, to say that I certainly agree with the gentleman from Illinois about the wonderfulness of both the committee and the staff. I will expand that to the subcommittee staff while we are at it.

Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, the gentleman from New York (Mr. SOLARZ) and I

yesterday discussed the provision in this bill regarding Zimbabwe-Rhodesia. We placed this issue in perspective from the two ends of the pole from which we see it.

I think my comment to him was, "Yes, I think you probably got what you want. We didn't lift sanctions and it was probably the best that our side could get under the circumstances, the House having repeatedly rejected the lifting of sanctions."

So at least this provision does offer an occasion in the near future when the Congress can once again address the issue in a different light and, hopefully, the majority of this House will be able to change its view and support the lifting of sanctions.

I am not sure how much comfort this will be to the Government of Zimbabwe-Rhodesia or the millions of blacks and whites who live in that country suffering from economic sanctions and constant attacks from Communist terrorists, but nevertheless it does offer some hope. I only hope that that nation of Zimbabwe survives long enough to benefit from the provision in this act.

Mr. Speaker, I did want to call attention to the House that the other body had adopted a provision in its bill when it passed that would have prevented the lobbying by the Department of State in favor of the SALT II Treaty. I have had access to a letter which was received by the senior Senator from Arizona, Mr. GOLDWATER, on March 16 from the General Accounting Office which indicated that in fiscal year 1978 the State Department expended well in excess of $600,000 in promoting the SALT II agreements, including conferences held in 11 cities, as well as media events, any number of documents printed in the quantity of at least 400,000.

□ 1240

Perhaps all the Members have received in their office, though they will not vote on SALT II, an elaborate bound booklet which is kept up to date periodically by the State Department in an effort to convince this House, as well as the other body, that SALT II is good for us.

I call the attention of the House to this because I am not sure why the conference on this bill felt it advisable to delete this prohibition. There is also a statutory prohibition against executive agencies lobbying the Congress, and I point out that the opponents of SALT II have no access to Government funds to present their case.

At some point it seems to me the committees of jurisdiction ought to try at least to promote the observance of the law and stop the blatant lobbying going on on the part of the State Department, not in an effort just to provide information but to tilt the votes of the other body on one of the most serious treaties it will ever address.

Mr. Speaker, perhaps that is a minor matter to some. It only has to do with the future welfare and existence of this Nation, and I am not sure it is something a majority in this House is terribly concerned about, except some of us who do have some interest in America's existence.

Mr. Speaker, I thank the gentleman for yielding me this time, and I yield back the balance of my time.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to associate myself with the remarks of my chairman, the gentleman from Florida. The conference report before us today is very similar to the bill which passed the House. Indeed, during the conference on this bill, the chairman of the Foreign Relations Committee repeatedly complained that his side was receding too often.

The amounts in this report are below the levels adopted by the House by $9.7 million for fiscal 1980 and $13.2 for 1981. At the same time there are supplemental fiscal year 1979 funds here needed to save the lives of Indochinese refugees clinging to rickety craft in midocean or crowded together in refugee camps in Thailand, Malaysia, or Hong Kong.

When our committee brought to this Chamber the original authorization bill in April, it was a very lean bill. On the floor, provisions were added to require additional spending for such items as language training and to keep open posts abroad which the administration had sought to close, although no funds were added to cover these costs. These mandates, plus some included by the other body require the expenditure of millions of dollars for programs the Congress wanted, yet there are no additional funds provided for them.

Thus we have an already lean budget from which funds must be shifted to meet these additional requirements.

The conference report before us at this time contains little in the way of programs, outside of those for refugees. It is a budget to operate the smallest department of the Government plus two related agencies, the International Communication Agency and the Board for International Broadcasting. It will pay the salaries of Americans and others who are serving Americans at home and abroad.

It will keep alive our broadcasts to the Soviet Union and Eastern Europe so that the peoples behind the Iron Curtain will have access to what is truly happening in the world instead of the censored, restricted news which is broadcast by the Government of the Soviet Union, Czechoslovakia, or elsewhere.

Mr. Speaker, this is a good conference report and while I have some reservations that the money cut out will reduce the level of services to Americans, I do support the report and I urge my colleagues to do so.

Mr. FASCELL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

CONFERENCE REPORT ON H.R. 3324, INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I call up the conference report on the bill (H.R. 3324) to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 27, 1979.)

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on H.R. 3324, the International Development Cooperation Act of 1979, represents the best efforts of House and Senate conferees to reach agreement on a meritorious bill. I believe we succeeded, and I urge its strong support by the House. The Senate already has passed the conference report, by voice vote.

The principal purpose of H.R. 3324 is to authorize appropriations for fiscal year 1980 for U.S. economic assistance to poor countries, for U.S. voluntary contributions to international organizations, for the new Institute for Scientific and Technological Cooperation (ISTC), and for the Peace Corps.

The total in the conference report is $1,976,854,000. This amount is $38 million less than the total previously approved by the House for these purposes when we passed the bill in April. It is $230 million below the amount requested by the executive branch. The Senate bill authorized $1,848 billion.

You will be pleased to note that on a number of worthwhile programs of particular interest to Members, the authorizations include virtually the full amount previously approved by the House.

For example, the American schools and hospitals program, which supports worthy institutions in certain Middle East countries and elsewhere, will get the full $25 million for fiscal 1980, the same as last year. For African refugees, we got $14.9 million, almost the full amount of $15 million previously passed by the House. We also agreed on improvements in Public Law 480, the food for peace program, but these did not involve funding. The principal money cuts were in bilateral development assistance accounts.

In addition to the money savings achieved by the conferees there were several important substantive issues in our meetings with the Senate. They were:

Institute for Scientific and Technological Cooperation (ISTC). The House bill provided for the creation of this new Institute, which is designed to take over the global scientific and technological research functions of AID and to develop collaborative programs and cooperative research arrangements with developing countries. The Senate bill had no comparable provision. The conferees agreed to the House provision.

PEACE CORPS

The House bill removed Peace Corps from ACTION and placed it within the new International Development Cooperation Agency. The Senate bill kept Peace Corps in ACTION. The conferees agreed to leave the Peace Corps in ACTION, but Members will note that in the statement of managers we included strong support for maximum autonomy for the Peace Corps and for coordination of Peace Corps development activities with those of other U.S. development activities abroad.

ECONOMIC SUPPORT FUND

The House bill included $1.9 billion for the economic support fund, which is the fund from which we finance economic aid programs in areas of vital national interest to the United States, such as the Middle East. The Senate had passed a similar authorization for fiscal 1980 but put it in another bill, the security assistance authorization bill. We agreed that ESF would be handled this year in the security assistance legislation, not in this bill, and that next year the House and Senate will include both security and economic assistance, including ESF, in one bill.

In sum, I think the conferees made sensible compromises which result in a prudent and a good bill.

It has already been well noted that the programs under this bill are in the national interest of the United States. They help to promote a peaceful world and they help to promote business and jobs for Americans because most of the money is spent for goods and services procured right here in the United States.

I urge overwhelming passage of the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on H.R. 3324, the International Development Corporation Act of 1979, is, on balance, a reasonably acceptable compromise between the House and Senate positions. The conference version authorizes a total of approximately $1.98 billion for fiscal year 1980. The total authorization is about $38.7 million less than the House total, after the 5 percent cut attached to the House bill.

The funds authorized will support U.S. bilateral economic development assistance programs in the area of agriculture and rural development, population planning, health, education, and energy. The purpose of these functional development programs is to help the poor majority in the less developed countries to provide for their own basic human needs and improve the quality of life for themselves and their families.

The bill also authorizes continued funding for international disaster relief, American supported schools and hospitals abroad, U.S. participation in the multidonor regional development program in the Sahel, the Peace Corps, and for assistance to African refugees.

The conference report contains the provisions of the House bill authorizing the President to create a new foreign aid related Institute for Scientific and Technological Cooperation. Lastly, this legislation contains some perfecting amendments to the Public Law 480 Food for Peace Act.

After years of effort to meaningfully expand the coverage of State Department human rights reports, a provision to include all members of the United Nations in such reports finally survived a conference committee. This will give the Congress a better perspective on the general status of human rights in the world community as a background against which to more fairly weigh the morally important human rights factor in U.S. foreign aid programs.

Nevertheless, there are some deficiencies with this conference report from the standpoint of the position the House has taken on important issues.

The provision of the House bill prohibiting development assistance under title I of the bill for Panama was substantially modified in conference by the addition of a Presidential waiver which will make possible the continuation of the full aid program for Panama, contrary to the will of the House as expressed in an April 5 vote.

The House position was based on the fact that the Panama Canal implementing legislation had not yet become law and therefore we were really in no position to judge the effects of canal-related income on Panama's need for foreign aid.

A second important consideration was the fact that there are other countries many in Latin America, which are much poorer, which have much lower per capita GNP's than Panama, and whose development assistance needs are more pressing.

I am also concerned that the conference adopted the Senate and administration position that the Peace Corps should remain in ACTION. I will not belabor the arguments which have surrounded this issue during extensive subcommittee hearings, committee consideration and floor debate in the House. I would just remind my colleagues that the House voted by an overwhelming 276 to 116 for an amendment, offered by the distinguished chairman of the Foreign Affairs Committee, to remove the Peace Corps from ACTION and make it an autonomous entity within the new International Development Cooperation Agency (IDCA).

Since this conference agreement is the best compromise we could obtain from our colleagues in the other body, I support the conference report on H.R. 3324.

Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding this time to me.

When this bill passed the House of Representatives, it contained a prohibition which I offered against aid for the Republic of Panama. The other body had no such prohibition, but it did have language in its report indicating that it did not support such aid.

You have come out now with a conference report which says in essence that there will be all the aid they want, because the bill provides the President of the United States with a waiver power, and all he has to do is inform the Congress that that is his desire.

□ 1250

He has already informed us of that desire because he has recommended the money in this bill, and he has indicated that he will continue to give assistance to the Republic of Panama, notwithstanding the fact that, under the treaty which takes effect on October 1, suddenly Panama will have access to an amount of money never before given them, approaching at least $75 million the first year and increasing beyond that in each year thereafter until 1999, when the canal becomes theirs completely and all of the revenues will be in their hands.

I think that the committee should have paid close attention to the activities of the Republic of Panama, its government and its officials, in what they are doing in Latin America today. If you had done so, you would not have granted President Carter this waiver power. Not only does Panama not need this aid, in light of the financial benefit they are getting—and I need not go through and redig the Panama Canal, the fact that we are giving them that asset that is of great value to us and to the world—but they have consistently, systematically and intentionally allowed and promoted the advance of communism in Latin America. They have done so by cooperating directly with Fidel Castro in Cuba in the overthrow of the Government in Nicaragua, which you can argue either way, because certainly the previous government was no prize package in the field of human rights, nor is the current one, now slaughtering its opponents. But Panama is also cooperating and will cooperate in the overthrow of other governments in Latin America who certainly are not repressive and who certainly support the United States.

It seems to me that at some point this House and the other body have the duty to point out to the American people that not just Cuba is a threat to our own existence and our supply lines, oil from the west coast, strategic shipments in case of war, but now a Communist controlled Nicaragua may grow into that kind of a threat, and all of Central America, including the potential of Mexico's oil rich areas, at some point in the future could fall under communism.

I know that it is fashionable for my liberal friends to say that this is an alarmist view. But our current Government is doing nothing about the spread of communism. We are not even talking about the fact that Russian troops are now in Cuba training, that massive new shipments of Russian planes have just in the last few weeks been sent to Cuba, troop transport planes which can be used for landings in other parts of Latin America; our Government is in fact discussing the possibility of military and economic aid to a Communist government in Nicaragua. In the light of all that, this committee comes back and says the President, who has authorized all of these policies and who tells us there is no significant involvement by Cuba in other Latin nations in his press conference the other day and that Panama is not involved in these matters, that we will allow that President to waive restrictions against aid to Panama. This to me is a fundamental mistake.

Mr. Speaker, I think it is unfortunate that the Committee on Foreign Affairs habitually brings back bills in the form of a complete substitute and then offers a motion to recede and concur with an amendment that is that substitute, thereby precluding the right of Members of the House to deal with individual amendments in disagreement, as almost every other committee of the House allows. This is by, I assume, design, to prevent the House from working its will. The only way that a Member can attack individual provisions of the conference reports in the way that the gentleman's committee presents them to the House is to in fact vote down the previous question, a rather useless parliamentary endeavor in the best of times.

Mr. Speaker, I would hope that, in the protection of the interests of the United States and the rights of the Members, that in the future the committee might allow to drift through their minds, the serious issues I have raised here. There will come a time in the very near future when the United States is going to be involved in very serious complications in Latin America, and this committee and the majority of this House seems blind to this possibility.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I had not intended to speak, but the eloquence of the previous speaker moves me to say that I believe that every Member in this House cares about our country, that any threat to our country is a matter of tremendous concern to each one of us, and that there are different ways, maybe equally intelligent, of looking at what our interests are.

It would seem to me it would have been much better, a year and a half ago, if that poor boy, 16 years old, whose father had just been killed, murdered by Somoza's men, had been allowed asylum in our embassy. Maybe then we would not have had so many moderate businessmen killed, so many moderate industrialists and sensible people ousted from the country. That is where our interests may lie—in being honestly concerned when terrible injustices are being done. Not with arms, not with money, but with some indication that we understand that something is wrong.

I think we have to reexamine where our interests are. They are not always in shutting our doors when a child, whose father has been murdered, comes to us for asylum. This is not going to be the way. We are going to have to pay some attention to responsible businessmen who are telling us, "Look out." When editors of great newspapers are killed something is going wrong, and it is not wise to continue to close our doors and shut our ears to what is being done to people in this world. We are going to have to reexamine our ways and not stay on every bandwagon until it brings us to disaster, down with the governments that fall.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I would like to ask the distinguished chairman of the Committee on Foreign Affairs about the report language as it relates to the Peace Corps.

The chairman and I have been mutually committed to a provision in this bill that would attempt to make the Peace Corps independent of the ACTION agency, and we originally had a bill that would have that effect; but in working with our colleagues on the conference committee, we found that the Senate would not go as far as we wanted to make the Peace Corps independent, so we worked on some report language that we would at least help manifest the President's Executive order as it relates to Peace Corps autonomy.

Mr. Speaker, it is my understanding, based on our discussion in the conference committee, that the Peace Corps Director and/or his deputy would be the principal representatives of that agency at international forums and meetings.

Mr. ZABLOCKI. If the gentleman will yield, that is our intent and, as the gentleman from Washington knows, the conferees have insisted that the Peace Corps be as independent as possible.

In our report, on page 41, it clearly states that the conference committee emphasizes that, to the maximum extent possible, the Peace Corps must operate independently of short-term foreign policy considerations. The intent is exactly as the gentleman stated, that the committee of conference also agreed that the Director of the Peace Corps should determine what Peace Corps personnel will represent the Peace Corps in meetings and conferences which may affect Peace Corps operations.

That language is intended to fulfill the desires and the understanding of the gentleman from Washington.

Mr. BONKER. Let me go one step further, Mr. Speaker. At the time the conference committee was discussing the Peace Corps autonomy, the Deputy Director of ACTION was attending worldwide conferences in Geneva and Rome as a representative of Peace Corps.

Is it the gentleman's understanding that, with the intent of the conference report, ACTION officials will no longer be able to represent the Peace Corps at international forums?

Mr. ZABLOCKI. In response to the gentleman's question, it would be my hope that the Director of the Peace Corps would make a determination who is going to represent the Peace Corps at international conferences. I would find it difficult to envision a Peace Corps director choosing someone who is not from the Peace Corps, to be representing the Peace Corps at international conferences.

Mr. BONKER. Then there could conceivably be a situation where the Peace Corps director may be under some influence from the ACTION director to appoint the ACTION Director or Deputy ACTION Director at an international forum. It is my understanding that we were to make it fairly explicit in the report language that only the Peace Corps Director and/or his assistants would represent that agency at international forums.

Mr. ZABLOCKI. If the gentleman will yield further, the reason that the language in the report is worded as it is, is that there could be a conceivable situation where the Peace Corps Director would choose a representative of ACTION to represent the Peace Corps. But as I say, it would be difficult to envision any reason for his doing so. It is our intent that the Peace Corps be independent and that the Peace Corps Director or his designee represent the Peace Corps at international meetings.

Mr. BONKER. May I inquire as to representation before appropriate congressional committees? If we are to take up the Peace Corps authorization bill, would it be the Peace Corps Director or ACTION Director and/or his deputy who would represent the Peace Corps agency before congressional committees?

□ 1300

Mr. ZABLOCKI. If the gentleman would yield, as the gentleman knows, the Executive order clearly states that the Peace Corps Director would be responsible for the preparation of the Peace Corps budget. It is my understanding that that means that as the representative of an autonomous agency he would represent the Peace Corps before Committees of Congress. Therefore, under that Executive order it would be the Peace Corps Director who would be representing the Peace Corps at the committee meetings and subcommittee meetings as it relates to the Peace Corps.

Mr. BONKER. I assume that the same applies to representation of various policies and budgetary discussions within the executive branch.

Mr. ZABLOCKI. That is correct.

Mr. BONKER. One final question: The report begins by saying that the House bill establishes the Peace Corps within the International Development Corporation agency.

The gentleman was the principal author of the bill, but it was my understanding that the House bill would make the Peace Corps independent with the connecting link or coordinating link to IDCA. Is that correct?

Mr. ZABLOCKI. That was the House's intention, the language that has been approved by the House. That was the intent of that language. The proviso was that, yes.

Mr. BONKER. I thank the distinguished chairman.

Mr. ZABLOCKI. I might point out that the conferees have resolved this issue by permitting the Peace Corps to remain under ACTION and that we will again review the situation come next year.

Mr. BONKER. Well, if the Chair will yield just one further moment, the conference report also calls for a report to be submitted to Congress no later than January 1, 1980, on steps to be taken by the Peace Corps to insure its independence within ACTION. So as a member of the House Committee on Foreign Relations, I will be looking forward to that report when it is submitted by January 1, 1980.

Mr. ZABLOCKI. If the gentleman would yield further, I can assure the gentleman that the executive branch is fully cognizant of the gentleman's interest in this respect.

Mr. BONKER. I thank the distinguished chairman.

● Mr. ASHBROOK. Mr. Speaker, last night I heard a lot of discussion about the integrity of the House action on the water resources bill. A number of my colleagues made eloquent statements about why there is a need for upholding those actions on which the House has conducted major substantive reviews and acted in accordance with those findings. We have before us an issue that is well within this criteria.

On April 10 this Chamber passed H.R. 3324. In the House version of the bill there was a provision removing the Peace Corps from ACTION. As the gentleman from Wisconsin (Mr. ZABLOCKI) so clearly stated, there was ample testimony before the House Foreign Affairs Committee to establish the necessity of this provision. The Foreign Affairs Committee had reviewed this matter carefully for a full 2 years. Poor management under ACTION and poor morale within the Corps were cited as compelling reasons to pass this provision. This House agreed with this reasoning by voting to remove the Peace Corps from ACTION by a resounding vote of 276 to 116.

The Committee on Education and Labor has also been conducting extensive hearings on ACTION. As the ranking minority leader of that committee I share the Foreign Affairs Committee's concerns over mismanagement and low morale in the Peace Corps and the broader problems facing ACTION. After the recess this Chamber will have an opportunity to consider substantive revisions to ACTION in the reauthorization bill, H.R. 2859. The House passed provision regarding the Peace Corps is fully in line with this reauthorization.

The conference report we have before us inadequately addresses the problems of the Peace Corps. I am deeply disappointed that the conference sought to totally ignore the House stand on this important matter. The language in the report might be good window dressing, but it hardly concerns itself in any substantive way with the Peace Corps' future.

I call attention once more to the debate last night. It is vitally important that this House does not allow itself to be bullied by the Senate on matters we have done our homework on. Two years of effort by the House Foreign Affairs Committee and this year's effort by the House Education and Labor Committee should not be disposed of in such an offhanded manner. I therefore urge the defeat of the report.●

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 223, nays 181, not voting 30, as follows:

[Roll No. 430]

YEAS—223

Addabbo	Clay	Findley
Alexander	Clinger	Fish
Ambro	Collins, Ill.	Fisher
Anderson, Calif.	Conable	Fithian
Anderson, Ill.	Conte	Florio
Annunzio	Corman	Foley
Anthony	Cotter	Ford, Mich.
Ashley	Coughlin	Ford, Tenn.
Aspin	Courter	Fowler
AuCoin	D'Amours	Frenzel
Baldus	Danielson	Frost
Barnes	Davis, S.C.	Garcia
Bedell	Dellums	Gephardt
Beilenson	Dicks	Gibbons
Benjamin	Dingell	Gilman
Bereuter	Dixon	Glickman
Biaggi	Dodd	Gonzalez
Bingham	Donnelly	Goodling
Blanchard	Dornan	Gore
Boggs	Dougherty	Gradison
Boland	Duncan, Oreg.	Gray
Bonior	Early	Green
Bonker	Eckhardt	Guarini
Brademas	Edgar	Guyer
Brodhead	Edwards, Calif.	Hall, Ohio
Broomfield	Erdahl	Hamilton
Brown, Calif.	Erlenborn	Hanley
Buchanan	Ertel	Harkin
Burlison	Evans, Del.	Harris
Burton, Phillip	Evans, Ga.	Hawkins
Carr	Fary	Heckler
Carter	Fascell	Heftel
Cavanaugh	Fazio	Hollenbeck
Chisholm	Fenwick	Holtzman
	Ferraro	Howard
Hubbard	Minish	Scheuer
Hyde	Mitchell, Md.	Seiberling
Ireland	Moakley	Shannon
Jeffords	Moffett	Sharp
Johnson, Calif.	Mollohan	Simon
Johnson, Colo.	Moorhead, Pa.	Skelton
Kastenmeier	Murphy, Ill.	Smith, Iowa
Kemp	Murphy, N.Y.	Snowe
Kildee	Murtha	Solarz
Kogovsek	Myers, Pa.	Spellman
Kostmayer	Natcher	St Germain
LaFalce	Nedzi	Stack
Leach, Iowa	Nelson	Stanton
Lederer	Nowak	Steed
Lehman	Oakar	Stewart
Leland	Oberstar	Stokes
Lent	Obey	Studds
Lloyd	Ottinger	Swift
Long, La.	Panetta	Thompson
Long, Md.	Patten	Traxler
Lowry	Patterson	Udall
Luken	Pease	Ullman
Lundine	Pepper	Van Deerlin
McClory	Perkins	Vanik
McCloskey	Peyser	Vento
McCormack	Preyer	Walgren
McHugh	Price	Waxman
McKay	Pritchard	Weiss
McKinney	Pursell	Williams, Mont.
Madigan	Railsback	Wilson, Bob
Maguire	Ratchford	Winn
Markey	Reuss	Wirth
Marks	Richmond	Wolff
Matsui	Rinaldo	Wolpe
Mavroules	Rodino	Wright
Mazzoli	Roe	Yates
Mica	Rostenkowski	Yatron
Mikulski	Roybal	Zablocki
Mikva	Royer	Zeferetti
Mineta	Sabo	

NAYS—181

Abdnor	Gingrich	Nichols
Albosta	Ginn	Pashayan
Andrews, N.C.	Goldwater	Paul
Andrews, N. Dak.	Gramm	Petri
Applegate	Grassley	Pickle
Archer	Grisham	Quayle
Ashbrook	Gudger	Quillen
Ashbrook	Hagedorn	Rahall
Atkinson	Hall, Tex.	Regula
Badham	Hance	Rhodes
Bafalis	Hansen	Ritter
Bailey	Harsha	Roberts
Barnard	Hefner	Robinson
Bauman	Hightower	Rose
Beard, R.I.	Hillis	Roth
Beard, Tenn.	Hinson	Rousselot
Bennett	Holt	Rudd
Bethune	Hopkins	Runnels
Bevill	Huckaby	Santini
Bouquard	Hughes	Satterfield
Bowen	Hutto	Sawyer
Breaux	Ichord	Schroeder
Brinkley	Jacobs	Schulze
Brooks	Jeffries	Sebelius
Brown, Ohio	Jenkins	Sensenbrenner
Broyhill	Jenrette	Shelby
Burgener	Jones, N.C.	Shumway
Butler	Jones, Okla.	Shuster
Byron	Jones, Tenn.	Slack
Campbell	Kazen	Smith, Nebr.
Carney	Kelly	Snyder
Chappell	Kindness	Solomon
Cheney	Kramer	Spence
Cleveland	Lagomarsino	Staggers
Coelho	Latta	Stangeland
Coleman	Leach, La.	Stenholm
Collins, Tex.	Leath, Tex.	Stockman
Corcoran	Lee	Stratton
Crane, Daniel	Livingston	Stump
Crane, Philip	Loeffler	Symms
Daniel, Dan	Lott	Synar
Daniel, R. W.	Lujan	Tauke
Dannemeyer	Lungren	Taylor
Daschle	McDade	Thomas
Davis, Mich.	McDonald	Trible
de la Garza	McEwen	Vander Jagt
Deckard	Marriott	Volkmer
Derrick	Martin	Walker
Derwinski	Mathis	Wampler
Devine	Mattox	Watkins
Dickinson	Michel	Weaver
Duncan, Tenn.	Miller, Ohio	White
Edwards, Ala.	Mitchell, N.Y.	Whitehurst
Edwards, Okla.	Montgomery	Whitley
Emery	Moore	Whittaker
English	Moorhead, Calif.	Whitten
Evans, Ind.	Mottl	Wilson, Tex.
Flippo	Murphy, Pa.	Wyatt
Fountain	Myers, Ind.	Young, Alaska
Fuqua	Neal	Young, Fla.
Gaydos		Young, Mo.

NOT VOTING—30

Akaka	Giaimo	Rangel
Bolling	Hammer-schmidt	Rosenthal
Boner	Holland	Russo
Burton, John	Horton	Stark
Clausen	Levitas	Treen
Conyers	Lewis	Williams, Ohio
Diggs	Marlenee	Wilson, C. H.
Downey	Miller, Calif.	Wydler
Drinan	Nolan	Wylie
Flood	O'Brien	
Forsythe		

□ 1310

The Clerk announced the following pairs:

Mr. Akaka with Mr. Marlenee.
Mr. Boner of Tennessee with Mr. Lewis.
Mr. Drinan with Mr. Williams of Ohio.
Mr. Miller of California with Mr. Hammerschmidt.
Mr. Levitas with Mr. O'Brien.
Mr. Charles H. Wilson of California with Mr. Wylie.
Mr. Rosenthal with Mr. Forsythe.
Mr. Rangel with Mr. Clausen.
Mr. Giaimo with Mr. Horton.
Mr. John L. Burton with Mr. Wydler.
Mr. Russo with Mr. Holland.
Mr. Nolan with Mr. Stark.
Mr. Downey with Mr. Conyers.
Mr. Flood with Mr. Diggs.

Messrs. LEACH of Louisiana, GAYDOS, and BOWEN changed their votes from "yes" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1320

RE-REFERRAL OF HOUSE CONCURRENT RESOLUTION 167 JOINTLY TO COMMITTEE ON FOREIGN AFFAIRS AND COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that House Concurrent Resolution 167, expressing the sense of Congress that the President should express to the Government of the Soviet Union the disapproval of the American people concerning that Government's systematic nondelivery of international mail addressed to certain persons residing within the Soviet Union, that the Department of State should pursue this matter at the diplomatic level with the Soviet Union and other countries, and that the U.S. delegation to the next Congress of the Universal Postal Union seek the compliance of the Government of the Soviet Union with the acts of the Universal Postal Union; which was referred to the Committee on Foreign Affairs, be re-referred jointly to the Committees on Foreign Affairs and Post Office and Civil Service.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

APPOINTMENT OF TWO ADDITIONAL CONFEREES ON H.R. 3875, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1979

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint two additional conferees on the bill, H.R. 3875, to amend and extend certain laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, are these two filled vacancies?

Mr. ASHLEY. No, this is the addition of two conferees, one for the majority and one for the minority.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following additional two Members to the conference on H.R. 3875, on those provisions relating only to title IV of H.R. 3875 and those Senate modifications relating thereto: Mr. MINISH of New Jersey and Mr. CAMPBELL of South Carolina.

There was no objection.

REQUEST TO HAVE NAME STRICKEN AS COSPONSOR OF H.R. 4970

Mr. QUAYLE. Mr. Speaker, I ask unanimous consent to have my name stricken as a cosponsor of H.R. 4970.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONFERENCE REPORT ON H.R. 4392, STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS

Mr. SLACK. Mr. Speaker, I call up the conference report on the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 31, 1979.)

The SPEAKER pro tempore. The gentleman from West Virginia (Mr. SLACK) will be recognized for 30 minutes, and the gentleman from North Dakota (Mr. ANDREWS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. SLACK).

Mr. SLACK. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes, as agreed to by the conferees, contains a total of $8,345,091,000 in new budget authority for fiscal year 1980. It also contains $256,208,000 for liquidation of contract authority in the operating subsidy program of the Maritime Administration.

The total amount agreed to for fiscal year 1980 is $803,842,000 less than appropriations made for these programs for fiscal year 1979 and is $181,777,000 less than the total amount requested for fiscal year 1980. The total is $91,757,000 more than the Senate bill and is $650,084,000 more than the bill as it passed the House on July 12.

The large increase over the House total is due to consideration of a number of requests which the House did not deal with initially. The largest of these is for law enforcement assistance programs—the total request was $546,347,000 and we agreed to a total of $486,463,000. Since authorizing legislation had not yet been enacted, we agreed to attach a proviso making the availability of such funds contingent upon enactment of authorizing legislation.

Another significant change from the House bill is an increase of $19,139,000 for the Immigration and Naturalization Service, the primary portion of which is an increase of $14,500,000 for augmentation of the Border Patrol.

We also agreed to an increase of $22,000,000 over the House amount for the 1980 decennial census. This brings the total amount provided for the Bureau of Census to $656,990,000.

We also agreed to an increase of $69,000,000 for ship construction subsidies.

Mr. Speaker, the amount agreed to by the conferees for the Small Business Administration is $25,000,000 less than the amount proposed by the House.

I should also add that the conference report reflects deletion of the Collins amendment on busing and the Ashbrook amendment, which would limit expenditures for the Department of State to 95 percent of funds appropriated.

Mr. Speaker, the conferees reported amendment No. 26 in true disagreement, and at the appropriate time I will offer a motion that the House insist on its disagreement to the amendment. This amendment would provide a total of $20,800,000 for Federal participation in a proposed Knoxville energy exposition to be held in 1982.

Mr. Speaker, there is no authorization for this project. In fact, the administration has not even submitted an authorization proposal to the Congress although they did submit a budget request. In addition, the administration has not submitted the plan which is required by Public Law 91-269 for Federal participation in such a project.

The House conferees strongly believe that it is totally inappropriate to fund this new program before it is authorized by law. To provide such funding prior to enactment of the basic authorization would be a violation of the House rules as well as a fundamental violation of orderly legislative process. Therefore, we would ask the House to insist on its disagreement to this amendment.

Mr. Speaker, I insert at this point in the RECORD a summary table showing, by department or agency, the conference action compared with the amounts provided for fiscal year 1979, the budget estimates for 1980, the House bill, and the Senate bill.

The table follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

[Amounts in dollars]

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Department of State	1,353,315,000	1,389,945,000	1,386,769,000	1,375,387,000	1,372,024,000	+18,709,000	−17,921,000	+2,255,000	−3,363,000
Department of Justice	2,508,738,000	2,412,955,000	1,852,548,000	2,402,722,000	2,394,967,000	−114,771,000	−17,988,000	+542,419,000	−7,755,000
Department of Commerce	1,691,946,000	2,107,636,000	1,904,987,000	2,085,142,000	2,036,856,000	+344,910,000	−70,780,000	+131,869,000	−48,286,000
The Judiciary	514,345,000	619,769,000	589,866,000	592,806,000	591,306,000	+76,961,000	−28,463,000	+1,440,000	−1,500,000
Related agencies:									
Arms Control and Disarmament Agency	17,720,000	18,876,000	17,670,000	18,870,000	18,270,000	+550,000	−606,000	+600,000	−600,000
Board for International Broadcasting	87,000,000	86,917,000	82,990,000	84,700,000	84,470,000	−2,530,000	−2,447,000	+1,480,000	−230,000
Commission on Civil Rights	10,852,000	11,372,000	11,230,000	11,370,000	11,230,000	+378,000	−142,000		−140,000
Commission on Security and Cooperation in Europe	521,000	432,000	264,000	264,000	264,000	−257,000	−168,000		
Equal Employment Opportunity Commission	107,000,000	125,000,000	119,000,000	125,000,000	119,000,000	+12,000,000	−6,000,000		−6,000,000
Federal Communications Commission	70,446,000	71,816,000	71,816,000	73,255,000	72,535,000	+2,089,000	+719,000	+719,000	−720,000
Federal Maritime Commission	10,750,000	11,217,000	11,175,000	11,217,000	11,175,000	+425,000	−42,000		−42,000
Federal Trade Commission	(65,300,000)	(69,021,000)				(−65,300,000)	(−69,021,000)		
Federal Claims Settlement Commission		1,030,000					−1,030,000		
International Communication Agency	417,247,000	431,492,000	429,112,000	425,692,000	426,089,000	+8,842,000	−5,403,000	−3,023,000	+397,000
International Trade Commission	13,250,000	16,200,000	14,106,000	16,200,000	15,130,000	+1,880,000	−1,070,000	+1,024,000	−1,070,000
Japan-United States Friendship Commission	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000				
Legal Services Corporation	270,000,000	337,500,000	305,000,000	291,800,000	300,000,000	+30,000,000	−37,500,000	−5,000,000	+8,200,000
Marine Mammal Commission	702,000	640,000	640,000	940,000	940,000	+238,000	+300,000	+300,000	
Office of the Special Representative									
Office of the Special representative for Trade Negotiations	2,767,000	4,273,000	3,900,000	4,273,000	4,000,000	+1,233,000	−273,000	+100,000	−273,000
Presidential Commission on World Hunger	1,300,000	975,000	975,000	975,000	975,000	−325,000			
Renegotiation Board	5,260,000	7,363,000				−5,260,000	−7,363,000		
Securities and Exchange Commission	67,100,000	69,039,000	68,946,000	68,986,000	68,986,000	+1,886,000	−53,000	+40,000	
Select Commission on Immigration and Refugee Policy	224,000	2,226,000	1,600,000	1,600,000	1,600,000	+1,376,000	−626,000		
Small Business Administration	1,994,435,000	795,300,000	836,300,000	657,300,000	811,300,000	−1,183,135,000	+16,000,000	−25,000,000	+154,000,000
U.S. Metric Board	1,575,000	3,335,000	1,613,000	3,335,000	2,474,000	+899,000	−861,000	+861,000	−861,000
Grand total	9,148,933,000	8,526,868,000	7,695,007,000	8,253,334,000	8,345,091,000	−803,842,000	−181,777,000	+650,084,000	+91,757,000

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Mrs. BOUQUARD. Mr. Speaker, will the gentleman yield

Mr. SLACK. I yield to the gentlewoman from Tennessee.

Mrs. BOUQUARD. I thank the gentleman for yielding. It is my understanding that the gentleman will take up this appropriation legislation when we have authorized it in the Commerce Committee for Expo 1982; am I correct?

Mr. SLACK. As soon as the program is authorized, and as soon as the plan which is required by Public Law 91-269 is submitted, the House Appropriations Subcommittee will consider the appropriations. I might add that we have yet to deal with the Economic Development Administration as well as the Regional Planning Commissions. We could very well make the necessary appropriations when those appropriations are dealt with.

Mrs. BOUQUARD. I thank the gentleman for his explanation. I am sure there is no prejudice toward Expo 1982 at this time?

Mr. SLACK. I am sorry; I did not hear the gentlewoman.

Mrs. BOUQUARD. I am sure there is no prejudice toward Expo 1982. It is my understanding there is no prejudice from the Appropriations Committee for this project.

Mr. SLACK. The gentlewoman is correct.

Mr. DUNCAN of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Tennessee.

Mr. DUNCAN of Tennessee. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks of the gentlewoman from Chattanooga (Mrs. BOUQUARD).

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding. I was a little disappointed to see the conference committee on amendment No. 5 yield from the House position. I wonder if my colleague and friend, the chairman, the gentleman from West Virginia (Mr. SLACK) could tell me about that. As he recalls, it was the House position that the funds would only be appropriated at a 95 percent level, which in effect would be at a 5 percent reduction.

Mr. SLACK. I would be glad to respond to that, if I may. The gentleman recalls that when we reported the State Department bill, it was $60.5 million below the request. The gentleman's amendment, which was adopted, cut an additional 5 percent from the State Department appropriations. But my friend, the gentleman from Ohio, well knows that a conference is a give-and-take proposition, that it is a matter of compromise.

I might say that on the overall bill, the House comes out $182 million below the budget.

Mr. ASHBROOK. I thank my friend. I am sure he did what he could to uphold the House position, but I think the taxpayers, looking at the Department of State, would come to the conclusion that it is mostly the taxpayers who give and the Department of State that takes. Maybe in the next Congress we can cut the Department of State a little bit more. I appreciate what the gentleman has done, and I am not going to criticize.

Mr. SLACK. If I may add one more point, I think a review of the positions within the Department of State will indicate that the number has remained stable since 1968.

Mr. ASHBROOK. If the gentleman will yield I think my colleague means the funding, not the Department of State or its policies. They certainly have not remained stable. The gentleman is talking about the funding.

Mr. SLACK. I am talking about funding.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I thank the gentleman for yielding.

Those of us on this side of the aisle support the position the conferees took. Our good friend, the gentleman from West Virginia (Mr. SLACK), bargained as well as he could with the position we had to bargain with. This is up some $650 million over the figure in the bill as it left the House. As my friend has pointed out, $487 million of that is for LEAA. We did not put any funds in for LEAA when it first came through the House. The other major increase is $69 million for the Maritime Administration, and all of the remainder is to fund last minute budget requests. We are still $182 million under the budget. We are significantly under where we might have been if the House team had not struck some pretty tough bargains. I recommend the adoption of the conference report.

Mr. BURLISON. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Missouri.

Mr. BURLISON. I thank the gentleman for yielding.

Mr. Speaker, the distinguished chairman of the subcommittee will remember that on the consideration of this bill a few weeks ago there was a great deal of discussion on an amendment to add $1.8 million, I believe, for the FBI terrorism program. It is my understanding that the conferees agreed to $500,000 for the terrorism program.

Mr. SLACK. That is correct, for coordination of terrorism program.

Mr. BURLISON. I want to commend the conferees on this position. I think the testimony from the hearings in both the authorizing and appropriation committees, as well as the debate on the House floor, on that amendment was clear that the $1.8 million additional above the budget request for terrorism was unneeded and unnecessary, and I want to commend the conferees on this provision.

Mr. SLACK. I thank the gentleman.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. SLACK. I yield to the distinguished gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I rise in support of this conference report. Obviously, it is the result of a compromise as are all conference reports. But, basically I think we have ended up with a good bill.

The conference agreement is $182 million under the budget request. However, it is $650 million over the bill that passed the House. As the chairman of the subcommittee has pointed out, this is primarily because we agreed to include $487 million for the Office of Justice Assistance Research and Statistics which is the name for the reorganized version of LEAA. The conferees also approved $69 million for ship construction differential subsidies which were not included in the House bill. Much of the rest of the increase comes from budget requests submitted too late for consideration by the House which were approved by the conferees.

There is one amendment on which the conferees could not agree. Amendment No. 26 provides $20,800,000 for Federal participation in the Knoxville Energy Exposition to be held in 1982. There is no authorization for this item. The administration has not yet submitted an authorization proposal, nor have they submitted the plan required by Public Law 91-269, whenever the President determines that participation in an international exposition is in the national interest. The House conferees felt that until there is authorization for this item and the administration complies with the requirements of law, we should not appropriate the money requested.

This is a carefully thought out conference agreement, and I urge my colleagues to support it.

● Mr. McCLORY. Mr. Speaker, I am pleased indeed to see that the conferees have supported the appropriation of funds for the U.S. Metric Conversion Board. Funds in the amount of $2,474,000 will be put to very good use by this most distinguished group of Americans headed by Dr. Louis Polk. Recognizing that our Nation is moving rapidly toward the utilization of metric standards in virtually all of our business, industrial and commercial activities—particularly as activities relate to international trade—the importance of a Metric Conversion Board will be increasingly appreciated by the citizens of our Nation.

Mr. Speaker, while the statutory authority for the Metric Conversion Board confirms that conversion to the metric system shall be "voluntary" it is entirely appropriate that the various segments and economic and social interests involved in this changeover should coordinate their efforts and cooperate with one another in achieving a conversion to the metric system.

Mr. Speaker, some momentum may have been lost because of the delay in the appointment and confirmation of the members of the Metric Conversion Board, however, the high caliber of the Board's membership and its able Executive Director, Malcolm O'Hagan, provide assurance that the program of metric conversion shall proceed in a responsible and coordinated manner consistent with the needs and best interests of all Americans.

Mr. Speaker, I commend the conferees on their support of substantial funding of the activities of the Metric Conversion Board.●

● Mrs. BOGGS. Mr. Speaker, I rise in support of the conference report for the bill making appropriations for the Departments of State, Justice, Commerce, and related agencies. I would like to thank and commend the gentleman from West Virginia and the other members of the conference for their fine work on this bill.

Mr. Speaker, I am particularly pleased to see two items contained in the conference report: the construction differential subsidy program at the Maritime Administration and the public telecommunications facilities grants program at the National Telecommunication Information Agency. The conferees in their wisdom have recommended the full budget amounts requested for these programs by the President.

The construction differential subsidy program is a very worthwhile program. It helps to provide jobs for people throughout the United States. It helps to maintain a strong American merchant marine. It insures the availability of a strong domestic shipbuilding base which is so necessary for national defense needs. Finally, it contributes to the effort to stem the negative trade balance we are currently experiencing.

The action of the conferees on this item reflects the overwhelming support evidenced last week in this House when we voted against any reduction in this program during consideration of the fiscal year 1980 maritime authorization.

Similarly, the action of the conferees in concurring in the full budget for the public broadcasting facilities program is to be commended. This is an exemplary program that generates local funds and volunteer services for educational and public broadcasting. The funds appropriated in this bill will have a positive impact on the expansion of noncommercial broadcasting: More classrooms will be able to make use of instructional radio and television lessons and material; the hearing handicapped will be able to see the increasing range of captioned television programs; many millions of Americans of all ages will be able to see and hear the fine public programs that are available; and many new educational services via cable, special radio channels, and tape cassettes will be developed.

I believe the conferees in both of these instances have acted in the best interest of the public by restoring the requested funds.

I urge adoption of the conference report.●

● Mr. GARCIA. Mr. Speaker, there is language in the Legal Services' section of H.R. 4392 which states that no funds appropriated to this agency may be used on behalf of any aliens "known to be" in the United States in violation of immigration laws. It is extremely troublesome to me that this language has been included in the bill for a number of reasons, one of the most important of which is because of the impact it could have on United States citizens who are Hispanic, Asian, or West Indian, among others. I want it to be clearly understood that under no circumstances are Legal Services employees to convert into a suspect class persons who are of Hispanic or Asian or West Indian descent because of their national origins. Under no circumstances should a Puerto Rican, a Mexican-American, a Chinese American, or a Haitian ever have to satisfy a staff member of the Legal Services Corporation that he or she is here validly, while a person of Irish descent would never even be questioned.

Furthermore, under the Immigration and Nationality Act, and current regulations promulgated thereunder, a determination that an individual is in this country in violation of law is a complex matter which is left, by law, in the hands of administrative and Federal judges. Current immigration law provides that the legality of a person's presence in the United States must be determined only after a thorough due process deportation or exclusionary proceeding, in which INS, and not Legal Services, investigates the legality of a person's presence in this country. In fact, the Immigration and Naturalization Service is legally precluded from requiring a person to depart from the United States until a final finding of deportability or excludability is entered and statutory review procedures are exhausted or waived.

Both the Justice Department and Immigration Judges have recently commented on the positive role played by

Legal Services attorneys in these complex proceedings representing indigent aliens. It is certainly not the intent of Congress to require Legal Services staff members to prejudge the outcome of official deportation or exclusion proceedings. Nor is it the intent of Congress to substitute the subjective judgment of an individual Legal Services staff member as to whether a potential client is legally within the country for the full due process administrative and judicial proceedings that an individual is entitled to receive under our laws and regulations.●

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 4392.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

(By unanimous consent Mr. SLACK was given permission to revise and extend his remarks and to include tables and charts.)

Mr. SLACK. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 291, nays 106, not voting 37, as follows:

[Roll No. 431]

YEAS—291

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erlenborn
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Huckaby
Hutto
Hyde
Ireland
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Martin
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rostenkowski
Roybal
Royer
Sabo
Scheuer
Sebelius
Seiberling
Shannon
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solars
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Weiss
White
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—106

Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Bereuter
Brodhead
Broyhill
Carney
Cheney
Collins, Tex.
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Devine
Dornan
Edwards, Okla.
English
Erdahl
Evans, Del.
Evans, Ind.
Fountain
Frenzel
Frost
Gephardt
Gingrich
Glickman
Goldwater
Goodling
Grassley
Guyer
Hance
Hansen
Harsha
Hinson
Holt
Hubbard
Hughes
Ichord
Jeffries
Jenkins
Jenrette
Jones, Okla.
Kelly
Kemp
Kramer
Lagomarsino
Latta
Levitas
Lewis
Lott
Lujan
Luken
McDonald
Marriott
Mathis
Mattox
Miller, Ohio
Moffett
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Panetta
Pashayan
Paul
Petri
Quayle
Robinson
Roth
Rousselot
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Sharp
Shumway
Shuster
Snyder
Stangeland
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Trible
Walker
Watkins
Weaver
Whitehurst
Williams, Mont.
Wirth
Young, Fla.

NOT VOTING—37

Akaka
Boiling
Boner
Cavanaugh
Conte
Conyers
Davis, S.C.
Diggs
Downey
Drinan
Duncan, Oreg.
Evans, Ga.
Findley
Flippo
Flood
Forsythe
Giaimo
Hammer-schmidt
Holland
Marlenee
Miller, Calif.
Montgomery
Murphy, N.Y.
Nolan
O'Brien
Ritter
Rosenthal
Russo
Santini
Stark
Treen
Waxman
Williams, Ohio
Wilson, C. H.
Wydler
Wylie
Young, Alaska

□ 1350

The Clerk announced the following pairs:

Mr. Akaka with Mr. Ritter.
Mr. Rosenthal with Mr. O'Brien.
Mr. Charles H. Wilson of California with Mr. Marlenee.
Mr. Murphy of New York with Mr. Wylie.
Mr. Giaimo with Mr. Hammerschmidt.
Mr. Montgomery with Mr. Wydler.
Mr. Boner of Tennessee with Mr. Findley.
Mr. Duncan of Oregon with Mr. Williams of Ohio.
Mr. Evans of Georgia with Mr. Young of Alaska.
Mr. Drinan with Mr. Stark.
Mr. Miller of California with Mr. Santini.
Mr. Flippo with Mr. Cavanaugh.
Mr. Conyers with Mr. Davis of South Carolina.
Mr. Downey with Mr. Holland.
Mr. Nolan with Mr. Waxman.
Mr. Flood with Mr. Diggs.
Mr. Russo with Mr. Forsythe.

Messrs. KINDNESS, CAMPBELL, and BRINKLEY changed their vote from "nay" to "yea."

Messrs. LAGOMARSINO, LEWIS, DASCHLE, and KRAMER changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL MIDNIGHT, WEDNESDAY, AUGUST 8, 1979, TO FILE A REPORT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight, Wednesday, August 8, 1979, to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL AUGUST 17, 1979, TO FILE CONFERENCE REPORT ON H.R. 2774

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until August 17, 1979, to file a conference report on the bill (H.R. 2774) authorizing funds for fiscal years 1980 and 1981 for the Arms Control and Disarmament Agency.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT ON H.R. 3363, DEPARTMENTS OF STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 18, strike out "$712,700,000" and insert "$712,322,000".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$709,011,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 8, line 23, insert ": *Provided*, That the Attorney General has the authority to make such provisions as are necessary and appropriate for the efficient and effective administration of funds included herein for State and local drug strike forces.".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 13, line 23, strike out: "unobligated balances of funds previously appropriated under this heading shall be available for constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incendent thereto, by contract or force account" and insert "For planning, acquisition of sites and construction of new facilities and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $5,960,000, to remain available until expended: *Provided*,".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 15, line 19, insert:

OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 15, line 21, insert:

LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979 and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $442,695,000, to remain available until expended.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $442,695,000, to remain available until expended: *Provided*, That $342,695,000 of said amount shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 16, line 3, insert:

RESEARCH AND STATISTICS

For grants, cooperative agreements, contracts, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979, including salaries and other expenses in connection therewith, $43,768,000, to remain available until expended.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

RESEARCH AND STATISTICS

For research, development, demonstration, statistical and related efforts directed towards the improvement of civil, criminal and juvenile justice systems authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, including salaries and other expenses, in connection therewith, $43,768,000, to remain available until expended: *Provided*, That these funds shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 17, line 9, insert:

PARTICIPATION IN UNITED STATES EXPOSITIONS

For necessary expenses for designing, constructing, and operating a Federal Pavilion in the Knoxville International Energy Exposition, $20,800,000, including not to exceed $12,000 for entertainment of officials of other countries when specifically authorized by the Commissioner General during the period ending November 15, 1982, to remain available until September 30, 1984: *Provided*, That these funds shall be made available only upon enactment into law of authorizing legislation: *Provided further*, That no additional Federal funds shall be made available for this purpose.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House insists on its disagreement to the amendment of the Senate numbered 26.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 18, line 10 insert:

None of the funds made available to the Bureau of the Census under this Act may be expended for further dissemination of 1978 Agricultural Census forms 78-A40A or 78-A40B, or 78-A40C or 78-A40D or for the prosecution of any person for the failure to return such forms, or for the preparation of similar forms for any future agricultural census.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

None of the funds made available to the Bureau of the Census under this Act may be expended for prosecution of any person for the failure to return 1978 Agricultural Census forms 78-A40A or 78-A40B, or 78-A40Q or 78-A40D, or for the preparation of similar forms for any future agricultural census.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 20, line 8 insert:

UNITED STATES TRAVEL SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Travel Service as provided for by law; including employment of aliens by contract for service abroad; rental of space abroad for periods not exceeding five years, and expenses of alteration, repair, or improvement; advance of funds under contracts abroad; payment of tort claims in the manner authorized in the first paragraph of 28 U.S.C. 2672, when such claims arise in foreign countries; and not to exceed $5,000 for representation expenses abroad; $8,000,000.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein.

The motion was agreed to.

□ 1400

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 30, line 2, insert "and refreshments".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 51: Page 34, line 15, insert: "and, in addition, an amount equivalent to funds deposited into the General Fund of the Treasury by the State of Florida as a result of the expense of construction and relocation of the Fort Lauderdale Monitoring Station: *Provided*,".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 62: Page 41, line 13, insert:

(INCLUDING TRANSFER OF FUNDS)

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 62 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: Page 41, line 19, insert, ", and in addition $11,650,000 for disaster loanmaking shall be transferred to this appropriation from the "Disaster Loan Fund".".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert ", and in addition $11,650,000 for disaster loanmaking activities shall be transferred to this appropriation from the "Disaster Loan Fund" and $5,000,000 for disaster loan servicing, as compensation for 275 temporary or permanent full time employees, shall be transferred to this appropriation from such "Disaster Loan Fund" ".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 69: Page 49, line 10, insert:

TITLE VII—SUPPLEMENTAL APPROPRIATIONS, 1979

For additional amounts for the fiscal year 1979 to be immediately available, as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALLS

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses, United States attorneys and marshals", $2,835,000, of which $2,000,000 shall be derived by transfer from "Support of United States prisoners" and $835,000 shall be derived by transfer from "Fees and expenses of witnesses".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 69 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

TRIBUTE TO LEO RENNERT

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, I would like to take a moment to compliment Leo Rennert on his recent honor as the winner of the first annual Washington Correspondent Awards competition of the National Press Club.

Mr. Rennert, chief of the Washington Bureau of the McClatchy newspapers which serves most of northern California, also took top honors in the congressional reporting category of the club's awards program. I note that this awards program was established to recognize "journalism excellence in newspapers reporting to Americans about events in Washington, D.C., which have an effect on their community or region."

In the 12 years that I have worked with him in Washington, I have known Leo Rennert to be always credible and a credit to his profession. Congressman HAROLD T. "BIZ" JOHNSON, chairman of our delegation, joins me in my compliments to Mr. Rennert, as do all of us on the Hill who have worked with him.

We have recognized his excellent journalism talents for years, and feel that his award is richly merited.

PROVIDING FOR CONSIDERATION OF H.R. 3434, SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 365 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 365

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, this is a modified closed rule that permits 2 hours for general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The reason that the rule is modified closed is because no amendment to the bill shall be in order except amendments recommended by the Committee on Ways and Means, and such amendments are not amendable. Finally, the rule permits one motion to recommit.

Mr. Speaker, the purpose of the bill is to raise the ceiling on funds for State social service programs under title XX of the Social Security Act, to make improvements in the child welfare and social services program, and the programs of Federal support for foster care

of needy children and to encourage adoption of children with special needs.

The current ceiling on Federal funds for title XX social service programs is $2.9 billion and is scheduled to drop to $2.5 billion on September 30 of this year. H.R. 3434 would raise that ceiling to $3.1 billion in fiscal year 1980 and set aside $200 million for grants to the States for child day care services in fiscal year 1980 and 1981. The committee indicates that the increase is intended to restore cutbacks in essential services as a result of inflation and to offset future cost increases.

Mr. Speaker, very simply the bill offers long awaited and much needed improvements as well as resources in the foster care and adoption system that we presently have. The only controversy that had been expressed about this bill when it was before the Committee on Rules was the change of title IV–B of the program from an authorization process to an entitlement program. Title IV–B provides services to abused, neglected and homeless children and is set up on a Federal matching fund basis with the individual States. I understand that the change is needed so that States can finance improvements in their own welfare systems and increase services to families and children on the basis of their needs for services. Because the bill creates new entitlements which exceed the appropriate allocation of new budget authority the bill was referred to the Committee on Appropriations. The committee reported the bill with the recommendation that the bill do pass.

Mr. Speaker, I urge passage of this resolution, and I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the able gentleman from Florida (Mr. PEPPER) has described the provisions of the resolution, and it is unnecessary at this time to repeat what he has said.

However, there was a bit of controversy in the Committee on Rules concerning an effort to make in order the Michel amendment restoring control of the child welfare services funds to the Committee on Appropriations rather than going the entitlement route. I am sure that is going to be a matter of controversy today.

The Committee on Appropriations in my opinion, should have charge of the appropriation of the funds for Child Welfare Services, and that will be debated fully on the floor of the House.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I rise in opposition to the rule.

When this bill came before the Rules Committee, I urged that the proposed closed rule be modified to allow us the opportunity to vote on whether the child welfare program should become another entitlement program, as provided for in the bill. The Rules Committee, on a party-line vote, denied this rather reasonable request.

The child welfare program is currently subject to annual appropriations. This bill, as reported by the Ways and Means Committee, would turn it into an entitlement program.

The report from the Appropriations Committee accompanying the bill expresses strong concern over this change to an entitlement program. Let me read some key excerpts in this regard:

> The Committee on Appropriations . . . is concerned with provisions attempting to make these programs "entitlements" since the present situation in this area as pointed out in the report can only destroy the ability of the Congress to establish priorities and control government spending.
>
> The Committee has no disagreement with the basic purposes of the bill. Rather, it is disturbed with the new entitlement feature proposed in the legislation which tends to aggravate the growing problem of uncontrollable federal spending generally.

The fact is that entitlement programs presently constitute over 75 percent of uncontrollable outlays, compared with 64 percent just 10 years ago. As a percentage of total budget outlays, they have gone up from 40 percent 10 years ago to 55 percent today. The more entitlement programs we have, the less discretion we have over Federal expenditures, and the more difficult it is to either move toward a balanced budget or adjust Federal spending in other ways in dealing with economic change.

If we are ever going to reverse this trend, we have to do it when the entitlement is initially authorized, because once programs become entitlements, they never seem to go back. In fact, the Library of Congress has no record of any entitlement program being changed and made subject to annual appropriations.

It is not essential to the operation of the child welfare program that it become an entitlement program. The funds go to the States, which then in turn provide services based on the allotments they receive. This can be done just as well through annual appropriations. The States may like to receive a guaranteed amount, but has there ever been a time when States have not sought guaranteed Federal funding, particularly at higher amounts?

The real reason the Ways and Means Committee is turning this into an entitlement program is apparently a dissatisfaction with the funding levels provided through the appropriations process in recent years. This came out during discussion of the issue before the Rules Committee. It is also evident from the Ways and Means Committee report, and I quote:

> The Committee believes that the additional resources provided by this section are necessary to improve the Child Welfare Services . . .

The child welfare program has been funded at a level of $56 million over the past several years. According to the Congressional Budget Office, making this an entitlement program would require that $134 million be appropriated in fiscal year 1980, a 140-percent increase over the amount in the 1980 Labor–HEW appropriations bill, which passed the House in June. By 1984, the funding level would rise to $250 million, a five-fold increase.

The reason no more than $56 million has been appropriated is, frankly, that no case has ever been made for a higher amount. If the gentleman from California (Mr. CORMAN) or other proponents of this change did not feel the funding levels were high enough, why did they not ask for higher amounts? Why did they not offer amendments when the appropriations bills were on the floor? Appropriations bills do not come to the floor under closed rule. We do not consider our work so sacred that Members should not have the opportunity to make changes on the floor if they so choose. Yet, no amendments were offered to increase funding for child welfare.

Instead, we are going to have a higher level of funding imposed upon us through the back door, and if this rule carries, we would not even have a chance to vote on it.

Frankly, this boils down to one of whether the Members of this body have enough intelligence and competence to make a judgment on a relatively simple issue. The majority on both the Ways and Means and Rules Committees apparently feel you lack that intelligence. If you disagree, you should vote the rule down, and force the committee to come back with a rule that permits us the opportunity to have a separate vote on this important budgetary issue of whether yet another program should become uncontrollable.

□ 1410

Mr. QUILLEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, I think the gentleman from Illinois (Mr. MICHEL) is exactly right. I remember the debate and the argument in the Committee on Rules and the objection presented in conjunction with the closed rule. I think that tying the hands of the Members of Congress to prevent them from offering amendments in accordance with their views is wrong. This is a typical example of bringing the rule here to the floor in a closed manner, preventing the gentleman from Illinois (Mr. MICHEL) from offering an amendment providing for the Appropriation Committee to have the right to retain control of these funds. I simply do not think it is right.

Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in support of the position articulated by the distinguished minority whip, the gentleman from Illinois (Mr. MICHEL).

I serve on the Committee on Ways and Means, and I support the concepts of H.R. 3434.

I think the chairman of the Welfare Subcommittee, the distinguished gentleman from California (Mr. CORMAN), and his associates on that subcommittee have done an excellent job in presenting this to the House. It is a fine revi-

sion, and a needed revision, in this particular body of law.

But, unfortunately, they are bringing it to us under a very unfair procedure. In asking for a closed rule, they have not allowed us to debate the merits of the bill, particularly the merits of the change from the authorization to the entitlement. As most of the Members know, the appropriation for the authorization for these purposes to date has been slightly over $50 million. This bill converts that after a few years to an entitlement of $256 million, which is an increase of nearly 5 times.

Because of my respect for the people who put this bill together, I would be prepared to support that level if it were an appropriation. In its current form, I am not prepared to support it, because they have converted it into an entitlement.

As most of the Members know, we are converting too many of our authorizations into entitlements. The Committee on Ways and Means has been particularly flagrant in its abuses of what I call the appropriations and budget process.

If you agree to this rule—and I hope you do not—you may have another chance to disagree with the entitlement form in the motion to recommit. But, if the bill passes the way it is, that means the Appropriations Committee will never again have a chance to exercise its judgment over an important area of spending.

The Budget Committee will also not have a chance to look this over. They will simply add it up and say, "We owe whoever are the beneficiaries of this program this much money. That is what the entitlement says they are supposed to get." In my judgment, that is a dreadful way to legislate and a bad mistake.

I am told that nearly three-quarters of our budget is now in entitlements, and that is why the Budget Committee cannot get our budget under control.

If you do not believe that this thing is getting out of hand, you ought to know that this very afternoon the Committee on Ways and Means voted another $200 million welfare entitlement program which we have never had before, and I will bet you a dollar to a doughnut that that comes to the floor under a closed rule, as well.

This is an especially unfair way to legislate. It denies Members of this body a chance to amend and to debate in a constructive manner, and I think it does no credit to us, either as the Committee on Ways and Means or as the representatives of the people.

I would urge that the Members of this House vote down the rule.

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. CORMAN. Mr. Speaker, regarding the $200 million entitlement the gentleman referred to, I would call to his attention that this would replace an entitlement in current law that is open ended. In other words, this is not a new entitlement program.

Mr. FRENZEL. I thank the gentleman for the correction. It is not, I am informed, in addition to entitlement programs, but a substitute. I am grateful that my error has been corrected.

However, the bill before us today which I am discussing is clearly a change from an authorization to an entitlement.

I urge the House to vote down the rule, and if the rule is not defeated, to vote for a motion to recommit. That will change this back to its original form as an authorization rather than creating a new uncontrollable item of expense over which our Appropriations and Budget Committees will no longer be able to exercise supervision.

□ 1420

Mr. BAUMAN. Mr. Speaker, I have no further requests for time.

Mr. PEPPER. Mr. Speaker, I will just say this, if I may: This matter was presented to the Committee on Rules. The bill was presented ably by the distinguished gentleman from the Committee on Ways and Means, the gentleman from California (Mr. CORMAN), and the gentleman from California (Mr. MILLER). The gentleman from Illinois (Mr. MICHEL), asked that his amendment be made in order.

The Committee on Rules considered the request, but thought under the circumstances it was not appropriate for the amendment to be made in order. However, I would like to point out that under the proposed rules, the distinguished gentleman from Illinois (Mr. MICHEL), at the conclusion of the consideration of this bill, when it comes back to the House, can make a motion to recommit with instructions including his amendment, so that his point is adequately preserved under the provisions of the rule.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Illinois.

Mr. MICHEL. I want to thank the gentleman for his observation. I want to say, as I indicated earlier during debate on the rule, that I was under the erroneous impression that we were going to be foreclosed not only from offering the amendment in the Committee of the Whole, but also foreclosed from offering the amendment in instructions accompanying a motion to recommit. After a closing reading of the rule I realized that the minority side retained right to amend in the motion to recommit.

Having that option, then naturally we will exercise that right.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 251, nays 154, not voting 29, as follows:

[Roll No. 432]

YEAS—251

Addabbo	Ford, Tenn.	Murtha
Albosta	Fountain	Myers, Pa.
Alexander	Fowler	Natcher
Ambro	Frost	Neal
Anderson, Calif.	Fuqua	Nedzi
Andrews, N.C.	Garcia	Nelson
Annunzio	Gaydos	Nichols
Anthony	Gephardt	Nowak
Applegate	Gibbons	Oakar
Ashley	Ginn	Oberstar
Aspin	Gonzalez	Obey
Atkinson	Gore	Ottinger
AuCoin	Gradison	Panetta
Bailey	Gray	Patten
Baldus	Guarini	Patterson
Barnard	Gudger	Pease
Barnes	Hall, Ohio	Pepper
Beard, R.I.	Hall, Tex.	Perkins
Bedell	Hamilton	Peyser
Bellenson	Hance	Pickle
Benjamin	Hanley	Preyer
Bennett	Harkin	Price
Biaggi	Harris	Pursell
Bingham	Hawkins	Rahall
Blanchard	Heckler	Rangel
Boggs	Hefner	Ratchford
Boland	Heftel	Reuss
Bonior	Hightower	Richmond
Bonker	Hollenbeck	Rinaldo
Bouquard	Holtzman	Rodino
Bowen	Howard	Roe
Brademas	Huckaby	Rose
Breaux	Hughes	Rostenkowski
Brinkley	Hutto	Roybal
Brodhead	Ireland	Santini
Brooks	Jenkins	Scheuer
Brown, Calif.	Jenrette	Schroeder
Broyhill	Johnson, Calif.	Seiberling
Burlison	Jones, N.C.	Shannon
Burton, John	Jones, Okla.	Shelby
Burton, Phillip	Jones, Tenn.	Simon
Byron	Kastenmeier	Skelton
Carr	Kasen	Slack
Cavanaugh	Kemp	Smith, Iowa
Chisholm	Kildee	Snowe
Clay	Kogovsek	Solarz
Coelho	Kostmayer	Spellman
Collins, Ill.	LaFalce	St Germain
Conable	Leach, La.	Stack
Corman	Lederer	Staggers
Cotter	Lehman	Stark
D'Amours	Leland	Steed
Daniel, Dan	Levitas	Stewart
Danielson	Lloyd	Stokes
Daschle	Long, La.	Stratton
Davis, S.C.	Long, Md.	Studds
de la Garza	Lowry	Swift
Dellums	Luken	Synar
Derrick	Lundine	Thompson
Derwinski	McCloskey	Udall
Dicks	McCormack	Ullman
Dingell	McHugh	Van Deerlin
Dixon	McKay	Vanik
Dodd	Maguire	Vento
Donnelly	Markey	Walgren
Duncan, Oreg.	Mathis	Wampler
Duncan, Tenn.	Matsui	Watkins
Early	Mattox	Waxman
Eckhardt	Mavroules	Weaver
Edgar	Mazzoli	Weiss
Edwards, Calif.	Mica	White
Ertel	Mikulski	Whitley
Evans, Ind.	Mikva	Williams, Mont.
Fary	Mineta	Wilson, Tex.
Fascell	Minish	Wirth
Fazio	Mitchell, Md.	Wolff
Ferraro	Moakley	Wolpe
Fisher	Moffett	Wright
Fithian	Mollohan	Wyatt
Flippo	Montgomery	Yates
Florio	Moorhead, Pa.	Yatron
Foley	Mottl	Young, Mo.
Ford, Mich.	Murphy, Ill.	Zablocki
	Murphy, Pa.	Zeferetti

NAYS—154

Abdnor	Broomfield	Clinger
Andrews, N. Dak.	Brown, Ohio	Coleman
Archer	Buchanan	Collins, Tex.
Ashbrook	Burgener	Conte
Badham	Butler	Corcoran
Bafalis	Campbell	Coughlin
Bauman	Carney	Courter
Beard, Tenn.	Carter	Crane, Daniel
Bereuter	Chappell	Crane, Philip
Bethune	Cheney	Daniel, R. W.
Bevill	Clausen	Dannemeyer
	Cleveland	Davis, Mich.

Deckard	Johnson, Colo.	Rhodes
Devine	Kelly	Roberts
Dickinson	Kindness	Robinson
Dornan	Kramer	Roth
Dougherty	Lagomarsino	Rousselot
Edwards, Ala.	Latta	Royer
Edwards, Okla.	Leach, Iowa	Rudd
Emery	Leath, Tex.	Sebo
English	Lee	Satterfield
Erdahl	Lent	Sawyer
Erlenborn	Lewis	Schulze
Evans, Del.	Livingston	Sebelius
Fenwick	Loeffler	Sensenbrenner
Findley	Lott	Sharp
Fish	Lujan	Shumway
Frenzel	Lungren	Shuster
Gilman	McClory	Smith, Nebr.
Gingrich	McDade	Snyder
Glickman	McDonald	Solomon
Goldwater	McEwen	Spence
Goodling	McKinney	Stangeland
Gramm	Madigan	Stanton
Grassley	Marks	Stenholm
Green	Marriott	Stockman
Grisham	Martin	Stump
Guyer	Michel	Symms
Hagedorn	Miller, Ohio	Tauke
Hansen	Mitchell, N.Y.	Taylor
Harsha	Moore	Thomas
Hillis	Moorhead, Calif.	Trible
Hinson	Myers, Ind.	Vander Jagt
Holt	Pashayan	Volkmer
Hopkins	Paul	Walker
Horton	Petri	Whitehurst
Hubbard	Pritchard	Whittaker
Hyde	Quayle	Whitten
Ichord	Quillen	Wilson, Bob
Jacobs	Railsback	Winn
Jeffords	Regula	Young, Alaska
Jeffries		Young, Fla.

NOT VOTING—29

Akaka	Forsythe	Ritter
Anderson, Ill.	Giaimo	Rosenthal
Bolling	Hammer-schmidt	Runnels
Boner	Holland	Russo
Conyers	Marlenee	Traxler
Diggs	Miller, Calif.	Treen
Downey	Murphy, N.Y.	Williams, Ohio
Drinan	Nolan	Wilson, C. H.
Evans, Ga.	O'Brien	Wydler
Flood		Wylie

□ 1430

The Clerk announced the following pairs:

Mr. Akaka with Mr. Williams of Ohio.
Mr. Drinan with Mr. Anderson of Illinois.
Mr. Murphy of New York with Mr. Hammerschmidt.
Mr. Rosenthal with Mr. O'Brien.
Mr. Russo with Mr. Ritter.
Mr. Charles H. Wilson of California with Mr. Marlenee.
Mr. Giaimo with Mr. Wydler.
Mr. Boner of Tennessee with Mr. Wylie.
Mr. Evans of Georgia with Mr. Runnels.
Mr. Miller of California with Mr. Holland.
Mr. Traxler with Mr. Nolan.
Mr. Downey with Mr. Conyers.
Mr. Flood with Mr. Diggs.

Mr. HINSON and Mrs. FENWICK changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1440

Mr. CORMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes.

The SPEAKER pro tempore (Mr. FARY). The question is on the motion offered by the gentleman from California (Mr. CORMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3434, with Mr. FLIPPO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule the gentleman from California (Mr. CORMAN) will be recognized for 1 hour and the gentleman from California (Mr. ROUSSELOT) will be recognized for 1 hour.

The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3434, the Social Services and Child Welfare Amendments of 1979, would make a number of improvements in the title XX social services and title IV–B child welfare services programs, as well as amending the AFDC foster care program and establishing an adoption assistance program for children with special needs.

The bill would increase, by $200 million, the ceiling on Federal title XX social services matching funds. This increase is necessary to prevent cut backs in social services to children, the elderly and the handicapped, among others. This will increase the ceiling from $2.9 to $3.1 billion. Within the ceiling, the bill would continue to earmark $200 million annually for day care services.

The legislation saves money in two areas—by making permanent the program of grants to hire welfare recipients as day care workers and by limiting the use of title XX funds for the training of social service personnel. In addition, the legislation would improve both the title XX planning process and the availability of services under the program. Further, it would provide for a separate title XX entitlement for the territories.

With respect to child welfare services and foster care, the legislation would increase funds available to States on the condition that they improve their services for abused, neglected, and homeless children.

More specifically, States would be encouraged to redirect their emphasis from long-term foster care, or institutionalization of children, to services aimed at preventing the need for foster care, reuniting families, and finding permanent family situations for homeless children. After lengthy hearings on these issues, we have found that too many children are left in foster homes, at great expense to both the State and Federal governments, without adequate review of their circumstances or sufficient efforts at returning them to their families or placing them in permanent adoptive homes.

Under the legislation, States are encouraged to put into place certain protections, procedures and services for homeless, abused and neglected children. After a State institutes such protections, it becomes eligible for an additional allotment of Federal funds. In order to move our present foster care system toward placing children in permanent homes or reuniting them with their families, the bill encourages States to put in place procedures which will assure that children are placed in the least restrictive setting most approximating a family and in which the child's special needs are best met. In addition, the State is encouraged to place a child "within reasonable proximity to his home, taking into account any special needs of the child."

Some concern has been expressed that homes or institutions which presently care for children would be forced to close because they were not in "reasonable proximity" to the child's home. It is not the intent of this legislation to force the closing of any homes. Rather, it is the intention of the legislation to encourage States to look at each individual child's case and determine what setting will offer him or her the most love and care and which will best approximate a family setting, while taking into account the child's special needs. The bill encourages States to place children within reasonable proximity to their natural homes to maximize the chances that a child can be returned to his home and cared for by his natural family. The State may have to weigh many factors in determining placement, including the availability of facilities, but the best interests of the child should always be the primary consideration.

There are several reasons the committee decided to change the current IV–B program to a limited and conditional entitlement. Before discussing these reasons, two important points should be clearly understood: First, the bill before you would establish a "capped" and not an "open-ended" entitlement. The maximum amount of Federal IV–B funds available in fiscal 1980 would be $141 million: $84 million over the current appropriation. A permanent ceiling of $266 million would become effective beginning with fiscal year 1981. And the second point, as explained earlier, is that these matching funds would be available only to those States that implement and maintain the foster care protections, procedures and services prescribed in the bill.

The first reason for changing the current IV–B program to an entitlement, with carefully specified limitations and conditions, is that States must be as confident of receiving Federal financial support for the services they provide aimed at preventing or eliminating the need for foster care as they are of receiving Federal matching funds for foster care maintenance payments.

Since 1961, States have been entitled to Federal matching funds for foster care maintenance payments made on behalf of AFDC eligible children. These Federal funds are used to provide shelter and other basic needs for homeless children or children who have been removed from their homes because of abuse or neglect. The entitlement nature of this funding is a correct expression of the

Federal Government's responsibility for such children.

The Federal Government should be equally supportive of the efforts by States to prevent unnecessary removal of children from their homes or inappropriate or prolonged placement in foster care. The IV-B child welfare service entitlement program contained in H.R. 3434 demonstrates this support by entitling States to a specified level of matching funds for such services.

Furthermore, making IV-B child welfare services funds an entitlement will move us in the direction of equalizing the financial incentives for States to engage in activities aimed at preventing the need for foster care versus placing children in foster care. Under present law, funding for IV-B services, which are intended to prevent the need for foster care or to reunify children to their home or otherwise provide a permanent home, is severely limited; whereas there is open-ended entitlement for foster care payments for children placed out of their natural home.

The Federal Government should be as supportive of services aimed at preventing the need for foster care as it is of providing necessary shelter for homeless, neglected or abused children. For this reason, the committee recommends that the IV-B child welfare service program be changed to an entitlement, with a permanent ceiling of $266 million.

Another reason for making IV-B an entitlement is that States must be assured a certain amount of Federal funds to assist them in financing the improvements in their foster care programs that H.R. 3434 attempts to achieve.

The primary objective of H.R. 3434 is to encourage States to improve their foster care programs. The committee is very concerned about growing reports of children "getting lost" in State foster care systems.

H.R. 3434 has been carefully structured to provide States with both financial assistance and incentives to make critically needed improvements in their programs; such as—

Increasing the family oriented services that can prevent the need for foster care;

Providing a more thorough and frequent review of each child in foster care, to ascertain if the child is in an appropriate situation and the possibility of returning the child to his family, or finding adoptive parents;

Expanding State efforts at finding suitable adoptive homes in those cases where the child will not be able to return to his or her home; and

Establishing procedures that will better protect the rights of children, biological and foster care parents.

States must be assured of some level of Federal financial support in funding the cost of these critically needed improvements if we realistically expect them to be implemented. Federal matching funds provided on an entitlement basis, and staged in over a 2-year period as provided under H.R. 3434, is the only mechanism available to Congress to provide the assurance of Federal support that is necessary to achieve the foster care reforms envisioned in H.R. 3434.

Finally, the conditional entitlement and two-staged allotment of funds under this bill will provide the most effective means of oversight on the use of Federal IV-B funds. Under the bill, States will be allowed a portion of the new funds so they can finance the foster care protections and services that are so badly needed. In order for a State to continue to receive these and any additional funds, HEW will have to review the State's foster care program and make a determination that it does comply with the conditions established by this bill. In other words, the bill requires the most effective type of oversight, a State-by-State review and determination of how the Federal funds are being used. On the basis of this review, it will be decided whether a State qualifies for the new funds.

The legislation would also extend the present Federal matching program for AFDC foster care to children who are voluntarily placed in foster care as well as those who are placed as a result of a court determination. The requirement of court action can be both detrimental to the child and costly to the State. The bill would simply treat AFDC children voluntarily placed in foster care by their parents, through the execution of a voluntary placement agreement, the same as children placed in foster care by the courts.

The bill establishes an adoption assistance program for AFDC and SSI eligible children who have special needs by virtue of a mental, physical or emotional handicap, age, or membership in a minority or sibling group. This provision is expected to have no cost and may ultimately save money as a result of placing children in permanent homes and relieving the Government of the costs of foster care.

Finally, the bill would make permanent the 75-percent matching rate and current funding ceiling for public assistance programs in the territories.

At this point I would like to provide a more detailed explanation of the provisions of H.R. 3434.

Title I of the bill contains amendments to the title XX social services program.

Section 101 raises the statutory ceiling for title XX funds to $3.1 billion beginning in fiscal year 1980. For fiscal 1979, the ceiling is $2.9 billion, which includes $200 million available for child day care services with no State matching requirement. Under present law the ceiling would drop to $2.5 billion for fiscal 1980 and years thereafter.

Section 102 of the bill provides that $200 million of the funds available under the $3.1 billion statutory ceiling would be available in fiscal 1980 and 1981 for child day care services with no State matching requirement.

Section 103 permits States to use their share of the $200 million available for child care services under this bill for grants to employers who hire welfare recipients as child care workers. Such grants may be used to reimburse up to $5,000 a year of the wages of an eligible welfare recipient—as defined by section 50B(h) of the Internal Revenue Code of 1954—working in a public or nonprofit private facility and up to $4,000 a year of the wages of a welfare recipient employed by a profitmaking facility. The differential takes into account the availability of a tax credit for proprietary facilities. To qualify, the child care facility must be one in which at least 20 percent of the children receiving services at the facility have their care paid for through the State title XX program.

Section 104 would limit, for fiscal year 1980 only, Federal matching funds for training to an amount equal to 3 percent of the State's fiscal 1980 allotment of Federal funds under the title XX statutory ceiling. Where a State received more training funds in fiscal year 1979 than the amount equal to 3 percent of its fiscal 1980 allotment, it would be eligible for an additional amount equal to two-thirds of the amount by which Federal training funds received in fiscal 1979 exceeded 3 percent of its fiscal 1980 allotment. Beginning in fiscal year 1981, and for each year thereafter, a State would be reimbursed only for those training expenditures that have been included in, and approved by HEW as a part of, a State title XX training plan.

Section 105 requires States, prior to publication of their proposed title XX plan, to give public notice of intent to consult with the chief elected officials of the political subdivisions of their State and provide such officials the opportunity to present their views. The principal views of the local officials would have to be included in the proposed title XX plan. This requirement would be effective beginning in fiscal year 1980. For those States that have, at the time of enactment of the bill, published a comprehensive services plan for 1980, the requirement would become effective for the title XX program year beginning in fiscal 1981.

Section 106 would permit States, beginning in fiscal year 1980, to elect to use either a 1, 2 or 3 year title XX program period. The Secretary of HEW would have authority to require a State which adopts a program period of more than 1 year to publish and make information about the plan generally available during the program period.

Section 107 requires each State to include in its title XX plan the criteria which it used in determining the nature and amount of services to be provided in each geographic area within the State.

Section 108 would reinstate and make permanent, effective October 1, 1979, the temporary provisions of law relating to the use of title XX funds for certain services to alcoholics and drug addicts. These temporary provisions expired September 30, 1978.

Section 109 would permit title XX funds to be used, beginning October 1, 1979, for emergency shelter provided as a protective service to an adult in danger of physical or mental injury, neglect, maltreatment, or exploitation. The funds could not be used to shelter any adult individual in excess of 30 days in any 6-month period.

Section 110 adds language stating that it is the purpose of title XX to meet social services needs which are not otherwise being met, in order to make a comprehensive range of social services available under this title, by furnishing services within the State, and especially within the political subdivisions of the State having a special need for those services.

Section 111 establishes a separate title XX entitlement, beginning in fiscal 1980, for offshore areas in the following amounts:

	Millions
Puerto Rico	$15.0
Guam	.5
Virgin Islands	.5
Northern Mariana Islands	.1
For a total of	16.1

Title II contains amendments to the IV-B child welfare services program.

Under the bill, section 201, $266 million per fiscal year would be available to States on an entitlement basis for IV-B child welfare services. This would replace the present IV-B authorization of $266 million for child welfare services which was funded at $56.5 milion in fiscal year 1979. The new funds would be available in two stages—40 percent ($84 million) in the first allotment and 60 percent ($125.5 milion) in the second allotment.

The bill increases Federal funds for child welfare services and AFDC foster care to provide States with additional resources to assist them in implementing comprehensive child welfare services, procedures and safeguards and to provide financial incentives to implement those procedures as quickly as possible.

The initial increase in Federal IV-B funds is intended to enable States to immediately review the status of all children who have been in foster care for over 6 months and to put in place most of the services, protections and procedures described in the bill. When a State has implemented all the services, procedures and protections, except for preplacement preventive services, it may begin receiving Federal matching funds for AFDC-eligible children who, prior to the enactment of the bill, were placed in foster care without a judicial determination. In addition, the State would qualify for its share of the second allocation of the new IV-B child welfare services funds.

In order to continue receiving any of the new IV-B funds, a State would have to implement all the services, protections and procedures within a specified period of time after it received its share of the second allocation of new funds. Once a State had implemented all the required services, protections and procedures, in addition to maintaining eligibility for receipt of the new IV-B funds, it could qualify for Federal matching funds for AFDC-eligible children "voluntarily" placed in foster care at the specific written request of the parents.

The two-stage allotment of new IV-B funds would be allocated in the following manner: Beginning in fiscal year 1980, 40 percent of the new IV-B funds ($84 million) would be available to States to enable them to improve and expand their IV-B services and to complete case reviews on all children in foster care. In order to continue receiving its share of the first allotment beyond fiscal 1981, a State would have to have in place all the foster care safeguards, procedures and services, except the preplacement preventive services required under section 424 of the Social Security Act as revised by this bill.

Beginning in fiscal 1981, a State would be eligible for its share of the remaining 60 percent of the new IV-B funds ($125.5 million) after the State had, first, completed case reviews of all children who have been in foster care for over 6 months and submitted a report to the Secretary of HEW based on this review; second, demonstrated that at least 40 percent of the amount of Federal IV-B funds received in excess of such funds received for fiscal 1979 would be spent for services aimed at keeping children with or returning them to their families; and third, implemented the foster care safeguards, procedures, and services required under section 424.

However, beginning in fiscal 1981, a State could receive its share of the second allotment when it met the first and second conditions listed above and had in place all the safeguards, procedures and services, except the preplacement preventive services, required under section 424. Such a State would have to have implemented the required preplacement preventive services by the end of the fiscal year following the fiscal year in which it began receiving its share of the second allotment in order to continue receiving second allotment funds.

There would be a 25 percent State matching requirement for IV-B funds.

IV-B funds would continue to be allocated according to the formula in present law. Each State would receive a uniform grant of $70,000 a year, plus an additional amount varying directly with the number of children under age 21 and inversely with average per capita income.

The provision in current law allowing reallocation of unsued IV-B funds would be repealed.

If so appropriated, IV-B funds allocated to a State for fiscal 1980 would remain available for use by the State through fiscal 1981.

The bill provides that a State could not receive more Federal title IV-B funds for adoption assistance payments, foster care maintenance payments, and employment-related child day care services than the State's total allotment for title IV-B in the fiscal year 1979. This limitation was adopted by the committee in order to emphasize preventive, restorative, adoptive and other types of child welfare services, and to insure that the additional title IV-B funds are used to expand such services.

A State could not spend less for child welfare services under IV-B and under title XX than the total amount of State expenditures for such services in fiscal year 1979.

In accordance with the two-stage allotment procedure and other conditions summarized above, additional Federal IV-B child welfare services funds would be made available to the States for the purpose of assisting and encouraging them to implement the services, procedures and protections necessary to provide and insure: First, that no child will be placed in foster care, except in emergency situations, either voluntarily or involuntarily, unless services aimed at preventing the need for placement have been provided or refused by the family; second, that no child will be involuntarily removed from his or her home, except on a short-term basis in emergency situations, unless there has been a judicial determination that the child should be removed; third, that no child will be placed in foster care by the voluntary action of his or her parents unless a "voluntary placement agreement" has been signed by parents and agency; fourth, that a child who has been removed from his or her home will be placed in the least restrictive family-like setting in which any special needs may be met, within reasonable proximity to his or her family and with relatives where appropriate; fifth that reunification services are made available to the child and his or her parents after removal from the home; sixth that there will be a written individualized case plan developed for each child placed in foster care, an administrative review of each case plan at least every 6 months, and a dispositional hearing by a court or court-appointed administrative body within 18 months of the child's placement; and seventh, that a fair hearing be provided for any parent, foster parent, guardian or child who believes he or she has been aggrieved by any governmental action taken under this section.

Title III contains AFDC foster care and adoption assistance amendments.

Under section 301, after the Secretary of HEW has determined that a State has in place all the protections, procedures, and services required under section 424, Federal AFDC matching funds would be available for foster care payments for an AFDC-eligible child who has been removed from his or her home pursuant to a voluntary placement agreement.

A child who was removed from his or her home prior to date of enactment of this bill without a judicial determination would become eligible for Federal matching funds for future foster care payments after the State had implemented all the foster care protections, procedures, and services, except for the preplacement preventive services required under section 424, and after a written individualized case plan had been prepared for the child and reviewed in accordance with the new section 408(e)(2) of the Social Security Act added by this bill.

In the case of a voluntary request for foster care placement, judicial determination can be inappropriate and sometimes detrimental. Unnecessary court proceedings place stress on the family and may result in a traumatic experience for the child. However, because at the present time there must be judicial determination in order to qualify the foster child for Federal matching funds under IV-A, there is a strong financial incentive to take all voluntary cases to court for the sole purpose of qualifying for Federal funds. This wastes the time of the court and the caseworker and increases the total cost

of foster care. With the new foster care protections required under section 424 of the Social Security Act, as amended by this bill, it is appropriate to waive the judicial determination requirement in those cases where the AFDC child is removed from his home and placed in foster care voluntarily and at the specific written request of his natural parent or legal guardian.

In addition, under the bill Federal matching funds would be available for foster care provided in publicly operated child care institutions which care for 25 or fewer children.

Section 302 of the bill requires States to include an adoption assistance program as part of their aid to families with dependent children (AFDC) program. The assistance could be provided on behalf of an AFDC foster care-eligible child or an SSI-eligible child who has been determined by the State to have "special needs."

"Special needs" would exist when the State has determined, one, that the child cannot or should not be returned to his own home; two, that there is a specified condition (such as age; physical, mental, emotional, or medical handicap; or membership in a minority or sibling group) because of which it is reasonable to conclude the child cannot be placed without assistance; and three, except where it would be against the best interest of the child, efforts have been made to place the child without providing adoption assistance payments.

The amount of the adoption assistance payments, if any, would be determined by agreement between the adoptive parents and the administering agency, taking into consideration the economic circumstances of the adopting parents and the needs of the child. It would be subject to periodic adjustment upon a change in those circumstances. The amount of the payment could not exceed the amount which would have been paid had the child been in a foster family home in the State. However, it could initially include an amount to cover the nonrecurring expenses associated with the adoption of the child.

Children for whom adoption assistance payments are made would be eligible for medicaid on the same basis as AFDC and AFDC foster care children.

Adoption assistance payments could continue until the child reaches age 18. In the case of a child with a physical or mental handicap, the State could continue assistance until age 21. It would cease before the child reached age 18, or 21, if the State determined that the child was no longer receiving any support from the parents.

Many children who are removed from their homes and placed in foster care are never able to return to their home. If the responsible agencies are working in the best interest of foster care children it is the duty of the agency to provide a permanent home for these children, either through placement in adoptive homes or, when adoption is not feasible, some other permanent family foster care situation. Serious difficulties arise in trying to permanently place children who have special needs. Special needs children include not only handicapped children, but also children who are considered hard to place because of their race, ethnic background, or because they are part of a large sibling group. Attempts to place them in adoptive homes without a subsidy have often failed because many families cannot afford the expense required to adequately meet the special medical or other needs of these children. An adoption assistance program will provide both a permanent home for children currently in foster care and dollar savings to the AFDC foster care program.

Title IV of the bill pertains to Public assistance programs in the territorial jurisdictions.

Section 401 of the bill would make permanent certain temporary changes effective during fiscal 1979. It would make permanent the current 75 percent Federal matching rate for public assistance programs in Puerto Rico, Guam and the Virgin Islands as well as the current $78 million limit on the maximum amount of Federal funding available to these areas: $72 million for Puerto Rico, $2.4 million for the Virgin Islands, and $3.5 million for Guam.

I urge the Members to support this important legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. ROUSSELOT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3434 is a comprehensive measure that would improve the program of grants to States for social services, authorized by title XX of the Social Security Act, and make important changes and improvements in Federal child welfare services and foster care policies. Much of the measure is a blending of 1979 administration recommendations with decisions which the Ways and Means Committee developed, and the House approved, in the 95th Congress H.R. 7200.

This bill will sustain our commitment for social services that are important to the well-being of thousands of lower income individuals and families, and redirects certain Federal social programs so as to more effectively support family ties. I believe that the legislation constitutes improvement over present laws and that although Members may not find every element completely satisfactory, they will decide that it warrants the approval of the House of Representatives.

Let me speak first of the major provisions addressing title XX. Perhaps the most important of these relate to Federal funding. The bill would set a permanent ceiling on Federal grants to States of $3.1 billion in contrast to the existing permanent ceiling of $2.5 billion and temporary additions which, for example, have made a total of $2.9 billion available to States in fiscal 1979. The administration originally recommended that the ceiling be continued at $2.9 billion. Unless Congress acts this year, the ceiling for fiscal 1980 and beyond will drop back to the $2.5 billion level which was put in place almost 9 years ago, in October 1972. However, I do regret the administration did not stay with their original ceiling of $2.9 billion.

The proposed $3.1 billion level would help States to maintain current service commitments in the face of inflated costs. Most States are meeting the matching requirements which enable them to obtain their full Federal allocation and, thus, may receive additional Federal funds only if the ceiling is lifted. The inevitable consequence of congressional unwillingness to take this step would be service cuts which would only exacerbate our Nation's welfare problems.

The bill would place a dollar cap on Federal funding for State training expenditures under title XX for fiscal 1980. Presently, this is an open-ended authority which has experienced substantial growth in recent years. For fiscal 1981 and beyond, the committee bill would mandate that States develop training plans, to be approved by the Secretary, so as to insure that training expenditures serve the needs of persons who are involved daily in the delivery of these vital social services.

In light of Members' often voiced interests, I might also point out that provisions of title I renew, effective October 1, 1979, authority for States to use title XX funds to reimburse employers who hire welfare recipients for child care jobs, as well as authority for States to use such funds for certain services to alcoholics and drug addicts. Each of these programs has proven valuable in individual States and communities, and strong interest has been expressed in their renewal.

Title II of H.R. 3434 deals with the child welfare services program contained in title IV–B of the Social Security Act. The measures would somewhat redefine and redirect this program so as to place greater emphasis upon: First, services which would lessen the need for removing children from their homes; second, services which will encourage the reunion of children with their families; and third, services which would permit the placing of children in suitable adoptive homes, if circumstances render family reunion completely impossible. In keeping with this broadened commitment, Federal funding for title IV–B services would be increased and the program would be restructured as an entitlement to States comparable to title XX. The principal justification for substituting this entitlement for the appropriations procedure is to facilitate State planning and programing for these services. The entitlement procedure will better enable States to anticipate the amount of Federal financial support that they may expect to receive in a particular year.

The increasing title IV–B funding would become available in two stages, the first in fiscal 1980. This initial allotment, consisting of 40 percent of the new funds, would assist States in improving their child welfare programs generally, but, more specifically, would enable them to undertake case reviews of all children in foster care. The second allotment, which would begin in fiscal 1981 and would consist of the remaining 60 percent of the additional funds, would be available to States only after they have: First, completed case reviews on children in foster care for more than 6 months; second, shown that at least 40 percent of the title IV–B funds that they will receive, above fiscal year 1979 levels, would be spent for services which seek to keep children with or returning them to their own families; and third, implemented certain foster care safeguards and services which the legislation mandates.

Summarized, these foster care requirements seek to insure the following:

First. That no child will be placed in foster care, except in emergency situations, either voluntarily or involuntarily, unless services aimed at preventing the need for placement have been provided or refused by the family;

Second. That no child will be involuntarily removed from his or her home, except on a short-term basis in emergency situations, unless there has been a judicial determination that the child should be removed;

Third. That no child will be placed in foster care by the voluntary action of his or her parent unless a "voluntary placement agreement" has been signed by parents and agency;

Fourth. That a child who has been removed from his or her home will be placed in the least restrictive familylike setting in which any special needs may be met, within reasonable proximity to his or her family and with relatives where appropriate;

Fifth. That reunification services are made available to the child and his or her parents after removal from the home;

Sixth. That there will be a written individualized case plan developed for each child placed in foster care, and a system of case review that assures that each child receives a case review at least every 6 months;

Seventh. That there be a dispositional hearing by a court or court appointed administrative body within 18 months of the child's placement; and

Eighth. That a fair hearing be provided for any parent, foster parent, guardian, or child who believes he or she has been aggrieved by any governmental action taken under this section.

Title III makes certain amendments in AFDC foster care relating to voluntary placements in foster care and to foster care in public institutions, and in addition provides for adoption assistance as a part of State AFDC programs.

Under the latter innovation, Federal AFDC matching funds would be available for adoption subsidies, under certain conditions. Assistance could be provided only for an AFDC foster care-eligible or SSI-eligible child whom the State has found to have "special needs," as defined in the bill. The amount of the assistance payments would be determined by agreement between the adoptive parents and the administering agency, but could not exceed the amount which would have been paid had the child been in a foster family home in the State. Children receiving such adoption assistance would be eligible for medicaid. The assistance payments could continue until the child reaches 18 years of age, or to age 21 in the case of a child with a physical or mental handicap.

The final title of this legislation would set permanent terms for public assistance payments to Puerto Rico, Guam, and the Virgin Islands. The $78 million ceiling on Federal funds and the 75 percent matching rate, both of which have been implemented for fiscal 1979 under authority of the Revenue Act of 1978, would hereafter apply to this territorial funding.

□ 1450

I want to compliment my colleague, the gentleman from California (Mr. MILLER) who has consistently pursued the effort to improve the Federal law relating to foster care activities, and I think he is to be complimented along with the gentleman from California (Mr. CORMAN) for making sure that we have taken steps to improve that law. This bill will sustain our commitment for social services that are important to the well-being of thousands of lower income individuals and families, and redirects certain Federal social programs so as to more effectively support family ties.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. BURGENER. I thank my colleague for yielding. I want to commend the gentleman from California in the well and the other gentleman from California (Mr. CORMAN) for producing an excellent piece of legislation, particularly the title IV–B child welfare services portion of the bill. This is a real opportunity to do things for families to keep the family together and to provide children with the kind of protective services that will in the long run, first, save the family and second, save the taxpayers a great deal in the long run. I commend the gentleman and the chairman of the subcommittee for an excellent piece of work.

(Mr. BURGENER asked and was given permission to revise and extend his remarks.)

Mr. ROUSSELOT. I appreciate the comments of my colleague from California on this bill. I do know that as a member of the Committee on Appropriations he not only has taken a substantial interest in this area but also when he was in the state legislature in California he was known as one of our finest authorities in this area of activity. I appreciate his comments. I must tell the Members that most of whatever accolades are to be given for the development of this legislation belong to the gentleman from California (Mr. MILLER), the gentleman from California (Mr. CORMAN) and the gentleman from Michigan (Mr. BRODHEAD) who really have provided most of the leadership.

Mr. BURGENER. If the gentleman will yield, I say, welcome aboard.

Mr. CORMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BRODHEAD).

Mr. BRODHEAD. Mr. Chairman, it is a pleasure to rise in support of this legislation. I want to begin by commending the two gentlemen from California (Mr. CORMAN and Mr. ROUSSELOT). This piece of legislation is, as the gentleman from California (Mr. CORMAN) indicated, substantially identical to a bill which passed this House under suspension of the rules in the last Congress by an overwhelming vote with only a handful of votes against it.

The basic thrust of the legislation is to try to improve social services to children without substantial increased costs to the Federal Government. What we have stated and what studies have amply documented is that the current foster care system, while performing many useful services and working very well for the most part, has resulted in harm to some children. All children from troubled families do not need to be in foster care. What this bill attempts to do is to provide mechanisms by which we can move children out of foster care and back with their original families, or into adoptive homes. When this is done, children are provided with a better environment, in the first place, and, in the second place, there are very substantial savings to the Federal Government and to the State governments. It is substantially cheaper to provide necessary services to children in their own homes or adoptive homes than to provide the full cost of support of those children in foster homes. So I think this is a very comprehensive, and worthwhile piece of legislation.

I just want to address myself briefly to the one issue in the legislation that has generated a bit of controversy, and that is the question of the IV–B program. The gentleman from California (Mr. BURGENER) addressed himself to it a moment ago. This protective services money, the IV–B money, is for the purpose of trying to keep families together. That is, if a family is troubled because of unemployment, because of alcoholism or because of an illness in the family, the State authorities are presented with a difficult situation. Do they take those children out of that family and put them in a foster-care home, or do they attempt to try to use psychological services, marriage counseling services, and other kinds of services, to try to keep that family together? As I have said, we know when that family is kept together, it is a better environment for the children, and it is, of course, cheaper for the State and for the Federal Government. So the IV–B money is for the purpose of trying to keep families together.

What the bill attempts to do is to get the States to enact a series of reforms of their foster care laws, because in the past there has been too much of a tendency to use the foster care program. The reason there has been that tendency is because foster care is an open-ended entitlement, and it becomes a little more expensive for the State to use the protective services than foster care. Through this bill, we want to free up a little bit of money in the IV–B area so you will have an incentive to keep a family together. I would emphasize that this entitlement is capped at $266 million in the first place, and, in the second place, our budget this year places a further limit, a lower limit on it of $141 million. So we are talking about relatively limited amounts of money both in this area and in the bill generally.

To summarize, it is a very worthwhile, a very noncontroversial, a very bipartisan piece of legislation, and one on which we have all worked very, very hard. I am proud to be associated with it, and I urge adoption of the bill.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from the Virgin Islands (Mr. EVANS).

Mr. EVANS of the Virgin Islands. Mr. Chairman, I rise today in support of H.R. 3434, the Social Services and Child Welfare Amendments of 1979, a bill which I previously cosponsored.

□ 1500

Mr. Chairman, I would like to commend the members of the Committee on Ways and Means who have seen fit to report out this very excellent piece of legislation, and to the gentleman from California (Mr. CORMAN) and the gentleman from California (Mr. ROUSSELOT) for their work in guiding this legislation through.

There are two major provisions in this bill which affect very, very definitely the people of my district. I would like to refer to them now.

From 1950, the Virgin Islands has had an arbitrary limit placed on it as far as the percentage of welfare contributions by the Federal Government are concerned. These have worked a tremendous hardship. In the first place, the total amount which could be given was limited to $800,000 per year and the percentage of the Federal contribution was limited to 50 percent. As time passed, this limit of $800,000 made the limit of 50 percent purely academic and within recent years the Virgin Islands have contributed through funds up to 70 percent of the welfare funds versus as much as 60 or 70 percent which the Federal Government contributes to many other States.

We have been forced in some cases to give as low as $50 per month and for a family of 4, $166 per month.

I am very happy to say that a continuing effort has been made by the committee to do something about this.

The second provision which has been very, very bad has been the section 10 entitlement, which means that a sum of $500,000, not to exceed $500,000, was set aside for the Virgin Islands but only on condition that that was left over from the 50 States and the District of Columbia.

Now, my colleagues, I cannot resist the analogy but to say this is very much like a hungry person being asked to wait until all others have been fed and then if anything is left over we may have it. I am pleased to say this bill corrects that inequity.

At the present time the limit has been raised to 75 percent. That is, the limit of participation has been raised to 75 percent and the total amount has been raised to $2.4 million.

I would hope the day is not too far distant when citizens of the United States who are poor would not have the amount determined because of the fact they happen to live in territories.

Mr. Chairman, I am strongly in favor of this bill, I recommend it highly for your support.

Mr. CORMAN. Mr. Chairman, I yield 5 minutes to the Gentleman from California (Mr. STARK).

Mr. STARK. Mr. Chairman, I rise in support of H.R. 3434, the Social Services and Child Welfare Amendments of 1979.

Title XX of the Social Security Act was enacted in 1972 to provide Federal assistance to States to encourage them to help people attain and maintain economic independence, to prevent the neglect and exploitation of those unable to protect their own interests, and to preserve families. The funds are available on a matching basis with a statutory ceiling on Federal expenditures. In 1975 the ceiling was set at $2.5 billion. In fiscal 1979 $2.9 billion was available to the States. This bill would raise the ceiling to $3.1 billion. This is a very modest increase. Since 1975 inflation has significantly reduced the purchasing power of the title XX program. As a result States have had to cut back on essential services to the aged, the handicapped, and children among others. The additional funds in this bill provide only a portion of the amount lost to inflation.

Mr. Chairman, I would like to urge the adoption of H.R. 3434 and speak for a minute to the only difference that any of us may have. I address this mostly to the interested Members here on the floor and those of you in television land who are listening to this debate while you are busy preparing to go home and work in your district.

If the Members have any criticism in their districts about this bill and about making it an entitlement, let me suggest that we authorized starting in 1973 $196 million for services to needy and dependent children and there was appropriated $56 million. We authorized in fiscal year 1974 $226 million. There was appropriated $56 million. We authorized $246 million in 1975 and there was appropriated $56 million.

This may sound like a good way to save money but I would like all of you to think of your districts and what is happening to these children who are not receiving the funds which would enable them to stay in the care of a family and in the supportive custody of a family atmosphere. They are young, they are healthy, they are aggressive in spite of their junk foods. They watch the violence on television and those children, my colleagues, will not go away. They are tough, they are able to mug, they are able to rob, they are able to steal. That is what happens to many of them.

Mr. Chairman, if we put these children in institutions, the literally millions of these children across this country, there are not many States, there are not many of those watching us or who are within the sound of my voice who can institutionalize a child for less than $20,000 a year. Add it up. Take an 18-year-old child and figure he is going to spend 30 of his next 60 years at $20,000 a year. Perhaps it is worth a little extra money to keep that child from dropping through the cracks in our society and keep that child on track to learn and to become a responsible citizen in this country who will obey the laws, pay taxes and help us, not cost us.

If we cannot think about it just on the basis of what is humane and what is right, then we should add it up in terms of our own pocketbook and our own community and I am sure you will support the thought this bill should be an entitlement and we should all support the bill.

I urge the adoption.

I thank the chairman and ranking minority member of the committee for their dedicated, tireless efforts to put this bill through in spite of their crowded schedule.

Mr. Chairman, when the Social Security Act was passed in 1935, it provided Federal funding for child welfare services "for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent." In recent years it has become clear that changes in the welfare system are needed if children and families are to be protected against the unwarranted removal of children from their homes, and against inappropriate and unnecessarily prolonged foster care.

Children are "getting lost" in the welfare system. H.R. 3434 takes a giant step forward towards eliminating these problems.

First, the bill requires that, except in an emergency, the child and his family must be offered help before the child is placed in a foster home. Help could include day care, emergency counseling, or homemaker services. It provides that no child can be removed from his or her home against the wishes of the parents unless a judge has found it necessary. Moreover, when the parents do agree to foster care, the parents and the social services agency which places the child, must execute a binding written agreement defining the rights and obligations of the parents, the agency, and the child. When a child is placed in foster care, the bill requires that placement be in the least restrictive setting—with relatives if possible, and near the natural parents. Studies have shown that the closer a child is to his parents the greater the chance that he will be returned home. Indeed, the bill provides that a whole range of family reunification services be made available to the child and the family in order to bring the child home as quickly as possible.

In order to prevent a child from becoming lost in the welfare system, H.R. 3434 also requires that there be an individualized case plan for each child, and that there be either an administrative or court review of each case every six months. If a parent, a foster parent, or a child, believes that he or she has not been accorded the kind of protection to which he or she is entitled that individual will receive a fair hearing. Each person involved will get a notice of the hearing and the chance to participate.

In some cases, for whatever reason, a child cannot be returned to his natural parents. In such cases adoption is obviously a far better alternative than foster care. Under current law AFDC assistance is not available for adoption assistance. It is often difficult to place children for adoption. It is particularly difficult where the child is handicapped.

Others are difficult to place because of their race, ethnic background, or because they are part of a large sibling group. Such children have special needs. As a practical matter Federal assistance is going to be necessary if the child is to find a permanent home. H.R. 3434 provides an adoption subsidy for these children with special needs. The amount of the subsidy is determined by agreement between the adoptive parents and the agency placing the child. Both the economic circumstances of the adoptive parents and the needs of the child will be considered.

The Ways and Means Committee in the report on H.R. 3434 states that the committee believes that the establishment of the adoption assistance program will actually result in cost savings.

Mr. Chairman,I believe that this entire bill will return far more than it costs. H.R. 3434 protects the welfare system from itself.

Mr. Chairman, I would like to commend the illustrious chairman of the Subcommittee on Public Assistance on which I have the honor to serve. He has worked unstintingly for a constituency without a PAC dollar to its name—the poor, the handicapped, the disadvantaged.

I urge the support of the bill.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I, too, rise in support of this bill.

Mr. Chairman, I have a number of comments. I worked hard on this kind of legislation in my home State when I was in the legislature there. I think this subsidized adoption is one of the best ideas we could possibly have.

I remember talking to the head of our pediatric association in New Jersey. He told us then that a child can put up with almost anything as long as he knows where he belongs.

He said he had seen homes you would never think proper for a child and the child flourishes there because he knows that is where he belongs. He has a sense of security. If he is also loved, little more is needed.

Mr. Chairman, I think the whole thrust of this bill is so sound and so good in this direction. The effort to keep the child at home under title II, as I understand it, is excellent. Subsidized adoption was adopted in New Jersey. It was my bill and it was the first time we were able to do this. Those who had foster children in their homes, and wished to adopt them, could do so and that child was then settled and sure about where he would be for life.

The place where I depart, perhaps, from the philosophy of this House and from much of the accepted wisdom is in this matter of the day-care centers. When I left the New Jersey Legislature in 1972 we were paying $4,000 per year per child for every child in one of the State-funded, tax-funded day-care centers. I new understand it has risen considerably beyond that.

Mr. Chairman, I have read in Newsweek magazine that there are four men from Atlanta, Ga., who have established a business called Kinder-Care, who have made millions and have day-care centers staffed by certified teachers and are charging $24 to $42 a week, the highest cost being in Ohio.

Mr. Chairman, something is wrong. We cannot have day-care centers if every one of them is going to cost what these tax-funded day-care centers cost. There are all sorts of ways of organizing them apart from the standards that are usually imposed.

Are these official centers always satisfactory to the mothers of the children? No, they are not.

Mr. Chairman, in New Jersey we had two good day-care centers which were nearly closed down because they did not meet the standards.

I was telephoned by a woman on the board who appealed to me to stop the closure. I went to the mothers of those children and asked, "How does this strike you? Is this a good baby day-care center?"

The answer was, "It is the only kind I want. I do not want my baby brought up by starched whites."

Are we as interested as we should be in the feelings of the mother who has to work, who wants her baby brought up in the kind of day-care center that is familiar and happy for her and her child? Are we right in insisting on these extraordinary standards that drive the price up beyond anything that is necessary? I do not think we are. There are dozens of ways of meeting the need. I can tell you some of them.

One company I know of employs mostly women. It asks the employees, "Have you a neighbor with whom you would like to leave your child?"

The company has a trained social worker who goes out and talks to the woman they have chosen. There is no question of pickup and delivery of the child, which is one of the most expensive parts of some day care.

□ 1510

The foster mother for the day-care center is trained by that social worker. What should she give them to eat? What kind of symptoms should she look for? Whom does she telephone if something goes wrong? There cannot be more than four or five children in each group. The working mothers each pay a small amount and that is all that is needed. Very often the foster mother is bound at home with her own baby and does not want to leave. She may have no skills that she wants to sell, other than being a good mother. And her neighbors know her.

Now, Mr. Chairman, in my district, a day-care center such as this, with four children, was nearly closed down because it was not supposed to qualify to be fully licensed.

The mothers told me, "This is our neighbor. We want our children there where we can drop them and pick them up."

Well, we did not have to have it closed down because it was called babysitting; but these are the dodges that should not be necessary. We ought to provide more flexibility in the law.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. FENWICK) has expired.

Mr. ROUSSELOT. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I think we ought to consider how we can develop the safeguards that children must have without these crucifying expenses every time we want to put a child in a day-care center. We are never going to get enough day-care centers, if the cost continues to escalate as it has. It is ridiculous and we all know it.

We must do something, because the need is there. If we do not do something sensible at the tax-funded level, we are going to do something not sensible in these private arrangements.

We must work on this approach to the whole question of day care. It is a pressing need.

Mr. CORMAN. Mr. Chairman, I yield 4 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Chairman, I rise in support of H.R. 3434, legislation which would add nearly $1 billion a year to Federal social services and child welfare expenditures by 1984. This bill would raise the current ceiling on funds for State social service programs under title XX of the Social Security Act to $3.1 billion. The bill would also make available to States on an entitlement basis. Child welfare services, including expanded foster care and adoption services.

Agencies have been simultaneously plagued with rising costs and the need for more specialized services. The provision to raise the title XX ceiling to $3.1 billion would alleviate some of the negative affects of inflation. This legislation contains responsible and cost-effective programs which are urgently needed to protect the health and welfare of millions of children throughout the country.

I want to talk briefly about the ills of foster care and the absolute need for this reform legislation.

A considerable amount of controversy and criticism has centered around the foster care system in this country in recent years and its relationship to the family unit. Almost half a million children are presently living outside of their homes in facilities ranging from individual foster families, group homes, and large institutions. Foster care was set up to provide emergency shelter for children whose parents cannot—or will not—care for them. While the original purpose of foster care was to provide a temporary haven, this approach to child placement has mushroomed to a permanent residence for many of our youths.

Once in foster care, a child has only two options—to be reunited with his or her natural family or to be made eligible for adoption. The decision to remove a child from his or her home whether by voluntary or involuntary means, cannot be undertaken lightly. No matter how unfortunate the family situation may have been, it must be kept in mind that the child has established some roots. The family unit still has meaning to a child.

Despite efforts to keep members of a family together, there are, however, situations where it is desirable to place the child in a foster home or institution.

Several studies have estimated that two-thirds of all children in foster care are inappropriately placed. The cost of inappropriate placement in New York City alone has been estimated at over one-quarter of a billion dollars.

One of the principal components of this legislation will provide preventive services to families that otherwise might relinquish their children to the foster care system. The reform of foster care is long overdue. H.R. 3434 would deal with these problems by providing additional services and safeguards so that no children are unnecessarily kept in foster care, and by encouraging the permanent adoption of children for whom family reunification is impossible.

There has also been much controversy over whether these programs should be dealt with as an entitlement versus an appropriations measure. I believe that only an entitlement program, where funding will be guaranteed will permit the planning and development of effective preventive services.

If you are truly committeed to delivering quality services to children by eliminating the current crisis in foster care systems, and keeping the family unit intact, then we have to begin by demonstrating our commitment by taking positive action in support of this legislation.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan (Mr. PURSELL).

Mr. PURSELL. Mr. Chairman, I would first like to compliment the committee, the gentleman from California (Mr. CORMAN) and others who spent a great deal of time developing this legislation and the members of our subcommitee.

I am in basic agreement with the intent and the goal of this legislation.

As a former State legislator, who remains in touch with State officials, I find some concern from them with regard to the possible problem in section 105 that deals with the role of local, county, and municipal officials.

In effect, the committee wishes the Federal Government to develop a direction of placing this responsibility back in the home communities through deinstitutionalization of child welfare, through various programs, such as title X. Detoxification and drug abuse programs are also being placed back in the community for participation by local leaders.

The "general welfare program" has been pointed the other way. Historically, we have taken the responsibility away from local officials because social pressure has been applied to local officials nevertheless they have said to people like myself who have been former county commissioners, "Give it to the county." So the plan moves and the programs flow down to the county and then the county says, "We can't handle it. Let us abdicate our responsibility to the State."

Thus the State becomes inherently more responsible for the program and, ultimately, the latest vogue, in the last few years is to give the total social service responsibility to the Federal Government.

That is surely the wrong way to proceed, because individuals who need care, whether it be a client, a patient or a young child in neglect, the real need is to have what we used to call—having some familiarity with institutional mental health programs since I have worked in as a counselor—the real need of individual children is tender, loving care, TLC. That only happens with the individual in the neighborhood, the priest, the chaplain, the counselor, somebody in the church, somebody in the community that cares about that particular family. It cannot be done in Washington, and it cannot be done at the State level.

Frankly, the thrust of this legislation is turning that around, and saying, "Let us involve the community more so in developing those local programs."

□ 1520

State officials do indicate that the communication problem of working with thousands of officials is going to put an enormous burden on that particular aspect of the bill. I do not know how the Senate is going to treat this legislation, but perhaps there is a way to work out a mechanism to simplify the paperwork which they criticize severely at the State level. However, I am hopeful that the intent and the thrust of the bill will remain so as to allow local officials to say, "We care about these social programs like we care about building a fire station or a highway."

The mayors continue to come here and ask for revenue sharing to build programs, but sometimes they turn their backs on the social problems of their communities.

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I yield to my colleague, the gentleman from Michigan.

Mr. BRODHEAD. Mr. Chairman, I understand the concern the gentleman from Michigan (Mr. SAWYER) has expressed. I share that concern.

The bill attempts to provide a mechanism by which there would be some consultation, and I think the gentleman correctly points out that if the implementation of this section of the bill is not done with some care and if the regulations are not drafted with some care, it could prove to be burdensome.

I would hope that the gentleman and I could work together and oversee these regulations when they come out, and try to have them written in such a way that there is a genuine intent to solicit the opinions of local officials and in such a way that it is not unduly burdensome or expensive to the program.

Mr. PURSELL. Mr. Chairman, I would hope that we could do that.

I again reiterate my support for the bill. Frankly, as a member of the Committee on Appropriations, I am concerned about the entitlement program and abrogating the rights of the appropriation process. That is a personal jurisdictional concern that I have as a member of our Committee on Appropriations and a member of the Subcommittee on Labor-Health, Education, and Welfare. But as a former legislator and a member of the State appropriation process, I believe that when we start an entitlement program, regardless of the beauty and the merit of the program, we might as well abolish the appropriation process at some step. There will be further discussion of that at a later time.

Mr. Chairman, I congratulate the committee on an excellent bill, and I yield back the balance of my time.

Mr. CORMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. YOUNG).

Mr. YOUNG of Missouri. Mr. Chairman, I would like to take this opportunity to commend the committee for its fine work on title II, concerning child welfare services. I feel the committee has shown sensitivity to the plight of homeless neglected, and troubled children.

I support the committee's emphasis on maintaining a troubled child's family life when possible or, second best, placing the child in a family-like situation. I am also pleased that the committee recognizes that, in some situations, special children need specific care and treatment.

The committee report says:

> The Committee recognizes that, in order to appropriately meet the needs of children, different types of foster care placements must be established which provide a range of services designed to meet the needs of children in care. A continuum of placements ranging from least restrictive would include at a minmum the following: foster family homes; group homes and community residences; residential treatment centers and child care institutions.

Mr. Chairman, I am asking for the committee's assurance that outstanding treatment centers, such as Boys Town of Missouri, will not be neglected in the interpretation of the new provisions, as long as such facilities meet the law's requirements. As you know, centers such as Boys Town effectively help children with emotional problems, social maladjustments, or academic handicaps. Such centers cater to children with very special needs and are not, by definition, homes for troubled children, but rather clinics for treatment.

I place in the RECORD an article from the St. Louis Globe Democrat on the excellent program offered at Boys Town of Missouri.

BOYS TOWN: A "CLINIC" IN THE COUNTRY

ST. JAMES, MO.—For a town on the edge of the Ozarks, St. James spreads out across some pretty flat country. South and east of town, though, the hills begin to roll, turning the blacktop roads into rollercoasters.

Boys Town of Missouri takes up 206 acres' worth of those hills. On the grounds are a large school building, seven over-sized cottages, three homes for live-in staff members and several other buildings, including the native-stone lodge that used to be Boys Town's main residence and today houses its commissary.

The lodge, once a vacation hideaway for an earlier owner of the property, overlooks a small valley, now partly taken up with sports fields. The whole thing has the look of a somewhat old-fashioned yet comfortable Ozark resort.

It seems like just the spot for coaxing wayward youngsters back into step with society. Lots of good country air and three square meals a day. A nice homey atmosphere. What more does a boy need?

Quite a lot more, it turns out. In 1949, when the first 12 youngsters arrived at the newly created Boys Town, that may have been enough. But times have changed.

"The type of child they got in those days was different," explained Dick Dunn, who has been Boys Town's resident director since 1970. "The kids usually weren't in any serious trouble. Today, we'd probably call them 'predelinquent.' Most kids like that now are handled by juvenile resources in their own communities. They don't come here."

The kids that Boys Town gets today aren't necessarily in any serious trouble either, if by "trouble" you mean problems with the law. But they do have troubles—"emotional problems, social maladjustments, academic handicaps," sums up Dunn.

Boys Town's staff now includes 10 social workers, all of them therapists. There are 12 teachers in the Boys Town school, all with training in special education. When you add house parents, kitchen workers, etc., the staff numbers 70. With 116 boys in residence (including six who live in foster homes), that's a staff-to-resident ratio of roughly 1-to-1¾.

"Our primary role isn't to keep youngsters for any period of time," Dunn said. "This isn't home for them; it's a clinical experience. Our role is short-term treatment, not necessarily to resolve everything, but to get things going.

"And I want to stress that they don't really have to like the experience here to get something out of it."

The words sound hard-boiled, but not when you hear them from Dunn. He gives the impression of being a low-key, understanding man, matter of fact in approach but compassionate in action. If Boys Town's chief role, as he sees it, isn't to provide a substitute home, he and his staff do try to make things as home-like as possible.

At the 1½-year-old Boys Town Center, which occupies the old Railroad Hotel in St. James, 10 boys live through the week with house parents. Most go to school in town; most go to their own homes on weekends. "It's about as normal an experience as kids can have in this situation," said Dunn.

Back on the main campus, the new Neill Cottage, which was built last year, houses 10 other boys, youngsters whose problems are a lot more serious. They spend almost all their time in the cottage or nearby. They eat there, have their own schoolroom there. There are group therapy sessions three times a week. There are five staff members to work with 10 boys.

In between the relaxed atmosphere of the Center and the structured life of Neill Cottage, there are apparently as many niches at Boys Town as there are boys. "The degree of freedom depends on the youngster," Dunn said. "We work with kids where they are."

For all of them, though, a principal concern is to keep up contact with their own homes. "One of the most important things with our kids . . . with any kids, with you and me . . . is their roots, the family ties," said Dunn. "We try to keep the kids in touch, to get them home as often as we can, as much as they can tolerate. It's imperative to help kids maintain contact with their parents along healthy, productive lines. It's a crucial part of treatment."

The youngest resident of Boys Town is 9 ("going on 14," Dunn said). The oldest is 17. The median age is a bit less than 14, and that's the age group for which the program is intended. The kids come from throughout Missouri, but about half are from St. Louis.

There are a few that are there voluntarily, generally for help with learning disabilities, but most had to come, sent by the state's Division of Family Services or a juvenile court. "There's a smattering from the deep ghetto and a smattering from the affluent," Dunn said, "but most are middle class, whatever that term means nowdays."

The average stay is 18 months.

For many of the youngsters at Boys Town, problems began in school, or at least surfaced there, Dunn said. They couldn't cope with classwork or caused disturbances or just didn't show up.

For instance, a boy might miss out on learning to read for some reason or the other, so he continues to get further and further behind in all his schoolwork. Then he either withdraws completely, skipping school whenever he can, or becomes totally obnoxious in class, in an effort to cover up his learning disability.

"It's common for kids to have a poor self-image of themselves," Dunn said, "and then they set out to prove that the image is true. If they don't think they can do well in school, they make sure that they don't. Kids don't play hooky because they're mean. They do it because they're embarrassed.

"That's a great oversimplification, of course," he added quickly. "I don't want to imply that this is all there is to it, or that it's true in every case, but it gives you an idea of the kinds of problems that these kids have."

Some may have perceptual difficulties—an unrecognized hearing ailment, say—that are behind their other problems. Others may have behavioral disorders. Boys Town tries to get at both the problems and their source.

"We want the kids to learn *how* to learn, how to get along with the people around them," Dunn said, "so they can get back to their own homes as soon as possible."

Over the years, Boys Town has taken several surveys of boys who have come and gone, checking to see whether they stayed out of trouble. The surveys generally indicated a success rate of 80 to 86 percent, Dunn said. A survey of 560 former residents is in progress, and it looks like it will indicate about 80 percent success, he said.

"These are difficult things to judge," he continued. "We'd like to say that we have 90 percent success, but when you start with kids who have had all kinds of problems, it's tough to do.

"There's no way you can do a complete overhaul of a kid. Ninety-nine percent of our kids are not voluntary participants, but sometimes things have to be done for a youngster. As I said, kids don't have to like a program to get something out of it."—JIM CREIGHTON.

● Mr. ROSTENKOWSKI. Mr. Chairman, during 1979, the International Year of the Child, much has been said and will continue to be said about the needs of today's children. It is appropriate that during this time the House has the opportunity to consider H.R. 3434. This legislation provides alternatives to our present inadequate foster care system. H.R. 3434 would institute preventive service programs, accountability, and due process procedures for States, as well as payment of subsidies to adoptive parents of eligible children.

I was surprised to learn that in my own city of Chicago there are presently over 7,000 children who are in some form of foster care. These children, like hundreds of thousands nationwide, are caught up in the all too familiar maze of foster care. They can be likened to criminals who face a long sentence, but unlike criminals, they have done nothing wrong—their greatest crime is being abused or neglected by their parents. They enter foster care for a "temporary" period which in most cases lasts a good portion of their childhood. During these years a child can be placed in as many as five foster homes or institutions, frequently because of insufficient support payments to the foster family. The present foster care system encourages this type of lifestyle.

In a majority of the cases, there are little or no attempts to reunite the child with the natural family. Also, payments cannot be made either to relatives who wish to care for the child or to foster families who wish to adopt a child already living with them, but who cannot afford to lose the foster care allowance. On the other hand, because of the heavy workload of the caseworkers, many children are placed in homes that do not provide proper care or a proper environment for the child. The enactment of this legislation would require a written case plan on each child, which will have a description of the home or institution in which the child is to be placed, including a discussion of the appropriateness of the placement. A review of this case plan will occur every 6 months with a dispositional hearing no later than 18 months after placement. Therefore, with the passage of H.R. 3434, instead of being faced with a rootless insecurity, these children can now be assured a more stable and more permanent family setting.

This legislation has been endorsed by numerous organizations and has received broad bipartisan support in the House. I urge its early passage by both the House and Senate. Mr. Speaker, these neglected children have waited long enough.●

Mr. RICHMOND. Mr. Chairman, as the Representative from a district which contains many of our neediest citizens, I wish to state my strong support for H.R. 3434, the social services and child welfare amendments. The bill increases the statutory ceiling on title XX social services funds to $3.1 billion in fiscal year 1980. The current ceiling is $2.9 and will drop to $2.5 billion on October 1, 1979, if this bill is not passed by Congress. The $2.5 billion cap was the original ceiling placed on title XX funding 5 years ago. Title XX has allowed the States and local districts to provide both mandated and purchased services from local social services agencies to the poor as determined by the needs of each geographic district.

As the need for services by eligible clients has increased and the social services delivery system has become more visible, title XX funding has remained the same or only slightly increased in the past 2 years.

The competition for title XX funds for many needed services has forced ugly trade offs between eliminating services and lowering income eligibility criteria for clients to remain within the allotments provided to States under the congressionally mandated cap. It appears to me to be incongruous for this body to on one hand mandate certain services, like protective services to children, and want other services provided by title XX to individuals and families in need of assistance, such as homemakers for elderly and disabled, and not authorize sufficient funds to fulfill our mandate.

In my district providers of services for the elderly have ingeniously tried to

multifund the congregate meal programs to provide a greater number of meals for elderly by pooling the limited title XX social services funds as well as title VII and III aging funds. The use of title VII funds enabled the meal sites to also receive the cash value of commodity food and provide even more congregate meals to meet the ever-rising number of seniors who participate for the additional meal and the opportunity to be with friends. Because title XX money was also in the congregate meal program, the USDA has challenged the continued donation of the value of commodity foods. A negative ruling by the USDA will cost New York $2.2 million or the equivalent of 22,690 meals which could no longer be available to our seniors.

This is just one example of the predicament and sometimes jeopardy we place on social agencies when there is a geninue need for services and adequate funds are not provided.

I urge that the $3.1 billion authorization for fiscal year 1980 be approved by this House and that in succeeding years it will consider appropriate increases in authorizations. Such authorizations will maintain the services in our districts that we as Members of Congress mandate and that our constituents through the democratic process of planning and participation identify for title XX support.

● Mr. LUKEN. Mr. Chairman, I wish to draw your attention to a provision of H.R. 3434 which changes the regulations governing the distribution of title XX funds within the State. Section 2004, part D, will insure the equitable distribution of services among the geographic areas within each State by requiring State plans for the distribution of title XX funds to include "Criteria used to determine the nature and amount of such services for each geographic area."

I am extremely pleased that the committee saw fit to include this provision which is the language of a bill which I introduced during the 95th Congress. This language will correct an enormous disparity that currently exists in my State of Ohio, and which could potentially develop elsewhere. My district, which includes the western half of the city of Cincinnati and of Hamilton County, receives less than half the amount of title XX funds that is granted to the other major Ohio cities of Columbus and Cleveland, even though the proportionate number of poor people in the three metropolitan areas is about the same. For example, Franklin County's title XX distribution is 63 percent larger per capita than Hamilton County's. The Ohio Department of Public Welfare has approved $9.2 million for "purchase of services" in Franklin County as compared to $6.3 million for Hamilton County. Total allocations under title XX to Franklin County in fiscal year 1980 are $23,567,926. Total allocations under title XX to Hamilton County in fiscal year 1980 are only $14,968,519. These figures demonstrate why this Congress has to pass legislation which will help insure that this type of inequitable distribution within States is prevented.

The effects of the inequities in the distribution of title XX funds will be drastic. Volumtary services such as the Salvation Army, senior services, cancer family care, the Cincinnati Speech and Hearing Center, and the visiting nurses program are just a few of the programs that will have their budgets greatly cut. I bring this to the attention of my colleagues as an example of what is happening around this country because of the unfair geographical distribution of title XX funds.

I urge you to support this legislation which is a milestone in the reform of the title XX program.●

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 3434. Its provisions, particularly the foster care and adoption assistance, are long overdue. I am very pleased that the bill provides for the retention on a permanent basis of the $72 million in AFDC payments to Puerto Rico which was authorized for fiscal year 1979 under the Revenue Act of 1978, and for a set-aside of $15 million under title XX.

Mr Chairman, for years, we the people of Puerto Rico have been struggling to pull up from the poverty circle. We have made great strides through our own efforts to improve our economic and social conditions.

In combination, severe poverty and high unemployment have generated extensive public assistance needs in Puerto Rico. While our needs are big and resources limited, we have not been fortunate in receiving appropriate treatment under various sections of the Social Security Act. Puerto Rico is excluded from participating in title XVI (SSI). We are also excluded from the Prouty program. The limits placed on Puerto Rico severely restrict benefits to those who because of their condition, be it age or physical impairment, are least able to help themselves.

Mr. Chairman, these ceilings and restrictions have created serious inequities in the benefits received by the U.S. citizens residing in Puerto Rico and other offshore territories.

For example, although per capita income in Puerto Rico is less than 40 percent of the U.S. level and 60 percent of all families have incomes below the Federal poverty level, only about 13 percent of the population receives cash assistance due to funding limitations.

Due to funding limitations, Puerto Rico pays 40 percent of its AFDC need standard or about $14 per month. The Federal share of the AFDC grant is disproportionately low $4.73 versus a U.S. average of $39 and the higher matching rates have been a burden to Puerto Rico given our limited fiscal capacity.

Except for fiscal year 1979, these ceilings have remained static since 1972, and if we take into consideration the high rate of inflation, we find that the real value of Federal payments have been reduced to less than 60 percent of the 1972 level.

If the bill is passed, we estimate that monthly payments per recipients would be increased to an average of $30 per month—still a very low sum if we consider the fact that cost of living in Puerto Rico is about 12 percent higher than in Washington, D.C., and if we further consider that these public assistance payments are not supplemented by the SSI, which, unfortunately, Congress has not yet extended to Puerto Rico. I urge you to maintain AFDC payments for fiscal year 1980 at the level authorized by Congress for fiscal year 1979, and urge my colleagues to vote for this bill.●

Mr. EVANS of the Virgin Islands. Mr. Chairman, today I rise in support of passage of H.R. 3434. The Social Services and Child Welfare Amendments of 1979, a bill which I have previously cosponsored.

I would also like to offer my commendations to the members of the Ways and Means Committee who have seen fit to report out this excellent piece of legislation.

There are two major provisions in this bill which are of particular interest to the people of my home district, the U.S. Virgin Islands, and I wish to refer to these provisions briefly.

Mr. Chairman, since 1968, the public assistance program in the U.S. Virgin Islands has qualified for a 50-percent Federal matching rate, with an annual limit on Federal funds of $800,000. For fiscal year 1979 only, this Federal matching rate was increased to 75 percent, with the dollar limit increased to $2.4 million, pursuant to Public Law 95–600.

By virtue of H.R. 3434, however, this fiscal year 1979 $2.4 million funding level and 75-percent matching rate would become permanent, and be tremendously beneficial to those Virgin Islanders who receive public assistance payments, such as the elderly, the blind, the permanently disabled, and families with dependent children.

A second provision of H.R. 3434 of tremendous benefit to the Virgin Islands is the title XX social services entitlement for the Virgin Islands. Under current law, we receive an annual allotment not to exceed $500,000, but only if the States and the District of Columbia certify at the beginning of the fiscal year that they will not spend their total allotments. The actual amount, if any, available to the Virgin Islands is not known until at least 3 months after commencement of the fiscal year.

Under H.R. 3434, however, there would be created a separate $500,000 title XX social services entitlement for the Virgin Islands which would be made available at the beginning of the fiscal year, independent of other allotments to the States and the District of Columbia.

Such funds would be earmarked for child day care services, the hiring of welfare recipients as child day care workers, services to alcoholics and drug addicts, emergency shelters, training, and planning.

Last March, the distinguished Subcommittee on Public Assistance and Unemployment Compensation of the Ways and Means Committee held hearings on the welfare situation in the Virgin Islands. At that time, the Governor of the Virgin Islands, Juan Luis, the Virgin Islands commissioner of social welfare, Gwendolyn Blake, and I made clear to the subcommittee members that should the fiscal year 1979 provisions not be extended in fiscal year 1980, the Virgin Islands government would be forced to

substantially reduce its public assistance payments, which were already among the lowest, if not the lowest, in the Nation. From the language of H.R. 3434, it is most gratifying to read that the subcommittee and the full committee did ultimately decide to come to the aid of the U.S. Virgin Islands.

The extension of the fiscal 1979 public assistance funding and matching rate, along with the separate title XX entitlement have been very high priorities on my legislative calendar as the newly elected congressional Delegate from the Virgin Islands. Similarly, I am optimistically looking forward to the day in the not too distant future when the U.S. Virgin Islands, Puerto Rico, and Guam will be treated as States under the Social Security Act for funding eligibility.

We in the offshore areas are U.S. citizens, and our islands contain an extremely high proportion of residents whose incomes are below the poverty line.

Consequently, we must all share in the massive responsibility to care for and protect the needs of poorer citizens. Therefore, I must strongly urge all Members of the House to join with me in supporting passage of H.R. 3434.

Thank you, Mr. Chairman.

Mr. DODD. Mr. Chairman, at a time when the monumental problems of energy and economics dominate our attention we must guard against a failure to recognize the needs of less vocal members in our society. In this particular case we are asked to hear the voices of hundreds of thousands of American foster children whose well-being is dependent on the child welfare amendments that the House is currently considering.

While our present child welfare system emphasizes out-of-home answers to the problem of child placement, the provisions of H.R. 3434 encourage family-oriented solutions to this problem. Too often, out-of-home care consists of inappropriate institutionalization at great distances from the child's home and familiar community. H.R. 3434 is a chance to replace this example of public neglect with a concerted effort to improve our child welfare system.

Inadequate funding is the major cause of shortcomings in our child welfare services program. Though this program has an authorization of $266 million it has never been funded at more than $56.5 million. H.R. 3434 will convert title IV–B to an entitlement of $266 million to be phased in over a 2-year period and will guarantee to States the necessary funds for improvements in the child welfare system.

This bill, however, does not increase funding so that past mistakes may be repeated. H.R. 3434 prohibits new funds from being used for traditional foster care maintenance which tends to be large scale and institutional. Instead, new funding will be targeted at personalized, family-oriented solutions to child placement problems. These amendments also provide a new emphasis on preventive services and family reunification services. More simply, a greater attempt will be made to keep children in the home, rather than foster institutions. Finally, greater means of protecting children already receiving out-of-home care will become available through these additional funds.

It is also important to note that these provisions are, in the long run, beneficial to the States in terms of cost efficiency. Care in avoiding unnecessary removal of children from their families, and services that work to reunite children already in placement with their families will save States the high expenses of long-term, out-of-home care for foster children.

Cost efficiency, however, is only a secondary reason for implementation of the child welfare reform amendments. More important than the financial savings this bill provides are the benefits of a family-oriented upbringing for these children. If our child welfare system is going to provide proper care and attention for our dependent foster children, H.R. 3434 must be conscientiously supported.

Mr. ROUSSELOT. Mr. Chairman, I yield back the balance of my time.

Mr. CORMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendment shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment.

(The bill is as follows:)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act, with the following table of contents, may be cited as the "Social Services and Child Welfare Amendments of 1979".

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Sec. 1. Short title; reference to Act.

TITLE I—SOCIAL SERVICES

Sec. 101. Permanent increase in amount allocated to States.
Sec. 102. Temporary extension of 100-percent Federal matching for certain child day care expenditures.
Sec. 103. Employment of welfare recipients in day care.
Sec. 104. Limitation on funds for training.
Sec. 105. Consultation with local officials.
Sec. 106. Multiyear planning
Sec. 107. Criteria for provision of services.
Sec. 108. Permanent extension of provisions relating to alcoholics and drug addicts.
Sec. 109. Emergency shelter.
Sec. 110. Purposes of social services program.
Sec. 111. Social services funding for territorial jurisdictions.
Sec. 112. Technical and conforming amendments.

TITLE II—CHILD WELFARE SERVICES, FOSTER CARE, AND ADOPTION ASSISTANCE

Sec. 201. Amendments to child welfare services program.
Sec. 202. Federal payments for dependent children voluntarily placed in foster care.
Sec. 203. Adoption assistance payments under aid to families with dependent children foster care program.

TITLE III—MISCELLANEOUS

Sec. 301. Public assistance payments to territorial jurisdictions.
Sec. 302. Effective dates.

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference (unless specifically otherwise indicated) shall be considered to be made to a section or other provision of the Social Security Act.

TITLE I—SOCIAL SERVICES

PERMANENT INCREASE IN AMOUNT ALLOCATED TO STATES

SEC. 101. Section 2002(a)(2)(A)(ii) is amended by striking out "$2,500,000,000" the second time it appears and inserting instead "$3,100,000,000".

TEMPORARY EXTENSION OF 100-PERCENT FEDERAL MATCHING FOR CERTAIN CHILD DAY CARE EXPENDITURES

SEC. 102. (a) Section 2002(a)(1) is amended by inserting "(subject to paragraph (17))" after "planning services and".

(b) Section 2002(a) is further amended by adding at the end the following new paragraph:

"(17(A) The total payment to a State under this section with respect to expenditures during fiscal year 1980 or fiscal year 1981 for the provision of child day care services under this title shall be equal to 100 per centum of such expenditures to the extent that such expenditures (during that fiscal year) do not exceed an amount which bears the same ratio to $200,000,000 as the amount of the State's limitation under paragraph (2)(A) bears to $3,100,000,000.

"(B) Federal funds payable to a State under this title (with respect to expenditures for child day care services) at the rate specified in subparagraph (A) shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.".

EMPLOYMENT OF WELFARE RECIPIENTS IN DAY CARE

SEC. 103. Section 2002(a) is amended by adding after paragraph (17) (as added by section 102(b) of this Act) the following new paragraph:

"(18)(A) Sums granted by the State to a qualified provider of child day care services (as defined in subparagraph (B)) for payment of the wages of one or more eligible employees (as defined in section 50B(h) of the Internal Revenue Code of 1954), in jobs related to the provision of child day care services, shall be deemed for purposes of this title to constitute expenditures for the provision of child day care services to the extent that (i) the grants involved are included in the State's expenditures (for the provision of child day care services) with respect to which payment may be made at the rate specified in paragraph (17)(A) and (ii) the wages so paid to any such employee (as determined by the Secretary) are paid at an annual rate not in excess of (I) $5,000, in the case of a public or nonprofit private provider, or (II) $4,000, or 80 per centum of the wages of such employee, in the case of any other provider. For purposes of paragraph (17), services directed at the goals specified in section 2001 shall be deemed to include the employment of Federal welfare recipients in jobs related to the provision of child day care services in accordance with the preceding sentence.

"(B) For purposes of this paragraph, the term 'qualified provider of child day care services' (with respect to any grant by a State) includes a provider of such services only if some or all of the costs of such services for at least 20 per centum of the children receiving services from such provider in the facility with respect to which the grant is made are paid for under the State program under this title.".

LIMITATION ON FUNDS FOR TRAINING

SEC. 104. (a) The first sentence of section 2002(a)(2)(A)(i) is amended by striking out "in excess of an amount" and all that precedes it, and inserting instead "Except as provided in clause (iii), no payment may be made under this section to any State for any

fiscal year beginning after September 30, 1979, in excess of an amount".

(b) Section 2002(a)(2)(A) is further amended by adding after clause (ii) the following new clause:

"(iii) Payment with respect to expenditures for personnel training or retraining directly related to the provision of services under this title may be made to a State, for any fiscal year, in excess of the limitation for such State promulgated under clause (i); except that—

"(I) payment to a State with respect to such expenditures for fiscal year 1980 may not exceed an amount equal to 3 per centum of the State's limitation so promulgated for fiscal year 1980, plus (if the State's expenditures for such training or retraining in fiscal year 1979 were in excess of 3 per centum of its limitation for that year) two-thirds of the amount (if any) by which such expenditures for fiscal year 1979 exceeded an amount equal to 3 per centum of the State's limitation for fiscal year 1980; and

"(II) payment to a State with respect to such expenditures for fiscal year 1981 or any succeeding fiscal year may be made only if the State has submitted to the Secretary in accordance with paragraph (19) (prior to the beginning of the fiscal year involved) a training plan specifying in detail how its funds expended for such training or retraining in that fiscal year will be used, and only with respect to expenditures included in such plan which are approved by the Secretary in accordance with criteria prescribed by him.".

(c) Section 2002(a) is amended by adding after paragraph (18) (as added by section 103 of this Act) the following new paragraph:

"(19) Effective October 1, 1980, no payment may be made under this section for training or retraining expenditures except in accordance with a training plan approved by the Secretary which, at a minimum—

"(A) describes how training needs were assessed and how the assessment was used to structure the training programs, the individuals to be trained, and the training resources to be used;

"(B) demonstrates that the training activities have a direct relationship to the title XX services program and to the State's staffing needs to carry out the title XX services program; and

"(C) describes the State agency's plan to monitor training programs and to evaluate the agency's overall staff training and development program.".

CONSULTATION WITH LOCAL OFFICIALS

SEC. 105. (a) Section 2004 is amended by inserting "(a)" after "SEC. 2004.", and by adding at the end the following new subsection:

"(b) A State's comprehensive services program planning does not meet the requirements of this section unless, prior to the publication of the proposed comprehensive services program plan in accordance with subsection (a), the State official designated under paragraph (2) of that subsection gives public notice of his intent to consult with the chief elected officials of the political subdivisions of the State in the development of that plan, and thereafter provides each such official with a reasonable opportunity to present his views prior to the publication of the plan.".

(b) Paragraph (2) of section 2004(a) (as so designated by subsection (a) of this section) is amended—

(1) by striking out "and" at the end of subparagraph (I);

(2) by striking out "; and" and the end of subparagraph (J) and inserting instead ", and"; and

(3) by adding at the end the following new subparagraph:

"(K) a description of the process of consultation that was followed in compliance with subsection (b) of this section; and a summary of the principal views expressed by the chief elected officials of the political subdivisions of the State in the course of that consultation; and".

(c) Section 2007 is amended—

(1) by striking out ", and" at the end of paragraph (1) and inserting instead a semicolon;

(2) by striking out the period at the end of paragraph (2) and inserting instead "; and"; and

(3) by adding at the end the following new paragraph:

"(3) the term 'political subdivisions of the State' means those areas of the State that are subject to the jurisdiction of general purpose local governments.".

MULTIYEAR PLANNING

SEC. 106. (a) Paragraph (1) of section 2004(a) (as so designated by section 105(a) of this Act) is amended to read as follows:

"(1) for each services program period, the beginning of the fiscal year of either the Federal Government or the State government is established as the beginning of the State's services program period, and the end of such fiscal year, the end of the succeeding fiscal year, or the end of the second succeeding fiscal year is established as the end of the State's services program period; and".

(b) Section 2004(a) (as so redesignated) is further amended—

(1) by striking out "services program year" each place it appears and inserting instead "services program period";

(2) by striking out "annual" in paragraph (2) (in the matter preceding subparagraph (A)) and in paragraph (4);

(3) by striking out "during that year" in paragraph (2) (in the matter preceding subparagraph (A)) and inserting instead "during that period";

(4) by striking out the period at the end of paragraph (5) and inserting instead "; and"; and

(5) by adding at the end the following new paragraph:

"(6) where the State adopts under paragraph (1) a services program period of longer than one year, the State agency publishes and makes generally available such information concerning the comprehensive services program, at such times, as the Secretary may by regulation require.".

CRITERIA FOR PROVISION OF SERVICES

SEC. 107. Paragraph (2)(D) of section 2004(a) (as so designated by section 105(a) of this Act) is amended to read as follows:

"(D) the geographic areas in which those services are to be provided, with specific reference to those areas determined to be areas of special need for such services, the nature and amount of the services to be provided in each geographic area, and the criteria used to determine the nature and amount of such services for each geographic area,".

PERMANENT EXTENSION OF PROVISIONS RELATING TO ALCOHOLICS AND DRUG ADDICTS

SEC. 108. Section 4(c) of Public Law 94-120 is amended (effective with respect to expenditures made, and services provided, on and after October 1, 1979) by striking out "only for the period" and all that follows and inserting instead "from and after October 1, 1975.".

EMERGENCY SHELTER

SEC. 109. Section 2002(a)(11) is amended—

(1) by striking out "; and" at the end of subparagraph (C) and inserting instead a comma;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) any expenditure for the provision of emergency shelter, for not in excess of thirty days in any six-month period, provided as a protective service to an adult in danger of physical or mental injury, neglect, maltreatment, or exploitation, and".

PURPOSES OF SOCIAL SERVICES PROGRAM

SEC. 110. (a) Section 2001 is amended by striking out "to furnish services directed at the goal of—" in the matter preceding paragraph (1) and inserting instead "to meet social services needs which are not otherwise being met, in order to make a comprehensive range of social services available to the individuals eligible for services under this title, by furnishing services within the State, and especially within the political subdivisions of the State having a special need for those services, directed at the goals of—".

(b) Section 2002(a)(1) is amended by striking out "goal of—" and all that follows down through "including expenditures" and inserting instead "goals specified in section 2001, including expenditures".

SOCIAL SERVICES FUNDING FOR TERRITORIAL JURISDICTIONS

SEC. 111. (a) Effective with respect to fiscal years beginning after September 30, 1979, section 2002(a)(2) is amended by striking out subparagraphs (B), (C), and (D) and inserting instead the following new subparagraph:

"(B) From the amounts made available under section 2001 for any fiscal year beginning with fiscal year 1980 (in addition to any sums appropriated for purposes of payments under the preceding provisions of this subsection), the Secretary shall allocate—

"(i) to the jurisdictions of Puerto Rico, Guam, and the Virgin Islands, for purposes of payments under sections 3(a) (4) and (5), 403(a)(3), 1003(a) (3) and (4), 1403(a) (3) and (4), and 1603(a) (4) and (5), with respect to services, the sums of $15,000,000, $500,000, and $500,000, respectively, and

"(ii) to the jurisdiction of the Northern Mariana Islands, for purposes of payments under section 403(a)(3), with respect to services and for services programs for other individuals as defined by the Secretary, the sum of $100,000,

in addition to any amounts otherwise available to such jurisdictions under this Act.".

(b) The last sentence of section 2001 is amended by inserting before the period at the end thereof the following: "(and to territorial jurisdictions as described in subsection (a)(2)(B) thereof)".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 112. (a) Section 2002(a)(3)(B) is amended—

(1) by striking out "annual"; and

(2) by striking out "2004(2) (B) and (C)" and inserting instead "2004(a)(2) (B) and (C)".

(b) Section 2002(a)(7) is amended by striking out "paragraph (11)(D)" in subparagraphs (A) and (E) and inserting instead in each instance "paragraph (11)(E)".

(c) Section 2003(b) is amended by striking out "services program year" each place it appears and inserting instead "services program period".

(d) The last sentence of section 2003(d)(1) is amended by striking out "2004(1)" and "services program year" and inserting instead "2004(a)(1)" and "services program period", respectively.

(e) Section 2003(e)(1) is amended by striking out "subsection (g)" and inserting instead "subsection (d)".

(f) Section 2004(a)(2)(B) (as so designated by section 105(a) of this Act) is amended by striking out "section 2002(a)(1)" each place it appears and inserting instead "section 2001".

(g) Section 2005 is amended by striking out "services program year" and inserting instead "services program period".

(h) Section 1108(a) is amended by striking out "2002(a)(2)(D)" in the matter preceding paragraph (1) and inserting instead "2002(a)(2)(B)".

TITLE II—CHILD WELFARE SERVICES, FOSTER CARE, AND ADOPTION ASSISTANCE

AMENDMENTS TO CHILD WELFARE SERVICES PROGRAM

SEC. 201. (a) Part B of title IV is amended (subject to subsection (b) of this section) by striking out all that precedes section 426 and inserting instead the following:

"PART B—CHILD WELFARE SERVICES

"APPROPRIATION

"SEC. 420. For the purpose of enabling the United States, through the Secretary, to cooperate with State public welfare agencies in establishing, extending, and strengthening child welfare services there is authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this part (other than section 426).

"ALLOTMENTS TO STATES

"SEC. 421. (a) The sum of $266,000,000 shall be allotted by the Secretary each fiscal year for use by cooperating State public welfare agencies which have plans developed jointly by the State agency and the Secretary, as follows: He shall first allot $70,000 to each State, and shall then allot to each State an amount which bears the same ratio to the remainder of such sum as the product of (1) the population of the State under the age of twenty-one and (2) the allotment percentage of the State (as determined under this section) bears to the sum of the corresponding products of all the States.

"(b) The 'allotment percentage' for any State shall be 100 per centum less the State percentage; and the State percentage shall be the percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States; except that (1) the allotment percentage shall in no case be less than 30 per centum or more than 70 per centum, and (2) the allotment percentage shall be 70 per centum in the case of Puerto Rico, the Virgin Islands, and Guam.

"(c) The allotment percentage for each State shall be promulgated by the Secretary between October 1 and November 30 of each even-numbered year, on the basis of the average per capita income of each State and of the United States for the three most recent calendar years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning October 1 next succeeding such promulgation.

"(d) For purposes of this section, the term 'United States' means the fifty States and the District of Columbia.

"STATE PLANS FOR CHILD WELFARE SERVICES

"SEC. 422. (a) In order to be eligible for payment under this part, a State must have a plan for child welfare services which has been developed jointly by the Secretary and the State agency designated pursuant to paragraph (1), and which meets the requirements of subsection (b).

"(b) Each plan for child welfare services under this part shall—

"(1) provide that (A) the individual or agency designated pursuant to section 2003(d)(1)(C) to administer or supervise the administration of the State's services program will administer or supervise the administration of the plan, and (B) to the extent that child welfare services are furnished by the staff of the State agency or local agency administering the plan, a single organizational unit in such State or local agency, as the case may be, will be responsible for furnishing such child welfare services;

"(2) provide for coordination between the services provided for children under the plan and the services and assistance provided under title XX, under the State plan approved under part A of this title, and under other State programs having a relationship to the program under this part, with a view to provision of welfare and related services which will best promote the welfare of such children and their families;

"(3) provide that the standards and requirements imposed with respect to child day care under title XX shall apply with respect to day care services under this title, except insofar as eligibility for such services is involved;

"(4) provide for the training and effective use of paid paraprofessional staff, with particular emphasis on the full-time or part-time employment of persons of low income, as community service aides, in the administration of the plan, and for the use of nonpaid or partially paid volunteers in providing services and in assisting any advisory committees established by the State agency;

"(5) contain a description of the services to be provided and specifies the geographic areas where such services will be available;

"(6) contain a description of the steps which the State will take to provide child welfare services and to make progress in—

"(A) covering additional political subdivisions,

"(B) reaching additional children in need of services, and

"(C) expanding and strengthening the range of existing services and developing new types of services,

along with a description of the State's child welfare services staff development and training plans;

"(7) provide, in the development of services for children, for utilization of the facilities and experience of voluntary agencies in accordance with State and local programs and arrangements, as authorized by the State; and

"(8) provide that the agency administering or supervising the administration of the plan will furnish such reports, containing such information, and participate in such evaluations, as the Secretary may require.

"PAYMENT TO STATES

"SEC. 423. (a) From its allotment under section 421 for each fiscal year, subject to the conditions set forth in this section and in section 424, the Secretary shall from time to time pay to each State that has a plan developed in accordance with section 422 an amount equal to 75 per centum of the total sum expended under the plan (including the cost of administration of the plan) in meeting the costs of State, district, county, or other local child welfare services.

"(b) The method of computing and making payments under this section shall be as follows:

"(1) The Secretary shall, prior to the beginning of each period for which a payment is to be made, estimate the amount to be paid to the State for such period under the provisions of this section.

"(2) From the allotment available therefor, the Secretary shall pay the amount so estimated, reduced or increased, as the case may be, by any sum (not previously adjusted under this section) by which he finds that his estimate of the amount to be paid the State for any prior period under this section was greater or less than the amount which should have been paid to the State for such prior period under this section.

"(c) No payment may be made to a State under this part with respect to any expenditure made in a fiscal year beginning after September 30, 1979, unless the Secretary receives a claim from the State for Federal reimbursement for such expenditure on or before the last day of the fiscal year following the fiscal year in which the expenditure is made (as determined in accordance with such guidelines or regulations as the Secretary may promulgate).

"(d) No payment may be made to a State under this part, for any fiscal year beginning after September 30, 1979, with respect to State expenditures made for (1) child day care necessary solely because of the employment, or training to prepare for employment, of a parent or other relative with whom the child involved is living, (2) foster care maintenance payments, and (3) adoption assistance payments, to the extent that the Federal payment with respect to those expenditures would exceed the total amount of the Federal payment under this part for fiscal year 1979.

"(e) No payment may be made to a State under this part in excess of the payment made under this part for fiscal year 1979, for any fiscal year beginning after September 30, 1979, if for the latter fiscal year the total of the State's expenditures for child welfare services under this part and title XX (excluding expenditures for activities specified in subsection (d)) is less than the total of the State's expenditures under this part and title XX for fiscal year 1979.

"FOSTER CARE PROTECTIONS REQUIRED FOR ADDITIONAL FEDERAL PAYMENTS

"SEC. 424. (a) A State shall not be eligible for payment from its allotment under section 421 for any fiscal year in an amount greater than it was paid under this part for fiscal year 1979, except as provided in this section.

"(b) Each State shall be eligible for payment from its allotment under section 421 for fiscal year 1980 and each fiscal year thereafter (subject to subsection (d)(2)), in addition to an amount equal to such State's payment under this part for fiscal year 1979, of an amount equal to 40 per centum of the remainder of such allotment. As soon as possible after the date of the enactment of the Social Services and Child Welfare Amendments of 1979, the State, using such portion of any amounts paid to it under the preceding sentence as may be necessary, shall—

"(1) complete case reviews (as defined in section 425(b)(4)) of children in foster care under the responsibility of the State, including at a minimum all children who have been in such foster care continuously for the six months preceding the last day of the quarter during which the case reviews are performed;

"(2) submit to the Secretary and make available to the public a report based on the case reviews under paragraph (1) which sets forth the number of children who have been in foster care for more than six months and the length of time they have been in foster care, their ages and appropriate demographic characteristics, their legal status, the reasons for initial placement in foster care, the types of foster care arrangements in which they reside, and the numbers of such children respectively expected to return to parents or other relatives, to be adopted, or to have legal guardians appointed; and

"(3) take such other actions as may be necessary to establish and place in effect the laws, regulations, standards, practices, and procedures described in subsection (c).

"(c) Each State shall be eligible for payment of the full amount to which it is entitled from its allotment under section 421 for each calendar quarter, beginning after September 30, 1980 (and after the State has completed the actions described in subsection (b)), for which the State demonstrates to the satisfaction of the Secretary that the State has in effect such laws, regulations, standards, practices, and procedures as are necessary and appropriate to assure that—

"(1) no child (except in a situation described in paragraph (2)(A) or (2)(C)) will be placed in foster care either voluntarily or involuntarily unless the child and his family have been provided adequate preventive services which are designed to avoid unnecessary out-of-home placements (and

which may include homemaker services, day care, twenty-four-hour crisis intervention, emergency caretaker services, emergency temporary shelters and group homes for adolescents, and emergency counseling), or such preventive services have been made available but refused by the family;

"(2) no child will be involuntarily removed from a home shared with a parent and placed in foster care, except on a short-term emergency basis either in the case of a situation described in subparagraph (A) of this paragraph or in the case of an alleged delinquent or an alleged status offender, unless there has been a judicial determination, by a court of competent jurisdiction, that—

"(A) the situation in the home presents a substantial and immediate danger to the child which would not be mitigated by the provision of preventive services,

"(B) the child is dependent, neglected, or in need of supervision or has committed a status offense, and preventive services have been provided to the family pursuant to paragraph (1) but have failed to alleviate the crisis necessitating an out-of-home placement, or every reasonable effort has been made to provide such services, or such services have been made available but refused by the family, or

"(C) the child has committed a delinquent offense;

"(3) no child will be placed in foster care by the voluntary action of a parent unless preventive services have been provided to the family but have failed to alleviate the crisis necessitating an out-of-home placement or have been made available but have been refused by the family, and a voluntary placement agreement, containing such provisions as the Secretary shall by regulation require for purposes of this section, has been developed and approved by the placement agency and the parents, signed by both, and a copy given to any foster parent or guardian;

"(4) with respect to each child accepted for placement—

"(A) the child will be placed in the least restrictive setting which most approximates a family and in which his special needs, if any, may be met in accordance with such criteria as the Secretary shall by regulation establish,

"(B) the child will be placed within reasonable proximity to his home, taking into account any special needs of the child, and

"(C) where appropriate, all reasonable efforts will be taken to place the child with relatives;

"(5) the State will establish and make available to each child in placement, his parents, and other members of his family, family reunification services which are designed to alleviate the conditions necessitating placement and to insure the swiftest possible return of the child to his home and which may include transportation services, family and individual therapy, psychiatric counseling, homemaker and housekeeper services, day care, consumer education, respite care, information and referral services, and services to assist in post-placement adjustment;

"(6) the State has provided for the development of a written individualized case plan (as defined in section 425(b)(3)) for each child receiving foster care, and has established a case review system under which each child receives, no less frequently than once every six months, a case review (as defined in section 425(b)(4));

"(7) the State has established procedures for a dispositional hearing to be held, in a family or juvenile court or another court of competent jurisdiction, or by an administrative body appointed by a court, no later than eighteen months after the original placement, which hearing shall determine that the child—

"(i) should be returned home,

"(ii) requires continued placement for a specified period of time not to exceed six months, unless extended by the court (or administrative body) because of special needs or special circumstances which prevent immediate return to a parent,

"(iii) should be placed with a legal guardian,

"(iv) should be freed for adoption through appropriate proceedings and placed in an adoptive home, or

"(v) requires a permanent long-term foster care placement because the child cannot or should not be returned home or placed in an adoptive home; and

"(8) the State has established a fair hearing procedure under which—

"(A) any parent, foster parent, guardian, or child who believes that he has been aggrieved by any governmental action under this part will be afforded a prompt fair hearing before an impartial hearing officer who has not previously been involved in the care and supervision of the child, and

"(B) if such a hearing is requested by any party, the parent, foster parent, guardian, and child will each be afforded notice of the hearing and the opportunity to participate as a party.

"(d)(1) Notwithstanding the preceding provisions of this section (but subject to paragraph (2) of this subsection), a State which has not satisfied all of the requirements of subsection (c), but which demonstrates to the satisfaction of the Secretary that it has established and placed in effect the laws, regulations, standards, practices, and procedures described in paragraphs (2) through (8) of such subsection, shall be deemed to have satisfied all of the requirements of such subsection (if it has not been previously deemed to satisfy such requirements under this paragraph) for the period beginning with the first calendar quarter (after September 30, 1980, and after the State has completed the actions described in subsection (b)) in which those laws, regulations, standards, practices, and procedures are in effect and ending when the State actually satisfies the requirements of such subsection or (if the State has not theretofore actually satisfied such requirements) with the close of the third calendar quarter thereafter or the close of the next succeeding fiscal year, whichever is later.

"(2) If all of the laws, regulations, standards, practices, and procedures described in paragraphs (2) through (8) of subsection (c) have not been placed in effect by any State prior to the beginning of the fiscal year 1982, both this subsection and subsection (b) shall be inapplicable, and the requirements of subsection (c) shall be deemed not to have been satisfied, with respect to that State, beginning with the first quarter of the fiscal year 1982 and continuing thereafter until all of the laws, regulations, standards, practices, and procedures described in subsection (c) have been placed in effect or paragraph (1) of this subsection becomes applicable.

"(e)(1) In order to be eligible for payment as provided in this section, each State shall submit an annual report to the Secretary on its program under this part, which report shall contain the information specified in subsection (b)(2), and any additional information which the Secretary may by regulation require. The first report required by this paragraph shall be due by the end of the fiscal year succeeding the fiscal year in which the report required by subsection (b)(2) is submitted to the Secretary.

"(2) Where a State fails to submit to the Secretary the report required by paragraph (1), he shall withhold from the payment to such State under this part for any quarter beginning after the date on which the report was due any amounts in excess of the amount which the State was paid in the same calendar quarter of fiscal year 1979. The Secretary shall pay the State any amounts so withheld in the quarter succeeding the quarter in which the report is received.

"(f) With respect to fiscal years beginning after September 30, 1980, in the case of any State which the Secretary determines has complied with the conditions specified in this section, no less than 40 per centum of the amount by which its payment in any fiscal year exceeds its payment under this part for fiscal year 1979 must be expended by such State in part for services designed to help children to remain with their families and in part for services to help children, where appropriate, to return to families from which they have been removed, including at least one of the following services: homemaker services, day care, twenty-four-hour crisis intervention, emergency caretaker services, emergency shelters, or any other such services specified in regulations of the Secretary.

"DEFINITIONS

"SEC. 425. (a) For purposes of this title, the term 'child welfare services' means public social services which are directed toward the accomplishment of the following purposes: (1) protecting and promoting the welfare of all children, including handicapped, homeless, dependent, or neglected children; (2) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation, or delinquency of children; (3) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible; (4) restoring to their families children who have been removed, by the provision of services to the child and the families; (5) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and (6) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

"(b) For purposes of this part and the provisions of part A relating to foster care and adoption—

"(1) the term 'administrative review' means an impartial review, with respect to a child, which is open to the participation of the parents and caretakers of the child and is conducted by a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review;

"(2) the term 'adoption assistance agreement' means a written agreement, binding on the parties to the agreement, between the State agency, other relevant agencies, and the prospective adoptive parents of a minor child which, at a minimum, specifies the amounts of the adoption assistance payments (if any) and any additional services and assistance which are to be provided as part of such agreement, and stipulates that the agreement shall remain in effect regardless of whether the adoptive parents are or remain residents of the State;

"(3) the term 'case plan' means a written document, with respect to a child, which includes at least the following information: A description of the type of home or institution in which the child is to be placed, including a discussion of the appropriateness of the placement and (if the child was removed from the home of a relative as a result of a judicial determination described in section 406(a)) how the agency which is responsible for the child proposes to comply with any requirements set as a result of such judicial determination; and a plan of services that will be provided to the family, child, and caretakers in order to improve the conditions in the home, facilitate return of the child or the permanent placement of the

child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the plan of services that have been provided to the child under the plan;

"(4) the term 'case review' means a review by a court of competent jurisdiction or an administrative review (as defined in paragraph (1)), with respect to a child in foster care, which at a minimum—

"(A) verifies that the child has a case plan, and determines the continuing appropriateness or need for modification of the case plan and the extent of compliance with the case plan,

"(B) evaluates the continuing necessity for and appropriateness of the placement and the progress made toward eliminating the need for placement in foster care, and

"(C) sets a date by which it is expected that the child can be returned home, or placed for adoption or legal guardianship, or otherwise permanently placed;

"(5) the term 'child-care institution' means a public institution accommodating not more than twenty-five children, a nonprofit private child-care institution, or a group home, which is licensed by the State in which it is situated or which has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing; but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily to accommodate children who are delinquent;

"(6) the term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing homes of this type, as meeting the standards established for such licensing;

"(7) the term 'parent' means a biological or adoptive parent or legal guardian, as determined by applicable law;

"(8) the term 'voluntary placement' means an out-of-home placement of a minor, by or with participation of a State agency, after the parents or guardians of the minor have requested the assistance of the agency and signed a voluntary placement agreement; and

"(9) the term 'voluntary placement agreement' means a written agreement, binding on the parties to the agreement, between the State agency, any other agency acting on its behalf, and the parents or guardians of a minor child which specifies, at a minimum, the legal status of the child and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.".

(b) In the case of Guam, Puerto Rico, and the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, section 422(1) shall be deemed to read as follows:

"(1) provide that (A) the State agency designated pursuant to section 402(a)(3) to administer or supervise the administration of the plan of the State approved under part A of this title will administer or supervise the administration of such plan for child welfare services, and (B) to the extent that child welfare services are furnished by the staff of the State agency or local agency administering such plan for child welfare services, the organizational unit in such State or local agency established pursuant to section 402(a)(15) will be responsible for furnishing such child welfare services;".

(c) Notwithstanding section 422(a)(1) of the Social Security Act, if on December 1, 1974, the agency of a State administering its plan for child welfare services under part B of title IV of that Act was not the agency designated pursuant to section 402(a)(3) of that Act, such section 422(a)(1) shall not apply with respect to such agency, but only so long as such agency is not the agency designated under section 2003(d)(1)(C) of that Act; and if on December 1, 1974, the local agency administering the plan of a State under part B of title IV of that Act in a subdivision of the State was not the local agency in such subdivision administering the plan of such State under part A of that title, such section 422(a)(1) shall not apply with respect to such local agency, but only so long as such local agency is not the local agency administering the program of the State for the provision of services under title XX of that Act.

(d) Notwithstanding any other provision of law, funds which are appropriated for fiscal year 1980 pursuant to section 420 of the Social Security Act, and for which States are eligible for payment under section 424(b) of that Act (as amended by subsection (a) of this section), shall remain available, to the extent so provided in an appropriation Act hereafter enacted, for payment with respect to expenditures for child welfare services under part B of title IV of that Act until September 30, 1981.

(e) Section 2002(a)(8) is amended by striking out "or 422" and inserting instead "or 423".

TITLE III—FOSTER CARE AND ADOPTION ASSISTANCE

FEDERAL PAYMENTS FOR DEPENDENT CHILDREN VOLUNTARILY PLACED IN FOSTER CARE

SEC. 202. (a) Section 408 is amended to read as follows:

"FEDERAL PAYMENTS FOR FOSTER CARE OF DEPENDENT CHILDREN

"SEC. 408. (a) For purposes of this part, the term 'dependent child' (notwithstanding section 406(a)) includes a child—

"(1) who would meet the requirements of such section 406(a), or of section 407, except from his removal from the home of a relative (specified in such section 406(a)) pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian or as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of the child;

"(2) whose placement and care are the responsibility of—

"(A) the State or local agency administering the State plan approved under section 402, or

"(B) any other public agency with whom the State agency administering or supervising the administration of such State plan has made an agreement which is still in effect and which includes provision for assuring the development of an individualized case plan for the child (satisfactory to such State agency) as required by subsection (d) and such other provisions as may be necessary to assure accomplishment of the objectives of the State plan approved under section 402;

"(3) who has been placed in a foster family home or child-care institution as a result of such voluntary placement agreement or judicial determination; and

"(4) who—

"(A) received aid under such State plan in or for the month in which such agreement was entered into or court proceedings leading to such determination were initiated, or

"(B)(i) would have received such aid in or for such month if application had been made therefor, or

"(ii) in the case of a child who had been living with a relative specified in section 406(a) within six months prior to the month in which such agreement was entered into or such proceedings were initiated, would have received such aid in or for such month if in such month he had been living with (and removed from the home of) such a relative and application had been made therefor.

"(b) For purposes of this Act, the term 'aid to families with dependent children' (notwithstanding section 406(b)) includes foster care in behalf of a child described in subsection (a)—

"(1) in the foster family home of any individual, whether the payment therefor is made to such individual or to a public or nonprofit private child-placement or child-care agency, or

"(2) in a child-care institution, whether the payment therefor is made to such institution or to a public or nonprofit private child-placement or child-care agency, but subject to limitations prescribed by the Secretary (which shall be the same for public and private institutions similarly situated) with a view to including as 'aid to families with dependent children' in the case of foster care in such an institution only those items which are included in such term in the case of foster care in the foster family home of an individual.

"(c) In determining Federal payments to a State under section 403, the number of individuals counted under clause (A) of section 403(a)(1) for any month shall include individuals (not otherwise included under such clause) with respect to whom expenditures were made in such month as aid to families with dependent children in the form of foster care.

"(d) Each State plan approved under section 402 shall include provision for the development of an individualized case plan for each child described in subsection (a), and for periodic case review with respect to each such child, in accordance with Part B of this title.

"(e)(1) For purposes of this section and section 412, a child who was voluntarily removed from the home of a relative prior to February 1, 1979, shall be deemed to have been so removed as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of the child, if and from the date that (A) a review meeting the requirements of paragraph (2) of this subsection, or an equivalent or more comprehensive review, has been made with respect to the child and the child is determined to be in need of foster care as a result of such review, and (B) the State has established and placed in effect all of the laws, regulations, standards, practices, and procedures described in paragraphs (2) through (8) of subsection (c). In the case of any child described in the preceding sentence, the date of the voluntary removal shall be treated as the date on which court proceedings leading to such removal were initiated for purposes of subsection (a)(4).

"(2) No payment shall be made to any State with respect to expenditures made under this part with respect to a child removed from the home of a relative as described in paragraph (1) unless that State has developed a written individualized case plan (as defined in section 425(b)(3)) for such child, and the plan so developed has been reviewed by an experienced and objective person not directly involved in the provision of services to the family (which may be a court of competent jurisdiction). The review required under the preceding sentence shall—

"(A) determine the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement, and project a likely date by which the child may be returned to the home of his biological parent or parents;

"(B) insure compliance by all parties with the requirement of the case plan and voluntary placement agreement, and modify those documents where necessary.

"(C) be conducted no less than two weeks after the parent and the child have been notified in writing of the review, advised of the status of the case and agency recommendations, and provided the opportunity to appear by or with representation of their choice; and

"(D) result in written findings and conclusions and, if necessary, modifications of the case plan, which shall specify the obligations

and duties of all parties during the continued period of placement, a copy of which must be provided to the agency and to the child's biological parent and guardian, foster parents, or other party having responsibility for the maintenance of the child.

"(f) For definitions of 'foster family home', 'child care institution', 'voluntary placement agreement', 'case plan', and 'case review', see section 425(b).".

(b) Section 403(a) is amended—

(1) by striking out "and" at the end of paragraph (28);

(2) by striking out the period at the end of paragraph (29) and inserting instead "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide for coordination between the services and assistance provided for children under the plan and the services and assistance provided under the State plan approved under part B of this title, under title XX, and under other State programs having a relationship to the programs under this part, with a view to provision of welfare and related services which will best promote the welfare of such children and their families.".

(c)(1) Except as provided by paragraphs (2) and (3) of this subsection, the amendments made by subsections (a) and (b) shall be effective upon the date of the enactment of this Act.

(2) To the extent that the amendment made by subsection (a) authorizes assistance to children whose removal from the home of a relative occurs pursuant to a voluntary placement agreement or otherwise relates to such children, such amendment shall be effective with respect to fiscal years ending on or after September 30, 1980, but shall apply with respect to payments of aid to families with dependent children (including payments under section 412), under the plan of any State approved under part A of title IV of the Social Security Act, only in the case of those children whose removal occurs pursuant to voluntary placement agreements entered into (or renewed in such manner and form as the Secretary of Health, Education, and Welfare may prescribe) on or after the first day of the earliest month (after the month in which this Act is enacted and after September 1979) in which such State has established and placed in effect all of the laws, regulations, standards, practices, and procedures described in section 424(c) of the Social Security Act (added by section 201 of this Act), as demonstrated by the State to the satisfaction of the Secretary of Health, Education, and Welfare on the basis of such evidence as he may require.

(3) To the extent that the amendment made by subsection (a) authorizes assistance to children voluntarily removed from the home of a relative before February 1, 1979, such amendment shall become effective on the date of the enactment of this Act with respect to payments made under section 403 of the Social Security Act for quarters beginning on or after such date or, if later, on or after October 1, 1979.

ADOPTION ASSISTANCE PAYMENTS UNDER AID TO FAMILIES WITH DEPENDENT CHILDREN FOSTER CARE PROGRAM

SEC. 303. (a) Part A of title IV is amended by adding at the end thereof the following new section:

"ADOPTION ASSISTANCE PAYMENTS

"SEC. 412 (a)(1) Notwithstanding any other provision of this part, each State having parents and the needs of the child being directly or through another public or nonprofit private agency, make adoption assistance payments pursuant to an adoption assistance agreement (as defined in section 425(b)(2)) in amounts determined under paragraph (3) to parents who, after the effective date of this section, adopt a child who—

"(A) meets the requirements of section 406(a), section 407, or section 408 with respect to eligibility for assistance under this part, or meets the requirements of section 1611(a)(1) with respect to eligibility for supplemental security income benefits, and

"(B) is determined by the State, pursuant to subsection (c), to be a child with special needs.

Each State plan approved under this part shall be deemed to incorporate the provisions and requirements of this section.

"(2) The amount of the adoption assistance payments shall be determined through agreement between the adoptive parent (or parents) and the State or local agency administering the program under this section, which shall take into consideration the economic or other circumstances of the adopting a plan approved under this part shall, adopted, and may be readjusted periodically, with the concurrence of the adopting parents (which may be specified in the adoption assistance agreement), depending upon changes in such circumstances. However, in no case may the amount of the adoption assistance payments made with respect to any adopted child under this section exceed the payments of aid to families with dependent children which would have been made with respect to such child under the applicable State plan approved under this part during the period involved if such child (throughout that period) had been a child in foster care (in a foster family home of an individual) subject to section 408.

"(3) Notwithstanding the preceding provisions of this subsection—

"(A) no payment may be made under this section to parents with respect to any child who has attained the age of eighteen (or, where the State determines that the child has a mental or physical handicap which warrants the continuation of assistance, the age of twenty-one), and

"(B) no payment may be made to parents with respect to any child if the State determines that the child is no longer receiving any support from such parents.

"(4) Parents who have been receiving adoption assistance payments under this section shall keep the State or local agency administering the program under this section informed of circumstances which would make them ineligible for such assistance payments, or eligible for assistance payments in a different amount.

"(5) In addition to any adoption assistance payments which may be made pursuant to paragraph (2), assistance under this section may include payments, to parents who adopt a child with special needs (as determined pursuant to subsection (c)), of an amount necessary to cover part or all of the nonrecurring expenses (as defined in regulations of the Secretary) associated with the proceedings related to the adoption of the child.

"(6) For the purposes of this part, individuals with whom a child (who the State determines, pursuant to subsection (c), is a child with special needs) is placed for adoption, pursuant to an interlocutory decree, shall be eligible for adoption assistance payments under this subsection, during the period of the placement, on the same terms and subject to the same conditions as if such individuals had adopted the child.

"(b) For purposes of this Act, the term 'aid to families with dependent children' shall, notwithstanding section 406(b), include payments made under and in accordance with this section.

"(c) In order to determine that a child is a child with special needs for purposes of this section, the State or local agency administering the program under this part must determine (in accordance with such standards and procedures as the Secretary may by regulation provide)—

"(1) that the child cannot or should not be returned to his biological family;

"(2) that the child is difficult or impossible to place with appropriate adoptive parents without providing adoption assistance payments because of his ethnic background, age, membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps; and

"(3) that, except where it would be against the best interests of the child because of such factors as the development of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable effort, consistent with the best interest of the child, has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section.".

(b) Section 402(a)(24) is amended by inserting before the semicolon the following: "(but nothing in this paragraph shall affect the eligibility of any such individual or his adopting parents for assistance under section 412)".

(c) The amendments made by this section (a) shall become effective in any State on the first day of such month during the period beginning October 1, 1979, and ending September 30, 1980, as the State may designate, but shall in any event be effective in all States no later than September 1, 1980.

TITLE III—MISCELLANEOUS

PUBLIC ASSISTANCE PAYMENTS TO TERRITORIAL JURISDICTIONS

SEC. 301. (a) Section 1108(a) is amended—

(1) by striking out "with respect to the fiscal year 1972 and each fiscal year thereafter other than the fiscal year 1979" in paragraphs (1)(E), (2)(E), and (3)(E) and inserting instead in each instance "with respect to each of the fiscal years 1972 through 1978"; and

(2) by striking out "with respect to the fiscal year 1979" in paragraphs (1)(F), (2)(F), and (3)(F) and inserting instead in each instance "with respect to the fiscal year 1979 and each fiscal year thereafter".

(b) The last sentence of section 1118 is amended by striking out "when applied to quarters in the fiscal year ending September 30, 1979".

EFFECTIVE DATES

SEC. 302. Except as otherwise specifically indicated—

(1) title I and section 301 of this Act, and the amendments made thereby, shall be effective with respect to fiscal years beginning after September 30, 1979 (except that the amendments made by section 105 of this Act shall be effective, in the case of any State that has published a proposed comprehensive services plan for the fiscal year 1980, only with respect to its next succeeding comprehensive services plan); and

(2) title II of this Act, and the amendments made thereby, shall be effective with respect to calendar quarters beginning after September 30, 1979.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, strike out the matter in the table of contents relating to titles II and III and insert in lieu therof the following:

TITLE II—CHILD WELFARE SERVICES

Sec. 201. Amendments to child welfare services program.

TITLE III—FOSTER CARE AND ADOPTION ASSISTANCE

Sec. 301. Federal payments for dependent children voluntarily placed in foster care.

Sec. 302. Adoption assistance payments under aid to families with dependent children foster care program.

TITLE IV—MISCELLANEOUS

Sec. 401. Public assistance payments to territorial jurisdictions.

Sec. 402. Effective dates.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, considered en bloc, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

(The remaining committee amendments are as follows:)

Committee amendments:

Page 15, lines 11 and 12, strike out ", FOSTER CARE, AND ADOPTION ASSISTANCE".

Page 23, line 14, insert "the second sentence of" before "subsection (b)".

Page 25, strike out "preventive" in line 4 and all that follows down through, ", and" in line 8.

Page 28, line 7, insert quotation marks before (d)(1).

Page 28, line 19, insert "the second sentence of" before "subsection (b)".

Page 29, strike out "If" in line 1 and all that follows down through "inapplicable," in line 5 and insert in lieu thereof the following: "If any State has not completed all of the actions described in the second sentence of subsection (b) and placed in effect all of the laws, regulations, standards, practices, and procedures described in paragraphs (2) through (8) of subsection (c) prior to the beginning of the fiscal year 1982, both this subsection and the first sentence of subsection (b) shall be inapplicable.".

Page 29, line 15, after "until" insert "all of the actions described in the second sentence of subsection (b) have been completed and".

Page 34, strike out line 1 and all that follows down through page 34, line 18.

Page 34, line 19, strike out "(7)" and insert in lieu thereof "(5)".

Page 34, line 22, strike out "(8)" and insert in lieu thereof "(6)".

Page 35, line 3, strike out "(9)" and insert in lieu thereof "(7)".

Page 35, line 13, strike out "section 422(1)" and insert in lieu thereof "section 422(b)(1) (as otherwise amended by subsection (a) of this section)".

Page 36, line 3, strike out "section 422(a)(1)" and insert in lieu thereof "section 422(b)(1)".

Page 36, line 4, after "Act" insert "(as amended by subsection (a) of this section)".

Page 36, line 8, strike out "section 422(a)(1)" and insert in lieu thereof "section 422(b)(1)".

Page 36, line 16, strike out "section 422(a)(1)" and insert in lieu thereof "section 422(b)(1)".

Page 37, after line 6, insert the following:

TITLE III—FOSTER CARE AND ADOPTION ASSISTANCE

Page 37, line 11, strike out "Sec. 202." and insert in lieu thereof "Sec. 301.".

Page 40, line 16, strike out "February 1, 1979," and insert in lieu thereof "the date of the enactment of the Social Services and Child Welfare Amendments of 1979".

Page 42, strike out lines 14 through 16 and insert in lieu thereof the following:

"(f) For purposes of this section—

"(1) the term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated, or which has been approved, by the agency of such State responsible for licensing homes of this type, as meeting the standards established for such licensing; and

"(2) the term 'child-care institution' means a public institution accommodating not more than twenty-five children, or a nonprofit private child-care institution, which is licensed by the State in which it is situated, or which is approved, by the agency of such State responsible for the licensing or approval of institutions of this type, as meeting the standards established for such licensing; but such term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily to accommodate children who are delinquent.

For definitions of other terms used in this section, see section 425(b).".

Page 45, line 13, strike out "Sec. 203." and insert in lieu thereof "Sec. 302.".

Page 49, line 19, strike out "III" and insert in lieu thereof "IV".

Page 49, line 22, strike out "Sec. 301." and insert in lieu thereof "Sec. 401.".

Page 50, line 12, strike out "Sec. 302." and insert in lieu thereof "Sec. 402.".

Page 50, line 14, strike out "301" and insert in lieu thereof "401".

Page 50, lines 17 and 18, strike out "section 105" and insert in lieu thereof "sections 105 and 107."

Page 50, lines 21 and 22, strike out "its next succeeding comprehensive services plan" and insert in lieu thereof "succeeding comprehensive services plans".

Page 50, line 24, strike out "title II" and insert in lieu thereof "titles II and III".

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. FLIPPO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes, pursuant to House Resolution 365, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MICHEL. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MICHEL moves to recommit the bill, H.R. 3434, to the Committee on Ways and Means with instructions to report the bill back to the House forthwith with the following amendment: On page 51, immediately after line 2, add the following new section:

"SEC. 403. Notwithstanding any other provision of this Act, no payments under title II of this Act shall be effective except to the extent provided in advance in appropriations Acts."

The SPEAKER pro tempore. The gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes in support of his motion to recommit.

Mr. MICHEL. Mr. Speaker, I want to make it abundantly clear at the very outset that to qualify for the offering of this motion to recommit I have to express myself as being opposed to the bill as it is currently before us. I am opposed to it in the sense that I disagree with the entitlement method of funding contained in the bill. But as for the purposes and intent embodied in the bill itself, I am all for them and have publicly said so any number of times.

The only disagreement I have with the bill as reported from the Committee on Ways and Means is that it comes in the form of an entitlement, changing the program from one of annual appropriations to one of entitlements by which we will not have the prerogative in future years of having the annual oversight and review provided by the appropriating process.

How many times earlier this year, particularly during the spirited debate that ran for several weeks on consideration of the budget resolution itself, have I heard Members say there is absolutely no way we can make an adjustment here because this is an uncontrollable item?

And then we would have a Member pop up and ask, "What do you mean, 'uncontrollable'? Who writes the law?" Well, we do here in this House.

And now here we are again providing a measure that has the feature of being uncontrollable for future years. This is the time to enjoin the issue. My feeling is that we have gone down this road before, and now three-quarters of the measures which are considered to be uncontrollable are in the category of being entitlements.

If we take the entire budget, the total budget, 10 years ago only 40 percent of that was considered to be entitlements, but now we have over half, 55 percent, of the Federal expenditures in the aggregate that are in the form of entitlements.

Mr. Speaker, it seems to me we have come to that juncture where we have got to meet the issue head on. Here is a measure with a very good purpose, and as I indicated, the only reason I am opposed to it and have offered this motion to recommit with instructions is so we can continue it as an appropriation measure with an annual review rather than turning it into an entitlement program where we have no opportunity for that annual review.

Mr. Speaker, I ask support for my motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. COXMAN) is recognized for 5 minutes in opposition to the motion to recommit.

Mr. CORMAN. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. BRODHEAD. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Michigan.

Mr. BRODHEAD. Mr. Speaker, I thank the gentleman for yielding.

As the gentleman from Illinois (Mr. MICHEL) indicated, this is a relatively minor disagreement about what everyone seems to believe is a very worthwhile piece of legislation.

The Ways and Means Committee feels, and the majority and the Committee on Rules felt that child welfare services should be an entitlement. I think it is important to understand this is not an open-ended program; we are discussing an entitlement that is, first of all, capped. It is capped at $266 million, and that cap cannot be changed without action by this House.

The second limitation on this amount is the budget resolution.

□ 1530

The first budget resolution authorized $141 million. So only $141 million of the $266 million cap is to be spent in the upcoming fiscal year.

So the question is: Why is it that we feel in this limited instance that an entitlement is necessary?

First of all, it is important to understand that we are choosing between two entitlements. The purpose of the bill is to try to take kids out of foster care. Foster care is in itself an entitlement program. The bill will provide better services to children at a savings of money. The funds to be expended under this limited entitlement program would otherwise be spent in another entitlement program that is much more expensive. But the two are inextricably linked together. The entitlement is necessary because we have to enact reforms of the foster care system, and the only way to enact these reforms, the only way to improve the system, is to let everyone know, let the children know, let the agencies know and let the States know that the money will be there. They cannot be assured that the money is going to be there if they have to wait every year until the end of the year for the conference report.

I well understand the concern expressed by the gentleman from Illinois and by other members of the Committee on Appropriations about this process. I assure the gentleman, and we all assure the Members of this House, that we do not desire to infringe upon the prerogative of the Appropriations Committee. We feel that this program is not going to result in the net expenditure of one additional dollar. However, the entitlement is necessary for the purpose of insuring that the money is there so that we can provide services to children who are so amply documented to be in such terrible straits. The money will allow us to get them out of these conditions and into adoptive homes.

So I urge a no vote on the motion to recommit.

Mr. CORMAN. Mr. Speaker, the gentleman from Michigan has stated the case very concisely and precisely. So far as our getting children out of foster care and into adoptive homes, this vote is crucial, because unless the States know how much money they are going to get and when they are going to get it, they are not going to undertake a program to move out of an entitlement into something which may result in total State costs.

I urge my colleagues to vote against the motion to recommit.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I rise in opposition to this bill and the closed rule that gags the House from working its will. The Rules Committee has been very responsible in granting mostly open rules for the major pieces of legislation that have come before this Chamber. However, on legislation this broad it is unfortunate that the full membership of the House is shut out from the amendment process.

The last time any measure this sweeping came before this House was the Economic Opportunity Amendments of 1971. At that time a number of my colleagues in the House, and I expressed deep concern over the trends represented in that bill. In looking at H.R. 3434 I have a sense of deja vu. Some of the very same proposals that shocked many of us in 1971 are popping back up in this bill. The major differences between now and 1971 is that we now have an administration filled with officials pledged to intervene in every aspect of family life and that this time around we cannot amend the bill under open rules.

This year, 1979 is called the "Year of the Child." Given those associated with the year's festivities it is more like the year of big brother. Since this Congress came into session there has been ongoing pressure to usurp the rights of parents to guide the destinies of their own family. We have seen an even broader interventionist bill, S. 4 sponsored by the Senator from California (Mr. CRANSTON) shelved on the Senate side. The mere fact that such a bill as that one got any where in Congress is a major danger signal to families across the Nation. It is entirely possible that the consideration of this bill, H.R. 3434, under a closed rule will breath new life into S. 4. If either bill emerges from Congress there will be no veto to check such intervention as there was in 1971. It is truly scary to think how close we are to going over the edge with a blueprint for nationalizing child care in the Nation.

Let me now address my specific concerns with this bill. If the rule is adopted these same concerns will not be able to be addressed in the Committee of the Whole. There has been a number of academicians and bureaucrats who, for many years, have been very disturbed over the fact that normal productive citizens can evolve from such an unpredictable and unregulated environment as the American family. To think that such diversity in approach to child care, and such unsupervised actions as family life consistently produces members of the most successful society on Earth is a galling proposition to them. They have therefore pushed, for years and years, different schemes to pry open the citadel of the family and allow social engineers and radical theoreticians to begin regulating this last bastion of freedom from big brother.

Under the Carter administration this process has accelerated. The "Year of the Child" and "children's rights" have become the new buzz words for family regulation. Childcare has become the foot in the door to break into the homes of America. This bill represents a wholesale breaking and entering into the hearth. There are four parts of the bill that are particularly invidious to the present concept of family life in America. These provisions should be deleted completely from the bill or at least substantially modified. Neither of these actions will occur, however, if the rule is adopted:

First. The big brother network.

This bill, on page 17, states that—

> In order to be eligible for payment under this part, a State must have a plan for child welfare services. . . .

The bill then outlines the establishment of State agencies to carry out a services program. This part of the bill goes on to mandate that these agencies must develop plans for expanding their coverage to additional political subdivision, additional children, and to "expanding and strengthening the range of existing services and developing new types of services." This is in effect creating a new engine of Government expansion at every possible level of Government. The granting of a carte blanche mandate for expanding services and developing new types of services opens the door for social experimentation that I do not think is intended by this Congress. Unless this section is better defined and unless substantive guidelines are written into the bill the provisions on pages 17 to 19 represent a dangerous shot in the arm of the forces of family regulation.

Second. Who says so?

On pages 30 and 31 of the bill there begins what could be charitably called "definitions." This section tries through vagueness and generality to mandate just about anything Washington wants to do to nationalize the family unit. The attempt to define "child welfare services" leaves no question in my mind that a quantum leap in State control of the family is underway. The scope of "child welfare services" is limited to "protecting and promoting the welfare of all children." What type of a definition is this? Several target groups are outlined, but they do not limit the intent of this statement. All children? Such definitions insult the intelligence of the House. Unless the wording is tightened up there is no way this definition should see the light of day.

Adding injury to insult the definition of "child welfare services" goes on to state that part of these services is "preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible." Who is to define the vast array of loaded words in this definition? Who is to discern the thresholds of abuse or problems that will warrant intervention? Who is going to define the limits to intervention? These are dangerous questions to leave up to the petty bureaucrats of Washington. There are no safeguards in this bill to protect the rights of the family to throw Government agents out of their house if intervention occurs. There is no language anywhere to curtail Government action in this section. I cannot believe this section got through committee unscathed. This is a blueprint for 1984.

Third. The institution as family.

Big brother took the state to its logical extreme of intervention, that being the consideration of the state as family, and the dictator as the paternal figure of "big brother." On page 39 of the bill the same rhetorical ploy occurs. The bill states that AFDC payments, payments meant for families with dependent children, may be given to institutions with dependent children. This is totally contrary to the intent of the original act. This reversal of intent, from the family as an institution to the institution as family once again underscores the incredible philosophy that is embodied in this legislation. If this Chamber is going to overhaul AFDC then let us look at a reauthorization bill and debate openly the future of the AFDC program. To hide it deep in this bill with a closed rule is totally unfair to the type of government that at least I hope is still capable of existing in this Nation.

Fourth. The fog factor.

At one point this was supposed to be an oversight Congress. From this legislation and other bills that have come before us makes it plain to me that if anything this Congress is succeeding to creating more problems for legislative control. In about every definition in the bill what could be clear concise statements are left hanging in a fog of buzz words that have grown meaningless in countless examples of regulatory excess.

On page 48 there is a definition of a child with special needs. One of the subsections states that special needs includes the provision of adoptive assistance for children who are difficult to place because of "his ethnic background, age, membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps." This sounds all right, but if you look closer than just a cursory once over you begin to see that this definition is as meaningless as just about every other attempt in the bill at defining terms.

Once again I ask, who is to determine the interpretation of these terms? Who is going to oversee their implementation? What is going to prevent some judge or some bureaucrat who wants to be creative from broadening these terms to encompass a whole new minority or group that has not even been dreamed up yet? I keep hearing about how Congress must get control of the bureaucracy but then I see items like this and realize that we are just stoking the flames of administrative dominance that will soon engulf us all.

Mr. Speaker, in these four examples I have tried to touch upon just a very few provisions of this bill that are crucial for this House to amend. The reason we bring bills to the floor is to allow the entire membership of the House to have a chance to perfect legislation coming out of the standing committees. If we are to curtail that right on such major legislation as H.R. 3434, then what are we here for? I know there are some concerns over opening up all of title XX to the will of the House and that, in part, is the reason for the closed rule. However, the Rules Committee is filled with bright responsible Members of this Chamber and I am sure that some different modified rule could have been drafted. There is too much at stake in this bill to let it go through on such limited consideration. I hope my colleagues join me in voting down this rule so we are not closed out of the legislative process.

Moreover, to make specific entitlements just adds one more area where the Congress loses control over expenditures. Little by little more and more Federal spending is moving out of the budget process and into mandatory entitlements. This is a bad path to be following.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MICHEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 204, nays 199, not voting 31, as follows:

[Roll No. 433]

YEAS—204

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Flippo
Fountain
Frenzel
Frost
Gilman
Gingrich
Goldwater
Goodling
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hansen
Harsha
Heckler
Hefner
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Madigan
Marks
Marriott
Martin
Mathis
Mattox
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nelson
Nichols
Pashayan
Paul
Petri
Pickle
Pritchard
Pursell
Quayle
Railsback
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Young, Alaska
Young, Fla.

NAYS—199

Addabbo
Alboata
Alexander
Anderson, Calif.
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Bellenson
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Heftel
Holtzman
Howard
Hutto
Ireland
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mavroules
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rostenkowski
Roybal
Santini
Scheuer
Schroeder
Seiberling
Shannon
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Studds
Swift
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
White
Williams, Mont.
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—31

Akaka	Forsythe	Quillen
Anderson, Ill.	Giaimo	Ritter
Bolling	Hammer-schmidt	Rosenthal
Boner	Hinson	Russo
Conyers	Holland	Traxler
Diggs	Marlenee	Treen
Downey	Miller, Calif.	Watkins
Drinan	Murphy, N.Y.	Williams, Ohio
Duncan, Oreg.	Nolan	Wydler
Evans, Ga.	O'Brien	Wylie
Flood		

□ 1540

The Clerk announced the following pairs:

On this vote:

Mr. Hinson for, with Mr. Akaka against.

Mr. Wydler for, with Mr. Miller of California against.

Mr. Wylie for, with Mr. Traxler against.

Mr. Williams of Ohio for, with Mr. Rosenthal against.

Mr. Ritter for, with Mr. Murphy of New York against.

Mr. Quillen for, with Mr. Drinan against.

Mr. O'Brien for, with Mr. Conyers against.

Mr. Marlenee for, with Mr. Diggs against.

Messrs. DERWINSKI, HUGHES, PRITCHARD, CARTER, NICHOLS, McCLORY, STRATTON, GUDGER, LEACH of Iowa, and Mrs. BOUQUARD changed their vote from "nay" to "yea."

Messrs. GLICKMAN, NEAL, BURLISON, D'AMOURS, and WILLIAMS of Montana changed their vote from "yea" to "nay."

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

□ 1550

Mr. CORMAN. Mr. Speaker, in accordance with the instruction of the House, and on behalf of the Committee on Ways and Means, I report the bill, H.R. 3434, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment: On page 51, immediately after line 2, add the following new section:

"Sec. 403. Notwithstanding any other provision of this Act, no payments under title II of this Act shall be effective except to the extent provided in advance in appropriation Acts."

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 401, nays 2, not voting 31, as follows:

[Roll No. 434]

YEAS—401

Abdnor	Donnelly	Kindness	Richmond	Smith, Nebr.	Vanik
Addabbo	Dornan	Kogovsek	Rinaldo	Snowe	Vento
Albosta	Dougherty	Kostmayer	Roberts	Snyder	Volkmer
Alexander	Duncan, Oreg.	Kramer	Robinson	Solarz	Walgren
Ambro	Duncan, Tenn.	LaFalce	Rodino	Solomon	Walker
Anderson, Calif.	Early	Lagomarsino	Roe	Spellman	Wampler
Andrews, N.C.	Eckhardt	Latta	Rose	Spence	Waxman
Andrews, N. Dak.	Edgar	Leach, Iowa	Rostenkowski	St Germain	Weaver
Annunzio	Edwards, Ala.	Leach, La.	Roth	Stack	Weiss
Anthony	Edwards, Calif.	Leath, Tex.	Rousselot	Staggers	White
Applegate	Edwards, Okla.	Lederer	Roybal	Stangeland	Whitehurst
Archer	Emery	Lee	Royer	Stanton	Whitley
Ashbrook	English	Lehman	Runnels	Stark	Whittaker
Ashley	Erdahl	Leland	Sabo	Steed	Whitten
Aspin	Erlenborn	Levitas	Santini	Stenholm	Williams, Mont.
Atkinson	Ertel	Lewis	Satterfield	Stewart	Wilson, Bob
AuCoin	Evans, Del.	Livingston	Sawyer	Stockman	Wilson, C. H.
Badham	Evans, Ga.	Lloyd	Scheuer	Stokes	Wilson, Tex.
Bafalis	Evans, Ind.	Loeffler	Schroeder	Stratton	Winn
Bailey	Fary	Long, La.	Schulze	Studds	Wirth
Baldus	Fascell	Long, Md.	Sebelius	Swift	Wolff
Barnard	Fazio	Lott	Seiberling	Symms	Wolpe
Barnes	Fenwick	Lowry	Sensenbrenner	Synar	Wright
Bauman	Ferraro	Lujan	Shannon	Tauke	Wyatt
Beard, R.I.	Findley	Luken	Sharp	Taylor	Yates
Beard, Tenn.	Fish	Lundine	Shelby	Thomas	Yatron
Bedell	Fisher	Lungren	Shumway	Thompson	Young, Alaska
Bellenson	Fithian	McClory	Shuster	Trible	Young, Fla.
Benjamin	Flippo	McCloskey	Simon	Udall	Young, Mo.
Bennett	Florio	McCormack	Skelton	Ullman	Zablocki
Bereuter	Foley	McDade	Slack	Van Deerlin	Zeferetti
Bethune	Ford, Mich.	McDonald	Smith, Iowa	Vander Jagt	
Bevill	Ford, Tenn.	McEwen			
Biaggi	Fountain	McHugh			
Bingham	Fowler	McKay			
Blanchard	Frenzel	McKinney			
Boggs	Frost	Madigan			
Boland	Fuqua	Maguire			
Bonior	Garcia	Markey			
Bonker	Gaydos	Marks			
Bouquard	Gephardt	Marriott			
Bowen	Gibbons	Martin			
Brademas	Gilman	Mathis			
Breaux	Gingrich	Matsui			
Brinkley	Ginn	Mattox			
Brodhead	Glickman	Mavroules			
Brooks	Goldwater	Mazzoli			
Broomfield	Gonzalez	Mica			
Brown, Calif.	Goodling	Michel			
Brown, Ohio	Gore	Mikulski			
Broyhill	Gradison	Mikva			
Buchanan	Gramm	Miller, Ohio			
Burgener	Grassley	Mineta			
Burlison	Gray	Minish			
Burton, John	Green	Mitchell, Md.			
Burton, Phillip	Grisham	Mitchell, N.Y.			
Butler	Guarini	Moakley			
Byron	Gudger	Moffett			
Campbell	Guyer	Mollohan			
Carney	Hagedorn	Montgomery			
Carr	Hall, Ohio	Moore			
Carter	Hall, Tex.	Moorhead, Calif.			
Cavanaugh	Hamilton	Moorhead, Pa.			
Chappell	Hance	Mottl			
Cheney	Hanley	Murphy, Ill.			
Chisholm	Hansen	Murphy, Pa.			
Clausen	Harkin	Murtha			
Clay	Harris	Myers, Ind.			
Cleveland	Hawkins	Myers, Pa.			
Clinger	Heckler	Natcher			
Coelho	Hefner	Neal			
Coleman	Heftel	Nedzi			
Collins, Ill.	Hightower	Nelson			
Collins, Tex.	Hillis	Nichols			
Conable	Hollenbeck	Nowak			
Conte	Holt	Oakar			
Corcoran	Holtzman	Oberstar			
Corman	Hopkins	Obey			
Cotter	Horton	Ottinger			
Coughlin	Howard	Panetta			
Courter	Hubbard	Pashayan			
Crane, Daniel	Huckaby	Patten			
Crane, Philip	Hughes	Patterson			
D'Amours	Hutto	Paul			
Daniel, Dan	Hyde	Pease			
Daniel, R. W.	Ichord	Pepper			
Danielson	Ireland	Perkins			
Daschle	Jacobs	Petri			
Davis, Mich.	Jeffords	Peyser			
Davis, S.C.	Jeffries	Pickle			
de la Garza	Jenkins	Preyer			
Deckard	Jenrette	Price			
Dellums	Johnson, Calif.	Pritchard			
Derrick	Johnson, Colo.	Pursell			
Derwinski	Jones, N.C.	Quayle			
Devine	Jones, Okla.	Rahall			
Dickinson	Jones, Tenn.	Railsback			
Dicks	Kastenmeier	Rangel			
Dingell	Kasen	Ratchford			
Dixon	Kelly	Regula			
Dodd	Kemp	Reuss			
	Kildee	Rhodes			

NAYS—2

Dannemeyer	Stump

NOT VOTING—31

Akaka	Hammer-schmidt	Ritter
Anderson, Ill.	Hinson	Rosenthal
Bolling	Holland	Rudd
Boner	Lent	Russo
Conyers	Marlenee	Traxler
Diggs	Miller, Calif.	Treen
Downey	Murphy, N.Y.	Watkins
Drinan	Nolan	Williams, Ohio
Flood	O'Brien	Wydler
Forsythe	Quillen	Wylie
Giaimo		

□ 1610

The Clerk announced the following pairs:

Mr. Akaka with Mr. Anderson of Illinois.
Mr. Giaimo with Mr. Marlenee.
Mr. Murphy of New York with Mr. Lent
Mr. Miller of California with Mr. Hinson.
Mr. Rosenthal with Mr. Wylie.
Mr. Traxler with Mr. Hammerschmidt.
Mr. Drinan with Mr. Wydler.
Mr. Russo with Mr. Rudd.
Mr. Watkins with Mr. Williams of Ohio.
Mr. Boner of Tennessee with Mr. Conyers.
Mr. Downey with Mr. Forsythe.
Mr. Nolan with Mr. O'Brien.
Mr. Holland with Mr. Quillen.
Mr. Flood with Mr. Ritter.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 4389, DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS

Mr. NATCHER. Mr. Speaker, I call up the conference report on the bill

(H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. GIBBONS). Pursuant to clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 31, 1979.)

The gentleman from Kentucky (Mr. NATCHER) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MICHEL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, today we bring before the House the conference report on H.R. 4389, the Labor-HEW appropriation bill for the fiscal year 1980. This is a good bill and I believe all Members can support it. All of the conferees—both House and Senate—worked hard to resolve the many issues in this bill. There were 147 amendments in disagreement that the conferees had to resolve. Mr. Speaker, we had to compromise with the Senate conferees on many of these matters but, in general, I think we did a good job in upholding the House position.

The total appropriations provided in the conference report and recommended by the conferees amount to $72,350,613,000 in Federal funds and $5,054,198,000 in trust funds. The recommendation in total represents a reduction of $428,720,000 below the House bill and $470,632,000 below the Senate bill. Mr. Speaker, in total the amount recommended by the conferees is $1,337,129,000 below the President's budget request.

Mr. Speaker, the Labor-HEW bill has been vetoed seven times since 1969. But I see no reason for the President to veto this bill. The committee has worked on these matters since January, when the President's budget was submitted to Congress. There were many problems with the President's budget recommendations. Many programs were proposed for cutback or elimination. Other good programs were maintained at the previous year's level with no increases. On the other hand, the budget proposed increases that simply were not justified.

The committee reviewed these matters very carefully. Many Members wrote to our committee giving us their views on these programs. Many of you appeared before the committee to testify about these programs. We found this to be very helpful in developing the amounts contained in this bill.

We have tried to balance the demand for increased funding for Labor-HEW programs against the need for fiscal restraint. The amounts in this bill are reasonable and justified.

The major change from the bill which the House passed in June is in the basic opportunity grants program administered in the Office of Education. The conference recommendation is $726,000,000 below the amount in the House bill for this program. The Senate deleted $726,000,000 which the budget and the House had included as a reappropriation of 1979 funds for use in 1980. Instead, the Senate extended the availability of unused appropriations available from fiscal years 1978 and 1979. This is a matter of bookkeeping procedures and does not represent a cut in the basic opportunity grants program. Both the House and Senate agree to fully fund the program in 1980, so there is no reduction in the program.

The reduction of $726,000,000 from the House bill for basic opportunity grants is the main reason for the conference amount being below the House bill in total. The conferees had to resolve many items where the Senate had added to the House bill as well as where the Senate had reduced the bill.

For the benefit of Members, I want to first highlight the major increases from the House bill:

DEPARTMENT OF LABOR	
Youth employment and training program	+$158,831,000
Young adult conservation corps	+16,541,000
Employment for older Americans	+8,350,000
Mine Safety and Health	+9,037,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE	
Health programs:	
Preventive health services	+$12,000,000
National Cancer Institute	+38,842,000
National Eye Institute	+5,472,000
Health resources	+12,226,000
Education programs:	
Impact aid, category A	+28,000,000
Magnet schools	+7,395,000
Adult education, refugee aid	+5,000,000
School libraries	+9,000,000
Other HEW programs:	
Cuban refugees	+$52,040,000
Area agencies on aging	+50,000,000
Elderly Indians	+6,000,000
Independent living for handicapped	+5,000,000
Related agencies:	
Energy crisis intervention	+228,000,000
Community food and nutrition	+10,000,000

Offsetting these increases, the conferees agreed to the following major reductions from the House bill:

Temporary employment assistance (This reduction is based on the Senate assumption that average public service enrollment levels will be lower than the House estimate.)	—$198,000,000
Elementary and secondary education, concentration grants (This reduction is based on delay in starting this new program in 1979.)	—145,799,000
Emergency school aid (This reduction reflects a shift from general assistance to special projects aimed at school districts under court ordered or voluntary desegregation plans.)	—35,000,000
National Institute of Education (This reduction reflects a 50% cut in new projects.)	—7,113,000
Nutrition for the elderly (This reduction represents a gradual shift from nutrition services to social services based on change in law effective in 1981.)	—30,000,000

Mr. Speaker, this is not a complete listing of the many items considered by the conferees. This bill contains funding for hundreds of individual programs, each of which must be considered separately. I intend to insert in the RECORD at the conclusion of my remarks a detailed listing to show the amounts agreed to by the conferees compared with the House and Senate bills, the budget estimate, and the 1979 appropriation.

As you might expect, in addition to dollar differences, the conferees had to resolve several matters involving language provisions in both the House and Senate bills. I want to mention several provisions added by the Senate which the conferees agreed to accept with some modification.

The conferees agreed to accept the so-called Schweiker amendment on OSHA, with certain modifications. The amendment as agreed to basically exempts employers of 10 or fewer from the act if they have a low illness and injury incidence rate. There are certain exceptions included to allow OSHA to take care of potentially serious problems and to provide consultation and technical assistance. The Schweiker amendment does not apply to small farms employing 10 or fewer. They are covered by a separate limitation.

Also, the conferees have agreed, with one exception, to the Senate version of language exempting certain types of mines from the training requirements of the Federal Mine Safety and Health Act. The conferees made it clear that this should apply to only surface mines. Underground mines would still be covered.

With regard to the matter of abortion, the conferees were unable to agree. Therefore, when you vote on this conference report, you will not be voting on the question of payments for abortion. That vote will come later when we take up Senate amendment No. 137.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
SUMMARY									
Title I—Department of Labor:									
Federal funds	13,924,962,000	12,118,812,000	11,236,562,000	11,183,225,000	11,248,565,000	−2,676,397,000	−870,247,000	+12,003,000	+65,340,000
Trust funds	1,731,034,000	1,809,905,000	1,809,905,000	1,809,905,000	1,809,905,000	+78,871,000			
Title II—Department of Health, Education, and Welfare:									
Federal funds	58,299,015,000	60,249,953,000	60,931,477,000	60,261,626,000	60,236,654,000	+1,937,639,000	−13,299,000	−694,823,000	−24,972,000
Trust funds	3,090,988,000	3,206,063,000	3,204,463,000	3,208,563,000	3,204,563,000	+113,565,000	−1,500,000		−4,000,000
Unauthorized, not considered:									
Federal funds	(1,098,963,000)	(792,188,000)		(200,000,000)		(−1,098,963,000)	(−792,188,000)		(−200,000,000)
Sec. 201 fraud, abuse and waste reduction	−301,500,000		−500,000,000		−500,000,000	−198,500,000	−500,000,000		−500,000,000
Title III—Related agencies:									
Federal funds	1,443,670,000	1,490,977,000	1,283,294,000	1,548,394,000	1,537,394,000	+93,724,000	+46,417,000	+254,100,000	−11,000,000
Trust funds	35,703,000	38,730,000	38,730,000	38,730,000	38,730,000	+3,027,000			
Unauthorized, not considered:									
Federal funds	(138,691,000)	(97,697,000)				(−138,691,000)	(−97,697,000)		
Grand total, direct appropriations all titles:									
Federal funds	73,667,647,000	73,859,742,000	73,451,333,000	72,993,245,000	73,022,613,000	−645,034,000	−837,129,000	−428,720,000	+29,368,000
Trust funds	(4,858,735,000)	(5,055,698,000)	(5,054,198,000)	(5,058,198,000)	(5,054,198,000)	(+195,463,000)	(−1,500,000)		(−4,000,000)
Sec. 201 fraud abuse and waste	−301,500,000		−500,000,000		−500,000,000	−198,500,000	−500,000,000		−500,000,000
Grand total including sec. 201 reduction:									
Federal funds	73,366,147,000	73,859,742,000	72,951,333,000	72,993,245,000	72,522,613,000	−843,534,000	−1,337,129,000	−428,720,000	−470,632,000
Trust funds	(4,858,735,000)	(5,055,698,000)	(5,054,198,000)	(5,058,198,000)	(5,054,198,000)	(+195,463,000)	(−1,500,000)		(−4,000,000)
Unauthorized, not considered:									
Federal funds	(1,237,654,000)	(889,795,000)		(200,000,000)		(−1,237,654,000)	(−889,795,000)		(−200,000,000)
TITLE I—DEPARTMENT OF LABOR									
EMPLOYMENT AND TRAINING ADMINISTRATION									
Program administration:									
Planning, evaluation and research	5,719,000	4,773,000	4,773,000	4,773,000	4,773,000	−946,000			
Trust funds		(325,000)	(325,000)	(325,000)	(325,000)	(+325,000)			
Comprehensive employment development	47,556,000	47,157,000	47,157,000	47,157,000	47,157,000	−399,000			
Trust funds	(2,333,000)	(48,000)	(48,000)	(48,000)	(48,000)	(−2,285,000)			
Apprenticeship services	14,328,000	14,208,000	14,208,000	14,208,000	14,208,000	−120,000			
U.S. employment service	927,000	1,396,000	1,396,000	1,396,000	1,396,000	+469,000			
Trust funds	(17,257,000)	(16,003,000)	(16,003,000)	(16,713,000)	(16,713,000)	(−544,000)	(+710,000)	(+710,000)	
Unemployment insurance service	1,625,000	246,000	246,000	246,000	246,000	−1,379,000			
Trust funds	(10,457,000)	(11,351,000)	(11,351,000)	(11,351,000)	(11,351,000)	(+894,000)			
Investigation and compliance	1,077,000	1,630,000	1,630,000	1,630,000	1,630,000	+533,000			
Trust funds	(908,000)	(263,000)	(263,000)	(263,000)	(263,000)	(−645,000)			
Executive direction and management	18,894,000	16,850,000	16,850,000	16,850,000	16,850,000	−2,044,000			
Trust funds	(4,269,000)	(5,091,000)	(5,091,000)	(5,091,000)	(5,091,000)	(+822,000)			
Subtotal, program administration	125,350,000	119,341,000	119,341,000	120,051,000	120,051,000	−5,299,000	+710,000	+710,000	
Federal funds	90,126,000	86,260,000	86,260,000	86,260,000	86,260,000	−3,866,000			
Trust funds	(35,224,000)	(33,081,000)	(33,081,000)	(33,791,000)	(33,791,000)	(−1,433,000)	(+710,000)	(+710,000)	
Employment and training assistance:									
Comprehensive employment and training programs:									
Employment and training services (Title II–A, B, C)	1,914,100,000	2,054,000,000	2,054,000,000	2,054,000,000	2,054,000,000	+139,900,000			
Public service employment (Title II–D)	2,500,930,000	2,166,500,000	1,485,000,000	1,485,000,000	1,485,000,000	−1,015,930,000	−681,500,000		
Subtotal, comprehensive employment and training programs	4,415,030,000	4,220,500,000	3,539,000,000	3,539,000,000	3,539,000,000	−876,030,000	−681,500,000		
Youth programs:									
Special programs (Title IV):									
Youth incentive entitlement pilot projects	107,100,000					−107,100,000			
Youth employment and training programs	489,796,000	797,974,000	533,255,000	797,974,000	682,086,000	+192,290,000	−105,888,000	+158,831,000	−105,888,000
Youth community conservation and improvement program	107,100,000	134,008,000	134,008,000	134,008,000	134,008,000	+26,908,000			
Subtotal, Youth Employment and Demonstration Projects Act	713,996,000	931,982,000	667,263,000	931,982,000	826,094,000	+112,098,000	−105,888,000	+158,831,000	−105,888,000
Youth adult conservation corps (Title VIII)	216,900,000	166,469,000	233,713,000	266,795,000	250,254,000	+33,354,000	+83,785,000	+16,541,000	−16,541,000
Summer youth employment program (Title IV)	785,200,000	411,092,000	608,567,000	608,567,000	608,567,000	−176,633,000	+197,475,000		
Job Corps (Title IV)	296,000,000	415,700,000	415,700,000	415,700,000	415,700,000	+119,700,000			
Subtotal, youth programs	2,012,096,000	1,925,243,000	1,925,243,000	2,223,044,000	2,100,615,000	+88,519,000	+175,372,000	+175,372,000	−122,429,000
National programs (Title III)	370,132,000	371,011,000	546,011,000	536,011,000	536,011,000	+165,879,000	+165,000,000	−10,000,000	
Welfare reform projects (new add)			(175,000,000)	(175,000,000)	(175,000,000)	(+175,000,000)	(+175,000,000)		
Reappropriation (Public Law 95–355)	7,164,000					−7,164,000			
Subtotal, national programs	377,296,000	371,011,000	546,011,000	536,011,000	536,011,000	+158,715,000	+165,000,000	−10,000,000	
Private sector programs	75,000,000	325,000,000	325,000,000	125,000,000	325,000,000	+250,000,000			+200,000,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Subtotal, employment and training assistance, new authority	6,872,258,000	6,841,754,000	6,335,254,000	6,423,055,000	6,500,626,000	−371,632,000	−341,128,000	+165,372,000	+77,571,000
Reappropriation (Public Law 95–355)	7,164,000					−7,164,000			
Total, employment and training assistance	6,879,422,000	6,841,754,000	6,335,254,000	6,423,055,000	6,500,626,000	−378,796,000	−341,128,000	+165,372,000	+77,571,000
Temporary employment assistance (Title VI)	3,415,954,000	2,190,500,000	1,815,000,000	1,627,000,000	1,627,000,000	−1,788,954,000	−563,500,000	−188,000,000	
Subtotal, Comprehensive Employment and Training Act (CETA)	10,378,338,000	9,118,514,000	8,236,514,000	8,136,315,000	8,213,886,000	−2,164,452,000	−904,628,000	−22,628,000	−77,571,000
Community Services Employment for Older Americans	220,600,000	234,800,000	258,550,000	275,250,000	266,900,000	+46,300,000	+32,100,000	+8,350,000	−8,350,000
Federal unemployment benefits and allowances:									
Payments to former Federal personnel	535,000,000	575,000,000	575,000,000	575,000,000	577,000,000	+40,000,000			
Trade adjustment assistance	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000				
Unemployment assistance and payments under other Federal unemployment programs	115,000,000	75,000,000	75,000,000	75,000,000	75,000,000	−40,000,000			
Subtotal, FUBA	950,000,000	950,000,000	950,000,000	950,000,000	950,000,000				
Grants to States for unemployment insurance and employment services:									
Unemployment insurance service	(813,055,000)	(832,200,000)	(832,200,000)	(832,200,000)	(832,200,000)	(+19,145,000)			
Employment services:									
Federal funds	21,600,000	22,300,000	22,300,000	22,300,000	22,300,000	+700,000			
Trust funds	(646,400,000)	(666,700,000)	(666,700,000)	(665,990,000)	(665,990,000)	(+19,590,000)	(−710,000)	(−710,000)	
Subtotal, employment services	668,000,000	689,000,000	689,000,000	688,290,000	688,290,000	+20,290,000	−710,000	−710,000	
Contingency fund	(234,145,000)	(275,400,000)	(275,400,000)	(275,400,000)	(275,400,000)	(+41,255,000)			
Subtotal, grants to States	1,715,200,000	1,796,600,000	1,796,600,000	1,795,890,000	1,795,890,000	+80,690,000	−710,000	−710,000	
Federal funds	21,600,000	22,300,000	22,300,000	22,300,000	22,300,000	+700,000			
Trust funds	(1,693,600,000)	(1,774,300,000)	(1,774,300,000)	(1,773,590,000)	(1,773,590,000)	(+79,990,000)	(−710,000)	(−710,000)	
Advances to unemployment trust fund and other funds	700,000,000	300,000,000	300,000,000	300,000,000	300,000,000	−400,000,000			
Subtotal, Employment and Training Administration	14,006,526,000	12,432,995,000	11,574,745,000	11,491,246,000	11,560,467,000	−2,446,059,000	−872,528,000	−14,278,000	+69,221,000
Federal funds	12,277,702,000	10,625,614,000	9,767,364,000	9,683,865,000	9,753,086,000	−2,524,616,000	−872,528,000	−14,278,000	+69,221,000
Trust funds	(1,728,824,000)	(1,807,381,000)	(1,807,381,000	(1,807,381,000)	(1,807,381,000)	(+78,557,000)			
LABOR-MANAGEMENT SERVICES ADMINISTRATION									
Salaries and expenses:									
Labor-management relations policy and service	3,710,000	3,770,000	3,770,000	3,770,000	3,770,000	+60,000			
Labor-management standards enforcement	15,031,000	15,820,000	15,820,000	15,820,000	15,820,000	+789,000			
Veterans reemployment rights	2,417,000	2,467,000	2,467,000	2,467,000	2,467,000	+50,000			
Employee benefits security	27,069,000	27,910,000	27,910,000	27,910,000	27,910,000	+841,000			
Executive direction, management and support	4,126,000	3,974,000	3,974,000	3,974,000	3,974,000	−152,000			
Subtotal, LMSA	52,353,000	53,941,000	53,941,000	53,941,000	53,941,000	+1,588,000			
EMPLOYMENT STANDARDS ADMINISTRATION									
Salaries and expenses:									
Improving and protecting wages	62,017,000	62,221,000	62,221,000	62,221,000	62,221,000	+204,000			
Elimination of discrimination in employment	42,982,000	50,105,000	50,105,000	50,105,000	50,105,000	+7,123,000			
Workers' compensation	36,927,000	35,982,000	35,982,000	35,982,000	35,982,000	−945,000			
Trust funds	(333,000)	(341,000)	(341,000)	(341,000)	(341,000)	(+8,000)			
Program development and administration	14,744,000	16,615,000	15,615,000	15,615,000	15,615,000	+871,000	−1,000,000		
Subtotal, salaries and expenses	157,003,000	165,264,000	164,264,000	164,264,000	164,264,000	+7,261,000	−1,000,000		
Federal funds	156,670,000	164,923,000	163,923,000	163,923,000	163,923,000	+7,253,000	−1,000,000		
Trust funds	(333,000)	(341,000)	(341,000)	(341,000)	(341,000)	(+8,000)			
Special benefits:									
Federal Employees Compensation Act benefits	228,137,000	304,017,000	279,017,000	279,017,000	279,017,000	+50,880,000	−25,000,000		
Longshore and harbor workers' benefits	3,063,000	3,369,000	3,369,000	3,369,000	3,369,000	+306,000			
Subtotal, special benefits	231,200,000	307,386,000	282,386,000	282,386,000	282,386,000	+51,186,000	−25,000,000		
Black lung disability trust fund:									
Benefit payments	689,400,000	436,171,000	436,171,000	434,072,000	434,072,000	−255,328,000	−2,099,000	−2,099,000	
Employment Standards Administration, salaries and expenses	24,500,000	19,529,000	19,529,000	21,628,000	21,628,000	−2,872,000	+2,099,000	+2,099,000	
Departmental management, salaries and expenses	7,609,000	10,967,000	10,967,000	10,967,000	10,967,000	+3,358,000			
Subtotal, black lung disability trust fund	721,509,000	466,667,000	466,667,000	466,667,000	466,667,000	−254,842,000			
Treasury administrative costs (indefinite)		756,000	756,000	756,000	756,000	+756,000			
Subtotal, Employment Standards Administration	1,109,712,000	940,073,000	914,073,000	914,073,000	914,073,000	−195,639,000	−26,000,000		
Federal funds	1,109,379,000	939,732,000	913,732,000	913,732,000	913,732,000	−195,647,000	−26,000,000		
Trust funds	(333,000)	(341,000)	(341,000)	(341,000)	(341,000)	(+8,000)			

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION									
Salaries and expenses:									
Safety and health standards	6,132,000	6,118,000	6,118,000	6,348,000	6,233,000	+101,000	+115,000	+115,000	−115,000
Enforcement:									
Federal enforcement	70,637,000	73,831,000	73,831,000	76,650,000	75,240,000	+4,603,000	+1,409,000	+1,409,000	−1,410,000
State programs	42,500,000	42,360,000	42,360,000	42,360,000	42,360,000	−140,000			
Technical support	12,551,000	13,066,000	13,066,000	13,066,000	13,066,000	+515,000			
Compliance assistance	27,219,000	30,061,000	32,061,000	32,261,000	32,161,000	+4,942,000	+2,100,000	+100,000	−100,000
Safety and health statistics	6,732,000	6,829,000	6,829,000	6,829,000	6,829,000	+97,000			
Executive direction and administration	7,263,000	7,255,000	7,255,000	7,295,000	7,275,000	+12,000	+20,000	+20,000	−20,000
Subtotal, OSHA	173,034,000	179,520,000	181,520,000	184,809,000	183,164,000	+10,130,000	+3,644,000	+1,644,000	−1,645,000
MINE SAFETY AND HEALTH ADMINISTRATION									
Salaries and expenses:									
Enforcement:									
(a) Coal	55,094,000	55,332,000	55,332,000	57,664,000	56,498,000	+1,404,000	+1,166,000	+1,166,000	−1,166,000
(b) Metal/nonmetal	27,069,000	28,970,000	28,970,000	29,206,000	29,088,000	+2,019,000	+118,000	+118,000	−118,000
(c) Standards development	3,189,000	3,189,000	3,189,000	3,189,000	3,189,000				
Assessments	6,234,000	6,524,000	6,524,000	6,849,000	6,687,000	+453,000	+163,000	+163,000	−162,000
Education and training	12,003,000	10,843,000	10,843,000	11,934,000	11,388,000	−615,000	+545,000	+545,000	−546,000
Technical support	16,829,000	17,409,000	17,409,000	17,897,000	17,653,000	+824,000	+244,000	+244,000	−244,000
Program administration	7,562,000	9,443,000	9,443,000	9,443,000	9,443,000	+1,881,000			
National Mine Health and Safety Academy	4,770,000		6,801,000	6,801,000	6,801,000	+2,031,000	+6,801,000	+6,801,000	
Subtotal, Mine Safety and Health Administration	132,750,000	131,710,000	131,710,000	142,983,000	140,747,000	+7,997,000	+9,037,000	+9,037,000	−2,236,000
BUREAU OF LABOR STATISTICS									
Salaries and expenses:									
Labor force statistics	38,144,000	40,088,000	40,088,000	40,088,000	40,088,000	+1,944,000			
Prices and cost of living	30,420,000	34,253,000	34,253,000	34,253,000	34,253,000	+3,833,000			
Wages and industrial relations	13,562,000	13,161,000	13,161,000	13,161,000	13,161,000	−401,000			
Productivity and technology	3,141,000	3,203,000	3,203,000	3,203,000	3,203,000	+62,000			
Economic growth	780,000	794,000	794,000	794,000	794,000	+14,000			
Executive direction and staff services	10,205,000	10,529,000	10,529,000	10,529,000	10,529,000	+324,000			
Subtotal, Bureau of Labor Statistics	96,252,000	102,028,000	102,028,000	102,028,000	102,028,000	+5,776,000			
DEPARTMENTAL MANAGEMENT									
Salaries and expenses:									
Executive direction	9,714,000	9,226,000	9,226,000	9,226,000	9,226,000	−488,000			
Legal services	29,020,000	29,096,000	29,096,000	29,096,000	29,096,000	+76,000			
Trust funds	(193,000)	(202,000)	(202,000)	(202,000)	(202,000)	(+9,000)			
International labor affairs	9,441,000	8,684,000	8,684,000	8,684,000	8,684,000	−757,000			
Administration and management	11,953,000	12,642,000	12,642,000	12,642,000	12,642,000	+689,000			
Adjudication	5,111,000	5,449,000	5,449,000	5,449,000	5,449,000	+338,000			
Promoting employment of the handicapped	1,616,000	1,597,000	1,597,000	1,597,000	1,597,000	−19,000			
Women's Bureau	2,628,000	2,832,000	2,832,000	2,832,000	2,832,000	+204,000			
Inspector general	12,730,000	15,452,000	15,452,000	31,052,000	31,052,000	+18,322,000	+15,600,000	+15,600,000	
Trust funds	(1,684,000)	(1,981,000)	(1,981,000)	(1,981,000)	(1,981,000)	(+297,000)			
Minimum Wage Study Commission	1,209,000	1,219,000	1,219,000	1,219,000	1,219,000	+10,000			
Subtotal, salaries and expenses	85,299,000	88,380,000	88,380,000	103,980,000	103,980,000	+18,681,000	+15,600,000	+15,600,000	
Federal funds	83,422,000	86,197,000	86,197,000	101,797,000	101,797,000	+18,375,000	+15,600,000	+15,600,000	
Trust funds	(1,877,000)	(2,183,000)	(2,183,000)	(2,183,000)	(2,183,000)	(+306,000)			
Special foreign currency program	70,000	70,000	70,000	70,000	70,000				
Subtotal departmental management	85,369,000	88,450,000	88,450,000	104,050,000	104,050,000	+18,681,000	+15,600,000	+15,600,000	
Federal funds	83,492,000	86,267,000	86,267,000	101,867,000	101,867,000	+18,375,000	+15,600,000	+15,600,000	
Trust funds	(1,877,000)	(2,183,000)	(2,183,000)	(2,183,000)	(2,183,000)	(+306,000)			
Total Labor Department	15,655,996,000	13,928,717,000	13,046,467,000	12,993,130,000	13,058,470,000	−2,597,526,000	−870,247,000	+12,003,000	+65,340,000
Federal funds	13,924,962,000	12,118,812,000	11,236,562,000	11,183,225,000	11,248,565,000	−2,676,397,000	−870,247,000	+12,003,000	+65,340,000
Trust funds	(1,731,034,000)	(1,809,905,000)	(1,809,905,000)	(1,809,905,000)	(1,809,905,000)	(+78,871,000)			
TITLE II—DEPARTMENT OF HEALTH, EDUCATION AND WELFARE									
HEALTH SERVICES ADMINISTRATION									
Community health services:									
Community health centers	258,936,000	371,936,000	338,936,000	310,000,000	320,000,000	+61,064,000	−51,936,000	−18,936,000	+10,000,000
Research and demonstration centers (sec. 340)	10,564,000	9,064,000	9,064,000	16,564,000	14,000,000	+3,436,000	+4,936,000	+4,936,000	−2,564,000
Comprehensive health grants to States	90,000,000	52,000,000	52,000,000	68,000,000	68,000,000	−22,000,000	+16,000,000	+16,000,000	
Hypertension	11,000,000	13,261,000	17,261,000	22,000,000	20,000,000	+9,000,000	+6,739,000	+2,739,000	−2,000,000
Maternal and child health:									
Grants to States	345,500,000	357,400,000	345,500,000	357,400,000	345,500,000		−11,900,000		−11,900,000
Sudden infant death information dissemination	2,802,000	2,802,000	2,802,000	2,802,000	2,802,000				
Research and training	32,177,000	14,843,000	31,843,000	31,843,000	31,843,000	−334,000	+17,000,000		
Subtotal, maternal and child health	380,479,000	375,045,000	380,145,000	392,045,000	380,145,000	−334,000	+5,100,000		−11,900,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Genetic information and counseling	10,567,000	10,567,000	10,567,000	14,567,000	14,567,000	+4,000,000	+4,000,000	+4,000,000	
Family planning	135,000,000	145,000,000	165,000,000	165,000,000	165,000,000	+30,000,000	+20,000,000		
Migrant health	34,500,000	41,400,000	38,000,000	41,400,000	39,700,000	+5,200,000	−1,700,000	+1,700,000	−1,700,000
National Health Service Corps	61,969,000	80,825,000	70,000,000	82,000,000	70,000,000	+8,031,000	−10,825,000		−12,000,000
Private practice grants (NHSC)	1,000,000	1,000,000	1,000,000		500,000	−500,000	−500,000	−500,000	+500,000
Home health services	6,000,000	804,000	6,000,000	4,000,000	5,000,000	−1,000,000	+4,196,000	−1,000,000	+1,000,000
Black lung services	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000				
Program support	30,046,000	34,704,000	34,704,000	31,000,000	32,500,000	+2,454,000	−2,204,000	−2,204,000	+1,500,000
Subtotal, community health services	1,037,561,000	1,143,106,000	1,130,177,000	1,154,076,000	1,136,912,000	+99,351,000	−6,194,000	+6,735,000	−17,164,000
Health care services and systems:									
Patient care and special health services:									
Hospitals and clinics	172,016,000	166,434,000	166,434,000	166,434,000	166,434,000	−5,582,000			
Excess DOD reimbursement (nonadd)				(16,800,000)	(16,800,000)	(+16,800,000)	(+16,800,000)	(+16,800,000)	
Buildings and facilities		3,000,000	3,000,000	3,000,000	3,000,000	+3,000,000			
Federal employee health	686,000	728,000	728,000	728,000	728,000	+42,000			
Payment to Hawaii	1,600,000	1,600,000	1,600,000	2,000,000	1,800,000	+200,000	+200,000	+200,000	−200,000
Subtotal	174,302,000	171,762,000	171,762,000	172,162,000	171,962,000	−2,340,000	+200,000	+200,000	−200,000
Emergency medical services, unauthorized	(42,625,000)	(39,625,000)	***	***	***	***	***	***	***
Program support	7,547,000	8,988,000	8,988,000	8,988,000	8,988,000	+1,441,000			
Subtotal, Health care services and systems	181,849,000	180,750,000	180,750,000	181,150,000	180,950,000	−899,000	+200,000	+200,000	−200,000
Unauthorized, not considered	(42,625,000)	(39,625,000)	***	***	***	***	***	***	***
Program management	7,026,000	7,416,000	7,416,000	7,416,000	7,416,000	+390,000			
Subtotal, Health Services Administration	1,226,436,000	1,331,272,000	1,318,343,000	1,342,642,000	1,325,278,000	+98,842,000	−5,994,000	+6,935,000	−17,364,000
Unauthorized, not considered	(42,625,000)	(39,625,000)	***	***	***	***	***	***	***
CENTER FOR DISEASE CONTROL									
Disease control:									
Formula grants		18,000,000		12,000,000			−18,000,000		−12,000,000
Project grants:									
Venereal disease	32,000,000	32,000,000	34,000,000	40,000,000	40,000,000	+8,000,000	+8,000,000	+6,000,000	
Immunization	35,000,000	18,532,000	18,532,000	26,532,000	24,532,000	−10,468,000	+6,000,000	+6,000,000	−2,000,000
Unauthorized, not considered for fiscal year 1980	(6,400,000)	(15,000,000)	***	***	***	***	***	***	***
Rat control	13,000,000	13,000,000	13,000,000	15,000,000	14,000,000	+1,000,000	+1,000,000	+1,000,000	−1,000,000
Lead-based paint poisoning prevention	10,250,000	10,250,000	10,250,000	12,250,000	11,250,000	+1,000,000	+1,000,000	+1,000,000	−1,000,000
Disease investigation and control	66,976,000	83,351,000	75,131,000	75,131,000	75,131,000	+8,155,000	−8,220,000		
Laboratory improvement	19,718,000	18,311,000	18,311,000	18,311,000	18,311,000	−1,407,000			
Health education	1,112,000	1,000,000	1,000,000	4,500,000	4,500,000	+3,388,000	+3,500,000	+3,500,000	
Unauthorized, not considered	(9,000,000)	(11,700,000)	***	***	***	***	***	***	***
Occupational safety and health:									
Research:									
Grants	6,442,000	6,480,000	6,480,000	6,480,000	6,480,000	+38,000			
Intramural program	41,447,000	55,005,000	55,005,000	55,005,000	55,005,000	+13,558,000			
Training	10,799,000	10,850,000	13,850,000	13,850,000	13,850,000	+3,051,000	+3,000,000		
Program support	3,782,000	4,217,000	4,217,000	4,217,000	4,217,000	+435,000			
Subtotal	62,470,000	76,552,000	79,552,000	79,552,000	79,552,000	+17,082,000	+3,000,000		
Buildings and facilities	1,912,000	11,436,000	11,436,000	11,436,000	11,436,000	+9,524,000			
Program management	3,604,000	3,703,000	3,703,000	3,703,000	3,703,000	+99,000			
Subtotal, preventive health	246,042,000	286,135,000	264,915,000	298,415,000	282,415,000	+36,373,000	−3,720,000	+17,500,000	−16,000,000
Unauthorized, not considered	(15,400,000)	(26,700,000)	***	***	***	***	***	***	***
NATIONAL INSTITUTES OF HEALTH									
National Cancer Institute	936,677,000	936,958,000	961,158,000	1,000,000,000	1,000,000,000	+63,323,000	+63,042,000	+38,842,000	
National Heart, Lung and Blood Institute	506,384,000	507,344,000	527,544,000	547,544,000	527,544,000	+21,160,000	+20,000,000		
National Institute of Dental Research	65,213,000	66,118,000	68,318,000	67,000,000	68,318,000	+3,105,000	+2,200,000		+1,318,000
National Institute of Arthritis, Metabolism, and Digestive Diseases	302,767,000	305,746,000	341,246,000	315,000,000	341,246,000	+38,479,000	+35,500,000		+26,246,000
National Institute of Neurological and Communicative Disorders and Stroke	212,365,000	212,322,000	240,622,000	242,000,000	242,000,000	+29,635,000	+29,678,000	+1,378,000	
National Institute of Allergy and Infectious Diseases	191,328,000	190,202,000	215,402,000	200,000,000	215,402,000	+24,074,000	+25,200,000		+15,402,000
National Institute of General Medical Sciences	277,628,000	280,378,000	312,478,000	304,000,000	312,478,000	+34,850,000	+32,100,000		+8,478,000
National Institute of Child Health and Human Development	197,630,000	204,381,000	208,981,000	204,000,000	208,981,000	+11,351,000	+4,600,000		+4,981,000
National Institute on Aging	56,911,000	56,510,000	68,910,000	70,000,000	70,000,000	+13,089,000	+13,490,000	+1,090,000	
National Eye Institute	105,192,000	104,528,000	107,528,000	113,000,000	113,000,000	+7,808,000	+8,472,000	+5,472,000	
National Institute of Environmental Health Sciences	78,260,000	79,012,000	83,912,000	83,912,000	83,912,000	+5,652,000	+4,900,000		
Research resources	154,164,000	154,199,000	169,199,000	164,000,000	169,199,000	+15,035,000	+15,000,000		+5,199,000
John E. Fogarty International Center	8,989,000	8,989,000	8,989,000	8,989,000	8,989,000				
Subtotal, biomedical research	3,093,508,000	3,106,687,000	3,314,287,000	3,299,445,000	3,361,069,000	+267,561,000	+254,382,000	+46,782,000	+61,624,000
National Library of Medicine	41,431,000	41,431,000	42,431,000	44,000,000	44,000,000	+2,569,000	+2,569,000	+1,569,000	
Office of the Director	20,427,000	21,062,000	21,062,000	21,062,000	21,062,000	+635,000			
Buildings and facilities	30,950,000	3,250,000	3,250,000	3,250,000	3,250,000	−27,700,000			
Subtotal, National Institutes of Health	3,186,316,000	3,172,430,000	3,381,030,000	3,367,757,000	3,429,381,000	+243,065,000	+256,951,000	+48,351,000	+61,624,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION									
General mental health:									
Research	130,867,000	160,168,000	145,250,000	145,250,000	145,250,000	+14,443,000	−14,918,000		
Training	90,400,000	88,354,000	90,354,000	90,354,000	90,354,000	−46,000	+1,000,000		
Community programs:									
Community support	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000				
Mental health centers operations:									
New service grants	30,489,000	35,000,000	35,000,000	35,000,000	35,000,000	+4,511,000			
New initiatives, unauthorized		(49,584,000)	***	***	***	***	***	***	***
Continuation under new law	184,396,000	195,031,000	195,031,000	195,031,000	195,031,000	+10,635,000			
Continuations under old law	70,865,000	35,837,000	35,837,000	35,837,000	35,837,000	−35,028,000			
Consultation and education	12,465,000	3,000,000	3,000,000	3,000,000	3,000,000	−9,465,000			
Unauthorized, not considered		(8,938,000)	***	***	***	***	***	***	***
Financial distress, unauthorized	(12,010,000)	(12,765,000)	***	***	***	***	***	***	***
Subtotal, community programs	305,815,000	276,468,000	276,468,000	276,468,000	276,468,000	−29,347,000			
Unauthorized, not considered	(12,010,000)	(71,287,000)	***	***	***	***	***	***	***
Program support	31,173,000	35,937,000	35,000,000	35,000,000	35,000,000	+3,827,000	−937,000		
Subtotal, mental health	558,195,000	561,927,000	547,072,000	547,072,000	547,072,000	−11,123,000	−14,855,000		
Drug abuse:									
Research	42,930,000	50,304,000	46,000,000	46,000,000	46,000,000	+3,070,000	−4,304,000		
Training	10,000,000	8,680,000	8,680,000	8,680,000	8,680,000	−1,320,000			
Community programs:									
Project grants and contracts, unauthorized	(161,000,000)	(161,000,000)	***	***	***	***	***	***	***
Grants to States, unauthorized	(40,000,000)		***	***	***	***	***	***	***
Program support	18,178,000	18,570,000	18,570,000	18,570,000	18,570,000	+392,000			
Subtotal, drug abuse	71,108,000	77,554,000	73,250,000	73,250,000	73,250,000	+2,142,000	−4,304,000		
Unauthorized, not considered	(201,000,000)	(161,000,000)	***	***	***	***	***	***	***
Alcoholism, unauthorized:									
Research	(22,197,000)	(25,078,000)	***	***	***	***	***	***	***
Training	(7,200,000)	(5,375,000)	***	***	***	***	***	***	***
Community programs:									
Project grants and contracts	(78,706,000)	(93,323,000)	***	***	***	***	***	***	***
Grants to States	(56,800,000)		***	***	***	***	***	***	***
Program support	(10,202,000)	(10,240,000)	***	***	***	***	***	***	***
Subtotal, alcoholism, unauthorized	(175,105,000)	(134,016,000)	***	***	***	***	***	***	***
Program management	8,112,000	9,826,000	9,826,000	9,826,000	9,826,000	+1,714,000			
New formula grant, requires authorization		(99,000,000)	***	***	***	***	***	***	***
Subtotal, alcohol, drug abuse and mental health	637,415,000	649,307,000	630,148,000	630,148,000	630,148,000	−7,267,000	−19,159,000		
Unauthorized, not considered	(388,115,000)	(366,303,000)	***	***	***	***	***	***	***
St. Elizabeths Hospital	79,252,000	85,119,000	85,119,000	85,119,000	85,119,000	+5,867,000			
Subtotal, ADAMHA	716,667,000	734,426,000	715,367,000	715,267,000	715,267,000	−1,400,000	−19,159,000		
Unauthorized, not considered	(388,115,000)	(366,303,000)	***	***	***	***	***	***	***
Proposed formula grant consolidation (nonadd), not considered		(98,000,000)	***	***	***	***	***	***	***
HEALTH RESOURCES ADMINISTRATION									
Health planning and resource development (unauthorized):									
Health planning:									
Local agencies	107,000,000	115,400,000	***	***	***	***	***	***	***
State agencies	29,400,000	30,000,000	***	***	***	***	***	***	***
Planning methods/centers	6,500,000		***	***	***	***	***	***	***
Conversion/closure grants		30,000,000	***	***	***	***	***	***	***
Reappropriation, project grant construction program	30,940,000		***	***	***	***	***	***	***
Program support	(11,882,000)	(13,317,000)	***	***	***	***	***	***	***
Subtotal, health planning	194,822,000	188,717,000	***	***	***	***	***	***	***
Allocation for unauthorized items (Senate)				200,000,000					−200,000,000
Health professions education:									
Health professions institutional assistance:									
Capitation grants	110,500,000		88,400,000	72,000,000	81,268,000	−29,232,000	+81,268,000	−7,132,000	+9,268,000
(MOD)	(96,100,000)		(76,880,000)	(62,617,000)	(69,748,000)	(−26,352,000)	(+69,748,000)	(−7,132,000)	(+7,131,000)
(VOPP)	(14,400,000)		(11,520,000)	(9,383,000)	(11,520,000)	(−2,880,000)	(+11,520,000)		(+2,137,000)
Financial distress	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000				
Start-up assistance	5,000,000		2,700,000	2,700,000	2,700,000	−2,300,000	+2,700,000		
Health teaching facilities:									
Grants				1,000,000	1,000,000	+1,000,000	+1,000,000	+1,000,000	
Interest subsidies	3,000,000	4,300,000	4,300,000	4,300,000	4,300,000	+1,300,000			
Subtotal, institutional	123,500,000	9,300,000	100,400,000	85,000,000	94,268,000	−29,232,000	+84,968,000	−6,132,000	+9,268,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Health professions student assistance:									
National Health Service scholarships	75,000,000	79,500,000	85,500,000	85,500,000	85,500,000	+10,500,000	+6,000,000		
Loans	10,000,000		13,000,000	18,000,000	16,500,000	+6,500,000	+16,500,000	+3,500,000	−1,500,000
Loan repayments	1,500,000		1,500,000		1,500,000		+1,500,000		+1,500,000
Exceptional need scholarships	7,000,000		7,000,000	10,000,000	10,000,000	+3,000,000	+10,000,000	+3,000,000	
Subtotal, student assistance	93,500,000	79,500,000	107,000,000	113,500,000	113,500,000	+20,000,000	+34,000,000	+6,500,000	
Dental health education	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000				
Nursing institutional assistance, unauthorized:									
Capitation grants	(24,000,000)		***	***	***	***	***	***	***
Advanced nurse training	(12,000,000)		***	***	***	***	***	***	***
Nurse practitioner training	(13,000,000)	(13,000,000)	***	***	***	***	***	***	***
Special projects	(15,000,000)	(1,743,000)	***	***	***	***	***	***	***
Nursing student assistance, unauthorized:									
Loans	(13,500,000)		***	***	***	***	***	***	***
Scholarships	(9,000,000)		***	***	***	***	***	***	***
Traineeships	(13,000,000)		***	***	***	***	***	***	***
Loan repayment	(750,000)		***	***	***	***	***	***	***
Fellowships	(1,000,000)		***	***	***	***	***	***	***
Nursing research grants	(5,000,000)		***	***	***	***	***	***	***
Subtotal, nursing programs, unauthorized	(106,250,000)	(14,743,000)	***	***	***	***	***	***	***
Public health:									
Capitation	5,900,000		5,900,000	7,000,000	6,450,000	+550,000	+6,450,000	+550,000	−550,000
Special projects and health administration	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000				
Public health traineeships	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000				
Health administration graduate programs	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				
Health administration traineeships	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000				
Subtotal, public health	22,900,000	17,000,000	22,900,000	24,000,000	23,450,000	+550,000	+6,450,000	+550,000	−550,000
Allied health	13,000,000			10,000,000	10,000,000	−3,000,000	+10,000,000	+10,000,000	
Health professions special educational assistance:									
Family medicine residencies and training	45,000,000	55,500,000	45,000,000	50,000,000	50,000,000	+5,000,000	−5,500,000	+5,000,000	
Primary care residencies and training	17,500,000	31,000,000	17,500,000	25,000,000	19,500,000	+2,000,000	−11,500,000	+2,000,000	−5,500,000
Interdisciplinary training	7,141,000		7,000,000	8,500,000	8,500,000	+1,359,000	+8,500,000	+1,500,000	
Physicians/dental extenders	9,100,000	9,100,000	9,100,000	9,100,000	9,100,000				
Area health education centers	20,000,000	5,825,000	21,000,000	21,000,000	21,000,000	+1,000,000	+15,175,000		
Foreign medical transfers	1,000,000					−1,000,000			
Emergency medical training, unauthorized	(3,000,000)		***	***	***	***	***	***	***
National Advisory Committee on Graduate Medical Education	1,000,000	1,000,000	1,000,000		500,000	−500,000	−500,000	−500,000	+500,000
Supply and distribution reports	2,700,000	5,400,000	5,400,000	2,700,000	2,700,000		−2,700,000	−2,700,000	
Subtotal, special programs	103,441,000	107,825,000	106,000,000	116,300,000	111,300,000	+7,859,000	+3,475,000	+5,300,000	−5,000,000
Disadvantaged assistance	19,000,000	19,068,000	19,568,000	19,568,000	19,568,000	+568,000	+500,000		
Program support	19,908,000	13,916,000	19,908,000	13,916,000	15,916,000	−3,992,000	+2,000,000	−3,992,000	+2,000,000
Subtotal, health manpower	399,249,000	250,609,000	379,776,000	386,284,000	382,002,000	−7,247,000	+141,383,000	+12,226,000	+5,718,000
Program management	13,241,000	12,364,000	13,241,000	12,364,000	13,241,000		+877,000		+877,000
Subtotal, health resources	412,490,000	262,973,000	393,017,000	598,648,000	405,243,000	−7,247,000	+142,270,000	+12,226,000	−193,405,000
Unauthorized, not considered	(304,072,000)	(203,460,000)	***	***	***	***	***	***	***
Payments of sales insufficiencies	2,412,000	2,000,000	2,000,000	2,000,000	2,000,000	−412,000			
Medical facilities guarantee and loan fund	42,000,000	45,000,000	45,000,000	45,000,000	45,000,000	+3,000,000			
Subtotal, Health Resources Administration	456,902,000	309,973,000	440,017,000	645,648,000	452,243,000	−4,659,000	+142,270,000	+12,226,000	−193,405,000
Unauthorized, not considered	(304,072,000)	(203,460,000)	***	***	***	***	***	***	***
ASSISTANT SECRETARY FOR HEALTH									
Program operations:									
Health statistics:									
National health surveys and analysis	23,632,000	28,598,000	28,598,000	27,000,000	27,000,000	+3,368,000	−1,598,000	−1,598,000	
Cooperative health statistics	11,956,000	16,578,000	16,578,000	14,578,000	14,578,000	+2,622,000	−2,000,000	−2,000,000	
Program support	3,328,000	3,409,000	3,409,000	3,409,000	3,409,000	+81,000			
Subtotal	38,916,000	48,585,000	48,585,000	44,987,000	44,987,000	+6,071,000	−3,598,000	−3,598,000	
Health services research:									
Research	26,100,000	21,649,000	23,449,000	22,449,000	22,449,000	−3,651,000	+800,000	−1,000,000	
Program support	7,318,000	7,646,000	7,646,000	7,000,000	7,323,000	+5,000	−323,000	−323,000	+323,000
Subtotal	33,418,000	29,295,000	31,095,000	29,449,000	29,772,000	−3,646,000	+477,000	−1,323,000	+323,000
Health maintenance organizations:									
Grants and contracts	25,217,000	64,846,000	47,239,000	53,000,000	50,119,000	+24,902,000	−14,727,000	+2,880,000	−2,881,000
Program support	7,764,000	8,761,000	7,761,000	8,761,000	8,261,000	+497,000	−500,000	+500,000	−500,000
Subtotal	32,981,000	73,607,000	55,000,000	61,761,000	58,380,000	+25,399,000	−15,227,000	+3,380,000	−3,381,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Special health programs:									
Health information and promotion	1,419,000	1,447,000	1,447,000	1,447,000	1,447,000	+28,000			
Unauthorized, not considered		(3,600,000)	***	***	***	***	***	***	***
Physical fitness and sports	1,025,000	882,000	882,000	882,000	882,000	−143,000			
Health practices assessment	200,000					−200,000			
Special initiatives	200,000					−200,000			
Smoking and health		10,000,000	10,000,000	13,500,000	10,000,000	+10,000,000			−3,500,000
Unauthorized, not considered	(2,500,000)	(3,500,000)	***	***	***	***	***	***	***
International health	652,000	2,900,000	700,000	700,000	700,000	+48,000	−2,200,000		
Health technology		5,000,000	2,500,000	4,000,000	3,250,000	+3,250,000	−1,750,000	+750,000	−750,000
Subtotal	3,496,000	20,229,000	15,529,000	20,529,000	16,279,000	+12,783,000	−3,950,000	+750,000	−4,250,000
Unauthorized, not considered	(2,500,000)	(7,100,000)	***	***	***	***	***	***	***
Adolescent pregnancy services	1,000,000	60,000,000	15,000,000	20,000,000	17,500,000	+16,500,000	−42,500,000	+2,500,000	−2,500,000
Subtotal, Public Health Service operations	109,811,000	231,716,000	165,209,000	176,726,000	166,918,000	+57,107,000	−64,798,000	+1,709,000	−9,808,000
Unauthorized, not considered	(2,500,000)	(7,100,000)	***	***	***	***	***	***	***
Public Health Service management:									
Regional management	5,377,000	5,180,000	5,180,000	5,180,000	5,180,000	−197,000			
Program direction and support services	16,120,000	16,597,000	16,597,000	16,597,000	16,597,000	+477,000			
Subtotal, Public Health Service management	21,497,000	21,777,000	21,777,000	21,777,000	21,777,000	+280,000			
Subtotal, Assistant Secretary for Health	131,308,000	253,493,000	186,986,000	198,503,000	188,695,000	+57,387,000	−64,798,000	+1,709,000	−9,808,000
Unauthorized, not considered	(2,500,000)	(7,100,000)	***	***	***	***	***	***	***
Retirement pay and medical benefits for commissioned officers	65,083,000	76,925,000	76,925,000	76,925,000	76,925,000	+11,842,000			
Scientific activities overseas	11,387,000	6,520,000	6,520,000	6,520,000	6,520,000	−4,867,000			
Total, Public Health Service	6,040,141,000	6,171,174,000	6,390,003,000	6,651,677,000	6,476,724,000	+436,583,000	+305,550,000	+86,721,000	−174,933,000
Unauthorized not considered	(752,712,000)	(643,188,000)	***	***	***	***	***	***	***
HEALTH CARE FINANCING ADMINISTRATION									
Grants to States for medicaid:									
Medical vendor payments	11,029,958,000	11,792,900,000	11,792,900,000	11,792,900,000	11,792,900,000	+762,942,000			
State and local administration	774,471,000	823,899,000	823,899,000	823,899,000	823,899,000	+49,428,000			
Subtotal	11,804,429,000	12,616,799,000	12,616,799,000	12,616,799,000	12,616,799,000	+812,370,000			
Payments to health care trust funds:									
Military service credit (HI)	141,000,000	141,000,000	141,000,000	141,000,000	141,000,000				
Supplemental medical insurance	6,853,064,000	7,097,000,000	7,097,000,000	7,097,000,000	7,097,000,000	+243,936,000			
Hospital insurance for uninsured	733,849,000	686,906,000	686,906,000	686,906,000	696,906,000	−36,943,000			
Professional Standards Review Organization:									
PSRO hospital activities for medicaid	33,000,000	35,000,000	31,500,000	35,000,000	33,250,000	+250,000	−1,750,000	+1,750,000	−1,750,000
Medicare review, trust funds, nonadd	(52,000,000)	(55,280,000)	(49,752,000)	(55,280,000)	(52,516,000)	(+516,000)	(−2,764,000)	(+2,764,000)	(−2,764,000)
Subtotal	7,760,913,000	7,969,906,000	7,966,406,000	7,969,906,000	7,968,156,000	+207,243,000	−1,750,000	+1,750,000	−1,750,000
Program management:									
Professional Standards Review Organization:									
Federal funds	29,932,000	30,550,000	29,050,000	33,050,000	29,050,000	−882,000	−1,500,000		−4,000,000
Trust funds	(34,934,000)	(31,100,000)	(29,600,000)	(33,600,000)	(29,600,000)	(−5,334,000)	(−1,500,000)		(−4,000,000)
Subtotal	64,866,000	61,650,000	58,650,000	66,650,000	58,650,000	−6,216,000	−3,000,000		−8,000,000
Program level including nonappropriated funds	(149,866,000)	(151,930,000)	(139,902,000)	(158,930,000)	(144,416,000)	(−5,450,000)	(−7,514,000)	(+4,514,000)	(−12,514,000)
Research, demonstration, and evaluation programs:									
Federal funds	17,650,000	34,990,000	25,990,000	34,990,000	30,490,000	+12,840,000	−4,500,000	+4,500,000	+4,500,000
Trust funds	(13,750,000)	(16,292,000)	(16,292,000)	(16,292,000)	(16,292,000)	(+2,542,000)			
Subtotal	31,400,000	51,282,000	42,282,000	51,282,000	46,782,000	+15,382,000	−4,500,000	+4,500,000	−4,500,000
Medicare contractors, trust funds	(638,695,000)	(661,800,000)	(661,800,000)	(661,800,000)	(661,800,000)	(+23,705,000)			
State certification, trust funds	(27,645,000)	(27,645,000)	(27,645,000)	(27,645,000)	(27,645,000)				
Administrative costs:									
Federal funds	61,320,000	66,655,000	66,655,000	66,655,000	66,655,000	+5,335,000			
Trust funds	(95,935,000)	(99,982,000)	(99,982,000)	(99,982,000)	(99,982,000)	(+4,047,000)			
Subtotal	157,255,000	166,637,000	166,637,000	166,637,000	166,637,000	+9,382,000			
Subtotal, program management:									
Federal funds	108,902,000	132,195,000	121,695,000	134,695,000	126,195,000	+17,293,000	−6,000,000	+4,500,000	−8,500,000
Trust funds	(810,359,000)	(836,819,000)	(835,319,000)	(839,319,000)	(835,319,000)	(+24,960,000)	(+1,500,000)		(−4,000,000)
Subtotal, Health Care Financing Administration	19,674,244,000	20,718,900,000	20,704,900,000	20,721,400,000	20,711,150,000	+1,036,906,000	−7,750,000	+6,250,000	−10,250,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
EDUCATION DIVISION									
OFFICE OF EDUCATION									
ELEMENTARY AND SECONDARY EDUCATION									
Grants for disadvantaged children (title I):									
Regular grants:									
Grants to local educational agencies	2,625,593,000	2,625,593,000	2,625,593,000	2,625,593,000	2,625,593,000				
State agency programs:									
Migrants	212,583,000	212,583,000	255,000,000	235,000,000	245,000,000	+32,417,000	+32,417,000	−10,000,000	+10,000,000
Handicapped	140,000,000	140,000,000	150,000,000	140,000,000	145,000,000	+5,000,000	+5,000,000	−5,000,000	+5,000,000
Neglected and delinquent	37,500,000	37,500,000	40,000,000	40,000,000	40,000,000	+2,500,000	+2,500,000		
State administration	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000				
Evaluation and studies	15,706,000	15,706,000	15,000,000	11,000,000	13,000,000	−2,706,000	−2,706,000	−2,000,000	+2,000,000
Subtotal, regular grants	3,078,382,000	3,078,382,000	3,132,593,000	3,098,593,000	3,115,593,000	+37,211,000	+37,211,000	−17,000,000	+17,000,000
Concentration grants:									
Grants to local educational agencies	147,050,000	382,118,000	338,900,000	196,660,000	196,660,000	+49,610,000	−195,458,000	−142,240,000	
State administration	2,200,000	5,882,000	5,189,000	2,940,000	2,940,000	+740,000	−2,942,000	−2,249,000	
Evaluation and studies	750,000	2,000,000	1,700,000	400,000	400,000	−350,000	−1,600,000	−1,300,000	
Subtotal, concentration grants	150,000,000	400,000,000	345,789,000	200,000,000	200,000,000	+50,000,000	−200,000,000	−145,789,000	
State incentive grants				30,000,000	15,000,000	+15,000,000	+15,000,000	+15,000,000	−15,000,000
Subtotal, title I	3,228,382,000	3,478,382,000	3,478,382,000	3,328,593,000	3,330,593,000	+102,211,000	−147,789,000	−147,789,000	+2,000,000
Support and innovation grants:									
Improving local education practices		146,400,000					−146,400,000		
Strengthening State education management		51,000,000					−51,000,000		
Subtotal	197,400,000	197,400,000	197,400,000	197,400,000	197,400,000				
Bilingual education:									
Regular grants to school districts	102,350,000	112,525,000	112,525,000	102,000,000	107,263,000	+4,913,000	−5,262,000	−5,262,000	+5,263,000
Training grants	29,625,000	30,325,000	30,325,000	30,325,000	30,325,000	+700,000			
Support services:									
Materials development	10,000,000	10,000,000	10,000,000	5,000,000	10,000,000				+5,000,000
Grants to State agencies	4,875,000	5,000,000	5,000,000	5,000,000	5,000,000	+125,000			
Advisory council	150,000	150,000	150,000	150,000	150,000				
Information clearinghouse	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Research and studies	2,000,000	6,000,000	4,000,000	5,250,000	4,625,000	+2,625,000	−1,375,000	+625,000	−625,000
Bilingual desegregation grants	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000				
Subtotal, bilingual education	158,600,000	173,600,000	171,600,000	157,325,000	166,963,000	+8,363,000	−6,637,000	−4,637,000	+9,638,000
Basic skills improvement	27,750,000	35,000,000	30,000,000	37,000,000	35,000,000	+7,250,000		+5,000,000	−2,000,000
Achievement testing assistance		2,000,000					−2,000,000		
Followthrough	59,000,000	59,000,000	59,000,000	59,000,000	59,000,000				
Alcohol and drug abuse education	2,000,000	3,000,000	3,000,000	3,000,000	3,000,000	+1,000,000			
Environmental education	3,500,000	3,500,000		3,500,000		−3,500,000	−3,500,000		−3,500,000
Telecommunications demonstrations	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Ellender fellowships	1,000,000		1,000,000	1,000,000	1,000,000		+1,000,000		
Ethnic heritage studies	2,000,000		3,000,000	2,000,000	3,000,000	+1,000,000	+3,000,000		+1,000,000
General assistance to the Virgin Islands:									
(Nonadd)			(5,000,000)					(−5,000,000)	
(Add)				5,000,000	5,000,000	+5,000,000	+5,000,000	+5,000,000	
Subtotal, elementary and secondary education	3,680,632,000	3,952,882,000	3,944,382,000	3,794,818,000	3,801,956,000	+121,324,000	−150,926,000	−142,426,000	+7,138,000
SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS									
Maintenance and operations:									
Payments for A children	343,000,000	399,000,000	371,000,000	399,000,000	399,000,000	+56,000,000		+28,000,000	
Payments for B children	320,000,000		277,000,000	205,000,000	277,000,000	−43,000,000	+277,000,000		+72,000,000
Special provisions	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000				
Payments to other Federal agencies	63,500,000	70,000,000	70,000,000	70,000,000	70,000,000	+6,500,000			
Hold harmless	33,600,000					−33,600,000			
Disaster assistance	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000				
Subtotal	786,100,000	495,000,000	744,000,000	700,000,000	772,000,000	−14,100,000	+277,000,000	+28,000,000	+72,000,000
Construction	30,000,000	33,000,000	33,000,000	25,000,000	33,000,000	+3,000,000			+8,000,000
Subtotal, school assistance in federally affected areas	816,100,000	528,000,000	777,000,000	725,000,000	805,000,000	−11,100,000	+277,000,000	+28,000,000	+80,000,000
EMERGENCY SCHOOL AID									
Emergency School Aid Act:									
General grants to school districts	137,600,000	137,600,000	137,600,000	100,000,000	118,800,000	−18,800,000	−18,800,000	−18,800,000	+18,800,000
Special programs and projects	69,250,000	95,769,000	93,491,000	95,769,000	95,769,000	+26,519,000		+2,278,000	
Magnet schools	25,000,000	35,209,000	35,209,000	50,000,000	42,604,000	+17,604,000	+7,395,000	+7,395,000	−7,395,000
Grants to nonprofit organizations	17,200,000	15,000,000	15,000,000	5,000,000	5,000,000	−12,200,000	−10,000,000	−10,000,000	
Educational television and radio	6,450,000	9,858,000	6,450,000	6,450,000	6,450,000		−3,408,000		
Evaluation	2,900,000	2,964,000	2,900,000	1,000,000	1,000,000	−1,900,000	−1,964,000	−1,900,000	
Pilot programs	32,250,000					−32,250,000			
Subtotal, ESA projects	290,650,000	296,400,000	290,650,000	258,219,000	269,623,000	−21,027,000	−26,777,000	−21,027,000	+11,404,000
Civil rights training and advisory services	41,350,000	57,700,000	50,000,000	41,350,000	45,675,000	+4,325,000	−12,025,000	−4,325,000	+4,325,000
Subtotal, emergency school aid	332,000,000	354,100,000	340,650,000	299,569,000	315,298,000	−16,702,000	−38,802,000	−25,352,000	+15,729,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
EDUCATION FOR THE HANDICAPPED									
State assistance:									
State grant program	804,000,000	862,000,000	874,500,000	847,500,000	874,500,000	+70,500,000	+12,500,000		
Preschool incentive grants	17,500,000	15,000,000	10,000,000	30,000,000	25,000,000	+7,500,000	+10,000,000	+5,000,000	−5,000,000
Deaf-blind centers	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000				
Subtotal, State assistance	837,500,000	893,000,000	910,500,000	920,500,000	915,500,000	+78,000,000	+22,500,000	+5,000,000	+5,000,000
Special population programs:									
Severely handicapped projects	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000				
Early childhood education	22,000,000	20,000,000	20,000,000	20,000,000	20,000,000	−2,000,000			
Subtotal, special population programs	27,000,000	25,000,000	25,000,000	25,000,000	25,000,000	−2,000,000			
Regional vocational, adult, and postsecondary programs	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000				
Innovation and development	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000				
Media and resource services:									
Media services and captioned films	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000				
Regional resource centers	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000				
Recruitment and information	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Subtotal, media and resource services	29,750,000	29,750,000	29,750,000	29,750,000	29,750,000				
Special education personnel development	57,687,000	55,375,000	55,375,000	55,375,000	55,5375,000	−2,312,000			
Special studies	2,300,000	2,300,000	2,300,000	1,000,000	1,000,000	−1,300,000	−1,300,000	−1,300,000	
Subtotal, education for the handicapped	976,637,000	1,027,825,000	1,045,325,000	1,054,025,000	1,049,025,000	+72,388,000	+21,200,000	+3,700,000	−5,000,000
OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION									
Vocational education:									
State grants and innovative programs:									
Basic grants	474,766,000	474,766,000	574,766,000	549,766,000	562,266,000	+87,500,000	+87,500,000	−12,500,000	+12,500,000
Program improvement and supportive services	121,317,000	112,317,000	112,317,000	137,317,000	124,817,000	+12,500,000	+12,500,000	+12,500,000	−12,500,000
Programs of national significance	10,000,000	10,000,000	13,000,000	10,000,000	10,000,000			−3,000,000	
Special programs for the disadvantaged	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000				
Consumer and homemaking education	43,497,000	43,497,000	43,947,000	43,497,000	43,497,000				
State advisory councils	6,073,000	6,073,000	6,500,000	6,500,000	6,500,000	+427,000	+427,000		
Bilingual vocational training	2,800,000	2,800,000	4,800,000	2,800,000	4,800,000	+2,000,000	+2,000,000		+2,000,000
State planning	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000				
Subtotal, vocational education	674,453,000	674,453,000	779,880,000	774,880,000	776,880,000	+102,427,000	+102,427,000	−3,000,000	+2,000,000
Adult education:									
General program	100,000,000	90,750,000	100,000,000	100,000,000	100,000,000		+9,250,000		
Refugees				10,000,000	5,000,000	+5,000,000	+5,000,000	+5,000,000	−5,000,000
Subtotal, Occupational, vocational, and adult education	774,453,000	765,203,000	879,880,000	884,880,000	881,880,000	+107,427,000	+116,677,000	+2,000,000	−3,000,000
STUDENT ASSISTANCE									
Basic educational opportunity grants:									
Grants new authority	2,600,000,000	1,718,000,000	1,718,000,000	1,718,000,000	1,718,000,000	−882,000,000			
Grants by reappropriation		726,000,000	726,000,000				−726,000,000	−726,000,000	
Subtotal, basic educational opportunity grants	2,600,000,000	2,444,000,000	2,444,000,000	1,718,000,000	1,718,000,000	−882,000,000	−726,000,000	−726,000,000	
Supplemental educational opportunity grants	340,100,000	340,100,000	370,000,000	370,000,000	370,000,000	+29,900,000	+29,900,000		
Work-study	550,000,000	550,000,000	550,000,000	510,000,000	550,000,000				+40,000,000
Direct loans:									
Federal capital contributions	310,500,000	220,000,000	286,000,000	228,000,000	286,000,000	−24,500,000	+66,000,000		+58,000,000
Teacher cancellations	18,400,000	14,800,000	14,800,000	14,800,000	14,800,000	−3,600,000			
Subtotal	328,900,000	234,800,000	300,800,000	242,800,000	300,800,000	−28,100,000	+66,000,000		+58,000,000
Incentive grants for State scholarships	76,750,000	76,750,000	76,750,000	76,750,000	76,750,000				
Administration	41,216,000	41,385,000	41,385,000	41,385,000	41,385,000	+169,000			
Subtotal, student assistance, new authority	3,936,900,000	2,961,035,000	3,056,935,000	2,958,935,000	3,056,935,000	−880,031,000	+95,900,000		+98,000,000
Reappropriation		726,000,000	726,000,000				−726,000,000	−726,000,000	
Total, student assistance	3,936,966,000	3,687,035,000	3,782,935,000	2,958,935,000	3,056,935,000	−880,031,000	−630,100,000	−726,000,000	+98,000,000
Guaranteed student loan program:									
Interest subsidies	760,395,000	793,624,000	793,624,000	793,624,000	793,624,000	+33,229,000			
Student loan insurance fund	185,635,000	165,997,000	165,997,000	165,997,000	165,997,000	−18,638,000			
Authority to borrow (SLIF)	25,000,000					−25,000,000			
Subtotal, guaranteed student loan program	970,030,000	959,621,000	959,621,000	959,621,000	959,621,000	−10,409,000			
Health profession graduate student loan insurance fund:									
Authority to borrow	2,500,000					−2,500,000			

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
HIGHER AND CONTINUING EDUCATION									
Student services:									
Special programs for the disadvantaged	140,000,000	130,000,000	147,500,000	140,000,000	147,500,000	+7,500,000	+17,500,000		+7,500,000
Veterans' cost of instruction	19,000,000	14,380,000	14,380,000	14,380,000	14,380,000	−4,620,000			
Education information centers	3,000,000		3,000,000		3,000,000		+3,000,000		+3,000,000
Subtotal	162,000,000	144,380,000	164,880,000	154,380,000	164,880,000	+2,880,000	+20,500,000		+10,500,000
Program development:									
Strengthening developing institutions	120,000,000	120,000,000	120,000,000	110,000,000	110,000,000	−10,000,000	−10,000,000	−10,000,000	
Cooperative education	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000				
International education and foreign language studies	20,000,000	22,000,000	20,000,000	20,000,000	20,000,000		−2,000,000		
University community services and continuing education	16,000,000		10,000,000	10,000,000	10,000,000	−6,000,000	+10,000,000		
State postsecondary education commissions	3,500,000		3,000,000	3,000,000	3,000,000	−500,000	+3,000,000		
Subtotal	174,500,000	157,000,000	168,000,000	158,000,000	158,000,000	−16,500,000	+1,000,000	−10,000,000	
Graduate support:									
Graduate/professional educational opportunities	8,000,000	15,000,000	7,700,000	10,000,000	8,850,000	+850,000	−6,150,000	+1,150,000	−1,150,000
Legal training for the disadvantaged	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Public service grants and fellowships	4,000,000		4,000,000	4,000,000	4,000,000		+4,000,000		
Mining fellowships	4,500,000		4,500,000	4,500,000	4,500,000		+4,500,000		
Law school clinical experience	7,000,000		4,000,000		4,000,000	+2,000,000	+4,000,000		+4,000,000
Subtotal	19,500,000	16,000,000	21,200,000	19,500,000	22,350,000	+2,850,000	+6,350,000	+1,150,000	+2,850,000
Construction:									
Interest subsidy grants	29,000,000	29,000,000	29,000,000	29,000,000	29,000,000				
Continuing education centers	500,000					−500,000			
Architectural barriers removal			25,000,000		25,000,000	+25,000,000	+25,000,000		+25,000,000
Subtotal	29,500,000	29,000,000	54,000,000	29,000,000	54,000,000	+24,500,000	+25,000,000		+25,000,000
Special endowments (Morse/Dirksen/Humphrey)	7,500,000					−7,500,000			
National Academy of Peace and Conflict Resolution				500,000	500,000	+500,000	+500,000	+500,000	
Subtotal higher and continuing education	393,000,000	346,380,000	408,080,000	361,380,000	399,730,000	+6,730,000	+53,350,000	−8,350,000	+38,350,000
Higher education facilities loan and insurance fund	2,204,000	2,189,000	2,189,000	2,189,000	2,189,000	−15,000			
LIBRARY RESOURCES									
Public libraries	67,500,000	60,237,000	67,500,000	67,500,000	67,500,000		+7,263,000		
School libraries and instructional resources:									
School libraries	162,000,000	149,600,000	162,000,000	180,000,000	171,000,000	+9,000,000	+21,400,000	+9,000,000	−9,000,000
Guidance counseling and testing	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000				
Subtotal	180,000,000	167,600,000	180,000,000	198,000,000	189,000,000	+9,000,000	+21,400,000	+9,000,000	−9,000,000
College library resources	9,975,000		9,975,000		4,988,000	−4,987,000	+4,988,000	−4,987,000	+4,988,000
Training and demonstration	3,000,000		1,000,000	1,000,000	1,000,000	−2,000,000	+1,000,000		
Research libraries	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000				
Subtotal library resources	266,475,000	233,837,000	264,475,000	272,500,000	268,488,000	+2,013,000	+34,651,000	+4,013,000	−4,012,000
SPECIAL PROJECTS AND TRAINING									
Special projects:									
School health		2,000,000		2,000,000			−2,000,000		−2,000,000
Youth employment		2,000,000					−2,000,000		
Biomedical sciences		3,000,000	3,000,000	3,000,000	3,000,000	+3,000,000			
Arts in education	3,000,000	3,000,000	3,500,000	3,500,000	3,500,000	+500,000	+500,000		
Metric education	1,840,000	1,840,000	1,840,000	1,840,000	1,840,000				
Consumers' education	3,601,000	3,135,000	3,135,000	4,100,000	3,617,000	+16,000	+482,000	+482,000	−483,000
Gifted and talented demonstrations	3,780,000					−3,780,000			
National diffusion program	14,000,000	10,000,000	10,000,000	10,000,000	10,000,000	−4,000,000			
Educational TV programing	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000				
PUSH for excellence	300,000	1,000,000	1,000,000	1,000,000	1,000,000	+700,000			
Career education		10,135,000					−10,135,000		
Law related education			1,000,000	1,000,000	1,000,000	+1,000,000	+1,000,000		
Subtotal	32,521,000	42,110,000	29,475,000	32,440,000	29,957,000	−2,564,000	−12,153,000	+482,000	−2,483,000
Women's educational equity	9,000,000	10,000,000	10,000,000	10,000,000	10,000,000	+1,000,000			
Community schools	3,190,000	3,138,000	3,138,000	3,138,000	3,138,000	−52,000			
Cities in schools	2,185,000	2,850,000	2,237,000	2,850,000	2,850,000	+665,000		+613,000	
Career education incentives	20,000,000		20,000,000	10,000,000	20,000,000		+20,000,000		+10,000,000
Gifted and talented, new authority		3,780,000	6,280,000	6,280,000	6,280,000	+6,280,000	+2,500,000		
Educational personnel training:									
Teacher corps	37,500,000	37,500,000	37,500,000	30,000,000	30,000,000	−7,500,000	−7,500,000	−7,500,000	
Teacher centers	12,625,000	13,000,000	13,000,000	13,000,000	13,000,000	+375,000			
Subtotal	84,500,000	80,403,000	93,155,000	76,268,000	86,268,000	+1,768,000	+5,865,000	−6,887,000	+10,000,000
Planning and evaluation	5,250,000	5,250,000	2,998,000	2,998,000	2,998,000	−2,252,000	−2,252,000		
Subtotal, special projects and training	122,271,000	117,628,000	124,628,000	110,706,000	118,223,000	−4,048,000	+595,000	−6,405,000	+7,517,000
Population education				2,000,000					−2,000,000
Educational activities overseas:									
Special foreign currency program	500,000	2,000,000	1,000,000	1,000,000	1,000,000	+500,000	−1,000,000		

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Salaries and expenses:									
Program administration	122,331,000	126,099,000	122,331,000	122,331,000	122,331,000		−3,768,000		
Advisory committees	2,321,000	2,254,000	2,254,000	2,254,000	2,254,000	−67,000			
Subtotal, salaries and expenses	124,652,000	128,353,000	124,585,000	124,585,000	124,585,000	−67,000	−3,768,000		
Subtotal, Office of Education	12,398,420,000	12,105,053,000	12,654,750,000	11,551,208,000	11,783,930,000	−614,490,000	−321,123,000	−870,820,000	+232,722,000
NATIONAL INSTITUTE OF EDUCATION									
Research and development	83,088,000	84,227,000	84,227,000	78,000,000	77,114,000	−5,974,000	−7,113,000	−7,113,000	+7,114,000
Program administration	13,526,000	14,058,000	14,058,000	14,058,000	14,058,000	+532,000			
Subtotal, National Institute of Education	96,614,000	98,285,000	98,285,000	84,058,000	91,172,000	−5,442,000	−7,113,000	−7,113,000	+7,114,000
ASSISTANT SECRETARY FOR EDUCATION									
Improvement of post-secondary education	13,000,000	14,000,000	13,000,000	14,000,000	13,500,000	+500,000	−500,000	+500,000	−500,000
National Center for Educational Statistics	10,561,000	10,893,000	10,893,000	9,000,000	9,947,000	−614,000	−946,000	−946,000	+947,000
Program direction	10,608,000	11,037,000	11,037,000	11,037,000	11,037,000	+429,000			
Subtotal, Assistant Secretary for Education	34,169,000	35,930,000	34,930,000	34,037,000	34,484,000	+315,000	−1,446,000	−446,000	+447,000
Total, Education Division	12,529,203,000	12,238,268,000	12,787,965,000	11,669,303,000	11,909,586,000	−619,617,000	−329,682,000	−878,379,000	+240,283,000
SOCIAL SECURITY ADMINISTRATION									
Federal Funds									
Payments to the social security trust fund	760,774,000	676,833,000	676,933,000	676,933,000	676,933,000	−83,841,000			
Special benefits for disabled coal miners	1,016,608,000	1,005,202,000	1,005,202,000	1,005,202,000	1,005,202,000	−11,406,000			
Supplemental security income program:									
Benefit payments	4,782,806,000	5,689,639,000	5,616,639,000	5,616,639,000	5,616,639,000	+833,833,000	−73,000,000		
Hold harmless	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000				
Vocational rehabilitation services	86,148,000	56,158,000	56,158,000	56,158,000	56,158,000	−29,990,000			
Administration	587,264,000	586,639,000	586,639,000	586,639,000	586,639,000	−10,625,000			
Federal fiscal liability	41,636,000	14,000,000	14,000,000	14,000,000	14,000,000	−27,636,000			
Subtotal	5,557,854,000	6,396,436,000	6,323,436,000	6,323,436,000	6,323,436,000	+765,582,000	−73,000,000		
Assistance payments programs:									
Maintenance assistance:									
AFDC benefit payments	5,960,380,000	6,286,000,000	6,286,000,000	6,286,000,000	6,286,000,000	+325,620,000			
Adult categories	13,500,000	4,500,000	4,500,000	4,500,000	4,500,000	−9,000,000			
Emergency assistance	41,600,000	44,100,000	44,100,000	44,100,000	44,100,000	+2,500,000			
State and local administration and training	679,500,000	721,000,000	721,000,000	721,000,000	721,000,000	+41,500,000			
Repatriation	1,020,000	1,110,000	1,110,000	1,110,000	1,110,000	+90,000			
Subtotal, maintenance	6,636,000,000	7,056,710,000	7,056,710,000	7,056,710,000	7,056,710,000	+420,710,000			
Child support enforcement:									
Collections	−266,000,000	−366,000,000	−366,000,000	−366,000,000	−366,000,000	−100,000,000			
State and local administration	260,000,000	333,000,000	333,000,000	333,000,000	333,000,000	+73,000,000			
Subtotal, child support	−6,000,000	−33,000,000	−33,000,000	−33,000,000	−33,000,000	−27,000,000			
Research and evaluation	3,000,000	3,500,000	3,500,000	3,500,000	3,500,000	+500,000			
Administrative expenses	32,305,000	52,000,000	45,000,000	45,000,000	46,000,000	+12,695,000	−7,000,000		
Subtotal, assistance payments	6,665,305,000	7,079,210,000	7,072,210,000	7,072,210,000	7,072,210,000	+406,905,000	−7,000,000		
Refugee assistance:									
Cuban refugee assistance	56,581,000	53,308,000	2,000,000	70,000,000	53,308,000	−3,273,000		+51,308,000	−16,692,000
Indochinese assistance, unauthorized 1980	(147,951,000)	(149,000,000)	***	***	***	***	***	***	***
Soviet and other refugees	28,300,000	20,000,000	20,000,000	20,000,000	20,000,000	−8,300,000			
Federal administration	2,432,000	2,232,000	1,500,000	1,500,000	2,232,000	−200,000		+732,000	−732,000
Subtotal, refugee assistance	87,313,000	75,540,000	23,500,000	91,500,000	75,540,000	−11,773,000		+52,040,000	−15,960,000
Limitation on salaries and expenses, trust funds	(2,267,244,000)	(2,354,100,000)	(2,354,100,000)	(2,354,100,000)	(2,354,100,000)	(+86,856,000)			
Subtotal, Social Security Administration:									
Federal funds	14,087,854,000	15,233,321,000	15,101,281,000	15,169,281,000	15,153,321,000	+1,065,467,000	−80,000,000	+52,040,000	−15,960,000
Trust fund limitation	(2,267,244,000)	(2,354,100,000)	(2,354,100,000)	(2,354,100,000)	(2,354,100,000)	(+86,856,000)			
SPECIAL INSTITUTIONS									
American Printing House for the Blind	3,906,000	4,349,000	4,349,000	4,349,000	4,349,000	+443,000			
National Technical Institute for the Deaf: Academic Program	16,625,000	17,349,000	17,349,000	17,349,000	17,349,000	+724,000			
Gallaudet College:									
Academic program	20,208,000	22,791,000	22,791,000	22,791,000	22,791,000	+2,583,000			
Model Secondary School for the Deaf	9,217,000	9,681,000	9,681,000	9,681,000	9,681,000	+464,000			
Kendall Demonstration Elementary School	4,303,000	5,139,000	5,139,000	5,139,000	5,139,000	+836,000			
Construction	11,105,000	10,730,000	10,730,000	10,730,000	10,730,000	−375,000			
Subtotal, Gallaudet College	44,833,000	48,341,000	48,341,000	48,341,000	48,341,000	+3,508,000			

*** Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Howard University:									
Academic program	81,287,000	89,787,000	89,787,000	89,787,000	89,787,000	+8,500,000			
Howard University Hospital	22,106,000	22,106,000	22,106,000	22,106,000	22,106,000				
Construction	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000				
Subtotal, Howard University	113,393,000	121,893,000	121,893,000	121,893,000	121,893,000	+8,500,000			
Subtotal, special institutions	178,757,000	191,932,000	191,932,000	191,932,000	191,932,000	+13,175,000			
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT									
GRANTS TO STATES FOR SOCIAL AND CHILD WELFARE SERVICES									
Grants to States for social services	2,620,100,000	2,475,000,000	2,475,000,000	2,475,000,000	2,475,000,000	−145,100,000			
Child day care services (needs legislation)	(198,300,000)		***	***	***	***	***	***	***
States and local training	90,000,000	100,825,000	75,000,000	77,000,000	75,000,000	−15,000,000	−25,825,000		
Child welfare services	56,500,000	56,500,000	56,500,000	56,500,000	56,500,000				
Subtotal	2,766,600,000	2,632,325,000	2,606,500,000	2,606,500,000	2,606,500,000	−160,100,000	−25,825,000		
Proposed legislation (nonadd)		(433,925,000)	(433,925,000)	(433,925,000)	(433,925,000)	(+433,925,000)			
HUMAN DEVELOPMENT SERVICES									
Child development:									
Head Start	680,000,000	700,000,000	735,000,000	735,000,000	735,000,000	+55,000,000	+35,000,000		
Research, demonstration, and evaluation	15,700,000	14,700,000	14,700,000	14,700,000	14,700,000	−1,000,000			
Child abuse	18,928,000	18,928,000	22,928,000	22,928,000	22,928,000	+4,000,000	+4,000,000		
Runaway youth	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000				
Child welfare training	8,150,000	5,000,000	7,000,000	8,150,000	7,575,000	−577,000	+2,575,000	+575,000	−575,000
Adoption opportunities	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000				
Subtotal, child development	738,778,000	754,628,000	795,628,000	796,778,000	796,203,000	+57,425,000	+41,575,000	+575,000	−575,000
Aging programs:									
State agency activities	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000				
Grants to Indian tribes				8,000,000	6,000,000	+6,000,000	+6,000,000	+6,000,000	−2,000,000
Area agency services and centers	196,970,000	196,970,000	196,970,000	265,000,000	246,970,000	+50,000,000	+50,000,000	+50,000,000	−18,030,000
Nutrition	277,046,000	277,546,000	350,000,000	320,000,000	320,000,000	+42,954,000	+42,454,000	−30,000,000	
Research, training, and special projects	40,500,000	55,500,000	50,500,000	50,500,000	50,500,000	+10,000,000	−5,000,000		
Multidisciplinary centers on gerontology	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000				
Federal Council on Aging	450,000	450,000	450,000	450,000	450,000				
National clearinghouse	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000				
Subtotal, aging programs	543,266,000	558,766,000	626,220,000	672,250,000	652,220,000	+108,954,000	+93,454,000	+26,000,000	−20,030,000
Rehabilitation service and facilities:									
Basic State grants	817,484,000	817,484,000	817,484,000	837,000,000	817,484,000				−19,516,000
Innovation and expansion	18,000,000	11,775,000	11,775,000	11,775,000	11,775,000	−6,225,000			
Service projects:									
Deaf-blind center	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000				
Special projects	12,328,000	14,860,000	14,860,000	14,860,000	14,860,000	+2,532,000			
Training and facilities grants:									
Training services	3,300,000					−3,300,000			
Facility improvements	1,600,000					−1,600,000			
Evaluation	2,500,000	2,000,000	2,000,000	2,000,000	2,000,000	−500,000			
Employment opportunities	4,500,000	5,500,000	5,500,000	5,500,000	5,500,000	+1,000,000			
Community assistance		2,000,000	2,000,000	2,000,000	2,000,000	+2,000,000			
Subtotal, service projects	26,728,000	26,860,000	26,860,000	26,860,000	26,860,000	+132,000			
Independent living	2,000,000	10,000,000	10,000,000	15,000,000	15,000,000	+13,000,000	+5,000,000	+5,000,000	
Research	31,500,000	27,500,000	30,000,000	32,000,000	31,500,000		+4,000,000	+1,500,000	−500,000
Training	30,500,000	25,500,000	28,500,000	28,500,000	28,500,000	−2,000,000	+3,000,000		
Subtotal	926,212,000	919,119,000	924,619,000	951,135,000	931,119,000	+4,907,000	+12,000,000	+6,500,000	−20,016,000
Grants for the developmentally disabled:									
State grants	33,058,000	50,681,000	50,681,000	50,681,000	50,681,000	+17,623,000			
Special projects	19,567,000	4,756,000	4,756,000	4,756,000	4,756,000	−14,811,000			
University affiliated facilities	6,500,000	3,000,000	4,500,000	7,500,000	7,000,000	+500,000	+4,000,000	+2,500,000	−500,000
Subtotal	59,125,000	58,437,000	59,937,000	62,937,000	62,437,000	+3,312,000	+4,000,000	+2,500,000	−500,000
Public service programs: Research and evaluation	2,955,000	5,975,000	5,000,000	5,000,000	5,000,000	+2,045,000	−975,000		
Programs for native Americans	33,000,000	33,800,000	33,800,000	33,800,000	33,800,000	+800,000			
White House conferences (Families, 1978; Aging 1979; Children and Youth 1980)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				
Salaries and expenses:									
Federal funds	70,301,000	75,173,000	71,232,000	77,173,000	74,202,000	+3,901,000	−971,000	+2,970,000	−2,971,000
Trust funds	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)				
Subtotal	70,901,000	75,773,000	71,832,000	77,773,000	74,802,000	+3,901,000	−971,000	+2,970,000	−2,971,000
Subtotal, human development services:									
Federal funds	2,376,637,000	2,408,988,000	2,519,436,000	2,602,073,000	2,557,981,000	+181,344,000	+149,083,000	+38,545,000	−44,092,000
Trust funds	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)				
Work incentives:									
Grants to States	371,724,000	372,023,000	352,023,000	372,023,000	352,023,000	−19,701,000	−20,000,000		−20,000,000
Program direction and evaluation	13,276,000	12,977,000	12,977,000	12,977,000	12,977,000	−299,000			
Subtotal	385,000,000	385,000,000	365,000,000	385,000,000	365,000,000	−20,000,000	−20,000,000		−20,000,000
Research and training activities overseas	1,000,000	4,400,000	2,000,000	2,000,000	2,000,000	+1,000,000	−2,400,000		

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Subtotal, human development:									
Federal funds	5,529,237,000	5,430,623,000	5,492,936,000	5,505,573,000	5,531,481,000	+2,244,000	+100,858,000	+38,545,000	−64,092,000
Trust funds	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)				
DEPARTMENTAL MANAGEMENT									
General department management:									
Federal funds	130,456,000	135,060,000	133,500,000	133,500,000	133,500,000	+3,044,000	−1,560,000		
Trust funds	(6,890,000)	(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)	(+1,110,000)			
Subtotal	137,346,000	143,060,000	141,500,000	141,500,000	141,500,000	+4,154,000	−1,560,000		
Office of the Inspector General:									
Federal funds	36,226,000	39,868,000	39,868,000	39,868,000	39,868,000	+3,642,000			
Trust funds	(4,705,000)	(4,194,000)	(4,194,000)	(4,194,000)	(4,194,000)	(−511,000)			
Subtotal	40,931,000	44,062,000	44,062,000	44,062,000	44,062,000	+3,131,000			
Office for Civil Rights:									
Federal funds	67,897,000	65,092,000	65,092,000	65,092,000	65,092,000	−2,805,000			
Trust funds	(1,200,000)	(2,350,000)	(2,350,000)	(2,350,000)	(2,350,000)	(+1,150,000)			
Subtotal	69,097,000	67,442,000	67,442,000	67,442,000	67,442,000	−1,655,000			
Policy research, Federal funds	25,000,000	24,715,000	24,000,000	24,000,000	24,000,000	−1,000,000	−715,000		
Total, Departmental Management:									
Federal funds	259,579,000	264,735,000	262,460,000	262,460,000	262,460,000	+2,881,000	+2,275,000		
Trust funds	(12,795,000)	(14,544,000)	(14,544,000)	(14,544,000)	(14,544,000)	(+1,749,000)			
Total	272,374,000	279,279,000	277,004,000	277,004,000	277,004,000	+4,630,000	−2,275,000		
Total, Health, Education, and Welfare: Direct appropriations:									
Federal funds	58,299,015,000	60,249,953,000	60,931,477,000	60,261,626,000	60,236,654,000	+1,937,639,000	−13,299,000	−694,823,000	−24,972,000
Trust funds	(3,090,998,000)	(3,206,063,000)	(3,204,563,000)	(3,208,563,000)	(3,204,563,000)	(+113,565,000)	(−1,500,000)		(−4,000,000)
Sec. 201 fraud, abuse and waste	−301,500,000		−500,000,000		−500,000,000	−198,500,000	−500,000,000		−500,000,000
Sec. 212 consultant limitation (non-add)	(194,000,000)	(194,000,000)	(194,000,000)	(180,000,000)	(170,000,000)	(−24,000,000)	(−24,000,000)	(−24,000,000)	(+10,000,000)
Total, including sec. 201 reductions:									
Federal funds	57,997,515,000	60,249,953,000	60,431,477,000	60,261,626,000	59,736,654,000	+1,739,139,000	−513,299,000	−694,823,000	−524,972,000
Trust funds	(3,090,998,000)	(3,206,063,000)	(3,204,563,000)	(3,208,563,000)	(3,204,563,000)	(+113,565,000)	(−1,500,000)		(−4,000,000)
Total, unauthorized, not considered: Federal funds	(1,098,963,000)	(792,188,000)	***	***	***	***	***	***	***
TITLE III—RELATED AGENCIES									
ACTION (domestic programs):									
Volunteers in Service to America, unauthorized	(30,804,000)	(38,565,000)	***	***	***	***	***	***	***
Older Americans Volunteer programs:									
Foster Grandparents program	34,900,000	40,651,000	46,932,000	46,932,000	46,932,000	+12,032,000	+6,281,000		
Senior Companion program	7,000,000	8,135,000	10,171,000	10,171,000	10,171,000	+3,171,000	+2,036,000		
Retired Senior Volunteer program	20,100,000	23,214,000	26,214,000	26,214,000	26,214,000	+6,114,000	+3,000,000		
Subtotal, older volunteers	62,000,000	72,000,000	83,317,000	83,317,000	83,317,000	+21,317,000	+11,317,000		
Urban volunteer programs, unauthorized		(25,457,000)	***	***	***	***	***	***	***
Citizen participation and volunteer demonstration programs, unauthorized	(2,500,000)	(3,850,000)	***	***	***	***	***	***	***
Program support, unauthorized	(23,871,000)	(29,735,000)	***	***	***	***	***	***	***
Subtotal, ACTION	62,000,000	72,000,000	83,317,000	83,317,000	83,317,000	+21,317,000	+11,317,000		
Unauthorized, not considered	(57,175,000)	(97,607,000)	***	***	***	***	***	***	***
Community Services Administration:									
Community ACTION operations:									
Community ACTION agencies	369,000,000	381,000,000	381,000,000	393,000,000	387,000,000	+18,000,000	+6,000,000	+6,000,000	−6,000,000
Senior opportunities and service	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000				
State economic opportunity offices	12,000,000	7,500,000	7,500,000	7,500,000	7,500,000	−4,500,000			
Community food and nutrition	30,000,000	8,000,000	18,000,000	32,000,000	28,000,000	−2,000,000	+20,000,000	+10,000,000	−4,000,000
Emergency energy conservation services	10,000,000			3,700,000	3,700,000	−6,300,000	+3,700,000	+3,700,000	
Energy crisis intervention	200,000,000	250,000,000	22,000,000	250,000,000	250,000,000	+50,000,000		+228,000,000	
National youth sports program	6,000,000		6,000,000	6,000,000	6,000,000		+6,000,000		
Summer youth recreation and transportation	17,000,000		10,000,000		10,000,000	−7,000,000	+10,000,000		+10,000,000
Migrant program	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Training and technical assistance	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	+1,000,000			
Subtotal, Community ACTION	656,500,000	660,000,000	458,000,000	705,000,000	705,700,000	+49,200,000	+45,700,000	+247,700,00	
Demonstrations:									
Rural housing	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000				
Other		9,000,000	5,000,000	5,000,000	5,000,000	+5,000,000	−4,000,000		
Community economic development	46,170,000	44,500,000	44,500,000	44,500,000	44,500,000	−1,670,000			
Evaluation	1,000,000	2,000,000	1,000,000	1,000,000	1,000,000		−1,000,000		
Program administration	33,183,000	33,500,000	33,500,000	33,900,000	33,900,000	+717,000	+400,000	+400,000	
Subtotal, Community Services Administration	742,853,000	755,000,000	548,000,000	796,100,000	796,100,000	+53,247,000	+41,100,000	+248,100,000	
Community economic development credit unions		12,000,000		12,000,000	6,000,000	+6,000,000	−6,000,000	+6,000,000	−6,000,000

***Consideration deferred due to lack of authorizing legislation.

CONFERENCE AGREEMENT—H.R. 4389—FISCAL YEAR 1980 DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS BILL—Continued

	Fiscal year 1979 comparable appropriation	Fiscal year 1980 Presidential budget	Fiscal year 1980 House bill	Fiscal year 1980 Senate bill	Fiscal year 1980 conference	Conference compared with— Fiscal year 1980 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Corporation for Public Broadcasting:									
Fiscal year 1980 ($152,000,000 advanced in fiscal year 1979).									
Fiscal year 1981 (advance in fiscal year 1979)	162,000,000					−162,000,000			
Fiscal year 1982 (current request)		172,000,000	172,000,000	172,000,000	172,000,000	+172,000,000			
Subtotal, Corporation for Public Broadcasting	162,000,000	172,000,000	172,000,000	172,000,000	172,000,000	+10,000,000			
Federal Mediation and Conciliation Service	23,214,000	23,075,000	23,075,000	28,075,000	23,075,000	−139,000			−5,000,000
Federal Mine Safety and Health Review Commission	4,776,000	4,770,000	4,770,000	4,770,000	4,770,000	−6,000			
National Commission on the International Year of the Child	685,000					−685,000			
National Commission on Libraries and Information Science	660,000	668,000	668,000	668,000	668,000	+8,000			
National Commission on Social Security	2,500,000					−2,500,000			
National Labor Relations Board	102,762,000	108,050,000	108,050,000	108,050,000	108,050,000	+5,288,000			
National Mediation Board	4,033,000	4,393,000	4,393,000	4,393,000	4,393,000	+360,000			
Occupational Safety and Health Review Commission	7,658,000	7,550,000	7,550,000	7,550,000	7,550,000	−108,000			
Railroad Retirement Board:									
Payment to railroad retirement trust funds	313,000,000	313,000,000	313,000,000	313,000,000	313,000,000				
Railroad transportation protective account	43,870,000		***	***	***	***	***	***	***
Reappropriation	37,646,000		***	***	***	***	***	***	***
Subtotal, unauthorized, not considered	(81,516,000)		***	***	***	***	***	***	***
Limitation on salaries and expenses	(36,703,000)	(39,730,000)	(39,730,000)	(39,730,000)	(39,730,000)	(+3,027,000)			
Soldier's and Airmen's Home (trust fund appropriation):									
Operation and maintenance	17,529,000	18,471,000	18,471,000	18,471,000	18,471,000	+942,000			
Subtotal, Related Agencies	1,480,373,000	1,530,707,000	1,323,024,000	1,588,124,000	1,577,124,000	+96,751,000	+46,417,000	+254,100,000	−11,000,000
Federal funds	1,443,670,000	1,490,977,000	1,283,294,000	1,548,394,000	1,537,394,000	+93,724,000	+46,417,000	+254,100,000	−11,000,000
Trust funds	(36,703,000)	(39,730,000)	(39,730,000)	(39,730,000)	(39,730,000)	(+3,027,000)			
Unauthorized, not considered	(138,691,000)	(97,607,000)	***	***	***	***	***	***	***
SUMMARY									
Title I—Department of Labor:									
Federal funds	13,924,962,000	12,118,812,000	11,236,562,000	11,183,225,000	11,248,565,000	−2,676,397,000	−870,247,000	+12,003,000	+65,340,000
Trust funds	1,731,034,000	1,809,905,000	1,809,905,000	1,809,905,000	1,809,905,000	+78,871,000			
Title II—Department of Health, Education, and Welfare:									
Federal funds	59,299,015,000	60,249,953,000	60,931,477,000	60,261,626,000	60,236,654,000	+1,937,639,000	−13,299,000	−694,823,000	−24,972,000
Trust funds	3,090,998,000	3,206,063,000	3,204,563,000	3,208,563,000	3,204,563,000	+113,565,000	−1,500,000		−4,000,000
Unauthorized, not considered: Federal funds	(1,098,963,000)	(792,188,000)		(200,000,000)		(−1,098,963,000)	(−792,188,000)		(−200,000,000)
Sec. 201 fraud, abuse and waste reduction	−301,500,000		−500,000,000		−500,000,000	−198,500,000	−500,000,000		−500,000,000
Title III—Related agencies:									
Federal funds	1,443,670,000	1,490,977,000	1,283,294,000	1,548,394,000	1,537,394,000	+93,724,000	+46,417,000	+254,100,000	−11,000,000
Trust funds	36,703,000	39,730,000	39,730,000	39,730,000	39,730,000	+3,027,000			
Unauthorized, not considered: Federal funds	(138,691,000)	(97,607,000)				(−138,691,000)	(−97,607,000)		
Grand total, direct appropriations all titles:									
Federal funds	73,667,647,000	73,859,742,000	73,451,333,000	72,993,245,000	73,022,613,000	−645,034,000	−837,129,000	−428,720,000	+29,368,000
Trust funds	(4,858,735,000)	(5,055,698,000)	(5,054,198,000)	(5,058,198,000)	(5,054,198,000)	(+195,463,000)	(−1,500,000)		(−4,000,000)
Sec. 201 fraud abuse and waste	−301,500,000		−500,000,000		−500,000,000	−198,500,000	−500,000,000		−500,000,000
Grand total including sec. 201 reduction:									
Federal funds	73,366,147,000	73,859,742,000	72,951,333,000	72,993,245,000	72,522,613,000	−843,534,000	−1,337,129,000	−428,720,000	−470,632,000
Trust funds	(4,858,735,000)	(5,055,698,000)	(5,054,198,000)	(5,058,198,000)	(5,054,198,000)	(+195,463,000)	(−1,500,000)		(−4,000,000)
Unauthorized, not considered: Federal funds	(1,237,654,000)	(889,795,000)		(200,000,000)		(−1,237,654,000)	(−889,795,000)		(−200,000,000)

***Consideration deferred due to lack of authorizing legislation.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I yield to my distinguished friend, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. I thank the gentleman for yielding.

Mr. Speaker, I rise to compliment my distinguished colleague, the gentleman from Kentucky, for a job well done. I personally feel that I would be derelict in my responsibility as chairman of the House Committee on Education and Labor if I failed to disclose to this Chamber the wonderful job that has been done on this conference report. The gentleman from Kentucky (Mr. NATCHER) recently assumed the chairmanship of this most important subcommittee, and to my way of thinking has done the most outstanding job of any subcommittee chairman that has ever occupied this subcommittee. I want to take my hat off to him, and I know I speak for many other Members of this body. We congratulate the gentleman from Kentucky (Mr. NATCHER). I certainly hope that this conference report is adopted. I know there is an issue over the abortion amendment. Otherwise I feel that it should be adopted without a dissenting vote.

I thank the distinguished gentleman from Kentucky for yielding.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding. I would like to propound a question to my friend, the able chairman of the committee. I notice in the Senate report there is a $500,000 appropriation for the National Academy of Peace and Conflict. I do not see in our committee report anywhere an indication of the action or how that was put in. I happen to be one who has been appointed to that commission. As far as I know, there has never been a meeting. There has never been a meeting called. I do not know who would be in a position to even make a recommendation of $500,000 if there has never been any

meeting of this organization. It looks like something that just came out of the air, and I just wonder if my good friend could shed some light on how that $500,000 dropped into this bill with no trace whatsoever.

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Mr. NATCHER. I would like to say to our distinguished colleague and friend from Ohio (Mr. ASHBROOK) the Senate added the $500,000. In the conference we receded. You will find at page 22 of the conference report about 6 or 7 lines down, "The National Academy of Peace and Conflict, $500,000." The $500,000 is in the conference report.

Mr. ASHBROOK. I thank my colleague, Mr. Speaker. I do not question the action of the committee. As a member of the commission, I wondered who propounded it, where they got the need. So far as I know the commission has never met and I am just wondering how something like this could just be hatched.

Mr. NATCHER. Mr. Speaker, as I understood in the conference the distinguished gentleman from Ohio is one of those named to serve. Is that correct?

Mr. ASHBROOK. Yes; evidently not to go over any budget process.

Mr. NATCHER. As far as the study is concerned.

Mr. ASHBROOK. Yes; that is correct. We have never met.

Mr. NATCHER. This is in the conference report at the insistence of the Senate conferees.

Mr. ASHBROOK. I thank my good friend and able chairman for giving me that explanation. I could well understand, not having had the request on our side, and the request coming in from over there, how it would end up in the conference but I guess I just had to wonder a little bit since our committee had never met and I do not know who would be in a position to recommend $500,000. That, of course, would not be the gentleman's responsibility. I appreciate the information.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Florida.

Mr. PEPPER. I wish to associate myself heartily with the words of commendation expressed about the distinguished chairman of this subcommittee by the able gentleman from Kentucky (Mr. PERKINS). The gentleman from Kentucky (Mr. NATCHER) has done a marvelous job.

Mr. NATCHER. I want to thank the distinguished gentleman from Florida.

Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Speaker, if possible, I would like to clarify amendment 8 of the conference report on this appropriation. As the gentleman will recall, on July 27 the House passed a $5 million earmark for offender programs under title III of CETA. Over the years, DOL has literally neglected the employment difficulties of offenders.

Mr. Speaker, the conference committee decided to delete this bill language in favor of directing the Department of Labor to utilize a significant portion of CETA title III resources to fund projects for offenders. My question is, would at least 1 percent of title III funds constitute a significant portion?

Mr. NATCHER. Mr. Speaker, let me say to the gentleman, as to the percentage, I am unable to answer the gentleman's question in regard to 1 percent.

In the conference report, as we will see at page 10 in the first paragraph at the top of the page, amendment No. 4, we had the Senate earmarking $5 million for a certain part of the CETA program. In the paragraph further down is amendment No. 8 pertaining to the matter the gentleman is interested in. The Senate earmarked in two or three instances and we agreed not to earmark the $5 million that they placed in amendment No. 4. It was deleted. The earmarking of the $5 million in which the gentleman is interested was dropped also and then we placed in the conference report this language:

Amendment No. 8: Deletes language proposed by the House which would have earmarked $5 million for offender programs under title III of the Comprehensive Employment and Training Act. The conferees have elected not to earmark funds in the bill. However, the conferees direct the Department to utilize a significant portion of CETA title III resources to fund projects for offenders.

Now, as to 1 percent, I would say to the gentleman, we would hope on our side, the conferees, at least the amount the gentleman had in mind should be used for this purpose. At least that amount. I would say that on the record.

Mr. Speaker, the reason why the gentleman's figure of $5 million dropped out, as I explained, we had an agreement we would not earmark, in the instance of interest to the gentleman, or in the other one that appears on the same page. Certainly, the $5 million should be used.

Mr. CLAY. Mr. Speaker, I certainly want to thank the chairman and the other conferees for the support of the concept of this amendment.

Mr. NATCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I take it that many of the authorizing committees fared well, just listening to the remarks, but I wonder if I might inquire what kinds of testimony or what kinds of input it takes to cut an authorization from $266 million to $56 million. That is a rather drastic cut. That was a cut that was made in the section 4(b), child social services authorization. Since I would take it whatever money we ever get for this program will be by the appropriations process, I was wondering what it is we are facing.

Mr. MICHEL. Will the gentleman yield, Mr. Speaker?

Mr. CORMAN. I yield to the gentleman from Illinois.

Mr. MICHEL. If the question is directed to the chairman, the chairman, of course, can respond, but I do know that the budget request is only $56 million and that is what we have met dollar for dollar in the budget request. That is why I made the point earlier during the course of consideration of the other measure, that when we had the regular bill here there was no move to increase that particular item in the bill. That would have been the vehicle for doing that. We felt obliged to meet the budget request and that is what we did.

Mr. NATCHER. As the gentleman from Illinois has pointed out the budget request was for $56,500,000 in the bill for 1980. In 1979 fiscal year we had the same amount.

Mr. CORMAN. Mr. Speaker, if I recollect, the House budget resolution included the $266 million. The request of the administration was the $56 million. Perhaps that is my answer from the Committee on Appropriations: Do not pay any attention to what the House budget resolution says, worry about what the President is going to ask for. That kind of lets me know where we have to go. Am I correct on the factual situation?

Mr. NATCHER. As far as saying to the budget committee, "We turn our back on the budget committee, we pay no attention to the amount that is contained in the budget resolution," that would not apply and that would not be the answer to the gentleman's question.

The amount in the President's budget for fiscal year 1980, as the gentleman knows, was the $56,500,000.

We believed that we ought to go along with the amount in the budget at this time, the same amount as we had for fiscal year 1979, and that is the reason why we put the amount in here of $56,500,000.

Mr. CORMAN. If the gentleman will yield further, Mr. Speaker, my question goes to the value of the House-adopted budget resolution. It was at that point we thought we had made our case. We did not really try or have an opportunity to make our case at OMB. That is a different branch of Government. We made our case with this House of Representatives in the House first budget resolution.

Mr. NATCHER. Let me say to the gentleman, Mr. Speaker, as the gentleman well knows, as one of the able Members of the House, the amounts contained in the budget resolution, House Concurrent Resolution 107, for instance, are only guidelines to be followed by the Committee on Appropriations.

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Now, let me say further, in the budget resolution if you had an amount in there of $200 million, that automatically would not mean that the Appropriations Committee and this House would have to go to $200 million. The resolution sets the ceiling that we should not exceed. In this instance, we went along with the President's budget amount.

Now, we will have from time to time, occasions when the gentlemen on the Budget Committee, all able people, will set a ceiling and on our committee we try to stay under it; but the fact that they set an amount of $200 million, under no rule of the House means that

we have to go to the figure of $200 million.

Mr. CORMAN. I understand.

Mr. NATCHER. I say to my distinguished friend, the gentleman from California, that is what we did in this instance.

Mr. CORMAN. Yes, sir, great; I appreciate the gentleman yielding. I have learned a good bit. I think it would be useful for all the Members to recognize the comparative importance given to Presidential recommendations and House recommendations so far as the Appropriation Committee is concerned.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I certainly yield to my friend, the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, now that we have passed H.R. 3434, which will probably through its legislative writing encourage a higher level of spending in title II of that bill, is it possible in the supplemental appropriation that that additional amount that has now passed this House by a very overwhelming vote can be appropriately accommodated?

Mr. NATCHER. The gentleman is correct in his statement. In a supplemental appropriation bill, we can take a look at it and decide the amount to recommend to this House. That is the proper procedure and the gentleman is correct.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's comment. I can understand the concern of my colleague from California. He has worked hard and long on this particular legislation. His concern is that he will not have adequate hearing in the Appropriation Committee.

The statement of the gentleman from Kentucky to me is that on the basis of the passage of this bill we have just completed, H.R. 3434, that in the supplemental process would be the appropriate place to take into consideration the additional authorization.

Mr. NATCHER. The gentleman is correct.

Mr. Speaker, at this time I yield to my friend, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first, I would be very remiss if I did not acknowledge the splendid work of our chairman in the conference. There were over 147 amendments in disagreement. In all my 20 years or more of service in this committee and subcommittee, I have never observed a chairman take hold of a conference to the degree that the gentleman from Kentucky (Mr. NATCHER) did and within 1 day resolve those 147 amendments in disagreement, bringing only one back in true disagreement for a vote.

I think the gentleman deserves the plaudits of this House for the splendid manner in which he conducted that conference.

Mr. Speaker, we have just heard it stated that this conference report provides funding levels $1.3 billion under the budget, $428 million under the House, and $470 million below the Senate.

In looking at these figures, you would think we have performed miracles. In actuality, the only miracles undertaken were those with mirrors.

When you eliminate $1,070,000,000 in CETA carryover funds, and $726,000,000 in basic education opportunity grant funds which were eliminated through a bookkeeping device, you actually find that this report is some $460 million above the budget. Then if you also eliminate the $500 million in our amendment on waste, fraud, and abuse, and the $73 million by which the SSI program is under the budget due to a reestimate, the bill actually ends up over $1 billion above the budget. In other words, in the basic line items in the bill where we provide discretionary spending for social programs, this bill exceeds the budget by $1 billion.

Likewise, in comparing the conference report to the House version, if we eliminate the $726 million in BEOG funds and the $188 million in added CETA carryover funds, we end up in actuality at a level of $486 million above the House bill.

As far as the Senate version is concerned, it included $200 million in unauthorized health planning funds which were eliminated in conference, and did not include the $500 million reduction in waste, fraud, and abuse which was accepted in conference. If we eliminate those two items, the conference report provides a $230 million increase above the Senate version in terms of the actual line items.

I call these figures to your attention simply to make sure that we are not misled by the totals shown in the conference report.

It was a good conference in many respects, but was also a conference which did not reflect much of a desire to hold down spending. More often than not, the conferees accepted the highest of both the House and Senate figures as the easiest means of reaching agreement. The most obvious example in this regard is NIH, where we came out $50 million above the House and $62 million above the Senate.

Regarding the impact aid program, the conferees took the higher Senate figure for category "A" children and the higher House figure for category "B" children.

I agree with the higher figure for "A" children, which puts us at the budget level, because that is the one justifiable portion of the overall impact aid program.

I cannot, however, go along with the conference action regarding "B" children. "B" payments are the least justifiable of all the impact aid payments. They are awarded in cases where the parents work in Federal facilities but reside in the community and pay property taxes just like everybody else. They are not justifiable, they cannot be defended, and they ought to be eliminated.

The Senate bill proposed a very reasonable approach that would have produced a significant reduction in "B" payments without unduly burdening any school district. That reduction would have been achieved by eliminating "B" payments for those school districts of fewer than 2,000 "B" pupils where such payments represent less than 1 percent of their overall expenditures for education; by eliminating payments for children whose parents are employed on Federal property located outside the school district; and by providing a 10-percent reduction for those districts continuing to receive "B" payments. This approach would have made a $115 million reduction in overall funding for "B" payments, from $320 million to $205 million. The House version, the one accepted in conference, provides a level of $277 million, or $72 million above the Senate.

The approach adopted by the Senate is quite similar to the amendment I offered in full committee, particularly with respect to the 1-percent limitation. Where the "B" payment is less than 1 percent of a district's total educational expenditures, that is hardly reflective of a heavy Federal impact. Any district ought to be able to absorb that much, and I regret that the conference chose not to go along with this very sensible approach.

The conferees agreed to the $500 million reduction in waste, fraud, and abuse which the House applied to HEW programs. We have conference report language specifying how this reduction is to be implemented, and of course we expect HEW to obey the law this year, and adopt a plan of action designed to produce these savings, starting at the outset of the fiscal year.

As part of the action on this item, the conferees amended the bill language to include the mandated reduction in AFDC and medicaid error rates contained in the conference report on the recently enacted supplemental appropriation bill, along with a provision which allows the Secretary to provide a yearly waiver in a limited number of instances if some States are unable to achieve the mandated reduction despite a good faith effort.

The conference report specifies that such waivers are to be limited to extraordinary circumstances, and by that we would have in mind something along the line of the appeals criteria set forth in the "disallowance for erroneous payments" regulations published by HEW on March 7, 1979. This includes such things as disasters, strikes, faulty Federal policy interpretation, or a sudden increased workload resulting from changes in Federal law or regulation.

A number of States have expressed concern that the new food stamp law has placed an extra heavy burden on their case workers, which is resulting in a reduced monitoring and surveillance effort in the AFDC and medicaid arena. This might be taken into account in considering an initial year waiver, but certainly ought not to go beyond that, because the food stamp program should not be used to justify higher waste, or less diligence, in the AFDC or medicaid programs.

The intent of the conferees, in other words, is that some flexibility should be allowed if unusual circumstances come into play, but that by no means should the waiver concept be so broadly defined as to allow a blanket exemption for those States with high error rates who simply fail to achieve the mandated reductions.

I have to strongly take issue with the conference approval of $250 million for the so-called energy crisis intervention program—the program designed to pay fuel bills for the poor.

I take issue with this action not because there may not be a need, but because we are again throwing money into a program that has never been considered by any authorizing committee, and which has virtually no congressionally established standards governing the allocation of funds.

This appropriation will make the fifth different program we have had during the past 4 years, all of which were defined only through generalized appropriations report language. The result has been a very poor administration of the program by the Community Services Administration. Both the General Accounting Office and our appropriations investigative staff arrived at that conclusion after thoroughly investigating the program. But like most investigations, if we do not like what we hear, we just assign them to the shelf and continue on our merry old way.

The conference report says the funds in 1980 are to be distributed to the States on a formula basis. This returns the program to the approach followed during its first year of operation. That approach was abandoned because it spread the funds too thin and did not concentrate on real needs.

All the States receive funding under the formula approach, including warm weather areas such as Hawaii, Arizona, Florida, Puerto Rico, and the Virgin Islands. Whether they need it or not, they will still receive a share. Our investigators found that in some of these States people received assistance even though their home energy bills totaled less than $250 for the whole year.

If this program were properly authorized, it would theoretically be much more sharply structured to insure that funds go only where the real needs are. As it is, however, the conference report language provides almost no guidance. Let me just quickly run through some of the questions that remain unanswered:

First. Eligibility is to be limited to households under 125 percent of poverty. There are nearly 14 million households in this category today. Are they all eligible for assistance? If so, they would be entitled to just $17 each, based on the funding level in the bill.

Second. If each household is not eligible, then what other criteria are to govern eligibility?

Third. Where do unpaid fuel bills come into play? Are they to be used as a criteria for eligibility? Must they be presented when applying for assistance?

Fourth. How much can each household receive? Formerly there was a $250 maximum, but that no longer appears to be the case. What is to prevent just a few of the households from receiving the bulk of the funds?

Fifth. Does the household receive the money in cash, or in the form of a voucher?

Sixth. Must the money be used to pay fuel bills, or can it be used for other things?

Seventh. What is the allocation per household to be based on?

Eighth. Who is to administer the program at the local level?

Ninth. What kind of proof of income eligibility is to be required, if any?

Tenth. What kind of monitoring system is to be established, if any, to check on how the funds are spent?

Eleventh. Is there any requirement that the program be audited?

Twelfth. Must the States present a plan for the use of the funds, or do they simply receive the funds free and clear to use virtually as they please?

Thirteenth. Our committee investigators' report states:

> Income maintenance programs like SCIP do not promote energy conservation. Payment of overdue fuel bills or credits for future deliveries are in themselves disincentives. CSA officials agree energy conservation is an unrealistic goal for an energy income transfer program.

Are we going to totally ignore the question of conservation in the allocation of assistance?

These are just a few of the matters that ought to be addressed in any legislation establishing a program the size of this one. They are not dealt with in this conference report, but are totally ignored.

Simply throwing money at a problem in an emotional reaction, without thinking it through or developing the proper program mechanism, is not the way to legislate. It only leads to the massive amounts of waste, fraud, and abuse which we currently see in many of the HEW income assistance programs.

On this program, the conferees have acted irresponsibly. What we should have done was to defer funding until proper authorizing legislation is reported and adopted. Frankly, I would hope that the authorizing committees would still move ahead in this regard, because we certainly cannot go on the way we have.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I rise in support of the conference report on H.R. 4389, the Labor-HEW appropriations bill for fiscal year 1980. I feel that this is a good bill, which, with the exception of the abortion section, there is little if any disagreement.

I would like to offer my congratulations to all the members of the Labor-HEW Subcommitte upon the resolution of most of our differences with the Senate and the near-completion of this bill. I would especially like to thank the chairman of our subcommittee, my good friend, Mr. NATCHER, whose hard work has resulted in the unusually early action that this bill has received, and of course my good friend, the ranking minority member of the subcommittee, Mr. MICHEL, whose diligence and thoughtfulness have contributed a great deal to the excellence of this piece of legislation.

I feel that overall some good compromises were reached on this bill, and the end result of our work is that the Labor-HEW appropriations bill is $1,337,129,000 (roughly $1.34 billion) below the President's budget. It will be pointed out that this figure includes $726 million in BEOG funds, originally appropriated in 1978, which this bill makes available until expended. Even taking this $726 million into consideration, the bill is still $611 million under the President's budget. Even with this cutback, I feel that the bill does a good job of funding some of the most important programs in this country. This bill proves that the Appropriations Committee can act in a fiscally responsible way to hold back spending, while still maintaining the high quality human services programs which this country requires.

In a few areas, the House has receded to higher Senate levels for spending. Most of these instances are very well justified. For example, the Senate increased funding for venereal disease screening and treatment programs to $40 million, $6 million more than the House had appropriated for this program run by the Center for Disease Control. The House agreed to accept the higher Senate figure, because venereal disease is a very serious problem, and one that is becoming more and more grave daily. The number of Americans suffering from gonorrhea, syphilis, and the as yet incurable disease, genital herpes, is on the rise. The additional preventive, educational and screening work that these funds will allow is desperately needed, and I am confident that this money will be very well spent.

Another area where the House receded to the Senate was in funding for the new independent living program. The Senate had provided $15 million, $5 million more than the House. This is an excellent program which will help our citizens with handicaps to move out into the mainstream of society where they will live productive lives. For too long, our Nation has paid lip service to the needs of our handicapped; this increased appropriation will demonstrate that we are willing to back up our commitment to this segment of our society with more than just words.

On other issues, the House either split, or went better than halfway towards meeting the Senate in their estimates on the funding needs of certain line items. Noteworthy among these is the appropriation for university affiliated facilities in the Rehabilitation Services Administration. The House had provided $4.5 million, the Senate $7.5 million for this very worthy program. The conference agreed to appropriate $7 million. This appropriation promotes interdisciplinary training and research into the problems of rehabilitating developmentally disabled people. I am personally very pleased that the conference decided to appropriate these added funds for this very important program.

In many other areas, the House receded to the lower funding levels appropriated by the Senate. Perhaps the largest single Senate-proposed reduction which the House accepted was the $145 million cut made in the new concentration grant program in ESEA. The House had appropriated $345 million for this; the Senate reduced this to $200 million; and the House concurred in the Senate figure. I had always been a supporter of the concentration grant program, despite the fact that my district receives not 1 cent from it. However, at the conference I must confess that I was swayed by the remarks of Senator ERNEST F. HOLLINGS of South Carolina, who asked why those children with educational disabilities who happen to live in relatively high concentrations in urban settings deserve more attention, or more specifically, more Federal funding than the poor and undereducated in rural areas. When it accepted this cut, the conference committee directed that the Commissioner on Education to produce a report and a clear plan on the use of these funds, so that Congress can have a clearer sense of what specific impact this money is supposed to have.

I was personally involved in the addition of several language provisions to this bill which I hope will strengthen it considerably. The first was a provision to prohibit the Mine Safety and Health Administration from administering certain recently promulgated training regulations. I do not object to the training of miners in all instances, but the regulations MSHA proposed to enforce included many provisions which were inflationary and unnecessary. This amendment, No. 21, has been reported in technical disagreement, because the conference committee added language to clarify the fact that it applies only to surface mines. This will give MSHA time, if it so chooses, to revise its training regulations and remove their objectionable sections.

I also added two amendments, No. 78 and No. 139, which relate to HEW contracting procedures. The first, No. 78, allows for $2 million in fiscal year 1979 funding to remain available for obligation in fiscal year 1980, as part of the budget of education for the handicapped in the Office of Education. This amendment will assure that six requests for proposals for handicapped-related projects will not lapse.

Amendment No. 139 will prohibit the application of the labor-surplus provisions (of section 15 (d) and (e)) of the Small Business Act. Application of these provisions to HEW contracting would result in many highly qualified applicants being shut out of competition for Federal funds simply because these applicants are not located in labor-surplus areas. For example, it strikes me as foolish that a special education professor at the University of Kansas, quite possibly the tops in his field, would be shut out of applying for a special education grant simply because he or she does not work in a labor-surplus area. My amendment will take care of this, by excluding from these Small Business Act provisions (and I quote) "requests for proposals for research, rehabilitation, training or other highly professional health, education, and social services which will not substantially affect employment levels."

I could go on at great length about the various provisions of this bill which interest me in such areas as: The Health Services Administration; the Center for Disease Control and the National Institutes of Health, both of which received extra, much-needed funding; or the Health Resources Administration, a particular area of interest to me. I shall refrain, however, and content myself with making a final comment about the energy crisis intervention program run by the Community Services Administration.

The House had appropriated $22 million for this program, a large reduction from the $200 million appropriated last year, but only a minor reduction from the $40 million originally requested by the administration. At the last minute, the administration revised its request and recommended that $250 million be appropriated for this program. The Senate put this money in, and the House concurred in their decision, thereby increasing the appropriation for this program by $228 million.

I fully support this increase. I am well aware of the many problems CSA has had in administering this program, and of the many well-justified criticisms leveled at it. The energy crisis intervention program is, however, the only program the Government has to help the poor and needy to stay warm during the long, severe winters that many parts of our Nation face. As soon as there is a better, more workable program to replace this one, I will gladly vote to zero-fund the CSA program. Until that time, I will continue to offer my strongest support to this energy crisis intervention program so that our citizens will know that in this land of such great wealth, their Government will not let them run the risk of freezing in winter.

In conclusion, I urge all my fellow Members to vote "aye" on all the provisions in this bill which we were able to resolve at the conference. It is my sincere hope that soon after our return from recess, we will be able to achieve some resolution of the remaining point of disagreement in this bill, so that H.R. 4389 may be signed into law.

□ 1640

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my dear friend, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, we all know it is going to be a terrible hardship with fuel bills this winter, but I would like to remind the House what happened 2 or 3 years ago. We had a very hard winter, and we voted funds. Then we found that, as I remember it, the Virgin Islands and Hawaii had gotten more heating money than New Jersey.

What kind of administration is this? What kind of formula is it? We had $100 million left over at the end of the year.

I do not know how we are going to handle the people's money if we have no criteria, no way of handling it, and no way of deciding where the money is going to go before we start handing it out.

Mr. Speaker, I do not wonder that sometimes the public despairs. It is an awful lot of money. The people are going to suffer, and we ought to be able to put the two together and bring about some public good, but this is not the way to do it.

Mr. MICHEL. Mr. Speaker, I thank the gentlewoman from New Jersey (Mrs. FENWICK) for her contribution. Obviously she despairs, as do some of us, and that is the reason for our opening up the discussion, because frankly, this ought to be a matter that is more thoroughly discussed before we in the Committee on Appropriations have to oblige ourselves by appropriating money.

Mr. Speaker, I have several requests for time, but if the gentleman from Kentucky (Mr. NATCHER) has requests, I would be happy to defer to him.

Mr. NATCHER. Mr. Speaker, I would like to say to the distinguished gentleman from Illinois (Mr. MICHEL) that we have no requests for time on this side.

Mr. MICHEL. Then, Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I am specifically concerned with that portion of the conference report that relates to the SHUR program, the system for hospital uniform reporting.

I wish to make some comments about that, and then I will ask some questions of the distinguished subcommittee chairman, the gentleman from Kentucky (Mr. NATCHER).

Let me refresh the memories of some of the Members of the House concerning what happened relating to the SHUR amendment. By an overwhelming majority of 306 to 101 votes, this House took the position that no appropriations would be utilized to implement the SHUR system during the upcoming fiscal year. The Senate likewise considered the SHUR system a system that, I would say, set some sort of record for an arrogant departure from congressional intent via a Federal agency, HEW, an agency that establishes a uniform accounting system despite language by both bodies in our committee reports asking for a uniform reporting system. I would like to read briefly for the Members of the House the wording of the conference report language:

> The conferees, therefore, direct that the Secretary not issue final regulations for the program until the Department's proposed revisions have been formally approved by the appropriate committee of each house designated by the Speaker of the House of Representatives and the Majority Leader of the Senate.

What is very interesting about that is that this particular language would, I respectfully suggest, be a lesser measure and less specific in its directions to HEW, not only in the amendment adopted on this floor but in the language found in the committee report of the Senate Appropriations Committee, and I read to the Members from the Senate Appropriations Committee report, on page 95:

The Committee is greatly disturbed by the scope of the proposed regulation implementing the System for Hospital Uniform Reporting (SHUR), and overwhelmed by the sheer volume of more than 500 pages of proposed manual provisions and forms. The Committee emphasizes that the authority to implement such a system called for a uniform reporting system, not a uniform accounting system. In light of these concerns, the Committee intends that the Department of HEW be prohibited from using any funds appropriated under this act for data collection pursuant to SHUR during fiscal year 1980.

What we have is an indication reflected by the strongest position of the U.S. House of Representatives committee report, language by the Senate that is less strong, and the conference report, which, I respectfully suggest, is less strong than that. We have sent a message to HEW. I have had officials meet with me. They have met with the subcommittees of the Committee on Appropriations of the House, I think twice but at least once, and it is clear that we have won a victory and the message has been sent to HEW. What is not clear, however, is how much of that victory we have lost at this point.

Not expecting this particular measure to come before us today but, rather, after the recess, I am faced with a decision within the next few minutes of whether to offer a motion to recommit. I think that decision on my part will be based mostly upon some questions that I would propound to the distinguished chairman of the subcommittee, the gentleman from Kentucky (Mr. NATCHER). If the distinguished gentleman would permit, I do have a number of questions I would like to address to him.

Mr. NATCHER. Mr. Speaker, if the gentleman will yield, it would be a pleasure for me to engage in colloquy with the distinguished gentleman from Nebraska (Mr. BEREUTER). I want to commend the gentleman on the amendment he offered, and I am ready to try to answer any of his questions.

Mr. BEREUTER. Mr. Speaker, I thank the distinguished subcommittee chairman.

May I ask, what constitutes formal approval by the committee, in accordance with the language offered in the conference report, in the gentleman's opinion?

Mr. NATCHER. In answer to the gentleman's question, Mr. Speaker, regarding what is meant by "formal approval," I would say to the gentleman that that would mean that the Committee would meet and would discuss the matter in detail. Then, I would say to the gentleman, as far as formal approval is concerned, that would follow.

I do want to point out to the gentleman one other fact. As far as HEW is concerned, it was not the intention of Health, Education, and Welfare to collect any data until fiscal year 1981.

Mr. Speaker, I believe the gentleman has other questions he would like to propound, and I will try to answer them.

Mr. BEREUTER. I do, Mr. Speaker.

First, I would say that while I recognize that the Speaker makes the decision as to which committee makes the designation, I am sure the gentleman is aware that there are two key health subcommittees of the House—the subcommittees of the Committee on Ways and Means and of the Committee on Interstate and Foreign Commerce—which have jurisdiction over this issue.

The SPEAKER pro tempore (Mr. GIBBONS). The time of the gentleman from Nebraska (Mr. BEREUTER) has expired.

Mr. PURSELL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I thank the gentleman.

I have another question I would like to ask.

Would it be within the committee's purview to request—and I emphasize the word "request"—that the Speaker appoint a joint committee to fulfill the requirements of this conference report?

Mr. NATCHER. Mr. Speaker, if the gentleman will yield, I will say to the gentleman that as far as we are concerned, we have no objection whatsoever to a joint committee.

Mr. BEREUTER. And it would be within the committee's purview to request at least such an appointment?

Mr. NATCHER. The gentleman is correct.

Mr. BEREUTER. Mr. Speaker, I have a further question.

Would it be the gentleman's expectation that whatever committee is appointed by the Speaker for this purpose, that committee would hold public hearings prior to giving its approval?

Mr. NATCHER. The gentleman is correct again, Mr. Speaker. Certainly public hearings should be held. The answer to the gentleman's question is yes.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman.

There are two points in the Senate committee's report language that I would like to address so I may determine the chairman's view of how this relates to the language of the conference report.

First, is it the gentleman's position and that of the conference committee that HEW is to prepare a uniform reporting system—and I emphasize "reporting"—and that an abbreviated version of the original SHUR manual or an adaptation will not meet those specifications?

Mr. NATCHER. Mr. Speaker, I will say to the distinguished gentleman that as far as the language is concerned, the Senate report on the item would stand. There was no effort made on the conferees part to change that language.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman. The final question I would ask is this:

□ 1650

Did the conferees have in mind a date for implementation of the final SHUR reporting system, a date conforming to the Senate report language and the language of my amendment? I think the gentleman has answered that before, but I would like to reiterate it formally.

Mr. NATCHER. This would be up to the committee appointed by the Speaker, in answer to the gentleman's question. It would be up to that committee. As the gentleman well knows, this matter could be referred by the Speaker to the Committee on Ways and Means, or it could go to the Committee on Interstate and Foreign Commerce. So, therefore, in answer to the gentleman's question, it would be up to the committee assigned by the Speaker.

Mr. BEREUTER. I understand the gentleman's point and it is well taken. I would point out that my amendment said October 1, 1980. The Senate language said that. I know it was discussed in the conference report, and I would just like to make a record of that fact.

The SPEAKER pro tempore. The time of the gentleman from Nebraska (Mr. BEREUTER) has expired.

Mr. MICHEL. Mr. Speaker, I yield 2 additional minutes to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I thank the chairman for his response and, as a new Member, I appreciate the gentleman's assistance to me in conducting this colloquy.

I would like to indicate to the Members of the House that I have some substantial concerns, of course, about the reduction and the specific action requested of HEW in this respect. The type of information that I received in this instance, however, goes at least some way toward alleviating those concerns, and I would like to make it quite clear to my colleagues that we are reserving the right for the recommittal motion.

I thank the gentleman again for his precise answers.

Mr. TAUKE. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Speaker, I want to take this opportunity to commend the gentleman from Nebraska for his excellent work in this area. Certainly SHUR has been one of the things that has been most devastating to the effort by many people across the country to hold down hospital costs. The gentleman has performed great services in the past. I am sorry that the Senate and the conference committee did not continue to pursue the course that the gentleman has taken, and I hope that the gentleman will continue to monitor this situation very closely.

Mr. BEREUTER. I thank the gentleman for his remarks.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, may I simply reecho those commendations that the gentleman from Iowa (Mr. TAUKE) accorded the gentleman from Nebraska (Mr. BEREUTER). He serves a real good purpose in the amendment which he offered, and I think the dialog, the exchange of colloquy between the gentleman and the chairman, was very helpful.

Mr. Speaker, at this time I yield such time as he may consume to the newest member of our subcommittee, the gentleman from Michigan (Mr. PURSELL).

Mr. PURSELL. Mr. Speaker, I would like to compliment my colleagues on this conference report and express my support of it.

This was my first year on Appropriations and the Labor/HEW Subcommittee. It has been the most challenging and satisfying year of my public career. It has been a real privilege to work with, and learn from, our subcommittee chairman, the gentleman from Kentucky (Mr. NATCHER), our ranking minority member, the gentleman from Illinois (Mr. MICHEL), and the other outstanding members of the subcommittee and full Appropriations Committee.

I commend the sensible and sensitive decisions which allowed us to set a responsible spending total, over $1 billion below the President's original budget, while setting excellent priorities within the spending limitation.

I want to especially praise the decisions in several areas I consider extremely important: Student assistance, gifted and talented education, senior citizen nutrition, health professionals training, independent living programs for the handicapped, private sector initiatives under the CETA program, and deaf interpreter training.

In our consideration of this bill, meaningful improvements were made in all of these areas. They are not the only notable features of the bill, but they demonstrate a special commitment to improving the quality of life in America.

All of these programs are oriented toward one fundamental concept: opportunity. Opportunity for individuals to use their abilities to achieve a better life.

In my opinion, a critical role of Government in the human services area is to provide such opportunity, avenues to self-improvement and personal dignity.

Assistance to students, so they can get an education that enriches both their lives and American society. Programs that challenge the brightest of our students, giving them an opportunity to develop their full potential and achieve the breakthroughs which keep our Nation progressing. Training programs which create opportunities for permanent jobs. And programs to make it possible for senior citizens and handicapped people to live with dignity and contribute their full potential to American life.

I am proud of this bill, of what it seeks to accomplish for the quality of life, and of the people whose decisions made it possible.

Mr. NATCHER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Clerk designate each Senate amendment in disagreement by number as they are reached and that their reading be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: page 3, line 1, strike out "$6,335,254,000" and insert "$6,423,055,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert "$6,500,626,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: page 11, line 5, insert ": *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of 10 or fewer full-time employees who is included within a category having an occupational injury incidence rate less than 7 per 100 full-time employees as set forth in the 1977 Bureau of Labor Statistics survey of industries for the most exact Standard Industrial Classification Code level for which data are published and who certifies by signed and true affidavit, filed at any time during the fiscal year with the Secretary of Labor (with a copy posted in a prominent place in the workplace) that in the preceding twelve-month period such employer had an incidence rate of less than 6 lost workdays due to occupational injury per 10 full-time employees, except: (1) to provide requested consultation services; (2) to conduct an inspection or investigation in response to an employee complaint, and to assess a penalty or take other action authorized by such Act if as a result of such inspection or investigation, the Secretary finds violations of the Act which are willful in nature, or which pose an imminent danger to employees, and which are not corrected within a reasonable abatement period; (3) to enforce specific health and toxic substances standards promulgated pursuant to section 6 of such Act, including scheduled inspections; (4) to investigate an employment accident which is fatal to one or more employees or which results in hospitalization of 5 or more employees, and take appropriate action as authorized by such Act: *Provided further*,".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 16 and concur therein with an amendment, as follows: In lieu of the matter proposed in said amendment insert the following: ": *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten (10) or fewer employees who is included within a category having an occupational illness and injury incidence rate less than seven per one hundred employees as published in the 1977 Bureau of Labor Statistics survey of three-digit (or if unavailable, two-digit or one-digit) Standard Industrial Classification Code industries, except:

"(1) to take any action authorized by such Act with respect to any employer or group of employers within such category whom the Secretary determines to be engaged in an activity involving very substantial occupational hazards;

"(2) to provide requested consultation, technical assistance, educational and training services, and to conduct surveys and studies;

"(3) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

"(4) to take any action authorized by such Act with respect to imminent dangers;

"(5) to take any action authorized by such Act with respect to health hazards;

"(6) to investigate an employment accident which is fatal or results in hospitalization of one or more employees, and take any action pursuant to such investigation authorized by such Act;

"(7) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act. This proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs 10 or fewer employees.".

Mr. NATCHER (during the reading) Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The motion was agreed to.

Mr. NATCHER. Mr. Speaker, in order to expedite the disposition of these amendments, I ask unanimous consent that all amendments on which we are asking that the House recede and concur be considered as read, printed in the RECORD, and that they be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk designated Senate amendment Nos. 17, 30, 31, 42, 48, 51, 52, 71, 77, 88, 101, 111, 112, 113, 115, and 117, as follows:

Senate amendment No. 17: Page 13, line 8, insert ": *Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for any State plan monitoring visit by the Secretary of Labor under section 18 of the Occupational Safety and Health Act of 1970, of any factory, plant, establishment, construction site, or other area, workplace or environment where such a workplace or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the 6 months preceding such inspection: *Provided further*, That this limitation does not prohibit the Secretary of Labor from conducting such monitoring visit at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act, or in order to investigate a

complaint about State program administration "including a failure to respond to a worker complaint regarding a violation of such Act, or in order to investigate a discrimination complaint under section 11(c) of such Act, or as part of a special study monitoring program; or to investigate a fatality or catastrophe."

Senate amendment No. 30: Page 19, line 10, insert "administrative".

Senate amendment No. 31: Page 19, line 11, insert: "*Provided further*, That when the Health Services Administration provides health care services to active duty Department of Defense uniformed services personnel and their dependents, to retired uniformed services personnel and their dependents, and to the dependents of deceased uniformed services personnel in a Public Health Service medical facility, payment for the estimated cost shall be made by way of reimbursement to this appropriation".

Senate amendment No. 42: Page 22, line 8, insert ", of which $3,000,000 shall remain available until expended to carry out a program of grants for public and nonprofit private vision research facilities.".

Senate amendment No. 48: Page 25, line 8, insert ": *Provided further*, That the Secretary shall give attention under section 788 (d) of the Public Health Service Act to programs which address health manpower shortages in medically underserved areas.

Senate amendment No. 51: Page 28, line 16, insert "to remain available until expended.".

Senate amendment No. 52: Page 29, line 14, insert "No payment shall be made from this appropriation to reimburse State or local expenditures made prior to September 30, 1978.".

Senate amendment No. 71: Page 34, line 1, insert ": *Provided further*, That the total amount paid with respect to entitlements under section 3(a) attributable to children who reside on, or reside with parents employed on, property which is described in section 403(1)(C) of said Act shall not exceed the amounts paid under that section in fiscal year 1979, and any reductions required thereby shall be derived by proportionately reducing the payments attributable to such children applied for by all local educational agencies under section 3(a): *Provided further*,".

Senate amendment No. 77: Page 35, line 12, insert ": "*Provided*, That the terms of the reservations contained in section 604(b)(2) of the Emergency School Aid Act and the limitation on the amount authorized to be reserved for the purpose of section 613 of such Act shall not apply to sums appropriated under this Act.

Senate Amendment No. 88: Page 37, line 12, strike out "That not more than $726,000,000 of the amount appropriated for fiscal year 1979 under this head for subpart 1, part A of title IV of the Higher Education Act shall remain available through September 30, 1981 for Basic Opportunity Grants without regard to sections 411(b)(3)(B)(ii) and 411(b)(4)(B) of the Higher Education Act".

And insert "That the amounts appropriated for Basic Grants under this Act shall be available for paying those grants only when the amounts previously appropriated for Basic Grants through September 30, 1980 under Public Law 95-480 are fully obligated for awards: *Provided further*, That the amounts appropriated for Basic Grants under Public Law 95-480 shall be available for paying Basic Grants only when the amounts previously appropriated for Basic Grants through September 30, 1979 under Public Law 95-205 are fully obligated for awards: *Provided further*, That if any Basic Grant funds appropriated by Public Law 95-205 remain unobligated on July 1, 1979, those funds must be used to pay Basic Grants to students for the 1979-80 Basic Grant award year notwithstanding section 411(b)(3)(B)(ii) of the Higher Education Act: *Provided further*,".

Senate amendment No. 101: Page 39, line 14, insert ": "*Provided*, That notwithstanding the provisions of section 102(b) of Public Law 92-318, the provisions of sections 103(a) and 106 of the Higher Education Act shall apply to funds appropriated under this Act, but section 103(a) shall apply only to the extent that it provides for the allotment to each State, from the sums appropriated for part A of title I of the Higher Education Act that are not reserved pursuant to section 105(a) of that Act, of an amount which bears the same ratio to such sums as the population of such State bears to the population of all the States.".

Senate amendment No. 111: Page 44, line 5, insert "to remain available until expended: *Provided*,".

Senate amendment No. 112: Page 44, line 18, insert "to remain available until expended.".

Senate amendment No. 113: Page 45, line 3, insert "No payment shall be made from this appropriation to reimburse State or local expenditures made prior to September 30, 1978.".

Senate amendment No. 115: Page 47, line 21, insert "to remain available until expended.".

Senate amendment No. 117: Page 48, line 9, insert "No payment shall be made from this appropriation to reimburse State or local expenditures made prior to September 30, 1978.".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER moves that the House recede from its disagreement to the amendments of the Senate numbered 17, 30, 31, 42, 48, 51, 52, 71, 77, 88, 101, 111, 112, 113, 115, and 117 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 15, line 19, insert ": *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirement, with respect to shell dredging, or with respect to any sand, gravel, stone, surface clay, colloidal phosphate or limestone mine."

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirement, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate or surface limestone mine".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 62: Page 31, line 23, insert ": and of which $235,000,000 shall be for the purposes of subpart 1 of such part B, and $140,000,000 shall be for the purposes of subpart 2 of such part B, and any reductions in entitlements required thereby shall be proportionate among the States).

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 62 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "; and of which $245,000,000 shall be for the purposes of subpart 1 of such part B, and $145,000,000 shall be for the purposes of subpart 2 of such part B, and any reductions in entitlements required thereby shall be proportionate among the States".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: Page 32, line 15, strike out "$744,000,000" and insert "$700,000,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert "$772,000,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 65: Page 32, line 17, strike out "$662,000,000" and insert "$618,000,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert "$690,000,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 78: Page 35, line 19, strike out "$1,045,325,000" and insert $1,054,025,000: *Provided*,".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 78 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment insert the following: "$1,049,025,000: *Provided*, That funds appropriated under Public Law 95-480 for part C of Public Law 91-230, Education of the Handicapped Act, as amended, shall remain available through September 30, 1980".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 127: Page 51, line 21, strike out:

SEC. 201. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $500,000,000: *Provided*, That this reduction shall be achieved by the reduction of fraud, abuse, and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 127 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

"SEC. 201. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $500,000,000: *Provided*, That this reduction shall be achieved by the reduction of fraud, abuse, and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act: *Provided further*, That the requirements pertaining to AFDC and Medicaid error rates, as specified in the conference report on the fiscal 1979 Supplemental Appropriations Act (P.L. 96-38), shall be carried out except where the Secretary determines, in certain limited cases, that states are unable to reach the required reduction in a given year despite a good faith effort."

Mr. NATCHER (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The motion was agreed to.

□ 1700

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 137: Page 57, line 5, insert:

SEC. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or Public Health Service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy. The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House insist on its disagreement to the amendment of the Senate numbered 137.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 139: Page 58, line 1, insert:

SEC. 213. None of the funds appropriated or otherwise made available in this title shall be used to implement section 15 of the Small Business Act, as amended, or Executive Order number 12073, dated August 16, 1978.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 139 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

"SEC. 212. None of the funds appropriated or otherwise made available in this title shall be used to implement section 15 (d) and (e) of the Small Business Act, as amended, or Executive Order number 12073, dated August 16, 1978, in regard to requests for proposals for research, rehabilitation, training or other highly professional health, education and social services which will not substantially affect employment levels."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 140: Page 58, line 5, insert:

SEC. 211. Funds appropriated to the Department of Health, Education, and Welfare under title II may not be used to pay the compensation of experts or consultants (other than full-time employees) or organizations thereof, or to procure by contract the services of experts or consultants or organizations thereof, in excess of $160,000,000 during fiscal year 1980. Expenditures for all consultant services in the fourth quarter of fiscal year 1980 may not exceed 30 per centum of the total annual fiscal year 1980 expenditure for such consultant services.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 140 and concur therein with an amendment, as follows: In lieu of the matter proposed in said amendment, insert the following:

"SEC. 213. Funds appropriated to the Department of Health, Education, and Welfare under title II may not be used to pay the compensation of experts or consultants (other than full-time employees) or organizations thereof, or to procure by contract the services of experts or consultants or organizations thereof, in excess of $170,000,000 during fiscal year 1980. Expenditures for all consultant services in the fourth quarter of fiscal year 1980 may not exceed 30 per centum of the total annual fiscal year 1980 expenditure for such consultant services."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 142: Page 59, line 8, insert:

COMMUNITY DEVELOPMENT CREDIT UNIONS, REVOLVING FUND

For the Community Services Administration for loans to community development credit unions, $12,000,000 together with amounts of principal and interest on loans repaid, to be available until expended.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 142 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert $6,000,000".

The motion was agreed to.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and on the amendments in disagreement on H.R. 4389, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MOFFETT. Mr. Speaker, will the distinguished chairman yield?

Mr. NATCHER. I would be happy to yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Speaker, in view of the comments that were made earlier and very legitimate questions some Members had about the fuel assistance money, I am introducing some statistics that I think the Members will find fairly devastating about the impact of the elderly and poor on these fuel bills and what the projections are, and I want to say, particularly, on behalf of those in the Northeast, we want to convey our appreciation for the chair's sensitivity and support on this matter.

The statistics follows:

From 1972 to 1978, the general CPI increased 55.9 percent, the fuel CPI increased 151.7 percent.

In 1978 alone, low-income persons faced a $4 billion loss of purchasing power because of higher energy prices.

While the median family spent 4.7 percent of its income on energy (excluding transportation) in 1978, that figure was 18.4 percent for low-income persons and 23 percent for low-income persons in New England.

Fuel oil bills in New England can be expected to increase 45 percent over last year.

From October, 1978 to June, 1979, fuel oil prices increased 50 percent. These prices may well double by next heating season.

Mr. NATCHER. Mr Speaker, I want to thank the gentleman for his remarks.

The SPEAKER pro tempore. Without objection, a motion to reconsider the votes on the conference report and the votes by which action was taken on the several motions was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following July 31, 1979, the President approved and signed a bill of the House of the following title:

H.R. 4712. An act to delay conditionally the effective date of certain rules of procedure and evidence proposed by the United States Supreme Court, and for other purposes.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code;

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week"; and

H.J. Res. 209. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3824. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 35. Concurrent resolution reaffirming the commitment of Congress to the right of the people of Puerto Rico to determine their own political future.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1030) entitled "An act to authorize the President to create an emergency program to conserve energy, and for other purposes," agrees to a conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. JOHNSTON, Mr. METZENBAUM, Mr. DOMENICI, and Mr. MCCLURE to be the conferees on the part of the Senate.

JIMMY MILLER—CONGRESSIONAL PAGE

The SPEAKER. The Chair would like to announce that one of our pages, Jimmy Miller, who has been with us for a couple of years and has done a tremendous job, has been accepted at Northwestern University, and this is his last day here.

The Speaker is very grateful to the manner and the ability in which he has served in his duties as a page.

AMERICAN ENVIRONMENTAL POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–174)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and was referred to the Committee on the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

Four months after I took office, I presented to the Congress a comprehensive Message on the Environment, a charter for the first years of my Administration. Building on the record of the Congress in the 1970's, I sought both to protect our national heritage and to meet the competing demands on our natural resources.

Certain basic ideas remain the foundation of American environmental policy. Our great natutral heritage should be protected for the use and enjoyment of all citizens. The bounty of nature—our farmlands and forests, our water, wildlife and fisheries, our renewable energy sources—are the basis of our present and future material well-being. They must be carefully managed and conserved. The quality of our environment must be nurtured by wise decisions and protected from hasty or unplanned actions. Clean air and water remain essential goals, and we intend to achieve them in the most efficient and effective ways possible. And we have a serious responsibility to help protect the long-term health of the global environment we share with all humanity.

I am proud of the achievements of this period. The program I offer today emphasizes continuity, but it also reflects a keener awareness of certain serious emerging problems—such as disposition of the toxic wastes our highly technological society produces.

ACCOMPLISHMENTS SINCE 1977

We have made great strides together since I took office. With my strong support, the Congress enacted and I signed into law:

—the 1977 Amendments to our two fundamental laws for cleaning up pollution, the Clean Air and Clean Water Acts, including strict but enforceable standards and a strong wetlands protection program;
—the 1977 Surface Mining Reclamation Act, which established the first federal environmental standards for coal mining, and under which regulations were developed with strong public involvement;
—the 1977 Federal Mine Safety and Health Act, which established the Mine Safety and Health Administration in the Department of Labor to promulgate and enforce health and safety standards in all mines;
—the 1977 Nuclear Non-Proliferation Act, which sets conditions on U.S. nuclear exports to deter the spread of nuclear weapons, and offers other countries incentives to cooperate with our safeguards against proliferation;
—indefinite deferral of other activities which might lead to weapons proliferation, particularly nuclear fuel reprocessing and commercialisation of the breeder reactor;
—the 1978 National Energy Act, with specific policies and programs emphasizing energy conservation;
—the 1978 Federal Environmental Pesticide Control Act, which provided for generic registration and control of pesticides;
—reauthorization, in 1978, of the Endangered Species Act, including new procedures for resolving conflicts under the Act;
—enactment of the National Parks and Recreation Act of 1978 and other legislation to preserve nationally significant areas, adding 45 million acres to the National Park System, 13 new Wild and Scenic Rivers and National Trails, and protecting more than 4.5 million additional acres of wilderness.

In addition, I issued Executive Orders in 1977 and 1978 directing federal agencies to improve their implementation of the National Environmental Policy Act under new regulations, which were issued in 1978; examine the environmental effects of federal actions abroad; preserve and restore natural values of wetlands and floodplains; protect our public lands from damage caused by off-road vehicles; and analyze the impacts of new federal policies on urban areas. These directives are being implemented.

ENVIRONMENTAL PROGRAM

With these accomplishments behind us, we can turn our attention to new issues and to other key issues that are still unresolved.

In the decade ahead, we will face difficult decisions as we confront the necessity of reducing dangerous dependence on foreign oil. The leaders of the major industrial democracies met in Tokyo last month to chart a course that would help cut the use of imported oil from uncertain foreign suppliers. Each nation committed itself to a specific reduction in imports, to be accomplished in a way appropriate to its particular needs and resources.

For the past two and one-half years, conservation and energy from the sun have been major thrusts of my energy program. Solar energy funding has been tripled during that period and the Congress in 1978 enacted the National Energy Act which will save 2.5 million barrels of imported oil per day. Much of these savings will be accomplished with conservation initiatives. In addition, another 1.5 million barrels of imported oil will be saved as a result of my April

energy message and June solar energy package.

To build on these major savings, I have proposed an expanded effort to put this nation on a sound energy footing, with clear goals for the next decade. That effort is based on a bold program to increase domestic energy production and on additional energy conservation initiatives. Overall, this program will reduce our dependence on foreign oil by 4.5 million barrels per day by 1990.

Some of the measures I have proposed will simultaneously serve the goals of reducing oil imports and enhancing our environment. I proposed establishing a major new residential and commercial conservation program designed to save at least 500,000 barrels of oil a day by 1990. I further proposed a total of $16.5 billion over the coming decade for improvements in the nation's public transportation system and in transportation fuel efficiency. A major solar energy program will help us to meet our goal of 20 percent solar energy by the year 2000.

We must also embark on a major energy production effort through a new Energy Security Corporation that will have broad responsibility for developing 2.5 million barrels a day of replacement fuels by 1990. That Corporation will be specifically authorized to develop not only synthetic fuels but also sources of energy which could have significant environmental benefits, such as natural gas and biomass. I do not pretend that all new replacement sources of energy will be environmentally innocuous. Some of the new technologies we will need to develop pose environmental risks, not all of which are yet fully understood. I will work to ensure that environmental protections are built into the process of developing these technologies, and that when tradeoffs must be made, they will be made fairly, equitably, and in the light of informed public scrutiny. We will examine not only the impact of new energy technologies on land and water and the effects of toxic chemicals, but also the longer term implications of increasing carbon dioxide concentration in the atmosphere.

I am pledged to be sensitive both to energy needs and to environmental considerations. There is no excuse for unnecessary red tape, which has plagued construction of some needed energy projects. I have proposed the creation of an Energy Mobilization Board to accelerate decision-making on critical energy facilities. This will cut out excessive delay, but I will not allow it to undermine protection of our nation's environment. I intend, for instance, to make the environmental impact statement process fit the decision schedule set by the Energy Mobilization Board so that waivers of these statements will be rare. Only in exceptional cases will alternative procedures be necessary for the orderly completion of a critical energy facility. With the exception of new requirements imposed when construction of a critical facility is underway, the Board could not waive substantive environmental standards. The President will retain the right to override decisions of the Board on any waiver issue, and Board waiver decisions would be subject to judicial review.

Solving the nation's energy problem is essential to our economy and our security We will not lose sight of our other goals but we must not fail in ending the energy crisis. This Administration's basic commitment to clean air, clean water and the overall protection of the environment remains strong.

ALASKA LANDS

The highest environmental priority of my Administration is the passage of adequate legislation designating National Parks, Wildlife Refuges, Wilderness Areas, National Forests, and Wild and Scenic Rivers in Alaska.

To protect these magnificent Alaskan lands, I took several actions after the 95th Congress failed to provide protection against exploitation of certain areas in Alaska. By executive action, I designated 17 areas as National Monuments, covering 56 million acres. Additional areas were set aside by the Secretaries of Interior and Agriculture. These areas should be promptly and permanently protected by legislation.

The legislation I support not only protects Alaska's natural and cultural heritage but also accommodates the need for balanced development of Alaska's natural resources. Under the Alaska Statehood Act and Native Claims Settlement Act, federal land comprising an area nearly as large as Texas will soon be in state, native and private ownership. My proposals leave most of Alaska's mineral and timber wealth available for development, both on federal and non-federal lands. In particular, all of the off-shore and 95 percent of the on-shore areas in Alaska with favorable potential for oil and gas would be open to exploration and development.

The only area with significant potential for oil and gas reserves that would be foreclosed from exploration and development is the Arctic Wildlife Refuge, the calving grounds of the largest remaining caribou herd in the world and an important part of the herd's migratory route. Because of our responsibility to protect this extraordinary remnant of our continent's original wildlife, and because oil and gas are plentifully available elsewhere in Alaska, I firmly believe that the Arctic Wildlife Refuge deserves the full protection the House bill would provide.

There are other Alaskan areas where disagreements and conflicts exist over proper management. The Administration's proposals strike a balance that offers future generations of all Americans—especially Alaskans—broad opportunities for prosperity and enjoyment without the mistakes in land management we have seen elsewhere in the country.

I applaud the recent passage by the House of Representatives, by a margin of 300 votes, of a strong and fair bill which will protect Alaska's wildlife and wild areas, while providing for America's future economic needs. I urge the Senate to act with equal foresight this session.

HAZARDOUS WASTES

In August 1978, I declared Love Canal in Niagara Falls, New York, a national disaster, thus authorizing the use of federal disaster relief aid. The tragedy of Love Canal exemplifies the legacy of past improper hazardous waste disposal.

Last month I submitted to Congress a legislative proposal designed to prevent future disasters like the one at Love Canal. My proposed legislation—the Oil, Hazardous Substances and Hazardous Waste Response, Liability and Compensation Act—will provide the first comprehensive program to address releases of oil and hazardous substances from spills and from inactive and abandoned sites into navigable waters, ground waters, land and air. The legislation builds on present authority and fills gaps where present authority is inadequate to protect the human environment.

We do not yet know all of the problems associated with the disposal of hazardous wastes, but we must take further steps immediately. A report done for the Environmental Protection Agency estimates that there are 33,000–50,000 dumpsites which may contain some hazardous wastes. Of these, EPA estimates that 1,200 to 2,000 may present potentially significant problems, and 500 to 800 of them may have to be abandoned. Other accounts of improper disposal describe shallow burial in steel drums which leak after years in the ground, dumping in open lagoons, and clandestine dumping in sewers and along our highways. These abuses have caused serious damage to human health and economic welfare, pollution of ground and drinking water, and degradation of residential and recreation areas. The cost of cleaning up these sites runs into the billions of dollars. But the costs of ignoring the problem would be far higher.

Timely action by the Congress on my program will enable the Federal government, in cooperation with State and local governments and industry, to:

—identify abandoned hazardous dump sites across the nation;
—establish a uniform system of reporting spills and releases;
—provide emergency government response and containment to clean up and mitigate pollution without delay in cases where those responsible do not respond adequately or cannot be quickly identified;
—provide vigorous investigation of releases of oil, hazardous substances or hazardous waste from spills or abandoned and inactive sites;
—provide stronger authority to compel the responsible parties to clean up dangerous sites wherever possible;
—provide compensation for damages to property and for some other economic losses resulting from spills; and
—provide financing for these actions through a national fund of appropriations and a fee on the oil and chemical industries, and State cost-sharing over certain limits.

SOLAR ENERGY

My Solar Energy Message, submitted to the Congress on June 20, 1979, calls for a national commitment to the use of solar energy. That message and the program it

lays out came from a 13-month effort by my Administration and the public, begun on Sunday—May 3, 1978.

Solar energy is renewable and secure. It is clean and safe. In the long run, solar and other renewable sources of energy provide a hedge against inflation. Unlike the costs of depletable resources, which rise at increasing rates as reserves are consumed, the cost of energy from the sun will go *down* as we develop better and cheaper ways of applying it to everyday needs. For everyone in our society—especially our low-income or fixed-income families—solar energy will provide an important way to avoid rising fuel costs in the future. No foreign cartel can embargo the sun or set the price of the energy we harness from it.

I have set a national goal of achieving 20 percent of the Nation's energy from the sun and other renewable resources by the year 2000. To do this we must commit ourselves to several major new initiatives which will hasten the introduction of solar technologies. I am proposing a variety of solar programs to be funded from my proposed Energy Security Trust Fund, including a Solar Bank to help finance solar installations in homes and commercial buildings; tax credits for new buildings that use solar energy and for using the sun's heat for industrial and agricultural processes; and stronger efforts to remove institutional, financial, and information barriers that currently inhibit the use of solar energy by citizens. These proposals are in addition to the expanded research, development and demonstration program I included in my budget for fiscal year 1980.

NUCLEAR WASTE MANAGEMENT AND SAFETY

I will soon announce a national nuclear waste management policy that will be designed to deal effectively with nuclear wastes from all sources, including commercial, defense, medical, and research activities. This nuclear waste management policy will be based primarily on recommendations presented to me by the Interagency Review Group on Nuclear Waste Management. Some of the important findings of that Report include the following:

—Existing and future nuclear waste from military and civilian activities, including discarded spent fuel from the once-through nuclear fuel cycle, should be isolated from the biosphere so that it does not pose a significant threat to public health and safety.

—The responsibility for establishing a waste program should not be deferred to future generations.

—A broader research and development program for waste disposal, particularly geologic isolation, should begin promptly.

—Public participation should be developed and strengthened for all aspects of nuclear waste management programs.

I also look forward to receiving the recommendations on reactor safety from the Kemeny Commission in the aftermath of the Three Mile Island accident so that we can assure that nuclear reactors are as safe as the public expects them to be.

WATER RESOURCES POLICY

I remain firmly committed to the water resources policy reforms I announced in my Message to Congress one year ago. The revised criteria used by the Administration in reviewing proposed water projects have already shown their worth. They are producing environmental benefits and reducing wasteful government spending. In 1979, for the first time in four years, the Executive branch proposed funding new water projects, using the more systematic and objective evaluation procedures I have instituted. With the help of Congress and State and local governments, the Administration has prepared legislation to make further reforms in water resources management, including cost-sharing and assistance to states for comprehensive water resources planning. I look forward to cooperation with the 96th Congress in this area.

NATIONAL HERITAGE POLICY ACT

I strongly support the establishment of a comprehensive Federal program to identify and protect significant natural areas and historic places. I will soon propose a National Heritage Policy Act which would help Federal agencies, State and local governments, Indian tribes and citizens identify potential heritage areas; establish a new National Register of Natural Areas to supplement the existing National Register of Historic Places; and protect areas listed on either Register, or eligible for listing, from adverse federal actions. This important legislation would support the Heritage Conservation program already established by the Secretary of the Interior in 1977.

SAVING THE WHALES

With U.S. leadership, the nations of the world are making encouraging progress toward protecting the great whales. At the July 1979 meeting of the International Whaling Commission (IWC), proposals by the United States and other countries for a moratorium on commercial whaling led to dramatic improvements. By the necessary three-fourths majority, IWC members voted to:

—End whaling from factory ships on the high seas (except for hunting of the relatively numerous minkes) and allow whaling only from coastal stations;

—Reduce killing of the commercially valuable but jeopardized sperm whales by more than three-quarters, with world quotas down from 9360 sperm whales to 2203;

—Establish a whale sanctuary in most of the Indian Ocean where no hunting of any of the great whales will be allowed for 10 years.

I am wholeheartedly committed to strong action to guarantee the survival of the great whales. The progress made in this year's IWC meeting shows that many other nations share the American commitment. I will continue to press for better scientific understanding of these magnificent and highly intelligent creatures and will maintain the effort to halt commercial whaling.

IMPLEMENTATION OF 1978 NATIONAL PARKS AND RECREATION ACT

Following passage of the National Parks and Recreation Act of 1978, the administration has sought to speed the acquisition of new park land before it is spoiled or priced out of reach. We shall continue to do that.

Among the most significant and imaginative actions included in the 1978 legislation is the program to establish a million-acre Pinelands National Reserve in New Jersey. The Department of the Interior will support local and State efforts to protect the Pinelands and its unique scenic and natural resources while maintaining private ownership and a sound local tax base. The Administration strongly supports this new Federal, State, and local partnership in the Pinelands, and will work hard to see that Federal agencies cooperate with State and local governments to ensure its success.

POLLUTION CONTROL

Making the Clean Air and Clean Water Acts work is an important commitment of my Administration. We will continue the progress we have made in the past two years in promulgating fair standards and regulations, and we will continue to encourage new approaches to control of pollution, such as alternative and innovative waste water treatment projects. The Environmental Protection Agency has taken a number of steps in the right direction. For example, the "bubble concept," "offset" policy, and permit consolidation are intended to simplify pollution controls.

I will seek the reauthorization of the Safe Drinking Water Act, which expires next year. This law protects our citizens from newly-discovered toxic pollutants within drinking water, as well as imposing standards for conventional contaminants. For toxic substances which may enter the environment in a multitude of ways, my Administration is committed to the reauthorization and vigorous enforcement of the comprehensive Toxic Substances Control Act.

OIL POLLUTION OF THE OCEANS

The recent collision in the Caribbean of two supertanker behemoths, each carrying more than 1.4 million barrels of oil, underscores the importance of effective national and international programs to reduce oil spills. At the outset of my Presidency, I proposed a comprehensive program to reduce the threat of oil pollution from tankers in United States waters, and to win international agreement to higher standards of tanker safety and pollution prevention.

Responding to the U.S. initiative, maritime nations of the world agreed in 1978 to tighten inspection requirements and significantly raise world standards for tanker construction and equipment. The Department of Transportation is completing new rules, based on the international agreement, to require improved features on both U.S. ships and foreign tankers entering our ports, including: segregated ballast, protective location of ballast space, crude oil washing, inert gas systems, and improved emergency steering systems. Dual radars and other aids to navigation are already required.

In addition, for the past two and one-half years, the Coast Guard has boarded and examined at least once a year every foreign-flag tanker entering our ports.

recorded any deficiencies, and required repairs if necessary.

The Secretary of Transportation will promptly add to this program requirements for:

—improved construction of tank barges;

—safe conduct of lightering (ship to ship transfer of oil);

—improved U.S. standards for tanker crews and pilots; and

—pollution prevention features for older, smaller tankers not covered by the international standards.

Requirements for collision avoidance aids will also be added; international agreement is near on standards for these important tanker safety devices.

The United States will continue to urge other nations to put into effect promptly the requirements of the 1978 international agreements on tanker safety and pollution prevention. I also urge the prompt adoption by all nations of the new international standards for training and certification of seafarers, agreed upon in 1978.

The proposed Oil, Hazardous Substances and Hazardous Waste Response, Liability and Compensation Act, submitted to the Congress by the Administration, provides for swift cleanup of oil spills, strict liability of spillers, and compensation for victims of oil spill damage.

I expect the Coast Guard to report to me promptly on the results of its study of devices to improve tanker maneuverability and stopping. In addition, the Coast Guard is undertaking a study of past accidents to evaluate further the usefulness of double bottoms and side protection in reducing oil spills. The Department of Transportation will continue to evaluate promising ideas to preserve the oceans and its resources from pollution by oil.

REGULATORY REFORM

Improving government regulations is important to my effort to make government more efficient and private-sector responses more cost-effective. Environmental protection can and should benefit. I intend to improve the regulatory process in a way that does not weaken our commitment to environmental quality.

If there are better methods to achieve our environmental goals, we should use them. Agencies should seek and adopt innovative alternatives to government regulations which reduce burdens on private citizens or businesses. The Environmental Protection Agency has become a leader among federal agencies in examining new approaches and has made several moves to streamline its regulatory process. In addition to the permit consolidation, bubble concept, and offset policy mentioned above, EPA is doing an effective job of implementing my Executive order on regulatory reform and published the first agenda of regulations issued by any federal agency. A regulatory calendar is now prepared and published on a governmentwide basis by the Regulatory Council I recently established.

Since 1977 the Occupational Health and Safety Administration has gotten rid of hundreds of unnecessary standards, and has reorganized its program to devote 95 percent of its resources to the most serious workplace hazards. In addition, regulatory agencies have begun to work together to coordinate their activities and use their resources more efficiently. I expect such progress to continue and I intend that it reinforce—not diminish—our environmental improvement efforts.

PENDING LEGISLATION AND REAUTHORIZATIONS

I have proposed and will continue to support reauthorization of important environmental statutes, including the Endangered Species Act, the Toxic Substances Control Act, the Safe Drinking Water Act, and the Resource Conservation and Recovery Act. I also continue to support a nongame wildlife program, and a wide range of wilderness proposals.

The Environmental Program I am outlining today expands upon the efforts we have already begun with a series of new initiatives in land and resource management, agricultural conservation, urban quality, and improving the global environment.

NEW INITIATIVES

I. LAND AND RESOURCE MANAGEMENT

America's land and natural resources have nourished our civilization. Because our original heritage was so abundant, we sometimes take these resources for granted. We can no longer do so. Our land and natural resources do have limits, and our demands upon them are growing at increasing rates. Renewable resources—farmlands, fisheries, and forests—can be depleted through overuse and misuse. We must build into our decisions the understanding that unwise actions affecting our lands and resources are difficult and costly, if not impossible, to correct.

Conservation of resources takes care and planning, and requires a partnership between various levels of government, and public and private actions. The following initiatives for protection and wise management of our coastal resources, public lands, wildlife and rivers and trails reflect this understanding.

NATIONAL COASTAL PROTECTION

America's coast lines are extraordinarily varied, productive and beautiful. Congress recognized the need for special protection in the Coastal Zone Management Act of 1972, which established a voluntary Federal-State partnership for the conservation and management of coastal resources. Under this partnership, many states have already made notable progress. They have passed comprehensive coastal management laws; adopted new measures to protect wetlands, barrier islands, mineral resources, historic sites and other important coastal resources; worked out better management of hazardous areas; and streamlined Federal, State and local actions affecting the coast. By the end of 1979, 75 percent of the U.S. shoreline will be covered by Federally-approved state coastal zone management programs.

The coastal zone is subject to unusual pressures, both from natural causes and human activities. The land and water resources which support the environments and economies of coastal communities are in danger of depletion. The opportunity for our citizens to enjoy beaches, bays, and marshes is often threatened. I support efforts to improve our understanding of these coastal issues, and I heartily endorse the designation by conservation organizations of the year 1980 as the "Year of the Coast."

To help achieve the balanced, comprehensive and wise management intended by the Coastal Zone Management Act, I am announcing three initiatives to continue and improve our resource protection policy.

First, I will submit to Congress legislation to reauthorize Federal assistance to state coastal zone management programs under the Coastal Zone Management Act. Under this extension, each state would be guaranteed a total of five years of federal assistance at current levels after a state management program is approved and before federal support is gradually phased down. This will help ensure that recently developed state and local coastal zone management efforts become fully established and accepted functions of government.

Second, I will recommend enactment of new amendments to the Coastal Zone Management Act that will establish a national coastal protection policy. Working through the states, the goals of this policy will be:

—to protect significant natural resources such as wetlands, estuaries, beaches, dunes, barrier islands, coral reefs, and fish and wildlife;

—to manage coastal development to minimize loss of life and property from floods, erosion, saltwater intrusion and subsidence;

—to provide predictable siting processes for major defense, energy, recreation and transportation facilities;

—to increase public access to the coast for recreation purposes;

—to preserve and restore historic, cultural and aesthetic coastal resources; and

—to coordinate and simplify government decisionmaking to ensure proper and expedited management of the coastal zone.

Third, I am directing the Secretary of Commerce to conduct a systematic review of federal programs that significantly affect coastal resources. This review, to be conducted by the National Oceanic and Atmospheric Administration, will provide the basis for specific recommendations to improve federal actions affecting the coastal zone and to develop any additional legislation needed to achieve our national coastal management goals.

PUBLIC LAND RESOURCES

Among the many natural resource issues facing the Nation, few are more important than the management, protection and use of the 417 million acres of public lands owned by all Americans and administered by the Secretary of the Interior through the Bureau of Land Management.

The public lands include vast tracts of the arid rangelands of the West which were once lands that no one wanted. Now,

some of these lands are highly valued for their energy and other valuable resources, and they have come to be appreciated for their scenic and natural values. My Administration is committed to purposeful management of the public lands and resources administered by the Bureau of Land Management in an environmentally sound and cost-effective manner.

Therefore, I am directing the Secretary of the Interior to manage the public lands administered by BLM in accordance with these principles:

—The Federal Government will be a good steward of the land, seeking to find the best balance of uses to assure that resources are available to meet the Nation's needs and that environmental values are carefully protected.

—The Federal Government will be a good neighbor, providing full opportunities for those affected by our management decisions to be involved in making them, with a special concern for the people and institutions of the Western States that are most directly affected.

—The Federal Government will make cost-effective investments in protecting and enhancing these lands within the constraints of fiscal responsibility.

—The Federal Government will seek to resolve conflicts among competing uses in a spirit of cooperation and trust, and will make—not avoid—tough decisions on the allocation of the valued resources of public lands.

We have already made significant progress in bringing these lands under effective management. A concerted federal effort is now underway to reverse the declining productivity of the 174 million acres of rangeland ecosystems managed by the Bureau of Land Management for livestock, wildlife, soil and moisture conservation, and other beneficial purposes. We have developed a comprehensive on-the-ground planning process for each unit of BLM-managed land which involves the public and assesses the environmental impacts of alternative actions. On June 4, 1979, the Secretary of the Interior announced our new federal coal management program, which establishes a balanced and efficient process for determining coal leasing and management on federal lands.

Much more remains to be done. I am therefore directing that the following actions be taken:

—The Secretary of the Interior will establish a comprehensive "program development process" for managing all the lands under BLM stewardship, which will, for the first time, set long range goals to ensure balanced protection and use of the resources and develop and analyze alternative programs and investment strategies to meet the goals. Each alternative program will be designed to achieve environmentally sound, fiscally responsible, and economically efficient investment, development, protection, and resource use. This new program planning process will supplement BLM's current unit-by-unit planning. It will invite State and local governments and interested citizens to participate in making better informed choices among the alternative programs.

—The Secretary will give special attention to protecting areas of BLM-administered lands with nationally significant wildlife, natural, scientific, cultural, or scenic resources. An example is the Birds of Prey area, located along the Snake River in the Idaho desert, that has North America's richest concentration of birds of prey, including dense nesting populations of falcons, eagles, and other raptors.

—Finally, I am directing the Secretary of the Interior and the Secretary of Agriculture to work together to coordinate their Departments' natural resource policies and programs, particularly those of the Bureau of Land Management and the Forest Service. I am requesting the two Secretaries to develop within six months a detailed statement of coordination objectives and a process and timetable for achieving them.

WILDLIFE LAW ENFORCEMENT

A massive illegal trade in wild animals, wild animal parts and products, and wild plants has been uncovered in the last year through investigations by the Department of Justice, the Fish and Wildlife Service, the Customs Service and the Departments of Agriculture and Commerce.

This illegal trade in wildlife and plants has several very serious consequences. It can introduce exotic diseases, threatening agriculture. It creates a market for thousands of species of wildlife and plants taken in violation of the laws of foreign nations, ultimately threatening the survival of these species. It is a danger to the survival of hundreds of species listed on the Convention on International Trade in Endangered Species, to which the U.S. is a signatory nation.

I am therefore submitting to Congress a bill to overcome obstacles inhibiting enforcement efforts.

In addition, I am directing the Departments of Agriculture, Commerce, Interior, Justice, and Treasury to investigate this trade aggressively and to prosecute violators of the law. I am directing the Department of the Interior to coordinate this effort, through an interagency Wildlife Law Enforcement Coordinating Committee which will review enforcement experiences, priorities and problems. I am also directing the Department of Agriculture to chair a task force to investigate the illegal trade in plants and to prosecute where appropriate.

I am further directing that the following specific steps be taken: The Treasury and Commerce Departments will raise the priority of wildlife enforcement cases; the Agriculture Department will place greater emphasis on coordinating its wildlife enforcement program with its disease quarantine program, and will begin hiring special agents to investigate the illegal plant trade; and the Department of Justice will establish a Wildlife Section which will be staffed principally by attorneys trained as wildlife law enforcement specialists.

WILD AND SCENIC RIVERS

Our Nation's river corridors are a rich concentration of natural ecosystems, scenic beauty, and historic and recreational values. Since my Environmental Message of May 1977, eight rivers totalling 695 miles have been added to the National Wild and Scenic Rivers System, and nine new rivers have been recommended for study. As part of the Administration's Alaska proposals, 33 additional rivers have been proposed for National Wild and Scenic Rivers designation.

Development along the banks of our rivers continues to outpace our ability to protect those rivers that might qualify for designation. This problem is particularly acute near urban areas, where there are greater demands for recreational opportunities which can partly be met by river protection.

We need to speed up the process for studying Wild and Scenic Rivers for designation and to consider the protection of rivers or parts of rivers which can protect important natural ecosystems. Moreover, the Federal government should set an example of sound management for state, local, and private landowners by taking an aggressive role in protecting possible Wild and Scenic Rivers which flow through our public lands. Accordingly, I am directing the following actions be taken.

—federal land management agencies shall assess whether rivers located on their lands and identified in the National Inventory prepared by the Heritage Conservation and Recreation Service are suitable for inclusion in the Wild and Scenic Rivers System; if so, these agencies shall take prompt action to protect the rivers—either by preparing recommendations for their designation or by taking immediate action to protect them;

—all federal agencies shall avoid or mitigate adverse effects on rivers identified in the National Inventory; and

—the Secretary of Agriculture and the Secretary of the Interior shall jointly revise their Guidelines for evaluating wild, scenic, and recreational rivers to ensure consideration of river ecosystems and to shorten the time currently used to study rivers for designation.

In addition to the new policy initiatives, I am reaffirming my support for four river segments proposed in my last Environmental Message and recommending four new river segments which will add a total of 930 miles to the Wild and Scenic Rivers System:

—Gunnison River, Colorado (new)

—Encampment River, Colorado (new)

—Priest River, Idaho (new)

—Illinois River, Oregon (new)

—Bruneau River, Idaho (1977 message)

—Dolores River, Colorado (1977 Message)

—Upper Mississippi River, Minnesota (1977 Message)

—Salmon River, Idaho (1977 Message)

I am also directing the Secretary of the Interior to develop, through the National Park Service and with full public participation, a conceptual master plan for the Upper Mississippi River in Minnesota. I expect this planning process to determine the specific requirements for protecting the river corridor and providing public access, campgrounds and other recreational facilities on the lands now in private ownership. The conceptual master plan for this important national resource will be developed in cooperation with the Minnesota Department of Natural Resources, affected Indian tribes, and the public. It will be completed by April 1980.

In my last Environmental Message, I proposed 20 river segments for study as potential additions to the National Wild and Scenic Rivers System. Several of those rivers have already been designated. Except for rivers where subsequent development has affected the river's qualifications for designation, I will continue to seek study authorizations for these rivers. In addition, I am submitting legislation to add the North Umpqua River in Oregon to the list of those rivers to be studied.

I am also forwarding to Congress reports on several rivers which, after thorough study, were found to qualify for inclusion in the National System. However, because of the interest of the states or local governments in protecting their natural values, the reports recommend that the rivers be protected and managed by state and/or local action. I am greatly encouraged by the efforts which all levels of government are taking to protect valued natural resources. I am particularly pleased to note that in the case of the Housatonic and Shepaug Rivers in Connecticut, local governmental agencies are taking the lead in developing management plans to protect these significant river resources. I am transmitting reports on:

—Pine Creek, Pennsylvania

—Buffalo River, Tennessee

—Youghiogheny River, Pennsylvania-Maryland

—Shepaug River, Connecticut

—Kettle River, Minnesota

—Lower Wisconsin River, Wisconsin

—Housatonic River, Connecticut

—Illinois River, Oklahoma

NATIONAL TRAILS

More than 61 million of the Nation's people go nature walking and more than 28 million people hike or backpack at lease five times a year. To meet the growing needs of these and other trail users, Congress enacted the 1968 National Trails System Act and directed that a National Trails System be established. Since the establishment of the National Trails System, 257 National Recreation Trails have been designated, including 21 trails for those using wheelchairs and 13 trails designed for the use of blind people, with interpretive signs in braille.

The National Trails System is still in its fledgling stage and should grow to meet widespread public interest. National trails near urban areas can serve an energy-conscious nation by providing recreation close to home for the majority of our citizens and, in some cases, by providing commuter routes for bicyclists, walkers, and joggers.

To meet these objectives, under my direction, the U.S. Forest Service will establish 145 additional National Recreation Trails by January 1980, achieving a goal of two National Recreation Trails in each National Forest System unit. I am directing each Federal land management agency to follow the example set by the Forest Service and by January 1980 announce a goal for the number of National Recreation Trails each agency will establish during 1980 on the public lands administered by the agency. I am also directing that, by the end of 1980, a minimum of 75 new National Recreation Trails shall be designated on public land other than National Forests by the Federal land management agencies.

I am directing the Secretary of the Interior, through the Interagency Trails Council, to assist other Federal agencies in surveying existing trails on federal lands to determine which of those can be made part of our National Trails System and to initiate a grass-roots effort in every region of the country to assess our nationwide trails needs. In addition, I am directing the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense and the Chairman of the Tennessee Valley Authority to encourage states, localities, Indian tribes, and private landholders to designate trails on their lands.

Finally, I will submit legislation to the Congress which will designate the 513-mile Natchez Trace National Trail through Tennessee, Alabama and Mississippi. I will resubmit legislation to establish the Potomac Heritage Trail through Pennsylvania, Maryland, West Virginia, Virginia and Washington, D.C. And I am reaffirming my support for the 3,200-mile North Country Trail, extending from the State of New York to North Dakota, which has already passed the House of Representatives.

I am also reaffirming the Administration's commitment to assuring the protection of the Appalachian Trail, one of America's best known and most popular recreation trails. The 2,000-mile Appalachian Trail winds through 14 states and is readily accessible to nearly half of the population of the U.S. It has been created by a volunteer movement without parallel in the history of outdoor recreation in America. In 1978 this Administration supported and I signed into law a bill to protect threatened portions of the right-of-way which are located on private lands. I expect this goal to be substantially achieved by September 30, 1981. This is a prompt but realistic timetable for the acquisition program.

II. AGRICULTURAL CONSERVATION

From our beginnings as a nation we have sustained ourselves and others on abundant yields from our farmlands. In this century, scientific and technological advances have increased our agricultural production to unsurpassed levels.

But in emphasizing ever-increasing production we have sometimes neglected to maintain the soil, water, and biological resources upon which the long-term stability and productivity of our agriculture depends. These resources are being degraded in many areas of the country. Our farm and land management practices have led to excessive soil erosion, we have overused chemical fertilizers and pesticides, and some of our most productive farmlands are being converted to nonagricultural uses. The agricultural conservation initiatives that I am announcing today address these issues.

SOIL CONSERVATION INCENTIVES

Over the past half century we have invested more than $20 billion of federal funds in efforts to conserve soil. These funds have been used for cost sharing, technical assistance, resource management, loans, research, and education. Yet in that same half century wind and water erosion have removed half the fertile topsoil from nearly one-third of the Nation's potentially usable croplands. The cost of replacing just the plant nutrients lost to erosion has been estimated at $18 billion a year. Moreover, agricultural runoff adversely affects two-thirds of the Nation's streams.

Our soil protection programs have undoubtedly prevented even worse soil loss, but we must do better to maintain the long-term productivity of the soil.

The Department of Agriculture is now making an important appraisal of soil and water conservation policies under the Soil and Water Resources Conservation Act of 1977. The first Appraisal, Program and Policy reports required by the Resources Conservation Act (RCA) are due in January 1980. These documents will analyze conservation problems nationwide, set conservation targets and propose ways to solve the problems. They will provide an essential first step in the wise management of agricultural lands, and will guide my Administration's overall soil and water conservation recommendations to the Congress. Reports will be updated every 5 years and I will receive annual reports of progress and program effectiveness.

I am directing the Secretary of Agriculture, in consultation with the Chairman of the Council on Environmental Quality, to build on the RCA process and to undertake a further detailed and systematic study of possible conservation incentives. The study will search for ways to modify or coordinate agricultural assistance programs already in existence in order to reduce soil erosion. Moreover, it will also look for conflicts or inconsistencies between farm income programs and soil conservation programs and will recommend measures to eliminate these conflicts where possible.

The results of this study will be submitted to me in January 1981. This report will provide me with specific administrative and legislative recommendations to reduce soil erosion and to improve soil stewardship in order to maintain the Nation's long-term agricultural productivity, building on the policy recommendations contained in the RCA 1980 program.

A second critical land issue for America's farmers and consumers is the availability of agricultural lands—particularly prime farmlands—and their conversion to other uses. In June, the Administration initiated an important new effort to address this issue. The Secretary of Agriculture and the Chairman of the Council on Environmental Quality are cochairing an interagency study of factors affecting the availability of land for agricultural uses. The study will evaluate the economic, environmental, and social effects of the conversion or retention of agricultural lands and will make recommendations for consideration by federal, state, and local governments by January 1981.

Many members of Congress are particularly interested in these two critical issues affecting the stewardship of our nation's agricultural lands. I hope that the Administration and the Congress will work together to develop and implement appropriate actions, based on the results of these studies.

INTEGRATED PEST MANAGEMENT

For all their benefits, chemical pesticides can cause unintended damage to human health and the environment. Many pests have developed resistance to chemical pesticides, escalating the cost of pest control by conventional methods. This resistence to pesticides has also decreased our ability to control some pests, which has reduced agricultural yields from what they would otherwise be.

Integrated pest management (IPM) has evolved in recent years as a comprehensive pest control strategy which has important health, economic, and environmental benefits. IPM uses a systems approach to reduce pest damage to tolerable levels through a variety of techniques, including natural predators and parasites, genetically resistant hosts, environmental modifications and, when necessary and appropriate, chemical pesticides. IPM strategies generally rely first upon biological defenses against pests before chemically altering the environment.

The Federal government—which spends more than $200 million a year on pest control research and implementation programs—should encourage the development and use of integrated pest management in agriculture, forestry, public health, and urban pest control. As a result of a government-wide review initiated by my 1977 Environmental Message, I am now directing the appropriate federal agencies to modify as soon as possible their existing pest management research, control, education, and assistance programs and to support and adopt IPM strategies wherever practicable. I am also directing federal agencies to report on actions taken or underway to implement IPM programs, and to coordinate their efforts through an interagency group.

III. URBAN QUALITY

Our cities give us diversity and enjoyment, occupations and avocations, shopping and services, recreation and culture. By strengthening the health of our urban environment, we broaden the range of opportunities open to all of our citizens, as I emphasized in my National Urban Policy Message last year. The investments we make in maintaining and improving urban quality—particularly those involving federal taxpayer dollars—can be designed to meet environmental objectives, such as safe, convenient, well-planned public transportation, quieter communities, and assistance in mediating potential conflicts between healthy urban economies and environments. The initiatives I am proposing today will help to achieve these goals.

TRANSPORTATION POLICY

Our transportation systems can greatly affect the Nation's environment, for better or worse, especially in our cities. For many years, our energy and other resources were so plentiful that the Federal government encouraged the rapid expansion of a transportation system based on the private automobile without fully considering the profound effects on our resources, our urban environments, and our way of life. Although we have developed an extraordinary transportation system, we have missed opportunities in the past to improve transportation and at the same time to achieve these other national objectives.

The United States has built the most extensive and complex transportation system in the world. Federal transportation expenditures exceed $17 billion anually, including $12 billion in grants to state and local agencies. Transportation consumes approximately 53 percent of all petroleum used in the U.S. The energy and cost advantages of using this system more efficiently—for example, by greater use of carpools, vanpools and mass transit—are now obvious. Better design and use of transportation systems will also help to save and strengthen our cities and their amenities and to reduce air and noise pollution. Thus transportation decisions can help to conserve limited resources, and to further our energy, fiscal, and urban environmental goals.

Federal transportation decisions cannot escape difficult choices among competing objectives, but they must be guided by new transportation policies which I am establishing for my Administration. Urban transportation programs and projects should be reoriented to meet environmental, energy and urban revitalization goals. I am therefore directing the Department to take immediate actions to assure that:

—federal transportation funds are used to promote energy conservation, for example through special lanes for carpools, vanpools and transit vehicles;

—encouragement is given to using federal funds for public transportation projects;

—a careful review is made of any transportation proposals which would encourage urban sprawl (a major cause of high energy consumption) or which would tend to draw jobs away from urban centers;

—consideration is given to improving and rehabilitating existing facilities, or using non-construction methods—such as better traffic management—to improve transportation systems, as alternatives to constructing new facilities;

—major transportation projects are used to help improve the urban economy and to attract jobs to the urban cores; and

—firm actions are taken to mitigate adverse effects of transportation projects on the natural and urban environment and to carry out the environmental commitments that are made in planning and approving transportation projects.

We have done a great deal to make our transportation policies and actions more sensitive to our national environmental and energy goals. We can do a great deal more with cooperation of state and local governments as our partners in the national transportation system. The steps I have outlined will move us in that direction.

ECONOMIC ASSISTANCE PROGRAM

Most Americans benefit directly from the healthier and more agreeable environment that results from our air, water and other pollution control programs. Although economic data indicate that environmental programs are a strong positive factor in providing employment, there is continued concern about their possible adverse impact on individual firms, communities, or groups of workers. The fact that there have not been a large number of such economic dislocations does not suggest that those that do occur are unimportant. Furthermore, in some instances they can be avoided, or at least significantly mitigated, by appropriate government action.

In 1977 I established an Economic Assistance Task Force, chaired by the Council on Environmental Quality, to investigate whether we needed to improve federal assistance for those cases when jobs are lost partly as a result of actions taken to reduce pollution, and to recommend initiatives we might take. The Task Force concluded that existing federal assistance programs should be adequate, but that we need to take practical steps to let people know about the programs and to make sure help is delivered swiftly when it is needed.

I am therefore directing the Administrator of the Environmental Protection Agency to create an Economic Assistance Program in his agency and to designate Economic Assistance Officers both in headquarters and in the field, who will help the public understand and use the programs, and to make sure that eligible people receive assistance promptly. I am also directing all federal agencies with programs in this area to publicize and coordinate closely their programs. A booklet describing and locating available federal assistance programs will be released soon by the Council on Environmental Quality and the Environmental Protection Agency.

URBAN NOISE PROGRAM

A certain level of urban noise is tolerable or even agreeable, reflecting the multitude of activities that make a city thrive. However, most of our cities suffer from too much noise. Excessive noise is a serious disturbance in city dwellers' lives, and degrades the urban environment.

Most noise abatement actions are taken by state and local governments, but there is an important role for the Federal government. I am initiating today a program to reduce urban noise by directing the Departments of Commerce, Defense, Energy, Housing and Urban Development, Transportation, and the Environmental Protection Agency and General Services Administration, in consultation with other federal agencies, to take a number of actions to improve existing noise abatement programs, including:

—programs to achieve soundproofing and weatherization of noise sensitive buildings, such as schools and hospitals;

—use of quiet-design features in transportation projects affecting urban areas;

—measures to encourage the location of housing developments away from major noise sources;

—purchase of quiet equipment and products—such as typewriters and lawnmowers which have been designed to reduce noise—and assistance to state and local agencies to do likewise; and

—support for neighborhood efforts to deal with noise problems.

IV. GLOBAL ENVIRONMENT

Efforts to improve the environment cannot be confined to our national boundaries. Ten years ago, at the dawn of the environmental decade, we landed on the moon. For the first time people could stand on the surface of another world and look at the whole earth. The sight of earthrise was awesome. It was also sobering. From that moment we could no longer avoid understanding that all life must share this one small planet and its limited resources. The interdependence of nations is plain, and so is the responsibility of each to avoid actions which harm other nations or the world's environment. I am announcing today two initiatives which address global environmental problems of the greatest importance.

WORLD FORESTS

The world's forests and woodlands are disappearing at alarming rates. Some estimates suggest that world forests could decline by about 20 percent by 2000. More than 40 percent of the closed forests of South Asia, Southeast Asia, Pacific, and Latin America could be lost.

Nearly all the world's forest loss is occurring in or near the tropics. In these areas, environmental damage from deforestation can be severe—even irreversible—and the human costs extremely high. For example, denudation of Himalayan slopes has led to severe soil erosion, silting of rivers, loss of groundwater, and intensified, catastrophic flooding downstream. Many tropical forests, once cut, will not regrow because soils, rainfall, temperature, or terrain are too unfavorable; nor will the land support crops or pasture for more than a few years. Another serious possible consequence of tropical forest loss is accelerating extinction of species. Tropical forests provide habitat for literally millions of plant and animal species—a genetic reservoir unmatched anywhere else in the world. Equally serious is the possibility that forest loss may adversely alter the global climate through production of carbon dioxide. These changes and their effects are not well understood and are being studied by scientists, but the possibilities are disturbing and warrant caution.

The United States and other nations are just beginning to appreciate fully the scope and seriousness of the problem and to assess the effects of development projects on world forests. There is much more to be done. I am therefore directing all relevant federal agencies to place greater emphasis on world forest issues in their budget and program planning. An interagency task force established last fall and chaired by the State Department will report to me in November 1979 on specific goals, strategies, and programs that the United States should undertake. On the basis of these recommendations, I will direct federal agencies to carry out an integrated set of actions to help toward protection and wise management of world forests.

In the international arena, the Governing Council of the United Nations Environment Programme has just adopted a resolution—introduced by the United States—calling for a meeting of experts to develop proposals for an integrated international program for conservation and wise utilization of tropical forests, and to report to the next Governing Council meeting in April 1980. I am asking the Departments of State and Agriculture, the Council on Environmental Quality, and other federal agencies to give this program full support and assistance and to encourage and support high-level multinational conferences on forest problems in regions where forest losses are severe.

To help protect the earth's natural resource base, I issued an Executive Order earlier this year, which directs federal agencies to review carefully in advance the effects of many federal activities abroad. I am directing the Council on Environmental Quality and the Department of State to report to me within six months on the best ways to designate the globally important resources to which the order applies.

ACID RAIN

Acid rain has caused serious environmental damage in many parts of the world including Scandinavia, Northern Europe, Japan, Canada and the Northeastern part of the United States. Over the past 25 years the acidity of rainfall has increased as much as fifty-fold in parts of the Eastern half of the United States. In the Adirondacks in New York, many mountain lakes have become devoid of fish partly because of increasing acidification. Adverse effects on crops and forests are suspected; steel and stone buildings and art works may suffer as well.

Acid rain is produced when rain removes sulfur dioxide and nitrogen dioxide from the air, forming sulfuric and nitric acid. Sulfur and nitrogen oxides are emitted in all forms of fossil fuel combustion. Power plants, smelters, steel mills, home furnaces, automobiles—all may contribute to acid rain.

To improve our understanding of acid rain, I am establishing a ten year comprehensive Federal Acid Rain Assessment Program to be planned and managed by a standing Acid Rain Coordination Committee. The assessment program will include applied and basic research on acid rain effects, trends monitoring, transport and fate of pollutants, and control measures. The Committee will establish links with industry to promote cooperative research wherever appropriate. The Committee will also play a role in future research cooperation with Canada, Mexico, and other nations and international organizations. The Committee will prepare a comprehensive 10-year plan for review by the end of the year. In its first full year of operation, the program will have $10 million in reprogrammed research funds available, double the current amount for acid rain research.

It is important to emphasize that such a long-term acid rain research program will not delay application of necessary pollution control measures to meet the mandate of the Clean Air Act. In addition, interim results from the acid rain research program will be made available to the public, to states, to industry and to the federal government agencies responsible for developing measures to reduce air pollution.

CONTINUED AND COOPERATIVE EFFORTS

The preservation of our environment has needed to become a special concern to our country at least since the ending of the Western Frontier. A former President put it clearly:

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our National life. We must maintain for our civilization the adequate material basis without which that civilization cannot exist. We must show foresight, we must look ahead. The reward of foresight of this nation is great and easily foretold. But there must be the look ahead, there must be a realization of the fact that to waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed."

That was President Theodore Roosevelt speaking in a State of the Union Message more than 70 years ago.

That message needs to be repeated and heard just as clearly today. Above all—it needs to be delivered.

My Administration will continue to lead in conserving our resources and reducing risks to the environment through sound and efficient management. But all our citizens must join the effort by contributing energies and ideas.

Only with your cooperation can we maintain our advance towards protecting our environment. Only together can

we hope to secure our world for the life to come.

JIMMY CARTER.

THE WHITE HOUSE, *August 2, 1979.*

□ 1710

PERSONAL EXPLANATION

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives during one rollcall vote on Wednesday, August 1, 1979. I would like to announce how I would have voted on this issue had I been present.

Rollcall No. 414, August 1, 1979, the House agreed, by a vote of 390 yeas to 4 nays, to resolve itself into the Committee of the Whole for the further consideration of S. 1030, the Emergency Energy Conservation Act of 1979. I would have voted "yea." ●

RIGHT OF PEOPLE OF PUERTO RICO TO DETERMINE THEIR OWN POLITICAL FUTURE THROUGH DEMOCRATIC PROCESS

Mr. CORRADA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 35) reaffirming commitment to respect and support the right of the people of Puerto Rico to determine their own political future through peaceful, open, and democratic processes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 35

Whereas the people of Puerto Rico freely chose the present form of their association with the United States in a popular referendum in 1952; and

Whereas successive United States administrations since that time have continued to be publicly committed to the fundamental principle of self-determination for the people of Puerto Rico; and

Whereas certain other governments lacking in a clear understanding of the United States relationship with Puerto Rico have questioned the status of Puerto Rico and the extent to which its citizens enjoy the right to self-determination: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress takes this opportunity to reaffirm its commitment to respect and support the right of the people of Puerto Rico to determine their own political future through peaceful, open, and democratic processes.

● Mr. CORRADA. Mr. Speaker, I rise in support of House Concurrent Resolution 165 relating to self-determination for the people of Puerto Rico. I introduced this resolution in the House on July 24, 1979, with the cosponsorship of the House majority leader, Mr. WRIGHT; the House minority leader, Mr. RHODES; Mr. BRADEMAS, Mr. MICHEL, Mr. UDALL, Mr. PHILLIP BURTON, Mr. CLAUSEN, Mr. ROSTENKOWSKI, and Mr. DEVINE, which is a clear indication of the broad bipartisan support for this resolution by the Members of the House.

The purpose of this concurrent resolution is to make clear to all the world what the last six U.S. Presidents, beginning with President Eisenhower in 1953 and most recently President Jimmy Carter in his official Proclamation of July 25, 1978, have stated—namely, the right of the people of Puerto Rico to decide for themselves the nature of their relationship with the United States, the right to determine their own political future, the right to choose their course through a peaceful, open, and democratic process. This principle of self-determination for the people of Puerto Rico is also fully supported by both major national political parties in their 1976 platforms.

No issue is more important today to Puerto Ricans regardless of their political affiliation and regardless of whether they prefer statehood, independence or Commonwealth status.

This resolution is fully supported by the Department of State and I would like to quote from a letter sent to me by Secretary of State Cyrus Vance on July 30, 1979, which, in its pertinent part, reads as follows:

Thank you for your letter of July 17 concerning a proposed Congressional Resolution on Puerto Rico. It is our understanding that the Resolution is intended to express the sense of the Congress supporting the status chosen by the people of Puerto Rico whether it be independence, statehood, or commonwealth. The Department of State supports this legislation and believes that it would assist us in handling this issue in the United Nations. As you are aware, President Carter, in his Proclamation of July 25, 1978, said "I will support, and urge the Congress to support, whatever decision the people of Puerto Rico reach."

I am very pleased by the fact that this resolution was unanimously approved by the House Interior Committee yesterday and I urge all my colleagues to support it and to stand together with pride and honor behind one fundamental principle: the principle of self-determination for the people of Puerto Rico.●

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

RESIGNATION OF MEMBER AND APPOINTMENT AS MEMBER OF NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

The SPEAKER laid before the House the following resignation as a member of the National Historical Publications and Records Commission:

GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS SUBCOMMITTEE,
Washington D.C., July 2, 1979.

HON. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
The Capitol,
Washington, D.C.

DEAR MR. SPEAKER: I am writing to resign from my position on the National Historical Publications and Records Commission.

My tenure on the Commission has been a most rewarding one and I am sure that my successor will find it so as well.

Cordially,

RICHARD PRETER,
Chairman.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of 44 U.S.C. 2501, as amended, the Chair appoints as a member of the National Historical Publications and Records Commission the gentleman from Mississippi, Mr. BOWEN, to fill the existing vacancy thereon.

LEGISLATIVE PROGRAM FOR REMAINDER OF WEEK AND WEEK OF SEPTEMBER 3, 1979

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute for the purpose of inquiring of the acting majority leader the program for the balance of the day and when we reconvene in September.

Mr. HOWARD. If the gentleman will yield, I would like to announce that the program for the balance of this week is completed.

As to the program in the House for the week of September 3, it is as follows:

Monday and Tuesday is part of the August district work period and the House will not be in session.

The program for Wednesday, Thursday, and Friday is that the House will meet at noon on Wednesday and at 10 a.m. on Thursday and Friday to consider the following legislation:

H.R. 4473, the foreign assistance appropriations for fiscal year 1979 to completion.

H.R. 3236, the Disability Insurance Amendments of 1979 with a modified rule, 1 hour.

H.R. 79, the Postal Service Act of 1979 with an open rule for 1 hour.

H.R. 51, the Fuels Transportation Safety Amendments Act of 1979, and open rule for 1 hour.

Furthermore, the House will adjourn by 5:30 p.m. on Thursday and by 3 p.m. on Friday. In addition, conference reports may be brought up at any time and any further program will be announced later.

Mr. MICHEL. I thank the acting majority leader.

I might make the observation that it is my understanding the Foreign Assistance Appropriation bill is already into the 5-minute rule. I think we ought to alert Members that Wednesday, while a returning day, will be a busy one because we will, as I said, already be in the 5-minute rule. There will be votes to be cast on that day.

Might I inquire if it is the leadership's intention to work late on that Wednesday night?

Mr. HOWARD. I might say to the gentleman that we would hope not to be late on that day. However, the assured time of adjournment is only stated for Thursday and Friday. Perhaps we

can complete it within a reasonable time that day, but the gentleman is absolutely correct, we will be in the 5-minute rule and there are votes expected on the day of return.

Mr. MICHEL. I thank the gentleman and I yield back the balance of my time.

DISPENSING CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 5, 1979

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, September 5, 1979.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Wednesday, September 5, 1979, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Wednesday, September 5, 1979, the Speaker be authorized to accept resignations, and to appoint commissions, boards and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE BAD CALIFORNIA APPOINTMENT

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKELTON. Mr. Speaker, as the President aptly pointed out in his address 2 weeks ago, many Americans have lost confidence in Government. Whether we like it or not, especially with Watergate and the recent incidents of breach of fiduciary duty, as Government officials, we always must be ready and willing to answer to the public. At this time, it is the duty of each of us in public office to do his or her utmost to restore confidence in the people of this great Nation and revitalize the American spirit.

It is in this light, Mr. Speaker, that I would like to join with several of my colleagues in expressing my concern over California Governor Brown's appointment of Edison Miller to the Orange County Board of Supervisors. Taking into consideration the fact that the vacancy on the board occurred when a former supervisor was convicted on bribery charges, Governor Brown's decision to appoint Mr. Miller exhibits exceptionally poor judgment, in my opinion.

At a time when the people of Orange County, Calif., are suffering the disillusionment of having one of their supervisors convicted of bribery, they are inevitably very skeptical and in need of reassurance. When the Governor chose to exercise his privilege to appoint someone to the position, he should have conducted a search for someone who, at the very least, had a commendable record—a member of the community who would have been able to restore confidence.

On the contrary, Governor Brown has appointed a man who, upon his return from Vietnam, was retired from the Marine Corps under formal censure. It has been pointed out by several of my colleagues that the Secretary of the Navy did not press the charges lodged against Mr. Miller by his fellow POW's because the Secretary felt it would cause too much additional suffering on the part of those men, their families, and their dependents. If Governor Brown had had any foresight or any compassion, he would never have considered Mr. Miller for this office for the very same reason. If the Governor had carefully examined the grave nature of the charges against Mr. Miller, the reason for his never coming to trial, and then the fact that Mr. Miller was retired from the Marine Corps with formal censure, it should have been clear that this appointment would be looked on with much disfavor. In fact, Mr. Speaker, I must agree with my colleagues that the implications and the repercussions of the appointment of this particular man are potentially devastating not only to our former POW's and their families but to the overall American morale.

Through his appointment of Mr. Miller to the Board of Supervisors of Orange County, Governor Brown has made a sham out of the gubernatorial privilege of appointment. Instead of attempting to meet the needs of his constituency by restoring confidence, through this appointment he has induced more distrust and skepticism. Ultimately, Mr. Speaker, Governor Brown has not benefited our country in this time of spiritual crisis.

REPORTS SHOW FOREIGNERS OWN ABOUT 23,000 ACRES WITHIN MISSOURI'S SIXTH DISTRICT

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLEMAN. Mr. Speaker, yesterday, August 1, 1979, was the deadline for foreign nationals owning 1 or more acres of American farmland to disclose their holdings under provisions of Agricultural Foreign Investment Disclosure Act of 1978.

After a thorough check of the 23 county ASCS offices in my district, I must report my skepticism about the accuracy and thoroughness of the Department of Agriculture's reporting system.

Reports indicate that 22,942 acres of some 6.6 million farmland acres in my district are owned wholly, or in part, by foreign nationals. This represents 0.3 percent of the farmland in the Sixth Congressional District of Missouri. Reports filed indicate foreign ownership occurs in only 11 of the 23 counties in my district.

These figures are not consistent with comments I have received from constituents who claim there is a great deal more activity by foreign interests buying our farmland. Further, the findings by the General Accounting Office at the request of the Senator from Georgia, Mr. TALMADGE, indicate that the USDA's reporting system is too lax.

In the GAO report, which is being released today, it was found that 514,760 acres were owned by foreigners in a 10-State "projection" as compared with 303,149 acres identified by the USDA. This is a 70-percent miscalculation and indicates to me a significant underestimation of foreign holdings in American farmland. I greatly fear the same situation exists in the Sixth District of Missouri.

As a member of the House Agriculture Committee, I supported the legislation requiring these reports of foreign ownership for several reasons. Young farmers were being kept from buying farms because of inflation and I wanted to know if wealthy foreigners were bidding up the price of farmland. American agriculture is one of the last areas in which we can control our own products and destiny and I wanted to know if foreign ownership of farmland was weakening this posture. We have lost control over our energy situation and I certainly do not want to see us lose control of American agriculture.

I had hoped that these reports would help answer my questions, not only for me, but for the American people as well. As of now, I do not believe they do.

I intend to conduct a more thorough investigation of foreign ownership in my district. Further, as a result of the GAO report being released today on this subject, I intend to study the feasibility of having the independent GAO conduct a more intensive, nationwide survey of foreign ownership using investigatory techniques overlooked by the USDA's reporting procedures.

At this point, Mr. Speaker, I would like to place into the RECORD the following facts and a chart indicating the extent of foreign ownership in the Sixth District of Missouri according to reports filed in the county ASCS offices. It is my hope that my colleagues can use this

information as an aid in preparing similar surveys of their own districts.

The following counties in the Sixth Congressional District of Missouri have no farmland owned by foreigners, according to their county ASCS offices: Adair, Andrew, Caldwell, Chariton, DeKalb, Grundy, Linn, Livingston, Mercer, Nodaway, Ray and Worth.

The following chart details foreign ownership in the remaining 11 counties in Missouri's Sixth District. It should be noted that the majorty of foreign ownership appears to be European, specifically Dutch and West German. Further, there appears to be no "foreign oil money" in farmland in the Sixth District.

FOREIGN OWNERSHIP OF FARMLAND IN 6TH CONGRESSIONAL DISTRICT

County and nationality of owner(s)	Type of operation	Total acreage
Atchison:		
Netherlands, Antilles	Grain	606
Unknown	do	160
Do	do	240
Buchanan:		
Unknown	General	1,495
Do	do	583
Do	do	102
Carroll: France	General crop	116
Clay:		
Canada	General	310
Netherlands [1]	do	550
Clinton:		
West Germany	Grain and pasture	3,100
Do	Pasture	1,238
Daviess:		
Holland	General	100
Panama	Cash crops	1,542
Gentry:		
Holland	Row crops, timber, and pasture.	220
West Germany	Row crops	292
Harrison:		
Holland	General	480
Do	do	240
Unknown	do	-1,370
Holt: Switzerland and Luxembourg.	Grain	160
Platte:		
Netherlands	do	200
Switzerland	Fruit	141
Sullivan: Argentina	Grain and cattle	9,687
Total foreign owned acreage in 6th District.[2]		22,942

[1] 2 other reports expected later this month.
[2] 22,942 acres owned totally, or in part, by foreign nationals.

JERRY BROWN, BOAT PERSON

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, the following excellent George Will column appeared in the August 2 edition of the Washington Post.

The editorial, "Jerry Brown, Boat Person," correctly concludes that the Governor of California has isolated himself from the political center and has moved substantially to the left, in particular his appointment of Edison Miller to the Orange County Board of Supervisors.

In the terms of Jerry's own political philosophy, he has paddled too much on the left side of his canoe, and is now perilously close to crashing on the rocks. By itself, Brown's difficulties might not appear significant, but as George Will concludes, the Carter and Kennedy canoes may not be afloat in November 1980.

The editorial follows:

JERRY BROWN, BOAT PERSON

Most political news that heads bravely east from California dies of loneliness and general neglect near Tonopah, Nev. But now comes news of small events that make up a big event. Jerry Brown has chosen sides.

Thus far in his short, happy career, Brown's primary principle seems to have been to avoid being perceived as merely on the left or the right of the political spectrum. But now, although he may not know it, and certainly will not admit it, or will explain it in terms of some higher synthesis, he has irrevocably chosen the left. He has torn his carefully woven veil of ambiguity, and, in the words of Linda Ronstadt, "silver threads and golden needles" won't mend it.

Brown did not help himself by getting himself on the cover of Newsweek with Ronstadt, on their trip to Africa. Only country music-haters and other fascists have anything against Ronstadt. But as a prospective First Lady, or First Live-In, or whatever, she does take some getting used to. And if there is one thing Americans have had enough of, it is having to get used to things.

Brown injured himself when he joined Tom Hayden and Jane Fonda at the head of an anti-nuclear power rally in Washington last May. But even then, Brown's defenders could say that the company he was keeping was not the point; the issue was the point, and the issue is one about which serious people can honorably disagree.

But there was no such excuse for the company Brown chose to keep when he appointed Edison Miller to fill a seat on the Orange County Board of Supervisors. While a prisoner of war in North Vietnam, Miller made tapes supporting Hanoi's position. After release, Miller was discharged for "failing to meet the standards expected of officers." Brown appointed Miller at the urging of Fonda and Hayden. Miller met Fonda when she was in North Vietnam, making tapes.

California's Democratic-controlled legislature recently overrode three of Brown's vetoes. And as icing on the cake of contempt, the state Senate rejected, overwhelmingly, Brown's nomination of Fonda to the state arts council. It struck at Fonda to express disgust about Miller.

When this happened, Fonda let the feminist side down by weeping. Brown said: "To bar an Academy Award-winning actress for narrow-minded political purposes is an insult to the very notion of artistic excellence." It is hard to say which is less believable: Brown's assumption that an Academy Award infallibly denotes artistic excellence, or his pretense that he had other than "narrow-minded political purposes" for nominating Fonda.

His motives are not opaque. An aide says, "Jerry has no national constituency, so Hayden and Fonda have offered him a connection to the anti-war, anti-nuclear crowd, and he's taken it." Already it has tainted him. To get permission to speak at a recent anti-nuclear rally, he allowed the leaders of the rally, including Hayden, to edit his speech, changing it from moderation toward harshness.

Brown is icily realistic. He knows he cannot treat his new friends the way he has treated some political positions, taking them up and later tossing them aside, as suits his convenience, without leaving a residue on his hands. He can't; he has touched pitch. He has taken sides.

With exquisite bad timing, during the flood tide of the "boat people," Brown has chosen to associate himself with the wing of the anti-war movement that has, with exquisite bad taste, remained affectionate toward the regime responsible for the oceans of misery. By refusing to join Joan Baez and others in condemning Hanoi, the Fonda faction of the anti-war movement has put itself, and some recent history, into perspective. It should now be clear to everyone what that faction's real motives and values were.

By associating himself with that faction, Brown is turning himself into a political boat person, adrift far from the mainstream of American life. Yet Carter is drowning, and Kennedy has immobilized all potential Democratic challengers, except Brown. If Carter sinks, and Kennedy does not launch, Brown could be the only Democrat afloat.

FOREIGN INTELLIGENCE AND LAW ENFORCEMENT ENHANCEMENT ACT OF 1979

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker the Freedom of Information Act (FOIA), in its present form, has taken a significant toll on the ability of our law enforcement and intelligence agencies to perform their congressionally authorized functions. To refine the scope of the law and remove the destructive burden it has created, I am introducing the "Foreign Intelligence and Law Enforcement Enhancement Act of 1979."

Sources and potental sources of valuable information have refused to cooperate with the CIA and FBI because of fear that their confidentiality cannot be protected from forced disclosure under the FOIA. Numerous examples of such refusals have been documented. In the law enforcement area, these fears are not hard to understand in light of the fact that more than 16 percent of all FOIA requests received by the FBI are from convicted felons, many of whom are looking to identify the people who aided in their arrest and conviction. Indeed, testimony before a subcommittee in the other body by an organized crime "hit man" outlined how the FOIA was used to find an informant—and presumably kill him.

The flow of foreign intelligence information is also being disrupted by the FOIA. The chief of one foreign intelligence service has flatly told the CIA that he will not fully cooperate as long as the CIA is subject to the FOIA.

Reporting from our own State Department personnel overseas has also been adversely affected. The staff report of the Foreign Affairs Committee on the assassination of Congressman Leo Ryan has faulted the FOIA as inhibiting the Embassy in Guyana from "candidly and accurately" reporting on Jonestown and it "ultimately influenced the State Department's ability to more effectively brief the Ryan (congressional delegation)."

The critical amendments to the FOIA made in 1974 were adopted at a time when questions were being raised about secret information gathered and retained by agencies of our Federal Government. Then, and since that time, some activities of law enforcement and intelligence agencies, unauthorized by law, have been disclosed. The Congress, responding to the electorate, felt the need to ferret out all of the skeletons evidence agency misdeeds.

However, since 1974, new laws have been enacted and Executive orders and regulations have been issued to assure the propriety of the activities of our law enforcement and intelligence agencies.

Most importantly, congressional oversight of sensitive agency programs has evolved. In the intelligence area, a committee in each House has been established solely to oversee intelligence operations. As the Deputy Director of the CIA, Frank Carlucci, told the Intelligence Committee:

> You, (the Congress), not 20,000 FOIA requesters, foreign and American, are the proper people to conduct oversight.

Mr. Speaker, I, as well as others, have asked the Directors of the FBI, CIA, and the National Security Agency (NSA) what changes in the FOIA are necessary to the effective functioning of their agencies. I have endeavored to reflect their responses in the "Foreign Intelligence and Law Enforcement Enhancement Act of 1979." This bill would amend the FOIA to accomplish the following:

Confidential sources of information, including State and municipal agencies and foreign governments, would receive more effective protection of their confidentiality: information tending to disclose their identity would be protected from disclosure, thus clarifying the original intent of the FOIA.

As an added protection for confidential sources, the bill would establish a moratorium on the disclosure of law enforcement investigatory records until 7 years after an investigation is terminated. (Director Webster has pledged that the FBI would not use the moratorium in concert with a file destruction program to prevent release of records otherwise disclosable after 7 years.)

The most sensitive and perishable Government records—pertaining to foreign intelligence, foreign counterintelligence, organized crime and terrorism—would be exempted from mandatory disclosure.

Agencies would no longer be required to release records to foreigners and convicted felons.

Protection from disclosure would be provided for all law enforcement records where release would cause specified harm.

Rather than having a flat time requirement within which all FOIA requests must be met, the bill would extend the time limit to establish a relationship between the amount of work required to properly respond and the amount of time permitted to do the work.

The bill would in no way affect the rights of a criminal defendant or civil litigant under the rules of civil and criminal procedure. Likewise, the bill would not limit or restrict in any way the power of the Congress or the courts to oversee the activities of the FBI, CIA, National Security Agency (NSA), or any other Federal law enforcement or intelligence agency.

The new FOIA provisions would be permissive, not mandatory—that is, while agencies would not be required to release certain information, they would be permitted to do so. The FBI has pledged to continue its present practice of using the FOIA exemptions only where necessary, and generally disclosing as much information as possible without harming its important law enforcement function.

While all of the proposals put forward by the FBI, CIA, and NSA, as included in the bill, may not be appropriate or desirable, I am absolutely convinced that the FOIA must be amended.

Mr. Speaker, I am offering this proposal to serve as the starting point for debate in the Congress. It is my hope that after thorough consideration of the issues, we can act swiftly and deliberately toward providing the necessary changes in the law.

ACTION NEEDED TO PROTECT U.S. EMPLOYEES OF ARGENTINE AIRLINES

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the Transport Workers Union of America today filed a petition with the Civil Aeronautics Board to suspend or revoke the permit of Argentine Airlines to operate in the United States. This serious action was the most recent taken as a result of a lengthy labor dispute between the union and the airline. The dispute involves an alleged violation of U.S. labor law by the airline.

It is unfortunate that this dispute has not been able to be resolved between both parties. Until it is resolved in a satisfactory manner, it has the potential of becoming a serious foreign policy problem between the United States and Argentina. Thus far, the Department of State apparently has taken a hands-off attitude toward the dispute. I believe the time has come for the State Department to review the facts of this case and to adopt an active role in protecting the interests of U.S. workers.

There are a number of steps which I believe the State Department should take without further delay. First, the United States should make the Argentine Government aware of the seriousness with which we view any failure by foreign airlines to comply fully with our labor laws.

Second, a thorough review should be made of visa issuance procedures at our Buenos Aires Embassy to insure that Argentine citizens are not being permitted to come to the United States to assist Argentine Airlines in an alleged strikebreaking effort. A further review should be made of visas already issued to determine if they were properly obtained.

Third, the United States should give serious consideration to suspending current consultations with Argentina on airline matters since the labor dispute raises serious questions about the willingness of Argentina to abide by applicable U.S. laws and procedures.

Mr. Speaker, in conclusion I would like to urge the CAB to consider the petition of the Transport Workers Union fully, fairly, and expeditiously.

MOVING U.S. CAPITAL TO KANSAS SUGGESTED

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, yesterday a suggestion was made in the other body by the gentleman from Alaska, Senator STEVENS, that perhaps we should move the seat of Government somewhere more convenient than Washington—somewhere like Kansas.

I rise today to second his suggestion. Even if the suggestion was made in jest, I for one, would be delighted to move the Nation's Capital to Kansas. In fact, I even have a possible location picked out. We could move it to the area in the Flint Hills where I have proposed the establishment of a Prairie National Park.

As far as I am concerned, Kansas would not be any worse a place for Congress to do its legislating, the President to do his activating, the Supreme Court to do its contemplating, or the bureaucrats to do their regulating than is Washington. In fact, I am of the opinion that a change of scenery and a few deep breaths of fresh Kansas air might be just the cure for the malaise that seems to be afflicting our Government.

Mayor Barry may be unhappy with the presence of Federal employees in the District of Columbia, but I would be willing to bet that the Federal workers probably do not like the city any better than the Mayor likes them.

That is why I would recommend Kansas. Certainly the climate is better than that of Washington. Sure there are cold winters and hot summers. However, I seriously doubt that foreign governments would have to declare diplomatic service in Kansas as "hardship duty" as they had to for Washington until just a few years ago. In fact, the climate of the last few weeks has made me wonder if we should not declare Washington a hardship post for Federal workers anyway.

The geographic location of Kansas is also more convenient than Washington. It is relatively easy to get to from both the east and west coasts by plane and by car, not to mention the fact that the time zone is more compatible with the rest of the country.

Of course, we might have to start our days a little earlier. After all, the functioning of the Government seems to be geared to timing for the 6 o'clock news, and in Kansas, the 6 o'clock news comes on at 5 or 5:30.

Moreover, Mr. Speaker, I believe that if the Capital were to be moved, we would find many workers eager and willing to work hard at Government service. After all their complaints about the inefficient ways of Washington bureaucrats, I have no doubt but that they would keep themselves from falling into the same sloppy habits.

Mr. Speaker, I want to commend the gentleman from Alaska for his splendid suggestion. And I want to assure my colleagues that I stand ready to assist in any way in the efforts to make such a move.

LEGISLATION INTRODUCED TO ASSURE RENEWABLE NATIONAL FORESTS

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. WILLIAMS of Montana. Mr. Speaker, I am today introducing legislation which, if enacted, would take great strides in assuring that one of our most valuable resources, our national forests, remain renewable in perpetuity. Indeed legislation was introduced yesterday in the Senate by my fellow Montanan Senator MAX BAUCUS and our fine neighbor from Idaho, Senator FRANK CHURCH.

Reforestation and timber stand improvement of our National forests must be paid for with general appropriations, which have been anything but generous in this regard. This has led to a backlog of nearly 5 million acres that desperately need reforestation or improvement. By any reasonable measure of present need, it is obvious that the current system of annual appropriations is a significant impediment to the long-term future of our forests.

This bill, called the National Forest Investment Fund Act, would—First, create the National Forest System Investment Fund made up of the Federal Treasury's net cash receipts from timber sales, grazing permits, recreational use fees and other activities on the National Forest System;

Second, designate these funds for capital improvements such as reforestation, timber stand improvement, watershed development, grazing land improvement, wildlife protection and development of recreational facilities in the National Forests.

Third, refine provisions of the Resource Planning Act (RPA) to request the Forest Service to prepare a separate capital expenditures budget and a long-range assessment of the current and future capital investment needs of the National Forest System.

This bill would not make capital investments from the fund automatic in any way. Congress would still have to appropriate these funds. The advantage of the bill would be in the clear separation between operating expenses and capital improvements, so that we may invest wisely for a reasonable rate of return.

Although the Investment Fund idea is not new, this bill proposes for the first time to also invest in other activities as well. Development of watershed and recreational facilities have also tended to be underrepresented in recent Forest Service appropriations.

As you know, Mr. Speaker, this nation faces shortages of many resources that we once, as a nation, assumed to be endless. Let us not repeat that incorrect assumption with our forests as well. I strongly urge enactment of this important legislation.

STOP FEDERAL PURCHASES FROM J. P. STEVENS

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. BINGHAM. Mr. Speaker, August 28 marks the fifth anniversary of the day textile workers at seven J. P. Stevens plants in Roanoke Rapids, N.C., voted to be represented by the Textile Workers Union of America (TWUA). This victory represented the culmination of an 11-year organizing campaign.

Since 1963, the National Labor Relations Board has found J. P. Stevens to have violated the law 18 times, more than any other company in American history. During the last 15 years Stevens has had to pay out more than $1.3 million in fines and back wages. In 1977, Stevens was found in contempt by two circuit courts for failing to negotiate with employees in the seven Roanoke Rapids plants.

In addition to unfair labor practices, Stevens has shown a marked indifference toward the health and safety of their employees. The most blatant example of this is the lack of adequate protection from exposure to cotton dust which causes byssinosis (brown lung). Noise levels which cause hearing losses are another major uncorrected problem at Stevens' plants. Despite this abysmal record of indifference for the rights of workers, the Federal Government continues to reward Stevens by annually awarding contracts totaling millions of dollars for the purchase of uniforms and other items. We are in effect condoning those who choose to violate Federal law and are ignoring obvious social injustices. We have also helped make it cheaper for Stevens to pay the penalties and fines than to reform.

The National Labor Relations Act, passed in 1935, guarantees workers the right to organize, to join in collective activities, and to bargain collectively. We should not undermine these affirmative congressional dictates by rewarding those who choose to ignore workers' rights.

In a recent letter to President Carter I proposed that he place on a debarment list those companies that willfully violate the National Labor Relations Act. The letter follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., August 1, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am concerned about the lack of Federal policy on contracts with violators of the National Labor Relations Act.

Since 1935, when the National Labor Relations Act became law, our national labor policy has been designed to protect the rights of workers to freely associate and to encourage collective bargaining as a means of settling differences between employers and employees. Yet today, some of the most willful and flagrant violators of the NLRA continue to receive millions of dollars in government contracts each year. In effect, we are ignoring the principles of our national labor policies and supporting those who choose to ignore them.

As you know, the Labor Reform Act of 1977 would have remedied this problem by barring from participation in federal contracts for a period of three years any person found by the NLRB to have willfully violated a board order. Exceptions to this provision would have been allowed if it were found that the national interest were jeopardized or if no other source for the materials sought were available. Unfortunately, Congress did not pass this bill, and current procurement regulations do not limit the eligibility of persistent violators of the National Labor Relations Act.

Therefore, I urge the issuance of an Executive Order barring government contracts to willful violators of the National Labor Relations Act.

In the case of *Youngstown Steel and Tube Company* v. *Sawyer*, 343 U.S. 585 (1952), Justice Black stated that, "(t)he Presidents power, if any, to issue the order must stem either from an act of Congress or from the Constitution itself." In this instance, the authority of the President to deny government contracts to violators of the NLRA does have a statutory basis. Consistent with this reasoning, the recent U.S. Court of Appeals decision in *AFL–CIO* et al v. *Kahn*, (No. 79–1564), would seem to supply the necessary authority for the President to issue an executive order. The majority in the *Kahn* case reasoned that section 205(a) of the Federal Property and Administrative Services Act of 1949 which authorizes the President to . . . "prescribe such policies and directives not inconsistent with the provisions of this act", was sufficiently close to the avowed purpose of the 1949 Act, i.e., economy, efficiency and likely savings to the government, so that the President's Executive Order on wage and price controls was upheld.

This sufficient nexus between "a broad definition of economy and efficiency" and section 205(a) of the FPASA provided the courts rationale for upholding the President's authority. In footnote fifty, the court noted that an Amicus brief had raised the issue of the possible applicability of such a principle to a persistent violator of the NLRA, but said it was not necessary to answer the question. In his dissent, Justice MacKinnon did address this question and concluded that under the court's nexus test an NLRA order might have "some incidental consequence on the economy by promoting industrial peace and reducing losses due to strikes and thus also favorably affect the government's procurement costs", and that in such a case the court would be "assured that the President was acting to enhance a clearly and precisely defined Congressional policy".

I have enclosed a partial list of government contracts awarded to perhaps the most flagrant current violator of the NLRA, J. P. Stevens, to illustrate the importance of this matter. Since 1963, when the Textile Workers Union of America began its organizing campaign, the NLRB has found Stevens to have violated the law eighteen times, more than any other company in American history. Yet despite this abysmal record, the federal government continues to procure uniforms and other items from Stevens, displaying a total disregard for the rights of workers.

Recently, two New England states, Massachusetts and Connecticut, have taken action on this issue. Connecticut's Governor Ella Grasso signed into law a bill barring from State contracts any firm that has been cited for violations of the National Labor Relations Act three times within five years. In Massachusetts, Governor Edward King has directed all State institutions, agencies, commissions and departments to refrain from entering into any contractual agreements with J. P. Stevens. A growing number of State and local governments as well as church and civic groups have cut off all purchases from Stevens. It is highly appropriate for the federal government to take similar action against flagrant violators of the NLRA.

Sincerely,

JONATHAN BINGHAM.

J. P. STEVENS CONTRACTS WITH THE DEFENSE LOGISTICS AGENCY, 1975 TO PRESENT

	Number of contracts	Total
Date:		
Through May, 1979	8	$9,232,000
1978	9	10,911,000
1977	10	8,920,000
1976	5	10,345,000
1975	15	14,321,000

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ATTORNEY GENERAL GRIFFIN B. BELL

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

● Mr. KASTENMEIER. Mr. Speaker, later this month Griffin B. Bell, the Attorney General of the United States will leave office. It has been my personal and professional pleasure to have worked closely with Mr. Bell during his 2½ years as this Nation's chief legal officer. On the occasion of his retirement, I think it is appropriate to thank him for a job well done, to review some of his many achievements and to wish him well in his future.

For nearly 20 years Griffin Bell has served the American people as a respected public servant, first as a judge for the Court of Appeals for the Fifth Circuit and then as Attorney General of the United States. Prior to his appointment to the Fifth Circuit bench by President Kennedy in 1961 Griffin Bell was an active and thoughtful participant in the legal community, serving as chairman of the Atlanta Commission on Crime and Delinquency, a member of the Committee on Innovation and Development of the Federal Judicial Center, and chairman of the American Bar Association Division of Judicial Administration.

As Attorney General, Griffin Bell has been a distinguished advocate for court reform and access to justice, revision of the Federal Criminal Code, reform of the national security surveillance laws, improved correctional standards, and a depoliticized Department of Justice. He has effectively established merit selection procedures for court of appeals judges. His work in these areas will remain long after he returns to Georgia.

As an advocate for the President's program, Judge Bell maintained at all times a cooperative and congenial rapport with the Committee on the Judiciary and the subcommittee which I chair. During the Bell years, the Office of Legislative Affairs under the direction of Patricia Wald and Raymond Calamaro was always responsive and constructive. At a time when this administration has not always had the best relations with Congress, Judge Bell and his representatives were consistently and refreshingly far above the norm.

I have worked closely with other of Judge Bell's appointments including his Assistant Attorney General for Improvements in the administration of Justice, Daniel Meador; his Assistant Attorney General for Civil Rights, Drew S. Days III; his present Assistant Attorney General for the Criminal Division, Philip Heyman; and his initial assistant in that post Benjamin Civiletti who will succeed him as Attorney General. Each of these appointments by Judge Bell have proven to be extremely wise ones. His recruitment efforts at all levels of the Department of Justice and the FBI have brought new life into these important government posts. Hopefully these efforts will prove beneficial long after his departure.

With my respect and good will I am pleased to wish Judge Bell all the best in his future professional and personal life. He has brought candor and openmindedness to the office of the Nation's chief lawyer. His style will be an example for future Attorneys General. I hope Judge Bell will continue to be available to counsel the Judiciary Commitee in the future. His wisdom and experience will be needed.●

EIGHTH PAN AMERICAN GAMES IN PUERTO RICO

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, the first 2 weeks of the month of July of 1979 will be remembered as a very special moment in the history of Puerto Rico. The Eighth Pan American Games took place in San Juan.

I saw the opening, the first week of events, and the closing of the games.

It was with emotion and pride that I watched the Olympic torch being carried as the island was to play host to more than 5,000 athletes from 34 countries throughout North, Central, South America, and the Caribbean.

The whole presentation of the games was not without logistical problems compounded by 2 months of torrential rains which affected the completion of some sports facilities. Nevertheless, these problems were overcome and the games were held not only in the San Juan metro area, but also in several parts of the island. This enabled Puerto Ricans of all ages, all income levels, and all walks of life, to be daily participants of this event.

At the opening of the Pan American Games, one of the athletes summarized the feelings of all Puerto Ricans: To unite together for the staging of the event. He exhorted us all to "let the games in Puerto Rico be an example for other countries."

The games were conducted in an atmosphere of enthusiastic athletic competition and of camaraderie between athletes, spectators and the general public. Good will and understanding developed and prevailed among the youth of this hemisphere.

To the astonishment of many sports fans in the continental United States, Puerto Rico played the United States for the gold medal in the men's basketball competition. Puerto Ricans were specially proud when Jesse Vasallo, now living in the mainland and a native of Ponce, Puerto Rico, won two gold medals for the U.S. team.

Puerto Rico fields a separate team from that of the United States, as also does the U.S. Virgin Islands, even though both are territories of the United States. On the other hand, Puerto Ricans residing in the United States are eligible to compete for the U.S. team, as did Vasallo.

The top condition of the U.S. team was evident, obtaining a total of 254 medals, 120 of which were gold, by far more than any other participating country. Puerto Rico's performance was also superb. We had never ranked so high among the top medal winners, finishing in 7th place, with a total of 20 medals, which is double the number of medals we had in the 1975 games in Mexico City.

I want to convey the gratitude of the people of Puerto Rico for the support of the Federal Government in providing vital resources through agencies such as the Department of Commerce, public works programs, HUD programs, and the Department of Justice.

We are also grateful to the Members of Congress who voted for the $10 million Federal contribution to the games through the Department of State. These funds were added to the $13 million provided by the Commonwealth government.

The sports and housing facilities built for the games will remain for the benefit and enjoyment of all Puerto Ricans, especially the new generation of athletes. The remaining housing facilities will be used mainly to serve the underprivileged classes.

I would also like to acknowledge the contributions of many corporations and individuals in the island to the organizing committee.

Numerous local volunteers should be commended for the many hours of sacrifice offered for the successful staging of the games. Special praise goes to the Organizing Committee (COPAN) composed of a core staff of 3,000 people who worked around the clock to assure to the best of their capabilities for the favorable completion of this event. One veteran journalist now living in the mainland described the Games as "a proud exhibit of creative talent and bold determination of the people of Puerto Rico."

One of the most outstanding performances was that of more than 2,000 public high school students in the opening and closing ceremonies.

Our island is proud of our distinct heritage and unique culture. We have set an example for the other countries that both participated in the event and witnessed the Puerto Rican hospitality during the month of July.

There have been many laudatory editorials and press comments in the United States and in the Latin American press. Two notorious exceptions were the articles of Tom Boswell in the Washington Post, and the articles of the official Communist newspaper Gramma in Cuba.

In view of these controversial outlooks, a most satisfying compliment was paid to us by Mr. Mario Vásquez Raña of México, site of the Pan Am games of 1975. Mr. Vásquez Raña is the president of the Pan American Sports Organiza-

tion. In his speech at the closing ceremonies he thanked Puerto Rico for hosting "the most brilliant and best organized Pan American games in history."

SHATTER THE SILENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, I am pleased to take part in this year's "Shatter the Silence," an effort by Members of Congress to speak out on the plight of Soviet refuseniks. This is part of a continuing vigil which began a few years ago to monitor the human rights situation in the Soviet Union. As a participant in these vigils, I have appeared before this body on a number of occasions to relate the tragic situation of a Soviet family named "Breilovsky."

The Breilovskys applied for exit visas several years ago to emigrate to Israel. Victor Breilovsky's visa was approved while his wife, Irina, was not given permission. Obviously, rather than break up the family, no one went. The reason given Mrs. Breilovsky for the denial of her application was that as a mathematician she allegedly knew "state secrets."

What occurred thereafter is a typical example of the vindictive nature of the Soviet Government. Both Victor, a research scientist, and Irina were fired from their jobs. They have managed to make ends meet through odd jobs. This economic deprivation is apparently not stringent enough for Soviet authorities. The Breilovskys have now learned that the Government will no longer accept their income tax payments, an indication that they may soon face "parasitism" charges.

Besides economic hardship, the Breilovsky's professional careers are suffering as well. As scientists no longer permitted to work in that capacity, they are hindered from learning about scientific developments. Despite this, Victor Breilovsky leads scientific seminars in his home for other refusenik scientists, an activity he has been carrying on for over a year.

Finally, the Breilovskys' son, Leonid is facing a most vicious catch-22 situation as a young man eligible for military service. Anyone who becomes involved in the Soviet military automatically is assumed to have knowledge of "state secrets." If drafted, this would preclude Leonid from any further consideration for an exit visa. This past year Leonid has been studying at a food institute. He has just learned that during the second year of his study, he will be affected by the "state secrets" ruling. Hence, whether he remains at the institute or goes into the military, his chances of avoiding any contact with the all-encompassing "state secrets exposure" seems remote.

The Breilovskys are not the only family that faces this plight. Soviet intractability must not deter us from continuing to speak out against the hardships that the refuseniks have to endure.●

CONGRESSMAN GREEN URGES URBAN TAXPAYER FAIRNESS PACKAGE TO ADDRESS HIGH COSTS OF EDUCATION AND RENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York, (Mr. GREEN) is recognized for 15 minutes.

● Mr. GREEN. Mr. Speaker, it is my strong feeling that too little attention has been given during this Congress to the disadvantages to urban areas resulting from the current structure of our tax code. In the last Congress considerable debate was focused on the issue of providing a tax credit for tuition paid to educational institutions. As a strong proponent of tuition tax credits at the elementary and secondary level, I was very disappointed at the failure of the 95th Congress to enact any such law.

While it is often charged that a tuition tax credit would directly benefit only the wealthy, I would like to emphasize that 75.5 percent of the children presently enrolled in Manhattan parish elementary schools are either black, Hispanic, Asiatic. In Manhattan's secondary archdiocesan schools, these same minority groups comprise 41 percent of total enrollment.

Moreover, I want to bring to the attention of my colleagues the results of a new and important study which show the indirect benefit of a tuition tax credit on all segments of a city's population. Immediately prior to the beginning of the 96th Congress, the Center for New York City Affairs of the New School for Social Research published the results of a persuasive study on the effects the lack of an elementary and secondary tuition tax credit has on the New York City economy. The author of the study, Thomas Vitullo-Martin, is a consultant to the Ford Foundation and the National Institute of Education. He is also an associate of the Brookings Institution on urban and economic development and Federal programs.

In the article published by the center, which is entitled "New York City's Interest in Reform of Tax Treatment of School Expenses," Mr. Vitullo-Martin convincingly argues that current tax law drives the wealthy and the middle class from cities to the suburbs, thus further eroding the tax base of the urban core. As a cosponsor of H.R. 34, which would provide a tax credit for elementary and secondary tuition expenses, I would like to share this important study with my colleagues by having its summary printed in the RECORD at this point.

NEW YORK CITY'S INTEREST IN REFORM OF TAX TREATMENT OF SCHOOL EXPENSES

New York City has a strong interest in reform of the way federal income tax codes treat education expenses. For years, city officials have known that the middle-class exodus weakening the city's tax base is, to a great extent, attributable to the high quality of suburban public schools.

The city's answer has been to try to improve its own public schools, but massive reform is always slow, too slow to effect current outmigration. This solution also ignores an important aspect of the middle class's flight to the suburbs: tax advantages. In the wealthier suburbs, middle- and upper-income families not only get higher quality education for their children, they pay less for it.

The federal tax codes allow individuals to deduct from their taxable income local taxes that support public education—but not tuition to public or private schools. State and local income tax laws generally follow federal rules. The deduction of a local tax from federally taxable income is, in effect, a federal subsidy of the local tax.

If a family is in the 50 percent federal tax bracket, the net increase in its total tax obligation of a $3,000 rise in property taxes is only $1,500—only $1,240 if we take into account the effects of state and city income taxes. The local government raises its revenue by $3,000, but the federal government simultaneously decreases its revenue by $1,175. Any tax deduction is, of course, worth more to a high-income family than to one with a low income. The aggregate effect of the tax deduction system on a high-income community is that the federal and state governments pay a higher percentage of the community's tax obligation—up to 70 percent of local taxes in some New York suburbs compared with less than 15 percent of city taxes.

One social effect of this regressive tax provision is to drive high-bracket taxpayers from the city. These citizens need little in the way of public services; they provide most of their own needs from their own resources. One thing they do need, however, and something they find in the suburbs, is quality education. Local suburban districts commonly concentrate as much as 80 percent of their tax revenues on support of their schools. Local taxes, in effect, are little more than tuition to these exclusive public schools. And this "tuition" is made much less costly to the families in the district because they can deduct it from their taxable income.

In contrast, New York City, which must handle massive and more diverse social problems than the suburban governments, can spend less of its tax revenues on public schools—about 20 percent of its income from local taxes. And city schools must address a much broader range of more difficult education problems than the suburban schools. The tax system exacerbates the situation because the aggregate value of the federal subsidy of New York City schools through the tax deduction is much lower. In essence, suburban public schools can concentrate more on the needs of upper-income families, and the federal and state tax systems make it easier for the suburbs to pay for these schools.

New York City does have schools that compete with high-quality suburban schools in attracting middle and upper-income families: private schools. But because the tax system does not permit families to deduct tuition payments, private schools are farther out of reach for city families than the schools' tuitions would suggest.

A New York City family with $45,000 taxable income and two children in independent private schools (an average $8,000 per year expense) must allocate about $24,000 of gross taxable income to meet those education expenses. The 14 years of nursery, elementary, and secondary schools will cost the family more than $336,000 of its earnings. The family's alternative would be to move to a suburb with public schools of comparable quality and put that $336,000 into a house or other capital investment. The combination of disproportionate tax benefits for the public education expenses of wealthy suburbs and the substantial tax disadvantages of using private schools in the city drives out middle- and upper-income families.

The elimination of the tax deductability of local taxes is not a popular proposal and would be difficult for the city to promote at the federal level. In addition, the change would create some problems for the city. Federal coffers would take in a lot more money, but the city wouldn't necessarily get more of it. Eliminating the deductability of local taxes is politically risky and probably out of reach. But providing for the deduction of school tuitions would benefit the city—and that measure is within reach.

The major objections to such a change in the tax laws have centered on the presumed elitist, segregationist appeal of private schools. Enrollment data, however, show private school students to be quite similar socioeconomically to those in the public schools. In some sections of the country private schools enroll even higher percentages of minorities than public schools. And private schools serving the highest-income clients enroll higher percentages of minority and low- and moderate-income students than public schools with similar clients—principally because they offer scholarship aid, which public schools do not.

Objections also center on the economic and political impact of private school enrollments on public schools. A careful review shows that the central city public schools will have more resources for fewer students as a result of increased private school enrollment. The city's private schools are valuable social and economic resources, and have the reputation of delivering the highest quality education to inner-city students in particular. Present tax laws damage them and the city.

While research on a tuition tax credit continues to show its need, recent Supreme Court action has clouded the outlook for congressional action and has once again raised the serious question of separation of church and state. In an effort to clarify the picture, I would like to recount briefly the Court action and answer certain questions it has raised.

On May 29 of this year the U.S. Supreme Court upheld a lower court decision which found a New Jersey tuition tax deduction plan to be unconstitutional. In Byrne against Public Funds for Public Schools of New Jersey, the court said that the tax law constituted establishment of religion in violation of the first amendment. However, I do not share the view of some that the prospects for enactment of a Federal tuition tax credit law have been diminished by the Byrne decision.

Previous Supreme Court decisions have established a three-part standard for constitutionality on similar issues. "First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion . . .; finally, the statute must not foster 'an excessive government entanglement with religon.'" (*Lemon* v. *Kurtzman*, 403 U.S. 602, 612, 613, 1971)

The negative decision in Byrne turning down the tuition deduction law was based solely on the view that the law did not meet the second, or neutrality, aspect of this three-part standard, which must be met in its entirety to be considered constitutional. However, that neutrality test, in my view, violates the intent of the Framers of the "establishment" clause. Constitutional scholar Edward Corwin correctly wrote, "The historical record shows beyond peradventure that the core idea of 'an establishment of religion' comprises the idea of preference (of one sect over others); and that any act of public authority favorable to religion in general cannot, without manifest falsification of history, be brought under the ban of that phrase."

It is clear from the notes taken during the 1789 constitutional debates that the authors of the Constitution mean only to prohibit the establishment of a single national religion, a legitimate concern at that time. However, as Justice Powell has written:

At this point in the 20th century we are quite far removed from the dangers that prompted the Framers to include the Establishment Clause . . . The risk of significant religious or denominational control over our democratic processes—or even of deep political division along religious lines—is remote, and when viewed against the positive contributions of sectarian schools, any such risk seems entirely tolerable in light of the continuing oversight of this Court.

Consequently, it would seem appropriate to give the Court the opportunity to define its standard more precisely.

However, even if the Court continues to use its neutrality standard, we should recognize the narrowness of the Byrne decision. In this case the Court found that of the 753 nonpublic elementary and secondary schools in New Jersey, 714, or 95 percent, were sectarian, and concluded that "since the vast majority of those schools * * * are religiously affiliated, it follows that this income tax deduction provision has the direct effect of aiding religion and is * * * in violation of the establishment clause."

This ruling makes institution of a Federal tuition tax credit system all the more important. The logic in Byrne ignores two very important considerations. Not all students attending sectarian schools are there for sectarian reasons. In fact, in Manhattan 13 percent of the students attending parochial elementary schools are non-Catholic. Certain schools are 50 to 60 percent non-Catholic in enrollment. Thus, a tax credit to the parents of these students could hardly be considered to aid religion.

Second, while the percentage of nonpublic schools in New Jersey which were sectarian is disproportionately high, this is not the case nationwide. Figures from the National Center for Educational Statistics indicate that only 77.2 percent of the nonpublic schools nationwide are sectarian. If the Court has difficulty with the high percentage of sectarian schools in one State, we should furnish it the chance to look at the Nation as a whole. It is apparent that the Byrne decision was narrow in scope and specific to the conditions in New Jersey. It should in no way be viewed as an impediment to moving ahead with Federal legislation to provide a tax credit for tuition paid for elementary and secondary education.

In any discussion of such a credit, it is important to emphasize that the credit is granted to individual parents of students and not to educational institutions, whether sectarian or otherwise. Also, the credit is intended to be proeducation, not proreligion. We should value the diversity of education we currently enjoy in the United States and not try to strangle it economically.

Economic fairness for tenants, particularly those in urban areas, is a second area of tax consideration which has given me considerable concern. Since the 1930's the Federal Government has allowed property owners to deduct their payments of local and State property taxes from their taxable income. However, the 35 percent of the households in this country, and the 91 percent in my congressional district, that rent receive no such treatment.

Earlier this year I organized an effort by a majority of the New York congressional delegation to write to the Internal Revenue Service to urge its favorable review of a New York State law providing that a landlord's payment of real estate taxes was as an agent for his tenants, so that they might have the benefit of the deduction. Unfortunately, the IRS ruled that the State law did not suffice to give tenants a deduction for the portion of their rent that pays for real estate taxes. To address this problem I have introduced H.R. 3910, which would amend the Internal Revenue Code of 1954 to allow for such a deduction on taxes which are currently paid indirectly through rent. Several bills have been introduced by other Members of the House, all of which similarly aim at giving this Nation's renters the fairer tax treatment they deserve.

The need for renters' tax relief is becoming more severe as inflation continues to keep ahead of average wages. The rent on decent housing is, in many areas of the country, outpacing the ability of moderate and lower income families to afford such housing. I believe that the Congress must finally take action on this and, since the unfavorable ruling by IRS, I have been making contact with our House colleagues to make a concerted effort on behalf of passage of a renters' relief law. Tomorrow 75 of our colleagues are joining me in a letter to the Chairman of the Ways and Means Committee urging that his panel give attention to the issue of tax equity for renters and the legislative proposals which have been introduced.

I am hopeful that my statement today will help to bring greater congressional attention to the specific problems I have discussed. A tuition tax credit would help urban economies, would provide greater fairness to parents who send their children to nonpublic schools, and would help to stimulate healthy educational diversity. For too long renters have suffered under the inequitable situation of being unable to take advantage of property tax deductions. I urge my colleagues to consider the great need for fairness for the urban taxpayer by promoting action on the initiatives I have outlined.●

ISRAEL'S ILLEGAL USE OF U.S. WARPLANES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognised for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, since May

10, 1979, when Israel broke a U.N. arranged cease-fire and began bombing Lebanon once again—I have been seeking a determination from the Department of State as to whether Israel has been illegally using U.S.-supplied warplanes and other weapons in violation of the Arms Export Control Act of 1968. I renewed in writing my May 10 request on June 6, June 29, and July 23. Last Friday I was promised a response no later than July 30. More than 2½ months have now transpired, and I still have no answers.

While I have been assured repeatedly that a response is being prepared, it never materializes. The impending recess of Congress leaves me no choice but to take exceptional action at this time to force the Department to fulfill its statutory responsibility. I therefore introduced this morning a highly privileged resolution of inquiry directing the Secretary of State to provide Congress the following information:

First. A list of all incidents this year in which Israel has used U.S.-supplied warplanes in hostile circumstances outside its borders.

Second. Copies of all protests made by the United States to Israel concerning the use of our warplanes.

Third. Copies of all responses by the Government of Israel to U.S. protests.

Fourth. Documents concerning the legality of Israel's use of U.S. warplanes.

I take this step reluctantly because I had expected to have a response from the Secretary of State several weeks ago. Instead the bombing and the killing of innocent people in Lebanon with American supplied weapons has continued. Our Government has a statutory mandate to do something to stop it. Hopefully, this resolution of inquiry will help stop the killing. I shall call it up for debate on the floor of the House immediately after Congress returns in September unless I receive a satisfactory response prior to that time.

My information shows there has been a whole series of violations by Israel of the restriction on using U.S.-supplied weapons only for the purpose of legitimate self-defense. As I said, on May 6 of this year, Israel broke an 11-day ceasefire arranged by the United Nations on the Lebanese border and bombed the Lebanese village of Mohamarah and a nearby Palestinian refugee camp. According to the Government of Lebanon, seven people were killed, including a 1½-month-old baby, and 40 people were wounded. A wedding party was in progress in one of the homes destroyed by the bombing.

The purpose of this attack was not for reprisal against Palestinians for attacks against Israel.

According to all authorities, the Palestinians had been observing the U.N. cease-fire. An Israeli military spokesman quoted by the Washington Post justified the breaking of the cease-fire and the bombing of innocent civilians and Palestinians alike with the statement that this was "in keeping with Israel's policy to 'hit any time and any place' to preempt terrorist attacks inside Israel."

For 3 days running, Israel proceeded to use U.S. supplied warplanes to bomb various towns, villages, and Palestinian refugee camps in Lebanon. Scores of Lebanese and Palestinians were killed and injured, and thousands were made homeless refugees. Prime Minister Begin echoed the Israeli military spokesman, stating:

> We will strike against them and the organization led by Yasser Arafat, the Palestinians' Idi Amin.

Yet Begin's statement belies the fact that Israel's attacks did not kill only members of the PLO, or even only Palestinians. Innocent Lebanese civilians—women and children—were also killed indiscriminately by Israeli bombs dropped from U.S. supplied aircraft. Such killing is all the more senseless given the fact that Israel has the military capacity to be far more discriminating and precise in its attacks. Instead, it has chosen a course which has resulted in the deaths of many innocent people and has made thousands homeless. According to the New York Times, "The Prime Minister suggested that the problem of Palestinian refugees in Lebanon—whose numbers he estimated at 165,000—should be solved by resettling them in Syria, Iraq, Libya, and Saudi Arabia."

Predictably, the Palestinians retaliated by planting a bomb at an Israeli bus station which killed Israeli civilians when it exploded. Since the cease-fire was broken, there have been other incidents which have resulted in needless deaths, including the bombardment of Israeli towns by artillery located across the Lebanese border and the periodic invasion of Lebanon by Israeli patrols which blow up Lebanese and Palestinian homes.

What is particularly significant in all of this is the drastic change in policy by Israel in the way in which it uses U.S.-supplied weapons. In the past, Israel has always given a quick "measured response" to any attack upon its borders or its citizens. The explosion of a Palestinian bomb in Israel was certain to be followed by the devastating bombing of a Palestinian refugee camp in Lebanon. As a result, Palestinians knew that the dead and injured among their own innocent civilians would probably always exceed the number of Israelis killed by terrorists, and this fact weighed heavily in any terrorist attack undertaken.

However, this year, Israel discarded the policy of giving a "measured response" to Palestinian attacks and in its place established the policy of striking "any time and any place" in Lebanon in an attempt to preempt Palestinian attacks. Self-defense became a code word for indiscriminate strikes which kill dozens of innocent civilians and are designed to depopulate much of southern Lebanon.

To implement this new policy, Israel has used U.S.-supplied planes repeatedly to bomb positions all over southern Lebanon. On May 23 U.S.-supplied jets were again used to bomb Palestinian camps. On June 6 Israel yet again broke an unofficial ceasefire and bombed the Nabatiyeh region of Lebanon. Then on June 26 Israeli pilots in F-15's shot down Syrian Mig's over southern Lebanon as the Mig's tried unsuccessfully to prevent further bombing in southern Lebanon. Defying a statement of objection voiced by the U.S. administration, on July 23 Israel again bombed southern Lebanon, this time using F-4's, and killing innocent civilians.

Without question, there have been Palestinian attacks during this period, and to some extent one is confronted with a chicken and egg problem in trying to decide who is responsible for prompting each new outbreak of violence. What is clear is that the Palestinians were generally observing the U.N. ceasefire and that the level of violence attributable to the Palestine Liberation Organization has been significantly reduced this year. At the same time, Israeli violence, perpetrated with U.S.-supplied warplanes, has been much higher in recent months.

The anomaly in all of this is that by changing its policy, Israel seems to have removed whatever incentive has until now existed on the part of Palestinians to restrain terrorist attacks on Israel. Whereas previously Palestinians knew that reprisals for attacks would be swift and overpowering, now they know that Israeli attacks are unrelated to their own military activities. They know that their refugee camps will be bombed even if they are not used as training bases for guerrilla activities. Israel seems to have built in a disincentive which actually encourage Palestinian terrorism and military adventurism. The real wonder is that to date the Palestine Liberation Organization and Fatah have actually kept violence at a lower level this year than in the past.

Section 4 of the Arms Export Control Act of 1968 states that:

> Defense articles and defense services shall be sold by the United States Government under this Act to friendly countries solely for internal security, for legitimate self-defense—

And to allow such countries to participate in collective security arrangements. Actually, Israel's obligation to use U.S.-supplied weapons only for legitimate self-defense long predates that act. In 1952, the Israeli Minister of Foreign Affairs entered into a written agreement which states that Israel will use such weapons "solely to maintain its internal security, its legitimate self-defense . . . and that it will not undertake any act of aggression against any other state."

This agreement is still binding.

Under section 3(c)(2) of the act, the President is required to report to Congress whenever U.S.-supplied arms may have been used in violation of the act. It is clear to me that Israel's use of our warplanes in Lebanon constitutes a violation of the act.

Secretary Vance should reject Israel's assertion that the term "legitimate self-defense" includes preemptive strikes "any time, any place" in the absence of a clear and imminent danger of invasion by another country. He should report to Congress as the act requires.

U.S. weapons sold for self-defense purposes cannot legally be used by any country to make war against another country's territory in the absence of an armed attack. To do so would allow a country supplied with weapons by the United States to make war at will upon its neighbors. The unrestrained attacks by Israel upon Lebanon have created the appearance of U.S. complicity in these attacks in the eyes of many Middle East countries.

The question is what should the United States do at this point.

The Arms Export Control Act provides one possible answer. Section 3(c)(1) states that,

> No credits and no cash sales or deliveries pursuant to previous sales may be made with respect to any foreign country under this Act . . . if such country uses defense articles or defense services furnished under this Act . . . in substantial violation . . . of any agreement entered into pursuant to any such Act by using such articles or services for a purpose not authorized under section 4 * * *.

Section 4 then requires that a country "shall be deemed to be ineligible" for credits and sales "in the case of a violation" described in section 3 "if the President so determines and so reports in writing to the Congress, or if the Congress so determines by joint resolution."

The Secretary of State should take the first step in this process by sending a notice to Congress that a violation may have occurred.

For my own part, I shall press for a resolution of this matter which assures that in the future U.S. warplanes cannot be used by Israel as they have been in recent months. To this end, I am also introducing today five resolutions disapproving five separate sales of military equipment proposed by our Government for Israel. Included are tanks, armored personnel carriers, and howitzers, all of which have the potential for being used in violation of the mandate in the Arms Export Control Act that they be used only for "legitimate self-defense."

I take this extraordinary step at this time for three reasons:

First, it is the prescribed remedy under the Arms Export Control Act when U.S.-supplied weapons are used in violation of the act. Section 3(c)(3) states that Congress may by joint resolution cut off credits and cash sales of military equipment whenever a violation of the act occurs. And section 36(b) provides that Congress may by concurrent resolution disapprove the proposed sale of military articles to any country. It is under section 36(b) that I have chosen to proceed at this time, electing only to show disapproval of new arms sales without prejudicing sales agreed to previously.

The second reason I am introducing these resolutions at this time is to call attention to the fact that Israel's indiscriminate and unlawful use of U.S.-supplied weapons severely undermines U.S. objectives in the Middle East. Israel's bombing and killing of Palestinians results in their isolation and estrangement from the United States at the very time we are trying to bring them into the peace process.

The constant and repeated incursions into Lebanon by Israeli ground combat troops and U.S.-supplied warplanes serves to worsen the fragmentation and dislocation in Lebanon at a time when our policy is to strengthen that country, promote its stability, and help to build a unitary state. And worst, the heavy bombardment of Lebanon and the Palestinians who live there makes Egypt's position in the peace process increasingly untenable.

Already under attack from other Arabs for selling out the Palestinians, Israel demonstrates with every bomb it drops the difficulty that Egypt has effectively protecting Palestinian interests in the Middle East. In this way, Israel jeopardizes even the limited peace it has negotiated with Egypt. U.S. military equipment supplied to Israel, while serving the legitimate security needs of that country, must also make a contribution to furthering the peace process.

The third and perhaps the primary reason I am introducing these resolutions is to encourage the administration and our friends in Israel to work out concrete assurances that U.S. weapons, particularly warplanes, will never again be used as they have been for the past 6 months. Before the United States sells Israel additional arms, we should be certain that they will not be used for nondefensive purposes or in violation of the law. And we should be certain that existing weapons which have been placed in the Israeli arsenal will not be misused either.

In the past, when Israel has misused U.S.-supplied weapons in violation of the act, our Government has sought a written understanding as to how those weapons are to be used in the future. Such a course should be followed in this case, too.

The United States must demand assurances that U.S. warplanes will be used only to repel an attack, for measured retaliation for specific acts of deadly force within Israel, and in hot pursuit after violation of Israeli airspace, waters, or land.

Even such uses of our warplanes must still be measured against the kind and scope of the attack to which it responds. As Secretary Vance told the Foreign Affairs Committee earlier this year, it is important to consider the "proportionality" of the response. The United States will always consider "whether the self-defense was such as to be appropriate or whether it exceeded that," he said.

A second question, according to Secretary Vance, "is whether or not in going in they went in further than was required for self-defense."

These are two important issues to consider whenever it has first been determined that our warplanes have been used for "legitimate self-defense." But I want to stress that most of the uses of our planes to bomb Lebanon in recent months do not even cross the threshold of "legitimate self-defense," and therefore these questions are not reached in these instances.

Mr. Speaker, I stated that I have taken the step of introducing these resolutions reluctantly, and I mean it. Israel is one of the strongest friends and allies the United States has in the Middle East. I do not wish to see that relationship impaired, and I do not believe that the inevitable disagreement that will result from a finding that they have violated the law need do irreparable damage to the important cooperative spirit that has existed between us since Israel was created.

Up to this moment my voice and vote has always been raised in support of military and economic aid for Israel. I will continue to support steadfastly its independence and security.

But as I have said time and again on the floor of the House, the killing and violence in the Middle East must cease. The United States has an important role to play in bringing that conflict to a peaceful settlement. It is an active role. In this case, it is clear that Israel has seriously erred. Our responsibility—to ourselves, to the other peoples in the Middle East who look to us for leadership, and ultimately to Israel—requires that we actively seek to correct the error so that the process of peace and justice can go forward unimpeded.●

LEGISLATION TO AMEND TITLE I OF HIGHER EDUCATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, I am today introducing a bill which would amend title I of the Higher Education Act, the community services and continuing education program. The Subcommittee on Postsecondary Education, of which I am a member, has worked diligently for the past 4 months on the subject of reauthorizing the Higher Education Act.

Under the leadership of Chairman WILLIAM D. FORD and the ranking minority member, JOHN H. BUCHANAN, Jr., the subcommittee has completed 29 hearings on the various titles under the act. I wish to note with appreciation the very comprehensive manner in which the chairman of the subcommittee has solicited and reviewed recommendations from 61 different education associations and organizations.

The bill I introduce today outlines the recommendations of the American Association of Community and Junior Colleges for changes in title I of the Higher Education Act. We are entering a period of declining enrollments where our concerns and policies are beginning to focus on the needs of the nontraditional learner. In the community colleges across the Nation, the average age of the enrolled learner is 30 years. With this demonstrated change from the traditional age of a postsecondary student, we need to be sensitive to the special needs of the nontraditional learner. I introduce this bill for the purpose of further subcommittee discussion and support considering the merits of this proposal along wtih others the subcommittee has received in devising a workable restructure of the title I program to address more comprehensively the community service and continuing education needs across the country. Thank you.

The bill follows:

H.R. —

A bill to provide needed community services by institutions of higher education for improving the economy, unemployment, and technology application in the regions they serve; to improve and expand post-secondary opportunities for nontraditional students

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Higher Education Act of 1965 is amended to read as follows:

"TITLE I—PROGRAMS TO MEET COMMUNITY NEEDS

"PART A—FUNDING OF PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 101. It is the purpose of this title to establish programs to meet the postsecondary education needs of communities through—

"(1) community service and continuing education programs,

"(2) a program for improvement of post-secondary education opportunities,

"(3) a program of grants to universities serving urban areas, and

"(4) a program to transfer technology developed for Federal purposes to meet community needs.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 102. There is authorized to be appropriated for each fiscal year ending prior to October 1, 1985 for programs provided for in this title an amount equal to the population of all the States multiplied by $1.00. The population of the States shall be determined on the basis of the most recent satisfactory data available from the Department of Commerce.

"ALLOCATION BETWEEN PROGRAMS

"SEC. 103. Of the funds appropriated to carry out this title—

"(1) 15 per centum shall be available only to carry out part B,

"(2) 25 per centum shall be available only to carry out part C,

"(3) 25 per centum shall be available only to carry out part D, and

"(4) 35 per centum shall be available only to carry out part E.

"PART B—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

"APPROPRIATIONS AUTHORIZED

"SEC. 110. Funds made available for this part under section 103(1) shall be used for (1) assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this part to strengthen community service programs of colleges and universities, (2) supporting the expansion of continuing education in colleges and universities, and (3) supporting resource materials sharing programs.

"DEFINITION OF COMMUNITY SERVICE PROGRAM AND CONTINUING EDUCATION PROGRAM

"SEC. 111. (a) For purposes of this part, the term 'community service program' means an educational program, community forum, or service, including a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, where the institution offering such program, activity, or service determines—

"(1) that the proposed program, activity, or service is not otherwise available, and

"(2) that the conduct of the program or performance of the activity or service is consistent with the institution's overall educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where course offerings are involved, such courses must be university extension or continuing education courses and must be of college level as determined by the institution offering such courses.

"(b) For purposes of this part the term 'continuing education program' means post-secondary instruction designed to meet the educational needs and interests of adults, including the expansion of available learning opportunities for adults who are not adequately served by current educational offerings in their communities.

"(c) For purposes of this part, the term 'resource materials sharing programs' means planning for, and improving the use of, existing community learning resources by finding ways that combinations of agencies, institutions, and organizations can make better use of existing educational materials, communications technology, local facilities, and such human resources as will expand learning opportunities for adults in the area being served.

"ALLOTMENTS TO STATES

"SEC. 113. (a) From the sums made available for this part under section 103(1), for any fiscal year which are not reserved under section 116(a), the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the population of such State bears to the population of all the States.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this part shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year from funds made available for this part under section 103(1) shall be deemed part of its allotment under subsection (a) for such year.

"(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this part be added to the allotment of another State under this part for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this part. If it is found by the Commissioner that the programs with respect to which the request is made would meet the needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the allotment of the other State under this part to be used for the purpose referred to above.

"(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

"USES OF ALLOTTED FUNDS

"SEC. 114. A State's allotment under section 113 may be used, in accordance with its State plan approved under section 115(b), to provide new, expanded, or improved community service and continuing education programs, including resource material sharing programs.

"STATE PLANS

"SEC. 115. (a) Any State desiring to receive its allotment of funds under this part for use in community service and continuing education programs, including resource material sharing programs, shall submit to the Commissioner a State plan. A State plan submitted under this part shall—

"(1) provide that the State Commission (established or designated under section 1202) shall be the sole agency for administration of the plan or for supervision of the administration of the plan;

"(2) set forth a comprehensive, coordinated, and statewide system of community service and continuing education programs, including resource materials sharing programs, under which funds paid to the State (including funds paid to an institution or combination pursuant to section 117(c)) under its allotments under section 112 will be expended solely for community service and continuing education programs, including resource materials sharing programs, which have been approved by the State Commission administering the plan;

"(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education and combinations thereof in the State, which policies and procedures shall insure that due consideration will be given—

"(A) to the relative capacity and willingness of particular institutions of higher education and combinations thereof (whether public or private) to provide effective community service and continuing education programs, including resource materials sharing programs;

"(B) to the availability of and need for community service and continuing education programs, including resource materials sharing programs among the population within the State; and

"(C) to the results of periodic evaluations of the programs carried out under this part;

"(4) set forth policies and procedures designed to assure that Federal funds made available under this part will be so used as not to supplant State or local funds, or funds of institutions of higher education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would be in the absence of such Federal funds be made available for community service and continuing education programs, including resource materials sharing programs; and

"(5) assurances that all institutions of higher education in the State have been given the opportunity to participate in the development of the State plan.

"(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

"(c) The Commissioner shall not by standard, rule, regulation, guideline, or any other means, either formal or informal, require a State to make any agreement or submit any data which is not specifically required by this part.

"SPECIAL PROGRAMS AND PROJECTS RELATING TO NATIONAL AND REGIONAL PROBLEMS

"SEC. 116. (a) The Commissioner is authorized to reserve from the sums made available for this part under section 102(1) for any fiscal year an amount not in excess of 10 per centum of the sums so made available for that fiscal year for grants pursuant to subsection (b).

"(b)(1) From the sums reserved under subsection (a), the Commissioner is authorized to make grants to, and contracts with, institutions of higher education (and combinations thereof) to assist them in carrying out special programs and projects, consistent with the purposes of this part, which are designed to seek solutions to national and regional problems relating to technological and social changes and environmental pollution.

"(2) No grant or contract under this section shall exceed 90 per centum of the cost

of the program or project for which application is made.

"PAYMENTS

"SEC. 117. (a) Except as provided in subsection (b), payment under this part shall be made to those State Commissions which administer plans approved under section 115(b). Payments under this part from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 66⅔ per centum of such costs, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State, or $40,000, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

"(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and contining education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought.

"(c) Payments under this part may be made directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both.

"ADMINISTRATION OF STATE PLANS

"SEC. 118. (a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State Commission submitting the plan reasonable notice and opportunity for a hearing.

"(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State Commission administering a State plan approved under section 115(b) finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of section 115(a), or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify the State Commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply.

"JUDICIAL REVIEW

"SEC. 119. If a State's plan is not approved under section 115(b) or a State's eligibility to participate in the program is suspended as a result of the Commissioner's action under section 118(b), the State may within sixty days after notice of the Commissioner's decision institute a civil action in an appropriate United States district court. In such an action, the court shall determine the matter *de novo.*

"SEC. 120. (a) The Commissioner is authorized to make grants to institutions of higher education (and combinations thereof) to assist such institutions in planning, developing, and carrying out, consistent with the purpose of this part, programs specifically designed to apply the resources of higher education to the problems of the elderly, particularly with regard to transportation and housing problems of elderly persons living in rural and isolated areas.

"(b) For purposes of making grants under this section, there are authorized to be appropriated such sums as may be necessary for each fiscal year ending prior to October 1, 1985.

"(c) In carrying out the program authorized by this section, the Commissioner shall consult with the Commissioner of the Administration on Aging for the purpose of coordinating, where practicable, the programs assisted under this section with the programs assisted under the Older Americans Act of 1965.

"TECHNICAL ASSISTANCE AND ADMINISTRATION

"SEC. 121. (a) The Commissioner is authorized to reserve not to exceed 10 per centum of the amount made available for this part for any fiscal year pursuant to section 103(1) in excess of $14,500,000 for the purpose of this section.

"(b) From funds reserved under subsection (a) of this section, the Commissioner shall provide technical assistance to the States and to institutions of higher education. Such technical assistance shall—

"(1) provide or contribute to a national diffusion network to help assure that effective programs are known among such States and institutions;

"(2) assist with the improvement of planning and evaluation procedures; and

"(3) provide information about the changing enrollment patterns of adults in postsecondary institutions, and provide assistance to such States and institutions in their efforts to understand these changing patterns and to accommodate them.

"(c) The Commissioner shall provide for coordination between community service and continuing education programs (including resource materials sharing programs) conducted by him with all other appropriate offices and agencies, including such offices and agencies which administer vocational education programs, adult education programs, career education programs, and student and institutional assistance programs.

"NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION

"SEC. 122. (a) The President shall appoint a National Advisory Council on Extension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of one representative each of the Department of Agriculture, Commerce, Defense, Health, Education, and Welfare (other than the Office of Education), Labor, Interior, State, and Housing and Urban Development, and the Community Services Administration, and of such other Federal agencies having extension education responsibilities as the President may designate, and twelve public members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve public members shall, to the extent possible, including persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less than twice a year.

"(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this part, including policies and procedures governing the approval of State plans under section 115(b), and policies to eliminate duplication and effectuate the coordination of programs under this part and other programs offering extension or continuing education activities and services.

"(c) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this part and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

"(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency. Subject to section 448(b) of the General Education Provisions Act, the Advisory Council shall continue to exist until the programs authorized by this part are terminated.

"RELATIONSHIP TO OTHER PROGRAMS

"SEC. 123. Nothing in this section shall modify any authority under the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. § 341-348).

"LIMITATION

"SEC. 124. No grant may be made under this part for any educational program, activity, or service directly related to sectarian instruction or religious worship, or provided by a school or department of divinity.

"PART C—IMPROVEMENT OF POST-SECONDARY EDUCATION OPPORTUNITIES

"Subpart 1—Statewide Plans

"SEC. 131. (a) Each State Commission (established or designated under section 1202) of each State which desires to receive assistance under this part shall develop a statewide plan for the improvement of post-secondary education programs. Such plan shall among other things—

"(1) designate areas, if any, of the State in which residents do not have access to at least two years of postsecondary education within reasonable distance;

"(2) set forth a comprehensive statewide plan for the improvement of post-secondary education opportunities, which would achieve the goal of making available to all residents of the State an opportunity to attend a post-secondary education institution;

"(3) establish priorities for the use of Federal and non-Federal financial and other resources which would be necessary to achieve the goal set forth in clause (2);

"(4) make recommendations with respect to adequate State and local financial support, within the priorities set forth pursuant to clause (3), post-secondary education institutions;

"(5) set forth a statement analyzing the degree to which post-secondary education institutions provide comprehensive post-secondary education services for all persons within reasonable commuting distances and, where certain services are unavailable to significant numbers of persons desiring them, encourage institutions to make appropriate efforts to provide those services; and

"(6) set forth a plan for the use of existing and new educational resources in the State in order to achieve the goal set forth in clause (2), including recommendations for the modification of State plans for federally assisted vocational education, community services, and academic facilities as they may affect post-secondary education institutions.

"(b)(1) There are authorized to be appropriated $15,700,000 for each of the fiscal years ending prior to October 1, 1985, to carry out the provisions of this section.

"(2) Sums appropriated pursuant to paragraph (1) shall be allotted by the Commis-

sioner equally among the States, except that the amount allotted to Guam, American Samoa, and the Virgin Islands shall not exceed $160,000 each. Such sums shall remain available until expended.

"(c) Each plan developed and adopted pursuant to subsection (a) shall be submitted to the Commissioner for his approval. The Commissioner shall not disapprove any plan unless he determined, after reasonable notice and opportunity for hearing and comment, that it is inconsistent with the requirements set forth in this section.

"SUBPART 2—IMPROVEMENT OF POST-SECONDARY EDUCATION OPPORTUNITIES

"SEC. 133. In order to encourage and assist those States and localities which desire to improve post-secondary education opportunities, the Commissioner shall, from the sums made available for the purposes of this part under section 103(2), carry out a program as provided in this part for making grants to post-secondary education institutions in order to improve educational opportunities available through such institutions in such States.

"APPORTIONMENTS

"SEC. 133. (a) From the sums made available pursuant to section 103(2) for purposes of this part for each fiscal year the Commissioner shall apportion not more than 5 per centum thereof among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs. From the remainder of such sums the Commissioner shall apportion to each State an amount which bears the same ratio to such remainder as the population aged eighteen and over in such State bears to the total of such population in all States. For the purpose of the second sentence of this subsection, the term 'State' does not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

"(b) The portion of any State's apportionment under subsection (a) for a fiscal year which the Commissioner determines will not be required, for the period such apportionment is available, for carrying out the purposes of this part shall be available for reapportionment from time to time, on such dates during such period as the Commissioner shall fix, to other States in proportion to the original apportionments to such States under subsection (a) for such year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates such State needs and will be able to use for such period for carrying out such portion of its State plan referred to in section 131(a)(2) approved under this part, and the total of such reductions shall be similarly reapportioned among the States whose proportionate amounts are not so reduced. Any amount reapportioned to a State under this subsection during a year shall be deemed part of its apportionment under subsection (a) for such year.

"IMPROVEMENT GRANTS

"SEC. 134. (a) The Commissioner is authorized to make grants, consistent with the terms of the appropriate State plan approved under section 131, to post-secondary education institutions to enable them to carry out the provisions of subsections (b) and (c) of this section. Of the funds made available for this part under section 103(2), the Commissioner shall make grants pursuant to subsection (b), before making grants under any other subsection or section of this part, until such time as he determines all approved requests relating to subsection (b) have been funded.

"(b) The Commissioner is authorized to make grants to institutions eligible under subsection (a) to assist them in modifying their educational programs and instructional delivery systems to provide educational programs especially suited to those persons whose educational needs have been inadequately served, especially those among the handicapped, older persons, persons who can attend only on a less than half-time basis and persons who otherwise would be unlikely to continue their education beyond the high school. Such programs may include, but are not limited to, methods designed to eliminate such barriers to student access as inflexible course schedules, location of instructional programs, and inadequate transportation.

"(c) The Commission is also authorized to make grants to institutions eligible under subsection (a) to assist them in expanding their enrollment capacity or in establishing new educational sites as documented in the State plan. Any grants related to facilities may only be made to institutions which have provided the Commissioner with such assurances as he requires that they have first explored the possibilities of using existing facilities on the campus of the applying institution, existing facilities in the community which are suitable and available for educational programs without unreasonable cost to the institution, and explored the willingness of other institutions within a reasonable commuting distance to provide educational programs, or space or other components of an educational delivery system, through contract or other agreement with the institution.

"LEASE OF FACILITIES

"SEC. 135. (a) The Commissioner is authorized to make grants to post-secondary education institutions to enable them to lease facilities, for a period not to exceed five years, in connection with activities carried out by them under section 133.

"(b) The Federal share of carrying out a project through a grant under this section shall not exceed—

"(1) 70 per centum of the cost of such project for the first year of assistance under this section;

"(2) 50 per centum thereof for the second such year;

"(3) 30 per centum thereof for the third such year; and

"(4) 10 per centum thereof for the fourth such year.

"APPLICATIONS; FEDERAL SHARE

"SEC. 136. (a)(1) Grants under section 133 may be made only upon application to the Commissioner. Applications for assistance under such sections shall be submitted at such time, in such manner and form, and containing such information as the Commissioner shall require by regulation.

"(2) No application submitted pursuant to paragraph (1) shall be approved unless the Commissioner determines that it is consistent with the plan approved by him under section 131 from the State in which the applicant is located.

"(b)(1) No application for assistance under section 133 shall be approved for a period of assistance in excess of four years.

"(2) The federal share of the cost of carrying out the project for which assistance is sought in an application submitted pursuant to this section shall not exceed—

"(A) 40 per centum of such cost for the first year of assistance;

"(B) 30 per centum thereof for the second year of assistance;

"(C) 20 per centum thereof for the third year of assistance; and

"(D) 10 per centum thereof for the fourth year of assistance.

"(c)(1) Funds made available for this part under section 103(2) and granted under section 133 shall, subject to paragraph (2), be available for those activities the Commissioner determines to be necessary to carry out the purposes of such sections.

"(2) Such funds may be used (A) to remodel or renovate existing facilities, or (B) to equip new and existing facilities, but such funds may not be used for the construction of new facilities or the acquisition of existing facilities.

"PAYMENTS

"SEC. 137. From the amount apportioned to each State pursuant to section 133, the Commissioner shall pay to each applicant from that State which has had an application for assistance approved under this subpart the Federal share of the amount expended under such application.

"DEFINITIONS

"SEC. 138. As used in this part, the term 'postsecondary education institution' means any junior or community college, postsecondary vocational school, technical institute, or any other educational institution (which may include a four-year institution of higher education or a branch thereof) in any State which—

"(1) is legally authorized within such State to provide a program of education beyond secondary education;

"(2) admits as regular students persons who are high school graduates or the equivalent, or beyond the age of compulsory school attendance;

"(3) provides a postsecondary education program leading to an associate degree or acceptable for credit toward a bachelor's degree;

"(4) is a public or other nonprofit institution;

"(5) is accredited as an institution by a nationally recognized accrediting agency or association, or if not so accredited—

"(A) is an institution that has obtained recognized preaccreditation status from a nationally recognized accrediting body, or

"(B) is an institution whose credits are acceptable on transfer, by not less than three accredited institutions, for credit on the same basis as if transferred from an institution so accredited." ●

JOHN J. MONTGOMERY NATIONAL MONUMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

● Mr. BOB WILSON. Mr. Speaker, 96 years ago this month, an event took place on a mesa in Otay, Calif., an area just south of San Diego, that profoundly affected the history of aviation.

In August 1883, a young scientist and mathematician, John J. Montgomery, made the world's first controlled winged flight in a glider.

The flight was witnessed only by Montgomery's younger brother Jim, as Montgomery himself was a shy man and avoided publicity, believing that he would be thought "crazy" if word of his attempt at flight became public knowledge. It was not until 1893, 10 years later, after meeting Octave Chanute, the leader of a group of distinguished aviation scientists and experimenters, at the Chicago World's Fair, that he told of his early flights. Chanute was amased to learn that Montgomery had already done what had formerly been mere theory.

In a deposition taken in 1944 from Montgomery's brother who had been present that morning in 1883, the following account of that first flight was detailed:

As there was a great deal of skepticism among the neighbors, John kept his plans

secret, even to the extent of leaving for the Mesa before dawn and taking his machine to the designated spot for the trial flight, and then taking it home after nightfall.

The flying machine was placed on a hay rack in a wagon, John driving and I steadying it until we reached the Mesa in Otay Valley. The Machine was placed on the ground facing the West, as John had decided not to start the flight until a breeze arose from that direction and between nine and ten a.m. there was sufficient breeze to start the flight.

A rope was attached to the front of the Flying Machine and John seated himself on a saddle, his feet in stirrups, etc. I grasped the rope and at a given signal ran forward on a gently sloping hill.

The Machine rose with a smooth upward curve, carrying with it the released rope. The Machine gently undulated to the right and left until it lighted with a graceful ease some 600 feet away.

Many other flights were made on that day, but I was so overcome and thrilled with the success of the first flight that it was the one that is outstanding in my memory.

Please bear in mind that this event took place in 1883, decades before the Wrights flew at Kitty Hawk.

Montgomery went on to design numerous other gliders and experiment with flight. He is credited with the discovery of the curved wing principle, from which all modern aircraft wings are constructed, and without which there would be no flight today.

Montgomery also devised the first combination of working wings and curved surfaces and obtained a patent on September 18, 1906. He continued working on manned flight until his death in a glider crash in 1911.

However, through the years, both Montgomery and his achievements were upstaged by others whose names have since become household words. As a result, Montgomery slipped into the obscurity of history and it was not for several decades that any mention or recognition of his efforts has been made.

Mr. Speaker, there exists today in a small corner or Otay, just south of San Diego, a park on the site of that first flight. That park is off a freeway that heads south to the Mexican border and is passed by thousands of our citizens every day, going to and from work or recreation, with no knowledge that it exists, or of the events that took place there 96 years ago.

It is my intention that national recognition be given this pioneer of flight, that his memory should not be shunted aside in our history of aviation. Therefore, I am today introducing legislation to create the John J. Montgomery National Monument at the scene of that first historic flight. I believe the city of San Diego, which now owns the property containing the site, will be willing to donate the land, including the monument, to the National Park Service for a memorial to Montgomery.

Mr. Speaker, I sincerely hope that this body will look favorably on this legislation. Numerous other pioneers of flight have been duly honored by our Nation for their contributions, many having incorporated Montgomery's principles into their machines. I believe it is therefore fitting that we now recognize through the establishment of this national monument the achievements and contributions of John J. Montgomery. Such a commemoration would assure that John Montgomery will no longer be "the forgotten man of aviation." ●

COMPARATIVE RISK ASSESSMENT IN TECHNOLOGY AND SCIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. RITTER) is recognized for 5 minutes.

● Mr. RITTER. Mr. Speaker, on Wednesday, July 26, 199, I addressed a special joint House-Senate congressional hearing, together with members of the American Association for the Advancement of Science, on the subject of risk/benefit analysis. I spoke on the need for public input in comparing risks that affect their health, their jobs, and their lives.

For those Members who are not yet fully focused on the scope of this problem facing Americans, I insert into the RECORD today the following article. Also, I insert the text of my speech calling for congressional action. One clear possibility is along the lines of my bill, H.R. 4939, to provide for a mechanism in scientific, technological, and related fields to determine comparative risks.

My bill is referred to the Committee on Science and Technology. I would appreciate the support of Members who are interested in positive steps to eliminate the current paralysis preventing American science and technology from making their proper contributions to progress. This legislative action is nowhere more necessary than in the areas of energy, productivity, and the effects of Government regulations.

The material follows:

TESTIMONY GIVEN BY HON. DON RITTER AT THE BENEFIT/RISK FORUM BEFORE HOUSE COMMITTEE ON SCIENCE AND TECHNOLOGY

I would like to say how delighted I am to be a part of this very constructive forum on the critically-important subject of risk/benefit analysis.

As a member of the Science, Research and Technology Subcommittee, I want to thank event Chairmen George Brown and Donald Pease, as well as Senator Adlai Stevenson and former Congressman Charles Mosher and members of the American Association for the Advancement of Science for allowing me this opportunity to testify here before you today.

We haven't reached the end of 1979 yet, but already it's clear that two events will end up being the headlines of the year. The first is the nuclear accident at Three Mile Island. The second is the summer of the gasoline crunch.

Besides being the hot topic of conversation across millions of dinner tables, those two events profoundly shook the average American, whatever his politics or income level.

I mention Three Mile Island and the gasoline crunch, because, in a very real way, they say more about the subject we are here to talk about than many scholarly statements.

Reduced to basics, Three Mile Island and the gas crunch were two sides of the same coin. TMI gave us a peek at the risks of having a particular energy source. The gas crunch gave us a peek at the risks of not having an energy source. Some may see this as ironic. I see it as an eloquent unspoken plea for taking comparative risk seriously—in government and in public.

The average person may ask why he should care about something as academic-sounding as "comparative risk." After all, nobody really discussed this in a broad, public manner before. The answer is that individuals have always assessed risks—they just never bothered to put them in comparative terms.

In primitive society, tribal chiefs believed to have miraculous powers made such choices for their people. More recently, as modern society developed, risks were balanced on mainly economic grounds . . . until we reached the age of the government decision-maker, who took over much of the risk-balancing from his own agency's perspective on the "public good."

But the simple fact is that now, at the beginning of the 1980s, in the era of TMI, the gas crunch, and energy belt-tightening, the old ways of comparing risks won't work any more. They've broken down. Something new is needed . . . badly.

The problem isn't that government doesn't consider risk any more. It's that government doesn't understand the need and doesn't have the ability to compare public risks in a down-to-earth way that the average American can relate to and understand.

Until government learns to do that, the American people will continue to be left out in the cold, with no way to participate in decisions that affect their jobs, their daily lives, their pocketbooks, and their children.

In plain English, what I'm pleading for today is that Government begin to make the attempt to inform people how much risk there will be if we take or do not take a given action . . . to tell them exactly how that risk compares with the risk of the alternatives . . . and with the familiar risks they face every day . . . and with the risk of doing nothing. Armed with that understanding, the average American can start influencing Government decisions, instead of just reading about them as if they had been sent down from a mountain on stone tablets. (And special interest groups are most often not average Americans.)

In all the vast numbers of words that will be written and spoken about risk this week, I think one single word holds the key. Without that word, we might as well hold these hearings on an island somewhere, as if they were just verbal calisthenics. That key word is "comparative."

I've often thought since coming to Congress that one of the reasons nobody feels in touch with the Government any more is that our senses are dulled to the standards that make up Washington decision-making. Congress sets an allowable level of 0.1 milligram of emission X. EPA sets an allowable level of 0.01 milligram of emission Y. A steel company threatens that, unless an emission can be raised from 0.06 to 0.097 milligram, ten thousand workers will be laid off.

The average American, sitting in his living room, finds all this hard to comprehend. It may as well be happening in Greenland, for all he can understand. Little does he know that the fabric on the chair he is sitting on, the paper he is reading, and the cost of the dinner cooking in his kitchen are all tied into this seemingly irrelevant mumbo-jumbo.

This is supposed to be a democracy. That man and his wife have a right to speak their mind about things that affect them. Sure—they can go down to the polls in November. But just to leave it at that is not enough. That man and woman deserve more than just a right to pull a lever. They deserve the right to make informed choices about policy . . . and it is my experience, back home with my constituents every weekend, that they do have that capacity.

Most Americans don't understand concepts

like rems, milligrams and roentgens. What they do have a feeling for is how dangerous it is to ride a bike in traffic . . . how dangerous it is to drive across country . . . and how dangerous it is to smoke a pack of cigarettes a day.

The average American does understand risks—and rather than shutting him out from decision-making while politicians and bureaucrats do their own thing, I submit that we ought to start including him in decision-making . . . not just because he can help us to arrive at the best choice, but because it's right for our kind of society.

That's where comparative risk comes in. If we continue to operate all our nuclear power plants, what is the health risk over one year of its production of electricity? Is it as much a risk as getting a yearly X-ray or living in Denver? On the other hand, if we shut those plants down, what risks do we face? How many billions of barrels of oil will suddenly have to be imported? How many billions of barrels are implied by a moratorium on new construction? Exactly what will that foreign oil do to the price of oatmeal and iced tea and dresses at the store . . . keeping your home healthy in winter, getting to work or keeping your job because it needs energy at a reasonable price?

If we listen to pleas of a given industry and reduce an emission level from some hypothetical .01 to .1, will that decimal point shift really send workers into the hospital next year or in later years? Or might it do no such thing, and instead put people to work, take men and women off unemployment and put them onto the tax rolls, help to give a piece of the American dream to those at the bottom of the ladder? Finally, if we listen to the concerns of those who oppose nuclear power, for instance, and block nuclear waste disposal, does the average American realize that, by not acting, we run a risk of accidents such as those connected with waste leakage? Does the average American know the risk we run by not reprocessing spent nuclear fuel, thus adding to our already large waste disposal problem?

I don't wish to assault you with these rhetorical questions, but such issues are really the heart of what we're here for. Until now, these questions—if they've been asked at all—have been asked behind hidden doors in the maze of Washington bureaucracy, or by a handful of scientists and lawyers and special interest groups. But, they haven't been asked out in the open air, where the American people who have the biggest stake can hear them.

I'll conclude by telling you that, as a member of the technical and academic communities for many years, I've been thinking about comparative risks in America since long before I ever considered running for Congress last year. But my message today is that my thinking about comparative risks, and your thinking about them isn't what counts. What counts is having the average American man and woman—and even children—thinking about comparative risks.

In an effort to bring the ideas about comparative risk into the open, my first legislative act after coming to Congress was to introduce a bill on this subject. In its updated form, H.R. 4939, available here for your information and review, my bill directs the Office of Science and Technology Policy (OSTP) to lead government agencies in exploring the ways that comparative risk can become an active field of investigation and public education in American centers of learning.

This OSTP effort would suggest helpful ways for bringing knowledge on comparative risks to the American people and their representatives. The bill would address the question of how comparative risks can become parts of environmental and economic impact considerations and the regulatory structure of government. Comparison of risk is certainly consistent with NEPA requirements for considering alternatives; but, in practice, risk comparison has been pro forma at best.

I would hope that my bill will lessen the need for government-imposed regulations and would instead allow wise individual choices among the inevitable low but finite risks in our technological society. Large risks, of course, clearly still call for continued regulation.

The goal of these hearings, the goal of my legislation, and the bottom line of comparative risk is simple. It's to make the government of the United States more responsive, realistic, and better-performing than it has been.

If we succeed in making comparative risk a household term, there's reason to believe the 1980s and 1990s will be years of new confidence that we've got a handle on our own destiny again . . . and that, as a people, we are motivated by intelligence, not fear, in providing for our future.

If we fail to make comparative risk a household term, there's every reason to believe that the American people will continue to feel battered and baffled by events, (like TMI, the gas crunch and long term energy scarcity), that seem beyond their control to understand or influence.

The result of these hearings, and the legislation I propose, can be a first step in bridging the gap separating the American people from their government policy-makers regarding our technological future. If decisions on comparative risk can be removed from isolation, then maybe other government decisions can be removed from isolation as well. Risk decisions are too important to be left to special interests and bureaucrats alone. We need the people's help.

So, let us hope that this week's endeavors, with the concern of so many fine people in and out of government, will turn out to have been a wise investment in the 1980s and beyond.

Thank you very much.

DESIRE TO BUILD RISK-FREE SOCIETY SAPS U.S. SPIRIT

(By Henry Fairlie)

When the President spoke of the decline in America's confidence in its future, my mind fixed immediately on one of its most obvious but almost unmentionable causes. The once rambunctious American spirit of innovation and adventurousness is today being paralyzed by the desire to build a risk-free society.

No other great industrialized society has reacted with what can only be described as such palsy to the accident on Three Mile Island. It is simply beyond the bounds of credulity that the French would halt or reduce their huge nuclear power program—would forgo their own chance to be "energy secure"—in response to the kind of misadventure that is naturally to be expected in any humanly inspired endeavor.

Yet in his television address, the President of the United States did not dare to mention nuclear power, and on the following day he corrected the omission only in a muted and almost strangled voice.

No other country took it into its head to ground the DC10 for as long as did the United States, and I hope that Sir Freddie Laker and the operators of other airlines will succeed in their suits for damages. After the remarkable record for efficiency and safety that has been set by the American aircraft industry in its fleets of planes, which today carry the traffic of the world, one engine falls off one aircraft in circumstances that are unlikely ever to be repeated, and the American authorities seem almost to set out to destroy the reputation of as trustworthy a commercial aircraft as is now flying.

But these are only the two most recent and glaring examples. The desire to build a risk-free society runs through the whole of American life today. It is draining the spirit from America's inventiveness and from its hope for the future.

If the American people for the first time no longer believe that life will be better for their children, it is at least in part because they are beginning to think that there will be no food which their children will be able to eat without dying like rats of cancer, no form of transport that will be considered safe enough to get them from here to there and in fact nothing that their children may safely do except sit like Narcissus by a river bank and gaze at their wan and delicate forms as they throw the last speck of granola to the fish.

The desire to build a risk-free society has always been a sign of decadence. It has meant that the nation has given up, that it no longer believes in its destiny, that it has ceased to aspire to greatness and has retired from history to pet itself.

This is what our forefathers meant when they said simply that the Romans went soft, and to some extent it is what has happened to Britain since its own abandonment of empire. One can point again and again in history to the great nations which in their decline have grown voluptuous. But we must remember that the voluptuousness does not take the form only of luxury, of emperors lying on their couches as drifts of concubines peel their grapes. Always in the society as a whole there is a desire to live with no risk or even strenuousness.

If many more safety regulations are introduced in the United States, it might as well have men with red flags walking in front of the automobiles. Ralph Nader seems sometimes to be interested in designing not motor cars but baby carriages, and even then the baby probably would be suffocated by air bags. He appears not to be aware that one of the main uses to which cars are put is necking, and that this is very difficult if the yearning couple are held back by a harness of seat belts that would hold down even an unbroken stallion.

In no other country is the faddishness of environmentalism so rampant as in America today. If some of the more extreme of the environmentalists had their way, there would have been no industrial revolution, no burst of industrial might in America at the end of the last century, none of the brilliant inventiveness of its technology in the past generation, and, as a result, millions of Americans would still be living the confined lives of the past, and many more millions in Europe would be enduring existences of mere serfdom, their lives bound within (as Marx put it) the narrowest possible compass.

There is a way in which much of my writing about America as an outsider has turned on these questions. For although I am often cheerfully bemused by the more fanciful and extravagant displays of American technology and gadgetry, and although I think that they are sometimes carried too far, I have no doubt that in important ways it is here that lies the genius of the country; for what it all says is that things "ain't necessarily so." Do not Americans now distrust their future because they are being told that the things (including nature) are necessarily so?

I am prepared to admit that the Corps of Engineers has sometimes got out of hand, and that I would think twice about allowing one of them to use my bathroom, in case I found later that he had ingeniously dammed up the thing. But a generation that instinctively puts the preservation of white water for kayaking, a pursuit and privilege of only a few, before any proposal for a dam is a generation that has forgotten the TVA and the boon of electricity to the many. The risk-free society is similarly a society for those who have already made it—the spoiled children of their unearned affluence—and who have ceased to have any concern for those who are still outside.

Zero population growth is the purest expression of the risk-free society. Preciously and exquisitely "I" am here; there are enough wild berries for "me" at least to live on; let no one else come and spoil it.

Back to Eden: For what was Eden but a garden of zero population growth; and indeed what was it but a risk-free society of two? But whenever I try to imagine the life of Adam and Even, before their fall, it seems to me that it must have been a life of infinite boredom. What did they do? Until they put on their vine leaves, how did they occupy their days? Were they streakers? But streaking is not much of any occupation, and not even much of a pastime. Boredom and sheer tedium made them bite the apple.

But the more one thinks seriously of their boredom, the more one realizes why mankind had to escape into risk. Part of the malaise of the American spirit at the moment seems to me simply an expression of boredom. It hangs like a pall, worse than any pollution, over the lives of the people. There is no ship to board; it has been laid up as unseaworthy. There is no carriage to the stars; it might fall like Skylab. It is dangerous to dream; one might feed in one's sleep on a carcinogen. Feverishly and fretfully, the unused energy is spilled out, into the frenzy of white water and the disco.

Never have a people, at the height of their greatness and in the flowering of their genius, as Americans now are, searched so hectically for risk because their society asks no purposeful risk from them. A society whose governors invite the people to inspect the list of ingredients on a package of dried parsley, as if this were in some way a contribution to the endeavor of the human spirit, is a society that will quickly sap the energy of its people exactly as the President tried to describe it.

I turn from the notion of a risk-free society to the epic of Homer, to the magnificent testimony to a people's will in the Old Testament, to the sagas of the Vikings and the daring of the Elizabethans, and there is not a hint of a safety regulation in one of them. But turn nearer to hand. It was not just the wretched and oppressed who came to America, but the wretched and the oppressed who would risk. It was the strong, and not the weak, who came, and then still came. They did not ask if the Mayflower was seaworthy—it was a miserable hulk even for its times—and into our own century they still got onto tubs that might break apart to cross an ocean. What I feel most in America now is the ever more constricted sinews of a country that was made by such people.

Soft and swaddling are the constraints—do not do this because it might hurt you; even worse, it might make you feel "uncomfortable"—but they are binding the spirit of a great people like a fetter.

This draining pusillanimity runs into personal as well as into social relationships. The American people are being cajoled into talking to each other as I used to think that only a few people talked to their indoor plants. To ask a president to reach so deep into a malaise is to ask too much. What is "wrong" with America can be put quite simply. With a Ralph Nader at the head of a wagon train, no one would have made it across the plains, no one would have crossed the Rockies and no immigrant would have pushed noisomely out of the gutter.

Risk-free? Living is sweat, danger and death. From those come the laughter. And curiously, from those comes also the ease of heart.●

CARTER DIPLOMACY ENDANGERS STABILITY OF MIDEAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. COURTER) is recognized for 15 minutes.

Mr. COURTER. Mr. Speaker, at this early stage of the West Bank-Gaza negotiations, the President has compared the Palestinian movement with the civil rights movement in the United States. This shocking analogy confirms the President's unfortunate lack of understanding of the Palestinian question. It is also an insult to the civil rights movement, which is distinguished by the traditions of nonviolence and civil disobedience.

This latest statement, in conjunction with the administration's harsh criticism of Israel's strikes against PLO bases in southern Lebanon, reveals a disturbing attempt by Carter to confer respectability on the PLO. The President should be reminded that the PLO has not yet recognized the State of Israel's right to exist. No progress can be made until the PLO unequivocally renounces its often-stated intention to destroy the State of Israel, and any concessions we offer the PLO in the absence of this renunciation will simply damage our own strategic interests in the area and endanger the security of Israel. Once again, we find the administration's foreign policy favoring the forces of terror and instability at the expense of Western democracies, which are our natural allies.

The administration's actions during this past week have shown a distressing lack of purpose and direction in our Mideast diplomacy. We have learned that the sale of 300 M-60A3 tanks to Jordan is planned, yet we have seen no evidence that Jordan has softened its opposition to the Egyptian-Israel peace treaty. In addition, the State Department's criticism of Israel's strikes against the PLO in Lebanon might well be directed against the United Nations forces, which have allowed, and in some cases assisted, PLO terrorist activities there.

In light of these developments, it is hardly surprising to note Israel's alarm at the joint Soviet-American proposal to replace the United Nations Emergency Force (UNEF) with the United Nations Truce Supervision Organization (UNTSO) as a Sinai buffer force. The Camp David agreements left Israel with the clear assurance that, were the UNEF to expire, an alternative acceptable to all parties would be found.

The Soviets, in keeping with their policy of opposition to peace in the Mideast, refused to allow the UNEF's mandate to continue. The UNEF was allowed to expire July 25 with no clear alternative in sight. In conjunction with the Soviets, the administration proposed that the UNEF be replaced by the UNTSO, which serves at the discretion of the UN Secretary-General.

If the President were not dwelling on false comparisons between the Palestinians and the American civil rights movement, he might recall a more pertinent historical fact: the Six Day War of 1967 was preceded by the Secretary-General's withdrawal of a U.N. buffer force in the Sinai. It is my fervent hope that the President will recognize this fact and begin to address the Sinai issue in terms of the understandings reached at Camp David.

Mr. Speaker, the key to stability in the Mideast is Israel. No other government in the area shares our democratic values and processes. Israel is our only stable and reliable ally which has the capability to offer effective resistance to Soviet expansionism in this oil-rich region. A strong alliance with Israel goes to the heart of our moral and national security interests. I know that my colleagues will not allow the President's confused and bewildering statements and policies to obscure this fact.

EXPLOSIVES TAGGING: BATF BOMBS AGAIN

The SPEAKER. Under a previous order of the House, the gentleman from Kentucky (Mr. SNYDER) is recognized for 15 minutes.

● Mr. SNYDER. Mr. Speaker, I am outraged at the irresponsible actions of the Bureau of Alcohol, Tobacco, and Firearms which has consistently abused the cooperation so generously rendered by certain members of the public. My concern arises from the treatment accorded to the Institute of Makers of Explosives—the safety organisation of the explosives industry.

The manufacturing of explosives demands 100 percent safety 100 percent of the time, for one error can trigger a severe explosion. Attaining and maintaining this level of safety requires a mind-numbing degree of quality control—and the IME and its members have met that challenge year after year. Since its founding in 1913, the IME has distinguished itself for its selfless and thorough cooperation with governmental agencies to create a safer explosives industry and to otherwise advance the common interests of industry and the public. For example, when BATF assumed regulatory responsibility in the explosives field through the Crime Control Act, the IME tirelessly trained BATF personnel in the technology and safety concerns unique to the explosives industry.

My concern today arises from IME's experience with BATF's proposal, as currently contained in S. 333 (The Omnibus Antiterrorism Act of 1979) and as formerly found in H.R. 2441, to "tag" commercial explosives. Several years ago, BATF asked the IME to participate in a symposium concerning explosives tagging. That symposium created an advisory board. The board, on which the explosives industry was woefully underrepresented, did little advising. Yet the mere fact that the IME was on the board was touted before Members of Congress by BATF as a sign of IME's support for the tagging of commercial explosives. Additionally, before the IME had fully

evaluated the cost, utility and safety of such a program, BATF was claiming before Congress that IME had endorsed the tagging program.

This blatant abuse of the public trust must not be tolerated, particularly on an issue concerning the safe manufacture and use of high explosives. And it is abundantly clear that the safety of the proposed taggant program is far from certain:

To date, no all purpose taggant has even been developed.

The taggants to be considered for use in the program have not been fully tested to insure that they meet the high standards of safety required by the explosives industry.

Taggants have not been fully tested in fullscale commercial production in any type of explosive product.

The IME had an opportunity to address these matters in its answers to questions posed by Senator RIBICOFF at the hearings of the Senate Governmental Affairs Committee on S. 333. In one question, the IME was asked to reconcile its participation in an experimental taggant program with its position that explosives tagging cannot yet be safely implemented. I urge my colleagues in both the House and the Senate to fully consider IME's answer which I have inserted at this point:

RESPONSE

Participation in an experimental, limited pilot program designed to test the feasibility of tagging explosives products should not be construed as a carte blanche endorsement of the conclusions drawn therefrom by the advocates and sponsors of the experiment—BATF and Aerospace Corporation. In fact, the parameters of the experimental program alone belie the sweeping conclusion that all tagged explosives products are safe for normal production methods, storage, transportation, and use.

The "millions of pounds of tagged explosives" produced in this program represented only 2.4 percent of the 275 million pounds of cap-sensitive explosives produced in the United States each year.[1] It did not include the remaining 3.42 billion pounds of explosives materials (cast boosters, smokeless and black powders, and noncap-sensitive explosives), the 500 million feet of detonating cord, and the 84 million blasting caps produced annually. The latter products must also be tagged under S. 333; however, they have never been commercially produced with taggants on even an experimental basis. Consequently, there is no basis to conclude that the addition of taggants to these products will not diminish safety during production, storage, transportation, and use. For this reason we construe the question as asking us to address only the safety questions of tagging cap-sensitive explosives in light of the pilot program. We will answer it accordingly.

Contrary to the assertions of BATF and Aerospace, the pilot program did not conclusively demonstrate that tagged cap-sensitive explosives could be safely produced, stored, transported and used on a full-production basis. These explosives were not mass-produced; instead, for safety reasons the contract with Aerospace Corporation expressly required that the taggants be added by hand during the mixing process.[2]

This led one participant in the pilot program to conclude that although no production problems were encountered in the pilot program, "[i]t is obvious that under less controlled conditions there will be a much greater probability of errors."[3] Thus, as of today, taggants have only been added to a limited number of products. This has only been done under experimental conditions, with laboratory-produced taggants, and no one has ever added and mixed taggants by normal production methods.

We are aware that other industries routinely implement full-scale production changes based solely on engineering analyses and pilot programs; however, the explosives industry cannot. We manufacture high explosives; the production of which demands 100% safety 100% of the time, for one error of any type can trigger an explosion that endangers us, our employees, and the public at large. Our social and legal responsibility requires that this be prevented, and prevention requires ultraconservatism. Thus, any full-scale production or product changes have always been made only after extensive and time-consuming limited production. This is particularly true where a foreign substance, such as taggants, is introduced into the product. It is beyond dispute that this type of testing has not been done with taggants.

There is one additional reason for our hesitancy to quickly and dramatically change our production processes and products to include taggants: we are strictly liable for any premature detonation caused by the taggants, whether in the factory or in the field.[4] These damages average in the hundreds of millions of dollars. Recognizing this, Aerospace Corporation offered to, and did indemnify the participants in the pilot program for all damages resulting from the taggants.[5] Thus, while IME members participated in the program, they bore no risk. The magnitude of the risk is such that while it is one thing for Aerospace (who would be reimbursed by the United States government) to accept the risk of a pilot program; it is another to place the burden of a full-scale program on the industry.

One additional salient feature of the experimental program is overlooked by the question: distribution of the tagged explosives. The question infers that the explosives were distributed to customers generally. This is inaccurate. The contract with Aerospace Corporation only required limited distribution to twenty customers.[6] Customer participation was purely voluntary because in order to test the traceability of taggants the customer was required to keep records of the taggant codes received. Thus, the inference that the explosives industry was glutting the market with tagged explosives is invalid. In actuality only 2.4 percent of a limited number of cap-sensitive explosive products was distributed to a miniscule number of our customers—with all liability and cost for the program being borne by Aerospace Corporation.

IME member companies will continue to participate in experimental programs because it is in our interest as well as the public's to enhance the utility of our product; however, we cannot and will not be cavalier about safety. Moreover, our participation should not be inferred as carte blanche endorsement of the conclusions drawn from that experiment by Aerospace Corporation, BATF, or others.

FOOTNOTES

[1] According to BATF's contractor, the Aerospace Corporation, 6.6 million pounds of cap-sensitive explosives were tagged in the pilot program. *Prepared Statement of Dr. Robert Moler of the Aerospace Corporation For Presentation to the Government Affairs Committee of the U.S. Senate on Explosives Tagging* 4 (May 7, 1979). The 2.4% figure is calculated using an annual production level for cap-sensitive explosives of 275 million pounds.

[2] *See, e.g., Agreement Between the Aerospace Corporation (Aerospace) and E. I. DuPont de Nemours & Company (DuPont) Relative to the Performance of the Pilot Test of Explosives Identification Tagging* cl. 3.5 (Sept. 3, 1977), *reprinted in* Statement of Dr. Robert Moler, *supra* note 5, at Attachment E, Appendix B, Enclosure.

[3] E. I. DuPont de Nemours & Co., *Progress Report: Pilot Test—Aerospace Order 67885* 4 (undated) (emphasis added), *reprinted in* Statement of Dr. Robert Moler, *supra* note 5, at Attachment E.

[4] *Challoner v. Day & Zimmerman, Inc.*, 512 F.2d 77 (6th Cir.), *vacated on other grounds*, 423 U.S. 3 (1975), *remanded*, 546 F.2d 26 (5th Cir. 1977); *Foster v. Day & Zimmerman, Inc.*, 502 F.2d 867 (6th Cir. 1974); *Bailey v. Atlas Powder Co.*, 445 F. Supp. 374 (W.D.Pa. 1978); *Clay v. Ensign-Bickford Co.*, 307 F. Supp. 286 D. Colo. 1969). Although 3M could theoretically be sued for damages arising from the use of taggants, it intends to disclaim all liability for their use in explosives. *See* letter from David M. Gleason to Sen. Jacob Javits (May 16, 1979). This disclaimer would legally insulate 3M against all damages resulting from the use of taggants in explosives. *Restatement (Second) of Torts* § 402A, comment m; U.C.C. § 2-316; *Idaho Power Co. v. Westinghouse Elec. Corp.*, 7 Prod. Safety and Liab. Rep. 492 (9th Cir. 1979); *Keystone Aero. Corp. v. R. J. Enstrom Corp.*, 499 F.2d 146 (3d Cir. 1974).

[5] Aerospace/DuPont Agreement, *supra* note 7, at cl. 3.18.

[6] *Id.* at cl. 3.17.●

AGRICULTURE ADJUSTMENT ACT OF 1980

The SPEAKER. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 5 minutes.

● Mr. SEBELIUS. Mr. Speaker, today, I am introducing a bill entitled, "Agriculture Adjustment Act of 1980."

What this legislation does is increase the target prices on crop year 1980 wheat to $3.88 per bushel, and for crop year 1980 corn to $2.51 per bushel. Grain sorghum and barley target prices would be adjusted to such levels as the Secretary of Agriculture deems fair and reasonable in relation to corn.

You are no doubt aware of the administration's announcement yesterday of the 1980 wheat program. Under the 1980 program, a loan rate of $2.50 a bushel is established and allows U.S. wheat producers to be eligible for farm program benefits without setting aside or diverting acreage.

In its press release, the administration announced that the Soviets may buy up to 10 million metric tons of wheat through September 1980. Up to 2 million metric tons of this amount may be contracted and shipped during August and September of this year. I am well satisfied with this decision, and believe the administration should be congratulated for taking this step. I know many folks are concerned about whether we are not courting danger by drawing down our carryover stocks, but with the huge crop we produced this year and with our farmer-held reserve, this decision is a sound one.

However, as to the set-aside decision, I must express my concern. We could very well find ourselves in the same predicament of the past few years where we had huge surpluses and prices below the cost of production. Also, with no set-aside, we are faced with the target price formula reverting to the level provided in the 1977 farm act.

Preliminary indications are that for wheat the target price would be approximately $3.07 per bushel. The 1979 target price for wheat is $3.40, set by the Secretary because of 20 percent set-aside was in effect. Because this target price does not reflect current inflationary farm costs, the House Committee on Agriculture reported H.R. 3398, the Agriculture Adjustment Act of 1979, which raises the target price for wheat to $3.63 per bushel and for corn to $2.35 per bushel.

This legislation, which has cleared the Rules Committee and is awaiting floor consideration, raises the target prices 7 percent. This is well within the President's request to business and labor to limit their increases to 7–9.5 percent and should be passed.

My bill today merely raises the target prices for 1980 on wheat and corn another 7 percent. This would help the farmer to meet rising costs of production caused by inflation.

Mr. Speaker, I urge support for this legislation.●

A TRIBUTE TO ARTHUR COLLINS

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

● Mrs. HECKLER. Mr. Speaker, Arthur Collins, whose name had become synonymous in Massachusetts with Sharon, with helping, with service, with kindness, knowledge, compassion, and, above all courage, died suddenly in his beloved hometown on July 5.

Loved and respected by his neighbors, Arthur was voted life tenure as town clerk and town accountant of Sharon in 1954—jobs he filled with unparalleled expertise and competence. Seldom has such a distinction been so unanimously and universally acclaimed and deserved.

Many called Arthur Sharon's "unofficial mayor" and those of us who knew Arthur and had the opportunity to work with him concurred with his honorary title and considered it a privilege to associate with him. In the words of Robert Frost, Arthur always had "a time to talk."

Mr. Speaker, Arthur Collins enhanced every situation with which he came in contact—his counsel was always astute; his efforts were never hesitant. He truly exemplified Jefferson's ideal of the public man. I take this time to share with my colleagues the eloquent eulogy offered at Arthur's funeral and to extend to his wife Helen, his son Stephen, and his daughters Pauline and Kathryn—who have all suffered an incalculable loss—my deepest sympathies.

"The courage of life is often a less dramatic occurrence than the courage of a particular circumstance and time; but it is no less a magnificent mixture of triumph and accomplishment. Through the conduct of his life, Arthur Collins, remains a constant reminder of those acts of courage with which men have *lived*."—William R. Keating, Massachusetts State Representative.

Rev. Robert W. Bullock, pastor of Our Lady of Sorrows Church in Sharon recounts this sentiment in his eloquent July 9th eulogy for Arthur Collins.

An additional tribute that could be paid to Arthur Collins is to point out that there are any number of people in this congregation and elsewhere, who envy me the chance to talk about him. The last four days in Sharon, and elsewhere, have been days filled with stories about Arthur Collins. It's as though the secret life volume had been opened up, and all those deeds and all those relationships and all those things he meant to . . . so . . . many . . . people, are now being told. The story is out now. The life's been filled in. All those deeds done in secret that only have been seen by our Heavenly Father are now coming to light. So I know full well, that this privilege that is given to me to talk about him in this prayerful setting is envied by you.

In all of the things that have been said about him over these days, there are two words that are hard to find, the word confined, and the word handicapped. Hardly found, if said at all, because these words seem not at all to apply to him. He was in no way confined; physically, mentally, or spiritually. He was not confined, he was taller than most, more powerful than most.

It was awkward to say, that in any real way, he was handicapped. Handicapped is the distance between what a person does, and what a person is able to do. For most of us, there is enormous difference between what we do, and what we are able to do, physically, spiritually and mentally. We operate below our capacity, but he gathered together all of his resources. He used all that life had to give him. He lived his life to the very limits. We, far more than he, are confined, and are handicapped. Think of the wonderful tributes paid to him over these several days. The most beloved person in Sharon, the most admired, the most respected, the unofficial Mayor.

But no one term can in any way, adequately express what he meant to his family, to his friends and to his community. It's as though there was a mystery about him that no term can define in mere language. People who suffer, are like poets and saints, with deep places . . . profound thoughts, and a symphony of feelings.

Poets, and they are their own, known only to themselves and to other saints, and people who suffer. They have a hidden reality, a deeper meaning, profounder motivation, a different way of seeing life. They see life below the surfaces. They see between things. They know relationships. They just don't simply observe them.

He was the Town Clerk in Sharon . . . for—ever. If you traced the history of Town Clerks in the office of Town Clerk, it will take you back, I think, to churches and parishes and abbeys and monasteries. Those were the places, ages ago, where the records were kept, where the rights were alloted, where much of the work of the community was conducted. Those places in a transitory world, that were staid, secure, reliable, dependable, and trustworthy. And how adequately those words describe, "Our Town Clerk".

He was also the Justice of the Peace, and what a good term it is for him. And as a Justice of the Peace, he ministered justice, and peace, perhaps with greater extension than anybody else around here. He probably married more people than all the Priests, Ministers and Rabbis in Sharon combined. So we have lost the center of things, we have lost a sure guy, we are now less powerful, less sure, we are lessened by his loss.

The two most oft repeated statements about Arthur Collins, must be mentioned that he was always helping out people, and that he never complained. That he was always helping other people. The Bible demands in all its books, that people are effective agents in dealing with others, that seems to be the power he demanded not in word only, not letters of sympathy, not pats on the back, but to be effective, to do what needs to be done, to be efficient, and productive. To do the deed. That was always meant as a measure of things, as the measure of devotion, as a positive image.

That the work be done, and Arthur helped effectively. He saw to it that the work was done, that the deed was accomplished. All the deeds, the little ones and the big ones. Only a Master of detail, could be a Master of great values. He was a Master of communication. He used a telephone as if it was a religious symbol. Good communications are a gift of God. He was the Sharon answering service.

And he never complained. What a profound thing to say about him, that he never complained. And it's true, he never complained. Even those closest to him say that they never heard him complain. Especially the last year, and probably before, people were always asking him how he felt, and he had two words in his medical bulletin, —"I'm fine"—probably the words he used most of the time, —"I'm fine". And when he was annoyed at being asked, he probably repeated it two or three times, as much as to say, —"Don't ask, there's no time for that".

For him, time had to be used with far more efficiency and effectiveness. For him, time must have been, what it may not be for us, a borrowed thing. It should be seen by us too, as a gift of God. Always to be seen that way . . . as God's gift. If he was heard to say he felt badly, it was inadvertent, as though he was overheard thinking.

Finally, it must be mentioned, how much our town and its people meant to him. He was born here, he lived all his life here. He was its center for so long. Nobody, least of all himself, could have understood what happened last Wednesday in the parade that became a procession, it was the beginning of today's procession. For he sat there and went about through the streets, looking for faces, stopping more frequently than normal. Seeing friends, shaking hands, spending that day, after the parade, with his many friends, and then with his family. How sensitively, one of our community observed that that was his—farewell".

In 1959, there was an article about Arthur in the Boston Globe. It quoted him as one of the state's most distinguished holders of public office. This was before the new Town Hall was built, and it told how he would go to work every morning and work out his system—how he vaulted himself out of his car, used the railings and platforms to get himself up, and to get himself down. It seems to me, that it is an appropriate picture to frame in our minds about him. A wonderful picture. Arthur improvising, making do, finding ways, doing what needed to be done, and always being cheerful. So he was a blessing to this world and to his family and to his friends.

May he now be blessed by God, with a blessing of life and peace.●

□ 1730

THE ORDINANCE OF 1787

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 10 minutes.

● Mr. MILLER of Ohio. Mr. Speaker—

No colony in America was ever settled under such favorable auspices as that which has just commenced at the Muskingum.

Those are the words of George Washington, as he spoke about the settlement on the Ohio and Muskingum Rivers, the birthplace of American liberties. It was there, at a spot now called Marietta,

Ohio, that the principles of freedom were first incorporated into fundamental law in the articles of compact of the ordinance of 1787.

I am pleased to say that those "favorable auspices" still exist, and I would like to take this opportunity to recognize the efforts of the Pioneer Association of Washington County, Ohio, to commemorate the bicentennial anniversary in 1988 of this historical event.

The articles of compact of this ordinance—which passed Congress owing largely to the lobbying efforts of the Reverend Manasseh Cutler, Samuel Parsons, and Gen. Rufus Putnam—embody many of the principles of freedom and liberty later contained in the Bill of Rights of the Constitution, which passed Congress in 1791.

Specifically, these articles guaranteed freedom of religion, the right to the benefits of the writ of habeas corpus, and trial by jury, as well as outlawing slavery. Further, the ordinance provided a model for territorial government, and started the practice of admitting new States to the Union on equal terms with the original 13 States.

The ideals in this document established at Marietta symbolize the great American contributions to freedom and liberty, and to the governing process, and are most worthy of the commemorative efforts being initiated by the Pioneer Association of Washington County, Ohio.●

S. 1030, EMERGENCY ENERGY CONSERVATION ACT IS A BAD PIECE OF LEGISLATION

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, yesterday the House of Representatives passed S. 1030, the Emergency Energy Conservation Act (gas rationing). This bill, accompanied by House Report 96-373, was reported out of the Interstate and Foreign Commerce Committee on July 17, after having been considered by the Energy and Power Subcommittee, on which I serve.

S. 1030 is bad legislation, and I voted against it. Although I opposed the bill as passed, the Commerce Committee approved two amendments I offered which are now incorporated in the legislation.

My first amendment would make more consistent the motor gasoline rationing authorities which would be held by the President under this act. Section 2 of the bill requires that there be a 20-percent shortfall in American gasoline supplies for 30 days or a severe supply disruption before the President can order gasoline rationing. The amendment which was accepted by the full committee insures that the President could not impose rationing in a State submitting an unacceptable conservation plan unless the criteria for national rationing were reached. In other words, the President could not include gasoline rationing in the Federal mandatory conservation alternative plan imposed on noncomplying States unless the Nation were experiencing a gasoline shortage of the proportions required to trigger national rationing. My second amendment moves up the sunset provisions of this bill from the originally proposed September 30, 1983, to September 30, 1982.

While my amendments improve the bill, I did not support S. 1030. Gas rationing is simply not a feasible solution for areas such as the 15th District of Illinois. It tends to invite fraud and aids urban areas to the detriment of rural and suburban regions. Someone once observed that America did not conserve itself to greatness, it produced itself to greatness. I fully concur in the minority views included in the report accompanying S. 1030 and include those views in the RECORD at this point for the benefit of my colleagues.

MINORITY VIEWS ON S. 1030, EMERGENCY ENERGY CONSERVATION ACT

The reported bill takes the features of one bad bill, H.R. 4283, combines them with the worst of a mediocre bill, S. 1030, and adds a dangerously broad grant of authority to ration gasoline to the President. The result is backwards energy policy with disastrous economic consequences.

This bill is more a product of hysteria over gasoline lines than it is a solution to the gasoline allocation system. While it is important to act quickly, we must be more careful to act correctly. The bill, as reported, fails to squarely address the problem and ends up adopting a scatter gun approach as a result.

The problem, briefly, is that Federal control over the price and allocation of motor fuels has distorted and inflated the Iranian shortfall far beyond what would have otherwise happened. The blame cannot be limited to Iran, or even OPEC. Because the shortage was unevenly distributed among the States. Only our own Federal government could have produced gasoline lines in California one month, in Washington, D.C. the next, and left whole parts of the country untouched. In short, there is evidence of an "inside job." It does not make a good deal of sense to grant to "the insiders" broad, unchecked powers to restrain the consumption of energy.

If goverment cannot allocate equitably among regions, how can it be expected to ration fairly among individuals. But should the Congress decide that conservation, or even rationing, is desirable at some level of shortage, it should specifically provide narrow powers to accomplish these goals. The Congress should not, in one careless sweep, grant the President and Governors these powers to control all energy consumption under the guise of solving the current shortage of motor fuels.

S. 1030, as reported by the House Commerce Committee, would delegate three separate powers to the President, or to the Governors in some cases.

1. Gasoline rationing. Section 2 of the bill amends the Energy Policy and Conservation Act to remove the Congressional review and approval procedure over the substance of the rationing plan yet to be developed by the President. In effect, this bill approves the plan, sight unseen, in advance. The President would have the authority to implement rationing if he determines that a 20 percent supply interruption of petroleum product exists, or is likely to exist for longer than 30 days, and if the Congress does not veto such implementation within 15 days after the President's determination. While this 20 percent trigger mechanism adds an important restraint on the President's authority, the details of the rationing plan are both unknown and largely unlimited. Without Congressional review, there is no guarantee that the rationing plan would be workable to sustain the Nation through a 20 percent shortfall.

2. State and Federal conservation plans. Unlike rationing, these plans are an immediate threat. Under Section 3, the amount and purpose of *all* energy consumed in the United States could come under government control. The powers delegated to the President and to the Governors could hardly be broader. There are few constraints on their authority, but more importantly, both the Congress and the State legislatures are expressly precluded from reviewing or modifying the Federal and State conservation measures.

The President would be given the authority to establish "conservation targets" on motor fuels, or any other energy source he determines to be in severe short supply. This "severe energy supply interruption" finding is no protection against premature implementation. The President has already declared that such a shortage existed when he ordered the building temperature restriction plan into effect. The bill contains no guidelines over what percentage reduction these targets are to be; the targets could be two percent or ten percent, or 60 percent.

The States must then develop energy conservation plans to meet these Federal targets within 45 days. If the State legislature refuses to authorize a Governor (or attempts to limit his authority) to develop these target plans, the DOE could step in to allow the Governor to supersede the actions at the State legislature. This clearly eliminates adequate State review of these plans.

If DOE certifies that a State fails to meet a target, and if the President wishes, he may impose a Federal mandatory plan if he finds that the nation is also experiencing or may experience a 10 percent shortage of the particular energy source compared to the supply available during any preceding 3 month period. If a State fails to submit a plan or submits a faulty plan, Title III, Part C EPCA conservation funds may be withdrawn.

It is completely inconsistent that failure to submit a plan, or submission of a faulty plan could result in immediate withdrawal of other conservation funds to the States. On the one hand, we are saying, "We need conservation plans now," while on the other hand, we are saying, "If you don't submit a plan to our satisfaction, we might cut all of your other conservation funding." If our intent is to conserve energy, why should we penalize those States whose plans do not meet the approval of the Secretary?

The Commerce Committee reported out a DOE Authorization for FY 1980 which contains millions of dollars for conservation activities. It should be stressed that the Committee reported $80 million in the FY 80 authorization for State and local conservation functions under Part C of Title III of EPCA as amended.

If we endanger present Federal assistance to States, where does this leave the State conservation plans? In most States, large scale conservation plans are only beginning to have an impact. Giving the Secretary of Energy authority to deny States this huge amount of money gives him excessive discretion in dispensing the money we authorized for use by the States.

The Federal Standby Conservation Plan gives the DOE carte blanche authority to develop mandatory conservation measures to meet the various targets, except that retail gasoline stations may not be mandatorily closed during the weekend. But such stations may be ordered closed during the week on a rotating basis. This plan, however, is counterproductive to the intent of the bill. Several studies, including one for DOE, have concluded that mandatory closings actually create gasoline lines and thereby result in more gasoline being wasted than saved.

The standby sticker plan is essentially the same sticker plan which was soundly defeated by the Senate 10-79 when S. 1030 was passed. Once ordered into effect by the President, the plan would prohibit all automobiles from driving on public roads one day per week. The bill does not resolve whether the owners of more than one vehicle could stagger their "off road days."

3. Minimum purchase requirement. The Governor of the State (who requests a delegation of Federal authority due to a lack of State powers) or the President (if he decides nationwide enforcement is appropriate) may impose a minimum purchase requirement on gasoline.

This minimum requirement would be $7.00 for 8 cylinder cars and $5.00 for others. This requirement would be enforced by the States. In addition, this provision allows service stations to collect the full minimum even if a lesser amount were delivered into the vehicle.

4. Study of gasoline and distillate storage. S. 1030 would require the DOE to conduct a study of all commercial and industrial storage facilities with a capacity at 500 gallons or more. The report must contain what business establishments, including utilities, are involved, the amounts stored, and the purposes for storage.

This bill puts a "blind trust" in the executive branch at the Federal and, in some cases, State governments to somehow deliver the country from the shortages of gasoline and diesel fuel and possibly other energy sources. If these powers were more carefully defined, and if the conservation plan were properly administered, conservation could help alleviate energy shortages. But broad discretionary powers with no guidance whatsoever may complicate rather than reduce our energy problems.●

SOVIET INVASION OF CZECHOSLOVAKIA—A DAY OF SHAME

The SPEAKER. Under a previous order of the House, the gentleman from Illinois, Mr. ANNUNZIO is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, August 21 marks the anniversary of the Soviet invasion of the freedom-loving country of Czechoslovakia. Eleven years have passed since the country was first occupied by the Red army, and the Soviet Union continues to suppress any Czechoslovakian move toward freedom and liberty and commits flagrant violations against Czechoslovakian human rights. These violations are so severe that they repudiate and negate almost every article in the United Nations Declaration on Human Rights.

In recent weeks, the brutal and tyrannical Communist government has stepped up its arrests and imprisonment of courageous Czech patriots. On June 4, many members of the Czechoslovakian Charter 77 Human Rights Movement were arrested and some were held in police custody without any formal charges filed against them. Four of the charter members were charged with subversion, an offense that carries a prison term of 1 to 10 years. Those charged include Vaclav Benda, a physicist; Jiri Dienstbier, a former journalist; Dana Nemcova, a psychologist; and Peter Uhl, who has already served 4½ years in jail on charges of subversion.

A day after these arrests, Mrs. Zdena Tominova, spokesman for the group and one of the few members still at liberty, was beaten by two masked men as she entered her home. It was the third time a Charter 77 spokesman had been attacked by unknown persons in the streets of Prague. It appears that the arrests and the beatings were the Communists' response to a Charter 77 publication which criticized the economic situation in Czechoslovakia.

These acts serve as a reminder to all the world that as long as Communist oppressors occupy Czechoslovakia, there will be no human freedom or dignity in that unfortunate land.

At this point in the RECORD, I wish to include an appeal by the Czechoslovak National Council of America in commemoration of this tragic day for freedom-loving peoples everywhere, which follows:

FREEDOM IS INDIVISIBLE

On this sad occasion of the eleventh anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article 1, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a "Day of Soviet Shame" in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve the withdrawal of Soviet troops from Czechoslovakia.●

VANIK RELEASES TREASURY DEPARTMENT STUDY OF OIL COMPANY TAX RETURNS

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, a Treasury Department report I received today based on actual 1977 tax returns for the eight largest multinational and the eight largest domestic oil companies reveals some shocking facts.

The eight largest multinationals had sales of over one-quarter trillion dollars—10 times the sales of the 8 largest domestic companies.

The same eight American multinationals had taxable profits of over $34 billion on their foreign operations and only $4 billion in profits on domestic operations. The same multinational oil companies wiped out $16.4 billion of their tax liability by utilizing the foreign tax credit. They managed to reduce their tax liability to $1.4 billion on $54.2 billion of gross income from operations—an effective tax rate of 2.2 percent.

Oil price increases and increased consumption of oil since 1977 are bringing oil sales of these eight multinational corporations very close to the half trillion dollar mark. The multiplication of foreign tax credits through these sales will almost completely wash out the tax obligations of the American multinational companies on this incredible foreign source income.

The eight largest domestic companies were not able to extensively use foreign tax credits and paid $400 million in 1977 on $6 billion in gross income, an apparent effective tax rate of 6.5 percent. The low effective tax rate on domestic corporations resulted from $5.3 billion in deductions, the majority of which are intangible drilling expenses—a tax break not available to other industries.

The Treasury report is as follows:

DEPARTMENT OF THE TREASURY,
Washington, D.C., July 31, 1979.

Hon. CHARLES A. VANIK,
House of Representatives
Washington, D.C.

DEAR MR. VANIK: In accordance with your request during the Ways and Means Committee's executive session markup of the windfall profits tax, enclosed is a table showing for 1977 (the latest report period) selected income and tax items for the eight largest multinational and eight largest domestic oil companies. Because certain items you requested concerning intangible drilling costs (IDCs) and the foreign and investment tax credits are not available from our statistical processing of 1977 returns, a similar table, for 1976, showing these items where available is also enclosed. The 1976 table also shows all items you requested for all oil companies.

Please feel free to call upon me or my staff if you have any questions regarding these tables.

Sincerely,

DONALD C. LUBICK.

TABULATION OF SELECTED INCOME AND TAX ITEMS FOR ALL OIL COMPANIES IN 1976, AND FOR THE EIGHT LARGEST MULTINATIONAL AND EIGHT LARGEST DOMESTIC OIL COMPANIES IN 1976 AND 1977

The attached tables summarize selected income and tax items for all oil companies in

1976, and for the eight largest multinational and eight largest domestic oil companies for tax years 1976 and 1977. The following notes are intended as an integral part of the tables.

1. The statistics are drawn from sampled tax return data posted to transcript files that ultimately underly published volumes of the "Corporation Statistics of Income." The statistics are preliminary both because they are normally transcribed from the unaudited returns as filed by the taxpayer and because they are subject to verification (such as computer-generated internal consistency checks) as the normal processing for statistical purposes continues.

2. Variations in taxpayer reporting practices, along with shifts in ranking depending on the item selected as a size descriptor, make it difficult to determine the largest eight corporations within any grouping. Criteria for selecting the largest multinational corporations included sales of $7 billion or more and net foreign taxable income of $600 million or more in 1977. Sales averaged $32.3 billion per return for this group in 1977, and $30.2 billion in 1976. For the eight largest domestic corporations, sales reported on the return in excess of $600 million in 1977 was the primary criterion, with average sales of $2.2 billion in 1977 and $2.0 billion in 1976. Domestic corporations were also defined as having little or no foreign tax credits reported on their 1977 returns. Since large corporations could have foreign losses (and thus no foreign income taxes to claim) it was necessary to use publicly reported information to determine if a corporation had sufficient foreign operations to be classified as multinational. Operations were frequently not clearly broken down between foreign and domestic and judgment was required.

3. Each return filed was considered to represent a separate corporation for purposes of selecting the two groups. One obviously large corporation was not considered for inclusion because it filed over one hundred separate returns. It was not feasible in this case to reconstruct one corporation out of these returns since (a) many were under the size requirement for 100 percent inclusion in the corporate sample and are not currently available on the transcripts and (b) even if available, netting of intercorporate transactions (to avoid double counting) is not possible from the income tax return.

4. The following is a brief description of the lines in the tables:

A. Sales—Generally, the gross operating receipts less cost of returned goods and allowances. Some taxpayers included sales taxes and excise and related taxes as part of gross sales (with an appropriate deduction in cost-of-goods sold or taxes paid). Others reported sales net of these taxes. No adjustment has been made for consistency.

B. Cost of sales and operations—Generally includes the direct costs of producing goods or providing services. To the extent possible, sales taxes and excise and related taxes included by the taxpayer in this category were removed and included as part of "taxes paid" (not shown separately).

C. Gross income from operations—Sales less cost-of-sales and operations.

D. Depletion—The allowable deduction for the exhaustion of natural deposits and timber. Oil production, other than that associated with independent producers and royalty owners, is limited to cost depletion.

E. Other income and deductions (net)—All other income items (such as capital gains and dividends) less all other deductions (such as interest paid, depreciation and intangible drilling costs).

F. Net income (or loss)—Gross taxable receipts (plus foreign income "constructively" received and required to be reported as income for tax purposes) less ordinary and necessary business deductions.

G. Statutory special deductions—Four special deductions permitted by the Code:

1. Net operating loss carryforward deduction.

2. Deduction for intercorporate dividends received.

3. Deduction for dividends paid on certain preferred stock of public utilities.

4. Western Hemisphere Trade corporation deduction.

H. Income subject to tax—Net income less statutory special deductions and less Subchapter S corporation net income taxed at shareholder' level. For foreign operations this is the amount reported on Form 1118 in support of foreign tax credit claimed and represents taxable income computed under Subchapter B of the Code. Foreign source taxable income also includes income considered constructually received (the "includable income of controlled foreign corporations" and the "foreign dividend gross-up"). Domestic source income is a residual.

I. Gross federal income tax liability—The basic income tax derived by applying the normal, surtax and/or (where applicable) the alternative rate to income subject to tax.

J. Foreign tax credit—The amount allowed as a credit against U.S. income tax for income war profits and excess profits taxes paid or accrued to foreign countries or U.S. possessions. In the case of taxes paid on foreign extraction income, the taxes were generally reduced to the extent that they exceeded 50 percent of such income in 1976, and 48 percent of such income in 1977.

K. Investment tax credit—The amount, generally 10 percent, of investment in qualified property, allowed as a reduction in tax after foreign tax credit.

L. Other tax credits—Allowable reductions in tax for the work incentive credit, possessions credit, and the jobs tax credit.

M. Additions to tax—Sum of:

1. Tax from recomputing prior year investment tax credits and WIN credits.

2. Additional tax for tax preferences (minimum tax).

N. Total net federal liability—Gross federal income tax liability including additions to tax less allowable credits. This is the amount (per return as filed) actually paid to the Treasury (in estimated or final payments).

The preliminary and limited data available for 1977 makes it impossible to present the industry totals and more detailed analysis of investment and foreign tax credits earned and used in that year which are shown in the table for 1976.

SELECTED INCOME AND TAX ITEMS

8 LARGEST MULTINATIONAL AND 8 LARGEST DOMESTIC OIL COMPANIES, 1977

[In millions of dollars]

	8 largest multinational companies	8 largest domestic companies
Sales	258,782	26,196
Less: Cost of sales and operations	194,621	20,192
Equals: Gross income from operations	64,162	6,005
Less: Depletion	568	147
Plus: Other income less other deductions	−23,945	−5,287
Equals:		
Net income or loss	39,649	570
Net loss		−561
Net income	39,649	1,131
Less: Statutory special deductions (returns with net income)	1,152	11
Equals:		
Income subject to tax	38,495	1,118
Foreign taxable income (less loss) as reported on form 1118 in support of foreign tax credit claimed	34,446	8
Domestic (residual)	4,049	1,110
Gross Federal income tax liability	18,440	533
Less:		
Foreign tax credit	16,452	3
Investment tax credit	604	143
Other tax credits	(1)	(1)
Plus: Additions to tax	7	5
Equals: Total net Federal liability	1,390	392

[1] Less than $500,000 per return.

Note: Details may not add to total due to rounding.

Source: Special tabulations by the Internal Revenue Service.

ALL OIL COMPANIES AND THE 8 LARGEST MULTINATIONAL AND 8 LARGEST DOMESTIC OIL COMPANIES, 1976

[In millions of dollars]

	8 largest multinational companies	8 largest domestic companies	All oil companies [1]
Sales	241,907	28,979	353,787
Less: Cost of sales and operations	186,995	15,740	270,128
Equals: Gross income from operations	54,912	5,240	83,639
Less: Depletion	540	136	1,588
Plus: Other income less other deductions [2]	−14,676	−3,973	−33,409
Equals:			
Net income or loss	39,696	1,121	48,642
Net loss		−226	−730
Net income	39,696	1,347	49,372
Less: Statutory special deductions (returns with net income)	2,438	12	2,941
Equals:			
Income subject to tax	37,257	1,334	46,431
Foreign taxable income (less loss) as reported on form 1118 in support of foreign tax credit claimed	32,876	66	36,179
Domestic (residual)	4,381	1,268	10,252
Gross Federal income tax liability	17,870	625	22,118
Less:			
Foreign tax credit	15,740	30	17,239
Investment tax credit	581	74	1,141
Other tax credits	(1)	(1)	23
Foreign tax credit:			
Unused previous credits carried forward and reported on the return	3,780		3,952
Plus: Taxes paid or accrued, or deemed paid in current year	30,276	30	32,465
Less: Reduction for oil and gas extraction taxes under sec. 907	18,622		11,236
Equals: Total foreign taxes available for credit	23,443	30	25,212
Less: Foreign tax credit claimed	15,740	30	17,239
Equals: Unused creditable foreign taxes [4]	7,703		7,973
Unused creditable foreign taxes [4]	278	191	819

[1] Combines the oil and gas extraction industry and the petroleum refining (including integrated) and coal products industry—major industries 13 and 29 per the Statistics of Income definitions.

[2] Intangible drilling and development costs are not available for all firms and have therefore been included in "other deductions" to arrive at "other income less other deductions" (see attached notes). For the 8 of 8 largest multinational companies (accounting for 92.5 percent of the taxable income of all 8 of these companies) for which intangible drilling and development costs were available, these costs amounted to $1,581,000,000. For the 4 of 8 largest domestic companies (accounting for 82.1 percent of the taxable income of all 8 of these companies) for which intangible drilling and development costs were available, these costs amounted to $307,000,000. For all oil companies, intangible drilling and development costs are estimated, on the basis of sample data, to have amounted to $3,272,000,000.

[3] Less than $500,000.

[4] Because some carryforwards into 1976 expired in that year, and because of the recomputation in subsequent years of carryforward credits required by sec. 907 the amounts shown here exceed the amount of foreign taxes available for carryforward.

Note: Details may not add to totals due to rounding.

Source: Internal Revenue Service, Preliminary Statistics of Income 1976: Corporation Income Tax Returns; and special tabulations.●

AN ARMS RACE PERSPECTIVE

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, I would like to include in today's RECORD a sermon on the nuclear arms race by Dr. George F. Regas, rector of All Saints Episcopal Church in Pasadena, Calif.

Engaged in the day-to-day politics of defense policy and procurement, we in Congress tend to forget that the world rests precariously on the razor's edge of a nuclear peace. Use of even one-tenth of the nuclear weapons now available would certainly be the greatest tragedy in the history of our species.

As the SALT II Treaty is debated, most of the discussion has been not on arms limitation, but on expansion of our nuclear arsenal. This at a time when we have nearly 6 percent unemployment, no adequate health plan for many of our people, inadequate social security for the aged, and are facing a recession. Surely we must debate new military programs in this context, as well as in the context of equivalent megatonnage.

Dr. Regas' words are particularly timely. He knows the fundamental truth that we Americans will not find the security we seek by building more and better missiles—that security can only come from the moral strength of a just society.

AMERICA NEEDS STRONG PROTAGONISTS FOR PEACE

(A sermon preached by Dr. George F. Regas on July 1, 1979)

An experience nearly a decade old is still fresh in my memory. I was speaking at Pomona College about our colossal misadventure in the Vietnam war and the ways that tragic slaughter had anesthetized our conscience. I challenged the people that day with all the power of which I was capable to join the anti-war movement, stop the killing and help bring peace to this bleeding and broken world. When the discussion was over a young woman approached me and with the most plaintive voice said: "But what you don't understand is I have a war going on inside of me. If I can't find peace for my own split soul, how in God's name am I to bring peace to the world?" She was right.

Today in this congregation there are many troubled hearts among us—people in whom a war rages; people baffled and bewildered because life has been hard for them; people whose faces hide sore hearts and secret wounds. Here we are today—all sorts and conditions of people: with loneliness that hurts, disabilities that handicap, secret wars that no one can share, memories that bless and memories that burn. Here we are with a civil war going on within ourselves, weary and burdened with that conflict, and we seek from this worship healing and courage.

Today I want to address myself to the issue of international peace. However, I know our internal warfare underlies much of the tensions of the world. Remember the soldier who wrote home to his wife begging her to stop nagging him so that he could "fight this war in peace!" Every time we gather around this altar to worship, it is important to proclaim that God loves you as you are—God accepts you just as you are—God offers forgiveness for that guilty conscience—God gives you amazing grace to end the conflict of your soul. The offer is there for the taking. Let those words of Jesus make their way into your heart: "My peace I give to you." So stop accusing yourself. Love yourself as Jesus loves you. Accept yourself as you are. Put your arms around yourself; you are a special creation. And then you will find yourself putting your arms around and loving other people.

The older I have become the more convinced I am that most of our animosities against other people are hostilities which we feel against ourselves. If I have little value in my own eyes, if I am filled with conflicts and hostilities, then I vent that fury for myself by beating on the other fellow in one way or the other. So hear Jesus: "My peace I give to you." You are loved; you are accepted; you are forgiven; you are valued. And then you can have the energy and the spirit to go out and love the world. With the peace of Jesus in your heart, you can go out to make peace in this war-torn world. Albert Camus once said:

"Christians should get away from abstractions and confront the bloodstained face history has taken on." At least one of the things that means is that we confront the madness of the arms race which threatens to destroy us. That, in my opinion, is the greatest social, political, economic and religious issue facing the world. It is no longer one problem among many, but the ultimate problem. Reversing the arms race with all its madness is a religious duty. If we are not personally charged as Christians with preserving God's creation, then what are we charged with? This is now the fundamental religious obligation—trying to keep this planet in one piece! "Blessed are the Peacemakers for they shall be called the children of God."

I count myself fortunate that I am the preacher in a parish which provides me with a free pulpit and expects me to expound the Christian faith and principles as they bear on all of life. There are three areas of concern in the arms race to which I now turn our attention and I want to take a little time to do it.

I

First, the danger of unbelievable disaster is real. We are walking a tightrope above those nuclear weapons hoping the holocaust will not come. It will come if we do not change directions. The Stockholm International Peace Institute said recently that because of the nuclear proliferation and increasing sophistication of nuclear arms, they find the probability of nuclear war is steadily increasing. Yes, Russia is armed to the teeth—but so are we.

What are the facts that make up this madness? We need to go to the edge of that dreadful abyss where the two giants of the world are wrestling and dare to look into that arsenal of death. The atomic bomb dropped on Hiroshima destroyed an area of three square miles and killed 140,000 of God's children. Today we can launch one missile that will destroy 234 square miles and kill millions of people living there. We can now destroy 28 Hiroshimas at once with one weapon. It would take just one intercontinental ballistic missile to destroy most of Los Angeles and millions of her people. The Soviets have 5,000 of such missiles and America has 10,000. As I look over that dreadful abyss into that arsenal of death, I am numbed when I see that America has 625,000 bombs like the one which killed 140,000 people at Hiroshima. We can kill every Russian 36 times and destroy the world 12 times, and still we want more. Maybe soon we will be able to destroy the world 13 times. I shudder at the insanity of that.

Albert Einstein made one of the most cogent statements of our nuclear age when he said, "The unleashed power of the atom has changed everything except our way of thinking; thus, we are drifting toward catastrophe beyond conception." General Omar Bradley said the same kind of thing: "The present stalemate of terror cannot indefinitely continue. Pretty soon one side or the other will give a fatal push to the point of no return." In the face of that some people are absolute pacifists—I am not. Some people believe in unilateral disarmament—I do not. Some feel a strong national defense is useless in our day—I do not. But I believe the escalating arms race is sheer madness and points to the moral bankruptcy of our age.

The political reality that nuclear war still remains an option for America is the paramount horror of modern existence. I believe God's charge to you and me is to reverse the arms race and save the planet and human family. Will it take some holocaust with millions dead before we lift our voices in moral outrage?

II

The second area of my concern is that of unsatisfied human needs. The arms race is

a criminal mismanagement of humanity's resources. People are hungry and sick all over this planet, but the world spends $400 billion annually on arms, $175 billion on health care and $20 billion on foreign economic aid. General Eisenhower was right when he said every bomb that is manufactured is a theft from those who are hungry and not fed.

We see the effects of the arms race everywhere—in rotting, rat-infested housing, rampant unemployment, inadequate health care and education, disintegrating cities, hunger and ignorance across our land. One of the most important questions facing America today is how do we manage our resources for the benefit of the whole human family. There is something decadent and corrupting about the assumption that a few in society have the right to health and prosperity while others live in poverty and ignorance. Yes, $400 billion a year fuel the arms race while one-half of the world's children is not being educated.

While in Africa last year I saw what this incredible ignorance can do. I observed with my own eyes children in the Nairobi Hospital who were dying from malnutrition. The doctor taking us around had been educated at UCLA, and he said these children were dying simply because their mothers did not know the basic ingredients to a health diet. I see the social decay of our cities and the hunger of the world's children as monuments to the madness of the arms race. The resources are there for a new earth if only they could be released to eradicate the cesspools of despair and bring about human well-being.

We are told that the United States is first in the world in military power, fifteenth in literacy, seventeenth in life expectancy. Are we to call that national security? I want to place my life against those grossly distorted priorities. More money in arms will not buy greater security; it will only bring greater risks and greater despair. I believe our only hope for any worthwhile future is to reverse the arms race.

III

My third concern is that we build a strong public opinion in the United States to reverse the arms race. Sometimes I feel overwhelmed by the complexities of national defense. Often I feel profoundly incompetent to lift my voice in protest. Yet I know that in spite of all that, I must decide where I stand. Do you remember the story of the jury which deliberated for days and finally the foreman of the jury reported to the presiding judge, "Your Honor, we have come to a decision. We do not want to get involved in this case." The arms race and nuclear war are the greatest moral issues facing our world, and it is indefensible for Christians to be on the sidelines. One of the most tragic realities on the American scene today is the mood that lets the military have their way. The apparent mood in this country is to let the hungry in Asia and Africa starve, let the health needs of our citizens go unmet rather than reverse the arms race. There is no public constituency crying out against the madness of it all and saying, "Stop the arms race; release those resources for human needs." My deepest commitment is to change that reality.

Opposition to the Vietnam war taught us something. Although most of the people in government are good, intelligent, honest folks, we cannot trust their judgments unquestioningly. I am unwilling to turn the arms race over to the Pentagon and government. The war system is deeply imbedded in our society and the lobbying forces for greater defense spending are Washington's most powerful group. The arms race has all the momentum—especially with Russia's provocations and America's determination to be number one. Our only hope is for a great outcry against that kind of world. A reversal of the arms race will come—and ratifying SALT II is a small but significant step in the right direction—only if enough people begin to choose life over death, healing over savagery, peace over war, and push to put those choices into practice. We must build a truly powerful lobby for peace—people who have done their homework and are ready for the long haul.

To this end we are convening a conference on reversing the arms race. My close friend, Rabbi Leonard Beerman, of Leo Baeck Temple in West Los Angeles, and I at All Saints Church will be the conveners. It starts Sunday night, October 21, at Leo Baeck Temple and continues all day Monday, October 22, at All Saints Church. The Board of Leo Baeck Temple and the Vestry of All Saints Church have enthusiastically endorsed the conference. I am inviting all of you to attend. I hope you will come, but don't come alone. We are asking people to bring the uncommitted who are willing to listen. At this October 21, 22 conference you will hear the most articulate voices we can find.

Already we have acceptances from Iowa's Senator John Culver, a member of the Armed Services Committee and a strong advocate for reversing the arms race; Richard Barnet, the founder of the Institute of Policy Studies in Washington; Admiral Gene LaRocque, who heads the Center for Defense Information in Washington; William Winpisinger, who is the Union President of the International Machinists and Aerospace Workers—those most affected by reversing the arms race. Also, Mayor Tom Bradley and Norman Lear will be with us. Following these major addresses we intend to have response panelists who represent diverse opinions.

Through this major conference on the West Coast we hope the religious community of this country can begin to take the lead, not only from a moral and theological perspective, but also with hard facts. I hope you will come.

Yes, the war system is deeply imbedded in us, but deeper in us is something greater. It is the instinct for survival, the instinct to make the world beautiful for children, the instinct to heal the wounds and not lacerate the human family, the instinct to feed and not steal from the hungry, the instinct to do something with hope and heart and love in it, something more than the beastly. Let us join arms before the lights go out. Maybe those better selves within us can raise their voices and help turn the world back from the brink. That is God's charge to us. Choose life rather than death.

IV

As I close, I say to you and to myself, "Hold on to hope." Hope is on the opposite of despair; it is the opposite of apathy; it is the opposite of sin; it is the opposite of cynicism. We are perilously close to midnight, and we ultimately may fail in these efforts to reverse the arms race that is sending us out into the darkness. But right now we have scarcely tried. The task is long and hard. There is work to be done and the time is short. I bid you to join me in hope that we can make a small difference in this world. Join me believing in the incredible possibilities of a new world of peace and justice.

"Last night I had the strangest dream—I dreamed the world had put an end to war." I still believe in that dream. I still believe it is possible to end the madness of the arms war and build a world of peace. That hope is the greatest power in the world. That hope sustains me and encourages me to pay the price for a world where there is no more war ever again. Blessed are peacemakers! You and I can help preserve and hand on to our children this wonderful, terrible, beautiful world. "Blessed are the peacemakers for they shall be called the children of God."●

THE 1979 CAPTIVE NATIONS WEEK A 20TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, one again, a Captive Nations Week has come and gone, but as always before the purpose of Public Law 86-90 has been amply realized. On this 20th anniversary of the Captive Nations Week Resolution, passed by Congress in 1959, the observance of Captive Nations Week was richly active and diverse. The President issued an early proclamation in tune with that part of the law that specifies the issuance of "a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world." Governors, mayors and others then followed and across the country the captive nations were not forgotten. All this augurs well for the 1980's.

Further evidence of popular compliance with Public Law 86-90 is shown in these proclamations reports and programs: First, proclamation by Governors Brendan Byrne of New Jersey and Bruce King of New Mexico; second, proclamations by Mayors E. Lee Comer, Jr. of Independence, Mo., Edward H. McNamara of the city of Livonia, Mich., Thomas P. Ryan, Jr. of Rochester, N.Y., and John Seymour of Anaheim City, Calif.; third, a report in the Park Ridge Herald of July 12 on "Captive Nations Proclamation;" fourth, two programs in New York City and another in Washington, D.C.; fifth, a report on the first New York event in the July 22 Ukrainian Weekly and sixth, a report in the July 20 China Post.

STATE OF NEW JERSEY PROCLAMATION

Whereas, submerged nations look to the United States as a citadel of human freedom for leadership in a continuing struggle for liberation, independence and the restoration of individual liberties and freedom to religious thought according to Christian, Jewish, Moslem or Buddhist traditions; and

Whereas, the greatness of the United States of America is, in large part, attributable to its ability to achieve through democratic processes a national unity of peoples from diverse racial, religious and ethnic backgrounds; and

Whereas, this harmonious unification of different elements of our free society has given our nation a warm sympathy and understanding for the aspirations of freedom and independence throughout the world; and

Whereas, it is fitting that the peoples of this State manifest through an appropriate and official means their feelings and support of all peoples seeking to recovery of their suppressed freedoms and independence;

Now, therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim July 15-21, 1970 as "Captive Nations Week" in New Jersey.

STATE OF NEW MEXICO PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czecho-Slovakia, Latvia, Estonia, White Buthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Bruce King, Governor of the state of New Mexico, do hereby proclaim that the week commencing July 16, 1979 be observed as: "Captive Nations Week."

PROCLAMATION

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjection and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Romania, Georgia, North Korea, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major way; and

Whereas, the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and human rights and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of the captive nations,

Now, therefore, I, E. Lee Comer, Jr., Mayor of the City of Independence, do hereby proclaim this week of July 15-21, 1979, as "Captive Nations Week" in Independence, Missouri, and call upon our citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czecho-Slovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples,

Now, therefore, I, Edward M. McNamara, Mayor of the City of Livonia, County of Wayne, State of Michigan, do hereby proclaim that the week commencing July 15, 1979 be observed as Captive Nations Week in Livonia, and call upon the citizens of Livonia to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

CITY OF ROCHESTER PROCLAMATION

Whereas, policies of the Soviet Union and other communist powers have led to the subjugation and domination of thousands of freedom-loving peoples whose yearnings for independence, and whose right to self-determination, have been arbitrarily ignored, and

Whereas, The United States of America, having thrived on the guiding principles of liberty and justice, is the ultimate symbol of human freedom and therefore has a unique obligation to make independence a reality for enslaved populations everywhere, and

Whereas, Rochesterians recognize their special responsibility to the overseas relatives and friends of many of our City's residents, who contribute so much to the nourishment of basic human rights and to the civic betterment of our Community, and

Whereas, the Congress of the United States has established the third week in July each year as Captive Nations Week, to encourage all Americans to participate in activities to demonstrate our sympathy with and support for freedom, independence, and self-determination of captive peoples throughout the world, and

Whereas, at the ceremony in Rochester the ethnic groups represented, each with their national flags and native costumes, include the Taiwanese, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, Ukraine, Yugoslavia and Cossackia.

Now, therefore, I, Thomas P. Ryan, Jr., Mayor of the City of Rochester, do hereby proclaim July 16-July 21, 1979 to be "Captive Nations Week" in Rochester, and urge all Rochesterians to rededicate themselves to work and pray for the day when freedom for all the world's peoples will be a reality.

A PROCLAMATION

Whereas, a warning signal to the free world was sounded following the Bolshevik Revolution in Russia in 1917, when the communists succeeded in seizing power in Moscow; and

Whereas, since that time the number of captive nations continues to rise and now exceeds the frightening total of 32; and

Whereas, the seizing of power by force is against the free will of the people and democratic principles upon which this Nation was founded; and

Whereas, these various captive nations had their resistance broken by the communists by outward bloody terror and today more than half the earth's population is under communist control.

Now be it hereby proclaimed by the Anaheim City Council that the period from July 15 through 21, 1979, be designated as "Captive Nations Week in Anaheim", calling upon all citizens to continue to defend and uphold the free democratic principles of the United States of America and further, remembering the sacrifices of our fighting forces in defending these high ideals and for the millions of persons living under the communist rule in these captive nations.

CAPTIVE NATIONS PROCLAMATION

Park Ridge residents of Latvian and Ukrainian descent meet with Mayor Martin Butler and long-time supporters of the Captive Nations Committee, Representative Penny Pullen of the 4th District and Anne Culhane. The mayor recently signed a proclamation designating the week of July 15-21 as Captive Nations Week. Pictured (from left) are: B. Jaremczuk, Anne Culhane, Eugene Jaremczuk, Mayor Butler, Constance Jaremczuk, Rep. Penny Pullen, Leo Bodnar and Kaija Kirstens.

TWENTY-FIRST CAPTIVE NATIONS WEEK COMMEMORATION

July 15 through 22, 1979—Join us in the struggle for freedom.

Captive Nations Week is proclaimed each year by the President of the United States of America to remember those many nations imprisoned by the Communist slavemasters. It is dedicated to keeping alive the spirits and hopes of the enslaved peoples for freedom and self-determination of their beloved lands.

Program: Sunday, July 15th 1979—Manhattan

9:00 a.m. Assemble at 59th Street & 5th Ave.

9:15 Fifth Avenue Parade—59th St. to 50th Street

10:00 Memorial Mass at St. Patrick's Cathedral

11:00 Fifth Avenue Parade—50th St. to Central Park Mall (Band Shell near 72nd Street)

12 Noon Ceremonies, honored speakers and folklore entertainment at Central Park Mall

Nationality, Veteran, Patriotic, Church, Political and Civic groups, and individuals are invited to participate in the Captive Nations Week events.

Captive Nations Committee of New York, P.O. Box 540, New York, N.Y. 10028, Hon. Matthew J. Troy Sr., Honorary Chairman; Dr. Ivan Docheff, Honorary Chairman; Horst Uhlich, Chairman.

HUMAN AND NATIONAL RIGHTS FOR THE CAPTIVE NATIONS

We have gathered here today, at the Statue of Liberty, to observe the 20th Annual Captive Nations Week. Captive Nations Week has been enacted into a U.S. Public Law as third week in July signed by President Dwight D. Eisenhower in 1959. Since then the President is requested to issue a proclamation in support of the Captive Nations aspirations for liberty and national independence "until such time as freedom shall have been achieved for all the Captive Nations of the World."

However, since then communist imperialism like cancer has spread all over the World and has continued to afflict the shrinking Free World. The Soviet Moscow

colonial empire is gaining military and strategic advantage over the countries of the Western alliance. The Kremlin has been manipulating national liberation movements in the former colonies and the Third World against the West implanting their pattern on all the continent with mass murders and deprivation of human rights.

We are here to bear witness that the Soviet Union is today the greatest colonial empire and prison of Nations. Moscow Communist genocide and Russification which is most evident in the destruction of scores of nationalities within the Soviet Union is revealed in that fact that, according to the Soviet Academy of Science, in 1927 on the territory of the U.S.S.R. lived over 160 nationalities. Now they count only 120.

The Helsinki agreement signed three years ago by 35 countries, including the U.S.S.R., to guarantee human rights and fundamental freedoms has not been kept by the Kremlin. As a result, dissidents who have organized Committees in Moscow, Ukraine, Georgia, Armenia, Lithuania to monitor Soviet compliance with the Helsinki agreement have been jailed or intimidated. The founder of Moscow watch group Orlov is in jail. In Ukraine, leaders of the Ukrainian group M. Rudenko and O. Tykhy were the first persons associated with Helsinki watch groups to be sentenced. Punishment has been meted out to the Georgian dissidents Zamstakhurdia and Kostava and others. The Byelorussian dissident Michael Kukabaka was twice incarcerated for the dissemination of the Declaration of Human Rights.

Recently, in Moscow, Kaluga and Vilnus, members of the Helsinki groups—Anatoly Shcharansky, Alexandr Ginsburg and Lithuanian Victoras Petkus—have been harshly dealt with by the Soviet "kangaroo courts".

Just yesterday, we have received another sad news that in Ukraine member of the Helsinki group Lev Lukianenko who only two years ago completed his 15-year prison term, has again been sentenced to ten years of jail and 5 years of exile.

We the participants of this meeting are joining the Free World's protest against harsh sentences given to Anatoly Shcharansky, Alexandr Ginsburg, Victoras Petkus, Lev Lukianenko, Valentyn Moros, Marynovich, Crimean Tartars' dissident Dzhemiliov and many, many other fighters for human rights.

Our task is to enlighten the governments and the people of the Free World that verbal protests and secret diplomacy are not enough.

We insist on the implementation of the De-colonization Resolution of the United Nations, also with respect to the countries enslaved by Soviet Russian imperialism.

We demand freedom for Armenia, Albania, Azerbaijan, Bulgaria, Byelorussia, Cambodia, China, Crimean Tartars, Cossackia, Croatia, Cuba, Czechia, East Germany, Estonia, Georgia, Hungary, Idel Ural, Karatchays, Laos, Latvia, Mongolia, North Caucasus, North Korea, Vietnam, Poland, Romania, Serbia, Slovakia, Slovenia, Tibet, Turkestan, Ukraine and others.

July 28, 1979, New York.

Executive Committee—Americans to Free Captive Nations, Inc.

LET FREEDOM RING! CAPTIVE NATIONS FOLK FAIR

20th Anniversary of the Captive Nations Week Commemoration.

Constitution Hall, 1776 D Street, N.W., Washington, D.C. about three blocks from The White House.

Saturday, July 21, 1979, all day indoor event—air conditioned.

10:00 a.m.—6:00 p.m.: Exhibits—Display and sale of Arts, Crafts, Foods, Books and Literature—Continuous Music and Free Shows of Films—Over 20 Nationalities participating!

7:00 p.m.—Start of Artistical Program of colorful and exciting Folk Dances and Music from many countries of Europe and Asia—Over 10 nationalities performing!

The people from behind the Iron and Bamboo Curtains are the Captive Nations of the 20th Century.

Come and meet them and learn about their beautiful countries and traditions and about their struggle for freedom and human rights.

You will meet people from: Armenia, Bulgaria, Byelorussia, Cambodia, China, Cossackia, Croatia, Cuba, Estonia, Ethiopia, East Germany, Guinea (Equatorial), Hungary, Korea, Laos, Latvia, Lithuana, Poland, Romania, Slovakia, Ukraine, Vietnam.

[From the Ukrainian Weekly, July 22, 1979]

HUNDREDS ATTEND CN WEEK ACTIVITIES IN NEW YORK

NEW YORK, N.Y.—New Yorkers marked the 20th anniversary of the Captive Nations Week proclamation with a Liturgy, parade and rally on July 15, in which the local Ukrainian community played a prominent role.

Some 300 Ukrainians attended the 10 a.m. Liturgy at St. Patrick's Cathedral. The historic house of worship was filled to capacity with representatives of the captive nations, many of whom were dressed in their national costumes.

The Liturgy was celebrated by the Rev. Dr Walter C. Jaskiewicz of the Lithuanian community, while the Very Rev. Patrick Paschak of Astoria. N.Y., provincial of the Ukrainian Basilian Order in the United States, delivered the sermon.

The Very Rev. Paschak spoke about the plight of the captive nations in the USSR and about the imprisonment of political prisoners in the USSR. Citing the tragedy of the boat people, the Very Rev. Paschak called on the American people and the peoples of the free world to offer at least moral support to the captive nations behind the Iron Curtain and to give concrete support to the victims of communism who have fled their native lands in Asia.

During the Liturgy, three men, who were to have identified themselves as members of the Jewish Defense League, attempted to knock the caps off the heads of some members of the Cossakian representation. They fled the cathedral once people came to the defense of the accosted individuals.

After the Liturgy, the participants of the observance marched to the Central Park Bandshell. The Holy Trinity marching band, under the direction of Kurt Reiheimer was at the head of the parade. The honorary marshalls of the parade were Dr. Ku Cheng Kang, honorary chairman of the World Anti-Communist League; K.C. Dunn, (Chinese), Dr. Ivan Docheff (Bulgarian), Horst Uhlich and Peter C. Wytenus (both of the N.Y. Captive Nations Week Committee).

Also taking part in the parade were Rep. S. William Green (D-N.Y.) and Dr. Ben Fernandez, a Mexican American who is campaigning for the GOP nomination for president.

The rally in Central Park began with the presentation of the U.S. flag and the flags of the captive nations, the singing of the American national anthem by Hiller Searesto, and the reciting of the "Pledge of Allegiance" by Jerry Bianchi, state commander of the Catholic War Veterans.

Mr. Uhlich, chairman of the N.Y. Captive Nations Committee, delivered the introductory remarks.

Dr. Ku, Rep. Mario Biaggi (D-N.Y.), Dr. Docheff and Dr. Askold Skalsky of Hagerstown Community College in Hagerstown, Md. and Dr. Fernandez were the keynote speakers.

The presidential Captive Nations Week proclamation was read by Anna Maria Basic and the governor's proclamation was read by Marika Tomberg-Sheinkin. A series of resolutions adopted by the participants was read by Mr. Wytenus.

Among the Ukrainians to appear in the entertainment program were the SUM "Karpaty" Ukrainian dance ensemble from Yonkers, N.Y., under the direction of Volodymyr Usedeychuk and Oles Furda and Jaroslaw Halatyn of the N.Y. School of Bandura.

Other performers included representatives of the Estonian, Chinese, Croatian and Crimean Tatar groups.

Mary Dushnyck, UNA Supreme Vice President, served a master of ceremonies.

On Saturday evening, July 14, Dr. Ku, a noted anti-Communist leader from the Republic of China, was honored at a dinner in New York's Chinatown.

Some 300 persons, among them 15 Ukrainians, attended the dinner.

The dinner was opened with a statement by Mr. Uhlich. Mrs. Dushnyck was the master of ceremonies. The invocation was delivered by the Very Rev. Paschak. Also speaking were K. C. Dunn, director of the New York office of the Coordination Council for North America Affairs, and C. P. Tom, president of the Chinese Consolidated Benevolent Association.

In his keynote address, Dr. Ku underlined the importance of a free China in the modern world. He criticized the American government for withdrawing its recognition of the Republic of China, but thanked the American people for the support free China has received from them.

Dr. Ku also spoke about the economic growth of Formosa saying that a similar growth could be experienced in other free countries in the Far East.

Among the Ukrainians present at the dinner were Dr. Walter Dushnyck and Slava Rubel, UCCA; Dr. Stepan Halamay, ABN central committee; Michael Spontak, Ukrainian Liberation Front and vice president of the N.Y. Captive Nations. Committee; Daria Stepaniak and Maria Nestarczuk, Women's Association for the Defense of Four Freedoms for Ukraine; Wasyl Magal, Organization for the Defense of Four Freedoms for Ukraine; Jaroslaw Sawka, Ukrainian Hetman Organization; Dr. Alexander Sokolossyn, press chairman of the N.Y. Captive Nations Committee; George and Maria Honcharenko, Ukrainian Engineers' Society of America; Mary Pressey, Jaroslaw Rubel, Dr. Roman Holiat and Dr. Osyp Oryshkevych.

[From the China Post, July 20, 1979]

CAPTIVE NATIONS WEEK ACTIVITIES BEGIN TODAY

Week-long island-wide activities to mark the 1979 Captive Nations Week will begin today with an afternoon lecture at the Taipei City Hall by Mogens Glistrup, head of the Progress Party of Denmark, and Dr. F. Peeters, professor of Hannover and Frankfurt University in West Germany.

The activities will reach their climax on Saturday when a mass rally to be attended by some 3,000 people from all walks of life and foreign distinguished guests, is held at the Sun Yat-sen Memorial Hall in Taipei.

Another mass rally in which some 105,000 people will take part will be held at the Tainan Sports Stadium next Monday and will be filled with speeches by distinguished guests and performances demonstrated by students. Another lecture by John Marques Kakumba from Angola and John B. Martyr, a member in the House of Australia, will be held at the Taipei New Park on Friday, when a mainland affairs forum will also be held at the National Chengchi University in the afternoon.

On the Saturday following the mass rally at the Sun Yat-sen Memorial Hall, a forum in which representatives, professors and representatives of news media will participate, will be held at the Grand Hotel in the afternoon.

The theme of the activities is to support the fight for freedom, democracy and human rights going on the mainland of China and to encourage those enslaved people on the mainland to fight against the totalitarian rule of the Communists.

The Captive Nations Week was adopted by the U.S. Congress in 1959 in a resolution which stated that in each year the third week of July will be marked as the Captive Nations Week. The resolution demonstrated the American people's determination to support those captive nations in their fight for their fredom.

The Republic of China adopted the day in 1961.

Distinguished guests coming to Free China this year for the Captive Nations Week activities included: Congressman David Daniel Marriott, Congressman Mariv H. Mickey Edwards, Congressman Gerald B. Solomon from the U.S.; Dr. Juan Manuel Frutos, chairman of the board of directors of the World Anti-Communist League; Dr. Fethi Tevetoglu, president of the World Anti-Communist League Turkey Chapter; Seijro Niki from Japan; Aniboi Raul Casal, secretary of Free China-Paraguay Association; Ali Moghram Al-Ghamdi from the Kingdom of Saudi Arabia; Michel-Mariade Rostolan from France and many others.●

SHATTER THE SILENCE, VIGIL 1979

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, as part of the "Shatter the Silence, Vigil 1979" on behalf of Soviet Jewry. I want to bring to the attention of my colleagues once more the plight of the Solomon Alber family in the Soviet Union.

Last year before this House, I detailed the distressing circumstances of the Alber family. I was hoping that this year I would be able to report that at long last they were allowed to emigrate. But unfortunately, this is not the case; I do not have good news to share with you today. Indeed, all I have to report is the same story, the same story of harassment and violation of fundamental human rights. Solomon Alber and his courageous family are still in the Soviet Union.

Let me recall for you the plight of the Albers. Mr. Alber, a mathematician and physicist, was director of a computer research laboratory when he applied for emigration visas for himself and his family. He was refused in 1975 and, as a consequence of the application, he was demoted. His wife, Evangelina, a physician, lost her job as a pathologist.

News about the family's application refusal spread quickly in their small scientific community outside Moscow.

On June 23, 1976, the New York Times reported that Mr. Alber's 15-year-old son, Mark, had become the target of an officially inspired campaign of threats and violence. First, his fellow students began the "silent treatment," refusing to speak to him. Then, as the shunning wore off, they taunted him, calling him "Jew, Jew, Jew" in derisive tones. Later, Mark was twice beaten, once into unconsciousness. Nevertheless, the police took no action, even though they apparently knew the identity of the assailants.

Shortly after this, a 3-ounce metal ball was shot through the third floor bedroom window in the Alber home. Fortunately, neither Mark, nor his younger brother, Ilya, were in the room at the time. Still, the police dismissed the incident as a prank.

Sadly, this is not an unusual story. It is typical of many other stories we hear about Soviet Jews.

But is is not enough to lament these stories and wish things were different. It is not enough to hope that someday the Soviet Union will implement a policy of free emigration.

What is to be done? Many Members of this House have already written countless letters and spoken out on behalf of Soviet Jews, urging that they be allowed to emigrate. This is a start. We must let the leadership of the U.S.S.R. know these people are not forgotten.

But we can do more. We can all bend our efforts toward those policies which provide our Government with maximum leverage in carrying out our concern for international human rights.

This is a critical time. In response to current initiatives in arms limitations and the upcoming Olympic games, we have seen a growing number of Soviet Jews leaving the U.S.S.R. If the rate continues, maybe Solomon Alber and his family will eventually be among those allowed to leave.

But what happens after these events pass? What will happen to the "refuseniks" and prisoners of conscience when there is no longer a pending summit or treaty to elicit continued high levels of emigration? We simply must have more flexible tools for the United States to use on behalf of these people.

With the support of this House for such policies, perhaps next year I will be able to report to you that the Solomon Alber family is free.●

ENERGY ARTICLE NO. 2: OCEANIC BIOMASS—A RENEWABLE ENERGY SOURCE

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, for 120 years, since the discovery of oil in this country, we have unceasingly exploited a nonrenewable resource. We have built our economy on an oil foundation but we have done it by mortgaging the future for the expediency of the present. The energy shortages we are now suffering are harsh notices that the mortgage must now be paid. We must redesign our energy profile and build upon a mix of renewable energy sources.

As the "water" planet, our oceans can provide energy from a number of varied sources: tides, waves, currents, ocean thermal, and biological matter. As a member of the new National Alcohol Fuels Commission, one of our responsibilities will be to investigate the potential for alcohol fuels from biomass, including oceanic crops. The fastest growing crop in the world is giant kelp. This oceanic plant can grow as much as 2 feet a day and reach a height of 200 feet in less than 5 months. Giant kelp is already harvested commercially and constitutes a vital ingredient in paint, cosmetics, pharmaceuticals, textiles, and many of our foods. Investigations are now underway to create and cultivate giant kelp farms which could be harvested and the biomass used to contribute to our national energy supplies. It has been estimated that a 100,000 acre kelp farm could conceivably supply enough energy to power a city of 50,000 residents.

I would like to share with my colleagues an article which appears in the June issue of American Airlines magazine, American Way, entitled "Kelp Help." I believe if we look seaward we will find many of the solutions to the energy, food, and nonfuel mineral problems which confront our country.

The article follows:

KELP HELP

(By James C. Simmons)

If most people think about it at all, it's as a nuisance—a worthless weed best eradicated. Its long, rubbery, leafy strands foul the beaches after storms, attracting clouds of peaky flies and giving off a noxious stench. Fishermen curse it when their lines get hopelessly entangled in its meshes. Sailors hate it when their pleasure crafts become mired in the leafy embraces of the kelp plants lying just below the surface.

Actually, the giant kelp is one of nature's most fascinating and exotic plants, and one that has become such a fundamental part of the modern American scene that it would be difficult to imagine life without it.

Giant kelp, or *Macrocystis pyrifera*, as it is known to scientists, is the fastest-growing plant in the world. Under ideal conditions one plant can grow as much as 2 feet a day and reach a height of 200 feet in less than five months, earning it the nickname "Sequoia of the Sea."

There are very few areas in the world where conditions are such that the giant kelp can grow and thrive. It requires an abundance of sunlight, a strong ocean current to bring up the nutrients from the bottom, a rocky ocean floor for the plant to take hold, and cool water temperatures. In the Northern Hemisphere the giant kelp is found only off the Pacific coast of North America.

When conditions are right, the giant kelp flourishes in vast marine forests. For the scuba diver the experience of a kelp forest is unforgettable. The tall vines and leafy blades sway rhythmically in the steady, cool ocean currents; thousands of tiny gas-filled bladders keep the huge plants upright. Unlike the land varieties, these marine "sequoias" have no root structures. Instead, clumps of branching pencil-size strands called holdfasts cling to the bare ocean bot-

tom. There are seasonal changes to these marine forests, just as with the terrestrial ones. In summer the warmer ocean temperatures cause the plant's blades to loosen, then detach, and drift slowly down toward the bottom, like the autumnal shedding of leaves in some New England forest. As each strand matures, it breaks loose to drift away. The kelp forest thus completely rejuvenates itself every two years.

The kelp forests are home to vast menageries of aquatic life. As long ago as 1834, a youthful naturalist, Charles Darwin, marveled at the "number of living creatures of all orders whose existence intimately depends on kelp." They come to the forests by the hundreds of thousands to seek both refuge and food. Kelp crabs and shrimp scurry among the stems of the holdfasts, which offer a haven as well to the more timid octopi and serpent stars and the sedentary feather-duster worms and anemones. In the dense tangle of leafy stalks reaching up more than 100 feet, schools of brightly hued fish swim through the shadows laced with rays of sunlight. Calico bass, kelp fish, and croakers hang motionless in the branches of the kelp, following the scuba diver's every move with cautious curiosity. Fiercely territorial garibaldi fish flash a brilliant orange as they pugnaciously defend their nests against intruders.

Ken Wilson, a marine biologist who has studied the kelp forests as fish habitats, says, "A rocky bottom cannot support more than 100 pounds of fish per acre, but the same area covered with kelp can support three times as much." Indeed, marine forests of giant kelp are boons to both sport and commercial fishermen. Without them, Americans would have far fewer lobsters, abalones, bass, perch, and rock scallops for their dining tables.

But kelp benefits mankind in many other ways as well. Long before Columbus crossed the Atlantic, the Indians of the Pacific Northwest boiled its blades to make soup and stretched and dried its tough, cablelike stalks to make fishing lines. Today kelp is the basis for a multimillion-dollar industry that intimately affects the daily lives of nearly every one of us. The center for that industry is San Diego, sometimes called the kelp capital of the world because of the luxurious growth of its kelp forests just offshore.

Giant kelp is rich in algin, a marvelous substance that gives the tall stalks the resilience they need to withstand the constant pulling and tugging of the waves. Properly extracted, algin is one of the sea's most miraculous gifts. Dr. Wheeler J. North of the California Institute of Technology and a leading authority on giant kelp, is quick to add up some of algin's many benefits:

"As an emulsifier, it binds oily and watery fluids together, processors use it to prevent salad dressings and other products from separating in the container. As a suspender, it helps keep pigment particles mixed with the carrying liquid, and so finds use in such items as paints, cosmetics, and pharmaceuticals. As an aid in controlling viscosity, it can do such things as make ice cream smoother and packaged cake icings stiffer."

Algin is also used in the printing and paper industries, textile dyeing, and ceramics to brighten colors and keep them from running together. Carpets, drapes, and upholstery fabrics are coated with alginates to prevent shedding and to enhance dyeing.

San Diego's Kelco, the largest producer of algin, is one of only a handful of companies in the world commercially harvesting kelp. For an industry based on such a limited and ecologically vunerable resource (two weeks of water temperatures above 68 degrees Fahrenheit will wipe out an entire kelp forest), Kelco's sprawling operations suggest that business is booming and likely to improve as new uses for algin are discovered. The company employs more than 800 people—from chemists and biologists to sea captains and scuba divers.

Kelco has a fleet of five modern harvesters, cumbersome and ugly contraptions, which superficially resemble oil tankers. They operate like giant, seagoing lawn mowers, pushing large cutting racks through the tops of the kelp forests and gathering the cut kelp onto conveyor belts which carry it aboard. By law the kelp must be cut only three to four feet below the surface to allow quick regeneration of the plants. Each ton of kelp yields up to 60 pounds of finished algin power.

Kelp is big business. The state leases the kelp forests off California to private corporations to harvest. Kelco owns leases on 70 square miles of kelp forests and tends them as carefully as farmers tend their fields. The company's scuba divers call themselves "sea farmers" and with good reason: They may work 80 feet down on the ocean bottom with air tanks strapped to their backs, but their chores are the same as those of any farmer—seeding, transplanting, weeding, and pest control. Kelp is much too valuable a resource to leave its management to chance and nature. In the 1950s a plague of lowly sea urchins destroyed most of the kelp forests off California. Today periodical dusting with quicklime kills the sea urchins without harming other forms of marine life.

Some scientists see kelp fulfilling far more important roles in the not-so-distant future. One of these is Howard Wilcox, a civilian scientist at the Naval Undersea Center in Sand Diego, who believes that giant kelp can make a significant contribution to the nation's energy supplies. Properly processed, kelp yields methane gas, liquid fuel, plastics, and many other products we now get from petroleum. Wilcox foresees vast floating plantations of kelp, anchored to huge rectangular grids suspended 40 feet below the ocean's surface. A 100,000-acre kelp farm could conceivably supply enough energy to power a city of 50,000 residents.

If such ideas appear overly visionary to some, they do not to the Department of Energy, the American Gas Association, and General Electric, all of whom are heavily committed to the first such pilot project, already in place off Los Angeles. Wilcox, who headed up the project in its early years, thinks it has already proven its commercial viability. "By the early 1990s the first of these large plantations will be in place, and it will pay off like a slot machine," he predicts confidently.

Until then, give silent thanks to the giant kelp plant, sorely maligned and rarely understood, when next you quaff a brew. After all, it was algin that put a head on your beer.●

A NATIONAL MUTUAL HOUSING CORPORATION

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, I am introducing a bill today to create a National Mutual Housing Corporation to promote the development of mutual housing associations. MHA's are private organizations which develop and manage multifamily housing projects for low- and moderate-income people in inner-city areas. The need for such organizations is apparent when one looks at the housing needs of my district in the Bronx and other inner-city areas throughout the United States.

The private market for multifamily housing for low- and moderate-income people has broken down in most inner-city areas. The high cost of construction has drastically slowed the production of such housing, and the high cost of maintenance has often led to rapid deterioration. Yet if the exodus of working class citizens from inner-city areas is to be stopped, affordable multifamily housing must be provided. The U.S. Department of Agriculture predicts a demand for 700,000 new multifamily units per year through the year 2000, but the U.S. Homebuilders Association estimates that fewer than 500,000 will be built per year on the average.

The principal strategies developed by the Federal Government to deal with these problems are public housing and subsidies to private developers to build multifamily housing. Both approaches have had, at best, mixed results. Public housing has been very expensive to build, and management has often been poor and bogged down by redtape. Private developers are most interested in earning the profit from building the housing. The high cost of maintenance often results in poor management once tenants move in. Mutual housing, a form of housing extensively developed in Western European countries and Canada, is a workable alternative to these two approaches in the United States.

A mutual housing association is a private, not-for-profit corporation created to develop and manage multifamily housing for low- and moderate-income people in inner-city areas. The MHA is run by housing professionals experienced in the production and management of inner-city multifamily housing. A key element in the operation of a mutual housing association is the requirement that all residents of the association's housing developments be members or stockholders in the association. This assures the residents the opportunity to take part in setting policy for the management of their own housing.

There are a number of dimensions to the operation of a mutual housing association. First, the MHA conceives and plans the development of the mutual housing projects. This involves evaluating the housing needs of a particular urban area, deciding on the appropriate kind of housing development, selecting a proper site and putting architects to work designing the housing.

Second, the MHA takes responsibility for raising the capital necessary to finance the construction, purchase or rehabilitation of the housing. Since an MHA develops and operates a number of housing projects, it can have substantial capital resources of its own on which to draw in financing additional projects. Further, an established mutual housing association operating a number of housing projects is in a strong position to gain financial assistance from banks.

Third, the MHA hires a contractor to undertake the construction or the rehabilitation of the housing. The MHA's experience in dealing with contractors insures that the contractor will be reliable and that the housing built or rehabilitated will be sound.

Fourth, in order to become a resident in a mutual housing project, a person must first become a member or stockholder in the association. The option to become a member in the association and pay rent rather than purchase stock makes the mutual housing project accessible to lower income people without capital to invest. After an individual becomes a member or stockholder in the association, he is put on a waiting list and is provided housing once it becomes available. This approach creates a pool of prospective tenants to fill the housing projects when they are ready for occupancy. A market for the housing thus is created before the housing is built. Also, by requiring prospective residents to become members or stockholders in the association, the MHA creates a source of capital to finance the housing projects.

Finally, when the housing is ready for occupancy and the tenants move in, the MHA shares responsibility for setting management policy with the tenants. The tenants choose an advisory board which, in conjunction with the MHA, decides such questions as the amount of maintenance and security the building will have. The MHA is responsible for implementing the policy established.

The ownership of the housing remains in the mutual housing association. The MHA is responsible for meeting the long term financial commitments undertaken in building, purchasing or rehabilitating a housing project. This insures ongoing responsible ownership and guarantees continued tenant participation in setting policy for the management of their housing.

The policy of the mutual housing association itself is set by a central board of directors. The board is elected by a vote of all the members and stockholders of the association, who are the residents and prospective residents of the various mutual housing projects. Thus, although the residents of each individual project do not have actual ownership control of the project, they take part in electing the central board of directors which sets policy for managing the ownership interest and for developing new housing projects. This guarantees that the mutual housing association remains responsive to the interests of the residents of the mutual housing projects.

There are several advantages offered by the mutual housing approach to inner-city multifamily housing. The MHA is a permanent institution committed to providing multifamily housing to inner-city families. It would be willing to undertake housing developments in areas that profitmaking concerns would be reluctant to enter. Further, the MHA retains control of the housing it builds, rehabilitates or purchases, thereby insuring continuous responsible management. This prevents the milking of properties that often occurs when private developers manage housing. In addition, since the MHA is a private corporation, the Government expense and redtape involved in public housing is avoided. Finally, the tenants are involved in setting the management policy for their own housing. This develops greater tenant concern for maintenance and helps reduce management costs. Further, it insures management responsiveness to tenant interests.

The mutual housing association also remedies three of the major defects which plague traditional cooperative housing projects in the United States. First, the mutual housing association is committed to promoting and developing new housinng projects. Current cooperative housing projects are usually one-shot deals, with no concern about developing additional projects for people in need of housing. The bylaws of a mutual housing association require that a majority of the members of the governing body of the association be representatives of people applying for housing, rather than those already occupying mutual housing. This assures that the principal concern of the association will be in producing new housing for people in need. Second, since the tenants do not actually own a housing project, they are unable to sell the building when it becomes profitable and end its cooperative nature. This often occurs in traditional cooperative housing projects. The MHA retains ownership of the mutual housing projects once they are built. Third, since the mutual housing association develops and manages a number of housing projects, it can build large capital resources with which to undertake new housing projects. Groups interested in developing cooperative housing projects have traditionally had great difficulty in raising sufficient capital. Even with the creation of the new National Consumer Cooperative Bank, this is likely to remain a significant barrier to the development of individual cooperative housing projects.

Current Federal programs to assist cooperative housing fail to meet the basic problems confronting housing cooperatives. Such programs as those set up under sections 213, 211(d)(3)(and the now inactive 236 of the National Housing Act of 1934 have provided mortgage insurance and mortgage interest rate subsidies to housing cooperatives. Without question these programs have provided valuable aid resulting in the production of thousands of units of cooperative housing. Yet they do not address the fundamental problems of responsible housing construction and management that determine the survival of a housing cooperative once it has been built. Nor do they provide the stimulus for the development of new housing for people in need that a permanent, dynamic institution such as a mutual housing association would provide.

The mutual housing approach to urban housing has been adopted with great success in several Western European countries; West Germany, Sweden, Norway, and Denmark have had national mutual housing systems in operation for over 20 years. The West German system has been in operation since the end of the 19th century, and currently accounts for 30 percent of the housing in the country. The system is national in scope, with nearly 1,500 local associations, 10 regional centers and a central national organization called the Head Federation. The mutual housing system is the principal source of housing production in West Germany. Great Britain and Canada have recently adopted major housing policies incorporating the basic mutual housing concepts.

If mutual housing has been so successful in these Western democracies, it may also be a workable alternative for the inner-cities of the United States. The Association for Middle Income Housing in New York, an organization with a long record of achievement in the development of cooperative and rental housing, has established the first American mutual housing association in New York City. The Metropolitan Mutual Housing Association, Inc. has already developed plans for two multifamily housing projects, one in the South Bronx and one in West Harlem. The project in the Melrose section of the South Bronx will offer 170 units of housing for low and moderate income people. The West Harlem project will provide 200 1- and 2-bedroom apartments for people of low- and moderate-income.

Despite the promising start in New York, mutual housing is an unfamiliar concept in the United States. If it is to get off the ground in cities around the country, a mechanism must be created to promote its development. The bill I have introduced today would establish a National Mutual Housing Corporation to encourage the development of mutual housing associations in cities around the United States. The Corporation would be run by a Board of Directors made up of the Secretary of HUD, the Chairman of the Board of Directors of the National Consumer Cooperative Bank, the Administrator of the National Credit Union Administration, two members representing the views of mutual housing associations, two members from the general public with extensive experience in cooperative housing, one member representing the views of the housing industry, one member representing the views of financial institutions, one member representing credit unions, and one member representing the consumer cooperative movement. The Corporation would be an independent public entity which would assist organizations and groups of individuals interested in forming mutual housing associations. It would provide such groups with technical assistance in planning and organizing the MHA, small grants to assist in planning and organizing, and assistance in applying for aid from HUD and other Federal agencies. The Corporation would conduct studies to determine different means by which to assist in the development of mutual housing associations. It would also make

legislative recommendations to Congress concerning ways in which existing Federal programs could be better utilized to assist mutual housing associations, and suggesting new programs to assist such associations. The purpose of the Corporation would be largely educational, informing groups around the country about the mutual housing concept and assisting them in starting mutual housing associations. The associations would remain independent and would have to be able to function on their own. The Corporation, with a small amount of Federal Government money, would be midwife to the birth of the mutual housing concept in the United States.

Mutual housing responds to a critical problem of urban America—the shortage of multifamily housing for low- and moderate-income people. While new to the United States, the concept has a long track record of success in Western European democracies culturally similar to our society. The concept deserves to be tried in this country. With a small amount of money, the Mutual Housing Corporation could assist in the implementation of a concept that holds great promise for the future of America's cities.●

COMMENTS BY HON. LESTER L. WOLFF ON PETITION FOR ASSISTANCE ON HIGH SEAS TO VIETNAMESE BOAT PEOPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 15 minutes.

● Mr. WOLFF. Mr. Speaker, I rise to call the attention of the House of Representatives to the following petition and lists of signatures which have been delivered to my office.

The petition calls on the President to order the U.S. 7th Fleet to assist refugees on the high seas fleeing from Vietnam. It also calls on the United Nations High Commissioner for Refugees to work with the United States in housing those refugees in facilities in countries of first asylum.

We are pleased that President Carter has issued an order providing for ships of the U.S. Navy to assist boat people on the high seas. We are pleased that the Philippines have made a site available for a refugee facility accommodating 50,000 people. Indonesia has offered another island which will accommodate 10,000, for which we are also grateful.

Thus, the purpose of this petition has already been advanced. Lives are being saved and, in a real sense, first aid has been provided in a drastic situation. But we should be alert to the further challenges of continued provision of sufficient first asylum facilities so that all refugees have adequate shelter and food. We must continue to exhort our friends in other nations to increase their acceptance of Indochinese for resettlement. The Subcommittee on Asian and Pacific Affairs will continue to work toward those ends.

The material follows:

PETITION ON BEHALF OF BOAT PEOPLE SUFFERING IN SOUTHEAST ASIA

Whereas the refugee crisis in southeast Asia, particularly the boat people, has become a human tragedy of appalling proportions, which in the absence of urgent measures may cost the lives of half a million people at sea, and

Whereas each hour that passes scores of human lives are being lost in the South China Sea for want of a rescuing hand, and

Whereas when confronted with losses of human lives of such magnitude, humanity can not simply watch it happen and still be worthy of the name of "humanity,"

THEREFORE

We humbly call upon the United States Congress and President Jimmy Carter to send vessels from the Seventh Fleet to rescue refugees now drifting at sea.

We call upon the United Nations High Commissioner for Refugees to work with the United States to bring those refugees to a number of countries which have indicated a willingness to accept refugees on a temporary basis:

Na-Griamel Federation of the New Hebrides, a group of islands in the South Pacific, presently under French and British dominion, and which will become independent in 1980 (see material attached)

Bolivia, which has announced that it will accept refugees for temporary or permanent resettlement

Indonesia and the Philippines which have offered a number of islands to be used as special processing centers for refugees, which can be utilized as emergency holding centers for the boat people. Red tape and bureaucratic procedures should not be permitted to stand in the way when thousands of human lives are at stake.

Guam or a territory of the Socialist Republic of China.

We the undersigned support this call for emergency decisive action:

OVERSEAS

Phan Kim Tinh, France, Tuong Tu Phong, France, R. Duprat Albert, New Caledonia, Bui Van Thinh, France, Le Thi Trang, New Caledonia, Doan Van Linh, France.

VARIOUS ADDRESSES

Louise Van Hoosser, Savannah, Mo., Billy Brunson, Guam M. I., Le Van Minh, Portland, Or., Kim Thanh Giang, Portland, Nguyen Ngoc Ha, Oklahoma City, Tran Thi Kim Cuc, Wenatchee, Wash., Tri Tran Van, Tacoma, Wash., Dr. Anthony T. Bouscaren, Syracuse, N.Y., Susan Czajkowski, S. Creek, N.Y.

ALASKA

Van Long Nguyen, Karen Nguyen, My Dung Thi Nguyen, Matthew Iya, Veronica Iya, Joyce Bridgewater, Robert Phillips.

ADDRESSES UNKNOWN

Ngoc Pham, Huong Pham, Yen Pham, Nguyet Pham, Nga Pham, Van Pham, Dung Pham, Larry O. Daniel, Sam E. Jones, Margaret Padget, Lester Padget, Elenor Cardosa, Gordon Hardy, Inge Hardy, Marilyn Toby Meyer, Edwin G. Wilbig, Marianne V. Wilbig, Jean King, John Hurchalla, Olive Moore, Donald E. Shay, Edwin A. Pearce, Wesley F. Ratzel, Rosemary Pearce, Sherry Jones.

Caroline Johnson, Sue Davis, Alberta Hunycutt, Ruth M. Doyle, Jeremiah W. Doyle, Barbara White, Wayne O. Jefferson, Sara F. Shay, Cheryl Boyd, Nancy N. Nystrom, Billie Cole, Lou Ebejer, F. T. Runyan, Le Grande Cole, Hazel Cole, Carolyn Standerwick, Mildred F. Johnston, Sam E. James, Virgie E. Jones, Neil L. Huard, Carol L. Bates, Patti Sheridan, Winfield P. Niblo, Estelle P. Niblo, Elva Harrison, Josephine Hiu.

CALIFORNIA

Sieu Nguyen, Lam Thi Nhu Hoang, Hien Lam, San Hoang Nguyen, Ha Thuc Nhu Hy, Dieu Thuc Ha, Nguyen Thi Be.

PENNSYLVANIA

Mung Thi Ta, Kim Thuy Pham, Hoang Kim Pham, Trung Quang Pham, Chanh Tat Pham, Tran Ngoc Minh, Shirley Estocin, Lucy Brinza, Elizabeth Malay, Linda F. Close, James E. Husband, Ninh N. Tran, M.D., Liem Duc Nguyen.

Dung Vu, Kim Loan Nguyen, Huong Thao Nguyen, Dat That, Cuong Nguyen, Nguyen Huy Tan, Hoang Ngoc Can, Nguyen Thi Khanh, Phung Thi Chanh, Nguyen Thi Buu, Nguyen Thi Trang, Thinh Xuan Nguyen, Duong C. Tran, Le Khac Bi.

Tran Dai Luong, Tuan Huu Nguyen, Hai Van Pham, M.D., Huynh Thi Phuc, Nguyen Thi Le Quyen, Nguyen Kim Chi, Pham Thien Tu, Mai Thanh Doan, Nguyen Van Dan, Nguyen Xuan Sinh, Nguyen Chinh, Do Thuy Dau.

Mai Thi Nguyen, Thuan Van Tran, May Yeu Tran, Lan Thi Nguyen, Quang Pham, Cao Anh Dung, Huong Thi Nguyen, Van Thi Nguyen, Dzung Duc Nguyen, Nguyen Ai Trinh, Phu Dang Nguyen, Nghi Huu Do, Thuy Nguyen, Kim Hue Nguyen, Phan Vu.

TEXAS

Tran Thi Hoang, Vu Duc Dung, Vu Thi Nhung, Vu Quang Vinh, Vu Van Manh, Lynn Lauderback, Martha A. Jimenez, Mai, Tuyet Thi Tran, Hector Oropesa, James C. Jackson, Carol Kelley, F. Ferre.

Mai Trang Tran, Pinky Wong, Rosanna Chan, Jone Ann, Lloyd Price, Dominique Wong, Charlette Hickson, Annellese Wood, Susie Sappington, Si Tran, Lan Tran, Phuong Tran.

Mary H. Mate, Joni Gonzales, Elizabeth Fox, Thomas Rohrig, J. Mayor, Thuan Lam, R. Magrans, Nguyen Tang Hung, Oanh Kim Nguyen, Hoa Nguyen, Hung Nguyen, Ba Van Nguyen, Joseph Hoa V. Nguyen, Rosemary Jerzak.

Dang Van Minh, Nguyen Van Thai, Thao Dinh Tran, Gioan Van Doan, Binh Van Nguyen, Sr. Clotilda Hue, Pham Treu Minh, Xuan Lap Nguyen, Vu Chao Van, Ngo Hoan Manh, Ngo Thanh Dinh, Vo Tri Quang, Vu Ban, Truong Van Nguyen, Hoan Thi Nguyen, Tran Family, Mao Tien Trinh.

WASHINGTON, D.C. AND VICINITY

David W. Harris, Nguyen Van Phuc, Ken Favorite, Hideaki Sakamoto, Vinh Ho, Tang Lien, Tang Vu Kai, A. B. Moore, Robert S. Bedell, U. Nu Ton, Alice B. Powers, Mary B. Dusak, Patricia B. Skelly.

Nancy Jean Walsh, Mary Bedugnis, Winfield W. Xisson, Viola G. Huard, Jane M. Rivers, Frank L. Rivers, Gladys Brooks, George Brooks, Rose Murphy, Dorie Huffman, Mrs. J. W. Widner, Eileanor Jefferson, Dale Wofford, Catherine M. Wallace, Jane Moeder, Mrs. Jack E. Treadway, M. Courtenay Forman.

Evelyn L. Cressman, George R. Cressman, Thi Xuan Que Pham, Le Thi Anh, Hanh T. Nguyen, Hanh T. Nguyen, Sammy Helms, Truan Thi Pham, Quach Thu Vinh, Thai Grieves, Nguyen Ngoc Diep, Nguyen Ngoc Dung, Nguyen Thien Nam, Nguyen Thi K. Lieu, Truc Mai Phelps, Nancy Shuba.

John P. Hogan, John K. Kim, Nancy S. Buck, Ba Van Le, Ro Thi Son, R. J. Smith, Lawrence J. Stark, Arta Lehn, Le Thi Khanh Van, Ann Murtha, John Murtha, Clare J. Murtha, Nguyen Duc Liem.

Jean A. Sauvageot, Huong Sauvageot, Tr. M. Le, Elizabeth Berger, Samuel D. Berger.●

FEDERAL EMPLOYEES DENTAL BENEFITS ACT OF 1979

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 10 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, in 1959 the U.S. Congress passed landmark legislation,

the Federal Employees Health Benefits Act of 1959, which provided one of the first major steps toward bringing the Federal employee and the Federal Government as an employer into parity with the employees and major employers in the private sector. The Federal employees health benefits program has been an outstanding success. It has proven to be attractive to employees and has been administered at a minimum cost to the Government. In addition, it has had the effect of upgrading the quality of health benefits coverage offered by many other public and private employers.

Today I am introducing a bill to provide a Federal employees dental benefits program which is patterned closely after the successful Federal employees health benefits program. This proposed bill would offer Federal employees, as many employees in private sector already have, the opportunity to obtain insurance coverage to help meet their dental care needs.

The growth of dental insurance in the United States has been spectacular, particularly when one takes into account that much of its rapid growth occurred during a period of economic uncertainty and an extraordinary inflation in the cost of medical care benefits. In 1960, when three-fourths of the people had hospitalization insurance and two-thirds had some form of protection against physicians' bills, fewer than one-half of 1 percent had any kind of dental coverage. At the end of 1978, an estimated 22 percent of the population, or more than 55 million individuals were covered by some form of voluntary dental benefits program. Through collective bargaining, major labor unions and industries have taken the position that dental care is a necessary and integral part of health care protection. This influence has helped to bring dental insurance to the steel, automobile, communications, airlines, chemical, and other industries, with an estimated coverage by 1980 of over 60 million persons.

Dental disease is almost universal. More than 100 million man-hours are lost in business and in industry annually because of dental disease. One-fifth of our civilian population has already lost all of their natural teeth. Of those who still have their teeth, one out of four have destructive periodontal disease. An estimated 4 million have improperly fitted dentures. Absenteeism and reduced effectiveness on the job because of dental disease is costly to industry and to the worker. Household interviews of the civilian noninstitutionalized population revealed that there are 3.1 acute dental conditions per 100 persons per year, and that dental conditions account for 12.6 days of restricted activity and 4.7 days of bed disability per 100 persons per year. (National Health Survey, Acute Conditions, Incidence and Associated Disability, United States, July 1976–June, 1977 DHEW Publication No. PHS 78-1553.)

Much of this disease can be prevented simply by obtaining good dental care on a regular basis. But only half the population sees a dentist for any reason in a given year and half of those do so only for emergency treatment. Dental insurance benefits can help this situation by providing an important incentive to individuals and families to obtain regular dental care, which in the long run will help avoid dental problems resulting from long-term neglect.

As outlined in my proposed bill, the Federal employees dental benefits program would contain the following major elements. First, Federal employees would have an individual choice among four different types of dental benefit plans, which are similar to those provided under the existing FEHBP program.

Second, the bill would vest in the Office of Personnel Management the responsibility for the administration of the program. OPM now administers the programs providing retirement and disability benefits, life insurance, and health insurance for Federal employees and retirees, and has demonstrated its capability in the implementation of those programs. The Office of Personnel Management would be authorized and directed to issue regulations necessary for such administration, and it is expected that, to the extent possible, the eligibility requirements, systems for withholding employee contributions, and contracting procedures would be identical or similar to those provisions in the Federal employees health benefits program.

The one significant administrative requirement applicable to only the Federal employees dental benefits program would be that of requiring payment of the total employee's share of premiums for periods of disenrollment as a condition of reenrollment. This requirement is necessitated by the elective nature of dental treatment.

As far as covered dental benefits are concerned, the emphasis in my bill would be placed on preventive dental care. Most dental disease is cumulative. If disorders are treated early and preventive care continued, the overall health of the individual will be benefited, and the far greater cost of restorative care for teeth that have been neglected can be avoided. The bill provides that, while coinsurance can be placed on other benefits, the diagnostic and preventive benefits required by the bill cannot be subject to deductibles or coinsurance.

With respect to costs and contributions of the Federal employees dental benefits program, the bill specifies that the Government contribution for employees and annuitants enrolled in dental benefits plans shall be $2 biweekly for self-only enrollment and $6 biweekly for a self and family enrollment. This amount is intended to represent about one-half the cost of a reasonable basic coverage for large groups of employed persons. Within that amount, covered services may be expected to be fairly uniform over the several categories of the plan. However, it is expected that the indemnity and service benefit plans will have coinsurance features greater than the health maintenance organization type plans. On the other hand, the indemnity and service benefit plans will offer a wider choice of dentists and, therefore, a greater degree of convenience in most instances. Because the eligibility requirements are almost identical with those of the Federal employees health benefits program, it is anticipated that the enrollment in the dental program will closely approximate the enrollment in the FEHBP. On an annual basis, the proposed contributions by the Federal Government are $52 for self-only enrollees and $156 for family coverage.

The provisions of this program relating to the enrollment of employees and annuitants in dental benefit plans and payment of employee contributions would take effect on the first day of the first pay period which begins on or after December 31, 1980.

Mr. Speaker, dental insurance is the one remaining major gap in comparable benefits for Federal employees. Enactment of a sound dental benefits program, as outlined in this proposed legislation, would help to make the Federal Government's employee benefit policy comparable with large segments of private industry. A contributory dental benefits program with emphasis on preventive dental care would also increase the efficiency of Federal employees by encouraging them to seek dental care thereby enhancing their general health and productivity.

I urge my colleagues in the House of Representatives to join me in supporting this worthwhile and needed legislation to help insure equity and comparability for Federal employees.●

THE IRA-EMPLOYER COORDINATION ACT OF 1979

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

● Mr. CORMAN. Mr. Speaker, on January 15, I introduced H.R. 628, which would provide significant retirement relief for our highly mobile American work force.

Under existing law, an employee is generally permitted to contribute up to 15 percent of compensation or $1,500 (whichever is less) to an individual retirement account (IRA). The IRA contribution is tax deductible in the year for which it is made and taxation of amounts held in an IRA (including investment earnings) is postponed until the account is distributed after retirement.

Present law does not allow an IRA deduction to an employee who is an active participant in a tax-qualified plan. This exclusion creates a cruel hardship for mobile employees who, because they change jobs frequently, cannot expect to earn vested rights under the plans in which they are considered to be active participants. Many of these plans, covering large numbers of persons, require an employee to complete 10 years of service before obtaining a vested right to plan benefits. The Department of Labor (DOL) reports that the job tenure of

American workers decreased to 3.6 years per job in 1978. The DOL also noted that for 1978, men averaged 4.5 years per job and women averaged 2 years. These averages tell the story of mobile employees who cannot rely on qualified plans for retirement income and who are not allowed to use self-help, in the form of an IRA, to provide for retirement. This group of mobile Americans makes up a significant portion of our work force; it includes scientists engineers, secretaries, and nurses.

H.R. 628, the IRA-Employer Plan Coordination Act of 1979, addresses the problem of mobile employees and others who obtain little or no benefit from qualified pension plans.

First, the bill would permit an "active participant" in a qualified plan to make deductible IRA contributions up to the usual IRA limit (presently 15 percent of compensation or $1,500 whichever is less, per year) until the employee obtains 100 percent vesting under the plan.

Second, when a employee obtains 100 percent vesting, the value of the vested plan benefit would be determined and that amount would be distributed by the IRA. If the value of the vested benefit exceeds the balance of the IRA, the IRA balance would be distributed. These IRA distributions would be taxed as ordinary income but would not be subject to the 10 percent excise tax on early withdrawals from IRA's.

Third, after an employee has obtained a 100 percent vested right to plan benefits, deductible IRA contributions could be made each year to the extent the usual IRA deduction limit exceeds the value of the additional benefits the employee earned under the plan that year.

In addition to providing active plan participants a deduction for IRA contributions, the bill allows an alternative deduction for employee contributions to a qualified plan. Under the bill, the limit on deductions for employee contributions to a plan are the same as the limits on IRA contributions except that in the case of mandatory employee contributions to a plan, not more than $100 per year would be deductible.

Mr. Speaker, H.R. 628 would address the retirement problems inherent in our mobile work force, would expand savings essential to investment and growth, and would give an added incentive to Americans to provide for retirement.

The Senate and the House have each passed legislation with similar goals in the past two Congresses, but nothing was enacted.

H.R. 628 now has 51 cosponsors and I hope the 96th Congress will see its enactment.●

A TRIBUTE TO ORVILLE REDENBACHER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognised for 5 minutes.

● Mr. FITHIAN. Mr. Speaker, I would like to take a moment to share with you the impressive record of one of my constituents, Orville Redenbacher. As a result of years of hard work and initiative, Orville Redenbacher has gone beyond recognition in the agricultural community for his achievements to become a widely known personality for his success at developing hybrid popcorn. This September, he will be honored in the district I have the honor to represent as Popcorn King at the first annual Popcorn Festival.

Popcorn has played a role in Orville Redenbacher's life almost from the day he was born 72 years ago on his father's farm in Clay County, Ind. Yet, who would have known then that the enterprising boy who earned his spending money by raising popcorn would become America's Popcorn King.

The bow-tied, silver-haired agronomist earned that title after dedicating 35 years of hard work and research to perfecting America's favorite—and oldest—fun food. The fruits of his effort are the gourmet product which bears his name and the distinction of having done more than any other person to turn popcorn into a $100 million industry.

Some may wonder why he dedicated so much of his life to a single cause as unusual as the quest for the quintessence of kernels. A believer in the tradition of free enterprise, Orville is the sort who accomplishes tasks which others have labeled impossible. Finding the perfect popcorn was not impossible for a man whose hallmarks are determination and persistence.

Persistence got Orville through grade school while he helped his family by peddling produce door to door. At 16 he graduated from high school—the only one of four children to do so—at the top of his class. It was at Purdue University that Orville and popcorn came together in earnest. Purdue was pioneering in the research of the popcorn hybrid seed, and Orville became involved as an undergraduate. After college, he went on to graduate work at Colorado State and continued his popcorn research.

Returning to Indiana, his research and interest in popcorn never waned for the next 25 years while he served as an innovative county agricultural agent or manager of 12,000 acres of southern Indiana farmland.

The year 1952 brought the opportunity for Orville's persistence to pay off. He teamed up with long-time friend Charlie Bowman to form Chester, Inc. in Valparaiso. The diversified agricultural company gave him the chance to devote countless hours to research to come up with the perfect hybrid popcorn seed. Working together, the duo developed the genuinely superior popcorn Orville had been searching for.

The rest, as they say, is history. Orville stuck to his popper and proved wrong the many people who said there was no demand for quality popcorn. Marketed by Hunt-Wesson Foods, today Orville Redenbacher's popcorn is the No. 1 selling popcorn in the country.

With his phenomenal success has come fame. Orville's story has been the subject of magazines and newspapers nationwide. He has appeared on network television and traveled the globe to promote popcorn. As director of the Government-sponsored People-to-People program, his expertise in agronomy has been called upon in Africa and Israel, where he has helped experts improve their popping corn quality and yield.

Orville has not forgotten Valparaiso, Ind., nor has Valparaiso forgotten him. In celebration of his contribution to the popcorn industry, the citizens of Valparaiso will honor Orville Redenbacher as America's Popcorn King at the city's first Popcorn Festival on September 15, 1979. The association between Orville Redenbacher and Valparaiso has been long and happy, and there could be no more fitting tribute to Orville than the Valparaiso Popcorn Festival. Speaking for myself and for the citizens of Valparaiso, I would like to salute Orville Redenbacher's efforts and contribution to the field of popping corn.●

SOVIET INVASION OF CZECHOSLOVAKIA

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, since we will not be in session on August 21 of this year I would like to make some comments about the painful significance of that day to the people of Czechoslovakia. Mr. Speaker, August 21 was a day of infamy perpetrated upon the able, historical, and freedom-loving people of Czechoslovakia when the Russians by military force in a bold and savage exercise of military power took over the Government of the country. This usurpation of power by military force by the Soviet Union came as a sad and shocking end in military subjugation to this proud people which had won their emancipation from the Austro-Hungarian Empire after World War I and had established under the leadership of that venerable and great statesman, Thomas Masaryk, an independent republic. Incidentally, Thomas Masaryk lived at the old hotel at 2400 16th Street while he was working out, with the strong concurrence of our Government, the independence of his beloved country.

I visited Prague in 1945 as a Senator and had a long dinner conference with then President Eduard Benes and had a long consultation with the son of Thomas Masaryk, Jan Garrigue Masaryk, then Minister of Foreign Affairs. They told me of the sad days of the Republic when the nation was taken over by Hitler and how they yearned to regain their freedom. During the war the country was overrun by Soviet troops.

Finally, the Germans were expelled and the people of Czechoslovakia dared to hope that they were about to become free again. The Russians, by the way, always claimed that it was they who freed Czechoslovakia of the German invaders but we know that the United States had a large part in this enterprise. President Benes told me of how the occupying Soviet Army was mistreating and brutalizing the people of Czechoslovakia. President Benes remonstrated with Premier Stalin himself and Stalin promised President Benes that he would curtail much of this mistreatment. President Benes said the situation did improve after this promise. But the Russians stayed on.

Then President Benes said that Stalin told him that if the Czechoslovakian Government would allow the Soviet Union to direct the foreign policy of Czechoslovakia, the Soviets would not interfere in the domestic affairs of Czechoslovakia. President Benes reluctantly and, of course, under the force of the large number of Soviet troops in his country, accepted this solemn commitment of Stalin.

The betrayal of this promise and commitment of Stalin to President Benes occurred when the Russians by military force took over the country and installed its own communistic, oppressive government in 1948. Hence, this day too will be remembered by the freedom-loving people, not only in Czechoslovakia but of the world as a day of infamy. Finally, after a succession of leaders named by the Soviet Union imposing the Soviet will upon the Czechoslovakian people, there emerged a Czech-born man named Dubcek who gradually liberalized the Soviet tyranny and gave recognition to the rights of the people of Czechoslovakia. He humanized the Soviet regime so that the people began to feel once more that their government did have some respect for their rights and interests and some concern for the ancient and proud tradition of the land.

But such liberalization and beginnings of freedom were apparent to the powers governing the Soviet Union. They determined no longer to tolerate the returning air of freedom in Czechoslovakia. Hence, on August 21, 1968, citizens of Prague were awakened in the late night by the roar of numerous planes over the city. They were at a loss to understand such a persistent roar of large planes. At daybreak they discovered their proud capital occupied by thousands of Soviet paratroops who had been flown in during the night and ringed with thousands of tanks which had come from the borders during the night hours. The capital was again in the grip of a Soviet military force which sent Dubcek and many of his followers to Russian prisons and also imprisoned many sympathizers in Czechoslovakia. The heavy hand of tyrannical communism was again at the throat of ancient and proud Czechoslovakia. Another day of Soviet infamy. This condition continues to today when the Czechoslovak people are totally dominated by Soviet agents installed as their government with 80,000 Soviet troops in the country. The people enjoy few liberties and no real independence. The Soviet-imposed government has tried to destroy religion in the country. While on festive occasions like Easter one may find the cathedrals full, generally no person known to be affiliated with the churches or espousing the principles of religion can enjoy advancement in the Soviet-controlled government of the country.

The economy of the nation is not only dominated by the Soviet Union but operated basically for the benefit of the Soviet Union. You can see in the faces of this once-proud people the shadows of disappointment and defeat. To think that this once-proud, cultured, progressive, and heroic country is now a vassal of the Soviet Union is a tragic spectacle.

Hence, let us today again reassure the people of this once-proud land that we have not forgotten them, that we denounce the usurper of their government and their liberties. We call for the restoration of independence and freedom to this once great country and this noble people and we shall continue to strive in every feasible way to bring back the liberty they loved so much and to restore the freedom which is always uppermost in their yearning.●

ADMINISTRATION UNIFORM WEIGHT AND LENGTH BILL

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I am glad to have this opportunity today to join my distinguished colleague from New Jersey (Mr. HOWARD) in introducing at the request of the administration the Fuel Savings Truck Weight Act of 1979 for the establishment of nationally uniform weights and lengths on the interstate highway system.

I would like to briefly state my position with respect to both this specific piece of legislation and the general issue of uniform weights and lengths. First, as I am sure my colleagues are aware, I was the coauthor of H.R. 4545 which was introduced on June 20th at the inception of the independent truckers' work stoppage which had such a telling effect on the Nation's commerce during the period it was in effect. During that crisis, I had the opportunity to visit with many independent truckers, not only from my own district in Iowa, but from many States around the Nation. It was a very enlightening experience for me, since I was able to gain first-hand insight into the very legitimate complaints that these independent operators have. I sincerely hope that my colleagues have the opportunity to do the same.

The issue of whether or not there should be a federally mandated minimum for truck weights and lengths on the Interstate Highway System is at the same time simple and complex. Simple, from the standpoint of the truckers, who know that they now are the victims of a grossly inefficient patchwork of State laws that, due to the inconsistencies of allowable length and weights between States, forces them to waste precious time and fuel when transporting goods across the country. Complex, from the standpoint of State departments of transportation and Federal agencies concerned with the potential for stepped-up road degradation and the delicate balance of Federal/State responsibilities as far as rate setting and licensing are concerned. What is needed is a very thorough and comprehensive hearing to air the various issues surrounding uniform weights and lengths so that a decision can be made on the merits of the case.

This is precisely the reason that I am happy to join Mr. HOWARD, chairman of the Public Works Surface Transportation subcommittee, in introducing the administration's proposal. While I do not believe that this proposal is fully supportable in its present form, I am hopeful that it may serve as the catalyst for the intensive evaluation via the hearings process that we must have if we are to avert another, more costly independent truckers' strike.

My reservations about the language of the administration's proposal stems in large part from its failure to go far enough in addressing the independent truckers' plight, as well as the unclear nature of certain key phrases contained in it. For instance, the legislation calls for uniform weights and lengths being imposed in the event that the President makes a determination that a "shortage of fuel is seriously disrupting the interstate freight trucking industry." If this is to have any meaning to the independent trucker at all, there must be some assurances that his own unique circumstances are taken into account in making this determination. For instance, to the independent operator, a supply shortage and the resultant price hikes may constitute a serious development far sooner than it might a common carrier who has his own fuel supply.

Mr. Secretary, I believe that it is absolutely imperative that the administration, Congress, and the independent trucking industry combine their efforts to achieve agreement on this very volatile issue as soon as Congress returns from recess. There is already talk about the likelihood of a renewed and protracted independent truckers' strike timed to coincide with the harvest season if some of the assurances they felt they were given are not met by the Government. Beyond this immediate concern for the Nation's farmers, middlemen, and consumers, I have a very great concern for the larger future of the independent trucker: if the legitimate demands of the independent trucker are not met, and soon, there will be wholesale disappearance of this very vital link in the Nation's economy. One of the greatest threats facing this country today is the steady loss of its independent businessmen and the increasing concentration among all sectors of the economy that has resulted. We cannot stand coldly by and allow this to happen, because once this evolution has occurred, it is virtually irreversible, and the losses, both tangible and intangible, are sure to be enormous.

Mr. Speaker, I strongly urge my colleagues to add their support to the call for thorough and speedy evaluation of the uniform weight and length issue and the preservation of the independent trucking industry in this country.

Thank you.

A copy of the bill follows.

H.R.—

A bill to establish national standards for weight and length of vehicles using the National System of Interstate and Defense Highways during fuel emergencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Fuel Savings Truck Weight Act of 1979.

SECTION 1. The Congress hereby finds that

shortages of diesel fuel and gasoline can adversely affect the interstate freight trucking industry and that in such times of shortage measures must be taken to maximize fuel efficiency in that industry.

SEC. 2. Beginning seven days after the President finds that a shortage of fuel is seriously disrupting the interstate freight trucking industry, and for a period of 90 days thereafter, it shall be unlawful for any State or the District of Columbia to prohibit a vehicle from using the Interstate highway system within its borders because that vehicle exceeds either State weight limits which are less than 20,000 pounds on a single axle, 34,000 pounds on a tandem axle, and 80,000 pounds gross weight, including all enforcement tolerances, or State length limits less than 60 feet. The overall gross weight shall be consistent with the formula set forth in 23 U.S.C. 127. Those States in which higher weights are permitted under 23 U.S.C. 127 or in which longer lengths are permitted by State law shall not be required to lower existing limits.

SEC. 3. The President may extend the provisions of this Act for additional 90 day periods. The President may make a determination to extend the provisions of this Act for a 90 day period not less than 15 days prior to the expiration of a 90 day period and only after determining that such extension is required because a shortage of fuel is seriously disrupting the interstate freight trucking industry.●

THE COST OF GOVERNMENT REGULATION

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, it has been said that it is very hard to get economists to agree on anything; but there is one thing with which all economists will agree, that is, complying with Government regulations impose added costs to the price of doing business. Whether these costs are overly burdensome, whether they adversely effect the economy, or whether the benefits which may be realized from Government regulations are quantifiable and can be balanced against their costs, are issues which again divide economists into opposing camps. Yet, the fact that Government regulations impose costs cannot be ignored or sidestepped by focusing on the ancillary questions. We must deal with the cost of Government regulations head on because it is not simply DuPont or General Motors or U.S. Steel which is being saddled with compliance costs. It is your hometown bank, local canning plant, small manufacturer, yes, even the local "Mom and Pop" grocery store which is being caught in the costly regulatory web, as well.

To illustrate this point, I would like to bring to the attention of my colleagues a letter which I received from the president of a savings and loan association located in my congressional district. Curious about the time and money being spent to comply with Federal regulations, this savings and loan association compiled figures on the cost impact of its regulatory compliance in 1978. In clear and practical terms, this letter describes what the problem is. In reading this letter, however, we must look at how regulatory costs affect the American public as a whole, and what we can do about it. This is just one small example of the costs that regulations impose for which we all pay in one way or another through the price of goods and services we purchase. When we look at this figure in that perspective, it is multiplied by millions of dollars.

The letter follows:

DECATUR FEDERAL
SAVINGS AND LOAN ASSOCIATION,
June 27, 1979.

Hon. ELLIOTT H. LEVITAS,
U.S. Congressman,
Canon House Office Building,
Washington, D.C.

DEAR MR. LEVITAS: During this last fall and winter the Association employed a senior in the Emory University Business School's MBA Program to make as accurate a study as possible of the costs incurred by this institution in complying with various Government regulations and laws. His final report was received May 25, 1979. In the preface it is stated that "this study did not attempt to allocate any fixed cost or overhead to the cost of government regulations, which would have inflated the final cost figure."

The study was broken down into two sections. The first section dealt with "Start-up Costs" of new regulations which took effect in 1978, while the second part dealt with the continuing costs of compliance on an annual basis with respect to all reports which are required to be filed.

The report produced some surprises in that costs in some areas were less than I would have guessed while in other cases were substantially more.

The start-up costs for compliance with the regulations issued pursuant to the Community Reinvestment Act were $7,833. If costs were substantially the same for all savings and loan associations, the total spent would exceed $36 million.

The start-up costs for complying with the "Fair Lending Regulation & Guidelines" were $11,541. Again, if this could equate to the industry average, the total would exceed $53 million.

The start-up costs for complying with the "Conflict of Interest" Regulation were $58,665.

The annual compliance cost on all forms and reports (some of which, of course, are absolutely necessary) was calculated to be $152,527.

The annual cost to maintain the Loan Application Register in accordance with the requirements of the "Nondiscrimination Regulation" is $13,890. The annual cost of generating the "Census Tract Report" as required by the Home Mortgage Disclosure Act is $5,221. In many respects, these two annual reports are duplicative of each other. To date we have produced four Home Mortgage Disclosure Act reports at a total cost of $20,884. From July 1, 1975 through June 26, 1979 we have received requests for twelve copies. Three requests came from our largest competitor (Atlanta Federal), and three requests came from identifiable interested (concerned) neighborhood persons. The remaining six had various motivations.*

Each report used by others costs us $1,740 to produce. Since the Act was designed to give neighborhood groups data on lending activities, $6,961 was spent by us to furnish the three reports to the ones who were representative of these groups. The need to continue to generate that annual report will expire in 1980 under the terms of the original Home Mortgage Disclosure Act unless the Congress extends it. Please let it die.

The 1978 costs to begin new regulatory programs and to cover continuation costs of all reporting requirements as detailed above become even more significant if you factor in some "overhead expenses" exclusive of compensation, supplies, data processing and postage). The factor used is reasonable but is not as provable as are the direct costs. The results are:

	Direct costs	Allocated overhead	Total
Form costs	$152,527	$79,675	$232,202
Startup costs	78,039	39,837	117,876
Total annual costs, 1978	230,566	119,512	350,078

This letter is not an appeal for you to "do something" for I am not naive enough to believe you can. It simply seemed to me that you might be interested in seeing the results of a reasonably definitive study of cost impact on one business of regulatory compliance in 1978.

Sincerely,

J. ROBIN HARRIS.

The impression that is left after reading this letter is: Did anyone ever stop to think how much it would cost this savings and loan association to comply with these regulations? Did anyone ever stop to think that the benefits which may result from these regulations are worth the costs? Did anyone ever stop to think that there may be a less costly way of achieving these benefits so that this savings and loan association would not have to divert resources from their business of writing mortgages?

It would appear that the answer to these questions is a resounding, "No." But, in all honesty, I do not know if the regulators examined these factors. However, considering such questions is an essential element of the regulatory process. Moreover, the American public wants to know that serious thought is being given to the cost of Government regulations, that the costs are being weighed against the benefits and in-depth analyses are being performed. This will restore their faith and confidence in Government. It would tell the American public that the regulations being promulgated are the best way of achieving certain goals.

I have introduced legislation, H.R. 1984, which requires the preparation and development of specific economic impact analyses for rules and regulations which are required to be published in the Federal Register. These economic impact statements would also be published in the Federal Register, as well as the alternatives that were considered and the reasons why that alternative was not proposed. In developing the economic analysis, the cost impact of the regulation on consumers, businesses, markets and Federal, State, and local governments must be addressed. In addition, the analysis must deal with the estimated cost of implementing, monitoring and enforcing the regulation, and the effect of the regulation on employment and the productivity of wage earners and businesses.

*One copy of the particular report requested was sent to the following: Federal Home Loan Bank Board, Atlanta Regional Commission, Research Atlanta, DeKalb County Planning Department, a representative of the owner of two apartment projects, and a Georgia Tech Professor of City Planning.

Mr. Speaker, this legislation is needed because it makes statutory the type of analyses which the American public wants done on regulations for which they end up paying. It lets us know that the regulators are considering the costs involved, and not just promulgating any old idea which seems to work. We can, of course, get bogged down in the sorts of arguments that economists do in discussing the precision with which costs and benefits can be quantified. Yet, in doing so, we will ignore the basic utility of economic impact analyses in that they force regulators to focus on costs. I welcome the support of my colleagues in my efforts to see that H.R. 1984 or similar legislation is enacted.

THE MARITIME BULK TRADE ACT OF 1979

The SPEAKER. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 30 minutes.

Mrs. BOGGS. Mr. Speaker, this evening my colleague from Virginia and I are introducing a legislative package which we feel will have farreaching implications for the maritime future of this Nation.

We all know that dry bulk cargoes now comprise nearly 40 percent of this Nation's foreign trade, and the importance of this type of cargo will continue to grow in the future. Some expect that this important aspect of shipping may well double by the end of the century.

Despite the fact that such a huge quantity of our vital—and in many cases strategic—raw materials comprise this type of trade, only 2 percent of this trade is currently moved in American-flag vessels. The reason for this alarming state of affairs is because our dry bulk consists of only 19 vessels with an age average of 25 years. The worldwide dry bulk fleet consists of some 5,000 vessels. Our fleet can hardly be characterized as even a drop in the bucket of world bulk trades.

President Carter recently underscored the need to modernize and expand our dry bulk fleet in a letter to the chairman of the Merchant Marine Committee. In his letter of July 20, the President indicated:

> Our heavy dependence on foreign carriage of U.S bulk cargoes deprives the U.S. economy of seafaring and shipbuilding jobs, adds to the balance of payments deficit, deprives the Government of substantial tax revenues, and leaves the United States dependent on foreign flag shipping for a continued supply of raw materials to support the economy.

The President has stated the problem very succinctly. In addition, he has submitted legislation to begin the effort to rebuild the American-flag dry bulk fleet. He is to be commended for recognizing this very real problem and for suggesting the first tentative steps toward remedying it.

However, the gentleman from Virginia (Mr. TRIBBLE) and I have some ideas of our own which we would like to submit for consideration as we all join together to forge a viable merchant marine policy to meet the needs of the 21st century.

My colleague from Virginia will discuss the legislation he is introducing, the Merchant Marine Act Bulk Shipping Amendments of 1979. I am pleased to join him in sponsoring this bill and I would like to associate myself with his remarks explaining its purpose.

I am introducing a companion measure: The Maritime Bulk Trade Act of 1979. The purpose of this legislation is to encourage the movement of bulk cargoes to and from the United States in a manner that provide for an equitable sharing of these cargoes between and among American-flag vessels, the ships of our trading partners and those of third-flag nations.

Mr. Speaker, this legislation would establish for the United States a policy of bilateralism in our bulk trades. Bilateral agreements involve agreements between governments or national carriers that result in a division of cargo between their respective carriers. These agreements exist at the present time in certain Latin and South American trades, specifically with Brazil, Argentina, Guatemala, Chile, Peru, and Colombia, and with the Soviet Union.

Why is the adoption of this type of policy of bilateralism important to our Nation's future? It is important because it brings the United States into the real world of contemporary ocean shipping. Recently Richard J. Dashbach, Chairman of the Federal Maritime Commission, pointed out:

> It is time to consider national shipping policies that include bilateralism as an objective in many of our trades. We must take measures to insure that U.S.-flag carriers are not deprived of their fair share of cargo by nations that have intervened more aggressively on behalf of their merchant fleets than we have on behalf of our own.

Mr. Speaker, the purpose of the Maritime Bulk Trade Act of 1979 is to promote the carriage of U.S. bulk commodities in ships registered under the flag of the United States and the flags of our trading partners.

This will be accomplished through the negotiation of governing international maritime agreements with our bulk commodity trading partners which will reserve at least 40 percent of the bilateral bulk trade to the vessels of each nation. Waiver procedures will be available for 10 years from the date of execution of any governing international maritime agreement. The 40-percent share reserved to each trading partner is therefore a goal to be achieved in 10 years.

These agreements will become effective upon congressional approval and will restrict third flag or cross-trade carriers to a maximum share of 20 percent of the bilateral trade subject to the waiver procedure.

Five years following enactment of this legislation, vessels not registered in the United States or under the flag of a country which has executed a governing international maritime agreement will be prohibited from engaging in the carriage of bulk commodities except between the United States and their nation of registry.

However, bulk cargo vessels of nations which have entered into governing international maritime agreements will be permitted to continue to operate freely as cross traders in U.S. bulk trade with countries that do not execute governing international maritime agreements.

Bulk cargo vessels of nations which enter into governing international maritime agreements will be permitted to operate as cross traders in U.S. bulk trades with all countries that have executed governing international maritime agreements to the extent of 20 percent of such trades.

Nations which enter into governing international maritime agreements with the United States will, thereby, be assured that the United States will cooperate with them to insure that vessels registered under their flags or nominated by them as national flag ships will carry at least 40 percent of their bulk trade with the United States and may compete in U.S. cross trades.

In order to insure that governing international maritime agreements fully conform to the intent of Congress in the enactment of this legislation, they will be subject to congressional review under well-established procedures.

The United States will assist any nation entering into a governing international maritime agreement in the development and management of the bulk sector of its merchant marine including making available relevant programs of the Merchant Marine Act of 1936.

The Secretary of Commerce is directed to establish an industry advisory group including ocean's carrier representatives, shippers, and representatives of nations which have entered into governing international maritime agreements.

Annual reports will be required by Congress from the Secretaries of Commerce and State with respect to their administration of this Act as well as a report from the advisory committee.

Mr. Speaker, this proposal is not some form of unilateral cargo preference legislation. It calls for the negotiation of an equitable and rational cargo sharing arrangement. It is a proposal which I believe will serve as a vehicle for the further development and expansion of world trade and commerce. It is a proposal which I feel will add a significant dimension to the current hearings and debate over the future of a strong U.S. national cargo policy.

I ask unanimous consent that the Maritime Bulk Trade Act be printed in the RECORD immediately after my remarks. In addition, I am submitting a detailed analysis of this legislation for inclusion in the RECORD.

H.R. 5113

A bill to promote orderly and efficient ocean transportation of bulk commodities in the foreign commerce of the United States and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Bulk Trade Act of 1979."

FINDINGS

SEC. 2. (a) The Congress finds and declares the following:

(1) The United States is totally dependent upon foreign flag shipping services to transport over ninety-five per cent of its bulk

import and export commodities in international trade;

Virtually all bulk imports of the United States are critical to American industrial production or to the maintenance of adequate energy supplies;

(3) Bulk exports of the United States contribute substantially to the United States balance of trade, provide major sources of employment in the United States and contribute to the food supply and other essential requirements on a worldwide basis;

(4) The United States cannot afford to rely totally upon foreign sources to provide the transportation services needed to maintain the flow of essential bulk imports and exports if it is to assure the availability of such transportation services regardless of economic and political instability or pressures;

(5) Bulk shipping services presently available to the United States are provided primarily by ships documented in countries which are neither the sources of our essential bulk imports nor the principal purchasers of our bulk exports;

(6) The developing nations of the world with whom the United States engages in significant purchases and sales of bulk commodities are similarly dependent upon foreign flag shipping services and have generally taken steps to insure that a realistic share of their trade with the United States and other industrial nations is transported by ships documented under their flags;

(7) The United States should encourage and support the aspirations of developing nations to participate fully in the carriage of their international bulk trade and should take all necessary steps to promote stability and cooperation between the United States and its trading partners to insure efficient and reliable bulk transportation services;

(8) The findings embodied in section 101 of the Merchant Marine Act, 1936 (46 U.S.C. 1101) are hereby affirmed and the phrase "a substantial portion of the water-borne export and import foreign commerce of the United States" is hereby declared to be not less than forty percent of such commerce.

(b) *Purposes and Policy.*—It is therefore declared to be the purpose and policy of the Congress in this Act—

(1) To take immediate and positive steps to promote the orderly and rapid growth of the bulk cargo carrying capability of the United States merchant marine in order to transport forty percent of our bulk imports and exports in United States flag ships within ten years;

(2) To assist and cooperate with our trading partners so that they may transport an equal share of their bulk trade with the United States in ships documented under their flags within ten years.

(3) To enter into bilateral bulk shipping agreements with our trading partners to assist our trading partners in the development and maintenance of efficient and environmentally safe bulk carrying merchant fleets and to insure the achievement of the purposes and policy of this Act;

(4) To encourage international cooperation in the orderly implementation of policies for the development of national bulk cargo carrying capabilities through constructive participation in the efforts of the United Nations Trade and Development Board and other appropriate international organizations.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "national flag ship" means an ocean going ship or vessel of whatever description documented in the United States or in the country of origin or destination of its bulk cargo and, in the case of any nation other than the United States, such a ship regardless of the country of documentation if certified to the Secretary of Commerce to be a national flag ship by the country of origin or destination of the cargo;

(2) The term "non-national flag ship" means any ship not included within the term "national flag ship";

(3) The terms "bulk commodity" and "bulk cargo" mean cargo transported in bulk without mark or count by an ocean going ship or vessel of whatever description in the foreign commerce of the United States; and

(4) The term "trading partner" means a nation or regional group of nations that has entered into a Governing International Maritime Agreement with the United States pursuant to this Act.

GOVERNING INTERNATIONAL MARITIME AGREEMENTS

SEC. 4. (a) The Secretary of State, in consultation with the Secretary of Commerce and the Special Representative for Trade Negotiations, shall immediately negotiate a Governing International Maritime Agreement with each nation with whom the United States engaged in the trading of bulk commodities in 1979 which trade equalled at least five per centum by tonnage of value of total United States bulk trade in that year. The Secretary shall also negotiate such agreements with any nation whose trade with the United States was less than five per centum by tonnage or value of total United States bulk trade at the request of such nation.

(b) Each Governing International Maritime Agreement shall contain the following essential provisions:

(1) Each nation reserves to its national flag merchant marine the right to participate in their reciprocal bulk commodity trades to the extent of forty percent of such trade.

(2) Non-national flag ships shall be limited to a maximum participation in such trade of twenty percent. If the trading partner by domestic law, decree or regulation further limits non-national flag participation, the shares shall be as prescribed by such law, decree or regulation.

(3) Procedures, which shall be as nearly uniform as possible among such agreements, shall be set forth to insure that the national flag ships of the United States and the trading partner share equally in the reciprocal trade reserved to such ships including procedures for balancing over or under carriage.

(4) Each nation may adopt procedures for the granting of waivers to permit the carriage of bulk commodities in the reciprocal trade by non-national flag ships in excess of the percentage described in (2) above until the tenth year following execution of the agreement provided that national flag ships of the trading partner are first offered the opportunity to transport the cargo;

(5) Each nation shall advise the other in advance of each year until the tenth year following execution of the agreement with respect to any anticipated short fall in its ability to transport the share reserved to its national flag ships so that the trading partner may take whatever steps are necessary to provide shipping services adequate to meet the estimated short fall;

(6) The United States shall provide managerial and technical assistance, if requested, for the development and operation of the bulk cargo carrying sector of the trading partner's merchant marine;

(7) The United States shall make available to the bulk cargo carrying sector of the trading partner's merchant marine the programs available pursuant to Titles V and XI of the Merchant Marine Act, 1936 for the construction of bulk cargo carrying ships in shipyards of the United States. (c) A Governing International Maritime Agreement may contain such other provisions as the Secretary of State, in consultation with the Secretary of Commerce and the Special Representative for Trade Negotiations, deems necessary or appropriate to carry out the purposes and policy of this Act. (d) The Secretary of State shall enter into a Governing International Maritime Agreement with any group of nations which indicate a desire to execute such agreement on a regional basis.

CONGRESSIONAL REVIEW OF GOVERNING INTERNATIONAL MARITIME AGREEMENTS

SEC. 5. (a) IN GENERAL.—No Governing International Martime Agreement shall become effective with respect to the United States before the close of the first sixty calendar days of continuous session of the Congress after the date on which the President transmits to the House of Representatives and to the Senate a document setting forth the text of such Governing International Maritime Agreement. A copy of the document shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives, if the House is not in session, and to the Secretary of the Senate, if the Senate is not in session.

(b) REFERRAL TO COMMITTEES.—Any document described in subsection (a) shall be immediately referred in the House of Representatives to the Committee on Merchant Marine and Fisheries, and in the Senate to the Committees on Commerce.

(c) COMPUTATION OF SIXTY-DAY PERIOD.—For purposes of subsection (a)—

(1) Continuity of session is broken only by an adjournment of Congress sine die; and

(2) The days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

(d) CONGRESSIONAL PROCEDURES.—

(1) RULES OF THE HOUSE OF REPRESENTATIVES AND SENATE.—The provisions of this section are enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of maritime agreement resolutions described in paragraph (2), and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, and in the same manner and to the same extent as in the case of any other rule of that House.

(2) DEFINITION.—For purposes of this subsection, the term "maritime agreement resolution" refers to a joint resolution of either House of Congress—

(A) the effect of which is to prohibit the entering into force and effect of any Governing International Maritime Agreement the text of which is transmitted to the Congress pursuant to subsection (a); and

(B) which is reported from the Committee on Merchant Marine and Fisheries of the House of Representatives or the Committee on Commerce of the Senate, not later than forty-five days after the date on which the document described in subsection (a) relating to that agreement is transmitted to the Congress.

(3) PLACEMENT ON CALENDAR.—Any maritime agreement resolution upon being reported shall immediately be placed on the appropriate calendar.

(4) FLOOR CONSIDERATION IN THE HOUSE.—(A) A motion in the House of Representatives to proceed to the consideration of any maritime agreement resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate in the House of Representatives on any maritime agreement resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit any maritime agreement resolution or to move to reconsider the vote by which any maritime agreement resolution is agreed to or disagreed to.

(C) Motions to postpone made in the House of Representatives with respect to the consideration of any maritime agreement resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(D) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any maritime agreement resolution shall be decided without debate.

(E) Except to the extent specifically provided in the preceding provisions of the subsection, consideration of any maritime agreement resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(5) FLOOR CONSIDERATION IN THE SENATE.—(A) A motion in the Senate to proceed to the consideration of any maritime agreement resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate in the Senate on any maritime agreement resolution and on all debatable motions and appeals in connection therewith shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(C) Debate in the Senate on any debatable motion or appeal in connection with any maritime resolution shall be limited to not more than one hour, to be equally divided between, and controlled by, the mover of the motion or appeal and the manager of the resolution, except that if the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. The majority leader and the minority leader, or either of them, may allot additional time to any Senator during the consideration of any debatable motion or appeal, from time under their control with respect to the applicable maritime agreement resolution.

(D) A motion in the Senate to further limit debate is not debatable. A motion to recommit any maritime agreement resolution is not in order.

CARRIAGE OF BULK CARGO BY NON-NATIONAL FLAG SHIPS

SEC. 6. (a) It shall be unlawful for any non-national flag ship to engage in the transportation of bulk commodities with a trading partner except as authorized by the Governing International Maritime Agreement.

(b) After five years from the date of enactment of this Act—

(1) It shall be unlawful for non-national flag ships, not documented under the laws of a trading partner to engage in the transportation of bulk commodities, and

Non-national flag ships, documented under the laws of a trading partner, may engage in the transportation of bulk commodities between the United States and any nation which has not entered into a Governing International Maritime Agreement.

(c) The Secretary of Commerce and the Secretary of the Treasury shall by joint regulation adopt and implement procedures to insure that non-national flag ships do not transport bulk commodities in excess of that authorized by Governing International Maritime Agreements or as otherwise permitted by this Act.

BULK SHIPPING ADVISORY COMMITTEE

SEC. 7. The Secretary of Commerce shall establish an advisory committee composed of representatives of the United States maritime industry including vessel operators, shipyards and labor, representatives of bulk commodity importing and exporting industries and individuals designated by trading partners to advise and assist the Secretary on all aspects of the implementation of this Act. In the case of trading partner participation, the Secretary shall make appointments so as to insure that geographic regions are adequately represented rather than each trading partner. The advisory committee may be divided into commodity, geographic shipbuilding, ship operation and other appropriate panels.

REPORTS TO CONGRESS

SEC. 8. (a) The Secretary of State and the Secretary of Commerce shall separately report to Congress each year following the date of enactment of this Act with respect to their activities pursuant to this Act together with such recommendations as they consider necessary or appropriate for further legislation to carry out the policy and purpose of this Act.

(b) The advisory committee created by section 7 of this Act shall report to Congress each year following the date of enactment of this Act with respect to their activities pursuant to this Act together with such recommendations as they consider necessary or appropriate for further legislation to carry out the policy and purpose of this Act. The advisory committee report shall be prepared and submitted to Congress without revision by any department or agency, however the Secretary of Commerce may attach such comments to the report as he deems appropriate.

MARITIME BULK TRADE ACT OF 1979—SECTION BY SECTION ANALYSIS

SECTION 1

The first section (enacting clause) states that this Act may be cited as the "Maritime Bulk Trade Act of 1979."

SECTION 2

Section 2 sets forth Congressional findings and the purposes and policy of the Act.

The Congressional findings note the dependence of the United States upon foreign-flag shipping services to transport bulk imports and exports and recognize the fact that bulk imports are primarily to meet national energy requirements and critical raw material needs of our manufacturing industries. The findings note further that American bulk exports are critical to our balance of trade, supply major employment in the United States and are a major contributor to the world food supply.

Given the United States' dependence on many essential bulk imports and the importance of our bulk exports to the economy, Congress finds that the United States can no longer rely exclusively upon foreign-flag ships to assure the flow of these essential commodities in the face of continuous international instability which may deny transportation services to the United States.

Congress further notes the fact that our principal trading partners in the movement of bulk commodities similarly do not control the availability of their essential shipping services, but have initiated various steps to correct this situation.

The developing nations generally have adopted the Code of Conduct for Liner Conferences promulgated by the United Nations Trade and Development Board as an international treaty regulating the activities of ocean carriers in liner trades and reserving forty percent of each nation's trade to its national flag liner vessels. While the United States has refused to sign and ratify this treaty, a significant number of industrial nations, including the European Economic Community, have indicated that they will ratify the Code and enforce it in their liner trade with developing nations.

Efforts are now underway in the United Nations Trade and Development Board to develop a code governing the shipping of bulk commodities. While this effort is just beginning as a result of the UNCTAD V meeting in Manila last May, there is little doubt that developing nations will ultimately conclude a bulk shipping treaty including cargo reservation as has been done in the case of liner trades.

Since a large segment of the United States bulk trades are with the developing nations, the United States cannot remain in splendid isolation from these international negotiations.

The findings state, therefore, that the United States will encourage and support the efforts of the developing nations to gain a measure of control over their trade in bulk commodities rather than act as an obstacle. This is clearly in the mutual interest of the United States and our major bulk trading partners.

Finally, and of great importance, Congress finds that the objective, long stated, of the Merchant Marine Act of 1936 that the United States transport a substantial portion of its trade in U.S.-flag vessels means forty percent of such trade.

Following directly upon these Congressional findings, the Congress states that the purpose and policy of this Act is to promote the orderly and rapid growth of the U.S. merchant marine bulk cargo carrying capability so that the United States can transport forty percent of our bulk shipments in U.S.-flag vessels by 1989.

In a similar vein, recognizing that our bulk trades are a two-way proposition, the United States will actively support the efforts of the developing nations to achieve the same goal.

SECTION 3

This section sets forth essential definitions including that of national flag ship, non-national flag ship, bulk commodity and bulk trade, and trading partner.

A national flag ship is a vessel engaging in the bulk trade of the nation of its registry. A foreign nation may designate ships not registered in that country as national flag ships.

A non-national flag ship is any vessel not included in the definition of national flag ship and is commonly referred to in the maritime industry as a "third flag vessel" or "cross trader."

Bulk commodities and bulk trade mean cargo in bulk without mark or count transported in U.S. foreign trade. By this definition any form of packaged, bagged or containerized cargo even though in liquid or dry bulk form within the package, bag or container is excluded from the scope of the Act.

Commodities covered by the Act include, for example, all forms of bulk petroleum products, liquified gases under pressure, grains, coal and metal ores.

A trading partner is defined to be a nation which was entered into a Governing International Maritime Agreement with the United States.

SECTION 4

This section directs the Secretary of State in consultation with the Secretary of Commerce and the Special Representative for Trade Negotiations to enter into Govern-

ing International Maritime Agreements with each of the principal nations with which the U.S. engages in bulk trades and with any other nation which requests such an agreement with the U.S.

A Governing International Maritime Agreement will reserve to the U.S. merchant marine at least forty percent of the trade with a trading partner. The same share of the bilateral trade will be reserved to the merchant marine of the trading partner. The remaining twenty percent is available to "third flag carriers" or "cross traders" subject to the further limitations of section 6 which limit cross trading to the vessels of trading partners (nations which have entered into Governing International Maritime Agreements).

Waivers are permitted until the tenth year following execution of a Governing International Maritime Agreement in recognition of the build up period which will be needed in most instances to meet the forty percent goal.

The Governing International Maritime Agreement will provide for technical assistance to the trading partner if requested to assist in the development of its bulk fleet. Further, the construction subsidy and mortgage guarantee provisions of the Merchant Marine Act will be made available to enable the trading partner to construct bulk ships in United States shipyards.

SECTION 5

This section provides for Congressional review of the Governing International Maritime Agreements. The procedure is identical to that of Public Law 94-264, the Fishery Conservation and Management Act of 1976, which established the United States 200 fishery conservation zone. The 200 Mile Act provides that foreign fishing vessels may continue to fish in the U.S. zone if the nation of registry has entered into a Governing International Fishery Agreement acknowledging U.S. jurisdiction over the 200 mile zone and undertaking to abide by U.S. fish quotas and fishery management plans.

Before the effective date of the 200 Mile Act, virtually every nation whose vessels fish in the waters off the United States and its possessions had signed a fishery agreement including the Soviet Union and Japan, the two leading fishing nations.

Because of technical defects in most of the original GIFA's, they were not submitted for Congressional review pursuant to the procedures set forth in section 5, but were approved by Public Laws. The process compelled Congressional review and consideration to insure compliance with the fundamental purpose of Congress in enacting the 200 Mile Act.

Section 5 of this bill will similarly insure that a reluctant State Department cannot frustrate the intent of Congress by executing a weak or obviously deficient agreement.

SECTION 6

This section sets forth the restrictions which will govern the future participation of third flag carriers in the bulk trades of the United States.

Once a Governing International Maritime Agreement becomes effective with a particular nation (then a "trading partner" as defined in section 3), the ships of that nation engaged in bulk trades (in the foreign commerce of the United States as set forth in section 3) will be "national flag ships" entitled to the percentage of this trade set forth in the Governing International Maritime Agreement. This may occur at any time after the enactment of this legislation.

Ships of any nation other than the U.S. or its trading partner will be "non-national flag ships" when engaged in the trade covered by the Governing International Maritime Agreement entitled to carry a maximum of twenty percent of the particular trade.

However, five years from the date of enactment of this legislation, no non-national flag ship may engage in any U.S. bulk trade unless the nation of its registry has entered into a Governing International Maritime Agreement with the United States. Only trading partners will be eligible to act as cross traders in trades between the United States and its trading partners.

The ships of a trading partner may, therefore, be national flag ships with respect to their direct trade with the U.S. or non-national flag cross traders in all other bulk trades of the U.S.

Ships of nations which do not enter into Governing International Maritime Agreements with the United States will, of course, be free to engage in the direct trade of those countries with the United States, but will be precluded in five years from engaging as cross traders. They will also compete with ships of our trading partners acting as cross traders in their trade with the United States unless the non-signatory nations take unilateral steps to reserve their trade with the U.S. to national flag ships. If a nation were to do that however, the more logical and advantageous step would be to enter into a Governing International Maritime Agreement so as to have access to other U.S. bulk trades as a cross trader.

In the absence of a Governing International Maritime Agreement, the legislation does not prescribe a share of U.S. bulk trade for either the U.S. merchant marine or that of any nation with which the United States trades. As indicated, however, the legislation will limit cross trading to those nations which have entered into a Governing International Maritime Agreement. Under these circumstances other bulk trading nations will recognize the advantage of becoming a trading partner as defined in the legislation.

Joint regulations promulgated by Commerce and Treasury will insure enforcement of the restrictions on cross trading. The Governing International Maritime Agreement will provide for enforcement of the shares reserved to the national flag ships of each signatory nation.

SECTION 7

This section establishes a Bulk Shipping Advisory Committee to assist the Secretary of Commerce in the implementation of the Act. It will be broadly based to include input from all concerned segments of the maritime industry, bulk shippers and representatives of trading partners. The Federal Advisory Committee Act will govern the administration and work of the Committee.

SECTION 8

This section provides for annual reports to Congress by the State and Commerce Departments and by the Bulk Shipping Advisory Committee. Recommendations for further legislation to implement this Act, if necessary, are specifically called for. The advisory committee reports are to be submitted independently from any review by any agency of the Executive Branch to insure that its members' views are not subject to agency revision.

□ 1740

Mr. TRIBLE. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS. Mr. Speaker, I take great pleasure in yielding to my colleague, the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. I thank the gentlewoman for yielding and am pleased to join with her tonight in this effort to revitalize America's merchant marine and shipbuilding industry.

Mr. Speaker, last week this House approved the 1980 Maritime Authorization Act and in September will consider the 1980 Defense Authorization Act. Our discussion of these pieces of legislation underscores the decline of America's naval and merchant shipping and shipbuilding. Tonight it is a pleasure to join the gentlewoman from Louisiana (Mrs. BOGGS) to talk about the establishment of a strong maritime policy that will contribute to a healthy national economy and a strong America.

Mr. Speaker, recently, the New York Journal of Commerce, November 20, 1978, observed that—

> United States maritime policy is a shambles. . . . There is no consensus. . . . Neither is there any visible leadership.

Britain's Marine Week, June 16, 1978, from the vantage point of distance, made this statement:

> The United States, as the world's largest trading nation, not only lacks a merchant fleet commensurate with true requirements but will also shortly lack the means to achieve it.

These pronouncements reflect the tenor of opinion which has developed here and abroad over the past decade. Progress with respect to U.S. shipping and U.S. shipbuilding—and there has been considerable, technologically and otherwise—has been overshadowed by a decline in cargo carriage by U.S.-flag ships and in ship construction potentials for U.S. shipyards. A variety of factors have shaped this phenomenon which has serious implications for national security, industrial momentum, economic growth, and shipyard workforce and operational stability:

At the highest level of Government, noble platitudes have not been translated into clear and positive policy direction.

Among and within agencies of the Federal Government, there has been little harmony with respect to key issues and problem solutions.

Political, statutory and functional mechanisms have been ineffective in assuring needed shipping and shipyard resources.

And while national reliance on imports of critical and strategic materials (liquid and bulk) has been steadily expanding.

Volumes of U.S. exports and imports (except for liner cargoes) carried by U.S.-flag shipping have been steadily declining for more than 10 years.

Profits for U.S. shipping and shipyard companies have been exceptions rather than the rule.

And public impressions of U.S. maritime affairs have been formed by superficial and misleading images of excessively high costs, disputes and litigation, poor efficiency and productivity, questionable business practices and faulty management.

These detractions, however, need to be viewed in a longer perspective. Ocean shipping worldwide, by reason of adverse economic repercussions following the 1973 Middle East oil embargo, has been in a state of oversupply and depression. This condition is expected to persist on most trade routes until the mid-1980's.

The demand for new merchant ships has accordingly dropped substantially. More than 30 million dwt of tankers and about 10 million dwt of dry cargo vessels

are currently idle throughout the world. Some recently delivered ships have gone immediately into layup. The result has been a global surplus of shipbuilding capacity.

An increasing number of shipbuilders are chasing a decreasing number of ship construction opportunities. Amid international discussion of ways to reduce overcapacity, below-cost prices are being offered by many foreign shipbuilders—in many cases, with the approval and financial indemnification of their governments. A demoralizing subsidy war is rapidly evolving. Some nations, previously openly critical of maritime assistance programs, have now added direct subsidy to a subtle array of indirect credit and tax mechanisms.

The governments of most U.S. trading partners are more sensitive than the U.S. Government to the importance of a strong maritime industry to national economic and security interests. With other countries, control of substantial portions of national cargo is rapidly becoming the rule rather than the exception. For example, the maritime strategies of Japan, Russia and China, though different, are all significantly based on control of import/export cargoes. Securing a substantial share of petroleum export shipping by OPEC nations is the announced policy for the future. And many developing economies—Brazil, Chile, Ecuador, Korea, Taiwan, to name just a few—clearly regard fleet development based on national cargo reservations as an integral part of their overall economic growth programs.

In light of this international environment, the effects of the lack of a strong, coherent and responsive U.S. maritime policy should hardly be surprising. The overall volume of U.S. exports and imports carried by U.S.-flag shipping has continued to decline and is now less than 5 percent. Only 1 to 2 percent of dry bulk cargoes and 3 to 4 percent of imported oil cargoes are carried on U.S.-flag-built vessels.

Soviet shipping has engaged in predatory rate cutting to permit the rapid expansion needed to complement the movement of the Soviet navy toward supremacy on the seas. Meanwhile, several U.S. shipping lines have filed for or face bankruptcy. Shipowners have thus not been enthusiastic about ordering new vessels or replacing old ones.

The shipbuilding picture is bleak. Today the U.S. shipbuilding industrial base is comprised of 26 major shipyards. It has been predicted that no more than eight or nine shipyards will hold major shipbuilding contracts in 1984. Moreover, latest projections indicate that the current shipyard work force will drop by nearly 66,000 by 1985. Another 200,000 jobs in supporting industries will also be lost.

In concert, these facts dramatize the failure of recent national maritime endeavors and the need for a comprehensive national maritime policy which will sustain sufficient shipping and shipyard resources under sovereign control. We can no longer equivocate in this regard.

With this preamble then, I hopefully have set the stage to have you focus with me on a policy to revitalize our merchant marine. My colleague from Louisiana (Mrs. BOGGS) and I have introduced legislation that can help strengthen our Nation's shipping and shipbuilding industries. The centerpiece of any such policy must be legislation to encourage and facilitate bilateral ocean cargo-sharing agreements.

In furtherance of this objective, it must be emphasized—and reemphasized—that improvement in the presently self-defeating posture of U.S. maritime affairs is most unlikely without decisive changes in some of the fundamental premises of U.S. foreign policy.

Against the background of recent events in the Middle East, Prof. Irving Kristol of New York University in the Wall Street Journal (Jan. 18, 1979), has characterized the "Utopian moral intentions" of the Wilsonian liberalism of the past 50 years as "decadent" and U.S. foreign policy today as "patently bankrupt." This opinion is widely shared.

In Professor Kristol's words:

> Our policy is not only bankrupt in the sense of our being unable to act, but bankrupt in the sense that we have obviously lost the ability even to think coherently about foreign policy * * *. This Earth will be a place where American ideals are respected only if the world also respects our interests—which it is not likely to do if we show no respect for our own interests.

U.S. maritime interests suffer from both domestic and international disrespect, and relevant policies of the past two decades are bankrupt.

Specifically, the Congress must adopt as an adjunct to the Merchant Marine Act a clear statement of policy that:

First, the United States will move sealifted cargoes of all types to and from the United States in such a manner that a specified fair proportion of those cargoes will be carried on vessels of U.S. registry built in the United States; and

Second, that the executive departments and agencies of the Federal Government will promptly negotiate with minimum cargo sharing provisions.

The gentlewoman from Louisiana has discussed in detail our proposals to encourage bilateral ocean cargo sharing agreements.

In addition to strong bilateral cargo sharing agreements, we must modify existing law in order to insure that cargoes can move in U.S. vessels at competitive costs. To this end, the gentlewoman of Louisiana and I have introduced a number of proposals that will help provide U.S.-flag ships greater flexibility of operation and more predictable utilization as a means of achieving freight rates close to average world rates or rates agreed to under bilateral treaties.

Let us now consider a section by section analysis of these Merchant Marine Act Bulk Shipping Amendments of 1979.

MERCHANT MARINE ACT BULK SHIPPING AMENDMENTS OF 1979 SECTION-BY-SECTION ANALYSIS

SUMMARY

As the title of this proposed legislation indicates, each amendment to the Merchant Marine Act, 1936 is designed to facilitate the construction and competitive operation of bulk cargo carrying vessels in the domestic and foreign commerce of the United States. The primary thrust of this legislative package is to eliminate the "either/or" dilemma which has confronted bulk operators under the American flag. Heretofore, they have been compelled to construct a vessel either for the domestic trade without subsidy or for the foreign trade with subsidy and only in very limited circumstances have vessels built for one trade been able to operate in the other due either to legal constraints or to cost/competitive factors. This artificial division between domestic and foreign operation of bulk carriers is one of the principle deterrents to the expansion of the United States flag bulk fleet.

The bill creates a new and novel approach to the issue of construction and operating subsidies for U.S. flag vessels and at the same time eliminates the "either/or" dilemma confronting vessel operators.

In recognition of the substantial investment already made in many "Jones Act" vessels, the bill structures the new system of CDS and ODS payments in such a way that the owners decision to operate a vessel in foreign trade or domestic trade will be made on the basis of commercial considerations rather than on the basis of the availability or non-availability of subsidy in either of these trades.

The bill also addresses a series of other issues which have impacted adversely upon the bulk sector of the U.S. merchant marine. These include (1) artificial restrictions on the sale of foreign subsidized vessels, (2) prohibition on the use of the Capital Construction Fund in domestic coastwise and intercoastal trades, (3) unreasonable limitations on the ownership and operation of foreign-flag vessels by subsidy recipients, (4) lack of adequate enforcement of the cargo preference laws dealing with government impelled cargo and (5) restrictions on the worldwide trading opportunities of U.S.-flag bulk vessels.

SECTION 1

Section 1 of the bill states that this Act may be cited as the "Merchant Marine Act Bulk Shipping Amendments of 1979."

SECTION 2

Section 2 of the bill repeals existing Title IV of the Merchant Marine Act, 1936, an obsolete provision dealing with ocean mail contracts and inserts a new Title IV "Single Factor Per Diem Rate Financial Aid."

Sections 401 through 403 of proposed Title IV provide that a proposed bulk ship purchaser or shipyard of the United States may apply to the Secretary of Commerce for construction and operational assistance for a bulk vessel which the applicant proposes to employ in essential bulk cargo services as defined in section 211 of the Merchant Marine Act. After determining that the proposed vessel is suitable for such service, the Secretary shall issue a "Certificate of Title IV Eligibility" guaranteeing to the applicant ship operator or applicant shipyard that upon completion of the vessel in a shipyard of the United States pursuant to the plans and specifications approved and upon documentation under the U.S. flag, the vessel will be eligible for the financial assistance payable pursuant to this Title for each day the vessel is operated in essential bulk cargo carrying services. The amount of per diem financial assistance payable under this Title will be computed pursuant to Title V and Title VI of the Act which govern the determination of construction-differential subsidy and operating-differential subsidy, respectively.

The concept of a "Certificate of Eligibility" is to enable the applicant to secure necessary financing to build the ship. Under Title IV there will be no construction subsidy paid as such. The vessel will be privately financed as is any non-subsidized vessel. The Certificate of Eligibility is in many

respects comparable to the commercial practice of securing a long-term charter commitment for a vessel before construction. The charter, from a major oil company in most instances, provides the financing entity the necessary assurance that, when completed, the vessel will have employment which will insure repayment of the funds committed to its construction.

Further, the combined construction and operating subsidy elements embodied in Title IV should insure that when engaged in foreign trade, the vessel will be able to compete at world market rates.

The construction subsidy component will be computed pursuant to Title V as though the vessel were being constructed under that Title. The amount of construction subsidy determined pursuant to Title V will then be divided by the economic life of the vessel, twenty years for the purpose of this computation, and then translated into a daily rate. For example, if the amount of construction subsidy pursuant to Title V would be 60 million dollars, the annual rate would be $3,000,000. This amount would in turn be divided by 365 to arrive at a daily rate, which in this example would be $8,216. This daily rate of construction subsidy would then be payable to the ship operator whenever the vessel is operating in an eligible trade, essentially, any service other than domestic and will remain fixed for the life of the vessel.

To compensate the vessel operator for the present value of the construction subsidy that could have been paid pursuant to Title V, and interest element, to be determined by the Secretary of Commerce, is added to the construction component.

The interest element will be computed upon the unamortized balance of the CDS and paid whenever the construction subsidy component is payable.

The construction component will run from the time the vessel is placed in service but paid only when the vessel is operating in essential bulk services in the foreign commerce. Thus, after twenty years the construction component will be exhausted.

The CDS component has been structured to insure that Title IV vessels receive construction cost parity when operating in foreign commerce without creating a bias in favor of foreign operation over domestic operation which would occur if the CDS component payment were compressed into a shorter time frame.

The operating subsidy component of Title IV financial assistance will be computed pursuant to Title VI of the Act as though the vessel were operating under a Title VI ODS contract. Since the factors which determine the amount of subsidy payable under Title VI vary from trade to trade and also vary over time, this element of Title IV subsidy will be a variable daily rate subject to review by the Secretary of Commerce and recomputed periodically throughout the life of the vessel.

The construction subsidy component and operating subsidy component will be paid as one monthly payment upon certification by the vessel operator with respect to the number of days the vessel was engaged in essential bulk services during the preceding month. The first and last day of a period of essential bulk cargo carrying service shall be considered a full day for the purposes of computing the amount payable. The operator of an eligible vessel shall notify the Secretary prior to the commencement of any period of essential bulk service and promptly upon the termination of such a period.

Section 404 provides that while Titles V and VI of the Act and regulations promulgated thereunder will govern the determination of the amount of per diem operating and construction subsidy payable pursuant to Title IV, they shall govern only to the extent consistent with Title IV. In this respect section 407 directs the Secretary of Commerce to promulgate regulations governing the administration and implementation of Title IV. Any inconsistency between Title IV and the provisions of Title V and VI will be addressed in the Secretary's regulations and should be resolved in favor of fully implementing the intent of Congress in enacting Title IV.

Section 405 clarifies the term "other national requirements" as employed in section 211(b) and (c) of the Act. Sections 211(b) and (c) as presently written, do not adequately cover the periodic use of a vessel in both domestic and foreign trade as contemplated by Title IV. Therefore, section 405 makes it clear that a bulk cargo carrying vessel intended for employment in domestic trade without financial assistance or in foreign trade with financial assistance qualifies under section 211 which addresses the foreign commerce of the United States, its national defense or other national requirements.

To further clarify, section 405 states that it is the intent of Congress that any vessel constructed and operated pursuant to Title IV not be impeded in any manner with respect to its employment in domestic and foreign trade or transfer between such trades. This provision is simply added in an abundance of caution to insure that the intent of Congress in enacting Title IV not be administratively frustrated.

Section 406 provides that vessels built under Title IV will be considered nonsubsidized vessels for the purposes of Title XI ship mortgage insurance guarantees. A vessel built under subsidy pursuant to Title V of the Act is eligible for a 75 percent guarantee under Title XI while a non-subsidized vessel is eligible for an 87½ percent guarantee. Therefore, vessels built pursuant to Title IV would receive the higher 87½ percent guarantee. This is necessary since there is no way to determine at the time a "Certificate of Eligibility" is issued whether the vessel will be utilized predominantly in the domestic or foreign trades and of course any vessel constructed pursuant to Title IV will be privately financed as a non-subsidized vessel at the outset.

Proposed Title IV should substantially reduce the "up front" appropriation requirements for the construction of bulk vessels for employment in foreign trade since the construction subsidy will be paid over a twenty-year span. Further, in any given case the payments may never equal the amount of subsidy which would have been paid under Title V. This is due to the fact that vessels built under Title IV may be employed for substantial periods in domestic unsubsidized trade depending upon employment opportunities.

SECTION 3

Section 3 amends the second sentence of section 503 of the Merchant Marine Act, 1936 to provide that the current mandatory period of documentation for vessels built with subsidy be reduced from 25 years to 10 years if the net proceeds of sale of the vessel are deposited in the owner's Capital Construction Fund and committed within a period of two years in the construction of a qualified replacement vessel or vessels. This amendment to the Merchant Marine Act would apply to the sale of both liner and bulk vessels.

SECTION 4

Section 607 of the 1936 Act authorizes qualified vessel operators to establish a Capital Construction Fund (CCF) into which vessel earnings may be deposited on a tax deferred basis to be utilized for the construction and reconstruction of vessels engaged in the foreign trade, Great Lakes trade, domestic non-contiguous trades and the fisheries of the United States. Prior to the Merchant Marine Act of 1970, section 607 was available only to carriers with operating-differential subsidy contracts in the foreign commerce of the United States. While the 1970 Act substantially expanded eligibility under section 607, two major components of our ocean-going marine transportation network were excluded. These are the domestic coastwise and intercoastal trades. Having decided in 1970 to expand the availability of section 607 to certain operators in ocean-going domestic trade and considering the overwhelming response to this expansion by the domestic shipping industry, it is entirely appropriate at this time to complete the work begun in 1970 by making section 607 available to the entire ocean-going merchant marine of the United States.

This is accomplished by expanding the existing language of section 607(a) and 607(k). As so amended, the qualifications upon the eligibility of a vessel for Capital Construction Fund treatment will be (1) that the vessel be built in the United States, (2) documented under the laws of the United States, and (3) that the vessel be engaged in domestic coastwise, intercoastal or noncontiguous trades, foreign commerce, Great Lakes trades, or fisheries.

SECTION 5

Section 804 makes it unlawful for any ODS contractor or for any holding company, subsidiary, affiliate, or associate of such contractor or for any officer, director, agent, or executive thereof, to own directly or indirectly, charter, act as agent or broker for, or operate any foreign-flag vessel which competes with any American flag service determined by the Secretary of Commerce to be essential as provided in section 211 of the Act, including both liner and bulk services.

The Secretary of Commerce has limited authority to waive this prohibition under special circumstances and for good cause shown, but only for a specified period of time. The Merchant Marine Act of 1970 amended section 804 to provide a further limited exception until April 15, 1990 with respect to the ownership, chartering, or operation of foreign-flag bulk cargo carrying vessels.

The limited exception set forth in the Merchant Marine Act of 1970 related only to foreign-flag operations of carriers extant on April 15, 1970. This was, therefore, in effect only a limited "grandfather" clause.

As indicated above the restrictions in section 804 are extremely onerous extending to agents of ODS operators in a field where the specialized services of agents are invaluable and in which it is virtually impossible to find agents who do not have some non-U.S.-flag representations.

The limited exceptions incorporated in section 804 by the Merchant Marine Act of 1970 have been totally inadequate in broadening the base of qualified bulk vessel operators under the U.S. flag.

Section 5 of the bill limits the prohibition of section 804 to the liner trades by reference to section 211(a). The authority of the Secretary of Commerce to waive the prohibition, as set forth in section 804(b), is retained. The "grandfather" clause of sections 804(c), (d) and (e) is repealed as redundant language.

SECTION 6

Section 805(a) makes it unlawful for an ODS contractor to own, operate, or charter any vessel engaged in domestic intercoastal or coastwise service without permission of the Secretary of Commerce. Other carriers are permitted to intervene in opposition to an application of an ODS operator to engage in domestic service. The Secretary of Commerce may not grant such approval if he

finds that it would result in unfair competition to any carrier operating exclusively in coastwise or intercoastal service.

If an application to engage in domestic service is approved, it is, nevertheless, unlawful for the operator to divert, directly or indirectly, any monies, property, or other things of value used in the foreign trade operation for which subsidy is paid into any such coastwise or intercoastal operation.

Section 805 as a practical matter virtually precludes a subsidized carrier from engaging in both domestic and foreign trade. This is another example of the "either/or" syndrome prevalent in U.S. maritime policy which proposed new Title IV of this legislation is designed to correct insofar as the bulk trades are concerned.

Section 506 of the Act restricts ODS built vessels to foreign trade with a limited right to engage in domestic trade for periods of up to six months upon partial payback of CDS. This bill does not amend section 506. Vessels built pursuant to proposed Title IV would not be subject to the restrictions of section 506 since it is the essential purpose of Title IV to permit such vessels free movement between subsidized foreign and nonsubsidized domestic trade.

Section 6 of the bill amends section 805 (a) to limit the restrictive language of that section to liner services.

SECTION 7

Section 901(b) of the Merchant Marine Act, 1936 (commonly referred to as PL-664) provides, broadly speaking, that at least 50 percent of the gross tonnage of equipment, materials or commodities (computed separately for dry bulk carriers, cargo liners and tankers) which may be transported on ocean vessels, shall be transported on privately owned U.S.-flag commercial vessels whenever such equipment, etc. moves as a result of U.S. government procurement for its own account or for the account of a foreign nation, including advances of funds, credits, or guarantees extended by the U.S. government.

Certain government programs have been interpreted by the administering agencies as not falling within the scope of section 901(b). These include certain programs of the Department of Agriculture-Commodity Credit Corporation and various guarantee and grant programs administered by the Department of State-Agency for International Development. These administrative exceptions carved out by various agencies clearly were not contemplated by Congress in the enactment of PL-664. The exceptions are the result of agency interpretations that have strained mightily to find a loophole in the wording of section 901(b).

Section 7 of the bill amends the first sentence of section 901(b) by inserting the phrase "or provide any form of grant, advance, credit, or guarantee whatsoever to any party to a transaction involving the furnishing of equipment, materials or commodities," immediately preceding the phrase "the appropriate agency or agencies shall take such steps . . ."

In view of the lengths to which administrative agencies have gone to avoid the clear intent of Congress in enacting section 901 (b), section 7 of the bill further amends section 901(b) by adding a statement of Congressional intent and by setting forth a process whereby each agency subject to section 901(b) must submit a program to the Secretary of Commerce setting out its procedures to implement the requirements of this section. These procedures, upon approval by the Secretary of Commerce, will be promulgated in the Federal Register together with the names and duties of those individuals responsible within the agency for administering the section.

The Merchant Marine Act of 1970 added the requirement to section 901(b) that each department administer its program with respect to cargo preference under regulations issued by the Secretary of Commerce. This requirement is retained and buttressed by the language described above. The Commerce Department has been frustrated in its efforts to administer cargo preference by regulation and the language incorporated by proposed section 7 should greatly strengthen the hand of the Secretary of Commerce.

SECTION 8

In recognition of the commercial necessities of bulk trading, the Merchant Marine Act of 1970 amended the definition of "foreign commerce" and "foreign trade" to include training between foreign countries in accordance with normal bulk shipping practices. The 1970 Act gave the Secretary of Commerce authority to promulgate regulations interpreting this re-definition of foreign commerce and foreign trade. The interpretive rulings of the Commerce Department implementing the 1970 Act, were extremely narrow and effectively frustrated the intent of Congress to permit bulk cargo vessels to engage in worldwide trading.

Section 8 of the bill amends section 905(a) by striking the reference to "normal bulk shipping practices" and by striking the authority of the Secretary of Commerce to promulgate implementing regulations. Section 8 of the bill further amends section 905 (a) by adding the phrase "or between points at sea and domestic or foreign ports" to make it clear that bulk cargo carrying vessels engaged in the movement of seabed-nodules from an ocean mine site to shore, shall qualify as being engaged in foreign commerce when ocean mining becomes a commercial reality. A variety of other energy and mineral-related production activities at sea may become commercially viable and bulk vessels engaged in the movement of materials from operational sites at sea will qualify as being engaged in the foreign commerce under this definition.

SECTION 9

Authorization of Appropriations

Section 209(b) of the Act requires annual authorization of funds for specific program areas of the Merchant Marine Act. General authorization authority for unspecified activities is set forth in section 209(a).

Proposed Title IV will be a major program element and should, therefore, be expressly included in the annual authorization language of section 209(b).

For fiscal year 1980, section 9(b) of the bill provides transitional funding authority.

Effective Date

The amendments to the Merchant Marine Act contained in this bill will become effective on the date of enactment. By the terms of section 401, eligibility for the Title IV program will commence with ships approved by the Secretary and contracted for after the date of enactment of this legislation.

The amendments to sections 503, 607, 804, 805, 901, and 905 of the Merchant Marine Act become effective upon enactment with respect to existing vessels (sections 503, 607, and 905), operators (sections 607, 804, and 805), and programs (section 901).

With respect to Title IV, the fiscal year 1980 authorization for appropriations is amended to make those funds authorized for Title V ODS and Title VI CDS available for Title IV purposes although as a practical matter, no such payments will be made for several years. Funds authorized for maritime subsidy purposes are without fiscal year limitation.

Beginning with fiscal year 1981, it is anticipated that a specific authorization will be enacted covering Title IV payments pursuant to section 9 of the bill.

The foregoing then has been a section-by-section analysis of a series of proposals that can help provide U.S.-flag ships greater flexibility of operation and more predictable utilization as a means of moving more cargo at more competitive costs. These proposals—along with a strong bilateral cargo-sharing policy—can help insure strengthened U.S. shipping and shipbuilding activities. The time has come for the United States to establish a viable maritime policy that will better serve our Nation's economy and security—and I invite our colleagues to join us in this important task.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for his excellent statement and would like to say that this Member is very proud to be associated with the gentleman in this great endeavor.

GRANDFATHERED HOLDINGS OF FOUNDATIONS OWNING MORE THAN 20 PERCENT OF A COMPANY

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, in 1969, Congress passed a law which restricts a private foundation from owning more than 20 percent of a company. However, the law does permit holdings in excess of 20 percent, provided they were held on May 26, 1969; such grandfathered holdings may not be increased. The Treasury is authorized to issue regulations on whether grandfathered holdings are increased by a merger, recapitalization, or other reorganization involving one or more business enterprises.

On May 22, 1979, Treasury proposed regulations which effectively repeal this section of the law. These regulations are arbitrary in that their application to acquisitions in the normal course of business violate the right of foundations to continue to own holdings specifically grandfathered by Congress in 1969. Additionally, they reverse the congressional intent that corporations not be inhibited in the normal course of business because of foundation ownership.

The 1979 proposed regulations overrule the statute and reverse the Treasury's own interpretations as stated in regulations proposed in 1973. These interpretations were as follows—an acquisition does not increase grandfathered holdings through the constructive ownership rules: First, if the acquiring corporation is engaged in an active trade or business; second, if the acquiring corporation's assets are substantial in relationship to the acquired corporation; and third, if the acquiring corporation is not being used by a private foundation as a vehicle to increase permitted holdings. The 1973 proposals have been relied upon as the standard for the last 6 years without controversy. Yet, the Treasury has now adopted the radical new standards. This is not right and it is not fair.

Unless Congress clarifies the law immediately to reverse the 1979 proposed regulations, corporations may be subject to unwarranted takeovers—because their stock has been forced on the market—or

unable to maximize business opportunities through acquisitions or diversification. On the other hand, foundations owning such stock may lose a major portion of their valued holdings due to forced sales of stock. Congress, in part, grandfathered holdings in 1969 to prevent this type of chaotic business result and to avoid such an adverse impact on charity. These corporations and foundations have lived within the law. There have been no abuses—and charity has benefited.

The proposed regulations originally were applicable to acquisitions after June 21, 1979. On July 18, 1979, Treasury postponed their effective date to, at least, December 31, 1979. The mere postponement of the effective date is not enough to preserve the intent of Congress that private foundations be permitted to retain grandfathered holdings.

My bill simply codifies the 1973 proposed regulations—nothing more. The 1973 rules on the one hand permit an active business corporation to conduct its affairs in the best interest of the corporation and all its shareholders without the interjection of mandated disgorgements of company stock by private foundations. On the other hand they provide rules which would prevent abuses. These are rules which are generally understood and have been operative for 6 years, apparently without occurrence of any abuses. Further, they clearly reflect the intent of Congress in 1969. Finally, the bill makes it clear that in determining whether a corporation is actively engaged in a trade or business, the activities of a consolidated group of corporations are to be aggregated.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its Clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3363) entitled "An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting."

DISCHARGING COMMITTEE ON WAYS AND MEANS FROM FURTHER CONSIDERATION OF HOUSE RESOLUTION 357

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to discharge the Committee on Ways and Means from further consideration of the resolution (H. Res. 357) relating to the report by the Secretary of Health, Education, and Welfare with respect to home health and other in-home services, which has been reported by the Committee on Interstate and Foreign Commerce, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. ADDABBO). Is there objection to the request of the gentleman from California (Mr. WAXMAN)?

Mr. BAUMAN. Reserving the right to object, and I do so only to ask the gentleman from California whether or not this resolution has the concurrence of the minority members on the two committees involved.

Mr. WAXMAN. If the gentleman will yield to me, I have a letter from the gentleman from New York (Mr. RANGEL), chairman of the Subcommittee on Health of the Committee on Ways and Means, indicating that he is waiving the subcommittee's jurisdiction over the resolution and also that the minority joins in that waiver.

Mr. BAUMAN. Mr. Speaker, I understand this is an historic resolution. Could the gentleman briefly tell the House about that?

Mr. WAXMAN. This is the first time since the Civil War that the U.S. Congress has rejected a report from the executive branch, sent it back, and ask that it be rewritten.

The earlier precedent occurred on January 6, 1862, during the 2d session of the 37th Congress. At that time, the House agreed to a resolution which deemed a response, submitted to the House by Secretary of War William Stanton, as "not responsive" and directed the Secretary "to return a further answer." The resolution pertained to a congressional request for information concerning the defeat of Union troops at the October 21, 1861, battle at Ball's Bluff.

Mr. BAUMAN. Mr. Speaker, I think that is a trend that ought to be commended and certainly ought to be repeated in the future.

Mr. DUNCAN of Tennessee. Mr. Speaker, as the ranking minority member of the Subcommittee on Health of the Committee on Ways and Means, we concur.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, the last question I would ask the gentleman is, since this will be resubmitted to the same bureaucrats who did not write the report in the first place, does the gentleman have any assurance it will be any better when it comes back the next time?

Mr. WAXMAN. Mr. Speaker, I think the executive branch will only respond to the legislative branch when the legislative branch makes it clear we expect them to live up to the mandates we put in legislation.

Mr. BAUMAN. I thank the gentleman for his explanation and withdraw my reservation of objection.

I wish the gentleman a happy in-district work period.

Mr. WAXMAN. I thank the gentleman.

The SPEAKER pro tempore (Mrs. BOGGS). Is there objection to the request of the gentleman from California (Mr. WAXMAN)?

There was no objection.

The Clerk read the resolution as follows:

H. RES. 357

Resolution relating to the report by the Secretary of Health, Education, and Welfare with respect to home health and other in-home services

Whereas section 18 of the Medicare-Medicaid Anti-Fraud and Abuse Amendments (Public Law 95-142) directed the Secretary of Health, Education, and Welfare to report to the Congress within one year of enactment with respect to all aspects of the delivery of home health and other in-home services authorized to be provided under titles XVIII, XIX, and XX of the Social Security Act; and

Whereas the Secretary failed to submit such report in a timely fashion; and

Whereas the Secretary failed to include in such report recommendations for legislation with respect to home health and other in-home services, including the reasons for such recommendations, an analysis of the impact of implementing such recommendations on the cost of such services and the demand for such services, and the methods of financing any recommended increased provision of such services under such titles, as required by such section; and

Whereas the House has expressed its will with regard to the need for expanded opportunities for receipt of home health and other in-home services in numerous ways, including overwhelming passage of the Medicare Amendments of 1978: Now, therefore, be it

Resolved, That it is the sense of the House that—

(1) the report of the Secretary of Health, Education, and Welfare entitled "Report on Home Health Services Under Titles XVIII, XIX, and XX" is not responsive to the requirements of section 18 of the Medicare-Medicaid Anti-Fraud and Abuse Amendments (Public Law 95-142); and

(2) such report be returned to the Secretary with the direction that it be revised to comply with the requirements of such section, including the requirement that recommendations for legislation be submitted, and that such report be returned to the appropriate committees of the Congress not later than September 1, 1979.

□ 1750

The SPEAKER pro tempore. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 2, line 4, insert ", dated April 1979," before "is not".

Page 2, line 12, strike out "returned" and insert in lieu thereof "resubmitted".

Page 2, line 13, strike out "September" and insert in lieu thereof "November".

Page 1, in the first paragraph of the preamble, insert "appropriate committees of the" before "Congress".

Page 2, in the fourth paragraph of the preamble, insert "(H.R. 13097, Ninety-fifth Congress)" after "1978".

Mr. WAXMAN (during the reading). Madam Speaker, I ask unanimous consent that the committee amendments be considered as read, printed in the RECORD, and considered en bloc.

The SPEAKER pro tempore (Mrs. BOGGS). Is there objection to the request of the gentleman from California?

Mr. CARTER. Madam Speaker, reserving the right to object, this is the same resolution we brought before the committee and which was unanimously passed this morning, is it not?

Mr. WAXMAN. That is correct.

Mr. CARTER. Madam Speaker, I certainly support the resolution, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. WAXMAN)?

There was no objection.

Mr. WAXMAN. Madam Speaker, today we are considering House Resolution 357. The resolution expresses the sense of the

House that the "Home Health Services" report, recently submitted to the Congress by the Department of Health, Education, and Welfare (DHEW), is inadequate and fails to comply with statutory and congressional intent. The resolution returns the report to the Department and instructs it be rewritten and resubmitted to the Congress by November 1, 1979.

Madam Speaker, the committee has carefully reviewed the DHEW's report on home health and finds it most unsatisfactory. The document is clearly not responsive to Congress 1977 request for legislative recommendations regarding improvements in the delivery of home health services. The report offers no specific legislative guidance. Instead, it presents merely a compendium of existing services and a repetitive citation of existing problems.

There is little contained in the report's 85 pages which provides useful guidance to the Congress on ways to improve the administration, benefit structure or coordination of Federal home health services. As chairman of the subcommittee which authored the provision of Public Law 95-142 which required submission of this report, I share the annoyance of my colleagues that the document was so poorly prepared and deliberately ignored the desire of Congress to receive DHEW recommendations for legislative changes.

Because the matter of home health care is so important, I feel we cannot delay in making the Department prepare a satisfactory report. House Resolution 357 would return this inadequate report to the Department and request preparation and resubmission of a more responsive document no later than November 1, 1979.

Passage of House Resolution 357 will send a powerful message to the Department that Congress is intently concerned about finding ways to improve the delivery of home health services. It reprimands the Department and provides impetus for the Secretary to insure that reports emanating from DHEW meet their legislative mandate.

It may be of interest to Members to note that not since the Civil War has the Congress formally disapproved an agency report in this fashion. In many ways, passage of House Resolution 357 establishes an important and historic precedent. The resolution makes clear Congress commitment to upgrade the quality of home health care and its intention to hold departments responsible for the quality of their reports. I think we have an obligation to reject this document and to insist that the report be brought up to par with the standards Congress specified.

A similar resolution, Senate Resolution 169, was reported by the Senate Finance Committee on June 20, 1979, and was adopted by voice vote in the Senate on July 11, 1979. I believe this body can do no less, and therefore urge my colleagues to support this resolution.

Mr. PEPPER. Madam Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Florida.

Mr. PEPPER. Madam Speaker, I rise in strong support of House Resolution 357, which was today approved by unanimous vote of the Interstate and Foreign Commerce Committe.

This measure is a "clean" version of House Resolution 280, a resolution I introduced on May 22 with Congressman WAXMAN, the distinguished chairman of the Subcommittee on Health and the Environment, as principal cosponsor. It also is cosponsored by Mr. RANGEL, chairman of the Ways and Means Health Subcommittee, and other members of the Subcommittees on Health of our various committees.

We offered this resolution to make clear the commitment of the House to expanded home health care for the elderly and sick and disabled people of the country. It came about in response to a report which was submitted by the Department of Health, Education, and Welfare pursuant to section 18 of Public Law 95-142, the Medicare-Medicaid Anti-Fraud and Abuse Amendments of 1977.

That section required the Secretary of HEW to give Congress a report "analyzing, evaluating, and making recommendations with respect to, all aspects * * * of the delivery of home health and other in-home services." Beyond indications that a few administrative changes affecting program operations would be made, the report stopped short of making legislative recommendations, citing budgetary restraints. It thereby failed to comply with the intent of the law. Moreover, after Congress gave the Department a full year to produce this report, it arrived almost 6 months after the legal deadline for its submission.

This resolution, like our original measure, declares that the report is not responsive to the requirements of section 18 and provides that it be returned to the Secretary with directions that it be revised to comply with those requirements, including the making of recommendations for legislation. The original resolution required that the revised report be returned by September 1. In view of a change in leadership within the Department, the committee has amended the resolution to provide an additional 2 months, or until November 1, 1979.

I wish to especially commend Mr. WAXMAN for moving expeditiously to bring this measure before the Subcommittee on Health and the Environment, which ordered it reported to the full committee on June 28. Mr. WAXMAN is dedicated to programs which will address the health care needs of older Americans, and we are pleased that he also serves, with great distinction, as a member of the Select Committee on Aging which it is my privilege to chair, along with its Subcommittee on Health and Long-Term Care.

A companion resolution, introduced in the Senate by Senators WILLIAM COHEN, LAWTON CHILES, chairman, and members of the Senate Special Committee on Aging and the Finance Committee, was reported by the Senate Finance Committee and adopted by the full Senate on July 11.

Madam Speaker, earlier drafts of this report included meaningful proposals for legislation, as the law required. But by the time it came to Congress, the report was stripped bare, for all intents and purposes, leaving us with mainly an overview of current home health programs. It was little more than a discourse on problems which exist. We asked the Department for policy direction. We failed to get it. We asked the Department to provide leadership in making home health care more available to our people. It was not forthcoming.

This report was prepared at a cost of $62,630. We owe it to the taxpayers of this Nation to see that the reports we initiate have some significance.

Both the House and Senate have demonstrated their support of expanded home health care by passage, during the 95th Congress, of H.R. 13097 and H.R. 5285, respectively. These bills included provisions I have proposed to make home health care more available under the medicare program. The House bill was passed by a vote of 398-3, and I am pleased to note that the Ways and Means Health Subcommittee, under the very able leadership of Mr. RANGEL, is moving now to bring similar medicare improvement legislation before the full House once again.

Madam Speaker, I strongly urge that the House adopt this resolution. The elderly people of this country rely on us to see that they have access to the most cost effective and compassionate forms of health care. Major studies, including one prepared at my request by the General Accounting Office, and experts in the field have testified time and again to the benefits to be gained, by the Government and by individuals, from an expanded program of home health care. In his 1976 campaign, President Carter committed himself to home health care. Among other things, he said:

> Our health care program should allow for home care alternatives to institutionalization. Rather than providing only for expensive and often unwanted hospital and nursing home care, we should begin now to develop the national capability to care for individuals in the homes and to help them care for themselves at home. This alternative is not only cheaper, it is preferable to many older Americans and to their families.

Madam Speaker, I could not agree more. Unfortunately, actions by the Department have not always been consistent with this pledge. But we can, by adopting this resolution, give the Department another opportunity to provide leadership in this crucial area of concern and, at the same time, fulfill our own commitments to work for health care that is the best we can provide, in the most desirable setting, and at a cost we can afford.

● Mr. STAGGERS. Madam Speaker, I rise in support of House Resolution 357. The resolution has broad bipartisan support and was reported from the Interstate and Foreign Commerce Committee on August 2, 1979 by unanimous voice vote.

Home health is a vital issue which affects millions of Americans. We have long known that there is a critical need in the community for well-conceived, well-coordinated and well-run programs.

To make effective judgments regarding the delivery of these much needed services, Congress has an obligation to request and a right to receive the best thinking and recommendations from the department of Government charged with their administration.

In its "Home Health" Report, the Department of Health, Education, and Welfare (DHEW) has failed to provide the Congress with the legislative recommendations it requested regarding improvements in the delivery of home health care services. In view of the seriousness of this subject, I see no alternative but to return the report to its authors and request that a new, more responsive document be submitted for the Congress' consideration.

I firmly believe it most appropriate that the Congress reestablish the precedent of carefully scrutinizing reports submitted by executive departments in response to congressional requests. This report cost more than $60,000 to prepare and yet failed to comply with the most basic requirements of Congress request.

Departments and agencies must be held to a high standard of accountability if the Congress is to have confidence in the quality of work submitted for its use. I want to urge the House to join with our colleagues in the other body in sending this inadequate document back to DHEW and require the resubmission of a new, more responsive home health report by November 1, 1979.●

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 357.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

WITHDRAWAL OF MEMBER AS COSPONSOR OF H.R. 4360

Mr. BAUMAN. Madam Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 4360.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REVISED VERSION OF PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, in order to facilitate House review of a matter that is of critical importance to the Pacific Northwest, I am introducing a revised version of the Pacific Northwest Electric Power Planning and Conservation Act.

The bill is similar to H.R. 3508, legislation I introduced earlier this year in cooperation with several Members from the Northwest. The new bill, however, reflects changes agreed to in recent weeks by the Senate Committee on Energy and Natural Resources.

It is my understanding that introduction of this bill will facilitate consideration of regional energy legislation by committees and Members of the House, and I hope that is the case.●

CONGRESS AND ENERGY: A PARTNERSHIP WITH THE PEOPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, congressional initiatives to find solutions to the U.S. criticial energy shortage and end the dangerous dependence on foreign suppliers of oil are receiving the strong support of the American people.

With this firm backing by Americans indicated by the polls, the House over the past 2 months has taken major steps forward on important energy production and conservation programs—both short-range and long-range—in a partnership with the people.

The congressional initiatives were taken under the firm direction of the House Democratic leadership and a special energy task force appointed by Speaker O'NEILL in June. They are closely related to proposals made by President Carter in his landmark energy messages to the American people 2 weeks ago.

Starting its work at a time when there was widespread disbelief that the energy crisis was real, and when there was little sense of direction on solutions to energy shortfalls, the leadership both has confirmed that bold action was needed, and has taken major strides in that direction.

Mr. Speaker, the result has been action—by the full House, by major House committees, or by the appropriate subcommittees—on a major synthetic fuel-producing program; windfall profits tax; standby gasoline rationing authority; State and Federal conservation authority; additional funding for mass transit; new programs to encourage production of more efficient vehicles; steps to improve railway service, solar initiatives, efforts to promote safer and more reliable nuclear energy, and other action.

In turn, Mr. Speaker, Americans are showing through their responses in the polls that they want leadership in attacking the Nation's energy crisis, and that they are giving strong backing to the leadership coming from Congress.

For example, in voicing overwhelming support to the House-passed windfall profits tax on the oil companies—which have been reaping large profits this year even before full Federal decontrol of oil pricing is phased in—Americans strongly agree that revenues from these taxes should be used to help solve the energy crisis.

A recent ABC News-Harris survey—1,496 adults were polled nationwide—indicates 80 percent of the American people favor use of windfall profit tax revenue for more mass transit to travel to work; 77 percent favor Government use of the funds for more alternative energy sources; 70 percent favor a government-industry partnership toward new energy sources; and 82 percent favor using money generated by the tax to help the poor, elderly, and others hardest hit by the energy crunch.

Mr. Speaker, other strong support for Democratic energy initiatives is indicated by Lou Harris' surveying. A recent poll indicates 83 percent of those polled favor the synthetic fuels program initiated by House Democratic leaders. Another 86 percent favor the goal of a 50 percent reduction in imported oil by 1990, which Congress supports as a target through synthetics, conservation, and alternative fuel and motorized-equipment initiatives, solar biomass projects, and increased domestic production of crude oil, coal, and natural gas.

Also reflecting their response to leadership, Americans—67 percent—favor granting the President standby authority to impose gasoline rationing in an emergency; 76 percent favor a $10 billion mass transit program; 74 percent favor a national Energy Security Corporation; and 65 percent favor establishment of conservation goals.

Just a relatively few weeks ago, Mr. Speaker, Americans were doubting the existence of an energy shortage, were unaware of the threat posed by continued dependence on foreign oil for half the Nation's supply, and were relatively oblivious of the scars being imposed on the body of the American economy by the policies of the Organization of Petroleum Exporting Countries.

Today, Americans indicate they are willing to make sacrifices, support conservation, use alternative transportation if it is made available, support expensive research and experimentation for alternative fuels and methods of using them, and cut oil imports in half within 10 years.

This change in the perception of the scope of the problem and the potential solutions prove Americans want leadership on energy, and will support leadership on energy. Congress is providing that leadership. Working together, President Carter, Congress, and the American people can be an unbeatable combination.

Mr. Speaker, there have been major energy achievements in the House so far in the 96th Congress. Here are some major ones:

WINDFALL PROFITS TAX

Under current law, Federal price controls on oil produced in the United States are scheduled to expire September 30, 1981. On June 1, President Carter started using his authority, gradually, to phase out these controls. The administration also proposed a 50-percent excise tax on

the additional profits the oil companies will receive as domestic oil prices climb to world market prices.

The House opted for a much tougher approach, Mr. Speaker, voting in June to impose a 60 percent windfall profits tax on the new oil company profits. Under the House version of the legislation, and taking into account added taxes on new record profits being reported by oil companies, tens of billions of dollars in additional revenue is expected to be generated between 1980 and 1984 for possible use to attack the Nation's energy problems. Senate action is expected early this fall.

ENERGY AND TAX REVENUE

The administration has estimated that the proposed windfall profits tax receipts will range from $146 billion to $270 billion over the period 1980–90, depending on oil price assumptions and the direction of world oil prices. The administration has proposed establishment of an energy trust fund into which the windfall profits tax revenues would be placed and used for energy programs.

Mr. Speaker, the House Ways and Means Committee currently is working up legislation on how such funds would be used, taking into consideration such proposals as use of the money for synthetic fuels development, joint industry-government energy projects, increased Federal support for mass transportation, and some form of assistance to the poor, elderly, those on fixed incomes, and others hardest hit by the Nation's energy crisis.

In addition, Mr. Speaker, the Ways and Means Committee has under consideration legislation to grant energy tax credits for installation of alternative energy producers, such as wood-burning stoves, solar energy, and process heat; and tax incentives for production of gasohol, further assistance to low-income households.

Also under active consideration by the committee are proposed new limitations on the foreign tax credits which allow multinational corporations to subtract from U.S. tax payments taxes paid to foreign countries, and another bill to provide special tax provisions designed to discourage nonenergy acquisitions by energy companies.

Action on these key energy and tax revenue measures is expected in September.

SYNTHETIC FUELS

With the strong support of the Democratic leadership, the House has adopted a major synthetic fuels bill which sets a national goal of 2 million barrels per day of synthetic fuels within 10 years and authorizes $3 billion to help stimulate American industry and ingenuity to develop these fuels from such resources as coal, shale, tar sands, lignite, peat, grain and solid wastes, including urban refuse.

This week, Mr. Speaker, the House followed up this initiative by approving a $1.5 billion appropriation for the Department of Energy in fiscal 1980 for the synthetic fuels program. Among a number of other alternative fuel initiatives in the bill is a $6 million provision for a program to convert urban wastes to fuels. Meanwhile, congressional committees have been holding hearings on environmental questions raised about use of such fuels.

STANDBY GASOLINE RATIONING AUTHORITY

As promised by the leadership and recommended by the Committee on Interstate and Foreign Commerce, the House adopted legislation which would require the President to prepare new emergency standby gasoline rationing plans for use during a national shortfall of 20 percent or more.

The plan requires the President to submit his proposal to Congress for review within 90 days of enactment. No formal congressional action—the type which could pit State against State and region against region—is required on the substance of the President's plan.

The President could implement his plan during a national emergency supply shortage which has resulted in, or is likely to result in a daily shortage—for at least 30 days—of at least 20 percent of supplies available for the previous year.

Once the President decided to use the authority, Mr. Speaker, either the House or the Senate would have power to veto that decision within 15 days of the time he announces his intention to implement rationing. This would give Congress the opportunity to affirm that an emergency exists and rationing is required.

ENERGY MOBILIZATION BOARD

Mr. Speaker, two House committees are considering the President's proposal to establish a three-member Energy Mobilization Board empowered to expedite permits and construction of critical energy facilities it considers to be in the national interest.

The aim of the board is consistent with congressional initiatives to develop a "fast track" method of cutting through redtape and make it easier, wherever possible, to expedite the production and distribution of fuels.

While the proposed board has been approved by the House Interior Committee and a key House Commerce subcommittee, there is controversy over the plan because of questions about the extent of its power to override Federal, State and local laws and regulations, and there are environmental and ecological concerns.

Action on the legislation by the full House is expected some time in September, Mr. Speaker.

Such authority could be used, for example, to expedite development of prospective pipelines from Long Beach, Calif., to Midland, Tex., and from Port Angeles, Wash., to Clearbrook, Minn., to move more Alaskan oil inland faster and more efficiently, to increase U.S. refinery capacities, and to expedite new Alaska gas pipeline facilities.

It is possible that the President's proposal for creation of a 7-member Energy Security Corporation (to direct the development of a targeted 2.5 million barrels per day of substitutes for imported oil by the year 1990) may be considered concurrently with the proposed Energy Mobilization Board and "fast track" legislation.

STATE/FEDERAL CONSERVATION PROGRAMS

The standby gasoline rationing plan was attached to a Senate-passed bill, adopted by the House, which would authorize the President to set conservation targets for States for gasoline and diesel fuels, and implement Federal conservation plans in States unable or unwilling to meet the conservation targets.

The legislation calls for uniform methods of applying State conservation targets, requires review of State targets within 1 year, gives each Governor 45 days to develop plans to meet or exceed the targets set by the President.

The President would be authorized to impose additional Federal conservation measures on States not meeting his goals only if there were a 10-percent reduction in available supplies of motor fuels or other petroleum products for a 3-month period.

Potential State and Federal conservation measures envisioned include minimum gasoline purchase requirements and odd-even gasoline purchasing based on license plates.

Mr. Speaker, an early conference with the Senate is anticipated to allow the President to sign the bill in September.

FUNDING OF VARIOUS CONSERVATION PROGRAMS

In adopting legislation this week appropriating funds for the Department of Energy, the House approved $768 million for energy conservation programs of the Department, with a heavy emphasis on additional funding of research and development initiatives.

Mr. Speaker, the funding envisions new programs to demonstrate efficient alternatives to providing both heat and power to industrial, commercial and residential sites, thermal and solar projects, further development of wood as an energy source.

Also included in the House-passed bill was $96 million for energy programs directly aimed at transportation. These include research programs for vehicular propulsion, including development of gas turbine and electric engines. Some $5.2 million was provided for alternative fuel use programs.

Additional conservation funding is proposed in a massive $6.9 billion authorization bill for all Department of Energy civilian research and development programs for fiscal year 1980. That bill was sent to the House floor by the committees on Science and Technology, Interstate and Foreign Commerce, and Interior and Insular Affairs.

In the area of conservation, Mr. Speaker, the DOE bill as reported by the committees increased by $86.9 million, to a total of $346.5 million, proposed spending for such programs as loan guarantees and grants for urban-waste-to-energy demonstration projects, industrial waste energy reduction and cogeneration, alternative fuel use for transportation, automotive gas turbine development, and electric and hybrid vehicle programs.

Meanwhile, additional measures for transportation efficiencies have cleared the House Appropriations Committee and are ready for floor action in the fiscal 1980 Department of Transportation appropriations bill.

Mr. Speaker, a major committee amendment, to be offered on the House floor, would add $242.5 million to the $9.5 billion transportation bill including $4

million for car pool programs, $40 million for safer off-system roads, $20 million for enforcement of the 55-mile-an-hour speed limits as part of the effort to promote more efficient use of vehicles.

MASS TRANSPORTATION

The House also is moving forward in promoting the development of mass transportation as a viable and necessary alternative to automobiles and other less efficient consumers of fuel.

The Department of Transportation appropriations bill for fiscal 1980, which is ready for consideration on the floor, includes $1.3 billion for urban mass transit discretionary grants, $650 million for urban formula grants, and $700 million for transfer of interstate highway funds to mass transit programs, including $275 million for Washington's Metrorail system.

In addition, Mr. Speaker, the Appropriations Committee has prepared an amendment to the DOT appropriations bill to be offered on the floor which would increase urban discretionary transportation grants by $130 million, increase urban formula grants by $30 million and increase rural and small urban grants by $10 million for local transportation development.

Further underscoring its commitment to mass transportation, the House also approved legislation authorizing $1.7 billion for fiscal years 1981 through 1987 to complete construction of the Washington area metro subway system, which is used by thousands of tourists who visit the city from throughout the Nation as well as people from Maryland and Virginia who work in the city. Recent ridership has set records.

RAILROADS

The House adopted legislation authorizing the spending of $2.7 billion in Federal funds to support Amtrak for the next 3 years, restoring about half the routes earmarked for discontinuance by the administration in the 27,000 mile system. In acting on the legislation, the House agreed to assure each section of the country at least one long-distance line, and the potential for future expanded use of Amtrak lines is being reviewed.

Mr. Speaker, in the fiscal 1980 Department of Transportation appropriations bill currently before the House, $762.3 million is provided for grants to Amtrak during the year. Additionally, the measure would provide $481 million for Northeast railroad corridor improvements, $100 million for general railroad improvements and rehabilitation, and $550 million for the purchase of Conrail securities.

FOSSIL ENERGY

Efforts to promote more production of energy from coal and petroleum sources in the United States are reflected in provisions of two House bills. For example, the Department of Energy civilian research and development authorization bill cleared by committee includes an $86.9 million increase (to $802.6 million) for fossil energy programs, primarily for coal liquefaction, fuel cells, and enhanced gas recovery.

In an appropriations bill for the Department of Energy approved by the House this week, the appropriations committee included a $23.7 million increase over the administration's request for fossil energy research and development, bringing total spending in this area for fiscal 1980 to $699.3 million on coal, petroleum and natural gas projects.

Among these projects, Mr. Speaker, are programs to improve underground and surface coal mining; build coal gasification demonstration plants; promote conversion to coal by electric utilities, and including $58.3 million for enhanced oil recovery through such methods as extraction from tar sands and shale.

In addition to stepped up on-shore and off-shore drilling and other enhanced domestic energy production programs, the House also approved $145.9 million (a $142.5 million increase over the administration budget request) for increased exploration and assessment of the National Petroleum Reserve in Alaska.

NUCLEAR FISSION

Under legislation approved by the Committee on Science and Technology and ready for final action by the House, the proposed authorization for nuclear fission energy programs was increased by $202,850,000 to $2,263,773,000 including $183.8 million for the Clinch River breeder reactor project which the administration had opposed.

The committee bill cut breeder reactor studies by $40 million, increased uranium enrichment programs by $70 million, and includes a prohibition against using research and development funds to irretrievably bury spent fuel which could be a potential source of future energy. The bill, cleared for floor action, also includes a $27.7 million increase in authorized spending for converter reactors, including $5 million for a nuclear power plant operator training program.

Meanwhile, Mr. Speaker, many legislators are awaiting the findings of Federal investigators looking into the nuclear accident at Three Mile Island in Pennsylvania to help determine the future course the Nation should take in the area of nuclear energy.

SOLAR ENERGY AND OTHER INITIATIVES

Mr. Speaker, the development of solar energy remains a high priority in Congress. The House in June approved $133.3 million for development and demonstration of solar energy systems, and another $283.3 million for the advancement of solar technology and the development of wind conversion techniques.

The House Banking Committee has under consideration the administration's new proposal for a $100 million Solar Energy Bank, which would provide interest subsidies for buildings using solar equipment; tax credits for installation of solar energy also is under consideration in committee. The Banking Committee expects to begin marking up the legislation in September after completing hearings on the President's plan.

Meanwhile, Mr. Speaker, the Department of Energy authorization bill currently pending before the full House would authorize $6.9 billion for civilian energy research and development for fiscal 1980. The House Science and Technology Committee, in reporting out the bill, increased the authorization for such initiatives as solar heating and cooling and major demonstration projects by $16 million to $142.3 million.

The committee, in the bill before the House, also increased solar technology funding authorizations by $22.3 million, including construction funds for the Solar Energy Research Institute. There were other increases in the bill for important energy initiatives—increases for geothermal and hydroelectric programs, electric energy systems, and a $2.5 million increase for research on environmental monitoring and cleanup around nuclear facilities.

NAVAL PETROLEUM AND OIL SHALE RESERVES

The House has passed a bill authorizing $85.2 million for the naval petroleum and oil shale reserve programs of the Department of Energy for fiscal 1980. This action was followed up this week when the House approved an appropriation of $69 million—the full funding requested—for the petroleum reserve program.

This funding allows for further exploratory oil work on Naval Petroleum Reserve No. 1 at Elk Hills, Calif., and Naval Oil Shale Reserve No. 2 in Utah, and some flexibility in acquisition of additional pipeline capacity, under the close monitoring of the Congress.

Mr. Speaker, the House will continue to move forward steadily on its energy initiatives in the weeks ahead.

SALT II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

Mr. ADDABBO. Mr. Speaker, there is great concern in this Nation today about the SALT II Treaty and whether or not it is adequate for safeguarding our national defense. It is not only a topic of conversation among our citizens but among our Senators who must make the ultimate choice, and among present and former national leaders.

There appears to be a growing viewpoint that the SALT Treaty can only be ratified if it is accompanied by a massive increase in Federal defense spending.

I do not share that point of view, and since the Subcommittee on Defense Appropriations has just completed nearly 5 weeks of intensive markup of the fiscal 1980 bill, I would seek to share with the Members some of the insights I have gleaned while chairing this subcommittee this year.

It is my contention that dollars alone do not buy national defense. We must find ways of utilizing our spending in a more efficient and cost-productive means. I believe that to be one of the critical questions facing this Nation in the decade ahead.

As dollars grow ever more scarce and as the need for critical weapons systems increases, I do not believe we can afford to continue to be guided by simplistic, expensive, and wasteful formulas. We

will save dollars, duplications, waste, and nervous energy by insuring that our error rate becomes so miniscule that it will not matter whether it is plus or minus. We can do that only by the most diligent attention to detail, by adopting in conjunction with our military leaders a comprehensive and coordinated national defense plan that will allow us to buy what we need while eliminating extraneous outlays. By persisting in close examination of research and development programs and by examining audit reports, we have discovered a number of ways to cut military spending without interfering with essential purchases.

Budget officers, be they civilian or military, tend to stockpile dollars for a rainy day. We just cannot afford to let them do this any longer, nor can we afford to begin a procurement unless we are reasonably sure that it will do the job it is supposed to do when it comes into the inventory, and unless we are reasonably sure it can be produced in line with what we anticipate, and unless we are sure it is not low on the priority list.

I am including some of the conclusions of the Subcommittee on Defense Appropriations in its markup of the fiscal 1980 Department of Defense budget.

I commend this to the attention of the Members. It is a straight-forward analysis of the subcommittee action during one of the longest and most diligent markup sessions held by the subcommittee in years, I think the Members will find it worthwhile reading.

I believe it is necessary for all of us who have some responsibility for the national defense of this Nation to realize that the vast increases in national defense spending must be of vital concern to us. There is a limit to what we can afford to spend each year, yet there are certain levels of capability that we must maintain. It is clear that we are spending more and getting less for it, year by year, and that the tough years lie ahead, not backward.

I am fearful that if we do not take corrective action sometime soon, we may reach a point before too long passes where we simply cannot afford to provide our uniformed fighting men and women with the weapons they need to be combat ready. We are already facing shortages in critical areas. Even today, we are considering downgrading our standards, because we cannot afford to purchase all that is necessary to bring systems or units up to standard. This, in large part, is due to the inflationary spiral we have endured for a decade, and may moderate if the economy improves. But, to a large degree, it occurs because it has been our policy to buy the sophisticated and expensive weapons system, while other nations build far more less sophisticated and inexpensive weapons.

If we are forced to watch our spending carefully in years to come, we in the Congress must force ourselves not to support projects of little national value which nevertheless have great parochial appeal. We are funding projects in this bill which have outlived their time. We are funding projects which when finally completed will be of dubious military value, either because of advances in technology now taking place or because conditions, almost certainly, will preclude effective utilization.

I will discuss these programs in detail when the bill comes to the full House for consideration next month. Nevertheless, a perfect example—though certainly not the only example—is the decision to fund $2.09 billion for construction of the nuclear carrier. By the time that ship would be launched for sea duty, somewhere in the 1990's barring production slippages, the advancement in missiles will make this ship certainly vulnerable to attack, no matter where in the world it is assigned. There is no question about that conclusion, not even in the minds of those who supported this ship. If built and operating today, it could operate for the next decade or so with little difficulty. To start this project now, in fiscal 1980, is financial folly. Even more serious, the construction would lull us into thinking we were producing a great warship when in actual fact, putting it into combat could be a disaster militarily. When a $3 billion ship, when fully provisioned, is at the mercy of three or four missiles, we are doing something wrong.

There are a number of instances in this bill where my own thinking convinces me we are committing our dollars foolishly. I would hope we would rectify these mistakes when the measure is debated on the floor. The money we have wasted on these programs could have gone for programs suffering from full commitment which are important to national security. The funds saved could also be utilized for other benefits outside of national defense spending. Those questions, however, will be resolved by the House and can wait to be debated at that point.

There is another matter in this bill which disturbs me. Inclusion of an anti-abortion amendment interjects a political issue where it does not rightfully belong and where it simply serves to distract our attention from the more pertinent question of national defense. We have faced the abortion question in this body many times and the will of the House has been expressed. To add this issue to a bill dealing with national defense only serves to carry an inflammatory question into a new realm. I do not deny the importance of abortion as an issue. I do resent adding it to an already complex and important bill.

I would hope that in the future, Members of this body might see fit to facilitate the work of the House by debating and deciding issues where they rightfully belong. If that makes me a traditionalist, so be it. We have spent months in subcommittee seeking ways to provide national defense to this Nation, and it is unfortunate that the value of that work could be lost in a confrontation on abortion.

Finally, we have cut $2 billion from the budget request. In my viewpoint, admittedly a minority viewpoint within the subcommittee, we could have cut at least $2 billion more, or utilized unobligated funds without harming any of the weapons systems vital to national defense. There is an enormous amount of latitude for judicious pruning within the administrative sections of the Pentagon. We have done some this year by virtue of our deleberate markup process. We can do more of it.

Nevertheless, I believe it is fair to say that each member of the subcommittee played an important role in our deliberations and our determinations. I am especially pleased at the cooperation of the ranking minority member, JACK EDWARDS. And I am highly pleased that our two new subcommittee members, Mr. MURTHA and Mr. DICKS, not only took to the work like ducks to water and together with all other members of the subcommitte, conducted themselves at all times with the utmost intensity of purpose.

I compliment the subcommittee staff on a hard job well done. As always, their work has been outstanding, and they have labored even longer and more assiduously than their counterparts in the Pentagon.

Mr. Speaker, this bill will be hotly debated when it comes up for consideration next month. As I indicated earlier, I will support changes I consider important, and I will defend decisions of the subcommittee where I believe them to be proper.

The Subcommittee on Department of Defense Appropriation considered amended budget requests totalling $129.6 billion in new budget authority. The subcommittee has recommended appropriations totalling $127.4 billion, a reduction of $2.2 billion. The sum recommended is $6.5 billion above the amount provided for fiscal year 1979. The reduction is in part offset by transfers of $246 million.

The net reduction of $2 billion is the result of hundreds of individual specific actions in which funds were deleted for budgeted items not considered to be essential or where waste was evident and funds were added for unbudgeted items considered to be of high priority.

The committee expects to report the bill to the House in September.

While it will be some time before exact figures will be available, preliminary analysis indicates that the following approximate reductions were made in the major titles in the bill.

Military personnel—$350 million.

Operation and maintenance—$1.2 billion.

Procurement—$175 million.

Research, development, test and evaluation—$250 million.

In the procurement area, $2,094,000,000 is recommended for a nuclear powered aircraft carrier instead of the $1,617,100,000 proposed in the budget for a conventionally powered carrier. A number of increases were made in the production rates of aircraft in order to obtain better unit costs.

Some of the major actions recommended are listed below.

OPERATING AREA REDUCTIONS

Reduction of 1,600 positions and $51 million from management headquarters.

Deleted $29.6 million requested to establish an Army Training Center at Fort Irwin, Calif.

Supported reducing length of overseas tours to 18 months for those personnel enlisting in the Army for 3 years.

Established a ceiling at 375,000 mili-

tary dependents permitted overseas at any one time.

Consolidation of Air Force Veterinary Corps into Army Veterinary Corps and designating the Army as DOD executive agent for all veterinary functions. Committee also recommended a 10-percent reduction in the 667 military veterinarians in DOD and broadening the corps to include specialists in food management and public health.

Reduced the $411.3 million requested for overtime pay by $123.4 million.

Reduction of $98 million in personnel compensation as a result of abuses in disability and nondisability retirements and the associated use of sick leave.

Reduction of $90 million in the request for travel of personnel.

Reduction of $300 million to the estimated $3.2 billion requested for contract studies and analysis, management and engineering support and consultant services.

Deleted $36.3 million for Tri Service Medical Information System (TRIMIS) program.

Deleted $31.6 million in exercises related to the cancellation of withdrawal of ground forces from Korea.

OPERATING AREA INCREASES

Addition of 6,300 military personnel to continue assignment of 2d Army Division in Korea at full strength.

Added $13 million for a uniform bonus of $9,000 to all medical doctors, regardless of recruiting source, after completion of residency training.

Directed retention of basic and advanced training at Fort Dix, N.J., during fiscal year 1980.

Directed continuation of Navy flight training at Whiting Field, Fla.

Approved an increase of 276 positions in the Army and Air Force for improved child care support.

Approved increase of 875 personnel in full-time manning for Army Guard and Reserve and directed realignment of an additional 875 personnel for full-time manning support from other areas.

Restored funds to support a Navy Reserve of 87,000 personnel and directed continued operation of 15 reserve destroyers proposed for deletion.

Restored $400,000 to continue the civilian marksmanship program and to provide ammunition to support the rifle matches.

Added $58 million to the request to provide the Marine Corps with a base program equal to that provided the other services.

Added $75 million for the overhaul of five additional Navy reserve destroyers.

Added $30 million for the depot level maintenance of the F-100 aircraft engine.

Committee net reductions in the national foreign intelligence program total $105 million. An additional net reduction of $351 million is recommended in intelligence related activities.

LANGUAGE PROVISIONS

The committee deleted language proposed in the budget which would have prohibited the payment of price differentials on defense contracts for the purpose of placing contracts in areas of high unemployment. Such price differentials are authorized by law and the committee believes that a well-planned program in this area is in the national interest.

The bill will contain provisions which will limit wage board (blue collar) Government employees and foreign national employees pay raises to the same percentage as General Schedule employees of the Federal Government.

The committee approved a provision relating to payments for abortions with the same language as that approved by the House as a part of the Labor-Health, Education, and Welfare appropriation bill. The provision states that none of the funds provided for in the act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

INTERNATIONAL ECONOMIC POLICY SUBCOMMITTEE AGENDA

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extrneous matter.)

● Mr. BINGHAM. Mr. Speaker, when the House returns from the August district work period, the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, plans to conduct hearings and possibly take legislative action in a number of policy areas of interest to many Members of the House, as follows:

Additional hearings will be held reviewing the operations of the Overseas Private Investment Corporation (OPIC), including proposed legislation to transfer 5 percent of OPIC's unused authority to the Inter-American Development Bank.

Certain problems and issues have arisen in the implementation of the International Investment Survey Act, and the subcommittee will hold a hearing to review those problems and potential solutions.

The subcommittee also plans a hearing to review the efforts being undertaken by the executive branch to achieve multilateral cooperation with U.S. policies prohibiting compliance with foreign boycotts against countries friendly to the United States.

In the nuclear export area, the subcommittee plans hearings on the health, safety, and environmental risks associated with the exports of nuclear plants and equipment.

I am concerned, Mr. Speaker, about the failure to date of the United States and the People's Republic of China to reach an agreement for orderly and fair marketing of textiles and apparel, particularly in view of the fact that the Congress may soon be asked to grant most-favored-nation trade status to the People's Republic of China. The subcommittee may wish to review both of those aspects of our trade relations with China in hearings in September.

The President's export policy, announced in September of last year, among other things called for greater use of export trade associations to stimulate export trade and reduce the United States severe trade deficit. Congressman LAGOMARSINO, the ranking minority member of the subcommittee, and I recently introduced legislation to give the Commerce Department jurisdiction over such export trade associations, and increase their effectiveness for exporters by, for example, enabling service industries to form such associations for the purpose of exporting services. The subcommittee will conduct hearings on that legislation (H.R. 5061) as soon as possible before the end of the present congressional session.

A number of bills have been referred to the subcommittee proposing various foreign policy responses to the challenge posed by OPEC's oil production and pricing policies. Those bills include H.R. 4835 and House Concurrent Resolution 124. In view particularly of the current popularity of such ideas as "food for crude," the subcommittee, in conjunction with the Subcommittee on Europe and the Middle East, will look carefully at possible means of moderating the negative impact of rising oil prices.

Finally, Mr. Speaker, the subcommittee will mark up H.R. 2200, a bill to authorize validation by the Foreign Claims Settlement Commission of U.S. private property claims against the Government of Vietnam, on which hearings have already been held.

The subcommittee would welcome receiving the views of responsible public witnesses on any of these matters, and public witnesses will be heard to the extent that time permits. Precise dates and locations of hearings will be announced through the RECORD and the press. Individuals or groups wishing to submit testimony or to obtain further details on any of these hearings should contact the Subcommittee staff—707 Annex 1, House of Representatives, Washington, D.C. 20515.●

TOWARD MULTILATERAL PROTECTIONS AGAINST POLITICAL RISKS TO INTERNATIONAL INVESTMENT

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BINGHAM. Mr. Speaker, I am today introducing legislation that would transfer to the Inter-American Development Bank a small, unused portion of the authority of the Overseas Private Investment Corporation (OPIC) to incur liabilities in the form of insurance and loan guarantees for foreign investments in developing countries.

The Congress in 1974 approved amendments to the OPIC authorizing legislation directing that U.S. agency to encourage and support action by multilateral agencies to establish programs to insure and guarantee investors against political risks such as war, expropriation, and inconvertibility of currency as a means of stimulating trade and development. While there have been further amendments since 1974, the OPIC statute continues to encourage multilateralization of political risk insurance and loan guarantees. OPIC is required to report periodically to the Congress on progress toward such multilateralization.

In recent months, Mr. Speaker, there has been encouraging progress. The Inter-American Development Bank has

put together a proposal to establish a program, which it would administer, to guarantee loans and insure investments in energy and mineral projects in Latin American nations that participate in the Bank. That proposal appears to have the preliminary support of many of the national delegations to the Bank. It includes provision for the Bank itself to devote a significant sum for reserves to settle any claims that might arise from insurance or guarantees the Bank would issue if and when this program is implemented. The question now is whether the United States and other developed countries that are members of the Bank will make commitments to such a program, and in what forms and amounts.

The legislation I am introducing today proposes a U.S. commitment in the form of $375 million of OPIC's unused investment insurance authority (5 percent of a total authority of $7.5 billion) and $175 million of unused loan guarantee authority (23 percent of a total authority of $750 million). My bill is intended at this point to stimulate and serve as a focus for further discussion and debate. Several aspects of the proposal, such as its status under the Budget Act and House rules regarding appropriations, and the consistency of the terms of the IADB program with statutory restrictions upon OPIC operations, will require careful evaluation and possible revisions.

Indeed the entire relationship between such a multilateral program and the program conducted for the United States by OPIC must be carefully examined. I personally view the proposed transfer of a small portion of OPIC's authority as being a convenient and sensible way of signaling U.S. support for an IADB program and making an initial contribution. Any additional U.S. contributions, however, would presumably have to come from other sources since OPIC must continue to have adequate reserves and authority to incur liabilities for its own programs. I certainly do not see the IADB program in any way as replacing OPIC or imposing further drain on OPIC's authority beyond this initial transfer.

The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, plans to conduct hearings on this matter early in September in the hopes that such hearings will provide a basis for revising and improving the legislation I am today introducing. A text of the legislation follows:

H.R. 5072

A bill to amend section 235 of the Foreign Assistance Act of 1961, relating to the Overseas Private Investment Corporation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 235 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(g)(1)(A) Upon satisfaction of the condition set forth in paragraph (3)(A) of this subsection, $375 million of the maximum contingent liability otherwise assumable by the Corporation under subsection (a)(1) of this section shall be available only for insurance issued pursuant to the agreement described in paragraph (4) of this subsection.

"(B) Upon satisfaction of the condition set forth in paragraph (3)(B) of this subsection, $175 million of the maximum contingent liability otherwise assumable by the Corporation under subsection (a)(2) of this section shall be available only for guaranties issued pursuant to the agreement described in paragraph (4) of this subsection.

"(2) For purposes of section 237(c) and of subsections (d) and (f) of this section, insurance and guaranties issued pursuant to the agreement described in paragraph (4) of this subsection shall be deemed to be issued pursuant to this title to the extent that the United States Government has liability under such insurance or guaranties, as provided in paragraph (4)(B) of this subsection.

"(3)(A) The United States Government may not assume any liability under insurance issued pursuant to the agreement described in paragraph (4) until (i) the agreement has been entered into by at least two other member countries of the Inter-American Development Bank, and (ii) such other parties to the agreement have authorized the use of their resources to assume a maximum contingent liability of at least an aggregate of $750 million under insurance issued pursuant to the agreement.

"(B) The United States Government may not assume any liability under guaranties issued pursuant to the agreement described in paragraph (4) until (i) the agreement has been entered into by at least two other member countries of the Inter-American Development Bank, and (ii) such other parties to the agreement have authorized the use of their resources to assume a maximum contingent liability of at least an aggregate of $350 million under guaranties issued pursuant to the agreement.

"(4)(A) The provisions of this subsection apply with respect to an agreement, which the President is hereby authorized to enter into on behalf of the United States, establishing a multilateral trust fund, to be administered by the Inter-American Development Bank, which would insure and guaranty investments (and other economic interests acquired in connection with such investments) made by eligible investors (as described in subparagraph (D) of this paragraph) in projects which facilitate the exploration, development, exploitation, processing, and mining or other extraction of any deposit of oil, gas, or any other mineral in countries that are regional borrowing members of the Inter-American Development Bank.

"(B) The agreement shall provide that the maximum contingent liability assumed by the United States Government on each investment (or other economic interest) insured or guaranteed pursuant to the agreement shall not exceed an amount which bears the same ratio to the total maximum contingent liability under such insurance or guaranty as the aggregate amount of financial resources made available by the United States Government pursuant to paragraph (1) of this subsection bears to the aggregate amount of financial resources made available by all parties to the agreement.

"(C) The participation by the United States Government in the fund established by the agreement shall be subject to the following limitations:

"(i) The maximum contingent liability of the United States Government outstanding at any one time pursuant to insurance issued purusant to the agreement shall not exceed the amount specified in paragraph (1)(A) of this subsection.

"(ii) The maximum contingent liability of the United States Government outstanding at any one time pursuant to guaranties issued pursuant to the agreement shall not exceed the amount specified in paragraph (1)(B) of this subsection.

"(D) The agreement shall provide that, for purposes of issuing insurance and guaranties under the agreement, eligible investors include only (i) citizens of countries providing resources under the agreement or of developing member countries of the Inter-American Development Bank, (ii) corporations, partnerships and associations created under the laws of such countries if at least 50 percent of the voting interest in the corporation, partnership, or association is beneficially owned by citizens who are eligible investors under clause (i), and (iii) corporations, partnerships and associations created under the laws of other countries if 95 percent of their voting interest is beneficially owned by citizens who are eligible investors under clause (i).

"(E) With respect to projects described in paragraph (4)(A) of this subsection, liability may be assumed under the agreement for insurance and guaranties issued by other multilateral organizations or by national governments to an investor owned in part by eligible investors but not satisfying the percentage-of-ownership requirements of subparagraph (D) of this paragraph, so long as the maximum contingent liability to be assumed under the agreement does not exceed the proportionate share of ownership by eligible investors in that investor.

"(5) Subsection (a)(4) of this section shall not affect assumptions of liability under the agreement by the United States Government in accordance with this subsection.".●

$451 PER STUDENT

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ASHBROOK. Mr. Speaker, a generation ago thousands of students could rightly thank the Federal Government for opening higher education to them through the GI bill. Today there are thousands of students whose educational opportunities are being eroded by that same Federal Government. Washington has produced a tangle of regulations and reporting requirements, most of which contribute absolutely nothing to academic quality but all of which increase the cost of education. Inflation alone makes it harder than ever for colleges to deliver quality education at an affordable price, but the Federal bureaucrats tighten the financial squeeze even further by imposing their ideological agenda on the academic community.

The history of higher education in America has been a dialog between excellence and equality. Through generous endowments and scholarship programs, our colleges have extended academic opportunity to countless students whose parents could not even afford to finish high school. The only aristocracy they recognize is that of talent and effort, and they insist on discriminating in favor of that aristocracy and against mediocrity. But the social engineers in Washington, with their quotas and other schemes, are quite willing to strangle excellence for the sake of equality. Ironically, their efforts have the effect of undermining genuine equality of opportunity by making college study more expensive for everyone.

A recent editorial in the Lynchburg, Va., News underlined the destructive results of Federal meddling in higher education, and I commend it to your attention.

[From the Lynchburg (Va.) News, May 19, 1979]

$451 PER STUDENT

In 1968 the cost of carrying our Federal Government social programs and complying with the reporting requirements cost Duke University $58 for every student. Within seven years—in 1975—the cost of these programs and reporting had risen to $451 for each student.

The bill was passed on to the student, of course; his tuition was raised. In most cases, that meant his parents had to pay the bill.

At George Washington University in Washington, D.C., the cost of implementing and reporting these programs rose from $16 in 1965 to $356 in 1975.

The American Council on Education says that its study of six sample colleges and universities revealed that the cost of complying with Federal regulations was $10 million. The University of Illinois, for example, spent $1.3 million in 1975 on Federal regulations. Georgetown and Duke each spent about $3.6 million each.

Business Week magazine called attention to these costs recently in an article by Mary Paul. Congressman John M. Ashbrook (R-Ohio) referred to it in the Congressional Record for May 9.

"Who benefits from this huge burden?" Ashbrook asked. "The answer is that only the liberal and leftist ideologues in the bureaucracy benefit.

"They get to ram their social ideas down our people's throats. We in Congress have the power to stop this, even if we had to override Mr. Carter's veto to do it. We could end affirmative action and all the other programs which make up the vast majority of this bureaucratic meddling in the affairs of our academic community.

"The obvious answer, then, is that a substantial proportion of Congress, even a majority of Congress, is made up of Members who are quite willing to see the voters, taxpayers, and the academic community suffer. This matters less to many of my colleagues than interfering with the ideologues who want to shove through the affirmative action programs which Americans oppose 9 to 1."

That, of course, is where the blame, and the responsibility, lies: squarely on the shoulders of the Congress which enacted these laws that spawned such costly regulations.

These Congressmen and Senators are passing laws which make education so costly that many many Americans can't afford it—yet they are being taxed, and will be taxed every working day of their lives, to pay the salaries, fringe benefits, expense accounts, and retirement pensions of the bureaucrats who promulgate the regulations which are depriving them of an education.

What we need is a housecleaning in Washington. Until that is accomplished, don't look for things to get anything but worse.

Because these are the people who have made it so.●

WASHINGTON: THE CITY WHERE CONGRESS MAKES PEOPLE LIVE

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ASHBROOK. Mr. Speaker, a point everybody seems to ignore, when they talk about the sovereign rights of the District of Columbia, is that it is the only city in America that exists only because of Congress. Washington's income is derived, directly or indirectly, entirely from taxes we impose on the rest of the country, or from tourism we generate.

Almost every dollar that pays the rents, grocery bills, and real estate taxes in Washington, D.C., comes out of either Government expenditures, or from tourists who come here to see their Government and their Government buildings, which were paid for at their—not only at District residents'—expense. They come here as tourists because we, the Congress, put those buildings here. We are responsible for their safety and for the District sales taxes imposed on them. We have no right to say, "Your taxes paid for the buildings you are visiting, but to visit them, you are at the mercy of any tribute the District cares to charge, and if you get mugged, that's your problem, not ours." It is our responsibility to see that the District does not become even more unsafe and even more expensive for Americans who come to visit what are, I repeat, their building, their documents, and their Government. We have no right to turn access to 200 million people's property over to 800,000 people.

It is insufferable nonsense to call the District of Columbia a colony. No colony was ever supported almost solely by the Government which was supposed to be occupying it. But nothing is surer than that, if the so-called occupier here, the Federal Government, were to leave, the Washington economy would completely collapse.

The District has adopted a budget and a gun law that are exactly the kind of thing that has put New York City in its present desperate financial and crime situation. It is not only permanent District residents who will suffer. There are hundreds of thousands of people who work here, who will also suffer both extra taxation and the fear, injury, and loss crime brings with it.

So long as Washington exists solely on money we tax other Americans to pay, and by tourists who are here by choices the Congress made, it is our duty to maintain the rights and safety of all Americans in this city.

We have a responsibility to tourists and to the people who are forced by Federal law and only by law, to live and work in the District of Columbia. Anyone who thinks this is "colonization" should ask District officials this: "All right, if you're a colony, do you want the 'occupying power'—the Federal Government—to move out, 100 percent out, and leave you completely to yourself?" That, after all, is what a real colony asks of the colonial power that rules it. But the District wants all the benefits of other Americans' taxes, but none of the control that goes with it. Washington wants hundreds of thousands of people to be forced to live and work here, but it wants to rule those people and tax them all by itself. This is unfair to those who are forced to live in, as well as those who visit, this city. It is exploitation, pure and simple, and I, for one, will have no part of it.●

THE SALES REPRESENTATIVES PROTECTION ACT

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. OTTINGER. Mr. Speaker, I am pleased to join my colleagues, Representatives ABNER MIKVA, MATTHEW RINALDO, BILL BRODHEAD, CHARLES ROSE, and JAMES FLORIO, in introducing a revised version of the Sales Representatives Protection Act.

This bill is a consolidation of all previous bills designed to eliminated abuses in the practices of manufacturers toward their commissioned sales representatives. By encouraging the existence of contracts to define the relationship between sales representatives and their principals, this legislation seeks to protect sales representatives from unjust or sudden terminations from accounts by their principals without unduly penalizing fair and reasonable principals.

The Sales Representatives Protection Act provides minimum standards for a contract between the two parties. In the absence of a conforming contract, the bill provides a system of post-termination compensation in the event that a sales representative is abruptly and without good cause terminated. If the sales representative does not meet his or her obligations as outlined in the bill, he or she can be terminated without rights to indemnification.

The problems this legislation addresses have heretofore gone unaddressed by the Congress. We look forward to hearings on the Sales Representatives Protection Act at the earliest possible date so that all interested parties may have an opportunity to express their views on this important legislation.

The text of the bill follows:

H.R. 5099

A bill to correct inequities in the relationship between sales representatives and their principals, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Sales Representatives Protection Act".

FINDINGS AND PURPOSE

SEC. 2. The Congress makes the following findings:

(1) Sales representatives invest their own time, resources and skills in the development of their territories and markets for their principals.

(2) Many sales representatives are compensated primarily by commission and do not generally have the benefits of collective bargaining, workmen's compensation, unemployment compensation, company-sponsored retirement, or pension plans.

(3) Many sales representatives are subjected to wrongful termination from their accounts, reduction in the size of their sales territories, conversion of their accounts to house accounts serviced directly by their principals and other abuses which deny them the full benefits of their labor.

(4) It is in the public interest to encourage the development of equitable contracts between sales representatives and their principals and for principals to provide reasonable compensation to sales representatives who are wrongfully terminated.

DEFINITIONS

SEC. 3. For the purposes of this Act:

(1) The term "account" means—

(A) a wholesaler, retailer, contractor or other business establishment which purchases merchandise of a principal through a sales representative for resale or for use in business; and

(B) to which the sales representative solicited orders on behalf of the principal for a period of not less than 12 months immediately preceding the termination by the principal.

(2) The term "commerce" means trade, traffic, transmission, communication, or transportation—

(A) between a place in a State and any place outside thereof; or

(B) which affects trade, traffic, transmission, communication, or transportation described in subparagraph (A).

(3) The term "good cause" means—

(A) conduct on the part of a sales representative with respect to his or her principal which constitutes—

(i) dishonesty, fraud or other illegal activity;

(ii) a material breach of the contract between the sales representative and the principal;

(iii) failure to put forth a good faith effort to obtain orders for the merchandise of such principal;

(iv) gross negligence in the performance of the duties of the sales representative; or

(B) a marketing area withdrawal.

(4) The term "marketing area withdrawal" means the withdrawal of merchandise, or a line of merchandise, directly or indirectly, by a principal from a particular marketing area during at least a continuous one year period.

(5) The term "principal" means any person who—

(A) engages in the business of manufacturing, producing, assembling, importing, or distributing merchandise for sale in commerce to a customer who purchases the merchandise for resale or for use in business;

(B) utilizes sales representatives to solicit orders for the merchandise; and

(C) compensates the sales representatives, in whole or in part, by commission.

(6) The term "sales representative" means any person (other than an agent-driver or commission-driver) who engages in the business of soliciting, on behalf of a principal, orders for the purchase of the principal's merchandise.

(7) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam and the Virgin Islands of the United States.

TITLE I—CONTRACTS BETWEEN SALES REPRESENTATIVES AND PRINCIPALS

CONTRACT TERMS

SEC. 101. Any contract between a sales representative and a principal under which the sales representative shall solicit orders for the merchandise of the principal shall include a provision with respect to each of the following items:

(1) The rate of commission or any other form of compensation to be paid by the principal to the sales representative.

(2) The minimum term of the contract.

(3)(A) The number of days of written notice the principal shall give the sales representative before terminating or failing to renew, without good cause or due to the sales representative's failure to put forth a good faith effort to obtain orders for the merchandise of such principal, the contract: *Provided*, That notice shall not be less than 30 days for each year the sales representative maintained the account up to a maximum of not less than 90 days; or

(B) The amount of payment which shall be made in lieu of the written notice pursuant to subparagraph (A) to be paid within 30 days following termination: *Provided*, That the payment shall not be less than one-twelfth of the average annual compensation of the sales representative for the time during which the sales representative maintained the account during the preceding five years multiplied by the total number of years that the sales representative maintained the account up to a maximum of not less than three years.

(4) The number of days of written notice, or the amount of payment which shall be made in lieu of written notice, the principal shall give the sales representative before the principal effects a marketing area withdrawal.

(5) A description of the sales territory assigned to the sales representative and a statement of whether the territory will be an exclusive territory of the sales representative with respect to the merchandise, or line of merchandise, of the principal.

(6) The terms, if any, under which disputes between the principal and the sales representative shall be submitted to arbitration, including, if the disputes shall be submitted to arbitration, the method to be used in selecting the arbitrator.

(7) The ownership of any samples furnished by the principal to the sales representative for use in business.

(8) The number of days after an order for the merchandise of the principal is transmitted to the principal within which the principal must notify the sales representative whether the order has been accepted or rejected.

(9) The terms under which the sales representative will receive copies of shipping documents which relate to merchandise shipped by the principal to an account of the sales representative.

(10) The terms under which the sales representative will be allowed to solicit orders for the merchandise of other principals.

DUTIES OF PRINCIPAL

SEC. 102. Any principal who enters into a contract with a sales representative under which the sales representative shall solicit orders for the merchandise of the principal shall—

(1) inform the sales representative, within a reasonable time to be specified in the contract, of the principal's receipt of each order from an account of the sales representative;

(2) furnish the sales representative, within a reasonable time to be specified in the contract, copies of all invoices and credit memorandums issued with respect to sales in the assigned geographic territory, if any, of the sales representative;

(3) furnish the sales representative monthly statements of commissions due the sales representative; and

(4) provide to the sales representative, upon the request of the sales representative—

(A) an accounting showing each sale made by the principal in the preceding 12 months in the assigned geographic territory, if any, of the sales representative;

(B) information with respect to any matter which is related to any claim by the sales representative against the principal for a commission; and

(C) access to the records of the principal for the purpose of verifying information supplied under subparagraphs (A) and (B).

TITLE II—INDEMNIFICATION

EXEMPTION FOR CONTRACT CONFORMING WITH TITLE I OF THIS ACT

SEC. 201. No action for indemnification under this Act shall be brought by a sales representative against a principal if they have entered into a contract which conforms with Title I of this Act.

INDEMNIFICATION BY PRINCIPAL OF UNJUSTLY TERMINATED SALES REPRESENTATIVE

SEC. 202. (a) Any principal who, without good cause, terminates a sales representative from an assignment to solicit orders on behalf of the principal from an account shall indemnify the sales representative in accordance with section 203.

(b)(1)(A) Any principal who reduces the size of the geographic territory, without good cause, which the principal has assigned to a sales representative with respect to an account of that sales representative shall indemnify the sales representative in accordance with section 203 provided that the reduction results in a loss of not less than 25 per centum in the dollar amount of commissions paid by the principal to the sales representative for orders accepted from the account in the 12-month period immediately following the reduction in geographic territory compared to the dollar amount of commissions paid by the principal to the sales representative for orders accepted from the account in the immediately preceding 12-month period.

(B) In determining the reduction in the dollar amount of commissions paid by the principal to the sales representative under subparagraph (A), any failure of the principal to fill orders submitted by an account due to an act of God, an act of war or insurrection, a strike, or an act of an agency of government shall be disregarded.

(2) Any principal who reduces the rate of commission paid to a sales representative of the principal for orders accepted by the principal from an account of the sales representative shall indemnify the sales representative in accordance with section 203 provided that there is a reduction in rate of commission of not less than 25 per centum in the subsequent 12-month period.

COMPUTATION OF INDEMNITY

SEC. 203. Any principal required under section 202 to indemnify a sales representative shall be liable to that sales representative in an amount equal to one-sixth of the average annual compensation of the sales representative for the time during which the sales representative maintained the account during the preceding five years multiplied by the total number of years that the sales representative maintained the account.

PAYMENT OF INDEMNITY RESULTING FROM SETTLEMENT

SEC. 204. (a) Following the making of a binding agreement to settle a claim by a sales representative against a principal for an indemnity under this title, and prior to any action set forth under section 201(a), the principal involved shall pay the amount of such settlement to the sales representative—

(1) not later than 30 days after the date of the agreement; or

(2) if the amount of such settlement is greater than $3,000, in the manner described in subsection (b); whichever the principal elects.

(b) A principal electing under subsection (a) to pay the amount of a settlement in excess of $3,000 under this subsection—

(1) shall pay not less than 40 per centum of the amount to the sales representative not later than 30 days after the date of the agreement; and

(2) shall, at the time of the payment referred to in paragraph (1), give the sales representative two negotiable notes, each for one-half of the balance of such amount, one of which shall be due not later than 12 months after the date of the agreement and shall bear interest at twice the highest rate of interest paid by the United States on notes issued by it during any 3-day period including such date to be due in 12 months and the other of which shall be due not later than 24 months after the date of the agreement and shall bear interest at twice the highest rate of interest paid by the United States on notes issued by it during any 3-day period including such date to be due in 24 months.

(c) Nothing in this section shall restrict

or invalidate any right or remedy set forth in sections 301 and 303.

TITLE III—MISCELLANEOUS

PROCEDURE

SEC. 301. (a) An action to enforce any rights or liabilities created by this Act may be brought in a district court of the United States without regard to the amount in controversy or in any other court of competent jurisdiction.

(b) In the case of an action arising under this Act which is brought in a district court of the United States, the action may be brought in the judicial district where all the plaintiffs reside in addition to any other judicial district provided by law.

(c) No action may be brought under this Act later than six years after the right to that action arises.

(d) In any action brought by any sales representative against any principal under this Act, the burden of proof on the issue of whether the principal acted without good cause shall rest on the principal.

(e) In any successful action brought by a sales representative under this Act, the court may award reasonable attorneys' fees and the cost of the action to the sales representative.

(f) Payment of indemnification under this Act shall be deemed to be a payment of wages and salary under title II, United States Code, sections 507(a)(3) and (4).

(g) The right to indemnification arises on the date the principal has completed the actions listed in section 302 and does not terminate upon the death of the sales representative.

WAIVER PROHIBITED

SEC. 302. Any provision in any contract between any sales representative and any principal requiring the sales representative to waive any of the provisions of this Act shall be void.

EFFECT ON STATE LAW

SEC. 303. Nothing in this Act shall invalidate or restrict any right or remedy of any sales representative under the law of any State.●

PERSONAL EXPLANATION

● Mr. LEWIS. Mr. Speaker, I was detained in a meeting when the conference report to accompany H.R. 3324, the International Development Cooperation Act of 1979, was voted upon. If I had been present, I would have voted "aye." ●

CIA—ASSASSINATIONS COMMITTEE INVESTIGATION

(Mr. BOLAND asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. BOLAND. Mr. Speaker, on June 18, 1979, the Washington Post carried a front page story headlined, "CIA Officer, Since fired, Rifled Hill Panel's Files."

The story described how, over a year before, a CIA employee detailed to guard a CIA safe in the offices of the House Committee on Assassinations, had rifled through sensitive committee files.

The story also contained comments on the incident made by a CIA spokesman, who indicated that the individual had been dismissed after an internal CIA investigation.

That newspaper story was the first indication that I or any other member of the Permanent Select Committee on Intelligence had received about this incident and its related investigation.

Both had clearly and directly concerned another committee of the House.

The investigation was initiated at the request of that committee.

Parenthetically, the chairman of the Select Committee on Assassinations, Representative LOUIS STOKES, has since made a definitive public statement about the facts surrounding the incident and the investigation.

What concerned me at the time of the Post story, and what would have concerned me at the time of the incident, had I known of it, was whether some illegal or improper intelligence operation had occurred.

The Permanent Select Committee on Intelligence has since conducted its own study, which reaches the same conclusions as did Mr. STOKES, that is, that the CIA employee acted by himself and not for or at the behest of anyone at CIA.

Nonetheless, the committee had no opportunity to draw its own conclusions until the story was made public.

Most importantly, the committee was never notified of the incident nor, a year later, that a newspaper article concerning it was in the offing.

The committee's first notice came from the Washington Post.

Because of questions raised by the Post article, the committee staff conducted an investigation of the incident.

The conclusions of this investigation complement those announced by Representative STOKES.

The committee found no evidence of CIA direction or involvement in the incident, although it is difficult, if not impossible, to determine the CIA employee's motive or purpose for doing what he did.

I also wrote to the Director of Central Intelligence, Admiral Turner, expressing my concern that the committee had not known earlier of this incident.

He has since replied to my letter acknowledging that the CIA should have kept the committee informed.

He and I have reached an understanding that in the future, should circumstances arise which suggest illegal or improper actions by intelligence officers or employees, or which otherwise relate to concerns of this committee, he will undertake to promptly bring them to the attention of the committee.

I feel that if this undertaking, which I consider very forthcoming, works as I believe it should, this committee will have achieved a significant improvement in this important area of congressional oversight.

The committee has generally enjoyed good working relationships in its oversight of intelligence agencies.

It is my hope that, growing out of this affair, those relationships will improve in one important aspect.●

PERSONAL EXPLANATION

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PEPPER. Mr. Speaker, due to attendance of a funeral I was not able to be present during the vote on the matter of Representative CHARLES C. DIGGS, JR.; House Joint Resolution 378. Had I been present, I would have voted "aye" on rollcall No. 404.●

PERSONAL EXPLANATION

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PEPPER. Mr. Speaker, due to circumstances beyond my control I missed the following rollcall votes last night. If I were present I would have voted:

Rollcall No. 425, "nay."
Rollcall No. 426, "nay."
Rollcall No. 427, "aye." ●

ASSURING CZECHOSLOVAKIA OF CONTINUED U.S. SUPPORT

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PEPPER. Mr. Speaker, August 21, 1968, was a day of infamy perpetrated upon the able, historical and freedom-loving people of Czechoslovakia when the Russians by military force in a bold and savage exercise of military power took over the government of the country. This usurpation of power by military force by the Soviet Union came as a sad and shocking end in military subjugation to this proud people which had won their emancipation from the Austria-Hungarian empire after World War I and had established under the leadership of that venerable and great statesman, Thomas Mazaryk, an independent republic. Incidentally, Thomas Mazaryk lived at the old hotel at 2400 16th Street while he was working out, with the strong concurrence of our Government, the independence of his beloved country.

I visited Prague in 1945 as a Senator and had a long conference with then President Eduard Benes and had a long dinner consultation with the son of Thomas Mazaryk, Jan Garrigue Mazaryk, then Minister of Foreign Affairs. They told me of the sad days of the republic when the nation was taken over by Hitler and how they yearned to regain their freedom. During the war the country was overrun by Soviet troops. Finally, the Germans were expelled and the people of Czechoslovakia dared to hope that they were about to become free again. The Russians, by the way, always claimed that it was they who freed Czechoslovakia of the German invaders but we know that the United States had a large part in this enterprise. President Benes told me of how the occupying Soviet Army was mistreating and brutalizing the people of Czechoslovakia. President Benes remonstrated with Premier Stalin himself and Stalin promised President Benes that he would curtail much of this mistreatment. President Benes said the situation did improve after this promise. But the Russians stayed on.

Then President Benes said that Stalin told him that if the Czechoslovak Government would allow the Soviet

Union to direct the foreign policy of Czechoslovakia, the Soviets would not interfere in the domestic affairs of Czechoslovakia. President Benes reluctantly and, of course, under the force of the large number of Soviet troops in his country accepted this solemn commitment of Stalin. The betrayal of this promise and commitment of Stalin to President Benes occurred when the Russians by military force took over the country and installed its own communistic, oppressive government in 1948. Hence, this day too will be remembered by the freedom-loving people, not only in Czechoslovakia but of the world as a day of infamy. Finally, after a succession of leaders named by the Soviet Union imposing the Soviet will upon the Czechoslovakian people, there emerged a Czechoslovak-born man named Dubcek who gradually liberalized the Soviet tyranny and gave recognition to the rights of the people of Czechoslovakia. He humanized the Soviet regime so that the people began to feel once more that their Government did have some respect for their rights and interests and some concern for the ancient and proud tradition of the land.

But such liberalization and beginnings of freedom were apparent to the powers governing the Soviet Union. They determined no longer to tolerate the returning air of freedom in Czechoslovakia Hence, on August 21, 1968, citizens of Prague were awakened in the late night by the roar of numerous planes over the city. They were at a loss to understand such a persistent roar of large planes. At daybreak they discovered their proud capital occupied by thousands of Soviet paratroops who had been flown in during the night and ringed with thousands of tanks which had come from the borders during the night hours.

The capital was again in the grip of a Soviet military force which sent Dubcek and many of his followers to Russian prisons and also imprisoned many sympathizers in Czechoslovakia. The heavy hand of tyrannical communism was again at the throat of ancient and proud Czechoslovakia. Another day of Soviet infamy. This condition continues to today with the Czechoslovakian people totally dominated by Soviet agents installed as their government with 80,000 Soviet troops in the country. The people enjoy few liberties and no real independence.

The Soviet imposed government has tried to destroy religion in the country. While on festive occasions like Easter one may find the Cathedrals full, generally no person known to be affiliated with the churches or espousing the principles of religion can enjoy advancement in the Soviet controlled government of the country. The economy of the nation is not only dominated by the Soviet Union but operated basically for the benefit of the Soviet Union. You can see in the faces of this once proud people the shadows of disappointment and defeat. To think that this once proud, cultured, progressive, and heroic country is now a vessel of the Soviet Union is a tragic spectacle.

Hence, let us today again reassure the people of this once proud land that we have not forgotten them, that we denounce the usurper of their government and their liberties.

We call for the restoration of independence and freedom to this once great country and this noble people and we shall continue to strive in every feasible way to bring back the liberty they loved so much and to restore the freedom which is always uppermost in their yearning.●

HISTORIC PRESERVATION BILL—TOWARD AN ETHIC FOR THE EIGHTIES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I am today introducing a bill, the National Historic Preservation Amendments of 1979, which would strengthen and improve our Nation's historic preservation programs and lay the cornerstone for these programs in the decade to come. Although patterned after legislation which I introduced along with over 30 Members of the House in the 95th Congress, this bill goes beyond that legislation to more fully incorporate other important national priorities—the need to conserve energy resources, to fight inflation, to revitalize our cities and to provide more opportunities for local employment. One thing we have learned in recent years is that historic preservation can help do all these things, as well as preserve the significant elements of our Nation's heritage, if there are proper incentives and clear direction from the Congress.

We have passed through a period of unlimited development and growth. We can look back on the devastating effects of various Federal programs—such as urban renewal and freeway systems—on the very fabric of our cities and towns. Our agricultural lands and urban centers are threatened with extinction by urban sprawl. Preservation is an alternative, one that has proven its effectiveness. Preservation is a means to grow and develop that respects not only our natural and built environment, but also respects our people and their heritage.

Indeed, the historic preservation movement in this country has grown tremendously in the past decade. What started as a small movement in the 19th century to save a few historic treasures like Mount Vernon and Monticello and Independence Hall now encompasses a wide range of historic properties in every State and nearly every city and town in America—from the village of Peninsula near my home in Ohio to Chinatown in San Francisco, a barrio in San Antonio, Tex., and a farming area in Greensprings, Va.

Recent studies, containing hard economic data, indicate that historic preservation contributes to greater housing supply, increased tax revenues, new business starts, growth in retail sales, expanded tourism and convention activity, and increased public and private investments.

A study prepared for the Advisory Council on Historic Preservation by an independent team of experts demonstrated, through case studies, how historic preservation saves impressive amounts of energy by reusing existing materials. For example, the total energy needed to renovate and operate a rehabilitated garden apartment in Indianapolis, Ind., will be less than the energy required to construct and operate comparable new facilities for over 50 years—even though new facilities might use less energy annually for operations. The energy savings alone in rehabilitating the apartments is equivalent to over 2,250 billion Btu's or almost 2 million gallons of gasoline. In another example, the Grand Central Arcade, an adaptive reuse of a hotel in Seattle's Pioneer Square Historic District, required less than one-fifth as much energy for rehabilitation materials and construction activities than would have been needed to produce the materials and build a comparable new facility—resulting in a savings of over 90 Btu's or over 700,000 gallons of gasoline. The Grand Central Arcade will, in fact, have a net energy investment advantage over an equivalent new structure for the next two centuries.

The economic potential of historic preservation, particularly in urban areas, is equally impressive. Throughout the country, adaptive use of historic structures and rehabilitation of historic districts have proved to be both a boon to local economies and a source of pride for local citizens. This has happened at Quaker Square in Akron, where a 19th century mill has been transformed into an award-winning shopping complex. The project was so successful, that one of the original silos (of Quaker Oats fame) is now being planned for renovation for a major hotel. Preservation activities in the historic district of Alexandria, Va., increased sales of restaurants and retail shops in a two block area $2.8 million in 6 years, a rise of 142 percent or 24 percent annually.

These are but a few examples of how historic preservation has contributed significantly to the progress of our Nation while saving irreplaceable historic and architecturally important elements of our heritage. We are now at a stage where we can build on these achievements by assuring that our national program for historic preservation is clearly focused and better coordinated with other national goals and programs.

NEW DIRECTIONS FOR THE 1980'S

The bill I am introducing today would basically amend the National Historic Preservation Act of 1966. That act was landmark legislation which established, for the first time, a partnership between the Federal Government and the States to protect our Nation's historic resources. It established the National Register of Historic Places to list significant historic properties, provided matching grants for State projects, created the Advisory Council on Historic Preservation, and established a process for reviewing the effects of Federal undertakings on historic properties.

Other recent acts of Congress have provided for the salvaging of historic

and archeological resources threatened by Federal projects such as dam and highway construction, expanded the historic preservation grant program with moneys derived from offshore oil revenues, required the Federal Government to consider historic and architecturally significant buildings before constructing new office facilities, and provided Federal tax incentives for preserving historic commercial properties and disincentive for demolishing them. Most recently, the House passed important new legislation, authored by the distinguished chairman of the House Interior and Insular Affairs Committee, Mr. UDALL, to protect archeological resources on Federal lands.

Last fall, as chairman of the General Oversight and Alaska Lands Subcommittee, I directed, with the concurrence of the chairman of the National Parks and Insular Affairs Subcommittee, a staff review of the national historic preservation program. As a result of this review, several steps were taken to further evaluate and improve the program.

The National Park Service, for example, at the committee's request, conducted a review of its management of historic and archeological resources, and subsequent improvements in the Service's related policies, procedures and personnel are being made. In December of last year, the Heritage Conservation and Recreation Service completed a major effort to clear up its outstanding backlog of nominations from the States to the National Register. In addition, the General Accounting Office, at the request of Chairman UDALL, is currently conducting a comprehensive review of Federal archeological programs.

NEW LEGISLATION NEEDED

The legislation I am introducing today represents an effort to provide solutions for other major problems that were brought to the committee's attention which still face the historic preservation program today. It also addresses major concerns raised by the House Interior Appropriations Subcommittee and that committee's concerns as reflected in recent years' appropriations bills.

It would, for example, strengthen Federal agency requirements for protecting historic resources but would also streamline their procedures and give them clear authority to manage and preserve the historic properties which they own. The bill would provide a much needed boost to State programs by offering more flexibility in their funding mechanisms and by recognizing the important role of the State Historic Preservation officers and their responsibilities for administering their own professional programs with a minimum of Federal interference.

Basic to all, the bill would provide real meaning to the National Register by distinguishing between a register of properties which are of national significance or which deserve additional protection because of the public's investment or commitment to them and an inventory of historic resources that should be considered for planning purposes. And the bill would, for the first time, provide a focus for the Federal programs by placing them in one agency—the Historic Preservation Agency—which would combine the historic preservation functions of the Heritage Conservation and Recreation Service and the Advisory Council on Historic Preservation into a single Federal entity, one that is visible and clearly accountable for its activities.

Most important, the bill would provide an alternative for discussing the future role of historic preservation in this country. It offers a number of fresh ideas which have great potential for advancing the program—such as the proposed national center for the building arts, which would link together the history of the building arts in America with the present practices and future directions of these important and related trades and professions—architecture, construction, building technology, landscape architecture, historic architecture, building engineering, urban and community design, and city and regional planning. One exciting, and extremely productive aspect of the center would be a program for the training and development of skilled labor in trades and crafts relating to historic preservation. This program would be coordinated with efforts of such organizations as the building and construction trades department of the AFL-CIO to provide new jobs while preserving important aspects of our Nation's heritage.

The bill would also increase support for the National Trust for Historic Preservation, the only federally chartered nonprofit organization charged with facilitating public participation in historic preservation. The bill would establish a program with the national trust for the emergency acquisition of significant historic properties that are threatened with immediate demolition.

Although this legislation is broad and comprehensive, it is also pragmatic, realistic, and workable. It would provide a clear framework and a reasonable process for decisionmaking. It would assure that the public's investment in its historic heritage is protected and that the efforts of States, local governments, and private citizens—the backbone of the program—are recognised and encouraged. Indeed the bill would, for the first time, create a role for local governments to participate in the program on a continuing basis to further the effectiveness of the State programs.

I want to emphasize, however, that the leadership of the Department of the Interior, under Secretary Cecil D. Andrus, has been exemplary—not only in the high quality of the work of his professional staff but in the many efforts by the agencies of the Interior Department to cooperate in the program. The Bureau of Land Management, for example, has used its cultural resource inventories to help support other programs such as coal leasing, by providing required data for planning purposes and for preparation of environmental impact statements. BLM's efforts have demonstrated that historic and archeological resources can be taken into account during the early planning stages of projects and that conflicts can be prevented before they occur. Similar efforts have been made by other agencies, such as with the timber management program of the U.S. Forest Service in the Department of Agriculture.

In looking to the future, however, I feel that the Federal programs relating to historic preservation must be more focused than in the past. My purpose in introducing this bill is to stimulate new thinking about these programs and to offer a positive alternative for the Congress to consider.

The bill would establish the foundation for a national historic preservation program that will serve the needs of the Nation through the next decade. Recognizing the contribution of historic preservation to energy conservation, urban revitalization and agricultural conservation, and to creating employment opportunities through the country, I believe that we have to establish a comprehensive program that will be able to carry out our national conservation goals in the eighties. In essence, this bill would give effect to this Nation's dedication to a new ethic—preservation: an ethic for the eighties.

At this point I include a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS

Section 1 is a short title for this Act—"National Historic Preservation Amendments of 1979".

Section 2 amends the National Historic Preservation Act of 1966 by inserting a short title in section 1, a policy statement in section 2, and revises titles I and II. The policy section recognizes the Federal-State partnership necessary to carry out an effective National Historic Preservation Program and the relationship of preservation activities to National goals for urban revitalization, the conservation of agricultural areas, the creation of local employment opportunities, and the conservation of energy.

TITLE I—FEDERAL AND STATE PRESERVATION PROGRAMS

Subtitle A—National register of historic places

Section 101 authorizes the establishment of a National Register of Historic Places comprised of districts, sites, buildings, structures, and objects significant in American history, architecture, archeology, and culture at the National, State, or local level that are—

(a) nationally significant,

(b) have received a direct or indirect public investment in their preservation, or

(c) are legally dedicated to preservation.

Section 102 authorizes the establishment of an Inventory of Historic Resources, as a planning tool, comprised of properties that may meet the criteria for historic significance established for the Register. It also provides for the designation of certain Inventory properties as Eligible Properties when they are found to meet the Register's criteria for historic significant but are not of national significance, have not received any public investment, or have not been dedicated to preservation.

Section 103 establishes a process to review properties on the existing National Register in order to include them within one year on either the Register or the Inventory established by this Act. It also establishes the process for entering properties on the Inventory or the Register after the one year period.

Section 104 directs the Administrator to establish the criteria to determine the significance of historic properties and the criteria relating to National significance, public investment, and legal dedication of a property for preservation purposes.

Subtitle B—Financial Assistance

Part 1—General Authority

Section 111 establishes financial assistance programs to be administered by the Historic Preservation Agency. These include (a) matching grants-in-aid to the States for approved State preservation programs, (b) grants-in-aid to the National Trust for Historic Preservation to assist in the preservation of properties owned by the Trust, to carry out an emergency acquisition program, and to facilitate public participation in preservation activities in the United States, and (c) a program to make direct grants, loans, and guaranteed loans for the preservation of nationally significant properties, for demonstration projects for the preservation of properties on or eligible for the Register, and for the training of skilled labor in trades and crafts relating to historic preservation.

Part 2—State Programs

Section 112 establishes the matching requirement for grants to States with approved preservation programs and establishes the requirements for such State programs.

Section 113 specifies the elements of State programs including the designation by the Governor of a State Historic Preservation Officer, the transfer of not less than half of a State's grant to political subdivisions of the State that have preservation programs approved by the State Historic Preservation Officer, and methods to give priority to projects which will conserve energy, are labor intensive, or will further urban revitalization or agricultural conservation.

Section 114 establishes the allocation procedure for funds to be transferred by States to certified political subdivisions.

Section 115 provides a method to certify political subdivisions in States without approved preservation programs after two years from the date of enactment of this Act.

Section 116 preserves existing State preservation programs for a period of not more than two years after the date of enactment of this Act or the date on which a State program is approved by the Historic Preservation Agency, whichever comes first.

Part 3—Federal Assistance

Section 121 establishes conditions for grants and loans to be made by the Historic Preservation Agency for the preservation of nationally significant properties and properties on or eligible for the National Register with the approval of the State Historic Preservation Officer.

Section 122 authorizes the Historic Preservation Agency to guarantee loans made by private lenders for the preservation of properties on or eligible for the National Register and specifies the conditions for such guarantees.

Section 123 establishes additional technical requirements for the Historic Preservation Agency's loan and guarantee programs.

Section 124 authorizes the Historic Preservation Agency to withhold certain financial information obtained in connection with applications for Federal financial assistance consistent with the policy of the Freedom of Information Act.

TITLE II—FEDERAL AUTHORITIES AND RESPONSIBILITIES

Subtitle A—National Historic Preservation Agency

Section 201 establishes a Historic Preservation Agency as an independent agency of the United States under the direction of an Administrator for Historic Preservation. The Administrator is to be appointed by the President, with the advice and consent of the Senate.

Section 202 requires the President to reestablish the Advisory Council on Historic Preservation to advise the Administrator, to review the application of the protective provisions of the Act and assist the Administrator in applying those provisions, and to advise the President and the Congress on historic preservation matters. The Council shall be composed of the Secretary of the Interior, the Architect of the Capitol; the heads of four agencies of the United States, which have activities affecting historic preservation, a representative of the National Conference of State Historic Preservation Officers and five professionals in the fields of history, architecture, archaeology, urban planning, or related disciplines, appointed by the President from among recommendations of organizations representing these professions and from among recommendations made by national historic preservation organizations; 3 State Governors or mayors, appointed by the President; and 3 at large members of the general public, appointed by the President.

The members who are not ex officio members serve for staggered 4 year terms.

The Chairman and Vice Chairman of the Council are elected by the members.

The Federal members provide funds, personnel, facilities, monies, and services to the Council.

The existing Advisory Council on Historic Preservation continues in existence until 180 days after the date of the enactment of the bill or the date on which the Administrator is appointed.

Section 203 provides that when the Council transmits legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it must also concurrently transmit copies thereof to the Committees of Congress.

Section 204 sets for the duties of the Administrator to—

(1) advise the President and the Congress on matters relating to historic preservation; coordinate activities of Federal, State, and local agencies and private institutions and individuals relating to historic preservation; and disseminate information;

(2) encourage, with the National Trust for Historic Preservation and appropriate private agencies, public interest and participation in historic preservation;

(3) conduct studies relating to laws and regulations pertaining to historic preservation activities, including tax policies;

(4) assist State and local governments in drafting legislation relating to historic preservation; and

(5) provide training and education in the field of historic preservation.

The Administrator must submit an annual comprehensive report of his activities and the results of his studies to the President and the Congress and submit such additional and special reports as he deems advisable.

Section 205 provides for the appointment and duties of a General Counsel and other attorneys to represent the Administrator or the Council in courts of law. The section also permits the Administration to appoint and fix the compensation of such additional personnel as may be necessary to carry out his duties and to procure expert and consultant services.

Section 206 authorizes the Administrator to secure from Federal departments, bureaus, etc. information, suggestions, estimates, and statistics.

Section 207 provides authority for the Administrator to establish criteria, guidelines, and standards necessary for Federal agencies, States, their political subdivisions, and other entities to implement the Act, and to establish such rules and regulations as are necessary to carry out the Act.

Subtitle B—Education and Training

Section 211 authorizes the Administrator to—

"(a) develop and make available to training information concerning administrative, legal, and professional methods and techniques of historic preservation;

"(b) provide technical assistance in the identification, evaluation, preservation, and protection of historic properties; and

"(c) in cooperation with the Secretary of the Interior and other appropriate organizations, establish a comprehensive education and training program for Federal, State, and local officials who are involved in historic preservation.

The Administrator, in cooperation with the National Trust for Historic Preservation and other appropriate organizations, is also required to undertake a continuing program to increase the awareness of historic resources and their preservation among the student population of the United States.

The Administrator, in cooperation with the Building Arts Foundation (later established under subtitle C of title III of the bill) and the Secretary of Labor, shall establish a program for the training and development of skilled labor in trades and crafts relating to historic preservation.

Subtitle C—Coordination of Federal activities

Section 221 requires the Administrator to review the policies and programs of Federal agencies and to recommend methods for improving the coordination and consistency of such policies and programs with this Act.

Section 222 requires the Administrator to, within 90 days after the date of his appointment, promulgate guidelines for—

(a) the identification of historic properties;

(b) archeological and historical data recovery activities to be carried out pursuant to a mitigation program;

(c) the treatment of archeological and historical data recovered pursuant to a mitigation program funded or sanctioned by a Federal agency.

Within 90 days after the Administrator establishes the guidelines, each Federal agency must submit to the Administrator proposed regulations, standards, or procedures, to establish the requirements that will govern that agency's program activities. Within 30 days thereafter, the Administrator shall approve agency submissions that he determines meet the requirements of his guidelines.

Each agency is required to provide a process for the Administrator to review and approve all data recovery plans which involve the expenditure of more than $100,000.

The Administrator may establish panels of experts to assist in the evaluation of mitigation proposals and may establish a limit on the amount of Federal funds that may be spent on archeological data recovery for any single project to which this subsection applies.

Section 223 specifies that within one year after the date on which the Administrator is appointed, he must establish, jointly with the Secretaries of the Interior, Agriculture, and Defense, and the Administrator of the General Services Administration, standards for the management and preservation of federally owned historic properties.

Following final promulgation of such standards, all agencies are mandated to comply with such standards for properties under their control which are included in the National Register.

Section 224 requires the Administrator to review and approve the plans of transferees of surplus federally-owned properties which are on or eligible for the National Register to ensure that the historical, architectural, archeological or cultural significance will be preserved in their rehabilitation, restoration, improvement, adaptive use, or maintenance.

Section 225 requires all Federal agencies administering any assistance or licensing program, to coordinate the program with the purposes of the Act and give a priority in carrying out the program to projects which will further the purposes of the Act. Agencies must submit proposals to the Administrator for carrying out their programs so that proj-

ects that will further the preservation of National Register or Eligible Properties are given an increased assistance.

Assistance and licensing agencies must also submit proposals to reduce assistance by not less than 25 percent below the assistance which would otherwise be available for a project, or suspend issuance of any approval for a period of two years in any case in which it is determined that the project would have been entitled to a priority but for the demolition, destruction, or damage to an Eligible or National Register property prior to the date on which such assistance or permission is or would be available.

SUBTITLE D—NATIONAL AND WORLD HERITAGE SIGNIFICANCE; INTERNATIONAL ACTIVITIES

Section 231 provides that the Administrator is to establish a continuing program to evaluate this Nation's historic resources to identify and designate properties of national significance, or properties of such significance that they may warrant inclusion in the World Heritage list.

The survey and evaluation shall be conducted on a thematic basis and only those examples determined to be outstanding shall be designated as nationally significant. Properties determined by the Administrator to be of national significance are to be designated as "National Historic Landmarks" and properties included in the World Heritage list are to be designated as "World Heritage Properties". Whenever the Administrator determines that a property is of national significance he must notify the Committees of Congress. The Administrator must promulgate standards and criteria to evaluate properties for national and world heritage significance.

Section 232 provides that the Administrator is to encourage and coordinate United States participation in the Convention Concerning the Protection of the World Cultural and Natural Heritage and in other international historic preservation activities in cooperation with the Secretary of the Interior, the Secretary of State, and the Smithsonian Institution.

The Administrator is to establish a program to nominate historic properties to the World Heritage Committee on behalf of the United States after notification of the Congressional Committees.

Section 233 authorizes U.S. participation in the International Centre for the Study of the Preservation and Restoration of Cultural Property.

The Administrator is to recommend to the Secretary of State, after consultation with the Smithsonian Institution and other public and private organizations, the members of the official delegation which will be appointed by the Secretary to represent the United States.

The section also authorizes sums to pay for the assessment of United States membership in the Centre for fiscal years 1979 through 1989. No appropriation is authorized in excess of 25 per cent of the total annual assessment of the Centre.

Section 234 provides for a program to encourage tourism by people of other nations to historic properties in the United States.

Section 235 requires each Federal agency which proposes any undertaking outside the United States which may affect a property which is on or nominated to the World Heritage List to notify the Administrator prior to commencing such undertaking and give the Administrator 45 days to comment on the proposed undertaking.

Subtitle E—Federal agency responsibilities

Section 241 requires each Federal agency to designate an official at an appropriate level to be known as the agency's "Preservation Officer" and be responsible for coordinating that agency's activities under the Act. The Preservation Officer is to certify compliance for the agency. Each Federal agency must also develop a system to provide for the designation of officials at the field or regional level to assist the Preservation Officer.

Each Preservation Officer and field or regional officer must participate in a training program established under section 211.

Section 242 requires all Federal agencies to assume responsibility for the preservation, maintenance, rehabilitation, renovation, adaptive use, or restoration of properties which are included in the National Register and which are under such agency's jurisdiction or control.

Each Federal agency having responsibility for the management of any real property must give a priority to the use of Eligible Properties and properties which are in the National Register that are under its jurisdiction or control.

Each Federal agency having jurisdiction or control over any Eligible Property or property included in the National Register must prepare a Property Management Plan detailing how the agency will administer it. Plans providing for preservation must be consistent with the property management standards issued by the Administrator. Plans that do not provide for the preservation of the property or that may have an adverse effect must be submitted to the Administrator for comment.

During the preparation of Property Management Plans, each Federal agency must stabilize the properties.

Section 243 provides that the Park Service is to study and investigate properties included in the National Register which are under the jurisdiction or control of other Federal agencies and, from time to time, with the concurrence of the Administrator, recommend to the President that the administrative jurisdiction or control of these properties be transferred to the Secretary. Any such recommendation shall be transmitted, concurrently with its submission to the President, to the Congressional Committees. After the submission of any such recommendation, and with the concurrence of the Director of the Office of Management and Budget, the head of the agency shall transfer to the Secretary jurisdiction over the property, together with such funds and personnel available for its development, maintenance, and interpretation. Property so transferred is to be administered as part of the National Park System.

Section 244 authorizes the Secretary of the Interior to accept gifts or donations of less than fee interests in any National Register or Eligible Property where the acceptance of such interests will facilitate preservation.

Section 245 authorizes Federal agencies to lease to or exchange with any appropriate person or organization, any National Register or Eligible Property. The leases may be at less than the fair market value. The lease proceeds are to be retained by the agency and used to defray the costs of administration, maintenance, repair, and related expenses of such properties. Federal agencys may also enter into contracts for the management of any such properties.

Section 246 requires all Federal agencies to cooperate with purchasers and transferees of any National Register or Eligible Property in the development of plans for uses that are compatible with preservation and conservation objectives without imposing unreasonable economic burdens on public or private interests.

Section 247 requires the head of each Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted undertaking in any State and the head of each Federal agency having authority to license any undertaking to, prior to the approval of the expenditure of any Federal funds on the undertaking or prior to the issuance of any license, determine whether any Federal or non-federally owned historic properties are located within the areas to be affected by the proposed undertaking. If the areas to be affected by the proposed undertaking have not been surveyed, the agency head must ensure that a survey sufficient to locate such properties is under taken at the earliest stages of planning.

Next, each agency must—

(a) take into account the effect of the proposed undertaking on any district, site, building, structure, or object that is designated as an Eligible Property;

(b) determine that no feasible or prudent alternative exists to a proposed undertaking that may adversely affect any property included in the National Register, and develop, to the maximum extent possible, such special planning as is necessary to minimize harm to; and

(c) afford the Administrator a reasonable opportunity to comment on the undertaking.

Section 248 provides for regulations or guidelines under which Federal programs or undertakings may be exempted from any or all of the requirements of this Act, taking into consideration the magnitude of the exempted undertaking or program and the likelihood of impairment of historic properties.

Section 249 specifies that all Federal agencies are authorized to expend appropriated funds, including funds in operations and maintenance accounts, for the purposes of the Act. Each Federal agency shall include the costs of identification, evaluation, and protection activities of such agency under the Act as eligible projects costs in all undertakings of such agency or assisted by such agency. This includes amounts paid by a Federal agency to any State Historic Preservation Officer for carrying out identification, evaluation, and protection responsibilities of the Federal agency under this Act.

Identification of historic properties within project areas is to be treated for purposes of any law or rule of law as a planning cost of the project and not as a cost of mitigation.

Costs of identification (including surveys) and data recovery in accordance with section 222 may be charged to Federal licensees and permittees as a condition to the issuance of such license or permit.

The Administrator may waive, in appropriate cases, the 1 percent limitation contained in section 7(a) of the Moss-Bennett Act.

Section 250 requires each Federal agency to provide the Administrator a reasonable opportunity to comment on proposed policies and programs that may affect historic properties at least 45 days prior to the effective date of the implementation of the action.

TITLE III—GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS

Subtitle A—General provisions

Section 301 contains definitions of 10 important terms wich recur throughout the Act. The terms defined are: "National Register" and "register"; "Administrator"; "Inventory of Historic Resources"; "eligible property"; "prior authority of law"; "State" (defined to include the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands); "undertaking"; "preservation"; "Federal agency"; and "Indian tribe".

Section 302 establishes a Historic Preservation Fund, into which there are to be covered funds from the revenues of the United States under the Outer Continental Shelf Lands Act and the Mineral Leasing Act of 1920. The section provides that $150 million shall be deposited in the new fund in fiscal 1980 and in each fiscal year thereafter through fiscal 1989.

It also provides that at least two-thirds of the amounts appropriated out of the fund shall be for grants to States and no more than one-third shall be for the carrying out of the federal program and for the Administrator's use in carrying out his responsibilities under the Act.

Section 303 requires the Administrator to establish regulations to assure maximum public participation in all activities of the Administrator, the Council, and other federal agencies implementing the Act.

Section 304 prohibits any State or local grantee from using a grant under this Act as "matching money" in order to receive any other federal assistance and makes it clear that no grant under the Act is to be treated as taxable income under any income tax laws.

Section 305 allows the award of attorney's fees and other costs of a private party for preparing for and bringing an action against a federal agency to enforce the protective provision of the Historic Preservation Act, if the person bringing such action substantially prevails in the case.

Section 306 provides for the establishment by the Administrator of a program of annual preservation awards of up to $10,000,000 to officers and employees of federal, state, or local governments who make outstanding contributions to the preservation of historic resources; the program may also include the issuance of an annual Presidential award to any citizen recommended by the Administrator.

Subtitle B—Administrative provisions

Section 321 authorizes the Administrator to delegate to a State with an approved program the authority to carry out the Administrator's responsibilities for reviewing activities under the approved program for compliance with the National Environmental Policy Act of 1969.

Section 322 transfers to the Administrator the historic preservation provisions of 7 Acts (except as they relate to the National Park System) and provides for the transfer to the Historic Preservation Agency of such personnel, property, records, and funds used by any department or agency under such Acts as determined by the Director of the Office of Management and Budget.

Section 323 provides for the Administrator's issuance of a limited order requiring postponement for 60 days of any action which he determines would adversely affect any property included on the National Register; during the 60-day duration of the order, the Administrator is to attempt to develop an acceptable preservation plan and may also exercise his emergency acquisition authority under section 3; appropriate civil penalties can be assessed against any person violating a postponement order issued under this section, and if such penalties are not paid the Administrator may request the Attorney General to sue for collection in Federal District Court. Nothing in the section is to apply to any undertaking started before the date of enactment of the bill.

Subtitle C—National Center for the Building Arts

Section 331 authorizes the Secretary of the Interior to establish the Pension Building in Washington, D.C., as a national historic site to be named the "National Center for the Building Arts" (referred to as the "Center"). The Administrator of the General Services Administration is directed to transfer the land and building to the Secretary upon enactment.

Section 332 directs the Secretary to renovate, maintain and administer the site in accordance with the laws governing the National Park Service and to conserve it for public use and enjoyment. The Secretary is also directed to provide essential services to the Center and is authorized to enter into cooperative agreements with the Building Arts foundation to provide these services.

Section 333 establishes a Building Arts Foundation (referred to as the "Foundation") to carry out three general programs at the Center: a) collection and dissemination of information concerning the building arts, including a national inventory of current and historic documents, publications and research; b) education and training, including a program for training and development of skilled labor in trades and crafts relating to historic preservation; and c) temporary and permanent exhibits illustrating and interpreting the building arts.

The section also provides that the Foundation will be under the direction of a Board of Directors composed of the Secretary of the Interior, the Secretary of Labor, the Administrator of the Historic Preservation Agency, the Commissioner of Education, the Chairman of the National Endowment of the Arts, and nine general members appointed by the President from recommendations submitted to him by organizations and institutions (including labor unions, professional associations and educational institutions).

The Board shall be appointed within 90 days of enactment and will convene within 180 days of enactment. The citizen members will serve for staggered terms of up to 5 years, and the Board will elect a chairman and a vice chairman to serve for up to two years. The general members are entitled to receive reimbursement for attending Board meetings, including per diem and travel expenses. The Board may appoint a Director and the Director may appoint additional staff as he or she deems necessary.

The Board may also adopt rules to govern its activities, is required to hold its meetings open to the public, may solicit and accept donations and gifts, may accept the transfer of funds, personnel or property from other Federal agencies and may enter into contracts or cooperative agreements with Federal, State or local agencies and organizations, institutions and individuals. The section also authorizes appropriations to the Foundation to match gifts of money or property up to $1 million annually and, in addition, authorizes $250,000 to be appropriated during fiscal year 1981 and $500,000 for 1982 through 1986.

Amounts appropriated to the Foundation will remain available until expended for two fiscal years, and the budget of the Foundation will be submitted to the Congress with the budget of the Historic Preservation Agency.

Section 334 defines "building arts" to include but not be limited to architecture, construction, building technology, landscape architecture, historic architecture, building engineering, urban and community design, city and regional planning, and related skills, trades and crafts.

Section 335 requires the General Accounting Office to review and audit the accounts of the Foundation and requires the Foundation to submit reports to the Committee on Interior and Insular Affairs of the House and the Energy and Natural Resources Committee of the Senate on its activities.

Emergency Acquisition

Section 3 amends the Act of October 26, 1949, which chartered the National Trust for Historic Preservation, to establish an emergency acquisition program for property included in the National Register threatened with immediate demolition or impairment, and provides that the Attorney General will if necessary, institute condemnation proceedings on behalf of the National Trust, in which title will vest. Upon acquisition of such a property, the National Trust will attempt to convey it with conditions to ensure its continued preservation and use. If the National Trust is unable to transfer the property with these conditions, it may sell it at the fair market value without any restrictions. The proceeds of a conveyance by the Trust under this section will be deposited in the United States Treasury for payment of obligations by the United States under this section; any excess amounts may be retained by the National Trust.

Report on Preservation of Intangible Elements

Section 4 directs the Administrator, in consultation with the American Folklife Center of the Library of Congress and the Building Arts Foundation, to submit a report in two years on preserving and conserving the intangible elements of our cultural heritage by including arts, skills, folklife and folkways, and collections, in the National Register. The report will include recommendations for legislative and administrative action to encourage continuing these traditional historic, ethnic and cultural activities.

Funding report

Section 5 Directs the Administrator to submit a report to Congress within 8 years on the operation of the Historic Preservation Fund and the national historic preservation program.

Pennsylvania Avenue Development Corporation

Section 6 directs the Administrator to investigate the plans and performance of the Pennsylvania Avenue Development Corporation relating to historic preservation and to report to Congress within 90 days of the appointment of the Administrator with recommendations for the inclusion of historic preservation elements in the Corporation's plans. The areas subject to the Pennsylvania Avenue Development Corporation Act will be deemed a historic district for the purposes of this Act and for the purposes of any other Federal, State or local law.

Report on Tax Laws

Section 7 directs the Administrator, in cooperation with the Secretary of the Treasury, to submit a report to the President and the Congress, within one year of the appointment of the Administrator, on Federal tax laws relating to historic preservation.

Cultural Parks Report

Section 8 directs the Secretary of the Interior, in cooperation with the Administrator, to do a comprehensive study and make recommendations for the creation of a National System of Cultural Parks to provide for the preservation, interpretation, development and use of historic, archeological and natural resources found in urban and settled areas throughout the Nation. The Secretary will submit such legislative recommendations as may be necessary to establish such a system to the President and the Congress within two years after the enactment of this Act.

CONFERENCE REPORT ON H.R. 4394

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 96-400)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980 and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17, 19, and 44.

That the House recede from its disagreement to the amendments of the Senate num-

bered 1, 2, 8, 15, 16, 21, 23, 24, 25, 26, 29, 31, 32, 36, 37, and 40, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$230,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$79,500,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$42,500,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$135,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$49,650,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$539,207,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$513,319,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$508,892,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$959,900,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,950,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$58,100,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$906,050,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "That not more than $60,900,000 shall be available for Applied Science and Research Applications: *Provided further,*".

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "49,050,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,683,700,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$587,392,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,350,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 7, 9, 12, 22, 27, and 45.

Edward P. Boland,
Bob Traxler,
Louis Stokes,
Tom Bevill,
Lindy Boggs,
Martin Olav Sabo,
Bennett M. Stewart,
Jamie L. Whitten,
Lawrence Coughlin,
Joseph M. McDade,
Bill Young,
Silvio O. Conte,
Managers on the Part of the House.

William Proxmire,
John C. Stennis,
Birch Bayh,
Walter D. Huddleston,
Patrick J. Leahy,
Jim Sasser,
John A. Durkin,
Warren G. Magnuson,
Charles McC. Mathias, Jr.,
Henry Bellmon,
Lowell P. Weicker, Jr.,
Paul Laxalt,
Harrison Schmitt,
Milton Young,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 1: Appropriates $1,140,661,000 in annual contract authority for annual contributions for assisted housing as proposed by the Senate, instead of $1,160,474,000 as proposed by the House.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: "nor more than $50,000,000."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 3: Deletes language proposed by the House limiting annual contract authority for new, substantially rehabilitated and existing Section 8 housing.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding the uncommitted balances in the rent supplement program.

Amendment No. 5: Establishes the limitation on the aggregate loans that may be made for housing for the elderly or handicapped at $830,000,000, instead of $800,000,000 as proposed by the House $860,000,000 as proposed by the Senate.

Amendment No. 6: Appropriates $79,500,000 for troubled projects operating subsidy, instead of $77,000,000 as proposed by the House and $82,000,000 as proposed by the Senate.

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate permitting the Secretary of Housing and Urban Development to set terms under which assistance payments may be made to troubled projects not insured under the National Housing Act.

Amendment No. 8: Deletes language proposed by the House earmarking $20,000,000 of the Secretary's Discretionary Fund for small metropolitan cities. The conferees agree that not less than $5,000,000 of the amount requested in the innovative projects category of the Secretary's Discretionary Fund shall be used for other eligible activities. The conferees further agree that special consideration should be given to providing relief to States and units of general local government to correct allocation inequities occurring in the block grant program.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $675,000,000 for urban development action grants, instead of $400,000,000 as proposed by the House.

Amendment No. 10: Appropriates $42,500,000 for comprehensive planning grants, instead of $35,000,000 as proposed by the House and $50,000,000 as proposed by the Senate.

The Committee of Conference urges the Department to give priority to small communities and area-wide planning organizations from within the funds provided. This approach is consistent with the original legislative intent of the comprehensive planning grants program.

Nearly $1,000,000,000 has been provided for this program. The conferees believe it is often difficult to recognize specific and tangible results from this investment, and urge the Department to review the criteria to insure that funds are used efficiently and effectively.

Amendment No. 11: Appropriates $135,000,000 for the rehabilitation loan fund, instead of $140,000,000 as proposed by the House and $130,000,000 as proposed by the Senate.

Amendment No. 12: Reported in disagreement. The managers on the part of the House will offer a motion to insist on its disagreement to the amendment of the Senate that would appropriate $3,000,000 for the livable cities program.

Amendment No. 13: Appropriates $49,650,000 for research and technology, instead of

$49,000,000 as proposed by the House and $50,300,000 as proposed by the Senate.

Amendment No. 14: Appropriates $539,307,000 for salaries and expenses, instead of $543,495,000 as proposed by the House and $536,120,000 as proposed by the Senate. The Committee of Conference is in agreement with the reductions enumerated in the report of the Senate except that the travel reduction is $896,000 and the lapse rate and general reduction is $6,792,000.

TITLE II—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

Amendment No. 15: Appropriates $7,808,000 for salaries and expenses as proposed by the Senate, instead of $8,186,000 as proposed by the House.

CONSUMER PRODUCT SAFETY COMMISSION

Amendment No. 16: Appropriates $40,600,000 for salaries and expenses as proposed by the Senate, instead of $41,250,000 as proposed by the House.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

Amendment No. 17: Appropriates $6,326,000 for salaries and expenses as proposed by the House, instead of $7,611,000 as proposed by the Senate.

ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 18: Appropriates $513,319,000 for salaries and expenses, instead of $506,748,000 as proposed by the House and $515,319,000 as proposed by the Senate. The Committee of Conference is in agreement with the recommendations contained in the report of the Senate with the exception that the personnel compensation reduction is $2,000,000.

Amendment No. 19: Appropriates $233,568,000 for research and development as proposed by the House, instead of $232,568,000 as proposed by the Senate. The Committee of Conference is in agreement with the recommendations contained in the report of the House except for the following changes:

+$4,000,000 for anticipatory research and

−$4,000,000 for air health and ecological effects.

The conferees agree that within the total allocated for anticipatory research, $1,000,000 shall be used for dry sulfur oxide control processes.

Amendment No. 20: Appropriates $508,892,000 for abatement, control and compliance, instead of $475,809,000 as proposed by the House and $515,592,000 as proposed by the Senate. The conferees are in agreement with the recommendations contained in the report of the House except for the following changes:

+$1,500,000 for academic training;

+$2,800,000 for State air control grants;

+$7,500,000 for areawide waste treatment management planning grants (section 208);

+$19,429,000 for improved hazardous waste dumpsites response capability;

+$1,000,000 for ocean outfall waiver provisions (section 301(h));

+$354,000 for Flathead River Basin environmental impact statement;

+$1,000,000 for underground injection control grants;

+$1,250,000 for spill prevention and response under the Clean Water Act; and

−$250,000 for pesticide applicator certification and training.

The conferees agree that if the activity level of the underground injection control grants program increases substantially, supplemental funding would be considered if a budget estimate is transmitted.

Amendment No. 21: Deletes language proposed by the House appropriating $2,000,000 for scientific activities overseas.

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $3,038,000 for the United States Regulatory Council, instead of $2,238,000 as proposed by the House and $3,238,000 as proposed by the Senate.

The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

EXECUTIVE OFFICE OF THE PRESIDENT

Amendment No. 23: Appropriates $3,126,000 for the Council on Environmental Quality and Office of Environmental Quality as proposed by the Senate, instead of $3,026,000 as proposed by the House.

Amendment No. 24: Appropriates $2,625,000 for the Office of Science and Technology Policy as proposed by the Senate, instead of $2,725,000 as proposed by the House.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 25: Appropriates $129,621,000 for emergency planning, preparedness and mobilization as proposed by the Senate, instead of $131,121,000 as proposed by the House.

Amendment No. 26: Appropriates $118,709,000 for hazard mitigation and disaster assistance as proposed by the Senate, instead of $119,109,000 as proposed by the House. The Committee of Conference is in agreement with the recommendations contained in the report of the House except for the following changes:

−$4,500,000 for implementation of section 1362 of the National Flood Insurance Act of 1968 concerning the Federal acquisition of flood damaged property;

+$5,500,000 for the operation of the National Fire Academy; and

−$1,400,000 for executive direction.

The conferees agree that the reduction for the National Fire Academy should be applied primarily to relocation costs and equipment purchases.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Amendment No. 27: Reported in disagreement.

Amendment No. 28: Appropriates $959,900,000 for research and program management, instead of $954,900,000 as proposed by the House and $964,900,000 as proposed by the Senate.

NATIONAL COMMISSION ON AIR QUALITY

Amendment No. 29: Appropriates $5,500,000 for salaries and expenses as proposed by the Senate, instead of $5,000,000 as proposed by the House.

NATIONAL CONSUMER COOPERATIVE BANK

Amendment No. 30: Appropriates $7,950,000 for salaries and expenses, instead of $7,000,000 as proposed by the House and $8,900,000 as proposed by the Senate.

NATIONAL CREDIT UNION ADMINISTRATION

Amendment No. 31: Deletes language proposed by the House providing $300,000,000 for emergency lending to the Central Liquidity Facility by the Secretary of the Treasury and inserts language proposed by the Senate limiting the Facility's borrowing authority and administrative expenses.

NATIONAL INSTITUTE OF BUILDING SCIENCES

Amendment No. 32: Appropriates $750,000 for salaries and expenses as proposed by the Senate, instead of $718,000 as proposed by the House.

NATIONAL SCIENCE FOUNDATION

Amendment No. 33: Earmarks not to exceed $58,100,000 for program development and management, instead of $56,600,000 as proposed by the House and $59,600,000 as proposed by the Senate.

Amendment No. 34: Appropriates $906,050,000 for research and related activities, instead of $896,800,000 as proposed by the House and $915,300,000 as proposed by the Senate.

Amendment No. 35: Restores language proposed by the House and stricken by the Senate, amended to earmark not more than $60,900,000 for applied science and research applications.

NEIGHBORHOOD REINVESTMENT CORPORATION

Amendment No. 36: Appropriates $12,000,000 for salaries and expenses as proposed by the Senate, instead of $9,500,000 as proposed by the House.

DEPARTMENT OF THE TREASURY

Amendment No. 37: Appropriates $1,022,000 for administrative expenses of the New York City loan guarantee program as proposed by the Senate, instead of $1,094,000 as proposed by the House.

Amendment No. 38: Appropriates $49,050,000 for investment in National Consumer Cooperative Bank, instead of $50,000,000 as proposed by the House and $48,100,000 as proposed by the Senate.

VETERANS' ADMINISTRATION

Amendment No. 39: Appropriates $5,683,700,000 for medical care, instead of $5,671,119,000 as proposed by the House and $5,696,215,000 as proposed by the Senate.

The Committee of Conference agrees that the $76,380,000 added by the House and Senate for 3,800 health care personnel shall be available only for existing programs. The conferees further agree that an additional $12,581,000 shall be available for new medical programs as approved in the Veterans' Health Care Amendments of 1979.

Amendment No. 40: Appropriates $122,847,000 for medical and prosthetic research as proposed by the Senate, instead of $127,847,000 as proposed by the House. The conferees are in agreement with the report of the Senate which strongly recommends beginning a cooperative study on hypertension.

Amendment No. 41: Appropriates $587,392,000 for general operating expenses, instead of $584,967,000 as proposed by the House and $588,392,000 as proposed by the Senate. The Committee of Conference is in agreement with the recommendations contained in the report of the Senate with the exception of the Vet Reps program which is reduced $1,000,000 and 55 staff-years.

Amendment No. 42: Appropriates $7,500,000 for grants for construction of State extended care facilities, instead of $5,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

Amendment No. 43: Appropriates $1,350,000 for grants to the Republic of the Philippines, instead of $1,700,000 as proposed by the House and $1,000,000 as proposed by the Senate.

TITLE IV—GENERAL PROVISIONS

Amendment No. 44: Deletes without prejudice language proposed by the Senate relating to agency employees taking annual leave in the course of traveling on agency business. The conferees are greatly concerned about the travel abuses highlighted in a Senate Investigative Staff report. The language has been deleted because this issue can be more properly addressed by agency regulations. Therefore, the Committee of Conference directs the Department and agencies covered by this Act to issue regulations prohibiting employees from taking annual leave while on travel status, except in unique or emergency situations. Any annual leave to be taken while on travel status must be shown and approved on the travel authorization. The Committee further directs that the Department and agencies covered by this Act report on the status of implementing the above directive by December 31, 1979.

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate prohibiting funds appropriated in this or any other Act for fiscal year 1980 from being used to contract with private firms to provide plant care or watering services.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended

by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follow:

New budget (obligational) authority, fiscal year 1979	$70,040,207,000
Budget estimates of new (obligational) authority, fiscal year 1980	[1] 72,815,236,750
House bill, fiscal year 1980	71,968,475,000
Senate bill, fiscal year 1980	71,930,247,000
Conference agreement	[2] 71,834,684,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1979	+1,794,477,000
Budget estimates of new (obligational) authority, fiscal year 1980	−980,554,750
House bill, fiscal year 1980	−128,791,000
Senate bill, fiscal year 1980	−95,563,000

[1] Includes $92,492,000 of budget estimates not considered by the House.

[2] Includes House-passed amounts for the livable cities program and research and development of the National Aeronautics and Space Administration.

EDWARD P. BOLAND,
BOB TRAXLER,
LOUIS STOKES,
TOM BEVILL,
LINDY BOGGS,
MARTIN OLAV SABO,
BENNETT M. STEWART,
JAMIE L. WHITTEN,
LAWRENCE COUGHLIN,
JOSEPH M. MCDADE,
BILL YOUNG,
SILVIO O. CONTE,
Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN C. STENNIS,
BIRCH BAYH,
WALTER D. HUDDLESTON,
PATRICK J. LEAHY,
JIM SASSER,
JOHN A. DURKIN,
WARREN G. MAGNUSON,
CHARLES MCC. MATHIAS, JR.,
HENRY BELLMON,
LOWELL P. WEICKER, JR.,
PAUL LAXALT,
HARRISON SCHMITT,
MILTON R. YOUNG,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 2774

Mr. ZABLOCKI submitted the following conference report and statement on the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 96-412)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That (a) section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by adding at the end thereof a new sentence as follows: "No person serving on active duty as a commissioned officer of the Armed Forces of the United States may be appointed Director.".

(b) Section 23 of such Act (22 U.S.C. 2563) is amended by adding at the end thereof a new sentence as follows: "No person serving on active duty as a commissioned officer of the Armed Forces of the United States may be appointed Deputy Director.".

SEC. 2. (a) Section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2580 (a)) is amended to read as follows:

"SEC. 49. (a) To carry out the purposes of this Act, there are authorized to be appropriated—

"(1) for the fiscal year 1980, $18,876,000, and

"(2) for the fiscal year 1981, $20,645,000, and such additional amounts, for each such fiscal year, as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates. Amounts appropriated under this subsection are authorized to remain available until expended.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

And the Senate agree to the same.

CLEMENT J. ZABLOCKI,
L. H. FOUNTAIN,
LESTER L. WOLFF,
GUS YATRON,
GERRY E. STUDDS,
TONY P. HALL,
HOWARD WOLPE,
WM. S. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, Jr.,
Managers on the Part of the House.

FRANK CHURCH,
C. PELL,
GEORGE MCGOVERN,
JOHN GLENN,
JACOB K. JAVITS,
CHARLES H. PERCY,
JESSE HELMS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS

The conference substitute contains authorizations for appropriations for the Arms Control and Disarmament Agency (ACDA) for fiscal years 1980 and 1981. For fiscal year 1980, the committee of conference adopted a figure of $18,876,000, which is the same as the Senate figure and the executive branch request and $400,000 below the figure recommended by the House. For fiscal year 1981, the committee of conference adopted the House figure of $20,645,000, which differed from the Senate recommendation and the executive branch request, both of which provided "such sums as may be necessary" for fiscal year 1981. The committee of conference also authorized for both fiscal years such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other non-discretionary costs, and to offset adverse fluctuations in foreign currency exchange rates.

GRANTS FOR EDUCATION AND TRAINING

The House bill added a new section 38 to the Arms Control and Disarmament Act which provided the Director of ACDA with discretionary authority to make grants to institutions of higher education, nonprofit organizations, and public agencies for the purpose of supporting programs in arms control education and training.

The Senate bill did not contain a comparable provision.

The committee of conference adopted the Senate position.

After considerable discussion, the committee of conference concluded that fiscal and budgetary constraints precluded present adoption of this provision. In doing so, the conference committee recognizes the many desirable merits of the provision and urges ACDA to give full and favorable consideration to request such authority in future budget submissions to Congress.

ECONOMIC IMPACT STUDY

Section 4 of the Senate bill required the Director of ACDA, in consultation with appropriate officials of the departments and other agencies of the United States, to conduct a comprehensive study of (1) the impact of military expenditures on the economy of the United States, including but not limited to the impact on the economic factors of inflation, balancing the Federal budget, industrial employment, civilian research and development, civilian industrial productivity, corporate profits, and balance of payments and (2) the impact of such economic factors on national defense policy decisions regarding the procurement of weapons, the size of force structure, troop deployments outside the United States, arms control policy, personnel policies, and conventional arms sales, as well as such other aspects of the national defense posture of the United States as the Director of ACDA may deem relevant.

The House bill did not contain a comparable provision.

The committee of conference adopted the House position.

In not mandating the study due to present budgetary contraints on the Agency, the committee of conference recognizes the merits of providing information to Congress concerning the relationship between the Nation's economic situation and some of the factors cited in the Senate provision.

Accordingly, the committee of conference urged ACDA to give consideration to do a study along the lines of the Senate provision.

RESTRICTIONS WITH RESPECT TO THE APPOINTMENT OF MILITARY OFFICERS

A. The Senate amendment amended Sections 22 and 23 of the Arms Control and Disarmament Act to prohibit the appointment of an active duty commissioned officer of the U.S. Armed Forces as Director or Deputy Director of ACDA.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

B. The Senate amendment added a new Section 28 to the Arms Control and Disarmament Act to prohibit the two positions of Director and Deputy Director to be occupied simultaneously by persons who, within the preceding 10 years, have been relieved of duty as commissioned officers of regular components of the Armed Forces or have become retired officers of the Armed Forces.

The House did not contain a comparable provision.

The committee of conference adopted the House position.

CLEMENT J. ZABLOCKI,
L. H. FOUNTAIN,
LESTER L. WOLFF,
GUS YATRON,
GERRY E. STUDDS,
TONY P. HALL,
HOWARD WOLPE,
WM. S. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, Jr.,
Managers on the Part of the House.

FRANK CHURCH,
C. PELL,
GEORGE MCGOVERN,
JOHN GLENN,
JACOB K. JAVITS,
CHARLES H. PERCY,
JESSE HELMS,
Managers on the Part of the Senate.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the second quarter of calendar year 1979 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Tom Harkin (Mr. Harkin refunded $65, balance $85 per diem).	4/10	4/12	Nicaragua	670.50	74.50			189.99	21.11	860.49	95.61
	4/12	4/14	San Salvador	375.00	150.00					375.00	150.00
	4/14	4/15	Guatemala	85.00	85.00					85.00	85.00
Total transportation for Nicaragua, San Salvador, and Guatemala.							497.00				497.00
Hon. Berkley Bedell (Mr. Bedell returned 9 Swiss francs to mission, $5.63 U.S. dollars).	4/1	4/4	Switzerland	338.50	+200.00		844.00			338.50	1,044.00
Committee total				1,469.00	509.50		1,341.00	189.99	21.11	1,658.99	1,871.61

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

THOMAS S. FOLEY Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Joseph P. Addabbo	6/8	6/12	France		430.00		1,697.00				2,127.00
Hon. Lawrence Coughlin	4/26	5/2	Israel		450.00		736.02				1,186.02
Hon. Julian C. Dixon	4/25	4/30	Jamaica		450.00		260.00				710.00
Hon. Robert Duncan	4/13	4/13	United Kingdom		44.12						
	4/14	4/14	South Africa		None						
	4/14	4/16	Rhodesia		None						
	4/16	4/17	Mozambique		32.75						
	4/17	4/18	Tanzania		None						
	4/18	4/19	Zambia		None						
	4/19	4/19	Botswana		None						
	4/19	4/20	South Africa		187.34		2,642.00				
Hon. William Lehman	4/14	4/19	Haiti		375.00		172.00				547.00
Hon. Clarence D. Long	4/13	4/14	France		86.00						
	4/14	4/17	Israel		225.00						
	4/17	4/18	Jordan		76.00						
	4/18	4/19	Egypt		150.00						
	4/20	4/21	Greece		75.00						
Hon. John Myers	4/13	4/15	Puerto Rico		100.00						
	4/15	4/19	Colombia		300.00						
	4/19	4/21	Puerto Rico		150.00						
Military transportation							790.00				
Hon. Carl D. Pursell	4/15	4/16	Hong Kong		150.00						
	4/17	4/21	Japan		515.00						
	4/22	4/24	People's Republic of China.		157.50		67.50				
Military transportation							1,141.00				
Hon. Eldon Rudd	5/3	5/7	Mexico		375.00		723.63				1,098.63
George F. Allen	4/11	4/12	Denmark		89.00						
	4/12	4/14	United Kingdom		177.00						
	4/14	4/17	Belgium		318.00						
	4/17	4/21	Germany		308.00						
	4/21	4/23	Greece		150.00						
	4/23	4/25	Israel		150.00						
	4/25	4/28	Egypt		225.00		1,763.05				
Military transportation							1,213.84				
Jimmy R. Fairchild	4/18	4/21	Germany		225.00						
	4/21	4/23	Greece		150.00						
	4/23	4/25	Israel		225.00						
	4/25	4/28	Egypt		225.00		1,930.00				
Military transportation							1,213.84				
Terry R. Peel	4/16	4/16	United States		50.00						
	4/16	4/19	Iceland		225.00		395.00				
Samuel R. Preston	6/8	6/12	France		430.00		1,791.00				2,221.00
Edwin F. Powers	4/13	4/14	France		86.00						
	4/14	4/17	Israel		225.00						
	4/17	4/18	Jordan		76.00						
	4/18	4/19	Egypt		150.00						
	4/20	4/21	Greece		75.00						
	4/21	4/22	England		91.00		2,380.12				
Austin G. Smith	4/10	4/14	Panama		375.00		339.00				714.00
Austin G. Smith	6/8	6/12	France		430.00		1,791.00				2,221.00
Derek Vander Schaaf	4/10	4/14	Panama		375.00		339.00				714.00
Committee total					9,226.71		23,765.13				32,991.84

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

July 24, 1979.

JAMIE WHITTEN,
Chairman, Committee on Appropriations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, SURVEYS AND INVESTIGATIONS STAFF, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Robert W. Catlin, Jr.	5/19	5/28	United Kingdom		798.00						
	5/28	5/31	Turkey		243.75						
	6/1	6/5	Greece		337.50						
	6/5	6/7	Italy		187.50						
	6/7	6/16	Germany		813.25		2,848.05				4,428.05
Paul F. Dingmore	5/19	5/28	United Kingdom		656.25						
	5/28	5/31	Turkey		243.75						
	6/1	6/5	Greece		337.50						
	6/5	6/7	Italy		187.50						
	6/7	6/16	Germany		740.00		2,219.78				4,384.78
Anthony J. Gabriel	5/19	5/28	United Kingdom		798.00						
	5/28	5/31	Turkey		243.75						
	6/1	6/5	Greece		337.50						
	6/5	6/7	Italy		187.50						
	6/7	6/9	Germany		168.00		2,051.81				3,786.56
Committee total					6,279.75		6,319.64				12,599.39

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

July 24, 1979.

JAMIE WHITTEN, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Wilson, Cong. Bob (Mission to examine transfer of technology in exchange for oil and gas, Science and Technology Committee trip).	5/3	5/7	Mexico	8,531.25	375.00		723.63			8,531.25	1,098.63
Trible, Cong. Paul S. Jr. (Official adviser to the U.S. SALT Delegation for the 96th Cong.).	5/20	5/23	Switzerland	519.35	300.00		849.00			519.35	1,149.00
Mission to the Philippines and Korea regarding current and projected military construction projects:											
Wilson, Cong. Charles H.	5/25	5/28	Philippines	166,163	225.00		2,453.00			166,163	2,678.00
	5/28	6/1	Korea	181,500	375.00					181,500	375.00
Local in-country transportation provided by Department Air Force.							3,542.66				3,542.66
Tsongas, Paul L.	5/25	5/28	Philippines	166,163	225.00		2,453.00			166,163	2,678.00
	5/28	6/1	Korea	181,500	375.00					181,500	375.00
Local in-country transportation provided by Department Air Force.							3,542.66				3,542.66
Group expenses:											
Local in-country transportation provided by State Department in Korea.							15.11				15.11
Control room expenses paid by State Department in Korea.									259.21		259.21
Local in-country expenses paid by State Department in Philippines.									292.18		292.18
Carr, Cong. Bob (Congressional adviser to the SALT Delegation).	6/14	6/15	France	391.50	90.00		1,791.00				1,881.00
	6/15	6/18	Austria	4,219.50	300.00						300.00
Local in-country expenses in Austria.							129.29				129.29
Delegation to the Paris Air Show: [3]											
Badham, Cong. Robert E.	6/7	6/12	France	1,957.50	450.00		1,831.00				2,281.00
Price, Cong. Melvin	6/7	6/12	France	1,957.50	450.00		1,831.00				2,281.00
Won Pat, Cong. Antonio	6/7	6/12	France	1,957.50	450.00		1,831.00				2,281.00
Wilson, Cong. Bob	6/7	6/16	France	3,523.50	810.00		2,086.93				2,896.93
Ford, Mr. John J.	6/7	6/12	France	1,957.50	450.00		1,831.00				2,281.00
Shumate, Mr. James F.	6/7	6/12	France	1,957.50	450.00		1,831.00				2,281.00
Klein, Mr. Adam J.	6/7	6/12	France	1,957.50	450.00		1,831.00				2,281.00
Delegation to the People's Republic of China:											
Aspin, Cong. Les	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Byron, Cong. Beverly B.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	24,760.00	51.16						51.16
Daniel, Cong. Robert W.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Dickinson, Cong. Wm. L.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Emery, Cong. David F.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Evans, Cong. Melvin H.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Delegation to the People's Republic of China—Continued											
Hogan, Wm. H. Jr.	4/13	4/14	Japan	11,582.06	53.17		2,430.41				2,483.58
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	31,300.00	64.65						64.65
Holt, Cong. Marjorie S.	4/13	4/14	Japan	16,401.40	75.95		2,430.41				2,506.36
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	26,500.00	54.75						54.75
Ichord, Cong. Richard H.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	26,300.00	54.34						54.34
Kazen, Cong. Abraham, Jr.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	20,300.00	41.94						41.94
Lloyd, Cong. Jim	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Montgomery, Cong. G. V.	4/13	4/14	Japan	20,521.72	95.03		1,243.35				1,338.38
	4/14	4/18	China	See footnote at end							
	4/19	4/20	Hong Kong		50.93		1,296.00				1,346.93
Nichols, Cong. Bill	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Price, Cong. Melvin	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Schroeder, Cong. Patricia	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Spence, Cong. Floyd D.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Stump, Cong. Bob	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Trible, Cong. Paul S., Jr.	4/13	4 14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	19,610.00	40.52						40.52
White, Cong. Richard C.	4/13	4/14	Japan	17,243.60	79.85		2,430.41				2,510.26
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	26,300.00	54.34						54.34
Wilson, Cong. Bob	4/13	4/14	Japan	17,742.60	77.53		2,430.41				2,507.94
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Wilson, Cong. Charles H.	4/13	4/14	Jadan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Won Pat, Cong. Antonio B.	4/13	4/14	Japan	22,242.00	103.00		2,430.41				2,533.41
	4/14	4/21	China	See footnote at end							
	4/21	4/22	Korea	36,300.00	75.00						75.00
Local in-country expenses for delegation in Japan.							230.00		163.00		393.00
Local in-country expenses for delegation in China.					6,812.87		8,653.51		946.51		16,412.89
Local in-country expenses for delegation in Korea.							750.48		10.33		760.81
Committee total					16,183.04		91,784.23		1,671.23		109,638.50

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[2] Local transportation costs not available from State Department. Amended report will be filed when figures become available.

June 30, 1979.

MELVIN PRICE, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. J. William Stanton	4/12	4/22	France		946.00		56.83				1,837.55
Military transportation							834.72				
Hon. John J. LaFalce	4/15	4/18	Colombia		294.73						627.53
Military transportation							332.80				
Stephen J. Verdier, staff	5/13	5/19	Ivory Coast		805.00		77.13				2,137.13
Commercial air transportation							1,255.00				
Hon. Henry S. Reuss	5/24	5/30	Jamaica		525.00						1,015.00
Commercial air transportation							490.00				
Hon. Chalmers P. Wylie	5/25	5/30	Jamaica		450.00						704.00
Commercial air transportation							254.00				
Committee total					3,020.73		3,300.48				6,321.21

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. $ equivalent; if U.S. currency is used, enter amount expended.

June 30, 1979.

HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Jim Mattox	4/17	4/18	Belgium	3,204	107.00					3,204	107.00
	4/18	4/23	Federal Republic of Germany.	772	408.00					772	408.00
Bud Shuster	4/23	4/25	United Kingdom	131.72	273.00		732.00			131.72	1,005.00
	4/17	4/18	Belgium	3,204	107.00					3,204	107.00
	4/18	4/23	Federal Republic of Germany.	772	408.00					772	408.00
Eldon Rudd	4/23	2/24	United Kingdom	45.16	91.00		732.00			45.16	823.00
	4/17	4/18	Belgium	3,204	107.00					3,204	107.00
	4/18	4/22	Federal Republic of Germany.	772	408.00					772	408.00
	4/29	4/24	United Kingdom	87.86	182.00		732.00			87.86	914.00
	6/8	6/11	France	391.5	90.00		1,979.23			391.5	2,069.23
Committee total					2,181.00		4,175.23				6,356.23
John F. Cove	4/17	4/18	Belgium	3,204	107.00						107.00
	4/18	4/23	Federal Republic of Germany.	772	408.00						408.00
Nicholas Masters	4/23	4/25	United Kingdom	131.72	273.00		732.00				1,005.00
	4/17	4/18	Belgium	3,204	107.00						107.00
	4/18	4/23	Federal Republic of Germany.	772	408.00						408.00
John O'Shaughnessy	4/23	4/25	United Kingdom	131.72	273.00		732.00				1,005.00
	4/17	4/18	Belgium	3,204	107.00						107.00
	4/18	4/23	Federal Republic of Germany.	772	408.00						408.00
	4/23	4/25	United Kingdom	131.72	273.00		732.00				1,005.00
Committee total					2,364.00		2,196.00				4,560.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT N. GIAIMO,
Chairman, Committee on the Budget.

July 24, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [3]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [3]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [3]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [3]
Hon. Augustus F. Hawkins	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Hon. William D. Ford	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	354.45	(4)	40.67	(4)	910.12
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Hon. Ted Weiss	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	354.45	(4)	40.67	(4)	910.12
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Hon. Baltasar Corrada	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Hon. John Erlenborn	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Hon. Thomas E. Coleman	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Hon. Arlen Erdahl	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Susan Grayson	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Carole Schanzer	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Don Baker	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Hugh Duffy	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Thomas R. Wolanin	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	354.45	(4)	40.67	(4)	910.12
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Patricia F. Rissler	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	354.45	(4)	40.67	(4)	910.12
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
John F. Jennings	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	354.45	(4)	40.67	(4)	910.12
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
Charles W. Radcliffe	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	155.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
James M. Stephens	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	204.71	(4)	40.67	(4)	760.38
	4/21	4/24	PRC	(4)	116.25	(4)	71.25	(4)	112.46	(4)	349.96
Martin L. LaVor	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	354.45	(4)	40.67	(4)	910.12
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96
William C. Cleban, Jr	4/15	4/17	Hong Kong	765	150.00	(4)	73.56	(4)	52.13	(4)	275.69
	4/17	4/21	Japan	111,375	515.00	(4)	354.45	(4)	40.67	(4)	910.12
	4/21	4/24	PRC	(4)	166.25	(4)	71.25	(4)	112.46	(4)	349.96

Footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [3]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [3]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [3]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [3]
Hon. Frank Thompson, Jr	6/23	6/27	Switzerland [4]	[4] 799.20	[4] 480.00	985.30	593.20			1,784.50	1,073.20
	6/27	7/1	France	1,550	360.00					1,550	360.00
	7/1	7/4	England	145.20	318.00					145.20	318.00
Round trip airfare	6/22	7/4					941.00				941.00
James Stephens	6/15	6/28	Switzerland	2,158	1,248.00		756.00				2,004.00
Donald Baker	6/15	6/28	Switzerland	2,158	1,248.00		1,339.00				2,587.00
Committee total					18,616.50		10,968.74				33,279.92

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Exchange rate unavailable.

[4] Overpaid $96 for a day in Switzerland. July 10, 1979, refunded State Department by check for this amount.

CARL D. PERKINS,
Chairman, Committee on Education and Labor.

July 25, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [3]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [3]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [3]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [3]
Bowen, D. R	4/15	4/16	Poland		67.08		444.00				511.08
	4/16	4/18	Romania		148.50						148.50
Military transportation in conjunction with IPU trip to Prague (to be reported separately).											
Brenner, A. L	4/13	4/23	France		946.00		56.83				1,002.83
Military transportation							834.72				834.72
Carson, J	4/16	4/17	Mozambique		75.00						75.00
	4/17	4/20	South Africa		225.00						225.00
	4/23	4/25	United Kingdom		293.00						293.00
Commercial transportation							2,639.00				2,639.00
Chester, J. C	4/13	4/23	France		946.00		56.83				1,002.83
Military transportation							834.72				834.72
Daoust, E	4/13	4/23	France		946.00		56.83				1,002.83
Military transportation							834.72				834.72
Diggs, C. C	4/15	4/19	Colombia		300.00						300.00
Military transportation							332.80				332.80
Committee total					3,946.58		6,090.45				10,037.03
Finley, R. M	5/16	5/20	France		344.00						344.00
	5/20	5/26	Switzerland		489.48						489.48
	5/26	5/30	France (Martinique)		151.20						151.20
Commercial transportation							1,711.24				1,711.24
Fithian, F	4/13	4/23	France		946.00		56.83				1,002.83
Military transportation							834.72				834.72
Fortier, D	4/13	4/23	France		946.00		56.83				1,002.83
Military transportation							834.72				834.72
Frank, D	4/6	4/15	South Africa		538.94						538.94
Commercial transportation							2,703.00				2,703.00
	5/28	5/30	Sudan		165.48						165.48
	5/30	5/31	Morocco		42.50						42.50
Military transportation (White House trip).							1,253.17				1,253.17
Galey, M. E	4/17	4/21	Switzerland		300.00						300.00
Commercial transportation							757.00				757.00
Committee total					3,923.60		8,207.51				12,131.11
Gilman, B. A	4/13	4/18	France		430.00						430.00
	4/18	4/21	Switzerland		300.00						300.00
	4/21	4/23	France		172.00		216.28				388.28
Military transportation							834.72				834.72
	5/24	5/26	Mexico				252.00				252.00
Gray, W. H	4/15	4/22	France		688.00		56.83				744.83
Commercial transportation							1,677.00				1,677.00
Liseaby, S	5/28	5/30	Sudan		181.45						181.45
	5/30	5/31	Morocco		73.75						73.75
Military transportation (White House trip).							1,253.17				1,253.17
Pease, D. J	4/13	4/23	France		813.27		56.83				870.10
Military transportation							834.72				834.72
Pitchford, G. E	4/6	4/15	South Africa		675.00						675.00
Commercial transportation							2,703.00				2,703.00
Committee total					3,333.47		7,884.55				11,218.02
Pritchard, J	5/28	5/30	Sudan		172.94						172.94
Military transportation (White House trip).							1,253.17				1,253.17
Scholaert, J. T	4/22	4/25	Soviet Union				668.70				668.70
Solarz, S. J	4/13	4/13	United Kingdom		44.12						44.12
	4/16	4/17	Mozambique		32.75						32.75
	4/19	4/20	South Africa		187.34						187.34
Commercial transportation							2,642.00				2,642.00
Soriano, R	4/13	4/23	France		946.00		56.83				1,002.83
Military transportation							834.72				834.72
Winn, L. Jr	4/13	4/19	France		528.44		56.83				585.27
Military transportation, 1 way							417.36				417.36
Commercial transportation, 1 way							998.90				998.90
Committee total					1,911.59		6,920.51				8,832.10
Grand total											42,218.26

[1] Per diem constitutes lodging and meals.

[3] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLEMENT J. ZABLOCKI, Chairman.

July 30, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Hon. Henry J. Hyde	4/12	4/14	Netherlands	328	160.00					328	160.00
	4/14	4/17	Austria	4,012.55	288.00	2,848.92	204.48			6,861.47	492.48
	4/17	4/19	Italy	126,450	150.00	139,000	164.30			265,450	314.30
							1,748.00				1,748.00
Round trip air fare											
Hon. Tom Railsback	4/12	4/14	Netherlands	328	160.00					328	160.00
	4/14	4/17	Austria	4,012.55	288.00	2,848.92	204.48			6,861.47	492.48
	4/17	4/20	Italy	188,675	225.00	139,000	164.31			328,675	389.31
							1,774.00				1,774.00
Round trip air fare											
Mr. Garner J. Cline	5/19	5/28	Switzerland	1,558.10	900.00	786.75	452.47			2,344.85	1,352.47
							1,601.00				1,601.00
Committee total					2,171.00		6,313.04				8,484.04

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

July 24, 1979.

PETER W. RODINO, Jr., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Cong. Harold T. Johnson	6/4	6/15	France	4,356	990.00		692.50			4,356.00	1,682.50
Cong. John B. Breaux	6/7	6/12	England	47.08	97.35	(Mil Air)	1,394.85			47.08	1,492.20
	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
Cong. Norman Y. Mineta	6/7	6/12	England	47.08	97.35	(Mil Air)	2,400.65			47.08	2,498.00
	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
Cong. John G. Fary	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
Cong. John Paul Hammerschmidt	6/9	6/12	France	1,566	360.00					1,566.00	360.00
Richard J. Sullivan	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
David Heymsfeld	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
Larry T. Reida	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
Charles A. Krause	5/23	5/25	Canada	171.82	150.00		159.84			171.82	309.84
John D. Harrant	5/23	5/25	Canada	171.82	150.00		159.84			171.82	309.84
Committee total					4,544.70		4,807.68				9,352.38

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

July 30, 1979.

HAROLD T. JOHNSON, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Leo C. Zaborski, INC. Local in-country transportation expenses reported by House Armed Service Committee.	6/7	6/12	France		540.00		1,831.00				2,371.00
Committee total					540.00		1,831.00				2,371.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

July 27, 1979.

RICHARD BOLLING, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Lloyd		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Wydler		5/4	United States				252.00		8.50		260.50
	5/4	5/7	Mexico	6,825	300.00					6,825.00	300.00
	5/7		United States				352.54				352.54
Schauer		5/3	United States				371.09				371.09
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Brown		5/3	United States				371.09				371.09
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Young		5/3	United States				371.09				371.09
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54

Footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date Arrival	Date Departure	Country	Per diem [1] Foreign currency	Per diem [1] U.S. dollar equivalent or U.S. currency [2]	Transportation Foreign currency	Transportation U.S. dollar equivalent or U.S. currency [2]	Other purposes Foreign currency	Other purposes U.S. dollar equivalent or U.S. currency [2]	Total Foreign currency	Total U.S. dollar equivalent or U.S. currency [2]
Staub		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Buckley		5/3	United States				371.00		8.35		379.44
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Hapke		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Hensley		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Jensen		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Ostenso ($75 paid returned)		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	300.00
	5/7		United States				352.54				352.54
Scoville ($82.95 paid returned)		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	292.05
	5/7		United States				352.54				352.54
Steinway		5/3	United States				371.00		10.25		381.34
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
Turner		5/3	United States				371.00				371.00
	5/3	5/7	Mexico	8,531.25	375.00					8,531.25	375.00
	5/7		United States				352.54				352.54
CODEL LLOYD/MEXICO									532.04		
Local in country ground transportation for CODEL LLOYD/MEXICO							596.03				1,128.07
McCormack	5/4	5/8	Germany				1,563.00				1,563.00
Fuqua		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				692.94				692.94
Wydler		6/6	United States				605.23				605.23
	6/6	6/9	England	188.12	395.48		1,803.37			188.12	2,198.85
	6/10	6/12	France	783	180.00					783.00	180.00
	6/12		United States				692.94				692.94
Bouquard		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		UnitedStates				692.94				692.94
Goldwater, Jr.		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		96.95			47.08	195.82
	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
	6/8	6/8	Germany			1,400.00	320.00			1,400.00	320.00
	6/12		United States				692.94				692.94
Lloyd		6/7	United States				951.34				951.34
	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
	6/12		United States				692.94				692.94
Young		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				692.94				692.94
Brill		6/7	United States				951.34				951.34
	6/7	6/12	France	1,957.50	450.00		1,005.80			1,957.50	1,455.80
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				879.66				879.66
Cassidy		6/7	United States				951.34				951.34
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				879.66				879.66
Crossfield		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		96.95			47.08	195.82
	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
	6/12		United States				692.94				692.94
Dugan		6/6	United States				605.23				605.23
	6/6	6/9	England	188.12	395.48		1,803.37			188.12	2,198.85
	6/10	6/12	France	783	180.00					783.00	180.00
	6/12		United States				692.94				692.94
Janks		6/7	United States				951.34				951.34
	6/7	6/12	France	1,957.50	450.00		1,005.80			1,957.50	1,455.80
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				879.66				879.66
Lanes		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				879.66				879.66
Ketcham		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				692.94				692.94
Krebs-Leidecker		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				692.94				692.94
Marcosu		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				692.94				692.94

Footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Taylor		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		96.95			47.08	195.82
	6/7	6/12	France	1,957.50	450.00		1,005.80			1,957.50	1,455.80
	6/8	6/8	Germany			1,400.00	320.00			1,400.00	320.00
	6/12		United States				692.94				692.94
Tymczyszyn		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		96.95			47.08	195.82
	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
	6/8	6/8	Germany			1,400.00	320.00			1,400.00	320.00
	6/12		United States				692.94				692.94
Williams		6/6	United States				605.23				605.23
	6/6	6/7	England	47.08	98.87		295.32			47.08	394.19
	6/7	6/12	France	1,957.50	450.00		460.50			1,957.50	910.50
	6/8	6/8	Germany				325.61				325.61
	6/12		United States				692.94				692.94
Codel Fuqua/England—Control room expense								47.85	100.75	47.85	100.75
Codel Fuqua/France—Control room expense								3,927.40	902.85	3,927.40	902.85
Committee total					14,554.45		55,729.85		1,562.74		71,847.04

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: Local in country ground transportation expenses for Codel Fuqua for England, France, and Germany not yet available from U.S. Department of State. Expenses have been requested for the Committee on Science and Technology and will be reported on an amended report when received from the U.S. Department of State.

July 31, 1979

DON FUQUA, Chairman, Committee on Science and Technology.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Coriden	4/23	4/24	Paris	369.80	86.00		1,799.00				
	4/24	4/26	Brussels	6,415	214.00						
	4/26	4/27	Rome	126,450	150.00	52,600	62.25				
Kurz	5/6	5/8	Bucharest	267,300	225.00		1,033.00				
	5/9	5/11	Budapest	3,067.10	152.00						
	5/11	5/12	Frankfort	158.21	42.00						
Davidson	5/6	5/8	Bucharest	267,300	225.00		1,033.00				
	5/9	5/11	Budapest	3,067.10	152.00						
	5/11	5/12	Frankfort	158.21	42.00						
Sletzinger	6/24	6/26	Stockholm	680	170.00		1,471.08				
	6/26	6/29	Belgrade	5,580	225.00						
Committee total					1,683.00		5,398.33				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

July 17, 1979.

DANTE B. FASCELL,
Chairman, Commission on Security and Cooperation in Europe.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BOWER of Tennessee (at the request of Mr. WRIGHT), after 12:30 p.m. today, on account of official business.

Mr. NOLAN (at the request of Mr. WRIGHT), for today, on account of official business (House delegation to investigate the Southeast Asian refugees).

Mr. RUSSO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. DRINAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. AKAKA (at the request of Mr. WRIGHT), for today, on account of official business (House delegation to investigate the Southeast Asian refugees).

Mr. WILLIAMS of Ohio (at the request of Mr. RHODES), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ERDAHL) to revise and extend their remarks and include extraneous material:)

Mr. GREEN, for 15 minutes, today.
Mr. FINDLEY, for 5 minutes, today.
Mr. TAUKE, for 5 minutes, today.
Mr. BOB WILSON, for 5 minutes, today.
Mr. RITTER, for 15 minutes, today.
Mr. COURTER, for 15 minutes, today.
Mr. SNYDER, for 15 minutes, today.
Mr. SEBELIUS, for 5 minutes, today.
Mrs. HECKLER, for 5 minutes, today.
Mr. MILLER of Ohio, for 10 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. HANCE) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. VAN DEERLIN, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. ALEXANDER, for 10 minutes, today.
Mr. BINGHAM, for 5 minutes, today.
Mr. WOLFF, for 15 minutes, today.
Mr. CHARLES H. WILSON of California, for 10 minutes, today.
Mr. MATTOX, for 15 minutes, today.
Mr. CORMAN, for 5 minutes, today.
Mr. FITHIAN, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mrs. BOGGS, for 30 minutes, today.
Mr. ULLMAN, for 5 minutes, today.
Mr. MURTHA, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CORRADA, to revise and extend his remarks during the debate on House Concurrent Resolution 165 today.

(The following Members (at the request of Mr. ERDAHL) and to include extraneous matter:)

Mr. WYDLER in two instances.
Mr. FINDLEY.
Mr. KRAMER.
Mr. GILMAN.
Mr. REGULA.
Mr. ASHBROOK in three instances.
Mr. COLEMAN.
Mr. HANSEN in nine instances.
Mr. GREEN, in three instances.
Mr. ERLENBORN.
Mr. LAGOMARSINO.
Mr. LEACH of Iowa in two instances.
Mr. PHILIP M. CRANE in five instances.
Mr. HORTON.
Mr. SOLOMON in two instances.
Mr. ARCHER.
Mr. LEE in two instances.
Mr. QUAYLE.
Mr. WINN in two instances.
Mr. DERWINSKI in two instances.
Mr. PAUL.
Mr. WHITEHURST.
Mr. BEARD of Tennessee in two instances.
Mr. RITTER in two instances.
Mr. DANNEMEYER.
Mr. FISH.
Mr. SAWYER in three instances.
Mr. VANDER JAGT.
Mr. RHODES.
Mr. LENT.
Mr. BURGENER in two instances.
Mr. ABDNOR.
Mr. MILLER of Ohio in three instances.
Mr. ROTH.
Mr. KEMP in 10 instances.
Mr. LOEFFLER.
Mr. PURSELL.
Mr. MICHEL in two instances.
Mr. MCCLORY.
Mr. CORCORAN.

(The following Members (at the request of Mr. HANCE) and to include extraneous material:)

Mr. FASCELL in five instances.
Mr. GUDGER.
Mr. BAILEY.
Mr. VANIK in two instances.
Mr. GUARINI in three instances.
Mr. ROSTENKOWSKI.
Mr. BARNES in two instances.
Mr. NOWAK in two instances.
Mrs. BYRON in five instances.
Mr. HAMILTON in five instances.
Mr. CAVANAUGH in five instances.
Mr. ROSENTHAL in five instances.
Mr. MATSUI.
Mr. MCHUGH.
Mr. BEDELL in two instances.
Mr. HEFTEL.
Mr. FISHER in two instances.
Mr. MAVROULES in two instances.
Mr. AUCOIN in two instances.
Mr. YATRON.
Mr. LAFALCE.
Mr. PEPPER in six instances.
Mr. DODD in three instances.
Mr. ROE in two instances.
Mr. LONG of Louisiana in two instances.
Ms. MIKULSKI.
Mr. WAXMAN.
Mr. CORRADA in three instances.
Mr. MAZZOLI.
Mr. BONKER.
Mr. GARCIA.
Mr. DELLUMS.
Mr. RATCHFORD.
Mr. WEISS.
Mr. UDALL in three instances.
Mr. CONYERS in two instances.
Mr. MCKAY.
Mr. LUKEN.
Mr. RICHMOND.
Mr. PATTEN.
Mr. MATTOX.
Mr. GEPHARDT.
Mr. MOFFETT.
Mr. DRINAN in two instances.
Mr. MITCHELL of Maryland.
Mr. GRAY in two instances.
Mr. LEVITAS in two instances.
Mr. CLAY.
Mr. DINGELL in five instances.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2807. An act to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States;

H.R. 4476. An act to extend certain programs under the Higher Education Act of 1965 for one year, and for other purposes;

H.R. 4057. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes; and

H.R. 4811. An act for the relief of the city of Nenana, Alaska, and to amend the Act of January 2, 1976, as amended, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on July 30, 1979, present to the President, for his approval, bills of the House of the following title:

H.R. 1786. To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program managements, and for other purposes.

ADJOURNMENT

Mr. WAXMAN. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 168, 96th Congress, the Chair declares the House adjourned until 12 o'clock meridian on Wednesday, September 5, 1979.

Thereupon (at 5 o'clock and 54 minutes p.m.), pursuant to House Concurrent Resolution 168, the House adjourned until Wednesday, September 5, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2174. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of NASA's intention to omit the clause authorizing the Comptroller General to examine certain records in a contract with the Department of Science and the Environment, Commonwealth of Australia, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

2175. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Rehabilitation Act of 1973, and for other purposes; to the Committee on Education and Labor.

2176. A letter from the Secretary of State, transmitting notice of the State Department's intention to obligate Middle East Special Requirements Funds for various activities in Lebanon and the West Bank and Gaza, pursuant to section 553(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2177. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting the Secretary's determination that the transfer of certain defense articles from the Government of Australia to the Government of Papua New Guinea will strengthen the security of the United States and promote world peace; to the Committee on Foreign Affairs.

2178. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Mali, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2179. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Senegal, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2180. A letter from the Secretary of the Interior, transmitting a report by the U.S. Government Comptroller for Guam on Federal grant management and accounting by the Government of Guam; to the Committee on Interior and Insular Affairs.

2181. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish competitive oil and gas leasing in favorable areas within producing geologic provinces; to the Committee on Interior and Insular Affairs.

2182. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision in Docket No. 36525, *Sierra Railroad Company v. Southern Pacific Transportation Company, et al.*, within the specified time limits, pursuant to 49 USC 10705(e)(1); to the Committee on Interstate and Foreign Commerce.

2183. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building-Courthouse, 230 North First Avenue, Phoenix, Ariz., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2184. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Greenville, S.C., Federal Building-U.S. Courthouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2185. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building-Courthouse, 515 Rusk Avenue, Houston, Tex., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2186. A letter from the Acting Deputy Administrator of General Services, transmitting

a prospectus proposing a succeeding lease for space currently occupied at 100 Summer Street, Boston, Mass., pursuant to section 7 (a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2187. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing the renewal of a lease for space in Queens, N.Y., for the Department of Health, Education, and Welfare, Social Security Administration, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2188. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied in the Vanguard Building, 1111 20th Street NW., Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2189. A letter from the Federal Cochairman, Four Corners Regional Commission, transmitting the 11th annual report of the Commission, covering fiscal year 1978, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

2190. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of $10 million in funds appropriated pursuant to the National Aeronautics and Space Administration Authorization Act, 1979, in excess of the amount authorized therefor, for the space shuttle program, pursuant to section 4 of the act; to the Committee on Science and Technology.

2191. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to set limits on increases in hospital capital stock, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3243. A bill to amend title V of the Public Utility Regulatory Policies Act of 1978 to authorize the President to recommend waiver of laws to expedite the transportation of crude oil, and for other purposes; with amendment (Rept. No. 96-214, pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. S. 817. An act to amend the act of July 2, 1940, as amended, to increase the amount authorized to be appropriated for the Canal Zone Biological Area (Rept. No. 96-405). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. House Resolution 357. Resolution relating to the report by the Secretary of Health, Education, and Welfare with respect to home health and other in-home services; with amendment (Rept. 96-406). And ordered to be printed.

Mr. BROOKS: Committee on Government Operations. H.R. 4337. A bill to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the United States Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes; with amendment (Rept. 96-407). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. S. 832. An act to extend the authorization for the Federal Election Commission; with amendment (Rept. No. 96-408). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Committee of conference. Conference report on H.R. 4394 (Rept. No. 96-409). And ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4985. A bill to establish a coordinated, prompt, and simplified process for decisionmaking in regard to significant nonnuclear energy facilities, and for other purposes (Rept. No. 96-410, pt. I). And ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2759. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto; with amendment (Rept. No. 96-411, Pt. I). And ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDUS (for himself, Mr. ANTHONY, Mr. JONES of Tennessee, Mr. AKAKA, and Mr. COELHO):

H.R. 5069. A bill to amend the Egg Research and Consumer Information Act; to the Committee on Agriculture.

By Mr. BARNES:

H.R. 5070. A bill to amend the Railroad Retirement Act of 1974 to provide that a current connection with the railroad industry is not lost by reason of certain employment with the Department of Energy; to the Committee on Interstate and Foreign Commerce.

By Mr. BIAGGI:

H.R. 5071. A bill to provide for an increase in the rate of interest which is payable on savings accounts and certain other types of accounts, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BINGHAM:

H.R. 5072. A bill to amend section 235 of the Foreign Assistance Act of 1961, relating to the Overseas Private Investment Corporation; to the Committee on Foreign Affairs.

By Mr. BLANCHARD (for himself, Mr. MINETA, and Mr. ALBOSTA):

H.R. 5073. A bill to require the use of solar energy systems to provide a certain percentage of the energy used in new Federal buildings and federally leased building space for heating water and for heating and cooling; to the Committee on Public Works and Transportation.

By Mr. BRODHEAD:

H.R. 5074. A bill to establish a compensation system for victims of toxic substance pollution; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. BUTLER:

H.R. 5075. A bill to amend the Patent Laws, title 35 of the United States Code; to the Committee on the Judiciary.

By Mr. CONABLE (for himself and Mr. JONES of Oklahoma):

H.R. 5076. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 5077. A bill to promote the development of an American fishing industry in certain underutilized species; to the Committee on Merchant Marine and Fisheries.

By Mr. DANNEMEYER:

H.R. 5078. A bill to provide that no agency shall issue any order or promulgate any rule or regulation which would have the same legal effect as any provision of any bill or joint resolution disapproved by the Congress during the 3-year period following the date of such disapproval; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 5079. A bill to provide for participation of the United States in the International Energy Exposition to be held in Knoxville, Tenn., in 1982, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ERLENBORN (for himself and Mr. HINSON):

H.R. 5080. A bill to amend the Fair Labor Standards Act of 1938 to provide a special minimum wage for the employment for limited periods of time of youth under the age of 19, to broaden the authority for the employment of full-time students at a special minimum wage, to establish standards for the application of the child labor provisions to employment in retail and service establishments, to delay for 2 years the increases in the minimum wage under the act scheduled to take effect in 1980 and 1981, to provide for a maximum tip credit of 50 percent, and for other purposes; to the Committee on Education and Labor.

By Mr. ERLENBORN (for himself and Mr. RAILSBACK):

H.R. 5081. A bill to amend the Federal Election Campaign Act of 1971 to prohibit certain political committees from making contributions to any candidate, and for other purposes; to the Committee on House Administration.

By Mr. ERTEL:

H.R. 5082. A bill to amend title I, United States Code, to provide a procedure for reviewing ratifications of amendments to the Constitution of the United States and rescissions of such ratification; to the Committee on the Judiciary.

By Mr. FASCELL (for himself, Mr. BUCHANAN, and Mr. BARNES):

H.R. 5083. A bill to amend the Immigration and Nationality Act to permit the waiver of certain nonimmigrant visa requirements; to the Committee on the Judiciary.

By Mr. FOWLER:

H.R. 5084. A bill to amend the Internal Revenue Code of 1954 to increase to 40 percent the investment tax credit for solar energy property, to allow the investment tax credit to noncorporate lessors of solar energy property, to allow the residential energy credit with respect to solar energy property to the extent such property performs a solar function, and to allow the amortization of solar energy property based on a 36-month period; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 5085. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of pension payments made to nonresident aliens; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 5086. A bill to provide for a National Commission on Hospital Cost Containment and for the funding of State mandatory hospital cost containment programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Ms. HOLTZMAN:

H.R. 5087. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. HOWARD (for himself and Mr. BEDELL):

H.R. 5088. A bill to establish national standards for weight and length of vehicles using the National System of Interstate and Defense Highways during fuel emergencies; to the Committee on Public Works and Transportation.

By Mr. JENKINS (for himself and Mr. CONABLE):

H.R. 5089. A bill proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mr. KRAMER:

H.R. 5090. A bill to amend the Internal Revenue Code of 1954 to encourage the expansion of domestic fossil and synthetic fuels production, and for other purposes; jointly, to the Committees on Ways and Means, Armed Services, Banking, Finance, and Urban Affairs, Foreign Affairs, Government Operations, Interstate and Foreign Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. MARTIN (for himself, Mr. GLICKMAN, Mr. BUCHANAN, Mr. SYMMS, Mr. MCKINNEY, Mr. ROBINSON, Mr. QUILLEN, Mr. O'BRIEN, Mrs. HOLT, Mr. MOLLOHAN, Mr. HYDE, Mr. GOLDWATER, Mr. KINDNESS, Mr. WHITEHURST, Mr. WAMPLER, Mr. LOTT, Mr. ASHLEY, Mr. GRADISON, Mr. LAGOMARSINO, Mr. REGULA, Mr. DUNCAN of Tennessee, Mr. SEBELIUS, Mr. BROYHILL, Mr. FRENZEL, Mr. BADHAM, Mr. GINGRICH, Mr. MILLER of Ohio, Mr. ROUSSELOT, Mr. CORCORAN, and Mr. COLLINS of Texas):

H.R. 5091. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the issuance of a regulation for a food additive on the basis of an evaluation of the risks and benefits of the additive and to allow the continued use of saccharin; to the Committee on Interstate and Foreign Commerce.

By Mr. MAVROULES:

H.R. 5092. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits which is presently imposed in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Ms. MIKULSKI:

H.R. 5093. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for individuals who perform voluntary services for certain public service organizations; to the Committee on Ways and Means.

H.R. 5094. A bill to amend the Internal Revenue Code of 1954 to provide a refundable tax credit for use of a passenger automobile for charitable purposes; to the Committee on Ways and Means.

By Mr. MYERS of Pennsylvania (for himself, Mr. GRAY, Mr. LEDERER, Mr. DOUGHERTY, and Mr. GARCIA):

H.R. 5095. A bill to provide a special program of financial assistance to Opportunities Industrialization Centers and other national community-based organizations in order to provide new motivational and skills training opportunities for welfare recipients, and new incentives for business and industry to coordinate their employment plans and job creation efforts with Opportunities Industrialization Centers and national community-based organizations which have demonstrated effectiveness in developing cooperative relationships with the private sector; to the Committee on Education and Labor.

By Mr. NOWAK:

H.R. 5096. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of office equipment and pollution control equipment, and to allow rapid amortization for machinery and equipment and motor vehicles; to the Committee on Ways and Means.

H.R. 5097. A bill to amend the Internal Revenue Code of 1954 to allow nonrecognition of gain on the sale or exchange of stock in small business corporations; to the Committee on Ways and Means.

By Mr. OBEY:

H.R. 5098. A bill to authorize the transfer of a vessel by the Secretary of Commerce to the Superior-Douglas County Musuem for use as a maritime museum; to the Committee on Merchant Marine and Fisheries.

By Mr. OTTINGER (for himself, Mr. MIKVA, Mr. RINALDO, Mr. BRODHEAD, Mr. ROSE, and Mr. FLORIO):

H.R. 5099. A bill to correct inequities in the relationship between sales representatives and other principals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REGULA:

H.R. 5100. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $200 of interest in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 5101. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $200 of dividends in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. SEBELIUS:

H.R. 5102. A bill to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1980 crops of wheat, corn, and other crops under certain circumstances, and for other purposes; to the Committee on Agriculture.

Mr. SMITH of Iowa (for himself and Mr. MCDADE):

H.R. 5103. A bill to provide for better access to the Federal courts for small businesses and others with small to moderate size claims, to expand the duties of the Office of Advocacy of the Small Business Administration, and for other purposes; jointly, to the Committees on the Judiciary and Small Business.

By Mr. TREEN:

H.R. 5104. A bill to amend the National Labor Relations Act to provide that a labor organization is not required to provide representation to an employee in a grievance procedure if such employee is not a member of such labor organization, and for other purposes; to the Committee on Education and Labor.

H.R. 5105. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts of interest for individuals who have not attained age 65 and to exclude from gross income all interest for individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. WEISS:

H.R. 5106. A bill to amend part C of title IV of the Higher Education Act of 1965 relating to college work-study programs; to the Committee on Education and Labor.

By Mr. BOB WILSON:

H.R. 5107. A bill to establish the John J. Montgomery National Monument; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of Alaska:

H.R. 5108. A bill to provide for the disenrollment of certain Alaska Natives from the Alaska Native Roll and to allow their enrollment with the Metlakatla Indian Community; to the Committee on Interior and Insular Affairs.

By Mr. ABDNOR (for himself and Mr. DASCHLE):

H.R. 5109. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Grass Rope Unit of the Pick-Sloan Missouri Basin Program, South Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASHLEY:

H.R. 5110. A bill to amend the U.S. Grain Standards Act to permit grain delivered to export elevators by any means of conveyance other than barge to be transferred into such export elevators without official weighing, and for other purposes; to the Committee on Agriculture.

By Mr. BINGHAM:

H.R. 5111. A bill to establish a National Mutual Housing Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BLANCHARD:

H.R. 5112. A bill to amend title XVI of the Social Security Act to provide for a more complete exchange of information between the Secretary of Health, Education, and Welfare and the Immigration and Naturalization Service with respect to all aliens who are applicants for or recipients of SSI benefits, and to amend section 212 of the Immigration and Nationality Act to provide for the exclusion from the United States of aliens who are determined by the Attorney General to be likely to receive such benefits within 6 months of their entry; jointly, to the Committees on Ways and Means and the Judiciary.

By Mrs. BOGGS (for herself and Mr. TREIBLE):

H.R. 5113. A bill to promote orderly and efficient ocean transportation of bulk commodities in the foreign commerce of the United States and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Rules.

By Mr. BURGENER (for himself, Mr. BOB WILSON, Mr. VAN DEERLIN, Mr. COELHO, Mrs. BYRON, Mr. CLAUSEN, Mr. DANNEMEYER, Mr. DORNAN, Mr. ERLENBORN, Mr. GRISHAM, Mr. HOLLENBECK, Mrs. HOLT, Mr. JEFFRIES, Mr. LAGOMARSINO, Mr. LEWIS, Mr. LLOYD, Mr. LOTT, Mr. MCCLOSKEY, Mr. MOLLOHAN, Mr. MOORHEAD of California, Mr. MURPHY of Pennsylvania, Mr. PANETTA, Mr. ROUSSELOT, Mr. ROYER, Mr. SOLOMON, Mr. THOMAS, Mr. WALKER, Mr. WHITEHURST, Mr. CHARLES H. WILSON of California, Mr. WOLFF, and Mr. WON PAT):

H.R. 5114. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Ways and Means.

By Mr. CAVANAUGH:

H.R. 5115. A bill to amend title 17 of the United States Code to provide that persons reprinting certain uncopyrighted Government publications place certain information about the availability of those publications from the Government on the reprinted copies; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 5116. A bill to provide for assistance to certain urban counties under title I of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

By Mr. EMERY (for himself and Mr. WEISS):

H.R. 5117. A bill to provide for research and development to encourage and promote the production of synthetic fuels, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Science and Technology, Interior and Insular Affairs, Interstate and Foreign Commerce, and Government Operations.

By Mr. FISHER (for himself and Mr. BARNES):

H.R. 5118. A bill to authorize funds for the Interstate Commission on the Potomac River for the purpose of developing a plan for the cooperative management by Federal,

State, District of Columbia, and local authorities of certain areas along the Potomac River, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GUARINI:

H.R. 5119. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for hiring unemployed individuals in redevelopment areas; to the Committee on Ways and Means.

H.R. 5120. A bill to amend title II of the Social Security Act to increase from $255 to $750 the lump sum death payment which will be made in the case of an insured individual who dies leaving a relatively small estate; to the Committee on Ways and Means.

By Mr. HARKIN:

H.R. 5121. A bill to amend the Older Americans Act of 1965 to require States receiving certain grants under such act to establish home maintenance assistance programs to enable older persons to continue living independently in a home environment; to the Committee on Education and Labor.

By Mr. HEFTEL:

H.R. 5122. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor; to the Committee on Government Operations.

By Mr. LEDERER (for himself, Mr. SCHULZE, Mr. JACOBS, Mr. HOLLAND, Mr. JENKINS, Mr. COWABLE, Mr. DUNCAN of Tennessee, Mr. ARCHER, Mr. VANDER JAGT, Mr. PHILIP M. CRANE, Mr. PRESSLER, Mr. MARTIN, Mr. BAFALIS, Mr. GRADISON, Mr. ROUSSELOT, and Mr. MOORE):

H.R. 5123. A bill to amend Section 4943 of the Internal Revenue Code relating to excess business holdings; to the Committee on Ways and Means.

By Mr. LEDERER (for himself and Mr. MURPHY of Pennsylvania):

H.R. 5124. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of a transfer of proven oil and gas properties by persons to a controlled corporation; to the Committee on Ways and Means.

By Mr. LEWIS:

H.R. 5125. A bill to improve the quality of table grapes for marketing in the United States; to the Committee on Agriculture.

H.R. 5126. A bill to amend the Small Business Act to strengthen significantly the role of small, innovative firms in federally funded research and development, to promote a higher level of innovation and productivity in the Nation's economy; to the Committee on Small Business.

By Mr. LOEFFLER (for himself, Mr. ROUSSELOT, Mr. STENHOLM, and Mr. SYMMS):

H.R. 5127. A bill to impose quantitative restrictions on the importation of lamb meat; to the Committee on Ways and Means.

By Mr. LUNGREN (for himself, Mr. BADHAM, and Mr. DANNEMEYER):

H.R. 5128. A bill to amend the Immigration and Nationality Act to establish a program to permit nationals of Mexico to enter the United States to perform temporary services or labor; to the Committee on the Judiciary.

By Mr. MCCLORY (for himself, Mr. RHODES, Mr. ASHBROOK, Mr. ROBINSON, Mr. YOUNG of Florida, Mr. WHITEHURST, Mr. ICHORD, Mr. DERWINSKI, Mr. COLLINS of Texas, Mr. WIRTH, Mr. HYDE, Mr. LAFALCE, Mr. RUDD, Mr. SENSENBRENNER, Mr. LUNGREN, Mr. REGULA, Mr. DANNEMEYER, Mr. ROYER, and Mr. MCDONALD):

H.R. 5129. A bill to enhance the foreign intelligence and law enforcement activities of the United States by improving the protection of information necessary to their effective operation; jointly, to the Permanent Select Committee on Intelligence and Government Operations.

By Mr. MCKAY (for himself, Mr. WRIGHT, Mr. RHODES, Mr. CHARLES H. WILSON of California, Mr. ROBERTS, Mr. ARCHER, Mr. HANCE, Mr. YOUNG of Alaska, Mr. RUDD, Mr. CORLISS, Mr. PASHAYAN, Mr. ROUSSELOT, Mr. BURGENER, Mr. KOGOVSEK, Mr. JOHNSON of Colorado, Mr. DUNCAN of Oregon, Mr. HANSEN, Mr. DANNEMEYER, Mr. MARRIOTT, Mr. BUNNELS, and Mr. WYATT):

H.R. 5130. A bill to amend title 28 of the United States Code to provide for special venue provisions in cases relating to the environment; to the Committee on the Judiciary.

By Mr. MICA:

H.R. 5131. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for amounts paid for electricity or natural gas under fuel adjustment clauses; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 5132. A bill to amend the Tariff Act of 1930 to exempt from the definition of vessels non-self-propelled barges under certain conditions; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 5133. A bill to amend title II of the Social Security Act to provide full benefits for disabled wives, husbands, widows, and widowers without regard to age (and without regard to any previous reduction in their benefits), to provide benefits for essential spouses of disability beneficiaries without regard to age or children in care, to provide that all divorced spouses and former spouses (including husbands and fathers) may qualify for benefits and to liberalize eligibility for disability benefits; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 5134. A bill to repeal the Military Selective Service Act of 1967; to the Committee on Armed Services.

By Mr. PEPPER:

H.R. 5135. A bill to transfer to the District of Columbia certain real property of the United States located in the District of Columbia for the purpose of providing for senior citizens' housing; to the Committee on Public Works and Transportation.

By Mr. PERKINS:

H.R. 5136. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

By Mr. RICHMOND:

H.R. 5137. A bill to improve the nutritional labeling of food; to the Committee on Agriculture.

By Mrs. SCHROEDER (for herself, Mr. HANLEY, Mr. UDALL, Mr. HARRIS, Mr. CLAY, Mr. YATRON, and Mr. LEACH of Iowa):

H.R. 5138. A bill to authorize certain appropriations to the Office of Personnel Management, the Merit Systems Protection Board, the Special Counsel of the Merit Systems Protection Board, and the Federal Labor Relations Authority; to the Committee on Post Office and Civil Service.

By Mr. SEIBERLING:

H.R. 5139. A bill to amend the National Historic Preservation Act of 1966, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHARP:

H.R. 5140. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLARZ (for himself, Mr. MARKEY, Mr. LAFALCE, Mr. SABO, and Mr. WEISS):

H.R. 5141. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred for certain State and local individual income taxes, and to repeal the deduction for such taxes, State and local general sales taxes, and State and local taxes on gasoline and other motor fuels; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 5142. A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes; to the Committee on Government Operations.

By Mr. STACK:

H.R. 5143. A bill to amend section 101(a)(2)(B)(ii) of the Rehabilitation Act of 1973, relating to State agency organization requirements, to provide that the Secretary of Health, Education, and Welfare may waive the requirements of such section whenever such waiver is determined to be consistent with the objectives of title I of such act; to the Committee on Education and Labor.

By Mr. STAGGERS (for himself and Mr. MADIGAN):

H.R. 5144. A bill to amend the Railroad Retirement Act of 1974, the Internal Revenue Code of 1954, and the Railroad Unemployment Insurance Act to assure sufficient resources to pay current and future benefits, by increasing revenues, reducing costs, simplifying administration, and improving benefits; and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. TRIBLE (for himself and Mrs. BOGGS):

H.R. 5145. A bill to promote competitive U.S. Flag bulk cargo carrying vessels in world trade, to stimulate construction of modern bulk cargo carrying vessels for domestic and foreign trade built in shipyards of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ULLMAN:

H.R. 5146. A bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

By Mr. VANIK:

H.R. 5147. A bill to change the tariff treatment of parts used for the manufacture or repair of certain pistols and revolvers; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself and Mr. RANGEL):

H.R. 5148. A bill to set limits on increases in hospital capital stock, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. WHITTEN:

H.R. 5149. A bill to establish the Reconstruction Finance Corporation to make loans and loan guarantees to business concerns which would otherwise be unable to obtain needed financing, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WILLIAMS of Montana:

H.R. 5150. A bill to establish the National Forest Systems Investment Fund, and for other purposes; to the Committee on Agriculture.

By Mr. CHARLES H. WILSON of California (for himself and Mrs. SPELLMAN):

H.R. 5151. A bill to provide a prepaid dental care program for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. GLICKMAN (for himself and Mr. QUAYLE):

H.R. 5152. A bill to terminate the Franklin Delano Roosevelt Memorial Commission; to the Committee on House Administration.

By Mr. NEDZI (for himself, Mr. ALBOSTA, Mr. ANNUNZIO, Mr. ASHLEY, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BROOMFIELD, Mr. BROOKFIELD, Mr. DERWINSKI, Mr. DINGELL, Mr. DOWNEY, Mr. FARY, Mr. FORD of Michigan, Mr. KASTEN, Mr. KILDEE, Mr. KOSTMAYER, Mr. LUKEN, Mr. LUNGREN, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MURPHY of Illinois, Mr. NOWAK, Mr. PATTEN, Mr. PRICE, Mr. ROSTENKOWSKI, Mr. ST GERMAIN, Mr. THOMPSON, Mr. TRAXLER, and Mr. ZABLOCKI):

H.R. 5153. A bill to amend the Immigration and Nationality Act to include in the definition of special immigrant an immigrant entering the United States to pursue a course of religious study in order to carry on the vocation of minister; to the Committee on the Judiciary.

By Mr. SIMON (for himself and Mr. BUCHANAN):

H.R. 5154. A bill to amend the Higher Education Act of 1965 to strengthen and improve the student loan programs so as to assure the availability of funds to students to attend the institution of higher education of their choice, to strengthen the procedures for the repayment of such loans, and for other purposes; to the Committee on Education and Labor.

By Mr. FOWLER:

H.J. Res. 388. Joint resolution designating the month of September 1980 as "National Rehabilitation Month"; to the Committee on Post Office and Civil Service.

By Mr. DORNAN:

H. Con. Res. 173. Concurrent resolution expressing the sense of the Congress that the President should extend recognition to a future, free Cuban Government in exile; to the Committee on Foreign Affairs.

By Mr. FINDLEY:

H. Con. Res. 174. Concurrent resolution disapproving the proposed sale to Israel of Improved Hawk air defense missiles (Transmittal No. 79-49); to the Committee on Foreign Affairs.

H. Con. Res. 175. Concurrent resolution disapproving the proposed sale to Israel of Dragon anti-tank missiles (Transmittal No. 79-50); to the Committee on Foreign Affairs.

H. Con. Res. 176. Concurrent resolution disapproving the proposed sale to Israel of M113A2 armored personnel carriers, M577A2 command post carriers, M548 cargo carriers, supporting equipment, and spare parts (Transmittal No. 79-58); to the Committee on Foreign Affairs.

H. Con. Res. 177. Concurrent resolution disapproving the proposed sale to Israel of M60A3 tanks (Transmittal No. 79-59); to the Committee on Foreign Affairs.

H. Con. Res. 178. Concurrent resolution disapproving the proposed sale to Israel of M109A1B 155mm self-propelled howitzers (Transmittal No. 79-60); to the Committee on Foreign Affairs.

By Mr. FISHER:

H. Con. Res. 179. Concurrent resolution urging the President to take all appropriate steps to bring about the convening of an international conference for the purpose of negotiating an agreement to provide protection under international law for members of the press, and for international observers and other persons acting under international auspices, in times of civil war or other hostilities; to the Committee on Foreign Affairs.

By Mr. KEMP:

H. Con. Res. 180. Concurrent resolution expressing the sense of the Congress that, in hosting the 1980 Olympic Games, the Soviet Government should adhere to the Helsinki Accords and the Olympic spirit of fair play and equality of opportunity; to the Committee on Foreign Affairs.

H. Con. Res. 181. Concurrent resolution urging the President to take new steps to aid Vietnamese refugees; to the Committee on Foreign Affairs.

By Mr. BRADEMAS:

H. Res. 397. Resolution providing for the printing of the report of the official visit by the Speaker's Delegation to the Union of Soviet Socialist Republics; to the Committee on House Administration.

By Mr. FINDLEY:

H. Res. 398. Resolution directing the Secretary of State to provide to the House of Representatives certain information with respect to the use in hostilities by Israel of aircraft of U.S. origin; to the Committee on Foreign Affairs.

By Mr. MICA (for himself, Mr. VENTO, Mr. WEAVER, Mr. CORCORAN, Mr. STOKES, Mr. PEPPER, Mr. DASCHLE, Mr. WAXMAN, Mr. LUNGREN, Mr. WEISS, Mr. STEWART, Mr. JEFFORDS, Mr. SEIBERLING, Mr. GLICKMAN, Mr. LONG of Maryland, and Ms. HOLTZMAN):

H. Res. 399. Resolution to direct the Office of Technology Assessment to conduct a study of unutilized consumer energy conservation devices, and to report its recommendations concerning legislative executive measures which would promote the utilization of such devices; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEDERER:

H.R. 5155. A bill for the relief of Byron Ronald Scanlan; to the Committee on the Judiciary.

By Mr. MYERS of Indiana:

H.R. 5156. A bill for the relief of certain employees of the Naval Ordnance Systems Command, to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 5157. A bill for the relief of Lilia Ester Cantu; to the Committee on the Judiciary.

By Mr. RATCHFORD:

H.R. 5158. A bill conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of James W. Brundage; to the Committee on the Judiciary.

By Mr. TRIBLE:

H.R. 5159. A bill for the relief of Dong Min Lee; to the Committee on the Judiciary.

By Mrs. BYRON:

H.R. 5160. A bill to amend the Act entitled "An Act for the relief of Alice W. Olson, Liso Olson Hayward, Eric Olson, and Nils Olson"; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 5161. A bill for the relief of Leonidas C. Stylianopoulos; to the Committee on the Judiciary.

By Mr. KOGOVSEK (by request):

H.R. 5162. A bill to direct the Secretary of the Interior to amend the legal description of certain land conveyed by the United States in a land patent; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. EMERY.

H.R. 811: Mr. TRIBLE.

H.R. 1011: Mr. ARDNOR, Mr. BENNETT, Mr. BERNUTER, Mr. BETHUNE, Mr. BURGENER, Mr. EDGAR, Mr. EMERY, Mr. FORSYTHE, Mr. FROST, Mr. GINGRICH, Mr. GRADISON, Mr. GRAY, Mr. GUYER, Mr. JEFFORDS, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LONG of Maryland, Mr. LOWRY, Mr. PAUL, Mr. ROTH, Mr. SANTINI, Mr. SOLOMON, Mr. STEAR, Mr. TAUKE, Mr. WHITTAKER, and Mr. WIRTH.

H.R. 1013: Mr. COURTER, Mr. DONNELLY, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. GRASSLEY, Mr. PETRI, Mr. RITTER, and Mr. TAUKE.

H.R. 1050: Mr. SMITH of Iowa.

H.R. 1309: Mr. TRIBLE.

H.R. 1539: Mr. GOODLING and Mr. GUDGER.

H.R. 1644: Mr. ASPIN, Mr. KASTENMEIER, Mr. EVANS of Georgia, Mr. PETRI, and Mr. GRAMM.

H.R. 1658: Mr. PETRI.

H.R. 1776: Mr. HOPKINS, Mr. WHITTAKER, and Mr. COURTER.

H.R. 1785: Mr. CAVANAUGH, Mr. VANIK, and Mr. PASHAYAN.

H.R. 1850: Mr. ANDREWS of North Dakota, Mr. ATKINSON, Mr. AUCOIN, Mr. BAILEY, Mr. BALDUS, Mr. BEARD of Tennessee, Mr. BOWEN, Mr. CAVANAUGH, Mr. COSTE, Mr. DE LA GARZA, Mr. ERTEL, Mr. FITZHIAN, Mr. GIBBONS, Mr. HUCKABY, Mr. IRELAND, Mr. LEBOE, of Louisiana, Mr. MAVROULES, Mr. MCCLORY, Mr. MOFFETT, Mr. MOLLOHAN, Mr. O'BRIEN, Mr. QUILLEN, Mr. RICHMOND, Mr. ROBINSON, Mr. ROSENTHAL, Mr. SCHULZE, Mr. STOKES, Mr. THONE, Mr. WOLFF, Mr. WOLPE, and Mr. LUNDINE.

H.R. 1984: Mr. GILMAN, Mr. SAWYER, Mr. STUMP, and Mr. WALGREN.

H.R. 2020: Mr. DUNCAN of Oregon and Mr. MATTOX.

H.R. 2291: Mr. GILMAN.

H.R. 2617: Mr. MITCHELL of New York, Mr. RAHALL, Mr. BONIOR of Michigan, Mr. GLICKMAN, Mr. BEDELL, Mr. KILDEE, Mr. VOLKMER, and Mr. WON PAT.

H.R. 2647: Ms. FERRARO.

H.R. 2969: Mr. LELAND and Mr. ROSENTHAL.

H.R. 3227: Mr. D'AMOURS, Mr. GONZALEZ, Mr. BONIOR of Michigan, Mr. OTTINGER, and Mr. ZABLOCKI.

H.R. 3284: Mrs. HOLT.

H.R. 3337: Mr. MONTGOMERY, Mr. CORRADA, Mr. KINDNESS, Mr. LOTT, Mr. RINALDO, Mr. BEDELL, and Mr. MAGUIRE.

H.R. 3532: Mr. EDGAR, Mr. DASCHLE, Mr. BEARD of Rhode Island, Mr. KILDEE, and Mr. CLAY.

H.R. 3535: Mr. RITTER, Mr. MURPHY of Pennsylvania, Mr. STANGELAND, Mr. SHARP, Mr. ULLMAN, Mr. SAWYER, Mr. CHARLES WILSON of Texas, Mr. BEVILL, and Mr. HEFTEL.

H.R. 3558: Mr. MURPHY of Pennsylvania, Mr. RANGEL, Mr. SABO, Mr. ST GERMAIN, Mr. NOLAN, Mr. ROYER, Mr. RICHMOND, Mr. CONTE, Mr. CHARLES H. WILSON of California, Mr. MAGUIRE, Mr. WHITEHURST, Ms. FERRARO, Mr. BONKER, Mr. WON PAT, and Mrs. SNOWE.

H.R. 3603: Mr. PATTERSON.

H.R. 3609: Mr. ANDERSON of Illinois, Mr. BARNARD, Mr. BINGHAM, Mr. CLAUSEN, Mr. COELHO, Mr. CONTE, Mr. CORRADA, Mr. DAVIS of Michigan, Mr. FASCELL, Mr. GINGRICH, Mr. HINSON, Ms. HOLTZMAN, Mr. JEFFORDS, Mr. MCKAY, Mr. MARKS, Mr. MARRIOTT, Mr. MCCLORY, Ms. MIKULSKI, Mr. PATTERSON, Mr. PAUL, Mr. PREYER, Mr. RITTER, Mr. ROUSSELOT, Mr. ROYER, Mr. SHUMWAY, Mrs. SNOWE, Mr. SPENCE, Mr. STANTON, Mr. WALGREN, Mr. WILLIAMS of Montana, Mr. BOB WILSON, Mr. WOLFF, and Mr. WYDLER.

H.R. 3810: Mr. DAN DANIEL, Mr. GINGRICH, Mr. GOODLING, Mr. ROTH, and Mr. COURTER.

H.R. 3918: Mr. STOKES, Mr. RICHMOND, Mr. MINETA, Mr. RANGEL, and Mr. GRAY.

H.R. 3950: Mr. ROBINSON, Mr. STENHOLM, Mr. COELHO, Mr. ICHORD, Mr. WEAVER, Mr. MCHUGH, Mr. SMITH of Iowa, Mr. NOLAN, Mr. BEDELL, Mr. TAUKE, Mr. HAGEDORN, Mr. SENSENBRENNER, Mr. JOHNSON of Colorado, Mr. GRASSLEY, Mr. PASHAYAN, and Mr. WAMPLER.

H.R. 4133: Mr. CONABLE.

H.R. 4151: Mr. GOODLING, Mr. ROBINSON, Mr. STOCKMAN, Mr. BEDELL, Mr. EDGAR, Mr. BEVILL, Mr. CHARLES WILSON of Texas, Mr. STANGELAND, Mr. HEFTEL, Mr. STENHOLM, Mr.

CORLISS, Mr. HANCE, Mr. RITTER, Mr. LAGOMARSINO, and Mr. MCCORMACK.

H.R. 4211: Mr. HOLLENBECK.

H.R. 4221: Mr. BEREUTER.

H.R. 4234: Mr. LEACH of Louisiana, Mr. HORTON, Mr. MOAKLEY, Mr. PASHAYAN, Mr. WOLFF, Mr. MURPHY of Pennsylvania, Mr. JOHNSON of California, Mr. PEPPER, Mr. OBERSTAR, Mr. NOLAN, Mr. STEWART, Mr. DAVIS of Michigan, Mr. FLOOD, Mr. EDGAR, Mr. ALBOSTA, Mr. BEDELL, Mr. DOWNEY, Mr. CLINGER, Mr. WILLIAMS of Montana, and Mr. KILDEE.

H.R. 4329: Mr. HUGHES, Mr. ERTEL, Mr. BEDELL, Mr. PANETTA, Mr. BUTLER, Mr. WON PAT, Mr. YOUNG of Florida, Mr. O'BRIEN, Mr. GUDGER, Mr. BARNARD, and Ms. FERRARO.

H.R. 4347: Mr. EVANS of the Virgin Islands, Mr. GILMAN, Mr. GLICKMAN, and Mr. DORNAN.

H.R. 4404: Mr. BLANCHARD, Mr. CARTER, Mr. ERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. SEIBERLING, and Mr. WINN.

H.R. 4405: Mr. BLANCHARD, Mr. CARTER, Mr. ERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. JENRETTE, Mr. MARKEY, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. NOWAK, Mr. SEIBERLING, Mr. STOKES, and Mr. WINN.

H.R. 4406: Mr. BLANCHARD, Mr. CARTER, Mr. ERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. JENRETTE, Mr. MARKEY, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. SEIBERLING, Mr. STOKES, and Mr. WINN.

H.R. 4407: Mr. BLANCHARD, Mr. CARTER, Mr. ERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. JENRETTE, Mr. MARKEY, Mr. MURPHY of Pennsylvania, Mr. NOWAK, Mr. SEIBERLING, Mr. STOKES, and Mr. WINN.

H.R. 4408: Mr. BLANCHARD, Mr. CARTER, Mr. ERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. JENRETTE, Mr. MARKEY, Mr. MURPHY of Pennsylvania, Mr. SEIBERLING, and Mr. WINN.

H.R. 4409: Mr. BLANCHARD, Mr. CARTER, Mr. ERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. MURPHY of Pennsylvania, Mr. SEIBERLING, Mr. STOKES, and Mr. WINN.

H.R. 4460: Mrs. SNOWE.

H.R. 4507: Mr. BEDELL, Mr. COLLINS of Texas, Mr. DERWINSKI, Mr. DORNAN, Mr. DOUGHERTY, Mr. ERTEL, Ms. FERRARO, Mr. GLICKMAN, Mr. GREEN, Mr. KOGOVSEK, Mr LAGOMARSINO, Mr. MARKS, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. PASHAYAN, Mr. SOLOMON, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WYDLER, and Mr. WIRTH.

H.R. 4508: Mr. ASHBROOK, Mr. BEDELL, Mr. BENNETT, Mr. BEREUTER, Mr. BETHUNE, Mr. BURGENER, Mr. D'AMOURS, Mr. DANNEMEYER, Mr. EDGAR, Mr. EMERY, Ms. FERRARO, Mr. FISHER, Mr. FORSYTHE, Mr. FROST, Mr. GINGRICH, Mr. GRADISON, Mr. GRAY, Mr. GUYER, Mr. JEFFORDS, Mr. JENKINS, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LENT, Mr. LONG of Maryland, Mr. LOWRY, Mr. LUNDINE, Mr. LUNGREN, Mr. PAUL, Mr. ROTH, Mr. SANTINI, Mr. STANGELAND, Mr. SYNAR, Mr. TAUKE, Mr. VAN DEERLIN, Mr. WALGREN, Mr. WEAVER, Mr. WHITTAKER, and Mr. WINN.

H.R. 4527: Mr. BURGENER, Mr. BONIOR of Michigan, Mr. EDGAR, Mr. WALGREN, Mr. WON PAT, Mr. RICHMOND, Mr. WEAVER, Mr. MITCHELL of Maryland, Mr. THOMPSON, Mr. NEAL, Mr. DANNEMEYER, Mr. HOLLENBECK, Mr. LAGOMARSINO, Mrs. CHISHOLM, and Mr. KILDEE.

H.R. 4545: Mr. VOLKMER, Mr. TREEN, and Mr. CLEVELAND.

H.R. 4636: Mr. CORLISS, Mr. MINETA, Mr. BOVER, Mr. JOHNSON of California, and Mr. DANNEMEYER.

H.R. 4646: Mr. ASHBROOK, Mr. ANDERSON of Illinois, Mr. ANDREWS of North Dakota, Mr. ARCHER, Mr. AUCOIN, Mr. BADHAM, Mr. BAFALIS, Mr. BAILEY, Mr. BARNARD, Mr. BAUMAN, Mr. BENJAMIN, Mr. BETHUNE, Mr. BROWN of Ohio, Mr. BROYHILL, Mr. BUCHANAN, Mr. BURGENER, Mr. BUTLER, Mr. CAMPBELL, Mr. CARNEY, Mr. CARTER, Mr. CHAPPELL, Mr. CHENEY, Mr. CLAUSEN, Mr. CLEVELAND, Mr. CLINGER, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. ROBERT W. DANIEL, Jr., Mr. DANNEMEYER, Mr. DERRICK, Mr. DERWINSKI, Mr. DEVINE, Mr. DICKINSON, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. ERLENBORN, Mr. EVANS of Delaware, Mrs. FENWICK, Mr. FRENZEL, Mr. GIBBONS, Mr. GINGRICH, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GOODLING, Mr. GRADISON, Mr. GRASSLEY, Mr. GREEN, Mr. GRISHAM, Mr. GUYER, Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HILLIS, Mrs. HOLT, Mr. HORTON, Mr. HYDE, Mr. IRELAND, Mr. JEFFRIES, Mr. JENRETTE, Mr. JOHNSON of Colorado, Mr. KELLY, Mr. KEMP, Mr. KINDNESS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEACH of Iowa, Mr. LEACH of Louisiana, Mr. LEE, Mr. LENT, Mr. LEWIS, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOTT, Mr. LUJAN, Mr. LUNGREN, Mr. MADIGAN, Mr. MARKS, Mr. MARRIOTT, Mr. MARTIN, Mr. MATHIS, Mr. MATSUI, Mr. MCDADE, Mr. MCEWEN, Mr. MCKAY, Mr. MCKINNEY, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MINETA, Mr. MOORE, Mr. MURPHY of Pennsylvania, Mr. MURTHA, Mr. MYERS of Indiana, Mr. NEAL, Mr. NOWAK, Mr. O'BRIEN, Mr. PASHAYAN, Mr. PATTEN, Mr. PREYER, Mr. PRITCHARD, Mr. QUILLEN, Mr. RAILSBACK, Mr. REGULA, Mr. RHODES, Mr. RITTER, Mr. ROBINSON, Mr. ROSE, Mr. ROTH, Mr. ROUSSELOT, Mr. ROYER, Mr. SAWYER, Mr. SCHULZE, Mr. SEIBERLING, Mr. SENSENBRENNER, Mr. SHELBY, Mr. SHUMWAY, Mrs. SMITH of Nebraska, Mrs. SNOWE, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. STANTON, Mr. STEED, Mr. STOCKMAN, Mr. STUMPS, Mr. SYNAR, Mr. TAUKE, Mr. THOMAS, Mr. TRIBLE, Mr. VANDER JAGT, Mr. WATKINS, Mr. WALKER, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WYDLER, Mr. WYLIE, Mr. MCCLOSKEY, and Mr. RUDD.

H.R. 4659: Mr. WHITTAKER.

H.R. 4660: Mr. ANDERSON of Illinois, Mr. ANNUNZIO, Mr. ARCHER, Mr. AUCOIN, Mr. BAFALIS, Mr. BAILEY, Mr. BAUMAN, Mr. BENNETT, Mr. BEREUTER, Mr. BLANCHARD, Mr. BROYHILL, Mr. JOHN L. BURTON, Mr. CORMAN, Mr. COURTER, Mr. PHILIP M. CRANE, Mr. DAVIS of Michigan, Mr. DINGELL, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DUNCAN of Oregon, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. ERTEL, Mr. FARY, Mrs. FENWICK, Ms. FERRARO, Mr. FLORIO, Mr. FROST, Mr. GONZALEZ, Mr. GOODLING, Mr. GRADISON, Mr. GUYER, Mr. HANCE, Mr. HEFNER, Mr. HUCKABY, Mr. JEFFRIES, Mr. JONES of Tennessee, Mr. KASTENMEIER, Mr. KILDEE, Mr. KINDNESS, Mr. LEACH of Louisiana, Mr. LEE, Mr. LEHMAN, Mr. LENT, Mr. LLOYD, Mr. LONG of Maryland, Mr. MADIGAN, Mr. MARKEY, Mr. MCDONALD, Mr. MICA, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOLLOHAN, Mr. MOORHEAD of California, Mr. MURPHY of New York, Mr. NELSON, Mr. OTTINGER, Mr. QUAYLE, Mr. RAILSBACK, Mr. RICHMOND, Mr. SHARP, Mr. SIMON, Mrs. SMITH of Nebraska, Mr. SNYDER, Mr. ST GERMAIN, Mr. STACK, Mr. STENHOLM, Mr. WAXMAN, Mr. WOLFF, Mr. MITCHELL of Maryland, Mr. CLAUSEN, Mr. GOLDWATER, Mr. YOUNG of Alaska, Mr. YOUNG of Florida, Mr. FASCELL, and Mr. KASTEN.

H.R. 4685: Mr. THOMPSON and Mr. LLOYD.

H.R. 4694: Mr. CORMAN and Mr. MAGUIRE.

H.R. 4751: Mr. BEVILL, Mr. CARTER, Mr. ADDABBO, and Mr. LEACH of Louisiana.

H.R. 4760: Mr. CORRADA, Mr. TRAXLER, Mr. ALBOSTA, Mr. CORLISS, Mr. ROBINSON, Mr. DORNAN, Mr. FROST, Mr. ANTHONY, Mr. WEAVER, Mr. PRITCHARD, Mr. HUBBARD, Mr. PEPPER, Mr. WALGREN, Mr. MATHIS, Mr. NOLAN, Mr. ERDAHL, and Mr. PATTEN.

H.R. 4762: Mr. LAGOMARSINO.

H.R. 4773: Mr. ERDAHL, Mr. KOGOVSEK, Mr. CARR, Mr. LEDERER, Mr. WOLFF, Mr. WIRTH, Mr. LEACH of Iowa, Mr. BEDELL, and Mr. DORNAN.

H.R. 4776: Mr. MURPHY of Pennsylvania, Mr. MITCHELL of Maryland, Mr. SCHEUER, Mr. HUGHES, Mr. SEIBERLING, Mr. CHARLES WILSON of Texas, Mr. CONTE, Mr. D'AMOURS, Mr. WHITTAKER, Mr. DOWNEY, Mr. RATCHFORD, Mr. THOMPSON, Mr. YOUNG of Missouri, Mr. JOHNSON of Colorado, Mr. BONIOR of Michigan, Mr. WILLIAMS of Montana, Mr. HOLLENBECK, Mr. BEARD of Rhode Island, Mr. WEAVER, Mr. DASCHLE, Mr. COTTER, Mr. DODD, Mr. MCKINNEY, Mr. EMERY, Mr. BOLAND, Mr. DONNELLY, Mr. DRINAN, Mrs. HECKLER, Mr. MARKEY, Mr. SHANNON, Mr. STUDDS, Mr. ST GERMAIN, Mr. JEFFORDS, Mrs. SNOWE, and Mr. BEDELL.

H.R. 4782: Mr. ANDREWS of North Carolina, Mr. ANDREWS of North Dakota, Mr. BETHUNE, Mr. BOWEN, Mr. BROYHILL, Mr. CONABLE, Mr. FINDLEY, Mr. FLORIO, Mr. FUQUA, Mr. GINN, Mr. HAMMERSCHMIDT, Mr. HUCKABY, Mr. JEFFORDS, Mr. JONES of North Carolina, Mr. LEE, Mr. MADIGAN, Mr. MATHIS, Mr. MOLLOHAN, Mr. ROSE, Mr. SMITH of Iowa, Mrs. SMITH of Nebraska, Mr. SOLOMON, Mr. STANGELAND, Mr. STENHOLM, Mr. TAYLOR, and Mr. WAMPLER.

H.R. 4808: Mr. DOUGHERTY, Mr. LEACH of Iowa, Mr. ROTH, Mr. DASCHLE, Mr. EDGAR, and Mr. BEDELL.

H.R. 4832: Mr. HYDE.

H.R. 4833: Mr. BROOMFIELD, Mr. KEMP, and Mr. GUYER.

H.R. 4854: Mr. BEILENSON, Mr. BINGHAM, Mr. LEVITAS, Mr. WEAVER, Mr. CONYERS, Mr. RICHMOND, Mr. STEWART, Mr. BONIOR of Michigan, Mr. MAGUIRE, Mr. GUARINI, Mr. NEAL, Mr. STOKES, Mr. CAVANAUGH, Mr. ROSENTHAL, Mr. EDWARDS of California, and Mr. DELLUMS.

H.R. 4960: Mr. SABO, Mr. NOLAN, Mr. OBERSTAR, Mr. ERDAHL, Mr. FRENZEL, Mr. STANGELAND, Mr. DOWNEY, Mr. STRATTON, Mr. UDALL, Mr. MATTOX, and Mr. BARNARD.

H.R. 4986: Mr. RAILSBACK, Mr. GORE, Mr. BARNES, Mr. EVANS of the Virgin Islands, Mr. IRELAND, Mr. DICKINSON, Mr. BRADEMAS, Mr. FASCELL, Mr. HALL of Ohio, Mr. KEMP, Mr. HARSHA, Mr. QUAYLE, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. WAMPLER, and Mr. ANDERSON of California.

H.R. 5008: Mr. WIRTH.

H.J. Res. 3: Mr. RUDD, Mr. BOB WILSON, Mr. JOHNSON of California, Mr. ROUSSELOT, Mr. LLOYD, Mr. MINETA, Mr. KRAMER, Mr. YOUNG of Florida, Mr. STEWART, Mr. NOLAN, Mr. WHITTEN, Mr. COLEMAN, Mr. MCHUGH, Mr. MURTHA, Mr. PICKLE, Mr. SLACK, Mr. KASTENMEIER, Mr. ALBOSTA, Mr. DINGELL, Mrs. SPELLMAN, Mrs. BOGGS, Mrs. SNOWE, Mr. D'AMOURS, Mr. SOLARZ, Mr. ROYBAL, Mr. GARCIA, and Mr. REGULA.

H.J. Res. 276: Mr. APPLEGATE, Mr. BEARD of Rhode Island, Mr. CLEVELAND, Mr. CONTE, Mr. COLLINS of Texas, Mr. FROST, Mr. GILMAN, Mr. SATTERFIELD, Mr. SOLOMON, Mr. WEAVER, and Mr. UDALL.

H.J. Res. 291: Mr. ADDABBO, Mr. ALBOSTA, Mr. AMBRO, Mr. ANNUNZIO, Mr. BEARD of Rhode Island, Mr. BINGHAM, Mr. BONIOR of of Michigan, Mr. BROOHEAD, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. CARR, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DASCHLE, Mr. DELLUMS, Mr. DIGGS, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. EARLY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EVANS of the Virgin Islands, Ms. FERRARO, Mr. FITHIAN, Mr. FLORIO, Mr. GONZALEZ, Mr. GORE, Mr. GRAY, Mr. GUARINI, Mr. HALL of Ohio, Mr. HARKIN, Mr. HARRIS, Ms. HOLTZMAN, Mr. KASTENMEIER, Mr. KILDEE, Mr. KOSTMAYER, Mr. LELAND, Mr. LOWRY, Mr. LUKEN, Mr. MAGUIRE, Mr. MARKEY, Mr. MCHUGH, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. NOWAK, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTEN, Mr. PATTERSON, Mr. PEYSER, Mr. RATCHFORD, Mr. REUSS, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. SABO, Mr. ST GERMAIN, Mr. SEIBERLING, Mr. SHANNON, Mrs. SPELLMAN, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. VANIK, Mr. VENTO, Mr. WEAVER, Mr. WEISS, and Mr. WOLPE.

H.J. Res. 321: Mr. SPENCE.

H.J. Res. 328: Mr. TREEN, Mr. STOKES, Mr. VENTO, Mr. AUCOIN, Mr. BOB WILSON, Mr. GUARINI, Mr. WAXMAN, Mr. DODD, Mr. EVANS of the Virgin Islands, Mr. ASHBROOK, Mr. PEPPER, Mr. THOMPSON, Mr. BROOHEAD, Mr. CORRADA, Mr. WHITEHURST, Mr. HOLLAND, Mr. HAGEDORN, Mr. NATCHER, Mr. NICHOLS, Mr. FORSYTHE, Mr. CORLISS, Mr. MURPHY of Pennsylvania, Mr. RICHMOND, Mr. MCDADE, Mr. BROWN of California, Mr. O'BRIEN, Mr. ERDAHL, Mr. SABO, Mr. HALL of Ohio, Mr. MARSOLI, Mr. BEARD of Rhode Island, Mr. BONIOR of Michigan, Mr. MILLER of California, Mr. WON PAT, Mr. PASCO, Mr. MURPHY of New York, Mr. MAGUIRE, Mr. BURGENER, Mr. FISHER, Mr. WAMPLER, Mr. DASCHLE, Mr. HAWKINS, Mr. RUSSO, Mr. MINETA, Mr. ROBINSON, Mr. SKELTON, Mr. HEFNER, Mr. HOLLENBECK, Mr. JENRETTE, Ms. OAKAR, Mr. FOWLER, Mr. LENT, and Mr. BLANCHARD.

H.J. Res. 363: Mr. ALBOSTA, Mr. AMBRO, Mr. BEREUTER, Mr. BETHUNE, Mr. BOWEN, Mr. D'AMOURS, Mr. DASCHLE, Mr. DICKS, Mr. DIGGS, Mr. DONNELLY, Mr. FAUNTROY, Mr. GEPHARDT, Mr. GORE, Mr. HAWKINS, Mr. HEFNER, Mr. HOLLENBECK, Mr. HOWARD, Mr. JACOBS, Mr. KILDEE, Mr. MCHUGH, Mr. MARRIOTT, Mr. MAVROULES, Mr. MARSOLI, Mr. MINETA, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. NOLAN, Mr. PATTEN, Mr. PRICE, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. SABO, Mr. SEBELIUS, Mr. SEIBERLING, Mr. SHARP, Mr. SOLARZ, Mr. STENHOLM, Mr. STEWART, Mr. SWIFT, Mr. SYNAR, Mr. THOMPSON, Mr. TRAXLER, Mr. VOLKMER, Mr. WALKER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WIRTH, and Mr. WOLPE.

H. Con. Res. 131: Mr. GEPHARDT and Mr. WHITTAKER.

H. Res. 302: Mr. DOUGHERTY, Mr. GRAY, Mr. BEDELL, Mr. HOLLENBECK, and Mr. OTTINGER.

H. Res. 371: Mr. CLEVELAND, Mr. DOUGHERTY, Mr. EDWARDS of Oklahoma, Mr. GOLDWATER, Mr. GOODLING, Mr. GRADISON, Mr. HAGEDORN, Mr. HUTTO, Mr. JEFFRIES, Mr. LIVINGSTON, Mr. LOTT, Mr. MYERS of Indiana, Mr. REGULA, Mr. ROBINSON, Mr. ROUSSELOT, Mr. ROYER, Mr. SCHULZE, Mr. SNYDER, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. SYMMS, Mr. TREEN, and Mr. WHITEHURST.

H. Res. 394: Mr. ASHBROOK, Mr. STENHOLM, Mr. BEREUTER, Mr. WATKINS, and Mrs. SMITH of Nebraska.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4360: Mr. BAUMAN.

H.R. 4970: Mr. QUAYLE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2061

By Mr. EVANS of the Virgin Islands:

—Page 146, beginning in line 15, strike out "but shall not include" and all that follows through "Mariana Islands" in line 16.

Page 172, beginning with line 22, strike out all through line 4 on page 173.

Page 173, line 5, strike out "(g)" and insert in lieu thereof "(f)".

Page 173, line 12, strike out "(h)" and insert in lieu thereof "(g)".

H.R. 2172

By Mr. CONABLE:

(To the Ways and Means Committee amendments to the Agriculture Committee substitute to H.R. 2172.)

—On page 80, beginning on line 22, strike section 203(a)(1)(B).

On page 82, beginning on line 4, strike section 203(a)(2)(B).

On page 88, line 21, insert after the word "of" the word "raw".

By Mr. FRENZEL:

—Beginning on page 77, line 22, strike section 202(b) and insert in lieu thereof the following new subsection:

"SEC. 202. (b) during the supply years 1979 through 1981, the Secretary shall not make payments to, or on behalf of, producers and processors of sugarcane or sugar beets under section 301 of the Agriculture Act of 1949 (7 U.S.C. 1447) or any other provision of law that authorizes payments by the Secretary to achieve price support levels for such commodities."

On page 78, between lines 9 and 10, insert the following: "But in no case shall the amount of the payment per pound, raw value, exceed the assured return for each pound, raw value of sugar.".

H.R. 4034

By Mr. GLICKMAN:

—On page 8, line 24, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this section."

—On page 23, line 6, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this section."

H.R. 4440

By Mr. SNYDER:

(To be offered as an amendment to H.R. 4440 or as a substitute to the amendment offered by Mr. HARSHA.)

—Page 23, after line 21, add the following new section:

"SEC. 317. None of the funds provided in his Act shall be available for the implementation of any airspace rule or any Terminal Control Area unless such airspace rule or Terminal Control Area is promulgated in accordance with criteria in effect on December 26, 1978."

SENATE—*Thursday, August 2, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Wait on the Lord: be of good courage, and He shall strengthen thine heart: wait, I say, on the Lord.—Psalms 27: 14.

Draw near to us, O Lord, as we draw near to Thee, and make this moment a holy of holies. Enter into our lives and make us better than we have ever been.

Give us grace and wisdom to wrestle with the great problems until we find solutions in accord with the national purpose and in obedience to Thy will. Help us, in our personal conduct, to be bearers of peace and justice in the world.

When the day is done, shelter us safely in Thy fold where we may be at peace with Thee and with one another.

In Thy holy name we pray.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 2, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VOTES ON NOMINATIONS TODAY

Mr. ROBERT C. BYRD. Mr. President, I would like to explore the possibility of stacking the votes on the nominations—

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

there will be three rollcall votes—on the Clement, Volcker, and Miller nominations, in that order. I would like at least to throw out the question at the moment.

The distinguished Senator from Alabama (Mr. HEFLIN) is presiding, and he cannot respond at the moment. However, I would like to leave the question for consideration. The distinguished minority leader is present. I have discussed this with him briefly—just briefly, however.

This arrangement would allow committees to meet uninterruptedly, and it might be feasible.

I yield to the minority leader.

Mr. BAKER. I thank the majority leader for yielding, and I thank him for making the suggestion.

I think it would be a good idea to try to stack votes until, say, about 11:30. I suppose we might go beyond that, under the orders that are entered for the debates on these three nominations, particularly the Clement nomination, on which there is a 3-hour limitation, if I recall correctly.

If we agree to stack the votes and have them, say, not earlier than 11:30 or 12 o'clock, I think it would facilitate committee action on this day, which is near the end of the time we have before the August break. I would find that a highly attractive suggestion. I hope other Senators might be agreeable to that.

Mr. ROBERT C. BYRD. Mr. President, I think that, for the moment, we might leave the matter at this juncture and see how the nomination of Mr. Clement progresses. Then we can talk about stacking the other two votes immediately behind that.

Mr. BAKER. Very good.

TAIWAN

Mr. ROBERT C. BYRD. Mr. President, the establishment of full diplomatic relations with the People's Republic of China earlier this year was an important step forward in this Nation's foreign policy. It was a step that was both realistic and in the national interests of the United States. The normalization with Peking opens up potentially important avenues of commerce, as well as new political perspectives.

In conjunction with the normalization with Peking, the Congress approved legislation governing our future relations with Taiwan. In considering that legislation, the Senate acted to assure the maintenance of our commercial and cultural ties with Taiwan and to assure the continuing prosperity and security of the people of Taiwan.

At the time there were those who suggested that Taiwan was somehow being abandoned, and there was concern that the U.S. normalization with the People's Republic of China would lead to economic and political instability in Taiwan.

I am pleased to state, Mr. President, that there is no evidence of such problems for Taiwan. Indeed, most reports indicate that Taiwan has taken the normalization of United States-China relations in stride and, indeed, is thriving at this point. One result of this experience has been to engender a more realistic and, in fact, a more confident attitude on the part of Taiwan.

In an assessment of Taiwan's current status, the Far Eastern Economic Review commented:

> A key factor in allaying the fears of both businessmen and the population at large . . . has been U.S. congressional legislation—the Taiwan Relations Act—which establishes the framework for continued ties, albeit unofficial, between the U.S. and Taiwan.

The Far Eastern Economic Review stated that the Taiwan economy has snapped back and in some respects appears even more stable than before. Taiwan's trade-powered economy remains strong. Even in the midst of disappointing worldwide economic trends, Taiwan is likely to register growth which other nations would normally consider to be at boom level.

Recently, as required by the Taiwan Relations Act, the Department of State reported to Congress on economic relations between the United States and Taiwan. Under the provisions of the bill, the Department must report to Congress twice yearly on this subject.

According to the first of these reports, the withdrawal of U.S. diplomatic recognition has not had an adverse effect. On the contrary, as I have noted, the island and its people continue to thrive and prosper. The State Department report indicates that Taiwan's foreign trade has increased this year at a rate in excess of the 10-year average annual growth of 31 percent.

The American Institute in Taiwan, which is the unofficial instrument for overseeing U.S. interests in Taipei, is now in operation.

Mr. President, I am very pleased by these reports of the continuing strength of the Taiwan economy, and by the most important role that the Senate played in establishing the framework for our continuing ties with Taiwan.

At the same time, I view it as one of the high priorities in our foreign policy that we continue to work, in a steady but not hasty manner, to broaden our interchange with the P.R.C.

MOVING FORWARD ON TRADE REORGANIZATION

Mr. ROBERT C. BYRD. Mr. President, earlier this year, I introduced S. 891, a bill to establish a Cabinet-level Department of International Trade. I am convinced that significant improvement of our current trade situation requires a thoroughgoing overhaul of our Nation's Byzantine trade apparatus.

Passage last week of the implementing legislation for the agreements reached under the Tokyo round of the multilateral trade negotiations makes it all the more important that we move ahead on trade reorganization. We are woefully unprepared to deal with the new rules—in such areas as export subsidies—which are established under the agreements. We need to be better organized to monitor foreign compliance with the agreements and to process trade complaints.

I am pleased that the administration has recently announced the outline of its own proposal for the reorganization of the international trade functions of the executive branch. However, I do not feel that the administration proposal goes far enough in accomplishing the integration of these functions. The Governmental Affairs Committee has been holding hearings on trade reorganization and is currently considering this matter.

LACK OF ORGANIZATIONAL SUPPORT FOR TRADE

We are one of a small number of major free market industrial countries attempting to operate without the benefit of a central trade agency. This puts many of our industries and businesses at a distinct disadvantage because they lack the wide range of support such an agency can provide. The time has long since passed when we could afford such a casual approach, and it is time for us to remedy this situation.

We must recognize that trade has become—as it once was during the mercantile era—an important symbol and indicator of national power and well-being. For this reason, competition in trade has become heavily fostered by the governments of some of our industrial and agricultural competitors. Indeed, the fostering of trade has replaced the "beggar-thy-neighbor" or protectionist policy of high tariffs that was followed by us and these other governments in the 1930's and that helped propel the entire world economic system into an economic tailspin.

Facing up organizationally to this new competition does not mean that we should end the strong separation between state and business that exists in our country, or that we should emulate the ever closer state-business relationships of some of our competitors. It does mean that the numerous units of our trade bureaucracy should not be working at cross purposes, denying our business community in all too many cases the level of support it should receive from government. It also means that we must deal more effectively with some of the negative aspects of foreign governments' support of their exports.

To keep their domestic employment levels high, some of our trade partners have used unfair trade practices to promote their exports. Our trade agencies have failed to do an adequate job in protecting our industries and businesses from such unfair competition. This must be a major consideration in any reorganization in the trade field.

OUR TRADE STATUS: FROM PREEMINENCE TO COMPETITOR

In the period immediately after World War II, the United States was able to dominate world markets as the preeminent economic power; however, we also saw it as in our interests to devote a considerable portion of our resources to assisting Japan and the countries of Western Europe with their postwar recoveries.

The U.S. position of preeminence has been challenged by the economic recovery of the very countries we aided. Their renewed strength has turned them into full-fledged rivals, able to effectively compete with us on world markets.

OUR TRADE PERFORMANCE

Faced with this new competition, we are not faring well in the international trade arena. Over the past 3 years, our trade deficit has totaled more than $60 billion. The level of imbalance in our trade accounts has undermined our credibility with our foreign trade partners and has been partly responsible for the weakening of the dollar.

The most recent monthly statistics reported by the Department of Commerce do not provide a basis for optimism. They indicate that June was the 37th consecutive month in which imports exceeded exports. The trade deficit in June was a seasonally adjusted $1.9 billion, making for a trade gap of almost $12 billion for the first 6 months of this year.

These developments reflect a marked change in our overall trade performance. Since the late 1930's, when the United States overtook the United Kingdom in the level of export trade, the United States has been the world's largest exporter. However, last year we almost lost our mantle as the No. 1 exporter because of the strong export challenge from the Federal Republic of Germany.

In 1978, our exports totaled $144 billion or 11.2 percent of world exports. The Federal Republic of Germany was a close second, with exports totaling $142 billion or 11 percent of world exports.

The nature of the challenge confronting us is especially apparent in manufactured goods, an area in which we lost export leadership to the Federal Republic of Germany about a decade ago. In 1977, our trade in manufactured goods totaled $80 billion, compared with German trade in these goods which totaled $104 billion. Our 1978 level of trade in manufactured goods, some $94 billion, accounted for almost two-thirds of our total exports.

The nature of the trade challenge is also apparent in such an area as coal exports. While there is a serious energy supply problem in many parts of the world, our exports of bituminous coal—a fuel which we have in abundance—have fallen steadily from 66 million net tons in 1975 to 40 million net tons in 1978. Furthermore, some of the coal export loss recorded by the United States has resulted in export gains for our coal competitors, such as Australia and Canada.

DOMESTIC CONSEQUENCES

Our failure to take adequate action to improve our trade situation hurts us internationally and domestically. Not only is trade an important measure of national power, it also is an important contributor to a country's economic well-being.

One of the best illustrations of this point is jobs. A net trade increase of $5 billion would produce, by the end of 2 years, according to an estimate prepared by the Congressional Budget Office, between 200,000 and 250,000 new jobs.

Thus, for example, if our 1978 trade deficit of almost $30 million were eliminated by a net trade increase of an equal amount, between 1.2 and 1.5 million new jobs would be created. I cannot imagine a better measure of the importance of trade to our national well-being.

Another illustration of its importance is the contribution that a net increase in trade makes to our gross national product. A net increase in trade of $1 billion adds ultimately about $2.5 billion in GNP, again according to a Congressional Budget Office estimate.

Our fight against inflation can also be aided by a net increase in trade. It assists with the development of domestic price stability by fostering the allocation of domestic resources to the most productive areas of our economy, advancing overall economic efficiency at the same time that it leads to increases in jobs and production. Export expansion is one of the few areas in which we can increase domestic activity without unleashing strong inflationary pressures.

WHAT IS TO BE DONE?

To face up to the situation I have described—which has grave ramifications for our economic well-being—I believe that we must move ahead on two fronts. We must develop a forceful and aggressive trade policy and we must reorganize our trade bureaucracy.

The President has taken some first steps toward the development of appropriate policy with his announcement in September of last year of the national export policy. It calls for providing increased direct assistance to U.S. exporters, reducing domestic barrier to exports, and securing a fairer international system for all exports. Clearly, there is much now that needs to be done if we are to achieve these policy objectives.

I do not feel that they can be fully accomplished, however, until we reorganize our entire trade bureaucracy to allow us to systematically back up and implement such a policy.

It was for this reason that I introduced legislation on April 5, 1979, to create a Cabinet-level Department of International Trade. It would bring order and leadership to our international trade activities, and to related domestic industry affairs. This Department would consolidate the functions of many disparate agencies which now share jurisdiction in this area. It would allow for more efficient promotion of U.S. commercial interests; greater vigilance in the enforcement of laws on unfair trading practices; the improvement of our capability to monitor business and trade developments which have direct relevance for American jobs and industries; and improvement in the administration of controls on export of strategic goods and technology.

Our current organizational efforts in the trade field are inadequate to the task. They are characterized by:

A diffusion of authority;

A duplication of responsibility;

An uneven and, at times, seemingly lackadaisical enforcement of current policy, especially in the area of unfair trade practices;

A crisis-orientation; and

A lack of long-term policy planning.

These are difficult problems which can be surmounted through a streamlining of our current trade efforts and the development of a new organizational structure which can better coordinate and unify our international trade and industry policies.

Furthermore, from the streamlining and reorganization of our trade activities, the United States would be in an improved negotiating position on international trade matters, including energy. The large number of agencies which have parts to play in our trade activities now work against the development of unified U.S. positions on trade matters.

For all these reasons, Mr. President, we need to reorganize our trade activities. Trade is too important for our international standing and national welfare for us to continue to do business as usual in this vital area.

I believe that the time has come again for us to give trade the type of support that it received from our Nation's leaders after our country gained independence. Then, John Adams as Minister to Great Britain and Thomas Jefferson as Minister to France are said to have devoted more time to trade promotion than any other single activity. Today, export promotion is as important to our Republic as it was during the first years after independence. The need is great for us to undertake a major reorganization of our trade activities.

Mr. President, if I have any time remaining I reserve it.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

REPUBLICAN REVIEW OF 96TH CONGRESS TO DATE

Mr. BAKER. Mr. President, as the Senate prepares for the August recess, it seems an appropriate time to sum up the major Republican contributions to the Senate's work thus far in the 96th Congress.

As of last week, 1,030 bills and resolutions have been introduced—661 of them by Republicans. Of the 910 legislative amendments introduced, 588—or 65 percent—were sponsored by Republicans.

This high percentage of amendments underscores a fundamental commit-

ment by Senate Republicans, as the loyal opposition, not simply to oppose but to improve legislation before the Senate, to try if we can to make a positive contribution to public policy, to try new and more imaginative ways to solve old problems and deal with new challenges.

But I am especially proud of the fact that Senate Republicans have gone a step beyond the consideration of specific bills and have formulated comprehensive, meticulous statements of Republican policy.

Only last week, all 41 Republican Senators endorsed an economic policy statement which commits this country to growth, to increased savings and investment, to more aggressive trade policies, to well-targeted employment programs, to a balanced Federal budget, and to a substantial reduction in the burden of Federal taxes.

This policy statement, prepared under the direction of the Senator from New York, Mr. JAVITS, represents an enormously important contribution to public policy debate on the national economy. It is the latest in a series of policy statements over the last 2½ years dealing with such crucial and complex issues as energy, foreign policy and national defense.

As for activity on the Senate floor, the CONGRESSIONAL RECORD indicates there have been some 14,000 recorded appearances in the Chamber, with Senators engaging in debate, making statements or introducing legislation. Forty percent of this floor activity originated on the Republican side of the aisle.

The Republican unity which has been growing stronger over the past 3 years is very much in evidence in the RECORD of the 96th Congress thus far.

At the beginning of the session, Republicans voted unanimously for changes in Senate Rule XXII, supporting minority party rights and protecting against post-filibuster delaying tactics.

On votes 20 through 27, Senate Republicans were strongly united in a demand for greater fiscal responsibility by opposing an increase in the debt ceiling.

Votes 14, 80, 81, and 144 attested to a common Republican dedication to a strong national defense.

Republicans overwhelmingly supported the expansion of agricultural exports in votes 205, 209, and 210.

We voiced strong support for continued good relations with the people of Taiwan on votes 11 to 17, 32, and 121.

Aid for Turkey, a vital link in the NATO defense and indispensible to verification of the proposed SALT II Treaty, won broad Republican support on vote 104.

Republican support for more representative government through democratic elections in Rhodesia, and a strong Republican preference for a moderate rather than a radical solution to the internal problems of that country, were reflected in votes 31, 92, 94, and 126.

A solid majority of Republicans reiterated the commitment of our party to limited Government spending by voting to reduce the 1980 budget authority by $1.1 billion on vote 199.

These statistics, and the Republican solidarity they demonstrate, have made Senate Republicans one of the most cohesive—and therefore one of the most effective—political forces in the Nation.

The balance of this session will see the Senate debating SALT II, revising the Nation's energy policy, dealing with a deepening recession, and completing action on the more routine business of Government.

I wish to thank each of the 41 Republicans in the Senate for working exceedingly well individually and collectively, and I am confident the challenging months ahead will find us even more committed to making a significant and constructive contribution to the public policies of the United States.

Mr. President, I yield 5 minutes to the Senator from Maryland.

A LEADERSHIP VACUUM

Mr. MATHIAS. Mr. President, I thank the distinguished minority leader for yielding me his time to mention a subject which has been disturbing me in recent days. It was just 2 weeks ago that more than 60 million Americans listened while the President of the United States, in a nationally televised address exhorted them to have "faith in our ability to govern ourselves."

But, in almost the same breath, the President launched an attack on the Federal Government and on Washington that he has been carrying on ever since.

Frankly, I am tired of it.

I have served the people of Maryland in Congress now for 18 years and during that time I have had ample exposure to the Federal Government and to Federal workers at all levels in virtually all Government agencies. What I have seen convinces me that the President is way off base when he says:

> (T)he Federal government is isolated from the mainstream of our nation's life. Washington, D.C. has become an island.

Or when he says things like this:

> What you see too often in Washington . . . is a system of government that seems incapable of action.

That is hogwash. What you see in Washington is a Government that functions, and functions pretty well, despite a critical lack of leadership. And the Government is able to carry on in this leadership vacuum, precisely because of the quality and dedication of the people who work in it.

Few realize it, but the Comptroller General of the United States reported to Congress on May 21, 1979, that:

> (T)axpayers appear to be getting hundreds of millions of dollars of "free" labor each year from the many Federal employees who regularly work extra time without compensation." He estimated that in just seven agencies surveyed "all uncompensated hours are worth between $660 million and $800 million per year at regular pay rates.

Regrettably, we have not heard anything about that from the President.

Congress, of course, has not been immune from the President's attacks either. But I am not here to defend Congress, although I was shocked by the President's intemperate indictment of Congress as "twisted and pulled in every direction by hundreds of well-financed and powerful special interests." Happily, of course, Members of Congress are free to defend themselves against such attack.

But civil servants are not, The Hatch Act prohibits Federal employees from doing exactly what the President is doing: engaging in partisan political activity.

On their behalf, therefore, I suggest to the President that enough is enough. I cannot stand silent and see the Federal civil service take the rap for everything that is wrong in America. When the ship of state founders, it is not the crew that is the problem; it is the helmsman. The sooner the President admits this, the better off we will all be. He is, after all, in charge of the Federal bureaucracy and he has been since January 1977. I personally think he has been fortunate in the caliber of the personnel at his command. They have been loyal despite his own disloyalty to them. And that is the reason the Government is running as smoothly as it is.

The grave danger posed by the President's anti-Government tactic is that eventually he may destroy the morale of civil servants so completely that his attack on Government becomes a self-fulfilling prophecy.

Mr. Carter cannot afford to estrange himself from the men and women responsible for carrying out his programs and the country cannot risk the governmental disfunction his anti-Government crusade may bring on.

I urge my fellow Americans to join me in expressing their support for the men and women who work for the Federal Government and who make the Federal Government work. And I urge the President to put the same effort into running the Government that he is currently putting into running against it.

Mr. GOLDWATER. Mr. President, I believe I have 15 minutes; is that correct?

The ACTING PRESIDENT pro tempore. Does the leadership yield back its time?

Mr. BAKER. Mr. President, I ask the distinguished Senator from Arizona if he will indulge us for 2 additional minutes so I may yield 2 minutes from my time, under the standing order, to the distinguished Senator from Utah.

The ACTING PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I thank my friends from Tennessee and Arizona.

THE WEBER DECISION AND OUR FREEDOM FROM QUOTAS

Mr. HATCH. Mr. President, last March, I introduced a bill to prohibit the use of goals and quotas to insure, for

example, that employers could not hire, fire or promote individuals simply on the basis of their skin color (S. 575). I accompanied the bill with a detailed explanation of how Federal officials have used goals and quotas to mutilate the civil rights laws by turning their prohibitions against discrimination into positive duties to discriminate. The bill was necessary, I explained, to reverse the pernicious trend of having racial statistics alone determine the availability of employment, educational and business opportunities. (CONGRESSIONAL RECORD, March 7, 1979, p. 4186).

Since the introduction of that bill, the Supreme Court has handed down its decision in *United Steelworkers* v. *Weber*, 47 U.S.L.W. 4851 (U.S. June 27, 1979), which upheld a rigid quota system in a company plant where there had been no proof of past discrimination. The decision thus has added a new and compelling reason for enactment of this proposed legislation. The Supreme Court now has joined numerous executive branch officials in ignoring the "reverse discrimination" prohibitions in the 1964 Civil Rights Act. Moreover, Government officials already have proclaimed that Weber vindicates their promotion of goals and quotas and, if anything, provides broader support for their use in the future.

As indicated in detail below, the Weber decision, and its interpretation by Federal officials incorporates a perverse view of the 1964 Civil Rights Act. By sanctioning the use of goals and quotas, it gives license to perpetuate injustices sought to be cured by the civil rights laws. It is, therefore, necessary to act upon the observation of Justice Blackmun who, in his concurring opinion, in Weber, stated that "if the Court has misperceived the political will, it has the assurance that because the question is statutory Congress may set a different course if it so chooses." S. 575 is necessary, not to establish any new course in the pursuit of equal opportunity, but to reestablish the original principles upon which the Nation's equal opportunity effort was founded.

In order to understand fully the impact of the Weber decision, we should evaluate, in turn, first how the Supreme Court in Weber misconstrued title VII to reach the result it did, and second, how Federal officials subsequently have mischaracterized the Weber decision to claim authority for utilizing goals and quotas in circumstances clearly not addressed by the Court.

I. THE WEBER DECISION

The Weber case involved the legality of an agreement between an employer and a union to reserve 50 percent of the openings in apprentice craft training programs to blacks in a plant with no previous record of racial discrimination in its hiring policies. Brian F. Weber—a white employee at the plant who had more seniority than some blacks selected—filed a title VII suit alleging that he had been discriminated against on the basis of his race because he had not been selected for the program.

What the case appeared to call for was a straightforward application of title VII. Section 703 (a) and (d) of that title make it unlawful to discriminate because of race in employment practices and specifically in the selection of apprentices for training programs. Moreover, section 703(j) of title VII provides that nothing contained in title VII shall be interpreted to require any employer to grant preferential treatment to any individual or group because of the race of that individual or group on account of any imbalance which may exist between the number of minorities in the employer's and surrounding workforces. This language, plain on its face, would appear to require judgment in favor of Weber and against a plan which, without a showing of past discrimination, distributed opportunity according to race.

Lest the statute not be understood to say what, in fact, it says, the Court had at its disposal extensive legislative history on the meaning of section 703(j), all of which underscored Congress intent to prohibit any deliberate attempts to maintain racial balance in a workforce. A reading of that history would make manifest that whenever opponents of title VII raised the possibility that it might promote racial balancing, supporters of the title repeatedly and unequivocally denied that it would do so.

In the face of both title VII and its legislative history, a majority of the Supreme Court nevertheless concluded that a voluntary race-conscious program was permissible. The Court put aside the letter of the law, chose to ignore its legislative history, and instead engaged in the exercise of seeking to ascertain and to implement the "spirit" of the law. Invoking these "spirits," the Court majority concluded that title VII did not place the same limitations upon private individuals as it might place upon Government to eliminate the vestiges of past societal discrimination. Section 703(j) prohibited only "required" preferential treatment; thus, voluntary preferential treatment was outside the scope of the statute's prohibitions.

The inconsistency between the Court's decision and both the text and legislative history of title VII was not lost upon two dissenting members of the Court. Justice Rehnquist, whose opinion was joined by the Chief Justice, observed that the majority's attempt to infer that section 703(j)'s use of the word "require" was intended to "permit" forms of racial discrimination was "outlandish" in terms of the flat prohibitions of section 703 (a) and (d).

Likewise, Justice Rehnquist properly accused the majority of disregarding the legislative history in a manner metaphorically akin to the escape artist tactics of Harry Houdini. Justice Rehnquist observed:

> Contrary to the Court's analysis, the language of § 703(j) is precisely tailored to the objection voiced time and again by Title VII's opponents. Not once during the 83 days of debate in the Senate did a speaker, proponent or opponent, suggest that the bill would allow employers voluntarily to prefer racial minorities over white persons.

He also observed that the decision represented a volte-face from the previous view expressed by the Supreme Court that "discriminatory preference for any group, minority or majority, is precisely and only what Congress has proscribed" in title VII. *Griggs* v. *Duke Power Co.*, 401 U.S. 424, 431 (1971). The unwillingness of the Court majority to be bound by judicial precedent was particularly noticeable in its refusal to confront squarely the fact that there had been no showing that the company had discriminated. Instead, the Court majority took judicial notice of lower court decisions finding that minorities had been excluded from crafts on racial grounds. See, for example, *Contractors Association of Eastern Pennsylvania* v. *Secretary of Labor*, 442 F. 2d 159 (3d Cir. 1971). Those cases, however, involved the building trades, not the industrial unions. The cases cited by the Court did not deal with the practices of either the Kaiser Co. or the United Steelworkers, but involved the Labor Department's "hometown plans" which set up preferential treatment programs only after discrimination by the specific building trades unions hiring halls had been established in public hearings. The cases cited by the Court are atypical of industry generally, and do not lend any support to its result reached in Weber.

In sum, Weber's sanctioning of preference by race is unsupported by title VII, its legislative history or court precedent. More troublesome, however, is that it represents a serious setback for all concerned with the protection and promotion of civil liberties. The Weber decision legitimizes the notion that individual rights can be obliterated by the use of racially based numerical instruments. Now that the Supreme Court has upheld the practice of equal opportunity "according to the numbers," is it not inevitable that this invitation to private individuals voluntarily to engage in preferential treatment will not be taken by Government officials as a license to mandate the same? In fact, within days of the Weber decision, Federal officials were adopting precisely that attitude, indicating that the Weber decision may represent a far greater threat to individual rights than its own language suggests.

II. THE AFTERMATH OF THE WEBER DECISION

It is as important to understand what the Weber decision did not decide as it is to understand what it did. The Court ruled narrowly that private individuals could undertake voluntarily a preferential treatment plan. It specifically declined to rule:

First, on any alleged violation of the Constitution;

Second, "What title VII requires or what a court might order to remedy a past proven violation of the act;

Third, whether the plan was an attempt to avoid suit under title VII or comply with Executive Order 11246.

Notwithstanding the Court's unsupportable reading of title VII to allow voluntary preferential treatment, it is plain that the Court at least did not go so far as to permit the Government to indulge in similar preferential treatment schemes. One would never know this, however, from the pronouncements of various Federal officials shortly after Weber was announced. In her enthusiastic response to Weber, EEOC Chair Norton declared that "(t)he breadth of the decision leaves no unanswered questions," and that "* * * employers and unions no longer need fear that conscientious efforts to open opportunities will be subjected to legal challenge." (125 Daily Labor Report at AA-3 and 4, June 27, 1979). Similarly, OFCCP Director Weldon Rougeau, who directs the Government's affirmative action program for Federal contractors, was quoted as saying that the Weber decision is a "green light" for OFCCP's enforcement program and that "(w)e're going to see much more enforcement than we've ever seen in this area." Wall Street Journal, July 10, 1979, p. 1. In a New York Times interview, Mr. Rougeau stated that Weber "sanction(s) an affirmative action program quite similar to one that an employer would have to develop if we did a compliance review * * *" In the same interview, he further stated that "(I)f (Justice Brennan is) talking about creating a Kaiser-type plan, in which 50 percent of the training slots go to minorities, that comports very much with the requirements we impose on contractors." New York Times, section 4, July 1, 1979.

Based on these statements, it is clear that Government officials have every intention of using Weber to promote governmentally required preferential quotas, even though the opinion in Weber provides no support for such a position. In fact, even Justice Brennan strongly suggests that EEOC may not, consistent with section 703(j) of title VII, require employers to engage in preferential treatment. As for OFCCP's position that Weber encourages Government-sanctioned goals and quotas, this seriously distorts the Weber majority opinion which, as noted, stated that the Court need not "consider petitioners' contention that their affirmative action program represented an attempt to comply with Executive Order 11246." The Government's approach, however, obviously is to place Federal contractors in the position of either accepting quota requirements or losing Federal contracts. As I stated before the Weber decision, the use of quotas unrelated to correcting acts of discrimination is turning our equal employment law and Federal grant programs into nefarious instruments for social engineering clearly at odds with the intent of those who enacted the 1964 Act. (CONGRESSIONAL RECORD at 4189). By placing its imprimatur upon group-oriented preferential classifications, the Supreme Court has exacerbated the quotas problem. Its decision thus lends urgency to the need for a reestablishment of first principles in equal opportunity, foremost among them, the commitment to preserve and foster fairness for every individual. S. 575 is designed to accomplish exactly that, and I therefore urge its prompt enactment.

FRIGHTENING DEVELOPMENTS IN THE MIDDLE EAST

Mr. HATCH. Mr. President, if I analyze the effect of the bilateral Egyptian/Israeli peace treaty on the overall situation in the Middle East, I must conclude that it must be welcome simply because for 30 years such an Arab/Israeli reconciliation was regarded as a political impossibility. The treaty fulfills all Egyptian demands such as the reintegration of the Sinai, occupied for more than 10 years by Israel, removal of all Jewish settlements from this area, and the future possibility of a national economic development unprecedented in the history of this traditionally poor country. Israel must also regard the treaty as a success. It led to a total reconciliation with the most populous and powerful Arab country. Unfortunately, the improving relationship between Egypt and Israel is not generally welcomed in the Middle East.

Recent events indicate that a new split has been created in this volatile region. Egypt was immediately condemned by the Arab hardliners like Iraq, Syria, Libya, Algeria, and the PLO. Moderate and generally pro-American countries such as Jordan, Saudi Arabia, and the Gulf sheikdoms were forced by a ruthless propaganda and increasing military pressure to join to the so-called opposition camp. As a result, Egypt and its peaceful policy is only supported by Sudan, Oman, and North Yemen. Needless to say, the Soviet Union does not share our hopes stemming from the improving relations between Israel and Arab countries. A sure sign for different Soviet intentions was the mission of Andrei Gromyko to Syria immediately prior to the signing of the peace treaty in Washington. Intelligence reports indicate that Mr. Gromyko attempted to exploit the newly created situation in complete conformity with previous Soviet political strategy in this region. He told Syrian President Assad that the Soviet Union firmly rejects the peace treaty, because it represents an appeasement on the part of Egypt. At the same time, he emphasized that the Soviet Union is the only one country which unconditionally supports even a violent opposition to the American peace effort. Moscow hopes that the effect of such an unconditional support would allow them to leapfrog over the newly erected reconciliation efforts and as a result they can gain again a foothold in the Middle East.

This strategy is well known to us, for in 1955 the Soviet Union started its Middle East expansionism by the same means. The Gromyko mission to Damascus has been followed by a massive military build-up of the so-called hardliner Arab countries. In addition to its military assistance programs, the Soviet Union intensified its diplomatic pressure on these countries for a closer political cooperation. If the United States will not stop these Soviet activities the result could easily be a bitterly divided Middle East into an American and a Soviet zone of influence. While the American zone would embrace only Egypt and Israel the Soviet sphere of influence could extend to the entire Mediterranean and the Gulf area. Such a zone would become an integral part of the Soviet collective security system linked by a series of friendship treaties with Moscow. Moreover, such a zone would border directly on Soviet territory, a fact that would ease Soviet access to this area. Such a development would be in complete agreement with the old Soviet political desire nursed by the Czars. How vehemently the Soviet Union pursues its goals could be best demonstrated by the fact that the leaders of the Omani Communist Party, whose attempt to transfer Oman into a Communist satellite of the Soviet Union was upset by the Shah of Iran, most recently paid a visit to the Soviet Union. During this visit they were told that the Soviet Union will support their fight against the legitimate government of the sultan of Oman. Additionally, the Kremlin promised them a truly massive military assistance. Renewal of the military conflict in Oman would not only impose an immediate threat on the nation's security of Saudi Arabia but would at the same time throw Iran into the Soviet sphere of influence. Therefore, the United States must act quickly and decisively to upset Soviet activities in the Middle East and thus to prevent further deterioration of the overall political situation in this region.

We should do this for two reasons. First, the Arab countries and, I am sure, even the so-called radicals reject Soviet political goals and Marxist ideology. In Syria, Iraq, and Libya, despite their acceptance of Soviet military assistance, the Communist parties have little leeway for maneuvering. These countries have a genuine national interest in intensifying their economic and cultural relations with the United States and other Western European countries. Second, the moderate Arab countries would like to maintain their policy of official friendship with the countries of the Western Hemisphere. These two factors and the resulting improvement of the relationship between Egypt and Israel should give the United States the political and the moral power to counteract Soviet goals and to throw the other Arab countries into the peace process as soon as possible.

I thank my friends.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no further need for my time under the standing order. I would be glad to yield to the Senator from Arizona.

Mr. GOLDWATER. I think there has been some mixup. I was told 3 days ago I had 15 minutes. I understand Senator PROXMIRE was to precede me.

Mr. PROXMIRE. I would be happy to let the Senator from Arizona go first. I have another matter. If he wants to go first, it is all right with me.

The ACTING PRESIDENT pro tempore. Without objection, the orders will be switched.

RECOGNITION OF SENATOR GOLDWATER

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes and 16 seconds.

Mr. ROBERT C. BYRD. I yield it to the Senator from Arizona if he needs it.

(Mr. HOLLINGS assumed the chair).

SALT II AND THE MX MISSILE SYSTEM

Mr. GOLDWATER. Mr. President, at the end of this week the Senate will go into recess and also going into recess probably will be the subject of SALT II. During the past 3 weeks the Senate has been exposed to three different committees holding sessions on this treaty, the Foreign Relations Committee, the Armed Services Committee, and to a longer and more detailed extent, the Select Committee on Intelligence. I have the privilege and pleasure of serving on two of these committees, the Armed Services and Intelligence, and to top it off, if that was not enough exposure, I have kept up with the Foreign Relations hearings through television and an occasional personal visit.

At the outset, let me confine what I am going to say to opinions gathered from the testimony before the Armed Services Committee and Foreign Relations. A few witnesses testified in a very strong way that they did not feel the treaty was properly drafted or that the United States made any points in its drafting. What continuously bobbed up through all of the testimony, however, was the inescapable fact that the United States no longer is the No. 1 military power in this world. Even though the President of the United States and the Secretary of State and others have told the people of this country, not once, but on numerous occasions, that we still occupy that high position, testimony and evidence, both written and printed, constantly bring out the fact that we do not compare with them in conventional weapons; in fact, they outnumber us dangerously.

In strategic forces I think it is evident that they not only outnumber us, but out-weapon us and have a greater ability to rain destruction on this country than we have on theirs. Let me hasten to interject a personal observation, gained not just from the hearings I have listened to, but from personal study—each side has more than enough to take care of strategic nuclear needs. But the treaty obviously has done nothing about this except to set the stage for a possible small reduction in force in the middle 1980's and then a look at SALT III.

In spite of the overweight of nuclear weapons, the President has come out favoring the building of the MX missile system with a decision to be announced within the next few days, possibly before we leave for the recess, on what the launching mode will be. Now for those people who will hinge their vote on whether the MX is actually financed or not, they should demand in no uncertain terms that the President, preferably before we go home but certainly before we return, send down a request for authorization for the MX system, including the launching mode. And I would say that if he does not do this, then it would be proper for the Members of the Senate to say no to the SALT II agreement. In my opinion, Senator SAM NUNN did this country a tremendous favor the other day, when, after being convinced of our vulnerability as I am sure were other Members privileged to hear the Armed Services arguments as well as the hearings before the Foreign Relations Committee, he said that unless the President comes out with an absolute commitment that there would be an increase in spending on strategic and conventional weaponry in the next budget that he could not vote for the treaty.

Now I am sure that Senator NUNN meant exactly what he said, and having talked with many of my colleagues, I think he has spoken the words that are on most of their lips, so the question again is squarely up to the President, and in this case, the President going on television and saying that we will have an increase in spending will not be a sufficient answer. He must send down in written form his request for next year's budget, so that the Members of the Senate will know what they are going to be voting on when the time comes to vote for SALT II.

If there has been one thing that has crept into all of the discussions, even from those people who are strongly in favor of the treaty, it has been the questions varying from unexpressed doubt to open doubt about our conventional forces. It was very obvious to anyone listening to the Joint Chiefs of Staff as hard and as eloquently as they tried to show a preference for SALT II. One could not help but read into their remarks the fact that they would have liked a strong assurance from the President concerning our conventional forces. I think if they could have had such assurance in writing that they could have testified in a much more open and secure manner than the rather dodging and scampering about which they engaged in.

Now let me switch over to the Select Committee on Intelligence without divulging anything that should not be told on this floor about those hearings. I made the statement last week that my original concern with the treaty was our ability to verify it. With almost a lifetime background in electronics, radio and the use of frequencies, I say that while I am not satisfied with the extent of verification that we can achieve, we can do an acceptable job with the certain knowledge that we can improve this as time goes on. Now I have worked with the Select Committee on Intelligence since its inception; I worked on the Church committee before that. I have watched the intelligence family of our country dragged through the mud, subjected to lies, subjected to ridicule and abuse that would indicate to me that there are people in this country in the areas that I have mentioned who would like to see us do without any intelligence. I thank the Lord that those days have long since passed and our intelligence community is now working together as a team, I think probably better than ever before and is providing us with an abundance and quality of intelligence that I do not think can be matched elsewhere. But, and this is a big but, where Senator NUNN had doubts which prompted him to demand of the President more concrete assurance of money to be spent in the coming budgets on strengthening our conventional and strategic forces, I have doubts about the funds available for intelligence matters.

These same doubts force me to ask my President that there be an indication given immediately so that the coming budgets will include moneys for the expanding needs of our intelligence services. I cannot go into this at any great length because of classification, but if we have one job on that oversight Intelligence Committee, it is to arrive at conclusions as to how the intelligence job is being done and where we as a congressional body can do anything to assist them. So I have made my statement, and I repeat, I ask my President to give this country, through this Congress, assurances that the intelligence community will receive the help that it so badly needs for the years ahead.

To wrap up this part of my observations on SALT, I believe that the treaty was loosely and somewhat poorly conceived and written; I believe that we made concessions in the protocol that we will live to regret if we ever ratify it, namely the exclusion of the Backfire bomber, which is one of the most lethal weapons the Russians have developed and it is only in its infancy. When I couple the knowledge of the Backfire's ability with the knowledge that they are working on two or three long-range bombers, then I believe we have a real cause to worry. I have an amendment in to include the Backfire bomber in the treaty. It is there because of a letter handed to President Carter by Breshnev. I have suggested to members of the Foreign Relations Committee and to the Joint Chiefs of Staff that there would be nothing wrong, in my opinion, in including the Backfire and our FB-111, which the administration allowed to be excluded. There are other problems in the protocol wrapped up in the use of effective weapons that we have developed which will be brought out better during the period of debate.

I have brought these matters out because of a vacation coming up. In fact, I thought some of my colleagues might like to have at least the benefit of the thinking of one Member of this body who has probably been exposed as much as any one person to all of the facets of the three different discussions which have been going on before the committees. Having done that, let me now enter some remarks which I have prepared that I think cover my general feeling about the situation of the United States in this world.

The thing that continues to bother me as we talk about our military needs is that we seem to confine our thinking to one general battleground, and that would be the area in which we might fight a war with Russia, if such an unfortunate incident occurred. Frankly, that is the main thing that bothers me about SALT. We are concentrating all of the thinking and arguing and reasoning of the 100 Members of the Senate, the Joint Chiefs of Staff, intelligence groups, et cetera, on the subject of the Soviets instead of spending as much time discussing where we are in relation to the rest of this world.

First of all, let me make clear my understanding of this so-called race between the United States and the Soviets in the munitions and weapons field. And you will notice I called it a so-called race because it really has not been one. The Soviets have been far outspending us and have outstripped us in general forces alone, and they are vastly superior; that is, 3 to 1 in ground forces, almost 6 to 1 in tanks, 2 to 1 in tactical aviation, and roughly 2 to 1 in naval forces. I will challenge anyone in or out of the administration who says the United States is still the No. 1 military power in this world.

The real clash between the Soviet and American objectives concerns the role the Soviet Union aspires to play on the world stage. The President apparently did not understand, upon taking office, that the main thrust of international relations centered on the competition of the United States and the U.S.S.R. He, therefore, was unable to handle the outbreaks of Soviet influence in North Africa, Afghanistan, et cetera, to include their use of Cuban troops.

In fact, looking at the Third World alone, which I could describe as the cockpit of turmoil, war, famine, repression, overcrowding, pressure for change is turning one developing land after another into a global flashpoint. It is a pattern with danger both for the United States and Russia. It is that and that alone. I doubt seriously if the United States and the Soviet Union will ever come to war with each other.

The whole background of history speaks against that by reason of the fact that we have always come to her aid when she needs us but if only it suited her plans and objectives, and she has come to our aid when we have needed her. What she is really trying to do then, in my opinion, is to build up an armament so superior to the United States that it will become obvious to every country in the world and when that happens, it is like sitting in a poker game where you know a certain player has the power of the cards he holds and the courage to play them and no one is going to try to bluff him or call him.

That the Soviets are approaching that stage, in spite of what the Secretary of Defense and other members of the President's Cabinet might have to say, is my considered and studied belief, and I might say that that is backed up by many, many experts around this world, that we are now in second place to the Soviets.

Now with the thought in mind, which I have already expressed, that the clash between our two countries concerns the role the Soviet Union is playing on the world stage, let us take a look at it. Boil it down a little bit; what do our allies think of our reduced position? And forgetting the nuclear might of each country, because I along with many others, do not believe these giants will ever be used mainly because a bi-polar exchange between the United States and the Soviets would release the "captive" nations, that is, Poland, East Germany, Romania, and so forth, and they would take back their own lands and probably exploit the devastation of the Soviet Union and eliminate the Communist influence in power and I do not believe for 1 minute that the Soviets are about to allow this to happen.

Let us look at the conventional forces which will more than likely be the equipment that will be used. They have 4.4 million people in uniform; we have slightly over 2 million. They have 50,000 tanks, we have 12,000; and our 12,000 do not include any new ones, while theirs are all very modern. They have 20,000 pieces of field artillery, all new; we have 5,500 all old. They have about 9,000 different tactical aircraft and we have about 5,300 with some of ours going back almost 20 years in age.

Yes, we outnumber her in aircraft carriers, but it is getting rather difficult to support an argument that an aircraft carrier can be of value in any projected war anywhere. Our Navy is probably in the worst shape it has ever been in its history and in that area alone, in fighting ships, they outnumber us 284 to 161, and, at the same time, have 195 attack submarines and we have 81. London's economic magazine states:

> The problem is the will to power of a Soviet Union in the first youth of its imperial enthusiasm and now equipped with an armory of global weapons. In the end that has to be contained so that matters do not slide to major crises and war, by an equal and matching and Western will to resist and an equal and matching Western armament accommodation, compromise and a shrewd avoidance of hopeless causes are an essential part of the process; but they must start from the premise of equal strength.

Now anyone in this administration standing on the actual figures, who argues that we are superior to the Soviets, is either engaged in very uninformed rhetoric, or, to put it in a polite way, he is not exactly speaking the truth. Now, as I have pointed out, the danger of open nuclear conflict between the major powers is very slim, but let us look at some other places around the world where countless conflicts are taking place which could engulf whole regions and threaten the strategic interests of the United States. In the so-called Third World, war and rebellion are becoming almost a way of life, stretching all the way from Vietnam, Cambodia, and the Philippines to El Salvador and Nicaragua. And I believe the unrest and rebellion in Central America, in our very frontyard, holds the greatest peril for the United States. The overthrow of Somoza in Nicaragua could well have a domino effect running through the entire area of Central America. Communism is on the march in this area. We already have a powerful Communist bastion on Cuba. We are very likely to get a Communist government in Nicaragua. We have no assurance that Panama, which is already listening to Castro's Cuba and is suspected of having played an important role in the overthrow of Somoza, will not become another part of the Communist presence. In other words, our situation is perilous in this important region at the present time. We could easily lose all of our rights of interest in Central America, including use of the Panama Canal.

Now let us look at other places where our strategic interests bear importantly on the security and well-being of the United States. What happens if OPEC falls? What happens if the Arabian nations are infiltrated the way Iran was infiltrated and we find great changes of power? I know that for anyone to think today that it would be possible to infiltrate an Arab country is rather laughable, but I remember a few years ago when it was just as funny to think that about Iran, and it happened. What happens when the Persian Gulf is no longer available? How are we equipped to do anything about it, and then the next question, will we have the courage to do it?

Now then, let us take another look at somewhere else where we are doing our best to incite trouble—South Africa. Now I do not agree with apartheid any more than President Carter agrees with it. However, on the other hand, I do not think it is any business of ours, other than the constant suggestion that they change and, I might add, they seem to be changing. We have no more right to do that than the South Africans have to complain about the brutal treatment we have given the American Indians down through the history of our Republic.

If we lose South Africa, we lose one of the most advantageous intelligence gathering posts we have in the world, and we lose the last two ports where the ships of our fleets, both Navy and civilian can use, and at one time, just a few years ago, our ships could go into any point around the periphery of the continent of Africa but no more.

It seems that this country of ours is constantly sticking its nose out for trouble. We asked the Rhodesians, no, we told the Rhodesians what we wanted them to do. They did it but our President will not lift the sanctions on the Rhodesians, and what he is specifically asking for, although he would deny it, is for the guerrilla forces to move in, take it over, destroy all the whites and then install a government that could not possibly succeed and we would be denied our principal source of cobalt in this world.

Let us jump over a few thousand miles to the area of Southeast Asia. Please keep in mind that the foreign policy of this country for over 100 years has been wrapped up in the periphery of the Pacific. That area is the great shining light in the new economics of the world. That is where we want to be, we should be, and we must be, and yet we have placed a knife in the back of a real friend, Taiwan, and what would prohibit Taiwan from saying to the Soviets, yes, you can use that beautiful airbase that the United States built for us, you can use our ports, and we will be glad to do business with you, but we do not necessarily want to be an ally. All we would ask is that if we are attacked by the Red Chinese at any time, and in return for our favors, you extend a few to us. Now that might not happen, but let us go down a little farther south to Cam Rahn Bay, a place familiar to hundreds of thousands of American servicemen. I said a few months ago that the Soviets might move in there; I would remind my listeners that at this moment they have moved in, oh, not lock stock and barrel, but that is their next move. Then where do they go? Well, I hope it would never happen, but the tremendous airbase that we built in that area could possibly be taken by the Soviets and then Singapore. Do you get what I am trying to say? With those successes, the Straits of Malacca could be denied the use of any shipping, ours or those friendly shipping to us, and our friends like Japan and South Korea would strangle for the lack of oil. Also, our interest in the countries around the Pacific would be ended because they would have no way of ever being of service to them short of going to war, and let me remind you again, our navies are in no condition, and would be in worse condition to go to war if that time should come.

I need not say much about the Indian Ocean. I have often said I believe it to be the strategic center of the entire world, and the country or countries which control that body of water will control for the time that petroleum which will be absolutely necessary to the economics of most of the world. We have had a long, hard struggle in the Senate making it possible for us to build runways, and so forth, on Diego Garcia which we acquired the use of from the English. It is the only place we have in that entire body of water that we can call a place to use if we need it.

Now back up north once again to the continuing and growing dispute between China and Russia, where more men and equipment are now mobilized than at any any time since World War II. This is the place that World War III could start, and, of course, the United States has not made it any easier by recognizing Red China, although strategically speaking (but not defending the move), the recognition probably did more harm to Russia than harm to us. Will that war occur? I have no crystal ball telling me that it will, but, if it does occur, do not be surprised to see the Japanese on the side of the Chinese because of the kindred interests in that somewhat desolate but rich land lying north of the Chinese border and stretching across to the Sea of Japan.

We have always defended Russia. The question now comes, Would we do it in this case? And if we decided to do it, what kind of help could we really give? I have already talked about Cuba's moves in the Caribbean. We know she shipped troops through the Panama Canal to fight in Nicaragua, we know the Panamanians flew DC-6 cargo planes with Communist troops to fight in Nicaragua and, yet, we are not aiming our objections, in my opinion, at the right party. Why not tell Cuba to stop it and tell Panama to stop it?

It should be perfectly obvious that, if Communist moves in Central America succeed, we endanger our already somewhat shaky relationships with the major countries of South America, relationships made bad through downright falsehoods told by Americans in different positions of power and by the neglect we have heaped on that part of the world which, to me, will some day be a continent fully as economically powerful as our own United States. Now these are only some of the possible battlefields or places of trouble that I see around the world and whether we sign SALT II or do not sign it, it is not going to have one single thing to do with the places I have mentioned. Regardless of what we do with SALT, the Soviets are going to remain ahead of us militarily because the President unilaterally decided to cancel the B-1 bomber.

To the unbelief of Europeans he unilaterally decided not to produce the neutron bomb and accepted the cruise missile restrictions. He has made no concrete demonstration as of now that he intends to do anything. Oh, he has said he will build the MX missile, but he has not chosen the type of launch he is going to use and, until he does, it is just something on paper. There are those who say the MX missile decision is a ploy to influence SALT II treaty effort, that is, that if it passes, the Senate will scrap MX.

As a result of these and other actions Senator JACKSON uses the word "arrangement" vis-a-vis, the U.S.S.R. He has not chosen an aircraft to replace the B-1, a penetrating bomber to offset the Backfire bomber which the Soviets are building at the rate of three a month; in other words, there has been a lot of talk on the part of our leadership in this country but not the action needed. So, we get ourselves down to another really gutsy question.

Will we answer the challenge to freedom if and when it comes? Whether the listener or reader likes it or not, strength has always equaled peace, and during the days of Dwight Eisenhower and John Foster Dulles we made it abundantly clear to the Soviets and to the world that our strategic air fleets would be used to restrain any country tempted to use its own strength against another country. But we have not had a foreign policy built on strength since those days.

We did not have the power—or guts—to challenge the Soviet Migs in Cuba even though their presence there was in violation of the Kennedy-Khrushchev agreement. What we have had is a long succession through Republican and Democrat Presidents, of a rather shaky-kneed type of détente where the Soviet has come out quite well ahead of us. Strength equals peace, that means a strong military, a strong economic system and a strong moral system. It is going to take courage, it is going to take real leadership and it is going to take the thorough understanding of the American people.

I will probably repeat this speech with variations constantly between now and the time the vote comes on SALT II because I believe that the questions that I have raised, while certainly not new in the mind of anyone who pays any attention to foreign affairs and military strength, need to be asked and asked and asked, and it is my intention to do just that.

Mr. President, these remarks cover my feelings as a former military person, one who has spent almost his entire life in the concern of our military and our position in this world, and after a lifetime spent in the fervent pleading and the hope that we will have peace in this world.

I have been bothered by the course this country is taking, not just under this present administration but I hate to say under Republican Presidents and Democrat Presidents alike. In fact, I do not think we have had a workable, understandable foreign policy since the days of Dwight Eisenhower; and I do not think we have had the effective kind of leadership this country needs since those days.

I thank my friend from Wisconsin (Mr. PROXMIRE) for his usual generosity.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. BOSCHWITZ. How much time does the Senator from Arizona have left?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. BOSCHWITZ. Will the Senator yield me the balance of his time?

Mr. GOLDWATER. The Senator is welcome to it if it is all right with Sen-

ator PROXMIRE, because I was really encroaching on his time.

Mr. PROXMIRE. It is all right with me.

A SECOND ANNIVERSARY

Mr. BOSCHWITZ. Mr. President, I would like to note today something of a birthday. This is the second anniversary of the legislation that created the Department of Energy on August 2, 1977.

Now, 2 years later, we find that the President is calling for yet more agencies and yet more governmental programs to straighten out the difficulties or mess that we find in energy—something that the Department of Energy, Mr. President, was created just 2 years ago to do.

It was created to join together the authority of a number of agencies that were sprinkled around the Government: The Federal Energy Agency, the Energy Research and Development Agency, the Federal Power Commission, and other aspects of the energy problem that were found in numerous agencies throughout the Government.

Within 2 years of the birth of the Department of Energy, Mr. President, we find that a new energy mobilization board has been suggested by the President for the purpose, quoting the President's speech of about a week and a half ago, "to cut through the redtape and the delays and the endless roadblocks to completing key energy projects."

Two years ago today, I have a number of quotations from the RECORD of that date—though I know it is hardly necessary to repeat all of them. These quotations are from statements made here on this floor about the upcoming creation of the Department of Energy that would solve many of the problems then apparent in our energy policy. Said one Senator:

> The DOE will assure . . . a lead agency with a scope of authority broad enough to initiate and follow through on conservation programs.

Said another Senator:

> The Department will assure . . . the establishment of priorities, more efficient management of domestically owned resources and more efficient commercialization processes.

And yet we find that American companies and American producers are pumping less oil than they did 2 years ago.

These comments, Mr. President, came from both sides of the aisle—comments about the Department of Energy giving "cohesion and coherence to today's tangle of energy-related agencies"—and "today," of course, referred to August 1977—and that "the key point is not where the central power lies; the key point is how well the public will be served."

Were the energy problems in 1977, as well as those today, Mr. President, clarified and solved by this new department?

The decline of the Department of Energy took just about 2 years, and its bureaucratization came about with budgets of only $4 billion to $9.4 billion. Yet another new agency, Mr. President, that the President of the United States wishes to authorize, the Energy Security Corporation would involve scores of billions of dollars—a new agency that will have billions of dollars more available to it. My short experience here in the Senate indicates to me that that will simply mean more bureaucracy. They will be involved in obfuscation and the inability to act, just as I have seen with so many agencies that I have come in contact with in my brief experience since coming down here.

Back in August 1977, the President of the United States said, about this new Department whose second anniversary is being celebrated today:

> This Department will make it possible for us to evolve very quickly a comprehensive energy policy which we've missed. It will give us an opportunity to regulate the production and distribution of energy along with the pricing concepts clearly and, I believe, cohesively.

Of course, some voices were raised 2 years ago about the improbability of the new governmental agency making things happen cohesively and swiftly. I believe those same speeches should be made today on the second anniversary of the Department of Energy. Unfortunately, Mr. President, nowhere in his speech did the President of the United States talk about the free market system—the free market system which, in my judgment, has served this country so well.

For the 40-year period preceding the development of the Department of Energy, and also for the 40 years preceding OPEC, energy commodities in the United States were controlled by the free market system. If the oil companies really have such a hold on the marketplace now, they really should have had a hold on the marketplace during that 40-year period, because they were uninhibited by a Department of Energy or by OPEC. Yet during that entire 40 years, from the Depression to 1973, the price of gasoline in this country, in real dollars, actually fell.

If that is the way we are going to be abused by the free market, if that is the way the marketplace is going to operate, Mr. President, I am very much in favor of it.

It distresses me that a country that was founded and has functioned so well with free markets and a free enterprise system now will have one of its most essential components, the energy aspect of our economy, basically controlled, constituted, and led by the Government. Mr. President, that is not within our traditions. It is not consistent with the efficiency that our country has prospered under. Also, it is clear that it is a great incursion upon the free enterprise system; and when one incurs on this system, it is also an incursion upon freedom. History speaks with a very single voice: There have never been incursions upon the free enterprise system without incursions on individual freedom.

So I trust that this body, as it considers the energy problem in the upcoming months, will realize that this is only the second anniversary of the Department of Energy, and already there is an effort to further expand the role of Government in energy policy. However, in my judgment, and in the eyes of many others, the expansion of the role of Government in the field of energy has not served this country well.

I thank the Chair, I thank the Senator from Wisconsin, and I thank the Senator from Arizona.

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized.

SALT II

Mr. PROXMIRE. Mr. President, with all the discussion about SALT II and the imposition of serious economic constraints on the Soviet Union and the fact that such constraints are more severe than any Strategic Arms Limitation Treaty, I would like to set forth this morning how those constraints are likely to operate.

First, let me say that SALT II is likely to be recorded as not only the most expensive arms control agreement in history, it will also go down as the most contradictory.

It was bad enough when the administration decided to approve the MX in order to shore up support for the treaty.

Now, the administration has caved in to pressures from the big spenders to increase future defense budgets. What kind of arms control treaty is that?

We are faced with the prospect of a faster, more expensive and inevitably more dangerous arms race, in the name of arms control.

The tragedy of the situation is that we are failing to take what could be our best chance for slowing the arms competition between the two superpowers.

A golden opportunity for peace as well as for the taxpayer is being converted into a gold-plating opportunity for the military.

The result will be a military buildup that is unnecessary militarily and seriously inflationary.

Setting down a figure to increase future military budgets—whether 3 percent or 5 percent annually in real terms—is arbitrary, irrational, and nonsensical.

It is perhaps the chief irony that by doing so, in response to what some perceive as the growing Soviet threat, we would be emulating the worst aspect of the Soviet system.

The Soviets face bleak economic prospects. Why? The answer in large measure is because of their decision to increase military spending in an almost mechanical way, year after year, by an estimated 3 to 5 percent.

It is this robotlike, mindless approach to the allocation of resources for defense that some in this Chamber and in the Pentagon and others like Dr. Kissinger are advocating for the United States.

SOVIET ECONOMIC WEAKNESSES

A brief look at the Soviet economy will show why we should not try to follow in their footsteps.

It will also demonstrate that, as a result of serious constraints on the Soviet economy, we are in an excellent position to induce Moscow into a real reduction of the arms race.

Here are the facts about the recent performance of the Soviet economy.

Soviet economic growth peaked in the decade of the 1950's and has been steadily slowing from 1951 through 1960. The Soviet annual growth rate averaged 5.8 percent. In the next decade, 1961 to 1970, the rate declined to 5.1 percent. In the period of 1971 to 1975, Soviet economic growth averaged 3.8 precent. In 1977 and 1978 growth was about the same.

However, the Soviet economy is expected to slow down further in the next few years, and the slowdown could become drastic.

The CIA has been accurately forecasting a further slowdown in the Soviet economy since 1977 and in each of the past 2 years has predicted even lower growth.

This year, Adm. Stanfield Turner, testifying as spokesman for the intelligence community before my Subcommittee on Priorities and Economy in Government, said that the growth of the Soviet GNP could fall below 1 percent annually in the mid 1980's.

This projection assumes that Soviet oil production declines to 8 million barrels per day, but even without a drop in oil production growth is projected to slow to less than 3 percent annually.

The slowdown in Soviet growth is attributable to fundamental weaknesses in the Soviet economy including an impending manpower shortage, poor productivity growth, wide fluctuations in the agriculture sector, and the possibility of a drop in oil production.

Some, if not all, of these problems are beyond the capacity of the Soviet leaders to solve for the next decade. For example, labor force growth will slow to less than 1 percent annually because of the low birth rates during the 1960s. These demographic forces are slow to evolve and slow to change. At this date there is nothing the Kremlin can do to avoid labor shortages in the 1980's.

Similarly, in the case of productivity, the rate of improvement has been slowing down for years and will be aggravated by the labor shortage. Annual productivity growth fell from a poor 1.2 percent in the decade of the 1950's to 0.8 percent in the 1960's. In the first half of the present decade the rate fell to —0.6 percent and has been nearly as low in the past 3 years.

This miserable performance has already begun to show up in industrial performance. The growth of steel production has been steadily falling in recent years. In the first half of the present year not only steel, but also the production of key commodities such as cement, nonferrous metals, mineral fertilizers, and pesticides fell below the levels achieved in the same period of 1978. Oil production fell below last year's level, the first time that this has occurred.

These shortfalls will cause shortages that will reverberate adversely throughout the economy for at least the rest of the year.

Industrial production for the first 6 months of this year increased by only 1.4 percent. In the same period steel production declined by 1 percent, cement production declined by 6 percent, mineral fertilizer declined by 6 percent, and the production of freight cars was off by 3.5 percent.

The combination of steel and cement shortfalls will seriously affect investment. The drop in freight car production will add to railroad transportation bottlenecks which are already responsible for significant delays in the delivery of goods.

The fall-off in fertilizer production can only worsen problems in the farm sector. These problems are well known as they periodically result in food shortages and massive food imports from abroad.

This year another poor harvest is being forecast which will demonstrate to the world, once again, that the Soviet economy is not balanced enough or strong enough to produce the food required to feed the Soviet people.

Consumer standards in the Soviet Union have consistently lagged behind those of the United States and Western Europe. They also lag behind those of Eastern Europe. And although the average Soviet consumer has experienced improvement in his lot, the kind of economic stagnation being projected for the 1980's would bring stagnation to consumer standards as well.

The economic situation helps place the problem of the arms race into perspective. In the years ahead, the Kremlin will be increasingly squeezed between a declining economy and rising consumer demands.

Of course, resources used for defense do not contribute to solutions of these problems. Arms spending makes the problems worse because resources spent for defense cannot be used to strengthen the economy or raise consumer standards.

Just the other day we had a debate on the floor on the assisted housing program. I put in an amendment to cut that program by $700 million. It was defeated. The distinguished Senator from Maryland made a very strong and reasonable appeal for the money. He said that when we spend money for housing it increases the supply of housing, and in the long run tends to reduce rates. He had a good point.

However, the spending that we engage in with respect to housing is inflationary and in the short run. That is what we have to worry about with respect to housing, because it will not be completed for many years. In fact the peak program will be done in 4 years and in the short run is inflationary. But military spending is particularly inflationary. It increases spending without providing any economic good.

We do not go into a department store to buy an aircraft carrier or a tommy-gun, at least not many people do. And these are the things, of course, that we produce with military spending.

The growth of Soviet investment has already begun to slow down and this will inevitably result in slower growth in capital stock. Moscow has been able to maintain its pace of military investment, so far, but at a heavy economic price.

In fact, the Soviet Union is falling farther and farther behind other industrial countries in that the fundamental basis for military power is economic strength.

It continues to lag behind the West in technological growth. It is finding it increasingly difficult to exploit its own natural resources without importing Western technology. Of course, the West is happy to sell its technology but, again, at a heavy price for the U.S.S.R.

The Soviet leaders thus find themselves in a triple dilemma. The economic pie is shrinking at the same time that investment, consumer, and defense demands are rising including the demands of their East European allies, whom the Soviets are committed to assist, complicate the problem.

SOVIET DEFENSE LIMITATIONS

The Soviet defense program has already felt some of the effects of these economic constraints.

Here are the facts about Soviet defense.

Soviet defense spending in dollars is estimated by the CIA in great detail. This estimate shows the Soviet defense budget rising by 3 percent annually in real terms. The total dollar annual cost, including retirement, is about 33 percent higher than the U.S. defense budget. If all personnel costs are removed from the United States and Soviet budgets, the Soviet defense expenditure is about 25 percent higher than ours.

Of course, these are only estimates and the CIA is the first to admit the weaknesses of these figures. For example, the estimates for Soviet research, development, testing, and engineering are considered much less reliable than other components of the defense estimates. The CIA believes its own estimates contain a margin of error of 15 percent.

In addition, estimates of Soviet defense costs in U.S. dollars are inherently biased in a way that tends to exaggerate Soviet costs. The reason is that cost estimates of activities and equipment of any foreign country in U.S. prices tends to overstate the relative values of the foreign country. Thus, if defense spending comparisons were based on rubles instead of dollars, Soviet and United States levels would be much closer together than they seem to be when dollars are used.

Those who express concern over Soviet defense spending rarely bother to discuss these problems. Instead, they point to the spending figures as if somehow they constitute proof that the Soviets are engaging in a massive military

buildup and that they are outdistancing the United States militarily.

The dollar cost estimates, in my view, prove only that the Soviets are devoting about the same amount of resources as we are for defense and, in view of the fact that their GNP is about half the size of ours, that the defense burden on their economy is twice as great as the defense burden on our economy.

A careful examination of Soviet military activities shows that the Soviets have increased and modernized their forces in some areas, as have we, but this hardly constitutes a massive military buildup.

In the past several years most of the increase in their conventional forces has been devoted to the Sino-Soviet border. During the period 1969–78, the number of Soviet troops deployed to the Chinese border rose from 400,000 to 650,000. In the same period, the number of Soviet troops deployed in East Europe against NATO rose by less than one-third as much, or by 70,000. In the 5-year period 1973–78, Soviet troops in the same area went from 560,000 to 590,000, an increase of only 30,000.

The military manpower figures show that the Soviets have significantly increased their forces against China and that they have strengthened somewhat their forces in East Europe. But the figures do not support the massive military buildup thesis.

It is true that the Soviets have modernized much of their ground equipment, as have we and our NATO allies. But there is still no evidence of a Soviet massive military buildup against NATO or that NATO is slipping.

Thus, the London Institute for Strategic Studies has concluded for several years that the overall balance in Europe is such as to make military aggression appear unattractive to both sides.

The Subcommittee on Priorities and Economy in Government has developed information confirmed by the intelligence community, that suggests to me that the Soviet defense establishment has found it necessary to reduce its military costs in ways that reduce its military effectiveness.

The Soviets deploy a far smaller percentage of their strategic submarines and surface vessels than we do. Their ships are at anchor much more than ours. Their pilots fly only a fraction of the hours per month our Air Force pilots fly. Much of their ground equipment including tanks assigned to combat units, is kept in administrative storage.

The pattern observed in both strategic and conventional forces is to minimize their use once deployed. This, of course, tends to reduce operations and maintenance costs. But it also reduces proficiency levels and, ultimately, military capabilities.

Cost considerations have also influenced the Soviet force structure. It does not belittle the formidable strength of the Soviet defense establishment to point out that it continues to lag behind the U.S. technologically, that it does not possess the capability to project power with naval forces that we do, and that it has not been able to significantly alter the military balance in Europe.

ECONOMICS AND ARMS LIMITATIONS

The facts about the Soviet economy and the Soviet defense program lead to two conclusions.

First, the economic problems of the Soviet Union are likely to be more of a constraint on the Soviet military than the SALT II agreement.

Second, we need to better understand our own economic and military advantages over the Soviet Union, and our negotiators need to be aware of the leverage we possess because of Soviet economic weaknesses.

The way to exploit our strengths is to strengthen our economy. Obviously, the United States has its own economic problems. Excessive military spending will only add to the problems.

Increasing our defense budget by $20 billion or so, as is being advocated by some as the price of supporting SALT II, will increase the budget deficit and be inflationary.

Those who see the arms control process as a way to acquire military bargaining chips are, in fact, chipping away at our economy and our own security.

The arms control process must be redirected if it is to survive.

I do not see how or why the public should continue to support the kind of arms negotiations that have produced SALT I and SALT II if there is no realistic prospect for achieving greater genuine security by slowing the arms race and lowering defense costs.

So far there has been more arms rechanneling than arms reduction. The Pentagon and its Soviet counterpart have been the chief beneficiaries of arms control.

In most of the discussion of SALT II, the economic basis for Soviet military power has been ignored. This has been a serious oversight. After all, what is more significant in assessing military power than the economic strength from which it must derive?

In the U.S.S.R. the economic strength has been enfeebled in part because of an obsessive concentration on a military buildup. That economic weakness is going to restrain future Soviet buildups more surely and more severely than any SALT agreement.

At the same time, the diversion of U.S. resources to military spending tends to weaken this country's powerful economic base. Military spending is specially inflationary. It is also peculiarly exacting on the scientific and technological resources that strengthen productivity and economic advance. It is no accident that the industrial nations which have made the most spectacular economic gains in recent years are Japan and West Germany, both of which have devoted only a small fraction of their economic strength to military spending.

Our military leaders, our arms control negotiators, and any future agreement should recognize the facts of life. The Soviet Union is losing power economically and militarily because of the heavy burden of defense. Our strength is not only in our present defense forces, which are equal to or superior to Soviet forces in every significant respect, but in the enormous vitality and dynamism of our economy as well.

We should not follow the Soviet example of draining the civilian sector in order to fatten the military. That way leads to a future of economic stagnation and military exhaustion.

The SALT II Treaty should build on this basic economic fact of life. It is in the overwhelming long-term interest of both the United States and the U.S.S.R. to reduced military spending. An alleged Arms Limitation Treaty that is associated with a massive military buildup is not only the supreme hypocrisy, it will increase the insecurity of both the United States and the U.S.S.R. It could lead to a likelier prospect of nuclear war, while it undermines our economy with an inflationary arms buildup.

Mr. President, yesterday the New York Times had a very thoughtful and perceptive editorial in commenting on the presentation by Dr. Kissinger to the Foreign Relations Committee with respect to SALT. I ask unanimous consent that that editorial be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed int he RECORD, as follows:

A GLOOMY VOTE FOR SALT

In a narrow sense, Henry Kissinger's long-awaited testimony about SALT II will cheer the Carter Administration and help to resolve the quarrel over the pending arms treaty with the Soviet Union. The nation's most influential Republican and most widely respected voice in foreign affairs set a price for supporting the treaty that President Carter has already vowed to pay: an energetic buildup of both strategic and conventional military forces. Most deftly, the former Secretary of State threw his rhetoric to the Senate hawks but left the President the treaty bone.

In a deeper sense, however, Mr. Kissinger has stirred up a major new debate over the whole direction of American foreign policy since Vietnam. He condemned not only Mr. Carter's management of American weapons programs but also his reluctance to confront the Soviet Union in unstable regions like Africa and the Middle East. Mr. Kissinger sees the Russians on the march, not according to some master plan of conquest, but by exploiting weak nations and American unwillingness to defend its influence over them.

"If present trends continue," Mr. Kissinger says, "we face the chilling prospect of a world sliding gradually out of control, with our relative military power declining, with our economic lifeline vulnerable to black mail, with hostile forces growing more rapidly than our ability to deal with them and with fewer and fewer [nations] friendly to us surviving."

This gloomy vision deserves extended analysis lest it become the basic premise of a Presidential election campaign. For the moment, let it be noted that the Kissinger vision rests on the startling proposition that the safety of the United States requires it to "control" the world, or at least international events and alignments. Mr. Kissinger would use that supremacy to intervene wherever Soviet influence threatens to spread. He would give up even arms control negotiation until Moscow acquiesces in the present "geopolitical balance."

Mr. Kissinger was widely praised in the Senate Foreign Relations Committee yesterday for setting the arms treaty into the context of the "real world." No one, however, asked why the Soviet Union, which the former Secretary used to call the strategic equal of the United States, would permanently accept an unequal division of world influence. Nor was he asked what ever happened to the confidence that has animated this country over two decades of arms control negotiations: that if nuclear weapons can be contained, Americans need fear nothing in a vigorous, global competition against Russia's tired doctrines and bureaucracies.

Perhaps Mr. Kissinger meant only to say that the American people, too, have become soft and weary and can no longer be trusted to defend their vital interests. If their response to the oil shortage is any clue, he might even have a point. But even if that is so, it was not Moscow that designed the Saudi noose around American necks or that makes Japan a craven suitor for Arab favor. Rattling the Salt-cellar at Moscow will not solve the nation's central problem or resolve many of the other instabilities of international life.

Mr. Kissinger has shrewdly analysed some Soviet strengths in the endless superpower competition, but he has compared them only with American weaknesses. Before we are all plunged further into bitter debate over remedies, it would be useful to agree on a definition of clear and present threats.

SUPPORT OF GENOCIDE CONVENTION SHOULD NOT BE IGNORED

Mr. PROXMIRE. Mr. President, in January 1967, I told my Senate colleagues that I intended "to speak day after day in this body to remind the Senate of our failure to act on several U.N. human rights treaties," especially on the ratification of the Genocide Convention. Since then, I have spoken daily, whenever the Senate has been in session, to urge ratification of this important treaty. Sadly, the status of the treaty remains today as it was in 1967—unratified.

Yet, during that time, support for the convention has proven susbtantial. Ratification of the treaty has been recommended by Presidents Johnson, Nixon, Ford, and Carter as it was by Presidents Truman, Eisenhower, and Kennedy before them. The Senate Committee on Foreign Relations has reported favorably on ratification of the treaty in 1970, 1971, and 1977—each time it has held hearings on the subject. And, in 1976, the American Bar Association House of Delegates voted overwhelmingly to recommend treaty ratification, thus joining dosens of other major organizations in calling for passage of the International Convention on the Prevention and Punishment of the Crime of Genocide.

I hope this call for action will be taken seriously.

Over the years my colleagues may have become accustomed to hearing myself and others speak of the atrocities of genocide, about the need for the Genocide Convention, and about the support for treaty ratification. Such familiarity may cause them to relegate the treaty to a position of less than major importance and to think of genocide as an issue which need not be seriously considered because it has been around for so many years and will be around for so many more.

Mr. President, I earnestly hope that this is not so. Ratification of the Genocide Convention is too important an issue to be ignored or put off. Thus, during the August recess, I implore my colleagues to earnestly review the treaty, the support it has received, and the importance of the problem. And I hope that soon after we return, I will be able to congratulate the Senate on finally ratifying the Genocide Convention.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, before the Senate goes into executive session, I ask unanimous consent that there be a brief period for the transaction of routine morning business, with Senators permitted to speak therein up to 5 minutes each, and that the period not extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there morning business?

CAREER FEDERAL EMPLOYEES ARE GOOD PEOPLE

Mr. HEFLIN. Mr. President, I rise to pay tribute to career Federal employees. Seldom do they receive a pat on the back. Most career Federal employees are hard working and dedicated. There are those who continue to do a great job in spite of many difficulties. I should like to illustrate this by picking out one to pay tribute to, because he is representative of many who serve effectively in spite of many adversities.

Charles B. Henckell is an Internal Revenue Service employee in the Birmingham District Director's office. He is an advisor reviewer in the collection division with his post of duty being Birmingham, Ala. In October of 1979, Charles will have completed 30 years of dedicated, faithful service with Internal Revenue Service.

Charles Henckell is a lifelong resident of Jefferson County. He was born in Birmingham, Ala., in 1922. He joined the U.S. Marine Corps in April of 1942 and received his commission as a second lieutenant in June of 1944. Charles was severely wounded in the chest in the battle for Okinawa in June of 1945. As a result of this wound he was hospitalized for approximately 16 months. He received his honorable discharge from the Marines in September of 1946. He eventually attained the rank of captain in the U.S. Marine Corps.

Charles received his B.S. degree in Economics from Howard College (now Samford University). In August of 1949 he married the former Mary Brooks of Birmingham. They now have two children; a daughter and son.

In 1949, Charles sought and secured a position with the Internal Revenue Service. After being employed, Charles attended night school at his own expense in order to better qualify himself to work in his chosen field within the Internal Revenue Service.

He began his career with the Internal Revenue Service in October of 1949 as a deputy collector. In 1951, Charles transferred to the intelligence division where he worked as a special agent until 1954. It was while working as a special agent that he attended Jones Law School in Montgomery, Ala., at night for approximately 3 years.

In 1954 Charles transferred to the audit division and worked for 1 year as an estate and gift tax examiner in Birmingham. In 1955, Charles transferred to the collection division where he served as chief special procedures staff until May of 1979.

This 23 years of continuous service as chief, special procedures staff, is by far longer than anyone else has served in this position in the history of the Internal Revenue Service. While serving in this position Charles received many commendations and awards for his excellent job performance. Some of these awards were an outstanding performance award and special achievement awards.

It was while serving as chief, special procedures staff, that Charles made many valuable and lasting contributions to the effective operation of the Internal Revenue Service. He has personally been involved with wage earner plans since 1956 and he has worked with the Federal courts in modifying Government procedures to better coordinate workable debtor plans.

Charles was also actively involved in developing new training materials to be used by the Internal Revenue Service on a nationwide basis in the training of employees who worked for the special procedures staff.

While serving as chief, special procedures staff, Charles was noted throughout the Birmingham district for his keen sense of responsibility to the Government, to work within the framework of the Internal Revenue Code, regulations, and procedures so that he resolved each problem fairly and objectively to the very best interest of his Government and the taxpayers he served.

An outstanding example of the effectiveness of Charles in resolving very complex and unusual tax problems was his involvement in a tax case in my home town, Tuscumbia, Ala., of which I have personal knowledge. The taxpayer, a family owned manufacturing corporation, had been assessed contested amounts of income and excise taxes and penalities totaling several millions of dollars. There was no way that this company could have paid these amounts and the amounts in fact were not agreed to and were the subject of active and continuing protests on the part of the taxpayer. The easy way out for the Govern-

ment would have been to have sold the assets of the company and possibly realized something less than $1 million from such a forced sale.

Due in a large part to the good judgment and hard work of Charles, the Government and the company entered into a trust agreement and later a contract by which the taxpayer was able to remain in business in Tuscumbia, Ala. The result has been that taxpayer paid every penny of its contractual liability to the Government plus all of their current Federal income taxes on a timely basis. Thus the Government has received many, many millions of dollars in tax revenues that they otherwise would not have received and most important of all some 400 of my neighbors and friends have good jobs in Tuscumbia today with this company that they otherwise might very well not have, had the assets of the company been sold by the Government.

Charles has been hospitalized four times in the past 2 years. On three of these occasions Charles had surgery trying to correct some old nagging back problems. In spite of his very serious wounds and his current hospitalization, Charles has been able to accumulate approximately 1,600 hours of unused sick leave. This to me is tremendous evidence of Charles' keen sense of responsibility and his devotion to his job.

The Internal Revenue Service is to be commended for their active program of employing physically handicapped people and disabled American veterans such as Charles.

While we the taxpayers and citizens have been the principal beneficiaries of Charles B. Henckell's 30 years of devoted service with the Internal Revenue Service, we do not often stop to thank such honest and capable civil service employees for their years of faithful service.

I, for one, would like to take this opportunity to commend Charles B. Henckell and thank him for these years of service and extend to him my very best wishes for the years ahead.

Charles, thanks for a job well done.

Charles, you are representative of many career Federal employees.

ORDER FOR COMMITTEES TO HAVE UNTIL MIDNIGHT TO FILE REPORTS—S. 493

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Committees on Energy and Natural Resources; Commerce, Science and Transportation; and Foreign Relations, be given until midnight, August 2, to file their reports on S. 493, a bill to promote the orderly development of deep ocean mining.

THE PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

The PRESIDING OFFICER. The Senate will now go into executive session to proceed to the consideration of the nomination of Robert N. Clement, to be a member of the Board of Directors of the Tennessee Valley Authority.

The Senate proceeded to the consideration of executive business.

TENNESSEE VALLEY AUTHORITY

The legislative clerk read the nomination of Robert N. Clement, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

The PRESIDING OFFICER. Under the previous order, time on the nomination is limited to 3 hours, to be equally divided and controlled by the Senator from Alabama (Mr. HEFLIN) and the Senator from West Virginia (Mr. RANDOLPH).

Mr. STAFFORD. Mr. President, I ask unanimous consent that the following staff members of the Committee on Environment and Public Works have the privilege of the floor during consideration and vote on the nomination of Robert Clement: Richard Harris, John Yago, Bailey Guard, Rick Herod, Jim Range, and Lee Miller.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. RANDOLPH. Mr. President, I yield myself such time as I may desire.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the Senate is today considering the nomination of Robert N. Clement of Tennessee to be a member of the Board of Directors of the Tennessee Valley Authority. The position for which Mr. Clement has been nominated by the President is the important third directorship for the authority. This position has been vacant for more than a year following the resignation of Don McBride. The nominee, if confirmed by the Senate, will be serving a term of less than 2 years.

Mr. Clement is a resident—in fact, his entire life has been spent as a citizen of the State of Tennessee. He has been very active. He has been involved in political life and many other activities of a public nature in his home State for approximately 6 years. During 1978, Mr. Clement was a candidate for the Democratic nomination for Governor. He was defeated by less than 30,000 votes. He also served a 6-year term as a member of the Tennessee Public Service Commission. His father, Frank Clement, was also a three-term Governor of the State of Tennessee.

Mr. Clement has had a career which apparently has made him knowledgeable about issues that will surface and be considered in his role with the Tennessee Valley Authority. There is a mission to that Authority to increase the economic development of the valley. That mission has certainly been one that commands the major attention given to power production for the region of seven States.

Mr. President, it is, perhaps, unnecessary, but I want to indicate for the record that at the time of the creation of the Tennessee Valley Authority, I was a member of the House of Representatives from the Second District of West Virginia. I am the only Member serving on the Hill, in either the Senate or the House, who had the opportunity to consider carefully the original Tennessee Valley Authority legislation and to support it. I remember, just as an aside, that the United Mine Workers of America were really very vigorous in their opposition to TVA. They felt that it posed a very real threat to the use of coal produced in West Virginia and other States in connection with our power needs. They came down heavy on me, which is not unusual, in many votes that I have had to make in either the Senate or House. But I believed then and I have believed through the years that the concept—the program—of the Tennessee Valley Authority has been very important, not only to the region but the Nation as a whole. I felt, and expressed it on many occasions, especially in the Senate, that TVA is to be a yardstick and not a walking stick to move throughout the country. The record indicates the position which I have taken on many occasions. I still have that concept of the Tennessee Valley Authority.

I believe that, during the hearing process on the nomination of Mr. Clement, there were—I want to use the word correctly—charges, there were allegations, there were representations made to the membership of the committee concerning the campaign of Mr. Clement for the Democratic nomination for Governor in Tennessee.

There were matters that were brought to our attention very forcefully in connection with the Campaign Financial Disclosure Act—not a national body, of course—operating under the Tennessee election process.

The issues which were brought to our attention in a very forceful and a forthright manner included whether this statute had been complied with in terms of filing dates, timely filing required in connection with post-primary election reports.

Another issue that was brought to the attention of the members of the committee concerned the completeness of those reports in the listing of the contributions made to Mr. Clement.

The members of our committee understood these charges and issues.

We wanted to check very carefully into the issues that had been brought to our attention, not brought in any cursory way, but what is a very determined effort by the able Senator from Alabama (Mr. HEFLIN).

So in an effort to provide for committee members what we believed would be adequate and correct information, investigators, two members of the Senate committee staff, did go to the State of Tennessee and talk with many of those individuals concerned directly or indirectly with the matters of the campaign and the raising of funds for Mr. Clement.

We tried, and I think we did it adequately, to give attention to the issues.

When our investigators visited Tennessee, it was disclosed to the representatives of our committee that certain discrepancies in the campaign disclosure documents of the Clement campaign were, let us say, available and knowledgeable and had been the source of study by authorities there.

We were told, however, that these matters were not of a nature so serious as to discredit or disqualify Mr. Clement for the position which the President has nominated him.

We had the opinion of the Attorney General of Tennessee, which was issued in connection with the Clement governorship race and various activities of the campaign. The holding of events for which contributions were made was discussed and the Attorney General said the campaign was a substantial compliance with the campaign laws within the State of Tennessee.

Each Member of the U.S. Senate has on his or her desk a printed copy of the Environment and Public Works Committee hearings, of our staff investigation, and the committee sessions held to consider the nomination.

I return to the vigorous presentation of the case against Mr. Clement by Senator HEFLIN, and I wish to say that when the Senator came to me as chairman of the committee, he asked for certain delays in connection with the formal hearing process within the committee.

I did not say to him that the hearings must be held on a certain day. I never indicated that we had to act on tomorrow, or in 2 or 3 days.

I am sure that he would concur with what I am now saying, that it was my feeling that he should have the opportunity, since he had requested it, to do further investigative work and to compile his case.

So I think, and I am not going to try to designate the number of days, but there was a second request, even when I went back, that we hold a hearing, and I believe that almost 3 weeks from the date of the first request to the chairman we had the hearing.

So there was not the desire within the committee to push the matter from the standpoint of moving without the Senator from Alabama having the adequate time which he needed in connection with the preparation of his case, from the standpoint of presentation to the committee.

During the hearings, the Senator from Alabama will recall I asked him to sit at the desk where the members of our committee sit, and he made what I consider a very searching question process of Mr. Clement.

I would not say that he was satisfied, and, certainly, as he comes here today, he is not satisfied with the answers of the nominee.

But there was that desire within our committee and its chairman to give to the Senator from Alabama that cooperation of the committee in delaying for a certain time the actual hearing and then to participate in the hearing process itself.

Then later, a considerable number of days, 23 to be exact, we gave the opportunity again to Senator HEFLIN.

He was joined on that occasion by his colleague from Alabama (Mr. STEWART) and they made presentations again, as they had earlier when we had the first day of hearing.

At that time, as earlier, the Senator from Tennessee (Mr. SASSER) had formally spoken in defense of Mr. Clement and had advocated that we approve and report to the Senate this nomination.

Based upon what we have felt is valid information, what we think is valid information, the nomination of Robert Clement was reported to the Senate, and we have it today before us, by a committee vote of 12 to 1. One member of our 14-member committee abstained from voting.

We believe, certainly we trust, that we considered this nomination carefully, as with other nominations that have come before us.

I say to all Members of the Senate that the nominations within the jurisdiction of this committee always have been given very careful study in the process of hearings, and then determination by the Members, by voting for a nominee or opposing him.

These matters have had our attention in a very sensitive manner—to use that word—because we are sensitive of the responsibility we have.

As Senator STAFFORD knows, we have returned two nominations for a directorship of the Tennessee Valley Authority, and partisanship has not surfaced whatsoever in the consideration of those who were nominated for this position.

I feel that the nomination should be approved. By a vote of 12 to 1, the committee members believe it should be approved. I recognize that we will have statements by perhaps one or more Senators who think otherwise. This is in the best tradition of the democratic process, not only with respect to legislation but also in the consideration of a nominee, even though his name is submitted to this body by the President of the United States.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. I yield 10 minutes to the Senator from Vermont.

Mr. STAFFORD. Mr. President, out of an abundance of bipartisanship with which we have approached this problem, I ask unanimous consent that I may yield briefly, without losing my right to the floor, to the distinguished Senator from Alabama (Mr. STEWART), so that he may make a statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEWART. Mr. President, I thank the Senator from Vermont for being very gracious in extending this privilege to me to make some brief remarks today with regard to this nomination.

Before I make my very brief statement, I say to the chairman of the committee and the ranking minority member, as well as the other members of the committee, that I deeply appreciate the time and attention they have given to this nomination and to me and to my colleague from Alabama in expressing our opposition to this nomination.

Mr. President, I oppose the nomination of Bob Clement to the Board of Directors of the Tennessee Valley Authority. While this matter may not seem as important as SALT II or the composition of the President's Cabinet, I can assure you that this nomination is uppermost in the minds of thousands of people in north Alabama. The power produced by the TVA is the life-blood of this region. It has transformed north Alabama from an ailing agricultural economy to a thriving, prosperous multifaceted economy. Thus, the people I represent have a vital interest in who runs the TVA and it is on their behalf that I join my colleague, Senator HEFLIN, today.

Mr. President, I have met in my office with Bob Clement and discussed his background and views. I have studied his record. I have questioned him before the Committee on Environment and Public Works. I have heard him questioned by others. I have discussed his credentials with Senator SASSER and with others. I have, in short, given thorough consideration to this nomination. After weighing all of the various factors, including the President's right to appoint people of his choosing, I have decided that I cannot support this nomination.

I oppose the nomination of Bob Clement for two primary reasons. First, Bob Clement has prejudged an issue that is vital to the people of northwest Alabama. Without taking the time to consider all of the facts, he took it upon himself to decide that the headquarters of TVA should be located in his home State of Tennessee instead of being located in Alabama, as is clearly and specifically provided by law. When the Congress established the TVA, it specified the location of the headquarters for a good reason. They found that the most economical location was in the northwest corner of Alabama, after a careful study of the situation. Yet, Bob Clement has decided, without a careful study, that Congress was wrong.

Mr. President, the issues facing the TVA, in this time of a severe energy crisis, are very complex. They will require careful reasoning. They cannot be solved by a person who makes snap judgments. If Bob Clement is willing to make a decision on the location of the headquarters of the TVA without deliberation, I am very concerned about whether he would do the same on other issues. When the TVA makes a billion dollar decision that impacts on the lives of millions of people in the States of the TVA, it should not have a board member who does not take the time to consider all the facts.

There is a second reason why I must oppose this nomination. Bob Clement does not have experience or expertise on the critical issues that face the TVA.

Though he does have experience on the Public Service Commission in Tennessee, he does not have any knowledge of electrical utility matters. He does not even have a basic knowledge of rate structures. Terms such as "marginal cost pricing," "time of day rates," or "lifeline rates." I do not suggest that everyone should be an expert in these matters. I do believe, however, that a person who will be running the largest electrical utility in the country should at least understand the concepts.

Mr. President, I have spent years working on the problem of electrical utility rates. I have worked on the problem both legislatively and in the courts. And, if there is one thing I have learned, it is that the providing of electricity is incredibly complex. It is not something that can be learned in a few days or even a few months. Rather, it takes years to master. I do not contend that Bob Clement would not learn. I am sure he is a very intelligent person. However, this term expires in less than 2 years. Bob Clement would not have time to learn what he needs to know.

And, a rate increase is likely from TVA within the next few months. There is no possible way that Bob Clement could learn enough to make an intelligent decision this fall. The people of the TVA cannot afford to have a person who makes an incorrect decision.

And, something else that disturbs me is that Bob Clement has not even started his learning process. Though he has known since February that he was the nominee to be on the Board of the TVA, Bob Clement has not taken the time to make even a rudimentary study of the problem of electrical utility rates, from the answers he gave to my questions, it appears that he has not read the first article or study on his critical issue. I am sure Bob Clement is a very busy man. But, I respectfully submit that if Bob Clement was truly serious about doing this job well, he would have taken at least some time to begin the long process of learning about the crucial issues that will face him if he is confirmed to serve on the Board of the TVA.

Mr. President, there are severe problems facing all energy producers, including TVA. These problems require exceptional leadership. Therefore, I respectfully suggest that this nomination should be judged by a high standard.

That standard demands that we have a person with a strong background in utility matters, a person who has the ability to carefully consider very complex issues and make reasoned judgments. When Bob Clement is measured against that standard, I do not believe he measures up. I therefore must oppose his nomination.

My opposition is based on the prejudgment by this nominee of a matter that is very important to the people of my State and very important, I think, to the people of the area that is served by TVA. It also is based on my serious concerns about the competence of this nominee in the area he is called upon to deal with.

I say this with all due respect to the members of the committee, who have been gracious to us throughout this proceeding. But I felt it my obligation, on behalf of the people of my State, to state my opposition, and I do so today, in accordance with the procedure I have indicated.

Mr. STAFFORD. Mr. President, I call the attention of the Members of the Senate to the fact that the total hearing record of the proceedings with respect to the nomination of Robert Clement to the Board of Directors of the TVA have been available to Members of the Senate, I believe, since last Friday, which has given Senators almost a week in which to examine the hearing record if they wished to do so.

Mr. President, the nomination of Robert N. Clement to the Board of Directors of the Tennessee Valley Authority received the same careful scrutiny by the Senate Committee on Environment and Public Works that has been received by those nominations over the last 4 years. This was well put by the distinguished chairman of the committee, Senator RANDOLPH, who has preceded me in speaking on this matter.

In those 4 years, the entire TVA Board has changed, and a substantial reorganization of the agency has been undertaken. Thus, the attention directed to those matters has been in keeping with the impact of the new leadership upon the programs and policies of the agency.

However, the Clement nomination placed an unusual burden on the committee because of allegations raised regarding deficiencies by Mr. Clement in filing campaign financial reports after his unsuccessful bid for the Democratic nomination for Governor of Tennessee in 1978. The matter of these campaign financial reports was pursued by opponents of the nomination with determination and with great ability. A careful and objective inquiry by our committee followed.

Immediately following our committee's hearing on June 26, Senator RANDOLPH, chairman of the committee, and I commissioned a thorough agenda for the inquiry. It required our staff to obtain information from the Senator from Alabama (Mr. HEFLIN), who had raised the allegations at the hearing.

Members of our staff were also required to obtain information and documents from the Tennessee State librarian, from the executive director of the Tennessee State Election Commission, and from the Tennessee attorney general and campaign officials.

In addition, Chairman RANDOLPH and I reviewed the FBI report done for the White House prior to the President's nomination of Mr. Clement to the TVA Board.

The inquiry developed clear information that leads to several conclusions.

First. The Clement campaign was in complete compliance with the important preelection disclosure requirements of the Tennessee law.

Second. The Clement campaign filed its postelection disclosures late, and in one instance failed to list and itemize contributions.

Third. After his election defeat in August 1978, Mr. Clement was unable to hold together an effective campaign staff, and his key staff members, including his State treasurer, became involved in other general election campaigns.

Fourth. The Tennessee campaign financial disclosure law, very recently adopted, is among the most burdensome in the Nation, particularly as regards postelection reports, and virtually no defeated candidate has been able to comply.

The attorney general of the State of Tennessee—and this Senator believes this to be important—the chief legal officer of the State and an official appointed by the State supreme court, reviewed the allegations raised during the Senate hearing and found the Clement campaign in compliance with preelection disclosure requirements and, despite minor and technical violations, to be in substantial compliance with the law for postelection disclosures.

The finding of Tennessee's top legal official on questions of Tennessee law carry weight with our committee.

The question which confronted our committee, and which now confronts the Senate, is how the allegations bear upon the qualifications of Mr. Clement to fill the position to which he has been nominated.

The Committee on Environment and Public Works received testimony at a hearing on June 26, received a briefing on July 11 from committee staff following its inquiry, and received detailed presentation of information from the Senator from Alabama (Mr. HEFLIN) on July 19.

After receiving and reviewing all of this information, the committee voted, 12 to 1, to report the nomination favorably.

Clearly the majority of the committee has concluded, as have I, that the technical violations of the post-election campaign disclosure laws were minor, and resulted from the disorganization that usually attends an election defeat, and that such violations were insufficient to find that Mr. Clement was not in substantial compliance with the law.

I find no basis for allegations that indicated that these matters impugn the character or ability of Robert N. Clement, and I recommend favorable action on his nomination to be a member of the TVA Board.

Mr. President, I yield back such of my time as I have not consumed.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. EXON). The Senator from West Virginia.

Mr. SASSER. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. SASSER. Mr. President, I rise to support the nomination of Bob Clement to the Board of Directors of the Tennessee Valley Authority. I wish today to urge the Senate to confirm this nominee.

I also wish to commend the Environment and Public Works Committee and

the distinguished chairman of that committee, the senior Senator from West Virginia, for the care and diligence with which he has approached this nomination.

Mr. President, I also wish to commend today the distinguished ranking minority member, Senator STAFFORD, of Vermont. I think that he has shown during the very, at times, difficult investigation and hearings great deference, and I think he has indicated a real willingness to work with this new man who I hope will be confirmed today to serve on the board of the Tennessee Valley Authority.

After lengthy hearings, which consumed many hours, and after extensive investigations, which have been detailed here by the distinguished chairman and the distinguished ranking minority member, the Committee on Environment and Public Works approved Bob Clement's nomination overwhelmingly by a vote of 12 to 1.

Mr. President, this today I think is a very important occasion. Mr. Clement's nomination and confirmation will mark the first time in more than a year that the TVA has had a full three-member board. I am pleased that we are on the verge of having a full board of directors.

The leadership positions of the Tennessee Valley Authority or any Government agency, for that matter, should be filled promptly, and I am sure that the confirmation of a third member of the Board will strengthen the Tennessee Valley Authority.

Mr. President, I believe that Bob Clement will bring to the Tennessee Valley Authority the right combination of experience, ability, and progressive ideas. He is uniquely qualified to sit as a member of the TVA Board.

Bob Clement is a member of a famous and distinguished family in my native State of Tennessee, and he and his family have had much to do with the development of the entire Tennessee Valley area.

As the distinguished Senator from West Virginia alluded to, Bob Clement's father, the late Tennessee Governor Frank Clement, was one of the most progressive and dynamic Governors in the history of the Tennessee Valley region.

Bob Clement has accomplished a great deal on his own. He has made his own mark. He is a young man, in his mid-thirties, and I must admire the contributions he has already made to the Nation, particularly in the field of utility regulation.

I believe that the Tennessee Valley and the Nation are most fortunate in having a proven leader like Bob Clement nominated for the Tennessee Valley Authority Board at this particular time, perhaps at the most crucial time in the history of the Tennessee Valley Authority.

Bob Clement is a mover, and he is a doer. He knows how to get things done, and he has the courage to stay the course, if the course is right, if it is just, if it is fair, and if it is equitable.

He is a problem-solver and not a procrastinator. And he is a decision-maker and not a game player. He is solid, he is sound, he is sensible, and he is a believer in practical solutions to complex problems. With all the problems and challenges that are facing the Tennessee Valley Authority and the Nation ahead today, we need his wisdom and the understanding of the people in the Tennessee Valley area, and Bob Clement's ability to solve problems, because TVA does indeed face fateful decisions and crucial roles in the years ahead.

Just a few weeks ago the President indicated that TVA should take a lead role in the development of solar energy. The President has previously indicated that he perceives TVA as this Nation's energy laboratory, and that indeed is a heavy responsibility in this day and time. And this is a role that must be reconciled with the TVA's primary mission of serving the economic needs of all of the people of the Tennessee Valley area.

Many issues stir in the shadows and others are already out in the open. What is to be the future rate policy of the Tennessee Valley Authority? What about special rates for the poor, the old, the infirm, and the incapacitated? Are these feasible or are they practical?

If they are feasible and practical who is going to pay for them? What about the utilization of coal, the continued utilization of coal for the Tennessee Valley Authority? Where does TVA fit into the national picture with the objective of expanding and finding new uses and new technologies for coal?

What about the role of nuclear power in our future? Will it prove economic and safe in the long run? Should all of TVA's eggs be placed in a nuclear basket, or should different types of power generation be utilized?

These are issues that can challenge the TVA Board to its very core.

So, I am glad that the President saw fit to nominate a man of Bob Clement's caliber. I am proud to have had a part and played a role in recommending Bob Clement, and I am confident that he will be one of the great Directors of the Tennessee Valley Authority.

I believe he will be a man of our time in the Tennessee Valley area, a man capable of addressing and solving the problems of our economy, working with the distinguished board chairman, David Freeman, and with the other competent and capable Director, Richard Freeman, both of whom are extremely competent and able individuals.

I believe these three men will make a fine team that will be hard to beat, a team that will lead the agency over its hurdles to a new destiny and a new day that will better serve the future needs of the people of the Tennessee Valley area.

Bob Clement has served as a member of the Tennessee Public Service Commission for the last 6 years. For the last 2 years, he has been the chairman of that regulatory authority.

During his tenure, Bob Clement has earned the deserved reputation as a consumer advocate. Bob Clement did not approach his decisions on the public service commission on the basis of what was popular. He approached his decisions on the basis of what was right. I do not believe that any utility company that has appeared before the public service commission in the State of Tennessee in recent years would say that Bob Clement's decisions were unfair or that they were unjust.

While Bob Clement served on the public service commission, if my memory serves me correctly, decisions of that body were never overturned when subjected to judicial review.

Bob Clement has distinguished himself as a national leader in the regulatory field. He has been active in the National Association of Regulatory Utility Commissioners, and has served as Chairman of the ad hoc Presidential Advisory Committee on Energy. This Committee made recommendations to President Carter regarding this Nation's future energy policies.

Bob Clement is also a businessman. He holds a master's degree in business administration and has headed his own business. He served in the U.S. Army, and continues to hold the commission of captain in the Army National Guard.

I believe that Bob Clement will make an excellent member of the TVA Board. His broad experience, particularly in the field of regulation, will be of benefit as a member of the TVA leadership team.

I am convinced he will carry out his duties in a manner that is fair to all the Tennessee Valley States. He understands the national importance of the TVA as a vital research center which has a critical responsibility in finding answers to our complex energy problems.

So, Mr. President, I today endorse Bob Clement, and I am pleased to recommend him to my colleagues in the U.S. Senate. I am convinced he will be a valued and an important member of the TVA Board, and I think he is in a position to make a substantial contribution to his region and also to his Nation.

I thank the distinguished chairman for yielding to me.

Mr. RANDOLPH. Mr. President, we have no further requests just at this time. We do know that Senator BAKER wishes to speak, and yet if he is not available, I am sure the Senator from Alabama (Mr. HEFLIN) would, perhaps, want to take some time.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. I thank the Chair. I appreciate the courtesy of the chairman of the Environment and Public Works Committee, the distinguished Senator from West Virginia (Mr. RANDOLPH), in allowing me to go ahead, this being a day we want to move as expeditiously as we can because we are nearing the August recess.

I suppose that in the history of TVA the name of David Lilienthal stands out as being one of its foremost leaders, if not its foremost leader. He wrote a book entitled "TVA: Democracy on the March," and in that book this statement appears:

Congress itself determined to keep its kind of politics out of TVA's technical ad-

ministration. It was, in turn, our responsibility as administrators to keep TVA out of political matters.

Then he added this statement:

TVA, if it were politically managed, could become a curse to this valley.

Mr. Lilienthal was a wise and farseeing man. He knew how important it was to protect the TVA Board from being abused and undermined by a politically ambitious person.

Mr. Lilienthal's admonition is no less true today.

I think it would be wise to go back and look at the history of TVA. For many years the Tennessee River was looked upon as having great potential. That region was looked upon as being, perhaps, a region that could grow and prosper. In World War II, construction on Wilson Dam was begun at Muscle Shoals. Two nitrate plants were built there to provide nitrate for munitions in World War II, but Wilson Dam was not completed.

Following World War II there were efforts to complete Wilson Dam. Henry Ford came to that area and said, "Let me complete Wilson Dam and buy the nitrate plants, and I will build a city on the banks of the Tennessee River 70 miles in length."

Congress did not take Henry Ford's offer. Henry Ford went back to Dearborn, Mich., and I think you know the rest of the story.

I point that out to illustrate the fact that this region has been recognized as having great potential and is, of course, very important to our Nation.

TVA was created in the first year of Roosevelt's first administration. It was determined that the management of TVA would be vested in three Directors, and that they would be given 9-year terms, and those terms would be staggered. I point out that 9 years was two Presidential terms plus 1 year. No President had ever served more than two terms at the time TVA was organized and authorized.

TVA is a region of seven States which the Tennessee River touches or vitally affects. As the distinguished Senator from West Virginia said, it was built as a yardstick for the utilities of this Nation to observe, for the people to observe, for Congress to observe. It has served that purpose and has not turned out to be a walking stick, as the distinguished Senator from West Virginia has mentioned today and on previous occasions in this Chamber.

Let us look at Bob Clement's background. He is a young man, I would say approximately 35 years of age, maybe younger. He was elected in 1972 to the Tennessee Public Service Commission. At the time he ran for Governor in 1978 he was president of the Tennessee Public Service Commission, which is the utility-regulating body of that State.

He ran for Governor and, as has been pointed out here, lacked less than 30,000 votes from winning the Democratic nomination on August 3, 1978 in Tennessee. He was defeated by a man named Jake Butcher, who was the Democratic nominee, who lost in the general election in 1978 to the present incumbent Governor, Lamar Alexander.

Since that time on many occasions there have been many projections and predictions that Bob Clement would run for Governor in 1982. Even after he was nominated for the TVA Board of Directors, he has repeatedly made statements that he was not closing any political doors or any political options. I do not think there is any question but that Bob Clement will be running for political office, probably for Governor of Tennessee in 1982.

Now, when a person who is going to run for Governor of one of the States in a seven-State region, a question immediately arises whether the words of David Lilienthal and the intent of Congress will be complied with or whether TVA will be politically managed and whether it will become a curse to the Valley.

Newspapers in Tennessee immediately recognized this potential problem. Editorials appeared in numerous Tennessee papers which questioned the choice of Bob Clement for the TVA Board of Directors. An editorial appeared in the Jackson, Tenn., Sun on February 9, immediately following the public announcement, and the Memphis Commercial Appeal came forward with an editorial strongly questioning the wisdom of his nomination. The Chattanooga, Tenn., Times on February 11 raised this issue.

Shortly after Mr. Clement was nominated, he was asked a question about the location of the headquarters of TVA.

The TVA Act, passed in the first term of the administration of Franklin Roosevelt, recites that the headquarters shall be located in the vicinity of Muscle Shoals, Ala. The act provided that homes for the three Directors would be provided in the Muscle Shoals area. It provided that the U.S. District Court for the Northern District of Alabama would have venue for TVA's corporate suits brought by or against the TVA.

A lawsuit was filed about 2 or 3 years ago, and a decision by the U.S. District Judge was entered—I do not remember the exact date, but approximately December of last year—which ordered the TVA headquarters to be moved from Knoxville, Tenn., to Muscle Shoals, Ala. That, of course, is now on appeal.

But after the nomination of Bob Clement, he was asked about this issue: "What do you think of the movement of the headquarters from Knoxville to Muscle Shoals?"

At that particular time he was quoted by a newspaper as saying that he was going to do everything he could to prevent it, and "No, and hell, no, we are not going to move it."

That raises a legitimate issue between States in the seven-State TVA area. It raises a legitimate issue of whether a person who will assume a leadership role in the decisionmaking process of the TVA has prejudged an issue without having had the benefit of studying the statute or the decision of the court. It also raises the issue whether this man will follow the decisions of the courts of this land.

The matter of prejudging this issue was such that we felt that he should recuse himself from this issue; but, as a politician who is running for office, he made the decision, "No, I will not recuse myself from that issue."

"Recusing" is a judicial term. When a judge publicly announces that he has pre-formed an opinion about a case, then he is required to recuse—to remove himself from the consideration of that case. Mr. Clement should have done that with regard to the TVA headquarters issue.

There are other issues that arise between the seven States. Let us assume, for example, that a person is running for the governorship of Kentucky, and an issue comes up relative to Tennessee and Kentucky. If that person is running for office, you can be 100 percent sure that he is going to have his home State bias in determining those vital issues that may come up between the States.

We in Alabama feel that the fact that a person is a politician who is actively seeking a political office is grounds for the Senate to refuse to confirm his nomination. We feel, under the theory that TVA was to be nonpolitical, nonpartisan, that unless Bob Clement removes himself as being a candidate for the governorship in 1982, the Senate should not confirm him.

In addition to these reasons, we looked into the Tennessee election law, and we found that it has many similarities to the Federal election laws which control the election of Members of Congress and the U.S. Senate. However, it is not nearly as complicated.

It has a requirement that if you end up with a campaign debt, you have to make postelection reports that disclose your contributors and disclose your expenditures. Any craftsman of legislation realizes that this is important, because many people could delay the receipt of contributions until after an election. They could delay the expenditure of money, the writing of checks, until afterwards. Therefore, many, many violations could occur and there would be no disclosure to the public.

So postelection reporting, or postelection disclosure of financial matters, is most important if you are going to have any disclosure laws at all. Otherwise, they can be circumvented.

Now, Clement, by his own testimony says he ended up the August 3, 1978 election campaign with a debt of about $200,000. He testified that he raised $136,000 at a single fund raiser at Gallatin, Tenn., at the home of Kip Candill. Well, I might say that that is a most remarkable feat, to raise $136,000 at a single fund raiser. It is a most remarkable feat for a defeated candidate to raise $136,000 at all. The question arises, how did he do it? What deals were made?

He testified that he raised a total of around $160,000, and he testified that his debt is probably less than $20,000 today.

Now let us look at the requirements of the Tennessee law.

It has been brought out by previous speeches on this floor today that he complied with his preelection disclosure

reporting, or the requirements of that reporting. Following the election, there was a report filed, which was due to be filed on September 5, which was filed 1 day late. That was, I suppose, on the face of it, in proper form, and was properly filed. Under Tennessee law, he was required to file a report 30 days later, on October 5, 1978. Then under Tennessee law he would have been required to file a report on December 5, 1978, one on February 5, 1979, another one on April 5, 1979, and another one on June 5, 1979.

He was required to file at two places, the Tennessee Archives and Library, which is the primary filing place, and the State election commission, which was a secondary filing place.

On these dates during this period, where one, two, three, four, five, six reports were required, he filed only one.

The report, due on October 5, 1978, was filed more than 40 days late.

When he filed it, he took it to the Tennessee Archives and Library Department and said in effect, "Here is my report. I am a little late—40 days.

They looked at it and they gave it back to him. They may have done it through the mail. I am speaking figuratively now as I do not know how it was done. They gave it back to him and said, in effect, "This report is unacceptable. Yes, you have listed your expenditures, but you have not listed one single cent of contributions."

Bear in mind that during that time, according to his own testimony, on September 17, 1978, he raised $136,000 at one fund raiser, and that was due to be reported. No mention was made whatsoever of any contribution on that November 17, 1978, report.

The next time that he filed a report is the day before he testified before the Environment and Public Works Committee on June 26, 1979. At that time he listed the Kip Caudill fundraiser in a lump sum and put it under the column of contributions of $100 or more. The law and the instruction on the form says to list names, addresses, and amounts, for contributions of more than $100.

He did not list names, addresses, or individual amounts, but listed it as a lump sum under that one column.

The form is rather simple. The first page is an oath. The second page is contributions of more than $100 in one column and the other column expenditures of more than $100. The third page is contributions of $100 or less and expenditures of $100 or less. On that third page you can list contributions of less than $100 in the aggregate, rather than itemizing them.

Mr. Clement came before the committee and acknowledged his debt. He acknowledged that he had filed these returns and told us, because we would never have known if it had not been for him, that the Tennessee Library and Archives Department gave back his form to him and said, "It is unacceptable. You have not listed. Correct it and give it back to us."

For 7 months thereafter he did not do it. I would imagine what would have happened if a U.S. Senator or a person who was defeated for the U.S. Senate had not timely filed his FEC report and had, for 7 months after notice, willfully and purposely and intentionally made a conscious decision not to comply with the directions of an election official.

Then the investigation started. Back in Tennessee. The Attorney General decides to write a letter to say that in spite of all of these "technical" violations, Mr. Clement was in substantial compliance of the Tennessee Election laws. But the Attorney General must have looked at the form and said, "Well, here, you have Kip Caudill's fundraiser of $136,000 and you have it under the category of contributions of $100 or more. But you have not itemized. You have not put their names down. You have not put their addresses down. You have not put the amounts of those contributors who gave you that $136,000 at that one fundraiser."

So an affidavit is filed with the Tennessee authorities sworn to by the Treasurer and Bob Clement pertaining to that fundraiser. The affidavit appears in the record on page 158, as follows:

We, the undersigned, do make oath, based upon the best of our information, knowledge, and belief, that at the Kip Caudill Fund Raiser event held in September 1978 to enable Bob Clement to pay campaign indebtedness, there was in attendance approximately 750 to 1,000 persons. Tickets for this event were sold for $100 per person, and the receipts of these ticket sales were collected before the event, during the day of the event, and for several days thereafter.

And then these words:

No one person contributed more than $100.

It is inconceivable to me that at a fundraiser where you raise $136,000, where the use of tickets is employed at $100 per ticket, that that amount of money can be raised without some person, individual, PAC, or other organization giving more than $100 and buying more than one ticket.

But let us go back and look at his testimony. He testified at the hearing before making the affidavit. That affidavit is dated July 3, 1979. What did he testify to before the committee? On page 23 at the bottom of the page, the question is asked by me:

That fundraiser at Gallatin, Tennessee, at which you raised $136,000, you would say there are many of those contributors who gave you more than $100, would you not, sir?

Mr. CLEMENT. Some gave us more than $100. Some gave us less than $100.

Clearly, that is a contradiction between the testimony before the committee as to whether or not some gave more than $100 out of that $136,000, and the affidavit that he executed, in order to persuade the Attorney General to issue a substantial compliance letter, where he said, "No person gave us more than $100."

In the hearing before the committee hearing we made several requests. We wanted Mr. Clement to come back and answer questions. It is my understanding that he did come back, that he went around to see individual Senators. But he has never appeared to answer questions or to be cross-examined. We felt like the records of his bank account, that is, his campaign bank account, or bank accounts, should be investigated. We felt like the deposit slips from around September 17, the time of the Kip Caudill fundraiser ought to be examined, that the photostatic copies of checks that entered into the campaign bank account or those bank accounts should be obtained. It would be most interesting to observe if one of those checks came up "$1,000, 10 tickets."

For some reason, the details of that fundraiser are being hidden and Mr. Clement is willing to go to every extent possible, including the execution of a sworn affidavit that no one contributed more than $100, in order not to disclose the names, the addresses, and the amounts of the contributors to that fundraiser, at which $136,000 was raised.

There are many unexplained clouds in this case. There is the cloud of possible perjury, there is the cloud of a possible false report being filed on November 17, 1978, the possibility of a false oath then being made, not by Mr. Clement but by a treasurer—all sorts of issues.

I do not want to take a long time in presenting this, but I do want to point out one or two interesting facts.

Mr. Clement's defenses were, first, that he did not have any staff. But it was unusual to find that when he did file on June 25, the day before the testimony, when he testified here before the committee that he did not have any staff to fill out the forms and that is why he was late, when he did file on the 25th, we found that there were five pages of contributors—they were not at the Kip Caudill, but otherwise—that were listed, and he Xeroxed them. They were on "Clement for Governor" stationery, and down at the bottom was a little notation "Letters done October 4, 1978." The day before a report was originally due, October 5, 1979, he had staff to write thank-you letters to those people who contributed.

Looking at the report, the exhibit that he filed on his June 25 list was composed of 8 pages of contributors, a mere 78 names. No staff? It would probably have taken them no more than 4 hours to have filled out the report or to have prepared the report that was filed on June 25.

He raises the defense that he had appointed a new treasurer after the election. Well, that is true. He appointed, on September 26, 1978, a new treasurer. Again, I point out that the report that he filed on June 25, if that is a correct report, took very little time to fill out for that. It is interesting to note that the photostatic copies of the sheets of paper attached to his exhibit to itemize the contributors had on them, "Campaign Deposits." So they did keep records on that and the new treasurer knew how to do that.

Mr. Clement's third defense was that he had acted on the advice of counsel. Well, the counsel says that there is a little provision in the law that says, under the definition of contributions, that it means money given to influence an election, or words to that effect. The same thing appears as to the definition of expenditures. Yet, on the November

17, 1978, return, they itemised and listed the expenditures. Three code sections specifically pertain to post-election returns. There is no question that it is a matter of law that you are required to look at the overall statute in regard to interpretation. You take every word and meaning and find out what the true intent is.

I do not believe there is any real validity to a strained interpretation of the word, "contributions," so as to try to defeat the fact that money collected to pay campaign debts must be reported. Besides, there are Tennessee cases stating that advice of counsel is not a defense for a person.

I point out that he apparently did not follow the advice of counsel when he filed his June 25, 1979, return, since he did list contributions on that report.

The attorney general's position is that Mr. Clement was in substantial compliance. I challenge anybody to look at the letter that the attorney general wrote and see if he addressed the two major issues: The issue of whether or not the November 17, 1978, return was a false return and whether a false oath was made—no mention whatsoever is made of this issue.

The attorney general does not address the issue in regard to the matter of the Tennessee Library and Archives Department giving him back the form and saying, "It is unacceptable; fill it out, list your contributors, and then return it to us." This is at least evidence of a willful violation of the Tennessee law.

Besides, we researched the law of Tennessee on substantial compliance and other than something like 4 or 5 days late, there has been no court decision supporting the Tennessee attorney general. We researched the law in regard to the country as a whole. After you get over about 10 days late, you can find no decision saying that a late compliance comprises substantial compliance. Certainly, one who is 7 months late could not be in substantial compliance.

Mr. President, I wish to conclude with my floor statement. It contains verbatim sections of the Tennessee code pointing out violations, the exact editorials that appeared in the Tennessee newspapers, and other matters.

Mr. President, I oppose the confirmation of Mr. Robert N. Clement to be a Director of the Tennessee Valley Authority for reasons I shall endeavor to set out in clear detail.

Mr. President, TVA is at a critical juncture in its history. Rapidly escalating energy costs, rising construction and interest costs, concern over conservation and environmental protection, and the need to develop new technologies and sources of energy, makes the immediate years ahead all important for TVA and its role to enhance the economic well being of the people of the region. The manner in which the TVA management deals with these problems during this critical period can and likely will determine the usefulness of this agency to the people in portions of the seven States served by the agency.

The vacancy on the TVA Board must be filled by a person with unflagging belief and loyalty to the concept of unified development. He must have the enthusiasm and the resolve to fully commit himself to the task of defending and explaining TVA's actions and to constructively advocate change and reform where necessary.

Above all, a TVA director must be an individual with high qualities of statesmanship and unquestionable personal rectitude.

When the TVA was created, it was felt that the three directors should approach their duties in a nonpartisan and nonpolitical manner. Thus, the directors were given 9-year staggered terms. At that time in history, I doubt if there were any other posts outside the judiciary that had longer terms. Even today there are few positions that have longer terms.

The TVA law does contain a specific provision concerning the consideration of political factors in the TVA selection of TVA personnel. Section 6 of the act states that:

> In the appointment of officials and the selection of employees for said Corporation, and in the promotion of such employees or officials, no political test or qualification shall be permitted or given consideration. . . Any member of said board who is found by the President of the United States to be guilty of a violation of this section shall be removed from office by the President. . .

Although this inhibition against politics seemingly relates to TVA employees, the spirit and intent of the act mandates that TVA Board members should be completely devoid of politics while on the Board. This requirement is given special credence and emphasis by former TVA Board Chairman David Lilienthal in his magnificent book "TVA-Democracy on the March" when he wrote:

> Congress itself determined to keep its kind of politics out of TVA's technical administration. It was, in turn, our responsibility as administrators to keep TVA out of political matters. . . TVA, if it were politically managed, could become a curse to this valley (emphasis supplied).

Mr. Lilienthal was a wise and far-seeing man. He knew how important it was to protect the TVA Board from being abused and undermined by a politically ambitious member. Mr. Lilienthal's admonition is no less true today.

Mr. President, one of the real questions facing the Senate in considering the nomination of Mr. Clement is whether TVA Board membership should be used as a steppingstone for elected political office.

When the President announced his intention to appoint Mr. Clement to the TVA Board in February of this year, I and many fellow Alabamians had great misgivings. It seemed to us highly unlikely that a man who had run twice for public office could possibly divorce himself from the political arena and spotlight. Our fears were intensified by an article appearing in the Memphis Commercial Appeal on February 10 regarding an interview with Mr. Clement which contained the following question to him:

"Q.—Can TVA be a springboard to another office or should it?

A.—I don't know. I don't think it ever has been in the past. I'm not sure the Public Service Commission was either. Even though I thought it was going to be."

This statement came after the White House announced on February 8 that the President would nominate Mr. Clement to the TVA Board. On February 12, Mr. Clement met with the President regarding his nomination. In the February 13 edition of the Knoxville News-Sentinel, Mr. Clark Reid made the following report:

> While emphasizing he would strive to be non-political as a TVA board member, Clement said that he "is not closing any doors or options" to the future, a reference to a possible run for political office again sometime in the future.

Because of our concern that the TVA Board might be brought within the sphere of politics, the entire nine-member Alabama congressional delegation wrote the President on March 29, 1979, requesting him to delay sending the nomination of Mr. Clement until we could satisfy ourselves that he did not intend to use the office as a springboard to another political office and could determine his feelings toward the portion of Alabama served by TVA. A copy of our letter is in the committee report on this nomination.

On April 3, the Alabama delegation received an acknowledgement from Frank Moore, the President's Chief Congressional Assistant, advising us the President had been advised of our request and that our letter had been sent to Arnold Miller, Director of the Office of Presidential Personnel, for direct attention.

Aside from this acknowledgment, our entreaty to the President went unheeded. We heard nothing else from the White House, and the next word I received about the matter was when my office was phoned by a wire service reporter wanting my reaction to the forwarding of the nomination of Bob Clement to the Senate. In short, our request was completely ignored. Had the White House honored our request, consulted with us about our concerns, and waited for our investigation, it is likely that Mr. Clement's nomination would not be pending here today.

Our fear that Mr. Clement might use TVA as a vehicle for another political office is also shared in his home State of Tennessee. I should like to read an editorial entitled "Clement, politico, not for TVA board" which appeared in the Jackson (Tenn.) Sun of February 9, 1979.

> Bob Clement is President Carter's nominee for the remaining vacancy on the three-man board of directors for the Tennessee Valley Authority, according to reports in Washington.
>
> Clement is a Tennessean, a former state Public Service Commissioner and a once-defeated but clearly not undaunted candidate for Tennessee governor. He's a talented politician and a strong candidate for any of a number of elected offices. But he's a bad candidate for the TVA board.
>
> In his two years as a chairman of the state public service commission, Clement showed us why an ambitious politician makes a poor utility regulator . . .
>
> As a result, the Public Service Commission abdicated its responsibility to make hard-headed economic decisions, leaving that difficult task to the Chancery Court of Davidson County. The expensive bureaucracy of the PSC failed in its basic task because Clement was more interested in running for governor than in setting rates.
>
> Such minor schenanigans at the PSC could cause havoc at TVA. The latter is an enormous enterprise, which not only sets rates but actually provides power in a seven-state region. Congress wisely provided that the three people who run TVA be appointed, not elected officials. That was precisely to insulate them from political buffeting, to let them make the sometimes unpopular choices needed to keep the big utility in business.
>
> An ambitious politician like Bob Clement clearly isn't interested in making unpopular decisions. At TVA, an attitude like his could be catastrophic.
>
> President Carter has already made two outstanding appointments to the TVA board. Chairman David Freeman is a forward-thinking engineer and his colleague Richard Freeman has a strong record as a business administrator. Both are lawyers, as well.
>
> TVA's customers would be far better off with a third commissioner picked for his technical competence. Politics is a useful process, but not in the administration of TVA.
>
> And there are better jobs for Bob Clement, who'd be a fine candidate for a more properly political post.

I also quote a portion of an editorial from the February 10 edition of the Memphis (Tenn.) Commercial Appeal:

> It's a political tradition for high-ranking elected officials to find jobs for unsuccessful candidates, especially those who tried to carry the party's banner to such high estate as a governorship. The jobs generally are well-paying and permit the loser to lick his wounds, regroup his supporters and lay plans for another campaign.
>
> But the board of the Tennessee Valley Authority should not be such a honey hole.
>
> Bob Clement, who failed last year in his bid to become governor of Tennessee, will have some tough questions to answer when he's nominated for the final TVA vacancy by President Carter . . . Clement's background as a Tennessean who knows about political insighting—a man of the valley—and his record of public service speak favorably for him. If he receives the post, TVA customers would look to him to represent their interests above all else. There's no indication that he wouldn't. But Clement hasn't answered all the questions yet. He hasn't made clear his own views about the role of public power in regional development or the issues that will face TVA in the near future. And he hasn't removed all doubts about whether he's drawn to the honey or to the job.

The following editorial observation was made in the Chattanooga (Tenn.) Times of February 11, 1979:

> Bob Clement's selection by President Carter as a member of the TVA board of directors will come as a surprise to most Tennesseans. His name had not been widely mentioned, much less given the status of a serious contender, until the very recent past . . .
>
> He comes from a family long dedicated to politics in the purest sense, and especially to the service of the Democratic party and its nominees. His father, the late Frank Clement, was a three-term governor of the state; his aunt, Annabelle Clement O'Brien, is a political force in her own right as a state senator.
>
> We are uncertain about Mr. Clement's other qualifications for the tremendously important post for which his name will go to the Senate for confirmation . . ."

Finally, Mr. President, I should like to read a short, but highly significant, editorial from the May 31, 1979, issue of the Knoxville, Tenn., Journal entitled "Political Office?"

> There is supposed to be a tradition that directors of the Tennessee Valley Authority are more than mere politicians, but men of sound judgment, practical experience and sincere concern for the public interest. We know, of course, that sometimes the criterion is not followed.
>
> It is to be regretted that Bob Clement, the President's nominee for a vacancy on the TVA board, appears to be regarding the appointment more as a political stepping-stone than as an opportunity for useful public service. He is showing no disposition to divorce partisan politics from the office.
>
> Witness his serving a few days ago as a chairman of a Democrat Party fund-raising dinner. That was his right, to be sure, but hardly a proper action for a TVA director. Had he circumspectly declined the assignment there would have been no cause of criticism.

TVA does not need a self-promoter on its Board of Directors. The agency's problems cannot be solved by the appointment of a director whose decisions will be influenced by political expediency, rather than careful and reasoned judgments and the courage to stand by them. TVA's mission is far too important and its problems are far too great to be dealt with in such a manner.

The March 29 letter to the President was also prompted by the Alabama delegation's desire to determine Mr. Clement's views regarding the Alabama portion of the TVA service area.

The location of the headquarters of TVA is a volatile issue at this time. We of Alabama have always felt the law clearly mandated that TVA headquarters be located in the vicinity of Muscle Shoals, Ala. In fact, the record will show that on several occasions the TVA Board of Directors formally decided to relocate the headquarters from its "temporary" site in Knoxville, Tenn., to Muscle Shoals, but for several reasons the transfer never became a reality.

On January 25 of this year, a Federal court determined that Congress intended the primary administrative and operational headquarters of TVA to be located in the Muscle Shoals area. While the order of the court was welcomed by the citizens of Alabama, it was severely criticized by many Tennesseans and understandably so. One of those opposed to the order of the court was Mr. Clement.

The hostility of Mr. Clement relative to the transfer of the TVA headquarters is no secret. Almost everyone in Alabama and Tennessee can speak ex cathedra on his position. He has expressed his sentiments at the White House, at the initial hearing on his nomination, and in public print. For example, I quote from an article from the Florence (Ala.) Times of May 17:

> Ignoring the wishes of the Alabama Congressional delegation, President Jimmy Carter Wednesday submitted the nomination of Bob Clement to be a member of the Tennessee Valley Authority board.
>
> The nomination drew instant support from members of the Tennessee delegation and expressions of disappointment from Alabama.
>
> Clement, a son of a one-time governor of the state, has gone on record as opposing the move of TVA's headquarters from Knoxville to Muscle Shoals. He has also refused to pledge or refrain from further political races in Tennessee, or to serve out his full term on the board.
>
> At one point he was quoted as saying he would not move from Nashville to Knoxville if he were named to the board. At another point, when asked if he would favor the transfer of the headquarters as specified by the TVA act he was quoted as "*no and hell no*" (emphasis added).

This brings us to the crux of another objection and concern I have to Mr. Clement's nomination. It is my feeling that a prospective Board member who has prejudiced any issue which might come before the TVA Board and adversely affect a given State in the TVA service area should not be confirmed unless he agrees to recuse himself from considering those issues where legitimate State interests are in conflict.

Mr. Clement's already announced pledge to work as a member of the TVA Board to keep the agency's headquarters in Knoxville can only be interpreted as a bias against the interests of the people of Alabama and a bias in favor of the interests of the people of Tennessee. This intransigence is also indicative of how he will treat other issues coming before the Board where the legitimate interests of other States in the TVA region are involved.

There is nothing hypothetical as to where the sympathies of Mr. Clement will lie on such issues and to me his partisan stance is profoundly shocking.

I should like to point out that in the near future the TVA Board must make a decision concerning the location of a multimillion dollar coal gasification plant. the citizens of the States of Alabama, Tennessee, and Kentucky, and possibly other States in the TVA service area, have a deep and legitimate interest in seeing this facility located in their respective State. In addition, while serving on the Board, Mr. Clement likely could be confronted with the knotty and highly emotional issue relative to the locations of sites for the storage of spent nuclear fuel.

I venture to suggest, Mr. President, that had Mr. Clement prejudged these issues by declaring that he was going to work to locate the coal gasification plant in Tennessee to the exclusion of Alabama and Kentucky or that he favored dumping nuclear waste material in any State in the TVA region but Tennessee, the Senators from those respective States would be at this hearing table today to register their disagreements with Mr. Clement's pronouncements.

Frankly, given Mr. Clement's previous statements about the TVA headquarters issue and his refusal to remove himself from the Tennessee gubernatorial race in 1982, I do not see how he can possibly serve without prejudice toward those portions of the TVA region that lie outside the geographical boundaries of the State of Tennessee.

NONCOMPLIANCE WITH TENNESSEE ELECTION LAWS FACTS

Mr. President, Bob Clement, while serving as president of the Tennessee Public Service Commission, was an unsuccessful candidate for the Democratic nomination for the office of Governor of

Tennessee during 1978. The election in which Mr. Clement was defeated was held on August 3, 1978. After the election Mr. Clement continued to serve out the remainder of his term on the Tennessee Public Service Commission. He was subsequently nominated by the President to be a Director of the Tennessee Valley Authority to fill out an unexpired term which would end in 1978.

The Tennessee elections laws mandate that candidates for office disclose their financial transactions both before and after the election. Mr. Clement apparently complied with the preelection reporting requirements but his postelection reporting raises many questions. The Tennessee law requires an initial postelection report 30 days after the election, the next, 30 days later, if surplus contributions are on hand or debt remains unpaid, and every 60 days thereafter until the accounts are zeroed out. After his unsuccessful campaign, Mr. Clement's campaign was approximately $200,000 in debt and is currently still in debt in the amount of either $20,000 or $11,000 or $130,000 depending on different figures involved or different statements made.

Mr. Clement raised substantial sums of money after the election, at least $136,000 of which was raised with one fundraising event at the home of Kip Caudill at Gallatin, Tenn., on September 17, 1978. Mr. Clement testified before the Senate Committee on Public Works on June 26, 1979, that some persons contributed more than $100 to that fundraiser but in an affidavit filed with the Tennessee State Librarian on July 3, 1979, Mr. Clement states that no individual contributed more than $100 to that fundraiser. Clearly a meaningful conflict exists since those contributors over $100 have to be reported under the election laws of Tennessee.

The following chart summarizes the postelection reporting requirements and Mr. Clement's compliance or noncompliance:

Required date of report, date filed, and remarks:

September 5, 1978, September 6, 1978.

October 5, 1978. November 17, 1978. Report filed more than 40 days late; Report did not list any contributions. All columns on form calling for receipts were left blank.

December 5, 1978, no report filed.

February 5, 1979, no report filed.

April 5, 1979, no report filed.

June 5, 1979, no report filed.

June 25, 1979, a report was filed on June 28, 1979, one day prior to Mr. Clement's confirmation hearing; report included contributions and expenditures.

July 3, 1979, letter from campaign treasurer filed with librarian claiming that Kip Caudill fundraiser improperly reported and should have been reported as under contributions under $100; affidavit by Mr. Clement and campaign treasurer filed alleging that no single individual contributed more than $100 to the Kip Caudill fundraiser.

According to Mr. Clement's testimony before the committee, he filed the November 17, 1978, report with both the Tennessee State Election Commission and the librarian of the Tennessee State Library and Archives as is required by the Tennessee campaign financial disclosure laws. Mr. Clement stated:

That next report we did file with the State Election Commission and the Library and Archives sent it back to us, and the reason they sent it back to us is because I listed all my expenditures, but I did not itemize my contributions.

Even though Mr. Clement and his campaign staff knew that the November 17, 1978, report was not acceptable, no report disclosing contributions was filed for over 7 months, specifically, the day before Mr. Clement's confirmation hearing on June 25, 1979.

The Tennessee attorney general has notified the committee that in his judgment Mr. Clement has "substantially complied" with Tennessee law, and the attorney general plans no further action. The attorney general's opinion letter fails to address a discussion of the omission of contributions on the November 17, 1978, report, and makes no mention of the fact that Mr. Clement knew the report of November 17, 1978, was unacceptable for failing to list contributions.

Mr. President, in my judgment, Mr. Clement's actions raise a number of issues which need to be explored.

ISSUES

The first issue concerns the November 17, 1978 report.

First. Was this a false report? Large fundraiser which raised at least $136,000 in contributions not reported.

Second. Was a false oath given?

The next issue concerns Mr. Clement's failure to comply with direction of librarian of Tennessee Library and Archives Department to correct November 17, 1978, report and provide list of contributors.

First. Was a conscious decision made to disregard direction of librarian?

Second. Was the failure to file for more than 7 months a willful withholding of disclosure of contributors and a willful violation of the Tennessee election law?

Next, was false testimony given before the committee or was false affidavit made concerning the Kip Caudill fundraiser?

Finally, there are miscellaneous issues evidencing an intention not to comply with the Tennessee election law.

First. For example, failure to file reports due: December 5, 1978, February 5, 1979, April 5, 1979, and June 5, 1979.

Mr. Clement defends his noncompliance with the Tennessee law with a number of arguments.

First. He argued during his testimony that he had no staff available after he lost the election for the Democratic nomination. As will be noted hereinafter, however, handwritten notes on the contribution exhibit A to his June 25, 1979, report indicate that "thank you" letters were written to all persons who made contributions disclosed on certain pages of that exhibit. Staff or clerical help was obviously available to write these letters, and in fact, the handwritten notes about such letters were dated October 4, 1978, the day before October 5, 1978, the due date of a report.

Second. Mr. Clement argues that because he had to appoint a new treasurer after the election, the affairs of the campaign became confused and delayed. However, it is interesting to note that apparently bills were being paid and records maintained of expenditures, and, additionally, when the contributions were finally reported, the report did not appear to be burdensome in that the contributions report consisted of three line items on the report itself plus an exhibit listing only 78 contributors individually. The pages of this exhibit appear to be xerox copies of records that were prepared contemporaneously with bank deposits or the mailing of thank you letters and appeared to be on hand prior to November 17, 1978.

Third. Mr. Clement's third defense for his noncompliance is that he had acted on advice of counsel. As will be pointed out in the discussion hereinafter, advice of counsel is not an excuse for noncompliance with a law and, in fact, had Mr. Clement or his counsel availed themselves of the simple procedure of advisory opinions established by the Tennessee election laws, then all doubt about the proper method of reporting contributions would have been eliminated.

Fourth. Finally, Mr. Clement and the attorney general of Tennessee have tried to argue that he is in substantial compliance with the Tennessee election laws. This certainly appears to be questionable under the facts as will be elaborated on below and certainly he was not in substantial compliance before June 25, 1979, the day before his confirmation hearing. In statements to reporters after the confirmation hearing Mr. Clement indicated that had not his campaign records come under scrutiny as a result of his nomination, he probably never would have filed the required reports.

MR. CLEMENT'S COURSE OF CONDUCT WITH RESPECT TO CAMPAIGN FINANCIAL DISCLOSURE

Mr. Clement's course of conduct or pattern of practice of noncompliance with the Tennessee campaign financial disclosure laws discloses a cloud over his confirmation that needs to be cleared so that the Senate may be assured that no serious violations of the Tennessee election laws have occurred. The issues which contribute to this cloud are discussed below.

A. TENNESSEE FINANCIAL DISCLOSURE LAW SUMMARY

Postelection disclosure of campaign financing is an important part of the overall reporting system since without postelection reports, candidates could defer the receipt of contributions and expenditures until after an election, thus thwarting the purpose of the disclosure laws which preserve the public's right to know who supported which candidate and to what extent. This is doubly important when a defeated candidate already holds a public office, such as Mr. Clement did as President of Tennessee's Public Service Commission.

Although some, including the Tennessee attorney general, might minimize the importance of postelection financial disclosure, such disclosure is an integral part of the Tennessee campaign financial disclosure laws as set out in sections 2-1001—2-1017 of the Tennessee Code

Annotated. In fact, no less than three separate code sections deal with postelection filings. The pertinent code sections are as follows:

(1) 2-1008. Filing of statement by treasurer—Time—Place—(a) Each political treasurer shall file with the librarian [of the Tennessee Library of Archives] a statement of all contributions received and all expenditures made by or on behalf of the candidate or political campaign committee during the following periods:

(2) The eleventh day before any election or referendum through the tenth day after the election.

(b) The statements for the periods in § (a) of this section shall be as follows:

(2) For the filing after any election or referendum not later than thirty days after the election." (Emphasis added)

The key section important in the instant situation is section 2-1009 which requires post-election reports indefinitely so long as surplus contributions are on hand or debts remain unpaid. This is the section Mr. Clement apparently declined to comply with.

(2) 2-1009. Contribution excess—Expense deficit—Supplemental statements—(a) If a statement filed under subsection (a) of § 2-1008 [that is, any pre-election report or the first post-election report] shows an unexpended balance of contributions or an expenditure deficit, the political treasurer shall file with the librarian:

(1) Not more than thirty (30) days after the last deadline for filing the statement under subsection (a) of § 2-1008, a supplemental statement of contributions and expenditures; and

(2) Every sixty (60) days after the deadline for filing the first supplemental statement, an additional supplemental statement of contributions and expenditures; if there is any change in the statement filed under subsection (a)(1) of this section.

(3) 2-1010. No contributions or expenditures.—If no contribution is received or expenditures made by or on behalf of a candidate or political campaign committee during a period described in § 2-1008 and § 2-1009 the political treasurer shall file with the librarian at the time required by such section of this chapter for the period, a statement to that effect. (Emphasis added)

It is significant to note that sections 2-1008 and 2-1009 require reports of contributions and expenditures after the election if any funds are received or expended, and section 2-1010 demands a report after the election even if during the reporting period no contributions are received or expenditures made—that is, post election reports are of such significance that even negative reports are required. Clearly the post election reports are given a place of prominence in the Tennessee law. The matter which must be reported is set out in section 2-1011 which is set out below:

2-1011. Statement—Content.—A statement filed under § 2-1008 or § *2-1009* the pertinent statute where a campaign debt exists after an election of this chapter shall set forth:

(a) Under contributions, a list of all the contributions received, as follows:

(1) The statement shall list the full name and complete address of each person who contributed a total amount of more than one hundred dollars ($100) during the period for which the statement is submitted, and the amount contributed by that person.

(2) The statement shall list as a single item the total amount of contributions of one hundred dollars ($100) or less.

(b) Under expenditures, a list of all expenditures made as follows:

(1) The statement shall list the full name and address of each person to whom a total amount of more than one hundred dollars ($100) was paid during the period for which the statement is submitted, the amount paid to that person, and the purpose thereof.

(2) The statement shall list the total amount of expenditures of one hundred dollars ($100) or less each, by category, without showing the exact amount of or vouching for each such expenditure. (Emphasis added)

Second, Mr. Clement's noncompliance and the inferences to be drawn.

The November 17, 1978 report.

The heart of Mr. Clement's reporting problem seems to hinge on the report which was due to be filed on October 5, 1978, but which was not filed until November 17, 1978 (more than 40 days late). On November 17, 1978, the campaign treasurer filed a postelection report with the State election commission and according to Mr. Clement's testimony with the librarian of the State library and archives. The report purports on its face to cover receipts and expenditures for the period of August 3, 1978, to November 9, 1979. In fact, no receipts or contributions are reported although substantial expenditures are reported. Mr. Clement admitted in his testimony that funds were raised during the period covered by the report but claims that receipts were not treated as contributions for purposes of the report because counsel advised that such receipts were not contributions as the term is defined in the campaign financial disclosure laws. The Tennessee law defines contributions as follows:

2-1002(d) "Contribution" means any advance, conveyance, deposit, distribution, transfer of funds, loan, loan guaranty, personal funds of a candidate, payment, gift, pledge or subscription, of money or like thing of value, and any contract, agreement, promise or other obligation, whether or not legally enforceable, *made for the purpose of influencing nomination for election or the election of any person for public office.* (Emphasis added)

It should be noted at this point that a parallel definition of "expenditure" is also set out in the code.

2-1002(f) "Expenditure" means a purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value in excess of one hundred dollars ($100) *made for the purpose of influencing the nomination for election or election of any person to public office.* (Emphasis added)

According to the report of Richard Harris, counsel for the committee, Frank Gorrell, chairman of Mr. Clement's fundraising committee, in his capacity as counsel, advised that postelection receipts need not be reported as contributions. Query, when was this opinion formulated? Was it arrived at before or after November 17, 1978? Who was told of this opinion? Finally, were the librarian and the attorney general of Tennessee consulted as provided in the statute with respect to an advisory opinion?

The Tennessee code anticipates that candidates might need advice with respect to the disclosure laws and specifically provides a procedure for obtaining an opinion of the attorney general of Tennessee. Section 2-1004 provides in pertinent part:

2-1004. Duties of state librarian and archivist.—It shall be the duty of the state librarian and archivist: . . . (h) To seek from the attorney general, issue, and publish, upon proper request from any qualified candidate or public official, advisory opinions on the requirements of this chapter.

The duty of the attorney general is set out in section 2-1015.

2-1015. Duties and Powers of attorney general. (a) It shall be the duty of the attorney general:

(1) To provide opinions upon the requirements of this chapter to the librarian.

Why was this simple procedure not utilized rather than gambling on the correctness of a strained interpretation? Was it realized that if such an opinion were sought, the result could have only been adverse to Mr. Clement's interest, since the law appears to be so clear? Regardless of the answers to the above questions it is strange that counsel apparently felt that "expenditures" made after the fact were reportable while receipts were not reportable. Such a strained interpretation infers a desire on the part of someone not to report receipts after the election and the question rebounds, why? Apparently a conscious decision was made not to report receipts and this strained interpretation of the word "contribution" was relied on for that decision. Again, the key element appears to be the large fundraiser held on September 17, 1978 at the residence of Mr. Clement's friend Kip Caudill. An impartial audit should closely scrutinize this event to determine what, if anything, about the fundraiser would cause persons to want to cloud this reporting of the contribution raised there.

The argument that the definition of "contribution" precludes the reporting of post election receipts is not only strained, but when the reporting statute is read as a whole, it is apparent, as mentioned above, that the reporting of receipts and expenditures after the election is a key element of the statute, being provided for in three separate code sections.

The term "contribution" is used in the post election context in section 2-1008 (a), section 2-1009 and section 2-1010. The law in Tennessee, as elsewhere, is clear that the meaning of the statute is to be determined from the statute taken as a whole viewing the legislation in light of its general purpose. That is, *Tidwell v. Servomator-Willoughby Co.*, 483 S.W. 2d 98 (Tenn. 1972); *McGill & Dougherty v. Kefauver*, 137 S.W.2d 279 (Tenn. 1940). Had counsel followed the lead of the Tennessee Supreme Court, he would have given an opinion after looking at the entire statute, including any caption and policy statement which would have provided the purpose, objective and spirit behind the legislation, *Dorier v. Dark*, 537 S.W.2d 888 (Tenn. 1976) and he would have, like the court, seen his duty to construe this statute so that no part of it would have been inoperative, superfluous, void, or insignificant, and would have given effect to every word,

phrase, clause and sentence of the act in order to carry out the legislative intent. *Tidwell* v. *Collins*, 522 S.W.2d 674 (Tenn. 1975). Clearly some other objective mandated this opinion and the question arises, what did they want to hide? This cloud should be pierced.

When the contributions were finally disclosed on June 25, 1979, there was nothing to indicate that the report was in any way a burdensome or difficult task. Three entries were made on the form, backed up by an appendix listing only 78 individual contributors. The defense of no staff is substantially weakened since there was staff to write thank you letters on October 4, 1978, the day before the due date of the October 5, 1978 report as evidenced by the notation on page after page of exhibit A to the report of June 25, 1979, which recites "letters done October 4, 1978." In fact, the pages themselves are evidence of their own existence on that date in clear, organized form. Surely these could have been easily filed with the report of expenditures on November 17, 1978.

The oath on the report form itself requires that the persons signing conform to the letter and the spirit of the law. Serious questions are raised as to whether the report was an intentional false report and whether the oath was a false oath. The only conclusion to be drawn is that for some reason it was decided that the fundraiser receipts should not be disclosed. This is a cloud which needs to be removed before Mr. Clement is confirmed as a Director of the TVA.

Yet another aspect of the November 17, 1978 filing cries out for a suitable explanation. On the seventh page of the report an expenditure of $109,080.87 is reported to have been made to Caudill Properties, Inc. On the June 25, 1979 report in a filing made with the librarian for the State of Tennessee, the same expenditure is listed as only $4,778.50. No explanation is made on the June 25, 1979 filing and apparently no corrected filing has been made to correct the error on the November 17, 1978 report if in fact the item was merely an error. The significance of this fact is that Mr. Clement testified that his current campaign debt is somewhere around $20,000. If the total figure of the attached expenditure schedule on November 17, 1978 report is correct, the debt may be more in the neighborhood of $130,000. The total figure of the schedule amounts to approximately $228,000 of expenditures instead of the listed figure of $113,401.50. Again, this is a cloud which needs to be swept away by a fresh burst of sunshine.

Mr. Clement himself has testified that he had knowledge that the November 17, 1978 report did not list contributions; yet he did not file a report listing any contributions whatsoever until June 25, 1979, more than 7 months after being put on actual notice of the necessity for such disclosure. Most case law uniformly holds that reliance on advice of counsel is no defense in criminal cases. *People* v. *McClulla*, 220 P. 436 (Cal. 1923); *State* v. *Huff*, 36 A. 1000 (Mo. 1897); *State* v. *Western Union Telephone Co.*, 97 A.2d 480 (N.J. 1953). Where reliance on advice of counsel has been allowed, it is because reliance negates a mental state required for conviction. *Long* v. *State*, 65 A.2d 489 (Del. 1949). The Supreme Court of Tennessee has in *Hunter* v. *State*, 125 S.W.2d 361 (Tenn. 1928) quoted the following language of the U.S. Supreme Court with approval:

> But, on the other hand, no man can willfully and knowingly violate the law and excuse himself . . . by pleading that he followed the advice of counsel.

The Court approved the following statement of the usual rule:

> [I]gnorance of the law will not excuse its violation, even when one endeavors to ascertain the law and is misled by the advice of counsel. . . .

Section 39–1105 of the Tennessee Code annotated fixes the punishment up to 5 years in the penitentiary if a conspiracy to violate the Tennessee election laws is established.

In the instance situation, while advice of counsel may have been sufficient to preclude the willful aspect of the wrong prior to the filing on November 17, 1978, clearly when specific notice was given that contributions were improperly omitted, notice which Mr. Clement and others state they received, the refusal to comply for a 7-month period is at least evidence of willful misconduct which requires explanation by Mr. Clement and careful evaluation by the committee.

C. The June 25, 1979, filing.

In an effort to finally comply with the Tennessee law prior to attendance at his confirmation hearing, Mr. Clement caused his campaign treasurer to file a report on June 25, 1979 (1 day before testifying). This report purports to cover the period from November 9, 1978, to June 13, 1979. If the face of the report is correct, then possibly no complete report of contributions received from August 15, 1978, to November 8, 1978, has yet been filed. (That is, the report filed on September 6, 1978, covers the period up to August 14, 1978; the report filed November 17, 1978, covers August 4, to November 9, 1978, but discloses no contributions; the June 25, 1979, report purports to cover November 9, 1978, to June 13, 1979, thus leaving a large gap from August 15, 1978, to November 9, 1978, unreported for purposes of contributions.) It is undisputable that the large fundraiser at Kip Caudill's residence was held on September 17, 1978, prior to November 9, 1978, and is apparently erroneously reported as having taken place during the November 9, 1978, to June 13, 1979, period. It would appear, however, that an audit should examine the bank deposits, other bank records, the books and records of the campaign committee with regard to all of these reports to determine if contributions and expenditures have been properly reported and to remove this potential cloud.

The June 25, 1979, report shows a lump-sum item under receipts greater than $100 as the Kip Caudill fundraiser. The day after that filing, under questioning by Senator HEFLIN, Mr. Clement stated that some persons had contributed more than $100 at the fundraiser and some had contributed less.

Yet on July 3, 1979, Mr. Clement and his campaign treasurer filed a sworn affidavit with the librarian of the Tennessee library and archives which stated that no one person contributed more than $100 at that fundraiser for the purpose of showing that the $136,000 was listed on the wrong part of the report. If any single individual bought two tickets at a price greater than $100 Mr. Clement's sworn affidavit and its veracity would be seriously jeopardized.

It is almost inconceivable that a fundraiser could be held and $136,000 raised and no single individual or political action committee or other organization did not contribute more than $100 to the fundraiser. Again, this situation cries out for an impartial investigation to determine the true state of facts. At least the deposit slips and photostatic copy of checks deposited in the campaign bank accounts should be obtained and examined.

In a newspaper article published in the Tuesday, July 17, 1979 Nashville Tennessean, Mr. Clement attempts to justify the conflict between his testimony before this committee and the affidavit he filed with the Tennessee State librarian on July 3, 1979. The newspaper article recites that Mr. Clement says he misunderstood Senator Heflin's question. The article appears to qoute Mr. Clement's explanation further:

> I thought he [Heflin] was talking about any contributions we received after the primary, rather than just Kip Caudill's.

Set out below are excerpts from the transcript dealing with the Kip Caudill fundraiser. The transcript of Mr. Clement's testimony reveals clearly the fundraiser was discussed at several points during Mr. Clement's testimony. The court reporter, not being familiar with the names of the parties apparently transcribed several names incorrectly at several places, including my own name throughout the first part of the transcript. There is no doubt that Mr. Clement and I were discussing the Kip Caudill fundraiser and not a fundraiser by "Chip Carter." I am identified at these portions of the transcript as Senator Levin but of course everywhere Senator Levin appears should read Senator Heflin.

Transcript pages 49–50:

> Senator LEVIN. I have a copy of, a photostatic copy, of the Nashville Banner, dated August 21, 1976 (sic), in which it quotes you as saying that 'we have about a $200,000 debt, and we already planning a fundraiser to take care of that.'
>
> Mr. CLEMENT. Yes.
>
> Senator LEVIN. It says, also, that you have tentative plans to have fundraisers on September 17th at the home of Kip Carter (Caudill), one of Clement's chief campaign advisors. Was that held?
>
> Mr. CLEMENT. Yes, sir, it was.
>
> Senator LEVIN. Were funds raised at that time to pay your debt?
>
> Mr. CLEMENT. We raised $136,000 on that fundraiser.
>
> Senator LEVIN. At that one fundraiser?
>
> Mr. CLEMENTS Yes; and we have raised totally $160,000.

> Senator LEVIN. In order that I might not misunderstand you, and I want to get it straight, it is my understanding you ended the campaign with around $200,000 in debt, that on September 17 at the Gallatin Home of Chip Carter [Kip Caudill], that in September 17, 1978, that you raised around $136,000.
>
> Mr. CLEMENT. Yes, sir.
>
> Senator LEVIN. And that you have since that time raised other money to make a total that you have raised since September 16, 1978, of a total of $160,000.
>
> Mr. CLEMENT. Approximately, yes, sir.

Transcript page 59:

> Senator LEVIN. Is it your understanding that the purpose of the disclosure law requiring a list of contributors who have contributed $100 or more, and expenditures after an election is for the purpose of informing the people who contributed to your campaign, and what you spent your money for afterward?
>
> Do you understand that to be correct?
>
> Mr. CLEMENT. Yes.
>
> Senator LEVIN. That fundraiser at Gallatin, Tennessee, at which you raised $136,000, you would say that there were many of those contributors who gave you more than $100, would you not, sir?
>
> Mr. CLEMENT. Some gave us more than $100. Some gave us less than $100.

The words of the affidavit that Mr. Clement signed are set out below:

> We, the undersigned, do hereby make oath, based upon the best of our information, knowledge and belief, that: at the Kip Caudill Fundraiser event held in September, 1978 to enable Bob Clement to pay campaign indebtedness, there was in attendance approximately 750 to 1000 persons. Tickets for this event were sold for $100.00 per person, and the receipts of these ticket sales were collected before the event, during the day of the event, and for several days thereafter, no one person contributed more than $100.00.

The cloud which has been repeatedly mentioned appears to be growing darker rather than clearer with each passing revelation or statement by Mr. Clement.

Reference in the question on transcript page 59 to the specific fundraiser at the specific place—Gallatin, Tenn.—and the specific amount of $136,000 which Mr. Clement himself had established as the amount raised and the specific event—that fundraiser (transcript page 50), make it unrealistic that Mr. Clement could have misunderstood the question. The question was as specific as it reasonably could have been and was asked in a reasonably loud tone and was heard and answered by Mr. Clement: "Some gave more than 100. Some gave less than 100." No qualifications, no hesitation, and no questions were raised by Mr. Clement.

It would appear that a cloud has mushroomed into some kind of real coverup in that Mr. Clement has picked up a tar baby he just cannot put down. Each new attempt to explain his actions, in my judgment, places a darker cloud on the Kip Caudill fundraiser. The Senate should ask the committee to cut through this cloud before Mr. Clement's nomination is approved.

Certainly Mr. Clement should be recalled as a witness to be examined under oath on this most vital issue.

As has been mentioned, the post election fundraiser appears to be an important, perhaps critical area of investigation. A fair comment on the known facts would be that a conscious decision was made not to report the funds raised at this event, and in fact, the lump-sum raised went unreported for more than 9 months—September 17, 1978, to June 25, 1979—now that the event has been reported, many questions are raised and unanswered with respect to this event.

A question has been raised whether Mr. Clement and his campaign officials substantially complied with the Tennessee financial disclosure laws, or whether, as set out above, the many discrepancies mentioned showed a serious noncompliance. The attorney general of Tennessee has made a determination that in his judgment Mr. Clement and the campaign officials have substantially complied with the Tennessee financial disclosure laws but such conclusion appears to have been made without considering several important items which are a matter of record.

The attorney general fails to address the issue of the failure to disclose receipts and contributions on the report filed on November 17, 1978. This report was filed on a form prepared by the Tennessee Library and Archives Department, form No. E–2, to which was attached a schedule of itemized expenditures. The form calls for the listing on one page under two columns, of receipts of more than $100 and expenditures of more than $100. Another page of the form calls for receipts of $100 or less and expenditures but no receipts or contributions are disclosed at all.

The oath on this form states that the things of value required to be reported under pertinent sections of the Tennessee code and further states that no provision of the code sections have been violated in letter or in spirit. The omission of these receipts and contributions on this form is a glaring omission and could constitute a false report and could render the oath a false oath. This issue is not even addressed in the letter written by the attorney general of Tennessee.

Moreover, although the attorney general of Tennessee was furnished a copy of the testimony of Mr. Clement before the Senate Environment and Public Works Committee on June 26, 1979, the attorney general apparently chose to ignore the statement of Mr. Clement that the copy of his report which was filed with the librarian of the Tennessee State Library and Archives Department that the report was unacceptable because it did not contain a list of contributions.

Mr. Clement testified that the report was returned with the request that it be corrected and list of contributions included. For more than 7 months there was a failure to comply with the requirement of the Tennessee law after having been put on notice by the State librarian. The attorney general's conclusion that there was no willful failure to disclose required information appears to have been made without considering this issue.

Cases hold that substantial compliance is not shown unless it is made to appear that the purpose of the statute has been served. *Kasner* v. *Stammire*, 155 P. 2d 230 (Cal. 1962). Can it reasonably be argued that on October 5, 1978, or November 17, 1978, the purpose of the Tennessee law had been served? Substantial compliance is of course actual compliance in respect to substance essential to every reasonable objective of the statute. *Stasher* v. *Harger-Haldeman*, 272 P. 2d 649 (Cal. 1962). Tennessee law mandates the disclosure of contributions during each reporting period, and no actual compliance was made from September 5, 1978 until June 25, 1979. The Tennessee Supreme Court has held that a report which was due 5 days before the election and filed 3 days before the election was in substantial compliance with the then applicable Tennessee corrupt practice act. The court, nevertheless, made the following statements:

> The court is by no means inclined to weaken our laws designed to prevent corrupt practices in elections. In dealing with the statutory provisions now before us, we have the same feeling, expressed by the Kentucky Court of Appeals in *Sparkman* v. *Saylor*, 180 Ky. 263, 202 S.W. 649, 652. We quote:
>
> "In holding that the statute is mandatory in requiring a candidate to file pre-election and post-election statement of expenditures and is directory merely as to the time when such statements must be filed, we do not mean that a candidate must not reasonably and substantially comply with the provisions of the act as to the time of filing his pre-election and post-election statements, *for this he must do, and his failure so to do will be a ground for contest;* and in a contest where a failure to reasonably and substantially conform to this, or any, requirement of the act is made a ground of contest, the question will be determined upon the circumstances of each particular case, for it is manifest that what would be a reasonable and substantial compliance with the provision in one case might not be so in another. But, having decided that the act is mandatory only in requiring that a statement in proper form must be filed before the election, and directory merely as to the time, it follows that, where a proper pre-election statement has been filed, the election is not void, *unless the time at which the statement was filed was not a reasonable and substantial compliance with the law.*" (Emphasis added)

A similar case from the Texas Supreme Court held that a report due between 7 and 10 days before an election and filed 6 days after the election was not substantive compliance with the reporting requirement: *Grey* v. *State*, 406 S.W. 2d 934 (1966). No case in any jurisdiction has been found which has sanctioned a delay of 40 days in filing a required report and certainly no case has been found which has sanctioned a 7-month delay in filing a full and complete report once a candidate has been put on actual notice that a purported report was unsatisfactory.

Although the Tennessee code does specifically provide that a substantial compliance with section 2–1008 or 2–1010 may be sufficient so as to preclude sanctions for noncompliance, the statute excludes section 2-1009 when discussing the effect of the substantial compliance. Thus, under section 2–1016, which deals with the consequences of failure to file statement, it is specifically provided that if any political treasurer for a candidate willfully fails to file a statement required by section 2–1009 the candidate shall not be qualified as a candidate for any pub-

lic office for 6 years after the election. This certainly is a substantial penalty for failure to file the postelection report. Moreover, section 2-1017 punishes as a misdemeanor a willful violation of section 2-1009.

Although the attorney general of Tennessee may, for his own reasons, not wish to pursue the issue of compliance or noncompliance, the opinion of that official should not be binding on the U.S. Senate, since the Senate has the facts before it and can draw its own conclusions from the Tennessee law and the facts I have set out.

CONCLUSIONS

The course of conduct or pattern of practice of noncompliance with the Tennessee campaign financial disclosure laws raises questions that might not only touch on Mr. Clement's integrity but also raise clouds about his competency and fitness to perform the duties of a TVA director:

First. A history of failing to comply with the election law and the requirements of election law officials raised the issue of his willingness and competency to follow the laws and regulations applicable to the duties of a director of TVA.

Second. His remarks of "no" and "hell no" and other similar statements pertaining to the moving of the TVA headquarters from Knoxville to Muscle Shoals raise a question of his willingness and competency to follow the decisions of the courts of our land.

Third. The method and pattern of conduct dealing with the election laws and supervising or not supervising his staff raises the issue of his administrative competency to direct others in the performance of their duties.

Fourth. The inability to comply with the relatively simple and straightforward financial disclosure laws of Tennessee imply the inability to conform with the complex TVA legislation and issues.

Mr. RANDOLPH. Mr. President, will the Chair give the time situation?

The PRESIDING OFFICER. The Senator from West Virginia has 52.5 minutes; the Senator from Alabama has 54 minutes.

Mr. RANDOLPH. May I inquire if the Senator from Alabama feels that he will desire more time?

Mr. HEFLIN. I am willing, if the Senator is willing, to yield it back and proceed.

Mr. RANDOLPH. I thank the Senator.

Before that can be done, Mr. President, we do have a request from the minority leader of the Senate (Mr. BAKER) that he be given an opportunity to make certain comments in reference to the nomination. We think we know where he is. We were given a contact for him. Presumably, he can be here in a very few minutes.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

Mr. STAFFORD. Mr. President, if the Senator will withhold that, I am going to ask the chairman of the committee to yield to me briefly.

The PRESIDING OFFICER. Does the Senator withdraw his suggestion?

Mr. HEFLIN. Yes, Mr. President.

Mr. RANDOLPH. Mr. President, I yield to the ranking minority member of our committee (Mr. STAFFORD) such time as he may desire.

Mr. STAFFORD. Mr. President, I simply want to point out very briefly, once again, what to this Senator, at least, seems to be a controlling factor in this debate. I have listened with great attention to the extraordinarily able presentation of the distinguished Senator from Alabama. I can appreciate how good a trial attorney and how good a supreme court chief justice he has been.

This Senator had the privilege of serving as the attorney general of his State, some 25 years ago. In that State, Vermont, the attorney general is elected. I point out to our colleagues in the Senate that the attorney general of Tennessee is appointed by the supreme court of that State; he is not an elected official. He is presumed to be totally impartial and aside from politics.

On the questions which have involved the laws of Tennessee, this Senator feels that the opinion of the chief law enforcement officer of that State has considerable control. The attorney general's letter to the chairman of our committee, which was dated July 6, was drafted after the attorney general of Tennessee had had a transcript of the hearing record, which contained the original allegations of the distinguished Senator from Alabama.

In that letter, which was two or three pages long, I call our colleagues attention to the fact that the attorney general writes in the second paragraph of the letter:

> Our examination of the reports filed by Mr. Clement's political treasurer under the CFDA has disclosed no discrepancies in the pre-election statements of contributions and expenditures required to be filed under T.C.A. § 2-1008.

On the next page, which appears on page 166 of the hearing reports which our colleagues have in their possession, the attorney general writes:

> We, therefore, conclude that the treasurer of Mr. Clement's campaign was in compliance with the most important aspect of the CFDA, viz: the filing of the pre-election statement of contributions and expenditures.

Then we get to the matter of the post-election disclosures and filing. The attorney general of Tennessee on page 168 of the printed hearings report has this to say:

> At this point there is certainly no indication that the political treasurer willfully failed to file a required statement. Indeed, the fact that statements have now been filed, whether timely or not, indicates, in our view, that there has been no willful failure to file and that substantial compliance does, in fact, exist.

On page 169, the attorney general states:

> As noted above, the only other possible sanction in this case is the criminal misdemeanor sanction of T.C.A. § 2-1017 which, as in the case of T.C.A. § 2-1016(c), requires proof of a willful violation of certain provisions of the CFDA. Based on our observations above, we do not find any grounds which would merit a criminal prosecution in this case. There simply are, at this point, no indications of willful violations.

So, Mr. President, this Senator and the committee, who really have no ax to grind on either side of this question, are forced to the conclusion that if the senior law enforcement officer of Tennessee is satisfied with the compliance of Robert Clement with the laws of that State insofar as his campaign for Governor is concerned, that that is a controlling factor in the decisions of the committee and the basic reason why this Senator, and I believe the other members of the committee who voted similarly, voted to report this nomination favorably to the Senate.

Mr. President, in order to give Senator BAKER an opportunity to get here, if it is agreeable, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INOUYE). Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I yield such time as he desires to the minority leader, the Senator from Tennessee (Mr. BAKER).

Mr. BAKER. I thank the distinguished chairman of the committee of which I have been a member since the first day I came to the Senate. I am grateful to him for his customary courtesy in permitting me this time and in this way to express my support for the appointment of a fellow Tennessean to the TVA board.

First, I should like to take a moment to express my appreciation to the distinguished ranking minority member of the committee, the Senator from Vermont (Mr. STAFFORD), for his diligence in the conduct of the committee's affairs and the perpetuation of the bipartisan tradition of fairness and efficiency. Such an atmosphere has characterized that committee and its entire staff operation for many years, under the tutelage of the distinguished chairman and a series of distinguished ranking minority members. Senator STAFFORD serves in that ranking position with great distinction.

Mr. President, it is with great enthusiasm that I recommend the Senate's approval of the nomination of Bob Clement as a new member of the Board of Directors of the Tennessee Valley Authority.

Mr. Clement comes from a very distinguished family with deep roots in Tennessee, a family which has made and continues to make a special contribution to public service in our State.

Bob Clement's father, the late Frank Clement, is something of a legend in Tennessee. He was Governor of our State for four terms. He electrified the Nation with an unforgettable keynote speech at the 1956 Democratic National

Convention. He set a unique standard of colorful and active political leadership, and while Frank and I were political adversaries, I was proud to count him as my friend and number myself among his.

Bob Clement's aunt, Annabelle Clement O'Brien, has carried on the Clement tradition of public service and currently serves in the Tennessee State Senate.

Bob Clement himself, though still a very young man of 35, has already made a significant contribution to public service in Tennessee.

As a member of the Tennessee Public Service Commission from 1973 to 1978—and by the way, the youngest member ever elected to that body—and as chairman of the commission in 1977 and 1978, Mr. Clement was a forceful defender of the public interest in the regulation of the State's utilities, the trucking industry, and related areas of commerce.

He has served, as well, as chairman of the Committee on Presidential Relations for the National Association of Regulatory Utility Commissioners, and in this capacity he has consulted with both President Carter and Vice President MONDALE on a wide range of industry-related matters.

He also has substantial experience in rate hearings and other regulatory matters of special concern to the TVA, and he has testified effectively before various committees of Congress.

Mr. Clement waged an impressive, though unsuccessful, campaign for the Democratic gubernatorial nomination in Tennessee last year, and is well aware of his responsibility to be accountable and responsive to the people he serves.

I am quite confident, Mr. President, that Bob Clement's excellent professional experience and his exemplary personal character will insure his success as the newest member of the TVA Board of Directors.

It will be good to see a full complement of directors at TVA after having vacancies in all but 9 months of the last 4 years. It will be good to have a native and lifetime resident of the Tennessee Valley on the TVA board, in furtherance of an old and valuable tradition.

Mr. President, I must say with all candor if it is not possible to have a Republican appointed to this position that Bob Clement is as good a Democrat as you can find. I commend the President for his choice, and I commend the choice to my colleagues for confirmation. I believe he will be an outstanding Director. He will continue in a tradition of public service by a great Tennessee family, and I expect great things from him.

Mr. RANDOLPH. Mr. President, will my colleague yield for just a comment?

Mr. BAKER. Mr. President, I am honored to yield to my chairman.

Mr. RANDOLPH. Mr. President, I do not wish to use the time just to make what might be called a pleasantry, but the Senator from Tennessee has spoken of the service of families in public life in this country. It was my privilege to serve in Congress with both his mother and his father and now, of course, with the Senator from Tennessee.

I shall never forget his late father-in-law, the Senator from Illinois, Everett Dirksen. We came to Washington and were sworn together in the House of Representatives on March 4, 1933.

Friendships that are cherished are a part of the legacy not so much of public service but of the human heart.

I am thankful for the opportunity that I have had to serve with members of the Baker family as well as members of other families and with those members of whom I meet for the first time. It is that experience, sometimes retold over a shorter or longer period, but never to be forgotten.

I thank the Senator, of course, as Senator STAFFORD would thank him, for his continuing interests, even though he is the minority leader of the Senate, to the matters of importance that come before the Environment and Public Works Committee of which all three of us are members.

Mr. BAKER. Mr. President, I thank the distinguished Senator from West Virginia who not only has been a great colleague and great friend but also a distinguished public servant in his own right.

So many times I have thought back on the fact that the service of JENNINGS RANDOLPH of West Virginia spans an historic time of the country. How fortunate we are that we have his insight, his experience, his ability to help those of us who depend on him for advice and counsel. And I am deeply grateful for those remarks.

Mr. RANDOLPH. I thank the Senator.

Mr. President, the committee yields back the remainder of its time.

Mr. HEFLIN. Mr. President, let me make only one or two remarks.

The distinguished Senator from Vermont refers to the letter from the attorney general. I really feel that if it had not been for that letter I believe the distinguished Senator from Vermont and probably many more Senators would not be voting for Bob Clement's confirmation. One has to read that letter. It is in the RECORD. I think one has to realize that that letter does not address itself to the two issues which were the large issues at that time. That is the issue of whether the November 17, 1978 return was a false return for omitting an itemized listing of contributors and whether or not a false oath was made in regards to that return of November 17.

Another issue that was raised was after the Tennessee Library and Archives Department returned that November 17 form and said, "You have not itemized your contributors." Was a conscious decision made to disregard the directions of that election official, the head of the Tennessee Library and Archives Department.

Those two issues were not addressed in the letter of the attorney general. I point out that there is nothing whatsoever addressing the conflict between the affidavit and the testimony that he gave here before the committee in regards to whether anyone contributed more than $100 at the fundraiser where $136,000 was raised. That is not addressed whatsoever. No mention is made of it in the attorney general's letter.

I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Will the Senate advise and consent to the nomination of Robert N. Clement, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority.

The confirmation was confirmed.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTIFICATION TO THE PRESIDENT OF THE CONFIRMATIONS CONFIRMED ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with reference to the confirmations done during the call of the Executive Calendar last evening, that the President be notified of the confirmations of those nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, before the Senate now goes to another nomination, I ask unanimous consent, as in legislative session, to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate proceed to the consideration of the following Calendar Orders Nos. 278, 279, 280, 281, 282, 283, 284, 292, 295, and 305.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, this list of Calendar order numbers has been cleared on our side. We have no objection to proceeding to their consideration and, indeed, to their disposition as the majority leader requests.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the measures be considered en bloc, that the amendments that are indicated be agreed to, and that the bills and resolutions, as amended, be agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVENUE BONDS FOR D.C. HOUSING FINANCE AGENCY

The Senate proceeded to consider the bill (H.R. 3824) to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval, which had been reported from the Committee on Governmental Affairs with an amendment on page 2, line 10, strike "low and moderate income".

● Mr. MATHIAS. Mr. President, the legislation before us today, H.R. 3824, will set in motion a much needed and long awaited housing financing mechanism for the District of Columbia.

As residents of the Washington metropolitan area, my colleagues well know the high cost of owning or renting a home in Washington. The problem is exacerbated in these high inflationary times for those of low and moderate income.

You need only pick up one of the Washington newspapers to learn of the mounting difficulties of acquiring decent, affordable housing for a growing number of families in Washington. The situation in the city of Washington is reaching the critical stage. Rental buildings which were once affordable are being converted to condominiums in record numbers. The monthly payments to continue living in those buildings take a quantum leap and most tenants find themselves out on the streets seeking another place to live which they can afford.

At the same time, the number of rental apartments and houses is shrinking due partly to that very condominium conversion process. Demolition of other dwellings for other uses further depletes the rental housing supply. The U.S. Census, for example, reports a net loss of 13,000 housing units in the District of Columbia since 1970. And the rate of new construction and rehabilitation of rental units in the District of Columbia for low- and moderate-income people is particularly small.

People of modest means are experiencing a tighter housing squeeze than ever before. And the situation in the District is but a part of what is happening across the Nation in big cities, little towns, and rural areas.

One way of addressing this tight housing market, particularly for renters, is to increase the supply of housing for low and moderate income persons. This approach is not new. It is a traditional way of meeting housing demand and, thereby, containing the inflationary spiral in rents.

The HUD section 8 and public housing programs as well as other FHA housing finance programs have been the mainstay of the housing supply for low and moderate income people in the past few years of rising housing rents and prices.

In both Virginia and Maryland, housing finance agencies have been created by the State legislatures to address this problem of housing supply. Both have had notable successes in securing HUD funding for low and moderate income housing and in delivering such housing in a timely fashion.

The District of Columbia, on the other hand, up until March of this year, has lacked a similar housing finance agency. Since the creation of the D.C. Housing Finance Agency, the District has needed one final tool to begin its operations. That is the authority to issue revenue bonds to finance a rental housing program; a home purchase assistance program; a mortgage purchase program; and a loan to lenders program.

Such revenue bonds could be taxable or non-taxable, a feature making them particularly attractive to investors. Furthermore, they in no way require the Federal or District government to repay such obligations. The bonds are to stand on their own and will be retired through revenues from the housing programs they finance.

The mayor of the District of Columbia has embarked on an ambitious housing program for Washington, D.C. On Saturday, June 30, the city convened an all-day public session to review its housing strategy which the mayor hopes to unveil in September.

But many pieces of that strategy are well underway, including a stepped-up renovation of 733 of the boarded-up buildings which the city, through its redevelopment agency, now owns.

Other parts of the housing strategy will closely involve local real estate, financial institutions, and construction companies. The pieces are coming together to attract and leverage private dollars with public dollars.

The housing revenue bonds provided by the legislation before us is an important part of that overall city housing strategy.●

Mr. EAGLETON. Mr. President, H.R. 3824 is a bill that amends the District's Home Rule Act to allow the D.C. Council to delegate to its newly created housing finance agency the authority to issue revenue bonds for undertakings in the area of housing. It also provides that the expenditure of funds derived from the sale of such bonds, the payment of principal and interest on such bonds, and the pledging of certain related security interests may be made without the approval of Congress.

The District of Columbia has already created its own finance agency to provide one vehicle among others to stimulate the construction and improvement of decent and reasonably priced housing in the city. The lack of such housing has been well-documented and well-publicized over the past decade. Housing prices in the District have skyrocketed, and the incomes of D.C. residents have not kept pace with the rise. In addition, the available stock of rental housing has shrunk, affecting the elderly and low- and moderate-income families to a disproportionate extent.

The housing finance agency will act as a quasi-independent entity with an appointed board but will be accountable to elected officials. Through the issuance of tax-exempt bonds, it will be able to attract private capital to stimulate the construction of needed housing. In addition, the creation of such an agency will enable the District to qualify for special HUD section 8 set-aside funds.

It is to be noted that neither the full faith and credit of the District nor that of the Federal Government will be committed by the issuance of bonds by the agency.

H.R. 3824 is needed primarily for technical purposes. While the District Council currently has the authority to issue housing revenue bonds by act, it does not have explicit power to delegate that authority. This bill amends the Home Rule Act to grant that power to the Council.

In addition, H.R. 3824 exempts from the congressional appropriations process, the expenditure of revenues from the sale of bonds and the repayment, as to principal and interest, of the bonds. This is a standard procedure in the setting up of almost all housing finance agencies. If the revenues or repayment funds were subject to a legislative appropriations process, the housing bonds would simply be unmarketable.

I have proposed a floor amendment to add another small class of revenues to those exempt from the appropriations process. It is really rather technical in nature. It concerns certain revenues and assets that an agency must pledge as additional security for a bond issue, some of which may not be derived from bond proceeds. This category of items can include a mortgage on a building, a development cost escrow, and insurance proceeds if, for example, a housing project were to be destroyed by fire. While the exemption of such revenues and assets might fairly be inferred from the language of the bill as reported, I feel that adding an explicit provision is prudent to remove any possible cloud on the marketability of the bonds.

I have consulted with the Subcommittee on the District of Columbia of the Committee on Appropriations, and they have expressed no problems with any of the exemptions described above.

I would like to briefly describe the change in the House-passed version of H.R. 3824 which was made by unanimous vote of the Governmental Affairs Committee.

As introduced, H.R. 3824 provided that the Council could delegate to any housing finance agency the authority to finance or assist in the financing of "undertakings in the area of housing." While passing H.R. 3824, the House added an amendment limiting the authority which could be granted to the HFA to "undertakings in the area of low- and moderate-income housing."

The committee considered this amendment to be undesirable and has deleted it. The House bill did not define "low- and moderate-income," an ambiguity which could create uncertainty among investors and expose the HFA to the possibility of court challenge. Additionally, the House language could make it impossible to undertake any kind of project including any units for middle-income people, even if such a project would disproportionately benefit low- and moderate-income people and would

represent the most feasible way to do so.

For these reasons, the District government has expressed concern that the language added by the House would make their bonds unmarketable. This concern draws support from an opinion letter issued by the District's bond counsel, which states:

> The proposed language * * * creates an ambiguity as to whether the D.C. HFA may issue bonds to finance "mixed-income" rental housing. Consequently, bond counsel would not be able to issue an unqualified opinion approving the legal validity of a bond issue to finance a mixed-income rental housing project. In such event, bonds issued by the D.C. HFA for such a project would be unmarketable.
>
> Because of the above-outlined program, restraints would be imposed on the D.C. HFA which are not currently applicable to any other State HFA's.

The committee believed that these concerns are legitimate. The new HFA can play a useful role in helping to alleviate the shortage of low- and moderate-income housing. It would be unwise and unfair to rob it of flexibility and saddle it with restrictions which other HFA's do not face.

At the same time, the committee recognized that some Members of Congress question whether a legitimate public purpose is served by letting housing financing agencies issue revenue bonds which have a tax-free status, if the benefits which ultimately result from this tax status go to middle- or higher-income people, rather than those with low and moderate incomes. Legislation introduced by Chairman ULLMAN is presently being considered in the House Ways and Means Committee may impose standards for, and restrictions on future issuance of revenue bonds by HFA's or adopt some alternative approach to stimulate financing of low- and moderate-income housing by the private sector.

In reporting H.R. 3824, the committee, of course, took no position on the advisability of the Ullman bill or any alternative approach. It understood that, if legislation affecting all HFA's is enacted by Congress, the District's HFA would be covered by it. For the present, however, with no Federal legislation governing, the new HFA should have the same flexibility as those already functioning.

Mr. President, I hope the Senate will accept my one, largely technical, amendment, and pass H.R. 3824 without delay.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–262), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSES OF THE BILL

The purposes of H.R. 3824 are to amend the District of Columbia Self-Governmental Reorganization Act (1) to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it, and (2) and to provide that the expenditure of funds derived from the sale of such bonds and the payments of principal and interest on such bonds may be made without further approval of the Congress.

BACKGROUND

THE NEED FOR HOUSING

The core problem to which this legislation is addressed is the critical shortage of decent and reasonably priced housing in the District of Columbia.

Prices for District housing have skyrocketed over the last ten years. Federal Home Loan Bank Board figures show that the average sales price of existing single-family, conventionally-financed houses in the Washington area has risen nearly 60 percent since 1973.

The incomes of District residents have not kept pace with this rise. Over practically the same period, District of Columbia median household income rose by only 30 percent, half as much as the increase in housing costs.

At the same time, the available stock of housing has shrunk. Since the 1970 census, there has been an aggregate loss of over 13,000 units, primarily due to disappearing rental housing. A 1974 Washington Center for Metropolitan Studies survey found 27,000 low-income families, including 9,000 elderly, living in substandard or overcrowded housing.

Thus, high prices are taking potential homeowners out of the ownership market, and increasing the numbers of families looking for ever scarcer rental units. As a result, the District has the highest proportion (70 percent) of renter-occupied units of the 20 largest U.S. cities. The situation has not yet begun to reverse itself, and projections for the 1980's indicate a strong possibility that it will worsen.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action on tabling the motion to reconsider, and the action on reconsidering, and the action on adoption, and the action on moving a bill to third reading, be vitiated with respect to H.R. 3824, that a technical amendment be considered and adopted, that the bill again be moved to third reading, passed, and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 506

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for Mr. MATHIAS, proposes an unprinted amendment numbered 506 to H.R. 3824.

The amendment is as follows:

On page 2, line 25, and page 3, line 1, strike out "or (B)" and insert in lieu thereof the following: "(B) the creation by such an agency of a security interest in the revenues or assets of such agency in connection with the sale of any such bond, note, or other obligation, or (C)".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 506) was agreed to.

The PRESIDING OFFICER. Without objection, the bill is passed, and the motion to reconsider laid on the table.

ELIMINATION OF THE AUTHORIZATION CEILING FOR THE DISTRICT OF COLUMBIA'S SHARE OF METRORAIL CONSTRUCTION COSTS

The bill (H.R. 3914) to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for the District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region, was considered, ordered to a third reading, read the third time, and passed.

● Mr. EAGLETON. Mr. President, this bill, H.R. 3914, is a noncontroversial piece of legislation dealing with the District of Columbia's contribution to the construction of Metro.

It is not to be confused with another Metro bill, currently in the Governmental Affairs Committee, that would authorize substantial Federal funding for construction, operation, and the retirement of revenue bonds of the Metrorail system.

This bill, H.R. 3914, amends the National Capital Transportation Act of 1969 (NCTA), to life the ceiling on the amount authorized by Federal law for the District's share of the cost of the rapid transit system of the National Capital region. Under the Washington Metropolitan Transit Authority Compact, the District is obligated, along with the other State and local jurisdictions involved, to contribute its share of the costs of the construction of Metro. Under the NCTA, the District of Columbia was authorized to make an aggregate capital contribution of up to $269,700,000. This amount has recently been exhausted, primarily due to inflation and unexpected delays, before completion of the system. It is thus necessary to lift the ceiling of the District's contribution, so that it can remain a full partner, with Virginia and Maryland, in the creation of this rapid transit system, and also be able to put up the money constituting local matching funds for entitlement to Federal interstate highway transfer funds.

The Senate Budget Committee has determined that this bill does not, on its own, create any new direct costs to the Federal Government. The contribution will be made through the District Council's own budgetary process and will be subject to the congressional appropriations process created by the Home Rule Act.

The House passed this legislation by a vote of 357 to 48, and I would like to reemphasize its noncontroversial nature. I urge its speedy passage by the Senate today.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–263), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of H.R. 3914 (introduced in the House of Representatives at the request of the Mayor of the District of Columbia) is to amend the National Capital Transportation Act of 1969 to increase the amount

authorized for the District of Columbia share of the cost of rapid transit system of the National Capital region.

NEED FOR LEGISLATION

The National Capital Transportation Act of 1969 originally authorized the District of Columbia to make an aggregate capital contribution to the Washington Metropolitan Transit Authority in the amount of $200,700,000. (Public Law 94-143, 85 Stat. 221, 1969, as amended).

The Mayor of the District of Columbia has testified that the District has exhausted, over the last 10 years, that original authorization. He has requested a further authorization so that the District can remain, along with Maryland and Virginia, a full partner in the construction of Metro. The authorization and appropriation of funds by Congress at the request of the District are necessary not only for direct construction costs but also as money constituting local matching funds for entitlement to interstate highway transfer funds.

The District of Columbia has worked for 12 years cooperatively with governments within the metropolitan Washington area and the Federal Government to insure that the local share of the funding for the system would be available. The Mayor has testified that the District of Columbia government's willingness to contribute highway transfer funds demonstrates the city's very strong commitment to building a regional transportation system. The money that the city has transferred from its interstate entitlements has been used for construction throughout the region without any kind of restriction that they be used only on the District of Columbia portions of the system. The Mayor stated, that "The government of the District of Columbia is committed to building the total system."

According to the Mayor:

The District of Columbia has already contributed to the construction of the Metro system $964 million of money converted from interstate highway transfer funds that the city might have used to construct highways. There are approximately $991 million more highway transfer fund entitlements remaining which the District of Columbia intends to contribute to the Metro system during the remaining years of construction.

H.R. 3914, which passed the House of Representatives by a vote of 357 to 48, would lift the authorization ceiling imposed by the National Capital Transportation Act of 1969 to allow the District to contribute such sums as may be necessary to fulfill its obligations under the Washington Metropolitan Transit Authority Compact. The Committee on Governmental Affairs recommends removal of the ceiling to allow sufficient flexibility for the city to meet its matching share requirements under the Compact in a timely manner in the curent year, and in the next few years as the system is completed.

The original authorization level has become insufficient due to well-publicized and documented increases in construction costs due to delay, caused in part by the Federal government, and inflation. All funds expended by the District for its share of Metro construction will be subject to the Congressional appropriations process created by the Home Rule Act.

The Senate Budget Committee has determined that this bill creates no new direct cost to the Federal Government.

EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

The resolution (S. Res. 198) increasing the limitation on expenditures by the Select Committee on Intelligence for the procurement of consultants, was considered and agreed to, as follows:

Resolved, That the first section of Senate Resolution 76, Ninety-sixth Congress, authorizing expenditures by the Select Committee on Intelligence, agreed to March 7, 1979, is amended by striking out "$12,000" and inserting in lieu thereof "$42,000"

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-264), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 198 would amend Senate Resolution 76, 96th Congress, agreed to March 7, 1979 (the annual expenditure-authorization of the Select Committee on Intelligence), by increasing from $12,000 to $42,000 that portion of the funds authorized for the select committee which it could expend for the procurement of consultants. No increase in the select committee's total authorization of funds would result from this action.

EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

The resolution (S. Res. 201) increasing the limitation on expenditures by the Committee on Commerce, Science, and Transportation for the training of professional staff, was considered and agreed to, as follows:

Resolved, That section 2 of Senate Resolution 28, 96th Congress, agreed to March 7, 1979, is amended by striking out "$2,300" and inserting in lieu thereof "$5,600".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-265), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 201 would amend Senate Resolution 26, 96th Congress, agreed to March 7, 1979 (the annual expenditure-authorization resolution of the Committee on Commerce, Science, and Transportation), by increasing by $3,300—from $2,300 to $5,600—that portion of the funds authorized for the committee which it could expend for the training of its professional staff. No increase in the committee's total authorization of funds would result from this action.

EXPENDITURES BY THE COMMITTEE ON THE BUDGET

The resolution (S. Res. 204) increasing the limitation on expenditures by the Committee on the Budget for the procurement of consultants and authorizing expenditures by such committee for the training of its professional staff, was considered and agreed to, as follows:

Resolved, That section 2 of S. Res. 73, Ninety-sixth Congress, agreed to March 7 (legislative day, February 22), 1979, is amended—

(1) by inserting "(1)" after "amount";

(2) by striking out "$80,500" and inserting in lieu thereof "$160,000";

(3) by inserting before the period at the end thereof the following: ", and (2) not to exceed $5,680 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act)".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-266), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 204 would amend Senate Resolution 73, 96th Congress, agreed to March 7, 1979 (the annual expenditure-authorization resolution of the Committee on the Budget), by—

(1) Increasing by $79,500—from $80,500 to $160,000—that portion of the funds authorized for, the committee which it could expend for the procurement of consultants, and

(2) Authorizing the committee to expend not to exceed $5,680 for the training of its professional staff.

No increase in the committee's total authorization of funds would result from this action.

PURCHASE OF CALENDARS

The resolution (S. Res. 208) relating to the purchase of calendars, was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $52,000 for the purchase of one hundred and four thousand calendars. The calendars shall be distributed as prescribed by the committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-267), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 208 would authorize the Committee on Rules and Administration to expend not to exceed $52,000 for the purchase from the U.S. Capitol Historical Society of 104,000 of its 1980 wall calendars for the use of the Senate. The calendars would be prorated among the Members of the Senate.

PRINTING OF "HISTORY OF THE COMMITTEE ON RULES AND ADMINISTRATION"

The resolution (S. Res. 209) authorizing the printing of a compilation of materials entitled "History of the Committee on Rules and Administration", as a Senate document, was considered and agreed to, as follows:

Resolved, That a compilation of materials entitled "History of the Committee on Rules and Administration", prepared by Floyd M. Riddick with the assistance of Louise M. McPherson, be printed, with illustrations, as a Senate document, and that there be printed one thousand seven hundred additional copies of such document for the use of that committee.

SEC. 2. The document specified in section 1 of this resolution shall be printed and bound with a paperback cover of the style, design, and color as the Committee on Rules and Administration shall direct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-268), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 209 would provide (1) that a compilation of materials entitled "History of the Committee on Rules and Administration", prepared by Floyd M. Riddick with the assistance of Louise M. McPherson, be printed with illustrations as a Senate document; and (2) that there be printed 1,700 additional copies of such document for the use of that committee.

The document would be printed and bound with a paperback cover of the style, design, and color as shall be directed by the Committee on Rules and Administration.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$9,192.74
1,700 additional copies, at $698.23 per thousand	1,186.99
Total estimate cost, S. Res. 209	10,379.73

OFFICE EXPENSE ACCOUNT DOCUMENTATION

The resolution (S. Res. 170) to require documentation for reimbursements out of Senators' Official Office Expense Accounts from the contingent fund of the Senate, was considered and agreed to, as follows:

Resolved, That (a) no reimbursements shall be made from the contingent fund of the Senate pursuant to section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), commonly referred to as a Senator's Official Office Expense Account, unless the vouchers presented for expenses incurred are accompanied by supporting documentation.

(b) The Committee on Rules and Administration is authorized to promulgate regulations to carry out the purpose of this resolution and to except specific vouchers from the requirement of subsection (a) of this resolution.

(c) This resolution shall apply with respect to expenses incurred on and after the first day of the first calendar month which begins not less than sixty days after the date on which this resolution is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-275), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

Senate Resolution 170, as submitted and referred to the Committee on Rules and Administration, would generally prohibit reimbursements from the contingent fund of the Senate for expenses under Senators' offical office expense accounts, unless the vouchers presented for expenses incurred are accompanied by supporting documentation. Section 2 of the resolution specifically authorizes the Committee on Rules and Administration to promulgate regulations to carry out the purpose of the resolution, and to except specific vouchers from the documentation requirement. The committee, in connection with its consideration of this measure, has already indicated its intention to require only itemization, and not documentation, for expenses under $25, except in special circumstances. The resolution would go into effect on the first calendar day of the first calendar month which begins not less than 60 days after the date on which this resolution is agreed to.

BACKGROUND

Consolidated official office allowances were established in 1973. Prior to that date, Senators were authorized several individual accounts for office expenses. There were separate accounts for air mail and special delivery postage, long-distance telephone charges, stationery, home State office space rentals, other home office expenses, magazine and periodical subscriptions, and travel. Each of these accounts had a ceiling amount; expenses exceeding any of the individual limits had to be borne by Senators personally, regardless of whether there was an unused balance in the other accounts.

The fiscal year 1973 Supplemental Appropriations Act remedied this problem. That law consolidated the several individual office accounts, creating a total ceiling on reimbursement of office expenses. Senators thus gained flexibility within the account for official expenses. Reimbursement for expenditures was made subject to two requirements: certification by the Senator, and submission of itemized vouchers. As had been the case previously with the individual accounts, there was no requirement that documentation be submitted to the Disbursing Office or to the Rules Committee. It was left to the individual office to insure that expenses claimed had actually been incurred, and that the claimed expenses fell within an authorized category.

Greater flexibility was built into the system in the fiscal year 1978 Legislative Appropriations Act, by the addition of a ninth category within the official office account. Under section 112 of this law, 10 percent of the total amount of a Senator's account could be set aside for "such other official expenses as the Senator determines are necessary." Because it was recognized that an extraordinary amount of discretion was being granted Senators over this portion of their office accounts, the law required that not only would expenses under this section be certified by the Senator, but that "detailed itemized vouchers" would be required. In addition, banking on the logic that disclosure would prevent abuse of this discretion, the law stipulated that expenses under this section would be separately listed in the semi-annual report of the Secretary of the Senate on receipts and expenditures.

PRESENT REIMBURSEMENT REQUIREMENTS

At present, expenses within all of the specific official expense categories of the official office accounts can be reimbursed only upon certification of the Senator and his or her submission of itemised vouchers, while expenses under the 10-percent category require certification of the Senator and submission of detailed itemised vouchers. In addition, based on its statutory authority over expenditures from the contingent fund, the Committee on Rules and Administration has required that documentation be submitted for reimbursement of certain expenses, such as some travel expenses. There is, however, no general requirement that expense be documented to any central Senate authority.

NATIONAL DIABETES WEEK

The joint resolution (S.J. Res. 98) designating the week of October 8 through October 14, 1979. as "National Diabetes Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, follows:

Whereas diabetes kills more Americans than all other diseases except cancer and cardiovascular diseases; and

Whereas ten million Americans suffer from diabetes and $6,800,000,000 annually are used for health care costs, disability payments, and lost wage costs due to diabetes; and

Whereas a national awareness of the diabetes problem may stimulate interest and concern leading to increased research and eventually a cure for diabetes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 8 through October 14, 1979, is designated as "National Diabetes Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be discharged from further consideration of House Joint Resolution 209.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action taken by the Senate with respect to Senate Joint Resolution 98 be vitiated and I ask unanimous consent the Senate proceed to the immediate consideration of House Joint Resolution 209.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 209) designating the week of October 8 through October 14, 1979 as "National Diabetes Week."

The Senate proceeded to consider the resolution.

Without objection, the resolution was considered and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Joint Resolution 98 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-278), explaining the purposes of the measure.

There being no objection, the excerpt was orderd to be printed in the RECORD, as follows:

PURPOSE

The purpose of the joint resolution is to authorize and request the President to issue a proclamation designating the week of October 8 through October 14, 1979, as "National Diabetes Week," and calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

STATEMENT

Public awareness of the problems created by diabetes is distressingly low. Diabetes kills

more Americans than any other disease except cancer and cardiovascular disease. Ten million Americans suffer from diabetes, and $6,800 million annually are used for health care costs, disability payments, and lost wage costs due to diabetes.

This resolution would focus national attention on the suffering and hardship caused by diabetes, and stimulate interest and concern leading to increased research and eventually a cure for diabetes.

COST AND REGULATORY IMPACT

No cost would result from the enactment of the Senate Joint Resolution 99, and there is no regulatory impact.

NATIONAL LUPUS WEEK

The joint resolution (S.J. Res. 99) to provide for the designation of a week as "National Lupus Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week of September 16 through 22, 1979, as "National Lupus Week" and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States and the world to observe such same week with appropriate ceremonies and activities. The President is further requested and authorized to issue such proclamation in the official languages of the United Nations and provide each Ambassador of these nations a ceremonial copy so that the lupus erythematosus patients in their countries may know of the United States concern for the control of this deadly disease.

(Later the following occurred.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be discharged from further consideration of House Joint Resolution 19.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to vitiate the action taken by the Senate with respect to Senate Joint Resolution 99.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for the immediate consideration of House Joint Resolution 19.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 19) to provide for the designation of a week as "National Lupus Week."

The Senate proceeded to consider the resolution.

Without objection, the joint resolution (H.J. Res. 19) was considered and passed.

Mr. ROBERT C. BYPD. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Joint Resolution 99 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the votes by which the various measures were adopted en bloc.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

NOMINATION OF PAUL A. VOLCKER

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the nomination of Paul A. Volcker to be a member of the Board of Governors of the Federal Reserve System. The clerk will report.

The second assistant legislative clerk read the nomination of Paul A. Volcker, of New Jersey, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1978, vice G. William Miller.

The Senate proceeded to consider the nomination.

The PRESIDING OFFICER. Time for debate on this nomination is limited to 30 minutes, with 15 minutes to be controlled by the Senator from Wisconsin (Mr. PROXMIRE), 5 minutes to be controlled by the Senator from Utah (Mr. GARN) and 10 minutes to be controlled by the Senator from Colorado (Mr. ARMSTRONG).

The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, Paul Volcker has all the experience, the record, the training to be a superlative Chairman of the Federal Reserve Board. Here is a man who graduated from Princeton University summa cum laude, top of his class, and even before he graduated from college, he was working at the Federal Reserve Board.

He had subsequent education at Harvard, and became an economist for the Federal Reserve Board. He served very ably for a number of years. He also served as a vice president of the Chase Manhattan Bank, with considerable distinction. He was also appointed Under Secretary of the Treasury, and served as Under Secretary of the Treasury in three different administrations with responsibility for monetary policy. He has been president of the New York Federal Reserve, the largest Federal Reserve Bank in the country, for the past 4 years.

In that capacity, he is a member of the Federal Open Market Committee, which is the principal policymaking committee of the Federal Reserve, and I think there is just no question that there has been no appointment, certainly no appointment in my memory, and probably no appointment since the Federal Reserve was created in 1913, in which the Chairman has had this kind of relevant, solid experience.

He has a great record. He has a record of understanding monetary policy thoroughly, of working consistently to have a policy that restrains inflation but, at the same time, it is a flexible record.

I must say in his appearance before our committee he impressed all the Senators there. He was questioned at considerable length, for almost 3 hours, by the members of the committee, and he acquitted himself with great distinction.

Mr. President, one of the problems we all know we have with the Federal Reserve Board is that it is an agency that should be independent of the executive branch. The money power is a congressional power. The Constitution gives that to Congress, not to the President, and it is a power we should very carefully safeguard. That power has been delegated to the Federal Reserve Board, and the Federal Reserve Board should be independent of the political needs and ambitions of whoever is President of the United States.

At the same time, the President appoints the members of the Federal Reserve Board, and it is necessary for the Federal Reserve Board to coordinate, at least communicate very carefully, with the President and with the Treasury Department so that we have an economic policy that works harmoniously and constructively, and achieves the goals of holding down prices, achieving greater growth, encouraging productivity, and reducing unemployment.

Mr. President, that independence has been threatened in the past frequently. Many people, who follow financial policy in this country very closely, have been concerned about the threat to the independence of the Federal Reserve Board. I think in appointing Mr. Volcker, the President has done a fine job in assuring that we are going to have a Board that will be about as independent as it can be and should be, for several reasons: In the first place, Mr. Volcker has demonstrated in his professional capacity that he understands what he is doing. He will not be staff-dependent; he will not be dependent on economists from the executive branch; he will be able to act forcefully, confidently, assuredly, on the basis of strong professional experience, reputation, and authority.

Also he demonstrated in his years as a member of the Open Market Committee his independence. He voted against the majority, against the position that sometimes is represented as being the administration position, without any question when he thought that position was wrong.

Mr. President, we should be particularly concerned with the independence because we have a Board that was set up in 1913 with 14-year terms, with terms that were that long so that no President would be able to dominate the Board.

But because there has been a turnover in the Board, and people have been resigning only after a few years—in some cases after a few months—the average term on the Board has been less than 3 years, in fact, it has been close to 2 years.

In fact, President Carter, in the short time he has been President, has already appointed four members of the Board,

has in effect, been in control of the Board, and will appoint his fifth member in January. So this is a particularly important time to have a person who has that capacity for independence.

Mr. Volcker has given his assurance to the committee that he understands the need for independence, and will work for the independence while communicating aggressively and vigorously with the President and with the President's chief economic experts.

Finally, Mr. President, this man has a solid record over the years of recognizing the importance of stable prices and working for stable prices, and I am confident that Chairman Volcker will be very helpful in the No. 1 economic issue that confronts this country, that of combating inflation.

As I say, he has great experience, he has great competence, and I cannot remember any nomination which has been received with such acclamation.

I might point out that as an eastern banker, as somebody who has been representing Wall Street, in a sense, and the eastern establishment and international banking, you would think there would be a lot of criticism. Well, there has been very, very little criticism. Editorials all over the country have hailed this nomination.

Republicans and Democrats alike, liberals and conservatives, have recognized the tremendous confidence in Mr. Volcker. He is just the right man at the right time in the right position and, as I say, I think the President deserves great credit for having made a superlative nomination, and I am sure we can be confident that the monetary policy is in good hands.

I might say, as chairman of the Senate Banking Committee, we will continue to monitor the Federal Reserve Board very closely. In the years Mr. Miller or in the months Mr. Miller has been Chairman of the Board I have given him a report card every 3 months on the basis of his record, and I expect to do the same with Mr. Volcker.

I am sure, speaking for my colleague from Wisconsin, HENRY REUSS, chairman of the House Banking Committee, they will also follow the activities of the Federal Reserve Board very carefully.

I am very happy to support the nomination of Chairman Volcker, and I am sure he will do an outstanding job.

Mr. President, I reserve the remainder of my time. In view of the fact there are other Senators who have reserved time to speak, I ask unanimous consent that I might suggest the absence of a quorum without the time being taken from either side.

The PRESIDING OFFICER (Mr. BRADLEY). Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it was tentatively agreed upon last night that the votes on these two nominations, that of Mr. Volcker and that of Mr. Miller, would occur back-to-back. I put that in the form of a unanimous-consent request.

Mr. PROXMIRE. Mr. President, if the Senator will yield on a technical point, there are two nominations involved in the case of Mr. Volcker, one as Chairman of the Board and the other as a member.

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. I understand the one as a member of the Board could be by voice vote; just about everyone would agree to that, with a rollcall vote on the chairmanship.

Mr. ROBERT C. BYRD. All right, fine. I ask unanimous consent that the two rollcall votes occur back-to-back. This has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, the nomination of Paul Volcker as Chairman of the Board of Governors of the Federal Reserve System has received widespread praise from U.S. business and the international community. In fact, some of the pundits indicate that the recent slowdown in declines of the strength of the dollar market abroad is at least partially in response to President Carter's nomination of Mr. Volcker to be Chairman of the Federal Reserve Board.

I share the perception that Mr. Volcker will be a very able Chairman, and I have some hope, at least, that he shares the concerns which Chairman PROXMIRE has has expressed and I have expressed and many other members of the Banking Committee have expressed that we show greater restraint in the management of our Nation's financial affairs, in order to somehow stabilize the inflation rate.

I have had occasion not only to chat with Mr. Volcker on the phone, but also to meet with him in the setting of the committee hearings, and I have been impressed with what I have seen. I am going to vote for confirmation of his nomination, and I am sure it will be unanimous, or nearly so.

Nevertheless, I did not want to let this nomination go through without expressing my concern with the speed with which this nomination and others are being handled, and to serve notice on my colleagues in the Senate that in the future I am not likely to acquiesce in such rapid handling of these nominations, and I will explain why.

When I inquired of Mr. Volcker when he was first approached with respect to serving in this capacity, he said he was not sure, but it was either a week ago Monday or a week ago Tuesday, that is to say, about 10 days ago. A day or so after that, I believe, or about a week ago Wednesday, the President sent his name to the Hill. Five days later, including 2 weekend days, we had a hearing in the Committee on Banking. We had a good hearing, a lot of meaningful questions were asked, and then, 2 days after that, a week after his name was first submitted by the President, the issue was brought to a vote by the committee and then the next day we have it on the floor of the Senate.

Mr. President, I think that is too fast. He is nominated for a position on the Board of Governors of the Federal Reserve System that will last, as I understand it, until 1992. He is going to have a term of office as Chairman that will be either 2½ years or 4 years; it is not entirely clear to me what the disposition of that will be. During all that time, a casual statement or a chance remark by him, if overheard and published in the newspapers, will have a profound effect on the economy of this country. Long after most of the present Members of this body have gone home to pursue other occupations, he will still be on the Board of Governors of the Federal Reserve System, influencing the prices of goods and services in this country, influencing job opportunities, the way we live—truly the economic future of every family, of every working man and woman, and of every business in this Nation.

This is a terribly important appointment, and to approve it with the haste which has been shown, I think, is unseemly. I think it is unfortunate, and I just want to be on record as expressing that concern.

Why should we delay when nominations of this importance are brought up? For the very simple reason that if there are any skeletons in the closet of a nominee, something that might be known by a member of the public, not necessarily a Member of this body but somebody out in the country, a lapse of time gives that person the opportunity to come forward to the committee in an official way, or to any member of the committee or any Senator, and simply point out what those concerns might be. A week is simply not enough time if somebody out in Peoria, Colorado Springs, or Milwaukee knows something about this nomination that we ought to know.

I happen to believe there are no skeletons in Mr. Volcker's closet. I know of nothing that gives rise to any doubt as to his character, credentials, or qualifications. But I think we ought to stretch the time out. We ought not to waive the normal deadlines.

The reason why I am inclined to go along with this nomniation today is that the President has put us in a box. He has sent the nomination up to the Senate un-

der circumstances such that our choice is either to let the Federal Reserve System be without a Chairman while we are out during the August recess, or to act on it in a manner which I think is too fast and compromises the process.

On balance, after considering the qualifications of Mr. VOLCKER and, frankly, on the assurances of Chairman PROXMIRE, who is well acquainted with him and knows of his work and his activity at the New York bank, I am disposed to think the greater risk would be to leave the Federal Reserve without a head at this critical time in the economic history of our country by insisting upon the normal procedures. So I do support the nomination. My only reason for rising is to express concern with the integrity of the process, and to let anyone who may read the record of these proceedings know it is going to be my intention in the future to insist on better timing.

Mr. PROXMIRE. Mr. President, I congratulate the Senator from Colorado. He makes an excellent point. He is absolutely right. We should take our time on this nomination.

This is an extremely important nomination, in many ways the most important nomination the Senate will have this year, as the Senator has so well explained.

What we did with this nomination was to abbreviate the time of 5 days, the 5-day holdover that we have as a matter of procedure, to 2 days in order to be able to move, as the Senator explained, before we go out on recess. If we did not have Mr. Volcker as Chairman of the Federal Reserve Board, we would have a situation which would be most unfortunate with the financial market, for the stability of the economy as a whole, and confidence in our country.

I think we should recognize that this man is not just a newcomer who nobody has ever heard of. He is one of the best known men in top financial and governmental circles in the country. He was carefully investigated for his position as Under Secretary of the Treasury. He has come before congressional committees in the past. He served for 4 years as president of the largest Federal Reserve bank in the country, in New York. So his conduct, his activity, has been under the closest kind of scrutiny.

He has been in the financial sections of newspapers repeatedly. He is a man whose reputation, background, and activities are extremely well known.

So I think that under these circumstances we are right in going ahead, although the Senator is dead right that we should respect these procedural limitations that are absolutely essential if this Senate is going to be deliberative and careful in approving these very vital nominations.

We have a very important function to advise and consent to these nominations. By and large we do not take them seriously. That is one of the great failings of this body. I think the Senator from Colorado deserves great credit in calling upon us to be more deliberative, more careful, and to observe the procedures even when we have a person as well qualified as Mr. Volcker.

I take this excellent advice from the Senator from Colorado, and I will do my best as chairman of the committee to see that in the future we do abide by the rules and give full time, as the Senator said, for the consideration of any criticism which might arise.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I rise to support this nomination as ranking minority member of the Banking Committee. First, may I say that I agree completely with my distinguished colleague from Colorado, Senator ARMSTRONG, as to his objection with regard to the procedural manner in which we speeded up this nomination process. During the 5 years I have been on the Banking Committee, on numerous occasions I have made similar objections, feeling that we must observe the rules of the committee, giving the opportunity for people, particularly on nominations, to be heard both for and against. He is absolutely correct in his criticism.

The reason that I was willing to agree to the speedup, which violates the principle Senator ARMSTRONG has been objecting to and that I normally object to, is that we have an unusual situation. We have had a great deal of turnover on the Federal Reserve Board, an unusually high amount of turnover. They are 14-year terms and recently they have been serving an average of only 2½ years. We have a situation where the new Vice Chairman of the Federal Reserve Board has not yet even been sworn in. He will be sworn in tomorrow. Although he is a very well-qualified individual, he has had no experience on the Board whatsoever. So he would be the Acting Chairman during the next 4 to 6 weeks. This is certainly not to diminish his ability, but he will be in a learning process. Therefore, I felt it was absolutely necessary that we speed up the process.

Mr. Volcker, as has been outlined very well, has had a great deal of experience at the Treasury Department and as president of the New York Federal Reserve Board. Therefore, he can move right into this position.

The confidence in the money markets, and so on, went up 10 points just when it was announced that he was being nominated. He is extremely well qualified and is a talented individual. He did extremely well in the nomination hearings. He is without doubt one of the better appointments that the President has made so far during his term as President.

I agree with the chairman and Senator ARMSTRONG that we did cut 3 days off, and that it is an unusual procedure. But I feel it was absolutely necessary that Mr. Volcker be approved and be able to start to work immediately. I enthusiastically support his nomination.

Mr. President, Mr. Volcker is widely recognized and respected for his expertise in economic and financial matters, particularly in the area of international finance. Mr. Volcker's talents are certainly welcome at this time in our Nation's history. The positive reaction which the money markets and foreign exchange markets had to the President's announcement of Mr. Volcker as Chairman of the Federal Reserve illustrated the respect which Mr. Volcker has earned both here and abroad.

Mr. Volcker certainly had no difficulty in establishing his credentials with the members of the Committee on Banking, Housing, and Urban Affairs. He is well known to the members of that committee, and has appeared before them on a number of previous occasions. Little or no time was spent during his nomination hearing on questions regarding his qualifications. It was obvious to the members of the committee that Mr. Volcker would not need any on-the-job training. He has devoted his entire career to financial and economic matters. He has served as the president of the Federal Reserve Bank of New York during the past 4 years. Prior to that he served as both Deputy Under Secretary and Under Secretary for Monetary Affairs in the Treasury Department under three different Presidents.

Mr. Volcker will assume the chairmanship of the Federal Reserve Board under very trying conditions. The rate of inflation is accelerating, the economy appears to be in the early stages of a recession, interest rates are extremely high, and the dollar remains under pressure abroad. During his appearance before the committee at his nomination hearing, Mr. Volcker displayed a keen awareness of the seriousness of these problems. For that reason, and in view of Mr. Volcker's reputation, the committee has decided to push for his confirmation by the Senate prior to the August recess. I support that decision. It would be unfortunate to leave the chairmanship of the Federal Reserve vacant any longer than necessary in the face of existing economic uncertainties.

Mr. Volcker responded to a number of questions by committee members which illustrate his sensitivity to the important role which monetary policy plays in he economy. He told the members of the committee:

> The top single priority seems to me to deal with this problem of inflation.

He also said:

> If the growth of money is excessive over a period of time, we're going to have inflation.

Mr. Volcker also recognizes that interest rates are closely tied to the rate of inflation. He said:

> If we don't deal with the inflation problem in its overall context I unfortunately don't know of any way you can keep interest rates as low as they used to be.

At another point he noted:

> A policy which is interpreted as a non-inflationary policy is good for long term interest rates.

He elaborated on that point by noting:

> I think the broad record of history is quite clear that the level of interest rates specifically is very much related to the level of inflation and if we want low levels of interest rates—which I think would be desirable—we have to recognize that that's not going to be feasible until we have a more stable economic and financial climate.

I was particularly pleased to hear Mr. Volcker agree on the importance of an independent Federal Reserve. He stated:

> Ultimately I think that the decisions on monetary policy are those of the Federal Reserve and we have to call the shots as we see them . . . the ultimate decisions on monetary policy are those of the Federal Reserve, and they might clash at some point with what an administration or what this Committee might think is appropriate under particular circumstances.

These are reassuring words from Mr. Volcker. They indicate a sensitivity on his part to the importance of the money supply and the effect it has on inflation and, in turn, interest rates. The important role which monetary growth plays in the inflationary process was assessed recently in a commentary prepared by the investment firm of Paine Webber. That commentary noted:

> With monetary policy shifting toward an increasingly accomodative posture, and nominal credit demand rising in accordance with expectations of rising inflation as well as the cheap price of money in inflation adjusted terms, it is no wonder that foreign exchange market participants have little or no confidence in American financial policy.

I am hopeful that Mr. Volcker will work within the independence of the Federal Reserve to restore price stability, reduce interest rates consistent with a lower rate of inflation and strengthen the U.S. dollar abroad.

I ask unanimous consent that the commentary by Paine Webber be included in the RECORD.

There being no objection, the commentary was ordered to be printed in the RECORD, as follows:

PAUL VOLCKER NOTWITHSTANDING

(Commentary by Paine Webber)

Paul Volcker is unquestionably an accomplished central banker. Having started near the bottom of the ladder at the Federal Reserve Bank of New York about thirty years ago, he moved up the pecking order to become president of the New York Reserve Bank and finally Chairman of the Federal Reserve Board. During this period he took two turns at the Treasury Department, first as Deputy Undersecretary of Monetary Affairs (under Roosa) in the Kennedy Administration, then as Undersecretary of Monetary Affairs during the Nixon Administration. In between Mr. Volcker served in a corporate planning function at the Chase Manhattan Bank.

With all this background it is quite clear that the new Fed Chairman will require no on the job training, as regrettably was the case for his immediate predecessor. Further, Mr. Volcker is as well schooled in the art of central bank diplomacy as anyone around, as evidenced in part by his performance at last week's press conference where the new chairman said very little, and what he said was cloaked in extensive generalities. This indeed reflects the art of central banking, and Mr. Volcker knows it well. Obfuscation is a virtue in that league, and henceforth it will be a pleasure to watch a pro at work.

So from the standpoint of style and approach Mr. Volcker is an eminently successful and pragmatic bureaucratic player, as attested by his steady rise to the top. But quite apart from matters of style, there are matters of substance which remain troublesome. For one, as a loyal alumnus of the New York Fed Mr. Volcker has indicated no opposition to the government practice of controlling or pegging interest rates and exchange rates as the principal operating lever and shortrun target in the conduct of monetary policy. The interest rate control approach to monetary policy is essentially a rejection of the market framework, with the corollary notion that without frequent intervention of wise and benign central bankers, markets left to their own devices would never be able to foster something called "orderly trading conditions."

Frequent intervention in foreign or domestic exchange markets may increase the self-importance and influence of senior government bureaucrats, but the process of interest rate fine-tuning and pegging has a decidedly destabilizing effect on economic activity. During periods of rising economic activity the maintenance of an interest rate peg forces the authorities to supply reserves in increasing quantities, thereby turning recoveries into credit booms. Conversely, during periods of falling aggregate demand the interest rate peg requires the absorption of bank reserves, thus turning economic weakness into recession. In sum, interest rate fine-tuning works in a procyclical not contracyclical manner, and serves as a strong destabilizing influence on economic activity.

This destabilizing influence in turn causes frequent changes in the thrust of monetary policy, and the more erratic nature of monetary policy in recent years has served as a depressant for investment, production, and real output growth. Moreover, over periods of time the rollercoaster stop and go nature of monetary policy has yielded a seemingly permanent trend toward higher rates of money supply growth and higher rates of inflation. Ironically, despite efforts to manipulate market interest rates, usually to restrain upward pressures, the evidence clearly points out that interest rates rise anyway, often in dramatic fashion. In the end, despite government efforts, the market and its expectations always carry the day.

The alternative approach to interest rate manipulation allows the market to determine interest rate levels, while the authorities focus instead on a steady growth target for bank reserves and the money supply. Over medium and longer time periods such an approach would yield price and interest rate stability, with fewer turns in monetary policy and a more stabilizing effect on economic activity. By maintaining moderate money supply growth, in line with trend real output growth and trend growth in money demand, the authorities would enhance the value of the dollar and the marginal utility of money. Opponents of this "hard money" view argue that in the short run interest rates would fluctuate too widely, yielding disorderly trading conditions. But hard money proponents believe that a steady monetary growth rule would stabilize inflation expectations and therefore interest rates. If exogenous disturbances occur, then let them occur. No one can predict or prevent such shocks, so why even try. And finally, if left alone market forces will adjust rapidly to unexpected shocks and thus interest rate conditions are likely to normalize with a minimum of friction and dislocation.

Mr. Volcker has never been an advocate of the hard money classical approach to financial policymaking, and thus there exists the rather high probability that his appointment will not alter the erratic nature of monetary policy. However, in fairness to Mr. Volcker he seems in recent years to be shifting to a more moderate position. Like many neo-Keynesians during the second half of the 1970's, Mr. Volcker appears to be somewhat more appreciative of the relationship between money and prices. Although concrete evidence is hard to find, it is likely that the new chairman would agree with the Arthur Burnsian view, a view by and large agreed upon by many key members of Congress, that high inflation rates could not persist without similarly high money supply growth rates. Therefore, in the spectrum of monetary affairs, Mr. Volcker in recent years appears to be shifting from his original New York Fed soft money stance to a more moderate middle of the road position. Perhaps it can be hoped that the shift has not yet been completed, and with the passage of time and the realities of the new job more progress will be made in the direction of the hard money view.

Certainly Mr. Volcker has solid anti-inflation biases, as demonstrated by his dissenting FOMC votes last March and April. These votes represent considerable improvement from the period stretching from mid-July 1976 until March 1979, when despite the persistent acceleration in money supply growth and inflation, Mr. Volcker expressed no dissenting views over the direction of FOMC policy initiatives. Thus it is hoped that the more recent past can be extrapolated into the future, with the new Fed Chairman seeking to lean against the wind in a more determined fashion. If this in fact turns out to be the case, it is likely that Reserve Bank members of the FOMC will provide the new chairman with dependable support, even while some of the recent soft money Carter appointees to the Board express opposition.

In any event, regardless of the views of the new chairman, monetary policy over the past 15 years has become increasingly dependent on government spending and budgetary policies. This analysis has little to do with constitutional law, or the Federal Reserve Act of 1913, but instead takes account of financial market realities under the circumstances of the growth of the American version of the modern welfare state. The extraordinary rise in government spending, budget deficits and debt creation has created a no-win situation for the Fed. If the growth in debt finance is accommodated by the authorities, then money growth spurts, price anticipations rise, and interest rates ratchet higher. If the Fed places a monetary wall in the way of the debt financing requirements, then the attendant rise in interest rates will yield economic problems and a higher unemployment rate.

Indeed, both scenarios merely represent different stages of the same dismal path that inevitably leads to higher prices, higher rates, more unemployment, slower investment and output growth, and substantial political costs. What's more, with a steeply progressive tax structure the rise in inflation induces rising marginal tax rates, and this tax brake effect serves only to depress investment and production even more.

With government spending and debt creation constantly on the rise, monetary policy has been subsumed under the broader category of government budgetary policies. In these circumstances the ability of the Fed to conduct appropriately restrained operations has been severely constrained, and this institutional constraint is in many ways far more important than the views and actions of any one man.

Except possibly the President. In our judgment President Carter could take swift and effective action in support of legislation to create a permanent ceiling for the growth of government spending. Such an approach would in all likelihood do more to restore confidence in the future value of the U.S. dollar than any other single effort, and would create an environment within which the Federal Reserve could pursue operations that would gradually over a period of perhaps three years reduce monetary growth to a stable non-inflationary rate of increase. Thus, with firm public announcements to limit government spending and money creation, and a sustained follow up effort toward execution of those policies, inflation expectations would decline and the value of U.S. greenbacks would immediately rise. And for those who doubt the validity of this policy prescription a careful look at the recent statements of Mrs. Margaret Thatcher, as well as an examination of recent movements

of the British pound, might prove particularly instructive.

Regrettably, no such initiative from the populist oriented and election-minded White House appears forthcoming. Indeed, with the President's latest energy proposals, more rather than less government spending appears the likelier course. And at the same time, the Federal Reserve appears willing to continue to follow market interest rates rather than to lead them. The small policy adjustments taken two Fridays ago received no follow up this past week. Money market conditions tightened appreciably on Friday in the wake of disappointing money and credit numbers, but the Fed elected to resist the wisdom of the private market by pouring more reserves into the banking system in a futile effort to peg the Fed funds rate at 10⅝ percent.

With monetary policy shifting toward an increasingly accommodative posture, and nominal credit demand rising in accordance with expectations of rising inflation as well as the cheap price of money in inflation adjusted terms, it is no wonder that foreign exchange market participants have little or no confidence in American financial policy. As long as the Congress and the Administration continue to pursue policies of fiscal restraint and monetary ease, then the value of the dollar must continue to decline. With the tax brake effect pointing the real sector towards recession, and rising money growth driving the general price level higher, the marginal utility of U.S. sponsored money will continue to decrease.

The dollar sphere of the global money market in these circumstances is headed for a crisis. Fed actions to raise interest rates slightly, along with the Volcker appointment, have served only to briefly postpone the crisis. Events seem to be moving quickly, and thus it is our judgment that a new dollar crisis is imminent. Timing is difficult to pinpoint, but in all likelihood the U.S. money market is headed for a severe shock by the early fall at the latest. Short rates are expected to rise by at least a percentage point, and possibly more. Once again the foreign exchange market will force the hand of the U.S. market, and once again the U.S. authorities will follow events rather than lead them. Therefore, Paul Volcker notwithstanding, money and credit market danger signals abound, and investors are advised to act accordingly with a maximum degree of caution.

● Mr. TOWER. Mr. President, I support the nomination of Paul A. Volcker to be Chairman of the Federal Reserve Board. I believe that Mr. Volcker is an excellent choice for this very important position. He is a recognized expert in international financial matters. He has also dealt with a number of important domestic economic issues during his long and illustrious career. From the various statements which he has made to the Committee on Banking, Housing, and Urban Affairs and elsewhere, it is clear that Mr. Volcker recognizes the need to assure economic stability at home as an indispensable part of strengthening the U.S. dollar abroad.

Mr. Volcker will become Chairman of the Federal Reserve Board under very trying conditions. The challenges facing him and the other members of the Board are enormous. The rate of inflation is accelerating at the very time the economy appears to be in the early stages of a recession. Interest rates are extraordinarily high and the dollar is still on uncertain waters abroad.

The Federal Reserve will play a crucial role in seeking a solution to the economic problems facing our Nation over the months ahead. Monetary policy needs to be placed on a sound footing if economic stability is to be restored. The rate of growth in the money stock needs to be maintained on a noninflationary course if the problem of inflation is to be solved. Rapid monetary growth, particularly under existing economic conditions, is completely inconsistent with stable prices. Moreover, presently high interest rates cannot be reduced without a reduction in the rate of inflation, and the dollar will remain under pressure in foreign exchange markets until price stability is achieved domestically.

Mr. Volcker has served for the past 4 years as the President of the Federal Reserve Bank of New York. He appears to recognize the need for an independent Federal Reserve. Certainly he has had the opportunity to see first hand how important it is that the Federal Reserve remain independent from political pressures. I trust that Mr. Volcker will maintain the independence of the Federal Reserve to work for stable economic conditions here at home and a stable dollar abroad.●

Mr. PROXMIRE. Mr. President, it is my undertanding that under the agreement I had 15 minutes, and I am going to yield back my time in just a minute, the Senator from Utah had 5 minutes, and the Senator from Colorado had 10 minutes.

I do not believe there are any other speakers. I believe the majority leader expected to have back-to-back votes on the nomination for chairman. It is not necessary to have a rollcall vote on the nomination to be a member of the Board. And then the vote on the Miller nomination for Secretary of the Treasury.

I would suggest that perhaps we could act on the nomination for the member of the Board and then proceed to discuss and debate the Miller nomination. Then, as the majority leader suggested we act, we would act with the back-to-back votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of Paul A. Volcker, of New Jersey, to be a member of the Board of Governors of the Federal Reserve System?

The nomination was confirmed.

The clerk will state the next nomination.

DEPARTMENT OF THE TREASURY

The second assistant legislative clerk read the nomination of G. William Miller, of California, to be Secretary of the Treasury.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be taken from either side.

The PRESIDING OFFICER. Without objection, it is so orderd.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, we had before the Finance Committee the nomination of Hon. G. William Miller to be Secretary of the Treasury.

The committee interrogated Mr. Miller. We were very favorably impressed by him.

This is not the first time we have had Mr. Miller before the committee.

He has served with distinction as Chairman of the Federal Reserve Board. We believe he has served his Nation well.

The Senate has voted to confirm him previously, and the committee recommends that he be confirmed again.

We believe that the good judgment and the leadership he has shown throughout his life will serve the Nation well in his capacity as Secretary of the Treasury. We believe that the Senate will want to confirm Mr. Miller to the position of Secretary of the Treasury.

In some respects, Mr. President, it seems to me that Mr. Miller is not being promoted at all, but stepping down. The position of Chairman of the Federal Reserve Board gives an individual a great deal of independence to exercise his own judgment and lead this Nation in monetary policies which he thinks best for the Nation.

Of course, he must cooperate with the administration, the President, and those in the executive branch, but he is not required to accept their judgment.

Theoretically, he is working for Congress; but, as a practical matter, a person in that capacity is working for his own conscience, because he is more or less beyond the control of any congressional committee. On good behavior, a person in that position can exercise a great deal of independent judgment, and he is expected to.

I have no doubt that Mr. Miller will add wisdom and good judgment to this Nation's fiscal and monetary policies in his capacity as Secretary of the Treasury. Together with the Committee on Finance, I strongly recommend the confirmation of his nomination.

Mr. PROXMIRE. Mr. President, it is my understanding that, under the unanimous-consent agreement as to this nomination, I have 15 minutes. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, for more than 15 months, William Miller has been Chairman of the Federal Reserve. I opposed his appointment to this position. Nothing in the way Mr. Miller has performed on the job has changed my judgment.

Mr. Miller was never qualified to head the Federal Reserve. He had no experience in his background which would have indicated that he was at all qualified for the job. I graded him for each 3 months of his tenure on the job. His highest grade was a D-plus. The Fed's management of the money supply during his tenure has been unpredictable, and

inflation continues to soar. Interest rates are at an all time high. The situation is not entirely Mr. Miller's fault, by any means; but every one of the economic elements under the Federal Reserve Board could not be worse.

Mr. President, I believe that Mr. Miller is better qualified to serve as Secretary of the Treasury. He is knowledgeable about the economy and has the confidence of the business community and the President. His principal difficulty will be in fending off the White House staff. Mike Blumenthal did it, and he was not rewarded for his efforts.

Nevertheless, I must oppose Mr. Miller's nomination to be Secretary of the Treasury.

Last year when Mr. Miller's nomination to be chairman of the Federal Reserve Board was before the Banking Committee, an inquiry by the committee indicated that Textron-Bell had paid a $2.9 million commission to an Iranian agent (Air Taxi) owned by a general in the Iranian Air Force (General Khahemi) in donnection with the sale of over $500 million in helicopters to Iran. The committee also questioned whether bribes were paid in connection with the sale of helicopters to Ghana. Miller denied that Textron engaged in bribery. There was no evidence at that time that Miller personally had knowledge of any payment to a foreign government official in connection with the sale of helicopters.

Mr. President, 17 months after the Banking Committee's inquiry, the SEC has issued a 101 page report of an in depth look at Textron's overseas sales. What the SEC report shows is that while Miller headed Textron, international bribery occurred at least 10 times.

The SEC report reveals that Textron-Bell—and Mr. Miller was the chief executive officer of that conglomerate—paid bribes to foreign officials in 10 countries: Iran, United Arab Emirates, Morocco, Dominican Republic, Mexico, Columbia, Oman, Ceylon, and Indonesia. Over a half of 1-billion dollars of Textron sales depended on payments to foreign officials. The bribes paid were over $5 million, facilitated by commission payments to secret bank accounts in third party countries. The highest officials of Textron-Bell were knowledgeable.

Mr. President, there is no evidence in the SEC report indicating that Mr. Miller personally participated in the bribes. No document or testimony even mentions Mr. Miller in connection with the payment of bribes. It should be pointed out, however, that 11 Textron officials invoked their fifth amendment privilege against self-incrimination in the SEC investigation, so that the full truth may never be known about Textron's bribery of foreign officials.

The SEC has requested that this report remain confidential. I believe the report should be made public, but I will defer to the judgment of the SEC, which argues that public release of the report will inhibit appropriate enforcement action against Textron.

It is clear from the SEC report that up to the enactment of the Foreign Corrupt Practices Act in the last Congress, which made it a crime for an American company to bribe a foreign government official, Textron participated in international bribery just as it did with many other Fortune 500 companies subject to the jurisdiction of the SEC. I recognize that this has been a common practice. We all have to recognize that this was not an unusual or illegal practice at that time. It was something in which many American companies took part.

Should Miller have known about payments to foreign government officials on a worldwide scale by Textron-Bell? It appears to me that any reasonably prudent chief executive officer in his position would have known. Mr. Miller's responsibility as head of the company was to be informed about such matters since the sales volume was huge and for most of the time the helicopter division reported directly to Miller and that is where a large share of the bribes were paid.

In 1975 numerous instances of foreign bribery by American corporations caused the SEC to institute a voluntary compliance program whereby corporations would take it upon themselves to conduct complete inquiries of their affairs and publicly disclose instances of questionable payments. The SEC report says that Textron considered but decided not to conduct its own investigation of questionable corporate payments. The decision was reached at a Board of Directors meeting in which Miller participated.

The SEC report states that over 500 American companies made disclosures concerning questionable foreign payments after they conducted complete investigations. Among those making disclosures were the blue chips of the corporate world including Exxon, Colgate, Tenneco, and United Technologies. But what did Textron do? Textron said its skirts were clean. Miller refused a complete inquiry on the ground that Textron had made no questionable payments.

The evidence in the SEC report shows the undoubted reason why Miller rejected an investigation of questionable payments by Textron pursuant to the SEC's voluntary program. Textron was heavily involved in bribery of foreign government officials on a worldwide scale: Iran, the United Arab Emirates, Morocco, the Dominican Republic, Mexico, Colombia, Oman, Ceylon, Ghana, and Indonesia.

I specifically asked Miller at his confirmation hearings before the Banking Committee about Textron's compliance with the SEC voluntary program pointing out that most companies had chosen to have independent examinations of their businesses to comply with the SEC voluntary program. Miller said that at Textron they did not conduct an investigation. "There was a process of audit examination, of searching for commitments from employees, that they will certify, that they knew of no such circumstances." Instead of a complete and independent examination of Textron's business, Textron's own counsel conducted a 1-day inquiry of the $2.9 million payment to Air Taxi. The inquiry can only be described as incomplete. Counsel's report concluded that "none of the principals of Air Taxi are known or believed to be Iranian Government officials." Counsel did not question the individuals at Textron-Bell who had been told that General Khatemi had an ownership interest in Air Taxi nor did he review Textron-Bell documents which would show such ownership. On the basis of this 1-day inquiry, counsel concluded that the payment to Air Taxi was not in the questionable payment category and reported that to Miller.

Mr. Miller himself had discussed the matter of an internal investigation with his counsel at the time of the SEC voluntary compliance program. Mr. Miller advised counsel he knew of no illegal or improper payments and that the only significant commission payment by Textron was the Air Taxi situation. Thus Mr. Miller himself defined the scope of the limited internal inquiry that cleared Textron.

Any reasonable outside inquiry or complete inquiry would have uncovered the widespread bribery at Textron. The fact that Mr. Miller did not turn to an independent committee and the fact that he limited the scope of the inquiry dictated that it would be incomplete. Not only had Textron paid an agent owned by an Iranian general to get contracts, but we now know that Textron according to the SEC report:

Paid $400,000 in commissions to its agent in the United Arab Emirates in connection with sales made to the Dubai Police Air Wing knowing that officials of the Dubai Police Air Wing had a financial interest in the agent.

Promoted a foreign military sale by the Defense Department to Morocco knowing that the commission paid to its agent would be passed on to Moroccan Government officials.

Paid $150,000 directly to a Mexican colonel in connection with a sale to the Mexican Air Force.

This pattern of payments to foreign government officials was repeated by Textron in the seven other countries I have previously mentioned.

Foreign corporate bribery caused the United States severe foreign policy repercussions. A friendly democratic government was brought down in Japan. The monarchy was tarnished in the Netherlands perhaps for all time. In Italy the bribery of officials undermined democracy and added fuel to Communist charges of corruption.

Mr. President, no doubt the Foreign Corrupt Practices Act put a stop to all of this. This is not the question with Mr. Miller. The question is why did not Miller make sure that Textron came clean with the SEC as 500 other American companies did? Why did not Miller see to it that Textron came clean with the Banking Committee on the Air Taxi situation?

When Miller's nomination was before the Banking Committee, information came to the committee's attention that an Iranian general, Khatemi owned Textron-Bell's agent in Iran to which Textron had made a $2.9 million payment in connection with the sale of helicopter's to Iran. If true, it would have been strong evidence of Textron bribery in Iran.

I specifically asked Miller at the Banking Committee hearings about General

Khatemi's interest in Air Taxi, Textron-Bell's agent in Iran:

Since General Khatemi was the owner of Air Taxi, wouldn't you agree that the $2.9 million payment included a payment to Khatemi?

Mr. MILLER. I don't want to dispute your evidence. I don't think any evidence we had was that such a general owned Air Taxi.

The CHAIRMAN. In the event I am correct, would you not agree that the payment to Air Taxi——

Mr. MILLER. If you are correct you can draw your own conlusions. I don't believe it is correct.

Evidence of General Khatami's ownership interest in Air Taxi was in Textron's own files and other evidence was easily available to Textron auditors. Even Textron's special committee report of the board of directors which was appointed in the wake of the Banking Committee's inquiry issued its report last month concluded that "it is highly probable that Gen. Mohammed Khatemi, the deceased former commander of the Iranian Air Force, had a secret financial interest in Air Taxi, or in commissions earned by Air Taxi, during the time Air Taxi acted as (Textron) Bell's dealer in Iran and the settlement (of $2.9 million) was agreed upon." Evidence to support this conclusion as I say was known or available to Textron officials. Instead, Miller chose to brush off the suggestion by the committee that Khatemi owned Air Taxi. Miller approved the payment of $2.9 million. It is completely unrealistic to believe that Miller should not have known about General Khatemi's interest in Air Taxi.

In testifying before the Banking Committee, Miller repeatedly denied that Textron engaged in bribery. Miller repeatedly stated that Textron operated with the highest standards of ethics and conduct.

Miller stated that "Textron endeavors to maintain the highest standards of conduct. This has been a subject discussed at every major management meeting during my 22 years with the company. I have laid out a policy that it would live by the highest standards of ethics and conduct that are perceived to be possible in the world in which we live.

We now know after reviewing the SEC report that Mr. Miller's statement to the Banking Committee was not correct.

The following question was put to Mr. Miller: "Did you ever instruct any of your subordinates to not bother you with details but do whatever is necessary to conclude successful sales and contracts with foreign entities? Would you in effect say get on with the job and do not bother me with the details and I do not want to know that sort of thing—protect me, do not allow me to have to take the rap for anything that you might do that is slightly questionable from an ethical standpoint?

Mr. MILLER. To the contrary, Senator. I have insisted that I be fully informed about any question of ethics that comes up in these matters. I suppose my associates would say that I have on occasion been too much involved in the details of the business, because I consider it essential for me to be vigilant I know of several cases where, because of this policy, officers came to me and reported a situation far down the line, saying, "We know what your policy is but we want you to be aware of this before we make a decision. In each case. I said that if any questionable payment was required we would discontinue the negotiation and that was done in each case. I have been informed on a number of occasions so I am sure the system is working, and I am sure my officers understand it. I do not seek to be protected. I seek to be involved, so that I can guide our officers in a way that will protect them from making mistakes.

Mr. President, the fact is that high officials of Textron-Bell knew of the payments to government official in 10 countries. Mr. Miller was incorrect once again in his testimony before the Banking Committee.

Mr. Miller was asked about bribery as follows:

I understand that you have a policy in your concern not to engage in improper payments?

Mr. MILLER. That is absolutely correct.

Senator CRANSTON. I understand you find it possible also to do business without making improper payments.

Mr. MILLER. We have taken the view that the way to do business in the world is to have superior products, to represent them thoroughly, to sell them as hard as we can, to service them well, and to win on the merits of our product. We have lost business where business could be obtained in other ways, but we do not consider that to be a detriment. We believe that in the long run a company prospers better by making itself competitive enough to win on the merits.

Mr. Miller was asked time and time again about bribery at Textron. He denied it vehemently always involving the high moral tone he had instilled in the company. Mr. Miller has reportedly said that he was disappointed in Textron employees and that bribery "violates my standards for the company." Mr. Miller was dead wrong about payoffs at Textron.

Mr. Miller was the boss according to his own standard and he was responsible. The payments to foreign government officials was not accomplished by low level junior field men. Knowledge of foreign government official ownership in foreign agent commissions paid by Textron-Bell were known by the operating heads of the Textron-Bell Division who reported directly to Miller. And these were not inconsequential transactions. They involved over one-half billion dollars in sales.

The largest of these were the Iranian transactions. The Banking Committee staff uncovered evidence which showed that General Khatami did indeed own Air Taxi and that Textron paid a $2.9 million commission payment to Air Taxi, a portion of which was directly passed on to General Khatami.

I questioned Miller about these facts at the Banking Committee hearing. Miller denied General Khatami had an interest in Air Taxi. He was wrong.

Textron knew that General Khatami owned Air Taxi at the time Miller testified. But a new document in Textron's files showing Khatami's ownership was not supplied to the committee until after Miller was confirmed by the Senate over my objection. The document was uncovered in the course of the SEC investigation. This document should have been supplied to the committee because it was called for by a Banking Committee subpoena. I referred the matter to the Justice Department to determine whether an obstruction of justice took place.

Mr. President, that was not the only occasion on which stumbling blocks were placed in the way of the Banking Committee making a complete record in the Miller nomination. Miller himself was not helpful to the committee in seeing to it that it had a complete record upon which to judge his nomination.

When I raised with Mr. Miller the matter of whether Textron had conducted an investigation on questionable payments Miller did not respond forthwith and frankly tell the committee that it had been considered and rejected and that a limited inquiry had been conducted by Textron's own counsel only on one transaction. In fact Textron did not inform the committee of this limited investigation until after the committee staff had learned independently of its existence.

Textron did not supply documents to the committee called for by subpena which were crucial to an understanding of the circumstances relating to the retention of Air Taxi as its agents in Iran including important evidence relating to Textron's knowledge of General Khatmi's ownership interest in Air Taxi. Other similar crucial documents were supplied to the committee after the staff had already completed taking testimony of Textron officials under oath.

Mr. President, we all know the time pressure the Senate operates under in important confirmation proceedings. The Miller nomination was one where the Banking Committee was under particular pressure to report favorably on the Miller nomination. It is up to the nominee in such circumstances to make sure that the committee reviews all the information it needs on a timely basis.

Mr. Miller had the responsibility to it to see that the committee's work was not obstructed. He did not lift a finger to help. He chose to come before the Banking Committee and deny everything.

One other matter that should be brought to the Senate's attention which is clear in the SEC report is that Mr. Miller made no personal effort to insure the integrity of the Senate Banking Committee's inquiry on a Ghanaian bribe transaction during his confirmation hearings. Mr. Miller was asked, on January 24, during the confirmation hearing about the sale of helicopters to Ghana. Mr. Miller testified that he was not familiar with the transaction and therefore, could not comment on it. Mr. Miller was requested to "report back details as fully as you can on services tropical (the agent) performed." On February 28, Mr. Miller reappeared before the committee. His testimony on Ghana repeated the substance of a letter provided to the committee by Textron-Bell's lawyer, on February 15. The SEC report says that "at no time between his hearings on January 24 and on February 28 did Mr. Miller make any personal inquiry; rather he relied on his subordinates for his information on Ghana."

His subordinates misled the committee. When his subordinates reviewed the Ghana transaction for the purpose of

supplying information to the committee, one document was destroyed which "described the need to make a payoff to successfully conclude the sale of two helicopters to Ghana"; and Textron-Bell's lawyer was in possession of information indicating a payoff prior to his letter to the committee of February 15, which in substance exonerated Textron-Bell.

Mr. President, in summary, let me say this:

Over 500 American companies voluntarily disclosed questionable payments to the SEC, involving millions of dollars. Hundreds of other chief executive officers called for thorough audits of their companies and disclosed the results. Mr. Miller did not. Mr. Miller chose not to conduct an inquiry in response to the SEC voluntary program, although the SEC found that Textron had engaged in 10 bribes while Mr. Miller was its chief executive officer.

When his nomination came before the Banking Committee, Mr. Miller was called on to investigate bribery in his company. He conducted no significant inquiry but assured the committee there was no bribery. He was wrong.

I cannot vote for his confirmation on the basis of this record. Mr. Miller cannot run the Treasury Department the way he ran Textron. Based upon his past record, the risks are too great.

If a similar situation, alleged bribery and corruption, should develop at the Treasury, would it be enough to have a Secretary who failed to investigate and root out the corruption but just assured the country that there was no problem? I think not. And that is why I must vote against this nomination.

I ask the distinguished manager of the nomination, the Senator from Louisiana, if he will yield for a question?

Mr. LONG. I yield for a question.

Mr. PROXMIRE. Mr. President, I ask the Senator from Louisiana if during the consideration of the Miller nomination Mr. Miller was asked about a section in the SEC report which shows that the nominee-designate had been made aware twice by memorandum from his own staff that Textron was keeping no records of entertainment of U.S. defense officials, and it said for obvious reasons, and that Textron's policy of destroying the records of specific individuals entertained amounting to $500,000 continued under Mr. Miller. I ask the Senator whether he is satisfied that Mr. Miller observed the standards of ethics in this transaction that Mr. Miller himself stated he set for Textron?

Mr. LONG. Let me answer the question this way. We asked our staff to read all this report. which is rather voluminous, more than 100 pages.

Mr. PROXMIRE. 101 pages.

Mr. LONG. There are more than 100 pages in the document. Then in addition to that, in justice to the subject, one should read the report made by Textron itself which runs several hundred pages.

I asked two of our staff members to carefully study all this and see if they could find where there is any allegation that Mr. Miller had knowledge of any corruption to which the Senator refers and which he alleges, and the answer was no, that is not the case.

Now, the Senator can draw whatever inferences he wants to. He can attribute knowledge to Mr. Miller if he wants to do so.

Personally, I think a person, under our system of government, is presumed innocent until proved guilty.

Mr. PROXMIRE. I concur in that, and I said repeatedly——

Mr. LONG. I do not think we should assume someone is guilty because some other person might have done something that is harmful.

Mr. PROXMIRE. Mr. President, my time has expired. Will the Senator yield so that I can just continue with one more question?

Mr. LONG. I yield to the Senator an additional minute.

Mr. PROXMIRE. May I ask the Senator, we have a situation here where the SEC report shows Mr. Miller had been made aware twice by memorandum that Textron was keeping no records of entertainment of U.S. Government officials. This is different from the bribes of which, I concede, there is no record, no documentation, no evidence that Mr. Miller knew about it. But in this particular case the SEC found he had been made aware twice by memorandum that Textron's policy was to destroy the records of specific individuals entertained, and that that involved $600,000, that Mr. Miller knew about it, and that was the policy continued after he was informed.

Mr. LONG. Senator, if there was nothing illegal or unlawful about entertaining an American citizen I do not quite see the point of the Senator's argument.

But, Senator, you can draw your own conclusions from it. My understanding of the document to which you refer is that there is no evidence that the SEC or anyone else has that Mr. Miller himself did anything unlawful or that he condoned any unlawful activity.

Now, in the Banking Committee you had the same problem before you. I would like to ask you a question: I believe I am correct, am I not, that the committee voted unanimously, except for the chairman, Mr. PROXMIRE, to recommend that Mr. Miller be confirmed as Chairman of the Board of Governors of the Federal Reserve? Is that correct?

Mr. PROXMIRE. The Senator is correct, yes, indeed.

Mr. LONG. Then, Senator, I would assume the members of the Banking Committee, save the chairman, looked upon the matter in the same way as the Finance Committee does.

Mr. PROXMIRE. The Senator is correct.

Mr. LONG. We do not find Mr. Miller is guilty of what some other person in that company may have done. That was a very big company.

Mr. PROXMIRE. Mr. President, I ask unanimous consent for 5 more minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. I point out to the Senator from Louisiana there was a great difference. At the time the Banking Committee made its inquiry there was no SEC report. The SEC had not found this corruption; they had not found this bribery. But they found it and established it. Now we have it before us. We have a document which substantiates these charges, and I think it is an entirely different situation.

There were only two Senators who voted against the Tonkin Gulf resolution. Those two Senators were right. All the rest who voted were wrong. We voted the other way. The fact that one Senator is in the minority does not mean he is wrong.

Let me ask the Senator one other question.

I ask the distinguished Senator from Louisiana if during the nomination hearing he inquired of Miller into the circumstances of a payment by Textron that Miller approved in the amount of $100,000 to the Southwestern Medical Foundation 3 months after the Foundation had approved a medical residence for Iranian General Toufanian's son. General Toufanian was a key Iranian involved in the approval of Textron's sale of $500 million in helicopters to Iran. The president of Textron-Bell—who reported to Miller—arranged General Toufanian's son's entry at the same time he discussed a contribution to the Foundation. And he kept Mr. Miller informed.

I ask the distinguished Senator if he has made inquiry into the matter to determine whether there was any impropriety on Miller's part?

Mr. LONG. Senator, I did not draw the same conclusion that you would draw, nor so far as I know did our staff, nor did the minority members of the committee.

You seek to draw a conclusion that because someone in the company, in your judgment—and I assume you probably are correct about that—committed an unlawful act that that should be attributed to the Chairman of the Board.

There have been all kinds of companies where people did something against the law where the man who was running the company did not know about it.

Here is what Mr. Miller said when interrogated in general about the subject. I asked him about it, and so did other members of the committee. This was in response to my question. He said:

Senator, it has been disturbing to me to find that there have been some questionable payments in my former company. One thing I am pleased about is when I was nominated and when the Senate confirmed me, I had stated unequivocally that I was not involved in any way in such practices and had a strong policy against it and would disapprove any of my associates doing so.

Both the Securities Exchange Commission and the company undertook an extensive investigation which has gone longer than any such inquiry I know about because it has been a year and four months since I was sworn in. Over this whole period of time these parallel tracks of inquiry have gone through the company apparently from top to bottom.

As I understand from the report of the Textron independent committee which has been released to the public, over eight years there were employees involved in some

questionable payments in connection with overseas sales which totaled some $800,000 in eight countries over eight years.

I am disappointed that there could have been on dollar so expended because it violates my standards for the company. I also am reassured that this did not seem to be a case of either pervasive or large amounts of money and there were temptations to overseas people who may not have understood the standards that we apply in this country.

I cannot defend that action. I cannot condone it. I just want to reassure the Committee that I am gratified that after such extensive inquiry, I believe my statements before the Banking Committee have been verified.

Now, that is what Mr. Miller's attitude was in regard to what you are saying here. It may be, Senator, for all I know, that he might have done something wrong and, if so, I say: Go ahead and prove it. You had a chance before the Banking Committee, and I welcome anything you can present here.

But the Finance Committee is not going to presume Mr. Miller to be guilty of misconduct without evidence to prove it, just as the Banking Committee, of which you are the chairman, did not so presume.

Mr. PROXMIRE. I am not saying he was guilty of misconduct. What am I saying? I am saying that whereas 500 companies came forward when they were urged to do so by the SEC, they conducted an audit of what they were doing, and they found in some cases there were bribes paid. They disclosed that. But Textron did not do it. Textron said, "We do not have that problem. We are not even going to investigate it." It turned out, on the basis of investigation, that Textron did have that problem in 10 different countries where they paid bribes over and over and over again 10 times. Mr. Miller was wrong.

As I say, this is not an easy vote, and I expect to be the only Senator voting against Mr. Miller. But I think under those circumstances the Senate should consider very seriously whether the Secretary of the Treasury, given a similar situation in the Treasury Department, with allegations of bribes, allegations of corruption, what would he do? Would he do as he did here and say, "No problem. My Department is clear. I am not going to investigate it?" Or would he root it out? Would he find out who is responsible and correct the problem?

Mr. LONG. Mr. President, I yield to the Senator from Rhode Island.

Mr. PELL. I thank the Senator very much indeed.

Mr. President, I am proud to have the opportunity today of urging my colleagues to support the nomination of G. William Miller to be the next Secretary of the Treasury. In his brief period of service as Chairman of the Federal Reserve Board, Mr. Miller has distinguished himself in his mastery of monetary policy. His actions at the Fed have contributed to stabilizing the dollar and restoring confidence in the money markets.

Mr. Miller is an example of the kind of outstanding leadership from the private sector which President Carter has attracted to his administration. In the past two decades he rapidly rose to the pinnacle of our business and community life in Rhode Island through brilliance and innovative leadership.

His unique background in law and finance has earned him a respected position in the business community, and his reputation for probity and good character are of the highest order. Within months after his appointment to the Fed, the Nation had learned what we in Rhode Island had known for a long time: that Bill Miller was one of the most capable, energetic, and farsighted leaders of his generation.

I value him as a personal and good friend and extend my wife's and my own congratulations to him and best wishes to his lovely wife, Ariadne, as they face the pressures that will fall upon them.

I have no doubt that he will bring the same kind of creative thinking and dedication to the leadership of the Treasury Department which he has displayed at the Federal Reserve. I credit President Carter for spotting Bill Miller's talents and making use of them in the national interest, and I urge my colleagues to join me in supporting his nomination.

Mr. CHAFEE. Mr. President, I rise to support enthusiastically the nomination of G. William Miller to be Secretary of the Treasury. Mr. Miller, although I notice he is listed as coming from California, is a citizen of the State of Rhode Island, has been such for the past 15 or 20 years. He came to Rhode Island as a young man to assume a position with the Textron Co., through the ranks of which he rapidly rose to become president and, subsequently, chairman of the board.

Mr. Miller has been a most illustrious resident of our State, with a deep sense of human concern. In addition to that, he has been an outstanding citizen, participating in a multitude of charitable and other activities in Rhode Island, and not only in Rhode Island but nationally as well. Mr. President, I think the country is extremely fortunate to have attracted to its service a man with the capabilities, talent, integrity, and brilliance of the nominee, G. William Miller. As I said before, I think he will make an outstanding Secretary of the Treasury and I support him wholeheartedly.

Mr. DANFORTH. Mr. President, I am going to vote in favor of the nomination of William Miller as Secretary of the Treasury with some degree of enthusiasm. He is a truly remarkable individual, with an excellent background in both business and the practice of law and also as Chairman of the Federal Reserve Board.

The question that arises with respect to any new Cabinet official is whether this is just a change in faces or whether, in addition to being a change in faces, it represents a chance in economic policy on the part of the administration. It is the hope of the Senator from Missouri that this is a change in economic policy on the part of the administration.

Nearly every day's newspaper, Mr. President, brings further dark news as to the state of the economy. Just a few weeks ago, we were told that the current figures produced by the Bureau of Labor Statistics indicates an annualized rate of inflation of 13.2 percent. In this morning's Washington Post, the headline states "New Forecast Dims Outlook for the Economy." The article goes on to point out that the unemployment rate looks as though it is going to exceed 8 percent. At a time of a very high rate of inflation and a very high rate of unemployment, the hope of this Senator is that the administration will do something more than change faces at Treasury, that it will change its economic policy as well.

Last Monday, Mr. President, all 41 Republican Senators introduced a bill which states the direction we feel economic policy should take in the United States. That bill would do three things. It would encourage, by tax incentives, additional personal savings, because today, Americans save less of their disposable income than any of our competitors around the world. About 6.5 percent of disposable income is saved by the American people, as compared with 25 percent of disposable income in Japan.

Second, the bill would encourage more rapid depreciation, provide for more rapid depreciation of plant and equipment. Americans are falling well behind our competitors around the world in productivity. Our productivity is now decreasing at an annualized rate of over 5 percent. We are falling behind our competitors around the world and also, we are falling behind our historic average in the percentage of our gross national product invested in new plant and equipment.

The third thing the bill would do is encourage by a tax credit further private spending in research and development. Again, the United States is behind its historic average in what we are investing in research and development.

In short, Mr. President, what is happening to our economy is that we are digging ourselves into a hole. We are following economic policies and tax policies which encourage not saving and investment, but instead, borrowing and immediate consumption. We are trying to keep ahead of the rate of inflation and we are trying to keep ahead of the tax collector by spending now. The result is that the economic basis for a sound future is being eroded. So the time has come to act, to change policies.

During the past 2½ years, the point has been made consistently that we should follow tax policies to encourage additional savings and additional investment. Yet, month after month, the administration, through the Treasury Department, has appeared before the Senate Finance Committee, has appeared before the Joint Economic Committee, and has appeared before the House Ways and Means Committee, and has opposed those measures which would be necessary in order to get the economy moving in the right direction. The administration has consistently opposed tax cuts. The administration has consistently opposed incentives for savings and investment and for research and development.

Mr. CHAFEE. Will the Senator yield for a question?

Mr. DANFORTH. Certainly.

Mr. CHAFEE. It seems to me that as the Senator has outlined his program here, the single most serious problem facing the Nation is inflation. That has been accompanied by the decline of the dollar and trade deficits. Would not the proposal that he has advocated and that all 41 Republicans have advocated, especially the rapid depreciation, increased schedule in depreciation, help in increasing productivity, would it not lower costs, and would it not improve our competitive position with the rest of the world?

Mr. DANFORTH. The Senator from Rhode Island is absolutely correct. It would do all three of those things. What is encouraging about this nomination is that Secretary Miller has repeatedly stated his agreement with such a program. As a matter of fact, in a speech prepared for delivery in San Francisco on the day of his nomination, he advocated a depreciation program very similar to the one which is incorporated in the bill that has been introduced by all Republican Senators. It is for that reason that it is my hope that the Secretary of Treasury's policies, which he has consistently advocated over the last 2 years, will indicate a change in the economic policy of the administration and exactly the kind of tax reduction that the Senator from Rhode Island has referred to.

Mr. CHAFEE. Will the Senator yield for one more question?

Mr. DANFORTH. Certainly.

Mr. CHAFEE. Is it not true, Mr. Miller in his speeches has advocated the so-called 1, 5, 10 depreciation formula?

In other words, 1 year for Government-mandated pollution control equipment; 5 years for all kinds of industrial equipment; and 10 years for buildings and fixed assets.

Mr. DANFORTH. He has advocated that. He has advocated that as recently as on the day on which he was nominated. He has advocated that in confirmation hearings before the Finance Committee of the Senate. He has advocated that repeatedly in both the Finance Committee and the Joint Economic Committee.

Mr. CHAFEE. So is he not now, or should he not be, based upon his previous statements, an enthusiastic supporter of the bill which the Senator mentions, which is, namely, a 3, 5, and 10-year program; that is, 3 years for mobile equipment, wheeled vehicles, and so forth; 5 years for all the rest of manufacturing equipment; and 10 years for fixed assets, buildings, and such as that?

Mr. DANFORTH. The Senator from Rhode Island is absolutely correct.

Mr. President, there have been some signs, in addition to the nomination of G. William Miller to be Secretary of the Treasury, that the administration is about ready to change its economic policy.

A week ago last Monday, certain administration officials, including Stewart Eizenstat and Alfred Kahn, met with a few Republican Senators and Representatives on the question of economic policy. At that time, the administration officials asked our degree of receptiveness to a change in economic policy and, particularly, the kind of tax cut we have advocated.

We, of course, enthusiastically stated our agreement with such a program, and, not only that, but last Monday introduced the bill, which has been referred to earlier, which places in legislative form exactly those policies.

The week before last, the newspaper reports indicate that the President met with certain Members of Congress in the White House and at that time suggested that he was thinking about some form of tax cut, particularly what he called a noninflationary tax cut.

So, there have been some signs that the administration is going to change its economic policy. We hope so.

Yet, Mr. President, I would point out in connection with the windfall profits tax, which is now being discussed in the Senate Finance Committee, the indications are that the administration is ambivalent in its position, that at the same time that it is giving some signs that it is going to have some kind of tax reduction, it is, in the discussion of the windfall profits tax, talking about what would amount to a tremendous net increase in tax revenues by the Federal Government.

In his energy program, President Carter has stated that he would like $142.5 billion between now and 1990 to fund his energy program. That is now the question before the Senate Finance Committee.

Yet, yesterday, the Treasury Department and the staff of the Joint Committee on Taxation stated that even without a windfall profits tax, the additional revenue raised by today's income tax rates, plus royalties, as a result of decontrol of oil, would be $173 billion by 1990—$173 billion from royalties and from income taxation without a windfall tax, and that amounts, Mr. President, to $30.5 billion more than what is required by the President's energy program.

If the windfall tax is added to that, that is another $105 billion, for a grand total of $278 billion by 1990 in additional tax revenues to finance a program of $142.5 billion worth of energy.

Assuming that the President's energy program is a good one—I do not know if it is or not, some people say that with the CO_2 being released into the atmosphere we will all be cooked—but assuming that the President's energy program is a good one, we are raising not only the $142.5 billion to cover the President's energy program, we are raising an additional $135.5 billion to be used for we do not know what.

My position is this. If the additional $135.5 billion does not go back to the American people in the form of a tax cut, if we do not offset that by a tax cut, then what we are witnessing at a time of recession, at a time when we are looking toward 8 percent unemployment rates, is an increase in the Federal tax draw on the American economy.

So it looks as though we may be heading in the wrong direction, rather than the right direction.

I will vote, Mr. President, for Mr. Miller's confirmation. I will do so with a degree of enthusiasm because I believe he knows the direction in which our economy should be heading.

But it is my hope that the wisdom of the new Secretary of the Treasury will be listened to by the administration, that there will be a change in economic policy, and that instead of a net increase in Federal tax revenues which we are looking for by virtue of decontrol of oil with a windfall profits tax, that we will be looking toward a net, and substantial net, reduction of Federal income taxes that will permit our economy to grow, as it should be growing.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. KENNEDY). Who yields time?

Mr. LONG. I yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, a colloquy or, if you will, a debate on the confirmation of a Cabinet member such as we are having today appropriately brings forth testimony and, indeed, testimonial on the part of Senators who have had the opportunity to know the nominee in earlier circumstances, particularly if they were Government related.

I would rise to state that it was indeed my privilege to know G. William Miller in the early years of the 1960's, under the administration of President Kennedy and President Johnson, when President Kennedy had established the President's Committee on Equal Employment Opportunity.

This was the first great movement in our Nation's Government for equal job opportunities for all races, sexes, ethnic groups, and minorities in our Nation. It was the beginning of what became a great national commitment in the years that followed. But it was a crucial beginning; had it not been done well, it could have come to nothing.

On the contrary, it became something of which we are as proud as we are of any achievement of this generation of American politics.

I was then Assistant Secretary of Labor for Policy Planning and Research, and worked very closely with this matter, which President Kennedy had given to Vice President Johnson to be his particular concern, and Vice President Johnson worked at it as hard as if he were managing the U.S. Senate itself as, indeed, he had been doing until just a few years earlier.

Bill Miller was chairman of the Industrial Advisory Council to the President's Committee on Equal Employment Opportunity. He was chairman; he was responsible for bringing the reputation and prestige and influence of American business behind this objective. It had never been done before. There were those who thought it could not be done; and, in the atmosphere in which it was begun, it was hard, indeed, to do it. It was hard to get people to serve on this Council. The fact that a man would be chairman was making a commitment to social purposes which was not easy for a businessman in those times. It is easy today because there were men like Bill Miller decades ago, or 15 years ago, who were prepared to lead.

He led. In the end, we have turned

the atmosphere on this issue, the spirit on this issue, 180 degrees. American business, which had avoided these issues, became committed. If you have heard of the National Urban Coalition, if you have heard of the various committees that President Johnson later created to bring businessmen to the support of the social purposes of this country, to create a consensus where there was division, it began with the Committee on Equal Employment Opportunity, and Bill Miller was the head of the industrial side of the Council. That was the weight that turned this country in the direction it has moved ever since.

We owe him an obligation which is rarely ever acknowledged. The public never says its thanks very well. I am grateful for this opportunity to stand up as someone who was a young man at that time—it seems more distant than really it is—and saw his leadership in action.

I would like to add my personal judgment that a man of those qualities cannot but serve with even greater distinction in the Office for which he is now presented.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, 15 minutes is allotted to the minority. I ask unanimous consent that Senator SCHMITT be allotted a part of that time.

The PRESIDING OFFICER. The Senator from Kansas (Mr. DOLE) has 15 minutes which he controls, which is available.

Mr. SCHMITT. Mr. President, I ask unanimous consent that I be yielded 5 minutes of that 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I have mixed feelings about the nominee. During his confirmation hearings before the Banking Committee when nominated as Chairman of the Federal Reserve Board, I, the distinguished Senator from Wisconsin, and others spent a great deal of time questioning Mr. Miller about not only his association with Textron, but also his philosophy by which he would operate as Chairman of the Fed.

I personally concentrated on two issues: First, his ideas on monetary policy in the broadest sense, and also his conception of the role of the Fed relative to that of the executive branch.

Mr. Miller had written extensively on monetary policy, and we had some concerns about that. I feel that he did very well in satisfying those concerns during those long hearings before the Banking Committee. I am no longer on that committee, but I also remember that we questioned him on the idea of the independence of the Fed, and he was very strong in his articulation of that concept of independence, a very essential concept within our financial institutions; and, frankly, Mr. President, I was very disappointed in Mr. Miller when, on at least one or two occasions, it later become very clear that he was operating hand in glove, in the establishment of financial policy, with the White House.

I do not have any objection to the chairman of the Fed agreeing with the White House, or agreeing with anyone, on monetary policy if it is a policy arrived at honestly and independently; but I do have an objection to a nominee, having testified before a committee of Congress strongly and forcefully about the role of an independent Fed, then, without seeming to show too much regret, reversing that role in the day-to-day actions of his office.

Mr. President, I have not made a final decision on this nominee for Secretary of the Treasury. I realize that Treasury is a political organization, in the sense that it is a Department under the general jurisdiction of the executive branch and the White House. But I am very much concerned about that attitude that seemingly was expressed by Mr. Miller, a man for whom I otherwise have very great respect and know that he has tremendous capabilities to offer this Government and the people of this country. But I still hope that we can expect greater candor from him than we seem to have gotten on the issue of the independence of the Fed. I expressed disappointment in that during the hearings we had last year after the circumstances that I have alluded to occurred. I still have great reservations on that issue.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, in response to the Senator's statement, I can only say that Mr. Miller has repeatedly expressed himself with regard to public policy at variance with the administration's position, both with regard to tax measures and with regard to a number of other issues. He was interrogated about that before the Finance Committee, and he stated that up until he was confirmed as Secretary of the Treasury, he felt he was free to have his own independent judgment, and he expressed it, so that we on the committee, for example, were privileged to have him come before us and testify with regard to revenue measures at variance with the administration position, which I think indicates that this nominee was independent while he held the job that permitted him to be so. At his confirmation hearing before the Finance Committee, Mr. Miller said this in response to a question of Senator DANFORTH:

> Senator Danforth, my independence at the Federal Reserve allowed me to speak my mind freely and now of course I am in a position of having to state to you that I stated it as I saw it and I still stand by those words.

Mr. Miller will, of course, not be independent as Secretary of the Treasury. That is a price a man pays, to move from chairman of the Board of Governors of the Federal Reserve to being Secretary of the Treasury of the United States. But I think he will serve the Nation well to take that position because the President needs a good man in the job of Secretary of the Treasury.

I have no criticism with the previous Secretary. I think he was an honorable man doing the best he could in his responsibilities, and I think he served us well. But in view of the fact that Mr. Blumenthal is no longer here, I believe we are fortunate to have the services of Mr. Miller, and I am sure he will do a good job for us.

Mr. SCHMITT. Mr. President, if the Senator will yield further, I would like to ask for 2 minutes additional time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. My criticism is not of his ability, because on other occasions he did express independent thoughts of the administration. But on others he seemed to go counter, and admittedly counter, to the concepts he expressed in front of the Banking Committee during his confirmation that he would act independently, not at divergence but independently, of the White House. He, in my judgment, did not live up to those assurances that he gave us in his previous confirmation hearings.

However, he is a man of tremendous ability, and the Secretary of the Treasury is a political job. It is more than likely that he will carry out that function very well. I think it is appropriate in a debate on a nomination to make sure that we understand any slight or major deficiencies that might exist in the history of a particular nominee. That is all I wanted to point out as a result of this colloquy.

Mr. LONG. Mr. President, I ask for the yeas and nays on the confirmation.

The PRESIDING OFFICER. Is there a sufficient second There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, as I understand, the majority leader wanted back-to-back votes on nomination of Mr. Volcker to be Chairman of the Federal Reserve Board and the nomination of Mr. Miller to be Secretary of the Treasury, the Volcker nomination to be first, I believe. I ask for the yeas and nays on the nomination of Mr. Volcker to be Chairman of the Federal Reserve Board.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Will the Senator yield?

Mr. LONG. I yield.

Mr. HELMS. Mr. President, the nomination of Paul Volcker to be Chairman of the Federal Reserve Board is being hastened through the Senate or "expedited," to use the accepted idiom.

I shall not oppose his confirmation, but I think Mr. Volcker's nomination deserves somewhat more consideration. The nomination of a Chairman of the Federal Reserve Board is one of the most important a President can make. To let this nomination breeze through the Senate does not give the Senate or the American people enough time to discuss the important issues that should be aired when such an appointment is made.

But, Mr. President, I will vote for the Volcker nomination because I think it is probably the best we could have hoped

for, at this time, and under the existing circumstances.

I am left, however, with a number of questions concerning the job Mr. Volcker will do. For example, his role in the collapse of the Bretton Woods system in 1971. Was Mr. Volcker a leader in the effort to disassociate the dollar from gold? Or did he counsel restraint? It will be noted, Mr. President, that after the fateful August 15, 1971, when the President closed the gold window, the United States plunged headlong into the worst period of inflation we have ever seen.

Mr. President, it was no coincidence that inflation followed our closing the gold window. The American people need to know whether it was just coincidence that the United States broke away from gold when Mr. Volcker was Under Secretary of the Treasury.

And, how about Mr. Volcker's present attitudes toward money supply and interest. Does he believe, as the run-of-the-mill Keynesians do, that interest rates are the best way to gage money supply growth? Does he think that high interest rates are a result of inordinate money supply growth; or that somehow, inflation can be cured by artificially holding down short-term interest rates by pumping up the money supply. If so, he is sadly mistaken.

An added, important question is whether Mr. Volcker believes in the importance of supply side effects of Federal actions. Traditional Keynesians feel that demand management is the key to governing economic performance, but stagflation has proven the fallacy of that theory. What are Mr. Volcker's views on the supply side fiscalists who are making such important contributions to economics today?

And what are Mr. Volcker's views on the chaotic international monetary system? Does he think that in the long run, we should move toward a system of fixed exchange rates, or does he think that the world will have to live with the undisciplined system of "floats" and "snakes" that presently pass for a global monetary system?

I would like to know, too, Mr. President, how much does Mr. Volcker share in the antigold phobia of most Washington bureaucrats. If he has as much experience in the international arena as I understand he has, then I am sure he knows that the United States is the Nation leading the fight against the discipline of gold in world monetary systems. He knows, I am sure, that more and more people around the planet are questioning the wisdom of the abandonment of gold.

Finally, Mr. President, I would like to know another thing which is probably even not known by Mr. Volcker himself. While Mr. Volcker's staff at the Federal Reserve Board could probably come up with some nice, smooth answers to the questions I have posed, I do not know if anyone could come up with the answer to the next question: How much will the election year affect his judgment on money supply? In other words, when those decisions on money supply are difficult to make, how much will he be tempted to err on the side of easy-money inflation, because it is an election year.

Mr. President, our colleagues who serve on the Banking Committee have had at least two meetings on Mr. Volcker's nomination, and they have recommended his confirmation without objection. I respect highly that committee and its distinguished chairman, Senator PROXMIRE. I will support the confirmation.

But, I will follow closely the work of this experinced and talented man, Paul A Volcker. I am sure I will be joined in that effort by many members of the Banking Committee and many other Members of the Senate. The money system of this Nation is failing. It is failing miserably to serve as a money system should. The Federal Reserve Board must take much of the blame. There is just no such thing as inflation without money supply creation in excess of the real growth in the economy, and the Fed creates money.

The U.S. dollar is no longer a standard of value. The U.S. dollar is no longer an adequate measure of value. It serves chiefly as a medium of exchange. The inflation of the dollar is the greatest cause of economic disruption in the free world. Worldwide inflation, in large part caused by the United States, threatens the institutions of every free or partially free society in the world.

The responsibilities Mr. Volcker faces are awesome. I hope he will know that he has at least one ally in this Member of the U.S. Senate whenever he moves to try to make the dollar a sound unit currency. We must have a money system that will provide for stable price levels at home and a reliable currency abroad.

Mr. President, I ask unanimous consent that an editorial from Tuesday's Wall Street Journal be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DOLLAR DILEMMA

Paul Volcker is taking charge of the Fed at a time when the dollar faces difficulties, caught as it is between exchange rate weakness and political fears of domestic recession. According to the policy model that prevails in Washington, treating the one problem worsens the other. And so we do not envy Mr. Volcker as he starts out with the dollar in the woods.

The way Washington sees it, unemployment and recession are bad for the reelection of incumbents, and tight money and high interest rates are bad for employment. On the other hand, easy money and low real interest rates are bad for the exchange value of the dollar. So far the Fed has been buying time, allowing the discount rate to lag the expected rate of inflation while buying dollars to support the exchange rate. The Fed, of course, can't continue for long pumping out dollars at home and buying them back in foreign exchange markets. The Fed knows this, we trust, and is on this tack because it can't find the way out of the woods with the present policy model.

That means substantial dangers ahead. Faced with a sizable increase in the discount rate or intervening to slow a slide in the dollar, the temptation will be great to find a silver lining in an "orderly" depreciation of the dollar. Out will trot the rationale that says a falling dollar is ultimately strengthening, because it increases exports and reduces imports, thus firming the dollar while providing additional demand to help lead the economy out of a recession.

We doubt the dollar could survive the serious problems in this approach. Inflation results from imbalance between the demand for goods and their supply. Dollar devaluation worsens the imbalance. On the demand side, devaluation initially lowers the price of U.S. goods to foreigners. But it also raises the dollar value of foreign currencies, thus increasing the global money supply. The U.S. price level would come under pressure as this increase in global money flows into U.S. goods and as Americans themselves move into U.S. goods as a result of the higher priced imports.

On the supply side, the energy shock, the regulatory burden, inflated marginal tax rates and the underdepreciation of fixed assets are all operating as a brake on U.S. production. The additional demand for U.S. goods caused by dollar devaluation together with the factors retarding output would push up the domestic price level, restoring the ratio between the prices of domestic and foreign goods upset by devaluation. The end result would be a lower dollar exchange value and a higher domestic price level.

The higher price level would intensify the downward pressure on the exchange value of the dollar. And by pushing Americans into even higher marginal tax brackets, it would further tighten the tax brake on production. Dollar devaluation, then, worsens stagflation.

This is why it is necessary for the Fed to bring the money supply under control, and it can't do that as long as it is trying to fine-tune interest rates. The Fed should leave interest rates to the market and focus on eliminating bursts and contractions in the money supply. A stable monetary policy will not cause a recession, and the dose of certainty it would impart would do a lot for investment.

Policymakers are going to have a hard time getting the dollar out of the woods unless they change their policy model and learn to attack stagflation from the supply side. By this we don't mean wage, price, credit, and exchange controls; we mean a moderate and steady growth in money and a reduction in the tax and regulatory burdens. In the present fiscal and regulatory environment, increased demand calls forth higher prices. The economy can only produce its way out of stagflation, and it can't do that unless Washington adjusts the incentive structure.

● Mr. DOLE. Mr. President, I rise to state my strong support for the nomination of G. William Miller to succeed W. Michael Blumenthal as Secretary of the Treasury.

William Miller established an enviable record of success as president and chairman of the board of Textron, a significant and diversified corporation. While success in business does not guarantee success in Government, it will be reassuring to have a man at the helm of the Treasury Department who has experienced firsthand the problems that beset our economy; declining productivity, lack of incentive for new capital investment, and inflation that increases the cost of doing business so rapidly that the businessman finds it difficult to plan from month to month. Now we are beginning an economic downturn as well. Mr. Miller, indeed, has his task cut out for him, and I do not envy him the responsibilities he will assume as Treasury Secretary, although I do have the utmost confidence in his ability to meet those responsibilities with success.

As Chairman of the Federal Reserve, William Miller has struggled with what

he acknowledges to be the No. 1 enemy of this country, inflation. He has committed himself to subdue that enemy and has demonstrated a refreshing commonsense approach to the task. He knows that inflation will not be eliminated by any instant cure, that it can only be restrained by a long-term commitment to fiscal integrity on the part of the Federal Government, by providing incentives for capital formation and new capital investment. Mr. Miller's pledge to balance the Federal budget in 1981 is characteristic of his determination to return this Nation to the path of stable economic growth. I offer my support without reservation to Bill Miller's efforts to achieve these goals.

Mr. Miller's tenure at the Federal Reserve gives him a unique understanding of the interaction of monetary and fiscal policies that will serve him well at this new post. I am confident that he and Mr. Volcker have the ability to restore the faith of our friends overseas in the economic strength of America. Our economic potential is the greatest in the world; it needs only to be exploited with determination and good sense. Mr. Miller has both, as did his predecessor, Mr. Blumenthal, whose contribution I wish to acknowledge as unsurpassed in intelligence and dedication to the well-being of America. We are, indeed, fortunate that a man with Mr. Miller's outstanding capabilities will succeed Secretary Blumenthal.

Mr. President, I urge the confirmation of G. William Miller as Secretary of the Treasury, and I welcome the opportunity to work with him in the coming months to achieve our common goals.●

VOTE ON NOMINATION OF PAUL A. VOLCKER TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The PRESIDING OFFICER. If all time has been yielded back, the question is, Will the Senate advise and consent to the nomination of Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

The PRESIDING OFFICER (Mr. BUMPERS). Have all Senators in the Chamber desiring to vote done so?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 246 Ex.]

YEAS—98

Armstrong	Bradley	Church
Baker	Bumpers	Cochran
Baucus	Burdick	Cohen
Bayh	Byrd, Harry F., Jr.	Cranston
Bellmon	Byrd, Robert C.	Culver
Bentsen	Cannon	Danforth
Biden	Chafee	DeConcini
Boren	Chiles	Dole
Boschwitz	Domenici	Durenberger
Durkin	Kassebaum	Randolph
Eagleton	Kennedy	Ribicoff
Eton	Laxalt	Riegle
Ford	Leahy	Roth
Garn	Levin	Sarbanes
Glenn	Long	Sasser
Goldwater	Lugar	Schmitt
Gravel	Magnuson	Schweiker
Hart	Mathias	Simpson
Hatch	Matsunaga	Stafford
Hatfield	McClure	Stennis
Hayakawa	McGovern	Stevens
Heflin	Melcher	Stevenson
Heinz	Metzenbaum	Stewart
Helms	Moynihan	Stone
Hollings	Muskie	Talmadge
Huddleston	Nelson	Thurmond
Humphrey	Nunn	Tower
Inouye	Packwood	Tsongas
Jackson	Pell	Wallop
Javits	Percy	Warner
Jepsen	Pressler	Williams
Johnston	Proxmire	Young
	Pryor	Zorinsky

NAYS—0

NOT VOTING—2

Morgan Weicker

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. PROXMIRE. I move to lay that motion on the table.

To motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senate will now proceed to vote on the nomination of Mr. G. William Miller to be Secretary of the Treasury.

VOTE ON NOMINATION OF G. WILLIAM MILLER TO BE SECRETARY OF THE TREASURY

The question is, Will the Senate advise and consent to the nomination of G. William Miller, of California, to be Secretary of the Treasury?

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 247 Ex.]

YEAS—97

Armstrong	Church	Hart
Baker	Cochran	Hatch
Baucus	Cohen	Hatfield
Bayh	Cranston	Hayakawa
Bellmon	Culver	Heflin
Bentsen	Danforth	Heinz
Biden	DeConcini	Helms
Boren	Dole	Hollings
Boschwitz	Domenici	Huddleston
Bradley	Durenberger	Humphrey
Bumpers	Durkin	Inouye
Burdick	Eagleton	Jackson
Byrd, Harry F., Jr.	Eton	Javits
	Ford	Jepsen
Byrd, Robert C.	Garn	Johnston
Cannon	Glenn	Kassebaum
Chafee	Goldwater	Kennedy
Chiles	Gravel	Laxalt
Durenberger	Kassebaum	Randolph
Durkin	Kennedy	Ribicoff
Eagleton	Laxalt	Riegle
Eton	Leahy	Roth
Ford	Levin	Sarbanes
Garn	Long	Sasser
Glenn	Lugar	Schmitt
Goldwater	Magnuson	Schweiker
Gravel	Mathias	Simpson
Hart	Matsunaga	Stafford
Hatch	McClure	Stennis
Hatfield	McGovern	Stevens
Hayakawa	Melcher	Stevenson
Heflin	Metzenbaum	Stewart
Heinz	Moynihan	Stone
Helms	Muskie	Talmadge
Hollings	Nelson	Thurmond
Huddleston	Nunn	Tower
Humphrey	Packwood	Tsongas
Inouye	Pell	Wallop
Jackson	Percy	Warner
Javits	Pressler	Williams
Jepsen	Proxmire	Young
Johnston	Pryor	Zorinsky

NAYS—1

Proxmire

NOT VOTING—2

Morgan Weicker

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order. Will Senators desiring to converse please retire to the cloakroom?

SUGAR STORED IN UNITED STATES AS A SOURCE OF ALCOHOL FOR MAKING GASOHOL

Mr. STONE. Mr. President, for the past 4 years worldwide sugar production has exceeded consumption and the result has been the largest excess buildup of stocks in history. Prices have fallen below production costs even in the most efficient countries and have remained there. The current world price is between 8 and 9 cents per pound.

The International Sugar Agreement designed to increase prices to the range of 11 and 21 cents per pound by storing sugar and withholding it from the market has not been successful to date. This can partially be attributed to the United States not having ratified the ISA and European Common Market never having joined. However, the overriding reason for continued low prices is the massive buildup of stocks around the world.

In an effort to provide interim relief

to the beleaguered domestic sugar industry, Congress provided a price support loan program for the 1977–78 crops. Congress mandated that raw sugar be supported at 52½ to 65 percent of parity but not less than 13½ cents per pound. USDA opted to provide support loans at the minimum level—13½ cents for the 1977 crop and 14.73 cents for the 1978 crop (national average support level). Refined sugar was supported at 16.99 cents for the 1978 crop.

Inasmuch as the market price for raw sugar coupled with storage and interest costs has remained below the loan price, a large quantity of sugar has been placed under Government loan and forfeited to the Commodity Credit Corporation. Approximately 200,000 tons of 1977 crop sugar has been forfeited to the CCC—151,872 tons is Florida-produced sugar stored in Jacksonville warehouses.

As of May 24, 1,074,868 tons of 1978 crop cane sugar and 1,492,196 tons of beet sugar have been placed under loan. If the market price for raw sugar remains under the loan rate plus interest and storage costs for the remainder of 1979 and into early 1980, it is very likely that most of the raw sugar stored under loan will be forfeited to the Government. Some refined sugar may also be forfeited.

In Florida, approximately 590,943 tons of 1978 crop raw sugar is now under loan stored in warehouses at Florida mills. A large portion is expected to be forfeited between December 1979 and April 1980.

In total, according to one knowledgeable USDA official, it is likely that the U.S. Government will receive through forfeitures some 1,100,000 to 1,200,000 tons of sugar from the 1977 and 1978 crops by early 1980. Over 500,000 tons of this total is currently stored in Florida warehouses.

This substantial amount of sugar that is hanging over the domestic sugar industry could force Florida producers into disastrous consequences. It seems to me that there are 2 very immediately obvious ways to eliminate this sugar CCC storage problem. One way is to limit the amount of sugar imports; but, the administration has maintained that limiting imports is not in the best interest of the United States. The second alternative is to use the sugar in storage by feeding it into the market, but not dumping it into the marketplace. If the CCC does take a loss on it to reduce the surplus, the largest users of this sugar will not lower their prices to consumers for the duration of the time it takes to eliminate this surplus.

But simultaneously, our Nation is suffering from continually rising oil prices and there is no reason why the United States cannot successfully follow the path of Third World sugarcane producing nations. I raised this issue with the Florida sugarcane industry on May 10, 1979. On Tuesday, July 10, 1979, an article appeared in the Wall Street Journal, titled "Rising Oil Prices Spur the Third World to Convert Its Sugar Surpluses Into Fuel," that cites Brazil, the Dominican Republic, the Phillipines, Thailand and Costa Rica as some of the 65 cane-growing nations of the world interested in converting sugar surpluses into fuel.

When one stops to consider over 1 million tons of sugar at a price support level between 13.5 cents to 14.73 cents per pound being unused in Government storage with a storage cost of $14 per ton annually and interest costs of $28.56 per ton annually, the most practical solution comes to mind. Permit the CCC to sell this surplus sugar at below book value, for the purpose of facilitating the production of gasohol within the United States. Sugar gasohol is the most energy efficient of all the gasohol processes and it can add a measurable portion of energy to reduce our energy import vulnerability. I intend to press this concept until it becomes a reality.

Mr. President, I ask unanimous consent that the Wall Street Journal article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RISING OIL PRICES SPUR THE THIRD WORLD TO CONVERT ITS SUGAR SURPLUSES INTO FUEL

(By Raymond A. Joseph)

Sharply rising petroleum prices are driving many debt-ridden Third World nations to convert their sugar surpluses into fuel.

The idea isn't new. Brazil has an ambitious program aimed at running most vehicles in the country on alcohol—distilled from sugar cane and other plants—by the end of the 1980s. In the U.S., "gasohol," a blend of gasoline and alcohol, is on sale in parts of the country, but widespread use has been considered uneconomic.

Developing countries don't have the luxury of choosing their energy sources, however. Most are forced to import petroleum and few have spare cash to pay for it. Most are in debt to the U.S. and other international lenders and they need their scarce foreign exchange to pay debt-service charges, for import necessities and to buy oil.

Thus, countries as diverse as the Dominican Republic, the Philippines, Thailand and Costa Rica are experimenting with producing alcohol from the sugar cane they grow. Success could cut their oil-import bills and eat into the world sugar glut that has been depressing prices of the sweet stuff in recent years.

There are about 65 cane-growing nations in the world and most of them import petroleum. But while oil's price has done nothing but rise, the prices of sugar and other raw materials on which these nations economies depend swing sharply.

The Dominican Republic is a typical example. The Caribbean island state depends on sugar for about two-thirds of its foreign exchange. This year, it is expected to spend $350 million more abroad than it receives from foreigners.

ASSIGNING THE BLAME

Dominican officials blame this balance-of-payments deficit on the high cost of oil and the low price of sugar. The nation's oil bill is expected to reach $260 million this year, compared with $60 million in 1974. At the same time, sugar earnings are expected to be $225 million, down from the unusually high $500 million in 1974.

To learn more about gasohol, which generally consists of 10 percent to 20 percent alcohol and 90 percent to 80 percent gasoline, the Dominican Republic is hosting a conference on the subject next month. To be attended by many Western Hemisphere nations, the conference will be run by the Economic Commission on Latin America, a United Nations affiliate.

Elsewhere, the Philippines also is looking into gasohol. The country's imported fuel bill will be about $1.4 billion this year, up from $1.06 billion last year. The government said it intends to build two factories to make 100 percent pure alcohol directly from sugar cane and cassava, a starchy root.

ANOTHER BENEFIT

Besides cutting import costs, gasohol could help boost the price of sugar itself, thus giving developing nations a second financial lift, some analysts say. Current low prices reflect large world stocks of sugar, they note. F. O. Licht, a widely followed West German sugar-statistics firm, says world stocks are likely to total 31 million metric tons at the end of next month; about nine million metric tons of that can be considered excess, says Helmut Ahlfeld, the firm's managing director. A metric ton is 2,204.6 pounds.

That kind of excess will exert downward pressure on prices this year and probably for years to come, says Dan Dyer, a partner of B. W. Dyer & Co., New York sugar economists and brokers.

Gasohol had been considered uneconomic, but now that a barrel of crude oil costs $18 to $23.50, some experts think the product has become economic. Curtis Sittenfeld, president of White Plains, N.Y.-based I.R.A.S. Development Corp., says his firm is building anhydrous, or water-free, alcohol plants in the Philippines, Thailand, Greece and Guatemala. He asserts: "We are producing a gallon of alcohol for 95 cents." Meanwhile, a gallon of regular gasoline goes for $1 to more than $2 in most Third World countries. And the price keeps rising.

Thus, the interest in plants to produce 100 percent alcohol is increasing. Says Mr. Sittenfeld: "Five years ago we might have gotten one request a week about a potable alcohol plant. Now we're getting 30 letters a week, mostly from sugar cane-producing countries interested in 100 percent alcohol plants."

On the New York Coffee and Sugar Exchange yesterday, most sugar futures rose slightly. Quotes opened lower and then climbed on buying to cover short positions, or commitments to deliver sugar. Buying by traders following price-chart patterns and higher quotes in metals and grain markets also helped support prices, analysts said.

THE NEW WHITE HOUSE FORECAST SHOWS THAT WE NEED A TAX CUT NOW

Mr. BENTSEN. Mr. President, I am deeply disturbed by the new economic forecast at the White House.

It shows unemployment rising to 8.2 percent next year, instead of 6.9 percent as projected earlier. It shows inflation continuing at the double-digit rate of 11 percent for the last 3 months of this year, instead of 9.8 percent as projected earlier. It shows our economy shrinking by 1.4 percent this year, instead of 0.5 percent as projected earlier.

This disturbing new internal forecast clearly shows that our economic problems are far worse than expected and prompts me today to stand in the Senate and urge this Congress to take action to turn our economy around.

Sooner or later, the coming recession will force this Congress to enact a tax cut. Our economy will be far better served if it is done sooner.

We cannot rely on the traditional response of more Government spending.

It will do nothing but fan the flames of inflation if Congress tries to spend our way out of the coming recession.

Since June, I have been calling for a tax cut, and I renew that call again today.

I am not talking about a traditional tax cut that simply pumps more money into the economy. I am talking about a tax cut that will help combat both inflation and recession, that will help end the seemingly endless cycle of boom and bust in this country by increasing our productivity capacity.

I have been calling for a tax cut in the neighborhood of $20 billion, with half going to individuals to help them cope with an inflation rate that has pushed them into higher tax brackets and with half going to the supply side to help bring up our lagging productivity rate.

A $20 billion tax cut would not add one whit to inflation, not with higher social security taxes and higher corporate taxes and higher OPEC prices taking more than $50 billion out of consumers' pockets.

It is important that Congress act quickly to approve a tax cut. It moved far too slowly to combat the recession of 1974. By the time the tax cut went into effect, on May 1, 1975, the recession had ended and the economy was already moving up. Because of late timing in that case the recession was worse than it needed to have been and the recovery was too strong, which only added to the rate of inflation.

I have prepared a table which shows the disastrous effect of waiting too long, based on our experience during the 1974–75 recession, and I ask unanimous consent that the table be printed in the RECORD following my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BENTSEN. Mr. President, as this table shows, our gross national product began sliding during the first quarter of 1974 and kept sliding for five full quarters. But at the start, there was little effect on unemployment, and so we did not do anything. By the time unemployment, began to soar, it was too late for economic policy to have much effect. The President did not propose his tax cut until the State of the Union message in late January, and Congress took until late March to enact a tax cut. By then the upturn had started.

It is important to note the similarities between then and now. We have had skyrocketing inflation and rising oil prices that have drained consumer pocketbooks, just as we had then. We have had falling GNP with no rise in unemployment, just as then. We are pursuing restrictive economic policies to fight inflation, just as we did then. We are in just as great a danger of waiting too long to do what we will eventually have to do to turn the recession around, just as we did then.

I know that few of my colleagues favor reduced taxes at this time. But sooner or later the coming recession will force this Congress to enact a tax cut. Our economy will be far better served if it is done sooner and if it emphasizes expanding supply as well as expanding demand.

EXHIBIT 1

TABLE 1.—THE 1974–75 RECESSION AND ECONOMIC POLICY

Time period	Gross national product (percent)[1]	Unemployment rate (percent)	Other events
1973			
4th quarter:			
October	1.4	4.6	OPEC embargo began.
November		4.8	
December		4.9	
1974			
1st quarter:			
January	−3.9	5.0	
February		5.1	
March		5.0	
2d quarter:			
April	−3.1	5.0	
May		5.1	OPEC oil rose from $4.54 in September 1973 to $13.06 in June 1974.
June		5.3	
3d quarter:			
July	−2.6	5.5	
August		5.5	
September		5.9	Sept. 28–29: Inflation summit, with general agreement on need for restraint.
4th quarter:			
October	−6.8	6.1	
November		6.7	
December		7.2	
1975			
1st quarter:			
January	−9.6	7.9	President proposed $16,000,000,000 tax cut in state of the Union message.
February		8.0	
March		8.5	Congress enacted $21,000,000,000 tax cut in late March.
2d quarter:			
April	6.4	8.6	Rebates paid on 1974 taxes.
May		9.0	May 1: Withholding rates reduced.
June		8.7	

[1] Percent change from previous quarter, annual rate, seasonally adjusted.

PRESIDENT CARTER'S STATEMENT ON THE PALESTINIAN ISSUE

Mr. HEINZ. Mr. President, it is reported in yesterday's New York Times, in an article by Leonard Silk, that President Carter has likened the Palestinian issue to the "civil rights movement in the United States." I am shocked that up to this moment the White House has failed to set the record straight. If indeed the President has been quoted correctly and is comparing the Palestinians and their representatives, such as the PLO, to blacks in America and civil rights leaders such as Martin Luther King, he is betraying his total ignorance of history, denying today's reality, and dangerously misleading the American people.

There is no similarity whatsoever between the heroic struggle for equality of American blacks, culminating in what we call the civil rights movement, and what the PLO is doing in the Middle East.

Our civil rights movement, as the President should know, was characterized by an abiding commitment to nonviolence—eloquently, unforgettably, and most forcefully articulated by Martin Luther King. The PLO, time and again, has proved itself nothing more than a group of terrorists and murderers. They respect no rule of law. They seek not civil equality but the overthrow of a sovereign nation which is a staunch ally of the United States.

President Carter must not be allowed to cause such unconscionable confusion. If the quotation is incorrect, he should clarify it. I believe the President should fully retract his statement immediately, and urge him to do so without further delay.

SALT AND NATIONAL SECURITY

Mr. CULVER. Mr. President, in the SALT II hearings before the Foreign Relations and Armed Services Committees, Members of Congress and the American people have heard the testimony of a procession of distinguished and patriotic U.S. leaders. Some have argued for ratification of the treaty on the basis that it will enhance our national security. Others have argued for outright rejection or attempted renegotiation of the treaty on the basis that the pact would give the Soviets an unfair advantage. Some have suggested the addition of certain understandings that would not require renegotiation. Yet others have cited conditions on which their support of the treaty would be based that go far beyond the original scope of the debate.

As chairman of the Research and

Development Subcommittee of the Senate Armed Services Committee, I have the greatest respect for the views of my congressional colleagues and the ranking experts on national defense who have presented their judgments. We all share a common objective—the maintenance by the United States of a national defense capability second to none. The real issue is how best to achieve that goal.

I believe that the ability of our country to defend itself depends on more than troops and weapons. Our overall strategic power depends also on the strength of our economy, the health and morale of our people and their confidence in our political institutions. Every tax dollar spent for unnecessary military outlays fuels inflation and robs desperately needed funds for domestic purposes. You cannot effectively defend the country with the weapon of a depressed economy and a standing army of the unemployed.

It is wrong to focus the discussion on national security on the false dichotomy of "guns or butter." We need both to maintain our strength, but in a proper and balanced mix.

It has been contended by some that ratification of the SALT II Treaty should be hostage to a quantum expansion in our defense program far beyond that now underway. In other words, it is argued that we must agree to drastically escalate our own arms effort before we can safely enter into an agreement for arms limitation.

I support SALT because it enhances our security by putting important restraints on the Soviet strategic threat.

I support the modernization of our strategic forces so that there will be no doubt that we are maintaining nuclear parity with the Soviet Union.

But I reject obligatory commitments to arbitrary levels of even greater military spending for programs which have not been, or cannot be, adequately justified.

It is true that the Russians have been adding relentlessly to their defense budgets in recent years. Spending totals are about equal for the past decade, but our figures include $150 billion for the Vietnam war.

The United States is now in a new cycle of modernization, so our spending will have to rise accordingly.

But we have not been standing still. And we do not plan to relax our efforts or our vigilance.

Since the start of the SALT talks in 1969, we have spent nearly $900 billion on defense and have improved our forces dramatically in the process. The Carter administration has reversed the decline in defense spending and is committed to real growth in our military capability and in modernising and strengthening our Armed Forces. In the next 5 years alone, the United States plans to invest $50 billion in strategic force improvements and hundreds of billions in conventional and theater nuclear forces.

The first real growth in the defense budget in 10 years occurred in the first year of the Carter administration. The decline in defense spending has been reversed. The President has made a commitment of 3 percent in real growth—no inconsiderable figure considering the vast dimension of the defense budget and the fact that virtually all other governmental programs are being held below the rate of inflation. The President believes this is sufficient. The Department of Defense believes it is sufficient.

I am for genuine improvements in our military capabilities. But I am against setting arbitrary spending targets which do not necessarily add to our real combat power. It is not what we spend that is important, but what we get for our dollars.

We have heard repeatedly about the projected vulnerability of our Minuteman missiles when the Russians achieve missile accuracies like our own present capabilities. A successful attack on our land-based missiles would, of course, be technically difficult and politically unlikely given the assured retaliation by thousands of our surviving nuclear weapons.

Minuteman vulnerability will not mean the vulnerability of our total strategic force, nor of our entire Nation. As the Chairman of the Joint Chiefs of Staff has testified, we will still be able to carry out our retaliatory objectives and thus will continue to deter nuclear war.

Our greatest vulnerability today is not military, but economic. And a reckless expansion in military spending, far beyond our genuine needs, would put at immediate risk the economic health of our Nation and the morale of our people.

The real issue raised by calls for a further expansion in defense budgets is whether we should drastically increase our force structure. The Defense Department's current 5-year plan will allow for modernization of our current forces with the latest and best weaponry, but it does not provide for more divisions, more air wings, or additional carrier groups which the proposed escalation would involve.

An abrupt increase in military spending would mean an increase in the established force structure for which no case has been made. It would mean an increase in the rate of weapon production that cannot be rationally decided in the aggregate but must be considered year by year, program by program.

Moreover, an increase in weapon deployment would also require an increase in manning levels, and probably a return to the draft.

The idea that we can spend our way into invulnerability in the nuclear age simply does not hold up in the light of day. It has been said of the serious social problems of the country that you cannot solve these simply by throwing money at them. The same applies to a strong, combat-ready defense.

With this suggested large, arbitrary increase in military spending, how are we going to balance the budget—a goal toward which Congress and the administration have been making steady progress in recent years? The additional defense spending that would be necessary to guarantee 4 to 5 percent real growth in the defense budget in the next fiscal year would add $5 to $7 billion to the deficit.

Any defense budget must be analyzed for what it can contribute to our actual fighting capability and weighed against competing priorities. By setting arbitrarily increased spending levels, we can only encourage the Department of Defense to be inefficient in looking for ways to commit funds.

Levels of defense spending should be set through the careful analysis of our foreign policy and national security objectives—and not by some arbitrary formula.

I believe we must spend what is needed to defend ourselves—whatever that may be—but that we should spend no more than is necessary and that we should get what we pay for.

If a credible case had been made for even greater increases in military spending, I would back it.

I do believe that the rapid and unanticipated surge of inflation does require compensation, and I would support a reasonable supplemental request to offset the erosion in the buying power of this year's defense budget.

But in the long run we have to get our economic house in order. The Pentagon also has a crucial stake in stopping inflation, which has robbed its own budgets considerably.

Ordinary citizens and the military—we are all in this together. With inflation running over 13 percent in the first half of this year, and with the darkening prospect of a more serious recession, it would be utter folly, and it would seriously weaken our economic power and hence our national security interests, to throw additional unnecessary billions of dollars into the military while millions of people in this country are out of work and many on the edge of losing hope.

There are some involved in the debate over SALT II whose prime objective is increased defense spending rather than arms limitation. They oppose SALT in the belief that ratification of the treaty would lull the people into a sense of false security and that a consensus for increased defense spending can be effected only by jolting the American people into panic over the defeat of SALT II. The twisted cynicism of this line of reasoning speaks for itself.

The other side of this strange coin is that with a two-thirds majority of the Senate required for ratification, a rejection of the treaty would likely be by a minority of the Senators—a fact that would not be apt to stampede the thwarted majority into approving a blank check for increased military spending.

I ask those who want even greater defense programs to compensate for SALT approval: What program do they offer to offset those increases in order to maintain the health of our economy? More taxes? Greater deficits? Greater inflation?

I think that the greatest threat to our security, and our economy, would come from rejecting SALT. Then the defense budget would have to soar, and with it the deficits and inflationary pressures.

Other needed military modernization programs would necessarily be delayed.

Whichever side one may be on in this matter of the ratification of SALT II, I think it should be recognized that this is a test of whether the country can be rallied, one way or another, on the crucial matter of national security.

I can only state what I believe, where I stand.

If this treaty were to be rejected out of unwarranted fear and confusion, it would destroy the positive potential for coalition and consensus that we now have in this country and usher in a period of unprecedented bitterness, insecurity, and divisiveness.

Similarly, if SALT were approved with an understanding that would obligate us to unwarranted and arbitrary levels of defense expenditures, it would not strengthen our security but weaken it, and it would fragment our people and prevent a consensus on a responsible national defense program.

No enlightened person, even the most ardent advocate of the treaty, claims that it is the millenium. It is, however, a useful step in a long and difficult process to reduce the danger of nuclear war. Consummation of this treaty will enable Americans to walk with a little more security on the streets where they live and will give some assurance to all humankind that the next chapter of their struggle for existence will not be the terminal terror of nuclear war.

The PRESIDING OFFICER. The Senator from Louisiana.

EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. JOHNSTON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1030.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

(The amendment of the House is printed in the RECORD of August 1, 1979, beginning at page 21936.)

Mr. JOHNSTON. Mr. President, I move that the Senate disagree with the House amendments to S. 1030, agree to the request for a conference, and request the Chair to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. JOHNSTON, Mr. METZENBAUM, Mr. DOMENICI, and Mr. MCCLURE conferees on the part of the Senate.

Mr. JOHNSTON. Mr. President, I say to my colleagues very briefly that this is the bill providing for gasoline rationing and energy conservation. The House of Representatives last night passed this legislation in a form different from that adopted by the Senate.

By this action we have just appointed conferees.

Mr. President, I am totally confident that we can early in September agree in the conference committee on a form of gasoline rationing which will be totally suitable to the Senate, suitable to the House of Representatives, suitable to the administration, and appropriate as a standby rationing plan to meet the needs of this country.

I do not believe that we can properly do it, nor should we in the haste of the moment try to come up with a conference report to be finally approved by the conference in the haste of these waning hours before the recess. That is not because of the controversy of the Hill so much as it is because of the present work of these last few days. Of the Senate conferees, two are in a Budget Committee markup at this very minute, Senator DOMENICI and I. Another Senator, Senator JACKSON, is in the SALT hearings. And to try with that press of time to put the final touches on this bill I think would be too difficult.

As I say, I am totally confident that we can get a plan which would be agreeable to both Houses and the President, and appropriate to the job and that we can do that in early September.

Mr. ROBERT C. BYRD. Mr. President, how many amendments are there to this bill? How many amendments did the House of Representatives have?

Mr. JOHNSTON. The House of Representatives had a fairly large number of amendments, I think in the neighborhood of a dozen or 14 amendments, I believe, as I look here at the summary of S. 1030. Some of those amendments will be acceptable, some will have to be modified to be acceptable, and some perhaps will be rejected.

I do not think they are of the nature and kind that are going to tie up the conference and beat the bill.

Mr. ROBERT C. BYRD. Mr. President, this House message is not subject to the 5-minute limitation on morning business, is it?

The PRESIDING OFFICER. It is a privileged matter but it is limited to 5 minutes under the unanimous-consent request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be up to an additional 30 minutes if needed on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HATFIELD be recognized to make a unanimous-consent request in conjunction with the pending matter.

The PRESIDING OFFICER (Mr. BURDICK). Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Republican on the energy conference committee who has just now been appointed, Senator STEVENS, from Alaska, be changed to read Senator MCCLURE, from Idaho, so that the two Republican conferees will be Senator MCCLURE and Senator DOMENICI.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I might add in connection with the gasoline rationing and conservation plan that the conferees will begin our conferences both formal and informal immediately, and I suspect that we will have a lot of work going on in August.

I want to make clear that the amendments put on by the House of Representatives are amendments with which we, I think, can clearly deal, but they are very technical amendments.

For example, under the 78 degree temperature regulation they provide for a different procedure for determining whether or not a public building will be in compliance with the 78 degrees.

I would say the Senate Committee on Energy and Natural Resources is committed to a program that lowers thermostats. We are not, on the other hand, committed to any particular method or strategy for bringing that about, and a conference on that very technical issue will take time. It is not the kind of disagreement that will hold the conference up or divide the two Houses, in my judgment.

In like manner there are a number of other technical amendments that will take time to unravel. They will take staff research.

I think, frankly, we are better off by having the month of August to contemplate these matters, to let the experts determine what the best mechanisms are to deal with this rather than to rush in and try to do it too quickly, because it is going to take a number of days to do it.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. MATSUNAGA. Is the Senator saying the conferees will not be meeting during the recess?

Mr. JOHNSTON. We may or may not have formal meetings of the conference. We will have informal communications between conferees and with staff and, indeed, have inputs from other Senators and will have work proceeding.

It is to a large extent a technical problem which simply is going to take the work of the technicians to work out some of these differences.

Mr. MATSUNAGA. Have the conferees yet been selected?

Mr. JOHNSTON. Yes, the conferees have been selected.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. ROBERT C. BYRD. Mr. President, I would express the hope that the conferees would attempt to work this matter out during the recess. I just talked to the Speaker, and he has indicated that Mr. DINGELL will do whatever he can, as much as he can, to get their conferees in a position to work during the recess, because we are going to have just a tremendous amount of work when we come back.

We have seven appropriation bills yet in the Senate. We have at least a half dozen authorization measures, one of which is the omnibus water resources bill. We have the energy legislation. We have got the excess profits tax. We have the SALT treaty. All this is going to require that the Senate be in session on a lot

of Saturdays, a lot of long evenings, in order to get the work done.

I do not want to be here until the 1st of January and just have the 2d day of January off before we start on the 3d of January for the commencement of the second session.

So I hope, and I think the American people would expect, and I think the Senate would expect, the conferees on both sides to attempt to get together during the recess and work this thing out.

I sympathize with the distinguished Senator from Louisiana. The Senate has expressed its support for and adopted the President's plan for rationing, sent it over to the other body, and the other body rejected it. I think the President should have sent another plan up to the Hill without simply washing his hands and saying, "I challenge them to come up with something." He has the responsibility as the leader of this country; it is a challenge to him as well as to us. I have urged him to get people from both Houses who are experts in the energy field and thus far I have seen no movement in that direction. I would have liked to have seen another plan sent up.

But I think what we have seen occur in the other body demonstrates the futility of working out a gasoline rationing plan on the floor of either body. It is exceedingly difficult, if not impossible. I would not say it is impossible.

But from what I have read in the newspapers, and I have not seen these amendments, so I do not know what the House has really done, except what I have heard through the media, it has emasculated this Senate bill, and the standby gasoline rationing plan that I have read in the newspapers is one which, in my judgment, is ludicrous. I hope that is not too strong a term.

But to say that the President has to notify the Congress, what is it, 60 days before he intends to put a plan into effect—is that one of the amendments, one of the provisions, in the House bill?

Mr. JOHNSTON. I believe the Senator is correct.

Mr. ROBERT C. BYRD. How could the President give the Congress 60 days' notice or 30 days' notice or 20 days' notice or 10 days' notice if the OPEC countries suddenly decide to cut off the oil supply or if some other emergency would occur which is unforeseen, could occur tonight, could occur this afternoon, could occur right now, without my knowledge, how could he be expected to give the Congress 30 or 60 days' notice before he intends to trigger the action?

Mr. BUMPERS. Mr. President, will the Senator yield for an observation?

Mr. ROBERT C. BYRD. Yes.

Mr. BUMPERS. I would use stronger language than the Senator did. I would not call it ludicrous; I would call it outrageous.

Mr. ROBERT C. BYRD. I will settle for that.

Mr. BUMPERS. I would just as soon face the crisis with no legislation before us as to face the crisis with this bill before us, and I hope your conferees feel the same way.

Mr. ROBERT C. BYRD. That is the way it appears to me.

Mr. JOHNSTON. Mr. President, may I reply to the distinguished Senator from West Virginia and the distinguished Senator from Arkansas?

Mr. ROBERT C. BYRD. Yes.

Mr. JOHNSTON. Mr. President, as head of the Senate conferees who will soon be going into conference, I think it would be better for me not to characterize the House bill in very crimson terms. Let me say I would expect that the conferees will come up with a few modifications to the House position which will make that bill acceptable on the Senate side, acceptable on the House side, and acceptable to the President.

I have great confidence, and I mean this sincerely, in the House conferees. Congressman DINGELL is a man of great vision, intelligence, and dedication to the national good, and that is not just idle conversation here on the Senate floor. I am confident of that, and I believe that, first, we will be able to work out a workable scheme for gasoline rationing. Second, the House conferees will accept it; and, third, that he can sell it on the House floor.

Frankly, I think we are better off with this August recess to work on this bill than to try to do it now because the House is just fresh off a vote, they have taken their positions. The August recess is going to give them a litte time to think and contemplate and hear from the American people and to gracefully change and modify some of their positions to make a more sensible framework.

As I say, I am confident that can be done. I do not really interpret the House action as being any final thrust in the direction of emasculating this plan. I think, frankly, there were probably some amendments accepted with the idea of getting a rationing bill so we could go to conference, so we would have the framework within which to work the will of a more workable framework for gasoline rationing because, in that conference, we can rewrite gasoline rationing in any way we want to, and I think that freedom, that flexibility, in a conference with the days of August to work out these problems and with a little time to leaven out the recent memory of those votes, will help and contribute to this resolution.

There is no reason to get this done today as opposed to, say, the early days of September when I am confident we can put it together, other than the symbolism of it and, frankly, the symbolism is important. But for the purpose of symbolism, let me say the Senate has passed gasoline rationing, the House has now passed a bill, albeit defective in its scope, so we have that symbol for the American people, and they can have my assurance and that of the other conferees that we will work it out.

Mr. ROBERT C. BYRD. Mr. President, symbolism is not the issue. I am not taking umbrage or issue here with what the Senator has said, but symbolism is not the issue. If taking the month of August to work out a feasible plan, if it requires weeks to work out a feasible plan, then that is something else. There is certainly no gain in passing a plan today or tomorrow or Saturday for the purpose of symbolism or anything else, if the plan is not going to work. If it is impossible to devise a workable plan within 2 or 3 days, that is quite another thing.

I am not interested in symbolism, but I am interested in a workable plan, and that is what the Senator is interested in. That is what the Speaker is interested in, I am sure. The Speaker deplores what has happened.

But all I want to know is whether or not the Senator will do all in his power to get the conferees together to work out a feasible, workable plan that can be brought back to both Houses in a conference report when the Houses return.

Mr. JOHNSTON. The Senator has my full assurance that we will make every effort to do that. He has my full pledge that it will be done, and will be done in early September. I have every reason to believe that will come about.

Mr. ROBERT C. BYRD. I have every confidence in the Senator from Louisiana. Let me say that I have just talked with the Speaker, and it was his opinion that it could not be done within the next few days. He said Mr. DINGELL would make every effort to have the conferees come together and try to work out a compromise during August.

Mr. President, on June 5 of this year the Senate passed S. 1030, the Emergency Energy Conservation Act of 1979, authored by the distinguished Senator from Louisiana, Senator JOHNSTON. This measure grants authority to the President to establish an emergency program to conserve energy and to permit the Governor of each State to identify the most appropriate methods of conserving energy within their respective States. In addition, the bill requires the President to devise a Federal conservation scheme, to be implemented in the event that a State cannot or does not take proper action. This legislation represents a fair and reasonable approach to the problem of emergency energy shortages by allowing each State to adopt conservation measures tailormade to suit their unique needs and conditions.

For the last 2 days the House has considered this measure and last evening voted to approve a bill which differs in several significant respects from the Senate-passed version. In particular, the House adopted an amendment which would provide a new statutory framework for the creation and implementation of a standby gas rationing plan. This provision would alter gas rationing authority established by the Energy Policy and Conservation Act of 1975, pursuant to which the President submitted a standby plan for congressional approval last spring. Although the Senate approved the President's rationing plan, it has not had an opportunity to consider the new legal framework which the House devised as a means of simplifying the approval process.

In addition to this significant new provision, the House made other important alterations to the conservation aspects

of this bill. Many of these changes may be desirable but will require some careful thought and study to insure that the best possible conservation and rationing plan is adopted. Accordingly, the Senate has agreed to a conference with the House, and we have appointed conferees to consider this legislation. It is my belief that this procedure will lead to the most expeditious and judicious consideration of this important legislation.

● Mr. JACKSON. Mr. President, I think we should review the actions of the past few weeks in order to understand the significance of what the Senate has done today in agreeing to go to conference with the House on S. 1030.

On May 9—nearly 3 months ago—the Senate voted to approve President Carter's standby gasoline rationing plan Legislation passed by the Congress in 1975 required the President to submit such a plan; it was almost 3 years later.

Unfortunately that plan was defeated by the House of Representatives. The existing law gives the President authority to send us another standby gasoline rationing plan for approval. Instead of doing so, the President said the Congress should devise its own rationing plan.

The House—which had defeated rationing—decided to add general rationing authority to a Senate passed bill, S. 1030. That bill had passed the Senate on June 5. The version of the rationing authority reported from the Subcommittee on Energy and Power, and then from the full Interstate and Foreign Commerce Committee, gave the President relatively straightforward rationing authority. It would have required him to base any rationing plan on a State's historic use of gasoline or diesel fuel, which was something the Senate had insisted upon in its consideration of the standby plan.

The bill reached the House floor last week. Then things began to get out of control. As a result the House leadership deferred House consideration of the bill for nearly a week. They took the bill up again on Tuesday and finally finished it yesterday evening.

The relatively simple Senate bill had picked up a lot of excess baggage along the way. Not only did the House add the rationing authority, which was a major departure from the Senate bill, but they also passed 16 amendments to the bill on the House floor.

The Senate was faced with a simple decision: Either try to amend something we had barely had time to read and complete action early today, so the House could have another try at the bill and attempt to send it to the President or we could agree to go to conference. We chose the latter route. But in doing so I need to stress that both the Senate and the House of Representatives have now approved giving the President standby rationing authority. We have also both approved the idea of insisting that any rationing plan be based upon historic use in each State.

There are many loopholes in the House bill; some of them are very serious as far as I am concerned. The House bill requires the President to find there is, or will be, a 20-percent shortfall in petroleum products prior to requesting implementation of the rationing plan. By that time we could be 30, 40, or even 50 percent short of gasoline or diesel fuel.

I also object to the strings attached to the mandatory public building temperature restriction program we already have in place. We need to study the effect of the provisions which purport to protect full food and fiber production, as well as the three standby middle distillate set-aside programs.

We will have to rewrite the bill in conference to make it adequate to meet the needs of the country. The respective staffs will be moving during August to put most of the pieces together. I hope we will be able to have a quick conference upon our return.

The people want the President to have standby gasoline rationing authority. They are beginning to realize that our source of supply is fragile. I am concerned that we could be up against another supply interruption or cutoff. We need to be prepared with a rationing plan that can be put into effect without delay.●

Mr. BUMPERS. Mr. President, most of the people who talk about why we do not need gasoline rationing are the ones who say continuously that this country can produce its way out of its present dilemma.

I am not here to say we cannot produce our way out of this dilemma, but I am willing to predict that this cannot be accomplished in the next 20 years. In his energy speech, the President wanted to commit the United States, with the acquiescence of Congress, to $142 billion for an energy program between now and 1990, $88 billion of which will be used for the development of synthetic fuel.

Under the most optimistic estimates, $88 billion will only produce 2.5 million barrels of synthetic fuel.

We are importing 9 million barrels of oil a day today, and I am willing to predict that by 1990 the U.S. domestic production of oil will be less than it is today. I do not care if the price of oil is $100 a barrel. God unhappily just made so much oil, and unhappily we can only produce so much of it.

So this brings me to the Kennedy-Durkin bill, which I think is precisely the right approach.

The only option open to the President today is dramatic conservation. The only way we are going to get inflation down in this country is to renegotiate trade agreements with Germany and Japan on the importation of electronics and automobiles, which is not about to happen, or reduce our dependence on foreign oil and reduce the $60 billion we are going to spend this year buying oil.

You can talk about Government spending; it is deplorable. You can talk about Government waste; it is outrageous. But when you start talking about oil and America's romance with the automobile, all of a sudden nobody can see the inflationary impact of the amount of oil we are trying to buy in this country.

It is not even a question of the availability of oil. It is a question of our ability to pay for the accelerating price of oil which contributes so heavily to our 12- and 13-percent inflation rate.

You know, there are some things, which are just as dangerous to the future of this country as Russian missiles, and one is wiping out the disposable income of the working people and the retired people with a 13-percent inflation rate.

And what are we doing about it? Well, we are making speeches about tax cuts and countercyclical spending and all those things. What do you think a billion dollars in countercyclical spending is going to do to either the unemployment rate or inflation in this country? The answer is, nothing significant enough to be counted.

So what options are left to the President right now? What can we do today?

You can raise the price of oil to $100 a barrel, and you are not going to get any more oil between now and 1985. We can almost promise it. Exxon ran an ad in every newspaper in the United States the other day and said, "Aren't we great? We only made $600 million in profits, and we spent that much and more in explorations." As the old saying goes, they drilled and drilled until they hit Reliance Electric Corp., paying $2.7 billion for an electric motor company and all the while trying to con the American people into believing they were doing us a big favor by spending $700 million on exploration.

A far more effective strategy is to use the energy we have more efficiently. We can conserve under the Kennedy-Durkin bill, 4.5 million barrels a day by 1990. We can accomplish this saving by spending less than half of what the President requested—$58 billion to be precise—over the next 10 years. In the process, we will have saved ourselves an enormous amount of inflation, because if we reduce our oil imports by 4.5 million barrels by 1990, at a projected cost of under $11 per barrel, that is a lot better than the $30 a barrel we are going to be paying in the next year or two for imported oil.

We also need to establish an equitable standby rationing plan. I tried to get the U.S. Senate to agree to ration gasoline back in 1976, and got 15 big votes in this body. I did not introduce that proposal because of the unavailability of gasoline—we had plenty of gasoline in 1976—but because, as we say in Arkansas, "You didn't have to be broke out with brilliance" to foresee the situation we are in today.

But that was like trying to sell cemetery lots to healthy people; it is not easy.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. MATSUNAGA. Mr. President, I rise in strong support as a cosponsor of the Energy Productivity Act.

The United States today finds itself in a critical position of having to import in excess of 8 million barrels per day, at a cost approaching $50 billion per year. Although the cost to implement this act will be $5.8 billion per year for 10 years, in full force, the effect will be

to cut oil imports in half, thus saving more than $25 billion each year. The national security advantages, I might point out, also cannot be denied.

Mr. President, we are all well aware that our energy shortcomings have caused a deterioration of the general economy. Unemployment is again on the rise, and economic advisors have predicted at least a mild recession. The proposed legislation will create 500,000 new jobs. The multiplier effect of this increased employment should also be noted.

I agree with the Senator from Arkansas that conservation is one means of reducing oil imports, but it is not the only dramatic means. There are alternative sources of energy which can be developed within the next few years to meet the needs of limited areas throughout the United States. I will cite Hawaii as an example. Fortunately, the Department of Energy, under Secretary Schlesinger, selected Hawaii as a national laboratory to prove that energy self-sufficiency can be attained.

Hawaii was selected because Hawaii was practically 100 percent dependent upon imported oil. We started with the island of Hawaii—the so-called Big Island. In the last few years the Big Islanders have been able to reduce their need for petroleum, which is all imported, for the purpose of generating electricity, by as much as 40 percent, purely by burning sugar cane waste. This was accomplished within the last few years; and it is expected that within the next year an additional 10 percent of the electric needs of that island will be produced from biomass energy alone.

By August of next year, an additional 3 to 3.5 megawatts of electricity will be produced on the Big Island by the use of geothermal steam. The potential for this new source of alternative energy out of a single steam well is estimated to run as high as 500 megawatts.

We are also experimenting with OTEC, ocean thermal energy conversion, using the difference in the temperature of the water of the Pacific Ocean at the surface, as compared to that at the bottom, to generate electricity. We are looking into the use of low head hydro. Instead of thinking in terms of 300- or 400-foot dams, we hope to take advantage of the newly developed technology wherein all we will need is a 25- or 40-foot head of water to generate 3, 3.5, and even 5 megawatts with one or two tube turbines. Wind energy also provides a great potential as a replacement for imported oil.

These are some of the many alternatives to oil which are available today. The technology is known and waiting to be applied. Then, of course, there is solar energy, not only in its passive forms, but in its active, electricity-generating solar photovoltaic cells.

I believe the Senator from Arkansas was a cosponsor with this Senator from Hawaii of the demonstration which was held here on the grounds in front of the Capitol, wherein a one-bedroom unit, hauled in on a trailer, was supplied its electrical needs by solar photovoltaic cells. We do not have as much sunshine here as we do in California, Hawaii, Florida, or the other States further south, but the solar electric generators worked beautifully, without any hitch.

I was pleasantly surprised to learn that the technology has been developed to a point where these solar cells can be mass-produced. As a matter of fact, I put the question to the president of Arco Solar, Inc., which put on this demonstration: "Suppose I were a housing developer and I was going to build 1,000 three bedroom and two bedroom units, and I came to you and asked you to undertake the electrifying of all 1,000 units, when could you begin?" To my delight, but amazement, his response was "Today." Almost in disbelief, I said, "Today?" He remarked that the tone of my voice indicated what the average American believes today, and that he cannot get Americans to believe that the technology of solar photovoltaic cells is here today.

Then he revealed an even more incredible fact, that Saudi Arabia is buying all the solar photovoltaic cells as fast as his company has been producing them.

The wise men of Saudi Arabia are selling us their oil and buying our solar photovoltaic cells.

I also inquired about how much it would cost to electrify an average three-bedroom home with 1,200 square feet of floor space. His response, "$1,000 a year." At today's high cost, the price would be $25,000 with a life span of 25 to 30 years, making it $1,000 a year. Assuming the home was purchased or built on a loan, the financing charges would come out to about $2,000, bringing the total cost of the solar unit to about $3,000 a year. But that is still less than what you and I, Mr. President, are paying annually for the use of electric power in our homes now.

I agree with the Senator from Arkansas that we ought to go dramatically into conservation, but we also need to go dramatically into using these technologies which are here today and go into the accelerated development of alternative sources of energy.

The bill will provide for assistance to the residential, commercial, and industrial sectors. Although the blessed State of Hawaii might not be able to take full advantage of the home insulation section, which in itself accounts for half the cost of the act, both the commercial and industrial sectors can materially increase their productivity through participation in the program. For some companies and industries, the critical fuels energy rebate portion of the act could very well mean survival. In Hawaii, the substitution of various renewable alternatives for petroleum will no doubt be accelerated.

In conclusion, Mr. President, I would like to reaffirm my strong support for the passage of the Energy Productivity Act. There is no question in my mind that the proposed legislation will enable the United States to move ahead aggressively in its effort to resolve its energy problems.

Mr. BUMPERS. I thank the Senator very much.

Under the Kennedy-Durkin bill you can insulate almost every home in America and save 2 million barrels a day. We can do that now.

Solar energy and wind energy are developing technologies, and they are available now. Hydroelectric power is readily available. I am pleased to note that the Corps of Engineers is beginning a study of retrofitting the existing dams on the Arkansas River for development of hydroelectric power.

You have only three renewable sources, wind, hydro, and solar. They are all available now.

A synthetic fuels program is desirable. More natural gas and more oil is desirable, but I am thinking about what we do now. The truth of the matter is you have to conserve now.

The President of the United States is my good friend and a member of my party. I have tried to defend him where I thought I should defend him, responsibly.

The American people have confidence in the technology and the will of the people of this country. One of the reasons we have a confidence crisis is that the politicians of this country have consistently raised their expectations beyond any possible hope of fulfillment. Every time they get their hopes up they see them dashed, and the confidence level in this country goes down.

We will not solve the malaise which this country is experiencing right now by convincing the American people that we are the Saudi Arabia of coal, even if this is correct. It is also important to remember that we are also the Saudi Arabia of energy waste as a gentleman said in the Energy Committee the other morning.

What is going to happen? We tell the American people we have all of this coal, and oil companies say, "If you will give us enough money for our oil we will produce another 500 million barrels by 1985," but they cannot do it. They will not do it. American people will be asked to part with $25 billion to $50 billion a year more. And what will they get in return? Nothing. Nothing.

So the American people are being led to believe that we are going to produce our way out of this thing overnight, and we are not going to be able to do it. The very best we can hope for is to start making some kind of a dent on imports by 1990 under the present trend. So hopes are going to be raised again and dashed again. The confidence level of the people will recede to an even lower level.

Mr. President, I yield the floor.

ORDER FOR CONSIDERATION OF VARIOUS MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, it had been my hope that the Senate would be able to dispose of the countercyclical bill today, Calendar Order No. 290, S. 566, then go on to Calendar Order No. 289, S. 885 today, in which event, the Senate would have completed its work and could recess.

There are a number of other measures on the calendar which probably can be disposed of by unanimous consent, but these two measures and the veterans bill, which I hope the Senate will yet be able to do today, H.R. 2282, or Calendar Order No. 297, which is a companion bill—I hope the Senate will be able to complete that bill today.

Also, I had hoped the Senate would take up and dispose of the countercyclical bill and S. 885. I understand that there is a problem with the 3-day rule on the countercyclical bill. That 3-day period would not be up until tomorrow. Therefore, I ask unanimous consent that on tomorrow, after the order for the recognition of Senators have been entered into, the Senate then proceed to the consideration of Calendar Order No. 300, the budget waiver on the countercyclical bill, and that that be followed with Calendar Order No. 290.

Mr. BAKER. Mr. President, reserving the right to object, I do not plan to object. I think the majority leader has correctly stated the case. This is a matter of great importance and of great interest to a number of Members on my side. I regret that it is not possible to schedule this earlier, but it simply is not. The Members on this side who have expressed their concern are not concerned with just the procedural point involved, the maturation of the 3-day rule, but rather for the bill itself, the countercyclical bill. Under those circumstances, I have no problem with the majority leader's scheduling it for tomorrow. Indeed, I shall be here, and we shall be prepared to proceed at that time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on the disposition of the bill S. 566, Calendar Order No. 290, the Senate then proceed tomorrow with consideration of Calendar Order No. 289, S. 885.

Mr. BAKER. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of morning business and that statements may be made by Senators therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMTRAK IMPROVEMENT ACT OF 1979—S. 712

Mr. ROBERT C. BYRD. Mr. President, I have a unanimous consent request relating to S. 712, the Amtrak Improvement Act of 1979, which was considered and passed by the Senate, as amended, yesterday. The purpose of this request is to make a technical change in an amendment offered by Senators CHURCH, MAGNUSON, and PACKWOOD, to delete language inadvertently included in the amendment as offered and adopted by the Senate. Senators CHURCH, MAGNUSON, and PACKWOOD have been consulted and are in full agreement with this unanimous consent request and, as I understand, are the managers of the bill on both sides of the aisle and also in full agreement.

The second purpose of the unanimous consent request is to call up the House-passed bill, H.R. 3996, the Amtrak Reorganization Act of 1979, and substitute for the text of that House bill the text of the Senate bill, S. 712, as passed by the Senate. Accordingly, I would now like to make the following unanimous consent request:

Mr. President, I ask unanimous consent that the motion to table the motion to reconsider, the motion to reconsider, and final passage of S. 712 be vitiated; that the third reading of the bill be vitiated; that an amendment at the desk, which I have already described, be considered to have been adopted thereto and the bill be considered as having been advanced to the third reading; that the Senate proceed to consider H.R. 3996, that S. 712, as amended, be inserted as an amendment in the nature of a substitute for H.R. 3996, that it be considered as having been read the third time, passed, and the motion to table the motion to reconsider adopted.

The PRESIDING OFFICER. Without objection, so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 712 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 3996 be printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following Calendar Orders Nos. 293, 296, 306 through 315.

Mr. BAKER. Mr. President, reserving the right to object, all of these items are cleared on our calendar. We have no objection to their consideration and passage.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the various measures be considered en bloc, that the amendments as shown be agreed to en bloc, that the measures be adopted en bloc, that appropriate extracts from the committee reports be inserted in the RECORD in explanation thereof, that the motion to reconsider en bloc be laid on the table, and any preambles will be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

TITLE 5, UNITED STATES CODE, TECHNICAL AND CLERICAL AMENDMENTS

The bill (H.R. 4616) to make certain technical and clerical amendments to title 5, United States Code, was considered, ordered to a third reading, read the third time, and passed.

NATIONAL ENERGY EDUCATION DAY

The joint resolution (S.J. Res. 43) to proclaim March 21, 1980, "National Energy Education Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, follows:

Whereas inexpensive and abundant energy permitted our great Nation to rise to a position of preeminence in the world community of nations; and

Whereas events of recent years have shown that traditional energy resources are in potentially short supply and these massive changes in the world energy production and distribution system have made this subject a focal point of domestic and foreign policy; and

Whereas the development of new energy technologies, including solar energy and other renewable resources, promise to reduce our dependence on insecure and hostile foreign cartels; and

Whereas these fundamental changes require the update of our educational system at all grade levels to prepare our youth to meet the new demands which are being created; and

Whereas a National Energy Education Day (NEED) will bring together teachers, school officials, parent groups, to help the Nation's children understand the international energy crisis; and

Whereas NEED must be a total educational effort, the start of an ongoing process which can demonstrate that to ignore the plight of an energy shortfall and to fail to seek sound remedies would be an error: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 21, 1980, is proclaimed "National Energy Education Day" to commence an ongoing program of energy education in schools, both public and private, at all grade levels, and the President is authorized and requested to issue (A) a proclamation calling upon the general public and education institutions of the United States to observe this day with appropriate activities and ceremonies, and (B) to direct all appropriate Federal agencies to cooperate with and participate in, the celebration of "National Energy Education Day".

SOERJANTI BONZOUMET-SOETARTO

The bill (S. 88) for the relief of Soerjanti Bonzoumet-Soetarto, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Soerjanti Bonzoumet-Soetarto may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

CHONG HUI SCHREIN

The bill (S. 216) for the relief of Chong Hui Schrein, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of sections 212(a)(12) and 212(a)(23) of the Immigration and Nationality Act, Chong Hui Schrein may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of the Act: *Provided*, That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

CERTAIN ALIENS

The bill (S. 707) for the relief of certain aliens, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, the following named aliens shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the countries of the aliens' birth upon paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act:

BANMAN—Redecop, Diedrich
Banman—Redecop, Aganetha
Banman—Redecop, Agatha
Banman—Redecop, Hallena
Banman—Redecop, Mary
BERGEN—Neudorf, Bernard
Bergen—Guenther, Susana
Bergen—Guenther, Justina
Bergen—Guenther, Helena
Bergen—Guenther, Bernhard
BERGEN—Reddekopp, Bernhard
Bergen—Neudorf, Helena
Bergen—Neudorf, Elizabeth
BERGEN—Neudorf, John
Bergen—Wall, Elisa
DUECK—Loewen, Cornelius
Plett—de Dueck, Anna
Dueck—Plett, Cornelius
Dueck—Plett, Frederick
Dueck—Plett, John
Dueck-Plett, Anita
Dueck-Plett, Dennis
Dueck-Plett, Klaas
Dueck-Plett, Elizabeth
DUECK-Loewen, Edwin
Plett-de Dueck, Margaretha
Dueck-Plett, Bernard
Dueck-Plett, Norman
Dueck-Plett, Harold
Dueck-Plett, Peter
Dueck-Plett, Irene
Dueck-Plett, Raymond
Dueck-Plett, Robert
DUECK-Loewen, Henry
Kornelson-de Dueck, Mary
Dueck-Kornelson, Milton
Dueck- Kornelson, Dale
Dueck-Kornelson, Elizabeth
Dueck-Kornelson, Paul
Dueck-Kornelson, Kenneth
Dueck-Kornelson, Myrtle
DUECK-Plett, Lorenzo
Dueck-de Dueck, Erna
DUECK—Loewen, Norman
Kornelson—de Dueck, Elvira
Dueck—Kornelson, Glenn
Dueck—Kornelson, Carol
DUECK—Loewen, Peter
Wolfe—de Dueck, Maria
Dueck—Wolfe, Lorna
Dueck—Wolfe, Richard
Dueck—Wolfe, Terry
Dueck—Wolfe, Garland
DYCK—Quiring, Francisco
Dyck—Wolfe, Agatha
Dyck—Wolfe, Aganetha
Dyck—Wolfe, Daniel
Dyck—Wolfe, Franz
Dyck—Wolfe, Susana
DYCK—Teichroeb, Heinrich
Dyck—Martens, Aganetha
Dyck—Martens, Aganetha
DYCK—Neudorf, Jacob
Wiebe—Froessen, Helen
DYCK—Dyck, Peter
Dyck—Loewen, Katharina
Dyck—Quiring, Aganetha
Dyck—Quiring, Aganetha
Dyck—Quiring, Benjamin
Dyck—Quiring, Elizabeth
Dyck—Quiring, Heinrich
Dyck—Quiring, Jacob
Dyck—Quiring, Margarita
Dyck—Quiring, Maria
DYCK—Loewen, Peter
Dyck—Freesse, Agatha
Dyck—Freesse, Franz
Dyck—Froesse, David
Dyck—Froesse, Helena
Dyck—Froesses, Abram
Dyck—Froesses, Aganetha
Dyck—Froesses, Bernhard
Dyck—Froesses, Guillermo
Dyck—Froesse, Helena
Dyck—Froesses, Peter
Dyck—Martins, Johan
Dyck—Martins, Margarita
FEHR—Friesen, Peter
Peters—Friesen, Aganetha
FRIESSEN—Peters, Abraham
Dyck—de Friessen, Getrudis
Friessen—Dyck, Elizabeth
FRIESEN—Friesen, Edward
Kornelson—de Friesen, Elizabeth
Friesen—Kornelson, Jim
Friesen—Kornelson, Dennis
Friesen—Kornelson, Ronald
Friesen—Kornelson, Floyd
FRIESEN—Friesen, Jacob
Friesen—Teichroeb, Elizabeth
Friesen—Teichroeb, Jacob
FRIESSEN—Friesen, Johan
FRIESSEN—Peters, Corny
De Friessen—Dyck, Aganetha
Friessen—Dyck, Abraham
FROESE—Hamm, Cornelio
Froese—Bergen, Helena
Froese—Bergen, Jacob
Froese—Bergen, Katharina
Froese—Bergen, Katharina
Froese—Bergen, Margarita
FROESE—Peters, Pedro
Froese—Froesse, Elizabeth
Froese—Froesse, Pedro
Froese—Froesse, Jacob
Froese—Froesse, Elizabeth
GIESBRECHT—Bikert, Abraham
Giesbrecht—Klassen, Judith
Giesbrecht—Klassen, Abraham
GIESBRECHT—Friesen, Jacob
GIESBRECHT—Friesen, Peter
Froese, Katharina
GOERTZEN—Giesbrecht, Isaak
Goertzen—Knelsen, David
Goertzen—Knelsen, Francisco
Goertzen—Knelsen, Isaak
Goertzen—Knelsen, Katharina
Goertzen—Knelsen, Maria
Goertzen—Knelsen, Susana
GUENTHER—Fehr, Jacob
Guenther—Hiebert, Katharina
GUENTHER—Zacharias, Jacob
HARMS—Dyck, Abraham
Harms—Reimer, Abraham
Harms—Reimer, Maria
Harms—Reimer, Martha
HARMS—Andres, Abram
Harms—Neufeld, Abram N.
Harms—Neufeld, George
Harms—Neufeld, Helena
Harms—Neufeld, Jake
Harms—Neufeld, Johan
Harms—Neufeld, Margaretha
Harms—Neufeld, Maryann
Harms—Neufeld, Sara
Harms—Neufeld, Sara
Harms—Neufeld, Tina
HARMS—Dyck, Isaac
Harms—Rempel, Ana
Harms—Rempel, Abraham
Harms—Rempel, Bernardo
Harms—Rempel, Isack
Harms—Rempel, Katharina
Harms—Rempel, Susana
Harms—Rempel, Susana
HARMS—Dyke, Johan
Harms—Guenther, Elizabeth
Harms—Guenther, Margaret
Harms—Guenther, Elizabeth
HARMS—Andres, Peter
Harms—Thiessen, Helena
Harms—Thiessen, Abram
Harms—Thiessen, Jacob
Harms—Thiessen, Helen
Harms—Thiessen, Johann
Harms—Thiessen, Berman
Harms—Thiessen, David
Harms—Thiessen, Gerherd
Harms—Thiessen, Peter
HARMS—Dyck, Peter
Harms—Wall, Abraham
Harms—Wall, Anna
Harms—Wall, Helena
Harms—Wall, Helena
Harms—Wall, Johan
Harms—Wall, Maria
Harms—Wall, Pedro
KLASSEN—Rempel, David
Rempel—de Klassen, Margarita
Klassen—Rempel, Heinrich
Klassen—Rempel, Franz
Klassen—Rempel, David
KLASSEN—Dyck, John
Klassen—Kroeker, Elisabeth
Klassen—Kroeker, Katharina
Klassen—Kroeker, Peter
KLASSEN—Wolf, Martin
KNELSEN—Hamm, David
Knelsen—Wieler, Aganetha
Knelsen—Wieler, David
Knelsen—Wieler, Franz
Knelsen—Wieler, John
KORNELSON—Dueck, Francisco
Plett—de Kornelson, Roseline
Kornelson—Plett, Rhonda
KRAHN—Rempel, Johan
Neufeld—Biekert de Krahn, Maria
Katharina
Helena
Maria
John
Margaretha
KRHAN—Martens, Wilhelm
Krhan—Neufeld, Elisabeth
Khhan—Neufeld, Jacob
Krhan—Neufeld, Katharina
Krhan—Neufeld, Maria
Krhan—Neufeld, Maria
Krhan—Neufeld, Susana
LOEPPKY—Wiebe, Cornelius
Loeppky—Penner, Susan
LOEWEN—Wiebe, Cornelius
Peters—Friessen, Maria
Loewen—Peters, Heinrich
Loewen—Peters, Kathrina
Loewen—Peters, Cornelius
LOWEN—Dueck, Edwin David
Plett—de Loewen, Irma

MARTENS—Schmitt, Heinrich
Martens—Schmitt, Anna
Harms—Wall, Abraham
Harms—Wall, Anna
Harms—Wall, Helena
Harms—Wall, Helena
Harms—Wall, Johan
Harms—Wall, Maria
Harms—Wall, Pedro
KLASSEN—Rempel, David
Rempel—de Klassen, Margarita
Klassen—Rempel, Heinrich
Klassen—Rempel, Franz
Klassen—Rempel, David
KLASSEN—Dyck, John
Klassen—Kroeker, Elisabeth
Klassen—Kroeker, Katharina
Klassen—Kroeker, Peter
KLASSEN—Wolf, Martin
KNELSEN—Hamm, David
Kneisen—Wieler, Aganetha
Kneisen—Wieler, David
Kneisen—Wieler, Franz
Kneisen—Wieler, John
KORNELSON—Dueck, Francisco
Plett—de Korneison, Roseline
Korneison—Plett, Rhonda
Martens—Schmitt, Abraham
Martens—Schmitt, Anna
Martens—Schmitt, Fans
Martens—Schmitt, Johan
Martens—Schmitt, Peter
MARTENS—Schmitt, Katherina
Martens—Dyck, Katherina
MARTINS—Smitt, David
Martins—Zacharias, Margaret
Martins, Annie
NEUDORF—Bergen, Cornelius
Neudorf—Friesen, Anna
Neudorf—Friesen, Anna
Neudorf—Friesen, Cornelio
Neudorf—Friesen, Jacobo
Neudorf—Friesen, Katharina
NEUFELD—Schmitt, Cornelius
Neufeld—Bergen, Hellen
NEUFELD—Loewen, Heinrich
Klassen—Niefeld de Neufeld, Justina
Neufeld—Klassen, Jacob
NEUFELD—Giesbrecht, Herman
Neufeld—Wiebe, Elma
Neufeld—Wiebe, Richard Herman
Neufeld—Wiebe, Susana
NEUFELD—Wieler, Johan
Neufeld—Wieler, Anna
Neufeld—Wieler, David
Neufeld—Wieler, Enrique
Neufeld—Wieler, Getruda
Neufeld—Wieler, Juan
Neufeld—Wieler, Mary
Neufeld—Wieler, Patricia Lynn
NEUSTATER—Henrichs, Johan
Neustater—Loewen, Elena
Neustater—Loewen, Katharina
Neustater—Loewen, Tina
NEUSTATER—Klassen, Peter
Neustater—Friessen, Gerardo
Neustater—Fiessen, Pedro
Friessen—de Neustater, Elizabeth
PETERS—Bergen, Abram
Peters—Redekopp, Aganetha
Redekopp—de Peters, Katharina
PETERS—Heide, Aron
Fehr—de Peters, Elisa
Peters—Fehr, Mary
PETERS—Geisbrecht, David
PETERS—Thiessen, Isaak
Peters—Kroeker, Anna
Peters—Kroeker, Abraham
Peters—Kroeker, Elizabeth
Peters—Kroeker, Katharina
Peters—Kroeker, Frans
Peters—Kroeker, Isaak
PETERS—Geisbrecht, John
Peters—Peters, Anna
Peters—Neufeld, Peter
Peters—Peters, Anna
Peters—Peters, Margaret
Peters—Peters, Tina
PLETT—Plett, Gerhard
Petkau—de Plett, Helena
Plett—Petkau, Wayne
Plett—Petkau, Burne
REDECOP—Wiens, Peter
Redecop—Zacharias, Anna
Redecop—Zacharias, Abram
Redecop—Zacharias, David
Redecop—Zacharias, Frans
Redecop—Zacharias, Isaac
Redecop—Zacharias, John
Redecop—Zacharias, Margareta
Redecop—Zacharias, Susanna
REDDEKOPP—Unrau, Jakob
Reddekopp—Bergen, Susana
Reddekopp—Bergen, Jakob
Reddekopp—Bergen, Lena
REDEKOPP—de Berg, Margaretha
REIMER—Friesen, Diedrich
Reimer—Fehr, Anna
Reimer—Fehr, Cornelius
Reimer—Fehr, Eva
Reimer—Fehr, Isidro
Reimer—Fehr, Jacob
Reimer—Fehr, Johan
Reimer—Fehr, Maria
Reimer—Fehr, Maria
Reimer—Fehr, Martha
Reimer—Fehr, Sara
REIMER—Rempel, Diedrich
Reimer—Froese, Anna
Jake
REIMER—Wiebe, Heinrich
Fehr—de Reimer, Sara
Reimer—Fehr, Helena
Reimer—Fehr, Jacobo
Reimer—Fehr, Johan
Reimer—Fehr, Katharina
Reimer—Fehr, Peter
REIMER—Fehr, Henry
Reimer—Friesen, Helena
REIMER—Friesen, Jacob
Reimer—Peters, Anna
Reimer—Peters, Cornelius
Reimer—Peters, Margaretha
Reimer—Peters, Maria
Reimer—Peters, Margaretha
Reimer—Peters, Abraham
REIMER, Johan
REIMER—Schellenberg, Johann
Reimer—Froese, Helena
Reimer—Froese, Jacob
Reimer—Froese, Bernard
REIMER—Froese, Peter
Reimer—Fehr, Aganetha
Reimer—Fehr, Cornelius
Reimer—Fehr, Elisabeth
Reimer—Fehr, Heinrich
Reimer—Fehr, Juan
Reimer—Fehr, Pedro
Reimer—Fehr, Sara
Reimer—Rehr, Sarah Welbe
REMPEL—Enns, Cornelius
Plett—de Rempel, Elda
Rempel—Plett, Steven
REMPEL—Giesbrecht, David
Rempel—Friesen, Aganetha
Rempel—Friesen, Anna
Rempel—Friesen, David
Rempel—Friesen, Elisabeth
Rempel—Friesen, Katharina
REMPEL—Giesbrecht, Jacob
Wieler—Rempel, Elisabeth
Rempel—Wieler, Jacob
Rempel—Wieler, Anna
Rempel—Wieler, Johan
SCHMITT—Penner, Jacob
Schmitt—Thiesen, Helena
Schmitt—Thiessen, Maria
Schmitt—Thiessen, Gierhord
Schmitt—Thiessen, Bernard
Schmitt—Thiessen, Katharina
Schmitt—Thiessen, Helena
Schmitt—Thiessen, Peter
Schmitt—Thiessen, Frans
SCHMITT—Thiessen, Johann
Schmitt—Friessen, Margaretha
Schmitt—Friessen, Heinrich
Schmitt—Friessen, David
SCMITT—Sall, Johan
Scmitt—Klassen, Katharina
Scmitt—Klassen, Frans
Scmitt—Klassen, David
Scmitt—Klassen, Anna
Scmitt—Klassen, Aganetha
Scmitt—Klassen, Abraham
SIEMENS—Hine, William
Siemens—Peters, Margaretha
Siemens—Peters, George
Siemens—Peters, Nettie Colleen
TEICHROEB—Weibe, Bernardo
Teichroeb—Neufeld, Helena
Teichroeb—Neufeld, Monica Lyn
TEICHROEB—Kneisen, Johan
Teichroeb—Peter Siemens
Teichroeb—Siemens, Elizabeth
Teichroeb—Siemens, Johan
Teichroeb—Seimens, Katharina
Teichroeb—Siemens, Mary
TEICHROEB—Weibe, Johan
Teichroeb—Goertzen, Anna
Teichroeb—Goertzen, Bernardo
Teichroeb—Goertzen, Frans
Teichroeb—Goertzen, Maria
Teichroeb—Goertzen, Peter
Teichroeb—Goertzen, Susana
TEICHROEB—Siemens, William
Teichroeb, Anna Guenter
WALL—Bergen, Isaak
Fehr—de Wall, Justina
Wall—Fehr, Isaak
Wall—Fehr, Jacob
Wall—Fehr, Johan
WALL—Smith, Jacob
WIEBE—Dyck, Bernhard
Wiebe, Tina Neufeld
WIEBE—Klassen, Frans
Wiebe—Redekop, Maria
Weibe—Redekop, Jake
Wiebe—Redekop, Peter
Wiebe—Redekop, Susana
Wiebe—Redekop, Teena
WIEBE—Dyck, Gerado
Klassen—Wiebe, Susana
WIEBE—Klassen, Henrich
WIEBE—Gunter, Isaac
WIEBE—Peters, Isaak
WIEBE—Gunther, Jacob
Wiebe-Neufeld, Helena
Wiebe-Neufeld, Jacob
Wiebe-Neufeld, Tina
WIELER-Wiens, Benhamin
Wieler-Enns, Anna
Wieler-Enns, Cornelio
Wieler-Enns, Helena
WIELER-Klassen, Enrique
Wieler-Hiebert, Anna
Wieler-Hieberth, Francisco
WIELER-Wiebe, Peter
Wieler-Klassen, Anna
Wieler-Klassen, David
Wieler-Klassen, Elena
Wieler-Klassen, Katharina
Wieler-Klassen, Maria
FEHR-Klassen, Johan
Fehr-Peters, Agatha
Fehr-Peters, Agatha
Fehr-Peters, Ana
Fehr-Peters, Henrich
Fehr-Peters, Katharina
Fehr-Peters, Maria
Fehr-Peters, Peter
Fehr-Peters, Susana
NEUDORF-Buercker, Henry
Neudorf-Dyck, Aganetha
Neudorf-Dyck, Christina
Neudorf-Dyck, Henry
Neudorf-Dyck, Jake
Neudorf-Dyck, John
Neudorf-Dyck, Mary
Neudorf-Dyck, Peter
Neudorf-Dyck, Syzan
KLASSEN-Klassen, David
Wiebe-Klassen, Elizabeth
Klassen-Wiebe, David
Klassen-Wiebe, Hentry
Klassen-Wiebe, Peter
Klassen-Wiebe, Benjamin
Klassen-Wiebe, Helena
BANMANN, Diedrich
Banmann-Reddekopp, Susanna
Banmann, Maria

Banmann, John
Banmann, Jacob
BASCHMAN, Jacob Friesen
Baschman, Elisabeth Wieler
Baschman, Benjamin Wieler
Baschman, Jacob Wieler
BERGEN, Herman Neudorf
Bergen, Elisabeth Loewen
Bergen, Elisabeth
Bergen, Herman
Bergen, John
Bergen, Helena
Bergen, Jacob
Bergen, Susan
Bergen, Judy
DUECK—Barkman, Peter
Dueck—de Dueck, Marlene
DYCK, Abram Froese
FEHR—Neufeld, Jacob
Fehr—Penner, Aganetha
Fehr—Penner, Maria
Fehr—Penner, Johnny
FRIESEN, Bernhard Giesbrecht
Friesen, Katharina Funk
Friesen, Frans Funk
Friesen, Maria Funk
Friesen, Peter Funk
Friesen, Susana Funk
FRIESEN—Dyck, Clarence
Friesen—Dyck, Marolyn
FRIESEN—Teichroeb, David
Dyck—de Friesen, Anna
Friesen—Duck, Marlene
Friesen—Dyck, Ricky
FRIESEN, Gerhard Heidi
FRIESEN, Isaac Reimer
FRIESEN, Jacob Hiebert
Friesen, Anna Wieler
Friesen, Aganetha Wieler
Friesen, Jacob Wieler
FROESE, Johan Bergen
Froese, Aganetha Rempel
Froese, Aganetha Rempel
Froese, Bernhard Rempel
Froese, Gerhard Rempel
Froese, Jacob Rempel
Froese, Johan Rempel
Froese, Judith Rempel
Peters, Susana Kneisen
FROESE, Johan Hamm
Froese, Helena Ketler
Froese, Elizabeth Ketler
Froese, Helena Ketler
Froese, Johan Ketler
GIESBRECHT, David Dyck
Giesbrecht, Sara Redekop
Giesbrecht, Susie Redekop
Giesbrecht, Willie Redekop
GIESBRECHT, Peter Friesen
Giesbrecht, Elizabeth Neustaeter
Giesbrecht, Henrich Neustaeter
Giesbrecht, Jacob Neustaeter
Giesbrecht, Maria Neustaeter
GUENTHER-Friesen, Jacob
Doerksen-Wall, Katherina
Guenther, Helena O.
Guenther, Heinrich
Guenther, Eva
Guenther, Katharina
Guenther, Elisabeth
Guenther, Jacob
Guenther, Ana
Guenther, David
Guenther, Johann
HARDER, Peter
Harder, Anna Wiens
Harder, Agatha Wiens
Harder, Jake Wiens
Harder, Katherina Wiens
HIEBERT, Jacob Rempel
KLASSEN, Jacob Thiessen
Klassen, Helena Peters
Klassen, Anna Peters
Klassen, Elizabeth Peters
Klassen, Eva Peters
Klassen, Isaac Peters
Klassen, Jacob Peters
Klassen, Maria Peters
Klassen, Martha Peters
Klassen, Nota Peters
Klassen, Sara Peters
Klassen, Susana Peters
KLASSEN-Wiebe, Herman
Peters-Martens de Klassen, Helena
Johan
Herman
Sara
Jacob
Maria
Peter
Helena
Anna
Aganetha
LETKEMAN, Peter Harms
Letkeman, Maria Martens
Letkeman, Elizabeth Martens
LOEWEN, Frank Wiens
Loewen-Heide, Agatha
MARTENS, Frank Froese
Martens, Katerina
Martens, Frank Neufeld
Martens, David
Martens, Jacob
NEUFELD, David Teichroeb
Neufeld-Bergen, Judy
PETERS, Abram Guenther
Peters, Maria Bergen
Peters, David Bergen
Peters, Margareta Bergen
REDECOP, Benjamin Peters
REDDEKOPP-Zacharias, Jacob
Reddekopp-Wall, Helen
Cornelius
Margaret
Jacob
REDEKOP-Peters, Benjamin
Redekop-Klassen, Sara
Redekop-Klassen, Peter
Benjamin
Martin
Sara
Margartha
Susana
Helena
Maria
Frans
Abram
David
Heinrich
Cornelius
Wilhelm
REDEKOPP-Zacharias, Peter
Redekopp-Neufeld, Nancy
Redekopp-Neufeld, Maria
REIMER-Kornelson, Gustav
Petkau-de Reimer, Mary
Reimer-Petkau, Susie
Reimer-Petkau, Edward
Reimer-Petkau, Lena
Reimer-Petkau, John
Reimer-Petkau, Gustav
Reimer-Petkau, Alvina
Reimer-Petkau, Shirley
REIMER, Jacke
REIMER, Johan Fehr
REIMER-Fehr, Johan
Friesen-de Reimer, Elizabeth F.
Reimer—Friesen, Cornelius
Reimer, Friesen, Abram
REMPEL, Jacob Siemons
Teichroeb, Nattie Dyck
REMPEL—Siemons, Gerhardt
Rempel—Reimer, Justina
Rempel—Reimer, Susanna
Rempel—Reimer, Sara
Rempel—Reimer, Wilhelm
Rempel—Reimer, Abraham
Rempel—Reimer, Annie
REMPEL—Seimons, John
Rempel—Bueckert, Nettie
SIEMENS, Wilhelm Peters
THIESSEN, Wilhelm Reimer
Thiessen, Helena Siemons
WALL, Jacob Fast
Wall, Agatha Peters
Wall, Anna Peters
Wall, Nicolas Peters
Wall, Susana Peters
WIEBE, Abram Unrau
Wiebe, Margaret Hamm
Wiebe, Aganetha
Wiebe, John
Wiebe, Peter
Wiebe, Susie
WIEBE, Isaak Klassen
WIEBE—Klassen, Ben
Wiebe—Neufeld, Anna
WIEBE—Klassen, Katherin
Wiebe—Klassen, Agatha
Wiebe—Klassen, Eva

JOSEPH J. ANDREWS

The bill (H.R. 896) for the relief of Joseph J. Andrews was considered, ordered to a third reading, read the third time, and passed.

MR. AND MRS. AARON WAYNE OGBURN

The bill (H.R. 899) for the relief of Mr. and Mrs. Aaron Wayne Ogburn was considered, ordered to a third reading, read the third time, and passed.

DORIS MAURI COONRAD

The bill (H.R. 932) for the relief of Doris Mauri Coonrad was considered, ordered to a third reading, read the third time, and passed.

JAMES C. WILKINSON

The bill (H.R. 1158) for the relief of James C. Wilkinson was considered, ordered to a third reading, read the third time, and passed.

JERRY W. AND CEFERINO W. MANANDIC

The Senate proceeded to consider the bill (S. 151) for the relief of Jerry W. Manandic and Ceferino Manandic, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, in the administration of the Immigration and Nationality Act, Jerry W. Manandic and Ceferino W. Manandic may be classified as children within the meaning of section 101(B)(1)(F) of the Act, upon approval of a petition filed in their behalf by Mr. and Mrs. Jose Manandic, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHAN SIU HA

The Senate proceeded to consider the bill (S. 319) for the relief of Chan Siu Ha (also known as Linda Chan), which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, for the purposes of the Immigration and Nationality Act, Chan Siu Ha (also known as Linda Chan), shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon

the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TIN FOO CHAN

The Senate proceeded to consider the bill (S. 974) for the relief of Tin Foo Chan (also known as Michael Chan), which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, for the purposes of the Immigration and Nationality Act, Tin Foo Chan (also known as Michael Chan) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of their required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number of the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

SELF-DETERMINATION FOR PUERTO RICO

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 301.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 35) reaffirming the commitment of Congress to the right of the people of Puerto Rico to determine their own political future.

The Senate proceeded to consider the concurrent resolution which had been reported from the Committee on Energy and Natural Resources with an amendment on page 2, line 5, strike "and to change their relationship with the United States,".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the names of the Senator from Tennessee (Mr. BAKER) and the Senator from New Jersey (Mr. BRADLEY) be added as cosponsors of this concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, has the Senator honored my request that my name be added as a cosponsor?

Mr. MOYNIHAN. I had thought this was done. If it has not, Mr. President, I ask unanimous consent that the names of the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Massachusetts (Mr. KENNEDY) be added as original cosponsors of the concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the name of the Senator from Hawaii (Mr. INOUYE) be added as an original cosponsor of the concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this is a concurrent resolution which reaffirms the commitment of Congress to the right of the people of Puerto Rico to determine their own political future. It comes before us in the context of the pending debate and consideration by the so-called Committee on Decolonization of the General Assembly of the United Nations, on a resolution that will be introduced there by the Cuban Government, which once again will seek to misrepresent, to defame, and to denounce the relationship between the people of Puerto Rico and of the United States. This is a matter, in our judgment, of the internal affairs of the United States and in no way appropriate for consideration by the United Nations, much less for interference by the totalitarian Government of Cuba.

Mr. President, I see that my distinguished friend, the junior Senator from Hawaii (Mr. MATSUNAGA)—with whom I have worked closely and whom I admire greatly—is in the Chamber. I know he wishes to address himself to this subject, a matter on which he has made himself an expert. I look to him with respect and regard in this area, and I am happy to yield him such time as he may wish.

Mr. MATSUNAGA. I thank the Senator from New York for yielding.

Mr. President, I congratulate the Senator from New York for the leading role he has taken in the pending matter. I must congratulate him also for having pushed this resolution through the Energy and Natural Resources Committee with incredible expeditiousness. The feat is even more amazing in view of the fact that the Senator from New York is not even a member of the Committee on Energy and Natural Resources.

Mr. President, this resolution merely restates our basic and long-standing policy of self-determination. We recognize that a society of people has a right to determine for itself how it should be governed and under what form of government it should be governed—no more than that.

So, Mr. President, I rise to express my unequivocal support for the resolution introduced by the distinguished Senator from New York (Mr. MOYNIHAN), Senate Concurrent Resolution 35, which is designed to reaffirm the commitment of the U.S. Congress to self-determination for the people of Puerto Rico.

Mr. President, as the Senator from New York has so eloquently stated, it has been the position of the U.S. Government since 1952 that the people of Puerto Rico have the right to determine their own political future. Every Presidential administration since that of Dwight D. Eisenhower has confirmed that commitment, including the Carter administration. President Carter, speaking last year on the 80th anniversary of Puerto Rico's association with the United States emphasized that our Nation remains fully committed to the principle of self-determination for the people of Puerto Rico. The President made it very clear that whatever decision the people of Puerto Rico wish to make with respect to their future political status—statehood, independence, commonwealth status, or mutually agreed modifications of that status—it will be their decision, reached in accordance with their own traditions, democratically, and, above all, peacefully.

Unfortunately, Mr. President, even though it is abundantly clear that the U.S. Government will respect and support the rights of the Puerto Rican people to determine their political future, certain nations of the world have, in a United Nations resolution, declared that Puerto Rico is a non-self-governing territory—in effect condemning the United States for practicing colonialism.

I am sure that the Members of this body will agree that nothing could be further from the truth.

The pending resolution was introduced by the Senator from New York, who has served as our Nation's Ambassador to the United Nations, in the strong belief that the Congress should respond to the United Nations resolution by again reaffirming its view that the people of Puerto Rico retain their right to self-determination, and that the Congress will respect such decisions as Puerto Ricans may properly make in public referendum about their future political status.

Mr. President, I strongly agree that the 96th Congress should reaffirm its commitment to self-determination for Puerto Rico. I support the passage of this resolution as it is now worded because it is a simple reaffirmation of this country's long-standing commitment to self-determination for all of our territories. It does nothing more than that, Mr. President, and I would readily oppose it if it did.

Mr. President, as a former member of the Hawaii Territorial Legislature, I know very well what they are thinking and feeling in Puerto Rico right now. There are those advocating statehood; there are those calling for independence; there are those supporting continued commonwealth status; and there are those calling for combinations of these political relationships. When Hawaii was

still in territorial status, its citizens engaged in similar debate; and, of course, they chose statehood by an overwhelming majority nearly 20 years ago. But the fact of the matter is, Mr. President, that we in Hawaii did have a choice about our political future, one that was decided through peaceful, open, and democratic processes, and one that was respected by the U.S. Government.

Mr. President, I ask my colleagues: Can we in good conscience provide the U.S. citizens in Puerto Rico with anything less than that? I think not. Puerto Ricans must be given the same free choice which we in Hawaii were granted and the U.S. citizens in other U.S. territories have had, to determine for themselves what type of political relationship they want with the United States.

Mr. President, as I have said, the Moynihan resolution is based on the commitment made by six Presidents to self-determination for Puerto Rico. It is based on the 1976 national party platforms of both the Democratic and Republican parties. And, most importantly, it is based on the fundamental principles of democracy vested in our Constitution. It gives the Congress the opportunity to express its unequivocal support for self-determination for the people of Puerto Rico. I, therefore, strongly urge favorable consideration of this important resolution.

Mr. MOYNIHAN. Mr. President, I am happy to yield to the distinguished minority leader. He is an original cosponsor of this resolution, and I look forward to his observations on this matter, which I know to be of central concern to him.

Mr. BAKER. I thank the distinguished Senator from New York for yielding.

Mr. President, it is a privilege for me to join Senator MOYNIHAN in cosponsoring Senate Concurrent Resolution 35, which reaffirms the long-held view of Congress that the people of Puerto Rico have an inalienable right to self-determination.

The ability of Puerto Ricans to exercise that right has been questioned by foreign powers who themselves are not governed by democratic principles. This issue is continuously raised in the United Nations Committee on Decolonization; and last year, for the first time, enough votes were mustered to officially "condemn" the United States/Puerto Rico relationship on the grounds that Puerto Rico does not have the right to self-determination.

Therefore, Congress must take this step this year in order to reemphasize the obvious, to restate a basic tenet of our relationship with Puerto Rico, and to meet head-on the misguided criticisms of nations which do not even practice the concept of self-determination themselves.

As both major party platforms have stressed and as every President since President Eisenhower has affirmed, the United States fully and whole-heartedly supports the right of the people of Puerto Rico to determine for themselves their political destiny.

I understand that Resident Commissioner Corrado of Puerto Rico has introduced this resolution in the House.

I commend him for his initiative, as I commend my colleagues on this side and in the Senate for their initiatives in bringing this matter to the Senate at this time.

Mr. President, this is a matter of extraordinary importance not only in its significance to the people of that commonwealth but also as a restatement of a fundamental commitment of the people of the United States and the Senate to the inalienable right of self-determination of a fine group of citizens of this country.

Mr. MOYNIHAN. Mr. President, I hope that the emphatic, unmistakable point made by the minority leader will be heard not simply in the halls of the United Nations, to which we, in a sense, address ourselves, but in the corridors of the Department of State as well.

This matter is coming up, and I am happy to say that Secretary Vance has indicated his full support for this measure. But it will take not only the support of the Secretary but also of his Department and of the bureaus specifically concerned.

It should be made clear to our friends in the United Nations, and those with whom we cannot always agree, that we regard this to be an internal affair of the United States having to do with the nature of our democratic processes, and the free choices made under them. We do not propose to be lectured by dictatorships on how to run a democracy. Most importantly, we expect the democratic nations in the United Nations to stand with us in this matter, or we are going to find ourselves asking how much we should stand with them.

We are going to expect the nonalined to stay nonalined. We shall have in September the spectacle of the nonalined nations meeting in Havana. To be nonalined means to accept the leadership of the Soviet satellite of Castro Cuba. What an appalling point for a movement begun in a high idealism and an intelligent assessment of the interests of many of the new nations in the world order, beginning in the Bandung Conference of 1954.

Mr. President, I am reluctant to raise this point, but I think it is necessary to do so. The chairmanship of the Committee on Decolonization continues to be held by the Government of Tanzania. That government is ably represented in the United Nations by their permanent representative, Ambassador Salim-Salim. It will be the Government of Tanzania which will give the lead to the response of the nonalined nations to this resolution. As it considers what it might do, I hope it will not be considered offensive to say that this is also the moment when the Government of Tanzania is looking to the world community to help defray the costs of its invasion of its neighbor, Uganda. This indeed was an invasion that was certainly provoked, there can be no question of this. But nonetheless Tanzania did it on its own. Now it is asking the world community, which means the United States in very considerable portion, to pay for the cost of that invasion.

Mr. JOHNSTON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MOYNIHAN. I yield.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Jim Beirne and Laura Hudson, of my staff, be accorded the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I hope as we take this action those in the United Nations who may be looking to us for assistance will pay heed to our remarks.

Mr. President, I observe that my distinguished friend, the Senator from Louisiana, is in the Chamber. Few men in this Chamber have so closely involved themselves with the matter before us. The junior Senator from Louisiana, Senator JOHNSTON, was at one time chairman of the Subcommittee on Territories and Insular Affairs on the then Committee on Interior and Insular Affairs, which dealt with Puerto Rican matters. If I recall correctly, he was also a member of the President's Commission on the Status of Puerto Rico. Am I correct in that?

Mr. JOHNSTON. The Senator is correct. The ad hoc Status Commission was the title.

Mr. MOYNIHAN. The ad hoc Status Commission, as it came to be known, did the distinguished job of constitutional inquiry that one would expect from any body with such a distinguished a member as my friend from Louisiana.

I understand that the Senator from Louisiana has some questions which he wishes to raise in connection with this.

Mr. JOHNSTON. The Senator is correct.

Mr. President, in its original form I frankly was opposed to this resolution because in its original form the resolution stated in its resolving clause that:

The Congress take this opportunity to reaffirm its commitment to respect and support the right of the people of Puerto Rico to determine their own political future and to change their relationship with the United States through peaceful open and democratic processes.

Mr. President, in the committee the phrase "and to change their relationship with the United States" was stricken. The committee report was then written to reflect the meaning and implications of that change. Questions which I will shortly ask will, I think, place in proper perspective what the meaning of this resolution is. I hope that the answers to the questions which I am about to propound will assuage my opposition to this, although I must say I still have misgivings.

May I say that my misgivings with respect to the instant resolution are not based upon a lack of support for the principle of self-determination. Not at all. Indeed, as the distinguished Senator from New York pointed out, we worked over a period of months, holding hearings in Puerto Rico, having meetings with distinguished representatives of the govern-

ment and the Legislature of Puerto Rico, with respect to perfecting the relationship of commonwealth.

We were, I thought, at that time, very close to achieving an agreement which was not only workable and acceptable to this Congress but also acceptable fully to the people of Puerto Rico.

In 1981 there will be a plebiscite in which the issues of independence, a more perfected status of commonwealth, as well as statehood will be put to the people of Puerto Rico.

Mr. President, I wish to make clear that this resolution if passed in no way takes away from the constitutional right and constitutional duty of this Congress to pass upon the question of independence, the question of statehood, or the question of the nature of the improved or modified position of the Commonwealth in Puerto Rico.

In other words, I did not want this resolution to be taken as a blank check to the plebiscite process by which we would be obligated to accept whatever that plebiscite approves either in its details or indeed in the fact that we would have to accept, for example, independence or statehood, or any particular form of commonwealth.

If I may just state, for example, that with respect to independence, the people of Puerto Rico are American citizens. If Puerto Rico should choose independence, it would be a very challenging job to work out a formula whereby the citizenship of the people of Puerto Rico would be protected, whereby the national defense of this country would not be weakened, whereby American property, including the Roosevelt Roads Naval Base, would be provided for. All of those are not just mere details, Mr. President, they are major issues which the Congress of the United States should not be called upon to say yea or nay with reference to right now; nor simply on the basis of this resolution, should we feel even a moral obligation to accept whatever interpretation of a formulation of a rationale or a solution for those problems that should be worked out in the plebiscite.

So I ask my distinguished friend from New York if Puerto Rico were to choose "statehood" in a future plebiscite, what would be the obligation or commitment of Congress under the terms of Senate Concurrent Resolution 35?

Mr. MOYNIHAN. May I first state what the distinguished Senator well knows, which is that no present Congress can commit a future Congress to any course of action, and this, of course, is true of all matters.

In this particular matter, of course, we have a constitutional provision with respect to such proceedings. If, for example, as was the case with all 37 States that were admitted to the Union after the original 13, under article IV, section 3 of the Constitution, congressionally approved legislation is necessary to grant statehood. Statehood invariably implies provisions, special provisions. We heard in the committee consideration of this matter by our distinguished chairman, Senator JACKSON. He noted that when the State of Washington applied for statehood, it was turned down because they had woman's suffrage in Washington in those days and they would not have it in Washington, D.C.

But the resolution before us would not, could not, bind the Congress either explicitly or implicitly to pass any particular form of statehood legislation or, indeed, to pass any legislation at all.

I believe the resolution would imply a duty on the part of Congress to negotiate with the Commonwealth of Puerto Rico in good faith to attempt to accommodate the wishes of the people of Puerto Rico as we have in the past for the people of 37 States. But Congress would fully reserve its powers and obligations under the Constitution.

I might make a further point, which I am sure the Senator would agree with, and that is that when we refer to the powers of self-determination for the people of Puerto Rico that extends, of course, to the power to leave the present arrangements in place. It was the thought of many members of the committee that to have the word "change" in the resolution would indicate a preference for one political position in Puerto Rico as against another. We have no preference for any. We believe in self-determination.

Mr. JOHNSTON. As a matter of fact, the record of the United States, Mr. President, with respect to Puerto Rico and its citizens, who are citizens of the United States, has been rather good in perfecting the commonwealth status and, indeed, the commonwealth status is the status which was some years ago chosen by a plebiscite, through the process of self-determination, as being that status which they wished.

So we are operating right now under a self-determination plan.

Mr. MOYNIHAN. The Senator is exactly right, and self-determination has determined the existing status.

Mr. MATSUNAGA. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I would be happy to yield.

Mr. MATSUNAGA. I would like to add my remarks in response to the question of the Senator from Louisiana, because Hawaii's experience may give some indication as to what could happen in the case of Puerto Rico.

When Hawaii first became a territory of the United States, it was annexed as an incorporated territory, with an implicit promise that Hawaii, if the people so decided, would be admitted as a State into the Union of States. That was in the year 1900.

The citizens of Hawaii, Americans all, myself included, journeyed to Washington and knocked at the doors of Congress for 59 years before we were finally admitted to statehood.

I do hope Puerto Rico will not suffer the same fate, if and when the Puerto Ricans decide they would want to become a State of the Union, that it will not take them 59 years as it took the people of Hawaii to gain the full status of statehood.

Mr. JOHNSTON. Mr. President, I hope that whatever changes a plebiscite should indicate are the wishes of the people of Puerto Rico would not take a similar 59 years to fulfill.

At the same time, I think what the Senator from New York is saying is that this resolution in itself does not constitute an implicit promise that Puerto Rico would be admitted as a State simply because a plebiscite might so state.

Mr. MATSUNAGA. That is precisely the point I was trying to make by stating Hawaii's experience, that while one Congress had made its commitment, other Congresses on their own refused to admit Hawaii until the senior Senator from Louisiana (Mr. LONG) finally led the South in supporting statehood for Hawaii. I note the presence of the senior Senator from Louisiana on the floor, and I wish to take this opportunity to thank him for the leadership he exercised in admitting Hawaii to statehood, for had it not been for his leadership I doubt that I would be standing here on the floor of the Senate addressing this august body. As we say in Hawaii, Mahalo—thank you—Senator LONG. Your leadership will also be essential to helping the Puerto Ricans in determining their future as citizens of this great country.

Mr. JOHNSTON. I thank the Senator.

Mr. President, a further question of the distinguished Senator from New York. If Puerto Rico were to choose "independence" in a future plebiscite, what would be the obligation or commitment, as that word is used in this resolution, of Congress under the terms of Senate Concurrent Resolution 35?

Mr. MOYNIHAN. I will give to the distinguished Senator an answer exactly parallel to the one I gave to his first question. As with the case with the Philippines under article IV, section 3 of the Constitution, it would require congressionally approved legislation to grant independence.

Independence would, of necessity, require conditions and special provisions, particularly with regard to defense, Government property, citizenship, and other aspects of our relationship with the people of Puerto Rico.

This resolution would not bind the Congress either explicitly or implicitly to pass any particular form of independence legislation or, again, to pass any legislation at all. Again I say, I believe the resolution would imply a duty on the part of Congress to negotiate in good faith with the Commonwealth of Puerto Rico to attempt to accommodate the wishes of the people of Puerto Rico, as we did with the people of the Philippines. Congress would reserve its powers and obligations under the Constitution, as necessarily it must do with respect to all future actions.

Mr. JOHNSTON. Would the Senator's response be similar with respect to a revised form of commonwealth?

Mr. MOYNIHAN. Precisely.

Mr. JOHNSTON. So what this resolution is saying is that whatever the people of Puerto Rico decide in their plebiscite in 1981, we will take that as being an expression of the wishes of the people of Puerto Rico, where that initiative should begin. Based upon that

choice we will negotiate in good faith to try to give full life and viability to that expression consistent with the fact that there is no implication of an obligation on the part of Congress to accept that particular formulation or, indeed, to accept a particular status. We have the obligation to perform as we have in the past, to negotiate in absolute good faith to try to give full expression to their wishes.

Mr. MOYNIHAN. I would say to my distinguished friend that I think I can summarize my view on this matter and, I think, the view of the rest of this body. What is being said is simply that the Puerto Rican people, as American citizens, have their rights, we in the Congress have our duty, and we shall look forward to exercising both.

(Mr. TSONGAS assumed the chair.)

Mr. JOHNSTON. Mr. President, based upon these assurances, even though I continue to have misgivings, I will not object to this resolution.

I want to make it perfectly clear that my reservations and my misgivings have nothing to do with any objection to any particular form of status that the people of Puerto Rico may wish for; it has nothing to do with any lack of commitment on my part to self-determination, but because of my dealings with these very complicated and difficult problems, which involve everything from national defense to minimum wage, to communications, to trade, to emigration, to citizenship, to taxes, to block grants, to Federal benefits—all extremely complicated questions, involving an egg, in effect, which is already scrambled. I want to make it perfectly clear, Mr. President, that we do not allow this resolution to be used as an implication that these complicated problems can be solved simply by a yes or no vote for independence, a yes or no vote for statehood, or a yes or no vote for any particular formulation of commonwealth. These are indeed complicated problems, and Congress has a responsibility, under the Constitution of the United States, and a right under the Constitution which cannot be legally abrogated. This resolution does not constitute a moral commitment to the abrogation of those rights and responsibilities under the Constitution.

Mr. President, although I will not ask for a rollcall vote on this resolution, it is with deep regret and a grave sense of foreboding that I have misgivings over the enactment of this resolution. I have misgivings over this resolution not because I am opposed to the principle of consent of the governed or the concept of self-determination. I wholeheartedly endorse and support self-determination for all peoples. I have misgivings over this resolution because I believe that it is mischievous.

It is mischievous because it is premature, because it may give rise to false hopes in Puerto Rico, and because the text of the resolution is at variance with the purpose of its introduction.

First, this resolution was not introduced nor considered in order to allay any concerns in Puerto Rico that we in the Congress were insensitive to their aspirations or were not knowledgeable of the deep divisions among the Puerto Rican people concerning various status options or were not sympathetic to their efforts to develop Puerto Rico within the American family. This resolution was introduced solely and simply as a reaction to the 1978 Cuban resolution in the U.N. and the efforts of Cuba and other totalitarian regimes to interfere in the international affairs of the United States. Why? Why do we even care what Cuba says? Why must we respond like some puppet every time some country which has forsaken any concept of democracy, human rights, or self-determination chooses to criticize the United States? The relationship between Puerto Rico and the United States was freely chosen by Puerto Rico in the 1950–52 period by four referendums and agreed to by the U.S. Congress pursuant to the authority and responsibility of article IV, section 3 of the U.S. Constitution. The people of Puerto Rico and the Congress of the United States negotiated a compact which has governed our relationship for almost three decades. It can be modified by mutual consent—and I want to emphasize the word "mutual"—but whether it is modified or not is not the concern or business of anyone except the people of Puerto Rico and the Members of Congress. I reject in principle the idea of passing a resolution of self-determination because Cuba or any other country makes absurd comments in the U.N. or any other forum. I reject the waste of time in even acknowledging the carping of demagogic regimes, much less elevating their ill-informed hypocracy to the level of congressional consideration. If we are really bothered by the inane comments of Cuba, the so-called nonalined nations, and the Soviet dominated bloc, then let us pass a resolution stating exactly what we think of the true imperialistic and colonial countries interfering in the peaceful, open, and democratic processes which govern the relationship of the U.S. Government to the States, the Commonwealth, the trust territory, and the other insular areas which are part of the U.S. family. That would be an honest resolution—this is not.

Second, this resolution is premature. The people of Puerto Rico have not requested any change or alteration in their present status. Certainly the "Statehood" party has shown increasing strength in recent years, but that may in fact be due more to its urban constituency and the growth of the urban population than to a movement to statehood as a status. I do not know, and neither does anyone else. On Commonwealth Day, July 25, former Governor Hernandez Colon issued a "New Thesis" on commonwealth. I have not seen the details of that proposal, but neither that proposal nor statehood nor independence has been requested by the people of Puerto Rico. Why should this Congress with no proposal before it and no idea of the details of any alternative pass a resolution which seems to indicate that we think Puerto Rico should alter its status?

If and when the people themselves indicate that they desire a change, then and only then does this resolution have relevance. The people of Puerto Rico in four referendums adopted the Commonwealth and although there was a major study commission in 1965–66 and a subsequent study, on which I served, in 1973–75, the people themselves have not requested any change. This point is closely tied to my final concern.

Third, the resolution seems to say something which is manifestly untrue and clearly unconstitutional. The resolution seems to say that by an exercise of popular will, the people of Puerto Rico can unilaterally alter their political future and relationship with the United States. That implication is extremely mischievous. I hate to resort to the Constitution, but it seems that everyone has forgotten that article IV, section 3, states, quite clearly, that "New States may be admitted by the Congress into this Union."

I have read the language several times and I fail to see any provision for new States being created by local referendum, or action of the local legislature, or by straw vote, or by inference from interpretations of local election returns, and certainly no reference to creation of States by resolution of the United Nations. The Constitution quite clearly vests plenary and exclusive authority to admit or deny admittance in Congress. This resolution does not recognize that and to the extent that it does not recognize that any change in status must necessarily involve the consent and approval of Congress, it is mischievous.

I do not know whether Congress would approve statehood or not. I do not know whether Congress would approve the "New Thesis" or not. I do not know whether the Congress would approve independence or not. I honestly do not know what "Statehood," "New Thesis," and "Independence" mean in all their details. Without that knowledge, it would be dishonest on my part to vote for a resolution indicating I would approve a proposal I have not seen. I am not willing to do that with administration proposals sight unseen and I am certainly not going to do it with the future of 3½ million people. What is worse, the people of Puerto Rico do not know what these alternatives mean. They do not know and have not requested any change, we do not know but seem to be agreeing to some unstated change. This has nothing to do with selfdetermination, this is semantic-gamesmanship—a game in which the only winners will be the Cubans, not the United States or Puerto Rico.

Mr. President, in the history of this country, we have admitted 37 new States into the Union, and provided independence to the Phillipines. We have provided complete local autonomy to the Northern Marianas and Puerto Rico, and offered local autonomy to the Virgin Islands, which rejected their locally developed constitution in referendum, and Guam. American Samoa has been the subject of exhaustive efforts to reconcile organic legislation with traditional rights and customs. The recognition of selfdetermination and consent of the governed which has guided all of these actions does not mean that this 200 years of his-

tory has not been without controversy. On the contrary, virtually every State has in its statehood history debate, sometimes acriminious and violent, and sometimes extremely protracted.

Have we so casually forgotten the slavery question which dominated statehood considerations throughout the first half of the last century? The first bitter and heated debate came in 1811 over the admission of Louisiana because some elements of Congress were not sure that a territory with a French heritage and culture should be admitted. A similar debate raged for over a quarter of a century before Hawaii was admitted in 1959. We still have not finished the land settlement in Alaska which was part of the statehood debate then. Independence was not easy either. Both Cuba and the Phillipines achieved independence after lengthy and occasionally heated debate, although Cuba was never, strictly speaking, a territory. Only 4 years ago we debated the Northern Mariana Commonwealth and if anyone has forgotten the infighting and struggle, I suggest they review the Record. Even with extensive congressional involvement, the Commonwealth of the Northern Mariana Islands came close to being rejected.

Mr. President, I have always been willing to devote as much time as necessary to territorial affairs. I served on the advisory group on Puerto Rico, I handled the creation of the Commonwealth of the Northern Mariana Islands, and I handled the legislation authorizing the Virgin Islands and Guam to develop and adopt constitutions of their own choosing. I am willing to devote as much time and effort as is necessary to frame alternatives for the people of Puerto Rico to vote on. I sincerely believe that in lieu of this resolution, we should develop the precise terms and conditions for statehood, independence, and commonwealth with all the social, economic, and cultural implications, and lay those alternatives before the Congress.

Once the Congress has indicated either the precise terms or parameters for consideration of each status, then the people of Puerto Rico can vote with full assurance that their vote will be implemented by the Congress. To this end I have requested several studies by the Congressional Research Service and a comprehensive study by the GAO of the implications specifically of statehood, but also of the "New Thesis" and independence. From that information base I hope that the Congress and the people of Puerto Rico will be able to consider status in a fully informed and intelligent manner. With that information, we in the Congress can present the people of Puerto Rico with real and viable alternatives.

Mr. President, I object to the haste in which this is being considered. I object to the fact that the real reasons are not explicit, I object to the imolication that the people of Puerto Rico should modify their status. and I object to the failure to specifically note the necessary and constitutionally required role of Congress. I do not object to self-determination nor to the principle of consent of the governed. Therefore, it is with considerable regret that I have misgivings over this resolution.

Mr. President. There are two final points I wish to make. The first is that I do not think this is going to be of the least help or effect in the United Nations. Frankly, I do not really care what Cuba and its allies think, but this resolution is not going to help. Cuba is not interested in self-determination and certainly not in freedom. They are solely interested, at the behest of their Soviet dominated colleagues, in embarrassing the United States and in spreading their own pernicious brand of revolution. A little history might be helpful.

During the 15th session of the General Assembly in the context of the cold war, the Soviet and Cuban delegations in 1960 charged the United States with colonialism in regard to Puerto Rico.

Also at the 15th Assembly two resolutions were adopted which continue to relate to this matter. One, Resolution 1514 (XV), declared that—

Immediate steps shall be taken, in Trust and Non-Self-Governing Territories or all other territories which have not yet attained independence, to transfer all powers to the peoples of those territories, without any conditions or reservations, in accordance with their freely expressed will and desire, * * * in order to enable them to enjoy complete independence and freedom."

This resolution forms part of the basis of the Cuban position. The other resolution, Resolution 1541 (XV), set forth principles which should guide members in determining whether or not an obligation exists to transmit the information called for in article 73(e) of the charter. Principle VI states that a non-self-governing territory can be said to have reached a full measure of self-government by: First, emergence as a sovereign independent State; second, free association with an independent State; or third, integration with an independent State.

In November 1961, the Assembly established the Special Committee on the Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

In 1965 Cuba requested the inclusion of the question of Puerto Rico in the agenda of the special committee. Cuba said it was making the request in accordance with the final communique of the Conference of Heads of State or Government of Non-Aligned Countries, held at Cario in October 1964. Cuba said it was being guided by the principles underlying its foreign policy and was also "giving a brotherly echo to the appeal on this subject made by the Partido Nacionalista, the Partido Independentista the Cruzada Patriotica Cristiana and the Movimiento Pro-Independencia of Puerto Rico." This request was circulated as a committee document but no action was taken. The United States protested the circulation of the request as irrelevant to the work of the committee.

In 1971, Cuba requested inclusion in the agenda of the 26th General Assembly of an item entitled "The Colonial Case of Puerto Rico." Its request was not approved and subsequent attempts by Cuba to include a similar item on subsequent Assembly agendas have also been unsuccessful.

Most recently in 1978, Cuba was successful in having the special committee adopt the following resolution:

THE SPECIAL COMMITTEE

Having heard and considered the statements of the petitioners, whose views reflect the major trends of political opinion in Puerto Rico.

Recalling its resolutions of 28 August 1972 and 30 August 1973, as well as its decision of 7 September 1976, concerning Puerto Rico.

Bearing in mind the decision on Puerto Rico adopted by the Conference of Foreign Ministers of the Co-ordinating Bureau of Non-Aligned Countries, held at Belgrade in 1978, and by the Fifth Conference of Heads of State or Government of Non-Aligned Countries, held at Colombo from 16 to 19 August 1976.

Conscious of the right of the people of Puerto Rico to modify the present status of Puerto Rico and aware that proposals for such modification have been made in the past by official organs of Puerto Rico.

Bearing in mind the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV) of 14 December 1960.

Conscious also that all peoples have an inalienable right to self-determination and independence, to the exercise of their national sovereignty, to respect for integrity of their national territory and to the exercise of complete control over their natural wealth and resources in the interest of their development and well-being.

Bearing in mind the fact that in their statements the petitioners have demonstrated that the major parties in Puerto Rico favour a change in the present status of Puerto Rico or modification of aspects thereof.

Recalling the statement on Puerto Rico made on behalf of the President of the United States of America by the Permanent Representative of the United States to the United Nations at the eighth session of the General Assembly on 27 November 1953.

Noting the public statements on Puerto Rico made by the President of the United States on 25 July 1978 and by the Permanent Representative of the United States to the United Nations on 28 August 1978.

1. Reaffirms the inalienable right of the people of Puerto Rico to self-determination and independence in accordance with General Assembly resolution 1514 (XV);

2. Reaffirms that by virtue of that right the people of Puerto Rico should freely determine their future political status and pursue their further economic, social and cultural development;

3. Affirms that self-determination by the people of Puerto Rico in a democratic process should be exercised through mechanisms, freely selected by the Puerto Rican people in complete and full sovereignty, in accordance with resolution 1514 (XV) which inter alia provides for the full transfer of all powers to the people of the Territory, and that all determinations concerning status should have the approval of the Puerto Rican people;

4. Considers that the persecutions, harassments and repressive measures to which the organizations and persons struggling for independence have been continuously subjected constitute violations of the national right of the Puerto Rican people to self-determination and independence;

5. Deems that, in the event the Puerto Rican people decide to form an independent republic, they have the right to recover the totality of their territory, including all lands now used by the authorities of the Government of the United States of America;

6. Deems also that any form of free association between Puerto Rico and the United States must be in terms of political equality

in order to comply fully with the provisions of the relevant resolutions and decisions of the General Assembly and of applicable international law, and must recognize the sovereignty of the people of Puerto Rico;

7. Urges the Government of the United States to release unconditionally the four Puerto Rican political personalities who have been incarcerated for more than 24 years;

8. Urges the Government of the United States to abide by the principles of resolution 1514 (XV) with respect to Puerto Rico;

9. Decides to keep under review the question of Puerto Rico and requests the Rapporteur, with the assistance of the Secretariat, to update information on this question in order to facilitate consideration of appropriate follow-up steps by the Special Committee in 1979.

Resolutions 1514 (XV) and 1541 (XV) state:

1514 (XV). Declaration on the granting of independence to colonial countries and peoples

The General Assembly,

Mindful of the determination proclaimed by the peoples of the world in the Charter of the United Nations to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small and to promote social progress and better standards of life in larger freedom,

Conscious of the need for the creation of conditions of stability and well-being and peaceful and friendly relations based on respect for the principles of equal rights and self-determination of all peoples, and of universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion,

Recognising the passionate yearning for freedom in all dependent peoples and the decisive role of such peoples in the attainment of their independence,

Aware of the increasing conflicts resulting from the denial of or impediments in the way of the freedom of such peoples, which constitute a serious threat to world peace,

Considering the important role of the United Nations in assisting the movement for independence in Trust and Non-Self-Governing Territories,

Recognising that the peoples of the world ardently desire the end of colonialism in all its manifestations,

Convinced that the continued existence of colonialism prevents the development of international economic cooperation, impedes the social, cultural and economic development of dependent peoples and militates against the United Nations ideal of universal peace,

Affirming that peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law,

Believing that the process of liberation is irresistible and irreversible and that, in order to avoid serious crises an end must be put to colonialism and all practices of segregation and discrimination associated therewith,

Welcoming the emergence in recent years of a large number of dependent territories into freedom and independence, and recognising the increasingly powerful trends towards freedom in such territories which have not yet attained independence,

Convinced that all peoples have an inalienable right to complete freedom, the exercise of their sovereignty and the integrity of their national territory,

Solemnly proclaims the necessity of bringing to a speedy and unconditional end colonialism in all its forms and manifestations;

And to this end

Declares that:

1. The subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the United Nations and is an impediment to the promotion of world peace and co-operation.

2. All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

3. Inadequacy of political, economic, social or educational preparedness should never serve as a pretext for delaying independence.

4. All armed action or repressive measures of all kinds directed against dependent peoples shall cease in order to enable them to exercise peacefully and freely their right to complete independence, and the integrity of their national territory shall be respected.

5. Immediate steps shall be taken, in Trust and Non-Self-Governing Territories or all other territories which have not yet attained independence, to transfer all powers to the peoples of those territories, without any conditions or reservations, in accordance with their freely expressed will and desire, without any distinction as to race, creed or colour, in order ot enable them to enjoy complete independence and freedom.

6. Any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations.

7. All States shall observe faithfully and strictly the provisions of the Charter of the United Nations, the Universal Declaration of Human Rights and the present Declaration on the basis of equality, noninterference in the internal affairs of all States, and respect for the sovereign rights of all peoples and their territorial integrity.

947th plenary meeting, 14 December 1960.

1541 (XV). Principles which should guide Members in determining whether or not an obligation exists to transmit the information called for under Article 73 e of the Charter.

The General Assembly,

Considering the objectives set forth in Chapter XI of the Charter of the United Nations,

Bearing in mind the list of factors annexed to General Assembly resolution 742 (VIII) of 27 November 1953,

Having examined the report of the Special Committee of Six on the Transmission of Information under Article 73 e of the Charter, appointed under General Assembly resolution 1467 (XIV) of 12 December 1959 to study the principles which should guide Members in determining whether or not an obligation exists to transmit the information called for in Article 73e of the Charter and to report on the results of its study to the Assembly at its fifteenth session.

1. Expresses its appreciation of the work of the Special Committee of Six on the Transmission of Information under Article 73e of the Charter;

2. Approves the principles set out in section V, part B, of the report of the Committee, as amended and as they appear in the annex to the present resolution;

3. Decides that these principles should be applied in the light of the facts and the circumstances of each case to determine whether or not an obligation exists to transmit information under Article 73e of the Charter.

948th plenary meeting, 15 December 1960.

ANNEX

Principles which should guide Members in determining whether or not an obligation exists to transmit the information called for in article 73e of the Charter of the United Nations.

Principle I

The authors of the Charter of the United Nations had in mind that Chapter XI should be applicable to territories which were then known to be of the colonial type. An obligation exists to transmit information under Article 73e of the Charter in respect of such territories whose people have not yet attained a full measure of self-government.

Principle II

Chapter XI of the Charter embodies the concept of Non-Self-Governing Territories in a dynamic state of evolution and progress towards a "full measure of self-government". As soon as a territory and its peoples attain a full measure of self-government, the obligation ceases. Until this comes about, the obligation to transmit information under Article 73e continues.

Principle III

The obligation to transmit information under Article 73e of the Charter constitutes an international obligation and should be carried out with due regard to the fulfillment of international law.

Principle IV

Prima facie there is an obligation to transmit information in respect of a territory which is geographically separate and is distinct ethnically and/or culturally from the country administering it.

Principle V

Once it has been established that such a prima facie case of geographical and ethnical or cultural distinctness of a territory exists, other elements may then be brought into consideration. These additional elements may be, inter alia, of an administrative, political, juridical, economic or historical nature. If they affect the relationship between the metropolitan State and the territory concerned in a manner which arbitrarily places the latter in a position or status of subordination, they support the presumption that there is an obligation to transmit information under Article 73e of the Charter.

Principle VI

A Non-Self-Governing Territory can be said to have reached a full measure of self-government by:

(a) Emergence as a sovereign independent State;

(b) Free association with an independent State; or

(c) Integration wtih an independent State.

Principle VII

(a) Free association should be the result of a free and voluntary choice by the peoples of the territory concerned expressed through informed and democratic processes. It should be one which respects the individuality and the cultural characteristics of the territory and its peoples, and retains for the peoples of the territory which is associated with an independent State the freedom to modify the status of that territory through the expression of their will by democratic means and through constitutional processes.

(b) The associated territory should have the right to determine its internal constitution without outside interference, in accordance with due constitutional processes and the freely expressed wishes of the people. This does not preclude consultations as appropriate or necessary under the terms of the free association agreed upon.

Principle VIII

Integration with an independent State should be on the basis of complete equality between the peoples of the erstwhile Non-Self-Governing Territory and those of the independent country with which it is integrated. The peoples of both territories should have equal status and rights of citizenships and equal guarantees of fundamental rights

and freedoms without any distinction or discrimination; both should have equal rights and opportunities for representation and effective participation at all levels in the executive, legislative and judicial organs of government.

Principle IX

Integration should have come about in the following circumstances:

(a) The integrating territory should have attained an advanced stage of self-government with free political institutions, so that its peoples would have the capacity to make a responsible choice through informed and democratic processes;

(b) The integration should be the result of the freely expressed wishes of the territory's peoples acting with full knowledge of the change in their status, their wishes having been expressed through informed and democratic processes, impartially conducted and based on universal adult suffrage. The United Nations could, when it deems it necessary, supervise these processes.

Principle X

The transmission of information in respect of Non-Self-Governing Territories under Article 73 e of the Charter is subject to such limitation as security and constitutional considerations may require. This means that the extent of the information may be limited in certain circumstances, but the limitation in Article 73 e cannot relieve a Member State of the obligations of Chapter XI. The "limitation" can relate only to the quantum of information of economic, social and educational nature to be transmitted.

Principle XI

The only constitutional considerations to which 73 e of the Charter refers are those arising from constitutional relations of the territory with the Administering Member. They refer to a situation in which the constitution of the territory gives it self-government in economic, social and educational matters through freely elected institutions. Nevertheless, the responsibility for transmitting information under Article 73 e continues, unless these constitutional relations preclude the Government or parliament of the Administering Member from receiving statistical and other information of a technical nature relating to economic, social and educational conditions in the territory.

Principle XII

Security considerations have not been invoked in the past. Only in very exceptional circumstances can information on economic, social and educational conditions have any security aspect. In other circumstances, therefore, there should be no necessity to limit the transmission of information on security grounds.

The point is that what the Cubans want is for the United States, in complete disregard for the wishes of the people of Puerto Rico, to unilaterally impose independence. Without the consent of the people, we should ignore the Constitution and their rights as U.S. citizens, deliberately violate the understanding and pledge of Public Law 600 and impose independence so the people can decide their future. In short we must decide their future so they can decide their future. This is insanity. In 1976, in the general elections, 45.3 percent of the people in Puerto Rico voted for the "Commonwealth" party, while 48.3 percent voted for the "Statehood" party, and 6.4 percent voted for the "Independence" parties.

We should impose the desires of 6.4 percent on the other 93.6 percent to satisfy Cuba? This is Alice in Wonderland, Mr. President. This resolution, in even acknowledging Cuba does a disservice to the 94 percent of the people of Puerto Rico who support permanent ties to the United States in one form or another.

The second point is that I think we should clearly understand the purpose of the amendment adopted by the committee. The committee report is very clear and I ask unanimous consent that the "Background and Need" and the "Committee Amendment" sections be printed in the RECORD at the conclusion of my remarks. There should be no misunderstanding over what this resolution does and does not do. The choice of a future status and the decision to request any change or modification in status rests with the people of Puerto Rico. Congress will not unilaterally impose any status on the people of Puerto Rico without their consent and approval. However, although the people of Puerto Rico may request a change in status, and indeed they must make such a request before Congress will act, only Congress can give effect to that request.

BACKGROUND AND NEED

The principle of self-determination has been an integral and inviolable element of U.S. policy since the Declaration of Independence. The first measure adopted for the western lands to be ceded by the original States to the United States was a resolution adopted in 1780 by the Congress that such lands should "be settled and formed into distinct republican States, which shall then become members of the Federal Union and have the same rights of sovereignty, freedom, and independence, as the other States." The principle was explicitly stated and incorporated in the Northwest Ordinance of 1787 which set forth its provisions "as articles of compact, between the original States and the people and States in the said territory, and forever remain unalterable, unless by common consent." In recognition of the fact that portions of the Northwest Territory were inhabited almost exclusively by people of French descent, Congress specifically provided that French and Canadian inhabitants who had professed allegiance to Virginia which had ceded the area in 1781—could be governed by their own laws and customs relative to the conveyance and descent of property and thus be exempt from the provisions of the ordinance regarding inheritance.

Recognition of the principle of self-determination and self-government has led to the creation of 37 new States, independence for the Phillipines, and self-governing Commonwealth for both Puerto Rico and the Northern Mariana Islands—upon termination of the trusteeship over the Trust Territory of the Pacific Islands—as well as authorizations for the people of the Virgin Islands and Guam to develop and adopt constitutions of their own design—the Virgin Islands has rejected its proposed constitution in referendum while Guam has not yet voted on its constitution. The Congress has also, at the specific request of the people of American Samoa, refrained from enacting an organic act nor conferred U.S. citizenship to avoid any abridgement of the traditional rights and customs guaranteed under the treaties of cession.

Puerto Rico was discovered by Columbus on his second voyage in 1493 and was administered by Spain from that time until it was ceded to the United States in 1898 following the conclusion of the Spanish-American War. Puerto Rico as an unincorporated territory was organized first under the Foraker Act of 1900 and then under the Jones Act of 1917 which also extended U.S. citizenship to the residents of Puerto Rico. Through a variety of measures Puerto Rico was accorded and ever increasing measure of self-government, including popular election of the Governor, until 1950 when full local autonomy was provided by Public Law 81-600.

Public Law 600 provided, in language similar to that of the Northwest Ordinance, that "fully recognizing the principle of government by consent, this act is now adopted in the nature of a compact so that the people of Puerto Rico may organize a government pursuant to a constitution of their own adoption." The constitution was drafted and approved by the people of Puerto Rico and then approved by the Congress by Public Law 82-447 with modifications which were subsequently ratified by Puerto Rico. The Senate report on the joint resolution approving the constitution stated:

> Approval of this constitution will make the historic American concept of "government by consent of the governed" a reality for the 2¼ million American citizens in the American territory of Puerto Rico. This concept is set forth in our Declaration of Independence and has been realized through our State constitutions within the Federal system.
>
> The Commonwealth of Puerto Rico is not a State of the United States. Neither is it an independent republic. It is a self-governing community bound by the common loyalty and obligations of American citizens living under the American flag and the American Constitution and enjoying a republican form of government of their own choosing.
>
> In accordance with their express wishes the people of Puerto Rico are establishing self-government in the security and dignity of continued union with the United States on the basis of relationships which have developed through many years (S. Rept. 82-1720).

Following the approval of the compact and the constitution by both the Congress of the United States and the people of Puerto Rico, the Commonwealth constitution was promulgated on July 25, 1952, and the Commonwealth of Puerto Rico came into being.

Article 73(e) of the Charter of the United Nations provides that:

ARTICLE 73

> Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories, and, to this end:

> a. to ensure, with due respect for the culture of the peoples concerned, their political, economic, social, and educational advancement, their just treatment, and their protection against abuses;
>
> b. to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement;
>
> c. to further international peace and security;
>
> d. to promote constructive measures of development, to encourage research, and to cooperate with one another and, when and where appropriate, with specialized international bodies with a view to the practical achievement of the social, economic, and scientific purposes set forth in this Article; and
>
> e. to transmit regularly to the Secretary General for information purposes, subject to such limitation as security and constitutional considerations may require, statistical and other information of a technical nature relating to economic, social, and educational conditions in the territories for which they are respectively responsible other than those territories to which Chapters XII and XIII apply.

Pursuant to Article 73(e) of the Charter of the United Nations, the United States transmitted information on Puerto Rico—as well as Alaska, Hawaii, the Virgin Islands, Guam, and American Samoa—as a nonself-governing entity to the Secretary-General of the United Nations from 1946 to 1952.

Upon the establishment of the Commonwealth of Puerto Rico the United States, in response to a suggestion from the Governor of Puerto Rico, concluded it would no longer be appropriate to continue to submit information on Puerto Rico as if it were nonself-governing. The Governor's letter, dated January 17, 1953, stated that Puerto Rico was a Commonwealth in free and voluntary association with the United States and its people had attained a full measure of self-government. He asked that the United States take the necessary steps to notify the U.N. of the status of Puerto Rico, that it was no longer a nonself-governing area and that reports concerning it were no longer appropriate under article 73(e) of the Charter.

The United States informed the UN of its cessation of the transmission of information and submitted appropriate documentation to the Secretary-General for the information of United Nations members. These communications dated January 19 and March 20, 1953, were considered first by the General Assembly's Committee on Information from Non-Self-Governing Territories which approved a resolution noting that the people of Puerto Rico had achieved a new constitutional status after expressing their will in a free and democratic way and noted that the information indicated that Puerto Rico was outside the scope of article 73(e) of the Charter. The 8th General Assembly, on November 27, 1953, adopted resolution 748 (VIII) which noted the conclusions of the Committee on Information from Non-Self-Governing Territories, recognized that the people of Puerto Rico had achieved a new constitutional status, that in choosing this status the people of Puerto Rico had effectively exercised their right to self-determination, considered that the declaration regarding Non-Self-Governing Territories and the provisions established under it in chapter XI of the Charter no longer applied to Puerto Rico and considered it appropriate that transmission of information on Puerto Rico should cease.

On the same day, Ambassador Henry Cabot Lodge, Jr., stated:

> I am authorized to say on behalf of the President that if at any time the Legislative Assembly of Puerto Rico adopts a resolution in favor of more complete or even absolute independence, he will immediately thereafter recommend to Congress that such independence be granted.

Successive administrations have affirmed the commitment of the executive branch to support before the Congress any change of status chosen by the people of Puerto Rico.

The committee wishes to make clear that this resolution means precisely what it says—that the Congress respects the right of the people of Puerto Rico to determine their own political future within the free, open, and democratic processes provided by the Constitution of the United States. This resolution is not intended nor should it be construed to favor one particular status—Commonwealth, statehood, or independence—over another, nor to foreclose the constitutional processes by which the Congress gives effect to any decision by the people of Puerto Rico.

As the United States-Puerto Rico Commission on the Status of Puerto Rico concluded in its 1966 report:

CONCLUSIONS

> Before presenting its conclusions and recommendations, the Commission wishes to record its satisfaction that the bonds which unite Puerto Rico and the United States have been reaffirmed in the course of the Commission's work.
>
> Both Puerto Rico and the United States share a common commitment to individual freedom, to fundamental human rights, and to the traditions of democratic, representative government. Both are vitally interested in the economic growth and in the political development of the Caribbean area, within which Puerto Rico has provided a worthy example of progress and stability. Finally, both Puerto Rico and the United States have pledged their resources and their efforts to the success of the Alliance for Progress in its historic mission for hemispheric development.
>
> These mutual interests of Puerto Rico and the United States are the product of a history of increased understanding out of which has grown a creative association. The foundation for both the mutual interests as well as the creative association has been the common U.S. citizenship. In 1952, 77 percent of the people of Puerto Rico voted for their two principal political parties that advocated, although in different forms, a permanent union between Puerto Rico and the United States based upon common U.S. citizenship; and this percentage has since increased steadily with each election, reaching 94 percent in 1964.
>
> Throughout its deliberations the Commission has been particularly aware of the intimacy of the relationship between the United States and Puerto Rico and of the obligation which the association imposes for the consideration of the wishes of the people of Puerto Rico. In full appreciation of the importance of the maintenance of a mutually satisfactory relationship between Puerto Rico and the mainland, the Commission presents the following conclusions from its study of the factors bearing on the present and future relationship between the United States and Puerto Rico.
>
> The Commission's major conclusion is that all three forms of political status—the Commonwealth, Statehood, and Independence—are valid and confer upon the people of Puerto Rico equal dignity with equality of status and of national citizenship. Any choice among them is to be made by the people of Puerto Rico, and the economic, social, cultural, and security arrangements which would need to be made under each of the three status alternatives will require the mutual agreement and full cooperation of the Government of the United States. A first step toward any change in political status must be taken by the Puerto Rican people acting through constitutional processes.
>
> From the examination of the legal and constitutional factors affecting the status question, the Commission concludes:
>
> 1. The policy governing the relationship between the United States and Puerto Rico is and should continue to be based on the principles of mutual consent and self-determination.
>
> 2. In accordance with this policy and these principles, it is essential to any change in political status that Congress fully understand the wishes of the people of Puerto Rico in order that it can be properly guided in working with the people of Puerto Rico to carry out their wishes.
>
> 3. The right of the U.S. citizens of Puerto Rico to participate effectively in decisions affecting their present and future welfare is protected by the Constitution of the United States and the Constitution of Puerto Rico.
>
> 4. All three status alternatives—the Commonwealth, Statehood, and Independence—are within the power of the people of Puerto Rico and the Congress to establish under the Constitution.
>
> 5. As a form of political status, each alternative confers equal dignity and equality of status.
>
> From the examination of the sociocultural factors affecting the status question, the Commission concludes:
>
> 6. Each of the three status positions contains an ideological dimension: Each involves a concept of the identity of the people of Puerto Rico, an interpretation of history, a way of life, and an aspiration for the future.
>
> 7. Each of the status alternatives is committed to the growth of Puerto Rico's culture and the preservation of the Spanish language. Each alternative would require a different form of adjustment to fulfill its commitment.
>
> 8. Insofar as the questions of ideology and of culture and language are involved in arriving at a consensus regarding their future political status, it is the people of Puerto Rico themselves who must resolve these questions.

Although the committee is aware that the present Governor of Puerto Rico, Carlos Romero Barcelo has advocated statehood as a preferred status for Puerto Rico and the former Governor Rafael Hernandez Colon has advocated a "New Thesis" proposing alterations in the present Commonwealth arrangement, no alteration nor change has been approved by the people of Puerto Rico nor requested by the people of Puerto Rico of the United States Congress. The necessary and indispensable first step in any such proposal is the expression of the desire of the people of Puerto Rico. The details and terms of any such proposal will then be before the Congress

for consideration pursuant to article IV, section 3 of the Constitution.

COMMITTEE AMENDMENTS

The committee adopted an amendment by Senator BUMPERS to delete the phrase "and to change their relationship with the United States," in order to prevent any possible misinterpretation of the intent of the resolution. Puerto Rico, like the States of the Union, and the Federal Government is bound by the requirements and provisions of the Constitution of the United States. Under article IV of the Constitution, the Congress must necessarily be involved in any change or alteration in the status of Puerto Rico and its relationship to the United States, but the initial decision for any such change or alteration properly resides in the people of Puerto Rico.

The relationship of the Federal Government to the several States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, upon termination of the Trusteeship, and the territories of Guam, American Samoa, and the Virgin Islands is governed and controlled by the U.S. Constitution which binds us together, guarantees our freedom, protects our rights, and provides the free, open, peaceful, and democratic process for the growth of the Union. The right to choose their political future resides in the people of Puerto Rico. The fact that the Constitution requires the Congress to enact legislation to give effect to that choice does not in any manner diminish nor denigrate the basic right of self-determination. The choice of status is up to the people of Puerto Rico and we in the Congress have a responsibility and obligation to insure that the choice is an informed choice and then to respect that choice in the exercise of our Constitutional responsibilities to work sympathetically with the people of Puerto Rico in framing and drafting the specific language and provisions to give effect to their choice. Those deliberations may be very brief or they may be lengthy, I do not know. I am certain, however, that this Congress, and any subsequent Congress, will execute our responsibilities with the full involvement of the people of Puerto Rico and respect for the expressed desires of our fellow U.S. citizens there.

I would say to the Senator from New York that I think he has spelled out very clearly that this country continues to be committed to the principle of self-determination, a principle which I support; but I think the terms of this particular resolution are now sufficiently clear that I would not have any opposition to it, and I thank the distinguished Senator from New York for making so clear and concise what the meaning of the resolution is.

Mr. MOYNIHAN. Mr. President, I think the Senate is indebted to the Senator from Louisiana for his scholarship and learnings on this matter, and the care with which he has stated the position we now have reached.

Mr. President, I see the distinguished Senator from Kansas has risen. I believe he wishes to address himself to this subject, on which he has previously established a reputation for fair-mindedness and sagacity.

Mr. DOLE. And brevity. I thank my distinguished colleague for New York for yielding.

On Wednesday, July 25, I did discuss the general issue with reference to the 27th anniversary of the Commonwealth of Puerto Rico. At that time I had the same reservations expressed by the distinguished Senator from Louisiana about some of the wording in the concurrent resolution. I declined at that time to cosponsor the concurrent resolution; but, having listened very carefully to the colloquy between the distinguished Senator from New York and the distinguished Senator from Louisiana, the reservation I had has now, I think, been satisfied, and I ask that my name be added as a cosponsor of the resolution.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the name of the Senator from Kansas be added as an original cosponsor of the concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I am proud to be an original cosponsor of the resolution, as amended and as clarified, which reaffirms the commitment of Congress to the right of the people of Puerto Rico to determine their own political future.

Mr. President, the consideration of this significant sense of the Congress comes 8 days after the 27th anniversary of the Commonwealth of Puerto Rico.

JULY 25, 1952, A GREAT DAY FOR PUERTO RICO

On July 25, 1952, the people of Puerto Rico adopted a commonwealth status and established a new relationship with the U.S. Congress, an imaginative experiment in democratic self-government; an experiment which over time has proven that a people committed to preserving their own particular cultural roots can yet maintain their relationship with a political entity differing in geographic scale, history, and power. In commemorating this event we pay tribute to the contributions and important roles that citizens of Puerto Rico have played in America's progress.

A PROGRESSIVE PUERTO RICO

The fruition of what may be called modern Puerto Rico has emerged over the last 40 years, as Puerto Ricans have made energetic progress in their efforts at improving health, education and job opportunities for all their citizens. Political ideals, as varied as they may be, have joined, through history, a rich heritage, America's contributions, and Puerto Rico's own unique characteristics to achieve a well-established and successful means for enacting change and yet maintaining continuity through democratic processes. We have a common commitment, as Americans, to individual freedom and the democratic tradition of representative government. Our common concern for economic growth and political development binds us in a unique relationship with our fellow Americans from Puerto Rico.

U.S. COMMITMENT TO THE PRINCIPLE OF SELF-DETERMINATION FOR THE PEOPLE OF PUERTO RICO

The nature of a commonwealth status carries with it the inherent obligation to examine, and if necessary, re-interpret the political aspects of that relationship.

The relationship between Puerto Rico and the United States is long overdue for a thorough evaluation and revision. The question of political status in Puerto Rico has sometimes been a source of confusion, yet we remain committed to the fundamental principle of self-determination for the people of Puerto Rico, whatever decision the people may make.

I commend the distinguished Senator from New York and particularly the distinguished Senator from Louisiana, because we were in an area we did not have time to explore, and having made some calls to Puerto Rico with reference to the concurrent resolution, I found that some of the same questions raised by the leaders in Puerto Rico were raised by the Senator from Louisiana.

Mr. President, I urge my colleagues to support passage of this important resolution.

Mr. MOYNIHAN. Mr. President, I appreciate the statement of the Senator from Kansas, who, with the minority leader, has stood for firm bipartisan support of the position we enunciate today. It is a matter of which both parties can be proud.

Mr. President, I do not believe there are other Senators who wish to speak. That being the case, I move the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the concurrent resolution, as amended.

The concurrent resolution, as amended, was agreed to.

The preamble was agreed to.

UNANIMOUS-CONSENT AGREEMENT—S. 566

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the following time agreement cover the consideration of Calendar Order No. 290, S. 566, the countercyclical bill:

I ask unanimous consent that there be 2 hours on the bill, to be equally divided between Mr. MOYNIHAN and Mr. DANFORTH; that there be a time limitation on any amendment of 30 minutes, except that there be a time limitation on each of three amendments by Mr. BELLMON of 1 hour; that there be a time limitation on any debatable motion, appeal, or point of order, if such is submitted to the Senate, of 20 minutes; and that the agreement be in the usual form, with a further proviso, as I understand it, that Mr. BELLMON would like to order the yeas and nays on each of his amendments and on passage; therefore, I ask unanimous consent that it be in order to order the yeas and nays on each of

three amendments by Mr. BELLMON and on final passage at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection it is so ordered.

The text of the agreement follows:

Ordered, That on Friday, August 3, 1979, when the Senate proceeds to the consideration of S. 566 (Order No. 290), a bill to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an anti-recession fiscal assistance program, and for other purposes, debate on any amendment shall be limited to 30 minutes (except on three amendments to be offered by the Senator from Oklahoma (Mr. Bellmon), on each of which there shall be 1 hour), to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: Provided further, That no amendment is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from New York (Mr. Moynihan) and the Senator from Missouri (Mr. Danforth): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, it having been ordered that it is in order to order the yeas and nays on each of the three amendments by Mr. BELLMON and on final passage, I ask unanimous consent that that be done with one show of seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the resolution, as amended, was agreed to.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that a companion House measure, House Concurrent Resolution 165 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

AN UNFORTUNATE COMPARISON

Mr. MOYNIHAN. Mr. President, President Carter's likening of the "Palestinian cause" to "the civil rights movement here in the United States" has properly evoked utter disbelief. What explains it? It is simply wrong on the facts, but more, seems to demonstrate a lack of sensitivity to the domestic or international implications of such an unseemly comparison.

I can do no more than join the New York Urban League, which has pointed out that our civil rights movement is "first and foremost based upon a solidly nonviolent and nonterrorist approach." Indeed, there can be no other reaction from those who seek to carry on the work of Dr. Martin Luther King. In my mind, any comparison—no matter how oblique—between Dr. Martin Luther King and Yasir Arafat affronts our own history.

I associate myself completely with the statements issued by Bertram Gold of the American Jewish Committee, Richard Cohen of the American Jewish Congress, Nathan Perlmutter and Arnold Forster of the Anti-Defamation League, and Rabbi Alexander Schindler of the Union of American-Hebrew Congregations.

Even more, I share the dismay of those who regard the President's remarks as giving encouragement to those who would add legitimacy and respectability to the grotesquely misnamed "Palestine Liberation Organization." This is an ill-advised intrusion into the Mideast peacemaking process, serving only to harden the attitude of the most intransigent elements in the Arab world, the same elements who have violently rejected the Camp David accords the President himself helped to achieve.

I have urged the President to apologise for his remarks. I urge him, even more, to use the opportunities created by the latest round of Mideast negotiations to further America's interests not only in a secure Israel but in the reaffirmation of democratic processes for political change.

VISIT TO THE SENATE BY CONSERVATIVE PARTY MEMBERS FROM GREAT BRITAIN

Mr. JAVITS. Mr. President, I have great pleasure and honor in introducing to the Senate three Conservative Party members from Great Britain who have been elected to and taken office as members of the European Parliament, the newest in the world: James Moorhouse, Peter Beasley, and Robert Battersby, whom I have invited into the Chamber to observe our activities.

LOW-INCOME ENERGY ASSISTANCE

Mr. JAVITS. Mr. President, I am submitting the low-income energy assistance report, a profile of need and policy options for the poor and near poor who will be suffering seriously from a high fuel oil crisis, prepared by the Fuel Oil Marketing Advisory Committee of the U.S. Department of Energy.

This question is the subject of S. 1270 which I introduced together with the Senator from Washington (Mr. JACKSON) as the principal cosponsor, to which are being added today the following other cosponsors: Senators TSONGAS, MOYNIHAN, and RIBICOFF.

Mr. President, yesterday the Department of Energy's Fuel Oil Marketing Advisory Committee submitted to DOE its recommendations for a program of permanent fuel cost assistance for low income Americans. Months of painstaking research, public hearings and careful thought have gone into the preparation of this balanced program.

The recommendations include: a system under which even the poorest families pay some part of their income for heat; a consolidated energy program which insures that every eligible family will be offered effective help in conserving home energy supplies; a direct payment system which permits adequate cash flow for energy suppliers; an outreach and service system that will encompass the elderly and others sometimes neglected by existing assistance programs; and a fair level of assistance which could begin to relieve the disproportionate burdens of high energy costs which are forcing some families to make impossible choices between paying utility bills and buying groceries.

Mr. President, the program the distinguished chairman of the Energy Committee Senator HENRY JACKSON and I have proposed in S. 1270, the Basic Fuel Assistance Act of 1979, contains most of the features the FOMAC recommends for an energy program. So far, the President has not offered us details of his more modest $2.4 billion program, but his staff has given us reason to believe many of the necessary elements of a program package will be overlooked. I cannot state too strongly how crucial it is for the Congress to enact a workable, equitable program at realistic funding levels in the very near future.

Mr. President, I ask unanimous consent that the report, although somewhat lengthy it is of such great importance in respect to our energy policy and program, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LOW-INCOME ENERGY ASSISTANCE: A PROFILE OF NEED AND POLICY OPTIONS

Memorandum for David J. Bardin, Administrator, Economic Regulatroy Administration, Department of Energy.

From Anthony J. Maggiore, Jr., Chairman, Subcommittee on Energy Assistance Program, Fuel Oil Marketing Advisory Committee, Department of Energy.

Subject Low-Income Energy Assistance.

Attached for your review is the final report of the Fuel Oil Marketing Advisory Committee titled "Low-Income Energy Assistance: A Profile of Need and Policy Options". The Committee held a Public Comment Forum on April 10, 1979 in Washington, D.C. Comments and testimonies received from members of Congress and the Senate, state legislators, city and county representatives as well as the general public were incorporated, to the extent possible, in the final report.

The Committee aggrees with the President's concern regarding the increasing inability of low-income people and the elderly our our country to pay for their fuel and energy bills. Our concern grows with each passing day. Since the original "working draft" on the subject was developed, energy prices have risen significantly placing additional financial hardships on low-income individuals, families and the elderly. Household energy costs are now approaching

26 percent of annual income for low-income persons.

If a major low-income Energy Assistance program is not established by next winter (1979–1980), the health and safety of thousands of low-income people and the elderly will be jeopardized.

We are hopeful you can assist our Committee in establishing a program, as envisioned in the attached document, or a similar one—as soon as possible. Methods of financing such a program include utilization of the increased tax revenues which result from decontrol or general revenue funds. The President has asked the Congress to enact a program of low-income energy assistance to be funded from the Energy Security Trust Fund.

Your review and support of the attached proposal will be greatly appreciated. The Committee would like to acknowledge the effective working relationship that exists with your staff. We look forward to working together on this and other issues.

Attachment.

EXECUTIVE SUMMARY

This document represents the efforts of the Fuel Oil Marketing Advisory Committee (FOMAC) of the Department of Energy (DOE) to develop and recommend a program designed to alleviate the problems of low income and elderly persons in obtaining and purchasing essential home energy supplies.

During the past heating season, this Committee, composed of consumers, refiners, wholesalers, retailers, and state government representatives, became increasingly aware of the problems confronting low income and elderly persons in obtaining necessary household energy. A Subcommittee was appointed by the Chairman of the FOMAC to develop a needs assessment and a program design tailored to meet identified needs. The full Committee reviewed the work of the subcommittee and agreed that the draft should be presented for public comment.

A public forum was held on April 10, 1979, at which United States Senators and Congressmen, national and state governmental officials, public utilities, trade associations, Community Action Agencies, and consumer groups provided comments. The Committee reviewed the transcripts of the public forum as well as other written communication to the Committee at their meeting on April 23, 1979 and incorporated such relevant testimony into this final document. (See Appendix E for list of persons commenting on the working draft document.)

This document is presented to DOE for consideration, with the recommendation that as soon as possible they seek legislation to implement the proposed program.

NEEDS

The assessment of need among low-income families for energy assistance addressed three broad topics:

1. The existence of a government mandate for a program to redress the harm caused the poor by energy cost increases.

2. The impact, in dollar terms, of the rising cost of home energy since 1972 on low-income families.

3. The specific economic factors in the marketplace that make energy cost burdens particularly onerous for the poor.

Overall, the Needs Assessment document finds that:

1. There is a specific federal mandate for an energy policy that protects the poor from "disproportionately large effects on their income" resulting from increased energy prices.

2. In 1978 alone, rising energy costs in the U.S. caused low-income households to suffer a loss in purchasing power of more than 4 billion dollars, over and above that which they would have suffered if energy costs had risen at the rate of inflation.

3. The average total income of the poor household has decreased in real terms since 1972, making the acquisition of adequate energy for this group more difficult.

4. In December, 1978, the average low-income household spent approximately 18.4 percent of its annual income on household energy, excluding gasoline costs.

5. Poor in certain regions of the country bear a particularly harsh, and disproportionate, burden in paying for energy use.

6. Structural factors in the energy pricing and delivery system work against the low-income user.

7. The quality of the poor's housing stock further penalizes them in their efforts to cut energy costs.

8. Reduction in costs through conservation is extremely difficult in poor households, who are often already using energy at lower levels than might be considered safe or healthy.

9. The ability to offset increased energy costs through product substitution in the marketplace is lower for energy than for any other necessity good utilized by poor households.

Program Design

The Committee believes that action must be taken to alleviate the burden placed upon the poor caused by the above combination of factors through the implementation of an energy assistance program.

The general population for which the program should provide assistance would be those households whose total annual income is less than 125 percent of the federal poverty level and who are spending more than 10 percent of their annual household income on energy. In addition, the Committee felt that for households headed by elderly persons (60 and above) the annual income level for eligibility should be 150 percent of poverty.

Utilizing such income criteria, the Committee determined that 16.2 million households would be eligible for the program, with over 7 million of such eligible households being headed by an elderly person.

The Committee's initial cost estimate for a program of this size, including 10 percent of total budget for administrative costs, is approximately $3.2 billion, assuming a 75 percent participation level of eligible households.

The Committee sought to incorporate the following five criteria in its design of a program to provide assistance:

Equity: Benefits should vary directly with need. Both horizontal and vertical equity should be addressed.

Conservation: The provision of benefits should discourage excessive use of energy.

Efficiency of Administration: Administrative costs should be held to a minimum while adequately serving the recipients of assistance.

Assistance should be provided prior to the onset of a crisis and before household energy expenditures have imposed severe financial burdens and health risks.

The program should be flexible enough to adapt to market changes.

After examination of many different program designs, the Committee determined that an income-indexing program design would be the best choice in terms of implementing the Committee's eligibility and program design criteria. Such a design would relate assistance for needed energy in a manner that responded both to energy prices and household income. It is also the most efficient in terms of meeting the five criteria noted above.

In this design, assistance would be determined on the basis of a household's needed energy times the cost of such energy less a percentage of annual household income representing the annual energy cost for which the household would be responsible. The low income population would be responsible for payment of a percentage of fuel costs. Assistance would be provided only for energy costs which exceed a certain percentage of household income.

The following details of the program were agreed up:

Provision of assistance to low-income people should be implemented through a vendor line of credit established with the recipient's energy suppliers.

There should be a special portion of the program designed to meet the needs of renters who do not pay their own energy bills, and who are thus unable to take direct advantage of line of credit assistance.

Conservation incentives should be built into the program through the financial assistance formula, as well as through integration of energy audits, weatherization, and consumer education programs in the overall program design.

Three agencies were considered by the Committee for administration of the program; each was thought to possess different strengths and weaknesses. The agencies cited were the Department of Housing and Urban Development; the Social Security Administration of HEW; and the Community Services Administration.

The Committee considered several different options for program funding. These were:

Utilization of a portion of the oil import tariff.

Utilization of a portion of a crude oil equalization tax.

Utilization of the refiner rebates to the DOE resulting from prosecution of refiner overcharges.

Funding from general revenues.

Utilization of a value added "BTU tax" on all energy.

Utilization of a portion of the Federal gasoline tax.

Utilization of the increased tax revenues which result from decontrol.

After careful consideration, the Committee rejected the first three options as being inequitable, legally and politically unsound, and incapable of generating the broad base of support necessary to ensure the program's success. The Committee felt that the fourth option—general revenue funds—was the most equitable but also favored full exploration and development of the latter three options. The Committee also recommended that other funding sources be explored and considered.

The Committee believes that the need for a program of this nature is immediate and urgent. As a result of the recent dramatic increases in the price of household energy, unless a major low-income energy assistance program is established by next winter (1979–80), the health and safety of thousands of low-income people and the elderly will be jeopardized. Thus, the Committee recommends to the Department of Energy that they seek legislation to implement this or a similar program as soon as possible.

II. NEEDS ASSESSMENT

A. Introduction: The cost of home energy use

Relative price stability in energy existed in the United States until the early 1970's. Historically, Americans have paid little by world

standards for their energy, and supplies have been assumed to be inexhaustible. However, beginning in 1972–73, abrupt changes in international and national economic and governmental policies caused energy prices to increase explosively, with crude oil prices more than quadrupling by 1978.

Figure 1 traces the movement of fuel prices from 1972 to 1978. A period of relative price stability extended through 1972. In 1973, this pattern altered abruptly; the overall Consumer Price Index (CPI), measuring the price of all goods and services in the economy increased 55.9 percent between 1972 and 1978, while fuel oil/coal prices increased 151.7 percent in the same period.[1] And because the cost of energy is itself a large factor in the CPI, the differential between energy price movements and price increases in non-energy goods and services is, in fact, even more dramatic than this comparison suggests.

Footnotes at end of article.

Low income households have been hit hard by this increase in energy costs—far, far harder than they would have been had energy cost increases simply matched the rate of inflation. Further, the increase in energy cost has taken, proportionately, a much larger bite out of the low-income family's budget than it has out of the budget of middle-income families.

In 1978, the national average of total direct household expenditures for energy (including transportation and gasoline), by low income households exceeded one quarter of their average income (25.3%). In this same year, median income families were spending an estimated one tenth (10.4%) of their income for their total energy costs. (See Table I)

While the average household spent approximately 4.7% of its annual income on energy for household purposes in 1978 (fuel and utilities, excluding transportation and gasoline), the average low income household spent over 18.4% of its income on household fuel and utilities. (See Table II).

Estimates further indicate that with additional price increases of 25 percent in the near future (possibly prior to 1980)—a not unthinkable occurrence—the percentage of a median income household budget spent on home energy will rise to 6% for median income households and to almost 23% for poverty households. (See Table II).

Indeed recent data indicates that price increases may have already placed average home energy costs for the poor at 23 percent of their budgets for 1979. While the CPI for fuels and utilities has increased only 216.0 to 232.2 (an increase of over 16 points), much larger increases have occurred in those fuels by which homes are customarily heated. From January 1, 1979 through April 30, 1979 the CPI for fuel oil and piped gas rose dramatically. The fuel oil index jumped over 75 points (from 206.9 to 275.3); the piped gas index rose over 35 points (from 268.1 to 296.8);

TABLE I.—ESTIMATED NATIONAL AVERAGE OF HOUSEHOLD EXPENDITURES FOR TOTAL ENERGY COSTS, 1978[1]

	Annual costs (in dollars)		Cost as percentage of income	
	Low income household median income ($3,283)[2]	Typical median income household ($16,000)[3]	Low income household	Typical income household
1978 average energy expenditure	832	1,678	25.3	10.4
10-percent increase in energy expenditure	915	1,846	27.8	11.5
25-percent increase in energy expenditure	1,040	2,097	31.6	13.0
50-percent increase in energy expenditure	1,248	2,517	38.0	15.7

[1] Estimates for all direct household expenditures including gasoline costs. It should be noted that these figures represent national averages and do not reflect regional differences. Estimates in this table are based on the Energy Information Agency CHRDS data base.

[2] Bureau of the Census Current Population Reports, "Consumer Income" series P-60, No. 115, issued July 1978.

[3] Bureau of the Census, Current Population Report, series P-60, No. 116, issued July 1978.

TABLE II.—ESTIMATED NATIONAL AVERAGE OF HOUSEHOLD EXPENDITURES FOR HOUSEHOLD ENERGY COSTS, 1978[1]

	Annual costs (in dollars)		Cost as percentage of income	
	Low income household median income ($3,283)[2]	Typical median income household ($16,000)[3]	Low income household	Typical income household
1978 average energy expenditure	604	768	18.4	4.7
10-percent increase in energy expenditure	668	845	20.0	5.3
25-percent increase in energy expenditure	755	960	22.9	6.0
50-percent increase in energy expenditure	906	1,152	27.5	7.2

[1] Estimates include only household expenditures; gasoline expenditures are not included. It should be noted that these figures represent national averages and do not reflect regional differences. Estimates in this table are based on projections based on unpublished data received from the Bureau of Labor Statistics. Similar projections based on data from the Urban Institute's Survey of Households (1976), the Energy Information Agency CHRDS series and data contained in the Consumer Expenditure Survey (1972–73) produced similar results, with the range of difference being plus or minus $30.

[2] Bureau of Census Current Population Reports, "Consumer Income" series P-60, No. 115, issued July, 1978.

[3] Bureau of Census, Current Population Report, series P. 60, No. 116, issued July, 1978.

CONSUMER PRICE INDEX

	Year end/ 1978 average	May 31, 1979	CPI increase	Percent increase
Fuel and utilities	216.0	232.2	16.2	6.9
Fuel oil	296.9	375.3	78.4	26.4
Piped gas	263.1	296.8	35.5	13.5

Clearly, the continually increasing prices in 1979 will impose even burdens on the incomes and thus, lives of the elderly and poor.

It should be once again stressed that the above data reflects the national average cost. A wide range of cost differences exist as heating requirements, type of fuel utilized, and cost of energy vary from region to region. In New England, for example, 1978 expenditures for household energy exceeded 23% of mean poverty income and total energy costs exceed 30% of income. Because of a high utilization of fuel oil, costs in this region have increased sharply since that time. (See Table III.)

Data from a Community Services Administration Crisis Intervention Program in a large Midwestern city show that poverty level clients of this Program were using over ½ (20.5%) of their income on gas heating bills and oil users were spending 31.5% of their income on heating bills during the winter months (October 1978 through March 1979).

TABLE III.—ESTIMATED NEW ENGLAND LOW-INCOME HOUSEHOLD EXPENDITURES FOR TOTAL ENERGY AND HOUSEHOLD ENERGY COSTS, 1978[1]

	Annual costs low-income household[2] (median income $3,283)		Cost as percentage of income	
	Household energy	Total energy	Household energy	Total energy
1978 average energy expenditure	$784	$1,008	23.6	30.7
10-percent increase in energy expenditure (exceeded May 1979)	862	1,109	25.9	33.8
25-percent increase in energy expenditure	980	1,260	29.5	38.4
50-percent increase in energy expenditure	1,176	1,612	35.8	49.1

[1] Household energy figures do not include transportation gasoline expenditures; total energy costs include transportation gasoline expenditure.

Estimates in this table are based on the Energy Information Agency CHRDS data base. See also January 1979 "Analyzing Impacts of Energy Costs of Residents of New England" prepared for the New England Regional Energy Project and Griers "High Fuel Oil Prices: the Impact on Low Income Households" (August 1978).

[2] Bureau of the Census current population reports, "Consumer Income" Series P-60, No. 115 issued July 1978.

Total fuel and utility bills for gas users represented 25.7 percent of their income; for oil users total fuel and utility bills represented 45.7 percent of monthly income. These low income families spent 81.9 percent of their monthly income on total shelter (heating, utilities and housing) if they used gas and 92.9 percent of monthly income if they used oil.

In addition, many low-income households and especially elderly households have incomes which are less than the median poverty income and, therefore, expend more than 18 percent of their income on household energy.

The increases in energy prices since 1972 have meant that the poor, whose average income has not increased in real terms, have lost ground in real purchasing power. In 1972 low-income persons spent approximately $316 on home fuels and utilities. If fuel prices had risen with the general rate of inflation, low-income families would have spent approximately $940 on energy costs in 1978. The above estimates, however, indicate that an average low-income family was spending approximately $604 on household energy costs. This increase represents an average loss of purchasing power of $265, due to rising energy costs over and above general inflation.

In the aggregate, this would indicate that the 16.2 million low-income households would have suffered a loss of over $4 billion in purchasing power in 1978—$4 billion of income transferred away from the most economically disadvantaged in our society because of escalating prices.

B. Government reaction: Concern and mandate

During this period, there has been continued and increasing governmental recognition that low income households face an energy dilemma with an order of magnitude greater than that faced by most American households. Initial government concern was demonstrated by the Community Services Administration (CSA) in 1973–74 through pilot project funding of a weatherization program in the State of Maine and energy crisis intervention programs in Wisconsin, Colorado, and Pennsylvania. In 1977, 1978, and 1979, Congress and the Senate expressed their concern through authorization of Special Crisis Intervention and Energy Assistance Programs implemented through CSA. Such programs have been helpful but not adequate.

The crux of the problem was stated by one observer in these words: "Budgets, which cannot meet basic living needs to begin with, cannot reallocate resources to pay for energy without taking money away from other basic needs, such as food, clothing, and health care." [9]

Governmental acknowledgement of the problem was expressed in 1977 by John O'Leary, then Administrator of the FEA. Mr. O'Leary produced figures for the Senate Committee on Aging which showed that as early as 1975 the percentage of disposable income spent on energy in some parts of the country was as high as 27 percent and estimated that in the recent winter there were many elderly poor who were spending as much as 50 percent of their disposable income on energy.[9]

President Carter and the Office of Energy Policy and Planning also recognised the special problems caused by rising energy costs for the low-income household. The fifth guiding principle of the National Energy Plan I (NEP I) was that the U.S. must solve its energy problem in a manner that "is equitable to all regions, sectors and income groups." Specifically, the White House stated that:

In particular, the elderly, the poor, and those on fixed incomes should be protected from disproportionately adverse effects on their income. Energy is as necessary to life as food and shelter.[10]

NEP I further recognized that:

Existing emergency assistance programs are deficient in assisting low-income persons to meet sharp, temporary increases in energy costs due to shortages or severe winter.[11]

Clearly, then, those in government have been concerned with the effects of energy price increases on those least able to afford them. Yet in 1979, every indication is that the poor have borne the brunt of rising energy costs in exactly the manner that public officials hoped to prevent. Senator Kennedy recognized this fact in his January 9, 1979, speech to the National Association of Broadcasters. He stated that:

In major northern cities those at or under the poverty level last winter paid more than 45 percent of their income for energy, according to the National Center for Community Action. 'Let them freeze in the dark' has become not just a clever cliche, but a cruel reality.

The time is obviously right for a specific government program to alleviate the harm caused to the poor by escalating energy prices.

C. The particular energy hardship of the poor

It is apparent that the low-income households in America pay a far higher proportion of their total annual income for energy than do higher-income households. However, it must be understood that these aggregate factors represent only a national average. The poor in various regions of the country where climate conditions are more severe than average—and energy costs are higher—face a still greater problem. For example, it was estimated in 1978, that it costs New England residents 38.8 percent more than the national average to supply adequate energy to their homes.[12] (See figure 2). This points to the magnitude of the disparities in need and the resulting numerous cases of extreme hardship that lie behind the aggregate average figures.

Structural factors inherent in the energy delivery system combine to make the energy burden on the poor yet higher. First among these factors is the operating of the energy pricing structure. Utilizing inverted pricing schedules, with declining rates at higher usage levels, utility companies charge higher unit prices for those consumers using smaller amounts of energy (See Table IV).

TABLE IV.—NATIONAL WEIGHTED AVERAGE CHARGES FOR RESIDENTIAL SERVICE, 1972–78

[Cities of 2,500 population and more; in cents]

	Average charge per kilowatt-hour				
	100 kWh	250 kWh	500 kWh	750 kWh	1,000 kWh
Jan. 1:					
1978	5.87	5.30	4.44	4.16	4.10
1977	5.54	5.14	4.17	3.90	3.82
1976	5.15	4.82	3.85	3.57	3.49
1975	5.00	4.60	3.59	3.30	3.28
1974	4.99	3.79	2.82	2.55	2.49
1973	4.65	3.47	2.51	2.26	2.19
1972	4.51	3.34	2.40	2.15	2.07

Source: DOE/EIA, 0040/1, typical electric bills, Jan. 1, 1978.

As low-income households consume less energy than the average household they are particularly affected by inverted pricing schedules. Due to higher per-unit prices paid by low-income households, the difference in total amounts spent annually for energy between low-income households and all households was *less* than the difference in energy consumption (See Table V).

The same inverted pricing structure applies to fuel oil; for economic reasons most companies reduce the cost per gallon of fuel for large orders and increase the cost per gallon for smaller orders. Further, those using fuel oil are confronted with additional problems. In general, low-income consumers have smaller storage capacities and, with rare exception, do not have adequate resources to purchase larger orders even if they have larger storage capacities.[13]

In addition, the credit and delivery practices of fuel oil dealers inadvertently penalize the poor. Because of credit practices, low-income persons are normally prevented from using credit or budget payments to pay for the fuel. They generally do not have a high enough credit rating to warrant these deferred approaches.

As a result, low-income consumers are forced to pay "cash on delivery" (COD) for fuel oil. The COD system is particularly onerous for the poor and near-poor. For most households, fuel expenditures occur in a relatively short period of a few months. Those on credit or budget plans can spread fuel cost over a much longer time period than the low-income household which is forced to pay cash on delivery.

Further, since low-income households do not generally have credit plans, they are for the most part denied automatic refills. They cannot have their tank filled when oil is needed, but only when they have sufficient cash for immediate payment. In addition, it must be noted that in many cases, persons who are not on credit or budget payments are forced to pay certain "surcharges" for such items as delivery at certain times and to certain places.[14]

The low-income family is further penalized by the quality of their housing stock, which is generally older, in poorer repair, and less well insulated than those houses utilized by higher income households. In northern climates, this results in the need to use more fuel to maintain a certain temperature than in well insulated homes. Thus, the low-income family's home is likely to be even less well heated than is suggested by the fact that the poor consume less energy per household than does the average American family.

TABLE V.—DIFFERENTIAL IN CONSUMPTION AND EXPENDITURES FOR ELECTRICITY AND NATURAL GAS BETWEEN LOW-INCOME HOUSEHOLDS AND ALL U.S. HOUSEHOLDS, 1975

	Low-income households	All U.S. households	Difference (percent)
Electricity: [1]			
Average annual Btu's per household (millions)	80.6	94.2	55.4
Average annual cost per household	$188	$278.10	47.9
Average price per million Btu's	$3.10	$2.95	
Natural gas:			
Average annual Btu's per household (millions)	109.8	136.3	24.1
Average annual cost per household	$182.30	$224.60	23.2
Average price per million Btu's	$1.66	$1.65	

[1] The Public Utility Regulatory Act of the National Energy Act states that utility companies must consider, among other things the applicability of a prohibition against declining block rates which favor larger users by pricing successive blocks of electricity at lower per unit prices, and further, lifeline rates for essential needs.

Source: Washington Center for Metropolitan Studies, National Survey of Household Energy Use, 1975.

In the South, the substandard quality of the poor's housing stock also manifests itself in higher energy costs. In cheaply designed dwelling units—particularly in mobile homes which are prevalent in Southern states—air conditioning is a necessity. Temperatures in non-air conditioned low-income southern homes present severe health hazards to the occupants—many of whom are elderly, suffering from respiratory or heart ailments made worse by increase in home temperature. In Dallas, Texas, July 1978, over twenty people died from heat prostration. They were *all* elderly, poor and lacked air conditioning.

D. Economic constraints in the marketplace: Why the poor have lost ground since 1972

There are three overriding economic factors in the marketplace which explain the poor's exceptional inability to adjust to higher energy costs. These are:

The average real income of the poor household has actually decreased since 1973;

Reduction in costs through conservation is extremely difficult for poor households;

Substitutability is lower for household energy needs than for most other goods or services in the economy.

According to the most recent national figures the disposable income of the poor and near-poor has not kept pace with the overall CPI (See Figure 3). The major public assistance programs have not made up the inflationary gap for those low-income households receiving aid. All items in the CPI rose approximately 30 percent from 1973 to 1976. Unemployment insurance payments rose only 27.3 percent during the same period; further, since unemployment insurance is an inherently unstable and limited form of income, this probably had less impact on real

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income maintenance than is generally assumed.

The more steady income maintenance programs did not come close to matching inflation during this period. Average AFDC benefits rose about 19 percent between 1973 and 1976, indicating a drop of roughly 8.5 percent in real income, while Supplemental Security Income (SSI) rose an average of 19.19 percent, amounting to a decrease in real income of about 7.8 percent.[15]

Thus, a situation existed in 1976/1977 in which the major income transfer mechanisms did not maintain the real purchasing power of those receiving aid. This same decline in real purchasing power faced all households whose income from any source had risen less than 30 percent during the 1973 to 1976 period. Clearly, the low-income and elderly households, many of whom are on fixed incomes, are most seriously affected.

On a national aggregate level, reduction in household energy consumption through conservation has been somewhat successful in helping people live with higher energy prices. Northeast fuel oil dealers estimate that the response by homeowners to the first wave of price increases in 1973–1974 was a 15 percent average reduction in the use of home heating oil.[16]

However, this tactic for reducing the amount of income spent on energy has not and will not work well for the poor. Simply put, evidence is ample that the poor generally are already conserving as much as they are able—more, in fact, than could be regarded as healthy. As Table V shows, low-income households use 54.0 percent less electricity and 24.1 percent less natural gas than the average U.S. household. Thus, the average low-income family subsist on lower amounts of energy than the average American, and has already conserved to the point of endangering health.

Conservation methods involving the upgrading of the quality of the housing unit are, by and large, out of the financial reach of the low-income family. While many poor would stand to gain through conservation resulting from the upgrading of their homes—as the dwellings tend to be highly inefficient in per-Btu utilization of energy—the cash is simply not available to them.

Unlike most middle and upper-income families, the cash flow of the low-income family is not flexible enough to meet crisis situations. The large cash outlays needed for weatherization would be available only by foregoing expenditures on such pressing necessities as food or clothing.

Further, due to low credit ratings, or in some cases because their homes are in an allegedly "redlined" neighborhood, low-income households' access to "home improvement" loans is severely limited. Further, since a higher proportion of low-income families rent, rather than own, their homes, there is little incentive to make improvements in which they would have no equity.

To compound the problem, landlords renting units to low-income families often keep their units in poor repair and are reluctant to make improvements. Clearly, low-income families are already financially constrained to be thrifty in their energy use. This thriftiness is an illustration of the fact that low-income families have little or no scope for further reduction of energy use.

Substitutability is the dynamic economic factor which sets energy-caused income problems apart from other price and inflation-related income problems affecting the poor.

Substitution is the avenue that a consumer has open to offset the effect of an increase in price for a given good or service in the marketplace. If a good increases in price to the point that consumers cannot afford sufficient quantities of that good, they will substitute for it a different, cheaper good of the same general type. In most necessity items, substitution is a practical possibility. In food and clothing there are many alternative goods which consumers may substitute for a single good that they can no longer afford—for instance, there has been a dramatic rise in the purchase by consumers of non-name brand food products in the last five years of spiralling prices.

But in energy, substitution, particularly in the short term, is a practical impossibility. Current options available to the greatest number of low-income people for provision of household energy are limited to three: oil, gas, and electricity.

Capital costs of substitution among the three options are so prohibitively high that substitution has been proven to take place only over the very long-term—only with changes in the housing stock itself. Thus, low-income consumers do not have the practical option of substituting a different form of energy for their present source as their bills climb even higher. (Clearly, efforts should be made to utilize alternative sources where practical—such as solar, etc.).

Thus, energy, of all goods and services consumed by low-income households, presents a unique threat to the poor's well being. They are in a worse overall position to fight high energy prices than they were before the beginning of the oil price spiral in 1972. They are incapable, generally, of reducing their costs through reductions in consumption. And they have no other available option to continued consumption—there is no practical substitution possible that would provide cheaper energy sources. The unique nature of this hardship demands direct action to meet the goals of National Energy Plan I (NEP I). It is incumbent upon the government to institute a plan of assistance to ease the hardship caused the poor by high energy prices.

III. ELIGIBLE POPULATION AND PROGRAM SIZE

The Committee determined that households at or below 125 percent of poverty should be eligible for energy assistance. At 1978 levels, the income of a family of four (4) at 125 percent of poverty was $7,750 per year. It was recognized that households at somewhat higher income levels were also in need of aid. However, given the probability of financial constraints being placed on the program, broader coverage was deemed impractical.

The only exception to the 125 percent eligibility criterion recommended by the Committee was the inclusion of elderly households with incomes up to 150 percent of poverty. Given the special needs of the elderly poor, the fixed nature of their income and their usually small household size, the Committee recommended that income eligibility levels be set at 150 percent of poverty.

Using the above income eligibility criteria, there would be approximately 16.2 million households initially eligible for assistance. Of these 16.2 million, almost 7.2 million households (44%) are headed by persons 60 or older.

This group of households represents those who have been most affected by increased energy costs. This is the sector for which calculations have been presented which show a loss of purchasing power due to higher energy prices of over $4 billion dollars in 1978 alone. To fully redress the situation would be impossible. Death and suffering are not easily forgotten with the mere reimbursement of funds. However, an energy assistance program could help alleviate the dilemma confronting low-income people.

IV. PROGRAM MODEL

A. Program criteria

Once an income ceiling was placed on an eligibility, policy judgments, as well as fiscal considerations, concerning the nature and extent of program coverage were required.

After lengthy discussion, the following criteria were developed by the Committee to judge a variety of program options:

1. Equity: Benefits should vary directly with need. The subsidy should take into consideration climate, type of fuel, household size and household income. The program should include the concepts of horizontal and vertical equity—benefits should be distributed on the basis of need both within specific income groups and across different income groups. For example, horizontal equity should result in equal treatment of low-income urban and rural recipients.

2. Conservation: The provision of benefits should seek to encourage the conservation of energy, preferably directly, but at least indirectly.

3. Efficiency of Administration: Within the requirements of adequate fiscal controls, program integrity, and responsiveness to clients, administrative costs should be held to a minimum while helping the broadest range of eligible persons.

4. Provision of Energy Assistance Prior to Severe Crisis: Benefits should be provided in a form that reduces initial client payments and removes financial burdens from vendors, i.e. "front-end assistance," should be available.

5. Adequacy: The program design should offer benefits which are significant and outweigh the costs of the program. The program should also have the flexibility to be responsive to market changes.

The Committee examined several possible forms which a low-income energy Assistance Program could take. In evaluation, two aspects of any possible system were appraised:

1. The type of program which would satisfy objectives 1, 2, and 5 above.

2. The delivery system for the program, which, when implemented, would best satisfy objectives 3, and 4 above.

(A summary of the positive and negative aspects of the types of programs examined, as well as a brief description of each program type is contained in Appendix A.)

B. Income indexing program design

The type of program which the Committee recommends to provide assistance to low-income persons is income indexing. The Committee felt that a program based on needed energy and cost for such energy, less an acceptable percentage of energy expenditures which would be required of the household, could meet the needs of low income persons in the most equitable fashion.

An income eligible household would receive program assistance if the generic total cost of needed home energy exceeded a certain percentage of household income. See Appendix D for a brief description of the recommended formula).

The amount of assistance would be based on needed energy and the cost of such energy. Regional differences would be taken into account in the formula through inclusion of degree days and regional costs of energy. Those households in regions which had higher degree days for heating or cooling and had higher prices for energy would receive proportionately more assistance.

The "percentage of income" criterion could take two distinct forms. First, the standard "percentage of income" could be fixed. An eligible household would receive assistance for energy costs which exceed a certain fixed percentage of income. For example, if a

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household had an income of $5,000 annually, it would receive assistance for needed energy costs which exceed $500.00 (10 percent of the household income). For reasons of equity and ease of administration, the Committee favored this approach.

However, a sliding "percentage of income" scale could be utilized to possibly expand program coverage. For example, a household earning $3,000 a year could perhaps only be expected to spend three percent of its income on home energy use to be eligible for the assistance program, while the minimum home energy expenditure of a family earning $7,000 might be set at 11 percent of income for qualification. With a sliding "percentage of income" scale, assistance would vary inversely with the income and thus would provide greater assistance to eligible households with lower incomes than the fixed percentage approach.

The income-indexing system is best equipped to satisfy the Committee's belief that eligibility and amount of assistance should be derived from both energy needs and income level. Income indexing ties these two parameters together more closely than any other available program option and best meets program criteria 1, 2, and 5 above.

C. Subsidy disbursement

The delivery system for the subsidy that the Committee believes best satisfies criteria 3 and 4 is the vendor line of credit with credit flowing through the individual's primary energy supplier. In this system, once program eligibility is determined and a client selects his/her vendor(s), actual payment of subsidy is a matter between the selected vendor and the government. Administrative costs are greatly reduced by this system in comparison to one which must process payments to each individual recipient on a regular basis. Further, for the dealer, costs are reduced as cash flow problems are minimized. The vendor is not constrained in peak season purchasing decisions by delays of government reimbursement. Rather, the vendor is provided a predetermined amount of payment for such energy delivered against which bills sent to the recipient are reduced.

Several options exist for the disbursement of the subsidy. First, the line of credit could be established in such a way that a monthly subsidy would be made to vendor(s) chosen by the client. The subsidy amount would be in proportion to energy usage in each month in the heating/cooling season.

Second, the line of credit could be provided to the vendors on a quarterly or an annual basis. The drawdown rate would be determined by the client's usage and the amount by which bills have been reduced through the guaranteed government subsidy.

Generally, regardless of what variation of subsidy disbursement is utilized, there is an increased likelihood that delivery practices for low-income households will be regularized in such a way that costs for all parties concerned will be reduced. Indeed, an incentive may exist for the vendor to encourage low-income households to standardize their purchasing and payment practices because of the attractiveness of possible cost savings.

In these ways the low-income household may find itself, for the first time, able to take advantage of financing practices usually available only to most other Americans.

The Committee includes with its recommendation of the above form of subsidy disbursement, a recommendation that those vendors who participate in the program be required to abide by a termination policy and procedure which should be detailed in the program legislation and guidelines which are established for this assistance program.

D. Coverage of households in which energy costs are included in rent

The Committee realized that some special provisions had to be made for the approximately 4,000,000 low income households whose fuel and/or utility costs are included in their rental payment.

Such renters are not responsible for direct payment of energy bills—rather, the property owner pays these bills from the rental payment. This category of renter would be bypassed by an energy-subsidy delivery system which provides a subsidy directly through the individual's principal fuel supplier. Thus, a method had to be developed to include eligible renters in the energy assistance program.

A variety of alternatives were considered to assist renters whose energy bills are included in their rent. Cash payments were rejected as being too difficult to monitor and not tied directly to energy costs. Provision of fuel stamps in lieu of subsidy was determined to be too administratively cumbersome.

The use of vouchers to apply as part of the rent and to be redeemed by the landlord at the landlords' energy supplier appeared to be the best approach to assist renters whose energy costs were included in their rent. On the basis of needed energy, each household would be allocated a certain amount in a fuel voucher. These vouchers would be submitted along with the remainder of the rent due for given periods. The landlord would receive the voucher in lieu of part of the rent payment. The landlord could then redeem these vouchers with his or her energy supplier.[17]

For example, a household would be allocated a certain amount for needed energy, e.g. $40.00 for a winter month. This voucher would be included as partial payment of rent, e.g. if the rent in the above case were $200.00, the household would submit a check for $160.00 and include the voucher for $40.00 to cover total rental costs. The landlord would then redeem the voucher at his/her fuel provided for the energy costs which were included at the building.

Another alternative is also possible:

1. The renter establishes an account at the landlords energy supplier;

2. The amount of subsidy would be taken directly from the bill which the vendor provides the landlord;

3. The renter would pay the difference between the total rent and the amount provided by the subsidy.

In this way, front end assistance would be provided for the entire program and payment mechanism would be constant. However, this approach would be administratively complex. The renter would have to negotiate with the fuel supplier to establish a subsidy amount.

A specific agreement would have to be worked out between the landlord and renter to assure that the amount would indeed be deducted from the rent owed by the tenant.

In either approach, renters could receive assistance; the landlord could use the vouchers for reimbursement of his/her energy expenses or have an energy bill reduction. The vendor would be able to assist low-income renters with basically the same program design as used for eligible households who pay their own energy expenses directly.

E. Conservation incentives

The program is designed to provide ongoing assistance, and at the same time, to offer incentives and opportunities for conservation.

A variety of conservation incentives are built directly into the method of providing assistance.

Assistance will be provided only for needed energy.[18]

In almost all cases, the household will be required, on a monthly basis, to pay for energy beyond the subsidy amount. Conserving energy will reduce the amount which the household would pay.

By utilizing conservation approaches which reduce energy usage below the established norm, the household is able to utilize its income for other purposes.

In addition, the overall program design calls for the inclusion of a broad range of energy conservation assistance, Energy audits, weatherization, energy education, and appropriate technology services to low-income households served by the energy assistance program are integral elements of the total approach. A systematic approach to the energy problems and needs of low-income persons requires such integration of conservation services with the provision of assistance in paying for needed energy.

The local administering agency would be responsible for coordinating provision of energy assistance with other local energy conservation programs. When clients are declared eligible for energy assistance, they would simultaneously be enrolled in a range of energy conservation programs. Energy audits would be implemented in homes in which assistance is provided. Whenever possible, weatherization would be performed in those households which receive assistance. Clients would also be enrolled in conservation education programs. Such programs would provide information, skills and motivational techniques which would assist low-income households to implement conservation practices. Appropriate technology information would be shared, and assistance would be provided to implement such alternatives.

It should be recognized that this program will indeed result in expansion in the recipient's purchasing power (the "income effect" produced by any income transfer program), but it is the Committee's belief that the income effect produced by the program will be small enough that there is no possibility that the program will cause excessive use of energy. This belief is based upon several factors. First, there is ample evidence that low-income household's present utilization of energy often is lower than is safe or healthy. There are many deaths each year attributed to inadequate home heating or cooling. Second, it is evident that the income elasticity for home energy over the relevant range of income is low. Third, the proposed amount of the subsidy is not at levels to make substantial differences in the family's consumption habits for any commodity or service.

The net projection, therefore, is that this program may provide many low-income families the opportunity for the first time since 1973, to experience energy consumption at minimum humane levels—levels thought reasonable and proper for all other members of our society.

In summary, conservation is viewed as an integral part of the overall program and will be encouraged to the largest extent possible. Most importantly, the incentives for conservation clearly relate to the households' ability to have income available for other purposes. Savings through conservation will accrue to the household and the net impact on increased energy use through provision of subsidy will be minimal.

Not only will the program design provide an incentive for conservation, but by making energy payment assistance part of a comprehensive Energy Conservation program, it assures that the poor will have both opportunities and incentives to conserve.

F. Program administration

Three agencies appear to offer certain strengths in terms of program administration at the Federal level.

Footnotes at end of article.

The Community Services Administration is one alternative. Its experience in energy, its mandate to serve as a demonstration agency, its Community Action Agency network, and its established relationship to non-welfare poor are basic strengths of this agency.

The Department of Housing and Urban Development (HUD) also has several strengths. HUD's delivery system has access to all regions of the country and some established ties to rural as well as urban areas. HUD's principle responsibility is housing, and it has considerable experience in programs related to low-income needs and shelter.

The Social Security Administration (SSA) has strong experience with income transfer programs and with the elderly, who comprise approximately 44 percent of the eligible population. Further, SSA has a wide scope in terms of outreach to potential recipients. SSA offices are numerous and its penetration into urban and rural areas is the most thorough of the agencies considered.

The administration of the program on a local level would necessarily include at least the following functions:

1. Determination of individual household income eligibility.

2. Establishment of the amount of subsidy to which each eligible household would be entitled.

3. Authorization of vendor to establish a "line of credit" for subsidy.

4. Execution of public information and outreach efforts.

5. Monitoring to prevent system abuses.

6. Provision of energy conservation counseling and service integration with other energy assistance agencies. (Example: weatherization, energy audit, etc.).

V. PROGRAM COST ESTIMATE

To arrive at an estimate of cost for this type of program, the Committee decided to limit eligibility to those families at or below 125 percent of poverty level who currently spend more than 10 percent of their annual household income on energy and also included elderly households whose incomes were at or below 150 percent of poverty. While additional detailed research is required, the cost of a program with these eligibility requirements is estimated to lie between three and four billion dollars annually.

A preliminary analysis of total program cost was carried out using the following formulas on a state by state basis.[19] These state totals were then added to obtain a national figure.

No. 2 Fuel Oil:
(400 x .119 (deg. days) x fuel cost—$310 (Number of households).

Natural Gas:
(47,000 x 15.5 (deg. days) x fuel cost—$310 (Number of households).

Electricity:

The total cost of electricity used was calculated using the average use figure for low-income families in "The Energy Crisis and Low-Income Americans, by Eunice Grier (1977) and the September, 1978, per kwh cost of electricity (MER. January, 1979).

While it is clear that there are great differences in regional costs and usage which should be taken into account, specific use data for low-income households is scarce. It is hoped that while regional differences need to be addressed to include cooling needs, the aggregate average will suffice as a rough estimate of total use of energy, including use for cooling. Based upon the calculation above and in Appendix B, total home heating/cooling program cost was estimated at between 2.5 and 3.0 billion dollars.

Inclusion of other household energy costs would result in the addition of approximately 33 percent of total assistance costs. Thus, if all household energy costs are included, the total costs of the program would lie between three billion and four billion dollars. If it is assumed that the administrative cost runs 10 percent to total budget, then projected program costs range from $4.3 billion, assuming a 100 percent rate of participation, to $3.2 billion at a participation rate of 75 percent, utilizing the subsidization level contemplated above.

Clearly, estimated costs will vary greatly if different final eligibility criteria and level of subsidization are selected, and a different rate of participation is assumed.

VI. PROGRAM FINANCING

A variety of options for financing the program were studied by the Committee. After careful consideration, the Committee rejected the following three options as being inequitable, legally and politically unsound, and incapable of generating the broad base of support necessary to ensure the program's success:

Utilizing the rebates from refiners to the DOE resulting from prosecution for refiner overcharges.

Utilizing the crude oil import tariff.

Utilizing a crude oil equalization tax.

The following options were considered much more acceptable:

Direct funding from the Federal Treasury. (The Committee felt this to be the most equitable option.)

Funding from the imposition of a value added, "Per-Btu" tax on all forms of energy.

Utilization of a portion of existing Federal gasoline tax. (It is probable that utilization of only 2 cents of the existing tax would yield full program funding.)

Utilization of the increased tax revenue which will result from decontrol.

The Committee recommended exploring the latter four options in detail, while seeking out further detailed information regarding all possible methods for program funding.

FOOTNOTES

[1] Bureau of Labor Statistics.

[2] Anthony J. Maggiore, Jr., testimony to Subcommittee on Housing and Consumer Interests of the U.S., House Select Committee on Aging, September 26, 1978, p. 3.

[3] John O'Leary, testimony before the Senate Select Committee on Aging, April 7, 1977, p. 2.

[10] The National Energy Plan, Executive Office of the President, Energy Policy and Planning, April 29, 1977, p. 29.

[11] Ibid., p. 28.

[12] Eunice and George Grier, "The New England Energy Consumer," January, 1979. p. 26.

[13] Testimony, Anthony Maggiore, Fuel Oil Evidentiary Hearing.

[14] Ibid.

[15] Social Security Bulletin, April 1977, Dept. of HEW, Social Security Administration.

[16] Transcript, Case #DEH-0058, DOE Office of Hearings and Appeals, August 1978.

[17] A variety of voucher systems could be established. The renter could have a voucher redeemable at a particular vendor. General vouchers could be used which the renter would sign and could be redeemed by any vendor.

[18] It was recognized that unusually severe weather as well as other factors will, at times, result in additional justified need. In these cases, a crisis intervention program similar to the one operated by the Community Services Administration should be utilized. The Committee strongly recommends the continuation of a crisis program at a $40–$50 million level.

[19] The following is a brief explanation of the formulas. (400÷.119 degree days) and (47,000÷15.5 degree days) are taken from the INGAA formulas for average fuel oil and gas use, respectively; $310 equals 10 percent of the median income for poverty households.

APPENDIX A: PROGRAM DESIGN OPTIONS

	ENERGY STAMPS	INCOME INDEXING	INCOME INDEXING WITH PERCENT PAYMENT
Basic program	On the basis of income eligibility persons would be able to purchase or receive stamps redeemable for fuel or utility expenses at authorized vendors. Stamps could be free or purchase requirements based on income could be established.	Once a household has spent 10% of its income on energy, the household's remaining costs for energy would be paid through the household's energy vendor.	Same as income indexing with percent amount of government subsidy varying with energy use and income.
Some possible advantages	Similar to food stamps. Only income criterion needed, which simplifies administration.	Both income and energy use are used as criteria for eligibility. Households must use their own income first before payments are made.	Both income and energy use are used as criteria. Household makes first payments, then continues to pay.
Some possible disadvantages	Receipt of stamps is not tied to energy use. If there is payment for stamps there would be an increased burden on income of poor.	No upper limits are placed on energy expenses reimbursed which could encourage unnecessary usage. Administration complex.	Local administration is required and is complex. No ceiling is placed on usage.
Conservation Incentives	May occur if recipients must pay for a portion of the stamps.		Indirect incentives.

	ENERGY ENTITLEMENT	PER CAPITA/HOUSEHOLD FORMULA GRANT	DEALER CREDIT
Basic program	A household is guaranteed a set amount of energy. The household pays for the first 10% of its energy. Remainder of cost, up to set energy amount is paid to an energy vendor.	Each eligible household would receive a grant of money, to cover additional costs due to energy expense increase.	Using a formula incorporating income criterion, each dealer would send to the administrating agency an invoice for energy delivered over set amount.
Some possible advantages	Standard energy use as well as energy costs and income are used as criteria. Upper limits are placed on expenditure by set energy amount.	Ease of administration e.g., using Welfare Department.	Income and energy costs are included as criteria. Minimal local government administration would be involved. After certification, transactions would flow between funding source, dealer, and client.
Some possible disadvantages	Government required to set standard energy amount. Administration is complex.	Allocation is tied to income, not to energy. In addition the money need not be spent on energy.	Financial and Administrative strain could be placed on fuel dealers.
Conservation Incentives	Indirect incentives.	Indirectly, through income limits.	

	TAX CREDIT	"INDIANA" PLAN	NEW PROJECT FUEL
Basic program	Each low income person would receive a cash tax credit for all energy bills over a certain ceiling, e.g. 10% of income.	Senior citizens in poverty are provided a credit, not to exceed $200, for electricity and heating fuel. The credit is deducted from their bill prior to the bill being sent. The vendor deducts the credit amount from his state sales tax deposit.	In emergency or crisis situations, local administering agencies would provide assistance within broad federal guidelines. The amount of assistance would be paid in cash and tied to need.
Some possible advantages	Energy use and Income are used as criteria. Only one central agency is required for processing.	Clients receive bill deductions. Vendor receives payment immediately. Administration is simple. Energy tax is used for energy cost.	Tied to local need and circumstance. Allows for broad administrative discretion at the local level.
Some possible disadvantages	Low-income persons cash flow does not allow rebate process. Complex accounting for client required. Many low-income persons do not file taxes. Cost of auditing returns would increase. Local staff would have to assist clients in tax preparation.	Payments are extremely limited. Not all states have sales tax. Total burden is on the state.	Cash payment not clearly tied to fuel. Assistance is not provided until serious crisis occurs. There is no provision for ongoing assistance.
Conservation Incentives		Indirect incentive through providing limited assistance.	

	NEW UTILITY GRANT PROGRAM
Basic program	A subsidy would be paid to utility company or fuel vendor for a portion of the fuel cost of an eligible household. The amount of subsidy would vary inversely with the income of the eligible population.
Some possible advantages	Direct vendor payments are used.
Some possible disadvantages	No upper limit is placed on usage.

APPENDEX B

DATA USED IN COST CALCULATION

Federal region	Households below 125 percent of poverty[1] (thousands)	Average heating degree days[2]	Fuel prices: No. 2 heating oil (cents/gallon)	Fuel prices: Natural[4] gas (cents/cubic feet)	Fuel prices: Total[7] electric bill
1	655	6,956	[8] 55.1	0.0041	$795.65
2	1,506	[3] 5,703	[8] 54.0	.0034	795.65
3	1,443	4,803	[8] 52.8	.0029	795.65
4	3,063	2,797	[10] 47.9	.0024	795.65
5	2,470	6,748	[8] 49.8	.0023	795.65
6	1,859	3,011	[9] 50.1	.0019	795.65
7	755	5,640	[10] 45.9	.0019	795.65
8	378	7,797	[10] 46.3	.0018	795.65
9	1,644	[5] 3,125	[10] 45.9	.0023	795.65
10	434	[6] 7,321	[10] 48.3	.0029	795.65

[1] From 1975 ESEA Special Poverty Census.
[2] Source: For each State this involves weighting the heating degree day totals for several intra-State geographical divisions by the percent of the State population residing in each division. Figures used here are averages over the period 1931 to 1973.
[3] Excludes Puerto Rico and Virgin Islands.
[4] Excludes Hawaii and trusts.
[5] High due to influence of Alaska.
[6] Averaged from State figures. Source: "Gas Facts", 1977 American Gas Association.
[7] For average low-income households. This gross estimate was derived from the average consumption of electricity for a low income family in 1975 (Grier, 1977), and the average cost per kilowatt hour for September 1978 (DOE, MER, January 1979).
[8] Price derived from DOE telephone survey of Jan. 2–6, 1979. The figures for regions I and II were averaged from the fuel oil prices for all the States in the region; for region III the figure is based on the State of Pennsylvania; and the region IV figure is based on the average of 6 States within the region.
[9] Price taken from "Residential Heating Oil Prices By Region," MER, November 1978.
[10] National average of heating oil prices for October 1978, DOE, MER, January 1979.

APPENDIX C

GENERIC TOTAL HOME ENERGY COST

A generic total home energy cost would be used with the income level to determine eligibility, and the amount of assistance. The cost formula would be simple, yet take into account regional differences through climate, fuel used and fuel prices. The formula would also take into account the size of the dwelling. For example, it has been estimated that the amount of fuel oil required to heat a 5–6 room house equals, in gallons, 400 + (.119 × heating degree days). The number of gallons obtained through this formula would be multiplied by cost per gallon to provide a dollar amount for heating costs.

APPENDIX D

AMOUNT OF ASSISTANCE

Regardless of the delivery system, assistance would be provided to each eligible household for a given heating or cooling season according to a simple formula:

Amount of assistance = (needed energy × cost of such energy) × percent of household income.

The generic total (needed energy × cost) would be the figure calculated to determine, in conjunction with income, program eligibility. This total cost figure would be reduced by a percent of income to determine subsidy amount. If a fixed percent were used, the generic energy cost would be reduced by that specific percent to reach the subsidy figure. If a sliding "percent of income" scale is implemented, the generic energy cost would be reduced by the appropriate percent for differing income levels.

APPENDIX E

STATEMENTS AND WRITTEN PAPERS PRESENTED TO THE FUEL OIL MARKETING ADVISORY COMMITTEE (FOMAC) RE: LOW-INCOME ASSISTANCE PROGRAM

The following is a listing of statements and written comments presented to FOMAC re: a proposed Low-Income Assistance Program.

Statements and papers provided to the Committee in the order of receipt as of 5/31/79, are as follows:

1. Opening remarks of Honorable Larry Young—Chairman of the FOMAC Forum—April 10, 1979—Representative of the State of Maryland—Director, Joint Center for Urban Environmental Studies, Washington, D.C.
2. Deputy Secretary John O'Leary, U.S. Department of Energy.
3. Senator Edward M. Kennedy, State of Massachusetts.
4. Congressman Toby Moffett, State of Connecticut.
5. Congressman Edward J. Markey, State of Massachusetts.
6. William R. Hutton, Executive Director, National Council of Senior Citizens and Secretary-Treasurer, Citizens/Labor Energy Coalition.
7. Frank Welch, State of Maryland Office of Economic Opportunity.
8. David Lukas, Member, Georgia State Legislature.
9. Robert McDongall—National Conference of State Legislatures.
10. Frank Hodgdon—American Gas Association.
11. Robert Greenes—Public Fuel Service, New York, New York—FOMAC Member.
12. Robert Fortes, Member, Massachusetts State Legislature.
13. Stephen Schachman, Philadelphia Gas Works, Philadelphia, Pennsylvania.
14. James Feldesman, Counsel, Consumer Energy Council of America, Washington, D.C.
15. Dennis Eckhardt, Member, Ohio State Legislature.
16. Martin Garber, American Petroleum Institute.
17. Clark Watson, Chairman, American Association of Blacks in Energy.
18. John Buckley, Vice-President, Northeast Petroleum FOMAC Member.
19. Governor Ella Grasso—State of Connecticut.
20. Phillip H. Gillespie—National Community Action Directors Association, Washington, D.C.
21. Allen Davis—National Consumer Law Center—Boston, Massachusetts.
22. Carol Allen—New Jersey Energy Advocacy Project, Trenton, New Jersey.
23. Jane Jachimcsyk—National Oil Jobbers Council, Washington, D.C.
24. Larry Martinez—Community Affairs Division, State of New Mexico.
25. James G. Miller—Wisconsin Power and Light Company.
26. Chuck Clinton, Office of the Mayor, Washington, D.C.
27. Lieutenant Governor Thomas P. O'Neill III—State of Massachusetts.
28. Congressman Henry S. Reuss, State of Wisconsin.
29. Ottavio Manco, Multi-Country Commuduty Development Corporation, Highland, New York.
30. Henry W. Maier, Mayor, City of Milwaukee, Wisconsin.
31. George Sterzinger, New England Regional Energy Project—Burlington, Vermont.
32. Russell G. Murray, Research Institute, Legal Services Corporation—Washington, D.C.
33. Greg Glass, Florida Association of Community Action Agencies, Tallahassee, Florida.
34. John Harder, Kauai Economic Opportunity, Inc., Lihue, Kauai, Hawaii.
35. Mark Sachs, Community Action Programs Executive Directors Association of New Jersey, Inc., Trenton, New Jersey.
36. J. C. Halbrooks—Sterling, Connecticut.
37. Senator Mike Gravel, State of Alaska.
38. Pat Stewart, Kentucky Association of Community Action Agencies.
39. Congressman Clement J. Zablocki, State of Wisconsin.
40. Ben E. Johnson, President of the Common Council, Milwaukee, Wisconsin.
41. Gerald Miller, State Department of Management and Budget, Lansing, Michigan.
42. Phil Smith, Rural Alaska Community Action Program, Inc., Anchorage, Alaska.
43. Senator William Proxmire, State of Wisconsin.
44. Bruce Ratner, Commissioner—Department of Consumer Affairs, New York, New York.

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Larry Young, 1012 14th Street, N.W., Suite 906, Washington, D.C. 20005, 202–347–6020, Director, Joint Center for Urban Environmental Studies, State Legislator (Maryland), Mid-Atlantic.

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DEPARTMENT OF STATE AUTHORIZATIONS, 1980—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on H.R. 3363 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency and the Board for International Broadcasting, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 31, 1979.)

Mr. CHURCH. Mr. President, I urge my colleagues to support the conference report on H.R. 3363, a bill authorizing appropriations for fiscal years 1980 and

1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

For fiscal year 1980, the conference substitute authorizes appropriations totaling $2,134,216,000, which is $9.7 million less than the bill which passed the House and only $4.5 million more than the executive branch request.

For fiscal year 1981, the conference substitute authorizes appropriations totaling $2,356,097,000, which is $13.2 million less than the bill which passed the House and only $7.9 million more than the executive branch request.

The increase in the executive branch request contained in the conference substitute is due largely to additional authorization for migration and refugee assistance for Soviet and Eastern European refugees migrating to Israel.

The total amount authorized in this conference report for fiscal year 1980 is essentially within the guidelines set for this purpose in the second concurrent resolution on the budget for fiscal year 1980.

The conference substitute contains specific authorizations totaling $1,619,752,000 for fiscal year 1980 and $1,803,366,000 for fiscal year 1981 for the Department of State; $432,547,000 for fiscal year 1980 and $465,944,000 for fiscal year 1981 for the International Communication Agency; and $81,917,000 for fiscal year 1980 and $86,787,000 for fiscal year 1981 for the Board for International Broadcasting.

The conference report also contains supplemental fiscal year 1979 authorizations of $104,910,000 for migration and refugee assistance.

Mr. President, in addition to the authorization of appropriations, the conference substitute retains various identical or modified policy and administrative provisions which were contained in either the Senate or House version of the bill.

I ask unanimous consent that the Statement of Managers be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached in the committee of conference, and minor drafting and clarifying changes.

TABLE I.—BUDGET ISSUES: FISCAL YEAR 1980

[In thousands of dollars]

	Executive branch request	House bill	Senate amendment	Conference
Department of State:				
Administration of foreign affairs	849,423	849,423	849,423	849,423
International organizations and conferences	502,945	502,945	502,945	502,945
International commissions	26,733	26,733	26,733	26,733
Migration and refugee assistance	223,951	[1] 248,951	[1] 248,951	[1] 248,951
Science and technological agreements	7,000	1,400	1,400	1,400
Subtotal Department of State	1,610,052	1,629,452	[2] 1,629,452 (1,610,052)	[2] 1,629,452 (1,619,752)
International Communication Agency	432,782	432,547	426,982	432,547
Board for International Broadcasting	86,917	81,917	86,917	81,917
Total	2,129,751	2,143,916	2,143,351 (2,123,951)	2,143,916 (2,134,216)

[1] Includes an earmarking of $25,000,000 for Soviet and Eastern European refugees migrating to Israel.

[2] Despite the fact that the line items total $1,629,452,000 for fiscal year 1980, the Senate amendment required the Secretary of State to make cuts necessary to bring the authorization down to the administration's budget request. Accordingly, the Secretary of State was authorized to reduce the amount authorized to be appropriated for administrative purposes by $19,400,000 for fiscal year 1980.

[3] The conference substitute places an aggregate ceiling of $1,369,401 on the appropriations for fiscal year 1980 for the following accounts: Administration of foreign affairs, international organizations and conferences, and international commissions.

TABLE II.—BUDGET ISSUES: FISCAL YEAR 1981

[In thousands of dollars]

	Executive branch request	House bill	Senate amendment	Conference
Department of State:				
Administration of foreign affairs	1,009,815	1,009,815	[1] (1,009,815)	1,009,815
International organizations and conferences	525,082	525,082	(525,082)	525,082
International commissions	26,081	26,081	(26,081)	26,081
Migration and refugee assistance	229,188	[2] 254,188	[2] (254,188)	[2] 254,188
Science and technological agreements		1,400	(1,400)	1,400
Subtotal, Department of State	1,790,166	1,816,566	(1,816,566)	[3] 1,816,566 (1,803,366)
International Communication Agency	466,179	465,944	(468,379)	465,944
Board for International Broadcasting	91,787	86,787	(91,787)	86,787
Total	2,348,132	2,369,297	(2,368,732)	2,369,297 (2,356,097)

[1] The figures in parentheses reflect the amounts authorized to be appropriated for fiscal year 1981 by the Senate amendment. However, according to sec. 407 of the Senate amendment, no funds are authorized by this act for fiscal year 1981.

[2] Includes an earmarking of $25,000,000 for Soviet and Eastern European refugees migrating to Israel.

[3] The conference substitute places an aggregate ceiling of $1,547,778 on the appropriations for fiscal year 1981 for the following accounts: Administration of foreign affairs, international organizations and conferences, and international commissions.

TITLE

The House bill contained a descriptive title encompassing both fiscal years 1980 and 1981. Short titles were provided for the separate titles of the bill.

The Senate amendment contained a descriptive title encompassing only fiscal year 1980 and the fiscal year 1979 supplemental authorization. One short title was provided for the bill.

The conference substitute is identical to the House provisions.

2-YEAR AUTHORIZATION

The House bill authorizes appropriations for both fiscal years 1980 and 1981 for the

Department of State, the International Communication Agency, and the Board for International Broadcasting.

The Senate amendment authorizes appropriations for these agencies only for fiscal year 1980.

The conference substitute is identical to the House provisions.

LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS

The Senate amendment (section 106) limited the total authorization for the Department of State for fiscal years 1980 and 1981 to the executive request level * * * accounts was greater than the executive request. In order to carry out this requirement, the Senate amendment authorized the Secretary of State to reduce accordingly the amounts authorized for administrative purposes. This would result in a $19.4 million reduction in the "Administration of Foreign Affairs" account.

The House bill contained no comparable provision.

The conference substitute amends the Senate provision to place a ceiling of $1,369,401,000 on the appropriations for the following fiscal year 1980 Department of State accounts: "Administration of Foreign Affairs", "International Organizations and Conferences", and "International Commissions". An aggregate ceiling of $1,547,778,000 is also placed on the three accounts for fiscal year 1981.

PROHIBITION ON SALT LOBBYING

The Senate amendment contained a proviso that none of the funds authorized for the "Administration of Foreign Affairs" account could be used to lobby the U.S. Senate on behalf of any arms control treaty or agreement in contravention of 18 U.S.C. 1913 (relating to lobbying with congressionally appropriated moneys).

The House bill did not contain a comparable provision.

The conference substitute contains no provision on this issue.

FISCAL YEAR 1979 REFUGEE SUPPLEMENTAL

The House bill authorized $104,910,000 for fiscal year 1979 for the "Migration and Refugee Assistant" account.

The Senate amendment amended the fiscal year 1979 Foreign Relations Authorization Act to authorize the same amount. The effect of amending the 1979 Act would be to raise the total amount available by $10.4 million over the $104,910,000 request, due to the annual 10-percent transfer authority.

The conference substitute is identical to the House provision.

The committee of conference feels that the designation of groups or classes of refugees to be admitted into the United States should take into account the underlying intent of the United Nations Convention and Protocol Relating to the Status of Refugees and, in particular, article 3, which requires that "the contracting states shall apply the provisions of this convention to refugees without discrimination as to race, religion or country of origin."

The United Nations High Commissioner for Refugees estimates that there are now 3 to 4 million African refugees, the highest number in the world for any continent and the fastest growing refugee population in existence.

In view of these growing problems, and their domestic implications, the new analysis of U.S. refugee and immigration policy which is being undertaken by the Select Commission on Immigration and Refugee Policy should strongly consider the matter of African and Caribbean refugees.

NONDISCRETIONARY PERSONNEL COSTS, CURRENCY FLUCTUATIONS, AND OTHER CONTINGENCIES (DEPARTMENT OF STATE)

A. The House bill provided permanent authorization (thus precluding the need for annual authorization) for currency fluctuations in order to maintain the "authorized level of program activity", thus giving the Appropriations Committees the authority to provide funds in anticipation of currency fluctuations.

The Senate amendment was similar, but required certification from the Director of OMB to the Congress that the currency fluctuation increases were necessary before funds could be appropriated to maintain the "budgeted level of operation of the Department of State".

The conference substitute is identical to the House provision.

B. The House bill provided that any funds appropriated to the Department of State or to the Secretary could be made available until expended.

The Senate amendment provided that only funds appropriated for nondiscretionary personnel costs and currency fluctuations were authorized to remain available until expended.

The conference substitute is identical to the House provision.

FOREIGN LANGUAGE STANDARDS FOR FOREIGN SERVICE OFFICERS AND OTHER U.S. EMPLOYEES

The House bill contained two provisions which expressed the sense of Congress with regard to language proficiency of U.S. Government personnel abroad.

The first emphasized the need for language proficiency for Foreign Service officers assigned abroad. The second called upon the Secretary of State to conduct a comprehensive review and submit a report in 6 months concerning U.S. Government needs for personnel with foreign language competence and for services involving foreign languages. It also required him to establish standards for designating foreign language-required positions for U.S. personnel.

The Senate amendment did not contain comparable provisions.

The conference substitute contains no provisions on these issues.

The committee of conference believes that U.S. Government personnel abroad must be proficient in the language of the country in which they are serving, to the greatest extent possible, and that study of the kind provided for by the House bill ought to be undertaken.

The committee of conference, therefore, requests the General Accounting Office to conduct a study which evaluates the effectiveness of current programs and personnel practices with regard to foreign language needs in all agencies and to recommend standards for designating foreign language-required positions for United States personnel.

Such study shall include an estimate of the costs, if any, to be incurred in upgrading the language proficiency of U.S. personnel abroad. Within 8 months of the date of enactment of this legislation, the General Accounting Office shall submit a report to the Senate Foreign Relations Committee and to the House Foreign Affairs Committee containing the results of this study and recommendations for correcting any deficiencies which might exist.

ISSUANCE OF VISAS TO MEMBERS OF PROSCRIBED ORGANIZATIONS

The House bill stated that the so-called "McGovern amendment" dealing with visa waivers shall not apply with respect to any alien who is associated with the Palestine Liberation Organization and aliens from signatory countries which are not in substantial compliance with provisions of the Helsinki Final Act, particularly the human rights and humanitarian affairs provisions.

The Senate amendment stated that the so-called "McGovern amendment" dealing with visa waivers shall not apply with respect to any alien who is associated with the Palestine Liberation Organization or to representatives of purported labor organizations in countries where such organizations are in fact instruments of a totalitarian state.

The conference substitute combines the language of the House bill and the Senate amendment.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

The Senate amendment repealed the provision in the fiscal year 1979 Department of State Appropriation Act which precluded assessed funds for the U.N. and its specialized agencies from being used for technical assistance activities.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate provision.

EFFECTIVE DATE FOR CERTAIN PROMOTIONS OF FOREIGN SERVICE OFFICERS

The Senate amendment provided retroactive effect to December 17, 1978 for the promotions of 64 Foreign Service officers of classes 8 and 7 to which the Senate gave advice and consent on March 21, 1979.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

WAIVER OF CERTAIN NONIMMIGRANT VISA REQUIREMENTS

The Senate amendment amended the Immigration and Nationality Act to authorize an expansion of existing authority to waive nonimmigrant business and tourist visa requirements for persons coming from countries where visa fraud was low and which extend reciprocal privileges to U.S. citizens.

The House bill did not contain a comparable provision.

The conference substitute contains no provision on this issue. The committee of conference strongly endorses the concept of expanding visa waiver authority as envisioned by the Senate amendment. The Committee notes that under this procedure an estimated saving of $1.5 million and 65 positions could be realized within the Department of State. Such a procedure would also contribute to the further implementation of the Final Act of the Conference on Security and Cooperation in Europe. The members of the conference committee agree that the Senate amendment has considerable merit and express the hope that prompt consideration be given by the House Judiciary Committee to this proposed change in the Immigration and Nationality Act. If the House does not act on the waiver authority embodied in the Senate amendment, the committee of conference believes that any re-enactment by the Senate of the waiver authority should be favorably considered.

U.S. CONSULATES

The House bill stated the sense of the Congress that U.S. consulates in the following cities should remain open: Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; and Adana, Turkey.

The Senate amendment mandated the continued operation of the same consulates included in the House bill, plus the following consulates: Tangier, Morocco; Mandalay, Burma; Brisbane, Australia; and Surabaya, Indonesia. The Senate provision also authorized "the allocation of additional positions as may be necessary".

The conference substitute incorporates the Senate language mandating the reopening of the consulates and including all the consulates mentioned in the Senate provision. In addition, the conference substitute clarifies the Senate language relating to allocation of personnel positions in order to make clear that personnel assigned to these consulates shall not be counted toward any personnel ceiling for the Department of State established by the Office of Management and Budget.

PERSONNEL STUDY AND REPORTING REQUIREMENT

The Senate amendment required the Secretary of State to conduct a study of the personnel needs and resources of the Department of State and to submit the report to the Congress together with recommendations by January 1, 1980.

The House bill did not contain a comparable provision.

The conference substitute contains no provision on this issue.

IMPROVEMENT IN FOREIGN NATIONAL PAY PLANS

The Senate amendment expressed the sense of the Congress that the Secretary of State should implement, to the extent possible, the recommendations of the April 5, 1979 General Accounting Office report concerning improved coordination and greater uniformity in foreign national pay plans through regulations prescribed by the Secretary.

The House bill did not contain a comparable provision.

The conference substitute identical to the Senate provision with an amendment to change "uniform" pay schedules to "compatible" pay schedules and to add an amendment to provide for the substitution of local retirement plans for Civil Service retirement "whenever possible."

LEASEHOLDS FOR RADIO TRANSMISSION FACILITIES

The House bill authorized ICA, among other things, to acquire leaseholds for our radio facilities for periods of 10 years or longer if provided for in an appropriation act.

The Senate amendment authorized the acquisition and operation of radio facilities, but did not specify the duration of the leases, and also eliminated the provision of existing law that leases of radio facilities may not be for periods longer than 10 years unless provided for in an appropriation act.

The conference substitute is identical to the House provision.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

The House bill changed the name of the Advisory Commission overseeing ICA to the U.S. Advisory Commission on Public Diplomacy and provided authority for the Commission to hire staff.

The Senate amendment did not contain a comparable provision.

The conference substitute is identical to the House provision.

TECHNICAL AMENDMENT

The House bill corrected a reference in section 105(a)(2) of the Mutual Educational and Cultural Exchange Act of 1961.

The Senate amendment did not contain a comparable provision. The conference substitute is identical to the House provision.

NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS (INTERNATIONAL COMMUNICATIONS AGENCY)

The House bill provided permanent authorization (thus precluding the need for annual authorization) for currency fluctuations in order to maintain the "authorized level of program activity" for ICA, thus giving the Appropriations Committees the authority to provide funds in anticipation of currency fluctuations.

The Senate amendment was similar, but required certification from the Director of OMB to the Congress that the currency fluctuation increases were necessary before funds could be appropriated to maintain "the budgeted level of operation" of the Agency.

The conference substitute is identical to the House provision.

BOARD OF FOREIGN SCHOLARSHIPS

The Senate amendment established the compensation of members of the ICA's Board of Foreign Scholarships at a level not to exceed the daily equivalent of GS-15 rather than the current $50 per day.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

DISTRIBUTION WITHIN THE UNITED STATES OF CERTAIN FILMS

The House bill provided for the domestic distribution of the ICA film entitled "Aspen".

The Senate amendment further provided for distribution of the film entitled "Margaret Mead—Reflections".

The conference substitute is identical to the Senate provision, but also adds a clarifying amendment relating to the release of out-takes from the film "Margaret Mead—Reflections."

DISTRIBUTION WITHIN THE UNITED STATES OF THE ENGLISH TEACHING FORUM

The House bill provided for the domestic distribution of the ICA publication entitled "English Teaching Forum".

The Senate amendment did not contain a comparable amendment.

The conference substitute is identical to the House provision.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The House bill clarified the authority of CSCE to use up to $6,000 of appropriated funds each fiscal year for reception and representational expenses.

The Senate amendment did not contain a comparable provision.

The conference substitute is identical to the House provision.

CHANGE IN STATUTORY REFERENCES

The House bill conformed existing provisions of law to the change made in the House Rules in the name of the Committee on Foreign Affairs.

The Senate amendment did not contain a comparable provision.

The conference substitute is identical to the House provision.

PANAMA CANAL TREATIES

The House bill precluded the use of appropriated funds in this bill to implement the Panama Canal Treaties of 1977 until the Secretary of State had communicated to the Government of Panama our insistence that Panama must meet fully all its treaty obligations.

The Senate amendment did not contain a comparable provision.

The conference substitute contains no provision on this issue.

AUTHORIZATIONS OF APPROPRIATIONS (BIB)

The Senate amendment earmarked not less than $800,000 for the expenses of the Board for International Broadcasting for fiscal years 1980 and 1981.

The House bill did not contain a comparable provision.

The conference substitute earmarks not less than $790,000 for the expenses of the Board for International Broadcasting for fiscal years 1980 and 1981.

FOREIGN CURRENCY FLUCTUATION (BOARD FOR INTERNATIONAL BROADCASTING)

The House bill provided permanent authorization (thus precluding the need for annual authorization) for currency fluctuations in order to maintain the "authorized level of program activity" for RFE/RL, Inc. and required certification from the Director of OMB to the Congress that increases were necessary, thereby giving the Appropriations Committees the authority to provide funds in anticipation of currency fluctuations.

The Senate amendment was similar, but authorized funds to "maintain the budgeted level of operation".

The conference substitute is identical to the House provision.

USE OF BROADCASTING FACILITIES BY COMMUNIST COUNTRIES

The Senate amendment repealed section 307 of the fiscal year 1979 Foreign Relations Authorization Act relating to the prohibition of funds to RFE/RL, Inc. if Communist countries were permitted to use those radio facilities on a nonreciprocal basis.

The House bill did not contain a comparable provision.

The conference substitute does not contain a provision on this issue.

The committee of conference welcomes initiatives by the administration and the Board for International Broadcasting to encourage the Soviet Union and other governments to end jamming of RFE/RL broadcasts. Many in Congress are understandably concerned that a unilateral offer by the United States to permit Soviet or Eastern European governments to have a "right of reply" might be misused by Communist countries, providing them with access to U.S. facilities without achieving an end to jamming. The Congress would welcome a proposal by the President or the Board for International Broadcasting which would insure an end to jamming and which might permit foreign use of RFE/RL on a selective basis to provide a right of reply whenever the President deems such a reply appropriate.

REPORTING REQUIREMENT

The Senate amendment required the Board for International Broadcasting to submit a report setting forth alternative plans for the relocation to the United States of 10 percent, 25 percent and 50 percent of RFE/RL, Inc. personnel and outlined issues to be covered in that report.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

EGYPTIAN-ISRAELI CULTURAL, SCIENTIFIC, AND ECONOMIC RELATIONS

The Senate amendment expressed the sense of the Congress that the United States should promote and encourage cultural, scientific, and economic relations between Egypt and Israel.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate amendment.

APPLICATION OF THE INTERNATIONAL ORGANIZATION IMMUNITIES ACT TO THE ILO

The Senate amendment amended section 12 of the International Organizations Immunities Act to authorize the continuation of diplomatic immunities and privileges to employees of the International Labor Organization even though the United States withdrew from the ILO in November of 1977.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate amendment.

The committee of conference notes that, while the United States was a member, the International Labor Organization was entitled to certain privileges and immunities (e.g., legal capacity to sue, tax exemption, immunity for its archives and for official acts of personnel) under the International Organizations Immunities Act. However, the application of that act is generally limited to international organizations to which the United States belongs.

Since the United States no longer belongs to the ILO, its status in the United States is ambiguous and legislation is necessary to clarify the situation. The ILO operates two offices in the United States, in Washington, D.C. and New York, with a total of 17 employees. The conference substitute simply authorizes the continuation of the applica-

tion of the International Organizations Immunities Act to the ILO. The organization would not receive any new or additional benefits. The committee of conference notes that this action is consistent with prior actions taken by the Congress to extend the application of the statute to organizations to which the United States does not belong. The committee further notes that the adoption of the conference substitute in no way signifies support for or opposition to renewed U.S. membership in the ILO.

MORATORIUM ON THE COMMERCIAL KILLING OF WHALES

The Senate amendment stated several findings of the Congress with respect to the commercial killing of whales and urged the International Whaling Commission and all whaling nations to recognize and comply voluntarily with a moratorium on the commercial killing of whales as endorsed by the United Nations Conference on the Human Environment and the United Nations Governing Council for Environment Programs.

The House bill did not contain a comparable provision.

The conference substitute is identical to the Senate provision.

ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

The Senate amendment established within the Executive Office of the President an Assistant and a Deputy Assistant to the President for National Security Affairs, who would be appointed by and with the advice and consent of the Senate.

The House bill did not contain a comparable provision.

The conference substitute does not contain a provision on this issue.

The committee of conference is, however, deeply concerned about the role of the President's Assistant for National Security Affairs and the lack of his accountability to the Congress. The members of the conference committee believe it is essential that the Secretary of State be perceived clearly to be the principal officer other than the President with responsibility for formulation and implementation of foreign policy. The President clearly should have appropriate personal staff support in the White House to enable him to discharge his Constitutional responsibilities. Officers, however, who enunciate and shape U.S. foreign policy must be accountable to Congress. The committee of conference believes that a thorough review by both the Congress and the Executive of the function of the NSC structure and the specific role of the Assistant to the President for National Security Affairs is necessary and should be conducted in the near future.

ADDITIONAL TRAVEL EXPENSES FOR STATE AND ICA EMPLOYEES' DEPENDENTS

The Senate amendment provided for two, rather than one, annual round trips from the United States for dependents of the Department of State and International Communication Agency employees, who are obtaining an undergraduate college education, and whose parents are serving in a post overseas.

The House bill did not contain a comparable provision.

The conference substitute does not contain a provision on this issue, since the International Development Cooperation Act (H.R. 3324) contains a similar provision which includes the Department of State, the International Communication Agency, and the Agency for International Development.

UNITED STATES CITIZENS ABROAD

The Senate amendment amended section 611 of the Foreign Relations Authorization Act, Fiscal Year 1979, relating to United States laws discriminating against U.S. citizens abroad. The Senate amendment would revise that provision to (1) change the required reporting date from January 20, 1979, to January 20, 1980, and (2) substitute the existing provision's policy statement with a statement that American statutes and regulations should be designed so as not to create competitive disadvantage for American citizens living abroad and working in international markets.

The House bill did not contain a comparable provision.

The conference substitute is similar to the Senate provision with an amendment to change "and" to "or" to make it clear that the report should include American citizens living abroad or working in international markets. It is the intent of the conferees that the word "citizens" not include corporations and other juridicial entities.

PRIVATE SECTOR REPRESENTATIVES ON U.S. DELEGATION TO THE WORLD ADMINISTRATIVE RADIO CONFERENCE

The Senate amendment exempted from certain conflict of interest provisions a private sector representative, who is specifically designated to speak on behalf of or represent the interest of the United States, on the U.S. Delegation to the World Administrative Radio Conference in Geneva beginning September 24, 1979. Such representatives would have to file with the Department of State the financial disclosure report required for special Government employees.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision.

SANCTIONS ON ZIMBABWE-RHODESIA

The Senate amendment stated that no later than 14 days after the installation of a new government in Rhodesia or June 30, 1979, whichever was earlier, the President would submit to the Congress a report setting forth a determination with respect to section 27 of the International Security Assistance Act of 1978, together with his reasons for such a determination; and stated the findings of Congress with respect to section 27 of the International Security Assistance Act of 1978 that (1) the Government of Zimbabwe-Rhodesia had demonstrated its willingness to negotiate in good faith at an all parties conference, held under international auspices, on all relevant issues, and (2) Zimbabwe-Rhodesians had approved through free elections the transfer of power to a black majority government; and expressed the sense of the Congress that the President, within the time limits specified above, should determine that the requirements of that act have been met and should not enforce sanctions against Zimbabwe-Rhodesia.

The House bill did not contain a comparable provision.

The conference substitute incorporates the Senate provision with an amendment.

The committee of conference notes with approval the progress made in Zimbabwe-Rhodesia toward majority rule under the government installed as a result of the elections of April 1979. The Committee expresses its hope that additional progress will be made toward the establishment of majority rule and the protection of the rights of all the people in that troubled land.

FRANK CHURCH,
CLAIBORNE PELL,
GEORGE MCGOVERN,
JOE BIDEN,
JACOB K. JAVITS,
CHARLES H. PERCY,
JESSE HELMS,
S. I. HAYAKAWA,
Managers on the Part of the Senate.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
STEPHEN J. SOLARZ,
DONALD J. PEASE,
DANIEL A. MICA,
MICHAEL D. BARNES,
WM. H. GRAY III,
DAVID R. BOWEN,
WM. BROOMFIELD,
EDWARD D. DERWINSKI,
JOHN BUCHANAN,
JOEL PRITCHARD,
Managers on the Part of the House.

Mr. CHURCH. Mr. President, one of these issues of particular concern to both the House and Senate conferees was the provision dealing with sanctions on Zimbabwe-Rhodesia.

The Senate amendment: First, stated that no later than 14 days after the installation of new government in Rhodesia or June 30, 1979, whichever was earlier, the President would submit to the Congress a report setting forth a determination with respect to section 27 of the International Security Assistance Act of 1978, together with his reasons for such a determination; second, stated the findings of Congress with respect to section 27 of the International Security Assistance Act of 1978 that the Government of Zimbabwe-Rhodesia had demonstrated its willingness to negotiate in good faith at an all parties conference, held under international auspices, on all relevant issues; and Zimbabwe-Rhodesia had approved through free elections the transfer of power to a black majority government; and third, expressed the sense of the Congress that the President, within the time limits specified above, should determine that the requirements of that act have been met and should not enforce sanctions against Zimbabwe-Rhodesia.

The conference substitute incorporates the Senate provision with an amendment which requires the President to lift sanctions against Zimbabwe-Rhodesia by November 15, 1979, unless the President determines that such action would be contrary to the interests of the United States. The Congress may override such a Presidential determination by a majority vote of both Houses.

It is the belief of the Senate conferees that this compromise is a reasonable solution to a very difficult issue.

Mr. President, in conclusion, the Foreign Relations Authorization Act is by its nature a long and complex bill. The committee of conference resolved more than 35 differences between the two Houses. The managers on the part of the Senate were diligent in their efforts to uphold the Senate position and were, I believe, reasonably successful in that effort. Therefore, I urge the adoption of the conference report.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. JAVITS. Mr. President, I ask the Senator: This is a 2-year authorization, is it not?

Mr. CHURCH. Yes, it is a 2-year authorization.

Mr. JAVITS. Mr. President, I commend this report to the Senate. I participated actively in its negotiation. It was closely monitored and closely contested.

The solution respecting Zimbabwe-Rhodesia which was developed by the conferees enlisted the approval of the House conferee, who was the chairman of their Subcommittee on Africa and who was very strong on the continuance of sanctions, and enlisted the support of our conferee on the Republican side, who is very much opposed to the continuance of these sanctions. It was an extremely happy compromise.

Also, we made a very material increase in the amount available for refugee assistance, responding to the response which our people definitely wish to give to the plight of the boat people.

I asked the chairman especially about the 2-year authorization, because in a time of such international stress, the ability to have a settled policy on the financial side, on the part of the State Department, and the stability which it gives to their operations are very much to be commended.

Mr. President, I commend, also, the members of the conference committee on both sides of the aisle. Senator ZORINSKY is in the Chamber. They were diligent; they were there; they espoused the matters in which they had a particular interest. They were very fair in the recognition that we had to bring about a result, and we did it. Altogether, I consider it one of the most satisfactory conferences I have carried on as ranking minority member of the Committee on Foreign Relations.

I especially compliment the chairman, Senator CHURCH, who presided with his customary tact and skill in bringing the parties together.

I commend the report to the Senate, and I hope the Senate will approve it now.

Mr. CHURCH. Mr. President, as always, the assistance of the able Senator from New York proved invaluable in the conference. It was his initiative which led to the resolution of the Zimbabwe-Rhodesia controversy.

I join him in extending my commendation to the distinguished Senator from Nebraska (Mr. ZORINSKY) as well as the other Members of the Senate who participated as conferees.

I also would like to recognize, once again, the dedicated work of the staff. As always, they were not only extremely diligent but also immensely helpful to the conferees in working out the differences in the two versions of the bill.

Mr. President, I yield to the able Senator from Nebraska (Mr. ZORINSKY).

Mr. ZORINSKY. I thank the chairman.

Mr. President, the conference report on H.R. 3363, the State Department authorization bill, notes the deep concern of the conferees about the role of the President's Assistant for National Security Affairs and the lack of his accountability to the Congress.

The amendment which I offered and the Senate accepted to H.R. 3363 would have established within the Executive Office of the President an Assistant for National Security Affairs who would be appointed by and with the advice and consent of the Senate. I—and apparently a majority of the Senate—believed this amendment would address and resolve our deep concern about the role in foreign policy of the President's National Security Affairs Adviser.

Despite this, the conference deleted the Senate amendment; and I ask the chairman of the Foreign Relations Committee, the chairman of the Senate conferees, if he can provide in greater detail the precise reasons for the conference action on this amendment.

Mr. CHURCH. I will be happy to do so.

First, however, I would like to emphasize that the Senator from Nebraska presented his arguments for the amendment very vigorously, and I have considerable sympathy for the amendment he offered.

As he pointed out in the conference, there are a number of Presidential advisers who must be confirmed by the Senate. It was not as if his amendment were unprecedented. Moreover, he made the point forcefully that the President's Special Adviser for National Security Affairs possessed great influence in matters relating to our foreign policy, that he is often as important in determining the course of our action abroad as the Secretary of State.

Therefore, I think that we should give greater consideration in the next session of Congress to the propriety of requiring that any person who occupies this exalted position in the White House should properly be subject to confirmation by the Senate.

Under the circumstances, neither House has had the opportunity to give sufficient consideration to the issue posed by the Senator's amendment. Moreover, we were advised that had the amendment been retained in the bill, the bill itself would have been vetoed by the President.

Mr. Carter took the position that this adviser was so important to him and was regarded as so much a part of the President's staff that he would either veto the bill or insist on a reciprocal right to pass judgment on the chiefs of staff of the two respective committees. Under the circumstances, it did not seem prudent to force the issue, particularly inasmuch as the two committees had not had an adequate opportunity to consider all of its ramifications.

It was for that reason that the conferees finally decided the best course of action this year would be to strike the amendment from the final version of the bill.

Mr. ZORINSKY. I thank the distinguished chairman of the Senate conferees for a very clarifying review of the actions of the conference. Inasmuch as the report goes on to call for a thorough review of the National Security Council structure and the specific role of the President's adviser, would we be able to establish for the record a date next year by which time that thorough review by the Foreign Relations Committee will have begun?

Mr. CHURCH. Let me say that, although I am not now in a position to indicate the exact date on which such a hearing would occur next year, I do assure the Senator that the committee will conduct a hearing and that we will explore in detail the practicality of requiring Senate confirmation in the future of any persons occupying this particular position in the Government.

I believe the Senator knows that I share his concern for the bifurcated character of having two men in the Government so highly placed both of whom are charged with being major architects of American foreign policy. It often gives rise to considerable confusion, particularly when Mr. Brzezinski appears to have taken one position on a major foreign policy issue and the Secretary of State appears to have taken another.

I would be much more comfortable with one Secretary of State and even though the President himself has indicated that Mr. Vance as Secretary of State has primacy in this field as, indeed, it should be, there is, nevertheless, the continuing problem of possible frictions and disagreements between two men who profoundly influence the President in this field.

In the beginning when the position of Special Adviser for the President for National Security Affairs was first created, it was thought of more as a liaison position so that the President could be kept adequately informed of developments on the foreign front and indeed with the positions of the State Department. It has become something quite different in the ensuing years. The staff has grown within the White House to such a degree that it is often referred to today as a mini-State Department. Thus we have not only the problem of two people involved at the highest level in directing American foreign policy under the President but we have two departments, one within the White House, the other over at State, actively involved in the effort to formulate American foreign policy from day to day.

This is another aspect of the question that needs to be carefully examined by the committee.

Mr. ZORINSKY. I thank the chairman for his views and they certainly are parallel to the ones I have indicated on that subject. I wish to remain on record as determined to continue to pursue this type of amendment in the future. I certainly feel much more secure in knowing that the chairman of the Foreign Relations Committee has committed himself to a hearing next year during the second session of this Congress, to further pursue the duplicative nature of the NSC structure and the Office of National Security Affairs Adviser together with its evolution from a $70,000 budget to the current $3.5 million budget.

I thank my chairman for this commitment and I wish to thank him and also the ranking minority member of the Foreign Relations Committee, Senator JAVITS, from New York, for the expeditious manner in which they resolved the 35 or 36 differences between the House and the Senate in this legislation.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. CHURCH. Yes.

Mr. JAVITS. I would like to add my assurances to that of the chairman about a hearing. My views are not necessarily

the same as those of the chairman or the same as those of the Senator from Nebraska, but I respect the issue and I believe it well deserves consideration, serious consideration, by our committee.

I join the chairman in assuring the Senator that his initiative and enterprise will not be frustrated by lack of hearing or consideration.

Mr. ZORINSKY. I thank the Senator.

Mr. CHURCH. If either of us proves forgetful, the Senator from Nebraska has all the tenacity of a bulldog, and I am quite certain hearings will be held. He will see to it.

The PRESIDING OFFICER. Is there further discussion?

Mr. CHURCH. Mr. President, I urge the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CIVIL RIGHTS AND HEW

Mr. McGOVERN. Mr. President, the reports in the Washington Star and the Washington Post this morning indicate that the administration plans in effect to weaken its civil rights enforcement program in the Department of Health, Education, and Welfare. The Star reports that Patricia Harris, the new HEW Secretary will now take into consideration the "politics" of her decisions recommended by the Department's Office for Civil Rights. That promise can only mean that the Government agency charged with responsibility for protecting the legal rights of the most powerless members of this society will be seriously undermined—and that the rights of minorities may now be in jeopardy.

I for one do not know of any civil rights issue that is not controversial, nor are issues like desegregation, affirmative action or bilingual education ever easy. It has been said that the administration's recent cabinet purge was motivated not by any substantive problem, but by the President's plunge in the opinion polls. But it would be particularly disturbing to those of us who have long worked for civil rights to see them abandoned for political expediency.

The Office for Civil Rights, since Joe Califano resurrected it from the dead after 8 years of Republican neglect, has become the best enforcement agency in the Federal Government. Its reputation among the civil rights groups is flawless—a condition that exists because OCR has never failed to take on the hard issues and has done the right thing, not the politically popular thing. Under the direction of David Tatel, a brilliant, dedicated and competent lawyer, OCR has changed the lives of millions of our disadvantaged citizens by ending discrimination. OCR has taken a major step toward enhancing the possibilities of viable northern school desegregation by building the best Federal record of northern school segregation in the city of Chicago. And, OCR has persuaded five southern States to end their racist and unconstitutional dual systems of higher education.

I would hate to see President Carter trade constitutional principle for a few electoral votes. I urge the President to forgo any attempt to politicize the civil rights program, to keep David Tatel in place as Director, and most importantly, to make sure that Secretary Harris does everything she can to vigorously enforce the civil rights laws. Such a commitment may or may not be politically wise, but it is morally and legally right—and that should be the standard—the only standard—upon which civil rights decisions are made.

ENERGY ISSUES

Mr. McGOVERN. Mr. President, during the congressional recess several Senate committees will try to achieve consensus on the President's new energy program. The emphasis of the President's plan is on a multibillion dollar development of synthetic fuels in concert with an Energy Mobilization Board which would expedite the location and construction of priority energy projects.

Despite the need for the implementation of a major energy program aimed at reducing our Nation's dependence on foreign fuels, I doubt that this proposal will provide us with the necessary relief. Although some synfuel technologies have been proven on a pilot project and demonstration basis, the private sector has shown little confidence in these or other synfuel technologies through their minimal investment. In point of fact, few private research and development efforts have been undertaken without substantial Government assistance.

Of equal concern is the impact of synfuel development on water supplies and other natural resources. Although some easing of environmental controls may be necessary to pursue some degree of energy independence, the development of many synfuel technologies requires considerable water resources. Oil from shale, which is particularly plentiful in the West, has a prohibitive water requirement. Unfortunately, water is a scarce commodity in the West. I cannot support this kind of an effort at the expense of the ranching and farming industries who are heavily dependent on an adequate water supply.

Perhaps the aspect of the President's program, most deserving of careful examination is the proposed Energy Mobilization Board. Under the language drafted by at least one congressional committee, this Board would have the authority to waive substantive laws at not only the Federal level, but at the State and local levels as well, in order to expedite the construction of certain projects. I do not believe such action is necessary or wise. To exercise such power would be to undermine our country's entire judicial system as well as denying State and local governments basic rights.

In sum, Mr. President, the administration's new energy plan, as presently construed, is fraught with uncertainties. The President is asking the taxpayers to foot a multibillion dollar bill to pay for a program that may only displace a few barrels of oil while creating irreparable damage to our environment and to our judicial system. I strongly urge the Senate committees considering various portions of this plan during the congressional recess to examine these concerns and redirect the program to the development of safe, clean energy technologies which will promote public support and not dissent. We are in desperate need of an effective energy plan and one that the American people can rally around, not a boondoggle that will simply fuel our already double-digit inflation.

Mr. President, I ask unanimous consent that the following editorial of the July 26, 1979, edition of the Rapid City Journal be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SYNFUEL PROPOSAL MAY BE A MONSTROUS BOONDOGGLE

Panic and political grandstanding rather than serious analysis appears to be the basis for creation of a new three-letter government agency—the ESC—which President Carter wants to add to the ever-bubbling kettle of Washington alphabet soup.

The initials stand for Energy Security Corporation, an independent, government-sponsored enterprise which would direct the investment of $88 billion to produce 2.5 million barrels a day of substitutes for imported oil by 1990.

Sole objective of the proposed corporation would be development of domestic production of synthetic fuels from coal liquids, coal gases, peat, agricultural and forestry products, shale oil and unconventional gases. It would not engage in research and development.

The coal industry, which stands to benefit the most from the infusion of billions of dollars of government (read that tax) money, doesn't share the enthusiasm of Congress and the administration for "synfuels." And with good reason.

Presidents Nixon and Ford also proposed synfuel programs. They didn't materialize and the present proposal could suffer the same fate as oil from conventional sources becomes more readily available.

With the atmosphere of crisis past, Congress might not be willing to pass the further appropriations necessary to complete the projects. Such uncertainty is unlikely to encourage investors. The possibility of government involvement can retard, ventures by private industry which may not wish to assume the risk if there is any chance of the government doing it for them.

There are questions also about the cost of synfuel production, not only in dollars spent but in terms of lasting damage to land and water resources. No mater how high the per-barrel price of imported oil is at any given time, the projected price of a barrel of synthetic oil is always substantially higher. The reason is it takes energy to produce energy and more is needed to process synthetic fuel sources than to extract, transport and refine petroleum.

The momentum behind the push for synfuel development is helped by the ability of Congress to sniff a pork barrel in the offing. With the interstate highway system all but complete and water projects unpopular in the White House, energy projects open up new and appealing projects. A full-scale synfuel program would be one of the most expensive pork barrels of all time and no one can say if the eventual benefits will outweigh the costs.

Our main objection to the synfuel proposal is that it involves a government authority. The most effective way to promote synthetic fuels is to decontrol the price of conventional fuels. This would make synthetic fuel prices competitive and provide an incentive for the private sector to invest capital and not commit taxpayer money to a monstrous boondoggle.

WILLIAM COTTER ON AFRICA

Mr. McGOVERN. Mr. President, the peaceful development of African nations is one of our most important foreign policy goals. If effective, U.S. economic assistance allows us to contribute toward building a productive future for some 50 African states. However, it is imperative that our spending abroad be carried out in the most constructive and efficient way possible.

An article in the July 9, 1979, New York Times by Mr. William R. Cotter, president of the African-American Institute, focuses critical attention on the soundness of our current AID programs in Africa. Mr. Cotter points out that we are currently putting the bulk of our African aid into the short range assistance which a few well trained Americans can provide—rather than using our funds more constructively to train African technicians who can make ongoing contributions to local economic development.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GIVE A MAN A FISH? NO. TEACH A MAN TO FISH

(By William R. Cotter)

Congress is right to insist that development assistance help the poor, rather than a narrow elite. But that worthy end has been undermined by highly inefficient means. Instead of rapidly building local manpower capable of tackling rural development priorities, the United States has flooded the developing world with expensive American technicians. These technicians have not had and cannot have a meaningful, long-term impact on the staggering problems afflicting the impoverished rural masses; only skilled nationals and national institutions can achieve that impact. It would be good to remember the Chinese proverb "Give a man a fish, and you feed him for a day. Teach a man to fish, and you feed him for a lifetime."

Most development experts agree that it is the shortage of high-level manpower, more than any other constraint, that retards development. Shortages of well-trained local manpower impede development everywhere, but this lack is particularly acute in Africa. Asia has more than four times as many university students per capita as Africa, and Latin America nearly five times as many. The United States has 35 times as many students per capita in its universities as Africa.

Despite Africa's manpower shortage, the Agency for International Development continues to lavish money on expensive Americans while neglecting the development of Africa's own manpower. For fiscal year 1979, only 12.2 percent of A.I.D. funds spent on that continent are devoted to training. Of this, just over half ($18 million) is allocated for long-term, higher level education, while 60 percent of the 1979 grantees are enrolled in short-term courses, some lasting less than a month. By contrast, nearly 90 percent of A.I.D.'s African program money goes for A.I.D. technicians ($88 million, or 33.2 percent), commodity purchases ($60 million, or 22.8 percent), and construction and miscellaneous costs ($54 million, or 33.8 percent).

Since 1973, A.I.D. has vastly expanded the number of United States technicians it sends to Africa. For example, in the fiscal year 1973—before the new A.I.D. directions took effect—A.I.D. planned to station 391 American technicians in Africa. By fiscal year 1978 (the year of the last Ford administration budget), the number had almost trebled to 1,144. By 1979 (the year of the first Carter budget), it had nearly quadrupled to 1,516.

United States technicians are fearfully expensive, often frustrated and ineffectual, and frequently criticized by Congress and the press for living more luxuriously abroad than they could at home.

High-level manpower training for Africans is not just the fastest way to reach the rural poor. It is also the cheapest. According to the fiscal 1979 A.I.D. submission to Congress, each United States national serving in Africa costs an average of $80,000 a year (some say $120,000 a year). On the other hand, it costs an average of $8,000 to support an African student at a United States university per year. For $16,000 then, A.I.D. can train an African for a master's degree, and for $32,000 it can finance him or her in a four-year Ph.D. program. This means that for $160,000, A.I.D. can either finance one American technician for a typical two-year tour in Africa—with all the waste involved in settling, learning local customs, history, conditions, climate and language, and packing up—or it can train 10 Africans to the master's degree level or five Africans to the Ph.D. level.

Experience shows that United States-educated African graduates do, in 80 to 90 percent of the cases, return home upon completion of their studies and make extremely important contributions to their own nations' development. While African universities now offer first quality undergraduate training in many disciplines, they have very few graduate facilities. As a result, Africans generally must turn to the United States or Europe for advanced work.

Given their superior knowledge of local conditions, these well-trained Africans should be at least as well qualified as most American technicians to strengthen their countries' development efforts. Since each African graduate can be expected to assist his country's development for at least 20 years, a $160,000 investment by A.I.D. may purchase either two American man-years of service or 100-200 African man-years: an efficiency ratio of at least 50 to 1 in favor of African training in the United States.

The Soviet Union and other Eastern European countries are aware of the importance of offering extensive training opportunities. Sub-Saharan Africa has always been a focal point for Soviet and East European training grants, and according to one recent United States Government report, there were 18,000 African scholarship students in Communist countries in 1977, an increase of 6,000 over 1975. This heavy investment contrasts with AID's scholarship program for Africans: in 1979 A.I.D. will support fewer than 2,000 Africans for study in the United States, about one-ninth the number in Soviet and East European programs.

Increased opportunities for higher education and graduate training will not be "elitist" if training grants are awarded on the basis of talent rather than ascribed position in society. The United States should encourage fluid economic and social systems that allow talented students in poor rural schools to work their way up the education ladder.

Given the recent expansion of African universities (although there are still only 36 on the continent compared with 1,000 in Latin America), Africans from poor families are now entering local higher educational institutions in ever-increasing numbers. Consequently, we need not fear that United States colleges and universities will be forced to select only wealthy African students for admission. Assuming United States Government or other scholarship funds are available, large numbers of talented Africans from poor families now have the educational background to do post-secondary and graduate training in America. Of course, many of these, like A.I.D. technicians going to Africa, suffer culture shock when they first arrive and need some extra time to settle in. But this does not delay the attainment of their degree objectives which, in our experience, they complete earlier and with higher grades than their average American counterparts.

If A.I.D. heeded African priorities and looked at cost-efficiency, it would reduce expenditures on technicians from the current 33 percent of its budget to around 20 percent. This would free $35 million in the African program alone for increased manpower training, enough to double the number of training grants.

Mr. McGOVERN. Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER RESUMING PERIOD FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a resumption of the period of routine morning business, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEATH OF T. HARRY WILLIAMS

Mr. LONG. Mr. President, it is with a profound feeling of sadness that I comment today on the death this month of Prof. T. Harry Williams, the Pulitzer Prize-winning author who recently retired as head of the history department at Louisiana State University.

It was my privilege to participate in Mr. Williams' retirement ceremonies in Baton Rouge this spring, when he was properly honored for a lifetime of dedication to his duties at LSU.

At the time of his death, Mr. Williams was working on a biography of our late colleague, President Lyndon B. Johnson. If he had been able to continue to show his diligence in researching and writing about President Johnson, as he had done on past literary efforts, more honors

would have resulted for a decent, honorable historian.

During the years 1955 to 1965 Harry Williams put in 10 years of research, interviews and collecting material on the life of my father, the late Huey P. Long. He employed the then-new method of oral history, or use of the tape recorder in assembling this information.

It was for that biography that Harry Williams won the Pulitzer Prize. But Harry Williams had been honored earlier, in 1952, when his book, "Lincoln and His Generals," was a book-of-the-month selection. His first book, "Lincoln and the Radicals," was a revised version of his doctoral thesis from the University of Wisconsin. Other published works include "P. G. T. Beauregard: Napoleon in Gray," "Hayes of the Twenty-Third," and coauthored "A History of the United States."

Mr. President, Harry Williams is no longer with us. His untimely death denied us the pleasure of reading his planned biography of Lyndon Johnson.

We have lost Harry Williams to a greater kingdom, but in a sense he will always be with us. He will always be a part of the moving picture which he produced so well in living color. Harry Williams was a historian who made himself a place in history.

Mr. President, I ask unanimous consent that a story that appeared in the Baton Rouge Morning Advocate on April 25, 1979, be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REFLECTING "T. HARRY" SAYS HE'LL MISS TEACHING

(By Ed Cullen)

He had pneumonia when word came that he'd won the National Book Award. The day the Pulitzer committee called he was at the ear doctor's. Soon to be 70, Dr. T. Harry Williams is as frail in appearance—Dickensian—as ever and still hard at work.

The day Williams won the Pulitzer for *Huey Long*, students in his Civil War night class applauded as he stepped into the classroom. Williams' almost 40-year career as teacher and writer has often been punctuated by applause.

Williams will retire from LSU in May. He is working on a biography of Lyndon Johnson, and there's a book on the military history of the United States on the back burner. Williams regards his imminent retirement from the classroom with ambivalence.

"There'll be an opportunity to do more work, but I'll miss the mystic thing about teaching and meeting classes, the exultation of the classroom. A constant coming into contact with younger minds is a good thing. Conversely, younger minds should be exposed to older ones."

One weekday evening, Williams sat in his book-lined study under a haze of blue-gray pipe smoke and talked. He talked of his fondness for Louisiana, its people and politics. He talked, too, of teaching, writing and the happy accident that led to his becoming a professor of Civil War history.

"I was talking to a Bossier alumni group last week. There were about 200 people in the audience, many of them former students of mine. Sometimes, I say I should have been a politician. I'm intoxicated by a crowd.

"I talked and I kept feeling better and better. There was that same thing between me and my classes."

Former students remember "T. Harry," as he's known by friends and strangers alike, stalking across campus, trailing a small cloud of graduate assistants. Entering the classroom, he removed his coat while an assistant scribbled words on the blackboard.

Then, in shirtsleeves and tie, one hand and arm cutting swaths through the air, Williams was off. Twisting and jerking, he resurrected "retreating Joe Johnston," "Lee looking like a knight or cavalier" and the uncommon commoner, Grant.

"The biggest draw has always been the Civil War course," Williams says.

For years, the course met at night. Enrollment was as high as 300 students.

"I had to give it up as I got older. Got too hard on me. When I was younger, I didn't use a microphone. I could holler at 'em for hours."

Williams came to LSU in 1941. He was in his early 30s. Aside from a year spent at Oxford, he's been on the Baton Rouge campus ever since.

Williams didn't set out to be a writer, nor a university professor for that matter.

"People think there has to be planning to one's life," Williams smiles. "There was little planning in my life."

Williams was born in Vinegar Hill, Ill., May 19, 1909, "just two axe handles and a twist of tobacco" from Galena, home of Ulysses S. Grant. He grew up on a farm in Wisconsin.

As a boy, Williams read collections of orations, historical novels and the classics. When he graduated from high school in 1927, he enrolled in a teachers' college. He thought he wanted to teach high school. He received his undergraduate degree in 1931.

"There were no teaching jobs open. My father suggested that I go to the University of Wisconsin and take a master's degree. Thought a job might open up in the meantime.

"Nine months later I had a master's degree but still no job. So, I decided to work on a Ph.D.

"Someone told me to ask for Professor Carl Russell Fish." Williams laughs. "I didn't even know what his field was."

Williams enrolled in the University of Wisconsin's doctoral program, requesting and getting Carl Russell Fish. Professor Fish's field was the Civil War.

Williams' first book, *Lincoln and the Radicals*, was a revised version of his doctoral dissertation.

"It was well written for a first book," Williams says, "but wordy."

Lincoln and His Generals was a Book-of-the-Month Club selection in 1952, but Williams' contribution to a Time-Life series in 1963 was a turning point.

"I learned from those editors up there. They said I wrote too much in my own words. There was a need to point up things with quotes and anecdotes."

Williams credits Pat Smiley, a free-lance editor living in Baton Rouge, with polishing and smoothing out his writing. Mrs. Smiley worked on *P.G.T. Beauregard: Napoleon in Gray and Huey Long*.

"I'm a narrative historian. I don't write intellectual history. I write for the lay reader. I think it's important for even a moderately educated person to know history."

It was this feeling for history that Williams tried to impart to his students. He attempted to bring historical figures to life.

"They live. They sweat. They fornicate. In context, it makes them living characters."

Williams never learned to type. He writes in longhand on legal sized tablets. Six or seven sheets a day, "that's my maximum."

Williams grins, "Malcolm Cowley said a good writer wants to see the words flow out from his fingers."

The flow of words from Williams' fingers has slowed somewhat.

He rarely writes at night anymore. Summer has always been his most productive writing time, and he plans to devote this summer to research on his biography of Johnson.

"I'll key on Johnson as a political type. There was a lot of myth surrounding Huey Long. There's more known about Johnson."

Williams says his relationship with LSU has been a good one . . .

"When I came in 1941, there was really a feeling of excitement. There was the Journal of Southern History and Southern Review. Huey Long had pumped money into the university.

"The problem of southern universities is building up and keeping quality teachers in depth. The teachers are after more money and they leave."

For years, Williams has traveled the state talking to alumni groups, civic clubs, historical societies. He knows the state and its politics better than many natives.

"I've come to be fascinated with the state. It's different because of its long history, Latin American culture, French and Anglo-Saxon cultures. I've never seen a state where the people follow politics so intensely."

He laughs, "Corruption with style and flair.

"The people are realists about the existence of corruption. It's so open that maybe there's less of it than in other states where it's hidden.

"And it's a great state for food, south Louisiana at least."

Over the years, his students have served as barometers for the state's changing attitudes.

"Reconstruction was hard to teach at one time. Southerners had preconceived notions. You almost had to fight a class to get its attention. That's disappeared in the last 10 years."

The university put Williams' Civil War lectures on videotape last fall. He met his last class of undergraduates Dec. 5. Stepping behind the lectern, he told the class: "I feel as though I'm about to be embalmed."

In this final lecture, Williams talks about the last days of the war, the troop movements and battles leading to Appomattox. His description of Lee's meeting with Grant is simple and moving.

He ends the lecture with the story of the Confederate raider Shenandoah, a converted British steamer, making its way to England after Lee's surrender.

"That's it," Williams tells the class.

For a few seconds, the room is silent. The silence is broken by applause that becomes increasingly louder. Then, the students are on their feet, applauding, shouting, whistling.

Williams starts moving toward the door. "Thank you . . . Thank you . . . Thank you very much."

The students are still applauding, calling out to him. A girl's voice rises above the din:

"I really enjoyed it."

A testimonial dinner honoring T. Harry Williams will be held at 7 p.m. Thursday at the LSU Union, and a one-day symposium will be held Friday.

Williams, Pulitzer-prize winning author and Boyd professor of history at LSU, retires at the end of this semester.

"War and Politics" will be the topic of the symposium, which will be open to the public.

Speakers will be Frank E. Vandiver, professor of history at Rice University; Don E. Fehrenbacher, professor of history at Stanford University; U.S. Sen. Russell B. Long and Washington attorney Harry McPherson.

Long is the son of Huey Long, subject of a biography that won Williams a Pulitzer prize.

McPherson is a native of Texas and served as special counsel to President Johnson. Williams is working on a political biography of Johnson.

Sessions of the symposium will be at 9:30 a.m. and 2 p.m. at the LSU Union Theater.

PRODUCTIVITY STANDARD FOR WAGE PRICE GUIDELINES

Mr. JAVITS. Mr. President, over the last few weeks we have been hit with a steady stream of discouraging economic reports. Our inflation is rampant at double-digit levels, our leading economic indicators are pointing downward, and our productivity growth is sagging to new lows. At the end of the week, we may well be faced with yet another economic setback as the figures for unemployment are released. There is no dissension among the various economic experts as to the causes of this dismal performance. The shortfall in our productivity and its resultant impact on real economic growth and on the inflation spiral have been now clearly identified as the main operative cause.

Mr. President, this last April, I introduced an amendment to the Council on Wage and Price Stability Act directing the Council "to review its policies with respect to the national interest in promoting greater productivity growth and to submit a report of its findings and recommendations to the Congress."

Specifically, I urged that the Council review the feasibility of incorporating some productivity factor into the wage-price guidelines. That report by the Council is now ready and was released on July 23. Mr. President, I ask unanimous consent that the report, along with a New York Times article on the productivity study be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, I ask unanimous consent further that a statement prepared by Dr. William Freund, vice president and chief economist at the New York Stock Exchange, with respect to incorporating productivity growth into the wage-price guidelines be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JAVITS. Mr. President, I commend the Council for its excellent study on the importance of productivity growth to our economy and on analyzing the causes of, and potential solutions to, our productivity problems. The report perceptively focuses on the dual role that productivity plays in the economic scheme; that "the growth rate of labor productivity is a major element of the inflation process as well as the principal vehicle for improving living standards."

When labor productivity gains are absent, then any increase in hourly wages will automatically inflate unit labor costs. Under these conditions, unless the increase in labor costs is absorbed by private business through declining profit margins, output prices will be raised by the same percentage as the wage changes, undermining the original wage increase and automatically precluding any improvement in the general standard of living. In essence, this is the heart of the price-wage-price spiral.

The report further stresses that any increase in real income can only come at the expense of reduced real living standards for others. We can see this clearly from the data released recently on productivity growth in the second quarter of this year when unit labor costs, in the absence of real productivity gains, rose sharply by 13.4 percent.

The Council's report makes reference to numerous causes of poor productivity performance, including: diminished opportunities for intersectoral employment shifts; changes in the composition of the labor force; variances in the capital/labor ratio; the growing burden of regulatory compliance; and other factors such as sharp hikes in energy costs; declines in research and development expenditures and in worker motivation. In presenting its solutions to the problem of diminished productivity growth, the report stresses the need for a substantial increase in business capital investment, and states that the single most important contribution that the Government can make toward this end is to restore a stable noninflationary environment.

I was encouraged to see that the Council is considering the possibility of including a productivity factor in the revised wage-price guidelines that are scheduled to be released later this month.

I strongly endorse the Council's intention to include an exception from the voluntary guidelines for group productivity incentive plans. Under this proposal, groups of employees who are compensated under these plans will receive pay in excess of the standard if it can be clearly demonstrated that the additional pay is solely the result of additional work effort. This exception would apply only to those plans that base additional compensation on measurable increases in actual productivity.

While this proposed change is encouraging, I would hope that the Council would explore new ways of incorporating the productivity factor into the guidelines.

Dr. Freund puts forth a number of recommendations, which, if incorporated into the guidelines, would yield a marked improvement in productivity growth. One of Dr. Freund's suggestions is to allow some higher percentage wage settlement—he suggests 1 percent—if a firm demonstrates that it has established an effective joint labor-management committee—a vehicle which I have long advocated could be used effectively to improve working life and working morale.

Another suggestion is to offer an additional wage allowance only where substantial productivity gains have actually been achieved. In other words, labor contracts could allow for an additional 1 percent or 2 percent wage increase at the end of the year and only upon demonstration of a measurable productivity growth rate exceeding a specified percentage—Dr. Freund suggests 4 percent or 5 percent.

Finally, he suggests an incentive that would modify profit margin standards to allow some maximum increase in profit margins where the improvement can be demonstrated to have resulted in actual productivity growth exceeding a certain percentage—again the 4 or 5 percent rate appears to be an acceptable figure.

I would urge the Council to pay particular attention to this recommendation. I understand that the Council expressed some reservations about providing such exceptions.

It has become increasingly obvious that we must direct our energies toward refining our measurement tools for productivity. Dr. Freund (New York Stock Exchange) has suggested that firms be given help in measuring and monitoring productivity as an important and ongoing activity. I commend Dr. Freund for his excellent suggestions and on the overall quality of his report, and I believe the Council should want to give careful consideration to his recommendations.

But, Mr. President, what we need now is—an action program—to implement the recommended solutions to our productivity malaise. Late last week all 41 Senate Republicans agreed upon an economic policy statement for the decade. One of the recommendations we make calls for the adoption of policies that will foster improved capital investment, productivity, research and development, personal savings and personal investment in order to expend productive capacity and efficiency of our economy. The specific recommendations are as follow:

CAPITAL FORMATION AND PRODUCTIVITY

1. Personal savings and investment should be encouraged by incentives, rather than penalized through taxation. There should be universal eligibility for Individual Retirement Accounts of up to $1,500/year. By saving for their own future, Americans would be investing in a stronger, healthier economy.

2. As an incentive for greater savings and investment, a savings interest exclusion should be provided and the present dividend exclusion from federal personal income taxes should be expanded.

3. Government at all levels should revise regulatory systems which presently divert investment capital away from productivity and job creation and divert business enterprise into non-productive purposes.

4. Improved levels of productivity in the private sector are paramount if the United States economy is to make progress in winning the inflation battle. Business incentives toward increased capital formation and investment must be encouraged through business tax reductions, tax credits, and accelerated depreciation allowances. Realistic tax incentives spur investment. Depreciation allowances for plants and equipment, including equipment to meet environmental regulations, should be accelerated and adjusted for inflation, in order to permit depreciation allowances to approximate more closely the true replacement costs rather than historical costs of capital equipment.

5. To increase productivity, the United States must recover its former place as the world's leader in industrial research and development. Tax credits for new R & D expenditures would provide a significant incentive for improved research and development spending. The United States must increase properly conceived federal expenditures for accelerated research and development in order to replenish the nation's reservoir of technology and energy alternatives.

6. Sunset legislation for all federal regulatory agencies should guarantee the periodic review and, if necessary, adjustment of their scope and purpose.

7. The Congress should exercise effective but practicable control over proposed federal regulations to ensure that they carry out the intent of Congress. On the federal level, every proposed regulation should be subject to cost-benefit analysis to ensure that potential benefits are not outweighted by its economic impact.

Mr. President, I ask unanimous consent that the latest data released by the Bureau of Labor Statistics on July 10 on preliminary measures for 1978 international comparisons of manufacturing productivity and labor costs be printed in the RECORD following the statement of Dr. William Freund.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. JAVITS. Mr. President, we had a lot of bad economic news lately but the worst is the report that production has sagged in the last quarter with a 3.8-percent dip in productivity, the worst since 1974. This is worse than the OPEC price raise, worse than about anything that has happened to this country.

April last in an amendment to the bill which authorized the Council on Wage and Price Stability, which is adopted, it is law, I called upon them to file a report on productivity. They have now done that.

I also have a report from an economist for the New York Stock Exchange, Dr. Freund, which demonstrates how productivity can be cranked into the wage-price problem and enable labor to do better because that is its agitation and its right, in view of inflation, provided it produces.

Mr. President, I recommend strongly these findings and urge—and the President should pound the table for it—that the Wage and Price Council crank into its formula means for compensating for productivity of American labor. And that may very well be the answer to our problem of inflation and to the very legitimate problem raised by American labor that it simply cannot get out of the woods and its standard of living is going down.

EXHIBIT 1

PRODUCTIVITY

PREFACE

The Council on Wage and Price Stability submits this report in response to Section 3(c) of the Council on Wage and Price Stability Act, as amended by P.L. 96–10 (May 10, 1979). The Council was directed by this Act to "review its policies with respect to the national interest in promoting greater productivity growth and [to] submit a report of its findings and recommendations to the Congress."

The Congressional request for a productivity study reflects a growing concern about productivity performance in the U.S. The growth rate of labor productivity is a major element of the inflation process as well as the principal vehicle for improving living standards. Unfortunately, in the 1970s, our productivity trend has fallen far below earlier trends, and, since 1960, productivity has grown less in the U.S. than in any other major developed country.

A reversal of our productivity slowdown will not be easy to accomplish. While some of the causes for the slowdown can be identified, no one has been able to explain fully the recent decline. Furthermore, the policy options that could have a substantial impact on the identified problems are limited and often involve relatively long time lags before favorable results are evident. This is equally true of any alterations in the pay and price standards, to which the Congress specifically directed our attention.

This report is organized to develop these general points, discussing the importance to the American economy of maintaining a strong productivity growth rate (Section I); examining the post World War II record of U.S. productivity growth (Section II); analyzing the causes of, and potential solutions to our problems (Sections III and IV); and reviewing the relationship between the voluntary pay and price standards and productivity growth (Section V).

I. THE IMPORTANCE OF PRODUCTIVITY GROWTH

Real income gains and the inflation process

Growth in labor productivity plays a vital role in improving real living standards.[1] This relationship is rather simple. In the absence of labor-productivity gains, any increase in hourly wages must inflate unit labor costs. Unless the costs of other inputs do not increase as much as labor costs, or the increase in labor costs are absorbed by business through a declining profit margin, output prices be raised by the same percentage as the wage change, thus undermining the original wage increase. There can be no general improvement in the standard of living under these conditions. Increased real incomes for some can come only at the expense of reduced real living standards for others.

To put the matter differently, increases in nominal compensation costs—whether due to wage, fringe-benefit, or employment-tax increases—will not result in increases in real hourly compensation in the absence of productivity growth. Instead, such increases will be dissipated in increased unit labor costs and increased price inflation.

This point is exemplified by contrasting the experiences of the U.S. economy in three postwar periods (see Table 1). From 1948 to 1965, hourly compensation on the nonfarm business sector increased at an annual rate of 4.6 percent. With an annual productivity growth rate of almost 2.6 percent acting as a buffer between unit labor costs and money wages, real hourly compensation grew, on average, 2.9 percent annually. From 1965 to 1973, the growth rate of hourly compensation accelerated to 6.6 percent annually, but productivity growth declined to an annual rate of 2.0 percent. As a result, real hourly compensation increased at a somewhat slower annual rate of 2.1 percent. Since 1973, there has been almost no productivity increase, and the deceleration of real compensation gains has continued, despite a further acceleration—to 9.0 percent—in the growth rate of nominal hourly compensation. The annual rate of productivity growth over the period has been only 0.8 percent, and real hourly compensation, consequently, has increased by only 0.9 percent per year.

[1] This report focuses on *labor* productivity, defined as the ratio of total output to labor input. One can, however, define productivity for any input; for example, the productivity of capital is simply total output divided by capital input. For many purposes (such as analyzing the productivity collapse and policies for reviving productivity growth), any of these concepts can be used. However, labor productivity is the most natural concept because labor is the predominant input. Moreover, labor productivity is the only productivity concept relevant to the following discussion of the arithmetic of real-income gains.

TABLE 1.—PRODUCTIVITY AND REAL HOURLY COMPENSATION GROWTH

	Annual rates of growth		
	1948–65	1965–73	1973–78
Hourly compensation	4.6	6.5	9.0
Productivity	2.6	2.0	0.8
Unit labor costs	1.9	4.6	8.1
Consumer Price Index	1.6	4.4	8.0
Productivity	2.6	2.0	0.8
Real hourly compensation	2.9	2.1	0.9

Source: U.S. Department of Labor, Bureau of Labor Statistics. Hourly compensation and productivity series are for the nonfarm business sector. Real hourly compensation is hourly compensation deflated by the Consumer Price Index.

Thus, in spite of the rapid growth in nominal compensation in recent years—almost double the growth rate between 1948 and 1965—real hourly compensation growth has declined in step with the falloff in productivity growth. In order to revive the growth in real living standards, the U.S. must revive its productivity performance. No nominal wage increase in the aggregate, regardless of size, will be able to ensure an increase in real earnings.

The historical relationship between productivity levels and real hourly compensation levels and the lack of a historical relationship between nominal hourly compensation and real hourly compensation is depicted in Figure 1 for the 1960–78 period. The figure also illustrates the growth in real hourly earnings, which, unlike hourly compensation, do not include employer social insurance taxes and fringe benefit costs. While trends in real hourly compensation levels closely match the gains in productivity, the real average hourly earnings index falls substantially behind over this period. This shortfall reflects the substitution of improved private fringe benefits for wage-rate gains and the rapid increases in employment taxes over this period. These nonwage increases have driven a wedge between the growth in real hourly compensation—dominated by productivity growth—and the growth in real hourly earnings.

The productivity slowdown is especially troublesome at a time when we are trying to unwind an inflationary wage/price spiral. When workers push for wage increases to recoup the gains that were undermined by price increases, unit labor costs are driven up by an amount that is inversely related to productivity growth. This leads to further price increases. Thus, the productivity slowdown helps to propagate the wage/price spiral.

Again, Table 1 shows this relationship. At the annual rate of growth of unit labor costs (the difference between the growth rates of nominal hourly compensation and productivity) accelerated from 1.9 percent, to 4.6 percent, to 8.1 percent in the three respective time periods, the inflation rate (as measured by the CPI) accelerated from 1.7 percent, to 4.4 percent, to 8.0 percent.

Of course, the slowdown in productivity is only one factor in the acceleration of unit labor costs and consumer prices. Indeed, inflation could have been held to the low rates of the 1948–65 period even with the present trend rate of growth of productivity if nominal hourly compensation had grown at a 2.5-percent rate (instead of 8.1 percent). Conversely, inflation would be increasing at its present rate even if productivity were growing at the 1948–65 rate if nominal hourly compensation were rising at a 10.6-percent rate.

International comparisons

Insofar as slow productivity growth exacerbates the inflation problem, it can also worsen our balance of trade. If U.S. productivity growth slackens relative to our foreign competitors and if the American workers'

wage demands do not taper off correspondingly, rising U.S. labor costs encourage more foreign investment of U.S. dollars and more importation of foreign goods.

International comparison of economic data is always suspect because the conceptual foundations and reliability of the data differ widely across countries. With this caveat in mind, available data indicate that the U.S. productivity performance has lagged behind that of all other major developed countries. Table 2 illustrates this point.

The reasons for this relatively poor American performance are not fully understood. However, the two most common explanations for the higher rates of productivity growth of our foreign competitors are their relatively higher rates of investments and savings and their initial low levels of capital and productivity after World War II.

TABLE 2.—GROWTH IN PRODUCTIVITY AND CAPITAL INVESTMENT

	Productivity growth (average annual percent change)		Capital investment as percent of output [3] (all industries 1960–76 average)
	Manufacturing 1960–78 [1]	All industries 1960–76 [2]	
United States	2.8	1.7	14.8
United Kingdom	2.9	2.2	17.0
Canada	4.0	2.1	19.7
Germany	5.4	4.2	19.6
France	5.5	4.3	19.3
Italy	5.9	4.9	16.3
Belgium	[4] 6.9	----------	17.7
Netherlands	[4] 6.9	----------	21.1
Sweden	5.2	----------	19.2
Japan	8.2	7.5	[5] 28.2

[1] Productivity data are output per hour of all employed persons (wage and salary earners, the self-employed, and unpaid family workers) in the United States and Canada, and all employees (wage and salary earners) in the other countries.
[2] Real gross domestic product per employed civilian.
[3] Fixed investment at factor prices as a percent of domestic output at factor cost (excludes construction).
[4] 1960–77.
[5] Average ratio for fiscal years beginning Apr. 1, 1960–76.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The first suggested explanation—that foreign countries have higher rates of investment and savings—is supported by data shown in Table 2. While cause and effect are somewhat difficult to prove when comparing growth rates of different countries, there appears to be a fairly consistent relationship between the level of capital investment and the annual percentage change in productivity. The U.S. ranks last in both the growth of output per hour and the ratio of capital investment to output. At the other end of the spectrum, Japan's remarkable productivity growth is matched by an equally remarkable rate of capital investment.

The second explanation of the relatively low U.S. productivity growth rate—the low levels of capital and productivity in foreign countries after World War II—is illustrated in Table 3. Countries that had very low productivity levels relative to the U.S. after the war have grown most rapidly. These countries had a large portion of their capital stock destroyed during the war and were able to make rather large discrete improvements in their productivity by borrowing the most modern technologies from more advanced economies, such as the U.S. Since they had little or no fixed costs in terms of old, depreciating capital, these countries were able to adopt the newest innovations as quickly as their resources permitted. And, given the very large portion of their national income devoted to investment, the innovations were diffused quite rapidly.

The most distressing aspect of these data is that the trend is continuing. Although the U.S. may still enjoy one of the highest levels of productivity in the world, our advantage is clearly shrinking and our recent performance is a matter of extreme concern. The next section explores more closely some of the apparent causes of the virtual collapse in the productivity growth rate.

TABLE 3.—REAL GDP PER EMPLOYED CIVILIAN 1950–77 OUTPUT BASED ON U.S. PRICE WEIGHTS

[Indexes, United States equals 100]

Year	United States	Canada	France	Germany	Italy	Japan	United Kingdom
1950	100	83	48	40	32	18	57
1955	100	85	50	47	35	21	55
1960	100	87	61	56	40	27	57
1965	100	86	66	60	47	36	54
1970	100	89	78	72	61	54	59
1975	100	93	89	80	65	66	62
1976	100	93	91	83	66	67	63
1977 [1]	100	92	92	85	63	69	62

[1] Data for 1977 are based on preliminary estimates.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

II. HISTORICAL U.S. PRODUCTIVITY PERFORMANCE

The dramatic decline in productivity growth in recent years is illustrated in Table 4, which shows productivity growth rates for major sectors of the economy in several different periods.

TABLE 4.—LABOR PRODUCTIVITY GROWTH, 1948–78

[Average annual percentage change]

	1948–65	1965–73	1973–78	1977–78
Sector:				
Private business	3.2	2.3	0.9	0.3
Nonfarm	2.6	2.0	.8	.5
Manufacturing	3.2	2.4	1.7	2.5
Nonmanufacturing	2.4	1.7	.3	—.4
Cyclically corrected:				
Private business	3.1	2.3	1.3	-------
Nonfarm	2.5	2.1	1.1	-------
Manufacturing	2.7	2.6	2.4	-------
Nonmanufacturing	2.4	1.9	.6	-------

Source: U.S. Department of Labor, Bureau of Labor Statistics and the Council on Wage and Price Stability.

In the private business sector, the average annual rate of growth declined by about a full percentage point in each time period—from 3.2 percent in 1948–65 to 2.3 percent in 1965–73 to 0.9 percent in 1973–78. The decline in the private nonfarm sector has been less pronounced, primarily because a substantial part of the decline in the private business sector is attributable to a curtailment of the shift of workers from the relatively low-productivity farm sector to the relatively high-productivity nonfarm sector, but it is still obvious. The largest part of the nonfarm slowdown has occurred in the nonmanufacturing sector.

Many experts contend that there have been three distinct trends in productivity in the postwar period, which conform roughly to the time-period breakdown above. The productivity data in Table 1 tend to support this contention, but, because of the erratic nature of year-to-year productivity data, the existence of a new trend since 1973 has not yet been firmly established. Evidence is mounting however, in favor of this interpretation.

The reason for the uncertainty about a recent shift in the trend is that some of the slowdown in the 1974s can be attributed to cyclical (short-term) factors. Because of lags in the response of employment to output changes, labor productivity varies considerably over the business cycle. The growth rate falls below the trend rate during contractions and rises above it during expansions. This lag, in turn, is usually attributed to labor hoarding: During periods of low demand, many firms do not lower their employment commensurately because of the costs of recruiting and training new workers when demand recovers. As a result, measured productivity has a cyclical component as output declines more than employment in downturns and recovers more than employment during expansions.

The Council has used some econometric techniques to adjust for cyclical variations in productivity growth rates. The trend estimates for major sectors, using these techniques, are shown in Table 4. These estimates indicate that, even after adjustment for cyclical factors, the U.S. has suffered a decline in trend productivity growth in the mid–1950s and another trend decline since 1973. The one possible exception to this conclusion is the manufacturing sector, where the estimated trend declines are small (and not statistically significant).

Table 5 provides a more disaggregated picture of productivity trends (not cyclically corrected) in the three time periods. The slowdown appears to be pervasive. Only communications had a larger productivity growth rate in 1973–78 than in previous periods.

The decline in productivity growth has been exceptionally sharp for a few industries. The rate of growth in mining slowed from 4.2 percent per year during 1950–65 to 2.0 percent between 1965–73. Productivity growth has actually been negative, declining at a 4.1-percent annual rate, since 1973. Productivity growth in the construction industry also has been low relative to previous periods. Although the worst decline occurred between 1965 and 1973, productivity growth has continued to decline since 1973, and productivity remains a problem in construction. Also experiencing significant productivity troubles are utilities, trades, transportation, and services.

The breakdown of productivity trends by sector in Table 5, however, is still highly aggregative. This high level of aggregation can be especially misleading in the manufacturing sector, where the different industries range from the high-technology industries such as electronics to the low-technology industries such as textiles. Further disaggregation of the data is provided in Tables 6 and 7. Because the manufacturing sector is particularly cyclical, the data in Table 6 include an econometric correction for cyclical factors.

TABLE 5.—PRODUCTIVITY GROWTH BY INDUSTRY, 1950–78

[Average annual percentage change]

Industry	1977 output share [1] (percent)	1950–65	1965–73	1973–78 [2]
Agriculture	3.4	5.2	5.3	1.8
Mining	3.0	4.2	2.0	—4.1
Construction	5.1	2.9	—2.3	—.9
Manufacturing	27.4	3.0	2.4	1.6
Nondurable	10.9	3.2	3.2	2.3
Durable	16.5	2.4	1.9	1.3

TABLE 5.—PRODUCTIVITY GROWTH BY INDUSTRY, 1950–78

[Average annual percentage change]

Industry	1977 output share[1] (percent)	1950–65	1965–73	1973–78[2]
Transportation	4.3	3.2	2.9	.8
Communication	3.0	5.4	4.7	6.1
Utilities	2.8	6.2	4.0	−1.4
Trade	19.8	2.7	2.9	.4
Wholesale	8.4	3.0	3.9	.2
Retail	11.4	2.4	2.2	.4
Finance, insurance, and real estate	15.9	2.4	.5	1.4
Services	14.2	1.6	1.9	.2

[1] Share of private domestic output. Detail may not add to 100 percent because of rounding.

[2] Based on preliminary figures for 1978.

Source: U.S. Department of Labor, Bureau of Labor Statistics and U.S. Department of Commerce, Bureau of Economic analysis.

TABLE 6.—PRODUCTIVITY GROWTH IN MANUFACTURING INDUSTRIES

[Average annual percentage change]

Industry	1948–65	1965–73	1973–77
Food and kindred[1]	4.7	1.7	3.9
Tobacco[1]	4.5	4.5	3.7
Textile mill products[1]	5.2	4.2	2.7
Apparel and other textile products	2.1	3.2	4.9
Lumber and wood products[1]	4.7	4.3	1.3
Furniture and fixtures[1]	2.2	.9	2.6
Paper and allied products	2.8	3.5	2.8
Printing and publishing	4.0	.8	2.6
Chemical and allied products	6.4	3.7	3.5
Petroleum and coal products	6.9	2.0	2.2
Rubber products	3.2	1.6	1.3
Leather and leather products	1.8	1.0	5.1
Stone, glass, and clay products	3.1	.2	2.5
Primary metals	2.1	.7	−1.0
Fabricated metals	3.0	.7	1.8
Machinery, except electrical	3.0	2.4	.8
Electrical equipment and supplies	5.5	4.4	3.3
Transportation equipment	4.6	1.7	4.0
Instruments and related products	5.5	2.7	1.7
Miscellaneous manufacturing industries	3.7	3.6	2.3

[1] Cyclical variable is not statistically significant.

Source: Council on Wage and Price Stability.

TABLE 7.—PRODUCTIVITY GROWTH IN SELECTED INDUSTRIES, 1950–77

[Average annual percentage change]

Industry	1950–65	1965–73	1973–77
MINING			
Iron mining, crude ore	5.7	3.7	−2.9
Iron mining, usable ore	4.0	3.3	−4.5
Copper mining, crude ore	4.7	2.6	3.7
Copper mining, recoverable metal	3.1	−.4	3.5
Coal mining	6.6	−1.3	−3.6
Bituminous coal and lignite mining	6.7	−1.4	−3.4
Nonmetallic minerals	[1] 4.1	3.9	−.8
Crushed and broken stone	[2] 3.7	5.0	−2.1
MANUFACTURING			
Canning and preserving	2.9	3.7	[3] 1.7
Grain mill products		2.9	[3] 5.1
Flour and other grain mill products	4.4	2.3	1.9
Cereal breakfast foods		1.7	[3] .8
Rice milling		1.7	[3] 1.2
Blended and prepared flour		.6	[3] 4.2
Wet corn milling		4.3	[3] 9.8
Prepared feeds for animals and fowls		3.2	[3] 6.2
Bakery products	2.9	2.4	1.2
Sugar	4.5	2.4	4.2
Candy and confectionery products	3.7	5.9	−5.6
Malt beverages	4.4	6.7	4.8
Bottled and canned soft drinks	[2] 2.1	3.1	6.6
Tobacco products—total	3.7	1.3	3.6
Cigarettes, chewing and smoking tobacco	1.5	1.1	3.2
Cigars	6.6	1.5	4.7
Hosiery	4.8	8.4	8.8
Sawmills and planing mills, general	[3] 3.5	2.7	.8
Veneer and plywood	[3] 5.8	4.3	[3] 2.8
Household furniture	[3] 2.1	2.8	.8
Wood household furniture	[3] 2.3	3.2	[3] −.3
Upholstered household furniture	[3] 1.3	1.8	[3] 2.2
Metal household furniture	[3] 2.7	2.5	[3] 1.8
Mattresses and bedsprings	[3] 3.0	4.5	[3] 4.0
Paper, paperboard, and pulp mills	4.1	4.4	1.0
Corrugated and solid fiber boxes	[3] 3.3	4.4	3.9
Synthetic fibers	[3] 3.7	8.0	7.6
Pharmaceutical preparations		5.9	4.6
Paints and allied products	[3] 3.4	1.4	[3] 7.6
Petroleum refining	[3] 6.2	5.3	−.6
Tires and inner tubes	4.2	2.4	1.3
Footwear	1.6	.4	.3
Glass containers	1.6	2.0	.8
Hydraulic cement	5.3	4.0	−.2
Structural clay products	[3] 3.3	4.0	1.1
Clay construction products	[3] 3.2	4.0	1.5
Clay refractories	[3] 3.7	3.7	−.2
Concrete products	3.5	3.2	[3] .5
Ready-mixed concrete	[3] 2.2	1.7	[3] −1.6
Steel	2.1	2.0	−.2
Gray iron foundries	[1] 2.6	2.4	2.4
Steel foundries	[1] 1.2	1.4	1.6
Primary copper, lead, and zinc	2.7	2.4	2.0
Primary aluminum	4.9	1.8	.9
Copper rolling and drawing	[3] 5.9	.9	−1.5
Aluminum rolling and drawing	[3] 6.7	5.6	2.3
Metal cans	2.1	1.7	3.9
Motors and generators	[3] 5.3	1.2	[3] −1.2
Major household appliances	[3] 6.4	4.5	4.2
Electric lamps	[1] 2.8	.6	1.4
Lighting fixtures	[4] 2.2	3.6	.8
Radio and television receiving sets	[3] 5.3	4.2	[3] 4.4
Motor vehicles and equipment	[3] 4.7	3.3	2.9
OTHER			
Railroads, revenue traffic	5.3	5.1	−.3
Railroads, car-miles	4.5	3.3	−.3
Intercity trucking	[1] 2.8	2.8	1.7
Intercity trucking (general freight)	[1] 2.9	1.9	[3] −5.2
Air transportation	7.7	5.8	4.0
Petroleum pipelines	[3] 9.9	9.8	3.1
Telephone communications	[1] 7.9	4.8	7.8
Gas and electric utilities	7.7	5.3	2.0
Retail food stores	[3] 3.0	1.7	−.3
Franchised new car dealers	[3] 1.9	2.5	3.3
Gasoline service stations	[1] 2.6	4.8	4.2
Eating and drinking places	[1] 1.0	1.2	0
Hotels, motels, and tourist courts	[3] 3.0	2.1	−.8
Laundry and cleaning services	[3] .0	2.9	.2

[1] 1956–65.
[2] 1959–65.
[3] 1973–76.
[4] 1962–65.
[5] 1973–75.

Source: Department of Labor, Bureau of Labor Statistics.

One manufacturing industry, primary metals, stands out as a problem area. In the recent time period, productivity in this industry has actually been declining at about one percent annually. This poor performance is especially disconcerting since primary metals play a crucial role in the U.S. economy and since imports of primary metals have grown substantially in recent years. Nonelectrical machinery is another industry in which the productivity performance has been particularly disappointing. Other industries that have slowed substantially since 1965 without any significant recent rebound are textile mills, lumber and wood products, chemical and allied products, petroleum and coal products, rubber, fabricated metal, electrical equipment, and instruments and related products. On the other hand, transportation equipment, food, apparel, furniture, leather, and stone, clay, and glass products have shown signs of productivity resurgences.

A further disaggregation is shown in Table 7. These data are measured in physical units of output, rather than the deflated output figures used in all other tables in this study. This means that the difficult task of correcting output for the effects of inflation should not be a problem. As indicated here, the slowdown in mining is widespread. Within the manufacturing sector, nine industries have productivity growth rates since 1973 of negative value. Only 12 out of 52 industries show a generally increasing rate of growth since 1965. Industries within the transportation sector also have experienced widespread growth declines, as have a few industries in the utilities, trade, and service sectors. The fact that these data, measured in physical output, also show long-run declines in productivity growth further substantiates the notion that the U.S. is experiencing a pervasive slowdown. These data, however, are not cyclically adjusted, and such an adjustment could raise some of the 1973–77 trend estimates.

III. DETERMINANTS OF THE DECLINES IN THE PRODUCTIVITY TREND

There is not yet complete agreement about the causes of the cyclically corrected productivity slowdown. Some factors can be identified with reasonable certainty whereas others are more controversial. This uncertainty is particularly true of the 1973–78 slowdown, which still remains as somewhat of a mystery to economists. The more important known sources of the productivity decline are discussed below.

Intersectoral employment shifts

The shift of workers out of the relatively low-productivity agricultural sector into the higher-productivity sectors, primarily manufacturing, increased productivity in the private business sector by almost one-half of a percentage point from 1948 to 1965. This movement ceased in the mid-1960s, contributing to the trend decline. Since 1973, however, intersectoral shifts of employment have not been an important source of the slowdown. Instead, entire sectors of the economy have experienced declines in the trend rate of growth, as shown in Table 7. These declines are not the result of shifting work forces and must be attributed to problems within sectors and/or to economy-wide problems.

Shifts in the composition of the labor force

The baby boom of the 1940s and early 1950s and the cultural changes that have attracted large numbers of women into the labor force in more recent years have brought about a dramatic change in the age-sex composition of the labor force. The proportion of the labor force accounted for by youths and women has risen sharply since the mid-sixties. As many of these workers are new entrants into the labor force, they have little previous work experience and job training. Hence, it is possible that the shift in the labor-force composition has contributed to the slowdown in productivity growth. This is very difficult to quantify, but the studies that have been completed suggest that about two- to three-tenths of a percentage point of the slowdown before 1974 are attributable to this occurrence. Since 1973, the composition of the labor force has not contributed to the slowdown. Moreover, demographic trends suggest that this factor should change from negative to positive sometime in the next decade as this large cohort of new labor-force entrants acquire work skills.

Another important property of the labor force is the average educational level. The 1960s were a period of rapid expansion in educational achievement. Since then, the growth in average median years of education has slowed. Thus, educational achievement has ceased to be a factor in labor-productivity growth.

Capital/labor ratio

An important source of growth in labor productivity is the growth in the capital/labor ratio—a measure of the amount of productive capital per worker. Estimation of the contribution of this factor to labor-productivity growth is difficult because of a number of complications. The most important of these is the fact that growth in the capital stock also entails technological change insofar as technological innovations are embodied in new capital equipment. Since there is no reliable measure of technological innovations, simple measures of the

capital stock do not reliably reflect quality-adjusted data. In addition, fluctuations in the rate of utilization of capital confound attempts to ascertain its contribution to output.

Due to the imprecision involved in measuring a capital/labor ratio, there is much debate as to the actual magnitude of its contribution to the secular declines in productivity growth. There is little doubt that this is an important factor in the trend decline since 1973, accounting for about 0.5 percentage point of the slowdown. But there is conflicting evidence concerning its contributions in the 1965–73 slowdown.

Government regulations

The problem of a slowdown in the rate of capital formation has been exacerbated by the proliferation of government regulations that require that an increasing proportion of capital investment be diverted to improving the health and safety of workers and the environment rather than to expanding productive capacity. While these regulations have benefits, those benefits are difficult to measure and are not counted in our National Income Accounts. They are also frequently ignored when impressions of real living standards are formed. One study estimates that the direct impact of the growth in these regulations has been nearly a 0.2-percentage-point decline in measured productivity in the 1965–73 period and an additional 0.2-percentage-point decline since 1973.

In addition, important indirect costs are generated by these regulations. The implementation of new regulatory statutes is often associated with considerable litigation and uncertainty, which tends to reduce innovation and investment. Moreover some regulations specify or suggest the technology to be used to meet new standards, rather than prescribing a level of performance to be attained. As a consequence, innovations that could meet the standards at lower cost are not encouraged.

The substantial impact of these regulations shows up most dramatically in the collapses of productivity growth rates in two sectors that have been especially affected: in mining, where the 4.1-percent annual rate of decline in productivity growth may be attributable largely to the Mine Safety Act and environmental regulations; and in primary metals, where environmental regulations have been very costly in recent years and productivity growth has declined to an estimated —1.0 percent annually. In addition, environmental regulation may also help to explain the 1.4-percentage-point decline in productivity growth for utilities during 1973–77, although the major impact of these regulations will occur over the next decade. The precipitous decline in productivity growth in this sector is also attributable, however, to the sudden slowdown in the rate of growth of demand, while plants—planned for in preceding years on the basis of projections of rapid growth—continued to come on line, producing a growing margin of spare capacity.

Other factors

The foregoing factors, taken together, probably suffice to explain the 0.9-percentage-point decline in the growth rate of productivity in the 1965–73 period. They are not sufficient, however, to explain all of the further deterioration since 1973, accounting for only half of the 1.4-percentage-point decline between 1965–73 and 1973–78. This has caused speculation concerning other sources of the deterioration. Three of the most commonly mentioned factors are the sharp rise in energy prices in 1973–74, a decline in research and development, and a decline in workers' motivation. None of these causes is well documented and none is capable of explaining the very sudden and dramatic decline in productivity in 1974.

Energy prices in 1973–74 quadrupled overnight. Insofar as higher energy prices cause a switch in production processes (away from energy-using technologies to more labor-intensive techniques) or a shift in demand from energy-intensive to labor-intensive products, it is conceivable that the oil embargo of 1973 could sharply reduce labor-productivity growth.

However, changes in production techniques and in demand patterns generally occur very gradually, and only a very abrupt and massive switch in technologies or product mix could explain much of the decline since 1973. Moreover, the U.S. was less affected by the international oil-price hikes in 1973–74 than other countries. The fact that these countries did not experience slowdowns of a similar magnitude raises doubts about this explanation. Hence, while the surge in energy prices may have added somewhat to the decline in the growth rate, it is probably not possible to attribute much of the slowdown to this source.

Many analysts argue that the leveling off of research and development (R&D) expenditures has slowed productivity growth. This is more difficult to document because most of the decline in the growth of R&D expenditures appears to be concentrated in military-related research, and these expenditures may be less productivity-enhancing than are expenditures on basic research and product innovation. In any event, there are long lags between R&D expenditures and economically feasible innovations. Thus, this is just as unlikely an explanation of the sudden 1973–74 deterioration as are energy price increases. However, it could be another factor in the gradual decline in productivity growth.

Finally, some analysts contend that workers have changed their attitude toward their jobs, that they do not work as hard as they once did. This also is difficult to document, but, likewise, it cannot explain any sudden declines in growth rates. Attitudes typically change gradually and would take years before the cumulative impact was sufficiently large to be detected.

IV. POSSIBLE GOVERNMENT ACTIONS

The outlook for productivity in the near future is uncertain at best, but there is little room for complacency. The drag on productivity caused by the changing composition of the labor force should be reversed automatically in the 1980s as the baby-boom generation matures, perhaps adding as much as 0.4 percentage point to the growth rate. Investment rates in the last two years have also improved somewhat. But there is no reason to hope for an automatic reversal of the other factors contributing to the productivity slowdown. The bonus from the shift of workers from the farm to the nonfarm sector is gone forever. The lower productivity growth due to environmental and health-and-safety regulations, at least in part, is the price that we are paying now for years of neglect of the environment. It will take years to restore a clean environment, and we must be prepared to consume fewer purchased goods and services (even with economically rational regulations) than heretofore in order to pay for the attainment of these social goals.

Although capital investment is improving, there can be no doubt that much larger increases in business investment will be required to improve productivity growth significantly in the years ahead. The government can provide additional investment incentives, described below, but the most important contribution to this objective would be the restoration of a stable, noninflationary business environment. The uncertainty created by high and variable rates of inflation, wide swings in cyclical conditions, and rapid additions of business regulations have seriously deterred investment incentives since 1971.

Other measures that the government can take to improve productivity growth include the use of tax policy to stimulate investment, the reform of economic and social regulations to make them more cost effective, expanded R&D assistance, and the dissemination of research results and information.

Anti-inflation measures and productivity

As noted above, there can be no doubt that an improved productivity performance could be an important factor in alleviating inflationary momentum. But an improved inflation outlook could, in turn, improve the productivity performance of the economy. High and variable inflation rates create uncertainty and lack of confidence about the future. With future business conditions more certain, businesses' long-term planning would be easier and they would be more likely to undertake the type of capital improvements that lead to productivity growth.

Thus, one important policy for improving productivity growth is an effective anti-inflation policy. The anti-inflation program announced by the President last October, and reinforced in November, was designed to bring the inflation under control gradually. The program combines aggregate demand restraint with pay and price standards. Prudent monetary and fiscal policy are employed to slow the economy and ease pressures on prices and wages. The standards are complementary to aggregate demand management. Their purpose is to slow inflationary momentum and moderate inflationary expectations of business and workers, creating an environment in which the effect of fiscal and monetary restraint on unemployment and real growth will be minimized and the effect on inflation will be maximized.

Government policies to encourage capital accumulation

Tax policy is a traditional method of encouraging investment. The most recent revision of the tax code, the Revenue Act of 1978, contained two important changes directed towards this end: a reduction in corporate tax rates and an improvement in the investment tax credit.

A reduction in the corporate tax rate directly improves corporate profitability, a key determinant of investment. Profits are just now beginning to recover from the recession of 1974–75 but, as of the end of 1978, profit as a share of GNP and rates of return on investment were still generally below the 1955–70 averages. The lower tax rates implemented through the Revenue Act of 1978 will further improve the after-tax profit outlook for corporations and make investment more attractive. The investment tax credit is intended to encourage capital accumulation by lowering the cost of purchasing capital goods. Last year this credit was liberalized and made permanent.

Future reductions in corporate taxes could be carefully designed to stimulate investment. Another method of encouraging investment would be to permit accelerated depreciation on capital.

Another important aspect of capital formation is the provision of enough savings to accommodate our investment needs. Independent regulatory agencies have moved to loosen regulations on interest rates on savings accounts. The Administration and the Council have supported these reforms. These reforms should increase savings by eventually allowing interest rates for small savers to rise to their market-clearing price. By doing so, savings and investment will be efficiently encouraged, thus expanding our productive capacity and easing potential supply bottlenecks throughout the economy.

Government regulations

Government can also improve productivity growth through regulatory reform. The Council plays a major role in the regulatory review process. Through a formal filings procedure with regulatory agencies, the Council has repeatedly stressed the need to make the regulatory process more economically rational. In addition, the Council participates in the Regulatory Analysis Review Group, which selectively analyzes the more important regulations of various regulatory agencies before final rulemaking.

Mention has already been made of the cumulative impact of environmental and health-and-safety regulations on productivity. Government must continue to encourage a cleaner environment and safer workplace, but it should strive to accomplish these goals with lower-cost alternatives. Quite often, it is possible to achieve the same levels of safety or environmental quality as required by traditional inflexible regulations, but at a lower cost, by drafting regulations that promote efficiency, innovation, and flexibility.

In addition to social regulations governing the environment and health and safety, the government also promulgates economic rules. Many economic regulations mandate inefficient business practices while others protect firms from competition, thus reducing the incentive to innovate. The Administration, with major input from the Council, is examining anti-competitive regulations with the objective of phasing-out those that are no longer justified on rational economic grounds. Transportation deregulation is particularly important in this regard. Airline deregulation has already provided obvious benefits in the form of heightened competition among carriers. This competition undoubtedly will improve productivity in following years as carriers attempt to provide the best service at the lowest cost. The trucking and railroad industries should be the next sectors to undergo regulatory reform. Indeed, there may be even more potential for productivity-improving deregulation in surface transportation than in the airline industry. Both these industries have been bound by an accumulation of inefficient and outdated rules that mandate practices that can no longer be rationalized.

Various types of import restrictions are another form of economic regulation that hinders productivity by reducing incentives for innovation. Resistance to special-interest protectionist appeals is necessary if counterproductive trade restrictions are to be avoided. When an industry faces competition from abroad, it all too often requests import relief instead of adopting the newest technologies. To this end, the Multilateral Trade Negotiations (MTN) recently concluded in Geneva will be an important element not just in our international trade policies, but also in our efforts to improve productivity.

The MTN will open up major export markets for U.S. firms as tariff rates are lowered by approximately 30 percent and as major nontariff barriers are reduced. The heightened competition resulting from this freer international trade should substantially improve U.S. productivity as worldwide efficiency is encouraged and as our high-productivity export sector is expanded.

Research and development

Research and development funding represents another area in which improvements have recently been made. Although it is difficult to determine whether the decline in R&D expenditures has contributed to the recent productivity shortfall, government funding of basic research could prove beneficial in improving future growth rates. A *careful* expansion of such funding is already underway. Outlays for basic research and development will increase by almost 18 percent in fiscal year 1979 and by an additional 10 percent in fiscal-year 1980.

The Government as a clearinghouse

CWPS also is an active participant on the National Productivity Council. The Council coordinates the decision-making process among government agencies in matters related to productivity. This includes but is not restricted to, coordination of Federal productivity programs in the private and public sectors, establishment of innovative projects to encourage public and private productivity, and improvement of productivity statistics.

V. THE PAY AND PRICE STANDARDS AND PRODUCTIVITY GROWTH

The pay and price standards are related to productivity growth in two important ways. First, the standards were designed to be consistent with one another and with constant functional income shares (i.e., constant shares going to labor and to capital owners), and this design depends critically upon the assumed trend rate of productivity growth. Second, every precaution was taken to ensure that the standards did not dampen businesses incentives to improve productivity.

Productivity growth and the design of the standards

The relationships between productivity growth, the inflation target, and the pay/price standards can be seen as follows. Full compliance with the 7-percent limitation on pay-rate increases would imply an average increase in total hourly compensation of about 8¼ percent. This takes into account the slippage due to large increases in employment taxes, the low-wage exemption, exempted increases in excess of 7 percent in the cost of maintaining *existing* health benefits, and exceptions for existing labor contracts, tandem pay changes, and acute labor shortages. Deducting from this figure the 10-year productivity trend growth rate of about 1¾ percent, we obtain the targeted increase of unit labor costs of 6½ percent. Constant income shares is essentially equivalent to equal increases in unit labor costs and prices. Thus, with full compliance and no exogenous price shocks, prices would rise by 6½ percent during the first program year.

Unfortunately, the economy has been particularly hard-hit by exogenous price shocks in the first program year, resulting in an annual inflation rate of about 11 percent thus far. In the monitored sector of the economy, the inflation rate has been about 7½ percent. The one-percentage-point difference between this rate and the 6½ percent target rate is attributable primarily to the effect of crude-material price increases rippling through the monitored sector of the economy, forcing many companies off of price deceleration and onto the alternative cost-passthrough provisions of the profit-margin limitation.

The standards and incentives to improve productivity

The pay and price standards were designed to be effective with a minimum loss of efficiency and to avoid the dampening of investment incentives. As with most government intervention in the marketplace, the call for restraint in pay and price decisions runs the risk of inducing some economic inefficiencies by distorting market incentives and signals, resulting in a misallocation of resources and discouragement of productivity growth. While it is undoubtedly the case that some inefficiencies will result, these are likely to be small compared to the fundamental economic inefficiencies caused by inflation itself.

Our concern for maintaining productivity incentives is evident in several aspects of the standards.

First, the price controls of the early 1970s applied to individual product prices, and this approach tied companies into a pricing straitjacket that prevented them from reacting rationally to changing cost and market conditions. In contrast, the current price standard applies to the average rate of price change across all product lines of a company. Companies are free to adjust relative prices in response to changing market conditions so long as they meet the overall deceleration objective. This freedom to adjust relative price is essential if distortions and shortages, which could seriously damage productivity incentives, are to be avoided.

Second, the notion of a price standard based primarily on a cost-passthrough principle was rejected at the outset. Under the 1971–73 program of price controls, price limitations were based on a percentage passthrough of costs. This approach provided no incentive for firms to search for cost efficiencies, since any decrease in costs would have to be reflected in reduced prices. In contrast, under the present price standard, if the price deceleration goal is achieved, no limitations are placed on profits. This encourages firms to take cost-reducing actions, with the resultant profits available for investment and capital accumulation—a major determinant of productivity growth.

The design of the standards recognizes, however that price deceleration is impossible for companies that experience significant uncontrollable cost increases. If no exception to the standards were available for such companies, they would be forced either to violate the price standard or to curtail production of some items. The latter decision, if widespread, could lead to artificially induced shortages that, in turn, lower productivity for companies that are unable to purchase adequate amounts of required inputs. In order to avoid the inducement of such shortages, a profit-margin exception was incorporated into the standards. Firms experiencing uncontrollable cost increases can comply instead with a restriction on their profit margins.

Finally, the notion of a differential pay standard for differing rates of productivity growth at the industry or firm level was rejected. There is no theoretical or empirical justification for the notion that wage-rate increases should be solely determined directly by productivity growth at the industry or firm level. The disparities between productivity growth rates across industries have little to do with differences in the diligence of the workers; rather, they are due to the fact that there is more potential for productivity-improving innovations in some industries (for example, most manufacturing industries) than in others (for example, services). Rapid productivity growth in some industries is the result primarily of the embodiment of new, more advanced technologies, which can in turn be traced back to general scientific progress. The productivity growth rate for the economy as a whole determines the rate at which real wages can increase on average, but there is no reason why the distribution of real-wage increases across industries should correspond closely to the distribution of productivity increases *across* industries. Rather, disparities in productivity growth rates across industries are mainly reflected in divergent price trends; price increases are relatively low in high-productivity-growth sectors and relatively high in low-productivity-growth sectors.

However, in the first program year, special treatment was given to productivity where it is clearly and directly measurable and where it is clearly tied to a demonstrable improvement in the diligence of the individual workers. For instance, pay-rate increases that are traded for work-rule changes that result in demonstrable improvements in productivity are not counted against the 7-percent standard. This exception applies only to collective-bargaining situations, in which a company has no means of eliminating outdated work-

rule restrictions other than through a buyout using additional wage-rate increases.

There are also exceptions in the first program year for cases in which an individual's pay is directly linked to physical measures of his or her own industriousness, such as piece-work pay and sales commissions. In these cases, the 7-percent standard does not apply to pay increases related to increased physical output per hour worked.

In the second program year, both of the above exceptions are likely to continue as before. In addition, however, the Council is considering proposing an exception for group productivity incentive plans. Under the contemplated exception, groups of employees who are compensated under these plans can receive pay in excess of the standard if it can be clearly demonstrated that the additional pay is solely the result of additional work effort. Productivity improvements that are due to new capital equipment, changing technology, or any other productivity improvement not tied to workers' diligence would not be eligible for this exception. Furthermore, this exception would apply only to those plans that base additional compensation on measurable increases in physical productivity. Plans that provide additional pay for increases in dollar-valued output, profits, or any measure other than units of output are not presently exempted, since profits can increase for many reasons other than increased work effort, including an increase in prices. The Council is examining the possibility of providing exceptions for such plans, but, at the moment, there is considerable skepticism about the ability to monitor such plans effectively.

PAY LIMIT EXCEPTION CONSIDERED

(By Edward Cowan)

WASHINGTON, July 24.—The Council on Wage and Price Stability said today that it was leaning toward granting an exception to its voluntary limits on wage increases to employees who raise their productivity by "additional work effort."

The council said it was considering a change in the rules that would permit a pay increase in excess of its 7 percent standard for "group productivity incentive plans" if such plans "base additional compensation on measurable increases in physical productivity."

The council outlined its thinking in a report to Congress on productivity. The report emphasized the Administration's view that, because labor productivity—or output per worker-hour—has not been rising, it is self-defeating for workers to try to "catch up" with rising prices by demanding higher pay. Higher labor costs in turn lead to higher prices, the report said.

COMPANIES CITED FOR VIOLATIONS

Meanwhile, a council spokesman said that the Aug. 1 target date for publication of proposed changes of the pay and price standards could not be met and that the list of proposals would be issued in the week of Aug. 6 instead. The council will then receive comments from the public, business and labor before putting the revised standards into effect Oct. 1, the start of the second year of the voluntary restraint program.

In a related development today, the council, for the first time, recommended denial of Federal contracts to an employer found to have violated the pay standard. The employer, Mason Contractors of Mount Prospect, Ill., was said to have given an excessive pay rise to 400 bricklayers. The council made a similar referral, citing alleged violation of the price standard, for the Northwestern Steel and Wire Company of Sterling, Ill.

Such a referral is not binding. Federal agencies can ignore it if they find that the cited company is the low bidder on a contract, is the only supplier of a necessary item or should be awarded a contract for some other reason. The first company so cited was subsequently awarded a Defense Department contract.

NONWORKER EFFORTS EXCLUDED

Other findings, definite or tentative, of violations of the pay standards have been made, including one involving United Airlines and the International Association of Machinists union. But, pending reconsideration, none of these employers has been referred to the Office of Federal Procurement Policy for debarment from contracts.

With respect to the proposed productivity rule, the council said: "Under the contemplated exception, groups of employees who are compensated under these plans can receive pay in excess of the standard if it can be clearly demonstrated that the additional pay is solely the result of additional work effort."

The report also recommended that "future reductions in corporate taxes" be "carefully designed to stimulate investment." Another method would be faster tax write-offs, the report said.

EXHIBIT 2

THE NEW YORK STOCK EXCHANGE,
May 17, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate,
Committee on Human Resources,
Washington, D.C.

DEAR SENATOR JAVITS: In response to your letter of April 5th, I am delighted to enclose a statement on means for modifying wage-price standards for productivity growth. This statement has been reviewed also by Professor John Kendrick with whom the New York Stock Exchange has been working on its detailed analysis of productivity trends in the United States.

I hope that this document meets your needs and that you will let me know if I can be of any further service to you in this connection.

With best personal regards.

Sincerely,

WILLIAM C. FREUND.

INCORPORATING PRODUCTIVITY GROWTH INTO WAGE-PRICE GUIDELINES

BASIC RATIONALE

The sagging rate of productivity growth in the U.S. during recent years is analyzed in the study of the New York Stock Exchange on "Reaching a Higher Standard of Living" (January, 1979). It contains a discussion of—

The shocking decline in productivity growth during the past decade: Productivity growth has virtually collapsed in the U.S. This has been not merely a cyclical occurrence but a longer-term trend. (1967–1978, 1.6 percent per annum versus 3.3 percent, 1947–1967).

The basic economic factors underlying this slowing in productivity growth: Prominent among the factors have been lagging investment in new capital equipment and in research and development.

The multiplier effect of lagging productivity growth in winding up inflation over time: The study finds that faster productivity growth could be a potent factor in unwinding inflation over time.

The impact of productivity on the rate of real economic growth.

Some suggestions for improving productivity gains in the future.

One important way to stimulate greater productivity would be to provide a direct incentive to productivity through the wage-price guidelines. Unfortunately, the guidelines presently serve as a disincentive to productivity since productivity gains reflected in higher wages and profits may be disallowed. We therefore suggest that productivity growth become an explicit factor in establishing wage-price guidelines.

Many observers have noted that recent inflation rates pose a risk to current wage-price standards. Unless the guidelines are more closely related to the actual decline in purchasing power, the voluntary control apparatus stands in some danger of collapse or disregard. Yet, any new degree of flexibility should be economically justifiable and not merely an ex-post arbitrary upward adjustment of the standard.

In providing for greater flexibility, it would be highly desirable to create new incentives for more productivity growth and, in the process, to encourage the widespread adoption of productivity measures. A wage increase above 7 percent is less inflationary than one below 7 percent if offset by a sufficiently high productivity gain. Similarly, a wage increase below 7 percent can be very inflationary if accompanied by very low productivity growth. A wage standard which does not distinguish among relative rates of productivity growth provides no encouragement to productivity.

SPECIFIC PROGRAM

A variety of ways can be devised to use wage guidelines to achieve faster productivity growth. One way, which would simplify the administrative burden, is simply to allow some higher percentage wage settlement (say, one percent) if a firm demonstrates that it has established effective joint labor-management productivity committees.* Minimum standards can be set for their operation. A more powerful way to encourage productivity growth is to require companies seeking a productivity adjustment to set up an operational labor-management committee and to demonstrate achievement of an actual above-average *ex-post* productivity growth rate. Firms could choose whether they wish to avail themselves of the productivity allowance.

A practical program for incorporating productivity into the wage standard, therefore, might consist of the following conditions:

Require establishment of an effective labor-management productivity committee within a firm. (Appendix A considers some minimum requirements for effective labor-management committees.)

Limit the additional wage allowance to a small, yet meaningful percentage, say, a maximum of 1% or 2% per annum.

Permit the additional wage allowance only where substantial productivity gains have *actually* been achieved. This means that labor contracts would allow for an additional 1% or 2% maximum wage increase only at the end of the year (calendar or fiscal) and only upon demonstration of an actual productivity growth exceeding a specified percentage—say, 4 or 5%.**

Modify the profit margin standard to allow some maximum (say, 1–2%) increase in profit margins where the improvement can be demonstrated to have resulted from an improvement in actual productivity growth exceeding a specified percentage—say, 4 or 5%.

Assist firms in measuring and monitoring productivity as an important and on-going activity. (Appendix B discusses some approaches which might be used to measure productivity growth.)

Such a program is unlikely to inundate COWPS with applications for productivity adjustments. Not every firm covered by the

* Professor John Kendrick of George Washington University, a noted authority on productivity and consultant to the NYSE on the subject, favors this policy as the sole means for integrating productivity into the guidelines.

**This proposal would be in addition to Section 705B-6 (pay rate increases for productivity improving work-rule changes) and would have to be integrated with it.

guidelines could meet the strict requirements. Yet, if the guidelines are to be used in generating increased awareness and action of one of our nation's most pressing economic problems, it will inevitably require additional staff and surveillance. The benefits, however, are likely to exceed the costs of the program by a considerable margin.

SOME POSSIBLE OBJECTIONS

Those opposed to productivity adjustments in the guidelines generally cite three specific reasons:

Productivity is difficult to measure at the company level.

Rising productivity should serve to reduce prices, not increase wages and profits.

Wages tend to equalize for the same jobs irrespective of the rate of productivity growth in various industries.

We discuss each of these familiar objections below:

Measurement.—It is true that productivity is not easy to measure, particularly in firms with a diversity of companies and product lines. The difficulty has been exaggerated. Many firms already use productivity measures as an important management tool to achieve greater efficiency, with a sharing of the higher efficiency by labor, stockholders, and customers. Appendix B contains a brief discussion of measuring productivity. Professor John Kendrick's 1977 book, Understanding Productivity, as well as other literature, contains further discussion.

One purpose of the guidelines should be the achievement of faster productivity growth. Difficulties in measurement should not be allowed to defeat this aim. On the contrary, the guidelines program could provide a powerful incentive to achieve improved productivity. Productivity measures are an essential part of that purpose.

Productivity to Reduce Prices.—Another argument is that productivity should serve to reduce prices rather than increase wages and profits. Perhaps so in pure economic theory. But in the real world, better productivity will be achieved only if there is an incentive through a sharing of productivity growth by both labor and capital. Our proposal would put a cap on the proportion of productivity growth shared by wages and profits. The result would be to limit price increases as well as to stimulate labor and capital to cooperate in fostering productivity gains.

Wages Tend to Equalize.—Higher compensation resulting from greater productivity in some industries will tend to spread to wages in all industries for similar jobs. That again is good economic theory. But the effect of greater productivity gains on wages and profits in some industries will attract labor and capital to these industries. This shift of resources out of low to high productivity industries is, of course, highly desirable as a means of encouraging dynamic growth and less inflation.

We conclude that the usual arguments against productivity adjustments in the guidelines are not sufficiently persuasive to recommend against providing productivity encouragement through the guidelines program.

CONCLUSION

The basic question is whether current wage standards should be modified in order to:

Provide increased flexibility.

Encourage faster productivity growth and thus assist in unwinding inflation over time.

Use the existing apparatus in an effective way to stimulate the sluggish productivity record of the U.S. in recent years.

APPENDIX A: REQUIREMENTS FOR LABOR-MANAGEMENT PRODUCTIVITY COMMITTEES

Establish a company-wide program.

Involve personnel at all levels—plants, departments, work units.

Provide recognition of individuals and groups for superior ideas and performance.

Provide direction and technical assistance to all labor-management committees established within the firm.

Excerpt from "Improving Productivity," National Center for Productivity and Quality of Working Life, December 1975, page 3:

"A number of characteristics that are requisites of a workable program standout:

Company support for the effort at top management levels.

Recognition of the key role of the company's employees.

A full understanding at all levels of the purposes and objectives of the productivity improvement program.

Establishment of goals and the development of valid measurements to reveal whether, and to what extent, the goals are being met.

Improvement in productivity should be obtained to the extent possible without impairment of job security."

It is suggested that companies seeking to take advantage of the productivity factors in the wage-price guidelines certify that they have met the minimum requirements for the establishment and operation of labor-management productivity committees.

APPENDIX B: COMPANY MEASUREMENT OF PRODUCTIVITY GAINS

Firms wishing to obtain the benefits of productivity provisions in the wage-price guidelines would be required to measure their productivity gains over a preceding 12 month period.

"To a major extent, the data required to produce productivity estimates are available from the records ordinarily maintained by firms and other organizations." *

Calculate output as the value of sales plus change in inventories.

Deflate output by a price index constructed for the firm. In developing the price index, use current year production as weights. The formula would be

$$P = \Sigma P_n Q_n / \Sigma P_o Q_n \text{ (Paasche's index).}$$

Divide real output by averaging number of employee hours worked to obtain real output per employee hour.

The measure described above would provide a useful gauge to productivity changes. It would be flexible in that it allows the addition or subtraction of products and services without distorting the index. Where companies produce a variety of products and services, a separate price index for each operation would have to be calculated and then combined into an overall company index.

EXHIBIT 3

INTERNATIONAL COMPARISONS OF MANUFACTURING PRODUCTIVITY AND LABOR COSTS PRELIMINARY MEASURES FOR 1978

Japan, Canada, and Germany recorded more favorable developments in manufacturing productivity and unit labor costs than the United States in 1978, according to preliminary measures released today by the Bureau of Labor Statistics of the U.S. Department of Labor. Japanese productivity rose more than 8 percent, compared with a 2½ percent gain in the United States and about 4 percent in Canada and Germany. Hourly compensation increased in the United States 9½ percent, more than in the other three countries. Consequently, U.S. unit labor costs rose 7 percent, Japanese unit labor costs declined slightly over the year, and Canadian and German unit labor costs rose at moderate rates.

Unit labor costs, however, rose more sharply in the United Kingdom, Italy, and France than in the United States. In Italy and the United Kingdom, relatively low productivity gains and substantial increases in hourly compensation led to increases in unit labor costs of 10½ and 15 percent. In France where productivity gained 5 percent but hourly compensation rose sharply—the unit labor cost gain was over 7½ percent.

When each country's unit labor costs are measured on a U.S. dollar basis, which takes account of relative changes in currency values, Canada shows a decline while Japan and the European countries show increases of 18 to 26 percent, with Japan and the United Kingdom recording the largest rises.

The Bureau's preliminary 1978 estimates of percent changes in productivity (as measured by output per hour), hourly compensation, and unit labor costs, measured on a national currency basis, for seven major countries are summarized in the tabulation below, along with the corresponding figures for 1977:

	Output per hour		Hourly compensation		Unit labor costs	
	1976–77	1977–78	1976–77	1977–78	1976–77	1977–78
United States	2.4	2.5	8.8	9.5	6.3	6.9
Canada	4.8	4.2	10.7	7.0	5.6	2.7
Japan	5.6	8.3	9.2	6.3	3.4	−1.8
France	5.0	4.9	14.9	13.0	9.5	7.7
Germany	5.4	3.7	9.7	7.2	4.1	3.4
Italy	1.1	2.9	18.8	13.9	17.5	10.6
United Kingdom	−1.0	1.6	10.2	16.9	11.3	15.1

PRODUCTIVITY, OUTPUT, EMPLOYMENT, AND HOURS

Manufacturing productivity rose 2½ percent in 1978 in the United States, compared with increases of about 8 percent in Japan, 4 to 5 percent in Canada, France, and Germany, 3 percent in Italy, and 1½ percent in the United Kingdom. The productivity gains recorded by the United States, Canada, and Japan were accompanied by output increases of about 6 to 7 percent, whereas output growth in the European countries was modest—2½ percent in France, less than 2 percent in Germany and Italy, and about 1 percent in the United Kingdom.

The United States continued its steady recovery in employment and hours following the 1974–75 recession, with both measures rising by 3½ percent or more in each of the past 3 years. Employment and hours also increased in Canada in 1978, but fell in each of the other countries. The United States is the only country among the seven in which employment and hours returned to pre-recession levels. The following tabulation shows the 1977–78 percent changes in productivity and the underlying variables of output, hours, and employment:

	Output per hour	Output	Hours	Employment	Average hours
United States	2.5	6.3	3.7	3.6	0.2
Canada	4.2	7.4	3.1	1.7	1.4
Japan	8.3	6.2	−1.9	−2.5	.6
France	4.9	2.5	−2.3	−1.6	−.7
Germany	3.7	1.7	−1.9	−.4	−1.5
Italy	2.9	1.7	−1.2	−1.0	−.2
United Kingdom	1.6	.8	−.8	−.5	−.3

* John W. Kendrick, "Understanding Productivity," The Johns Hopkins University Press, Baltimore, 1977, page 122.

HOURLY COMPENSATION AND UNIT LABOR COSTS

Hourly compensation rose 9½ percent in 1978 in the United States, a rate of increase that was, as in 1977, somewhat higher than the year before. These increases, unaccompanied by similar increases in output per hour, continued to put pressure on unit labor costs, which rose over 6 percent in 1977 and nearly 7 percent in 1978.

Hourly compensation rose 13 to 17 percent in France, Italy, and the United Kingdom in 1978 and 6 to 7 percent in Canada, Japan, and Germany. For the latter three countries, this represented a significant slowing over the preceding year when hourly compensation rose 9 to 11 percent. Because of Japan's 8 percent gain in productivity, unit labor costs fell nearly 2 percent. Unit labor costs were held to about a 3 percent rise in Canada and Germany, but France, Italy, and the United Kingdom had larger increases than the United States because of the wider spread between gains in hourly compensation and gains in productivity.

UNIT LABOR COSTS ON A U.S. DOLLAR BASIS

The Japanese yen and each of the European currencies rose against the U.S. dollar in 1978—the yen by 29 percent, the German mark by 16 percent, and the other European currencies by 4 to 10 percent. On the other hand, the value of the Canadian dollar declined by 7 percent. These changes in currency valuations had a substantial effect on relative rates of change in unit labor costs expressed on a U.S. dollar basis. After adjustment for exchange rate movements, unit labor costs fell 4 percent in Canada, but rose 15 to 20 percent in France, Germany, and Italy, and by 26 percent in Japan and the United Kingdom. Thus, on a U.S. dollar basis, U.S. unit labor costs improved greatly relative to every other country except Canada. The following tabulation shows the 1977–78 percent changes in unit labor costs measured in national currencies and in U.S. dollars:

	National currency basis	U.S. dollar basis
United States	6.9	6.9
Canada	7.7	−4.3
Japan	−1.8	26.2
France	2.7	17.6
Germany	3.4	19.7
Italy	10.6	15.1
United Kingdom	15.1	26.5

HISTORICAL DATA

Table 1 presents the 1972 to 1978 annual indexes of manufacturing productivity, labor costs, and related measures for the seven countries discussed in this release plus the available data for four additional countries: Belgium, Denmark, the Netherlands, and Sweden. The table includes some revisions of the Bureau's previous estimates published in "Productivity and Unit Labor Costs in 11 Industrial Countries, 1977," Monthly Labor Review, November 1978.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

COMPREHENSIVE MESSAGE ON ENERGY AND ENVIRONMENT—MESSAGE FROM THE PRESIDENT—PM 93

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Environment and Public Works, the Committee on Energy and Natural Resources, the Committee on Labor and Human Resources, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent:

To the Congress of the United States:

Four months after I took office, I presented to the Congress a comprehensive Message on the Environment, a charter for the first years of my Administration. Building on the record of the Congress in the 1970's, I sought both to protect our national heritage and to meet the competing demands on our natural resources.

Certain basic ideas remain the foundation of American environmental policy. Our great natural heritage should be protected for the use and enjoyment of all citizens. The bounty of nature—our farmlands and forests, our water, wildlife and fisheries, our renewable energy sources—are the basis of our present and future material well-being. They must be carefully managed and conserved. The quality of our environment must be nurtured by wise decisions and protected from hasty or unplanned actions. Clean air and water remain essential goals, and we intend to achieve them in the most efficient and effective ways possible. And we have a serious responsibility to help protect the long-term health of the global environment we share with all humanity.

I am proud of the achievements of this period. The program I offer today emphasizes continuity, but it also reflects a keener awareness of certain serious emerging problems—such as disposition of the toxic wastes our highly technological society produces.

ACCOMPLISHMENTS SINCE 1977

We have made great strides together since I took office. With my strong support, the Congress enacted and I signed into law:

—the 1977 Amendments to our two fundamental laws for cleaning up pollution, the Clean Air and Clean Water Acts, including strict but enforceable standards and a strong wetlands protection program;

—the 1977 Surface Mining Reclamation Act, which established the first federal environmental standards for coal mining, and under which regulations were developed with strong public involvement;

—the 1977 Federal Mine Safety and Health Act, which established the Mine Safety and Health Administration in the Department of Labor to promulgate and enforce health and safety standards in all mines;

—the 1977 Nuclear Non-Proliferation Act, which sets conditions on U.S. nuclear exports to deter the spread of nuclear weapons, and offers other countries incentives to cooperate with our safeguards against proliferation;

—indefinite deferral of other activities which might lead to weapons proliferation, particularly nuclear fuel reprocessing and commercialization of the breeder reactor;

—the 1978 National Energy Act, with specific policies and programs emphasizing energy conservation;

—the 1978 Federal Environmental Pesticide Control Act, which provided for generic registration and control of pesticides;

—resuthorization, in 1978, of the Endangered Species Act, including new procedures for resolving conflicts under the Act;

—enactment of the National Parks and Recreation Act of 1978 and other legislation to preserve nationally significant areas, adding 45 million acres to the National Park System, 13 new Wild and Scenic Rivers and National Trails, and protecting more than 4.5 million additional acres of wilderness.

In addition, I issued Executive Orders in 1977 and 1978 directing federal agencies to improve their implementation of the National Environmental Policy Act under new regulations, which were issued in 1978; examine the environmental effects of federal actions abroad; preserve and restore natural values of wetlands and floodplains; protect our public lands from damage caused by off-road vehicles; and analyze the impacts of new federal policies on urban areas. These directives are being implemented.

ENVIRONMENTAL PROGRAM

With these accomplishments behind us, we can turn our attention to new issues and to other key issues that are still unresolved.

In the decade ahead, we will face difficult decisions as we confront the necessity of reducing dangerous dependence on foreign oil. The leaders of the major industrial democracies met in Tokyo last month to chart a course that would help cut the use of imported oil from uncertain foreign suppliers. Each nation committed itself to a specific reduction in imports, to be accomplished in a way appropriate to its particular needs and resources.

For the past two and one-half years, conservation and energy from the sun have been major thrusts of my energy program. Solar energy funding has been tripled during that period and the Congress in 1978 enacted the National En-

ergy Act which will save 2.5 million barrels of imported oil per day. Much of these savings will be accomplished with conservation initiatives. In addition, another 1.5 million barrels of imported oil will be saved as a result of my April energy message and June solar energy package.

To build on these major savings, I have proposed an expanded effort to put this nation on a sound energy footing, with clear goals for the next decade. That effort is based on a bold program to increase domestic energy production and on additional energy conservation initiatives. Overall, this program will reduce our dependence on foreign oil by 4.5 million barrels per day by 1990.

Some of the measures I have proposed will simultaneously serve the goals of reducing oil imports and enhancing our environment. I proposed establishing a major new residential and commercial conservation program designed to save at least 500,000 barrels of oil a day by 1990. I further proposed a total of $16.5 billion over the coming decade for improvements in the nation's public transportation system and in transportation fuel efficiency. A major solar energy program will help us to meet our goal of 20 percent solar energy by the year 2000.

We must also embark on a major energy production effort through a new Energy Security Corporation that will have broad responsibility for developing 2.5 million barrels a day of replacement fuels by 1990. That Corporation will be specifically authorized to develop not only synthetic fuels but also sources of energy which could have significant environmental benefits, such as natural gas and biomass. I do not pretend that all new replacement sources of energy will be environmentally innocuous. Some of the new technologies we will need to develop pose environmental risks, not all of which are yet fully understood. I will work to ensure that environmental protections are built into the process of developing these technologies, and that when tradeoffs must be made, they will be made fairly, equitably, and in the light of informed public scrutiny. We will examine not only the impact of new energy technologies on land and water and the effects of toxic chemicals, but also the longer term implications of increasing carbon dioxide concentration in the atmosphere.

I am pledged to be sensitive both to energy needs and to environmental considerations. There is no excuse for unnecessary red tape, which has plagued construction of some needed energy projects. I have proposed the creation of an Energy Mobilization Board to accelerate decision-making on critical energy facilities. This will cut out excessive delay, but I will not allow it to undermine protection of our nation's environment. I intend, for instance, to make the environmental impact statement process fit the decision schedule set by the Energy Mobilization Board so that waivers of these statements will be rare. Only in exceptional cases will alternative procedures be necessary for the orderly completion of a critical energy facility. With the exception of new requirements imposed when construction of a critical facility is underway, the Board could not waive substantive environmental standards. The President will retain the right to override decisions of the Board on any waiver issue, and Board waiver decisions would be subject to judicial review.

Solving the nation's energy problem is essential to our economy and our security. We will not lose sight of our other goals but we must not fail in ending the energy crisis. This Administration's basic commitment to clean air, clean water and the overall protection of the environment remains strong.

ALASKA LANDS

The highest environmental priority of my Administration is the passage of adequate legislation designating National Parks, Wildlife Refuges, Wilderness Areas, National Forests, and Wild and Scenic Rivers in Alaska.

To protect these magnificent Alaskan lands, I took several actions after the 95th Congress failed to provide protection against exploitation of certain areas in Alaska. By executive action, I designated 17 areas as National Monuments, covering 56 million acres. Additional areas were set aside by the Secretaries of Interior and Agriculture. These areas should be promptly and permanently protected by legislation.

The legislation I support not only protects Alaska's natural and cultural heritage but also accommodates the need for balanced development of Alaska's natural resources. Under the Alaska Statehood Act and Native Claims Settlement Act, federal land comprising an area nearly as large as Texas will soon be in state, native and private ownership. My proposals leave most of Alaska's mineral and timber wealth available for development, both on federal and non-federal lands. In particular, all of the off-shore and 95 percent of the on-shore areas in Alaska with favorable potential for oil and gas would be open to exploration and development.

The only area with significant potential for oil and gas reserves that would be foreclosed from exploration and development is the Arctic Wildlife Refuge, the calving grounds of the largest remaining caribou herd in the world and an important part of the herd's migratory route. Because of our responsibility to protect this extraordinary remnant of our continent's original wildlife, and because oil and gas are plentifully available elsewhere in Alaska, I firmly believe that the Arctic Wildlife Refuge deserves the full protection the House bill would provide.

There are other Alaskan areas where disagreements and conflicts exist over proper management. The Administration's proposals strike a balance that offers future generations of all Americans—especially Alaskans—broad opportunities for prosperity and enjoyment without the mistakes in land management we have seen elsewhere in the country.

I applaud the recent passage by the House of Representatives, by a margin of 300 votes, of a strong and fair bill which will protect Alaska's wildlife and wild areas, while providing for America's future economic needs. I urge the Senate to act with equal foresight this session.

HAZARDOUS WASTES

In August 1978, I declared Love Canal in Niagara Falls, New York, a national disaster, thus authorizing the use of federal disaster relief aid. The tragedy of Love Canal exemplifies the legacy of past improper hazardous waste disposal.

Last month I submitted to Congress a legislative proposal designed to prevent future disasters like the one at Love Canal. My proposed legislation—the Oil, Hazardous Substances and Hazardous Waste Response, Liability and Compensation Act—will provide the first comprehensive program to address releases of oil and hazardous substances from spills and from inactive and abandoned sites into navigable waters, ground waters, land and air. The legislation builds on present authority and fills gaps where present authority is inadequate to protect the human environment.

We do not yet know all of the problems associated with the disposal of hazardous wastes, but we must take further steps immediately. A report done for the Environmental Protection Agency estimates that there are 33,000–50,000 dumpsites which may contain some hazardous wastes. Of these, EPA estimates that 1,200 to 2,000 may present potentially significant problems, and 500 to 800 of them may have to be abandoned. Other accounts of improper disposal describe shallow burial in steel drums which leak after years in the ground, dumping in open lagoons, and clandestine dumping in sewers and along our highways. These abuses have caused serious damage to human health and economic welfare, pollution of ground and drinking water, and degradation of residential and recreation areas. The cost of cleaning up these sites runs into the billions of dollars. But the costs of ignoring the problem would be far higher.

Timely action by the Congress on my program will enable the Federal government, in cooperation with State and local governments and industry, to:

—identify abandoned hazardous dump sites across the nation;

—establish a uniform system of reporting spills and releases;

—provide emergency government response and containment to clean up and mitigate pollution without delay in cases where those responsible do not respond adequately or cannot be quickly identified;

—provide vigorous investigation of releases of oil, hazardous substances or hazardous waste from spills or abandoned and inactive sites;

—provide stronger authority to compel the responsible parties to clean up dangerous sites wherever possible;

—provide compensation for damages to property and for some other economic losses resulting from spills; and

—provide financing for these actions through a national fund of appropriations and a fee on the oil and chemical industries, and State cost-sharing over certain limits.

SOLAR ENERGY

My Solar Energy Message, submitted to the Congress on June 20, 1979, calls for a national commitment to the use of solar energy. That message and the program it lays out came from a 13-month effort by my Administration and the public, begun on Sun Day—May 3, 1978.

Solar energy is renewable and secure. It is clean and safe. In the long run, solar and other renewable sources of energy provide a hedge against inflation. Unlike the costs of depletable resources, which rise at increasing rates as reserves are consumed, the cost of energy from the sun will go *down* as we develop better and cheaper ways of applying it to everyday needs. For everyone in our society—especially our low-income or fixed-income families—solar energy will provide an important way to avoid rising fuel costs in the future. No foreign cartel can embargo the sun or set the price of the energy we harness from it.

I have set a national goal of achieving 20 percent of the Nation's energy from the sun and other renewable resources by the year 2000. To do this we must commit ourselves to several major new initiatives which will hasten the introduction of solar technologies. I am proposing a variety of solar programs to be funded from my proposed Energy Security Trust Fund, including a Solar Bank to help finance solar installations in homes and commercial buildings; tax credits for new buildings that use solar energy and for using the sun's heat for industrial and agricultural processes; and stronger efforts to remove institutional, financial, and information barriers that currently inhibit the use of solar energy by citizens. These proposals are in addition to the expanded research, development and demonstration program I included in my budget for fiscal year 1980.

NUCLEAR WASTE MANAGEMENT AND SAFETY

I will soon announce a national nuclear waste management policy that will be designed to deal effectively with nuclear wastes from all sources, including commercial, defense, medical, and research activities. This nuclear waste management policy will be based primarily on recommendations presented to me by the Interagency Review Group on Nuclear Waste Management. Some of the important findings of that Report include the following:

—Existing and future nuclear waste from military and civilian activities, including discarded spent fuel from the once-through nuclear fuel cycle, should be isolated from the biosphere so that it does not pose a significant threat to public health and safety.

—The responsibility for establishing a waste program should not be deferred to future generations.

—A broader research and development program for waste disposal, particularly geologic isolation, should begin promptly.

—Public participation should be developed and strengthened for all aspects of nuclear waste management programs.

I also look forward to receiving the recommendations on reactor safety from the Kemeny Commission in the aftermath of the Three Mile Island accident so that we can assure that nuclear reactors are as safe as the public expects them to be.

WATER RESOURCES POLICY

I remain firmly committed to the resources policy reforms I announced in my Message to Congress one year ago. The revised criteria used by the Administration in reviewing proposed water projects have already shown their worth. They are producing environmental benefits and reducing wasteful government spending. In 1979, for the first time in four years, the Executive branch proposed funding new water projects, using the more systematic and objective evaluation procedures I have instituted. With the help of Congress and State and local governments, the Administration has prepared legislation to make further reforms in water resources management, including cost-sharing and assistance to states for comprehensive water resources planning. I look forward to cooperation with the 96th Congress in this area.

NATIONAL HERITAGE POLICY ACT

I strongly support the establishment of a comprehensive Federal program to identify and protect significant natural areas and historic places. I will soon propose a National Heritage Policy Act which would help Federal agencies, State and local governments, Indian tribes and citizens identify potential heritage areas; establish a new National Register of Natural Areas to supplement the existing National Register of Historic Places; and protect areas listed on either Register, or eligible for listing, from adverse federal actions. This important legislation would support the Heritage Conservation program already established by the Secretary of the Interior in 1977.

SAVING THE WHALES

With U.S. leadership, the nations of the world are making encouraging progress toward protecting the great whales. At the July 1979 meeting of the International Whaling Commission (IWC), proposals by the United States and other countries for a moratorium on commercial whaling led to dramatic improvements. By the necessary three-fourths majority, IWC members voted to:

—End whaling from factory ships on the high seas (except for hunting of the relatively numerous minkes) and allow whaling only from coastal stations;

—Reduce killing of the commercially valuable but jeopardized sperm whales by more than three-quarters, with world quotas down from 9360 sperm whales to 2203;

—Establish a whale sanctuary in most of the Indian Ocean where no hunting of any of the great whales will be allowed for 10 years.

I am wholeheartedly committed to strong action to guarantee the survival of the great whales. The progress made in this year's IWC meeting shows that many other nations share the American commitment. I will continue to press for better scientific understanding of these magnificent and highly intelligent creatures and will maintain the effort to halt commercial whaling.

IMPLEMENTATION OF 1978 NATIONAL PARKS AND RECREATION ACT

Following passage of the National Parks and Recreation Act of 1978, the Administration has sought to speed the acquisition of new park land before it is spoiled or priced out of reach. We shall continue to do that.

Among the most significant and imaginative actions included in the 1978 legislation is the program to establish a million-acre Pinelands National Reserve in New Jersey. The Department of the Interior will support local and State efforts to protect the Pinelands and its unique scenic and natural resources while maintaining private ownership and a sound local tax base. The Administration strongly supports this new Federal, State and local partnership in the Pinelands, and will work hard to see that federal agencies cooperate with State and local governments to ensure its success.

POLLUTION CONTROL

Making the Clean Air and Clean Water Acts work is an important commitment of my Administration. We will continue the progress we have made in the past two years in promulgating fair standards and regulations, and we will continue to encourage new approaches to control of pollution, such as alternative and innovative waste water treatment projects. The Environmental Protection Agency has taken a number of steps in the right direction. For example, the "bubble concept," "offset" policy, and permit consolidation are intended to simplify pollution controls.

I will seek the reauthorization of the Safe Drinking Water Act, which expires next year. This law protects our citizens from newly-discovered toxic pollutants within drinking water, as well as imposing standards for conventional contaminants. For toxic substances which may enter the environment in a multitude of ways, my Administration is committed to the reauthorization and vigorous enforcement of the comprehensive Toxic Substances Control Act.

OIL POLLUTION OF THE OCEANS

The recent collision in the Caribbean of two supertanker behemoths, each carrying more than 1.4 million barrels of oil, underscores the importance of effec-

tive national and international programs to reduce oil spills. At the outset of my Presidency, I proposed a comprehensive program to reduce the threat of oil pollution from tankers in United States waters, and to win international agreement to higher standards of tanker safety and pollution prevention.

Responding to the U.S. initiative, maritime nations of the world agreed in 1978 to tighten inspection requirements and significantly raise world standards for tanker construction and equipment. The Department of Transportation is completing new rules, based on the international agreement, to require improved features on both U.S. ships and foreign tankers entering our ports, including: segregated ballast, protective location of ballast space, crude oil washing, inert gas systems, and improved emergency steering systems. Dual radars and other aids to navigation are already required.

In addition, for the past two and one-half years, the Coast Guard has boarded and examined at least once a year every foreign-flag tanker entering our ports, recorded any deficiencies, and required repairs if necessary.

The Secretary of Transportation will promptly add to this program requirements for:

—improved construction of tank barges;

—safe conduct of lightering (ship to ship transfer of oil);

—improved U.S. standards for tanker crews and pilots; and

—pollution prevention features for older, smaller tankers not covered by the international standards.

Requirements for collision avoidance aids will also be added; international agreement is near on standards for these important tanker safety devices.

The United States will continue to urge other nations to put into effect promptly the requirements of the 1978 international agreements on tanker safety and pollution prevention. I also urge the prompt adoption by all nations of the new international standards for training and certification of seafarers, agreed upon in 1978.

The proposed Oil, Hazardous Substances and Hazardous Waste Response, Liability and Compensation Act, submitted to the Congress by the Administration, provides for swift cleanup of oil spills, strict liability of spillers, and compensation for victims of oil spill damage.

I expect the Coast Guard to report to me promptly on the results of its study of devices to improve tanker maneuverability and stopping. In addition, the Coast Guard is undertaking a study of past accidents to evaluate further the usefulness of double bottoms and side protection in reducing oil spills. The Department of Transportation will continue to evaluate promising ideas to preserve the oceans and its resources from pollution by oil.

REGULATORY REFORM

Improving government regulations is important to my effort to make government more efficient and private-sector responses more cost-effective. Environmental protection can and should benefit. I intend to improve the regulatory process in a way that does not weaken our commitment to environmental quality.

If there are better methods to achieve our environmental goals, we should use them. Agencies should seek and adopt innovative alternatives to government regulations which reduce burdens on private citizens or businesses. The Environmental Protection Agency has become a leader among federal agencies in examining new approaches and has made several moves to streamline its regulatory process. In addition to the permit consolidation, bubble concept, and offset policy mentioned above, EPA is doing an effective job of implementing my Executive order on regulatory reform and published the first agenda of regulations issued by any federal agency. A regulatory calendar is now prepared and published on a government-wide basis by the Regulatory Council I recently established.

Since 1977 the Occupational Health and Safety Administration has gotten rid of hundreds of unnecessary standards, and has reorganized its program to devote 95 percent of its resources to the most serious workplace hazards. In addition, regulatory agencies have begun to work together to coordinate their activities and use their resources more efficiently. I expect such progress to continue and I intend that it reinforce—not diminish—our environmental improvement efforts.

PENDING LEGISLATION AND REAUTHORIZATIONS

I have proposed and will continue to support reauthorization of important environmental statutes, including the Endangered Species Act, the Toxic Substances Control Act, the Safe Drinking Water Act, and the Resource Conservation and Recovery Act. I also continue to support a nongame wildlife program, and a wide range of wilderness proposals.

The Environmental Program I am outlining today expands upon the efforts we have already begun with a series of new initiatives in land and resource management, agricultural conservation, urban quality, and improving the global environment.

NEW INITIATIVES

I. LAND AND RESOURCE MANAGEMENT

America's land and natural resources have nourished our civilization. Because our original heritage was so abundant, we sometimes take these resources for granted. We can no longer do so. Our land and natural resources do have limits, and our demands upon them are growing at increasing rates. Renewable resources—farmlands, fisheries, and forests—can be depleted through overuse and misuse. We must build into our decisions the understanding that unwise actions affecting our lands and resources are difficult and costly, if not impossible, to correct.

Conservation of resources takes care and planning, and requires a partnership between various levels of government, and public and private actions. The following initiatives for protection and wise management of our coastal resources, public lands, wildlife and rivers and trails reflect this understanding.

NATIONAL COASTAL PROTECTION

America's coast lines are extraordinarily varied, productive and beautiful. Congress recognized the need for special protection in the Coastal Zone Management Act of 1972, which established a voluntary Federal-State partnership for the conservation and management of coastal resources. Under this partnership, many states have already made notable progress. They have passed comprehensive coastal management laws; adopted new measures to protect wetlands, barrier islands, mineral resources, historic sites and other important coastal resources; worked out better management of hazardous areas; and streamlined Federal, State and local actions affecting the coast. By the end of 1979, 75 percent of the U.S. shoreline will be covered by Federally-approved state coastal zone management programs.

The coastal zone is subject to unusual pressures, both from natural causes and human activities. The land and water resources which support the environments and economies of coastal communities are in danger of depletion. The opportunity for our citizens to enjoy beaches, bays, and marshes is often threatened. I support efforts to improve our understanding of these coastal issues, and I heartily endorse the designation by conservation organizations of the year 1980 as the "Year of the Coast."

To help achieve the balanced, comprehensive and wise management intended by the Coastal Zone Management Act, I am announcing three initiatives to continue and improve our resource protection policy.

First, I will submit to Congress legislation to reauthorize Federal assistance to state coastal zone management programs under the Coastal Zone Management Act. Under this extension, each state would be guaranteed a total of five years of federal assistance at current levels after a state management program is approved and before federal support is gradually phased down. This will help ensure that recently developed state and local coastal zone management efforts become fully established and accepted functions of government.

Second, I will recommend enactment of new amendments to the Coastal Zone Management Act that will establish a national coastal protection policy. Working through the states, the goals of this policy will be:

—to protect significant natural resources such as wetlands, estuaries, beaches, dunes, barrier islands, coral reefs, and fish and wildlife;

—to manage coastal development to minimize loss of life and property from floods, erosion, saltwater intrusion and subsidence;

—to provide predictable siting processes for major defense, energy, recreation and transportation facilities;

—to increase public access to the coast for recreation purposes;

—to preserve and restore historic, cultural and aesthetic coastal resources; and

—to coordinate and simplify government decisionmaking to ensure proper and expedited management of the coastal zone.

Third, I am directing the Secretary of Commerce to conduct a systematic review of federal programs that significantly affect coastal resources. This review, to be conducted by the National Oceanic and Atmospheric Administration, will provide the basis for specific recommendations to improve federal actions affecting the coastal zone and to develop any additional legislation needed to achieve our national coastal management goals.

PUBLIC LAND RESOURCES

Among the many natural resource issues facing the Nation, few are more important than the management, protection and use of the 417 million acres of public lands owned by all Americans and administered by the Secretary of the Interior through the Bureau of Land Management.

The public lands include vast tracts of the arid rangelands of the West which were once lands that no one wanted. Now, some of these lands are highly valued for their energy and other valuable resources, and they have come to be appreciated for their scenic and natural values. My Administration is committed to purposeful management of the public lands and resources administered by the Bureau of Land Management in an environmentally sound and cost-effective manner.

Therefore, I am directing the Secretary of the Interior to manage the public lands administered by BLM in accordance with these principles:

—The Federal Government will be a good steward of the land, seeking to find the best balance of uses to assure that resources are available to meet the Nation's needs and that environmental values are carefully protected.

—the Federal Government will be a good neighbor, providing full opportunities for those affected by our management decisions to be involved in making them, with a special concern for the people and institutions of the Western States that are most directly affected.

—The Federal Government will make cost-effective investments in protecting and enhancing these lands within the constraints of fiscal responsibility.

—The Federal Government will seek to resolve conflicts among competing uses in a spirit of cooperation and trust, and will make—not avoid—tough decisions on the allocation of the valued resources of public lands.

We have already made significant progress in bringing these lands under effective management. A concerted Federal effort is now underway to reverse the declining productivity of the 174 million acres of rangeland ecosystems managed by the Bureau of Land Management for livestock, wildlife, soil and moisture conservation, and other beneficial purposes. We have developed a comprehensive on-the-ground planning process for each unit of BLM-managed land which involves the public and assesses the environmental impacts of alternative actions. On June 4, 1979, the Secretary of the Interior announced our new Federal coal management program, which establishes a balanced and efficient process for determining coal leasing and management on Federal lands.

Much more remains to be done. I am therefore directing that the following actions be taken:

—The Secretary of the Interior will establish a comprehensive "program development process" for managing all the lands under BLM stewardship, which will, for the first time, set long range goals to ensure balanced protection and use of the resources and develop and analyze alternative programs and investment strategies to meet the goals. Each alternative program will be designed to achieve environmentally sound, fiscally responsible, and economically efficient investment, development, protection, and resource use. This new program planning process will supplement BLM's current unit-by-unit planning. It will invite State and local governments and interested citizens to participate in making better informed choices among the alternative programs.

—The Secretary will give special attention to protecting areas of BLM-administered lands with nationally significant wildlife, natural, scientific, cultural, or scenic resources. An example is the Birds of Prey area, located along the Snake River in the Idaho desert, that has North America's richest concentration of birds of prey, including dense nesting populations of falcons, eagles, and other raptors.

—Finally, I am directing the Secretary of the Interior and the Secretary of Agriculture to work together to coordinate their Departments' natural resource policies and programs, particularly those of the Bureau of Land Management and the Forest Service. I am requesting the two Secreatries to develop within six months a detailed statement of coordination objectives and a process and timetable for achieving them.

WILDLIFE LAW ENFORCEMENT

A massive illegal trade in wild animals, wild animal parts and products, and wild plants has been uncovered in the last year through investigations by the Department of Justice, the Fish and Wildlife Service, the Customs Service and the Departments of Agriculture and Commerce.

This illegal trade in wildlife and plants has several very serious consequences. It can introduce exotic diseases, threatening agriculture. It creates a market for thousands of species of wildlife and plants taken in violation of the laws of foreign nations, ultimately threatening the survival of these species. It is a danger to the survival of hundreds of species listed on the Convention on International Trade in Endangered Species, to which the U.S. is a signatory nation.

I am therefore submitting to Congress a bill to overcome obstacles inhibiting enforcement efforts.

In addition, I am directing the Departments of Agriculture, Commerce, Interior, Justice, and Treasury to investigate this trade aggressively and to prosecute violators of the law. I am directing the Department of the Interior to coordinate this effort, through an interagency Wildlife Law Enforcement Coordinating Committee which will review enforcement experiences, priorities and problems. I am also directing the Department of Agriculture to chair a task force to investigate the illegal trade in plants and to prosecute where appropriate.

I am further directing that the following specific steps be taken: The Treasury and Commerce Departments will raise the priority of wildlife enforcement cases; the Agriculture Department will place greater emphasis on coordinating its wildlife enforcement program with its disease quarantine program, and will begin hiring special agents to investigate the illegal plant trade; and the Department of Justice will establish a Wildlife Section which will be staffed principally by attorneys trained as wildlife law enforcement specialists.

WILD AND SCENIC RIVERS

Our nation's river corridors are a rich concentration of natural ecosystems, scenic beauty, and historic and recreational values. Since my Environmental Message of May 1977, eight rivers totalling 695 miles have been added to the National Wild and Scenic Rivers System, and nine new rivers have been recommended for study. As part of the Administration's Alaska proposals, 33 additional rivers have been proposed for National Wild and Scenic Rivers designation.

Development along the banks of our rivers continues to outpace our ability to protect those rivers that might qualify for designation. This problem is particularly acute near urban areas, where there are greater demands for recreational opportunities which can partly be met by river protection.

We need to speed up the process for studying Wild and Scenic Rivers for designation and to consider the protection of rivers or parts of rivers which can protect important natural ecosystems. Moreover, the Federal government should set an example of sound management for state, local, and private landowners by taking an aggressive role in

protecting possible Wild and Scenic Rivers which flow through our public lands. Accordingly, I am directing the following actions be taken:

—federal land management agencies shall assess whether rivers located on their lands and identified in the National Inventory prepared by the Heritage Conservation and Recreation Service are suitable for inclusion in the Wild and Scenic Rivers System; if so, these agencies shall take prompt action to protect the rivers—either by preparing recommendations for their designation or by taking immediate action to protect them;

—all federal agencies shall avoid or mitigate adverse effects on rivers identified in the National Inventory; and

—the Secretary of Agriculture and the Secretary of the Interior shall jointly revise their Guidelines for evaluating wild, scenic, and recreational rivers to ensure consideration of river ecosystems and to shorten the time currently used to study rivers for designation.

In addition to the new policy initiatives, I am reaffirming my support for four river segments proposed in my last Environmental Message and recommending four new river segments which will add a total of 930 miles to the Wild and Scenic Rivers System:

—Gunnison River, Colorado (new)
—Encampment River, Colorado (new)
—Priest River, Idaho (new)
—Illinois River, Oregon (new)
—Bruneau River, Idaho (1977 Message)
—Dolores River, Colorado (1977 Message)
—Upper Mississippi River, Minnesota (1977 Message)
—Salmon River, Idaho (1977 Message)

I am also directing the Secretary of the Interior to develop, through the National Park Service and with full public participation, a conceptual master plan for the Upper Mississippi River in Minnesota. I expect this planning process to determine the specific requirements for protecting the river corridor and providing public access, campgrounds and other recreational facilities on the lands now in private ownership. The conceptual master plan for this important national resource will be developed in cooperation with the Minnesota Department of Natural Resources, affected Indian tribes, and the public. It will be completed by April 1980.

In my last Environmental Message, I proposed 20 river segments for study as potential additions to the National Wild and Scenic Rivers System. Several of those rivers have already been designated. Except for rivers where subsequent development has affected the river's qualifications for designation, I will continue to seek study authorizations for these rivers. In addition, I am submitting legislation to add the North Umpqua River in Oregon to the list of those rivers to be studied.

I am also forwarding to Congress reports on several rivers which, after thorough study, were found to qualify for inclusion in the National System. However, because of the interest of the states or local governments in protecting their natural values, the reports recommend that the rivers be protected and managed by state and/or local action. I am greatly encouraged by the efforts which all levels of government are taking to protect valued natural resources. I am particularly pleased to note that in the case of the Housatonic and Shepaug Rivers in Connecticut, local governmental agencies are taking the lead in developing management plans to protect these significant river resources. I am transmitting reports on:

—Pine Creek, Pennsylvania
—Buffalo River, Tennessee
—Youghiogheny River, Pennsylvania-Maryland
—Shepaug River, Connecticut
—Kettle River, Minnesota
—Lower Wisconsin River, Wisconsin
—Housatonic River, Connecticut
—Illinois River, Oklahoma

NATIONAL TRAILS

More than 61 million of the Nation's people go nature walking and more than 28 million people hike or backpack at least five times a year. To meet the growing needs of these and other trail users, Congress enacted the 1968 National Trails System Act and directed that a National Trails System be established. Since the establishment of the National Trails System, 257 National Recreation Trails have been designated, including 21 trails for those using wheelchairs and 13 trails designed for the use of blind people, with interpretive signs in braille.

The National Trails System is still in its fledgling stage and should grow to meet widespread public interest. National trails near urban areas can serve an energy-conscious nation by providing recreation close to home for the majority of our citizens and, in some cases, by providing commuter routes for bicyclists, walkers, and joggers.

To meet these objectives, under my direction, the U.S. Forest Service will establish 145 additional National Recreation Trails by January 1980, achieving a goal of two National Recreation Trails in each National Forest System unit. I am directing each Federal land management agency to follow the example set by the Forest Service and by January 1980 announce a goal for the number of National Recreation Trails each agency will establish during 1980 on the public lands administered by the agency. I am also directing that, by the end of 1980, a minimum of 75 new National Recreation Trails shall be designated on public land other than National Forests by the Federal land management agencies.

I am directing the Secretary of the Interior, through the Interagency Trails Council, to assist other Federal agencies in surveying existing trails on federal lands to determine which of those can be made part of our National Trails System and to initiate a grass-roots effort in every region of the country to assess our nationwide trails needs. In addition, I am directing the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense and the Chairman of the Tennessee Valley Authority to encourage states, localities, Indian tribes, and private landholders to designate trails on their lands.

Finally, I will submit legislation to the Congress which will designate the 513-mile Natchez Trace National Trail through Tennessee, Alabama, and Mississippi. I will resubmit legislation to establish the Potomac Heritage Trail through Pennsylvania, Maryland, West Virginia, Virginia and Washington, D.C. And I am reaffirming my support for the 3,200-mile North Country Trail, extending from the State of New York to North Dakota, which has already passed the House of Representatives.

I am also reaffirming the Administration's commitment to assuring the protection of the Appalachian Trail, one of America's best known and most popular recreation trails. The 2,000-mile Appalachian Trail winds through 14 states and is readily accessible to nearly half of the population of the U.S. It has been created by a volunteer movement without parallel in the history of outdoor recreation in America. In 1978 this Administration supported and I signed into law a bill to protect threatened portions of the right-of-way which are located on private lands. I expect this goal to be substantially achieved by September 30, 1981. This is a prompt but realistic timetable for the acquisition program.

II. AGRICULTURAL CONSERVATION

From our beginnings as a nation we have sustained ourselves and others on abundant yields from our farmlands. In this century, scientific and technological advances have increased our agricultural production to unsurpassed levels.

But in emphasizing ever-increasing production we have sometimes neglected to maintain the soil, water, and biological resources upon which the long-term stability and productivity of our agriculture depends. These resources are being degraded in many areas of the country. Our farm and land management practices have led to excessive soil erosion, we have overused chemical fertilizers and pesticides, and some of our most productive farmlands are being converted to nonagricultural uses. The agricultural conservation initiatives that I am announcing today address these issues.

SOIL CONSERVATION INCENTIVES

Over the past half century we have invested more than $20 billion of federal funds in efforts to conserve soil. These funds have been used for cost sharing, technical assistance, resource management, loans, research, and education. Yet in that same half century wind and water erosion have removed half the fertile topsoil from nearly one-

third of the Nation's potentially usable croplands. The cost of replacing just the plant nutrients lost to erosion has been estimated at $18 billion a year. Moreover, agricultural runoff adversely affects two-thirds of the Nation's streams.

Our soil protection programs have undoubtedly prevented even worse soil loss, but we must do better to maintain the long-term productivity of the soil.

The Department of Agriculture is now making an important appraisal of soil and water conservation policies under the Soil and Water Resources Conservation Act of 1977. The first Appraisal, Program and Policy reports required by the Resources Conservation Act (RCA) are due in January 1980. These documents will analyze conservation problems nationwide, set conservation targets and propose ways to solve the problems. They will provide an essential first step in the wise management of agricultural lands, and will guide my Administration's overall soil and water conservation recommendations to the Congress. Reports will be updated every 5 years and I will receive annual reports of progress and program effectiveness.

I am directing the Secretary of Agriculture, in consultation with the Chairman of the Council on Environmental Quality, to build on the RCA process and to undertake a further detailed and systematic study of possible conservation incentives. The study will search for ways to modify or coordinate agricultural assistance programs already in existence in order to reduce soil erosion. Moreover, it will also look for conflicts or inconsistencies between farm income programs and soil conservation programs and will recommend measures to eliminate these conflicts where possible.

The results of this study will be submitted to me in January 1981. This report will provide me with specific administrative and legislative recommendations to reduce soil erosion and to improve soil stewardship in order to maintain the Nation's long-term agricultural productivity, building on the policy recommendations contained in the RCA 1980 program.

A second critical land issue for America's farmers and consumers is the availability of agricultural lands—particularly prime farmlands—and their conversion to other uses. In June, the Administration initiated an important new effort to address this issue. The Secretary of Agriculture and the Chairman of the Council on Environmental Quality are co-chairing an interagency study of factors affecting the availability of land for agricultural uses. The study will evaluate the economic, environmental, and social effects of the conversion or retention of agricultural lands and will make recommendations for consideration by federal, state, and local governments by January 1981.

Many members of Congress are particularly interested in these two critical issues affecting the stewardship of our nation's agricultural lands. I hope that the Administration and the Congress will work together to develop and implement appropriate actions, based on the results of these studies.

INTEGRATED PEST MANAGEMENT

For all their benefits, chemical pesticides can cause unintended damage to human health and the environment. Many pests have developed resistance to chemical pesticides, escalating the cost of pest control by conventional methods. This resistance to pesticides has also decreased our ability to control some pests, which has reduced agricultural yields from what they would otherwise be.

Integrated pest management (IPM) has evolved in recent years as a comprehensive pest control strategy which has important health, economic, and environmental benefits. IPM uses a systems approach to reduce pest damage to tolerable levels through a variety of techniques, including natural predators and parasites, genetically resistant hosts, environmental modifications and, when necessary and appropriate, chemical pesticides. IPM strategies generally rely first upon biological defenses against pests before chemically altering the environment.

The Federal government—which spends more than $200 million a year on pest control research and implementation programs—should encourage the development and use of integrated pest management in agriculture, forestry, public health, and urban pest control. As a result of a government-wide review initiated by my 1977 Environmental Message, I am now directing the appropriate federal agencies to modify as soon as possible their existing pest management research, control, education, and assistance programs and to support and adopt IPM strategies wherever practicable. I am also directing federal agencies to report on actions taken or underway to implement IPM programs, and to coordinate their efforts through an interagency group.

III. URBAN QUALITY

Our cities give us diversity and enjoyment, occupations and avocations, shopping and services, recreation and culture. By strengthening the health of our urban environment, we broaden the range of opportunities open to all of our citizens, as I emphasized in my National Urban Policy Message last year. The investments we make in maintaining and improving urban quality—particularly those involving federal taxpayer dollars—can be designed to meet environmental objectives, such as safe, convenient, well-planned public transportation, quieter communities, and assistance in mediating potential conflicts between healthy urban economies and environments. The initiatives I am proposing today will help to achieve these goals.

TRANSPORTATION POLICY

Our transportation systems can greatly affect the Nation's environment, for better or worse, especially in our cities. For many years, our energy and other resources were so plentiful that the Federal government encouraged the rapid expansion of a transportation system based on the private automobile without fully considering the profound effects on our resources, our urban environments, and our way of life. Although we have developed an extraordinary transportation system, we have missed opportunities in the past to improve transportation and at the same time to achieve these other national objectives.

The United States has built the most extensive and complex transportation system in the world. Federal transportation expenditures exceed $17 billion annually, including $12 billion in grants to state and local agencies. Transportation consumes approximately 53 percent of all petroleum used in the U.S. The energy and cost advantages of using this system more efficiently—for example, by greater use of carpools, vanpools and mass transit—are now obvious. Better design and use of transportation systems will also help to save and strengthen our cities and their amenities and to reduce air and noise pollution. Thus transportation decisions can help to conserve limited resources, and to further our energy, fiscal, and urban environmental goals.

Federal transportation decisions cannot escape difficult choices among competing objectives, but they must be guided by new transportation policies which I am establishing for my Administration. Urban transportation programs and projects should be reoriented to meet environmental, energy and urban revitalization goals. I am therefore directing the Department to take immediate actions to assure that:

—federal transportation funds are used to promote energy conservation, for example through special lanes for carpools, vanpools and transit vehicles;

—encouragement is given to using federal funds for public transportation projects;

—a careful review is made of any transportation proposals which would encourage urban sprawl (a major cause of high energy consumption) or which would tend to draw jobs away from urban centers;

—consideration is given to improving and rehabilitating existing facilities, or using non-construction methods—such as better traffic management—to improve transportation systems, as alternatives to constructing new facilities;

—major transportation projects are used to help improve the urban economy and to attract jobs to the urban cores; and

—firm actions are taken to mitigate adverse effects of transportation projects on the natural and urban environment and to carry out the environmental commitments that are made in planning and approving transportation projects.

We have done a great deal to make our transportation policies and actions more sensitive to our national environmental and energy goals. We can do a great deal more with cooperation of state and local governments as our partners in the national transportation system. The steps I have outlined will move us in that direction.

ECONOMIC ASSISTANCE PROGRAM

Most Americans benefit directly from the healthier and more agreeable environment that results from our air, water and other pollution control programs. Although economic data indicate that environmental programs are a strong positive factor in providing employment, there is continued concern about their possible adverse impact on individual firms, communities, or groups of workers. The fact that there have not been a large number of such economic dislocations does not suggest that those that do occur are unimportant. Furthermore, in some instances they can be avoided, or at least significantly mitigated, by appropriate government action.

In 1977 I established an Economic Assistance Task Force, chaired by the Council on Environmental Quality, to investigate whether we needed to improve federal assistance for those cases when jobs are lost partly as a result of actions taken to reduce pollution, and to recommend initiatives we might take. The Task Force concluded that existing federal assistance programs should be adequate, but that we need to take practical steps to let people know about the programs and to make sure help is delivered swiftly when it is needed.

I am therefore directing the Administrator of the Environmental Protection Agency to create an Economic Assistance Program in his agency and to designate Economic Assistance Officers both in headquarters and in the field, who will help the public understand and use the programs, and to make sure that eligible people receive assistance promptly. I am also directing all federal agencies with programs in this area to publicize and coordinate closely their programs. A booklet describing and locating available federal assistance programs will be released soon by the Council on Environmental Quality and the Environmental Protection Agency.

URBAN NOISE PROGRAM

A certain level of urban noise is tolerable or even agreeable, reflecting the multitude of activities that make a city thrive. However, most of our cities suffer from too much noise. Excessive noise is a serious disturbance in city dwellers' lives, and degrades the urban environment.

Most noise abatement actions are taken by state and local governments, but there is an important role for the Federal government. I am initiating today a program to reduce urban noise by directing the Departments of Commerce, Defense, Energy, Housing and Urban Development, Transportation, and the Environmental Protection Agency and General Services Administration, in consultation with other federal agencies, to take a number of actions to improve existing noise abatement programs, including:

—programs to achieve soundproofing and weatherization of noise sensitive buildings, such as schools and hospitals;

—use of quiet-design features in transportation projects affecting urban areas;

—measures to encourage the location of housing developments away from major noise sources;

—purchase of quiet equipment and products—such as typewriters and lawnmowers which have been designed to reduce noise—and assistance to state and local agencies to do likewise; and

—support for neighborhood efforts to deal with noise problems.

IV. GLOBAL ENVIRONMENT

Efforts to improve the environment cannot be confined to our national boundaries. Ten years ago, at the dawn of the environmental decade, we landed on the moon. For the first time people could stand on the surface of another world and look at the whole earth. The sight of earthrise was awesome. It was also sobering. From that moment we could no longer avoid understanding that all life must share this one small planet and its limited resources. The interdependence of nations is plain, and so is the responsibility of each to avoid actions which harm other nations or the world's environment. I am announcing today two initiatives which address global environmental problems of the greatest importance.

WORLD FORESTS

The world's forests and woodlands are disappearing at alarming rates. Some estimates suggest that world forests could decline by about 20 percent by 2000. More than 40 percent of the closed forests of South Asia, Southeast Asia, Pacific, and Latin America could be lost.

Nearly all the world's forest loss is occurring in or near the tropics. In these areas, environmental damage from deforestation can be severe—even irreversible—and the human costs extremely high. For example, denudation of Himalayan slopes has led to severe soil erosion, silting of rivers, loss of groundwater, and intensified, catastrophic flooding downstream. Many tropical forests, once cut, will not regrow because soils, rainfall, temperature, or terrain are too unfavorable; nor will the land support crops or pasture for more than a few years. Another serious possible consequence of tropical forest loss is accelerating extinction of species. Tropical forests provide habitat for literally millions of plant and animal species—a genetic reservoir unmatched anywhere else in the world. Equally serious is the possibility that forest loss may adversely alter the global climate through production of carbon dioxide. These changes and their effects are not well understood and are being studied by scientists, but the possibilities are disturbing and warrant caution.

The United States and other nations are just beginning to appreciate fully the scope and seriousness of the problem and to assess the effects of development projects on world forests. There is much more to be done. I am therefore directing all relevant federal agencies to place greater emphasis on world forest issues in their budget and program planning. An interagency task force established last fall and chaired by the State Department will report to me in November 1979 on specific goals, strategies, and programs that the United States should undertake. On the basis of these recommendations, I will direct federal agencies to carry out an integrated set of actions to help toward protection and wise management of world forests.

In the international arena, the Governing Council of the United Nations Environment Programme has just adopted a resolution—introduced by the United States—calling for a meeting of experts to develop proposals for an integrated international program for conservation and wise utilization of tropical forests, and to report to the next Governing Council meeting in April 1980. I am asking the Departments of State and Agriculture, the Council on Environmental Quality, and other federal agencies to give this program full support and assistance and to encourage and support high-level multinational conferences on forest problems in regions where forest losses are severe.

To help protect the earth's natural resource base, I issued an Executive Order earlier this year, which directs federal agencies to review carefully in advance the effects of many federal activities abroad. I am directing the Council on Environmental Quality and the Department of State to report to me within six months on the best ways to designate the globally important resources to which the order applies.

ACID RAIN

Acid rain has caused serious environmental damage in many parts of the world including Scandinavia, Northern Europe, Japan, Canada and the Northeastern part of the United States. Over the past 25 years the acidity of rainfall has increased as much as fifty-fold in parts of the Eastern half of the United States. In the Adirondacks in New York, many mountain lakes have become devoid of fish partly because of increasing acidification. Adverse effects on crops and forests are suspected; steel and stone buildings and art works may suffer as well.

Acid rain is produced when rain removes sulfur dioxide and nitrogen dioxide from the air, forming sulfuric and nitric acid. Sulfur and nitrogen oxides are emitted in all forms of fossil fuel combustion. Power plants, smelters, steel mills, home furnaces, automobiles—all may contribute to acid rain.

To improve our understanding of acid rain, I am establishing a ten year comprehensive Federal Acid Rain Assessment Program to be planned and managed by a standing Acid Rain Coordination Committee. The assessment program will include applied and basic research on acid rain effects, trends monitoring, transport and fate of pollutants, and control measures. The Committee will establish links with industry to promote cooperative research wherever appropriate. The Committee will also play a role in future research cooperation with Canada, Mexico, and other nations and international organizations. The Committee will prepare a comprehensive 10-year plan for review by the end of the year. In its first full year of operation, the program will have $10 million in reprogrammed research funds available, double the current amount for acid rain research.

It is important to emphasize that such a long-term acid rain research program will not delay application of necessary pollution control measures to meet the mandate of the Clean Air Act. In addition, interim results from the acid rain research program will be made available to the public, to states, to industry and to the federal government agencies responsible for developing measures to reduce air pollution.

CONTINUED AND COOPERATIVE EFFORTS

The preservation of our environment has needed to become a special concern to our country at least since the ending of the Western frontier. A former President put it clearly:

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our National life. We must maintain for our civilization the adequate material basis without which that civilization cannot exist. We must show foresight, we must look ahead. The reward of foresight of this nation is great and easily foretold. But there must be the look ahead, there must be a realization of the fact that to waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed."

That was President Theodore Roosevelt speaking in a State of the Union Message more than 70 years ago.

That message needs to be repeated and heard just as clearly today. Above all—it needs to be delivered.

My Administration will continue to lead in conserving our resources and reducing risks to the environment through sound and efficient management. But all our citizens must join the effort by contributing energies and ideas.

Only with your cooperation can we maintain our advance towards protecting our environment. Only together can we hope to secure our world for the life to come.

JIMMY CARTER

THE WHITE HOUSE, *August 2, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a comprehensive message received from the President on the environment be jointly referred to the following committees: Environment and Public Works, Energy and Natural Resources, Labor and Public Welfare, Agriculture, Nutrition, and Forestry, Banking, Housing, and Urban Affairs, and Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:29 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4388, an act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 3, 7, 9, 14, 17, 22, and 24 to the bill, and concurs therein; that the House recede from its disagreement to the amendments of the Senate numbered 1, 8, and 37 to the bill, and concurs therein each with an amendment; and that the House insists upon its disagreement to the amendment of the Senate numbered 30 to the bill.

At 1:33 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following bill, without amendment:

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the Act of June 30, 1932.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to S. 917, an act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 3363, an act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4057, an act to increase the fiscal year 1979 authorization for appropriations for the food stamp program.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 165. A concurrent resolution relating to self-determination for the people of Puerto Rico.

At 3:23 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4392, an act making appropriations for the Department of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 7, 21, 22, 32, 41, 51, 62, and 69 to the bill and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 1, 23, 24, 29, and 64 to the bill, and concurs therein each with an amendment; and that the House insists on its disagreement to the amendment of the Senate numbered 26 to the bill.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 3324, an act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

The message further announced that the Speaker has appointed Mr. Minish and Mr. Campbell as additional managers of the conference on the part of the House on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 3875, an act to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes, to those provisions relating only to title IV and those Senate modifications relating thereto.

ENROLLED BILLS SIGNED

At 5:37 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bills:

H.R. 2807. An act to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed by the United States;

H.R. 4057. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes;

H.R. 4476. An act to extend certain programs under the Higher Education Act of 1965 for one year, and for other purposes; and

H.R. 4811. An act for the relief of the city of Nenana, Alaska, and to amend the Act of January 2, 1976, as amended, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on August 2, 1979, he presented to the President of the United States the following enrolled bill:

S. 961. An act to amend the Speedy Trial Act of 1974.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 1515. A bill to authorize the striking of Bicentennial medals (Rept. No. 96-296).

BICENTENNIAL MEDALS

Mr. PROXMIRE. Mr. President, from the Committee on Banking, Housing and Urban Affairs, I report favorably a bill to provide for the striking of medals commemorating the 200th anniversaries of historic events and personalities of the American Revolution. The legislation authorizes use of the Bureau of the Mint's facilities for the design and manufacture of these medals on behalf of the U.S. Capitol Historical Society, a private, nonprofit organization. The Society was granted a Federal Charter by the Congress last year. Revenues from the sale of these bicentennial medals will be used by the Society to help defray the cost of its programs, such as the restoration art work presently under way in the U.S. Capitol.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1454. A bill to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501 (1)(B) and 8521(a)(1) of title 5, United States Code (Rept. No. 96-297).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 1261. A bill to clarify that the steamship United States may operate in the domestic and/or foreign commerce of the United States and/or between foreign ports (Rept. No. 96-298).

By Mr. CHILES, from the Committee on Appropriations, with amendments:

H.R. 4393. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1980, and for other purposes (together with additional views) (Rept. No. 96-299).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

Special Report Pursuant to section 302(b) of the Congressional Budget and Impoundment Control Act of 1974 (Rept. No. 96-300).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 1646. An original bill to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States (Rept. No. 96-301).

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Special Report Pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 96-302).

By Mr. BAYH, from the Committee on the Judiciary, without amendment:

S.J. Res. 41. A joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week".

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

S. 1414. A bill to amend title 5 of the United States Code to allow congressional employees to purchase and receive civil service retirement credit for employment on the personal office staff of a former Presidential candidate in the period immediately following a Presidential election (Rept. No. 96-303).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the following nominations: Maj. Gen. Glenn Kay Otis, USA, to be lieutenant general and appointed as Senior U.S. Army Member of the Military Staff Committee of the United Nations; and, in the Air Force, Maj. Gen. Lincoln David Faurer to be lieutenant general; and in the Reserve of the Air Force, 22 nominations to the grade of major general and brigadier general (list beginning with Brig. Gen. Jay G. Benton). I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. STENNIS. In addition, Mr. President, there are 825 for promotion to the grade of colonel and lieutenant colonel in the Army (list beginning with Frank S. Adams); in the Air Force and Reserve of the Air Force there are 50 to the grade of colonel and below (list beginning with Helen A. Brainerd to captain) and in the Regular Air Force there are 2,731 for appointment to the grade of captain and below (list beginning with Ralph I. Abravaya); in the Navy and Naval Reserve there are 215 for appointment/promotion to the grade of commander and below (list beginning with Kenneth C. Malokofsky, Jr.) and 399 for promotion to the grade of captain and below (list beginning with James N. Adkins, Jr.); and, in the Marine Corps there is a reappointment to the grade of Lt. Col. Ellen B. Moroney and 33 permanent appointments in the Marine Corps in the grade of second lieutenant (list beginning with Kathy M. Badnioch). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on July 16 and July 27, 1979, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JACKSON (for himself, Mr. STEVENS, Mr. STONE, Mr. RANDOLPH, Mr. STEWART, Mr. BAKER, Mr. CANNON, Mr. HEFLIN, and Mr. GOLDWATER):

S. 1629. A bill to amend section 9441 of title 10, United States Code, to provide for budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. INOUYE (for himself, Mr. STEVENS, Mr. LAXALT, Mr. PRESSLER, Mr. CULVER, and Mr. STONE):

S. 1630. A bill to amend the Internal Revenue Code of 1954 to provide for the designation of income tax payments to the United States Olympic Development Fund; to the Committee on Finance.

By Mr. RANDOLPH (for himself and Mr. LONG):

S. 1631. A bill to provide additional funds for certain projects relating to fish restoration, and for other purposes; to the Committee on Environment and Public Works.

By Mr. JACKSON (by request):

S. 1633. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 1633. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax to public utilities and other taxpayers which provide electrical energy, gas, wood, coal, or home heating oil at reduced costs to households of low-income elderly or disabled individuals; to the Committee on Finance.

By Mr. MATHIAS:

S. 1634. A bill for the relief of Dr. Rose Marie Gustilo; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 1635. A bill to investigate the water and related resources of four Idaho river basins to determine ways to restore or improve the habitat of anadromous species of fish, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MATHIAS:

S. 1636. A bill for the relief of Rudolphe H. Ellert-Beck; to the Committee on Foreign Relations.

By Mr. JACKSON (by request):

S. 1637. A bill to establish competitive oil and gas leasing in favorable areas within producing geologic provinces; to the Committee on Energy and Natural Resources.

By Mr. ROTH:

S. 1638. A bill to amend the Internal Revenue Code of 1954 to provide for the amortization of start-up expenditures paid or incurred in starting a new trade or business; to the Committee on Finance.

By Mr. GRAVEL:

S. 1639. A bill to amend the Water Resources Planning Act of 1965 (Public Law 89-80; 79 Stat. 244 as amended.); to the Committee on Environment and Public Works.

By Mr. GRAVEL (by request):

S. 1640. A bill to extend certain authorities of the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRAVEL (for himself, Mr. HATFIELD, Mr. MCGOVERN, Mr. BURDICK, Mr. BENTSEN, Mr. RANDOLPH, and Mr. COHEN):

S. 1641. A bill authorizing the Secretary of the Army, acting through the Chief of Engineers, to plan, design, and construct small hydroelectric power projects not specifically authorized by the Congress; to the Committee on Environment and Public Works.

By Mr. SCHWEIKER:

S. 1642. A bill to amend title VII of the Public Health Service Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DURENBERGER:

S. 1643. A bill to amend title II of the Social Security Act to provide better work

incentives in the disability insurance program, and for other purposes; to the Committee on Finance.

By Mr. STEVENSON:

S. 1644. A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the promulgation of regulations related to weather modification, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HAYAKAWA:

S. 1645. A bill to amend the Internal Revenue Code of 1954 to permit a credit for interest received on savings; to the Committee on Finance.

By Mr. PROXMIRE:

S. 1646. A bill to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States; from the Committee on Banking, Housing, and Urban Affairs.

By Mr. INOUYE (for himself, Mr. MATSUNAGA, Mr. HAYAKAWA, Mr. CRANSTON, Mr. MCCLURE, and Mr. CHURCH):

S. 1647. A bill to establish a commission to gather facts to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order 9066, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CANNON (for himself, Mr. PACKWOOD, and Mr. INOUYE):

S. 1648. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 1649. A bill to provide for the modification of airport and airway user taxes, and for other purposes; to the Committee on Finance.

By Mr. INOUYE (for himself, Mr. BENTSEN, Mr. CANNON, Mr. COCHRAN, Mr. HATFIELD, Mr. HAYAKAWA, Mr. HOLLINGS, Mr. MATSUNAGA, Mr. PRYOR, Mr. STEVENS, Mr. STEWART, Mr. STONE, Mr. TALMADGE, and Mr. WARNER):

S. 1650. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

By Mr. MCGOVERN (for himself, Mr. RIEGLE, Mr. KENNEDY, Mr. LUGAR, Mr. LEAHY, Mr. WILLIAMS, Mr. JAVITS, and Mr. METZENBAUM):

S. 1651. A bill entitled the "Department of Agriculture Nutrition Labeling and Information Act of 1979"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MCGOVERN (for himself, Mr. RIEGLE, Mr. KENNEDY, Mr. WILLIAMS, Mr. JAVITS, Mr. METZENBAUM, Mr. LUGAR, and Mr. LEAHY):

S. 1652. A bill entitled "The Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act"; to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, by unanimous consent.

By Mr. CRANSTON:

S. 1653. A bill for the relief of Zenaida Porte Rebultan; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 1654. A bill to improve the Federal judicial machinery by clarifying and revising certain provisions of title 28, United States Code, relating to the judiciary and judicial review of international trade matters, and for other purposes; to the Committee on the Judiciary.

By Mr. LEVIN:

S. 1655. A bill to designate the building known as the Department of Labor Building in Washington, D.C. as the "Francis Perkins Department of Labor Building"; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. MAGNUSON, Mr. STEVENS, Mr. HOLLINGS, Mr. PELL, Mr. TSONGAS, Mr. PACKWOOD, Mr. HATFIELD, and Mr. WARNER):

S. 1656. A bill to provide for a national program of fisheries research and development, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LEVIN:

S. 1657. A bill to amend title XVI of the Social Security Act to remove certain work disincentives, and for other purposes; to the Committee on Finance.

By Mr. JAVITS (for himself, Mr. STAFFORD, Mr. MOYNIHAN, Mr. CRANSTON, Mr. KENNEDY, and Mr. BRADLEY):

S. 1658. A bill to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to states and local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WALLOP (for himself, Mr. BENTSEN, Mr. TALMADGE, and Mr. HATCH):

S. 1659. A bill to amend the Internal Revenue Code of 1954 to provide for the treatment of property as energy property for investment credit purposes after December 31, 1982, where the taxpayer is affirmatively committed on that date to its construction, reconstruction erection, or acquisition; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. DECONCINI, Mr. BAKER, Mr. STONE, Mr. THURMOND, Mr. HAYAKAWA, and Mr. WALLOP):

S. 1660. A bill to amend the Federal Civil Defense Act of 1950 to provide for an enhanced civil defense program for fiscal years 1980 through 1986, and for other purposes; to the Committee on Armed Services.

By Mr. LEVIN:

S. 1661. A bill to amend title IV of the Social Security Act to provide for a program of adoption assistance; to the Committee on Finance.

By Mr. CHILES (for himself, Mr. MELCHER, and Mr. PRYOR):

S. 1662. A bill to amend title XI of the Social Security Act to authorize civil monetary penalties for certain fraudulent activities in the Medicare and Medicaid programs, and for other purposes; to the Committee on Finance.

By Mr. STEVENSON:

S. 1663. A bill to encourage exports by providing for the licensing of export trading companies by the Secretary of Commerce, and by otherwise facilitating their formation and operation; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Finance, jointly, by unanimous consent.

By Mr. RIBICOFF (for himself, Mr. CHAFEE, Mr. DOLE, Mr. JAVITS, Mr. MOYNIHAN, Mr. PELL, and Mr. TSONGAS):

S. 1664. A bill to amend the Internal Revenue Code of 1954 to provide relief to residential users of refined petroleum products; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (for himself, Mr. STEVENS, Mr. STONE, Mr. RANDOLPH, Mr. STEWART, Mr. BAKER, Mr. CANNON, Mr. HEFLIN, and Mr. GOLDWATER):

S. 1629. A bill to amend section 9441 of title 10, United States Code, to provide for budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

CIVIL AIR PATROL SUPPLY

● Mr. JACKSON. Mr. President, I am today introducing a bill entitled the Civil Air Patrol supply bill. This legislation, which eight of my distinguished colleagues have joined me in sponsoring—Senators STEVENS, STONE, RANDOLPH, STEWART, BAKER, CANNON, HEFLIN, and GOLDWATER—represents, in my opinion, an absolutely essential and long-overdue step on the part of the Federal Government.

Let me say a few words about the Civil Air Patrol. This private, nonprofit organization, established in 1941, has served by congressional mandate as an auxiliary of the U.S. Air Force since 1948. It has undertaken, since its founding, largely on the basis of membership dues, volunteered time, and private contributions, to provide the pilots, aircraft, and supplies necessary to carry out the vast majority of search and rescue missions performed in this country.

On this basis, the Civil Air Patrol has for nearly four decades significantly augmented the capabilities of the Air Force in peacetime and in times of crisis or war. Currently, the CAP flies three out of every four hours of search and rescue missions, saving the taxpayer at least $20 million per annum that it would otherwise cost to have the Air Force perform this role. More importantly, the Civil Air Patrol saves lives.

The cosponsors of this bill are concerned that the CAP will soon be unable to do the job expected of it. Inflation and the soaring cost of fuel, spare parts and equipment, and the substantial expenses involved in replacing aging aircraft are severely taxing the ability of the dedicated members of the CAP to continue to serve.

A few examples graphically illustrate the problem:

The cost of a standard, propeller-driven, four-seater aircraft has grown nearly 300 percent over the last decade.

There has been a comparable growth in fuel costs and the price of lubricants.

CAP members, who are asked to travel far from home to fly rescue missions are faced with the prospect of having to bear—out of their own pockets—the costs of motels and restaurants—costs which have also been greatly affected by inflation.

There is another important facet to

the Civil Air Patrol. The CAP has a cadet program which brings young people into a constructive, disciplined organization, trains them to become aviators and gives them an opportunity to serve others. A traditional aspect of this side of the Civil Air Patrol is the requirement that the cadets buy and wear uniforms while taking part in CAP activities. Inflation has taken its toll here, too, to the point where many young people are not becoming involved in CAP because of the prohibitive cost of uniforms.

Since 1970, membership in the CAP has dropped off sharply, falling by some 16,000 cadet and senior members, largely as a result of the increasingly expensive price of participating. This trend is likely to continue and to grow more severe. Ultimately, it may result in the Civil Air Patrol becoming unable to respond promptly and with sufficient numbers of trained, capable personnel to save people's lives in emergency situations.

It is in response to these undesirable developments that the nine cosponsors of this legislation are introducing the Civil Air Patrol supply bill. It would, at the cost of roughly $1 million per year in 1979 dollars, provide: Access to surplus Federal equipment and related supplies, uniforms for cadets, fuel and lubricants for the support of assigned missions, reimbursement for the costs incurred by CAP members while on assigned missions, including travel and subsistence, and other support services.

Late in the last session of Congress, the House of Representatives passed a virtually identical measure, H.R. 6237, which was not acted upon by the Senate due to the logjam on the legislative calendar in the hectic closing days of the 95th Congress. The bill we are introducing today differs from the House-passed version primarily in that the discretion of the Secretary of the Air Force in making available to the CAP such support as I have described is more specifically defined. I am confident that affirmative action by the Senate on this measure will lead to rapid reenactment of the Civil Air Patrol supply bill by the House.

In summary, Mr. President, I believe this is a sound bill, which will go a long way toward meeting the urgent needs of this outstanding organization. I urge my colleagues to join the nine original cosponsors of this legislation in seeking its prompt passage by the Senate so that the CAP can continue to do the job we expect of it—that of saving lives.●

By Mr. INOUYE (for himself, Mr. STEVENS, Mr. LAXALT, Mr. PRESSLER, Mr. CULVER, and Mr. STONE):

S. 1630. A bill to amend the Internal Revenue Code of 1954 to provide for the designation of income tax payments to the U.S. Oylmpic Development Fund; to the Committee on Finance.

U.S. OLYMPIC DEVELOPMENT FUND CHECKOFF ACT OF 1979

● Mr. INOUYE. Mr. President, on behalf of my colleagues, Senator STEVENS, Senator LAXALT, Senator PRESSLER, Senator CULVER and Senator STONE, I am introducing legislation to provide for a $1 checkoff on future Federal income tax refunds. The money collected would be used to enhance the opportunity of our citizens to exercise their birthright to pursue any amateur sport of his or her choice.

Currently, our country has little in the way of early identification and encouragement of talent in a wide range of sports. Coaching is unavailable for many athletes. In many areas we lack adequate sports facilities. For example, there is only one Olympic-size speed skating rink and bobsled run in the entire United States. Modern pentathalon athletes can train only at Fort Sam Houston in Texas, supported by the United States Army. In a Nation of over 200 million, there exists only 14 cycling velodromes; approximately 1 velodrome per 15 million, whereas it is common in Western Europe to find 6 velodromes per 300,000 residents.

Existing athletic programs could be strengthened and innovative programs developed, benefiting all Americans—the young, the elderly, the handicapped, women and minorities—by encouraging participation in physical fitness events. While only a few gifted individuals eventually compete nationally or internationally, sports, in general, contribute toward our national vigor and enrich the lives of all who take part in them.

Under our proposal, the money would be collected by means of a voluntary $1 checkoff on income tax refund forms, similar to the Presidential campaign fund checkoff. Money raised would be directly transferred to the U.S. Olympic Committee, which would be responsible for appropriating funds to the various sports governing bodies. Approximately half of the revenues would be used as grants to those governing bodies that coordinate U.S. efforts in each amateur sport. In addition, about a quarter of the fund would be earmarked toward improving amateur athletic facilities, 20 percent for enhancing training programs, and 5 percent for furthering sports medicine. Any surplus of funds would be used to rent school athletic facilities for summertime sports clinics.

The U.S. Olympic Committee would submit an annual report to the President's Council on Physical Fitness and Sports, with a breakdown of the previous year's expenditures and recommendations. The Council would then submit its own report to Congress, discussing the committee's report, and evaluating the effectiveness and usefulness of the program.

We would like to stress that through this method, Government can provide a vehicle through which the public can mandate whatever funds and support it feels our amateur athletic system warrants, without additional bureaucratic burden.

With the recent Pan-American games and the advent of the Olympic games in Lake Placid and Moscow, we feel that a timely opportunity is at hand for this Congress to embrace its commitment to amateur athletics by initiating this long overdue effort to rejuvenate our national sports programs. Other countries have done this, including the Soviet Union and the lesser developed nations. Now it is our turn.

We urge our colleagues to give this important legislation your serious and favorable attention. Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1630

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Olympic Development Fund Checkoff Act of 1979".

SEC. 2. (a) With respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1 of the International Revenue of 1954, such taxpayer may designate that either—

(1) $1 of any overpayment of such tax for such taxable year, or

(2) $1 of any contribution which the taxpayer forwards in money with such return, be available to the United States Olympic Development Fund established by section 3 of this Act.

(b) In the case of a joint return of husband and wife, each spouse may designate the $1 be available to the fund under subsection (a).

(c) Space shall be made available for the designations referred to in subsection (a) on the first page of the tax return forms for such tax.

(d) For purposes of the Internal Revenue Code of 1954, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the date prescribed for filing the return of such tax (disregarding any extension) or, if later, the date the return is filed.

(e) This section shall apply to taxable years ending after the date of enactment of this Act.

SEC. 3. (a) There is hereby established on the books of the Treasury of the United States a special fund to be known as the "United States Olympic Development Fund". There is appropriated to the fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to the amount designated during such fiscal year to be available to the fund under section 2 of this Act. The amounts appropriated by this subsection shall be transferred monthly to the fund by the Secretary of the Treasury.

(b) The Secretary of the Treasury shall pay to the United States Olympic Committee each fiscal year an amount equal to the amounts transferred to the United States Olympic Development Fund under subsection (a) during that fiscal year.

(c) The United States Olympic Committee shall use such funds to carry out a program for the expansion and improvement of amateur athletics in the United States so that all Americans (including women, minorities, the aged and the handicapped) are able to participate in athletic endeavors. Such funds shall remain available to the United States Olympic Committee without fiscal year limitation.

(d) Within 120 days after the close of each fiscal year, the United States Olympic Committee shall submit a report to the President's Council on Physical Fitness and Sports with respect to the expenditure of funds made available under this section. Such report shall include, but not be limited to—

(1) a listing of the major programs with respect to which funds were expended during such fiscal year,

(2) the amount of money, and percentage of total money available, expended on each such program during such fiscal year, and

(3) any recommendations the United States Olympic Committee may have with respect to future expenditures of such funds.

(e) Within 120 days after receipt of the report submitted under subsection (d), the President's Council on Physical Fitness and Sports shall prepare and submit to the Congress an evaluation of the effectiveness of the expenditure of funds by the United States Olympic Committee for the fiscal year covered by such report. Such report shall include recommendations deemed necessary by the Council with respect to the expenditures of funds by the United States Olympic Committee, including its recommendations with respect to the continuance, modification or discontinuance of the providing of funds to the United States Olympic Committee under this section.●

● Mr. STEVENS. Mr. President, I am pleased to join with my colleague from Hawaii, Senator INOUYE, in cosponsoring this bill that will create the opportunity for Americans to donate $1 to the U.S. Olympic Committee simply by checking off a box on their income tax forms.

This system does not allocate funds from taxpayer revenue, but will instead enable and encourage taxpayers to donate $1 of their tax return checks to support and develop all amateur sports in America.

Many may not realize it, but the U.S. Olympic Committee does more than serve our young men and women who are preparing to represent our country in Olympic competition. Since the passage of the Amateur Sports Act during the 95th Congress, the U.S. Olympic Committee has become the coordinating body for all amateur sports in our country. They are charged with the responsibility of encouraging physical fitness and public participation in amateur athletic activities, and promoting athletic events for handicapped individuals.

The Olympic Committee is also in the process of establishing national goals for amateur sports and implementing the attainment of those goals.

Through the Amateur Sports Act of 1978, the U.S. Olympic Committee is increasing grassroots participation, particularly in lesser developed sports. They are striving to provide greater opportunities for women and minorities in athletic programs, and they are trying to integrate handicapped programs into the mainstream of athletic endeavor, whenever possible.

Mr. President, it is time that we, the American people become committed to amateur athletics, by giving them financial support. With this "sports for all" philosophy, the United States could not help but benefit. I urge all the Members of the Senate to support this legislation.●

By Mr. RANDOLPH (for himself and Mr. LONG):

S. 1631. A bill to provide additional funds for certain projects relating to fish restoration, and for other purposes; to the Committee on Environment and Public Works.

FISH RESTORATION ACT OF 1979

● Mr. RANDOLPH. Mr. President, fishing is the most popular participator sport in our country. Last year, 58 million Americans fished and, if historic trends continue, the number could double before the end of this century. That truly is recreation on a grand scale, but under present levels of support our aquatic resources cannot sustain this public use demand.

Fishing, the wholesome, outdoor sport of Americans from all walks of life, could become, as it has in Europe, a pastime of the wealthy. The legislation which I introduce will provide for expanded Federal-aid-to-fisheries grants to States from funds collected through "user pay" fees paid by the persons who share in the resource.

The management of America's inland fisheries resources is, as it should be, the responsibility of the 50 States. Inflation has destroyed many States' ability to manage their recreational fishery. Access to public waters is inadequate and many boat launching areas are deteriorating for lack of maintenance. Fish hatchery production is inadequate, most fisheries research remains to be funded, new recreational lakes are needed in water-starved areas and a wide range of other proven fisheries enhancement techniques await funding. A recent survey of State fisheries agencies, conducted by the organization of fisheries administrators, disclosed that an additional $75 million are needed each year simply to sustain the present, barely adequate program. Meeting future demands and starting new programs will require even more funding.

Fishing license revenues have proven to be inadequate to meet the need for fisheries management funding. In recognition of this problem, Congress passed the Federal Aid to Sport Fish Restoration Act in 1950, known as the Dingell-Johnson Act. This successful and populsr act imposes a 10-percent Federal manufacturer's excise tax on most items of fishing tackle. Although paid by the manufacturers, the cost is passed along to the fisherman as a part of the cost of the tackle he buys.

The tax is collected by the Treasury Department and then apportioned to the States on a matching basis (up to $3 Federal for each State dollar) for fisheries restoration, development, enhancement and research. The apportionment is based on the State's total area and fishing license sales. No State can receive less than 1 percent and none more than 5 percent. In its 28-year history, this program has generated an average of about $10 million per year with less than 7 percent consumed for administrative purposes.

States have used grants to finance a considerable portion of their fisheries management activities. A special provision of the act has had the added benefit of preventing diversion of State fish license monies to the purposes. No other Federal fisheries program has been so successful. All States are heavily dependent upon this program. It does not generate enough funds, however, to do the job that must be done. Congress must act now to expand the funding base of the act in a fair and meaningful way.

A 1970 study by Darmouth College disclosed that the 10-percent excise tax on fishing tackle was not only successful and well received by anglers, but was popular with the tackle manufacturers as well. The report noted, however, that the tax was unfair because it applied to only part of the sport fishing industry even though all manufacturers benefited from the proceeds. As a consequence, the report recommended that the excise tax be extended to other products, including fishing boats and outboard motors. The author of the report noted that:

> Actually, the extension of the excise tax to the outboard motor industry constitutes the withdrawal of a subsidy to that industry rather than the imposition of a burden in the sense that it receives the advantages of the Dingell-Johnson program without sharing the costs with the other beneficiaries.

Mr. President, the user-pay principle requires that those who enjoy the benefits should contribute to the program. The boat, motor, and boat trailer industry, should be brought into the program so that they can begin assuming their share of the Nation's fisheries management costs.

Costs will inevitably be passed along to the consumer, and these consumers have indicated their willingness to pay. Good fishing sells boats and motors, so in all likelihood the plan will be as good for future sales as it is for future fishing.

Accordingly, I am introducing legislation to amend the 1950 act by adding a 3-percent manufacturer's excise tax to recreational boats, motors, and boat trailers, with the industry's endorsement, extending the 10-percent tax to tackle items not now covered.

Under this legislation the average fisherman will pay only about $2 per year in added excise taxes to support the aquatic resources which provide his fishing opportunity. Hunters already pay more than $3 each in excise taxes to support their sport, and that investment has been spectacularly successful. If our fisheries resources are to continue meeting the demands upon them they must receive the best management that science can provide. America's fishermen recognize the problem and have indicated their willingness to pay the bill.

The opportunity for "goin' fishin'" is as American as any legacy we have, and we cannot deny the same chance to future generations. Expanding the financial base of the Dingell-Johnson Act will help to maintain this tradition.●

By Mr. JACKSON (by request):

S. 1632. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill, the ex-

ecutive communication, and various background statements which accompanied the proposal from the Assistant Secretary of the Interior be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1632

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to engage in feasibility studies of the following proposals:

1. Hungry Horse Project, Hungry Horse Powerplant Enlargement and Reregulating Reservoir, located on the South Fork of the Flathead River in Flathead County, Montana.

2. Palisades Project, Palisades Powerplant Enlargement, located on the Snake River in Bonneville County, Idaho.

3. Boise Project, Power and Modification Study, located in southwestern Idaho (Ada, Boise, Canyon, Elmore, Gem, Payette, and Valley Counties) and in eastern Oregon (Malheur County).

4. Central Valley Project, Shasta Division, Enlarged Shasta Lake Investigation, located in Shasta County in northern California.

5. Central Valley Project, Trinity River Division, Whiskeytown Powerplant Study at the existing Whiskeytown Dam, located on Clear Creek in Shasta County in California.

6. Central Valley Project, Friant Division, Friant Powerplants Study located at Friant Dam on the San Joaquin River in central California.

7. San Francisco Bay Area Waste Water Reclamation Project, located in the San Francisco Bay area and western San Joaquin Valley of California.

8. San Joaquin Valley Drainage Investigation with a study area in the San Joaquin River basin, Tulare basin, and the Sacramento-San Joaquin Delta-Suisun Bay area of California.

9. Delta Overland Water Service Facilities, located in the Sacramento, San Joaquin, Solano, and Contra Costa Counties of California.

10. Chino Valley Project, located in north central Yavapai County and south central Coconino County in Arizona.

11. Canyon Ferry Powerplant, located on the Missouri River at the existing Canyon Ferry Dam in Lewis and Clark County of central Montana.

12. Yellowtail Afterbay Powerplant Investigation on the Bighorn River near the existing Yellowtail Dam in Big Horn County of Montana.

13. North Platte River Hydroelectric Power Study, Pick-Sloan Missouri Basin Program, Western Division, located in Natrona and Carbon Counties, Wyoming.

14. Wind-Hydroelectric Energy Project in Carbon and Albany Counties, Wyoming.

15. Lake Meredith Salinity Project, in Quay County, New Mexico, and Oldham, Potter, Moore, Carson, and Hutchinson Counties in Texas.

16. Colorado-Big Thompson Powerplants of the Pick-Sloan Missouri Basin Program in Colorado.

17. Central Valley Project, Sacramento River Division, Red Bluff Diversion Dam Powerplant in Tehama County, California.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C. July 11, 1979.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill "To authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments." Authorizations of feasibility studies as proposed by this bill is required by Section 8 of the Federal Water Project Recreation Act of July 9, 1965 (79 Stat. 217; 16 U.S.C. 4601-19).

We recommend that the bill be referred to the appropriate committee for consideration, and that it be enacted.

The bill would authorize the Secretary of the Interior to engage in feasibility studies of 17 potential Reclamation projects. Appraisal studies (or comparable information) for each of the developments indicate that feasibility studies are justified. The Department proposes to undertake studies as soon as the study authorization is available and the work can be scheduled in the Bureau of Reclamation's planning and fiscal program.

Supplementary statements of information on the 17 projects and justification for seeking feasibility study authority are enclosed.

The effects of the potential projects on water, quality, recreation, fish and wildlife, historic, scenic, archeologic, and aesthetic values will be considered fully in the feasibility studies authorized.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft legislation from the standpoint of the Administration's program.

A similar letter is being sent to the Speaker of the House.

Sincerely,

GUY R. MARTIN,
Assistant Secretary.

BACKGROUND STATEMENT: GENERAL INVESTIGATIONS, FEASIBILITY INVESTIGATIONS

Project Hungry Horse Project, Montana, Hungry Horse Powerplant Enlargement and Reregulating Reservoir.

Location Existing Hungry Horse Dam and Powerplant are on the South Fork of the Flathead River, 5 miles upstream from its confluence with the main stem Flathead River. The project is 26 miles northeast of Kalispell, Montana, and 15 miles south of West Glacier, an entrance to Glacier National Park. Hungry Horse Dam is located in Flathead County.

Project data Preliminary appraisal, November 1977 and Western Energy Expansion Study estimates. July 1975 price level, 6⅝ percent interest rate.

Total construction cost	[1] $54,000,000
Adjustments	
Total allocation	[1] 54,000,000

Program goals		Cost allocation
Irrigation:		
Full		
Supplemental		
Power (209 MW)[2]		[1] $54,000,000
M & I water (acre-feet/year).		
Flood control		B/C ratio:
Fish and wildlife	(1)	1.57 to 1.[4]
Recreation	(1)	3.14 to 1.
Water quality	(1)	
Total		[1] 54,000,000

Completion date fiscal year 1981.[3]

[1] Costs are for both powerplant enlargement and downstream reregulating dam. Benefits are available only for power function, but current draft report of Montana State Study Team states that a reregulating pool below Hungry Horse Dam could create downstream benefits for (1) fish and wildlife, (2) recreation, and (3) water quality control. These opportunities will be explored in the feasibility study.

[2] In addition to existing installed generating capacity of 285 MW.

[3] Assumes fiscal year 1980 start.

[4] Power benefits for the Hungry Horse project enlargement were calculated using 2 approaches. The first approach is the incremental analysis whereby the additions to the existing plant are treated as a separate plant with its own capacity and energy values. This is the more stringent test, and results in a B/C ratio of 1.57 to 1. The second approach is the "with-without" analysis whereby the entire powerplant is examined before and after the addition. In this method, the difference in benefits is attributable to the addition, and results in a B/C ratio of 3.14 to 1.

Description: The existing Hungry Horse Project includes a reservoir, dam, powerplant, and switchyard; the dam impounds a reservoir with an active capacity of nearly 3 million acre-feet. Hungry Horse is one of the major projects in the long-range plan for control and use of the waters in the Columbia River basin. It plays an important role in the program for meeting the growing power load in the Pacific Northwest and in the plans for providing a storage system for control of devastating floods. It also contributes to irrigation, navigation, and other benefits in its multiple-purpose operation. Hungry Horse Reservoir is a valuable recreation area, and the pool is maintained at the near-full level during the summer. Construction of the dam and powerplant was completed in 1953.

The present power yield from the existing four-unit powerplant produces a dependable capacity of some 238 MW. An overload rating of some 328 MW is attainable with suitable head.

The feasibility study will evaluate development of additional generating capacity at Hungry Horse Powerplant. The existing installed powerplant capacity of 285 MW could be increased to about 485 MW. A new 200 MW powerplant adjacent to the existing plant and a reregulating dam about 2½ miles downstream would be the principal features. The plant would be operated in conjunction with the existing powerplant when the water and hydraulic head are available. A 60-foot-high reregulation dam with a pool capacity of about 5,000 acre-feet would be useful in smoothing out releases from Hungry Horse Powerplant. Fish and wildlife, recreation, flood control, and water quality aspects would also be considered, particularly in regard to operation of the reregulating reservoir. Also, the feasibility of installing a variable level intake structure at the dam will be evaluated in the study.

Envisioned characteristics of the new enlarged power generating complex at Hungry Horse would be 408 MW dependable capacity, about 106 MW average annual generation, and an overload rating of 528 MW. The facility could be peaked 6 days per week, 9 hours per day during the most critical period of peaking requirement. In addition, there may be potential of gains in the electrical limit at the existing powerplant by rewinding generators. This potential will be evaluated as a part of the feasibility study.

The effects of powerplant enlargement on the water level of Hungry Horse Reservoir would be minimal, and recreation uses should not be adversely affected. Streamflow conditions below the reregulating dam will be critical to fish and wildlife resources. Montana Department of Fish and Game is concerned about changes in operation at Hungry Horse which might affect the aquatic food chain organisms and the critical kokanee spawning and rearing area downstream from Hungry Horse. Also of concern are effects on other game fish which migrate through the area affected by Hungry Horse discharges. The study would be closely coordinated with the U.S. Fish and Wildlife Service and the Montana Fish and Game Department to arrive at a plan which will afford beneficial production of power as well as downstream fish and wildlife benefits.

An environmental impact study of the Flathead basin is currently being initiated under the leadership of the Environmental Protection Agency in cooperation with the State of Montana. The study is expected to extend over a 5-year period and is to provide data and guidance for government and private interests in regard to future development in the Flathead basin.

Status: The potential for enlarging Hungry Horse Powerplant was evaluated in the Western Energy Expansion Study with additional preliminary appraisal evaluation by an interdisciplinary team. Based on these analyses, the benefits from additional hydropower generating capacity at Hungry Horse would exceed its costs, beneficial environmental impacts from a new reregulating pool could occur, and possible adverse environmental impacts from the new facilities appear to be minor. Based on these favorable findings, an appraisal investigation was started in FY 1978 to evaluate the various possible powerplant enlargements and reregulating reservoir sizes and operations in more detail. The study is scheduled for completion in FY 1979. If the results in the early stages of the appraisal study are favorable, it would be highly desirable to immediately convert the study to feasibility level in order to eliminate unnecessary delays in completing the planning which is a prerequisite to the development of needed hydropower facilities.

Powerplant enlargements of about 200 MW will be evaluated. Geologic investigation and topographic mapping will be required to determine site conditions for the new powerplant and reregulating dam. Cooperative studies will be carried out with the appropriate Federal and State agencies, including fish and wildlife and recreation agencies, the Bonneville Power Administration, and the Corps of Engineers. These cooperative studies are needed in part to determine the best river operation when all competing needs are considered. The scope and geographical area of the EPA environmental impact study is currently being defined. Bureau of Reclamation studies would be designed to complement the EPA study where practicable.

Justification: Hungry Horse storage and generating capability make this project a key unit in the Columbia River system. Its favorable headwater location provides control of a principal tributary stream. Generation at Hungry Horse Powerplant has a marked effect throughout downstream power producing and storage facilities since coordinated releases made at Hungry Horse pass through other major power and storage facilities before reaching the Pacific Ocean.

A substantial amount of water now passes Hungry Horse Dam in excess of the hydraulic capacity of the existing powerplant. The current national energy problems have pointed up the critical need to develop new electric power production wherever possible. Hydroelectric power is desirable because it is a clean energy source which uses water—a renewable resource.

The Montana State Study Team, made up of the Montana Department of Natural Resources and Conservation and other State and Federal agencies, is preparing a "level B" plan for the Flathead River basin. The study team reports that (1) the Flathead basin is a net importer of electric power, (2) the major problem in providing electric power for the basin is that of meeting ever growing loads, and (3) nuclear and fossil-fuel generating plants are not viable alternatives to hydropower in this basin because they are more costly. There is no projected development of thermal plants in the basin.

The potential enlargement of Hungry Horse Powerplant is extremely attractive; preliminary indications are that dependable generating capacity could be increased about 60 percent. The powerplant enlargement would provide increased generating capacity to meet growing power needs while causing minimal adverse environmental impacts.

A reregulating pool is needed on the South Fork of the Flathead River downstream from Hungry Horse Dam under present conditions. The preliminary findings of the Montana State Study Team include the recommendation that the Bureau of Reclamation study the feasibility of constructing a reregulating dam below Hungry Horse Dam in the near-term future. The immediate need for the reregulating facility is to smooth out releases from Hungry Horse Dam in order to make South Fork Flathead River flows more compatible with those of the Flathead River downstream.

Project interest: Local and State support for the potential Hungry Horse Powerplant Enlargement and Reregulating Reservoir should be good. Montana citizens generally support careful resource development, and Flathead basin residents have become extremely interested in protecting and improving their high quality environment. These potential improvements in the Hungry Horse Project are in line with the current preliminary recommendations of the Montana Department of Natural Resources and Conservation and the other members of the Montana State Study Team; since these recommendations and the draft level B plans for the Flathead River basin were developed only after a planned basinwide public involvement program, the new hydropower installation and the potential reregulating pool should enjoy public support.

Remarks: Total estimated cost of the 3-year feasibility investigation would be $500,000 with first year funding of $200,000.

BACKGROUND STATEMENT: GENERAL INVESTIGATIONS FEASIBILITY INVESTIGATIONS

Project Palisades Project, Idaho-Wyoming, Palisades Powerplant Enlargement, Idaho.

Region Pacific Northwest.

Location The existing Palisades Dam and Powerplant (119 MW) are on the Snake River in eastern Idaho about 45 miles east of Idaho Falls, Bonneville County, Idaho.

Project data Design and cost estimate for the additional generating facilities are largely feasibility level, October 1977 prices. Hydrology data for the current power analysis are generally feasibility level; other preliminary data were developed for the Western Energy Expansion Study and the Upper Snake River Water Management Study.

Total construction cost	[1] $46,000,000
Adjustments	
Total allocation	[1] $46,000,000

Program goals		Cost allocation
Power (90 MW)[2]		[1] $46,000,000
Flood control		
Fish and wildlife	(1)	
Recreation	(1)	
Irrigation		Completion date fiscal year 1982.[3]
Water quality		B/C ratio 2.01 to 1.[4]

[1] Costs are for added generating capacity of 90 MW only; investigation costs are not deducted. Costs and benefits of other potential functions would be identified during feasibility study.

[2] In addition to existing 119 MW generating capacity; resulting installed capacity at Palisades would therefore total 209 MW. A second increment of as much as 135 MW could also be added if reregulating storage could be developed downstream; the total potential generating capacity at this site is therefore 344 MW.

[3] Assumes fiscal year 1980 start.

[4] The benefit-cost analysis is at 6⅝ percent interest and a 100-yr period of analysis. Power benefits were estimated through the use of the standard energy-capacity approach in which dependable capacity and average annual energy production were identified and given values equal to the alternate cost of obtaining equivalent capacity and energy from a thermal plant. In this case, the values were those for an alternative thermal plant as furnished in a June 21, 1977, letter from the Federal Power Commission for a plant in this area operating at a comparable capacity factor. The incremental analysis method was used; the 90 MW addition was therefore treated as a separate powerplant.

Description: The major features of the existing Palisades Project are Palisades Dam, Reservoir, and Powerplant. The project is a multiple-purpose development involving irrigation, power, flood control, recreation, and fish and wildlife conservation. Construction of the project was completed in 1958. The 270-foot-high Palisades Dam impounds a reservoir with a total capacity of 1,401,000 acre-feet, of which 1,200,000 acre-feet is active storage. The 119 MW hydroelectric powerplant at the dam furnishes energy needed in the upper Snake River basin to serve irrigation pumping loads, municipalities, rural cooperatives, and other power users.

The proposed study would evaluate the feasibility of additional generating capacity at the site. The present powerplant capacity can be increased from 119 MW to 209 MW by expanding the existing powerplant and adding new units with 90 MW of generating capacity. The new units could be served from the existing power tunnel through the dam. The new power units would probably be remotely controlled and run in conjunction with the existing plant.

Based on current hydrology studies, 90 MW is the largest powerplant enlargement that can be added without changing river and reservoir operations unless a reregulating reservoir is developed downstream from Palisades.

The operation of the enlarged hydropower facility would probably continue to be coordinated by the Bonneville Power Administration (BPA), and future operation would fit into the load or demand schedule projected by BPA for the southern Idaho area.

The proposed feasibility study should evaluate construction of a reregulation dam downstream from Palisades Dam. With a reregulating pool of adequate capacity, the total generating capacity at the Palisades site could be increased to some 344 MW by using the full hydraulic capacity of the existing outlet and power tunnels.

There could also be some power potential at a reregulating dam. The reregulating pool would be necessary to smooth fluctuating flows from peak operations at the larger sized Palisades Powerplant enlargements. Because the Snake River reach downstream from Palisades is valuable for its fish and wildlife and other qualities, care must be taken to avoid adversely affecting this reach. Accordingly, a reregulating pool located as near Palisades Dam as possible would be desirable.

Fish and wildlife, recreation, and other possible improvements associated with the potential developments outlined above would be evaluated in response to local problems and needs. Under current planning guidelines, the study should also evaluate, at least on a preliminary basis, the potential for enlarging Palisades Reservoir. Because of the reservoir's large surface area (16,100 acres), even a moderate increase in reservoir water surface elevation would create a large amount of new active storage.

Status: The potential increase in generating capacity at Palisades Dam was recently evaluated in Reclamation's Western Energy Expansion Study, and the potential enlargement is being investigated further in the current Upper Snake River Water Management Study. Much of the information used in these analyses was developed during Reclamation's recent feasibility studies on the potential Lynn Crandall Reservoir, which would be formed by a dam 30 miles downstream from Palisades Dam. The enlargement of Palisades Powerplant was considered as an integral part of the Lynn Crandall storage and power complex then under study. Accordingly, some feasibility grade data were developed on the potential enlargement of Palisades Powerplant before the Lynn Crandall study was suspended in 1973.

In order to fully evaluate the potentials at the Palisades site, feasibility studies would need to be completed on various sizes of powerplant enlargement, on potential reregulating reservoir sites near Palisades, and on needed fish and wildlife, recreation, and other improvements that could be developed in conjunction with an enlarged powerplant and reregulating reservoir. Powerplant enlargements larger than 90 MW could be ac-

commodated without adverse impacts on downstream flows if an adequate amount of reregulating capacity could be developed. In accordance with current planning guidelines, preliminary studies are also needed on the potential enlargement of Palisades Reservoir. If environmental and economic factors were found to favor reservoir enlargement and public opinion indicated that further studies were warranted, more detailed studies could be undertaken on this alternative.

Studies would be closely coordinated with the U.S. Fish and Wildlife Service, the Idaho Department of Fish and Game, and other State, Federal, and local agencies with the goal of developing plans which would produce power production and other benefits without adversely affecting the fish and wildlife and other resources in this area. Plans would be developed to enhance fish and wildlife and recreation resources wherever possible.

Justification: A large volume of water is released past Palisades Dam each year in excess of the hydraulic capacity of the existing power units. With an enlarged powerplant, much of this water could be used to generate electric energy which is needed to help meet the rapidly growing loads in the southern Idaho system. Unlike the rest of the Pacific Northwest, which has its largest power demands in the winter, the greatest southern Idaho demands are during the summertime, caused largely by irrigation pumping loads and air conditioning demands.

Since much of the power at the potential enlarged Palisades Powerplant would be generated from irrigation releases, it would be available at the time of greatest demand. The proposed Idaho State Water Plan recently approved by the Idaho Water Resource Board specifically recommends installing additional hydroelectric units at existing powerplants. Two basic reasons were given for this recommendation: the additional units can use a water resource potential now being wasted, and the increase in hydroelectric power can frequently be obtained with a minimum of adverse environmental impacts. Both of these conditions appear to be the case at the Palisades site. The plan also concludes that to meet the State's objective of reducing reliance on imported power, considerable in-State sources of power should be developed in Idaho in the future.

The growing Federal energy demands in southern Idaho greatly exceed Federal generation in the area. During some summer periods, southern Idaho generation can meet only about half the total area demand. Deficits must therefore be made up by importing power from outside the area. Forecasts by the BPA indicate that import energy for future loads will not be available unless generating facilities are constructed for that purpose.

Reclamation's Western Energy Expansion Study evaluated the potential enlargement of Palisades Powerplant; the results indicated that the powerplant enlargement is one of the most promising of Reclamation's hydropower potentials in the western United States and that it should therefore receive a high priority for initiation of more detailed studies. Subsequent studies in the current Upper Snake River Water Management Study support these findings.

New storage is needed to conserve the abundant wet-year surface water supplies for later use. Unused storage sites in the basin are limited, and development of most of the remaining sites would have serious environmental consequences. As a result, the potential enlargement of the Palisades Reservoir is an alternative that should be examined, at least on a preliminary basis, during this study. Although there would be adverse impacts on shoreline areas and a short reach of the high quality Snake River area upstream, each foot of increase in reservoir water surface could create more than 16,000 acre-feet of new active storage. Various amounts of enlargement should be evaluated.

The new stored water supplies could be used to meet a well documented array of instream and consumptive water needs, including improved flows for fish and wildlife and recreation, replacement storage supplies to stabilize water levels at Grand Teton National Park's Jackson Lake (which contains storage space owned by downstream water users), water supplies for recharge of depleted ground water aquifers, and water for irrigation and power uses.

Project interest: There is strong public support throughout Idaho for new hydropower development, provided it can be accomplished without sacrificing environmental quality. The extensive public involvement programs recently conducted throughout Idaho in conjunction with the Idaho State Water Plan, the Snake River basin level B study, and other programs found that the people were strongly in favor of hydropower development to meet electrical energy demands. The most recent Idaho Department of Water Resources public opinion surveys confirm that hydroelectric power remains the preferred source.

State support for increased hydo development at the Palisades site is expected to be strong because of the positions expressed in the Idaho State Water Plan and the growing recognition throughout Idaho of the increasing need to develop the clean energy resources that are available.

The enlargement of Palisades Reservoir is a development potential that has not yet been widely discussed. There is sentiment on both sides of the issue; one of the purposes of the preliminary studies of enlargement would be to assess public opinion.

Remarks: Total estimated cost of the 3-year feasibility study would be $500,000 with first year funding of $125,000.

Project Boise Project, Idaho-Oregon, Power and Modification Study.

Location The Boise Project is located in southwestern Idaho (Ada, Boise, Canyon, Elmore, Gem, Payette, and Valley Counties) and in eastern Oregon (Malheur County).

Project data Based on Western Energy Expansion Study (WEES) estimates (rough appraisal), July 1975 price levels, and 6⅝ percent interest rate.

Total construction cost	[1] $28,500,000
Adjustments	
Total allocation	[1] $28,500,000

Program goals	Cost allocation	
Irrigation:		
Full		
Supplemental		
Power (50 MW)[1]	[1] $28,500,000	
M & I water		
Flood control		
Fish and wildlife	(?)	
Recreation	(?)	Completion date fiscal year 1982.[3]
Water quality	(?)	B/C ratio 2.23 to 1.[4]

[1] Costs are for the addition of a 50 MW (installed capacity) hydroelectric powerplant at existing Arrowrock Dam; no costs or benefits have been included for a potential small hydropower facility at existing Boise River Diversion Dam downstream. In addition to evaluating a potential powerplant at Arrowrock Dam, the initial phase of the study would (1) evaluate the potential for enlarging the existing 8 MW powerplant at Black Canyon Dam by about 12 MW to a total of 20 MW of installed capacity (construction cost of enlargement $8.2 million; benefit-cost ratio 1.37 to 1 at 6⅝ percent interest in February 1977 WEES report) and (2) evaluate the potential for adding a powerplant of about 12 MW capacity at existing Cascade Dam (construction cost $9.2 million; benefit-cost ratio 1.50 to 1 in February 1977 WEES report). These facilities would be the major features of the first phase of the Power and Modification Study; later phases would include irrigation distribution system improvements, other hydropower facilities, and other measures.

[2] Related benefits from initial phase may occur for fish and wildlife, recreation, and water quality control; these opportunities would be examined in this study. Later phases of the study would evaluate proposals to serve additional functions.

[3] For initial phases of study, assuming study start early in FY 1980.

[4] The benefit-cost analysis is at 6⅝ percent with a 100-year period of analysis. Power benefits were estimated through the use of the standard energy-capacity approach in which dependable capacity and average annual energy production were identified and given values equal to the alternate cost of obtaining equivalent capacity and energy from a thermal plant. In this case, values for an alternative thermal plant furnished in a January 19, 1977, letter from the Federal Power Commission for a plant in this area operating at a comparable capacity factor were used.

Description: Principal Bureau of Reclamation facilities in the Boise Project include five storage dams, two diversion dams, three powerplants with a combined installed capacity of 36,500 kilowatts, more than 500 miles of irrigation canals, 1,100 miles of irrigation laterals, seven pumping plants, and 400 miles of drains. These facilities provide irrigation water to about 400,000 acres, as well as providing flood control, power, recreation, fish and wildlife, and other benefits.

The initial phases of the proposed Power and Modification Study would evaluate the potential for (1) adding a hydroelectric powerplant at the existing Arrowrock Dam, as well as the potential for increasing the generating capacity at the existing Boise River Diversion Dam downstream; (2) enlarging the powerplant at the existing Black Canyon Dam; (3) adding a powerplant at the existing Cascade Dam; and (4) meeting instream and other water needs related to the above sites. Preliminary studies would also be made on alternatives for improving irrigation distribution systems within the Boise Project.

Arrowrock Dam was completed in 1915. The dam and spillway crest were raised 5 feet in 1937. The structure is located on the Boise River 21 river miles upstream from Boise. The concrete-arch dam has a structural height of 350 feet. Arrowrock Reservoir has a surface area of 3,100 acres and a total storage capacity of 286,000 acre-feet, all of which is active. Arrowrock Reservoir is operated as a part of the Boise River Storage system. The reservoir is used for irrigation, flood control, and other purposes. There is no powerplant at Arrowrock Dam.

Boise River Diversion Dam was completed in 1908; the dam is located on the Boise River 8 river miles upstream from Boise. The dam is a concrete and masonry weir, with a structural height of 68 feet and allows diversion of water to the New York Canal, one of the major canals serving the Boise Project. The powerplant, placed in operation in 1912, has an installed capacity of 1,500 kilowatts.

Feasibility studies evaluate the potential of installing a powerplant of about 50,000 kW capacity to produce needed hydropower from

water now passing Arrowrock Dam for increasing the generation at Boise River Diversion Dam by a moderate amount through use of low-head bulb turbines or other facilities, and for implementing related measures, such as improved streamflows for fish and wildlife, recreation, and water quality.

Black Canyon Dam, completed in 1924, is located on the Payette River 5 miles upstream from Emmett, Idaho. The concrete gravity dam has a structural height of 183 feet. Little or no storage capacity is used actively since the dam functions primarily as an irrigation diversion structure. The reservoir has a surface area of 1,040 acres and is a popular recreation site. The 8,000 kW Black Canyon Powerplant was placed in operation in 1925. Additional generating capacity of about 12,000 kW would be evaluated at this site.

Cascade Dam, completed in 1948, is located on the North Fork of the Payette River about a mile upstream from Cascade, Idaho. The zoned earthfill dam has a structural height of 107 feet. Cascade Reservoir with a water surface area of 28,300 acres, has a total storage capacity of 703,200 acre-feet. Active storage amounts to 653,000 acre-feet. The reservoir is important for irrigation, flood control, recreation, and fish and wildlife. There is no powerplant at Cascade Dam, although a very small, old, privately owned powerplant is located a short distance downstream from the dam. A potential powerplant with about 12,000 kW of installed capacity would be evaluated at Cascade Dam. The Idaho Power Company, which owns the small powerplant downstream, has recently stated an interest in developing a new powerplant at the Cascade sites. Any Federal studies would be coordinated with the plans of the Idaho Power Company. Other functions also need analysis at Cascade in connection with a potential power development because recreation, fish and wildlife, and other values are very important both at site and downstream and because Cascade Reservoir contains some uncontracted storage space.

Other phases of the uplanned Boise Project Power and Modification Study include studies of the potential for restoring irrigation service to Boise Valley suburban areas which have water rights but which were developed without irrigation facilities, for improving existing irrigation systems through provision of pipe systems with sprinkler pressure or other improvements, for developing additional hydropower generating capacity at other existing Reclamation dams and at other promising sites in the Boise and Payette River basins, and for meeting other needs related to the Boise Project and its storage and water supply systems.

Status: The addition of a powerplant at Arrowrock Dam was evaluated under Reclamation's recent Western Energy Expansion Study (WEES), and additional preliminary studies were made under the current Southwest Idaho Water Management Study to further analyze the potential at the site. Both studies indicated good power potential. The power potential at the Boise River Diversion Dam was briefly analyzed under the Southwest Idaho Water Management Study and needs to be studied in more detail in conjunction with the Arrowrock hydro potential and with the Corps of Engineers' current proposals for installing a hydropower plant at Lucky Peak Dam, which is just upstream from the Boise River Diversion Dam.

The potential enlargement of Black Canyon Powerplant and the addition of a hydroplant at Cascade Dam were also analyzed on a preliminary basis in the WEES.

Other studies in progress or planned under the current Southwest Idaho Water Management Study would provide useful input for the Boise Project Power and Modification Study.

The Boise River system hydrologic studies now being conducted for the Anderson Ranch Powerplant study would be very useful in the power and hydrologic studies required for analysis of the Arrowrock and Boise River Diversion Dam potentials.

Justification: A large volume of water passes Arrowrock, Black Canyon, and Cascade Dams each year without generating hydroelectric power; and the Boise River Diversion Dam—New York Canal complex is only partly used for hydropower production. This water could be used to generate electrical energy which is needed to help meet the growing loads in the southern Idaho Federal power system. Unlike the Pacific Northwest, which has its largest power demands in the winter, the greatest southern Idaho demands are during the summertime, caused largely by irrigation pumping loads. Since power at the potential Powerplants would be generated mainly from irrigation water releases, it would be available at the time of greatest demand.

Besides the near-term power needs, there is an additional element of urgency in this situation. Further studies by Reclamation are needed at an early date at Boise River Diversion Dam, and they would be highly desirable at Arrowrock Dam because of the current plans of the Corps of Engineers and others to proposed construction of a powerplant at Lucky Peak Dam, located between the two Reclamation dams. Lucky Peak Reservoir is operated as an integral part of the Boise River storage system, and the feasibility of winter peaking at the proposed Lucky Peak Powerplant cannot be determined until Reclamation has made additional studies of the potential powerplant addition and other possible modifications which may be needed at the Boise River Diversion Dam. In addition, it would be desirable to study potential power alternatives at Arrowrock Dam in combination with alternatives to be considered at Lucky Peak Dam.

Reclamation's recent WEES evaluated the potential Arrowrock and Cascade Powerplants, powerplant enlargement at Black Canyon Dam, and hydro development at other sites. Based on this preliminary evaluation, the potential Arrowrock facility was found to be one of the most promising Reclamation hydro potentials in the entire Western United States, and the Black Canyon and Cascade power potentials also ranked within the top 15 potential hydrodevelopments recommended for early study throughout the entire Western United States.

The proposed Idaho State Water Plan and the current Snake River basin level B study for Idaho have projected a statewide average generation requirement for the year 2020 at 10,600 megawatts—more than six times the 1973 use. The State Water Plan concludes that to meet the States objective of reducing reliance on imported oil, considerable in-State sources of power need to be developed in the future.

Further, the proposed Idaho State Water Plan specifically recommends installing additional hydroelectric units at existing powerplants and installing hydro units at dams which now have no power features since these potential hydropower facilities have the best prospects for development with minimal environmental impacts. Indications to date are that the potential powerplants in this proposed study could be developed with a minimum of adverse environmental impacts.

Project interest: There is strong local support in Idaho for using the hydropower potential at existing dams, particularly at Arrowrock and Boise River Diversion Dams, and there is interest in using Diversion Dam to reregulate releases from the potential Lucky Peak hydroelectric facility. At recent Corps of Engineers public meetings in Boise on the planned Lucky Peak powerplants, public sentiment has been virtually unanimous in favor of hydroelectric development in the Boise River system. In view of the near-term energy needs in the area, more and more entities are asking why the existing Federal dams in this area are not being used to generate hydropower, especially where it can be done with minimal environmental impact.

The recent extensive public involvement programs conducted throughout Idaho in conjunction with the proposed Idaho State Water Plan and the Snake River basin level B study found that the people were in favor of hydropower development to meet electrical energy demands. The Idaho Department of Water Resources public opinion surveys and other surveys conducted in recent years confirm that hydroelectric power remains the preferred source. Citizens in the Boise area, where power needs are growing the fastest, recently voted against construction of a large coal-fired power facility; observers attributed the vote largely to the adverse environmental impacts of such a plant.

State support for Boise and Payette River hydro development is expected to be strong because of the policies expressed in the proposed Idaho State Water Plan and the growing recognition throughout Idaho of the increasing need to develop the clean energy resources that are available.

Southwest Idaho citizens are showing an increasing awareness of the need to protect the area's high quality environment. This awareness is shown through their strong support for improved streamflows in the lower Boise River to meet fish and wildlife and water quality needs, their support for reservoir operations which enhance recreation and fishing, and their interest in similar measures.

Both Arrowrock Dam and the Boise River Diversion Dam and Powerplant have been placed on the National Register of Historic Places, and visitation at the facilities has increased. Opportunities to protect these facilities and improve their public use and appreciation would be explored in the planned study.

Remarks: Total estimated cost of the 5-year feasibility study would be $900,000 with first year funding of $95,000.

Project Central Valley Project, Shasta Division, Enlarged Shasta Lake Investigation.

Location The study area would encompass the general vicinity of existing Shasta Dam and Lake. The dam is in northern California, about 10 miles north of Redding.

Project data: Shasta Dam, with a drainage area of 6,700 square miles, creates the major storage unit of the Central Valley Project. The dam, 602 feet in height and 3,460 feet in crest length, was completed in 1945. The reservoir impounded by the dam, Shasta Lake, has a total capacity of 4,552,000 acre-feet.

The lake can regulate only a portion of the inflow, primarily from the McCloud, Pit, and Sacramento Rivers, which together average about 5,500,000 acre-feet annually. In determining the height of Shasta Dam, additional storage below the dam was assumed to be ultimately needed to make full beneficial use of the water resources. Table Mountain Reservoir site between Red Bluff and Redding, with a storage capacity of 5,600,000 acre-feet, had been considered for ultimate development. The potential for flooding of valuable agricultural land and

damage to the fishery resources resulted in a low-level dam at the Table Mountain site, forming a reservoir with about 500,000 acre-feet of capacity, being authorized by Congress in the Flood Control Act of 1944. The Army Corps of Engineers had selected an alternative site, Iron Canyon, which is 13 miles downstream from Table Mountain and 3 miles upstream from Red Bluff, for this development. After periodic reevaluations of the Iron Canyon Project, the Corps recommended and Congress authorized deactivation of the Iron Canyon Project.

Preliminary evaluations have shown that Shasta Lake could be increased in capacity up to three or four times the existing size.

An enlarged reservoir would provide the opportunity to increase average annual generation by 30 to 40 percent depending on the minimum stage adopted. The enlarged reservoir would both increase the average head on the powerplant and permit more water to be passed through it.

Assuming a value of 30 mills per kilowatt-hour, the value of the increased generation of 600 to 900 million kilowatt-hours would be $18,000,000 to $27,000,000.

Depending on how the additional capacity would be used, the annual yield could be increased by 1,000,000 acre-feet. Other multiple uses could also be improved.

PROGRAM GOALS

Water Supply.
Water Quality Improvement.
Fishery Enhancement.
Power Generation.
Flood Control.
Recreation.

COST ALLOCATION

(Feasibility-level analysis required to determine) B/C Ratio: Greater than 1:1.00.

Description: A multi-objective investigation would be conducted to determine the feasibility of enlarging Shasta Lake. Included would be alternatives of enlarging the existing dam, constructing a new dam in the vicinity of the existing dam, and increased storage on the tributary drainages upstream from the existing reservoir. Various combination of uses of the increased storage and yield would be evaluated. If determined to be feasible, a plan would be formulated to provide most of the following benefits: increased firm water supply for both instream uses including fishery improvement and salinity repulsion and out-of-stream uses municipal, industrial, and agricultural; greater energy generation; improved flood protection; and more recreation opportunities.

In the process of conducting this complex feasibility study environmental aspects will be a major consideration of the planning process. Extensive studies will be required of fish and wildlife, recreation and forest impacts, and other environmental aspects. An archaeological survey will be made.

Engineering data and analysis will include gathering and analyzing considerable information on topography, geology, (including geologic mapping, drilling and seismic studies), hydrology, sedimentation, seepage, water quality, land classification and drainage, power production and marketing, and designs and cost estimates.

Complex social and economic impacts of the reservoir enlargement will be analyzed and benefits and costs will be presented in both monetary and non-monetary terms.

An extensive public involvement program would be needed throughout the planning process.

Status: As part of the Central Valley Project Total Water Management Study (CVPTWM), the Bureau has made a preliminary evaluation of the cost of raising the existing Shasta Dam. The study confirmed the $90 an acre-foot per year unit cost of increased yield as developed by the California Department of Water Resources (CWR) in 1976. This cost also compared favorably with other water resource development alternatives now being considered for authorization by the California Legislature.

Reclamation's evaluation together with work by the DWR on potential for a new dam just downstream from Shasta Dam encourage more detailed evaluation. Initial results from appraisal-level estimates of raising the existing dam demonstrate that, technically, the dam might be raised 100 to 200 feet, still at costs competitive with alternatives. The appraisal-level study, along with the previous evaluation by DWR, has shown that alternative solutions can be identified with sufficient clarity to justify a feasibility-level investigation.

Justification: A feasibility-level investigation is justified for the following reasons:

1. The 1976–77 drought in California has clearly demonstrated the need for additional surface water development to meet current groundwater overdraft in the San Joaquin Valley, existing contractual commitments of the Central Valley Project and State water project, proposed instream water uses in the Sacramento-San Joaquin Delta and elsewhere, and future growth requirements.

2. With California's designation as wild and scenic rivers of the major north-coastal drainages, the Sacramento River Basin is the remaining source of major new water supply.

3. Other than an enlarged Shasta Lake, other significant developments for water supply would require offstream storage which would use a considerable amount of pumping energy. Diverting from the Sacramento River to offstream storage could also have an adverse effect on the anadromous fishery, a major resource.

4. There is a need for increased hydroelectric power development to meet contractual commitments of the CVP.

5. The reduction of flood damage along the Sacramento River requires additional control storage.

Local interest: At public meetings held for the CVTWM Study, suggestions were made for more water supply development in the Central Valley and flood protection in the Upper Sacramento River area. Improved recreation at Shasta Lake by a higher minimum pool was also mentioned. DWR has encouraged Bureau evaluation of an enlarged Shasta because they consider it has high potential as a source of new water yield.

Remarks: Total estimated cost of a 4-year feasibility investigation: $3,850,000; first-year funding requirement: $1,000,000.

Project. Central Valley Project, Trinity River Division, Whiskeytown Powerplant Study.

Location. The vicinity of Whiskeytown Dam which is on Clear Creek, a tributary of the Sacramento River, approximately 10 miles west of the city of Redding, California, in the foothills of the Coast Range.

Project data: An appraisal-grade analysis of hydropower development at Whiskeytown Dam was recently made. The following are data from the Special Report "Whiskeytown Powerplant," April 1978.

It was estimated that available downstream releases could produce average annual generation of about 10,900,000 kilowatt-hours through a 3,000-kW plant located at the toe of Whiskeytown Dam. A 5-mile-long 115-kV transmission line would connect a switchyard at Whiskeytown with the Keswick Switchyard.

Capacity (kW) 3,000.
Generation (kWh) 10,900,000.
Cost allocation $2,500,000.
B/C ratio 1.30:1.00.

Description: Whiskeytown Dam and Lake were designed as part of a network, completed in 1964, to store and regulate imported waters of the Trinity River Division of the Bureau of Reclamation's Central Valley Project. The dam is an earthfill structure 282 feet high with a main crest length of 2,250 feet. The reservoir has a storage capacity of 241,000 acre-feet, and occupies an area of 3,210 acres. In addition to regulating and storing water, the lake provides many recreation facilities which are administered by the National Park Service. The runoff from Clear Creek averages about 338,000 acre-feet annually. Of this amount, 62,000 acre-feet is for downstream releases. The remainder, less evaporation, is combined with Trinity River inflows and diverted into the Whiskeytown Conduit and the Spring Creek Tunnel.

The study program would be conducted in cooperation with other Federal, State, and local agencies.

Status: The Western Energy Expansion Study Evaluation Team, after a preliminary screening in July 1976 of various potential power projects in the 17 Western States, recommended that a high priority energy study be made of Whiskeytown Powerplant. An appraisal study was initiated in FY 1978 and is scheduled for completion in FY 1979.

Justification: The purpose of the investigation is to determine the feasibility of developing additional electrical energy by constructing a hydroelectric powerplant at the existing Whiskeytown Dam. Adverse environmental impacts of the construction of this powerplant is considered to be minor. Production of pollution-free hydroelectric energy at a Whiskeytown Powerplant would conserve fuel while helping to decrease air and water pollution from alternative power sources. A feasibility study is justified by the National goal for energy self-sufficiency, increasingly higher costs for alternative sources of energy, renewable and non-polluting nature of hydroelectric power, and the potential for utilization of an untapped energy source.

Local interest: The California Energy Commission is encouraging adding powerplants at existing dams. The Northern California Power Agency, made up of 11 cities and one electric cooperative, is actively pursuing new sources of power to meet the growing needs of their members. At recent public meetings, as part of the Central Valley Total Water Management Study, the Bureau was encouraged to proceed with planning for adding powerplants at four existing dams, including Whiskeytown.

Remarks: Total estimated cost of a 2-year feasibility investigation: $90,000; first-year requirement: $60,000.

Project Central Valley Project, Friant Division, Friant Powerplant Study.

Location The vicinity of Friant Dam which is on the San Joaquin River; approximately 25 miles northeast of the city of Fresno, California, in the foothills of the Sierra-Nevada.

Project data: An appraisal-grade analysis of hydropower development from Friant Dam was recently made. The following are data from the Special Report "Friant Powerplants," April 1978:

Powerplant	Capacity (kW)	Generation (kWh)	Cost allocation	B/C ratio
Friant-Kern Canal	15,000	67,500,000	----------	----------
Madera Canal	5,000	23,500,000	----------	----------
Downstream	2,700	10,000,000	(1)	(2)
Total	22,700	101,000,000	$18,700,000	1.56:1

[1] Transmission line.
[2] 115 kV 7.5 mi long.

Description: Friant Dam is a key structure in the development of the water resources in the southern portion of the Central Valley. The average annual runoff of the San Joaquin River at the site of the dam is 1,800,000 acre-feet of water. The dam, completed in 1942, is a concrete gravity structure, 319 feet high and 3,488 feet long at the crest. The dam serves the dual purpose of storage for irrigation and flood control. The reservoir, called Millerton Lake, has a gross storage capacity of 520,500 acre-feet. Water stored for irrigation is distributed, by gravity, through two main arteries—the Friant-Kern and Madera Canals. In an average year, about 1,400,000 acre-feet are diverted to the Friant-Kern Canal, 350,000 acre-feet diverted to Madera Canal, and 50,000 acre-feet are released downstream.

Friant-Kern Canal diverts water southerly from Friant Dam to the lower San Joaquin Valley areas. The canal is 151.2 miles long and is designed for a capacity of 4,000 cubic feet per second for the first 71 miles.

The 35.9-mile-long Madera Canal diverts water northerly from Friant Dam to furnish lands in the Madera Irrigation District and the Chowchilla Water District with a supplemental and a new irrigation supply. The canal has an initial capacity of 1,000 cubic feet per second.

Status: The Western Energy Expansion Study evaluation team, after a preliminary screening in July 1976 of various potential power projects in the 17 Western States, recommended that a high priority energy study be made of Friant Powerplants. An appraisal study was initiated in fiscal year 1978 and is scheduled for completion in fiscal year 1979.

Justification: The purpose of the investigation is to determine the feasibility of developing additional electrical energy by constructing hydroelectric powerplants at the existing Friant Dam. Adverse environmental impacts of the construction of these powerplants are considered to be minor. Production of pollution-free hydroelectric energy at the Friant Powerplants would conserve fuel while helping to decrease air and water pollution from alternative power sources. The study program would be conducted in cooperation with other Federal, State, and local agencies. A feasibility study is justified by the National goal for energy self-sufficiency, increasingly higher costs for alternative sources of energy, renewable and non-polluting nature of hydroelectric power, and the potential for utilization of an untapped energy source.

Local interest: The California Energy Commission is encouraging adding powerplants at existing dams. The Northern California Power Agency, made up of 11 cities and one electric cooperative, is actively pursuing new sources of power to meet the growing needs of their members. At recent public meetings, as part of the Central Valley Total Water Management Study, the Bureau was encouraged to proceed with planning for adding powerplants at four existing dams, including Friant.

Remarks: Total estimated cost of a 2-year feasibility investigation: $130,000; first-year requirement: $60,000.

Project: San Francisco Bay Area Waste-Water Use Project.

Location: San Francisco Bay, Sacramento-San Joaquin Delta, and Sacramento and San Joaquin Valley agricultural areas.

Project data: Past studies of San Francisco Bay Area Waste-Water use potential have been carried out by various State and Federal, interagency groups, and private consultants. A P.L. 92–500, Section 208, grant study of waste-water availability and use alternatives is currently in progress involving State and Federal agencies and Bay Area sanitation districts and water service districts.

Total construction cost: $75 to $150 million.[1]

Program goals: Water quality maintenance, Fish, wildlife, and waterfowl habitat maintenance, Irrigation and M & I water supply, Ground-water recharge, Recreation use.

Cost allocation.[1] B/C Ratio: Assumed to be greater than 1:1.

Description: The purpose of this investigation is to develop feasibility designs and cost estimates for conveyance, distribution, and drainage (if required) works necessary for use of treated municipal waste water from the San Francisco Bay Area and to provide supporting data for justification of any Federal participation in the recommended waste-water use proposal. Possible alternatives for use of an estimated 440,000 acre-feet of waste water will include (1) maintenance of waterfowl habitat in the Bay and Delta Areas; (2) water quality and fish habitat maintenance in the Delta and Bay Areas; (3) irrigation and industrial uses on land areas in and adjacent to the Bay and Delta; (4) agricultural use in the Sacramento and San Joaquin Valleys.

Status: A P.L. 92–500, Section 208, grant study entitled, "San Francisco Bay Area Regional Water Reuse Study," is currently underway. Phase I of this study, final report in April 1979, will identify a potential waste-water supply in the Bay Area of some 440,000 acre-feet per year. Total dissolved solids (TDS) content of this water will be in excess of 800 parts per million, which will limit its utility prior to final disposal. Four alternatives for use of this waste-water supply have been identified by an appraisal analysis as follows: (1) multipurpose (fish and waterfowl habitat maintenance, agricultural and industrial use and powerplant cooling) in areas in and adjacent to the Bay and Delta; (2) water quality maintenance (i.e. salinity control) in the Delta; (3) agriculture in the northern San Joaquin Valley; and (4) agriculture in the southern San Joaquin Valley. Phase II of the 208 study will further explore alternatives identified in Phase I. Factors such as market demand, environmental issues, economic justification and financial feasibility will be explored. If the project (waste-water use) can be shown to represent a beneficial use, a recommendation will be made for incorporation of the project into the water supply system of the State. Phase II study data will be prepared to a degree of accuracy and reported with sufficient supporting data to be usable by the Bureau of Reclamation and Department of Water Resources in further feasibility-grade studies to support authorization for construction of project works required for use of the waste water. There will also be an analysis made in Phase II of the potential for funding project works through P.L. 92–500, Section 201, construction grant funds administered by the Environmental Protection Agency.

The proposed investigation would provide authority and funding for Bureau of Reclamation participation in a joint study with the Department of Water Resources of feasibility designs and cost estimates of project works required for use of Bay Area waste water, and will identify and provide justification for future State/Federal funding of works required for optimum feasible beneficial use of Bay Area waste water.

[1] Estimate of costs and benefits will depend upon the place of use, quantity of water used, and any special treatment or handling processes required in the reuse of the waste water.

Justification: This investigation is justified by a need to explore use of waste water to meet a portion of present and future water demands which exceed presently developed water supplies. Ground-water overdraft in the State exceeds 2 million acre-feet annually and demands for surface water supplies have been projected to exceed water supply project yields by 6 to 11 million acre-feet by the year 2000.

Local interest: The State of California, Department of Water Resources, Office of Water Reuse, and Water Resources Control Board are participating financially with nine Bay Area waste treatment and water supply districts and local governmental agencies in funding the 25 percent contribution toward costs of the San Francisco Bay Area Regional Water Reuse Study not covered by the 208 grant funds administered by the EPA. These agencies support the feasibility investigation being proposed herein.

Remarks: Total estimated cost of 4-year feasibility investigation $400,000; first year requirement $100,000.

Project San Joaquin Valley Drainage Investigation.

Region Mid-Pacific.

Location This study area is located in the counties which comprise the San Joaquin River Basin, Tulare Basin, and the Sacramento-San Joaquin Delta-Suisun Bay Area.

Description: This feasibility investigation is designed: (1) to develop an action plan for San Joaquin Valley drainage in cooperation with the interested agencies, entities, and organizations; (2) to develop various uses for the management of agricultural waste water including powerplant cooling, aqua-culture, marsh management and agricultural reuse; (3) to identify and offer a solution to the most urgent drainage problems; (4) to evaluate the possibility of staging construction of master drainage facilities; (5) to consider reauthorization of the San Luis Unit to include the San Luis Drain as the first phase of a master drainage facility; and (6) to identify steps necessary to safely dispose of the waste water.

Status: There is a very strong interest among local and State agencies to develop a plan and appropriate facilities to protect agricultural lands from waterlogging and high salinity. The Bureau of Reclamation is authorized to complete the construction of the 188-mile San Luis Drain which conveys subsurface agricultural waste water from the Federal San Luis Unit service area located on the west side of the San Joaquin Valley to the Sacramento-San Joaquin Delta. The Bureau has deferred completion of the San Luis Drain until (1) the report is completed; (2) agreement is reached with the State of California on the discharge location; and (3) due to a lag in the completion of the San Luis Unit service area drainage system. The Basin plans, developed under P.L. 92–500, emphasize the severe agricultural drainage and salinity problems within the San Joaquin Valley. Recent amendments to the act eliminate the need for a NPDES permit for agricultural drainage point source discharges but do not preclude a state from regulating these discharges.

The current USSR San Joaquin Valley Drainage Appraisal Investigation is being conducted in cooperation with the California Department of Water Resources and the California Water Resources Control Board. To date, various progress reports have been released and reviewed by the public. Various disposal alternatives have been evaluated and an NED and EQ plan have been formulated.

The preliminary benefit cost ratio for the recommended plan has been calculated at

2:2 to 1:00. The investigation is scheduled for completion in fiscal year 1980.

Justification: The San Luis Drain is about 46 percent complete. The completion of the reach from Kesterson Reservoir to the Delta has been deferred until an Environmental Statement is completed on the drain from Kesterson north. This investigation will provide timely information on alternative courses of action which must be included in the Environmental Statement. The San Luis Task Force has recommended that the completion of the drain be delayed until the investigation has been completed.

A solution to San Joaquin drainage problems is required. The CVP will eventually deliver water in excess of 4,000,000 acre-feet to the valley service areas. There will be severe drainage and salt buildup problems resulting from the use of this water for irrigation purposes. Moreover, the subsurface drainage water, which must be collected, can become a water supply source for several uses under an integrated drainage plan.

If feasibility authority is not forthcoming and the Bureau is not able to participate in an integrated drainage program, a piecemeal solution to the valley's drainage problems will likely result. As a consequence, water reuse opportunities will probably be foregone. The drainage needs of the Bureau's service area will continue to require resolution and, in all probability, a Bureau-only drainage plan eventually will become necessary; a course of action which would be both costly and wasteful of land, water, and energy resources when compared with the integrated plans now under investigation. Feasibility study authority is needed, therefore, if an orderly program for drainage of the San Joaquin Valley is to be provided.

Project interest: There has been a growing concern by the public over the lack of prompt response by governmental organizations in solving the growing problems associated with the agricultural drainage water in the San Joaquin Valley. There are several public interest groups located in the lower valley anxiously awaiting the completion of the San Luis Drain. The State's Water Resources Control Board and Department of Water Resources are participating partners in this investigation. Other State and local agencies are interested in the results of this study.

Remarks: Total estimated cost of the 4-year feasibility investigation—$495,000; first-year requirement—$150,000.

Project: Delta Overland Water Service Facilities, California.
Region: Mid-Pacific.
Location: This study area is located in the counties of Sacramento, San Joaquin, Solano, and Contra Costa

Description: The Delta includes 736,000 acres of which about 530,000 acres are farmed extensively for a variety of crops. The Delta is interlaced with over 700 miles of waterways. The farming enterprises utilize these channels to obtain a water supply for irrigation. The Delta channel flows are maintained by both freshwater inflow and ocean intrusion. Although sufficient water supply always exists, its quality is directly dependent on the amount and quality of freshwater available for ocean salinity repulsion.

There is a competition for the freshwater entering the Delta. Negotiations with Delta water agencies have been underway for 20 years in an effort to arrive at an equitable division of water and payment for benefits resulting from the Central Valley Project and State Water Project operations.

The proposed investigation is designed to: (1) develop an action plan for service to the western and southern Delta agricultural lands with an adequate water supply; (2) optimize the use of freshwater for agriculture, recreation, and fish and wildlife uses; (3) identify alternatives for stabilizing present land subsidence and thus insure continued agricultural use of the land; (4) identify alternatives to relocating existing canal intakes to improve water quality while reducing the Delta outflow requirements; and (5) develop an action plan to remove or minimize the impact of agricultural return flow within the Delta.

Status: Evaluations have been made (equal to or less than appraisal level) of alternative means of providing overland water conveyance facilities in the western Delta, redistributing and augmenting water within the southern Delta, and relocating the intake of the Contra Costa Canal. These analyses, made by both the Bureau and Department of Water Resources, were discussed in office memorandums and working documents. These reports include: Southeast Delta Water Supply Investigation Working Documents (USBR) dated February 1978; Water Supply Requirements Western Delta Islands (USBR) dated May 1972, (includes facilities to save three separate tracks of land totaling 15,000 acres); Overland Agricultural Water Facilities—Sherman Island (DWR) Draft Report dated February 1978; Alternative Contra Costa Extension Canal Memorandum Report (DWR) dated July 1977; and Relocation of Contra Costa Canal Intake Memorandum Report (USBR) dated October 1977. Comparative cost estimates have been developed for alternative courses of action designed to resolve a specific Delta water quality problem. The benefit-cost ratios will vary with the degree to which the Federal Government is obligated to maintain water quality in the areas where the water service is to be provided.

During the recent drought (1976–1977) the DWR placed several temporary barriers within the Delta channels and both the DWR and USBR had planned to add more if the drought continued. The purpose of the channel closures was to either conserve the freshwater supply required to maintain Delta salinity levels or develop a more advantageous flow distribution. The use of a temporary pumping plant and an East Bay Municipal Utility District pipeline was used with the addition of two channel closures to improve the quality of the M&I water delivered to the Contra Costa County Water District. Most of these temporary works were financed with emergency drought relief funds.

Congressional authorization will be required for a feasibility level evaluation of alternative means of providing permanent reliable water service to these areas.

Justification: There are several efforts being made to resolve existing conflicts in priorities for use of Central Valley water supplies. Participation of the Federal Government in any solutions requiring construction of works will require congressional authority for a feasibility study of the entire Delta service area as a means of insuring that all the alternatives are properly evaluated from an economic and environmental basis.

Project interest: There has been for several decades a concern by the Delta interests that the agricultural lands be protected from salinity intrusion and upstream and local degradation due to agricultural return flows. Agricultural water districts in the Federal service areas both north and south of the Delta are also anxious to determine ultimate Federal Delta water commitments because of possible reductions in CVP yield available for service to their areas.

Contract negotiation between the USBR and DWR, and the North and South Delta Water agencies and Contra Costa County Water District should include consideration of facilities to serve portions of their service areas.

Remarks: Total estimated cost of the 4-year feasibility investigation: $450,000; first-year requirement: $100,000.

Project: Chino Valley Project, Arizona.
Region: Lower Colorado.
Location: Northwestern Arizona approximately 100 miles northwest of Phoenix, Arizona in north central Yavapai County and the south central portion of Coconino County.
Project data Appraisal Report dated April 1974. Total Estimated Construction Cost: $7,349,500.[1] Total Allocation: $7,349,500.[2]

	Program goals	Cost allocation
Irrigation	None	
Power	None	
Flood control	192 acre-feet	
M. & I	6,825 acre-feet	
Recreation	None	
Fish and wildlife	None	
Total		$7,349,500

Note: B/C ratio 1.2:1.

Description: This investigation will provide a feasibility-level study to develop the alternative plans and determine the feasibility of those plans to provide future needs for water supply and flood control to the 2,100 square miles of the upper hydrologic basin of the Verde River. All reasonable sources of supply, methods of conservation, integrated management of water quality and quantity, the conjunctive management of surface and ground waters, and efficient water use practices will be studied. Consideration will be given to recreation and fish and wildlife as project purposes. The feasibility studies will be conducted under the guidelines of Multiobjective Planning Principles and Standards.

The most feasible plans studied at the appraisal level appear to be: (1) the development of ground-water resources in Granite Creek Basin of Chino Valley for municipal and industrial (M&I) use by the City of Prescott and vicinity with associated collection and transmission facilities; (2) development of storage and flood protection by an earthfill dam and sediment pool on Miller Creek; and (3) development of ground-water supplies in Big Chino Valley for the town of Ashfork and water efficiency use and conservation practices to develop supplemental supplies for irrigation use by Chino Valley Irrigation District.

Environmental assessments indicate the possibility of creating a live stream and greenbelt area along Granite Creek which would also stabilize the level of Watson Lake. Sullivan Lake could be stabilized by development of ground water and structural improvements of the present dam, as well as the addition of natural runoff.

Status: The Bureau of Reclamation initiated the Chino Valley Unit Appraisal Report, which was completed in April 1974, under the Westwide Study of critical hydrographic basins in Arizona. Prescott, Arizona, at the lower end of the Chino Valley Unit, is the largest and principal city of the area with Chino Valley, Seligman, and Ashfork also in the basin. Williams, Arizona, is east of Ashfork and just outside the Chino Valley.

Subdividing the land into homesites and small acreages has accelerated urban and residential development with an increasing interest in recreation and retirement use. Yavapai County population has increased 58 percent in the past 10 years.

Justification: Increases in M&I water needs are estimated to be from 2,880 acre-feet in 1974 to 5,600 acre-feet in year 2030.

[1] April 1972 prices.
[2] Excludes interest.

Surface- and ground-water supply irrigated agriculture and urban uses. The deteriorated reservoirs and conveyance systems have reduced the surface water available for agricultural use to only about 21 percent of the needed supplies. Ground water is being relied upon to meet the increasing needs of the area. Some ground-water tables have declined and there is concern regarding growing water needs to accommodate the projected doubling of population in the area by the year 2030. A portion of the area has been declared a critical ground-water area by the state. There is potential for conservation and improved utilization of surface water. Flood damage and the resultant erosion and sediment deposition occur from thunderstorms during summer and snowmelt in winter causing damage to residential property and commercial property, including public service facilities.

Local interests: The studies were initiated as part of the Western U.S. Water plan. Local government, organizations, and citizens showed an intense interest in the study and requested expansion to other areas of the county. Data on needs and insight on local interest were provided by the Cocopah Resource Conservation and Development Project. Public participation meetings were held at the time of the appraisal and favorable interest was demonstrated. There continues to be strong interest in solving the water resource problems of the area and requests for the appraisal report are received regularly. Specific interest centers around meeting the needs of an increasing population for water supply, flood control, energy, and recreation while minimizing adverse environmental impacts.

The State of Arizona's participation in the Federal-State interagency planning team included the Arizona Water Commission, Game and Fish Department, State Land Department, and Outdoor Recreation Coordinating Committee.

Remarks: The total estimated cost of the 3-year feasibility investigation amounts to $750,000 with a first year funding requirement of $250,000.

Project. Canyon Perry Powerplant.
Region Upper Missouri.
Location Missouri River at Canyon Perry Dam, Montana.
Project data Special Report on Powerplant at Canyon Perry Dam, Montana, May 1978.

	Program goals	Cost allocation
Irrigation		
Power	90 MW addition	$79,980,000
Flood control		
M. & I		
Recreation		
Fish and wildlife		
Total (October 1977 prices)		79,980,000

Note: B/C ratio 1.17. Interest rate: 6.625 percent.

Description: Canyon Perry Dam currently has a 50-MW plant which is operated year round. Additional energy generation capability of 55 million kWh exists and could be developed with the addition of a 90-MW powerplant.

In past few years, the existing 50-MW powerplant has been operated almost continuously throughout the year with spills occurring during high-flow months. Additional energy would be generated with these spills; but the main purpose of additional generating capacity at the dam would be to change to a peaking operation. In lieu of an almost constant generation each day, as presently operated, the plants would be operated for two separate periods totaling about 8 hours each day and would be shut down the remainder of each day.

With more coal-fired powerplants to supply baseload requirements being constructed in Montana, and in other Western States, the energy generated at hydroelectric plants can be more effectively integrated into the system as peaking power. In addition, there would be about a 15 percent increase in annual generation.

The additional powerplant would be located downstream from the dam on the east side of the river. New penstocks would be required. The addition would require 85 miles of single-circuit, 230 kV line to the Bureau's existing Rainbow Substation. Additional switchyard facilities would be necessary at Canyon Ferry and Rainbow Substations.

The investigation would provide feasibility-level designs and cost estimates, studies of alternatives, public and other agency participation, and an environmental statement.

Status: This proposal was examined briefly during the Western Energy Expansion Study in 1976, and appeared very promising. Data were further defined during 1978.

Justification: Feasibility studies are justified by the following:

1. The new powerplant in conjunction with the existing powerplant would change the current baseload operation into a more valuable peaking operation.

2. The additional annual generation of 55 million kWh of clean, hydroelectric energy will help conserve nonrenewable resources and help to counter energy shortages and increasing energy imports for the Nation.

3. The proposal appears to be economically justified and financially feasible, and would make greater use of an existing dam and reservoir.

Project interest: Most of the preference power customers within the Pick-Sloan Missouri Basin complex and most likely the Montana Power Company.

Remarks: Estimated total cost of investigation: $200,000; first year requirement, $100,000. Period of study is estimated at 2 years.

Project Yellowtail Afterbay Powerplant.
Region UM.
Location Bighorn River at Yellowtail Dam. Montana.
Project data Special Report on Powerplant at Yellowtail Afterbay Dam, Montana, May 1978.

	Program goals	Cost allocation
Irrigation		
Power (10 MW)		$17,766,000
Flood control		
M & I		
Recreation		
Fish and wildlife		
Total (October 1977 prices)		17,766,000

Note: B/C ratio: 1.02. Interest rate: 6.625 percent.

Description: The Yellowtail Afterbay Powerplant is a potential 10-MW powerplant that could be constructed at the existing Afterbay Dam located about 2¼ miles below Yellowtail Powerplant. The powerplant would be operated in conjunction with the existing 250-MW Yellowtail Powerplant.

The powerplant would utilize the head ranging to about 30 feet between the Afterbay Reservoir and the Bighorn River and would generate about 62 million kWh of energy annually. The plant would be operated to maintain the existing downstream regime of the Bighorn River in a manner equivalent to the present-day Afterbay operation.

This would be the first bulb-type turbine installed by the Bureau of Reclamation and could serve as a basis of proving the potential and value of this type of turbine. Bulb-type turbines have been installed successfully in other countries in numerous installations.

The installation at the Afterbay Dam is attractive, because the power only has to be transmitted 2.1 miles to the existing Yellowtail Switchyard and at that point can be integrated into the Pick-Sloan Missouri Basin power system.

The investigations would provide feasibility-level designs and cost estimates, studies of alternatives, public and other agency participation, and an environmental statement.

Status: This proposal was examined briefly during the Western Energy Expansion Study in 1976, and appeared very promising. Data were further defined during 1978.

Justification: Feasibility studies are justified by the following:

1. The additional annual generation of 62 million kWh of clean, hydroelectric energy will help conserve nonrenewable resources and help to counter energy shortages and increasing energy imports for the Nation.

2. The proposal appears to be economically justified and financially feasible, and would make greater use of an existing dam and reservoir.

Project interest: Most of the preference power customers within the Pick-Sloan Missouri Basin complex and most likely the Montana Power Company.

Remarks: Estimated total cost of investigation: $150,000 first year requirement, $75,000. Period of study is estimated at 2 years.

Project North Platte River Hydroelectric Power Study Pick-Sloan Missouri Basin Program, Western Division.
Region: LM.
Location On the upper North Platte River system approximately 35 miles southwest of Casper, Wyoming, in Natrrons and Carbon Counties.
Project data: Preliminary Reconnaissance Report—Pumped Storage Investigations, Region 7, dated 1963. North Central Power Study, dated October 1971. Report on the Western Energy Expansion Study, February 1977.

	Program goals (megawatts)	Cost allocation
Hydroelectric power:		
Alcova pumped storage [1]	500	$130,000,000
Seminoe pumped storage [2]	500	82,000,000
Fremont Canyon enlargement [3]	50	62,000,000

[1] B/C ratio—1.50:1 or greater.
[2] B/C ratio—1.50:1 or greater.
[3] B/C ratio—0.9:1 or greater.

Description: The investigation would include detailed feasibility studies of large scale development of pumped storage hydro-units at existing Reclamation storage reservoirs on the North Platte River. Other specific units may be identified in the ongoing appraisal investigations.

Some probable project features include:

Alcova pumped storage—The Alcova Pumped Storage Unit would be located on the left shore of the upper end of the existing Alcova Reservoir, about 2 miles below Fremont Canyon Powerplant. The forebay would be on the left canyon rim about 1,000 feet above Alcova Reservoir. This site could produce 500-MW of peaking capacity, which would be a very valuable addition to the area's power system.

Seminoe pumped storage—The potential Seminoe Pumped Storage Unit could be located underground or along the shore at

Seminoe Reservoir in Carbon County, Wyoming. The upper reservoir site could be to the west of Seminoe Reservoir, with a capacity of up to 9,000 acre-feet, and covering a maximum area of about 170 acres. The average pumping/generating head of 1,000 to 1,200 feet would support an installed capacity of 500 megawatts.

Fremont Canyon powerplant enlargement—This study would determine the feasibility of enlarging the Fremont Canyon Powerplant from an existing 48 megawatts to approximately 100 megawatts which would provide additional peaking capacity and add system flexibility for the Western Division power system. Fremont Canyon Powerplant enlargement would permit use of substantial amounts of water that have been bypassed around the turbines for 6 years out of the 12 years the powerplant has been in operation, resulting in an estimated loss of some 282 million kilowatt-hours of energy.

The enlargement of Fremont Canyon Powerplant would include the installation of one 50-MW generator, a 3-mile-long water power tunnel, and an 8-mile-long 115 KV transmission line paralling the existing line to the Alcova substation.

A low head hydroelectric site at Bessemer Bend is under construction. The costs appear to exceed benefits as a single purpose power development, however, a potential for wildlife enhancement exists. The combination of environmental quality and national environmental development plan may yield a viable plan.

Status: Initial reconnaissance pumped storage investigations were made in 1963. As a result of new technology and greatly increased demands for energy, additional investigations were undertaken. The October 1971 North Central Power Study was a coordinated undertaking of the power supply entities in the North Central and the February 1977 Report on the Western Energy Expansion Study addressed the potential of these sites. The ongoing North Platte River Hydroelectric Appraisal Study is scheduled for completion in FY 1979.

Justification: The greatly increasing requirements for power generation and peaking capacity in the Western Division of the P-SMBP could be substantially met by the construction of conventional peaking and pumped storage units, because these units could be incorporated into the operation of existing USBR facilities and proposed thermal generating plants. The need for additional sources of power to meet demands across the nation now and in the future is evident.

Project interest: In addition to the support evidenced by the public electric suppliers, the local support is believed to be very substantial from such entities as the Wyoming Municipal Power Agency, the North Platte Citizens Committee and the Tri-State Generation and Transmission Association.

Remarks: The total estimated cost of the feasibility investigations amounts to $1,080,000 with a first year requirement of $264,000. The investigation is estimated to take 4 years to complete.

Project Wind-Hydroelectric Energy Project.
Region: LM.
Location: The Upper North Platte River Basin in Carbon and Albany Counties near Medicine Bow, Wyoming.
Project data: Report of Western Energy Expansion Study, November 1976; Appraisal Investigations by Solar Energy Team Engineering and Research Center 1977, and Lower Missouri Region Draft "A Proposed Conceptual Plan for Integration of Wind-Turbine Generators with a Hydroelectric System," January 28, 1977.
Wind power site, near Medicine Bow, Wyoming.
Installed capacity, 100 MW.
Investment cost, $150 to $250 million.
B/C ratio, N/A.

Description: The investigation will study the feasibility of large scale development of wind turbine generators in an isolated area in southern Wyoming. A special study entitled "Wind-Hydroelectric Energy Integration Study," initiated in fiscal year 1978 would be converted into a feasibility grade investigation. Construction of a wind turbine generator project with approximately 50 units would be evaluated. Involved would be the integration of wind power with the Colorado River Storage Project (CRSP) hydroelectric system to produce marketable peaking power capacity to conserve oil and relieve critical power shortages in the mid-1980's. In addition, integration will help to optimize the utilization of the existing capacity in the hydro system. Environmental and socio-economic conditions and impacts associated with large numbers of wind turbine generators would be investigated. Power market analysis would be coordinated with local electrical utilities. The effect of the power supply integration on the hydroelectric system would be evaluated.

A system verification unit (SVU) installation was initiated in fiscal year 1979. The system verification installation will include design, construction and test operation of a large capacity ±2 MW wind turbine unit, with an inter-connected Reclamation hydroelectric system, and appurtenant monitoring and test equipment.

Status: A 100 meteorological tower was constructed in the fall of 1978 to collect more detailed wind data to be used in design.

Extensive environmental surveys to establish baseline conditions and determine presence of endangered species in the area were completed in the summer of 1978. Environmental assessments and regional determinuation were made in connection with construction of the instrumentation towers. Public information meetings have been held in Medicine Bow. The Federal Aviation Authority approved the installation of the 198-foot tower. Studies to identify the effects of integrating a wind farm into the CRSP are underway.

Work initiated for the system verification unit includes preparation of a Request For Proposal (RFP) for a megawatt size wind turbine. Negotiations are currently in progress with the National Aeronautics and Space Administration (NASA) to provide the RFP.

Also, the acquisition for the rights-of-way and environmental clearance for system verification are underway.

Congress approved funds for a special study by the Bureau of Reclamation entitled "Wind-Hydroelectric Energy Integration Study." The study will develop a plan to integrate energy from wind turbine generators to be located near Medicine Bow, Wyoming, with Colorado River Storage Project hydroelectric power. The Notice of Initiation was completed and distributed on October 12, 1977. A contract was executed on November 15, 1977, with the University of Wyoming, Department of Atmospheric Science in the amount of $7,500 for construction of five small towers of approximately 9 to 15 feet in height in the Medicine Bow area to collect wind data.

Justification: The technology for generating electricity from wind power has been well known in Europe for many years. Recently the Energy Research and Development Administration (ERDA), now identified as the Department of Energy (DOE), contracted with Boeing Company to develop wind turbine generators identified as MOD-2. The Bureau of Reclamation is carefully monitoring these developments and believes a windy site near Medicine Bow, Wyoming, is ideally suited for an initial operational installation of about 100 MW capacity. The innovative concept appears to be logical extension of the Bureau's role in production of energy. The need for additional sources of power to meet the increasing power demands across the nation now and in the future is evident. Preliminary studies indicate the capability exists to integrate the energy produced from variable winds with CRSP hydro-generation to increase firm peaking power.

The construction of a system verification wind turbine is extremely important. The verification unit will provide an opportunity to gather on-site data relative to wind-energy production capability and social and environmental impacts.

Project Interest: The Missouri Basin Systems Group (MBSG), an organization representing rural electric associations and municipal systems in a 9-state area, has interest in the concept of integrating wind turbine generation with hydroelectric system. The Mayor and Council members of the town of Medicine Bow, Wyoming strongly support this proposal.

Remarks: The total estimated cost of this investigation is $8,594,000 including the system verification unit. The first year requirement is $2,616,000. The feasibility study will take two years to complete.

Project: Lake Meredith Salinity Project, New Mexico-Texas.
Region: Southwest.
Location: The study area extends along the Canadian River downstream from Ute Dam in New Mexico approximately 150 river miles to Lake Meredith in Texas. Lake Meredith is about 25 miles northeast of Amarillo, Texas. The major saline contributory area is in New Mexico.
Project data: Canadian River Project Report (1960), and a draft appraisal report completed in fiscal year 1978.

Description: The Lake Meredith Salinity Project would primarily consist of facilities to reduce the salts of the Canadian River. The facilities are expected to reduce the amount of highly saline water being discharged under artesian pressure from a sandstone aquifer near Ute Dam in New Mexico. This natural saline water being discharged into the Canadian River, eventually reaches Lake Meredith, the municipal water supply storage facility for the Canadian River Project, Texas. A plan for facilities to reduce the static head of the saline aquifer, reduce the amount of saline water discharged to the river, and dispose of the contaminating water would be developed. Hydrological studies would be made to assess the long-term effect on Lake Meredith. Hydrological, engineering, and economic investigations would also consider desalinization facilities at Lake Meredith. Reimbursement of operation, maintenance, replacement, and energy costs would be addressed in the feasibility investigation. Direct benefits would involve such items as lower water treatment cost, lower maintenance cost of municipal distribution systems, and domestic plumbing, as well as health aspects. Depending upon the alternative solution chosen, indirect benefits would involve such items as recreation on Lake Meredith, increased domestic water usage, environmental enhancement for wildlife, and livestock watering along reaches of the Canadian River.

The long term effects on water quality for construction alternatives which provides for isolation of the saline aquifer in New Mexico will require special hydrologic studies.

Status: Sanford Dam which forms Lake Meredith was constructed in the mid-1960's as a result of the Canadian River Project Report of 1960.

Chloride and sulfate concentration levels of the Canadian River have been rising and are now above the Environmental Protection

Agency recommended maximum contaminant level.

Appraisal-level investigations were initiated in FY 1978 to examine alternative corrective measures to improve the quality of water in Lake Meredith. The investigations were completed in FY 1978.

Justification: The Canadian River is the principal surface water source for the High Plains of Texas. The river provides water for municipal use but is poor in quality. Ground water resources are being rapidly depleted. In the Canadian River Project, Lake Meredith water is piped to 11 member cities, including Amarillo and Lubbock, Texas. The Canadian River Project is operated by the Canadian River Municipal Water Authority, which is a state entity.

Water in Lake Meredith is approaching the maximum concentrations of dissolved constitutants which were projected for critical periods in the Bureau of Reclamation Canadian River Project Report (1960). These concentrations are considered undesirable by the Public Health Service and the Environmental Protection Agency (EPA). The historic trend is one of increasing concentrations of chlorides and sulfates in Lake Meredith. The concentration of chlorides has increased from about 235 milligrams per liter (mg/1) in 1967 to the present 325 mg/1. The EPA recommended maximum contaminent level for chloride concentration in public water systems is 250 mg/1. The concentration of sulfates has increased from about 200 mg/1 in 1967 to the present 282 mg/1. The EPA recommended maximum level for sulfate concentration is 250 mg/1.

Recent news media coverage (including national television) has focused on drinking water quality concerns raised by the EPA. Amarillo, Texas, has been listed with other cities by the EPA as having a drinking water problem. Action is required to maintain the concentration of salts within desirable limits and preclude additional expensive water treatment requirements.

Local interest: The feasibility investigation is being requested by concerned local interests through their area United States Congressional representatives. The Canadian River Municipal Water Authority has been cooperating with the Bureau throughout the appraisal investigations and will continue to assist during the terms of a feasibility investigation.

Remarks: The total estimated cost of the 4-year feasibility investigation is $600,000 with a first year requirement of $300,000.

Executive Summary

Report on Potential Hydroelectric Power Additions to the Colorado-Big Thompson Project Colorado

This report is an extension and elaboration of results of the Western Energy Expansion Studies (WEES), conducted by the Bureau of Reclamation in 1976 and 1977 (report dated February 1977). The WEES was conducted to identify and evaluate opportunities for increased electrical power and energy generation in the 17 Western States which might warrant further, more detailed studies in the immediate future. The focus of that study was primarily on development of hydroelectric power, including pumped-storage, at both new sites and existing facilities. During the WEES assessments, the Lower Missouri Region concluded that potential hydroelectric additions to the Colorado-Big Thompson (C-BT) Project of the Pick-Sloan Missouri Basin Program, Colorado, appeared to have merit and should be studied in more detail.

The four potential hydroelectric additions to the C-BT covered in this report include a pumped-storage powerplant between Pinewood Reservoir and Carter Lake; and the Carter Lake-St. Vrain, Horsetooth-Charles Hansen, and the Charles Hansen-Poudre low-head powerplants.

Since none of the three low-head units were found to be economically justified under current criteria, they will not be covered in this Executive Summary.

Potential for Development

The potential Pinewood-Carter pumped-storage development would utilize two existing Reclamation reservoirs. Pinewood Reservoir would serve as the upper reservoir and Carter Lake as the lower. The elevation difference between the reservoir and lake is about 256 meters (840 feet). New features would include about 4880 meters (16,000 feet) of waterways and a 108-mw pump-generator plant. The modification of 19 kilometers (12 miles) of 115-kV transmission facilities to 230-kV transmission line would be required to serve the load centers on the East Slope of the Colorado Rockies. The potential pumped-storage unit would be able to generate 108 mw for 8 hours per day, 5 days per week. Total annual generation of energy would be 224.6 MkWh including 57 MkWh generated from flowthrough water stored in Carter Lake. Total annual pumping energy would be 251.4 MkWh.

Cost Estimates

The costs associated with the pumped-storage unit include construction, interest during construction, and annual operation, maintenance, and replacement costs. Construction costs based on January 1977 price levels are estimated to be $120,000,000. Interest during construction computed at 6.625 percent interest over a 6-year construction period, would be $22,856,000, for a total capital investment cost of $142,856,000. The total annual operation, maintenance, and replacement (OM&R) costs are estimated to be $974,000. This figure consists of $885,000 for powerplant O&M, $57,000 for powerplant replacement costs, and $32,000 for transmission line system costs.

Economic Analysis

The primary benefits associated with the potential unit are based on the most likely alternative from which the power would be derived in the absence of the project. Both baseload and peaking energy and capacity would be gained by this proposal; therefore, costs for both alternatives are presented in the analysis. The peaking alternative to the pumped-storage unit is a 77-MW oil-fired turbine powerplant located in Federal Power Commission Areas 31 and 32, which includes parts of Colorado and Wyoming. The baseload alternative is a 500-MW coal-fired powerplant located in these same areas.

Other benefits associated with the potential pumped-storage unit include: (1) a net savings in both energy and capacity because pumping requirements would be eliminated between Flatiron Reservoir and Carter Lake; (2) consequent savings in O&MR costs at Flatiron Powerplant; and (3) reduction in transmission system losses.

Some intangible benefit should be recognized for the flexibility and reliability in water operations to be gained by adding the potential unit. Also, a potential benefit exists for shifting some baseload generation at Flatiron Powerplant to peaking generation. Presently these benefits have not been valued.

Because of reservoir fluctuations at Pinewood Reservoir, which would serve as the pumped-storage upper reservoir, it was assumed that recreation visitation would be substantially reduced, if not eliminated. The reduction in value of that recreation use is accounted for in the benefit analysis.

The annual benefits for the potential pumped-storage unit and related C-BT system savings is summarized by the following table:

Pumped-storage generation (peaking):	
Capacity cost	$2,467,000
Net energy cost	5,790,000
Net flowthrough energy	2,149,000
Flatiron to Carter pumping:	
Energy savings	115,000
Capacity savings	216,000
OM&R savings	85,000
Transmission system loss savings	453,000
Recreation visitation loss at Pinewood Reservoir	−40,000
Total annual benefits	11,235,000

The analysis of the costs and benefits associated with the pumped-storage unit shows that it would be economically justified with a ratio of annual benefits to costs of 1.1 to 1, at an interest rate of 6⅝ percent. A summary of the benefits and costs and the derivation of the benefit-cost ratio is shown in the following tabulation:

Annual costs:	
Construction and IDC costs	$9,480,000
Operation, maintenance, and replacement	974,000
Total annual costs	10,454,000
Annual benefits:	
Capacity values	3,116,000
Net energy values	8,074,000
OM&R savings	85,000
Recreation visitation lost	−40,000
Total annual benefits	11,235,000
Benefit-cost ratio	1.1 to 1

Financial Analysis

For the purpose of demonstrating financial feasibility, the pumped-storage unit was analyzed on an incremental basis. A study was also prepared to determine the marketing rate and the financial effect of adding the proposed unit to the Pick-Sloan Missouri Basin Program account. Since power is the only purpose being considered, the costs of the facilities to be authorized would be repaid with interest.

Incremental Marketing

If the proposed unit is treated as an incremental investment to the existing C-BT Project and repaid at 7 percent interest over a 50-year repayment period, the pumped-storage powerplant capactiy would have to be marketed at about $103/kW-yr.

Combined P-SMBP marketing

It was assumed that if Pinewood-Carter is authorized as a unit of the Pick-Sloan Missouri Basin Program, then power operations, marketing, and repayment would be combined with the existing Western Division of the P-SMBP.

Assuming that current P-SMBP power rates were held constant, power from the potential pumped-storage unit would have to be marketed at a rate of about $44/kW-yr in order to repay the investment associated with the new unit within the 50-year repayment criteria.

In keeping with the policy to repay the highest interest bearing investment first in the P-SMBP, the power revenues available for repayment of power investment would be devoted to the repayment of the Pinewood-Carter unit for a 6-year period beginning in 1986 and ending in 1991. The repayment of the balance of the P-SMBP power system investment earning 2½ percent interest, would be delayed for a period of 8 years from 2023 to 2031. There are some future additions to the P-SMBP power system that have been scheduled to be in service in 2016. Those units would be repaid over a 19-year period without the Pinewood-Carter addition and over a 50-year period with Pinewood-Carter. In year 2078, the capitalized replacement bal-

ance to be repaid would increase from $61 million to $266 million or by $185 million as a result of the addition of the pumped-storage unit. A rate of about $47/kW would reduce the capitalized replacement balance below the $61 million in the base study. There would be no change in the repayment of irrigation costs from P-SMBP power revenues with the potential addition.

ENVIRONMENTAL AND SOCIAL ASPECTS

Environmental and social aspects associated with the potential unit would be primarily limited to the loss of recreational opportunities in the existing Pinewood Reservoir and to a very minor degree in Carter Lake. Other environmental impacts associated with the Pinewood Reservoir would be the deterioration of the aesthetic quality of the area and potential erosion associated with excessive reservoir drawdown under pumped-storage operations.

No endangered species or potential critical habitat were observed during preliminary field investigations of the project area. However, compliance with the Endangered Species Act cannot be achieved until a detailed field survey for endangered species has been conducted.

FINDINGS AND CONCLUSIONS

The findings and conclusions reached from study of the addition of the potential Pinewood-Carter pumped-storage unit to the Colorado-Big Thompson Project, Pick-Sloan Missouri Basin Program, Colorado, are that:

1. There is a demonstrated need for additional hydroelectric capacity and energy in the Western Division Power Market Area of the P-SMBP, which could be readily served by the potential Pinewood-Carter Unit. Comparable studies for other potential alternative pumped-storage developments were not considered in this investigation.

2. The 108-MW Pinewood-Carter unit could be added to the P-SMBP power system and serve the Federal preference customers in the area. The potential addition would be located close to the load center in the fast-growing area along the Front Range of the Rocky Mountains. It is assumed that the pumping power would be available from the coal-fired Craig Powerplant in Craig, Colorado, and the future coal-fired Laramie River Powerplant (Wyoming) and the Rawhide Powerplant (Colorado).

3. Additional power benefits would accrue through net savings in energy and capacity at the existing Flatiron Powerplant, when operated in conjunction with the potential Pinewood-Carter unit, due to elimination of pumping needs.

4. Savings in annual project operation, maintenance, and replacement (OM&R) costs would be possible at the Flatiron plant and within the transmission system.

5. With combined operations of the Flatiron Powerplant, increased flexibility and reliability in water operations to Carter Lake and the St. Vrain Canal service area would be obtained.

6. The Pinewood-Carter pumped-storage unit indicated marginal economic feasibility with a benefit-cost ratio of 1.1 to 1 at 6.625 percent interest.

7. The annual costs for Pinewood-Carter unit, when analyzed on an independent basis, at a 7 percent interest rate, 50-year repayment period, would be about $103/KW-yr. However, based on current information, there is some question as to whether peaking power could be marketed at this rate.

8. If the Pinewood-Carter unit is combined with the P-SMBP account, the unit would meet repayment criteria when marketed at a rate of about $44/KW-yr.

9. Environmental impacts associated with Pinewood-Carter would be limited to loss of outdoor recreational and fishing opportunities in the Pinewood Reservoir.

10. The potential low-head powerplants analyzed were not economically justified under current criteria.

Remarks: The total estimated cost of the 3-year feasibility investigation is $920,000 with first year funding of $200,000.

Project: Central Valley Project, Sacramento River Division, Red Bluff Diversion Dam Powerplant.

Region: Mid-Pacific.

Location: Red Bluff Diversion Dam is located on the Sacramento River, 2 miles southeast of Red Bluff, California.

Project data: The Red Bluff Diversion Dam's primary purpose is to divert water from the Sacramento River to the Tehama-Colusa Canal. In addition, the intake channel for the Corning Canal Pumping Plant connects to the Tehama-Colusa Canal. The reservoir also provides recreational benefits.

The dam, completed in 1964, is on the Sacramento River approximately 2 miles southeast of Red Bluff. It is operated by the Bureau of Reclamation as a principal feature of the Sacramento Canals Unit of the Central Valley Project. The dam consists of 10 concrete overflow weir sections 60 feet wide; a concrete sluiceway section 60 feet wide, headworks for the Tehama-Colusa Canal with a capacity of 3,080 ft³/s; fishways at both ends of the concrete section of the dam; and low earth dikes on each abutment. The height of the dam is 23 feet and the reservoir has a capacity of 3,920 acre-feet.

In an average year, downstream flows range from about 5,000 ft³/s in the fall to 35,000 ft³/s in winter due to flood runoff. In the middle of the summer, downstream flows are about 8,000 ft³/s.

A preliminary estimate of the hydroelectric power potential of Red Bluff Diversion Dam showed that a 15,000 kilowatt powerplant could produce about 70 million kilowatt-hours of energy in an average runoff year. A comparison of benefits to costs resulted in a ratio of 1:10 to 1.

Description: The purpose of the investigation is to conduct planning studies to determine the feasibility of developing additional electrical energy by constructing a hydroelectric powerplant at the existing Red Bluff Diversion Dam. Environmental impacts of the construction of this powerplant are considered to be minor, and there should be no adverse effects on the dam or canal areas. Production of pollution-free hydroelectric energy at the Red Bluff Powerplant would conserve fuel while helping to decrease air and water pollution from alternative power sources. The study program would be conducted in cooperation with other Federal, State, and local agencies.

Status: An appraisal level study began in FY 1979.

Justification: Sufficient information is available to warrant bypassing the appraisal level and proceeding with a feasibility study. A feasibility study is also justified by the National goal for energy self-sufficiency, increasingly higher costs for alternative sources of energy, renewable and nonpolluting nature of hydroelectric power, and the potential for utilization of energy now being wasted.

Local interest: The California Energy Commission, is encouraging adding powerplants at existing dams. The Northern California Power Agency, made up of 11 cities and one electrical cooperative, is actively pursuing new sources of power to meet the growing needs of their members. At public meetings, as part of the Central Valley Total Water Management Study, the Bureau was encouraged to proceed with planning for adding powerplants at existing dams.

Remarks: Total estimated cost of a 3-year feasibility is $200,000: First year funding requirement is $50,000.●

By Mr. HEINZ:

S. 1633. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax to public utilities and other taxpayers which provide electrical energy, gas, wood, coal, or home heating oil at reduced costs to households of low-income elderly or disabled individuals; to the Committee on Finance.

FUEL COST ASSISTANCE ACT FOR THE ELDERLY AND HANDICAPPED

● Mr. HEINZ. Mr. President, the terrible impact of rising energy costs on elderly and handicapped individuals is well known and does not require a lengthy description. We have all heard of tragic episodes of utility services being cut off in below freezing weather, of deaths and illnesses resulting from exposure, and of old people eating fewer meals or resorting to dog food because energy costs have depleted their meager resources. No caring and responsible public official or citizen can fail to be deeply concerned by such events.

These are not isolated horror stories. The prevalence of such problems has been well documented by recent studies and statistical evidence. For example, a recent study by the Department of Energy showed that the average low-income household spends an astonishing 33 percent of its income on energy, while the average middle-income household spends only 9.6 percent of its income for this purpose. This reflects an extremely rapid increase in energy costs in a short time: Between 1972 and 1978, fuel oil prices increased by 151 percent while the consumer price index increased only 56 percent. This has affected low-income persons in a particularly harsh manner since they do not have the option of cutting back on inessential items and their incomes have not risen as the incomes of the remainder of the population.

The coming winter will be much worse. The latest OPEC price increases will directly affect the cost of home heating oil, and current estimates are that oil will rise to 80-cents per gallon, compared with 50-cents per gallon a year ago. If the winter is especially severe, or the anticipated shortages develop, this will make the situation worse. Electric costs will also rise in response to the increase in oil used for generating purposes. Indeed, the Department of Energy study estimates that an increase of 25 percent in energy costs is not unlikely, and that would increase the expenditures of low-income households on energy to 40-percent of income, an intolerable amount.

Winter will be here all too quickly. If the present situation continues, we can anticipate further hunger, illness, and suffering as poor people struggle to pay for energy. It is, therefore, imperative that we act promptly to provide assistance to needy elderly and handicapped persons and to avert further tragedy.

The bill that I am introducing would provide such assistance by granting a tax credit to utilities and sellers of oil, coal, and wood for homeheating that reduce their bills to eligible low-income elderly and handicapped persons. Those eligible for assistance would be persons who are age 60 or above or disabled and whose

household income does not exceed the limits for eligibility for food stamps or supplemental security income. This would include single individuals whose income is up to $4,512 per year or $376 per month, and couples whose income is up to $5,676 per year or $473 per month. It is estimated that some 5 million persons, in some 3.5 million households, would be eligible for assistance under this program.

Eligible persons would have their fuel bills reduced by 25 percent below the regular price. The utilities or other participating firms could claim a credit that would compensate for the revenues lost as a result of providing the price reductions to such persons. The credit would be refundable so that utilities whose tax liability is less than the cost to them of participating in the program would receive a cash refund. This refund could be paid quarterly. The bill also provides for a reduction greater than 25 percent to those households that spend more than 10 percent of their incomes on utilities.

The advantages of this approach to assisting the needy elderly and handicapped are its administrative simplicity, its relatively modest cost, and the fact that it can provide benefits to all persons who meet the statutory eligibility requirements. The eligibility provisions are based on existing programs that verify income, age or disability, namely food stamps, SSI and social security. To the maximum extent possible, administrative procedures would be designed that relied on current records and information to identify eligible individuals and provide them with identification that establishes their eligibility for fuel cost reductions. Thus, a separate income verification procedure would not be necessary. Moreover, the administrative impact on utilities and sellers of home heating oil, coal, and wood, would be minimized, since their responsibility would be limited to recording the identities and numbers of households that had submitted evidence of eligibility to them, and of the amount by which their bills had been reduced. It is estimated that the cost of the program, if 100 percent of those eligible participate, would be in the range of $519 million to $770 million; if two-thirds of eligible persons participate, which is more typical, the cost would range from $347 million to $516 million.

Mr. President, I ask unanimous consent to print the text of the bill, and a summary of its provisions in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. CREDIT FOR REDUCTION OF HOME HEATING COSTS FOR LOW-INCOME ELDERLY OR DISABLED.

"(a) GENERAL RULE.—In the case of a public utility (as defined in section 247(b)(1)), or a taxpayer engaged in the trade or business of furnishing home heating energy to the public, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the revenues foregone by the public utility or the taxpayer for the taxable year as the result of a qualified program for the provision of home heating energy to eligible households during the taxable year.

"(b) QUALIFIED PROGRAM.—For purposes of this section—

"(1) BASIC PROGRAM REQUIREMENTS.—The term 'qualified program' means a program—

"(A) under which home heating energy is furnished to eligible households at a cost to the household which is 25 percent lower than the cost at which home heating energy is furnished to other households, and

"(B) which meets such requirements with respect to verification, recordkeeping, and administration as the Secretary may prescribe.

"(2) CERTAIN ADDITIONAL REDUCTIONS PERMITTED.—A program shall not fail to meet the requirements of subparagraph (A) of paragraph (1) because home heating energy is furnished to eligible households, the expenditures of which for home heating energy for the billing period (or for such other period as may be prescribed by the Secretary) exceed 10 percent of the amount of the household income for that period,

at a cost to the household which is more than 25 percent lower than the cost at which home heating energy is furnished to households which are not eligible households.

"(3) HOME HEATING ENERGY.—The term 'home heating energy' means electrical energy, gas, coal, wood, or home heating oil.

"(4) ADMINISTRATIVE PROVISIONS.—In carrying out his responsibilities under this section, the Secretary shall consult with the Secretary of Health, Education, and Welfare, the Administration on Aging, the administrators of State and local public assistance programs, and the public utility commissions (or similar bodies) of the several States and the District of Columbia for the purpose of developing a system under which eligible households, and households described in subpargaraphs (A) and (B) of paragraph (2), can be reliably identified on the basis of current information, and a system for encouraging public utilities and taxpayers eligible for the credit allowed by subsection (a) to establish qualified programs.

"(c) DEFINITION OF ELIGIBLE HOUSEHOLD.—For purposes of this section, the term 'eligible household' means—

"(1) an eligible household (within the meaning of such term for purposes of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)) which includes one or more individuals who is—

"(A) 60 years of age or older, or

"(B) receiving disability benefits under title II of the Social Security Act, or

"(2) a household which includes one or more individuals who is an SSI recipient (as defined in section 51(d)(5)).

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations setting forth the procedures to be followed by a public utility or other taxpayer for identifying eligible households and verifying the information used for their identification.".

(b) Credit To Be Refunded to Extent It Exceeds Tax Liability.—

(1) EXCESS CREDIT TREATED AS OVERPAYMENT.—Section 6401(b) of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to credit for reduction of home heating costs for low-income elderly or disabled)," and

(B) by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(2) ASSESSMENT AUTHORITY FOR MISCELLANEOUS EXCESS CREDIT REFUNDS.—Section 6201(a)(4) of such Code (relating to assessment authority) is amended—

(A) by striking out "or 43" in the caption thereof and inserting in lieu thereof ", 43, or 44D", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof "section 43 (relating to earned income), or section 44D (relating to credit for reduction of home heating costs for low-income elderly or disabled),".

(3) TENTATIVE REFUND OF INVESTMENT CREDIT.—

(A) Section 6411 of such Code (relating to tentative carryback and refund adjustments) is amended by adding at the end thereof the following new subsection:

"(e) Tentative Refund of Home Heating Cost Credit.—

"(1) APPLICATION.—A taxpayer may file an application for a tentative refund of any overpayment attributable to section 44D (relating to credit for reduction of home heating costs for low-income elderly or disabled). The application shall be in such manner and form as the Secretary may prescribe by regulation and shall—

"(A) be verified in the same manner as an application under subsection (a),

"(B) be filed during the period beginning on the day after the last day of the first quarter of the taxable year and ending on the last day of such taxable year, and

"(C) set forth in such detail and with such supporting data as such regulations prescribe—

"(i) the amount of the quarterly estimated tax for the taxable year,

"(ii) the amount of the overpayment for the quarter attributable to the application of section 44D, and

"(iii) such other information for purposes of carrying out the provisions of this subsection as may be required by such regulations

"(2) ALLOWANCE OF ADJUSTMENTS.—Within a period of 90 days from the date on which an application is filed under paragraph (1), the Secretary shall—

"(A) review the application,

"(B) determine the amount of the overpayment attributable to the application of section 44D, and

"(C) credit such amount against any tax or installment thereof then due from the taxpayer and refund any balance to the taxpayer.

"(3) CONSOLIDATED RETURNS.—If an application is filed under paragraph (1) by a corporation which paid its income tax on a consolidated basis or made a consolidated return for the taxable year, this subsection shall apply under regulations prescribed under section 1502 (relating to consolidated return regulations).".

(B) Section 6213(b)(3) of such Code (relating to assessments arising out of tentative carryback or refund adjustments) is amended by inserting "(except subsection (e))" after "6411", and by adding at the end thereof the following new sentence: "Section 6201(a)(4) shall apply in respect of any amount credited or refunded under section 6411 (e) as if the application under such section were a claim for refund.".

(c) TABLE OF SECTIONS AMENDMENT.—The table of sections for subpart A of part IV

of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44C the following new item:

"Sec. 44D. Credit for reduction of home heating costs for low-income elderly or disabled.".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply with respect to taxable years ending after the date of enactment of this Act.

SUMMARY OF THE BILL

Section 1(a) amends the Internal Revenue Code to provide a credit to utilities and to firms engaged in furnishing home heating energy to compensate them for revenues foregone as the result of participating in a qualified program for reduction or home heating costs to the low-income elderly and handicapped.

A qualified program is one under which home heating energy is furnished to eligible households at a cost which is 25 percent lower than the cost to other households, and which meets administrative requirements to be established. A program which provides a greater reduction to individuals whose payments for energy exceed 10 percent of their household income during a specified period would also be qualified.

The costs that would be covered include electrical energy, gas, coal, wood, or home heating oil.

In administering the program, the Secretary would consult with the Secretary of HEW, the Administration on Aging, the administrators of State and local public assistance programs, and public utility commissions to develop outreach programs that would (a) identify persons eligible for assistance under the program, and (b) encourage utilities and firms providing home heating energy to participate in the program.

An eligible household is one whose income is within the limits for Food Stamp eligibility and contains one or more individuals either age 60 or above or receiving disability benefits under the Social Security Act; or which includes one or more individuals who is a recipient of Supplemental Security Income.

Section 1(b) makes the credit refundable, on a quarterly basis, to the extent that it exceeds the tax liability of the utility or provider of home heating energy.●

By Mr. CHURCH:

S. 1635. A bill to investigate the water and related resources of four Idaho river basins to determine ways to restore or improve the habitat of anadromous species of fish, and for other purposes; to the Committee on Environment and Public Works.

IDAHO ANADROMOUS FISH HABITAT RESTORATION ACT

● Mr. CHURCH. Mr. President, I am today introducing legislation to authorize the Bureau of Reclamation to investigate the potential for salmon and steelhead rehabilitation projects within four Idaho river basins. The four rivers covered under this bill are the Lemhi, Pahsimeroi, Potlatch, and Palouse.

The primary purpose for conducting detailed investigations of these rivers would be to determine where environmental improvements could be made or storage facilities constructed to restore anadromous fish runs. However, it is anticipated that the studies would look at other objectives as well, including opportunities for supplying irrigation water, municipal water, hydropower, and flood control.

At the turn of the century, hundreds of thousands of salmon and steelhead migrated up the Columbia River each year and returned to spawn in the same Idaho streams where they were reared. Today, however, the famous Columbia fish runs have been reduced precipitously. Instead of hundreds of thousands of returning fish only a few thousand now make their way around the dams which have been constructed on the Columbia and Lower Snake Rivers and come back to the spawning beds of our mountain streams. The primary reason for the decline is the many water resource projects which have been built on our rivers in the past 30 years. There is no question that these projects have brought great benefits to the people of the Pacific Northwest, but for the fish, the dams have been a series of unmitigated disasters.

Extensive efforts are now underway to reconstitute the upper river salmon and steelhead runs by reducing juvenile and adult losses at dams and by compensating for unavoidable dam losses through artificial propagation. These efforts are important, but they are not the complete answer. Additional steps must be taken throughout the Columbia River basin to restore the habitat of anadromous fish in important upriver tributaries. The bill which I am introducing today would be an important move in that direction.

The Lemhi, Pahsimeroi, Potlatch, and Palouse Rivers all offer excellent opportunities for salmon and steelhead rehabilitation projects. The runs of chinook salmon and summer steelhead that are native to these streams have been reduced over the years by depleted stream flows, excessive water temperatures, streambed erosion, channelization, denuded stream banks and fish migration barriers. Restoration of degraded habitat would be possible by constructing headwater storage dams to augment streamflow, revegetating stream banks, modifying channels to regain a natural hydraulic balance, and correcting fish passage problems. Another rehabilitation measure which might be considered is fish hatchery construction.

The potential for improving the anadromous fish habitat of each of these four rivers is enormous. Similarly, there are other benefits which could be identified through study. The Lemhi River, which is one of the four Idaho streams covered under this bill, is a good case in point.

THE POTENTIAL OF THE LEMHI RIVER

The Lemhi River is an important tributary of the Salmon River, which is in turn a major tributary of the Columbia. The Lemhi has many thousands of yards of spawning gravel which are not used at present, even though the river remains an important anadromous fish spawning and rearing stream. Irrigation diversions severely deplete the Lemhi River each year, and it is this constant annual depletion which poses significant problems for upstream passage of adult fish and downstream passage of smolts.

The Idaho Department of Fish and Game has recommended a 100 cubic feet per second minimum flow for the Lemhi and estimated that about 36,000 acre-feet of upstream storage would be required to meet this need. About 50,000 acres of cropland are now irrigated in the basin, but about 38,000 acres of this total experience annual water shortages late in the irrigation season due to inadequate runoff.

The study envisioned in this legislation would be an appraisal level investigation of the water and related resources of the Lemhi River basin. The study would develop plans to meet anadromous fish needs, provide supplemental water for watershort irrigated lands, and meet other purposes. Through new storage, or other means, adequate flows could eventually be provided to protect and improve the anadromous fish runs and to eliminate water shortages on at least some of the basin's croplands. Support for such a study has been expressed by the Idaho Department of Fish and Game, the Columbia River Fishery Council, and other fish, wildlife, and environmental organizations. In addition, Lemhi valley farmers and ranchers have shown an interest through the years in improving their water supply.

A NEW FOCUS FOR WATER RESOURCE PLANNING

Mr. President, traditionally, water resource projects have been built for such purposes as power, irrigation, and flood control, with fish and wildlife given only secondary consideration, or in many instances left adversely affected. My intent in sponsoring this bill is to take the initiative and begin to develop water resource projects which are specifically designed with fish enhancement as their primary purpose.

Under my bill, the Bureau of Reclamation will be required to work closely with local irrigators, Indian tribes, officials of the appropriate agencies of the State of Idaho, representatives of local governments, federal fish and wildlife authorities, and other interested parties. All of these interests would help the Bureau identify fish enhancement opportunities within the four Idaho river basins, and other opportunities such as the improvement of agriculture, municipal, and industrial water, supplies, the enhancement of water quality, the development of low-head hydroelectric power, and the enhancement of recreation. The studies would have to be completed within 2 years and a report of findings and recommendations for follow-up feasibility studies then forwarded to the appropriate congressional committees.

It is my intention to seek a prompt hearing on this proposal so as to assure that it might be moved forward as rapidly as possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act

may be cited as "The Idaho Anadromous Fish Habitat Restoration Act."

SEC. 2. The Secretary of the Interior (hereinafter referred to as "the Secretary"), acting through the Commissioner of Reclamation, is hereby authorized and directed to undertake appraisal-level investigations of the water and related resources of the following river drainages lying wholly or partially within the State of Idaho:

(a) The Lemhi River Basin;
(b) The Pahsimeroi River Basin;
(c) The Potlatch River Basin; and
(d) The Palouse River Basin.

SEC. 3. The primary objective of each of the investigations authorized under section 2 shall be to identify where environmental improvements could be made or water storage facilities constructed within each basin to restore or improve the habitat of anadromous special of fish. Each of the investigations shall also identify secondary opportunities within each basin for the improvement of agriculture, municipal, and industrial water supplies; the enhancement of water quality; the prevention of floods; the development of low-head hydroelectric power facilities; the enhancement of recreation; and other possible water-related opportunities.

SEC. 4. In conducting the investigations authorized under section 2, the Secretary shall consult with officials of the appropriate agencies of the State of Idaho, Federal fish and wildlife authorities, representatives of local governments, Idaho-based Indian Tribes with treaty fishing rights, local irrigators, and other interested parties.

SEC. 5. On or before September 30, 1983, the Secretary shall submit to the appropriate Committees of the Senate and the House of Representatives a report or series of reports on the findings of each of the investigations authorized by section 2, and recommendations for such subsequent feasibility studies as he deems desirable.

SEC. 6. In order to accomplish the purposes of this Act, there are hereby authorized to be appropriated the sum of $300,000 in fiscal year 1981; the sum of $500,000 in fiscal year 1982; and the sum of $400,000 in fiscal year 1983.●

By Mr. JACKSON (by request):

S. 1637. A bill to establish competitive oil and gas leasing in favorable areas within producing geologic provinces; to the Committee on Energy and Natural Resources.

FEDERAL OIL AND GAS LEASING ACT OF 1979

● Mr. JACKSON. Mr. President, I am today introducing at the request of the administration legislation submitted by Secretary of Interior Andrus which would modify the existing oil and gas leasing system on public lands.

Mr. President, I have long believed that the existing leasing system should be improved to promote competition, assure diligent development and obtain a fair market return to the public. On April 5, I introduced legislation (S. 902) designed to achieve these goals. The text of S. 902 is also contained in title VII of S. 1308, the omnibus Energy Supply Act which I introduced on June 11 and is cosponsored by 25 other Senators.

The committee has held hearings on this subject. At those hearings the administration stated that it supported the objectives of my bill but intended to offer its own proposal, which they have now submitted. I ask unanimous consent that the text of the bill, together with the August 1 letter from Secretary Andrus, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Oil and Gas Leasing Act of 1979."

Section 2. Subsections (a) through (c) and (e) of Section 17 of the Act Entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain," approved February 25, 1920 (30 U.S.C. 226(a)–(c) and (e)), are amended to read as follows:

"Section 17(a)(1) Except as otherwise provided in this Act, the Secretary may lease lands which are favorable for the discovery of oil or gas within a producing geologic province only by competitive bidding. Competitive bidding shall be on the basis of cash bonus with a royalty of not less than 12½ per centum fixed by the Secretary in amount of value of the production saved, removed, or sold from the lease, or, at the discretion of the Secretary, on the basis of any other bidding system which will encourage competition and exploration, development and production of oil and gas.

"(2) The Secretary may lease lands for oil or gas outside of a producing geologic province or lands within a producing geologic province which are not favorable for discovery of oil or gas without competitive bidding."

"(b) Nothing in this section shall be construed to prevent the Secretary from leasing lands noncompetitively prior to identification of all those lands within a producing geologic province which are favorable for discovery of oil or gas."

"(c)(1) All leases issued under this section shall be for a tract not exceeding two thousand five hundred and sixty acres, as the Secretary may determine, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic unit."

"(2) Each lease that the Secretary issues under this section shall be for an initial period of five years and so long thereafter as oil or gas is produced in paying quantities or drilling or well reworking operations as approved by the Secretary are conducted thereon. A lessee may, before the fourth anniversary of the lease, apply to extend the initial term for an additional period or periods not to exceed a total of five years. Each extension application shall include a detailed exploration plan for the extended term. The Secretary, in his discretion, may extend the initial term only if he finds that because of unusually adverse technical, environmental or economic conditions which are beyond the control of the lessee, the lessee cannot adequately explore the lease during the initial five-year term or any extended term. Nothing in this subsection shall be construed as affecting existing leases."

"(e) For purposes of this section—

(1) the term 'producing geologic province' means an area, as determined by the Secretary, which contains known petroleum production and all portions of which have similar or comparable geologic history, comparable characteristics or deformation, similar stratigraphy, and similar or peculiar types of petroleum accumulation; and

(2) the term 'lands favorable for discovery of oil or gas' means those lands which, in the opinion of the Secretary, may be valuable for oil or gas due to the geology of such lands, nearby discoveries or competitive interest by two or more parties in such lands. *Provided* that all lands within three miles of the boundary of a known geologic structure of a producing oil or gas field shall be considered favorable for the discovery of oil or gas."

Section 3. Section 30(a) of the Act of February 25, 1920 (30 U.S.C. 187a) is amended by striking the third sentence and inserting in lieu thereof "(T)he Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: *Provided, however,* That the Secretary may, in his discretion, disapprove an assignment 1) of a separate zone or deposit under any lease, 2) or less than 640 acres, 3) containing an overriding royalty which exceeds limitations established by regulations, or 4) which the Secretary determines would create or maintain a situation inconsistent with the antitrust laws."

Section 4. Section 27(l) of the Act of February 25, 1920 (30 U.S.C. 184(l)), as amended, is further amended by:

(1) adding after paragraph (2) a new paragraph (3), to read as follows:

"(3) The Secretary may refuse (1) to accept an otherwise qualified bid for, or (2) to issue a lease, or approve a sublease or assignment of, or (3) to renew, readjust, or extend any lease, sublease or assignment of, any minerals other than coal subject to leasing under this Chapter if he determines that such lease, sublease, assignment, renewal readjustment or extension may create or maintain a situation inconsistent with the antitrust laws. The Attorney General may review, pursuant to regulations established by the Secretary after consultation with the Attorney General, the likely effects upon competition of transactions subject to this Chapter and make appropriate recommendations to the Secretary."; and

(2) by renumbering existing paragraphs (3) and (4) as (4) and (5), respectively.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 1, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill, "To establish competitive Oil and Gas Leasing in Favorable Areas within Producing Geologic Provinces."

We recommend that the enclosed bill be referred to the appropriate committee and that it be enacted.

The principal purposes of the bill are to insure that the government receives fair market value for oil and gas leases on public lands and to encourage exploration. We believe that these objectives can best be accomplished by increasing the amount of public lands which are leased competitively. Under existing law, only those lands within a "known geological structure of a producing oil and gas field" ("KGS") may be leased competitively. As you know, a KGS is a fairly narrowly defined area surrounding a producing oil and gas well which is technically the same trap and which is presumptively productive. This limits the amount of public land which can be leased through competitive bidding to a small percentage of all lands which are leased. Our analysis of the existing noncompetitive leasing system indicates that there is broad competitive interest in a majority of public lands which are leased noncompetitively. The government is not receiving fair market value for these lands. We have convincing evidence that Federal noncompetitive leases have a large resale value. Also, a substantial number of filings in the noncompetitive simultaneous oil and gas drawing system (SOG) for leases near KGSs indicates that many noncompetitive leases are now issued without the Department having the opportunity to test the fair market value of such leases despite extensive interest in them. The enclosed bill would permit us to do this by increasing the discretion of the Secretary to lease competitively.

Under our proposal, lands "favorable for the discovery of oil or gas within a producing geologic province", if leased, would have to be leased competitively. Lands outside such areas could be leased noncompetitively. The outer limits of the competitive lease area, the "producing geologic province ("PGP"), is an area within a sedimentary basin which contains known petroleum production and all portions of which have similar or comparable geologic history, comparable characteristics of deformation, similar stratigraphy, and similar or peculiar types of petroleum accumulation.

The term petroleum province has been loosely used for a number of years to indicate, generally, large producing regions with rather indeterminate boundaries. Geologists and other petroleum industry specialists recognize subprovinces within major or larger provinces. For example, the Colorado Plateau encompassing parts of the States of Colorado, Utah, Arizona, and New Mexico, is considered a petroleum province. Within this broad region, however, are recognized and reasonably well-defined subdivisions, such as the Uinta Basin, the Paradox Basin, the San Juan Basin, and the Black Mesa Basin. It is these subdivisions that would be classified as "producing geologic provinces," providing, of course, that each such subdivision had demonstrated oil or gas production within its boundaries.

Within these producing geologic provinces, the Secretary under our bill would have to lease competitively, if at all, within three miles of the boundary of a KGS. In effect, in our bill we have expanded the existing KGS definition to encompass an area three miles surrounding the KGS. Between the boundaries of the expanded KGSs and the boundary of the PGP, the Secretary would also have the discretion to classify other areas for competitive leasing by applying a three-part test. If it was determined that the three mile extension of the KGS was not sufficient to encompass those lands which should be leased competitively, the Secretary through the U.S. Geological Survey and the Bureau of Land Mangement may further extend competitive leasing to such lands because of: (1) their proximity to a producing well; (2) seismic or other geologic information; or (3) competitive interest in such lands.

We believe that these simple changes will insure that fair market value is received for oil or gas leases while continuing to encourage exploration of truly marginal "wildcat" lands through noncompetitive leasing. The leasing system we propose can be administered without complex leasing schedules or individual oil and gas lease tract resource evaluations.

We recognize that most of the discoveries of oil and gas on public lands are made by the small independent oil and gas operator on noncompetitive leases. Low entry and holding costs for these leases encourage these small operators to play their geologic "hunch" and to take risks with their limited capital for the exploration of lands which the major oil companies pass over or overlook.

We do not feel that increased competitive leasing should have any adverse effect on exploration of these lands by independent oil and gas operators. Our analysis indicates that at least 75 percent of the noncompetitive leases and as much as 88 percent of the competitive oil and gas lease are held by companies or individuals who may be defined as independent oil and gas operators. These "independents" seem to fare well in the existing onshore oil and gas competitive leasing system. We believe that the existing statewide acreage limitations on leases held by any one company or individual play a role in encouraging this competition. However, we believe this competition could be encouraged and leases could continue to be issued in large numbers to "independents" under the simple leasing system we propose.

If experience with increased competitive leasing under this system indicates the need for additional measures to encourage participation in the competitive system by independents, the bill authorizes the use of bonus bidding or other devices to permit such firms with limited capital to continue to participate. The bill does not change the division of authority between the Secretaries of the Interior and Energy to issue regulations.

To prevent even a temporary lull in oil and gas leasing, the bill contains a provision to permit continued leasing pending implementation of new leasing procedures. Section 2(b) of the bill would permit the Secretary to continue leasing pending identification of the PGP and favorable oil and gas areas. The bill also encourages prompt exploration by reducing the primary term of leases to five years, instead of ten years, as is now the case. To insure that this shorter term does not interfere with the occasional need for complex drilling and exploration efforts, the Secretary would have authority, if unusually adverse technical, environmental or economic conditions beyond the control of the lessee justify the extension, to extend the primary lease term for an additional period or periods, provided that any extensions shall not total more than five years. To obtain any extensions, the applicant must first apply for an initial extension before the fourth anniversary of the lease.

This shorter lease term will encourage development and curb holding leases for speculative purposes. It will also permit earlier reoffering (releasing) of marginal tracts. The automatic two year extension of leases if drilling operations are being diligently prosecuted is deleted, although no lease will terminate if active drilling operations are being conducted.

The maximum lease size is also increased to 2,560 acres with the option for the Secretary to increase the size further. The present limitation is 640 acres for competitive leases; there is no statutory limitation at present for noncompetitive leases. The proposed maximum lease size and the flexibility to increase lease size will provide an opportunity to offer tracts that can be more efficiently explored and developed. Because an expanded competitive system may involve some leasing of areas where prospective value is not as great as under the existing "known geologic structure," the larger area may be necessary for exploration of such marginal areas. It will also eliminate the necessity to break up existing noncompetitive leases within favorable areas of PGPs which exceed 640 acres if they are to be released under the new system.

The fixed royalty rate (12½ percent) for noncompetitive leases is repealed and replaced by a flexible royalty rate, i.e., not less than 12½ percent. This insures that the government receives an adequate return on noncompetitive leases with high production. Care will be taken in establishing the actual royalty rates by regulation to avoid discouraging production.

Section 4 of the enclosed bill provides that the Secretary may refuse to issue a lease or to approve a sublease or assignment of a lease for any minerals other than coal subject to leasing under the Mineral Lands Act if he determines that the lease, sublease or assignment might create or maintain a situation inconsistent with the antitrust laws. Section 4 provides further that the Secretary may promulgate regulations providing for the Attorney General to review the likely effects on competition of transactions subject to the Mineral Lands Leasing Act, and to make recommendations to the Secretary. Section 4 makes explicit existing authority of the Secretary to deny leases covering minerals subject to the Mineral Lands Leasing Act on antitrust grounds. It also restates the Secretary's authority, provided in section 3 of the enclosed bill, to disapprove assignments of leases on antitrust grounds.

Finally, section 3 of the bill would amend the existing law in section 30(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 187(a)) to give the Secretary the authority to disapprove assignments of leases on three additional grounds. First, the Secretary may disapprove assignment of a lease of less than 640 acres. He may also disapprove assignments containing overriding royalty clauses which exceed limitations established by regulations. The first change is directed at preventing individuals from assigning small tracts for speculative purposes with no intention of achieving efficient exploration of oil and gas. However, it does not prohibit the Secretary from approving assignments of less than 640 acres. The second change is directed at discouraging overriding royalties which hinder efficient production of oil and gas resources. The third change provides that the Secretary may disapprove an assignment of a lease on antitrust grounds.

The Office of Management and Budget advises that this legislation is consistent with the Administration's objectives.

Sincerely,

GUY MARTIN,
Secretary.●

By Mr. ROTH:

S. 1638. A bill to amend the Internal Revenue Code of 1954 to provide for the amortization of startup expenditures paid or incurred in starting a new trade or business; to the Committee on Finance.

TAX RELIEF FOR STARTUP COSTS

● Mr. ROTH. Mr. President, I am introducing a bill to amend the Internal Revenue Code. This amendment allows taxpayers who enter a trade or business to evenly amortize certain preopening costs over a period of not less than 60 months. The purpose of this bill is to encourage persons to start new businesses and to help these businesses succeed.

It is not an unnoticed fact many new businesses fail each year. Many fail because the expenses of starting a business are so great a businessperson cannot overcome these initial costs. Existing tax laws do little to alleviate the cost burden of entering a new business and reduce its chances of surviving.

Presently, there is neither a deduction nor an amortization for most preopening expenses of a business which is considered to have an indeterminable life. For tax purposes, a business is usually deemed to have an indeterminable life. The only favorable tax treatment one receives for such preoperating costs is upon liquidation or disposition of the business. Owners of new businesses should not have to wait until liquidation or disposition of the company to recover their startup costs.

Inequity in the present law denies adequate tax relief for the ordinary and necessary expenses incurred in preparing a business to open, yet allows an existing business to deduct similar expenses. Under this bill all ordinary and necessary startup costs which do not create an asset having a useful life of its own and which relate to the business can be recovered over the first 60 months

of the business. If a business has an ascertainable life shorter than the 60-month amortization period, its owner would not elect to come within this amendment.

Although this bill does not equalize the tax treatment between ordinary and necessary expenses of an ongoing business and ordinary and necessary expenditures of starting a business, it does allow the recoupment of many preopening expenses during the crucial young years of the business. Tax laws should not place new businesses at an unfair disadvantage.

Mr. President, adequate tax relief for preopening costs is overdue. This bill is a reasonable and fair answer to a problem of long standing.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 193. START-UP EXPENDITURES.

"(a) ELECTION TO AMORTIZE.—Start-up expenditures paid or incurred by a taxpayer prior to the trade or business functioning as a going concern may, at the election of the taxpayer (made in accordance with regulations prescribed by the Secretary), be treated as deferred expenses. Such deferred expenses shall be allowed as a deduction ratably over such period of not less than 60 months as may be selected by the taxpayer in the trade or business (beginning with the month the trade or business starts functioning as a going concern) or if the trade or business is liquidated before the end of the 60 month period, such deferred expenses (to the extent not already deducted under this section) may be deducted to the extent provided in Section 165.

"(b) START-UP EXPENDITURES DEFINED.—The term 'start-up expenditures' means any expenditure which is—

"(1) an ordinary and necessary expense incident to the investigation, formation, and creation of the trade or business;

"(2) chargeable to capital account; and

"(3) of a character which, if expended incident to the investigation, formation, and creation of the trade or business having a determinable life, would amortizable over such life.".

(b) The table of sections for such part VI is amended by adding at the end thereof the following new item: "SEC. 193. START-UP EXPENDITURES.".

SEC. 2. The amendments made by this section shall apply to amounts paid or incurred after December 31, 1979.●

By Mr. GRAVEL:

S. 1639. A bill to amend the Water Resources Planning Act of 1965 (Public Law 89-80; 79 Stat. 244) as amended); to the Committee on Environment and Public Works.

WATER RESOURCES PLANNING ACT AMENDMENTS OF 1979

● Mr. GRAVEL. Mr. President, today I am introducing a bill to amend the Water Resources Planning Act of 1965 (Public Law 89-80) as amended. This legislation would substantially strengthen and significantly alter the manner in which the Water Resources Council carries out both its mandated and assigned responsibilities.

I do not believe the Council has ever functioned in the manner in which the Congress intended it to function. Under the existing provisions of Public Law 89-90, the Council cannot provide the strong coordinating mechanism for water resources activities that it was intended to provide.

On June 6, 1978, the President announced his water policy initiatives. The cornerstone of the President's initiatives to improve the Federal water resources programs was the Water Resources Council.

Earlier this session the Water Resources Subcommittee of the Committee on Environment and Public Works held hearings on extending the authorization of the Water Resources Council and adding new programs. As a result of those hearings the bill S. 480, as reported, deleted some of the specific programs proposed by the administration. As chairman of the subcommittee, I strongly urged the deletion of those programs because I felt the Council urgently needed restructuring and a reorientation, rather than patchwork legislation, to function as the Congress intended. I feel certain that this bill accomplishes that goal.

This bill would create an independent chairmanship. I feel that such an independent chairman is essential for the Council to carry out its function in a manner free from agency pressures.

Voting membership would be limited to the departments and agencies with major Federal water programs. Other departments and agencies with water resources related programs would be associate members.

The most important feature of this bill is that it gives the States a stronger voice and role in the management and planning of the Nation's water resources programs. The bill establishes a State advisory committee with its chairman a full-time member of the Water Resources Council, recommended by the governing body of the National Governors' Association, to represent a national perspective on water problems.

This bill would establish an independent water project review, for a period of 60 days, in lieu of the existing review by the Office of Management and Budget. It would also establish a grant program for water conservation technical assistance.

The bill also provides that the Water Resources Council advise the President on water and related land resources investments, resolve disputes between Federal agencies over conflicting regulations relating to the management, planning, and development of the Nation's water resources, and compare periodically the regional distribution of the Federal investment in water resources and land related development.

In summary, this bill provides for a strong central focus for the Nation's water programs.

I urge my colleagues to support this important piece of legislation, and I would be honored to have my colleagues join me in cosponsorship of this bill.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Water Resources Planning Act Amendments of 1979."

TITLE I

SEC. 101. Section 3 of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is amended by inserting in subsection (b) a colon after the words "with respect to", by deleting immediately thereafter the words "the preparation and review of comprehensive regional or river basin plans and the formulation and evaluation of Federal water and related land resources projects;" and inserting in lieu thereof the words: "The continuing study of the adequacy of supplies of water necessary to meet the water requirements in each water resource region in the United States and the national interest therein; the continuing study of the relation of regional or river basin plans and programs to the requirements of larger regions of the Nation; the continuing study of the water and related land resources policies and programs of the several Federal agencies; the appraisal of the adequacy of existing and proposed policies and programs to meet requirements of larger regions of the Nation; the making of recommendations to the President with respect to Federal water and related land resources policies and programs; the provision of advice to the President on water and related land resources investments in accordance with section 102(c) of this Act; the establishment of principles, standards, and procedures for Federal participants in the preparation of comprehensive regional or river basin plans and for the formulation and evaluation of Federal water and related land resources projects; the review of river basin commission plans and revisions; resolution of disputes over conflicting Federal agency regulations relating to water resources and water related land issues; the making of recommendations to the President regarding river basin commission plans and revisions; and the establishment and implementation of a grant program for financial and program assistance to the States for development, implementation, and modification of State water management and water conservation technical assistance programs as provided in title III of this Act;".

TITLE II

SEC. 201. Section 101 of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby amended by inserting in lieu thereof a new section 101 to read as follows:

"SEC. 101. (a) There is hereby established a Water Resources Council (hereinafter referred to as the "Council") which shall be composed of the Secretary of Agriculture, the Secretary of the Army, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, and the Chairman of the Council as Members; and the Secretary of Commerce, the Secretary of Energy, the Secretary of Transportation, the Director of the Federal Emergency Management Agency and the Chairman of the State Advisory Committee as Associate Members. The Chairman of the Council shall request

the heads of other Federal agencies to participate with the Council when matters affecting their responsibilities are considered by the Council. The Chairman of the Council shall, when he deems it appropriate, designate associate members to vote concerning issues or matters directly affecting their responsibilities.

(b) The Chairman of the Council shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate for level II of the Executive Schedule under Section 5313 of Title 5, United States Code. During the period of his service on the Council, the Chairman shall not hold any other position as an officer or employee of the United States, except as a retired officer or retired civilian employee of the Federal Government.

(c) The Chairman of the Council shall appoint the Chairman of the State Advisory Committee from persons recommended by the governing body of the National Governors' Association for a term of not more than four years. The Chairman of the State Advisory Committee shall not represent a specific state or regional interest but shall have an overall knowledge of the Nation's water problems.

(d) The Chairman of the State Advisory Committee shall be compensated at the rate for Level V of the Executive Schedule under section 5316 of Title 5, United States Code.

(e) Actions of the Council shall be approved by simple majority vote of the members."

SEC. 202. Section 102 of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is amended as follows:

(a) by deleting, in subsection (a), the words "biennially, or such less frequent intervals as the Council may determine" and inserting in lieu thereof the words "at intervals of not less than five nor more than ten years", and

(b) by deleting, in subsection (a), the word "and", and adding the following new subsections after subsection (b):

(c) advise the President on water and related land resources investments, including planning, research, data collection and development; periodically compile for each of the regions past and current year funding levels of Federal, State and local governments for water and related land resources programs—such compilation to include in the case of the Federal Government, all Federal and federally assisted water and related land resources funding of Member agencies of the Council; and compare, at periodic intervals, the regional distributions reflected in historic funding for Federal and federally assisted water and related land programs with the regional distributions implicit in the future water needs for the people in each of the regions identified in the Council's periodic assessments of the Nation's water resources.

(d) review individual project studies to assure compliance with the principles and standards established under Section 103 of PL 89-80, as amended, and other laws and requirements related to the water resources project planning process. Such review shall normally be completed within 60 days of submission by an agency of a report, proposal or plan. When documents and information necessary for the review are not initially submitted, the Chairman of the Council may extend the review period by not more than 30 days. Projects for which a construction start has been funded prior to the effective date of this act are exempted from this review.

(e) To the extent possible consistent with agency statutory requirements, identify and resolve conflicting regulations controlling water and related land resources programs of the Council Member and Associate Member agencies.

SEC. 203. The Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is amended by inserting after the present section 105 a new section 106 to read as follows:

SEC. 106. (a) There is hereby established a State Advisory Committee (hereinafter referred to as the "State Committee") which shall be composed of eight Members selected by the Chairman of the Council from persons recommended by the governing body of the National Governors' Association to provide for broad national representation in the area of water management. Attention shall be given to balancing of regional interests in selection of the Committee.

(b) When authorized by the Chairman of the Council, the travel and other expenses of participation as members of the State Committee may be reimbursed by the Council.

TITLE III

SEC. 301. Section 202 of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is amended as follows:

(a) by deleting, in subsection (a), the word "President" and inserting in lieu thereof the words "Chairman of the Council", and

(b) by deleting, in subsection (c) the words "When deemed appropriate by the President, one member, who shall be appointed by the President," and inserting in lieu thereof the words, "One member appointed by the Chairman of the Council".

SEC. 302. Section 206 of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is amended by deleting in subsection (c) the word "President" and inserting in lieu thereof the words "the Chairman of the Council."

TITLE IV

SEC. 401. Section 401 of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is amended by inserting after the present subsection 401(c), a new subsection 401(d) to read as follows:

"(d) The sum of $118,000 for fiscal year 1980 and $118,000 for fiscal year 1981 for the expenses of the Chairman of the Council, and the sum of $132,000 for fiscal year 1980 and $132,000 for fiscal year 1981 for the expenses of the State Committee and its Chairman."

SEC. 402. The Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is amended by adding after section 404, a new section 405 to read as follows:

"SEC. 405. Notwithstanding any other provision of law, Federal appropriations for water and related land resource management studies to be conducted by and through the Council shall be made to the Council and the Council shall be responsible for assigning studies and apportioning funds: *Provided*, That for studies administered by the Commission, such funds shall be assigned through the Council offices to said Commission."●

By Mr. GRAVEL (by request):

S. 1640. A bill to extend certain authorities of the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs, and for other purposes; to the Committee on Environment and Public Works.

WATER RESEARCH AND DEVELOPMENT AMENDMENTS ACT OF 1979

● Mr. GRAVEL. Mr. President, I am today introducing by request, the Water Research and Development Amendments Act of 1979. This legislation will make necessary adjustments in Public Law 95-467, the Water Research and Development Act of 1978, and in Public Law 95-84, Saline Water Conversion Act of August 2, 1977.

On March 27, the President submitted to the Congress a report on the state of the Union with regard to science and technology. He spoke of the influence which science and technology have had on our lives in the last hundred years, and of what we expect of our scientists and engineers in the years ahead. He proposed working with the Congress to develop a national science and technology policy for the 1980's and beyond, and he presented an overview of the research and development programs supported by the Federal Government and the funding levels for these programs in his 1980 budget request. He asked for nonpartisan support for these research and development programs aimed at solving critical national and international problems.

One vital portion of the President's statement concerning increasing pressures on our limited water supplies, and the need for basic research and the application of appropriate new technologies to solve water problems. Last year, Senator DOMENICI and I introduced, at the request of the President, S. 2704, the Water Research and Development Act. That legislation was reviewed by the Subcommittee on Water Resources, Committee on Environment and Public Works, and by our colleagues in the House of Representatives.

With some amendments, the bill passed and was signed by the President in October of last year. The law renews and enlarges the scope of two earlier water resources research programs, and authorizes the Secretary of the Interior to develop a 5-year agenda for national water research priorities and goals. When he signed the bill, the President said:

> It brings together two important concerns of mine: greater support for basic research and a vigorous search for practical ways to solve the increasing problems of water quality and quantity in various parts of the nation.

Those concerns of the President are concerns shared by many Members.

The programs authorized in the Water Research and Development Act are being carried out by the Office of Water Research and Technology in the Department of the Interior. For the most part, the new law is working well, and promises a stronger and better coordinated Federal-State effort to resolve water problems at local, State, and national levels. However, as is often the case, operation of the new legislation has revealed the need for minor adjustments to make the program work more efficiently.

The amendments I am introducing today will extend the authority for appropriations for 2 additional years, and will provide refinements to both the Water Research and Development Act of 1978 (Public Law 95-467) and to the saline conversion legislation which was passed as the act of August 2, 1977 (Public Law 95-84).

Public Law 95-467 now requires the

State water research and technology institutes to review all proposals from colleges and universities under title I of the act. The proposed amendment would delete that provision and authorize the Secretary to require Institute review of all proposals under the act for relevance to water resource research, development and technology transfer needs and priorities within the originating State. This would provide the Secretary with information needed to develop a 5-year national water research agenda with assurance of coordination of effort at the State level.

Under the law as it now stands, the Office of Water Research and Technology operates a matching grant program for water research and development. This program is conducted through the Institutes and is open only to academic researchers. The proposed amendment would open this research matching grant program to State and local government agency researchers. A broader program would encourage the submission of problem-oriented proposals and new concepts. Local water agencies are directly and immediately concerned with water problems as they arise, and their inclusion in this program would help to coordinate State and local water agency R. & D. with the Institute and other academic R. & D. programs.

Section 411 of Public Law 95-467 now requires that "any rules, regulations, guidelines, interpretations, orders, or requirements of general applicability" be transmitted to the Congress for a 30-day review period. The requirement is so all-encompassing that it has slowed the execution of the program.

The amendment proposed would require congressional review only for formally promulgated rules and regulations.

Finally, these amendments would provide for 2 additional fiscal years the authority for appropriations of "such sums that may be necessary" to carry out the provisions of the act.

The act of August 2, 1977, as amended, authorizes the construction of "no more than five" desalination demonstration plants, and makes specific requirements for in-kind contributions by local non-Federal entities of water rights, power source interconnections, water supplies, rights-of-way and brine disposal facilities. The proposed amendment would remove the limitation on the number of plants which could be constructed at the authorized level of $50 million. OWRT has completed a study of the initial 37 sites proposed by State water engineers as locations for these demonstration plants. Every one of the sites proposed was found by the study to be suitable for such a demonstration and to present a clear need for the new technology.

This nationwide study revealed the opportunity for an increased number of smaller and less expensive demonstrations, distinctly different from one another yet representative of water problems present or developing in many parts of the Nation. Failure to take advantage of this opportunity will limit the program to the demonstration of less than an adequate number of technologies or combinations of technologies.

The proposed amendment assumes that a greater number of demonstrations could be constructed under the existing authorization of $50 million. The Federal demonstration and technology transfer goals would be more fully met in this way. Although operation and maintenance costs to the Federal Government are now covered in an open-ended authorization, it is believed that even those O. & M. costs could be covered within the $50 million for these more numerous but smaller scale plants.

Finally, the proposed amendment would further modify Public Law 95-84 by providing a more flexible and practical cost-sharing plan. Currently, the cost sharing required to be performed by the local community is uneven, varying in actual contribution according to the site conditions at the location selected and according to the economic capability of the community to provide brine disposal. The proposed amendment calls for cost sharing by the non-Federal entity to the extent of at least 15 percent but not more than 50 percent of the total cost of the demonstration, based on all elements required to be provided by the community or the United States under the present law.

Costs for operation and maintenance for a period of 4 years following final acceptance of the plant from the contract would be considered as part of the total project cost. Contributions of the non-Federal entity could still be partially or fully in-kind. This would not necessarily put a heavier burden on the non-Federal entity, but it would allow greater flexibility in arrangements by the contacting parties. The local community would be realistically involved in planning, construction, operation and maintenance for the entire demonstration period, and would presumably be better prepared to take over from the Federal Government at the end of the demonstration period.

In addition, the Secretary would be authorized under the proposed amendments to conduct the demonstration through cooperative agreements where appropriate. Title in such cases would be vested in the non-Federal entity, but the Secretary would retain full access during all 4 years of Federal participation in the operation and maintenance.

Mr. President, these amendments will make the Water Research and Development Act of 1978 (Public Law 95-478) and the act of August 2, 1977 (Public Law 95-84) more effective laws. I have been assured by the administration that the legislative changes are consistent with the President's program.

I ask unanimous consent that the proposed amendments be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1640

That the Water Research and Development Act of 1978 (PL 95-467 92 Stat. 1305), and the Act of August 2, 1977 (PL 95-84; 91 Stat. 400) as amended, are hereby further amended as follows:

SEC. 1. In section 101(b)(5) of the Water Research and Development Act of 1978 delete current provisions and replace with the following: "The Secretary is authorized to require State Institutes to review grant and contract proposals originating within their respective States pursuant to any program under this Act, and such review shall be for the purpose of advising the Secretary of the relevance of such proposals to water resources research, development, and technology transfer needs and priorities within the originating State."

SEC. 2. Section 105(a) of the Water Research and Development Act of 1978 is amended by deleting all after "projects by two or more institutes" and inserting the following: "Any State or local government agency or academic institution is eligible to participate in the matching grant program activities of their State Institute if in the opinion of the Secretary it has competence to participate in the program. Applications by such agencies or institutions shall be made through the State Institute. Each application for a grant pursuant to this subsection shall, among other things, state the importance of the project to the nation, region, and State concerned, its relation to other known research projects theretofore pursued or currently being pursued, and the extent to which it will provide opportunity for training in water resources. No grant shall be made under this subsection except for a project approved by the Secretary, and all grants shall be made on the basis of the merit of the project, the need for the knowledge which it is expected to produce when completed and the opportunity it provides for training in water resources."

SEC. 3(a). Section 401 of the Water Research and Development Act of 1978 is amended as follows:

(1) In paragraph (a)(1) following September 30, 1980 add "and such sums as may be necessary for fiscal years 1981 and 1982."

(2) In paragraph (a)(2) following September 30, 1980 insert: "and such sums as may be necessary for fiscal years 1981 and 1982."

(3) In paragraph (b) following $8,500,000 insert "and such sums as may be necessary for fiscal years 1981 and 1982."

(4) In paragraph (c) following $8,000,000 insert "and such sums as may be necessary for fiscal years 1981 and 1982."

(5) In paragraph (d) following $1,000,000 insert "and such sums as may be necessary for fiscal years 1981 and 1982."

(b) In section 402 of the said Act, following $14,000,000 insert "and such sums as may be necessary for fiscal years 1981 and 1982."

(c) In section 403, following September 30, 1980, insert "and such sums as may be necessary for fiscal years 1981 and 1982."

(c) In section 411, following the word "rules" strike the words "regulations" through "prescribed' and susbtitute "and regulations promulgated."

SEC. 4(a). Section 2(a) of the Act of August 2, 1977, (Public Law 95-84) as amended, is deleted and replaced with a new section 2(a) to read as follows:

"SEC. 2(a) The Secretary of the Interior is authorized and directed to demonstrate the engineering and economic viability of membrane and phase-change desalting processes. Such demonstrations shall include the study, design, construction, operation, and maintenance of desalting plants at locations in the United States, (which may include the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Mariana Islands, and the Trust Territory of the Pacific Islands; *Provided*, That at least two such plants shall demonstrate desalting of brackish ground water; *and provided further*, That the plants constructed pursuant to this Section shall be for the purpose of showing that the technology being demonstrated is ready for application; such plants shall be no larger

than necessary to demonstrate the specific application of the technology, shall not substitute for or supplant conventional water supply projects which are traditionally the responsibility of the local community, and shall be significantly different in operation and process so as not to duplicate any other demonstration plant constructed pursuant to this Section. The Secretary is further authorized to conduct such demonstrations or any portion thereof by means of cooperative agreements (as defined and authorized by 41 U.S.C. 504, et seq., the Federal Grant and Cooperative Agreement Act of 1977; Public Law 95-224) with duly authorized non-Federal public entities. Title to demonstration facilities constructed by the non-Federal public entity under a cooperative agreement shall vest in the non-Federal public entity."

(b) Section 2(b) of said Act is hereby amended by inserting after "but is not limited to," the phrase, "how the plant being proposed differs from others already constructed under this section," and further, by deleting all after "ancillary facilities" and inserting the following: "such report shall be accompanied by a proposed contract (or cooperative agreement) between the Secretary and a duly authorized non-Federal entity, in which such entity shall agree to provide not less than 15 percent and not more than 50 percent of the total cost of the demonstration; such cost to include, without being limited to necessary water rights, water supplies, rights-of-way, power source interconnections, brine disposal facilities, land, construction, ancillary facilities, and the operation and maintenance costs for a period of four years following final acceptance of the construction of the plant from the plant contractor. The contributions of the non-Federal entity under such proposed contract may be in-kind. During the participation by the Secretary in the construction and the operation and maintenance of such demonstration, access to the demonstration and its operating data will not be denied to the Secretary or his representatives. The period of participation by the Secretary in the operation and maintenance of any such demonstration shall not exceed four years. The Secretary is authorized to include in the proposed contract a provision for conveying as appropriate, and in such amounts as are appropriate, rights, title, and interest of the Federal government in the demonstration project to the non-Federal public entity."

(c) Section 2(c), as amended, of said Act, is revised to read as follows: "There is authorized to be appropriated, to remain available until expended, for the fiscal year ending September 30, 1978, and thereafter, the sum of $50,000,000 to finance the total Federal share of the cost of the demonstration plants authorized by this section; such cost to include, without being limited to, necessary water rights, water supplies, rights-of-way, power source interconnections, brine disposal facilities, land, construction, ancillary facilities, and the operation and maintenance costs for the four-year period of Federal participation in such costs. Section 205(c) of the Act of October 17, 1978 (Public Law 95-467) is hereby repealed."●

By Mr. GRAVEL (for himself, Mr. HATFIELD, Mr. MCGOVERN, Mr. BURDICK, Mr. BENTSEN, Mr. RANDOLPH, and Mr. COHEN):

S. 1641. A bill authorizing the Secretary of the Army, acting through the Chief of Engineers, to plan, design, and construct small hydroelectric power projects not specifically authorized by the Congress; to the Committee on Environment and Public Works.

NATIONAL SMALL HYDROELECTRIC POWER DEVELOPMENT ACT OF 1979

● Mr. GRAVEL. Mr. President, today I join my distinguished colleague from Oregon, Senator MARK O. HATFIELD, in introducing legislation which will authorize the Secretary of the Army, acting through the Chief of Engineers, to plan, design, and construct small hydroelectric power projects. Joining with Senator HATFIELD and me in sponsoring this legislation are Senators MCGOVERN, BURDICK, BENTSEN, COHEN, and RANDOLPH.

Under this legislation, each project would not exceed 25 megawatts in installed capacity and would be limited to $15 million in Federal cost. A duly constituted non-Federal entity would contract with the Secretary of the Army to own and operate these facilities as well as pay back 100 percent of the cost of the project, including interest, over a 50-year period. The total Federal program would be limited to $75,000,000 in any one fiscal year.

Recent events both at home and around the world dictate that we develop alternate energy sources. The fall of the Shah's government in Iran, the near catastrophic accident at Three Mile Island, and the escalating cost of OPEC oil have drastically impacted our Nation's energy production and threatens to send this country into a major recession. We must take steps to reduce our dependence on foreign oil and our future total dependence on fossil fuels.

Senator HATFIELD and I feel the development of small scale hydroelectric power is the first step. Energy, today, is our Nation's No. 1 priority. The economic stability of this country depends on a reliable energy supply. Hydroelectric power is the cleanest source of electrical energy available today. It is essentially a product of solar energy.

The poor and middle-class American incomes stand to suffer the most from higher electricity costs. Hydropower is a source of energy which is immune to rising fuel costs, it is entirely renewable. It could be made a significant factor in maintaining constant future electricity costs for those low-income communities located near hydro sites. Excellent sites exist everywhere in the United States, from Alaska to Florida and from Hawaii to Maine.

Escalating oil prices, the uncertain future of nuclear power as well as increasing environmental pressure to regulate the coal industry, and nuclear and thermal power production point to small hydroelectric power development as the immediate step we must take.

Senator HATFIELD and I join with our cosponsors in urging our colleagues in the Congress to consider and support this important piece of legislation.●

● Mr. HATFIELD. Mr. President, I am pleased to join Senator GRAVEL in introducing legislation to promote development of small-scale hydroelectric dams through the country. We are joined by Senators MCGOVERN, RANDOLPH, BURDICK, BENTSEN, and COHEN.

Mr. President, the construction of so-called low-head dams for the purpose of generating electricity has considerable potential for making a significant contribution to our energy requirements. While the extent of the resource is unknown, and there are many unresolved questions about how to develop it, there is a consensus across the country that small-scale hydro is a clean energy resource that should be utilized. Small towns and industries in particular could benefit greatly.

The bill provides a continuing authority for the Corps of Engineers to construct, pursuant to an agreement with local interests, small-scale hydroelectric projects of not to exceed 23 megawatts in capacity and $15,000,000 in Federal costs. Continuing authority will enable the Chief of Engineers to proceed with feasible, environmentally sound projects without waiting for specific congressional authorization for each one. Since we have had only two omnibus authorization bills in the past decade, this provision is necessary to expedite valuable energy production.

The sponsoring local interests would take over the operation and maintenance of the project, once completed, and use the power revenues to repay the Federal Government cost, with interest, over the life of the project. Saddled with this requirement, local interests will be sure they have a feasible, economic project with a market for the power produced before approaching the corps.

Mr. President, I believe the program this bill authorizes can make a substantial contribution to our energy needs. It is flexible, responsive to local interests, and results in no cost to the Federal Government. I commend Senator GRAVEL for this legislation, and urge my colleagues to join us in moving it through the Senate and on to enactment.●

By Mr. SCHWEIKER:

S. 1642. A bill to amend title VII of the Public Health Service Act, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH PROFESSIONS TRAINING AMENDMENTS OF 1979

Mr. SCHWEIKER: Mr. President, today I am introducing a bill entitled the "Health Professions Training Amendments of 1979." This legislation was created in response to the rapidly increasing cost of obtaining a health professions education; a cost that is beginning to impose a serious financial burden on all but the most affluent families. The provisions of this bill seek to expand student eligibility, modify interest subsidies and extend the repayment periods for federally funded or insured loans for health professions students.

The cost of training for a career in the health professions is escalating rapidly due to increasing tuition levels—a problem soon to be aggravated by the phaseout of capitation grants to the schools—increases in other educational fees, and inflation in the cost of living. During the academic year just completed (1978–79) there were 126,000 students enrolled in the seven categories of health professions schools.

The cost of tuition alone for these students was $387.8 million and their total costs exceeded $800 million. The Federal, State, and private programs that provide the vast majority of financial aid, through loans and scholarships, to health professions students made approximately $250 million available in 1978–79.

As student costs climb rapidly, the funds provided by some of these sources have declined; for example, student loans from the health professions student loan program have fallen from $36 million in 1974 to $18 million in 1978–79. It is obvious that the amount of educational and living expenses that students must provide from personal and family sources is increasing. This occurs at a time when commercial, nonfederally subsidized loans carry progressively higher interest rates. In addition, lenders for the most part are disinterested in making student loans without Federal guarantees or very high interest rates.

The current Federal policy for health professions student assistance centers on two mechanisms: First, scholarships such as the National Health Service Corps or the Armed Forces program both of which require Federal service in return for student aid; and second, the new Health Education Assistance Loan program (HEAL) with high interest rates that must either be paid during school and postgraduate training, or accrue and compound resulting in an enormous financial burden to be repaid during the early years when a newly trained professional is attempting to establish a career and a family.

At least two negative outcomes can be predicted as a result of increased educational costs and these current trends in financial assistance. First, many capable students from diverse socioeconomic, racial and ethnic backgrounds will be dissuaded from pursuing health careers. This will occur at a time when our health care system needs increased participation by minority groups, women and financially disadvantaged persons. A second problem is the potential for medical and dental students, who incur large debts for their college and professional education, to select practice and specialty locations that offer high financial rewards, regardless of the need for more manpower in these areas. This will clearly be detrimental to our efforts to increase the number of primary care providers and redistribute providers to rural and inner-city shortage areas.

I believe that our legislative goals for health manpower in the 1980's should include a student assistant program that ensures: First, equal access to health careers for qualified students of diverse backgrounds; second, the provision of financial aid at reasonable interest rates for all health professions students; and third, that our objective of balanced speciality and geographical distribution of health providers will not be undermined by financial considerations.

I urge my colleagues to look carefully at the legislation I am introducing today, as a first step in meeting these goals. The Health and Scientific Research Subcommittee will be considering the reauthorization of the Health Manpower Act later this year, and at that time I will have further recommendations concerning the other types of Federal financial assistance for health manpower training. The Health Professions Training Amendments of 1979, will be a first step in restructuring the federally insured loans programs which will play an ever-increasing role in the financing of health professions education.

The Schweiker Health Professions Training Amendments of 1979 would:

First. Eliminate the provision that prohibits students with HEAL loans from obtaining other Federal student loans (HPSL, GSLP, et cetera).

Second. Establish a Federal interest subsidy for HEAL loans so that interest does not accrue on the amount of the loan until the student has finished his or her residency training (7 year limit).

Third. Permit each school to set criteria for awarding the campus-based Health Professions Student Loans (eliminating the strict DHEW financial need criteria); and reauthorize this program through 1983.

Fourth. Extend the HPSL repayment period from 10 to 15 years and permit the Secretary of HEW to authorize loan forgiveness for service in health care fields determined to lack adequate health manpower, as well as shortage areas.

Fifth. Reauthorize the Exceptional Financial Need Scholarship Program through 1983.

By Mr. DURENBERGER:

S. 1643. A bill to amend title II of the Social Security Act to provide better work incentives in the disability insurance program, and for other purposes; to the Committee on Finance.

AN ALTERNATIVE FOR LONG-TERM DISABLED PERSONS

Mr. DURENBERGER. Mr. President, throughout the history of our country Congress has designed a multitude of social service programs to care for people who need assistance. In our efforts to provide for the financial needs of our citizens, however, we have too often ignored their need for self-respect. One of the most glaring examples of the shortcomings of our assistance programs is our aid to severely disabled persons.

I am introducing a bill today to correct this serious drawback in our assistance to the disabled person. This bill will remove the provisions under social security law that discourage the severely disabled person from seeking employment. The bill will also make it possible for both the public and private sectors to develop and implement innovative programs to help engage in meaningful, long-term employment.

Experts in the field of rehabilitation know the value of employment for the disabled person. They also know the difficult problems that exist for the disabled person who seeks a job and, in so doing, jeopardizes the necessary health and financial benefits he or she receives under the various public and private programs.

Widely recognized and most important is the fact that social security programs, which provide monthly payments and medical protection, include highly restrictive provisions that discourage and often prevent people from attempting gainful work. Examples of these inhibitive provisions are:

The low earning level constituting substantial gainful activity;

Two consecutive years of receiving social security disability benefits required for medicare eligibility;

One trial work period lasting 9 months, and applicable once in a person's lifetime; and

Reentitlement to financial and medical benefits necessitates a second waiting period, similar to the initial entitlement to benefits.

We can and must do more for people who are disabled. We must change the restrictive provisions and promote improvements in the law to encourage employers to provide employment alternatives to severely disabled persons. These programs can be successful ventures for both the employer and employee, as one example demonstrates.

In January 1978, Control Data Corporation, headquartered in Minneapolis, developed Project "Homework." Homework is a homebound employment program made possible through Control Data's computer-based education system called Plato. Through "Homework," a select group of Control Data's permanently and totally disabled employees have reentered the world of work.

Due to the encouraging results of the Homework experiment within Control Data, other major corporations within the United States have expressed an interest in having Control Data help them establish a Homework program for their company's disabled employees.

The most significant obstacle Homework has encountered since its inception is the disincentives currently contained in the Social Security regulations and law. Even though each Homeworker has been declared permanently and totally disabled by social security, the mere fact that each person attempts to work potentially leads to a discontinuation of all financial and medicare benefits.

Mr. President, my bill contains a number of provisions designed to encourage beneficiaries to attempt to return to work and leave the disability rolls. These provisions:

Authorize the Social Security Commissioner to develop and carry out demonstration projects designed to encourage work activity by disabled beneficiaries;

Provide that extraordinary expenses needed to permit a severely disabled person to return to work would not be counted as a part of the amount of earnings (current substantial gainful activity (SGA) level is $280 per month) that cause the person to lose benefits;

Extend the present 9-month trial work period to 24 months. In the last 12 months of the 24-month period, the individual would not receive benefits if he or she earned over the SGA amount, but would retain his or her eligibility for benefits if he or she finds he must return to the disability rolls;

Allow disabled widows and widowers to have the benefit of the trial work period;

Extend Medicare coverage for an additional 36 months to beneficiaries who have gone back to work but have been suspended or terminated from benefit status as a result of substantial earnings; and

Eliminate the second 24-month waiting period for Medicare which a beneficiary presently must undergo if he or she tries to return to work but then finds he or she must return to the disability rolls.

Mr. President, Congress must pass this legislation and give special consideration for research and demonstration authority to the public and private sectors. This would be a positive step toward saving taxpayers money in two respects:

It will produce general tax revenue from earnings realized by disabled persons.

It will reduce the payout of benefits made by social security.

Even more important, making it possible for disabled people to work means increased self-esteem, greater independence and a feeling of self-worth for disabled people.

Mr. President, I am emphasizing in my bill the need for a variety of experiments and demonstration projects conducted throughout the country to provide sufficient evidence for Congress to translate into permanent legislation at a later date the best lessons of these experiments.

I ask unanimous consent that a section-by-section analysis of the bill, a description of Homework and the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the Disability Insurance Amendments of 1979".

TABLE OF CONTENTS

Sec. 1—Short Title.
Sec. 2—Work Incentive—SGA Demonstration Project
Sec. 3—Extraordinary Work Expenses Due to Severe Disability
Sec. 4—Provision of Trial Work Period for Disabled Widows and Widowers. Extension of Entitlement for Disability Insurance and Related Benefits
Sec. 5—Elimination of Requirement that Months in Medicare Waiting Period be Consecutive

WORK INCENTIVE—SGA DEMONSTRATION PROJECT

SEC. 2(a) The Commissioner of Social Security shall develop and carry out experiments and demonstration projects designed to determine the relative advantages and disadvantages of various alternative methods of treating the work activity of disabled beneficiaries under the old-age, survivors, and disability insurance program, including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of disabled beneficiaries.

(b) The experiments and demonstration projects developed under subsection (a) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration while giving assurance that the results derived from the experiments and projects will obtain generally in the operation of the disability insurance program without committing such program to the adoption of any prospective system either locally or nationally.

(c) In the case of any experiment or demonstration project under subsection (a), the Secretary may waive compliance with the benefit requirements of titles II and XVIII of the Social Security Act insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least ninety days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner of Social Security to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a).

(d) The Commissioner of Social Security shall submit to the Congress no later than January 1, 1983, a final report on the experiments and demonstration projects carried out under this section together with any related data and materials which he may consider appropriate.

(e) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j) Expenditures made for experiments and demonstration projects under section 2 of the Disability Insurance Amendments of 1979 shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Secretary.".

EXTRAORDINARY WORK EXPENSES DUE TO SEVERE DISABILITY

SEC. 3. Section 223(d)(4) of the Social Security Act is amended by inserting after the third sentence the following new sentence: "In determining whether an individual is able to engage in substantial gainful activity by reason of his earnings, where his disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, there shall be excluded from such earnings an amount equal to the cost (to the individual) of any attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions."

PROVISION OF TRIAL WORK PERIOD FOR DISABLED WIDOWS AND WIDOWERS; EXTENSION OF ENTITLEMENT TO DISABILITY INSURANCE AND RELATED BENEFITS

SEC. 4(a)(1). Section 222(c)(1) of the Social Security Act is amended by striking out "section 223 or 202(d)" and inserting in lieu thereof "section 223, 202(d), 202(e), or 202(f)".

(2) Section 222(c)(3) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof ", or, in the case of an individual entitled to widow's or widower's insurance benefits under section 202(e) or (f) who became entitled to such benefits prior to attaining age 60, with the month in which such individual becomes so entitled.".

(3) The amendments made by this subsection shall apply with respect to individuals whose disability has not been determined to have ceased prior to the date of the enactment of this Act.

(b)(1)(A) Section 223(a)(1) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof "or, if later (and subject to subsection (e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A).".

(B) Section 202(d)(1)(G) of such Act is amended—

(i) by redesignating clauses (i) and (ii) as clauses (I) and (II), respectively.

(ii) by inserting "the later of (i)" immediately before "the third month", and

(iii) by striking out "or (if later)" and inserting in lieu thereof the following: "or, if later, and subject to section 223(e), the fifteenth month following the end of such individual's trial work period dertemined by application of section 222(c)(4)(A)), or (ii)".

(C) Section 202(e)(1) of such Act is amended by striking out the period at the end and inserting in lieu thereof the following: "or, if later (and subject to section 223(e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(v)(4)(A).".

(D) Section 202(f)(1) of such Act is amended by striking out the period at the end and inserting in lieu thereof the following: "or, if later (and subject to section 223(e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(c)(4)(A).".

(2) Section 223 of such Act is amended by adding at the end thereof the following new subsection:

"(e) No benefit shall be payable under subsection (d), (e), or (f) of section 202 or under subsection (a)(1) to an individual for any month after the third month in which he engages in substantial gainful activity during the 15-month period following the end of his trial work period determined by application of section 222(c)(4)(A).".

(3) Section 226(b) of such Act is amended—

(A) by striking out "ending with the month" in the matter following paragraph (2) and inserting in lieu thereof "ending (subject to the last sentence of this subsection) with the month" and

(B) by adding at the end thereof the following new sentence: "For purposes of this subsection, an individual who has had a period of trial work which ended as provided in section 222(c)(4)(A), and whose entitlement to benefits or status as a qualified railroad retirement beneficiary as described in paragraph (2) has subsequently terminated, shall be deemed to be entitled to such benefits or to occupy such status (notwithstanding the termination of such entitlement or status) for the period of consecutive months throughout all of which the physical or mental impairment, on which such entitlement or status was based, continues, but not in excess of 24 such months.".

(4) The amendments made by this subsection shall apply with respect to individuals whose disability or blindness (whichever may be applicable) has not been determined to have ceased prior to the date of the enactment of this Act.

ELIMINATION OF REQUIREMENT THAT MONTHS IN MEDICARE WAITING PERIOD BE CONSECUTIVE

SEC. 5. (a)(1)(A) Section 226(b)(2) of the Social Security Act is amended by striking out "consecutive" in clauses (A) and (B).

(B) Section 226(b) of such Act is further amended by striking out "consecutive" in the matter following paragraph (2).

(2) Section 1811 of such Act is amended by striking out "consecutive".

(3) Section 1837(g)(1) of such Act is amended by striking out "consecutive".

(4) Section 7(d)(2)(ii) of the Railroad Retirement Act of 1974 is amended by striking out "consecutive" each place it appears.

(b) Section 226 of the Social Security Act is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) For purposes of subsection (b) (and for purposes of section 1837(g)(1) of this Act and section 7(d)(2)(ii) of the Railroad Retirement Act of 1974), the 24 months for which an individual has to have been entitled to specified monthly benefits on the basis of disability in order to become entitled to hospital insurance benefits on such basis effective with any particular month (or to be deemed to have enrolled in the supplementary medical insurance program, on the basis of such entitlement, by reason of section 1837(f)), where such individual had been entitled to specified monthly benefits of the same type during a previous period which terminated—

"(1) more than 60 months before that particular month in any case where such monthly benefits were of the type specified in clause (A)(i) or (B) of subsection (b)(2), or

"(2) more than 84 months before that particular month in any case where such monthly benefits were of the type specified in clause (A)(ii) or (A)(iii) of such subsection,

shall not include any month which occurred during such previous period.".

(c) The amendments made by this section shall apply with respect to hospital insurance or supplementary medical insurance benefits for months after the month in which this Act is enacted.

SECTION-BY-SECTION ANALYSIS OF THE BILL

WORK INCENTIVE-SUBSTANTIAL GAINFUL ACTIVITY DEMONSTRATION PROJECT

Section 2(a) of the bill directs the Commissioner of Social Security to develop and carry out experiments and demonstration projects to determine the relative advantages and disadvantages of alternative methods of treating work activity of social security disability beneficiaries including a reduction in benefits based on earnings, with the objective of encouraging disabled beneficiaries to return to work.

Section 2(b) provides that these projects be of sufficient scope to permit a thorough evaluation of the alternative methods under consideration without committing the disability insurance program to the adoption of any prospective system under consideration.

Section 2(c) provides that the Secretary may waive compliance with the benefit requirements of titles II and XVIII to the extent necessary to effectively carry out such projects; however, no such experiment or project can be implemented until 90 days after notification by the Commissioner of Social Security to the House Committee on Ways and Means and the Senate Committee on Finance. Periodic reports on the progress of such experiments or demonstration projects, including recommendations for changes in law or administration, shall be submitted to the committees.

Section 2(d) specifies that the Commissioner of Social Security shall submit to the Congress, no later than January 1, 1983, a final report on the experiments and demonstration projects, including appropriate related data and materials.

Section 2(e) adds to section 201 of the Social Security Act a new subsection (j) to provide that expenditures made for experiments and demonstration projects will be made from the Federal disability insurance and Federal old-age and survivors trust funds.

EXTRAORDINARY WORK EXPENSES DUE TO SEVERE DISABILITY

Section 3 of the bill amends section 223(d)(4) of the Social Security Act to provide that, where an individual's disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, an amount equal to the cost to him of necessary attendant care services (not including routine drugs and routines medical care and services unless such drugs are necessary for the control of the disabling condition), whether or not such assistance is also needed for his normal daily functions, shall be excluded from his earnings in determining whether he is able to engage in substantial gainful activity by reason of his earnings.

PROVISION OF TRIAL WORK PERIOD FOR DISABLED WIDOWS; EXTENSION OF ENTITLEMENT TO DISABILITY INSURANCE BENEFITS AND RELATED BENEFITS

Section 4 in effect extends the present 9-month trial work period to 24 months. In the last 12 months of the 24-month period, the individual would not receive cash benefits unless he finds he must return to the disability rolls. The present 9-month trial work period is insufficient as an incentive for disabled people to return to work, and wants this situation corrected. This change would preclude people who work for some time and then, because of their impairment, must stop work, from having to refile an application and having to go through the lengthy disability determination process again.

Section 4 of the bill also extends medicare coverage for an additional 36 months over existing law to disabled beneficiaries who, though not medically recovered, have returned to substantial gainful work. Under present law, people who may be able to work despite their impairment often do not try to work because of the fear of losing their monthly cash benefits and medicare coverage. They are particularly concerned they will be unable to get any public or private medical care or coverage. Thus, this provision removes the potential loss of medicare coverage as a deterrent to work effort for this substantial period.

Section 4(a) of the bill amends sections 222(c)(1) and (3) of the act to provide a trial work period to disabled widows and widowers in the same manner as provided for disabled workers. These amendments shall apply to those whose disability has not ceased prior to enactment.

Section 4(b)(1) of the bill amends sections 223(a)(1), 202(d)(1)(G), 202(e)(1), and 202(f)(1) of the Social Security Act to extend an individual's status as a disabled individual for 15 months after the completion of a 9-month trial work period, as long as he has not medically recovered Subsection (b)(2) adds a new subsection (e) to section 223 to provide that no benefits would be payable during the last 12 months of this period as long as the individual is engaging in substantial gainful activity. The effect of this amendment will be to allow an individual to return to benefit status without going through the process of reestablishing the fact that he is disabled. Subsection (b)(3) extends medicare coverage for beneficiaries who have completed a period of trial work, but who have not medically recovered, through the benefit suspension period provided in subsections (b)(1) and (b)(2) and for 24 months afterward, or if earlier, until the person medically recovers. Subsection (b)(4) provides that these amendments apply to those individuals whose disability has not been determined to have ceased prior to enactment.

ELIMINATION OF REQUIREMENT THAT MONTHS IN MEDICARE WAITING PERIOD BE CONSECUTIVE

Section 5 of the bill eliminates the requirement that a person who becomes disabled again must serve another 24-month waiting period before medicare coverage is available to him. This amendment would apply to workers becoming disabled again within 60 months, and to disabled widow(er)s and adults disabled since childhood becoming disabled again within 84 months. This would remove the present-law requirement that frequently discourages a disabled beneficiary from returning to productive employment. Also, where a disabled person was initially on the cash benefit rolls but not for 24 months and did not receive medicare coverage, the time spent in cash benefit status would count for purposes of receiving medicare coverage if a subsequent disability occurred within a certain period of time.

Section 5(a) amends section 226(b), 1811, and 1837(g)(1) of the Social Security Act, and section 7(d)(2)(ii) of the Railroad Retirement Act of 1974 by striking out the word "consecutive" wherever it appears, thereby modifying the medicare 24-month waiting period requirement so that these months need not be consecutive.

Section 5(b) further amends section 226 by adding a new subsection which provides that, for an individual who is reentitled to the same type of monthly disability benefits, the 24-month waiting period may not include any month in a previous period of disability, if (1) the individual is reentitled as a disabled worker and the previous period of disability terminated more than 60 months before reentitlement; or (2) the individual is reentitled as an adult disabled since childhood, 'or as a disabled widow or widower, and the previous period of disability terminated more than 84 months before reentitlement.

Section 5(c) provides that these amendments apply to medicare protection for months after the month of enactment.

"HOMEWORK" AN ALTERNATIVE FOR LONG TERM DISABLED PERSONS

WHAT IS HOMEWORK

Homework is a program which uses the Control Data PLATO Computer-Based Education System to both train and provide work for long-term disabled employees.

The Control Data PLATO system makes it possible for disabled employees to learn to use and program the system at home. Some Homework participants have learned to develop courseware on the PLATO system using Control Data's Create cirriculum. Others have been trained as business applications programmers using the Computer Programming and Operations curriculum.

Plato terminals and telephone connections can be conveniently installed in the home. The keyboards of the PLATO terminals can be modified to accommodate most disabled workers.

The workload of each employee is determined by the individual and his or her physician. Consultants are available on the Plato system to assist the Homeworkers.

Homework participants are being trained to return to competitive employment as educational courseware designers, developers or evaluators, and as computer programmers (since these jobs can be done from the home). Additional employment opportunities for Homework are constantly being explored.

Homework reestablishes contact and communication between a company and its employees. It provides opportunities for each employee to use skills and experience previously acquired, as well as learn new skills.

Both employers and employees profit from Homework . . . Employees return to work and employers benefit from their productivity.

A SOLUTION TO A MAJOR SOCIAL AND ECONOMIC PROBLEM

Fact: There are currently more than two million Americans who are classified as being homebound. These people are multi-handicapped, have limited mobility, are economically and socially dependent, have experienced prolonged periods of unemployment, and report that monotony and boredom are

among the most painful results of being homebound.

Fact: At one time, many of these disabled homebound people were productive and loyal employees proudly representing a company. They are now listed on corporate ledgers as employees on a long-term medical leave of absence.

Fact: It costs the taxpayers in the United States over $750 million per month to maintain 2.8 million disabled workers on Social Security Disability Insurance. This figure does not include private insurance or corporate benefits. Dependent coverage and Medicare are also an additional expense under Social Security.

HOMEWORK HELPS DISABLED PERSONS

In a seven year study on homebound employment programs sponsored by the Federation of the Handicapped and financed by HEW, several interesting findings were made. The most evident advance made by homebound persons was in relation to income. Other substantial gains observed were:

Improvement in family relations.

Higher levels of self-care.

Enhanced intellectual and cognitive functioning.

Heightened self-awareness and self-regard.

Greater involvement in community, home and leisure activities.

The program goes beyond training employees to develop courseware and programs. It has established a Plato system community and peer support group, comprised of Homeworkers nationwide.

Most importantly, Homework can give long-term disabled employees a chance to be productive once again. All want and deserve to be contributing members of society . . . and Homework makes this possible.

LEARNING FROM THOSE INVOLVED

"I think Homework is a tremendous program. I do not care if it was established to save the corporation money eventually, it is still a great program. Control Data has given my patient something I never could—a new interest in life and a new meaning. She is gloriously happy that there is a possibility to make her own way in the world again, and be independent of Government and insurance company handouts."

Statement received from a Homework participant's physician:

"Homework can bring the Plato terminal into the home and provide education, training and employment, as well as a means of communication for the disabled person. It is truly a network of disabled persons with various disabilities, learning different skills at different rates, but sharing the learning experience."

From a speech on Technology and the Handicapped presented by William C. Norris, Chairman of the Board, Control Data Corporation.

By Mr. STEVENSON:

S. 1644. A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the promulgation of regulations related to weather modification, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WEATHER MODIFICATION MANAGMENT ACT OF 1979

● Mr. STEVENSON. Mr. President, I introduce today the Weather Modification Management Act of 1979. This legislation will provide for Federal management of a 20-year coordinated program in weather modification within the Department of Commerce.

Most people take for granted the normal fluctuations in our weather. However, weather can also take the form of drought, flood, fog, hail, lightning, and severe storms such as hurricanes and tornadoes. Their devastating effects are well know. For example:

Hail causes an estimated $850 million average annual loss to U.S. crops and other property, with Illinois leading the Nation with annual losses of $315 million.

Drought conditions remained severe during 1977 in the eastern Great Plains, the northern Corn Belt, the Pacific Coast, and intermountain regions. Drought-related losses in California alone were estimated at $1.8 million, and trees valued at $30 million died in California and Alaska forests.

Fog causes air carriers to lose an estimated $80 million annually from flight delays, and highway accidents associated with fog annually cost hundreds of lives and over $300 million in damage.

More than 750 tornadoes were reported in the United States during 1978, killing 62 people and leaving thousands homeless.

Hurricanes and tropical storms take nearly 200 lives per year, and annual damage has been as high as $2.1 billion.

Weather modification has the potential to reduce or prevent these impacts on society. Emerging technologies that would enhance rainfall, increase snowpack, suppress hail and severe storms, and disperse fog may be able to provide society with substantial benefits.

In fact, the ability to dissipate cold fogs and locally increase rain and snow under certain conditions now exists. We could develop other technologies, but this requires research. Numerous studies have concluded that the past Federal effort in weather modification has been undirected, fragmented, and lean, sacrificing the potential of substantial societal benefits.

The Congress recognized these deficiencies more than 2 years ago when it passed the National Weather Modification Policy Act of 1976, Public Law 94-490. The act directed the Secretary of Commerce to develop a comprehensive and coordinated national policy on weather modification and a national program of weather modification research and development. The Secretary appointed a Weather Modification Advisory Board to help formulate the policy and program, and their recommendations were submitted last June. While we are still waiting for the Secretary's final report, I believe that the Advisory Board has done a commendable job and has provided the Congress and the public with a useful framework for a national program.

Many of the ideas embodied in the Weather Modification Management Act are from the Advisory Board's recommendations, including:

First, the Federal management structure for a national program in weather modification;

Second, the research and development effort within the program:

Third, the regulation of weather modification activities; and

Fourth, the protection of the public and the environment.

We have also benefited from previous reports by the National Academy of Sciences, the National Advisory Committee on Oceans and Atmosphere, the General Accounting Office, the Domestic Council, and the Congressional Research Service.

A key goal of this legislation is to provide better coordination and support of Federal weather modification activities. While several agencies are presently conducting useful weather modification research, their uncoordinated activities have slowed the development of usable knowledge. The first step, then, is to consolidate existing efforts into one national program under a single agency, the Department of Commerce. The program will use existing Federal resources, as well as the knowledge and experience of State agencies, private contractors, professional societies, and universities.

A Director of the national weather modification management program will supervise and coordinate the research and regulatory functions of the program. An Advisory Council will lend its expertise to the Director and the Secretary of Commerce to help in implementing the policies and provisions of the act. The Council will consist of recognized experts from the various disciplines related to weather modification.

The present regulations concerning weather modification are a patchwork with no uniformity among the State laws. Because weather does not respect political boundaries, we need to establish some base regulations for licensing those who want to modify the weather. First, this legislation provides for developing a licensing system for weather modification operators that is similar to the one examining the qualifications of airplane pilots. The licensing system will promote uniformity without being burdensom and will allow States to enact stricter regulations. In addition to the licensing system, a set of operating practices will also be developed, and this will serve as standards for all Federal weather modification activities and as guidelines for the non-Federal activities. Finally, existing reporting rquirements of weather modification activities will be strengthened.

A national program must maintain adequate protection to the public and the environment, and an informed society is a fundamental aspect of this protection. This bill requires that State and local governments and other affected groups be consulted before any program activity is begun. Together with the operating practices and the licensing and reporting requirements, the consultation provision will help to insure that weather modification activities are conducted safely and with adequate consideration of the economic, environmental, and legal impacts of such efforts.

To insure prompt consideration of a long-needed national effort in weather modification, I plan hearings in the fall on this bill and S. 829, the Weather Resources Management Act of 1979, introduced by Senator BELLMON. At that time we will examine the various approaches proposed in the bills.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Weather Modification Management Act of 1979".

FINDINGS

SEC. 2. The Congress finds that—

(1) the atmosphere belongs to no single person, interest or nation;

(2) weather produces both beneficial and harmful consequences for individuals and society;

(3) the management of weather resources may soon be technically possible and benefits may be realized from the prudent use of emerging technologies in weather modification;

(4) long-term, systematic research is required to realize the benefits of weather modification and to understand the impacts from unintentional weather modification;

(5) a parallel effort is needed to understand the economic, environmental, legal, and societal effects of weather modification;

(6) research competence and operational experience in weather modification is found in universities, private contractors, user groups, and State and local governments, as well as in the Federal Government;

(7) the United States lacks a well-defined and coordinated program in weather modification, and a lack of Federal leadership has slowed the development of science and technology in this field; and

(8) because of the potential wide-spread impact from weather modification activities and the non-uniformity of State laws regulating such activities, the Federal Government should establish a basic framework for regulating and reporting certain aspects of weather modification activities.

POLICY

SEC. 3. The Congress declares that it is the policy of the United States that—

(1) the United States should develop the capability to manage weather resources;

(2) the development of this capability should occur under the direction of the Federal Government;

(3) the capability in weather modification should be designed to provide the maximum benefits with minimum adverse economic, environmental, and societal effects;

(4) the resources of non-Federal entities should be utilized in developing a weather modification capability;

(5) the Federal Government has responsibility for advancing knowledge of weather modification in the United States, but its regulatory activities should be limited to those essential to the national interest; and

(6) international cooperation in weather modification should be encouraged.

PURPOSE

SEC. 4. The purpose of this Act is to establish and provide for Federal management of a 20-year coordinated research program in weather modification within the Department of Commerce, that includes—

(1) research and experiments to develop weather modification technologies;

(2) licensing weather modification operations;

(3) reporting weather modification activities;

(4) promotion of technology transfer and uniform operating standards with States and private contractors; and

(5) protection of the public and the environment.

DEFINITIONS

SEC. 5. As used in this Act, the term—

(1) "Council" means the Weather Modification Advisory Council as established in section 7;

(2) "Director" means the Director of the National Weather Modification Management Program, appointed pursuant to section 6;

(3) "Program" means the National Weather Modification Management Program, as established in section 6;

(4) "Secretary" means the Secretary of Commerce;

(5) "State" means any State of the United States, the District of Columbia, or any Commonwealth, territory, or possession of the United States;

(6) "weather modification" means any artifically-produced change in the composition, behavior, or dynamics of the atmosphere, when such change is produced with the intent to alter the weather; and

POLICY

(7) "weather modification activity" means the use of any device, chemical, or other substance for the purpose of deliberately producing weather modification.

NATIONAL WEATHER MODIFICATION MANAGEMENT PROGRAM

SEC. 6. (a) ESTABLISHMENT.—There is hereby established, within the Department of Commerce, a National Weather Modification Management Program with the purposes of understanding, developing, improving, and managing weather modification technologies in accordance with the provisions, policies, and purposes of this Act.

(b) PROGRAM ELEMENTS—The Program shall include, but not be limited to, the following elements—

(1) basic and applied research to understand the atmospheric processes related to weather modification;

(2) research on unintentional weather modification that results from society's use of land, water, and energy;

(3) experimental activities designed to test the findings of these research efforts and to demonstrate the feasibility of new operational methods;

(4) technical and financial assistance to universities, private contractors, user groups, and State and local governments, as provided in section 11;

(5) investigation of the economic environmental, legal, and societal effects from weather modification;

(6) operating practices that will serve as standards for all Federal weather modification activities and as guidelines for private and other non-Federal weather modification activities;

(7) a system for licensing all individuals having responsibility to design or perform any weather modification activity, as provided in section 8;

(8) a procedure for reporting all weather modification activities, as provided in section 9; and

(9) a 5-year plan for the management of weather modification activities by the Federal Government. Each 5-year plan shall identify—

(A) goals and priorities for the Program;

(B) Program activities and accomplishments needed to ensure that Program goals are met within the time frame established by the plan; and

(C) Federal funding necessary for the Program to achieve such goals.

Such a plan shall be submitted to the Congress not later than 1 year after the date of enactment of this Act, and shall be revised and extended annually.

(c) DIRECTOR.—The Secretary shall appoint a Director of the National Weather Modification Management Program. The Director shall be an individual who possesses recognized management ability in government operations and research and development projects. The Director shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(d) DUTIES.—In addition to any other duty prescribed by law or assigned by the Secretary, the Director shall—

(1) be responsible for planning and implementing the Program;

(2) secure and direct the services of a qualified professional staff and such other assistance as necessary to carry out the provisions, policies, and purposes of this act;

(3) utilize the expertise of the Weather Modification Advisory Council, as established in section 7, universities, private contractors, State and local governments, and professional societies;

(4) consult and cooperate with those State and local governments and other interested groups which are likely to be affected by or which are likely to affect Program activities;

(5) promote the dissemination of research and experimental results and the adoption of uniform operating standards by the States;

(6) with the assistance of the Secretary of State, encourage cooperation with other countries to exchange information, participate in international activities and enter into agreements; and

(7) assist in the preparation of the biennial report, as required in section 10.

WEATHER MODIFICATION ADVISORY COUNCIL

SEC. 7.—

(a) ESTABLISHMENT.—The Secretary shall establish a Weather Modification Advisory Council.

(b) DUTIES.—The Council shall advise the Secretary and the Director with respect to—

(1) planning, development, and implementation of the National Weather Modification Management Program, including—

(A) formulating and conducting research and experimental activities;

(B) developing operating practices;

(C) establishing an operator licensing system; and

(D) establishing reporting requirements.

(2) Preparing the biennial report, as required in section 10; and

(3) such other matters as the Council determines to be of importance and related to the provisions, policies, and purposes of this act.

The Director shall make available to the Council such information, personnel, and administrative services and assistance as may be reasonably required to carry out its duties.

(c) MEMBERSHIP, TERMS, AND POWERS—

(1) The Council shall consist of up to 15 members who shall be appointed by the Secretary. The Council members shall be individuals who are knowledgeable in the areas of atmospheric sciences, weather modification, social sciences, law, user needs, and other areas related to weather modification;

(2) No member of the Council shall be an employee of the Federal Government;

(3) Each member of the Council shall serve for a term of 3 years, except for those members initially appointed to the Council, up to 5 members shall be appointed for a term of 1 year, up to 5 for a term of 2 years, and up to 5 for a term of 3 years. Any individual appointed to fill a vacancy on the Council shall serve for the unexpired term of the member whom he is appointed to succeed;

(4) The Council shall select a member to serve as its Chairman and another member to serve as its Vice Chairman. The Vice Chairman shall perform the functions of the Chairman in his absence; and

(5) Each member of the Council shall receive compensation at the daily rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, while actually engaged in the performance of his duties, and shall be reimbursed for actual and reasonable expenses incurred in the performance of such duties.

LICENSES FOR WEATHER MODIFICATION OPERATORS

SEC. 8.—

(a) IN GENERAL.—The Secretary shall issue licenses to qualified persons who propose to conduct a weather modification activity.

(b) INDIVIDUALS SUBJECT TO LICENSING.—Any individual who has or will have the primary supervisory responsibility for designing or performing any weather modification activity in the United States must apply for and have been issued a valid licenses before conducting such activity.

(c) LICENSE REQUIREMENTS.—Not later than 90 days after the date of enactment of this Act, the Secretary shall—

(1) develop standards and procedures governing the application, issuance, renewal, denial, suspension, and revocation of such licenses; and

(2) establish and revise as necessary the qualifications which an applicant must demonstrate to the Secretary in order to be issued such a license. Such qualifications shall include, but not be limited to—

(A) educational background;

(B) technical knowledge; and

(C) practical experience.

Such standards and procedures shall not be unduly burdensome, and the Secretary shall make a determination on any license application within a reasonable time.

(d) REVIEW.—Any person whose license application is denied or whose license is suspended or revoked by the Secretary shall be entitled to a hearing on the Secretary's action, in accordance with section 554 of title 5, United States Code.

(e) STRICTER STATE STANDARDS.—Any State has the authority to adopt licensing standards that are more stringent than those approved by the Secretary, but no State shall adopt licensing standards that are not in compliance with those approved by the Secretary.

(f) JURISDICTION.—Upon application by an individual or the Attorney General on behalf of the United States, the district courts of the United States shall have jurisdiction to enjoin any violations of the provisions of subsection (b).

(g) PENALTY.—Any individual who knowingly and willfully violates subsection (b) shall upon conviction thereof be fined not more than $10,000. Each day of such a violation shall constitute a separate offense.

REPORTING OF WEATHER MODIFICATION ACTIVITIES

SEC. 9.—

(a) IN GENERAL.—The Secretary shall maintain a record of weather modification activities that take place in the United States and shall publish annual summaries of such activities.

(b) INDIVIDUALS SUBJECT TO REPORTING.—Any individual who has the primary supervisory responsibility for designing or performing any weather modification activity in the United States must prepare and maintain daily reports on such activity and submit summary reports before, during, and after such activity to the Secretary.

(c) REPORTING REQUIREMENTS.—The Secretary shall prescribe, by rule, the specific information and format required in such reports. Each such report shall include, but not be limited to—

(1) the date of the weather modification activity and its time of initiation and conclusion;

(2) the location and description of such activity, the target area, and actual location of any weather modification;

(3) the type and amount of any equipment used in such weather modification activity; and

(4) the type and readings of any instrument used to measure the effect of such weather modification activity.

(d) AUTHORITY OF SECRETARY.—The Secretary may require, by regulation, subpoena, or otherwise, that any person who conducts weather modification activities shall maintain and furnish records and other information related to such activities. The Secretary or his authorized representative may inspect the records, information, premises, and property of any person as may be necessary or appropriate in carrying out the provisions of this Act.

(e) SIMILAR STATE REQUIREMENTS.—The Secretary has the authority to accept reports filed by individuals to satisfy State requirements, if such reports satisfy the information requirements of subsection (c).

(f) JURISDICTION.—Upon application by an individual or the Attorney General on behalf of the United States, the district courts of the United States shall have jurisdiction to enjoin any violations of the provisions of this section.

(g) PENALTY.—Any person who knowingly and willfully violates this section or any rule issued thereunder shall be fined not more than $10,000.

BIENNIAL REPORT

SEC. 10.—The Secretary shall prepare and submit to the President and the authorizing committees of the Congress, not later than January 30 of the year occurring 2 years after the date of enactment of this Act and thereafter every 2 years, a report on the activities conducted pursuant to this Act during the 2 previous fiscal years. Each report shall include—

(1) a summary of the achievements of the Program during the 2 previous fiscal years;

(2) an analysis of the progress made toward achieving the goals of the Program;

(3) a copy of the 5-year plan and any changes made in such plan;

(4) a summary of the budget for the Program, including past expenditures, present requests, and future projections;

(5) a listing of other weather modification programs in the United States that are not part of the Program;

(6) a description of actions which have been taken to improve Federal-State and U.S.-international cooperation in weather modification; and

(7) recommendations, including additional legislation, for improving the Federal weather modification management effort in order to carry out the provisions, policies, and purposes of this Act.

CONTRACT AND GRANT AUTHORITY

SEC. 11.—

(a) IN GENERAL.—The Director may enter into contracts and make grants in order to carry out his responsibilities under this Act. Any such contract or grant may provide—

(1) to a State or local government, up to 50 percent; and

(2) to any other entity, up to 100 percent of the total annual cost of the project or activity involved.

(b) ELIGIBILITY AND PROCEDURE.—Any individual, corporation, public or private educational institution, or State or local government may apply to the Director for a contract or grant under this section. The Director shall prescribe the form, manner, and content of the application for and actual terms of any contract or grant.

(c) TERMS AND CONDITIONS.—Any individual or entity who receives Federal fund from a contract entered into or grant made under this section shall keep such records as the Director shall prescribe by regulation, including—

(1) records which fully disclose the amount and disposition by such recipients of such funds;

(2) the total cost of the project or activity for which such funds were so made available;

(3) any amount of such costs supplied from other sources; and

(4) such other records as will facilitate an effective audit. Such recipient shall maintain such records for 5 years after the completion of such a project or activity. The Secretary, the Director, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and evaluation to any books, documents, papers, and records of such recipient which, in the opinion of the Secretary, Director, or Comptroller General, may be related or pertinent to such contract or grant.

ADMINISTRATIVE PROVISIONS

SEC. 12.—(a) TRANSFER OF ACTIVITIES.—Not later than 1 year after the date of enactment of this Act, there shall be transferred to the Secretary—

(1) responsibility and management of the weather modification activities in all Federal departments and agencies, except those of—

(A) the National Science Foundation, which shall retain control over the supervision and direction of basic Federal research related to weather modification; and

(B) the Department of Defense, which shall retain the option to conduct research and development activities for the purpose of avoiding technological surprise; and

(2) authority and ownership of all personnel, property, funds, and other assets of such agencies and entities, which are related to weather modification and which are necessary or useful, as determined by the Secretary, to carry out the provisions, policies, and purposes of this Act.

Such transfer to the Secretary shall be under the supervision and direction of the Director of the Office of Management and Budget.

(b) Other Administrative Powers—The Secretary may construct, lease, purchase, or otherwise acquire laboratories or other equipment in order to carry out the functions under the Program or his duties under this Act.

MISCELLANEOUS PROVISIONS

SEC. 13.—(a) FEDERAL AND STATE AUTHORITY.—As described in subsection 6(c), the Secretary shall consult and cooperate with State and local governments and other interested groups that—

(1) are likely to be affected by the Program activities. When the Secretary determines that a particular Program activity is necessary to achieve the goals of the Program, the Federal authority of the Secretary's decision shall supersede State and local authority, laws, and interests. Any affected State that objects to the Secretary's decision may seek to enjoin such Program activity in the district courts of the United States.

(2) are likely to affect Program activities by conducting their own weather modification activities. When the Secretary determines that a particular non-Federal activity will interfere with an activity of the Program or will conflict with a policy or purpose of this Act, the Secretary may seek to enjoin such non-Federal activity in the district courts of the United States.

(b) FEDERAL LIABILITY CLAIMS ALLOWED.—The provisions of the following sections of the United States Code shall not apply to claims based on acts performed (or failure to act) in any of the Director's activities with respect to weather modification—

(1) section 2680(a) of title 28, to the extent that it provides an exception from the tort claims procedure for claims based on the exercise or performance (or failure to exercise or perform) a discretionary function or duty on the part of a Federal agency employee; and

(2) section 2675 of title 28, to the extent that it would otherwise prevent a class action under the tort claims procedure.

(c) SUNSET PROVISION.—The Program shall cease to exist 20 years after the date of enactment of this Act, unless otherwise provided by law.

(d) REPEAL OF PREVIOUS REPORTING LAW.—The Act entitled "An Act to Provide for the Reporting of Weather Modification Activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330(e)), is repealed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14.—There are authorized to be appropriated to the Secretary, for the purpose of carrying out the provisions of this Act, not to exceed—

$30,000,000 for the fiscal year ending September 30, 1981;

$35,000,000 for the fiscal year ending September 30, 1982;

$40,000,000 for the fiscal year ending September 30, 1983;

$45,000,000 for the fiscal year ending September 30, 1984; and

$50,000,000 for the fiscal year ending September 30, 1985.

Such sums shall remain available until expended.●

By Mr. HAYAKAWA:

S. 1645. A bill to amend the Internal Revenue Code of 1954 to permit a credit for interest received on savings; to the Committee on Finance.

TAX CREDITS FOR INTEREST INCOME

● Mr. HAYAKAWA. Mr. President, today, I am introducing legislation to provide relief for low and middle income Americans and to encourage savings.

The Consumer Price Index has topped 13 percent and the citizens of this country are hurting. Lower income people in the United States (those earning under $20,000 a year) are particularly hard hit. Many of these people are retired on fixed incomes and depend on the interest income from their savings to augment meager pensions. Even if they can afford to invest in Certificates of Deposit or other instruments earning high interest, inflation wipes out any gain. However, many of these people, for a variety of reasons, have their money in conventional accounts earning little more than 5 percent. Though these people are losing money on their investments, the Government taxes them as if the accrued interest on their accounts amounted to a real dollar increase.

In 1976, the savings rate for all Americans amounted to between 6 and 8 percent of income according to the Bureau of Labor Statistics and the Organization for Economic Cooperation and Development. The Department of Commerce estimates that household savings averaged 5.23 percent between 1976 and 1978. This is in sharp contrast to Canada with a savings rate of 11 percent, Japan with 25 percent, Germany 15 percent, Italy with 23 percent, and the United Kingdom with 13 percent. I think it is apparent that something must be done to spur savings among Americans particularly among those who do not have the financial resources to take advantage of higher market interest rates.

Many proponents of the move to provide some form of relief to the small-scale investor maintain that it is nothing more than Federal interest rate ceilings which have prevented these savers from earning more and saving more. In a recent advertisement by Citibank, a New York newspaper read "There's only one thing keeping your savings from catching up with inflation. The law." These regulations have been in effect since 1966 and have sought to hold down interest rates in the home mortgage market. It is precisely these regulations which must be eliminated to provide an incentive for Americans to save more than they presently are.

The current 5.5 percent is not enough. However, removing ceilings on interest rates would only produce periodic increases in interest rates of ¼ or ½ percent. This is hardly enough to spur additional savings. The only long-term effect from such a move would be an increase in mortgage interest rates at a time when housing costs are skyrocketing. I feel that there must be an alternative approach taken to help the lower income-earning American who is trying to save.

Under my proposal, persons with an adjusted gross income of $20,000 or less would be eligible for up to a $2,500 tax credit on all of their taxable interest. As a person's adjusted gross income increased above $20,000 the credit would be reduced by 5 percent of the amount by which their AGI exceeded $20,000. However, the credit could not be reduced below $1,000. In addition, this credit is targeted toward those taxpayers who need it most and all dollar amounts would be indexed to prevent inflation from negating the intent of the bill. Since all taxable interest is eligible for the credit, none of the incentives within the system will be changed and there would be no disintermediation.

It is necessary for Congress to provide incentives to savers and it is incumbent on us to reduce taxation and thereby the burden of inflation. I think that my bill focuses attention in the proper direction and I would hope that my colleagues will join me in my efforts to provide this needed incentive.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1645

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT ALLOWED FOR INTEREST.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. CREDIT FOR INTEREST.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount received by the individual during the taxable year as interest.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The amount of the credit allowed by subsection (a) for a taxable year shall not exceed $2,500.

"(2) PHASE-OUT AS ADJUSTED GROSS INCOME INCREASES.—The $2,500 amount set forth in paragraph (1) shall be reduced by 5 percent of the amount by which the adjusted gross income of the taxpayer exceeds $20,000

"(3) MINIMUM CREDIT.—The amount of the maximum credit allowable under subsection (a) for the taxable year under paragraph (1) may not be reduced below $1,000 under paragraph (2).

"(4) ADJUSTMENT FOR INFLATION.—

"(A) ADJUSTMENT.—The dollar amounts set forth in paragraphs (1), (2), and (3) shall be adjusted on a calendar year basis beginning with calendar year 1981 by multiplying such amounts by the inflation adjustment factor for that calendar year.

"(B) DETERMINATION AND PUBLICATION.—The Secretary shall, not later than September 1 of each year, determine and publish in the Federal Register the inflation adjustment factor for such year in accordance with this paragraph. The publication shall include an explanation of the calculations and data upon which such determination was made.

"(C) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor', means, with respect to a calendar year, a fraction the numerator of which is the GNP implicit price deflator for the calendar year immediately preceding such calendar year and the denominator of which is the GNP implicit price deflator for the Calendar year 1979. The term 'GNP implicit price deflator' means the implicit price deflator for the gross national product as computed and published by the Department of Commerce.

"(c) JOINT ACCOUNTS.—The Secretary may prescribe regulations allocating interest credited to joint accounts, or other accounts under which more than one individual is entitled to receive all of the interest credited to the account, on the basis of the economic interests of the individuals who are entitled to receive such interest. Until the Secretary prescribes such regulations, the amount of interest received by each such individual under such an account shall be considered, for purposes of subsection (a), to be an amount which bears the same ratio to the total amount of interest credited to the account for taxable year as the sum of the amounts contributed by that individual during all taxable years to the account bears to the sum of the amounts contributed by all individuals to the account for the taxable year.

"(d) CARRYOVER OF EXCESS CREDIT.—If the amount of the credit allowed by subsection (a) for a taxable year (after the application of subsection (b)) exceeds the liability of the taxpayer for tax under section 1 of this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, the excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for the succeeding taxable year.

"(e) DEFINITION OF INTEREST.—For purposes of this section the term 'interest' means—

"(1) interest on deposits with persons carrying on the banking business,

"(2) amounts (whether or not designated as interest) paid by a mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, or similar organization, in respect of deposits, investment certificates, or withdrawals or repurchaseable shares, and

"(3) interest on bonds or other obligations

(other than interest excluded from gross income under section 103).".

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart is amended by inserting immediately after the item relating to section 44C the following new item:

"Sec. 44D. Credit for interest.".

(2) Subsection (b) of section 609 (6) of such Code (relating to designation of income tax payments to Presidential election campaign fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply with respect to taxable years beginning after December 31, 1979.●

By Mr. INOUYE (for himself, Mr. MATSUNAGA, Mr. HAYAKAWA, Mr. CRANSTON, Mr. MCCLURE, and Mr. CHURCH):

S. 1647. A bill to establish a commission to gather facts to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order 9066, and for other purposes; to the Committee on Governmental Affairs.

COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS ACT

Mr. INOUYE. Mr. President, I am introducing legislation today on behalf of Senator MATSUNAGA, Senator HAYAKAWA, Senator CRANSTON, Senator MCCLURE, Senator CHURCH, and myself which would establish a Commission on Wartime Relocation and Internment of Civilians.

The purpose of the Commission would be to gather facts to determine whether a wrong was done to those American citizens and permanent resident aliens affected by Executive Order 9066 and/or other associated acts of the Federal Government. In addition, if the Commission determines that a wrong was done and if it decides that any remedy is appropriate at this time, it would then recommend the form and extent of such remedy.

On February 19, 1942, President Franklin Roosevelt issued Executive Order 9066. This order authorized the military commander to exclude any and all persons from areas that he considered militarily sensitive, as well as granting the military commander authority to house those evacuated.

Gen. John DeWitt of the Western Defense Command issued a public proclamation on March 2, 1942. Those affected by this order were compelled to leave the western half of California, Oregon, and Washington, as well as the southern half of Arizona. They were given a short period in which they could comply with the evacuation order voluntarily. Shortly after this, DeWitt announced that the eastern half of the west coast States would be evacuated as well, and that no further voluntary relocation would be allowed.

Simultaneously, the War Relocation Authority was formed to establish a program for the removal, relocation, maintenance, and supervision of those evacuated.

These American citizens and permanent resident aliens were first placed in temporary relocation centers located throughout Arizona, California, Oregon, and Washington. Finally, 10 mass relocation centers were erected in Arisona, Arkansas, California, Colorado, Idaho, Utah, and Wyoming. Similar centers were established in the territory of Hawaii. Approximately 120,000 American citizens and permanent resident aliens spent an average of 2½ to 3 years in these camps.

I expect that one question which the Commission may contend with is whether Executive Order 9066 and associated acts of the Government can be justified as measures that were necessary for the security of our Nation.

A second question the Commission might consider is whether relocation and internment were required to protect those affected against wartime hysteria

A third question that may come to the attention of the Commission is whether the loss and pain (if any), experienced by those affected merits remedy at this time.

I believe that a Presidential Commission should reckon fully with this matter.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Commission on Wartime Relocation and Internment of Civilians Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) approximately 120,000 civilians were relocated and detained in internment camps pursuant to Executive Order 9066, dated February 19, 1942, and other associated acts of the Federal Government; and

(2) no inquiry into this matter has been made.

(b) It is the purpose of this Act to establish a factfinding commission to determine whether a wrong was committed against those American citizens and permanent resident aliens relocated and/or interned as a result of Executive Order 9066 and other associated acts of the Federal Government, and to recommend appropriate remedies.

ESTABLISHMENT OF COMMISSION

SEC. 3. (a) There is established the Commission on Wartime Relocation and Internment of Civilians (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of fifteen members, who shall be appointed as follows:

(1) Eleven members shall be appointed by the President.

(2) Two Members of the House of Representatives shall be appointed by the Speaker of the House of Representatives.

(3) Two Members of the Senate shall be appointed by the President pro tempore of the Senate.

(c) The term of office for members shall be for the life of the Commission. A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

(d) The first meeting of the Commission shall be called by the President within sixty days following the date of enactment of this Act.

(e) Eight members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) The Commission shall elect a Chairman and Vice Chairman from among its members. The term of office of each shall be for the life of the Commission.

(g) Each member of the Commission who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule contained in section 5332 of title 5, United States Code, including traveltime, for each day he or she is engaged in the actual performance of his or her duties as a member of the Commission. A member of the Commission who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

DUTIES OF THE COMMISSION

SEC. 4. (a) It shall be the duty of the Commission to gather facts to determine whether a wrong was committed against those American citizens and permanent resident aliens who were subjected to relocation and/or internment by the issuance of Executive Order 9600 and other associated acts of the Federal Government.

(b) The Commission shall hold public hearings in Los Angeles, San Francisco, and Fresno, California; Portland, Oregon; Seattle, Washington; Phoenix, Arizona; Salt Lake City, Utah; Denver, Colorado; Chicago, Illinois; New York, New York, Washington, D.C.; and any other city that the Commission deems necessary and proper.

(c) The Commission shall submit a written record of its findings and recommendations to Congress not later than eighteen months after the date of the enactment of this Act.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable.

(b) The Commission may acquire directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government, available information which the Commission considers useful in the discharge of its duties. All departments, agencies, and independent instrumentalities, or other authorities of the executive branch of the Government shall cooperate with the Commission and furnish all information requested by the Commission to the extent permitted by law.

ADMINISTRATIVE PROVISIONS

SEC. 6. The Commission is authorized to—

(1) appoint and fix the compensation of such personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(2) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(3) enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of General Services;

(4) procure supplies, services, and property, and make contracts, without regard to the laws and procedures applicable to Federal agencies; and

(5) enter into contracts with Federal or State agencies, private firms, institutions, and agencies for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

REPORT AND TERMINATION

SEC. 7. (a) The Commissioner shall, within eighteen months from the date of enactment of this Act, transmit a final report to the President and the Congress concerning its actions and its findings and recommendations.

(b) The Commission shall cease to exist on the date six months from the date it transmits the final report unless extended by a subsequent Act of Congress.

AUTHORIZATION OF APPROPRIATIONS

SEC 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. MATSUNAGA. Mr. President, I am happy to join the senior senator from Hawaii, Mr. INOUYE, in introducing today legislation which provides for the creation of a commission to study and report on the internment of more than 110,000 Americans of Japanese ancestry and their families during World War II.

Although historians and many Americans have long recognized the internment of the Japanese Americans as a black page in American history, the Federal Government itself has yet to acknowledge the wrong which was committed in complete disregard of due process of law.

The proposed legislation is not a "redress" bill. It merely provides for an objective, unbiased study, to be conducted by a commission of fair-minded Americans to determine whether or not redress is warranted. In the event that the proposed study commission determines that some form of compensation is owed to Japanese Americans who were interned during World War II, the Congress would still have an opportunity to review the Commission's findings and to establish the amount of compensation which should be paid, if any.

Mr. President, a Federal review of the internment, during World War II, of Japanese Americans under Executive Order 9066, is long overdue. Although many of the Issei—first generation Japanese Americans—have died since the end of the war, the mass imprisonment of innocent Japanese Americans, who were guilty of no crime, remains the single most dramatic and disturbing experience in the lives of many Nisei—second generation Americans of Japanese ancestry.

More importantly, their children, the Sansei, have started to ask questions about the internment of their parents and grandparents in American-style concentration camps, complete with barb-wire fences, watch towers and armed guards. Why did they not "protest" when the U.S. Government herded them into concentration camps? If the Government was wrong, why has not the wrong been admitted and laid to rest forever? Why do not our parents talk about what happened to them during World War II? Did they commit any crimes they are ashamed to talk about?

Mr. President, answers to these questions have never been provided by the Government which committed the act against the Japanese Americans, now being recognized as being a mistake, if not wrongful. The proposed study commission would be mandated to look into these questions and provide answers. Whether or not "redress" is ever provided, I believe that the findings of the proposed study Commission will be valuable in and of themselves. I therefore urge the Senate to give early, favorable consideration to the resolution which we have introduced today.

Mr. MCCLURE. Mr. President, I congratulate my colleague from Hawaii on the statement he has just made and the initiative he has undertaken.

Mr. President, I cannot help but think of the perhaps coincidental events the comments by my colleague have brought to mind. In less than 3 weeks, in Idaho, we will be dedicating a memorial at the Minidoka Relocation Center, reminding the people of Idaho and, hopefully, of the Nation of the injustice that was done to some of the finest citizens of this country in the emotional aftermath of the beginning of World War II and the bombing of Pearl Harbor. The Minidoka Relocation Center was one of those centers in which Japanese citizens, as well as people of Japanese ancestry who were not citizens, were interned by our Government for a period of time. In spite of that injustice on the part of our country, on the part of some of our people toward some others of our people, the Japanese people remain loyal. They never lost their faith in this country. They remain among some of the best citizens that we have.

I commend my friend from Hawaii for this legislation and for the comments he has just made.

Mr. MATSUNAGA. Mr. President, I thank the Senator from Idaho for his most generous remarks. I appreciate his calling to the attention of the Senate the fact that the State of Idaho is putting up a memorial to the Japanese Americans who were interned at Minidoka.

Mr. HAYAKAWA. Mr. President, I am joining my colleagues from Hawaii, Senators INOUYE and MATSUNAGA, in the introduction of the Commission on Wartime Relocation and Internment of Civilians Act. This legislation will establish a Presidential commission to gather facts in order to determine whether any wrong was committed by our Government against those American citizens and permanent residents who were relocated during World War II as a result of Executive Order 9066.

Executive Order 9066 was issued in February of 1942 and permitted the Federal Government to relocate those Japanese-American citizens and residents living on our west coast. They were removed to relocation camps to insure that they could not aid our wartime enemy, Japan.

During recent months there has been a great deal of discussion about a proposal to provide reparations payments to those people who were interned in the relocation camps—a proposal which has generated a large amount of controversy. It has focused our attention again on a subject which has been sensitive to the people of the United States.

My colleagues and I are calling for the establishment of a fact-finding commission in order to carefully investigate the question of wrongdoing by the Federal Government, and to make recommendations on the possible need for remedies. Nearly 40 years have passed since Executive Order 9066 was issued and a thorough look at the facts is long overdue.

Our legislation calls for the appointment of a 15-member commission. Eleven members will be appointed by the President, and the President pro tempore of the Senate and the Speaker of the House will each appoint two members. The Commission will be given the duty to gather facts to determine whether a wrong was committed against those American citizens and resident aliens who were relocated and interned as a result of Executive Order 9066 and other associated acts of the Federal Government. A final report of the Commission's findings and recommendations will be transmitted to the President and the Congress within 18 months of the enactment of this legislation.

I urge my colleagues to join us in this effort and enact the Wartime Relocation and Internment of Civilians Act promptly.

By Mr. CANNON (for himself, Mr. PACKWOOD, and Mr. INOUYE):

S. 1648. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 1649. A bill to provide for the modification of airport and airway user taxes, and for other purposes; to the Committee on Finance.

● Mr. CANNON. Mr. President, I am very pleased to introduce two bills on behalf of Senators PACKWOOD, INOUYE, and myself, which offer a dramatic new approach to airport development legislation. These bills represent the defederalization of large air carrier airports and a substantial savings on airline fares for consumers.

The Airport and Airway Development Act was originally passed in 1970 to establish an aviation trust fund. This legislation expires on June 30, 1980 and requires renewal of both the 5-year authorization for expenditures for airport/airway development and the authorization of tax levels for the next 10 years. By the end of fiscal year 1980 the trust fund will have an uncommitted surplus of $3.25 billion.

The concept embodied in these 2 bills is the elimination of large and medium hub airports (those which enplane more than 700,000 passengers annually) from the ADAP program, with a con-

comitant reduction of the airline ticket tax from 8 percent of each fare to 2 percent. That represents a real 6-percent reduction of airline fares throughout the United States.

The ticket tax reduction will provide the funds for the airlines to pay increased user fees directly to each large and medium hub airport. Such a local collection and expenditure of funds will eliminate the cost of the middleman (the Federal Government), reduce the redtape for airport development, and speed up the implementation of needed capital improvements. The large and medium hub airports are professionally staffed, self-sufficient revenue generators where ADAP does nothing but reduce the costs to the airlines. If we do not provide ADAP funds to these airports, but instead provide the airlines with the potential for increased revenues (by reducing the ticket tax), the local handling of funds can save substantially in Federal administrative costs and bureaucratic delays.

The negotiation process between airlines and airports will continue as a responsible balance to the airport proprietors development desires. And, of course, safety regulation of airports by the FAA will be continued without diminution.

Increased needs for smaller airports and other system programs (such as navigational aids and other safety related equipment) can be funded at higher-than-present levels with a combination of the proposal's reduced ticket tax and the existing trust fund surplus.

The basic philosophy of this legislation is that two sophisticated business operations which rely on each other for their mutual economic life do not need the Federal Government involved in their financial relationships. The large and medium hub airports at present receive a very small percentage of their total capital and operating budget needs from ADAP funds, but as a result of accepting any Federal funds they are burdened with a mountain of redtape, bureaucratic requirements, and Federal Government meddling.

The reason we are facing a more than $3 billion surplus in the aviation trust fund is that OMB's under Republican and Democratic administrations have consistently sought to keep the fund's revenues high and expenditures low. There is no indication that this incentive will change in the future, so if we want user fees collected for system development to be spent for system development I am convinced that we must shift some of that financial transaction from the Federal level to the local level.

My colleagues and I have introduced two bills, one of which amends the Airport and Airway Development Act and another which amends the Airport and Airway Revenue Act. The funding levels in the development bill represent fiscally prudent increases to meet the important safety needs of smaller airports and other system programs. The tax bill reduces the airline ticket tax to 2 percent as I have noted, and it changes the general aviation fuel tax from 7 cents per gallon to 6 percent of fuel sales.

This does not represent an immediate increase of the general aviation tax but does provide an inflator for the private users contribution as system costs increase in the future.

Another feature of the development bill is the opportunity for a State to receive a block grant of funds and administer the development program for the smallest airports (those with less than approximately 70 passengers daily). We have endeavored not to provide an incentive for a State to administer such a program, in fact, we require the State to invest its own funds. But we have provided the opportunity for those States which can do a better job than the Federal Government for their smallest airports to do so. This is an admittedly controversial feature of any airport development legislation and I am openminded as to its final form.

One of the most important new features contained in this proposal is the "super discretionary fund" concept. In the past we have tried to guarantee individual types of smaller airports funds on an annual basis. The result has been that a lot of airports were guaranteed a small amount of money. But what is really needed at a smaller airport is a substantial amount of money, occasionally, when the airport has a major development or rebuilding project.

We are, therefore, combining the general aviation airports, reliever airports, commuter airports, and small air carrier airports into one eligible category and providing a large discretionary fund that will permit FAA the flexibility to allocate moneys in order to meet the real needs of these airports. Five-year minimum guarantees are provided for the total funding that will go to reliever and air carrier airports.

These pieces of legislation represent our continuing commitment to defederalizing industries and public agencies which can better operate without a "helping hand" from Washington. This proposal also recognizes the needs of smaller airports which cannot meet their capital requirements without assistance. And finally we are returning to the passengers the $3 billion that has been collected but never used for airport and airway improvements.

This is both essential and philosophically attractive legislation that I hope the Committees on Commerce and Finance will be recommending to the full Senate in the near future. The Aviation Subcommittee will hold hearings on ADAP reauthorization September 10 through 13.

I ask unanimous consent that the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Airport and Airway System Development Act of 1979".

DECLARATION OF POLICY

SEC. 2. The Congress hereby finds and declares—

That the safe operation of the airport and airway system will continue to be the highest aviation priority;

That continuing airport and airway improvement programs and more effective management and utilization of the Nation's airport and airway system are required to meet the current and projected growth of aviation and the requirements of interstate commerce, the Postal Service, and the national defense;

That this Act should be administered in a manner to provide adequate navigation aids and airport facilities, including reliever airports, for points where scheduled commercial air service is provided;

That aviation facilities that receive assistance under this Act should be constructed and operated with due regard to providing substantial relief from current and projected noise impacts on nearby communities;

That certain airports that have the ability to finance their capital and operating needs without Federal assistance should no longer receive Federal assistance under this Act; and

That the Federal administrative requirements placed upon airport sponsors can be reduced and simplified through the use of a single project application to cover all airport improvement projects contained in the airport's annual expenditure program.

DEFINITIONS

SEC. 3. As used in this title—

(1) "Air traffic hub" means all of the commercial service and reliever airports determined by the Secretary to be serving the same geographical area.

(2) "Airport" means any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(3) "Airport development" means any of the following activities, if undertaken by the sponsor, owner or operator of a public-use airport:

(A) any work involved in constructing, reconstructing, or improving a public-use airport or portion thereof, including—

(i) the removal, lowering, relocation, and marking and lighting of airport hazards;

(ii) the construction of physical barriers and landscaping for the purpose of diminishing the effect of aircraft noise on any area adjacent to a public-use airport; and

(iii) the preparation of plans and specifications, including field investigations incidental thereto;

(B) the soundproofing of any school or hospital, or of any publicly owned health facility, operating as such at the time of the enactment of this Act, or, when specifically approved by the Secretary, operating as such subsequent thereto, and located in an area proximate to the airport in which the noise levels caused by the operation of a public-use airport are not compatible with the operations of such institutions;

(C) any acquisition or installation at or by a public-use airport of—

(i) navigation and other aids used by aircraft for landing at or taking off from such airport, including any necessary site preparation thereby required;

(ii) safety or security equipment required by the Secretary by rule or regulation for the safety or security of persons and property at such airport, or specifically approved by the Secretary as contributing significantly to the safety or security of persons and property at such airport;

(iii) snow removal equipment;

(iv) noise suppressing equipment for the purpose of diminishing the effect of aircraft noise on any area adjacent to such airport;

(v) noise monitoring equipment; or

(vi) aviation-related weather reporting equipment;

(D) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace, including land for future airport development, which is necessary to permit any airport development described in paragraph 3(A) or 3(C) of this section or to remove or mitigate or prevent or limit the establishment of airport hazards; and

(E) any acquisition of land or of any interest therein necessary to insure that such land is used only for purposes which are compatible with the noise levels of the operation of a public-use airport.

(4) "Airport hazard" means any structure or object of natural growth located on or in the vicinity of a public-use airport, or any use of land near such airport, which obstructs the airspace required for the flight of aircraft in landing or taking off at such airport or is otherwise hazardous to such landing or taking off of aircraft.

(5) "Airport planning" means planning as defined by such regulations as the Secretary shall prescribe, and includes airport system planning.

(6) "Airport system planning" means the initial as well as continuing development for planning purposes of information and guidance to determine the extent, type, nature, location, and timing of airport development needed in a specific area to establish a viable and balanced system of public-use airports. It includes identification of system needs, development of estimates of systemwide development costs, and the conduct of such studies, surveys, and other planning actions, including those related to airport access, as may be necessary to determine the short-, intermediate-, and long-range aeronautical demands required to be met by a particular system of airports. It also includes the establishment by a State of standards, other than standards for safety of approaches, for airport development as public-use airports which are not primary airports.

(7) "Annual expenditure program" means a program for the utilization of funds pursuant to a consolidated improvement plan.

(8) "Block-grant" means a grant of funds to a participating State for distribution by such State for projects contained in its approved annual expenditure program.

(9) "Commercial service airport" means a public airport which is determined by the Secretary either to enplane annually 2,500 or more passengers and receive scheduled passenger service of aircraft, or to enplane annually 10,000 or more passengers

(10) "Consolidated improvement plan" means a 3-year plan for development and planning projects at one or more airports.

(11) "Eligible airport" means an airport that is eligible to receive Federal assistance under the provisions of this Act.

(12) "Government aircraft" means aircraft owned and operated by the United States.

(13) "Landing area" means that area used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft.

(14) "Passengers enplaned" means domestic, territorial, and international revenue passenger enplanements in the United States in scheduled and nonscheduled service of aircraft in intrastate, interstate, and foreign commerce as shall be determined by the Secretary pursuant to such regulations as the Secretary may prescribe.

(15) "Participating State" means a State authorized by the Secretary to receive a block-grant from funds apportioned under section 8(b)(3) of this act.

(16) "Primary airport" means a commercial service airport which is determined by the Secretary to have enplaned .02 percent or more of the total number of passengers enplaned annually at all commercial service airports.

(17) "Primary hub" means an air traffic hub, the commercial service airports of which are determined by the Secretary to have enplaned .5 percent or more of the total number of passengers enplaned annually at all commercial service airports.

(18) "Project" means a project (or separate projects submitted together) for the accomplishment of airport development or airport planning, including the combined submission of all projects which are to be undertaken at an airport in a fiscal year.

(19) "Project costs" means any costs involved in accomplishing a project.

(20) "Project-grant" means a grant of funds by the Secretary to a sponsor for the accomplishment of one or more projects.

(21) "Public agency" means a State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or Guam or any agency of any of them; a municipality or other political subdivision; a tax-supported organization; or an Indian tribe or pueblo.

(22) "Public airport" means any airport which is used or to be used for public purposes, under the control of a public agency, the landing area of which is publicly owned

(23) "Public-use airport" means any public airport or any privately owned reliever airport which is used or to be used for public purposes.

(24) "Reliever airport" means an airport designated by the Secretary as having the function of relieving congestion at a primary airport.

(25) "Secretary" means the Secretary of Transportation.

(26) "Sponsor" means any public agency which, either individually or jointly with one or more other public agencies, submits to the Secretary, in accordance with this Act, an application for financial assistance.

(27) "State" means a State of the United States or the District of Columbia.

(28) "Trust Fund" means the Airport and Airway Trust Fund established by section 208 of the Airport and Airway Revenue Act of 1970, as amended.

(29) "United States share" means that portion of the project costs of projects for airport development or airport planning approved pursuant to section 11 of this Act which is to be paid from funds made available for the purposes of this Act.

NATIONAL AIRPORT SYSTEM PLAN

SEC. 4. (a) FORMULATION OF PLAN.—The Secretary shall review and revise as necessary the existing national airport system plan to provide for the development of public-use airports in the United States. The plan shall include the type and estimated cost of eligible airport development considered by the Secretary to be necessary to provide a safe and efficient system of public-use airports to anticipate and meet the needs of civil aeronautics, to meet requirements in support of the national defense as determined by the Secretary of Defense, and to meet identified needs of the Postal Service. In reviewing and revising the plan, the Secretary shall consider the needs of all segments of civil aviation, and take into consideration, among other things, the relationship of each airport to (1) the rest of the transportation system in the particular area, (2) the forecasted technological developments in aeronautics, and (3) developments forecasted in other modes of intercity transportation.

(b) In reviewing and revising the national airport system plan, the Secretary shall consult, to the extent feasible and as appropriate, with other Federal and public agencies, and with the aviation community.

(c) The Department of Defense shall make military airports and airport facilities available for civil use to the extent feasible. In advising the Secretary of national defense requirements pursuant to subsection (a) of this section, the Secretary of Defense shall indicate the extent to which military airports and airport facilities will be available for civil use.

NAVIGATION AIDS

SEC. 5. The costs of site preparation work associated with acquisition, establishment, or improvement of air navigation facilities by the Secretary pursuant to section 307(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(b)) shall be charged to appropriated funds available to the Secretary for that purpose pursuant to section 7(a) of this Act. Nothing in this Act shall preclude the Secretary from providing, in a grant agreement or other agreement with an airport owner or sponsor, for the performance of such site preparation work in connection with airport development, subject to payment or reimbursement for such site preparation work by the Secretary from such appropriated funds.

AIRPORT IMPROVEMENT PROGRAM

SEC. 6. (a) AIRPORT GRANTS; OBLIGATIONAL AUTHORITY.—In order to maintain a safe and efficient nationwide system of public-use airports to meet the present and future needs of civil areonautics, the Secretary is authorized to make grants from the Trust Fund for airport development and airport planning by project-grants or block-grants in accordance with the provisions of this Act in aggregate amounts of not less than nor more than $750,000,000 for fiscal year 1981; $1,150,000,000 for the fiscal years prior to October 1, 1982; $1,600,000,000 for the fiscal years prior to October 1, 1983; $2,100,000,000 for the fiscal years prior to October 1, 1984; and $2,650,000,000 for the fiscal years prior to October 1, 1985.

(b) No obligation for airport development shall be incurred by the Secretary after September 30, 1985: *Provided,* That nothing in this section shall preclude the obligation by grant agreement of apportioned funds which remain available pursuant to section 9(a) of this Act after such date.

(c) No obligation shall be incurred by the Secretary after September 30, 1981 for airport development at any airport described in sections 23(a) or 23(b) of this Act.

(d) No obligation shall be incurred by the Secretary for airport development at a privately owned reliever airport unless—

(1) such airport is in a primary hub area,

(2) the Secretary finds that such airport plays an essential role in the national airport system plan, and

(3) the Secretary receives appropriate assurances that such airport will continue to function as a reliever airport during the economic life of any facility at such airport that was developed with Federal financial assistance under this Act.

AIRWAY IMPROVEMENT PROGRAM

SEC. 7. (a) AIRWAY FACILITIES AND EQUIPMENT OBLIGATIONAL AUTHORITY.—For the purposes of acquiring, establishing, and improving air navigation facilities under section 307(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(b)), the Secretary is authorized to make expenditures from the Trust Fund in aggregate amounts of not less than nor more than $400,000,000 for fiscal year 1981; $850,000,000 for the fiscal years prior to October 1, 1982; $1,400,000,000 for the fiscal years prior to October 1, 1983; $2,000,000,000 for the fiscal years prior to October 1, 1984; and $2,650,000,000 for the fiscal years prior to October 1, 1985. Amounts appropriated under the authorization in this subsection shall remain available until expended.

(b) RESEARCH, ENGINEERING AND DEVELOPMENT, AND DEMONSTRATIONS.—The Secretary is authorized to carry out under section 312 (c) of the Federal Aviation Act of 1958 such demonstration projects as the Secretary determines necessary in connection with research and development activities under such section 312(c). For research, engineer-

ing and development, and demonstration projects and activities under such section 312(c), there is authorized to be appropriated from the Trust Fund $90,000,000 for fiscal year 1981; $95,000,000 for fiscal year 1982; $100,000,000 for fiscal year 1983; $105,000,000 for fiscal year 1984; and $110,000,000 for fiscal year 1985. Amounts appropriated under the authorizations in this subsection shall remain available until expended.

(c) TRAINING OF STATE AND LOCAL GOVERNMENT EMPLOYEES.—The Secretary is authorized to conduct such training of State and local government employees as the Secretary determines to be appropriate to carry out the purposes of this Act. For costs incurred in such training, including tuition, travel and per diem expenses, there is authorized to be appropriated from the Trust Fund aggregate amounts not to exceed $250,000 for each of the fiscal years 1981 through 1985.

(d) OTHER EXPENSES.—The balance of the moneys available in the Airport and Airway Trust Fund may be appropriated for (1) costs of services provided under international agreements relating to the joint financing of air navigation services which are assessed against the United States Government, and (2) direct costs incurred by the Secretary to flight check and maintain air navigation facilities referred to in subsection (a) of this section in a safe and efficient condition. Eligible maintenance expenses are limited to costs incurred in the field and exclude the costs of engineering support and planning, direction, and evaluation activities. The amounts appropriated from the Airport and Airway Trust Fund for the purposes of clauses (1) and (2) may not exceed $350,000,000 for fiscal year 1981; $375,000,000 for fiscal year 1982; $400,000,000 for fiscal year 1983; $425,000,000 for fiscal year 1984; and $450,000,000 for fiscal year 1985. No part of the amount appropriated from the Airport and Airway Trust Fund in any fiscal year for obligation or expenditure under clause (2) of this subsection shall be obligated or expended which exceeds that amount which bears the same ratio to the maximum amount which may be appropriated under clauses (1) and (2) of this subsection for such fiscal year as the total amount obligated in that fiscal year under paragraphs (3) and (4) of subsection (a) of this section bears to the aggregate of minimum amount made available for obligation under each such paragraph for such fiscal year. If in fiscal year 1981, or in any subsequent fiscal year, the total amount obligated under section 6(a) or obligated under section 7(a) of this Act in such fiscal year is less than the minimum amount made available for obligation under such subsection for such fiscal year, the amount available for obligation or expenditure as determined under the preceding sentence of this subsection shall be reduced by an amount equal to the difference between the amount made available under section 6(a) or made available under section 7(a) of this Act for such fiscal year and the total amount obligated under such subsection (c) for such fiscal year.

(e) PRESERVATION OF FUNDS AND PRIORITY FOR AIRPORT AND AIRWAY PROGRAMS.—

(1) Notwithstanding any other provision of law to the contrary, no amounts may be appropriated from the Trust Fund to carry out any program or activity under the Federal Aviation Act of 1958, except programs or activities referred to in this section.

(2) Amounts equal to the minimum amounts authorized for each fiscal year by section 6 or sections 7(a), (b), (c), and the third sentence of section 7(d) of this section shall remain available in the Trust Fund until appropriated for the purposes described in such sections.

(3) No amounts transferred to the Trust Fund by subsection (b) of section 208 of the Airport and Airway Revenue Act of 1970 (relating to aviation user taxes) may be appropriated for any fiscal year to carry out administrative expenses of the Department of Transportation or of any unit thereof except to the extent authorized by section 7(d).

(4) No provision of law, except for a statute hereafter enacted which expressly limits the application of this paragraph (4), shall impair the authority of the Secretary to obligate an eligible airport by grant agreement in any fiscal year the unobligated balance of amounts which were apportioned in prior fiscal years and which remain available for approved airport development projects pursuant to paragraph (5) of subsection 15(a), in addition to the minimum amounts authorized for that fiscal year by section 8(b)(3) of this Act.

APPORTIONMENT OF FUNDS

SEC. 8. (a) For each fiscal year for which any amount is authorized to be obligated for the purposes of section 6 of this Act, the amount made available for that year, and not previously apportioned, shall be apportioned by the Secretary in accordance with subsection (b) of this section: *Provided*, That in any apportionment for a fiscal year beginning after September 30, 1981, the Secretary shall not apportion any funds to airports described in section 23(a) or 23(b) of this Act.

(b) On the first day of each fiscal year for which any amount is authorized to be obligated for the purposes of section 6 of this Act, the amount made available for that year, and not previously apportioned, shall be apportioned by the Secretary as follows:

(1) PRIMARY AIRPORTS.—

(A) To the sponsor of each primary airport, as follows:

(i) $6 for each of the first fifty thousand passengers enplaned at that airport;

(ii) $4 for each of the next fifty thousand passengers enplaned at that airport;

(iii) $2 for each of the next four hundred thousand passengers enplaned at that airport; and

(iv) $.50 for each additional passenger enplaned at that airport.

(B) The Secretary shall not apportion more than $10,000,000 under paragraph (1) of this subsection to an airport sponsor for any airport for any fiscal year.

(C) In no event shall the total amount of all apportionments under paragraph (1) of this subsection for any fiscal year exceed 50 percent of the amount authorized to be obligated for such fiscal year for the purposes of section 6 of this Act. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each sponsor of a primary airport under this paragraph proportionately so that such 50 percent amount is achieved.

(D) If any Act of Congress has the effect of limiting or reducing the amount authorized or available to be obligated for any fiscal year for the purposes of section 6 of this title, the total amount of all apportionments under paragraph (1) of this subsection for such fiscal year shall not exceed 50 percent of such limited or reduced amount. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each sponsor of a primary airport under paragraph (1) of this subsection proportionately so that such 50 percent amount is achieved.

(2) PRIMARY HUBS.—

(A) For each primary hub as follows: $.50 for each passenger enplaned at each commercial service airport which is a part of the air traffic hub.

(B) The Secretary shall not apportion more than $5,000,000 under paragraph (2) of this subsection to any primary hub for any fiscal year.

(C) In no event shall the total amount of all apportionments under paragraph (2) of this subsection for any fiscal year exceed 20 percent of the amount authorized to be obligated for such fiscal year for the purposes of section 6 of this Act. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each air traffic hub under paragraph (2) of this subsection proportionately so that such 20 percent amount is achieved.

(D) If any Act of Congress has the effect of limiting or reducing the amount authorized or available to be obligated for any fiscal year for the purposes of section 6 of this Act, the total amount of all apportionments under paragraph (2) of this subsection for such fiscal year shall not exceed 20 percent of such limited or reduced amount. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment of each air traffic hub under paragraph (2) of this subsection proportionately so that such 20 percent amount is achieved.

(3) APPORTIONMENTS TO STATES, PUERTO RICO, AND INSULAR AREAS.—

(A) To the several States and to the Commonwealth of Puerto Rico, Guam, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands for airports other than: (I) reliever airports which are public airports and which are part of a primary hub; (II) commercial service airports which are part of a primary hub; (III) commercial service airports which are determined by the Secretary to have enplaned .01 percent or more of the total number of passengers enplaned annually at all commercial service airports, and (4) nonparticipating airports described in subsections (a) or (b) of section 23 of this Act:

(i) $75,000,000 for fiscal year 1981; $80,000,000 for fiscal year 1982; $85,000,000 for fiscal year 1983; $90,000,000 for fiscal year 1984; and $95,000,000 for fiscal year 1985 shall be apportioned as follows:

(I) Puerto Rico, and Insular Areas. One percent of such amounts to the Commonwealth of Puerto Rico, Guam, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands.

(II) States. One-half of the remaining 99 percent in the proportion which the population of each State bears to the total population of all the States and one-half of the remaining 99 percent in the proportion which the area of each State bears to the total area of all the States. As used in paragraph (3) of this subsection, the term "population" means the population according to the latest decennial census of the United States and the term "area" includes both land and water.

(ii) In addition $150,000 shall be apportioned to each State for each commercial service airport located within the State which is included for the purpose of apportioning funds under paragraph (3)(A) of this subsection.

(B) In no event shall the total amount of all apportionments under paragraph (3) of this subsection for any fiscal year exceed 20 percent of the amount authorized to be obligated for such fiscal year for the purposes of section 6 of this Act. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each State and to the Commonwealth of Puerto Rico, Guam, American Samoa, the Government of the Northern

Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands, under paragraph (3) of this subsection proportionately so that such 20 percent amount is achieved.

(C) If any Act of Congress has the effect of limiting or reducing the amount authorized or available to be obligated for any fiscal year for the purposes of section 6 of this Act, the total amount of all apportionments under paragraph (3) of this subsection for such fiscal year shall not exceed 20 percent of such limited or reduced amount. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each State and to the Commonwealth of Puerto Rico, Guam, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands and the Virgin Islands, under paragraph (3) of this subsection proportionately so that such 20 percent amount is achieved.

(4) DISCRETIONARY FUND.—Any amounts not apportioned under paragraphs (1), (2), and (3) of this subsection shall constitute a discretionary fund to be distributed at the discretion of the Secretary for such projects as the Secretary considers most appropriate for carrying out the purposes of this Act: *Provided*, That—

(A) In the case of reliever airports, no less than $150,000,000 of the funds apportioned to primary hubs pursuant to paragraph (2) of this subsection and the funds apportioned to the discretionary fund of the Secretary pursuant to paragraph (4) of this subsection shall be distributed to such reliever airports during the period from October 1, 1980 to September 30, 1985.

(B) In the case of commercial service airports that are not primary airports and are not eligible to receive assistance from a participating state under this Act—

(i) the Secretary shall promulgate regulations identifying high priority projects that would significantly increase the safety or capacity of such airports, and

(ii) during the period from October 1, 1980 to September 30, 1985, the Secretary shall make available to each such airport an amount from the discretionary fund that equals (I) the United States share of the costs of high priority projects at such airport up to the amount of $750,000 and (II) such funds in excess of $750,000 as the Secretary, in his discretion, considers appropriate; and

(C) After September 30, 1981, no funds from such discretionary fund shall be distributed to any airport that enplanes more than .25 percent of the total number of passengers enplaned annually at all commercial service airports.

(c) All apportionments for any fiscal year under this section shall be based on the number of passengers enplaned during the preceding calendar year.

USE OF APPORTIONED FUNDS; MISCELLANEOUS CONDITIONS

SEC. 9. (a) DURATION OF AVAILABILITY.—Each amount apportioned under sections 8(b)(1), (b)(2), and (b)(3) of this Act shall be available for obligation by project-grant or block-grant agreement, as the case may be, during the fiscal year for which it was first authorized to be obligated and the 2 fiscal years immediately following. Any amount so apportioned which has not been obligated within such time shall be added to the discretionary fund established by section 8(b)(4) of this Act.

(b) MISCELLANEOUS CONDITIONS.—

(1) The following conditions apply to apportionments made under section 8(b)(1):

(A) Funds apportioned to a sponsor under section 8(b)(1) of this Act may be used at any public airport of such sponsor which is in the national airport system plan, except that after September 30, 1981, no such funds may be used at an airport that enplanes more than .25 percent of the total number of passengers enplaned annually at all commercial service airports.

(B) A sponsor may enter into an agreement with the Secretary whereby the sponsor waives receipt of all or part of the funds apportioned to it under such section on the condition that, at the election of the sponsor, the Secretary either—

(i) make the waived amount available for an approved project-grant to the sponsor of another eligible public airport which is a part of the same air traffic hub as the airport of the sponsor making the waiver, or

(ii) supplement by the waived amount any block-grant made to the State in which the airport of the sponsor making the waiver is located for use at any public-use airport included in the national airport system plan and identified in such State's consolidated improvement plan.

(2) The following conditions apply to apportionments made under section 8(b)(2):

(A) Prior to the distribution of any funds apportioned under section 8(b)(2) of this Act, the sponsor of each eligible commercial service airport and the sponsor of each reliever airport which is a public airport, whose airports are a part of the same primary hub, shall have submitted jointly to the Secretary a consolidated improvement plan and an annual expenditure program. In addition, such sponsors must certify that: (i) there is in existence a current airport system plan for such hub prepared by the public agency responsible for airport system planning for such hub; and (ii) the consolidated improvement plan and the annual expenditure program are consistent with such system plan, were prepared in cooperation with the public agency which prepared such system plan, and are consistent with the objectives of this Act as stated in sections 2 and 10 of this Act.

(B) Funds apportioned under section 8(b)(2) of this title shall be distributed by the Secretary pursuant to project-grant agreements, in accordance with the annual expenditure program.

(C) Notwithstanding subparagraph (B) of this paragraph, an annual expenditure program for a primary hub may provide for the waiver of all or part of the funds apportioned to such hub, on the condition that the Secretary supplement, by the waived amount, any block-grant made to the State or States in which such hub is located. Amounts so waived may only be used for projects at eligible public-use airports included in the national airport system plan which are in the annual expenditure program of such hub.

(3) The following conditions apply to apportionments made under section 8(b)(3):

(A) AUTHORIZATION FOR STATE PARTICIPATION.—Upon application to the Secretary, a State may be authorized to receive a block-grant from funds apportioned under section 8(b)(3) of this Act. The Secretary may make such authorization upon finding that—

(i) the applicant State has an agency or organization capable of administering a block-grant. The Secretary shall make such determination upon consideration of the resources available to the applicant State's designated agency or organization, in accordance with such regulations as the Secretary may prescribe;

(ii) the State has adopted a State airport system plan consistent with such criteria as the Secretary may require;

(iii) the State has submitted a consolidated improvement plan, and an annual expenditure program acceptable to the Secretary;

(iv) the State has certified that—

(I) it will submit annually a revised consolidated improvement plan consistent with the State's airport system plan;

(II) it will submit annually for the Secretary's approval an annual expenditure program;

(III) it will administer the distribution of the block-grant in accordance with the current consolidated improvement plan and the approved annual expenditure program;

(IV) it will enforce compliance with assurances received from those to whom it distributes funds apportioned under section 8(b)(3) of this Act;

(V) it will monitor compliance with outstanding Federal Airport Act, Airport and Airway Development Act of 1970, as amended, and Surplus Property Act of 1944 assurances at all airports which are eligible to receive funds apportioned under section 8(b)(3) of this Act and will report to the Secretary any noncompliance with such assurances;

(VI) it has given notice to sponsors of airports located within the State that it intends to apply for a block-grant under this Act,

(VII) it will collect and provide any safety data regarding public-use airports within the State as may be required by the Secretary;

(VIII) it will provide the Secretary with such planning data as may be required by the Secretary for eligible airports located within the State and included in the national airport system plan; and

(IX) it will submit such environmental information regarding its consolidated improvement plan and its annual expenditure program as the Secretary may require;

(v) the State has, through appropriate legislative action, agreed to participate in the block-grant program under this Act, designated the State official or agency that will have responsibility for administering such program, and agreed to obligate State funds for airport development in an amount at least equal to 10 percent of the amount of Federal block-grant funds awarded to such State under section 6 of this Act; and

(vi) the State has provided reasonable assurance that Federal funds apportioned to the State under section 8(b)(3) will be used to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for allowable project costs as set forth in section 15 of this Act, and will in no event replace such State, local, and other non-Federal funds.

The Secretary may revoke such authorization upon finding that the State has not submitted an acceptable annual expenditure program or otherwise has not fulfilled the conditions of subparagraph (3)(A) of this section or the certifications given pursuant thereto.

(B) DISTRIBUTION OF FUNDS IN PARTICIPATING STATES.—The designated public agency of any participating State (authorized pursuant to the provisions of section 9(b)(3)(A) of this Act) may apply to the Secretary for a block-grant from funds apportioned to such State under section 8(b)(3) of this Act.

(C) DISTRIBUTION OF FUNDS IN NONPARTICIPATING STATES.—Each sponsor of an airport, located in a State which is not a participating State, which is eligible to receive funds apportioned under section 8(b)(3) of this Act may apply to the Secretary for project-grants from funds apportioned to the State in which such airport is located.

(D) USE OF BLOCK-GRANT FUNDS.—

(i) A participating State may not apply funds apportioned under section 8(b)(3) of this Act to the administrative costs incurred by such State in making project grants.

(ii) A participating State shall be entitled to apply not more than 1.5 percent of its annual apportionment under section 8(b)(3)

of this Act to maintaining the currency of its State airport system plan.

(c) NOTICE OF APPORTIONMENT.—The Secretary shall give notice to primary airport sponsors, the Governor of each State, or the chief executive officer of the equivalent jurisdiction, the sponsors of commercial service airports which are part of primary hubs, and the sponsors of reliever airports which are public airports and are part of primary hubs, as the case may be, as soon as possible after April 1 of each year of the estimated amount of the Apportionment to be made on October 1 of that year.

TRANSPORTATION PLANNING

SEC. 10. It is declared to be in the national interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective, the Secretary shall cooperate with State and local officials in the development of airport plans and programs which are formulated on the basis of overall transportation needs and coordinated with other transportation planning with due consideration to comprehensive long-range land-use and access plans and overall social, economic, environmental, system performance, and energy conservation goals and objectives. The process shall be continuing, cooperative, and comprehensive to the degree appropriate based on the complexity of the transportation problems.

SUBMISSION AND APPROVAL OF PROJECT-GRANT AND BLOCK-GRANT APPLICATIONS

SEC. 11. (a) SUBMISSION.—

(1) PROJECT-GRANT APPLICATION.—Subject to the provisions of this paragraph, any public agency, or two or more public agencies acting jointly, may submit to the Secretary a project-grant application for one or more projects, in a form and containing such information as the Secretary may prescribe, setting forth the project or projects proposed to be undertaken. No project-grant application shall propose airport development or airport planning except in connection with public airports included in the current national airport system plan prepared pursuant to section 4 of this Act.

(2) BLOCK-GRANT APPLICATION.—Subject to the provisions of this paragraph, the designated public agency of any participating State may submit to the Secretary an application for a block-grant, in a form and containing such information as the Secretary may prescribe. No block-grant application shall propose airport development or airport planning except in connection with public-use airports included in the State's current State airport system plan or in the national airport system plan. In the case of public-use airports which are not public airports, no such development or planning may be proposed except in connection with reliever airports included in the current national airport system plan prepared pursuant to section 4 of this Act.

Nothing in this subsection shall authorize the submission of a project-grant or block-grant application by any public agency which is subject to the law of any State if the submission of such application by the public agency is prohibited by the law of that State. All proposed airport development shall be in accordance with standards established or approved by the Secretary, including standards for site location, airport layout, site preparation, paving, lighting, and safety of approaches.

(b) APPROVAL.—

(1) *Project-grant applications.*—

(A) No project-grant application may be approved by the Secretary unless the Secretary is satisfied that—

(i) the project is consistent with the objectives of this Act as stated in sections 2 and 10 of this Act;

(ii) the project is substantially consistent with plans (existing at the time of approval of the project) of public agencies authorized by the State in which such airport is located to plan for the development of the area in which the airport is located and will contribute to the accomplishment of the purposes of this Act;

(iii) sufficient funds are available for that portion of the project costs which are not to be paid by the United States under this Act;

(iv) the project will be completed without undue delay;

(v) the sponsor which submitted the project-grant application has legal authority to engage in the project as proposed; and

(vi) all project sponsorship requirements prescribed by or under the authority of this Act have been or will be met.

(B) No project-grant application for airport development may be approved by the Secretary unless the sponsor or a public agency or the United States or an agency thereof holds good title, satisfactory to the Secetary, to the landing area of the airport or site therefor, or gives assurance satisfactory to the Secretary that good title will be acquired.

(C) No project-grant application for airport development may be approved by the Secretary which does not include provision for (i) land required for the installation of approach light systems, (ii) touchdown zone and centerline runway lighting; and (iii) high intensity runway lighting, when it is determined by the Secretary that any such items are required for the safe and efficient use of the airport by aircraft, taking into account the type and volume of traffic utilizing the airport.

(D) No project-grant application for airport development may be approved unless the Secretary is satisfied that fair consideration has been given to the interest of communities in or near which the project may be located.

(E) It is declared to be national policy that airport development projects authorized pursuant to this Act shall provide for the protection and enhancement of the natural resources and the quality of the environment of the Nation. In implementing this policy, the Secretary shall consult with the Secretary of the Interior and the Administrator of the Environmental Protection Agency with regard to any project included in a project-grant application involving airport location, a major runway extension, or runway location which may have a significant impact on natural resources including, but not limited to, fish and wildlife, natural, scenic, and recreation assets, water and air quality, and other factors affecting the environment, and shall authorize no such project found to have significant adverse effect unless the Secretary shall render a finding, in writing, following a full and complete review, which shall be a matter of public record, that no feasible and prudent alternative exists and that all reasonable steps have been taken to minimize such adverse effect.

(F) HEARINGS.—

(i) No project-grant application for airport development involving the location of an airport, an airport runway, or a major runway extension may be approved by the Secretary unless the sponsor of the project certifies to the Secretary that there has been afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport location and its consistency with the goals and objectives of such planning as has been carried out by the community.

(ii) When hearings are held under subparagraph (i) of this paragraph, the project sponsor shall, when requested by the Secretary, submit a copy of the transcript to the Secretary.

(G) AIR AND WATER QUALITY.—

(i) No project-grant application for a project involving airport location, a major runway extension, or runway location may be approved unless the Governor of the State in which such project is to be located certifies in writing to the Secretary that there is reasonable assurance that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality implementation plans. In any case where such plans have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from that Administrator. Notice of certification or refusal to certify shall be provided within 60 days after the project application has been received by the Secretary.

(ii) The Secretary shall condition approval of any such project-grant application on compliance during construction and operation with applicable air and water quality standards.

(2) BLOCK-GRANT APPLICATIONS.—

(A) Except as otherwise provided, no block-grant application may be approved by the Secretary which does not condition receipt of such grant on the requirement that the State approve projects funded with such grants subject to the same conditions and requirements as would apply to the Secretary under this Act in approving project-grant applications.

(B) The provisions of subsection (b)(1)(B) of this section shall not be applicable to the approval by a State of a project for airport development at a public-use airport which is not a public airport. No project for airport development at such airport may be approved by a State unless such State is satisfied that good title to the landing area of the airport or site therefor is held or will be acquired by the applicant for funds from such grant.

(c) STATE STANDARDS.—The Secretary is authorized to approve standards, other than standards for safety of approaches, established by a State for airport development at public-use airports in such States which enplane less than .01 percent of the total number of passengers enplaned annually at all commercial service airports, and, upon such approval, such State standards shall be the standards applicable to such airports in lieu of any comparable standard established under subsection (a) of this section. State standards approved under this subsection may be revised from time to time, as the State or the Secretary determines necessary, subject to approval of such revisions by the Secretary.

(d) ACCEPTANCE OF CERTIFICATION.—In determining compliance with the requirements of this Act and other Federal laws, the Secretary shall, to the greatest extent practicable consistent with the objectives of this Act or such other Federal laws, accept conclusionary certifications from participating States and sponsors that they have complied or will comply with all of the statutory, regulatory, and procedural requirements that are imposed in connection with a block-grant or project-grant under this Act or other Federal laws. Acceptance by the Secretary of certification from a participating State or sponsor may be rescinded at any time.

(e) REQUIREMENT OF NOTICE.—Each sponsor to which funds are apportioned under section 8(b)(1) of this title must notify the Secretary, by such time and in a form containing such information as the Secretary may prescribe, of the fiscal year in which it intends to apply, by project-grant application, for such funds. If a sponsor does not provide such notification, the Secretary may defer approval of any application for such

funds until the fiscal year immediately following the fiscal year in which such application is submitted.

UNITED STATES SHARE OF PROJECT COSTS

SEC. 12. (a) GENERAL PROVISION.—Except as otherwise provided in this section, the United States share of allowable project costs payable on account of any project contained in an approved project-grant or block-grant application submitted in accordance with this Act shall not exceed 90 percent of the allowable project costs.

(b) PROJECTS AT CERTAIN PRIMARY AIRPORTS.—In the case of primary airports enplaning .25 percent or more of the total number of passengers enplaned annually at all commercial service airports, the United States share of allowable project costs payable on account of any project contained in an approved project-grant application shall not exceed 75 percent of the allowable project costs.

(c) PROJECTS IN PUBLIC LAND STATES.—In the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) exceeding 5 percent of the total area of all lands therein, the United States share under subsection (a) of this section shall be increased by whichever is the smaller of the following percentages thereof: (1) 25 percent, or (2) a percentage equal to one-half of the percentage that the area of all such lands in the State is of its total area. In no event shall such United States share, as increased by this subsection, exceed the greater of (1) the percentage share determined under subsection (a) of this section, or (2) the percentage share applying on June 30, 1965, as determined under subsection 17(b) of the Airport and Airway Development Act of 1970, as amended.

PROJECT SPONSORSHIP

SEC. 13. (a) SPONSORSHIP.—As a condition precedent to approval of an airport development project contained in a project-grant application submitted under this Act, the Secretary shall receive assurances, in writing, satisfactory to the Secretary, that—

(1) the airport to which the project relates will be available for public use on fair and reasonable terms and without unjust discrimination, including the requirement that (A) each air carrier, authorized by certificate or exemption to engage directly in air transportation pursuant to section 401, 402 or 418 of the Federal Aviation Act of 1958, using such airport shall be subject to nondiscriminatory and substantially comparable rates, fees, rentals, and other charges and nondiscriminatory and substantially comparable rules, regulations, and conditions as are applicable to all such air carriers which make similar use of such airport and which utilize similar facilities, subject to reasonable classifications such as tenants or nontenants, and combined passenger and cargo flights or all cargo flights, and such classification or status as tenant shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on tenant air carriers, and (B) each fixed-base operator at any airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport utilizing the same or similar facilities;

(2) the airport and all facilities thereon or connected therewith will be suitably operated and maintained, with due regard to climatic and flood conditions;

(3) the aerial approaches to the airport will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards;

(4) appropriate action, including the adoption of zoning laws has been or will be taken, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft;

(5) all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft will be available to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities used;

(6) the airport operator or owner will furnish without cost to the Federal Government for use in connection with any air traffic control or navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction at Federal expense of space or facilities for such purposes;

(7) all project accounts and records will be kept in accordance with a standard system of accounting prescribed by the Secretary after consultation with appropriate public agencies;

(8) the airport operator or owner will maintain a fee and rental structure for the facilities and services being provided the airport users which will make the airport as self-sustaining as possible under the circumstances existing at that particular airport, taking into account such factors as the volume of traffic and economy of collection, except that no part of the Federal share of an airport development or airport planning project for which a grant is made under this Act or under the Federal Airport Act or the Airport and Airway Development Act of 1970, as amended, shall be included in the rate base in establishing fees, rates, and charges for users of that airport;

(9) the airport operator or owner will submit to the Secretary such annual or special airport financial and operations reports as the Secretary may reasonably request;

(10) the airport and all airport records will be available for inspection by any duly authorized agent of the Secretary upon reasonable request;

(11) the airport operator or owner who receives a grant for the purchase of land for noise compatibility purposes which is conditioned on the disposal of the acquired land at the earliest practicable time will, subject to the retention or reservation of any interest or right therein necessary to insure that such land is used only for purposes which are compatible with the noise levels of the operation of the airport, use its best efforts to so dispose of such land. The proceeds of such dispositions shall be (A) refunded to the United States for the Trust Fund on a basis proportionate to the United States share of the cost acquisition of such land, or (B) reinvested in an approved project, pursuant to such regulations as the Secretary shall prescribe; and

(12) revenues generated by the airport will be used for capital and operating expenses of the airport. To insure compliance with this section, the Secretary shall prescribe such project sponsorship requirements in regard to the airport to which the project relates as are consistent with the terms of this Act and as the Secretary considers necessary. Among other steps to insure compliance, the Secretary is authorized to enter into contracts with public agencies on behalf of the United States. Whenever the Secretary obtains from a sponsor any area of land or water, or estate therein, or rights in buildings of the sponsor and constructs space or facilities thereon at Federal expense, the Secretary is authorized to relieve the sponsor from any contractual obligation entered into under this Act, the Airport and Airway Development Act of 1970, as amended, or the Federal Airport Act to provide free space in airport buildings to the Federal Government to the extent the Secretary finds that space no longer required for the purposes set forth in paragraph (6) of this subsection.

(b) CONSULTATION.—In making a decision to undertake any airport development project under this Act, each sponsor of an airport shall undertake reasonable consultations with affected parties using the airport at which such project is proposed.

GRANT AGREEMENTS

SEC. 14. Upon approving a project-grant or block-grant application, the Secretary, on behalf of the United States, shall transmit to the sponsor or sponsors of the project-grant or block-grant application an offer to make a grant for the United States share of allowable project costs. An offer shall be made upon such terms and conditions as the Secretary considers necessary to meet the requirements of this act and any regulations prescribed thereunder. Each offer shall state a definite amount as the maximum obligation of the United States payable from funds authorized by this Act, and shall stipulate the obligations to be assumed by the sponsor or sponsors. In any case where the Secretary approves a project-grant application for a project which (1) will not be completed in 1 fiscal year, and (2) will not be accomplished at an airport described in sections 23(a) or 23(b) of this Act, the offer shall, upon request of the sponsor, provide for the obligation of funds apportioned or to be apportioned to the sponsor pursuant to section 8(b)(1) of this Act for such fiscal years (including future fiscal years) as may of the cost of such project. In and when an agreement constituting an obligation of the United States and of the sponsor. Thereafter, in the case of a project for airport development, the amount stated in the accepted offer as the maximum obligation of the United States may not be increased by more than 10 percent. Unless and until an agreement has been executed, the United States may not pay, nor be obligated to pay, any portion of the costs which have been or may be incurred.

PROJECT COSTS

SEC. 15. (a) ALLOWABLE PROJECT COSTS.—Except as provided in section 16 of this Act, the United States may not pay, or be obligated to pay, from amounts appropriated to carry out the provisions of this title, any portion of a project cost incurred in carrying out a project for airport development or airport planning unless the Secretary has first determined that the cost is allowable. A project cost is allowable if—

(1) it was a necessary cost incurred in accomplishing an approved project in conformity with the terms and conditions of the grant agreement entered into in connection with the project, including any costs incurred by a recipient in connection with any audit required by the Secretary pursuant to section 20(b) of this Act;

(2) it was incurred subsequent to the execution of the grant agreement with respect to the project, and in connection with airport development or airport planning accomplished under the project after the execution of the agreement. However, the allowable costs of a project for airport development may include any necessary costs of formulating the project (including the

costs of field surveys and the preparation of plans and specifications, the acquisition of land or interests therein or easements through or other interests in airspace, and any necessary administrative or other incidental costs incurred by the sponsor specifically in connection with the accomplishment of the project for airport development, which would not have been incurred otherwise) which were incurred subsequent to May 13, 1946;

(3) in the opinion of the Secretary it is reasonable in amount, and if the Secretary determines that a project cost is unreasonable in amount, the Secretary may allow as an allowable project cost only so much of such project cost as the Secretary determines to be reasonable, except that in no event may the Secretary allow project costs in excess of the definite amount stated in the grant agreement; and

(4) it has not been included in any project for airport planning or airport development for which Federal assistance has been granted.

The Secretary is authorized to prescribe such regulations, including regulations with respect to the auditing of project costs, as the Secretary considers necessary to accomplish the purposes of this section.

(b) TERMINAL DEVELOPMENT.—

(1) Notwithstanding the provisions of subsection (c) of this section, upon certification by the sponsor of any commercial service airport that such airport has, on the date of submittal of the project-grant application, all the safety equipment required for certification of such airport under section 612 of the Federal Aviation Act of 1958, as amended, all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning or deplaning from aircraft providing scheduled service, the Secretary may approve, as allowable project costs of a project for airport development at such airport, terminal development (including multimodal terminal development) in nonrevenue producing public-use areas if such project cost is directly related to the movement of passengers and baggage in air commerce within the boundaries of the airport, including, but not limited to, vehicles for the movement of passengers between terminal facilities or between terminal facilities and aircraft.

(2) No more than 60 percent of the sums apportioned under section 8(b)(1) of this Act to the sponsor of an eligible primary airport for any fiscal year may be obligated for project costs allowable under paragraph (1) of this subsection. No more than $200,000 of the sums apportioned under section 8(b)(2) and (3) for any fiscal year may be used by the sponsor of a commercial service airport which is not a primary airport for project costs allowable under paragraph (1) of this subsection.

(3) Notwithstanding any other provisions of this Act, the United States share of project costs allowable under paragraph (1) of this subsection shall not exceed 50 percent.

(4) The Secretary shall approve project costs allowable under paragraph (1) of this subsection under such terms and conditions as may be necessary to protect the interests of the United States.

(c) COSTS NOT ALLOWED.—Except as provided in subsection (b) of this section, the following are not allowable project costs: (1) the cost of construction of that part of an airport development project intended for use as a public parking facility for passenger automobiles; or (2) the cost of construction, alteration, or repair of a hangar or of any part of an airport building except such of those buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at the airport.

PAYMENTS UNDER GRANT AGREEMENTS

SEC. 16. (a) PROJECT-GRANT AGREEMENTS.—The Secretary, after consultation with the sponsor with which a project-grant agreement has been entered into, may determine the times and amounts in which payments shall be made under the terms of such agreement. Payments in an aggregate amount not to exceed 90 percent of the United States share of the total estimated allowable project costs may be made from time to time in advance of accomplishment of the airport project to which the payments relate, if the sponsor certifies to the Secretary that the aggregate expenditures to be made from the advance payments will not at any time exceed the cost of the airport development work which has been performed up to that time.

(b) BLOCK-GRANT AGREEMENTS.—The Secretary, after entering into a block-grant agreement with a State, shall make payment to such State of the United States share of the allowable project costs of projects contained in the approved annual expenditure program. Such payment may be effected through a letter of credit system.

(c) PROJECT-GRANT AND BLOCK-GRANT AGREEMENTS.—If the Secretary determines that the aggregate amount of payments made under a project-grant or block-grant agreement at any time exceeds the United States share of the total allowable project costs, the United States shall be entitled to recover the excess. If the Secretary finds that any airport development to which the advance payments relate has not been accomplished within a reasonable time or the project is not completed, the United States may recover any part of the advance payment for which the United States received no benefit. Payments under a project-grant or blockgrant agreement shall be made to the official or depository authorized by law to receive public funds and designated by the sponsor.

PERFORMANCE OF CONSTRUCTION WORK

SEC. 17. (a) REGULATIONS.—The construction work on any project for airport development contained in an approved project-grant application submitted in accordance with this Act shall be subject to inspection and approval by the Secretary and shall be in accordance with regulations prescribed by the Secretary. Such regulations shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary. No such regulation shall have the effect of altering any contract in connection with any project entered into without actual notice of the regulation.

(b) MINIMUM RATES OF WAGES.—All contracts in excess of $2,000 for work on projects for airport development approved under this title which involve labor shall contain provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

(c) VETERANS PREFERENCE.—All contracts for work on projects for airport development approved under this subchapter which involve labor shall contain provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to veterans of the Vietnam era and disabled veterans.

(1) A Vietnam era veteran is an individual who served on active duty as defined by section 101(21) of title 38 of the United States Code in the Armed Forces for a period of more than 180 consecutive days any part of which occurred during the period beginning August 5, 1964, and ending May 7, 1975, and who was separated from the Armed Forces under honorable conditions.

(2) Disabled veteran is defined in section 2108(2) of title 5 of the United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

USE OF GOVERNMENT-OWNED LANDS

SEC. 18. (a) REQUESTS FOR USE.—Subject to the provisions of subsection (c) of this section, whenever the Secretary determines that use of any lands owned or controlled by the United States is reasonably necessary for carrying out a project under this Act at a public airport, or for the operation of any public airport, including lands reasonably necessary to meet future development of an airport in accordance with the national airport system plan, the Secretary shall file with the head of the department or agency having control of the lands a request that the necessary property interests therein be conveyed to the public agency sponsoring the project in question or owning or controlling the airport. The property interest may consist of the title to, or any other interest in, land or any easement through or other interest in airspace.

(b) MAKING OF CONVEYANCES.—Upon receipt of a request from the Secretary under this section, the head of the department or agency having control of the lands in question shall determine whether the requested conveyance is inconsistent with the needs of the department or agency, and shall notify the Secretary of the determination within a period of 4 months after receipt of the Secretary's request. If the department or agency head determines that the requested conveyance is not inconsistent with the needs of that department or agency, the department or agency head is hereby authorized and directed, with the approval of the Attorney General of the United States, and without any expense to the United States, to perform any acts and to execute any instruments necessary to make the conveyance requested. A conveyance may be made only on the condition that, at the option of the Secretary, the property interest conveyed shall revert to the United States in the event that the lands in question are not developed for airport purposes or used in a manner consistent with the terms of the conveyance. If only a part of the property interest conveyed is not developed for airport purposes, or used in a manner consistent with the terms of the conveyance, only that particular part shall, at the option of the Secretary, revert to the United States.

(c) EXEMPTION OF CERTAIN LANDS.—Unless otherwise specifically provided by law, the provisions of subsections (a) and (b) of this section shall not apply with respect to lands owned or controlled by the United States within any national park, national monument, national recreation area, or similar area under the administration of the National Park Service; within any unit of the National Wildlife Refuge System or similar area under the jurisdiction of the Bureau of Sport Fisheries and Wildlife; or within any national forest or Indian reservation.

FALSE STATEMENTS

SEC. 19. Any officer, agent, or employee of the United States, or any officer, agent, or employee of any public agency, or any person, association, firm, or corporation who, with intent to defraud the United States—

(1) knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used or the quantity or quality of the work performed or to be performed, or the costs thereof, in connection with the submission of plans, maps, specifications, contracts, or estimates of project costs for any project submitted to the Secretary for approval under this Act;

(2) knowingly makes any false statement, false representation, or false report or claim

for work or materials for any project approved by the Secretary under this Act; or

(3) knowingly makes any false statement or false representation in any report required to be made under this act;

shall, upon conviction thereof, be punished by imprisonment for not to exceed 5 years or by a fine of not to exceed $10,000, or by both.

ACCESS TO RECORDS

SEC. 20. (a) RECORDKEEPING REQUIREMENTS.—Each recipient of a grant under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and the disposition by the recipient of the proceeds of the grant, the total cost of the plan or program in connection with which the grant is given or used, and the amount and nature of that portion of the cost of the plan or program supplied by other sources, and such other records as will facilitate an effective audit. The Secretary shall annually review the reporting and recordkeeping requirements under this Act to insure that such requirements are kept to the minimum level necessary for the proper administration of this Act.

(b) AUDIT AND EXAMINATION.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to grants received under this Act. The Secretary may require, as a condition to receipt of a grant under this Act, that an appropriate audit be conducted by a recipient. The Secretary may require appropriate audit and examination by participating States of any books, documents, papers, and records of any recipient of funds from a block-grant apportioned to such States under this Act.

(c) AUDIT REPORTS.—In any case in which an independent audit is made of the accounts of a recipient of a grant under this Act relating to the disposition of the proceeds of such grant or relating to the plan or program in connection with which the grant was given or used, the recipient shall file a certified copy of such audit with the Comptroller General of the United States not later than 6 months following the close of the fiscal year for which the audit was made. On or before April 15 of each year the Comptroller General shall report to the Congress describing the results of each audit conducted or reviewed by him under this section during the preceding fiscal year. The Comptroller General shall prescribe such regulations as are deemed necessary to carry out the provisions of this subsection.

(d) WITHHOLDING INFORMATION.—Nothing in this section shall authorize the withholding of information by the Secretary or the Comptroller General of the United States, or any officer or employee under the control of either of them, from the duly authorized committees of the Congress.

GENERAL POWERS

SEC. 21. The Secretary is empowered to perform such acts, to conduct such investigations and public hearings, to issue and amend such orders, and to make and amend such regulations and procedures, pursuant to and consistent with the provisions of this Act, as the Secretary considers necessary to carry out the provisions of, and to exercise and perform the Secretary's powers and duties under this Act.

CIVIL RIGHTS

SEC. 22. The Secretary shall take affirmative action to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any activity conducted with funds received from any grant made under this Act. The Secretary shall promulgate such rules as the Secretary deems necessary to carry out the purposes of this section and may enforce this section, and any rules promulgated under this section, through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights Act of 1964. The provisions of this section shall be considered to be in addition to and not in lieu of the provisions of title VI of the Civil Rights Act of 1964.

NONPARTICIPATING AIRPORTS; WAIVER OF CERTAIN OBLIGATIONS

SEC. 23. (a) No obligation for airport development shall be incurred by the Secretary after September 30, 1981, at any airport that enplanes more than .25 percent of the total number of passengers enplaned annually at all commercial service airports.

(b) For any fiscal year beginning after September 30, 1981, any airport that otherwise would be eligible to receive Federal assistance for airport development under this Act may elect not to receive such assistance; *Provided*, That—

(1) Such airport shall not be eligible to receive assistance for airport development under this Act for that fiscal year or any subsequent fiscal year, and

(2) Any airport that elects not to receive such assistance during a fiscal year shall notify the Secretary of such election at least 60 days prior to the commencement of that fiscal year.

(c)(1) The Secretary shall issue criteria and requirements pursuant to which the sponsors of airports described in subsections (a) and (b) of this section may, at their option, terminate any existing assurances, requirements, or contractual obligations with the United States that arose from the acceptance of Federal assistance under, or that are contained in grant agreements, deeds, or other instruments of conveyance issued pursuant to, this Act, the Federal Airport Act of 1946 (49 U.S.C. 1101 et seq.), the Airport and Airway Development Act of 1970 (49 U.S.C. 1711 et seq.) or the Surplus Property Act of 1944.

(2) If the sponsor of an airport, pursuant to paragraph (1) of this subsection, elects to terminate a financial obligation owed to the United States, the Secretary is authorized to settle such obligation in an amount not exceeding the maximum obligation stated in the existing agreement, less any payments made thereon.

(3) Notwithstanding paragraphs (1) and (2) of this subsection, neither the sponsor of an airport nor the Secretary may terminate any assurance specified in paragraphs 1 through 12 of section 13 of this Act or in paragraphs 1 through 10 of section 18 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1718).

(d) No State or political agency of one or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to (1) the operating safety of an airport subject to section 612 of the Federal Aviation Act of 1958 (49 U.S.C. 1432), or (2) any assurance, obligation, or requirement from which an airport sponsor has been released by the Secretary under this section.

REPEALS; EFFECTIVE DATE; SAVING PROVISIONS; AND STABILITY

SEC. 24. (a) REPEAL.—Except as otherwise provided in this Act, sections 1 through 30 of the Airport and Airway Development Act of 1970, as amended (49 U.S.C. 1701–1730), are repealed as of the close of September 30, 1980.

(b) EFFECTIVE DATE.—The provisions of this Act are effective as of the close of September 30, 1980.

(c) SAVING PROVISIONS.—

(1) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, grants, rights, and privileges which have been issued, made, granted, or allowed to become effective by the President, the Secretary, or any court of competent jurisdiction under any provision of the Airport and Airway Development Act of 1970, as amended, or the Federal Airport Act, as amended, which are in effect at the time this Act takes effect, are continued in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary or by any court of competent jurisdiction, or by operation of law.

(2) Notwithstanding any other provision of this Act, amounts apportioned before October 1, 1980, pursuant to section 15 (a)(3) of the Airport and Airway Development Act of 1970, as amended, and which have not been obligated by grant agreement before that date, shall remain available for obligation, for the duration of time specified in section 15(a)(5) of that Act, in accordance with the provisions of that Act, to the same extent as though that Act had not been repealed.

(d) SEPARABILITY.—If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons or circumstances is not affected thereby.

S. 1649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Airport and Airway Revenue Act of 1979".

SEC. 101. AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

AVIATION FUEL

SEC. 102. Subsection (c) of section 4041 (relating to tax on fuel used in noncommercial aviation) is amended to read as follows:

"(c) NONCOMMERCIAL AVIATION.—

"(1) IMPOSITION AND RATE OF TAX.—There is hereby imposed a tax of 6 percent of the retail sale price upon any liquid—

"(A) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in noncommercial aviation; or

"(B) used by any person as a fuel in an aircraft in noncommercial aviation, unless there was a taxable sale of such liquid under this section.

The tax imposed under this paragraph shall be reduced by any tax imposed under section 4081.

"(2) DEFINITIONS.—

"(A) RETAIL PRICE.—For purposes of this subsection, retail price is the price of the fuel delivered into the purchaser's aircraft or bulk storage facility but shall not include the tax imposed by section 4081 or any State or local gallonage or sales tax imposed on motor fuel.

"(B) NONCOMMERCIAL AVIATION.—For purposes of this subchapter, the term 'noncommercial aviation' means any use of any aircraft, other than use in a business of transporting persons or property for compensation or hire by air. The term also includes any use of an aircraft, in a business described in the preceding sentence, which is properly allocable to any transportation exempt from the taxes imposed by sections 4261 and 4271 by reason of section 4281 or 4282.

"(3) TERMINATION.—On and after October 1, 1990, the tax imposed by paragraph (1) shall not apply.".

TRANSPORTATION OF PERSONS AND PROPERTY BY AIR

SEC. 104. (a) Subsections (a) and (b) of section 4261 (relating to tax on transportation of persons by air) are amended by striking out "8 percent" and inserting in lieu thereof "2 percent".

(b) Subsection (e) of section 4261 (relating to tax on transportation of persons by air) and subsection (d) of section 4271 (relating to tax on transportation of property by air) are amended by striking out "June 30, 1980" and inserting in lieu thereof "September 30, 1990".

USE OF CIVIL AIRCRAFT

SEC. 105. (a) IMPOSITION OF TAX.—Section 4491 (relating to imposition of tax on use of civil aircraft) is amended—

(1) by striking out the period at the end of subsection (a), inserting in lieu thereof a semicolon, and adding at the end thereof:

"(3) In the case of the taxable period beginning on July 1, 1990, and ending on September 30, 1990, the tax under paragraph (1) shall be $6.25 for such period and the rates of tax under paragraph (2) shall be 0.5 and .875 cents a pound respectively.";

(2) by striking out the word "year" wherever it appears in subsection (c) and inserting in lieu thereof "taxable period"; and

(3) by striking out the section heading for subsection (d) and inserting in lieu thereof "ONE TAX LIABILITY PER PERIOD".

CONFORMING AMENDMENT

SEC. 104. Section 6416(a)(1) (relating to certain taxes on sales and services) is amended by striking the words "special fuels" and inserting in lieu thereof "noncommercial aircraft and special fuels".

EFFECTIVE DATE

SEC. 105. The amendments made in sections 102, 103, 104, and 105 of this Act shall take effect on July 1, 1980.

AIRPORT AND AIRWAY TRUST FUND AMENDMENTS

SEC. 201. Section 208 of the Airport and Airway Revenue Act of 1970, as amended (49 U.S.C. 1742), is further amended by—

(a) striking out "October 1, 1980," in subsections (b)(1), (b)(2), and (b)(3), and inserting in lieu thereof "October 1, 1990,";

(b) striking out "October 1, 1980," in subsection (f)(1) and inserting in lieu thereof "October 1, 1990,";

(c) striking out subsection (f)(1)(A) and substituting the following:

"(A) incurred under the Airport and Airway System Development Act of 1979 (as in effect on the date of the enactment of this Act), or the Airport and Airway Development Act of 1970, as amended (49 U.S.C. 1701 et seq.)";

(d) striking out "October 1, 1980," in subsections (f)(1) and (f)(2)(A) and inserting in lieu thereof "October 1, 1990,"; and

(e) striking out "October 1, 1980," in subsection (f)(3) and inserting in lieu thereof "October 1, 1990,".●

By Mr. INOUYE (for himself, Mr. BENTSEN, Mr. CANNON, Mr. COCHRAN, Mr. HATFIELD, Mr. HAYAKAWA, Mr. HOLLINGS, Mr. MATSUNAGA, Mr. PRYOR, Mr. STEVENS, Mr. STEWART, Mr. STONE, Mr. TALMADGE, and Mr. WARNER):

S. 1650. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

NATIONAL AQUACULTURE ACT OF 1979

Mr. INOUYE. Mr. President, today I am pleased to introduce the National Aquaculture Act of 1979. Aquaculture, the cultivation of aquatic plants and animals in marine, brackish, and fresh water, has been an important means of food production in Asia for several thousand years. It is a relatively recent practice in the United States, where the first aquaculture facilities were established roughly a century ago as a means of enhancing natural fisheries stocks. Since that time, and particularly since World War II, aquaculture in the United States has grown slowly but significantly, both in terms of the amount of food produced and in terms of the number of species cultured. Today, aquaculture in the United States produces salmon, catfish, trout, oysters, mussels, shrimp, clams, and other species. Despite the great potential of aquaculture as an energy-efficient means of food production, its growth has been much slower, and levels of production are much lower, than elsewhere in the world.

It is estimated that worldwide aquacultural production has approximately doubled in the last 5 years and now totals 6 million metric tons, or roughly 10 percent of world fisheries production. Some countries rely on aquaculture for over 40 percent of their total fisheries supply, and many countries, particularly China, Japan, and the U.S.S.R. are continuing to expand aquacultural production very rapidly. Closer to the United States, both Mexico, and Canada have recently committed themselves to expenditures of hundreds of millions of dollars to expand aquacultural production.

In contrast to the growth and importance of aquaculture in other countries, aquacultural production in the United States accounts for only 3 percent of domestically consumed fisheries products. According to a recent study by the National Academy of Sciences, annual aquacultural production in this country is only 65,000 metric tons, or roughly 1 percent of the world total.

Despite the current relatively low levels of production, it is clear that in the future aquaculture can and must make increasingly larger contributions to our supplies of aquatic foods and products. The National Oceanic and Atmospheric Administration (NOAA) has estimated that the domestic demand for seafood products will increase by 80 percent by the year 2000. However, most traditional fisheries resources in the United States are already being harvested at or near optimum sustainable yield levels. Even allowing for the increased use of nontraditional species, the amount of seafood domestically landed will probably be severely limited. In addition, NOAA has estimated a worldwide shortage of fisheries products within 3 to 10 years on the basis of projected rates of harvesting and consumption.

In response to this projected shortfall of supply, the National Academy of Science estimates that U.S. acquacultural production could increase from the current 65,000 metric tons to 250,000 metric tons by 1985 and, with proper support, could reach 1 million metric tons by the year 2000. Since current agricultural production in this country has focused on only a few species, the market potential for aquacultural products is very promising. Furthermore, the United States currently imports over 50 percent of its fisheries products, creating a balance of payments deficit of approximately $2 billion per year. Aquaculture can make a substantial contribution to reducing this deficit by reducing the import need and by producing products for export.

Proven techniques for rearing trout, salmon, catfish, and oysters are well known and a review of production records for these species provides a basis for estimating the potential for expansion of aquaculture in the United States.

The State of Hawaii is in the forefront in this country in recognizing this potential and in committing the resources necessary to achieve it. Hawaii has established the first comprehensive aquaculture development program in the United States, which serves as a model for the Federal Government and other States. Hawaii is also engaged in many activities to assist aquaculture, including loan programs, marketing studies, disease control, and extension/advisory services. This bold commitment to aquaculture serves as a lesson to the rest of the country on the potential importance of aquaculture.

Although the potential for growth of aquaculture in the United States is great, and the benefits many, several factors have been identified that limit this potential.

The Library of Congress indicates that the stages in development of commercial aquaculture are: First, basic scientific and technological research; second, experimental (applied) research and development; third, preliminary economic assessment; fourth, pilot or demonstration plant activity; and fifth, economic assessment. With the exception of a few species such as catfish, trout, and salmon, commercial aquaculture has not progressed beyond step three. Many species with potential have progressed to the experimental research and development stage, but have not progressed any further, partially due to lack of the necessary investment capital. Without completion of the last three stages, investors have been very reluctant to enter this developing field.

Some of the other limiting factors that emerged during hearings last year were:

Inadequate information.—Testimony received from the industry indicated that technical or economic information on certain species having potential for aquaculture is lacking. Consequently, industry had been reluctant to invest in these species. Researchers testified that in order to develop the necessary information prototype facilities are necessary.

Inadequate funding.—Both the aquacultural industry and those persons involved in aquacultural research indicated that more funds should be devoted to support aquacultural research. It was emphasized that the funds should be in addition to those now being spent and that current activities should not be sacrificed.

Marketing practices.—Industry expressed the general position that more work needs to be done on marketing of aquaculture species, especially trout, catfish, and salmon. It was felt that better marketing would provide the incentives to further develop the industry.

Inadequate credit and financing.—There is a generalized feeling in private financial markets that aquaculture is a high risk business and there is little interest in providing financial support to aquaculture.

This problem has been compounded by the generally tight money market conditions of the past decade. As a result individuals or small companies wishing to enter the field of aquaculture have generally been unable to obtain necessary financing in the private sector.

Existing laws and standards.—The National Academy of Sciences study identified the combination of local, State, and Federal regulatory requirements and procedures, many of which were established without consideration of their effect on, or their applicability to, aquaculture, as the most serious constraint on the development of aquaculture.

Water resource development.—It is generally felt that it is essential to insure adequate water quality for aquaculture facilities and the protection of land along the coast and adjacent rivers and lakes from infringements from other land uses such as condominiums, boat harbors, and marinas. This is critical when these lands are appropriate for aquaculture.

Duplication and lack of coordination among governmental agencies.—Within the Federal Government, there is inadequate coordination among the several agencies responsible for conducting aquacultural programs. There is also a lack of leadership and an absence of definitive goals.

Eleven Federal agencies have been identified as having direct involvement with aquaculture, and some 10 other agencies have programs that are indirectly related. The principal Federal acquaculture investments during 1975 in research and development were in the following Federal agencies: Department of Commerce, $6.9 million; Department of the Interior, $4.3 million; Department of Agriculture, $750,000; and Environmental Protection Agency, $50,000. The Department of Commerce programs are carried out by three agencies: the Office of Economic Development, $700,000; the National Marine Fisheries Service, $2.4 million; and the National Sea Grant Office, $3.8 million.

Several of these departments and agencies have conducted research and development within the framework of specific missions; yet any coordination that has taken place has been primarily to avoid undesirable overlaps. However, far more serious than the overlaps have been the gaps that result, because of the lack of proper coordination and direction.

Many State and local agencies, regional commissions, and universities are also involved to some degree in aquaculture. Generally, each of these entities has taken its own direction, often without awareness of the activities of others. This lack of coordination can be eliminated by the designation in each State of a State aquaculture agency.

What is needed in order for aquaculture to achieve its full potential in the United States is the development of a national policy and a national plan for carrying out such a policy. It is only in this way that the necessary coordination among the various Federal, State, and local agencies, universities, and others involved in aquaculture can be achieved.

Last year, at the close of the 95th Congress, the Congress passed H.R. 9370, a bill which was intended to achieve these goals. President Carter pocket-vetoed that bill, primarily because it contained financial incentive programs which would have provided loan guarantees and insurance to the aquaculture industry. While I still believe that a need for these programs has been clearly demonstrated and that the benefits would far exceed the costs, I have deleted these programs from the bill I introduce today in an effort to provide the basis for strong administration support both for this legislation and for the development of aquaculture.

In fact, since last year's pocket-veto, I have been encouraged by the administration's efforts to carry out under existing authority many of the actions which we called for in last year's bill. A Joint Subcommittee on Aquaculture, and interagency coordinating group under the auspices of the White House Office of Science and Technology Policy, has been established and is currently in the process of formulating a national aquaculture plan, as called for in last year's bill. In addition, the subcommittee is undertaking studies of the need for new financial incentive programs for aquaculture and the effects of regulatory constraints on aquaculture. The bill which I am introducing today would formalize these activities and provide the subcommittee with a legislative mandate. The bill is very similar to a version of last year's bill which the Office of Management and Budget has indicated it would find acceptable, and I am very hopeful that the administration will strongly support this bill.

In short, this bill finally recognizes the high priority which aquaculture development deserves and, if enacted, will constitute a major step in achieving that development. This is not to suggest that no future aquaculture legislation will be required, but this bill will provide a strong foundation for any future action.

Mr. President, I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Aquaculture Act of 1979".

SEC. 2. FINDINGS, PURPOSE, and POLICY.

(a) FINDINGS.—Congress finds the following:

(1) The harvest of certain species of fish and shellfish exceeds levels of optimum sustainable yield, thereby making it more difficult to meet the increasing demand for aquatic food;

(2) To satisfy the domestic market for aquatic food, the United States imports more than 50 percent of its fish and shellfish, but this dependence on imports adversely affects the national balance of payments and contributes to the uncertainty of supplies;

(3) Although aquaculture currently contributes approximately 10 percent of world seafood production, less than 3 percent of current United States seafood production results from aquaculture. Domestic aquacultural production, therefore, has the potential for significant growth.

(4) Aquacultural production of aquatic plants can provide sources of food, industrial materials, pharmaceuticals, and energy, and can assist in the control and abatement of pollution;

(5) The rehabilitation and enhancement of fish and shellfish resources are desirable applications of aquacultural technology;

(6) The principal responsibility for the development of aquaculture in the United States must rest with the private sector;

(7) Despite its potential, the development of aquaculture in the United States has been inhibited by many economic, legal, and production factors such as inadequate credit, diffused legal jurisdiction, the lack of management information, and the lack of reliable supplies of seed stock; and

(8) Many areas of the United States are suitable for aquaculture, but are subject to land-use or water-use management policies that do not adequately consider the potential for aquaculture and that many inhibit the development of aquaculture.

PURPOSE.—It is the purpose of this Act to promote aquaculture in the United States by:

(1) declaring a national policy for aquaculture;

(2) establishing and implementing a national aquaculture development plan; and

(3) encouraging aquaculture activities and programs in both the public and private sectors of the economy;

that will result in increased aquacultural production, the coordination of domestic aquacultural efforts, the conservation and enhancement of aquatic resources, the creation of new industries and job opportunities, and other national benefits.

(c) POLICY.—Congress declares that aquaculture has the potential for augmenting existing commercial and recreational fisheries and for producing other renewable resources, thereby assisting the United States in meeting its future food needs and contributing to the solution of world resource problems. It is, therefore, in the national interest, and it is the national policy, to encourage the development of aquaculture in the United States.

SEC. 3. DEFINITIONS.—As used in this Act, unless the context otherwise requires:

(1) The term "aquaculture" means the propagation and rearing of aquatic species in controlled or selected environments, including, but not limited to, ocean ranching (except private ocean ranching of Pacific salmon for profit in those States where such ranching is prohibited by law);

(2) The term "aquaculture facility" means any land, structure, or other appurtenance that is used for aquaculture and is located in any State. Such term includes, but is not limited to, any laboratory, hatchery, rear-

ing pond, raceway, pen, incubator, or other equipment used in aquaculture;

(3) The term "aquatic species" means any species of finfish, mollusk, crustacean, or other aquatic invertebrate, amphibian, reptile, or aquatic plant;

(4) The term "person" means any individual who is a citizen or national of the United States, any Indian tribe, any institution of higher education, and any corporation, partnership, association or other entity (including, but not limited to, any community development corporation, producer cooperative, or fishermen's cooperative) organized or existing under the laws of any States;

(5) The term "Plan" means the National Aquaculture Development Plan required to be established under section 4;

(6) The term "Secretaries" means the Secretary of Aquaculture, the Secretary of Commerce, and the Secretary of the Interior; and

(7) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands of the United States, Guam, and the Commonwealth of the Northern Mariana Islands.

SEC. 4. NATIONAL AQUACULTURE DEVELOPMENT PLAN.

(a) IN GENERAL.

(1) Within 18 months after the date of the enactment of this Act, the Secretaries shall establish the National Aquaculture Development Plan. Within 6 months after such date of enactment, the Secretaries shall give interested persons and organizations an opportunity to comment during the develoment of the Plan;

(2) In developing the Plan, and revisions thereto under subsection (d), the Secretaries shall consult with other appropriate Federal officers, appropriate States, and appropriate Regional Fishery Management Councils established under section 302 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1852); and

(3) If the Secretaries deem it to be appropriate, they may establish, and appoint the members of, an advisory committee to assist in the initial development of the Plan. Individuals appointed to the advisory committee shall be knowledgeable or experienced in the principles and practices of aquaculture. The members of the advisory committee (other than officers or employees of the Federal Government), while away from their homes or regular places of business in the performance of services for the advisory committee, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(b) CONTENTS OF PLAN.—The Plan shall:

(1) identify species that the Secretaries determine to have significant potential for culturing on a commercial or other basis;

(2) recommend actions to be taken by the public and private sectors (which may include, but are not limited to, research and development, technical assistance, demonstration, extension education, and training activities) that are necessary to achieve such potential. The Plan shall address the following matters, taking into account the status of aquaculture regarding the aquatic species concerned:

(A) aquaculture facility design and operation;

(B) water quality management;

(C) use of waste products (including thermal effluents);

(D) nutrition and the developing of economical feeds, including natural food sources;

(E) life history, genetics, physiology, pathology, and disease control (including research regarding organisms that may not be harmful to fish and shellfish, but are injurious to humans);

(F) processing and market development;

(G) production management and quality control; and

(H) the development of adequate supplies of seed stock.

(3) include, where appropriate, research programs on the effect of aquaculture on estuarine and other water areas and on the management of such areas for aquaculture;

(4) include, where appropriate, programs to analyze, and to formulate proposed resolutions of, the legal or regulatory constraints that may affect aquaculture; and

(5) include such other research and development, technical assistance, demonstration, extension education, and training programs as the Secretaries deem necessary or appropriate to carry out the purpose and policy of this Act.

In formulating the Plan, the Secretaries shall, to the extent practicable, take into account any significant action that (i) has been, or is proposed to be, undertaken by any other Federal department or agency, any State agency, or any person; and (ii) may affect the implementation of the Plan.

(c) ACTIONS AND IMPLEMENTATION.—The Plan shall specify:

(1) with respect to those actions that the Secretaries determine should be undertaken, the period of time within which each such action should be completed, in order to implement the program; and

(2) with respect to each such action which of the Secretaries, acting individually, jointly, or collectively, has the responsibility for implementing the action.

The specifications of Secretarial responsibilities under paragraph (2) for implementing actions shall be determined on the basis of:

(A) the responsibilities conferred on the respective Secretaries by law or by any executive action having the effect of law (including, but not limited to, Reorganization Plan Numbered 4 of 1970); and

(B) the experience, expertise, and other appropriate resources that the department of each such Secretary may have with respect to the action required under the program concerned.

(d) REVISION OF PLAN.—The Secretaries shall undertake periodic reviews of the operation and effectiveness of the Plan. If as a result of any such review, or the aquacultural assessment required under subsection (e), the Secretaries determine that:

(1) any aquatic species not currently identified in the Plan has significant potential for aquaculture;

(2) any action specified in the Plan is not being accomplished on a successful and timely basis; or

(3) any action specified in the Plan should be terminated because its objectives have been achieved or its projected benefits do not warrant further support;

the Secretaries shall appropriately amend the Plan.

(e) CONTINUING AQUACULTURE ASSESSMENT.—The Secretaries, through the Joint Subcommittee on Aquaculture (section 6), shall undertake a continuing assessment of aquaculture in the United States for the purpose of maintaining, on a continuing basis:

(1) a complete profile of the aquacultural industry with respect to the incidence, size, and status of commercial aquacultural enterprises;

(2) the identification of private and public institutions and organizations involved in aquacultural research, extension, credit, and market development;

(3) the identification of the various aquatic species being cultured and a description of the status of commercial development of each such species;

(4) to the extent practicable, the identification of aquacultural production regions, species, and markets that have significant potential for development;

(5) a catalog describing all Federal programs and activities that directly or indirectly encourage, support, or assist aquaculture; and

(6) the identification of the economic, physical, legal, institutional, and social constraints that inhabit the development of aquaculture in the United States.

SEC. 5. FUNCTIONS AND POWERS OF SECRETARIES

(a) MANDATORY FUNCTIONS.—In implementing any actions under the Plan, the Secretaries shall—

(1) provide advisory, educational, and technical assistance (including training) with respect to aquaculture to interested persons, but in providing such assistance, shall, to the maximum extent practicable, avoid duplication of similar assistance provided by other Federal departments and agencies and by State agencies;

(2) consult and cooperate with interested persons, Federal departments and agencies, State agencies, and regional commissions;

(3) encourage the implementation of aquacultural technology in the rehabilitation and enhancement of publicly owned fish and shellfish stocks (including such rehabilitation and enhancement by private nonprofit enterprises), and in the development of private commercial aquacultural enterprises; and

(4) prescribe such regulations as may be necessary to carry out such a program.

(b) DISCRETIONARY FUNCTIONS.—In implementing any program under the Plan, the Secretaries may—

(1) for the purposes of assessing the biological, technical and economic feasibility of any aquacultural system—

(A) conduct tests of the system and, if necessary, construct, operate, and maintain developmental aquaculture facilities for testing laboratory results, and

(B) conduct such other tests or analyses as may be necessary;

(2) develop methods to enhance stocks of aquatic species; and

(3) conduct such other tests or analyses or take such other actions as the Secretaries deem necessary or appropriate.

(c) INFORMATION SERVICES.—(1) In addition to performing such other functions that are required under this Act, the Secretaries shall—

(A) establish and maintain an information service for the collection, analysis, and dissemination of scientific, technical, legal, and economical information relating to aquaculture;

(B) conduct appropriate surveys, in coordination with other Federal departments and agencies, of public and private aquacultural activities being conducted in the United States for the purpose of acquiring information on acreages, water use, production, culture techniques, and other relevant matters;

(C) arrange with foreign nations for the exchange of information relating to aquaculture and support a translation service;

(D) conduct a continuing study to determine whether existing capture fisheries could be adversely affected by competition from products produced by commerical aquaculture enterprises and include in such study—

(i) an assessment of any adverse effect, by species and by geographical region on such fisheries, and

(ii) recommended measures to ameliorate any such effect; and

(E) report to Congress on the findings made under the study provided for under subparagraph (D) in the biennial status report required under subsection (d).

(2) Any production information submitted

to the Secretaries under paragraph (1)(B) shall be confidential and may only be disclosed if required under court order. The Secretaries shall prescribe such procedures as may be necessary to preserve such confidentiality, except that the Secretaries may release or make public any information in any aggregate or summary form that does not directly or indirectly disclose the identity, business transactions, or trade secrets of any person who submits such information.

(d) BIENNIAL REPORT.—The Secretaries, through the Joint Subcommittee on Aquaculture, shall prepare on a biennial basis, and submit to Congress, a report on the status of aquaculture in the United States. Each such report shall contain a description and evaluation of the actions undertaken with respect to the Plan during the reporting period, and explanation of any revisions made to the Plan under section 4(d) during the reporting period, and such other comments and recommendations regarding aquaculture in the United States as the Secretaries deem appropriate. The first report required under this subsection shall be submitted to Congress by September 30, 1981.

SEC. 6. COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.

(a) ESTABLISHMENT.—There is established the Joint Subcommittee on Aquaculture of the Federal Coordinating Council on Science, Engineering and Technology (hereafter in this section referred to as the "Subcommittee") that shall be composed of the following members of their designees:

(1) The Secretary of Agriculture,

(2) The Secretary of Commerce,

(3) The Secretary of the Interior,

(4) The Secretary of Energy,

(5) The Secretary of Health, Education, and Welfare,

(6) The Administrator of the Environmental Protection Agency,

(7) The Chief of Engineers,

(8) The Administrator of the Small Business Administration,

(9) The Administrator of the Agency for International Development,

(10) The Chairman of the Tennessee Valley Authority,

(11) The Director of the National Science Foundation,

(12) The Governor of the Farm Credit Administration, and

(13) Other Federal agencies as appropriate.

(b) PURPOSE AND FUNCTIONS.—The purpose of the Joint Subcommittee on Aquaculture is to increase the overall effectiveness and productivity of Federal aquaculture research, transfer, and assistance programs. In fulfilling this purpose the Subcommittee shall:

(1) Review national needs for aquaculture research, transfer and assistance.

(2) Assess the effectiveness and adequacy of Federal efforts to meet those national needs.

(3) Undertake planning, coordination, and communication among Federal agencies engaged in the science, engineering, and technology of aquaculture.

(4) Collect, compile, and disseminate information.

(5) Encourage joint programs among Federal agencies in areas of mutual interest.

(6) Recommend to the sponsoring Committees (the Committee on Atmosphere and Oceans and the Committee on Food Renewable Resources) and the Federal Council specific actions on issues, problems, plans, and programs in aquaculture.

(c) CHAIRMAN.—The Chairman of the Joint Subcommittee on Aquaculture shall serve a term of two years and shall be selected by mutual agreement of the Chairmen of the sponsoring committees of the Federal Council.

(d) REPORTS.—The Subcommittee shall regularly report to the Chairmen of the two sponsoring Committees and through them to the Chairman of the Federal Council, on the Subcommittee's activities and on recommendations concerning Federal policies and programs related to aquaculture.

(e) FEDERAL CONSISTENCY.—Each Federal department and agency that has functions or responsibilities with respect to aquaculture or has jurisdiction over any activity that affects, or that may affect, the achievement of the purpose and policy of this Act, shall, in consultation with the Subcommittee and to the maximum extent practicable, perform such function, responsibility, or activity in a manner that is consistent with the purpose and policy of this Act.

SEC. 7. CONTRACTS AND GRANTS.

(a) IN GENERAL.—The Secretaries may each carry out any action that such Secretary is responsible for implementing under the Plan through grants to, or contracts with, any person, any other Federal department or agency, any State agency, or any regional commission.

(b) TERMS AND CONDITIONS.—Any contract entered into, or any grant made, under subsection (a) shall contain such terms and conditions as the Secretary concerned shall by regulation prescribe as being necessary or appropriate to protect the interests of the United States, except that no such contract may be entered into, and no such grant may be made, for any purpose which is in violation of any applicable State or local law.

(c) LIMITATION.—The amount of any grant made under subsection (a) may not exceed an amount equal to one-half the estimated cost of the project for which the grant is made.

(d) AUDIT.—Each recipient of a grant or contract under this section shall make available to the Secretary concerned and to the Comptroller General of the United States, for purposes of audit and examination, any book, document, paper, and record that is pertinent to the funds received under such grant or contract.

SEC. 8. CAPITAL REQUIREMENTS FOR AQUACULTURE.

(a) CAPITAL REQUIREMENTS STUDY.—(1) The Secretaries, through the Joint Subcommittee on Aquaculture, shall conduct within 12 months after the enactment of this act, a study of the capital requirements of the United States aquaculture industry. The study shall:

(1) document and analyze any capital constraints that affect the development of aquaculture in the United States; and

(2) evaluate the role that appropriate Federal financial assistance does or could play in filling gaps in the normal credit market with respect to aquaculture.

The study will identify the capital needs of the U.S. aquaculture industry, with a focus on needs that are not being filled either in normal credit channels or through government programs for direct loans, loan guarantees, disaster loans, and insurance. Upon its completion, the Secretaries shall submit the results of the study to Congress.

(b) CAPITAL REQUIREMENTS PLAN.—Based on the results of the Capital Requirements Study, and within six months of the completion of the study, the Secretaries shall formulate a Plan for acting on the study's findings. Such Plan shall include: (1) those Federal actions, if any, found to be necessary to meet financial needs unmet through normal credit channels and existing Federal programs; and (2) recommendations, if any, for legislative actions. Upon completion, the Plan shall be submitted to Congress.

SEC. 9. REGULATORY CONSTRAINTS ON AQUACULTURE.

(a) REGULATORY CONSTRAINTS STUDY.—The Secretaries, through the Joint Subcommittee on Aquaculture, shall conduct, within 12 months after the enactment of this Act, a study of the state and Federal regulatory restrictions to aquaculture development in the United States. The study shall:

(1) Include a literature review and a descriptive list identifying overall parameters of the issue.

(2) Identify and list relevant current and pending Federal regulations restricting the development of commercial aquaculture operations.

(3) Identify and list relevant current State regulations restricting the development of commercial aquaculture operations in 5 states selected randomly in 5 separate geographic regions of the U.S.

(4) Conduct case studies of 10 commercial aquaculture operations in the U.S. representing a wide range of marine and fresh water species to determine practical effects of regulatory restrictions on aquaculture.

(5) Develop a prototypical flow-chart time line utilizing the information obtained in items 1-4 to identify those regulations and restrictions that could have the most detrimental effect in establishing commercial aquaculture operations in the U.S.

Upon completion of the study, the Secretaries shall submit its results to Congress.

(b) REGULATORY CONSTRAINTS PLAN.—Based on the results of the Regulatory Constraints Study, and within six months of the study's completion, the Secretaries shall formulate a Plan for acting on the study's findings. The Plan will contain specific steps the Federal government can take to remove unnecessarily burdensome regulatory barriers to the initiation and operation of commercial aquaculture ventures. Upon its completion, the Secretaries shall submit the Plan to Congress.

SEC. 10. AUTHORIZATION FOR APPROPRIATIONS.

For purposes of carrying out the provisions of this Act (other than sections 9 and 10), there are authorized to be appropriated—

(1) to the Departments of Agriculture, Commerce, and the Interior, such sums as may be necessary to carry out the programs authorized by this Act.

SEC. 11. DISCLAIMER.

Nothing in this Act shall be construed to amend, repeal, or otherwise modify the authority of any Federal officer or any Federal department or agency to perform any function, responsibility, or activity authorized under any other provision of law.

SUMMARY OF NATIONAL AQUACULTURE ACT OF 1979

FINDINGS, PURPOSE, AND POLICY

Section 2 sets forth findings concerning the potential benefits to the U.S. from the development of aquaculture; declares a national policy to encourage that development; and states that the purpose of the bill is to establish a plan and programs to carry out that policy.

DEFINITIONS

Section 3 defines the terms used in the act.

NATIONAL AQUACULTURE DEVELOPMENT PLAN

Section 4 requires the Secretaries of Agriculture, Commerce and the Interior, within 18 months, to establish a National Aquaculture Development Plan setting forth those actions which the Federal government should undertake to further the development of aquaculture. The plan shall include programs for each species which has a potential for aquacultural development. This section also requires an on-going assessment of aquaculture to determine the size and nature of the U.S. aquaculture industry.

FUNCTIONS AND POWERS OF THE SECRETARIES

Section 5 provides that in implementing the Plan, the Secretaries shall provide assistance to all interested persons, shall consult and cooperate with interested persons and agencies, and shall encourage the use of aquaculture to rehabilitate and enhance the public fisheries. The Secretaries may

conduct tests of aquacultural systems, including production-scale facilities; produce and sell seed stock; and develop methods to enhance stocks of aquatic species. In addition, the Secretaries shall collect and disseminate information relating to aquaculture and shall report to Congress biennially on the status of aquaculture in the United States.

COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE

Section 6 establishes the Joint Subcommittee on Aquaculture of the Federal Coordinating Council on Science, Engineering and Technology consisting of the Secretaries and the heads of ten other federal agencies with functions relating to aquaculture. The functions of the Committee shall be to ensure a continuing exchange of information relating to aquaculture and to ensure that all Federal agencies with functions relating to aquaculture are carrying out those functions in a manner consistent with the purposes and policy of the Act.

CONTRACTS AND GRANTS

Section 7 provides that the Secretaries may use contracts or grants to carry out the purposes of the Act. Such contracts or grants can be made to any person, Federal department or agency, State agency or regional commission. The grant would be on a cost sharing basis and can only be made if the recipient at least matches the grant.

CAPITAL REQUIREMENTS FOR AQUACULTURE

Section 8 requires the Secretaries, through the Subcommittee, to conduct a study within 12 months of the capital needs of the U.S. aquaculture industry and the role of the Federal government in fulfilling those needs. Within six months of the completion of the studies, the Secretaries shall submit to Congress a Plan for meeting the needs identified in the study.

REGULATORY CONSTRAINTS ON AQUACULTURE

Section 9 requires the Secretaries, through the Subcommittee, to conduct a study within 12 months of the regulatory constraints on the development of aquaculture in the U.S. Within six months of the completion of the study, the Secretaries shall submit to Congress a Plan for acting on the study's findings.

AUTHORIZATION FOR APPROPRIATIONS

Section 10 authorizes to be appropriated to the Departments of Agriculture, Commerce, and the Interior such sums as may be necessary to carry out the provisions of the Act.

DISCLAIMER

Section 11 declares that this Act does not amend, repeal or modify the authority of any Federal department or agency authorized under any other law.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced by the Senator from Hawaii (Mr. INOUYE), for himself and others, relating to aquaculture, be jointly referred to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I am pleased to join Senator INOUYE in introducing today a bill for the development of aquaculture in the United States.

The bill was jointly developed by the members of the Committee on Commerce, Science, and Transportation, and my Committee on Agriculture, Nutrition, and Forestry. Our two committees in the past Congress and this Congress have been cooperating in an effort to give aquaculture the legislative direction and leadership it needs at the national level. I want to commend Senator INOUYE and Senator STONE for their dedicated work on behalf of aquaculture and the two committees.

Mr. President, aquaculture in the United States is growing and becoming an important aspect of our food production system. This is happening in spite of the Federal Government. Literally dozens of agencies have responsibilities, programs, and authorities that affect aquaculture. Unfortunately, there has been little or no coordination of these Federal efforts.

While aquaculture is getting little help from Government, it is getting a lot of hindrance. Aquaculture is encumbered with more regulations than almost any other industry in America.

New aquaculture enterprises often have to get 40 or 50 permits from local, State, and Federal agencies before they can begin production. The acquisition of these permits can amount to over half of the time and effort an individual devotes to starting an aquaculture production facility. And the permit acquisition process can be prohibitively expensive.

The lack of central guidance and support, and the regulatory overload on aquaculture producers, whether they be catfish, trout, clam, or abalone producers, are the two principal barriers to a viable aquaculture industry in the United States.

I am pleased that the bill being introduced today addresses these two issues. The bill provides for coordination of the many programs that are already in place. Therefore, we can get full benefit from these efforts without any new costs. Secondly, the bill deals with the many redundant, unnecessary, and prohibitive regulatory requirements facing aquaculture.

Mr. President, I believe that the bill will be beneficial to both the marine and fresh water portions of the aquaculture industry. It is an important first step in getting the Federal act together.

By Mr. McGOVERN (for himself, Mr. RIEGLE, Mr. KENNEDY, Mr. LUGAR, Mr. LEAHY, Mr. WILLIAMS, Mr. JAVITS, and Mr. METZENBAUM):

S. 1651. A bill entitled the "Department of Agriculture Nutrition Labeling and Information Act of 1979"; to the Committee on Agriculture, Nutrition, and Forestry.

S. 1652. A bill entitled the "Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act"; to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, by unanimous consent.

Mr. McGOVERN. Mr. President, today I am introducing two companion bills on nutrition labeling and information. These bills, one pertaining to the Department of Agriculture and the other to the Food and Drug Administration, are the end product of a year-long initiative. The process started last August with hearings before the Agriculture, Nutrition, and Forestry Committee. Then last fall the Department of Agriculture, the Food and Drug Administration, and the Federal Trade Commission held 10 days of hearings in 5 cities on the topic of food labeling. Those agencies testified both at the outset and again at the end of the oversight hearings held by the Agriculture, Nutrition and Forestry Committee which totaled 6 days and ended in February. Finally, earlier this year, staff from the Committees on Agriculture, Nutrition, and Forestry; Commerce; and Labor and Human Resources began meeting informally with individual food companies, trade associations, consumer groups, the Department of Agriculture, the Food and Drug Administration, and the Federal Trade Commission.

With the depth and breadth of effort over the last year, I believe that these two bills offer the best approach to date on the nutrition labeling and information issue. They represent a spirit of cooperation among the agencies administering the laws, and the committees of Congress who have legislative jurisdiction. They also equally reflect the interests of the food industry and the consuming public.

The enactment of this legislation is in the best interest of all Americans. The ability of consumers to select a more nutritious diet is critical in preventing disease and promoting good health because diet is a risk factor in 6 of the 10 leading causes of death, and it is a causative factor in obesity and dental caries. Furthermore, more optimal diet selection can help slow mounting medical care costs because healthier people need less medical attention.

The passage of these two bills is also in the best interest of the American food industry. This legislation focuses on removing overly restrictive regulation that has prevented the market from functioning on a competitive basis. The food market can only be truly competitive if consumers have sound, objective and relevant nutrition and ingredient information with which to make an informed choice. As a possible additional benefit, by being able to make such a choice, consumers will feel more confident about the American food system which in turn will enhance the credibility of our number one industry.

Because I am including both a short explanation, and section-by-section analysis of both bills, I will only mention a few of this legislations' more salient points. Overall, we have sought to meet: First, the consumer's need for objective and useful nutrition information that is suitably accurate, and that can be provided on food labels or labeling at the same or less cost as the current system, second, the food industry's need for greater flexibility and full participation in the development process, and third, both groups, stated position that a person has the right to know what is in the food that he or she chooses to eat. Furthermore, we have examined the problem comprehensively by considering it as an information system that includes packaged foods, fresh foods, and restaurant foods. Finally, the nutrition and

ingredient label and labeling requirements are intended to apply to all packaged foods in the FDA bill—fresh fruits and vegetables, and restaurant foods could provide label and labeling information on a voluntary basis—and to processed meat food products and poultry products in the USDA bill—fresh meat and poultry could provide label and labeling information on a voluntary basis.

The Congress has never specifically enacted nutrition labeling legislation. As a result, current nutrition labeling is based on the existing statutes of the Federal Food, Drug, and Cosmetic Act—an act which is essentially punitive in nature because of the very real food and drug safety concerns that it addresses. However, the consumers' need for nutrition labeling is on a totally different plane from that of regulating toxic substances in our foods. Our hearings have demonstrated that, in fact, because the Congress has not taken direct action on nutrition labeling, we have overregulated this matter by overemphasizing the classic compliance aspect of food regulations.

I recognize that the public usually associates more legislation with more regulation. But this is not always the case. In this instance, this legislation is aimed specifically at ridding us of overly restrictive labeling regulations that have evolved as a result of trying to use inappropriate statutory language to meet an unintended purpose. This legislation addresses the problem of inappropriate regulation by redirecting the focus toward the vital information function of nutrition and ingredient labeling.

Specifically, it incorporates the nutrition data base approach to nutrition labeling. Such an approach is the key means for both large and small producers to reduce, if not eliminate, the economic and regulatory burdens that appear to have hindered providing more nutrition information on labels and labeling. The nutrition data base method of labeling offers a degree of accuracy that satisfies the public health concern. Changing over to a nutrition data base approach may reduce current labeling costs for some products by as much as 1,500 percent. Finally, it appears to be the only reasonable way to provide nutrition information for fresh foods and restaurant foods.

As a parallel step, there are no criminal penalties in the USDA bill for nutrition and ingredient labeling violations. Such an action also reflects our intent to focus on information instead of compliance by matching the penalty to the crime. Although this provision is not included in the FDA bill, I would expect that it will be a major issue to be addressed as that bill moves through the Labor and Human Resources, and the Commerce committees.

A third action that will facilitate greater flow of nutrition information is the inclusion in the FDA bill of preemption of State and local nutrition and ingredient labeling requirements. The Department of Agriculture already has such a preemption. This provision means that there will be uniformity in the labels and labeling of nutrition and ingredient information, while at the same time eliminating either real or potential problems for the food industry from needing multiple labels for the same product.

A fourth initiative involves voluntary demonstration projects to pilot test how best to convey nutrition and ingredient information. In order to avoid false starts, the bills provide for a 2-year period of testing prior to the implementation of the revised nutrition and ingredient labeling system. In approving demonstrations, it is intended that the agency and the applicant for a demonstration project would come to an agreement, prior to initiating the project, on the specific objectives of the proposed demonstration and the information that will be provided from the demonstration for evaluation by the Secretary.

Finally, a fifth provision in the FDA bill would insure that a program is undertaken to teach the consumer how to use nutrition labels and labeling. Clearly one of the biggest problems with the current system is that consumers were never educated on the use of the new information on labels.

In short, the bill is directed toward removing the impediments to providing nutrition information on food labels and labeling. Thus, even though there are mandatory nutrition and ingredient label and labeling requirements for packaged foods, I believe that this legislation has eliminated the burdens which might make it difficult for the food industry to provide such information. If not, then we will discover any additional burdens during hearings on the bills. Furthermore, I believe that the bipartisan support of this legislation by my colleagues indicates that this is reasonable legislation which is ready to be fine tuned for eventual passage.

The intent of the legislation is to allow the marketplace to function as freely as possible while insuring that consumers can obtain needed information in order to make informed choices. Such an approach avoids the potential of overregulation by also protecting the right of the food industry to market its products. Thus, we are seeking to protect the right of the consumers to know what is in the foods they select as well as their right to choose freely those foods that they desire to eat.

I look forward to continued close working relationships with all the interested parties, and anticipate that this legislation when finally enacted will be seen as a model for matching the appropriate level of regulatory action with public and private concerns. I want to thank especially Senators KENNEDY and RIEGLE, and the staffs of the Committees on Agriculture, Nutrition, and Forestry; Commerce; and Labor and Human Resources for their support in the development of these two bills. I ask unanimous consent that the two bills with their short explanations and section by sections be printed at this point in the RECORD.

There being no objection, the bills and material were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

S. 1651

SHORT TITLE: REFERENCE TO ACT

SECTION 1. This Act may be cited as the "Department of Agriculture Nutrition Labeling and Information Act of 1979".

DECLARATIONS AND FINDINGS

SEC. 2. Congress finds that:

(1) Consumers need accurate, objective, and easily understandable nutrition and ingredient information on the foods they eat in order to help them choose healthier diets at reasonable cost.

(2) The ability of consumers to select a more nutritious diet is a critical factor in preventing disease and promoting health because diet is a risk factor in six of the ten leading causes of death, and is a causative factor in obesity and dental caries.

(3) More optimal diet selection can help slow mounting medical care costs because healthier people need less medical attention.

(4) The requirements for nutrition labeling need to be altered to reflect better the significant impact on our health of the consumption of the macro-nutrients—protein, fats, and carbohydrates—as well as such other significant dietary components as sodium and cholesterol.

(5) In altering labeling requirements, special attention must be placed on improving labeling formats to convey more effectively needed information in a readily understandable fashion to the average consumer.

(6) In order to achieve maximum benefit from label modifications, consumers must be educated on the use of the nutrition information that is provided.

(7) Nutrition labeling should be an information function that allows for appropriate flexibility on the part of producers, and that also protects and enhances the right of consumers to know what is in the food they select so that they can make informed choices.

INGREDIENT AND NUTRITION LABELING INFORMATION

SEC. 3. (a) The Secretary, after consultation with the Secretary of Health, Education, and Welfare, shall develop and implement a nutrition labeling and information system for meat, meat food products, and poultry, and poultry products, capable of use of human food.

(b) The Secretary shall prescribe, in order to provide health information to consumers, that the labels and labeling of meat food products, and poultry products, capable of use as human food, shall include at least the following:

(1) unless a standard name is required under sections 1 or 7 of the Federal Meat Inspection Act, or 4(H)(7) of the Poultry Products Inspection Act, the common or usual name (if any);

(2) the common or usual name of each ingredient, including color additives and spices, in the descending order of its predominance by weight, except that (A) any ingredients that individually comprise five percent or less of a food need not be listed in such order but shall be named at the end of the ingredient list, and (B) any flavorings that are not sold as such shall be designated as artificial flavorings or natural flavorings, as the case may be, without naming each flavoring, unless the Secretary requires that the common or usual name of a flavoring be on the label for the purpose of providing health information to consumers;

(3) a declaration that ingredients are listed in the descending order of predominance by weight,

(4)(A) a declaration of the quantity or percentage (as determined by the Secretary) of any specified ingredient (other than a flavoring) or class of ingredients if the

Secretary determines that such ingredient or class has a significant bearing on the quality, consumer acceptability, or cost of a meat food product or poultry product, capable of use as human food;

(B) The Secretary may not require that an ingredient that comprises 5 percent or less of a meat food product, or poultry product, capable of use as human food, be declared under clause (A) of this paragraph unless, in addition to the determination under such paragraph, he determines that the absence of such declaration is likely to result in consumer deception or confusion.

(5) the total number of calories per serving;

(6) the amount per serving of protein, fats, and carbohydrates in terms of caloric content;

(7) the amount per serving of sodium unless the Secretary determines that providing such information is not necessary to provide health information to consumers.

(8) the amount per serving of cholesterol unless the Secretary determines that providing such information is not necessary to provide health information to consumers.

(c) To the extent that compliance with the requirements, of subsection (b) of this section is impracticable would result in unfair competition, or is not necessary to provide health information to consumers, the Secretary may prescribe exemptions from such requirements:

(d) The Secretary, for purposes of subsection (b), and after consultation with the Secretary of Health, Education, and Welfare, shall allow to the maximum extent feasible and appropriate, the use of nutrition data bases that indicate representative (weighted) nutritional value at point of purchase.

(e) The Secretary may, where appropriate, prescribe a system of symbols, figures, or other devices that will enable consumers to comprehend readily the nutrition information that is or may be required to be placed on labels or labeling by subsection (b) of this section.

(f) This section shall only apply with respect to meat food products, and poultry products, capable of use as human food, that are introduced or are delivered for introduction into interstate commerce two years after the date of enactment of this Act.

JURISDICTION AND ENFORCEMENT

SEC. 4. (a) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other Territories, are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of this Act, and shall have jurisdiction in all other kinds of cases arising under this Act.

(b) This section shall only apply with respect to meat food products, and poultry products, capable of use as human food, that are introduced or delivered for introduction into interstate commerce two years after the date of enactment of this Act.

DEMONSTRATIONS AND EVALUATIONS

SEC. 5. (a) The Secretary may approve proposals to undertake demonstrations to ascertain the most effective method of organizing the information on labels and labeling of meat, meat food products, and poultry and poultry products, capable of use as human food in order to convey to consumers the information that is or may be required to be placed on labels and labeling under section 3 of this Act—

(1) with particular emphasis on the following methods of conveying such information:

(A) nutrient density;

(B) serving size or standard unit of measure; and

(C) ingredient function; and

(2) with particular emphasis on conveying information on:

(A) protein, fats, and carbohydrates;

(B) sodium;

(C) cholesterol; and

(D) vitamins and minerals

(b) Proposals to undertake demonstrations shall state the specific objectives of the demonstration and the information that will be provided from the demonstration in order for the Secretary to evaluate its effectiveness. Upon completion of a demonstration under subsection (a) of this section, the Secretary shall prepare a written evaluation of any such demonstration within one hundred and eighty days of receipt of information from such demonstration.

(c) The Secretary may waive from the requirements of any applicable statute, under such terms and conditions, and for such periods of time as the Secretary prescribes, any meat, meat food product, and poultry, and poultry product capable of use as human food, that is engaged in demonstrations approved under subsection (a) of this section.

STANDARDIZED REFERENCE ON THE NUTRIENT COMPOSITION OF FOODS

SEC. 6. (a) The Secretary may, in cooperation with the Secretary of Health, Education, and Welfare, the land-grant colleges and universities (those institutions eligible to receive funds under the Act of July 2, 1862, (12 Stat. 503–504, as amended; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute), and other appropriate public and private entities, develop and publish a standardized reference on the nutirent composition of all foods.

(b) The standardized reference to be developed under subsection (a)(1) of this section shall indicate representative (weighted) nutritional value at point of purchase, and (2) when developed, can serve as the basis for the information that is or may be required to be placed on labels and labeling under section 3.

(c) For the purpose of this section, there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1981, $2,000,000 for the fiscal year ending September 30, 1982, and $1,000,000 for the fiscal year ending September 30, 1983.

NOTIFICATION TO AND REPORT BY THE FEDERAL TRADE COMMISSION

SEC. 7. (a) The Secretary shall notify the Federal Trade Commission of the nutrition information that is to be used on labels or in labeling pursuant to section 3 of this Act and recommend to the Commission which (if any) of such information should be required by the Commission under the Federal Trade Commission Act to be included in the advertising of meat, meat food products, and poultry and poultry products, capable of use as human food.

(b) The Chairman of the Commission shall report two years after the date of enactment of this Act and biennially thereafter to Congress on (1) any recommendations made to the Commission by the Secretary under subsection (a) of this section, (2) in those situations where the Commission accepts a recommendation, a description of any action taken to implement such recommendation, and (3) in those situations where the Commission fails to accept, in whole or in part, a recommendation, a description of the reasons for such failure.

UNIFORM RETAIL QUALITY GRADE STANDARDS

SEC. 8. (a) The Secretary, after consultation with appropriate public and private entities, shall develop and promulgate a system of retail quality grade standards for meat, poultry, dairy products, eggs, and fresh fruits and vegetables expressed in a uniform nomenclature.

(b) The Secretary shall establish the manner in which the system of retail quality grade standards shall be displayed and disseminated to the public. Such dissemination shall specifically include a program of consumer education to make retail quality grade standards widely known to consumers.

(c)(1) In developing and updating retail quality grade standards, the Secretary shall consider, where appropriate, the nutritional quality, of meat, poultry, dairy products, eggs, and fresh fruits and vegetables, as well as the acceptability of the products.

(2) To the extent consistent with paragraph (1) of this subsection, grading methods in use prior to the enactment of this Act may be used by the Secretary in establishing the system of retail quality grade standards for meat, poultry, dairy products, eggs, and fresh fruits and vegetables.

(d) Any meat, poultry, dairy products, eggs, and fresh fruits and vegetables sold after the implementation of the retail quality grade standards developed under this section shall either be conspicuously labeled in accordance with such standards or shall be conspicuously labeled "not quality graded by the United States Department of Agriculture".

(e) The retail quality grade system authorized under this section shall be implemented two years after the date of enactment of this Act.

DEFINITIONS

SEC. 9. For purposes of this Act,

(1) the term "capable of use as human food" has the same meaning as is assigned to that term by section 4(v) of the Poultry Products Inspection Act (21 U.S.C. 453(v)), and section 1(k) of the Federal Meat Inspection Act (21 U.S.C. 601(k));

(2) the term "commerce" has the same meaning as is assigned to that term by section 1(h) of the Federal Meat Inspection Act (21 U.S.C., 601(h));

(3) the term "label" means a display of written, printed, or graphic matter upon the immediate container (not including package liners) of any article;

(4) the term "labeling" means all labels and other written, printed, or graphic matter (a) upon any article or any of its containers or wrappers, (b) accompanying such article or (C) displayed at point of purchase of such article;

(5) the term "meat food product" has the same meaning as is assigned to that term by section 1(j) of the Federal Meat Inspection Act (21 U.S.C. 601(j));

(6) the term "poultry" has the same meaning as is assigned to that term by section 4(e) of the Poultry Products Inspection Act (21 U.S.C. 453(f));

(7) the term "poultry product" has the same meaning as is assigned to that term by section 4(f) of the Poultry Products Inspection Act (21 U.S.C. 453(f));

(8) the term "Secretary" means the Secretary of Agriculture or the Secretary's delegated agent.

SHORT EXPLANATION

As introduced, the major provisions of the bill would—

(1) two years after enactment require a listing of all ingredients (including colors and species) in descending order of predominance by weight for all meat food products, and poultry products, capable of use as human food, except that (a) any ingredients that individually comprise five percent or less of a food can simply be listed at the end of the ingredient list, and (b) flavorings shall be designated as artificial or natural flavorings without naming each such flavoring unless the Secretary requires such declaration for the purpose of providing health information to consumers;

(2) two years after enactment require on all meat food products, and poultry products, capable of use as human food, the declaration of the percentage or quantity of an ingredient that has a significant bearing on the quality, consumer acceptability or

cost of such food (this pertains to characterizing ingredients, i.e., an ingredient which is perceived as valuable such as shrimp in shrimp cocktail, or is a characterizing feature of a food such as grain in a cereal product);

(3) two years after enactment require on all meat food products, and poultry products, capable of use as human food, a declaration of (a) the total number of calories per serving; (b) the amount per serving, of protein, fats, and carbohydrates in caloric terms; and (c) the amount per serving of sodium and cholesterol (the most appropriate declaration of the subcomponents of fats and carbohydrates, and the best means to convey calorie information, such as in percentages or actual calories, will be determined through the demonstration projects described in No. 8 below);

(4) Two years after enactment allow, to the maximum extent feasible and appropriate, the use of nutrition data bases that indicate representative (weighted) nutritional value a point of purchase (this provision is the fundamental working principle of this Act, and it is the key to reducing, if not eliminating, the burdens of providing nutrition information on labels and labeling);

(5) upon enactment authorize the Secretary to develop and publish a standardized reference on the nutrient composition of all foods;

(6) two years after enactment allow the Secretary, where appropriate, to prescribe a system of symbols, figures or other devices that will enable consumers to comprehend readily the nutrition information that is or may be required to be placed on labels or labeling (this is intended to encourage simplification of nutrition labels and labeling through the use of graphics and is necessary if the use of nutrient density is ever to occur. However, as with any part of the nutrition label or labeling, the use of graphics to make subjective statements or to editorialize is to be avoided);

(7) two years after enactment eliminate criminal penalties for nutrition and ingredient labeling violations for meat food products, and poultry products, capable of use as human food;

(8) upon enactment allow the Secretary (a) to approve demonstrations to ascertain the most effective methods of organizing labels and labeling of meat, meat food products, and poultry and poultry products, capable of use as human food, and conveying to consumers the information that is or may be required to be placed on labels and labeling, and (b) to waive, under such terms and conditions and for such periods of time as the Secretary prescribes, any existing nutrition and ingredient label and labeling requirements for the foods that are engaged in the demonstrations (this provision provides an opportunity for the food industry, on a voluntary basis, to pilot test nutrition and ingredient label and labeling formats and information);

(9) two years after enactment direct the Secretary to notify the Federal Trade Commission of the nutrition and ingredient information that is to be used on labels or in labeling and recommend to the Commissioner which information should be required to be included in advertising. The Chairman of the Commission shall report biennially to the Congress what, if any, action was taken on the Secretary's recommendations;

(10) two years after enactment direct the Secretary to develop and promulgate a system of retail quality grade standards formeat, poultry, dairy products, eggs, and fresh fruits and vegetables expressed in a uniform nomenclature. The grade standards shall be based on product acceptability and, where appropriate, nutritional quality, and to the extent that it is possible, grading methods already in use will be continued.

SECTION-BY-SECTION ANALYSIS OF USDA NUTRITION LABELING AND INFORMATION ACT OF 1979

Section 1. Short Title.

The first section provides that the bill may be cited as the "Department of Agriculture Nutrition Labeling and Information Act of 1979".

Section 2. Declarations and findings.

Section 2 sets forth the following congressional findings:

(1) Consumers need accurate, objective, and easily understandable nutrition and ingredient information on the foods they eat in order to help them choose healthier diets at reasonable cost.

(2) The ability of consumers to select a more nutritious diet is critical in preventing disease and promoting health because diet is a risk factor in six of the ten leading causes of death and is a causative factor in obesity and dental caries.

(3) More optimal diet selection can help slow mounting medical care costs because healthier people need less medical attention.

(4) The requirements for nutrition labeling need to be changed to better reflect the significant impact on our health of the consumption of the macro-nutrients—protein, fats, and carbohydrates—as well as such other significant dietary components as sodium and cholesterol.

(5) In altering labeling requirements, special attention must be placed on improving labeling formats to convey more effectively needed information in a readily understandable fashion to the average consumer.

(6) In order to achieve maximum benefits from label modifications, consumers must be educated on the use of the nutrition information that is provided.

(7) Nutrition labeling should be an information function that allows for appropriate flexibility on the part of producers and that also protects and enhances the right of consumers to know what is in the food they select so that they can make informed choices.

Section 3. Ingredient and nutrition label and labeling information.

GENERAL AUTHORITY

Section 3(a) requires the Secretary of Agriculture, after consultation with the Secretary of Health, Education, and Welfare, to develop and implement a nutrition and ingredient label and labeling information system for meat, meat food products, and poultry and poultry products, capable of use as human food. Such a system would authorize the use of accurate, objective, and relevant ingredient and nutrition information on labels and labeling on a voluntary basis for fresh meats and poultry, and on a mandatory basis for meat food products and poultry products, capable of use as human food, as described in section (b) of this bill.

NUTRITION AND INGREDIENT LABELING REQUIREMENTS

Section 3(b) requires that the labels and labeling of meat food products and poultry products, capable of use as human food, include at least the following information:

(1) unless a standard name is required under sections 1 or 7 of the Federal Meat Inspection Act, or 4(H)(7) of the Poultry Products Inspection Act, the common or usual name (if any).

(2) the common or usual name of each ingredient, including colorings and spices, in the descending order of its predominance by weight except that:

(A) any ingredients that individually comprise five percent or less of a food need not be listed in such order, but must be named at the end of the ingredient list; and

(B) any flavorings that are not sold as such must be designated as artificial flavorings or natural flavorings unless the Secretary requires that the common or usual name of a flavoring be on the label for the purpose of providing health information to consumers.

(3) a declaration that ingredients are listed in the descending order of predominance by weight;

(4) a declaration of the quantity or percentage (as determined by the Secretary) of any specified ingredient (other than a flavoring) or class of ingredients, if the Secretary determines that such ingredient of class has a significant bearing on the quality, consumer acceptability, or cost of a meat food product, or poultry product, capable of use as human food.

Section 3(b)(4) addresses the concept of characterizing ingredients, which is primarily an economic concern. As a result, by using the term significant bearing, the intended emphasis is on conveying to consumers information about the amount they are purchasing of a perceived valuable ingredient (or ingredients) such as shrimp in shrimp cocktail or beef in beef stew, or an ingredient (or ingredients) that is the characterizing feature of a food such as the amount of fruit juice in a fruit drink or the amount of grain in a cereal product. Section 3(b)(4) neither provides authority to require percentage labeling of all ingredients, nor does it necessarily mean that all foods would have an ingredient designated by the Secretary as having a significant bearing. On the other hand, it is not expected that a food would have more than one or two ingredients designated as having a significant bearing i.e., be considered characterizing ingredients. Finally, no ingredient that comprises five percent or less of a meat food product, or poultry product, capable of use as human food, would be considered as having a significant bearing unless the Secretary determines that the absence of such declaration is likely to result in consumer deception or confusion.

(5) the total number of calories per serving.

(6) the amount per serving of protein, fats, and carbohydrates in terms of caloric content.

Sections 3(b)(5) and (6) address the importance of caloric information. The demonstration project provisions of the bill (Section 5) will help determine the best means to convey caloric information (such as in percentages or actual calories). The demonstration projects will also help determine what further breakdown of fats (such as saturated and polyunsaturated) and carbohydrates (such as sugars and starches) is best understood and most useful to consumers.

(7) the amount per serving of sodium, unless the Secretary determines that providing such information is not necessary to provide health information to consumers.

(8) the amount per serving of cholesterol, unless the Secretary determines that providing such information is not necessary to provide health information to consumers.

EXEMPTIONS FROM REQUIREMENTS

Section 3(c) provides for exemptions from the requirements of section 3(b) of this bill if compliance is impracticable, would result in unfair competition, or is not necessary to provide health information to consumers.

NUTRITION DATA BASES

Section 3(d) authorizes the Secretary to allow, to the maximum extent feasible and appropriate, the use of nutrition data bases that indicate representative (weighted) nutritional value at point of purchase. The use of nutrition data bases would be linked to effective, established processing procedures, such as the Good Manufacturing Practices that are presently prescribed by the Food and Drug Administration. The nutri-

tion data base approach is the fundamental working principle of this bill, and its adoption is the key to reducing, if not eliminating, the economic and regulatory burdens that appear to have hindered providing more nutrition information on labels and labeling.

GRAPHICS

Section 3(e) authorizes the Secretary to prescribe a system of symbols, figures, and other devices that will enable consumers to comprehend readily the nutrition information that is or may be required to be placed on labels and labeling under section 3(b) of this bill. The objective of this section is to encourage simplification of the nutrition label and labeling through the use of graphics in order to provide accurate, objective and relevant nutrition information to consumers. The use of graphics to make subjective statements or to editorialize is to be avoided. The authority to employ graphics is especially important if the use of nutrient density on labels and labeling is ever to occur.

EFFECTIVE DATE

Section 3(f) provides that the provisions of section 3 of this bill will apply only with respect to meat food products, and poultry products, capable of use as human food, that are introduced or delivered for introduction into interstate commerce two years after the date of enactment of this bill.

Section 4. Jurisdiction and enforcement.

Section 4(a) defines which courts have jurisdiction to enforce, and to prevent and restrain violations of this bill. There are no criminal penalties for violations of the nutrition and ingredient label and labeling requirements of this bill.

Section 4(b) provides that this section shall apply only with respect to meat food products, and poultry products, capable of use as human food, that are introduced or delivered for introduction into interstate commerce two years after the date of enactment of this bill.

Section 5. Demonstrations and evaluations.

Section 5(a) authorizes the Secretary to approve proposals to undertake demonstrations to ascertain the most effective methods of organizing the labels and labeling of meat, meat food products, and poultry, and poultry products, capable of use as human food, in order to convey to consumers the nutrition and ingredient information that is or may be required to be placed on labels and labeling under section 3 of this bill. Participation in the demonstrations will be on a voluntary basis.

The demonstrations will place special emphasis on (1) methods of conveying information such as nutrient density, serving size or standard unit of measure, and ingredient function, and (2) conveying information about protein, fats and carbohydrates; sodium; cholesterol; and vitamins and minerals. It is intended that the demonstrations will help determine the most appropriate declaration of the subcomponents of fats (such as saturated and polyunsaturated) and carbohydrates (such as sugars and starches), and the best means of conveying calorie information.

Section 5(b) provides that in approving demonstrations, the Secretary and the applicant for a demonstration project must come to an agreement, prior to the initiation of the project, on the specific objectives of the proposed demonstration and the information that will be provided from the demonstration for evaluation. Upon completion of a demonstration, the Secretary is required to prepare a written evaluation of any such demonstration within one hundred eighty days of receipt of information from such demonstration.

Because such protections already exist in law, this bill does not include specific language affirming the rights of a participant in a demonstration to protect information which is proprietary in nature.

Section 5(c) allows the Secretary to waive from the requirements of any applicable statute, under such terms and conditions, and for such periods of time as the Secretary prescribes, any meat, meat food product, and poultry, and poultry product, capable of use as human food, that is engaged in demonstrations approved under subsection (a) of this section.

Section 6. Standardized reference on the nutrient composition of foods.

Section 6(a) authorizes the Secretary, in cooperation with the Secretary of Health, Education, and Welfare, the landgrant colleges and universities, and other appropriate public and private entities, to develop and publish a standardized reference on the nutrient composition of all foods. Such a standardized reference would build upon existing data on the nutrient composition of foods such as the Department of Agriculture's Handbook No. 8, and acceptable nutrition data bases provided by appropriate public and private entities.

Section 6(b) provides that the standardized reference (1) shall indicate representative (weighted) nutritional values at point of purchase, and (2) when developed, can serve as the basis for the nutrition information that is or may be required to be placed on labels and labeling under section 3 of this bill.

Section 6(c) authorizes that $1 million be appropriated for fiscal year 1981, and $2 million for fiscal year 1982 and $1 million for fiscal year 1983, in order to develop the standardized reference on the nutrient composition of foods.

Section 7. Notification to and report by the Federal Trade Commission.

Section 7(a) authorizes the Secretary to notify the Federal Trade Commission of the nutrition information that is to be used on labels of inlabeling pursuant to section 3 of this bill, and to recommend to the Commission which of such information should be required by the Commission to be included in the advertising of meat, meat food products, and poultry and poultry products, capable of use as human food.

Section 7(b) directs the Chairman of the Federal Trade Commission to report, beginning two years after enactment of this Act, and biennially thereafter, to Congress on any recommendations made to the Commission by the Secretary, and what if any action the Commission has taken in response to the recommendations.

The intent of section 7 is to encourage greater cooperation between the Department of Agriculture and the Federal Trade Commission, and to delineate further the relationship between nutrition and ingredient labeling, and advertising.

Section 8. Uniform retail quality grade standards.

Section 8(a) authorizes the Secretary, after consultation with appropriate public and private entities, to develop and promulgate a system of retail quality grade standards for meat, poultry, dairy products, eggs, and fresh fruits and vegetables expressed in uniform nomenclature.

Section 8(b) authorizes the Secretary to (1) establish how the standards shall be displayed and disseminated to the public, and (2) develop a consumer education program to make the standards widely known to consumers.

Section 8(c) authorizes the Secretary (1) to consider, acceptability and, where appropriate, nutritional quality, in developing and updating the standards for meat, poultry, dairy products, eggs, and fresh fruits and vegetables, and (2) to the extent it is possible, continue in use grading methods in use prior to enactment of this bill.

Section 8(d) provides that any meat, poultry, dairy products, eggs, and fresh fruits and vegetables sold after the retail quality grade standards are promulgated shall either be clearly labeled in accordance with such standards, or labeled "not quality graded by the USDA."

Section 8(e) authorizes that the new retail quality grade standards shall be implemented two years after the date of enactment of this bill.

Section 9. Definitions.

Section 9 provides the definitions for this bill. Of the terms defined in the bill, only the term "labeling" is different from definitions under current law (the Federal Meat Inspection Act and the Poultry Products Inspection Act). The term "labeling" for the purposes of providing nutrition information will now also include all labels and other written, printed, or graphic matter displayed at point of purchase of such article. This definition would allow labeling of fresh foods at point of purchase.

S. 1652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SEC. 1. (a) This Act shall be cited as the "Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act".

(b) Whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

DECLARATIONS AND FINDINGS

SEC. 2. The Congress finds that:

(1) Consumers need accurate, objective, and easily understandable nutrition and ingredient information on the foods they eat in order to help them choose healthier diets at reasonable cost.

(2) The ability of consumers to select a more nutritious diet is a critical factor in preventing disease and promoting health because diet is a risk factor in six of the ten leading causes of death, and is a causative factor is obesity and dental caries.

(3) More optimal diet selection can help slow mounting medical care costs because healthier people need less medical attention.

(4) The requirements for nutrition labeling need to be altered to better reflect the significant impact on our health of the consumption of the macro-nutrients—protein, fats, and carbohydrates—as well as such other key dietary components as sodium and cholesterol.

(5) In altering labeling requirements, special attention must be placed on improving labeling formats to convey more effectively needed information in a readily understandable fashion to the average consumer.

(6) In order to achieve maximum benefit from label modifications, consumers must be educated on the use of the nutrition information that is provided.

(7) Nutrition labeling should be approached as an information function that allows for appropriate flexibility on the part of producers, while also protecting and enhancing the consumers' right to know what is in the food they select so that they can make informed choices.

NUTRITION INFORMATION AND OTHER LABELING REQUIREMENTS

SEC. 3. (a)(1) Section 401 is amended by striking out the fourth sentence thereof.

(2) Section 403(g) is amended to read as follows:

"(g) If it purports to be or is represented as food for which a definition and standard of identity have been prescribed as provided by section 401, unless (1) it conforms to such definition and standard, and (2) its

label bears the name of the food specified in such definition and standard.".

(b)(1) Section 403(i) is amended to read as follows:

"(i) Unless its label bears—

"(1) in the case of food that is not subject to paragraph (g) of this section, the common or usual name (if any) of the food; and

"(2) in case it is fabricated from two or more ingredients—

"(A) the common or usual name of each such ingredient in the descending order of its predominance by weight, except that (i) any ingredients that individually comprise five percent or less of a food need not be listed in such order but shall be named at the end of the ingredient list; and (ii) any flavorings that are not sold as such shall be designated as artificial flavorings or natural flavorings, as the case may be, without naming each such flavoring, unless the Secretary requires that the common or usual name of a flavoring be on the label for the purpose of providing health information to consumers,

"(B) a declaration that ingredients are listed in the descending order of predominance by weight, and

"(C) a declaration of the quantity or percentage (as determined by the Secretary) of any specified ingredient (other than a flavoring) or class of ingredients if the Secretary determines that such ingredient or class has a significant bearing on the quality, consumer acceptability, or cost of such food or food of its class. The Secretary may not require that an ingredient that comprises five percent or less of a food be declared under subparagraph (2)(C) unless, in addition to the determination under such subparagraph, the Secretary determines that the absence of such declaration is likely to result in deception or confusion. To the extent that compliance with the requirements of subparagraph (2) is impracticable or would result in deception or unfair competition, the Secretary may prescribe exemptions from such requirements.

"(3) The Secretary shall exempt from the provisions of this subsection any food that the Secretary determines is subject to comparable requirements established with respect to such food under any other Federal law.".

(2) The second sentence of section 403(k) is repealed.

(c) Section 403 is amended by adding at the end thereof the following new subsections as follows:

"(q)(1) If it is a food for human consumption and in package form, unless its label bears such nutrition information relating to the food as the Secretary prescribes to provide health information to consumers including at least the following:

"(A) The total number of calories per serving;

"(B) The amount per serving of protein, fats, and carbohydrates in terms of caloric content;

"(C) The amount per serving of sodium unless the Secretary determines that providing such information is not necessary to provide health information to consumers;

"(D) The amount per serving of cholesterol unless the Secretary determines that providing such information is not necessary to provide health information to consumers.

"(2) The Secretary, for purposes of paragraph (1), and after consultation with the Secretary of Agriculture, shall allow, to the maximum extent feasible and appropriate, the use of nutrition data bases that indicate representative (weighted) nutritional value at point of purchase.

"(3) The Secretary shall exempt from the provisions of this subsection any food that the Secretary determines is subject to comparable requirements established with respect to such food under any other Federal Law.

"(4) To the extent that compliance with the requirements of paragraph (1) is impracticable or not necessary to provide health information to consumers, the Secretary may prescribe exemptions from such requirements.

"(r) The Secretary may, where appropriate, prescribe a system of symbols, figures, or other devices that will enable consumers to comprehend readily the nutrition information that is or may be required to be placed on labels by this section.".

(d) The amendments made by this section shall only apply with respect to food that is introduced or delivered for introduction into interstate commerce two years after the date of enactment of this Act.

PREEMPTION

SEC. 4. (a) Chapter IV is amended by adding after section 411 the following new section:

"STATE AND LOCAL FOOD LABELING REQUIREMENTS

"SEC. 412. (a) Except as provided in subsection (b), no State or political subdivision of a State may establish or continue in effect a label or labeling requirement on manufacturers, wholesalers, and packers concerning nutrition and ingredient information applicable to any food that is different from or in addition to any label or labeling requirement applicable to such food under subsections (i) and (q) of section 403.

"(b) Upon application of a State or a political subdivision thereof, the Secretary may, after notice and opportunity for comment, exempt from subsection (a), under such conditions as may be prescribed, a label or labeling requirement of such State or political subdivision if the Secretary determines that the requirement is required by compelling local conditions and compliance with it would not cause a food to be in violation of a requirement under subsections (i) and (q) of section 403.

"(c) Subsection (a) does not prohibit a State or political subdivision of a State from establishing or continuing in effect a label or labeling requirement respecting the sell or use date of food.

"(d) Within one hundred and eighty days of the date the Secretary receives an application of a State or a political subdivision thereof pursuant to subsection (b), the Secretary shall either approve or deny the application.".

(b) The amendment made by subsection (a) shall only apply with respect to food which is introduced or delivered for introduction into interstate commerce two years after the date of the enactment of this Act.

DEMONSTRATIONS AND EVALUATIONS

SEC. 5. (a) The Secretary of Health, Education, and Welfare may approve demonstrations to ascertain the most effective methods of organizing the food label and of conveying to consumers the information that is or may be required to be placed on labels and labeling under section 403 of the Federal Food, Drug, and Cosmetic Act, as amended by section (3) of this Act,

(1) with particular emphasis on the following methods of conveying such information:

(A) Nutrient density;

(B) Serving size; and

(C) Ingredient function; and

(2) with particular emphasis on conveying information on:

(A) Protein, fats, and carbohydrates;

(B) Sodium;

(C) Cholesterol;

(D) Dietary fiber; and

(E) Vitamins and minerals.

(b) Upon completion of a demonstration under subsection (a), the persons conducting such demonstration shall submit to the Secretary such information as the Secretary shall require to evaluate the effectiveness of the demonstration. The Secretary shall prepare a written evaluation of any such demonstration within one hundred and eighty days of receipt of such information.

(c) Section 403, as amended by section 3 of this Act, is further amended by adding at the end thereof the following new subsection:

"(s) The Secretary may waive from any requirements of this section, under such terms and conditions and for such periods of time as the Secretary prescribes, any foods that are engaged in demonstrations approved under section 5 of the Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act.".

CONSUMER EDUCATION PROGRAM ON THE USE OF LABELS AND LABELING

SEC. 6. (a) The Secretary of Health, Education, and Welfare, in consultation with the Secretary of Agriculture and other appropriate public and private entities, shall develop, pilot test and implement a program of consumer education on how to use nutrition labels and labeling effectively.

(b) The Secretary shall submit to the Congress on January 1, 1982 and on January 1, 1983, a report on the program established under subsection (a) including, but not limited to, a detailed description of and an evaluation of the effectiveness of such program.

(c) For the purpose of undertaking such a program, there are authorized to be appropriated $4,000,000 for the fiscal year ending September 30, 1981, $6 million for the fiscal year ending September 30, 1982, and $6 million for the fiscal year ending September 30, 1983.

NOTIFICATION TO AND REPORT BY THE FEDERAL TRADE COMMISSION

SEC. 7. (a) The Secretary of Health, Education, and Welfare shall notify the Federal Trade Commission of the nutrition information that is to be used on labels or in labeling pursuant to subsections (i) and (q) of section 403 of this Act and recommend to the Commission which (if any) of such information should be required by the Commission under the Federal Trade Commission Act to be included in the advertising of such food.

(b) The Chairman of the Commission shall report two years after date of enactment of this Act and biennially thereafter to Congress on (1) any recommendations made to the Commission by the Secretary under subsection (a) of this section, (2) in those situations where the Commission accepted a recommendation, a description of any action taken to implement such recommendations, and (3) in those situations where the Commission failed to accept, in whole or in part, a recommendation, a description of the reasons for such failure.

SHORT EXPLANATION

As introduced, the major provisions of the bill would—

(1) two years after enactment require a listing of all ingredients (including colors and spices) in descend-order of predominance by weight for all packaged foods except that (a) any ingredients that individually comprise five percent or less of a food can simply be listed at the end of the ingredient list, and (b) flavorings shall be designated as artificial or natural flavorings without naming each such ingredient unless the Secretary requires such declaration for the purpose of providing health information to consumers;

(2) two years after enactment require on all packaged foods the declaration of the percentage or quantity of an ingredient that

has a significant bearing on the quality, consumer acceptability or cost of such food (this pertains to characterizing ingredients, i.e., an ingredient which is perceived as valuable such as shrimp in shrimp cocktail, or is a characterizing feature of a food such as grain in a cereal product);

(3) two years after enactment require on all packaged foods a declaration of (a) the total number of calories per serving; (b) the amount per serving, of protein, fats, and carbohydrates in caloric terms; and (c) the amount per serving of sodium and cholesterol (the most appropriate declaration of the subcomponents of fats and carbohydrates, and the best means to convey calorie information, such as in percentages or actual calories, will be determined through the demonstration projects described # 8 below);

(4) two years after enactment allow to the maximum extent feasible and appropriate, the use of nutrition data bases that indicate representative (weighted) nutritional value at point of purchase (this provision is the fundamental working principle of this Act, and it is the key to reducing, if not eliminating, the burdens of providing nutrition information on labels and labeling);

(5) two years after enactment exempt from the bill's label and labeling requirements any food that the Secretary determines is subject to comparable requirements under any other federal law;

(6) two years after enactment allow the Secretary, where appropriate, to prescribe a system of symbols, figures or other devices that will enable consumers to comprehend readily the nutrition information that is or may be required to be placed on labels or labeling (this is intended to encourage simplification of nutrition labels and labeling through the use of graphics and is necessary if the use of nutrient density is ever to occur. However, as with any part of the nutrition label or labeling, the use of graphics to make subjective statements or to editorialize is to be avoided);

(7) two years after enactment preempt any State or local label or labeling requirement on manufacturers, wholesalers and packers concerning nutrition and ingredient information that is different from or in addition to the requirements of this bill unless there are compelling local conditions as determined through a notice and opportunity for comment process;

(8) upon enactment allow the Secretary (a) to approve demonstrations to ascertain the most effective methods of organizing food labels and labeling, and conveying to consumers the information that is or may be required to be placed on labels and labeling, and (b) to waive, under such terms and conditions and for such periods of time as the Secretary prescribes, any existing nutrition and ingredient label and labeling requirements for the foods that are engaged in the demonstrations (this provision provides an opportunity for the food industry, on a voluntary basis, to pilot test nutrition and ingredient label and labeling formats and information);

(9) upon enactment direct the Secretary to develop, pilot test and implement a program of consumer education on how to use nutrition and ingredient labels and labeling;

(10) two years after enactment direct the Secretary to notify the Federal Trade Commission of the nutrition and ingredient information that is to be used on labels or in labeling and recommend to the Commissioner which information would be required to be included in advertising. The Chairman of the Commission shall report biennally to the Congress what, if any, action was taken on the Secretary's recommendations.

SECTION-BY-SECTION ANALYSIS OF THE NUTRITION LABELING AND INFORMATION AMENDMENTS OF 1979 TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

Section 1. Short Title.

Section 1(a) provides that the bill may be cited as the "Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act".

Section 1(b) provides that whenever in this bill an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

Section 2. Declarations and findings.

Section 2 sets forth the following congressional findings:

(1) Consumers need accurate, objective, and easily understandable nutrition and ingredient information on the foods they eat in order to help them choose healthier diets at reasonable cost.

(2) The ability of consumers to select a more nutritious diet is critical in preventing disease and promoting health because diet is a risk factor in six of the ten leading causes of death and is a causative factor in obesity and dental caries.

(3) More optimal diet selection can help slow mounting medical care costs because healthier people need less medical attention.

(4) The requirements for nutrition labeling need to be changed to better reflect the significant impact on our health of the consumption of the macro-nutrients—protein, fats, and carbohydrates—as well as such other significant dietary components as sodium and cholesterol.

(5) In altering labeling requirements, special attention must be placed on improving labeling formats to convey more effectively needed information in a readily understandable fashion to the average consumer.

(6) In order to achieve maximum benefits from label modifications, consumers must be educated in the use of the nutrition information that is provided.

(7) Nutrition labeling should be an information function that allows for appropriate flexibility on the part of producers, and that also protects and enhances the right of consumers to know what is in the food they select so that they can make informed choices.

Section 3. Nutrition information and other labeling requirements.

Section 3(a)(1) strikes the fourth sentence of Section 401. That sentence reads as follows:

"In prescribing a definition and standard of identity for any food or class of food in which optional ingredients are permitted, the Secretary shall, for the purpose of promoting honesty and fair dealing in the interest of consumers, designate the optional ingredients which shall be named on the label."

This sentence has been deleted because the mandatory ingredient label and labeling requirements of Section 3(b)(1) of this bill will supplant its provisions.

Section 3(a)(2) amends Section 403(g) to read as follows:

"SEC. 403. A food shall be deemed to be misbranded—"(g) if it purports to be or is represented as a food for which a definition and standard of identity have been prescribed by section 401, unless (1) it conforms to such definition and standard, and (2) its label bears the name of the food specified in such definition and standard."

Section 403(g) was amended in order to conform that section with the mandatory ingredient label and labeling requirements of Section 3(b)(1) of this bill.

Section 3(b)(1) amends section 403(i). New section 403(i) requires that the labels and labeling of all packaged foods for human consumption include at least the following information:

(1) in the case of a food that is not subject to 403(g), the common or usual name (if any) of the food.

(2) in case it is fabricated from two or more ingredients—

(A) the common or usual name of each such ingredient in the descending order of its predominance by weight except that:

(i) any ingredients that individually comprise 5 percent or less of a food need not be listed in such order, but must be named at the end of the ingredient list; and

(ii) any flavorings that are not sold as such must be designated as artificial flavorings or natural flavorings unless the Secretary requires that the common or usual name of a flavoring be on the label for the purpose of providing health information to consumers.

(B) a declaration that ingredients are listed in the descending order of predominance by weight;

(C) a declaration of the quantity or percentage (as determined by the Secretary) of any specified ingredient (other than a flavoring) or class of ingredients, if the Secretary determines that such ingredient or class has a significant bearing on the quality, consumer acceptability, or cost of such packaged food or food of its class. The Secretary may not require that an ingredient that comprises 5 percent or less of a food be declared under section 403(i)(2)(C) unless, in addition to the determination under such subparagraph, the Secretary determines that the absence of such declaration is likely to result in consumer deception or confusion. To the extent that compliance with the requirements of section 403(i)(2) is impracticable or would result in deception or unfair competition, the Secretary may prescribe exemptions from such requirements.

New section 403(i)(2)(C) addresses the concept of characterizing ingredients, which is primarily an economic concern. As a result, by using the term significant bearing, the intended emphasis is on conveying to consumers information about the amount they are purchasing of a perceived valuable ingredient (or ingredients) such as shrimp in shrimp cocktail or beef in beef stew, or an ingredient (or ingredients) that is the characterizing feature of a food such as the amount of fruit juice in a fruit drink or the amount of grain in a cereal product. This subsection neither provides authority to require percentage labeling of all ingredients, nor does it necessarily mean that all foods would have an ingredient designated by the Secretary as having a significant bearing. On the other hand, it is not expected that a food would have more than one or two ingredients designated as having a significant bearing i.e., be considered characterizing ingredients.

Section 3(b)(1) further amends section 403(i) by adding a new subsection (3) that exempts from the provisions of 403(i) any food that the Secretary determines is subject to comparable requirements established with respect to such food under any other Federal law."

Section 3(b)(2) strikes the following sentence from section 403(k):

"The provisions of this paragraph and paragraphs (g) and (i) with respect to artificial coloring shall not apply in the case of butter, cheese, or ice cream."

This sentence has been deleted because of the mandatory ingredient label and labeling requirements as described in section 3(b)(1) of this bill.

NUTRITION INFORMATION

Section 3(c) amends section 403 by adding at the end thereof the following new subsections:

"(q)(1) If it is a food for human consumption and in package form, unless its label bears such nutrition information relating to the food as the Secretary prescribes to provide health information to consumers including at least the following:

"(A) the total number of calories per serving"

"(B) the amount per serving of protein, fats, and carbohydrates in terms of caloric content."

New sections 403(q)(1) (A) and (B) address the importance of caloric information. The demonstration project provisions of the bill (section 5) will help determine the best means to convey caloric information (such as in percentages or actual calories). The demonstration projects will also help determine what further breakdown of fats (such as saturated and polyunsaturated) and carbohydrates (such as sugars and starches) is best understood and most useful to consumers.

"(C) the amount per serving of sodium, unless the Secretary determines that providing such information is not necessary to provide health information to consumers.

"(D) the amount per serving of cholesterol, unless the Secretary determines that providing such information is not necessary to provide health information to consumers."

NUTRITION DATA BASES

New section 403(q)(2) authorizes the Secretary to allow, to the maximum extent feasible and appropriate, the use of nutrition data bases that indicate representative (weighted) nutritional value at point of purchase. The use of nutrition data bases would be linked to effective, established processing procedures, such as the Good Manufacturing Practices that are presently prescribed by the Food and Drug Administration. The nutrition data base approach is the fundamental working principle of this bill, and its adoption is the key to reducing, if not eliminating, the economic and regulatory burdens that appear to have hindered providing more nutrition information on labels and labeling.

EXEMPTIONS FROM REQUIREMENTS

New section 403(q)(3) authorizes the Secretary to exempt from the provisions of this subsection any food that the Secretary determines is subject to comparable requirements established with respect to such food under any other Federal law.

New section 403(q)(4) provides that to the extent that compliance with the nutrition information requirements of section 403(q)(1) is impracticable, or not necessary to provide health information to consumers, the Secretary may prescribe exemptions from such requirements.

GRAPHICS

New section 403(r) authorizes the Secretary to prescribe a system of symbols, figures, and other devices that will enable consumers to comprehend readily the nutrition information that is or may be required to be placed on labels and labeling under new section 403(q)(1). The objective of section 403(r) is to encourage simplification of the nutrition label and labeling through the use of graphics in order to provide accurate, objective and relevant nutrition information to consumers. The use of graphics to make subjective statements or to editorialize is to be avoided. The authority to employ graphics is especially important if the use of nutrient density on labels and labeling is ever to occur.

EFFECTIVE DATE

Section 3(d) provides that the provisions of section 3 of this bill shall apply only with respect to food that is introduced or delivered for introduction into interstate commerce two years after the date of enactment of this bill.

Section 4. Preemption

Section 4(a) amends Chapter IV by adding a new section 412 concerning State and local food labeling requirements. New section 412(a) provides that except as provided in section 412(b), no State or political subdivision of a State may establish or continue in effect a nutrition and ingredient label or labeling requirement on manufacturers, wholesalers and packers applicable to any food that is different from or in addition to any label or labeling requirement applicable to such food under sections 403(i) and 403(q).

New section 412(b) provides that upon application of a State or a political subdivision of a State, the Secretary may, after notice and opportunity for comment, exempt from section 412(a), under such conditions as may be prescribed, a label or labeling requirement of such State or political subdivision if the Secretary determines that the requirement is required by compelling local conditions and compliance with it would not cause a food to be in violation of a requirement of sections 403(i) and 403(q).

New section 412(c) provides that section 412(a) does not prohibit a State or political subdivision of a State from establishing or continuing in effect a label or labeling requirement respecting the sell or use by date of a food.

New section 412(d) provides that the Secretary shall act upon an application by a State or political subdivision of a State pursuant to section 412(b) within 180 days of the date of receipt of such application.

Section 4(b) provides that section 412(a) will apply only with respect to food which is introduced or delivered for introduction into interstate commerce two years after the date of enactment of this bill.

Section 5. Demonstrations and evaluations

Section 5(a) authorizes the Secretary to approve demonstrations to ascertain the most effective methods of organizing the labels and labeling of food in order to convey to consumers the nutrition and ingredient information that is or may be required to be placed on labels and labeling under section 3 of this bill. Participation in the demonstrations will be on a voluntary basis.

The demonstrations will place special emphasis on (1) methods of conveying information such as nutrient density, serving size or standard unit of measure, and ingredient function, and (2) conveying information about protein, fats and carbohydrates; sodium; cholesterol; and vitamins and minerals. It is intended that the demonstrations will help determine the most appropriate declaration of the subcomponents of fats (such as saturated and polyunsaturated) and carbohydrates (such as sugars and starches), and the best means of conveying calorie information.

Section 5(b) provides that upon completion of a demonstration under subsection (a), the persons conducting such demonstration shall submit to the Secretary such information as the Secretary shall require to evaluate the effectiveness of the demonstration. The Secretary is required to prepare a written evaluation of any such demonstration within 180 days of receipt of information from such demonstration. The intent of this section is that in approving demonstrations, the Secretary and the applicant for a demonstration project must come to an agreement, prior to initiation of the project, on the specific objectives of the proposed demonstration and the information that will be provided from the demonstration for evaluation.

Because such protections already exist in law, this bill does not include specific language affirming the rights of a participant in a demonstration to protect information which is proprietary in nature.

Section 5(c) allows the Secretary to waive from any requirements of this section under such terms and conditions, and for such periods of time as the Secretary prescribes, any foods that are engaged in demonstrations approved under section (5) of this bill.

Section 6. Consumers education program on the use of labels and labeling

Section 6(a) requires the Secretary of Health, Education, and Welfare, in consultation with the Secretary of Agriculture and other appropriate public and private entities, to develop, pilot test, and implement a program of consumer education on how to use nutrition labels and labeling effectively.

Section 6(b) directs the Secretary of Health, Education, and Welfare to submit to the Congress on January 1, 1982, and January 1, 1983, a report on the program established under section 6(a) including, but not limited to, a detailed description of and an evaluation of the effectiveness of such program.

Section 6(c) authorizes that $4,000,000 be appropriated for fiscal year ending September 30, 1981, and $6,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.

The intent of section 6 is to ensure that consumers are provided with information on how to use nutrition and ingredient information on labels and labeling. This is not to be a nutrition education program.

Section 7. Notification to and report by the Federal Trade Commission

Section 7(a) authorizes the Secretary to notify the Federal Trade Commission of the nutrition information that is to be used on labels or in labeling pursuant to section 3 of this bill, and to recommend to the Commission which of such information should be required by the Commission to be included in the advertising of food.

Section 7(b) directs the Chairman of the Federal Trade Commission to report, beginning two years after enactment of this Act, and biennially thereafter, to Congress on any recommendations made to the Commission by the Secretary, and what if any action the Commission has taken in response to the recommendations.

The intent of section 7 is to encourage greater cooperation between the Department of Health, Education, and Welfare and the Federal Trade Commission, and to delineate further the relationship between nutrition and ingredient labeling, and advertising.

Mr. McGOVERN. Mr. President, by prior approval of the chairmen and the ranking minority members of both the Human Resources Committee and the Committee on Commerce, and also with prior clearance from the distinguished majority leader and the distinguished minority leader, I ask unanimous consent that the second of these measures, the Nutritional Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act, be jointly referred to the Committee on Human Resources and the Committee on Commerce.

The PRESIDING OFFICER. The Chair is of the understanding that the measure has been cleared with the chairman and the ranking Republican members of the two committees, as well as with the leadership.

Mr. BAKER. Mr. President, was there a unanimous-consent request for joint referral?

Mr. McGOVERN. Yes.

Mr. BAKER. It has been cleared on this side.

Mr. McGOVERN. It was in fact cleared with all the leadership, that of the committees and that of the Senate as a whole.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. RIEGLE. Mr. President, I am pleased to join Senator McGOVERN, Senator KENNEDY, and other colleagues in introducing the Nutrition Labeling and Information Amendments of 1979, and the Department of Agriculture Nutrition Labeling and Information Act of 1979. These two bills—one of which establishes nutritional labeling requirements for foods under the jurisdiction of the Food and Drug Administration and the other for foods under the jurisdiction of the Department of Agriculture—represent almost a decade of congressional action and concern in the area of nutrition labeling.

They are the result of nearly a year of discussion between staff of the Labor and Human Resources Committee, the Commerce Committee, and the Committee on Agriculture, Nutrition, and Forestry, and consumer groups, trade associations, individual food companies, the Food and Drug Administration, the Department of Agriculture, and the Federal Trade Commission.

They incorporate many of the provisions from nutrition labeling bills which have twice passed the Senate, only to die in the House. They also include many of the suggestions and concepts which emerged from hearings conducted by the Agriculture Committee and from 10 days of public hearings conducted by the Food and Drug Administration, the Department of Agriculture, and the Federal Trade Commission in five cities across the country.

The bills we are introducing today attempt to strike a careful balance between the consumer's need for objective and understandable information about the foods they eat and the needs and interests of the food industry in a labeling system which imposes a minimum of additional cost and which is responsive to the differing nutritional characteristics of the foods which are packaged, marketed, and sold by the food industry.

As a member of the Commerce Committee, I am particularly sensitive to the need to avoid unnecessarily restrictive regulation, which can prevent the market from functioning on a sound competitive basis. I believe that these two bills avoid the pitfalls of excessive regulation, while still assuring that consumers have access to basic nutritional information they need to select healthy diets for themselves and their families.

There can be no doubt as to the need for this legislation. Our present patchwork of food labeling requirements are limited in the scope of the foods they cover and in the nature of the information they convey. They do not provide American families with readily understandable information on which they can base their nutritional decisions. The relationship between diet and health is well established; if consumers selected more adequate diets, the incidence of disease, disability and even death would be reduced. These two bills, by assuring consumers access to more easily comprehensible nutrition information, will facilitate the consumer's ability to select their diets more wisely.

I believe that these bills meet the needs of both the American consumer and the food industry, without compromising the basic interests of either party. They address a vitally important area of public health concern. They have bipartisan support. I urge my colleagues to join me in supporting these bills and in working for their enactment during the 96th Congress.●

● Mr. KENNEDY. Mr. President, I am pleased to join Senator McGOVERN and Senator RIEGLE and my other distinguished colleagues in sponsoring the Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act and the Department of Agriculture Nutrition Labeling and Information Act of 1979. These bills represent a refinement and expansion of legislation I introduced last Congress, S. 3117, as part of our disease prevention and health promotion initiative. I am pleased to note that most of the components of that initiative were enacted into law last Congress as Public Law 95–626. Because of the complexity of food labeling and in order to give us time to study and analyze the many constructive criticisms and suggestions that were received concerning S. 3117 from both industry and consumer spokespersons, we delayed consideration of the food labeling provision of that initiative until this Congress.

Mr. President, I believe that the bills that are being introduced today adequately address all the legitimate concerns that were raised concerning the content and scope of S. 3117. These bills adhere to two fundamental principles: One, that consumers must be provided with the information they need to construct healthy and wholesome diets; and, two, that information can be provided in such a way as not to impose costly and burdensome requirements on industry.

A need for this legislation is as strong today as it was in May 1978 when the National Disease Prevention and Health Promotion Act was introduced. That legislation was introduced to begin to correct an oversight that I found astounding—namely, that despite the more than $170 billion we spend annually on personal health services, despite our more than 7,000 hospitals, despite our 360,000 physicians, despite Federal medicare and medicaid expenditures of more than $40 billion a year, we had in this country no national strategy for the prevention of illness and disability among our people.

It seemed obvious to me that the prevention of illness and the maintenance of good health was the wisest, most cost effective, and most humane approach to reduce the burden of illness in the country. Yet, we found that the United States spends less than 2 percent of its health dollars on preventive health programs, and that the Federal Government had no coordinated strategy for taking advantage of the many new breakthroughs occurring in this field. The enactment of Public Law 95–626 will help correct this situation by encouraging the development of prevention programs at the State and local levels. I am hopeful that once these programs are adequately funded and implemented that they will represent the first major step in reprioritizing our Federal health care expenditures.

I believe the bills before us today represent the next important step in this process. At our hearings last year before the Subcommittee on Health and Scientific Research, we learned that because of epidemiological breakthroughs we are beginning to see the importance of lifestyle and health habits in causing the diseases which account for the major burden of illness in our society. We learned that diet is a risk factor in 6 of the 10 leading causes of death. Consequently, the consumer's ability to select a better diet is a critical factor in preventing disease and promoting health. Mr. President, that is what the legislation that is being introduced today is all about. Enactment of this legislation would enhance the consumer's ability to make better and more informed choices among foods, while, at the same time, not imposing unduly burdensome requirements on the part of food manufacturers.

I would like to briefly highlight the provisions of the legislation that I believe are most important. The bills would require that nutrition labeling better reflect the impact on our health of the consumption of protein, fats, carbohydrates, sodium, and cholesterol.

The legislation recognizes that special attention must be placed on improving labeling formats so that nutrition information can be conveyed to the consumer in a readily understandable fashion. Consequently, the bills authorize pilot testing and demonstration to determine the most effective way of conveying such information. In order to achieve maximum return from labeling, consumers must understand how to use the nutrition information that is provided. Thus, the bills would establish consumer education programs.

In drafting this legislation, the sponsors were guided by the belief that nutrition labeling was not an area where absolute precision was needed in order to give the consumer the ability to make an informed choice among foods. Rather, such precision would only serve to be burdensome and costly to the manufacturer and ultimately to the consumer without any redeeming value. Therefore, the legislation, for example, would authorize the use of nutritional data bases that indicate representative nutritional value at point of purchase when conveying nutrition information.

Mr. President, I would like to commend my colleagues, Senator McGOVERN and Senator RIEGLE, for the leading roles that they have played in crafting this legislation. Senator McGOVERN, first as chairman of the Select Committee on Nutrition and now as chairman of the Subcommittee on Nutrition, has long been the leading Senate spokesperson on the role that nutrition plays in disease prevention and health promotion.

He has probably done more than any other person in increasing the American consumer's awareness of the importance of diet. I also want to point out, Mr. President, that these food labeling proposals are in many respects merely a modification and extension of certain provisions of S. 2540, the Food Amendments Act of 1978, which was introduced by Senator RIEGLE. His work laid much of the groundwork for what we are today proposing and I commend him for his initative in this area.

I look forward to working with both Senator McGOVERN and Senator RIEGLE and my other colleagues as these bills work their way through the legislative process welcoming all constructive suggestions and criticisms. I believe the passage of this legislation will be another important step in formulation of a national strategy for health promotion and disease prevention.

In addition, Mr. President, I wish to point out that these bills are just part of a larger legislative package concerning food that the Subcommittee on Health and Scientific Research will be considering this Congress. The continuing controversies concerning saccharin and nitrites have convinced me that our overall food safety policy needs to be thoroughly reexamined.

The Congress should not be asked to intervene in the regulatory process on a product-by-product basis, as is currently the case. If the current regulatory statutes do not permit these issues to be thoroughly resolved, then those statutes should be reexamined and if necessary revised. It does no good to have laws which the Congress overrules each time their provisions are invoked by the regulatory agency.

The National Academy of Sciences has recently reviewed our food safety laws and concluded:

> The law has become complicated, inflexible, and inconsistent in implementation. Although complex in itself, the law is inadequate to meet changing and increasing problems with food safety.

This conclusion, in light of the growing number of controversies about individual products, argues for a full and complete congressional assessment of our food safety laws. The Subcommittee on Health and Scientific Research will begin such an assessment in the next several months and if legislation is necessary to correct the situation, I will introduce it. That legislation can then be considered in conjunction with the legislation that is being introduced today.●

● Mr. JAVITS. Mr. President, I am pleased to join with my colleagues in introducing the Nutrition Labeling and Information Amendments and the Department of Agriculture Nutrition Labeling and Information Act, two bills which will substantially aid consumers in choosing nutritious foods and understanding what they eat.

These bills will provide consumers with valuable information about the foods they purchase, and will have far-reaching implications on the health status of our Nation. More and more we are finding that diet plays a crucial role in both development and disease, and is a contributing or even primary factor in many of the major health problems facing Americans today. With increasing emphasis on preventive health care, the consumer's ability to choose a nutritious diet becomes of paramount importance.

To do this, consumers must have accurate and objective nutrition information, and the means to understand and judge the information they receive. Only then will they be able, by making informed choices, to assume greater responsibility for maintaining and promoting their own physical and mental health, a responsibility which has in the past been left to the experts in the medical profession.

Our proposal guarantees that consumers have access to that information in a consistent, readily understandable format and, through a program of consumer education, will enable individuals effectively to use that information in choosing a diet appropriate to their particular health needs.

At the same time, the bills' requirements are not unduly burdensome to producers or retailers, but will allow businesses to participate in the process of developing methods of conveying nutrition information to consumers.

I have been a major cosponsor of similar bills in the last several Congresses, and have long been concerned with the right of consumers to know what they are buying. I also believe strongly that this is one of the most fundamental and potentially fruitful efforts we can undertake in the area of preventive health, and that we should not hesitate any longer in implementing a nutrition information program that will benefit individual consumers, our Nation's health care system as a whole.●

● Mr. LUGAR. Mr. President, I am pleased to cosponsor this legislation to establish a comprehensive nutritional labeling system. According to a recent survey, 77 percent of American consumers include nutrition as an important consideration in the selection of food. Clearly, Americans are becoming increasingly aware of the fundamental relationship between a nutritious diet and better health. A majority of Americans believe that an individual has the responsibility to educate himself about steps that can lead to a longer, healthier life. I have long been committed to gathering and making available to every interested citizen information which can help each person to help himself by setting up an individual program of fitness, proper diet, and preventive health care. A major concentration on individual preventive health care is, in my judgment, the best strategy for reducing medical cost inflation and reforming our national health care system.

At the present time, consumers do not always have access to complete, accurate, and understandable information on the nutrition content of food products. Seventy years have passed since USDA and FDA food labeling laws were adopted, and a complete reevaluation of our labeling policies is long overdue.

Testimony before the Senate Agriculture Subcommittee on Nutrition in 1978 identified three major deficiencies in current Federal food labeling policies. These policies were found to be inconsistent, based on inadequate data concerning the needs and perceptions of consumers, and formulated without considering the relationship of food labeling to nutritional needs and consumer education. The intent of this legislation is to address these problems.

After careful and thorough examination of the issues involved, I am cosponsoring this legislation with a firm commitment to establishing a nutritional labeling system that is effective for the consumer, without placing excessive regulatory burdens on producers and retailers. By setting up a nutrition data base system, the bill will reduce current nutrition labeling costs dramatically. The bill also provides for 2 years of voluntary demonstration projects prior to implementation of the new labeling system. This feature will be instrumental in assuring that possible problems or inconsistencies are worked out. The bill is further strengthened by the inclusion of a comprehensive nutrition education program, so that consumers will have access to essential information on how to use nutritional labels.

As a member of the Senate Agriculture, Nutrition, and Forestry Committee, I will monitor closely the administration of this legislation to assure that the Department of Agriculture and the Food and Drug Administration stay within the intent of the legislation in the implementation of the bill's programs. I am confident that we can adopt an approach which avoids an adverse impact on industry, while it assures to consumers the opportunity to make educated, informed choices about the foods they will consume. I salute Senator McGOVERN for the great amount of effort he has expended in shaping legislation which incorporates many constructive proposals of representatives of the food industry. As the bill proceeds through the legislative process, I know that its sponsors will remain open to the ideas of experts on food industry, medical, and consumer affairs. I welcome our colleagues in joining with us to work toward the ultimate goal of an adequately informed public which makes increasingly responsible, healthful decisions in the food marketplace.●

By Mr. CRANSTON:

S. 1653. A bill for the relief of Zenaida Porte Rebultan; to the Committee on the Judiciary.

● Mr. CRANSTON. Mr. President, I today introduce for appropriate reference a private bill for the relief of Zenaida Porte Rebultan, of the Philippines, so that she might join the six members of her immediate family who have immigrated to the United States.

It is somewhat unusual for remarks to accompany the introduction of a private bill.

But this is an unusual case, and a letter from Ms. Rebultan's brother touched me deeply.

In plain words, Mrs. Rebultan—the only daughter in the Rebultan family—has been denied permission to join her family because she is a lesbian. In the words of her family "she is not a thief,

a murderer, a prostitute, (or) a child molester." She has no police record.

But under current U.S. immigration law, her sexual orientation has caused her to be denied entry to the United States under a provision which equates homosexuality with "psychopathic personality" and "mental defect"—designations no longer medically valid when applied to homosexuals, according to the American Psychiatric Society, the American Psychological Association, and the American Public Health Association. Even the U.S. Public Health Service has requested that Immigration authorities stop asking them to decide if an alien is homosexual. The agency says homosexuality is not a medical condition.

So, while present medical opinion keeps pace with the times, U.S. immigration law remains an anachronism, sadly and often brutally out of touch with reality. INS says the fault lies with the Congress, and only through legislative action can any part of immigration eligibility requirements be changed. There is much truth in that view.

But I wonder why, in the face of changing definitions that directly affect eligibility requirements for aliens, the INS fails to inform and advise the Congress when INS statutes have become throwbacks to another age, reflecting neither current medical opinion (in the case of homosexual admissions) or the compassion that lies at the very heart of our system of justice.

We must take action to bring these statutes up to date. In the meantime, Zenaida Porte Rebultan waits in the Philippines, to join her family in America. Her mother, in ill health, waits in America for the chance to see her only daughter.

As Ms. Rebultan's brother, Estanislao Rebultan, of West Hollywood, Calif. explained in an eloquent letter he wrote to me on May 12, his sister was first denied admission in June 1977.

"Since then," Mr. Rebultan wrote—

"We tried almost all legal means to get her to be *reunited* with us but we failed." "We love her so much like any other American loves his/her brothers, sisters, sons and daughters.

Zenaida Porte Rebultan is a law-abiding citizen of her country and she has a clean police record. She is not a thief, a murderer, a prostitute, a child molester but only she happens to have a different sexual preference. And because of that reason, she is denied the right to be with us, her parents and brothers.

"She is left behind with no one to comfort her in time of needs. The Rebultan Family who [chose] to adopt the great United States—the leader of human rights abroad and the defender of democracy, as their future homeland—are denied the freedom to be with one of the members of their family just because she is a lesbian.

Please help us Senator. Our financial, moral and psychological resources are already drained. Our mother, who is ill, is constantly crying, hoping that someday her only daughter will be reunited with her.

Mr. President, this is a sad situation. It is also unjust, I believe that it must be remedied by the Congress, for the immediate relief of Zenaida Porte Rebultan, and as a real contribution to the reform of immigration law so clearly needed.●

By Mr. DECONCINI:

S. 1654. A bill to improve the Federal judicial machinery by clarifying and revising certain provisions of title 28, United States Code, relating to the judiciary and judicial review of international trade matters, and for other purposes; to the Committee on the Judiciary.

CUSTOMS COURTS ACT OF 1979

● Mr. DECONCINI. Mr. President, I am today introducing a bill, the proposed Customs Courts Act of 1979, which would bring badly needed reform to the laws governing the jurisdiction and powers of the United States Customs Court and the United States Court of Customs and Patent Appeals.

In the late 1960's, it was recognized that both the procedures and the jurisdiction of the United States Customs Court were in need of revision. However, since it became apparent that the procedures of the court were in greater need of revision and because revision of these procedures would be a massive undertaking in itself, the decision was made to concentrate upon reform of the court's procedures and to leave revision to and clarification of the court's jurisdiction for the future. The proposed Customs Courts Act of 1979 represents the second aspect of the effort begun nearly 12 years ago.

Specifically, the bill would; First, provide for a comprehensive system of judicial review of civil actions arising from import transactions utilizing, wherever possible, the specialized expertise of the United States Customs Court and the Court of Customs and Patent Appeals and insure uniformity afforded by the national jurisdiction of these courts; second, assure access to judicial review of civil actions arising from import transactions, which access is not presently assured due to jurisdictional conflicts arising from the present ill-defined division of jurisdiction between the Federal district courts and the customs courts; third, provide expanded opportunities for judicial review of civil actions arising from import transactions; fourth, grant to the customs courts the plenary powers possessed by other courts established under article III of the Constitution; and fifth, change the name of the United States Customs Court to the United States Court of International Trade to be more descriptive of its expanded jurisdiction and its new judicial function and purpose relating to international trade in the United States.

The Department of Justice has been supportive of this legislation and believes that enactment is required at the earliest possible time. They have experienced an increase in the number of suits challenging governmental decisions which directly affect the importation of merchandise into this country. Due to the historical origins of the Customs Courts' jurisdictional statutes, the limitations upon the relief which those courts may award, and the rather vague terminology contained in the statutes granting residual jurisdiction to the district courts over import-related matters, these suits have resulted in a series of irreconcilable decisions relating to the division of jurisdiction between the customs court and the other Federal district courts. We simply can no longer tolerate this jurisdictional confusion which often results in the effective denial of judicial review. The availability of the underutilized resources of two national courts with expertise on the subject of international trade provides a perfect opportunity to eliminate these difficult jurisdictional questions quickly in an efficient and effective manner.

The Customs Court began as an administrative tribunal which was principally designed to resolve disputes between merchants and the Customs Service relating to the correct classification and valuation of imported merchandise under the tariff laws. While the decisions of this tribunal were important in terms of revenue, the decisions were of primary interest to merchants whose businesses could be and were substantially affected by the amount of duty they or their competitors were required to remit to the Government.

Today the Customs Court and its appellate court, the Court of Customs and Patent Appeals, have been declared by Congress to be article III courts and their procedures are similar in many respects to the procedures utilized in the other Federal courts of equal stature. However, the courts' jurisdiction is still bound by the courts' history and the purposes for which they were originally established.

Since its creation, the Customs Court, building upon the precedent of other judicial or quasi-judicial bodies, has developed considerable expertise in understanding the problems of international business as it affects valuation for duty and other import questions.

In my view this expansion of the jurisdiction of the Customs Courts is supported, not only by the fact that it will eliminate the considerable jurisdictional confusion which now exists, but also by two other important considerations: Considerations of judicial economy; and, the need to increase the availability of judicial review in the field of international trade.

It has become commonplace to refer to our district courts and courts of appeals as overburdened and overworked. The enormous increase in litigation instituted in the Federal courts has led to considerable delays in the resolution of these disputes due to calendar congestion. The comparatively recent increase in litigation involving the field of international trade has only compounded this problem by adding a new category of cases to those which are already instituted in the district courts.

Under these circumstances, it makes good sense in terms of the availability of judicial resources, to transfer some of the cases now instituted in the crowded district courts to the underutilized Customs Courts.

Another existing defect is that the court is hamstrung in exercising its responsibilities because, as a matter of settled law, it lacks critical equitable powers; it may only entertain cases and controversies which have often reached a degree of ripeness that could make

equitable relief too late to be useful, and it cannot fashion equitable remedies when appropriate. The proposed Customs Courts Act of 1979 resolves this longstanding problem by granting the court full equitable powers. This provision will provide a forum for litigants seeking immediate relief in matters arising from import transactions. At present, litigants can only hope the district court will find subject matter jurisdiction and grant an equitable remedy.

The legislation I offer today represents a significant step forward for the Federal judiciary. This derives from the expansion and clarification of the powers and jurisdiction of the Customs Court as well as greater access to the court by parties affected. I urge that we give this legislation full consideration and expeditious approval in the Senate.

Mr. President, as chairman of the Judiciary Committee's Subcommittee on Improvements in Judicial Machinery, I have scheduled a hearing on this bill for September 10, 1979 at 9:30 a.m. in room 6226 of the Dirksen Senate Office Building. Concluding, I ask unanimous consent that the proposed Customs Courts Act of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Customs Courts Act of 1979".

TITLE I—PURPOSE

SEC. 101. The Congress declares that the purposes of this Act are—

(a) to provide for a comprehensive system of judicial review of civil actions arising from import transactions, utilizing, whenever possible, the specialized expertise of the United States Customs Court and Court of Customs and Patent Appeals and ensuring uniformity afforded by the national jurisdiction of these courts;

(b) to assure access to judicial review of civil actions arising from import transactions, which access is not presently assured due to jurisdictional conflicts arising from the present ill-defined division of jurisdiction between the district courts and the customs courts;

(c) to provide expanded opportunities for judicial review of civil actions arising from import transactions;

(d) to grant to the customs courts the plenary powers possessed by other courts established under article III of the Constitution; and

(e) to change the name of the United States Customs Court to the United States Court of International Trade to be more descriptive of its expanded jurisdiction and its new judicial function and purpose relating to international trade in the United States.

TITLE II—COMPOSITION OF THE COURT OF INTERNATIONAL TRADE AND ASSIGNMENT OF JUDGES TO OTHER COURTS

SEC. 201. Section 251 of title 28, United States Code, is amended by striking out the first and second paragraphs of such section and inserting in lieu thereof the following:

"The President shall appoint, by and with the advice and consent of the Senate, a chief judge and eight judges who shall constitute a court of record known as the United States Court of International Trade. The Court is a court established under article III of the Constitution of the United States. The chief judge shall be less than seventy years of age and shall continue as chief judge until he reaches such age, at which time the President shall, by and with the advice and consent of the Senate, appoint a new chief judge. The chief judge may continue to serve after reaching seventy years of age until the appointment of a successor is confirmed by the Senate.".

SEC. 202. (a) Section 293(b) of title 28, United States Code, is amended by striking out all that appears after "duties", and inserting in lieu thereof the following: "in any circuit, either in a court of appeals or district court, upon presentation of a certificate of necessity by the chief judge or circuit justice of the circuit in which the need arises.".

(b) Section 293(d) of title 28, United States Code, is amended to read as follows:

"(d) The chief judge of the Court of International Trade may, upon presentation to him of a certificate of necessity by the chief judge of the Court of Customs and Patent Appeals or the chief judge of the Court of Claims, designate and assign temporarily any judge of the Court of International Trade to serve as a judge of the Court of Customs and Patent Appeals or the Court of Claims.".

TITLE III—JURISDICTION OF THE COURT OF INTERNATIONAL TRADE

SEC. 301. Sections 1581 and 1582 of title 28, United States Code, are repealed.

SEC. 302. Chapter 95 of title 28, United States Code, is amended to read as follows:

"Chapter 95—COURT OF INTERNATIONAL TRADE

"Sec.
"1581. Civil actions against the United States.
"1582. Civil actions commenced by the United States.
"1583. Set-offs, demands, counterclaims.
"1584. Cure of defects.
"1585. Powers generally.

"§ 1581. Civil actions against the United States

"(a) The Court of International Trade shall have exclusive jurisdiction of civil actions instituted by any person whose protest pursuant to the Tariff Act of 1930 has been denied, in whole or in part, by the appropriate customs officer, where the administrative decision, including the legality of all orders and findings entering into the same, involves: (1) the appraised value of merchandise; (2) the classification and rate of duties chargeable; (3) all charges or exactions of whatever character within the jurisdiction of the Secretary of the Treasury; (4) the exclusion of merchandise from entry or delivery under any provisions of the customs laws; (5) the liquidation or reliquidation of an entry, or a modification thereof; (6) the refusal to pay a claim for drawback; or (7) the refusal to reliquidate an energy under section 520(c) of the Tariff Act of 1930.

"(b) The Court of International Trade shall have exclusive jurisdiction of civil actions instituted pursuant to sections 516 and 516A of the Tariff Act of 1930.

"(c) After the decision of the President has become final, the Court of International Trade shall have exclusive jurisdiction to review advice, findings, recommendations, and determinations of the International Trade Commission pursuant to sections 131, 201, 202, 203, 301, 406, and 503 of the Trade Act of 1974, sections 336 and 338 of the Tariff Act of 1930, and section 22 of the Agricultural Adjustment Act, solely for the purpose of determining the procedural regularity of those actions.

"(d) After the decision of the President has become final, the Court of International Trade shall have exclusive jurisdiction to review the actions of the Office of the Special Trade Representative pursuant to section 302(b)(1) and 304 of the Trade Act of 1974, solely for the purposes of determining the procedural regularity of those actions.

"(e) The Court of International Trade shall have exclusive jurisdiction to review any decision of the Secretary of Labor or the Secretary of Commerce certifying or refusing to certify workers, communities, or businesses as eligible for adjustment assistance under the Trade Act of 1974. No injunction or writ of mandamus shall be issued in any case arising under this subsection.

"(f) The Court of International Trade shall have exclusive jurisdiction of any civil action brought by a party-at-interest to review a final determination made under section 305(b)(1) of the Trade Agreements Act of 1979.

"(g) The Court of International Trade shall have exclusive jurisdiction of any application for the issuance of a protective order under section 777(c)(2) of the Tariff Act of 1930.

"(h) In addition to the jurisdiction conferred upon the Court of International Trade by this section, and subject to the exceptions contained in paragraph (i), the Court of International Trade shall have exclusive jurisdiction over all civil actions against the United States, its agencies and its officers which arise directly from import transactions and which arise under the Tariff Act of 1930, the Trade Expansion Act of 1962, the Trade Act of 1974, or the Trade Agreements Act of 1979.

"(i) The Court of International Trade shall not have jurisdiction—

"(1) of any civil action arising under section 305 of the Tariff Act of 1930; or

"(2) to review any advice relating to classification, valuation, rate of duty, marking, restricted merchandise, entry requirements, drawbacks, vessel repairs, and similar matters issued by the Secretary of the Treasury to members of the public or members of the Customs Service other than in connection with a civil action instituted pursuant to subsections (a) and (b) of this section; provided that, this subsection shall not apply if a member of the public demonstrates that without substantial doubt, it would be commercially impractical to obtain judicial review pursuant to subsections (a) and (b) of this section.

"§ 1582. Civil actions commenced by the United States

"(a) The Court of International Trade shall have jurisdiction, upon transfer from a district court, over any civil action which arises from an import transaction and which have been instituted by the United States to—

"(1) recover a civil fine or penalty or enforce a forfeiture imposed under any revenue statute administered by the Customs Service;

"(2) recover upon a bond relating to the importation of merchandise required by the laws of the United States or by the Secretary of the Treasury; or

"(3) recover customs duties.

"(b) A defendant may transfer a civil action referred to in subsection (a) of this section by filing a motion to transfer in the district court in which the action is pending.

"(c) The motion to transfer shall be filed within thirty days after the service upon a defendant of a copy of the complaint.

"(d)(1) Upon receipt of a motion to transfer, the district court shall determine whether the civil action is action described in subsection (a) of this section. If the determination of the district court is affirmative, it shall order the transfer.

"(2) In the case of a civil action described in subsection (a) of this section, the United States shall be afforded an opportunity to object to the transfer and, if the United States objects, such motion shall be granted only if the district court determines that the civil action involves a substantial question, other than the amount of any penalty

involved, as to the proper classification or valuation of imported merchandise. The decision of the district court upon such motion shall be final and conclusive and shall not be reviewable on appeal or otherwise, except on appeal from a final judgment on the merits.

"(e) Within ten days after the issuance of an order of transfer, the clerk of the district court shall transmit copies of all pleadings and documents to the Court of International Trade.

"(f) Upon receipt of the copies of the pleadings and documents, the civil action shall be heard by the Court of International Trade, sitting without a jury, and unless the parties otherwise agree, the trial or hearing of the civil action shall take place within the judicial district in which the civil action was first instituted, as if the civil action had been instituted in the Court of International Trade in the first instance.

"(g) The relevant provisions of sections 2461, 2462, 2463, 2464, and 2465 of this title shall apply in any action transferred to the Court of International Trade pursuant to this section.

"§ 1583. Set-offs, demands, and counterclaims

"The Court of International Trade shall have jurisdiction to render judgment upon any set-off, demand, or counterclaim asserted by the United States which arises out of the same import transaction pending before the Court or a claim to recover upon a bond relating to the importation of merchandise or to recover customs duties.

"§ 1584. Cure of defects

"(a) If a civil action within the exclusive jurisdiction of the Court of International Trade is filed in a district court, the district court shall, in the interest of justice, transfer such civil action to the Court of International Trade, where the civil action shall proceed as if it had been filed in the Court of International Trade on the date it was filed in the district court.

"(b) If a civil action within the exclusive jurisdiction of a district court or a court of appeals is filed in the Court of International Trade, the Court of International Trade shall, in the interest of justice, transfer such civil action to the appropriate district court or court of appeals where the civil action shall proceed as if it had been filed in the district court or court of appeals on the date it was filed in the Court of International Trade.

"§ 1585. Powers generally.

"The Court of International Trade shall possess all the powers in law and equity of, or as conferred by statute upon, a district court of the United States.".

TITLE IV—COURT OF INTERNATIONAL TRADE PROCEDURE

Sec. 401. Chapter 169 of title 28, United States Code, is amended to read as follows:

"Chapter 169—COURT OF INTERNATIONAL TRADE PROCEDURE

"Sec.
"2631. Persons entitled to commence a civil action.
"2632. Commencement of a civil action.
"2633. Procedure and fees.
"2634. Notice.
"2635. Filing of official documents.
"2636. Time for commencement of action.
"2637. Exhaustion of administrative remedies.
"2638. New grounds in support of a civil action.
"2639. Burden of proof; evidence of value.
"2640. Scope and standard of review.
"2641. Witnesses; inspection of documents.
"2642. Analysis of imported merchandise.
"2643. Relief.
"2644. Decisions; findings of facts and conclusions of law; effect of opinions.
"2645. Retrial or rehearing.
"2646. Precedence of cases.

"§ 2631. Persons entitled to commence a civil action.

"(a) A civil action contesting the denial, in whole or in part, of a protest under section 515 of the Tariff Act of 1930 may be instituted in the Court of International Trade by any person entitled to file a protest pursuant to section 514 of the Tariff Act of 1930.

"(b) A civil action contesting the denial, in whole or in part, of a petition under section 516 of the Tariff Act of 1930 may be instituted in the Court of International Trade by any domestic interested party.

"(c) A civil action contesting a determination listed in section 516A of the Tariff Act of 1930 may be instituted in the Court of International Trade by any interested party who is a party to the proceeding in connection with which the matter arises.

"(d) A civil action to review a final determination made under section 305(b)(1) of the Trade Agreements Act of 1979 may be instituted by a party-at-interest.

"(e) A civil action involving applications for orders directing the administering authority or the International Trade Commission to make confidential information available pursuant to section 777(c)(2) of the Tariff Act of 1930 may be filed in the Court of International Trade by any interested party who is a party to the administrative proceeding.

"(f) A civil action, other than one instituted pursuant to section 777(c)(2) of the Tariff Act of 1930 or one contesting the denial of a protest under section 515, the denial of a petition under section 516, a determination under section 516A of the Tariff Act, or a determination under section 305(b)(1) of the Trade Agreements Act of 1979, may be instituted in the Court of International Trade by any person adversely affected or aggrieved by an agency action within the meaning of section 702 of title 5, United States Code.

"(g) Except in cases instituted pursuant to section 1581(a) of this title or section 516 of the Tariff Act of 1930, any person, by leave of court, who would be adversely affected or aggrieved by a decision in a civil action pending in the Court of International Trade may intervene in that action. In exercising its discretion, the court shall consider whether the intervention will unduly delay or prejudice the adjudication of the rights of the original parties.

"(h) By leave of court, any person who would be adversely affected or aggrieved by an order disposing of an application for the issuance of an order pursuant to section 777(c)(2) of the Tariff Act may intervene with regard to that application.

"(i)(1) The term interested party means—

"(A) a foreign manufacturer, producer, or exporter, or the United States importer, of merchandise which is the subject of an investigation under Title VII of the Tariff Act of 1930 or a trade or business association a majority of the members of which are importers of such merchandise;

"(B) the government of a country in which such merchandise is produced or manufacturerred;

"(C) a manufacturer, producer, or wholesaler in the United States of a like product;

"(D) a certified union or recognized union or group of workers which is representative of an industry engaged in the manufacture, production, or wholesale in the United States of a like product; and

"(E) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product in the United States.

"(2) The term domestic interested party means a party as defined in subparagraphs (C), (D), and (E) of paragraph (1).

"(3) The term party-at-interest means—

"(A) a foreign manufacturer, producer, or exporter, or a United States importer of merchandise which is the subject of a final determination;

"(B) a manufacturer, producer or wholesaler in the United States of a like product;

"(C) United States members of a labor organization or other association of workers whose members are employed in the manufacture, production, or wholesale in the United States of a like product; and

"(D) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product in the United States.

"(4) The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation under Title VII of the Tariff Act of 1930 or a final determination under section 305(b)(1) of the Trade Agreements Act of 1979.

"§ 2632. Commencement of a civil action

"(a) Except as otherwise provided in subsection 516A of the Tariff Act of 1930, each civil action in the Court of International Trade shall be instituted by the filing of a summons, or of a complaint, or both, each with the content and in the form, manner, and style prescribed in rules adopted by the Court.

"(b) The Court of International Trade may prescribe by rule that any pleading or other document transmitted by registered or certified mail properly addressed to the clerk of the Court with the proper postage affixed and return receipt requested shall be filed as of the date of postmark.

"§ 2633. Procedure and fees.

"(a) A filing fee shall be payable upon commencing an action. The amount of the fee shall be fixed by the Court of International Trade but shall be not less than $5 nor more than the filing fee for commencing a civil action in a United States district court. The Court of International Trade may fix all other fees to be charged by the clerk of the Court.

"(b) The Court of International Trade shall provide by rule for pleadings and other papers, for their amendment, service, and filing, for consolidations, severances, suspensions of cases, and for other procedural matters.

"(c) All pleadings and other papers filed in the Court of International Trade shall be served on all parties in accordance with the rules of the Court. When the United States, its agencies, or its officers are adverse parties, service of the summons or complaint, or both, shall be made upon the Attorney General and the head of the Government agencies whose actions are complained of, and where injunction relief is sought, upon the named officials sought to be enjoined.

"§ 2634. Notice.

"Reasonable notice of the time and place of trial or hearing before the Court of International Trade shall be given to all parties to any proceeding, under rules prescribed by the Court.

"§ 2635. Filing of official documents

"(a)(1) Upon service of the summons on the Secretary of the Treasury in any civil action contesting the denial of a protest under section 515 of the Tariff Act of 1930, or the denial of a petition under section 516 of that Act, the appropriate customs officer shall forthwith transmit to the Court of International Trade as part of the official record—

"(A) consumption or other entry and the entry summary;

"(B) commercial invoice;

"(C) special customs invoice;

"(D) copy of protest;

"(T) copy of denial or protest in whole or in part;

"(F) importer's exhibits;

"(G) official and other representative samples;

"(H) any official laboratory reports; and

"(I) any bond relating to the entry.

"(2) If any of the items listed in paragraph (1) do not exist in a particular case, an affirmative statement to that effect shall be transmitted to the Court.

"(b) Within forty days, or within such period of time as the Court of International Trade may specify, after service of a summons on the Secretary of the Treasury, the administering authority established to administer Title VII of the Tariff Act of 1930, the United States International Trade Commission, or any other agency whose determination or action is being contested, the Secretary or any other agency involved shall file with the Court of International Trade, as provided by its rules, the record which, unless otherwise stipulated by the parties, shall consist of:

"(1) a copy of all information presented to or obtained by the Secretary, the administering authority, the Commission or any other agency involved, during the course of the administrative proceedings, including all governmental memoranda pertaining to the case and the record of ex parte meetings required to be kept by section 777(a)(3) of the Tariff Act of 1930; and

"(2) a copy of the determination, all transcripts or records of conferences or hearings, and all notices published in the Federal Register.

"(c) Any documents, comments, or information accorded confidential or privileged status and required to be filed with the Court of International Trade pursuant to subsection (b) shall be filed with the clerk of the Court of International Trade under seal and its confidential or privileged status shall be preserved in the litigation. Notwithstanding the first sentence of this subsection, the Court of International Trade may examine, in camera, the confidential or privileged material and may disclose such material under such terms and conditions as it may order.

"(d) Within ten days, or within such period of time as the Court of International Trade may specify, after service of a summons and an application for an order directing the administering authority or the International Trade Commission to make confidential information available pursuant to section 777(c)(2) of the Tariff Act of 1930, the administering authority or the Commission shall file with the Court of International Trade under seal the confidential information involved along with pertinent parts of the record.

"(e)(1) In any other civil action in which judicial review is to proceed upon the basis of the record made before an agency, the agency, upon service of a summons or complaint, or both, shall, within forty days of service of the summons, transmit to the United States Court of International Trade a copy of the contested determination, the findings or report upon which it is based, a copy of any reported hearings or conferences conducted by the agency, any documents, comments, or other papers filed by the public, interested parties, or governments with regard to the agency's action, identifying and submitting under seal any documents, comments or other information obtained on a confidential basis and including a nonconfidential description of the nature of such confidential documents, comments or information.

"(2) The confidentiality accorded such documents, comments, and information shall be preserved in the litigation, but the court may examine such documents, comments, and information in camera if necessary to the disposition of the action, and may order the disclosure of such documents, comments, or information under such terms or conditions as the court may order.

"§ 2636. Time for commencement of action

"(a) A civil action contesting the denial of a protest under section 515 of the Tariff Act of 1930, is barred unless commenced in accordance with the rules of the Court of International Trade—

"(1) within one hundred and eighty days after the date of mailing of notice of denial, in whole or in part, of a protest pursuant to section 515(a) of the Tariff Act of 1930;

"(2) in any case in which notice is not mailed within the two-year period specified in section 515(a) of the Tariff Act of 1930, at any time after the date of the expiration of the two-year period specified in such section prior to the mailing of a notice of denial; or

"(3) within one hundred and eighty days after the date of denial of a protest by operation of law pursuant to the provisions of section 515(b) of the Tariff Act of 1930.

"(b) A civil action contesting the denial of a petition under section 516 of the Tariff Act of 1930 is barred unless commenced within thirty days after the date of mailing of a notice transmitted pursuant to section 516 (c) of the Tariff Act of 1930.

"(c) A civil action contesting a determination by the administering authority, under section 703(c) or 733(c) of the Tariff Act of 1930, that a case is extraordinarily complicated is barred unless commenced within five days after the date of the publication of the determination in the Federal Register.

"(d) A civil action contesting a reviewable determination listed in section 516A of the Tariff Act of 1930, other than a determination under section 703(c) or 733(c) of that Act, is barred unless commenced within thirty days after the date of the publication of the determination in the Federal Register.

"(e) A civil action involving an application for an order making confidential information available pursuant to section 777(c)(2) of the Tariff Act of 1930 is barred unless commenced in accordance with the rules of the Court of International Trade within five days from the denial of a request for confidential information.

"(f) A civil action contesting a final determination made under section 305(b)(1) of the Trade Agreement Act of 1979 is barred unless commenced within thirty days after the date of the publication of the determination in the Federal Register.

"(g) A civil action, other than one enumerated in subsections (a) through (f), over which the Court has jurisdiction pursuant to section 1581 of this title is barred unless commenced in accordance with the rules of the Court of International Trade within two years after the right of action first accrues.

"§ 2637. Exhaustion of administrative remedies

"(a) A civil action contesting the denial of a protest under section 515 of the Tariff Act of 1930 may be instituted only if all liquidated duties or exactions shall have been paid at the time the action is filed, except that a surety's obligation to pay such liquidated duties or exactions is limited to the sum of any bond relating to each entry included in a denied protest. If a surety institutes a civil action in the Court of International Trade, any recovery of the surety shall be limited to the amount of the liquidated duties or exactions paid on the entries included in the action.

"(b) A civil action contesting the denial of a petition under section 516 of the Tariff Act of 1930 may be instituted only by a person who has first exhausted the procedures specified in that section.

"(c) In all other cases, the Court of International Trade, where appropriate, shall require the exhaustion of administrative remedies.

"§ 2638. New grounds in support of a civil action

"In any case in which the denial, in whole or in part, of a protest is a precondition to the institution of a civil action in the Court of International Trade, the Court, by rule, may consider any new ground in support of the civil action if the new ground—

"(1) applies to the same merchandise that was the subject of the protest; and

"(2) is related to the same administrative decisions listed in section 514 of the Tariff Act of 1930 that were contested in the protest.

"§ 2639. Burden of proof; evidence of value

"(a) The decision of the Secretary of the Treasury, or his delegate, is presumed to be correct. The burden to prove otherwise shall rest upon the party challenging a decision.

"(b) Where the value of merchandise or any of its components is in issue—

"(1) reports or depositions of counsuls, customs officers, and other officers of the United States and depositions and affidavits of other persons whose attendance cannot reasonably be had may be admitted into evidence when served upon the opposing party in accordance with the rules of the Court;

"(2) price lists and catalogs may be admitted in evidence when duly authenticated, relevant, and material; and

"(3) the value of merchandise shall be determined from the evidence in the record and that adduced at the trial whether or not the merchandise or sample thereof is available for examination.

"(c) The requirements of subsections (a) and (b) apply in any matter in the Court of International Trade except an action transferred to the Court of International Trade pursuant to section 1582 of this title.

"§ 2640. Scope and standard of review

"(a) The Court of International Trade shall determine the matter upon the basis of the record made before the Court in the following categories of civil actions:

"(1) Civil actions contesting the denial of a protest under section 515 of the Tariff Act of 1930 involving—

"(A) the appraised value of merchandise, except to the extent judicial review is available under subsection (b) of this section in the case of assessment of countervailing or antidumping duties;

"(B) the classification, rate and amount of duties of fees chargeable, except to the extent judicial review is available under subsection (b) of this section in the case of assessment of countervailing or antidumping duties;

"(C) the required redelivery of imports pursuant to the terms of an entry bond or the exclusion of merchandise from entry or delivery under the customs laws or pursuant to an action of the Customs Service not taken upon the request or direction of a court or other Federal agency, except the exclusion of imports alleged to be pornographic;

"(D) all charges or exactions imposed upon imported articles, except to the extent judicial review is available under subsection (b) of this section in the case of assessment of countervailing or antidumping duties;

"(E) the refusal to pay a claim for a drawback; and

"(F) the refusal to reliquidate an entry under section 520(c) of the Tariff Act of 1930.

"(2) Civil actions instituted pursuant to section 1581(f) of this title.

"(3) Civil actions instituted under section 516(c) of the Tariff Act of 1930.

"(4) Civil actions for a protective order instituted pursuant to section 1581(g) of this title.

"(b) In civil actions instituted under section 516A of the Tariff Act of 1930, the Court shall determine the matter as specified in subsection (b) of that section.

"(c) In all other civil actions, the Court shall determine the matter as provided in section 706 of title 5 of the United States Code.

"§ 2461. Witnesses; inspection of documents

"(a) Except as otherwise provided by law, in any proceeding in the Court of International Trade, the parties and their attorneys shall have an opportunity to introduce evidence, to hear and cross-examine the witnesses of the other party, and to inspect all samples and all papers admitted or offered as evidence under rules prescribed by the Court. Except as provided in section 2639, subsection (b) of this section, or any rules prescribed by the Court, the Federal Rules of Evidence apply to all proceedings in the Court of International Trade.

"(b) In any civil action, the Court of International Trade may order that trade secrets and commercial or financial information which is privileged and confidential or any information provided to the United States by foreign governments or foreign persons, shall not be disclosed or shall be disclosed to a party, its counsel, or any other person, only under such terms and conditions as the court may provide.

"§ 2642. Analysis of imported merchandise

"A judge of the Court of International Trade may order an analysis of imported merchandise and reports thereon by laboratories or agencies of the United States.

"§ 2643. Relief.

"(a) In any case instituted under section 1581 of this title, the Court of International Trade may, if appropriate, enter a money judgment for and against the United States.

"(b) If, in any civil action referred to in section 2640(a)(1) or (a)(3), the plaintiff—

"(1) proves that the original decision was incorrect, and

"(2) introduces evidence as to the correct decision, but, based upon the evidence introduced by the plaintiff and the defendant, the Court of International Trade is unable to determine the correct decision, such court shall restore the case to the calendar for all purposes, including such further administrative or adjudicative procedures as may be necessary to enable the court to reach a determination as to the correct decision. The order of restoration or remand shall be final and appealable pursuant to sections 1541(a) and 2601 of this title.

"(c) In addition to the order specified in subsections (a) and (b) of this section, the Court of International Trade may order in any civil action any form of relief which is appropriate including, but not limited to, declaratory judgments, orders of remand, writs of mandamus, and prohibition and injunction.

"(d) In extraordinary circumstances, the Court of International Trade may grant appropriate preliminary or permanent injunctive relief upon a request by a person who would have the right to institue a civil action after exhausting all appropriate administrative remedies. In ruling upon such a request for injunctive relief, the Court of International Trade shall consider whether the person making the request will otherwise be irreparably harmed, and the effect of the requested injunction on the public interest.

"§ 2644. Decisions; findings of fact and conclusions of law; effect of opinions

"(a) A final decision of the judge in a contested case or a decision granting or refusing an interlocutory injunction shall be supported by—

"(1) a statement of findings of fact and conclusions of law, or

"(2) an opinion stating the reasons and facts upon which the decision is based.

"(b) Upon motion of a party made not later than thirty days after entry of judgment, the Court may amend its findings or make additional findings and may amend the judgment accordingly.

"(c) The decision of the judge is final and conclusive, unless a retrial or rehearing is granted pursuant to section 2645 of this title or an appeal is made to the Court of Customs and Patent Appeals within the time and the manner provided in section 2601 of this title.

§ 2645. Retrial or rehearing

"The judge who has rendered a judgment or order may, upon motion of a party or upon his own motion, grant a retrial or rehearing, as the case may be. A party's motion shall be made or the judge's action on his own motion shall be taken, not later than thirty days after entry of the judgment or order. In the event of the disability of the judge, the chief judge shall assign the motion to another judge of the Court of International Trade.

"§ 2646. Precedence of cases

"(a) Each civil action involving the exclusion or redelivery of merchandise or arising under section 1582 of this title, or sections 516 or 516A of the Tariff Act of 1930, shall be given precedence over other cases on the docket of the court and shall be assigned for hearing and trial at the earliest practicable date and expedited in every way.

"(b) Of the civil actions given precedence under subsection (a) of this section, any civil action for the review of a determination under sections 516A(a)(1)(B) or 516A(a)(1)(E) of the Tariff Act of 1930 shall be given priority over other such civil actions.

TITLE V—COURT OF CUSTOMS AND PATENT APPEALS

SEC. 501. (a) Section 1541(a) of title 28, United States Code, is amended by striking out: "and for many interlocutory order granting, continuing, modifying, refusing, or dissolving as injunction, or refusing to dissolve or modify an injunction, under section 516A(c)(2) of the Tariff Act of 1930".

(b) Section 1541 is amended by adding at the end thereof the following:

"(c) The Court of Customs and Patent Appeals has jurisdiction of appeals from interlocutory orders of the Court of International Trade granting, continuing, modifying, or dissolving injunctions, or refusing to dissolve or modify injunctions.".

SEC. 502. (a) Section 2601(a) of title 28, United States Code, is amended by adding the following new sentence at the end thereof: "If a timely notice of appeal is filed by a party, any other party may file a notice of appeal within fourteen days after the date on which the first notice of appeal was filed."

(b) The first sentence of section 2601(b) of title 28, United States Code, is amended—

(1) by inserting "or cross appeal" after "appeal" each time it appears; and

(2) by striking "which shall include a concise statement of the errors complained of".

(c) The third sentence of section 2601(b) of title 28, United States Code, is amended by striking out "and the Secretary of the Treasury or their designees" and inserting in lieu thereof "and any named official".

(d) Section 2601(c) of title 28 is amended by inserting the following after the first sentence: "Findings of fact shall not be set aside unless clearly erroneous and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses. A party may raise on appeal the question of the sufficiency of the evidence to support findings of fact, whether or not the party raising the question has made an objection to such findings in the Court of International Trade or has made a motion to amend them or a motion for judgment.".

SEC. 503. (a) Chapter 93 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1546. Rules of evidence; powers in law and equity; exclusive jurisdiction

"(a) Except as provided in section 2639 of this title, subsection (b) of section 2641 of this title, or any rules prescribed by the court, the Federal Rules of Evidence shall apply in the Court of Customs and Patent Appeals in any appeal from the Court of International Trade.

"(b) The Court of Customs and Patent Appeals shall have all the powers in law and equity of, or as conferred by statute upon, a court of appeals of the United States.

"(c) The Court of Customs and Patent Appeals shall possess exclusive jurisdiction to review—

"(1) any decision of the Secretary of Treasury to deny or revoke a customs brokers' license under section 641(a) of the Tariff Act of 1930, or

"(2) any action challenging an order to revoke or suspend a license under section 641(b) of the Tariff Act of 1930."

(b) The table of sections for chapter 93 of that title is amended by adding at the end thereof the following:

"1546. Rules of evidence; powers in law and equity; exclusive jurisdiction.".

SEC. 504. (a) Chapter 167 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 2603. Judicial conference

"The Court of Customs and Patent Appeals is authorized to conduct an annual judicial conference for the purpose of considering the business of the court and improvements in the administration of justice in the court.".

(b) The table of contents for chapter 167 of such title is amended by adding at the end thereof the following new item:

"2603. Judicial conference."

TITLE VI—TECHNICAL AND CONFINING AMENDMENTS

SEC. 601. The first sentence of section 250 (a) of the Trade Act of 1974 is amended by striking out all that appears after "United States" and by inserting in lieu thereof "Court of International Trade".

SEC. 602. (a) The second sentence of the second paragraph of paragraph (b) of section 641 of the Tariff Act of 1930 is amended by deleting all that appears after "filing," and before "sixty," and by inserting in lieu thereof "in the Court of Customs and Patent Appeals, within".

(b) The second paragraph of section 641 (b) of the Tariff Act of 1930 is amended by inserting the following immediately after the third sentence of that paragraph: "For purposes of this paragraph, all relevant rules prescribed in accordance with sections 2072 and 2112 of title 28, United States Code, apply to the Court of Customs and Patent Appeals.".

SEC. 603. Section 1340 of title 28, United States Code, is amended by adding at the end thereof the following: "The Court of International Trade shall have jurisdiction of any civil action, not within its exclusive jurisdiction, arising under any Act of Congress providing for revenue from imports or tonnage upon transfer from a district court as provided in section 1582 of this title.".

SEC. 604. Section 1355 of title 28, United States Code, is amended by adding at the end thereof the following: "The Court of International Trade shall have jurisdiction of any such action or proceeding upon transfer from a district court as provided in section 1582 of this title.".

SEC. 605. Section 1356 of title 28, United States Code, is amended by adding at the end thereof the following: "The Court of International Trade shall have jurisdiction of any such action or proceeding upon transfer from a district court as provided in section 1582 of this title.".

SEC. 606. Section 751 of title 28, United States Code, is amended by adding at the end thereof the following:

"(f) When the Court of International Trade is sitting in a judicial district, other than the Southern and Eastern Districts of New York, the clerk of that district court or an authorized deputy clerk, upon the request of the chief judge of the Court of International Trade and with the approval of that district court, shall act in the district as clerk of the Court of International Trade in accordance with rules and orders of the Court of International Trade for all purposes relating to the case then pending before the court.".

SEC. 607. The second paragraph of section 1491 of title 28, United States Code, is amended by inserting "within the exclusive jurisdiction of the Court of International Trade, or" after "suits" the first time it appears in the first sentence.

SEC. 608. The first paragraph of section 2414 of title 28, United States Code, is amended by inserting "or Court of International Trade" after "court" in the first sentence.

SEC. 609. Section 1919 of title 28, United States Code, is amended by inserting "or the Court of International Trade" after "court" the first time it appears.

SEC. 610. (a) Chapter 125 of title 28, United States Code, is amended by inserting immediately after section 1963 the following new section:

"§ 1963A Registration of judgments of the Court of International Trade

"(a) A judgment in an action for the recovery of money or property entered by the Court of International Trade which has become final by appeal or expiration of time for appeal may be registered in any district by filing a certified copy of such judgment. A judgment so registered shall have the same effect as a judgment of the district court of the district where registered and may be enforced in like manner.

"(b) A certified copy of the satisfaction of any judgment in whole or in part may be registered in like manner in any district in which the judgment is a lien.".

(b) The table of sections for chapter 125 is amended by inserting immediately after the item relating to section 1963 the following:

"§ 1963A Registration of judgments of the Court of International Trade"

SEC. 611. Section 1331(a) of title 28, United States Code, is amended by adding at the end thereof the following: "The district courts shall not possess jurisdiction pursuant to this section over any matter within the exclusive jurisdiction of the Court of International Trade.".

SEC. 612. (a) Section 2602 of title 28, United States Code, is amended to read as follows:

"§ 2602. Precedence of cases

"(a) Each civil action involving the exclusion of merchandise or arising under section 1582 of this title or sections 516 or 516A of the Tariff Act of 1930, shall be given precedence over other cases on the docket of such court, and shall be assigned for hearing at the earliest practicable date and expedited in every way.

"(b) Of the civil actions given precedence under subsection (a) of this section, any civil action for the review of a determination under section 516A(a)(1)(B) or 516A(a)(1)(E) of the Tariff Act of 1930 shall be given priority over other such civil actions.

"(c) Appeals from findings by the Secretary of Commerce provided for in headnote 6 to schedule 8, part 4, of the Tariff Schedules of the United States shall receive preference over all other matters.".

(b) The table of sections for chapter 167 of title 28, United States Code, is amended in the item relating to section 2602 to read as follows:

"2602. Precedence of cases.".

SEC. 613. Section 3 of the Act of July 5, 1884 (23 Stat. 119), is amended to read as follows: "The decision of the Commissioner of Customs on all questions of interpretation arising out of the execution of the laws relating to the collection of tonnage tax and to the refund of such tax when collected erroneously or illegally, shall be subject to judicial review in the Court of International Trade as provided in title 28, United States Code. In the Court of International Trade, and upon appeal, if any, from the Court, the findings of the Commissioner as to any fact, if supported by substantial evidence, shall be conclusive."

SEC. 614. (a) Section 1345 of title 28, United States Code, is amended by adding at the end thereof the following new sentence: "The Court of International Trade shall have jurisdiction of any such action or proceeding upon transfer from a district court as provided in section 1582 of this title.".

(b) Section 1352 of title 28, United States Code, is amended by adding at the end thereof the following new sentence: "The Court of International Trade shall have jurisdiction of any such action upon transfer from a district court as provided in section 1582 of this title.".

SEC. 615. Section 1337(c) of title 19, United States Code, is amended by inserting immediately after "Appeals" the following ", subject to chapter 7 of title 5, United States Code," and, striking out the last sentence and inserting in lieu thereof: "Notwithstanding the foregoing, review of Commission determinations under subsections (d), (e), and (f) as to its findings on the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, the amount and nature of bond, or the appropriate remedy shall be reviewable only for abuse of administrative discretion.".

SEC. 616. The second sentence of section 516A(c)(2) of the Tariff Act of 1930 is amended so as to read as follows: "In ruling upon a request for such injunctive relief the court shall consider the factors set forth in section 2643(d) of title 28.".

SEC. 617. Any references to the United States Customs Court, the U.S. Customs Court, or the Customs Court shall be deemed a reference to the United States Court of International Trade.

SEC. 618. (a) The provisions of subsections (c), (d), (e), and (f) of section 2631 of title 28, United States Code, as added by section 401 of this Act apply to entries liquidated on and after the date of enactment of this Act.

(b) This Act shall become effective on the date of its enactment.

(c) Nothing in this Act shall cause the dismissal of any action instituted prior to the date of enactment under jurisdictional statutes relating to the Court of International Trade or the Court of Customs and Patent Appeals in effect before the date of enactment of this Act.

(d) Notwithstanding section 106 of the Trade Agreements Act of 1979, any civil action in the Court of International Trade on January 1, 1980, pursuant to the Antidumping Act of 1921, shall be governed by the provisions of the Antidumping Act, 1921, in effect on the day before the effective date of title I of the Trade Agreements Act of 1979.●

By Mr. LEVIN:

S. 1655. A bill to designate the building known as the Department of Labor Building in Washington, D.C., as the "Frances Perkins Department of Labor Building"; to the Committee on Environment and Public Works.

● Mr. LEVIN. Mr. President, I am introducing legislation to name the main Department of Labor Building at 200 Constitution Avenue NW. the Frances Perkins Building.

At a time when many people believed that a "woman's place was in her home," Frances Perkins became the first woman to be appointed to the President's Cabinet. While her appointment to the post of Secretary of Labor in 1933 was an important milestone for American women, her compassion and genuine concern for the problems of all workers generated an extraordinary record of achievement.

Her appointment by President Roosevelt in 1933 was not the beginning but the continuation of a distinguished career. Her efforts, as the lobbyist for the Consumer League in New York, helped push for successful enactment of factory fire laws, better occupational safety and health regulations and a 54-hour maximum workweek for women. Ms. Perkins served as the industrial commissioner for then Governor Roosevelt of New York and participated in that State's little "New Deal" prior to 1932.

The tenure of Secretary Perkins at the U.S. Department of Labor was a time of massive social upheaval and equally massive social change. Under her stewardship, the Department was transformed from a relatively unimportant agency into a seedbed for social progress. Ms. Perkins worked actively to create many of the New Deal's jobs programs—the Civilian Conservation Corps, the Works Progress Administration—that provided temporary employment for the many millions of workers who were unemployed by the Great Depression. She sought to also provide more permanent and more meaningful employment to American workers through apprenticeship training programs and the U.S. Employment Service.

Secretary Perkins' most significant contribution, and one which has touched nearly every American, was her development of the programs which were embodied in the Social Security Act of 1935. Although the administration of social security was placed outside the Department of Labor, Ms. Perkins was the person most singularly responsible for the program's success.

This Nation's principle labor legislation was enacted during the tenure of Secretary Perkins. Her deep interest in child labor laws, establishing a minimum wage and setting a ceiling on hours, and her strong support of workers' rights to organize and bargain collectively, helped to insure passage of these landmark pieces of labor legislation during the

1930's. The Wagner Act of 1935, the Walsh-Healey Act of 1936, and the Fair Labor Standards Act of 1938 are monuments to Secretary Perkins' belief that all American workers should be treated with dignity and fairness.

It is my hope that the Frances Perkins Building will stand as a reminder to all of us of her insight and compassion.

Mr. President, I ask unanimous consent that a copy of the bill, and a letter from Secretary of Labor Ray Marshall supporting the bill, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building at 200 Constitution Avenue, N.W., in Washington, D.C. (commonly known as the Department of Labor Building) shall hereafter be known and designated as the "Frances Perkins Department of Labor Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be held to be a reference to the "Frances Perkins Department of Labor Building".

U.S. DEPARTMENT OF LABOR,
Washington, D.C., July 5, 1979.

Hon. CARL LEVIN,
U.S. Senate, Washington, D.C.

DEAR SENATOR LEVIN: I am pleased that you are preparing legislation to name the main Department of Labor building after Frances Perkins. It would honor both the Department and one of the great women in American history.

A year ago, I made a similar proposal to the General Services Administration and was advised that I should seek legislation. You can understand, therefore, why I welcome your proposal at this time. Enclosed is a copy of my letter to GSA outlining the reasons why I thought the Labor Department's headquarters should be named the Frances Perkins Building. Perhaps the information contained in it will be useful.

Please let me know if there is anything else I can do to help you in this effort.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of this proposal would be in accord with the President's program.

With best regards, I am
Sincerely,

RAY MARSHALL,
Secretary of Labor.●

By Mr. KENNEDY (for himself, Mr. MAGNUSON, Mr. STEVENS, Mr. HOLLINGS, Mr. PELL, Mr. TSONGAS, Mr. PACKWOOD, Mr. HATFIELD, and Mr. WARNER):

S. 1656. A bill to provide for a national program of fisheries research and development, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL FISHERY DEVELOPMENT ACT

Mr. KENNEDY. Mr. President, I am introducing today, along with a number of my colleagues from coastal States, legislation to promote the development of a strong domestic fishing industry. The legislation has been drafted with the cooperation of the National Fisheries Policy Conference, and has strong support within our fishing industry.

The primary purpose of the bill is to clarify and strengthen the provisions of the Saltonstall-Kennedy Act which established a reserve fund to support fisheries development projects. This fund was originally established in 1954 for the purpose of promoting the free flow of domestically produced fisheries products, and is maintained through the transfer of 30 percent of the duties collected on imported fish products. Therefore, no appropriated funds are necessary to carry out the provisions of this act, or the legislation I am introducing today.

Congress clearly intended that Saltonstall-Kennedy (S-K) funds be used for a variety of development and demonstration programs, including research, education, vessel and gear development, and market development. However, most of the S-K revenue has traditionally been used to support fisheries development activities of the National Marine Fisheries Service (NMFS), and, in effect, has become part of the base budget of NMFS. NMFS has only recently begun to encourage the domestic fishing industry to submit their own projects for funding. The result has been that NMFS has consistently failed to obligate all of the S-K funds in any given fiscal year.

The problem was compounded this year when the Office of Management and Budget moved to defer over $12 million from the S-K Fund in fiscal year 1979. As a result, I introduced a resolution last February to disapprove this deferral in order to require that these funds be obligated. The resolution was enacted by the Senate, and NMFS subsequently funded a number of industry projects across the country.

I have recently been encouraged by the administration's renewed commitment to fisheries development. Just a few months ago, the Department of Commerce sponsored a national fisheries development conference and recommended a series of steps designed to improve Federal programs for industry assistance and economic development. The recommendations stem from a Department of Commerce task force report which identified a number of impediments to major fisheries development and called for efforts to stimulate better industry-government coordination. Passage of the National Fisheries Development Act would assist NMFS in implementing many of these recommendations. The legislation would also assure that the Saltonstall-Kennedy fund remains a major source of funding for these programs.

Mr. President, it is clear that we cannot afford to delay efforts aimed at rebuilding our fisheries. After a decade and a half of watching foreign fleets decimate some of the world's richest fishing grounds off our coast, Congress finally enacted the Fishery Conservation and Management Act in April of 1976. For all those years, the United States imported vast amounts of fish while our own fishing grounds attracted nearly 1,000 foreign ships each month. The New England fishing industry limped along—under-sized and under-financed—as fish imports from foreign countries grew year after year. The 200-mile zone was supposed to end this tragic story. The truth is that it has not. A look at our balance of trade reveals that our deficit in fish products has dramatically increased since passage of the 200-mile zone. In 1975, prior to passage of the act, that deficit was $1.3 billion. Today, it stands at over $2 billion. And, unless we both promote exports and gain a greater share of our own market, this deficit will continue to grow year after year.

The 200-mile limit created an opportunity for major industry expansion. Now we need the tools to capitalize on this opportunity.

The benefits of a coordinated and effective fisheries development program will be enormous. For example, the National Marine Fisheries Service estimates that the development of six fisheries off New England, Alaska, the West Coast, the Gulf of Mexico, and the mid-Atlantic could produce 38,000 new jobs and contribute $1 billion to the U.S. economy by 1990. Such a program would reduce our trade deficit in fisheries products by at least $1.5 billion.

The effectiveness of any fisheries development program will obviously depend on strong industry support and a high level of local control. The nature of the industry is such that development programs will be primarily regional in scope, and innovative partnerships among the industry, State and local governments, and the Federal Government will be necessary to move forward.

This legislation paves the way for such a coordinated approach to fisheries development. It assures the industry that at least one-half of the available Saltonstall-Kennedy moneys will be used to fund local industry projects. It assures that Saltonstall-Kennedy funds will be obligated on a timely basis. And it provides needed congressional oversight to assure that all parties follow through on commitments.

The bill also establishes a program to place fisheries attachés in U.S. embassies in order to promote new foreign markets for American fish products. The recently concluded multilateral trade negotiations made substantial progress in reducing foreign trade barriers which impede U.S. exports of fish products, and this program will enable us to capitalize on new markets opening up abroad.

Finally, this legislation will authorize the transfer of moneys from the fisheries loan fund to the Federal ship financing fund created under title XI of the Merchant Marine Act. Some $6 million in this fund have remained unobligated due to a spending moratorium imposed in 1973. The transfer of the funds would permit financial assistance to fishing vessels engaged in developing fisheries which have traditionally had the most difficulty in attracting private capital.

Mr. President, we now have a chance to seize new opportunities gained by the enactment of the 200-mile zone. We have the chance to encourage new and innovative partnerships between industry and Government. We have a chance to capitalize on new export opportunities. We can create new jobs and new sources of income for America's coastal communities, and we can provide major new

sources of protein for the world community. Passage of this legislation will give our domestic industry the chance to seize these opportunities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Fishery Development Act".

SEC. 2. Section 2 of the Act of August 11, 1939 is amended to read as follows:

"SEC. 2. (a) The Secretary of Agriculture shall transfer to the Secretary of Commerce each fiscal year, beginning with the fiscal year commencing October 1, 1979, from moneys made available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), an amount equal to 30 per centum of the gross receipts from duties collected under the customs law on fishery products (including fish, shellfish, mollusks, crustacea, aquatic plants and animals and any products thereof including processed and manufactured products), which shall be maintained in a separate fund and used by the Secretary of Commerce for:

"(1) financial assistance for the purpose of carrying out fisheries development projects approved under subsection (c) of this section; and

"(2) implementation of the National Fisheries Research and Development Program approved under subsection (d) of this section.

"(b) Any person, regional fishery development foundation, or organization involved with the commercial fishing industry, may, for the purpose of facilitating a fishery development project or projects, make application for moneys made available under the provisions of subsection (a) of this section.

"(c)(1) The Secretary shall specify the information to be contained in any application for funds made available under the provisions of this section to ensure compliance with applicable Federal law and to provide for the full and proper evaluation of such applications. The Secretary shall evaluate each proposed project as to soundness of design, possibilities of securing productive results, and other criteria which the Secretary may require prior to approval of funding.

"(2) The Secretary shall obligate funds for applications submitted under the provisions of this section pursuant to regulations adopted hereunder. Applications shall be submitted to the Secretary at such times and manner as is set forth in such regulations: *Provided,* That in no event shall the dates for submission and approval of applications be less often than every six months, and all applications must be approved or rejected within six months of the date of their receipt by the Secretary.

"(3) The Secretary shall require the person or organization obtaining funds under the provisions of this Act to submit periodic project status reports.

"(4) The Secretary shall include as part of the annual report of the National Marine Fisheries service and analysis and evaluation of all programs funded under this Act. Such report shall include, but not be limited to—

"(A) a list of those applications funded under this section, the amount of funding provided, a list of those applications not approved for funding, and the reason therefor;

"(B) an assessment of the extent to which the objectives of the funded project have been obtained and the information obtained from the project;

"(C) the extent to which the funded projects have contributed to fishery development; and

"(D) the programs funded under subsection (d) of this section and the levels of such funding.

"(d)(1) The Secretary of Commerce is hereby authorized to carry out a national program of fisheries research and development. The Secretary may use moneys made available under subsection (a) of this section to promote the free flow of domestically produced fishery products in domestic and international commerce by conducting fishery educational programs and fishery technological, biological, and related research programs.

"(2) The Secretary shall, 60 days in advance of the fiscal year in question, transmit to the Senate Committee on Commerce, Science and Transportation and the House of Representatives Committee on Merchant Marine and Fisheries a list of projects which are proposed under this subsection, together with a budget for each one of the proposed projects. In addition, the Secretary shall submit to such committees interim status reports on each of the projects funded hereunder and an annual report on the status of each project funded hereunder, including the amount of money actually expended on each such project.

"(e)(1) Not less than 50 per centum of the moneys made available under subsection (a) of this section shall annually be made available by the Secretary to fund projects or programs proposed under subsection (c) of this section.

"(2) The remainder of such moneys shall be available to implement the National Fisheries Research and Development Program established under subsection (d) of this section.

"(3) Moneys not obligated pursuant to paragraphs (1) and (2) of this subsection shall remain in the fund without fiscal year limitation.".

SEC. 3. (a) To carry out the export promotion and other international responsibilities under the amendment made by the first section of this Act, the Secretary of Commerce shall appoint not fewer than six officers who shall, with the concurrence of the Secretary of State, serve abroad to promote United States fishing interests. Such officers shall have the designation of Regional Fisheries Attachés, and shall be accorded the same status and privileges as those of other attachés in United States embassies. Such attachés will be employees of the Department of Commerce.

(b) Upon the request of the Secretary of Commerce, the Secretary of State shall officially assign the officers to the diplomatic mission of the United States in the country in which such officers or employees are placed by the Secretary of Commerce, and shall obtain for them diplomatic privileges and immunities equivalent to those enjoyed by foreign service personnel of comparable rank and salary.

(c) The Secretary of State shall provide office space, equipment, facilities, clerical services and such other administrative support as may be required for the officers and their families affected by this section.

(d) The Secretary of Commerce may make such rules and regulations as may be necessary to carry out the purposes of this section.

SEC. 4. Any balance of funds remaining in, or other assets of, the fisheries loan fund created by section 4(c) of the Fish and Wildlife Act of 1956, as amended (16 U.S.C. 742c(c)), as of September 30, 1980, shall at the close of that date be transferred to the Federal Ship Financing Fund established under title XI of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1271–1279b), to be used for the purposes hereafter set forth. In addition to continuing to provide the normal activities specified in such title for fishing vessels, the Secretary shall thereafter also provide for the guarantee of obligations relating to fishing vessels engaged in developing fisheries which might not otherwise meet the normal economic soundness criteria of such title. The Secretary shall amend the rules and regulations relating to the fishing vessel portion of such title to specify the conditions under which fishing vessels engaged in developing fisheries will qualify for the guarantee of obligations.

● Mr. MAGNUSON. Mr. President, I am glad to cosponsor the National Fisheries Development Act. This legislation is needed to renew our commitment to the full utilization of the fishery resources within 200 miles of our shore.

The Fishery Conservation and Management Act gave the United States fishery management jurisdiction over an area almost three times larger than the Louisiana Purchase. Our fishermen and processors have a preferential right to all of the fishery resources in that area. Even though our fishing industry contributes $7 billion to our GNP and creates direct employment for more than one-fourth million Americans, we still have a balance of payments deficit in fishery products of over $2.1 billion. And, foreign fishermen are still taking between one-third and one-half of the fish out of our waters. For example, the United States still lands less than 1 percent of the estimated 1.5 million tons of available Alaska bottomfish. Some of the fish we import is caught by foreigners in our waters, processed abroad, and then sent back to us.

Unless we develop our capacity and intent to utilize these fisheries for our industry, the foreign fleets will stay off our shores harvesting our fish, and we will be letting a golden opportunity lie dormant. We are beginning to see signals of the beginning of the end for these foreign fleets in our 200-mile limit. The time is right to provide the industry with encouragement and incentives needed to facilitate the expeditious development of our American industry.

This bill reaffirms the commitment expressed in the Saltonstall-Kennedy Act to provide a source of funding for industry proposals designed to facilitate the development of our fisheries. These projects encompass a wide range of proposals in harvesting, processing, marketing, research, and other areas. Recently, Congress has encountered reluctance within the administration to use these Saltonstall-Kennedy moneys as they were intended to be used.

Senate Resolution 50 this year clearly sent the message back to the administration that these moneys are to be so used. This bill provides greater guidelines for the Saltonstall-Kennedy program and delineates more clearly the use of the funds for industry and governmental efforts in fishery development.

The bill has several other features. Section 3 provides that the Secretary of Commerce shall appoint not fewer than six foreign fishery attachés. These officers will be instrumental in our national efforts to promote fishery exports and assist the industry in being aware of and utilizing foreign market opportunities. These foreign markets offer a tremendous potential and will be a key factor in this

Nation's ability to fully utilize our own fishery resources within 200 miles of our shores.

Finally, section 4 of the bill transfers the funds that presently exist in the fisheries loan fund established by the Fish and Wildlife Act of 1956 to the fishing vessel loan guarantee program under title XI of the Merchant Marine Act. The fisheries loan fund has been under a moratorium since 1973. Presently there is roughly $6 million in the fund that is not being used, and section 4 of this bill transfers that money to the active title XI loan guarantee program. There the money is to be used to support projects that might not presently meet normal economic soundness criteria but which have significant potential to assist the development of certain fisheries.

The present bill does not provide for the extension of the capital construction fund or the loan guarantee program to onshore facilities, because these items are presently items for conference with the House on another bill. However, if these measures are not agreed to by the conferees, then I intend to offer an amendment to this legislation to accomplish the CCF extension and to study closely the merits of a similar extension for the loan guarantee program.●

By Mr. LEVIN:

S. 1657. A bill to amend title XVI of the Social Security Act to remove certain work disincentives, and for other purposes; to the Committee on Finance.

SUPPLEMENTARY SECURITY AMENDMENTS OF 1979

● Mr. LEVIN. Mr. President, I am pleased to introduce this bill to provide greatly needed changes in the supplemental security income program for disabled persons. It is also a pleasure to have as cosponsors Senators LUGAR, DURKIN, BAUCUS, HATCH, SIMPSON, and SARBANES. I would also like to express my commendations to my friend and colleague, Senator RIEGLE, who has also introduced legislation in this area. I sincerely believe that his most comprehensive bill closes the gap in the quality of life that currently exists between the handicapped and those Americans without disabling conditions. His bill would raise annual benefits for SSI recipients, would increase value limits and deductions to compensate for past inflation, and would index all of these items to inflation in the future. In addition, the changes it makes in the areas of presumptive eligibility and institutionalization would greatly increase the equitability of the SSI system. All of these reforms are necessary, and I again commend my colleague for his work toward effecting these changes.

Mr. President, my bill deals solely with correcting flaws in the law which have proven to be a disincentive to the disabled in their pursuit of habilitation. The bill is identical in almost all respects to the legislation recently passed by the House, and a similar proposal was approved by the Senate Finance Committee last year; unfortunately, the latter failed to gain full Senate approval during the closing hours of the session.

Under this bill, new methods are proposed for computing the "substantial gainful activity" (SGA) earnings limitation. The earnings limit would be raised to $481 per month from the current level of $280, and in determining "countable earnings" for the purposes of SGA the following items would be disregarded: First, the first $65 of monthly earnings (current law); Second, "standard work-related expense disregard" equal to 20 percent of gross earnings; Third, "Impairment-related work expenses" of certain severely disabled individuals equal to the cost to the individual of any attendant care services, medical devices, equipment, prosthesis, and similar items and services which are necessary for the individual to remain employed; and Fourth, 50 percent of remaining monthly earnings (current law). The result of the two new provisions would be that income eligibility would now take into consideration special disadvantages of the handicapped mentioned above and would greatly ease their financial burden.

Under present law, an individual retains disability status for a total of 12 months after obtaining "substantial gainful employment." Under the bill, a disabled individual would be allowed to retain disability status, without receiving monthly SSI payments, for 12 months following termination of SSI benefits due to earnings in excess of the SGA limit. During this 12-month period, if the person experiences a loss of earnings, he or she could begin receiving SSI payments without going through a new eligibility determination procedure. Individuals would also be considered "presumptively disabled" for 4 years following loss of disability status, which would allow them to reobtain all benefits upon proof of income eligibility without requiring disability status to be redetermined. The person would continue to receive benefits unless and until it was determined that the disability requirements were not met. These provisions would greatly aid the handicapped and also reduce administrative and bureaucratic paperwork.

Additionally, under this bill, an SSI beneficiary could not be terminated due to a determination of medical recovery while the individual was participating in an approved vocational rehabilitation program which the Social Security Administration determines will increase the likelihood that the person may be permanently removed from the disability benefit rolls.

Mr. President, the bill has been endorsed by the following organizations:

American Association of Workers for the Blind.
American Coalition of Citizens with Disabilities.
American Foundation for the Blind.
American Congress of Rehabilitation Medicine.
Epilepsy Foundation of America.
National Association for Retarded Citizens.
National Easter Seal Society for Crippled Children and Adults.
National Conference of Development Disabilities.
National Rehabilitation Association.
National Society for Autistic Children.
United Cerebral Palsy Association, Inc.

Mr. President, I believe the entire Senate would like to see that all Americans are able to have fulfilling and useful jobs, and the previous Congress did much to improve the Federal vocational rehabilitation program in order to increase employment opportunities for the disabled. Unfortunately, the handicapped face an enormous burden when trying to enter the job market, in terms of extraordinary medical, social and special employment costs as well as ordinary living expenses. These individuals must earn much more than the average person in order to be gainfully employed, yet the aid which permits them to work in the first place and which is needed to retain employment is frequently lost because of present SSI eligibility stipulations. There are over 2 million disabled persons in America, and if we would truly like them to have the ability to work we urgently need to adopt this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Supplemental Security Income Amendments of 1979".

EARNINGS LEVEL FOR DETERMINING SUBSTANTIAL GAINFUL ACTIVITY UNDER SSI PROGRAM

SEC. 2 (a Section 1614(a)(3)(D) of the Social Security Act is amended by inserting immediately after the first sentence thereof the following new sentence: "Such criteria must in any event provide that an individual engaged in gainful activity shall not, by reason of his earnings from such activity, be considered able to engage in substantial gainful activity unless the total amount of such earnings for the period involved exceeds the level at which the portion thereof not excluded (in determining such individual's income) under clauses (i) and (iv) of section 1612(b)(4)(B), reduced by the sum of the amounts (if any) excluded for such period under clause (iii) of such section 1612(b)(4)(B), equals the amount of the benefit or benefits that would be payable to such individual for such period under section 1611(b)(1) or 1611(b)(2) (whichever is applicable to such individual) if he had no income of any kind. For purposes of the preceding sentence, the term 'amounts (if any) excluded for such period under clause (iii) of such section 1612(b)(4)(B)' shall include, as amounts so excluded with respect to any of the care, services, or items referred to in clause (iii) of such section 1612(b)(4)(B) which were furnished without cost to the individual, such amounts as the Secretary may prescribe.".

(b) The amendment made by subsection (a) shall apply with respect to activities in which individuals engage on and after July 1, 1980.

EXCLUSION OF WORK-RELATED EXPENSES, AND CERTAIN COSTS OF IMPAIRMENT-RELATED WORK EXPENSES, FOR THE DISABLED

SEC. 3. (a) Section 1612(b)(4)(B) of the Social Security Act is amended by striking out "plus one-half of the remainder thereof, and (ii)" and inserting in lieu thereof the following: "(ii) an amount equal to 20 percent of such individual's gross earned income for the period involved, representing expenses attributable to the earning of such income, (iii) such additional amounts of earned income of such individual, if such individual's disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, as may be necessary to pay the costs (to such individual) of attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions, (iv) one-half of the amount of earned income not excluded after the application of the preceding provisions of this subparagraph, and (v)".

(b) The amendment made by subsection (a) shall apply with respect to expenses incurred on and after July 1, 1980.

EXTENSION OF TRIAL WORK PERIOD; PRESUMPTIVE DISABILITY

SEC. 4. (a)(1)(A) Section 1614(a)(3) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(F) For purposes of this title, an individual whose trial work period has ended by application of paragraph (4)(D)(i) shall nonetheless be considered to be disabled through the end of the month preceding the month in which such individual's disability ceases or, if later (and subject to section 1611(e)(4)), the fifteenth month following the end of such individual's trial work period.".

(B) Section 1614(a)(3)(D) of such Act is amended by striking out "paragraph (4)" and inserting in lieu thereof "subparagraph (F) or paragraph (4)".

(2) Section 1611(e) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) No benefit shall be payable under this title with respect to an eligible individual or his eligible spouse who is an aged, blind, or disabled individual solely by application of section 1614(a)(3)(F) for any month after the third month in which he engages in substantial gainful activity during the 15-month period following the end of his trial work period determined by application of section 1614(a)(4)(D)(i).".

(b) Section 1614(a)(3) of such Act (as amended by subsection (a)(1)(A) of this section) is further amended by adding at the end thereof the following new subparagraph:

"(G) An individual applying for benefits under this title as a disabled individual (or as an eligible spouse on the basis of disability) shall be considered presumptively disabled if, within the 4 years preceding the date of the application, he was treated for purposes of this title or title II as a disabled individual but ceased to be so treated because of his performance of substantial gainful activity; but nothing in this paragraph shall prevent his performance of such gainful activity from being taken into account in determining whether he is currently disabled in fact.".

(c) The amendments made by this section shall become effective on July 1, 1980, and shall apply with respect to any individual whose disability has not been determined to have ceased prior to that date.

TERMINATION OF ATTRIBUTION OF PARENTS' INCOME AND RESOURCES WHEN CHILD ATTAINS AGE 18

SEC. 5. (a) Section 1614(f)(2) of the Social Security Act is amended by striking out "under age 21" and inserting in lieu thereof "under age 18".

(b) The amendment made by subsection (a) shall become effective on July 1, 1980; except that the amendment made by such subsection shall not apply, in the case of any child age 18 or over who receives a supplemental security income benefit for June 1980, during any period for which such benefit would be greater without the application of such amendment.

CONTINUED PAYMENT OF BENEFITS TO INDIVIDUALS UNDER VOCATIONAL REHABILITATION PLANS

SEC. 6. (a) Section 1631(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of this title, payment of the benefit of any individual who is an aged, blind, or disabled individual solely by reason of disability (as determined under section 1614(a)(3)) shall not be terminated or suspended because the physical or mental impairment on which the individual's eligibility for such benefit is based has or may have ceased if—

"(A) such individual is participating in an approved vocational rehabilitation program under a State plan approved under title I of the Rehabilitation Act of 1973, and

"(B) the Commissioner of Social Security determine that the completion of such program, or its continuation for a specified period of time, will increase the likelihood that such individual may (following his participation in such program) be permanently removed from the disability benefit rolls.".

(b) The amendment made by subsection (a) shall become effective on July 1, 1980, and shall apply with respect to any individual whose disability has not been determined to have ceased prior to that date.●

By Mr. JAVITS (for himself, Mr. STAFFORD, Mr. MOYNIHAN, Mr. CRANSTON, Mr. KENNEDY, and Mr. BRADLEY):

S. 1658. A bill to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to States and local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes; to the Committee on Labor and Human Resources.

ASBESTOS SCHOOL HAZARD DETECTION AND CONTROL ACT OF 1979

Mr. JAVITS. Mr. President, today I join with my colleagues, Senators STAFFORD, MOYNIHAN, CRANSTON, KENNEDY, and BRADLEY and introduce the Asbestos School Hazard Detection and Control Act of 1979. This legislation will establish a program of Federal assistance to States and local educational agencies to aid them in the detection and abatement of potentially hazardous and disease-causing asbestos materials in school buildings. This program will enable districts to limit and prevent the exposure of students and school personnel to asbestos fibers in the school setting.

ASBESTOS HAZARDS IN SCHOOLS

During the period 1946 to 1972, asbestos materials, particularly in sprayed form, were extensively used in the construction and renovation of school buildings for fireproofing, soundproofing, and other purposes. In many school buildings, these materials have become damaged or friable as a result of deterioration, abrasion, water leakage or forced air circulation, causing the release of asbestos fibers into the air, of a level far exceeding acceptable norms.

For some time, medical evidence has suggested linkages between exposure to asbestos fibers and chronic or terminal diseases. Although the well-known and highly respected studies by Dr. Irving Selikoff and his associates at Mt. Sinai Medical School showed a significantly higher rate of cancer and asbestosis in asbestos workers than in the general control population, there is also substantial scientific evidence that exposure at lower levels than that of asbestos workers may also be dangerous. Furthermore, there is no known threshold level below which exposure is considered safe. The medical evidence also suggests that children tend to be more susceptible to environmentally induced cancers than are older segments of the population. While this phenomenon has not been assessed specifically with respect to asbestos, concern has been voiced by leading scientists, including Dr. David Rall, Director of the National Institute of Environmental Health Sciences, that this linkage may exist. The logical conclusion to be drawn from this evidence is that unnecessary and excessive exposure, particularly the exposure of children, to asbestos, should be avoided.

PAST AND CURRENT FEDERAL ACTION

The potential hazards associated with exposure to certain forms of asbestos have resulted in the Federal action to control or reduce the extent of the extent of the exposure problem, particularly with respect to the work environment. Since the 1960's, when the Federal Government began to restrict the ambient levels of asbestos in the workplace, regulations issued by the Occupational Health and Safety Administration (OSHA) have become increasingly stringent in this regard, based upon new evidence of exposure hazards. The National Institute for Occupational Safety and Health (NIOSH) has recently recommended a limit of asbestos fibers in ambient air barely below the lowest currently measurable concentrations.

In 1973, the Environmental Protection Agency prohibited the spraying of materials containing more than 1 percent asbestos for use in insulation or fireproofing. Only last year, this prohibition was strengthened, to include all spray-on applications, for any purpose. Nevertheless, despite these recent activities, and the EPA's current effort to provide information and limited technical assistance to States and school districts, there is no clear Federal action—through statute or regulation—to protect children from asbestos-containing materials present in their schools.

MAGNITUDE OF THE PROBLEM

The extent of the exposure hazard is not necessarily uniform, and may vary from district to district within and among States. Ad hoc inspections of school buildings in certain States have demonstrated the presence of loose or flaking asbestos material in some schools, material which could contaminate the ambient air with high levels of asbestos fibers.

An investigation of schools in New Jersey, conducted under the auspices of the National Institute of Environmental Health Sciences indicated that 265 of 2,400 schools in the State had asbestos materials in student use areas; 48 of

these 265 schools were visited, and 33 (69 percent) were found to have visible evidence of damage to asbestos contents, due to water leakage, deterioration, or physical abuse by students.

In some of these schools, according to the project director, Dr. William Nicholson, of the Mount Sinai School of Medicine, concentrations of asbestos fiber in the ambient air were up to 100 times the levels commonly experienced.

In testimony before the House Education and Labor Committee on this issue on February 21 of this year, Anthony Smith, director of the Division of School Buildings of the New York City Board of Education, stated that 144 of 932 school buildings inspected in New York contained asbestos material.

Mr. Smith estimated the cost to New York City of removing or controlling potentially hazardous asbestos materials in student use areas at $30 to $35 million. A partial survey of school districts in Kentucky indicated over half of the districts responding in that State had schools containing asbestos materials.

Yet these efforts to inspect schools for potential asbestos hazards have been sporadic, and provide only slight guidance as to the full extent of the problem—of the 90,000 elementary and secondary schools in the United States, less than 5 percent have been even visually inspected for the presence of asbestos-containing materials.

THE FEDERAL ROLE

The cost of removing, or at the least, containing asbestos hazards in schools may be quite high—estimates for removal and replacement range from $2 to $12 per square foot, with containment through encapsulation or enclosure estimated at 20 cents to $5 per square foot. With friable asbestos in some districts averaging 10,000 square feet per school, the costs to such district could be enormous. At a time when districts are operating on bare-bones budgets for the most basic education programs, large expenditures necessary to remove a hazard of this nature could result in a diminution of educational services.

Furthermore, in certain instances, districts may be required to seek bond issues to raise sufficient funds for capital expenditures to remove or contain hazards. Such issues have been turned down with increasing frequency by local taxpayers, regardless of need or merit. Moreover, tax limitation measures in certain States and local jurisdictions have cut off this method of raising capital for schools and other local services.

Thus, given the Federal Government's past activity in moderating or eliminating environmental and health hazards associated with asbestos and other materials, and the reluctance or inability of many districts to deal adequately with the problem, it is proper that the Federal role be one of financial and technical assistance to States and school districts to identify and, where appropriate, control asbestos hazards in schools. This Federal role is catalytic and cooperative—local or State education agencies are expected to match Federal financial assistance and provide for with qualified technical assistance, the detection and removal of potential asbestos hazards.

SUMMARY OF BILL

Our bill is quite similar to legislation, H.R. 3282, reported by the House Education and Labor Committee on May 15 of this year, and based upon earlier legislation introduced by committee chairman CARL PERKINS and Representative GEORGE MILLER of California.

First, the bill authorizes the Secretary of HEW to make grants to States, local education agencies, and private schools for the detection of asbestos hazards in schools, based upon applications which must include certain criteria, including: First, inspection methods to be used; second, cost estimates; third, designation of the party conducting the testing; and fourth, assurances that testing activities conform to health and safety standards. The Federal share of the detection program will be 50 percent of costs, with a waiver of the local share if the applicant cannot participate without greater levels of Federal assistance. Authorizations for the detection program are $30 million annually for fiscal years 1980 through 1982.

Second, a program of interest-free loans from HEW to States, LEA's, and private schools is established to help these entities meet the cost of control—removal or containment—of asbestos hazards. The Federal share, against is 50 percent, with the same waiver for fiscally pressed entities as in the detection program. The loans would be repayable to the Treasury over a 20-year period. Funds for the control program are authorized at $100 million for each of fiscal years 1980 through 1982. For both the detection and control program, Federal assistance is available retroactively for activities conducted after January 1, 1976.

Third, States are given the responsibility of providing school districts and private schools with information about the Federal program, and are charged with maintaining records on the presence of asbestos in school buildings, including past or current school activities to detect or control such hazards. A State may receive direct reimbursement from HEW for detection or control if it is providing or has provided, financial assistance to its schools for these purposes.

Fourth, the bill directs the Attorney General to investigate whether the United States should or could recover its expenditures under the Asbestos School Hazard Detection and Control Act from any person determined by the Attorney General to be so liable, and to submit a report to Congress on this issue within 1 year after its effective date. The bill permits the Federal Government to sue on behalf of any recipient of funds any person determined by the Attorney General to be liable to the recipient for the costs of activities taken under the bill. The proceeds from any successful judgment are to be used to repay the Federal Government for such activities.

Fifth, the bill establishes a task force, appointed by the Secretary of HEW, to serve as a resource for Federal administrators and recipient agencies under this program. The nine-member task force will be composed of representatives of Federal agencies engaged in education, health, safety, environmental protection, and of representatives of organizations concerned with education and health. The task force will aid recipients of funds by providing information regarding Federal activities, including medical, scientific, and technical data, and identification and control methods. It will also assist the Secretary of HEW in conducting the program by reviewing applications for grants and loans and reviewing and advising on program guidelines.

Mr. President, our legislation will enable us to determine the extent of the asbestos hazard in our schools, and provide us with the necessary mechanisms to control the hazards which may imperil the health of our children. I hope that we can get prompt hearings on this matter in the Education, Arts and Humanities Subcommittee, and act apace to provide our school districts with the assistance which they themselves have deemed so necessary. For, without a safe and healthy learning environment, the education of our children cannot proceed effectively.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Asbestos School Hazard Detection and Control Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) exposure to asbestos fibers has been identified over a long period of time and by reputable medical and scientific evidence as significantly increasing the incidence of cancer and other severe or fatal diseases, such as asbestosis;

(2) medical evidence has suggested that children may be particularly vulnerable to environmentally induced cancers;

(3) medical science has not established any minimum level of exposure to asbestos fibers which is considered to be safe to individuals exposed to the fibers;

(4) substantial amounts of asbestos, particularly in sprayed form, have been used in school buildings, especially during the period 1946 through 1972;

(5) partial surveys in some States have indicated that (A) in a number of school buildings materials containing asbestos fibers have become damaged or friable, causing asbestos fibers to be dislodged into the air, and (B) asbestos concentrations far exceeding normal ambient air levels have been found in school buildings containing such damaged materials;

(6) the presence in school buildings of friable or easily damaged asbestos creates an unwarranted hazard to the health of the school children and school employees who are exposed to such materials;

(7) the Department of Health, Education, and Welfare and the Environmental Protection Agency, as well as several States, have attempted to publicize the potential hazards to school children and employees from exposure to asbestos fibers, but there is no systematic program for identifying hazardous

conditions in schools or for remedying those conditions;

(8) because there is no Federal health standard regulating the concentration of asbestos fibers in noncommercial workplace environments such as schools, school employees and students may be exposed to hazardous concentrations of asbestos fibers in the school buildings which they use each day;

(9) without an improved prorgam of information distribution, technical and scientific assistance and financial support, many local educational agencies and States will not be able to mitigate the potential asbestos hazards in their schools; and

(10) the effective regulation of interstate commerce for the protection of the public health requires the establishment of programs under this Act to identify and mitigate hazards from exposure to asbestos fibers and materials emitting such fibers.

(b) It is the purpose of this Act to—

(1) direct the Secretary of Health, Education, and Welfare to establish a task force to assist States and local educational agencies to ascertain the extent of the danger to the health of school children and employees from asbestos materials in schools;

(2) require States receiving administrative funds for any applicable program (as defined under section 400(c)(1)(A) of the General Education Provisions Act) to prepare a plan describing the manner in which information relating to programs established under this Act shall be distributed to local educational agencies;

(3) provide scientific, technical, and financial assistance to local educational agencies to enable them to conduct an asbestos detection program to identify asbestos hazards in schools.

(4) provide loans to local educational agencies for the mitigation of asbestos hazards which constitute an imminent hazard to the health and safety of school children and employees; and

(5) assure that no employee of any local educational agency suffers any disciplinary action as a result of calling attention to potential asbestos hazards which may exist in schools.

TASK FORCE

SEC. 3. (a)(1) There is established a task force to be known as the Asbestos Hazards School Safety Task Force (hereinafter in this Act referred to as "Task Force"). The Task Force shall be composed of nine members, who shall be appointed by the Secretary within 30 days after the effective date of this Act, as follows:

(A) One representative of the Office of Education, recommended by the Commissioner of Education.

(B) One representative of the National Cancer Institute.

(C) One representative of the Environmental Protection Agency, recommended by the Administrator of such agency.

(D) One representative of the National Institute of Environmental Health Sciences.

(E) One representative of the Occupational Safety and Health Administration, recommended by the Secretary of Labor.

(F) Four representatives from among organizations concerned with education and health.

Members of the Task Force shall be individuals who have knowledge of the medical problems associated with exposure to asbestos, or individuals who are familiar with procedures for the following activities: the containment or removal of asbestos from buildings; the replacement of asbestos materials removed from school buildings with other appropriate building materials; and the restoration of such buildings to conditions comparable to those existing before such containment or removal was carried out.

(2) The Secretary shall designate a chairman of the Task Force from among its members.

(3) Members shall be appointed for the life of the Task Force. Any vacancy in the Task Force shall be filled in the same manner in which the original appointment was made.

(b)(1) The Task Force shall meet, no later than 30 days after the appointment of its members, at the call of the chairman of the Task Force.

(2) Five members of the Task Force shall constitute a quorum for purposes of conducting the business of the Task Force, but a lesser number may hold hearings.

(c)(1) Members of the Task Force who are not full-time officers or employees of the Federal Government shall receive compensation at a rate determined by the Secretary, but not to exceed the daily equivalent of the maximum annual rate of pay in effect for grade GS-16 of the General Schedule, for each day (including traveltime) during which they are engaged in the performance of the duties of the Task Force.

(2) While away from their homes or regular places of business in the performance of the duties of the Task Force, all members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(d)(1) Upon request of the Task Force, the Secretary shall make available to the Task Force personnel of the Department of Health, Education, and Welfare to assist the Task Force in carrying out its duties.

(2) The Task Force may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(e) The duties of the Task Force shall include—

(1) the compilation of medical, scientific, and technical information explaining—

(A) The health and safety standards associated with asbestos materials; and

(B) the means of identifying, sampling, and testing materials suspected of emitting asbestos fibers;

(2) the distribution of the information described in paragraph (1) (in any appropriate form such as pamphlets, reports, or instructions) to State educational agencies and to local educational agencies for the purpose of assisting such agencies in carrying out activities described in this Act;

(3) the review of applications for grants and loans under sections 5 and 6 of this Act, and the submission to the Secretary of recommendations respecting the approval or disapproval of such applications;

(4) the review of any guidelines established by the Environmental Protection Agency for identifying those schools in which exposure to asbestos fibers constitutes a health problem and for taking appropriate corrective actions at such schools, in order to determine whether any modifications of such guidelines should be recommended to the Secretary under paragraph (5); and

(5) providing the Secretary with assistance in formulating standards and procedures under section 7 of this Act by—

(A) submitting to the Secretary relevant information concerning the results of the review made under paragraph (4) of this subsection; and

(B) recommending such modifications to the guidelines referred to in such paragraph as the Task Force considers appropriate.

In carrying out its duties under this subsection, the Task Force shall avoid, to the maximum extent practicable, duplicating similar activities undertaken by the Environmental Protection Agency.

(f) The Task Force shall cease to exist at the end of the 180-day period beginning on the date that the authority of the Secretary to make loans under section 6 has expired.

STATE PLAN

SEC. 4. (a) Not later than six months after the effective date of this Act, the State educational agency of any State which receives administrative funds for any applicable program (as defined under section 400(c)(1)(A) of the General Education Provisions Act) shall submit to the Secretary a plan which—

(1) describes the manner in which the State, not later than nine months after the effective date of this Act, shall distribute to local educational agencies within that State's jurisdiction information describing—

(A) the programs established under this Act;

(B) the health hazards associated with exposure to asbestos fibers; and

(C) the procedures established by the Secretary under section 7 for carrying out activities under programs under this Act, and such other relevant information regarding such activities as the State considers desirable;

(2) contains a general description of the content of the information to be distributed in accordance with paragraph (1) and provides assurances that the State shall continually revise such information and distribute such revised material to local educational agencies to ensure that such agencies have available to them the most recent material available with regard to the matters referred to in paragraph (1);

(3) describes the procedures to be used by the State for maintaining records on—

(A) the presence of asbestos materials in school buildings of local educational agencies;

(B) the asbestos detection, containment, or removal activities conducted by local educational agencies (including activities relating to the replacement of the asbestos materials removed from school buildings with other appropriate building materials); and

(C) repairs made to restore school buildings to conditions comparable to those existing before the containment or removal activities referred to in subparagraph (B) were undertaken; and

(4) designates a State agency or other administrative unit with the responsibility for submitting to the Secretary the reports described in subsection (b) of this section and provides assurances that such agency or unit shall carry out the duties specified under subsection (b).

(b) Not later than six months after the submission of the plan described in subsection (a), and each six months thereafter during the three-year period beginning on the effective date of this Act, the State agency or unit designated under paragraph (4) of subsection (a) shall submit to the Secretary a report which describes the actions taken by the State in accordance with its plan under such subsection.

ASBESTOS HAZARDS DETECTION PROGRAM

SEC. 5. (a)(1)(A) The Secretary may make grants to local educational agencies for the Federal share of the costs of carrying out an asbestos detection program meeting the standards established by the Secretary under section 7(a)(1) of this Act.

"(B) The Secretary may make grants to State educational agencies for the Federal share of the costs of carrying out any asbestos detection program if—

"(i) the State, through the State educational agency or some other appropriate State agency, is making grants to local educational agencies for asbestos hazard detection programs, and

"(ii) such programs meet the standards

established by the Secretary under section 7 (a)(1) of this Act.

"(C) Grants may be made under this section only during the three year period beginning after the date of enactment of this Act.

(2) Subject to the second sentence of this paragraph, the Federal share of the costs referred to in paragraph (1) shall be 50 percent. Upon a determination by the Secretary that an applicant has limited fiscal resources and would be unable to participate in the program under this section without receiving from the Federal Government, as its Federal share of such costs, an amount greater than the amount permitted under the first sentence of this paragraph, the Secretary may increase the Federal share which may be paid to such applicant by such amount as the Secretary considers appropriate to permit the applicant to participate in the program.

(b)(1) No grant may be made under this section unless an application has been submitted to and approved by the Secretary, after consultation with the Task Force. The Secretary may not approve an application unless the application—

(A) contains a description of the methods to be used by the local educational agency, or in the case of an application by the State educational agency the methods to be used by the local educational agencies receiving grants from the State, to determine whether hazardous concentrations of asbestos fibers or materials emitting such fibers exist in school buildings under the jurisdiction of such agency;

(B) contains an estimate of the total cost of the detection program, including such detailed descriptions of the costs of each component of the program as the Secretary may require;

(C) designates the party which shall conduct the testing for the detection program and describes such party's qualifications for conducting such testing; and

(D) contains assurances that the program shall be carried out in accordance with standards established by the Secretary under section 7(a)(1) and that any party employed to conduct such testing shall satisfy the competency standards established under such section; and

(E) contains such other information or assurances as the Secretary may require.

(2) The Secretary shall provide the Task Force with a copy of any application submitted to the Secretary under paragraph (1).

(3) No grant may be awarded by the Secretary under this section for asbestos hazards detection programs conducted before the effective date of this Act unless the applicant has submitted an application to the Secretary—

(A) containing the information required under paragraph (1); and

(B) providing assurances that any program for any asbestos hazards detection program a manner which substantially conforms to the requirements established by the Secretary under section 7(a)(1).

No grant may be awarded under this section for any asbestos hazards detection program completed before January 1, 1976.

(4) After reviewing the application submitted under this section, together with any recommendations made by the Task Force, the Secretary shall determine the amount of any grant to be awarded under this section. Funds may be awarded by the Secretary for the administrative costs incurred in the preparation and supervision of the asbestos detection program and for the following activities:

(A) Visual inspections of school buildings.

(B) The sampling of building and insulation materials.

(C) Appropriate tests to determine the level of asbestos content in suspected materials, and tests determined to be essential to detect the likelihood of imminent danger to persons within school buildings.

(c) Local and State educational agencies receiving grants under this section shall file a report with the Secretary, not later than 120 days after the award of such grant, describing the detection activities which were undertaken, the results of the asbestos detection program, and plans for mitigating any imminent hazards which were detected by the testing. The report shall include a detailed accounting of the funds used to carry out the detection program.

(d) During the period in which grants may be made under this section, not more than 20 percent of the funds appropriated to carry out this section may be made available by the Secretary to the Task Force to conduct education and technical assistance programs related to the detection of asbestos hazards in school buildings and the implementation of appropriate actions to mitigate such hazards.

ASBESTOS HAZARDS CONTROL LOAN PROGRAM

SEC. 6. (a)(1) There is established within the Department of Health, Education, and Welfare an Asbestos Hazard Control Loan Program (hereinafter in this Act referred to as the "Loan Program"), which shall be administered by the Secretary in accordance with this section.

(2) The Secretary may make loans under this section to local educational agencies in an amount equal to 50 percent of the costs of carrying out projects for—

(A) the containment or removal of any materials containing asbestos in school buildings in which such materials pose an imminent hazard to the health and safety of children or employees;

(B) the replacement of the asbestos materials removed from school buildings with other appropriate building materials; and

(C) making repairs which the Secretary determines to be necessary to restore school buildings to conditions comparable to those existing before containment or removal activities were undertaken under subparagraph (A).

Loans may be made under this section only for projects affecting more than 2,500 square feet of surface and in which the asbestos material to be contained or removed consists of a minimum asbestos level, as determined by the Secretary under section 7(a)(2).

(3) If the Secretary determines that an applicant has limited fiscal resources and would be unable to carry out the projects described in paragraph (2) without receiving a loan under this section for an amount greater than the amount permitted under such paragraph, the Secretary may increase the amount of the loan payable to such applicant to an amount the Secretary considers appropriate to enable the applicant to carry out such projects.

(b) Loans under this section shall be made pursuant to loan agreements which shall provide for the following terms:

(1) The loan shall not bear any interest except as otherwise provided under paragraph (5).

(2) The loan shall have a maturity period of not more than 20 years (as determined by the Secretary) and shall be repayable during such period at such times and in such amounts as the Secretary may specify in the loan agreement.

(3) Repayment of the loan shall be made to the Secretary of the Treasury for deposit in the general fund of the Treasury.

Such loans shall be subject to such other terms and conditions as the Secretary may establish for the protection of the financial interest of the United States and in furtherance of the purposes of this Act.

(c)(1) No loan may be made under this section unless an application has been submitted to and approved by the Secretary, after consultation with the Task Force, within the three-year period beginning on the effective date of this Act. The Secretary may not approve an application unless—

(A) the application contains such information as the Secretary may require, including information describing—

(i) the nature of the asbestos problem for which the loan is sought;

(ii) the asbestos content of the material to be contained or removed by the local educational agency, as determined under preliminary testing which was concluded in accordance with the standards established by the Secretary under section 7(a)(1), or, in the case of testing conducted before the effective date of this Act, was conducted in a manner which substantially conforms to such standards; and

(iii) the methods which will be used to contain or remove the asbestos materials, in accordance with section 7(b) of this Act, and any other pertinent details relating to the project or projects to be conducted by the applicant (as described in subsection (a)(2)); and

(B) the application contains assurances that—

(i) any employee engaged in any activity to carry out programs under this section shall be notified in writing by the local educational agency conducting the program of the hazards of working with asbestos, and shall be required to utilize all appropriate safety procedures to minimize health risks;

(ii) no child or school employee shall be permitted in the vicinity of any asbestos containment or removal activity; and

(iii) the local educational agency shall pay employees engaged in containment, removal, or replacement activities to carry out programs under this section at reasonable rates of pay, as established by the Secretary on the basis of prevailing wage rates in the location of such work.

(2) The Secretary shall provide the Task Force with a copy of any application submitted to the Secretary under paragraph (1).

(3) No loans may be made by the Secretary under this section for projects described in subsection (a)(2) which commenced before the availability of loans under the Loan Program unless the local educational agency submits to the Secretary an application which—

(A) meets the requirements of paragraph (1); and

(B) contains assurances that any work already completed by the applicant has been carried out in substantial conformity with section 7(b).

No loan may be awarded under this section for any project described in subsection (a)(2) which was completed before January 1, 1976.

(d) During each of the four calendar years after the year in which this Act is enacted, the Secretary shall submit before February 1 of such year a report to the appropriate committees of the House of Representatives and the Senate, which shall—

(1) describe the number of loans made in the preceding calendar year and specify each applicant for and recipient of a loan;

(2) describe the nature of the asbestos problem of each applicant;

(3) describe the types of programs for which loans were made;

(4) specify the estimated total costs of such programs to the recipients of loans and specify the amount of loans made under the Loan Program; and

(5) specify the number of loan applications which were disapproved during the preceding calendar year and describe the reasons for such disapprovals.

STANDARDS AND SAFETY PROCEDURES

SEC. 7. (a)(1) Within 120 days after the first meeting of the Task Force, and after consultation with the Task Force, the Secretary shall establish and distribute to the State agency or unit designated under section 4(a)(4)—

(A) procedures for testing the level of asbestos fibers in schools, including safety measures to be followed in conducting such tests;

(B) standards for evaluating (on the basis of such tests) the likelihood of the leakage of asbestos fibers into the school environment; and

(C) standards for determining which contractors are qualified to carry out the testing and evaluation described in this paragraph.

(2) After consulting with the Task Force, the Secretary shall establish criteria to be used for determining eligibility for loans under section 6 of this Act. The criteria shall be based on the assessment of the extent of the health hazards posed by the presence of asbestos fibers in schools, as determined in accordance with standards under paragraph (1)(B) of this subsection.

(b) After reviewing recommendations submitted to the Secretary by the Task Force under section 3(c)(5), the Secretary, with the concurrence of the Task Force, shall by regulation establish—

(1) procedures to be used by local educational agencies, in programs for which loans are made under section 6, for—

(A) containing and removing asbestos materials in school buildings;

(B) replacing the asbestos materials removed from school buildings with other appropriate building materials; and

(C) restoring such school buildings to conditions comparable to those existing before asbestos containment or removal activities were undertaken; and

(2) standards for determining which contractors are qualified to carry out the activities referred to in paragraph (1).

(c) In carrying out his duties under this section, the Secretary shall avoid, to the maximum extent practicable, duplicating similar activities undertaken by the Environmental Protection Agency.

RECOVERY OF COSTS BY THE UNITED STATES

SEC. 8. (a)(1) As a condition of the award of any grant under section 5 or loan under section 6, the recipient of any such grant or loan shall permit the United States to sue on behalf of such recipient any person determined by the Attorney General to be liable to the recipient for the costs of any activities undertaken by the recipient under such sections.

(2) The proceeds from any judgment recovered in any suit brought by the United States under paragraph (1) (or, if the recipient files a similar suit on its own behalf, the proceeds from any judgment recovered by the recipient in such suit) shall be used to repay to the United States, to the extent that the proceeds are sufficient to provide for such repayment, an amount equal to the sum of—

(A) the amount of any grant made to the recipient under section 5;

(B) the amount outstanding on any loan made to the recipient under section 6; and

(C) an amount equal to the interest which would have been charged on such loan were the loan made by a commercial lender at prevailing interest rates (as determined by the Secretary).

(b) The Attorney General shall conduct an investigation to determine whether, by using all available means, the United States should or could recover, from any person determined by the Attorney General to be liable for such costs, the amounts expended by the United States to carry out this Act. Within one year after the effective date of this Act, the Attorney General shall submit to the Congress a report containing the results of the study, together with any appropriate recommendations.

(c) If the Attorney General determines in the report under subsection (b) that the United States should seek to recover the amounts expended by the United States to carry out this Act, the Attorney General shall proceed in an expeditious manner to recover such amounts from the persons referred to in subsection (b).

EMPLOYEE PROTECTION

SEC. 9. No State or local educational agency receiving assistance under this Act may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee has brought to the attention of the public information concerning any asbestos problem in the school buildings within the jurisdiction of such agency.

RETAINED RIGHTS

SEC. 10. Except as otherwise provided in section 8, nothing in this Act shall—

(1) affect the right of any party to seek legal redress in connection with the purchase or installation of asbestos materials in schools or any claim of disability or death related to exposure to asbestos in a school setting; or

(2) affect the rights of any party under any other law.

DEFINITIONS

SEC. 11. For purposes of this Act—

(1) the term "asbestos" means—

(A) chrysotile, amosite, or crocidolite; or

(B) in fibrous form, tremolite, anthophyllite, or actinolite;

(2) the term "Attorney General" means the Attorney General of the United States;

(3) the term "imminent hazard to the health and safety" means, for purposes of section 6, that an asbestos material is, according to standards established by the Secretary, friable or easily damaged, or within easy reach of students or otherwise susceptible to damage (including damage from water or air circulation) which could result in the dispersal of asbestos fibers into the school environment;

(4) the term "local educational agency" means—

(A) any local educational agency as defined in section 198(a)(10) of the Elementary and Secondary Education Act of 1965; and

(B) the governing authority of any nonprofit elementary or secondary school;

(5) the term "nonprofit elementary or secondary school" means—

(A) any elementary or secondary school (as defined in section 198(a)(7) of the Elementary and Secondary Education Act of 1965) owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which insures, or may lawfully inure, to the benefit of any private shareholder or individual, and

(B) any school of any agency of the United States;

(6) the term "school buildings" means—

(A) structures suitable for use as classrooms, laboratories, libraries, school eating facilities, or facilities used for the preparation of food;

(B) any gymnasium or other facility which is specially designed for athletic or recreational activities for an academic course in physical education;

(C) other facilities used for the instruction of students, for research, or for the administration of educational or research programs; and

(D) maintenance, storage, or utility facilities essential to the operation of the facilities described in subparagraph (A) through (C) of this paragraph;

(7) the term "Secretary" means the Secretary of Health, Education, and Welfare, or his designee;

(8) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Bureau of Indian Affairs, and the Office of Overseas Schools of the Department of Defense; and

(9) the term "State educational agency" has the same meaning given such term by section 198(a)(17) of the Elementary and Secondary Education Act of 1965.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. (a)(1) There are authorized to be appropriated—

(A) for the asbestos detection program under section 5, for the fiscal year ending September 30, 1980, and for the two succeeding fiscal years, a total of not more than $30,000,000; and

(B) for the asbestos hazards control loan program under section 6, not more than $100,000,000 for the fiscal year ending September 30, 1980, $100,000,000 for the fiscal year ending September 30, 1981, and $100,000,000 for the fiscal year ending September 30, 1982.

(2) Sums appropriated under paragraph (1) of this subsection shall remain available for obligation until September 30, 1983.

(b) Programs under this Act shall be considered automatically eligible for the one-year contingent extension under section 414 of the General Education Provisions Act.

(c) If funds appropriated to carry out this Act are insufficient to pay the total amount required to make all the grants and loans authorized under this Act, the Secretary shall establish criteria to be used in determining which applicants for grants or loans under this Act have the greatest financial need for receiving funds under this Act and shall make determinations regarding the approval of applications for such grants or loans in accordance with such criteria.

(d) Notwithstanding any other provision of this Act, the authority of the Secretary to enter into agreements, or to make payments, under this Act shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

EFFECTIVE DATE

SEC. 13. The provisions of this Act shall take effect on the date of the enactment of this Act or on October 1, 1979, whichever date occurs later.

By Mr. WALLOP (for himself, Mr. BENTSEN, Mr. TALMADGE, and Mr. HATCH):

S. 1659. A bill to amend the Internal Revenue Code of 1954 to provide for the treatment of property as energy property for investment credit purposes after December 31, 1982, where the taxpayer is affirmatively committed on that date to its construction, reconstruction, erection, or acquisition; to the Committee on Finance.

● Mr. WALLOP. Mr. President, in the midst of today's climbing fuel prices and seemingly dwindling supplies, I would like to call your attention to one of the key energy sources available to us right here in our own country. Energy conservation and increased use of alternative fuels can greatly reduce U.S. oil imports over the next few years, by using existing technologies that are readily available.

Private enterprise is characterized by constant self-evaluation, in order to better allocate resources. It is not surprising that industry has been ahead of the rest of the economy as far as saving energy

is concerned. Yet even industry is far below its potential. Improving insulation and turning off the lights and faucets are housekeeping steps that are effective, though simple and requiring little or no capital investment. But to install more energy-efficient equipment or equipment consuming fuel other than oil or gas requires major redesign of processes or plant equipment. Considerable investment in capital stock embodying more efficient technologies can bring American industry closer to its fuel-saving potential.

Once installed, such equipment can be a valuable energy source; for the foreign oil it is not consuming. Every barrel of oil saved through industrial energy conservation achieves beneficial economic and environmental effects. Converting our factories to domestic alternative fuel sources can bring our economy closer to energy independence. Conservation is one of the cleanest and most reliable alternatives to imported oil available to American industry.

In recent years, the ratio of energy to output actually declined in all U.S. manufacturing. Some of this progress was achieved through concerted efforts in businesses to cut down on energy consumption. Over a 4-year period, DOW chemical was able to reduce its energy use per pound of product by 40 percent. More recently IBM set a target of reducing energy consumption by 10 percent in its operations, but achieved an admirable 39 percent reduction. The major reason that industry has achieved substantial energy saving is more efficient technologies embodied in the turnover of capital stock. An obvious implication for Government policy is that tax or other policies that promote investment will speed energy conservation. This was the intent of Congress in passing the Energy Tax Act of 1978. The Energy Tax Act provides incentives to industry to make a commitment to saving energy and using alternative fuels that can be produced in the United States.

One of the provisions of the act, section 301, provides an energy credit of 10 percent for qualified "energy property" investments. The energy credit is available for costs incurred in installing qualifying property after September 30, 1978, amended by section 301 of the Energy Tax Act of 1978. My bill would provide transition rules in connection with the December 31, 1982, energy credit termination date.

It is now clear that the December 31, 1982 termination date—just 3½ years hence—will not cover the lead times necessary to bring on stream many of the kinds of projects contemplated by the 1978 Act. The act gives industry a total of 4 years and 3 months from its date of effectiveness to complete these projects. I submit to you that the sole purpose of this act, which is to conserve energy by the widest possible use of this credit, is being considerably frustrated by this time constraint.

There are many projects from which substantial energy savings and source development are likely to accrue but which would be foreclosed from the benefits of the energy tax credit because of its untimely termination date. A company in my State has completed an elapsed-time study for converting a multiple, noncoal-capable boiler facility from natural gas to coal. The estimated time for completion of this project is 6 years. Another company, in the Southwest, contemplating a coal gasification project, estimates 8 or more years from project design to completion. A further study by a large chemical firm finds that a coal-fired cogeneration facility would require about 8 years to be placed in service. And a demonstration project to produce solvent refined coal requires a lead time of 11 years to produce a commercial-scale plant. Although this is an experimental project, it is just such projects that we want to encourage. A major chemical company is interested in making a $30–50 million investment in a new process for making ammonia which would be very energy efficient, but would require construction of many energy recovery pieces of equipment. They estimate 5 to 6 years before completion. These examples are far from exhaustive.

Planning and construction of major industrial investments contributes to the time delays in finishing these projects, but there are many delays that are out of industry's control. Companies are faced with a wide array of local, State, and Federal construction or environmental siting permits. The paperwork and Government induced time delays are a large factor in industry's inability to complete energy saving projects prior to the 1982 expiration date.

Further compromising the usefulness of the energy credit has been the delay of the Treasury Department to issue regulations implementing the Energy Tax Act.

The bill I am introducing, which amends directly section 48 of the Internal Revenue Code of 1954, will encourage the major energy saving projects. The bill will not extend the termination date of the energy tax credit, but it will provide that if a taxpayer has made an "affirmative commitment" on or prior to December 31, 1982, to acquire or construct energy saving equipment he will receive the full energy tax credit even if the acquisition or construction cannot be completed until sometime in the future. The incentive to make such investments as soon as possible is still retained. The bill provides for a definition of affirmative commitment that is sufficiently broad to cover the situations which may arise with innovative types of property.

Under this bill, the application for local costruction permits or licenses is an affirmative commitment. The entering into of a binding written contract is an affirmative commitment, as is the placement of purchase orders for the acquisition of at least 50 percent of the total cost of all necessary permanent items of equipment.

I believe strongly in the purpose of this legislation. The private enterprise system and American ingenuity are the best and most likely means to a solution to our energy problems, and I think we can be effective in stimulating wide industrial energy conservation and increased use of domestic alternative resources by making the Energy Tax Act more functionable and realistic. This legislation has the endorsement of a wide array of business and industrial associations including the Business Round Table, Chemical Manufacturers Association, National Association of Manufacturers, National Coal Association, American Textile Manufacturers, Inc., Portland Cement Association, National Agricultural Chemicals Association, American Paper Institute, and the National Forest Products Association. This list only provides an example of the wide range of industrial energy users who endorse this means of encouraging energy conservation.

At a time when energy conservation and the development of equipment that will use alternative energy sources are crucial to the continued growth and well-being of the American economy, and a time when we have business and industry behind us in this effort, I urge my Senate colleagues to give prompt and favorable consideration to this bill, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 48(1) of the Internal Revenue Code of 1954 (relating to treatment of energy property as section 38 property) is amended to read as follows:

"(1) Treatment as section 38 property.—

"(A) Period of eligibility.—For the period beginning on October 1, 1976, and ending on December 31, 1982—

"(i) any energy property shall be treated as meeting the requirements of paragraph (1) of subsection (a), and

"(ii) paragraph (3) of subsection (a) shall not apply to any energy property.

"(B) Property for which taxpayer is affirmatively committed on December 31, 1982.—Notwithstanding subparagraph (C) of section 46(a)(2), upon being placed in service property the construction, reconstruction, or erection of which is completed by the taxpayer, or acquired by the taxpayer, after December 31, 1982, shall be treated as meeting the requirements of paragraph (1) of subsection (a), as not subject to the application of paragraph (3) of subsection (a), and as qualified for the application of the energy percentage under section 46(a)(2)(C)(i) if, before January 1, 1983, the taxpayer has made an affirmative commitment to the construction, reconstruction, erection, or acquisition of the property. For purposes of the preceding sentence, the term 'affirmative commitment' means—

"(i) the completion of detailed engineering studies and the application for construction permits or licenses with local authorities,

"(ii) the entry into a written, binding contract for the commencement of construction, reconstruction, or erection, or for the acquisition of the property, or

"(iii) the placement of purchase orders for the acquisition of at least 50 percent of the total cost of all items of permanent equipment necessary for the construction, reconstruction, or erection of the property.".●

By Mr. SCHMITT (for himself, Mr. DECONCINI, Mr. BAKER, Mr. STONE, Mr. THURMOND, Mr. HAYAKAWA, and Mr. WALLOP):

S. 1660. A bill to amend the Federal Civil Defense Act of 1950 to provide for an enhanced civil defense program for fiscal years 1980 through 1986, and for other purposes; to the Committee on Armed Services.

ENHANCED CIVIL DEFENSE FOR THE 1980'S

Mr. SCHMITT. Mr. President, today Senators BAKER, DECONCINI, HAYAKAWA, STONE, THURMOND, and WALLOP, are joining me in introducing a bill providing for an enhanced civil defense program for the 1980's. After years of neglect there is renewed interest in our civil defense programs. Natural disasters, terrorist threats, energy plant problems, hazardous materials accidents, and defense concerns have pointed out the difficulties in our present capabilities and the need for improvements.

In the other body Congressman IKE SKELTON, of Missouri, has been leading a major effort to increase the visibility and interest in civil defense improvements. I hope we can begin a comparable effort in the Senate.

The debate on our defense posture, especially as it relates to that of the Soviet Union, has pointed out the extensive civil defense network in the U.S.S.R. and the inadequacy of our own programs as a counter to those or our principal potential adversary. The programs currently in existence in the United States could not fulfill their mission of countering Soviet threats or of protecting our population and minimizing disruption in the event of a nuclear exchange, as much as we hope it will never be more than a threat of such exchange, and eventually not even that.

Unfortunately, civil defense fell upon hard times during the late 1960's and 1970's. Somehow it was felt that providing for the protection of our population was inconsistent with efforts for arms control. The Soviet Union has not followed suit. Their tremendous expenditure on civil defense is not viewed as inconsistent with increased military spending while negotiating for arms control. In fact, it leads one to suspect that that nation feels it could survive a nuclear war.

I hope they have no such thoughts, but it is hard to explain their actions in any other manner.

Mr. President, I support efforts to control and reduce arms. Later this year the Senate will decide whether SALT II qualifies as such a treaty. Arms control, however, does not eliminate the threat of war nor does it eliminate the need for the United States to protect its people, industrial capability, and economic well-being in the event of war or of other threats to its capacities. An adequate civil defense program will provide for shelters, evacuation plans, and reconstruction in the event that these plans are ever needed.

Civil defense programs, however, should not and must not be limited only to preparations for nuclear war. Every year we are faced with disasters such as earthquakes, floods, tornados, and severe storms and with the threats of industrial accidents and terrorist activities. Civil defense programs can and have minimized damage and saved lives during these types of disasters.

Mr. President, let me stress that this bill will not only improve our chance of survival in the event of a nuclear confrontation but will more than pay for itself by each year saving lives and minimizing damage to our industrial and economic capacity.

Presently and under this proposal State and local civil defense agencies will be the backbone of our civil defense network. The Federal Government will provide increased coordination and assistance. In addition, State and local civil defense agencies will be given priority with respect to surplus Federal property, which is so important to their day-to-day efforts in protecting lives and property.

This bill is based on improved management of the resources presently committed to civil defense efforts, increased education activities, research and development in civil defense systems, and effective planning in anticipation of various threats to lives and society.

I might say, Mr. President, that in my previous career in the space program this anticipation of various possible problems was one of the most important reasons why we were successful in that effort. We were prepared not only for those potential problems but for others that occurred that we had not anticipated.

More specifically, this bill would include the following program elements:

"(1) A survey of shelter facilities inherent in existing facilities or which would be inherent in such facilities through appropriate modifications.

"(2) Civil protection planning for both in-place protection and population relocation during times of international crisis or threat of technological disaster, natural disaster, and terrorism.

"(3) Planning for the development of additional shelters, development of capabilities for shelter management, marking and stocking of shelters, development and procurement of ventilation kits for shelters, and procurement or identification of necessary food, water, clothing, and medicial supplies.

"(4) Improvement or creation of warning and communications systems.

"(5) Improvement of the civil defense capabilities of civil governments at all levels, including development of a distributed and survivable network of emergency operation centers for local government and public health and safety services.

"(6) Improvement of public civil defense education activities.

"(7) Improvement of local radiological, chemical, and psychological defense capabilities for the general public.

"(8) Improvement of emergency public information and training programs.

"(9) Development of alternative plans for predisaster preparation for disaster operations, command and control, and recovery operations and assistance.

"(10) Appropriate training and simulation in the implementation of plans developed under clause (9).

"(11) Expanded research and development in civil defense systems and operations.

"(12) Development or improvement of such other systems and capabilities as are necessary to realize the maximum potential of the civil defense program to save lives and permit rapid governmental and economic recovery.

The effectiveness of civil defense programs can be improved with just marginal expenditures by increased use of available resources. One such example, of course, is the use of the National Guard and veteran organizations during times of crisis.

It is my belief that this use of existing organizational structures and the people within those structures could be extended to include veterans organizations and others of significant technical capability, inherent technical capability, to assist in civil defense activities. This bill provides for a study of the most effective manner in which these organizations can be further integrated into our local, State and national civil defense efforts.

Mr. President, an improved civil defense program will provide the President with increased flexibility in the management of international and domestic crises, protect, and save lives, and aid in the revitalization of our economy and industrial capacity after a disaster has occurred. This bill is the first step in the direction of an effective civil defense program.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to define and provide for an enhanced civil defense program for the 1980's and to authorize the necessary funds for such program.

SEC. 2. (a) The Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—CIVIL DEFENSE PROGRAM FOR THE 1980'S

"STATEMENT OF FINDINGS AND POLICY

"SEC. 501. The Congress finds that recent studies have shown that a program providing for relocating or protecting the population of the United States during a period of strategic defense crisis or other domestic dangers can be effective and can contribute to the mitigation of such situations. The Congress further finds that the present civil defense program is inadequate, but that a new program can be developed rapidly which can significantly enhance the civil defense capability of the United States. The Congress further finds that a new civil defense program should be formulated and carried out in a manner that will—

"(1) significantly enhance the survivability of the American people and its leadership in the event of nuclear war, major technological accidents, and major natural disasters, thereby improving the basis for eventual recovery as well as reducing vulnerability to such events;

"(2) significantly enhance strategic nuclear deterrence and stability, contribute to perceptions of the overall strategic balance and crisis stability, reduce the possibility that the United States could be coerced by an enemy in times of increased tension, and provide for rapid recovery in the event of actual warfare;

"(3) continue and strengthen the Nation's policy of relying on superior strategic nuclear forces and conventional tactical forces as the preponderant factors in maintaining deterrence against nuclear attack;

"(4) include planning for population relocation during times of international and domestic crisis and be adaptable to deal with natural disasters and other peacetime emergencies; and

"(5) utilize the organizational structure and capabilities of the National Guard forces to the maximum extent practicable.

"PROGRAM ELEMENTS

"SEC. 502. (a) In order to implement the policy expressed in section 501, the President shall develop and carry out a civil defense program which includes the following elements:

"(1) A survey of shelter facilities inherent in existing facilities or which would be inherent in such facilities through appropriate modifications.

"(2) Civil protector planning for both in-place protection and population relocation during times of international crisis or threat of technological disaster, natural disaster, and terrorism.

"(3) Planning for the development of additional shelters, development of capabilities for shelter management, marking and stocking of shelters, development and procurement of ventilation kits for shelters, and procurement or identification of necessary food, water, clothing, and medical supplies.

"(4) Improvement or creation of warning and communications systems.

"(5) Improvement of the civil defense capabilities of civil governments at all levels, including development of a distributed and survivable network of emergency operation centers for local government and public health and safety services.

"(6) Improvement of public civil defense education activities.

"(7) Improvement of local radiological, chemical, and psychological defense capabilities for the general public.

"(8) Improvement of emergency public information and training programs.

"(9) Development of alternatives plans for predisaster preparation for disaster operations and assistance.

"(10) Appropriate training and simulation in the implementation of plans developed under clause (9).

"(11) Expanded research and development in civil defense systems and operations.

"(12) Development or improvement of such other systems and capabilities as are necessary to realize the maximum potential of the civil defense program to save lives and permit rapid governmental and economic recovery.

"ADMINISTRATIVE PROVISIONS

"SEC. 503. The authorities contained in titles II and IV of this Act shall be used to carry out the programs provided for in this title.".

(b) Such Act is further amended by adding at the end of the table of contents the following:

"TITLE V—CIVIL DEFENSE PROGRAM FOR THE 1980'S

"SEC. 501. Statement of findings and policy.
"SEC. 502. Program elements.
"SEC. 503. Administrative provisions.".

SEC. 3. Section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out the first two sentences of such section and inserting in lieu thereof the following: "Subject to any increase hereinafter provided for in this section on account of inflation, there is authorized to be appropriated for the purpose of carrying out the provisions of this Act the sum of $145,900,000 for fiscal year 1980, $180,000,000 for fiscal year 1981, $243,000,000 for fiscal year 1982, $283,000,000 for fiscal year 1983, $293,000,000 for fiscal year 1984, $393,000,000 for fiscal year 1985, and $375,000,000 for fiscal year 1986. The amount authorized for fiscal years 1981 through 1986 shall be adjusted to reflect the amount of inflation since fiscal year 1980, calculated on the basis of the inflation factor used by the Office of Management and Budget in the preparation of budget estimates submitted to the Congress.".

SEC. 4. (a) The Director of the Federal Emergency Management Agency, Department of Defense, in consultation with the Secretary of the Army and the Governors of the several States, shall conduct a study to determine the feasibility of utilizing the National Guard as the principal organizing and training unit for local civil defense activities. The Director shall report the results of such study to the Congress within one year after the date of enactment of this Act.

(b) The Director, in consultation with the Secretary of the Army, shall also conduct a study to determine the feasibility of using organizations composed of veterans of the armed forces of the United States, and other appropriate groups and individuals, to help in developing staffing, and carrying out civil defense plans during periods of emergency. The Director shall report the results of such study to the Congress within one year after the date of enactment of this Act.

SEC. 5. Subsection (j) of section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484 (j)) is amended by adding at the end thereof a new paragraph as follows:

"(6) Notwithstanding any other provision of this Act, the Administrator shall give priority to State and local civil defense agencies with respect to the donation or transfer of surplus property under this section.".

Mr. SCHMITT. Mr. President, I yield to the distinguished minority leader, the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the Chair. I thank especially my colleague from New Mexico for yielding to me, so that I can express my interest in this subject, my concern for the subject matter, and my appreciation to Senator SCHMITT for bringing this matter to our attention in this manner today.

In many ways, Mr. President, one of the principal values of the SALT debate that is about to begin will be the stimulating effect it has on bringing to our attention once again old problems and renewing our interest or our concern, or both, for new problems. I believe the treaty has afforded us an opportunity, as an example, to reassess the disparity in civil defense capabilities between the United States and the Soviet Union.

Mr. President, Senate consideration of SALT II has afforded us an opportunity to reassess each aspect of our national defense posture. In the course of this reassessment, we are continuously reminded of the enormous disparity in civil defense capabilities between the Soviet Union and the United States. This in turn has spurred a renewed interest in those means by which this disparity may be alleviated.

I welcome this development because I have for several years expressed my concern with the inadequacy of our Nation's civil preparedness and my belief that civil defense is an essential element of a credible defense posture. The perceived ability to minimize the destructive prospects of a nuclear war must play an important role in the strategy of deterring nuclear attack, and maintaining a peaceful and stable world environment.

Moreover, in addition to diminishing our Nation's vulnerability in the event of a nuclear exchange, civil defense programs play a crucial role in helping to mitigate the devastating effects of natural disasters.

For these reasons, I believe it essential that we take the necessary steps to provide our Nation a civil defense program with adequate resources and funding to meet the multiple challenges it faces.

The bill that Senator SCHMITT has introduced today, which I am pleased to cosponsor, recognizes the inadequacies of the current program, outlines the objectives of an upgraded civil defense system and provides both the funding and guidance to enable the program to attain these goals.

The distressing inadequacy of our civil defense program necessitates our giving it such attention, and I hope that my colleagues will join me in supporting this measure.

Parenthetically, Mr. President, I was delighted to notice in the Washington Post several days ago an article by two distinguished experts in the field of civil defense, Dr. Eugene Wigner and Dr. Edward Teller. The strategic implications of Soviet civil defense have long been a concern of these two gentlemen and their combined efforts have yielded an article which lucidly explains this threat to deterrence. I ask unanimous consent, therefore, that their article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA NEEDS A BETTER CIVIL DEFENSE PROGRAM

(By Edward Teller and E. P. Wigner)

An increasing number of Americans realize that the future is uncertain and threatening. Modern technology has wiped out our ocean barriers; the world has become a small neighborhood and not a peaceful one. The military power of the U.S.S.R. is steadily increasing; the total explosive power in their transcontinental missiles surpasses those of ours fourfold. These are weapons of attack, intended to harm the opponent.

The situation is much worse as far as defensive measures are concerned, weapons intended to protect the country and its people. We have no defense against their missiles; they have missile defense at least for Moscow. They also have widely spread anti-anticraft defenses; we have virtually none.

But the gravest disparity prevails in the area of population defense. They have an elaborate civil defense system; ours is tragically ineffective. They spend more than $1 billion annually on civil defense; our civil defense budget is less than one-tenth of this. Will this improve when all of our emergency relief efforts come under the same roof? We hope so.

The U.S.S.R. has elaborate plans for the evacuation of their cities. Children receive instruction in schools on this subject and it continues for the workers in factories. They are taught where to go and how, what to take along, what to do at the location of evacuation, how to build improvised shelters and how to act if they see the flash of a nuclear explosion.

All this is very effective: the estimates of fatalities from our missiles after evacuation range from 2 percent (which may be a bit low) to 6 percent of their population (which we believe to be too high). Our own estimates are around 4 percent.

At the present stage of our civil defense preparations—which are hardly in existence—their missiles could destroy the lives of half of our people.

The evacuation of cities takes time; the Russians claim it could be done in two days, but it may take longer. Hence, the evacuation plans would not be effective in the case of an atomic surprise attack from America. But the Russian leaders know there never will be such an attack.

Nevertheless, in the last few years, they started building elaborate shelters which are easily and immediately accessible for those whom they do not want to leave their jobs even for a short period. These shelters would provide protection not only against radiation but also against the other effects of nuclear explosions. The U.S.S.R. also started to accumulate food reserves and to build secure places for food storage.

Russian plans contain blueprints of shelters that protect against fallout and can withstand more than two atmospheres overpressure, sufficient for a dispersed population. The Russians also claim that people can erect these shelters in two days.

An experiment was tried near Oak Ridge, Tenn. Six farm families who volunteered were given translated Russian blueprints and no other help. They were promised $600 if they built the shelter, with a bonus of $300 if completed in two days. All six families built the shelters; five finished in two days; the sixth took three days.

We have not even informed our people about the Russian civil defense preparations, manifested not only in their school and factory instructions but also by their civil defense handbook, of which more than a million copies were printed. It is easily accessible and has even been translated into English.

How much would it cost us to organize an evacuation plan at least as elaborate as the Russian one? The estimates are all below $1 billion, less than 1/1,000th of our government's yearly expenditures. To create effective and rapidly accessible shelters would be much more expensive. The cost may amount to about 4 percent or even 5 percent of the yearly expenditures of our government, but it would be a single expenditure, not a yearly one. Our city evacuation would not be as effective as that of the U.S.S.R.: they have more powerful missiles than we have, fewer of their people live in cities than live in ours, their cities are not so close together as many of ours are.

Nevertheless, the evacuation, to be undertaken as a countermove to the evacuation of the Russian cities, would reduce the casualties they could cause to such an extent—by a factor of about five—that our president would not be forced to give in to their demand. This would be recognized by the leaders of the U.S.S.R. and, presumably, the demand would not be made. As the Swiss (who have an excellent civil defense system) say, the greatest advantage of a good civil defense effort is that it never will have to be used. Of course, a shelter system would be even more effectively.

Why do we have no evacuation plan and no shelter system? Why are our people not even informed of the Russian measures in that direction? The only explanation that we could think of is that such measures would irrevocably inform our people that a danger exists. It is understandable to want to avoid telling people of the existence of danger. Yet we believe that if one has to choose between pleasantly forgetting a danger but incurring it, and unpleasantly knowing about it but protecting against it, one must choose the latter.

THE ALASKA EXPERIENCE

Civil defense, small as it is our country, has proved helpful when disaster struck. In the spring of 1965, the Alaskan legislature in Juneau abolished civil defense in order to save $100,000. One week later, the biggest earthquake in U.S. history struck Alaska. But their civil defense was still in existence, and went into action.

On Kodiak Island, fishermen live along the shore; there is also a small naval station. Minutes after the earthquake, the naval station got a telephone call from a civil defense worker: "Use the radio station, send out sound trucks. Warn the population to leave the shore. A tidal wave may be coming." In half an hour the tidal wave arrived and killed seven people. Without the warning, the loss in human life would have been at least 10 times greater.

Total property damage in Alaska amounted to $400 million (in today's dollars that would be $1 billion.) Anchorage, with its population of 50,000, was hit hard, yet the death toll was relatively small, some 150 killed.

The greatest loss of life in San Francisco in 1906 was due not to the earthquake but to fire. In Anchorage, too, there was fire; the danger was there; the earthquake caused big oil spillages. But civil defense personnel roped off the danger zones and erected warning signs. The armed-forces also helped in Alaska, but that help came late, eight hours after the earthquake. Civil defense was small, but alert and effective.

There was as happy an ending as there can be after an earthquake: The legislature in Juneau mended its ways. The budget for civil defense was reinstated, even doubled to $200,000.

Civil defense and disaster preparedness belong together. The new organization that is to embrace both has, so far, unfortunately, only an acting head and no significant budget.

Against any kind of disaster, an effective evacuation plan can be valuable. Developing techniques of weather observation make it possible to predict floods further in advance than in the past, and the paths of hurricanes will be predicted with increasing reliability. Even earthquakes need no longer be completely unexpected, although earthquake prediction remains an art, not yet a science.

More lives will be saved if there is organization for evacuation. In our country, of course, evacuation will have to be voluntary. A governor or the president could issue the warning. People could then call an appropriate, preassigned phone number. In each section of a city, callers would be advised where and when to go. All traffic would be one way, and predetermined locations would be prepared to receive the evacuees. Food and medicine could be stored in advance; much must depend upon hospitality.

If people know there is a plan, they would be less likely to panic. That enormous emergency, nuclear war, should never come; if it does, though, it should find us prepared. If we are unprepared, it is probable that we will be hit; if we are prepared, most probably the preparation will not have to be used.

Mr. BAKER. Mr. President, I thank the Senator from New Mexico for yielding, and I commend him once again for his contribution in this important field.

Mr. SCHMITT. Mr. President, I commend the Senator from Tennessee for his support, his long-standing interest in this area, and his obvious commitment to see that we begin to do things right in an area we know how to do things right in and we have just neglected, maybe with the best of intentions but with unfortunately some serious consequences as well.

It is important, I think, that we do everything we possibly can to insure that we are protected in the event of natural disaster or in the event of man-made disaster; but that should not be viewed in any way as inconsistent with our increased emphasis on searching for a real and true arms limitation in this world.

This is one area, among several others, that I think we must find strong congressional and administration commitment in, in order to make the SALT II Treaty, which is before the Senate at this time, a positive rather than a negative force in the history of mankind.

○ Mr. DECONCINI. Mr. President, I am proud to join with Senator SCHMITT in introducing legislation which I believe is long overdue. The legislation represents a giant step towards accepting the fact that the condition of this Nation's civil defense system is deplorable. In this area of uncertainty created by growing Soviet military strength, it is imperative that we recognize the need for a strong national defense. This entails not only a strong offensive and defensive military capability, but also a civil defense system understood and supported by our citizens.

The current shocking state of our Nation's civil defense system reflects disinterest by local and Federal officials over a period of two decades. While the Soviet Union has been perfecting evacuation plans, supplying shelters, and educating its public, the United States has closed its eyes to the need for civil defense. We must respond to this Soviet challenge and improve our civil defense to prevent the Soviets from ever being tempted to actually evacuate their cities and subsequently threaten our own.

In discussing civil defense, we tend to forget that it serves an important function in non-war-related situations. Our highly technological society is, unfortunately, vulnerable to disasters of our own making. The recent events at Three Mile Island provide a graphic example of what could happen. Had that incident really developed into a major disaster requiring evacuation and shelter from radiation, the existence of an adequate civil defense system would have proved immensely valuable.

A change in the attitude in this country toward the Soviet threat is crucial to insure that that threat is not translated into potential gains. However, any new approach toward military preparedness must not stop with the revitalization of our military forces. It must encompass a strong civil defense system to insure preparedness at home. This legislation will be an important step toward that goal. It will provide for cooperation between State and local officials in determining what is already available for civil defense purposes, and will provide the means for improving and stocking existing facilities. Additionally, it will create civil defense educational programs.

These are times when the Soviet Union is pursuing an activist foreign policy in many parts of the world. Our own strategic and conventional forces have been questioned by experts inside and outside Government. The threat of Soviet political blackmail based upon both a disparity in capabilities and in civil defense potential is a real possibility in the coming decade. We must not ignore the pressing need for a thorough examina-

tion and revitalization of our civil defense system.

Thus, I applaud the efforts of Senator SCHMITT and commend to my colleagues the legislation that we introduce today.●

By Mr. LEVIN:

S. 1661. A bill to amend title IV of the Social Security Act to provide for a program of adoption assistance; to the Committee on Finance.

ADOPTION ASSISTANCE PAYMENTS

● Mr. LEVIN. Mr. President, the legislation I introduce today will greatly increase the number of foster care children placed in permanent homes. I am pleased to have as cosponsors Senators HATFIELD, DECONCINI, and RIEGLE. I am especially pleased that my colleague from Michigan, Congressman BILL BROOKHEAD, is filing identical legislation in the House. As you know, he has done yeoman work in the restructuring of laws to enhance the quality of life for the less than privileged children on this Nation. I am hopeful that the combined efforts will lead to the speedy passage of this essential legislation in both Houses.

Mr. President, thousands of orphans in this country are eligible for adoption, but needlessly linger in temporary facilities. Fortunately, the trauma of being separated from a permanent family and home is one which this Senate can help to diminish.

Under present law, families are discouraged from adopting a special needs child because they often cannot afford the expense required to meet the medical or other needs of these children.

Note, Mr. President, that a special needs child is doubly disadvantaged; he or she is not only homeless, but also bears a special condition. This condition sometimes takes the form of a physical, mental, emotional, or medical handicap. Other times the handicap is less obvious, but equally pernicious—perhaps the child is of an age or race not eagerly adopted, or a member of an inseparable sibling group. The special needs of orphans understandably vary, and we should therefore allow a liberal definition.

There are many prospective parents who are willing to meet the primary requirements of the disadvantaged orphan—a permanent family and home. But they cannot always assume the second burden, which sometimes entails high medical costs. Thus the roadblock to adoption. The bill filed today, Mr. President, would eliminate this obstacle by providing an adoption subsidy to such parents. The actual amount of the subsidy would be determined by agreement between the adoptive parents and the administering agency, taking into consideration the economic circumstances of the adopting parents and the needs of the child. But in no case would the payment exceed the amount that would have been paid for foster care for such a child in a foster home. The sum would be subject to periodic adjustments in accordance with any changes in circumstances.

Important too, Mr. President, is the economic consideration. Most noteworthy is the direction of funds toward permanently situating the child. By insuring funds for a child's special needs, we increase the opportunity for the permanent adoption of thousands of children rather than augment the intermediary facilities where so many children needlessly remain.

By encouraging permanent adoption over temporary foster care, we may well save money; for the majority of children who will receive this assistance are AFDC children who otherwise would remain in more expensive foster care arrangements. I seek to emphasize the cost effective aspect of this proposal. Again, I would like to say that at no time will the adoption subsidy for a child be greater than the cost of retaining him or her in the least expensive setting in the foster care system. And most likely, it will be less.

Mr. President, as you well know, the area of child welfare is vast. The only boundaries are set by our recognition of our responsibility in this area and by the efforts we undertake to cope with the problems entrusted to us. My bill has a narrow focus—to increase the adoption of the special needs child. Success in this would be no little achievement for our society. But my bill is not exhaustive, even within the parameters of adoption legislation.

In introducing this bill, I do not exclude other roads to the same destination. My colleague from California, Senator CRANSTON, has a proposal similar with respect to the special needs child, but broader in other important aspects. I endorse the provisions suggested by Senator CRANSTON which allow for local flexibility, especially in defining what are the "special needs" of the individual child. I also share his concern over the future of the special needs child who reaches the age of majority with no improvement in his or her costly special condition. I concur in Senator CRANSTON's observation that there is a strong "case for not arbitrarily cutting off assistance for children with the most severe needs."

I applaud my colleague for his well-known work in the area of child welfare legislation; and I hope that the Senate will follow through on the work he has so diligently pursued over the years.

My fundamental concern, Mr. President, is that we enact soon legislation to assist the permanent placement of the child with special needs. Parents are ready to open their homes, if only provided the necessary means to meet the child's special needs. The decisive move lies with us.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"ADOPTION ASSISTANCE PAYMENTS

"SEC. 412. (a)(1) Notwithstanding any other provision of this part, each State having a plan approved under this part shall, directly or through another public or nonprofit private agency, make adoption assistance payments pursuant to an adoption assistance agreement (as defined in subsection (d)) in amounts determined under paragraph (3) to parents who, after the effective date of this section, adopt a child who—

"(A) meets the requirements of section 406(a), section 407, or section 408 with respect to eligibility for assistance under this part, or meets the requirements of section 1611(a)(1) with respect to eligibility for supplemental security income benefits, and

"(B) is determined by the State, pursuant to subsection (c), to be a child with special needs. Each State plan approved under this part shall be deemed to incorporate the provisions and requirements o. this section.

"(2) The amount of the adoption assistance payments shall be determined through agreement between the adoptive parent (or parents) and the State or local agency administering the program under this section, which shall take into consideration the economic or other circumstances of the adoptive parents and the needs of the child being adopted, and may be readjusted periodically, with the concurrence of the adoptive parents (which may be specified in the adoption assistance agreement), depending upon changes in such circumstances. However, in no case may the amount of the adoption assistance payments made with respect to any adopted child under this section exceed the payments of aid to families with dependent children which would have been made with respect to such child under the applicable State plan approved under this part during the period involved if such child (throughout that period) had been a child in a foster care (in a foster family home of an individual) subject to section 408.

"(3) Notwithstanding the preceding provisions of this subsection—

"(A) no payment may be made under this section to parents with respect to any child who has attained the age of 18 (or, where the State determines that the child has a mental or physical handicap which warrants the continuation of assistance, the age of 21), and

"(B) no payment may be made to parents with respect to any child if the State determines that the child is no longer receiving any support from such parents.

"(4) Parents who have been receiving adoption assistance payments under this section shall keep the State or local agency administering the program under this section informed of circumstances which would make them ineligible for such assistance payments, or eligible for assistance payments in a different amount.

"(5) In addition to any adoption assistance payments which may be made pursuant to paragraph (2), assistance under this section may include payments, to parents who adopt a child with special needs (as determined pursuant to subsection (c)), of an amount necessary to cover part or all of the nonrecurring expenses (as defined in regulations of the Secretary) associated with the proceedings related to the adoption of the child.

"(6) For the purposes of this part, individuals with whom a child (who the State determines, pursuant to subsection (c), is a child with special needs) is placed for adoption, pursuant to an interlocutory decree, shall be eligible for adoption assistance payments under this subsection, during the period of the placement, on the same terms and subject to the same conditions as if such individuals had adopted the child.

"(b) For purposes of this Act, the term 'aid to families with dependent children' shall, notwithstanding section 406(b), include payments made under and in accordance with this section.

"(c) In order to determine that a child is a child with special needs for purposes of this section, the State or local agency administering the program under this part must determine (in accordance with such standards and procedures as the Secretary may by regulation provide)—

"(1) that the child cannot or should not be returned to his biological family;

"(2) that the child is difficult or impossible to place with appropriate adoptive parents without providing adoption assistance payments because of his ethnic background, age, membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps; and

"(3) that, except where it would be against the best interests of the child because of such factors as the development of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable effort, consistent with the best interest of the child, has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section.

"(d) For purposes of this section—

"(1) the term 'adoption assistance agreement' means a written agreement, binding on the parties to the agreement, between the State agency, other relevant agencies, and the prospective adoptive parents of a minor child which, at a minimum, specifies the amounts of the adoption assistance payments (if any) and any additional services and assistance which are to be provided as part of such agreement, and stipulates that the agreement shall remain in effect regardless of whether the adoptive parents are or remain residents of the State; and

"(2) the term 'parent' means a biological or adoptive parent or legal guardian, as determined by applicable State law.".

(b) Section 402(a)(24) of such Act is amended by inserting before the semicolon the following: "(but nothing in this paragraph shall affect the eligibility of any such individual or his adoptive parents for assistance under section 412)".

(c) The amendments made by this Act shall become effective in any State on the first day of such month during the period beginning October 1, 1979, and ending September 30, 1980, as the State may designate, but shall in any event be effective in all States no later than September 1, 1980.●

By Mr. CHILES (for himself, Mr. MELCHER, and Mr. PRYOR):

S. 1662. A bill to amend title XI of the Social Security Act to authorize civil monetary penalties for certain fraudulent activities in the medicare and medicaid programs, and for other purposes; to the Committee on Finance.

MEDICARE AND MEDICAID FRAUD AND ABUSE AMENDMENTS OF 1979

● Mr. CHILES. Mr. President, I am introducing a bill today, at the request of the administration, to provide the HEW Secretary with authority to impose civil money penalties on medicare and medicaid providers who have abused these programs by submitting false claims. The bill is identical to H.R. 4106, introduced in the House by Representatives WAXMAN, RANGEL, ECKHARDT, and GIBBONS.

HEW has estimated that the enactment of this bill will result in savings of about $9 million in medicare overpayments and $14 million in medicaid in the first year of operation.

Title I of the bill would give the HEW Secretary authority to impose a civil money penalty of up to $2,000 for a fraudulent claim. In addition, the Secretary could impose a fine for damages up to twice the amount of the fraudulent portion of the claim. Any provider determined to have filed a fraudulent claim could be denied participation in medicare and medicaid for up to 2 years.

The bill provides for protections of a written notice, a formal factfinding hearing with representation by counsel, and judicial review on appeal of an adverse determination.

Currently, the HEW Secretary has little authority to move directly against cases of medicare and medicaid fraud and abuse. Lengthy and costly criminal court proceedings, through the Justice Department, are often the only recourse.

I have been concerned about the slow progress made to date to bar unethical health care providers from participation in medicare and medicaid. Cases of outright falsification of home health claims and other program abuses exposed in hearings before the Senate Committee on Aging and the Subcommittee on Federal Spending Practices and Open Government as long as 4 years ago have still not been resolved. This is the case even though Congress took unprecedented action in 1977 to create an Office of Inspector General within the Department of Health, Education, and Welfare.

This bill would provide the Secretary with the ability to move decisively in cases in which criminal prosecution may not be warranted or feasible. I believe we need to make it clear, however, that the civil money penalty authority proposed by this bill should not be viewed as a substitute for the existing process of criminal court proceedings. The Justice Department and the court system should become more involved in medicare and medicaid fraud cases, not less.

Title II of the bill would make a number of amendments to improve and make more flexible existing authority to control fraud and abuse.

The bill would permit annual, rather than quarterly, calculation of limitations on payments for State medicaid fraud control units, for which Federal matching funds are authorized under Public Law 95–142.

The Secretary of HEW would be given additional authority to bar a health care provider from participation in medicare and medicaid once convicted of a medicare or medicaid-related crime.

Present requirements for reporting of financial interests as a medicare condition of participation would be amended to require an entity to report only those individual interests in mortgages or other obligations equal to at least $25,000 or 5 percent of the provider's total assets.

The bill would also authorize the Secretary to recover medicare overpayments from providers no longer participating in medicare by withholding medicaid payments.●

By Mr. STEVENSON:

S. 1663. A bill to encourage exports by providing for the licensing of export trading companies by the Secretary of Commerce, and by otherwise facilitating their formation and operation; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Finance, jointly, by unanimous consent.

EXPORT TRADING COMPANY ACT OF 1979

● Mr. STEVENSON. Mr. President, the United States has approved the multilateral trade agreements which, when implemented, will open new trade opportunities around the world. This chance to expand U.S. exports comes at an opportune time. Exports are needed to pay the oil import bill, which will continue to grow even if volume can be restrained, and to stimulate U.S. business investment during the impending recession.

But June brought the 37th consecutive monthly U.S. trade deficit. Exports are not growing fast enough. The reasons are many: U.S. Government disincentives to exports, subsidized foreign competition, an unstable dollar, and business reluctance to bear the costs and risks of international trade.

The Department of Commerce estimates there are 20,000 U.S. firms which could export profitably but do not. Most are smaller companies located outside the major metropolises of America. The United States market has served these companies well, but they could do better by exporting. They must learn to compete abroad or they will find they are unable to meet foreign competition here at home.

Many companies do not export because they do not have the funds to invest in market development abroad nor the time or personnel to master customs documents, shipping, packaging, marketing, and the myriad of details involved in exporting. Such companies need more than a Commerce Department brochure or a day-long seminar in Dubuque. They need someone to market their products for them; a way to spread among many firms the risks and costs they cannot afford on an individual basis.

Trading companies may be the only way to expand export participation by smaller U.S. companies. Trading companies could give U.S. manufacturers access to experienced traders who can handle all the servicing and selling of export sales and have the expertise to develop markets abroad.

Trading companies can pool talent and resources to do market analysis and marketing on behalf of thousands of U.S. manufacturers. Trading companies have been responsible for much of the success of Japan and Korea in selling their products around the world. More than one-half of Japanese exports are handled by trading companies. Trading companies offer manufacturers an inexpensive way to export to distant lands. Commissions charged by Japanese trading companies ordinarily range from 0.5 percent to 5 percent.

The bill I introduce today will facilitate the formation of U.S. export trading companies. The United States has no trading companies at present. There are small export management companies in

the United States, but the difficulty in securing adequate financing to expand such low profit margin enterprises prevents export management companies from reaching more than a minute fraction of the U.S. companies which could export. Even the largest Japanese trading companies typically realize profits on total volume of no more than 2 percent—but their total volume per year is more than $200 billion.

To be successful, export trading companies must have a diversified set of products to sell and must sell them in geographically dispersed markets. A trading company must be able to provide all export services, including financing, transportation, warehousing, packaging, and marketing. A foreign sales network including offices abroad is essential.

The principal purpose of the legislation is to encourage U.S. exports, but it is important for the financial success of trading companies that they be able to engage in import trade and trade between foreign countries as well. Otherwise, the trading company would be unable to achieve sufficient trade volume and absorb foreign exchange fluctuations. Foreign countries would resent a U.S. company which existed only to sell U.S. exports when those countries are desperately trying to encourage their own exports.

The United States has a good opportunity over the next few years to expand exports. The price competitiveness of U.S. goods is better now than it has been for several years. There is strong foreign interest in United States consumer goods, both low and high technology. U.S. trading companies could develop markets for a wide range of U.S. goods, as Japanese trading companies have done for Japanese products. For example, the giant Nissho-Iwai general trading company does no manufacturing but does practically everything else, from market studies to buying, selling, shipping insuring, and financing sales. Nissho-Iwai has 160 offices in 72 countries with 8,000 employees, and handles 10,000 different products.

U.S. export trading companies on the Japanese model could provide the means for thousands of U.S. firms to market their products abroad. Without the kind of export servicing which trading companies can provide, most U.S. companies will continue to rely solely on the U.S. market. They will thereby forgo not only sales but the competitive experience of trying to penetrate foreign markets. All too often they will find that their lack of competitive experience in the world marketplace will serve them poorly when they face foreign competition in this country.

The bill I introduce today would encourage prompt formation of U.S. export trading companies by: First, providing loans and guarantees to help meet start-up costs; second, permitting initial formation of trading companies as wholly owned subsidiaries, provided that divestiture to ownership of not more than 20 percent occurs within 10 years; third, allowing banks to participate in such companies; fourth, limiting the antitrust liability of trading companies; and fifth, providing tax treatment comparable to that accorded similar entities by other countries. The Department of Commerce would be responsible for licensing U.S export trading companies and insuring that their activities remain consistent with the purposes of the legislation.

Export trading companies formed under this legislation are expected to be publicly owned private sector companies with offices in many countries and capable of performing all aspects of trading transactions in overseas markets, including feasibility analysis, marketing, legal assistance, transportation, warehousing, foreign exchange, and financing. The major function of U.S. export, trading companies would be to market U.S. products overseas, either by buying and reselling or by providing specified marketing and related services to the producer.

A group of manufacturers needing comparable distribution channels and marketing representation could together form an export trading company with ownership by any one investor not exceeding 20 percent. To get the program in operation quickly, large companies would be encouraged to set up such companies, but under conditions requiring them to dispose of ownership in excess of 20 percent over a period of years.

Export trading companies can operate profitably if high volume and efficient operations are achieved. It is estimated that export trading companies established under the conditions set forth in this legislation could begin to make a significant positive impact on U.S. exports within 2 to 5 years, just as the multilateral trade agreements are opening new export opportunities for U.S. producers.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis thereof be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Export Trading Company Act of 1979".

TITLE I—ESTABLISHMENT OF EXPORT TRADING COMPANIES

SEC. 101. DEFINITIONS.

As in this title—

(1) EXPORT TRADE.—The term "export trade" means trade or commerce in goods produced in the United States or services produced in the United States exported, or in the course of being exported, from the United States to any foreign nation.

(2) GOODS PRODUCED IN THE UNITED STATES.—The term "goods produced in the United States" means tangible property not less than 75 percent of the total value, or of the value added to a material or commodity through manufacturing or processing, of which is attributable to the United States.

(3) SERVICES PRODUCED IN THE UNITED STATES—The term "services produced in the United States" means architectural, engineering, consulting, legal, training, financial, insurance, management, communications, and other services not less than 75 percent of the value of which is provided by United States citizens or is otherwise attributable to the United States.

(4) EXPORT TRADE ACTIVITIES.—The term "export trade activities" includes any activity which is incidental to export trade.

(5) UNITED STATES.—The term "United States" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

(6) ANTITRUST LAWS.—The term "antitrust laws" means the antitrust laws defined in the first section of the Clayton Act (15 U.S.C. 12) and section 4 of the Federal Trade Commission Act (15 U.S.C. 44), any other law of the United States in pari materia with those laws, and any State antitrust or unfair competition law, and all amendments to the foregoing.

(7) SECRETARY.—The term "Secretary" means the Secretary of Commerce.

(8) ATTORNEY GENERAL.—The term "Attorney General" means the Attorney General of the United States.

SEC. 102. LICENSING.

(a) ELIGIBILITY.—In order to be licensed by the Secretary as an export trading company under this section, an applicant shall demonstrate, to the satisfaction of the Secretary, that it meets all requirements under this title for licensing and that it is, or will be, organized and operated principally for the purposes of—

(1) exporting goods and services produced in the United States, and

(2) facilitating the exportation of goods and services produced in the United States by providing export services such as international market research, advertising, marketing, insurance, legal assistance, transportation, including trade documentation and freight forwarding, communication and processing of foreign orders to and for exporters and foreign purchasers, warehousing, foreign exchange, financing, and any other export services determined by the Secretary by regulation to be consistent with the purposes of this title.

(b) APPLICATION.—In order to be licensed by the Secretary as an export trading company, a firm shall file with the Secretary a written application setting forth the following:

(1) The name of the firm.

(2) The location of the firm's offices or places of business in the United States and abroad.

(3) The names and addresses of the firm's officers, stockholders, and members.

(4) A copy of the certificate or articles of incorporation and bylaws, if the firm is a corporation; for a copy of the agreement establishing the firm, if the firm is unincorporated.

(5) A general description of the goods or services which the firm exports or proposes to export.

(6) The methods by which the firm conducts or proposes to conduct export trade in the described goods or services, including, but not limited to, any agreement to sell exclusively to or through the firm, any agreement with foreign persons who may act as joint selling agents, any agreement to acquire a foreign selling agent, and any agreement for pooling tangible or intangible property or resources.

(7) The names of all countries where export trade in the described goods or services is conducted or proposed to be conducted by or through the firm.

(8) Any other information concerning the organization, operation, management, or finances of the firm, the relation of the firm to other firms, corporations, partnerships, and individuals, and competition or potential competition the Secretary deems necessary for purposes of administering this title.

(c) OWNERSHIP REQUIREMENTS.—

(1) IN GENERAL.—The Secretary may not issue a license to an export trading company under this section if—

(A) any partnership, association, or corporation owned or controlled by a foreign corporation or other foreign entity owns stock, or other securities with voting rights, issued by the export trading company, or

(B) any person owns, directly or indirectly, more than 20 per centum of the voting stock or interest in the export trading company.

(2) DIVESTITURE TO MEET CONTROL LIMITATION.—Notwithstanding the limitation of paragraph (1)(B), the Secretary shall not deny a license to an export trading company solely because of such limitation if—

(A) the person or persons whose ownership of stock or interest exceeds the limitation submits a divestiture plan under which he will divest himself of his stock or interest in excess of the limitation over a 10-year period beginning with the year in which the license is issued with—

(i) the first sale or transfer of stock or interest occurring not later than the fifth year of such period,

(ii) the divestiture progressing no less rapidly than ratably over the years remaining between the first year of divestiture and the last year of the 10-year period, and

(iii) divestiture completed, to the extent necessary to meet the limitation under paragraph (1)(B) by the close of such last year, and (B) such reports, no less frequently than annually, to the Secretary on the progress of the divestiture as he may require.

(d) LIMITATIONS ON ACTIVITIES OF LICENSED EXPORT TRADING COMPANIES.—The Secretary may not issue a license under this section to, and shall revoke any such license issued to, an export trading company if that company engages in manufacturing directly or through a domestic or foreign corporation which is a member of the controlled group of corporations (within the meaning of section 1563 of the Internal Revenue Code of 1954) of which the export trading company is a member. For the purposes of this subsection, the term "manufacturing" does not include packaging or limited fabrication and final assembly of products which otherwise meet the definition in section 101(2) of "goods produced in the United States." The Secretary may not decline to issue such a license, or revoke such a license, on the ground that the export trading company is engaged in activities (other than manufacturing) other than activities involving export trade to the extent that such other activities (other than manufacturing) are necessary to encourage and facilitate exports of goods and services produced in the United States.

(e) ISSUANCE OF LICENSE.—Based upon the information obtained from the application, the Secretary shall license an export trading company within 90 days after receiving the application for licensing if the Secretary determines that the firm and the proposed export trade activities meet the requirements of this title. The license may be issued subject to such terms and conditions as the Secretary determines to be appropriate to ensure that the export trading company and its activities meet the requirements for licensing during the period for which the license is in effect.

(f) MATERIAL CHANGES IN CIRCUMSTANCES; AMENDMENT OF APPLICATION.

(1) VOIDING OF LICENSE.—Whenever there is a material change in—

(A) the domestic and international conditions, circumstances, and factors which make an export trading company useful for the purpose of promoting the export trade of its goods or services, or

(B) the export trading company's export trade, export trade activities, or methods of operation which would cause the company to fail to meet any requirement of this title,

then the company shall apply to the Secretary for an amendment of its license.

(2) AMENDMENT OF APPLICATION.—The request for amendment shall be filed within 30 days after the date of the material change and shall set forth the requested amendment of the application and the reasons for the requested amendment. Any request for the amendment of an application shall be treated in the same manner as an original application for licensing. If the request is filed within 30 days after the material change which requires the amendment, and if the requested amendment is approved, then there shall be no interruption in the period for which the license is in effect.

(3) AMENDMENT UPON RECOMMENDATION OF SECRETARY.—After notice to the export trading company involved and the opportunity for a hearing on the record, the Secretary may—

(A) require that an export trading company's license be amended;

(B) require that the organization or operation of the export trading company be modified to correspond with the company's license; or

(C) revoke, in whole or in part, the license of the exoort trading company upon a finding that the company or its export trade activities do not meet the requirements of this title.

SEC. 105. ENFORCEMENT.

(a) EXCLUSIVE JURISDICTION OF SECRETARY.—The Secretary shall have exclusive jurisdiction to determine whether an export trading company licensed under this title—

(1) has failed to comply with the terms and conditions of its license, has engaged in activities or furnished services not described in its license application or not permitted under the license, or has knowingly violated any provision of this title, or

(2) has taken any action which is inconsistent with the requirements of this title.

(b) DETERMINATIONS.—The Secretary shall make a determination under subsection (a) after an investigation commenced after receipt of a complaint, filed with the Secretary at such time in such manner as the Secretary may require, or upon the Secretary's own motion, and after notice to the export trading company named in the complaint and an opportunity for a hearing on the record. The complaint may be filed by any person whose economic interest is, or may appear to be, adversely affected by activity to which the complaint relates.

(c) REMEDIES.—If the determination of the Secretary under subsection (a) is affirmative, then the Secretary may—

(1) in the case of an affirmative determination under subsection (a)(1)—

(A) require the company to file an amended application for license under section 102(d),

(B) require the company to modify its organization or operations,

(C) revoke, in whole or in part, the license of the company, or

(D) refer the matter to the Attorney General for prosecution under the antitrust laws, or

(2) in the case of an affirmative determination under subsection (a)(2)—

(A) bring an action in the appropriate Federal District Court to enjoin or restrain the company from engaging in any activity which constitutes or results in anything described in paragraph (1), (2), or (3) of section 106, or

(B) revoke, in whole or in part, the license of the company.

(d) STANDING REQUIREMENT.—No person shall have standing to bring an action against a company licensed under section 102 for any activity which constitutes or results in anything described in paragraph (1), (2), or (3) of section 106 other than an officer or employee of the United States acting in his official capactly.

SEC. 104. REVIEW OF DETERMINATIONS.

Whenever the Secretary makes a determination under this Act with respect to an application for a license, the amendment, modification, or revocation of a license, or the modification of the organization or operation of an export trading company, the Secretary shall—

(1) notify the company of the determination and the reasons for the determination, and

(2) upon request made by the company, afford the company an opportunity for a hearing.

SEC. 105. INITIAL INVESTMENTS AND OPERATING EXPENSES.

(a) ELIGIBILITY FOR LOANS AND GUARANTEES.—Any export trading company licensed under this title is eligible for a direct loan or financial guarantee from the Export-Import Bank of the United States, and, in the case of a small business, from the Small Business Administration, and, where otherwise eligible, from the Economic Development Administration, to meet export-related operating expenses during the first 5 years of the company's operation. Any such assistance shall be used only for expenses directly related to exports and export services, and shall not exceed 50 percent of the total operating expenses of such company in any year. In no case may the credits or guarantees to any one company exceed $10,000,000 in any single year or $25,000,000 during the 5-year period.

(b) EXPORT-IMPORT BANK LOANS AND GUARANTEES.—Subject to the limitations set forth in this title and the Export-Import Bank Act of 1945, the Export-Import Bank of the United States may provide loan guarantees to any licensed export trading company which, in the judgment of the Board of Directors of the Bank is creditworthy but is unable to obtain sufficient financing or insurance on reasonable terms from other sources.

(c) OWNERSHIP OF SECURITIES BY BANK OR BANK HOLDING COMPANY.—Notwithstanding any other provision of law, but subject to the other provisions of this title, and rules and regulations of the appropriate regulatory agencies, any bank or bank holding company chartered or incorporated within the United States and any corporation organized under section 25(a) of the Federal Reserve Act may purchase for its own account equity securities of an export trading company which is licensed under this title: *Provided, However,* That total investment in export trading companies by any bank or bank holding company

may not exceed 10 per centum of its capital stock actually paid in and unimpaired plus 10 per centum of its unimpaired surplus fund.

SEC. 106. ANTITRUST.

(a) IN GENERAL.—An export trading company licensed under section 102 of this title is exempt from the application of the antitrust laws except to the extent that the activities in which it is engaged constitute or result in—

(1) a substantial restraint of trade within the United States or a substantial restraint of the export trade of a domestic competitor,

(2) an unfair method of competition against a domestic competitor, or

(3) an unreasonable enhancement, stabilization, or depression of prices within the United States of goods or services of the class exported by that company.

(b) INTERNATIONAL OBLIGATIONS.—Subsection (a) shall not apply to an export trading company licensed under this title to the extent that its application would be inconsistent with international obligations of the United States.

SEC. 107. REGULATIONS.

The Secretary shall promulgate such rules and regulations as may be necessary to carry out the purposes of this title. The Secretary shall consult with the Attorney General prior to promulgating rules and regulations to carry out sections 103 and 106 of this title.

TITLE II—TAX TREATMENT OF EXPORT TRADING COMPANIES AND THEIR SHAREHOLDERS

SEC. 201. ESTABLISHMENT AND TAXATION OF EXPORT TRADING COMPANIES AND THEIR SHAREHOLDERS.

(a) IN GENERAL.—Chapter 1 of the Internal Revenue Code of 1954 (relating to normal taxes and surtaxes) is amended by adding at the end thereof the following new subchapter:

"Subchapter V—Export Trading Companies

"Sec. 1398. Definition of licensed export trading company.

"Sec. 1398A. Election by licensed export trading company.

"Sec. 1398B. Rules applicable to the taxation of electing licensed export trading company shareholders.

"Sec. 1398C. Special rules applicable to an electing licensed export trading company.

"SEC. 1398. DEFINITION OF LICENSED EXPORT TRADING COMPANY.

"For purposes of this subchapter, the term 'licensed export trading company' means an export trading company licensed under section 104 of the Export Trading Company Act of 1979, the license of which is valid at all times during the taxable year of the company.

"SEC. 1398A. ELECTION BY LICENSED EXPORT TRADING COMPANY.

"(a) ELIGIBILITY.—Except as provided in section 1398C, a licensed export trading company may elect, in accordance with the provisions of this section, not to be subject to the taxes imposed by this chapter.

"(b) EFFECT.—If a licensed export trading company makes an election under subsection (a), then—

"(1) with respect to the taxable years of the export trading company for which such election is in effect, the company shall not be subject to the taxes imposed by this chapter, and, with respect to such taxable years and all succeeding taxable years, the provisions of section 1398E shall apply to that company, and

"(2) with respect to each such taxable year, the provisions of sections 1398B and 1398C shall apply to the shareholders of the company.

"(c) WHERE AND HOW MADE.—An election under subsection (a) shall be made by an export trading company at such time and in such manner as the Secretary shall prescribe by regulations.

"(d) YEARS FOR WHICH EFFECTIVE.—An election under subsection (a) shall be effective for the taxable year of the export trading company for which it is made and for all succeeding taxable years of the company, unless it is terminated under subsection (f).

"(e) TAXABLE YEAR.—The taxable year of an export trading company shall end on December 31 unless the Secretary consents to a different taxable year.

"(f) TERMINATION.—The election of an export trading company under subsection (a) shall terminate for any taxable year during which it ceases to be a licensed export trading company and for all succeeding taxable years. The election of a licensed export trading company under subsection (a) may be terminated at any other time with the consent of the Secretary, effective for the first taxable year with respect to which the Secretary consents and for all succeeding taxable years.

"SEC. 1398B. RULES APPLICABLE TO THE TAXATION OF ELECTING LICENSED EXPORT TRADING COMPANY SHAREHOLDERS.

"(a) DISTRIBUTIONS TAXED AS ORDINARY INCOME.—Any amount distributed by an electing licensed export trading company shall be treated as a distribution to which section 301(a) applies. Any amounts includable in the gross income of any shareholder by reason of ownership of stock in an electing licensed export trading company shall not be considered as a dividend for purposes of section 116.

"(b) SPECIAL RULE FOR INVESTMENT CREDIT.—The investment credit of an electing licensed export trading company for any taxable year shall be allowed as a credit to the shareholders of such company and the manner and to the extent set forth in this subsection.

"(1) CREDIT.—There shall be apportioned among the shareholders a credit equal to the amount each shareholder would have received if, on each day of such taxable year, there had been distributed pro rata to the shareholders the election licensed export trading company's net investment credit divided by the number of days in the company's taxable year.

"(2) NET INVESTMENT CREDIT.—For purposes of this subsection, the term 'net investment credit' means the investment credit of the electing licensed export trading company for its taxable year less any tax from recomputing of prior year's investment credit in accordance with section 47.

"(3) RECAPTURE.—There shall be apportioned among the shareholders of an electing licensed export trading company, in the manner described in paragraph (1), an additional tax equal to the excess of any tax resulting from recomputing of prior year's investment credit in accordance with section 47 over the investment credit of the electing licensed export trading company for its taxable year.

"(c) SPECIAL RULE FOR FOREIGN TAX CREDIT.—

"(1) IN GENERAL.—For purposes of subpart A of part III of subchapter N, a shareholder in an electing licensed export trading company who receives a distribution in any taxable year from such company shall be deemed to have paid the same proportion of any income, or profits, or excess profits taxes paid or deemed to be paid by such electing licensed export trading company to any foreign country or to any possession of the United States, on or with respect to the accumulated profits of such electing licensed export trading company from which such distributions were paid, which the amount of such distributions bears to the amount of such accumulated profits in excess of such income, war profits, and excess profits taxes (other than those deemed paid).

"(2) DEFINITION OF ACCUMULATED PROFITS; ACCOUNTING PERIODS.—For purposes of this subsection, the term 'accumulated profits' has the same meaning as in section 902(c)(1), in the rules relating to the application of the word 'year' with respect to accounting periods of less than one year (set forth in section 902(c)(2)) shall apply. For purposes of this paragraph, the provisions of section 902(c) shall be applied by substituting 'electing licensed export trading company' for 'foreign corporations' each place it appears.

"SEC. 1398C. SPECIAL RULES APPLICABLE TO AN ELECTING LICENSED EXPORT TRADING COMPANY

"The provisions of section 482 (relating to allocation of income and deductions among taxpayers) shall not apply with respect to gross income, deductions, credits, or allowances between an electing licensed export trading company and a foreign subsidiary of such a company.".

"(b) NET OPERATING LOSS DEDUCTION.—Paragraph (1) of section 172(b) of such code (relating to net operating loss carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(I) in the case of an electing licensed export trading company which has a net operating loss for any taxable year, such loss shall not be a net operating loss carryback to any taxable year preceding the year of such loss, which shall be a net operating loss carryover to each of the 10 taxable years following the year of such loss.".

(c) RETURN OF ELECTING LICENSED EXPORT TRADING COMPANY.—Subpart A of part III of subchapter A of chapter 61 (relating to information on returns) is amended by adding at the end thereof the following new section:

"SEC. 6039C. RETURN OF ELECTING LICENSED EXPORT TRADING COMPANY.

"Every electing licensed export trading company (as defined in section 1398) which makes the election provided by section 1398A shall make a return for each taxable year, stating specifically the items of its gross income and the deductions allowable by subtitle A, the amount of investment credit or additional tax, as the case may be, the names and addresses of all persons owning stock in the company at any time during the taxable year, the number of shares of stock owned by each shareholder at all times during the taxable year, the amount of money and other property distributed by the company during the taxable year to each shareholder, the date of each such distribution, and such other information, for the purposes of carrying out the provisions of subchapter V of chapter 1, as the Secretary may by regulation prescribe. Any return filed pursuant to this section shall, for purposes of chapter 66 (relating to limitations), be treated as a return filed by the company under section 6012. Every electing licensed export trading company shall file an annual report with the Secretary summarizing its operations for such year.".

(d) CLERICAL AMENDMENTS.—

(1) The table of subchapters for chapter 1 of such Code is amended by adding at the end thereof the following: "Subchapter V.—Export Trading Companies.".

(2) The table of sections for subpart A of part III of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following:

"SEC. 6039C. Return of electing licensed export trading company.".

SEC. 201. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to export trading companies licensed after December 31, 1979.

SECTION-BY-SECTION ANALYSIS

Section 1 would provide for citation of the Act as the "Export Trading Company Act of 1979". Title I would provide for the establishment of export trading companies.

Section 101 would define terms used in title I including: "export trade", "goods produced in the United States", "services produced in the United States", and "export trade activities".

Section 102 would provide authority for the Secretary of Commerce to license export trading companies, specify the information to be included in license applications, set forth procedures for issuing, amending, and revoking licenses, and prohibit licensing of companies in which any person owns more than a 20 percent interest (except in accordance with a plan to divest such ownership within 10 years of formation of the company). Export trading companies and their subsidiaries would be prohibited from engaging in manufacturing other than packaging and limited fabrication and final assembly of products produced principally in the United States.

Section 103 would grant the Secretary of Commerce exclusive jurisdiction to determine whether an export trading company is acting in accordance with the Act and its license, and to take remedies including court action, revocation of license, or referral to the Attorney General for prosecution. Private persons would not have standing to bring court actions to enforce the Act.

Section 104 would provide for notification to export trading companies, and opportunity for hearings, on determinations by the Secretary of Commerce to issue, amend, modify or revoke licenses.

Section 105 would establish the eligibility of export trading companies to receive loans and guarantees from the Export-Import Bank, the Small Business Administration, and the Economic Development Administration to meet up to 50 percent of export-related expenses during the initial 5 years of the company's operation, up to a maximum of $10 million in one year or $25 million in total. Export trading companies, if creditworthy, would be eligible to utilize all loan, guarantee and insurance programs of the Export-Import Bank. Private banks, bank holding companies, and Edge Act Corporations could purchase shares in export trading companies so long as total purchases did not exceed ten percent of the capital and surplus of the bank, bank holding company or Edge Corporation.

Section 106 would establish antitrust restrictions applicable to export trading companies and exempt them from other antitrust laws.

Section 107 would empower the Secretary of Commerce to issue rules and regulations to carry out Title I of the Act.

Title II would establish tax treatment for export trading companies.

Section 201 would add a new subchapter "V" to the Internal Revenue Code. Export trading companies licensed under the Act could elect the tax treatment provided by

subchapter V. Distributed earnings would be treated by shareholders as ordinary income not dividends. Investment credits and foreign tax credits would flow through to shareholders. Section 482 of the Internal Revenue Code could not apply to transactions between an export trading company and its foreign subsidiaries. Net operating losses would be carried over for ten years. The form and contents of returns to be filed annually by export trading companies are specified.

Section 201 would provide for Title II to apply to export trading companies licensed after December 31, 1979.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced today by the Senator from Illinois (Mr. STEVENSON), to encourage exports, be jointly referred to the Committees on Banking, Housing, and Urban Affairs and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. RIBICOFF (for himself, Mr. CHAFEE, Mr. DOLE, Mr. JAVITS, Mr. MOYNIHAN, Mr. PELL, and Mr. TSONGAS):

S. 1664. A bill to amend the Internal Revenue Code of 1954 to provide relief to residential users of refined petroleum products; to the Committee on Finance.

HOME HEATING OIL CONSUMERS NEED RELIEF

Mr. RIBICOFF. Mr. President, I am today reintroducing legislation to provide relief for taxpayers who are facing the skyrocketing costs of home heating oil. I am very pleased that Senators CHAFEE, DOLE, JAVITS, MOYNIHAN, PELL, and TSONGAS are joining me as cosponsors of this measure.

Home heating oil consumers in Connecticut, New England, and elsewhere in the country bear a disproportionate share of the burden of the Nation's energy crisis. With no indigenous energy resources, the Northeast in particular has no choice but to depend on expensive imported oil to heat our homes. Although New England accounts for 5.8 percent of the U.S. population, it uses 20 percent of the Nation's heating oil and our energy costs are nearly 40 percent higher than in the rest of the Nation.

Seventy-one percent of all New England's buildings are heated by oil and 74 percent of the population heat with this form of energy. In Connecticut, 73.4 percent of the population—well over 2 million people—depend on oil for space heating. Over 1 million buildings in my State are heated with oil. Connecticut's consumers this winter will pay an estimated $562 million for home heating oil, $248 million more than they paid last winter. As Governor Ella Grasso has stated:

This increase is disastrous for our already overburdened consumers.

Prices could well be over a dollar before the end of the winter. This should be compared to 34 cents just 5 years ago. Therefore, a family that spent $340 dollars to keep warm in 1974 will probably spend close to a thousand dollars in the winter coming up.

New England's oil consumption is met almost totally—87 percent—by imported oil, while the United States meets less than half—47 percent—of its needs with this supply source. Since OPEC provides 77 percent of New England's total demand, prices are therefore dramatically higher than the national average.

Testimony recently presented to the Senate Finance Committee indicates that a serious inequity exists between the treatment of residential fuel oil consumers and residential natural gas users. The inequity results in heating oil consumers paying substantially higher prices than natural gas consumers. A central provision of the Natural Gas Policy Act, enacted last year, requires that residential gas users not bear the burden of gas decontrol until all industrial users' natural gas prices have risen to the level of home heating oil. This effectively protects the Nation's millions of residential natural gas users from the impact of natural gas decontrol.

There is no comparable insulation or relief for consumers of heating oil, who are beginning to feel the devastating effects of the combination of oil price decontrol and sudden hikes by OPEC nations. Together, these forces are driving per gallon heating oil prices up by 35 to 40 cents over last winter's levels. It is probable these prices will climb into the high 80-cent range before January, a 75-percent increase in costs in less than a year.

The impact on the poor will be devastating, and the strain on middle income families in the range of $8,000 to $20,000 yearly income will be very substantial. For the poor, relief must come in the form of a fuel assistance direct grant program such as has been proposed by Senator JAVITS. I am a cosponsor of this measure because I feel a direct grant system will be more effective in reaching the poor than a mechanism in the tax system. The bill I am introducing today is intended to reach the income level above the poverty line into the middle income bracket.

There is no way to predict how high uncontrolled heating oil prices will rise. When the President's oil import quota program begins to bite, prices may well continue to skyrocket beyond the ability of the poor and many middle income families to pay without making painful choices among necessities. It seems certain that OPEC prices will continue to rise briskly over the next several years.

Mr. President, I do not mean to imply that this problem is exclusively one for the Northeast. It is more accurate to characterize it as a northern U.S. problem, because most States in the northern Middle West as well as the Northwest are significantly affected. In fact, 24 States make up at least 25 percent of their heating needs with fuel oil. I ask unanimous consent on a State-by-State basis, in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

HOME HEATING FUELS BY STATE, 1970 CENSUS

[In percent, except units]

	Utility gas	Fuel oil	Electricity	Other	Total occupied units (thousands)
Alabama	55.0	1.8	13.6	29.6	1,034
Alaska	25.3	55.7	5.1	13.9	79
Arizona	78.7	.7	12.2	8.4	539
Arkansas	64.9	.7	4.3	30.1	615
California	86.0	.7	8.6	4.7	6,573
Colorado	84.8	1.6	3.5	10.1	690
Connecticut	20.6	71.9	5.1	2.4	933
Delaware	29.9	61.4	4.3	4.2	164
District of Columbia	52.3	34.7	5.7	7.3	262
Florida	15.4	29.2	32.3	23.1	2,284
Georgia	58.0	4.9	10.7	25.4	1,369
Hawaii	.3	.3	3.0	96.4	203
Idaho	32.1	40.4	9.6	17.9	218
Illinois	70.5	14.1	3.0	12.4	3,502
Indiana	57.0	26.9	5.8	10.3	1,609
Iowa	62.8	20.8	1.8	14.6	896
Kansas	82.3	1.5	3.0	13.2	727
Kentucky	58.0	8.9	8.2	24.9	983
Louisiana	81.7	.4	6.0	11.9	1,052
Maine	1.6	92.1	2.0	4.3	302
Maryland	46.7	43.7	4.9	4.7	1,175
Massachusetts	28.0	65.8	4.0	2.2	1,759
Michigan	70.0	22.0	2.5	5.5	2,653
Minnesota	53.9	34.3	2.5	9.3	1,153
Mississippi	52.2	.6	11.0	36.2	636
Missouri	67.8	8.7	2.8	20.7	1,520
Montana	68.6	13.4	3.7	13.3	217
Nebraska	71.9	9.7	3.2	15.2	473
Nevada	38.8	15.6	34.4	11.2	160
New Hampshire	10.7	80.4	4.0	4.9	225
New Jersey	41.2	52.6	3.2	3.0	2,218
New Mexico	77.9	1.4	2.4	18.3	289
New York	37.8	56.8	1.8	3.6	5,913
North Carolina	14.9	61.9	10.7	12.5	1,509
North Dakota	31.5	48.1	3.3	17.1	181
Ohio	76.5	14.0	3.4	6.1	3,289
Oklahoma	79.1	.2	4.9	15.8	850
Oregon	23.6	37.8	29.7	8.9	691
Pennsylvania	48.3	35.0	3.9	12.8	3,702
Rhode Island	27.5	68.0	2.7	1.8	291
South Carolina	27.0	44.6	9.0	19.4	734
South Dakota	40.0	38.0	3.0	19.0	200
Tennessee	32.6	6.3	40.4	20.7	1,213
Texas	78.8	.4	8.2	12.6	3,433
Utah	81.8	4.7	2.7	10.8	297
Vermont	4.5	80.3	6.0	9.2	132
Virginia	30.4	48.6	8.9	12.1	1,390
Washington	23.3	40.8	30.3	5.6	1,105
West Virginia	68.7	9.1	4.6	17.6	547
Wisconsin	49.2	39.2	1.8	9.7	1,328
Wyoming	76.9	2.9	2.9	17.3	104
Total United States, 1970	55.2	26.0	7.7	11.1	63,446
Total United States, 1976	55.7	22.2	13.7	8.4	74,005

Note: Other fuels include coal or coke, wood, LP gas, and no heating fuel used. Kerosine is included in fuel oil.

I am therefore reintroducing legislation to provide a refundable tax credit against these alarming price rises. Similar to the Senate-passed energy tax measure of the 95th Congress, the bill is directed at partial relief of the most recent price increases. Using this past January's costs as a base, it allows a maximum credit of $250 if and when prices reach a calamitous $1.50 per gallon. The full credit is available for a household's adjusted gross income up to $20,000 per year and is phased out at a 5 percent rate until no credit is available after $25,000. The bill is intended as a companion to a low income assistance program and therefore has a provision whereby the credit is offset dollar for dollar by any such direct payment system.

Calculations of the revenue loss for this year are about $35 per family and for 1980 will probably climb to about $100. Revenue loss estimates are around $350 million for 1979. It is estimated that the revenue loss is about $100 million for each penny of credit given per gallon. Thus in 1980 the credit, assuming a price of 94 cents per gallon, would cause a revenue loss of about $1 billion. In the event that prices rose so high as to allow a taxpayer to take the full credit, the loss would be about $2.5 billion. In this event, fuel costs would have risen 200 percent over last January's rate, imposing the staggering burden of a $1,500 per winter cost on the average family.

Mr. President, we must strike to achieve equity in energy pricing. We must carefully evaluate the impact of differing fuel sources on all Americans and attempt to equalize the burden. It is my intention that this bill be a starting point in this direction.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. CREDIT FOR RESIDENTIAL USERS OF REFINED PETROLEUM PRODUCTS.

"(a) GENERAL RULE.—In the case of an individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the products of—

"(1) the applicable percentage with respect to any refined petroleum product for the calendar year in which such taxable year ends, multiplied by

"(2) the amount paid or incurred during the taxable year by the taxpayer for the purchase of such refined petroleum product for use as a qualified use.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—

"(A) IN GENERAL.—The amount of the credit allowed by subsection (a) for the taxable year shall not exceed $250.

"(B) REDUCTION OF CREDIT FOR ADJUSTED GROSS INCOME IN EXCESS OF $20,000.—The amount of the credit allowable by subsection (a) for the taxable year (after the application of paragraph (1)) shall be reduced by 5 percent of the amount by which the adjusted gross income of the individual for that taxable year exceeds $20,000 ($10,000 in the case of a married individual who files a separate return).

"(2) GRANT OFFSET.—If any person with respect to whom the credit is allowable under subsection (a) receives any funds under any Federal or State program providing funds for the purchase of a refined petroleum product for a qualified use, the amount of the credit under subsection (a) (determined after application of paragraph (1)) shall be reduced (but not below zero) by the amount of funds so received.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) APPLICABLE PERCENTAGE.—The term 'applicable percentage' with respect to any refined petroleum product means a percentage equal to the fraction determined by multiplying—

"(A) a fraction—

"(i) the numerator of which is equal to the national average price for such refined petroleum product minus the national average base price for such refined petroleum products, and

"(ii) the demoninator of which is equal to such national average price,

by—

"(B) .25.

"(2) NATIONAL AVERAGE PRICES.—

"(A) NATIONAL AVERAGE PRICE.—The term 'national average price' with respect to any refined petroleum product for any calendar year means an amount determined by the Secretary, after consultation with the Secretary of Energy or his delegate, to be the average price for such product in the United States during the first 10 months of such calendar year.

"(B) NATIONAL AVERAGE BASE PRICE.—The term 'national average base price' with respect to any refined petroleum product means the amount determined by the Secretary, after consultation with the Secretary of Energy or his delegate, to be the average price in the United States for such product on January 1, 1979.

"(3) QUALIFIED USE.—The term 'qualified use' means use in connection with the principal residence of the taxpayer (within the meaning of section 44C(c)(3)) for residential purposes.

"(4) TENANTS.—

"(A) IN GENERAL.—In the case of a tenant (other than a tenant-stockholder in a cooperative housing association), the credit allowable under subsection (a) for any taxable year for any refined petroleum product used for a qualified use shall be equal to the applicable percentage for such product multiplied by an amount equal to that portion of rent paid by the taxpayer during such taxable year as is equal to the qualified rental portion.

"(B) QUALIFIED RENTAL PORTION.—For purposes of this paragraph, the term 'qualified rental portion' means that percentage of rental amounts paid for principal residences during a calendar year which the Secretary determines, after consultation with the Secretary of Housing and Urban Development or his delegate, to be the average percentage of rental amounts paid in the United States attributable to the payment of the costs of refined petroleum products used for a qualified use in connection with the principal residence.

"(5) CONDOMINIUMS AND COOPERATIVES.—The Secretary shall provide by regulation for the application of this section to condominium management associations (as defined in section 528(c)(1)) or members of such associations, and tenant-stockholders in cooperative housing corporations (as defined in section 216), in such a fashion that the amount allowed by subsection (a) is allowed, whether by allocation, apportionment, or otherwise, to the individuals paying, directly or indirectly, for the refined petroleum products so used.".

(b) REFUND OF EXCESS CREDIT.—

(1) Section 6401(b) of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to credit for residential users of refined petroleum products),", and

(B) by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended—

(A) by striking out "or 43" in the caption thereof and inserting in lieu thereof ", 43, or 44D",

(B) by striking out "or section 43" and inserting in lieu thereof ", section 43", and

(C) by inserting "or section 44D (relating to credit for residential users of refined petroleum products)," before "the amount so overstated".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44B the following new item:

"Sec. 44D. Credit for residential users of refined petroleum products.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1978.

● Mr. CHAFEE. Mr. President, I am pleased to join as an original cosponsor of this bill which provides a tax credit for users of home heating oil. The credit would be available to residential users of home heating oil, with income up to $25,000, to offset the price increase in heating oil that is due to decontrol. The maximum available credit would be $250. The credit would be available to homeowners and renters alike.

As everyone knows, oil prices are increasing at an alarming rate. Home heating oil prices are rising especially fast. At the end of last year, the price of heating oil was 54 cents in New England. Today it is nearly 78.5 cents—an increase of 31 percent during this year alone. The price rose 8.6 percent again last month. And, it is sure to continue to rise.

Mr. President, I support decontrol of oil prices because I believe it is the surest way for us to regain control of our energy situation. Decontrol will serve the dual purposes of encouraging conservation and promoting development of additional supplies of oil as well as alternative forms of energy, such as solar power.

However, home heating oil users are especially vulnerable to these price increases. The average household in New England pays $1,100 per year for heating oil; 72 percent of the homes in my State of Rhode Island use this fuel as the main source for heating their homes. They depend on fuel for heating during the long, cold winter. Many changes can be made to use less fuel. Homes can be insulated, storm windows installed, and wood stoves purchased. As the price continues to rise, more homeowners will take these steps in order to cut down their bills and save energy.

But, Mr. President, is it right to ask home heating oil users to bear the full brunt of price decontrol? During consideration of the Natural Gas Policy Act, which phased out controls on natural gas prices, residential users were protected from the full force of the price increases. NGPA provides that higher priced gas must be passed on to industrial customers before it is applied to residential users.

In the past, President Carter and both Houses of Congress have advocated assistance to heating oil users. President Carter's Crude Oil Equalization Tax, proposed as part of the national energy plan, included a rebate to home heating oil customers. Heating oil customers would receive a dollar-for-dollar reduction in price when they bought fuel oil from dealers.

Both the House and the Senate accepted versions of a heating oil tax credit last year. Unfortunately, these measures were dropped in conference.

The bill we are introducing today demonstrates our commitment to help those who bear the brunt of higher oil prices, just like we helped residential users of natural gas. The bill directs assistance to lower- and middle-income persons, since both are seriously affected by higher heating oil prices. Those who do not file tax returns would remain eligible for energy assistance through direct payment programs.

The credit will hopefully provide an additional incentive for homeowners to invest the money gained from the credit in making their homes more energy efficient. Conservation is our surest, safest, and least expensive route to energy security in the short term. The tax credit we are proposing today is the most equitable way we can help heating oil users meet the higher prices and have enough money to invest in the future—conservation.●

● Mr. DOLE. Mr. President, dramatic increases in energy prices are pushing the cost of residential utility bills to unacceptable levels for many Americans. The impact in world price is particularly severe on consumers dependent on home heating oil. Home heating oil, which is used in 22 percent of residential homes, will increase between 40 and 50 cents a gallon this year. Despite their efforts to conserve energy and improve the energy efficiency of their homes, they will be hard pressed to meet the ever increasing prices.

I am pleased to join with Senator RIBICOFF in introducing legislation to provide relief for the residential use of home heating oil. To the average home heating oil consumer, the price increases of oil will mean that an additional $600 of their income a year will go toward heating their homes. This is almost three times the price increases experienced by home heating oil consumers in the prior 5 years since the Arab oil embargo. I do not believe that the home heating oil consumer, or residential users in general, should bear a disproportionate share of the burden which has resulted from the whims of the OPEC cartel.

Mr. President, I support, in general terms, initiatives to help the poor, the elderly, and the disadvantaged to cope with our energy problem. We cannot turn our back on those who are not in a position to deal with the havoc of energy inflation. The proposal introduced today seeks to lessen the impact of increase in the price of heating oil. Generally, an individual could receive a tax credit of up to $250 a year to help soften the blow. In order to target the program to those hit the hardest, the credit phases down at income levels exceeding $20,000 a year.

Mr. President, legislation, comparable to the legislation which the Senator from Connecticut and I are introducing today, has been favorably considered in Congress before. In 1977, the Energy Tax Act contained a provision designed to reimburse the amount of price increase caused by the crude oil equalization tax. However, because Congress rejected the discredited crude oil equalization tax.

However, because Congress rejected the discredited crude oil equalization tax, the proposal was unnecessary.

While I lend my support to this proposal, I believe the Senate should also consider broader concepts. Residential consumers across the country are feeling the pinch of increased utility bills. A temporary program which helps individuals adjust to higher utility costs has merit.●

● Mr. MOYNIHAN. Mr. President, I am pleased to join Senator RIBICOFF in introducing this bill to provide much needed relief to those households who will be among the most severely impacted by the continued rise in home heating oil prices. The bill would provide a tax credit of up to $250 per family for those families with incomes under $25,000 that heat their principal residences with oil. It is especially fitting that we provide tax relief to this segment of our society who contribute so much to our economy and ask so little of it in return. These households carry their own mortgages, pay their continually rising real estate taxes and finance the education of their children. As we assess the impact of higher oil prices on our society, it is most appropriate that these citizens not be forgotten.

This is not to say that the neediest in our society should be overlooked. Although details of its proposal have not been submitted, the administration has advised the Congress that it proposes to provide relief from the escalating costs of energy to the bottom quintile of our society—families with incomes of less than $7,000 per year. While I wholeheartedly agree that the neediest in our society must be protected, I believe that limiting our protection solely to them is not enough. I am therefore proposing to include a much broader component of our population in this plan. I believe it deserves the support of my colleagues.●

ADDITIONAL COSPONSORS

S. 330

At the request of Mr. HART, the Senator from Delaware (Mr. BIDEN), the Senator from Michigan (Mr. LEVIN), the Senator from New Hampshire (Mr. DURKIN), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 330, the Veterans Administration Administrative Procedures and Judicial Review Act of 1979.

S. 523

At the request of Mr. HART, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 523, the Uniformed Service Health Professional Special Pay Act.

S. 625

At the request of Mr. WALLOP, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 625, to amend the Federal Mine Safety and Health Amendments of 1977.

S. 753

At the request of Mr. INOUYE, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 753, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly and to adjust the adjusted gross income limitation.

S. 878

At the request of Mr. ROTH, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 878, the Federal Assistance Reform Act.

S. 971

At the request of Mr. HART, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 971, a bill to amend the Public Works and Economic Development Act to provide economic development assistance to regions suffering from increases in energy-related employment.

S. 1079

At the request of Mr. PRESSLER, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1079, to amend the IRC to permit farmers and small businesses to obtain investment credits for used section 38 property acquired from a related party.

S. 1112

At the request of Mr. HAYAKAWA, the Senator from Arizona (Mr. GOLDWATER), the Senator from Georgia (Mr. TALMADGE), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 1121, a bill to amend the Saccharin Study and Labeling Act.

S. 1213

At the request of Mr. HART, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 1213, a bill to amend the Federal Aviation Act to provide a criminal penalty for placing, attempting to place, or attempting to have placed a loaded firearm aboard an aircraft.

S. 1270

At the request of Mr. JAVITS, the Senator from Massachusetts (Mr. TSONGAS), the Senator from New York (Mr. MOYNIHAN), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 1270, a bill to amend section 1662(a) of title 38, United States Code, to authorize an additional 2 years for educationally disadvantaged veterans of the Vietnam era to complete a technical or vocational training program or a program of apprenticeship or other on-job training under chapter 34 of such title.

S. 1411

At the request of Mr. CHILES, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1411, a bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management.

SENATE JOINT RESOLUTION 99

At the request of Mr. CRANSTON, the Senator from New Mexico (Mr. SCHMITT) and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Joint Resolution 99, designating the week of September 16–22, 1979, as "National Lupus Week."

SENATE RESOLUTION 216

At the request of Mr. PROXMIRE, the Senator from Alabama (Mr. STEWART) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of Senate Resolution 216, relating to construction of Senate office buildings.

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. MOYNIHAN, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. BRADLEY), the Senator from Hawaii (Mr. INOUYE), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of Senate Concurrent Resolution 35, reaffirming the commitment of Congress to the right of the people of Puerto Rico to determine their own political future.

AMENDMENT NO. 145

At the request of Mr. HART, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of Amendment No. 145 intended to be proposed to S. 971, a bill to amend the Public Works and Economic Development Act to provide economic development assistance to regions suffering from increases in energy-related employment.

SENATE RESOLUTION 221—SUBMISSION OF A RESOLUTION PROVIDING FOR THE RENEGOTIATION OF THE SALT II TREATY

Mr. GARN submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 221

Whereas on June 18, 1979 in Vienna, Austria, the United States and the Soviet Union (hereafter in this resolution referred to as the "Parties") signed the Treaty Between the United States of America and the Union of Soviet Socialistic Republics on the Limitation of Strategic Offensive Arms;

Whereas before the President may ratify a treaty on behalf of the United States, the Senate shall have given its advice and consent to ratification;

Whereas on June 22, 1979 the President transmitted the Treaty for the advice and consent of the Senate to ratification;

Whereas the Senate has determined that ratification of the Treaty does not adequately meet the national security interests of the United States; and

Whereas the Senate has not given its advice and consent to ratification: Now, therefore, be it

Resolved, That the Secretary of the Senate shall transmit to the Secretary of State, to be deposited with the archives of the Department of State, the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Arms (hereafter in this resolution referred to as the "Treaty"), including the Protocol relating thereto, both done at Vienna, Austria, on June 18, 1979, heretofore transmitted to the Senate by the President and for which the Senate did not give its advice and consent to ratification.

SEC. 2. It is the sense of the Senate that—

(1) the President should promptly resume negotiations with representatives of the Union of Soviet Socialist Republics to modify the Treaty in such a way as to more adequately protect the security interests of the United States than does the Treaty;

(2) during any period of renegotiations pursuant to clause (1), the United States should continue to restrain its build-up of strategic nuclear offensive forces so as not to exceed the limitations established under the Interim Agreement Between the United States of America and the Union of Soviet Socialist Republics on Certain Measures with Respect to the Limitation on Strategic Offensive Arms, the Protocol and other agreements relating thereto, and the Vladivostok Accord, for such period as the Union of Soviet Socialist Republics adheres to such limitations and otherwise restrains the build-up of its strategic nuclear offensive forces;

(3) to the maximum extent practicable, the President should, in negotiating under clause (1)—

(A) seek to achieve equity, including equal aggregate limitations on numbers of launchers, total throw-weight, total megatonnage, numbers of warheads generally, and numbers of warheads with respect to certain types and sizes of missiles, and

(B) seek to assure that each Party retains the right to develop, test, or deploy such strategic offensive weapons as may be necessary for a second-strike capability; and

(4) the President should not, during the period of negotiations called for in clause (1), negotiate on a bilateral basis with the Soviet Union with respect to theater nuclear forces inasmuch as such forces of the North Atlantic Treaty Organization (NATO) have not achieved sufficient progress in modernizing to offset the theater nuclear forces of the Warsaw Pact countries.

SEC. 3. It is further the sense of the Senate that the President should negotiate quantitative limitations on strategic offensive arms to be effective, unless otherwise specified, on a date six months after the date of entry into force of the modified Treaty, including—

(1) a limitation of 2,400 on the aggregate number of strategic nuclear delivery vehicles (SNDVs), to be reduced to 2,000 SNDVs by December 31, 1981 and further reduced to 1,600 SNDVs by December 31, 1983;

(2) a limitation of 1,320 SNDVs equipped with multiple independently targetable reentry vehicles (MIRVs), to be reduced to 1,220 SNDVs by December 31, 1981 and to 1,120 SNDVs by December 31, 1983;

(3) a limitation of 1,200 MIRVed ballistic missiles launchers, to be reduced to 1,050 such missiles by December 31, 1981 and to 900 such missiles by December 31, 1983;

(4) a limitation of 820 MIRVed intercontinental ballistic missile (ICBM) launchers, to be reduced to 720 such launchers by December 31, 1981 and to 620 such launchers by December 31, 1983;

(5) a limitation of 308 heavy ICBM launchers and 300 medium ICBM launchers for each Party, reduced to 250 heavy ICBM launchers and 250 medium ICBM launchers for each Party by December 31, 1981 and to 200 heavy ICBM launchers and 200 medium ICBM launchers for each Party by December 31, 1983, with heavy ICBM launchers counting as two SNDVs after December 31, 1983;

(6) requirements that each Backfire bomber should be counted as three-fourths of an SNDV and each United States-based FB–111 bomber should be counted as one-half of an SNDV;

(7) a prohibition on the deployment at any one time on heavy bombers equipped for cruise missiles capable of a range in excess of 600 kilometers of a number of such cruise missiles which exceeds the product of 40 and the number of such heavy bombers, except that neither Party should deploy on any heavy bomber equipped for such cruise missiles more than 60 such cruise missiles or, on any current heavy bomber so equipped, more than 20 such cruise missiles;

(8) a requirement that each number of 40 cruise missiles under clause (7) should be counted as one MIRVed SNDV for purposes of the limitations in clause (2);

(9) the dismantling or destruction of excess and retired missiles;

(10) a limitation on the number of missiles or bombers of each Party which may be in reserve, in storage, or mothballed of not to exceed 10 percent of the number of missiles deployed by such Party; and

(11) a provision to permit the construction of a multiple protective structure basing mode for ICBMs.

SEC. 4. It is further the sense of the Senate that the President should negotiate qualitative limitations on strategic offensive arms, including:

(1) throw-weight limitations defined in terms of the range and payload of a missile, using a number of nautical miles for a given number of pounds;

(2) throw-weight limitations for ICBMs capable of a range of not to exceed 5,000 nautical miles of—

(A) a payload of not to exceed 3,000 pounds for light ICBMs;

(B) a payload of not to exceed 6,000 pounds for medium ICBMs;

(C) a payload of not to exceed 17,000 pounds for heavy ICBMs; and

(D) a payload of not to exceed 4,500 pounds for SLBMs;

(3) a definition of intermediate range ballistic missiles as missiles capable of a range of not less than 1,000 nautical missiles or not more than 3,100 nautical miles and capable of a payload of not less than 500 pounds or more than 2,000 pounds;

(4) a definition of ICBMs as ballistic missiles capable of a greater range and heavier payload than intermediate range ballistic missiles;

(5) an authorization of only two new types of SLBMs;

(6) a prohibition on the flight-testing or deployment of any new type of SLBM with more than 10 reentry vehicles or of any SLBM flight-tested before May 1, 1979, with more than 14 reentry vehicles; and

(7) an effective definition of new types of ICBMs and of new types of SLBMs, which definition should be in terms of the qualitative improvements in the propulsion systems of such missiles and should prohibit a new-type missile from being built inside an old missile by using new components.

SEC. 5. It is further the sense of the Senate that in the renegotiated Treaty the President should include a protocol which would terminate before the date of termination of such Treaty and which should—

(1) limit ground-launched cruise missiles and submarine-launched cruise missiles to a range of 2,500 kilometers and permit their immediate deployment;

(2) contain no prohibition on the deployment of ICBMs in a multiple protective structure or other survivable mode if the number of ICBMs actually deployed can be adequately verified through cooperative measures;

(3) limit to 300 launchers intermediate range ballistic missiles capable of being rapidly converted to ICBMs, stipulating that, if any such intermediate range ballistic missiles are discovered with a third additional stage deployed all such missiles will henceforth be counted as ICBMs;

(4) not prohibit or restrict the transfer of technology or hardware to allies of the United States or the Soviet Union, except that transfers will be based on the legitimate defense needs of such allies, defined by the degree of restraint, if any, regarding a military build-up demonstrated by the other Party; and

(5) prohibit extension or modification of any provision of the protocol without Senate approval or without consideration of the effect of such extension or modification on the overall strategic and theater balances.

SEC. 6. It is further the sense of the Senate that under the renegotiated Treaty and Protocol—

(1) each Party should be permitted three intelligence collection sites on the territory of the other Party in order to monitor missile testing;

(2) no telemetry encryption should be permitted;

(3) activities which are considered as impeding verification should be specified;

(4) cooperative verification procedures should be defined, and scheduled on-site inspections and a specific number of on-site inspections without advance notice should be permitted, including provisions for the inspection and counting of warheads of all deployed and previously tested missiles; and

(5) the Parties should establish a data base which provides specific information regarding their strategic offensive arms, including detailed data on the dimensions, throw-weight, launch-weight, and number of warheads on all deployed and tested SNDVs.

SEC. 7. It is further the sense of the Senate that the provisions of clauses (5) and (6) of section 3, clauses (1), (2) and (4) of section 5, and clause (2) of section 6 represent minimum essential provisions.

SEC. 8. It is further the sense of the Senate that the President, in negotiating the SALT III agreement after concluding a renegotiated SALT II agreement, should adhere to the following guidelines:

(1) equal aggregate limitations should be agreed to for SNDVs for throw-weight, megatonnage, and warheads;

(2) medium and heavy ICBMs should be prohibited and warheads of more than 1.5 megatons for any missile equipped with a single reentry vehicle and of more than .5 megatons for any MIRVed missile should be banned;

(3) attempts should be made to ameliorate the vulnerability of the SLBM forces of both Parties by prohibiting attack submarines of either Party from entering waters near the coast of the other Party, and prohibiting ocean-based surveillance systems in such waters;

(4) defining and classifying theater and strategic nuclear forces in such a way as to place controls on all nuclear forces;

(5) additional verification measures should be formulated in order to build the confidence of the Parties in the effectiveness of arms control measures; and

(6) both Parties should consider some changes in the limitations on strategic defensive forces to permit more than one antiballistic missile (ABM) system deployment area having a radius of at least one hundred fifty kilometers and containing ICBM launchers, including multiple protective structures for ICBM launchers, and to create limitations on defenses against bombers and cruise missiles

SEC. 9. As used in this resolution—

(1) the term "cruise missiles" means unmanned self-propelled, guided, weapon-delivery vehicles which sustain flight through use of aerodynamic lift over most of their flight path; and

(2) the term "strategic nuclear delivery vehicles" means ICBM launchers, SLBM launchers, heavy bombers, and air-to-surface ballistic missiles (ASBMs), but not heavy bombers equipped only for ASBMs.

SEC. 10. The Secretary of the Senate shall transmit copies of this resolution to the President of the United States and the Secretary of Defense.

● Mr. GARN. Mr. President, I have today submitted a resolution providing for the renegotiation of the treaty on Strategic Arms Limitations, and expressing the sense of the Senate with regard to specific issues to be taken up in the renegotiation process.

I take this action today, notwithstanding the fact that the committee hearings on the SALT II Treaty are still underway. Naturally, I would not expect to press for action on this resolution until those hearings are completed, and the form of the treaty as recommended to the Senate, is established. My immediate purpose in proposing this resolution, as I suggested on June 26, when I announced my intention to submit it, is to demonstrate that there are indeed alternatives to the provisions of the treaty submitted by the President; alternatives which I believe, more clearly reflect the present strategic balance; alternatives which, I also believe, more directly address the question of true arms reductions.

I believe that my colleagues can examine these alternatives and readily see that the SALT Treaty, as negotiated, is sufficiently flawed to demand a thorough and complete reassessment.

Virtually every aspect of this resolution calls attention to the serious imbalance—both real and potential—between the strategic arms of the United States and the Soviet Union. That imbalance, which, if allowed to continue its present trend, will give the Soviet Union a politically meaningful nuclear superiority in the early-to-mid 1980's, is not addressed in the treaty, as it is presently written.

In recent days, during the hearings on SALT II, several Senators and witnesses have called attention to the dangerous strategic situation. I share the views expressed by the distinguished Senator from Georgia (Mr. NUNN) and by the Joint Chiefs of Staff, General Alexander Haig, Dr. Henry Kissinger, and others, that the issue of the strategic balance must also be addressed, with or without SALT. I believe, however, that the terms of this treaty are inequitable and unverifiable, and thus make it essential that not only our strategic forces be improved and enhanced, but that the treaty be amended or renegotiated.

It is a simple fact, Mr. President, that the United States will be forced to make substantial expenditures on strategic arms in order to insure the security of

this Nation. As Dr. Kissinger said in his testimony before the Foreign Relations Committee on Tuesday of this week:

> If we want equality we must build to equality. We must reverse the strategic trends if we are serious about an equitable SALT treaty. Nothing in the Vienna Treaty diminishes the need for a substantial military build-up by the United States. In fact, the situation which SALT reflects make such a build-up imperative.

None of us, Mr. President, wants a costly arms race. That is not what Dr. Kissinger is proposing. But if this treaty, as proposed is ratified, our Nation's security will require the expenditure of billions of dollars to offset the advantages granted to the Soviet Union by its terms. The alternative terms for a SALT Treaty, as outlined in my resolution, would reduce that burden. These terms would not eliminate the need for real defense program growth to improve our defenses, for the policies and decisions of the past 15 years have left us in a dangerously weakened position. What I propose is a compromise; a middle ground between unrestrained growth and unilateral disarmament.

An important fact which has arisen from the hearings, is that the SALT debate is far more than a debate over mere numbers and limitations on weapons systems. It is perhaps the most important, and far-reaching foreign policy debate of this decade, and possibly beyond. Far more is involved than limits, sublimits, and the esoteric jargon of strategic weapons systems. Consequently, we must construct a philosophical and policy framework prior to addressing a defense program or an arms control approach. Without it our efforts will be disjointed and misdirected.

The framework in which I believe SALT II must be considered, and in which, consequently, this proposed alternative is offered, is a most important first step. Therefore, Mr. President, I would like to repeat the statement I made on June 26, describing that framework before turning to the resolution itself.

Mr. President, I ask unanimous consent that the framework for SALT II, the Senate resolution, and the section-by-section analysis of key provisions be printed in the RECORD.

The material follows:

THE FRAMEWORK FOR SALT II

Changes in the world balance of power since the beginning of the strategic arms limitations process in 1969 make this treaty, at this time, the most decisive single statement of the comparative positions of the world's two superpowers. It will determine the make-up of the strategic military forces which each will have available to preserve its place in the world community and to use, in addition to its political and economic capabilities, to pursue national and international goals and objectives.

AMERICA'S GOALS

It is necessary, therefore, to begin the debate on SALT II, both in the Senate and throughout the country, by posing the question of what are America's goals in a changing world. We cannot hope to fairly consider and decide the many questions raised by SALT II if we do not first know where we want the United States to be when we are through. We need to find answers for questions such as: What kind of a country is the United States of America? What are the values and ideals which motivate us as a nation? What is our responsibility to the free world? If it is to provide leadership and stability, are we prepared to look beyond our own needs and assume that role? If so, what form should that leadership take? If not, who will we expect to assume that responsibility?

Not only do we need to answer these questions and others about ourselves, but an accurate understanding of the world situation is essential. We cannot simply hope—or assume—that all nations of the world share our ideals and convictions. We must accept the fact that the world may not be as we would like it. Other nations have goals and ideals that conflict with our own, and whatever course of action we take as a nation must recognize those conflicts.

While this seems very basic and elementary, I am convinced that we have assumed too much about the world. We have been so preoccupied with our own problems and domestic concerns that we have not really kept an eye on the rest of the world. Our failure in Vietnam seems to have convinced many that the very existence of U.S. military power is dishonorable, much less its actual use in an area of conflict not within our own borders. Watergate seems to have fostered a sense of shame or lack of confidence in the virtues of the American political system. We have been afraid to unfurl the flag for fear someone will point out that it is a little frayed or soiled. It is disheartening to look back at the past several years and witness what can only be described as America's retreat from the world. Fortunately, as I travel around this great country of ours, I sense a change in that attitude. I hear Americans asking to be proud again and to be respected again for the good things we can offer and for the heritage and ideals we have as a nation. I firmly believe that the people of this country are ready to take a hard look at themselves as a society, and decide anew what to do about the role of world leadership that fell to the United States after the disorder and destruction of the Second World War. The timing is right for that kind of re-evaluation, and the debate of SALT II provides—I think it even requires—an opportunity to build a consensus in this country about what its role should be and how it should be carried out.

THE U.S. ROLE IN THE WORLD

Like any country, the United States has at least four fundamental objectives: national survival, safety, well-being and ideological and spiritual enhancement. The efforts of nations are generally directed at meeting all four of these goals, but the changing world environment alters their order of importance from time to time.

Other nations have more ambitious goals—the expansion of their power and influence or the creation of an empire or sphere of influence. When faced with such an adversary, democratic societies are faced with some hard choices—choices which in recent years we have been increasingly reluctant to make.

The end of World War II left the United States in possession of overwhelming military and economic power. If we had so desired, we could have literally conquered the world. No one could have stopped us. But what did we do? We reduced our military power, demobilized our millions of troops, mothballed most of our ships and planes, and returned to a peacetime economy and began to provide vast sums to rebuild the shattered economies of friend and foe alike. Even with our reduced strength, we were still the most secure nation in the world; our national survival virtually was guaranteed. Quite naturally, we turned our attention to improving our well-being, and we demonstrated our ideological and spiritual values by helping to rebuild a war-torn world, and by coming to the aid of countries seeking freedom and independence, such as Korea. The United States became a beacon to the world, not only because of its military strength, but because of the inherent values of its society and the emphasis on them.

America was to be befriended and emulated. Such a place in the world, however, cannot be taken for granted, as America's people and its leadership seem to have done. It has to be earned daily to be continually justified.

I am one who believes the United States cannot escape the responsibility to lead the world in the search for freedom, self-determination, and lasting peace. There is no question that we have the resources. We must also have the will. As I have already said, I believe that the people of this country have that will, but in our democratic society, it needs to be expressed by the elected leadership. That is what I expect and hope that the Senate will do in this debate on SALT II. We must determine what the will of the people is, and then express it through our collective action as we consider the treaty. To the extent that we do this, the Senate will make a statement to the world about the course America will take. The world and its leaders are watching very carefully. They wait to see not only the outcome of this great debate, but what the nature of the debate itself will reveal about the forces at work in our society today. They certainly have every reason to be confused about the internal dynamics of our nation in view of the vagueness, indecisiveness and contradictions in U.S. foreign policy in recent years. What they see during this debate will determine their view of America's role in the world. Regardless of what we in the Senate, or the people of the United States, believe our role to be, what matters most is how it is perceived by others. If they perceive we are weak, then we will be weak. If they perceive we are strong, then we will be strong. If they perceive we are irrelevant, we will be increasingly irrelevant. Miscalculations in any direction could lead to war.

There are, then, two important reasons the debate on SALT II is so vital to America's future: First, the ultimate outcome will impact our ability to live and prosper in the world. And second, the way we reach that outcome will tell the world what we believe about ourselves, and what we are prepared to do to preserve and share the values and ideals we hold as a nation.

Against this backdrop, I believe the SALT debate must confirm that the United States is prepared to be the leader of the free world. We must demonstrate a firm resolve to develop and maintain the necessary economic, political and military strength to fulfill that role, and that we will not be afraid to use that strength to support our allies and friends in their efforts to choose their own course toward freedom.

We must allow that our society has problems, but not allow a preoccupation with them to deter us from our global responsibilities. Nor should we apologize for the strength that the United States has achieved through its free and pluralistic society.

We must make it clear that we recognize the condition of the world we all live in, that there are competing interests and ideologies which may be impossible to reconcile. The world must know that our experience with detente has convinced us that the Soviet Union is still our ideological enemy and potential military adversary.

In short, the SALT debate should affirm that we have placed the national security of the United States and its allies at the head of our fundamental national objectives. We know there is no such thing as absolute security in today's world. But we have a system of government and a society worth defending, and we can and will develop the means to deter an attack upon them. Not only will we develop and improve our own military capability, we will continue to rely on the strength of our alliances. Where we can identify areas of mutual self-interest with our adversaries, we will seek to establish agreements and understanding with them. Those agreements will be negotiated by the United States and her allies from a position of strength. They must not be based on weakness or fear of the consequences of failure to reach an agreement. Our obligation to ourselves and to the world is too great for that. If we find ourselves adopting this SALT II treaty, or any other agreement, on the basis of fear, then I am afraid that we are already dangerously close to having failed the test of world leadership.

NEW DIRECTIONS FOR U.S. NATIONAL SECURITY STRATEGY

What does all of this mean, more specifically, for United States national security strategy? And what, then, does that strategy mean for SALT II?

The national security strategy of the United States must first recognize the military strength of our major adversary, the Soviet Union. Since the time of the Cuban missile crisis, the Soviet Union has been engaged in the most massive arms build-up in the history of the world. It has gone, with the help of SALT I and U.S. unilateral restraint, from a position of inferiority with the United States to a position today where its military strength is more than equal to our own. The numerical strength of its conventional forces in the Warsaw Pact countries is vastly superior to that of the NATO alliance. The impressive technological improvements in Soviet strategic forces have been coupled with a counterforce targeting and damage-limiting doctrine which poses a real and direct threat to our own strategic forces. The near-term vulnerability of our ICBM force is acknowledged by virtually every responsible analyst. The Soviet Union has rejected the concept of Mutual Assured Destruction and its basic assumption that nuclear war is unthinkable. The Soviets believe it is possible to not only fight and survive a nuclear war, but to win it, and they have designed their military forces and civil defense program accordingly.

Our response to this growing Soviet strength must be based on these realities, not on the idealistic hopes of the SALT process which, so far, has provided little reason for confidence. With or without SALT, our national security policy must be modified along the following lines: We must change our strategic targeting—aiming most of our own weapons at Soviet military targets, instead of at cities; reduce the vulnerability of our ICBM force; develop the technology which will allow us to build defenses against in-coming missiles, both for our own civilian population and our weapons; modernize our bomber force; ensure the survival of effective command, control, communications and intelligence systems under attack; modernize our capacity to conduct limited theater nuclear operations: improve our conventional forces with modest increases in Army and Marine division strength; improve our ability to project our conventional forces by expanding our tactical air and military transport forces; expand military consultation with, and consider increasing military assistance to, our allies and pro-Western governments and parties in deterring Soviet proxies, such as Cuban forces in Africa, by providing them with funds, arms, training and intelligence. We must have a vigorous program and ready forces in all areas of our defense posture. The fabric of our military cloak must be a seamless web of capabilities. As Mr. Michael Howard, of Oxford University, said in a recent article in Foreign *Affairs:*

> "The maintenance of adequate armed forces in peacetime, and the will to deploy and support them operationally in war, is in fact a symbol of that social unity and political resolve which is as essential an element in nuclear deterrence as any invulnerable second-strike capability."

We can no longer afford to be passive in the world. Our allies and friends need to know that they can rely on the United States for assistance. The Soviet Union must know that we will not stand idly by while it attempts to create a new, world-wide Russian Empire. Winston Churchill said it very well on a visit to the U.S. in 1946:

> "From what I have seen of our Russian friends and allies during the war, I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for weakness, especially military weakness. For that reason, the old doctrine of balance of power is unsound. We cannot afford, if we can help it, to work on narrow margins, offering temptations to a trial of strength."

Mr. Churchill went on to say, in essence, that peace could be maintained in the world only if the democracies remained united and strong. The policies I have mentioned would make it possible for the United States and her allies to preserve and protect international peace, through strength.

ESSENTIAL CONDITIONS FOR SALT II

What can we say, then, about SALT II in the context of a new, more active, although not provocative, U.S. national security strategy? I believe such a strategy suggests five basic criteria for acceptance and ratification of a new SALT treaty:

First, the treaty must meet the criteria of equality, stability and verifiability, and it must arrest the growth of Soviet strategic forces.

Second, we and our allies must be prepared to modernize and improve theater nuclear forces or agree to equitable arms limitations in this area with the Soviet Union and her allies;

Third, we and our allies must be willing to modernize and expand our conventional forces so as to pose an effective conventional deterrent;

Fourth, we and our allies must be prepared to resist the destabilization of third world nations by Soviet power and proxy forces;

Fifth, we must rebuild our vital intelligence organizations and restore their effectiveness.

If these conditions cannot be met, then SALT II should not be ratified. Instead, we should then seek to restore and maintain strategic nuclear "parity-plus" with the Soviet Union and declare our intent to use whatever means to protect ourselves and our allies.

SALT AND U.S. SECURITY

The SALT process can be of greater value to the United States. It should be able to enhance our security in the following ways:

(1) By establishing equal limits on the quantity of nuclear arms—not just the number of launchers—which may be held by the U.S. and the Soviet Union, and in so doing, end the expansion of Soviet strategic forces.

(2) By reducing arms, it will lower the chances of accidental war.

(3) By allowing us to build and develop weapons and forces which may be necessary to deter a potential attack or the use of nuclear coercion against us or our allies, it will support our alliance structure and discourage the proliferation of nuclear weapons;

(4) By prohibiting or markedly slowing the deployment of weapons systems that would destabilize the strategic balance by giving one side a "first strike" or war-winning capability over the other, it will maintain crisis stability. At the same time, no SALT treaty should restrict our options to meet the threat more than it reduces the growth of that threat.

As difficult as these objectives may be to achieve, we must not weaken our commitment to them. We must remember that the security of the United States is the only reason to participate in the SALT process in the first place. It is not to seek an agreement simply for the sake of having an agreement.

A flawed SALT treaty which would give the Soviet Union low-cost, "politically meaningful" nuclear superiority would be worse than no treaty at all. It would be the foundation for a continuing policy of global expansion by the Soviet Union, and allow it to divert military resources to the build-up of other forces while extending its nuclear umbrella over Western Europe, the Middle East, Africa and the Far East.

The treaty that has been signed by the President is such a flawed treaty. It is not equitable. It allows the Soviet Union to have types and sizes of missiles that the United States is not allowed. It is not adequately verifiable, and it only masquerades as arms control. It does not effectively limit the spread of nuclear weapons.

To accept this treaty, as proposed, would be to turn away from our obligation as a world power to preserve international peace. A treaty which would effectively give the Soviet Union a war-winning nuclear capability by the mid-1980's is an even greater threat to peace than an uncontrolled arms race. At least in a race, the outcome is in doubt. I believe that we do not have to choose between either nuclear inferiority or an expensive arms race. We have a third option.

That option is to return to the bargaining table with a renewed commitment to insist on a fair and equitable treaty. Throughout the SALT negotiating process, the Soviet Union has taken firm, immovable positions on every issue critical to its national interests. The United States, in the spirit of accommodation and "compromise," has accepted the Soviets' position on every major issue. Compromise is one thing, but surrender is another. I believe we can reach compromises with the Soviet Union at the negotiating table, but we cannot do it without first drawing the line beyond which we are unwilling to move; beyond which we will not sacrifice our own national interest. Such a demonstration of our steadfast commitment to our own interests is in itself an important deterrent to war.

SECTION-BY-SECTION ANALYSIS OF KEY PROVISIONS

Section 2. Negotiating Principles.

Paragraph 1 expresses the Sense of the Senate that the President should resume negotiations to achieve a treaty that more adequately protects the interests of the United States.

Paragraph 2 proposes bilateral restraint on any buildup of strategic nuclear forces beyond the limitations established by SALT I and the Vladivostok Accords during the period of renegotiation. U.S. restraint would be conditional upon Soviet restraint.

Paragraph 3 calls for true equity in the agreement regarding launcher total throw-weight, total megatonnage, total numbers of warheads and numbers of warheads with respect to certain types and sizes of missiles. It also suggests that each party retain the right to develop, test, and deploy weapons necessary for the maintenance of a second strike capability.

Paragraph 4 calls for the involvement of NATO allies in any discussions relating to theater nuclear forces.

Section 3. Numerical Limits.

Paragraph 1 would initially limit both sides to 2400 strategic nuclear delivery vehicles (SNDVs). SNDVs include intercontinental ballistic missiles (ICBMs) launch-

ers, submarine launched ballistic missiles (SLBMs) launchers, heavy bombers, and air-to-surface ballistic missiles (ASBMs). Each side would be required to reduce their total number of SNDVs to 2,000 by 31 December 1981 and to 1,600 by 31 December 1983. There would be "freedom to mix" various systems under the totals. Reductions of this degree would represent real progress in arms control while not endangering the security of either side.

Paragraph 2 places a sublimit of 1320 on multiple independently-targetable reentry vehicles (MIRV) SNDVs. Reductions to 1220 and 1120 are required by the end of 1981 and 1983 respectively. Presently, ICBMs and SLBMs are MIRVed. Heavy bombers (or cruise missile carriers) with cruise missiles having a 600 kilometer range or greater will count as MIRVed SNDVs. ASBMs with MIRVs will count as MIRVed SNDVs, but the aircraft launch platform will not count as an SNDV. This will reduce by several thousand the vast buildup in warheads now projected for both sides.

Paragraph 3 limits MIRVed ballistic missiles to 1200 with two reductions of 150, one at the end of 1981 and at the end of 1983. Heavy bombers with cruise missiles do not count in this sublimit. This provision tends to encourage a force posture that includes 120 heavy bombers with long range cruise missiles. Such a force component is useful in times of crisis in the sense that it can be alerted or sent to express grave concern, and it does not represent a rapidly deliverable First Strike potential.

Paragraph 4 limits MIRVed ICBMs to 820 with reductions to 720 in 1981 and then 620 in 1983. The effect of this sublimit is to encourage force diversification, particularly as each sides' ICBMs become vulnerable to an attack by the other side. Also, since ICBMs can have more throw weight than SLBMs, it slows the growth in total megatonnage and warheads on both sides.

Paragraph 5 allows both sides to have 308 "heavy" (up to 17,000 pounds throw weight) ICBMs and 300 "medium" (up to 8000 pounds throw weight) ICBMs with reductions to 250 heavy ICBMs and 250 medium ICBMs by end 1981 and to 200 heavy ICBMs and 200 medium ICBMs by end 1983. The limits would provide for equality which does not exist under the current SALT II Treaty. Moreover, the provision to count heavy ICBMs as two SNDVs will provide an incentive to destroy the heavy missiles which can carry so much megatonnage and so many warheads.

Paragraph 6 provides for equity by counting the Backfire as ¾ SNDV and the FB–111 as ½ SNDV. A provision of this sort represents the real world facts about the capabilities and operational plans for these aircraft. Also, because these aircraft are included, the total number of other allowed systems will be reduced.

Paragraphs 7 and 8 mean that the number of cruise missile on aircraft will not exceed the product of 40 and the number of such aircraft and, for every 40 deployed ALCMs (air launched cruise missiles) each side must count one MIRVed SNDV. This limit is higher than the 28 limit in the SALT II Treaty. The 28 figure unfairly limits the U.S. capability to deploy in the near term ALCMs on wide-body jets, configured as cruise missile carriers (CMC). This compensates in some small way for the massive Soviet air defenses.

Paragraph 9 would require the destruction of excess and retired missiles. This would alleviate the concerns both sides might have about the other trying to stockpile missiles for movement to concealed soft launch sites or for use as silo refire missiles.

Paragraph 10 is directed at prohibiting the production of new missiles/bombers far above deployment limits. Together with Section 8, this provision should control the temptation to let production lines continue to run for the production of "launch training" missiles. A limitation of 10 percent above deployed levels should provide for plenty of test and training launch missiles or aircraft attrition replacements over the life of the Treaty.

Paragraph 11 would allow the construction of a multiple protective structure basing mode for ICBMs. This may be absolutely essential if we are to ensure the invulnerability for our ICBMs.

Section 4. Qualitative Limitations.

Paragraph 1 states that throw weight limitations should be defined as a composite range-payload measure. The throw weight limits in the SALT II accord are not specifically defined. The lack of any such definition allows the replacement of current missiles with improved versions with substantially higher range-payload capabilities. The lack of any linkage of payload to range facilitates cheating and makes the detection of cheating more difficult. It also creates an important potential breakout threat, because it is legitimate to build missiles that have much more potential capability than they are allowed to demonstrate under the agreement.

Paragraph 2 calls for specific throw weight limits (to 5,000 nmi) of 3,000 pounds for "light" ICBMs, 8,000 pounds for "medium" ICBMs and 17,000 pounds for "heavy" ICBMs. A throw weight limit of 4,500 pounds to 5,000 nautical miles for SLBMs should be established. This modification in the SALT II Treaty specifically defines throw weight for various types of missiles, eliminating the major degree of ambiguity in SALT II (the limiting of the throw weight of "light" missiles to that of the SS–19 and "heavy" missiles to that of the SS–18 without specifying what this is). This modification of the Treaty also makes it much more enforcible, and by establishing the new category of "medium" missile and limiting the number of such weapons allowed, reduces the potential threat level to both nations. The limit on SLBM range-payload capability has the same effect. Under the current Treaty, every Soviet ICBM and SLBM can be upgraded to the throw weight of the SS–19 allowing an enormous increase in the Soviet capabilities to damage the U.S. The proposed modifications significantly reduce the growth of that threat.

Paragraphs 3 and 4 provide for effective range-payload limits on IRBMs. The upper limit should be 2,000 pounds to 3,100 nm (and lower limit of 500 pounds to 1,000 nm). Capabilities above this place the missile in the ICBM category. The lack of an effective range-payload definition for an IRBM is a major loophole in SALT II. The Soviets are currently deploying the SS–20 missile, a two stage derivative of the SS–16 ICBM, that is as large as the U.S. Minuteman III ICBM and can be upgraded to an ICBM in several ways. The current SALT Treaty does not preclude the Soviet deployment of even more threatening missiles as IRBMs in the future. The proposed IRBM definition very substantially reduces the potential IRBM upgrade threat to the U.S.

Paragraph 5 would limit each side to only two new types of SLBMs. This provision limits the unrestricted development of SLBM weapons allowed under the proposed SALT II Treaty. The proposed modification to the Treaty will reduce the growth of the Soviet threat to the U.S. and reduce the possibility of deploying SLBMs as clandestine land-based missiles.

Paragraph 6 limits future SLBMs to only 10 warheads (existing SLBMs could carry 14). There is no reason to establish a limit of 14 warheads on new SLBMs as the SALT II Treaty currently does. This combined with the very high throw weight limits provided for under the Treaty allows an enormous expansion of Soviet capabilities against the United States. The proposed reduction in the number of warheads allowed combined with the proposed limits on SLBM throw weight will reduce the threat and probably prevent the development of U.S. and Soviet SLBMs capable of destroying large numbers of very hard targets. A limit of 10 RVs on future SLBMs would also eliminate the risk that the Soviets could develop an SLBM with 14 warheads (more than is allowed by the Treaty for land-based ICBMs or air mobile ICBMs) and deploy it in a land or aircraft based mode.

Paragraph 7 redefines "new-type of ICBM." The definition must be formulated specifically with respect to qualitative improvements in the missile propulsion technology. As it is, the restrictions do not prohibit building a new-type of missile "inside an old one," using new components. The present Carter Treaty puts an almost insignificant limit on the introduction of new ICBMs. It is the technology of the missile, not small differences in the size, that primarily determines its effectiveness. Very substantial improvements can be made in Soviet ICBMs without changing their size a single inch. For example, an improved ICBM could have new engines, a higher energy fuel, a new structure, a new MIRV bus, and new warheads and still not be a "new" missile under SALT II. The proposed redefinition would put an end to this loophole. As the Treaty now stands, the "new" missiles provision would allow the U.S. to introduce one new missile and allow the Soviets to introduce five new-types Moreover, the "new" missile provision in the Carter Treaty will allow the Soviets to introduce a fifth generation of missiles in the early 1980s and a sixth generation in the middle to late 1980s. It also facilitates cheating on the allowable throw weight by permitting major improvements in the propulsion system of "old" missiles.

Section 5. Protocol Issues.

Paragraph 1 would set range limits on ground launched cruise missiles (GLCMs) and sea launched cruise missiles (SLCMs) of 2500 kilometers instead of the 600 kilometers set as a limit by the SALT II Treaty. This change is necessary if U.S. cruise missiles are to overcome the disadvantages of Eurasian geography and be able to reach targets in the Soviet Union from Western Europe or contiguous seas. The Soviet Union's SLCMs could be used in a strategic role against the U.S. even though they only have a 600 kilometer range, because many of our major cities lie near the U.S. coastline. Immediate deployment should be allowed under the protocol, because the Soviets already have SLCM carrying submarines which can approach our coasts so as to give these SLCMs strategic target attack capability.

Paragraph 2 is most important in that it eliminates the precedent that the protocol would create which prohibits a multiple protective structures basing mode for ICBMs. It also would allow the deployment of ICBMs in other survivable basing modes. Verification would be a controlling factor, and each side could not refuse on-site inspection of any such system if that were the only means to ensure thorough verification.

Paragraph 3 is aimed at closing a loophole brought on by the dangerous behavior of the Soviet Union in which the Soviets have fielded a large mobile IRBM (SS–20) that can be rapidly converted to a mobile ICBM by the addition of a third boost state. The proposed counting rule of this provision, which would count all SS–20s as SS–16s if one SS–20 is discovered configured as an SS–16 or if one SS–20 unit is discovered with the third stage deployed with the unit, is an incentive not to cheat. The limit of 300 launchers is an incentive for

both sides not to develop additional systems of this sort.

Paragraph 4 would delete the non-circumvention part of the protocol. The Soviet Union hopes to undermine the confidence of our allies and stunt the growth of their military capabilities by prohibiting the transfer of essential technology and hardware from the U.S. to our allies. On the one hand our lead in technology is "ballyhooed" as the offsetting strength to Soviet and Warsaw Pact quantity, and then our comparative advantage is traded away in the protocol.

Paragraph 5 clarifies the Senate's resolve that protocol provisions cannot be extended or modified except as part of the treaty process. It further ensures that any proposed extension of the protocol must take into consideration the overall military balance. This would include an assessment of the role of those systems covered by the protocol and should ensure that any extension or modification will not disrupt the planned development of systems covered by the protocol.

Section 6. Verification.

Paragraph 1 would allow 3 intelligence collection sites on the territory of the other side to monitor missile testing. The qualitative limits on missiles are the most important element and the least verifiable provisions of the SALT II treaty. Cheating in the area of missile throw weight and number of warheads per missile can add thousands of additional warheads to the Soviet stockpile. Qualitative cheating also increases the incentive for quantitative cheating since the clandestinely deployed missiles would be more destructive. Since the loss of the Iranian collection sites, an enormous margin of uncertainty exists concerning the vital qualitative limits of SALT II. The capabilities of this type of collection site would do much to reduce this uncertainty.

Paragraph 2 states that telemetry is vital to the verification of the qualitative aspects of the agreement. Photography or other sources of intelligence are inadequate substitutes. The legitimization of encryption in SALT II allows the Soviets to hide essential design features of their missile systems. No one should seriously believe that the Soviets will abide by U.S. interpretations of what can and cannot be encrypted anymore than they abided by U.S. interpretations of SALT I. Any encryption of telemetry opens the possibility that false or misleading information is being broadcast and the real data is being sent out over encrypted channels.

Paragraph 3 would provide for a specific list of activities which impede verification. The lack of any enumeration of prohibited activities substantially reduces the effectiveness of the provision of SALT II banning deliberate concealment that impedes verification. The word "impede," is not often interpreted by the U.S. government to mean "prevent," thus legitimizing an enormous number of Soviet concealment activities that are "supposedly ineffective" in preventing verification. The Soviet Union appears to have a nationwide concealment and deception program underway at this time, and it is becoming increasingly effective. This provision of the agreement can only be enforced if there is a specific delineation of what can and cannot be done in the concealment area.

Paragraph 4 calls for cooperative verification procedures. It suggests that they include scheduled on-site inspection, and a specific number of "no-notice" on-site inspections should be allowed. The procedures would include a provision allowing for inspection and counting of warheads on a "MIRV bus." The U.S. record in the enforcement of SALT I has been a consistent record of retreat, with lack of data on what the Soviets were doing often used to justify the non-enforcement of Treaty provisions. The increased importance of the qualitative limits of SALT II combined with the dubious nature of their verifiability—i.e., the number of warheads actually deployed on Soviet missiles—demands some provision for on-site inspection. The Soviet SS–18 ICBM force clearly has the potential for the deployment of 40 percent more warheads than is allowed under the Treaty (14 vice 10 warheads)—some 1,200 additional weapons. Only the inspection of these MIRV buses will allow certainty in this area.

Paragraph 5 describes the specific information that should be included in the data base exchange. The data base exchange must provide for such specific information as detailed data on the dimensions, throw weight, launch weight, and number of warheads of all deployed and previously tested missiles. The data exchange provisions of SALT II are almost meaningless. They involve only the most basic type of information concerning the number of launchers operations and number of warheads tested. Information required for the enforcement of the qualitative provision of SALT II is not provided. The provision of this type of information would do much to improve the capability of U.S. intelligence collectors to monitor the terms of SALT II.

Section 7. Minimum Essential Provisions.

This section states that the six provisions listed (heavy missile equity, Backfire limitation, GLCM/SLCM range increase, allowance for MPS basing mode, allowance for technology transfer to allies, prohibition on telemetry encryption) are considered to be minimum essential provisions for any new treaty.

Section 8. Guidelines for Negotiation of SALT III.

Paragraph 1 proposes that each side agree to equal aggregate limits on throw weight, megatonnage, and warheads, as well as SNDVs. The number of SNDVs would be reduced modestly, while the limits on throw weight, megatonnage, and warheads should represent substantial reductions from the deployed forces. Restrictions such as these would constrain the exploitation of loopholes, build confidence in the SALT relationship, and reduce the destructive power of both sides' forces.

Paragraph 2 would reduce in the medium term, a first strike capability against ICBMs, particularly the MX, by prohibiting "heavy" ICBMs (such as the SS–18) which can carry a large number of powerful (one megaton) and accurate warheads. Also, the limit on single warhead megatonnage of 1.5 megatons and on megatonnage for MIRVed warheads to .5 megatons would also contribute to the reduction of first strike capabilities.

Paragraph 3 attempts to preserve the survivability of the SLBM forces of both sides, this being singularly important as ICBMs are growing even more vulnerable to attack. This probably cannot be done forever, but providing large "safe haven" areas from which hostile attack submarines and ocean based surveillance systems are banned would be most efficacious in this regard.

Paragraph 4 is concerned with ensuring that gray area systems negotiations and SALT III negotiations are structured in such a way that neither side can develop and deploy systems that are not caught in the arms control "dragnet." Both sides would agree that new nuclear delivery systems could not be deployed without falling into a controlled category.

Paragraph 5 recommends diligent efforts in the formulation of additional verification and confidence building measures. The use of technical and human means should be explored. "No-notice or challenge" on-site inspection seems to hold great promise. Perhaps, four man inspection teams (a team consisting of two U.S. and two U.S.S.R. colonels) could be formed and placed on call, one in each country. Upon receipt of a challenge inspection request, and each side would have 20 or so challenges available to it each year, the teams would have to be on-site within 12 hours. This should make cheating a high risk option.

Paragraph 6 asks that both sides consider some changes in the limits on strategic defensive forces. This would include allowing ABM complexes around more than one MPS ICBM site and creating some limits on defenses against air-breathing threats (bombers and cruise missiles).

Section 9. Definitions.

This section defines the term "cruise missile" as an unmanned, self-propelled, guided, weapon-delivery vehicle which sustains flight through the use of aerodynamic lift over most of its flight path and the term "strategic nuclear delivery vehicle" means either an ICBM launcher, SLBM lanucher, heavy bomber or air-to-surface ballistic missile (ASBM), but not a heavy bomber equipped only for ASBMs.●

SENATE RESOLUTION 222—SUBMISSION RELATING TO THE NEED TO ACCELERATE EFFORTS TO DEVELOP RENEWABLE RESOURCES AS A SOURCE OF ENERGY

Mr. TALMADGE (for himself, Mr. STEWART, and Mr. LUGAR) submitted the following resolution, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 222

Whereas the effective production and marketing of agricultural commodities in the United States are dependent on an adequate supply of fuel;

Whereas rural communities suffer inordinately from shortages of fuel;

Whereas fossil fuels are becoming less available and more expensive for farmers and rural communities;

Whereas renewable resources produced by farmers have great potential as a source of energy;

Whereas farmers and rural communities should reduce dependence on fossil fuels through increased reliance on energy produced from renewable resources;

Whereas energy produced from renewable resources can meet a substantial part of the energy needs of the people of the United States, helping stabilize energy prices and reducing the flow of dollars out of the United States for imported oil;

Whereas because of the great potential for production of energy from renewable resources and the benefits that will result from such production, efforts should now be made to develop the advanced technology and production facilities necessary for the effective and energy-efficient production of energy from renewable resources;

Whereas Congress has given the Secretary of Agriculture authority that can be used to implement programs to develop advanced technology and production facilities for obtaining energy from renewable resources; and

Whereas it is vital that the Secretary of Agriculture act immediately to exercise this authority in order that effective and efficient use of renewable resources for energy production can begin as soon as feasible: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture act now, under the authority provided under existing law, to implement programs to develop advanced technology and production facilities for obtaining energy from renewable resources produced by United States farmers, including, but not limited to—

(1) a program, using the research resources available to the Department of Agriculture, to develop (a) economical and energy-efficient fuel from agricultural com-

modities and forest products, (b) uses for the byproducts of alcohol production, (c) alternative crop-livestock systems specifically designed to produce both foodstuffs for domestic and export markets and biomass for use in the production of energy, (d) techniques for using energy derived from non-fossil fuel sources in the production and processing of agricultural commodities and forest products, especially techniques that farmers may use, (e) economical ways in which rural communities can use energy derived from non-fossil fuel sources, and (f) uses for wood, particularly hardwood, as an economical and energy efficient material in building construction;

(2) a program, using the extension resources available to the Department of Agriculture, to disseminate (a) energy research results, as they become available, to farmers and others, and (b) information now available on energy-conserving farming techniques (including reduced tillage farming and soil testing to maximize use of fertilizer) and on steps that all persons can take to conserve energy (such as increased reliance on insulation in housing);

(3) the establishment of energy centers throughout the United States demonstrating production of fuel from wood and other biomass material, the use of energy derived from agricultural commodities and forest products for industrial parks and small cities, wood gasification for crop drying, poultry housing, and other agricultural uses, and direct burning of wood in industrial production, such as in the textile industry;

(4) increasing Agricultural Stabilization and Conservation Service and Soil Conservation Service efforts to assist farmers in converting to the reduced tillage farming system and in testing soil prior to application of fertilizer;

(5) a loan program under the Consolidated Farm and Rural Development Act providing operating loans to farmers for on-farm energy production systems or to establish wood-based energy plantations;

(6) a loan program under the Consolidated Farm and Rural Development Act to provide financing to rural communities for the construction, establishment, or operation of energy systems using wood, peat, water power, or other effective nonfossil fuels;

(7) a loan program under the Rural Electrification Act to provide financing for the construction, establishment, or operation of projects for the generation and distribution of electricity produced from energy derived from low-head hydropower;

(8) a research and development program by the Rural Electrification Administration to develop wood and peat as sources of electricity and to improve the efficiency of generation of electricity by hydropower;

(9) a program under the Food Safety and Quality Service to reduce energy consumption in food processing by revising processing standards and providing information to processors on energy efficient processing methods; and

(10) a joint program under the Agricultural Stabilization and Conservation Service, the Forest Service, the Science and Education Administration, and the Soil Conservation Service to develop guidelines to insure that biomass and synthetic fuel production does not irreparably harm United States soil and water resources.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of Agriculture.

● Mr. TALMADGE. Mr. President, yesterday I was happy to join the distinguished Senator from Alabama (Mr. STEWART) and the distinguished Senator from Indiana (Mr. LUGAR) in introducing S. 1613, the Rural Energy Independence Act of 1979.

S. 1613 would establish programs necessary for the rapid development of renewable resources (including wood and wood wastes) as a source of energy production, and to insure that farmers and rural communities have reliable supplies of energy as fossil fuels become less available and more expensive.

There are, however, a number of actions that the Secretary of Agriculture can take under existing law to accelerate efforts to develop renewable resources as a source of energy. These efforts should be taken even before S. 1613 or similar legislation is signed into law.

I am, therefore, introducing a sense of the Senate resolution urging the Secretary to act now, in a number of areas, to implement programs to develop advanced technology and production facilities for obtaining energy from renewable resources produced by U.S. farmers.●

SENATE RESOLUTION 225—SUBMISSION OF A RESOLUTION TO ENCOURAGE MORE EFFECTIVE MARKETING OF AGRICULTURAL COMMODITIES BY FARMERS

Mr. McGOVERN submitted the following resolution, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 225

Whereas, the American farmer has traditionally worked long hours for low profits; and

Whereas, farming is an extremely risky business, subject to variations in weather, insect infestation, and vicissitudes of world markets, and unpredictable other factors over which the farmer has no control; and

Whereas, the farmers' profit margin has been reduced even further by rampant inflation in the cost of farm inputs such as fuel in recent years; and

Whereas, farmers have seen an increase in the number and importance of their marketing decisions in recent years; and

Whereas, the traditional emphasis of the Department of Agriculture, the land grant colleges and the Cooperative Federal-State Extension Service has been on the production of agricultural commodities rather than the marketing commodities; and

Whereas, American farmers should have an opportunity and ability to avail themselves of a favorable market price at the time they make their planting decisions: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture, using all of the agencies within the Department of Agriculture and working closely with the State land grant colleges, the Commodity Futures Trading Commission, and the Cooperative Federal-State Extension Service, devote increased emphasis to teaching farmers how to better market their agricultural commodities.

SEC. 2. The Secretary of Agriculture should emphasize the use of all the marketing tools that are available to farmers, including but not limited to use of futures markets and forward contracting.

SEC. 3. The Secretary of Agriculture, in consultation with the Commodity Futures Trading Commission, should appoint a task force of individuals from the futures industry, the Department of Agriculture, and the State land grant colleges for the purpose of educating farmers as to availability of futures markets and forward contracting as a means of hedging against future risks.

SEC. 4. The Secretary of Agriculture should report to the Senate 120 days after the enactment of this resolution his plans to implement the intent thereof.

SEC. 5. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary of Agriculture and to the chairman of the Commodity Futures Trading Commission.

Mr. McGOVERN. Mr. President, I introduce a resolution with reference to the marketing of farm commodities and the role that futures trading plays in a successful agricultural market.

This resolution would urge the Secretary of Agriculture to establish a task force for the purpose of educating farmers in the use of futures markets and food contracting to decrease the risk of farming.

I have long felt that American farmers are not receiving a proper share of the food dollar. There is no group of farmers in the world that is nearly as efficient as the American farmer. When it comes to the production of wheat, corn, soybeans, and many other commodities, there is no group of farmers that can compare with the American farmer.

Unfortunately, American farmers are not as effective in marketing their commodities as they are in producing them. All too often the Nation's farmers sell their commodities at a low price and then see prices skyrocket at a later date. At other times, they plant their crops when prices are high only to see prices fall drastically at harvest time. They are frustrated and disillusioned because they feel that the profits on their commodities are going to middlemen and speculators.

Many of our larger farmers have in recent years learned how to use the most sophisticated marketing techniques to guarantee a proper return on their products. However, the majority of the Nation's farmers still remain at the mercy of the marketplace.

I believe that it is imperative that the Secretary of Agriculture do a better job in teaching the Nation's farmers to market as well as to produce their products. I would like to see the Nation's farmers have much more expertise in the use of the Nation's futures markets. I would like to see individual farmers and groups of farmers take advantage of the price hedging features of the Nation's futures markets to lock in a profit at the time their planting decisions are made.

Therefore, I am today introducing a sense of the Senate resolution that would urge the Secretary of Agriculture to place increased emphasis on the marketing of agricultural commodities by farmers. He would be urged to teach farmers to use all the marketing tools that are available, including futures markets and forward contracting.

This resolution would urge the Secretary of Agriculture to establish a task force for the purpose of educating farmers in the use of futures markets and forward contracting to decrease the risks of farming.

AMENDMENTS SUBMITTED FOR PRINTING

ENERGY SUPPLY ACT—S. 1308

AMENDMENT NO. 388

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. KENNEDY (for himself, Mr. DURKIN, Mr. JACKSON, Mr. HATFIELD, Mr. TSONGAS, Mr. BUMPERS, Mr. MATSUNAGA, Mr. WALLOP, Mr. BAUCUS, Mr. PERCY, and Mr. MELCHER) submitted an amendment intended to be proposed by them, jointly, to S. 1308, a bill to set forth a national program for the full development of energy supply, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. KENNEDY. Mr. President, today I am introducing, along with Senator DURKIN, and Senators JACKSON, HATFIELD, TSONGAS, BUMPERS, MATSUNAGA, WALLOP, BAUCUS, PERCY, and MELCHER, a major program to reduce oil imports by more than 4 million barrels of oil equivalent per day by 1990. The program concentrates on the positive side of conservation by offering incentives to the private sector to increase the efficiency of our energy use. It has been offered as a printed amendment to S. 1308, the Energy Supply Act currently being considered in the Energy Committee. It is designed to reduce our dangerous dependence on oil imports as quickly, surely, and cost effectively as possible.

The oil saved through this program will cost an average of $11 per barrel while reducing our dependence on imported oil costing $20 per barrel. It will maximize employment, ease inflation, and involve all Americans in a genuine national effort. It relies on technologies that for the most part have been demonstrated and are familiar to energy users, thereby increasing the certainty that our imports can indeed be dramatically reduced in the near future.

The program has three parts:

First, it provides for direct grants to individual homeowners or apartment dwellers who insulate and take other measures to increase the efficiency of the home energy use. The maximum grant would be $750, and would be taxable. It is modeled after the Canadian grant program which began 2 years ago in Nova Scotia and is now being used nationwide. Participation by Canadian citizens in their grant program is currently right on schedule while participation by U.S. citizens in our tax credit program is lagging far behind.

Second, our program provides low-interest loans to commercial property owners and developers for making investments to increase the efficiency of energy use in buildings like restaurants, shopping centers, and offices. The repayment terms of the loans will be made attractive by insuring that the repayment period exceeds the estimated payback of the conservation investment.

Third, our program includes a series of incentives to accelerate investment in increased efficiency measures by industry. We are increasing research and development for industrial processes that show the most potential for significant energy savings. We are providing a loan forgiveness program for engineering grants so that industrial firms will be encouraged to study the cost-effectiveness of altering their systems. Loans would be repaid only if the study established that investing in a more efficient industrial process was cost-effective. And we are providing the incentive of a $15 per barrel rebate for every barrel of oil saved for the first year following an investment to increase industrial process efficiency.

Taken together, these programs will require approximately $58 billion over 10 years in Federal outlays. The Federal cost will be about $34 billion. The program will result in a net savings to the American economy of $230 billion. Clearly this program deserves to play a central role in any national effort to increase our energy independence.

The background material describes the program in more detail. I ask unanimous consent that several articles that have appeared recently regarding the overall potential of energy productivity be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, July 26, 1979]

CONSERVATION IS THE KEY

Is that a Papermate pen in your pocket? It can now be produced for 30 percent less energy than in 1973. Is it a sacrifice to make or use such a pen? No. But somehow the idea of conserving energy has become confused with the idea of sacrifice, penalty, loss, lack of growth. A pocket pen is a tiny example of a message that is being written large in Washington this week. The Congress, the President, and the American people ought to read it carefully. For there are realistic limits on the conventional and new-form fuel production increases over the next decade, even with massive governmental support. Conservation produces more for less—immediately. It must have high priority both to get the United States through the transition period to reduced dependence on imported oil and to make sure that the energy of the future is used wisely and well.

A major disappointment in Mr. Carter's new energy proposals is the scant encouragement ($2 billion) given to conservation in comparison to, say, synthetic fuel ($88 billion). While direct comparison is difficult, his predicted conservation goal (500,000 barrels of oil a day) seems an obvious bargain compared to the synfuel goal of 2½ million barrels for 44 times that $2 billion conservation budget figure.

Now, indeed, the President seems more concerned about conserving the energy of Congress. After trying to make the nation believe it is in a state of crisis, he says it's okay with him if Congress takes August off and gets back to the crisis in the fall.

Fortunately some parts of Congress have not lost interest in developing an effective energy program. They are this week considering the views of a Harvard Business School team some of whose members are testifying on Capitol Hill on their report on a six-year project, "Energy Future," which is officially published today. They take account of all the possibilities for increased production but come back to conservation as "the key energy source."

Congress also has just been offered a legislative proposal on conservation by Senators Kennedy and Durkin. It would offer, among other things, quick and direct payments to people who insulate their homes, somewhat in the manner of a Canadian program that has resulted in substantial savings of fuel, according to a Canadian official involved.

The Harvard and Kennedy-Durkin proposals on conservation follow a growing cry from environmentalists and others to use the earth's resources with care. But sometimes the cry has been dismissed as romanticism or no-growth philosophy. We do feel that there is a moral question here. Waste by the affluent cannot be tolerated in a world haunted by poverty. Thrift, nonmaterialism, voluntary simplicity, as it has been called—these are virtues. Yet there is also a hard-nosed, dollars-and-cents, enlightened-self-interest case to be made for conservation. This is what is being made in Washington now.

Canada's experience with grants is instructive. When the national program began in 1977, the response fell far below forecasts. As fuel prices increased and energy became world topic number one, the response has increased. By the end of last year, some 60,000 grants had been made, and inquiries are coming in at the rate of 1,400 a day. In Nova Scotia and Prince Edward Island, particularly dependent on imported oil, grants were made nontaxable, and virtually all the homes in metropolitan areas are or will be insulated. But people seemed to need the push of higher prices with or without government help.

In the U.S. an added question is—why should there be this kind of government expenditure for certain people and industries, including, say, the insulation industry which is benefited by residential insulation subsidies? The answer depends on how the public feels about any government subsidy for energy purposes. We believe the need is such that taxpayers will have to bear some of the load. If they are to underwrite industries producing fuels, they also ought to underwrite the saving of fuels, with its higher proportionate payoffs. Not only is the owner of the insulated home benefited but so are other Americans who now share in the extra energy released to go around.

Then comes the argument that America's way is to produce its way to the future, not to cut back its way to the future. Here is where the Harvard scholars and others demonstrate that economic growth is not incompatible with efficient use of energy and can indeed be enhanced by it. They cite examples abroad. They cite periods in U.S. history when economic growth at lower expenditures of energy was higher than at times when energy expenditures were higher. There is a flexibility here that can be exploited.

Capital investment is required in many cases. But there is also much that can be done with little of it. For example, Colgate-Palmolive cut energy use by 18 percent over three years by "mostly housekeeping," according to Harvard. Western Electric's Kansas City plant cut by 38 percent in five years with "almost no investment."

Each of us around the house is finding out how much can be cut by better housekeeping. How a little more can be saved with weatherstripping. How another jump can be taken with insulation. As for those gas-hungry cars: It may be a sacrifice to sit in a gas line, but there is really no sacrifice in driving a car that gets good mileage. Keeping Detroit up to mileage standards required over the coming years is another way government can help. It is a common enterprise of the sort President Carter called for even if he has not yet gone to bat for conservation itself as we hope he will.

[From the Journal of Commerce, July 26, 1979]

HARTFORD ANNOUNCES ENERGY SAVING PLAN

HARTFORD.—The Hartford Insurance Group has pledged to Gov. Ella T. Grasso that it will dramatically expand the company's energy conservation program.

The Hartford said its actions will include the installation of solar reflective film on 1,638 windows of the major building in its home office complex, the purchase of 800 compact cars for its countrywide fleet, intro-

duction of van pooling and a variety of other programs to encourage changes in energy usage by employees.

The Hartford, whose home office complex houses about 4,000 staffers in the city's Asylum Hill area, summarized its plans in a report to Gov. Grasso who has requested that the state business community act to reduce energy consumption. The governor visited the company last week to take part in an "energy fair" for employees.

TO CUT FUEL USE 48 PERCENT

DeRoy C. Thomas, the Hartford's chairman and president, said that the more than one dozen new actions, coupled with substantial energy savings already achieved, will result in a net 48 percent decrease in fuel use by his company.

The Hartford has surveyed workers on mass transit needs, including the additional leasing of buses by the company and the introduction of a van pooling program. Nearly 500 employees have expressed an interest in taking part in such new programs and the potential exists for eight to 10 vans being purchased initially, Mr. Thomas said. In addition, the company is helping employees match up with each other to make carpooling easier.

Solar reflective film is now being installed in the Hartford's Tower Building on its Asylum Avenue home office complex. It will cover windows on all but the north side where it is judged unnecessary. The film is expected to reduce the amount of fuel needed to heat and cool the Tower Building by 20 to 25 percent, or 42,000 gallons of oil annually, Mr. Thomas said. The $60,000 project will be completed by early August.

In a major effort to reduce gasoline consumption, all 800 cars added this year to the company fleet will be compact cars and a substantial number of those will be four-cylinder models, Mr. Thomas said. All fleet drivers will be asked to reduce their mileage by 10 percent and each company car will carry a bumper sticker saying "The Hartford's Pushing 55" to promote the 55-mile-per-hour speed limit.

The company is sponsoring four two-day "energy fairs" in the home office. The weekly events will provide employees with extensive information on fuel saving measures related to mass transportation, personal car use and home energy use. The "energy fairs" will be followed by workshops on home insulation.

The Hartford also will hold a one-hour "gasoline conservation course" for interested employees, and the company said it is considering construction of an off-street bus center on its property which will offer employees a large, comfortable shelter.

Mr. Thomas said that through several programs started in recent years, fuel consumption has been reduced by 37 percent since 1973—a period which included the addition to the home office complex of the 335,000 square feet North Plaza Building.

That structure, Mr. Thomas noted, houses the company's computer operations and the heat generated by the computers has been harnessed to provide about 55 percent of the six-story building's heating needs.

Mr. Thomas said that although the energy program reported to Gov. Grasso principally involves the Hartford's home office, the company's 50 regional offices will be directed to reduce their energy use as well.

[From Los Angeles Times, July 15, 1979]

ENERGY-CONSERVATION LESSONS APPLIED: SECOND-GENERATION EXPERIMENTAL HOUSE FINISHED

(By Terence M. Green)

Building on lessons learned in the first phase of the experiment, a major utility, a large land company and the federal government have produced a second-generation energy-thrifty house.

Called MED II (for minimum energy dwelling), the single-family house incorporates a multitude of energy-saving features designed and selected to cost the practicable minimum.

Partners in the project are the Southern California Gas Co., which is spending $75,000 to lease the house for the demonstration period; the Mission Viejo Co., which built the house in its Orange County new-town development, and the Department of Energy, which is allocating $50,000, principally for engineering, monitoring and other specialized personnel.

MED I consisted of two houses, both of Mission Viejo's 1,150-square-foot Cordova model, one of which was used as a demonstration and exhibit structure, the other occupied by a family.

In contrast, one only house (again a Cordova) is involved in MED II; it is not occupied and there are no firm plans at present for its occupancy.

"This second phase of MED is a logical extension of the more experimental original project," said Pat Shea, gas company vice president for consumer affairs.

"Valuable information gained from MED I research enabled us to demonstrate more advanced, cost effective energy-saving features in MED II."

Energy consumption was reduced by more than 50% in the two original houses, the gas company said, but the cost of technology and the houses' experimental nature made the total price too high for practical consideration by many builders.

In contrast, the goal of MED II is to use 30% to 40% less energy with features costing only 2% to 3% of the standard tract home's price.

As one example, the MED I houses were heated and cooled and supplied with hot water by solar energy equipment. In MED II, the only solar use is water heating and that will be optional.

Heating is accomplished by an English-made unit, the British Hydronic System, which takes a fraction of the space required by more traditional units. Gas-fired, it keeps hot water in a closed loop for both domestic use and for space heating through the use of fan-coils.

Cooling is accomplished by an "economizer cycle" device which brings in cool air from outside, replacing the conventional air conditioner.

Styrofoam sheeting on the outside of conventional walls brings their insulation rating to R-19 (state standard is R-11) and the ceilings are insulated to an R-30 rating (R-19 is standard).

Other features, some of which were carried over from the MED I experience, include an aluminum ridgevent to let hot air out of the attic and a sealed, insulated foundation.

Mission Viejo Co. estimated that all of the MED II conservation features, except the solar option, can be installed in a new 1,150-square-foot house for about $1,500. The solar water heating system would cost $2,000 to $2,500.

[From the Christian Science Monitor, July 24, 1979]

A BUILDING DESIGN THAT CUTS ENERGY COSTS BY 70 PERCENT: PLANNED TVA OFFICES TO USE SUN, GROUNDWATER SOURCES

(By Robert M. Press)

ATLANTA.—Most of the office buildings in the United States are "horribly inefficient" in energy use, according to one solar power expert.

Built to give the maximum number of employees a view, many structures in winter lose precious heat through large glass panels on the north side while practically broiling employees on the south side. And natural heat from bodies, computers and lights usually escapes through poorly insulated walls and ceilings.

Now the Tennessee Valley Authority (TVA)—which President Carter recently assigned the goal of becoming the nation's "solar showcase"—is about to begin constructing a massive building designed to cut typical big-office energy operating costs by 70 percent.

The five-story office for some 5,000 TVA employees—to be built in Chattanooga, Tennessee—will tap solar, underground water, and other fuel-saving sources in what is said to be the largest combined application ever of such alternative techniques.

Construction will cost about $5 a square foot more than a quality office building without such features. But within six or seven years the reduced energy cost in operating the new TVA office building will make up the difference, TVA officials say.

TVA board member Richard Freeman says he hopes the new structure will be "a demonstration for the rest of the valley and, hopefully, for the rest of the nation" of what can be done to make office buildings more energy efficient.

These are the main features of the $60 million, 1-million-square-foot building, on which construction is expected to begin before the end of the year:

1. Solar. A transparent roof will let in maximum sunlight in winter, with the warm air pumped through the building to reduce heating costs. Louvers will shade the roof during hot months.

Large windows on the south side and 12-foot ceilings (higher than for most offices) will allow maximum penetration of daylight. With the aid of reflectors, even most desks far from any window will get some natural light, reducing normal lighting costs.

2. Insulation. Much of the warmth from bodies, office machines, and lights will be trapped by tight insulation in ceilings and walls, further reducing heating costs.

3. Underground aquifer. Water 59 degrees F. in a large underground stream will be pumped up into the building's air-conditioning system. The water is then returned at 70 degrees F. to the underground stream.

The well will be at least 50 and possibly up to 250 feet deep. The construction costs of this system, including drilling and pumps, will be "comparable" to the cost of installing a conventional air-conditioning system, says TVA's John O'Donnell, assistant project manager. Operating costs for the aquifer system will be 73 percent lower than running a regular air-conditioning system, he says.

Use of the ground water for heating and cooling, not a modern technology by any means, is still not very common in the U.S., says John Salisbury, the US Department of Energy's deputy director of geothermal energy.

Drilling costs are the main drawback, he says. And some states have laws restricting the kinds of water recycling the TVA plans.

But with the growing cost of fuels and a fairly widespread availability of underground water sources, the TVA design holds promise, says Dr. Salisbury.

Designing less "horribly inefficient office buildings through greater use of solar techniques can reduce the use of coal and reduce the environmental problems associated with increased coal-burning, says Donald Abrams of the Southern Solar Center in Atlanta.

If offices become more energy self-sufficient, he adds, there will be less need for costly electric power plants.

[From the Boston Globe, July 25, 1979]

MELDING AN ENERGY PROGRAM

For all its size—$88 billion for starters—President Carter's proposed Energy Security Corp. has a rather narrow scope for meeting the highly laudable objective of replacing 2.5 million barrels of imported oil.

The President's Energy Security Corp. would quite properly pursue development of our major energy resources locked up in shale and coal in the western states. The enormous capital requirements of such development very likely demand a public enterprise that can endure investment of billions of dollars without fairly speedy income on that investment.

Also quite properly, the corporation would be able to use its financial strength to encourage development of other sources such as alcohol fuels and natural gas from hard-to-reach reservoirs.

But the President might have used the corporation to formalize the more comprehensive approach everyone knows will be required if the country is to escape its embarrassing dependence on imported oil. The President should codify the penny-saved-is-a-penny-earned approach to energy by making conservation a part of the package as well.

Congress will have a lot to say about the final format of the package, of course, and it is therefore highly appropriate that rival packages begin appearing, as one from Sen. Edward M. Kennedy did on Monday before the Urban League convention in Chicago.

The most appealing feature of the Kennedy package is its inclusion of direct subsidies for householders' expenditures for energy-saving steps. Kennedy places high hopes on the amount of energy that can be saved through improved household and industrial energy efficiency, the equivalent of about 4 million barrels of oil daily. He gets at the heart of the problem by proposing up to $750 for each household, a far more vigorous program than the $300 in tax credits available to families under the current system of conservation assistance.

The problem with the current system, based on a 15 percent tax credit on investments up to $2,000, is that it assumes that householders have the $2,000 in the first place and they can wait until the following year to get their partial reimbursement. The energy problem is too severe to depend on a diluted system.

Kennedy's second useful expansion of the Carter program is assistance to an even broader spectrum of energy sources. Kennedy proposes subsidies to solar and any other oil-displacing fuel through a system of bidding for aid. The proposal places greater emphasis on efforts by the private sector than by the Energy Security Corp. It should accelerate development of more efficient energy exploitation of new sources.

Both Kennedy and Carter obviously recognize the need for massive effort. If their proposals can be melded, and augmented by others in Congress or elsewhere, the nation will be a real gainer in energy. The point, in any case, is to avoid relying on too few alternatives.

Mr. DURKIN. Mr. President, I am here today to introduce along with Senator KENNEDY what I consider to be the most important piece of energy legislation to be considered by this Congress; "the Energy Productivity Act."

Not only is this legislation important in terms of providing help to energy distressed homeowners and businesses, it is unique among the energy proposals introduced thus far in that it will produce results in time to help us get through the next few winters and get our economy back on its feet. It will immediately begin to make available more gasoline and heating oil.

The events of the past few months, the nuclear accident in Pennsylvania, the President's decontrol of oil prices and OPEC's decision to further squeeze the economies of the world have made it crystal clear that we will not be able to make it through the next several winters without a great deal of distress and suffering. This is inevitable unless we enact legislation now which has the potential of bearing fruit in the next few seasons.

Virtually all of the energy proposals relating to the production of oil, gas, coal or synthetic fuels, including the proposals offered 2 weeks ago by the administration, fail to address the immediate needs of people for energy and economic relief. In fact no meaningful energy supplies would be produced by any of the proposals for at least a decade.

Increasing energy supplies by expanding reliance on imported oil or developing synthetic fuels is also costly and risky, both economically and environmentally. Increasing energy productivity on the other hand, eliminates the need to expose ourselves to the costs and risks of banking our Nation's energy independence solely on the development of new energy sources or on imported energy supplies.

Additionally, most of the active energy proposals pending in the Congress involve massive Federal subsidies for traditional energy production. That means giving a lot of money to the energy companies not to the people affected by high energy prices. I am convinced that this legislation will provide a valuable new way of looking at energy—from the energy consumer's standpoint rather than from the energy producer's standpoint. Rather than subsidizing big energy corporations to produce energy, we should provide financial assistance to consumers to improve efficiency.

This is the cheapest, most equitable short-term way to decrease our reliance on imported oil.

This legislation saves energy. However, it does not mean doing without energy, or "going back to the caves and candles" but doing more with the energy that is available; in other words, increasing the amount of productivity extracted from each bit of energy used. I am not talking about great personal and collective sacrifices, nor am I talking about slowing the growth of our Nation's economy, but about improvements in the productivity of energy used in industry, homes, and businesses. What this legislation is all about can be properly called energy thrift; using the ingenuity of which America is proud to increase the productivity of every Btu of energy used.

As Daniel Yergin at the Harvard Business School wrote recently:

> If the United States were to make a serious commitment to conservation, it might well consume 30 to 40 percent less energy than it now does, and still enjoy the same or an even higher standard of living.

This legislation is the way to start now to reduce dependence on foreign supplies and thwarting the continuing upward spiral of energy prices.

The costs of my proposal are small in comparison to the costs of the alternatives. Simply stated, slowing the growth of energy consumption by increasing energy productivity can save us a great deal of money. While some investment is needed to improve energy efficiency, it is almost always cheaper to produce the same energy from new sources. Therefore, it is no exaggeration to say that energy savings are the most economical new energy source available.

Another advantage of this program over those proposed by the administration is that it will create twice as many new jobs. By 1990 we expect to have created 400,000 unskilled and semiskilled jobs; a labor market which is in acutely short supply.

My proposal addresses all three sectors of the economy, residential, commercial, and industrial, with energy incentive programs designed to accelerate the use of energy-efficiency in each sector with the least Federal interference and lowest economic cost. The specific proposal is described below:

RESIDENTIAL SECTOR

In 1978, the United States used the equivalent of 4 million barrels of oil each day for space and water heating of residences. This could grow to 6 to 8 million barrels by 1990 unless we increase the efficiency of energy use in our homes. Measures which increase residential efficiency result in fuel savings of 50 percent or more. They include insulation, storm windows, caulking, weatherstripping, and furnace retrofits.

Our present 15 percent tax credit to homeowners, the sole incentive in the residential sector, has been ineffective in promoting residential energy efficiency.

Participation in this program is only half as high as the administration expected. Some of the reasons for this disappointing result are that the benefits do not reach the consumer until he receives the credit on his income tax. This may not occur until months after the initial investment and even then the credit is available only to those who use IRS form 1040, not the simpler 1040A. Moreover, the homeowner must provide up to 85 percent of the capital for energy-efficiency improvements; a cost which many people simply cannot afford.

The residential part of our proposal is modeled after the Canadian home insulation program (CHIP). CHIP is a 7-year, $1.4 billion grant program designed to reduce Canadian residential energy consumption by 30 percent in 70 percent of their homes. Currently, Canadian citizens are applying for this program at the rate or 1,500 to 2,000 applications per day, which is approximately the participation rate necessary to reach their 7-year goals.

Like CHIP, this program relies on taxable grants as an incentive to U.S. citizens to make their homes more efficient. Since the grants are taxable, the program will have a positive distribution of benefits for low-income homeowners.

Just as importantly the benefits are immediate. The legislation requires DOE to mail grant checks out within 30 days of the time the application is received.

I believe that this program can be spectacularly effective both in reducing energy consumption in the residential sector, and in finally providing a way for the Government to provide relief for citi-

sens from spiraling energy prices. This will be accomplished without complex financial schemes, burdensome paperwork or the creation of another massive bureaucracy.

The bottom line is that if we promote this program vigorously, we can reduce the use of oil and gas in our homes by 1.6 million barrels a day by 1990.

COMMERCIAL

It is essential to include the commercial sector in any national program to encourage energy productivity. In 1978 alone the commercial sector used the equivalent of 5 million barrels of oil per day—or the equivalent of 60 percent of this country's oil imports. In light of the national security problems posed by this imported oil, it is clearly in the national interest to vigorously promote programs in the commercial sector to reduce import consumption.

There are more than 20 billion square feet of commercial property in the United States which are ineligible for any Government building programs. Experts in the conservation field say that implementation of cost-effective, proven technologies can often reduce energy use by 40 percent or more in this sector.

One might ask if technologies exist and are cost-effective, why businesses do not take advantage of the savings potential of energy productivity investments. I believe that the answer lies in the fact that the cost of capital for these investments is too high. Businessmen wisely ration their limited borrowing ability to finance investments which are either urgently needed or which provide the highest rate of return. They will therefore not borrow to invest in energy efficiency unless these investments are made more attractive than competing uses of capital.

The low-interest loan program which we are proposing today does just this. It presents a direct and positive incentive to private business to transfer investments to energy productivity. Best of all, it is estimated that within 10 years this legislation can save the equivalent of 700,000 barrels of oil per day.

One feature of the proposal I would especially like to bring to your attention is the "small business set-aside" which we have included. This provision protects the interests of small firms who have the least access to cheap capital to make energy-efficient improvements. These small businesses are the backbone of the national economy. Over 48 percent of this country's GNP is produced by these firms. Therefore the set-aside I propose is an identical 48 percent of the total funding available.

It is especially important to make this money easily available to small firms which must compete for customers by keeping the prices of products and services low. If energy prices skyrocket, as all signals indicate they will, these small businesses which cannot afford energy efficiency investments, will be put at a substantial disadvantage and possibly forced out of business. This will result in decreasing competition and increasing the concentration of power in the hands of big business interests.

The principal features of our proposal for the commercial sector are outlined below:

The Secretary of Energy would establish a commercial property energy conservation loan program within DOE.

The administrator of the program would be advised by a four-member advisory board, with the members appointed by the President.

The loans would be given at a 3-percent interest rate.

The repayment period of the loans would be 1½ times the payback period of the energy productivity investment, thus improving the borrower's cash flow. For example, if the investment is estimated to pay for itself in 4 years, through energy savings, the repayment period of the loan would be at least 6 years.

Costs of the loan may be passed through to tenants where the energy savings also are passed through.

The initial outlays for the loans ($5 billion per year for 5 years) would be rolled over. The value of the loan commitments by 1990 is estimated to total $54 billion.

The Federal Government's costs for this program are only $13.4 billion, while it would save $17.5 million a day or $3.4 billion a year in oil purchases by 1990.

INDUSTRIAL SECTOR

The industrial sector has made major strides in increasing the productivity of energy use in recent years. Thus, a program designed to accelerate this trend has great promise. Although the industrial sector uses 35 percent of the energy consumed in the United States, the energy costs for many industrial users are a small component of their total costs. The reluctance of industry to introduce energy saving techniques into their existing production process is very great.

Further, although many energy efficient techniques may be socially beneficial in that they reduce oil imports, private firms legitimately pursue their own interests in their decisionmaking. From the firm's perspective, these investments may be submarginal.

The industrial portion of the energy productivity program has three elements:

First. An accelerated energy productivity R. & D. program. The research and development program which the Department of Energy conducts on a cost-sharing basis with industry is one of the Government's most successful energy programs. The program has produced a number of important breakthroughs in energy productivity and tested several energy-saving processes to the point where industry can now begin to use them with confidence in their economics and reliability.

While I have always advocated the termination of wasteful programs, such as the Clinch River white elephant, I am a supporter of those successful, productive Federal programs. Therefore, I propose that we add $200 million over the next 5 years to DOE's industrial research and development program.

The projects to be pursued under this program have especially attractive economic and energy saving features. Each of the projects would have a maximum payback period of 3 years and would generate $10 in energy savings for each dollar of Federal investment. These features insure that the processes and equipment which will emerge from this program will be attractive to industry and will penetrate the marketplace rapidly, providing large energy savings on a reasonable timetable.

The main points of my proposal for the industrial sector are as follows:

Second. Industrial energy loan program. This provision would establish a loan program within the Department of Energy. Loans would be given to industrial firms to conduct engineering studies of proposed energy-saving process changes. If it is determined that the project studied would be cost effective, the loan would be repaid. If the project is not cost effective, the loan would be forgiven. This program is expected to save 400,000 barrels of oil per day, with an investment of only $23 million per year.

Third. Industrial energy grant program. Under this part of the program, the Federal Government would pay industrial firms $15 for each barrel of oil (or its natural gas equivalent) which is saved in a 1-year period through the implementation of an energy-saving industrial process change. Experts calculate that it would cost $8 billion in Federal grants to reduce industrial energy consumption by 20 percent through this program.

The grant is based on the savings achieved in the first full year after the implementation of the process change. The base period is the year preceding the change. Figures will be adjusted for output changes to assure a true improvement in energy productivity per unit output.

The grant is paid only one time. The recipient would certify the intention to use the new process for 5 years. Thus, the savings to the economy continue to accrue for many years in the future.

SUMMARY

For a long time now I have appealed to the survival instincts of the administration to do something about energy prices and the great hardships imposed on the people of my region by persistent energy shortages. I am now convinced that it must be Congress which takes the lead and fully commits itself to boosting the Nation's energy efficiency. If we fail to do this, we will be seriously abdicating our duties and endangering the economic well-being of this generation and future generations. I will not be convinced that Congress and the administration have taken a serious stand on high prices and energy shortages until I see that we are helping the people of New Hampshire, New England, and the Nation achieve greater energy efficiency.

I have been fighting for similar measures for some time, I am here calling for positive action now, and I will continue my efforts to get the Federal Government to stand behind its promise to make energy productivity its No. 1 energy priority. Enacting the legislation proposed today by Senator KENNEDY and

me will be an important step toward that goal. By 1995 this bill will save 16.2 billion barrels of oil. We cannot wait any longer.

Mr. President, I ask unanimous consent that a factsheet and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACT SHEET ON THE ENERGY PRODUCTIVITY ACT

Cuts imports by 4.4 million barrels per day by 1990.

Increases employment by ½ million jobs.

Costs $58 billion over 10 years ($5.8 billion per year).

Average cost per barrel of oil saved is $3.60.

PROVISIONS OF THE BILL

1. Residential Sector—Adopts Canada's approach to home insulation by using a taxable grant (max. $750) to any owner, tenant or landlord who installs approved conservation materials in a principal residence.

Estimated Cost (7 years)—$25 billion. Estimated Savings (10 years)—1.5–1.8 mmb/d in oil equivalent.

2. Commercial Sector—Sets up a Commercial Energy Conservation Loan Program to make low-interest loans available to building owners willing to make improvements in the energy efficiency.

Estimated Cost (10 years)—$25 billion. Estimated Savings (10 years)—0.7 mmb/d in oil equivalent.

3. Industrial Sector—Research and Development Program at about twice the present level targeted where energy savings potential is the greatest ($200 million).

Loan forgiveness program for the architectural, engineering and planning costs of energy productivity investments ($230 million).

Grant program providing $15 for each barrel of oil saved by a firm during a one year period ($8 billion).

SECTION-BY-SECTION ANALYSIS

Sec. 1021.—Definitions.

Sec. 1022.—Residential Energy Conservation Office.

A Residential Energy Conservation Office (RECO) is established within the Department of Energy to be administered by a Director.

Sec. 1023.—Energy Conservation Improvements.

Renters or owners, including landlords, of principal residences may apply to the RECO for reimbursement of expenditures made for the purchase and/or installation of energy conservation improvements. This list of such improvements (see Sec. 1021) parallels the list included in Title II of the National Energy Conservation Policy Act.

The application must be answered within 30 days.

Maximum ceilings for reimbursement are imposed according to the following schedule:

Maximum total grant, $750.

Maximum labor cost, $200.

Type of residence, detached, semi-detached, attached independent residence.

Maximum total grant, $500 per unit; maximum labor cost, $150 per unit; Type of residence—apartments in buildings of 3 stories or less and containing 6 units or less.

Maximum total grant, $300 per unit; maximum labor cost, $100 per unit; type of residence—apartments in buildings of 3 stories or less and containing more than 6 units.

Maximum total grant, $200 per unit; maximum labor cost, $50 per unit; type of residence—government-owned or nonprofit hotels used as a principal residence.

Sec. 1024.—Promotion of Program.

Sec. 1025.—Program Evaluation.—The Director shall report to Congress on the success of the program in reaching eligible persons and inducing cost-effective investments.

Sec. 1026.—Audit of Transactions.—GAO is authorized to conduct audits of the program and report its findings to Congress.

Sec. 1027.—Authorization.—$25 billion in funds are authorized for the life of the program.

Sec. 1028—Consumer Information.—Any person selling eligible materials to homeowners shall certify whether it complies with RECO regulations.

Sec. 1029—Penalties.—Willful falsification of an application or certification shall be punishable with criminal penalties.

SECTION-BY-SECTION ANALYSIS

Section 1031.—Findings and Purpose.

Section 1032.—Definitions.

Section 1033.—Loans.

This Section authorizes the Secretary to make loans to industrial firms. The loans are to be used to pay for all or part of engineering costs for energy-efficient process changes.

The Secretary is directed to consider the potential energy savings, cost, and risk of each project when he sets terms and conditions for the loan.

Certain minimum conditions are specified in the legislation:

(1) The industrial firm must intend to implement the change under study, provided the change is judged to be cost-effective.

(2) If the firm implements the project, the loan is repaid to the government at the previously negotiated terms.

(3) If the firm decides not to proceed, it must document its decision as required by the Secretary. The Secretary then forgives 50–100 percent of the loan. It is the specific intent of this legislation that loans be fully forgiven only where the engineering study determines, and the Secretary concurs, that the proposed project is not cost-effective.

The Secretary is further directed to act in a manner to assure good faith on the part of the firms.

Sec. 1034.—*Funding.*

This Section authorizes appropriations as follows:

[In millions]

Fiscal year:	*Appropriation*
1980	$8
1981	27
1982	39
1983	40
1984	42
1985	43
Total	199

Section 1041. Findings and Purpose.

Section 1042. Definitions.

Section 1043. Rebates.

This Section gives the Secretary of Energy the rulemaking authority to implement the industrial energy rebate program.

Eligible projects must be approved by DOE. The projects must save oil or natural gas directly measured on a per unit of output basis. It is the specific intent of this legislation that only direct oil and natural gas savings, and not electricity savings, qualify for the rebate.

The rebate is equal to $15 for each barrel of oil or the equivalent in natural gas saved.

The savings are defined as the oil and gas used in the year before the project less the oil and gas used in the first full year after implementation, adjusted for output variations.

To qualify for the rebates, applicants must certify their intent to use the new process or equipment for at least 5 years.

Section 1044.—Authorization of Appropriations.

This Section authorizes such sums as may be necessary.

Section 1051. Purpose.

Section 1052. Definitions.

Section 1053. Establishment of the Loan Program.

This Section establishes the Commercial Property Energy Conservation Loan Program and locates it in the Department of Energy. The Program is provided with a three-year authorization.

The operation of the Program is managed by an Administrator who is a senior grade civil servant.

This Section further provides that the Secretary of Energy shall consult with the Secretary of Housing and Urban Development and with the Secretary of the Treasury in the management of the Program.

Section 1054. Advisory Board.

This Section creates a four-member citizen Advisory Board to assist in establishing Program policy. The president is directed to name four private citizens to the Board: one to represent the general public, one to represent the scientific community, one to represent the commercial building industry, and one to represent lending and financial institutions.

It is hoped that persons nominated to the Board will be persons of outstanding ability and expertise and that the Secretary of Energy and the Administrator of the Program will involve them deeply in the Program's operation. It is anticipated that members of the Board will be present at public hearings and rulemaking proceedings of the Program.

Section 1055. Loans.

This Section sets out the substantive lending provisions of the Statute. Loans are intended to be made to owners, builders, or developers of commercial property. These loans are intended to be available for the renovation or other adjustment of existing property as well as for that portion of the construction costs of new building which falls within the qualifications of Section 1055(a)(2).

The listing of qualified energy conservation systems in Subsection 2 is based on Department of Energy regulations with respect to similar programs for schools and hospitals. This list is not intended to be exhaustive or complete, as the Secretary is specifically authorized in Subsection (aa) to add to the list the financing of any other measures which will save a substantial amount of energy. Additionally, it should be noted that under this Section funds are available for the planning and design of energy conservation systems whether or not such systems involve the purchase of new hardware.

Section 1056. Terms of Loans.

The loans will be made at the rate of 3 percent interest per year. The terms of loans will be established by the Program at between one and 15 years. However, no loan will be required to be repaid in a period of less than one and one-half times the payback period of the energy conservation systems which are required. It is intended that, consonant with sound business practices, the Program will adopt a liberal policy toward the periods of time for which money is lent, in order to establish the greatest incentive for the use of the program.

No single loan made by the Program will exceed the lesser of $5,000,000.00 or $4.00 per square foot of environmentally conditioned property.

Section 1057. Rules and Regulations.

This Section gives the Program the basic rulemaking authority possessed by the Department of Energy. However, it is the specific intent of this Section that the Program be functioning at the earliest possible date and that the Secretary may suspend or adjust rulemaking procedures in order that the Program may be fully operational as soon as possible.

Section 1058. Energy Savings and Loan Cost Pass-Through.

This Section provides that, where a borrower has leases which provide for an energy savings pass-through, the borrower may also pass through the annual payments on his loans from the Program. Building owners

are thus encouraged to undertake a program of energy conservation and the rights of tenants to energy savings are preserved.

Section 1059. Penalties.

This standard Section provides criminal penalties for fraudulent loan applications.

Section 1060. Reports.

This Section requires an annual report from the Secretary to the Congress and the President. It specifically requires that the Secretary estimate with as much precision as possible the energy savings which the Program has made possible. The Advisory Board is encouraged to report in detail on the operation of the Program and to make its own recommended changes as part of the annual report.

Section 1061. Promotional Program.

This Section authorizes the Program to undertake an affirmative program to advise possible borrowers of the Program's existence and of the availability of funds for these energy conservation purposes.

Section 1062. Use of Department of Energy Personnel.

This Section authorizes the Secretary of Energy to permit other employees of the Department to assist in the operation of the Program and is intended especially to make available to the Program the technical and analytical assistance of the Department.

Section 1063. Authorization of Appropriations.

This Section authorizes appropriations for the Program for the Fiscal years 1980, 1981, 1982, 1983 and 1984.

Mr. HATFIELD. Mr. President, few Members of this body doubt that we are about to embark on a very ambitious program to produce synfuels—particularly those liquid hydrocarbons that many hope will power American automobiles right on through the next crisis. Clearly we need to reduce our dependence on foreign oil, and hydrocarbon fuels produced from coal, shale, and biomass will be a part of this effort, in the long term. But we need to back foreign oil out of our economy now.

Every new report we obtain at the energy and natural resources committee is more bleak in its prospects for world oil stability than the one before. The world oil supply situation is still extremely tight and will remain so for the foreseeable future. This means that even small future supply disruptions, which are inevitable, will reverberate throughout the Western industrialized world. We simply cannot leave ourselves exposed to economic pneumonia when the Arabs sneeze, or the Iranians, or the Nigerians, or any other foreign oil producers.

We are about to pursue the early commercialization of synfuel technologies, and we are serious enough about the word "early" that I anticipate we will set up an organization separate from the Department of Energy, out of reach of the Office of Management and Budget, and on a very long congressional leash. That new organization will likely have great authorities to assist synfuel commercialization, and access to a large account at the Treasury. I would propose that its authorities and budgetary clout also be brought to bear on the one system that can make a significant difference in our oil situation in the short run. That system is conservation.

We should be just as willing—more willing—to invest in people's homes, in our transportation systems, and in our present places of work as we apparently are willing to invest in the oil companies. We can buy barrels of oil by backing out their use in many sectors of our economy just as surely as we can buy barrels of synthetic fuels. If we would have a special Government board throw money at the oil companies to have them do what is not economically prudent today, we should also direct that board to throw money at American homeowners who do not have sufficient incentive today to buy more insulation.

I am joining several of my colleagues in introducing legislation to finance a conservation effort in homes, in business, and in industry. They include, significantly, the chairman of the Energy and Natural Resources Committee (Mr. JACKSON), and the chairman (Mr. DURKIN) and ranking minority member (Mr. WALLOP) of the Subcommittee on Conservation and Supply. Clearly, we believe this legislation can be the vehicle to carry consideration of a conservation effort similar in impact to synfuels, yet sooner and cheaper than synfuels. While I have reservations about certain details of the legislation we are introducing today, I have none about the concept. I am willing to embrace this bill as a starting point, and I am very eager to begin the discussion, including early hearings to move consideration to the markup stage as soon as possible.

I thank the senior Senator from Massachusetts (Mr. KENNEDY) for his leadership and for sparking the necessary action on this score. I intend to do all I can to keep the spark fanned.

Mr. WALLOP. Mr. President, I rise today to offer my cosponsorship of amendment No. 388. I do so enthusiastically, for this approach via conservation will enable citizens of this country to be active participants rather than hapless victims in our war for energy security. This legislation will assist homeowners, businesses, and industries to form a creative partnership with the Federal Government to implement both proven and innovative techniques to conserve energy.

This conservation program has three parts:

First, it would provide direct grants to homeowners or renters who insulate their homes or take other steps to increase home energy use efficiency. The maximum grant would be $750, and the grant level would vary depending on the building and the improvements made. Grants would be taxable. The program is modeled after a Canadian grant program called the "Canadian Home Insulation Program" which began 2 years ago in Nova Scotia and which is now successful nationwide. While the U.S. program providing tax credits for energy efficiency improvements has lagged behind schedule, participation in the Canadian program is right on schedule.

Second, the program would provide low-interest loans to commercial property owners and developers for increasing energy efficiency in commercial establishments like offices and restaurants. The repayment period would in all cases exceed the payback period of the conservation investment, thereby making the loans attractive.

Third, the program would include incentives to accelerate better energy efficiency in industry. Increased funds would be made available for research and development of energy-saving industrial processes. A loan forgiveness program for engineering grants would encourage industrial firms to study the cost-effectiveness of changing to more energy-efficient systems. Loans would be repaid only if the study found that investing in a new industry process was cost-effective. Finally a per-barrel rebate incentive is offered for every barrel of oil saved in 1 year following an investment to increase industrial process efficiency.

The United States clearly needs to take bold and effective measures to curb our dangerous dependence on foreign oil. The pain of the 1973–74 oil boycott was acute. Unfortunately, the memory of the pitfalls of dependence on foreign oil was not permanent. In 1974 the United States imported 6.1 million barrels of oil per day from foreign sources. Last year, that figure had grown to 8.2 million barrels per day. Immediately after the Arab oil embargo this country spent $24.3 billion per year on imported oil. This year that figure is expected to skyrocket to $50 billion.

In December of 1978 our complacency was again shattered. Political unrest in Iran forced the closure of oil fields and a termination of exports to the United States as well as other foreign countries. By early spring the results of this action were beginning to be felt in the towns and cities of America. Gasoline lines formed. Farmers and truckers scrambled for diesel. Dangerous tensions developed between suppliers and consumers of petroleum products. Once again we were reminded that both our economic well-being and our national security were not within our control. We were, and are, too dependent on foreign oil.

In response to this intolerable dependence on foreign oil, Congress is considering a number of alternatives. Several initiatives call for massive, rapid acceleration of synthetic fuel development. Under this approach a production goal is established which ranges between 1.5 million and 2.5 million barrels per day by 1995. Also, the legislation provides financial incentives to carry out these tasks. The cost of such undertakings range upwards to $100 billion.

In addition, there are various so-called fast track proposals designed to expedite the siting of "priority" energy facilities. Under these proposals the Federal Government could set deadlines for State completion of whatever State actions are required by State law—a truly novel way of implementing "cooperative" federalism. In the rush for more energy, Congress could impair the State's freedom to structure the delivery of traditional

Government services. In essence, Washington will be intruding in the State's ability to site and license major energy facilities, when States are in fact far better suited to knowing what data and information is needed for a particular site than is the Federal Government.

Washington's interest in accelerating synthetic fuel development as well as stepping into a role of plant siting implies that the States have been remiss in developing energy and siting facilities. Yet an objective examination of the facts proves this is not so.

The West has experienced a tremendous growth in energy activities since the Arab oil embargo of 1973–74. In my State of Wyoming, we have tripled coal production, tripled uranium production, and increased thermal generating capacities by 50 percent since the Arab oil embargo. We are now fifth in the Nation in crude oil production, seventh in natural gas, and second in uranium production. We may soon lead the nation in coal production and are presently undergoing the most ambitious oil and gas exploration and development program in the history of the lower 48 States. In fact, so prolific is our warehouse of minerals, that a wildcatter's single hole could find crude oil, natural gas, coal, oil shale, uranium, hot water, hot steam, iron ore, bentenite, soda ash, or pure drinking water.

In spite of the accelerated growth in energy production from such States as Wyoming, our dependence on foreign oil has continued to grow. Why? I suggest, Mr. President, that it is because a very important ingredient has been missing from the energy equation—conservation. Without conservation, States such as Wyoming could continue to double or triple their energy output and still be unable to satisfy the ever-growing energy needs of this Nation. Therefore, it is essential that we adopt dual goals: The ability to both produce and save our way out of this energy crisis.

Conservation is an appropriate energy alternative to a massive commitment to unproven energy technologies such as a rapid synthetic fuels program. Synthetic fuels can and will be a viable option for the future, but they must be developed in logical steps instead of massive crash programs. In addition, an influx of federally financed synthetic fuel plants coupled with ambitious development of conventional energy resources can place intolerable burdens on the environment, health, and social fabric of this Nation, particularly the West. If the Federal Government will respect the role of the marketplace, many of the technological and economic problems associated with synthetic fuels will take care of themselves. If the selling price of energy is able to reflect its replacement costs, that is, free market system, then synthetic fuels production will be able to attract investors by its own merit and not because of massive Federal subsidies. In addition, higher energy prices will encourage the efficient exploration and development of our own conventional energy resources.

You may ask, Mr. President, is it not contradictory to on one hand be opposing large Federal subsidies for synthetic fuel development while on the other hand advocating those subsidies for conservation initiatives? The answer is no. An active Federal presence in the area of conservation is justified because it attempts to correct some of the inequities fostered by misguided energy policies of the past—policies promulgated by the Federal Government. For years, Federal policies have enhanced the notion that fuel is abundant and cheap. Through price controls, the Government kept the price of energy below the replacement cost of new supplies. This encouraged consumers to rely more heavily on energy consumption than on conservation. OPEC has jarred us out of this fantasyland. But it happened only after we had developed an economic system based on inefficiency and waste. The time has now come to correct those inequities. While I continue to advocate decontrol of oil and natural gas, I feel Federal incentives for conservation embodies in this bill will help citizens save energy as market prices rise.

In joining the list of cosponsors to this legislation, I notice with interest that there is a wide array of ideological views. Our diverse philosophies will not disappear simply because we have joined together in calling for a nationwide effort toward conservation. There will undoubtedly be disagreement over some of the substantive ways to bring about conservation.

There are some conceptual changes that I already have identified and want to explore during hearings on this bill. In the residential section of the bill, I want to examine ways to deliver grants which can take into account local variances in climate and energy use patterns. It may prove that Statae energy conservation offices or local utilities companies could more effectively deliver these services than a new office within the Department of Energy. In the area of low interest loans to commercial property owners and developers I believe the Committee on Energy and Natural Resources should give careful attention to whether or not 3 percent efficiency loans are too low. Such a low interest rate could make the loans so attractive that it would be impossible to keep up with the demand for this benefit. The provisions for improving industrial energy efficiency also need review. It may be that the loan forgiveness program should be aimed primarily at small industry. Also, industry may be more responsive to a series of accelerated depreciation and tax credits rather than to a per barrel rebate for saved energy. In the past, industry has been sensitive to devulging the amount of energy used in an individual process and might be unwilling to participate.

Also, there is a fourth sector that has not been mentioned in this bill. Agriculture has traditionally been an energy-intensive industry and I would like to work with the Department of Agriculture as well as various State agencies in developing ways in which the agriculture sector could qualify for provisions of this bill.

Finally, the Federal Government should be a partner in this Nation's drive to conserve energy. The National Energy Act which Congress passed last year calls for Federal building energy performance standards and other efforts to conserve Federal energy use. I would like to see Congress review how well these efforts are proceeding, to see if additional savings can be achieved.

In closing, Mr. President, I want to reemphasize that this conservation approach is a needed balance. If it is the concensus of Congress that it is in the best interest of national security to commit billions of taxpayer dollars to break the OPEC stranglehold, then we most certainly owe the American people the assurance that our expenditures will accomplish the goal. Conservation has a proven track record. Synfuels do not. To quote from a July 27 letter from the Comptroller General of the United States to the chairman of the Synfuel Subcommittee on the Budget Committee:

> While synthetic fuel development is clearly an important and worthwhile national goal, we believe that conservation should take just as high or a higher priority. Conservation is likely to be considerably cheaper on a per-barrel-of-oil basis, will have a sure, a more rapid payoff, and can be implemented on every level, individual citizens, up through businesses, local government, and including the federal government, and even international bodies.

I urge my colleagues to join in this worthwhile effort. It is a valid framework in which to begin a constructive and necessary debate.

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENT NO. 389

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted an amendment intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

● Mr. MORGAN. Mr. President, today I am submitting an amendment which is designed to strengthen the Reclamation Reform Act of 1979, S. 14 (Rept. 96–235).

This legislation is to be considered by the Senate shortly upon our return from the August recess in September.

The amendment I am offering today will strengthen S. 14 in at least three ways.

First, the amendment will recognize property rights, rights that are central in American life.

Second, the amendment affirms the concern of the Congress in the family farm, an institution that is central to the welfare of all Americans.

Third, the amendment will return to the taxpayers of America, either directly

or indirectly, hundreds of millions of dollars more than S. 14.

My amendment is a straightforward approach to recognizing the important values that I have discussed above.

Unfortunately, much of the discussion that has occurred in the press and in various other forms since the time this legislation was reported out of the Committee on Energy and Natural Resources has tended to confuse and sensationalize rather than to elucidate the important issues and values at stake in this bill.

Mr. President, my interest in this legislation is not new. On May 10, I addressed the Senate with my concerns regarding reclamation reform. My comments are recorded in the CONGRESSIONAL RECORD of that day, beginning on page 10644.

In a way, I feel somewhat uncomfortable about involving myself in what has been described as a Western issue. Nonetheless, I believe that it is important for the Members of this Chamber to have the opporutnity to make a clear choice on this significant legislation.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 389

On page 12, beginning with line 10, strike out all through line 21.

On page 12, line 22, strike out "(d)" and insert in lieu thereof "(b)".

On page 16, between lines 15 and 16, insert the following:

(k) (1) Nothing in this Act nor in any other provision of Federal reclamation law shall prohibit the delivery of water, made available pursuant to a contract with the Secretary, to land owned or leased by a qualified recipient in excess of a landholding: *Provided*, That the recipient thereof agrees to pay, for such water deliveries, a surcharge in an amount which shall be based upon the charges paid by a qualified recipient for the capital recovery component of the cost of water service to non-excess lands, upon a progressive basis as follows:

(A) for the first additional 320 acres in excess of a landholding, 10 percent of the cost to non-excess lands;

(B) for the next additional 320 acres in excess of a landholding, 40 percent of the cost to non-excess lands;

(C) for the next additional 640 acres in excess of a landholding, 80 percent of the cost to non-excess lands; and

(D) for all additional lands in excess of a landholding, 100 percent of the cost to non-excess lands.

(2) (A) Water service surcharges required pursuant to this subsection shall be used by the contracting entity for the reduction, by an amount not to exceed 50 percent, of the water service charges otherwise required from qualified recipients farming 160 acres or less.

(B) Any such surcharge funds not required for purposes of subparagraph (A) of this paragraph shall be deposited in a special account, in an amount not to exceed one-hundred million dollars, in the Treasury of the United States for use, as provided for in appropriation Acts, by the Farmers Home Administration in subsidizing interest costs at below market rates to individuals buying farms of 160 acres or less located in an irrigation district in one of the so-called seventeen land reclamation States. Any moneys remaining in such fund at the end of the fiscal year in which such moneys are credited to the fund and not otherwise earmarked for the purposes of this subsection shall be deemed transferred to the general revenues of the United States as miscellaneous receipts and shall be first credited against the repayment obligation of the appropriate contracting entity, and if none, then to the operation and maintenance charges.

MEDICAID COVERAGE FOR CHILDREN—S. 1204

AMENDMENT NO. 390

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself, Mr. CHURCH, Mr. HATFIELD, Mr. JAVITS, Mr. KENNEDY, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. RANDOLPH, Mr. RIEGLE, and Mr. WILLIAMS) submitted an amendment intended to be proposed by them, jointly, to S. 1204, a bill to strengthen and improve Medicaid services to low-income children and pregnant women, and for other purposes.

● Mr. CRANSTON. Mr. President, today I submit for printing an amendment to S. 1204, a bill to expand medicaid coverage for children and for other purposes. I am pleased to be joined in introducing this amendment by Senator CHURCH, Senator HATFIELD, Senator JAVITS, Senator KENNEDY, Senator METZENBAUM, Senator MOYNIHAN, Senator RANDOLPH, Senator RIEGLE, and Senator WILLIAMS.

Mr. President, our amendment would mandate medicaid coverage of low-income women who are pregnant with their first child. This amendment is identical in concept to title II of S. 1204, as introduced by the distinguished Senator from Connecticut (Mr. RIBICOFF), and to S. 1211, legislation I introduced on May 22 with the cosponsorship of Senator WILLIAMS, Senator STAFFORD, Senator RIEGLE, Senator JAVITS, Senator HATFIELD, Senator CHURCH, and Senator BAUCUS.

Our amendment, which has the strong support of the administration, would correct the current inequitable situation in many States under which a woman becomes eligible for medicaid coverage only after her first child is born, but is not eligible during the all important prenatal period when conditions for a safe and healthy delivery are fostered and, to a major extent, the future health of the child is determined.

Mr. President, experience has shown that without assurance of third-party reimbursement many low-income women will not seek prenatal care but rather will arrive at the hospital emergency room when the birth of the child is imminent. This practice, obviously, creates a greater risk for the mother as well as the child.

Under the proposed amendment, the expectant mother can seek early prenatal care, secure in the knowledge that the physician fees will be covered. The result will be a greater chance for a healthy delivery and a greater chance for a healthy child.

I would like to point out, Mr. President, the specific benefits this proposal has in relation to the increased numbers of teenage pregnancies. These young women are particularly susceptible to bearing low-birth-weight infants. The report entitled "11 Million Teenagers" pointed out that low birth weight is not only a major cause of infant mortality, but also can lead to other childhood illnesses and neurological defects which may involve lifelong mental retardation—and quite possibly lifelong dependence on governmental support. That report went on to say that the death rate from complications of pregnancy is significantly higher for adolescents than it is for mothers in their twenties. Good prenatal care can help prevent these tragedies.

Our amendment would help assure that these young women will get the all-important health care they need during their pregnancies.

As the chairman of the Subcommittee on Child and Human Development of the Labor and Human Resources Committee, these issues are of major concern to me.

Mr. President, last Congress the subcommittee held hearings on the issue of adoption reform. Several witnesses testified that the provision of birth-related costs to women with problem pregnancies would help stem the tide of blackmarket adoptions, since women who have no other way of having their medical costs covered often resort to blackmarketeers. Baby sellers, these women have found, are all too ready to provide prenatal, natal, and postpartum medical coverage in exchange for the child. This situation is more tragic when viewed in the context of the teenage pregnancy epidemic. More than three-quarters of mothers who give birth at age 17 or younger have no health insurance at all. Only one-sixth are covered for prenatal care; fewer than one-fifth for payment of their hospital or doctor bills. These youngsters are ripe targets for blackmarket exploitation.

Of course this exploitation is not limited to teenagers but may be directed toward any pregnant woman fearful of her ability to pay for the costs of childbirth.

Then there is what seems to be an alarming increase in the rate of abortions among adolescents. A recent study shows that among those adolescents who became pregnant in 1976 only 62 percent of the pregnancies subsequently ended in live births. These data seem to indicate a marked increase in recourse to abortions in this age group. Many of these abortions may be precipitated by the woman's concerns about her inability to defray the costs of continuing her pregnancy to term.

Our amendment would address all of these situations by providing medicaid eligibility to women who do not have the economic resources to enable them to afford the all important prenatal, natal, and postnatal care so necessary for their health and the health of their expected baby. These women would thus be able to make their decisions with respect to their pregnancy free of the coercive effects of these economic considerations.

Under the Social Security Act at present, States are required to provide medicaid coverage for a woman only if she has a dependent child and is poor. Our amendment would require that medicaid eligibility be made available for all pregnant women whose resources would make them eligible for medicaid under the State medicaid program and whose income does not exceed the higher of the State medicaid income eligibility standard or 55 percent of the poverty level. This latter level is approximately $4,140 for a family of four and $2,800 for an individual. The medicaid coverage under our amendment would be provided for a pregnant woman and any child resulting from her pregnancy for 60 days after the birth of the child, even though the woman may, at some time after she becomes pregnant, become ineligible because of increased income.

It is estimated that 100,000 women would be covered each year under our amendment, at a total additional cost in the first full year of operation—fiscal year 1981—of $94.1 million to the Federal Government and $60.0 million to the States. Our amendment makes the effective date September 1, 1980, so the Federal cost in fiscal year 1980 would be no more than $7.7 million with a State cost of approximately $5 million.

Some form of coverage of women during first pregnancies is now provided by 31 States. Our amendment would make this coverage consistent in all States, broadening the coverage in 21 of them.

Our amendment has wide support among organizations concerned with the health of mothers and children and with the strength of families. These organizations are:

The National Conference of Catholic Charities; the Child Welfare League of America; American Citizens Concerned for Life; American Academy of Pediatrics; American College of Obstetrics and Gynecology; Coalition of Family Organizations (COFU) (composed of the American Home Economics Association, the Family Service Association of America, the National Council of Family Relations, and the American Association of Marriage and Family Therapy); and the Children's Defense Fund.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 390

At the appropriate place in the bill, insert the following new title:

TITLE : MEDICAID ELIGIBILITY OF PREGNANT WOMEN

SEC. . Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) as amended by section 203 of this Act is further amended by inserting at the end of subparagraph (A) the following new clause:

"(iii) for making medical assistance available to any woman for care and services provided during pregnancy and for 60 days following the termination of such pregnancy and to any child born as a result of such pregnancy until the end of that 60-day period if such woman's resources (including the resources of her family) meet the resources test of eligibility for medical assistance under the State plan approved under this title applicable to a family with dependent children, and whose income either (I) meets the income test of eligibility for medical assistance under such plan applicable to a family with dependent children or (II) does not exceed 55 per centum of the amount established for an individual or for a family of that size, as appropriate, by the income poverty guidelines for the nonfarm population of the United States as prescribed by the Office of Management and Budget (and adjusted annually) pursuant to section 625 of the Economic Opportunity Act of 1964;".

SEC. . Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) as amended by section 206 of this Act is further amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding any other provision of this title, each State plan approved under this title must provide that any pregnant woman who is eligible for, has applied for, and has received medical assistance under this title and who becomes ineligible for such assistance because of increased income from employment of herself or her family, shall, nonetheless, remain eligible for all such medical assistance provided under the State plan until the end of the 60-day period beginning on the date of the termination of her pregnancy and that any child born as a result of such pregnancy shall remain eligible for all such medical assistance provided under the State plan until the end of that 60-day period.".

SEC. . Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) as amended by section 204 of this Act is further amended by—

(a) striking out "or" at the end of clause (vi);

(b) inserting "or" at the end of clause (vii);

(c) inserting after and below clause (vii) the following new clause:

"(viii) women during pregnancy and during the 60 days following the termination of pregnancy and during such sixty days any child born as a result of such pregnancy,"; and

(d) striking out "and" before "(C)" in paragraph (4), and by inserting "and (D) prenatal and postnatal services" before the semicolon at the end thereof.

SEC. . (a)(1) Except as provided in paragraph (2) of this subsection, the amendments made by this title shall apply to medical assistance provided, under a State plan approved under title XIX of the Social Security Act, on and after the first day of September, 1980.

(2) Where the Secretary determines that State legislation is necessary to permit amendment of the State plan under title XIX of the Social Security Act to meet the additional requirements imposed by the amendments made by this title, he shall not find a failure to comply with the requirements of title XIX of the Social Security Act solely on the basis of such State's failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this title.

(b) The Secretary shall issue the regulations required by this title within six months after the date of enactment of this title.●

NOTICES OF HEARINGS

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, there will be hearings of the Special Committee on Aging on "Energy Assistance for the Elderly," on Wednesday, September 12, and Thursday, September 13, at 10 a.m. in room 6226 of the Dirksen Senate Office Building.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, the Select Committee on Indian Affairs will hold a business meeting on August 3, 1979, at 10 a.m. in room 457 Russell Building, to consider S. 751 and S. 1077, the Navajo-Hopi Relocation Act.

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to announce that I will chair a hearing of the Special Committee on Aging on home health fraud and abuse in Miami, Fla., on August 28, 1979. The hearing will take place at 10 a.m. in the Dade County Courthouse, 73 W. Flagler Street, Miami.

The hearing will explore progress being made by the Department of Health, Education, and Welfare and others to curb home health fraud, and abuse. Witnesses will be announced at a later date.●

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. SASSER. Mr. President, I wish to announce the hearing schedule for the Subcommittee on Intergovernmental Relations, Committee on Governmental Affairs, for the month of September:

September 5, 9:30 a.m., room 3302, Dirksen: S. 1108, a bill to amend the Uniform Relocation Assistance and Property Acquisition Policies Act of 1970.

September 6, 9:30 a.m., room 3302, Dirksen: Grant reform legislation with focus on S. 878, the Federal Assistance Reform Act; and, S. 904, the Federal Assistance Reform and Small Community Act of 1979.

September 20, 9:30 a.m., room 3302, Dirksen: Oversight hearing on General Revenue Sharing.●

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, there will be a hearing of the Special Committee on Aging on "The Impact on Older Workers of Occupational Health Hazards: What Is Being Done To Address the Health Needs of Older Workers," on Thursday, August 30, at 1:30 p.m., in Grants, N. Mex. Senator DOMENICI, ranking minority member of the committee, will preside.●

ADDITIONAL STATEMENTS

THE BENEFITS OF DECONTROL

● Mr. McCLURE. Mr. President, Americans have been flooded with many solu-

tions to our energy problems. Some maintain that we should ignore the workings of the free market, by continuing to impose artificial price controls on oil. This response invites economic disaster. Regulation stymies production and restrains development of alternative energy sources. We cannot allow this to occur, especially in view of the critical need to reduce our oil imports.

Mr. President, a recent editorial by Wayne C. Cornils, president of KFXD-FM in Nampa, Idaho, accurately explains the illogic of placing price controls on our oil. I urge my colleagues to read this excellent editorial and ask that it be printed in the RECORD.

OIL DECONTROL

It's astounding to me that the President of our country can, with a straight face, try to convince us that decontrol of oil prices will hurt the country. That is an out and out politically motivated lie. Right now, today, there is a 36 year supply of oil in the free world at today's prices. With decontrol, allowing prices to flow to their free market level, that figure climbs to a 100 year supply. We don't have to plow billions of dollars into finding new fuels, we've got oil right now. Remember the natural gas shortage of a few years ago? Well, Congress decontrolled natural gas prices and now we have all the natural gas we need and at affordable competitive prices. In 1974 coal prices were decontrolled with no windfall profits tax, and now, with the government out of the price fixing game, we have a surplus of coal at affordable prices. And the same exact thing will happen to gas if and when the politicians stop playing politics with our future and our pocketbook and accept the fact that the free market works.●

S. 1601 AND S. 1602—ENERGY LEGISLATION

● Mr. SASSER. Mr. President, on Monday of this week I introduced two bills which respond to problems created by the delayed and insufficient information on oil production with which the Congress and the public have been supplied. I would like to request that the text of both of these bills, S. 1601 and S. 1602, be printed in the RECORD following my remarks today.

The first of these bills, S. 1601, would amend the Department of Energy Organization Act to insure that the Department collects and compiles sufficient and timely information from the oil companies with which to monitor a steady supply of needed crude oil and derived products. In view of the recent reports of substantial increases in earnings by the major oil companies, I feel the public and Congress have a right to expect reports on recent production and anticipated resources which will be available to meet demand in the coming quarter.

My bill requires the DOE to meet its responsibility to inform the public about current and future supplies of crude oil. It also authorizes DOE to set production goals after consultation with the industry and establish reasonable quotas and enforcement measures for meeting these quotas on production. These measures are designed to encourage planning for adequate short-term availability of supplies to meet our domestic demand and to promote maximum production from our domestic oil resources.

My second bill would create a position of Special Coordinator of Investigations to look into the causes of the recent fuel shortages. The purpose of this measure is to speed along the existing investigations in the Departments of Justice and Energy, and to expedite any necessary future investigations.

Without the information which will be provided and made available to Congress and the American people, we can have no control over availability of energy supplies. We are left at the mercy of the oil companies who certainly, as we have read, have not suffered much in the past few months.

Again, I request that the text of S. 1601 and S. 1602 be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205 of the Department of Energy Organization Act is amended by adding at the end thereof the following new subsection:

"(i)(1) The Secretary shall compile on the fifteenth of each month a report of the crude oil supplies received at all domestic refineries. The report required by the preceding sentence shall include—

"(A) the total supplies of crude oil, lease condensate, and natural gas liquids received by each refinery during the preceding month;

"(B) the name of each supplier of crude oil delivered;

"(C) the total refinery capacity of each company;

"(D) the amount of crude oil actually refined by each refinery into products such as gasoline, kerosene, jet fuel, distillate fuel oil, residual fuel oil, lubricants, and other products;

"(E) the amount of projected crude oil supplies required by each refinery for the following two months and the anticipated suppliers; and

"(F) the amount of crude oil by-products expected to be refined from the crude oil projected to be received in the following two months.

"(2) The report required by paragraph (1) shall—

"(A) consist of three categories of crude oil established according to gravitational weights of the elements within that oil;

"(B) consist of figures collected and released as company by company reports; and

"(C) indicate the original source of crude oil supplies.

"(3) All information supplied to the Secretary shall be subject to independent audit.

"(4) The report required by paragraph (1) shall be transmitted to the President and the Congress not later than the twentieth day of each month.

"(5) The Secretary shall, on a annual basis require each major oil producing company to submit the maximum efficiency recovery rate figures on a field by field basis.

"(6) The Secretary shall, on a monthly basis, establish for each major oil company reasonable production levels for the next succeeding two months. The Secretary shall notify the President and the Congress of the capacity of the major domestic oil companies to provide their share of crude oil and petroleum products to meet the energy needs of the Nation.

"(7) The Secretary shall by regulation require each major oil company to produce not less than 95 percent of the reasonable production level established for such company under paragraph (6).

"(8) If major oil companies do not supply 95 percent of the reasonable production levels determined under paragraph (6), the Secretary shall take one or more of the following actions—

"(A) require a written and independently verifiable report of the reasons why the oil companies were not able to meet their supply schedule;

"(B) Suspend domestic oil producing rights on federally owned lands if the Secretary has determined that such oil company did not exercise due diligence in producing domestic oil to meet its reasonable production levels; or

"(C) revoke entitlement allotments for crude oil if the Secretary determines that such oil company did not exercise due diligence in producing crude oil from domestic sources.

"(9) All mineral leasing rights and entitlements described in paragraph (8) shall be redistributed as soon as possible to any other oil producing company determined willing and able to meet production capacity.

"(10) The Inspector General of the Department of Energy shall make a full and complete report to the Congress of the actions taken by the Secretary pursuant to this section.

"(11) For the purposes of this subsection the term—

"(A) 'energy needs of the Nation' means that national crude oil supplies delivered to the nation's refineries are sufficient to meet production requirements for an orderly supply of gasoline and other petroleum products needed for mineral interruption in the nation's commerce including the normal routine of jobs and business, the steady provision of public services and the uninterrupted production and transportation of agricultural goods. Energy needs of the Nation shall be deemed not to be met when five States having more than 20 percent of the nation's populace have to implement measures to require rationing or staggered purchase requirements for gasoline; and

"(B) 'major domestic oil company' means a domestic producer having not less than 1 percent of domestic reserves of oil, or is producing not less than 1 percent of the national total, or has not less than 1 percent of domestic refining capacity or petroleum product sales.

"(12) There are authorized to be appropriated such sums as are necessary to carry out the provisions of this subsection.".

S. 1602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Special Investigator of Fuels Shortages Act".

APPOINTMENT OF SPECIAL INVESTIGATOR

SEC. 2. (a) There is established a Special Board of Investigations of Petroleum Fuels Shortages (hereinafter referred to as the "Board"). The Board shall consist of 3 members to be appointed by the President by and with the advice and consent of the Senate. One member of the Board shall serve as chairman, and shall be known as the "Special Investigator". One member of the Board shall be an individual from the Department of Energy and one member shall be from the Department of Justice and each shall be familiar with investigations concerning fuel shortages. The Board shall investigate the causes of petroleum fuels shortage arising during the period beginning July 1, 1978.

(b) The Board shall be responsible for reviewing ongoing investigations being conducted by the Department of Energy and the Department of Justice and for compiling the report required by section 3.

(c) The Board may request assistance from the Department of Justice and any other Federal department or agency, including, to the extent permitted by law, access to any records, files, or other materials relevant to matters within such Board's jurisdiction and the use of the resources and personnel necessary to perform such Board's duties.

REPORT TO THE PRESIDENT, THE CONGRESS, AND THE ATTORNEY GENERAL

SEC. 3. (a)(1) Not later than 3 months after the appointment of the Board under section 2, the Board shall submit a written report to the President and to each House of Congress which includes the findings and recommendations of the Board with respect to the causes of the petroleum fuels shortage arising during the period beginning on July 1, 1978.

(2) Any information contained in such report which, in the opinion of the Board would prejudice an investigation by the Department of Justice or any other Federal department or agency, of alleged criminal conduct, shall be submitted in such report with the provision that such information shall not be disclosed to the public.

(b) The Board shall report any information concerning alleged criminal conduct or any possible violation of a Federal law to the Attorney General whenever such information is obtained, and shall make recommendations to the Attorney General with respect to the prosecution of any person for any such alleged criminal conduct or violation of a Federal law.●

THE FIRST REPUBLICAN NATIONAL HISPANIC ASSEMBLY CONVENTION

● Mr. DOLE. Mr. President, recently the Republican National Hispanic Assembly held its first annual convention in San Antonio, Tex.

The RNHA discussed some very important issues facing, not only Americans of Hispanic origin but also issues affecting all Americans. The Republican National Hispanic Assembly is to be commended for its dedicated effort in reaching out to Americans of Hispanic origin and informing them of the Republican philosophy on issues facing all Americans, and in particular, Americans of Hispanic origin.

Mr. President, I request that the statement of policy on national security and related issues as well as a resolution adopted by the assembly be printed in the RECORD.

The statement follows:

RESOLUTION

Whereas, the Republican National Hispanic Assembly is concerned not only with the welfare of over 20 million hispanos in the United States but also with our fellow Spanish speaking countries in the Western Hemisphere; and

Whereas, the presence of Fidel Castro continues to plague the efforts of all freedom loving people of our hemisphere; therefore be it,

Resolved, that we oppose any kind of recognition by the US government and be it further;

Resolved, that we endorse and encourage the application of the Monroe Doctrine in all of the Hemisphere to keep away all foreign powers who interfere with local governments, and be it

Resolved, that we request that the government of the US not to interfere with the efforts of freedom-loving Cuban exiles who seek to legitimately liberate their country from communism; and be it further

Resolved, that this assembly officially request the appropriate US government sources to free all Cuban exiles political prisoners currently serving jail terms for their efforts to liberate Cuba, and be it further

Resolved, that we request the appropriate government sources to expedite the release of all political prisoners from Cuban jails.

STATEMENT OF POLICY ON NATIONAL SECURITY AND DEFENSE ISSUES

The ability of the United States Armed Forces to carry out their primary task—to deter war, or, if need be, to prevail in it—depends on having in place enough men and women equipped with enough effective weapons to counter the military threats, regardless of origin or types, that can be foreseen or reasonably expected. The ability of the members of our Armed Forces to do their job when properly supported and equipped has never been a cause for concern. Declining force levels and cutbacks in essential training, however, are causes for concern, as are the deficiencies and deferrals in the modernization of our offensive and defensive weapons and their support systems.

For over a decade, official Washington has been unilaterally disarming the United States. Soviet military might continues to grow ominously and at an awesome pace, and which covers all facets of military power from below the sea to outer space and from tactical defense to strategic offense. The United States, by contrast, is living largely off past investments and every passing day brings reductions in some of our technological leads or further decline in areas where we are already behind the Soviet Union. It is clearly obvious that Soviet Russia seeks full military superiority over the United States, no matter the price and sacrifices demanded from its own people. It is customary in democratic countries to deplore expenditures on arms as conflicting with the requirements of social services. There is a tendency to forget that the most important social service a government can render its people is to keep them alive and free.

In view of the above, the Republican National Hispanic Assembly adopts and supports the following objectives as essential for the survival of our Nation:

First, and fundamental, the United States must regain unequivocal military strategic superiority. Parity is not good enough.

Second, all international treaties and other actions must satisfy one major and readily identified criteria—the total security of the nation and our allies.

Third, we must support an effective national intelligence structure, with strong capabilities in military, political, economic and technical fields, and possessing assets for the conduct of covert political actions against hostile foreign governments or parties when deemed necessary in the national interest by the President and the appropriate congressional authorities.

Fourth, the Congress and the people of the United States must take more positive steps to assure continuance of an effective All-Volunteer Military Force by assuring the military community—and reassuring it from time to time that our nation stands fully behind its uniformed personnel and that its existing benefits will not be adversely tampered with. The volunteer force must be strengthened by a strong, active Selective Service System in being as a backup in the event of emergency.

Fifth, the United States must fund and pursue a vigorous research and development program for military or militarily-related purposes. The dangers of a technological military surprise, especially in the fields of high-energy physics are highly probable due to the Soviets increasing investment in research and development—now accounting for about one-fourth of all Soviet defense expenditures.

Sixth, we must be consistent in supporting our friends and allies without exception. In today's international environment allies are essential, and the United States of America must not destroy its reputation for reliability and integrity.●

THE CONSEQUENCES OF ALL-OUT NUCLEAR WAR

● Mr. CRANSTON. Mr. President, the consequences of all-out nuclear war—millions of Americans instantly killed, our cities and countrysides in ruin, our Nation devastated possibly beyond reclamation—are hard for the mind to grasp. The horror is almost beyond comprehension.

To make such a possible calamity more understandable—and understanding by the American people is much needed during the current SALT II debate—three California newspapers have published major articles of the effect a single megaton nuclear bomb would have if dropped in their respective communities.

Because of the public service nature of these graphic, well-written articles and because California is not alone in having a number of "high risk" nuclear areas—there are some 400 throughout the Nation—I ask that the following articles be reprinted in the RECORD: "Nuclear Blast—Rippling Circles of Devastation," Long Beach Press Telegram, July 22, 1979; "What Would Happen If H-Bomb Fell on the Silicon Valley?" San Jose Mercury, July 15, 1979, and "What If an A-Bomb Were To Fall on Pasadena," Pasadena Star-News, July 8, 1979.

The articles follow:

NUCLEAR BLAST—RIPPLING CIRCLES OF DEVASTATION

(By Dan Meyers)

The coastline of Southern California, choked with summer smog, speckled with oil refineries, manufacturing plants and bathers, lies below the malevolent nose of the SS-18.

The nose tilts toward the ground. Eight nuclear warheads detach from the Soviet Intercontinental Ballistic Missile and steer for pre-set altitudes and targets.

The gentle rise of Palos Verdes and, jutting claw-like into the bay, the Port of Long Beach are frozen in the glare from 8,000 feet as one-megaton nuclear bombs detonate over Refinery Alley in Carson, over the Chevron complex at El Segundo, over Torrance and Wilmington.

Within three miles of the Carson blast, equal in force to one million tons of TNT,

almost nobody survives. Downtown Long Beach, some four miles away, is raked by 160 mph winds, and clothing ignites spontaneously. Waves of high pressure destroy wood houses in San Pedro and fires erupt in Cerritos, nine miles from ground zero.

More than one million people die in California and, nationwide, 64 percent of the oil refining capacity is destroyed.

This is a "limited" nuclear attack.

Timed with the debate on Senate ratification of the SALT treaty on strategic arms limits, the federal government has released a report that paints the gruesome picture of nuclear war.

"Nuclear war is not a comfortable subject," the report by the Office of Technology Assessment says in an opening understatement. "The mind recoils . . . but the fact remains that nuclear war is possible, and the possibility of nuclear war has formed part of the foundation of international politics, and of U.S. policy, ever since nuclear weapons were used in 1945."

As the OTA researchers thought about the unthinkable, they considered four scenarios. One of these is the so-called "limited" attack in which the Soviet Union launches 10 missiles, each bearing eight warheads, aimed at knocking out the refining capacity of the United States.

The concentration of refineries near Long Beach makes the area a prime target.

Other possibilities in the report are:

A counterforce attack. In this case, the Soviet Union seeks to destroy U.S. military capacity. March Air Force Base, near Riverside, would be a target in this event because it could be used to launch B-52 bombers bearing nuclear weapons.

The other four bomber bases in California are Travis, near Fairfield; Castle, near Merced; Mather, near Sacramento, and Beale, near Marysville.

All-out war. The next level of targets includes economic or transportation hubs and other military sites. These include the metropolitan area of Long Beach and Los Angeles; Oceanside; Oxnard-Ventura-Thousand Oaks; San Diego, Santa Barbara; military bases in the Mojave Desert, and the San Francisco-Oakland-San Jose region.

A single nuclear weapon exploding over a city. The domestic case taken in the study is Detroit, which could suffer an estimated 2.5 million dead and 1.1 million injured. "Even if only one city is attacked, and the remaining resources of a nation are available to help, medical facilities would be inadequate to care for the injured," the OTA concluded.

In an unrestrained nuclear war, the report states, between 20 million and 160 million people would die.

Half the population of the United States could be warned by outdoor siren within 15 minutes after a national warning was issued, the report says. "Dissemination of warning to the public, however, is inadequate in many places."

The Soviet Union could better withstand the immediate effects of nuclear war, the report indicates. The Soviet refineries are far from population centers and the government is better equipped to take control of an emergency situation. Economic and agricultural recovery, however, would be slower in Russia in the long run.

The horror of war would not end quickly.

For at least a decade, disease rates would be much higher than normal and, even after that radioactivity would cause an increase in cancer. If the planet's protective ozone layer were depleted sufficiently, ultraviolet rays from the sun could hit with enough intensity to blister human skin in 10 minutes, the study said.

Beyond that, are more possibilities.

"There are cases in history," the report concludes, "of high civilizations that simply stopped functioning (though people survived biologically) after some shattering experience."

WHAT WOULD HAPPEN IF H-BOMB FELL ON THE SILCON VALLEY?

(By David Hoffman)

WASHINGTON.—It is a clear afternoon in Silcon Valley. Traffic clogs the Bayshore Freeway as workers leave their jobs in the world's heaviest concentration of high-technology industry and head for their homes in San Jose and its sprawling suburbs.

Then comes the unthinkable.

A Soviet nuclear warhead explodes with the force of one million tons of TNT. Ground zero—the intersection of Highways 101 and 17—is showered with intense heat and a deadly, crushing pressure.

Within a mile and a half in all directions, the devastation is swift and nearly absolute. There are few survivors, no buildings remain standing and winds howl over the landscape at 500 mph.

From there, the impact spreads in concentric waves, as when a stone plummets into the surface of a still pond:

At Valley Fair Shopping Center, about three miles away, the intense heat causes third-degree burns on skin exposed to the blast, clothing catches fire, and the buildings are severely damaged.

Winds at 160 mph whip the grounds at Agnew State Hospital. High-pressure waves demolish surrounding brick and wood frame structures at more than four miles from ground zero.

Nearly nine miles from the blast site, at the IBM plant at U.S. 101 and Cottle Road, the heat causes second-degree burns to people and severe damage to buildings.

In a few hours, the Santa Clara Valley becomes a radioactive cauldron that may remain uninhabitable for years. Depending on wind conditions, deadly fallout may be carried hundreds of miles across the rest of the Bay Area.

These gruesome predictions have been laid out by the government's top defense planners in a series of recent studies on the effects of all-out nuclear war.

SALT ARGUMENT

Such hellish prospects recently led President Carter and Soviet President Leonid Breshnev to sign a new strategic arms limitation agreement in Vienna, known as SALT II.

To illustrate the holocaust that would follow nuclear attack, the Arms Control and Disarmament Agency has recently published a graphic study on the aftermath of nuclear war.

Agency officials insist that the release of the report was coincidental with the June signing of SALT II. "But," said spokesman Jim Tope, "if it helps us get SALT II ratified, we'll take it."

The congressional Office of Technology Assessment has completed a similar report at the request of the Senate Foreign Relations Committee. This study was specifically timed to appear on the verge of Senate debate over the treaty.

However, one informed official said: "The study could be used either way—to support SALT or against it." The grim consequences of nuclear attack might bolster treaty backers, he said. But the study also point out that Soviet warheads would inflict greater casualties on U.S. targets—providing an argument for treaty opponents who say SALT II is not tough enough to restrain the Russians.

In a decision that has been likened in historical importance to the deliberations 60 years ago over the Treaty of Versailles, the Senate will vote later this year on whether to ratify SALT II.

For the most part, the Senate battle over SALT II will focus on such arcane topics as counterforce targets, verification and telemetry.

HIGH-RISK AREAS

But whatever the final outcome when the roll is called, probably in October, San Jose and all of Northern California have a stake in it.

The Defense Civil Preparedness Agency has identified Bay Area and Northern Californian cities—including San Jose—that are considered "high risk" areas in the event of a nuclear attack.

Those areas of highest risk in the state are so-called "counterforce" targets, which the Soviets would bomb first in an effort to neutralize any U.S. response. These include four Northern California Air Force bases that could be used to launch B-52 bombers carrying nuclear-armed missiles and rockets.

These four bases—all within 120 miles of San Francisco—are: Travis, near Fairfield; Castle, near Merced; Mather, near Sacramento; and Beale, near Marysville.

Attacks on such bomber bases would "cause considerable blast damage to nearby populations," according to the OTA report. For example, it said, "attacking Mather Air Force Base . . . would put more than 600,000 people at risk."

There is also one Southern California counterforce target: March Air Force Base near San Bernardino.

Since the Soviets would seek to destroy the actual bombers rather than simply wreck the runways, the OTA study estimates that an attack would be carried out with nuclear weapons detonating in the air instead of on the ground. This could reduce fallout but would increase casualties.

Of the next highest risk, after counterforce targets, are those areas with other military bases, military-supporting industry and major economic and transportation hubs, according to the Defense Civil Preparedness Agency.

Russell Clanahan, a spokesman for the agency, said San Jose falls into this category of "high risk" because of the heavy concentration of high-technology firms in Silicon Valley.

Other California areas listed as "high risk" are: the San Francisco-Oakland complex, the Los Angeles-Long Beach complex, San Diego, El Centro, China Lake, Edwards Air Force Base, Portola in Pumas County, Le-Moore in Kings County, Oro Grande in San Bernardino County, Lathrop, Santa Barbara, and the Oxnard-Ventura-Thousand Oaks complex.

Nationwide there are 400 high-risk areas containing about 137 million people.

20 MILLION DEAD

Among the conclusions of the OTA study:

The impact of a small or limited nuclear attack would be enormous, perhaps killing as many as 20 million people. (Defense experts have in recent years generally discounted the theory that a "limited" nuclear war could be fought without escalating into a full-scale confrontation.)

The Soviets, who possess bigger warheads, would probably inflict more deaths in the United States than they would suffer in Russia. However, Soviet agriculture and industry would be slower to recover than the U.S. economy.

Americans would be particularly susceptible to a Soviet attack aimed at U.S. oil refineries. Such an offensive would kill more than a million people instantly in California

near major refineries in Richmond, Martinez, Benicia and Southern California sites.

"U.S. civil defense looks good on paper . . . (but) no one at all thinks the United States has an effective civil defense." The Defense Civil Preparedness Agency estimates that, with existing U.S. civil defense plans, a full-scale nuclear attack in the mid-1980s would wipe out 70 percent of the population.

RADIATION POISON

The arms control agency has forecast—based on the experience of Hiroshima and Nagasaki—what might be expected in the aftermath of an attack by a one-megaton warhead.

The explosion would be visible up to 40 miles away and create temperatures as hot as the sun.

The immediate radiation, heat and wind would spread nearly nine miles in all directions (see map).

Those who survived the blast would be faced with the continuing terror of radioactive fallout. Some areas of San Jose would be coated with doses of up to 5,000 rems—10 times the fatal level—and many residents who took shelter would receive doses in the weeks ahead of up to 450 rems.

"More than half the people in basements would still die from radiation exposure," the report says.

The arms control report concludes that rebuilding the economy could take "from a few years to never. . . . Anarchy could exist in some places."

WHAT IF AN A-BOMB WERE TO FALL ON PASADENA

(By Dan Meyers)

WASHINGTON.—Below the malevolent nose of the SS-18 missile, the tops of the San Gabriel Mountains poke through the blanket of summer smog settled over the Los Angeles basin.

The nose tilts toward the ground. Eight nuclear warheads detach, headed for pre-set targets. Ground zero, detonation point for one of the warheads, is the intersection of Colorado Boulevard and Lake Avenue.

The warhead explodes with the force of one million tons of TNT, carving a crater 200 feet deep and 1,000 feet across, and hurling highly radioactive dirt for 500 feet on all sides. Winds of up to 500 mph slam down the Colorado Boulevard corridor. Everything flammable is incinerated.

The only objects left standing within a mile and a half are the heavy concrete pillars that support part of the Foothill Freeway.

The destruction spreads in waves.

At Pasadena High School, three miles away, heat from the nuclear fireball causes third-degree burns. Clothing ignites.

The Department of Motor Vehicles building almost four miles away on Rosemead Boulevard is cracked by pressure waves. The grandstand at Santa Anita racetrack is damaged and Fashion Park is littered with glass.

The Los Angeles basin, and civilization, for that matter, may never recover.

When the government thinks about the unthinkable—an all-out nuclear attack—that is what it seems. The gruesome scenario is contained in a report by the Office of Technology Assessment, a congressional office.

The OTA report has been released in time for the debate on the strategic arms limits agreed to by President Carter and Soviet President Leonid Breshnev. The Senate will vote on approval this fall.

"Nuclear war is not a comfortable subject," the report says in an opening understatement "The mind recoils . . . but the fact remains that nuclear war is possible and the possibility of nuclear war has formed part of the foundation of international politics, and of U.S. policy, ever since nuclear weapons were used in 1945."

In an all-out war, the report says, the Soviet Union will aim its SS-18 intercontinental ballistic missiles at major transportation and industrial hubs, such as the Los Angeles area, as well as prime military sites.

Vulnerable areas under this scenario also include the coastal centers from San Diego to Oceanside to Long Beach, Oxnard-Ventura-Thousand Oaks, Santa Barbara and the San Francisco-Oakland-San Jose region.

Prime targets in California are March Air Force Base, near Riverside, and the more northern bases of Castle, near Merced, Mather, near Sacramento.

Theorize that the Soviets might launch a "limited" attack aimed at destroying energy sources such as oil refineries.

In that case the refineries at El Segundo and along the San Diego Freeway just north of Long Beach would be prime targets, the report says.

As a test case for yet another scenario, the OTA researchers theoretically destroy Detroit and Leningrad.

Detroit residents could suffer 2.5 million deaths and 1.1 million injuries, similar to estimates for Leningrad.

In an unrestrained war, the report estimates that between 20 million and 160 million people would die immediately.●

WHO OWNS AMERICA?

● Mr. McCLURE. Mr. President, an issue of particular concern to Western States is the increasing Government ownership and control of public lands; 66.8 percent of my own State of Idaho is possessed by the Federal Government. An excellent speech on this subject was delivered on behalf of my distinguished colleague and friend from Alaska, Senator TED STEVENS, to the Idaho Mining Association on July 25, 1979. In this time of energy shortage when the country must address the need for locating and developing in a reasonable manner additional resources, it is an issue we ought to be especially aware of. I ask unanimous consent that Senator STEVEN's remarks be printed in the RECORD at the end of my remarks.

I might note, Mr. President, that the distinguished Senator from Alaska (Mr. STEVENS), was unable to attend because of the press of business on the floor of the Senate (which, also, prevented me from being there) and that his remarks were presented by Ms. Tricia Bennett, one of Mr. STEVENS' staff aides. From all of the comments I have heard, many, if not most, of those present applauded the substitution and the substitute. I add my personal congratulations to her as well.

The address follows:

SENATOR TED STEVENS' ADDRESS BEFORE THE IDAHO MINING ASSOCIATION

I've really looked forward to today. I feel a real kinship with you. Alaska and Idaho have a lot in common. We're both rich in minerals and scenic beauty. We both share the same devotion to our raw, rugged land and pioneer spirit of raw, rugged individualism. We even share that same sourdough sense of humor with an inclination to exaggerate.

Down here they tell of the farmer who refused to chop up a potato for a customer who only wanted to buy 100 pounds. Back in Alaska, we talk about the pilot who pumped 50 gallons of gas into a plane before he discovered he was fueling a mosquito.

We're both used to a land that's larger than life . . . a land that holds something for everyone . . . the miner, farmer, lumberjack, hunter, fisherman, manufacturer, tourist. We have wide open space and opportunity . . . and yet we're in trouble. Alaska is in trouble. The Rocky Mountains are threatened . . . the West is threatened . . . and unless the Administration and Congress take immediate corective action, all America will be in trouble. Because the majority of this land isn't ours.

66.8 percent of Idaho's land is held by the Federal Government.

96.4 percent of Alaska's land is held by the Federal Government.

And in a country that's dedicated to the principle of private ownership, this policy of increasing public land ownership and control poses a fundamental threat to both our economic and political systems.

We're witnessing a syndrome that can destroy the American system. Not just out here in the West but throughout America, a pattern exists where more private land is being transferred into public ownership and once in public ownership it's use is constrained . . . stringently controlled.

Right now, the Federal government owns 762.2 million acres—one third of the Nation's total land mass. This area is equivalent to the entire United States east of the Mississippi River, plus Louisiana and Texas.

State and local governments own another six percent and their acquisition power is growing with revenues granted through the Land and Water Conservation Act of 1965. In fifteen years, State and local government holdings have increased 12.4 percent through the purchase of 17 million private acres. This area equals Delaware, Rhode Island and West Virginia—combined.

In addition, approximately two percent of the Nation's land mass is held in trust for Native Americans.

This means that . . . in a nation dedicated to individual rights including property rights . . . only 58 percent of real property is in non-public ownership and that slim majority is under siege.

Now what's happening to that 42 percent of public land is equally disturbing because it's destroying the local tax base and disrupting the national economy.

State and local purchases have largely been dedicated to park, recreation and conservation systems. Another 4.6 million acres have gone for urban and transportation uses. The economic consequence has been to shrink their own revenue base and to reduce rural property at the rate of 1.1 million acres each year.

93.5 percent of Federal land holdings are located in the 18 westernmost states . . . almost half the total acreage in Alaska. The great bulk of this property—until recently—has been available for multiple use, including grazing, timbering, hunting, and natural resource production.

However, pressure from environmental extremist groups has eroded the economically valid, ecologically sound multi-use policy. The recently completed Roadless Area Review and Evaluation (RARE II) study considered some 62 million acres in 38 states . . . recommended 15 million acres for wilderness withdrawal and another 11 million for further study. This means almost 42 percent of study acreage has been permanently or temporarily lost for multiple use . . . productive use . . . economic use.

More ominous is the precedent for public land ownership established by the Bureau of Land Management Act of 1976. For the first time, the principle of Federal trusteeship was altered to establish Federal retention of real property as permanent policy. Section 603 of this Act authorized study of all federal lands under BLM jurisdiction for wilderness withdrawal.

Finally, there is section 17(d)2 of the Alaskan Native Claims Settlement Act of 1971. The federal government granted Alaska statehood lands—but environmental extremists have sought to deny the state land it has selected and lock up over 150 million acres in wilderness or other single use categories. Right now, less than one percent of Alaska's vast land is inhabited. Our Native Corporations and citizens have been waiting 20 years—two decades—to enjoy the full rights of statehood and citizenship which they have worked so hard for. During this period, my state established the Nation's best record in wilderness, wildlife refuge and park planning. Yet we have not been accorded our full, secure, constitutionally due property rights . . . and when the 95th Congress failed to solve this problem the President invoked the 1906 Antiquities Act to withdraw 57 million acres as National Monuments. This was compounded by the Department of Interior's invocation of section 204(e) of the BLM Organic Act which, under the guise of an emergency, withdrew an additional 68 million acres for a total withdrawal of 125 million acres. These actions were arbitrary, illegal, and defy rational interpretation.

There was no emergency. This land was protected under several provisions of law . . . d-1, d-2; mining claim permits.

There was no basis under law. 204(e) orders must be approved by the full House Committee based on an emergency. None existed and no valid emergency was demonstrated by the Secretary of the Interior. This order was signed only by the Chairman of the House Committee as Congress was not in session.

There is no logic in land selected for protection. It apparently takes in submerged lands; inland navigable waters; complete river systems; Native claims; and State lands.

There is no clear definition of what (if any) uses would be permitted. We do not know whether this withdrawal is limited to mining claims; whether it restricts the right to enter or right of entry; if it applies to subsistence hunting and fishing.

The implications of this action are clear. The Administration does not know the facts. There is no coordination, discipline, professionalism. They are operating with preconceived prejudices, capitulating to extremist pressures. This is tragic for Alaska; terrifying for the West . . . for what happened to Alaska's public lands can happen to your public lands. The impact on Alaska's economy is applicable to your economy.

Right now public lands in the west are tied up in Section 603 and RARE II wilderness review studies. You have lived with uncertainty and watched investment dwindle or be diverted due to this uncertainty.

Right now, we're being robbed of our rights and our resources without reason. We're in the middle of a recession kicked off by an energy crisis, yet the public lands we're talking about . . . particularly in Alaska and the western states include energy resources, potential energy resources and access to them.

John Adams said private ownership is the foundation of a free and progressive political system when he wrote:

"The balance of power in a society accompanies the balance of property in land . . . If the multitude is possessed of the balance of real estate, the multitude will have the balance of power and in that case, the multitude will take care of the liberty, virtue and interest of the multitude in all Acts of Government."

No matter how far we progress in science, technology or in our concepts of social justice and government service—no one in this nation, who genuinely believes in the democratic system, will dispute that statement. Our people remain the safest repository of political power—and private property ownership remains the best way to preserve the citizens' power.

Consider where we would be if only half of public owned land was in private hands? The land would not lie fallow. It would be rationally used, energy resources would be developed . . . if economically feasible. The government still would have the right to provide incentives for and enforcement to assure environmental protection. Our economy would benefit from increased jobs and decreased balance of payment deficits due to dependence on foreign oils and minerals. State and local government would benefit from an expanded rather than shrinking tax base. Our standard of living would be sustained; our political stability maintained.

Renewable resources—forests, agricultural and rangeland—would be replenished. Environmental extremists are in error in their belief that private owners would permit wanton destruction of woodlands or wildlife to make a profit. This elitist mentality refuses to credit our national appreciation for nature.

We, who live close to the land and off the land, are its greatest defenders. It's not the bureaucrat in Washington, who comes out here to back-pack or fish or ski in Sun Valley two weeks a year who knows Idaho best. It's you who have committed, invested your whole lives to this state. The same applies to Alaska.

We don't want to live in a world stripped of wilderness and wildlife. We don't want to drink toxic water or breathe polluted air. We know about environmental hazards and are paying the price necessary to conserve and protect our life and lifestyle.

We're way ahead of government . . . and this elite, in their arrogance and ignorance, is rendering us powerless. The Administration's policy has been either ignorant of, or outrightly hostile to, economic and resource development in the West. We are underrepresented in Congress. The President owes Western states nothing because he didn't carry a single one of them. Easterners, for the most part, have absolutely no perception of public land, forest or national park policy implications. We have the fight of our life on our hands . . . and we will win only if we establish a bipartisan political and economic coalition with the coordination, sophistication and strength to educate the East, the Administration, and the 96th Congress.

Land is the basic commodity. When government owns it our tax base shrinks . . . and with it our ability to control our lives. The federal government acknowledges this to the extent that we're reimbursed for the impact of land withdrawn for national parks and monuments and conservation on our local economy. But carried to its logical conclusion, the cumulative impact of RARE II and d-2 and Section 603 could result in total dependence on the federal government. They would own, finance, and therefore, run states like Idaho and Alaska.

There is still hope and there still is time. You still have power. Idaho has two key votes on the Senate Energy Committee . . . Senators Church and McClure. Right now, Alaska's d-2 bill is before that Committee. Its disposition can reverse the public ownership syndrome that threatens your lives, livelihoods, lifestyles and our great Nation's future.

The Idaho Mining Association can launch a Truth Campaign—

The truth that economic development and environmental protection can coexist.

We have the technology to preserve the ecology.

We have the resources to make America energy independent and economically prosperous.

We have ample parkland but without access and amenities these areas are valueless for recreation.

Our public land used for grazing and timbering holds down inflation, reduces balance of payment deficits, creates jobs, assures renewable resources.

Our policy is not rape, ravage and ruin, but to develop, restore, and stabilize productivity to secure prosperity.

If we reach the American people, they will reach Congress and Congress will compel the Administration to revise their policies. We cannot be passive. We cannot just lobby in Washington. We cannot hope the nation will come to its senses. We must bring it to its senses before it's too late.

Government ownership and control are alien to the American system. Negative growth is unnatural to the American spirit. This country has never been afraid and we have never failed, and I for one do not intend to see our land, or our opportunities, or liberty shrink under the manipulation of extremists or elitists who have no objectivity on the issues or trust in the average citizen. These people are our servants, we are not theirs.

We fought a Revolution over these exact principles 203 years ago and perhaps we have to do it again. Fortunately, we can use ballots instead of bullets. But we in the West are not going to be colonized. We are states—not colonies.

The time has come to reaffirm and reassert our Declaration of Independence . . . our inalienable right to life, liberty and property which is essential to the pursuit of happiness.

The energy and economic crises will not disappear No foreign policy can cajole, convince or coerce OPEC to act against its own interests. We can only liberate ourselves through liberating our land, spirit and intelligence. The American people have the strength to take risks and the discipline to make sacrifices and the common sense to know when each is required.

I have not lost faith in our system nor confidence in our citizens . . . in you. Together, we can triumph and we shall.●

TELEVISING THE SALT DEBATE

● Mr. HART. Mr. President, one of the most important issues the Senate will consider this year—and perhaps this decade—is the ratification of the proposed SALT II Treaty. It is a debate in which every American has a stake.

Although the Senate has never had live television coverage of its sessions, there is significant public interest in allowing it for the debate on SALT II. Among those who have called on the Senate to allow live broadcast coverage of this Senate debate are the American Federation of Television and Radio Artists (AFTRA). At the 1979 AFTRA convention in July, a resolution was passed unanimously urging that the Senate debate be broadcast live on both radio and television.

Live television and radio coverage would provide the widest exposure possible of this historic debate. It would allow all Americans to watch and listen and to make up their own minds on the treaty.

Since live broadcast coverage of the SALT II debate can provide an important means of informing the American people about the treaty, I would welcome it for this debate. I do have reservations, however, about televising regular Senate debate and would not want this to set a precedent.

To promote discussion of this issue, I ask for printing in RECORD the resolution passed by the American Federation of Television and Radio Artists and a letter to Senator BYRD transmitting it to the Senate.

The material follows:

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS,
New York, N.Y., July 23, 1979.

Hon. ROBERT C. BYRD,
The Senate Office Building,
Washington, D.C.

DEAR SENATOR BYRD: Senate debates concerning SALT II are considered so vital to the well-being of the American people that after considerable deliberation, the 300 delegates present at this Union's annual convention directed me to urge you to use your good offices to authorize live coverage on television and radio of these historic debates.

It was the unanimous opinion of the delegates to the convention and the officers of this Union that the American public is entitled to and should receive the fullest possible information about the treaty and the debates in the most effective manner, namely, live broadcasting.

We would appreciate your efforts in this regard and would hope to hear from you that steps are being taken to achieve the ends of this request.

Very sincerely,

SANFORD I. WOLFF.

LIVE COVERAGE OF SALT II DEBATES

Be it resolved, that this 1979 AFTRA Convention believes that since the Senate's debates of the Salt II treaty are vital to the lives of the American people and that the people are thus entitled to the fullest possible information about the treaty and the debates, it follows that Americans are entitled to observe the course of those debates in live broadcast form; and

Be it further resolved, that the National Executive Secretary be directed to call upon officers of the United States Senate to authorize such live coverage so the American people will not be denied their just participation in these historic debates.●

ADDRESS BY THOMAS J. DONOHUE TO THE GEORGIA BUSINESS AND INDUSTRY ASSOCIATION

● Mr. ARMSTRONG. Mr. President, recently Mr. Thomas J. Donohue, executive vice president of Citizen's Choice, spoke to the Georgia Business and Industry Association. In forceful and convincing terms, Mr. Donohue pointed out what more Government intervention in private markets is not the answer to the Nation's worsening energy shortage.

In view of recent proposals to vastly expand the Federal role in producing, distributing, and managing the Nation's energy supply, I commend Mr. Donohue's thoughts to my colleagues for their consideration and request that the speech be printed in the RECORD.

The address follows:

THE ENERGY CRISIS—MORE GOVERNMENT IS NOT THE ANSWER

Thank you Mr. Dyson, ladies and gentlemen. This morning I'd like to begin by talking about the three groups of people who are involved in the energy predicament in which this nation presently finds itself.

The first group is made up of those that don't know what happened.

The second group are those that watch things happen.

The third group is made up of those that make things happen.

First there's the group that doesn't know for sure what happened. That's the federal government. They blame others for the energy crisis. For example, in the past few weeks the Administration has gone on record and blamed the oil companies for the energy crisis, they have blamed the consumers for the energy crisis, they have blamed the media for the energy crisis, they have blamed Iran for the energy crisis, and they have most recently blamed OPEC for the energy crisis. (OPEC is lucky enough to be blamed for inflation too!)

Then there's the group that watches things happen. They are the public, the media and the consumers . . . the group most immediately affected by disruptions in the energy industry.

Then there's the third group, the group that makes things happen, and that group is the business community which has developed and utilized the technology which is responsible for giving the U.S. the most advanced energy industry in the world. It is this group that has, after all, been able to deliver an ever-growing supply of energy, and it is the business community, who, by informing the public and by putting pressure on the government, can provide an atmosphere in which the energy battle can be won.

My talk has been titled in your program as "Shaping Public Policy: How to Get Government Out of Your Business." And I need to state at the outset that we are never going to get the government totally out of our businesses. But if each of us makes a commitment to get involved in shaping public policy we can succeed in reducing the government's growing share in this partnership. There are numerous ways to do this, and I will discuss them in a few minutes.

The events of the past few days give me an opportunity to point out how this ominous trend of government authority is continuing. I'm speaking of course of the recent developments on the energy front.

APPLAUD CARTER'S COMMITMENT

In spite of the fact that I have some serious reservations about the details of the President's latest series of energy speeches, I do want to applaud his sincere commitment to reverse U.S. dependence on imported oil. By making this a national goal President Carter has encouraged all Americans to join the fight to reduce our nation's vulnerability and our demand for foreign oil. This in turn will help hold down future OPEC price increases and relieve some of the pressure on the fragile governments of the oil exporting nations.

President Carter should be commended for his efforts to lead the nation through this present energy crisis. This nation needs a strong leader, and Jimmy Carter is making a valiant effort in this regard. He is a man of courage and his words of Sunday were encouraging and needed. Because he has made a good faith effort toward long range energy solutions while admitting his shortcomings and the shortcomings of his Administration, I welcome his speech to the nation on Sunday night.

However, as the details of what he said that night sunk in, and as he elaborated on Monday with further explanation of his energy plans, I became puzzled. On Sunday he appeared to come out against more government; but on Monday he clearly called for more government control and involvement in the energy field than ever before. I have become increasingly troubled by what I heard. For the next several minutes I'd like to share with you some of those concerns.

IS THERE A CONFIDENCE CRISIS?

The President said on Sunday that there is a crisis of faith and confidence in America. He said that Americans lack purpose in life and that we have become a nation that disrespects our government and other institutions. Well, I tend to disagree. May I suggest that if there is a crisis of confidence in America it is Americans' lack of confidence in Big Government—government that for 40 years has promised more and more and delivered less and less. That's what has been frustrating Americans. In fact, it isn't a lack of faith but an overabundance of misplaced faith that plagues Americans—misplaced faith that our government should and will be able to solve all our nation's problems.

If the U.S. citizens are guilty of anything it is that we threw up our hands too easily and said, "Let the government handle it." And you all know what that has led to. Often the government's cure has been worse than the disease. The President himself alluded to that when he admitted that the nation has focused too long "on what the isolated world of Washington thinks is important." Too many times we learn that Washington's solutions don't fit our nation's problems. For example: The government enters the health care field and costs begin to skyrocket. New York state hospitals alone spent over $1 billion (or 25 percent of their operating costs) on paperwork generated by Washington. And business funded $34 billion of the nation's health care bill that came to $163 billion in 1977.

The government enters the field of worker safety and health—regulations skyrocket! New agencies such as OSHA are created . . . billions are spent by industry in compliance . . . with the net result being little change at all in the safety records for workers, even though thousands of jobs were lost because job-creating investments weren't made due to lack of funds.

In the energy field, the government decided that it knew better than the market system how to price energy. As a result you have complicated price controls on oil and natural gas which have kept the price of energy artificially low and demand unusually high. This in turn has kept production levels low, because the incentive to explore and develop new sources of energy or to go after harder-to-extract fossil fuel deposits doesn't exist.

Recently, the government has once again shown how it likes to take on tasks which it invariably cannot do well. I'm speaking of course of the gasoline allocation program administered by the Department of Energy. It seems that no matter where the government attempts to take over a function of the market system, economic disaster follows.

This is particularly true when the government tries to supersede the price mechanism which is the heart of any market economy.

Historically, the challenges that have faced our nation have been successfully met and

overcome by the innovativeness, flexibility and efficiency of the private sector—not by the public sector. Yet is appears that the Administration will once again try to rely on the public sector and more government to bring us through the energy squeeze. And I for one, don't find that very encouraging.

MORE GOVERNMENT INVOLVEMENT

Our energy problems started when government first began imposing its controls over the energy industry. I could point to several government actions spread out over the past years which have only exacerbated the energy squeeze.

These government actions include: price controls on oil and natural gas, removal of tax incentives for energy exploration, creation of a vast Department of Energy which regulates and ties up almost every phase of energy exploration and production, a policy of land lock-ups that has tied up hundreds of millions of acres of this nation's precious natural resources, and environmental regulations that often conflict with energy goals such as increased use of coal.

I had hoped that the President would have taken this opportunity to remove some of those government controls. Instead, the Administration's thrust seems to be toward more government control rather than less. And that's no solution; that's the problem.

The New York Times noted that one of the television programs canceled for the Sunday night's energy speech was an episode of "Moses the Lawgiver" in which Moses comes down from the mountain with the Ten Commandments. Well, apparently Jimmy Carter used that for inspiration because he sure enough has come down from the mountain and laid down the law!

And it appears that the new law is going to mean a lot more government involvement in the energy field.

HOW MUCH GOVERNMENT INVOLVEMENT?

According to the latest White House figures, the government will be getting involved to the tune of an additional $142 billion! That's a lot of government involvement! Just how much is $142 billion?

$142 billion would pay for every drop of imported oil that this nation will import over the next two and a half years!!

$142 billion would also completely pay the fuel bill of our nation's utility companies for the next 150 years!!!

$142 billion is equal to the annual budget of 14 Departments of Energy.

$142 billion is equivalent to $2,600 for each American family of four.

WHAT ARE WE GETTING FOR $142 BILLION?

We can only hope that what we may get for $142 billion won't be the same as 14 more Departments of Energy. The Department of Energy after all has an annual budget that is almost equal to the annual profits of all the oil companies combined, and yet the DOE has never refined or marketed a single quart of oil.

In his Kansas City speech on Monday, President Carter said (and I quote), "We are going to change the way we create energy in this country." Given the track record of our government in the energy field, I don't find that a comforting statement.

Apparently the newly proposed Energy Security Corporation is going to be a big part of this. This new layer of bureaucracy is going to have operating expenses of over $50 million for the first year and will be funded through an $8 billion dollar government appropriation to develop alternate energy sources.

The World War II synthetic rubber program is often used as an analogy for this new government corporation. We need to remember, though, that the only reason the synthetic rubber program was successful was because industry and government were working together. And to date, it looks like the government is more interested in making business the scapegoat for inflation and the energy crisis than it is in building a productive relationship.

Another big part of the Administration's program is a new Energy Mobilization Board which is supposed to work like "the War Production Board did in World War II," said the President. This Mobilization Board brings three thoughts to my mind.

First of all, I have to wonder if anyone has bothered to read the history of World War II and the War Production Board. If they did, it would quickly become apparent that war production got rolling in spite of the WPB, NOT because of it.

In fact, if the U.S. had relied on the WPB to get war production going, we might all be speaking German right now.

Second, the fact that an Energy Mobilization Board even has to be created is a de facto admission by the government that its own policies and regulations have created miles of red tape, countless delays and endless roadblocks to completing key energy projects, which is precisely what the National Chamber and Citizen's Choice have been pointing out all along.

And my third thought was this: given this government admission that there is a vast regulation problem, did anyone consider the fact that the best way to deal with all the red tape and delays would be to eliminate or drastically cut the government regulations that are the very root of the problem?

That would simplify things greatly, cost less and do away with the need for the entire mobilization board. But apparently such are not the ways of this Administration.

WHAT DOESN'T THE $142 BILLION PROGRAM INCLUDE

This brings me to a perhaps even more important point, and this is "What is missing from the Administration's energy program?" And this is more telling than what was included. In addition to ignoring the decontrol issue, there are two other critical omissions in the Administration's plan.

The President said nothing about more reasonable federal land-use policies and he completely ignored the terribly important question of environmental policy.

On the federal lands question the President recognized our nation's massive energy resources—24 percent of the world's supply—but he proposed nothing new to free up the use of those resources. Public lands have been estimated to contain approximately 50 percent of the nation's energy resources, yet at the present time, they account for only 10 percent of the U.S. energy production!

For example, the government has not allowed a single coal lease on federally-owned land in the last eight years.

There is a disturbing trend by government to withdraw public lands from any type of economic and energy development, and at this very moment there are several programs before the Congress and Administration which would withdraw an additional 250 million acres of public lands for wilderness designation. Classification as a wilderness would prevent any type of energy development.

The second omission, that of ignoring the collision course of present environmental regulations and the Administration's energy goals, must have been a deliberate omission. Any student of the energy situation recognizes that there must be some amendments made to the Clean Air Act if our nation is to reach the President's goals of greater reliance on coal and synthetic fuels.

By ignoring the public lands and environmental questions and by refusing to address the harmful effects of government price controls, the President's energy program becomes a "Paper Tiger,"—a very expensive paper tiger. Or as one observer put it, the President's plan is a brilliant piece of "Rafshoonery."

WHAT DIRECTION SHOULD THE ENERGY PROGRAM TAKE?

The U.S. is blessed with a super-abundance of both natural resources and the world's most advanced technology. These two ingredients, if allowed to work in a free market economy, could quickly make this nation energy independent once again.

No other nation on earth is blessed with the energy advantages that we enjoy. Of course, no other government on earth has tried as hard as ours to control and hamstring its energy industry.

I can think of no justifiable reason for the government to subsidize a massive energy development program while it is simultaneously preventing its own energy industry from functioning effectively.

In addition, the government is proposing to finance its intrusion into the energy field by taxing the profits of the energy industry!

In the entire history of man nothing has ever proven to be more efficient, inventive or innovative than the profit incentive found in a free market economy. And that's why, as we continue to look for solutions to our energy needs, we must stress the role of the private sector, and seek to diminish the increasing role of the state. For if we don't, we will only find ourselves slipping deeper and deeper into political and economic quicksand.

SOME PRACTICAL ENERGY SUGGESTIONS

Before I leave here today, I would like to share with you a few of the recommendations that the National Chamber gave the President in a letter last Friday. These are the same recommendations that the Chamber has been making for the past 2 years.

1. Speed up the schedule of decontrol of crude oil prices. Price controls since 1973 have kept oil prices artificially low—70% lower in fact than they otherwise would have been. This had reduced supply; increased demand and led to a 2.8 million barrel per day increase in imports! This in turn has drained hundreds of millions of dollars out of the U.S. economy and into the coffers of the OPEC nations. Inflation, national security concerns and a devalued dollar have been the direct results.

Decontrol would significantly increase the incentive to explore, refine and market more domestic oil and it would simultaneously signal to the world—and particularly OPEC—that the U.S. is serious about energy production and intends to cut its reliance on foreign oil.

2. Remove federal price controls from gasoline. Gasoline prices have been under Federal control since 1971. The price of crude oil now stands at over 50¢ a gallon. There is no incentive to produce gasoline selling for 90¢—when the 40¢ difference will not adequately compensate for the costs required to refine, transport, and market the final product, let alone offset local, state, and federal taxes.

3. The government should abandon its "Windfall Profits" Tax proposal. First of all, this tax is not a windfall profits tax at all. It is clearly a tax on revenues, not profits, which makes it a pure and simple excise tax. An oil company would pay the excise tax even if it hadn't made one nickel in profit. This misnomer is just another example of an Administration that twists the English language for political gain.

However, more serious is the bad precedent such a tax would set. It would be just another intrusion by government into the private sector and a first step toward government control of all industry profits.

The government would receive the revenues from the tax to put itself into the energy business. And that is not needed. The Joint Committee on Taxation has estimated that over the next five years, such a tax would soak up over $40 billion of revenues which otherwise go for energy production.

This $40 billion tax burden will cost the country approximately 400,000 barrels per day in lost production by 1985, according to National Chamber estimates.

4. As I mentioned earlier, the Clean Air Act must be amended if we want to increase domestic refinery capacity, make more use of synthetic fuels, and make greater use of our nation's most abundant resource—coal. The Clean Air Act has the greatest potential to delay or prohibit a wide range of energy activities, such as locating a coal mine, drilling an oil well, expanding petroleum refinery capacity, or burning coal.

The Clean Air Act has become so rigid, that in some areas, emissions from natural sources of pollution such as vegetation, exceed federal air pollution standards, closing off these areas to any type of development. On two occasions, in Utah and Colorado, oil shale development was halted precisely because of this.

The Administration has repeatedly urged and in fact is now requiring conversions to coal, and that is a very sound suggestion. Yet the Clean Air Act will prevent substantial shifts to coal, particularly in urban and industrial centers unless it is amended. Without these amendments, coal conversion and increased coal utilization goals are unlikely to be met.

5. The last recommendation that I am going to mention concerns the topic of federal lands. The first step of the energy development process must be exploration and production of domestic natural resources. And as I said earlier, much of these are on federal lands.

In fact, 50% of the nation's energy resources may lie beneath public government-controlled lands. To pay millions of dollars to OPEC, to threaten our nation's very independence, and to seriously damage our nation's economy by importing oil while we simultaneously withdraw from use some of our nation's most promising oil producing lands, is ludicrous. It makes no sense to keep the nation's energy potential locked up.

The National Chamber made several other recommendations to the President on the topics of solid waste disposal, nuclear energy, synthetic fuels, and others. If you are interested in obtaining a copy of the Chamber's suggestions, you can get one by letting me know.

I began this morning by telling you about the three groups of people in this world and how they relate to the energy situation. So let's look again at those three groups—those that make things happen, those that watch things happen, and those that don't know what happened.

If we are really interested in limiting the role of government in our business and personal lives, then it's time for those who make things happen (that's business) to use their energies to inform those who don't know what happened (that's the government) that the solutions to our energy problems can be best found in private sector approaches. And that applies as well to our inflation problems, trade problems, unemployment problems and most other national problems as well. It's time as well for business to inform those that watch things happen (that's the public and the media) that they need to help press the government to get out of the energy business.

Deep down our citizens know that their high standard of living, their economic and personal freedoms, and their tremendous freedom of choice all depend on a healthy enterprise economy—composed of small and large businesses working for our mutual benefit.

So the question becomes—What can you do? Can you really do anything that will make a difference? I am convinced that the answer to that question is Yes!

You can make a difference by getting involved and supporting:

(1) The local Chamber of Commerce in your town or city.

(2) Continue to support the work of the Georgia Business and Industry Association. The GBIA has been doing an excellent job representing your views as Georgian businessmen and women. I encourage you to actively involve yourself in their programs.

(3) The U.S. Chamber of Commerce. The Chamber is working hard to represent your views in Washington, and their efforts are paying off. Our membership has grown from 50,000 to 85,000 in just three years and when it comes to national issues, the Chamber's lobbying and communications program on your behalf is second to none.

(4) Get involved with Citizen's Choice. Citizen's Choice is a national grass roots citizens' lobby affiliated with the Chamber of Commerce of the U.S. Citizen's Choice is effectively unifying the forces of thousands of individual taxpayers into a voice that is being heard in Washington. 36,000 Citizen's Choice members are lobbying at the grass roots level to support a strong enterprise economy and to limit the growth of the federal government.

I'm hoping that each of you here today will decide to get involved in the public policy arena.

The health of our society a year from now will reflect the commitment you are willing to make now to get involved.

The historian Edward Gibbon wrote of ancient Athens: "In the end, more than they wanted freedom, they wanted security. They wanted a comfortable life and they lost it—security, comfort, and freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for was freedom from responsibility, then Athens ceased to be free."

Whether that epitaph will one day be written of us is now the great choice before us.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF A GIFT OF TRAVEL FROM A FOREIGN GOVERNMENT OR FOREIGN EDUCATIONAL OR CHARITABLE ORGANIZATION

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD a notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization. The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Mr. Carroll Leggett, of Senator MORGAN's staff, during the period from August 1 to August 18, 1979, to participate in a program sponsored by the American Council of Young Political Leaders which involves travel within the Peoples' Republic of China, the costs of which will be borne by the PRC. It has been determined that Mr. Leggett's travel within the PRC at the expense of the Government of the Peoples' Republic of China, the costs of which will be borne by the PRC, is in the interests of the Senate and the United States.●

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NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF A GIFT OF TRAVEL FROM A FOREIGN EDUCATIONAL ORGANIZATION

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the university is in the interest of the Senate and the United States.●

THE BENEFITS OF NUCLEAR POWER

● Mr. McCLURE. Mr. President, I intend to keep stressing to my colleagues the absolute necessity of using nuclear power to produce a major share of our electricity. I was encouraged by the recent vote on the NRC authorization bill. A major drive to clamp a moratorium on the construction of new nuclear power plants was solidly defeated. Although perfecting amendments I offered were also voted down, a fundamental support for nuclear power prevailed through the debate.

We cannot afford to set aside such a valuable energy option. U.S. uranium resources can supply us with electricity for 580 years based on 1977 use rate figures using light water reactors and with breeders, 59,000 years. This compares with 1,500 years supply of coal resources, 24 years with oil (excluding imports), and 48 years with natural gas. An editorial by an Idahoan, Dorothy Strait, quotes Dr. Petr Beckmann of the University of Colorado as saying,

If no more than the uranium tailings (U-238) now going to waste in storage vessels around the country were used as breeder fuel, they could provide the energy now imported as OPEC oil for 700 years.

Mrs. Strait brings out the juxtaposition of nuclear power safety and electrical current safety. What if our Nation had stopped the development of electricity because of its supposed hazards, represented by the Times in 1883 as dead horses lining the streets killed by fallen electrical wires and of workers being also striken as they tried to remedy the situation. She also includes Beckmann's comments on nuclear's safety. People living next to a nuclear powerplant receive substantially less than 5 millirems of additional exposure per year, the amount allowed by Federal regulations. A person's added chances of dying of cancer from 5 millirems would be about the same as from smoking a single cigarette during a year.

I am not attempting to overlook the problems encountered with this source of energy but asking my colleagues to focus on its benefits as well. Dorothy Strait's article, which was published in the Boise Statesman, is worthwhile reading and I request that it be printed in the RECORD.

The article follows:

NUCLEAR POWER: NOT THE TERRIBLE GENIE IT IS PAINTED

(By Dorothy Strait)

The May 5 guest opinion, "Dangers of Nuclear Power Outweigh Benefits," seems to add to the fear of nuclear plants that is being promoted by the anti-nuclear people.

The first example used is fear of bombs being made from the waste from nuclear plants. Time magazine admits that all nuclear wastes "generated up to the year 2000 by the U.S. nuclear plants could be stacked up six feet high on a single football field."

According to William P. Hoar, feature columnist, in his article "Independence for American Energy," "The Swedes have just developed a sealed storage container to hold such wastes that is almost as hard as diamonds and will outlast the nuclear radioactivity. And if waste is still a concern, there is the breeder reactor that is used in other nations that consumes the "waste" matter from conventional reactors as fuel, which means that we have a century's worth of energy in the form of atomic "waste" stored in the U.S. today that could be used for breeder reactors. Japan has now begun to operate its first fast-breeder reactor. Even normal nuclear reactors (using enriched uranium) take only 42 months to set up in Japan; regulations in the United States require 11 to 14 years before production starts."

Paul Harvey commented for the Los Angeles Times Syndicate: "The fuel pellet consumed by a fast breeder reactor is half the size of an eraser on a pencil. Yet that little bitty BB of fuel will produce essentially the same amount of energy as three tons of coal or 12 barrels of gasoline or 75,000 cubic feet of natural gas. And really, it doesn't bite."

Leonard C. Koch reports in Energy Perspectives that plutonium for the breeder reactor is "the most abundant energy resource on earth that we have the technical and productive capability to use now. Since a pound of plutonium is equivalent to more than 5,000 barrels of oil, and since we have known reserves of plutonium (uranium-238 convertible to plutonium) of about 250,000 tons already mined, simple arithmetic reveals that this energy resource is virtually inexhaustible. We already have the equivalent of some 2.5 trillion barrels of oil in storage." We can use that and conserve oil, gas and coal for petrochemical and pharmaceutical purposes for which they have unique properties.

Dr. Petr Beckmann observes, "The possibilities of the breeder boggle the mind. Consider just this single aspect: if no more than the uranium tailings (U238) now going to waste in storage vessels around the country were used as breeder fuel, they could provide the energy now imported as OPEC oil for 700 years. There are more than 200,000 tons of such "waste," i.e. uranium depleted of its fissionable U235 contents, stored in steel vessels at Oak Ridge, Tenn., and elsewhere. These neatly packaged, above ground, ready-for-use supplies could be converted to fuel in a breeder of the type that France already has in operation. The energy available from this stored "waste" amounts to the equivalent of 400 billion tons of coal—about as much as the U.S. has recoverable underground. If all of the 'waste' is utilized by means of breeders, the supply amounts to 10 times as much energy as is contained in all of U.S. coal reserves—a supply for centuries."

Then we have the fear of what could happen with a nuclear accident, which has never happened, but could happen. So most of us could imagine almost any sort of thing that could happen that would take many lives, that would be highly improbable. Even the Three Mile Island mishap—of which there is much evidence that it wasn't an accident—released radiation no greater than a body X-ray at your local clinic.

Beckmann of the University of Colorado explains that those living next to a nuclear plant receive much less exposure than the 5 millirems allowed by federal regulations. But even if a person did get a full 5 mrems in a year from a nuclear plant, his added chances of dying from cancer would be the same as those due to smoking a single cigarette during that year.

In 1883 the Times painted a picture of streets filled with dead horses, killed by fallen electrical wires, and increasing numbers of workers trying to remedy the situation becoming victims themselves of the dread electrical current.

Try to imagine what it would be like today if the "antis" had succeeded in preventing the development of electricity.

I grew up without the modern conveniences provided by electrical energy and do not want to go back to that way of living. If the demonstrators who are against nuclear power and other forms of energy want to live without the technological developments we now enjoy and future technological developments, let them find a spot—and there is still lots of wasteland in the United States or go to a communist country and live that way—but let the rest of us live comfortably.

But what can we do? Again the answer is Congress. Watch how the senators and congressmen vote. Are they voting to help the American taxpayer, or for more give-away programs at home and abroad? Then when we go to vote we can vote by their record.●

THE SUNSET ACT OF 1979

● Mr. SASSER. Mr. President, I would like to give my colleagues a progress report on an important piece of legislation which has not gone unforgotten in this Congress.

The legislation is sunset; the bill, the Sunset Act of 1979.

To the 80 Members of this Chamber that were serving in the Senate in the last Congress, this bill is very familiar. It is virtually identical to the measure that we passed by an 87 to 1 vote last fall.

And to our 20 new Members, this measure is also familiar because many of you supported the sunset concept as a pillar in your election campaigns.

The sunset bill was redrafted and introduced in the early days of this session, and now the Governmental Affairs Committee has completed a thorough series of hearings on sunset to review the various parts of the bill.

Fortunately, our task was not very difficult, because sunset is basically a simple idea. It proposes that nearly all Federal programs be reviewed and reauthorized on a 10-year, five Congress cycle, with similar programs to be reviewed at the same time.

I am pleased to report, however, that we made some valuable progress during this series of hearings.

We saw the administration and Senator PERCY starting at odds with one another but then gradually work toward a basic agreement on one of the important titles that my distinguished colleague from Illinois added to the sunset bill.

In another important session, we heard State legislators and officials from across the country testify that while State sunset programs have had some technical, start-up problems, the sunset concept has given many State governments their first chance to reexamine programs and agencies that have piled up over the years, layer upon layer, without the oportunity for thorough review.

Finally, I saw that my colleagues on the Governmental Affairs Committee who attended these sessions were in virtually unanimous agreement on the need to enact a sunset bill into law.

I hope that the Governmental Affairs Committee, when it returns from the August recess, will act quickly to report out the Sunset Act of 1979. And I hope that the consensus on sunset that I witnessed during our hearings, continues on into the markup sessions on this bill.

The current sunset bill has been 4 years in the making. And we have used that time well to make constructive

changes in the sunset concept, tailoring the mechanics of the bill to our unique legislative structure.

But I fear that each year we delay in passing a sunset bill into law, the more vital the sunset concept becomes.

This is because sunset is the best way of providing Congress a means of eliminating low-priority spending—and thereby freeing up resources for higher priority programs that this Nation wants or needs.

For this reason, in this new era of fiscal austerity, sunset is becoming more and more important. In just the past 2 months, for example, I have heard my colleagues on both sides of the Hill talk about extremely costly new initiatives that they regard as indispensable. Let me mention just three of them:

National health insurance, synthetic fuels development, and increased defense spending to complement the SALT accords.

If we are going to support all of these measures, or even just one of them, and at the same time maintain our commitment to balancing the budget, and fighting inflation, then we clearly need a tool like sunset.

Now sunset will not settle any arguments on which of these new initiatives we should support, or how much money we should provide them.

But sunset will give Congress the chance to get a handle on the Federal spending process so that we can eliminate programs that are no longer necessary. Sunset will give us a chance to get a handle on uncontrollable spending, the nearly three-quarters of the Federal budget that is now effectively beyond our control.

Now many of you have heard Senator MUSKIE, the architect of the Budget Act, and the architect of this sunset bill, make these arguments before. I think that with each passing year, the arguments of the distinguished Senator from Maine, in behalf of sunset, are becoming more and more well taken.

For we are beginning to realize that our budgetary resources, like our energy resources, are an extremely limited commodity. We know we must practice conservation measures with our citizens' tax dollars just as we are asking them to conserve energy when they drive and heat their homes.

Sunset will give us a rational framework within which we can practice such fiscal conservation. Sunset will provide the most reasonable and rational response to the new reality which demands that Federal funds be spent more prudently and effectively.

I am confident that the Governmental Affairs Committee will come back after the August recess and report out this legislation expeditiously. And I hope that once again, when sunset comes to the floor, that my colleagues give it their strong support.●

MR. CARTER'S CONFIDENCE SPEECH

● Mr. TOWER. Mr. President, the fifth chapter of Jeremiah, Mr. President, reminds us that "there are none so blind as those who will not see." I believe that sage observation has application to the events we are witnessing in Washington this summer.

President Carter stressed to the Nation on July 15 his belief that a "crisis of confidence" plagues the land. He warned Americans that the crisis of confidence which he sees is more serious than the problems this country is experiencing with either inflation or energy. In woeful tones, and with a flavor to his remarks reminiscent of his anti-Washington campaign oratory of several years past, Mr. Carter painted a picture of an island government, unable to produce solutions because it is removed from the people. As a result, the American spirit of abiding optimism has sunk to serious lows; in fact, to the point that America's prestige as a world power now rests precariously on the brink.

The gravity of this Nation's economic problems, Mr. President, is indeed threatening our future. Republicans, and many serious economists who have been preaching budget restraint until we are blue in the face, as well as an end to deficit spending, and measures to free this country's energy production capability from incessant Government interference, have seen the pressure building for the "crisis" for some time. In fact, Republicans last week offered a set of economic proposals for the next decade an action plan to help now in restoring American confidence in the future. If enacted, it will point this country on the path toward realistic economic stability and an economic future Americans can look forward to with confidence.

The crisis the President describes is real enough. No one denies that. But the reasons were inadequately explored by the President in his televised address to the Nation.

Paul McCracken, a noted economist and former Chairman of the Council of Economic Advisers, expands on the crisis in greater detail in the August 1 Wall Street Journal. It is penetrating, provocative, and eye opening in its analysis of what happens when those who lead see only what they choose to see. It is worthy of review by my Senate colleagues, and I ask that it be printed in the RECORD.

The material follows:

CARTER'S CONFIDENCE SPEECH

(By Paul W. McCracken)

". . . I want to speak to you tonight about a subject even more serious than energy or inflation. . . . It is a crisis of confidence."

Thus did the President in his address to the nation on July 15 state his theme. It might, in fact, be called the confidence speech since the word was used fifteen times during those Sunday night minutes—and the themes were repeated the next day.

That confidence, a sense of optimism about the future, is at a low level is undeniable. The studies regularly conducted by the Survery Research Center at the University of Michigan show consumer sentiment at levels lower than at any other time in the last quarter of a century except briefly during the 1974–75 recession.

The President is also right that there is a particularly low level of confidence about our longer run future. When asked about the longer run outlook, the pessimists outnumber the optimists by a widening margin. The American citizenry is clearly not put in an ebullient mood by what it sees when it looks out over the political and economic landscape.

More than confidence in confidence is, however, required. In a Book which the President reads and teachers there is a statement (King James Version): "Now faith is the substance of things hoped for, the evidence of things not seen."

RESTORATION OF CONFIDENCE

The restoration of that confidence which would contribute to renewed economic vigor will not occur simply because we are exhorted to become more confident about confidence. Renewed confidence will emerge when it becomes evident that substantive actions and programs have been put in place providing evidence that we are beginning to deal effectively with our basic problems.

Has the President, with his Camp David reappraisal and the restructuring of his official family, aimed programs and policies in directions that will deal effectively with the two most urgent concerns of people generally—namely, energy and inflation? That is the question which must be answered, and the Congress should be certain that the answer is in the affirmative—even if the necessary time requires delaying action until after the summer recess. There is one thing even more troublesome than the slow, cumbersome pace of Congress and that is its occasional spasm of hasty action. If the Congress will now give itself time to sort out the energy issue, and will look at it candidly, it will find itself disturbed by three related sets of concerns about the wisdom of the July 15 program proposed by the President.

For one thing it offers nothing for the short run except authority to ration gasoline. It offers, in short, an ambulance down in the valley. It, therefore, exposes the economy for several years to unnecessarily severe dislocations, because of uncertain and unpredictable availability. That is the real significance of the decision against immediate deregulation of the oil markets in this country. With the problems upon us of auto workers unemployed, people in tourist-industry establishments now facing hard times and the loss of life savings and retail stores with all the requirements for a good day except customers, the Federal Trade Commission should require that these all carry the label "Made in Washington."

While we could not control the interruption of Iranian oil or OPEC price increases, we do have control of the responses we make to these actions. Our response has been for government to manage the details of the market for oil, including controls on prices that held them below world market levels. What happened was what always happens when prices are held by brute force below market-clearing levels—demand exceeded supply, and there was "a shortage."

It should quickly have been evident from foreign experience that we were ourselves the source of our problems. Such countries as Germany (which imports all of its oil) and Japan (which must import virtually all of its energy) experienced far less in the way of economic dislocations than the United States (which still produces all of its coal and half of its oil).

That available oil supplies will not be rising as rapidly in the future as during the recent decades seems clear enough (though numerous such predictions in the past have been contradicted by later discoveries). What is needed at this juncture, therefore, is a policy that would do two things. It must bring overall demands into balance with a supply that will be growing, we must assume, less rapidly. And at the same time it must provide assurance to each individual that when he heads for the filling station there will be gasoline available for him to buy.

Immediate elimination of the tangled and labyrinthine controls by which government

has tried to manage the oil market—including, of course, allowing domestic prices to align themselves with world levels—would have accomplished those two objectives.

That was not the strategy which the President chose. The strategy that came down from Camp David was to retain existing controls and to ask for more (authority to ration). The President thereby opted for a strategy that will continue to expose the American economy to unnecessarily large dislocations from "shortages" and uncertain availability, unemployment and arthritic gains in the real purchasing power of pay checks. Thereby the economy's basic vitality is unnecessarily weakened for the years immediately ahead at precisely the time it needs to be strong in order to make the adjustments to the higher real costs of energy it is now confronting.

The second set of concerns about the President's program is that he proposes, in effect, the nationalized-industry strategy for bringing new sources of energy to the market in the longer run. This is the meaning of the proposal for an Energy Security Corporation to be financed apparently outside the budget. (At least the President proposes that it "will be outside the federal government. . .")

We are asked, in short, to depend for our future energy supplies on a Post Office corporation approach. The Post Office has not been notably successful in bringing innovative new products and services to its customers, and the evidence is clear that it has been incapable of avoiding a serious inflation of its costs. There can be no other interpretation of the extent to which the Postal Service pales at the proposal that there be competition in the first-class mail service.

And the Energy Mobilization Board simply adds another layer of government to deal with a problem that is now completely out of hand already because of too much government—namely, the extent to which agencies have been given or have arrogated to themselves power to block meaningful progress on energy. Even if oil were to become plentiful, it is doubtful if another major refinery could be built in this country. In spite of our enormous coal reserves, a quantum jump in coal production could not be achieved, and thanks to the decrepit state of our railroads (another condition "Made in Washington") it could not be transported even if the added coal could be mined.

PRUNE THE AUTHORITY

The straightforward way to deal with these blockages would be to prune the authority that makes it now possible for these agencies and programs to go beyond a prudent regard for such matters as safety and the environment and stall efforts to make progress on other urgent objectives of policy. To "solve" this problem by creating yet another agency with seemingly totalitarian powers is apt to produce in practice an oscillation from paralysis to harsh actions that in turn imprudently disregard these other concerns. If we go this route, we are apt to see demands for yet another agency to redress this imbalance—perhaps an Environmental and Safety Equalization Board to ride herd on the Energy Mobilization Board?

Finally, the President has some "moral" questions of his own to face. One is a consistent pattern of saying in general that we need to get government off the backs of people and proposing specific programs that vastly extend the scope and power of government over the lives of the citizenry. Whatever the merits of reliance on a nationalized-industry approach for our future energy, it is not a proposal that moves toward getting government off the backs of people—which has been assumed to be the general principles of first candidate and later President Carter. And this may be a part of the public's continuing bewilderment.

Another question must also now be asked. Is it really fair or even "moral" to keep up a drumfire of innuendo implying that oil companies and their officials are (the words must be used) involved in some sort of conspiracy or dishonesty without ever in a straightforward way providing the evidence? The problem perhaps even transcends morality and fairness. Even on his own terms there is no case for the President's energy proposals unless there is a "real" problem. Yet each time he indulges in this rhetoric and innuendo implying an oil industry cabal, he correspondingly weakens the credibility of his insistence that there is a "real problem."

As Talleyrand is alleged once to have observed, when someone said that what the Duke's enemy had done was a crime: "It is worse than a crime, it is a blunder." ●

THE NEED FOR ENVIRONMENTAL PERSPECTIVE

● Mr. JACKSON. Mr. President, Adm. Hyman G. Rickover is truly one of the great men of our time. On August 1 Admiral Rickover's contributions to our Nation and the world were once again recognized when he received the Winston Churchill Award from the International Platform Association. I applaud their choice of Admiral Rickover to receive this prestigious award.

Today, as we work toward finding domestic energy sources to replace our dependence on foreign oil supplies, we are faced with developing new energy alternatives while still adequately protecting the environment. In his acceptance speech to the International Platform Association, Admiral Rickover presented some of his views on this public policy issue in a speech entitled "The Need for Environmental Perspective." I believe that his views warrant broad reading and discussion. I therefore request that the text of Admiral Rickover's remarks be printed in its entirety in the RECORD.

The speech follows:

ENVIRONMENTAL PERSPECTIVE

(By Adm. H. G. Rickover)

I am greatly honored to be the recipient of the Winston Churchill Award. I had the privilege of meeting this great statesman when I visited the House of Commons in the early 1960's. I admired him greatly for his achievements and because he was a singularly warm-hearted human being.

I want to thank the members of the International Platform Association for this award and for inviting me to speak here this morning.

Long before the term environmentalist become a household word, I was concerned about our environment. Early in my career I became concerned that our natural resources were being consumed too rapidly; that the world's finite supply of petroleum would eventually be depleted; that the hydrocarbons we were burning for energy would be desperately needed by future generations as raw materials. Back in 1936, I had computed that the oil used in all history was one cubic mile in volume. By 1979, the total oil consumption had reached 17 cubic miles (463 billion barrels), a cube about 2.6 miles on a side. These figures show how small this precious resource is.

For too many years every new highway or invention was welcomed as an indicator of progress without taking into account the long range consequences. Mankind has been profligate—as if we were owners rather than trustees of this planet.

Today, there is a greater awareness of these problems, but not the recognition of the limits that nature imposes. From many quarters there are pressures to come up with a "safe" source of abundant energy. But each alternative has its limitations. Some, such as nuclear power, are opposed by single interest groups that often vie to be the loudest to cry doom. As more aspects of everyday life are being characterized by one group or another, as involving high risk, ordinary citizens are finding it increasingly difficult—perhaps impossible—to get the issues into perspective.

Within some special interest groups are those who favor returning to the simpler style of 100 years ago. Their objective is clear: they tend to be against most forms of energy.

The great majority of people, however, want to sustain today's advanced life style. For them the problem is one of evaluating alternatives—of comparing risks and weighing them against benefits.

The media, in search of exciting news, and special interest groups, encourage embellishing and sensationalizing facts. Since tough facts are often bland and hard to market as "news," the public gets a distorted picture of environmental matters. We face a danger that public policies in technology will be determined, in effect, by the media and by single interest groups.

While the problems we face today are immense, the increased public interest in energy and environmental matters offers an opportunity for progress toward solving these difficult, long range problems. But these will have to be dealt with intelligently, not on an emotional basis. Scientists, engineers, businessmen, medical people, lawyers, and others with professional knowledge and training are being called upon for facts and advice. It is essential that all involved take to heart their professional responsibilities; that they feel duty bound to convey what they know and what they do not know, with balance and perspective. That is not the case in many areas of society and is why, as the President recently said, America is suffering a crisis of confidence. The American people simply do not know what or whom to believe.

Our society now abounds with so-called experts who deal in half-truths and play on human fears or suspicions to further their own special interests. And a half-truth is like a half-brick—it will go farther. In so doing, they abrogate their professional responsibility to the public and cloud important issues. Those knowledgeable in the various disciplines have an obligation to see that these issues are kept in perspective, so they can be addressed intelligently by our leaders and understood by ordinary citizens. Consistency is needed in evaluating risks, and in providing proper perspective.

ENVIRONMENTAL RISKS

Nothing we do is without risk. Risk is an inherent and accepted part of daily life. The problem lies in determining how great are the risks and what should we truly be afraid of. For this, it is important to acquire a sense of perspective. Should the falling of Skylab have been a major concern? It was estimated that there was only one chance in 150 that Skylab debris would hit one person in the entire world. Nevertheless, in some areas emergency preparedness centers were activated and airplanes grounded. A more meaningful risk to me was that I had one chance in six hundred billion of being hit. This risk was worth worrying about for about one billionth of my time, which translates to about one second.

The risk from Skylab was inconsequential.

The environmental risk having the greatest effect in the United States today is smoking. Smoking causes us about 325,000 deaths each year, half these are from heart disease, and about one-quarter from lung cancer. Sixty years ago we had little lung cancer. Today more are dying from it than from automobile accidents.

Each cigarette has been estimated to shorten life expectancy by five minutes. Another method of estimating the risk shows that of a group of 10,000 who continue smoking, 1600 die from the effects.

Another major health problem in the United States is caused by overweight. Our affluence and use of television contribute to this. Each ounce above normal weight is estimated to reduce life expectancy by two days.

We accept the inevitability of automobile accidents. Chances are that ten people in this room will be seriously injured this year from automobiles. By building safer cars or further reducing speed the risk could be reduced. But even a parked car is not risk free. You could choose not to drive, yet pedestrians and bicyclists also are injured by cars. Reducing the risk of injury from automobiles to zero requires moving to a place where there are none.

These comparisons should give some idea of the risk involved in things you are familiar with. They give a basis for judging what smoking, or eating, or watching Skylab fall, could mean to your health and safety. This is the kind of perspective to which people can relate. Everyone knows life is risky. If he has the basis for judgment, he can decide what to do or not to do.

RADIATION RISK

While accepting the many daily risks of living, many seem to be getting the idea that their demands for energy should be met on essentially a risk-free basis. Since this is impossible, attention should be focused on taking reasonable steps to safeguard the public, on developing realistic assessment of the risks, and on placing them in perspective. One of the most widely distorted risks is radiation.

At the start of the Navy's Nuclear Propulsion Program in 1946, I realized the need for careful attention to radiation. It was clear to me that if nuclear ships were to be viable, there would have to be assurance that workers and crews not be subjected to excessive radiation. To emphasize this, I designed the shielding for our Naval nuclear plants to be many times more stringent than required by the standards then in effect. As a result, the shielding built into the first nuclear submarine, the Nautilus, was so conservative that it continues to be far more than adequate to meet the considerably lower radiation levels permitted today.

My approach to radiation shielding design was not agreed to in some places. For example, in 1957, the Chief of the Bureau of Ships—my boss—asked me to reduce the shielding in our submarines in order to save weight. Likewise, in 1965, a Congressional Committee launched an investigation to determine whether my conservative approach to shielding was unnecessarily increasing the cost of submarines. In both cases I held to my determination to keep radiation levels as low as I could reasonably get.

Insofar as the environment is concerned Naval plants have been so designed and operated that in each of the last eight years the total gamma radioactivity discharged to all harbors of the world has been less than two thousands of a curie. This quantity is for the operation of over 100 ships and of all their support facilities. To give you an idea what this means, if one person were able to drink the entire amount of this radioactivity discharged into any harbor in all of 1978, he would not exceed the annual radiation exposure permitted by the Nuclear Regulatory Commission for an individual worker.

The word "radiation" has come to connote danger. It is often described as so dangerous that any amount is unsafe—as if the only question worth addressing is "how fast will radiation harm you?" Because you cannot see, feel, taste, hear, or smell radiation, it has an aura of mystery. But this same mystery appears to be absent from other potentially hazardous things for which we have a lack of sensory perception, such as radio waves, carbon monoxide, and small concentrations of numerous cancer-causing substances. These do not generate the same degree of fear as radiation.

The fear instilled by radioactivity today is akin to the fear of electricity following the invention of the electric light bulb one hundred years ago by Thomas Edison. Public fear of electricity was inflamed. Wall plaques had to be installed in rooms with electric lights, assuring people that "the use of electricity for lighting is in no way harmful to health, nor does it affect the soundness of sleep." Yet electricity has helped to transform man's life from a short one of drudgery to one where long life and higher aspiration can be realized.

Scientists have stated for decades that radiation can cause harm. However, all of us have been subjected to radiation throughout our lives from time of conception and, in fact, even prior to conception. The entire human race has been subjected to radiation, as has every living thing, throughout the entire evolution of our earth. The average person in the United States receives each year about one-tenth rem from natural radioactivity in the earth, in his body, and from cosmic radiation.

The unit of radiation, rem, ought to be required knowledge in all technical societies. It is defined in terms of energy absorbed in body tissues. Receiving one rem of gamma radiation is equivalent to absorbing 100 ergs of radiation energy for each gram of body tissue. There are 454 grams in a pound. An erg is the amount of energy required to lift a mosquito weighing one thousandth of a gram about one centimeter. In terms of energy the rem is a small unit. A dose of one rem would raise body temperature only two millionths of a degree centigrade.

We are not accustomed to fear background radiation; after all it is part of our natural environment. Yet in scientific terms it can be shown that its risk is not zero. More is known about radiation than almost any substance that can affect humans. More money has been spent to learn the effects of radiation on humans than for any other hazard in our modern society. The main effect is cancer. Effects other than cancer have not been found for low-level radiation exposure to adults. While genetic effects from radiation can occur, they are so small that none have been found in 35,000 children conceived after the nuclear explosions, by parents irradiated in Hiroshima or Nagasaki in 1945.

The combination of one-tenth rem per year background radiation, together with nearly the same average amount from medical diagnostic radiation, is estimated to cause almost one percent of cancer deaths in the United States. In an average group of 10,000 people, 1600 will die of cancer. Sixteen of these deaths will be from background and medical radiation. If the lifetime radiation exposure of 10,000 people is increased by an average of one rem per person—a total of 10,000 rem—it is estimated that one additional fatal cancer may occur.[1]

[1] This risk estimate was made in 1977 by the United Nations Scientific Committee on the Effects of Atomic Radiation and by the International Commission on Radiological Protection. It is within the range of estimates in the 1979 draft report of the U. S. National Academy of Sciences Committee on Biological Effects of Ionizing Radiations, and in the 1972 report of this committee.

This estimate of risk gives perspective on what radiation exposure means in the following ways:

Of all industrial and medical radiation workers in the United States, about 15,000 die each year from cancer. The total radiation exposure from their work adds an estimated 25 cancer deaths per year.

Radiation from the nuclear accident at Three Mile Island may add one fatal cancer death to the public within fifty miles. Of the two million people living within this fifty mile radius, 325,000 are expected to die of cancer from causes other than the radioactivity released from this accident.

The perspective on radiation can be improved by comparison. For example, I know an apparently healthy person who forty years ago received more radiation from medical chest x-rays than the total exposure all 15,000 radiation workers at nine shipyards received in 1978 from Naval nuclear power plant work. Others have had similar radiation exposure, and years later are alive and well.

Another example: for years rumors have persisted that radiation-induced cancer has killed the crew of the first nuclear-powered ship, the Nautilus. In 1978 the Navy traced each of the 96 officers and enlisted men of this first crew. Despite the rumors, all the men associated with operating the nuclear propulsion plant were alive and well.

With this perspective you are in a position to better answer the question, "Is radiation safe?" If safe means zero effect, then you have to conclude radiation is unsafe. But to be consistent, you should also conclude that background radiation and medical radiation are unsafe. Or more simply, that being alive is unsafe.

"Safe" is a relative term. Comparisons are necessary for actual meaning. For a worker, safe means the risk is small compared to other risks accepted in normal work activities. Aside from work, safe means the risk is small compared to other risks routinely accepted in life. From what I have said, it should be clear that the radiation encountered in our daily activities should not be the scary subject it is proclaimed to be.

EXTRAPOLATIONS

In radiation, as in other areas, a most effective way to frighten people is to proclaim that no one knows what the effects are. This has been repeated so often that it has become an article of faith that no one knows the effects of low-level radiation on humans.

One could well state, "No one knows the risks of smoking a few cigarettes," but the risks of smoking a large number of cigarettes are well known. If 10,000 people smoke an average of four cigarettes a day, about 100 deaths will result; data are not available for lower smoking rates. For radiation, doses of 100 rem to each of 10,000 people would be required to cause an equal number of deaths. The effects of radiation on humans at doses of 100 rem are well known. The major controversy over radiation risks today is how to extend the risk estimates to even lower levels. As we get to lower levels, it becomes more and more difficult to detect the effects, and this becomes a problem. Would it be possible to determine the effect on the death rate of doing one situp or one pushup a day?

Using the figures I just presented you can extend the numbers to show that one rem has about the same risk of death as smoking one cigarette per month. I make this comparison only to show that finding out the effect on the death rate of one rem of exposure is about the same as trying to find out the effect of smoking one cigarette a month.

The point is that the effect of one rem is extremely small. There are physical limits to how far we can go to ascertain precisely the size of this risk, but we do know it is small. Those who sing the refrain of how little we know about low-level radiation do a dis-

service. Instead, they should explain how much we do know about the small actual effects.

STUDIES

Today, the universal answer to a claimed lack of knowledge of environmental effects is to conduct a study—nearly always at Government expense. I am not against studying environmental or health effects per se. But studies must be high quality; they have to cover tens or hundreds of thousands of people, and they must extend for many years, to have any chance of validly detecting effects as small as those from low-level radiation. One wonders whether this is a proper expenditure of taxpayer money. Are there not other areas more deserving of this kind of attention?

The compulsion to study is often used to quell public fears. It is also a way to show that something is being done. At Three Mile Island, epidemiological studies are being launched. One study has been commissioned to investigate the radiation effects of all pregnant women in the area—there were only a few hundred. These pregnant women received less extra exposure to radiation as a result of the Three Mile Island accident than they would have received had they moved to Denver, Colorado for a few months. If we must have a new study, it would make more sense to study radiation effects in Denver, with its higher background radiation due to the high altitude. Or members and staffs of the U.S. Congress could be studied because there are places on Capitol Hill with radiation levels above normal background due to natural elements in the buildingstone. If the idea of conducting studies on Congressional groups strikes you as strange, you may understand why I have reservations about the real need for some of the studies underway.

A study is often the way to forestall taking meaningful action or making a decision. Doing a study is usually doing nothing. deMontaigne said "Too much study suffocates the active part of understanding." Studies are frequently used to quiet an outcry. The study takes time. During this period the clamor dies down. The study is issued, filed and forgotten. Meanwhile a new issue has aroused the public. Another study is authorized. The report is filed in the archives, and so on, and so on.

INJURY CLAIMS

Another aspect of radiation where scare stories are contributing to the problem is in the realm of radiation injury claims. Here, as in other areas, our approach to life is to turn from self-sufficiency to excessive reliance on Government. Many have come to presume that any risk, no matter how small, warrants indemnification by the Government. I am not against the payment of legitimate claims where the cause can be substantiated and it can be clearly shown that the Government was at fault. But when the risks are minimal, common sense should prevail.

In 1978, a worker in New Mexico was awarded $75,000 in worker's compensation because he feared radiation. No physical injury was claimed. No excessive exposure to radiation was claimed. In 1979, the Connecticut State Supreme Court awarded compensation to a municipal employee for injuring his ankle playing ping pong before his work shift started. A compensation claim was approved for a Navy worker for headaches allegedly caused by sitting at a desk with his head down. Such abuses are becoming common. The implications of these awards are far-reaching—not simply for the money involved but in the attitudes being inculcated into large numbers of Americans.

There are about 65,000 employees in Government-owned Naval shipyards. About 22,000 past and present employees have filed claims for damage to their ears from noise. These Government workers are being paid an average of $12,000 per claim. No distinction is made for normal loss of hearing with age. No effort is made to differentiate hearing damage caused on the job from that caused by modern music played at deafening volume.

Secretaries whose only exposure to noise was a typewriter or copy machine are receiving awards. Workers apparently feel it is their right to receive these awards for normal work. In the last ten years, over $75,000,000 has been awarded to Naval shipyard employees for alleged hearing loss. The General Accounting Office has studied this area and found it riddled with fraud and abuse.

Since risk from radiation cannot be proven to be zero, suggestions have been made that the Government should pay all shipyard workers who get cancer just to be sure that none which might be related to radiation are missed. At a typical shipyard, about 10,000 workers have received radiation exposure from Naval Nuclear Propulsion work since the beginning of the program. Their radiation exposure from such work may add one or two cancer deaths to the 1600 normally expected in a group this size. To pay compensation to 1600 individuals so that one or two possibly deserving ones are not denied is absurd and unaffordable.

Demands have been made that all veterans who develop cancer be compensated because the cancer might have been caused by radiation from nuclear weapons tests. This would result in the Government making payment to almost 100,000 men who, according to normal incidence, will die of cancer, so that an estimated twelve possibly valid claims are not missed. Many claims have already been filed by these veterans.

The Navy's experience with hearing loss claims demonstrates that as long as there is money in the U.S. Treasury and Government agencies are willing to hand it out, there will be plenty of claimants. Many are urged on by unscrupulous lawyers who promote frivolous claims for a fee or a percentage of the award. Ordinary citizens, if they knew what was going on in some of these programs would demand a halt to such generosity with their taxes.

To those who get paid, this kind of cancer payment program may seem like getting something for nothing—like chain letters, the Pyramid Club, or the Circle of Gold confidence games. But the taxpayer foots the bill. In my view, environmental issues are badly out of perspective when we end up with a system that pays tax money to all who get cancer, merely to take care of a few for whom the real cause was radiation.

NEWS MEDIA

The news media have contributed substantially to getting environmental issues out of perspective. In their efforts to generate interesting stories that help sell newspapers, many members of the press have distorted the facts and the issues. In complex areas like energy and environment, bare facts are unexciting. To spice up otherwise dull articles, there is at times a tendency to be selective in the facts used or in the topics covered. At times conclusions are shown as facts. I understand that in some publications, the advertising department has a say in what gets printed as news.

Too often, facts have lost their proper separation from opinions. Merely by choosing what stories are reported, the media expresses opinions. Publishing a statement without reservations lends authority to that statement. Serious articles are often written by those who lack the technical background to understand even the available facts. And sometimes news is contrived. Let me give you examples:

During the Three Mile Island emergency, residents and local officials commented how useful the local news reports were, but that the national news reports were distorted. For example, one national television crew requested that an entire street be cleared so that their film could show, by the empty street, how frightened the people were.

A so-called documentary television report on radiation was strongly anti-nuclear. It led to a conclusion in which the reporter was said to have been killed by radiation. However, nowhere in the report of his death from lung cancer was it mentioned that he was a long-term heavy smoker.

In areas such as nuclear power, even innocuous events are frequently blown into issues by a zealous reporter or editor. Not long ago, a hose broke, spilling a few gallons of pure water into one of our most polluted rivers. Because this happened on a nuclear-powered submarine, the story appeared the next morning in the newspaper .

The failures of the media—its preoccupation with the sensational and its lack of balance and perspective—are understandable to some extent. News is like fish—it must be sold quickly. But these stories can have a harmful effect on the public. Doctors report that following a series of news stories which fan the fear of radiation, the risk of death increases for people who will not take X-rays they should take.

Our country's growth has been fueled by technology. The bulk of the information on this subject is in the news media. It, therefore, has a special obligation to educate, through responsible reporting. Given the facts in proper perspective, the public can understand environmental issues. The tendency of the press to omit facts interferes with understanding these issues. For proper perspective, the news media must exercise self restraint, and make available enough information so the public can understand the significance of the events reported.

I have no simple solution for this problem. The media are not really accountable to anyone. Freedom of the press belongs to the person who owns the press. The only way I can see a change is for the public to demand more enlightened and factual reporting; perhaps the media will respond. Loss of sales or viewer interest is something a newspaper or TV network understands immediately.

GOVERNMENT

In environmental matters, there is a tendency to view Government officials as if working for the Government were in itself evidence of incompetence and bad intentions, therefore guilty of the charges leveled at them.

Some self-proclaimed public interest groups tend to focus on a single issue, demanding an immediate solution regardless of cost. But when Government agencies are pressured into solving one problem in a narrow fashion, this often leads to exacerbation of other problems. In some cases companies have been forced to switch from coal to gas for environmental reasons only to have to switch back a few years later because of energy considerations.

The Government agencies involved in these issues have an almost impossible job. Faced with problems that would challenge the wisdom of Solomon, Government agencies are increasingly plagued with other demands on their limited resources. The flood of injury claims is but a small part of the problem. Today we in Government can be tied in knots by frivolous law suits, Freedom of Information Act requests, investigations, and studies. These demands, individually, seem reasonable and necessary safeguards over the activities of Government officials. But faced with limited resources, the cumulative effect of these demands diverts attention and effort from their primary functions. It is analogous to the case of Cyrano de Bergerac who had to compose a sonnet while fighting a duel.

To be sure, we do have problems in Government. Some Government agencies themselves have become a sort of special-interest group. In this way the Government itself has been unable to provide the perspective to balance the problems inherent in new technologies. Those who criticise Government's inability to respond effectively to the challenges it confronts, should work equally hard to promote within the Government an atmosphere in which it is possible for us to devote our attention to important issues.

"EXPERTS" IN SCARE STORIES

Many have come to realize they can make names for themselves by scaring the public on radiation and other environmental risks. This approach creates reputations because the news media play them up. It creates research grants—with the Government, of course, paying—to explore the newly discovered problems. Time and again a so-called "expert" makes a startling "discovery" followed by a not-so-startling conclusion that he is the one who should conduct further research at Government expense.

To illustrate the trouble one self-proclaimed expert can cause, I will recount a situation I have followed closely. Two years ago a young medical doctor with little if any experience in radiation or epidemiology research started investigating the effects of radiation on workers at the Portsmouth, New Hampshire Naval Shipyard. Studies in this field are complex, and require considerable talent and effort to find answers and avoid mistakes. In conducting the study he enlisted the help of an investigative reporting team from the Boston Globe.

In February 1978 the front page of this paper carried results of the investigation. This was not the case of a newspaper reporting something out of a technical journal; it was a report by the paper itself. No technical reviews were printed with this story. Reservations were stated in the story, but in a manner that made the reservations appear doubtful or readily dismissed. In the name of investigative reporting the newspaper itself had become an advocate for a highly questionable study, thereby dropping any vestige of objectivity. This was a classic case of limited information being blown into sensational news.

The story was printed in many newspapers here and abroad. The summary featured in many papers was that cancer deaths were six times higher for radiation workers at Portsmouth than for other workers. The news accounts spread fear among the workers, their families, and neighbors. Others here and abroad wondered if being near a nuclear-powered ship was dangerous.

The articles and concerns of constituents generated immediate Congressional interest. Within a week, a Congressional hearing took place. But little was done at this hearing to explore the validity of the study's conclusions.

White House officials used the results of this private study to order a Government-wide investigation of radiation. Millions of dollars will be spent carrying out these investigations.

For the past year and one-half I and key people in my organization and at the shipyards have been tied up with this issue. It has consumed our time and interfered with our proper work. Ironically, it has diverted attention from an important technical aspect of our job, which is to ensure safety of workers.

Throughout the controversy, the news media headline writers found it difficult to resist inserting the word "deadly" in front of "radiation." They rarely reported the Navy's achievements in radiation control, and the careful attention paid in this area. Those promoting the stories did not bother to explain that, despite a doubling in the number of nuclear-powered ships, radiation exposure had been reduced to one quarter what it had been fifteen years previously; that no one involved in the program had exceeded the Federal radiation exposure limits in a dozen years; that no one is the program had received more than one-tenth the radiation exposure allowed for radioactivity inside the body.

Official risk estimates indicate that about 1600 cancer deaths are expected for every 10,000 people. Among the 10,000 radiation workers who have worked at the Portsmouth Naval Shipyard, exposure received on the job might add two cancer deaths. Many scientists believe the true effects of radiation will be much smaller.[2] These facts are in sharp contrast to the exaggerated statements made in the Boston Globe.

Eventually the facts began to come out. In a Congressional hearing one and a half years after his report was published, the investigating doctor entirely changed his results. He repudiated his earlier conclusion that the cancer death rate for radiation workers at Portsmouth was double the death rate of their co-workers. He testified he could no longer support his earlier conclusion that the leukemia rate was six times higher for Portsmouth radiation workers than for non-radiation workers.

I do not intend to denigrate those who are addressing valid public health issues in a responsible fashion. But a true professional does not publish until he knows the facts and acknowledges the significance of potential errors. Those who do not follow this path of credible scientific inquiry are acting irresponsibly. Not everyone who proclaims himself an expert, is an expert. Not everyone with the title of "doctor" merits public esteem. Not everyone who claims to be acting in the public interest, is actually doing so. We must guard against those who in the name of public interest pursue fame through exaggeration. It is easy to use statistics improperly to predict large problems or to emphasize risk, out of context. Those who do so cause great harm by preventing a balanced assessment of the risks, thereby distorting proper preventive and remedial actions.

Since the doctor's new testimony, the Boston Globe has been comparatively silent. To my knowledge, the publishers have made no move to return the award they received for their earlier investigative reporting. There has been no apology to the workers and families they scared. The publishers have sold newspapers and have now moved on to other issues. I doubt if this experience will have any impact on their future reporting.

When a newspaper teams up with a doctor and then rushes preliminary, unsubstantiated results into print, it develops a vested interest to show that its reports are correct. Thus, it discounts or does not report information which conflicts with its own stand. That is the apogee of irresponsibility.

Such irresponsibility is a failure of newspaper management—not of the reporter. Much of the blame for other problems in the media also lie with management, who set the standards, style, and tone, and create the pressure for instant sensational reporting.

NUCLEAR POWER

I have spent considerable time discussing how public understanding of the true risks of radiation has been distorted in the name of protecting the environment. I have concentrated on radiation, although the problems I have mentioned are common to other environmental issues as well. The public perception of radiation has a direct bearing on the use of nuclear power in this country.

Nuclear power is not easy to deal with in this country because it has become a highly polarised issue. It involves individuals' concerns for themselves and their families, and it is a highly technical, sophisticated technology. Ultimately, the decision whether we should have nuclear power is a political one—in the true sense of the word—that is, one made by the people through their elected representatives. It is essential that the decision be made on the basis of fact, not rhetoric, nor conjecture, or hope; nor as a result of the widespread tendency to sensationalize or ignore the true limits and risks of the alternatives.

According to the estimates I have already stated, the actual radiation exposure to workers and to the public from today's use of nuclear power can be estimated to result in about eleven extra cancer deaths per year out of a total of 360,000. On this basis, to eliminate nuclear power here would then potentially save an estimated eleven lives per year, but reduced the energy available. This loss of energy itself, might well result in loss of life.

If the saving of eleven human lives were the sole objective, better results could be obtained from the following, than by eliminating nuclear power:

Reduce cigarette consumption for each smoker by one cigarette per year.

Reduce medical radiation exposure by one percent.

Move the population of the Denver region to coastal areas which have lower background radiation levels.

Eliminate stock car racing.

Reduce the overweight condition of those in this room by an average of three pounds.

Some analysts have reported there may be greater radiation exposure from operation of a coal-fired central power station than from a nuclear power station. Whether this assertion on radiation is or is not true, accidents in mining and transporting coal, and the effects on the public from sulphur and other pollutants, result in a demonstrably higher death rate from use of coal than from nuclear power.

Concern over a nuclear accident is often cited as a reason for prohibiting nuclear power. Obviously, a repeat of the Three Mile Island accident cannot be lightly accepted and corrective actions are called for to prevent recurrence. I have provided my views to Congress and to others responsible for assessing what might be done in the commercial nuclear power program. The record and risks of this source of energy should be put into perspective, as compared with other risks we face.

Here are some examples of accidents far worse than anything resulting from Three Mile Island, yet without comparable repercussions on public policies:

In 1947, a ship loading ammonium nitrate fertilizer exploded, killing 561 people and leveling much of Texas City, Texas.

Many fires, explosions and wrecks have occurred in which more people than this were killed.

Forty-eight earthquakes, floods, tidal waves, and storms have been recorded in each of which 10,000 or more people were killed.

The DC-10 airplane which recently crashed, killed several hundred people. No one is considering abolishing aviation—it is too important to our way of life.

I am not aware of anyone advocating relocating cities such as Los Angeles or San Francisco away from geological faults which might cause earthquakes or away from risk of flood or storm damage.

As another example, there are approximately one hundred million shipments of hazardous material annually in this country. Hundreds of people each year are killed, or seriously injured by hazardous materials in accidents. More scrutiny is being given to the

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[2] The National Academy of Sciences 1979 Report of the Advisory Committee on the Biological Effects of Ionising Radiation is in contention over the views of a majority of the committee members on how much smaller the true effects will be.

approximately two million radioactive shipments than to the others. Yet not a single death or injury has occurred from radiation or radioactivity in the material being transported.

I am not an expert or particularly knowledgeable in the areas of environmental effects of other forms of power generation. However, I am aware that many knowledgeable people conclude that the total risk involved in the use of nuclear power is no greater than that of any alternate source which can meet our needs in the next few decades.

Today many are optimistic about the possibility of widespread use of solar and other so-called "natural sources of energy." However, in their enthusiasm they often disregard the limitations and environmental effects of these sources. Others advocate exploitation of shale oil deposits without mentioning the vast amounts of water and earth removal required.

Any large-scale generation of energy—whether nuclear or from other sources—involves major engineering difficulties and potential environmental impacts. It is incorrect to assume that technology and increased Government spending can overcome limits nature imposes.

I remember the optimistic projections made for nuclear power when it was first being developed. It was predicted that electricity from nuclear power would be too cheap to meter. These predictions sprang from hope, from ignorance of the engineering problems that would be encountered in using nuclear power.

In similar vein, many advocates exaggerate the benefits and ignore the problems of the energy sources they are promoting. The solution to our energy needs is not just over the hill at the end of the rainbow. Nature always demands its price; providing adequate amounts of energy will exact its proper price.

CONCLUSION

The technical problems involved in developing additional sources of energy are great, and will require our best talent.

I am not a proponent of nuclear power or of any other energy source. All alternatives have their own limitations; none are without risk.

In addition to the technical problems of generating the energy, environmental concerns must be factored into the equation. Whether these can be solved on a scale enabling us to sustain our present standard of living is not clear at this time.

One thing is clear. These problems cannot be dealt with effectively—from a technical or political standpoint—if those responsible are not set free to work on the problems. We cannot make progress unless those truly interested in solving these problems act responsibly.

Too many so-called technical, medical, and scientific people have been abrogating their professional responsibility to present facts accurately and objectively and in a context which enables others to evaluate them.

Too many in the media are sensationalizing the news in an attempt to attract readers, generate controversy, and make a name for themselves.

Too many self-proclaimed public interest advocates are pushing single interest ideas in ways that make it increasingly difficult to place the issues in true perspective.

Too many, in exercising their so-called rights, are exploiting environmental issues to obtain grants from the Government; through study contracts, improper injury claims and other methods.

These conflicting pressures have left the public uncertain, distrustful, confused, and in need of help. I consider this audience can provide a signal service by answering this call for help. Environmental issues must be put into proper perspective. Balancing risks and benefits must become a standard approach to evaluating environmental matters. The significance of environmental data must be explained to the public, so it can reach its own conclusions.

The present crisis in confidence over energy requires this approach to environmental issues. The Chinese word for crisis combines two ideographs. wei chi (pronounced weigh gee) literally, dangerous opportunity. A time of crisis is also a time of opportunity. We should take advantage of this opportunity to achieve a proper perspective in environmental matters.●

HANDGUNS AND POLITICAL COURAGE

● Mr. JAVITS. Mr. President, every year 250,000 citizens are assaulted with handguns. Of these, 9,000 are murdered. Handguns which are easily obtainable and for which no one is accountable are responsible for an average of 24 deaths a day. There are 50 million handguns in circulation, with 2.5 million more pouring into society yearly. When will this nightmare stop?

A recent article in the New York Daily News suggests that most Americans recognize the need to get the entire system of trafficking handguns under control and not to be overridden by the organized gun lobby. I would like to share with my colleagues this article which asks Congress to have the political courage to fight "for what is right and for what the people want."

The article follows:

[From the New York Daily News, July 27, 1979]

HANDGUNS AND POLITICAL COURAGE

(By N. T. (Pete) Shields)

April 16th marked the fifth anniversary date of my son, Nick's, death. He was killed instantly by handgun while helping a friend move a rug. Nick was the last of 14 people slain in the ZEBRA murders in San Francisco.

Since Nick's death, I have dedicated my life to reducing the uncontrolled availability of these deadly weapons. Repeated polls have indicated overwhelming public support for intelligent handgun controls; even among gun owners. Outside Washington, Americans wonder why the Congress and the President won't act to reduce handgun deaths. They don't understand why their elected representatives won't listen to the people and act out of common sense to prevent our becoming an armed society.

Working in Washington, I quickly learned that the Congress and the President do not always listen to the majority unless it is sufficiently organized to affect their reelection. A well organized 5% can be more important to politicians than an unorganized 80%.

The gun lobby is a prime example. Heavily funded by a fanatical minority, it has been able to block responsible legislation through a carefully orchestrated campaign of computerized mailings. These fine-tuned communications to gun advocates prompt thousands of postcards, filling the mailboxes of congressmen. They each harp on the same point of view, often using identical language. Even so, the elected representative, fearing his own reelection could be jeopardized, even by such a small minority, soon embraces the gun position, often contradicting his own personal beliefs. The gun forces reward these newfound friends with financial contributions to insure their reelection, while targeting those courageous enough to challenge the gun lobby for defeat.

I was encouraged by the election of Jimmy Carter. A Republican, I voted for Carter because I truly believed he would bring a refreshing change to Washington's political climate. As a professed "outsider" now on the "inside," President Carter pledged he would combat the powerful minority lobbies. On the handgun issue, I believed his leadership would make the difference. During his campaign for President, Mr. Carter had forcefully come out for handgun controls. As a hunter, he would effectively explain the need to place controls on handguns, while leaving rifles and shotguns alone.

Soon after taking office, Hamilton Jordan invited our organization to work with them on a handgun control bill. The legislation was sent from the Justice Department to the White House in June of 1977. There it remained for over two years, while hundreds of thousands of Americans suffered and died from handguns. Why? Apparently the President fears the organized minority more than the unorganized majority—the people who elected him. So he has now joined the insiders and is playing the gun lobby's game. Although we elected a President to lead, President Carter now says he will "follow" what the Congress does on the handgun question. He has abdicated the leadership to the gun lobby and those cowed by a well organized minority and their money.

There are some in Washington who do have the courage to stand up to the gun lobby and truly represent the public. One is Sen. Edward Kennedy whose comprehensive legislation provides the most far-reaching approach to controlling handguns in America. He is chairman of the Senate Judiciary Committee and has tragic knowledge of handgun violence. Sen. Jacob Javits is another. He is a Republican leader who has bucked the prevailing tide in his party to fight for effective handgun controls. But we'll need many more courageous legislators to win.

Until we get them, thousands and thousands of Americans will be killed, wounded or assaulted by handguns. To pass a handgun control law, we need a Congress and a President who will exert political courage, who will risk their political lives for what is right, and what the people want. ●

TAX LIMITATION: OPPORTUNITY FOR NEIGHBORHOODS

● Mr. GARN. Mr. President, two powerful movements are at work in the Nation today, the neighborhood revitalization movement, and the tax limitation movement. At first glance, these movements might seem to be heading for a collision. Many neighborhood organizations are seeking more governmental money to improve their neighborhoods, while tax limitation organizations are working to cut government spending at all levels.

But that collision may well not be inevitable. Indeed, there is a possibility that a creative synthesis could emerge from the two movements. If putting a ceiling on local government taxes and spending forces some radical changes in the ways that local public service needs are met, and if neighborhood people can see their opportunity for playing a larger role in the provision of those services, or in supervising the contracting to private enterprise of those services, then tax limitation victories could become a great charter of opportunity for those who advocate decentralized neighborhood power.

This thought is the central theme of an intriguing article in the current issue of Taxing and Spending, a very informative magazine published by the Institute for Contemporary Studies in San Francisco. The article is by my former colleague on the National Commission on Neighborhoods, Mr. John McClaughry. I think those who are interested in both neighborhood revitalization and in tax limitation, as I am, will find Mr. McClaughry's thesis very provocative and worthwhile. I ask that the article be printed in the RECORD.

The article follows:

TAX LIMITATION: OPPORTUNITY FOR NEIGHBORHOODS

(By John McClaughry)

Preserving the neighborhood is an idea that has probably been around since mankind overcame Isaiah's malediction against those who lay up houses row unto row. In the last half of the 1970s the save-the-neighborhood movement in the United States has taken on new strength. Politicians now assiduously court neighborhood groups. Congress has passed a National Neighborhood Policy Act (which, not surprisingly, set up a commission). An Assistant Secretary of Housing and Urban Development has been designated to minister to the needs of "Neighborhoods, voluntary associations, and consumer protection."

Some argue that President Ford's failure to comprehend the importance of the neighborhood movement—especially in white ethnic neighborhoods—may have cost him the 1976 election. Perhaps taking note of his predecessor's errors, President Carter accorded neighborhood preservation an important rhetorical role in his 1978 national urban policy. And indeed a couple of small pieces of neighborhood assistance legislation have been salvaged by Congress from the oil slick where the Carter urban policy went down.

The neighborhood movement in the United States is extremely diverse. There is no national command center, no agreed-upon party line, no Jarvis or Gann. Its leaders are not even household words in their own metropolitan areas. They are black, white, Chinese, and Hispanic. They may have considerable hostility toward one another. Some clamor for massive federal handouts; others demand that Washington issue copious instructions to mortgage lenders and insurance companies to force those businesses to enter where even the disbursers of taxpayers' dollars fear to tread. Still others ask nothing more than that government give them back their own tax dollars and stay out of their way while they solve their own problems.

CLASH OF TITANS

Despite this fragmentation, the neighborhood movement is powerful and growing. Now, however, it seems destined to wage a wholly unnecessary battle against the equally dynamic movement for property-tax limitation.

At one level, the reason for this impending clash of titans is obvious. The enthusiasm for a California Proposition 13-style tax-limitation measure threatens massive public service cutbacks, which can only damage neighborhoods—particularly those inhabited by the poor, the aged, and the non-white and non-English-speaking. The best organized neighborhood movement leaders, who have the most communication with other urban leaders, are invariably liberal. They have been nurtured on federal grant programs beginning with the War on Poverty, and they have come to see progress as dependent upon large infusions of public money. Tax limitation threatens to turn off the spigot. Thus, as the Neighborhood Commission hearings indicate, the movement is getting ready to wage war against Jarvis, Gann, and their clones in other states.

But the struggle may be unnecessary. With some careful thought, neighborhood leaders could find in the tax-limitation movement a truly breathtaking opportunity for neighborhood revitalization. A properly designed tax-limitation measure—created with neighborhood improvement in mind—could result, not only in lower property taxes, but also in urban government reorganization, economies in public spending, improved services, more citizen participation, and, last but far from least, a devolution of real political and economic power in the direction of neighborhood people.

Proposition 13, of course, was a poor model for achieving these ends. The amendment was not designed to advance neighborhood interests, and the massive state bail-out threatens to make things worse. As many analysts have noted, the bail-out plan, which may well become perennial, will probably further centralize government power in the state capital, thereby destroying small, special district government bodies, which are much more popular than distant government behemoths.

Another, perhaps equally unfortunate, result of the Prop 13 bail-out is the protection it gives local officials against thinking radical new thoughts about municipal service delivery. So long as somebody in the state capital or Washington can be found to pay the bills, little incentive exists for city officials to find ingenious new ways of meeting their responsibilities.

Proposition 13 has already encouraged a number of changes in the way local Government operates. Increased user-fee programs in place of formerly "free" amenities have become common. Important changes in municipal personnel management have also come about. The existence of the bail-out money, however, has slowed down the trend toward contracting for services that Prop 13 would have been expected to produce. Nonetheless, a number of California communities, under taxpayer pressure both before and after Prop 13, have explored some wholly new ways of contracting for services.

CITIES, NEIGHBORHOODS AS CONTRACTORS

Some 35 recently incorporated cities in California have already made great progress in service contracting. At least 36 kinds of municipal services are being carried out by contract, allowing the cities to avoid the creation of powerful, union-dominated, civil service monopolies. The cities often contract with one another, or with higher levels of government, or with private suppliers and contractors.

In 1977 economist Robert Deacon at the University of California at Santa Barbara examined 23 "contract cities" and 41 non-contract cities in terms of police protection and street maintenance. He found, on the average, that street maintenance costs 43 percent more in non-contract cities, and police protection 72 percent more. Barbara Stevens and E. S. Savas of Columbia University found that it costs 68 percent more for a city department to collect garbage than for private firms to do the same job.

With cities forced into cost-effective contracting for services by a tax-limitation measure (absent a state bail-out), the potential role of strong neighborhood organizations becomes apparent. Provided the neighborhood organization—community services district, cooperative, community development corporation, or whatever form the neighborhood group may take—can develop the capacity to act effectively (and that is a very important proviso), cities should directly experiment with decentralizing the service contracting responsibility.

Robert K. Yin and Douglas Yates, in their extensive study of "Street Level Governments" for the Rand Corporation, found that where the service delivery group was not highly professionalized (such as policemen) strong decentralization—neighborhood-based with strong client participation—usually produced more managerial efficiency, increased client control, improved services to citizens, and more client satisfaction. These results strongly suggest that much municipal service delivery can be decentralized to subcity levels without losing economies of scale.

The neighborhood organizations or corporations—again assuming they have sufficient capacity—can also act as providers of services along with other private and public firms. Neighborhood organizations, for example, could perform refuse collection on contract with the city, or directly on contract with its own residents.

Developing neighborhood organizations capable of providing services and accountable to neighborhood residents could stimulate the flowering of neighborhood institutions of all kinds. There is no reason why neighborhoods of 10,000 people could not operate their own schools, just as thousands of small towns do across the nation. Neighborhood housing rehabilitation is another likely by-product. With strong, meaningful neighborhood organizations conducting important programs for the benefit of their residents, there is bound to be an increase in their participation.

Tax limitation can push cities in this direction, and that possibly it is itself an important rationale for tax limitation. Instead of threatening funds for conventional neighborhood improvement, tax limitation can encourage expansion of neighborhood functions.

The problem is getting neighborhood leaders to recognize this. Frankly, it is a lot simpler to whine at the back door of city hall until the mayor tosses out some block grant scraps than it is to plan and organize a neighborhood-based refuse collection service. Those who have fattened at the grantsmanship table will have a hard time adjusting their minds to focus on the generation of revenues.

In searching for a model, the contrast between the community development corporations and the community action agencies, both funded by the Community Services Administration in Washington, is instructive. The CDCs—at least the most accomplished ones—have gotten into the habit of assessing revenue potential, calculating life-cycle costs, securing management training, and looking for customers. The CAAs, on the other hand, have almost invariably become the creatures of the granting agency; their budget can be met only by another handout from Washington.

Thus community development corporations can be the base for achieving a federated city in which neighborhood organizations both enter into contracts for the provision of services by private vendors, and conduct those services themselves as vendors. Existing special districts, in states where they are common, can also become the nucleus of a federated city model. In California, they have proven that they can efficiently discharge a very wide range of public duties while retaining the confidence and support of their constituencies.

RESTRUCTURING NECESSARY

The leaders of the neighborhood movement have been slow to perceive the potential of tax limitation for advancing their own neighborhood interests. That potential exists, but it depends critically on how the tax-limitation measure is drafted.

To command neighborhood organization support, the proposal must go beyond the narrow provisions of tax limitation and must:

remove barriers to the use of user fees, shifting the cost of public services from the general public to specific service users;

authorize service contracting as an alternative to municipal employee service monopolies;

recognize that neighborhood organizations, as well as ordinary private contractors, are eligible to bid for and perform public services in their neighborhoods; and

decentralize the power in order to allow neighborhood corporations to decide whom the services will be contracted to.

The campaign should extol not only expected tax savings, but also the potential for radical restructuring of public service delivery systems to neighborhood public and private bodies. It should offer citizens both genuine tax relief, and also should open the door to a restructuring of government that promises to bring power back to the people themselves.

If tax cutters continue to focus only on protecting their wallets from the tax collector, they have little chance of effecting this important liaison with neighborhood movement leaders. If the latter, on the other hand, vocally oppose any attempt at tax limitation out of fear that their neighborhoods will be short-changed, they will force the tax cutters into open combat. Since many neighborhood organizations represent the poor, the non-white, and the non-English speaking, that combat could mean accentuated racial, class, and ethnic conflict.

Seizing the opportunity will take wisdom and statesmanship on both sides. Neighborhood people want a devolution of power—but they are not likely to get much of it so long as local government can get all the resources it needs to keep on doing business in the traditional and expensive way. Tax cutters want to pay less—but their chances of winning a tax cut in the face of terrified clamoring from the poor and minorities are substantially less; and even if they are able to muster a majority, the consequences could be socially and politically unpleasant.

Both tax cutters and neighborhood movement leaders are disgusted with the old ways—the former because they must pay too much for what they are getting; the latter because they get only what a public bureaucracy thinks is good for them. Here is a situation begging for a creative synthesis. Whoever first achieves that synthesis in practice is likely to be in the spotlight for a long time.●

FIFTIETH ANNIVERSARY OF INAUGURATION OF HERBERT HOOVER AS 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, with much of the Senate's attention these days focused on the debate over the SALT II treaty and our defense budget, I feel we can all benefit from the historic perspectives of the past. For me, the views of President Herbert Hoover, which span the troubled times from World War I to World War II, never fail to provide inspiration and guidance.

Hoover completed his apprenticeship in international affairs at the Paris Peace Conference just after World War I. During his years as Secretary of Commerce and later as President, his leadership in international affairs reached its full force. Even after he left the White House, he continued to maintain a lively interest in the external interests of our Nation.

Because of his international vision, Hoover played a key role in our Nation's debates over the League of Nations and the Permanent Court of International Justice (World Court). In an essay which traces the foundations of Hoover's views on these institutions, Prof. Carl Christol of the University of Southern California also succeeds in highlighting the broader sweep of Hoover's foreign policies. Mr. President, I am submitting this essay for publication as part of a series of writings honoring the 50th anniversary of the inauguration of Hoover as President in 1929, and I also recommend it as timely reading for today.

What are the lessons of a President who served 50 years ago? By tracing our 31st President's arguments for American participation in the League and the World Court, Professor Christol concisely summarizes Hoover's strong commitment to the moral force of the world opinion. His was a firm conviction that the best pressure to bring to bear in foreign policy was the moral force of an active and enraged public opinion. Here, also, we find the development of the Stimson doctrine, the philosophy for nonrecognition of a nation's right to territory seized through aggression.

Just as Professor Christol's essay is a timely addition to our review of President Hoover's life, so is it also a valuable reminder of our Nation's role in the world. Using Hoover's own words, Christol renews the large challenge facing us:

Besides effective defense of the western hemisphere, Americans can take either of two roads in international relations. The one is to develop moral standards of conduct among nations and to support them with moral forces. The other is to use economic, and inevitably military, force against aggressors. Having seen the wreckage to civilization by World War I, I believed that the long-view contribution to preserving peace would be for America to stand on moral forces alone in support of law between nations. It was not isolationism. It was the belief that, somewhere, somehow, there must be an abiding place for law and a sanctuary for civilization.

Although the debates over the League of Nations and the World Court are long behind us, the philosophical issues which confronted Hoover are very much with us today. This essay brings these ideas into clear focus, and I commend it to my colleagues.

Mr. President, I ask that Professor Christol's work, as well as a brief biographical sketch of the author, be printed in the RECORD.

The material follows:

CARL Q. CHRISTOL

Dr. Christol is Professor of International Law at the University of Southern California. Professor Christol's formal education includes: A.B., University of South Dakota; A.M., Fletcher School of Law and Diplomacy; Certificate, Graduate Institute of Higher International Studies, University of Geneva; Ph. D. University of Chicago, and LL.B., Yale Law School.

His research interests have been in legal and political problems associated with the oceans, outer space, the world's environment, Human Rights, and U.S. Constitutional Law. Pursuant to these interests he has held several honorary and professional appointments. He had a Rockefeller Foundation Fellowship, 1958–1959, occupied the Chair of International Law at the U.S. Naval War College, 1962–1963; President of the American Branch of the International Institute of Space Law, 1974–1975, Member of the Executive Council of the American Society of International Law, 1973–1976, and Chairman, International Law Section of the International Studies Association, 1977–1979.

He is a member of the American Bar Association, the State Bar of California, the Commission to Study the Organization of Peace, the American Political Science Association, and the American Institute of Aeronautics and Astronautics. He has held elective offices in several of these organizations. He served in the Infantry during World War II and is now a Colonel in the USAR (Retired).

Dr. Christol is the author of six books and numerous professional articles. He also serves on the Board of Editors of The International Lawyer.

At the University of Southern California since 1949, Dr. Christol has received two of the University's highest faculty honors, "The Dart Award for Academic Innovation" in 1970 and the Associate's Award for Excellence in Teaching in 1977. In 1977 he received an honorary Doctor of Laws and Letters from the University of South Dakota.

He is listed in Who's Who in America, Who's Who in the West, and in other biographical services.

HERBERT HOOVER: THE LEAGUE OF NATIONS AND THE WORLD COURT

(By Carl Q. Christol)

INTRODUCTION

The world experiences of Herbert Hoover provided him with a very special background for understanding the central forces of his time. His intimate and practical contacts with foreign business and political leaders in a variety of contexts certainly shaped his perceptions of international politics. These experiences suggested to him the limitations which world forces impose upon the policies, programs, and achievements of world leaders. In simple terms, Hoover realized that his essential idealism would always be conditioned by the very real and very practical opposing and contending private and public needs of his era.

By the end of World War I Hoover's principal concerns were, as they remained throughout his life, to protect humanity's needs against War, Death, Famine, and Pestilence—the "Four Horsemen of the Apocalypse." (He summed his awareness of the influence of these forces when he wrote in 1922: "We have witnessed in the past eight years the spread of revolution over one-third of the world." H. Hoover, American Individualism 1.) As he participated in the formulation of the agreements bringing World War I to an end he manifested serious concerns over the commitment by European States to power politics.

He evidenced support for the establishment of suitable new international institutions to possess substantial influence and authority in world affairs. He steadfastly urged that the political institution—the League of Nations—be founded on principles of equity and justice and that its influence be based essentially on moral strength rather than economic and military force.

In all of his governmental involvements Hoover endeavored to move the potential of mankind forward. He did this as an individualist much concerned for the workings of representative government, as a sensitive person having faith in the view that man's higher qualities are provided with their best chance for fruition in a peaceful and orderly world, and as a human being possessing phenomenal moral conviction and having the capacity for enormous moral outrage in the presence of human weakness, national attempts at aggrandizement, and the vicious reliance on violence.

The manner in which he exercised his intellect, authority, and moral influence within the framework of these commitments and restraints, as respects the League of Nations and the World Court, is the subject of this study.

At the time of the Paris Peace Conference in 1919 Hoover had already become a multinational man and was able to counsel Woodrow Wilson through Secretary Lansing on June 5, 1919, that the peace negotiations must again focus on "the interest of the world as a whole." (I The Memoirs of Herbert Hoover 466, cited hereafter I Memoirs. Hoover's official relationship to the Conference was on Relief and Reconstruction matters, serving as Economic Director for the Supreme War Council.) He perceived differences between the objectives of the United States and her European Allies. His focus was on the needs of humanity and of the world as a whole rather than on specific, and frequently nationally oriented, proposals put forward by the Allies at Paris.

Over the years this outlook took the form of advancing broad policies of international cooperation. He summarized it when he identified his Presidential "General Peace Policies" in his Memoirs. He stated: "My ambition in our foreign policies was to lead the United States in full cooperation with world moral forces to preserve peace." (II The Memoirs of Herbert Hoover 330, cited hereafter II Memoirs.)

Only through a full understanding of his commitment to the goal of peace is it possible to appreciate the processes which he considered appropriate in the kind of world which confronted him. He was clear in his view that historic divisions and conflicts in Europe were deep, pervasive, and irreconcilable and were almost inevitably war producing. Since it was beyond the capacity of the United States to "make a lasting peace," it was the function of Americans to "lend ourselves to measures preventing war, maintaining peace and healing the wounds of war." (I Memoirs, 473.) Also, in identifying the postwar problems and in considering processes open for the future he observed:

But Europe was infested with age-old hates and fears, with the offspring of military alliances and increasing armament. Its rival imperialisms continued as smoldering fires which were the principal source of dangerous wars. Power politics was both the consequence and the cause. I had no desire to see the United States involved. From the beginning I believed that the hope of peace lay in the maintenance of representative government over the world, and I felt there was still some security in the recoil of horror from the war. But I desired that we might contribute to more solid foundations of peace. I believed fervently that we should collaborate with every sincere movement to reinforce peaceful processes. (II Memoirs 331; compare II Memoirs 11.)

Hoover, as a practical idealist, frequently identified his reasons for striving for a peaceful world. Thus, in his Inauguration Address, March 4, 1929, he observed: "The United States fully accepts the profound truth that our own progress, prosperity and peace are interlocked with the progress, prosperity and peace of all humanity. . . . Our sympathies are broadening beyond the bounds of our Nation and race toward their true expression in a real brotherhood of men." (I State Papers 8.) He pledged that the United States in order to advance civilization would take "a practical part in supporting all useful international undertakings." (Ibid.) Moreover, "we not only desire peace with the world, but to see peace maintained throughout the world. We wish to advance the reign of justice and reason toward the extinction of force." (Ibid.) Emphasizing the practical aspect of peace in his Armistice Day Address on Nov. 11, 1929, he stated: "We must realize that our industrial life, our employment, our comfort, and our culture depend greatly upon our interchange of goods and ideas with other nations." (Ibid., 126. He was to emphasize the same considerations in his Armistice Day Address of Nov 11, 1930, and again on Nov. 11, 1931. I State Papers 414; II State Papers 28–30.)

Having decided to advance the principle of peace, Hoover concluded that he must disavow the use of force as a means for attempting the resolution of international tensions. He further believed that a revision of international misunderstandings "could not be founded upon words or preachments, it must be founded on action." (I State Papers 271.) Aside from the continuing example of a mosaic of good deeds, he urged that the United States "must cultivate methodical procedures by which controversies between nations can be settled by pacific means." (I State Papers 235, Address to the Daughters of the American Revolution, April 14, 1930. In this address he acknowledged the need for national defense forces pending the development and testing of peace machinery over "long years.")

His aversion for coercion was well summed up at the Annual Gridiron Club Dinner meeting on April 26, 1930. He told this group:

"We have not hesitated to emphasize the fact that the United States will not involve itself in any political agreement which commits it to the use of coercion upon other nations. In our position of transcendent power the very association in military or other coercive measures would dim the picture of our pacific intentions We have emphasized the American position of independence clear and clean. The United States, devoted to peace, will make its own political policies." (I State Papers 271–282.)

Recapping his experience in the area of international relations during the period prior to and during his presidency, he observed that two roads were open to him. The one, he said, "is to develop moral standards of conduct among nations and to support them with moral forces. The other is to use economic and inevitably military force against aggressors." (II Memoirs 377.) He continued:

Having seen the wreckage to civilization by World War I, I believed that the long-view contribution to preserving peace would be for America to stand on moral forces alone in support of law between nations. It was not isolationism. It was a belief that somewhere, somehow, there must be an abiding place for law and a sanctuary for civilization. (I Memoirs 377–378.)

He considered it his function as President to "pull the people of the United States out of the extreme mental and spiritual isolation which for years had made impossible a proper American participation in the constructive building of peace in the world." (Ibid., 378.)

In his Inaugural Address he frankly acknowledged that he coveted for his administration "a record of having further contributed to advance the cause of peace." (I State Papers 10.) Reflecting his consistent adherence to his fundamental principle he committed the nation to rational and moral behavior as opposed to violence, and to international cooperation—within limits—as opposed to unilateral State action. Thus, in his Inaugural Address he stated "Peace can be promoted by the limitation of arms and by the creation of the instrumentalities for peaceful settlement of controversies." (Ibid., p. 10.)

Hoover sought the fulfillment of this fundamental outlook through U.S. membership in the Permanent Court of International Justice (World Court), and through initial support for his particular rendition of a League of Nations and subsequent "full cooperation with the League of Nations in its non-force activities." (II Memoirs 332. One author has put it thus: "Implementing his broad policies of international co-operation as an aid to furthering peace, he sought to . . . (d) bring about better non-political co-operation with the League of Nations." H. Hinshaw, Herbert Hoover: American Quaker 184.) He was aware that such efforts would have to overcome substantial opposition. Thus, he wrote:

When I took office America was so isolationist that our proper responsibilities were neglected. Congress was adamant against the World Court, and even to suggest that we would collaborate with the League of Nations in its many nonpolitical activities brought storms of protest. (II Memoirs 330.)

Having seen the rejection of League membership as proposed by Wilson, and not being able during his term of office to secure Senate approval of membership in the World Court, President Hoover geared his foreign policies to other commitments. He endeavored to secure the objectives identified in the 1921–1922 Washington Conference on the Limitation of Armament, the 1922 Nine-Power Treaty, the 1923 Peace Treaty of Lausanne, the 1925 Locarno Treaty of Mutual Guarantee, the 1928 Kellogg-Briand Peace Pact, the 1930 London Naval Treaty, and the 1932 Stimson Doctrine. (Hoover was willing to accept as the sole sanction the element of "public opinion." Letter to the Secretary of State, Feb. 24, 1932. III *Foreign Relations*, 1933, p. 209; II *Memoirs* 377; Myers *The Foreign Policies of Herbert Hoover* 22, hereafter *Foreign Policies*.) He also secured the negotiation and ratification of important conciliation and arbitration agreements.

In his speech accepting his second presidential nomination Hoover asserted that his foreign policy accomplishments "have been devoted to strengthening the foundations of world peace." (II *State Papers* 260.) As to the resolution of world disputes, he observed:

We have expanded the arbitration of disputes. I have recommended joining the World Court under proper reservations preserving our freedom of action. We have given leadership in transforming the Kellogg-Briand Pact from an inspiring outlawry of war to an organized instrument for peaceful settlements backed by definite mobilization of world public opinion against aggression. We shall, under the spirit of that pact, consult with other nations in times of emergency to promote world peace. We shall enter no agreements committing us to any future course of action or which call for use of force to preserve peace.

(*Ibid*. This position was also set forth in his radio address to Women Supporting the Election Campaign, October 7, 1932, *Ibid*., 326. During the 1932 campaign Roosevelt, according to Raymond Moley, did not make a foreign policy campaign speech since the former considered Hoover's approach as being "good." H. Hinshaw, *op. cit*., 184.)

However, Hoover's commitment to the non-use of force in international relations was not absolute. His opposition to force stemmed from his awareness that it could serve the power politics interests of those States which did not place an exceptionally high value on democratic goals. Further, Hoover considered that such States would be willing to use the newly developing structures of international cooperation, such as the League of Nations, in order to advance their narrowly conceived international interests. Ultimately, considerations such as these caused him to avoid those League activities of a peace keeping nature.

The conditions under which Hoover was willing to employ force came to light during the Far Eastern crisis of 1931–1932 including the Japanese "rape of Manchuria" and Japan's seizure of "Shanghai with large naval and military forces." Hoover observed: "Their behavior toward the civil population was brutal beyond belief. At once I ordered a strong contingent of American troops and naval forces to Shanghai to protect the lives of Americans. I increased our Pacific fleet. I reenforced our Hawaiian and Philippine bases. There was no bluffing about this." (II *Memoirs* 374.)

The use of force as an aid to humanitarian intervention was clearly permissible under

international law at that time. (B. C. Stowell, *Intervention in International Law.*) Hoover was willing to engage in this course of conduct to protect the lives and welfare of American nationals. In his view international force for the purpose of securing more esoteric and less laudable political gains was likely to be counterproductive and hence neither morally acceptable nor practically tolerable.

With these considerations in mind one can now turn to a more detailed analysis of his role in the formation of the League of Nations, his outlook on the desirability of United States membership, and the areas of cooperation with it in view of non-membership. His reflections on the League expressed in the decade of the 1940's will also be considered.

HOOVER AND THE LEAGUE OF NATIONS

a. Organization of the League

Hoover's presence in Paris during the closing months of 1918 and through June of 1919 allowed him to observe the negotiations for the Peace Treaties including the League of Nations Covenant. He was in direct contact with President Wilson, Secretary of State Lansing, Colonel House, and a host of other leaders—American and foreign. His support for world peace and his distrust of foreign political objectives ultimately produced a sincere conviction during 1918–1919 that the Peace Treaties and the Covenant should be separated, and that the United States would be well advised to support a new world organization, even if not the League of Nations as governed by the terms of the agreed upon Covenant. Later he was to favor U.S. acceptance of the Versailles Treaty including League membership, but subject to certain "mild" reservations centered around Article X of the Covenant and dealing with forcible sanctions.

As the negotiations for the Covenant proceeded Hoover made suggestions and stated his own attitude. In one of his meetings with President Wilson early in 1919, the former inquired if Hoover had seen a draft of the Covenant, and if he had any suggestions regarding it. Hoover replied that it seemed to him that the proposed machinery of the League with its Council, Assembly and Secretariat, the right of members to bring before the League any danger to peace and the provisions for the League to examine, report, arbitrate and conciliate, develop judicial action, and denounce a nation as an aggressor was all admirable.

I added that it seemed to me that a Covenant going that far would meet the prayers of most thoughtful people. I was doubtful, however, whether an organization so revolutionary and so young could successfully carry the burdens imposed by Article X, which guaranteed the boundaries of all the signatory nations, or the provisions for economic and military sanctions in case of aggression. I mentioned that the Concert of Europe had been dominated by the Great Powers, as would be the League, and by moral and diplomatic pressures had prevented widespread wars for one hundred years without so definite an organization as that proposed for the League. (H. Hoover, *The Ordeal of Woodrow Wilson* 183–184, hereafter *Ordeal.*) On one occasion Wilson wrote concerning Hoover's opinion that it was "an opinion which I always respect . . ." (H. Foley, ed., *Woodrow Wilson's Case for the League of Nations* 175.) Wilson had written Hoover on April 15, 1919, in response to Hoover's letter of April 11, 1919, that he (Wilson) was "very much impressed" (Myers, *Foreign Policies* 18) by Hoover's objections to continued U.S. participation on the Financial Commission of Reparations. Article X provided: "The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means whereby this obligation shall be fulfilled."

Wilson replied that something stronger was needed than the Concert of Europe. In discussing the matter with Colonel House it was made clear that the President considered Article X the heart of the League proposal. Hoover then noted that, since he was not charged with the responsibility for formulating the Covenant, he dropped the subject although he "was not convinced." (Hoover, *Ordeal* 184.) Hoover was, in fact, "disturbed" by Wilson's concept of Article X as a means to guarantee "in effect . . . the boundaries of Europe." I *Memoirs* 459.) Hoover was not alone in his feeling as to the wisdom of Article X. He observed at this time that "Lansing was explosive in his opposition to Article X and the coercive provisions in the Covenant." (Hoover, *Ordeal* 184, note 4.)

However, Hoover was not content to dismiss the issue from his own thinking. Commenting on suggestions made to Wilson prior to the middle of February, 1919, Hoover placed his reasons on the following considerations:

If an international body has too elaborate a contract, and too precise powers, the organization would exhaust itself disputing over the extent of its powers and the application of them. Having the powers, if it fell short of performance, it would be damned. Without such powers it was far more effective, for then its efforts would be devoted to finding solutions for immediate problems, and through the building of precedents from successful solutions it could create the greatest of all powers—moral power and prestige. And failure to perform would not be an irreparable injury. (I *Memoirs* 458.)

Hoover reminded Wilson of the experience of the "Concert of Europe" in dealing with Europe's major jeopardies. He then noted:

In that light I suggested he set up the League Council and Assembly, its place of residence and its working machinery including the World Court. That he then give it no powers but the right to enquire into facts and to state the facts. That it should have broad purposes to promote, negotiate and arbitrate peace in the world, and to call the nations concerned into session in times of jeopardy. But the President's mind was on a great detailed political document such as the Constitution of the United States to be apolied to the whole earth. (*Ibid.*, 459.)

Wilson, having obtained advice in the United States as to the terms of the peace, returned to Paris on March 14, 1919, for additional negotiations. As revised, the Covenant received the approval of the Conference subcommittee on April 12. Indicating his continuing concern, Hoover noted that "none of the amendments that were adopted reached the heart of the opposition—which was Article X and the coercive provisions." (Hoover, *Ordeal* 190.)

On April 11, 1919, Hoover again addressed a memorandum to Wilson. The subject was whether the United States should continue to participate in the numerous Allied economic and military control commissions established during the war. In opposing such participation Hoover stated that "any continuation of the United States in such Allied relationship can only lead to vast difficulty and would militate against the efficiency of the League of Nations." (I *Memoirs* 452; Myers, *Foreign Policies*; H. Hoover, *Some Notes on the League of Nations*, Hoover Institute Archives.) Hoover indicated in the memo that "nothing in letter or spirit or any statement of your own, or in the 14 points that directly or indirectly ties the United States to carry on this war through the phase of enforcement of the multitudinous demands and intrigues of a great number of other governments and their officials." (I *Memoirs* 457, Myers, *Foreign Policies*, 17–18.) Hoover added: "It does appear to me that your conception of the League of Nations is with view to a great moral Court, where these difficulties could be threshed out, but if we sit as one of the prosecutors, the Court will have no judge." (Myers, *op. cit.*, 18.) In the foregoing memorandum Hoover observed that "this whole matter has a very practical relationship to the League of Nations. . . . If "we can again secure our independence, we can make of the League that strong and independent Court of Appeal that will have authority." (I *Memoirs* 457.)

Again on June 4, 1919, Hoover wrote to Wilson urging that the latter focus on the fundamental need for a democratically oriented peace with such policies to be implemented through the creation of "a league of nations which might be able further to correct international wrongs." (Myers, *op. cit.*, 7, Italics in original.)

b. The desirability of U.S. membership in the League

Hoover's counsel as to the terms of the post-war agreements had been respectfully received and considered along with that of others who were in contact with President Wilson and other foreign policy leaders. With the signing of the Treaty on June 28, 1919, Hoover was obliged to reassess his position concerning the Versailles Treaty and the League Covenant. His commitment to each was different. Thus, in June of 1919, following the acceptance of the final compromise in the Versailles Treaty with the necessary exclusion of many of the provisions for which Wilson had so diligently worked, Hoover observed that "the deterioration in Europe was such that a break now would have been a world catastrophe. With all my forebodings about the Treaty, I decided for myself to support its ratification by the United States as a lesser evil." (I *Memoirs* 468.) His outlook toward the League, per se, was completely different. At the same time he stressed that "The League idea re-enforced the idea of international co-operation to preserve peace, which will not die if civilization is to endure." (*Ibid.*, 472.) From June 1919 onward Hoover continued to make a clear distinction between his reasons for hesitant support for the general provisions of the Treaty of Versailles and his active support for the Covenant of the League of Nations, subject in the latter case to what came to be known by 1920 as the "mild" reservations directed essentially at Article X of the Covenant.

Hoover did not return to the United States until September, 1919. By then the Senate was embroiled in controversy concerning the Treaty. As the attention of the entire nation began to focus on the issue of membership in the League, Hoover allowed his views to be known throughout the country. In his *Memoirs* he summed his views as follows:

I was fully aware of the weaknesses of the treaties, as distinguished from the League Covenant, perhaps more aware than most Americans. Nevertheless, I had concluded that they should be ratified in order to save what was left of the European structure. I hoped that the League might later revise and modify the destructive parts of the treaties. I also felt that, if the League did not work, we could get out on a year's notice and, since our consent as a member of the council was necessary to any action, no harm could come to us. (II *Memoirs* 10.) Hoover's concern for the emergence of a fair and stable peace and his conviction that a League, founded on the duty to "preserve" the integrity of League members from external aggression through the employment of economic and military sanctions, would prove

inoperable, provided him with a real dilemma. As Myers has pointed out: "While he believed in some form of international organization for purposes of conference and co-operation, he did not believe in the League of Nations *as organized*. But he saw the imperative need for peace and the need for getting it quickly. For these reasons he came out in favor of the League and urged its acceptance by the Senate with the minor changes, through reservations, offered in that body." (Myers, *Foreign Policies* 18.)

As the issue of reservations emerged in the Senate, Hoover became persuaded that it would be necessary to accept them in order "to secure the ratification of the Covenant." (II *Memoirs* 11.) He also concluded that the reservations "on the whole . . . do not impede the great principle of the League." (*Ibid.*)

Because of his strong commitment to the establishment of an international organization designed to facilitate international co-operation in order to obtain world peace, Hoover was anxious to express his views as soon as possible after his return to the United States. The opportunity presented itself in an address before the students of Stanford University on October 2, 1919. His immediate support for the League undoubtedly was intended to make the general public aware of its strong points, for he realized that the novelty of the idea to many Americans and outlooks summed by the expression "fear of entangling alliances" would produce opposition. Hoover wanted the case for the affirmative to be put forward as early as possible. In commenting on the theme of this talk he later observed "I stated that the League was an experiment in the concept of collective action against aggressions which should be tried out." (II *Memoirs* 10–11.)

Since the reasons advanced in this talk set the tone for a number of other public pronouncements during 1919 and 1920, it is worthwhile to examine the Stanford address with care. As was characteristic with him, Hoover distinguished between ends and means. The Paris Conference had identified as critical ends, first, a settlement which "should remove as many of the immediate causes of war as possible by destroying enemy domination over other races; second, by establishing the new governments on a democratic basis so that wars should not be made by autocracies for the profit of their class. . . ." ("Mr. Hoover's Address before the Students of Stanford University, October 2, 1919," p. 2, Hoover Institute Archives; hereafter Stanford Address.) The principal means to achieve the condition of peace—with all the enormous benefits flowing from this condition—would be "a world council—the League." (Ibid. He preferred the term "council" to "League" since the latter term "smacks of military alliance." Ibid., 3.)

He distinguished between the basic objectives of such a "council" and the methods to be employed. He considered that the new international organization would offer to the newly constituted states consisting of liberated peoples "some measure of protection from invasion." (Ibid., 2.) Further, "with the stimulation of the world conscience awakened by this war, there could be hope that the wrongs among other peoples could be brought for discussion and negotiation. Here, if aggression were undertaken, the public opinion of the world could be enlightened and the aggressor could be made an outcast from the society of the civilized nations. Thus only could something constructive be done to end war." (Ibid.) Disarmament might also be achieved.

As to means, he noted that all important decisions of the League would have to be unanimous. Such means were essentially twofold: "Its most potent weapon is the determination of the rights and wrongs of international quarrels, and the enlightenment of the world upon them, and by consequences the moral isolation of the aggressor. If this fails, its second weapon is the boycott, the most potent force in the world to-day, the force that more than any other brought Germany to her knees." (Ibid., 3.) This comment in the context of his general aversion to boycotts appears to be more a description of the sanction than an endorsement of its use.

Hoover portrayed peace as universal. If the condition of peace were to break down anywhere it would inevitably involve the United States. He supported the League because of his hope that the League "will forever relieve the United States of the necessity to again send a single soldier outside of our boundaries." (Ibid., 3.) The League would be a bulwark against war-promoting reactionaries who "contend that without the exercise of military power there is no hope of the maintenance of human efficiency or control of the masses." (Ibid., 4.) Moreover, only, through the success of the League would stability be achieved among the new and old States of Europe. Only through the League would peaceful international cooperation replace the bankruptcy of the pre-war balance-of-power theory. Thus, a central argument for the League was its role of war prevention. If the League were to break down, he contended, then the United States "must at once prepare to fight" once again in Europe. (Ibid., 5.)

Hoover also urged U.S. participation in the League so that it would have an on-going opportunity to identify its own international needs and concerns. He observed:

The Allies may themselves ratify this treaty without us, and thus assemble a council of nations of their own in an endeavor to solve the problems of Europe. It would be a council of Europe, and in the midst of these terrible times—considering the debts they owe to us, the material they must have from us or starve—I would rather that we be represented therein lest it become a League of Europe against the western hemisphere." (Ibid., 6.)

New European States were seeking membership in the League in order to protect their new existence. Hoover believed that U.S. membership would serve the general purpose of giving strength and credibility to the League. It would also produce a League better able to ensure the survival of the new States.

Hoover also supported League membership on idealistic grounds. Through the League there could emerge a larger commitment to democratic self-government. Through it there could be an extension of justice and sympathy to the down-trodden. Through it there could be the development of peace under international law. He closed on this theme by saying: "The liberal world is asking us to come into a council to find a solution for these things. That world is not asking for soldiers; it is asking for our economic and moral weight, our idealism, and our disinterested sense of justice." (Ibid., 7.) The hope for a League able to assist in the struggle for peace was an ageless expression coming from "the heart and mind of the world." (Ibid., 3.)

Following his address to Stanford students, Hoover publicly expressed himself, either through talks or press releases, in favor of the League twelve times between October 15, 1919 and October 9, 1920. In his October 15 address to the Commonwealth Club of San Francisco he stressed the need for the United States to cooperate with Europe in order to advance the capabilities of democratic institutions. In his view the League more likely than not would produce a democratically oriented peace in Europe, which would serve universal needs. ("Address of Hon. Herbert C. Hoover, 15 October 1919," Hoover Institute Archives.) He later identified his theme on this occasion as being "that the best protection from radical infections in the United States was the preservation of these new governments and the consequent disinfection of the cesspools at the source." (II Memoirs 11.)

Confident that Wilson's respect for his judgment would allow for consideration of his on-going views, Hoover wrote the President on November 19, 1919, urging acceptance of reservations promulgated by the Senate as a condition for accepting the Covenant. Hoover explained that he was "impressed with the disparate necessity of early ratification." (Myers, Foreign Policies, 19, footnote 8.) Hoover later made a copy of this letter available to members of the Senate Committee on Foreign Relations. He hoped to win them to the cause of the Covenant with the argument that "as the League gained experience in a venture unprecedented in history, it would have to change anyway." (II Memoirs 11.) Throughout this period he consulted with "more reasonable senators." (Ibid.) He sought support for the League in principle and was resentful of "the destructive attacks on President Wilson then being made by Senators Lodge, Johnson and others." (Ibid.)

In his address at The Johns Hopkins University, February 23, 1920, Hoover expressed impatience with the Senate in not adopting suitable reservations to the Versailles Treaty and then in giving its approval. In his judgment the majority of the American people favored reservations respecting Covenant terms and that the Senate was unduly concerned with what he described as "secondary questions." ("Mr. Hoover's Address at Johns Hopkins University, February 23, 1920," p. 4, Hoover Institute Archives.) He expressed the view that the position held by the "mild reservationists" should be accepted by the "lesser reservationists" so that their combined votes in the Senate would allow for ratification. He expressed the conviction that no narrow and delaying approach to the subject of reservations would result in partisan domestic political advantage. He was clear that delay in the Senate would produce substantial harm to U.S. world interests. Only through U.S. acceptance of the Versailles Treaty would world conditions achieve some stability so that the condition of world peace might be more probable.

Hoover also returned to his practical argument that no matter what terms were contained in the Treaty, including the Covenant, that experience with them would require modification over time. He said: "If it be put into being and if it prove its living value in the world, no one can doubt that any necessary changes will be granted to it by common consent as years go on." (*Ibid.*, 4–5.)

He also asserted the point, frequently made, that "the League is not a principle; it is an organization." (*Ibid.*, 5.) Since in his view organizations possessed organic qualities, the League would be bound to change over time as it was confronted by the facts and issues of the future. And, as he was to observe on future occasions, as he had in the past, the League's "greatest function is to organize moral forces. Its major authority will be moral force." (*Ibid.*, 5.)

Hoover also speculated on the policy positions which the United States might advance within the League, following U.S. membership. He stated:

We all hope for its immediate energies in the reduction of armament, the development of engines of conciliation, of arbitration and codes and courts of international justice. We hope for its influence in the destruction of the economic barriers set up before and since the war, which stifle the recuperation and the free entry of our own commerce over the

world. Some of us hope that the League will not interpose in international differences except at the last stage necessary to mitigate the growth of conflict. Some of us have no liking for mandates of any European state, for we would thus plunge ourselves territorially into Europe itself with a long train of dangers. Most of us have no ambitions to moral or other domination. (*Ibid.*, 5.)

Just as U.S. membership in the League would allow the League to maximize its potential, so also a functioning League would allow for the constructive development of the Versailles Treaty. With these considerations in mind, Hoover had no difficulty in supporting the generalized commitment by the United States to both League and Treaty.

In an interview with the *Washington Star* on March 18, 1920, Hoover restated several of his earlier arguments in favor of early acceptance of the League and Treaty. He observed that out of the many compromises had emerged a final product which "gives us freedom of action and room for constructive development of peace." (*Washington Star, March 18, 1920; Some Notes on The League of Nations*, Herbert Hoover Archives.) He pointed to the increasing world tensions which required reference to an international organization for their consideration, and restated his opposition to Article X of the Covenant. After pointing to long continuing world antagonisms, which were barely held under control and the potential harm likely to befall the United States, he asked concerning the Treaty: "Is it not the practical thing to ratify it and then to build constructively toward peace and good will? If the League proves a success, the world will readily grant it greater powers." (*Ibid.*)

On March 19, 1920, the Senate rejected by a vote of 49 for and 35 against—7 short of the necessary two-thirds majority—the resolution of ratification of the Versailles Treaty. Part I of the Treaty contained the League Covenant. The Senate had attached 15 reservations, which in Wilson's view "emasculated" the Covenant. (The reservations are set out at 59 *Congressional Record* 4599, 66th Cong., 2nd sess. Compare H. C. Lodge, *The Senate and the League of Nations* 178–220.)

Perhaps one reason, in addition to his commitment to the principles of a League, for the dissemination of his views related to his enlarging involvement in the American domestic political scene. In 1920 friends in widely scattered portions of the country were suggesting that he should be a candidate for the presidency. He discouraged such efforts in all states except California where Senator Hiram Johnson had embarked upon an effort to obtain the Republican nomination and had heaped violent abuse on League membership. According to Hoover the nomination of Johnson "would have pledged the Republican party to abandon the League altogether." (II *Memoirs* 34.) Since the other leading Republican candidates did not wish to oppose Johnson in a state where he had demonstrated popularity at the polls, and thereby offer a referendum as to their more moderate views of the League, Hoover agreed to the placing of his name on the primary ballot so as "to allow an expression on the issue of the League." (II *Memoirs* 35.)

Hoover explained the strategy:

As I was not a real candidate, and as Senator Johnson controlled the state organization, there was no possibility that he could be defeated. However, a reasonably large vote for me might show enough protest in the Republican party of that state to prevent the Republican Convention from out-and-out opposition to the League. (II *Memoirs* 35.)

Hoover did not conduct an active campaign. Yet he received 210,000 votes to 370,000 for Johnson which undoubtedly weakened Johnson's position at the Convention. (Hoover reported that at the time of the Convention his name was placed in nomination by Nathan Miller of New York. "He wanted the League, and he wanted me in the Cabinet." *Ibid.*, 35.)

During the California campaign Hoover was asked by members of the Republican Party to identify his views. Consistent with his opposition to the views of Senator Johnson, Hoover stated briefly that he opposed Article X of the Covenant, that he favored U.S. membership subject to reservations, and that he opposed the position of those who considered membership in the League as detrimental to U.S. interests. He observed that the issue was "whether, with reservations protecting our position, we should join the moral forces of the world to reduce the dangers again growing around us, or whether we will, by pretense of an insularity that we do not possess, sit by in the face of growing armies, navies, national antagonisms, reaction, or in reverse, the spread of Bolshevism, through much of the world." (*Telegram to California Committee, March 30, 1920;* Hoover Institute Archives.)

By May, 1920, Hoover sought further clarification of Johnson's position. In a press statement of May 7, 1920, Hoover challenged Johnson's observation that he (Johnson) was opposed to an "English League." Specifically, Hoover wanted to know if Johnson considered the Covenant subject to the Lodge reservations as being the "English League." At this time Hoover unequivocally indicated his support for the Lodge reservations as approved by the Senate in November, 1919. As to Johnson's position, Hoover asked: "Will the Senator speak out plainly on this subject so that the people may know where he stands and what he stands for in this matter." (*Press Statement, May 7 1920;* Herbert Hoover Archives.)

Then, on May 8, 1920, Hoover asserted that Johnson "apparently does not wish to say 'Yes' or 'No' as to whether the 'English League' as he calls it, is the covenant with the Lodge reservations." (*Press Statement, May 8, 1920;* Herbert Hoover Archives.) And, he stated: "Will the Senator change his expression from 'I have never opposed a League' to 'I will support a League for this purpose,' and will he state what the construction of that League is to be, and where it will differ from the League with the reservations as agreed to by the majority of the Senate?" (*Ibid.*) Hoover regarded the League as a device for the constructive solution of world problems. He sought to deflate the candidacy of Johnson because of the latter's destructive criticism of the League without providing alternatives.

Oregon Republicans sought to obtain Hoover's views on the League in connection with the presidential primaries in that state. In a telegram of May 13, 1920, Hoover contrasted Wilson's efforts to obtain the unmodified Covenant submitted by him to the Senate with Johnson's total opposition to the League. Hoover observed that "two more destructive attitudes towards a great issue could not be found." (*Telegram to Hoover Republican Club, Portland, Oregon, May 13, 1920;* Hoover Institute Archives.) Hoover restated his conviction that the League should be promptly approved with reservations and that the Republican platform should contain such a pledge. He also urged Oregon Republicans to disavow any "no League" candidates, namely, Johnson. He urged that Oregonians concentrate their energies against Johnson rather than in the advancement of a Hoover candidacy. Thus, Hoover's commitment to membership in the League, subject to the "mild reservations," allowed him to incur the wrath of an exceedingly important member of the Republican Party. Because of his support for the principles of the League, Hoover was willing to entertain such a situation.

By September, 1920, Hoover was prepared to provide ample evidence of his continuing support for U.S. acceptance of League membership. Following a talk at West Point on September 6, he made identical detailed statements on September 8 and 9, and on September 15 he provided the *Chicago Daily News* with a further clarification. In his statements of September 8 and September 9 he again identified practical considerations for accepting the "mild" Lodge reservations as a part of the U.S. membership plan. He looked at the Versailles Treaty as a many faceted agreement which required acceptance by all parties. It contained matters, he believed, which could not be settled by a separate U.S. treaty with Germany. Further, the League was a going concern engaged in a variety of important activities which were not objectionable to either of the major political parties. Finally, "aside from its European intertwining, the League is also intertwined with us even if we refuse to enter it." (*Treaty Statement, September 8, 1920;* Herbert Hoover Archives. The statement of September 9 appeared in the *New York Evening Post*. Herbert Hoover Archives.)

Hoover's statement to the *Chicago Daily News* on September 15, 1920 was one of his hardest hitting and most tightly argued analyses of American participation in the League. He acknowledged his "a" vs. "the" League outlook saying "I stand earnestly for 'a' League of Nations to minimize war, and, moreover, I stand for 'the' League with alternations pointed by the Republican reservations." (*Chicago Daily News, September 15, 1920*, Herbert Hoover Archives.)

He made four key points. First, he pointed to the world's disarray as reflected by ongoing social revolutions, the enhanced scientific capacity for destruction in the event of war, and the increasing reliance on armaments. He observed "to at least try to lessen the dangers of these things, we require cooperative international action—'a' League." (*Ibid.*)

Second, he identified his design for such a League. It would be "a continuous council of men representing the authority and confidence of their own countries in continuous service to mitigate the causes which give rise to war." (*Ibid.*) Its object would be to obtain progressive disarmament, settlement of disputes through peaceful processes, the protection of life and property at sea, defenses against the spread of contagion, the development of international communications, and development of the powers of public opinion against wrongdoers. He identified, once again, his somewhat inconsistent outlook regarding economic boycotts, which he identified as the "most powerful weapon in modern civilization." He would, he said, apply this device "against countries who would disregard the decisions of international tribunals and start ventures that could involve the world in war." (*Ibid.*) He held the view that such economic boycotts could be implemented without military force, and he noted that the world's economic unity was such that "no nation can morally or physically survive continued isolation." (*Ibid.*)

Third, he identified the functions and activities which the League would not be asked to assume. It would not be granted any power which would lead it in the direction of supergovernments, nor would its performance constitute a minimization of "the very essential principle of nationalism upon which our patriotism and progress is founded." (*Ibid.*) For the first time he somewhat conditioned his outlook concerning Article X of the Covenant, saying "While to get peace I would have accepted Article X, subject to super-authority of Congress, I have always believed that any power of such a body to call for military force undermines the intrinsic strength of any institution that must be based on moral forces and public good will." (*Ibid.*) Then he added: "I do not consider that such a council should have the right to commit, either actually or morally, any of the member nations without their considered vote." (*Ibid.*)

Fourth, he stated that the Covenant, subject to the Republican "mild" reservations, described the kind of international organization which he was able to accept. Again, as so frequently in the past, he observed that any institution would grow and change, and that through practical statesmanship the League could become an important element in his larger design for minimum world order.

Finally, Hoover asserted that in his view the vast majority of Americans supported his concept of a League. He announced his ardent support for his prototype of a League, criticized the Democratic Party for its failure to obtain U.S. membership in the League under the Republican reservations, and observed his confidence that the Republican Party would be able to "install the major purposes of a League." Aside from the slight transigence concerning Article X, and his more complete assessment of what the League should not be, he had added little to his public views. Through his consistency and his repetition, it had become clear that because of his view of the world's intricate political interrelationships he was entirely convinced that mankind required a new and important international organization. His earlier views of a new Concert of Europe had been put aside.

As the political campaign of 1920 wound toward its close, Hoover was called upon once again to address a mid-western audience. On October 9, 1920, he spoke in Indianapolis, where he divided his remarks between party responsibility, economic programs, and the League of Nations. (*Speech by Herbert Hoover before the Columbia Club of Indianapolis, October 9, 1920*. Herbert Hoover Archives.) Displaying his partisanship more than previously, he began by asserting that if the Democratic Party were seeking martyrdom by adherence to the great principle of the unmodified Covenant that the search was based on a "false premise." (*Ibid.*) Seeking to put the issue in its most simple and yet most important terms, and at the same time indicating his view of the need for political compromise, he stated "there is but one principle involved, and that is the preservation of peace by organized international action." (*Ibid.*) He did not seek compromise on the principle of such an institution, but rather on the methods to be employed by it in seeking to fulfill its mission.

He called attention once again to his objection to a League having the power to employ the processes of war. He challenged the Democrats for having allowed the nation to become involved in a debate over the League, when the only matters truly involved were the terms of the reservations. In this vein he suggested that the Democrats should have accepted the League, with reservations, and then if they were dissatisfied with this condition they would have been able to go "to the country on the political issue of correcting the reservations alone." (*Ibid.*) By contrast he observed:

The Republican party has pledged itself by platform, by the actions of its majority in the Senate, by the repeated statements of Senator Harding, that they undertake the fundamental mission to put into living being the principle of an organized association of nations for the preservation of peace. (*Ibid.* Since Hoover had some doubts as to the completeness of Harding's support for the League, this reference may be considered as identifying Hoover's expectation of League support.)

Hoover thought it fitting to identify what he labeled his "personal view" concerning the practical development of the League. In this context he said:

Some articles in the present treaty must be abandoned and some modified. But a great many parts of the present treaty are good and are intertwined with the stability of the world. They offer opportunity to secure cooperation of the great majority of nations who have joined it. Therefore, I believe that in keeping faith with the promise to use all that is good in the Covenant for the development of the great principle to which it has pledged itself, practical Republican statesmanship must build upon the foundations of the existing treaty, and include in it the great step forward in international justice now settled by Senator Root. (*Ibid.*)

During the 1920 campaign major Republican leaders became concerned over Harding's somewhat inconsistent support of the League. Hoover described the condition as one in which "Mr. Harding carried water on both shoulders." (II *Memoirs* 13.) Thirty-one leading Republicans, including former President Taft, Charles E. Hughes, Presidents Lowell of Harvard and Butler of Columbia, Senator Elihu Root, and Hoover issued an open letter on October 15, 1920, in which they proclaimed their support of the League. The purpose was to keep candidate Harding "in line as a supporter of the League." (P. C. Jessup, *Elihu Root*, Vol. 2, p. 414). Hoover observed in his *Memoirs* that the letter "was issued in consequence of personal assurances from Mr. Harding." (II *Memoirs* 13.)

Following the nomination of Warren G. Harding at the Republican Convention, Hoover made several speeches in support of the candidate. Hoover wished to jockey Harding into a position so that he would not "desert his original position as a Senator, of being for the League with reservations. He, however, wobbled a good deal. He privately assured me and others that he favored it. Many of us protested to him whenever he leaned the wrong way on the issue." (*Ibid.*, 35–36.)

Following Harding's election and the appointment of Hughes as Secretary of State and Hoover as Secretary of Commerce on February 24, 1921, the two met to review their respective positions on foreign policy. They agreed that they remained firm in support of the terms of the October 15, 1920 letter with the expectation "that the new administration make good the ratification of the treaties with reservations . . ." according to the terms of the foregoing declaration. (II *Memoirs* 36.) Hoover left the meeting with the continuing assurance that "Hughes was a warm advocate of the League . . ." (II *Memoirs* 37.)

c. Non-membership in the League

During the Administrations of Presidents Harding and Coolidge the American people evidenced substantial uncertainties as to the wisdom of United States participation in action-oriented foreign policies. Particular doubt was expressed as to the desirability of further involvement by the United States in picking European chestnuts out of European fires. The bitter attacks of the provincial elements within the Senate prevented the United States from becoming a party to the Treaty of Versailles, from joining the League, and from accepting membership in the World Court. Such opposition also made it difficult for the political leaders who saw future merit in suitable international involvements to move aggressively in pursuit of sound international goals. Thus, with the defeat of U.S. membership in the League, through the vote of the Senate on March 19, 1920, this precise issue in American politics came to an end. Yet, the wisdom of that decision lingered and thoughtful people continued to nurse hopes for membership in an acceptable world political organization.

During his active candidacy for the office of President Mr. Hoover had few occasions to refer to U.S. membership in the League.

Mr. Hoover was aware of the apparently adverse sentiments of a majority of the American voters, with League membership popularly coupled with possibilities of bloodshed. Yet, because of his earlier affirmative and special support for a League of Nations as an institution for world cooperation, his approach to the on-going institution was both practical and supportive. Throughout he retained his basic position that a viable League should not seek to enforce the political judgments of its members. Thus, in his Inaugural Address he said:

Our people are determined that we should make no political engagements such as membership in the League of Nations, which may commit us in advance as a nation to become involved in the settlements of controversies between other countries. They adhere to the belief that the independence of America from such obligations increases its ability and availability for service in all fields of human progress. (I *State Papers* 9.)

By 1929 the League of Nations had covered a lot of ground in three principal areas: military and political, economic and social, and the technical fields of health and communications. Non-membership was not able to isolate the United States from such matters, and some means had to be found for the United States to establish and maintain contact with the League.

During his administration President Hoover had no hesitancy in establishing a condition of active cooperation with the League in non-force fields. He summed this up as follows:

The League was doing splendid work in advancing a wide range of international action outside the force field. Through our Minister in Switzerland we joined in these efforts, and in such particulars as international trade in narcotics, expansion of marine law, and radio regulation, we took the lead. As a consequence we became parties to several score of treaties covering such matters as commerce, aviation, merchant marine, protection of intellectual property, control of international traffic in narcotics, black and white slavery, and disease. Aside from their high importance in developing a civilized world, these treaties served to bring a better realization of world responsibility to our people. (II *Memoirs* 337.)

Illustrations of U.S. involvement with the League included an arrangement between the United States and Liberia for the establishment of an International Commission of Inquiry into the Existence of Slavery and Forced Labor in Liberia whereby the League Secretary-General was to assist in the membership of the Commission. (1929 *Foreign Relations of the United States*, Vol. III, p. 296.) During the Hoover administration the United States continued an earlier practice of sending copies of U.S. treaties to the League for publication in the League of Nations Treaty Series. Although these international agreements were not formally "registered" with the League under the terms of Article 18 of the Covenant, there was an element of official relationship with the League. (G. Hackworth, 5 *Digest of International Law*, 91.) During this period the United States advised Japan that it had no objection to a Japanese registration of a bilateral agreement dealing with the prevention of the smuggling of liquor which had been entered into by the two States. (*Ibid.*, 92.) Of greater significance was the authority conferred on the U.S. Consul General Blake in Geneva to maintain constant contact with League officials and members of delegations attending League sessions. (1929 *Foreign Relations of the United States*, Vol. II, p. 295.) Hoover authorized U.S. represent-

atives to engage in systematic cooperation in "non-political" functions involving military and naval conferences on disarmament. (H. Hoover, *Ordeal* 298, footnote 3.)

Some alarm was expressed in the United States at these modest involvements with the League, particularly because of President Hoover's active and on-going campaign to secure U.S. membership in the World Court. To relieve this agitation he told Congress on December 3, 1929, that our proposed "adherence to the International Court is, as now constituted, not the slightest step toward entry into the League of Nations." (1929 *Foreign Relations of the United States*, Vol. I, p. vi.)

President Hoover had no hesitancy in implementing a detailed working arrangement with the League when Japan embarked on aggression in China, 1931–1932. Hoover acknowledged the potential difficulties in such a situation, remarking that in order to effect such cooperation it was necessary to "cut a trail through the thickets of American public opinion and the power politics of Europe." (II Memoirs 372.)

Following the seizure in September 1931 by Japanese militarists of areas in Manchuria the United States protested to Japan. When China appealed to the League, Hoover authorized Secretary Stimson to "cooperate fully with the League as it furnished a central point for coordination of action with the European nations. I insisted that we encourage the League to take the lead, and that we would cooperate with them. We directed our representative in Geneva to sit with the Council of the League." (II *Memoirs* 365–366.)

Prentiss Gilbert was the American Consul in Geneva in October, 1931, when the League considered Chinese protestations. Hoover has written that "to show our desire to cooperate with the League" Mr. Gilbert was "directed . . . to attend the meeting of the League Council on the 13th." (II *Memoirs* 371.) Hoover stated:

They asked him to take a seat at the actual Council table which, with our approval, he did. But instantly the League enthusiasts at Geneva and in the United States welcomed this as the first step toward America's joining the League. There was a hailstorm of protests from a section of the press which, by stimulating the Senate, threatened defeat to our every effort at cooperation with the League. So we had to hoist Gilbert from his seat at the Council table and seat him at the side of the room so that all America could see that we had not joined the League. (*Ibid.*)

When the League Council convened in Paris on November 14, 1931 to consider measures to be taken against Japan, Hoover instructed Ambassador Dawes to represent the United States. His instructions allowed him to sit at the Council table or to sit beyond it, if this were his choice. Hoover noted that Dawes conducted his work very ably at a distance from the table. When the League Council created a commission of Enquiry to view conditions in China (Lytton Commission) on January 14, 1932, the United States accepted membership. In order to support the League in this function Hoover appointed General Frank R. McCoy to the Commission, who fully participated in an examination of circumstances threatening to disturb peace between China and Japan and assisted in the writing of the Commission Report. Lest Congress become unduly alarmed at Hoover's policy of examining a breach of the peace, he set forth the situation and announced his determination to cooperate with the League in his Annual Message of December 10, 1931. (II *Memoirs* 372).

Out of these events emerged the Hoover policy, commonly known as the Stimson Doctrine after Hoover's Secretary of State, of nonrecognition of a nation's right to territory when seized through aggression. Hoover acknowledged that the policy of "nonrecognition of spoils or territory seized" had been advanced originally by Secretary of State Bryan and had been considered by Hoover with Secretary Kellogg. Hoover has written:

Recollecting these ideas, I suggested to Secretary Stimson early in December, 1931, in Cabinet meeting, that we consider proposing to the League that the members refuse to recognise any territory obtained by the Japanese in violation of the Kellogg Pact and emphasised the refusal by withdrawing all legations from the offending nation. (II *Memoirs* 373.)

The decision to censure Japan raised the question of additional measures. Secretary Stimson proposed two alternatives. The first would have involved some form of collective economic sanctions, which Stimson favored. The second would have required the building of world public opinion against the Japanese aggression. Hoover advised his Secretary that he was "greatly disturbed" (*Ibid.*, 366.) over the prospect of an economic boycott, for it was his belief—and had been ever since Versailles—"that 'economic sanctions' meant war when applied to any large nation." (*Ibid.* Compare, however, his 1919 Stanford Address, where he expresses a more favorable view on economic boycotts.) His experience in World War I relief and reconstruction matters recalled the unemployment, starvation, and total demoralization—in fact, all the penalties of war except shooting—produced by such measures. In his view "sanctions or the threat of them also meant rising emotions, the development of incurable hatreds, and an insensate opposition to any remedial action." (*Ibid.*) Thus, he rejected the first alternative. Hoover observed: "I was willing to go to war for the preservation of America, but I believed we should not go around alone sticking pins in tigers, or alone impose futile sanctions." (*Ibid.*) However, before following his preferred policy Hoover obtained information that the British would not embark on an economic boycott. He also learned from his military advisers that U.S. military activity in the Far East at that time was impractical. (*Ibid.*, 377.)

Hoover and Stimson differed as to the means of implementing the non-recognition doctrine. Stimson wished to use sanctions including economic ones. Hoover objected on the grounds that economic sanctions would inevitably lead to more violent ones. Hoover has noted that "I held that one who brandishes a pistol must be prepared to shoot." (*Ibid.* 370.) Hoover consistently rejected Stimson's overtures for measures involving force, and wrote to his Secretary of State on February 23, 1932, that "if I recommended the use of force it would be a recommendation that Congress should declare war; and that was wholly unjustified." (*Ibid.*, 375.) After Britain had failed to demonstrate an interest in the proposed policy, the United States gave further publicity to its proposal. This was followed by a meeting of the League Assembly on March 3, 1932. According to Hoover "on the 11th, to our surprise, it expressed its adherence to the doctrine of nonrecognition." (*Ibid.*, 376.) Hoover subsequently observed that "the Council passed a resolution of disapproval of the Japanese, and we approved their action." (II *Memoirs* 366.) This experience offered evidence of the fact that formal membership in an international organization was not necessary to the exercise of influence within such a body. Hoover was able to remain firm in his conviction that the best pressures in international politics still remained the moral force of an active and enraged world public opinion.

d. Hoover's reflections on the League experience

As might have been expected, Hoover in his post-White House days vigorously pursued his vital concern for institutions and conditions contributing to a lasting peace. It will be recalled that at the end of World War I he expressed support for "a" League of Nations. He was, nonetheless, opposed to the provisions of Article X of the Covenant which called upon member States to use force to preserve the status quo flowing from the treaties of peace. By 1942 Hoover was able to generalize by affirming that he had "supported adherence to the League and the Court as at least an experiment in preserving peace." (H. Hoover and H. Gibson, *The Problems of Lasting Peace* 177, hereafter "*Lasting Peace*".) By 1942 he made explicit additional criticisms of these institutions. Hoover would have been satisfied with a less ambitious League than the one contemplated by Wilson. He would not have assigned it an immediate and major peace-keeping function.

Rather, he would have favored an institution designed to safeguard personal liberties and prospects for representative government as "forces of freedom." (*Lasting Peace* 106.) Recalling Wilson's efforts at Paris, Hoover wrote in his *Memoirs* that Wilson may have been right, but if it had to be done over again, the light of subsequent experience shows that my line was the only practical one *for the time*. It would have avoided a thousand pitfalls, and would assuredly have secured American membership and support, and I believe it would have been of infinite service. It might cure the festering cancers to future peace. (I *Memoirs* 459. Italics added.)

Nonetheless, Hoover was clear that the real League was an exhibit of "the impelling will to peace," (*Ibid.*, 21.) as well as the "world's greatest experiment in the maintenance of peace," (H. Hoover and H. Gibson, *The Basis of Lasting Peace* 2.) and "the greatest experiment and the greatest effort that mankind has ever made to assure the peace of the world." (*Lasting Peace* 121.) Despite his well-known reservations as to Wilson's League Plan, Hoover wrote in 1942 that he had "ardently supported adherence to the League and the Court as at least an experiment in preserving peace." (*Ibid.*, 177.)

From the vantage point of World War II Hoover turned his thoughts to a new universal international organization, and noted that both the League's successes and failures should be examined in order to provide lessons for the future. It was his view that the working League was plagued by several serious defects. The first broad category was what he elected to call the "internal weaknesses in the League structure." (*Ibid.*, 171.) Instances were the gaps in the Covenant and the resulting "legalistic discussions of constitutional construction." (*Ibid.*, p. 172.) Although many would regard such an outcome inevitable no matter what precise words were chosen, yet the result in Hoover's view was to produce "interminable discussion of the interpretation of words and phrases . . ." as well as "hairsplitting distinctions and disputes to contest its authority or to avoid action." (*Ibid.*) It will, however, be recalled that Hoover had once counselled Wilson that the Covenant should contain generalized prescriptions.

Another internal difficulty was the mixed personality of the League: it sought to organize and preserve peace through the application of military or economic force; it also sought to prevent war "by settlement of controversy through pacific methods." (*Ibid.*) He considered that the "two concepts proved to be in both philosophic and practical conflict." (*Ibid.*, compare, *The Basis of Lasting Peace* 11.)

Reflecting on the League, as in prior plans for preserving peace, he found that it—with its focus on collective security—had become infected with a "vital defect." Versailles and the Covenant had "set up a new order, and knowing it to be good, they provided that it shall be kept unchanged." (*Lasting Peace*, 171.) He acknowledged that enormous frustrations could result from the forceful maintenance of a *status quo*.

He also expressed concern over the direction which the League had taken in endeavoring to arrive at a definition of "aggression." Moreover, he put forward a thesis which had not been previously disclosed. It will be recalled that during the Japanese invasion of China in 1931 he had indicated that he would have used force to protect the lives of American nationals who were placed in danger by foreign troops. In the context of the League's incapacity to effect peaceful change and the fact of subjection of a nation flowing from a long previous aggression, Hoover indicated during World War II a further condition in which he would tolerate the international use of force. He observed:

Nations may be in subjection as the result of aggression long previous. Such nations have a right to be free from oppression even if it takes war. It may not be aggression to aid them to freedom by military means. And aggression may comprise economic domination or pressure such as boycotts from other nations until they become intolerable and military action is justified in defense. (*Ibid.*, 174.)

Hoover also offered the view that the League had become an instrument to preserve a victor's *status quo*, so that a State which had been the object of a long prior aggression would find it difficult to obtain adequate community support as it sought to be released from harsh restrictions. In a passage acknowledging that peaceful processes could, under certain circumstances, be avoided, he wrote:

Pacific methods are indeed applicable to a large number of run-of-the-mine international difficulties. But those which arise from treaties which were onerous to start with or have been made inapplicable by a thousand circumstances raise problems which are beyond arbitration and judicial decisions. (*Lasting Peace* 174.)

Perhaps Hoover did not intend, as he wrote during World War II, to suggest a departure from his long-held philosophy of peaceful settlement. Moreover, the above was written in the specific context of the League's unsuccessful effort to find a definition for "aggression." The foregoing sought to give emphasis to the point that "the net effect of all this seems at least to affirm that the Covenant attempted too detailed a program." (*Ibid.*, 175.)

His second criticism during the 1940's concerning the League was that the members failed it rather than the other way round. Since he had always understood that League members would act "in compliance with the dictates of their military alliances," he did not expect it to guarantee international peace and security (*The Basis of Lasting Peace* 37.) Thus, in his view it was the fault of States that they allowed the Versailles settlements to further the "underlying forces among nations that make for war," and it was the fault of League members that they never followed the Covenant in effecting reductions of armaments and so conducting themselves that "the time for action never came." (*Ibid.* 5, 35.) He believed that it was neither the League nor the failure of the League which produced World War II. States, he thought, justified violence as they searched for their short-term national interests. As members of the League they "acted and voted, not on their own judgment or on considerations of world interest, but in compliance with the dictates of their military alliances." (*Ibid.* 37.)

Hoover and Gibson made a comparison of the Covenant and the Dumbarton Oaks proposals for the UN. They observed an important similarity. They wrote: "Both organizations are based on the theory that peace can be preserved by settling the controversies among nations. Both are predicted on first using the pacific methods of conciliation, arbitration and judicial processes to settle such controversies." (*Ibid.* 3–4.) In view of the other considerable similarities between League and UN, as well as very substantial differences, it is interesting to speculate why Hoover elected to emphasize this specific similarity. Undoubtedly it reflected the fact that he had always placed enormous emphasis on the peaceful processes for the alleviation of world tensions. Yet, he closed on a broader theme. "It would be folly to ignore," he said, the successes as well as failures of the League. (*Ibid.* 3.) His prescription for the post-World War II era was "some sort of co-operative international organization which will continuously allay and keep in check the vicious elements of the dynamic forces which make for war and will constantly strengthen those forces which make for peace." (*Lasting Peace*, 252.) Undoubtedly he would have wished that a wider ranging participation by the United States in the League would have cleared the way for a UN more fully equipped to meet many of man's critical needs of the present.

HOOVER AND THE WORLD COURT

a. Organization of the Court

Prior to the outbreak of World War I a number of distinguished Americans had examined the contributions potentially realizable from an international court and had become ardent supporters of the prospect. Thus, "at the end of the World War, it was generally taken for granted that a new court would be established." (M. O. Hudson, *The World Court, 1922–1928*, p. 4.) Although such a tribunal was proposed at Paris by Italy, the time of the attending statesmen was given to the more pressing problems of healing the wounds of war. At the second meeting of the League of Nations Council in February, 1920, an invitation was extended to ten distinguished jurists from as many States to compose a Commission of Jurists. This body, of whom Elihu Root was one, met at The Hague shortly thereafter and drafted the "Statute of the Permanent Court of International Justice." When President Harding submitted the Statute to the Senate in February, 1923, all of the latent hostility which had been engendered over U.S. membership in the League was revived. President Coolidge was obliged to seek Senate approval, following the refusal of that body to bring the Harding recommendation to a vote, in his Annual Message of December 2, 1925. After many delays, the Senate on January 27, 1926 gave its advise and consent to Presidential ratification, subject to five reservations and two understandings.

Under the Senate's 1926 reservations the United States through Court membership would not enter into legal relations with the League nor acquire obligations under the Treaty of Versailles. The U.S. would be allowed to participate equally in the election of judges. It would share Court expenses as determined by Congress. It would be free to withdraw its adherence at any time, and during its membership the Statute could not be modified without U.S. consent. The U.S. expressed its concern over the advisory opinion jurisdiction of the Court by requiring that such opinions might be given only after full notice to all concerned, subject to the right of an affected State to have an opportunity for a public hearing on the issue presented, and further subject to the right of the United States to refuse to participate in any future dispute in which it had or claimed it had an interest. Pursuant to the Senate's understandings the United States might only become a party to a dispute before the Court if the United States had previously given its consent in either general or special treaties. The Senate attached a further understanding that Court membership would not involve the U.S. in the internal or political problems of a foreign State, nor would membership constitute a "relinquishment by the United States of its traditional attitude toward purely American questions." (6 Hackworth, *Digest of International Law* 74–75.)

Between 1926 and February 19, 1929, the United States engaged in negotiations with the original signatories of the Court Statute. The purpose was to obtain acceptance of the U.S. conditions.

One of the first issues to which President Hoover addressed himself, following his inauguration on March 4, 1929, was membership in the Court. His willingness to give immediate attention to this subject undoubtedly was influenced by his detailed prior involvement with the campaign for U.S. membership, his continuing commitment to peaceful dispute resolving processes, the fact that Secretary of State Kellogg, who had served under President Coolidge, agreed to continue in office until the new Secretary of State, Henry L. Stimson, assumed this position, and because at this very moment Elihu Root was in Geneva negotiating a protocol with Court members which would allow the United States to become a member under the terms proposed by it.

By 1929 Senator Borah had emerged as a leading exponent of changes in the Statute as a condition for U.S. Court membership. His principal concern centered on the advisory opinion jurisdiction of the Court and his determination that advisory opinions should not be rendered which might cause damage to U.S. policies and interests. Thus, on the evening of March 7, 1929, Hoover and Borah discussed the latter's opposition to the advisory opinion jurisdiction of the Court. Hoover also consulted with Senator Walsh. Out of these conversations came an understanding that these senators would not oppose Court membership provided Root were able to obtain a protocol assuring the United States against becoming involved in the advisory opinion jurisdiction of the Court without its consent. (Myers, *op. cit.*, 33–34.) Hoover's detailed attention to the outlooks and attitudes of influential Senators—an insight gained from his personal involvement in the Covenant debacle—marked his intensive and extended efforts to bring the United States into the Court.

On March 9, 1929, following Root's presentation of the U.S. position to the governments signatory to the Senate in Geneva, the League Council asked the Commission of Jurists to prepare a draft protocol containing the provisions required to assure U.S. accession to the Statute. By September 14, 1929, the Commission had completed its assignment, and on that date the Assembly of the League approved the protocol and opened it for signature. These terms, which satisfied the consensus arrived at between Hoover, his advisers, and members of the Senate, dealt with three subjects. First, the United States was to be allowed to participate in the voting procedures of the League Assembly and Council when judges were being elected, and the U.S. vote was to be counted in determining the absolute majority of votes required for election. Second, it was agreed that amendments to the Statute were to be based on the rule of unanimity. Third, specific rules were fixed concerning advisory opinions.

Thus, in order to protect U.S. concerns it was agreed that such opinions were to be rendered only after notice and hearing, and the subsequent opinions were to be made public. Further, in the event a request were made to the Court for an advisory opinion it was the function of the League Secretary-General to notify the United States so that it might express its views as to whether any of its interests were affected. This was to allow the United States to have sufficient time to prepare its position and to engage in an exchange of views. If the League were

considering asking the Court for an advisory opinion, the United States was given the right to file a formal objection, and such an objection was to be accorded the same weight as a negative vote by a member of the Council or Assembly. Finally, the protocol provided that if it were impossible to obtain the required unanimity in the Council or Assembly for requesting an advisory opinion, and if the United States were unwilling to withdraw its objection, then it would be permissible for the U.S. to withdraw from the Court. It was stipulated in the protocol that such a withdrawal by the U.S. would not constitute "any imputation of unfriendliness or unwillingness to cooperate generally for peace and goodwill." (6 Hackworth, *op. cit.*, 75; I *State Papers* 460–467.)

On Dec. 9, 1929, the United States, through its Chargé d'affaires ad interim in Switzerland, signed the relevant agreements. There still remainded the need for the President to persuade the Senate to give its advice and consent. Hoover delayed for one year and a day—until December 10, 1930—before he asked for Senate approval. This long wait was intended to give him the most propitious moment to seek the required authority. According to Myers "It was evident that the proposal could not be passed in the Senate, until there was a change of views there." (Myers, *op. cit.*, 35.) Despite Hoover's continuing interest in U.S. membership, the Senate evidenced a positive disposition to avoid the issue. Hoover resubmitted the amended protocol on December 10, 1931. "But many of the Democratic members joined Republican isolationists, Hiram Johnson, Norris, Moses, and others, in keeping it bottled up." (II *Memoirs* 337.) Thus, no vote was taken until after Hoover had left the White House. On January 29, 1935, the Senate voted 52 in favor of membership with 36 opposed, thus failing by eight votes to obtain the requisite two-thirds majority. This ballot can be compared with the Senate's outlook on January 27, 1926, when the issue of membership had first come to a vote in the Senate. At that time 76 Senators had voted for membership, subject to the first reservations enumerated above, whereas only 17 Senators had been totally opposed. Three had not voted. (In his *Memoirs* Hoover credited Secretary Hughes with having made a "valiant effort" to secure U.S. membership in the Court. 2 *Memoirs* 37.)

It is necessary to understand the reasons which induced Hoover to favor U.S. membership in the Court. This requires a review of his views going back to the Paris Peace Conference. Following an assessment of these basic reasons it will be easier to comprehend the reasons he put forward in his recommendation to the Senate on December 10, 1930.

Hoover found in the international judicial process a meaningful alternative to violent means for dealing with international disputes. His deep aversion to violence "always" caused him to be "strong in his support of the principle of the settlement of international disputes by means of judicial process." (Myers, *Foreign Policies* 27.) Hoover's experiences in Paris in 1918–1919 provided him with contacts and insights concerning the potential of an international tribunal. As Secretary of Commerce he moved in a circle composed of practical internationalists who considered the Court as a valuable adjunct to the cause of world order. Through their influences and his own observations and instincts he concluded that the condition of world order would allow for the attaining of the largest amount of human freedom and dignity. His faith in the power of public opinion suggested that a Court could through its reasoned opinions cause litigants to determine and apply the values most suited to common interests. He respected the judgments of such associations as Root, Hughes, Kellogg, and Stimson. He became a strong supporter of American membership because he viewed the Court as a practical response to practical problems.

Hoover on many occasions had the opportunity to provide support for U.S. Court membership or to explain his reasons for favoring it. It will be recalled that Hoover had applied pressures on Harding as a candidate to become supportive of the League of Nations. Following Harding's election Hoover continued to influence U.S. foreign policy. Thus, in July, 1923, while accompanying Harding on a trip from Vancouver to Seattle, at Harding's request, Hoover modified the prepared address which Harding would make in San Francisco. With Harding's approval the speech, as made, contained "some changes pledging his administration to the World Court and to a larger degree of world cooperation in maintaining peace. . . ." II *Memoirs* 50.)

On February 24, 1923, Harding had submitted to the Senate the World Court Protocol so that the U.S. might become a member of the Court. In order to muster supportive public opinion a concerted effort produced addresses in April by Hoover, President Harding, Supreme Court Justice John H. Clarke, Elihu Root, and Secretary of State Hughes. (Hughes became a World Court Judge in 1928 and served until his appointment in 1930 as Chief Justice of the United States. According to Hoover, Hughes "had great enthusiasm for the World Court as an outgrowth of years of effort by statesmen of good will, including himself," II *Memoirs* 37.) Thus, on April 11, 1923, Hoover addressing the League of Women Voters in Des Moines, Iowa, made his most extended public analysis of the Court. He began by identifying foreign policy proposals of varying degrees of plausibility which had been put forward at the end of World War I. Among those mentioned were included the establishment of a world police to enforce peace, military defense alliances containing advance commitments for joint action which could limit national independence, or the formation of a world association designed to promote peace by negotiation and agreements. Hoover observed that in the search by the United States for world peace that "the rejection of one particular device does not mean that America has lost its interest in finding a solution." (H. Hoover, "America's Next Step," 6 *World Peace Foundation Pamphlets* 62.) Clearly, the Court would not fall into any of the foregoing prototypes. Rather, it had, in Hoover's view, the potential of a respectable alternative.

Hoover proceeded to examine the merits of the Court from the American perspective. First, through time-honored judicial processes it would be possible to apply international law to cases and controversies. Second, the tribunal would be expected to resolve disputes on their merits. Third, a Court would be able to obtain results which were not always produced by the processes of negotiation and arbitration. These judicial potentialities would minimize international friction, distrust, hate, danger and even war. (*Ibid.*, 63) Further, such a Court could be put to the service of constructive efforts for peace and justice. Hoover's perception of the significance of the legal process is important enough to quote at length. He said:

It was from instinctive forestalling of this violence [violence affecting not only parties but also involving others] that grew the law and our courts of many thousand years' standing. Underlying all civil law is the essence of justice and the obvious objective of courts is to assure its administration. The great body of law has been the slow growth of experience and enlightenment, centering around courts for its upbuilding. For while courts deal with law and equity, yet in the multitude of cases they perfect the law and thus enlarge the area of administered justice. (*Ibid.*)

He then observed that the concept of a world court had long found informed support in the United States. "The Court as constituted today is to a large degree the product of American thought and the handiwork of American men of both parties. . . . We were well represented in its formulation." (*Ibid.*, 64.) Moreover, he noted, the Republican Party had long been pledged to world judicial processes through the voices of President McKinley, President Roosevelt, President Harding, and their several Secretaries of State. In fact the "Republican platform in the last election pledged the party to consummate this idea." (*Ibid.*)

Perhaps one of the most telling points in his address was put forward under the heading "Security by Process of Law." His theme was that it is the function of a growing law to replace reliance on force. He said:

The security that such organized process of law can give to international life itself is great, far beyond the upbuilding of international law itself. The difficulties of internal opinion in nations, of racial prejudices that threaten the political life of every statesman, contribute far more than people realize to failure in settlements by negotiation and thus to the growth of friction. The reference to such a court gives statesmen of all lands a resort of great relief to them. The elimination of contentious negotiations must construct good will by stifling the springs of hate which inevitably arise from every petty dispute. (*Ibid.*, 64–65.)

Having reemphasized his view that the judicial process was also an improvement over arbitration, Hoover rebutted criticisms which had been directed at the world judicial process. He denied that Court membership would lead the U.S. "into some undescribed political entanglement." (*Ibid.*) He pointed to the falsity of the contention that other States could summon the United States into court without its consent. Moreover, he correctly stated that the Court itself could not bring the United States before it without the required specific consent. Putting critics to route, he observed that concerning the enforcement of judgments, U.S. membership "is based upon the assumption that compulsion is not necessary for peoples of good will and a sense of justice." (*Ibid.*)

He also examined the areas where U.S. membership would impose fixed and absolute duties. First, the United States would be required to contribute to the running expenses of the Court, which he estimated would be about $40,000 a year. Second, the United States would be expected to participate in the selection of the judges. He also commented on other court related issues. Court membership did not entail League membership. The Court would not have jurisdiction as Senator Borah had vigorously urged, to "try war itself." (*Ibid.*, 67.) The judges were all to be men of "international reputation who sit nine years and are freed of all prejudices except to maintain principle and law." (*Ibid.*, 66.)

He wove into his remarks elements of his fundamental outlooks on philosophy and government. Urging that the United States should take a practical view of its prospective relationship with the Court, he said:

Wisdom does not so much consist in knowledge of the ultimate; it consists in knowing what to do next. Frequently those who contribute most to destroy good causes are those who refuse to work day by day within the field of practicable accomplishment, and who would oppose all progress unless their own particular ideas be adopted in full. Progress in the world must come about through men and women of high aspirations and high

ideals. But no less must its real march be achieved through men and women whose feet are upon the ground, whose proposals are devoid of illusions, and above and beyond all that are within the practicability of day-to-day statesmanship. (*Ibid.*, 67).

In his own words, by way of summary:

The Court relies upon the upbuilding of the processes of justice between nations, and upon public opinion for their enforcement. By it we enter into no obligations to use arms or take no commitment that limits our freedom of action. Its purpose lies solely in facilitating the elimination of many of the causes of war before they rise to the threat of war. The sincere devotion to this principle has been traditional with our people. (*Ibid.*, 62.)

This is one more and an essential step on the road of fundamentals to all real peace, and that is the maintenance of good will through the elimination of the causes of war. (*Ibid.*, 67.)

One cannot but be impressed with the depth of his perceptions and the clarity of his analysis. He was quite aware of what he described as America's "present mood of distrust. . . ." concerning "processes of international co-operation . . ." (*Ibid.*, 65.) He accepted that challenge and devoted himself during the next 10 years to the task of bringing the United States into the Court.

President Hoover on many occasions called for U.S. membership in the Court. Frequently the Court was connected with other processes used in the mitigation of international tensions. Frequently he referred to U.S. obligations under the Kellogg-Briand Pact and pointed to the Court as an instrument facilitating the terms of that agreement. Thus, in his Inaugural Address, March 4, 1929, Hoover stated that the full realization of the accompanying objective of armament limitation implied the need for a more effective use of and perfection of the formal processes for pacific settlement. He continued:

In the creation and use of these instrumentalities we should support every sound method of conciliation, arbitration, and judicial settlement. American statesmen were among the first to propose and they have constantly urged upon the world, the establishment of a tribunal for the settlement of controversies of a justifiable character. The Permanent Court of International Justice in its major purpose is thus peculiarly identified with American ideals and with American statesmanship. A more potent instrumentality for this purpose has never been conceived and no other is practicable of establishment. The reservations placed upon our adherence should not be misrepresented. The United States seeks by these reservations no special privilege or advantage but only to clarify our relation to advisory opinions and other matters which are subsidiary to the major purpose of the court. The way should, and I believe will, be found by which we may take our proper place in a movement so fundamental to the progress of peace. (I *State Papers* 9.)

As President Hoover was making the foregoing statement Root was in Geneva in connection with U.S. membership. Secretary of State Kellogg discussed Root's communication of March 4 with Hoover on the 5th, and on the 6th Kellogg advised Root that the "Root Formula" for U.S. membership "seems to us feasible and we think well of it." (L. E. Ellis, *Frank B. Kellogg and American Foreign Relations, 1925–1929*, p. 231.) Hoover, realizing the necessity of consulting with influential Senators, met with Senator Borah on March 7. With Secretary Kellogg he also conferred with Senator Walsh and Swanson. Following these meetings Hoover wrote his Secretary of State on March 8. In his letter Hoover observed:

My understanding is that Senator Borah is opposed to the Court undertaking any advisory opinions, and voted against our adherence to the Court for this reason. He also feels that Mr. Root's plan satisfies the requirements of the fifth reservation. He seems to feel that those who believe we should adhere to the Court subject to the reservations ought to be satisfied with Mr. Root's plan. (Myers, *op. cit.*, 34.)

Hoover also indicated that Borah preferred a plan in which the Court would be unable to give advisory opinions in respect to nonmembers of the League.

Commenting on the prospects for U.S. membership as he attempted to move the Senate in this direction during 1929, Hoover in his *Memoirs* said:

A study of the Senate gave promise that we might get that body to accept membership in the World Court if we could eliminate certain specific criticisms of its protocol. At least the necessary number of senators stated to Secretary Stimson that they would vote for it if this were done. I was suspicious that some of them were practicing avoidance but resolved to try. (II *Memoirs* 336–337.)

Timing became a matter of considerable importance, and Hoover was aware that he should not act precipitously. However, Stimson feeling the importance of the issue, and believing that the Senate was then prepared to accept membership, subject to the terms of the protorol prepared by Root and adopted by the League Assembly on September 14, 1929, urged executive action. Moreover, Stimson considered that it would be bad faith on the part of the United States, were it not to honor the changes accepted by League members as they were reflected in the protocol. This induced Hoover to write to Stimson on October 18, 1929:

If you feel that the good faith of the United States is involved, I think you had better sign the protocol. I am afraid you will not be able to justify withholding it from Congress the next session if you do so, and I am in turn afraid that this would seriously impair our hope of securing adhesion to a naval treaty. I am, however, of course, prepared to go through with it if our promises are in any way in question. (Myers, *op. cit.*, 35.)

In his Armistice Day Address, November 11, 1929, Hoover reemphasized one of his principal reasons for Court membership. The Kellogg-Briand Pact was, he said, more than a renunciation of war. It was also a covenant to settle all controversies by pacific means. He restated his concern that the machinery for pacific settlement of disputes was at that time inadequate. He appraised the matter:

We need further to extend our treaties with other countries providing methods for reference of controversies to conference, to inquiry as to fact, or to arbitration, or to judicial determination. We have need to define the code of conduct of nations and to formulate an authoritative system of international law. We have need under proper reservations to support the World Court in order that we may secure judicial determination of certain types of controversies and build up precedents which add to the body of international law. By these agencies we relegate a thousand frictions to orderly processes of settlement and by deliveration in action we prevent their development into national inflammation. (*I State Papers* 127.)

In his address on that occasion President Hoover reasserted his faith in public opinion as a factor in checking violence. This when coupled with the perfection of methods of dispute solving continued to be his viable alternative to the use of force as a means for compelling states "to be reasonable." (*Ibid.*, 128.)

As the United States turned its attention to Court membership, Secretary Stimson provided President Hoover with a cogent analysis of the reasons for such membership. In a lengthy letter of November 18, 1929, Stimson reviewed the case for membership. He noted that for over half a century "the United States has taken a leading part in promoting the judicial settlement of international disputes." (*The United States and the Permanent Court of International Justice, Documents Relating to the Question of American Accession to the Court.* Publications of the Department of State, Government Printing Office, 5 (1930). M. O. Hudson, *The World Court, 1921–1934*, 251–259.

Other considerations included: the Court was independent of the League. Many legal benefits would result from membership. Far outweighing such legal considerations, the United States would resume its respected position of leadership in the movement for the judicial settlement of international disputes. Moreover, through U.S. participation the Court would be molded to serve U.S. conceptions of law and justice. The terms of the March 9, 1929, protocol would protect U.S. interests. Changes on the world scene had made the Court more important than ever before, especially because of the acceptance of the Kellogg-Briand Pact.

In stressing the latter, Stimson wrote:

By this event not only has the need of developing judicial means instead of war to settle the inevitable controversies between nations become more pressing, but it has become even more important to establish and clarify the standards and rules of international conduct by which such controversies can be prevented or minimized. Never has there been a period in the world's history when there was such an imperative need for the development of international law by an international court. . . . It is . . . to the judicial action of a World Court, passing upon individual controversies which arise between nations, that we must look not only for the application and interpretation of these compacts and codes but for the flexible and intelligent development in this way of all the subsidiary principles and detailed rules which will surely be found necessary in such application. (*Ibid.*, 12.)

Stimson also referred to the similarity of roles of the U.S. Supreme Court and the World Court, to the need for a tribunal able to convert general principles of international law into more specific rules through the process of application and interpretation, to the utility of advisory opinions as a means of preventing the augmentation of world tensions, to the substantial contributions already made by the Court to the resolution of international disputes, to the potential of the Court for further service in the cause of peace, to the fact that the Court was closely in line with the traditions and habits of thought of America—more so for America than of any other nation—, and to the fact that it "is now possible for us to assist in the support and development of this judicial agent without in the slightest degree jeopardizing our traditional policy as a government, of not interfering or entangling ourselves in the political policies of foreign states or of relinquishing our traditional attitude as a government toward purely American questions with which we are concerned." (*Ibid.*, 12–13.)

On November 27, 1929, Hoover wrote to Stimson again. Realizing that the issue of the Court's jurisdiction relating to advisory opinions was a matter of continuing concern in the Senate, Hoover wished to be sure of his ground in the event that he would at a later date become involved with the Senate on the interpretation to be given to the protocol. He wrote:

If we claim an "interest" and object for that reason, our objection is made to the League and not to the Court. If, notwithstanding our objection, the League asks for an advisory opinion, the Court must render it unless it finds that we have an actual in-

terest in the controversy, as distinguished from a claim of interest. All that happens in case our claim is not allowed by the League is that we withdraw from the Court.

The Amendment to the statute of the Court applies, as I understand it, only to such cases as the Eastern Carelian case, and would not cover a case where we claim an interest only because the decision might create a precedent that at some future time might affect us. (Myers, *op. cit.*, 36. In *The Eastern Carelian* case it was held that the court in the exercise of its advisory opinion jurisdiction is not permitted to proceed on the merits if the defendant State refused to participate in the proceedings. The Court observed "It is well established in international law that no State can without consent be compelled to submit its dispute. . . ." *P.C.I.J., Series B, No. 5*, p. 7 (1923.)

Being sure that he and his Secretary of State were on common ground, Hoover authorized Secretary Stimson to make arrangements for the acceptance by the United States of the September 14, 1929 protocol. This took place on December 9, 1929.

President Hoover in his First Annual Message to Congress on December 3, 1929, prepared them for the signature on December 9 of the three protocols concerning adherence of the United States to the Court, i.e., the December 16, 1920 Protocol of Signature, the September 14, 1929 Protocol of Accession to the Protocol of Signature, and the September 14, 1929 Protocol for Revision of the Statute. He pointed out that 1929 protocols contained the terms set out by the Senate in its 1926 reservations, and stated that the new protocols even went beyond the 1926 reservations in order that there could be no doubt that the Court was a true international court of justice.

It is clear in addressing this message to Congress that President Hoover was drawing upon his entire background in world affairs, including, of course, the calculated advice of such associates and advisers as Hughes, Kellogg, Root, and Stimson, as well as friendly members of the Senate. With this perspective he was able to say:

I believe it will be clear to everyone that no controversy or question in which this country has or claims an interest can be passed on by the court without our consent at the time the question arises. The doubt about advisory opinions has been completely safeguarded. Our adherence to the International Court is, as now constituted, not the slightest step toward entry into the League of Nations. (I *State Papers* 139.)

Hoover's attempt to establish a climate in the Senate favorable to the Court led him to restate his support for it in an address to the Daughters of the American Revolution on April 14, 1930. He continued to premise his thinking on his opposition to the use of force in world affairs and upon his refusal to commit the United States to use coercion to enforce settlements arrived at through political processes. In his effort to organize the world for peace he saw the need for the development and use of the judicial process. In a strongly supportive pronouncement he called for U.S. membership in the court as being both desirable and necessary as an additional method of pacific settlement. The extent of his conviction as to the importance of U.S. membership is reflected in these words.

Such a court—the World Court—has been established at The Hague with the aid of American jurists. It has been accepted by 90 percent of the civilized people of the earth. It is established and no other court is practicable. It has demonstrated the highest integrity and capacity, and the continuance of these qualities is assured. It has already settled a great number of controversies. It is only one, but an important one of the six or seven methods of securing pacific settlements, and thus a contribution to the prevention of war. Adherence to that court by the United States has been earnestly recommended by every one of our Presidents and every one of our Secretaries of State living since its inception. No one can challenge the patriotism of these 10 men, nor the ripe wisdom which is theirs from having borne the actual burden of responsibility for our foreign relations. They have found no entanglement or limitation of the independence of the United States by safeguarded membership in it. (I *State Papers* 238).

In his Armistice Day address on November 11, 1930, Hoover again pointed to the contributions which the World Court could make to the cause of world peace. The tribunal would extend the "body and principles of international law" on which pacific settlements would be based. (I *State Papers* 416.) Moreover, as a permanent and strongly established institution it was offering a continuity to the application of international legal principles and rules. This, he said, was a necessary improvement on the more sporadic reference of international legal matters to arbitral procedures. He also observed that it was in the national interest of the United States, as well as in the more general interests of peace, to participate in this ongoing institution, since only through membership would the United States be able to assist in giving direction to the steadily growing body of precedent flowing from the decisions of the Court. As in prior public expressions on the subject, he combined with his practical outlooks his affirmative faith in man's capacity to substitute pacific processes for violence in the relations of nations.

Hoover, despite the apparent acceptance by the public of his rational arguments for membership, continued to be guided by the counsels of caution. One straw in the wind had been the nomination in April, 1930, of Ruth Hanna McCormick in the Republican primaries in Illinois, where it was contended that her success had been in part the product of an anti-Court stand. (Myers, *op. cit.* 37.) In order to identify potential newspaper support for the Court Hoover on December 8, 1930, received a tabulation of editorial positions of daily newspapers. This indicated that 1357 with a circulation of about 27 million were favorable to the Court; that 265 with a circulation of 10 and one-half million were opposed; and that 58 with a circulation of about one-half million had taken no stand. (*Ibid.*)

In his message to the Senate on December 10, 1930, he relied upon the foregoing evidence that his action met with or would be supported by the approval of a large segment of the public. The message implied that it would be a breach of faith on the part of the United States to delay becoming a member of the Court, since Court members had previously agreed to the conditions put forward by the United States for membership. He put forward for consideration by the Senate many of the reasons previously identified: the nonentanglement of the United States in the diplomacy of other nations; the fact that the United States could not be made a defendant without its consent; the right of the United States to withdraw from the Court without reproach or ill-will; the historic support of the United States for the Court including the preceeding three presidents and Secretaries Hughes, Kellogg, and Stimson; the American people considered it as an opportunity for securing "justice in international relations and to strengthen the foundations of peace;" (I *State Papers* 461.) and the need to extend the pledge contained in the Kellogg-Briand Pact through pacific processes—including the Court—to secure settlement of all controversies. He concluded: "our great nation, so devoted to peace and justice, should lend its cooperation in this effort of the nations to establish a great agency for such pacific settlements." (*Ibid.*, 461.)

Hoover had miscalculated senatorial responsiveness to his earnest proposal. Senate inactivity produced fears on the part of certain highly verbal supporters of generalized peace programs that Hoover's own commitment might be weakened. One observer assessed the situation: "During all this time, through their usual lack of perspective or sense of appropriateness, also with a thorough misunderstanding, Hoover was hounded by the emotional and professional peace advocates who were attempting to force his hand, although he knew better than they what might be accomplished under the circumstances." (Myers, *op. cit.* 38.)

He tried twice more to persuade the Senate to take affirmative action. In his Annual Message to Congress on December 10, 1931, he reviewed in short form the essential reasons for U.S. membership. (II *State Papers* 80–81.) In his 4th Annual Message of December 6, 1932 he noted that among his prior recommendations to the Congress which still awaited their action was membership in the World Court. (II *State Papers* 501). The 1931 request followed an extended memorandum of January 21, 1931, to the Senate Committee on Foreign Relations by Elihu Root in which the latter had cogently supported the principles previously identified by Hoover. (*Hearings before the Committee on Foreign Relations, United States Senate*, 71st Cong., 3rd sess.; M. O. Hudson, *The World Court, 1921–1934*, p. 262.) The 1932 request followed additional efforts on the part of Secretary Stimson in March of 1932 to persuade Senator Borah, Chairman of the Senate Committee on Foreign Relations to take a favorable attitude toward U.S. membership. (*World Court, Hearings before the Committee on Foreign Relations, United States Senate* 72d Cong., 1st sess, relative to Executive A (71st Cong.); Hudson, *op. cit.*, 272.) In each case senatorial opposition prevented the recommendation from coming to a vote.

This need not be regarded as a rejection of the merits of Hoover's steady and well-considered efforts and arguments. During a time in which the nation was experiencing the agonies of a disastrous depression the attention of the Senate was easily diverted from issues of lesser magnitude. Moreover, the Senate itself was riven with strife and was engaged in forfeiting its own capacity to share in the governing process. The inherent limitations imposed on both the efficiency and wisdom of the governing process, flowing from the constitutional doctrine of separation of powers, were allowed to manifest themselves.

Hoover still allowed U.S. membership to rest on his conscience. Thus, in his campaign speech of August 11, 1932, he stated that his foreign policies had been devoted to the strengthening of the foundations of world peace. He said, simply, "I have recommended joining the World Court under proper reservations preserving our freedom of action." (*Campaign Speeches of 1932 by President Hoover and Ex-President Coolidge 31.*) The brevity of this comment should not be as evidence of a lessening of his design for world order. He continued:

This world needs peace. It must have peace with justice. I shall continue to strive unceasingly, with every power of mind and spirit, to explore every possible path that leads toward a world in which right triumphs over force, in which reason rules over passion, in which men and women may rear their children not to be devoured by war but to pursue in safety the nobler arts of peace. (*Ibid.*, 22.)

It was not until January, 1935, in the administration of F. D. Roosevelt that the Senate was able to bring the issue of membership to a vote. Proponents were unable

to overcome the fearful objections of Father Coughlin and the Hearst press. Thus, despite the conscientious efforts of many highly experienced Americans, united by their conviction that the world judicial process would serve as an instrument of peace and justice, the United States finally turned its back on the Permanent Court of International Justice. Its non-acceptability in the Senate, as was true of the League of Nations, can be broadly explained in terms of America's preoccupation with self-containment and immunity from foreign involvements. It can also be explained in terms of intense partisanship, and, ultimately because of a necessary concern for the central issue of the early 1930ies, as a consequence of the Great Depression.

As president it must be acknowledge that Hoover was considerably influenced by the strong convictions of Root and Stimson concerning U.S. membership. However, in view of Hoover's long and continuing commitment to the Court, the observation appears to be incorrect that "President Hoover was less sympathetic to this effort than Stimson, but was willing to place the Court before the Senate if only because such an action would please Stimson and Root." (R. H. Ferrell, *American Diplomacy in the Great Depression, Hoover-Stimpson Foreign Policy, 1929–1923*, p. 31.)

Rather, membership in the Court was an essential portion of Hoover's great and long-abiding design for a peaceful, orderly, just and lawful world.

REFLECTION ON THE COURT

Mr. Hoover continued to watch the workings of the World Court upon his return to private life. Former Secretary Kellogg served on the Court until 1935. Hoover never lost confidence in the Court as a part of an overall design exhibiting man's "impelling will to peace." (H. Hoover and H. Gibson, *Lasting Peace* 21.) He did not allow the criticism of the 8 to 7 split among the judges in the *Austrian Customs Union Case* in 1931—allegedly judges were influenced by national considerations in their voting—to destroy his faith in the objectivity of the Court. He did suggest, however, that a rule might be established allowing for the disqualification of judges, if they possessed the nationality of one of the parties to a case. (*Ibid.*, 183.)

Also, no longer concerned with obtaining Senate approval for membership, he was freer to identify a modest weakness in the world judicial process. He noted that the law generally applied by international tribunals is set forth in treaties, and that there is an expectation that the court would maintain the *status quo* provisions of such agreements. Such courts, in his judgment, would not be able to make fundamental changes in treaty provisions. (*Ibid.*, 175.) Nonetheless, he continued to link the World Court with the League and with the peace-seeking international agreements of the 1920's and early 1930's as "monuments" to the "greatest definite effort of mankind to organize peace and international co-operation." (*Ibid.*, 140.)

CONCLUSION

Herbert Hoover was a central figure in American government during the 15 year period 1918–1933. In the 20 years preceding 1918 he had been engaged in a series of enormously varied international activities. Perceptions derived from these 20 years allowed him to offer meaningful suggestions to the principal American participants at the Paris Peace Conference.

Through all the years of his informal training in world affairs, during his apprenticeship from Paris in 1918 through the end of his term as Secretary of Commerce in 1929, and during his period of responsibility as President of the United States, 1929–1933, Hoover clearly demonstrated his leadership in world affairs. This leadership was directed toward securing the national interest of the United States through the effectuation of a peaceful world. He also realized that he must obtain for other nations a condition of stability, economic viability, and representative government if they were to achieve a minimum amount of world order for themselves. He was, indeed, a trans-national man.

Throughout his public life he was continually influenced by his sense of moral outrage. Perhaps this was most clearly indicated in his identification of Japan's aggression in China in 1931, but it also was evidenced on other occasions. Thus, he identified Japan's conduct as "an outrageous violation of all international law," (II *Memoirs* 374.) as the "rape of Manchuria," (*Ibid.*) as an act of "rank aggression," (*Ibid.*, 365) as "gross" and "cynical" violations of Japanese treaty commitments, and as an "impudent violation" of Japanese obligation under the Kellogg Pact. (*Ibid.*) On another occasion, his moral fervor allowed him to observe that in 1934 "Italy outrageously invaded Ethiopia." (*Ibid.*, 376, note 7.)

Hoover's experience led him to efforts to bring the moral power of world public opinion down on the heads of offending nations. In the great arena of international politics he held violence to be counterproductive. Hence, his reasonable alternative was moral influence. He has written that in March, 1929, he discussed with Secretary Kellogg "the possibility of proposing that the world put some moral teeth in the Kellogg Pact." (II *Memoirs* 372.) And, despite the heated condition following Japan's aggression in Manchuria, Hoover would not budge from his view—despite a much more militant outlook on the part of Secretary Stimson—that "in the circumstances the only weapon was moral pressure." (*Ibid.*, 367.)

In his *Memoirs* Hoover explained that this Far Eastern experience served to confirm his views as to American policies. He wrote:

Besides effective defense of the Western Hemisphere, America can take either of two roads in international relations. The one is to develop moral standards of conduct among nations and to support them with moral forces. The other is to use economic and inevitably military force against aggressors. Having seen the wreckage to civilization by World War I, I believed that the long-view contribution to preserving peace would be for America to stand on moral forces alone in support of law between nations. It was not isolationism. It was a belief that somewhere, somehow, there must be an abiding place for law and sanctuary for civilization. (*Ibid.*, 377–378. In this context he also indicated his belief that Japan's attack at Pearl Harbor "was ample proof that 'economic sanctions' not only failed in their purpose to restrain Japan; they probably had some part in precipitating war." *Ibid.*, 377, note 7. Thus, those who brandished such sanctions, as well as pistols, needed to be aware that they might be obliged to shoot. Compare, p. 370.)

Thus, it is evident that Hoover, despite his ultimate support for the League of Nations, was unable to have enormous confidence in its early capacity to maintain international peace and security. Despite the best of current intentions on the part of statesmen engaged in bringing a serious conflict into resolution, including a promise on their part to employ economic or military sanctions on behalf of peace, he believed this would not be able to withstand "the shifting tides in relations between nations and the changing interest of peoples."

(*Ibid.*, 378.) Nonetheless, Hoover continued to hope for an effective world political institution, and wrote that "after the hideous experience of World War II, I advocated that the world should try again to organize collective force against military aggression." (*Ibid.*, 377, note 8.)

Clearly, his vigorous efforts to bring the United States into World Court membership was based on his firm support of the fact-law process in world affairs. It was also the product of his concern that the League was deficient as a peace keeping institution. Further, the Court was a part of the larger design to secure for the United States and the world at large a minimum amount of public order. While he was obliged to admit that the United States would not accept membership in the League, he continued throughout his term in office and thereafter to advance the merit of such an international institution. With the Court, as with the other non-violent procedures in his peace keeping design, he hoped that the judgments would be accepted for their basic logic and pragmatism. It did not occur to him, as it has to some critics of the international legal process, that the only way in which court judgments will be honored is for forceful sanctions to be employed to secure compliance. In this outlook Hoover was more deeply aware of the potential of the international legal process than his narrowly positivist critics. (See generally, O. Schachter, "The Enforcement of International Judicial and Arbitral Decisions," 54 *Am. J. Int. Law* 1 (1960).) It was never his thought that membership in the Court would produce a panacea. As an incrementalist he considered the Court as a part, but an important part, of his entire design for achieving international peace, law, and justice.

As a practitioner of the "art of the possible," Hoover was aware of the need to provide facts to the consuming public. He was particularly aware of his relations with the Congress as he sought to secure support for the League and for the Court. The enormity of the task of getting support for even modest proposals in an atmosphere in which there was a "tryanny of emotions" caused him to consult with men of influence, either in public life, or whose opinions were respected by practitioners of the political art, before he asked for their public support for his international policies and programs. The extent to which he practiced these considerations is identified in his 1923 address to the League of Women Voters, where he sought support for both League and Court. He said:

To some people, the League is such anathema that even its many good acts are bad. Let us admit frankly that there are among our people many thousands, perhaps hundreds of thousands who, as regards the phrase 'League of Nations,' are still under the tyranny of emotions associated with that phrase during the political controversy of the last four years. It is unhappily true that in such controversies a phrase is given an odium which disturbs the orderly march of entirely dissassociated ideas. What they would willingly assent to as a thing standing by itself, they shrink from merely because it has association with a phrase. There are a few people who apparently maintain an open mind on international co-operation by re-arrangement of their prejudicies. ("America's Next Step," 6 *World Peace Foundation Pamphlets* 66.)

At the time of these remarks the League had become a political football. Yet, Hoover was pragmatically then, as later, seeking to maximize America's participation in the two international institutions under consideration here.

The quality of Hoover's support for international institutions capable of delivering a high prospect for international peace, law, and justice was very high throughout. While for some there is an inclination to substantially shape or vary their support for institutions as to time, place, issue, or knowledge-

able appraisal of potential success for the goal sought to be obtained, it is clear that Hoover proceeded upon a notably steadfast and vigorous course. Such terms as "enthusiastic," "lukewarm," "neutral," or "uninspired" do not fit Hoover's outlook toward these international institutions. A more accurate depiction is to say that his support was "rational," "analytical," "steadfast," "long-term," "constructive," "hopeful," a hope based on faith," and more than anything else "pragmatic."

Hoover was commited to international institutions as essential steps "on the road of fundamentals to all real peace . . . [and] the elimination of the causes of war." (*Ibid.*, 67.)

As the world has moved from the small community that existed prior to the outbreak of World War II into the large world community of the present, the ideas and example of Herbert Hoover remain as significant considerations for all who would profit from the past. One may perhaps wonder if he would hold firm to all of the specifics of his practical assessments of the era in which he assisted in guiding the destinies of peoples and nations. One could not have any doubt that he would continue to support wide-ranging international institutions as elements in a continuing design for world peace.●

ARE WE DESTROYING OUR FIRST LINE OF DEFENSE?

● Mr. GOLDWATER. Mr. President, sometimes we forget that there are many Members of the Congress who have no reason to remember war and that is going to include more and more the distasteful one we call Vietnam. Partly because of this, the subject of the importance of intelligence is not fully appreciated. Then when we add to this fact the one that the press and the media also do not have much of an understanding of the importance of intelligence and have been riding herd on the intelligence community for many years, it is understandable that the intelligence family is not looked upon with the respect and favor that we older people, who learned to live with it and to learn that we could not live without it, have for the services.

During the course of my reading, I have just finished a book on how the German code system called ULTRA was broken in the early days of World War II, which gave the allies intelligence of every move that any unit of the military of the Germans made. Another book on this subject, "The Wizard War," describes how young scientists early in World War II perfected infrared sensors, radar, and so forth. These are the kinds of people who have made victory for the United State, I will not say easy, but much easier than had we tried to live without them. A very interesting article appears in the August issue of the American Legion magazine with the question, "Are We Destroying Our First Line of Defense?"

I urge my colleagues to read this. It is not long, but it will give each of us a better idea of just what intelligence means to everything that we do, whether it involves the military, State Department negotiations, White House negotiations, or even our own discussions as legislative members with other countries.

I ask that the article be printed in the RECORD.

The article follows:

[From the American Legion, August 1979]

ARE WE DESTROYING OUR FIRST LINE OF DEFENSE?

(By Ernest Cuneo)

Most of the histories written today about World War II are woefully inadequate. This is because they do not tell how the Allies had access to Hitler's most secret code and were thus instantly informed of his orders to his generals and admirals; and how, when and where the Nazi forces would attack.

The Germans had a code machine for war use of fantastic complexity which would produce an infinite number of different cipher alphabets. It was called Enigma and the intelligence it delivered was referred to as Ultra. So certain was Hitler that no one could penetrate its ciphers that he went to his death in that belief.

The fact is that from the first shot of the war the British were reading every one of his orders as fast as they were received by the German commanders in the field. Churchill and Field Marshal Alexander, major beneficiaries of this intelligence, declared that Ultra had altered the whole concept of modern warfare.

Since 1945, the secret scientific war has accelerated. There have been tremendous advances in the state of the art. Among other things, the U2 photographic plane, able to fly at 90,000 feet, carried cameras which, even in 1960, were capable of amazing focus. The late Allen Dulles, Chief of the CIA, told me even then that he had a photograph of every blade of grass in Russia. Since then the spy-satellites, at a distance of 160 miles, carry cameras of such refinement that the numbers of the license plate of a car or the rank on one officer's shoulder can be discerned.

The importance of these mind-boggling advances can be measured from what Ultra did to revolutionize modern war. Among other things, all of the Allied leaders, from Churchill to Eisenhower, regarded it as the most decisive factor in achieving victory. Ultra not only revealed the exact battle plans of the Germans in the Normandy landings, but succeeded in misleading the German General Staff into believing that there was a third great army in existence, under General Patton, which would attack at Calais. This Patton army, theoretically stationed in Kent, was totally non-existent. However, a tremendous air traffic of its pseudo activities was simulated. Ultra revealed that the German Staff was completely hoodwinked. The result was that seven German divisions were kept at Calais and four full panzer divisions were kept in reserve near Paris. Since they were out of the Normandy landing, the Allies carried the beaches.

Ultra's list of triumphs is endless: Patton's great dashes across Europe were due to the fact that he knew at all times where the Germans were, what strength they had and what they were going to do. Rommel's Afrika Korps tactics were an open book to Montgomery. Thus, knowing Rommel would attack his left flank, Montgomery massed his artillery and shredded the German battalions. Every battle, from the withdrawal of the British army to Dunkirk and the victory of the RAF in the Battle of Britain was due to the breaking of the Germany codes. The effect was even more dramatic at sea. German subs signalling the German Admiralty, were also transmitting to Allied Naval Intelligence, based at 620 Fifth Avenue, New York, and revealing their positions within a quarter of a mile. Thus, the Battle of the Atlantic ended as slaughter at sea. The German submarines were as vulnerable as fish in a barrel. About 785 out of 1100 were sunk. Considering the Allied triumphs achieved, the wonder is that to the end the German High Command did not discover that it had no secrets from the Allies.

The electronic war has intensified since then. Indeed, the American intelligence services at the end of World War II came to the same conclusion. That conclusion is that in the next war the American intelligence services will be the first—and maybe the last—line of American defense. Certain it is that no modern state can maintain even a semblance of security without first-class intelligence. This being so, it is all but beyond belief to witness the terrifying destruction of America's intelligence services.

Ask the average American what he knows of Karagaburun, Belbosi and Diyukbakir and it is doubtful if he will know where they are, much less what they do. Actually, they are American electronic listening posts, high in the mountains of Turkey. They monitor the electronic traffic of Russia, particularly the signals by which Russia guides and directs her intercontinental missiles and the electronic control of their multiple warheads. Moreover, ominously enough, the Russians now insist on their right to transmit secret signals to their missiles, a huge stumbling block in the SALT II proposals.

In the 19th century the rugged mountains of the Northern Tier States, running from Turkey through Iran and Afghanistan to the Himalayas of India, were the land bastions of the lifeline of the British Empire. Following the discovery and development of the Middle East oil fields after the Great War, the Middle East became the energy mainstream of Western Europe, Japan and Israel. Middle East oil is as important to the industrial world of the West as oxygen is to the human body.

Yet, such is the expanding dimension of modern war, that the greatest immediate importance of the Northern Tier States is for accurate surveillance of the super-secret Soviet missiles, nuclear ranges, satellites and satellite destroyers. Most important are the codes and the controls by which these frightful weapons are directed. In effect, a super-scientific electronic war is in progress. The basic speed is 186,000 miles per second, the speed of light. This means a basic change in the nature of conflict. As late as the early 20th century, the breaking of the enemy's will by crushing of his armies on the field was the accepted standard of waging war. The Second World War developed the attack by or on vital centers, as a means of defeating armies in the field by destroying their base.

At Hiroshima and Nagasaki, the introduction of nuclear weaponry demonstrated that the capacity for destruction was approaching the absolute. With the introduction of the supersonic rocket capable of delivering warheads across the seas within a few hundred yards of target created an annihilating weapon with an electronic nervious system, capable of giving reports, finding its objective and receiving commands. As a plane basically is the essential defense against another plane, it follows that the defense against an electronic system or electronically directed attack is a superior electronic system, capable of locating, intercepting and if possible, directing the electronically-guided missile of the enemy.

A principal bastion of U.S. counterelectronic activity was centered in Turkey and Iran. Methods and measures of incredible delivery have been sufficient, until recently, to result in a reasonable state of assurance at the Pentagon. In the past few months, however, matters have taken a grave turn. For one thing, Russia has broken the conditions of the previous treaty and her rockets and satellites are transmitting in codes not broken. Further, there is undeniable evidence that Russia has developed killer-satellites, and, as I mentioned earlier, American satellites have been developed to such an extent, it is claimed, that their cameras can actually distinguish numbers on a license plate and indeed, an officer's shoulder insignia.

The antecedents of the new war as might be expected, are found in the secret annals of World War II, now surfacing. As a result, much history currently accepted as accurate will have to be rewritten. The simple all-important reason can be stated in one sentence, namely those German codes which the Germans regarded as unbreakable had been broken. As a result, the Allied High Command knew exactly what the enemy's estimate of the situation was strategically, what it proposed to do about it tactically, and its order of battle and its capacity down to platoon level.

This precise knowledge far transcended the basic axiom that forewarned is forearmed. Among other things, the Allied intelligence's Bureau of Misinformation, called Department Twenty after the Roman Double Cross, was not only able to hoodwink the German High Command into believing that there was a huge Allied army under General George Patton which would attack Calais, but was able to ascertain how well the gigantic hoax was succeeding. As a result, to the very last, the German High Command refused to move critically needed divisions to repel the Normandy invasion, but actually immobilized its reserve in stubbornly clinging to the induced belief that the main Allied attack would come between Le Havre and Calais.

The British estimated that approximately 35,000 people were necessary to accomplish the full monitoring, not including its evaluation. At combat level, not only were the tanks identifiable individually, but their conversations with their bases outlining their damages and estimated time of repair were, unbeknowst to them, simultaneously in the hands of their foes. Thus, in early December of 1944, a line of submarines running from north of Ireland down to the Azores started broadcasting weather reports to the German Admiralty at 11 P.M. Simultaneously all tank communication on the battle line ceased. Allied intelligence at once divined what was going on. German Headquarters was waiting for the approach of huge winter storm, one which would ground the Allied air force. Under cover of the storm, the enemy would then launch a supersecret panzer assault. The Allies were forewarned, and when the storm broke, the panzers swarmed out of the Ardennes, and the Battle of the Bulge was on.

Even more dramatic was the effect of the breaking of the codes on sea warfare. Actually, the messages of a German submarine reporting to the German Admiralty were decoded, read, and relayed to the Allied hunter-killer fleets as quickly as they were received in Berlin. Moreover, with the acceleration and refinement of location techniques, the sub's position could be pinpointed within a quarter of a mile.

As a result, it was estimated that the odds of a German submarine returning to its pen were 5 to 1 against. The Battle of the Atlantic was won in the decoding rooms. This was equally true of the war in the Pacific. The Japanese code had been broken, giving the U.S. a tremendous advantage. Then, a newspaper in this country broke a story that the Japanese code was no secret. Damage was heavy; it took months to repair the hurt that was done. The British were furious. In London, punishment would have been most severe.

Then, as now, security leaks in the American press are of such incredible dimension that no other country would permit them. In another area, Admiral Rickover angrily declared that after exhaustive experimentation and research, a revolution in submarine hull design broke the barrier of slow underwater speeds, only to have the model of the new hull on sale for a dollar in minature hobby shops.

Since the Second World War, the technology of electronics has progressed geometrically. Much, of course, remains secret. However, that which is known tells much. The sound of every Russian submarine was as individually identifiable as the fingerprints of a man. This was so super-secret that a number of Senators refused to be told about it—but they were able to read about it in a full page story of a national newsweekly a few weeks later. The knowledge isn't one way. Thus, when a U.S. submarine went down in the Bermuda deep, a prowling Russian sub was able to supply its exact location. Nevertheless, it is believed that the U.S. holds a vast lead in undersea detection. More particularly, it is felt that our main deterrent, the deep-sea Polaris submarines carrying nuclear warheads of more power than all artillery fired in both world wars, are beyond the state of the art of Russian undersea detection at this time.

When the war concluded, both British Security and the American OSS came up with the same conclusion: in a Third World War, our intelligence system would be both the first—and last—line of defense. In technical terms, it held that when mutual offensive destructive power reaches infinity, the only differential is in time of application. In ordinary terms, it means that whoever is quicker on the draw wins because, in brutal terms, a .45 automatic in a man's hand is worthless if he already has a .32 bullet through his brain. That, of course, is what the electronic war is all about, heavily accelerated by the acceptance that there is no second place.

It is fatuous to deny that a world-wide intelligence war of life-and-death intensity is in progress. That the American people do not wish to face this is assumed by both political parties. Hence neither will risk its political life as the bearer of bad news but the facts are inescapable.

In fact, an open democratic society is at great disadvantage in an intelligence war. Unfortunately, for lack of understanding its nature, the Congress has fearfully stacked the odds against the U.S. by exposing the operations of the CIA. The CIA operations are ghastly from the standpoint of ordinary, civilized life as it has flourished in our free country.

For their infractions the CIA perpetrators should have been punished, perhaps even by death. But the operations themselves should never have been exposed. This might well mean a fundamental change in the law of the land, through a waiver and alienation of invaluable constitutional rights by those who enter the intelligence service. It undoubtedly means much stricter supervision and much more discipline in internal security. However, whatever else is demonstrated it is clear that untrained, unprofessional and unsophisticated Congressional committees are not the ones to do the job.

Exposure of secrets and of personnel not only paralyzes the organization, it compromises nearly all of its operations, and in some cases, probably has led to detection, torture and death. Worse, from a functional standpoint, it so multiplies the hazard of recruiting that major paralysis in the field cannot help but ensue. For example, the utterly lethal safeguards surrounding a special operation team in other countries, particularly in time of war, is such that if a member appears to be losing his nerve, he is either whisked off to a lonely headland for incommunicado incarceration or killed.

There is no way such iron discipline could be administered in the U.S. intelligence services. Perhaps it shouldn't be, so alien is it to our principles. However, the security problem is there. Cockeyed as our CIA and the intelligence services have been, it is our only eye and without intelligence we are a Cyclops with his eye put out. In this day and age, this means a blind man attempting to be quicker on the draw in a death duel. The immediate problem of the average citizen is neither so complex nor so agnoising.

In principal part it consists of what Thomas Jefferson called the first duty of citizenship in a democracy, that of keeping informed. The machinery for accomplishing that duty is as close as the nearest mail box.

Under the circumstances, it is little less than an imperative call to duty for every Legionnaire to write his Congressman, asking the details and then informing the Congressman of his view.

The new war is a war of survival. Because naval battles in the past were so swift and decisive and annihilating, it was once said there is no such thing as a second best navy. In the coming decades, there's no such thing as a second class intelligence and nuclear system—as Hiroshima and Nagasaki proved. The first step is not to place gun on shoulder; it is to take pen in hand and write the Senators, Congressmen and the President.●

ENERGY ASSISTANCE FOR THE ELDERLY

● Mr. CHILES. Mr. President, in the coming weeks the Congress will be engaged in the development of a national energy plan. One very important element of this plan is the issue of assistance to those individuals who suffer a unique hardship from high energy prices. The Senate Special Committee on Aging, in a series of hearings over the past several years focusing on the impact of energy pricing and shortages on the elderly, has documented that older Americans are particularly hard hit by the problem of energy costs.

Many elderly live on low, fixed incomes and simply have not been able to cope with the tremendous increase in energy costs. With the predicted continued rise in prices, their already difficult financial situation may well deteriorate to the point of very harsh choices between food, medicine, and fuel. In 1977 Deputy Secretary of Energy John O'Leary testified before the Special Committee on Aging that even in 1975 households in some parts of the country were spending as much as 27 percent of disposable income on energy and estimated that during winter months many elderly poor would spend up to 50 percent of their income to heat their homes.

The overwhelming problem of cost is compounded for the elderly by other factors. Often the housing stock of elderly persons is old, in poor repair, and inadequately insulated. Without the capital to correct these deficiencies, there is little realistic opportunity to conserve fuel use and maintain any level of adequate heating and cooling.

The option for the elderly is to cut back on fuel use at the expense of their health. Older persons, often suffering from heart or respiratory ailments, are much more susceptible to temperature-related problems such as hypothermia and heat prostration. In Dallas, Tex.,

July 1978, over 20 persons died from heat prostration. They were all elderly, poor, and lacked air conditioning.

With the President's recent energy proposals, which include a recommendation of low income energy assistance, the Special Committee on Aging has scheduled hearings to explore the subject of energy assistance for the elderly.

At the recommendation of Senator PERCY, the committee has adopted a resolution calling on the President and Congress to develop a program of assistance to meet the particular energy needs of the elderly.

Mr. President, I request that this resolution be printed in the RECORD.

The resolution follows:

RESOLUTION OF THE SPECIAL COMMITTEE ON AGING

ENERGY ASSISTANCE FOR THE ELDERLY

Whereas, energy costs have drastically risen and will continue to rise in the future;

Whereas, the President and the Congress are in the process of developing a national energy plan; and,

Whereas, the U.S. Senate Committee on Aging has documented that elderly persons pay a higher percentage of their income for energy costs and are more susceptible to hypothermia and heat prostration due to inadequate heating and cooling: Now therefore be it

Resolved, that it is the sense of the U.S. Senate Committee on Aging, that in the development of a national energy plan, the President and Congress shall assure that an adequate program of assistance to meet the particular needs of elderly persons is enacted.●

ADDRESS BY W. D. RUCKLESHAUS, DELIVERED TO ASPEN CONFERENCE ON FUTURE URBAN TRANSPORTATION

● Mr. LUGAR. Mr. President, I wish to commend to the attention of my colleagues a speech by William D. Ruckelshaus, former Administrator of the Environmental Protection Agency. The speech, entitled "The Future and Air Quality, a Time to Reassess," raises some extraordinarily important questions about the benefits we are deriving from our present clean air goals.

Ruckelshaus says:

Since in my view we are at present approaching the limits of current technology and the substitutes appear to be beyond the horizon, and since other strategies do impinge forcefully on individual choice, it is time to carefully examine our goal to ensure that it conforms with the costs and social disruption it is causing. In other words, are the clean air standards worth the candle?

Because of Mr. Ruckelshaus' experience in this area and general reputation as one who is rational and intelligent, I believe that his ideas must be carefully considered even by those who come at the issues from a very different perspective.

I respectfully request that Mr. Ruckelshaus' speech be printed in the RECORD.

The speech follows:

THE FUTURE AND AIR QUALITY: A TIME TO REASSESS

My assignment in this program is to discuss the environmental aspects of our country's urban transportation program for the future. Believing that in transportation, as in the environment "everything is connected to everything else" to attempt to adequately treat the environmental problems associated with urban transportation in isolation is not only unwise but impossible. I take it the conference will seek to pull together the various papers delivered into a coherent whole to which I respond good luck!

We all know what the environmental problems of urban transportation are, air pollution, noise and aesthetics. In this paper I will restrict my discussion to air pollution because it is far and away the most important, costly and controversial of the three. Besides I don't hear very well anyway and I think highways are beautiful.

Further I am going to dwell on one aspect of the air pollution problem and that is the question of health effects. In most of what is written about urban transportation policy as it relates to air pollution there is an underlying assumption that it is necessary to achieve current federal air quality standards, whether statutory or regulatory, in order to protect the public interest. It is time to seriously examine that assumption if sound credible public policy is to result. A timely, indeed timeless, question is do we really need to take the costly, socially disruptive steps to achieve air quality standards? The answer must be only if achieving those standards is of sufficient social benefit to justify the resultant costs and disruption.

I am not suggesting that during the reexamination we should abandon efforts to reduce the costs of achievement or the search for less disruptive means of compliance. Instead, simultaneous with these efforts we must launch a serious credible program to understand where we will be in terms of human health when the standards are achieved and further what are the implications for public health if we fall short of the current goals.

One further word of explanation is necessary at the outset. Our country has a growing body of information regarding the costs of imposing emission limitations on the automobile at the point of manufacture. We are undoubtedly approaching the limits of what we can do with existing technology to reduce the levels of hydrocarbons (HC) oxides of nitrogen (NO_x) and carbon monoxide (CO). Further gains will be incremental and probably cost-ineffective both in terms of emission reductions and energy consumption. As to newer less polluting technology, hope springs eternal but the magic box has not appeared.

This leaves us with control over the user of the automobile either for the purpose of reducing vehicle miles traveled (vmt) in order to reduce emissions or checking for deterioration of emission systems. The techniques already tried range from diamond lanes, to mandatory (voluntary) work-related car pooling, to parking restrictions in downtown areas, to mandatory inspection and maintenance programs and other schemes. Often these proposals are coupled with efforts to increase the availability of mass transit provided in part by increased federal subsidies—primarily for buses. To date the common element in all these use restrictions is that where massively employed they have been massively resisted. The American people want clean air, the polls tell us, but apparently not at the expense of their freedom to use their automobile as they see fit. The one exception may be the mandatory inspection program but on this the jury is still out.

There is an excellent discussion of the options available to the government to improve air and quality in Chapter 6 of the Congressional Office of Technology Assessment's new report on the Auto Transportation System. (OTA Report) [1]

Lest we be too quick to criticize our ambivalent public or the recalcitrant car owner let's understand what is involved. Any solution, short of a technological miracle, that would achieve the existing air pollution standards involves limitations on individual choice. These limitations may or may not be severe but based on the reaction to date, they are perceived by the public as important. Since, in a free society, we must place a high premium on the maintenance of individual choice, any effort to limit that choice must be carefully examined. There must emerge from that examination a clear public benefit—in this case positive public health effects—or the choice should remain unrestrained. The tendency of an individual, bureaucracy or institution when charged with the responsibility of achieving a social good to ignore all competing social concerns is often overwhelming, which is precisely why that tendency must be understood and resisted by anyone exercising publicly granted power. Whenever social engineers gather to plot to deliver for the benefit of man a "good," what is quickly sacrificed is individual choice. Of course, the range of individual choices in any society is one measure of its grant of freedom. In any free society we must attach a high value to choice and seek to preserve it where possible.

Since in my view we are at present approaching the limits of current technology and the substitutes appear to be beyond the horizon, and since other strategies do impinge forcefully on individual choice it is time to carefully examine our goal to ensure that it conforms with the costs and social disruption it is causing. In other words are the clean air standards worth the candle?

My short answer is I don't know and I would submit neither does anyone else. This is true primarily because we have no credible, universally accepted process to arrive at a common data base. Nor is there any public understanding of what adverse health effects we are trying to protect against.

The Clean Air Act of 1970 mandated that 90 days after its enactment, national ambient air quality standards be set to protect the public health. The Administrator of EPA was to establish a threshold below which no adverse health effect was known to exist on even very susceptible or vulnerable subgroups in the population and, after adopting an adequate margin of safety, set the standard. Thus, the standard mandated by Congress effectively sought a threshold for a health risk.[2] Dutifully, 90 days after the

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[1] *Changes in the Future Use and Characteristics of the Automobile Transportation System, Volume II: Technical Report:* Office of Technology Assessment, U.S. Government Printing Office, Washington, D.C., February, 1979.

[2] The Senate Committee on Public Works Report discussion is worth quoting since it is the key to the legislative history and intent.

"In requiring that national ambient air quality standards be established at a level necessary to protect the health of persons, the Committee recognizes that such standards will not necessarily provide for the quality of air required to protect those individuals who are otherwise dependent on a controlled internal environment such as patients in intensive care units or newborn infants in nurseries. However, the Committee emphasizes that included among those persons whose health should be protected by the ambient standard are particularly sensitive citizens such as bronchial asthmatics and emphysematics who in the normal course of daily activity are exposed to the ambient environment. In establishing an ambient standard necessary to protect the health of these persons, reference should be made to a representative sample of persons comprising the sensitive group rather than to a single person in such a group. Ambient air quality is sufficient to protect the health of such persons whenever there is an absence of adverse effect on the health of a statistically related sample of persons in sensitive groups from exposure to the ambient air. An ambient air quality standard, therefore, should be the maximum permissible ambient air level of an air pollution agent or class of such agents (related to a period of time) which will protect the health of any group of the population.

"For purposes of this description, a statistically related sample is the number of persons necessary to test in order to detect a deviation in the health of any person within such sensitive group which is attributable to the condition of the ambient air."

L. B. Lave/E. P. Seskin, *Air Pollution and Human Health*, John Hopkins, Baltimore, 1977, pp. 312–318.

[3] For example, in 1967 investigators in Buffalo found close association between pollution and respiratory disease mortality during the same time period that other investigators in Nashville were finding no significant correlation.

passage of the Act as administrator of EPA, I set the standards for the four major pollutants associated with the automobile—hydrocarbons (HC), carbon monoxide (CO), oxides of nitrogen (NO_x) and photo chemical oxidents.

In examining the criteria documents on the basis of which I made my decision, I became aware of just how conflicting and uncertain our evidence for causal links between pollution and health really are. Just for starters, there are scientific debates on appropriate statistics methodology, on what we can infer either from citizen reports or medical diagnosis and observations, on whether we can usefully relate one factor in a person's environment from many others. That is part of the reason why there is such intense debate about the usefulness of examining effects found in real human populations (epidemiology) and laboratory tests on animals. For example, I found myself looking at conflicting health results from tests using quite similar methods in two different locations or with slightly different control factors.[3]

The weight of the evidence was that there are associations between health and air pollution—though probably not thresholds. I made my judgments. But it was patently clear to me that my summing up of the evidence came at a specific slice of time; that new evidence would and should overtake my decisions; and that we would probably later learn, too, that the criteria that Congress gave me should be refined by what we would later find.

Again under the Act, all these ambient air quality standards were to be met all over the country by 1975. If the mandated 90% reductions of HC, NO_x, and CO did not do the job (and they could not) under Section 110, the Administrator then was to impose land use and/or transportation controls. The attempted imposition of the latter by EPA in response to the congressional mandate is where the individual citizen faced squarely the trade-off between clean air as defined above and his freedom. In most cases to date the individual citizen in defiance of laws passed pursuant to his demand for clean air has opted for freedom. The auto use restriction laws have not been effectively enforced because the average citizen would not hear of it.

The ambient standards have been modified since the passage of the 1970 Act. Under the 1977 congressional amendments the time for achieving the HC and CO standards was extended until 1981 in successive steps. The Congress tightened the NO_x standard from current levels but postponed the final 90 percent reduction until further research is conducted. Recently, Administrator Douglas Costle slightly loosened the photochemical oxident standard. And in the 1977 Act, Congress established a process for again looking at whether it had properly defined the basis for EPA action.

Still the ambient standards remain controversial. Scientists are divided over many aspects of air pollution and its relation to human health.

The 1974 National Academy of Sciences and National Academy of Engineering report on Air Quality and Automobile Emissions Control remains the most frequently cited source for estimating health impact of automotive emissions. It is the range of the estimates which most impress me. The NAS/NAE report states that air pollution may account for as much as 10 percent or as little as .01 percent of the urban health hazard. And automotive emissions are variously thought to account for as much as ¼ or as little as 1/100th of that pollution.[4] Hence the NAS/NAE report suggests that autos may contribute as little as 1/millionth to the urban health hazard or as high as 1/40th. The NAS/NAE's own estimate that it was 1/400th—or ¼ of 1 percent of the urban health hazard. We all get lost in numbers like these. And, of course, it has been five years since these scientific soundings and calculations made from them were taken.

But as time moves on, so also do the effects of both our emissions control efforts and our economic patterns. The OTA report further points out that if the 1977 standards are met, and no other controls are imposed, continued improvement in our nation's air will result. Under this scenario by the year 2000 even though automobiles will decrease by 60 percent CO and HC emissions from automobiles will decrease by 60 percent and NO_x by 30 percent. We will still not meet the ambient standards in all areas, but our present rate of progress gives us time to ponder the wisdom of trying.

What is needed in my judgment is a reexamination of our basic goal—zero health risk air quality—in light of our experience in trying to achieve it.

There are two essential elements to any serious reexamination effort. First we must establish a credible data base on health effects, with a clear understanding of what we know about the health effects of automobile related pollutants and what we don't know. We further need to have a coordinated health effects research program to get at the important unanswered questions. Secondly the government, in this case EPA, must abandon the role of advocate and assume the role of educator.

As to the first we need a full and complete look at the health effects of various pollutants—both traditional gaseous and emerging—and a good prioritization of which kinds of pollutants are of the most grave concern. We don't need more studies by either manufacturers or environmental groups or regulators developed for the purpose of winning the next legislative, judicial or regulatory battle. What we need is a cooperative effort in which all of the interested parties step back and allow our best scientists to really assess what we know and what we can learn relatively rapidly in order for us to be able to assess what pollutants and at what levels we should be most worried about. We will never know all we want to know about this. Our health effects knowledge is certain to be a moving target for as far ahead as we can see. But a national consensus could be developed on this and an absolutely bewildered public could again begin to make intelligent democratic decisions as to what risks it wanted to run if it had available the data in understandable form from truly credible sources. There is absolutely no excuse for the present contentiousness and mystery that shrouds—and will shroud—the public understanding in the absence of a reliable source prepared to communicate its findings intelligently.

Why is this important? Because we are reaching the place where, with both current and projected motor vehicle power sources, we are going to have to choose which kind of emissions we can live with. On the diesel, for example, there appears to be a trade-off between NO_x and both hydrocarbons and particulates. The trade-offs will be negotiated in an aura of acrimony by ideologists and self-interested parties unless we can develop facts which will inform all of us whether we can live with any of these emissions and which are more harmful.

If we know this, we would then be able to take another step which is crucial to rational urban environmental planning—to assess which sources we can most cost-effectively control and whether we need to or could distinguish regionally which power plants will be allowed in which areas.

Currently a car or truck on the Wyoming flats has the same emissions requirements as one operating in NYC. That may have been the most cost-effective solution when controls involved relatively inexpensive devices. But if there are significant trade-offs between fuel economy and emissions and between different emissions, it may be preferable to allow the Wyoming driver or the line-haul truck to roam except within certain SMSA's. Or, it may turn out that we can more cost-effectively establish healthy air in the cities if we reduce the on highway volume (i.e., through higher energy prices), leave transportation controls where they are (except, for example, on urban buses) and go after the large stationary sources. The 1977 Clear Air Act Amendments mandate such an analysis. If we really know something about health effects so that we know what to be most concerned about, such an analysis would be a significant policy tool.

Lastly, EPA must abandon or at least modify its traditional role as an advocate for a cleaner environment and instead adopt the role of educator. When EPA started in 1970, a skeptical public was insisting that steps be taken immediately to reverse what seemed to them the rapid despoliation of spaceship earth. The public demands resulted in a blizzard of environmental laws and new agencies created by a responsive Congress and Administration. It was necessary then for EPA to prove to a doubting public that progress could be made and the government was willing to crack down on polluters. That case has been made. Progress in a few short years has been remarkable and clearly the EPA has shown its willingness to act to protect the environment. As comprehensive laws like the Clean Air Act of 1970 have taken hold social strain has occurred. This was to be expected. No law that complex and all encompassing could be perfect. Its periodic adjustment was anticipated by Congress and should become a more natural, less contentious process if the public interest is to be served. EPA must now serve the public by informing. The time for advocacy is past. Spurs have been won.

The public, aided by credible scientific data, needs to fully understand what levels of health protection they are buying for what costs—both economic and social. It may be the public will decide that zero health risk is worth the costs. If the alternatives and their costs are clearly displayed to the public then through their representatives they can

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[4] Volume 1, *Summary Report*, U.S. Government Printing Office, Washington, D.C. 1974.

choose. Without a strong effort by EPA to inform it is unlikely the public will ever understand their choices. The result could be environmental overkill or an unwarranted reaction leading to a reversion to the more smog filled days of the past. Neither result need occur if choices are more clearly displayed to the public. There is no other institution in our society capable of providing this public guidance—save EPA.

Nothing is easier than recommending to one's successor how he ought to act. With some justification Mr. Costle or others could suggest that a healthy heeding of my own advice while at EPA would have helped. My response has to be that I will not shrink from urging statesmanship on others simply because I did not always practice it. Anyone who has spent time wrestling with the problems at EPA and who thinks—and that certainly includes Mr. Costle—knows how illusive is the public interest in these areas and how important is public knowledge if that interest is to be served.

It is time for EPA to go public with all its knowledge about scientific certitude or its lack in the area of public health. Only then can the public be aided in making intelligent choices about our environmental programs. It's a tough assignment but then EPA's a tough agency.●

FEDERAL TRADE COMMISSION'S PROPOSED REGULATION OF TV ADVERTISING FOR CHILDREN

● Mr. CRANSTON. Mr. President, a great deal of controversy has surrounded the Federal Trade Commission's—FTC—proposed rulemaking regarding television advertising directed toward children.

As chairman of the Subcommittee on Child and Human Development of the Committee on Labor and Human Resources, I have a special interest in the effects of television ads on children to young either to understand the selling purpose of the ads or to evaluate the nutritional and dental consequences involved with the consumption of highly carcinogenic and other harmful products.

I share the feelings of many parents and child advocates who believe that naive children should be protected from being manipulated by TV ads, and I can understand why the FTC is considering a staff proposal to ban advertising directed at children under 8 years old and the advertising of highly-sugared products directed at children from 8 to 11 years old and to require advertisers to fund nutritional counter-ads with respect to other sugared products.

I also believe that the FTC proposal and hearings have had and will have a positive impact in focusing attention on these issues and encouraging more concern and supervision on the part of parents who are, of course, the persons responsible for the well-being of their children.

At the same time, however, I am concerned about the proper role for the Federal Government in this matter. I am not convinced that it is the proper role for the Federal Government to limit severely or ban television advertising—not false or clearly deceptive—just because it may be aimed at certain vulnerable population groups. Although I do not think that we should ignore the problem and the need to protect children from undue influence from certain types of advertising, I am concerned about further governmental encroachments on first amendment rights. There is, I believe, generally a need to reduce—not increase—Federal regulation of the marketplace and the family.

Mr. President, at this point, I am convinced that the best approach would be for those in the television industry to undertake a serious effort to develop and enforce policies that take into account the naiveté of children and the power and persuasion of TV ads and that tailors the number, rapidity, intensity, and deceptiveness of these commercials.

I recently wrote to the presidents of ABC, NBC, and CBS to ask them to work with the FTC and the Federal Communications Commission to develop policies for self-regulation of this sort of advertising which has so much influence—much of it adverse—on the health and development of American children. I believe that a forceful effort of this nature within the television industry would reduce or eliminate the need for further governmental action.

Mr. President, I ask that the texts of the letters I recently sent to the heads of ABC, NBC, and CBS concerning this matter be printed in the RECORD.

The material follows:

U.S. SENATE,
Washington, D.C., July 19, 1979.

DEAR ————, as Chairman of the Labor and Human Resources Committee's Subcommittee on Child and Human Development, I have a special interest in the Federal Trade Commission (FTC)'s proposed rulemaking regarding television advertising directed towards children.

A great deal of controversy has surrounded the issue of the FTC's proposed regulation of manufacturers' advertising directed toward children too young either to understand the selling purpose of the ad or to evaluate the nutritional and dental consequences involved with the consumption of highly carcinogenic and other harmful products. The FTC staff report preceding the proposed rulemaking concluded, and many child advocates and parents agree, that naive children should be protected from being manipulated by advertising on TV. Personally, I find some of the child-directed ads offensive and against the public interest, and I can understand why the FTC is considering a staff proposal to ban advertising directed at children under 8 years old and the advertising of highly-sugared products directed at children from 8 to 11 years old and to require advertisers to fund nutritional counter-ads with respect to other sugared products.

Moreover, I am convinced that the FTC proposal and hearings have had and will have a positive impact in focusing attention on these delicate issues and encouraging more concern and supervision on the part of parents.

At the same time, however, I am not convinced that it is the proper role for the federal government to limit severely or ban television advertising (not false or clearly deceptive) just because it may be aimed at certain groups of children. There is legitimate concern that we should be working to reduce—not increase—Federal regulation of the marketplace and the family. I share this concern, as I do the concerns for further governmental encroachments on First Amendment rights.

I do not feel, however, that we should ignore the problem and the need to protect children from undue influence through the type of advertising that is presently aimed at their young minds. The best approach, I believe, would be for television networks to undertake a serious effort to develop and enforce a code that takes into account the naivete of children and the power and persuasion of TV ads and that tailors the number, rapidity, intensity, and deceptiveness of these commercials with these considerations in mind. I strongly prefer self-regulation and a voluntary approach.

I am, therefore, writing to each network head to ask that, in consultation with the Federal Trade Commission and the Federal Communications Commission, a policy be developed for self-regulation of this advertising, which can have so much influence—much of it adverse—on the health and development of our children. A serious effort of this nature within the television industry should reduce or eliminate the need for further governmental action.

I would appreciate your thoughts on the feasibility of such an approach.

With best wishes,

Sincerely,

ALAN CRANSTON.●

SALT II IMPLICATIONS

Mr. WARNER. Mr. President, one of the many areas of concern that has emerged from the Senate hearings on the SALT II Treaty, is the matter of whether our NATO Allies truly support the treaty in its present form.

We have heard repeated testimony from administration witnesses that the governments of our NATO Allies have given their strong support to the SALT Treaty. We have heard testimony that a failure to ratify SALT might lead to the very dissolution of NATO.

However, there have been other witnesses who have testified that European support for the treaty is shallow and that, if one looks beneath the surface, there is a very real concern that the treaty has weaknesses that may harm European interests.

I have recently read an article and an interview published recently in Germany by two respected defense experts.

These knowledgeable Germans provide a useful insight into some of the more serious European concerns over the SALT II Treaty and its implications.

I request that the article and interview be printed in the RECORD.

The material follows:

CAN AMERICA STILL PROTECT US? SALT AND EUROPEAN SECURITY

Moscow's arming also does not seem to be restrained by the SALT talks. The inferiority of the United States touches the West Europeans in particular.

If the signs are right, in the first quarter of 1979 the second agreement on the limitation of strategic offensive weapons (SALT II) will be signed by the heads of state of both superpowers. The high hurdles of the American ratification process still have to be overcome before the agreement is finally put into effect but the goal of SALT II opponents now seems to be not so much completely denying agreement to the treaty as to attempt to, by amendments, defuse the treaty if not actually rob it of its substance. Despite these certain amendments to the now 60-page treaty document, a discussion of SALT II at present is nevertheless possible, logical and necessary.

SALT II directly affects European security through the planned or plannable regulation

of Soviet weapon systems which do not have an intercontinental range—and thus cannot reach the American continent—but can threaten every European capital as well as North Africa and the entire Near East. Of particular quality in this association is the Soviet SS-20 mobile medium range missile which can, at a range of 5,000 kilometers, deliver warheads of 600 kilotons (KT) each—the Hiroshima bomb had an explosive power of 20 KT—to a target with high accuracy. This missile, of which about 150 are now deployed but with about 50 directed against China and some against the Near East/Persian Gulf region, will almost certainly not be covered by the SALT II agreement.

Since NATO in Europe does not possess a similar system, there is now forming, underneath the strategic nuclear balance again agreed by SALT II, an increasingly precarious imbalance in the area of nuclear medium and long range weapons. What this can mean over the medium run becomes clear when the present Soviet deployment rate for the SS-20 is extrapolated. According to this the Soviets could have about 1,000 SS-20 missiles in the mid-1980's when SALT II expires. Anyone wishing, as so many in the Federal Republic do, to leave the problem of a reaction to the SS-20 to a SALT III agreement should carefully consider the possible configuration of a western negotiating position capable of eliminating or neutralizing this powerful potential.

GRAY AREA SYSTEMS

This situation in the "gray area" systems is aggravated by the fact that the United States may well succeed in so effectively limiting, by certain treaty prohibitions on stationing, the Soviet Backfire long range bomber that the threat to the American continent is minimized—if not also excluded—but Europe, whose air defense is weak and who has practically no civil defense, lies completely in the coverage of this weapon system.

It is thus little comfort that the Soviet Union has, in the course of the SALT negotiations, informally agreed not to increase the present Backfire production rate. It is even less so since the Soviet Union has naturally denied any information about how high the present production rate is. The American estimate of a maximum of 30 to 50 per year is thus vague and far from unchallengeable. And not just this. In SALT I the United States had some bitter experience with informal agreements and unilateral declarations. Reason enough not to place too high a value on the Soviet statements on the Backfire problem which, by Soviet wish, is not an object of the treaty text.

The "gray area" problem is capped by the fact that the "cruise missile," the only American medium range system capable of, in the short run, restoring the balance in the continental strategic weapons area in Europe, will probably be subjected to a limitation in the SALT II treaty protocol prohibiting the deployment of sea- or land-based "cruise missiles" with a range of more than 600 kilometers during the originally planned three-year term of the protocol. It is true that the last word has not been spoken on this matter but there are not likely to be any significant changes in substance.

This does not effect the Europeans too greatly as operational "cruise missiles" will not be available before 1981. The decisive point from the European view for the entire "cruise missile" problem is whether the SALT II protocol will expire after three years at the most. It is today already certain that the Soviet Union will press massively—if not also formally—for an extension and here will not hesitate to invoke the spirit of detente. The chances for success of this are uncertain as it is completely possible that the protocol will expire as early as 1980, thus in an election year.

There are still more imponderables in this area. Unless all signs are false, the Soviet Union will also have "cruise missiles" available in about three years. Since they have, because of their many ballistic medium range missiles, no requirement for the medium and long range versions of the "cruise missiles," their goal could be to compel the United States to a mutual rejection of this option. There are thus sufficient reasons to support the American attempt to set the protocol expiration as far forward as possible.

So much for the "hardware" of the "gray area" problem, for that which the quantitative and qualitative restrictions of the SALT II agreement will probably leave behind in actual threats and inherent possibilities for NATO in Europe. But this does not solve the "gray area" problem. It also has a "software" dimension, a political side, which can essentially be reduced to the question of whether the states of Europe are capable of deploying weapon systems which are unpleasant to the potential enemy and could be classed by him in a noisy campaign as dangerous to detente.

In this respect the fate of the neutron weapon is still a far too unpleasant memory—not just here but primarily in the United States where often expressed worries about this often serve as a pretext for their own insecurity and also as a sore point. Anyone following the present "gray area" problem debate in the Federal Republic finds it difficult to escape the impression that a solution to the problem is more apt to founder on European-caused "software" than on the "hardware" to be made available by the Americans.

No matter how one counts and measures the potentials of the superpowers, it is certain that in about 1982/83 the American land-based intercontinental ballistic missiles (ICBM) would, for all practical purposes, not survive a Soviet nuclear first strike whereas, in a similar case, the Americans would, at best, take out 65 percent of the Soviet ICBM potential. It is true that the survivability of one element of the strategic triad is, as Defense Secretary Brown has said, "not the same as the survivability of the United States" but is certainly more than a regrettable amputation of an inadvertently three-legged giant.

The discussion of this problem still revolves substantially around the aspect of the development and deployment of a new generation of land-based intercontinental ballistic missiles—the MX—but it is increasingly clear that behind the prominent technical arguments are hidden fundamental political and strategic questions: questions about the future world political role of the United States; questions about the future crisis stability and conflict readiness of the United States; questions about the relationship between national independent and military balance, about power and politics; questions about the association between defense and deterrence; questions about the criteria of the strategic stability; questions for America; questions thus also of necessity of interest to Europe.

END OF STABILITY?

NATO does not live by conventional formations and weapons alone. NATO also needs a materially and conceptionally credible nuclear security through its alliance power. Since NATO will, for the foreseeable future, not be able to establish a conventional balance in Europe, strategy and weapons must be so configured that they make first use, escalation and execution of flexible and selective options possible. In view of the strategic nuclear parity of the superpowers, this can be achieved only if there is added to the already difficult to formulate under these conditions, strategy of a "flexible response" a potential that thoroughly and credibly secures the escalation dominance of the United States.

Against this background the vulnerability of the American ICBM is reason for the greatest worry since the ICBM is still and will be for the foreseeable future the most reliable, quickest in reaction, most accurate and thus most flexible element of the strategic nuclear potential, in particular with regard to the operational options required for Europe. Anyone wishing to threaten with selective nuclear first use—and NATO must do this—requires weapons which give him limited nuclear first strike capability—thus the invulnerable ICBM. It is true that in the second half of the 1980's the sea-based intercontinental missiles of the United States should achieve performances now reached only by land-based intercontinental missiles but sea-based systems will never be a genuine equivalent. The European states thus have a "legitimate" strategic interest in the retention of an invulnerable American ICBM potential.

In the context of SALT this means that the United States must keep open the option of protection of its intercontinental missiles. It is true that, given the present state of negotiations, both the testing and deployment of mobile intercontinental missiles, which are presently being discussed as an alternative to the "Minutemen," are forbidden until the protocol expires but the development of such a missile remains possible. Since, as is the case with the "cruise missile," testing and deployment of an MX cannot, in any case, be started in coming years, the proposed regulation does not signify a particularly grave limitation for the United States.

But this does not solve the problem. It is not completely certain that the United States is now determined to even eliminate the vulnerability of its ICBM's. And even if a positive decision should be made, Europe would still not be able to breathe easy. It is still an open question as to whether the American government can prevail against the ubiquitous environmental groups who view the huge silo complex required for this system as an intolerable burden.

At the end of this development could be the danger that, once the SALT protocol expires, both superpowers would begin setting up a mobile intercontinental missile system but that this would remain an intention on the American side. Then, of course, the strategic balance would finally be destabilized.

Although SALT II is neither signed nor ratified, everyone here is already talking about SALT III. Just as if it were an unavoidable event. But we are still a long way from this—for many reasons. One of these is that, in view of the present difficulties in bilateral negotiations, no one can really imagine how such a project with active European participants—thus multilateral—can be begun and ended with a view to success.

Another reason is, however, of greater significance in association with SALT II. It derives from the question of whether the Soviet Union will still be interested in concluding SALT III in 1985. This depends solely on whether the United States documents in coming years that it is not prepared to accept a unilateral Soviet superiority in the strategic nuclear weapons area. If there should be a situation in 1985 in which, on the one hand, the Soviet Union has accumulated production-ready new developments in all strategic areas and the United States, on the other hand, could not show anything corresponding, then there would be a serious danger that the Soviet Union would either deliberately allow SALT to expire or, at the least, set the price so high that the United States would be left with only the choice between codified and noncodified inferiority.

For the period of duration of the SALT II treaty, this means that the United States must take full advantage of all options from the treaty and maintain a perceptible parity in the strategic weapons area. Not just for the sake of America but also in the interest of the alliance.

No matter how the American public would react to superiority of the world political opponent, West Europe would, in any case, not survive a decline of its alliance superiority into inferiority. The path is marked. But it does not lead, as is repeatedly assumed in America with a complete misunderstanding of the European scene, to a unified initiative by the free states of Europe but rather to a race to Moscow by the European national states—roughly in accordance with the motto: the king is dead, long live the king! The United States should have no illusions here. There may be periods of perceptible, if marginal, Soviet strategic superiority with which the United States could cope to a degree. But Europe would not survive this double inferiority. The United States thus has a double responsibility—to itself and to the freedom of the western world.

TREATY IN NO WAY BRINGS MORE SECURITY TO EUROPE

(An interview with Manfred Wörner, Chairman, Armed Services Committee, of the German Bundestag)

WELT. Does the SALT II bring more or less security for Western Europe and does this treaty influence the conventional components of defense?

WÖRNER. The SALT II Treaty in no way brings more security for Western Europe. European security depends on the balance of power at all levels. Of decisive importance is the credibility of the U.S. nuclear deterrent. The massive Soviet buildup in the area of intercontinental weapons will lead by the beginning of the 80s to the vulnerability of the land-based American intercontinental missiles and through it to a threatening imbalance in favor of the Soviet Union. The SALT agreements do not change anything here. It is indispensable for European security that the United States reestablish the invulnerability of its land-based strategic missiles and that the SALT provisions not prevent it from doing this.

In the area of medium-range weapons, the protocol of the SALT II Treaty creates an imbalance at the expense of Europe, which would be unbearable in the long run. The Soviet medium-range weapons (SS-20 missiles and the Backfire Bomber) are unrestricted toward Western Europe, whereas the cruise missiles, one of the possible counter weapons of the West, are subjected to limitations. Europe can live under these provisions only if it is made clear that the protocol expires after three years and will not be made a basis for SALT III negotiations.

It is also important to European security that the non-circumvention clause be so unequivocally defined and so understood that it does not hamper the defense efforts of NATO in the nuclear and conventional area.

The establishment of nuclear parity in the strategic area increases the necessity of reducing the superiority of the USSR at the other threshold levels, including the conventional one.

WELT. Is the NATO doctrine that rests on the total system of flexible deterrence not put in jeopardy?

WÖRNER. The NATO doctrine of flexible deterrence grows out of the linkage between conventional, tactical-nuclear and strategic nuclear levels, and thus imposes unacceptable risks for the potential attacker. A Soviet superiority in the strategic area, or in the field of theater nuclear weapons, would cut this connection and would practically detach Europe from the United States' nuclear protection, with all of its political and military consequences. The SALT Treaties should sanction such a situation and they should not close the road to a balancing of power.

WELT. How can SALT II constitute the basis for the negotiations intended by the West on the so-called gray area weapons?

WÖRNER. This question cannot be answered definitively either without the knowledge of exact treaty texts. However, it is important that for the gray area weapons the principle of parity be established. The continuing expansion of the Soviet medium-range potential undermines the strategic equilibrium and makes Europe a hostage of the Soviet Union against the United States. Counter measures by NATO are urgently needed.●

S. 1241: COMMENTS AND CLARIFICATIONS ON NATIONAL WATER POLICY

● Mr. DOMENICI. Mr. President, I know that I speak for the distinguished Senator from New York (Mr. MOYNIHAN) when I express our gratitude for the broad interest that has developed in S. 1241, the National Water Resources Policy and Development Act of 1979. This legislation, which Senator MOYNIHAN and I introduced 2 months ago, would establish a national program and strategy for water resources development, a program that seeks to meet our national needs over coming years.

In an effort to bring my colleagues and others interested in water resources development up to date on S. 1241, I shall review many of the comments we have received so far, most of which are taken from letters that I shall include in our hearing record when the Subcommittee on Water Resources meets again on September 6 and 7 to continue its hearings on S. 1241 and other water policy initiatives.

GENERAL COMMENTS

Possibly the most succinct comment among many expressing general support for the bill came from Governor Grasso of Connecticut. She stated:

> I support S. 1241 introduced by you without reservation.

From the opposite coast, Ronald B. Robie, director of California's Department of Water Resources, termed the bill:

> A well-reasoned and creative departure from the often confusing and contradictory morass of existing laws and programs relating to water resources development.

Governor Atiyeh of Oregon offered this view:

> I believe it is generally agreed that little progress is currently being made toward the development of water resources. The proposed legislation would not only expedite construction, it would provide for a local voice in the determination of project priorities.

Governor Milliken of Michigan stated this:

> I strongly support your efforts to streamline the existing cumbersome system for water resource development projects . . . The concept of providing block grants to states for the timely implementation of approved projects would be a definite improvement over the present system.

Governor Hunt of North Carolina noted that S. 1241:

> . . . offers the potential for an effective partnership between federal and state governments in meeting water management needs. The federal government would contribute the expertise of existing water management agencies and its project financing capabilities, while the state would contribute its ability to set priorities by placing projects (within) the framework of its own goals for development. The state would also continue to contribute a significant share of project cost, as under present policies. One of the bill's strongest features is that it would significantly change the present system for planning and implementing water resources projects, thus eliminating many of the delays and frustrations currently experienced.

Governor Ariyoshi of Hawaii offered this thought:

> We certainly support the provisions of S. 1241 which increases state responsibility and control over Federal water resources programs. As you know, the Federal system in water resources development currently does not provide adequate state involvement in its decisionmaking process.

Maurice B. Rowe, secretary of Commerce and Resources for the State of Virginia, stated:

> I have concluded that this proposed Act is definitely needed to improve the efficiency and effectiveness in the implementation of federal water resource programs and projects.

Theodore M. Schad, who served as executive director for the National Water Commission, said:

> Enactment of the provisions dealing with the reconstitution of the Water Resources Council as an independent agency with five members appointed by the President, studies of national priorities for water resources development through the year 2000, construction loans, regional projects, deauthorization of unfinanced projects, and involvement of the states in setting priorities would represent a giant leap forward in water policy reform.

William Whipple, Jr., director of the Water Resources Research Institute at Rutgers University, made this observation:

> The bill represents a praiseworthy attempt to short circuit the procedural bottleneck which now inordinately delays the authorization and construction of much needed water projects. It would also serve to strengthen the participation of the states in the decisionmaking process. This would be a healthy development.

Otto Eckstein, the noted economist, wrote as follows:

> I do agree that the Federal water resources programs have only a loose link to our national goals, reflect little in the way of priorities, and have only the weakest of built-in systems to assure a minimum economic quality to the work actually undertaken.

That problem, of course, is precisely what S. 1241 seeks to address and resolve. The rationale for S. 1241 is clear: The present structure of the Federal water resources program simply is not working. The United States is not building very many water projects. We are not building them very rapidly. And we certainly have no real idea whether those that we are building are the truly needed ones. They simply are the projects that some-

how filter through the system, so we build them. A system of such ad hoc decisions and ad hoc construction fails to serve the needs of our society as we enter the final 20 years of the 20th century.

Our dilemma was expressed well by Ray K. Linsley, a retired Stanford University professor and water resources expert. Dr. Linsley said:

> National water development is in disarray.

Dr. Linsley goes on to say:

> Underestimates of projects costs and overestimates of benefits have made the traditional economic evaluation almost meaningless as an indicator of project worth and a basis for assigning priorities . . . Our failure to establish national priorities for water development has been a major factor leading to the current "disarray" . . . S. 1241 proposes steps which will ameliorate many of these problems.

Allen V. Kneese of the University of New Mexico, said of S. 1241:

> The legislation, if passed, would produce a significant improvement in our national water policy which I agree is in shambles.

Senator MOYNIHAN and I, of course, agree. We believe S. 1241 would improve the system dramatically, by converting the program into a block grant approach where project selection would be largely transferred from the Congress to the States. And with each project would go reasonable and standardized levels of project cost-sharing.

I am convinced that projects would move ahead far more rapidly under S. 1241 than under the present system; it is hard to imagine that we can not improve a system that now dawdles along for 26 years—a generation—before construction begins on the typical Corps water project.

We essentially have three choices:

First. Do we allow the present program of delays and ad hoc decisions to continue?

Second. Do we graft upon that system the President's cost-sharing proposals, adding 5 or 10 percent to local costs?

Third. Or do we recognize that the States and the Federal water agencies have a basic understanding and shared interest in water projects upon which we can build to develop a program that emphasizes State responsibility and State priorities. That is the nature of S. 1241.

The intent of S. 1241 has been confused or misunderstood by some, and it may have been distorted by others, who wish to perpetuate the existing inefficiencies. This may stem from imperfections that exist in the language of the bill.

To clarify our thinking, I believe it would be valuable to indicate some of the areas where confusion has arisen, and to give our thoughts and evaluations.

SPECIFIC COMMENTS

Some critics argue that S. 1241 would be a vehicle to transfer control of the water resources program from Congress to a reconstituted Water Resources Council that is devoted to a "hit list" philosophy. Nothing could be farther from our intent. Under the terms of S. 1241, the WRC would be restructured to assure it has an independence from the executive departments that is now lacking. In its work implementing S. 1241, the WRC would serve essentially as a bookkeeper, allocating authorized funds among the States on a congressionally established formula, initiating those studies that a State requests, and refereeing project disagreements that may arise between the States and the Federal water agency. Someone must serve as a referee.

An independent WRC would be a logical group to perform this service. But since I believe technical disputes over projects are likely to be rare, I can also see merit in returning to Congress for such decisions, if my colleagues believe that would expedite decisions and action. But I emphasize, our intent is to make the WRC a fair and independent arbiter and bookkeeper, not the keeper of a "hit-list."

If a State wishes to build an authorized project, it could do so if that State made the decision that a particular project merits priority consideration. And the State would be free to allot all of its money for 1 year to that project, or spread the funds among several projects. All the State need determine is what degree of contracting is merited on the project for that year, then put that sum aside on the priority list.

Another issue centers on the cost-sharing formula under the block grant approach, 75 percent Federal, 25 percent local. In a letter to Senator MOYNIHAN and myself, Governor Lamm of Colorado notes that "50 percent of recreation costs; 25 percent of fish and wildlife enhancement; well over 25 percent of flood channelization costs" and other costs are now provided by local interests. "We fail to see why additional cost-sharing is necessary," Governor Lamm concludes.

S. 1241, of course, requires no "additional" cost-sharing. It provides for an elegantly simple and consistent system for cost-sharing, replacing the haphazard patchwork of existing cost-sharing arrangements. The formula provided by S. 1241, in fact, is often lower than that now charged. While there is nothing magical about the 25 percent local share in S. 1241, that percentage appears to me to be a fair one, one that is at the level of many other Federal grant programs.

The complicating factor, of course, involves those projects where certain types of benefits are sold to the public, such as hydropower or water supply. S. 1241 does not alter the sale requirements on those benefits. But one-fourth of the revenues from such sales would be returned to the States or local sponsor, or would count toward the local share on a project that was authorized prior to S. 1241.

Another comment about S. 1241 involves the analysis of alternative projects, such as "structural" and "nonstructural" flood control projects, and alternative methods for water conservation. Adam B. Jaffe, of the Environmental Defense Fund, has suggested:

> A provision which specifically provides that a state's allocation can be used to effectuate any structural, nonstructural or semi-structural plan for solving a perceived water resource problem.

Frankly, I see no conflict between these various activities and S. 1241. "Nonstructural" flood control solutions merit equal consideration with structured solutions. S. 1241 is designed to achieve this, although additional language may be required in the definition of a "project" to clarify this point. The goal of S. 1241 is to provide the Nation with a more adequate water resources program, including supplies of water. If a particular State wishes to use its funds for an innovative system of conservation or flood control, such an approach should merit action under this bill.

Oregon's Governor Atiyeh makes this point:

> Procedures for establishing repayment requirements, determination of national priorities affecting water resources, and determination of the best available techniques for conservation of water are some of the areas that appear vague in the legislation.

I would agree that greater clarity appears needed and I would hope that witnesses at our September hearings will suggest language to achieve this.

It has been pointed out that the bill fails to include Puerto Rico, the District of Columbia, and other areas outside the 50 States. This needs to be rectified in the bill.

Abel Wolman, of Johns Hopkins University, is concerned that S. 1241 contains no "sharp definitions of the projects and programs to which the act is directed." S. 1241 is intended to cover the types of projects now within the authorization of the U.S. Army Corps of Engineers, the Bureau of Reclamation, and the Soil Conservation Service. The bill also authorizes Federal support for two types of projects not now eligible for Federal support on a national basis. These are single purpose water supply projects and desalination projects. S. 1241 does not alter existing laws, such as the Reclamation Act or various omnibus water resources laws. It alters the method to fund projects previously and subsequently authorized.

Governor Rockefeller of West Virginia expressed concern "that there is no provision for assistance to States for administering the program." That is a sound point. We did not include such funding in S. 1241 because of the existence of S. 480, now on the Senate Calendar. The bill authorizes $25,000,000 yearly for matching, water-management grants to the States. We assumed enactment of that initiative.

Vernie R. Glasson, director of national affairs for the Farm Bureau Federation, said:

> The grant program proposed in S. 1241 would, we believe, result in the diversion of federal assistance from projects which are beneficial to agriculture . . . to projects which are basically urban in character and which state and local governments have the capability of understanding themselves.

It, of course, was not our intent to undermine or discourage agricultural projects in any way. And I doubt very

seriously that agricultural projects would suffer. That could only occur if a particular State decided to ignore the needs of its agricultural community. I cannot imagine that that would occur in New Mexico. And from listening to Governor Lamm and others, I do not see how it could reasonably be expected to occur in other States of the West.

Robert W. Teater, director of the Ohio Department of Natural Resources, expressed concern over "the need for completion of projects in a more timely manner"—one of our goals. But Mr. Teater then indicates opposition to S. 1241, suggesting that a pending study by the General Accounting Office can resolve the problem of lengthy delays in project development. While commendable, a GAO study is a wholly unrealistic foundation upon which to build major changes and improvements in water project implementation.

It has been noted that S. 1241 requires a higher level of State cost sharing (50 percent) for operations and maintenance work than it requires for construction work (25 percent). It appears to me that there may be merit in equalizing those percentages, to assure that localities are not tempted to choose a capital-intensive project simply because it "costs" less, as opposed to a more effective project with higher maintenance costs, and therefore higher local cost sharing. I would hope that some of our September witnesses would address this point.

It has been noted that nowhere in the section of S. 1241 on regional projects is there a mention of who pays operating costs. It would be my intention that those costs would be 100 percent Federal, as would now be the case on many projects of this character. Section 106—operations and maintenance fund—would be available for this regional work, as the money would be for a 50–50 match on all other water projects.

Some argue that because water is interstate in character, the program for its development must be wholly Federal. While a few projects may be so big as to require full Federal activity, I am convinced that these projects are relatively rare, and shall be met by the regional project authorization contained in S. 1241. These projects—to be selected by Congress—would, I assume, involve major navigation projects and regional water supply and distribution efforts. But as States cooperate on highway planning, there is no reason the States cannot share work on a bistate or tristate flood control project, or to lessen beach erosion on a barrier reef along two or more States. Our Federal system is based on cooperation among States. I see no reason that this cannot be achieved in water projects, without the Federal Government calling all the shots.

It has been argued that the $4 billion a year in construction money authorized by S. 1241 should be distributed by a "needs" formula, rather than a formula that gives equal weight to population and land area, as now provided in S. 1241. I do not believe a fair "needs" formula is likely to be achieved. More likely, it would become a wish list, as the sewage treatment grants needs list has become. A "needs" formula will tend to encourage a scramble for costly, unneeded projects simply as a way to increase a State's share. That is just the opposite of what S. 1241 seeks to achieve. S. 1241 seeks to emphasize priority projects, not gimmickry.

Some also argue that it is unclear who will do the actual design and construction work on projects under this bill. The intent, which will be clarified in the bill, if necessary, is that that existing Federal water agency—the corps, for instance—would design the project, as they do now, construct it, as they do now, and operate and maintain it. The major difference would be the enhanced State control over priorities, et cetera, the ability of the States to initiate new studies, and the ability of States to plan ahead knowing what their annual share of the construction budget will be.

Several States have asked if the States themselves can design projects for funding under S. 1241, rather than using the expertise of Federal agencies. That does not appear wise to me, given the existing engineering expertise of the Federal agencies. However, the use of State planners in the Federal process should develop the necessary cooperative approach.

Some argue that the States will not be involved fully in project planning under S. 1241. Just the opposite is true. The intent is to have State personnel become involved right from the beginning in planning—a stark contrast from the present situation where the State's input rests largely on the whim of the Federal agency.

Under S. 1241, a Governor is allowed to appoint up to five persons from the State staff to work on the project planning, with the Federal agency picking up those salaries. On an interstate project, the various States could appoint a total of seven persons. To assure that each State is treated fairly, it may be wise to limit the number on a multi-State project to three staffers per State, with no limitation on the total.

Charles W. Howe, professor of economics at the University of Colorado, suggested that:

> Agencies should be directed to carry out not only engineering design studies, but social, environmental and economic impact studies, according to professionally accepted practice. This is to guarantee the generation of information needed for intelligent, informed decision-making. Correctly, there is no requirement in S.1241 regarding the weight to be placed on such impacts on the prioritizing process.

A major concern of many analysts of S. 1241 involves the role of the current principles and standards used by Federal agencies in project development. Should S. 1241 ratify those principles and standards, or should it establish a new, more flexible approach to planning? This is a difficult issue, one that deserves careful attention in our September hearings. My inclination is that the present principles and standards should, under a block grant approach, be altered to emphasize a more flexible planning approach, stressing local needs and requirements. With the broader range of projects and diversified responsibility of S. 1241, we need a more flexible approach on principles and standards.

Some have questioned whether all States are capable of spending the sums that would be allocated to them annually out of the $4 billion authorized by this bill, and what happens if a State, for some reason, wants to hold back on water project spending for several years. With the expanded list of those types of projects that would be eligible for support under S. 1241, I am confident that need exists in every State. The Corps of Engineers alone has a backlog of close to $30 billion in authorized work. S. 1241 now directs that any unused money be reallocated (after 3 years) among those States that can spend it. That may not serve as the best way to balance spending. An alternative that would certainly be acceptable to me would allow one State to loan allocated grant funds to another State to gain optimum use of the funds that year, than be repaid in a succeeding year.

It has been noted that some of the deadlines in the bill—such as July 1, 1980, the date for initial submission of State priority lists—may not allow the State sufficient time to do an adequate job. I agree, and believe we may need to move some of these dates back a bit.

It is pointed out that S. 1241 imposes no deadlines on various actions of the WRC, such as the deadline for publication in the Federal Register of preauthorization project notification (Section 103(d)), or the time under which the WRC would make a decision on a project where there is a dispute between the Federal agency and the participating State (Section 103(f). In both cases, there is a need to insert a deadline for action to assure a prompt decision. A limitation of 90 days in each case would seem appropriate.

It has been suggested that projects for flood control under S. 1241 should be required to incorporate the best available techniques for flood plain management. That appears appropriate to me, if we can define "best available techniques."

Questions have been raised about the deauthorization of projects on which construction has begun, but then halted. It would be my assumption that such a project, if the State no longer supports it, would be deauthorized under S. 1241 if the State fails to include the project or its priority list for 5 years.

It has been suggested that S. 1241 money should be available for rebuilding or repairing publicly owned water supply dams that are found to be unsafe. That appears meritorious and within the flexibility of the bill.

Others have argued that the various River Basin Commissions need to be expanded and utilized more effectively in setting project priorities. While I do not believe we should impose an additional layer of government on this program, I believe we can use the expertise of the river basin commissions. We should not

require the development of wall-to-wall river basin authority. But I would be most interested in the thoughts of our September witnesses on ways to incorporate the views of the river basin commissions effectively in the State priority setting.

What should be the yardstick, some ask, for a State's decisions on priorities? Does language need to be added to S. 1241 on general guidelines on what should be considered as a priority project, or should that be left entirely to the State? My inclination is to leave that decision strictly to the States.

How will the reconstituted WRC operate under S. 1241? I believe it needs to be clarified in the bill that the decisions of the WRC should be a majority vote, not unanimity.

Mr. President, those are some of the points that have been discussed so far in connection with S. 1241. I believe the range of issues that I have summarized here shows clearly how much attention and interest the bill has generated to date. I would hope that this statement proves useful in clarifying some points. I certainly invite others to bring their views on these and other points to the attention of the committee, to express them at our September hearings, and to contact both Senator MOYNIHAN and myself directly with suggestions and viewpoints.

Mr. President, we believe this is a very important initiative, one that offers the chance to head off a crisis (in water development) that will almost certainly otherwise occur. It offers a chance to make the program a national one, not a regional one. We value the interest by those who share an interest in this goal.●

● Mr. MOYNIHAN. Mr. President, it is indeed an honor to join with my distinguished colleague from New Mexico, Senator DOMENICI, in submitting to the RECORD some of the thoughtful comments we have received on S. 1241. We are pleased that this proposal for much-needed reform of water policy has met with such wide acceptance. At this time, Mr. President, I ask unanimous consent that a brief outline of the provisions of S. 1241, the "National Water Resources Policy and Development Act of 1979," be introduced into the RECORD.

S. 1241 is a proposal for major reform in the purposes and procedures through which the Federal Government participates in the development and conservation of the Nation's water resources. It covers projects for flood control; hydropower; municipal, industrial and irrigation water supply; saline water conversion; hurricane and beach protection; the improvement of navigation; erosion control; and related programs.

It will replace the present arrangement, under which water projects are authorized on an ad hoc, case-by-case basis by the Congress, with a more rational procedure, based on the principles of federalism, which will engage the government of every State in determining how best to address its water resource needs. It will help us to protect those of our water resources which are in danger of being over-exploited while enabling us to meet new and pressing needs which are presently being denied.

A summary of the provisions of S. 1241 follows:

First. Cost sharing.

S. 1241 replaces the current melange of 185 different Federal, State and local cost-sharing arrangements with one elegantly simple and consistent provision: State or local sponsors of federally-supported water projects will be required to contribute 25 percent of a project's costs. The contribution may be in-kind—for example, land, easements and rights of way—in keeping with current practice. On projects authorized prior to enactment of S. 1241, the state or local 25 percent contribution may be paid over the life of the projects; in other projects it must be paid during project implementation.

Second. Formula for allocating funds.

Four billion dollars in Federal funds will be authorized for fiscal year 1980 for the States to use in implementing water projects. These moneys will be divided among all the States according to a formula which allocates one-half of the funds according to the ratio of each State's population to that of the nation, and one-half according to the ratio of each State's land area to that of the nation.

Third. State priority list. Each State, after holding public hearings, will establish a priority list for the study and implementation of federally-supported water projects.

Fourth. Authorization for engineering and feasibility studies (WRC).

The Federal Water Resources Council will be authorized to spend up to $150 million annually to support engineering and feasibility studies by the Army Corps of Engineers, the Bureau of Reclamation, and the Soil Conservation Service in order to determine which projects placed on their priority lists by State water authorities merit federal support.

Fifth. Project authorization.

A project will be automatically authorized for construction when approved both by a State's governor and by the Federal agency designated by the WRC to study it. If a State requests a project but the Federal agency disapproves of it, the final decision on authorization will be made by the WRC. If the Governor of another State in the affected watershed objects to a project on the grounds that it will adversely affect the water resources of that State, Congress itself will decide whether or not to authorize the project.

Sixth. Nonstructural projects.

Under this bill, water projects employing non-structural and partially structural approaches—flood plain management, land use planning, recycling and reuse of existing water supplies, leak detection and repair, and altering demand patterns—will be provided equal financial incentives to those for water projects involving construction—dams, canals, levees, etc.—in order to encourage conservation of resources and the natural environment.

Seventh. Projects currently authorized.

Projects authorized under present practices will be automatically deauthorized 5 years after the enactment of this bill unless work has begun or unless the project is included on a State's priority list. However, a special fund of $3 billion will be established to make Federal loans available to States so that they may complete projects authorized before passage of this bill.

Eighth. Regional projects.

A special category of regional water projects will be established, to be funded fully and directly by the Federal Government with funds authorized and appropriated by the Congress. These projects may be located entirely in one State, but must provide significant benefits to more than one State. It must be demonstrated through analysis that the benefits of these projects clearly outweigh the costs. Up to 10 of these projects may be under construction and up to 20 studies may be in progress at any one time.

Ninth. Operation and maintenance.

S. 1241 will authorize $1 billion annually for water project operation and maintenance by the Army Corps, the Bureau of Reclamation, and the Soil Conservation Service.

Tenth. Environmental safeguards.

S. 1241 preserves the procedures of the National Environmental Policy Act, the Fish and Wildlife Act, and the Endangered Species Act.

Eleventh. Restructure water resources council.

The Water Resources Council will be reorganized under S. 1241, given an independent chairman, and a majority of its members will be appointees from outside the President's Cabinet.

In summary, S. 1241 will establish policies and processes for development and conservation of water resources which are both rational in method and national in scope. It will encourage vigorous and efficient development of additional water resources, while at the same time encouraging greater conservation both of our water resources and other aspects of our natural environment.●

RAIL TRANSPORTATION VITAL TO AMERICA

● Mr. RANDOLPH. Mr. President, yesterday the Senate passed the Amtrak Improvement Act, S. 712, which reauthorizes the Amtrak system for 2 years. Amtrak is a critical factor in our national transportation network. I believe that S. 712 with the Leahy amendment preserves national rail passenger service. Further, I feel that the regional balance amendment goes even further to insure continuation of the Amtrak system.

This bill, with these amendments, is an improvement over the originally proposed restructure of Amtrak recommended by the Department of Transportation in January. The committee members and our many colleagues, have worked arduously to preserve rail passenger service. I

commend them for their labors and for the results.

I am firmly convinced that a national transportation system must be a balanced system. It must include all modes of transportation, airways, highways, waterways, and railways. Railroads have been a vital link across our Nation and we must preserve that link.

Many times in my career, I have had an opportunity to act positively on my strong commitment to Government programs and projects that serve people. Amtrak, an essential element in our transportation system, serves our people. We must continue to improve that service. We must improve transportation opportunities to our eldery and handicapped citizens. I cosponsored an amendment which passed that facilitates this goal by mandating a reduced fares program for elderly and handicapped persons.

We must, Mr. President, encourage and insure that Amtrak serves rural areas as well as urban centers. I am confident that S. 712, as passed with amendments, will provide the vehicle for a continued strengthening of rail passenger service.●

NEW REFUGEE PREDICTIONS

● Mr. HUDDLESTON. Mr. President, the United States has consistently followed a policy of accepting a disproportionate share of the refugee resettlement burden. We have already accepted about 220,000 Southeast Asian refugees and will accept another 168,000 (210,000 including other refugees) in 1980. The total cost for our foreign and domestic assistance programs for refugees will be over $1 billion in fiscal year 1980. While our assistance efforts are highly commendable, there are limits to what we as one nation can continue to do for the 14 million refugees in the world today.

Unfortunately, the resettlement commitments made at the recent Geneva Refugee Conference do not significantly readjust the U.S. resettlement burden. Furthermore, the commitments do little more than take care of the approximately 400,000 refugees who are now in temporary camps. The real crisis will come after the rainy season in Southeast Asia when thousands will again make the effort to flee. Assumptions which used an ultimate resettlement figure of about 1 million are now being seriously questioned by those closely associated with the refugee situation. An article in the Washington Post on August 2, 1979 quotes an Asian diplomat who believes that "the number eventually will be between 4 and 5 million and will include many non-Chinese."

The magnitude of these numbers and the apparent willingness of other countries to let the United States assume the major burden for these people must cause us to seriously rethink our present open-ended refugee policy. This policy makes no effort to integrate refugee admissions into a total immigration policy and will be continued by S. 643, which will be taken up after the August recess.

I request that the following article be printed in the RECORD.

The article follows:

[From the Washington Post, Aug. 2, 1979]

REFUGEE TRANSIT CAMPS IN VIETNAM POSE MORAL DILEMMAS

(By William Chapman)

TOKYO.—Much of the world was relieved when Vietnam, at Geneva, promised to restrain the exodus of refugees. For a while, anyway, there would be fewer photos of floundering boats and weeping women.

For Malaysia and other Southeast Asian countries, there would be no more drenched souls to push away from their shores. The international community, moreover, would have a breathing spell in which to arrange some less tragic system of receiving those who risk everything to flee Vietnam.

But tricky moral dilemmas lie barely under the surface of the new situation. Does the world really want Vietnam forcibly bottling up those desperate enough to risk death on the seas? Does it want a system of Vietnamese temporary transit camps holding perhaps hundreds of thousands unwanted by the government in Hanoi? Does it favor the idea of bureaucrats picking and choosing who can go, who must stay behind?

After the months of drownings, of helpless people being towed out to sea in hastily repaired boats, the natural response is to believe that serving a stretch in a Vietnamese camp is clearly preferable.

"There is a dilemma," conceded U.N. Secretary General Kurt Waldheim, defending the Vietnamese decision he announced in Geneva. "But these people are drowning in the sea. We've got to do something about it."

But asking the Vietnamese to "restrain the outflow," as it is usually phrased, contradicts some respected rules, including the U.N. charter's insistence on unfettered emigration. It also clashes with the U.S. human rights policy, which asserts that those who want to should come out, period. Many in the State Department have been opposed to the idea of transit camps in Vietnam from the start and their fears are now being expressed in the chilling suggestion that the trend of events is drifting toward a system of U.N.-sponsored concentration camps on Vietnamese soil.

To the Southeast Asian countries that have begged Vietnam to turn off the tap, as they say, such arguments are moralistic thumb-twiddling. Some think it reflects a private decision by the United States and other countries to evade the task of resettling those who eventually would come out.

If the United States and other countries oppose the idea of Vietnamese transit camps, Malaysian Home Minister Mohammed Ghazali Shafie said recently, he wants to hear no more humanitarian handwringing from those corners of the world.

The Vietnamese agreed several months ago to a U.S.-proposed plan that would bring out certain refugees, mostly those with families settled elsewhere, and said at Geneva they would curb the flow of others as much as possible.

It wasn't so much a noble gesture as it was a Vietnamese attempt to placate Southeast Asian neighbors who had demanded that the exodus halt. Vietnamese officials then announced they would immediately begin organizing centers for those wishing to depart.

The U.S. proposal is for an orderly emigration that would permit Vietnamese to step forward freely, get on an airplane or safe boat, and head for a temporary home somewhere in Southeast Asia outside of Vietnam. Large transit camps would be built with U.N. assistance, perhaps in the Philippines or Indonesia, to house the refugees until permanent resettlement is arranged in other countries.

The problem is that nothing like that is available and probably won't be for months. Two small island camps are being readied on Tara in the Philippines and Galang in Indonesia but they could only hold about 20,000 refugees, hardly enough to make a dent.

While the Philippines has promised an island for about 50,000, it has not yet said where and preliminary surveys are yet to begin. Officials in Manila say Busuanga probably would be chosen.

Until the promises of resettlement become real, the Malaysians insist, the best temporary solution is to keep the refugees at home in Vietnamese transit camps. Any illegal emigrants who tried to escape on their own, Home Minister Ghazali asserts, should be picked up at sea and taken to those camps.

A number of countries endorse the idea, although reluctantly, as the least bad among a lot of unpleasant choices. They assume that Vietnam would permit some degree of U.N. supervision and care for the waiting refugees. But even the optimistic, in the view of one Asian diplomat, do not believe the Vietnamese would permit the close supervision needed to assure a free choice by every Vietnamese who might want to flee by way of the camps. Many would hang back out of fear of repression and choose illegal flight through Vietnamese patrols—patrols now encouraged by the international community to turn them back forcibly.

Moreover, this diplomat, who has been deeply involved in the international rescue effort, says the world has not yet faced up to the sheer size of this exodus. It has been assumed that the maximum number to be resettled eventually would be about a million, based on a belief that there are that many ethnic Chinese in Vietnam who are being given the choice of fleeing or accepting harsh new lives in "new economic zones."

This diplomat, though, suspects the number eventually will be between 4 and 5 million and will include many non-Chinese. Officials in Malaysia said recently that of those fleeing in May and June a majority were ethnic Vietnamese.

Another approach, until a resettlement system is a fact, would be for the Vietnamese to do nothing—neither assembling the unwanted people in camps nor forcing them to choose between flight or the new economic zones. That seems to be what the French had in mind at Geneva in proposing a six-month moratorium on departures.

It presumably would require the Vietnamese to suspend their lucrative practice of exacting exit fees in gold. But there is a certain timeliness in the proposal: the rainy season is developing in Southeast Asia and fewer refugees will be trying to buy their way out to stormy seas regardless of what the Vietnamese do.●

STATES AMENDMENTS TO THE SURFACE MINING ACT

● Mr. HATFIELD. Mr. President, the Committee on Energy and Natural Resources, by a vote of 10 to 8 adopted the Hatfield-Ford substitute, and reported S. 1403, the Surface Mining Control and Reclamation Act Amendments of 1979, on Friday July 27.

As a coauthor of the committee bill, and, as my colleagues know, one who has consistently supported national surface mining legislation and who is committed to the principle that development of this Nation's natural resources must be carried out in an environmentally acceptable manner, I was extremely disturbed and disappointed to find that Secretary Andrus has written a letter to Senator JACKSON stating that if the committee bill is sent to the White House in its present form, then he will recommend it be vetoed.

I plan to respond to the allegations contained in Secretary Andrus' letter in some detail when the Senate resumes its legislative activities in September. However, I think it important that some of the misimpressions contained in the letter be addressed now, so that the Members of this body may have as accurate an understanding of the committee bill as possible.

On June 19 and 21, the Committee on Energy and Natural Resources held 2 full days of oversight hearings on the Surface Mining Control and Reclamation Act of 1977. Members of the committee heard testimony from over 30 witnesses representing environmental organizations, the coal mining industry, and the States. All presented a litany of grievances regarding the deficiencies of the Interior Department's Office of Surface Mining in its implementation of the Act.

While the concerns raised by the environmental and industry witnesses are of substantial concern to me and, I am sure, will merit the continued attention of the committee, the most troublesome issues were raised by Gov. Ed Herschler of Wyoming and other witnesses representing the States of West Virginia, Montana, Kentucky, and Colorado.

The States' testimony clearly demonstrated to members of the committee that the Office of Surface Mining's implementation of the act has knocked out of kilter the careful balance between the States and the Federal Government so carefully crafted by the Congress when the act was passed.

The committee bill does nothing other than to restore this balance. It makes no substantive changes in the a act. It is neither an environmentalist bill nor an industry bill. It is a Governors' bill—and one which has been carefully written to address the concerns of the States expressed at the committee's oversight hearings, on behalf of those very same Governors who came before the Congress urging enactment of the Surface Mining Act.

The committee bill will resolve three problems: First, it will authorize additional time to the States to submit their programs to the Secretary for approval. The act requires States to submit their programs to the Secretary by August 3, 1979. Secretary Andrus, himself, has recommended an extension of time for States to submit their programs because the long delay in promulgating the Federal regulations severely shortened the time available to the States to prepare their programs. The committee bill would simply restore to the States, as originally intended by Congress, the time necessary to prepare their program; restore to the Secretary, as originally intended by the Congress, the time for his review and approval of State programs; and begin to restore balance to the Federal-State partnership as intended by Congress.

Although the Interior Department has been cognisant for a number of months that States would have insufficient time to submit their programs by August 3, the Department waited until the 11th hour to recommend a legislative correction. Because of the Department's refusal to seek corrective measures, States found it necessary to sue the Secretary for a restoration of their rights.

In a preliminary order issued on July 25, the Federal District Court for the District of Columbia extended the time for States to submit their programs to March 3, 1980. This judicially ordered extension is consistent with the additional time permitted by the committee bill. The court found "* * * that the Surface Mining Control and Reclamation Act of 1977 * * * contemplates that the States have a year to prepare State plans for the regulation of surface mining within their boundaries, if they must implement legislation to do so."

The court noted that the Interior Department's delay in promulgating final regulations had:

> Deprived the States of much of the year that Congress intended them to have. It is important that the States have the time to consider alternatives to the proposed regulations, and that they have time to solicit public comment and enact legislation in an orderly fashion. To deprive the states of this time would be to abuse their rights in the federal system. It would also, by depriving them of adequate time to prepare a viable state plan and to consider alternatives, subject them to the possibility that the Secretary would reject their plan. This would be a grievous loss to the states, depriving them at least for the indefinite future of the ability to regulate surface mining within their own boundaries.

While the court addressed some of the time problems created by the tardy promulgation of the Federal regulations, the order left undisturbed the June 3, 1980, date for final approval of State programs, thereby compressing the total time for secretarial review and approval from 10 months to 3 months.

The court said that it:

> Recognizes that this injunction will cause problems for the Secretary. Having interpreted the June 3, 1980 deadline as mandatory, he will probably have to press Congress for relief . . . In any case, he cannot escape the effect of his own delays and for his administrative convenience, take time from the states that the Act requires them to have. Such a result would be an affront to the principles of federalism that underly this Nation's structure.

Not only does the Secretary's letter to Senator JACKSON fail to note the existence of the court's order, but it also fails to recognize that the committee bill will provide the relief that the Secretary as well as the States need.

Another purpose of the committee bill is to provide that the Federal lands program be implemented at a time to coincide with the implementation of State programs, thereby preserving the viability of the cooperative agreements with the States. This is necessary to avoid having two separate programs operable, simultaneously, in States with substantial public lands. The chaos resulting from having two separate agencies, one State and one Federal, issuing differing orders and applying differing regulations to adjoining parcels of land must be avoided. A majority of the Senate Energy Committee was persuaded by the recommendations of Governor Herschler of Wyoming to adopt this amendment.

The other element of the substitute was suggested by Gov. Jay Rockefeller of West Virginia, who, as Senators know, was a leading proponent of the Surface Mining Act and is currently the chairman of the President's Coal Commission. Its purpose is to restore to the States the concept of "State lead" by specifying that the essential requirement for State programs is to comply with the specific provisions of the act. Section 101(f) of Public Law 95-87 clearly enunciates the congressional policy that ". . . the primary governmental responsibility for developing, authorizing, issuing and enforcing regulations for surface mining and reclamation operations subject to this act should rest with the States."

As the distinguished majority leader, Senator BYRD, stated in remarks on the Senate floor on July 27:

> The clear intent of Congress when it fashioned the Surface Mining Act was to provide a set of specific guidelines which each state would use to craft its own reclamation plan. That plan would be tailor-made for each state, taking into account the special needs and unique features of each state. In this way, Congress sought to protect the environment and at the same time respect the rights and responsibilities of the states.
>
> Unfortunately, . . . the states have been unable to exercise the discretion due them under the Act. The Act has been interpreted by the Department of Interior as requiring the states to comply with, and in effect duplicate, every jot and tittle of the Federal regulations.

The committee bill simply requires the States to develop the implementing rules and regulations to comply with the act. No substantive change is made to the act. Senators will recall that the Surface Mining Control and Reclamation Act provides for a two-phase implementation. The first phase, which is designed to protect against all the major environmental concerns, was implemented in May of last year, and will remain in force until replaced by phase 2—the secretarially approved permanent State programs or Federal programs. The environment is now and will continue to be protected.

States wishing to assume exclusive jurisdiction as authorized under section 503 must comply with all the requirements of the act, and the Secretary of Interior will review State programs to insure such compliance. Some States may elect not to assume exclusive jurisdiction, and in that event the Secretary becomes the regulatory authority for such States. In those circumstances, the Secretary will write regulations for a State, taking into account geographical, geological, climatic and other physical differences as contemplated in the act.

The committee bill does not, as one of my colleagues has indicated, take a broad axe approach. The Secretary will con-

tinue to approve or disapprove State programs (including the State rules and regulations) and determine whether they are in accordance with the act. The Secretary's authority to issue regulations remains.

Mr. President, the Governors of the coal-producing States have told the committee that they have never before dealt with a Federal agency as arrogant as the Office of Surface Mining. Secretary Andrus's letter to Senator JACKSON does not even begin to recognize the fact that OSM's credibility with the States is bankrupt. The committee bill will send a clear message to the Interior Department that the Congress demands the States be treated as equal partners in the regulation of surface mining.

Mr. President, at the conclusion of my remarks, I request that the order of July 25 issued by the Federal District Court for the District of Columbia be printed in the RECORD.

The order follows:

[U.S. District Court for the District of Columbia, Civil Action No. 79-1144]

IN RE: PERMANENT SURFACE MINING REGULATION LITIGATION

PRELIMINARY INJUNCTION

The court has considered the Motions for Preliminary Injunction presented by the State of Illinois and the Commonwealth of Virginia in this consolidated action, as well as the memoranda in support thereof, the affidavits, the record in this case, and the opposition filed by the Secretary of the Interior. The court has determined that the moving parties are entitled to relief, and will issue an opinion in early August fully setting forth its findings and conclusions. In the interim, however, the court deems it advisable to place in the record a short outline of the court's conclusions.

The court finds that the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C.A. § 1201 et seq. (Supp. 1978), contemplates that the States have a year to prepare State plans for the regulation of surface mining within their boundaries, if they must implement legislation to do so. See 30 U.S.C.A. §§ 1253(a), 1254(a). The Secretary has already made the determination that the States must implement legislation, and he is bound by that decision. The Act is designed to allow the States to consider alternatives to the proposed Federal plan, which is set forth in the regulations under review in this case. If they fail to submit a plan, or if the Plan is deemed inadequate by the Secretary, the Secretary is empowered by the Act to institute a Federal program governing surface mining within the State.

The Secretary was required by the Act to promulgate permanent regulations by August 3, 1978. They were not actually promulgated until March 13, 1979, a delay of seven months. The delay, perhaps inevitable, in promulgating the final regulations, has deprived the States of much of the year that Congress intended them to have. It is important that the States have the time to consider alternatives to the proposed regulations, and that they have time to solicit public comment and enact legislation in an orderly fashion. To deprive the States of this time would be to abuse their rights in the federal system. It would also, by depriving them of adequate time to prepare a viable State plan and to consider alternatives, subject them to the possibility that the Secretary would reject their plan. This would be a grievous loss to the States, depriving them at least for the indefinite future of the ability to regulate surface mining within their own boundaries.

The Secretary of the Interior has recognized the need for relief. He has gone to Congress to ask for it. He has also promised the States that he will grant them "appropriate" relief. At the hearing in this matter on July 25, 1979, the Secretary through counsel proffered to the court a proposed regulation that would enable the States to extend their time for submission up to 60 days on a case-by-case basis. The regulation provides that the submission date could only be extended on a showing by the state that the delay was justified, after an application for an extension, with the final decision in the hands of the Secretary. The court concludes that this proposal is wholly inadequate, in view of the Congressional intent that the States have a year, the Secretary's own delay in promulgating the final regulations, and the harm that would befall the States if, due to inadequate time to prepare, their plans were rejected or alternatives insufficiently considered.

The court recognizes that this injunction will cause problems for the Secretary. Having interpreted the June 3, 1980 deadline as mandatory, he will probably have to press Congress for relief. Again, he has already done so. In any case, he cannot escape the effect of his own delays and for his administrative convenience, take time from the States that the Act requires them to have. Such a result would be an affront to the principles of federalism that underly this Nation's structure.

Accordingly, it is, by the court, this 25th day of July, 1979

Ordered, that the motions for injunctive relief filed by the State of Illinois and the Commonwealth of Virginia[1] shall be, and they hereby are, granted, and it is further

Ordered, that the enforcement of Parts 730, 731, 732, 733 and 736 of Title 30, Code of Federal Regulations of the Secretary of the Interior is enjoined, except as to those States which may voluntarily submit State programs under such aforementioned regulations, and it is further

Ordered, that no State shall be required to submit a State program pursuant to the Surface Mining Control and Reclamation Act, P.L. 95-87, Section 503(a), Title 30, U.S.C., Section 1253(a), until March 3, 1980, or further order of this court, and it is further

Ordered, that nothing in this Order shall prohibit the States from voluntarily submitting draft programs or otherwise informally discussing proposed programs with the Secretary, nor is the Secretary enjoined from soliciting the submission of State programs, and reviewing the same informally or otherwise assisting the States in program development and implementation, and it is further

Ordered, that the submission of a State program pursuant to the challenged regulations shall be without prejudice or waiver of any issue or claim raised in these proceedings, and it is further

Ordered, that for the purposes of Section 503 and 504 of the Act, 30 U.S.C. §§ 1253-54, the failure of any State to take any action the purpose of which is to prepare, submit or enforce a State program, or any portion thereof, because of or in reliance on this Order, shall not result in the loss of eligibility for financial assistance under Titles IV and VII of the Act, or in the imposition of a Federal program in that State, and it is further

Ordered, that regulation of the surface coal mining and reclamation operations covered or to be covered by a State program subject to this injunction shall be conducted by the State pursuant to Section 502 of the Act, 30 U.S.C. § 1252, until further Order of this court.

THOMAS A. FLANNERY,
U.S. District Judge.

[1] The Commonwealth of Virginia's motion to stay these proceedings was withdrawn at the hearing in this matter, and is not within the scope of this order.●

AMERICA'S MOST HAZARDOUS OCCUPATION

● Mr. MATHIAS. Mr. President, just a week ago the Senate approved the funding of the National Fire Academy which will be located on the campus of what was formerly St. Joseph's College in Emmitsburg, Md. The Senate's action paves the way for training firefighters from all over America with the aim of reducing the tremendous loss of life and property the country sustains every year as a result of fire.

Firefighting is our most dangerous profession. More people are killed and injured in fighting fire than in any other single American occupation. The hazards are enormous. The hardships are very great. I am always impressed when I see firefighters carrying out their jobs, undergoing the tremendous and harrowing hardships of cold, of freezing water, and the imminent dangers of fire, smoke and the threat of explosion or cave-in.

As an illustration of the life-threatening risks faced by firefigters, I would like to pay tribute today to three members of the District of Columbia Fire Department, who just recently faced the kind of mortal danger I am talking about. Their story has never been told in the press.

At 8 p.m. on July 13, Lt. Charles Harmon of Alexandria, and Firefighters George Lockey of Waldorf, Md., and Albert Drew of Oxon Hill, Md., entered a building in the 2400 block of Elvans Road, SE., in the District. They were responding to a call about a gas leak in the four-story garden apartment building. They entered an apartment which appeared to be the source of the leak and attempted to shut off the gas line. As they moved through the room the action of their bodies set up a static electric charge, and the room exploded. The three men were hurled 10 feet into a hallway, and were burned. Luckily, they were not injured fatally. After several days at Greater Southeast Community Hospital, they were released, and are soon expected to return to their jobs.

I cite this as an example of the dangers our firefighters face every day of their lives. So, I am particularly pleased that the Senate has taken the step to establish a national training center for our country's firefighters. At Emmitsburg not only will men and women from every State be given the very latest instruction in firefighting, but they will return to their communities with renewed confidence that the effects of America's greatest domestic peril—fire—can be significantly reduced.●

ENERGY FACILITIES

● Mr. WALLOP. Mr. President, there are several proposals before Congress which would permit the Federal Government to override State law if a State did not make a timely decision on siting of a "priority" energy facilitiy. However, there has been no demonstrated evidence

that State procedures are barriers to siting energy facilities.

The tendency has been to point to the regulatory labyrinth encountered by the Sohio pipeline project and then assume that all State regulatory agencies act in a similar manner. To counter this argument, I am submitting for the RECORD a letter from Gov. Richard Lamm, chairman of the Committee on Natural Resources and Environmental Management of the National Governors' Conference. Along with the letter is a comprehensive study prepared by the National Governors' Association on the same topic.

Mr. President, I ask that the material be printed in the RECORD.

The material follows:

NATIONAL GOVERNORS' ASSOCIATION,
August 1, 1979.

DEAR SENATOR WALLOP: As you are aware, the Administration's proposal for an Energy Mobilization Board involves the establishment of fixed deadlines for state action and possible federal preemption of state facility siting decisions. While the Governors support the President's desire to cut through red tape, I am convinced that a careful analysis of the causes of recent energy project delays will show what fixed deadlines and preemption cannot effectively expedite the construction of major energy facilities for the following reasons:

State siting processes have not been a major cause of energy project delay. Far more often, the federal government has lagged behind timely state approval of energy facility permits.

Most delays which do occur in state processes result from incompleteness of permit applications, changes in the project, or judicial challenges.

The states are generally better organized to make good decisions quickly than is the federal government.

States have been leaders in developing one-stop permitting processes for energy projects and streamlining site selection procedures.

A recent 36-state study indicated the average time for state processing of a power plant application was 12-18 months.

These facts, I believe, point to a far more effective strategy for the expediting of major energy facilities—increased consultation and cooperation with the states. The preemption of state reviews or the enforcement of strict deadlines are likely to destroy the necessary and legitimate evaluation of energy project proposals with questionable gains in project review time. It makes much more sense, I believe, to investigate methods of joint federal/state review and concurrence.

I urge you not to support enforced deadlines for preemption of state facility siting processes. For your further information, I have enclosed a white paper detailing the record of states in expediting the siting of energy projects.

Sincerely,

Governor RICHARD D. LAMM,
Chairman, Committee on Natural Resources and Environmental Management.

Enclosure.

STATE INITIATIVES IN EXPEDITING ENERGY FACILITY SITING REVIEW PROCEDURES

Several current legislative proposals, including that of the Administration, would override state laws and regulations based on the belief that state regulatory processes have been a significant cause of delays in the siting of major energy facilities. This white paper analyzes the validity of that belief by presenting the states' record in energy facility siting.

FEDERAL PERMITTING—OVERLAPS AND INADEQUATE COORDINATION

Several recent studies have examined the performance of state and federal agencies in permitting energy facilities. The Nuclear Regulatory Commission conducted a series of studies of both nuclear and non-nuclear facilities in 1977 entitled "Improving Regulatory Effectiveness in Federal/State Siting Action" which concluded that state site examination activities were not a significant source of delay in certifying proposed facilities. In contrast, the study found that federal agencies were inconsistent in their implementation of regulations and in the application of statutory authority. Offices within the same federal agency often issued conflicting directives. The study also found the multiplicity of federal permitting agencies led to significant coordination problems which it termed "a serious deficiency of the present process, a deficiency which must be remedied before the system could be fairly deemed effective." The NRC study recommended a series of changes; principal among these the creation of a federal siting council which could deal with all federal activities related to energy facility siting. While NRC did not recommend granting authority to the council to waive federal statutes, it did suggest granting power to set timetables for federal decisions and coordinating federal decisions with state and local decisions.

STATE SITING PROGRAMS

The siting of energy facilities is a controversial and extremely complex process. The construction and operation of large energy facilities impose large economic, social and environmental costs on surrounding communities and often impact those at a distance. There was a period when such projects were viewed as providing unblemished benefits for local and state economies. Any comprehensive analysis of the totality of a facility's impact was deemed unnecessary. Those days have passed.

State analyses conducted within the context of site review programs have brought attention to the full social costs of a project, and have emphasized the need to deal with the social, economic and environmental consequences of a facility's construction and operation.

State site review processes are generally equal to, and in many cases, are superior to federal reviews. Any diminution of state responsibility by unwise federal legislation that seeks to override or preempt state authority can damage the comprehensive analysis of project suitability without corresponding benefit.

As was pointed out in the recently completed Northwest Energy Policy Project Study, sponsored by the Pacific Northwest Regional Commission, "There is a tangle of jurisdiction oversight, a plethora of internal conflicts in legislation and an uncertain relationship with programs in the federal agencies. In both the pacific northwest and the nation, the framework of the older institutional energy-related arrangements is increasingly unworkable."

States have and are responding to the necessity of streamlining and making site selection and suitability procedures more effective. There are numerous ways in which the federal government can be supportive of these efforts: by providing needed assistance, and improving its own in-house review capabilities, rather than by seeking a heavy-handed, inappropriate, unmanageable, and perhaps unconstitutional preemption of state authority and responsibility. The questions posed in meeting the nation's demand for energy can be more effectively resolved through cooperative action and improved federal administration systems. What is sorely needed at present is a corresponding federal initiative which would improve the federal response to site analysis questions paralleling state efforts over the past several years.

CONSOLIDATION OF SITE ANALYSIS PROCEDURES

A number of states have moved aggressively to integrate their siting procedures starting with Washington State in 1970 when that state adopted a comprehensive site examination system through the establishment of a state site energy facility site evaluation council. The legislature created this state body as a one-stop process for the rapid identification and resolution of relevant issues. Following this action many other states have aggressive action to make their siting program more responsive to the needs of their citizens. A principal objective has been to reduce bureaucratic delays with respect to site certifications and permits. These state efforts have centered on analyzing the significant effects of proposed major energy facilities on natural resources, the state and local economy, pollution (air, water, and land), community facilities and services, and individual impacts. A number of states have followed Washington's example and created one-stop siting mechanisms. Not all states have shown equal interest in dealing with siting questions, but most states, have developed coordinative mechanisms to more effectively deal with multi-agency interests. In recent years, the track record for states in meeting this problem has been favorable, particularly in comparison with federal efforts. The states of Oregon, Wyoming, New York, Florida, Washington, California, Maryland, Massachusetts, Ohio, Wisconsin, Montana and Iowa have been leaders in making major changes in their siting programs.

TIME SCHEDULES FOR ACTION

In recent years, states have attempted to speed up the processing of site suitability certificates and permits to allow construction and operation of major energy facilities through the placing of statutory or administrative time limits for agency action. While the time limits vary, the basic rationale for statutory scheduling is to prevent unnecessary delays in administrative reviews and enhance timely decisionmaking. Differing conditions within states have resulted in differing time limits. The typical time limitation ranges from 12 to 18 months. Some states have shorter periods. In Arizona and Maine, the time allowed is 180 days. In the former state, a hearing is held not more than 60 days after notice is first given. The certificate must be issued or denied within 180 days after the application has been filed with the Power Plant and Transmission Line Siting Committee.

Oregon has a two year time frame, North Dakota six months to a year, South Dakota and Washington, 12 months, and Wisconsin, 18 months. In Wyoming, the Industrial Siting Council has a 180-630 day period for review and decision. In practice, however, Wyoming has never exceeded 285 days in making a decision. California has established two separate 180 day reviews; one for the designation of an appropirate site, and the other to determine the suitability of an energy facility. In some states, there is no specified statutory review time restriction, but there is an expectation that the analysis of an application will take place in a reasonable time. In Ohio, for exmple, review takes from six months to one year, although this is not a statutory directive.

Where circumstances warrant, extensions of these statutory or administrative time limits are allowed on the basis of: orders of a state agency, agreement between the applicant and lead state agency, good cause, failure of the applicant to submit the required materials in a timely manner, availability of new data or information affecting the siting decision, or some other unusual

circumstance. However, the overall intent of states is to adhere to strict schedules of review and to make final decisions as soon as is appropriate.

Relying on state governments' knowledge and expertise could assist federal agencies in the licensing of energy facilities. While the proposed legislation is not directed at nuclear installations, it is useful to note that in Washington State, the Energy Facility Site Evaluation Council, considered exhaustively the application for twin reactors at the Skagit River site in Northwest Washington and recommended that the Governor approve the application for a site certificate. The Governor approved the recommendation, concluding the proceedings as required under state law. Those actions were taken in the latter part of 1976. The nuclear power plant is still not under construction, three years later. At the present time, there still are administrative proceedings underway by the NRC dealing with issues that were addressed by the state years ago. This case is illustrative of many situations in which comprehensive state analysis and decision based upon that information and data does not conclude the bureaucratic process which energy facility sponsors must follow. The inevitable results of such delays add heavily to the costs of the plant and impacts negatively on the scheduling and availability of needed energy.

Overlapping and duplicative procedures continue to exist, to the detriment of sound and timely decisionmaking. The states strongly support the need for increased federal attention and action to better interrelate and coordinate their responsibilities and to properly recognize the ability of states to conduct effective project feasibility reviews. Consultation and coordination with the Governors and the appropriate administrative agencies can significantly improve siting decisions without the imposition of the proposed Administration presumed "improvements" which may, by interfering in traditional and constitutional state authority, only compound and make existing difficulties more severe.

STATES WITH IDENTIFIED TIME LIMITS FOR CERTIFICATION OF MAJOR ENERGY FACILITIES

State and time frame:

Arizona, hearing to be held not more than 60 days after notice. Certificate issued or denied 180 days after filing of application.

California, two 18 month procedures: (a) notice of intention (site alternatives); and (b) application for site/facility.

Florida, 14 months.

Georgia, varies with particular permit program.

Kansas, 90 days, plus the required hearing time for energy facility permits.

Maine, 180 days.

Massachusetts, one year (Siting Council), no specified time for other state agencies.

Minnesota, need certificate 6 months; site certificate one year; specific design permits, unspecified.

Missouri, air quality permit, 60 days; water quality, minimum of 45 days; no discharge permitted until 180 days after permit is issued.

Montana, two years.

New Jersey, in most cases, 90 days for permits.

North Carolina, six months.

North Dakota, six months to one year.

Ohio, one to one and one/half years (not statutory).

Oregon, up to 2 years.

South Dakota, 12 months.

Washington, 12 months.

Wisconsin, 18 months.

A CASE STUDY OF TIMELY STATE DECISION MAKING: THE MISSOURI BASIN POWER PROJECT

A recent study by Missouri Basin Power Project, detailed the timely performance of the State of Wyoming in siting the 1,500 megawatt, $1.3 billion coal-fired electric generating facility at Wheatland, Wyoming. This facility is designed to serve base load power requirements during the 1980's for six participating consumer-owned bulk power suppliers serving municipalities and rural cooperatives in 8 neighboring states.

The Missouri Basin Power Project is complex and expensive, involving the acquisition of water, the construction of a dam and reservoir, and the construction of the generating plant and major transmission facilities. This project is subject to some 31 permits and/or certificates which must be acquired for construction and operation of the facility, of which 24 are state permits. A number of intervenors, including the Sierra Club and the Laramie River Conservation Council, objected to the Missouri Basin Project and used the state permitting process and judicial appeal to stop it. Nonetheless, all state permits and certificates were granted expeditiously, and the project received its final go-ahead only 14 months after its first application under the state's Industrial Development and Siting Act.

The major permits and certificates issued by the State of Wyoming include:

Certificate of Public Convenience and Necessity, Public Service Commission. Applied for February 1975; issued June 1976. This permit considered need for power, cost of power, availability of water, and feasibility of transmission.

Air and Water Pollution Permits, Department of Environmental Quality. Applied for February 1975; issued December 1975. These permits considered effects of the project on regional air and water quality.

Industrial Siting Permit. Applied for December 1975; issued April 1976. This permit, which allowed the initiation of construction, was issued in less than 5 months. It considered the availability of water, long-range socioeconomic impacts of the project including its effects on agriculture and government services, environmental effects, and the geologic suitability of the site.

COMPLETENESS OF APPLICATIONS

While states vary in approach, generally the date an application is received by a state is the date upon which the designated time periods begin to run. Some advocates of stronger federal action, including the authority to preempt state processes and decisions, point to the fact that the deadlines for action are not always adhered to and that decisions are consequently unnecessarily delayed. One of the assumptions made is that when an application is received by a state, it includes all the information that a state needs to carry out its responsibilities. Often this is not the case. Ordinarily, supplemental information is needed from an applicant after filing, or an application is submitted with the understanding that the project sponsor will be providing more data as it becomes available. During the analysis period, additional information is often required by state siting agencies in order to proceed.

An example in Washington State illustrates this point. In July 1976, the Northern Tier Pipeline Co. submitted an application for construction of an oil port and pipeline from that state into the northern interior states to make crude oil available to those refineries that would have no supply alternatives once Canadian crude oil exports to the United States are stopped. That initial application was so lacking in information that the state Energy Facility Siting Council initially determined that it could not even accept it for processing. Upon further consideration, however, the Council concluded that it would accept the application upon condition that the company supply the needed data and documentation so that adequate state review and analysis could proceed. During the review process, the state siting agency is required under state law to make a determination that an application for an energy facility covered by the act is complete for purposes of state review. That determination was finally made by the Council in early summer 1979, three years after initial submission by the applicant. This three year period was not caused by the delaying activities rather by the fact that essential information necessary for the application to be properly examined was not in hand. The intent of state law assumes that with sufficient information available at the time an application is received by the state, processing could commence.

The State Siting Council has extended its consideration of Northern Tier's application three times at the applicant's request for a total of two and one-half years. Some 17 months after the original filing, the company acknowledged that the state did not have sufficient information to make a decision. The Council at one point recommended that an expedited schedule be adopted, but this was not acceptable to the company. As a result, the state has had to repeat a number of procedural steps because of changes in the application. These include land use and zoning hearings in several counties of the state through which the pipeline would be constructed. Hearings originally were conducted in 1976, then again in 1978 after changes were made by the applicant. In July 1979, a repetitive set of hearings were begun due to pipeline route changes requested by the company. The applicant has been quite candid, in this instance, in admitting that the delays have not been due to the state procedures. In fact, the company has stated that the state could not have taken any action to speed up the process.

This example points up the serious dangers involved in requiring states to meet a mandatory timetable set by a federal Energy Mobilization Board, as proposed by the Administration. In this case, Washington State would have had to appeal to the Mobilization Board for repeated extensions of the decision deadline in order to retain sufficient time for a decision on a complete application and to avoid the intervention by the EMB and a hasty preemptive federal decision. The additional bureaucratic loops that would be occasioned by the Administration's proposal would simply have added to delays rather than expediting the siting process. The Administration's proposal would build in an incentive for states to simply reject applications to avoid the bureaucratic procedures with the EMB over extensions, etc. The state later on could reopen the proceeding once the project was no longer on the "fast track." This too, would cause further delays in siting the project, contrary to the desired speedup goal. In addition, the applicant could use the mandatory federally-determined deadline as a means to obtain concessions from the state on the completeness issue, particularly, if the state were basically in favor of the proposed project because of the benefits it promised for the area.

It should be noted that delays also occur because of citizen intervention though the state often receives the blame for the delay. The State of Oregon completed its site analysis and certification for the Pebble Springs nuclear facility in less than one year. Litigation brought by private citizens delayed the licensing for several years and forced the state to reopen the siting process. Yet, this is often cited as an example of state delays in permitting.

In sum, any presumed evidence that states and their administrative systems are improperly delaying the resolution of issues or the processing of project proposals needs to be

carefully and critically examined to determine the exact cause. States have little desire to make decisions on major siting issues without first obtaining sufficient information and analysis to support a reasoned decision. The notion that the federal government can mandate a better and quicker decision assumes either that those working at the federal level have greater intelligence and competence in these matters or a stronger desire to solve this nation's energy problems. Both conclusions are suspect.

STATE ACTION TO ACCELERATE SITE REVIEWS

Under applicable state law, also in Washington State, the sponsor of three 500 megawatt coal-fired steam electric generating stations at Creston, Washington requested that the State Energy Facility Site Evaluation Council prepare a potential site study. The purpose of the study is to evaluate the potential impacts of the site and to identify and analyze those effects and impacts which may:

1. Preclude the siting of the plant;
2. Require substantial mitigation to enable satisfactory siting;
3. Need to be addressed in detail in order to have a complete application for a site certification agreement.

The study is not construed as an advance environmental impact analysis since it is limited to adverse impacts and negative factors. It is assisting the state and the applicant in determining whether or not there are substantial problems that would make the pursuing of a formal application inappropriate. Early identification and analysis of negative factors will improve the entire site analysis and certification process.

The study includes a number of significant factors:

Avian Biology, Agriculture, Recreation, Sewage and Water, Solid Waste, Cultural Resources, Terrestrial Biology, Transportation, Air Quality, Hydrology, Fisheries, Aesthetics/Noise, Geology, Water Quality, Flood Risk, Socioeconomics.

The state anticipates that there will be no major barriers to the project, identified in the advance site study. The conduct of this study could reduce the time for application processing by six months. It is estimated that it may only take six months after the submission of the application to prepare for the required contested casehearing, which would give sufficient time for the preparation of the environmental impact statement. A decision could be rendered four months later, and submission to the Governor for his decision would take place well within the statutory guidelines. The state also has embarked on discussions with principal federal agencies to determine the most effective way of preparing the EIS. It is likely that there will be agreement on the designation of a lead agency for the preparation of the EIS that would fulfill the requirements of both the state and federal agencies, thereby avoiding the waste of resources in duplicating the analysis.

STATE/LOCAL RELATIONSHIPS IN THE SITING PROCESS

There is substantial concern on the part of state governments that units of local government be strong participants in the energy facility siting process. States feel that the strength of a proposal depends largely upon how well the impacts on a site-specific area are to be mitigated.

Local units of government commonly are parties to the siting process. In Washington State, the unit of local government in which the facility is to be located becomes a part of the siting council during its deliberations. Conformance to local planning and zoning and other regulations is usually expected. Several states do have provisions for dealing with an overriding state interest after efforts are made to work out an accommodation with local governments. Typically, detailed study is undertaken to determine whether local plans or regulations were unreasonably restrictive. Local governments are encouraged to work with states on siting problems.

Review of environmental factors

There has been an assumption by some that the federal government can make more timely and more comprehensive analysis of the environmental impacts of proposed energy facility projects than can state governments. This assumption is not borne out in the experience of a number of states. In the State of Maryland, for example, there is a strong record that indicates that the federal government cannot match the local experience, reliability and accuracy of a state's environmental and socioeconomic determinations without the conduct of an extremely expensive and duplicative detailed site investigation program. In nuclear power plant siting, for example, it would be difficult for the Nuclear Regulatory Commission to conduct the detailed investigations of the type Maryland makes at every location throughout the state. As has been articulated by the state, "Site specificity is the key to avoiding superficial efforts to protect single components of an ecosystem without causing other environmental dislocations. The ecological community of plants and animals is too varied. The state is best suited to know for a particular site what data and information needs to be collected, the frequency, degree of precision and accuracy of the data, and the availability of competent local scientists to interpret the data."

As a result of extensive field studies of aquatic impact, Maryland officials were able to identify needed changes in plant design early in the review process for a nuclear plant that was not identified by federal agencies. This work far exceeded an oversimplified federal analysis which treated an estuary as a lake. Other examples revealed that federal agencies lacked awareness of the significance of the impact of groundwater withdrawal and relied on obsolete data. These and other situations were not the result of either incompetence or lack of ability. They result from the inherent difficulties which can be avoided if states have the basic responsibility for carrying out site-specific reviews. Imposition of a federal takeover will not make the system work better. States are the logical unit of government to deal with environmental and socioeconomic impacts. The federal government can be involved to the extent that there is an overriding national interest (e.g., the safety of nuclear plants).

CONCLUSION

The Governors have long supported the need for federal coordination with the states and for a central federal siting authority such as is embodied in the concept of the Energy Mobilization Board. However, granting meat-axe like authority to the Board in dealing with state and local governments overlooks a number of more effective and less Draconian measures.

The following opportunities for improvement in federal/state siting are available:

Close federal/state consultation and concurrence on the designation of priority energy projects and the setting of decision timetables;

Clear statutory authority for joint federal/state development of environmental assessments and impact statements (states have long favored delegation of federal environmental reviews to states).

Greater reliance on joint hearings and concurrent reviews;

Expanded technical assistance to states and federal support for the development of state energy mobilization boards;

Greater access for states to federal information.

The Administration appears to have bypassed these opportunities in favor of a more simplistic effort to focus attention on time deadlines and rapid decisionmaking. As noted earlier, such an approach merely builds in an incentive to say no to energy projects rather than encouraging improvements in state/federal coordination. States have for the past ten years concentrated on strengthening their review programs by emphasizing the integration, consolidation and coordination of state agency permits. This has resulted in a more comprehensive and timely review of the relevant issues. To focus solely on tightening decision deadlines and waiving state laws begs the far more significant question of how to rationalize the permitting process.

The National Energy Plan and its specific program elements pursue the principal objective that the federal government should provide a clear and consistent statement of energy policies and programs with clear and consistent rules and regulations emanating therefrom. To carry out this objective, the states must be included as partners and not perceived as combatants, antagonists or obstacles in that process. What is sorely needed is not confrontation with state interests and concerns, but an accommodation that leads to good, timely and effective decisions.

The legitimate frustration with the existing complex array of regulatory authority and activity in energy facility siting should not be permitted to result in the choice of state inadequacies as a major scapegoat. An end to the regulatory tangle is a laudable goal, but efforts should be focused where reform is needed most—in the federal administrative sector.●

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today, but I would want to remind our colleagues that on tomorrow there will be rollcall votes. Already four rollcall votes have been ordered for tomorrow. There may be other rollcall votes tomorrow. Senators can schedule their day accordingly.

SENATE RESOLUTION 223—DESIGNATING THE EMPLOYING AGENCY UNDER THE ETHICS IN GOVERNMENT ACT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. STEVENSON, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 223

Resolved, that the Senate assigns responsibility for administering the reporting requirements of Title I of the Ethics in Government Act of 1978 to the Select Committee on Ethics.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

● Mr. STEVENSON. Mr. President, this resolution is a ministerial act which formally designates the Select Committee on Ethics as the committee of the Senate charged with administering title I of the Ethics in Government Act of 1978, as amended.

Title I of the Ethics in Government Act requires Members of the Congress and certain employees to submit annual public financial disclosure reports. The act thus requires by statute that which the Senate had required of itself when it passed rule 42 of the Standing Rules of the Senate in 1977.●

The PRESIDING OFFICER. Does the Senator move the adoption of the resolution?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on table was agreed to.

ORDER FOR EXTENSION OF TIME TO REPORT ON NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Government Affairs have an extension of time until September 28, 1979, to consider the nomination of Frankie Freeman to be Inspector General of the Community Services Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 1 minute to consider the two nominations under National Credit Union Administration Board.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I reserve for the purpose of advising the majority leader that the items to which he refers are cleared on our calendar and we have no objection to proceeding to their consideration and confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the first nomination.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

The assistant legislative clerk read the nomination of P. A. Mack, Jr., of Indiana, to be a member of the National Credit Union Administration Board.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Harold Alonza Black, of North Carolina, to be a member of the National Credit Union Administration Board.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 95-521, appoints Robert K. Kelley as Deputy Senate Legal Counsel, effective August 27, 1979.

SENATE RESOLUTION 224—APPOINTING ROBERT K. KELLEY TO BE DEPUTY SENATE LEGAL COUNSEL

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution on behalf of Mr. BAKER and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 224

Resolved, that the appointment of Robert K. Kelley to be Deputy Senate Legal Counsel, made by the President pro tempore of the Senate this day, shall become effective on August 27, 1979, and the term of service of the appointee shall expire at the end of the 97th Congress.

Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Without objection, the resolution (S. Res. 224) is considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY

(EXECUTIVES AA AND BB)

Mr. ROBERT C. BYRD. Mr. President, as in executive session, ask unanimous consent that the injunction of secrecy be removed from two treaties with the Republic of Turkey, on Extradition and Mutual Assistance in Criminal Matters and on the Enforcement of Penal Judgments, both signed at Ankara on June 7, 1979 (Executives AA and BB, 96th Congress, first session), sent to the Senate today by the President of the United States, and ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Extradition and Mutual Assistance in Criminal Matters between the United States of America and the Republic of Turkey, signed at Ankara on June 7, 1979.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern extradition and mutual assistance treaties being negotiated by the United States. At the request of the Turkish side, the subjects are combined into one treaty. The treaty is self-executing and utilizes existing statutory authority.

The extradition portion of the treaty replaces the current treaty between the United States and Turkey which was signed in 1923. It greatly expands the list of extraditable offenses to include narcotics offenses, aircraft hijacking, bribery and obstruction of justice, as well as many other offenses not now covered by our existing treaty. Upon entry into force, it will terminate and supersede the existing Treaty of Extradition. The new treaty will have only limited retroactive effect. American citizens are not extraditable to Turkey under the present treaty, although they are under the new treaty. Under the new treaty, however, they will not be extradited for extraditable offenses under the present treaty committed prior to entry into force of the new treaty. Also, the new treaty provides that extradition shall not be granted for an offense committed before this treaty enters into force which is not an extraditable offense under the present treaty.

The mutual assistance portion of the new treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the treaty includes (1) executing requests relating to criminal matters; (2) taking of testimony or statements of persons; (3) effecting the production, preservation and authentication of documents, records, or articles of evidence; (4) returning to the Requesting Party any objects, articles or other property or assets belonging to it or obtained by an accused through offenses; (5) serving judicial documents, writs, summonses, records of judicial verdicts and court judgments or decisions; (6) effecting the appearance of a witness or expert before a court of the Requesting Party; (7) locating persons; and (8) providing judicial records, evidence and information.

I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *August 2, 1979.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Turkey on the Enforcement of Penal Judgments which was signed in Ankara on June 7, 1979.

I transmit also, for the information of the Senate, the Report of the Department of State with respect to the treaty.

The treaty would permit citizens of either nation who have been convicted in the courts of the other country to serve their sentences in their home country; in each case the consent of the offender would be required.

This treaty is significant because it represents an attempt to resolve a situation which has inflicted substantial hardships on a number of citizens of each country and has caused concern to both governments. It also represents a significant element in the modernization of our relations with Turkey in the field of international judicial cooperation.

I recommend that the Senate give early and favorable consideration to this treaty.

JIMMY CARTER.

THE WHITE HOUSE, *August 2, 1979.*

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 95-45, appoints the following Senators to the 66th Interparliamentary Union Conference, to be held in Caracas, Venezuela, September 13-21, 1979: The Senator from New Jersey (Mr. WILLIAMS), chairman; the Senator from Arizona (Mr. DECONCINI); the Senator from Vermont (Mr. STAFFORD), vice chairman; and the Senator from South Carolina (Mr. THURMOND).

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 220 TOMORROW AND TO ORDER YEAS AND NAYS THEREON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the disposition of the countercyclical bill and before taking up the Bonneville bill, which has already been scheduled, the Senate proceed to the consideration of Calendar Order No. 316, Senate Resolution 220, for a period of not to exceed 30 minutes, to be equally divided between Mr. MORGAN and Mr. SCHMITT; and that it be in order to order the yeas and nays at any point on passage of that resolution.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I believe I am correct in stating that first, tomorrow, after the orders for the recognition of any Senators, if such there be, have been completed, following the recognition of the two leaders or their designees, the Senate will proceed to the consideration of the countercyclical bill, Calendar Order No. 289, in connection with which four rollcall votes have already been ordered, three of which are on amendments by Mr. BELLMON and one of which is on passage of the bill. Upon the disposition of that bill, the Senate will proceed to the consideration of Calendar Order No. 316, S. 220, a resolution amending the Standing Rules of the Senate. There is a time limitation on that resolution of 30 minutes. There will be a rollcall vote on the adoption of that resolution.

On the disposition of the resolution, the Senate will turn to consideration of Calendar Order No. 289, S. 885. There may be a rollcall vote on that measure.

Mr. CRANSTON. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CRANSTON. Is it possible to consider H.R. 2282 ahead of that?

Mr. ROBERT C. BYRD. As I understand it, the minority, as of the moment, is exploring the situation in regard to the veterans compensation measure.

Mr. BAKER. If the majority leader will yield to me, we are checking that now. It may be possible to provide for the sequence of the distinguished majority whip's request. If he will withhold that for the time being, I shall see what we can do.

Mr. ROBERT C. BYRD. Mr. President, my statement of the sequence of measures taken up tomorrow overlooked the budget waiver resolution in connection with the countercyclical bill. That resolution, Calendar Order No. 300, will be the first matter of business before the countercyclical bill is taken up. I assume there will be a rollcall vote on that measure.

ORDER FOR CONSIDERATION OF H.R. 2282 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the disposition of Calendar Order No. 289 tomorrow, a bill to assist the electrical consumers of the Pacific Northwest, the Senate then turn to the consideration of Calendar Order No. 262, H.R. 2282, the disability compensation for disabled veterans bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR MOYNIHAN'S CONSTRUCTIVE PROPOSAL RE SALT II AND SALT III

Mr. CRANSTON. Mr. President, yesterday the distinguished Senator from New York, DANIEL PATRICK MOYNIHAN, made a most significant contribution to the SALT ratification debate and to the goal on which both proponents and opponents of SALT II agree—the actual reduction of nuclear arms and the guarantee of strategic balance between the United States and the Soviet Union.

Senator MOYNIHAN noted that the United States had "entered into the negotiations for SALT I with a pronounced advantage in strategic weapons and those for SALT II with a sufficient advantage." Based on the results of SALT I and SALT II, the prospect in Senator MOYNIHAN's view is that "the SALT III negotiations will begin with the Soviets anticipating strategic supremacy by the end of the process." The Senator concludes that the only hope to obtain agreement for SALT III reductions of arms is now, while the United States still has the option to head off such a shift in the strategic balance.

The distinguished Senator expresses concern over what many see as the change of strategic force posture from, first, the superiority of U.S. strategic forces to, second, essential equivalence of United States and Soviet strategic forces, to, third, the very real threat of strategic force superiority by the Soviets. I wholeheartedly agree with Senator MOYNIHAN that SALT III must achieve real reductions in nuclear arms, both quantitative and qualitative, while preserving the strategic force balance.

Senator MOYNIHAN would propose to achieve this goal by adding an amendment to the SALT II treaty, article XIX thereof, as follows:

4. The Parties shall conclude, by December 31, 1981, an agreement which shall, as a result of the negotiations undertaken in accordance with the Joint Statement of Principles and Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms agreed upon at Vienna on June 18, 1979, effect significant and substantial reductions in the numbers of strategic offensive arms, consistent with the requirement for the maintenance of essential strategic equivalence. This agreement shall enter into effect immediately upon the expiration of the present Treaty or sooner, as the Parties shall decide. If the Parties are unable to conclude such an agreement by December 31, 1981, the present Treaty shall terminate on that date.

The proposed Moynihan amendment to the SALT II Treaty warrants our serious consideration. I have some doubt as to whether the substance of Senator MOYNIHAN's proposal should be achieved by the amendment route, however, because this would require resubmission to the Soviets and runs the possibility of opening the Pandora's box of total renegotiation of the SALT II Treaty. I am still strongly inclined to the view that all needed improvements of the SALT II Treaty can be achieved by the route of understandings and reservations in the resolution of ratification rather than by direct amendment to the treaty text.

However, my questions concerning the precise means by which Senator MOYNIHAN would achieve his goal in no way lessen my agreement with the constructive substance of Senator MOYNIHAN's proposal. We must devise a means to achieve in SALT III, in the words of Senator MOYNIHAN's amendment, "significant and substantial reductions in the numbers of strategic offensive arms, consistent with the requirement for the maintenance of essential strategic equivalence."

Therefore, I welcome Senator MOYNIHAN's proposal and I hope that all of us will be able to work with him to achieve the goal of that proposal. I trust that Senator MOYNIHAN, in making this constructive proposal, is not irrevocably wedded to this particular amendment or to the amendment form as such. I know we both agree that the substance is far more important than the form. I look forward to working with the distinguished Senator from New York for the successful ratification of SALT II and to laying the essential foundation for a genuine reduction of nuclear arms in SALT III, a reduction that this Senate must do all it can to assure is achieved expeditiously and effectively.

Mr. President, although Senator MOYNIHAN made his proposal in a floor statement which was included in the RECORD for Wednesday, August 1, 1979, I believe the importance of his proposal warrants consideration by each Senator, and to help assure that this occurs, I ask unanimous consent that the statement by Senator DANIEL PATRICK MOYNIHAN, Democrat, New York, on SALT II be printed once again in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALT II

The SALT debate has become a debate on rearmament. If this is cause for dismay, it is no occasion for surprise.

For some while the pace of the Soviet arms buildup and the "asymmetry" of the SALT I agreement has been obvious to all save those whose concern it has been to avoid the obvious.

This avoidance was the subject of my first address to the Senate on March 4, 1977. At that time—not so very far distant—to draw attention to the rise of Soviet strategic power was to invite suspicion of grave unorthodoxy.

Thus in March 1977 the principal thrust of my remarks was to question the assumption, seemingly in place within the Administration, that Soviet behavior in nuclear weapons was basically imitative of United States behavior. This of course implied that if the United States restrained the growth of its forces, so also would the Soviets. I stated that there was no evidence for this.

I continued to press this point, and its corollary that the Soviets were approaching the moment when they will have neutralized our Minuteman force and attained to something like strategic superiority.

I put the case that the longer we took to recognize this reality the more likely it was to astound and confound us when finally we did.

It took a good two years, so far at least as the public pronouncements of the present Administration are concerned. Whether this was longer than need have been is beside the point. The time came.

Specifically, on February 21, 1979, in presenting the fiscal year 1980 defense budget to the Senate Budget Committee, Defense Secretary Harold Brown said that it "reflects the President's determination to begin countering the Soviet military buildup that has been underway for over fifteen years." The Secretary went on to document the trends in military spending during this period, here and in the Soviet Union. U.S. military investments, measured in terms of constant dollars, have been in a general decline since 1969.

The Soviets have had uninterrupted growth since about 1960. Since the early 1960s the Secretary said, "Soviet investment in new military hardware has increased twofold . . . and is more than twice ours to day. . . . The upward trend shows every sign of continuing. . . . Soviet spending has shown no response to U.S. restraint—when we build they build; when we cut they build."

In terms of military power, the Secretary used the phrase "rough equivalence, parity" to describe the balance today. During a brief colloquy, I asked "Would you say this, Mr. Secretary, that if the trend lines proceed, the Soviets would be ahead?" Secretary Brown replied, "They would be clearly ahead militarily."

The President finally spoke to the point in his address to the American Publishers Association in New York City on April 25, 1979. He stated: "Over the past decade, the Soviets have steadily increased their real defense spending, while ours has had a net decrease."

In the hearings now concluding on SALT II the thrust of this statement has been repeated over and again by the Secretary of State and the Secretary of Defense. On Monday of this week, the present head of the Arms Control and Disarmament Agency predicted the Soviet Union would continue a "relentless" arms buildup, with or without the pact.

An administration that has seemed blind to reality, suddenly seems blinded by it.

On Wednesday of last week I met with a high official whom the Administration had had testifying before the Senate Foreign Relations Committee in favor of the SALT II. He had made his support conditional on a considerable increase in arms expenditure. I asked him to consider that the MX missile might never be built. In that event, he said, "We are lost."

Without wishing to belabor the point, I would repeat that the present alarums are in many ways the predictable consequence of the previous torpor. This is nothing new, and would be of no great matter if not that in the course of our present debate on rearmament we risk abandoning all hope of a Strategic Arms Limitation Treaty that might actually limit strategic arms.

More and more SALT II is referred to as peripheral or even irrelevant to our international position, either military or diplomatic.

More and more it is said of SALT II that its value, such as it may be, is that it preserves the SALT process.

I would contest this. The only value I can see in a SALT treaty is that it should limit strategic arms. The great irony is that the SALT process may in fact have become a barrier to just that. Far from solving the problem, the process has become the problem.

Certainly certain facts are clear.

In 1969 when discussion of an arms limitations treaty began, the Soviets had 1,050 ICBM warheads. In 1985 at the conclusion of SALT they will have upwards of 12,000. This is four warheads for every county in the United States. In terms of missile throwweight the Soviets will continue their rapid increase from their current level of 11.3 million pounds to 15.0 million pounds by 1985, the treaty's expiration date. This will be half again the American throwweight. The number of Soviet MIRVed missile launchers alone will almost double under the treaty period from the present level of about 700 to 1,200 in 1985.

The problem I suggest with the process is that—so far—it has required American negotiators to reach agreement with the Soviet Union in an area where there is no agreement. The strategic buildup has been underway, as Secretary Brown attests, for fifteen years. It was well underway when formal SALT negotiations began. It has never ceased because the Soviets would not agree to do so.

As a result, more often than not, the actual negotiations in SALT have taken place within the American government. The process goes something as follows. The advocates of strategic arms limitations obtain agreement to have "talks"—that is the term—with the Soviets. In these talks they find the Soviet government has already agreed with its military to continue their nuclear buildup. (At the time of SALT I the Soviets had already decided to build the SS 19, which they proceeded to do. This is one reason why our Minuteman force is now threatened.)

Accordingly a treaty is drafted which permits the increase in Soviet strategic forces the Soviets have already planned. Our negotiators return with this treaty which the American military in all honor cannot support unless a corresponding increase in American nuclear forces is also to take place. This is then agreed to on our side through a complex negotiation involving the White House, the State Department, and the Defense Department and the Congress.

Thus, as the Washington Post observed only this morning, the commitment to the Trident submarine was made in order to gain approval of SALT I. Whatever its military utility, it was deemed to serve the purpose of the moment—to win ratification of SALT I—simply because it was—big.

Similarly the M-X has become the price of SALT II. It is hard to describe this weapons system, for it changes every day. At minimum it is complex. More seriously, it will require the Soviets to deploy some 8,000 warheads to neutralize it. (Two warheads per twenty possible sites for two hundred missiles.)

Thus the United States joins the arms race the Soviets insist on. This is the ultimate irony. Without thinking, without so far as I can tell even noticing, United States behavior in nuclear weapons has become basically imitative of Soviet behavior, because we have accepted the Soviet definition of "arms control."

By the end of SALT II the United States will have four nuclear warheads for every "rayon"—the Soviet equivalent of our county—in the Soviet Union.

In the meantime our conventional military forces grow relatively weaker with respect to the Soviets. In the kind of conflict one can imagine and could accept we are ever more likely to be overmastered. All because we wanted arms limitation and went about it badly.

The gods must weep.

I would hope we do not have to settle for this. I believe we can still negotiate a strategic arms limitation agreement that will limit arms.

Such hope as there exists for this is found in the "Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms," an appendage to the treaty, though not a part of it that sets the agenda for the next round of SALT. This Joint Statement calls for a third SALT agreement that will bring about a "reduction in the number of strategic arms, as well as for their further qualitative limitation."

These are not instructions; even if they were they are not binding. They reflect nothing more than the ideals with which SALT I and SALT II were entered upon—on our side. For it is an open secret that when the United States in Moscow, in March, 1977, proposed a specific reduction in strategic arms of one-third, the Soviets rejected any such specific. Less known, but now more important, at Vienna in June the United States proposed to the Soviets that the Joint Statement on SALT III call specifically for a one-third reduction in strategic arms and again the Soviets refused.

Worse. The United States entered into the negotiations for SALT I with a pronounced advantage in strategic weapons and those for SALT II with a sufficient advantage. The prospect is that the SALT III negotiations will begin with the Soviets anticipating strategic supremacy by the end of the process. In such circumstances, to hold out hopes for any real reduction is self-deception or worse.

Our only hope is to obtain agreement for a SALT III reduction of arms now while the United States still retains the option to head off that shift in the strategic balance. If there are to be reductions in SALT III, their attainment must be written into SALT II.

I therefore propose an amendment to the treaty which will add a new provision to Article XIX of the text:

4. The Parties shall conclude, by December 31, 1981, an agreement which shall, as a result of the negotiations undertaken in accordance with the Joint Statement of Principles and Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms agreed upon at Vienna on June 18, 1979, effect significant and substantial reductions in the numbers of strategic offensive arms, consistent with the requirement for the maintenance of essential strategic equivalence. This agreement shall enter into effect immediately upon the expiration of the present Treaty or sooner, as the Parties shall decide. If the Parties are unable to conclude such an agreement by December 31, 1981, the present Treaty shall terminate on that date.

Unlike other proposals which have been made to force the pace of the SALT III negotiations, this provision does not require undoing the present SALT II treaty. With respect to timing, it meshes with the expiration of the Protocol to the Treaty, which will itself automatically lapse on December 31, 1981.

This much is certain: our margin for error in SALT has disappeared. We must rescue the "process" from itself, otherwise it will present us with ever more unappealing choices. We must recover for SALT the possibility of arms limitation and genuine arms reductions. This, so it seems to me, is the major contribution the Senate can make to the preservation of the SALT process which the President, and others, seek. We must at least make the effort.

What I propose, in short, is to make it plain, so far as the future of the SALT process is concerned, that there will be no alternative to arms reductions. And I should think that two years is a sufficient time to achieve this goal, if there is a willingness to do it.

We have been at this process for ten years. We must now face the real issue and our real prospects. And we must now say to the Soviets—and to ourselves—that if there are not going to be any significant strategic arms reductions, we will not wait until the Soviets surpass us in strategic nuclear power or are on the verge of so doing, before establishing this fact.

If the Soviets have no intention of reducing strategic arms until they have first attained to strategic superiority, now is the time to find out.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9 o'clock tomorrow.

I do not believe there are any orders for the recognition of Senators.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, after the two leaders or their designees have been recognized under the standing order the Senate will proceed to the consideration of Calendar Order No. 300, Senate Resolution 213, which is the budget waiver in connection with the countercyclical bill. There will be a rollcall vote on final passage of that measure, and at the longest it will be 1 hour, probably not that long. But at the outside, it would be 1 hour before that vote is reached. But, as I say, the vote may come earlier.

Then upon the disposition of the budget waiver, the Senate will go to the bill, S. 566, the countercyclical measure. There is a time agreement on that bill. Mr. BELLMON has three amendments, on each of which there is a 1-hour time limit, and the rollcall vote has already been ordered. So that is three rollcall votes.

A rollcall vote has been ordered on final passage of the countercyclical bill. So that is four rollcall votes that have already been ordered, and if we count the one on the budget waiver, which has not yet been ordered, that will be five.

Then upon the disposition of that countercyclical bill, the Senate will take up Calendar Order No. 316, Senate Resolution 220, a resolution amending the standing rules of the Senate. There will be a rollcall vote on that resolution, although it has not yet been ordered, and that is six rollcalls.

Then upon the disposition of that measure, the Senate will take up Calendar Order No. 289, S. 885, the bill to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System.

There may be rollcall votes in connection with amendments or motions in relation thereto and on passage of the bill.

Upon the disposition of that measure, the Senate will take up the veterans compensation bill, H.R. 2282, Calendar Order No. 262. Rollcall votes could occur in relation to that bill.

Other measures cleared for action will be acted on tomorrow and there could be rollcall votes on conference reports.

So I would urge Senators not to schedule early departures from the city tomorrow unless they go with the full understanding that they may miss several rollcall votes.

It appears the Senate will complete its business on tomorrow at some hour, albeit late. It appears that way, at least. But I would also state the caveat as a reminder to Senators that the recess resolution provides for the Senate to be in session on Saturday, if necessary.

RECESS TO 9 A.M. TOMORROW

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move that we now stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 5:46 p.m., the Senate recessed until tomorrow, Friday, August 3, 1979, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 2, 1979:

DEPARTMENT OF TRANSPORTATION

Neil Goldschmidt, of Oregon, to be Secretary of Transportation.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 2, 1979:

TENNESSEE VALLEY AUTHORITY

Robert N. Clement, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 1981.

FEDERAL RESERVE SYSTEM

Paul A. Volcker, of New Jersey, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1978.

Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

DEPARTMENT OF THE TREASURY

G. William Miller, of California, to be Secretary of the Treasury.

NATIONAL CREDIT UNION ADMINISTRATION

P. A. Mack, Jr., of Indiana, to be a Member of the National Credit Union Administration Board for the term of 4 years.

Harold Alonza Black, of North Carolina, to be a Member of the National Credit Union Administration Board for the term of 2 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

THE NEED FOR COAL HAUL ROADS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. MURTHA. Mr. Speaker, today I am reintroducing legislation to provide $200 million over the next 4 years to repair highways damaged by heavy energy traffic, particularly by the increase in heavy coal truck traffic.

Every report and recommendation on energy has concluded we face a serious problem—particularly in the Northeast—with damage to roads by coal trucks as we increase coal production. Most recently, the report of the National Transportation Policy Study Commission stated:

> Local roads and other highways not designed for heavy coal traffic create road safety problems in the form of deterioration of roads and hazardous driving and passing conditions. Funds appear inadequate to correct this problem.

This is another case in energy planning where the lead must come from the Federal Government. To leave this to the States, or to urge them simply to use other highway funds for this purpose is a nice theory, but it is a theory that if adopted will mean that the problem simply never is solved.

The House of Representatives is already on record as wanting to solve this problem. Last year in the surface transportation legislation, through the leadership of Congressmen APPLEGATE and RAHALL and the subcommittee work of Chairman HOWARD and Minority Chairman SHUSTER, this amendment was adopted in the bill. Chairman JOHNSON backed the amendment and it was part of the bill approved by the House. Unfortunately, the Senate did not agree in the amendment. During the Conference Committee, the Transportation Department requested that the amendment be dropped from the bill so the Department could formulate its own recommendation. That recommendation was promised to us in January. Then, it was promised by June. Today, we are still without any recommendation and the latest report I have received is that an administration position is still being negotiated by the Departments of Transportation, Treasury, and Energy.

There has been considerable discussion that the final administration recommendation will be for a special severance tax on coal production to finance that work. While I personally oppose that as a solution, I would be pleased to see that or any recommendation made by the administration so the debate can begin again on this issue, and we can resolve a way to insure we have the transportation road system to move the coal our Nation needs.

President Carter has committed his administration and the Nation to increased coal use. That is a position I have supported for 5 years. To make that commitment a reality, there are a number of steps that must be taken, and insuring the proper transportation system is one of them. It is essential that we begin to move on improving energy impacted roads. It is a crucial step in our overall energy plan, and I am pleased to introduce this bill today to develop that debate further.●

FEDERAL PROTECTION FOR U.S. PROBATION OFFICERS

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. JENKINS. Mr. Speaker, it may surprise my colleagues to learn that U.S. probation officers and U.S. pretrial service officers are not afforded the protection of Federal law if victims of the serious crimes of murder and manslaughter. While 18 U.S.C. section 114 provides a Federal offense in the instance of murder or manslaughter of U.S. attorneys and their assistants, judges of the Federal judicial system, U.S. marshals and deputy marshals, and U.S. law enforcement officials including officers and employees in Federal penal or correctional institutions, the U.S. probation officer has been overlooked.

To remedy this oversight in our Federal Criminal Code I have introduced a bill, H.R. 4829, which would include the murder or manslaughter of a U.S. probation officer or pretrial service officer as a Federal criminal offense. This amendment would enable the U.S. attorney to prosecute the offender.

Under existing law the murder of a U.S. probation officer may go unsolved or even unprosecuted because the U.S. attorney has no offense for which to prosecute. State attorneys may hesitate to commit the resources of the State to prosecution where they believe that it should be a Federal matter.

It is estimated that U.S. probation officers are involved in a sizable number of hazardous incidents every year. The probation officer works under conditions of hazard equal to or exceeding those officials currently covered under title 18.

The shooting of two U.S. probation officers in their performance of their official duties—one in Memphis in May, 1973 and the other in the District of Columbia in June, 1974—demonstrate the need for this legislation. Last December a probation officer in Laredo, Tex., was killed from ambush as he approached the Federal building. I believe that the U.S. Government should prosecute these crimes and should be empowered to do so.

In conclusion I would point out for the RECORD that the U.S. Judicial Conference adopted at its meeting in March of this year a resolution that the U.S. probation officer receive this statutory protection.

I would urge my colleagues on the Judiciary Committee to include this provision in their revision of the U.S. Criminal Code.●

HOME HEATING OIL AND FUEL OIL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. KOSTMAYER. Mr. Speaker, on July 17, 1979, I introduced legislation to reimpose price and allocation controls on home heating oil and diesel fuel.

In my own State of Pennsylvania and throughout the country, the price of home heating oil may well double by next winter. Simple social equity and economic justice require that we restore price and allocation controls if we are to avoid the problems caused by the increases in price and by potential severe shortages.

Because I believe this matter is of significant importance I have written to the distinguished chairman of our Democratic Caucus, the Hon. THOMAS S. FOLEY, asking that the matter be placed on the agenda of the Democratic Caucus which is to occur on September 19, 1979.

Below are my "Dear Colleague" on the legislation and the letter to Chairman FOLEY.

I urge Members to consider this significant matter during the upcoming recess and to talk with their constituents about it and to be prepared to consider the resolution in the caucus and hopefully the bill in the House upon our return.

The letter follows:

> HOUSE OF REPRESENTATIVES,
> *Washington, D.C. July 23, 1979.*
>
> DEAR COLLEAGUE: Last Tuesday I introduced legislation to reimpose price and allocation controls on home heating oil and fuel oil. Although several of our colleagues have introduced resolutions or drafted letters to the President urging him to use his authority under existing law to reimpose controls, my bill would have the force of law.
>
> The dramatic rise in home heating oil prices over the past year has been widely documented and many agree that home heating oil prices could reach $1 per gallon by this winter.
>
> In examining this situation, keep in mind these facts:
>
> From April '78 to April '79 crude oil and product costs to refiners rose by 22 percent, reflecting OPEC price increases and purchases on the spot market. But during the same period, refiner profits rose by almost 90 percent, and this does not account for profit taking further down the distribution chain.
>
> Despite the prospect of a 100 percent increase in the price of home heating oil to consumers, the elimination of marginal customers, widespread shortages, and regional dislocations, DOE has only now just begun to evaluate its options with respect to crisis intervention and assistance to the poor and the elderly.
>
> Deputy Secretary of Energy John O'Leary stated on June 25 that "price and allocation controls can be effective as a last resort during a severe shortage to prevent price gouging or inequitable distribution of supply." And Senator Russell Long has said, ". . . Unless we can come up with something better, the reimposition of controls will be necessary to avoid critical shortages and skyrocketing heating oil prices this winter."
>
> Competition and market forces alone are totally inadequate to protect consumers from both shortages and inequitable prices. The Emergency Petroleum Allocation Act provides that the President may reimpose controls for, among other things, the "protection of public health, safety, and welfare," and the "equitable distribution of refined petroleum products at equitable prices among all regions and areas of the United States . . ." Please support this urgent task. If you would like to co-sponsor or if you have any further questions, please call me or Herb Sambol at x54276.
>
> Thank you.
>
> Sincerely,
>
> PETE.●
>
> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., July 31, 1979.*
>
> THOMAS S. FOLEY,
> *Chairman,*
> *Democratic Caucus,*
> *U.S. House of Representatives.*
>
> DEAR TOM: Pursuant to our earlier conversation, I am requesting that it be in order for the House Democratic Caucus to consider the following resolution at the September 19, 1979 meeting of the Caucus:
>
> "Resolved, that it shall be the Democratic policy in the House of Representatives that mandatory price and allocation controls for middle distillates as established in the Emergency Petroleum Allocation Act be reimposed."
>
> Thanks for your attention to this matter.
>
> Sincerely,
>
> PETE.

CLARIFICATION OF STATE ENERGY CONSERVATION PLANS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. LUKEN. Mr. Speaker, I rise as the House finalizes the 1979 energy legislation to again clarify the intent of section 635C(B) part 3, subpart C S-1030, "Approval of State Plan."

Similar language, "(B) that, taken as a whole, the plan is likely to impose an unreasonably disproportionate share of the burden of restrictions of energy use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof," has been carefully placed in earlier energy legislation. My colleagues in both Houses have taken the same efforts I undertake today to make sure as the State plans to conserve energy are formulated that those local officials take notice of this section.

Mr. Speaker, it is most important that as energy conservation plans are drawn and implemented, efforts must be taken to avoid hardships on small businessmen such as those engaged in recreational business, roadside business, outdoor advertising, and general aviation.

If severe shortages should develop, then all segments of business should contribute to energy conservation in an equitable manner.●

HUMAN RIGHTS IN THE SOVIET UNION

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. FROST. Mr. Speaker, I would like to submit for publication into the RECORD copies of letters I have recently mailed to Soviet Secretary Leonid Brezhnev and Interior Minister Nikolai Shchelokov on behalf of a Soviet prisoner of conscience and a "refusenik" family. The plight of these individuals was called to my attention during my participation in "Intervention 96," a project sponsored by the National Council on Soviet Jewry. Labeled "the new adopting the old," seven freshmen Members each spoke on the House floor on behalf of Russian Jewish dissidents who were at that time incarcerated in Soviet jails.

Mr. Speaker, both the "refuseniks" and the prisoners of conscience have been subjected to a kind of terror few here in the United States can imagine. In the case of the Hess family, for daring to express his desire to leave Russia and resettle in Israel, Grigori Hess has spent 1 year in prison, has lost his job, and his family has been subjected to anti-Semitic reprisals that have intensified to a frightening level, particularly in the Minsk area where the Hesses now live. The safety of him and his family is in constant jeopardy.

Mr. Mendelevich was imprisoned after the notorious Leningrad trials; although all but two others arrested at the same time and for the same offense have been released, this man remains incarcerated. most likely for his insistence on faithfully observing the practices of his Jewish faith.

I am pleased to submit these letters for my colleagues' inspection. The letter on behalf of Grigori Hess was signed by 41 other Members who not only share my concern for him and others like him, but who also recognize the unique advantage our membership in the House of Representatives affords us to shape the course of human rights development in Soviet Russia. Using our position as a forum, we are advising the Soviet leadership that we consider them to be long past due in honoring internationally recognized human rights for their citizens, regardless of nationality or religion, and that we will continue to advise them until such time as their record no longer warrants it.●

CHRYSLER CORP. LOSSES

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. HILLIS. Mr. Speaker, the Chrysler Corp. announced yesterday that for the second quarter of 1979 it lost $207.1 million. This represents one of the largest quarterly losses ever for an American business.

Since Chrysler's losses are in part caused by Federal regulations, I am inserting in the RECORD a statement released by John Riccardo, chairman of the board for Chrysler Corp., explaining the effects of these regulations. I am also inserting a consolidated statement of net earnings for Chrysler Corp., and Consolidated Subsidiaries.

It is possible that the Federal Government will be asked to assist Chrysler Corp. in the near future. I hope my colleagues will consider the comments of Mr. Riccardo and work toward easing the effects of Government regulations on all private sectors of our economy.

STATEMENT BY JOHN RICCARDO, CHAIRMAN OF THE BOARD, CHRYSLER CORP., AT PRESS CONFERENCE, DETROIT, MICH., JULY 31, 1979

Before we open this conference up to questions, I'd like to make a brief statement about the losses we have just announced, and some of the causes for the current condition of Chrysler Corporation.

Our second quarter losses were not a great surprise to anyone who has been paying attention to recent events in the automobile industry. The recent hysteria about gasoline availability, and the sharp drop in van and truck sales, has left us with a heavy inventory of unsold cars and trucks. That's a short-term problem we are going to have to work out of. And we have some sales programs coming that should help to do the job.

But in addition, for a long time now we have been pointing out the effects that the heavy burden of regulation would have on Chrysler Corporation. And those effects are now beginning to show in a very real way as well.

It's now generally accepted by everyone who has studied the situation that government regulations have hit Chrysler a lot harder than they've hit the bigger manufacturers.

But even the best-supported facts don't always get the kind of attention they deserve. So we've decided to illustrate the anticompetitive effect of regulations another way—visually.

This bar chart shows the disproportionate effect auto regulations have on Chrysler, compared to GM—even though the regulations are theoretically imposed in an evenhanded manner. The height of each bar represents total production volume, or the number of units each company produced in 1978. As you can see, Chrysler produces less than one-quarter as many as GM.

The bottom of each bar shows the per-unit cost of regulations for each company. These are estimated costs based on published material which was available in 1977 and are quite frankly very conservative. The illustrations are based on the recent Wainwright study of the relative impact of government regulations on the U.S. auto industry. Wainwright estimated the yearly fixed expenditures by GM and Chrysler for meeting government regulations between 1978 through 1985, and we calculated the cost per

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

unit using 1978 production figures for both companies. The point is, the cost per unit of meeting government regulations is twice as much for Chrysler as for GM. That's because GM produces a lot more cars than Chrysler to begin with, so they can spread their costs over a greater number of units.

I urge you to read the Wainwright report. If you would like further verification of the findings in that report, I suggest you read a copy of the Harbridge House study commissioned by the DOT. There are other studies as well, all pointing out the same effects of regulation.

The message is clear. Auto regulations are having a double-whammy effect on Chrysler's per-unit costs—and by virtue of our size, we're the company that is least able to afford the skyrocketing costs of regulations to begin with.

Over the past couple of years, we have pointed out that Chrysler was going to experience a very difficult period in the short term because of the massive expenditures required to meet Federal regulations for air bags, final emissions controls, and 2 m.p.g. fuel economy increments—all of which fall into place in the early 1980's. We made a special effort to point out the coming problems so there would be no surprise for anyone. We understood the dimensions of the job required to meet the law and return Chrysler to a position of strength and profitability. And we were willing to take whatever actions were necessary to do the job.

The list of the steps we have taken in the past year or two is very impressive.

We have restructured all of our overseas investments so we could concentrate our resources on the North American market.

We have put in place a large share of the record financing we need to carry out our programs, through a series of ingenious and sometimes highly unusual financing arrangements.

Lee has brought on board some new, outstanding people who are doing a good job. Our new product programs are now on time, and they will stay on time. Our product quality is tremendously improved, and is the best we've had in years.

We have moved to restructure Chrysler so it will be as lean and effective as possible. We have taken over $500 million in cost out of the company in the past year without sacrificing our long term goals. In other words, we have taken all the steps that could be taken to make our own way, and to pay the cost of government regulations.

But then just as we are finally on track with all the programs we can control, we're hit with two events over which we have absolutely no control. First, we manage to develop a gasoline hysteria that's unique to the United States and that hurts the markets where we're strongest. There are no gas lines in Japan or Europe. And on top of that—we now are in a recession that makes all our problems worse.

You couldn't write a tougher scenario for the third largest auto company.

We're in a tough period, but we intend to make it. We've got the products and the people to do the job, and with a little time and patience, and a lot of money, we have the programs to bring us back to profitability.

REGULATIONS COST CHRYSLER NEARLY TWICE AS MUCH PER CAR AS THEY COST GENERAL MOTORS

	Total units	Estimated cost of regulation per car
General Motors	5,000,000	$340
Chrysler	1,000,000	620

Source: Cost figures based on estimates from "The Impact of Government Regulations on Competition in the U.S. Automobile Industry," H. C. Wainwright & Co., Mar. 23, 1978. Production figures taken from MVMA "Motor Vehicle Facts & Figures," 1978.

CHRYSLER CORP. AND CONSOLIDATED SUBSIDIARIES—CONSOLIDATED STATEMENT OF NET EARNINGS, 6 MO ENDED JUNE 30, 1979, AND 1978

[Dollar amounts in millions]

	2d quarter		6 mo	
	1979	1978 [1]	1979	1978 [1]
Net sales	$3,154.6	$3,754.1	$6,456.2	$6,733.5
Equity in net earnings of unconsolidated subsidiaries	7.6	4.8	18.2	.5
Net earnings from European and certain South American operations		10.5		26.0
Total	3,162.2	3,769.4	6,474.4	6,760.0
Costs, other than items below	3,030.7	3,389.3	6,050.5	6,220.1
Depreciation of plant and equipment	41.1	39.4	84.4	79.2
Amortization of special tools	50.6	53.5	101.2	106.2
Selling and administrative expenses	136.4	152.0	278.3	282.1
Pension plans	67.9	75.1	137.8	145.5
Interest expense—net	50.0	29.5	95.7	57.6
Total	3,376.7	3,738.8	6,747.9	6,890.7
Earnings (loss) before taxes on income	($214.5)	$30.6	($273.5)	($130.7)
Taxes on income (credit)	(7.4)	.1	(12.6)	(41.4)
Net earnings (loss)	(207.1)	30.5	(260.9)	(89.3)
Dividends on preferred shares (includes amortization of discount)	7.2		14.5	
Net earnings (loss) attributable to common stock	(214.3)	30.5	(275.4)	(89.3)
Earnings (loss) per share of common stock (dollars)	(3.31)	0.51	(4.26)	(1.47)
Average number of shares of common stock outstanding during the period (in thousands)	65,215	61,204	64,649	60,784

[1] Restated to reflect deconsolidation of European and South American operations.

Note: In 1979, the abnormally low tax credit is attributable primarily to the effect of losses for which no carryback credits are available. In 1978, the tax credit was lower than would be indicated by the customary relationship of pretax losses and income taxes principally because of the impact of the investment tax credit. ●

GET CRACKING CONGRESS

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. HEFTEL. Mr. Speaker, for all the recent oration about our "national malaise" and the "crisis of confidence" we have heard in the last few weeks, I am certain my colleagues concur in my belief that no more eloquent voice exists than that of the people directly. Despite the proficiency of self-styled experts and opinion makers here in Washington, it is from the letters of my constituents that I receive the most clear-cut, no-nonsense advice on the issues.

A case in point: Mr. Bert Fraleigh of Hawaii was recently kind enough to alert me to a letter in the July 26, 1979 Honolulu Advertiser from Mr. Walt Jones. I commend Mr. Jones' expression of frustration concerning this Congress to the attention of each of the Members:

GET CRACKING, CONGRESS

I am certain that the rest of the tax-paying, voting public was as relieved as I to read that our U.S. House of Representatives put aside trivial matters—such as energy, inflation and the nation's distrust of government—in order to debate and vote on the tremendously important principle of whether or not those dignified public officials (I wish I could say "servants," but I can't bring myself to it) can work in those hallowed chambers without a coat.

Isn't it about time that our Congress takes off its collective coat and rolls up its collective sleeves and gets down to solving some of our country's problems—many of which seem to have originated in their own little corner of the world? They have already proved to the country that they can't function in coats and ties.

Wouldn't it be wonderful if Washington were swamped with letters from millions of Americans telling them to forget ending this session until they can relieve the minds of their constituents that they have indeed put into motion positive solutions to many of our troubles? Something subtle like, Dear Congressman/Senator: Get cracking or don't come home!"—WALT JONES. ●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent from the House of Representatives on Thursday, July 26, and Friday, July 27, 1979. Had I been present, I would have voted: "No" on rollcall No. 390, an amendment to H.R. 3000, DOE civilian programs authorizations, seeking to strike the authorization for the Clinch River breeder reactor; "no" on rollcall No. 392, an amendment to H.R. 2462, Maritime authorizations, seeking to reduce the construction-differential subsidies authorized under the measure; "aye" on rollcall No. 393, an amendment to H.R. 2462 seeking to prohibit the use of funds authorized for construction-differential subsidies to construct any vessel which will have

subsidized manning levels 50 percent above the minimum determined by the Coast Guard to be necessary for the safe operation of the vessels; "no" on rollcall No. 395, an amendment to H.R. 3633, making certain amendments to title VIII of the Public Services Health Act, seeking to reduce authorizations for special project grants and for nurse practitioner training; and "aye" on rollcall No. 396, final passage of H.R. 3633. ●

KEELER McCARTNEY OF ATLANTA CONSTITUTION RETIRING

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. GINN. Mr. Speaker, I know we all recognize that American journalists play a dynamic role in protecting the freedom of all of our citizens. By informing us of the news of our communities, our States, and our Nation, they provide Americans with the essential flow of information that is the foundation of our democracy.

The work of our news reporters is most closely linked to our citizens at the local level, and I would like to take this opportunity to recognize one of our Nation's most distinguished local news reporters, Mr. Keeler McCartney of the Atlanta Constitution. Mr. McCartney is retiring after some 37 years in journalism, and I believe the following column by Ms. Celestine Sibley, which appeared in the July 26 edition of the Atlanta Constitution, provides a valuable insight into the life of one of America's truly outstanding citizens. I ask that this column be reprinted in the RECORD at this point.

99 PERCENT COP, REPORTER GETS FOND SO-LONG

(By Celestine Sibley)

One day about a week ago some of his pals in law enforcement invited Constitution reporter Keeler McCartney to have lunch with them. He was busy and usually eschews lunch time sociability but Sara Passmore, who does public relations for the State Department of Offender Rehabilitation, used to sing in the church choir with his only daughter, Tona, and he has a soft spot in his heart for her.

So Sara and Bill Wilson, public information officer for the State Patrol and a longtime friend, picked Keeler up in front of the building. They thought, they explained to him, of having lunch at the police academy. Keeler was amenable. The food there is good, he said. What he hadn't counted on was a party there—the first police academy soiree he has ever attended and it was in his honor.

Keeler, one of the most celebrated police reporters in the country, is retiring today.

NOTHING HE COULD DO

He is appalled and uncooperative about attentions of this kind but there wasn't a thing he could do about the State Patrol, the Georgia Bureau of Investigation, or the Peace Officers Association. Their members came in from all parts of the state to do honor to a man they have valued and respected for more than 35 years. And grinning sheepishly, Keeler accepted their tributes with the same equanimity with which he has accepted their jibes and cries of outrage all the times in the past when he has offended them.

There was a plaque from the State Patrol which he admitted, he reread when he got home. It said "Keeler McCartney 99 percent cop, 100 percent reporter, 200 percent human being." And after all these years he now has his own badge from the GBI bearing his name and the legend: "Our favorite reporter until July 1979 and always our friend."

The wonder is that Keeler McCartney, the last of the old-time police reporters, never intended to cover police and never really liked it. The youngest of 11 children growing up on a Louisiana farm, he intended to study medicine. But when he arrived at Emory University he realized he didn't have enough money. He went back to LSU and turned his attention to his second love, journalism. He arrived to work at The Constitution in 1942 and ran afoul of nasty coincidence. Time Magazine had just run a piece saying The Constitution had a woman on the city desk (me) and a copy boy on the police beat.

"Mr. McGill read it and didn't like it," Keeler recalls. "He came out in the newsroom and saw me and said, 'You go to the police station tonight. We'll hire a police reporter Monday.' "

TO THE "COP SHOP"

Keeler had to ask directions to the old Decatur street "cop shop" and when he got there the police, ever wary of a new boy in the press room, wouldn't have anything to do with him. Disgusted and disconsolate, he wandered out into the street walking as far as Peters Street where he ran into a big gun battle involving the police. Somehow the reporters back in the press room at police headquarters never got word of it, The Constitution scored a clean beat and the next day publisher, Major Clark Howell, said happily, "I've got me a police reporter now!"

A non-drinker and a devoted churchman, Keeler never fraternized socially with cops or robbers and somehow won the confidence of both. To the trade cliche that old police reporters come to think like old policemen, Keeler has one answer. His stories exposing their misbehavior have put more policemen in jail than his stories doing the same for crooks. But he has never had much patience with editorial mentality which doesn't attempt to understand the problems police face daily. ●

DEFENSE PRESS CORPS RATES OUR 14 SECRETARIES OF DEFENSE—MEL LAIRD RATED NO. 1

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. MICHEL. Mr. Speaker, an article in the August 1979 issue of the Armed Forces Journal reports on a poll of Defense Department Press Corps on the effectiveness of our 14 Secretaries of Defense. The article covering this poll was written by Benjamin F. Schemmer and Robin J. Stein. The poll shows that our former colleague, Mel Laird, who served nine terms in the House of Representatives as clearly the most effective Secretary in the history of the Department. Mel served as Secretary of Defense from 1969 to 1973. His training here in the House as a ranking member of the Defense Appropriations Committee for many years speaks well for Mel and for the Congress.

THE REPORTERS WHO BRING YOU THE DEFENSE NEWS—AND HOW THEY RATE THE MEN WHO MAKE IT

Pounding the beat in search of a front page headline or opening spot on prime time TV news are the 37 men and one woman who comprise the Pentagon press corps. An average of 40 years old, the reporters who cover DoD regularly represent 14 daily newspapers, eight magazines and 13 news services. All three major television networks and one radio network have correspondents assigned to the Pentagon.

The 38 journalists have career and educational backgrounds as varied as the media they work for.

Roughly half of them have had military service, averaging about two years each, experience that undoubtedly gives them an edge deciphering acronym-loaded DoD memorandums. The number who served in commissioned and enlisted ranks is split about evenly. Six of the reporters have published books whose subjects range from press censorship to reminiscences about former presidents.

The nucleus of the Pentagon press corps consists of the 15 or so regulars who show up on Tuesdays and Thursdays for DoD spokesman Tom Ross' 11:30 a.m. on-the-record briefing sessions. Dubbed "the follies" by its frequenters, the half hour briefings usually consist of Ross' answering reporters' questions or promising to "get back to you on that one."

The secretaries

		Rating
Forrestal	47–49	7
Johnson	49–50	1
Marshall	50–51	6
Lovett	51–53	6
Wilson	53–57	3
McElroy	57–59	3
Gates	59–61	4
McNamara	61–68	—3
Clifford	68–69	—2
Laird	69–73	46
Richardson	73–73	0
Schlesinger	73–75	30
Rumsfeld	75–77	—8
Brown	77-Present	24

How do these professional Pentagon watchers, several of whom have been on the beat long enough to see six or seven Defense Secretaries come and go, rate the men who have followed James Forrestal's footsteps? What do they think of their spokesmen, the assistant secretaries of defense for public affairs?

AFJ asked the reporters to rate the last 14 Secretaries and their spokesmen, noting which one (or ones) they considered to be the MOST (and LEAST) Competent, Candid, Honest, Likeable, Effective, Forthcoming, Trustworthy, and Strong. The majority of reporters answered the survey (*AFJ* refrained from voting in its own poll); many added comments with their own characterization of the Presidential appointees who run or have run the US national security establishment.

Harold Brown's appointment as Secretary of Defense has been widely lauded by many commentators as one of Jimmy Carter's better Cabinet choices, and by some as his best. The Pentagon press corps seems to concur with that opinion. Those responding to *AFJ's* anonymous survey give Brown high marks for competence, candor and honesty.

Overall, however, Brown was rated only third best of the 14 men who have served as Defense Secretaries.

The Secretary with the highest rating from the press was Richard Nixon's Melvin Laird. Laird was endorsed as the most effective (by a nine to one margin over Brown), likeable (by a factor of three over Brown), trustworthy (roughly two to one over Brown), strong (by a factor of five), and forthcoming (seven times more so than Brown). Laird, it also turns out, was the only

SecDef who won nothing but positive comments.

Behind Laird in the poll was another Nixon appointee, but one of Carter's least popular—current Energy Secretary James Schlesinger. While Schlesinger got less than a third of Brown's votes for competence as SecDef, the press named him by far the most candid of the recent Secretaries and also rated him highly for being strong, forthcoming, and trustworthy. He was also found to be twice as likeable as Brown.

In total voting, Laird received 46 positive votes, Schlesinger a net of +30, and Brown a net of +24.

The three worst Defense Secretaries, according to the reporters, were Robert McNamara, Clark Clifford and Donald Rumsfeld. McNamara was seen as a weak leader and called "experimental and dangerous." Clifford was characterised by one reporter as "a tool of LBJ" and found to be "suffering from tunnel vision" by another. Rumsfeld, Brown's predecessor, got good marks for being candid and likeable. He was rated twice as high as Brown on both of those qualities—but got only negative votes on every other attribute. Elliott Richardson, who served for five months during Nixon's 1973 Cabinet shake-up, was called "aloof" and "a mistake." In fact, Richardson was the only Secretary to get as many negative votes as positive ones. Overall, Rumsfeld led the negative voting with a net score of —8, subtracting such votes as "Least" competent, for instance, from his positive votes as "Most" likeable and candid.

McNamara and Clifford were next, with —3 and —2, respectively.

Opinions were far from unanimous, but they were strong when expressed. One correspondent summoned up thusly:

"While Laird was open, he was not effective. While Schlesinger was effective, he was arrogant. While Rumsfeld was a simple yes-man, Brown is a bigger yes-man and even more arrogant than Schlesinger."

The incumbent Assistant Secretary for Public Affairs, Tom Ross is, by far, the press' favorite of recent Pentagon spokesman. Ross was picked as the most honest, likeable, forthcoming, competent, candid, trustworthy, and strong.

Their spokesmen

		Rating
Seaton	53–55	3
R. Ross	55–57	0
Snyder	57–61	—7
Sylvester	61–67	5
Goulding	67–69	—8
Henkin	69–73	16
Friedheim	73–74	21
Beecher	74–75	24
Laitin	75–75	14
Greener	75–76	15
Woods	76–77	—7
Tom Ross	77–Present	46

On the other hand, William Greener, Rumsfeld's spokesman, was rated as the most effective spokesman—even though his boss was voted the least effective SecDef. Ross was named "the best" by one reporter who added that "Republican spokesmen have been worthless." Running second to Ross was one of the five spokesmen who served during the Nixon era, William Beecher, like Ross, left journalism to take the public affairs post. (Beecher is now back on the other side of the podium as a reporter for the *Boston Globe*, and his profile appears below.)

In sum, Ross received a landslide of positive votes—46–50% more than his boss. Ross was followed by Beecher with 24. Coming in third with 21 was Jerry Friedheim, whom one reporter called "as honest as the institution allows." Former *AFJ* editor Dan Henkin ranked next, with 18 positive votes and no negative ones.

Sixty-four percent of all the comments about Phillip Goulding, Assistant Secretary from 1967 to 1969 under Secretaries McNamara and Clifford, were negative. Tied for second place as the worst Pentagon spokesmen were Murray Snyder and Alan Woods as incompetent and untrustworthy. Arthur Sylvester, spokesman for Robert McNamara (a man who liked to speak his own piece), was the next least popular; it's a tribute to the man, since he held the hot seat for six years, almost twice as long as any other.

Caution: This survey may be somewhat askew statistically because many of the correspondents polled had no experience with early defense secretaries and their spokesmen. However, AFJ believes it's a credible montage of the men who've been running our defense establishment since 1947 and of their spokesmen, painted by professionals whose job it is to interpret their stewardships for the American public.

Two Pentagon regulars, ABC–TV's William Wordham and free-lancer Hugh Lucas, did not answer AFJ's questionnaire and therefore could not be included in the profiles that follow on the next page.●

SOVIET "PRISONER OF CONSCIENCE" LEV BLITSHTEIN

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. BARNES. Mr. Speaker, "Alone in Moscow," that is the fate of long-time refusenik Lev Blitshtein, who ought to be celebrating his 25th wedding anniversary on August 8 with his beloved wife Buma in the secure circle of his family that includes a son and a daughter, both married this past year, and an expected grandchild.

But it has been nearly 4 years since Blitshtein last saw his wife when she and their son Boris were finally given permission to emigrate from the Soviet Union in 1975. Their daughter Galina followed 6 months later, and today the family is settled on Long Island, N.Y.

Forbidden by the Soviet OVIR authorities to emigrate because he knows "too much about the time of storage of canned meats" and "how to make sausage without meat," Blitshtein endured the humility of a divorce unwanted by both partners in a brave effort to allow his family to seek refuge and freedom without him.

Stripped of his position as chief administrator in the Ministry of Meat and Dairy and without meaningful work, Blitshtein, age 49, waits and suffers silently as he longs to overcome his government's forced separation of husband and wife, parent and child.

So it is we who must speak for him. We must tell the world repeatedly that the Soviet Union is clearly in violation of the Helsinki accords of 1975 which affirm the right of reunification of families. We must ask the Soviet Government to restore to its citizens the basic human rights that are guaranteed in its constitution. Now more than ever it is crucial for that nation to show its willingness to live up to its commitments.

Perhaps, with my colleagues' support, Lev Blitshtein may rejoin his family in America as well as symbolize a new faith in United States-Soviet relations built on mutual trust, honor, and belief in the decency and dignity of man.●

TESTIMONY OF HON. JOHN H. ROUSSELOT ON CRUDE OIL WINDFALL PROFITS TAX ACT OF 1979, H.R. 3919, BEFORE SENATE FINANCE COMMITTEE ON JULY 19, 1979

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. ROUSSELOT. Mr. Speaker, as we begin our August district work period, most of us will be faced with the unpleasant task of explaining our Nation's energy policy. The questions will range from: "Do we have an energy policy?" to "Why are the major oil companies reporting higher profits when consumers are suffering on long lines at service stations?" Irate constituents will tell us: "If the oil industry's profits are so large today, then surely they will skyrocket when price controls are lifted."

We face a major educational task this August. For the sake of our Nation's energy future we must convince our constituents (as well as those who are writing about the energy situation for the news dailies and weekly magazines in our districts) that: First, decontrol will not mean higher prices at the gas pump—quirks in the DOE's cost recovery formulas have already enabled refiners to charge world prices to their service station customers for years; second, oil industry profits are not excessive when compared to other industries, indeed their efficiency in earning profits as measured by "return on total invested capital" is below the national average; and third, higher profits do not necessarily mean higher prices, in fact they can mean lower prices if they are the result of technological advances which have lowered production costs.

The questions I will counterpose to my constituents are :"If big oil's profits are so large then why is not Congress considering a tax on profits? Why is the House passed version of the President's tax proposal a tax on revenues, but not a tax on actual profits?" The answer is abundantly clear to both questions: "The Congress is greedy for revenues—from any source. Big Government strikes again."

In my testimony before the Senate Finance Committee on July 19, I raised these points and even went as far as recommending a less pernicious tax that could be applied to both OPEC oil as well as domestic oil. We do not need new taxes on oil production. But the administration and the free spending Congress thinks that we do. I can already hear the pork barrels rumbling down the hill. The least Congress can do is pass a tax that is not destructive of American oil production. As I pointed out in my testimony,

Since the House-passed tax bill will not be applied to the sale of imported oil, domestic oil producers will continue their flight from the lower forty-eight states.

They will produce and market less expensive oil from outside the continental United States. In short, the President's proposal as amended and passed by the House will, without a doubt, result in the flight of American investment capital to foreign shores and the American economy will continue to rely heavily on foreign crude oil production.

I offer my colleagues my Senate Finance Committee testimony, which includes a summary of my statement before the House just prior to the vote on the so-called windfall profits tax. The summary is entitled "Burning the 'Oil Witch'." I believe that both offer a dimension on analysis that will assist in shaping a new energy policy predicated on sound economic grounds, and not on the shifting sands of political faddism.

My testimony follows:

TESTIMONY OF HON. JOHN H. ROUSSELOT

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you to express my views on H.R. 3919—the Crude Oil Windfall Profits Tax Act of 1979.

It is a misnomer to call the House-passed measure a tax on windfall profits. By definition, a tax on profits is a tax on money left over after all business expenses have been paid. The bill under consideration levies a tax on revenues which are received before business expenses have been calculated. The assumption underlying the tax is that there will be a huge increase in oil company revenues when price controls are lifted. The belief is that revenues will skyrocket and somehow oil producers will reap huge profits.

In actuality, integrated producer-refiners are already receiving roughly 90 percent of the world price for price controlled oil they bring to the market. The catch is that to get world prices for this oil, producer-refiners must produce less domestic oil while importing more foreign oil—an unusual profit maximizing production constraint to be sure.

Like a baker mixing a precise amount of sugar with a precise amount of flour, milk, butter, and eggs to bake a cake, integrated oil companies have been mixing roughly one part price controlled oil with about 4 parts imported or uncontrolled oil to receive world market prices for their oil despite price controls at the well-head. When price controls are lifted the prices integrated producer-refiners receive will rise only about $2.00 per barrel because they have found a way to partially circumvent price controls.

This surprising result is a byproduct of the DOE's entitlement system which subsidises refiners to import oil. The system works roughly this way: Refiner A, a distiller of low priced domestic oil literally writes out a check to refiner B, a distiller of foreign oil. In exchange refiner B sends to refiner A a ticket stub permitting A to distill domestically produced controlled oil. These tickets are distributed by DOE each month to all refiners based on the volume of price controlled and uncontrolled they distilled the prior month.

The purpose of the entitlements system is to equalize any competitive imbalance that might arise because of unequal access to price controlled oil. The buying and selling of entitlement tickets results in a situation in which all refiners pay the same average price for a barrel of crude oil notwithstanding whether the oil originates from a price control well, or from a domestic uncontrolled source. Naturally, producer-refiners are importing oil to get entitlement tickets which they can sell to themselves instead of purchasing these tickets from non-affiliated refiners. The less the producer-refiner pays out to other refiners for the right to refine his own oil, the closer he comes to receiving the world price for that oil. What the producing division loses under controls, the refining division almost makes up through the entitlement system.

Independent producers are not so lucky. Because they are not integrated through the refinery stage of production, any lower tier oil they sell now is priced at roughly $6.00 per barrel. Independents are not able to recoup more of the market value of their lower tier oil by tinkering with the entitlements system. They are suffering disproportionately more under price controls than are integrated companies. When controls are finally lifted the incremental increase in revenues they will receive per barrel of lower tier oil sold will exceed the incremental revenue increase per barrel going to integrated companies.

After controls are lifted, integrated oil company revenues obtained from lower tier oil are likely to increase by only about $2.00 per barrel based on DOE's April estimates of the dollar value of the entitlement tickets changing hands in the refinery marketplace. More significantly, the number of barrels of lower tier oil brought to market will increase significantly. Revenues will increase, but any increase in profits that are earned by integrated oil companies will be earned because revenues rose roughly $2.00 per barrel—not $12–$14 per barrel.

In comparison, independent producers will receive $12–$14 more per barrel of lower tier oil sold, but of course they are not recouping any of the lost value of their oil through the refinery stage of production at the present time. There is a question of equity here. Under current controls independent producers are being taxed disproportionately more on the marginal barrel of lower tier oil they produce in comparison to integrated companies. They are, in effect, subsidizing refiners who are buying this cheap oil and mixing it with enough imported oil to minimize cash payments to non-affiliated refiners.

It seems reasonable that independents should at least be able to obtain as much value for their oil as integrated companies are obtaining right now. If the independents were integrated through the refinery stage, then decontrol would result in a revenue increase of about $2.00 per barrel instead of $12–14 per barrel. Despite all the political rhetoric against bigness and vertical integration, the system is severely biased against the small guy.

Decontrol will not help if the Congress passes an oil industry tax in excess of $2.00 per barrel. An integrated producer-refiner's production of lower tier oil will decrease—his taxes having been increased. And independent oil company production of lower tier oil will continue to taper off—since incremental revenues under decontrol will be substantially reduced because of royalty payments and various state excise taxes which are tied to the price of the oil.

If raising revenues is the objective then a $1.00 excise tax on all oil, both foreign and domestic, could raise twice the amount of money now being transferred from one refiner to another through the buying and selling of entitlement tickets. $2.5 billion will be transferred through the mail this year alone. A $1 excise tax on all oil would raise roughly $5.5 billion and would be less harmful to domestic production in comparison to the present system of controls and entitlement payments.

Mr. Chairman, if there is to be a tax, I sincerely hope that it will be an even-handed one. It should apply to all oil, including oil coming into this country, as well as all imported refined products. The cause of our energy problems, OPEC, should share any tax burden levied by the Congress. A one dollar per barrel excise tax at the well-head or the port entry for foreign product will result in about a 5¢ increase in the cost of a gallon of gasoline. I do not believe that the American people will be willing to pay much more at the gas pump.

Of course, if the Congress was really interested in imposing a windfall profits tax, it would do just that. It would tax profits, and not sales revenues from production. In so doing, it would be surprised to learn after the fact, that increases in production costs have already wiped out almost all of the windfall profits that might have accrued to oil companies. Why?

When the OPEC cartel began raising prices in 1973, the demand for drilling and oil producing equipment quickly escalated as nations around the world began exploring for crude oil to reduce their reliance on OPEC. Naturally, as demand increased, manufacturers of oil field equipment began selling their products at higher prices to take advantage of conditions in the marketplace. The price of drilling and production equipment has been rising with increases in the price of crude oil in almost lock-step fashion. In other words, crude oil is worth more today because of OPEC's price increases, but it also costs more to produce because of the rise in equipment costs.

In addition, labor costs have also risen dramatically since OPEC first became a world price-setter. American laborers are receiving "battle pay" because of the adverse conditions that they must work under in Alaska. Production costs have also risen because oil production is "energy-intensive," and is therefore an "energy-expensive" business.

In sum, the justification for imposing a windfall profits tax rests heavily on the actual existence of abnormally high profits. Historical data and economic price theory suggests that increases in production costs have already wiped out virtually all of the windfall profits that might have been caused by OPEC inspired price increases. In fact, in comparison to American industry as a whole, oil companies are nearer to the lower rung of the profitability ladder than they are to the top when we measure profits by return on equity, or by return on total capital employed. Integrated oil companies are not abnormally profitable even though they are already capturing almost 90% of the world price for their domestically produced oil.

The Congress seems determined to tax the sale of domestically produced oil as if real world dynamics in the marketplace do not exist. Since the House-passed tax will not be applied to the sale of imported oil, domestic oil producers will continue their flight from the lower forty-eight states. They will produce and market more oil from outside of the continental United States.

As OPEC continues to raise its prices, domestic production costs will also continue to rise, but the total sales revenue received by domestic producers will be lessened by the amount of sales tax. As long as the costs of transporting foreign oil to domestic markets is less than the sales tax, then everything else being equal, oil companies will earn more gross revenue and hence profit by producing oil on foreign soil.

In short, the President's tax proposal as amended and passed by the House will, without a doubt, result in the flight of American investment capital to foreign shores and the American economy will continue to rely heavily on foreign crude oil production.

The targets of the new House tax, the major integrated oil companies, are likely to avoid the penalties by sitting on their domestic oil reserves. They will find it less profitable to develop domestic supplies than

to market imported oil—since foreign oil will not be covered by the tax.

With U.S. production bound to decline, it is only a matter of time before the increased demand for imports equals the President's import quota ceilings. When this happens, prices will rise dramatically since demand will overwhelm total domestic and foreign oil supplies available to American consumers. Perhaps, then, synthetic fuels will become economically profitable to produce. The cost to the American consumer will be very high.

The ultimate victims of the new tax, along with the consumers, will be the 10,000 or so independent oil producers who are not integrated through the refinery stage of production. These producers rely exclusively on domestically produced oil as their sole source of revenue. As costs rise, but sales revenues do not keep pace, they will be put out of business or at best be forced to sell out to some major oil producer who can better afford to wait in hopes that the tax will be repealed.

Such "fire sales" will lead to increased concentration in the oil industry. The major companies will get larger at the expense of the small independent producers. This prospect is not what the gas-starved American consumer has in mind when he writes to his Congressman or Senator and demands a solution to the oil crisis.

The House, in its zeal to raise revenues, is overlooking fundamental economic theory and documented history. It is trying to sneak a tax on the American people by burning the "oil witch." Unfortunately, the new tax enhances OPEC's ability to raise prices by destroying a market competitor—U.S. domestic oil production.

Let me encourage you to review a summary of my remarks before the House on June 26 entitled: "Burning the Oil Witch."

BURNING THE "OIL WITCH"

Since 1973 OPEC's prices for crude oil have skyrocketed in comparison to prices for domestically produced crude oil. Despite these higher prices we find ourselves importing almost twice as much crude today as in 1973, when OPEC first embargoed oil from the western world. Why hasn't consumption of OPEC oil decreased as OPEC's prices have risen? Why has domestic crude oil production declined in the face of higher prices?

One often cited, but incorrect explanation for our increased reliance on OPEC is that the United States is running out of crude oil. Geologists across the country tell us that there are huge amounts of crude oil and other hydrocarbon fuels which have yet to be included as part of "proven" domestic reserves.

Much of this fuel is going to be expensive to produce because it is either located deep beneath the ground, or, because it is located in areas where traditional drilling will not work. At the present time oil is very expensive to buy because the nations of the OPEC cartel control so large a portion of the world's readily producible supplies that they can raise prices by reducing output in the face of rising world demand.

The OPEC finance ministers do not set oil prices capriciously. These men are trying to find a price that will support their authority over the marketplace. To find that price they must carefully estimate the changing capability of the rest of the world to produce oil in response to the lure of higher prices. One of the key variables in their calculations is what the production response of the United States oil industry will be as the price of crude oil rises.

American producers are the unquestioned leaders in oil exploration and drilling technology. If and when they shift into high production gear, the amount of new oil produced will not be trivial and the OPEC nations know this. Why hasn't U.S. production been increasing to meet the challenge of OPEC? The answer can be summed up in two words: Price controls.

Consider the following: In 1970 domestic crude oil production reached historically high levels of production. Since then it has dropped 10 percent—from 9.6 million barrels per day in 1970 to 8.7 million barrels per day in 1979. Meanwhile, imports of crude oil have skyrocketed from 12.1 percent of consumption in 1970 to 42.7 percent in 1979.

The table follows:

SOURCES OF U.S. CRUDE OIL: BEFORE AND AFTER PRICE CONTROLS

[In millions of barrels per day]

Year	Average daily domestic production	Average daily imports	Imports as a percent of total crude oil needs
1965	7.8	1.2	13.7
1966	8.3	1.2	12.9
1967	8.8	1.1	11.4
1968	9.1	1.3	12.4
1969	9.2	1.4	13.2
1970	9.6	1.3	12.1
1971 [1]	9.5	1.7	15.1
1972	9.4	2.2	19.0
1973 [2]	9.2	3.2	26.0
1974	8.8	3.5	28.4
1975	8.4	4.1	32.9
1976	8.1	5.3	39.4
1977 [3]	8.2	6.6	44.4
1978	8.7	6.0	41.1
1979 preliminary	8.7	6.5	42.7

[1] Wage and price controls imposed in August 1971.
[2] OPEC cartel embargoes crude oil, November 1973.
[3] Alaskan North Slope oil begins flowing to market, March 1977

Source: Data from the U.S. Department of Energy.

The reasons behind the acceleration in the growth of oil imports are apparent. Since price controls were imposed in 1971, the Federal government has discouraged domestic oil production by, in effect, telling oil producers to "milk their assets." Under the price guidelines, and later under specific rules engendered by the Emergency Petroleum Allocation Act of 1973 (EPAA), the sale of most domestically produced oil has been controlled at prices below the world market.

Unfortunately, the cost of bringing oil to the marketplace has been rising faster than the controlled price of oil. Prices for oil field equipment have been rising almost lockstep with OPEC's price increases because of the world-wide increase in the demand for drilling and producing equipment. In addition the oil business is "energy-intensive" and therefore "energy-expensive."

With prices controlled, but production costs escalating to wipe out any windfall profits that might have accrued to the industry, oil producers were quick to realize that if the trends continued they would be forced out of business. They were faced with three choices: 1) stop pumping their reserves and wait until controls were lifted, or 2) pump dry existing wells until profits turned negative (using the funds to get into another business where they could make more money), or 3) do some combination of both while looking for oil in places not governed by price controls—places like Arabia, Equador and Indonesia.

Given the choices, it is not surprising that domestic oil production has fallen off as the spread between the world market price and the DOE below market controlled price has widened. Instead of "milking their assets", much of the oil industry has shifted its drilling and exploration efforts overseas because oil produced there can be sold at world market prices.

DOE ENTITLEMENTS—SUBSIDIZING REFINERS TO IMPORT OIL

Once price controls were in place, the DOE bureaucracy had to find a way to assure that lower prices would be passed on to consumers while maintaining competitive equality in the marketplace. DOE realized that refiners who were able to purchase controlled low price domestic crude were in a position to undersell refiners who relied exclusively on higher priced foreign crude. Therefore, it developed the entitlements program.

The genius behind this program is that refiners of domestically produced oil must pay importing refiners roughly one-half the difference between the price tag on foreign oil and the price tag on domestically produced oil. Payment is made by refiners of domestic oil to refiners of foreign oil for "entitlement" or "right to refine" tickets which are distributed by DOE. In this way, all refiners pay the same average price for crude oil.

Where does the money come from? Most refiners of domestically produced oil are also crude oil producers. The money originates from the same pocket. Most of the loss to U.S. producers is shared with refiners of imported oil. The rest goes straight to OPEC. None of it has been going to consumers.

WHY DECONTROL IS INEVITABLE

With the crude oil price paid by refiners rapidly approaching the world price, the President has been forced to recommend decontrol. Without decontrol domestic production will continue to decline and imports will continue to rise. As this happens, the entitlements program will fall apart, and all refiners will find themselves paying the world price for crude oil. In the end, price controls will have contributed to increased reliance on OPEC without saving consumers one dime. Consumers have been paying the "world" price for gasoline at service stations for five years. How is this possible when everyone knows that gasoline in Europe costs far more than it does in the United States?

PAYING THE WORLD PRICE FOR GASOLINE DESPITE FIVE YEARS OF PRICE CONTROLS

In actuality, the retail price paid for gasoline in Europe, includes steep taxes. The prices we should be looking at in making comparisons across continents are pretax, wholesale prices for refined gasoline, and not retail prices.

AVERAGE ANNUAL WHOLESALE PRICES FOR REGULAR GASOLINE ACROSS CONTINENTS

[In cents per gallon]

Year	New York Harbor spot price [1]	Rotterdam, Holland spot price [1]	Average U.S. dealer tankwagon price (excluding tax) [2]
1974	33.2	35.4	30.5
1975	33.4	32.6	35.8
1976	35.5	37.1	39.0
1977	38.4	36.4	42.5
1978	42.8	42.6	43.7

[1] Spot price—The price for a cargo of gasoline sold on a daily basis.
[2] Dealer tankwagon price—The wholesale price charged to deliver gasoline from the refinery to the service station.

Source: Data from the Platts Oilgram Price Service.

The virtual equality of wholesale spot prices across continents strongly supports the "paying-the-world-price" position advanced by two economists, Charles Phelps at the Rand Corporation, and Rodney Smith at the University of Chicago. Two years ago they said the DOE's complicated formula, which enables refiners to raise prices to cover costs, also enables refiners to sell their products at world prices.

In support of this position, Phelps and Smith cited the existence of the "banks" of unrecouped costs which are reported each month by the Department of Energy. These "banks" represent cost increases which refiners are permitted to pass through in the form of higher prices directly to their service station customers. Even higher prices have not been charged because of competition in the marketplace for the consumer's dollar.

In other words, until recently when the "banks" began to be depleted as refiners and service stations raised prices to meet increased demand, their very existence has meant that refiners have been charging as much as consumers have been willing to pay. All this changed when market conditions, resulting from the reduction in Iranian oil production collided head-on with Federal price controls and allocation rules to create "The Great California Gas Shortage."

CALIFORNIA'S CRISIS: SPREADING ACROSS THE NATION

The shortage hit California first because the total demand for gasoline has been rising there much faster there than in the rest of the nation due to California's higher-than-average economic growth during the past year (800,000 more vehicles on the road). In contrast the supply of gasoline available to California has not been keeping pace. In the wake of the Iranian upheaval, the DOE told refiners not to purchase high priced crude oil on the spot market. Inadequate production of domestic crude due to price controls, strict environmental standards, and especially DOE allocation rules which do not allow refiners to shift the flow of gasoline from areas of low demand to areas of high demand, also contributed to the shortage. These allocation rules guarantee localized shortages whenever supplies tighten in the face of rising demand.

The growing imbalance between the forces of supply and demand finally erupted in a series of rapid price increases in California in the months of April and May. These price increases were followed by shortages and long lines at service stations everywhere when prices at gas pumps bumped against maximum Federal price ceilings. DOE's inflexible allocation rules lengthened the lines. With the marketplace no longer signalling to consumers how much to consume, Federal and state governments were forced to step in and adjust gasoline allocations while consumers were forced to wait in line. Unfortunately, consumers will have to get used to the lines because the new oil industry tax virtually guarantees increased reliance on unstable OPEC supplies for years to come.

THE WINDFALL PROFITS TAX: BURNING THE "OIL WITCH"

The new tax will be on sales revenues. It is not actually a tax on windfall profits although it has been heralded as one. To avoid the tax, domestic oil producers will at first try to pass it on to refiners by raising prices. They will not be successful. Refiners will instead purchase less costly foreign oil. The producer's second and more profitable option, is to sit on their unpumped reserves while marketing imported oil—since this oil will not be covered by the tax.

Tax revenues are likely to decrease, and not increase, as domestic oil production continues to falter under the heavy yoke of new taxes. Naturally as production decreases, OPEC's stranglehold on the market will tighten. The new tax enhances OPEC's ability to raise prices by destroying a market competitor—U.S. oil production. The Congress may burn the "oil witch" but it is guaranteeing higher consumer prices at the gas pump.

The ultimate victims of the new tax, along with the consumers, will be the 10,000 or so independent oil producers who are not integrated through the refinery stage of production. These producers rely exclusively on domestically produced oil as their sole source of revenues. As costs rise—but sales revenues do not keep pace—they will be put out of business or at best be forced to sell out to some major oil producers who can better afford to wait in hopes that the tax will be repealed.

Such "fire sales" will lead to increased concentration in the oil industry. The major companies will get larger at the expense of the small independent producers. This prospect is not what the gas-starved American consumer has in mind when he writes to his congressman and demands a solution to the oil crisis.●

SOVIET DAY OF SHAME

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DERWINSKI. Mr. Speaker, as the Congress will be in recess for its August district work period, I would like to take this time to direct the attention of the Members to the 11th anniversary of the "Soviet Day of Shame," August 21, 1968. On that day, the Soviet led armies invaded Czechoslovakia, and crushed the reform-minded government of Alexander Dubcek.

Although the invasion of Czechoslovakia by the military forces of the Soviet Union contravened the independence of a sovereign state and denied its people the right of self-determination, it is important to note that there exists a strong yearning for freedom and a strong nationalistic spirit of the people of Czechoslovakia. This is especially evident by the continued activities of those brave men and women who continue to oppose the violations of their human rights by the Soviet-imposed government of Czechoslovakia. They demanded restoration of their fundamental civil and political rights in a manifesto, "Charter 77." This was followed by "Petition 78," which was developed for the practical purpose of supporting the signers of Charter 77.

The signatories of these two human rights manifestos and their supporters are still being persecuted by the Communist government. Based on reports from Western European newspapers, the Czech regime is highly displeased with the Charter 77 document, and is monitoring the actions of the nearly 1,000 signatories. To express an unpopular view in any Soviet-occupied country is to invite retaliation in the form of physical abuse or imprisonment. Reports have verified that such action is being used on those signers of the human rights manifestos.

Czechoslovakia, between World War I and World War II was a progressive and thriving democracy. But this democratic structure of government was eliminated by the Communist takeover in 1948, when the Reds seized absolute control.

In 1968, the Soviet Army and forces of Eastern European satellite states occupied the country to crush any resurgence of Czechoslovakian democracy. This day dealt a deathblow to the liberalization that was developing in that small country.

It is of paramount importance for us to encourage the brave people of Czechoslovakia in their ongoing struggle for fundamental rights. We must continue to publicize and object to the heavy-handed reprisals which are a way of life under Communist regimes.

In conclusion, I wish to insert a statement by the Czechoslovak National Council of America, Chicago, Ill., listing the violations of the United Nations Charter by the Soviet Government, and a press release by Amnesty International regarding the trials of a Czech human rights group:

CZECHOSLOVAKIA NATIONAL COUNCIL OF AMERICA,
Chicago, Ill., August 21, 1979.

FREEDOM IS INDIVISIBLE

On this sad occasion of the eleventh anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article 1, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a Day of Soviet Shame in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve "The withdrawal of Soviet troops from Czechoslovakia."

AMNESTY INTERNATIONAL,
New York, N.Y., June 27, 1979.

AMNESTY INTERNATIONAL SEEKS TO OBSERVE CZECH TRIALS

Amnesty International today (Wednesday, June 27, 1979) announced that it would ask the government of Czechoslovakia for permission to observe the forthcoming trial of 10 members of an unofficial Czech human rights group who are now in pre-trial detention in Prague, facing possible prison terms ranging from one to 10 years.

The defendants, who were arrested on May 29, are all members of the Committee for the Defense of the Unjustly Prosecuted (known in Czechoslovakia as VONS). The committee, formed in April 1978 by signatories of Charter 77, had issued 113 statements on human rights violations in Czechoslovakia up to the time that its members were arrested.

One of the 10, Peter Uhl, is reported to have been charged under Article 98 (2B) of the Czechoslovak Penal Code with conducting subversion on a large scale. He faces a sentence of between 3 and 10 years' imprisonment.

The other nine face possible prison terms of up to 5 years on charges of conducting "activities inimical to the interest of the Czechoslovak state."

According to a statement issued by the committee when it was founded, its purpose has been "to monitor the cases of people who are prosecuted or imprisoned for the expression of their convictions or who have become victims of arbitrary actions by the police or judiciary."

Amnesty International said it believed the detention of the 10 men was in breach of Article 29 of the Czechoslovak constitution which gives citizens the right to submit suggestions and complaints to the authorities.

"We have adopted them as prisoners of conscience. Their detention infringes the International Covenant on Civil and Political Rights which Czechoslovakia has ratified," said Amnesty International.

The defendants are Otta Bednarova, Jarmila Belikova, Dr. Vaclav Benda, Jiri Dienstbier, Vaclav Havel, Dr. Ladislav Lis, Vaclav Maly, Dana Nemcova, Dr. Jiri Nemec and Petr Uhl.

Vaclav Havel and Petr Uhl have previously served terms of imprisonment and been adopted by Amnesty International as prisoners of conscience. Vaclav Havel was sentenced in October 1977 to 14 months' imprisonment, suspended for 3 years and, if found guilty in the forthcoming trial, may have to serve this previous sentence of 14 months' imprisonment in addition to any fresh sentence imposed on him.

Dr. Vaclav Benda and Jiri Dienstbier were spokesmen for the domestic human rights movement Charter 77 at the time of their arrest.●

FOOD FOR FUEL?

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. FINDLEY. Mr. Speaker, two recent editorial page opinions of Midwestern origin merit nationwide attention and support and I commend them to the reading of my colleagues. I strongly endorse the viewpoint that to try to use our food exports as a leverage against OPEC would not only be futile but in fact would be damaging to farmers, to consumers, and to the hungry millions of the developing countries.

The first editorial is from the respected Midwestern farm publication, Prairie Farmer, dated July 7, 1979:

NO NATIONAL GRAIN BOARD

This National Grain Board idea should be shot down quickly. Essentially the bill creating the board—HR 4237—would nationalize grain merchandising. USDA's Commodity Credit Corporation would be the sole sales and marketing agency for all exports sales of US grain and oilseeds.

The idea is patterned after the operation of grain boards in Canada and Australia. Both have been reasonably successful. But they don't deal with the variety of products of the tonnage we do in the US.

The world's grain marketing complex probably could stand some reform. But we don't figure that the National Grain Board is the way to handle that reform.

In the same vein is the opinion of U.S. Senator RUDY BOSCHWITZ of Minnesota which echoes my oft-expressed view. Senator BOSCHWITZ's comments appeared in the Outlook Section of the July 29 Washington Post:

"FOOD FOR CRUDE" PROPOSAL HAS TOO LITTLE LEVERAGE

Cheaper crude or no more food! That gauntlet is being flung at OPEC members by American wheat farmers in an attempt to raise wheat prices at the same time and rate that OPEC raises oil prices. The message is: It's a barrel of oil for a bushel of wheat.

The challenge has considerable justification: While our farmers pay OPEC ever-increasing prices for energy products (and much is used in food production), they find themselves giving those same OPEC countries bargain basement prices on wheat.

However, I'm afraid that OPEC's answer to wheat farmers will be: okay, then no more food! Unfortunately, I believe we still need them more than they need us, at least when oil and wheat are compared.

My understanding of international markets suggests different conclusions than those reached by "food for crude" proponents. Their position was outlined in an article in The Washington Post Outlook section on July 8.

Those who believe that America could effectively tie the price of crude to wheat base their contention on conditions that exist now, namely, that the United States is presently supplying OPEC with over half of the 10 million tons of wheat imported each year.

This contention overlooks a major factor: While you can't produce oil if you don't have it, virtually every country can grow wheat or expand its production.

If this country imposes a higher and fixed price for wheat, changes in the production levels of other countries could occur. Such changes would doom either our fixed prices or our exports.

The U.S. Department of Agriculture estimates that an additional 12 to 20 percent of land would come into production outside of the United States by 1985 if we raise the market price of wheat to around $6 a bushel. Much of this land would be in Africa, Latin America and eastern Europe.

An increase in crop yields in many countries would be aided by investment in irrigation, fertilizers, mechanization and new cropping techniques—investment attracted by the promise of higher returns.

We must also take into account the realization that four-fifths of the world grain output is consumed in the countries in which it's grown. If we were successful in raising the worldwide price to $6 a bushel, other countries would be encouraged to export some of that four-fifths, cut world prices and undersell us internationally.

Thus, I fear American farmers would suffer from consequences that are being overlooked in an unduly optimistic analysis of the "food for crude" proposal. In actuality, it's likely they would see their foreign markets dwindle. Also, broad government acreage and production controls would need to be imposed to enforce the fixed price, an extent of government control over farmers I find it hard to believe they really would want.

Meanwhile, the present world grain market, now expanding rapidly in both price and demand, would be undermined. So would our balance of trade and the value of the dollar.

"Food for crude" proponents have little economic leverage for another reason. In 1978, 64 percent of the oil imported by the United States came from four OPEC nations, Saudi Arabia, Libya, Nigeria and Algeria. This represented $17 billion worth of petroleum imports.

However, these four countries imported only 1.8 million tons of wheat from us. That amounted to a value of $240 million, only 1.4 percent of the amount of our oil imports.

The United States grows only 15 percent of the world's wheat supply; total wheat production worldwide in 1978 was 437.6 million tons. The amount imported by those four OPEC countries is just four-tenths of one percent of world production. They could buy elsewhere. Our leverage against them with grain is not impressive.

We must keep in mind, too, the potential part which could be played by Russia. The Soviet Union is one nation that could upset any pricing system devised by a U.S. grain board. In a normal crop year, the U.S.S.R. grows about twice as much wheat as does the United States. In the Soviet Union, however, wheat is used as animal feed as well as a food grain. If the U.S. raised its price to $6 per bushel, the U.S.S.R. could easily undercut that price by selling abroad that portion of wheat normally used for feeding livestock and then importing corn or sorghum to use instead.

If we were successful in raising the worldwide price to $6 a bushel, a cruel tax would be levied upon the hungry and poor of the world, a similar burden to that they're currently suffering from OPEC prices.

For these reasons, I doubt our efforts to control OPEC through our wheat would be successful. We do have potential strong leverage against OPEC with respect to their defense and technological needs.

However, the most effective route we can pursue to help our wheat farmers is to work to develop new markets overseas for our grain. This path would assure us of a consistently high demand from one year to the next.●

TAIWAN AND THE OLYMPICS

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. SOLOMON. Mr. Speaker, next summer, athletes from across the globe will converge on Moscow to take part in the Olympic games. The Olympics have, in the past, symbolized international unity and good will, but during the recent past they have become increasingly politicized.

During the 1972 Munich Olympics, Palestinian terrorists thrust the games into the international political spotlight, when they murdered members of the Israeli national team. The 1976 Montreal games saw the International Olympic Committee (IOC) buckle under to international pressure and ban the Taiwan delegation from the games. The United States acquiesced in this shameful episode and, I fear, may do so again.

If the United States once again remains neutral while the IOC yields to international pressure and excludes Taiwan, the effect will quite likely further politicize the Moscow games. It is quite evident already that the Soviet Union plans to use the Olympics to enhance its global image. Thus the danger and likelihood that the 1980 Olympics could be politicized is real. If we, in the United States, sit idly by while Taiwan is again excluded by the IOC from the 1980 Olympics, we signal those forces who oppose Taiwanese participation that our will to resist increased politicalization of the 1980 games is weak.

Although the United States, to my regret, has dropped diplomatic recognition of Taiwan the use of this episode as a political tool against a legitimate government—an ally of 30 years standing—is both immoral and corrupt. Taiwan is recognized by 21 countries. It has its own flag and national anthem and has every right to full representation in the 1980 Olympics, regardless of political issues.

Some argue that because Taiwan is not a member of the United Nations, it does not have a right to participate in the games. But in the past, the IOC has allowed West and East Germany to field separate teams, even though neither were represented at the U.N. and even though the West German Constitution called for the ultimate reunification of the two Germanies. The two Chinas issue should be accorded the same fairness.

Mr. Speaker, we in the United States must voice our solid support for Taiwan's Olympic participation. The issue of fair play and justice for all nations is too high a point to be sacrificed on the altar of political expediency.●

PATIENTS AND POLITICS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. PURSELL. Mr. Speaker, for the past 5 years the National League of Nursing (NLN) has offered nursing students the opportunity to learn about and become involved in the processes of Federal health policy formulation. Funded by the Robert Wood Johnson Foundation, 10 summer study fellowships in public policy were awarded to nursing students this year. The fellows were selected, from nominations submitted by deans, on a competitive basis for leadership abilities, academic performance, interest in political affairs, and potential for maintaining an active role in health policy development.

Nurses, as direct health care providers, have special knowledge and expertise to contribute to health policy formulation. Recognizing this fact, the NLN Robert Wood Johnson Fellowships are designed to provide nursing students with an overview of the political process and to introduce them to the many opportunities available for participating in health policymaking. Thus for 10 weeks in the summer, the fellows work full-time as professional staff in congressional and administrative offices. During this summer experience the fellows are actively involved in such activities as analyzing bills, developing proposals, researching issues, as well as writing reports, testimony, and briefings. In addition to learning, the fellows are also able to teach those with whom they work, so that they may gain a better understanding of nursing and the contributions this profession can offer the health care system.

This year's fellows, representing baccalaureate (BSN), master's (MSN and MPH), and doctoral (Ph. D.) level students, have been involved in all of the health issues confronted by Congress this summer.

Their experience as public policy fellows promises to increase the number of nursing leaders contributing to Federal health policy development. Pamela Maraldo, R.N., NLN public affairs director, Martha Driessnack, R.N. and Betsy Emerson, past fellows and current program consultants, are to be commended for their efforts to strengthen nursing's contributions to health policy formulation. The fellows also are to be congratulated, and I would like to take this opportunity to publicly recognize them. This year's fellows and their assignments are: Charlene Connolly, R.N., MSN candidate at the University of Maryland, House Subcommittee on Health and Long-Term Care; Carol Crawford, R.N., MSN candidate at Yale University, minority counsel staff, Senate Finance Committee; Janet Dean, BSN candidate at the University of Michigan, office of Representative TIM LEE CARTER; Constance Gillett, BSN candidate at Southeastern Massachusettes University, Food and Drug Administration; Barbara E. Hanley, R.N., Ph. D. candidate of Health University of Michigan, Office of Health Maintenance Organizations; Charlotte Hughes, R.N., MPH candidate at the University of North Carolina, House Select Committee on Aging; Paula Mason, R.N., MSN candidate at the University of Maryland, Office of the Assistant Surgeon General, U.S. Public Health Service; Lynn T. Rinke, R.N., MSN candidate at the University of Michigan, Office of Legislation, Health Services Administration; Sally Solomon, MSN candidate at Yale University, Office of Health Policy, Health Care Financing Administration; and John Tatarakis, BSN candidate at the University of San Francisco, Office of Senator DANIEL INOUYE.●

JUVENILE JUSTICE

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. RAILSBACK. Mr. Speaker, I have long been concerned with the question of how best to deal with juvenile offenders so as to protect society without abandoning the goal of rehabilitating these youth before they fall into a lifetime pattern of repeat offenses. My concern has grown in recent years as the number of serious offenses committed by juveniles has reached critical levels all across the United States.

Though our colleagues in the State legislatures of this country are more directly confronted with this issue than are we, we may nevertheless have to face this problem head on during this Congress as we consider the issues of Criminal Code reform, LEAA reauthorization, and reauthorization of the Office of Juvenile Justice and Delinquency Prevention.

It is for this reason that I am today including in the RECORD an excellent article I recently read in the Saturday Review entitled "The Search for Juvenile Justice." I believe that this article, authored by Michael Serrill, provides a concise perspective on the continuing changes in our juvenile justice system.

The article follows:

THE SEARCH FOR JUVENILE JUSTICE

(By Michael Serrill)

"These are the armies of the night!" blares the advertising slogan for the controversial film The Warriors. The "armies" are made up of youthful thugs, some as young as 12. In New York City, the film tells us, there are tens of thousands of them wandering the streets and subways in loosely federated packs. Given half a chance each one of them will happily kill.

The Warriors is only the latest in a long series of media presentations, fictional and factual, that seem designed to depict young criminals, and sometimes teen-agers generally, as ogres. As always, it is hard to tell whether the media are molding the public mood or merely reflecting it. But there is little doubt that the public mood as regards juvenile crime is sour, even venomous. The people—at least those who influence state legislatures—want children accused of violent crimes locked up and locked up for a good long time.

Legislatures in at least a dozen states have obliged. They have passed laws making it much easier for serious juvenile offenders to be tried and sentenced in the adult courts, lowered the age of majority for those accused of a variety of crimes, and stipulated that certain juvenile offenders must be sent to secure state institutions. They have effectively dismissed the traditional belief that children are less responsible for their acts than adults.

While this harsh line has been capturing the headlines, a much quieter but equally powerful countermovement has succeeded in gaining the release from state institutions of thousands of children who are neglected, abused, or minor criminal offenders. The efforts of "child advocacy" groups have ranged from massive class-action lawsuits—one suc-

ceeded in having the entire Texas juvenile corrections system declared unconstitutional—to a Colorado suit in which a teenager has charged his mother and father with "parental malpractice."

But the get-tough forces and the children's rights' groups will agree on one point: The existing juvenile justice system has no consistent standards for the treatment of any juvenile in trouble, whether he is a murderer or an orphan, whether he has committed assault or been victimized by it. In several states, conservative and liberal groups have joined in an effort to rewrite the juvenile laws so that they define specifically the rights and obligations of juveniles in trouble, and the rights and obligations of the courts and other agencies that attempt to redirect their lives. The most comprehensive new statute took effect in Washington State a year ago and is widely regarded as a model for juvenile law reform.

The target of every effort to rewrite the juvenile laws is a single institution: the juvenile court (also known as "family" and "domestic relations" court). Its sustaining beliefs have been that troubled children must be treated differently from their adult counterparts, that they bear little or no responsibility for their acts, and that the state's obligation is to do everything necessary to resolve the social or familial problems that brought them to court. The court's mandate in almost every state has been to look at each individual case and take whatever action is in the "best interest" of the child. The word "punishment" has been anathema. Juvenile court judges have thus come to see themselves as administrators of social-service agencies rather than courts of law.

The broad discretion of the juvenile courts has been under relentless attack for many years now. The anti-institution forces claim that judges have always taken the easy way out by sentencing too many of their charges to training schools. The pro-institution forces charge that the judges, obsessed with fulfilling juveniles' social needs, have lost sight of their obligation to protect the community.

Until just a few years ago, the United States relied almost entirely on large public institutions for the imprisonment and treatment of juvenile offenders of all kinds. The entire legal and philosophical justification for the existence of these institutions—many of which were, and are, operated directly by juvenile courts—has been that they are rehabilitative. It is technically illegal in many states to send a child to an institution if it is not in his "best interest."

But in the late Sixties and early Seventies, a reform movement revealed many juvenile institutions as brutal, dehumanizing places where children had their heads shaved, were marched around in formation, were assaulted and held for years without hearings to determine if they could be released. There was a tide of revulsion against these conditions in the late Sixties that depopulated both adult and juvenile jails.

The culmination of the movement to get juvenile offenders out of public institutions came in 1971 and 1972, when Massachusetts Department of Youth Services Commissioner Dr. Jerome Miller stunned the juvenile justice community by closing down all of the state's juvenile training schools, which once held more than 1,000 children. The youngsters were sent home or were placed in privately operated "group homes"—small residences for eight to 12 children—or were placed in foster care. By 1974, almost all of the major states had reduced their juvenile institution populations by over half. Experiments were launched with a dozen different kinds of community programming.

But the anti-institution movement has run up against several obstacles in recent years. A controversial seven-year study of the experiment in Massachusetts by the Harvard Law School concluded that the children treated in community programs in 1973 were just as likely to commit new crimes as those released from institutions in 1968. A more recent and even more hotly debated study of community programs for hard-core delinquents in Chicago came to a still more discouraging conclusion: Teen-aged offenders sent to institutions or other highly structured programs were less likely to commit new crimes when released than those held in more therapeutic programs.

Even if the reformers could prove that community programs are effective, they would be fighting an uphill battle against the many politicians who are determined that violent juvenile criminals be locked up, whether it does them any good or not. Between 1960 and 1975 the number of juveniles arrested for FBI Index crimes increased 283 percent. More than half of all arrests for serious crimes are of youths under 18. While 20 years ago juvenile delinquents confined their criminal activity to shoplifting, car theft, and burglary, they now commit robbery, rape, arson, and murder.

There is no scientific evidence that this explosion of juvenile crime has anything to do with juvenile court or corrections procedures; sociologists, in fact, are at a loss to explain why it has happened. But the angry political response was predictable. (It is ironic, however, that it has come now, since crime rates among both adults and juveniles have been declining since 1976.) New York and California, along with a growing number of smaller states, have stiffened penalties for juvenile crimes or lowered the age at which juveniles can be prosecuted as adults. There are several teen-agers among the 500 men and women on death rows around the country.

New York, which has a reputation as the state that is softest on juvenile criminals, passed a law last summer mandating that all 13-year-olds charged with murder and all 14- and 15-year-olds charged with murder and 14 other crimes be initially prosecuted in the adult courts. Maximum terms in institutions were expanded from 18 months to as long as life. (At least with respect to convicted offenders, New York's reputation for leniency is undeserved. It is one of only three states that send all 16- and 17-year-olds, whatever their crime, to adult prisons. On a given day, New York has more than 2,000 offenders aged 16–18 in adult jails, compared with about 40 in California.)

The anti-institution reformers have held their own against this tide of reaction, but not without some abandonment of their own ideals. The new laws which they have proposed effectively sacrifice the serious offenders to the brutalities of institutions while allowing—in Washington, mandating—lesser penalties for minor offenders and "status" offenders—runaways, truants, "ungovernable" children, and all others whose offense would not be punishable in an adult court.

While a number of states, under pressure from various interest groups, have made piecemeal reforms in their juvenile codes and procedures, only Washington has attempted to restructure the entire system. On July 1, 1978, a new juvenile code went into effect in Washington that glistens with modernity. It includes almost all the elements that reform groups have advocated.

The new law diverts all status offenders and many minor offenders out of the criminal justice system altogether. They will be dealt with by community agencies that will mete out both sanctions and social services. Chronic and serious juvenile law violators must be sent to institutions under the new law. The judges no longer have a choice. Every ounce of their discretion has been taken away from them, at least as far as dispositions are concerned.

The state now operates under a point system, with each juvenile offender receiving a certain number of points based on his age, prior record, and current offense. Those who accumulate more than 110 points are committed to the state for a fixed period of time based on the same three factors. They cannot be paroled; parole release has been abolished. Those with less than 110 points cannot go to institutions, but they are not let off scotfree. They must make restitution to their victims, pay fines of as much as $100, and do as much as 150 hours of "community service"—work in local government or private programs for no pay. If they fail to live up to the terms of their restitution and community-service agreements, they can be locked up in the local juvenile detention center for as long as 30 days.

The new code comes as close as that of any other state to constituting a "bill of rights for children. Children are no longer the chattels of their parents. If they run away from home and are picked up by police, they can refuse to go back home. When the new structure is fully in place, those who refuse to go home will be taken to nonsecure "crisis residential centers," where they can stay up to 72 hours while counselors negotiate between the parents and children to resolve the family problem that caused the child to leave home. If the problem is not resolved within 72 hours, the case will be taken to court. But the judge cannot order the child to go home if the child doesn't want to, as he could before the new law was passed, and as judges in other states still can. If the child refuses to cooperate the judge cannot declare him "ungovernable" and send him to an institution. Parents, judges, probation counselors, and community workers can recommend counseling or therapy for both delinquent and nondelinquent youths, but the youngsters have the right to refuse it. Those who are delinquent enough to be sent to institutions also have the right to refuse counseling and therapy; they cannot be punished for not cooperating and, since their terms are fixed, they cannot be denied release.

The Washintgon law is being held up as a model by reformers inside and outside the state. But for all its virtues, it has yet to squarely confront the problems raised by serious offenders. The new law provided no additional funds to expand school and counseling programs for the 625 children (down from 1,500 in the late Sixties) in Washington's seven institutions. The main emphasis of the law was to expand services for the minor and status offenders who were diverted out of institutions by the law. The hard core of juvenile offenders are locked up at places like the Green Hill School in Chehalis. Green Hill includes two maximum security units. These are new and clean, but very prisonlike buildings where serious offenders are required under Washington's new juvenile law to spend at least 90 days. Most spend much longer there—some as long as a year. Some of them go to school a few hours a day; for the rest of the day the staff has to scramble to find something for them to do. There are no vocational education programs they can attend, according to "group-life" counselor Allie Thurman, and the counseling they get is minimal. "It makes me sick—the waste," says Thurman angrily, waving his hand toward the 16 boys meandering aimlessly around the narrow day room at Fir Cottage, one of Green Hill's two maximum-security units.

The inmates are quick to second the point Thurman was making.

"They don't do nothin' for you here," said one boy in Fir Cottage matter-of-factly as a half-dozen of his fellow inmates nodded agreement. Asked what they could do for him, the boy, convicted of armed robbery

and assault and serving 40 months, said they could teach him a trade. He could think of nothing else. He said he didn't need "treatment"; he wasn't sick.

Thurman and many other staff members at Green Hill denounce the "determinate" sentencing and absence of parole of the new juvenile code. Green Hill, the state's oldest and most secure facility, currently holds 112 boys, most of them convicted of violent crimes. Before the new law went into effect last July, most delinquents spent less than a year in the institution; now they are being sentenced to terms as long as four years.

Law enforcement officials respond to criticisms of harshness by pointing to the gross deficiencies, as well as the injustice, of the old system. The determinate-sentence aspect of the law, for example, was pushed—in fact, written—by officials of the King County (Seattle and environs) prosecutor's office and the Seattle police department. Like their counterparts in most cities, the police and prosecutors in Seattle had long been angry at the fact that the seriousness of a teenager's crime and the length of his criminal record seemed to have nothing to do with the disposition of his case. Seattle Assistant Chief of Police Elmer E. Knechtel, who spent more than 20 years in the department's juvenile bureau, can tell countless "horror stories" about juveniles who committed crime after crime with seeming impunity. "We had a kid who had been arrested 64 times," Knechtel recalls, "35 of them for felonies. And he had never done time in an institution." Knechtel says that 30 years ago juveniles comprised 20 to 25 percent of those arrested for burglary and 33 percent of those arrested for car theft. By 1977, he said, the respective percentages had risen to 63 and 82 percent. At least some of this change, said Knechtel, "has got to be due to the fact that we didn't do anything about it."

But the ire of law-enforcement officials was aroused not merely by leniency but by an almost wild inconsistency in sentencing, apparently unrelated to the severity of the crime involved. Jay Reich, head of the juvenile division of the King County prosecutor's office, describes an example of this "bizarre" process. "We had back-to-back cases before the same judge. The first case was a young gal who had been convicted of prostitution at age 14 and had tremendous dependency problems. She was committed to the state institution. . . . The next case before the judge was a 16- or 17-year male who had been convicted of rape in the first degree. He was given four weekends in detention, because he was amendable to the social services available in the community. . . . There was no sense of proportionality or predictability. I don't know what the message given to the kids was about committing crimes.

Though grave injustices of this sort appeared to provide adequate justification for a more rational and harsher, system of punishment, even enforcement officials expect the new toughness to have little or no effect on juvenile crime rates. Warren Netherland, director of the Division of Juvenile Rehabilitation, which runs the state institutions, admits, "As near as I can tell, there is nothing that any part of the criminal justice system does that affects crime rates. The thing we [in the juvenile system] have going for us more than anything else is maturity. A lot of credit we take for programs would probably happen if we did nothing."

In fact, it is hard to find anyone, in Washington or elsewhere, who thinks he has found a method of rehabilitating criminals, juvenile or adult. The advantages of the new system, says state Representative Mary Kay Becker, one of its principal backers in the legislature, are not that it will reduce crime or rehabilitate more offenders, but that it is more fair and more honest. The juveniles who are sent off to institutions should be the first to know, she added, that "we are not sending [them there] to do them any good. We're sending them there because their behavior has demonstrated that they are a menace to society."

The trend to deal more seriously with serious offenders and less harshly with others is likely to continue. The Office of Juvenile Justice and Delinquency Prevention, created by Congress in 1974, has adopted regulations forbidding any state or county agency that receives its funds from placing nondelinquents or status offenders in secure institutions. It also forbids the mixing of delinquents and nondelinquents and the mixing of adult and juvenile offenders in any program. At stake is more than $100 million annually in federal juvenile-justice funds. There was great indignation among local officials at this federal attempt to coerce them. But in the end the money was too attractive to ignore, and most of them are making grudging attempts to comply. The number of juveniles in state correctional institutions has been steadily declining since at least 1965, when there were about 43,000, to 26,000 today; this decline has continued in the past few years despite an increase in the number of serious offenders sent to institutions.

Furthermore, the effort to expand the due process rights of juveniles got a powerful push on February 12, when the House of Delegates to the American Bar Association approved no less than 17 volumes of "standards" for the operation of juvenile courts and correctional systems. Portions of the standards have already been incorporated verbatim into the Washington State law and into proposed new laws in several other states. The ABA recommends a "due process model" in which juvenile defendants are entitled to the full panoply of due process rights now provided for adults, including open hearings (all are now closed, to protect the child from the glare of publicity) and jury trials, which no state now permits. Perhaps the most radical ABA recommendation is that the sentences of juvenile offenders be standardized according to the severity of the offense, the age of the child, his criminal record, and that his "social history" play no role in deciding a disposition.

Although the object of these recent reforms is a more fair and just juvenile system, there remains the danger that the agencies of government will see their entire mission as the imposition of legal justice and forget about the equally pressing imperative of social justice. While it may not be the courts' proper role to address the history of poverty, discrimination, abuse, and deprivation that most defendants carry with them to the courtroom, it is certainly someone's responsibility. If the new juvenile sentencing systems mean that delinquent youngsters' individual problems and needs will be ignored, then this attempt at reform, like those before it, will be a failure.●

CAPTIVE NATIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DERWINSKI. Mr. Speaker, the 1979 Captive Nations Week has passed and along with it the 20th Anniversary of Congress' Captive Nations Week Resolution. However, the purposes of Public Law 86–90 continue to be realized as Americans raise their voices against Soviet Russian imperialism and its long record of conquest of nations. As in previous observances, the recent one emphasized not only the past record of Moscow's exploitation of nations—a valuable reminder in itself—but also the strategic importance of the captive nations for the future of our national security and that of the free world. The continuing hope that this Captive Nations Week tradition provides to over 1 billion captives in the Red totalitarian world is of incalculable worth in itself.

In addition to the manifestations and expressions of the '79 Week that already are on record, I wish to bring to the attention of my colleagues the following items: First, proclamations by Gov. Dick Thornburgh of Pennsylvania; Mayor Charles A. "Pat" Rose of Chattanooga, Tenn.; and Mayor Elerth S. Erickson of Garden Grove, Calif.; Second, an article on "Kremlin Fears Growing Nationalism," by Patrick Robinson, appearing in the July 16th, Spotlight; Third, a Polish-American radio statement over stations in New Hampshire and Vermont; and Fourth, the address by Dr. Ku Cheng-kang at a Captive Nations Week luncheon in the Rayburn Building:

[PENNSYLVANIA PROCLAMATION]

CAPTIVE NATIONS WEEK—JULY 15–21, 1979

Twenty years ago, President Dwight D. Eisenhower issued a proclamation declaring the 3rd week in July as Captive Nations Week. This week was designated as a time when Americans could take part in activities that recognize those millions of people around the world who are denied their basic human rights.

Though the world has changed immeasurably since 1959, here in the United States we are still committed to the ideals that our Founding Fathers stated so eloquently in the Declaration of Independence and continue our respect and support for those individuals around the world who strive for freedom and justice in their own lands.

In recognition of the gains that have been and continue to be made in the achievement of universal rights of all mankind, I, Dick Thornburgh, Governor of the Commonwealth of Pennsylvania, do hereby proclaim the week of July 15–21, 1979 as Captive Nations Week. May this week serve as a time when the American public can reaffirm its support for the ideals of liberty and justice for all.

[CHATTANOOGA PROCLAMATION]

Whereas: The republican form of government—based upon "the consent of the governed"—which has existed in the United States of America for 193 years, has resulted in the development of a warm understanding and sympathy for the aspirations for freedom of peoples everywhere and in the recognition of the natural interdependency of the peoples and nations of the world; and,

Whereas: The enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful co-existence between nations and constitutes an impediment to the natural bonds of understanding between the people of the United States and other peoples; and,

Whereas: Since 1918 the imperialistic and aggressive policies of the vast military depotisms of International Communism have resulted in the creation of a constant threat to the security of the United States and of all the free peopels of the world; and,

Whereas: The imperialistic policies of the Communist regimes have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Euthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turke-

stan, North Vietnam, Serbia, Croatia, Slovenia, Cuba, and others; and,

Whereas: It is vital to the national security of the United States and the other free nations of the world that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive,

Now, therefore, I, Charles A. "Pat" Rose, Mayor of the City of Chattanooga, do hereby proclaim the week of July 15 through 21, 1979 as "Captive Nations Week" and urge that all citizens support this annual recognition of the intent and purpose of the Communist dominated and oppressed peoples of the world to regain their freedom.

[GARDEN GROVE PROCLAMATION]

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of a substantial part of the world's population; and

Whereas, the desire for liberty and independence by the overwhelming majority of peopels in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Now, therefore, I, Eerth S. Erickson, Mayor of the City of Garden Grove, do hereby proclaim that the week commencing July 16, 1979, be observed as Captive Nations Week in Garden Grove and call upon all citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

[From Spotlight, July 16, 1979]

KREMLIN FEARS GROWING NATIONALISM

(By Patrick Robinson)

Ukrainian nationalist and separatist sentiment is gaining strength behind the Iron Curtain, a development informed observers say may be the key to breaking up the Kremlin's empire of Captive Nations.

The Kremlin's growing fear of Ukrainian Nationalism was evident in the April 27 "release" (expulsion) of Valentyn Moros. Moros, a leader of Ukraine's nationalist movement was sent to the West with four other Soviet prisoners in exchange for two captured Soviet spies (SPOTLIGHT, June 4).

Moros's escape from the USSR was described by the Establishment media as a great victory for "human rights," and as evidence of the Soviets' compassion.

Perceptive analysts however, charge that the Soviets' purpose was to undermine Ukraine's nationalist movement by expelling its leader. Moros, they note, is now thousands of miles from his homeland and people, unable to inspire and lead them.

INDEPENDENT UKRAINE

Ukraine, the largest non-Russian nation in Eastern Europe, has been described as the most important of the USSR's Captive Nations because of its large population, productive economy and fertile land.

Russia conquered Ukraine in the mid-1600's, and for 260 years Ukraine was under czarist Russian domination.

After World War I, however, Ukraine regained independence during the turmoil which accompanied the two revolutions which swept the Russian Empire following the collapse of the czarist government.

Amid the upheaval of the revolutions, and the subsequent civil war, many nations in the Russian Empire in addition to Ukraine secured independence; most received diplomatic recognition as independent states from Western powers and the Bolshevik government of Soviet Russia.

Very few Americans realize there was no "Union of Soviet Socialist Republics" until the mid-1920's, although there was Soviet Russia.

Thus, Ukraine secured independence following two centuries of Russian colonial domination; significantly, the Soviet Russian government recognized Ukraine's independence.

In 1918, however, Soviet Russia attacked Ukraine; in 1922-23, Soviet Russia organized itself, Ukraine, and every other independent nations it had also recognized, then conquered, into the USSR.

In addition to imprisoning Ukraine and its people in a slave empire of Captive Nations, Soviet Russians are systematically destroying Ukrainian culture and the nation's heritage.

"Russification" is the term describing the imposition of Russian culture on non-Russian ethnic minorities in the USSR; the purpose is to homogenize and standardize the empire's subject peoples, making them more easily controlled.

Soviet Russian fear has intensified the policy of cultural genocide in recent years; the Soviet Russians are frightened because they themselves are most likely already a distinct minority in their empire.

RUSSIANS MINORITY

The Soviet Russians' official census says they (Russians) constitute 53 percent of the population of the USSR; other observers, however, say Russians may be as little as 42 percent of the empire's population (SPOTLIGHT, June 27, 1977). Significantly, even the Soviet Russians do not deny that their proportion of the USSR's population has been shrinking since at least the 1940s.

Russian cultural imperialism was the major factor in Ukraine's renaissance of the late 1700s and 1800s. Many authorities trace today's nationalist movement to those years.

Taras Schevchenko, Ukaine's greatest poet of that time, is today honored throughout Ukraine; Schevchenko's works set the nationalist pot bubbling, and stirred in Ukrainians an independent national consciousness.

Significantly, the czarist Russian government sent Schevchenko into exile, just as the Soviet government did Moros.

HERITAGE DESTROYED

Moros's exile follows years of imprisonment. Moros was jailed for four years in the late 1960s for "anti-Soviet propaganda and agitation," a euphemism for his nationalist efforts.

"I beg you not to call me a Russian dissident," Moros said to reporters upon his arrival in New York. "I am a Ukrainian dissident." He sopke of forcing the "occupiers" of Ukraine from his homeland with "bayonets."

Moros's major works deal with the attempted "russification" of Ukraine through the wholesale destruction of centuries-old manuscripts, art, entire libraries, and priceless religious artifacts and icons.

Moros was returned to prison in 1970 after a closed trial for his works exposing the annihilation of Ukraine's heritage.

He will participate in Captive Nations Week observances in the U.S.

CAPTIVE NATIONS WEEK

Once again in the second part of July we will observe "Captive Nations Week". Captive Nations Week became a part of American history, and there is no hope in sight, that the captive countries will be free again. There is a saying, what the communists have they never give up. This should be a reminder to the people of the United States. From coast to coast in the United States, refugees from the enslaved countries, their American friends, and also many American leaders bring freedom to the foreground by observing Captive Nations Week. Their pleas will reach the hearts of many freedom loving Americans and tell them about the misery people have to endure under communism. We are here to remind every American and people of the Free World about the enslaved brothers by the Communist Regime and communist tyranny.

Once again, we are appealing to all Americans, to young and old, men and women, girls and boys, red, yellow, white and black, to highschool or college students, to all Americans of different origin, clergy, to everyone who desires to live in freedom with liberty, justice and peace, join me to save the United States from the Red Tyranny from communism.

In this Captive Nations Week observance, we are asking you to pray for those who have lost their lives in communist labor camps and prisons. To pray for many families who live behind the Iron Curtain, and who are persecuted by the Communist Regimes. To pray for those who are longing to be free. Pray to keep our country free and that freedom may come soon to all captive nations. Remember freedom is the greatest gift and blessing for all kind and today we are demanding freedom for the captive nations. Look at the map of the world. In the last ten years you will notice that the communists have gained countries, territory and people! I think it is a right time for you my friends to examine this before it will be too late! God Bless America, God be with our brothers behind the Iron Curtain. Help us destroy the communist influence and protect our beloved country that it may never fall prey to communist tyranny.

[From the China Post, July 20, 1979]

NEW STARTING POINT OF USA-ROC RELATIONS

(Speech by Dr. Ku Cheng-kang)

Mr. Chairman, Distinguished Representatives:

Twenty years ago when the U.S. Congress initiated Captive Nations Week, the torch of New York Statue of Liberty turned brighter in the eyes of those kept in chains under Communism. Freedom and democracy-loving people everywhere were encouraged. The moral courage displayed in line with America's national spirit won wide-spread acclaim.

A decade thereafter when I was invited to this country for the 10th Captive Nations Week Anniversary, my visit covered this Capitol Hill. The intense enthusiasm with which American supporters of captive peoples marked the occasion convinced me that as long as the United States stood firmly with all other freedom forces, the state of a half free and half slave world would end before long.

Another decade has passed and here I am again, this time for the 20th Anniversary. The District of Columbia unfortunately has added a flag that stands for Communism and enslavement. But the righteous voices ringing out from the Capitol since mid-December last year have powerfully reflected the noble spirit of this Congress in support of freedom and democracy. As such, the voices have brought echoes of admiration from those others who are similarly for freedom and democracy. It is a great honor for me to be with you Members of the House today. My heartiest respect goes to everyone of you.

PAINFUL ROARS OF 800 MILLION CAPTIVE PEOPLE

More than a billion people are kept enslaved by Communists in the world today. The plight of the 800 million on the Chinese mainland is particularly lamentable. Washington's recognition of the Chinese Communists no doubt was a heavy blow to the fight for freedom, democracy and human rights waged by those people. Their endeavor

reminds us of the U.S. Declaration of Independence that says it is the right of the people to alter or abolish a government when it becomes destructive of the people's rightful goals. When the Chinese mainland people heard the U.S. government decision to recognize the tyrannical regime that had kept them in servitude, their grief was understandably very poignant.

But the 800 million people have not given up their fight for inalienable rights. Their roars for freedom, democracy and human rights are ever louder and stronger.

Young people are surging back to cities with demands for freedom of schooling, occupation and marriage.

Workers at every factory are asking for the right to choose works and remain free from exploitation.

Farmers at every commune want assurance of freedom from hunger.

Masses of people throughout the Chinese mainland are waging fierce struggles for human rights and democracy.

The Chinese mainland is an extreme case of closed society. Most people there today have grown up under Communist propaganda, education and ideological control. And yet, they are rising for freedom, democracy and human rights. With concrete steps they are spelling the total failure of Chinese Communist mobocracy and providing that even those raised with Communist milk cannot tolerate tyranny and enslavement.

This fact also is a proof of the following three points:

First, the Chinese Communists have failed to rule the Chinese mainland effectively and therefore cannot represent the 800 million people there.

Second, those who are opposed to the Chinese Communist rule of slavery are the very masses of 800 million people that the regime has been brandishing in its attempt to bluff international circles.

Third, the call "Learn from Taiwan," issued by people on the Chinese mainland, shows that the Chinese behind the Iron curtain share the anti-Communist and anti-slavery determination of the Chinese in Taiwan.

FRIEND THE UNITED STATES CAN TRULY TRUST

The United States and the Republic of China have basked in lasting friendship. The 17 million ROC people in Taiwan think in terms of freedom and democracy just as the Americans do. The Three Principles of the People that guides the Republic of China embodies the ideal of "government of the people, by the people, and for the people" that the American forefathers enunciated.

The way of life of the ROC people in Taiwan, like that of the Americans, is on the basis of freedom and democracy.

Free economy is practiced in the Republic of China just as in the United States. The ROC is America's eighth trade partner. The two-way trade total between the U.S. and the ROC is expected to reach 12 billion dollars in the early 1980s, and the six-year total from 1980 to 85 is likely to top the 100-billion-dollar mark. All the sharp objective American entrepreneurs regard the Republic of China as a place of great potentiality where investment is safe and profitable.

The strategic position of Taiwan makes the ROC island a shield for American's bases in the Western Pacific. As the Russians are fast stretching out into the region by sea and air, Taiwan stands as a strong ROC base in the passage from the Sea of Japan to the Indian Ocean and in the way from the Taiwan Straits to Guam and Hawaii. The Republic of China is a friend the United States can truly trust.

MAJOR DETERMINING FACTOR OF ASIA'S FUTURE

The 800 million people on the Chinese mainland account for a fifth of the world population. Their fate is a major factor in setting Asia's course, be it for the better or worse. If this vast manpower is further used as a tool of aggression, Asia and the whole world will never be peaceful. But the entire situation will be tremendously improved the moment those people join the free camp. If free nations are really to have global equilibrium through a system that can truly restrain Communist forces of enslavement the Chinese mainland populace must not be kept as capital of Red aggression.

Through building of democracy and improvement of social well-being, the Republic of China has built Taiwan as a beacon of hope for the Chinese mainland inhabitants and as a correct model for future rebuilding of all of China. As many people on the Chinese mainland have clearly indicated, what the ROC has accomplished in Taiwan is to them an object of envy and emulation. This being the case, preservation of security in the Taiwan area and support to the ROC endeavor to uphold freedom and democracy are in the interest of the Chinese mainland people's struggle for freedom, democracy and human rights. This in other words is the only effective safe way to win over the vast Chinese mainland manpower as a major stabilizing force for Asia.

OUR NEW RELATIONSHIP

Since the Republic of China and the United States of America have so much inseparable common interest, the two nations must as a matter of course seek expanded relationship and enhanced cooperation to promote the common interest.

To establish the present new relationship, our two nations had to tread a tortuous path. The relationship should be viewed as a new starting point rather than a mere substitute of what used to exist. On this new basis of ours, we should strengthen our economic cooperation, develop our mutual trade, further our cultural ties, and promote exchange of visitors. We must enhance our joint endeavor for the defense of freedom and democracy and for the checking of Communist expansion. Above all, the new status should be developed into indissoluble friendly ties of the two peoples.

Our common stand or freedom and democracy is such that cooperation between the two nations will certainly be mutually beneficial. If we are to drift apart from each other, we will be playing into the hands of the Chinese Communists who want to estrange us by all means. Because of this understanding, the government and people of the Republic of China, despite their difficult situation have continued to cherish their traditional friendship with Americans. I am certain that because of our common political philosophy, life patterns and concepts of value, our two peoples will be with each other forever.

Distinguished Representatives: The Republic of China was among the first to respond to the call for Captive Nations Week observance and has in the subsequent two decades consistently striven with the United States for the goal of Captive Nations Week. This is an unmistakable indication of our lasting friendship. The noble sense of justice you have shown for the ROC people has added much brilliance to America's long-standing national spirit. Now that we have started a new relationship, all of you who have been elected to reflect U.S. public views will we hope, exert ever greater influence and accomplish ever more importantly as regards promotion of U.S.-ROC relations. This is the earnest desire of my people. Allow me once again to express my sincere respect for all of you.●

THE CABINET SHAKEUP

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for August 1, 1979, into the CONGRESSIONAL RECORD:

THE CABINET SHAKE-UP

Sunday, July 15, opened the most tumultuous week of the Carter Presidency. It was without doubt an extraordinary seven-day period. The President began it with a compelling speech on the crisis of confidence in America and the relation of the energy problem to that crisis. On Monday, he followed with the details of a new energy program. Mr. Carter then broke the spell with the mass resignation offer of his cabinet and the senior White House staff. Five of the 12 cabinet secretaries were out within a matter of hours, and important changes were made in the White House staff. Public and congressional reaction was swift.

The public's view of the week was generally critical. After the Sunday speech, which appeared to galvanize a faltering government to action, the feeling nearly everywhere was that the President might have lost a great initiative in the turmoil of the cabinet shakeup. The confidence renewed by the urgency of Mr. Carter's words seemed to give way to concern for his actions and doubt whether he really could rally the nation. His administration suddenly looked as if it were in disarray, spinning out of control. The President gave assurances that the transition to a new team would be orderly, but the public was right to express it misgivings. It will be months before the vast federal bureaucracy recovers from the week's events. Fresh staffs will have to get into place, uncertainty about the continuation of old policies will arise, and ongoing legislative negotiations will have to be started again. Key policy and planning decision will inevitably be delayed as the new team gets its bearings in Washington.

The reaction of the Congress seemed sharper than that of the public. Legislators with whom I spoke used words such as "unwarranted" and "detrimental" to describe the week's events. Many of them saw the President's problems in the senior White House staff, not in the cabinet, and they could not help but ask what was going on. Why a cabinet shakeup 30 months into the President's first team, perhaps only weeks away from the anticipated announcement of presidential candidacy? No one denied that a President should feel free to arrange his top appointees in the way that suits him best, or that he should probably have a chief of staff whom he knows well to handle administrative chores. After all, an administration can be unevenly staffed or improperly organized. Efforts to make policy can be dissipated by too much debate or too little coordination. Mr. Carter may indeed have thought that his administration had such problems, but an extensive shakeup so far into the term made members of Congress wonder why the President took so long to establish the order he wanted among his top lieutenants.

All during that turbulent week, I found myself wishing that the President would make it clear why he was shaking up the cabinet. What did he hope to achieve? What did he think was wrong with his administration? I also felt a bit uneasy with his

dismissal of some of the most independent and strong-minded cabinet secretaries. It seemed to me that the move could dampen meaningful dissent within his government. The fact that the shake-up did not foreshadow any major change in policy only added to my bewilderment. Mr. Miller for Mr. Blumenthal at Treasury, Mr. Civiletti for Mr. Bell at Justice, Mr. Duncan for Mr. Schlesinger at Energy, and Ms. Harris for Mr. Califano at Health, Education, and Welfare just did not suggest to me a substantive redirection of the President's policies.

I am certain that one must look for political motives in the President's move. For example, Mr. Schlesinger may be a scapegoat for the recent gasoline shortage. Also, Mr. Califano has caused trouble in the South with his anti-smoking campaign and his rulings on school desegregation. His replacement, Ms. Harris, would be the first black to head the largest domestic department of the federal government, a department in which blacks have an enormous stake. Beyond politics, however, the question of loyalty to the President must be considered. Every President, especially when he falls on hard times, yearns for subordinates who are fiercely loyal. Those advisors who are closest to him usually set the standard by which loyalty is measured. Friction between senior White House staffers and individual members of the cabinet may have prompted Mr. Carter to say to the latter, in effect, "get along or get out." If loyalty was in fact at issue, then the so-called "Georgia Mafia" won the argument hands down.

Everyone in Washington is commenting on the President's own reaction to the week's events. He has rocked his administration to its very foundations, but he seems secure and relaxed. He appears to believe that his objectives were well worth the disruption of recent days. He has said that he is pleased with his work, and he has no qualms or apologies. In his opinion, the fuss will die down in a few weeks, his administration will be stronger in backing his programs, and the Congress will quickly enact most of the elements of his new energy plan. The greatest change of all in the past weeks may just be the President's self-confident attitude.

Ever since the Sunday speech, I believe most Americans have been hoping that the President might breathe new life into his administration. They want to believe that he is "getting his act together," even if belately, and that he will summon the strength to lead. We should remember that Mr. Carter was, and still is, in deep trouble with the voters. Business as usual was not working, and there was no indication that it was going to work. Everyone was asking the President to get tough. The cabinet shake-up was a sign that he intends to try. The key to success will be the effectiveness of the new team. Extensive cabinet shake-ups have been politically costly in the past, but it is only with big risks that one reaps big rewards.●

HANDGUN MISUSE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DRINAN. Mr. Speaker, the tragic results of handgun misuse in the United States requires a prompt legislative response by the Congress. The latest monthly bulletin issued by Handgun Control, Inc. reports that in June, 635 Americans died in media-reported, handgun related deaths, bringing the total this year to an incredible 3,816.

Mr. Speaker, a number of bills have been introduced in the House and the Senate to curb the escalating misuse of handguns. I strongly urge my colleagues to give serious consideration to these proposals. We cannot stand idly by while, each month, the statistics continue to prove beyond a shadow of a doubt that the Members of this body must act now.

The Handgun Control, Inc. list follows:

ROLL OF HANDGUN DEAD

ALABAMA (9)

Phillip Adams, Birmingham, Gulanne Falconer, Mobile, Jack Gillespie, Ashville, Donald Hill, Tuscaloosa, Bennie Mays, Mobile, Mahaley Mays, Mobile, Lovell Nolen, Overton, Earleen Sudduth, Roanoke, and Melba Wren, Fort Payne.

ARIZONA (7)

Manuel Gonzales, Tucson, Howard Gregory, Sun City, Sally Gregory, Sun City, Manuel Hernandez, San Simon, Robert Horton, Phoenix, Michael Locke, Tucson, and Janet Reasons, Phoenix.

ARKANSAS (12)

Harold Collins, Hot Springs, Milan Drobac, Hot Springs, Larry Fields, Pine Bluffs, Robert Gunstone, Hot Springs, Kenneth Murray, Little Rock, Rita Noland, Fort Smith, James Paul, Jacksonville, Wilson Ross, Pine Bluff, Moses Samuson, Little Rock, Harold Shelton, Fort Smith, Kenneth Skinner, Judsonia, David Waldo, Jasper, and William Wyant, North Little Rock.

CALIFORNIA (96)

George Acey, Union City, Rudy Aguilar, Los Angeles, Cherie Al-Aobaidi, Bell Gardens, Anselmo Alvarado, Los Angeles, Bonnie Amaro, Oceanside, Jose Amaro, Oceanside, Miguel Avalos, Woodville, Burel Beaver, Amador County, Leslie Bell, San Diego, John Biro, Torrey Pines, Milton Blackman, Los Angeles, Willie Brannan, Brea, Armando Cardenas, Pico Rivera, James Carmichael, Long Beach, Alejo Castaneda, Oxnard, Thomas Chavez, La Puente, Richardo Cordeiro, Orosi, Noah Cotsen, Beverly Hills, Michael Cromer, Sanger, Vernon Dedmon, Inglewood, Jerry Dennard, Chowchilla, Richard Durst, Orangevale, Dianne Endess, Arleta, Michael Ewing, Concord, Ricky Franco, Highland Park, Gary Funk, La Palma, and Norman Gainey, Oakland.

Ruben Gastelum, Los Angeles, Pasqual Gentilcore, San Diego, Benny Gifford, Atascadero, Garrie Goodyear, Vacaville, Lydia Goodyear, Vacaville, Paul Griffith, El Monte, Jose Guajardo, San Gabriel, Ismael Guzman, Lodi, Prentice Harrison, Oroville, Joe Hernandez, Watsonville, Beatrice Hunt, San Jose, Mary Jackson, Los Angeles, Clydie Jefferson, San Diego, Harry Johnson, Rosemead, Ellen Jordan, Santa Barbara, and Bill Kafantaris, Fresno.

Vicki Keller, Concord, Thomas Kohout, Los Angeles, Rufus Hightower, Los Angeles, Russel Kruse, Bishop, Frank Lamas, Fair Oaks, Linda Lamas, Fair Oaks, James Lang, San Diego, Jeffrey Loflin, Boony Doon, James Loken, Buena Park, Mario Lopez, Fresno, Stanley Lumbo, San Francisco, Ester Manuel, Torrance, Jose Maradiaga, Los Angeles, Samuel Marcantonio, Prunedale, Julian Marin, Oxnard, Ruben Martinez, Oxnard, Nora McGee, Oakland, David Monrreal, Santa Fe Springs, Henry Munoz, Hollywood, Chris Myles, Fresno, and Dennis Nagle, Yucaipa.

Allenchery Nambiar, Torrance, Danny Ogdon, Palm Desert, Katherine Parrott, Santa Ana, George Petros, San Pedro, Sam Redford, Los Angeles, George Rivas, Los Angles, John Robinson, La Plata, Joe Rocha, Escalon, Angel Rodrigues, Highland Park, Robert Rodrigues, Los Angles, Rudy Rodrigues, Highland Park, Robert Rosales, Riverside, Lamont Sacadelis, La Palma, Patricia Sanders, Westminster, Gerald Shane, Los Angeles, Ahamd Sharifradi, Los Angeles, and Hurley Shearer, Los Angeles.

Craig Stell, Riverside, Alfred Talavera, Harbor City, Richard Wagner, Brea, Fraidbun Valizadeh-Afshar, Westwood, Randy Watkins, Modesto, Victor Weiss, Los Angeles, Jonathan Whitecomb, Pomona, Michael White, Riverside, Hermann Wolf, Monterey, Anthony Young, San Francisco, Unidentified Male, Fresno, Unidentified Male, La Puente, Unidentified Male, Panorama City, Unidentified Male, San Francisco, and Unidentified Male, Westwood.

COLORADO (23)

Oral Addie, Denver, Adam Albert, Fort Morgan, Anthony Anderton, Lakewood, Martha Brunhoff, Littleton, Kathleen Buczek, Boulder, Jeffrey Burford, Denver, Lionel Chaves, Denver, Thomas Compton, Jefferson County, Joni Femmer, Denver, Richard Gomes, Denver, Kenneth Grier, Denver, Thomas Jackson, Aurora, Donna Maestas, Denver, Roger Neil, Wheat Ridge, Charles Orindgreff, Loveland, Francis Price, Denver, Jimmy Puterbaugh, Trinidad, Allison Ramadhan, Chama, John Robinson, Durango, Sandra Rushing, Lakewood, John Shelton, Denver, Milton Stovall, Fort Collins, and Michael Thomas, Denver.

CONNECTICUT (3)

Lewis Glynn, Hartford, Anthonia Raibikis, Wolcott, and Allen Randall, Jr., New Haven.

DELEWARE (2)

Marcel Devaux, Newark, and Julius Wilson, Wilmington.

DISTRICT OF COLUMBIA (4)

John Bowman, Linda Garner, Robert Jurek, and Stanley Washington.

FLORIDA (33)

William Adcock, Zephyrhills, Joann Bradley, Hallandale, Richard Brewer, Brandenton, George Brower, Fort Myers, Valerie Brower, Fort Myers, Fred Burns, Jacksonville, Renford Campbell, Fort Lauderdale, Willie Dunlap, Hollywood, Robert Eller, Fort Lauderdale, Daniel Golden, Miami, Larry Helfrich, Lauderhill, Robert Hillard, Orange County, and Robert James, Altamonte Springs.

Robert Kotleski, Lehigh Acres, Betsy Little, Goulds, Mario Martinez, Fort Pierce, Orlan Moony, Orlando, Gaye Lynn Parks, Bonita Springs, Franklin Pierce, Pensacola, Emma Reid, Miami Beach, Mario Riveron, St. Cloud, Fitzhugh Rollins, III, Miami, Juan Sanches, Miami, Nathaniel Sholtz, Highway Park, Jack Smith, Zephyrhills, Andrey Stone, Panama City, Roy Stone, Panama City, Joe Swain, Miami, William Thomas, Gulf Breese, Charles Williams, Fort Lauderdale, Unidentified Male, Bonita Springs, and Unidentified Male, Miami.

GEORGIA (13)

Eddie Barnard, Collins, Margaret Bell, Americus, Randy Brown, Albany, Guy Fish, Atlanta, Ronnie Jinks, Glennville, John Jones, Macon, Hiram Polk, Griffin, Larry Powell, Lyons, Phyllis Rolland, Macon, Lawrence Shreve, Atlanta, Marc Tetalman, Atlanta, Richard Van Horn, Marietta, and Unidentified Male, Atlanta.

HAWAII (2)

John Dutro, Hilo, and Paul Featherman, Hanalei, Kauai.

IDAHO (5)

Douglas Blakenhorn, Iowa City, Orville Ross, Idaho Falls, Richard Shaffer, Sandypoint, Dennis Spurlock, Coeur d'Alene, and Troy Vance Jr., Caldwell.

ILLINOIS (23)

Ot's Bailey, Chicago, Marling Back, Jr., Bushnell, Thomas Brown, Chicago, Fred Delle, Cicero, Charles Drake, Chicago, Robert Fields, Chicago, Roberto Galavis, Chicago, Mark Hamilton, Chicago, Ben Hemell, Chicago, Otis Mcelya, Cairo, Russell McKibben, Chicago,

Lonni McKinney, Chicago, Timothy Meisner, Sprinfield, Andrew Mink, Moline, Carolyn Nelson, Chicago, James Norais, Chicago, Nagdie Noush, Chicago, Scott Oedewaldt, Bartonville, Ronald Snyder, Chicago, Judith Stamm, Alton, Wilhelmina Wade, Chicago, Barbara Williams, Chicago, and unidentified male, Chicago.

INDIANA (7)

Brian Lesley, Monon, Janice Lewis, Gary, Roy Newton, Weiser, Virgil Reburn, Evansville, Gregory Runyon, Gary, unidentified child, Gary, and unidentified male, Gary.

IOWA (2)

James Goslee, Council Bluffs, and Lacie Taylor, Waterloo.

KANSAS (9)

Jacqueline Burnett, Kansas City, Wallace Daniels, Jr., Kansas City, Clifford Dinges, Hays, Michael Harper, Kansas City, Douglas Jones, Kansas City, Darin Mach, Scandia, Willie Mitchell, Topeka, Rodney Nichols, Goodlands, and Jeanie Trickel, Hutchinson.

KENTUCKY (8)

Roger Anderson, Pikeville, James Hinkle, Lexington, Esta Howell, Pikeville, Jack Matney, Pikeville, James Starks, Evarts, Pamela Stevens, Fort Gay, James Vice, Mt. Sterling, and Gerald Wallace, Richmond.

LOUISIANA (22)

David Band, Mandeville, Mark Barquet, New Orleans, Eyer Brown, New Orleans, Darnell Collins, Monroe, Don Davis, Tallulah, David Dickerson, Independence, Tena Dickerson, Independence, Aubrey Diked, Abita Springs, Caroline Ezeb, New Orleans, and William Hardy, New Orleans.

Harold Henry, New Orleans, Randall Herbin, Baton Rouge, Glenn Holmes, Harahan, Shirley Holmes, Harahan, Andrew Miller, Kenner, Marjorie Mohl, Campti, Jimmie Joyce Morrow, Slidell, Edward Roussell, New Orleans, Henry Simmons, Belcher, Earl Summers, New Orleans, Joseph Ward, New Orleans, Richard Wilburn, Baton Rouge, and Lionel Williams, New Orleans.

MARYLAND (17)

Alvin Fullard, Baltimore, Charles Gilchrist, Seat Pleasant, Leon Gordon, Baltimore, Gloria Grant, Baltimore, Blair Green, Silver Spring, Isaac Handy, Baltimore, Charles Henson, Baltimore, Raymond Kent, Baltimore, William Mills, Jr., Brookview, Lillian Monroe, Baltimore, Sherman Monroe, Baltimore, Patricia Morgan, Baltimore, William Reel, Riverdale, Gail Sine, Gaithersburg, Myron Thomas, Rhodesdale, William Walker, Baltimore, and Rodney Winder, Baltimore.

MASSACHUSETTS (2)

Epifano Acaco, Roxbury, and Robert Hames, Clinton.

MICHIGAN (2)

Phillip Fields, Detroit, and Vive Gains, Saginaw.

MINNESOTA (5)

Teresa Hoffman, Mankato, Javier Mancho, Bixby, Duane Morban, Thief River Falls, Emmanuel Rogers, Minneapolis, and Unidentified Male, Minneapolis.

MISSISSIPPI (16)

Sandra Blakeney, Taylorsville, Lee Carouthers, Okolono, Richard Craig, Gulfport, Pam Cupstid, Lawrence County, Buford Dedeaux, Gulfport, Robert Fields, Amory, Larry Graham, Gulfport, Robert Karl, Waveland, M. C. McCarver, Ryans Well, William Miller, Sandersville, Thomas Perry, Columbus, James Puckett, Jackson, David Shows, Laurel, Mark Stephens, Wesson, Ralph Teague, Pascagoula, and J.T. Trest, Walnut Grove.

MISSOURI (18)

Keith Cain, St. Louis, Salvatore Fedele, St. Louis, Sandy Henderson, Kansas City, Lakeitha Hobbs, St. Louis, Dan Krato, St. Charles County, Maurice Langston, St. Louis, Michael McClatchery, St. Louis, Leroy Meekie, Bell City, Donald Rich, Carthage, Robert Nolan, Kansas City, Willdine Nolan, Kansas City, Vernon Poggemoeller, St. Louis, John Smith, St. Louis, Michael Taylor, St. Louis, Martha Terry, Windsor, Bertha Thomas, Alton, Norman Wallace, Collinsville, and unidentified male, Kansas City.

NEBRASKA (3)

Randall Hotler, Lincoln, Lloyd Johnson, Bluffs, and Larry Newell, Omaha.

NEVADA (4)

Donald Brown, Reno, Henry Greathouse, Las Vegas, John Grundy, Reno, and Michael Jones, Las Vegas.

NEW HAMPSHIRE (1)

Unidentified female, Hooksett.

NEW JERSEY (5)

Kevin Butler, Whiting, Frank Fullerton, Moorestown, Elmer Krauss, Hasbrouck Hts., Thomasina Krauss, Hasbrouck Hts., and Donald Stanton, Eatontown.

NEW MEXICO (8)

Richard Gutierres, Albuquerque, Richard Horton, Albuquerque, Nina Jones, Ruidoso, Virginia Mata, Carlsbad, Rick Russell, Albuquerque, Martin Sanches, Albuquerque, Jose Trujillo, Albuquerque, and unidentified male, Albuquerque.

NEW YORK (22)

William Byrd, New York City, Archimedes Cervera, Hauppauge, Ted Donald, New York City, Michael Doyle, Mineola, Jesus Figueroa, Brooklyn, John Flynn, Suffolk County, Angel Gonzales, Brooklyn, Darryl James, Bronx, Joenell Johnson, Sag Harbor, Bruce Kay, New York City, Paola Licastri, New York City, George Mans, Brooklyn, Brian Mulhern, New York City, Sonya Naegely, Lansing, Williard Nichols, Lansing, Angel Niedo, Bronx, Adam Scepaniak, Lansing, Henry Tan, Queens, Juan Vives, Brooklyn, A. C. Young, Geneseo, Unidentified female, Beacon, and Unidentified male, Bronx.

NORTH CAROLINA (7)

Dennis Bugg, High Point, Odell Casteen, New London, Jeffrey Corriher, China Grove, Anthony Hiller, Benson, Robert Kincaid, Charlotte, John Simpson, Rock Hill, and Lester White, Charlotte.

OHIO (41)

Benton Allen, Hartville, Rosalie Allen, Hartville, Debra Baragona, Reynoldsburg, Eita Biles, Columbus, Willie Burns, Cleveland, Manuel Byers, Cincinnati, Lois Carter, Columbus, Herman Ciers, Cleveland, Thomas Class, Columbus, Carl Ennis, Columbus, Carrol Freeman, Columbus, William Gordon, Cleveland, Charles Hossman, Bellaire, John Hubbell, Cleveland, Barbara Jones, Cleveland, Robert Jones, Columbus, Abraham King, Cleveland, and Paul Kitchen, Zanesville.

Connie Martin, Columbus, Thomas Mays, Toledo, Roy McDonald, Mount Vernon, Richard Myroniak, Cleveland, Buddy Neal, Steubenville, Elaine Poullas, Youngstown, Dewitt Powell, Toledo, Ronald Richey, Cleveland, Nicholas Santoriella, Cleveland, Benjamin Smith, Columbus, Michael Smith, Columbus, and Roosevelt Smith, Columbus.

Ricardo Todd, Cleveland, James Vines, Cleveland, Ira Wallace, Columbus, Robert Whisner, Columbus, Dennis White, Cincinnati, Richard Widner, Galloway, Diana Wiegele, Cincinnati, Betty Wooten, Toledo, Unidentified Female, Middleburg Heights, Unidentified Male, Middleburg Heights, and Unidentified Male, Cleveland.

OKLAHOMA (7)

Patsy Faught, Oklahoma City, John Fields, Seminole, Vernon Gulley, Del City, Debra Sullivan, Tulsa, J. W. Weaver, Oklahoma City, Elloyd West, McAlester, and David Weidemann, Oklahoma City.

OREGON (3)

Sharon Brooks, Portland, Pathi Khatar, Portland, and Anthony Marcott, Coos Bay.

PENNSYLVANIA (11)

Barry Bernick, Norristown, Kathleen Bernick, Norristown, Anthony Brown, Philadelphia, Daniel Cantreras, Philadelphia, James Hatch, Philadelphia, Albert Izzo, Pittsburgh, Robert Loader, Norristown, Gordon MacMaster, Pittsburgh, Iva MacMaster, Pittsburgh, Andrew Thomas, Philadelphia, and Joseph Thomas, Philadelphia.

RHODE ISLAND (1)

William Keenan, Central Falls.

SOUTH CAROLINA (13)

Stephen Baldwin, Williston, Andrew Brown, Lugoff, Randy Dyar, York, Ruby Lewis, Anderson, Barry McCoy, Columbia, Willie Peeples, Walterboro, James Sharpe, Columbia, Charlie Smith, Rock Hill, Robert Starling, Lugoff, Richard Thompson, Fountain Inn, Jean Vachon, North Myrtle Beach, Thomas Vachon, North Myrtle Beach, and Johnny White, Spartanburg.

TENNESSEE (27)

D. C. Chaffin, Memphis, Charles Chumbley, Nashville, Elbert Faulkner, North Claybrook, Jerry Greenhill, Nashville, Carlease Grissom, Memphis, Lillian Henig, Memphis, Arthur Holmes, Memphis, Randy Houston, Memphis, Phil Jackson, Chattanooga, Lonnell James, Collieville, Ronnie Jones, Chattanooga, Patricia Kilgore, Nashville, Horace King, Whitehaven, Marcia King, Nashville, Carolyn Love, Jackson, Orbra McCoy, Dungannon, Jeffrey Miller, Caryville, Alloah Pipkin, Kingsport, Geneva Pritchett, Maryville, Jack Smith, Chattanooga, Fannie Spight, Memphis, Pamela Twiddy, Memphis, Jesse Walsh, Memphis, Lawrence Weatherbee, Hixson, William Webb, Memphis, James Winters, Nashville, and unidentified male, Memphis.

TEXAS (106)

Claudell Adams, Houston, Salim Audi, Houston, Juan Baca, San Antonio, Willie Ballou, Beaumont, Merlene Bass, East Mountain, Herman Beesley, Hurst, Jimmy Bobo, Santo, Gregory Booker, Dallas, Abel Borrejo, San Antonio, Cleotha Braggs, Houston, Richard Bridges, Durant, Winniford Brigham, Houston, Itaspa Britton, Fort Worth, Frank Bryan, Denison, Xa Duc Bui, Houston, Walter Butler, Sweeney, Raymond Campo, Houston, Michael Cardoree, Dayton, and Robert Carona, San Antonio.

Joe Carreon, San Antonio, Robert Carter, Elgin, Ofelia Castillo, El Paso, Ofelia Castillo, Jr., El Paso, Juan Castillo, El Paso, Jose Castillo, El Paso, Alan Clemons, Amarillo, Glenn Collins, Houston, Eugene Cordry, Fort Worth, Benjamin Culberson, Wichita Falls, Aurea Debarrera, McAllen, Earl Erving, Azle, Farris Flowers, Houston, Richard Franklin, Houston, and Leonardo Gaonoa, San Antonio.

Gilbert Garza, Houston, Leonardo Gona, San Antonio, Chomas Gordon, Fort Worth, Santos Granados, San Antonio, Gary Hamilton, Houston, Chrystal Hansen, San Antonio, Joe Henson, Ladonia, Angel Hernandez, Houston, Ascension Hernandez, Hearne, Clemente Hernandez, Houston, Myrtle Hinze, Carmine, Perrie Hinze, Carmine, Charles Hopkins, Galveston, Todd Hopkins, Galveston, Moses Jefferson, College Station, Craig Johnson, Dallas, Eugene Johnson, Fort Worth, Samuel Knotts, Houston, Herbert Lampmann, Bridge City, and Jose Landeverde, Houston.

Arturo Leal, Corpus Christi, Margarito Lopez, Fort Worth, Wayne Lucas, Texas City, Arturo Martinez, Corpus Christi, Julian Martinez, Cameron, Dwayne McGowan, Midland, Mario Medellin, Laredo, Robert Miller, Sansom Park, Dana Mills, Orangefield, Jose Moreno, Houston, Jon Moss, Galveston, Vincent Neil, Dripping Springs, Robert Osburn,

Clarksville, Langford Outlaw, Beaumont, Geraldine Paine, Houston, Solono Palomo, Houston, and Wanda Parson, Lubbock.

Van Hue Pham, Amarillo, Doyle Pittman, Fort Worth, Ruben Ramirez, McAllen, Larry Rankin, San Antonio, Francisco Reyes, San Antonio, Berry Reyne, San Antonio, Bob Rhoades, McDade, Olivia Richardson, Houston, Thomas Richardson, Houston, Bruno Rios, San Antonio, Lois Roberts, Waco, Wanda Roberts, Fort Worth, Elizabeth Schattel, Big Spring, and Jeraldeen Scurry, Texas City.

Merlina Shippey, Manor, Santos Silva, Houston, Darryl Speed, Dallas, Karl Stevens, Arlington, Harry Stewart, Houston, Michael Stuart, Dallas, Michael Tarver, Beaumont, Cathie Taylor, Fort Worth, Jack Thompson, Borger, Chester Underwood, Marshall, Anita Valdez, Dallas, Joe Valdez, Fort Worth, Raul Vidales, Houston, Tony Walls, Taylor, and James Weatherford, Ft. Bend County.

Clarance Webb, Fort Worth, Robert Wright, Houston, Unidentified Child, Austin, Unidentified Female, Houston, Unidentified Male, Houston, June 11, 1979, and Unidentified Male, Houston, June 29, 1979.

UTAH (4)

Retta Heath, Hill Air Force Base, Robert Miller, Hill Air Force Base, John Pyne, Provo, and Harry Schlickeiser, Tremonton.

VIRGINIA (9)

Richard Childress, Franklin County, Woodrow Hudson, Bon Air, Thomas Jacques, Alexandria, Otis Johnson, Providence Forge, Alton McIntyre, Norfolk, Eric Roop, Roanoke, Blaine Stewart, Richmond, Lawrence Wilson, Richmond, and Unidentified Male, Christiansburg.

WASHINGTON (10)

Kay Handsborough, Tacoma, Danny Leroue, Wapato, Dennis Milford, Seattle, Ronald Nowicki, Tacoma, Theodore Sawyer, Puyallup, Ricky Wheeler, Tacoma, Michael Whittenberg, Seattle, Robert Willis, Spokane, Edward Wilson, Tacoma, and Stacy Wilson, Tacoma.

WEST VIRGINIA (1)

Pamela Stevens, Fort Gay.

WISCONSIN (7)

Dennis Berhow, Dresser, Timothy Bird, Dresser, Bruce Genke, Greenfield, Roger Hoeft, Hurley, Wayne Noe, Milwaukee, Jimmy Walker, Milwaukee, and Andrew Watkins, Milwaukee.

WYOMING (3)

Mayne Miller, Casper, Jack Peltomaa, Gillette, and Robert Rush, Rock Springs.●

POPULATION PLANNING: CONGRESS NEEDS TO ACT NOW

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. OTTINGER. Mr. Speaker, I am introducing today a bill to declare a national policy of population stabilization and to establish a White House Office of Population Policy to guide Federal planing toward that goal.

This bill contains no prescription for specific measures of birth control. It addresses sweeping demographic trends that already are changing the face of the Nation. Although couples are having smaller families than ever before, the U.S. population grows by about 2 million people each year. More and more people from other countries are moving into the United States illegally, while millions of Americans are leaving metropolitan areas to resettle in rural communities. Together, as a people, we are becoming an older population.

These kinds of dramatic population changes will have a profound impact in every sector of society: Health care, education, transportation, housing, employment, environmental protection. They will deeply affect every Federal effort to advance human well-being.

Yet, the Federal Government persists in ignoring these changes which are reshaping our lives and our children's futures. The House Select Committee on Population wound up its year's work with the finding that—

The United States has no explicit policy outlining goals relating to the over all size, growth, and distribution of the population; and the benefits and disadvantages of those policies and programs that do affect the U.S. population are not assessed in terms of their impact on population.

Ignoring population growth and change will not stop them from reshaping our lives. Only conscious efforts at every level of government to understand them and plan ahead will make a difference. Balance with our environment and the improved well-being of every citizen must be our goal. That is why I believe Congress should act now to make population stabilization the Nation's goal and to establish a White House Office of Population Policy to coordinate Federal planning for it.

In seeking a commitment to planning ahead for population stabilization, we are asking for nothing new. President Franklin Roosevelt's administration raised the need to plan ahead in 1938 and President Nixon's Commission on Population Growth reiterated it 34 years later.

We are not asking for anything which we do not already advocate to the less developed nations of the world. In our foreign aid programs and in our participation in the United Nations World Population Conference in 1974 we urge other nations to develop their own population policies.

Nor are we asking for anything which Americans themselves have not said they will not support. Repeated private and public surveys during the past decade have found the great majority of Americans support an end to U.S. population growth.

We need to face up to the population realities of today and tomorrow—to debate them, understand them, and commit ourselves to influancing them to the benefit of all Americans. The time is right for Congress to act by passing this legislation.

The text of this legislation follows:

H.R. —

A bill to declare a national policy goal of national population stabilization, and to establish an Office of Population Policy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. The purposes of this Act are—

(1) to declare a national policy of coordinated planning for the Nation's approach to population change and declare as a national goal eventual population stabilization;

(2) to attain a balance between the environment and human demands made upon it;

(3) to permit sound adjustments in Federal, State, and local programs directed at education, jobs, and senior citizens based on realistic projections of the population that will require these services;

(4) to allow greater opportunity and a high standard of living for all; and

(5) to establish an Office of Population Policy to coordinate the Federal Government's population-related activities.

DECLARATION OF POLICY

SEC. 2. (a) Congress recognizes the negative impact of continued, unplanned population change on the Nation, particularly as that change affects national ability to fulfill needs for education, training, and jobs, to provide needed health care, to maintain adequate energy supplies, to conserve natural resources, to produce food and agricultural goods, to protect the environment, to provide income maintenance for retired and disabled persons, and to control government expenditures. Congress recognizes further the economic, social, governmental, and environmental advantages of a stabilized population.

(b) Congress declares that the Federal Government has responsibility for coordinated planning for population change and declares as a national goal eventual population stabilization. It is the continuing policy of the Federal Government, consistent with other essential considerations of national policy and in ccoperation with State and local governments as well as other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare by creating and maintaining conditions under which it is possible to stabilize the Nation's population voluntarily at a level which is consistent with a high standard of living relative to available resources and without incurring major social or economic dislocations, at the earliest possible time.

OFFICE OF POPULATION POLICY

SEC. 3. (a) There is created in the Executive Office of the President an Office of Population Policy headed by a Director appointed by the President, by and with the advice and consent of the Senate. The Office shall employ such officers and employees as may be necessary for the carrying out of its functions under this Act. It shall be the duty and function of the Office—

(1) to assist and advise the President in the preparation of the National Population Change and Planning Report required by section 6 of this Act;

(2) to gather timely and authoritative information concerning the conditions and trends in current and foreseeable population change; to analyze and interpret such information for the purposes of determining whether such conditions and trends are interfering, or are likely to interfere, with the achievement of the policies set forth in this Act; and to compile and submit to the President and Congress studies relating to such conditions and trends;

(3) to review and appraise the various legislation, regulations, programs, and activities of the Federal Government in light of purpose and policy of this Act to determine the extent to which they are contributing to the achievement of such purpose and policy, and to make recommendations to the President and Congress with respect thereto;

(4) to develop and recommend to the President and Congress national policies to plan for population changes, as well as to foster and promote population stabilization to meet the environmental, social, economic, health, and other requirements and goals of the Nation;

(5) to conduct investigations, studies, surveys, research, and analysis relating to population change and eventual national population stabilization;

(6) to document and define changes in the Nation's population and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

(7) to prepare the report required in section 6 of this Act for submission at least once a year to the President and Congress on the state and conditions of population change; and

(8) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President may request or the Congress authorizes.

(b)(1) In exercising its powers, functions, and duties under this Act, the Office shall—

(A) consult with such representatives of science, industry, health, education, agriculture, labor, conservation, social welfare and population organizations, State and local governments, and other groups, as it deems advisable; and

(B) utilize to the fullest extent possible, the services, facilities, and information of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided, thus assuring that the Office's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by established agencies.

(2) Each department, agency, and instrumentality of the executive branch of the Government, including any independent agency, is directed to furnish the Director such information as the Director deems necessary to carry out the functions of the Office under this Act.

(c)(1) Directors of the Office shall serve full-time and shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) Section 5314 of title 5, United States Code, is amended by inserting immediately after paragraph (37) the following new paragraph:

"(38) Director, Office of Population Policy."

(d) In carrying out the functions of the Office under this Act, the Director is authorized to—

(1) appoint such officers and employees as may be necessary to perform the function now or hereafter vested in the Office and to prescribe their duties;

(2) obtain service as authorized by section 3109 of title 5, United States Code, at rates not to exceed the rate prescribed for GS-18 under section 5332 of such title; and

(3) enter into contracts and other arrangements, subject to prior appropriation of funds, for studies, analyses, and other services with public agencies and with private persons, organizations, or institutions, and make such payments as may be necessary to carry out the provisions of this Act.

(e) There are authorized to be appropriated to carry out the provisions of this Act not to exceed $800,000 for the first fiscal year commencing after the date of enactment of this Act, $1,200,000 for the succeeding fiscal year, and $1,600,000 for each fiscal year thereafter.

ADMINISTRATION

SEC. 4. The Congress authorizes and directs that, to the fullest extent possible—

(1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act;

(2) all agencies of the Federal Government shall—

(a) utilize a systematic, interdisciplinary approach which will insure the integrated use of reliable demographic research in planning and decisionmaking affecting population change and eventual national population stabilization;

(B) identify and develop, in consultation with the Office of Population Policy established by section 3 of this Act, methods and procedures which will ensure that population change and the goal of eventual national population stabilization be given appropriate consideration in decisionmaking along with other environmental, economic, and technical considerations;

(C) make available to States, counties, municipalities, institutions, and individuals, advice and information useful to planning for population change and eventual national population stabilization; and

(D) assist the Office of Population Policy established by this Act.

POLICY REVIEW

SEC. 5. All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedure for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this Act. They shall propose to the President and Congress such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and policies set forth in this Act within six months of its enactment.

ANNUAL REPORT

SEC. 6. (a) The President shall transmit to the Congress annually a National Population Change and Planning Report (hereinafter referred to as the "report") which shall set forth—

(1) the status of national population change;

(2) current and foreseeable trends in national population change;

(3) the adequacy of available natural resources for fulfilling human, environmental, and economic requirements of the Nation for current and foreseeable population change;

(4) a review of the legislation, regulations, and programs and activities of the Federal Government, State and local governments and nongovernmental entities, or individuals, in relation to their effect on and planning for population change and eventual national population stabilization; and

(5) a program for remedying the deficiencies of existing legislation, regulations, and programs and activities consistent with the purposes and policies of this Act.

DEFINITIONS

SEC. 7. For the purposes of this Act, the term—

(1) "national population stabilization" means that stage in population change when births and immigration approximately equal deaths and emigration from one generation to the next in the United States; and

(2) "population change" means changes in fertility, mortality, immigration, emigration, and immigration which affect the number of people in the population, their age structure, and their geographic distribution as well as their health, education, employment, income, and resource needs.●

THE SS-19 AND THE NEW SOVIET ICBM'S VIS-A-VIS SALT II

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. KEMP. Mr. Speaker, the evolution of U.S. knowledge of the SS-19 ICBM is important to examine, because there may be similarities between how U.S. knowledge of the SS-19 unfolded and how U.S. intelligence will determine the characteristics of the four or five new fifth generation Soviet ICBM's. One of the key claims made in defense of the SALT II Treaty is that it will constrain all but one of these new Soviet ICBM's from being deployed. Yet, in SALT I, there was a similar intent to constrain new Soviet heavy ICBM's from replacing light missiles, and this attempted constraint failed utterly. The Soviet SS-19 was, in fact, a heavy ICBM, and it successfully replaced the Soviet light SS-11 ICBM's in large numbers, despite the SALT I prohibition.

The story of the SS-19 has now been revealed by several unnamed Defense Department officials. Most of the story was already public in bits and pieces, but was never put together.

USAF intelligence warned in 1971 that it was likely that the Soviets would replace their small SS-11 missiles with a much larger, heavier throwweight missile. Yet, this warning went unheeded, and in 1971, the U.S. intelligence community estimated that the SS-11 replacement missile would be a "new small ICBM." The judgment that what was to become the large, heavy SS-19 was a "new small ICBM" persisted through the May 1972 negotiations.

In early May 1972, the Soviets gave us some interesting information on their new SS-11 replacement missiles. According to Ambassador Gerard Smith in the New York Times (January 1976), the Soviets informally told U.S. SALT negotiators that they had two new missiles then under development. Further, they indirectly implied that these new missiles, now known as the SS-19 and SS-17, were somewhat larger than the SS-11.

How much larger and how committed the Soviets were to these new missiles were the crucial questions, however. On these two key points, it is clear that the Soviets actively misled the United States. First, they implied that the SS-19 was not much larger than the SS-11, when in fact they knew the SS-19 was indeed much larger. By suggesting that it was not their intention to approach the midpoint in volume between the old SS-11 and the old SS-9, as Ambassador Smith reveals, they were exploiting United States uncertainties about the volumes of these earlier missiles as well as complete United States ignorance of the volume of the then still unflight-tested SS-19. The Soviets knew that the SS-19 was much larger. Second, and more significantly, the Soviets also hinted that they might be able to agree to a total ban on any larger missiles replacing the SS-11. This suggestion was, however, diametrically the opposite of their probable true deployment intentions for the SS-19, as revealed by their later large-scale deployment of the SS-19. Both of these little-known Soviet ploys were deliberately misleading and each constituted negotiating deception.

The Soviets knew all along that the SS-19 was a large, heavy ICBM and that it was their top priority as the SS-11's replacement.

Further evidence of Soviet deception is

the fact that the SS-19 was not flight-tested until early 1973, so there probably was no feasible way that the United States could have known in May 1972 about its large size and heavy throw-weight. Also consistent with this is the fact that in the fall of 1972, before the SS-19 was flight-tested, the U.S. intelligence community was still referring to the SS-19 as the "new small ICBM," further evidence that the United States did not know the facts and that the Soviets misled the United States about the large SS-19.

A final interesting question is what other evidence U.S. intelligence had of the SS-19 in May 1972, and what became of this evidence. According to William Beecher (in the Boston Globe, October 10, 1976, "United States May Reply to Soviet Rays," p. 7), the United States had eavesdropped on Soviet communications in Moscow. Beecher stated in 1976 that—

By way of example, one source noted that in May 1972, in the hours immediately preceding agreement on the SALT I pact in Moscow, a conversation was intercepted in which Soviet Party Chairman Leonid Breshnev check with a top weapons expert to get assurance that an about-to-be concluded formula covering permissible silo expansion would allow the Soviets to deploy a bigger new missile then under development. That intercept provided the first solid information that the SS-19, as it is now known, was destined to replace some of the relatively small SS-11 missiles, which comprise the bulk of the Soviet ICBM force. The SS-19 has three to four times the throw-weight of the older missile.

The question we should ask is what happened to this evidence? Did it suggest that the SS-19 was a heavy, larger missile destined to replace the SS-11 on a large scale? If so, why was U.S. intelligence still referring to what became the SS-19 as the "new small ICBM" in the fall of 1972? Why did Dr. Kissinger tell Congress on June 15, 1972, that "there is the safeguard that no missile larger than the heaviest light missile now existsing can be substituted" and that we had "adequate safeguard against a substantial substitution of heavy missiles for light missiles?" The contradiction between Dr. Kissinger's statements and what may have been revealed in the intercepted conversation is puzzling. Was any vital evidence ever suppressed within the intelligence community, and did Dr. Kissinger have any role in this? The answers to these questions may also have some bearing on the credibility of the U.S. intelligence community.

In sum, if it took from early 1973 to early 1975 for the United States to learn the characteristics of the SS-19 with sufficient confidence to protest to the Soviets, how long will it take us to find out the capabilities of the four to five new Soviet fifth generation ICBM's? In the 1973-75 period, we had the benefit of the Iranian listening posts, the above evidence, and there was little encryption of ICBM telemetry. Now, we have lost Iran and encryption is allowed.

We should also remember what happened when in early 1975, we did protest to the Soviets. We immediately conceded to the Russians that the SS-19 was a light missile, while all along the Soviets have regarded it as a heavy ICBM. Will we similarly concede in 2 or 3 years that all of the five new fifth generation ICBM's do not violate the "10 percent tunnel" or the 5-percent increase allowed in SALT II's new type ICBM provision, and therefore, can be deployed?

The administration has already acknowledged that the Soviets will not accept any definition of the size of a "heavy" or a "light" missile. The United States offered to define a "light" ICBM as one with a throw-weight not to exceed 3,600 kilograms; our current estimate of the SS-19. By way of comparison, the throw-weight of the largest U.S. light missile, the Minuteman III, is approximately 1,000 kilograms. The Soviets refused to accept any definition of a light missile. Hence, the United States has no basis for enforcing the provisions of SALT II on the modernization of ICBM's since the provisions which limit changes in several missile parameters are expressed in percentage terms of an undefined base. The Soviets have at least four new ICBM's currently in development which will be ready for deployment in the early 1980's. Due to the fact that U.S. negotiators did not insist upon having the Soviets agree to a data base that would enable the United States to enforce limitations on ICBM modernization makes this so-called limit a dead letter.●

CONGRESSMAN ROUSSELOT COMMENDS THE JEWISH COMMUNITY IN LOS ANGELES FOR AIDING FLEEING REFUGEES FROM VIETNAM

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

Mr. ROUSSELOT. Mr. Speaker, the flight of the Vietnamese refugees from their homes to any country in the world that will take them is a reminder of events that took place just over 40 years ago.

While the world watched ambivilently, the holocaust of Nazi tyranny became a reality to millions of Jews in Europe who struggled to reach freedom by land and by sea and then were denied free passage at ports of entry around the world. They were the "boat people" of the last generation, but they and their sons and daughters have not forgotten how they expected the world to react to their own plight.

In accordance with their fundamental religious beliefs, as embodied in the precepts of "Pikuach Nefish" the savings of lives, and "Pidyon Sh'vooim," redemption of prisoners, the Jewish community in Los Angeles is sponsoring 45 family groups of Vietnamese "boat people." Eleven synagogues in west Los Angeles will provide the financial sustenance these families will need to establish new lives in America.

The Jewish Federation Council, the umbrella organization for these synagogues, and the Lutheran Social Service organization which has established the mechanism to bring these people into this country should be commended and recognized by all who sanctify life and charity.

I encourage my colleagues to read the July 26, 1979, Los Angeles Times article by Jim Schacter entitled "11 Synagogues Joint 'Boat People' Rescue" which describes in detail how the effort is being undertaken—an effort which I hope other communities will follow:

ELEVEN SYNAGOGUES JOIN "BOAT PEOPLE" RESCUE

(By Jim Schachter)

Eleven West Side synagogues are joining an area wide rescue effort aimed at bringing more than 200 Vietnamese "boat people" to Los Angeles from a refugee camp in Malaysia.

Shop owners, tradesmen, seamstresses and nurses—some with their families, some alone—will come to Los Angeles within the next month, said businessman Robert Feldman, coordinator of the program for Southland Reform congregations.

The refugees, mostly ethnic Chinese expelled from Vietnam aboard boats after the spring border war with China, will be sponsored by congregations. Working through "contact families," the congregations pledge to provide housing, furniture and clothing for the immigrant families, Feldman said.

Sponsoring synagogues also will help the refugees find jobs and language training and will provide financial assistance.

"Saving a life, that's what this project is all about," Feldman said. "It is our obligation to save lives whether they are Jewish or non-Jewish, rich or poor, European or Indochinese."

Reform, Conservative and Reconstructionist congregations have joined the effort, according to Norman Eichberg, chairman of the Council on Jewish Life and the Council of Synagogue Assns. of the Jewish Federation-Council of Greater Los Angeles, which is providing overall coordination of the program. Orthodox and Sephardic temples also are expected to participate, he said.

"This is a joint effort of the federation and the synagogue community," Eichberg said.

The Los Angeles Jewish community, he added, is the first in the United States to organize a program for aiding the boat people.

"The Jews were the boat people of the last generation, and we feel an extra obligation to these people," said Feldman, referring to the Holocaust.

The 45 family groups and individuals who will come to Southern California are residents of a refugee camp on the Malaysian island of Pilou Bidomg, Feldman said.

Between 45,000 and 80,000 boat people live on the island, which only a year ago the Malaysian government considered uninhabitable, he said.

The timing of the refugees' arrival in Los Angeles depends on several factors, Eichberg said.

"You never know when they are going to arrive," he said. "It depends on how quickly the paper work gets done and how soon they can be released from the camp they are in and how quickly a flight can be arranged for them."

Feldman said the State Department charters the flights from Malaysia, but expects the Vietnamese immigrants to eventually reimburse the government for the costs.

The Jewish Federation-Council has contracted with Lutheran Social Services, an affiliate of the American Lutheran Church, to assist with social services for the refugees.

Based on the organization's experience in settling Indochinese after the American withdrawal from Vietnam, the refugees probably will become self-sufficient six months to a year after their arrival here, Feldman said.

The cost to sponsoring congregations is an estimated $500 a month for each adopted family. Feldman said many synagogues are raising the funds from small contributions by members.

"Congregants are being asked to donate *chai* each month," he said. *Chai*, the Hebrew word for "life," has a value of 18 in Hebrew numerology. Thus, Feldman said, "for every 27 congregants who donate $18, that's enough to bring a family" from Indochina.

One refugee, 19-year-old Phan Nguyet, has arrived in Los Angeles under the program. Adopted by a Van Nuys congregation, she reportedly spends her time studying English and looking for a job.

West Side congregations participating in the adoption effort are Temple Isaiah, Leo Baeck Temple, Temple Beth Am, Stephen S. Wise Temple, University Synagogue and Beth Chaim Chadashim in West Los Angeles; Temple Emmanual in Beverly Hills; Temple Akiba in Culver City; Temple Beth Shalom in Santa Monica; the Jewish Congregation of Pacific Palisades; and Sinai Temple in West Hollywood.●

JANE FONDA—THANKS FOR THE MEMORIES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DORNAN. Mr. Speaker, in spite of the recent repudiation by the California State Senate for a position on the California Arts Council, Jane Fonda has been flexing some political muscle in the State of California. She has accomplished an incredible feat. She has somehow managed to convince Gov. Jerry Brown, who lusts to become Commander in Chief of the Armed Forces of the United States, to win for himself the undying enmity of virtually every veteran and POW group in the Nation by his appointment of former POW collaborator and stool pigeon Edison Miller to the Orange County Board of Supervisors. That was a weird move.

Rumors abound that Jane Fonda, southern California's chief contributor to "pop" Marxism, has mellowed. No way. So, for the edification of my colleagues, I would like to refresh their memories with an item in the Detroit Free Press of November 22, 1970, "Jane Fonda—An LP Record With a Socialist Sermon." I ask my colleagues to sample some vintage Fonda. She has not retracted or even watered down a single utterance from the early 1970's:

JANE FONDA—AN LP RECORD WITH A SOCIALIST SERMON

(By Lee Winfrey)

Barbarella has gone revolutionary.

Actress Jane Fonda, who only three years ago was playing the mindless role of an outer space sex doll, is now traveling around the country promoting socialism.

Miss Fonda swept through Detroit and East Lansing this weekend near the end of a 15-day speaking tour to raise money to defend American soldiers who get in trouble with the Army.

She's gone through a lot of changes within the last year. The girl who once played Cat Ballou is now infatuated with the Black Panthers.

At 33, she is still more stunning, eyes iridescent, shanks slim, the whole of her lit from within by that kind of luminosity that people call presence.

But she talks like a long-playing record, her words a socialist sermon. It is as though the Weatherman faction kidnaped Barbarella and then turned her loose again with a Movement tape recording running in her throat.

"I would think that if you understood what communism was, you would hope, you would pray on your knees that we would someday become communist," she told about 2,000 students at Michigan State University.

The peace proposal of the Vietcong, she told them, "is the only honorable, just, possible way to achieve peace in Vietnam."

Black Panther Party founder Huey P. Newton "is the only man I've ever met that I would trust as the leader of his country," she said in an interview.

Probably the Pentagon wishes she would go back to making movies like "Barefoot in the Park." Her idea of a good soldier is nothing Gen. George Patton would want to recognize.

Discussing the kind of troopers she likes, Miss Fonda said: "They're a new kind of soldier. They're not John Wayne freaks over there. No order goes unchallenged.

"When they're sent out on patrol," she said, "they just go out a little ways. They lie down on a little knoll and blow grass and stargaze.

"They're good soldiers. We should be proud of them. They're not only doing what they're not supposed to do, but they're not even performing the basic functions of soldiers."

To defend soldiers who have gotten into trouble over pot or disciplinary things like that, Miss Fonda and Mark Lane, the attorney who wrote "Rush to Judgment," a book critical of the Warren Report, have set up an organization in Washington called the GI Office.

Miss Fonda's talk at Michigan State was her 22d on a tour of 32 college campuses this month.

She plans to wind up just in time to attend a Black Panther convention in Washington, at which the party plans to write a new constitution for the United States.

She's really going all out, she said, planning to sell her house and furniture and clothes to bankroll the GI Office and put up bail money for jailed Panthers and support another organization she likes, the Vietnam Veterans Against the War.

A student government leader said she got $1,750 for speaking at MSU, money Miss Fonda said would go to these causes.

Once a fashion plate who began her career as a magazine cover girl, Miss Fonda now affects the uniform of the Movement—jeans and boots, no bra, no wedding ring.

Largely invisible in all of this is her husband of the last five years, French movie director Roger Vadim.

While she flies around the country, Vadim, once the bedmate of such beauties as Brigitte Bardot and Catherine Deneuve, is back home in California playing parent to their two-year-old daughter, Vanessa.

Things are apparently kind of cool out there, when Actress Jane Fonda brings her message to students at Michigan State University.

Vadim being quoted as saying things like, "I feel like I'm baby-sitting for Lenin." Asked at MSU if she still loves him, Miss Fonda said:

"I love him. He is my friend. I'm not in love with him, but I care for him very much."

So much for Vadim. Meanwhile, Miss Fonda marches on, headlong forward on a crusade she began one year ago.

It all started, she said, with a three-week trip to India last year. "It's impossible to go to India without being wiped out," she said, and the squalor of Calcutta made her want to check on how American Indians are doing.

After helping Indians on such projects as seizing Alcatraz Island, Miss Fonda then went to work on behalf of dissident GIs and defending repressed Panthers. Now she is full of concern for all the oppressed, including those in the Women's Liberation and Gay Liberation movements.

Sometimes it's hard making all the right connections, especially if you are Henry Fonda's daughter and have grown up rich.

"The hardest thing for me," she said in an interview at MSU, "is to take the subway instead of taxis. It's very hard for someone who has all the luxuries to understand people who are less fortunate."

As she attempts to grow accustomed to the subways, Miss Fonda is worrying now about the nurse who takes care of her daughter. "The fact that I have a governess means I can't relate to people who don't," she said.

Well, the life of a revolutionary was always hard, as Che's writings reveal. But there are occasional laughs along the way, like when Miss Fonda got arrested in the Cleveland airport Nov. 3.

As one of her sacrifices for the Movement, Miss Fonda has given up smoking marijuana on her currrent tour because she doesn't want to get busted for drug possession.

In Cleveland she was arrested nevertheless after she came in from Canada with 102 vials including a quantity of Dexedrine, which is an amphetamine, and Valium and Compazine, which are tranquilizers. The case has since gone to a grand jury.

Some of the pills were labeled B, L and D, which the Feds thought looked ominous. Her lawyer Mark Lane said, however, that the initials only meant "Breakfast, Lunch and Dinner," and that the pills were dietary supplements taken by Miss Fonda, who is a vegetarian and eats haphazardly.

Asked by a student if she is in any danger from political repression or police harassment, Miss Fonda said in reference to Cleveland:

"I'm afraid dope will be planted on me. When the FBI gave me back my belongings, I spread it out all over their office. I went through everything, every lining. I played all my tapes to see that they hadn't been erased. The FBI had to sit there and listen to all of them."

The MSU students laughed with her about that. She made a few mistakes in her speech—like saying that Venezuela and Colombia have fascist governments, which they don't. But the students were basically sympathetic toward her, particularly when she spoke against the unpopular war.

As a speaker she has one great advantage which is, paradoxically, also a handicap. She is not only a famous and beautiful star, but there is also about her an air of fragility, of a menaced waif who needs protection.

You look at her and at least partially you see Gloria, the doomed marathon dancer in "They Shoot Horses, Don't They?", her greatest role. You can't help being charmed.

At the same time, however, this advantage of her occupation makes it hard to take her seriously as a revolutionary. She sounds like she has only memorized a catechism, swallowed unquestioningly an entire philosophy.

It is hard to escape the cynical feeling that, despite her fervence and intensity, this is basically just another role, one she will grow bored with and eventually cast aside. Huey Newton's options are severely limited. Jane Fonda's are unlimited.

But she at least talks like the change is permanent. She says she's not going to make any more movies like "Barbarella," which she now calls "a sexist picture."

How much change there will be remains to be seen. In her next movie, "Klute," she plays a prostitute. In her second movie,

"Walk on the Wild Side," made nine years ago, she played Kitty Twist, who was a prostitute.

If she can't get further work in Hollywood, which she considers a possibility because of her present politics, she wants to act in revolutionary pictures, produced under a commune arrangement with no stars, and distribute them through a network of Movement theaters which will charge cheap prices.

Meanwhile, there is work to be done on behalf of the Vietcong, who she says are "driven by the same spirit that drove Washington and Jefferson, and whom she calls "the conscience of the world."

"I think," she said at her MSU stop, "that the majority of students are scared of the word 'socialism.' It's a good message (socialism), and the more people give it, the better." ●

STATEMENT ON FAIR HOUSING AMENDMENTS BY THE CONGRESSIONAL BLACK CAUCUS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mrs. COLLINS of Illinois. Mr. Speaker, when Congress returns from the August district work period, we will have the opportunity to pass important legislation strengthening the Nation's fair housing laws. The Fair Housing Amendments Act, H.R. 2540, provides additional tools necessary to achieve equal housing opportunities for all persons. In addition, this bill, by moving us toward desegregated neighborhoods both in cities and suburbs, will lessen the need for school busing as a means of desegregating public schools.

I am inserting into the RECORD a statement issued by the Congressional Black Caucus in strong support of H.R. 2540. I hope that our colleagues in the Congress will carefully review this legislative proposal and support this significant civil rights initiative.

The Congressional Black Caucus statement follows:

CONGRESSIONAL BLACK CAUCUS STATEMENT IN SUPPORT OF THE FAIR HOUSING AMENDMENTS ACT OF 1979

The members of the Congressional Black Caucus strongly support the Fair Housing Amendments Act of 1979, H.R. 2540. Nearly a dozen years after Congress outlawed discrimination in housing by enacting Title VIII of the Civil Rights Act of 1968, black Americans and other minorities continue to confront a range of blatant and subtle discriminatory practices in their attempts to obtain decent housing, and are effectively precluded from exercising the freedom to choose where they will reside. The Fair Housing Amendments Act will remedy these problems by addressing the inadequacies of existing fair housing legislation.

The violation of individuals' fundamental constitutional rights of equal opportunity of access to decent housing is a matter of vital concern to the Black community. The impact of residential segregation exacerbates problems in many areas of our public life, including public schooling, access to health care, public services, access to employment opportunities, and access to many other facilities and services. Discriminatory lending policies and a multiplicity of other practices have limited opportunities to buy housing in desirable inner-city neighborhoods and have continued segregated residential patterns, as the Kerner Commission predicted over a decade ago. Recent direct evidence of discriminatory practices is documented by a recent survey by the National Committee Against Discrimination in Housing which found that Blacks responding to advertisements for rental housing were discriminated against in 29.1 percent of their inquiries, and when responding to advertisements for the sale of homes were discriminated against in 21.5 percent of their inquiries.

Without doubt, the housing problem is complex and its solution is dependent in large part on economics. Provision of new subsidized housing opportunities in central cities is equally important as enforcing constitutional rights; dislocement of minorities as the result of housing rehabilitation and renewal which only the wealthy can afford is also a critical problem.

But restricting minority families to limited—and less desirable—housing choices is a critical aspect of the housing problem, and that aspect of the problem can be remedied in large part through the passage of the Fair Housing Amendments Act to give HUD the tools to enforce existing law and the Constitution.

CEASE AND DESIST POWER

There are several important provisions in the proposed legislation which the Congressional Black Caucus vigorously supports. Most vital is providing the Department of Housing and Urban Development with cease and desist power. The cease and desist power authorized by H.R. 2540 provides HUD with administrative powers to enforce fair housing laws within the mandates of Title VIII, which specifically charges that agency with the responsibility of ensuring equal opportunity of housing to all citizens. At present, the only mechanism available to HUD for enforcing Title VIII is the process of conciliation. The Congressional Black Caucus firmly believes that a purely voluntary process of "conference, conciliation and persuasion" is clearly an ineffective means of investigating and remedying violations of the law, and that lack of adequate enforcement power is the major impediment to the development of an effective fair housing program within HUD. The extremely small percentage of complaints that have been satisfactorily resolved through the conciliation method is further justification for strengthening HUD's enforcement powers.

The Congressional Black Caucus maintains that H.R. 2540, by authorizing the Secretary of HUD to issue cease and desist orders and to impose civil penalties against continued discriminatory activities, would enable HUD to act more effectively on behalf of the victims of discrimination. It would also provide the same legal tools to remedy housing discrimination as are available in many other areas of the law.

Cease and desist authority is essential to the rapid resolution of disputes. It will create within the administrative arm of HUD injunctive powers similar to those used by the courts. Also, the availability of administrative relief will provide the victims of housing discrimination with an expeditious and inexpensive alternative to time-consuming and costly litigation, and will simultaneously ease the burden on the court system. The existence of additional forums in which to seek relief will also increase, in the long term, the total number of cases that can be heard. Finally, the authority of the Secretary to impose civil penalties where discrimination is found will create an important incentive to reduce the incidence of discriminatory practices.

The Fair Housing Act is too often misperceived as a statute primarily designed to provide housing opportunities for those wealthy enough to live in suburban areas. In the first place, many aspects of the law directly and positively affect all residential opportunities. These include prohibitions against "racial steering", mortgage red-lining, whereby lending institutions refuse to provide mortgages in certain inner-city areas, and insurance red-lining whereby insurance underwriters refuse to prepare contracts for homes bought in neighborhoods of a certain racial or ethnic composition. In suburban areas, less costly, sound housing is frequently available, but it has been made unavailable to minorities through similar discriminatory practices.

The Congressional Black Caucus also believes that the inclusion of a prohibition against discrimination against the handicapped in H.R. 2540 bears an even greater significance than the obvious concern for protecting the disabled. Our laws cannot sanction and our society cannot tolerate invidious discrimination against any group of persons.

OTHER KEY PROVISIONS

There are several other provisions of H.R. 2540 which the Caucus specifically endorses. These include:

Lengthening the statute of limitations to three years, so that aggrieved parties may have sufficient time to file a claim.

Providing for the awarding of attorneys' fees to the prevailing party in either judicial or administrative proceedings.

Enhancing the Attorney General's power to intervene in cases raising major public issues.

Removing the present $1,000 limitation on punitive damages, which would increase the seriousness with which those who might discriminate in the housing market would take their legal responsibilities.

Critics of broadening administrative powers for HUD cite the burgeoning bureaucracy and particularly the increase in the taxpayers' burden as reasons for defeating the legislation. What should be pointed out, however, is that the taxpayers are already bearing the costs of maintaining housing segregation and its impact on the real estate market. Thus arguments couched in economic terms lose impetus in the face of more compelling counterclaims.

In short, the Congressional Black Caucus endorses the Fair Housing Amendments Act of 1979 as a crucial and indispensable extension of existing fair housing legislation. Without its enactment, Title VIII will continue to be crippled by deficiencies that will prevent it from fulfilling its promise of equal opportunity of housing to all Americans. Our civil rights laws, themselves, must be made equal to our other laws by the inclusion of the same provisions for enforcement and for sanctions that have discouraged and provided remedies for illegal conduct in many other areas of American life.●

THE REPUBLICAN ECONOMIC PROGRAM OFFERS OPPORTUNITY AND A CHANCE TO END BOTH RECESSION AND INFLATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. KEMP. Mr. Speaker, I have long been convinced that an American renaissance must begin with a revolution within the Republican Party, and I believe that today helps reaffirm the GOP's

reemergence as a party of ideas and renewed opportunity for all Americans.

I am proud to join my Republican colleagues today in introducing a Republican economic program to fight both recession and inflation. We renounce the mistaken and destructive theory that guides economic policy under the current administration—that higher unemployment is the cure for inflation. Because inflation is an imbalance between excess money and scarce goods, unemployment can only worsen inflation. Instead of imposing "austerity," and slowing the economy our plan is to tighten money and produce our way out of inflation and recession.

Unfortunately, Congress has only a short time to reverse past mistakes before they result as predicted in a costly and entirely unnecessary rise in unemployment. The Secretary of the Treasury estimates that current policy will raise the unemployment rate from 5.6 percent now to as high as 8.25 percent by next year. This is a tragedy we intend to prevent.

Unemployment is no way to balance the budget, because each 1 percent rise in unemployment widens the deficit by $20 billion. Fiscal responsibility in Government begins with Government's responsibility to its citizens. Our society cannot prosper unless Americans can prosper individually by their own efforts.

Therefore, to restore growth and opportunity, to fight inflation, and to balance the budget, the first order of business must be to restore the incentives for initiative. The greatest barriers to more employment, saving, investment and production, I am convinced, are the excessively high income tax rates on working, saving, investing and general productivity. Under our tax code, a 13.2-percent inflation is raising income tax rates at 21.1 percent a year. We must immediately "inflation-proof" and continuously reduce income tax rates for all Americans. Today's proposal for an immediate 10-percent cut in income tax rates is only the first step toward restoring incentives lost since 1965 because inflation raised marginal tax rates an average of 65 percent.

At the same time, we must eliminate other perverse aspects of the tax code. Just as inflation pushes individuals into higher tax brackets, inflation creates phony business profits which are taxed under current tax law as though they are real. Accelerated depreciation of fixed business assets is essential to restore a healthy and efficient business climate.

Finally, by freezing payroll tax rates, we affirm that the best guarantee of the social security system's health is not an ever-higher tax on payrolls, but rather a more prosperous and expanding economy which can afford to repay the retired, survivors and the disabled the full measure of their past contributions to society.

Let this be a message to workers, businessmen, minorities, and to all men and women of initiative, the Republican Party is committed to the idea of opportunity for all and prosperity without inflation, in other words the restoration of hope.●

CHRISTIANE BUCHANAN: BRIDGE OF UNDERSTANDING

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. GUDGER. Mr. Speaker, we have long known that one of the ingredients which has made America great is the introduction of new citizens from foreign lands. Next week, on Friday, August 10, 1979, it will be my privilege to participate with the residents of western North Carolina in a dinner honoring Christiane Rose Buchanan, commemorating her retirement after 28 years of service to the North Carolina public school system.

This native of Soissons, France, emigrated to the United States in 1946 after 3 years of teaching experience in her native land and was naturalized as a U.S. citizen in 1948. Graduated with honors from Appalachian State University in Boone, N.C., she has taught not only the language but the art, music, and literature of her native land to North Carolina school children until her retirement last June, first at Crossnore School in Avery County and later at Harris and Mitchell County High Schools.

Over the years, she touched the lives of thousands of students, providing a bridge of communication and understanding between the country of her birth and her adopted land. No nation has made stronger contributions to music, the arts, and letters than France and this leadership is reflected in the role of the French language as a leader in civilized dialog between nations and among individuals in the international community.

Madame Buchanan's love and command of her native tongue, her singular ability to inspire her students to share this love, have made her an unusually effective teacher. As an educator, she served as an unofficial goodwill ambassador for her native country, infusing her western North Carolina students and neighbors with an understanding of France that went far beyond mere language.

I take great pride in her accomplishments, which also include:

Helping to organize service groups to help American soldiers in France during World War II.

Serving as Conservation Director for NDEA Language Institutes at Appalachian State University for 6 years.

Preparing French instructional material and cultural materials for many North Carolina language teachers.

Organizing many student travel-study tours of Europe, Canada, and the United States.

Preparation of slides of every facet of life in France for use by the North Carolina Department of Public Instruction.

Serving on the North Carolina Textbook Selection Committee.

And uncounted programs for civic and educational organizations.

The Mitchell County Chamber of Commerce voted her Woman of the Year in 1978.

I look forward to sharing her neighbors' appreciation day for Madame Buchanan and only wish my colleagues here could join with me. I do expect that my colleagues in the U.S. Senate will be represented as well as leading offices of North Carolina, for in truth, Christiane Rose Buchanan has given more than she has received from her adopted land.●

60TH ANNIVERSARY FOR ALEX AND HELEN STATHIS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. LEWIS. Mr. Speaker, I was once told that to succeed it was imperative to keep doing what it took to get started. Today I would like to commend two of the most successful people I have the pleasure to know.

On August 5th, Alex and Helen Stathis will be celebrating their 60th wedding anniversary. It is my honor to be part of this commemoration. The story of Alex and Helen Stathis is truly that of the American dream. Alex immigrated this country, began with nothing and built a successful business and homelife.

Born in Greece in 1895, orphaned at the age of 8, Alex Stathis' dream was to come to the United States. Working at odd jobs until he had saved the money for his trip, at the age of 19, Stathis embarked upon a journey to the proverbial land of milk and honey.

Penniless, he arrived in the United States where his hard life really started. He had no relatives or friends and he could not speak the language. Stathis got a job with the railroad and after a few years moved to Latrobe, Pa., where, on Easter Sunday, he met Helen Walchock. In August they were married and moved to Columbus, Ohio.

Once in Columbus, with the money he saved from the railroad, they opened a confectionary store. Two years later, they bought a second store. As a result of hard work, they next bought a candy shop and ice cream parlor and used these to supply the other two stores. Later, they moved to Greensburg, Pa., where they established a number of restaurants. They also purchased a Hotel in Confluence, Pa., which, after 16 months, they sold for a handsome profit. In 1954, they bought the Hotel Brenisier in Ligonia, Pa., and after 8 years, in 1963, the Stathis' moved to San Bernardino where Alex joined his son in business until he retired in 1973.

The Stathis' are pillars of the Greek Nicholas, Georgia, and Mary Ann, who have all grown to be active in their communities. They also have eight grandchildren and two great-grandchildren.

The Stathis' have three children, Community and their church in the San Bernardino area. Alex and Helen Stathis should be an example to us all. They have worked hard at what it took for

them to get started and their lives have been rich, full, and happy.

On the occasion of their 60th wedding anniversary, I wish Alex and Helen Stathis continued success and great happiness in all their years ahead.●

WHY WE NEED NUCLEAR POWER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. BOB WILSON. Mr. Speaker, when the subject of nuclear energy comes up, so do the scare stories and the rumors. And Three Mile Island added enough fuel to keep those stories and rumors going for a long time.

Today in this country, we are in the process of becoming energy poor. There is no need to go into how much oil we import annually. We have beaten that to death. And no need to talk about how much coal we have got and how long it will last us. We have done the same to that topic.

The plain fact is, the United States is energy poor and in danger of getting poorer. We need to use every source at our disposal, and that means nuclear energy for electricity.

I have spoken numerous times on our energy deficiency, and that we need to bring more nuclear powerplants on line as soon as we can if our economy is going to grow and prosper. But now listen to an acknowledged expert, a premier authority in the field, Dr. Edward Teller. His words I would hope can bring some reason to the discussion of why we need nuclear power, and just what nuclear power is all about.

[From the Wall Street Journal, July 31, 1979]

I WAS THE ONLY VICTIM OF THREE-MILE ISLAND

"On May 7, a few weeks after the accident at Three-Mile Island, I was in Washington. I was there to refute some of the propaganda that Ralph Nader, Jane Fonda and their kind are spewing to the news media in their attempt to frighten people away from nuclear power. I am 71 years old, and I was working 20 hours a day. The strain was too much. The next day, I suffered a heart attack. You might say that I was the only one whose health was affected by that reactor near Harrisburg. No, that would be wrong. It was not the reactor. It was Jane Fonda. Reactors are not dangerous.

Now that I am recovering, I feel compelled to use whatever time and strength are left to me to speak out on the energy problem. Nuclear power is part of the answer to that problem, only a part, but a very important part.

I have worked on the hydrogen bomb and on the safety of nuclear reactors. I did both for the same reasons. Both are needed for the survival of a free society. If we are to avoid war, we must be strong and we must help to generate the progress that makes it possible for all nations to grow and prosper.

And what is the greatest present-day threat to the prosperity and even the survival of nations! A lack of energy. Both developed and developing nations are threatened.

The citizens of the United States have just begun to recognize the impact of the world's growing energy shortage. Gasoline lines, electrical brownouts and higher prices are minor irritants. They are nothing compared to what may lie ahead. In a struggle for survival, politics, law, religion and even humanity may be forgotten. When the objective is to stay alive, the end may seem to justify the means. In that event, the world may indeed return to the 'simpler' life of the past, but millions of us will not be alive to discover its disadvantages.

When our existence is at stake, we cannot afford to turn our backs on any source of energy. We need them all.

When it comes to generating electricity, we especially need nuclear power. Contrary to what Nader and Fonda, and their friends such as Sternglass, Wald and Kendall, would have you believe, nuclear power is the safest, cleanest way to generate large amounts of electrical power. This is not merely my opinion—it is a fact. Due to the lessons learned at Three-Mile Island, the nuclear way of generating electricity will be made even safer.

I have attempted to respond briefly to some of the questions which people ask about nuclear power. The problems that these questions raise are problems because of political indecision or public fear. Technically, they are non-problems, because the dangers they imply either do not exist or else we have the know-how to solve them. I am absolutely convinced of this, after a lifetime of work as a nuclear scientist.

I was one asked how I would like for my grandson, Eric, to think of me and my life's work after I am gone. Eric is nine years old. He is a terrible guy—he beats me at the game of "GO." I am enormously fond of him, but I have not given much thought to what he will someday think of my life's work. I have given a great deal of thought to whether he will be alive in the next century, and whether he will be living in freedom or in slavery. If he is living under communism, he will know I was a failure.

I believe that we have reached a turning point in history. The anti-nuclear propaganda we are hearing puts democracy to a severe test. Unless the political trend toward energy development in this country changes rapidly, there may not be a United States in the twenty-first century.

The President has recognized the danger of the energy shortage. As yet, he has given only some of the answers. I think—I hope—that democracy has enough vitality to evaluate the risks and to recognize the great benefits of nuclear power to human health and well-being, and to the survival of our free society.

Q. Can a nuclear reactor explode like an atomic bomb?

A. No. Energy cannot increase fast enough in the reactor. Therefore, it is absolutely impossible for a nuclear power plant to explode like a bomb. For this to happen, the laws of nature would have to be repealed.

Q. What is the risk of nuclear power compared to other forms of producing electricity?

A. It is far safer than coal or hydroelectric power, but all three are necessary to meet our need for energy. It may sound strange to say it, because coal has been around so long, but we know more about controlling radiation than we do about controlling the pollutive effects of burning coal. And, of course, a dam has no backup system to protect those who live below it. Indeed many of these people have lost their lives and more their homes.

Q. I live within 50 miles of a nuclear power plant. What are my chances of being injured by a nuclear accident?

A. About the same as being hit by a falling meteor.

Q. What about the effect of an earthquake on a nuclear plant?

A. At the first sign of a tremor, the reactor would shut down automatically. Also, reactors are built to withstand enormous structural damage. The only man-made structures I can think of that are more stable are the pyramids of Egypt.

Q. Is it true that we still have no satisfactory way to dispose of nuclear wastes?

A. No. Ways do exist. What we have not had is a decision by our government on which way to go. Waste disposal is a political problem, not a technical problem.

Q. How much radioactive waste materials are produced by nuclear plants?

A. At the moment, about 12½% of our electricity is generated by nuclear power. If all of it were produced this way, the wastes from these plants over the next 20 years would cover a football field to a depth of about 30 feet. To dispose of this waste a mile underground would add less than one percent to the cost of electricity.

Q. How dangerous is the release of low-level radiation from a nuclear power plant?

A. If you sat next to a nuclear power plant for a whole year, you would be exposed to less radiation than you would receive during a round-trip flight in a 747 from New York to Los Angeles.

Let me put it another way: The allowable radiation from a nuclear plant is five mrems* per year. In Dallas, people get about 80 mrems per year from the natural background of buildings, rocks, etc. In Colorado, people get as much as 130 mrems per year from the natural background. Therefore, just by moving from Dallas to Boulder you would receive ten times more radiation per year than the person gets who lives next to a nuclear power plant.

Q. How much radiation were the people around Three-Mile Island exposed to during the accident?

A. Let me put it this way. Your blood contains potassium 40, from which you get an internal dose of some 25 mrems of radiation in one year. Among the people not working on the reactor, a handful may have gotten as much radiation as 25 mrems.

Q. Should "spent" nuclear wastes be reprocessed to save the plutonium and other by-products?

A. Yes. Plutonium, for example, is as valuable as the original uranium fuel, because of its potential use to produce still more energy. In the end, reprocessing is needed to make nuclear energy abundant and lasting.

Q. Is there a danger that the plutonium produced by nuclear reactors might be stolen by terrorists and used to construct home-made nuclear explosives?

A. I believe that reactor products can be properly safeguarded from terrorists. This can be much more easily done than the guarding of airplanes. Also, any terrorist who puts his mind to it can come up with ways to terrorize a population that are less dangerous to himself than handling plutonium. The answers is not to get rid of the reactors—let's get rid of the terrorists.

Q. Will the expansion of nuclear power by other countries enable them to produce nuclear weapons?

A. Unfortunately, yes. This is already happening. Two-thirds of the reactors in operation in the free world today are outside the United States. Since we can't stop other nations from building nuclear plants or weapons, what we must do is find better solutions to international problems. An energy starved nation is much more likely to make and use nuclear weapons as a last resort to survival. The only way to prvent that is to

* A "mrem" is an appropriate unit used to make comparisons.

see to it that there is enough energy to go around, and to strengthen cooperation and confidence among the nations.

Q. What have we learned from the accident at Three-Mile Island?

A. Two things. First, that nuclear reactors are even safer than we thought. Despite many human errors and a few mechanical failures at Three-Mile Island, the damage was contained. No one was killed, or even injured. We have also learned that a lot can be done by better educated, better paid and more responsible reactor operators, and by a more efficient display of the state of the reactor by modern instrument panels.

Three-Mile Island has cost $500-million, but not a single life. We must pay for safety and, even after we have paid for it, nuclear energy is the cheapest source of electrical power. It is most remarkable that in the case of nuclear energy we are paying for our lessons in dollars, not in lives.●

GEORGIA'S MINUTEWOMAN

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. FOWLER. Mr. Speaker, I applaud Congresswoman PAT SCHROEDER's "Minutewomen" series and am pleased to join her in celebrating the contributions of America's outstanding women. I wish to acknowledge the excellent assistance of Ms. Louise Shaw of the Atlanta Historical Society in cooperation with Dr. William L. Pressly, director, and Mr. Franklin M. Garrett, historian, in gathering the biographical information included below.

One Georgia woman in particular, Jane VandeVrede, was a distinguished pioneer in promoting health and welfare in the State. She devoted over 60 years of service to the people of the South and the Nation.

A nurse by profession, Ms. VandeVrede helped establish the first State public health clinics and later organized chapters of the Red Cross in Georgia. In addition to teaching home nursing and first aid, she was instrumental in recruiting nurses during 1918 for service in World War I and was subsequently appointed director of the Southern Division of the American Red Cross.

Among her many contributions to the advancement of health care in the State were her efforts to establish a Bureau of Public Health Nursing within the State Health Department. Development of the Georgia Nurses Association, the Georgia League of Nursing, the Georgia Hospital Association, and the National Organization of Public Health Nurses should also be attributed to Ms. VandeVrede. Serving as the first executive secretary of the Georgia Nurses Association and as the Governor's appointee to the board of nurse examiners, she worked tirelessly to advance the quality of nursing education in Georgia.

During the depression, Ms. VandeVrede was appointed by President Franklin D. Roosevelt to the Works Projects Administration in Georgia, and in that capacity she continued to promote educational and health programs which provided work opportunities for Georgia's citizens.

Jane VandeVrede has earned a place of high regard in Georgia's history. I take great pride in sharing her accomplishments with my colleagues.●

OPEN AND CLOSED COURTS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DRINAN. Mr. Speaker, a recent editorial in the Ashburnham Pilot & Westminster Times, published in north-central Massachusetts, sets forth very well the reasons why a recent 5 to 4 decision of the Supreme Court granting trial judges almost unlimited authority to close their courts to the public should be reversed.

I am happy to share this excellent editorial with my colleagues.

OPEN AND CLOSED COURTS

A recent decision of the Supreme Court, 5–4, establishes that a trial judge has almost unlimited authority to close his court to the public. The long, slow, centuries-old growth of the common law rule that civil and criminal proceedings be open to the public has been left to the discretion of the trial judge. Justice Stewart Potter wrote the opinion for the majority. In that opinion, Justice Potter said the history of the common law rule "fails to demonstrate that the framers of the Sixth Amendment intended to create a constitutional right in strangers to attend a pretrial proceeding when all that they actually did was to confer upon the accused an explicit right to demand a public trial." Such an opinion, we think, tends to interpret the Constitution in complete isolation from the society that produced and lives under it.

As recently as three years ago, the Court was persuaded that an open courtroom played a vital role in our society. In a similar, but not identical, case, the Court then unanimously sustained this interpretation. Justice Potter then joined that opinion which stated: "Secrecy of judicial action can only breed ignorance and distrust of courts and suspicion concerning the competence and impartiality of judges. Free and robust reporting, criticism and debate subject (the criminal justice system) to the cleansing effects of exposure and public accountability." That view, most Americans might agree, is in harmony with the legal tradition in America and in the West generally. The present decision of the Supreme Court, 1,000 days later, is retrogressive.

In a dissenting opinion filed in the present instance, Justice Harry A. Blackmum, echoing the opinion of the Court three years ago, re-establishes the guiding principles that should govern in this vital area.

"The right to a speedy and public trial . . . reflects the tradition of our system of criminal justice that 'a trial is a public event' and that 'what transpires in the courtroom is public property.'

"More importantly, the requirement that a trial of a criminal case be public embodies our belief that secret judicial proceedings would be a menace to liberty. This nation's accepted practice of providing open trials . . . has always been recognized as a safeguard against any attempt to employ our courts as instruments of persecution. The knowledge that every criminal trial is subject to contemporaneous review in the forum of public opinion is an effective restraint on possible abuse of judicial power.'

"It has been said that publicity 'is the soul of justice.' And in many ways it is: open judicial processes, especially in the criminal field, protect against judicial, prosecutorial, and police abuse; provide a means for citizens to obtain information about the criminal justice system and the performance of public officials; and safeguard the integrity of the courts.

"Publicity is essential to the preservation of public confidence in the rule of law and in the operation of the courts."

We can but hope that, in its own good time, the Supreme Court will reconsider the significance for our society of its recent decision.●

BLOCH RECEIVES HUMPHREY AWARD

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. CARR. Mr. Speaker, recently our colleague, Congressman CHRIS DODD of Connecticut presented the Peace Corps' Hubert H. Humphrey Award to Julia Chang Bloch. Congressman DODD is himself a recipient of the award. She richly deserves such recognition for her international humanitarian efforts. In addition to those of us who are privileged to call her a friend she is not only a distinguished public servant, but also a bright, charming woman of many talents. Ms. Bloch is currently serving as the International Communication Agency's Deputy Director for African Affairs. USICA's World recently devoted a few inches to her accomplishments. I include them in the RECORD at this point:

BLOCH RECEIVES HUMPHREY AWARD

Julia Chang Bloch, Deputy Director for African Affairs, received the second Hubert H. Humphrey Award in May in a ceremony at the U.S. Mission to the UN.

The annual Award and ceremony, cosponsored by USUN and the Peace Corps, recognizes the outstanding service of former Peace Corps volunteers.

Bloch, who served as a volunteer in the Peace Corps in Malaysia from 1964–66, held positions as Evaluation Officer for the Peace Corps in Washington, D.C. and Minority Staff Director of the Senate Select Committee on Nutrition and Human Needs, before assuming her present job in 1977.

A graduate of the University of California at Berkeley, Bloch has a Master's Degree in East Asian Government and Regional Studies from Harvard University.

She has been a member of the Young Political Leaders Delegation to the People's Republic of China and the National Committee on U.S.-China Relations.

Bloch has spoken widely on women's rights, U.S. participation in international organizations, nutrition and food assistance, and national health insurance. She organized the Congressional Symposium on International Women's Year in 1975 and, the following year, helped implement the U.S. Aid for International Development "Integration of Women in Development" program.

The Director of ACTION, Sam Brown, gave the official welcome at the award ceremony,

and Peace Corps Director-designate Richard Celeste delivered the keynote address.

Among the more than 500 invited guests were Ambassadors from a number of countries where Peace Corps volunteers serve, former volunteers, and members of the staffs of the United Nations and ACTION.●

RETIREMENT OF JUDGE DANIEL C. JENKINS

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. MILLER of Ohio. Mr. Speaker, Judge Daniel C. Jenkins of New Lexington, Ohio, retired February 8, 1979, after 30 years of distinguished service on the bench. Judge Jenkins is the only lawyer to have served in both the probate and juvenile courts in Perry County, Ohio. He is also the longest tenured judge in Perry County.

Born in Shawnee, Ohio, on October 24, 1911, Judge Jenkins is a graduate of Denison University, Granville, Ohio, and the University of Cincinnati, where he received his law degree in 1936. He practiced law until 1941, when he volunteered for the U.S. Army as a private in infantry.

In 1942 he was commissioned as a second lieutenant at Fort Benning, Ga. He then served as a captain at Fort Jackson, S.C., and later graduated from the Command and General Staff College at Fort Leavenworth, Kans. He had a distinguished military career in World War II in Europe as a major. Returning to the United States in 1945, he continued to serve as an instructor in the U.S. Army Reserve until 1955, when he resigned as a lieutenant colonel.

After the war, he resumed his law practice in New Lexington until 1948, when he was elected judge of the probate and juvenile courts, Perry County, Ohio, an office he held until his retirement.

Judge Jenkins and his wife, the former Katherine Jean Montgomery, are the parents of four children, Daniel, Katherine, Anne, and David. Judge Jenkins' civic activities are many. He has distinguished himself in the Methodist Church and in the Masonic Lodge, where he was elected Grand Master of Ohio in 1961.

Judge Jenkins has proven himself worthy of the high office bestowed on him and is held in high esteem and affection by his colleagues and by the community. His contribution on the bench has set a high standard for others to follow. His fairness in reviewing cases and his guidance to the youth of the community will long be remembered.

But perhaps best of all, he will be remembered for his kindness, his sensitivity, and generous spirit. He is well loved, and we all feel better for having known him. He is a true humanitarian. We wish him and his family well on a much deserved retirement.

Mr. Speaker, I ask unanimous consent that an article commemorating Judge Jenkins' tenure that appeared in the January 26 edition of the Columbus Dispatch, be printed in its entirety in the RECORD.

The article follows:

Jan. 26, 1979

30 YEARS ON BENCH TO END: JUDGE JENKINS IS HONORED

SOMERSET, OHIO.—The Perry County Bar Association Thursday night paid tribute to Judge Daniel C. Jenkins, who retires Feb. 8 after 30 years on the bench.

Judge Jenkins is the only lawyer to have served in the probate and juvenile courts in Perry County.

His predecessor was a nonlawyer who served under a grandfather clause of a law which was passed to require that probate and juvenile judge be lawyers.

Veteran attorney Joseph C. Allen spoke in honor of Jenkins and praised him for his fairness, promptness and courtesy.

"He (Jenkins) was always up on the law, and his decisions were just and unreversed," Allen said.

Allen said he was sorry to see Jenkins leave the bench, that he enjoyed practicing in his court and that he kept his court active and his docket up to date.

"He kept us on our toes," Allen concluded.

Common Pleas Judge Robert G. Tague echoed Allen's comments and called it a "rare and honored privilege" to have served as a colleague on the bench for 16 years.

Tague said Jenkins was the longest tenured judge in Perry County, and that he served with dignity, integrity, sensitivity and scholarship.

"He has made an indelible imprint on Probate Court of the county," Tague concluded.

Jenkins was born in Shawnee, graduated from New Lexington High School, Denison University and the University of Cincinnati Law School.

He served in the armed services in World War II and has been active in veteran's organizations.

He also became active in the Masonic Lodge and served as grandmaster of the Ohio Masonic Order.

Tague said Jenkins has had a lifetime of service to others.●

IS THE PRESIDENT GETTING THE RIGHT INTELLIGENCE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. MICHEL. Mr. Speaker, during his July 25 news conference, the President was asked if Nicaragua could become "another Cuba." He did not directly answer the question.

The New York Times, Sunday, July 29, 1979, told of the Sandinistas enforcing of a "new economy" in Leon, the nation's second largest city.

The Times quoted the Sandinista Director of the Office of Supplies for that region:

> We don't want reform: we want socialism . . . there are a lot of people here who would like this to be a Marxist state.

One of the men chosen to head a Nicaraguan popular army is Humberto Ortega Saavedra. Mr. Ortega is prominently featured in a front page photograph in the New York Times, with Fidel Castro "holding open arms" to him.

Is the President a victim of such poor intelligence gathering that he really does not know what is going on in Nicaragua? Just by reading stories in the Times one can tell the direction the Nicaraguan revolution is taking. It is predictably following the "Cuban model." Why does not the President tell the American people the truth.●

NATIONAL ARCHITECTURAL BARRIER AWARENESS WEEK

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. NOLAN. Mr. Speaker, I would like to take this opportunity to thank the 78 Members of Congress who have already cosponsored my bill, House Joint Resolution 338, which would authorize the President to proclaim the third week in May 1980 as "National Architectural Barrier Awareness Week."

I recognize that our energy crisis demands the immediate attention of Congress. However, we should not lose sight of the fact that other national problems exist and in my view one of the most serious is accessibility for the handicapped.

Although some progress has been made in removing architectural barriers, a continuing national effort is imperative if millions of handicapped Americans are to enjoy the opportuntiy for development and achievement available for all citizens. One important way to continue this national effort is establishment of National Architectural Barrier Awareness Week next May.

The Post Office and Civil Service Committee requires 218 cosponsors before consideration of legislation of this kind. I strongly urge you to add your name as a cosponsor and help end the present architectural double standards which allows access to the able-bodied and dead ends to the handicapped.

Following is a list of the 78 Members who are cosponsors of House Joint Resolution 338.

HOUSE JOINT RESOLUTION 338—NATIONAL ARCHITECTURAL BARRIER AWARENESS WEEK COSPONSORS

Mr. Moakley, Mr. Mitchell of Maryland, Mr. Santini, Mr. Stewart, Mr. Scheuer, Mr. Walgren, Mr. Winn, Mr. LaFalce, Mr. Green, Mr. Carr, Mr. Hughes, Mr. Gray, Mr. Flood, Mr. Dougherty, Mr. Simon.

Mr. McHugh, Mr. Natcher, Mr. Nichols, Mr. Forsythe, Mr. Coelho, Mr. Lehman, Mr. Murphy of Pennsylvania, Mr. Richmond, Mr. McDade, Mr. Brown of California, Mr. Downey, Mr. Neal, Mr. Ford of Michigan, Mr. Kildee, Mr. Wolpe.

Mr. Bedell, Mr. Lowry, Mr. Frenzel, Mr. Treen, Mr. Stokes, Mr. Vento, Mr. AuCoin, Mr. Wilson, Mr. Guarini, Mr. Waxman, Mr. Dodd, Mr. Evans, Mr. Abdnor, Mr. Pepper, Mr. Thompson.

Mr. Brodhead, Mr. Corrada, Mr. Whitehurst, Mr. Holland, Mr. Hagedorn, Mr. O'Brien, Mr. Erdahl, Mr. Sabo, Mr. Hall of Ohio, Mr. Mazzoli, Mr. Beard, Mr. Bonior, Mr. Miller of California, Mr. Won Pat, Mr. Fazio.

Mr. Murphy of New York, Mr. Maguire, Mr. Burgener, Mr. Fischer, Mr. Wampler, Mr. Daschle, Mr. Hawkins, Mr. Russo, Mr. Mineta, Mr. Robinson, Mr. Skelton, Mr. Heftel, Mr. Hollenbeck, Mr. Jenrette, Ms. Oakar, Mr. Fowler, Mr. Lent, Mr. Blanchard.●

PRESERVING CIVIL WAR HISTORY: EXPANDING MANASSAS NATIONAL BATTLEFIELD PARK

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. HARRIS. Mr. Speaker, today I am introducing a bill to expand the boundaries of the Manassas National Battlefield Park in Prince William County, Va. The addition of approximately 1,715 acres to the 3,000-acre park would preserve several areas which have great historical significance relating to the two battles of Manassas, important engagements of the American Civil War.

The addition of this land would greatly enhance the historical importance of the current park. For example, one of the sites to be acquired is the opening scene of the second battle of Manassas, where Jackson made his decision to fight. One piece of land is the site of Portici, General Johnson's headquarters during the first battle. And, the historical Conrad House, used as a field hospital during both battles, is located on one tract. On another stands an imposing woods of trees imbedded with the shrapnel of Civil War battles. The park is one of the few remaining in the Nation where visitors can view the natural terrain on which such engagements occurred.

PROVISIONS OF THE BILL

The bill will add 1,715 acres to the 3,000-acre park by direct Federal purchase, donation, exchange, or easement from owners who could continue using their property for 25 years or until their death. Certain parcels would be purchased in fee through direct acquisition and others through acquisition of scenic easements. The acquisition program is designed to be completed within 2 years.

Under the legislation, all property within the 1954 boundaries of the park, not already acquired, could not be acquired without the owner's consent so long as the property continued to be maintained in its present use. It also gives the owner the right to a formal hearing on the record before an independent third party if the Secretary proposes to acquire the property because of a change in use.

I have carefully reviewed all the alternatives being considered by the Prince William County Board of Supervisors and the Virginia Department of Highways and Transportation concerning the construction of the proposed Route 234 by-pass. Only one of the five alternative routes being reviewed would impact on land being considered under my bill. The bill stipulates that if V.D.H. & T. chooses this alternative as the best course of action, the Secretary will make the land available for the right of way. Further, the Secretary is specifically prohibited from closing any State roads within the park without the consent of State officials.

The language of this bill reflects suggestions I have received during many meetings over the last 6 months with individual property owners, local officials, historical groups, and other interested parties.

ENACTMENT NEEDED NOW

Prince William County, just 30 miles from the Nation's Capitol, is one of the fastest growing counties in the Nation. From 1960 to 1970, its population more than doubled, jumping from 50,000 to 111,000. Today, Prince William County has more than 170,000 people, with every indication that rapid growth will continue. Residential and commercial development has seen a steady increase in the last 15 years, and the costs of land is constantly escalating. High housing costs in and around Washington, D.C., are leading many families to seek homes in the county.

Contributing to this growth is the completion of two major interstate highways that cross the county. Interstate 66, a major highway artery, is in close proximity to the current border of the park. This has created tremendous pressure for the development of highway-oriented uses, which threaten desecration of this historic and sacred land.

Currently, commercial development is encroaching on the park and several parcels bordering Interstate 66 are zoned commercial. A motel, gas station and a commercial cemetery are next to the park. We must act now to expand the boundaries of the park.

The expansion of the park is important for another reason—to provide necessary recreational opportunities and open space to this fast growing suburban area. The county is facing growing pains common to many of our suburban areas. With the rapid infusion of people in recent years, it has been difficult to provide adequate services. And as we all know, when services must keep pace with growth, sewers and schools often come first. Parks and recreation facilities are usually relegated to a lower priority. The addition of these 1,715 acres to the park will not only provide added historic lands for the park but will provide new and much needed recreational and open space areas for local citizens.

My efforts to preserve these properties are supported by such organizations as the Prince William Federation of Civic Associations, the Prince William League for the Protection of Natural Resources, the Fairfax County Board of Supervisors, The Virginia Division of the United Daughters of the Confederacy, and nationally, the American Legion and the Civil War Roundtable Associates. Protecting the park has been editorially endorsed by the Washington Post and the Washington Star as well as the Potomac News in Prince William County.

Congress must take the lead now in protecting our precious historical lands and monuments before it is too late. The adjacent lands to the Manassas National Battlefield Park are priceless and cannot be left to "fall as they may." I urge my colleagues to join me in preserving this important chapter of our Nation's history.

At this point, I include the text of the bill to be printed in the CONGRESSIONAL RECORD:

H.R. 5045

A bill to amend the Act entitled "An Act to preserve within Manassas National Battlefield Park, Virginia, the most important historic properties relating to the battle of of Manassas, and for other purposes", approved April 17, 1954 (68 Stat. 56; 16 U.S.C. 429b)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Manassas National Battlefield Park Amendments of 1979".

SEC. 2. The Act entitled "An Act to preserve within the Manassas National Battlefield Park, Virginia, the most important historic properties relating to the battle of Manassas, and for other purposes", approved April 17, 1954 (16 U.S.C. 429b), is amended to read as follows: "That there is established as a unit of the National Park System in the Commonwealth of Virginia the Manassas National Battlefield Park, which shall contain within its boundaries the important historical lands relating to the two battles of Manassas. The total area of the park shall not be greater than 4,715 acres. The boundaries of the park shall be the boundaries depicted on the map entitled 'Boundary Map, Manassas National Battlefield Park', dated August 1979, and numbered 80,001; which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior. The Secretary shall publish in the Federal Register, as soon as practicable after the date of the enactment of this Act, a detailed description and map of the boundaries. Notwithstanding Section 7(c) of the Land and Water Conservation Fund Act of 1965 (91 Stat. 211), the Secretary may not make any changes in the boundaries of the park. The Secretary shall administer the park in accordance with laws, rules, and regulations applicable to the national park system.

SEC. 2. (a) In order to effectuate the purposes of this Act, the Secretary is authorized to acquire by donation, purchase with donated or appropriated funds or exchange, any property or interests therein which are located within the boundaries of the park, except that property owned by the Commonwealth of Virginia or by any political subdivision thereof may be acquired only by donation.

"(b) With respect to areas within the 1954 boundaries of the park, as identified on the map referred to in the first section of this Act, the Secretary may not acquire fee simple title to such areas without the consent of the owner so long as the lands continue to be devoted to their present use. Further, if the Secretary proposes to acquire fee simple title to such property because of a change in use, the owner of such property may seek a review of the proposed acquisition of his or her property and is entitled to a hearing on the record in accordance with Section 554 of Title 5 of the United States Code.

"(c) If the Virginia Department of Highways and Transportation determines that the proposed Route 234 bypass should be properly located between the VEPCO power-line easement and Route 705, the Secretary shall make available the land necessary for such road.

"(d) The Secretary may not close any State roads within the park unless action per-

mitting the closing of such roads has been taken by appropriate officials of the Commonwealth of Virginia.

"SEC. 3. (a) Subsequent to the date of enactment of this section, the owner of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain for himself and his heirs and assigns a right of use and occupancy of the improved property for noncommercial residential purposes for a definite term of not more than 25 years or for a term ending at the death of the owner or the death of the spouse of the owner, whichever is later. The owner shall elect the term to be reserved. Unless this property is wholly or partially donated to the United States, the Secretary shall pay the owner an amount equal to the fair market value of the property on the date of its acquisition less the value on such date of the right retained by the owner. If such property is donated (in whole or in part) to the United States, the Secretary may pay to the owner such lesser amount as the owner may agree to. A right retained pursuant to this section shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purposes of this Act, and it shall terminate by operation of law upon the Secretary's notifying the holder of the right of such determination and tendering to him an amount equal to the fair market value of that portion of the right which remains unexpired.

"(b) No property owner who elects to retain a right of use and occupancy under this section shall be considered a displaced person as defined in section 101(6) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894). Such owners shall be considered to have waived any benefits which would otherwise accrue to them under sections 203 through 206 of such Act.

"SEC. 4. For purposes of this Act—

"(1) The term 'improved property' means a detached, one-family dwelling, construction of which was begun before January 1, 1979, which is used for noncommercial residential, purposes, together with not to exceed three acres of land on which the dwelling is situated and together with such additional lands or interests therein as the Secretary deems to be reasonably necessary for access thereto, such lands being in the same ownership as the dwelling, together with any structures accessory to the dwelling which are situated on such land.

"(2) The term 'park' means the Manassas National Battlefield Park established under this Act.

"(3) The term 'Secretary' means the Secretary of the Interior.

"SEC. 5. (a) From funds available for expenditure from the Land and Water Conservation Fund, as established under the Land and Water Conservation Fund Act of 1965, not more than a total of $20,018,000 may be expended for the acquisition of property and interests therein under this Act.

"(b) It is the express intent of Congress that the Secretary shall acquire property and interests therein under this Act within 2 years after the date of the enactment of the Manassas National Battlefield Park Amendments of 1979.

"SEC. 6. (a) Authorizations of moneys to be appropriated under this Act from the Land and Water Conservation Fund for acquisition of properties and interests shall be effective on October 1, 1980.

"(b) Notwithstanding any other provision of this Act, authority to enter into contracts, to incur obligations, or to make payments under this Act shall be effective only to the extent, and in such amounts as are provided in advance in appropriation Acts.".●

DECLINING PRODUCTIVITY

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. LUNDINE. Mr. Speaker, Monday, the Department of Labor reported that productivity in the nonfarm business sector dropped at an annual rate of 5.7 percent during the second quarter of this year—the worst showing since the Government began keeping record in 1947.

Normally, I would not be unduly concerned by the measures for a single quarter, since indicators like productivity can be expected to fluctuate. But in this case, coming after more than 5 years of extremely low productivity growth, a decline of this magnitude is cause for alarm.

Productivity measures are sensitive to cyclical influences, of course. As administration officials pointed out, the quarterly data may primarily reflect the onset of a recession. But the unsatisfactory productivity performance that we have experienced has much longer-run implications for the health of our economy. Dramatic improvement is critical to our ability to achieve our central economic objectives in the years ahead.

This country does not need to settle for continued "stagflation"—the awful combination of high inflation and high unemployment we have experienced for much of this decade. A high rate of productivity growth will enable us to attack both of these problems simultaneously, and sustain a strong rate of economic growth.

The dimensions of the problem are very disturbing. From post-war rates of 3 to 3.5 percent a year, productivity growth began to decline in the mid-1960's, falling to 2.3 percent between 1975 and 1973 and to 1 percent between 1973 and 1977. Overall, productivity has ceased to improve much at all since 1977 and began to drop during the first quarter of 1979.

Even in manufacturing, U.S. productivity gains on the order of 2.5 percent a year compare unfavorably with those of other industrialized countries. In Japan, manufacturing productivity increased by 8.3 percent from 1977 to 1978; in Sweden, the rate was 5.4 percent; in France, 4.9 percent; in Canada, 4.2 percent; in Germany, 3.7 percent. Among the major developed countries, only Great Britain exhibited a slower productivity growth rate than we did.

These trends have not been fully explained. The 1974 recession, for example, had a major negative impact on productivity, but cyclical forces are thought to account for only about one-fourth of the drop experienced at that time. A number of additional reasons have been advanced, and experts argue about virtually all of them. Probably, some combination of the following factors is involved:

Sectoral shifts, such as movements of population out of agriculture into manufacturing and changes in the industrial composition of the economy;

Demographic changes affecting the quality and composition of the work force;

Lack of innovation and invention;

Rising energy costs and instability of energy supply; and

Changes in the rate and nature of capital investments. Regulatory requirements, for example, have motivated substantial investments in pollution control equipment and other activities that do not directly raise output.

In examining investment policy, we have tended, in my view, to underestimate the importance of investing in our human resources. And while I am disturbed by signs that our technological superiority may be waning, I consider human investments equally critical. Unfortunately, this country has not paid sufficient attention to the skill and motivation levels of its workers, or really understood the potential for more effective utilizations of our human resources.

A survey of worker attitudes conducted by the University of Michigan Institute for Social Research found substantial declines in job satisfaction—among all groups except for the self-employed. In 1977, nearly 36 percent of those surveyed believed that their skills and talents were not adequately utilized in their current jobs. Eight years earlier, only 27 percent had reported such feelings of underutilization.

Only 21 percent of the workers surveyed in 1977 cited work as a main source of satisfaction in their lives. Increasingly, workers criticize their jobs as tedious and claim to have little control over both the content and scheduling aspects of work. While rising expectations may be part of the explanation for these developments, it also seems likely that for many people, the quality of working life has deteriorated.

It may sound simplistic to say that deeply dissatisfied workers would not be very productive. But to me, these survey findings underline the need for much more extensive efforts by business, labor, and government to improve the quality of working life.

In Washington, we have not fully faced up to the problem. Too often, there is complacent acceptance of discouraging productivity statistics, as if changing them were somehow out of the question.

Ironically, it often requires a crisis to impress upon us the need for change. We now face a crisis—involving far more than just energy supplies.

To alter our basic economic condition, we must make productivity improvement a major focus of national policy. We must call on our experts for a thorough examination of the causes of the problem. Business and labor must collaborate to develop mutually acceptable approaches. Both the administration and the Congress must be convinced of the need for new solutions.

In the months ahead, I intend to develop a set of comprehensive proposals and define the structure of such an initiative. If we succeed in reversing the patterns, the returns to our economy will fully justify the effort required.●

CONGRESSMAN BERKLEY BEDELL INTRODUCES GASOHOL TAX EXEMPTION CLARIFICATION LANGUAGE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. BEDELL. Mr. Speaker, I am introducing a bill to make it easier for producers and sellers of gasohol to obtain the benefits which Congress intended to give them in the Energy Act of 1978. While the bill deals with technical tax matters, correction of the problems it addresses is necesary to promote the production and use of gasohol.

Certain types of alcohol—such as ethanol and methanol—can be made from surplus agricultural and forestry products and wastes including urban wastes, and these alcohols can be mixed with gasoline in combinations of up to 15 percent alcohol to make a fuel which can be used by today's automobiles with little or no need for engine modification. Since use of gasohol can reduce the amount of petroleum products consumed by existing vehicles, Congress decided to encourage its development as an alternative fuel.

Thus, under the Energy Tax Act of 1978, gasohol—that is, fuel which is a blend of gasoline, or other motor fuel, and alcohol—that is at least 10-percent alcohol, other than alcohol derived from petroleum, natural gas, or coal, is exempted from the Federal excise taxes on motor fuels on or after January 1, 1979, and before October 1, 1984. The act provides that gasoline may be sold free of tax if it is to be used in the production of gasohol. The act also provides that, if the gasohol for which an exemption from the tax is obtained is later separated into gasoline and alcohol, the person doing such separation is to be treated as the producer of the gasoline, and thus would ordinarily be liable for the 4-cent-a-gallon tax.

Unfortunately, in what appears to have been a technical oversight, the Energy Tax Act made no provision for refund of the tax on gasoline if tax-paid gasoline is mixed with alcohol to produce gasohol.

The Technical Corrections bill (H.R. 2797), as it passed the House of Representatives, tries to remedy this problem by providing a credit or refund mechanism for the taxes on tax-paid fuel used to produce gasohol—and by providing a "recapture" mechanism to reimpose the tax if the gasohol is later separated. Unfortunately, the refund mechanism so provided requires that a person who acquires tax-paid gasoline and mixes it with alcohol to produce gasohol can obtain a refund of the gasoline tax only by a procedure which requires the consent and cooperation of the producer and parties in the chain of title between the producer of the gasoline and the person who mixes the alcohol and gasoline. Not only is this procedure cumbersome and somewhat time consuming, but also there is no provision of law which requires that these other parties cooperate in the refund process. They might well refuse to cooperate in some circumstances for reasons such as the amount of paperwork involved.

To surmount this problem, the bill I am introducing today would provide that if a person mixes alcohol—other than alcohol derived from petroleum, natural gas or coal—and tax-paid gasoline to produce gasohol for resale or for use in his trade or business, that person may obtain a direct refund or credit of the Federal excise taxes paid on the gasoline. Such a person may obtain a refund of these taxes directly from the Treasury. These refunds may be obtained for each of the first three quarters of a person's taxable year if $200 or more is payable with respect to gasoline purchased for use in gasohol in such quarter. With respect to any amount of Federal excise tax on tax paid gasoline for which a quarterly claim for refund is not made—because the amount payable for a quarter is less than $200, a claim for refund is not made during a quarter, or the fuel is purchased during the last quarter of a taxable year—the taxpayer may claim the amount of taxes paid as a credit on his income tax return for the taxable year.

This credit or refund approach applies to sales of gasoline made after December 31, 1978, and before October 1, 1984. This is the same effective date as applies with respect to excise taxes on gasohol. In order to facilitate the refund process for pre-enactment purchases of gasoline, the bill provides that sales of gasoline made after December 31, 1978, but prior to the date of enactment of this provision would be treated as having occurred in the quarter of the taxpayer's taxable year in which the date of enactment falls.

To prevent the allowance of more than one credit or refund of the same taxes, the bill also provides that if a credit or refund of excise taxes on gasoline is allowable under these new provisions, no credit or refund is allowable for these taxes under other provisions of the Internal Revenue Code. Further, in order to prevent avoidance of the excise tax on gasoline, the bill provides that the "recapture" treatment that applies if "tax exempt" gasohol is separated should apply not only if the gasohol was obtained free of tax but also if a credit or refund of excise taxes had been obtained. This result is achieved by amending the provision which treats a person who separates an exempted gasoline-alcohol mixture into gasoline and alcohol as the producer of such gasoline—and therefore subject to the 4-cents-a-gallon tax—by providing that this treatment applies not only if the gasoline was originally acquired free of tax but also if a credit or refund of excise taxes had been obtained.

Mr. Speaker, in my home State of Iowa, nearly 6 million gallons of gasohol are sold each month. The executive director of the Iowa Independent Oil Jobbers Association has informed me that a very large percentage of these sales is done by relatively small jobbers who operate on a tight budget and with limited resources. The enactment of this legislation would insure that these smaller operators would be able to obtain their tax credits by the use of form 843 on a quarterly basis, an allowance which will mean that they will not have to be subjected to extensive paperwork requirements and delays that could otherwise make it prohibitive for them to sell gasohol. Thus, the intent of Congress is honored: gasohol sales will be furthered by the 4-cent tax exemption, thereby promoting the use of an alternative fuel that is badly needed in this country.

In conclusion, Mr. Speaker, I would like to note that the Department of Treasury does not oppose this measure; in fact, the Department has suggested much of the technical language used in its drafting. I sincerely hope that my colleagues will give this legislation their wholehearted approval and that it can be given serious and expeditious consideration.

The bill follows:

H.R. 5044

A bill to amend the Internal Revenue Code of 1954 to provide for the credit or refund of the tax on any gasoline which is used in the production of certain alcohol fuels

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFUND OF TAX ON GASOLINE USED TO PRODUCE CERTAIN ALCOHOL FUELS.

(a) GENERAL RULE.—Section 6427 of the Internal Revenue Code of 1954 (relating to fuels not used for taxable purposes) is amended—

(1) by redesignating subsections (f), (g), (h), (i), and (j) as subsections (g), (h), (i), (j), and (k), respectively; and

(2) by inserting after subsection (e) the following new subsection:

"(f) GASOLINE USED TO PRODUCE CERTAIN ALCOHOL FUELS.—

"(1) IN GENERAL.—Except as provided in subsection (i), if any gasoline on which tax is imposed by section 4081 is used by any person in producing a mixture described in section 4081(c) for sale or use in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the aggregate amount of the tax imposed on such gasoline. The preceding sentence shall not apply with respect to uses described in such sentence after September 30, 1984.

"(2) COORDINATION WITH OTHER REPAYMENT PROVISIONS.—No payment shall be made under subsection (d) or (e) of this section or under section 6420 or 6421 with respect to any gasoline with respect to which an amount is payable under paragraph (1)."

(b) QUARTERLY REFUND ALLOWED WHERE $200 OR MORE PAYABLE.—

(1) Subparagraph (A) of section 6427(g)(2) of such Code (as redesignated by subsection (a)(1)) is amended by striking out "or" at the end of clause (i), by inserting "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) $200 or more is payable under subsection (f),".

(2) Subparagraph (B) of section 6427(g)(2) of such Code (as redesignated by subsection (a)(1)) is amended to read as follows:

"(B) SPECIAL RULE.—If the requirements of clause (ii) or clause (iii) of subparagraph (A) are met by any person for any quarter but the requirements of subparagraph (A)(i) are not met by such person for such quarter, such person may file a claim under subparagraph (A) for such quarter only with

respect to amounts referred to in the clause (or clauses) of subparagraph (A) the requirements of which are met by such person for such quarter."

(c) TREATMENT OF SUBSEQUENT SEPARATION.—Paragraph (2) of section 4081(c) of such Code (relating to later separation of gasoline) is amended by inserting "(or with respect to which a credit or payment was allowed or made by reason of a use described in section 6427(f)(1))" after "this subsection".

(d) TECHNICAL AMENDMENTS.—

(1) Subsections (a)(4) and (b) of section 39 of such Code are each amended by striking out "6427(h)" and inserting in lieu thereof "6427(i)".

(2) Subsections (a), (b)(1), (c), (d), and (e)(1) of section 6427 of such Code are each amended by striking out "(h)" and inserting in lieu thereof "(i)".

(3) Subsection (g)(1) of such section 6427 (as redesignated by subsection (a)(1)) is amended by striking out "(a), (b), (c), (d), or (e)" and inserting in lieu thereof "(a), (b), (c), (d), (e), or (f)".

(4) Subsection (i)(2) of such section 6427 (as redesignated by subsection (a)(1)) is amended by striking out "(f)(2)" and inserting in lieu thereof "(g)(2)".

(5) Sections 7210, 7603, 7604(b), 7604(c)(2), 7605(a), 7609(c)(1), and 7610(c) are each amended by striking out "6427(g)(2)" each place it appears and inserting in lieu thereof "6427(h)(2)".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The admendments made by this Act shall take effect on January 1, 1979.

(2) TRANSITIONAL RULE.—Any use on or after January 1, 1979, and before the date of the enactment of this Act which is described in section 6427(f)(1) of the Internal Revenue Code of 1954 (as amended by this Act) shall, for purposes of section 6427 of such Code, be treated as occurring on the date of the enactment of this Act.●

WHAT PRICE CHARISMA?

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. ROTH. Mr. Speaker, much has been written recently about the crisis of leadership in America. Time magazine, in its cover story on "Leadership in America" this week suggested: "As much as any time since World War II, the occasion has called for leadership."

That, Mr. Speaker, may be the greatest understatement since World War II.

Across America, the people are concerned about the leadership gap in the White House. Typical of the concern is the following editorial that appeared July 26, 1979, in the Clintonville Tribune Gazette, in my district.

It effectively describes the leadership problem, and I am pleased to share it with our colleagues:

WHAT PRICE CHARISMA?

In our insulated view of national events there's a pattern developing that seems to indicate a profound lack of leadership in the White House and it may be due as much to the provincial attitudes of the Georgian palace guard as to the titular head of state himself. The country gets nowhere.

The president's showy meanderings from empty event to empty event haven't changed the nature of our problems a bit. The Camp David exercise in headlopping seems designed not so much to correct leadership inadequacies as to divert attention from the policy vacuum that stymies government action.

Probably the most disturbing news we get here in the hinterlands is that there is no real attempt being made to bring the powerful, diverse forces of Congress to grips with what the administration sees as our major concerns. It appears that the White House wants its way regardless of what it takes to make cooperative effort possible. Congress, for all its idiosyncrasies is the people and no program will be available to the nation unless it comes from Congress. Why should we be left with the feeling that the Georgians so fear, disdain or distrust Congress that they will have nothing to do with it?

The 1976 presidential election campaign has been over for more than two and a half years but the presidency still has a pre-election preoccupation with image rather than performance. We get plenty of posturing and sermonizing, but no action.

It can be argued that the national spirit has suffered somewhat in recent decades, but there is no "crisis" of spirit in this land. We're no more materialistic than our grandparents were, perhaps less.

Yet we are dispirited, if that's what you call being tired of whining preachments when what we need is an executive team that goes to Congress with a measurable problem and asks for honest help in its solution. We're beginning to feel relieved that the election of 1980 is little more than a year away.●

PROGRESS IN ST. LOUIS

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, the question of St. Louis' economic growth—present and future—has been much debated in the regional news media over the past decade. Within the past few months, this debate has spread to the national news media. The most authoritative discussion was provided in an analysis in U.S. News & World Report by Ted Gest, the magazine's prize-winning White House correspondent. The U.S. News report, as well as others, prompted a broadcast editorial by KMOX, the CBS radio station in St. Louis, which concluded that St. Louis is moving ahead with "signs of progress all around us." I would like to share the KMOX editorial, presented by Robert Hyland, CBS' regional vice president, with my colleagues. Following is the text of the editorial:

This past spring, Newsweek magazine named St. Louis as one of the nation's most obvious examples of urban decline. That publication accused our city of having "decaying everything."

KMOX Radio took issue with Newsweek in a broadcast editorial. We cited the many examples of progress in St. Louis—general business vitality and individual projects like the May and Gateway Malls, to name a few.

Now, another national magazine has come up with an evaluation of St. Louis. It is diametrically opposed to Newsweek's. The current edition of U.S. News & World Report describes our city's neighborhood spirit, aggressive business leadership and booming commercial activities.

The U.S. News view is the correct one. There are signs of progress all around us, from the commercial and recreational developments in the downtown area, to the restoration of homes in older parts of the city. St. Louis is moving forward, not fading away in a fatal decline.

The geographic advantage St. Louis possesses is a major factor in this new growth, just as it was when our nation was young. With energy in short supply, the central location of St. Louis enhances its position as a manufacturing, transportation, and tourist center.

The City of St. Louis is the focal point for new strength in the entire metropolitan area. St. Louis County continues to be one of the most desirable suburban areas of the nation. And East St. Louis, under its new administration, is reversing its image as a "poor relation" welfare town.

We're gratified St. Louis is finally winning national recognition as a dynamic urban center. We knew it all along.●

SALT II IS NECESSARY STEP ON PATH TOWARD MEANINGFUL ARMS CONTROL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DRINAN. Mr. Speaker, the national debate on the strategic arms limitation treaty signed in Vienna is an important part of the ongoing efforts to control the proliferation of nuclear weapons. Today, the nuclear arsenals of the United States and the Soviet Union have the capability of destroying the world 15 times over, the equivalent of 15 tons of explosives for every single person on earth. Each year the world's expenditures for arms total more than $400 billion.

The SALT process has been designed to restrict the proliferation of offensive and defensive nuclear weapons through the negotiation of successive agreements. These agreements seek to control the level of armaments while maintaining mutual deterrence through assured retaliation to prevent a nuclear war. The first negotiations between the superpowers on this subject resulted in the limited nuclear test ban treaty of 1963 which prohibited atmospheric testing. The first comprehensive strategic arms reduction talks began in 1969 and resulted in the first SALT agreement signed in 1972.

SALT I was designed to restrict the proliferation of both offensive and defensive nuclear weapons. Its ceilings were higher than those included in SALT II and left limitations on specific weapons largely undefined. The anti-ballistic missile agreement included in SALT I effectively banned the deployment of defensive missile systems, allowing only one system to each country. This provision has been honored as proof that the SALT process can achieve its desired results.

The interim agreement on strategic

offensive arms was less significant, as it merely froze the number of intercontinental ballistic missiles and submarine launched ballistic missiles then in operation or under construction.

The Vladivostok agreement of 1974 sought to establish the framework for SALT II by adopting target ceilings of 2,400 for deployment of nuclear delivery systems, and 1,320 for launchers of ICBM's carrying multiple warheads.

PROVISIONS OF SALT II

SALT II provides for the first real numerical limits on the strategic arsenals of the Soviet Union and the United States. The treaty being considered for ratification at this time specifically defines limitations on certain weapons and includes unprecedented restrictions on the use of multiple warheads.

SALT II may be divided into three parts: First, the treaty itself which remains in effect until 1985; second, a 3-year protocol temporarily restricting the use of certain weapons; and third, a joint statement of principles expressing the commitment of both countries to the SALT process and to moving forward toward further arms limitations agreements immediately upon ratification of SALT II.

Today, the United States' strategic force consists of land-based intercontinental missiles, submarine based intercontinental missiles, and heavy bombers. The treaty calls for an equal ceiling of 2,250 on each side's strategic nuclear delivery systems beginning December 31, 1981. Until then, the Vladivostok ceilings of 2,400 will remain in place, followed by a series of interlocking subceilings on multiple warhead missiles and heavy bombers. An equal ceiling of 1,320 ballistic missiles and heavy bombers armed with long range cruise missiles will also be imposed. Multiple warhead ballistic missiles—ICBM's and SLBM's—will be limited to 1,200 with a further limit of 820 on multiple warhead ICBM's for each side. Throw-weight is also limited under provisions of the new treaty as a way of controlling deployment of new models.

The treaty allows for only one additional new type of missile system to be tested and deployed, and a freeze on the number of existing intercontinental ballistic missiles. A maximum of 10 reentry vehicles will be allowed on the new system as well as on currently deployed air to surface missiles. No telemetry encryption will be tolerated that would interfere with either side's ability to monitor weapons tests, and other SALT related matters.

The protocol provides for a ban on testing and development of launchers equipped with ICBM's and long-range ground and sea launched cruise missiles. It prohibits the deployment of mobile ICBM launchers, places limits on the mobile ICBM's themselves, and bans the testing and deployment of air to surface ballistic missiles with a range in excess of 600 km. These restrictions are temporary and serve to slow down the process of weapons modernization while still allowing the United States to adequately deter any Soviet threat.

Perhaps the most important part of SALT II is the joint statement of principles which expresses the intent of each country to actively continue the SALT process and begin to work on SALT III.

WHY SALT II CAN WORK

The very real threat of nuclear war can never be forgotten when judging the merits of the SALT II Treaty. The case for arms reductions is overwhelming when one considers that we possess the capability to destroy the world 15 times, when one warhead on a Minuteman missile has more explosive power than 16 Hiroshima bombs, and when the world's nuclear arsenals have reached the equivalent of 15 tons of explosives for every person on earth. The vicious progression of nuclear proliferation must be reversed before control is lost. True security for the superpowers and the rest of the world can only be attained through the realization of the necessity of limiting the number, scope, and cost of nuclear weapons.

The treaty calls for the Soviet Union to destroy 300 nuclear systems while the United States will not have to destroy any operational weapons. It provides unprecedented controls on weapons with multiple warheads which will restrict the most threatening Soviet MIRVed ICBM's and for the first time, the agreement makes qualitative reductions by prohibiting new weapons in addition to making numerical cutbacks. A strategic balance will be maintained.

Without SALT II the Soviet Union could deploy at least 3 000 nuclear systems instead of the 2,250 with SALT II. Without the agreement the Soviet Union could arm each of their first line heavy missiles with as many as 40 nuclear warheads. With the treaty these missiles are limited to 10 warheads. Without SALT II each country would spend billions of dollars frantically trying to keep up with the perceived capabilities of the adversary, until it reaches the conclusion that true security can only be reached through mutual arms reductions, not escalations. In short, the treaty provides a new sense of stability, certainty, and a program less costly than unrestricted arms competition.

Of primary importance to the viability of SALT II is the ability of each country to monitor the other's compliance with the treaty provisions. Verification, under the terms of the treaty, is to be maintained by national technical means. This country's means of verifying the terms and conditions of the treaty remain highly effective, despite recent doubts that have been raised. Former CIA director, William Colby, has testified exhaustively on this point. Today, a photo-reconnaissance satellite can photograph the numbers on Soviet army trucks from an altitude of 100 miles. Our satellites can identify military objects that are camouflaged or buried underground. The United States is now using a new superpowerful radar station in the Aleutians that can "read" the characteristics of a Soviet missile and its individual warheads. A large sea and air tracking force can intercept and analyze signals from Soviet missile tests. All these instruments of verification and many others form an intricate listening network to monitor all significant Soviet movements. Interference with such systems is banned under the Treaty.

Recent polls have indicated that a distinct majority of the American public favors ratification of the SALT II Treaty. Among our NATO allies, support for the treaty is strong. Many of our allies view ratification as tantamount to a restatement of U.S. commitment to the security of our friends around the globe.

SALT II will signal the Soviet Union and the rest of the world that the United States is willing and able to commit itself to the process of arms control. Failure to ratify the treaty will signal the Soviet Union that the United States is unwilling to proceed with further SALT talks at this time. Without SALT II, United States-Soviet relations would quickly become unstable and dangerous.

Nuclear war must never be considered a feasible option by the leaders of the two superpowers. To this end, our country must not lose sight of the worldwide devastation a nuclear war would inevitably bring. SALT II is a small, but important step in the process of arms control and disarmament. As the national debate continues over the SALT II agreement, it is my sincere hope that the overriding need for ratification of this accord will not be clouded by other issues.

As a member of the Members of Congress for Peace Through Law (MCPL) SALT II Task Force, I include for the RECORD an editorial which appeared in the Boston Globe of June 20, 1979 urging ratification of the SALT II agreement. The editorial follows:

SALT: A SMALL BUT SOUND STEP

The fate of President Carter's foreign policy centerpiece, SALT II, now depends on 34 votes in the U.S. Senate. That's all the "no" votes it would take to scuttle the Strategic Arms Limitation Treaty signed by Carter and Soviet President Leonid I. Brezhnev in Vienna.

The treaty is a small but sound step toward avoidance of sudden global incineration, and a slowdown of the race to possess a slight edge in the capability to create an Armageddon. The Senate, in its deliberations on the treaty this fall, should keep that in mind above all else. More steps should follow, but they are not likely to come if SALT II is botched.

At the moment there is a small core of senators that solidly favors the treaty. Sen. Kennedy is among them. Numerous others lean toward ratification but are technically "undecided." Sen. Tsongas is among them. Wooing those undecided senators and the conservative opponents is going to be an exercise fraught with peril for the Carter Administration.

The question is how much Carter will have to give to corral the necessary Senate votes. If he gives too much on the treaty and it is significantly altered, it will probably not survive Soviet ratification. If he holds fast on the treaty, but tries to pacify the opposition with political trade-offs, domestic programs like federal aid to cities and alternative energy initiatives could suffer. Carter should resist the temptation to be generous with trade-offs.

The President has already moved to muffle the cries of Senate hawks and other SALT II opponents by deciding to go ahead with

the proposed MX missile system. With an arms limitation treaty based largely on surveillance, a new missile system designed partially to confound surveillance creates an obvious conflict in concept and it caused Carter problems in last-minute SALT II negotiations.

If diplomacy is ever to catch up with technology, a SALT II agreement must not be allowed to languish through more years of negotiations for incremental advantages. Back-and-forth American and Soviet advances in the design of war machinery make such agreements harder to reach or quickly obsolete once they are reached.

The President deserves credit for having as the main pieces of his foreign policy program the making of treaties rather than international conflicts. And his SALT II treaty deserves ratification.●

DIRECTING RESEARCH AND DEVELOPMENT—A GLOBAL CHALLENGE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. BROWN of California. Mr. Speaker, this body regularly makes multibillion-dollar decisions about research and development projects, generally with very little perspective on the alternatives or even the priorities that should be considered. We make other decisions, such as in regulatory or tax policy, which indirectly affects the research and development investments of private industry.

The concerns of this country are, of course, concerns which are shared throughout the world. The upcoming United Nations Conference on Science and Technology for Development will be one forum where these issues will be considered in the global context.

Among the most difficult questions we must consider is the role of military research and development in accelerating the arms race, and in diverting scarce intellectual and capital resources into nonproductive parts of society. Another difficult question we must consider is how capitalist economies can direct private investment toward the common good.

These major philosophical issues will not be readily resolved, but they really must be faced. One contribution to this discussion which I would recommend to my colleagues is a recent publication by the Worldwatch Institute, entitled "Knowledge and Power: Global Research and Development Budget." A recent article by the author of this publication, Colin Norman, appeared in the Los Angeles Times. For those who do not have time to read the full report, I commend this article.

The article follows:

[From the Los Angeles Times, Aug. 1, 1979]

MORE R&D FUNDS SHOULD GO TO BETTER CAUSES

(by Colin Norman)

Nearly $150 billion is now spent around the world each year on scientific research and development. This massive investment, made by governments and corporations with the express purpose of shaping future events, will influence the physical, economic and political structure of the world inherited by future generations.

Yet there is little public knowledge of the world's research-and-development system—its aims, its priorities and its international dimensions. Much scientific work is cloaked in secrecy, either for military or commercial reasons, and few governments publish up-to-date figures on research and development conducted within their borders.

Nevertheless, we have enough information to know that most of that $150 billion investment is not well geared to solving the major social problems facing the world in the coming decades. It is in fact, more atuned to the military needs of the 1950s than to the social needs of the 1980s.

More than $35 billion a year, roughly one-fourth of the world's research-and-development investment, is swallowed up by military programs, and more than 500,000 scientists and engineers are believed to be working on the development of new weapons. Military programs soak up more research-and-development funds, and occupy the talents of more researchers, than do programs related to energy, health, food production and environmental protection combined.

As a result of these skewed investments, the United States has the ability to survey every square meter of the Soviet Union, yet world scientists have barely begun to survey the complex ecosystems of fast-disappearing tropical rain forests and the malignant spread of the world's deserts. The nuclear arsenal of the superpowers contains enough explosive power to reduce to rubble most of the cities on the globe, yet the more challenging task of providing clean, safe power to those cities has received far less scientific attention.

Today, almost six years after the Arab oil embargo clearly underlined the fragility of the industrial world's oil-based economies, investments in energy still lag far behind those devoted to military programs, and they are running about even with expenditures on space science and technology. Yet the development of a secure and safe energy supply is likely to be far more important to the security of most nations than is the development of more devastating weapons.

Although some governments have stepped up their expenditures on energy research and development in recent years, nuclear programs still claim the bulk of these funds. The British, Canadians, German and Japanese governments devote more than two-thirds of their energy research-and-development budgets to nuclear power, while renewable resources account for less than 7% of the energy research budgets of the major Western countries according to the International Energy Agency.

There are signs that priorities are beginning to change in some countries, however. The fastest-growing areas of the global research-and-development budget in recent years have been those concerned with nonmilitary objectives, such as energy production, the development of new medical technologies and environmental protection. Such trends have been most conspicuous in the United States. But there are ample opportunities to accelerate this change in priorities, and to develop new ways to channel resources into socially beneficial areas.

One such avenue is greater cooperation between government and industry on problems that have been relatively neglected. The recent initiative by former Secretary of Transportation Brock Adams to bring government, university and industry scientists together in a major research effort to develop more efficient automobiles is a case in point.

Government regulations can also play an important role in directing industrial research toward socially beneficial goals. For example, government-imposed pollution-control and fuel-efficiency standards have led to great increases in corporate research-and-development funds devoted to environmental protection and energy conservation in recent years.

In most Western countries, universities constitute a vast storehouse of scientific and technical expertise but, aside from agricultural extension services, this resource is not being tapped to help solve problems in nearby communities. Although much university research will necessarily continue to focus on the unearthing of knowledge that may not have immediate practical application, university scientists and engineers could get more involved in designing local transportation systems and energy-conservation programs.

Reordering research-and-development priorities by channeling more resources into neglected programs would not solve the world's problems by itself, but it would be a step in the right direction.

(Colin Norman is a researcher at Worldwatch Institute in Washington.)●

THE DEMISE OF EUROCOMMUNISM COMES AS GOOD NEWS TO UNITED STATES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. BIAGGI. Mr. Speaker, for the benefit of my colleagues I wish to place into the CONGRESSIONAL RECORD an article which appeared on the front page of Monday's Christian Science Monitor. The title conveys the good message: "Eurocommunism: The Threat Fades."

Of particular importance to me was the rapid ascension in the earlier part of the 1970's of the Italian Communist Party. When the party garnered more than 30 percent of the vote in elections in 1975 and 1976 many observers felt it was the prelude to a Communist government in Italy. However, in this year's elections the Communists suffered a major setback now setting off speculation that they have had their last hurrah.

The article I am inserting today also discusses declines in communist activities in other European nations. The news is encouraging but by no means should be deceived into thinking the threat has totally dissipated. We must continue to insure a strong Europe through our NATO commitments.

The memory of World War II and the cold war still lingers in the minds of millions of Americans. Let us hope that a new era of peace and freedom will be the order of the day for Europe.

The article follows:

EUROCOMMUNISM: THE THREAT FADES

VIENNA.—Eurocommunism—the terror of Western Europe just two years ago—seems to have lost its sting for both East and West Europe.

Western Europe's economic problems persist. But no one now blames the problems on Eurocommunism or sees Eurocommunists cashing in on these problems.

And Moscow has shelved its earlier fears that Eurocommunism might tempt East European Communist parties out of the Kremlin fold.

This year has seen a remarkable drop in Eurocommunism's ratings with:

A serious election setback to the movement's founder and most effective protagonist, the Italian Communist Party.

Sharp differences between the Italians and Eurocommunisms' other main adherents on style, ideology, and approach to international and East-West relationships.

Clear indications that the Soviet Union is shifting its concern to diplomatically building "Communist solidarity" among the bloc's own parties and with securing greater cohesion within the world movement against the possible Chinese challenge.

Yet not so long ago, the movement was riding high and looked set to go higher.

Its three main parties held a kind of baptismal conference in Madrid in March, 1977. Their leaders—Italy's Enrico Berlinguer, France's Georges Marchais, and Spain's Santiago Carrillo—adopted a manifesto tied to political and social pluralism and respect for individual liberties.

At that time, Eurocommunism was the most hotly debated—and often overrated—political topic in Western Europe. It became an obsession for the Soviets.

Now, it is scarcely talked about in either quarter.

"Eurocommunism," says a veteran European socialist who once sympathized but remained skeptical about its staying power, "can no longer be regarded as a 'wave of the future' for the socialist-labor-progressive forces in Western countries, nor for the mildly 'liberal' Communist parties of Eastern Europe."

Differences among the three Eurocommunists first appeared at the Madrid conference when the Spanish argued for an explicit statement of where they disagreed with Moscow.

The differences emerged more clearly as the French Communists—though going through the motions of dropping old doctrinaire labels—torpedoed the Left alliance with the Socialists in the run-up to France's March, 1978, elections.

At that time the Italian party was trying to build on its local election gains in 1975 and 1976. Communists were propping up Italy's Christian Democratic government in a kind of apprenticeship in responsibility that, hopefully, might take them into partnership in government later on.

Mr. Marchais's tactics—suggesting that the French Communists were interested in an alliance only as the dominant partner—may well have been one of the factors in the Italian party's loss of a significant 4 percent of votes last June.

In terms of numbers and standing on the Eurocommunist ticket, it was the French and Italian parties that really mattered. Now the two are divided by profound divergences of approach.

The French party has swung back to close accommodation with Moscow. It generally supports Soviet foreign policy, and this includes opposition "a la Russe" to an "imperialist" NATO and to France's involvement in it.

The Italian party has never courted any open break with the Soviets, and it no longer is so publicly critical as it was over the invasion of Czechoslovakia in 1968.

But it reserves a party's "right to dissent" within the movement and still does so, though more discreetly.

There are, however, deeper, more politically significant differences.

Following his election disappointment, Mr. Berlinguer quickly rejected any return to a lone-Left alternative. The Italian party, he said, would continue to fight for "broad democratic unity" in which the Communists still accept Italy's place in NATO and European economic integration as the realities of an essential balance in East-West relations.

So Eurocommunism as a movement (if ever it really qualified as such) seems to be moving into history. In early July, at an ideological conference among 11 ruling Communist parties, Eurocommunism apparently was never mentioned—not even by the formerly most vituperative hard-liners.●

AMERICAN INDEPENDENCE UNDER WORLD GOVERNMENT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DORNAN. Mr. Speaker, I would like to call to the attention of my colleagues in the House of Representatives, an essay written by a young constituent of mine, Mary Alessandro.

The subject, "American independence under world government" is one which has been debated for decades with good cause. The turmoil which would be created by various groups vying for power under such a world scheme, is effectively addressed in this work.

I find it extremely inspiring and refreshing to hear from young people like Mary, whose strong convictions and courageous stands shine bright amidst the negativism of our age. I am confident that our Nation's heritage and ideals will be preserved by young citizens such as Mary Alessandro.

Mary, a senior at Rolling Hills High School, placed second in the Herbert Albright Americanism Essay Contest for her succinct, well-thought-out literary piece. I was obviously very, very proud to present this award to Mary at the annual Palos Verdes Peninsula Fourth of July picnic.

Her essay, which I again request that you read, follows:

CAN AMERICAN INDEPENDENCE SURVIVE UNDER A WORLD GOVERNMENT?

American independence today flourishes under a form of government called a democracy. Democracy, by definition, is a government in which supreme power is held by the people and is used by the people. All Americans hold the belief that democracy is fair and just for the common man. A world government would have to make laws that would be applicable to all men. American independence cannot survive under a world government because the majority of Americans view democracy as the only kind of government that should exist.

Democracy is based on the belief that all men are created equal. However, since religions are different all over the world, governments of other nations adhere to many varying religious beliefs. In some nations there is a caste system in which all men are not created equal. This is in direct conflict with American independence which manifests the belief that all men should be treated equally and fairly. It is improbable that a world government could ever exist; people are not united towards a specific goal. Americans would have to share the same beliefs as those of other nations in order to have a world government.

Moreover, the United States' Constitution provides its democratic government with a special system of checks and balances. This means that no branch or faction of government could ever gain more power than another. Checks and balances would be essential to a world government, but it would be very ineffective. An example of this problem is currently happening in Iran. A militaristic government has been overthrown and replaced by a religious one. Both groups are fighting for power, and this has caused turmoil in the country. A world government would have various groups or nations vying for power, and it would soon be in a state of anarchy and utter chaos.

Choosing the leadership of a world government also creates some problems. Each country would want direct representation of its own particular views. A communistic president could never work well with a capitalistic vice-president. Both the Soviet Union and the United States would not want to be treated as equals under a world government; each wants to become the dominant nation in the world. Also, it would be almost impossible to hold a world-wide election. Language would be a problem as well as the number of votes. It would be unfair to let one nation have a number of votes equal to the population of that nation because the population of countries varies widely.

American independence could never survive under a world government. There is no unity among people because countries and lifestyles are so different. Since there is a slight correlation between religion and government, one would have to share the same beliefs as others in order to have a world government. Hopefully, American independence will never have to suffer the evils of a world government. It definitely could not exist.●

POSTSECONDARY EDUCATION

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. JEFFORDS. Mr. Speaker, today I introduced a bill which would amend title XII of the Higher Education Act. The Subcommittee on Postsecondary Education is nearing the end of the hearing process on the reauthorization of the Higher Education Act. Many good, recommendations have been made by several higher education associations, among which is the bill I introduced.

This bill, which was drafted by the Education Commission of the States, provides for better opportunities for coordination between the Federal Government and the States in the area of comprehensive planning in postsecondary education. As we enter the decade of the 1980's, we are faced with several problems that educators and legislators did not have to consider when the Higher Education Act was first written in 1965. Declining enrollments, increased costs, severe competition for limited public resources, and continuing needs for expanded access and opportunities for unserved and underserved populations make better and more comprehensive statewide planning desirable.

I introduced this bill for the purpose of discussion and anticipated that the subcommittee will consider its merits, along with the many other worthy recommendations that have already been received. Thank you.●

INFLATION BATTLEGROUND

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, last week the Labor Department interrupted the news that President Carter was trying to restore American confidence by firing his Cabinet to inform us that the inflation rate during the first half of 1979 was at a 13.2 percent annual rate.

When President Carter was elected in 1976, the annual inflation rate was under 5 percent. After 1 year, inflation had already grown to 7 percent. In 1978, it reached 9 percent. And now inflation is rising at a rate close to three times the rate when President Carter took office.

If inflation proceeds at an annual rate of 10 percent, which would require some success at controlling our present inflation rate, a dollar 5 years hence will buy only as much as 62 cents now buys.

Inflation is caused when the Government—to finance its debt—prints money faster than the Nation can produce new goods. In other words, the Government is taxing, spending, regulating, and printing money faster than Americans can produce.

Inflation is the battleground for two opposing philosophies. On one side, the no-growth, small-is-beautiful philosophy creates more inflation. This philosophy taxes and regulates products to make them more expensive. By making things more expensive, this mentality hopes to save us from our own gluttonous appetites. Advocates of this philosophy tax gas and oil to make it more expensive so we can afford only to use less. They regulate office thermostats to make sure we are not greedy. They tax away our income so we are sure to misuse our earnings. They create Government agencies to increase the cost of almost everything by imposing regulations.

All these taxes and regulations make it impossible for America to grow, or produce more at a faster rate. America no longer has the investment capital to build modern factories. Instead we get along with outdated equipment. Productivity falls. Inflation climbs. Clearly this philosophy has been winning the Government battle and causing inflation.

On the other side of the battle, a growth and progress philosophy strives to reduce inflation. This philosophy would cut taxes and regulations to allow Americans to produce more. By giving Americans capital and incentive to produce, this philosophy would permit every citizen to decide what and how much to produce and consume. Advocates of this philosophy would cut taxes and regulations on gas and oil to get the domestic wells flowing again. They would let individuals determine where to set their thermostats. They would cut taxes and let every family decide what to do with the extra income. They would get rid of Government agencies that are producing nothing but costly regulations. Productivity would soar. Inflation would disappear. This philosophy will not continue to suffer setbacks. Americans have suffered too much inflation, too much taxation, too much regulation, and too much Government. They are ready to get the economy growing again.

The President talks about curbing inflation. Yet until he stops advocating windfall profits taxes, new energy bureaucracies, and dozens of new regulations daily, he is only talking. His actions are fighting for, not against, higher inflation. I hope the President can explain to our senior citizens living on fixed incomes why their dollar will only be worth 62 cents in five years.●

DRUG ABUSE BY FEDERAL EMPLOYEES

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. RUDD. Mr. Speaker, the Metropolitan Police Department of the District of Columbia has uncovered widespread illegal drug use and trafficking by Federal employees on the job in the Nation's Capital.

This is a most disturbing situation.

It is in no way helped by U.S. drug enforcement officials who have told news reporters that such drug abuse by Federal workers "reflects the increasing acceptance and general popularity" of drugs in society at large.

Instead of rationalizing such action, U.S. officials from the President on down should be taking firm action to stop the use of any illegal drugs by Federal workers, whether they be marijuana, cocaine, or whatever.

I have today written to the Administrator of the U.S. Drug Enforcement Administration, asking for a report on the extent of illegal drug use and trafficking within Federal agencies in Washton, and what action is being taken by Federal officials in cooperation with other law enforcement agencies to stop this illegal drug activity.

I would like to include a news story about drug abuse at the U.S. Department of Labor, and my letter to the U.S. Drug Enforcement Administration, at this point in the RECORD.

[From the Washington Post, August 1, 1979]

GETTING HIGH AT LABOR: ON-THE-JOB DRUG USE IS PROBED

(By Kathy Sawyer and Alfred E. Lewis)

The Department of Labor, acting on a complaint of widespread employe drug use in its restrooms and corridors, has called in the D.C. police force to help curb trading in marijuana and cocaine.

After a rare, 2½-month investigation by an undercover policewoman posing as a typist in Labor's black lung division, five employes have been arrested and charged with selling marijuana to their fellow workers.

Two others, one a typist at Labor and one man presently unemployed, were arrested after the undercover officer bought some cocaine from them during a lunch-hour excursion to an apartment a few blocks away in Northwest Washington.

One police officer characterized the use of marijuana at Labor as "blatant." Other drug enforcement officials said the casual use of drugs on the job probably is no more widespread at Labor than at other federal agencies and reflects their increasing acceptance and general popularity.

Francis Kiley of the Labor Department inspector general's office confirmed that the agency requested the investigation after an employe complaint and said he "helped coordinate" the arrests. He declined further comment.

The undercover policewoman—who no longer is typing and filing at Labor—said she easily infiltrated the ranks of those getting stoned during the lunch hour.

"Basically, all you have to do is wear sunglasses and be able to talk their language," she said in an interview. Drug use is "a social thing, like a coffee break, only you smoke a joint instead."

The smokers, mostly young and single, often gathered around a noon-hour pipe of marijuana on the Labor Department roof or in a park across the street, according to the undercover officer referred to in police reports as "No. 244."

Then, for the rest of the day, the drug would make the workers "slow and drowsy" at their typing and filing, she said.

The sellers, not large scale operators, dealt mostly in amounts worth $10 to $30. A $10 bag will make about 10 cigarettes, police said.

Protected by civil service rules and an active union, the arrested workers have been allowed to stay at their jobs, pending trial, although two reportedly left for other reasons.

"They'll probably just get their hands slapped," said a supervisor in the black lung division, who asked not to be named. "I told them it won't affect my feelings toward them, as long as they do their jobs."

Other employees in the offices where No. 244 worked, posing as a typist, and where the arrests were made, on the first, second and fifth floors, said they were "not surprised" by the arrests. Several indicated they were much more shocked by the fact that an undercover officer was planted among them. Some just giggled.

In keeping with police department policy, the undercover officer said she avoided using any drugs herself, coming up with various excuses when invited to "get high," or "get down."

The purchases were made in restrooms or in hallways, she said, and the marijuana was usually contained in a manila envelope about the size of an open book of matches, easily concealable in the palm of a hand.

Among those lower-echelon employees, whose pay is in the $8,000 to $10,000 a year range, there was little demand for the much more costly cocaine, which sells for about $100 a gram, according to #244.

"If you wanted a large amount, you had to place your order a day in advance."

The maximum penalty the sellers could be assessed is a year in jail and a $1,000 fine, police said.

The profits from the Labor Department trade probably amounted to a few hundred dollars a month in most cases, and a few hundred a week for one seller, according to a source on the narcotics squad. Of those arrested, only one employe had a prior record. She was believed to be a sometime heroin user, selling marijuana to support her occasional craving for heroin, he said.

The investigation grew out of a complaint by a disgruntled woman employe who received an "unsatisfactory" job performance rating from her supervisor, police said. She retaliated by turning in a 14-page statement naming drug sellers around the office and complaining that many of her coworkers were stoned, yet they received "satisfactory" ratings.

The narcotics squad usually resists spending its time and money on such an investigation unless a large operation or hard drugs are involved, police sources said, but was persuaded to do so this time by an influential former District police officer now working at the Labor Department.

While a small number of high-ranking Labor Department officials, including Secretary Ray Marshall, reportedly knew of the presence of the undercover officer, her immediate supervisor, Jim Robinson of the black lung division, did not.

The officer took the civil service exam, made a score of 98, and entered as a GS3 through regular channels, she said.

"When I first started, it was a problem because my supervisor wouldn't give me any freedom. He complained constantly that I was out in the hall socializing instead of typing and filing . . . I had to go over his head to get him off my back, so I could do my real job."

How did she like government work? "Terrible," she said. "I was glad to get back on the street."

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 1, 1979.

Mr. PETER B. BENSINGER,
Administrator, Drug Enforcement Administration, U.S. Department of Justice, 1405 Eye Street, N.W., Washington, D.C.

DEAR MR. BENSINGER: I am most concerned about continuing reports concerning widespread use of illegal drugs by Federal employees.

There were reports earlier this year that officials of the White House staff routinely use marijuana, and that some have even used cocaine and other hard drugs. Now I understand that an undercover officer of the District of Columbia Metropolitan Police Department has discovered widespread drug abuse on the job by employees of the U.S. Department of Labor. This problem is apparently widespread throughout the Federal government.

It is disturbing that U.S. drug enforcement officials are quoted as minimizing the discovery of drug abuse by Federal employees on the job, by stating that such actions "reflect the increasing acceptance and general popularity" of drugs in society at large. The fact is that drug use and drug trafficking are against the law, and U.S. Government officials should never minimize that fact or try to justify drug violations.

Please inform me what your agency knows about the true extent of drug abuse by Federal employees on the job, the availability of illicit drugs within Federal buildings and on Federal property, particularly in the department and agency headquarters in Washington, and the nature and extent of the Federal Government's official action to stop illegal drug sales and use by Federal employees.

I would appreciate knowing what action is being taken by all agency heads to inform their own employees of Federal laws and policies regarding illegal drug use, to investigate and stop such activities by employees under their jurisdiction in cooperation with other law enforcement agencies, and to discharge employees who use drugs on the job or are involved in the sale or purchase of drugs on Federal property.

Your prompt response to this inquiry will be appreciated.

Sincerely,

ELDON RUDD,
Member of Congress.●

THE REAL CAUSE OF THE ENERGY CRISIS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. PAUL. Mr. Speaker, one of our country's leading free-market economists, Dr. Hans Sennholz, has recently written an excellent analysis of the energy crisis for the Freeman magazine.

Dr. Sennholz, chairman of the economics department at Grove City College, deserves to be heard on the real cause of our energy problems. I would like to call his words to my colleagues' attention:

A SYMBOL OF CHAOS: THE GAS PUMP

Until just a few years ago most people were indifferent to all questions of energy. They were as heedless of the very industry that produces heat and power as of many other industries meeting their daily needs. Surely they were aware of basic materials such as wood, coal, gas or oil burned to produce heat and kinetic energy. But the term "energy industry" was yet unknown. Even the dictionaries of economics designed to include the terms commonly used in college courses listed neither energy nor the energy industry. It was left to the 1970's to call attention to the industry and bring us the energy crisis.

In retrospect there were earlier indications of things to come. By 1970 there was a United States Department of Transportation, a Federal Power Commission, and an Atomic Energy Commission. In 1973 Congress added the Federal Energy Administration to centralize all regulatory functions relating to oil. The Energy Research and Development Administration came into existence in 1974. In October 1977, the Department of Energy brought all these governmental functions together into a single organization under the direction of a Secretary of Energy.

This observation of demonstrable facts raises a fundamental question: was the growth of government intervention in all matters of energy the cause or effect of the painful crises that developed during the 1970s? If it can be proven that government intervention brought about the dilemma in which we find ourselves today, the solution can be no other than early reduction and ultimate abolition of this harmful intervention. But if the causes are found to be elsewhere, and the growth of government was merely a reaction to a new situation, we need to search for other solutions.

SURPLUSES AND SHORTAGES

Our search for an objective answer calls to mind a basic principle of political economy that may be applicable also to energy problems: whenever unhampered enterprise provides products and services, it tends to create surpluses that clear the market only through major sales campaigns. Its advertising message to the consuming public is to buy ever more and better products. Wherever government provides products and services, it invariably creates shortages that inconvenience the public and sometimes bring economic crises. Wherever government is in charge, its advertising message is always the same: consume less, eat less, drive less, let there be austerity! This has not changed from the wheat and bread shortages of 1918 to the gasoline shortages of 1979.

Where government is in charge and shortages inconvenience the public, we can observe yet another regularity. Through intensive publicity campaigns government officials and politicians point the finger of blame at one or several culprits who are bitterly denounced for selfishly causing the shortages. In televised press conferences the President of the United States himself may make ugly charges against oil producers, or any other producers whose regulated services are in short supply. Or he may point at some foreigners, e.g., the Arabs, as the culprits who sinisterly inflicted the evil on us.

When unhampered individual enterprise generates surpluses, there are no press conferences, no headlines and no charges. The public looks at them with indifference in a mood of affluence that comes from choice and selection. The press ignores them although it prospers from the paid advertisements that seek to market the products. Radio and television thrive on advertisement campaigns that pay for the amusement and entertainment of the public.

But all such reflections may reveal mere coincidences that have no bearing on the energy crisis. Perhaps the politicians are correct in pointing at the OPEC countries for charging too much, at the oil companies for seeking ever higher profits, and at the public for consuming too much.

In that direction of deliberation lies a wide open sea of arbitrary judgments. What is "too much"? Millions of people are giving different answers to this very question throughout their busy days. They are making their choices as they are consuming oil and gas for heat, refrigeration and air conditioning, turning on electric lights, operating power tools, or driving up to the service station to tank up on gasoline. They are giving vivid answers to the question in long lines waiting to buy more fuel. We must not blithly ignore or reject their answers, nor those given by the oil companies or OPEC spokesmen.

If millions of people are said to be wrong wanting too much, is it not likely that the critic who is censuring them is judging too much? Is he proposing to change human nature by his criticism? Or, is he a would-be tyrant who is longing to impose his judgment and will on others? To explain the energy crisis in terms of value judgments or culprit condemnations is to open the gates for arbitrary judgment and political power.

IS OPEC CAUSING THE FUEL CRUNCH?

Such an explanation also leads to puzzling conclusions that seem to contradict human nature. If the Arab oil producers are causing our dilemma, why are they not accomplishing identical, or at least similar, effects on other nations? It is an established fact that they are treating their customers equally, charging identical prices and surcharges. But we know of no energy crisis other than ours. There are no reports of empty gasoline pumps in Europe, Africa, Asia, or Latin America, no empty oil tanks anywhere, except in these United States of America.

This observation is all the more startling as most of the oil we consume comes from wells within our national borders, while most foreign countries, such as Germany and Japan, lack any domestic production. And yet, they are prospering although the price of Arab oil has soared in those countries too. Surely, they too feel the pinch of rising energy costs, which reduces their productivity and income by corresponding amounts. Rising oil costs necessitate many changes in goods prices and readjustments of production patterns. But they do not breed an energy crisis that threatens to disrupt economic production and reduces standards of living severely.

Our energy crisis is all the more mysterious inasmuch as OPEC is accepting the United States dollar as its primary medium of exchange. Other buyers of Arab oil must scramble to earn dollars first before they can

place oil purchase orders. But Americans can use their own currency for any quantity of Arab oil they may wish to acquire. Our monetary authorities may create any amount without cost, and thus facilitate the payment of Arabs with newly created money. That is, they can avail themselves of inflation as a tool of international finance, which partially shifts the burden of rising oil costs from the energy users to inflation victims. Thus the United States can victimize the Arabs themselves, who own large dollar balances, by exporting inflation in exchange for Arab oil.

It is obvious that such objectionable devices of international finance do not make for international peace and harmony. Since the United States was exporting inflation long before the oil producers combined to form an international oil cartel, we may understand the Arab reaction that led to OPEC. To them, joint action afforded the only way to adjust the price of oil to the ever-rising demand for oil payable in depreciating dollars. After all, there was no free and open Arab oil market on which the daily demand and supply determined the price.

UNDER GOVERNMENT MANAGEMENT AND CONTROL

The OPEC oil industry is a nationalized industry owned and managed by the member governments. They legislate every aspect of the industry from the allowable quota of production to the price of the product, and determine who may buy under what conditions, and so forth. Theirs is a political process that is very slow to adjust. When compared with the market process that facilitates adjustments from day to day, yes, minute to minute, the political process of managing an industry and marketing its products may appear irrational although its political planners are deliberate in devising their plans and adopting their policies.

In such a world of politics that seeks to manage nationalized industries, there is confusion and chaos—unless the governments as owners agree on a common plan and act jointly to restore some semblance of order. The international cartel arrangement is a natural manifestation of a world economy in in which export industries are government owned and operated. It also points up the growing danger of international conflict through world-wide socialism.

It is idle speculation to deliberate on the world market of oil if market forces were unhampered and free to determine prices. If there were no OPEC, no nationalized oil industry, and no Department of Energy regulating and fixing United States production—just unhampered markets and unrestrained competition—the energy world would be quite different. Surely, the price of oil would be much lower without the staggering costs of politics. And there would be no energy crisis.

ARE THE OIL COMPANIES GOUGING THE PUBLIC?

To many critics, Arab behavior alone does not explain the energy crisis. They are pointing at the oil companies whose profits have been rising in recent years. Most politicians and even the President of the United States are openly denouncing the "disgraceful" and "exorbitant" profits and are demanding a tough "windfall profits" tax. Some politicians even are clamoring for a speedy expropriation and nationalization of the companies.

It is difficult to ignore this crescendo of cheap demagoguery, which, when left unanswered, may lead to most harmful and regrettable legislation. Every effort must be made to refute and explode the political propaganda and repel the politicians who are anxious to extend their influence and power. Their attacks on the profits of one industry actually are attacks on the profits of all industries and on the profit system itself. Just listen to their charges against the energy industry. You will search in vain for a difference between those charges and those leveled against the private property order by the professional socialists and communists around the world.

It is rather inconsistent and therefore most puzzling that American politicians should be the most vocal critics of an industry that has been under their careful supervision and control. After all, the Nixon price control edict of August 15, 1971, was never lifted from the energy industry. Even today the ceiling prices as set by the Department of Energy are posted on every gasoline pump in the country.

The political attacks on the very industry that, under a heavy barrage of regulations and denunciations, continues to provide us with energy remind us of some gruesome tales of human behavior during the Dark Ages. When the black death was stalking Europe, public sentiment was often aroused against those people who bravely sought to alleviate the suffering, comforting the dying and healing the sick. Thousands of aging women who survived the disaster were accused of precipitating the disease through witchcraft and were put to a cruel death. Similar forces of darkness now accuse the American oil industry, which provided the people with an abundance of cheap energy for most of this century, of creating the shortage in order to reap ever higher profits in a moment of national crisis. Surely, no person will be put to death, merely our economic order.

At the trial of the private property order the defense is pointing out that the Government of the United States is enforcing energy prices that are arbitrary and confiscatory. They are fixed below those prices free people would choose to pay if there were no mandated ceilings. That is to say, the Government is forcing energy producers to sell their products and services below their objective exchange values and thereby causes the producers to be gouged on a massive scale. If a company tires of this legislated plunder and for a moment should ignore the price edict, it is hauled into court and charged with consumer gouging. That is, the political gougers are taking the victims to court and accusing them of the very crime that is perpetrated against them. If there were justice in the court of public opinion, the charges would be promptly dismissed and the persecutors would be arrested for expropriating private property without due process.

GROUNDLESS CHARGES

The charges against the energy companies are based on the crude assumption that their profits are the evil fruits of worker exploitation and consumer gouging. Profits are the scourge of greed and egotism, which is the charge all socialists and communists are making against the private property order. A mere glance at the living and working conditions of the people in capitalistic countries vividly disproves the charges. When compared with the conditions in the socialistic countries, the American people are living in a land of milk and honey, enjoying far greater material comforts and cultural opportunities. The steady stream of refugees and immigrants to American shores is illustrating the point.

Blinded by socialistic propaganda, the critics of the profit system fail to see its inherent benefits and justice. What is a profit, after all? It is the remainder of proceeds after all factors of production have been fully compensated. Businessmen may earn it through efficient management of their resources in the service of their customers. The most efficient producer earns the highest profits, which give him the means to expand his production and render even more services. Surely, the profits thus earned benefit the people through more and better production. Similarly, the workers employed by profitable enterprises enjoy higher wages and more benefits than others less fortunate who happen to work for employers suffering losses.

Exceptionally high profits can only be reaped through the correct anticipation of changes. When a change in market conditions, e.g., in demand, supply, technology, institutional restrictions, international situations, and the like, necessitates quick readjustments in production, the most alert producer who correctly anticipates the changes and makes prompt preparations, may reap high entrepreneurial profits. His alertness and prompt action redound to the benefit of the public. In short, he who addresses himself to the most urgent needs of the public tends to earn the greatest rewards, which, as an economic principle of the market order, meets our criterion of justice. In an energy crisis, we expect the most efficient energy producer to earn the highest profits, as we would expect physicians and nurses to earn highest incomes in a public health crisis. To burn them at the stake of political demagoguery is preposterous.

IT IS SO EASY TO CREATE A SHORTAGE

The public hostility against business profits has brought chaos to the fuel pump. It has given rise to ever more government regulation, which is the root cause of the energy crisis. Politics has become hopelessly entangled in the production and distribution of energy.

In 1954 the Supreme Court set the tone by giving the Federal Power Commission control over natural gas prices in interstate commerce. These controls at first did not hamper production because they did not deviate by much from prices established by the demand and supply forces of the market. But during the 1960s, the United States Government legislated significant increases in demand and boosts in production costs. Environmental restrictions and pollution regulations that discourage the burning of coal, favoring the use of gas and low-sulfur fuel oil, mandated increases in consumption and made production much more expensive. In addition, the inflationary policies of the Government eroded the purchasing power of the dollars received by energy producers.

In 1971, President Nixon placed domestic crude oil under price control as part of his overall price-stop edict. While many other harmful controls were subsequently lifted, the price fixing of domestic oil and gas was continued. His successors continued to fix with vigor and force.

It is always much easier to prevent production and create shortages than to engage in productive activity. Every freshman economist knows how to create an energy shortage: impose rigid price ceilings, reduce the real price through monetary depreciation, legislate an increase in demand and raise the costs of supply. To make matters worse, he would impose substantially higher taxes on crude oil production, on the use of natural gas by industry and utilities, and boost the Federal gasoline tax. To intensify the pain of shortage and compound the confusion, he would entrust government officials with administering a ration coupon system that would allocate the scarce supply according to their rules of "fairness." And finally, to prolong the chaos he would create an economic incentive for hoarding the given supplies. For instance, on every first day of the month he would permit gasoline producers to raise their prices by less than they anticipate earning through storing their supplies until the controls are lifted. He would openly announce his program and pursue it for 28 months in order to assure maximum hoarding for 28 months. If it were not for the limitations of storage facilities he would cause all production to be withheld from the market.

Unfortunately, this is not just a theoretical exercise for freshman economists. This is the official policy of the United States Government, or at least the loudly touted program of the present administration. It touches 200 million Americans and threatens their way of life. It is an efficient policy in creating shortages, as our experience at the gasoline pumps so clearly demonstrates. As a policy designed to improve economic conditions it is counterproductive. The resultant chaos and damage is just as real, whether the policy is the poisonous fruit of socialistic thinking, or just a relic of the Dark Ages.●

ANNE ARUNDEL COUNTY LACROSSE ALL STARS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mrs. HOLT. Mr. Speaker, 52 boys from Anne Arundel County, Md., have just returned from 2 weeks of lacrosse competition in England, where they distinguished themselves as representatives of our country and as athletes.

Three teams with maximum age limits of 15, 13, and 12 made the trip. They played a total of 15 games against comparable English teams without a loss. They have arrived home after compiling a record of 14 wins and one tie game.

I am proud of these Anne Arundel County lacrosse all stars and I invite the House to share my sense of pride in them. I am also grateful to the Southport Lacrosse Club of England for the splendid hospitality they showed to our team. The boys were boarded with English families near Manchester, and they will cherish memories of their friends across the sea.

The 15-year-olds were coached by Robert T. Lewald of Annapolis, Gene Reckner of Crofton, and Dr. Bill Barnett of Annapolis. Coaches of the 13-year-old team were Gilbert Bellistri of Severna Park and Mark Lehner of Annapolis. Coaching the 12-year-olds were Kevin Fidgeon of Annapolis and John Cooper of Annapolis.

The 15-year-old team included the following boys: Chip and Christopher Bullen, David Lewald, Michael Greene, Jeff Larcher, John Cox, Jim Gyory, Charles Turner, James Noble, Roger Hall, David Jones, Michael Bender, William Barnett, Daniel Bresnahan, and Donald Gayhardt, all of Annapolis; Doug Trettin, Greg Bannon, Jeff Belistri, and Doug Appleton, from Severna Park: Paul McAllister of Arnold; and Michael Brandenburg of Crofton.

The following participated with the 13-year-old team: Steven Bradford, John Hawley, Michael Budowski, Christopher Caramanico, and Jason Faust, all of Crofton; Mark Wanamaker, Michael Keough, Jeff Williams, Derek Holtman, and Douglas Smith, of Annapolis: Paul Connor and Thomas McClelland of Severna Park; and Steve Truffer and Sandy Engelke from Arnold.

Playing with the 12-year old team were: Buzz Priddy, Gregory Awalt, and Joshua Summers of Severna Park; Thomas Probst, Michael Fidgeon, Ralph Lively, Jack Cooper, John Rivers, Shawn Benner, Jeffrey Feen, Keith Fleming, and Richard Cooper, all from Annapolis; and John Hollerbach and Andy Ferguson of Arnold.●

FURTHER EVIDENCE OF THE CARTER ADMINISTRATION'S DUPLICITY ON NICARAGUA

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. RUDD. Mr. Speaker, increasing evidence is becoming known about the Carter administration's duplicity on Cuba's active role in the Marxist Sandinista takeover in Nicaragua.

Throughout the final months of President Somoza's constitutionally elected government, top U.S. officials were aware of intelligence reports and U.S. eyewitness accounts that Castro functionaries were orchestrating, arming, and directing the terrorist Sandinista assault against the Government and people of Nicaragua.

Yet knowing the role and objectives of Fidel Castro and the Soviet Union in Cuba's support of the terrorist overthrow of Nicaragua, President Carter and his administration officials actually took steps to prevent Nicaragua's National Guard from being resupplied with arms, munitions, and other supplies so that the country could be successfully defended against the Castro-supported Sandinista takeover.

Every government of the world now knows the true extent of the Carter administration's action to allow the fall of the pro-U.S. Government of Nicaragua to probable Marxist control.

Many countries may also view the President and the U.S. State Department as silent accomplices in the Sandinista overthrow of Nicaragua, which has now fueled further Castro-supported terrorism aimed at undermining other Latin American countries throughout the hemisphere.

This should be viewed by all Americans as a foreign policy scandal of major proportions.

The State Department is now shedding "crocodile tears" over the probability that a Communist tide is sweeping over Latin America, following the Sandinista victory.

But where were these officials long before the fall of the Nicaraguan Government, when they had solid evidence of Castro Cuban involvement and objectives in order to take firm action to protect U.S. interests and free governments from the threat of Communist takeover?

Congress also had adequate information about what was happening, reported independently by many of its own Members who were concerned about the administration's role in ousting President Somoza and bringing in the Castro-supported Sandinistas.

But Congress failed to call the administration properly to account for its disastrous foreign policy actions leading up to the fall of the Nicaraguan Government and the Marxist terrorism that now threatens other countries of Central America.

A report by columnists Rowland Evans and Robert Novak, detailing some of the intelligence information and U.S. eyewitness accounts that the Carter administration refused to act upon prior to the Sandinista overthrow of the Nicaraguan Government, appeared today in the Washington Post.

I include the report at this point in the RECORD:

LATIN DOMINOES

(By Rowland Evans and Robert Novak)

A few hours before President Carter declared over prime-time television July 24 that "I do not attribute at all the change in Nicaragua to Cuba," teletype wires into the Pentagon clattered out another link in the chain of evidence to the contrary.

The pilot of a U.S. Air Force C130 in Managua that day transmitted to Washington this most interesting travel note: Members of the Sandinista junta governing Nicaragua were seen piling into a Cubana Airlines plane enroute to Havana.

A few days earlier, a U.S. intelligence report teletyped into Washington reported an even more fascinating detail. A ranking official of DGI—the Cuban secret police—played a key role in masterminding the Sandinista takeover. Julian Lopez, DGI's chief of covert operations for Costa Rica, was present in the Sandinista command bunker (located over the border in Costa Rica) during the height of Nicaraguan fighting.

This buttressed a detailed CIA report of May 2 on Cuban military aid to the Sandinistas. It also fits another piece of intelligence that the Carter administration has not publicized: Command elements of a Soviet brigade have been introduced into Cuba. In addition, some 2,000 Soviet military personnel—brigade-sized, though there is no information that they are formed into an organic military unit—are in Cuba.

While intensification of Soviet-Cuban interests in the Caribbean is either ignored or overlooked by Jimmy Carter, its meaning is well understood by his own professional analysts in national security and intelligence: Central America is going red. Only the time, not the eventual outcome, is in question, unless there is a reversal of U.S. policy.

Specifically, the president's most sophisticated advisers do not doubt that, sooner or later, the Sandinista regime will be overtly communist. Present cordiality from Managua is, like Fidel Castro's smiles in 1959, an effort to shake down Uncle Sam before the true colors are shown.

Nor is there any doubt about what's next on the agenda: extension of the Soviet-Cuban thrust into El Salvador, Guatemala and Honduras over an undefined but probably protracted period. However slowly, Central American dominoes are falling.

Havana's aims were described July 20 by Ramon Sanches, Cuba's top envoy to Washington in an exposition of chilling candor that has received too little attention. He told a breakfast sponsored by Foreign Policy magazine that Cuba will send aid "of all sorts"—including weapons—to guerrillas in El Salvador, Guatemala and Honduras just as it had in Nicaragua.

Sanches issued no denials about Soviet military reinforcements in Cuba. Ties between Moscow and Havana, Castro's man in

Washington proclaimed, "will continue to increase in all fields, including military collaboration."

Tomas Borges, interior minister and Marxist strongman of the Nicaraguan junta, has been similarly candid. In leaflets that appeared in Honduras immediately after the Sandinista victory, Borges promised to join forces "with the revolutionary organizations of Latin America" and hailed "development of the Central American revolution." On the leaflet's first page, a photo shows Borges in Havana with Castro.

Panicky leaders in the targeted Central American countries fix U.S. visitors with one question: Will you help us? One indirect reply came from Carter July 24 when he said, "We worked as closely as we could without intervening in the internal affairs of Nicaraguans" to let them decide "what form of government they should have."

In that, Carter administration policy was decidedly interventionist against Anastasio Somoza's regime and for the Sandinistas. U.S. pressure stopped military aid for Somoza's National Guard from Israel and Guatemala. U.S. officials refused to supply weapons to the National Guard even in return for Somoza's resignation. The National Guard ultimately gave up, not for a lack of will but for a lack of arms.

The rationale for Carter's policy is the view, long cherished by revisionists, that Castro, Ho Chi Minh, Mao Tsetung and maybe even Lenin would have been fond friends of the United States had not Washington rebuffed them. The theory is now being put to the test in Nicaragua.

To a worried segment of U.S. officials, including some in senior positions, this is madness. They believe the United States should have braved the propaganda barrage from the left at home and abroad, held its nose and supported the unsavory Somoza. Nicaragua is gone, but there will be further demands for tough-mindedness in Washington as the Central American dominoes slowly fall.●

ANOTHER LITTLE-KNOWN ATOMIC ACCIDENT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. CONYERS. Mr. Speaker, with the long but little-known history of atomic accidents in this country, I offer for my colleagues' review the following excerpt from Leo Goodman's "Catalogue of Mishaps Involving Nuclear Materials":

1945 ATOMIC ACCIDENT

September 1945—Harry Dahlian, Los Alamos, N. Mex.

Source: Excerpt from ORNL-2748 Part A ("Radiation Accidents: Dosimetric Aspects of Neutron and Gamma-Ray Exposures") Page 3.

The first nuclear accident occurred at the Los Alamos Scientific Laboratory, Los Alamos, New Mexico, in August 1945. In a criticality experiment involving a metal system a nuclear excursion occurred and two people were exposed to the mixed radiation field from this assembly. Dahlian, who died following the accident, was touching the assembly when the chain reaction occurred, and so received a very high dose to his hands and a smaller dose to the bulk of his torso. He was exposed to considerable gamma radiation from fission products while dismantling the experiment and would possibly have survived had he left the room immediately. His actions during this period are not well known and the total dose received is correspondingly uncertain. Neither he nor the other person exposed was wearing a film badge at the time of the accident. Since the number of fissions which occurred in the assembly is not known accurately, the best index of his neutron exposure is the Na 24 activity induced in his blood.

Source: Excerpt from TID-5360 ("A Summary of Accidents and Incidents Involving Radiation in Atomic Energy Activities, June 1945 through December 1955") Page 2.

Description of Operation:

In the process of making critical mass studies and measurements, an employee was stacking blocks of tamper material around a mass of fissionable material.

Details of Incident:

Employee was working in the laboratory at night alone except for a guard seated 12 feet away.

As the assembly neared a critical configuration, employee was lifting one last piece of tamper material which was quite heavy. As this piece neared the set-up, the instrument indicated that fission multiplication would be produced, and as the employee moved his hand to set the block at a distance from the pile he dropped the block which landed directly on top of the set-up.

A "blue-glow" was observed and the employee proceeded to disassemble the critical material and its tamper. In doing so, he added heavily to the radiation dosage to his hands and arms.

Nature of Injuries or Loss:

Employee who performed the experiment received radiation dosage sufficient to result in injuries from which he died 24 days later.

The guard was exposed beyond the established daily limit, but suffered no observable permanent injury.●

JOHN F. KENNEDY HIGH SCHOOL MARCHING BAND AND COLOR GUARD

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. MATSUI. Mr. Speaker, today the John F. Kennedy High School Marching Band and Color Guard from Sacramento, Calif., visits our Nation's capital. We of Sacramento are proud of this group and it is my privilege to welcome the supporters and musicians as they commence their musical performance on the steps of the Capitol. They have arrived in Washington following their appearance in Canton, Ohio, at the Hall of Fame Football Game and Parade.

Each of the students participating in this trip has assumed financial responsibility for himself. With the support of parent organizations and the alumni association funds are raised to contribute to uniform and instrument needs. Their support is an effort of love and admiration. The John F. Kennedy Marching Band and Color Guard for many years has had an outstanding reputation and enjoys national recognition for its excellence.

Especially we acknowledge the significant role in the band's history of Mr. Nick Angiulo, director, and Mr. Richard Gury, business manager. Through the years they have devoted themselves to creating and sustaining the quality of the band. It is a continuous challenge, for, as in this year, they face the loss of many graduating seniors whom they have trained and assisted over 3 years.

A few of the band's many memorable performances include: Sacramento Wheel Chair Basketball Benefit at California State University; California State Fair and Exposition; San Francisco 49er's Half-Time Show; Portland Rose Festival, Portland, Oregon; Mentally Gifted Olympics Half-Time Show; San Francisco St. Patrick's Parade; Philadelphia Bicentennial Parade (190 special performances in 1976); Queen's Birthday Parade, Victoria, British Columbia.

It has been the experience of those associated with the musical organization throughout the years that the students who participate in the band are industrious also in scholarship. Many go on to college and continue to utilize their musical talent. The discipline of band performance and the qualities of character demanded by such participation are the qualities that serve the students so well in their total lives.

I salute the citizens of my community whose efforts through the years have secured the continuation of the John F. Kennedy High School Marching Band and Color Guard. To the following members of the band, I welcome you to Washington, D.C., and congratulate you for your accomplishments:

LIST OF MEMBERS

John and Marsha Ackerman, Kris and Lori Adams, Joyce Akiyama, Matt Allbee, Kayleen Allman, Todd Appleman, Karla Barrett, Mark Barrett, Ken Bauder, Marta, Richard and Robert Benson, Rich Bergdahl, Joel Bettencourt, Ellen Boothby, Kim Borcalli, Doug Boyce, Gordon Brown, Kelly Buchanan, Tami Calbo, Helena Carley, and Jenny Ceccato.

Beverly Chan, Jennifer Chan, Ken Chan, Lorraine Chew, Kacey Clark, Scott Clifford, James Colgrove, Jim Collier, Scott Cruit, Marilyn Cumming, Lisa Davis, Diane and Matthew Davis, Joey De Kellis, Patrick Duncan, Aaron Ellison, Warren Evans, Vicki Felix, Beck and Terri Fong, Denise Fong, Linda Ford, Michael Fujii, Brian and Tim Fukuda, Janet Gaither, Jeannie Gee, Elaine Gisler, Tom Gonzales, Angela Gordon, Scott Gunderson, and Ron Hall.

Dan Harris, Susie Hasegawa, Andrew Hironaka, David Hulbert, Adriane Jackson, Marcia Jackson, Geoff Jumper, Ames Kanemoto, Debbie Kauffman, Dale Kramer, Roger Kuroda, Mitchell Lehman, Diane Lew, Susan Little, Scott and Lori Loberg, Karen Louie, Brett Lovell, Eric Mar, Wendy Matsuo, Kathy McHugh, Debra Montiero, Kathy and James Morris, Nancy Murakami, Kevin Murdock, Beth Myers, and Mike Mynsted.

Brian Nagai, Kristine Nelson, Trudi Nodohara, Cindy Nuse, Kendra Ota, Greg Owyoung, Laura Palmer, Chris Parrott, Mark Phillips, Kim Pihera, Stacey Pompei, Brian Powell, Steven Reeder, Greg and Jon Richardson, Dan Ridens, Edwin Sakauye, Carolyn Sanborn, Gary Sands, Sandy Shahbazian, Michelle Shepard, Teri Shikasho, Glenn Shintaku, Aliza Shubb, Shelly Smith, Coleen Spradley, Linda Svilich, and Kari Tademaru.

David Traversi, Lori Uyemura, Tracy Van Cleave, Julie Waterbury, Tracie Wessler, James White, Reggie White, David Whitted, Sally Wiegel, Selina and Steve Wiget, Steve Willey, Brooke Wolf, Wayne Wong, Nick Angiulo, Director, and Dick Gury, Business Manager.●

THEY GAVE A D____

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. ADDABBO. Mr. Speaker, I wish to call to the attention of my colleagues an article which appeared in a June 1979 publication of the "New York Urban Coalition" concerning a Queens community I represent.

This article illustrates the residents' deep-rooted sense of involvement to save their community. They agree there is a crisis and they are cognizant of the fact that money alone, whether it be city, State or Federal, will not answer to all the problems. The citizens responded and formed community-based organizations to deter the tide of neglect, abandonment, commercial strip deterioration and reduced city services. This article quotes from many of these community leaders and I am proud to share its contents.

The article follows:

YOU CAN CALL IT SOUTH JAMAICA, SOUTHEAST QUEENS, BAISLEY-SOUTH OZONE, OR JUST PLAIN 11434

(By Thomas Glynn)

Whatever ails Manhattan, Brooklyn, and the Bronx, it has always been thought that Queens has the cure. Forgetting about Staten Island for the moment, Queens offered what the other three lacked: a chance to see the sky, a house instead of an apartment, trees and grass in places other than parks.

As far as Queens was concerned, there was the "city," which was Manhattan, and the only reason you went there was to work. As far as the tourist to New York City was concerned there was no such place as Queens. And as far as the City Fathers were concerned, there were no concerns in Queens.

The Bronx had housing problems, Staten Island development problems, and Brooklyn just had problems; but everything was rosy in Queens. Oh sure, once in a while they got a little upset when the snow wasn't removed as fast as it might have been. But by and large, Queens was fairly quiet, and best left alone. If you had a moderate income, had to work in the "city" but didn't want to live there, couldn't afford to send your kids to private school but were concerned about their education, Queens wouldn't disappoint you. The schools were good, the streets quiet, the homes sturdy and well maintained.

As one Queens resident who moved from the Bronx said, "We were all looking for greener pastures, because we had children and we wanted a better environment to raise our children. We were impressed with the local schools and the other nice things about the area. And I was thrilled with what I saw out here, so I moved to South Jamaica in 1950."

Many of the Blacks that were moving into the area were city employees or veterans on the GI Bill. Queens was a low density community that provided them with an opportunity for homeownning. There was few problems, and little friction. As Blacks moved in, Whites moved out, helped by realtors who blockbusted (on a one-block stretch of Hillside Avenue there are at least a dozen realtors). As one resident said, "It's the subtle way it's done, as soon as they see the color of your skin, then the tradition continues."

By 1960, the Black and Puerto Rican population of South Jamaica was 78 percent of the total. By 1970, the Black population was 91 percent. It was a hard-working population of moderate-income people who found in Queens part of the American dream that had been denied them in Manhattan, Brooklyn and the Bronx. While the population of the area had increased from 25,892 to 34,749, the average persons per household decreased slightly from 3.8 to 3.7 (1960–1975). While the population of eighteen to sixty-four year olds decreased by 4 percent from 1970 to 1975, the number of those sixty-five and older increased by 28 percent from 1960 to 1975. Many of the original residents had mortgages which had been paid off by 1975. But by 1975 not enough younger Black families were moving in. Some of the elementary schools were underutilized. Young people, especially those who were career oriented, wanted to leave the area.

Problems appeared. Who was buying the homes of those who couldn't continue their mortgage payments? Or of those who moved further out on the Island? Or of those who retired and moved down South?

South Jamaica was still a stable area of well-maintained, well-kept up homes. But problem pockets too numerous to ignore began to sprout. Local residents were concerned. If these "rust spots" were left unchecked, they could spread and threaten the entire community. Moreover, community residents knew it was cheaper to correct them now, rather than later.

In the early seventies, a further complication was introduced. Redlining appeared, as it did in the rest of the city. Mortgages from banks and savings and loan institutions began to dry up, as did remodeling loans. Absentee landlords, among them real estate speculators, banks, insurance companies, or people who moved elsewhere and couldn't sell their homes, became a factor in the area. Some of them bought up houses for next to nothing, or took over defaulted mortgages, or got stuck with defaulted mortgages, or turned them over to realtors to rent out. Many charged exorbitant rents and moved in welfare tenants, doubling up occupants. Most of the housing had been built before 1940; they were largely two- and three-story wooden residences. Many of them were in need of major maintenance and repair.

Then a new phenomenon appeared—the boarded up house. Part of it was a legacy from the HUD scandals. But whatever the circumstances that caused a home to become abandoned, it had a terrible psychological effect on stable blocks. People were upset at these boarded up houses, frustrated when they couldn't do anything about it, and then just furious. These empty houses were a threat to their homes—homes that many of them had sunk their life savings into.

In 1969, the median family income was $9,702 in South Jamacia. But from 1970 to 1976, there were 30 percent more welfare cases, and the number of taxlots in arrearage four or more quarters increased 44.6 percent from 1972 to 1975.

As the city's fiscal resources slid to a new low, maintenance and repair of the neighborhood's parks, sewers, lighting, and streets went on the skids. Potholes became the feature attraction of Sutphin Boulevard. A badly needed sewer and drainage system, as recommended by the 1969 Hoberman & Wasserman South Jamaica Community Development Study for the Housing and Development Administration of New York City, was ignored. When streets flooded during heavy rains, the water hid the potholes, and the only happy people were the owners of auto repair shops. Empty lots, piled high with garbage, were ignored by the Sanitation Department, despite many complaints. But service to the area, operated by a private company, left a lot to be desired (this was confirmed by a survey of neighborhood residents). And bus service was crucial—to get to and from the subway lines, to get to supermarkets and drugstores and shopping and hospitals—none of which were in the neighborhood.

When Macy's left Jamaica Avenue, the community was shocked, but it merely highlighted the downhill slide of Jamaica Avenue as a retail shopping center. As one resident put it, "The East Indian-type shop doesn't help the area. We need drugstores, supermarkets, department stores." Another resident stated, "Jamaica Avenue is a disaster if you want to shop. Now they have nothing but discount stores selling cheap, shoddy merchandise which is overpriced because of the high insurance rates they have to pay since they get ripped off so often. Middle-class working Blacks who work in Manhattan shop in Manhattan because they want quality merchandise, merchandise that reflects the jobs they have and the positions they hold."

And where jobs are concerned, when Manhattan sneezed, Queens had a fit. As companies moved out of the city, many residents in Queens, and especially those in South Jamaica, often did not have the option of following them. This accelerated mortgage default, and resulted in vacant homes. And those who could follow the jobs and leave the area were often replaced by people without jobs.

The seventies marched through South Jamaica leaving problem pockets of abandoned homes, flooded, potholed streets, and the tattered remnants of anti-poverty corporations that had spent much of their time in power struggles and petty bickering. Recognizing the problems in the area, and recognizing that most of the area is still stable and thus the rough spots can still be saved at a relatively modest cost, the neighborhood between the Long Island Rail Road tracks and North Conduit, New York Boulevard and the Van Wyck Expressway, has just recently been designated a Neighborhood Strategy Area.

The community has substantial assets. The most obvious are the people. They are hard-working homeowners and the pride they feel is reflected in their homes. Most of the housing in the area is owner-occupied, and most of the homes are in good condition. Pride is also measured by civic spirit, and community involvement is high—reflected by a number of strong community organizations. One of these is the Better Community Civic Association. It covers a fifty-three-square block area, bounded by Linden Boulevard, the Van Wyck Expressway, Foch Boulevard, and 157th Street. Most of the homes are detached one-family bungalows in good condition. It is a neighborhood that likes to be called Baisley-South Ozone (in reality, two neighborhoods).

THE BETTER COMMUNITY CIVIC ASSOCIATION

In 1954, in the neighborhood that M. Louella Saunders had moved to, a service station on the corner of 116th Avenue and 149th Street planned to put in a car wash. Several neighbors, among them M. Saunders and Livingston Chrichlow and several others, stopped the car wash from opening, and then decided that South Jamaica needed a civic association to deal with the emerging problems of the area, and to allow newcomers to get to know one another. So, the Better Community Civic Association was formed.

After the proposed car wash had been scrubbed, the newly formed Better Community Civic Association (BCCA) began to attack some of the problems of the fifties. They went after the city to upgrade the streets and curbs, improve the street lighting and sewers, and provide better sanitation. They wrote letters and made phone calls, but sometimes neglected the necessary follow up. They met with mixed success. As they admit, "We were not as organized as we were later on." Some street lights were improved, especially with the block cleanups that BCCA helped to organize. They helped in the formation of block associations and

block parties, and held an annual Miss BCCA contest (one year it was a Mr. BCCA contest) which got them publicity in the local papers. Politicians and public officials began to notice the fledgling organization. Later, when anti-poverty corporations came into being, they submitted a number of proposals, only to see them turned down. The same thing happened to the proposals they submitted to the Community Development Agency. Politics, and not the merits of their proposal, they believed, was the reason.

During this time, urban renewal came into the area and set in motion a series of events which greatly influenced the effectiveness of BCCA.

The urban renewal effort was associated with York College. The Jamaica Steering Committee set up some training programs with the college, and as Livingston Chrichlow says, "The Urban Training Studies Program at York caused a number of civic leaders in the community to sit down and look at some of the theories they should be interested in. It gave us an opportunity to get back into our communities and focus better on how to deliver the services we should be getting. I think we all would agree that these programs were somewhat of a turning point."

This took place in the late sixties. They still relied on volunteer help, as they do today), but the training programs helped to give them a sophistication about the way New York City worked that helped them in their struggles to improve the community.

After meeting in homes, the American Legion Building, and the Lemuel Haynes Congregational Church, BCCA purchased their own building on the corner of Sutphin Boulevard and 115th Drive in 1970. Buying the building was really an expression of faith by the community in BCCA. The community lent them the five thousand dollars they needed for a down payment. Two years later, it had all been paid back, with interest. (Funds to support the building came from fund raising events such as a dinner/dance which raised twenty-five hundred dollars.)

In 1968, they started Teen Action Corps, a youth program that involved youngsters in recreational and cultural activities. Despite some shaky time (volunteer supervision, BCCA admits, was a problem), very good proposals were developed around youth leadership and career development (these were turned down because the emphasis on funding from the anti-poverty corporations centered around recreation). The youngsters ran their own program, and helped BCCA with the surveys that provided the basis for some of their community action programs.

Then, in quick succession, BCCA achieved a number of significant victories.

When the franchise of the Green Bus Line came up before the Board of Estimate (Queens has private bus lines that supplement the MTA), the residents of the community had some longstanding complaints about the kind of service they were (or were not) getting. But rather than just complain, BCCA used teenagers from the Teen Action Corps and conducted a survey among bus riders. The results were announced before a surprised Board of Estimate, with the result that franchise approval, usually an automatic affair, was put aside for further study. This resulted in concessions from the bus company and improved service.

When the library was threatened with a cutback, BCCA mobilized the community to show support for the library. A plan to increase circulation succeeded so well they had to print a notice in their newsletter asking people to please return the books they had borrowed.

As crime in their neighborhood increased, they formed a civilian patrol in conjunction with the local precinct, and rode around in cars equipped with CB radios. Much of the equipment was paid for with their own money. In a conversation with the 103rd Precinct, they learned that crime statistics in their area dropped after the patrol began.

When urban renewal came to South Jamaica and the city wanted to put five skyscrapers of housing into an area that was composed of one- and two-family home, they went into action. An alternative plan was prepared, and presented. Rather than have just low-income people in the buildings, they requested that a mix of incomes be represented in the projects. Second, they said, "Don't make them all high rises. You'll destroy the character of our neighborhood." Third, they asked for shopping centers and youth recreation areas to service the people who would be brought into the area and for people already in the area. It was an intelligent, well though out response, gently blunting was could have been an aggressive intrusion into the community.

To get traffic patterns changed, BCCA went to the Traffic Department with a proposal, changed some things in discussions with officials, then went back to the community and got approval of the plan—before it went through. The Traffic Department thought so highly of their plan and approach, they used it in surrounding communities.

These incidents were typical of the way BCCA works. Take the negative and turn it into something positive. Don't just complain. Be prepared to do some of the work yourself. Build alliances. And back up your proposals with facts—statistics to document the problem and community surveys to highlight how the neighborhood feels about the problem.

Their BCCA Newsletter not only includes the latest neighborhood news, but contains articles on how the city operates and outlines the responsibilities of neighborhood people. These responsibilities they've taken to heart.

Their members are on the Board of Directors of Neighborhood Housing Services on Community Planning Board #12, and on the Community School Board. They are constantly down at Board of Estimates meetings, at the City Planning Commission, and have made several trips to Albany. Congressman Addabbo and City Councilman Archie Spinger are well aware of their presence.

They've had Summer Youth Corps Programs, presented scholarship medals, helped several youngsters go to summer camp, and with money from the Molly Parness Dress Up Your Neighborhood Contest, they helped blocks put lights up, paint trees and curbs, put out litter baskets and signs identifying block associations, and planted flowers and grass.

BCCA works basically on a committee structure, and one of their most important committees is the Urban Action Committee. The first project they tackled was a master plan for their community. Building upon the Hoberman & Wasserman Plan of 1969, they conducted a thorough study of their fifty-three-square block area and not only outlined six areas for improvement (curbs and streets, drainage, street lighting, street signs, traffic control, and vacant lots) but actually pinpointed the specific areas where these improvements were most needed. This was done in 1972, and updated in 1977. They made a movie of their neighborhood that dramatized the plan. Volunteers conducted block-by-block surveys, and the results of their findings were coordinated by Livingston Chrichlow. It would have cost the city thousands to come up with such a plan—and they were offering it to the city free. Unfortunately, while everyone applauded the plan, the city has seen fit to implement little, if any, of it. To underscore the priorities of the plan, they conducted a bus tour of the area in 1972. Another bus tour in 1977 showed that nothing had changed.

One of the problems they pointed out on the bus tour was housing. A survey they've made shows that as many as three hundred homes may be abandoned or vacated in the area bounded by Van Wyck, 111th Avenue, New York Boulevard and North Conduit Avenue (this covers a 250-block area within which is BCCA's fifty-three block area). Who owns these homes—banks, other financial institutions, real estate speculators or private individuals? They intend to find out.

They would like to set up a nonprofit neighborhood preservation unit to deal with the problem buildings in their area. Building code enforcement is high on their priority list. Plans also call for the establishment of a local development corporation for revitalizing Sutphin Boulevard, which is now composed mainly of vacant storefronts, mom and pop candy/variety stores, "after-hours" clubs, storefront churches, cleaners and a supermarket. Most shopping, by necessity, takes place outside the community.

"To do all these things," says Dorothy Washington, president of BCCA, "we need a full-time staff person to answer phones and conduct the right follow-up." And Livingston Chrichlow adds, "Our representatives must fight to get our compensatory share of the budget. We must hold them accountable."

They've come a long way with volunteer help. Just imagine the good they could accomplish with some paid staff!

THE RUSH TEMPLE A.M.E. ZION CHURCH

Who in their right mind would spend over eight hundred thousand dollars on one building on Sutphin Boulevard?

Only someone with a lot of faith—and a lot of spirit—in the community. The Rush Temple A.M.E. Zion Church.

But the story of the marvel they have wrought on Sutphin Boulevard begins in 1951 with the Reverend Eldridge Gittens. Having been overseas in the Army, educated in Washington, D.C. and New York, he moved to South Jamaica from Manhattan and felt the urge to organize a church. He went from door to door, found eleven adults and twenty children who were of like mind, and they began holding services in his living room at 155 115th Street. Later, he rented a loft behind a bar for $115 a month. In 1955, the expanding congregation needed new quarters, and they bought the Assembly of God Church on the corner of 119th and Sutphin for fifty thousand dollars. It was a big gamble for them, but they secured loans from reveral sources that had faith in the future of the congregation and in the area. By the early seventies, they had outgrown their present quarters. It was time to move again. But this time the church decided to do so by staying put and expanding their present church. They entered upon an ambitious remodeling program, one that would enlarge the church to almost twice its size and include a separate building at the rear for a day-care center. They included the day-care center because they had been promised city funds to operate it. Unfortunately, when the fiscal crisis hit, they were left with a beautiful day-care facility and no funds to operate. But that, as is turned out, was the least of their problems.

Halfway through the $881,000 reconstruction, the general contractor walked off the job. The bank had paid him all his money, so he simply left. Now, Rush Temple had to pay all the subcontractors. During all this time they were meeting temporarily in a vacant supermarket. Even in these temporary quarters, they continued to grow. When the construction loan was used up and the church still wasn't finished, church members rolled up their sleeves and pitched in. They worked day and night, finishing the building themselves.

Today, except for some landscaping on the outside, the remodeling is done—after five years, $881,000, and much effort on the part of church members. With over one thousand members on the church roll, and an interior that can fit eight hundred, Rush Temple A.M.E. Zion Church is a thriving, positive force in the community. Along with the Lemuel Haynes Congregational Church and the Baisley Park Neighbors, they are part of a group called the Baisley Park Coalition that will soon bring into being the 210-unit Baisley Gardens, a low-rise housing project that will vary from three to eight stories and will reserve 20 percent of its units for senior citizens, with the remainder for middle-income residents. It will be produced with a combination of public and private funds, and the Coalition will screen prospective tenants, serving as a representative of the community.

"The churches took a lot of flack from some people in the anti-poverty corporations during the years they were formed," said the Reverend Gittens, "but look around you," and he waved his hand, "and ask yourself, who's left? I don't see them. But the churches are still going strong. There's a lot of strength in the Black church."

NEIGHBORHOOD HOUSING SERVICES OF JAMAICA

As housing deterioration began to grow in South Jamaica—with homes abandoned, boarded up, neglected—people in the community got nervous. What could be done? Many in the area were first-time homeowners with no background or experience in owning or caring for a home. This was a phenomenon they were ill-prepared to deal with.

Norman Hunt, the street banker from Citibank, who was working with the community at the time, saw the problem. Through the Ford Foundation, the community had learned of a new program in Pittsburgh called Neighborhood Housing Services (NHS) that might help them. So, Norman joined with a group from South Jamaica (among them Jo Golden, Fern Hurst, John Cuff, Sherman Brown and Lois Phillips) who went down to look at the program. What they found was a neighborhood that had been turned around through an unusual coalition of neighborhood people, banks, and the city. This coalition had an impressive track record of saving a lot of housing in the area by making rehab loans, giving technical assistance, and pressing the city to enforce code violations, among other things. Most important, they had helped the community care about, and for, itself. And amazingly, they had come into being during the late sixties, at a time when violence and chaos in the cities seemed to be the norm.

There were certain parallels between the neighborhood in Pittsburgh and the one in Queens. "When we look at the Baisley Park community, we see that 67 percent of the housing stock is owner-occupied," said Norman Hunt. "Also, it's 98 percent Black, and the median income is about eighty-five hundred dollars. There are pockets of housing deterioration that we would like to isolate and correct and thus keep from spreading into surrounding communities. This way, we not only help Baisley Park, we also help St. Albans, Laurelton, and what have you."

But seeing a solution for South Jamaica in a neighborhood in Pittsburgh and being able to replicate that solution are two different things. The problem facing the community in Baisley Park was: How do we duplicate it? The answer was simple. They convinced (some say stole) the man largely responsible for the success of NHS in Pittsburgh to come to Queens. So, in 1974, Jim Cook came to South Jamaica.

"The first thing I wanted to do was to get a feel of the neighborhood," Jim said. "The intensity of New York was like being in Vietnam. I wanted to find out what were people's concerns, where do you launch your program, where are you going to get your exposure, where are you going to get your back-up support. And we had to start very soon, and show positive results right away. People in this neighborhood had been burned too often."

The Board of Directors of Neighborhood Housing Services of Jamaica (composed of several bankers, among them Norman Hunt from Citibank, Sherman Brown from Chase, and John Cuff from Immigrant Savings Bank, along with neighborhood people such as Dorothy Washington, Reverend Gittens, and Lois Phillips) had their job cut out for them. They had to steer Jim through the intricacies of how Jamaica "worked," and of city politics, and how New York City "worked." It was basically a process of education. "He'd ask the questions," Norman said, "and we'd give him the directions."

Jim knew what he had to do to make the NHS program work. NHS acts as a neighborhood catalyst, a sort of facilitator. He had to get the people in the community to commit themselves to the program, and get the banks and the foundations involved, and then bring the city along to see that it did its part. It was, and is, the bringing together of these three elements that makes the program work.

The first thing Jim decided to tackle when he came here was to establish credibility. "I wanted to rehab one of the worst houses I'd seen in the area." He learned in his street conversations how disappointed people had been with the "war on poverty." "There was just controversy after controversy, and anything that looked like a storefront operation was looked down upon." A lot of money had come into the area, and disappeared, without doing much.

He found the house he was looking for. It was a little house, sitting on a corner, that probably should have been torn down. NHS rehabed it, moved their office in, and started to work. "It created a real stir in the community, people would walk down and see this house and say, 'Where'd that come from?' and then, 'Oh, I'd love to have that.' Very few people in this neighborhood knew about the nomenclature of their houses. They'd say, 'I wish my walls were like that, I wish my floors were like that,' and these were the things we wanted to help them with." People came in off the streets and Jim began to get a good idea of what the community wanted. And, his office was the best demonstration of what they could have.

As people dropped in, they often became clients, and asked for a rehab loan or technical advice. Jim began developing an idea of what people in the neighborhood wanted, and what they needed. The two weren't always the same. It was difficult to tell people who wanted facade improvements on their house that they may need rewiring or replumbing. That was something they couldn't see. Many were first-time homeowners who had to learn what it meant to take care of a house.

Of course, along with rehab work to be done, there was a need for someone to do it. This meant jobs. It's a long term goal of NHS to build up local economic development, so whenever possible, they would bid jobs to local craftsmen. "You find a lot of craftsmen here. I mean good craftsmen, who never got a five thousand dollar job," he said, "but they're getting it now, and they're from the community."

NHS's office was on a block with many absentee landlords who were pulling the block down. There was no code enforcement. Instead of fixing up, the landlords were waiting to see how much more they could sell their houses for now that NHS was in the picture. In looking for a way to halt that attitude, Jim decided to focus on blocks that were relatively stable, with a majority of owner residents.

He talked to residents on 121st Avenue and they were all troubled by the same abandoned house—160-16. NHS bought it, put in twenty-four thousand dollars to renovate it, and moved in. It was like a signal. Sixty thousand dollars worth of home improvements appeared, as if by command, on the block.

"You always look for the positive spin-off effect your work is going to have on the rest of the block . . . the next door neighbor fixing gutters and leaders, someone deciding to put in a new stoop, someone else painting the outside of their house or putting on a new roof."

In order to stretch their budget, NHS altered the way they worked. They would no longer do everything that was needed in a house. Along with this change (instilling a new sense of responsibility on the part of homeowners) there was now a need for maintenance classes. "We got a call from a little old lady who said a new boiler we put in wasn't working," Jim said. "We went out and checked the furnace and found that all she had to do was turn up the thermostat." So, they went to their Board and told them there was another component that went along with rehabilitation—home maintenance courses—educating the homeowner to care for his home. Now, they teach basic carpentry, plumbing, wiring and several other things in a twelve-week course. This allows the homeowner to deal with minor repairs, and to be knowledgeable if a contractor has to be called in. Queens, and especially areas where the unknowing first-time homeowner lives, is prey to unscrupulous contractors—who all seem to live out on Long Island. (Their signs are plastered all over Queens.) Now, when NHS puts up sheetrock, they tape and spackle but frequently don't paint. If the owner complains, NHS tells them, "We'll teach you how to paint."

Harvey Hodge is the construction specialist with NHS. It is his job to estimate what a rehab will cost. He listens to what the client wants, usually pares it down, sees what must be done in terms of basics, estimates what the total price of the job should be and puts it out to bid. "People make requests for improvements on their home, and frequently they have no knowledge as to what they really need. Often they can get what they want for much less than what a contractor quotes them. It's a big job combating the shady contractors. Education is essential in turning a neighborhood around."

The maintenance program has been in operation for about three years, and though emphasis is on the NHS boundary area, interest is great from the surrounding areas. Curriculum guidelines for the course were established by York College, and enrollees are taught the basics of how their house works: the heating system, the boiler, plumbing, electricity, etc.

"All our activities are geared around stabilization," Jim said, "and it just doesn't happen through brick and mortar alone. The whole point is, why did it fall into disrepair, and how do you keep it in repair?" NHS feels that they are giving people in the area a whole new sense of awareness, a feeling that there is a resource they can call on, and that if NHS can't loan them the money for renovation, at least they can advise them on what they need for their own house—including the best and cheapest way to go about getting it.

"We've made a lot of mistakes," Jim said, "but we are slowly turning things around. People are calling us. It seems they think that we are going to be responsible for bringing back all of southeast Queens. But that's a little too much for us to chew."

Currently, NHS is starting up a vacant homes program. Since one vacant home on a block can sometimes tip that block, if they can acquire it, rehab it, and sell it, then a block in danger of tipping can remain stable.

But finding out who owns the house, and what is a fair market price can take time.

While the vacant homes program will take care of that house in the good area that requires attention, another component of the program will address itself to the house in the blighted area that may require gut rehab. This is called SHIP—Small Home Improvement Program. These homes, even if acquired for two to three thousand dollars need at least twenty-five thousand dollars worth of rehab to bring them back. But they'll never bring on the open market what it costs to bring them back. Who will make up the difference?

NHS hopes the city will. They've just been approached by the city to manage a SHIP program to bring back houses that, theoretically, should have been leveled. It may take as much as thirty thousand dollars per house to complete the job—from acquisition to turnkey rehab—and the market value of the house may still be only twenty thousand dollars or so. Someone has to make up the difference. If the city does, they could put someone in a virtually new house for about ten thousand dollars—someone who's going to pay taxes on that house and return it to the tax rolls, someone who is going to take care of that house, relieve the city of that responsibility, and contribute towards the betterment of the block. Anyway you look at it, it's a bargain for the city.

NHS hopes to rehab as many as four or five houses on a block under this program, and has already built up an inventory of people who are interested in homes.

"But you've got to be systematic," Harvey Hodge says. "You start with a survey, then go into feasibility selection, acquisition, estimating, evaluating and appraisal, reinsurance and construction, financing and marketing, screening applicants, getting them into the house and then reeducating them, making sure a full NHS program is available to them to guarantee the success."

"Harvey hit on a beautiful point," Jim added. "Each and every one of the homeowners we've gotten ourselves involved in—with a major rehabilitation or other technical service—we stick with them. We are a member of this community. We provide follow-up service. You have somewhere to go, someone to call, somebody that's going to be concerned. You know, we're starting a tool library, and next year, we're going to have Phone-An-Expert."

Currently, NHS offers counseling, community organization, loan programs (the high-risk loan fund is contributed to by the Neighborhood Reinvestment Corporation, the Taconic Foundation, the Rockefeller Foundation, the Astor Foundation, the Klingenstein Foundation and the New York Community Trust; operating expenses are contributed to by the banks—Chase Manhattan, Citibank, Bankers Trust, the New York Savings Banks Association, Manufacturers Hanover Trust, and the New York Life Insurance Company), technical assistance for construction, contract referral, maintenance training, and vacant home acquisition and resale. About 40 percent of their time and the backbone of their service is their loan program. As a financial resource they have money to lend, but only lend it if the applicant exhausts all local resources. At times, they can push someone to a bank, and indeed, 50 percent of their clients eventually get their loans through banks. Those who can't are subject to a financial survey to set up a realistic payback schedule. The NHS loan committee is made up of two bankers and three community residents. If the loan is approved, NHS makes a survey of the house and ascertains what work is necessary and what it will cost to do it. They act as the general contractor, and keep 10 percent of the money until the job is done to their satisfaction. NHS can be seen as a sort of combination bank and general contractor—except that they are willing to take risks that most banks won't, and their general contracting goals are not profits but a good job efficiently done, and the positive spin-off they can have on a block.

Since they started four years ago, they have been responsible for rehabing about 150 homes, ranging in size from several hundred dollars to a construction loan for a brand new house.

Have they succeeded in turning the neighborhood around?

A cursory inspection of the Baisley Park area still shows vacant homes (the problem seems to be more acute on the South Ozone side of Baisley Park where there are more absentee landlords). And the rate of increase is not comforting. But if it weren't for NHS, the community would now be in need of intensive care—and while Baisley Park isn't back where it should be, the momentum is in the right direction.

More money would certainly help NHS expand and accelerate their program. But money alone isn't the answer. The success of the program requires the involvement of the community, and the cooperation of the city.

Unfortunately, of the eighty-five NHS programs operating throughout the country, the program in New York City is the only one that does not have the solid backing of the municipal government. But maybe that will change now that this neighborhood has been included as part of the Neighborhood Strategy Area.

BAISLEY PARK NEIGHBORS (BPN)

Lois Phillips, a board member of the Neighborhood Housing Services and one of the people responsible for bringing it to South Jamaica, remembers how the Baisley Park Neighbors was formed. A crime wave had hit the area. People's homes were being robbed, and angered community residents got together, went out, and got five thousand signatures to petition the city to do something. "Something really wasn't quite right with the police at the time," says Lois Phillips, director of the Baisley Park Neighbors, "but they did bring vans in at 119th Avenue and start to arrest the loiterers on the corner." Of course, they were released soon after, but the message was loud and clear.

That was in 1966. The newly formed group realized they would soon have to deal with other issues. They petitioned the city for improved streets, curbs, and sidewalk repairs. "The petitions from the community gave us more leeway in dealing with the commissioner," said Lois Phillips, "because they came to us to find out our needs. And we met with them constantly, and they began to do a number of things."

In 1969, an anti-poverty corporation, the Jamaica Community Corporation, funded them for the first time. They became a housing agent and started dealing with social and tenant problems. And the more they dealt with tenant problems, the more they saw that landlords also had problems. Through surveys, they found that many home improvements were needed. Urban renewal was then coming to Jamaica, and they tried, without luck, to get a 312 program for the area.

The Baisley Park Neighbors is a certified HUD counselor, and the bulk of the cases they deal with are people who are in the process of losing their homes. It is a painful process to watch. As jobs leave New York, the people whose jobs left are stuck with mortgage payments they can't make. Sometimes, they can pick up other jobs, but often, these are not comparable to what they had before.

Since most of their clients are behind on mortgage payments, the first thing that BPN does for them is a budget analysis. Then, they call the bank and try to work out some type of arrangement. Frequently, banks sell the mortgage to mortgage companies. When that happens, even if someone is two months behind and scrapes up a month's payment, the mortgage company will not accept it. Mortgage companies rarely have a commitment to keep the owner in the house. "If the bank is still involved," Lois said, "we work with the bank and make out a payment schedule which will give the client a chance to catch up." If they see that it is a real hardship case, they request the bank to send out a "number 3 letter"—the final letter the banks sends out—and the bank also sends them an application stating that they feel they can no longer carry the mortgage. The form asks for a HUD takeover of the mortgage.

HUD works out a reduced payment schedule or tacks on the arrears at the end of the mortgage contract.

BPN tries to do this before foreclosure proceedings have begun to take place and substantial legal fees have been generated. Often an owner can catch up on missed mortgage payments, but the added expense of legal fees makes the incurred debt too great. Lois also finds that help from welfare takes too long, with too much redtape, so that by the time welfare acts, the delay has generated too much additional expense in legal fees. In some cases, homes could be saved if it was the mortgage alone that had to be made up.

In addition to assisting in housing problems, ranging from helping to prevent foreclosure, to eviction assistance, relocation, mortgage counseling, and senior citizen counseling, they offer technical assistance to block associations, and youth programs that include high school equivalency programs and special summer trips.

BPN is funded, in a spartan fashion, by the Community Development Agency. The five staff members are paid marginal salaries, but there is little money for travel, consumable supplies or telephones.

In addition to joining with other groups to get Neighborhood Housing Services in Jamaica, Baisley Park Neighbors, is a cosponsor, along with two other groups, of a housing project—Baisley Garden—that will provide 210 units of Section 8 housing.

AREA-1 CIVIC FEDERATION

Fighting among community groups before the local community planning board can be disasterous. How can the planning board make recommendations to the city when the community can't even decide what it wants?

With this in mind, Area 1 of Community Board No. 12 in Queens (there are five areas in No. 12) decided to get together and take care of all their dirty laundry in private, so they could present a united front before the community board. The 250-block area—Van Wyck to North Conduit to New York Boulevard to 111th Avenue—is comprised of 130 different civic groups, not all of whom are members of the Federation.

This year, they went before the Board as a single body and recommended five projects, all of which had been incorporated in the master plan for the area for several years: (1) South Jamaica street and drainage improvements; (2) the commercial revitalization of Rockaway Boulevard, Sutphin Boulevard and New York Boulevard; (3) the rehabilitation of Baisley Park and Lake and the construction of Baisley Park Extension; (4) institution of the Neighborhood Preservation Program to rehabilitate over three hundred deteriorated and abandoned houses; and, (5) the acquisition of a site for the construction of a community multi-service center.

SOUTHERN QUEENS PARK ASSOCIATION (SQPA)

Imagine fifty-five acres of grass, shrubs, trees, sports fields, a lake, and an energy park in the middle of an area of Queens threatened by blight. A utopian vision? A mistake? Or the chance to revitalize a neighborhood, a community, and perhaps an area the size of two community planning boards.

The Southern Queens Parks Association believes it is the latter—if, certain key elements can be put together.

In 1973, St. Albans Naval Hospital, a 119.4-acre complex, was phased out. The Veterans Administration retained sixty-six acres, including the major hospital facilities, and the excess property, 53.4 acres, was declared surplus by the GSA. In 1977, the federal government transferred the excess land to a reluctant New York City, which was having trouble taking care of its own parks. Subsequently, a number of organizations in the area got together and formed the Southern Queens Park Association to develop and oversee the property.

It was a unique opportunity for the city, for Queens, and for South Jamaica. Nowhere else could a parcel of such a size be assembled in New York City with such ease . . . and for an area that was in desperate need of health and recreation facilities. With four hundred thousand dollars in Community Development IV funds to repair an existing building for recreation, two hundred thousand dollars from the New York City Youth Board for youth programs, and twenty-eight thousand dollars from the New York State Division of Youth for work demonstration program in which ten kids aged sixteen to twenty are paid three dollars an hour to rehabilitate some brick housing on the site, SQPA is on its way towards creating an exciting catalyst for the surrounding community. The thrust of SQPA's proposal centers around recreation, with facilities for basketball, baseball, football, jogging, biking, ping-pong, swimming, soccer, tennis, and track and field events. "The most pressing need is for funds to repair Building 62," said Solomon Goodrich, executive director of SQPA. "The prospect for funds looks good. By 1980, we hope to have the outdoor playgrounds resurfaced and begin working on Building 62. We will probably move our offices there. By 1981, we hope to occupy Building 62. By 1983, we hope to have the energy park and the health/sports complex in place."

It's an ambitious plan, and a rare opportunity for the area and for New York City. If everybody does his part, it will not only serve as an inspiration to help revitalize Jamaica, it will serve as a buffer to prevent blight from spreading from Jamaica to St. Albans. But at this point, the plan requires additional funds, and a commitment on the part of New York City to fulfill certain obligations toward caring for this unique park.

THE FUTURE

The problems in South Jamaica are both smaller and larger than in other areas of the city. Smaller in the sense that single family rehab is easier than rehabing multiple dwellings. Larger in the sense that the cost for the drainage and sewer system needed for the area is estimated at $500 million. So far, the city has been lucky. The people in the area are concerned, aroused, informed, and willing to work. The civic associations are strong. And Neighborhood Housing Services is one of the best things that ever happened to Queens. But now, it's the city's turn to do something. As one neighborhood resident says, "No longer can they ignore the filthy vacant lots, the potholed streets, and weed-clogged Baisley Pond. Now, they've got to provide back-up service to Neighborhood Housing Services, and to the community. For too long, the community has been crying for help—and the city has done everything it can to ignore them. This neighborhood could have a domino effect in Queens—and the city ignores South Jamaica at its peril."

It's cheaper to save a still stable and viable community like South Jamaica now, instead of waiting until the problem pockets get worse and more expensive to save later on. And New York City cannot afford to lose any working-class neighborhoods.●

WAGE-PRICE CONTROLS—OR BUST

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. WEISS. Mr. Speaker, the inflation crisis continues to undermine our economy and to impose severe hardships on millions of Americans.

The current annual rate of increase in the cost of living is 13.2 percent, a level not reached since the end of World War II. Clearly, Congress must address this critical situation immediately and in an effective manner.

Giving the President authority to establish mandatory wage and price controls is now the only course of action that can stop the inflationary spiral before it stops our economy. I would like to commend to the attention of my colleagues an article appearing in the July 22 Fort Lauderdale News and Sun Sentinel written by our distinguished colleague from Florida, Congressman EDWARD J. STACK.

Mr. STACK presents his own historical perspective and analysis of how the Nation reached the terrible straits in which we now find ourselves. While one may have differing perspectives, I find his solution to our economic ills to be unassailable. The text of the article follows:

WHY MANDATORY WAGE-PRICE CONTROLS?

(By EDWARD J. STACK)

Before I answer my question, allow me to portray, in broad outline, the background which has created the present double-diget inflation. The current inflationary trend stems from the decision of President Johnson to continue his Great Society programs and to finance the war in Viet Nam without a tax increase. This Guns and Butter policy started the inflationary spiral—which continued under President Nixon, until, for a short time, he imposed mandatory controls which worked well during their imposition, but which, in the long run, failed because they were removed too soon and too precipitiously. In addition, the problem of inflation has been compounded, more recently, by the oil embargo, world wide crop failures, devaluation of the dollar resulting from our continued and massive negative foreign trade balance, and, of course, the current energy crisis.

Two years ago last April, President Carter stated that the energy crisis constituted "the moral equivalent of war". His appraisal was, in fact, an understatement. The country is literally at war—not as yet a shooting war, but an economic war. The weapons are not missiles and tanks, but oil rigs and oil drums. The Fifth Column is our national refusal to come to grips with our dependence on imported oil. The OPEC nations have brought us to our knees—we have already lost control over foreign policy decisions. When the Congress voted three weeks ago not to lift sanctions against Rhodesia, it was very clear that the recommendation of the House International Relations Committee, which the House adopted, was to continue sanctions in order not to offend Nigeria which supplies the United States with about 10% of our imported oil. An even more blatant attempt to dictate American foreign policy was the statement by Sheik Ahmed Zaki Yamani, the Saudi-Arabian oil minister, that unless the United States pressured Israel to agree to a Palestinian State on the West Bank, we had better be prepared to "face the consequences", which, he suggested, would be OPEC oil at $50 a barrel. This, in turn, he said, would precipitate an economic depression which would make that of the 1930 period pale by comparison into insignificance. He added that he would not be at all surprised if the frustrated Palestinians did not sink one or two super tankers in the Strait of Hormuz, between the Persian Gulf and the Gulf of Oman, which would cut off the 20 million barrels of oil which daily transit the Strait. That statement virtually invites the terrorists to take this action.

Have a happy Fourth of July in 1980 folks, but don't forget to fly your OPEC flag.

If anyone does not believe this country is facing its most critical economic crisis since the War Between the States, let me dissuade him.

The current rate of inflation, annualized, is about 13%. Since the first of the year, oil prices have increased by 60%. This will increase the rate of inflation annually by 2%, more or less. Additionally, we are heading into a recession. The economic pundits are predicting that in 1980, unemployment will increase to 7 or 8%. This will trigger increased unemployment insurance payments, reduction of income tax collections and other tax receipts. Discussion is already rampant in Congress to cut taxes, especially from the Republican side of the aisle. Other countercyclical programs will be put into place to check unemployment. In consequence government budget deficits will increase and the Federal Reserve System will increase the money supply. The net result will be that we will pour additional fuel on the fire of inflation by discarding responsible fiscal and monetary policy. The concept of a balanced budget will go out the window. Inflation will escalate at an unprecedented rate.

The only sensible course of action to reverse the process, I suggest, is to impose mandatory wage-price controls.

Mandatory controls will have two immediate consequences:

1. They will buy us the time we need, as a nation, to achieve energy independence. In his speech on Sunday, July 15th, the President talked in terms of achieving energy independence by 1990—what, may I ask, do we do in the interim to check inflation? If the current rate continues until 1990, our energy independence will come too late—every savings account, government bond, insurance policy, long-term mortgage and other fixed dollar investments, will be virtually worthless.

2. Controls will have a psychological impact, which may shake the American public out of its lethargic state and make people aware of the seriousness of the situation.

Americans must understand that our national independence—our national survival—is at stake.

The imposition of mandatory controls would prove to the public that somebody is minding the store in Washington, that someone is in charge. Confidence in the ability of government would be restored.

Admittedly, no one likes price controls—but if, indeed, as Mr. Carter restated on July 15th, we are at war, we have no choice. Price controls can work. They did work in World War II, Korea, and during the Nixon Administration.

There are two basic conditions which must accompany the imposition of mandatory controls to avoid the creation of a large bureaucracy and to make controls effective:

1. Control prices only in basic industry,

the 1000 or so corporations in the United States which do 80% of the nation's business. By controlling the prices and wages of steel companies and other corporations in heavy industry: autos, chemicals, electronics, insurance, banks, as well as the large labor unions, will avoid the necessity of imposing price controls in small business.

For example, General Motors gross annual business is about $70 billion. The company employs over 500,000 people. It has many small companies from which it buys components. Prices & wages in these small companies need not be controlled. Control of the major industry will have a trickle down effect on the smaller companies.

2. To work successfully, mandatory controls must be of long duration. Certainly, at the present, they should be retained until we have achieved energy independence. When controls are removed, the process must be gradual and tied to constant dollar increases in productivity. If prices tend to rise above that level, controls should be reinstated.

This is no time for half-way measures. What is needed is the bold type of action which was taken during the first 100 days of F.D.R.'s administration—mandatory controls may cause a measure of pain, but the alternative is the death of our economic system.●

ROBERTA WEINTRAUB ON SCHOOL BUSING

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DORNAN. Mr. Speaker, Roberta Weintraub is a representative of parents all over the United States who are struggling to reclaim their rights as parents. She recently won an overwhelming victory with her election to the Los Angeles City School Board. Her win was a triumph for all people who are victims of a social scheme profoundly affecting the lives of America's children and parents: Forced busing.

Mrs. Weintraub successfully led a campaign to recall a school board member who, once elected, performed an about-face from his anti-busing campaign stance. She endured the usual lies and slurs directed at people who oppose the time-consuming counterproductive transportation of schoolchildren great distances to achieve racial quotas in the classroom. Fortunately, the people of her district would not accept lies. Mrs. Weintraub won convincingly.

Mr. Speaker, in light of this body's vote last week on Mr. ROB MOTTL's resolution, I would like to direct your attention, and the attention of my colleagues, to an article from the Los Angeles Herald Examiner by one of southern California's most popular columnists, the best selling author Ben Stein. Mr. Stein recently met Mrs. Weintraub before the taping of former Mayor Sam Yorty's weekly television show. He came away impressed. His reaction is shared by all who have encountered or worked with her. School board members recently elected Mrs. Weintraub their new president. I only wish that my colleagues on the floor could have the chance to meet with this dynamic and super-informed new leader in education. In lieu of this, I present Mr. Stein's article:

BUSING UNDERDOG WOULDN'T PLAY DEAD

(By Ben Stein)

A few days ago, while I was sitting in a windowless room at a TV studio, in walked a tall woman with a halo of frizzy red hair and a big, innocent smile.

"I want you to meet the woman of the hour," said former Mayor Sam Yorty. Since I had never seen the woman before, I had no idea who she was until everyone started to call her Roberta and ask her questions about busing. Then I figured out the woman was Roberta Weintraub, our new school board member, and an amazing person.

I spent a long time talking with Roberta Weintraub, and I came away with a feeling of elation. Roberta is a housewife from an obscure part of the San Fernando Valley who has never held elective public office, whose means, while comfortable, are not enormous, who has no national or local political ties of any significance, who carries an ideological message which made her own mother embarrassed. She took on the massive liberal establishment of Los Angeles and in the life-or-death struggle for the future of Los Angeles schools, she won.

Roberta Weintraub first emerged on the scene as a champion of the right—a simple, little right—of children not to be kidnapped by the state and taken away from their homes to schools far away because of the whims of an ignorant and militant judiciary. She was a leading organizer of people of every race and religion who wanted to be allowed to keep their children in their neighborhood schools. When former school board president Howard Miller engineered a program to destroy the public schools of Los Angeles by forced busing last fall, Roberta Weintraub was always at every meeting and rally, full of facts and figures on just how poorly busing worked and how deadly an effect it would have on an already seriously ill school system.

When Howard Miller lied time after time about the true significance of busing, about white flight, about empty buses, about bus accidents on the streets of Los Angeles, Roberta Weintraub began her campaign to recall him from office and to replace him with herself.

In the course of that campaign, Roberta Weintraub was shunned by many of her longtime friends. Her son was publicly taunted by a teacher during religious training. The rabbi of her synagogue repeatedly criticized her from the pulpit.

Roberta Weintraub walked and drove all over the city to campaign for a school system which would provide parents with the same rights to guide their children's lives that would have been taken for granted a generation ago, but which are relentlessly being taken away today.

Roberta Wintraub relied for her campaign on the efforts of volunteers and the contributions of hundreds of the ordinary citizens of Los Angeles. She ran a perfectly straightforward campaign on a shoestring budget—which ran her and her family deeply into debt.

She faced Howard Miller, who had the backing of the well-heeled, politically active Hollywood community. Miller received more in contributions from two wealthy show business types than Roberta spent in her entire campaign, from all sources.

But as we all know, Roberta Weintraub won, and won big.

The victory of Roberta Weintraub is extremely similar to the victory last year of Proposition 13. In both cases, the established power centers of society fought bitterly against the will of the people. In both cases, the electorate was thoroughly outraged by the examples of a wasteful and overbearing government. And in both cases, untrue smear campaigns were waged against the representatives of the ordinary citizen in the condescending belief that the ordinary California or Los Angeles voter is too stupid to see through obvious lies.

Roberta Weintraub wants to have a school system in which children get good educations, regardless of race. She wants a society where parents—not the state—control a child's life. She does not want race to be a factor at all in deciding who goes to what school. She does not want children's lives wasted by being on buses all day. She does not want children to be in a state of constant terror from violence by their totally undisciplined classmates and outsiders.

When I think that there are leaders emerging from the people who have the sense and the courage of Roberta Weintraub, it gives me hope for the future.●

A NEW DIRECTION FOR GOVERNMENT

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. VANDER JAGT. Mr. Speaker, this morning's Washington Post contained a very interesting commentary on the direction of this Nation. The eight concerned citizen who apparently paid for this one-page advertisement have sent President Carter an extremely well reasoned message on steps that should be taken to get this country progressing once again through efforts to get Government, industry, and labor working together.

President Carter's recent effort at Camp David to bring together some of the principal forces in America was a first step in the right direction, but he just did not go far enough. Building a consensus on the Nation's energy policy should be of the highest priority, but we are unfortunately still hearing rhetorical attacks on the country's largest energy producers coming from the White House instead of more effective proposals for cooperation.

Mr. Speaker, during the first week in March I called for the President to convene a high-level energy summit conference to bring together all the major interests and policymakers to develop a consensus on a realistic energy program. I called on the President to bring together the key congressional leaders from both parties, energy industry representatives, consumer group representatives, Government officials, and other important opinion makers. This was not done.

The President missed a golden opportunity at Camp David to have more than a self-examination and public relations exercise. The public's reaction to the President's nationwide address indicates that the American people are ready for a realistic plan for dealing with the Nation's problems of energy and inflation and are ready to be led. However, the confusion and warmed-over rhetoric which followed the Camp David exercise signals that President Carter is really not leading this Nation on a new direction. I want to share with my colleagues in the House the commentary which was printed in today's Washington Post and provides a meaningful outline of the kind of philosophy we need in the Federal Government:

[Advertisement from the Washington Post, Aug. 1, 1979]

A STATE OF THE UNION MESSAGE TO THE PRESIDENT

President JIMMY CARTER,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: We know that you appreciate citizen input. Responding to the spirit of Pittsburgh and Martinburg, this letter is our means of communicating with you regarding a subject of deep mutual concern—the future of our country. We believe your faith has set your priorities and purposes for life in the correct order, which equips you to give our country the truly unselfish leadership it needs.

HOW DOES ONE LEAD?

Besides natural aptitudes, all great leaders have a compelling vision or goal that possessed them. Some examples are:

Socrates: The immortality of the soul.
Napoleon: The domination of Europe.
Lincoln: The preservation of the Union.
Jesus Christ: The Kingdom of God.

Mr. President, your past statements indicate you have a vision and goal of a "Strengthened and Revitalized America," both spiritually and materially. Your vision and goal are shared by us. Materially, it translates into an inflationless economy, competitive with all other nations. Please hear us on that one subject.

NATIONAL GOALS

Our people feel we must regain leadership in exports of manufactured products—steel—TV sets—automobiles. It is a little embarrasing and quite damaging that we are importing so many foreign goods because our products are not competitive here at home. Continuation of this trend will increase inflation, destroy the dollar, and assure us a position as a second-rate nation.

We must rebuild our industrial base. For years now we have spent billions on environmental considerations. The pendulum has swung entirely too far. We can't afford to continue to divert so much of our assets to non-productive facilities. Investment in modern production facilities must be encouraged with a more balanced approach to environmental regulations. How do we revitalize and make competitive our basic industries? It starts with your leadership and the cooperation of the Congress. It starts with a New Direction For Government and its policies toward business and industry.

A NEW DIRECTION FOR GOVERNMENT

You have called for our people to work with you to help solve our problems. Our people in universities, labor, and industry have everything we need to solve our problems—if we add a "cooperative" government. The day is past for government and industry to remain adversaries. National policies must be developed (with the Congress) that will set goals of revitalizing our basic industries—not because we favor anyone, but because it is vital to our nation. Antagonism must give way to cooperation because it is in the enlightened self-interest of our country.

Past is prologue. The present approach to the oil companies reminds us of another President who made a scapegoat of the steel industry. We now are reaping the benefits of that type approach and attitude. Steel is basic. We can and should be producing this commodity for less than our foreign competition. We believe we are second-rate in steel because other governments have set a national policy of working with their steel industries to encourage modern up-to-date steel mills.

We suggest that you seek agreement with Congress that we should have a government policy of strengthening that industry. Then call together the producers—both industrial leaders and labor leaders—and discuss with them what it takes in governmental cooperation to make our nation No. 1 in steel again. Then ask the Congress for the legislation. We could then export steel again, and our whole country would benefit.

ENERGY—INCENTIVES VS. DISINCENTIVES

What happened years ago to steel we feel developing again in energy. Mr. President, the oil companies are not any more greedy than the independent truckers or the gasoline station owners or most of the rest of us. Castigating them, and punitively taxing them is a "disincentive." We need "incentives" rather than disincentives. These are the people who can best do what we need done—produce energy.

The government isn't going to produce any energy. Based on past history, we can expect only more bureaucracy and higher taxes, and probably larger deficits to pay for it. Can't we call together leaders of the oil industry, labor leaders, and our appropriate university people, and ask them how we can solve our energy problems? Our country does have tremendous energy resources. It is our people and not our government that have made our nation great and can solve this problem, too. A clearly developed governmental policy that cooperates with industry to develop additional energy out of its earnings without additional bureaucracy or government spending would be in the public interest. With the cooperation of Congress, you can make this a matter of governmental policy which serves to hold in check big government to the benefit of all of us.

INFLATION

The American people are being universally hurt by inflation. We are getting wiser about the causes. Most people don't really believe that OPEC, oil companies, or wasteful citizens are really the main causes of our troubles. (Japan imports 97% of its oil needs.) We really think the root cause of our inflation problem is the Federal Government and its:

1. Deficit spending,
2. Excessive monetary growth,
3. Cost of bureaucratic rules and regulations.

We strongly support your commitment to control inflation, and urge you to stand steadfast concerning the above three items, or else we lose by default your vision of a Strengthened and Revitalized America.

GREAT EXPECTATIONS

We have a tendency to raise the expectations of people falsely. We suspect that this is because we are running the biggest business (United States Government) in the world like amateurs, and we do not really know what the future expectations can and should be. For instance, do we have a five-year budget of expected income and expenses? Even medium-sized companies have one. If so, what does it indicate? What can we really afford? Can we balance the budget with inflationary increases in the future? Can we really afford a new National Health Plan? Can we really expect to have $1.00 a gallon gasoline while other nations pay $2.50, and have conservation by our people? People understand about what they can and cannot afford. You can talk to them about it. In our judgment, the American people are ready for some straight talk on expectations for the future, and will join you in austerity if it moves us toward the goal of a Strengthened and Revitalized America.

YOU AND CAMP DAVID

You have had some notable successes at Camp David when you had people there who were experts on the problem and also part of the solution. This was not the case in the most recent past. Mr. President, go back to Camp David and develop policies for cooperation between government and industry that will put us in first place again. Ask the people to visit with you who can really contribute to the solution of the problems and can do what we need done.

THE MAIN GOAL

The folks in the country frequently get the impression that in Washington the main goal is to get re-elected. In business, this would be called letting the "sales department" run the company. It isn't good enough for our country today.

You are a man with a vision for our country far beyond 1980. We believe that you would rather do what is best for our Nation and put re-election second, rather than operate under political expediency. Some of your staff may not feel that way.

THE NATION WILL RESPOND TO A NEW DIRECTION: GOVERNMENT, INDUSTRY, LABOR WORKING TOGETHER

Our nation's people are becoming more sophisticated. We sense when someone is doing or saying something just to gain votes and it is a "turn off." We believe that the majority of voters will respond to a "new direction" for our government and our country—even though it is tough and upsets all kinds of special interest groups. Yes, we must have an inflationless economy competitive with other nations. Even if it makes some folks unhappy today—they'll be pleased tomorrow.

You have been placed by God in a position of unparalleled opportunity to be His servant and the servant of your neighbor—the American people. It is time for A New Direction For Government. We will continue to pray for you that you will have His Wisdom, Courage, and Strength. As you deal openly with our people, and work for a Strengthened and Revitalized America, you will earn the long term appreciation of all the American people, and a unique place in history.

God bless you,

Eight Concerned Citizens,
Charles I. Babcock, Jr., Chairman, Development Firm; James M. Brown, Retired Phone Company Executive; Paul Belardino, High School Principal; R. Ray Goode, President, Building Company; R. Douglas Hasen, Air Conditioning Distributor; David Hume, Advertising Agency Executive; Al Palmer, Attorney; and Ralph Renick, Television Journalist.●

CONSERVATION—OIL HEAT RETROFIT PROGRAM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. WYDLER. Mr. Speaker, the Science and Technology Committee last year adopted my amendment for $5.4 million to initiate a comprehensive oil heat R. & D. and marketing program. That money was appropriated for fiscal year 1979 and this year DOE requested $3.85 million for their followon activity. This is a vital program for people in the Northeast who depend heavily on oil to heat their homes.

The $500,000 of the DOE request was set aside by our committee from the im-

portant oil-fired unit demonstration to the space conditioning in research project activity at Brookhaven National Laboratory. This demonstration activity was designed in three phases, the first two of which require Federal stimulation.

The redirection of funds in this program will speed the introduction of advanced combustion concepts and furnaces to raise efficiency 40 to 50 percent. This is a vital R. & D. program for the Northeast and deserves strong support.

FOSSIL ENERGY (COAL-OIL COMBUSTION RESEARCH)

This $250,000 is for restoration of the university research on coal-oil mixtures which was funded last year under advanced research and supporting technology but was not included in the fiscal year 1980 request. The coal-oil mixtures program was reduced by $2,950,000 in fiscal year 1980 and there are insufficient funds to complete important activity on contracts outside the energy technology centers. This set-aside is specifically for Adelphi College Center for Energy Studies and complements a smaller program sponsored by EPA which is directed at reducing emissions by coal/oil combustion. The work consists of coal desulfurization during combustion of coal-oil water emulsions. This is an economic alternative to clean liquid from coal.

SYNTHETIC FUELS PRODUCTION

This bill, as the Moorhead bill before it and the DOE authorization, H.R. 3000, is a genuine energy supply bill. I recall 3 years ago when our Science and Technology Committee struggled vainly to push major initiatives for synthetic fuels production.

Outside of projects at the pilot plant scale, this country has made little progress since then because industry has not been given the incentive. I believe that setting production goals of 500,000 barrels a day by 1985, as in H.R. 4930, is the incentive that should catalyze the synthetics program.

In the Northeast we are particularly interested in major liquefaction projects but advanced gasification techniques cannot be ignored because they are a vital source for petroleum substitutes.

I urge my colleagues to support this bill. I also want to congratulate Mr. McDADE and Mr. YATES for bringing it to the floor. It is a genuine energy supply bill.●

ONE MAN'S ANSWER TO THE PRESIDENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. MICHEL. Mr. Speaker, we have read numerous editorials and commentary by syndicated columnists concerning President Carter's demogogic attacks against the oil companies. But perhaps it would be helpful if we could hear from someone who works for one of the major oil companies in order to understand how he sees his role.

It so happens I received a copy of a letter an oil company lobbyist sent to President Carter. The lobbyist has given me permission to place that letter in the RECORD. I believe this letter gives us a different perspective on the President's views. At any rate, I think it is only fair to add to the public record the view of one person who represents only himself and who believes in what he is doing.

At this point I wish to insert a letter written to the President the day after his televised speech on energy:

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am an oil lobbyist. I have been for the past 2½ years. Before that, for 15 years I was a farm lobbyist.

I am a member of a profession that has become a necessity around seats of government—whether that's Washington or Atlanta.

I am proud to be a lobbyist. I am proud to be an oil lobbyist. As a farm lobbyist, I always felt I was playing an important role in helping to keep this nation's farm industry in a position to feed not only this country, but half of the free world. While it is the American farmer who does the production job, we lobbyists play an important role in making sure that his ability to produce is not inhibited by government actions.

The same is true in the domestic energy field. Our members are the producers of energy, but they have hired me and others to look after their interests in Congress and the regulatory agencies.

My job is a legal profession. I am required by the rules of the game to file and report regularly to the Secretary to the Senate and the Clerk of the House. These filings are a matter of public record.

I work for a 501c(3) organization. As such, its annual tax return, including details of income and expenses is open to the public at the Internal Revenue Service.

I can say without exception, to my knowledge I have never professionally done anything which was illegal or improper.

Yet again last night, you went before the Nation and told millions I was wrong, greedy, not to be trusted and that I was about to help "rob" $54 billion from the windfall profits tax. I am not a "robber" and I resent your insinuation. That is like suggesting that you "robbed" Georgians of thousands of dollars in recent years because your farm and warehouse have been underassessed.

If there is any "robbing" going on, it is being done by policies of the Federal government on the oil and natural gas industry through price controls which have "robbed" producers of income needed to find more oil and natural gas and have "robbed" consumers of needed energy supplies. Other government policies restricting the use of public lands, both on and off-shore have "robbed" this nation's energy users of additional supplies and made them more susceptible to the OPEC "robbers".

Personal and business income, contrary to what some would suggest, does not belong to the government. It is ridiculous to suggest that an industry or individual trying to keep as much of his or her income from ending up in public coffers is a "robber".

Which brings me to another point, one I admit is a bit emotional on my part.

I have a 19-year-old son who is having a real struggle with drugs—yet he is surrounded by illegal drug pushers and people who in high places scoff at our drug laws. As he tells me, "Dad, it is easier to buy cocaine and PCP than it is to buy gasoline".

Where, in the name of God are our priorities? We have thousands of "Policemen" at work enforcing price controls. We are going to get more "police" to check thermostats. The Mafia is killing one another in the streets of Brooklyn. Organized crime is skimming millions from the poor. Drunken driving is a national disgrace.

Yet, you attack me—and my colleagues—repeatedly as if we were public enemies of the worst kind—but not one word about these other problems. How about the "robbers" at GSA and HEW? How about drug pushers and users in the White House?

Yes, I'm angry—but I'm honest. I do my job in spite of your attacks. I have my shortcomings, but I readily admit them. When I no longer have the will and desire to do my job or a willingness to admit my shortcomings, I'll quit—I hope I won't point my finger at everyone else and lash out at everyone around me.

You told me I lacked pride and confidence. I disagree. I'm proud to be an American, an oil lobbyist, a husband, a father, a contributor to my community—and I am confident that no problem faces this nation that is insurmountable. Not as long as we work together as reasonable people and are honest about our problems and all share our failures as well as our successes.

I have plenty of confidence—it's you, I think who lacks confidence—at least you don't instill much confidence in me when you continually attack those of us who you are supposed to represent.

Only two weeks ago, Stu Eisenstadt told you to attack OPEC—make them the bad guys. That's not what you did last night.

Forgive me, if I sound harsh. But you said you wanted to hear from "the people". I'm one of "the people" and I'm telling you to get off my personal back. I'll meet you and your policies on Capitol Hill. If your ideas and perceptions of our energy problem are better than mine and you can articulate them better—you win. If I do better, I'll win—but don't keep up these personal attacks on nationwide television if you want me and others like me to have any pride and confidence at all. They are difficult traits to maintain and enhance in the gutter of political rhetoric which you chose last night.●

TRIBUTE TO EWING JOHNSON, MEMPHIS PRESS SCIMITAR

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to pay special tribute to my dear friend, Mr. Ewing Johnson, of the Memphis, Tenn., Press Scimitar.

Today is the first day in many, many years that Mr. Johnson did not oversee the composition of that paper's editorial page. Today is the day that Ewing Johnson began his retirement after 61 years in the newspaper business. I know the Press Scimitar and its readers are already missing the dedication he demonstrated to his work. He provided them with many years of outstanding service putting together every day an editorial page that people would want to read.

I want to take this time to express to Ewing our very best wishes for a long and happy retirement; a retirement that is long deserved and I want him to know that we shall miss him greatly.●

GOVERNOR BROWN, EDISON MILLER, AND THE POW'S

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DORNAN. Mr. Speaker, like many Californians, I was awe struck and outraged at Governor Brown's appointment of former Marine Edison Miller, a POW who squealed on his friends and collaborated with his North Vietnamese captors, to the Orange County, Calif., board of supervisors. Miller becomes the first POW from the Vietnam war to be honored with a political office. St. Augustine, echoing the teaching of the Gospels, reminds us that it is in vain to seek for perfect justice in this world. Bowing to the wishes of Jane Fonda and Tom Hayden, the Governor of California displayed in his action an arrogance and insensitivity rarely found even among the most crass of cynical politicians. I say that this action was arrogant and insensitive because, more than anything else, it was a direct slap in the face of the brave men who served their country in Vietnam. The pain was greatest for those who were imprisoned by the North Vietnamese Communists and suffered almost every conceivable violation of the Geneva Convention concerning the treatment of POW's including watching beloved comrades tortured to death.

Who is best to judge the merits of the Miller appointment? Not I, or those of us who held our special order on the subject last week. The best judges of this appointment are those who were imprisoned by the North Vietnamese; those who experienced, painfully and directly, the cowardly, perfidious behavior of Miller. The Los Angeles Herald Examiner of June 30, 1979, published an excellent summary of POW opinion, "How POW's Remember Miller." I ask my colleagues to please give it their intense attention. Brown is a disgrace. He bragged of knowing all of this both before and after the infamous and insulting appointment.

How POW's REMEMBER MILLER

(By Mike Qualls and Carol Guiotta)

Navy Capt. David Rutledge pushed open his cell door in the "Hanoi Hilton" and slipped quietly toward the rear of the compound where the prisoners were allowed to bathe. But Rutledge wasn't going to bathe. He had a message to deliver, an important message.

The message had originated at the top of the POW chain of command, and was destined for a group of prisoners who, in the opinion of the top-ranking POW officers, were cooperating with the North Vietnamese.

Reaching a high woven-bamboo fence, Rutledge quickly scrambled to the top until he could see the open exercise yard on the other side. Seated there, according to Rutledge, were Marine Corps Lt. Col. Edison Miller, Navy Capt. Walter E. Wilber and Navy Cmdr. Robert J. Schweitzer.

"Hey, guys," Rutledge recalls saying. "If you stop all your antiwar activities, we'll take you under our wing. You are ordered to stop all your activities."

The trio looked at Rutledge and then yelled for the guards. He scrambled down from the fence and ran.

Rutledge made it back to his area without being caught, but later that day guards came and threatened to torture him if he tried to contact the trio again.

It was a day still fresh in Rutledge's mind nine years later.

Miller's conduct as a POW is something that many of his fellow prisoners have found difficult to forget, and now the entire issue has been thrust back into the public spotlight by his controversial political appointment to the Orange County Board of Supervisors.

Many POWs claim that Miller, who spent 5½ years as a POW, defied superior officers and cooperated with the North Vietnamese in return for special treatment, and they now challenge whether Miller should be given a position of public trust, particularly since he was censured by the Navy Department as a result of this POW coduct.

Miller admits that he made anti-war tapes for the North Vietnamese, but claims he did it out of a heart-felt conviction. He also claims he underwent severe hardship as a POW (including being denied medical treatment, denies receiving any special treatment and maintains that he never refused to obey a legal military order.

The Herald Examiner has interviewed 15 former POW's who lived with or around Miller during his captivity. Their recollections about Miller's conduct as a POW raised a number of allegations, including:

Shortly after Miller was imprisoned, he abandoned military seal he had exhibited as a squadron commander prior to capture and began defending the communists to fellow POW's. He advised other prisoners to adopt a less aggressive attitude toward the North Vietnamese.

He apparently made an anti-war tape during his first year of captivity, which was two years before he said he made his first recording.

Miller, who maintains his public statements as a POW were "anti-war" and not "anti-American," made tapes that claimed the socialist system was superior to the American form of government.

He received as much medical treatment as other POW's, including penicillin tablets for infection, sulphur powder for his wounds, medication for dysentery, and surgery.

Miller received numerous special privileges, including a cell with an open window, access to an open exercise area, shoes, books, a fish aquarium, a Vietnamese-style bed and meals with meat, fruit and beer.

He repeatedly ignored direct orders from POW senior officers to cease his activities and obey the Code of Conduct.

Miller was once present in an interrogation room, "nodding his head in agreement" while North Vietnamese guards threatened another POW with torture for trying to persuade Miller to stop cooperating with the communists.

As a result of his activities and repeated refusals to obey orders, the senior ranking POW officer stripped Miller of his military authority in 1971, and ordered prisoners to ignore any orders he might give.

Tensions between Miller and other POWs became so great in 1971 that a group of prisoners wanted to kill him.

Those are some of the allegations raised by former POWs. Here is their story:

It begins Oct. 13, 1967, with the recollections of James Warner, now a lawyer in Detroit. On that day he was a Marine lieutenant flying as a radar operator, or "backseater," with Miller.

Miller, an 18-year veteran who had flown 50 combat missions in the Korean War and 70 more in Vietnam, was commanding a squadron of F-4 Phantoms based at Chu Lai. Although Miller had been in South Vietnam less than two months he already had a reputation as a gung-ho officer intent on moving up the military promoting ladder.

A few minutes out of Chu Lai, Miller and Warner began their attack run near the DMZ separating North and South Vietnam. As the F-4 screamed out of the first run, Warner recalls that Miller suddenly announced that they had lost the aircraft's flight control hydraulic system.

Warner waited for Miller to break off the attack, as prescribed by standard operating procedure, and head for an open area where they might be rescued. But, to Warner's amasement, Miller brought the F-4 back around for another attack on the same target.

"It was that sort of 'headwork' that was the reason I was flying with Miller in the first place," Warner recalled, referring to Miller's reputation. "Nobody else would fly with him."

"When we were hit I said, 'Let's get over the water,'" Warner recalled, "but he (Miller) said, 'Oh, no. I've still got six bombs and I'm going back again.'"

Moments later, Miller and Warner found themselves hanging in their parachutes, drifting down toward the DMZ and awaiting enemy soldiers.

Miller says his parachute failed to open properly and when he reached the ground he found he had suffered a broken vertebra, broken shinbone and crushed ankle. Warner landed uninjured about three miles away.

Miller says he was forced to walk long distances with his injuries, and Warner confirmed that their captors "did make him walk about three miles to a place where I was being held. But thereafter I tried to carry him, or at least let him lean on me."

They were force-marched six to eight miles to a North Vietnamese artillery emplacement. It was night by that time. Then they began a torturous 40-day trip by truck and on foot to Hanoi where they were to be cellmates until July 18, 1968.

"He (Miller) got pretty infected and was very sick by the time we got to Hanoi," recalls Warner. "He had lost 20 or 30 pounds and he was infected everyplace. But, they did give him something—they told him penicillin. He suffered frequently from dysentery, and occasionally they would give him something for that."

Air Force Lt. Leon Ellis, another cellmate who is now a major stationed at Randolph AFB in Texas, also remembers that Miller "got medical treatment—about the same as everybody else."

Miller claims he was physically abused and put in solitary confinement before he began cooperating with the North Vietnamese, but neither Ellis nor Warner recall being aware of it, or ever seeing any physical signs of torture while they were with him.

"He didn't undergo any torture that I knew of," said Ellis. "He never told us of any physical abuse whatsoever."

However, Ellis remembers that he and the fourth man in their cell, Air Force Cpt. Kenneth Fisher, were abused by interrogators during that period when they refused to fill our biographical forms.

After more than 24 hours of torture, Ellis recalled that "I ended up eventually filling out their form. I put in a couple of bases I had been assigned to and lied about the rest."

At this time, according to Warner, Miller was being frequently being taken alone to interrogations and didn't appear to mind going.

During this period two other POWs—Air

Force Maj. George Day and Navy Lt. Cmdr. John S. McCain III—recall hearing a biographical tape recording condemning the war that they believe was made by Miller although the speaker did not identify himself by name.

Said McCain, "It went on with a whole lot of statements condemning the United States government. He (the speaker) didn't identify himself by name, but he identified himself in every other way."

Day, a congressional Medal of Honor winner for his actions as a POW and now a retired colonel living in Florida, said the tape "wasn't the sort of thing the Code of Conduct had in mind."

The tape was played for McCain, now a captain assigned to the Navy Department's congressional liaison staff in Washington, by an interrogator who identified the speaker as a senior Marine officer and demanded that McCain make a similar recording. McCain, who at the time was seriously ill with a bayonet wound, two broken arms, a fractured leg and a broken shoulder, refused.

Both Warner and Ellis recall having heated political discussions with Miller while they were roommates.

"Miller would often go out to interrogations and come back and explain to us how the communist side was correct and we were wrong," said Warner.

"I did realize something was wrong," Ellis added, "when I, as a young first lieutenant, told him on one occasion that I didn't think that, based on what he was being told in a communist camp, that he should be changing his opinion on the war and our leaders. He just sat there and didn't say anything."

In October 1968 Miller and Schweitzer, an aviator who was shot down on Jan. 5, 1968, became cellmates in a Hanoi stockade known as the "Desert Inn." Schweitzer died in a car crash near Sacramento after his return to the United States. Shortly after he and Miller began sharing a cell, other POWs began hearing over camp PA systems an hour-long tape which became known as "The Bob and Ed Show."

Miller says the tape was made as they sat in a room carrying on what they thought was a private conversation.

Former POW's described the tape as basically saying that America's Vietnam involvement was deplorable, that the undeclared war was illegal, that their captors had every right to call them criminals and prosecute them as such. Other POWs were appalled. Many initially refused to believe that the voices on the tape were those of captured American pilots.

By late February 1970 the first order was passed via the forbidden communications network to Miller and his cellmates by Navy Cmdr. Jerry Denton.

Denton later recalled during interviews with the authors of "POW," a Reader's Digest book published in 1976, that the message said, "Stop writing, stop taping. Communicate with us." He also recalled that there was no response.

That was followed by a series of similar orders passed to Miller and his various cellmates for the next two years.

It was the summer of 1970 when Rutledge, who was chief communications officer for a succession of senior POW officers, scaled the bamboo fence to directly confront Miller, Wilber and Schweiker and had to flee when they called the guards.

Earlier in 1970, Rutledge, who is now a captain in charge of the Naval ROTC program at the University of Oklahoma, had been moved from the camp known as "Alcatraz," where he had spent an entire year in irons, to the "Hanoi Hilton," where Miller was confined. Rutledge was struck by the fact that Miller seemed to have special privileges. For example, he saw Miller and his cellmates "out in the sunshine in the courtyard (while) there were some people stuck in some pretty dark, grungy cells."

"They (Miller and his cellmates) knew that," said Rutledge. "We told them that. They knew there was inequality in the treatment and that we were trying to get some form of humane treatment for everybody. But they ignored us."

During mid-1970 McCain, his health improved, encountered Miller and Wilber in the section of the "Hanoi Hilton" known as "Little Las Vegas."

McCain said, "For a period of about four months—August through November in 1970—I saw them, Miller in particular, with their arms around the gooks.

"They'd come out in the morning and they'd embrace the guards. I saw them drinking beer, eating fruit of all kinds—such as oranges and bananas. I saw them getting plates full of meat. I saw them getting all the bread they could possibly want... My diet at the time was a small bowl of soup and a piece of bread twice a day."

McCain said he also overheard Miller making tapes "on numerous occasions."

"They were not just in opposition to United States involvement in Vietnam," McCain said. "They were in opposition to the United States as a country—that the United States was degenerate, that the government was degenerate, that the American Congress didn't represent the people; that the socialist system was far superior, and that the system in North Vietnam was far superior."

In the fall of 1970, Miller, Wilber and Schweitzer were transferred to the camp known as the "Zoo" where they took up residence with four other POWs including Air Force Maj. Roger D. Ingvalson, who lived around Miller until early 1972.

The seven men became known as "Outer Seven" because guards kept them isolated from other POWs.

Ingvalson and the other four POWs, eventually managed to separate themselves from Miller and Wilber after they were ordered by senior POW officers to join the overall camp organization.

Ingvalson, now retired and living in Tennessee, also recalled the special treatment Miller received.

"They (Miller and Wilber) had things like leather shoes and tennis shoes, and a Vietnamese-style bed while we slept on concrete," said Ingvalson. "They even had a fish aquarium in their cell."

Another POW, Col. John Stavast, who also was near Miller in 1972, added, "When the wake-up-gongs went off in the morning, their (Miller and Wilber) cell door was opened. Nobody ever saw their door locked, as a matter of fact.

"I also saw Miller involved in a volleyball game with the North Vietnamese."

Finally in 1971 Navy Cmdr. James Stockdale, then the senior ranking officer and the man who would file formal charges against Miller and Wilber upon his release by the North Vietnamese, shouted direct order for Miller and his cellmates to stop cooperating with their captors.

With Stockdale at the time were Rutledge and Navy Cmdr. Harry Jenkins, both of whom related the episode in separate interviews.

Stockdale attempted communication by shouting out the back window of a cell to Miller and his cellmates who were located out of sight, but within hearing, in a room about 80 feet away. Stockdale kept shouting for several days though the guards repeatedly came running to try to find the culprit who was violating the no-communications rule.

"At first, the admiral (which Stockdale later became) yelled out questions, and we got a lot of Bible verses in return," recalled Jenkins. "This went on for several days," added Jenkins. "Finally, the admiral gave him the direct order to stop. Miller did not stop."

Rutledge recalls that Miller and his cellmates passed a written reply "that quoted a passage from James—about how everybody ought to love joy and peace."

It was in 1971 Miller made his "Mother's Day Message" tape which was sent to his mother in Clinton, Iowa. The lengthy message declared at one point that "America's mothers must face the fact that their sons are killing fellow human beings and destroying foreign countries for an unjust cause, making our actions not only illegal, but immoral."

• • • • •

Shortly afterwards, Stockdale issued an order to all POWs under his command: "Write nothing for the V. Meet no delegations. Make no tapes. Are you with us?"

Then when Miller and Wilber continued to make a series of tapes, the POW leaders decided to strip Miller of his military authority. The order made its way through the covert communications network, being passed on slips of paper hidden in rice bowls, tapped through walls in Morse code and shouted from one stockade to another. Finally, it reached Ingvalson, who delivered the message to Miller face-to-face. "He was very quiet," recalled Ingvalson. "The only thing I could get out of him when I'd talk to him was that the war was wrong."

It was also in 1971 that other POWs in the stockade, which contained 26 prisoners, decided that Miller had to be killed to end his activities. The group approached Ingvalson who was in charge of the stockade. "It was a serious situation," Ingvalson said. "They wanted very much to impose physical abuse on him—to kill him. But, being in charge, I decided not to. And, I told my men that we would take evidence home when we were released, and then it would be taken care of."

Meanwhile, Ingvalson continued trying to talk Miller into ceasing his activities. On several occasions after contacting Miller, Ingvalson would be threatened with torture by the communist guards.

Ingvalson remembers that during one such session Miller was in the room "not saying anything, but he was nodding his head in agreement with them."

Another POW who lived with Miller from the fall of 1970 until the spring of 1972 was then Marine Lt. Paul Brown, who had been shot down July 25, 1968.

After the Stockdale order, Brown recalled that all the members of the "Outer Seven" except Miller and Wilber wanted to obey it.

"Miller and Wilber did not," said Brown. "Miller was very vehement about it, saying he wanted nothing to do with communicating with the others and requested that we go along with him. We refused.

Brown said he recalls that Miller would taunt the men and "say, very sarcastically, 'Now listen to your leader. Be a good little boy and obey all the rules" to the junior officers.

Then came 1972 and, although the POWs didn't know it, they were nearing the end of their long ordeal. More orders were sent to Miller and Wilber but they continued their activities.

Stavast said, "We told them, in effect, that if they would come over to our side and stop collaborating with the North Vietnamese, we would think about forgiving them. But, they absolutely refused.

"In fact, there were some very derogatory things that came out of them—that we were the losers and they were the winners."

On April 16, 1972, the bombing of Hanoi commenced again. A few days later, Miller, Wilber and others held a news conference with correspondents from Hanoi, the Soviet Union, China, Germany and France and denounced the American escalation of the war.

In July 1972 Jane Fonda visited Hanoi and met with Miller and Wilber and other POWs. In August 1972 Miller met with Ramsey Clark, who later returned to the United States and lauded the POWs living conditions, treatment and health.

After the peace agreements, Miller returned to the United States in February 1973.

"Wow, it's great to be back on Marine Corps property," Miller was reported to have said when he was driven through the gate at Camp Pendleton.

Shortly after Miller's return, he and Wilber became the target of formal military charges.

The charges included conspiracy, solicitation, failure to obey an order of regulation, mutiny, aiding the enemy, misconduct as a prisoner and causing and attempting to cause insubordination and disloyalty.

The resulting inquiry was conducted personally by then-Secretary of the Navy, John Warner who finally announced his decision on Sept. 27, 1973.

"Secretary Warner concluded that the convening of a pre-trial investigation under Article 32 of the Uniform Code of Military Justice was warranted by the evidence," stated the official news release issued by the Department of the Navy. "He further concluded, however, that any beneficial purposes would be more than offset by the disruptive effects such proceedings would be bound to have upon the entire community of former POWs and their families."

The same day, Warner dismissed the charges brought by Stockdale and issued administrative letters of censure to both Wilber and Miller.

The news release ended, "Secretary Warner also announced that both officers will be retired. The secretary determined that both retirements would be in the best interests of the Naval service." ●

MILITARY JUNIOR COLLEGES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. SKELTON. Mr. Speaker, our Army Reserves and National Guard are facing a shortage of over 4,000 junior officers. This projected shortfall could have a serious impact on our Nation's ability to mobilize effectively in the event of an emergency.

Mr. Speaker, there are unique American educational institutions which can make a significant contribution to reducing this shortage. These are our Nation's six military junior colleges. These institutions have been turning out superior officers for our Nation's military forces for an average of 109 years. Their graduates have learned self-discipline, they accept responsibility and they have practiced leadership. Because of the total military environment and the intensive training offered, these are the only schools authorized to commission a person at the end of the sophomore year after only 2 years of military training.

However, Mr. Speaker, when it comes to awarding ROTC scholarships to potential students, the military junior colleges are at a distinct disadvantage when compared to 4-year colleges and universities. To win a scholarship at a military junior college, a student is required to attend basic ROTC camp at Fort Knox, Ky., and compete for a scholarship. At Fort Knox he is often competing against students with 1 or 2 years of college. That same student, however, may receive an ROTC scholarship to a 4-year college or university directly out of high school.

Mr. Speaker, I have introduced legislation which would enable us to better utilize the ability of the military junior colleges to produce highly qualified, highly motivated junior officers for our reserves and national guard in only 2 years. H.R. 3308, currently pending before the House Armed Services Committee, provides scholarships for cadets at any of the military junior colleges in return for not less than 6 years service in the Army Reserves or Army National Guard. The military junior colleges are capable of increasing their production of officers, and this bill will give them a tool with which to do it. The result will be in the best interest of our reserve forces and our national defense.●

THOMAS HOOKER

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. PANETTA. Mr. Speaker, a constituent of mine, Mr. Gene Buck, of Monterey, Calif., has brought to my attention the deeds of a very important American from the past who has not, in Mr. Buck's view, received adequate credit for his contribution to our democratic traditions. The gentleman to whom I refer, who apparently is an ancestor of Mr. Buck, is Thomas Hooker.

Hooker was an English puritan pastor and preacher who became one of the builders of colonial New England. Born in Leicester, he was forced to flee England for Holland in 1630 because of his popular presentation of puritan ideas. Then, in 1633, he followed many of his former parishioners to Massachusetts.

From Massachusetts, Hooker led his constituents to Connecticut, where he founded the city of Hartford in 1636. It was there that his democratic ideology formed the basis of the fundamental orders, which served as the Connecticut colony's constitution. This contribution to democracy in America has often gone unheralded, and it is for this reason that I am addressing my colleagues today.

I hope those who hear my words now, and who later read them in the RECORD, will take some time to consider the contributions made by Thomas Hooker to our colonial history. Certainly, we owe him a debt of gratitude, as we struggle with the problems of our own day, for helping to establish the traditions under which our national debates take place. ●

TELEVISION COVERAGE OF THE HOUSE AND SENATE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. GILMAN. Mr. Speaker, most Members of the House agree that it was a wise and proper decision to open our proceedings to television and radio. Our debates and discussions now reach millions of residents around the Nation and world through the cable system, and network news programs also make use of the floor action.

In this regard I would like to submit for publication in the RECORD an article written by a constituent, Edward Branca of Nanuet, N.Y., who more than a year ago had his views on televising the House proceedings published in the Nyack, N.Y., Journal News.

I think my colleagues will find the article both interesting and prophetic; Mr. Branca having proposed, in March of 1978, that the Congress arrange with the National Aeronautics and Space Administration to use the communications technology satellite to broadcast live gavel-to-gavel coverage, and noting that satellite-to-home radio, is presently used in Canada.

[From the Rockland Journal-News, Mar. 8, 1978]

RADIO VIA SATELLITE

(By Edward J. Branca, Jr.)

NANUET.—Recently, many in the nation's radio audience listened intently to the first congressional floor debate allowed to be broadcast live from the U.S. Senate chamber.

This debate on ratification of the proposed Panama Canal treaties was broadcast by National Public Radio. Many Americans such as myself wish to hear more live coverage of congressional sessions. We also wish to hear other programs that attract too small an audience to be profitable on commercial stations. National Public Radio, at its current low level of funding, is simply unable to afford to program such high quality programs regularly. I wish now to suggest a way that new satellite technology can be used to revolutionize radio and give birth to a new age of broadcast excellence.

My proposal is that Congress arrange with the National Aeronautics and Space Administration (NASA) to use the Communications Technology Satellite (which is now in orbit) to broadcast live gavel-to-gavel coverage of House and Senate debates directly to the home. Contrary to widely-held belief, this is possible with today's technology.

Since the satellite is being used for many communications experiments, the time it will be available to broadcast the debates will be limited. (It should be noted that the satellite has many radio channels and the congressional experiment would only use two of them). The debates will be able to be received by simple inexpensive receivers costing no more than AM-FM sets now in domestic use.

These transmissions will be received only by radios tuned to receive the higher satellite frequencies. This will no doubt mean that most people will choose not to purchase receivers so tuned. This does not mean that satellite-to-home radio will never be popular. This conclusion may be drawn by taking into account the following two factors:

The future introduction of commercial and non-commercial programs will encourage the public to buy sets. It should be noted that the American people purchased FM TV, color TV and FM stereo sets all after the introduction of AM radio in the 1920s.

There are many parts of the United States that have only one or two radio stations. Satellite-to-home (with its many channels) would be considered a godsend.

Once the initial experiment is completed, Congress may want to begin a regular satellite service. This service can be paid for by Congress passing a law giving the federal government a monopoly on the ownership of broadcasting satellites. If a broadcasting satellite had the capability to transmit on 50 channels (I picked this number out of my head), Congress would lease perhaps 42 of them to commercial users who would air programming and sell advertising the same way they do now.

The fees commercial broadcasters paid the government for use of the satellite would go into a trust fund (similar to the highway trust fund) to pay the costs of airing the congressional debates and non-commercial programs on the other eight channels of the satellite.

It should be pointed out that it is not unfair to require commercial satellite users to pay the government to use the satellite. After all, the right to have advertising message reach a potential audience of all the nation's homes—without having to divide the profits with affiliated stations—will be an extremely lucrative proposition. It is only fair that the holders of such a franchise should pay fees for the privilege. After all, if the sportsman wishes to hunt or fish, he is required by law to purchase a license to do so.

Up to this point, I have written of satellite-to-home radio only. This is because, with the present state of the art technology, it is not possible to transmit television to home receivers without requiring the viewer to purchase augmentation costing up to $1,000. But by 1980, it is expected that technology will have advanced to the point that augmentation will not be necessary.

Many readers may now be asking themselves why, if broadcasting satellites are so advantageous, have they not yet been introduced. The answer is that the broadcasting monopoly (i.e., ABC, CBS, NBC) has used its muscle to have the Federal Communications Commission and Congress not allow broadcasting satellites to be introduced in the United States. (It should be noted that satellite-to-home radio is used in Canada as well as in a number of other countries.)

Let's hope that Congress will soon end this prohibition and we will soon begin an era of broadcast excellence via satellite directly out of the sky.●

HOMEBOUND PROGRAM MUST BE SAVED

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. WOLFF. Mr. Speaker. I rise today in support of a program which is vital to some of the residents of my district—the Queensborough Community College external education program for the homebound. Unfortunately, this program faces possible expiration at the end of this month if new funding is not approved.

The homebound program was initiated in 1973 as a service for severely disabled students in the New York metropolitan area who qualify for college courses, but who are unable to participate on campus because of physical limitations. Instead, students take courses via telephone hookup.

At first, the program was funded by the Queensborough Community College Student Association, but as the service grew, funding responsibilities were assumed by the HEW Office of Education under their Bureau of Education for the Handicapped. The program was a huge success by all standards, and in fact, it was so successful that HEW began using it as a model for other universities across the Nation.

Due to shifting allocations within HEW, funding for homebound will expire at the end of August 1979. The Queensborough program has submitted new funding proposals to HEW's special programs for the disadvantaged division, but no action has been taken.

Homebound offers hope and opportunity to those who might otherwise be without hope. It would be a tragic mistake to curtail this vital service. If funding is not approved soon, we will lose a valuable humanitarian service.●

HEMPSTEAD TOWN COUNCILMAN URGES ADMINISTRATION ACTION TO THE PROBLEM OF NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

Mr. BIAGGI. Mr. Speaker, I would like today to bring to the attention of my colleagues the efforts of Peter T. King in helping to bring the problem of Ulster to the attention of the Carter administration.

Peter King is a town councilman in Hempstead, Long Island, N.Y., where he succeeded in collecting over 1,000 signatures from his fellow residents of Hempstead on a petition which he sent to President Carter, as well as Senators JACOB JAVITS and DANIEL MOYNIHAN of New York. The petition, which was presented to me last month by Councilman King himself, reads as follows:

We the undersigned, call upon the United States Government to take whatever political and economic measures are necessary until Great Britain ceases its violation of human rights in Northern Ireland.

As chairman of the 130-member Ad Hoc Congressional Committee for Irish Affairs, I am always heartened to see efforts, such as those of Peter King and his fellow residents, which enhance the work of our own committee. We have long been involved in bringing to light the continuing violations of human rights in Northern Ireland as a result of the presence of Great Britain there. These violations have been documented time and time again, by the Nobel prize winning Amnesty International as well as the Bennett Commission, which was a British-appointed group. This Commission confirmed the fact that these human and civil violations continue to exist in Ulster.

Most recently, our own State Department sanctioned the sale of over 3,000 weapons to Great Britain for use in Northern Ireland. In response to this unjustified action on the part of our own Government agency which preaches human rights the world over, I offered an amendment to the 1980 Department of State appropriations bill to prohibit such actions in the future. This amendment eventually was withdrawn in exchange for the promise of hearings by Chairman Clement Zablocki of the Foreign Affairs Committee on this action. I am heartened by this acknowledgement by this committee of the urgent need for inquiry into this issue and will continue to press this Congress and the administration to take action in Ulster to help bring an end to these human rights violations.

Mr. King is to be commended for his own activities in making the administration ever aware that the human rights violations in Ireland at the hand of the British must cease. This country has committed itself to human rights, here and abroad. Our cumulative efforts to advance the cause of peace and justice in Ireland can only be intensified with the continued help and support of dedicated people, such as Peter King.●

PREDICTING 1980 DIESEL SHORTFALLS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. BEREUTER. Mr. Speaker, I would like to have placed in the RECORD the following remarks relating to an amendment that was offered by my colleague, Mr. TAUKE.

I believe the gentleman from Iowa has accurately addressed the recent problem we have witnessed regarding the diesel shortage in the Midwest. The amendment he offered will go a long way in making sure that adequate supplies of middle distillate will be available for next year's agricultural crop. The gentleman from Iowa and I know all too well the disaster that was barely averted this year. Our offices became virtual hotlines for farmers and jobbers who were either running out, or completely out of diesel fuel. We simply cannot ask the farmers in the Midwest to face the instability and confusion that surrounded this year's planting season.

The gentleman's amendment will identify supply-short States by way of a monitoring service, and correct as quickly as possible that shortage. This, I feel, is badly needed. The Department of Energy has made no attempt in the past to monitor or even predict where those shortfalls may occur. As would be required by this amendment, much of this responsibility will be placed on the State energy offices to help alleviate the problem. It is time to stop this guessing game, and assure the farmers and jobbers that next year, we will indeed know where a shortage will occur and what is being done to relieve it.●

SAM BROWN OF "ACTION"

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DORNAN. Mr. Speaker, the President has announced that the top level firings are completed and that all of those who were requested to submit their resignations can now breathe easier. Carter has allowed the Director of ACTION, Sam Brown, to be among the reprieved. This means that in ACTION, an agency dedicated to the alleviation of human suffering at home and abroad, this Nation is represented by someone who is on record as praising a regime, Communist Vietnam, that has caused and is causing untold human suffering.

With this in mind, I cannot believe that President Carter with his constant public statements on human rights would not have picked up Sam Brown's resignation when it was recently tendered to him. The Director of ACTION's insensitivity and failure to live up to the high standards of humanitarian concern that his Agency stands for together with his contemptuous disregard for the millions of victims of totalitarian genocide, are reasons enough for the President to take such action.

The President in his nationally televised address after coming down from the mountain, and his subsequent statements asserted he was taking some of the actions that he did because he did not feel that he was receiving the full support of some members of his team. Sam Brown certainly is one in question.

Over 2 years ago as a Presidential appointee Brown went to New York City to greet the Communist Vietnamese representatives to the United Nations. His praise of them was overwhelming, tears staining his strained face.

Since then, of course, the world has learned the truth of those before whom Brown and others have fawned and prostrated themselves. Joan Baez, who like Brown was instrumental in the propaganda war waged against the South Vietnamese Government, has properly criticized the atrocities of the new masters of Vietnam. But Sam Brown is unethically silent.

The boat people are dying by the thousands but Jimmy Carter's appointee will not even admit that anything is wrong in Vietnam. He will not publicly or even privately admit that his praise for the genocidal criminals who now rule Vietnam was a sign of political and moral idiocy.

At this point, Mr. Speaker, I wish to insert in the RECORD a column by Andrew Greeley which puts into sharp perspective the ignominious story of Sam Brown.

SAM BROWN, JOE CALIFANO AND THE BOAT PEOPLE

(By Andrew M. Greeley)

Genocide is going on again, and the world barely notices. The offending country is the Socialist Republic of Vietnam and the victims are the ethnic Chinese, who are being forced to buy their way out of the country so their government can confiscate their wealth. They are loaded onto ships and put to sea, with maybe a 50/50 chance of making it alive to some port, where they may or may not be permitted to get off the boat.

According to some observers, Vietnam is making $20 million a year on genocide, which makes them much better merchants of death than even the Nazis, who at least didn't make the Jews pay to go to concentration camps.

Over 90,000 "boat people" may well have died last year, or will die this year—or maybe next year—until the Vietnamese have gotten rid of all the ethnic Chinese in their country and have confiscated all the hard-earned income of these diligent and industrious people. The rest of the world is apparently prepared to absorb some of these refugees, but by no means all of them. In America, HEW Secretary Califano is helping the situation by setting up control centers to make sure no sick "boat people" get admitted to the United States. One wonders how many of Secretary Califano's ancestors or the ancestors of any of the rest of us could meet the current HEW health standards.

What's 90,000 more people in Indochana? The Cambodian government murdered a couple of million before it was driven from power. So some of the 90,000 are old men and women and children. So some of them drown at sea or starve to death or die of disease in an overcrowded ship as they watch freedom fade from view just a few yards away at the port where their ship is docked. Why is there anything so special about the "boat people"?

They are the victims of racism—every bit as much as the Jews slaughtered by the Nazis, the Tasmanians wiped out by British settlers, the white Catholic missionaries slaughtered by Rhodesian guerrillas (who are partially funded by the World Council of Churches), the blacks who are brutalized in Soweto by the South African police. The "boat people" are being killed off because they are racially different from the Vietnamese. Their crime is that their ancestors were Chinese, in a country that doesn't want the Chinese around anymore.

I wonder where are all the great supporters of the Vietnamese republic? As far as I can figure out, Jane Fonda hasn't spoken out to condemn the genocide of the boat people; nor has Sam Brown, the Carter appointee to direct ACTION—a man who attended the celebration welcoming the Vietnamese delegation to the U.S. George McGovern, who at least had the decency to condemn the genocide in Cambodia, has yet to speak out against the persecution of the ethnic Chinese in Vietnam.

There are occasional articles in newspapers, but the religious, political, cultural and intellectual leaders of the American republic remain silent. The same folks who raised hell when a thousand people were killed in the so-called "Christmas bombing" of Hanoi (which, it now appears, was indeed aimed at military targets) seem not to find their consciences at all pricked by the deaths through drowning, disease or starvation of 90,000 boat people. If they ever get around to saying anything about it, I suppose they will blame the United States, just as they blamed the U.S. for the genocide committed by the Pol Pot regime in Cambodia.

In a way, maybe they would be right—though for the wrong reasons. The boat people would be an asset to any nation that would admit them. For generations they have been an industrious, hardworking, resourceful, gifted people. The United States and the other nations of the free world could easily ring Vietnam with ships that would pick up these people and take them into nations that would offer them new homes and new outlets for their energy and ambition. Those who would be admitted to America would quickly become as important an asset to our society as the hundreds of thousands of Cuban refugees we admitted in the 1960s.

It would be a marvelous act of political public relations showing the world we still are a humane nation and also showing up our sometime-Vietnamese enemies for the nasty monsters they really are.

It won't happen, of course, because America's currently going through one of its periods of viciously nativistic anti-immigrant mania. It is a neat but convenient irony that some of those who are enthusiastic supporters of the Socialist Republic of Vietnam are also the most vigorously anti-immigrant. Too bad for the boat people.●

SIDNEY S. BARTH—33 YEARS OF SERVICE WITH THE LOS ANGELES POLICE DEPARTMENT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. ANDERSON of California. Mr. Speaker, on August 19, 1979, Sidney S. Barth will be honored at the Los Angeles Police Academy for his 33 years of faithful service to the city's police department. Today, I want to share with my colleagues a review of his career accomplishments. It is a record of dedication to exceptional public service that illustrates why this special day of recognition is one he truly deserves.

Sidney Barth joined the Los Angeles Police force in 1946 after serving 3 years in the U.S. Army. His rise in the Los Angeles Police Department was a steady one. He was promoted to the rank of sergeant in 1951, lieutenant in 1956, captain in 1960, and to the position of commander in 1970, the rank in which he will retire.

Throughout his police career, the Los Angeles Police Department made full use of his education and work experience by placing him in numerous and varied assignments. Some of the most recent are worthy of special note. From 1962 to 1966 he was commander of the Los Angeles Police Academy, responsible for conducting all formal training given by the department. In the years 1972–76, he carried a position of great responsibility as administrator of discipline in the office of Chief Edward Davis. His final assignment was as assistant to the commander of operations, South Bureau. Here, he supervised law enforcement all along the vast Los Angeles coastal area.

In each of his assignments, this man performed admirably, reflection on the LAPD. His abilities were recognized through his appointment by both Mayor Tom Bradley and former Mayor Sam

Yorty to the emergency preparedness commission for the county and city of Los Angeles. He served as chairman of this group in 1975.

Sidney Barth has also generously devoted much of his spare time to civic affairs making him a valued member in his community. The Indian Guides, American Legion, Alumni Asociation of the Delinquency Control Institute, B'nai B'rith Justice Lodge, and the Los Angeles-Bordeaux Sister City Affiliation are just some of the organizations that have benefited from his participation.

Mr. Speaker, my wife Lee joins me in congratulating Sidney Barth on completing a most outstanding career as a law enforcement officer and administrator. Having known him as a friend for over 20 years, we share the pride his family must feel at this high point in his life. We look forward to his continued participation in the many community activities that make life here in the South Bay area a better place to live. To his wife, Margaret, and their sons, Robert and James, we send our best wishes for a prosperous future.●

WILLIE MAYS TO BE HONORED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. RANGEL. Mr. Speaker, this weekend Willie Mays will be inducted into the Baseball Hall of Fame.

Today, Willie's friends and fans, including New York State and city officials, baseball officials and players, business, industry and community leaders and just plain baseball fans, will honor Willie by designating an area for a plaque commemorating his exploits on the field. The Polo Grounds, where Willie played, is no longer there, having given way to a low and moderate income housing development.

Baseball observers have said: "to watch Willie play was to watch Rembrandt paint or hear Caruso sing." His excellence on the field was unparalleled. He was, indeed, a national hero. Yet, Willie Mays did something special for my community, Harlem. He came to Harlem in 1951 and became a part of us. His enthusiasm was infectious; he instilled pride; he radiated confidence; he put a premium on excellence; he set an example for our youngsters. I, for one, can never forget newspaper photos of the greatest baseball player in the world playing stickball with poor, inner city kids.

An article in Sunday's New York Times captures much of the life and meaning of Willie Mays. It was written by Charles Einstein, the author of Willie's biography, "Willie's Times." I want to share this article with my colleagues.

Willie, thank you for all you have done and what you have meant to so many.

[From the New York Times, July 29, 1979]

SAY HEY, WILLIE MAYS IS GOING TO THE HALL OF FAME

(By Charles Einstein)

If historians of the future ever unearth a time capsule containing the 1972 baseball results, specialists may have to be called in to interpret the evidence. The record will show that the '72 Mets finished 13½ games behind in a lackluster National League East. Yet those same Mets that same year led both major leagues in both home and road attendance.

To more contemporary scholars, so outrageous-seeming a paradox is less mystifying, for on May 11, 1972, New York traded a minor league pitcher to San Francisco for a 41-year-old outfielder. The Giants instantly farmed out their new acquisition. No less thoughtfully, the Mets decided to keep theirs. He was Willie Mays. Overnight, the average attendance at Shea Stadium jumped by more than 12,000 extra spectators per date.

That a Mays in his 40's could attract a crowd was no more than an inevitable extension of two solid decades preceding. A week from today, Mays will be inducted into the Hall of Fame at Cooperstown, N.Y., holder not only of the largest vote total in the Hall's history and more individual records than any other player but well-established as the game's biggest fan attraction.

I saw him play on perhaps 700 occasions, and the sense you had was always the sense of the crowd: something was going to happen. In Willie's case, and in Willie's case alone, that something could happen anyplace on the field at any moment.

COULD HIT, THROW, RUN

Mays could hit: a lifetime batting average of .302. Mays could throw: a record number of times he led his league in double plays for an outfielder. But he could also steal and run bases. Ty Cobb said that Mays had single-handedly restored the art of base-running to the game; the Cobb observation came after a season in which Mays stole third base 13 times in 13 attempts.

And he could catch the ball—Lord, could he catch the ball! People traveled hundreds of miles just to see that. For a man who could score from first base on a bunt, who got more than 3,000 hits, who hit four home runs in one game and 660 lifetime, who in one game made four throws that beat four runners at all four bases—first, second, third, and home—the most extraordinary and arresting testimony is that he made more than 7,000 catches in the outfield.

Nobody is likely to match or exceed that total, ever. Henry Aaron played one year longer and recorded some 1,500 fewer putouts. Nobody ever paid to watch Babe Ruth catch a ball. Mays's total reflects not just the longevity of his career, which began in 1951 and ended in 1973, but the sheer fact his putout total included a few hundred catches that no other human being was going to make. More than once, he made a catch with his bare hand. Tommy Henrich, a longtime teammate of Joe DiMaggio's, saw Mays make a catch in Pittsburgh, then found himself being asked if DiMaggio could have made that same catch. "No way," Henrich responded. "Joe might have got to that ball. But no man except Willie could have held onto it." When Mays won the 1959 All-Star Game for the National League with a triple, Bob Stevens, a sportswriter, summed it up: "The only man who could have caught it," he wrote, "hit it."

REMBRANDT AND CARUSO

"To watch Mays play," wrote another veteran baseball observer, Bob Broeg, "was to watch Rembrandt paint or hear Caruso sing."

"If Plato's Theory of Forms had included a baseball player," said a reviewer in the scholarly Library Journal, "that player couldn't have been any better than Willie Mays. Mays graced a baseball diamond like some kind of existential god—everything in front of him was contained within his field of energy." And yet another journalistic appreciation, in a small-city California daily, would say: "Thomas Carlyle wrote that all greatness is unconscious. Nothing could better describe the genius which Mays brought to the baseball diamond. His was the purest form of athletic beauty, a rare and magnificent talent tempered by nothing and excited by a love for the game matched by no man before or since."

Upon his election to the Hall of Fame last January, The Sporting News, venerable bible of the game, had a headline that said simply: Mays Was the Soul of Springtime. No problem there: baseball itself is the soul of springtime.

And baseball had no clock on it, so Mays again did what baseball does: he made time stand still.

SYMBOL OF CHANGE

Yet he symbolized the game's internal change, and the change of this country as well. Mays more than anyone, including Jackie Robinson, represented the end of segregation in baseball. His coming to the Giants in 1951 meant that not just a black, not just a token black, but a *young* black could make it in the majors. Almost overnight, the country's Negro Baseball League went out of business.

His career would symbolize further change. The New York Giants represented baseball's immutable geographic format, unchanged for more than half a century. The San Francisco Giants represented its Westward migration. The Mets represented expansion. Those were the teams Mays played with.

A recent poll named him the greatest player in the history of the All-Star Game. "They invented that game for Willie," Ted Williams said, and indeed Mays holds the All-Star records for times at bat, hits, runs and stolen bases. He also robbed Williams blind with an incredible catch in 1955.

Another poll, undertaken by Sport magazine during the 1960's, called Mays far and away the greatest clutch hitter in the game. Here, too, some sound credentials exist. In the eighth inning of the final game of the regular season in 1962, Mays came to bat with the score tied. In the ninth inning of the third and final playoff game that year, he batted with the Giants trailing by two runs. In the ninth inning of the seventh and final game of the World Series he came up with the Giants trailing by a run. Left to right on those three occasions Mays went home run, single, double.

In a more relaxed setting—spring training at Phoenix in 1958—the Giant manager, Bill Rigney, assembled his rookie infielders and said: "If they hit a ball to the center fielder, please go to a base. Don't confuse the issue by asking me why. Just go there."

This may have sounded a trifle visionary, or so it could have appeared to a rookie first baseman, Orlando Cepeda. In the course of that day's exhibition game, with a man on first and one out, an enemy hitter propelled a sharp, sinking line drive to center field. Cepeda turned and thrilled at the sight of the Giants' center fielder as he somersaulted while making an impossible catch. "The next thing I knew," Cepeda reported afterward, "there was a baseball in my face. I threw up my glove to protect myself. Nobody could make a catch like that and come up throwing!"

The ball ricocheted off Cepeda's glove. The runner advanced. The official scorer, an understanding man, gave the error to Mays.●

TRIBUTE TO ADAM E. ARNOLD

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mrs. SPELLMAN. Mr. Speaker, I am sure we all agree with England's Izaak Walton that good health is a "blessing money cannot buy." I rise today to say a few heartfelt words about one known to all of us who has played a key role in insuring that we in Congress are blessed with this priceless gift.

That individual, Mr. Speaker, is Adam E. Arnold, who, for the last 13 years, has managed the office of the Capitol's Attending Physician in a truly exemplary manner. It was with mixed emotions that I learned recently that this dedicated public servant will be leaving us soon to take up retirement in St. Petersburg, Fla.

To be sure, I was delighted that this former Navy man who has served in an extremely sensitive post with two different Attending Physicians would be starting a well earned and most well deserved retirement August 31. At the same time, I know the Physician's Office will not easily replace one who is at once so efficient and so compassionate.

Make no mistake, Mr. Speaker, Adam's job is one that not just anyone can handle. It takes a special kind of person with a special kind of talent to help with the medical needs of 100 Senators, 435 Members of Congress, nine Supreme Court Justices, and assorted Cabinet members and other high government officials. Adam—or perhaps I should say "Arnold" since that is how most of us know him—has the qualities needed for the job and more.

Of course, Adam needs no introduction to anyone in this Chamber. He enjoys a truly unparalleled reputation among the Members of the House and Senate he has served. We all know of his initiative and industry. We all know of his dedication and concern. We all have felt the warmth of his smile at times when we most needed his cheerful competence.

Adam's caring attitude is such that, although I was touched, I was not really surprised when he appeared at my door during my own recent stay in Bethesda Naval Hospital. We was not working. He had no official reason to be there. He came by simply to say, "hi," and ask how I was doing. He was truly concerned and it is difficult to put into words how much I appreciated it at the time.

What may be news to some of my colleagues is that, before becoming manager of the Attending Physician's Office, Adam completed some 24 years' service with the U.S. Navy, retiring in 1966 as a senior chief hospital corpsman. He obviously showed the same exceptional qualities in his naval service as he has on Capitol Hill. He saw action with Marine units in the Pacific in World War II, earning a Purple Heart for wounds received during the Battle of Peleliu. He met his wife, Mary, while serving at the Navy Finance Center in Cleveland and was assigned to the Washington Naval Dispensary before joining the Attending Physician's staff.

Mr. Speaker. I know my colleagues here today will want to join me in acknowledging the many fine achievements of Adam E. Arnold. I know, too, they will want to join me in wishing him, as they say in the Navy, "fair winds and following seas" in retirement. And most of all, Mr. Speaker, I know my colleagues will want to join me in offering heartfelt thanks and sincere appreciation to Adam Arnold for 13 years of truly extraordinary service to the Members of Congress. Throughout his assignment in the Attending Physician's Office, he has brought the priceless blessing of good health a little closer to each of us.●

TRIBUTE TO THELMA THOMAS DALEY

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. LELAND. Mr. Speaker, it is highly satisfying for me to join my colleagues in honoring an outstanding citizen—Mrs. Thelma Thomas Daley. I make these remarks in behalf of 95,000 college-educated women who comprise the predominately black organization that Mrs. Daley represents—Delta Sigma Theta, Inc., a public service sorority with 700 chapters distributed among 48 States and three foreign countries.

It is fitting that we recognize the outstanding public service accomplishments of Mrs. Daley and Delta Sigma Theta as she relinquishes her duties as its president. While in office, Mrs. Daley led the organization into avenues of service completely foreign to its past endeavors. In addition to annually giving $1,250,000 in awards and contributions to college students and other groups, the organization, using its own funds, courageously produced a film, "Countdown at Kusini," starring Ossie Davis and Ruby Dee. The film reversed the traditional stereotype approach to themes about Africa, black America, and black women.

Mainly because of Mrs. Daley's personal efforts and the reputation of the organization for competent performance, Delta Sigma Theta received more than $5,200,000 in 1978 to provide services affecting more than 100 communities. Some of their major efforts include a women's educational equity training and assessment program designed to combat sex stereotypes and promote educational equity for women. Recognizing the need for continuous financial support of black colleges, Delta established a unique trust—the Distinguished Professor Endowed Chair; and, to increase the number of scientists and engineers from minority and low income groups, established a resource center in science and engineering. In its direct search for talent project in Baltimore, Md., and North New Jersey, Delta identifies and provides counseling, tutoring, career testing, and financial aid services to students from selected high schools. The organization has designed a program to increase the awareness of black people to public television in eight selected cities; and, in Washington, D.C., it has received a $5 million grant to provide housing for senior citizens and handicapped persons. Using the power of the pen, Delta has also impacted selected legislation. It wrote 4,000 letters in support of ERA, 700 letters in support of full voting representation for the District of Columbia, and 900 letters to HEW Secretary Joseph Califano encouraging increased funding for black colleges.

I am proud to salute Thelma Thomas Daley, who spearheaded these accomplishments during a time when she also served as president of the American Personnel and Guidance Association. Today's tribute is only one of the many tributes and honors she has and will likely receive for turning a traditionally social-oriented organization into one of public service.●

NATIONAL HEALTH INSURANCE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. YATRON. Mr. Speaker, on Saturday, August 4, a conference entitled, "Your Health and Well Being, Why National Health Insurance" will be held, in Reading, Pa. This conference is sponsored by the AFL-CIO Community Service Committee of the United Labor Council of Reading and Berks County AFL-CIO and the legislative and education committee of the United Steelworkers of America, Reading subdistrict.

The United States falls far behind many countries on several of the statistical measures of health, such as infant mortality and life expectancy as compared to other industrialized nations which have health insurance programs. Many Americans do not have access to proper health care, and are not able to obtain the quality health care that citizens of other nations receive, despite the fact that the United States offers many Americans the best medical attention in the world.

It has become obvious that our present system of health care is expensive, inadequate and to some segments of the population—unattainable. One of the most poignant examples of the hardships caused by our present health care system is that one severe illness can financially ruin the average American family. Clearly, action must be taken and the need for adequate health care must be one of the major priorities of our country.

I know that all my colleagues will join with me in commending the efforts of my good friend, Mr. Jack Unangst, chairman of the legislative and education committee of the United Steelworkers of America, Local 3733, and the members of this committee, and the members of the AFL-CIO Community Service Com-

mittee of the United Labor Council of Reading and Berks for their efforts to arrive at comprehensive solutions to our health care problems by holding a conference to discuss the validity and the need for national health insurance. The conference will include representatives from government, labor, the medical profession, insurance companies and hospitals.

This kind of seminar not only allows individuals to hear all sides of the national health insurance question, but it also brings to the attention of the community the need to provide Americans with protection and security against the high cost of health care, as well as improving the efficiency of our Nation's health system.

Because I believe that this initiative is one whose example should be followed by many communities and organizations across the country, I have introduced a resolution in the House to designate August 4 as National Health Day.●

ARKANSAS EXPERIENCE WITH REFUGEES

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, tomorrow the nine of us you appointed to form a bipartisan congressional mission to survey the refugee situation in Southeast Asia will leave for Vietnam and other Far Eastern nations.

Although the plight of Vietnamese refugees tugs at nearly everyone's humanitarian instincts, the citizens of the city of Fort Smith, Ark., have personal experience with the refugee situation dating back to the use of nearby Fort Chaffee as a refugee processing center in 1975.

In the August 6 issue of U.S. News & World Report, Paul Recer of their Houston bureau filed a report reflecting on the changing relationship between the refugees and the townspeople, from a perspective of 5 years later.

Tonight, on the eve of our departure to investigate the handling of the more recent exodus from Vietnam, the article entitled "An Arkansas Town That Took In 2,000 Refugees," is included in the RECORD and recommended to the attention of my colleagues.

[From the U.S. News & World Report, Aug 6, 1979]

AN ARKANSAS TOWN THAT TOOK IN 2,000 REFUGEES

FORT SMITH, ARK.—Life has been so good for Vietnamese refugees living in this commercial center at the junction of rivers and railroads that others are flocking to join them.

So far, 2,000 Indo-Chinese have settled in the community of 68,000 nestled in the foothills of the Ozark Mountains near the Oklahoma line. And if the past is any guide, still more will arrive in the coming year as the United States admits at least 168,000 additional refugees to join the more than 210,000 already in America.

Like many communities in the U.S., Fort Smith initially had mixed emotions about helping Vietnamese refugees. When the federal government turned nearby Fort Chaffee into a resettlement camp in 1975 to house and process 50,000 of the first wave of refugees, some local citizens were irate. Said one woman at the time: "I hope they all catch pneumonia and die."

But seeds of acceptance already existed in the community first settled by French traders in 1780. At the meeting where the woman complained about refugees, a wheelchair bound veteran who had lost both legs in Vietnam challenged: "If I can accept them, why can't you?"

When the first planeload of refugees arrived in this former governing center for surrounding Indian territories, the Indo-Chinese were met by enthusiastic church groups—and a man bearing a sign with a swastika. "There was a feeling among some people that they were losers," say Jack Moseley, managing editor of the *Southwest Times Record*. "We gave them American soldiers, lives and weapons. The attitude was, 'We've done enough for them.' "

But hostility has gradually given way to acceptance. Churches organized aid. The newspaper published feature stories. Local teen-agers volunteered to work in the resettlement camp—amusing the children, strumming guitars, playing volleyball. The community college organized an orientation course for the new immigrants. An FM radio station broadcast information in Vietnamese throughout the manufacturing and agricultural trading center.

"We had a neighbor who was unhappy about us moving in until they talked with us," recalls Van Bich Le. "Now, they're our friends."

And another refugee woman says: "Many thought that the Vietnamese would be something else until they saw us and got used to us."

Reversal of problem. Early fears that sponsors would be hard to find have given way to an abundance of them. Local people were fearful that "we'd have a refugee camp out there [at Fort Chaffee] for years," recalls Sue Chiolino, regional director for United States Catholic Conference, which helped to settle 60 percent of the refugees. "But in seven months, they were all gone."

The problem developed into one of over-sponsorship: "The sponsors would not let the refugees do anything for themselves."

Paying their way became a point of pride for the refugees, who have a higher employment rate nationwide than native Americans. Notes Kim Ben Wilson, a Vietnamese woman who recently married an American language instructor: "I tell people we better not be on welfare. They feel ashamed to get it."

Local employers are finding the Vietnamese to be hard workers and loyal—a valued asset in a community where furniture, scissors, brick, mirrors and auto bodies are manufactured.

Life has been so attractive that the original refugee population of 1,000 has doubled as Vietnamese in other parts of the country learn of the community's reputation and move here.

"The attitude generally has become rather positive," notes the editor of the local newspaper. "That's one reason there was a natural migration to Fort Smith. They haven't seen the prejudice here they felt elsewhere."

Another attraction is that the weather more closely resembles the warm, humid climate of Indo-China than the Northern states where many refugees first settled.

Although most of the Vietnamese are enjoying a greater sense of personal security and freedom from want and war than they ever knew before, problems do exist. An occasional ugly comment surfaces. "From time to time," says one Vietnamese woman, "people talk and it hurts us. But not often."

Adds Le Nguyen, owner of the Diamond Head Restaurant: "Almost 90 percent of the Americans were glad to have us and wanted to help us."

"Pain of loss." A more subtle and potentially longer-lasting problem may be the yearning for home felt by elderly Vietnamese now that the immediate needs of food and shelter have been fulfilled. "Physically, they're better off," says one Vietnamese. "But many still have family back in Vietnam, so their emotional life is very hard for them. There's an emotional pain of loss."

Ha Doan, 22, who fled Vietnam in 1977 by boat, says simply: "I want back in my country. . . . I wish they'd let my people go."

Vietnamese parents see their children adapt quickly to American ways, dressing in American styles and learning English with an Arkansas accent. Youngsters already are losing fluency in Vietnamese. Others desperately try to keep alive old-country traditions in a new land. Thiep Duc Nguyen, for example, publishes books about Vietnamese history and culture.

Anxieties about the homeland are unremitting as refugees recall missing relatives and friends, lost traditions and culture. A sadness colors the outlook of many Vietnamese even as they speak enthusiastically of their hopes and dreams in their new country.

Widely shared, whether spoken or unspoken, is the dream of Van Bich Le: "I wish I could go back home," he says. "Even if it not free, I like go home to die in my Saigon." ●

KABC AND THE SALT II DEBATE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DORNAN. Mr. Speaker, the survival of the United States as we know it is now being debated in the other body. I am speaking, of course, of the SALT II Treaty. I have seen no public commentary that does a clearer job of summarizing the pitfalls of SALT II than that of Bruce Herschensohn of KABC-TV in Los Angeles. The crux of his argument is simple. If the opponents of the SALT II Treaty are wrong, the cost to the United States will be a temporary diplomatic setback in relations with the Soviet Union, and an increase in the Nation's defense budget. If the proponents of SALT II are wrong, the cost of their miscalculation could very well be our survival as a free people. I commend this superb commentary to my colleagues:

BRUCE HERSCHENSOHN COMMENTARY

The SALT Treaty has many complexities, many descriptions of weapons systems, and many numbers to memorize. Please do it. All of them are worthy of your study, because you're here now, alive, while this Treaty is being debated and whether or not the U.S. agrees to it could well decide the fate of your family, of this Nation and in fact, no exaggeration, the world. It's that important. The primary question must be, do we or do we not want this Nation to be superior in strategic arms to any other nation. This Treaty prohibits our superiority. That's fact.

Further, from talking to those who attended SALT negotiation sessions and from studying their reports, I'm convinced that it will give the Soviet Union superiority. Apparently the President thinks so too, though he says the opposite. In my opinion he let that knowledge slip less than 3 weeks ago, April the 26th when, in saying that under the agreement systems would have to be destroyed by the Soviet Union, he explained, "Naturally the Soviets will choose to phase out their older systems but those systems are still formidable. The missiles, for instance, to be torn down are comparable in age and payload in our Minuteman II and to our Polaris missiles, presently deployed." Minuteman II and Polaris are some of the best operational systems that we have.

If he admits that they'll choose to destroy systems comparable to them, then the ones they choose to keep must be better. They are. Much better. 308 of them are heavy missiles with which we have nothing to compete and SALT prohibits our building them. We, incidentally, will have to destroy 35 of our best bombers, the B-52. Their Backfire bomber, superior to our B-52's won't even be counted under the agreement, nor will their mobile, SS-20 missiles, be counted. We have no mobile missiles.

Secretary Brown estimates that if we don't sign the SALT agreement it can cost us as much as $30 billion over the next decade. That's 3 billion a year. That's a lot, but remember, HEW can't even find $7 billion that they lost last year. And so in short, if those who oppose SALT, like me, are wrong, then it can mean that at worst, our Nation will spend $3 billion more a year, to become superior or equal. But if those who endorse SALT are wrong, then it can mean that at worst, our Nation will no longer exist. That's the issue.●

SAVE THE MONTREALER

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. JEFFORDS. Mr. Speaker, Senator George D. Aiken, the dean of the U.S. Senate for many years, worked hard to have train service resumed along the Montrealer route. He succeeded in this task, with the able assistance of the late Senator Winston L. Prouty and Senator ROBERT STAFFORD, then Vermont's Congressman. Senator Aiken has continued since then to fight for retention of the route. I have placed the following statement of his into the RECORD. He delivered it during a recent public hearing at Burlington, Vt. on the value of the Montrealer to citizens and businesses in the State held May 11, 1979, by the Senate Select Committee on Small Business and hosted by Senator LOWELL WEICKER.

Senator Aiken, formerly ranking minority member of the Foreign Relations Committee, very eloquently and simply points out that a national commitment to rail transportation services, especially linking the Nations of this hemisphere, is a necessity in these days of uncertainty.

I now quote to you the words of Senator Aiken.

On Christmas Day 1977, I read that Mr. Haswell, a new nominee for the Amtrak Board, had recommended to the Secretary of Transportation Brock Adams that the Montrealer train be dropped in favor of a route from Albany north.

Mr. Haswell was consistent anyway since he had opposed the Montrealer in 1971 and it was evident that he had not followed the ridership records of the two routes in the meantime.

Fortunately, for the Country, Mr. Joseph MacDonald, a native Vermonter who knew railroading to the nth degree, but who was then a resident of Chicago, became a member of the Amtrak Board about the time the Montrealer was restored to service on September 29, 1972.

It was because of Joe MacDonald's interest in maintaining this very important railway passenger service that parties most concerned, including myself, were kept informed of the records of Amtrak services throughout the Nation.

I don't mean that Joe leaked the information—it was public anyway to those who wanted it.

Unfortunately, Joe MacDonald, to whom we owe so much, passed away last year.

Since the records are already in the hands of this Committee, I will not go into them in detail but will simply say that the Montrealer has been one of the most popular and essential trains of the entire system.

Having been an advocate of the Montrealer since its beginning, I was naturally pleased to learn that Committees of both Houses of Congress have recommended that this train be kept in operation after October of this year.

One of the most important functions of the Montrealer is the maintaining of our good relations with Canada.

Montreal, the largest population center of Canada, and Washington, D.C., the Capital of the United States, are now only a comfortable overnight trip apart, with no change of train necessary and from Montreal it is a short trip by train, car or air to Ottawa.

Many more people now make the trip from New York or Washington or even further south to Canada on the Montrealer than take the train from Albany north.

Mr. Haswell is reported to have said, in effect, "Let Canada take care of her own business and only run one day train to St. Albans."

This is a ridiculous proposal. No one would want to walk or ride a bicycle the last fifty miles.

With the world in a state of turmoil and uncertainty today, it is more essential than ever that we maintain the best possible relations with adjoining nations of the Western Hemisphere, namely, Canada and Mexico.

Food and energy are perhaps the most important needs of the world today.

Canada has both—food for the hungry people of the world—and energy from all sources of production.

More than once while I was Chairman of the Senate Interparliamentary Committee, which met with the Canadian Committee twice a year, I had to appeal to Canada to help us on power shortages in Northern New England.

And never once did the Canadians fail to help us out.

To even suggest stopping train service at St. Albans is a ridiculous and unneighborly proposal.

In this unsettled world of ours, we can take little for granted.

Disturbances are the order of the day.

There is the threat of a shortage of gasoline and oil.

War clouds are gathering again and may or may not develop into crises.

Inflation is generating prices beyond the reach of millions of people and also the taxpayer.

I am not predicting disaster, but the better prepared we are to meet one the less likely one is to occur.

We are putting billions of dollars into highways, but highways alone cannot meet a critical need.

In the event of a gas shortage, highway and air travel would be crippled.

Again I say, I do not predict disaster, but let's be prepared for it.

Preparedness may scare it away.

At this time, I wish to thank those who have risen to the defense of the Montrealer passenger train.

Almost the entire force of New England's Congressional Delegation has risen to defend our States and our Nation.

They have been joined by people from the South, East and West.

It looks now as if Congress will insist on the continuance of the Montrealer.

We cannot take this for granted, however, and must continue to oppose all efforts to abandon it.

Again, thank you Senator Weicker for arranging this hearing today.

Keep up the good and necessary work.

Mr. Speaker, I will now add my comments. A functioning train route through western New England to Montreal has been a nearly constant feature of this Nation's transportation network since the advent of the rail age.

In 1972 the Montrealer made its trial first run as an Amtrak train. Brass bands, schoolchildren, boards of selectmen, and thousands of citizens lined the platforms of the stations as the new Montrealer made its maiden run through the State. I feel confident in saying that nowhere else in the Nation was the public support for a rail route as warmly demonstrated.

This public support has continued in the form of ever-increasing numbers of fare-paying passengers. About 26 percent of all Amtrak customers are within one of two low-income groups—the elderly and students. Amtrak is more than a convenience for the businessman, tourist, or shopper; it is an essential means of providing equal mobility to the lower income residents of Vermont and many other locales. It is more than a mere convenience to the touring family that needs and desires moderately priced, spacious, and comfortable transportation for long-distance trips.

The Montrealer is an international route. The very time in the history of United States-Canadian relations when clear expressions of American concern about the economic and political well-being of our neighbor to the North are necessary is decidedly not the occasion to restrict or limit the ties that have united us for so many years.

The mandate Congress gave to the Department of Transportation in the Amtrak Improvement Act of 1978 was unequivocal in its emphasis on the need for public input into the restructuring process, as well as the need for an optimal intercity rail system. Indeed, over 50 hearings were held around the country. But no hearings were conducted in Vermont, New Hampshire, western Massachusetts, or Connecticut. Vast regions affected by the termination of passenger rail service proposed in the DOT final report has no advance notice and no opportunity to be heard. This situation was certainly contrary to the spirit and plain meaning of the Amtrak Improvement Act.

The preliminary report on Amtrak restructuring, published in May 1978, in-

dicated that the Montrealer should be continued. As late as a few weeks before the Department of Transportation's final report was made public on January 31 of this year, the Montrealer was still on the list of routes to be continued. I suspect that only last minute arm twisting by the Office of Management and Budget obliged the Department of Transportation to eliminate the Montrealer, and other long and short distance trains as well, not on the basis of its own analysis, but rather as a result of an arbitrary budget limitation. The Nation's railway system is being forced into a procustean bed where its body and limbs will be truncated to satisfy not the people, nor even transportation experts, but rather the faceless bureaucrats with green eye shades. (See CONGRESSIONAL RECORD, July 24, 1979, pp. 20447–20450.)

DOT asserts that the portion of the Montrealer's route north of Springfield should be cut out of Amtrak's system because that portion records fewer riders at most stations than the ridership witnessed in the middle of the Northeast corridor, say between Philadelphia and New York. But the plain fact is and has been for several years that the portion of the Montrealer's route north of Springfield accounts for two-thirds of the route's total business. The average trip length for a passenger using the northern portion of the route is about 413 miles per trip and increasing. The average trip length for those traveling only from and to points between Washington and Springfield on the Montrealer is about 100 miles. This is why in terms of both service rendered and passenger revenues, the portion of the Montrealer doomed by DOT, and likely resurrected by this bill, is in reality the stronger, not the weaker, part of the route.

Ridership on the northern leg of the Montrealer's route has increased significantly in recent years, while the southern leg's ridership has remained relatively stable. However, DOT continues to belittle this growth by reducing the Vermont ridership figures to the small numbers of passengers which board or deboard at a given station. In fact, the number who board and deboard as a total in Vermont is more than 160 per day, which is more than impressive considering Vermont's rural nature, the hours of arrival, and the fact that the 160 figure is larger than the total boarding and deboarding in New York, the population of which outstrips the entire State of Vermont by a factor of about 20 to 1. The Montrealer is not a marginal route and the portion north of Springfield is well worth saving.

Amtrak's own statistics support this assertion. A detailed avoidable cost projection made by Amtrak's chief financial planner at the request of the Vermont congressional delegation concluded that on a car mile basis the avoidable cost of continuing the train from Springfield to Montreal would be about $2.35 per mile. The total route cost per mile would be about $2.60 and the segment south of Springfield, by our calculations, would be $3.33 per car mile.

Cutting off the portion of the Montrealer north of Springfield is equivalent to amputating a head and telling the body to keep functioning. Chickens may be able to run around with their heads chopped off, but I do not think that a railway can.

Taken together, the facts speak for themselves; the Montrealer should be maintained. In terms of ridership popularity, revenue generated from customers, and cost to the public, the Montrealer is one of Amtrak's best performers. It is not a marginal train route. Recent actual performance data from Amtrak itself proves that the opposite is the case.

Beyond doubt the actual ridership aboard the Montrealer increased significantly from a first quarter fiscal year 1978 level of 128 PB/TM to a level of 150 for a similar period 1 year later. During the 7-month period ending with April—the most recent period for which Amtrak has compiled ridership statistics—the Montrealer averaged 166 passenger miles per train mile. The April monthly ridership, which occurred just before the recent scourge of gas station lines and scarcity, shows the PM/TM figure for the route was 195, 36 percent higher than April of last year. The year to date ridership for the route is running 17 percent ahead of last year, ranking the Montrealer fourth highest among long distance Amtrak trains, and substantially above the long train average of 130 PM/TM. Ridership has been increasing on the Montrealer for several years.

These most recent figures honestly portray the service rendered to the traveling public. The earlier DOT-developed figures are simply out of date. First, and perhaps most importantly, the Montrealer was transformed from a train of conventional aging cars that often broke down and ran off schedule, last spring, into a train composed of modern Amfleet equipment. This new equipment is much more reliable and comfortable. Ontime performance has increased significally from 32.3 percent ontime runs in December, 1977 to an 83.3 percent on time for November, 1978. The route was on time 72 and 76 percent of the time in March and April of this year, compared to 43 and 49 percent for all long distance trains. Along the portion of the Montrealer scheduled for discontinuance by the DOT, north of Springfield, the train was on time 83 and 92 percent of the time during these 2 recent months, according to Amtrak.

Amtrak President Boyd has already testified in Congress that new Amfleet equipment improves service and cuts maintenance costs. The customer reaction to outfiting Amtrak with modern locomotives and passenger cars has been proven by the Montrealer. Passenger use of the Montrealer has increased for other reasons as well, notably the spiraling price of gasoline and periodic gas shortages throughout New England.

The passenger miles per train mile factor measures the average number of passengers carried by a train over its entire route. The Montrealer stands out in its greater than average performance in this regard, especially during fiscal year 1978 and the most recent data available for the first 7 months of fiscal 1979. Actual ridership on the Montrealer has been above the average for all long-distance Amtrak lines for several years and recent trends only increase the gap between the average of the long-haul routes and the Montrealer's overall performance.

Significantly, the Montrealer during 1978 enjoyed a higher ridership factor than two-thirds of the long distance train routes now operating and better than 5 of the 11 long-distance routes that are scheduled for continuation under DOT's route restructuring plan. The latest figures released by Amtrak reveal that Montrealer ridership during the first and second quarter of fiscal year 1979 continued to increase and is expected by Amtrak officials to rise to a level of 170 PM/TM during fiscal year 1980. This ridership projection is higher than the 156 PM/TM break point used by DOT for continuing long-distance trains after October 1, 1979.

Passengers on the Montrealer are paying some of the highest per train mile prices for this valuable service and the Montrealer is a high performer in terms of revenue generated. In this connection I might add that historically the Montrealer has outproduced many, and sometimes, all of the long-distance routes in passenger revenue yield per passenger mile.

The Montrealer's growing popularity has brought down the public subsidy for this service, so much so that in the first quarter of fiscal year 1979, it ranked fourth among all long-distance routes in the amount of train revenue paid by its passengers as a share of total train costs. These figures were obtained by simply dividing total train route revenues by total train route costs for comparable periods. All of the data was released by Amtrak's financial planning office in the form of regularly issued route performance reports.

The decision to cut a train route depends not only on how it compares to other routes in terms of ridership and revenues but also on how much of a loss could be eliminated by dropping the route. This amount is calculated by Amtrak and is called the avoidable loss. During the fiscal years 1977 and 1978 the Montrealer's avoidable loss per passenger mile dropped from about 6.5 cents to just over 5 cents. This most recent level of avoidable loss, like the ridership and route profitability data, illustrates that the Montrealer should logically fall within the group of lines that DOT has recommended for continuation. It is not on the edge or even near the edge. In fiscal year 1980 Amtrak estimates the figure at about 6 cents, which is less costly than many of the trains to be continued under the DOT plan.

I am not unmindful of the need to economize. However, simply lopping off strong, well-utilized routes is not the way to proceed. Cutting costs and increasing ridership by making available services that are well used by the public are the ways to better Amtrak's financial position. The Montrealer has proven by any standard that it is one of the stronger long distance rail lines. It offers a service that is enjoyed by ever increasing numbers of riders.

Amtrak must be given the bargaining power it needs to eliminate the vestiges of featherbedding that remain along various routes. For instance, the Montrealer, over its 670 miles of track currently uses six different crews of five to six persons each to operate it. These crews are well paid. Often these crews work for only several hours on the Montrealer over a fraction of its length and yet Amtrak pays them nearly a full day's wages. I am informed that the crews operating upon Amtrak's own Northeast corridor track between Washington and Springfield contain firemen whose duties have long since disappeared. The train runs on electric current through New Haven and on diesel fuel the rest of the way. I am informed that one crew takes the train from White River Junction, Vt., to Springfield, a trip of 80 minutes, receives a full day of pay and then backs the train into the Springfield station and receives another premium payment for this task, on top of its wages. Perhaps the Montrealer can be run with two or three crews of four persons each. If this were done I am told the route could cut its labor costs by $1 million a year.

Currently, both the Immigration and Naturalization Service of the Department of Justice and the Department of Treasury's Customs Bureau each employ two officials who board the Montrealer every night as it crosses the border into the United States. These four individuals spend approximately a half-hour satisfying themselves that the passengers and goods on the train are entering this country legally. Because of the Montrealer's schedule their work is undertaken on an overtime basis for which they are paid double time. And these costs must be borne by Amtrak by law. The overtime and other incidental costs relating to border crossing could be lowered if the INS and the Customs Bureau entered into an agreement, similar to that utilized elsewhere, for dual inspection under which employees of one agency are empowered to fulfill some of the duties of the other agency. Preinspection by Immigration and Customs of passengers as they board the train in Montreal might also serve to reduce costs. These possibilities should at least be given serious consideration as part of a concerted effort to lower costs. The law does not require trucks, buses, ferries or private autos to pay premium overtime at the border crossing.

Revenues might be raised by encouraging the U.S. Postal Service to make greater use of the Montrealer, and other trains, for mail transport. In recent years revenues from the Postal Service have decreased sharply. The Montrealer has a largely underutilized capacity to carry mail and packages. The recent construction of an impressive regional mail handling center in White River Junction, on the Montrealer's route, makes a reassessment of the potential of rail transport for some mail even more logical.

These are some steps which could be taken in the near future if the administration would make a concerted effort to coordinate Government activities with the goal of creating a vibrant, and financially viable, and extensive national rail passenger system.

There can be no doubt that we are entering a phase of our history in which energy must remain a paramount concern of our public policy. The President has recently underscored this. We must look to the future and attempt to reduce our use of scarce resources. The Department of Transportation's environmental impact statement points out that the Montrealer in Vermont uses about half of the energy which would be necessary if its passengers were obliged to travel by private automobiles. An even greater loss of energy would be caused by diversion to airplanes, Amtrak's chief competition, but the DOT has not estimated this gap. The elimination of the Montrealer is a poor policy choice from the standpoint of energy conservation in a region chronically plagued by high fuel prices and supply shortages.

According to the Vermont State Energy Office, a shift from the Montrealer to private autos would result in an increase in use of gasoline by automobiles in the State of 0.3 percent. This is a significant figure for a State in which gasoline consumption is increasing while allocations have dropped 7 percent during the last year and are likely to decrease even further, since the DOE has recently urged oil companies to divert up to 5 percent of rural supplies to gas-starved urban areas.

Using the Office of Technology Assessment's 1979 report on the Nation's automobile transportation system and DOT's report entitled "Trends and Choices in the Year 2000," I note that the average intercity car trip includes 2.2 people and the average fuel economy of the Nation's passenger car fleet is 13.5 miles per gallon. Because interstate highways closely follow the track route it is fair to compare fuel consumption of the Montrealer with the private car over the 670 miles from Washington to Montreal. According to our calculations the Montrealer is twice as energy efficient as the automobile at present ridership levels.

The Montrealer and just about every other Amtrak train is demonstrably much more energy efficient than air travel. Likewise according to the Department of Energy's report, "Energy and Related Parameters of Selected Transportation Modes," the potential energy savings of the train are larger than those of the bus. While the comparative energy efficiencies vary from route to route, one important issue here is the relative fuel efficiency of the Montrealer. Based on actual ridership, fuel use by the Vermont Transit Bus Co., a competing bus service, during calendar 1979, averaged about 90 passenger miles per gallon. Projections indicate that, with its substantially growing ridership, the Montrealer will increase its fuel efficiency to 96 passenger miles per gallon in fiscal 1980.

More than half of the oil we use in America does work for us by moving people and goods. Oil is becoming scarce and its refined products are rapidly approaching the high retail price that has long been prevalent in the energy importing nations of Europe. Therefore, our people and our Government must reconsider how we live and find answers to the question: "How can we do the things we want and use less energy?" Using less energy means conserving precious oil and gas as well as saving money. The potential energy savings from a modern, speedy, comfortable passenger rail network are very substantial. That is basically what Congress is up to today; assuring that our people can take advantage of the potentially great energy savings promised by a modern Amtrak system. This is true especially during our seemingly perpetual energy crisis which, by all accounts, is not soluble very soon and can only be managed over the long pull while we make the fundamental changes in our society that are required. One of the basic changes that we must make is to develop alternative energy sources. At the same time we must develop and encourage the patronage of alternative transportation means.

Amtrak's day has come and the people are telling us this in the strongest possible terms. It is a fact that Amtrak has been so deluged recently by requests from our people for long-distance train reservations that more calls are not answered than are answered, despite the fact that the company hired an additional 200 reservations clerks to handle the sudden demand for train service of the last several months. Even before the gas shortage that has driven many thousands to travel by train instead of by personal auto or airplane, Amtrak ridership figures prove that the public's demand for train service has grown substantially faster than the Department of Transportation or even Amtrak expected as late as last fall.

All of this comes down to one simple imperative that we face today. We must give a vote of confidence to our peoples' developing choice in favor of trains. We should maintain and even expand that part of Amtrak's nationwide train system that is being used to capacity or to near capacity. Everyone seems, at long last, to agree that the train routes that are strong, those that the public chooses to ride in large numbers, are not only worth saving but worth improving. We should outfit the Amtrak system with the proper equipment to keep these newfound customers, to improve the service to our people. We can make Amtrak trains more cost efficient, more convenient, and less susceptible to breakdowns and delays. Congress can restore the low morale within the ranks of Amtrak's employees, and more importantly, within the ranks of the American traveler.

Mr. CONTE's amendment to the Transportation appropriation bill, in combination with the Amtrak Reorganization Act passed by this House on July 25, 1979, are intended clearly to accomplish these aims.●

UNCONSTITUTIONAL RESTRAINT OF THE PRESS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. WEISS. Mr. Speaker, on March 26 of this year U.S. District Court Judge Robert W. Warren issued an unprecedented ruling restraining the Progressive from publishing an article entitled "The H-Bomb Secret: How We Got It, Why We're Telling It." On June 15, in a secret opinion, Judge Warren reaffirmed his earlier decision in response to the Progressive's motion to lift the injunction. This ruling is the first case in the history of this country in which a Federal judge has imposed prior restraint on the press on national security grounds.

This case generated three major constitutional concerns. The first, and possibly most important of these is when, if ever, the Government can justifiably resort to prior restraint in order to halt the publication of potentially harmful materials.

Advance censorship is the most serious attack on freedom of expression possible. It puts the burden of proof upon the person who desires to communicate information instead of upon the Government officials attempting to suppress it. It forces the defendent to comply with the censor or to be found in violation of the law. And it corrodes the right to freedom of expression, even if the suppression order is eventually overruled, because it delays the thought's timely expression. In past decisions the Supreme Court has ruled that prior restraint may be appropriate in a few narrowly defined situations such as one in which a member of the media intended to publish the number and location of troops in a time of war. However, until this decision, that rigorous standard has never been satisfied.

The second constitutional issue dealt with in this opinion is whether the definition of "restricted data" as "all data concerning: First, design, manufacture, or utilization of atomic weapons; second, the production of special nuclear material; and third, the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the restricted data category pursuant to section 2162 of this title" is unconstitutionally overbroad. In effect, the vagueness of this definition presupposes all nuclear information to be restricted unless otherwise specified. This stands one of the most basic precepts of the Constitution on its head; all information should be available to the public unless the Government can prove that it should not be, not vice versa.

The third question generated by this case is whether the concept that ideas can be "born secret" is a constitutionally viable one. In this case all the information used in the article was in the public domain. The Government contended that even though the facts used were public knowledge, they were combined by the author in such a way that they created "classified concepts." The danger of assuming that certain original ideas should not be expressed because the thought ought to have been a secret, is obvious. The "born secret" concept, if upheld on appeal, could conceivably be used to stifle much of the scientific inquiry in this country.

The controversial nature of Judge Warren's ruling has been compounded by the recent finding that documents revealing "the essential secret of the H-bomb" had been erroneously declassified and on the public shelves of the Los Alamos scientific library for 4 years. Discoveries such as this one critically weaken the Government's contention that the publication of this article would have devastating effects on our national security. In fact, the Justice Department's refusal, after such a discovery, to withdraw their request for advance censorship of a markedly less informative article, shows a basic misunderstanding of the concept of prior restraint, and of the tremendous care and reluctance with which it should be imposed.

In a case such as this one, in which such basic constitutional issues are at stake, it is important that Congress not fail to exercise its oversight functions. Every day that the publication of this article is delayed constitutes a further violation of the fundamental right of freedom of expression. It is our responsibility to insure that the most basic rights of our citizenry, to speak and to be heard, are not violated.●

THOUGHTFUL CONSIDERATION NEEDED FOR LARGE ENERGY PROGRAMS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. OTTINGER. Mr. Speaker, today I received an extremely thoughtful letter from Frank von Hippel and Jeremy Stone, president and director, respectively, of the Federation of American Scientists. In their letter they review some of the potential pitfalls of the President's latest energy proposals and provide some excellent insights on their preferred short-term alternative, conservation, and productivity.

Messrs. von Hippel and Stone have spent a great deal of time in pondering our energy needs and seeking appropriate ways to solve our problems. I would like to share their letter with my colleagues, and that it be inserted in the RECORD.

The letter follows:

FEDERATION OF AMERICAN SCIENTISTS,
Washington, D.C., July 26, 1979.

Congressman RICHARD L. OTTINGER,
Chairman, Subcommittee on Energy Development and Applications, Committee on Science and Technology, Washington, D.C.

DEAR MR. CHAIRMAN: It is, in our view, incontrovertible that the various proposals for subsidizing a crash program of synthetic fuel production need more study, and at every level. Extensive hearings are clearly indicated.

At the level of feasibility, we find that the President is proposing that $88 billion would lead to the production of 2.5 million barrels of oil substitutes per day. But the largest user of synthetic fuel plants in the world, South Africa only produces tens of thousands of barrels of oil per day! Thus the President is proposing a hundred-fold increase from what is being done today. No person in the world can grasp the various financial, environmental, legal, and procedural implications of this effort. In particular, the real price of the various kinds of synthetic fuel are quite unknown. Newspaper reports, and the way in which the proposal has surfaced, reveal only too clearly that analyses of sufficient weight to support a program do not exist.

On the contrary, the Administration proposals attempt to finesse the need for environmental, and legal, analyses by embedding in their provisions, sweeping methods of neutralising such existing legislation as the National Environmental Protection Act (NEPA). This act, painfully legislated to protect important environmental rights, also includes a requirement to weigh alternatives. It is significant that the synfuels supporters seem to believe that this legal lobotomy has to be performed on the body politic to give the synfuel program a chance.

Consistent with the awareness of impending difficulties, the Administration clothes its proposals in the rhetoric of a "war." If we were really in a situation justifying that kind of rhetoric, proposals like these would deserve crisis consideration. But if we were in a war situation, much easier, more reliable, and more immediately effective proposals such as gasoline rationing, or higher gasoline prices, would already be instituted. The Administration is proposing a "business-as-usual-type-war" in which giant leaps of technological faith are put forward to disguise political weakness. In the Alice in Wonderland world of Washington politics, higher gasoline prices are a "hard" decision and an $88 billion investment in untried technologies is an "easy" way.

The fact of the matter is that America can make do with much less energy use than is customarily realised and that such conservation, often with no lifestyle changes, is by far the cheapest way to "increase" supply. Conservation methods require no untried technologies and far less massive investments. Once instituted, they work indefinitely with much less cost to the environment. They require no destruction of existing legislation. And they give the world much more confidence that America is getting its house in order than these long-range airy predictions of future technological fixes. Conservation will work.

The main ingredients in such conservation measures are these: (1) an intellectual awareness of the sources of unnecessary waste, and (2) full cost energy pricing to motivate elimination of that waste. Today, in stark contrast with the war rhetoric, America has about the lowest prices for gasoline in the industrialized world, far lower than in Europe or Japan. Can it really be efficient for our society to invest $88 billion in synthetic fuels while keeping real fuel prices artificially depressed? This seems ludicrous.

To justify the kind of subsidies involved in the synthetic fuel program, analyses would have to make it plausible—among many other things—that the program could be terminated at some future point when synthetic fuels became cost-effective in their own right. Obviously, we do not want to discover, in some future year, that we have an $88 billion investment in synthetic white elephants which must be subsidized year after year for the indefinite future. But this is obviously possible, and, it would seem, even likely if national fuel prices are kept artificially low.

In two recent cases, the Government has gotten into financial and political difficulties by artificially stimulating research and development activities—much less the full-scale construction here involved. These were the cases of the Supersonic Transport and the Clinch River Breeder Reactor. It was supposed that, with Government stimulation, the SST would eventually make it. After a titanic battle, the Government got out of the SST subsidy business, and history has completely vindicated that decision by the failure of Concorde to sell. The assumption that the Clinch River Breeder would be needed when ready—an assumption that underlay that subsidy—was based on unrealistically high projections of nuclear power growth and unrealistically low projections of Breeder capital costs, among other things. Here also, we learned the limits of man's ability to project his technological future.

By contrast, the Administration, in its synfuel program, is pushing the technological future far further, and pushing its legislative program far faster, than any program we have ever witnessed. Without even hearings on the implications of this program, important parts of the Congress want to pass it! Our own quick-to-react organization is itself so short of time to examine the implications of this unprecedented and major effort that we are unable to consult all of our intellectual resources and must send, instead, this reminder of basic principles.

No good can come of passing legislation like this without, at the least, the most detailed and prolonged scrutiny. After all, the program will take years to mature and its effects will be with us for decades. We therefore wish, in the strongest terms, to urge extended hearings on all aspects of this legislation.

Sincerely,

FRANK VON HIPPEL,
Chairman,
JEREMY J. STONE,
Director.●

THE UNISEX MILITARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 1979

● Mr. DORNAN. Mr. Speaker with dangerous recruitment shortfalls and discussions of reinstating the peace time draft many citizens are wondering just how we can maintain our military strength. Suggestions have surfaced that America should become the first military power in Western history to use women in direct combat with enemy troops if necessary.

I hope to make information available to my colleagues both pro and con on this most sensitive topic as we debate the registration of our younger citizens during this 96th Congress. As the available manpower pool continues to grow smaller, we as a nation will have to develop policies to meet this situation. We cannot run from this. However, we should formulate a defense policy with our eyes wide open.

I urge my colleagues to read the "Wacs in Combat," an article taken from the Army Times magazine February 23, 1976. The article follows:

WACS IN COMBAT

By Joseph E. Revell/Second of two parts

Army SFC Jim Adams is one of those professional noncommissioned officers for whose services an experienced infantry company commander would trade his last case of cleaning patches, two spare machine gun barrels, and most any other three NCOs in the company. Adams is commandingly competent. He's a drill sergeant in Company C, 1st Basic Training Battalion, WAC Center, Fort McClellan, Ala.

I met him in a classroom crowded with young women learning how to assemble, adjust and wear the Army's field pack. I wasn't at ease there. It was my first real close-up look at those fatigue clad, booted females. Recognizing Sergeant Adams as the only refuge in the room, I sidled over and stood near him as he helped a student with her pack.

When we got a chance to talk, I asked him what special consideration he had to give to his female charges, what changes he'd had to make in the normal way he dealt with soldiers.

"None!" he replied. "They are soldiers and I treat them like soldiers!"

"Come on now, Sergeant Adams, I know something about soldiering. You can explain it to me.

He did. Reiterating his first statement, he then added, "So far as the Army is concerned, these women are soldiers."

But are they? The sergeant's statement implies a male-female equality of soldiers that doesn't quite exist. As I reported in the first part of this article two weeks ago, the Army doesn't train its women for combat as well as it trains its men. However, the Army's assignment policies are putting women in combat support units overseas where they need to—and should—have the same training as the men in their units.

This placing of women in units in possible combat theaters causes practical and philosophical problems. The practical concern, the quality and fairness of training and assignments, as well as the attitudes of the sexes toward each other. The philosophical concern, the probability of Army women sharing in the killing and dying in the next shooting war.

When pressed for an answer to whether or not Army women will find themselves in combat in the next shooting war, Army personnel officials admit that they would. Although the Army knows women in combat will be killed, its public position implies very strongly that they will not become casualties. The Army's standard answer is that it doesn't want women in combat, thus doesn't assign them to combat units or give them combat jobs. However, any person assigned to a combat theater is liable to be killed, wounded or captured, and the Army knows this.

But there has been no substantial discussion of this real possibility either in Congress or, as best I can tell, in the Army. More importantly, this issue of women in combat has not become one for general public discussion in the news media and elsewhere. Press coverage of military women too often deals with superficial issues, such as barracks partitions and separate toilets.

The Army's official policy of the woman as soldier has acquired a life of its own. "The women are on the move now that the male foot is finally off their necks," a male officer told me at Fort Jackson, S.C. "Anyone who stands in their way is going to get run down."

Unless the American people are made aware that Army women will be shooting and dying in the next war, it could be the Army itself will "get run down" by a surprised public.

When the Times magazine suggested this probability to Army personnel officials, Deputy Assistant Secretary for Manpower and Reserve Affairs Paul D. Phillips, a retired Army brigadier general, had a frank answer:

"You know, your premise may be very correct—that the American public doesn't know women are going to get killed if we go to war. And I think you can do us a great service if you tell them they are."

Phillips speculated that about 10 percent of the women assigned and working behind the front lines in a combat theater would become casualties, in addition to those who would be injured or killed in "emergencies" in the front lines.

Whether or not the American people are told, the Army has got a tiger by the tongue. Equality can't mean a patronizing equality for women at the expense of men. The men, after all, have fought America's wars until now—all 10 of them—and likely will constitute a majority of any future force committed to battle, regardless of how America and the Army decide the issue of women in combat.

Reports that the Army is considering the adoption of an equal, unisexual basic combat training program merely confirm what I believe is the next step: women serving in the combat arms as full-fledged soldiers. In what follows I explain how and why this will happen.

Throughout the semi-peacetime era since World War II, when the threats to America's security haven't been as obvious as on Dec. 7, 1941, the nation's young men generally have avoided the Army. Life in the combat arms isn't all that glamorous, it's usually uncomfortable, and it can be hazardous. Until 1973, therefore, we got most of our combat soldiers by military conscription.

The Navy and Air Force, offering skills, schools, and safer and softer service, have had little trouble attracting draft-induced volunteers. The Marine Corps has had enough response to its recruiting challenge to need the draft only during the heat of wartime expansion. But the draft was the Army's lifeblood, and the arrival, on July 1, 1973, of the all-volunteer armed forces put the Army into a recruiting crisis.

"The Army Wants to Join You," a slogan that somehow didn't carry the galvanizing urgency of the actual requirement for soldiers, shouted from magazine ads and billboards. Bounties of up to $2,500 were offered for service in combat arms. The news media soon were carrying reports of recruiters, pressed to meet impossible quotas, turning to questionable practices and outright fraud while trying to get the warm bodies demanded by the Army.

Somewhere along the way, the Army remembered the pool of available warm bodies were nicely divided, about down the middle, into male and female.

"We may as well be frank," said Phillips, "the first few months of the all-volunteer Army . . . we missed some of our recruiting objectives—month after month we missed them. So we started casting about. . . ." He also said there was "pressure on the Army, from outside sources, from OSD [Office of the Secretary of Defense]. 'Can't you find places to use more women?'"

"We were here all the time," Maj. (Flora) Jerry Thomcson said, "and could have done fantastic things." Major Thompson, 22 years in the Army, the executive officer of a basic training battalion at the Fort McClellan

WAC Center, added, "Someone got smart. The all-volunteer armed force is the greatest thing that ever happened for the WACs."

First Lt. Andrea Kapolka told me, as we watched her women trainees running an obstacle course at Fort McClellan, "The Army's where it's happening for women!"

It hasn't always been so. The social barrier against women serving in the armed forces didn't fall easily. A few thousand women served, in the Navy and Marine Corps, in World War I. It became hundreds of thousands in the national abandon of WWII as all four services enrolled women. The guiding philosophy then was "free a man for combat." Officially noncombatants, the WWII women did everything short of fighting that was needed to win the war.

Members of the Women's Army Corps, first formed during WWII, served throughout the U.S. and in every military theater overseas. As one woman sergeant major told me recently, "This is no big deal! Everyone has forgotten that we did all this before, during WWII, and no one got excited about it." She's almost correct; WWII women in the WAC were not combat soldiers.

After WWII and before 1967 the WAC was limited by public law to not more than two percent of the Army's total strength. That year Congress changed the law, giving the service secretaries authority to recruit women as needed by the military departments. The stage was set for a giant leap for Army women, far beyond what even the women could imagine.

An Army pamphlet, published in 1972 when WAC strength was about 12,000 looked ahead to all-volunteer days and made a glowing prediction of "a 50 percent increase in [WAC] strength by 1978–79," or a corps of 18,000 women. It was a bad call; WAC strength is now over 40,000 and the new 1978 forecast is 50,000.

Col. Edith Hinton, Deputy Director of the WAC, also believes the all-volunteer force has been responsible, along with "changes in the civilian culture and the Army's traditional role in providing equal opportunity," for the rapid increase in women's strength. What's the Army doing with the added women?

Colonel Hinton, after noting that all but the combat arms specialties are now open to women (415 of the Army's 451 occupational fields), explained the assignment policy by giving percentages of women to total strength in the field army's combat support units.

U.S.-based combat support units may have as many as 25 to 50 percent women, Colonel Hinton said. Overseas, including units in combat theaters, the Army has set up a sliding scale based on a unit's closeness to combat outfits (those that usually are a part of combat brigades).

Support units serving directly behind brigades would have no more than 10 percent women. Units farther back (in Army terms, from division to corps) would have from 15 to 30 percent women. Behind the corps area, or very distant from the front lines in a combat theater, women would make up 25 to 45 percent of a unit.

"But," Colonel Hinton added, "there is no magic percentage of women to men in the combat support units. These are the figures being kicked around. In the next year or so we'll . . . validate these unit percentages and what the total figures on women's strength should be. It might be above 50,000; we consider our goal of 50,000 women in the Army is a floor, not a ceiling."

How much above 50,000? With planned Army strength in the years ahead set at around 785,000, 50,000 women amounts to 6.36 percent of the Army's total strength. The nation's female population can easily supply that many, and more.

Is the Army laying a foundation for a wider role for women? Will the all-volunteer recruiting problem be solved by enrolling more and more women? Not even the Army manpower planners know. No modern nation ever has maintained a volunteer force on the scale we're attempting, nor in an "equal opportunity" environment.

But to see the problems—overseas rotations is a major one—related to women in the volunteer Army, look at two other services. Adm. James L. Holloway, Chief of Naval Operations, recently explained the Navy was limited in assigning its women by two factors, in an interview in US News & World Report.

"One," he said, ship "billets must [by law] be filled with men, and secondly, we must preserve some billets ashore for those men at sea to rotate to. Otherwise, we would be putting our men on open-ended sea duty."

Army Lieutenant Kapolka was for three years an officer in the Marines, got out and taught school for several years, then joined the Army. Why didn't she go back to the Marines? "Women in the Marine Corps are more of a fringe," she said.

It's apparently by calculation. Maj. Ruth Woidyla, administrative assistant to the director of Women Marines, said that, "Marine planners are taking a careful, conservative approach to women's assignments. We have a lot of specialties open that we don't put women in because we're trying to avoid interfering with normal male Marines rotation and assignments."

The Army already has an imbalance in its male assignments, caused by the women already serving. One male field grade officer at Fort Jackson said, "I really hate to see these women coming in and taking our men's jobs."

When he realized how imprudent that sounded in an Army going all-out to integrate women, he asked that I please not attribute it to him, then spent more than five minutes explaining how the restrictions against women serving in combat has upset the system. Male soldiers, according to that officer, are getting the undesirable, unaccompanied assignments while the women are getting the plush assignments.

Commanders who have troops they can't, by policy, take everywhere the unit goes are commanders with problems. As a Marine CO, I was faced many times with sorting out the male undeployables—the 17-year-olds, the soon-to-be-discharged, the temporarily physically unfit, men under other administrative or legal holds—while we packed hurriedly for possible combat commitment. I can sympathize with Army commanders who now must add women to their undeployable rosters.

How, for example, would the Army handle a 45 percent-woman unit that had been working far behind the front lines and suddenly was needed near a front line brigade? How would field commanders have applied the Army's women-assignment policy in Vietnam? Did a behind-the-front zone have any meaning in that war? Hardly. Having women soldiers who can't go near the battle is an unmitigated can of worms.

What prohibits female assignments to combat units and duties? "An Army regulation," said Colonel Hinton. "There's nothing in the law that says that women in the Army may not serve in combat. Congress does restrict women in the Navy and Air Force; they may not serve on combat ships and aircraft [Title 10, U.S. Code]. It's really by extension that the Army has adopted the no women in combat rule. [We feel it's] the sense of Congress."

Donald G. Brotzman, Assistant Secretary of the Army for Manpower and Reserve Affairs, is a former congressman and was a WWII infantryman. He and his deputy, Paul D. Phillips, were asked to explain the Army's assignment policies regarding women.

"There is a clear-cut national policy that we shall not discriminate against women—that's the law of the land," said Brotzman. Then, after explaining that the Army is studying how women can be assimilated without reducing the effectiveness of Army units, he added, "The Air Force and Navy have laws expressly prohibiting [women serving in combat], but just as clearly it is the policy of the Department of the Army that women not serve in a combat capacity."

I suggested that he was talking around the problem. When women are assigned to combat support units operating throughout a combat theater, up to the rear boundaries of combat brigades, they are in combat, especially considering the modern threats of parachute drops, helicopter-borne assaults, guerrilla attacks, and so forth.

In response, Brotzman cited a "three-tiered policy" that had been recommended by the Army's Training and Doctrine Command and accepted by the Department of the Army:

Women will not be assigned, one, to "combat arms units;" two, to "units whose primary mission is to engage and inflict casualties on the enemy;" nor three, to "other units that habitually operate in areas where close combat is likely—forward of the brigade rear boundaries." He added, "I don't want to see women in combat and I think I could speak generally for the leadership of the Army. I don't know any exceptions to that particular rule."

But Phillips addressed the exceptions: "There could be women in there [forward of combat brigade rear boundaries], no question about it. All we can say is the general rule which says, 'which habitually work forward of the brigade rear boundaries.'

"Now, you know, emergencies? Sure they're going ahead of the brigade rear-boundaries. Are they going to get killed? Damn right! In the same proportion as they exist in these zones, and as the men get killed in these zones, so will they."

Apparently, the Army is under no legal restraints—other than its own—from making women combat soldiers. It seems to be abiding by the "sense of Congress" as expressed in Title 10. As to what the future "sense of Congress" might be concerning women, Brotzman said, "We cannot comment on what congressmen might think or what they might say."

Will Congress buy sending women into combat? Rep. Samuel Stratton (D-N.Y.), chairman of the House Armed Services Subcommittee on Military Compensation, answered that question in *Navy Times* (Oct. 1, 1975). Stratton said he was impressed by former Army Secretary Howard "Bo" Callaway's report the Army had found that "a woman could do about anything a man could." After the Congress gets used to the idea of women in "something other than the secretarial role," said Stratton, the legislators could "approach this issue in a less emotional light." They don't think we need women in rifle squads, he said, but it would "make good sense to assign women to general combat areas."

Later reports out of Stratton's subcommittee indicate that his might be the conservative congressional view. Some members of his committee are urging abolition of all restrictions against combat assignments for women now.

The Army apparently is preparing for that change by Congress. As the numbers of women soldiers grow, the rotation-assignment relationship will get further and further imbalanced. Specifically, men in some specialties will be finding themselves spending more and more time on the outposts of the world, while the women hold the U.S. and overseas rear area jobs in those same specialties.

The Army is painting itself into a corner from which there's just one exit short of a return to the draft: unrestricted combat assignments for women.

Are American service people themselves

ready for that big step? I think there's a generational disagreement on that question. Most Americans of my generation don't cotton to that sort of treatment of our womenfolk.

Reading Zane Grey, we were properly shocked when a cowboy hero in some minor gunplay with a mysterious stranger he met on the trail—a stranger who unbeknownst to the hero and the reader would prove to be a woman—drilled her clean through. When he them made a damage assessment and found a small, blue-edged, blood-oozing hole beside a creamy white and throbbing breast, shivers of revulsion ran straight through that cowboy and stabbed us in our hearts.

It might be fit treatment for a Ma Barker, or a Bonnie who ran with a Clyde, but for God's sake, says my generation, keep our women—our sisters, wives, daughters and the girl next door—out of the world of bullet holes, gut shots and dismembered limbs.

Two important differences are at work, though, in the present generation. First is the blurring of sex roles that's come from the easier, less formal relationships existing between younger males and females. While my generation was too preoccupied with its own hangups to see what was happening, our sons and daughters formed easy friendships across the sexual barrier. Most of them see one another first as fellow human beings, something we never could quite pull off.

Second, especially in the Army, males and females compete as equals. With equal ranks and pay, and equal opportunities to work at most jobs in the Army, young people of both sexes now believe they also should share the hazards.

Army Sp4 Vickey Moune told me, "Women should be required to serve in combat." Army Sgt. Tom Block said, "Men and women should pull their fair share." Army CSM John Sanderper, just returned from Europe where he supervised both male and female soldiers, said, "The young male soldier today doesn't expect the women to be treated differently." Army 1st Sgt. Ted Daw said, "I hear young men asking the question: 'Why don't women have to fight?' "

I didn't find any Army women demanding the right to kill, kill, kill. Many, however, brought so tantalizingly close to being full-fledged soldiers, recognize that final step, abolition of combat restrictions against women, as the move that would ensure their individuality. Women recognize the Army's present use of women as basically inequitable. They are ready for a change.

The women's present split into half soldiers, half traditionally protected females, is frustrating for both the women and the men. The strain manifests itself everywhere, sometimes thoughtfully, sometimes bitterly, sometimes humorously. Items:

On the question of women's assignments: Col. Edith Hinton said, "I really think that the Army has moved pretty cautiously on this. I think we're looking and evaluating as we go along." A male sergeant major said, "The Army's possibly not looking carefully enough at some of the occupational specialties now open to women. DA [Department of the Army] might have to go to the field to see what's really required, considering each specialty on a case-by-case basis."

On special privileges or considerations required for women: A male officer at Fort Jackson said, "The women want hot and cold running privacy." A young woman drill sergeant, scornfully dismissing the tendency of her trainees at Fort McClellan to cry when they found the training tough said, "After all, they've been 'Daddy's Little Girl' all their lives; you can't expect them to change overnight."

A senior female officer, responding to my question, "What, if any, special provisions do you make for basic trainees having their menstrual periods?", replied curtly, "None. We don't even mention it. Does your wife stop doing the housework?"

The same question was answered by a male NCO running a Fort Jackson training course: "Of course, if one of these little gals is having her monthly time, we let her stand aside. She'll be able to [complete the training] tomorrow, or when she feels better."

On how men and women see women in the Army: A female field grade officer said, "Women are making greater progress in the Army than in the civilian world." A female sergeant major said, "It will be a long time before we're accepted!" A junior woman NCO said bitterly, "We'll never be accepted!"

A male captain, explaining why he's glad to have women working for him: "In the early '50's I'd have taken a black over a white; now I'd take a female over a male, for the same reason. They have something to prove."

Colonel Hinton said, "Throughout this whole thing it takes some sensitizing of both men and women. Women do tend to see themselves in the traditional women's roles . . . it's the cultural influence . . . as girls they played with dolls. And maybe it still has a lot to do with the civilian community. [A woman] comes in to get training in a particular skill and she looks for something that's marketable on the outside. If she's a Hawk missile mechanic . . ."

When I ignore the emotional and ask myself the professional question, whether we can accept women combat soldiers, I believe the answer is clear: We can't afford to accept half soldiers. We must either get our women completely out of the traditional man's world of soldiering, back to a well-defined "fringe"—even if it means returning to the draft, or we must abandon tradition entirely and lift virtually all combat limitations from the women.

If we choose the latter course, I believe recently retired Air Force Maj. Gen. Jeanne M. Holm's idea, that women can do all the combat related jobs "except where sheer brute force is essential to ensure victory," can be the only realistic, equitable criterion for excluding anyone. It should be as impartially applied as, say, height requirements for selecting and rejecting aviators.

Deputy Assistant Secretary Phillips had another angle: "I think we're going to have to come to a place where there will be a physical aptitude test for every skill: Can she lift 55 pounds—or he—five times over her head and push it in a truck 10 times a minute, if that's what the job requires? And everybody will have to pass it, men and women. Maybe that's where we're coming to.

Meanwhile, I think it's time the nation deal with the issue of women warriors realistically, considering all the ramifications. The nation and the Army should stop marveling at it like small boys examining some new creature found by a brook on a warm spring afternoon—see little Private Sally drive her big Army bulldozer; see Lieutenant Jane fire her Army rifle—and make the hard decision of whether or not we want or need our women to help fight our wars as combat soldiers.

Following the present course, the Army's sneaking into it by the back door. In the national agonizing that will follow the first female combat casualties, the Army will be asking itself how in the hell it happened, and why didn't someone think to ask Americans whether they were ready to send their women into the brutishness of war.●

SENATE—*Friday, August 3, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore, Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Reverend James David Ford, Chaplain of the House of Representatives, offered the following prayer:

Eternal Father, we thank You for Your act of creation whereby You made us one people to dwell on the face of the Earth. Remind us of our common heritage in the human family and of the opportunities we have to show forth Your goodness to every person.

Forgive us for our arrogance of seeing only a part of Your creation, and not sharing with others. May Your spirit strengthen our minds and open our hearts that we may be faithful stewards of Your grace, and by our deeds witness to the unity we know in You.

In the name of the Lord, we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

METHANOL FROM COAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent statement prepared by Dr. James Sawyer on one of the most promising technologies for making synthetic fuels—namely, production of methanol from coal. Dr. Sawyer is a Congressional Budget Office expert on synthetic fuels who has provided my staff with a great deal of useful information on methanol.

There being no objection, the state-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ment was ordered to be printed in the RECORD, as follows:

METHANOL

At the present time methanol is one of the major raw materials of the organic chemical industry. It is made by reacting synthesis gas, a mixture of carbon monoxide and hydrogen, at some specified temperature and pressure, in a catalytic bed. Synthesis gas can be made from natural gas, petroleum refinery products, or coal. In the last 2-3 decades the usual raw material has been natural gas or some liquid refinery product. Before that time synthesis gas was customarily made from coal.

This brief historical view of the process technology demonstrates an important fact—the technology of methanol production is mature. Large numbers of companies routinely run methanol plants. Since the catalysts used are poisoned by even trace quantities of sulfur and nitrogen compounds in the synthesis gas, simple but effective technologies have been used for decades that thoroughly and inexpensively remove these substances from the synthesis gas before it is reacted to form methanol. The methanol produced is virtually free of contaminants and is essentially as clean burning as natural gas.

Since processes exist for the routine production of the required synthesis gas from almost any coal and production of methanol is a thoroughly demonstrated technology, it now appears that methanol from coal is a promising synthetic fuel.

Methanol from coal is estimated to cost about $25-30 per barrel of oil equivalent, as compared with petroleum now priced at about $21. Because of its ease of transport and storage, its freedom from nitrogen and sulfur impurities, and its compatibility with gasoline, methanol makes an ideal fuel. It could be substituted for natural gas or oil in boilers and electric power plants, and no special stack gas scrubbing equipment investment would be required. Because of its low specific gravity as compared with oil, larger liquid storage facilities would be desirable, but these would be relatively low in cost.

Since methanol mixes easily with gasoline with no significant effects on automobile performance up to the five percent methanol level, and is low in cost, methanol offers the potential of augmenting transportation fuel supply with a minimum of difficulty. Levels much above 5 percent methanol will result in corrosion in current automobile fuel systems. Thus, methanol is not a total solution to the transportation fuels problem, unless some fairly simple modifications are made in automotive engines by the automobile industry.

In short, the technology of methanol production is well understood, its cost is expected to be low, it is a clean burning fuel, it is readily transported and stored, and conversion to its use could be made on a large scale and in a short time frame. It thus seems an ideal candidate for early synthetic liquid fuel production.

RECOGNITION OF THE MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I am ready to yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

THE MAJORITY LEADER'S REPORT ON CONGRESS

Mr. BAKER. Mr. President, I have no need for my time, beyond saying that I had the privilege this morning of watching the distinguished majority leader on television, as he gave a report on Congress thus far in this session. I think he did a good job and comported himself well, to his own credit and that of the Senate. I congratulate him.

Mr. ROBERT C. BYRD. I thank my friend, the distinguished minority leader.

Mr. BAKER. Mr. President, I yield back my time under the standing order.

BUDGET ACT WAIVER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 213, which will be stated by title.

The assistant legislative clerk read as follows:

Resolution (S. Res. 213) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 566.

Mr. BAKER. Mr. President, I take this opportunity to advise the majority leader that we know of no requests for time to speak on this issue, and I am prepared to agree to the adoption of this resolution.

Mr. ROBERT C. BYRD. Mr. President, is there 1 hour for debate thereon?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. On behalf of Mr. MUSKIE, I yield back the 30 minutes on my side.

Mr. BAKER. On behalf of Mr. BELLMON, I yield back the remainder of the time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, (a) That pursuant to section 402(c) of the Congressional Budget Act of 1974, section 402(a) of such Act shall not apply with respect to the consideration in the Senate of the bill S. 566 to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an antirecession fiscal assistance program, and for other purposes, or with respect to the consideration of an amendment the substance of which is the same as the substance of such S. 566 as reported by the Committee on Finance of the Senate; and

(b) That waiver of such section 402(a) is necessary in order to enable the Senate to consider legislation which will establish a program of targeted and antirecession fiscal assistance; and

(c) That it was infeasible to complete action on this legislation within the usual time limits prescribed by such section because the program is so particularly related to economic conditions as to make it highly desirable to delay action beyond the usual deadline in order to obtain as accurate a view of present economic trends as possible; and further

(d) That, although the legislation was not reported by the date established in such section, action on this program was anticipated and considered in the fiscal 1980 budget process as evidenced by a specific discussion of the legislation in the statement of managers accompanying the conference report on the first concurrent resolution on the budget for fiscal year 1980.

INTERGOVERNMENTAL ANTIRECESSION AND TARGETED FISCAL ASSISTANCE AMENDMENTS OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 566 which will be stated by title:

The assistant legislative clerk read as follows:

A bill (S. 566) to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an antirecession fiscal assistance program, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert the following:

SECTION 1. This Act may be cited as the "Intergovernmental Antirecession and Targeted Fiscal Assistance Amendments of 1979".

SEC. 2. Section 201 of the Public Works Employment Act of 1976 (42 U.S.C. 6721) is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof ";", and by adding at the end thereof the following new paragraphs:

"(8) that both an antirecession fiscal assistance program and a targeted fiscal assistance program which aid governments requiring fiscal relief constitute essential elements of a sound Federal fiscal policy;

"(9) that many local governments continue to experience high unemployment and fiscal strain, and have been adversely affected by the loss of antirecession fiscal assistance which has resulted in service cutbacks, increased taxes, municipal layoffs, or sale of municipal assets; and

"(10) that highly targeted fiscal assistance which aids those jurisdictions requiring fiscal relief and provides necessary time to take steps toward the fiscal stabilization of these governments would be least disruptive of employment or service levels.".

SEC. 3. The Public Works Employment Act of 1976 (42 U.S.C. 6721 et seq.) is amended by inserting after section 201 the following:

"SUBTITLE A—ANTIRECESSION FISCAL ASSISTANCE".

SEC. 4. (a) Section 202(b) of the Public Works Employment Act of 1976 (42 U.S.C. 6722(b)) is amended—

(1) by striking out "subsections (c) and (d)" and inserting in lieu thereof "subsection (c)";

(2) by striking out "five" and inserting in lieu thereof "thirteen";

(3) by striking out "title" and inserting in lieu thereof "subtitle, the sum of"; and

(4) by striking out "6 percent" and inserting in lieu thereof "6.5 percent".

(b) Section 202(c) of such Act (42 U.S.C. 6722(c)) is amended—

(1) by striking out "five" and inserting in lieu thereof "eight";

(2) by striking out "July 1, 1977" and inserting in lieu thereof "October 1, 1978"; and

(3) by striking out "$2,250,000,000" and inserting in lieu thereof "$1,000,000,000 for any fiscal year".

(c) Section 202(d) of such Act (42 U.S.C. 6722(d)) is amended to read as follows:

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If the average rate of unemployment for the United States is less than 6.5 percent for a calendar quarter, no amount may be paid under this subtitle for the third calendar quarter of the three-calendar-quarter period which began with the first of such calendar quarters, or for any subsequent calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1) of this subsection, amounts shall be paid under this subtitle for calendar quarters for which the average rate of unemployment for the United States equals or exceeds 6.5 percent beginning with the third quarter of the three-calendar-quarter period which began with the first of such calendar quarters until such time as paragraph (1) may require another suspension of payments.".

SEC. 5. Section 203(a) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(a)) is amended to read as follows:

"(a) RESERVATIONS.—

"(1) ELIGIBLE STATES.—The Secretary shall reserve one-third of the amounts appropriated pursuant to authorization under section 202 for each calendar quarter, less the amounts allocable under section 216(b), for the purpose of making payments to eligible State governments under subsection (b).

"(2) ELIGIBLE UNITS OF LOCAL GOVERNMENT.—The Secretary shall reserve two-thirds of the amounts appropriated pursuant to authorization under section 202 for each calendar quarter, less the amounts allocable under section 216(b), for the purpose of making payments to eligible local governments under subsection (c).".

SEC. 6. Section 203(b)(3)(C) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(b)(3)(C)) is amended to read as follows:

"(C) the State unemployment rate is equal to the average rate of unemployment within the jurisdiction of the State during the six-month period which ended three months prior to the beginning of the appropriate payment calendar quarter, as determined by the Secretary of Labor and reported to the Secretary; and".

SEC. 7. (a) Section 203(c) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(c)) is amended—

(1) by striking out ", subject to the provisions of paragraph (4)," in paragraph (1);

(2) by amending paragraph (3)(B) to read as follows:

"(B) the local unemployment rate is equal to the average rate of unemployment within the jurisdiction of the local government during the six-month period which ended three months prior to the beginning of the appropriate payment calendar quarter, as determined or assigned by the Secretary of Labor and reported to the Secretary (and, in the case of a local government for which the Secretary of Labor cannot determine a local unemployment rate, he shall assign such government the unemployment rate for the county, balance of county, or other appropriate geographic area in which the government is located and for which he has determined a local unemployment rate).";

(3) by redesignating paragraph (4) as (5) and inserting after paragraph (3) the following new paragraph:

"(4) STATISTICAL METHODOLOGY FOR UNEMPLOYMENT RATES.—Notwithstanding any provision of paragraph (3) to the contrary, in the case of a unit of local government which encompasses, or is within, a standard metropolitan statistical area or central city for which current population surveys were used to determine annual unemployment rates before January 1, 1978, the Secretary of Labor shall determine or assign the unemployment rates for such government calculated by the current population survey methodology used prior to January 1, 1978, if such rates are higher than rates determined or assigned by the Secretary of Labor for that government without applying the current population survey methodology, unless the Secretary of Labor determines that current population survey data are available for use on a satisfactory basis for such areas and the remaining areas of such State.";

(4) by striking out "SPECIAL LIMITATION.—" in paragraph (5), as so redesignated, and inserting in lieu thereof "MINIMUM ALLOCATION.—"; and

(5) by striking out "$100" in paragraph (5) and inserting in lieu thereof "$2,500".

(b) Section 203 of such Act (42 U.S.C. 6723) is amended by adding at the end thereof the following new subsections:

"(d) REALLOCATION OF UNDISTRIBUTED RESERVED AMOUNTS.—If, for any calendar quarter, the amount reserved under subsection (a)(1) for payments to State governments or under subsection (a)(2) for payments to local governments exceeds the sum of the amounts allocated to State or local governments because of the limitations contained in subsection (c)(5) or (e), or because of the suspension-of-payments requirement contained in section 210(b), then the Secretary shall reallocate the excess among State governments or local governments, as the case may be, receiving payments for the calendar quarter and allocate to each such State or local government an amount which bears the same ratio to the amount of the excess as the amount allocated to such government for the calendar quarter without regard to this subsection bears to the sum of the amounts allocated to all State or all local governments, as the case may be, for the calendar quarter without regard to this subsection.

"(e) PER CAPITA INCOME LIMITATION.—

"(1) IN GENERAL.—Except as provided in paragraph (3), no amount shall be allocated under this subtitle or subtitle B to any local government which had within its jurisdiction a per capita income equal to or in excess of 150 per centum of the national per capita income for the most recently completed calendar year for which data are available, as determined by the Bureau of the Census for general statistical purposes and reported to the Secretary.

"(2) NONCONTIGUOUS STATE ADJUSTMENT.—The percentage of the national per capita income used to limit allocations in paragraph (1) shall, for local governments in the States of Alaska and Hawaii, be increased by the average State percentage of basic pay which civilian employees of the United States Government receive as an allowance under section 5941 of title 5, United States Code. Such average State percentage shall be determined for the most recently completed calendar year for which data are available based on data provided by the Office of Personnel Management and reported to the Secretary.

"(3) UNEMPLOYMENT RATE EXCEPTION.—The per capita income limitation in paragraph (1) shall not apply to a local government in the State of Alaska for which the local unemployment rate for the appropriate six-month period exceeds 10 per centum.".

SEC. 8. Section 205 of the Public Works Employment Act of 1976 (42 U.S.C. 6725) is amended by striking out paragraph (6) and by redesignating paragraphs (7) and (8) as (6) and (7). Title II of such Act is amended by striking out section 209 (42 U.S.C. 6729).

SEC. 9. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 205 the following new section:

"ADJUSTMENTS ON OVERPAYMENTS AND UNDERPAYMENTS

"SEC. 206. Payments under this subtitle and subtitle B may be made with necessary adjustments on account of overpayments or underpayments.".

SEC. 10. Section 210 of the Public Works Employment Act of 1976 (42 U.S.C. 6730) is amended—

(1) by adding at the end of subsection (a) the following new sentence: "Payments made under this subtitle and subtitle B for a fiscal year or calendar quarter beginning prior to the date of enactment of the Intergovernmental Antirecession and Targeted Fiscal Assistance Amendments of 1979 shall be made as soon as practical, but no later than sixty days after such date."; and

(2) by striking out subsections (b) and (c), and inserting in lieu thereof the following:

"(b) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such State or local government during the six-month period which ended three months before the beginning of such calendar quarter was less than 6 per centum.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts shall be paid under this subtitle to any State or local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows an appropriate six-month period for which the State or local unemployment rate equals or exceeds 6 per centum until such time as paragraph (1) may require another suspension of payments.".

SEC. 11. Section 215 of the Public Works Employment Act of 1976 (42 U.S.C. 6735) is amended to read as follows:

"DATA PROVISION RESPONSIBILITIES

"SEC. 215. The Secretary of Labor shall provide information and other necessary data and shall determine and assign unemployment rates necessary for the administration of this title. Such information, data, and rates shall be provided for each State and local government, and shall be made available to the Secretary to assist him in carrying out the provisions of this title. The Secretary of Labor shall also advise the Secretary as to the availability and reliability of relevant information and data. The Director of the Bureau of the Census and the Director of the Office of Personnel Management shall provide such information and other data as may be necessary for the administration of this title, and shall advise the Secretary as to the availability and reliability of relevant information and data.".

SEC. 12. Section 216 of the Public Works Employment Act of 1976 (42 U.S.C. 6736) is amended—

(1) by striking out the caption of the section and inserting in lieu thereof the following:

"ALLOCATIONS TO PUERTO RICO, GUAM, AMERICAN SAMOA, AND THE VIRGIN ISLANDS",

(2) by amending subsection (a) to read as follows:

"(a) IN GENERAL.—The Secretary shall make payments under this subtitle and sub-

title B to the governments of the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands.",

(3) by amending paragraph (1) of subsection (b) to read as follows:

"(1) The Secretary shall allocate to such governments from the amounts appropriated pursuant to authorization under this title an amount equal to 1 per centum of such amounts for the appropriate fiscal year or calendar quarter, multiplied by the applicable territorial percentage.", and

paragraph (C) of subsection (b)(3) and inserting in lieu thereof "203(c)(5),", and by striking out "209," in such subparagraph.

SEC. 13. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 216 the following new subtitle:

"SUBTITLE B—TARGETED FISCAL ASSISTANCE

"FINANCIAL ASSISTANCE AUTHORIZED

"SEC. 231. (a) IN GENERAL.—The Secretary shall, in accordance with the provisions of this subtitle, make an annual payment for the fiscal year beginning October 1, 1978, and quarterly payments during the fiscal year beginning October 1, 1979, to local governments with a local unemployment rate equal to or above 6 per centum.

"(b) PAYMENT TO RECIPIENT GOVERNMENTS.—The Secretary shall pay, in accordance with section 210(a), to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such government under section 232.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $150,000,000 for the fiscal year beginning October 1, 1978, and $35,000,000 for each calendar quarter in the fiscal year beginning October 1, 1979, for the purpose of making payments to local governments under this subtitle.

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If payments are being made under subtitle A for a calendar quarter, no amount may be paid under this subtitle for that calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts shall be paid under this subtitle for any calendar quarter for which the average rate of unemployment for the United States is less than 6.5 per centum beginning with the third calendar quarter of the three calendar quarter period which began with the first of such calendar quarters, until such time as paragraph (1) requires another suspension of payments.

"ALLOCATION OF TARGETED AMOUNTS

"SEC. 232. (a) ALLOCATIONS TO LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—The Secretary shall allocate from amounts appropriated under the authorization contained in section 231 (c), an amount for the purpose of making a payment to each local government, equal to the product of—

"(A) the total amount appropriated for the fiscal year or calendar quarter, multiplied by

"(B) the applicable local government percentage.

"(2) APPLICABLE LOCAL GOVERNMENT PERCENTAGE.—For purposes of this subsection, the local government percentage is equal to the percentage resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local revenue sharing amount, by the sum of such products for all local governments.

"(3) MINIMUM ALLOCATION.—If the amount which would be allocated to a unit of local government under this subtitle for the fiscal year beginning October 1, 1978, is less than $10,000, or for a calendar quarter during the fiscal year beginning October 1, 1979, is less than $2,500, then no amount shall be allocated for such unit of local government under this subtitle for such year or quarter.

"(4) TARGETED FISCAL ASSISTANCE PAYMENT NOT IN EXCESS OF $10,000 TO BE COMBINED WITH GENERAL REVENUE SHARING PAYMENT.—If the amount of any payment to be made under this subtitle to a unit of local government is not more than $10,000 for a calendar quarter, the Secretary shall combine the amount of such payment with the amount of any payment to be made to such unit under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.), and shall make a single payment to such unit at the time payments are made under that Act. Whenever the Secretary makes a single, combined payment to a unit of local government under this paragraph, he shall notify the unit as to which portion of the payment is allocable to amounts payable under this subtitle and which portion is allocable to amounts payable under that Act.

"(b) REALLOCATION OF UNDISTRIBUTED AMOUNTS.—If, for any fiscal year or calendar quarter, the amount appropriated under section 231(c) for payments to local governments exceeds the sum of the amounts allocated to local governments because of the limitation contained in subsection (a)(3) or section 203(e), or because of the suspension-of-payments requirements contained in subsection (c), then the Secretary shall reallocate the excess among local governments receiving payments for the fiscal year or calendar quarter, and allocate to each such local government an amount which bears the same ratio to the amount of the excess as the amount allocated to such government for the calendar quarter without regard to this subsection bears to the sum of the amounts allocated to all local governments for the fiscal year or calendar quarter without regard to this subsection.

"(c) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any unit of local government under the provisions of this section for the fiscal year beginning October 1, 1978, if the average rate of unemployment within the jurisdiction of such local government during calendar year 1978 was less than 6 per centum, or for a calendar quarter during the fiscal year beginning October 1, 1979, if the local unemployment rate during the six-month period which ended three months before the beginning of such quarter was less than 6 per centum.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts shall be paid under this subtitle for calendar quarters during the fiscal year beginning October 1, 1979, to any local government for which payments were suspended under paragraph (1), beginning with any calendar quarter following such suspension which follows an appropriate six-month period for which the average rate of unemployment within the jurisdiction of the local government equals or exceeds 6 per centum until such time as paragraph (1) requires another suspension of payments.

"(d) DEFINITIONS.—For purposes of this subtitle, each term used in this section which is defined or described in paragraph (3) or (4) of section 203(c) shall have the meaning given to it in that paragraph, except that the local unemployment rates for the purposes of this subtitle for the fiscal year beginning October 1, 1978, shall be the rates of unemployment within the jurisdiction of a local government for the calendar year 1978.

"APPLICATION OF CERTAIN SUBTITLE A PROVISIONS TO THIS SUBTITLE

"SEC. 233. The provisions of sections 204, 205, 206, 207, 208, 211, 212, 213, 214, 215, and 216 shall apply to funds authorized under this subtitle.".

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours, to be equally divided between and controlled by the distinguished Senator from New York (Mr. MOYNIHAN) and the distinguished Senator from Missouri (Mr. DANFORTH), with 30 minutes on any amendment, except on three amendments by the Senator from Oklahoma (Mr. BELLMON), on each of which there shall be 1 hour, with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, after securing the agreement yesterday, I was advised that Mr. BRADLEY is to control the time on this side of the aisle. I overheard the discussion between Mr. BRADLEY and Mr. MOYNIHAN; and on behalf of Mr. MOYNIHAN, I ask unanimous consent that the time to be under his control be allocated to Mr. BRADLEY.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to exceed 10 minutes, and that Senators may speak therein for 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE GENOCIDE CONVENTION: A CIVILIZED STANDARD

Mr. PROXMIRE. Mr. President, critics of the Genocide Convention have argued that the treaty is too weak, that it will not prevent genocide from occurring. There is some truth in this argument. The Genocide Convention alone does not preclude the possibility that acts of genocide will reappear on this Earth. That decision, of course, is up to history.

But the Genocide Convention does set a standard—a civilized standard—of human conduct. It declares, in absolute terms, that genocide is an "odious scourge" which is "condemned by the civilized world."

Nations which go on record as signatories of the agreement are less likely to sanction acts of genocide within their borders. And nations which go on record as signatories are less likely to stand silently aloof when acts of genocide occur elsewhere.

In conjunction with other efforts to preserve human rights, the Genocide Convention can be a valuable tool. We cannot underestimate the importance of international cooperation in the effort to establish a more humane international order. To build this order, to build a world forever free from the crime of genocide, we need this treaty.

In addition to this treaty, we need more human rights agreements, a greater awareness of the tragedies of the Holocaust, and, perhaps most importantly, a feeling of unity in the struggle against man's capacity to commit terrible and terrifying crimes against his fellow man.

Unfortunately, the United States has not adopted the civilized standard the Genocide Convention sets.

I urge my colleagues to support prompt ratification of the Genocide Convention so that the United States can join the international effort to wipe out genocide.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

INTERGOVERNMENTAL ANTIRECESSION AND TARGETED FISCAL ASSISTANCE AMENDMENTS OF 1979

The Senate continued with the consideration of S. 566.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it not be charged to either side at this point.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, today I urge the Senate's approval of S. 566, the Antirecession and Supplementary Fiscal Assistance Amendments of 1979, as amended.

I am very pleased to be able to bring this legislation to the floor. Cosponsoring the bill are my distinguished colleagues Senators DANFORTH, MOYNIHAN, and DURENBERGER. I am also pleased to ask unanimous consent to add the names of my colleagues, the senior Senator from New Jersey (Mr. WILLIAMS), the senior Senator from New York (Mr. JAVITS), the Senator from Connecticut, (Mr. RIBICOFF), and the Senator from Michigan (Mr. LEVIN).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, the legislation we consider today is the result of very careful consideration by the Finance Committee and by the Subcommittee on Revenue Sharing, of which I am the chairman.

The subcommittee held extensive hearings this spring, and we heard from a very distinguished list of experts. We heard from mayors and county leaders from across the country, and from every section and area. They described graphically how the Nation's last recession still lingers in their own communities. They spoke of chronic unemployment that, if it were national, would mean a depression, not merely a recession. They spoke of their need to find new revenues despite the exhaustion of the tax base from which to draw. And they spoke of cuts in essential services, which only made their economic plight worse.

The subcommittee also heard from experts in the field of economics and finance. Testifying before us were executives of major banks who described how a fiscal pinch for a community becomes self-perpetuating and self-aggravating.

Following the hearings, the subcommittee spent much time refining and perfecting the legislation. We have crafted a bill which takes the best parts of the proposal introduced by Senator MOYNIHAN on behalf of the administration, and the proposal introduced by Senator DANFORTH.

With the able, and dedicated assistance of Senator DURENBERGER, the Senate can consider a bill which I believe best resolves the issues raised about the program.

I wish to take a moment to express special appreciation to the contribution of Senator DURENBERGER. This legislation is of critical importance to New Jersey. It is not generally regarded as life or death in Minnesota. Senator DURENBERGER gave generously of his time and wisdom, nonetheless. If nothing else, this demonstrates his understanding that the plight of the communities helped by this program is a national problem; that this is not a regional program, to be judged on whether a particular State or region "gets enough."

Mr. President, this legislation is designed to provide targeted fiscal assistance and standby countercyclical assistance to hard pressed local governments. The targeted fiscal assistance portion of the proposal calls for the expenditure of $490 million:

One hundred and fifty million dollars in fiscal year 1979 for approximately 2,100 local governments with average unemployment rates of 6 percent or more for the calendar year 1978; and

Three hundred and forty million dollars in fiscal year 1980 for approximately the same number of local governments based on average unemployment rates for the relevant two calendar quarters—for example, January to June 1979 as the basis for October 1, 1979, payments.

Recipient governments, large and small alike, are those which have been hardest hit by termination of the antirecession fiscal assistance program last year.

The legislation also provides for a standby countercyclical assistance program in the event that the quarterly national unemployment rate rises to 6.5 percent. This program would provide assistance to State and local governments with average unemployment rates of 6 percent or more—average for 2 quarters—at $125 million per quarter plus an additional $30 million for each one-tenth of 1 percent by which national unemployment exceeds 6.5 percent. Countercyclical assistance provides sensible fiscal insurance for State and local governments in the event of future economic downturn.

Together, this two-tiered program addresses immediate and prospective needs: a highly targeted program for a limited number of fiscally strained local governments and a more comprehensive standby program as a protection against adversity.

These programs will expire on September 30, 1980, at the same time the general revenue sharing program expires. This will facilitate a 1980 congressional and executive branch review of the entire issue of Federal fiscal assistance to State and local governments.

This bill has its historical roots in the antirecession fiscal assistance legislation passed by Congress in 1976. The rationale behind that program of emergency aid to State and local governments was to combat the effect of the 1974–75 recession on the public sector, through emergency financial assistance to governments. The prime mover behind this idea in Congress was Senator MUSKIE. The 1976 legislation authorized the distribution of Federal moneys to State and local governments with an unemployment rate exceeding 4.5 percent, and funds have been used for a wide range of basic governmental services—from jobs creation programs to funding parks and library services to police, sanitation, and fire personnel salaries. Between its enactment in 1976 and its expiration last fall, the antirecession fiscal assistance program distributed approximately $3 billion to State and local governments.

Last year the administration proposed changes in the program to target moneys on the Nation's most distressed communities. Although legislation was passed by the Senate, it was not acted on by the House of Representatives before the end of the session. As a consequence, this aid to State and local governments ceased on September 30, 1978.

The abrupt termination of this program, coming in the middle of a budget cycle, has brought several hardships to many local communities which have not shared in the Nation's general economic recovery from the recession of 1974–75.

These local governments have chronic problems of high unemployment, a shrinking tax base, and a citizenry made up of a large proportion of very young and very old Americans, whose needs for services are pronounced. The targeted fiscal assistance program created by the bill before us now will help prevent job layoffs, reduced services and/or increased taxes in these communities.

Moreover, with predictions of an economic downturn later this year, with the impending reduction in fiscal year 1980 funding for CETA public service jobs and the elimination of local public works programs, and with the prospect

of a tightening municipal bond market, the plight of these communities and their needs for targeted fiscal assistance are compelling.

TARGETING AND DISTRESSED COMMUNITIES

Mr. President, in considering the legislation it is important to note that the distribution of Federal grants to State and local governments in the last decade has had two thrusts: The first is "spreading" Federal funds broadly instead of narrowly was a particular feature of the "new federalism" of previous administrations. General revenue sharing was the flagship, with almost 39,000 State and local governments receiving funds. This spreading has tended to benefit counties, suburban governments and small cities that had not benefited significantly from earlier Federal programs. The net effect of such broad purpose programs has been to increase the fraction of Federal funds going to smaller governments. In 1968, 62.8 percent of all Federal grants for communities went to cities of over 500,000 population; in 1977, it was 34.6 percent. Grants going to cities under 100,000 rose from 20.3 percent in 1968 to 45.3 percent in 1977.

The inclusion of smaller cities and suburban governments has been an important means of aiding poor smaller communities. Although the absolute dollar amounts of aid going to the larger cities has indeed grown during this period of extraordinary Federal aid expansion, the failure of these cities to maintain their share of this aid, and their increasing economic difficulties, have created significant additional hardships for the more distressed of these communities. (See table 1.)

Mr. President, on the other hand "targeting" Federal funds is a more recent phenomenon. It involves the adoption of programs and allocation formulas designed to increase the share of Federal funds going to communities with particularly serious social, economic and fiscal needs. The economic stimulus programs of 1977 which increased CETA public service jobs, local public works and countercyclical revenue sharing aid to State and local governments are examples of the increase in targeting programs.

However, the picture of 1979 presents a dramatic shift in this pattern, with a decline both in the amount of funding provided to States and local governments and in the extent to which funding is focused on the most distressed communities. OMB estimates that Federal aid to State and local governments during 1979 will total $81.5 billion, an increase of 4.4 percent from 1978. This rate of increase compares with administration projections of a 9.6-percent increase in inflation over calendar year 1979 and an increase of 9.7 percent in inflation for State and local government service expenditures between spring 1977 and spring 1978. In short, according to the administration's estimates, direct Federal aid to States and localities will decline from 1978 amounts in real terms both this year and next.

The largest reductions will come in the programs expanded in 1977 under the rubric of the "economic stimulus program"—CETA public service jobs and local public works—programs designed in conjunction with countercyclical revenue sharing to hasten the recovery from the 1974–75 recession for those governments still experiencing serious fiscal distress. The magnitude of the financial loss to these local governments was highlighted by Dr. Richard Nathan of the Brookings Institution. Dr. Nathan demonstrated that for 4 U.S. cities, Baltimore, New Orleans, St. Louis, Detroit, the bill welfare considering replaces only 24 percent in real terms of the aid, given to local communities in fiscal year 1978 under the CETA, and countercyclical aid programs. And what is more troubling these overall cuts come at a time when the economy is heading into another downturn.

	$150,000,000 (fiscal year 1979)	$340,000,000 (fiscal year 1979)
Projected receipts under different assumptions, fiscal year 1980	$26,800,000	$59,800,000
Replacement percentage ratios for antirecession fiscal assistance (ARFA) losses (proposed TFA program monies as percent of fiscal year 1978 ARFA payments) 1980 dollars adjusted for inflation	22/18	49/40
Replacement percentage ratios for ARFA and CETA public service employment losses 1980 dollars adjusted for inflation	13 11	29 24

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS: THE LARGER CONTEXT

Mr. President, there is a natural tendency to view individual Federal aid programs in isolation and to identify them with special interests and specific regions of the country. Forgotten in this narrow reading of Federal program purposes and benefits is the fact that billions of dollars flowing from the Federal coffers fund State and local government services and capital projects in a vast number of American communities.

Federal aid to State and local governments has grown dramatically over the last decade, tripling between 1970 and 1978, from $24 billion to over $80 billion. Grants to city governments have exceeded this rate of increase at an even greater rate, increasing by over 400 percent for the same period.

It is important to note that Federal aid is widely distributed to communities throughout the country—not just to the Nation's most distressed cities.

For example, in 1978 Tulsa, Okla., received $48 million in Federal grants; these funds accounted for 27 percent of the city's spending for traditional city services. This was a fivefold increase over 1972.

Houston, Tex., received $210 million in Federal aid in 1978, of which $140 million was for capital purposes and $70 million for operating purposes. Total available Federal aid in 1978, including funds in the pipeline, was over $450 million. From 1973 to 1978 Federal aid to Houston increased by more than seven-fold.

The conclusion to be drawn here is that while targeting in some newer Federal aid programs has provided higher benefits to distressed communities, targeting by no means dominates the Federal aid scene. It does in the targeted fiscal assistance portion of this legislation, provide a modest amount of money for 2,100 seriously distressed communities which do not benefit significantly from the Federal water and dam projects or from the highway funds or from the presence of large military bases which mean so much to the economies of many newer, growing communities and regions of the country.

THE COUNTERCYCLICAL PROGRAM

But, Mr. President, all state and local governments live with the background possibility that the national economic health will deteriorate, and generate increasing unemployment, a decreasing local tax base and growing welfare rolls.

While our economic future is unclear, none can ignore such predictions as those recently made by the Congressional Budget Office of 7½ percent unemployment by the end of next year. In recognition of these potential problems, the Federal Government in 1976 legislated a countercyclical revenue sharing program. A program automatically triggered by certain conditions of unemployment or economic downturn is far preferable to after-the-fact legislation whose lack of timeliness in assisting State and local governments is predictable.

The 1976 countercyclical program was passed in response to the recession of 1974–75. The program has clearly been of benefit to recipient governments, but the delay in its enactment seriously limited its effectiveness. What is required, and what the countercyclical program in this legislation would provide, is a standby program which would respond automatically to changes in economic conditions at both the national and local levels.

This "safety net" program should also better equip us to meet the goals of reducing inflation and the federal deficit by resisting immediate pressures for greater Federal Government spending.

In conclusion, Mr. President, I would call attention to the action of the Budget Committee on Wednesday night in adopting Senator MOYNIHAN's amendment to the second budget resolution to provide $800 million in budget authority and outlays to accommodate this legislation in the second concurrent resolution. This action by those who have demonstrated such caution on behalf of the Senate about precipitous spending only underscores the growing consensus in this body as well as in the country about the importance of enacting these vital programs of targeted fiscal assistance and countercyclical revenue sharing.

Mr. President, this is a needed program, a balanced program, a program that combines a highly targeted assistance for a limited number of fiscally strained local governments with a more comprehensive standby program as protection against a national recession.

Set forth below is a fuller explanation of the Intergovernmental Antirecession and Targeted Fiscal Assistance Amendments of 1979.

The extension and amendment of title II of the Public Works Employment Act of 1976, by the Intergovernmental Antirecession and Targeted Fiscal Assistance Amendments of 1979, extends the availability of a standby antirecession assistance program for State and local governments and establishes a targeted fiscal assistance program for local governments that are continuing to experience high unemployment despite the recovery of the national economy from 1974 to 1975 recession. The committee has concluded that it is appropriate to target Federal fiscal assistance to the most economically distressed local governments, as measured by the rates of unemployment prevailing within their jurisdictions. The committee believes the program of antirecession and targeted fiscal assistance constitutes an essential element of sound Federal fiscal policy.

The committee has amended the funding provisions of the antirecession program and has provided a targeted fiscal assistance program in recognition of the need for continued assistance to local governments that have not fully participated in the national economic recovery. Many of these jurisdictions have been adversely affected by the loss of antirecession funding. The committee has retained the general administrative provisions which have previously been a part of the program.

The antirecession assistance and targeted fiscal assistance programs are authorized for an additional 2 years, until September 30, 1980. The funds will generally be distributed quarterly based on available unemployment data, except that targeted fiscal assistance will be paid in a lump sum for the fiscal year that began October 1, 1978. The amount of funds payable for fiscal year 1980 will depend upon whether subtitle A, the antirecession program, or subtitle B, the targeted fiscal assistance program, is in effect. When the average rate of unemployment for the United States (seasonally adjusted) equals or exceeds 6.5 percent for one calendar quarter, subtitle A provides for the distribution of $125 million, plus an additional $30 million for each one-tenth of 1 percent by which the rate of unemployment exceeds 6.5 percent. No funding under subtitle A will be provided during fiscal year 1979 because the national unemployment rate did not exceed the requisite 6.5 percent level for the trigger period.

When the national unemployment rate has been less than 6.5 percent for a calendar quarter, antirecession payments are suspended and the targeted fiscal assistance program will be in effect. For the fiscal year beginning October 1, 1978, $150 million would be distributed to local governments with unemployment rates of 6 percent or more. For the fiscal year beginning October 1, 1979, $85 million per quarter in targeted assistance would be paid to local governments. One percent of the total funds appropriated for any fiscal year or calendar quarter is set aside for distribution to Puerto Rico, Guam, American Samoa and the Virgin Islands. The total funds authorized during the 2-year extension may not exceed $1 billion per fiscal year.

The distribution of antirecession funds under subtitle A, when the national rate of unemployment is at least 6.5 percent, is based on the difference between local and statewide unemployment rates and 4.5 percent and the general revenue sharing distribution formula. However, eligibility for payments under subtitles A and B is restricted to governments with unemployment rates of 6.0 percent or more. This is a change from prior law which required only a 4.5 percent rate for eligibility purposes. The committee has concluded that this method of distributing funds will be effective in targeting assistance to those governments most in need. State governments will continue to receive one-third of the total antirecession funds allocated. Each local government in a standard metropolitan statistical area with a higher rate of unemployment when determined on the basis of the current population survey methodology used before January 1, 1978, will be assigned such higher rate in determining its allocation.

When the national rate of unemployment has been less than 6.5 percent for a calendar quarter, the committee has determined to continue funding a program of targeted fiscal assistance to local governments only and to preserve the basic pattern of distribution based on local government rates of unemployment in excess of 4.5 percent. Unemployment rates will be assigned on the basis of current population survey data for those local governments that would receive higher rates from such assignment.

A limitation on eligibility based on per capita income has been added under both subtitles. A government may not receive funding under this bill if the per capita income within its jurisdiction exceeds 150 percent of the national per capita income level, except in Alaska and Hawaii where special provisions are made due to noncomparable per capita income levels. This provision will prevent more well-to-do governments from receiving funding.

Further, the level of minimum payment has been raised from $100 quarterly to $10,000 for annual allocations and $2,500 for quarterly allocations. This upward revision will provide that governments will not receive limited amounts that would be inadequate to assist in maintaining services.

Most of the administrative provisions of the current law will be continued, including provisions relating to the use of payments, nondiscrimination and labor standards. Special reports, which have been found to create an excessive paperwork burden for recipients, and provision for program studies and recommendations already completed, are eliminated. The Secretary of Labor, the Bureau of the Census, and the Office of Personnel Management are directed to provide information and necessary data. The Secretary of Labor is also directed to determine and assign the unemployment rates necessary for the administration of the act.

In cases where a local government is scheduled to receive not more than $10,000 for a calendar quarter, that government will receive a single payment which includes its entitlement under the State and Local Fiscal Assistance Act of 1972, as amended. In such cases, the Secretary of the Treasury will provide the Government with a notice which states the portion of such single payment that is attributable to this bill.

I urge favorable consideration by all of my colleagues of this legislation, S. 566.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. MOYNIHAN. I rise to congratulate the distinguished chairman of the Subcommittee on Revenue Sharing of the Committee on Finance, the junior Senator from New Jersey who on this occasion makes his first appearance on the floor as a manager of a major item of legislation. I think it altogether augurs well for the future of this body and our Government that he brings to the floor a piece of legislation which, I dare to hope, is going to be as permanent a feature of our Government as will be, for the moment, the junior Senator from New Jersey.

This legislation, as the Senator notes, is essentially not different from that which the Senate adopted on September 23 of last year, which would have been enacted had there not been the characteristic rush of business in the very last days of the 95th Congress. Now we have an opportunity to set those matters right, but we do so in an importantly different context.

Last Congress we were hoping to make countercyclical revenue sharing the compensatory balancing of fiscal problems, a permanent aspect of the distribution of the Federal fisc. We did so in a somewhat abstract economic situation. Inflation had begun to seem to be more of a problem than anticipated, but other than that, there were no particular signals of movement in the economy.

We now do so in the midst of a recession. A recession is under way. The question is how serious it will be.

In any event, the question before us is how serious we will be about it. Will we take the opportunity to adopt this simple standby system of compensating different parts of the country and areas of our economy for the different rates of growth, of rise and decline, that they necessarily experience in a continental economy?

This is a good idea. Congress has

already experienced or adopted it in response to a previous downturn in the economy, and it has won the most consistent praise of any significant response which the American Government has yet made to a sharp economic recession. I would remind my colleagues of the last recession of 1974–75. These are features of an industrial economy, and though they can be modulated, no one has found a way to avoid them. Recessions have been a basic feature of industrial economies since the onset of the industrial revolution.

The basic response of government has always taken place by spending for public works—digging canals in the 19th century or massive public works in the 20th century. As a matter of fact, digging is a timeless characteristic response.

However, nothing more characterizes our responses than that they lag 18 months or 2 years behind the need for stimulus, and by the time the whole lumbering machinery of Government has acted, we have commenced to stimulate an economy already rising and on the verge of overstimulation. It is not hard to understand the process, but it is easy to avoid it.

You avoid it by putting in place sensible, moderate, proven legislation of this kind. The response comes automatically to the need for stimulus, and it drops off automatically as the need expires. The Advisory Council on Intergovernmental Relations, which is an organization to be attended to, was established in the 1950's by President Eisenhower, at a time when there was a situation of crisis in federalism, when no one seemed to truly have a sense of how to maintain the balance between the various levels of American Government. We had only known the increase in National Government for the previous 3 decades. No one seemed to have any idea of how to maintain a balance, particularly in the case of the Federal fisc, which disproportionately grows; with every 1-percent increase in the GNP, the revenues of the Federal Government grow by 1.5 percent. The revenues of other levels of government do not. Hence, the very source of strength in the American economy is the trend—throughout other levels of American government—the trend toward more Federal Government, with more money coming here, with more authority, more direction, and the ever increasing intensity of our schedules as Congress proceeds to dispose of issues that scarcely ought to demand the attention of a State legislature—that are more appropriate for the consideration of local governments and city councils.

This is the best antirecession program yet devised. It works. It scarcely takes the time of three persons in Washington to administer it. It goes directly to where it is needed. It is used by people who are in the best position to know what ought to be done with it.

Mr. President, we have an opportunity here to act with responsibility at a time when the need for action is unmistakable. I am happy to see in the Chamber our distinguished colleague and friend from Missouri (Mr. DANFORTH), who has worked so ably in the Finance Committee on this matter, who is concerned about retargeting the shape of the legislation we have before us, and who is on the floor not only in his own distinguished right, but to represent the fact that this is a bipartisan measure. By a unanimous vote, if that can be said of a voice vote, this was passed out of the Finance Committee by a bipartisan majority. It was adopted by the Budget Committee only on Wednesday evening, and we are here on the floor with it today. I assume we will do the same, and if we do, we will let the people of this Nation, not only those in Missouri, know that it is to their astonishingly gifted junior Senator that the country owes so much.

Mr. DANFORTH. Mr. President, I very much appreciate the very kind remarks of the Senator from New York. The thoughts expressed by him are mutually held.

The bill which we consider today, S. 566—the "Intergovernmental Antirecession and Targeted Fiscal Assistance Amendments of 1979"—reported without objection by the Finance Committee—represents a compromise between S. 200, a bill which I introduced with Senators WILLIAMS, MOYNIHAN, and JAVITS, joined by Senators RIEGLE and MUSKIE, and S. 566, a bill introduced on behalf of the administration by Senator MOYNIHAN. It is a true compromise, the product of the concerted effort of my office, Senator BRADLEY's office, Senator MOYNIHAN's office, Senator DURENBERGER's office, and the administration, working together with the common purpose of providing—first—necessary assistance to America's cities in fiscal distress, and—second—a standby program of countercyclical fiscal assistance to States as well as cities with high unemployment, in the unhappy but increasingly likely event of serious national recession.

But in order to understand the bill before the Senate today—and what it represents—it is necessary, in my opinion, to review—however briefly—the history of this legislation.

Title II of the Public Works Act of 1976 authorized the establishment of an antirecession fiscal assistance program to distribute assistance to State and local governments experiencing fiscal distress when national unemployment exceeded 6.0 percent. For this purpose, $1.25 billion was authorized for the five quarters beginning in July of 1976 and extending through September of 1977.

Then, in 1977, the program was modified and extended for an additional five quarters, from July 1977 through September 1978. For this purpose, $2.25 billion was authorized. Then, in 1978, the Carter administration asked for, and the Finance Committee approved, a continuation of the program for an additional 2 years, with an authorization of $2.25 billion.

I opposed that effort.

I opposed it because I believe the countercyclical aid program, as then structured, represented Federal policymaking at its worst. I did not challenge the fundamental principle of the program—namely, that assistance should be provided to local governments in time of recession to replace revenues lost due to downswings in the economy. What I did challenge was the "something for everyone" philosophy embodied in the definition of fiscal distress.

The old countercyclical program defined a community in "fiscal distress" as any State or county or city with unemployment at 4.5 percent or worse. Mr. President, I do not know for sure what 4.5 percent unemployment means—some say it is—statistically—full employment—but I do know that 4.5 percent unemployment does not mean "fiscal distress." Mr. President, when we distribute scarce Federal tax dollars to communities with 4.5 percent unemployment, we may please a lot of mayors and Governors, but we do a serious disservice to the taxpayers of this country. The bill reported by the Finance Committee sought to perpetuate that absurdity. Plainly and simply stated, it made no sense.

Mr. President, that was the bill presented to the Senate last year.

We amended that bill on the Senate floor.

Instead of providing assistance to jurisdictions with 4.5 percent unemployment, we limited aid to communities with unemployment greater than 6 percent, a valid measure of distress.

And we prohibited aid to States entirely unless national unemployment was greater than 6 percent.

Mr. President, with those amendments we brought some rationality to the countercyclical revenue sharing program—and we passed that bill. Unfortunately, there was not time to act on the legislation in the House, and the bill died.

On January 23 of this year, I reintroduced the Senate-passed bill as S. 200. In the House, Mr. RODINO, with 83 cosponsors, introduced an identical measure as H.R. 1246.

On March 7, the administration countered with its proposal, presenting a plan for assistance even more highly targeted than my own. Over the past several months, my staff has worked with the staff of the Treasury Department, as well as with the staff of Senators BRADLEY, MOYNIHAN, and DURENBERGER, to construct a sound, well-structured program of assistance. This bill represents the results of that effort.

As reported by the Finance Committee, the bill:

First. Authorizes $150 million in immediate assistance for fiscal year 1979—and $340 million—distributed in quarterly payments for fiscal year 1980—to local governments, and local governments only serving jurisdictions with unemployment at 6 percent or worse;

Second. Authorizes a standby program of assistance to State as well as local governments serving jurisdictions with unemployment at 6 percent or worse, when national unemployment meets or exceeds 6.5 percent. A quarterly allotment of $125 million is authorized for this purpose, with an additional $30 million for each tenth of a percentage point unemployment exceeds 6.5 percent. In no event, however, could aid exceed $1 billion under the countercyclical program in any given year;

Third. Renders ineligible for assistance communities which would receive less than $10,000 a year ($2,500 a quarter) and, with certain exceptions for Alaska and Hawaii, renders ineligible for assistance communities with a per capita income equal to or greater than 150 percent of the national average.

Mr. President, I am convinced that this is a tight, sound, highly targeted program. Anyone who doubts this need only check the statistics. The bill reported by the Finance Committee last year was targeted to provide assistance to 18,000 communities. The bill before the Senate today—the work of several months of study—will provide assistance to an estimated 2,100 jurisdictions. Mr. President, those statistics explain better than any words the work which has been done—and the progress achieved—in reforming this program.

Mr. President, I would like to talk briefly about the targeted fiscal assistance program. Some of us, I know, come from States that have managed to avoid the throes of economic depression. For them, viewed from a purely parochial, standpoint, there is little economic incentive to vote for this legislation. I trust that they recognize, however, that there are cities and counties in this country that desperately need the money which can be provided by this bill.

That is to say that no matter what the national rate of unemployment, even if it is very low, if there is a city or a county in a particularly depressed area, if it has, say, 15 percent unemployment, it is very little comfort to it that the national rate of unemployment is below 6½ percent.

Which brings me to the countercyclical program—the standby program of fiscal assistance which provides aid to States and local governments with high unemployment when national unemployment reaches 6.5 percent.

Mr. President, I spoke just a while ago about the emergency nature of these funds. Yet commentators have observed that it was precisely that sense of emergency which—in the past—was lacking in the Federal Government's response to recession. While the politicians in Washington quarreled over the question of whether we were or were not in a recession, state and local governments—experiencing an erosion in their tax base—were laying off employees, with the attendant cost to taxpayers in cutbacks in important services. It is important, therefore, that we establish an automatic standby program when it is still possible to view these issues with some measure of dispassion.

This bill, in my opinion, achieves that goal, establishing 6.5 percent national unemployment as a trigger for countercyclical assistance. At that level we trigger assistance at a time when we stand a good chance of enabling State and local governments to arrest problems before they become serious. To go any higher, in my opinion, would not provide assistance until the economy was in truly difficult straits—the 6.5-percent trigger provides reasonable assurance that the money will get out to the cities when it can do the most good. Here again it is worthwhile to note that the fact that these payments go out with almost no strings attached means that the money can go out quickly and be put to work quickly.

Unlike, for example, a public works program where it is said that by the time the projects get underway the recession is over, this bill provides funds to local governments and distributes money throughout the country which can be used without a long waiting period when it can still have a positive effect in curbing the recession.

As the Advisory Commission on Intergovernmental Relations observed last year in its analysis of countercyclical revenue sharing, neither CETA nor public works programs can provide assistance as quickly.

Mr. President, I think this is a good bill—a sound bill—and I hope for its passage by the Senate.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, are we under a time agreement?

The ACTING PRESIDENT pro tempore. Yes.

Mr. BELLMON. Will the Senator yield me 10 minutes?

Mr. DANFORTH. I will be happy to yield 10 minutes to the Senator.

Mr. BELLMON. Mr. President, let me begin by saying that I consider it to be extremely unfortunate that the Senate is taking up this bill today. I can see no purpose served by the Senate's consideration of this measure now versus taking it up early after we return from our August recess. This is a major piece of legislation and it has major budgetary and economic impacts. There has been inadequate time to fully analyze the impact of this measure since it was reported to the floor, and not adequate time to fully prepare the amendments which I believe Members of the Senate will want to support in order to make this bill a little less damaging.

I can recall two other times when serious errors were made by Congress rushing through such legislation.

In the spring of 1977, we rushed the President's economic stimulus package through Congress when it was anticipated that the economy was headed into a downturn. Most Members, I now believe, would agree that the action Congress took resulted in wasted Federal dollars. The mild downturn was over before the money was pumped into the economy, and the untimeliness of that action caused additional inflationary pressures—inflationary pressures from which we now suffer.

Mr. President, most Americans rightly consider inflation to be the most serious economic problem facing the Nation. Recent statistics show that the rate of inflation now exceeds 13 percent.

Let me emphasize that number: We are now having inflation at about 13.2 percent. American wage earners are hurt by the serious resulting loss of purchasing power.

Most Members of Congress eagerly condemn inflation, yet we seem equally eager to vote to make the problem worse. While condemning the monster, we vote to feed it and make its devastation worse. The fact is that this monster, inflation, was born right here in this Chamber, and if it is ever controlled, that action must take place right here, not some far distant place.

Effective anti-inflation action will probably not be a dramatic, one-time action but rather on a case-by-case resistance to excessive or unnecessary spending, which I consider this bill to be.

The irony is, Mr. President, that the U.S. Government has no revenue to share. Anyone who looks at our situation will realize that we have already shared far more revenue than we have. Our Treasury is facing a deficit of over $30 billion in fiscal year 1979, the year which will end on October 1. It now appears that the 1980 deficit will be even higher.

So we talk about sharing revenues. We are absolutely kidding ourselves. We do not have any revenues to share. What we have to share is not revenues but, rather, control of the Government printing presses and we can crank out some more millions of green paper dollars and these will have the effect of eroding the value of every American's savings and earnings and thereby cause more inflation.

The irony of this bill is that the debt-ridden Federal Government is shipping out dollars we do not have to local governments which, in most, if not all cases, are in a far more healthy financial condition than we are. If there is going to be any revenue sharing, it ought to be the other way around.

Houston and Tulsa, I say to my friend from New Jersey, are in a far more healthy condition than is the Federal Government. I think it is a tragedy that under past bills—I realize it has been changed in this bill—those cities, which are in great shape, were given money which the Federal Government did not have.

CBO estimates that there is an aggregate State and local surplus—this is a surplus, not a deficit. We are having a $30 billion deficit. State and local governments will be in surplus by $4.5 billion in 1980. If there is any revenue to be shared, it ought to be coming from the

State and local governments to the Federal Government, rather than the other way around.

Another thing, Mr. President, in the late fall of 1977, just before adjournment, we rushed through major social security tax changes rather than taking the time to review them and take them up for consideration when the Congress reconvened a month or two later in early 1978. It is now clear that additional time should have been spent to constructively improve the social security bill on which many Senators were forced to vote without having adequate opportunity to study them and get fully familiar with the provisions.

The same problem exists today. I feel additional time could be better spent designing the programs contained in this legislation. Nevertheless, the bill is before us. I consider it to be a part of a dangerous inflationary trend which current actions of the Senate are exacerbating. Senators will all be home during August decrying the evils of inflation. I hope the Senate will vote today the same way we will be talking next week when we are back among our constituents agreeing that inflation is the greatest problem this Nation faces.

Mr. President, it is my intention to offer three amendments in an effort to improve this bill. I do not want the sponsors of the bill to be misled. I have no intention of voting for this bill even if the amendments are adopted. I think a bad bill now will be less bad if the amendments are adopted, but I think we would be better off to put this bill over to vote on when we know what we are doing.

Once more I hope the Senate will agree on my amendments.

Mr. DANFORTH. Mr. President, a very brief reply to the Senator from Oklahoma. I normally am fighting on the same side as the Senator from Oklahoma, trying to bring sense out of the Federal budget and restrain excessive Federal spending. I applaud him for that effort. I only make three brief comments to his remarks.

First, this is hardly a rush to legislation. The concept of countercyclical revenue sharing was first enacted into law in 1976, was reauthorized in 1977. It was on the floor of the Senate last year, was passed by the Senate last year. Again, this year, 3 days of hearings were held on this bill last March. So it is not really being rushed into law.

The fact of the matter is, however, that if we are going to increase the likelihood of the House dealing with this bill, we should get on with it and pass it before the recess.

Second, if the bill were to provide aid, so-called targeted aid, to cities like Houston and Tulsa, I would oppose it. As a matter of fact, it was for that reason that I opposed the Finance Committee's version of it last year and offered the amendment on the floor of the Senate which was finally adopted to increase the trigger figure from 4.5 percent to 6 percent, thereby removing relatively well-to-do communites from the coverage of the bill. So I think Senator BELLMON is exactly right on that point. That is what we aim to do here.

Finally, I really do not think it is a relevant argument to say there is an aggregate surplus in local governments. That may well be. But the fact that there is an aggregate surplus in local governments does not address the issue of this bill. This bill does not send money out to those kinds of governments which have surpluses. This bill send money to those communities which have high rates of unemployment, which have had their tax bases eroded by high rates of unemployment of over 6 percent. It is the very targeted nature of this bill, not that it is just spraying money out everywhere we can think of, that makes it a very desirable bill, in my opinion.

Mr. BRADLEY. Mr. President, if I could respond as well to Senator BELLMON's comment, this bill has three specific measures to insure that only those communities that have severe problems receive the aid. There is an unemployment rate cutoff of 6 percent. We then decided it would not be appropriate to send $2,000 or $3,000 to a community, so we had a cutoff of a minimum of $10,000 that could be sent to a community.

Third, we felt it was unfair that even those communities that do have over 6 percent unemployment but have very high income base, it was not right for them to receive the aid. So we put a per capita income limitation of 150 percent of the national average, thereby cutting out such places as Birmingham, Mich.; Englewood Cliffs, N.J., or Marin County, Calif. The purpose of the bill was to aim at areas that need it.

A quick comment on the surplus. The aggregate surplus in State governments amounts to a sizeable sum; 50 percent of that comes from three States. Three more States provide the bulk of the remaining 50 percent. So we are talking about, really, a surplus in 6 States, not 50 States.

Another point to consider is that a surplus sometimes is prudent, particularly if there is a State law requiring a balanced budget. The more important figure to look at is what percent is that surplus of the operating funds of the State? If it is under 1, 2, 3, or 4 percent, having that surplus on hand is prudent because, in a national downturn, a State's share of medicaid welfare will expand dramatically and the States must have the revenues to pay for those increased expenditures.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ZORINSKY). Does the Senator withhold his request?

Mr. BELLMON. Mr. President, to respond briefly, let me simply say that this bill, in my opinion, is being handled in a rushed manner. It came to the calendar on Tuesday afternoon.

The PRESIDING OFFICER. Who yields time to the Senator from Oklahoma?

Mr. DANFORTH. I am happy to yield time to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, there has not been time yet to even find out what the costs of this bill are going to be. The Congressional Budget Office has not had a chance to compute the costs.

I do not know whether the authors have an expected cost, or not, or where they would have gotten it.

The fact is, we are, to an extent, buying a pig in a poke because we do not know what the actual costs are going to be.

UP AMENDMENT NO. 507

(Purpose: To strike the fiscal year 1979 program authorizations)

Mr. BELLMON. Mr. President, I have an amendment at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 507.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, strike lines 3 and 4, and insert in lieu thereof "(2) by striking out for each of the five succeeding calendar quarters (beginning with the calendar quarter which begins on July 1, 1977)" and insert in lieu thereof "for each of the four calendar quarters of the fiscal year beginning October 1, 1979".

On page 19, line 12 strike "eight" and insert "four".

On page 19, line 14, strike "October 1, 1978" and insert "October 1, 1979".

On page 19, line 16, strike "any" and insert "the".

On page 28, lines 23, 24, and 25, strike "an annual payment for the fiscal year beginning October 1, 1978, and".

On page 29, lines 9 and 10, strike "$150,000,000 for the fiscal year beginning October 1, 1978, and".

On page 30, line 25, and page 31, line 1, strike "for the fiscal year beginning October 1, 1978, is less than $10,000, or".

On page 32, lines 18–22, strike "October 1, 1978, if the average rate of unemployment within the jurisdiction of such local government during calendar year 1978 was less than 6 per centum, or for a calendar quarter during the fiscal year beginning".

On page 33, lines 16–20, strike "paragraph, except that the local unemployment rates for the purposes of this subtitle for the fiscal year beginning October 1, 1978, shall be the rates of unemployment within the jurisdiction of a local government for the calendar year 1978." and insert "paragraph."

The PRESIDING OFFICER. Is this one of the three amendments the Senator reserved 1 hour of debate time on?

Mr. BELLMON. It is.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, this amendment strikes the fiscal year 1979 authorizations for the standby antirecession fiscal assistance program and the targeted fiscal assistance program from the bill. I do not see, and I think most Members of the Senate will agree with me, that there is any likelihood at all that these authorizations will materialize into appropriations in fiscal year 1979—I remind the Senate that there are only 19 legislative days from now until we enter fiscal year 1980—and it is absolutely foolish to carry unnecessary budget authority on the books.

Mr. President, Congress started a countercyclical, revenue-sharing program under title II of the Public Works Employment Act of 1976 and extended that program again in 1977. Attempts to extend the program for a third time failed in the House. As a result, antirecession fiscal assistance to States and localities expired at the end of fiscal year 1978. For a whole year, States and localities have survived quite well without this program.

Without my amendment, what this bill would do if, in fact, the House finally approved it and the Senate approved it, would be to dump the money into the coffers of municipalities at the end of the fiscal year when they have no way to spend that money in the time for which it was appropriated.

In his January budget this year, the President proposed reauthorization of antirecession fiscal assistance on a "standby" basis and requested $250 million in fiscal year 1979 and $150 million in fiscal year 1980 for a temporary program of targeted fiscal assistance to help fiscally distressed local jurisdictions adjust to the October 1978 termination of antirecession fiscal assistance payments. However, the July OMB mid-session review of the budget includes no funds for this program in fiscal year 1979 and ups the fiscal 1980 request to $350 million instead. Therefore, the administration no longer believes these funds are likely or needed in fiscal year 1979, and the reason cited for no longer including fiscal year 1979 money in the budget is congressional inaction on this program.

The bill before us, which was filed by the Finance Committee only last Tuesday, authorizes a "standby" antirecession fiscal assistance program in fiscal years 1979 and 1980, and authorizes $150 million in fiscal year 1979 and $340 million in fiscal year 1980 for a program of targeted fiscal assistance to local jurisdictions experiencing unemployment of 6 percent or above.

Under the Congressional Budget Office's current economic projections, no funding would be required in fiscal year 1979 under the antirecession fiscal assistance program contained in subtitle A of this bill. Therefore, the fiscal year 1979 authorization is not only late—it is also unnecessary.

Further, in my opinion, it is also unrealistic to expect any fiscal year 1979 appropriation to materialize for the targeted fiscal assistance program contained in subtitle B of this bill.

Countercyclical programs have received strong opposition in the House in the past. Even if the composition of the House has changed to allow favorable consideration of such measures, key House Members remain strong opponents.

It is very unlikely they will allow a measure of this kind to move quickly enough for the final action and the appropriations to materialize in just 19 legislative days.

In addition, there is the matter of timing. Even if the Senate approves this legislation today, it will need to wind its way down the other paths dictated by the legislative process. The bill will need to be considered and approved by the House. Senate and House conferees will need to resolve any differences between them, and appropriations action will need to occur in both the House and the Senate.

Mr. President, it is an absolute impossibility that all of those legislative acts will take place.

Given the fact that the 1979 fiscal year ends in 2 months—on September 30—and the fact that we will be in recess for one of those months, until after Labor Day, it is clear that this process cannot be completed in time for fiscal year 1979 spending under substitle B of this bill to be anything other than a retroactive giveaway.

This amendment does not touch the fiscal year 1980 program authorizations. It simply strikes the fiscal year 1979 authorizations from the bill and recognizes the reality of the calendar and time problems the bill faces. Under current economic projections, we do not need a fiscal year 1979 authorization for the standby antirecession fiscal assistance program and a fiscal year 1979 authorization for the targeted fiscal assistance program is both unnecessary and highly unlikely.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Several Senators addressed the Chair.

Mr. BRADLEY. Mr. President, I yield 5 minutes to the distinguished Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. President, I rise in opposition to the Bellmon amendment and in support of S. 566.

This bill is absolutely essential to States such as Michigan and damage should not be done to it.

The amendment that is presently before us would strike out the moneys for fiscal 1979. We are entering a recession right now. The administration even now is conceding publicly that we are in a recession. Many local governments have not yet recovered from the last recession. And they tend to be the ones that will be hit first by the next one. Those fiscal 1979 funds will help at a time when help will be badly needed.

The value of this program is that it stands ready to make funds available when and where they are most needed.

The Senator from Oklahoma intends to offer several amendments that would damage this concept and the effectiveness of the program. I must oppose those amendments.

This program has been thoroughly debated in this Chamber before, Mr. President.

The Senate last year passed a similar bill by a wide margin. That bill died without action in the House during the closing hours of the 95th Congress.

The effectiveness of this program during fiscal years 1977 and 1978 was clearly demonstrated.

Present developments in the economy point up the fact that we should not be dismantling a program that has worked so well at a time when the need for it is becoming greater.

The Treasury Department conducted a major study of economic stimulus programs and in doing so found that the countercyclical revenue-sharing program was by far the most effective in targeting aid to cities according to their fiscal condition.

In that study, cities were classified into those that suffered a high degree of fiscal strain, those with moderate strain, and those with low strain.

The results indicate the per capita allocations to cities in the high strain category averaged $29, while moderate strain cities received an average of about $12, and the low strain about $7.

Cities with the greatest need received over four times as much aid per capita as those with less need.

The countercyclical program is well targeted to localities of greatest need, as follows:

THE COUNTERCYCLICAL REVENUE SHAR'NG PROGRAM IMPACT OF (ARFA) ON THE FISCAL CONDITION OF 48 LARGE CITY GOVERNMENTS

	High strain cities	Moderate strain cities	Low strain cities	All 48
Total ARFA allocation (millions)	$458.7	$189.0	$41.5	$687.2
Percent of total	67	27	6	--------
Per capita total ARFA allocations	$28.65	$12.01	$6.65	$18.04
Estimated 1978 ARFA allocations as an equivalent increase in propertx tax (dollar/000 FMV)	$0.15	$0.05	$0.02	$0.08
Estimated 1978 ARFA allocations as percent of adjusted own source revenue	2.5	1.8	1.3	2.1

Many analysts believe that a number of cities were able to avoid financial collapse only because of this Federal aid. I know how important the program was to my own State government and to many local governments in the State of Michigan.

The city of Pontiac, for instance, received $2.2 million per year at the height

of the countercyclical program, over 7 percent of the city's general fund. When the national economy recovered, Pontiac was left behind. The city now has an unemployment rate of 13 percent. When countercyclical spending was shut off, the city was forced to lay off 13 policemen and 13 firemen. This cutback in forces caused such severe problems that the city had to finance the reinstatement of those officers and firefighters by shutting down other activities such as street, park and building maintenance.

Detroit received $20.7 million from the countercyclical revenue sharing program during the year it was under the most severe stress of the last recession. The city is still under stress. This year the city is being forced to reduce it police force by 520 men. The countercyclical aid was sufficient to support 520 officers. Today Detroit is taxing just about everything it can. It imposes income taxes at a rate double that of any other locality in the State. It is the only city with a utility tax. Its local taxes are 4.4 times the average in the State. The city simply is in no position now to bear by itself the additional shocks of another recession.

So, failure to continue the countercyclical fiscal assistance program could not come at a worse time. It will provide a safety net for those governments that are going to be hardest hit by the recession. It will result in spending only if national unemployment rises in response to a real downturn. And that spending will help stave off disruptive actions by local officials—such as sharp cutbacks in services, large layoffs of public employees, and substantial increases in taxes—actions that can greatly complicate our efforts to maintain a steady Federal fiscal policy.

This program is also one of the few programs that reduces and terminates Federal spending when the need recedes.

So I hope the Senate will adopt the legislation and reject the amendments of the Senator from Oklahoma.

Mr. BRADLEY. Mr. President, I oppose the amendment of the Senator from Oklahoma.

I believe that eliminating targeted fiscal assistance for the fiscal year 1979 would cancel out one of the most important elements of the antirecession objectives in the proposed legislation. It is the timing of the distribution of funds to local governments which are suffering from severe economic distress that is critical.

By the time targeted fiscal assistance for fiscal year 1979 actually is received by the approximately 2,100 eligible local governments, the impact of our current recession will have been fully felt.

Recent confidential administration forecasts and the CBO forecasts say that we are headed for unemployment of close to 7.5 percent before the end of 1980. Based on these forecasts, it is clear that the distribution of targeted fiscal assistance funds, which might not occur until the end of this year or early next year at the earliest, will just be going out when they are most needed.

Severely distressed communities should not suffer the increased burden because the course of this legislation has been slow. The bills to provide this aid were introduced in the Senate last January and February, and we recognize that time is against us. However, we feel that it is essential that we move on this legislation to get the aid where it is most critically needed, in distressed communities across the country which are being forced today to raise taxes, to sell public property, and to lay off important service personnel in the government.

Therefore, I urge strongly that we vote against this amendment.

I yield to the Senator from New York.

Mr. MOYNIHAN. I thank the distinguished chairman of the subcommittee.

I should like to emphasize what the Senator from Michigan has said. We are in a recession. No less an authority than the new Secretary of the Treasury, formerly Chairman of the Federal Reserve Board, stated it to the Finance Committee in our hearings on the confirmation on his nomination. We have known this for some time.

I take it that the gravamen of the argument of the distinguished Senator from Oklahoma is that Government is very complicated and the governmental process is hazardous, and this will face those familiar hazards. Exactly so. This bill was passed last September. It should be in place now. There is a recession now. It is not a moment too late to get on with the work we have agreed to do and should do.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MOYNIHAN. It is not my time. The Senator from New Jersey has the time.

Mr. BELLMON. I will be glad to have the time charged to the sponsor of the amendment.

Will the Senator agree that 1979 is virtually over, that only 2 months remain, and that this has not been a year of recession?

The idea of coming along at the end of the year and dumping $150 million—money the Federal Government does not have—into the tills of the municipalities, which have already survived this nonrecession year, makes absolutely no sense.

I can agree that there is need to act in a timely way if the country gets into a genuine recession and some assistance to cities is probably in order. But what concerns me about this bill is that if it is a countercyclical bill, intended to help cities during the time unemployment is high, first of all, we have not had that condition this year; second, we are now putting the money into the cities after the year is over. The purpose of this amendment is to knock out the fiscal year 1979 funds.

Mr. MOYNIHAN. I say to the Senator from Oklahoma that I rest my case. I do not ask anybody else to do it. We are in a recession. The gross national product declined in the last quarter and is declining in this quarter. The question is, is the U.S. Government going to respond currently to these problems or always be a year and a half or 2 years late and respond in the wrong way?

Mr. DANFORTH. I yield myself 2 minutes.

Mr. President, the issue in this particular amendment is $150 million. This $150 million, if the amendment is rejected, will be distributed to communities which, by definition, are in need—namely, they have unemployment of more than 6 percent. Therefore, the reasoning behind the whole bill is that their tax bases have been eroded.

The testimony of then Secretary of the Treasury Michael Blumenthal before the Finance Committee on March 12, 1979, indicated the specific steps that were taken by cities such as Detroit, St. Louis, New Orleans, Newark, El Paso, and Pittsburgh as a result of the fact that last year the House killed this bill. Therefore this is to redress that, somewhat.

It is too late—there is no doubt that it is later than we would like it—but, still, it is $150 to communities that, by definition, are in distress. Despite the fact that so far in 1979, until very recently, we were not in a recession, these communities really were disaster areas.

The question is, first of all, are we going to target $150 million to communities which really have been suffering? Second, are we going to restart the program, which has been entered for a year, in a timely fashion, before the coming recession, the recession that is just starting, picks up a full head of steam?

Mr. MOYNIHAN. Well said.

Mr. BELLMON. Mr. President, I doubt whether further debate would serve any good purpose. I am ready to yield back my time.

Mr. BRADLEY. I am ready to yield back the remainder of my time.

Mr. BELLMON. The yeas and nays have been ordered.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the amendment of the Senator from Oklahoma. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. CHILES), the Senator from Nebraska (Mr. EXON), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Georgia (Mr. NUNN), the Senator from Mississippi (Mr. STENNIS) and the Senator from Florida (Mr. STONE) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. PELL) is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. BENTSEN. Mr. President, regular order.

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted?

The result was announced—yeas 51, nays 34, as follows:

[Rollcall Vote No. 248 Leg.]

YEAS—51

Armstrong	Durkin	Pressler
Baker	Garn	Proxmire
Baucus	Hatch	Pryor
Bayh	Hatfield	Roth
Bellmon	Heflin	Sasser
Bentsen	Helms	Schmitt
Boren	Hollings	Schweiker
Boschwitz	Humphrey	Simpson
Bumpers	Jepsen	Stafford
Byrd, Harry F., Jr.	Johnston	Stevens
Cannon	Kassebaum	Stevenson
Church	Laxalt	Stewart
Cochran	Leahy	Thurmond
Cohen	Lugar	Warner
DeConcini	McClure	Young
Dole	Muskie	Zorinsky
Domenici	Packwood	
	Percy	

NAYS—34

Bradley	Hayakawa	Moynihan
Burdick	Heinz	Nelson
Byrd, Robert C.	Inouye	Randolph
Chafee	Jackson	Ribicoff
Cranston	Javits	Riegle
Culver	Levin	Sarbanes
Danforth	Magnuson	Talmadge
Durenberger	Mathias	Tsongas
Eagleton	Matsunaga	Weicker
Ford	Meicher	Williams
Glenn	Metzenbaum	
Hart	Morgan	

NOT VOTING—15

Biden	Huddleston	Pell
Chiles	Kennedy	Stennis
Exon	Long	Stone
Goldwater	McGovern	Tower
Gravel	Nunn	Wallop

So Mr. BELLMON's amendment (UP No. 507) was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 508

(Purpose: To strike subtitle B, targeted Federal assistance)

Mr. BELLMON. Mr. President, I call up my second amendment at the desk and ask that it be reported.

Mr. MOYNIHAN. Mr. President, may we have order?

THE PRESIDING OFFICER. The Senator from New York is correct. The Senate will be in order.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 508.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 28, line 17, strike Sec. 13 of the bill.

Mr. BELLMON. I yield myself 5 minutes.

Mr. President, this amendment strikes subtitle B, providing for a program of targeted fiscal assistance, from the bill.

The administration proposed this program for fiscal year 1979 and 1980 to help fiscally distressed jurisdictions adjust to the termination of antirecessionary fiscal assistance. If this remains the purpose of the program, enactment now is certainly not going to be of significant "phasing out" benefit to localities. Antirecession fiscal assistance payments to State and local governments terminated at the close of fiscal year 1978 and local governments have done without this Federal financial aid since that time. It is too late to accomplish the goal of easing budget adjustments caused by termination of the antirecession fiscal assistance program.

This program is a prime example of our inability to "turn off" Federal aid to State and local governments. The antirecession fiscal assistance program enacted in 1976 was intended to provide temporary relief to States and localities at a time of economic downturn. It was to shut off as economic conditions improved. Instead, we built a new program constituency and aid to that constituency was again extended in 1977. If the Senate had had its way, it would have again extended that aid last year. Fortunately, the extension measure died over in the House. Now, we do see an economic downturn in the near future—a downturn which is considered to be mild by historic standards—and the push is on to extend this Federal aid again.

The PRESIDING OFFICER. Will the Senator suspend for a moment?

The Senator from Oklahoma is entitled to a chance to present his amendment. Senators will please refrain from conversations. The Senate will be in order.

The Senator from Oklahoma.

Mr. BELLMON. I thank the Chair.

To have a standby, fallback insurance program of antirecessionary fiscal payments to State and local governments may have some merit. To spin off a new permanent program of supplemental fiscal assistance to localities continuing to experience high unemployment is uncalled for. It is an example of the overdependence of local jurisdictions on Federal aid—our inability to "wean" them from the Federal bottle.

The program was never characterized as a permanent program. It was characterized as a temporary, antirecessionary measure. To justify the continuation of assistance on the basis that local jurisdictions have built this Federal money into their local budgets is unsound. They should not have presumed the flow of Federal funds would continue after the program's expiration date. If they have a budget "gap," they created it themselves.

What this program appears to be now is an "aid to cities" program. This being the case, it is a program aimed at those cities continuing to experience high unemployment as a result of structural, rather than cyclical, decline factors. As such, it is inappropriately placed in this bill. It is disguised in this bill as a "countercyclical" rather than a counterstructural" program, as it truly is. The program deserves consideration as a supplemental general revenue sharing payment to fiscally distressed local jurisdictions and should be considered in connection with reauthorization of the general revenue sharing program next year. Perhaps it is a new direction we wish general revenue sharing to take.

To add more money to the Federal pot going to aid urban areas in fiscal year 1980 is inconsistent with our efforts to restrain Federal spending. We have already given urban areas priority status in the fiscal year 1980 budget. Programs such as economic development assistance and urban development action grants are receiving substantial increases. To add more money in the form of general fiscal assistance to these areas is not called for at this time. The use of a 6-percent unemployment rate as the eligibility requirement also must be questioned.

I propose this amendment for the purpose of allowing us to consider what the balance of this legislation represents—countercyclical fiscal assistance to State and local governments. A program of straight fiscal assistance to cities should be taken up at another time and in another context.

I reserve the remainder of my time.

Mr. DANFORTH. Mr. President, this amendment really goes to the heart of the program. The fact that national unemployment, nationally, might be below 6 percent does very little to help those communities where it might be 10 or 12 percent, or even higher. Targeted revenue sharing is administered to help those communities which are in true financial distress. It is true that national unemployment—temporarily, I think—according to the figures that the administration issued yesterday, looks as though it is going up over 8.2 percent, but so long as it stays below 6 percent, that is of very little help to communities such as, for example, East St. Louis, Ill., or the city of St. Louis, or Newark, N.J., or Gary, Ind., or the other communities that are desperately hit by high rates of unemployment.

The fact of the matter is that targeted revenue sharing would go only to 2,100 jurisdictions throughout the country. It is targeted. Last year's bill would have gone to 18,000. We corrected that; we felt that was spreading to much money

out. This would go only to 2,100 jurisdictions throughout the country, only to communities with rates of unemployment of 6 percent or more. Sixty percent of the funds would go to communities with unemployment of over 8 percent. So this particular amendment, Mr. President, really guts the whole purpose of the bill.

This amendment, if adopted, would mean that communities which are in distress would not get any help until the whole Nation is in extreme distress. I think the whole point of helping communities is not to wait until the Nation is at a rate of 6.5 percent or more unemployment, but to help those communities when they are in need before the whole country is in a serious situation itself.

Further, Mr. President, with respect to the form of the aid, revenue sharing is string free, and that is what is good about it. It does not come with a lot of instructions to local governments and a lot of regulations as to how funds are to be spent. Revenue sharing funds allow local governments to make their own decisions on the expenditure of money. I think that is really a basic philosophical question. Where are decisions to be made in this country? Are they to be made in city hall or are they to be made in Washington?

For philosophical reasons as well as economic reasons, I think that this targeted concept of revenue sharing is an excellent one and I would hope that the amendment of the Senator from Oklahoma would be defeated.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I rise in strong opposition to the amendment of the Senator from Oklahoma. The entire rationale of targeted fiscal assistance is that it provides aid to those local governments which are suffering from chronic economic problems, which are separate and distinct from the economic hardships which occur during the national business cycle.

The Senator from Oklahoma mentioned that this was a permanent program. It is not a permanent program. It expires September 30, 1980.

I agree with the Senator from Oklahoma that it is important to consider targeted fiscal assistance in the whole revenue sharing debate.

This is a program directed at those communities which have not recovered from the last recession. These communities do not benefit significantly at other times.

Mr. BOSCHWITZ. Mr. President, may we have order in the Chamber, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BRADLEY. These communities do not benefit from other types of Federal assistance. Their problems and needs are different and they require a different form of Federal aid. These are governments with shrinking tax bases, high unemployment, a citizenry made up of the very young and the very old, who need services and who do not have resources, who constitute a heavy financial burden on local government.

Mr. BELLMON. If the Senator will yield, will he not agree that these are structural programs? These are cities needing help in a general way and not in a program called countercyclical.

Mr. BRADLEY. I would agree with the Senator that in the general revenue sharing debate, which we will have next year, and on which we will have a number of hearings, perhaps the entire debate should have as a consideration developing not just general revenue sharing but targeted and fiscal assistance components in the general revenue-sharing bill.

It is important also to note that in a recession these communities are most adversely affected, that they are more adversely affected than other communities by a recession. In fact, these reductions in police and fire personnel, the raising of taxes, will drive remaining businesses and tax-paying residents out of the city and perpetuate this downward spiral.

I think it is important to recognize that the bill we are considering today would replace only 24 percent of what these municipalities were receiving in 1978, with CETA job programs and fiscal assistance.

Mr. JAVITS. Will the Senator yield?

Mr. BRADLEY. I yield.

Mr. JAVITS. I listened to Senator BELLMON with great interest and great respect, but I think he misses this because he does not live in that kind of a community. As I understand it in his community of Oklahoma there is no material unemployment. We cannot wait until next year, until structural catches up with us, because we may not be alive to receive it. The fact is that these problems of ours, whether we call them structural or cyclical, are galloping and draining us of our ability to recover. New York City is a remarkable example because, as you encourage this situation in which we are located, people move out, the young move out, to find other opportunities. The situation decelerates. To ask us to wait for the doctor to come next year is asking us to take mortal blows from which we probably will be unable to recover as we have been unable to recover, I say to Senator BELLMON, from 1973 and 1974. We have not recovered from that recession. We are unique in that in the United States.

Mr. BELLMON. Will the Senator yield for 1 minute?

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I will use my own time, Mr. President.

Mr. President, I would like to simply say that the Congress has been very considerate of the needs of cities. I think in many cases appropriately so. We still have CETA programs. We help with the cost of welfare, we have community grants, UDAG grants, concentration grants, and there are many other ways.

Mr. BRADLEY. In the 10 selected cities studied by the Brookings Institution, in the countercyclical measures composed of targeted fiscal assistance, countercyclical, CETA job programs and public works, the amount of money now being received by municipalities with these three funds has almost disappeared. The bill which we are considering today would consider replacing two of those programs, CETA jobs and countercyclical targeted assistance. The amount of revenue this bill would replace is simply 24 percent of what they had in 1978. These cities have received a dramatic amount of Federal assistance precisely at a time in the economic cycle when we are moving into a recession, when they need that kind of assistance.

Mr. JAVITS. If the Senator will yield, the very same people propagating this amendment, and I do not say that invidiously, have cut CETA 40 percent for this very same period. I handled CETA. I know about it.

Mr. BRADLEY. I thank the Senator.

Mr. BELLMON. Mr. President, the structural part of CETA has not been cut. We have cut back on the countercyclical aspect of CETA, but this leaves the jobs where most needed in the areas where we have structural unemployment.

Mr. JAVITS. We need rescue, we need those dollars. You can call them anything you want. The fact is we cannot wait until you get ready with structural in 1980. That is our problem.

Mr. BRADLEY. I would like to point out that we did cut title 6. That might be, in part, part of the reason that municipalities have had to lay off police and fire, people in education, in sanitation. They have had to lay them off because of cuts precisely in these areas.

In addition, I would like to make the point that the bulk of this targeted assistance, meaning between 60 and 65 percent, goes to communities not with 6-percent unemployment but with 8-percent unemployment. So the Senator might ask the question, Why do you have a 6-percent trigger? Why is it not even more targeted? The answer to that is that we want to take into consideration those small communities that have one industry, one industry that might be lost and create unemployment that cannot so readily be met by employment in the region. We have to protect them as well. That is why we have a 6-percent cutoff.

I would also like to point out to the Senator that of the 2,100 communities which are receiving assistance in this measure, over 60 percent have less than 25,000 population. To me it is an important consideration that the $340 million to be spent in fiscal year 1980 will help to alleviate the fiscal stress that is presently being experienced in these communities. There is only a small number of communities, relatively, 2,100, and this will get aid to these communities in a way that they can handle it in a flexible manner, aid to them without excessive impact on the Federal budget.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Will the Senator yield?

Mr. BELLMON. How much time does the Senator desire? I will yield 5 minutes.

Mr. BOSCHWITZ. Mr. President, I understand that the figure that the Senator from New Jersey speaks about is both titles A and B. We are only talking about title B in this amendment, about $200 million. I rise in support of the amendment of the Senator from Oklahoma. We do continue to fund very generously in CETA even though, as the Senator from New York pointed out, title 6, of CETA has been cut. But there is still $8 billion in CETA nationally, and that indeed is countercyclical.

That, indeed, does apply to the urban areas where there is 10- or 12-percent unemployment and where the structural unemployment does exist.

One of the things that I think is particularly important about countercyclical help and about this amendment is the fact that, since I have been here, I have seen the large number of disincentives that we, through our programs, Mr. President, continue to give to various areas of our economy. The areas that do well are not being rewarded for doing well but are, indeed, penalized for doing well. Those areas that do poorly, sometimes not through their own fault, but largely, things do happen through the fault of individuals involved—indeed, if they do poorly, they are rewarded and if they do well, they are penalized. That is my basic objection to countercyclical aid.

In addition, the States and cities are certainly in better shape, by and large, financially, than we. By adding to the deficit that we here, in the Senate, vote as part of the budget, we certainly bring about the specter of larger degrees of inflation, of a larger type of problem in its entirety.

I join with Senator BELLMON in supporting his amendment. If we are going to balance the budget, if we are going to bring about some type of economic base for squeezing the inflation out of our society so these debates, perhaps, will not even be necessary, we simply have to stop the disincentives of our type of authorizations and give incentive, rather, for producing.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. I yield 1 minute to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I wish to respond to the Senator from Minnesota in the simplest terms: If you wish to see the wide range of often cumbersome and outmoded and inefficient programs continued and increased as this recession gets deeper, vote against this efficient and targeted measure to put the money necessary when it is needed and not when it is not needed. This is a vote for an economical response to a recession and not for an across-the-board, ineffective, and delayed response. If you care about economy in government, I respectfully suggest you should be for this measure.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BRADLEY. I am pleased to yield.

Mr. JAVITS. There are two points which we fail to note, Mr. President. That is that the biggest revenue producers in this country are these very cities. Where do you get your billions over and above what is received if not from these cities, including the great city from which I come, New York City, the biggest single revenue producer in the country? Are we going to cut their arteries so that they bleed to death? That is just what is happening now, a new recession coming when we already now have 8-percent unemployment as against 5.6 percent for the country?

Second, Mr. President, I rarely hear these arguments when we are going to help the farmers or the meat growers or the wheat growers or the dams. We never hear an argument then about the fact, well, we have to save on them. It is only when we get to the cities and their distress, especially the older cities, that everybody suddenly gets very economical.

Let us be fair. This is a de minimis bill. It is mighty small, considering the problem. Let us be fair about this: We support you. This is the time for you to support us.

Mr. BRADLEY. Mr. President, I yield 5 minutes to the Senator from Michigan.

Mr. LEVIN. I thank my friend.

Mr. President, I rise in opposition to this amendment and in support of targeted fiscal assistance.

I have listened to my friend from Oklahoma say that this is not a year of recession, as he said a few minutes ago. That is not true for the 2,100 communities which have unemployment in excess of 6 percent.

I have heard my friend say that the need is past and this is not intended to help after the need is past. That is not true for the 2,100 communities who have unemployment in excess of 6 percent.

These communities continue to suffer from unemployment rates well above the national average. They are communities which, for one reason or another, could not fully share in the recovery from the last recession. In fact, the whole country is no longer on that road to recovery, but, in fact, on the road to a new recession.

Targeted fiscal assistance is an economical way to assist. It is targeted; it is not throwing money at problems which do not exist. It is trying to apply the financial resources of this Government to the greatest problems that exist before they become worse.

Targeted fiscal assistance recognizes the regional and local disparities that exist in the area of economic stability. Our national unemployment rate looks at this country with a telescope, but the truth of the matter is that we have great diversity, great dispartities in this country. We have thousands of places with high and growing unemployment rates. Let me give the unemployment rate for Michigan, announced today. Anybody who says that this is not cyclical, that it is purely structural, should listen to this rate.

One month ago, the unemployment rate in Michigan was 7.2 percent. Today, announced today, it is 7.7 percent. That is a growth of one-half of 1 percent in the unemployment rate in 1 month.

Mr. President, that involves tens of thousands of workers who are now unemployed who were not unemployed but 1 month ago. That is deeply cyclical. Unless we take this action, we are going to increase the structural problem that everybody says we ought to put off until next year.

This assistance is not extravagrant, by any means. Restrictions are imposed insuring that only the most hard-pressed areas receive aid. In the targeted fiscal assistance program, the bulk of funds will be distributed to local governments where unemployment rates are 8 percent or more. A limitation on eligibility based on per capita income is operative under both programs.

Local communities often confront financial and social problems beyond their control. Communities with high levels of unemployment and dwindling tax bases are pressed for needed funds to provide those services expected of local governments. It is not uncommon that a decision of a business to close or relocate will disrupt the economic and possibly social fabric of a small community, placing tremendous burdens on the resources of the local government. Large and small communities relying on businesses prone to cyclical adjustments of its labor force or propelled into such patterns by any number of intervening factors are similarly affected. The chronic levels of unemployment resulting from these actions are difficult to combat without Federal assistance.

The targeted fiscal assistance of this legislation is the gut of this legislation. It will help prevent job layoffs, reduced services, and increased taxes. It is going to help avoid the kind of structural unemployment which everybody says we ought to attack, but let us wait until next year. It is going to accomplish these goals without an excessive impact on the Federal budget.

These moneys will be even more needed by these distressed local governments once fiscal year 1980 begins, given the deep cuts Congress has made in the CETA program, local public works and other programs which had particularly benefited distressed localities.

The tax revolt has further constrained the resources and ability of local communities to face various problems. With new limitations on taxes throughout the country, we are facing a belt tightening in the coming years. In the name of fiscal restraint, local responsiveness to community problems may be jeopardized. This Federal assistance will permit readjustment without major cutbacks in such

vital services as police and fire protection.

Mr. President, areas continue to struggle to recover from the 1975 recession and to avoid going into a deeper one. These communities were caught by surprise last year when Congress failed to renew the Antirecession Fiscal Assistance Act. As a result, some had had to cut back services in police protection and health services, to name only a few. This assistance is urgently needed.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator's time has expired.

Mr. LEVIN. Will the Senator yield 1 more minute to me?

Mr. BRADLEY. I yield 30 seconds.

Mr. LEVIN. I thank the Senator from New Jersey.

Mr. President, each day of delay brings another community closer to fiscal disaster. I am grateful for the bipartisan efforts I have seen in the Senate to bring this responsible piece of legislation to the floor and I commend the Senator from New Jersey for his floor leadership on it.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. BRADLEY. I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that this be a 10-minute rollcall.

Mr. PERCY. Mr. President, I certainly do not intend to object to that request. I should like about a half minute first.

Mr. BELLMON. I yield to the Senator that half minute.

Mr. DANFORTH. Mr. President, I yield all the time the Senator from Illinois would like.

The PRESIDING OFFICER. Is there objection to the request by the Senator from New York? Without objection, it is so ordered.

Mr. PERCY. Mr. President, my distinguished colleague (Mr. DANFORTH) serves on the Governmental Affairs Committee. I worked in that committee with Senator MUSKIE in developing the original countercyclical assistance program and it proved to be of critical help to local governments which had been affected negatively by rising unemployment and an eroding tax base.

Would not striking this section take the very heart out of the kind of program we conceived of there?

This section aims funds at the targeted areas with the highest unemployment. Those are the areas, such as East St. Louis, the city of Chicago, and Williamson County in Illinois, which need the help the most.

Mr. DANFORTH. I completely agree with the Senator from Illinois. I think that if we believe that, at least under some circumstances, the Federal Government should provide assistance to local government, this particular form of targeted assistance is the most rational help the Federal Government can provide.

Why? Because it does not just spray the money all across the countryside. It puts the money in those communities which have their own tax bases eroded.

When unemployment occurs, it is not only a tragedy for the individuals involved, it has an effect on the local community. It puts a greater drain on the local community in providing services for people in need, which the local communities do, and it also tends to erode the tax base.

Therefore, if the Federal Government, under any circumstances, is going to provide aid to any local community, it would seem to me that it would want to concentrate its attention on those communities which are having a hard time keeping up with their governmental services.

Second, it would seem to me that if the Federal Government is to provide help to local communities, it should do so in the way of distributions of cash.

Why not let those communities in times of distress make their own decisions as to where their needs are, rather than to have somebody in Washington say, "Well, we know you're hurting, but we only want to provide relief from your pain in this little area or that little area."

So I think from the whole standpoint of the operation of the Federal system, it makes sense. I do believe that this amendment by the Senator from Oklahoma really goes at the whole concept, destroys the whole concept of what this bill is about.

Mr. PERCY. I thank my distinguished colleague.

I believe deeply in the concept of countercyclical funding. I supported the distinguished Senator from Oklahoma on his last amendment because given our tight fiscal situation, I do not believe a completely retroactive payment to recipients who had not planned for it, and certainly did not have reason to count on it, can be justified.

I think we do have to cut down. But in this case, this amendment, I believe, would remove one of the key thrusts of this anti-recession measure for State and local governments. When hit with distressed conditions, local governments can counteract this much better on their own, without the strings and bureaucratic delays which characterize so many Federal programs.

I thank my distinguished colleague.

Mr. BELLMON. Mr. President, I yield myself 1 minute.

I say to the Senator from Illinois, the program, in the title we are striking, is not countercyclical. It is a program that goes on and on and on!

I would agree with the Senator from Illinois and tend to support a bill dealing with the problems of the cities that are hit by the conditions he describes. But this program is one that simply provides constant support to cities that have no cyclical problems.

If we go that route, I think it should be on a general revenue sharing bill.

Mr. DANFORTH. Mr. President, this bill is, of course, in two parts. One part is countercyclical and the other part is targeted. What we are talking about now is targeted.

It seems to me, though, that from the standpoint of a community with a high rate of unemployment, from the standpoint of a community with a lot of people out of work, from the standpoint of a community which has to provide services to the people who are out of work and has its tax bases eroded, it is a little bit of a debater's point to ask city hall in that community. "Is this structural unemployment or cyclical unemployment?"

Unemployment is unemployment. An erosion of a tax base is an erosion of a tax base.

From the standpoint of New York City, or Newark, or East St. Louis, Illinois, or St. Louis, Mo., Gary, Ind., any of these communities, when people are out of work, when the tax base of a city is eroded, I think it is a little bit of a debater's point to say, "Well, really, you shouldn't qualify for Federal assistance because your problem is structural rather than cyclical."

The amendment is keyed at the targeted portion of this bill.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BELLMON. I yield back my time.

Mr. BRADLEY. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, pursuant to the authority previously granted on yesterday, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Georgia (Mr. NUNN), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Florida (Mr. STONE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators who wish to vote?

The result was announced—yeas 31, nays 59, as follows:

[Rollcall Vote No. 249 Leg.]

YEAS—31

Armstrong	Hatch	Pryor
Bellmon	Heflin	Roth
Boren	Helms	Schmitt
Boschwitz	Hollings	Schweiker
Bumpers	Humphrey	Simpson
Byrd, Harry F., Jr.	Jepsen	Thurmond
Cannon	Kassebaum	Tower
Domenici	Laxalt	Wallop
Exon	Lugar	Warner
Garn	McClure	Young
	Proxmire	

NAYS—59

Baker	Glenn	Muskie
Baucus	Hart	Nelson
Bayh	Hatfield	Packwood
Bradley	Hayakawa	Pell
Burdick	Heinz	Percy
Byrd, Robert C.	Inouye	Pressler
Chafee	Jackson	Randolph
Chiles	Javits	Ribicoff
Church	Johnston	Riegle
Cochran	Kennedy	Sarbanes
Cohen	Leahy	Sasser
Cranston	Levin	Stafford
Culver	Long	Stevens
Danforth	Magnuson	Stewart
DeConcini	Mathias	Talmadge
Dole	Matsunaga	Tsongas
Durenberger	Melcher	Weicker
Durkin	Metzenbaum	Williams
Eagleton	Morgan	Zorinsky
Ford	Moynihan	

NOT VOTING—10

Bentsen	Huddleston	Stevenson
Biden	McGovern	Stone
Goldwater	Nunn	
Gravel	Stennis	

So Mr. BELLMON's amendment (UP No. 508) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BRADLEY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 509

Mr. BELLMON. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 509.

Mr. BELLMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, strike lines 8 through 14, and insert in lieu thereof "(1) Suspension.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter unless the average rate of unemployment within the jurisdiction of such State or local government during the six month period which ended three months before the beginning of such calendar quarter was greater than or equal to 7 per centum or, in the case of any State or local government in which the average rate of unemployment has increased by 2 percentage points or more from the lowest average unemployment rate attained in any calendar quarter during the preceding five calendar years, equal to or greater than 6 per centum."

On page 26, line 22, strike "6 per centum" and insert in lieu thereof "7 per centum, or in the case of any State or local government receiving funds under the provision of paragraph (1) regarding unemployment increases of 2 percent or more during the preceding five years, 6 per centum.".

Mr. BELLMON. Mr. President, the Senate has just voted for what is called targeted fiscal assistance. This amendment has the effect of tightening the target. It addresses the local criteria for eligibility of title A of this bill. Title A establishes the standby authority for antirecession fiscal assistance.

What the amendment does is to raise the general unemployment trigger for local jurisdictions. It has nothing to do with the national trigger. But for local jurisdictions it raises the trigger from 6 to 7 percent.

We have had a lot of argument here this morning about the serious problems of communities that experience high unemployment, and we are simply trying to target these funds. We have to realize, I believe, that the amount of funds we have available is limited. We are trying to target the funds more tightly toward those jurisdictions which are in the greatest need. That is the whole thrust of the amendment.

It has one other provision which says that if a community has had a relatively low level of unemployment, say 4 or 5 percent, and then it suddenly jumps by 2 percent, then that community is covered.

Mr. President, the third and final amendment I am introducing this morning addresses the local criteria for eligibility under title A of the bill. Title A establishes the standby authority for antirecession fiscal assistance. Senate just voted for targeting amendment tightener.

This amendment raises the general unemployment trigger for jurisdictions from 6 to 7 percent. However, this amendment also provides that jurisdictions which have an unemployment rate greater than 6 percent but less than 7 percent would qualify for assistance if they have experienced an increase in their rate of 2 percentage points or more. This increase would be measured using as a base, the lowest unemployment rate attained by the jurisdiction during any quarter during the previous five years.

Mr. President, I emphasize that title A is the countercyclical portion of the bill. For this reason, I think that it is important to restructure the local triggering mechanism to reflect countercyclical stress. This is the goal that I hope to achieve by raising the general local trigger to 7 percent and establishing some measure of the increase in the local unemployment rate as a second criterion for those jurisdictions that have increased unemployment, but do not meet the 7-percent limit.

Clearly, jurisdictions that have unemployment rates of 7 percent or more are experiencing stress—and their unemployment rate will likely rise further if the economy plunges into a full scale recession. However, many local governments currently have unemployment rates above 6 percent despite the relatively low level of national unemployment. In April 1979—the last month for which local unemployment data are available—almost 25 percent of the large and medium sized metropolitan areas had unemployment rates of 6 percent or more.

In recent years, the Senate has attempted to tailor programs to serve specific needs more directly. This approach is based in part on the belief that broad approaches to problems like unemployment often increase the inflationary consequences of such actions. In addition, the policy is also based on the recognition that many of our problems are local rather than national.

Every economist who appeared before the Senate Budget Committee this year, expressed extreme concern about the current high rate of inflation and they recommended that the Federal Government avoid responding to a recession with additional spending. Moreover, several economists indicated that should a recession occur that it was likely to strike some parts of the country with greater severity than others.

In keeping with this policy of more carefully directing programs to specific needs, this amendment would change the local trigger in the bill so that it will respond more directly to changes in local unemployment due to recession. This will provide aid to the various parts of the country when they need it. It also responds to possible inflationary biases in the existing bill by raising the generalized local trigger to 7 percent. This provides a greater margin between the jurisdictional trigger and what is now considered to be the unemployment rate at which inflationary pressures begin to rise—5½ to 6 percent. I hope that my colleagues will support this amendment.

I reserve the remainder of my time.

Mr. BRADLEY. Mr. President, I rise in opposition to this amendment. I think that it is precipitate at this stage of the legislation to propose altering trigger figures.

We have had lengthy hearings on this matter. We have had a number of computer runs on unemployment figures and what it would mean for municipalities.

I think that it is a little precipitate now at this stage to move to alter the qualifying number of unemployment.

I might suggest, however, that the effect of what the Senator from Oklahoma is recommending would be adverse to many communities in this country that have less than 25,000 population for the following reason: That if countercyclical triggers in at 6.5-percent national unemployment and the eligibility at the local level must be 7-percent unemployment, we are eliminating many of those local communities now that would be eligible because our eligibility level is 6-percent unemployment.

Who are those communities? Those communities are specifically small, under 25,000, with perhaps one industry, an industry which goes bankrupt, goes out of business, and creates severe hardship in that community that leads to unemployment of 6.5 percent.

I think this is a terrible burden to place on those communities.

I urge the Senate to reject this amendment.

Mr. President, I am pleased to yield a few minutes to the Senator from Maryland.

Mr. SARBANES. I thank the Senator for yielding.

Mr. President, I rise in opposition to this amendment and in very strong support of this legislation.

I think it is important to underscore some past unemployment figures, which I did not fully appreciate, which were brought out this morning in testimony by Commissioner Norwood, commissioner of the Bureau of Labor Statistics, before the Joint Economic Committee.

In the 1974 to 1975 recession, the unemployment figure went from 5.4 percent in August 1974, to 9.1 percent in May 1975. That is a 9-month period in which the unemployment rate deteriorated from 5.4 percent to 9.1 percent—I emphasize from 5.4-percent unemployment to 9.1 percent in 9 months.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. SARBANES. I yield.

Mr. BELLMON. This trigger comes into play at 7 percent. That community would clearly be covered by the amendment.

Mr. SARBANES. I want it at 6 percent. The point I am trying to make to the Senator, and I am glad he asked the question because the very point I am trying to make is that once you start downward if you do not have in position measures that will move in and try to stem the tide you can go into an incredibly bad situation in a very short period of time. In 1974–75 we went to the worst recession the country has seen since the 1930's in 9 months.

Mr. BELLMON. Mr. President, if the Senator will yield further, this amendment also provides any time unemployment rises by 2 percent in a community, then that community is also eligible.

Mr. SARBANES. I understand that.

All I am saying to the Senator is that we have to position these economic defenses and get them into place if we are not going to open ourselves up to a rapidly deteriorating situation. Once it starts downward, if you are not in a position to snap in and try to check it, you are headed for real trouble.

Now the White House has just revised, according to an internal memo, its own predictions of the unemployment rate. In 3 weeks from July 12 to August 2 the White House revised its expectations on the unemployment rate from 6.9 percent at the end of 1980 to 8.2 percent at the end of 1980; 8.2 percent, which is their current expectation, would be the worst recession the country has had since the Depression of the thirties with the exception of the recession of 1974–75. In that recession, as I noted earlier, within 9 months we went from an unemployment rate of 5.4 percent, which is better than what we have at the moment—the July rate just announced is 5.7 percent. And in 9 months we were at 9.1 percent, to an unemployment rate of 9.1 percent in 9 months, the worst unemployment figure since the Depression of the 1930's.

I think it is imperative to put this legislation into place so that we will have some countertrends working, if we start into any sort of comparable downward spiral with respect to our economy.

Mr. President, I ask unanimous consent that the article from the Washington Post of yesterday on the outlook for the economy be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Washington Post, Aug. 2, 1979]

NEW FORECAST DIMS OUTLOOK FOR ECONOMY

(By Art Pine)

A new internal Carter administration forecast shows that inflation and the recession are likely to be significantly worse than the White House predicted just one month ago, with the jobless rate topping 8 percent by the end of 1980.

The revised predictions, completed by Carter economists late Tuesday, are expected to jolt White House policmakers and heighten pressure within the administration for the president to propose a tax cut for 1980.

The new forecast is visibly gloomier than that projected by the Congressional Budget Office last month and parallels the most pessimistic predictions published by the independent Federal Reserve Board.

The darkened outlook stems from a variety of factors ranging from the continued rise in oil prices to the tighter money and credit policies being pursued by the Federal Reserve Board and an expected speedup in wage increases late this year and next.

The forecast also predicts the recession will last through the first quarter of 1980, at least three months longer than the White House was projecting last month. The figures were compiled by a subcabinet task force.

The forecast said:

The economy's output will decline this year by a sharper 1.4 percent, rather than the milder 0.5 percent dip the administration predicted in its last official forecast published July 12.

Inflation will average 11 percent through the fourth quarter of this year and then edge down to 9 percent in 1980, rather than the 9.8 percent for 1979 and 8.1 percent for next year the White House predicted in July.

The nation's unemployment rate, now 5.6 percent of the work force, will rise in the remaining months of this year and soar to 8.2 percent by the end of 1980, rather than 6.9 percent as the White House forecast earlier.

The recovery in 1980 will be weaker than the White House predicted only three weeks ago. The administration's July 12 forecast showed output growing 2 percent in 1980. The new figures call for a 1.1 percent rise.

The new worsened economic outlook appeared likely to spark a fresh look by top policymakers at the question of whether to propose a tax cut. The Administration's official line has been to hold off, for the moment.

The task force that compiled the revised forecast was made up of senior economists from the Treasury, the Office of Management and Budget, the Council of Economic Advisers and the Labor and Commerce departments. The interagency group, which also helped formulate the July 12 predictions, performs the initial work for all White House forecasts.

President Carter was reported to have said as late as Tuesday he views the recession as an "energy spasm" that is likely to be brief and mild and may not require any new government stimulus measures.

However, if the new projections are accepted by the president, it could alter that situation. Most observers believe the specter of an 8 percent-or-higher jobless rate would spur Congress into moving quickly.

The new set of projections was contained in a detailed discussion document that also included forecasts of the impact of various kinds of tax cuts and antirecession measures.

In one, combining a $20 billion cut in Social Security taxes and a $5 billion worth of investment tax incentives, the stimulus was shown as likely to hold the maximum unemployment rate to 7.9 percent and also slow the inflation rate to 8.5 percent in 1980.

Carter has pointed to the possibility of a cut in Social Security taxes as a "noninflationary" way of stimulating the economy. The rationale is that paring payroll taxes also cuts business costs, and thereby helps slow price rises.

The $20 billion to $30 billion figure was cited by Carter last week in a meeting with key congressional leaders. However, aides said later the president was merely reporting advice he had received from economists, not endorsing that view.

The major factor behind the more gloomy economic forecast this week was the June 27 decision by the oil-exporters' cartel to raise crude oil prices to more than $20 a barrel from about $16 before.

Although the price boost was announced before the White House issued its July 12 forecast, the computations were completed too early to include the full impact of the producers' decision.

Most economists believe the increase in oil prices will exert a $50 billion to $60 billion "fiscal drag" on the economy that will act much like a tax increase—dampening output further and exacerbating inflation.

The argument behind proposing a new tax cut is to help offset this "fiscal drag." However, opponents caution that slashing taxes could also heighten inflationary pressures.

Apart from the president's reluctance to rush into a tax cut, the decision has been delayed by the recent Cabinet reshuffling, which resulted in new appointments as Treasury secretary and Fed chairman.

Also, Carter's chief economist, Charles L. Schultze, chairman of the Council of Economic Advisers, has been ill. Schultze played a major role in fashioning earlier Carter tax-cut packages.

Carter's nominees for both Treasury and the Fed were approved initially yesterday by congressional committees, but the Senate was not expected to act on either appointment until sometime today.

The document estimated that the rise in unemployment would reduce government tax collections by about $10 billion in fiscal 1980, raising the projected deficit for that year to $38 billion, from $28 billion now.

Mr. SARBANES. Mr. President, I thank the Senator for yielding.

Mr. DANFORTH. Mr. President, obviously, any time a percentage trigger is set for a program there is room for debate as to precisely what that figure should be. Last year we had just such a debate on the floor of the Senate. At that time the bill that had been reported from the Committee on Finance had an unemployment trigger of only 4½ percent. The argument was made that 4½ percent really does not constitute fiscal distress under most economists' definitions of what local fiscal distress is.

Therefore, it was worked out at that time in the bill that was on the floor that we would move it up to a 6 percent trigger, and again in the Committee on Finance this year when we went through

exactly the same drill we discussed the same question and again set it at 6 percent.

The effect of moving it from 4½ percent to 6 percent, and putting a de minimis rule in was that instead of funneling a limited amount of funds or spraying a limited amount of funds out to 18,000 communities, as was true with the committee bill a year ago, we have in this bill reduced it from 18,000 to 2,100 communities.

The Senator from Oklahoma says, "Well, 6 percent is too low. We should move to 7 percent."

I do not know how many communities would be covered by 7 percent, but my guess is it would very substantially reduce the constituency for this bill and, perhaps, turn it into a very regionalized approach to targeted revenue sharing.

The second thing I would say about the Senator from Oklahoma's amendment is that, to say the least, it is a complicated kind of formula. It lacks the kind of clarity and ease of explanation that I think the bill in its present form has.

As I understand the Senator from Oklahoma's position, if a community has 4-percent unemployment consistently over a period of years, and suddenly moves up to 6-percent unemployment it is for some reason covered by targeted revenue sharing. However, a community with 6½-percent unemployment consistently which continues to have 6½-percent unemployment is not covered. If I understand that correctly, I am not sure about the reason for that distinction.

Mr. BELLMON. Mr. President, the reason is the reason that the Senator from Maryland raised. If the community has been rocking along at, say, 4½-percent unemployment, and suddenly gets a 2-percent jump in unemployment, it would need aid immediately, so we figured to aid that community more rapidly than if it was at 6 percent and is rising to 7 percent.

I agree with the Senator from Maryland that these programs ought to head off a disaster before it becomes complete and becomes irreversible, and that is the reason for the 2-percent increase.

Mr. SARBANES. Mr. President, will the Senator yield on that point, because the point I tried to make to the Senator from Oklahoma, since he is moving the trigger upwards, is that by doing that you are permitting so much leeway there before any response that you are going to get the roller coaster started downward, and you are not going to be able to check it or turn it around.

That is why I think the arrangement which the committee has arrived at is a sensible arrangement, and that is why I underscored the figures which occurred in 1974 and 1975. I do not think most Members realize that in August of 1974 we were at a 5.4-percent unemployment rate and that once it started downward it started moving very fast, and it just kept on going, and you were at a 9.1-percent rate by May of 1975, the worst unemployment since the Depression.

Mr. BELLMON. Mr. President, the idea back of the amendment, as I said before, is to target these funds more tightly toward the communities that are in genuine need. If we had unlimited resources around here it would be no problem to take care of all the problems that these sponsors of the bill have brought up. But the fact of the matter is that we are in a very tight budgetary situation, and inflation is a problem, the main cause of which is the Federal deficit.

I have great sympathy for what the sponsors are talking about, but it seems to me that if we trigger a program like this at 6 percent, which is very close to the average unemployment rate, we are not targeting it at the cities which are in genuine need, and that is what this amendment tries to do.

Mr. DOMENICI. Mr. President, I wonder if I could ask the Senator from Maryland a question. Did I understand the Senator to say that if we have a countercyclical program that gets involved early enough in the beginning of a recession that you feel we have a way to stop this recession? I mean, if that is the case I think we ought to just put a lot of money into it, put $5 billion, $6 billion or more in, and make sure we find a trigger so that we can stop the recession.

I do not believe it has any effect on the recession even if you get it in on time. If you are talking about distress that we ought to help take care of, then I am with you. But I do not believe there is any indication from the economists that the countercyclical way is any kind of magical way to enter at the right time and cause a recession to abate.

Quite to the contrary, it probably will cause more inflation certainly than it will abate the recession. But perhaps the Senator was saying something different from that.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. DOMENICI. I would be delighted to yield.

Mr. SARBANES. I think it is fair to say that I was saying something different from that because I was not asserting that this was either a magical solution or that working alone it could accomplish the kind of results which the Senator has portrayed.

The only point I was trying to make, using the 1974–75 figures—and I think the Members ought to be very sensitive to them—is that once you start into a downturn it can happen very, very fast.

Now, perhaps the Senator was aware of these figures, but they came as something of a surprise to me that in 1974 and 1975 we went from an unemployment figure in August of 1974 of 5.4 percent to an unemployment figure of 9.1 percent in May of 1975.

Mr. DOMENICI. Let me say to my good friend I was aware of them on the committee on which I served. But the point I am trying to make is that I do not think we ought to leave the impression that there is a direct relationship in abating a recession and the timeliness of a countercyclical program of this type. Quite to the contrary. Once that recession started, it did move very rapidly, as the Senator indicated, and the same economics indicate that inflation picked up and continued for a very long period thereafter. It did not abate nearly as quickly. In fact, it has not abated to this point, and it is now occurring at about 13.4 percent, and it is still on the upswing since that recession that you spoke of caught fire and disappeared as a recession.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. DOMENICI. So Senator BELLMON is only saying that if you are going to err, you should err on the side of trying not to rekindle the fires of inflation, especially if you are talking about a program about which there is no proof of its effectiveness in abating a recession. That is the only reason I raised the point.

I thank the Senator from Oklahoma.

Mr. BRADLEY. Mr. President, I would like to yield a minute to the Senator from Hawaii if he desires it. While he is determining whether he would or would not, I would like to comment briefly about what countercyclical assistance does to abate a recession.

I would like to point to, perhaps, a series of events we do not normally think of when we think of countercyclical assistance stopping or lessening the impact of a recession.

During our hearing process we have testimony from Mr. James Howell, who is a senior vice president of the First Boston Corporation, who has done a very extensive survey on municipal finances, and he revealed that in 1975 at the height of the recession between April and October that 106 municipalities in this country withdrew from the municipal bond market because of the recession.

The startling thing was that these communities were not only in the Northeast but they were also evenly distributed through the South, Midwest, the Southwest, the West, and High Plains. So it is, perhaps, impossible to conclude that *x* amount of dollars will prevent a recession if it is administered in a countercyclical fashion. But I think it is sufficient to say that in many communities, some we think are not distressed, that they could use this money effectively so that their fiscal condition would allow them at least to go into a municipal bond market to obtain money they need for essential capital improvements.

Mr. DANFORTH. Mr. President, I wonder if the Senator from Oklahoma would let me ask him some questions just to clarify what this amendment would do. If I understand this amendment, it applies to the countercyclical portion of the bill, but not to the targeted portion of the bill; is that right?

Mr. BELLMON. That is right.

Mr. DANFORTH. Now, if this amendment were adopted, if national unemployment were less than 6.5 percent, and therefore the countercyclical part of the bill were not applicable, if national un-

employment were under 6.5 percent what would be the local trigger?

Mr. BELLMON. The trigger under the circumstances the Senator describes would remain at 7 percent.

Mr. DANFORTH. Six percent, right?

Mr. BELLMON. I am speaking of the local trigger now.

Mr. DANFORTH. But it is my understanding that if only the targeted revenue sharing portion of the bill were in effect, under the Senator's amendment the local trigger would be 6 percent.

Mr. BELLMON. That is—that is true.

Mr. DANFORTH. However, if the countercyclical portion of the bill were in effect, the local trigger would be 7 percent?

Mr. BELLMON. That is true, except for the provision that if unemployment has increased by 2 percent, then——

Mr. DANFORTH. I understand, but putting aside for a moment that 2 percent feature, if national unemployment is below 6.5 percent, then a community with, say, 6.1 percent unemployment would get some relief?

Mr. BELLMON. Under the targeted portion of the bill.

Mr. DANFORTH. However, if national unemployment exceeded 6.5 percent, then the local community would have to have unemployment of 7 percent in order to get relief?

Mr. BELLMON. Except under the conditions I described earlier, the 2 percent.

Mr. DANFORTH. Except under the 2 percent rule. Now, the 2 percent rule, as I understand it, is for those communities where their unemployment rate has jumped 2 percentage points, say from 4.5 percent to 6.5 percent, or something like that.

Mr. BELLMON. Yes.

Mr. DANFORTH. Now, what I do not understand is why a community should be able to receive fiscal relief if its unemployment rate is, say, 6.5 percent when the national unemployment rate is under 6.5 percent, but it has to go up above 7 percent if national unemployment is over 6.5 percent. I mean it seems to me that what you are saying is that the higher unemployment goes nationally, the deeper the national recession, the more difficult it is for each community to get assistance under this bill.

Mr. BELLMON. Well, if the Senator will recall, we undertook to strike subtitle B from the bill. We are trying now to target more entitlement. I think the Senator will agree that if the national unemployment rate is higher, then it is logical to expect that unemployment in the targeted communities would also probably be more severe. Therefore, we have put into the amendment the provision the Senator has described: and if, nationally, unemployment is higher, the communities in distress will certainly have a little higher rate of unemployment.

Mr. DANFORTH. But my understanding is that if a community has an unemployment rate of, say, a little over 6 percent, between 6 percent and 6.5 percent, say, and the national unemployment rate is at 6.4 percent, then that community would get assistance. However, if its unemployment stayed the same, and national unemployment were to jump from 6.4 percent to 6.5 percent, then that community would lose its fiscal assistance under this amendment.

Mr. BELLMON. I believe the Senator is correct.

Mr. DANFORTH. Now, when you have a 2 percent increase, as I understand it—let us suppose two communities, one of which has a 4.5 percent unemployment rate and the other has a 6.5 percent unemployment rate. As I understand it, under this amendment, the one that stays 6.5 percent does not get any assistance, but if the other goes from 4.5 percent to 6.5 percent it would. So you could have two communities with exactly the same unemployment rate, and one would get fiscal assistance and one would not.

Mr. BELLMON. I believe the Senator has identified an area of the amendment that could stand some improvement. I will be glad to prepare some language to modify the amendment to try to correct this problem.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objections, it is so ordered.

Mr. BRADLEY. Mr. President, I know that the distinguished Senator from Hawaii (Mr. MATSUNAGA) had wanted to make a statement. I do not see the distinguished Senator from Hawaii in the Chamber at the moment. However, my senior colleague from New Jersey would like to be recognized. I yield him 2 minutes.

Mr. WILLIAMS. I appreciate that. I thank my colleague, and I applaud the work he has done in presenting this very necessary measure to us at this time. I would like to address myself briefly to the bill itself, while there is some further development on the amendment that is pending.

Mr. President, I strongly support and am pleased to cosponsor S. 566, which I believe constitutes an acceptable compromise between S. 200—which I introduced with Senator DANFORTH on January 23 of this year—and the administration proposal which Senator MOYNIHAN introduced in March.

I have felt throughout this year that the failure of the House to act on the Senate-passed antirecession bill in the closing days of the 95th Congress has left municipal leaders throughout the Nation in a steadily worsening position. This abrupt and unexpected termination of Federal assistance created chaos in public services and potential fiscal disaster which is inimical to local efforts to rebuild the foundations of self-sufficiency.

The present worsening economic situation—which, in the case of my own State, is expected to result in the loss of 30,000 jobs, driving unemployment to 8 percent, over the next 12 months—demands that we act now on this vital legislation. Many of our major cities, which bear a disproportionate share of the Nation's unemployment, have never fully recovered from earlier economic downturns. A Treasury Department survey taken earlier this year found that two-thirds of the Nation's largest cities had rates of joblessness exceeding the national average. In Newark, New Jersey's largest city, the unemployment rate is twice the national average.

Mr. President, some have charged that an extension of this program encourages localities to become "addicted" to Federal aid. I can emphatically state that, citing Newark as an example, quite the opposite is true.

Newark's residents already make high contributions to city revenues. Forcing property taxes still higher would discourage reinvestment and encourage abandonment.

Newark has not used Federal aid to continue wasteful expenditures. In fact, per capital city outlays have declined from $360 in 1970 to $280 in 1979, a remarkable record in light of inflation during that span. As a result, the city's bond rating has improved significantly.

Newark's problems are not irreversible. It has been making great strides against crime, disease, and blight.

But Newark has been hurt by the cessation of Federal aid. Mayor Gibson was forced to lay off 450 city employees, almost 10 percent of the municipal workforce, including 200 police.

Forcing Newark and America's other distressed cities to make further slashes in employment and vital services in a time of recession will establish an insurmountable roadblock to further recovery. Such an action would serve neither our economy nor our citizens.

We have alreday slashed CETA, we have already slashed local public works, and we have made deep cuts in other programs which assist America's troubled communities. To fail to enact a countercyclical aid program, at the very moment in which we are entering a new period of economic downturn, would be to ignore reality and the demands it places upon responsible leadership. Such an action would guarantee the prolongation of the urban conditions which require Federal aid, because the inevitable result would be job layoffs, reduced municipal services, and increased taxes. In a darker day of medical practice, "bleeding" was the prescribed cure for the ill, but it killed more than it cured. In our own day, "bleeding" our ill urban areas will have the same result.

Mr. President, only an adequately funded and properly targeted program of fiscal assistance can help distressed areas to overcome their structural economic problems. The approaching recession makes the need more urgent. Therefore, I enthusiastically support S. 566.

Mr. President, I ask unanimous consent that an article from the July 31 Trenton Times, describing the expected

effects of the economic slowdown on the State of New Jersey, be printed in the RECORD, together with an article on the same subject published in the Bergen (N.J.) Record.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Trenton (N.J.) Times, July 31, 1979]

SLUMP TO CUT N.J. JOBS

(By Celestine Bohlen)

New Jersey could lose more than 30,000 jobs during the next 12 months as the nationwide recession takes its toll on the state's economy, a panel of leading economists predicted yesterday.

But the economic impact here should be "mild" compared to the ravages inflicted by the 1975 recession according to a mid-year report by the Governor's Economic Policy Council.

At a press conference yesterday, the three-member council forecast a 1.2 percent rise in the state unemployment rate—from 6.8 percent to 8 percent. The national jobless rate is expected to rise from 6.6 percent to 7 percent in the same period.

Meanwhile, inflation—here and nationally—is expected to drop below the double-digit range as the projected slowdown takes the steam out of the overheated U.S. economy, the council said.

"This may be the pause that refreshes—even though it will cause pain in terms of unemployment," said council member William Freund, senior vice president of the New York Stock Exchange.

Since New Jersey's economic mix more or less reflects the national picture, "as goes the nation, so goes the state," Freund predicted.

At yesterday's press conference, Freund said New Jersey is in a better position to weather a year-long recession now than it was in 1975 when unemployment hit a high of more than 13 percent.

"I hope it will be a mild recession," said Freund, who based his "relative optimism" on a number of economic indicators, including a prediction that the New Jersey housing market will "hold up reasonably well" in the months ahead.

The boom in investment and the overload in industrial inventories that preceded the 1975 recession are not evident in New Jersey this year, Freund noted.

The council yesterday advocated a stepped-up capital construction program in New Jersey—in particular road improvements and new casino construction in Atlantic City—to help keep the unemployment rate at an acceptable level.

Robert Mulcahy 3d, chief of staff to Gov. Brendan T. Byrne, said the state would also continue its search for foreign investment, another hedge against recession.

Nationally, the recession is expected to cool the current 13 percent inflation rate down to 9.5 percent. In New Jersey, the rise in the cost of living is expected to drop from last month's high of 15 percent to 8.5 percent.

New Jersey's annual inflation rate—measured before the hike in oil prices this summer—was 8.8 percent, less than the 10.8-percent increase experienced nationally during the past year.

According to council chairman Joseph Seneca, New Jersey has done a better job than either Pennsylvania or New York in making a recovery from the 1975 recession.

Approximately 58,000 new jobs have been created in the state in the last year alone—300,000 since the low point in 1975. And in last few months, New Jersey's economy has generally fared better than the nation's as a whole—a trend largely due to an "extraordinarily strong" growth in retail sales, Seneca said.

This year—unlike 1975—New Jersey's wage rate is equal to or just below the national average, making the state more competitive for new industry, Seneca noted.

According to council executive director Adam Broner, the April 1979 average hourly wage for workers in manufacturing was $6.47 in New Jersey and $6.53 nationally—a reversal in a trend that in 1975 put the state average at $4.90, compared to a national figure of $4.78.

The relatively lower wage rate is due in large part to the "enormous" increase in wages paid in the Sunbelt states where businesses are now having difficulty finding skilled labor, said Broner.

New Jersey can also look forward to a steady increase in housing starts which for the last few years have averaged 30,000, the council predicted.

While the recession may cause a brief drop in construction, council member Dwight Jaffee yesterday predicted that in the next few years the number of new housing starts could rise to 60,000.

[From the Bergen (N.J.) Record, July 31, 1979]

NEW JERSEY STUDYING RECESSION DATA

(By Charles Saydah)

TRENTON.—The recession most economists have predicted for nearly two years and now gripping the country also holds New Jersey's economy.

"As the nation goes, so goes New Jersey," said William Freund, chief economist of the New York Stock Exchange and a member of Governor Byrne's Economic Policy Council. Freund made the comment after a meeting yesterday with the governor's cabinet and chief of staff, Robert Mulcahy. Byrne was in Washington participating in a presidential conference on domestic issues.

Most economists don't expect the current slowdown to send the state or the nation into an economic tailspin similar to the one experienced during the 1973–75 recession—what many describe as the nation's worst economic period since the Depression.

That one caused double-digit inflation and unemployment—as high as 13 percent of the state's labor force.

Yesterday, the three-man EPC said they expected unemployment to rise to 8 percent, the inflation rate to drop to 8.5 percent, and personal income to decrease by 1.5 percent.

New Jersey's current unemployment rate is 6.8 percent, or 253,000 of the state's 3.6 million workers. Increases in the Consumer Price Index (CPI) cut a wage earner's purchasing power by about 10 percent a year.

Ominous as the predictions sound—the expected 1.2-percent rise in the unemployment rate means an additional 43,200 people could be out of work at this time next year—they look better against forecasts for the nation as a whole.

Joseph Seneca, a Rutgers economist and EPC member, said the national unemployment rate should rise 1.4 percent over the year to 7 percent, considerably faster than the state's rate of increase.

After the nation's current 13.2-percent rate of inflation slows down to 9 percent next year, it will still be above New Jersey's cost-of-living increase. And personal income should drop 2 percent nationally, 33 percent faster than the state's rate of decline.

"Our forecast would have to be revised if the administration in Washington were suddenly to panic and cut taxes or open up faucets in government spending," Freund said.

However, government spending is one economic pressure that might soften the negative impact of the current slowdown, EPC members said. They advised Mulcahy and Byrne's cabinet to spend some of the state's unused bond appropriations for public projects to help absorb many of the workers idled during the year.

Other factors expected to soften the recession in New Jersey include:

Atlantic City and all the construction planned or underway by casino operators waiting to take advantage of the state's gambling laws.

Spending on new plants and equipment, which shows signs of slowing down later in the year. However, right now, Princeton economist and third EPC member Dwight Jaffee said, it's in the middle of a slight surge.

Inventories of manufacturers products at realistic levels, neither too great nor too small. Before the last recession, producers increased their output to take advantage of demand which never materialized. Rather than take losses on their entire production, they raised prices on what they sold, contributing to the virulence of both the inflation and the economic stagnation which occurred between 1973 and 1974.

A healthy housing industry. More younger people, reaching the home-buying ages of the late twenties and early thirties, have made demands for housing unusually strong recently—stronger than economists expected. Jaffee said he expects that strength to continue.

Freund said he expected the recession to have positive side effects. It would give consumers a chance to stop spending, save money, and repay some of the monumental debt they've built up during the four years of recovery since the 73–75 recession.

The EPC's forecast assumes that there will be no oil embargo. It accounts for the latest oil price hike, which Freund equated to a $20-billion sales tax without such an assessment's benefits—all the money went to foreign oil producers rather than the public treasury. And it is based on the expectation that there will be no energy crisis next year.

"Recession always solves energy problems," he said.

But he said the difficulty of meeting future energy needs is a critical problem.

"We will need a 20- to 30-percent increase in energy supplies nationally just to allow for a 3-percent increase in real growth rate in gross national product, assuming conservation efforts remain as it has," Freund said. "It is the next five to 10 years which look to us to be critical, because it takes that long to get new plants on stream."

Mr. BRADLEY. Mr. President, I yield 2 minutes to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, the present national economic situation makes imperative the enactment of S. 566, the Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.

The Washington Post and New York Times yesterday published the projections of a White House economic analysis, an analysis which paints a bleak economic picture, worse than that which economists had earlier predicted. The new analysis concludes that the present recession will last into the first quarter of 1980, longer than earlier anticipated. The unemployment rate which is now 5.6 percent, had been earlier projected to rise to 6.9 percent at the end of 1980. The new analysis now projects the unemployment rate by the end of next year at 8.2 percent. Inflation for 1979, which the administration had hoped would be 9.8 percent, will probably rise to 11 percent.

During his nomination hearings before the Senate Finance Committee, Secretary of the Treasury designate, William Miller, suggested that the Federal Government must act humanely to ease economic hardship. In other words, the Government must assist those most in distress. S. 566 is designed to do precisely that.

The first of a two-part program extends targeted fiscal assistance to about 2,100 distressed communities. These are the communities which have not yet recovered from the effects of the last recession and which continue to suffer from high rates of unemployment. The resultant reduced tax base has forced the curtailment of basic community services and precipitated further economic difficulties. As the national economy worsens and still another recession sets in, these communities will be very hard pressed indeed.

The second part of the program establishes standby fiscal assistance to State and local governments when the national unemployment rate reaches 6.5 percent. Both parts are essential to meeting the present, as well as the anticipated future economic difficulties.

No one wants the newly predicted recession, and it is hoped that the predictions will prove to be overly pessimistic. But if those economic predictions prove true, the mechanism for relief must be in place to assist State and local governments. Although the funding provided is a relatively modest one, it offers needed assistance to communities which may otherwise not be able to weather the economic storm in which they find themselves. I urge the Senate to pass S. 566 to render that necessary assistance, for the national economy will fare well only to the extent that State and local economies fare well.

I thank the Senator for yielding.

Mr. BRADLEY. I thank the distinguished Senator from Hawaii.

Mr. BELLMON. Mr. President, I ask unanimous consent to modify my amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I send the modification to the desk.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 26, strike lines 8 through 14, and insert in lieu thereof "(1) Suspension.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter unless the average rate of unemployment within the jurisdiction of such State or local government during the six month period which ended three months before the beginning of such calendar quarter was greater than or equal to 7 per centum or, in the case of any State or local government in which the average rate of unemployment has increased by 2 percentage points or more from the lowest average unemployment rate attained in any calendar quarter during the preceding five calendar years, equal to or greater than 6 per centum."

On page 26, line 22, strike "6 per centum" and insert in lieu thereof "7 per centum, or in the case of any State or local government receiving funds under the provision of paragraph (1) regarding unemployment increases of 2 percent or more during the preceding five years, 6 per centum,".

On page 29, line 2, strike "6" and insert in lieu thereof "7".

Mr. BELLMON. The effect of this is to raise the subtitle B loan trigger from 6 percent to 7 percent and thus close the gap that the distinguished Senator from Missouri pointed out between the programs in subtitle A and subtitle B of the bill. This gap exists because of the failure of the second amendment. I appreciate the Senator from Missouri finding the problem and making it possible for it to be corrected.

Mr. DANFORTH. Mr. President, this amendment, if adopted, would have an enormous effect on the program. It would cut out I do not know how many communities. It is just my view that a change as important as this, which would have such a tremendous effect on the program, should not be hastily adopted in this kind of hurried fashion. Therefore, I urge rejection of the amendment.

Mr. BRADLEY. Mr. President, I stand in strong opposition to the amendment. The 6-percent trigger is one that we have carefully considered, one that we have had a great many hearings about. We have had a number of computer runs to determine which communities would receive aid at that percent. It is specifically targeted to small communities under 25,000 in population. I would suggest that the amendment of the Senator from Oklahoma would automatically cut out the bulk of those communities under 25,000 in population which now are eligible, and I strongly oppose the amendment.

Mr. BELLMON. Mr. President, I yield myself 1 minute and then I will yield back the remainder of my time. I want to make clear what we are trying to do. This bill is supposedly providing aid on a targeted basis to communities where the unemployment is high and the base to support employment has been eroded. I am not against countercyclical amendment. All this amendment tries to do is to target it more tightly to the communities most in need.

At the present time the national level of unemployment is very close to the level that will trigger this assistance to a local community. This means it is going to be spread widely across the country. All my amendment would do is to target more title aid into the communities in the greatest distress. If we had plenty of money to spread around, I would be in favor of the bill as now drawn. But since we do have such limited resources, since our deficit is rising past the $30 billion mark, I feel we should be careful how we use these resources. My amendment I believe will provide the help to communities which need the help and will not schedule communities that can get by without it. I yield back the remainder of my time.

Mr. BRADLEY. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Georgia (Mr. NUNN), the Senator from Mississippi (Mr. STENNIS), and the Senator from Florida (Mr. STONE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The PRESIDING OFFICER (Mr. PRYOR). Are there other Senators in the Chamber desiring to vote?

The result was announced—yeas 31, nays 61, as follows:

[Rollcall Vote No. 250 Leg.]

YEAS—31

Armstrong	Hatch	Roth
Bellmon	Heflin	Schmitt
Boren	Helms	Schweiker
Boschwitz	Humphrey	Simpson
Bumpers	Jepsen	Thurmond
Byrd, Harry F., Jr.	Kassebaum	Tower
Cannon	Laxalt	Wallop
Cochran	Lugar	Warner
Domenici	McClure	Young
Garn	Proxmire	Zorinsky
	Pryor	

NAYS—61

Baker	Glenn	Muskie
Baucus	Hart	Nelson
Bayh	Hatfield	Packwood
Biden	Hayakawa	Pell
Bradley	Heinz	Percy
Burdick	Hollings	Pressler
Byrd, Robert C.	Inouye	Randolph
Chafee	Jackson	Ribicoff
Chiles	Javits	Riegle
Church	Johnston	Sarbanes
Cohen	Kennedy	Sasser
Cranston	Leahy	Stafford
Culver	Levin	Stevens
Danforth	Long	Stevenson
DeConcini	Magnuson	Stewart
Dole	Mathias	Talmadge
Durenberger	Matsunaga	Tsongas
Durkin	Melcher	Weicker
Eagleton	Metzenbaum	Williams
Exon	Morgan	
Ford	Moynihan	

NOT VOTING—8

Bentsen	Huddleston	Stennis
Goldwater	McGovern	Stone
Gravel	Nunn	

So Mr. BELLMON's amendment (UP No. 509, as modified) was rejected.

● Mr. DOLE. Mr. President, I support S. 566, antirecession and targeted fiscal assistance for State and local governments. This bill is a compromise between a proposal introduced by Senators DANFORTH and MOYNIHAN and the administration proposal. I believe the compromise strikes the right balance between easing the burden of unemployment in this country and the need for fiscal restraint.

Mr. President, the committee report shows that Kansas receives no additional funds as a result of the "targeted" part of this bill. It is, of course, eligible to receive funds under the "countercyclical" part of the bill if its unemployment should drastically increase. In spite of this, I support the bill for three reasons.

First, this is a national program. We have an obligation to spread as evenly as possible the suffering from severe economic distress. S. 566 accomplishes this by distributing the fiscal assistance to those communities most in need.

Second, philosophically, I agree with the "no strings attached" type grants to the local governments that are embodied in this legislation. Indeed, Senators LONG, PACKWOOD, TALMADGE, BENTSEN and I embraced this same approach in our welfare reform proposal. The trend toward greater and greater Federal Government control over local and State decisions is antithetical to our Federal system and must be reversed. I believe that in passing this bill we will be acknowledging that State and local governments are best able to deal with their own economic and social problems. I hope that this philosophy carries over into other areas.

Finally, the countercyclical part of the bill will benefit our older cities even if it is never triggered. Having a program in place which automatically will give these cities extra aid if their economy is dramatically turned down will give their citizens and businesses the confidence needed to reinvest in the local economy.

Mr. President, I would like to commend the leadership of Senators DANFORTH, DURENBERGER, MOYNIHAN, and BRADLEY in forging this strong compromise proposal.●

● Mr. BUMPERS. Mr. President, I join in support of the efforts of the Senator from Oklahoma. I applaud his efforts to eliminate additional unnecessary Federal spending by offering these amendments.

Since January 1, 1978, 19 States have reduced taxes because they were running large revenue surpluses. As of March of this year, the cumulative State surplus was $2.6 billion. The Congressional Budget Office now estimates that in fiscal year 1980, State and local governments will enjoy a $14.5 billion surplus. Compare that figure against our growing Federal budget deficit. Will our deficit be $23 billion in fiscal year 1980, or $30 billion, or even more? At our current rate of spending we will soon be breaking even last year's deficit. And this is supposed to be a budget-minded Congress.

I get tired of hearing my colleagues speak publicly about the need to cut Federal expenditures, when they turn right around and vote for grant-in-aid programs such as this one. It is inconsistent. And it is terribly irresponsible.

Just last week, the Senate approved $6.85 billion in general revenue sharing. I voted for this aid primarily because many of the Nation's State and local governments had counted on receiving these funds when they devised their fiscal year 1980 budgets. Legislatures in some of the States, such as Arkansas, were out of session and consequently could not have responded to the budgetary shortfall if the funds had been deleted.

But we are looking at a whole different ballgame today. Having given the State and local governments this assistance, we would now give even more. In the next breath we are criticized for the Federal Government's inability to control spending.

The countercyclical aid program being proposed today is not something that the States had counted on receiving when they prepared their fiscal year 1980 budgets, nor is it something that the localities had counted on when they prepared their budgets. This source of funds was terminated last fall when the House refused to act on the Senate-passed bill. In essence, we had finally broken the drug-like dependency that these grant recipients had developed for countercyclical funds. But today we are out here dangling that tantalizing carrot in front of their noses once again.

Let us look at what these programs are supposed to do. The new targeted fiscal assistance program is touted as providing relief to hard-pressed localities throughout the country. But look at the facts. According to the Finance Committee's report, in fiscal year 1979, two States will receive more than 41 percent of all funds. What are the other regions of the country supposed to do if they have only 59 percent of the $150 million to fight a recession? My question is this: How does one fight a recession with $150 million? An even better question is this: How will 48 States overcome the recession with less than $90 million? The answer is that they cannot. Once again the Federal Government will have poured money down the proverbial rathole.

Let us look at the countercyclical aid program. I thought the Congress killed this program last year, but obviously it had only been temporarily suspended. The program is also designed to aid those communities that are hurt by recession. But look what the General Accounting Office has said about the program. In May of 1978, GAO reported that the program "has not been effective in meeting its principal objective." That report identified four ways in which the program could be improved. Has the committee heeded this advice? Not at all.

As GAO stated:

> A better formula for allocation funds is needed to make the program more effective.

The problem is that excess unemployment—the criterion on which allotments are based—is, in GAO's words—

> A measure of limited statistical reliability and does not necessarily correspond to a recession's impact on governments' budgets.

The sponsors of the bill state that they are preparing to initiate a full-scale review of the program next year. Conceivably, future versions of countercyclical aid might include the improvements which GAO had suggested. But what are we to do in the meantime? Why the answer is quite simple, we will spend up to $1 billion on a program that does not work. This is how our taxpayers' dollars are being spent—on programs that do not work.

I will not belabor the point, Mr. President. I just want to point out that we do not need this program now. The Labor Department today announced that the unemployment rate for July was 5.7 percent. If we are headed for a recession, which is not evident yet, let us consider the proposal when we know, and better target the funds.●

● Mr. BENTSEN. Mr. President, I strongly oppose the intergovernmental fiscal assistance bill pending before the Senate. I believe this proposal is seriously flawed—methodologically, if not substantively.

First of all, title I, so-called targeted fiscal assistance, would distribute aid based on a local government's high unemployment rate—an arbitrary and less than satisfactory indicator of distress. Further, this formula allocates 40 percent of all funds to New York and California. While these States clearly have distressed cities within their boundaries, unfortunately they do not have a monopoly on distress. Different cities, in different regions are afflicted by different types of distress. That is my main point. There is economic, social, and fiscal distress—each determined by different indicators. Unemployment is but one of many indicators and when utilized as in the bill before us today, distributes funds unequitably and arbitrarily.

The unemployment rate is also the trigger for the countercyclical title II. However, both the General Accounting Office and the Congressional Budget Office have concluded that unemployment is not a proper measure for this purpose. GAO notes that changes in unemployment rates are not a sufficient measure of the recession's impact on the fiscal conditions of State and local governments." CBO reports that countercyclical grant programs which distribute aid on the basis of unemployment rates do not differentiate regions with high but long-term levels of unemployment from those with cyclical problems that can be relieved by temporary aid.

In addition, because unemployment rates will be used to "trigger" allocations to eligible jurisdictions, those cities with structurally high unemployment rates will be immediately eligible even though there is often little association between unemployment and fiscal stress, the problem that the antirecessionary program seeks to address. Clearly, the primary beneficiaries of the program will be the cities of the Northeast and Midwest where unemployment rates (often structural and not cyclical) are high—thus enhancing eligibility—and general revenue sharing grants are generous—thus increasing allocations.

Furthermore, there are real questions about the use of the grants under this legislation. The Congressional Budget Office observed that for grants to meet economic stabilization goals, "the grants must include provisions to assure that the funds are used for the specific purpose of stimulating aggregate demand." If, for example, Federal grants are used simply to substitute for local money that would have otherwise been spent, aggregate demand will not be increased over the level it would have reached without the Federal grant, and the economic stimulation purpose of the program will be compromised.

For these reasons I oppose the bill.●

Mr. STEVENS. Mr. President, I would like to take a minute to explain my support for final passage of the antirecession and targeted fiscal assistance legislation, S. 566. The existence of the recession is hardly disputed, although the

severity of the slowdown remains in question. I think it is important that the standby, countercyclical provision of this legislation be authorized and ready for implementation should the national unemployment rate reach 6.5 percent. With some economists predicting an unemployment rate of 8.2 percent by the end of 1980, we can not afford to ignore our responsibility to those hardest hit by the impending economic slowdown.

I would like to clarify, however, my feelings with regard to Federal spending as a means for dealing with our economic problems. I believe that the economic stimulation needed can best be supplied by a substantial tax cut for both individuals and business. Allowing individuals to retain a larger portion of their incomes will, in turn, favorably affect the level of savings, investment, and personal spending to a degree that is economically stimulating. In addition to the fact that citizens in this country are overtaxed and are on the verge of a tax revolt, the national economic benefits of reducing individual and business tax rates are substantial. We cannot continue to increase Federal outlays without exacerbating the already dangerously high inflation rate. We must seek a new policy direction and rely more heavily on the marketplace and on the economic decisions of individuals.

Thus, Mr. President, while I will vote for passage of this bill to help those areas hit hardest by the recession, I hope that, in the near future, Congress will push for tax reductions. The initiation of a tax cut would get at the source of our problem: the lack of adequate personal savings and investment and a poor rate of capital formation.

Mr. ROBERT C. BYRD. Mr. President, we have seen a major decline in the national unemployment rate over the past 30 months. Millions of Americans have been added to the job rolls. In early 1977 the national unemployment rate was recorded at over 7 percent. In July 1979, it was at a level of 5.7 percent. This represents a most dramatic achievement.

Nonetheless, there are areas of our country which continue to experience high levels of unemployment. If we are to promote balanced and equitable growth, their needs must be met.

Under the targeted fiscal assistance program provided by this proposed legislation, aid would be available for the more than 2,000 communities which have unemployment rates above the national average.

In addition, this proposed legislation will provide for a standby national program of antirecession assistance to State and local governments in the event that the national level of unemployment equals or exceeds 6.5 percent.

S. 566, as amended, has been well-designed to meet the current economic difficulties of communities around the Nation, as well as to provide a safety net to State and local governments which may in future months experience hardships as the result of declining economic activity.

The distinguished Senators from New York and New Jersey, Mr. MOYNIHAN and Mr. BRADLEY respectively and the distinguished Senator from Missouri, Mr. DANFORTH, are to be commended for their bipartisan effort in framing this proposed legislation which is so important to communites around the country.

Mr. President, third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Has all time been yielded back?

Mr. BRADLEY. I yield back my time.

Mr. BELLMON. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Shall the bill (S. 566) as amended pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from South Dakota (Mr. McGOVERN), the Senator from Mississippi (Mr. STENNIS), and the Senator from Florida (Mr. STONE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted?

The result was announced—yeas 69, nays 23, as follows:

[Rollcall Vote No. 251 Leg.]

YEAS—69

Baker	Glenn	Moynihan
Baucus	Hart	Muskie
Bayh	Hatfield	Nelson
Biden	Hayakawa	Packwood
Boschwitz	Heflin	Pell
Bradley	Heinz	Percy
Burdick	Hollings	Pressler
Byrd, Robert C.	Inouye	Randolph
Cannon	Jackson	Ribicoff
Chafee	Javits	Riegle
Chiles	Jepsen	Sarbanes
Church	Johnston	Sasser
Cochran	Kassebaum	Simpson
Cohen	Kennedy	Stafford
Cranston	Leahy	Stevens
Culver	Levin	Stevenson
Danforth	Long	Stewart
DeConcini	Magnuson	Talmadge
Dole	Mathias	Tsongas
Durenberger	Matsunaga	Weicker
Durkin	Melcher	Williams
Eagleton	Metzenbaum	Young
Ford	Morgan	Zorinsky

NAYS—23

Armstrong	Garn	Pryor
Bellmon	Hatch	Roth
Boren	Helms	Schmitt
Bumpers	Humphrey	Schweiker
Byrd, Harry F., Jr.	Laxalt	Thurmond
Domenici	Lugar	Tower
Exon	McClure	Wallop
	Proxmire	Warner

NOT VOTING—8

Bentsen	Huddleston	Stennis
Goldwater	McGovern	Stone
Gravel	Nunn	

So the bill (S. 566), as amended, was passed, as follows:

S. 566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Intergovernmental Antirecession and Targeted Fiscal Assistance Amendments of 1979".

SEC. 2. Section 201 of the Public Works Employment Act of 1976 (42 U.S.C. 6721) is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof ";", and by adding at the end thereof the following new paragraphs:

'(8) that both an antirecession fiscal assistance program and a targeted fiscal assistance program which aid governments requiring fiscal relief constitute essential elements of a sound Federal fiscal policy;

'(9) that many local governments continue to experience high unemployment and fiscal strain, and have been adversely affected by the loss of antirecession fiscal assistance which has resulted in service cutbacks, increased taxes, municipal layoffs, or sale of municipal assets; and

"(10) that highly targeted fiscal assistance which aids those jurisdictions requiring fiscal relief and provides necessary time to take steps toward the fiscal stabilization of these governments would be least disruptive of employment or service levels.".

SEC. 3. The Public Works Employment Act of 1976 (42 U.S.C. 6721 et seq.) is amended by inserting after section 201 the following:

"SUBTITLE A—ANTIRECESSION FISCAL ASSISTANCE".

SEC. 4. (a) Section 202(b) of the Public Works Employment Act of 1976 (42 U.S.C. 6722(b)) is amended—

(1) by striking out "subsections (c) and (d)" and inserting in lieu thereof "subsection (c)";

(2) by striking out "for each of the five succeeding calendar quarters (beginning with the calendar quarter which begins on July 1, 1977)" and inserting in lieu thereof "for each of the four calendar quarters of the fiscal year beginning October 1, 1979";

(3) by striking out "title" and inserting in lieu thereof "subtitle, the sum of"; and

(4) by striking out "6 percent" and inserting in lieu thereof "6.5 percent".

(b) Section 202(c) of such Act (42 U.S.C. 6722(c)) is amended—

(1) by striking out "five" and inserting in lieu thereof "four";

(2) by striking out "July 1, 1977" and inserting in lieu thereof "October 1, 1979"; and

(3) by striking out "$2,250,000,000" and inserting in lieu thereof "$1,000,000,000 for the fiscal year".

(c) Section 202(d) of such Act (42 U.S.C. 6722(d)) is amended to read as follows:

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If the average rate of unemployment for the United States is less than 6.5 percent for a calendar quarter, no amount may be paid under this subtitle for the third calendar quarter of the three-calendar-quarter period which began with the first of such calendar quarters, or for any subsequent calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1) of this subsection, amounts shall be paid under this subtitle for calendar quarters for which the average rate of unemployment for the United States equals or exceeds 6.5 percent beginning with the third quarter of the three-calendar-quarter period which began with the first of such calendar quarters until such time as paragraph (1) may require another suspension of payments.".

SEC. 5. Section 203(a) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(a)) is amended to read as follows:

"(a) RESERVATIONS.—

"(1) ELIGIBLE STATES.—The Secretary shall reserve one-third of the amounts appropriated pursuant to authorization under section 202 for each calendar quarter, less the amounts allowable under section 216(b), for the purpose of making payments to eligible State governments under subsection (b).

"(2) ELIGIBLE UNITS OF LOCAL GOVERNMENT.—The Secretary shall reserve two-thirds of the amounts appropriated pursuant to authorization under section 202 for each calendar quarter, less the amounts allocable under section 216(b), for the purpose of making payments to eligible local governments under subsection (c).".

SEC. 6. Section 203(b)(2)(C) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(b)(3)(C)) is amended to read as follows:

"(C) the State unemployment rate is equal to the average rate of unemployment within the jurisdiction of the State during the six-month period which ended three months prior to the beginning of the appropriate payment calendar quarter, as determined by the Secretary of Labor and reported to the Secretary; and".

SEC. 7. (a) Section 203(c) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(c)) is amended—

(1) by striking out ", subject to the provisions of paragraph (4)," in paragraph (1);

(2) by amending paragraph (3)(B) to read as follows:

"(B) the local unemployment rate is equal to the average rate of unemployment within the jurisdiction of the local government during the six-month period which ended three months prior to the beginning of the appropriate payment calendar quarter, as determined or assigned by the Secretary of Labor and reported to the Secretary (and, in the case of a local government for which the Secretary of Labor cannot determine a local unemployment rate, he shall assign such government the unemployment rate for the county, balance of county, or other appropriate geographic area in which the government is located and for which he has determined a local unemployment rate).";

(3) by redesignating paragraph (4) as (5) and inserting after paragraph (3) the following new paragraph.

"(4) STATISTICAL METHODOLOGY FOR UNEMPLOYMENT RATES.—Notwithstanding any provision of paragraph (3) to the contrary, in the case of a unit of local government which encompasses, or is within, a standard metropolitan statistical area or central city for which current population surveys were used to determine annual unemployment rates before January 1, 1978, the Secretary of Labor shall determine or assign the unemployment rates for such government calculated by the current population survey methodology used prior to January 1, 1978, if such rates are higher than rates determined or assigned by the Secretary of Labor for that population survey methodology, unless the Secretary of Labor determines that current population survey data are available for use on a satisfactory basis for such areas and the government without applying the current remaining areas of such State.";

(4) by striking out "SPECIAL LIMITATION.—" in paragraph (5), as so redesignated, and inserting in lieu thereof "MINIMUM ALLOCATION.—"; and

(5) by striking out "$100" in paragraph (5) and inserting in lieu thereof "$2,500".

(b) Section 203 of such Act (42 U.S.C. 6723) is amended by adding at the end thereof the following new subsections:

"(d) REALLOCATION OF UNDISTRIBUTED RESERVED AMOUNTS.—If, for any calendar quarter, the amount reserved under subsection (a)(1) for payments to State governments or under subsection (a)(2) for payments to local governments exceeds the sum of the amounts allocated to State or local governments because of the limitations contained in subsection (c)(5) or (e), or because of the suspension-of-payments requirement contained in section 210(b), then the Secretary shall reallocate the excess among State governments or local governments, as the case may be, receiving payments for the calendar quarter and allocate to each such State or local government an amount which bears the same ratio to the amount of the excess as the amount allocated to such government for the calendar quarter without regard to this subsection bears to the sum of the amounts allocated to all State or all local governments, as the case may be, for the calendar quarter without regard to this subsection.

"(e) PER CAPITA INCOME LIMITATION.—

"(1) IN GENERAL.—Except as provided in paragraph (3), no amount shall be allocated under this subtitle or subtitle B to any local government which had within its jurisdiction a per capita income equal to or in excess of 150 per centum of the national per capita income for the most recently completed calendar year for which data are available, as determined by the Bureau of the Census for general statistical purposes and reported to the Secretary.

"(2) NONCONTIGUOUS STATE ADJUSTMENT.—The percentage of the national per capita income used to limit allocations in paragraph (1) shall, for local governments in the States of Alaska and Hawaii, be increased by the average State percentage of basic pay which civilian employees of the United States Government receive as an allowance under section 5941 of title 5, United States Code. Such average State percentage shall be determined for the most recently completed calendar year for which data are available based on data provided by the Office of Personnel Management and reported to the Secretary.

"(3) UNEMPLOYMENT RATE EXCEPTION.—The per capita income limitation in paragraph (1) shall not apply to a local government in the State of Alaska for which the local unemployment rate for the appropriate six-month period exceeds 10 per centum.".

SEC. 8. Section 205 of the Public Works Employment Act of 1976 (42 U.S.C. 6725) is amended by striking out paragraph (6) and by redesignating paragraphs (7) and (8) as (6) and (7). Title II of such Act is amended by striking out section 209 (42 U.S.C. 6729).

SEC. 9. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 205 the following new section:

"ADJUSTMENTS OR OVERPAYMENTS AND UNDERPAYMENTS

"SEC. 206. Payments under this subtitle and subtitle B may be made with necessary adjustments on account of overpayments or underpayments.".

SEC. 10. Section 210 of the Public Works Employment Act of 1976 (42 U.S.C. 6730) is amended—

(1) by adding at the end of subsection (a) the following new sentence: "Payments made under this subtitle and subtitle B for a fiscal year or calendar quarter beginning prior to the date of enactment of the Intergovernmental Antirecession and Targeted Fiscal Assistance Amendments of 1979 shall be made as soon as practical, but no later than sixty days after such date."; and

(2) by striking out subsections (b) and (c), and inserting in lieu thereof the following:

"(b) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such State or local government during the six-month period which ended three months before the beginning of such calendar quarter was less than 6 per centum.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts shall be paid under this subtitle to any State or local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows an appropriate six-month period for which the State or local unemployment rate equals or exceeds 6 per centum until such time as paragraph (1) may require another suspension of payments.".

SEC. 11. Section 215 of the Public Works Employment Act of 1976 (42 U.S.C. 6735) is amended to read as follows:

"DATA PROVISION RESPONSIBILITIES

"SEC. 215. The Secretary of Labor shall provide information and other necessary data and shall determine and assign unemployment rates necessary for the administration of this title. Such information, data, and rates shall be provided for each State and local government, and shall be made available to the Secretary to assist him in carrying out the provisions of this title. The Secretary of Labor shall also advise the Secretary as to the availability and reliability of relevant information and data. The Director of the Bureau of the Census and the Director of the Office of Personnel Management shall provide such information and other data as may be necessary for the administration of this title, and shall advise the Secretary as to the availability and reliability of relevant information and data.".

SEC. 12. Section 216 of the Public Works Employment Act of 1976 (42 U.S.C. 6736) is amended—

(1) by striking out the caption of the section and inserting in lieu thereof the following:

"ALLOCATIONS TO PUERTO RICO, GUAM, AMERICAN SAMOA, AND THE VIRGIN ISLANDS",

(2) by amending subsection (a) to read as follows:

"(a) IN GENERAL.—The Secretary shall make payments under this subtitle and subtitle B to the governments of the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands.",

(3) by amending paragraph (1) of subsection (b) to read as follows:

"(1) The Secretary shall allocate to such governments from the amounts appropriated pursuant to authorization under this title an amount equal to 1 per centum of such amounts for the appropriate fiscal year or calendar quarter, multiplied by the applicable territorial percentage.", and

(4) by striking out "203(c)(4)," in subparagraph (C) of subsection (b)(3) and inserting in lieu thereof "203(c)(5),", and by striking out "209," in such subparagraph.

SEC. 13. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 216 the following new subtitle:

"Subtitle B—Targeted Fiscal Assistance

"FINANCIAL ASSISTANCE AUTHORIZED

"SEC. 231. (a) IN GENERAL.—The Secretary shall, in accordance with the provisions of this subtitle, make quarterly payments during the fiscal year beginning October 1, 1979, to local governments with a local unemployment rate equal to or above 6 per centum.

"(b) PAYMENTS TO RECIPIENT GOVERNMENTS.—The Secretary shall pay, in accordance with section 210(a), to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such government under section 232.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $85,000,000 for each calendar quarter in the fiscal year beginning October 1, 1979, for the purpose of making payments to local governments under this subtitle.

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If payments are being

made under subtitle A for a calendar quarter, no amount may be paid under this subtitle for that calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts shall be paid under this subtitle for any calendar quarter for which the average rate of unemployment for the United States is less than 6.5 per centum beginnning with the third calendar quarter of the three calendar quarter period which began with the first of such calendar quarters, until such time as paragraph (1) requires another suspension of payments.

"ALLOCATION OF TARGETED AMOUNTS

"SEC. 232. (a) ALLOCATIONS TO LOCAL GOVERNMENTS.—

"(1) GENERAL.—The Secretary shall allocate from amounts appropriated under the authorization contained in section 231(c), an amount for the purpose of making a payment to each local government, equal to the product of—

"(A) the total amount appropriated for the fiscal year or calendar quarter, multiplied by

"(B) the applicable local government percentage.

"(2) APPLICABLE LOCAL GOVERNMENT PERCENTAGE.—For purposes of this subsection, the local government percentage is equal to the percentage resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local revenue sharing amount, by the sum of such products for all local governments.

"(3) MINIMUM ALLOCATION.—If the amount which would be allocated to a unit of local government under this subtitle for a calendar quarter during the fiscal year beginning October 1, 1979, is less than $2,500, then no amount shall be allocated for such unit of local government under this subtitle for such year or quarter.

"(4) TARGETED FISCAL ASSISTANCE PAYMENT NOT IN EXCESS OF $10,000 TO BE COMBINED WITH GENERAL REVENUE SHARING PAYMENT.—If the amount of any payment to be made under this subtitle to a unit of local government is not more than $10,000 for a calendar quarter, the Secretary shall combine the amount of such payment with the amount of any payment to be made to such unit under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.), and shall make a single payment to such unit at the time payments are made under that Act. Whenever the Secretary makes a single, combined payment to a unit of local government under this paragraph, he shall notify the unit as to which portion of the payment is allocable to amounts payable under this subtitle and which portion is allocable to amounts payable under that Act.

"(b) REALLOCATION OF UNDISTRIBUTED AMOUNTS.—If, for any fiscal year or calendar quarter, the amount appropriated under section 231(c) for payments to local governments exceeds the sum of the amounts allocated to local governments because of the limitation contained in subsection (a)(3) or section 203(e), or because of the suspension-of-payments requirements contained in subsection (c), then the Secretary shall reallocate the excess among local governments receiving payments for the fiscal year or calendar quarter, and allocate to each such local government an amount which bears the same ratio to the amount of the excess as the amount allocated to such government for the calendar quarter without regard to this subsection bears to the sum of the amounts allocated to all local governments for the fiscal year or calendar quarter without regard to this subsection.

"(c) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any unit of local government under the provisions of this section for the fiscal year beginning October 1, 1979, if the local unemployment rate during the six-month period which ended three months before the beginning of such quarter was less than 6 per centum.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts shall be paid under this subtitle for calendar quarters during the fiscal year beginning October 1, 1979, to any local government for which payments were suspended under paragraph (1), beginning with any calendar quarter following such suspension which follows an appropriate six-month period for which the average rate of unemployment within the jurisdiction of the local government equals or exceeds 6 per centum until such time as paragraph (1) requires another suspension of payments.

"(d) DEFINITIONS.—For purposes of this subtitle, each term used in this section which is defined or described in paragraph (3) or (4) of section 203(c) shall have the meaning given to it in that paragraph.

"APPLICATION OF CERTAIN SUBTITLE A PROVISIONS TO THIS SUBTITLE

"SEC. 233. The provisions of sections 204, 205, 206, 207, 208, 211, 212, 213, 214, 215, and 216 shall apply to funds authorized under this subtitle.".

Mr. BRADLEY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DANFORTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BRADLEY. Mr. President, after final passage of the bill, I express my appreciation to the staff members who contributed so much to this legislation.

They are Martha Darling, of my staff; Allen Moore and Chris Brewster of Senator DANFORTH's staff; Bill Morris and Mike Stern of the Finance Committee; Martin Katz of Senator MOYNIHAN's office: Rodger Schlickeisen of the Budget Committee; Mike Hoon of Senator DURENBERGER's office; as well as Mary Jane Checchi of the majority leader's office.

Mr. ROBERT C. BYRD. Mr. President, I suggest the Senate proceed with the order.

SENATE PUBLIC FINANCIAL DISCLOSURE PROVISIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 220 which the clerk will state by title.

The legislative clerk read as follows:

A resolution (S. Res. 220) amending the standing rules of the Senate.

The Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending business, Senate Resolution 220, be set aside temporarily until 2:30 p.m. today and that at this time the Senate proceed, instead, to the consideration of Calendar Order 289, S. 885.

The PRESIDING OFFICER. Without objection, it is so ordered.

PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 885) to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Pacific Northwest Electric Power Planning and Conservation Act".

FINDINGS

SEC. 2. The Congress finds that—

(a) The Federal Columbia River Power System offers a unique opportunity to encourage policies of conservation and efficiency in the use of electric power within the Pacific Northwest.

(b) The participation and consultation of the Pacific Northwest States, local communities, ratepayers, the Administrator's customers, users of the Columbia River system (including fisheries agencies), and the public at large within the region are essential in development of regional plans and programs related to energy conservation, renewable resources, other generating resources and orderly planning of the Federal Columbia River Power System.

(c) The ratepayers of the Pacific Northwest should continue to pay all costs necessary to produce, transmit, and conserve electric power to meet the region's electric power requirements, including the amortization of the Federal investment in the Federal Columbia River Power System.

DEFINITIONS

SEC. 3. As used in this Act—

(a) "Administrator" means the Administrator, Bonneville Power Administration.

(b) "Conservation" means any reduction in electric power consumption as a result of increases in the efficiency of energy use, production or distribution.

(c) A conservation measure or any resource is "cost effective" if it is forecast to be available within the time it is needed and if it is forecast to meet or reduce the electric power demand of the consumer at an estimated incremental system cost no greater than that of the least-cost similarly available alternative conservation measure or resource: Provided, That such cost estimates shall include estimates of all direct systems costs of the conservation measure or resource over its effective life, including, if applicable, the cost of distribution and transmission to the consumer, and, among other factors, waste disposal costs, end-of-cycle costs, and fuel costs, and such such quantifiable environmental and social costs and benefits as the Administrator determines, on the basis of a methodology developed by the Council as part of the plan, are directly attributable to the conservation measure or resource: Provided further, That any conservation measure may have an estimated incremental system cost of up to 110 per centum of the least cost alternative nonconservation resource.

(d) "Council" means the Pacific Northwest Electric Power Planning Council established pursuant to this Act.

(e) "Customer" means an entity that contracts for the purchase of power from the Administrator, either for resale or for direct consumption.

(f) "Direct service industrial customer" means an industrial customer that contracts for the purchase of power from the Administrator for direct consumption.

(g) "Electric power" means electric peaking capacity or electric energy or both.

(h) "Federal base system resources" means the Federal Columbia River Power System hydroelectric projects, resources acquired by the Administrator under long-term contracts in force on the effective date of this Act, and resources acquired by the Administrator to replace reductions in capability of the foregoing resources.

(i) "Major resource" means a resource having a capability greater than fifty average megawatts, and, if acquired by the Administrator, is acquired for a period longer than five years.

(j) "New large industrial load" means an industrial load associated with a new industrial plant or an expansion of an existing plant or an existing industrial plant load which is not contracted for or committed to by a public body, cooperative, or Federal agency customer prior to October 1, 1978, any of which will result in an increase in power requirements of ten average megawatts or more in any three-year period: *Provided*, That the Council may recommend to the Congress for approval a different limitation in the maximum size of such new large industrial load.

(k) "Pacific Northwest", "region", or "regional" means:

(1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin; and

(2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of this Act which has a distribution system from which it serves both within and without said region.

(l) "Plan" means the regional electric power plan prepared and adopted pursuant to this Act.

(m) "Renewable resource" means a resource which utilizes a renewable source of energy, including, but not limited to, solar, wind, hydro, geothermal, and biomass, and which is used for electric power generation or which will reduce the electric power requirements of a consumer by direct application.

(n) "Reserves" means the electric power needed to avert particular planning or operating shortages for the benefit of firm power customers of the Administrator and available to the Administrator either from resources or through rights to interrupt, curtail, or otherwise withdraw, as provided by specific contract provisions, portions of the electric power supplied to customers.

(o) "Residential use" or "residential load" means all usual residential, apartment, seasonal dwelling and farm electrical loads or uses, but only the first four hundred horsepower of farm irrigation and pumping for any farm.

(p) "Resource" means (1) electric power, including the actual or planned electric power capability of generating facilities or (2) actual or planned load reduction resulting from direct application of a renewable energy resource, or from a conservation measure.

REGIONAL PLANNING AND PARTICIPATION

SEC. 4. (a) There is established the Pacific Northwest Electric Power Planning Council composed of five members. The Governors of the States of Idaho, Oregon, Montana, and Washington may under applicable State laws each appoint one member to the Council from their respective States. The Administrator shall serve as the fifth member of the Council.

(b) The Council shall select a chairman from among its members. Three members of the Council shall constitute a quorum for conducting business. Decisions of the Council shall be by majority vote: *Provided*, That any action to approve or amend the plan described in subsections (d) and (e) of this section, or any element thereof, must receive the votes of at least three members of the Council, including the vote of the Administrator, to be adopted. The Council shall adopt rules of procedure, including rules applicable to its public hearings.

(c) Each State's member of the Council may request Council approval of funding in support of his State's participation in the Council and activities of his State related thereto. The Administrator shall include in his annual budget submitted pursuant to Public LAW 93-454 (as amended), such requests approved by the Council, not to exceed a total amount equal to 0.02 mills per kilowatt-hour of the Administrator's estimated sales in the year the budget is to be effective. In order to assist initial State participation in the Council, the Administrator shall prepare and propose an amended annual budget as soon as practicable after the enactment of this Act to expedite payments to the States.

(d) The Council shall direct the preparation of a regional electric power plan, and shall adopt such plan within two years after the effective date of this Act. The adopted plan or any portion thereof may be amended from time to time, and shall be reviewed not less frequently than once every five years. Within one year from the effective date of this Act, and thereafter prior to each review, the Council shall identify major subject areas to be included in the plan. Public hearings shall be held in each member's State on (1) major subject areas to be addressed in the plan, and (2) the plan or amendments to the plan, proposed by the Council for adoption: *Provided*, That a public hearing shall also be held in any other State of the region on the plan, or amendments, proposed for adoption if the Council determines that the plan or amendments would likely have a substantial impact on that State in terms of major resources which may be developed in that State and which the Administrator may seek to acquire. The Council shall take action under this subsection pursuant to section 553 of title 5, United States Code.

The Administrator's implementation of the authorities under this Act shall be consistent, to the extent he determines feasible, with the plan: *Provided*, That the Administrator shall notify the Council of any actions not consistent with the plan together with his reasons for taking such actions: *Provided further*, That the Administrator's implementation of the authorities in sections 6 (a) through (d), (f) and (h) shall be consistent with the plan as he determines or, notwithstanding his determination, as the Council, within sixty days of his determination by majority vote of the full Council, may determine: *Provided however*, That if no plan is in effect or a proposed implementation of a conservation measure or an acquisition of a resource is not consistent with the plan, the Administrator may proceed to implement the conservation measure or acquire the resource pursuant to the procedures in sections 6 (a) through (c).

(e) The plan shall give the following priority to resources: first, to conservation; second, to renewable resources; third, to generating resources utilizing waste heat and generating resources of high fuel conversion efficiency; and fourth, to all other resources: *Provided*, That all such resources shall be cost effective and feasible.

(1) The plan shall set forth a general scheme for implementing conservation and developing resources to reduce or meet the Administrator's obligations with due consideration for environmental quality, compatibility with the existing regional power system, preservation and enhancement of fisheries, and other criteria which may be set forth in the plan.

(2) The plan shall also include, but not be limited to, model conservation standards, areas for research and development, a methodology for determining the average system cost of resources exchanged under section 5(b)(2), a methodology for determining quantificable environmental and social costs and benefits under section 3(c), and a twenty-year demand forecast which includes regional reliability and reserve requirements.

(f) Model conservation standards for inclusion in the plan shall (1) include, but not be limited to, standards applicable to new and existing structures, utility, customer and governmental conservation programs, and other consumer actions for achieving conservation, and (2) be designed to produce all power savings that are reasonable, feasible and cost-effective to consumers. If the Council so recommends by majority vote of the full Council, the Administrator may impose additional charges on customers for those portions of their load within the region that are within States or political subdivisions which have not, or on his customers which have not, implemented conservation measures applicable to themselves that achieve energy savings which the Administrator determines are comparable to those which would be obtained under such model conservation standards. Such charges shall be set to recover additional costs the Administrator determines he will incur because such energy savings have not been achieved, but in no case may such charges be less than 10 per centum or more than 50 per centum of the Administrator's applicable rates for such load or portion thereof.

(g) To insure widespread public involvement in the formulation of regional power policies, the Administrator (1) shall maintain comprehensive programs, including programs in cooperation with the Council, to inform the Pacific Northwest public of major regional power issues, to obtain public views concerning those issues, and to secure advice and consultation from the Administrator's customers and other parties; and (2) may form advisory committees as appropriate.

(h) The Council shall request annually from the region's State and Federal fisheries agencies and the appropriate Indian tribes their recommendations of measures which would contribute to the preservation and enhancement of the fish resources of the Columbia River and its tributaries for inclusion in the plan and their recommendations for the funding of research and development efforts which have the potential of providing improved passage for anadromous fish migrants at and between the region's hydroelectric dams. The Council shall consider such recommendations in the preparation of the plan or amendments to the plan. Upon the adoption of the plan or amendments to the plan by the Council, the Administrator shall (1) include in his annual budget funds for fisheries research

and development to be paid from the Bonneville Power Administration fund, or from appropriations, and (2) acquire and dispose of power and utilize the flexibility of the resources available to him in a manner which will assist in the preservation and enhancement of the anadromous fisheries resource while meeting his other obligations.

SALE OF POWER

SEC. 5. Subject at all times to the preference and priority provisions of the Bonneville Project Act of 1937, Public Law 75-329 (as amended), and, in particular, sections 4 and 5 thereof, and at rates established pursuant to section 7 of this Act—

(a) Whenever requested, the Administrator shall offer to sell to each requesting public body and cooperative entitled to preference and priority under Public Law 75-329 (as customer's firm power load in the region amended), and to each requesting investor-owned utility, electric power to meet such customer's firm power load in the region which is in excess of the capability of such customer's firm resource which such customer had used in the year prior to enactment of this Act to serve its firm load and such other resources as such customer shall determine, pursuant to contracts under this Act, will be used to serve its firm load: *Provided*, That such resources shall continue to be so used except with the consent of the Administrator or because of obsolescence, retirement, loss of resource or loss of contract rights.

The Administrator shall include in contracts executed in accordance with this subsection provisions that enable him to restrict his obligations to meet such loads in the event he determines, after a reasonable period of experience under this Act, that he cannot be assured of acquiring sufficient resources pursuant to section 6 to meet such loads, but (1) no such restrictions shall be applicable to the Administrator's public body and cooperative customers entitled to preference and priority under Public Law 75-329 (as amended), or to his Federal agency customers, until the Federal base system resources are fully allocated to such customers; and (2) sales to customers pursuant to this subsection shall not be restricted below the amounts of electric power, as specified in such contracts, acquired by the Administrator from or on behalf of such customer pursuant to subsection 5(b)(2) and section 6. The Administrator shall, consistent with the provisions of this Act, insure that any such restrictions pursuant to this subsection are distributed equitably throughout the region.

(b) Additionally, (1) the Administrator is authorized to sell electric power to Federal agencies in the region, and (2) whenever a Pacific Northwest utility offers to sell electric power to the Administrator at the average system cost of resources then available to that utility, the Administrator shall purchase such power and shall offer, in exchange, to sell an equivalent amount of electric power to such utility for resale to that utility's residential users within the region: *Provided*, That (A) such sale shall be limited to an amount not to exceed 50 per centum of each such utility's regional residential load in the year beginning July 1, 1980, and increasing in equal annual increments to 100 per centum of such load in the year beginning July 1, 1985; (B) the cost benefits, as specified in contracts, of any such exchange sale which are attributable to any utility's residential load within a State shall be passed through directly to the utility's residential loads within such State: *Provided*, That a State which lies partially within and partially without the region may require that such benefits be distributed among all of the utility's residential loads in that State; (C) a utility may terminate, upon reasonable terms and conditions, its exchange purchase and sale in the event the supplemental rate charge provided for in section 7(b) is applied and the cost of electric power sold to the utility under this subsection exceeds, after application of such rate charge, the average system cost of power sold by the utility to the Administrator under this subsection; and (D) the Administrator may acquire the electric power necessary to carry out the exchange sale from other resources, rather than purchase the electric power offered him by the utility pursuant to this subsection, if the cost of doing so is less than the cost of purchasing the electric power offered by the utility.

The "average system cost" for electric power sold to the Administrator under this subsection shall be determined by the Administrator, subject to review and approval by the Federal Energy Regulatory Commission as provided in section 9(g), on the basis of a methodology developed for this purpose. Such methodology shall be developed by the Council as part of the regional electric power plan identified in section 4, or, until such a plan has been adopted, shall be developed by the Administrator in consultation with his customers in the region and appropriate State regulatory bodies. Average system cost shall not in any event include: (i) the cost of additional resources in an amount sufficient to serve any new large industrial load of the utility that was not contracted for or committed to prior to October 1, 1976; (ii) the cost of additional resources in an amount sufficient to meet any additional load outside the region occurring after the effective date of this Act; and (iii) any costs of a generating facility which is terminated prior to commercial operation.

(c)(1) The Administrator is authorized to sell electric power to direct service industrial customers which have contracts for the purchase of electric power from him on the effective date of this Act, so long as such sales provide a portion of the reserves for firm power loads within the region. To effectuate the purposes of this subsection the Administrator shall offer to such customers new long term contracts in accordance with section 9(c) that provide such customers an amount of power equivalent to that to which such customers are entitled under present industrial firm contracts. The offer and execution of these initial new contracts shall be deemed to be supported by a sufficiency of electric power available to the Administrator.

(2) The Administrator shall not offer to sell amounts of electric power, including reserves, to new direct service industrial customers or to existing direct service industrial customers in addition to the amounts provided under subsection (c)(1) unless the Council has approved such sale by majority vote of the full Council and the Administrator determines that such proposed sale is consistent with the plan and that (A) additional power system reserves are required for the region's firm loads, (B) additional direct service industrial loads would provide a feasible and cost-effective method of supplying such reserves, (C) loads of similar character cannot provide equivalent operating or planning benefits to the region if served by a utility, and (D) the Administrator has or can acquire sufficient electric power to serve such loads. After such determination and approval by the Council, the Administrator is authorized to offer to new or existing direct service industrial customers an additional amount of power providing reserves in the amount determined to be necessary.

(d) The Administrator is further authorized to sell or otherwise dispose of electric power, including acquired power, that is surplus to his obligations incurred pursuant to subsections (a), (b), and (c) of this section in accordance with this and other statutes applicable to the Administrator.

CONSERVATION AND RESOURCE ACQUISITION

SEC. 6. (a) The Administrator shall, to the maximum extent practicable, implement all conservation measures he determines to be consistent with the plan. If no plan is in effect the Administrator shall implement conservation measures he determines are feasible and consistent with the criteria of section 4(e): *Provided*, That no mandatory conservation requirements shall be set by the Administrator pursuant to this authority in the absence of a plan. Such measures may include, but are not limited to, financial assistance for insulation or weatherization, increased system efficiency, and waste energy recovery by direct application. The Administrator may, in accordance with the provisions of this section, conduct demonstration projects to determine the feasibility of conservation measures and direct application renewable energy resources: *Provided further*, That no obligation may be incurred for any such demonstration project until such proposal is explicitly noted in the Administrator's budget submittal to the Congress pursuant to Public Law 93-454 (as amended). In addition, he shall assist conservation by and among regional consumers by (1) providing technical or financial assistance, (2) cooperating with his customers and governmental authorities to encourage maximum cost-effective voluntary conservation, and (3) aiding his customers and governmental authorities in implementing conservation standards adopted pursuant to 4(f).

(b) The Administrator shall meet his contractual obligations that remain after taking into account planned savings from conservation measures provided in this section by acquiring additional resources (in addition to electric power acquired on a short term basis pursuant to section 11(b)(6)(i) of Public Law 93-454 (as amended)) he determines to be consistent with the plan or, if no such plan is in effect, which he determines, after compliance with section 6(c), are consistent with section 4(e). The Administrator shall acquire resources to replace Federal base system resources in accordance with the provisions of section 6 of this Act except in the case of federally constructed resources otherwise authorized by the Congress. Notwithstanding any acquisition of resources, the Administrator shall not reduce his efforts to achieve conservation savings pursuant to section 6(a).

(c)(1) In proposing to acquire any major resource, the Administrator shall give notice of the proposed action to the Council, his customers and the State in which the resource would be acquired, solicit views and relevant information, conduct a public hearing, and not less than ninety days after such notice may make a decision supported by a written statement, which statement shall include specific findings that the proposed acquisition is consistent with the plan unless such acquisition is proposed pursuant to parts (3) or (4) of this subsection.

(2) The Administrator shall submit to appropriate committees of the Congress the administrative record which shall consist of his written statement in support of any major resource acquisition decision made pursuant to this subsection together with (A) all statements, data, and other information on which the Administrator relies, including information received by him from the Council and his customers; (B) the transcript or other record (including all exhibits) of the hearing; (C) a record of all other relevant views and reactions received by him; and (D) a statement of the procedures followed or to be followed for compliance with the National Environmental Policy Act, Public Law 91-190 (as amended). The Administrator thereafter shall publish notice of his decision in the Federal Register. The Administrator may not implement any such decision or make any financial commitment for a major resource acquisition under this subsection prior to ninety days after the date of publication in the Federal Register and until it has been noted in the Administrator's budget submittal made pursuant to Public Law 93-454 (as amended): *Provided*, That in the absence of a plan or if the proposal is inconsistent with the plan, no financial commitment for a major resource acquisition shall be made until the acquisition has been specifically approved by Act of Congress.

(3) If within two years after the effective date of this Act, the Administrator proposes to acquire a major resource, but no plan is yet in effect, the Administrator may acquire such resource by following the procedure set forth in subsection (c) (1) and (2), except that his written statement shall include specific findings that acquisition of the resource is consistent with the criteria of subsection 4(e).

(4) If, subsequent to the adoption of a plan the Administrator wishes to be able to acquire a resource or undertake a conservation measure which he determines to be inconsistent with such plan, or in the absence of an adopted plan two years after the effective date of this Act, the Administrator may acquire a resource or undertake a conservation measure pursuant to the following procedure: (A) the Administrator shall propose to the Council a plan, or an amendment to the existing plan, with which the proposed action would be consistent, and submit a written statement to the Council that the plan or proposed amendment is needed to permit the proposed action, that the resource or conservation measure is needed to meet the Administrator's obligations, and that the resource or conservation measure is consistent with the criteria set forth in subsection 4(e); (B) the Council shall proceed with hearings in accordance with provisions of section 4(d)(2); (C) if within ninety days after the submission of the Administrator's proposal the Council has not adopted a plan or plan amendment with which, in the Administrator's determination, the proposed action is consistent, the Administrator may proceed with the action after following the procedure established under parts (1) and (2) of this subsection. For the acquisition of a resource or implementation of a conservation measure, either of which the Administrator determines to be inconsistent with the plan, public hearings shall be held pursuant to section 556 of title 5, United States Code, and the Administrator shall make a written statement in support of his decision pursuant to section 557 of title 5, United States Code.

(5) The Administrator shall determine in each case of a major resource acquisition that a reasonable share of the particular resource, or a reasonable equivalent, has been offered to each Pacific Northwest utility for ownership, participation, or other sponsorship but not in excess of the amounts needed to meet its regional load.

(d) The Administrator is authorized to acquire a resource, other than a major resource, which does not meet criteria of section 4 but which he determines is an experimental, developmental, demonstration or pilot project of a type with a potential for providing feasible, cost-effective, and reliable service to the region. The Administrator is authorized to construct such a project if it is a renewable resource and he determines that no utility or political subdivision in the Pacific Northwest is willing to construct such project at reasonable cost. The Administrator shall make no obligation for the acquisition or construction of such a resource until it has been noted in his budget submittal to the Congress pursuant to Public Law 93-454 (as amended).

(e) To the extent conservation measures or acquisition of resources require direct arrangements with consumers of electric power, the Administrator shall make maximum practicable use of his customers and other local entities capable of administering and carrying out such arrangements.

(f) For resources which the Administrator determines will be not inconsistent with the plan or for which he proposes to follow the procedures of section 6(c) (3) and (4), the Administrator is authorized to enter into agreements with sponsors of (1) a renewable resource, other than a major resource, to fund or secure debt incurred in the investigation and initial development of such resource which may be proposed for acquisition by the Administrator, or (2) any other resource, which on preliminary data he finds would satisfy criteria of this act, to provide for the reimbursement of the sponsor's investigation and preconstruction expenses (which expenses shall not include procurement of capital equipment or construction material for such resource) if such resource is subsequently denied State siting approval or other necessary Federal or State permits, or if such investigation subsequently demonstrates, as determined by the Administrator, that such resource does not meet the criteria of this act, or is not acceptable because of environmental impacts, or after such investigation the Administrator determines not to purchase the resource and the resource is not constructed: *Provided*, That any such agreements shall provide the Administrator an option to acquire any such resource: *Provided further*, That the Administrator shall terminate his financial commitment as to any further expense incurred by the sponsors (except necessary expenses involved in the liquidation of the resource) after a final denial of application for State siting approval. No further commitment may be made by the Administrator until the Administrator has completed such procedure as may be required by the National Environmental Policy Act, Public Law 91-190 (as amended).

(g) At the request of the appropriate State, any environmental impact statement which may be required with respect to a resource, to the extent determined possible by the Administrator, shall be prepared jointly and in coordination with any required environmental impact statement of the State or any other statement which serves the purpose of an environmental impact statement which is required by State law.

(h) The Administrator is authorized to grant billing credits and provide services to any of his customers for independent conservation activities undertaken by such customers or political subdivisions served by a customer and for resources constructed, completed or acquired by a customer or political subdivision after the effective date of this Act which reduce the obligation of the Administrator to acquire resources under this Act. Any such credits which are granted for a major resource shall be granted only if such grant is determined by the Administrator to be not inconsistent with the plan or if such credits are authorized pursuant to the procedures of section 6(c)(4). The Administrator shall be required to grant credits (1) to the extent such customer or political subdivision undertakes independent conservation measures which the Administrator finds will achieve energy savings beyond the measures included in the plan, and (2) for a renewable resource or a multipurpose project uniquely suitable for such customer's or political subdivision's development. The Council may develop and propose guidelines to the Administrator to assist in the determination of the amount of such credits. The Administrator shall determine the amount of credits taking into account guidelines recommended by the Council and the risks and benefits assumed by the entity to be credited and the risks and benefits provided to the Administrator's customers: Provided, That any credits under this subsection shall be granted only to the extent they are cost effective.

(i) Contracts for acquisition of resources entered into pursuant to this section shall contain such terms and conditions as the Administrator finds necessary or proper to insure timely construction, scheduling, completion, and operation of new resources, to insure that the costs of any acquisition are as low as reasonably possible, consistent with sound engineering, operating, and safety practices, and to provide the means for the Administrator to exercise effective oversight, audit, and review of all aspects of such construction and operation.

(j) At the request and expense of any customer or group of customers of the Administrator within the Pacific Northwest, the Administrator shall, to the extent practicable—

(1) acquire any electric power required by (A) any customer or group of customers to enable them to replace resources determined to serve firm load under subsection 5(a) or (B) direct service industrial customers, to replace electric power that is or may be curtailed or interrupted by the Administrator (other than power he is himself obligated to replace), with the cost of such replacement power to be distributed among the direct service industrial customers requesting it: Provided, That the Administrator may prescribe policies and conditions for the independent acquisition of replacement power by any direct service industrial customer or group of such customers for the purpose of assuring each direct service industrial customer an opportunity to participate in such acquisitions; and

(2) dispose of, or assist in the disposal of, any electric power that a customer or group of customers proposes to sell within or without the region at rates and upon terms specified by such customer or group of customers, if such disposition is not in conflict with the Administrator's other marketing obligations and the policies of this Act and other applicable statutes, and with respect to direct service industrial customers, if such sale is under terms and conditions acceptable to the Administrator.

The Administrator shall furnish services including transmission, storage, and load factoring unless he determines such services cannot be furnished without substantial interference with his power marketing program, applicable operating limitations or existing contractual obligations. The Administrator shall, to the extent practicable, give priority in making such services available for the marketing, within and without the Pacific Northwest, of capability from projects under construction on the effective date of this Act, if such capability has been offered for sale at cost, including a reasonable rate of return, to the Administrator pursuant to this Act and such offer is not accepted within one year.

(k) All obligations incurred by the Administrator pursuant to this Act shall be secured solely by the Administrator's revenues received from the sale of electric power and other services. Such obligations shall not be, nor shall they be deemed to be, general obligations of the United States of America.

(l) In the exercise of his authorities pursuant to this section, the Administrator shall, consistent with the provisions of this Act, insure that benefits under this section, including financial and technical assistance, conduct of conservation demonstrations, and experimental projects, services, and billing credits, are distributed equitably throughout the region.

RATE DIRECTIVES

SEC. 7. (a) The Administrator shall establish and periodically modify rates for the sale and disposition of electric power and the transmission on non-Federal power. Such rates shall be set to recover, in accordance

with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power including the amortization of the Federal investment in the Federal Columbia River Power System (including irrigation costs required to be repaid out of power revenues) over a reasonable period of years and the other costs and expenses incurred by the Administrator pursuant to law. Such rates shall be established in accordance with sections 9 and 10 of Public Law 93-454 (as amended) and the provisions of this Act, and shall become effective upon confirmation and approval by the Federal Energy Regulatory Commission on the finding that such rates (1) are sufficient to assure repayment of the Federal investment in the Federal Columbia River Power System over a reasonable number of years after first meeting the Administrator's other costs, (2) are based upon the Administrator's total system costs including contingencies, and (3) insofar as transmission rates are concerned, equitably allocate the costs of the Federal transmission system between Federal and non-Federal power utilizing such system.

(b) The Administrator shall establish a rate or rates of general application for electric power sold to meet the general requirements of public body, cooperative, and Federal agency customers within the Pacific Northwest, and sold to utilities under section 5(b)(2). Such rate or rates shall recover the costs of that portion of the Federal base system resources needed to supply the foregoing loads until such sales exceed the Federal base system resources. Thereafter, such rate or rates also shall recover the costs of additional electric power as needed to supply the foregoing loads, first from the electric power purchased by the Administrator under section 5(b)(2) and then from new resources: *Provided*, That after July 1, 1985 the projected amounts to be charged for firm power for the combined general requirements of public body, cooperative and Federal agency customers, exclusive of amounts charged such customers under section 7(g) for the costs of conservation, resource and conservation credits, experimental resources and uncontrollable events, shall in no event exceed in total, as determined by the Administrator, during any year plus the ensuing four years, an amount equal to the power costs for general requirements of such customers if, as estimated in accordance with the following assumptions for the same five-year period:

(1) the public body and cooperative customers' general requirements had included the direct service industrial customer loads located within or adjacent to the geographic service boundaries of such public bodies and cooperatives during the applicable period;

(2) public body, cooperative, and Federal agency customers were served in the applicable period with Federal base system resources not obligated to other parties under contracts existing as of the effective date of this Act (during the remaining term of such contracts) excluding obligations to direct service industrial customer loads included in part (1) above;

(3) no purchase or sales as provided in section 5(b)(2) were made during the applicable period;

(4) all resources that would have been required to meet remaining general requirements of the public body, cooperative and Federal agency customers not met by the available Federal base system resources determined under part (2) above were resources purchased from such customers by the Administrator pursuant to section 6 or resources not committed to load pursuant to section 5(a) and were the least expensive resources owned or purchased by public bodies or cooperatives with any additional needed resources having been obtained at the average cost of all other new resources acquired by the Administrator; and

(5) the quantifiable monetary savings to public body, cooperative, and Federal agency customers resulting from actions of the Administrator under section 6 were not achieved.

Any amounts not charged to such public body, cooperative, and Federal agency customers because of this proviso shall be recovered through supplemental rate charges for all other power sold by the Administrator.

General requirements as used in this section shall be the public body, cooperative, or Federal agency customer's electric power purchased from the Administrator under section 5(a) and 5(b)(1) exclusive of any new large industrial load that was not contracted for or committed to by the customer by October 1, 1978.

(c) The rate or rates applicable to direct service industrial customers shall be established:

(1) for the period prior to July 1, 1985, at a level which the Administrator estimates will be sufficient to recover the cost of resources the Administrator determines are required to serve such customers' load and the net costs incurred by the Administrator pursuant to section 5(b)(2), based upon his projected ability to make power available to such customers pursuant to their contracts, to the extent that such costs are not recovered through rates applicable to other classes of power sold by the Administrator; and

(2) for the period after July 1, 1985, at a level which the Administrator determines by rule to be equitable in relation to the retail rates charged by the public body and cooperative customers to their industrial customers in the region (to be based upon the Administrator's applicable wholesale rates to such public body and cooperative customers and the typical margins included by such public body and cooperative customers in their retail industrial rates) but taking into account (A) the comparative size and character of the loads served, (B) the relative costs of electric capacity, energy, transmission, and related delivery facilities provided and other service provisions, and (C) direct and indirect overhead costs, all as related to the delivery of power to industrial customers: *Provided*, That the Administrator's rates during such period shall in no event be less than his rate in effect for the contract year ending on June 30, 1985.

The Administrator shall adjust such rates to take into account the value of power system reserves made available to the Administrator through his rights to interrupt or curtail service to such direct service industrial customers.

(d) In order to avoid adverse impacts on—

(1) retail rates of the Administrator's customers with low system densities, the Administrator is authorized to apply discounts to the rate or rates for such customers;

(2) direct service industrial customers using raw materials indigenous to the region as their primary resource, the Administrator is authorized to establish a special rate applicable to such customer if all power sold to such customer may be interrupted, curtailed, or withdrawn to meet firm loads in the region under contract provisions equivalent to those of present modified firm contracts.

(e) In establishing rate schedules of general application, the Administrator may establish a uniform rate or rates for sale of peaking capacity.

(f) Rates for all other firm power sold by the Administrator for use in the Pacific Northwest shall be based upon the cost of the portions of Federal base system resources, purchases of power under section 5(b)(2) and additional resources (including new resources) which, in the determination of the Administrator, are applicable to such sales.

(g) The Administrator shall allocate to power rates, as he may determine appropriate, all other costs and benefits including, but not limited to, conservation, uncontrollable events, reserves, the excess costs of experimental resources under section 6, the cost of credits granted pursuant to section 6, operating services, and the sale of or inability to sell excess electric power.

(h) Notwithstanding any other provision of this section (except the provisions of subsection (a)), the Administrator shall adjust power rates to include any additional charges arising under section 4(f), and shall allocate any revenues from such charges in a manner he determines will help achieve the purposes of section 4(f).

AMENDMENTS TO EXISTING LEGISLATION

SEC. 8. (a) Section 11(b) of Public Law 93-454 (as amended) is amended by striking the word "and" at the end of subparagraph (10), and by substituting "; and" for the period at the end of subparagraph (11) and adding a new subparagraph (12) as follows:

"(12) making such payments, as shall be required to carry out the purposes of the Pacific Northwest Electric Power Planning and Conservation Act.".

(b) Public Law 93-454 (as amended) is amended by striking subsections 13 (a) and (b) and substituting the following new subsections:

"SEC. 13. (a) The Administrator is authorized to issue and sell to the Secretary of the Treasury from time to time in the name of and on behalf of the Bonneville Power Administration bonds, notes, and other evidence of indebtedness (in this Act collectively referred to as 'bonds') to assist in financing the construction, acquisition, and replacement of the transmission system, to implement the Administrator's authority (including the provision of financial assistance for conservation measures and renewable resources) pursuant to the Pacific Northwest Electric Power Planning and Conservation Act, and to issue and sell bonds to refund such bonds. Such bonds shall be in such forms and denominations, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds may be issued, and financing practices of the utility industry. Refunding provisions may be prescribed by the Administrator. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of America of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rates prevailing in the market for similar bonds issued by Government corporations but not to exceed the interest rate which would be applied to such bonds if they were purchased by the Federal Financing Bank. The aggregate principal amount of any such bonds outstanding at any one time shall not exceed $1,250,000,000 prior to October 1, 1980, and $1,750,000,000 thereafter.

"(b) The principal of, premiums, if any, and interest on such bonds shall be payable solely from the Administrator's net proceeds as hereinafter defined. 'Net proceeds' shall mean for the purposes of this section the remainder of the Administrator's gross receipts from all sources after first deducting trust funds and the costs listed in section 11(b)(2) through 11(b)(7), 11(b)(11) and 11(b)(12), and shall include reserve or other funds created from such receipts.".

(c) Public Law 88-552 (as amended) is amended by striking subsection 1(b) and inserting a new subsection 1(b) as follows:

"(b) 'Pacific Northwest' means (1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and

such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin and (2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of the Pacific Northwest Electric Power Planning and Conservation Act which has a distribution system from which it serves both within and without said region.".

ADMINISTRATIVE SECTIONS

SEC. 9. (a) In carrying out the provisions of this Act, the Administrator is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancellation thereof and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.

(b) The Administrator shall discharge the executive and administrative functions of his office in accordance with the policy established by Public Law 75-329, as amended, this Act and sections 302(a)(2) and (3) of Public Law 95-91. The Secretary of Energy and the Administrator shall take such steps are are necessary to (1) assure the Administrator's timely implementation of this Act and (2) enable the Administrator to operate in a sound and businesslike manner.

(c)(1) As soon as practicable after the effective date of this Act, and in no event later than nine months after the enactment of this Act, the Administrator shall, in addition to offers otherwise authorized or required in other sections of this Act, offer long-term contracts simultaneously to (A) existing public body and cooperative customers and investor-owned utilities under section 5(a); (B) Federal agencies under section 5(b)(1); (C) direct service industrial customers under section 5(c)(1); and (D) utilities under section 5(b)(2).

(2) Each customer offered a power sales contract pursuant to this subsection shall have one year from the date of offer to accept such contract. Such contract shall become effective as follows:

(A) A contract with a public body, cooperative or investor-owned utility pursuant to section 5(a) or a Federal agency pursuant to section 5(b), on the date executed by such public body, cooperative, investor-owned utility or Federal agency, unless otherwise agreed upon the by contracting parties.

(B) A contract with a utility pursuant to section 5(b)(2), on the date executed by the utility, but no earlier than the first day of the tenth month after the effective date of this Act.

(C) A contract with a direct service industrial customer pursuant to section 5(c)(1), on the date agreed upon by the parties, but no later than the first day of the tenth month after the effective date of this Act; such contract when executed may for rate purposes be given retroactive effect to such day.

The Administrator shall be deemed to have sufficient resources for the purpose of entering into the power sales contracts specified in this subsection.

(d) Any contract of the Administrator for the sale or exchange of electric power for use outside the Pacific Northwest shall be subject to limitations and conditions corresponding to those provided in sections 2 and 3 of Public Law 88-552 (as amended) for any contract for the sale, delivery or exchange of hydroelectric energy or peaking capacity generated within the Pacific Northwest for use outside the Pacific Northwest: Provided, That, for the purposes of this subsection, "surplus energy" shall mean electric energy for which there is no market in the Pacific Northwest at any rate established for the disposition of such energy, and "surplus peaking capacity" shall mean electric peaking capacity for which there is no demand in the Pacific Northwest at the rate established for the disposition of such capacity. The authority granted, and duties imposed upon, the Secretary of Energy by sections 5 and 7 of Public Law 88-552 (as amended) shall also apply to the Administrator in connection with resources acquired by the Administrator. The Administrator, in making any determination of the electric power requirements of a Pacific Northwest customer which is a non-Federal utility having its own generation shall exclude, in addition to hydro generated energy excluded in section 3(d) of Public Law 88-552 (as amended), any amounts of energy included in the resources of such utility for service to firm loads in the region which were disposed of by the utility outside the region if and to the extent that as the result of such disposition the firm energy requirements of such utility and other customers on the Administrator are greater than if such energy had been or reasonably could have been conserved or otherwise retained for service to regional loads.

The Administrator may sell as a replacement therefore only that which would be surplus energy.

(e)(1) For purposes of section 701 of title 5, United States Code, and the following: acquisition of resources, granting of credits under subsection 6(h), assistance to sponsors under subsection 6(f), sales of electric power under section 5 (a) through (c), implementation of conservation measures, adoption of the plan or amendments thereto insofar as the plan or such amendments relate to specific resources acquisition or conservation decisions, determinations of the Administrator or the Council under section 4(d), and rate determinations under section 7 shall be final actions subject to judicial review. The record upon review shall be limited to the administrative record compiled in accordance with this Act. The scope of reviews shall be governed by section 706 (1) and (2)(A) through (D) of title 5, United States Code, except that review of rate determinations under section 7 shall be on the basis of substantial evidence on the record. The adopted plan or portions thereof shall not be reviewable as a part of a review of a resource acquisition decision or a conservation measure implementation decision.

For purposes of this subsection, (A) resources shall be deemed to be acquired upon publication in the Federal Register of the Administrator's section 6(b) determination or section 6(c)(2) written statement; (B) conservation measures shall be deemed to be implemented upon publication in the Federal Register of the determination required of the Administrator pursuant to section 6(a); and (C) the plan or amendments thereto shall be deemed to be adopted upon adoption by the Council and publication of notice of adoption in the Federal Register pursuant to section 4(d), or as otherwise provided for by this Act.

(2) Suits brought to challenge final actions taken pursuant to this Act, or the implementation of such final actions, whether brought pursuant to this Act or Public Law 75-329 (as amended), or Public Law 88-552 (as amended), or Public Law 93-454 (as amended), shall be commenced within ninety days of the action, or, if notice of the action is required by this Act to be published in the Federal Register, within ninety days of such notice, or be barred.

(f) For the purpose of enabling the Administrator to acquire resources from State or local governmental units at a cost no greater than the costs which would be applicable in the absence of such accuisition, the exemption from gross income of interest on certain governmental obligations provided in section 103(a)(1) of title 26 of the United States Code shall not be affected by the Administrator's acquisition of such resources if the Administrator, prior to contracting for the acquisition, certifies to his reasonable belief, in accordance with a procedure approved by the Secretary of the Treasury, as to the persons for whom the Administrator is purchasing such resources for sale pursuant to section 5 of this Act and as to the amount for each such person, and if, based upon such certification, which shall be conclusive as to the facts stated therein, the Secretary of the Treasury determines that less than a major portion thereof is to be furnished to persons who are not exempt persons as defined in section 103(b) of such title.

(g) When reviewing rates for the sale of power to the Administrator by an investor-owned utility under sections 5(b)(2) and 6, the Federal Energy Regulatory Commission shall convene a joint State board pursuant to section 209 of the Federal Power Act (16 U.S.C. 824h), and shall invest such board with such duties and authority as will assist the Commission in its review of such rates.

(h) No "company" (as defined in section 79b(a)(2) of title 15, United States Code), which owns or operates facilities for the generation of electricity (together with associated transmission and other facilities) primarily for sale to the Administrator under section 6 shall be deemed an "electric utility company" (as defined in section 79b(a)(3) of title 15, United States Code), within the meaning of any provision or provisions of chapter 2C of title 15 of the United States Code: *Provided*, That the Administrator shall have approved the organization of such "company" and all material contracts entered into by and between such "company" and any sponsor company: *Provided further*, That (1) participation in any facilities of such "company" shall have been offered to public bodies and cooperatives in the region pursuant to subsection 6(c)(5), and (2) the Administrator shall include in any contract for the purchase of a major resource from such "company" provisions limiting the amount of equity investment, if any, in such "company" to that which the Administrator determines will be consistent with achieving the lowest attainable power costs attributable to such major resource. This subsection shall continue to apply to any such "company" unless the Administrator or the Securities and Exchange Commission determines that the "company" no longer operates in accordance with this subsection, and notifies the "company" in writing of such determination, in which event this subsection shall cease to apply to such "company" thirty days after receipt of such notification.

SAVINGS PROVISIONS; WAIVER OF PREEMPTION

SEC. 10. (a) Nothing in this Act shall alter, diminish, or abridge the right of any State or political subdivision thereof to (1) determine retail electric rates except as provided by section 5(b)(2); (2) develop and implement its own plans and programs for the conservation, development and use of electric power resources or facilities; or (3) make energy facility siting decisions including, but not limited to, determining the need for a particular facility, evaluating alternative sites, and considering alternative methods of meeting the determined need.

(b) Nothing in this Act shall alter, diminish, or abridge the authorities or obligations of the Administrator granted by or arising under any other applicable statute, unless otherwise specifically provided herein.

(c) Nothing in this Act shall alter, diminish, or abridge the rights and obligations of the Administrator or any other party under

any contract or agreement existing as of the effective date of this Act.

(d) Nothing in this Act shall alter, diminish, abridge or otherwise affect the provisions of other Federal statutes by which public bodies and cooperatives are entitled to preference and priority in the sale of federally generated electric power.

(e) Nothing in this Act shall alter, diminish, or abridge the authority of the Administrator to meet with his customers or with other groups or individuals in order to discuss regional power issues or other matters of interest or concern.

(f) Nothing in this Act shall (1) affect the jurisdiction of the States and the United States over waters of any stream or over any ground water resource, (2) alter, amend, repeal, interpret, modify, or be in conflict with any interstate compact made by any States, or (3) confer upon any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.

(g) The reservation under law of electric power for use in the State of Montana by reason of the construction of Hungry Horse and Libby Dams and Reservoirs within that State, plus 50 per centum of any electric power produced at Libby Reregulating Dam when built, is hereby affirmed. Electric power so reserved shall be sold at the rate or rates set pursuant to section 7.

Mr. JACKSON. Mr. President, this bill is a monument to the cooperative spirit of the Senators from Oregon, Washington, Montana, and Idaho. Faced with electric energy problems that cover the entire Pacific Northwest, the Senators of the respective States have transcended State boundaries and partisan politics and have truly addressed a regional problem with a regional solution.

As my colleagues know, this measure has been the subject of intense debate and discussion both in the Senate Committee on Energy and Natural Resources and in the Pacific Northwest. I believe that the legislative process has succeeded in hammering out a consensus measure that addresses the needs and interests of the citizens of the Pacific Northwest. As my colleagues from the Pacific Northwest know, and in particular those who are members of the Committee on Energy and Natural Resources, S. 885 is a truly bipartisan effort and I would particularly commend the efforts of the senior Senators from Oregon and Idaho and the junior Senator from Idaho for their respective efforts in bringing this important measure to the floor for consideration by the Senate.

Mr. President, I ask unanimous consent that for the benefit of those who will read these proceedings that the purpose, background, need and summary of major provisions sections of the committee report No. 96-272 which accompanied S. 885 when reported by the Committee on Energy and Natural Resources be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE REPORT No. 96-272

PURPOSE

S. 885 has several major elements:

To establish a procedure for the Bonneville Power Administration to participate with regional entities in a public planning process to coordinate the provision of electric power resources to meet the needs of the region.

To extend the benefits of the Federal Columbia River Power System to the residential and farming consumers of investor-owned utilities.

To supplement the authority of the Bonneville Power Administration to utilize regional power revenues to assist in the financing of future conservation measures and electric power supply resources development in the region.

BACKGROUND

The Bonneville Power Act of 1937 (Act of August 1937, 50 Stat. 731), authorizing the construction of the Bonneville Dam by the Corps of Engineers, provided that the electric power generated at the dam should be marketed by a Bonneville Power Administrator to be appointed by the Secretary of the Interior. The Administrator was authorized to construct, operate, and maintain transmission lines necessary to market the power. The Administrator was not authorized to construct or operate either hydro or thermal electric generating facilities.

The Bonneville Power Administration, through subsequent legislation and interpretation of the Act, has become a major part of the electric power system in the Pacific Northwest. The Federal Columbia River Power System, for which BPA is the marketing agency, had 30 hydroelectric power projects in operation in 1978, with a total generating capacity of 16,441 megawatts. In that year, the system (including federally acquired thermal) generation represented 54 percent of the region's total electric generation. The BPA transmission system includes 12,454 circuit miles with an additional 1,652 miles in various stages of design and construction. The BPA transmission system, containing 80 percent of the region's primary transmission system, forms the backbone for what constitutes a regional grid.

Traditionally, the Pacific Northwest's power needs have been satisfied by the energy produced by large hydroelectric projects. For the most part, the projects were constructed and operated by the Federal Government with the power marketed through the Bonneville Power Administration. However, some of the larger utilities built and operated their own generating facilities and purchased part of their regional power needs from BPA. In the late 1960's projections of future regional power needs by the Bonneville Power Administration indicated that by the mid-1970's, regional loads would exceed system capacity. As a result, in 1969 the "Hydrothermal Power Program" was initiated in the region in an effort to provide an orderly transition from a hydro based system to one using a blend of hydro and thermal resources. By 1970, rising costs associated with thermal plant construction and BPA's inability to acquire thermally generated resources indicated that an alternate to the Hydrothermal Power Programs would be needed if future regional needs were to be met.

By 1973, BPA stopped selling firm low-cost hydro power to investor-owned utilities because of inadequate supplies and the utilities turned to higher cost thermal power. Public utilities also realized that they too faced problems in meeting future demands when in 1976 the BPA issued notices of insufficiency to all public utilities and direct service customers, stating that BPA would not be able to meet new load requirements after 1983. Concern for future sources of electric power lead public and private utilities, industries, and customers to seek legislative assistance from the Congress.

NEED FOR THE LEGISLATION

As reported, S. 885 addresses problems associated with the future of electrical energy production and consumption in the Pacific Northwest as identified by interested regional entities. Critical in the problems facing the Northwest are the needs to initiate and carry-out a comprehensive regional electric energy conservation program, to extend to residential and rural consumers the benefits of the Federal Columbia River Power System, and to assure future electric supplies for consumers at reasonable rates. Paramount in achieving these goals is the establishment of a mechanism providing for an effective regionwide planning process. S. 885 mandates the preparation of a regional electric energy plan and assures that such a plan will reflect and be responsive to the diverse interests represented in the region.

Traditionally, utility planning in the Pacific Northwest has been geographically fragmented. While in other parts of the Nation large areas may be served by a single utility which generates and distributes electric energy on an areawide basis, the Pacific Northwest has been served by a myriad of small- to medium-sized utilities, which, for the most part, have relied upon the generation and transmission resources of the Federal Columbia River Power System. In spite of this fragmentation, the FCRP, the Bonneville Power Administration, and the distinct needs and resources of the region have served to facilitate a high degree of cooperation between utilities in forecasting regional power requirements and the integration of available resources. However, seriously lacking in the region is a comprehensive planning process providing for the integration of new generating facilities on a regional basis and a lack of opportunity for State and public participation at an early stage in the planning process. The regional electric energy plan which would be prepared pursuant to the Pacific Northwest Electric Power Supply and Conservation Act is conditioned upon these, and other premises.

Without the planning framework and authorities contained in S. 885, the region faces potentially damaging power shortages, an inability to involve on a formalized basis the States and various interest groups in the region in the planning process, and a lack of direction for and financing of a truly regionwide conservation plan which would not only benefit the individual consumers in the area, but could serve as a model for the rest of the Nation as well.

SUMMARY OF MAJOR PROVISIONS

As amended, S. 885 addresses several major issues related to power problems in the Pacific Northwest, and in some instances would mandate significant departures from past or present practice. Major issues and related provisions of the bill are briefly described as follows:

Public participation and control

Section 4 establishes a Pacific Northwest Electric Power Planning Council to consist of the Administrator of the Bonneville Power Administration and four appointees of the Governors of the States in the region. Using the procedures of the Administrative Procedures Act, the Council is to prepare and adopt a regional electric power plan that will govern most regional conservation efforts and resource acquisitions of the Administrator. The composition, duties and functions of the Council and other public participation provisions are primarily contained in section 4.

Preference

The preamble of section 5 makes all Bonneville power sales subject to the preference and priority provisions of the existing Bonneville Project Act. Public bodies and cooperatives entitled to preference and priority under that Act may not be subjected to restriction on the amount of power sold them unless and until their loads exceed the amount of Federal base system resources. Section 7(b) provides that rates charged such public bodies and cooperatives may not exceed a limit designed to reflect the power costs such public bodies and cooperatives would have experienced in the absence of this legislation. Section 10(d) preserves the

general preference and priority to which public bodies and cooperatives are entitled under other statutes governing the sale of power from federally-owned generating facilities.

Allocation

Sections 5 and 7 contain most provisions related to allocation of the Administrator's existing and newly acquired power and related power costs. Public bodies and cooperatives entitled to preference and priority under the existing Bonneville Project Act are to receive new requirements contracts that provide power at the Administrators' lowest rate (except power needed to serve new large industrial loads). Investor-owned utilities are to receive requirements contracts that provide power at a new resources rate, and are permitted to exchange with the Administrator an amount of power sufficient to serve their residential and small farm loads. The latter power will also be sold at the Administrator's lowest rate, with the cost benefits of the exchange required to be passed through directly to the residential and farm consumers involved. Direct-service industrial customers of the Administrator may surrender existing contracts providing low-cost power in order to receive new long-term contracts, but at substantially higher rates. Such higher rates are to recover to the Administrator his additional costs incurred in making the power exchange with the investor-owned utilities.

Acquisition of resources

Section 6 grants new authority to the Administrator to acquire resources, including conservation, to meet the loads of his customers. This authority is granted subject to the requirement that the Administrator make such acquisitions subject to the plan developed by the Council in section 4. In the absence of a regional electric power plan or if a proposed resource acquisition is inconsistent with the plan a special procedure, including specific approval of a major resource acquisition by Act of Congress, is provided.

Conservation and renewable resources

Sections 4 and 6 require conservation to be treated as the region's first priority resource, and renewable resources to be treated as the second priority resource, ahead of all other resource types. Sections 4 (e) and (f) require model conservation standards to be adopted as part of the Council's regional plan. Savings from such standard are to be assured by rate surcharges, if recommended by the Council, of up to 50 percent in the event of nonattainment of expected load reductions.

The Administrator is required under sections 4 and 6 to rely upon conservation to the maximum extent it is feasible and cost effective, to provide financial assistance for conservation and renewable resource purposes, and to continue conservation efforts even if he possesses an adequate supply of power. The existing Bonneville Power Administration borrowing authority is increased by $500,000,000 under section 8(a) to aid in the initial funding, after fiscal year 1980, of conservation and renewable resource efforts, as well as other resource activities. Conservation measures, which are treated as a resource, are to be compared with other resources available for acquisition. Conservation resources are to be considered cost-effective under section 3(c) if their life-cycle incremental system costs are less than or equal to 110 percent of the life-cycle incremental system costs of alternative nonconservation resources. The Administrator is required under section 6(b) to grant rate credits to utilities or local governments for conservation efforts that will achieve extra savings, and for renewable resources or multipurpose projects which reduced demand on the Administrator and allow the Administrator to avoid acquiring other resources.

Other power resources

Sections 4 and 6 require conventional fueled generating resources, including coal and nuclear, to be treated as the region's lowest priority resources. Section 6(c) sets forth a detailed procedure for the acquisition of any major resource and for acquisitions which are either inconsistent with the regional plan or which are made when a regional plan is not yet adopted; specific approval by Congress is required if no plan is in effect or the proposed acquisition is inconsistent with the plan. Section 6(h) prohibits rate credits being granted to utilities for major resources unless such credits are not inconsistent with the plan or Congressional approval is obtained. The cost-effective determination under section 3(c) would consider all costs associated with conventional resources, including the applicable waste disposal costs, end-of-cycle costs, and fuel costs, among other costs.

Financing provisions

In section 2(c), Congress finds that Northwest ratepayers should continue to pay all costs necessary to meet the regions electric power requirements, including repayment with interest of the Federal investment in the Federal Columbia River Power System. Section 6(k) prohibits Federal "guarantees" of new investments and requires that all obligations of the Administrator incurred under this act be secured solely by his revenues from the sale of power and other services. This provision makes explicit in this act the self-financing requirements of the Federal Columbia River Transmission System Act of 1974, Public Law 93-454 (as amended). Section 8(a) increases Bonneville's present borrowing limit from $1.25 billion to $1.75 billion. Section 9(f) preserves the tax-exempt status of obligations issued by State and local governments to finance resources that may be acquired by the Administrator primarily for the needs of such entities.

Mr. HATFIELD. Mr. President, I commend the chairman (Mr. JACKSON) and my Northwest colleagues on the committee, the Senators from Idaho (Mr. CHURCH and Mr. MCCLURE) and Montana (Mr. MELCHER), for lending their tremendous efforts to the fashioning of this most remarkable piece of legislation.

Without any doubt, I predict it will be viewed in the future as the most important bill ever to have affected the Pacific Northwest. Certainly not since the Federal decision to build Bonneville Dam have we considered anything with such profound long-range impact on the region as we are considering today.

We owe special recognition today to the willingness of the many interest groups of the Northwest to bury old differences and historic animosities and work cooperatively toward a regional solution to our electric power problems. Public power, private power, the direct service industries, the four Governors, the cities of Seattle and Portland, and several environmental and consumer organizations provided the needed threads to weave this complex fabric. We also owe thanks to the personnel at Bonneville Power Administration who provided the necessary backup for the negotiations that have taken place, and who worked tirelessly on endless details when less capable and less dedicated people would have given out. I am particularly appreciative of the work of Mr. Earl Gjelde and Mr. Larry Hittle of Administrator Sterling Munro's staff.

The bill the committee has reported incorporates the proposals of the Governors for establishment of a planning council and the planning and resource acquisition procedures that are central to the regional power program. Their joint action solved what otherwise would have been an issue of extreme difficulty for the congressional delegation.

The bill incorporates the "preference clause" protections recommended by the Northwest Public Power Council, solving another delicate problem and heading off potential opposition from the national public power organizations.

It incorporates many amendments suggested by consumer- and environment-oriented groups, and squarely addresses objections that were leveled at the original bill by them.

Perhaps the most critical section of the bill is the definition of "cost effectiveness"—the test future resource acquisitions must stand. The committee incorporated in total my amendment describing this test. The test is perhaps the most complete ever prescribed for utility-type decisionmaking.

The committee also accepted an amendment Senator CHURCH and I offered, patterned after suggestions by Senator PACKWOOD, to provide for preservation and enhancement of the Columbia River Salmon and steelhead fishery. It assures that such efforts as the council may identify will be made by the administrator to operate the system compatibly with our fishery maintenance and improvement objectives.

I believe the Pacific Northwest power program as described in this legislation will be the most enlightened, advanced, public-spirited, and cost-effective program in the country.

Mr. President, there are several printer's errors in the committee report that need attention. Appendix A on page 55 not only mislocates and misspells several direct service industrial customers, it fails to list the Reynolds aluminum plants in Troutdale, Oreg., and Longview, Wash. There are 16 DSI's that will be eligible for new contracts under this legislation, and I ask unanimous consent that a corrected Appendix A, listing them and their proper locations, be printed in the RECORD.

There being no objection, the appendix was ordered to be printed in the RECORD, as follows:

APPENDIX A—DIRECT SERVICE INDUSTRIAL CUSTOMERS

1. Alumax, Inc., Oregon.
2. Aluminum Company of America, Addy, Wenatchee and Vancouver, Washington.
3. The Anaconda Company, Aluminum Division, Columbia Falls, Montana.
4. Carborundum Company, Vancouver, Washington.
5. Crown Zellerbach Corporation, Port Townsend, Washington.
6. Georgia Pacific Corporation, Bellingham, Washington.
7. Hanna Nickel Smelting Company, Riddle, Oregon.
8. Intalco Aluminum Company, Ferndale, Washington.
9. Martin Marietta Aluminum, Inc., Goldendale, Washington, and The Dalles, Oregon.
10. Kaiser Aluminum and Chemical Corporation, Mead, Tacoma, and Trentwood, Washington.

11. Oregon Metalurgical Corporation, Albany, Oregon.
12. Pacific Carbide and Alloys Company, Portland, Oregon.
13. Pennwalt Corporation, Portland, Oregon.
14. Reynolds Metals Company, Troutdale, Oregon and Longview, Washington.
15. Stauffer Chemical Company, Silver Bow, Montana.
16. Union Carbide Corporation, Portland, Oregon.

Mr. HATFIELD. Mr. President, on page 25, in the second paragraph of the analysis of section 4(f), a line is missing from the second sentence. The sentence should read,

It is not intended that the administrator investigate or monitor the conservation activities or compliance with conservation standards of individual consumers, but rather that he assess the conservation performance of his consumers and of political subdivision within the region when the council has recommended implementation of the standards.

On page 26, at the beginning of the analysis of section 5, the third sentence is not a part of the report and should be deleted. Is is a repetition, with some additional typographical errors, of the second sentence.

Mr. President, I ask unanimous consent that a brief summary I prepared of the power program as contained in S. 885, as amended and passed by the Energy and Natural Resources Committee, together with a summary of some major issues the committee faced and resolved in this bill, appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NORTHWEST POWER PROGRAM CONTAINED IN S. 885, AS AMENDED AND PASSED BY THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

I. BRIEF SUMMARY

Power planning. A regional council to be comprised of representatives of the four Governors and the Bonneville Power Administrator will forecast loads and devise a 20-year plan of resource acquisitions to meet those loads. The plan will set out the mix of resources to be employed, targeting conservation as the first and preferred resource. The council will devise a strategy for achieving all feasible and cost-effective conservation, and will develop a system of electric rate surcharges and credits to aid this endeavor. Their plan must be updated no less frequently than every 5 years.

Implementation of Plan. The BPA Administrator will seek to acquire resources consistent with the plan to meet the utilities' power requirements that are beyond the capability of their own resources. To the extent such resources are generating plants, he will acquire the power from them but not build or operate them (except that he may build an experimental renewable-resource plant if no utility or governmental unit will). The Administrator will be authorized to use his power revenues and to issue bonds backed only by the region's power revenues and not by the U.S. Treasury to acquire these resources. Conservation measures will be treated exactly as if they were power generating resources, as will end-use applications of renewable resources which reduce power consumption (such as solar water heating). The Administrator will be able to back new or experimental resource developments even though they may not at the time be cost-effective, so long as they represent potential future resources that the region might someday employ to provide reliable, cost-effective electric power generation or conservation. The Administrator will not be authorized to acquire cost-effective thermal power resources (such as coal or nuclear) prior to demonstrating that he is already acquiring all available cost-effective renewable resource development and all cost-effective conservation. Conservation resources will be given an additional priority, in that they will be acquired up to 110% of normal cost-effectiveness levels.

Operation of the regional power system. Residential and farm customers of the investor owned utilities (IOU's) will share in the benefits of the federal hydropower system in the Northwest. During the first years of the regional program, these parties' access to the federal system will be phased in. After the fifth year, they will be sharing in the system on the same basis as the customers of the publically owned utilities. In order for the Administrator to be able to sell amounts of federal system power to the investor-owned utilities to meet their residential and farm loads, the Administrator will buy equivalent amounts of power from these utilities at their average system cost and combine it with the federal hydropower (the "federal base system").

BPA's direct service industrial (DSI) customers will pay the difference between the higher-cost IOU system power and the lower-cost federal base system power involved in the IOU exchange in order that the cost of power to BPA's present utility customers (the publicly-owned systems) is not increased. In return for paying this cost which will quadruple their power rates in 5 years, the DSI's will be offered new power supply contracts to replace those expiring in the 1980's.

In sum: The industries will immediately pay higher rates for power in order to be assured a future supply; these additional revenues will entirely offset the impact of the IOU residential and farm customers' access to the federal base system, preventing any increase in system costs to the publically owned utilities; and the customers of the publicly owned utilities will be assured a full-requirements future power supply which will vitiate the "insufficiency" notification these utilities have received from BPA in regard to the impending inadequacy of the present federal system to meet their load growth after 1983.

II. ISSUES AS RESOLVED BY THE COMMITTEE

Preference clause. The clause of the Bonneville Project Act of 1973 which provides that public bodies and cooperatives be accorded preferred access to power generated at federal projects is completely protected in S. 885, as amended by the Committee. While many public power advocates in the country have doubts about the particular language and mechanics of the bill, the preference concept will remain completely intact in the Northwest. The public system preference is valuable for two reasons: supply and price. In that the BPA Administrator will be granted new authority under the Committee bill to meet the power needs of the public systems after the existing federal base system runs out, and in that they will receive this power at prices no higher (this is guaranteed in the Committee version of S. 885) than those they would experience in the absence of any new legislation, they are not only fully protected in terms of supply and price, they are better off. They will benefit from having the Administrator marshaling all the financial clout of region to produce new resources to cover their load growth and to spread the risks that attend these endeavors over the entire region.

Rate equity. Residential customers of the IOU's (such as PGE, PP&L, Puget Sound Power & Light, and Idaho Power Company) will gain access to the power generated at our federal hydroelectric projects. The wholesale cost of power from BPA to serve all residential customers will therefore be the same for all utilities in the region. IOU's will not be permitted to make a profit on this power, so that the full cost benefits of this access will be passed straight through to their residential consumers.

Federal guarantees and subsidies. They are not allowed. The Committee bill states explicitly that all obligations incurred by the Administrator will be secured solely by the revenues generated by his sale of power—in other words, secured only by the region's ratepayers and not by the U.S. Treasury.

Cost effectiveness. The test provided in the Committee bill is the most comprehensive ever applied to power plant decision making. It will compare all incremental costs to the region's power system (including required new transmission) of any proposed new resource, with those of any alternative. Conservation and end-use applications of renewables will be treated like any power generating resource (but no transmission costs are associated with them, which gives them a particular cost advantage). Nuclear plant proposals must include all waste storage, fuel cycle and decommissioning costs. Proposals must show all environmental and social costs and benefits that are quantifiable and directly attributable to the resource. Despite the completeness of this test, there is a further recognition that classic economic comparisons omit certain important values, some non-quantifiable, such as the benefit of using less of our Nation's depletable fuels, and intangible environmental and social benefits of employing conservation rather than building large new power plants. In this regard, the cost-effectiveness test contains a proviso that any conservation measure may cost up to 110% of that of the least-cost nonconservation resource and still be financed and achieved ahead of the non-conservation resource.

Public involvement. The Council must hold at least four regional hearings, one in each State, in the course of developing their power plan, and must hold another four on the question of adopting their final proposal. In addition, each major resource acquisition will require a Council hearing. Each Council member will be accorded money sufficient to assist his or her participation in Council activities, including the provision of staff and the utilization of such advisory committees as each member or each State's governor may choose to establish. As the Council members, except the BPA Administrator, will be appointees of the governors, they will be quite directly answerable to their state's constituents.

Renewable resources. Renewable will be given second priority, behind conservation, for meeting the region's power needs. In addition, the Administrator will have authority to conduct demonstrations in conservation and end-use renewable resource application, and build experimental generating facilities which will utilize renewable energy resources.

Council-administrator relationship. The votes of three members of the five-member Council, including the vote of the Administrator, will be required to adopt the regional power plan. This gives the Administrator a veto, which is necessary to avoid a collision with the U.S. Constitution over inappropriate delegation of powers over a federal agency. Nonetheless, a plan once adopted will be a powerful controlling force in the region's energy future. All resource acquisitions must be consistent with it, unless the Administrator cannot fulfill some statutory responsibility, in which case he must seek an amendment to the plan (triggering four regional hearings by the Council). If the Council leaves him still unable to act to fulfill such requirement, he can then hold an additional hearing and take his findings to Congress, where the Northwest's delegation would essentially have to decide whether to override the Council. An override cannot be made except through passage of an Act of Congress—a new law. This entire process should be sufficiently onerous to prevent its being used except in most unusual circumstances.

The Columbia River fisheries. The Council will obtain annually from the state, federal and Indian fisheries agencies their recommendations for actions which will preserve and enhance the Columbia River salmon and steelhead fishery. The Council will decide what to include in its plan which will then guide the actions of the Administrator. The Administrator will be authorized to conduct fisheries research and development and to acquire and dispose of power and otherwise utilize his resources in whatever manner is most conducive to fish preservation and enhancement consistent with his other statutory obligations.

Conservation. Not only is it the preferred resource for meeting our power needs, it will be pursued by the Administrator unrelentingly, up to 110% of non-conservation resources and without regard to any recent large new generating plant he may have acquired and which may, technically, have provided the region's power needs for some time to come. The Administrator will not reduce his efforts to achieve conservation no matter what other resources he may acquire.

New aluminum plants. BPA may not sell power for new DSI loads, either associated with new plants or existing ones, unless it is consistent with the plan, he determines it to be a cost-effective way to provide new regional reserves, and the Council specifically votes to approve. Alumax, having a power supply contract with BPA but still having been unable to site their plant in the region, is treated by the bill just like any other DSI in the region.

Credits. Any utility or governmental unit which can obtain a resource that is uniquely suited for its development (such as a co-generation project at a local wood products plant) is encouraged to do so by the availability of rate credits from the Administrator. Since such resources will reduce the obligation of the Administrator to go out and find other power resources to meet the load of the utility, which new resources would raise the cost of power to everyone from the base system, the Administrator can offer rate credits to the utility in recognition of the regional saving the utility's action caused.

Cost controls on new plants. The bill requires the Administrator to obtain in contracts whatever terms and conditions are necessary to insure that the costs of any new resource he agrees to acquire will be as low as possible, and that he has the right to effective oversight and audit of all aspects of construction and operation.

"Dry hole" risk. The Administrator will be authorized to make commitments to acquire the capability of new resources. Such commitments, whether for conservation measures, renewables, or thermal plants, will enable the region's utilities and governmental units to finance these new resources much more cheaply than is the case today, since the entire region will stand behind such new resources and share the risks. Should a resource fail, or produce less power than planned (or, in the case of conservation and end-use renewables, should load reductions not be as great as planned), the region will absorb the blow rather than just the ratepayers of a particular utility or the people living in a particular jurisdiction. If the Administrator were not permitted to make such capability acquisitions—if, for example, he were constrained just to purchasing the actual output of the resource, when and if it produced—there would be no financing and cost advantages to the region's ratepayers from his participation.

Grandfathering of plants. There are no provisions in the bill to require the Administrator to acquire any plants now under construction or planned in the region, such as WPPSS 4 and 5, Skagit 1 and 2, or Pebble Springs 1 and 2. There are no provisions biasing any future acquisitions in favor of such plants. They must stand the full test of the bill's acquisition procedures, including cost-effectiveness and conservation priorities, like any other resource that may be proposed. (Note: WPPSS 1, 2 and 3 and Eugene's 30 percent share of Trojan are already part of the federal base system from contractual net-billing agreements between BPA and the public-system sponsors of these resources consummated a decade ago.)

State jurisdictions. The bill explicitly preserves state facility-siting and ratemaking authorities.

Mr. McCLURE. Mr. President, I am pleased to participate in the presentation of S. 885, the Pacific Northwest Electric Power Planning and Conservation Act, to the Senate at this time.

At the outset of this discussion I want to commend my two colleagues on the committee from the Pacific Northwest who have worked so closely with me to build a consensus position on this bill, the Senator from Washington and our chairman, Mr. JACKSON and the Senator from Oregon and our ranking minority member, Mr. HATFIELD. Through countless hours and days spent over the past several years, both here in Washington and at home in the region, my colleagues and close friends, Senator JACKSON and Senator HATFIELD, have labored tirelessly to produce the consensus legislation before the Senate today. I take this opportunity to thank them for their continued efforts to produce their legislation and their unprecedented contribution in seeking a regional consensus on this most important of bills for the future of the entire Pacific Northwest region. On behalf of my constituents in Idaho and this Senator, I want to thank them very sincerely for their efforts.

Mr. President, I am convinced that the bill before the Senate will establish an objectively balanced foundation for regional cooperation in the planning and implementation of the electric power future of the Pacific Northwest in the years and decades ahead. Many of our constituents would agree that the original construction of the Federal hydroelectric system in our region and the subsequent hydrothermal accords dealing with additional regional power cooperation constitute two strategically important milestones or benchmarks in the historical development of the entire Pacific Northwest region. I would humbly suggest, Mr. President, that S. 885 will become recognized as a third major benchmark for the future development of the Pacific Northwest. Accordingly, I am convinced that the action of the Senate today is of critical importance in support of that continued development.

This Senator, despite a currently popular and for some, politically appealing notion that there is no further need for electric power generation in the United States to support economic growth, is absolutely convinced that there remains an inextricable linkage between increased electric power generation capacity and the steady and predictable economic growth which is essential to meet the needs and provide the social basis for the future of the Pacific Northwest. There is absolutely no doubt in my mind that the Pacific Northwest must have additional power resources in the decades ahead to support minimum levels of required economic growth, let alone levels of economic growth which will provide the same kinds of opportunity which my generation had in the Pacific Northwest.

I consider it my responsibility and the responsibility of all the Representatives of the region to insure the predictable availability of that needed electric power for our future growth. To do anything else would be to deny our children and their children the opportunities which we have had and to fail our responsibilities to future generations who will wish to share the truly unique qualities of our region. This bill, S. 885, will hopefully provide the basis for an optimistic and successful approach to providing that future.

Mr. President, I am particularly pleased that, in the consensus process by which we have developed this bill, I was successful in restoring to the bill the mandatory balance between the Federal Administrator of the Bonneville Power Administration and the people of the Pacific Northwest. This balance was restored through a series of amendments throughout the bill to circumscribe the otherwise unconstrained authority and discretion of the Administrator in carrying out the vast new authorities given to him in this bill.

At the outset of our markup efforts in committee, the bill as proposed would have reduced the region and its representatives to mere advisory capacity. The various customers and consumers dealing with the Administrator in the region would have been subject to power allocation, ratemaking, resource acquisition and conservation measure implementation, which would have been completely within broad discretionary powers of the Administrator.

Virtually none of these authorities would have been subject to any administrative procedure protections nor any reasonable judicial review. Additionally, much of the text of S. 885, as introduced, contained such gross ambiguities and undefined terminology, as to render any guidance contained in that bill relatively powerless as a constraint on the Administrator's discretion. I was convinced at the time, and remain convinced now, that adoption of that original would have effectively conveyed nearly complete discretion for the future electric power and economic development of the Pacific Northwest to the Bonneville Administrator. I do not mean to imply any general or specific intention nor motivation for this result, nor do I intend to suggest any avarice or malice on the part of the current Administrator or any future Administrators. Rather, I am expressing a personal legal opinion as to the grant of authority by the Congress which would

have occurred under the original bill. As I said before, I am particularly satisfied that our consensus process has restored a balance and a control element in this bill before the Senate.

At this point, it might be useful to review the nature of some of the specific improvements which I believe were the result of my requests in the consensus process.

The definitions in section 3 have been sharpened materially in order to avoid any uncontrolled discretion or potential abuses which might have occurred as a result of the original ambiguities and choice of terminology.

Most importantly, by definition, the first 400 horsepower of farm irrigation and pumping for any farm will be treated as a residential load and thereby will qualify for the lower Bonneville rate under this bill.

The Administrator of BPA will not be designated by statute as the chairman of the regional planning council, but rather the council will make its own decision on a chairman. For myself, I would hope that the council will adopt a rotating chairmanship among the State representatives, and not the Administrator.

The Bonneville Adminstrator will have no power to appoint a State's representative, as proposed originally. Additionally, the representative of a State on the council can be made subject to confirmation by the State legislature.

The council shall have statutory authority to determine whether or not key actions of the Administrator are pursuant to the regional plan under the bill, rather than be purely advisory as originally proposed. Additionally, the Administrator must implement authorities under the bill whenever feasible in a manner consistent with the regional plan, and when he does not, he must utilize a very detailed procedure to seek an alternative approval, including formal hearings, administrative procedures, congressional action, and judicial review.

A majority vote of the full council will be required prior to any imposition of punitive, penalty rate surcharges on the customers of a given service area for failing to implement any specific conservation measures.

The BPA Administrator will be required by law to insure that any restrictions on power sales or allocation under the bill are distributed equitably throughout the region and cannot be allocated in an arbitrary or capricious fashion.

Several highly important formulas for determining rates under the bill will be made subject to specific approval by the council, rather than left to the discretion of the Administrator as originally proposed.

The Administrator's actions in obtaining new electric power resources and in implementing conservation measures will be constrained by a requirement for strict consistency with the regional plan adopted by the regional council.

The Administrator's authority to make major investments in conservation demonstrations and research and development projects will require the review and approval of the Congress, thereby protecting the rights of the region's ratepayers.

All new electric power resources required to replace the original Federal base system, primarily the hydroelectric system, will be subject to all of the requirements and procedures of this bill, so that the obvious future requirements for replacement power will not constitute a loophole in the regional system.

The Administrator's authority to grant billing credits for new electric power capacity and to provide preconstruction assistance to sponsors of new capacity have been limited by a requirement for consistency with the regional plan or in the alternative, strict procedures for approval.

Any new direct service industry customer must be expressly approved by a majority vote of the full council, as well as be consistent with the adopted regional plan.

The Administrator is statutorily required to insure that all of the benefits in the area of new resources and conservation implementation, such as financial and technical assistance, conservation demonstrations and experimental projects are distributed equitably throughout the region.

The Administrator's ratemaking under the bill must be approved by the independent Federal Energy Regulatory Commission and will be subject to strict administrative procedures and judicial review involving the requirement for the Administrator to affirmatively prove that his rates are consistent with the criteria in the bill. Additionally, for several key determinations in the ratemaking formulas, such as for direct service industries, the council must make the required determination or the Administrator must proceed by formal rulemaking. These requirements accompany a general sharpening of the criteria in ratemaking to remove ambiguities which gave the Administrator broad discretion.

The bill now contains an express provision to preserve the full rights of States and the region regarding jurisdiction over State waters. Consequently, despite the broad new authorities for regional power activities granted to the BPA Administrator in this bill, there should not be any reduction in the control of the individual States over their precious water resources in the future.

Mr. President, I consider that the above modifications in the bill, as well as a series of other technical changes in the original draft presented to the committee last month, make a truly important and significant difference in the complexion of this bill and its implications for a balanced and objective Pacific Northwest regional power future. The rights of the States will be strictly protected through their representation on the regional council and its role in establishing and enforcing a regional plan. The rights of the many participating utilities, both public and investor-owned, in the region will be protected through the more precise criteria and terminology in the bill, and related administration and judicial protections.

The rights of the ratepaying consumers in the region will be protected by the far more constrained discretion on the part of the Administrator to expend and oblige regional power revenues. These consumers will not be penalized punitively by rate surcharges in the name of energy conservation measures unless there is a consensus in the region through the council to do so. The Federal Government's role in this regional power concept is far more predictable and definitive to allow a careful balancing of the relative roles and prerogatives of the States and the Federal Government.

In sum, the regional power concept contained in this bill has been restored to an objective and balanced equation among all of the parties in the region with protected equality among each of the several parties.

Again, Mr. President, I wish to commend my colleagues from the Pacific Northwest region for their extreme diligence and seemingly endless patience for the past several years in the near continuous efforts to bring this bill before the Senate today. The balance and objectivity carefully crafted and perfected in the bill now, as I have described in some detail, is a tribute and a memorial to their diligence and patience.

I sincerely hope that our colleagues and good friends in the other body will be successful in completing their work in a similarly crafted piece of legislation in the weeks ahead. I certanly wish them well in that endeavor and commend to them the process by which we have come to this bill today. Thank you.

Mr. MAGNUSON. Mr. President, I congratulate the Senate Energy and Natural Resources Committee for completing action on the Pacific Northwest Electric Power Planning and Conservation Act and reporting it to the floor. I know that the committee has worked very hard on this matter. The Energy Committee held 4 full days of field hearings in the Pacific Northwest on the regional power issue in the spring of 1978, and 2 days of hearings in Washington, D.C., last fall. During the 96th Congress, the Energy Committee held 2 more days of hearings in May of this year. These extensive hearings have provided an opportunity for all of the various interests in the Pacific Northwest to be heard on this most important issue.

I want to especially thank the distinguished chairman of the Energy and Natural Resources Committee, my good friend and colleague from the State of Washington (Mr. JACKSON) for his patient leadership on this most difficult issue.

I would also like to take this opportunity to compliment all of the individuals and organizations that have worked so hard to improve this complicated piece of legislation. As part of the legislative process, compromises have been made to accommodate the concerns of a number of interests. The Energy Committee has strived to develop a workable, fair bill. I know that there are still some differences about some of the provisions of this bill. I am sure that these issues will be considered as the House works on this legislation.

Mr. President, the consideration of

the Pacific Northwest Electric Power Planning and Conservation Act has a special significance for me. As some of my colleagues will recall, I was a freshman Congressman in the House of Representatives in 1937 when the Congress passed the Bonneville Project Act, authorizing the construction of the Bonneville Dam by the Corps of Engineers. That bill provided that the electric power generated at the dam should be marketed by a Bonneville Power Administrator to be appointed by the Secretary of the Interior. The Administrator was authorized to construct, operate, and maintain transmission lines necessary to market the power.

The Bonneville Power Administration, through subsequent legislation and interpretation of the act, has become a major part of the electric power system in the Pacific Northwest. The Federal Columbia River Power System, for which BPA is the marketing agency, had 30 hydroelectric power projects in operation in 1978 with a total generating capacity of 16,441 megawatts. In that year, the system represented 54 percent of the region's total electric generation. Clearly, the Federal hydroelectirc system and the Bonneville Power Administration have played a vital role in building the economy of the Pacific Northwest.

Mr. President, the Pacific Northwest now stands at the threshold of a new energy era. Historically, over 90 percent of all the electricity in the region was produced from hydroelectric dams. These dams produced some of the cheapest electricity in the world. Between 1937 and 1966, the unit cost of electricity in the Northwest actually declined—each new unit of power lowered rates to the consumer.

But there is general consensus now that most of the major, environmentally acceptable hydroelectric sites in the region have been developed. That means that future requirements for electricity will have to be met by conservation, renewable resources including small hydro projects, generating resources utilizing waste heat, generating resources of high fuel conversion efficiency, and finally, by new thermal plants. All of these sources of energy will be more expensive than the power from our existing hydroelectric dams. In fact, it has been estimated that the retail cost of electricity may double in the Pacific Northwest by 1985. New electrical growth will increase everyone's electric bill.

With this inevitable increase in the cost of electric power, I am pleased to note that this bill affords some mitigation and protection for residential customers throughout the region, while protecting the principles of public power that have distinguished the history of Washington State. Under the bill, public bodies and cooperatives entitled to preference and priority under the existing Bonneville Project Act are to receive new requirements contracts that provide power at the Administrator's lowest rate. Investor-owned utilities are to receive requirements contracts that provide power at a new resource rate, and are permitted to exchange with the Administrator an amount of power sufficient to serve their residential and small farm loads. This exchange power will also be sold at the Administrator's lowest rate, with the cost benefits of the exchange required to be passed through directly to the residential and farm consumers involved.

This legislation protects the preference clause. Public bodies and cooperatives entitled to preference and priority under the Bonneville Project Act may not be subjected to restrictions on the amount of power sold them unless and until their loads exceed the amount of Federal base system resources. The bill also provides that rates charged such public bodies and cooperatives may not exceed a limit designed to reflect the power costs that the public bodies and cooperatives would have experienced in the absence of this legislation.

Mr. President, I believe that this bill goes a long ways toward striking the difficult balance between short-run, economic concerns, and long-run considerations of investment, wise use of energy, and the protection of the natural environment.

Both short-run and long-run needs are important. Fortunately, in many instances these needs are compatible. A prime example is energy conservation that is cost effective.

Mr. President, I am pleased to note that the legislation requires conservation to be treated as the region's first priority resource, and renewable resources to be treated as the second priority resource, ahead of all other resource types. The legislation requires model conservation standards to be adopted as part of a regional plan. Savings from such a standard are to be assured by rate surcharges, if recommended by the Council, of up to 50 percent in the event of nonattainment of expected load reductions.

The Administrator is required under the bill to rely upon conservation to the maximum extent it is feasible and cost effective, to provide financial assistance for conservation and renewable resource purposes, and to continue conservation efforts even if he possesses an adequate supply of power. To help accomplish this task, the existing Bonneville Power Administration borrowing authority is increased by $500 million under the legislation to aid in the initial funding, after fiscal year 1980, of conservation and renewable resource efforts, as well as other resource activities. Conservation measures, which are treated as a resource, are to be compared with other resources available for acquisition. Conservation resources are to be considered cost effective under the legislation if their lifecycle incremental system costs are less than or equal to 110 percent of the lifecycle incremental system costs of alternative nonconservation resources. Moreover, the Administrator is required under the legislation to grant rate credits to utilities or local government conservation efforts that will achieve extra savings, and for renewable resources or multiple purpose projects which reduce demands on the Administrator and allow the Administrator to avoid acquiring other resources.

Mr. President, I believe that this legislation provides the framework for the Pacific Northwest to become the model for the rest of the Nation in energy conservation. An aggressive energy conservation program will meet both the short-run need to minimize future electric power rate increases and long-term needs to provide adequate energy while protecting the natural environment. Thus, by putting conservation first, this bill advances the common purposes of the people in the Pacific Northwest.

Mr. President, as the cost of energy goes up, the need to involve the public and elected officials in energy decisions will increase. As a recognition of this fact, the legislation establishes a Pacific Northwest Electric Power Planning Council to consist of the Administrator of the Bonneville Power Administration and four appointees of the Governors of the States in the region.

The Council is authorized to direct preparation of a regional power plan, among the components of which will be a 20-year load forecast, a scheme for resource acquisition by the Administrator to meet such loads, and model conservation standards to set the norm for the region in achieving load reductions which will be the priority power-related resource. Public involvement in planned development through regional hearings is mandated by this legislation.

As the region develops its energy plan, the citizens of the region must look to the Governors—who have greatly improved this legislation through their constructive suggestions—and the Bonneville Power Administration, which continues to serve the region loyally and capably.

Mr. President, under this legislation the Pacific Northwest taxpayers would continue to pay all costs necessary to meet the region's electric power requirements, including repayments with interest of the Federal investment in the Federal Columbia River power system. The legislation requires that all obligations of the Bonneville Power Administration Administrator incurred under this act shall be secured solely by his revenues from the sale of power and other services. This provision makes explicit in this act the self-financing requirements of the Federal Columbia River Transmission System Act of 1974. I am particularly pleased, as chairman of the Appropriations Committee, to note that this self-financing provision means that all costs incurred by BPA under this act will be paid by BPA's own customers, and not by the U.S. Treasury or the U.S. taxpayer. Moreover, the purchase provisions in this act will allow the region to aggressively pursue conservation, renewable resources, and cogeneration and high efficiency resources. If these forms of energy are not adequate to meet the region's needs, purchase provisions will help minimize the cost of building new thermal plants.

In closing, Mr. President, let me say that I believe that this legislation represents a very good start in our efforts to address the energy challenges facing the Pacific Northwest. No doubt, additional changes will be made by the House of Representatives as it works on this legislation. Senate passage of this legislation

today will continue the process of forging a program that will meet the energy needs of the Pacific Northwest in the years to come.

When Congress voted to establish BPA in 1937, we had a lot of argument about whether we should set up this marketing agency.

BPA has survived for a long time, and served the region well.

The time has come to revise BPA and bring it up to date. I think this bill does that.

UP AMENDMENT NO. 510

Mr. JACKSON. Mr. President, I send to the desk two amendments to clarify the intent of S. 885.

The PRESIDING OFFICER. Does the Senator desire that they be considered en bloc?

Mr. JACKSON. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself, Mr. HATFIELD, and Mr. MCCLURE, proposes amendments en bloc numbered unprinted amendment No. 510.

The amendment is as follows:

On page 56, line 9, strike the comma after "code", and insert in lieu thereof a period. Strike the remainder of the sentence on lines 10 and 11.

Page 51, line 22, insert a new subsection 7 (1), as follows:

"(1) In establishing rates under this section, the Administrator shall use the following procedures, which procedures shall be established by rule.

(1) Published the initial proposed rates in the Federal Register with a statement of the justification and reasons supporting such rates pursuant to this section;

(2) Appoint a hearings officer empowered to conduct ratemaking hearings and to administer oaths;

(3) After a reasonable time, conduct one or more hearings to receive public comment in the form of written and oral presentation of views, data, questions and argument, related to such proposed rates. In any such hearing any party shall be provided with the opportunity to offer refutation or rebuttal of any material submitted by any other party. The hearings officer, in his discretion, may allow for limited cross examination in any such hearing to develop fully any essential fact which is material and relevant directly to any such proposed rate.

In his discretion, the Administrator may hold such additional hearings as he believes are necessary for the full development of the records;

(4) In addition to the opportunity to submit oral and written material at the hearings, any written views, data, questions and argument submitted by interested persons before the close of hearings shall be made a part of the administrative record;

(5) Based upon review of the full record adduced at any such hearings and written submissions, the Administrator shall publish the revised proposed rates in the Federal Register. Such rates shall be subject to an additional hearing or hearings using the procedures of (2) and (3) above, after which the Administrator shall make a final decision based on the record of all written submissions and all hearings. The decision shall include a full and complete justification of the final rates pursuant to this section.

(6) The final decision of the Administrator shall be reviewed and approved by the Federal Energy Regulatory Commission pursuant to subsection 7(a). The Commission shall have the authority to approve the final rate submitted by the Administrator on an interim basis, pending its final decision;

(7) Judicial review of any rate approved by the Commission shall determine that the Administrator, in establishing such rate, has borne affirmatively the burden of proof on the basis of the administrative record developed pursuant to this subsection."

On page 29, lines 16 and 17: strike "Upon the adoption of", and insert in lieu thereof, "If the Council so recommends in"; and strike "by the Council".

Mr. JACKSON. Mr. President, the first amendment clarifies the ratemaking procedures to be followed and the standard of judicial review applicable to rate determinations under this act.

The amendment is necessary to clarify an ambiguity resulting from the committee's adoption during the markup of provisions relating to judicial review of rate determinations.

This amendment is a useful first step in developing a definitive rate procedure applicable to rate determinations under this act. The amendment codifies the BPA ratemaking procedures and provides an opportunity for judicial review of BPA rates.

The ratemaking process is extremely important. The economic consequences of rate determinations and the overriding need that such determinations be made in a timely manner argues for a thorough but expeditious procedure with an opportunity for review. I would caution that we need to be very careful that the procedure which is ultimately approved by the Congress is workable and will not result in unnecessary delays which do not contribute significantly to exposition of the issues involved in rate determinations. I would hope that in the weeks and months ahead we can give this issue the additional careful attention it requires and that we take advantage of the advice and expertise of knowledgeable parties in the Northwest to make sure that we will achieve the desired results.

Mr. President, the second amendment is a technical amendment to clarify the intent of section 4(h) regarding fishery coordination.

I especially wish to thank the junior Senator from Idaho (Mr. MCCLURE) for his cooperation and his help in working out the amendments in question.

Mr. MAGNUSON. As I understand the first amendment, if someone did not like the rate structure handed down by the Commission or the group they could go into court and there would be judicial review; is that correct?

Mr. JACKSON. The Senator is correct. It does establish the right of judicial review, and the way in which the record in rate proceedings is made.

Mr. MAGNUSON. I thank the Senator.

Mr. JACKSON. The distinguished senior Senator from Oregon (Mr. HATFIELD) played a very important part in this legislation.

May I say, as I said in my opening remarks, there has been unanimous bipartisan support for this legislation; that applies to the junior Senator from Oregon (Mr. PACKWOOD) as well and, of course, I have already mentioned Senator MCCLURE.

It has been a bipartisan effort all the way through. We have set a good example of how to get something accomplished through working out the varying points of view.

I want to commend all the Senators for their help.

Mr. President, I know of no opposition to the amendments that are being considered en bloc, and I think we are prepared to vote on them.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc of the Senator from Washington.

The amendments, en bloc, were agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the votes by which the amendments were agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 511

Mr. JACKSON. The senior Senator from Washington, I believe, has an amendment.

Mr. MAGNUSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON) proposes an unprinted amendment numbered 511.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

Page 26, line 21, strike out "and"; and insert after "(h)"; "and (m)".

Page 45 after line 15, insert the following:

"(m)(1). The Administrator is authorized and directed to investigate opportunities for adding to the region's power resources or reducing the region's power costs through the accelerated or cooperative development of resources located outside the region, if such resources are renewable resources, and are now or in the future planned or considered for eventual development by non-regional agencies or authorities that will or would own, sponsor or otherwise develop them. The Administrator shall keep the council informed of such investigations as they progress, and seek from the council its advice as to the desirability of pursuing such investigations further.

(2) The Administrator is authorized to acquire resources of the type identified in this section, and to enter into such contracts or agreements as may be necessary to facilitate such acquisitions, if he determines that such resources meet the criteria of this section and that such acquisitions are consistent with the plan; provided, that if the Administrator determines that such acquisitions are not consistent with the plan or in the absence of a plan, the Administrator may acquire such resources, which he determines, after compliance with section 6(c) are consistent with section 4(e).

(3) The Administrator shall conduct the investigations and the acquisitions, if any, authorized under this section with the assistance of those departments or agencies of the Federal government whose responsibilities include negotiation of the type of contracts or agreements that would be necessary to facilitate an acquisition under this section.

(4) No later than January 1, 1981, and thereafter not less frequently than once each year, the Administrator shall submit to the Congress a report that outlines investigations undertaken pursuant to this section, together with the prospects for obtaining additional resources under the authority granted by this section.

(5) The authority granted in this section shall not diminish or abridge any other authority of the Administrator to carry out similar activities under this Act or other Acts.

Mr. MAGNUSON. Mr. President, the purpose of my amendment is to add to the power available in the Pacific Northwest by accelerating the development of renewable resources outside the region. This amendment could postpone or even eliminate the need for certain generating facilities inside the Pacific Northwest.

The Northwest Regional Power legislation gives strong support to conservation as a desirable power resource that can take the place of at least some generating facilities that would otherwise need to be built within the region. This amendment would authorize the administrator of BPA to identify and acquire another potential class of power resources that might postpone or even avoid the need for certain generating facilities inside the region: generating resources outside the region which would eventually be built in any event and that rely upon renewable resources.

I know that the distinguished chairman of the Energy and Natural Resources Committee has played a major role in the events that made similar resources available to the Northwest in the past. My distinguished colleague from Washington is familiar with the circumstances under which the Bonneville Power Administration now receives large quantities of power as the result of cooperative development between the United States and Canada of major hydroelectric facilities and storage reservoirs in British Columbia. These resources, whose development has been and will continue to be highly beneficial to the Canadians, were built as a result of the Canadian treaty. Most important, they are resources the Canadians would eventually have built themselves, but whose construction ahead of schedule has provided substantial power benefits to the northwest United States. These benefits include an adequate power supply, lower power costs, and avoidance of the need to construct additional thermal plants in the Pacific Northwest States. For their part, the Canadians have received a long-term power supply, lower imbedded costs, and the security of knowing that the resources will be available when Canadian loads require them.

I feel strongly that similar opportunities exist again for cooperative development with other regions. Unfortunately, little work appears to have been done in the recent past to determine whether additional projects, already in the planning stages outside the region, could be accelerated in order to help avert or minimize projected firm energy deficits inside the Pacific Northwest.

For instance, I understand that B. C. Hydro, the British Columbia power authority, has already identified several potential generating projects that may produce very substantial amounts of power. All of these projects would be located in British Columbia. Several very large hydroelectric projects appear to be among those that B. C. Hydro has investigated. Some of these projects may face insurmountable environmental or technical problems, but if any are eventually built, they will be built in order to meet anticipated Canadian demand.

Without having consulted B. C. Hydro, and without wishing to suggest that the United States has any entitlement to the United States as quickly as possible to see if the early development of one or more of these projects might not offer substantial benefits to the citizens of both countries. It is conceivable that there are opportunities for cooperation that would build upon the cooperative foundation already present in the existing treaty with Canada.

By mentioning the B. C. Hydro projects specifically, I do not mean to limit the potential projects outside the Northwest that should be considered. Many other projects in other areas may be worthy of consideration, depending upon advances in transmission technology or the existence of unexploited and relatively benign generation possibilities in other regions. Any project that relies on renewable resources, and could be built at an earlier rather than a later date, should be explored if it offers potential power benefit to the Pacific Northwest and the region in which the project itself would be located.

However, I want to make it clear, that this amendment is not intended to establish an inter-region electrical grid system.

Mr. President, this amendment would authorize and direct the administrator of the Bonneville Power Administration to investigate opportunities for adding to the region's power resources or reducing the region's power costs through the accelerated or cooperative development of resources located outside the region, if such resources are renewable resources, and if such resources have already been planned or considered for eventual development by the agencies or authorities that will or would own, sponsor, or otherwise develop them.

The administrator is directed to keep the council informed of such investigations as they progress, and seek from the council its advice as to the desirability of pursuing such investigations further.

The amendment would also authorize the administrator to acquire resources of the type that I have just discussed, and to enter into such contracts or agreements as may be necessary to facilitate such acquisitions, if the Administrator determines that the resources meet the the criteria I have discussed above and the acquisition of the resources will, in a cost-effective manner, add to the region's resources or reduce the region's power costs; provided, that such acquisitions are consistent with the plan.

This amendment also provides a procedure for the Administrator to acquire these resources when he determines that such acquisitions are inconsistent with the plan, or in the absence of a plan. Under these circumstances, the Administrator may acquire the resource if he determines, after compliance with section 6(c), that it is consistent with section 4(e). The amendment would also give the council the authority to review such determination, as outlined in section 4(d).

The amendment would also direct the Administrator to submit a report to Congress once each year that outlines his investigations undertaken pursuant to this amendment, together with the prospects for obtaining additional resources under the authority granted by this amendment.

I want to make it clear that power obtained in this manner is not likely to be cheap. All new power resources are expensive, and in the case of resources outside the region pricing policies are subject to decisionmaking over which we have little effective control. But, from a supply standpoint alone, such resources should be extremely beneficial to the Northwest; acceleration of an already-planned project represents, along with conservation, the best short-term and mid-term method of meeting Northwest power needs. The firm power deficits projected for the 1980's under critical water conditions cannot, at this late date, be met by any fresh start on new thermal resources inside the Northwest. Therefore, I urge the adoption of this amendment.

I have discussed this with my colleague, and I do not know whether the other Senators are familiar with it, but he is willing to accept the amendment.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. JACKSON. I want to thank my friend and colleague from the State of Washington (Mr. MAGNUSON) for offering this most useful amendment to the Northwest Electric Power Planning and Conservation Act. Senator MAGNUSON and I have both been involved in the cooperative efforts between Northwest utilities and the Canadian Government to develop resources in Canada that benefit consumers in that country and the United States.

I agree with my good friend from the State of Washington that in the future there may be other renewable resource projects that are planned or under consideration outside the Pacific Northwest that could be accelerated. Clearly, the administrator of the Bonneville Power Administration should have the authority to investigate these projects to determine whether an accelerated construction schedule was in the best interest of all the parties involved.

In situations where the accelerated cooperative development of resources located outside the region would be cost effective and add to the region's power supply, the administrator would be able to acquire power from the resource if such acquisitions are consistent with the plan. If such acquisitions are not consistent with the plan or in the absence

of a plan, the administrator would have to comply with the applicable provisions of section 6(c) and determine that the resource is consistent with section 4(e) before acquiring the resource. The council would be able to review such a determination.

Mr. President, I believe this will be a very helpful amendment. It will promote further exploration of opportunities for the Northwest to cooperate, with Canada, and with other regions of the United States.

I am hopeful we will be able to find situations that will provide benefits to consumers in the Pacific Northwest, and I am very pleased to accept the Senator's amendment. I am sure it is agreeable to the other side.

Mr. HATFIELD. Mr. President, it is perfectly agreeable on our part to accept this amendment by the Senator from Washington, and I think it improves the bill and certainly broadens the opportunity to develop the renewable resources of the Northwest.

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

Mr. JACKSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I wish to expand upon my earlier remarks and to express my appreciation to the Senator from Washington (Mr. JACKSON) and to the ranking Republican on the committee, the distinguished Senator from Oregon (Mr. HATFIELD) for the cooperation we have had in very difficult negotiations trying to make certain the language of this bill stated exactly what we meant, and I think we have achieved that objective.

It has not always been easy. It took hours and hours of work. I certainly could not pass the opportunity to commend my staff and the senior staff, Dan Dreyfus, and Steve Hickok on the minority side; and Chuck Trabandt of the committee staff, and Tom Hill of my staff.

Mr. President, I want to mention just two things in passing. One is that in the amendment which has been offered by Senator JACKSON, Senator HATFIELD, and myself with respect to the rate structure, which deals with the process at the ratemaking hearings, and for the hearings officer, in his discretion—I quote from the language of the amendment:

> The hearings officer, in his discretion, may allow for limited cross examination in any such hearing to develop fully any essential fact which is material and relevant directly to any such proposed rate.

Mr. President, that provision is intended to give the hearings officer the opportunity to limit the amount of cross-examination which may take place at any of the hearings in the rate determination, but it is not intended and should not be read to allow the hearings officer to completely exclude the cross-examination of the administrator's witnesses.

I think a fair reading of the requirement in the context of the amendment would indicate that, yes, it should not be interminable, because there is almost total access for interested parties to the hearings process and for putting material in the record. The hearings officer may have to, as a matter of practice, limit the number of people who are permitted to cross-examine, but not to the extent of fully excluding those who might produce evidence or ask questions that were necessary to develop fully any essential fact which is material and relevant directly. And, if, as a matter of fact, the records of all of the proceedings, the administrative record which goes to the court for review, would indicate that the hearings officer had totally excluded that opportunity, and that the opportunity was focused upon such material and relevant essential facts, the court could then remand the proceedings back to the Administrator for further proceedings. The court could upset the rate if as a matter of fact the hearings officer took that action.

I think there is one other area in this amendment that needs a possible clarification, and that is with respect to the question of whether or not the Administrator is a party in the hearing, because under the first part of the amendment, under subsection (3), there is the reference that:

> In any such hearing any party shall be provided with the opportunity to offer refutation or rebuttal of any material submitted by any other party.

The Administrator and his expert witnesses are a party within the meaning of that section, so that the opportunity to refute is accorded to people who may be in opposition to what the Administrator and his witnesses have indicated.

There are two other matters that I think might well be clarified. One is in paragraph 7(i)(7) of the amendment, which refers to the burden of proof. It is very clear that the burden of proof is initially on the Administrator to sustain the rate structure which he has proposed, and that burden of proof remains with the Administrator through to the judicial review of the administrative record. And, the judge must find that that burden has been carried on the administrative record in order to sustain the rate, in the event it is carried to judicial review.

Mr. MAGNUSON. As I understand it, the burden of proof is on the Administrator to justify the rate.

Mr. McCLURE. The Senator is correct.

Mr. MAGNUSON. That should be made clear, and I am glad that the Senator from Idaho has made it clear.

Mr. McCLURE. I thank the Senator. It is, I think, clear in the wording, and I agree with the Senator that it should be made absolutely clear in the legislative history as well.

I think it is important to point out that they will be required also that in meeting that burden of proof, the BPA must include a showing that embedded costs are applied even-handedly to all classes of customers. This would include identifying the component parts of these costs in a manner everyone will understand.

I think the meaning of this amendment is clear. I think it assures that all of the parties who are affected by the rate structure and the distribution of power will be treated in a fair manner. It gives the BPA Administrator the authority that he must have, at the same time carefully making certain that there is no abuse of that authority.

The PRESIDING OFFICER (Mr. FORD). The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. METZENBAUM. Mr. President, may I ask a question of the author of the amendment?

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, we are not under any time restraints.

Mr. METZENBAUM. Will the Senator from Idaho yield for a question on his amendment?

Mr. McCLURE. I am happy to yield for a question.

Mr. METZENBAUM. I understand this is an amendment in the nature of a substitute for the entire bill.

Mr. McCLURE. No, the amendment I have been discussing is the committee floor amendment that deals with ratemaking procedures. It is a substitute for one subsection of the bill.

Mr. METZENBAUM. Is there anything contained therein that would provide any exemption from the antitrust laws?

Mr. McCLURE. Nothing of that kind is contained in the committee floor amendment I have been discussing.

Mr. METZENBAUM. Is there anything in this amendment that would free an electric generation facility owned by a group of utilities from effective regulation by the Federal Regulatory Commission?

Mr. McCLURE. Absolutely not. If anything, under the committee floor amendment, they would be freed from no existing regulation, but they would be subject to some additional regulation that is not there now, with respect to the merging of the rates.

Mr. METZENBAUM. But there would be no lesser amount of regulation provided?

Mr. McCLURE. The Senator is correct.

Mr. METZENBAUM. I thank the Senator from Idaho.

Mr. MAGNUSON. As a matter of fact, it tightens it up.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I am pleased to lend my strong support to S. 885, the Northwest power bill. I believe this legislation will not only insure the most efficient and least costly utilization of electricity in the northwest region of this country, but will also permit the individual States involved to play a major role in the formulation and implementation of these policies. While the administrator of the Bonneville Power Administration will have the flexibility to perform his duties without facing onerous constraints, which can only serve to hamper his ability to respond quickly to important issues at hand, the States will also play an essential role in developing the policies which will serve to provide direction to the Administrator.

I am particularly pleased that the language of this bill provides for the selection of a Council Chairman by a vote of all its Members; that it provides certain constraints upon the Administrator until a plan has been approved by the full Council; that it provides dispensation for farm irrigation and farm pumping; and that it provides for special consideration of the preservation and enhancement of the fish resources of the Columbia River and its tributaries. I would like to commend my colleague and good friend from the State of Washington, Senator JACKSON, for his leadership and understanding in the development of this legislation. It is largely because of his efforts that the final provisions of this bill will prove to be beneficial to the entire northwest region and still address my concerns regarding specific interests of my State.

A generous measure of credit also belongs to my colleague, Senator McCLURE, and to the other Senators from the Northwest who have joined together to make this bill possible.

Because this legislation represents a first attempt at managing such a large power system on a regional basis, we must not dismiss the possibility that certain portions may require modification somewhere down the road. For this reason, we must not lose sight of one of the cornerstones of this legislative effort—to encourage the development of renewable energy resources. The congressional oversight provisions of this bill will permit us to reexamine any portions of the law which prove to discourage, instead of encourage, such developments. I am optimistic, therefore, that the direction of this legislation can only serve to greatly promote such renewable resource projects. I wholeheartedly urge my colleagues to support this bill.

The PRESIDING OFFICER. Is there further amendment?

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 512

(Purpose: To include certain areas of Nevada within the definition of "Pacific Northwest, region, or regional")

Mr. CANNON. Mr. President, I have an amendment at the desk. I ask that it be stated.

THE PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Nevada (Mr. CANNON) for himself and Mr. LAXALT, proposed an unprinted amendment numbered 512.

Mr. CANNON, I ask unanimous consent that further reading of the amendment be dispensed with. I shall explain the problem.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 23, insert the following between lines 16 and 17: For the purposes of this subsection areas in the State of Nevada within seventy-five airline miles from said region which are not part of the service area of a distribution cooperative served by the Administrator shall be included in said region.
>
> On page 54, line 14, strike "region.'." and substitute "region. For the purposes of this subsection areas in the State of Nevada within seventy-five airline miles from said region which are not part of the service area of a distribution cooperative served by the Administrator shall be included in said region.".

Mr. CANNON. Mr. President, I say to the chairman and the ranking minority member on the bill, in the northern part of Nevada, within 75 miles of the service area of the Bonneville Power Administration, there are a number of ranchers and some small communities that are not currently served as a part of any service area presently being served by the Bonneville Power Administration or by the co-ops that service part of my State with power from this source.

On the westerly side, we have Harney Electric, a co-op which receives BPA power and services the north part of the State of Nevada. On the east, we have Wells Rural Electric, that gets power out of Idaho and out of Bonneville and services some of the eastern part of the State. As a result of this situation, there is an area of some ranches and small communities but, as I said, within 75 miles of the present service area, not now served by Bonneville power. As a result, the prices that they pay are very, very inequitable. There will be a ranch in one location paying a power bill that is maybe 10 times that of his neighbor who is not a great distance away, simply by reason of the service areas.

I pose this question to my distinguished colleague: Based on that premise and the fact that the areas are within the 75-mile range, I ask if the law as now drafted would permit an existing co-op receiving power from BPA to extend service to these areas provided the residents elected to join up with those particular co-ops in accordance with the State law?

Mr. JACKSON. The Senator is correct. As I understand the situation, the Harney Electric Cooperative runs up to the border with Idaho——

Mr. CANNON. And is in Idaho, as well.

Mr. JACKSON. Across the border, then—is now being served by Bonneville.

Mr. CANNON. The Senator is correct.

Mr. JACKSON. Then there is an area to the east of the Harney service area which involves approximately 8,000 people—ranches, small towns, and communities—that is not now being served by Bonneville.

Mr. CANNON. That is correct.

Mr. JACKSON. Then to the East of that area is the Wells Rural Electric Cooperative. Wells is now being served by Bonneville.

Mr. CANNON. Wells Rural Electric is receiving Bonneville power and power out of Idaho.

Mr. JACKSON. For distribution; is that right?

Mr. CANNON. Correct.

Mr. JACKSON. It is the area between Harney and Wells where there is a great rate disparity, in some instances a tenfold difference. It is my interpretation, as manager of this bill, that under the provisions of the bill now before us, that the people in the area between these two cooperatives—Harney Electric and Wells Rural Electric—who reside within the 75-mile area contiguous to the BPA service area mentioned by the senior Senator from Nevada could receive power from Bonneville if either one of the two existing electric cooperatives that are currently eligible to receive power from BPA should decide to serve that area. I am referring specifically to the definition of Pacific Northwest region or regional, which appears in section 3(k) (1) and (2), and again in section 8.

This bill will not prohibit that result; it will make it possible for that area to receive the power.

Mr. CANNON. That would, of course, be on the condition that they decided to join up with the co-op in accordance with the law.

Mr. JACKSON. That would have to be a local decision within those communities. The communities and the cooperatives in question would have to decide to do it; but they would be eligible under this bill.

I think that would solve the problem that the Senator from Nevada seeks to solve with his amendment. I just want to give him that assurance and make it a part of the legislative history of this measure.

I believe the ranking minority member (Mr. HATFIELD), the Senator from Oregon, has a comment to make on this matter.

Mr. HATFIELD. I affirm the interpretation given by the chairman of the committee. We have done nothing to this bill to prohibit those individuals from making that determination under existing Nevada State law which governs such matters. In no way would we, of course, want to impose that decision from the outside, as I know the Senator from Nevada has no intention of suggesting.

In this act, it is possible for those people—individual ranchers, acting corporately, and the communities under whatever State law prescribes—to join up with one of the existing two co-ops and thereby permit those co-ops under this act and the existing statutes to expand

their service district to include those areas.

That would have to be a self-determination on the part of the people in the areas.

Mr. CANNON. Mr. President, I thank my colleagues for clarifying the law as it now stands.

This is precisely what we are interested in accomplishing, and accomplishing it provided those people in the areas decide they do want to join with the co-ops and be serviced by them with the Bonneville power.

With that representation, Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

● Mr. LAXALT. Mr. President, I am pleased to join my distinguished senior colleague (Mr. CANNON) in cosponsoring this amendment. As you are aware, S. 885 contains a definition of "Pacific Northwest" region which includes portions of the State of Nevada that are within the Columbia River drainage basin and the prescribed 75-mile boundary. In fact, over 21,000 square miles of northern Nevada are already included within this region.

But existing law and the bill before us would continue to preclude Bonneville hydropower from servicing loads in the Winnemucca and Elko areas of Nevada, even though these areas are within the prescribed 75-mile boundary. These limitations in effect, grant superpreference to cooperatives over States or other public bodies. As I see it, this is contrary to the intent of sections 3 and 4 of the Bonneville Project Act of August 20, 1937.

Mr. President, as I am sure you are aware, there is a trend in our country that is eliminating vasts amounts of agricultural farmland. This trend is caused by several things. First, and probably the most obvious, is the increasing number of people who are moving from the congested populations in the United States to its urban towns and cities. These small areas are quickly changing their landscapes from green fields and rolling hills to tract houses and mobile home subdivisions. As the countryside changes, so does the amount of taxes and operating costs of the ranchers and farmers. Less agricultural land will eventually lead to higher costs to food consumers.

Additionally, a way of life is being removed from our society. What we need is to give those who want to till the soil incentive to make our remaining land more productive. The inclusion of the Winnemucca and Elko areas of Nevada by the Bonneville Power will help develop this land to its highest potential. In the Winnemucca-Orovada area, sagebrush valleys have been turned into green potato fields and golden rows of grain. These fields help produce a variety of products—everything from potato chips to baby food. The Elko area is of course one of Nevada's most scenic areas. Its ranches contain a large portion of Nevada's cattle herds.

However, it only takes one trip to the local supermarket to purchase a steak to realize the decline in U.S. cattle herds. Lower operating costs to the ranches would help toward rebuilding cattle numbers. Elko has a promising future for further development of its agriculture industry—whether it be increased cattle and sheep herds or larger hay crops.

Northern Nevada has a promising future, it is important that we maintain and increase the potential this area has to supply our vital food resources. Wherever possible, inflation must be kept down. This amendment helps to provide northern Nevada with an energy resource that is vital to its existence. I urge my colleagues to support this amendment.●

Mr. BAUCUS. Mr. President, I wish to commend the Energy and Natural Resources Committee for reporting S. 885. I think the bill has very good provisions beneficial to the Pacific Northwest. However there are several problems presented to the State of Montana.

As the Senate considers S. 885, a bill to restructure the Bonneville Power Administration, I wish to praise the Senate Energy Committee for acceding to a number of improvements during markup, and to express the hope that a number of remaining problems will be cleared up by the House of Representatives.

I am most pleased that the essence of the position adopted by the Governors of the four States involved—Washington, Oregon, Idaho, and Montana—has been incorporated in S. 885. Section 10(c) of the bill addresses many of the more important points. As described in the committee report, this section would, among other things—

> Preserve the right of States and their political subdivisions to . . . regulate retail sales . . . and make energy facility siting decisions . . .

I am also pleased that measures of public accountability were included, as well as the development of a master plan which sets high priorities for conservation and development of natural resources.

I continue to be troubled with those reference in section 4(d) which may give the Administrator too much latitude to avoid the strictures of the plan. I am also concerned at the broad mandate contained in the guaranteed purchase provisions of the bill. It is my hope that the distinguished Members of the House of Representatives who have yet to consider this measure will improve these and other features which appear to be deficient.

Mr. PACKWOOD. Mr. President, I hope my colleagues in the Senate will, today, support the Pacific Northwest Electric Power Planning and Conservation Act, S. 885.

This legislation could benefit Oregonians more than any action Congress has taken in many, many years. Residents served by private electric utility companies will again have access to much cheaper hydroelectric power generated at Federal installations. They will not be required to pay twice or three times the rate of those served by public utilities.

The bill also established proper procedures for financing, developing, and allocating new electric power resources. It will begin an era of energy conservation in the Northwest unmatched by any other region of the country.

Since I am not a member of the Energy Committee, I will not, and cannot, claim a major role in the legislation's development. I can, however, say with pride that the legislation now includes satisfactory responses to each of the concerns I raised when I twice testified about the bill before the Energy and Natural Resources Committee. The economic benefits of the bill must now be passed on directly to the consumers. Local government, like the city of Portland, will be able to buy power at the same favorable rates available to Federal agencies. The Bonneville Power Administration will now have to recognize and provide benefits to those communities which conserve more energy than the rest of the region. The BPA administrator will have new authority to fund creative demonstration projects for efficient energy use. The bill addresses the urgent need to improve the viability of salmon which must pass by the hydroelectric facilities on our region's rivers. These and other concerns of mine have now been set aside by this bill.

I am pleased by the final product. I hope the full Senate is pleased and supportive. I hope the House of Representatives will adopt similar provisions so that we can move on to the many other problems in Oregon and the Northwest we should consider in coming days.

Finally, I would like to thank Senators JACKSON and HATFIELD. As chairman and ranking member, respectively, of the Senate Energy Committee. They have made this process one that every interested party can participate in fully. They and the other committee members deserve our gratitude.

Mr. JACKSON. Mr. President, I know of no further amendments.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pacific Northwest Electric Power Planning and Conservation Act".

FINDINGS

SEC. 2. The Congress finds that—

(a) The Federal Columbia River Power System offers a unique opportunity to encourage policies of conservation and efficiency in the use of electric power within the Pacific Northwest.

(b) The participation and consultation of the Pacific Northwest States, local communities, ratepayers, the Administrator's customers, users of the Columbia River system

(including fisheries agencies), and the public at large within the region are essential in development of regional plans and programs related to energy conservation, renewable resources, other generating resources and orderly planning of the Federal Columbia River Power System.

(c) The ratepayers of the Pacific Northwest should continue to pay all costs necessary to produce, transmit, and conserve electric power to meet the region's electric power requirements, including the amortization of the Federal investment in the Federal Columbia River Power System.

DEFINITIONS

SEC. 3. As used in this Act—

(a) "Administrator" means the Administrator, Bonneville Power Administration.

(b) "Conservation" means any reduction in electric power consumption as a result of increases in the efficiency of energy use, production or distribution.

(c) A conservation measure or any resource is "cost effective" if it is forecast to be available within the time it is needed and if it is forecast to meet or reduce the electric power demand of the consumer at an estimated incremental system cost no greater than that of the least-cost similarly available alternative conservation measure or resource: *Provided,* That such cost estimates shall include estimates of all direct systems costs of the conservation measure or resource over its effective life, including, if applicable, the cost of distribution and transmission to the consumer, and, among other factors, waste disposal costs, end-of-cycle costs, and fuel costs, and such quantifiable environmental and social costs and benefits as the Administrator determines, on the basis of a methodology developed by the Council as part of the plan, are directly attributable to the conservation measure or resource: Provided further, That any conservation measure may have an estimated incremental system cost of up to 110 per centum of the least cost alternative nonconservation resource.

(d) "Council" means the Pacific Northwest Electric Power Planning Council established pursuant to this Act.

(e) "Customer" means an entity that contracts for the purchase of power from the Administrator, either for resale or for direct consumption.

(f) "Direct service industrial customer" means an industrial customer that contracts for the purchase of power from the Administrator for direct consumption.

(g) "Electric power" means electric peaking capacity or electric energy or both.

(h) "Federal base system resources" means the Federal Columbia River Power System hydroelectric projects, resources acquired by the Administrator under long-term contracts in force on the effective date of this Act, and resources acquired by the Administrator to replace reductions in capability of the foregoing resources.

(i) "Major resource" means a resource having a capability greater than fifty average megawatts, and, if acquired by the Administrator, is acquired for a period longer than five years.

(j) "New large industrial load" means an industrial load associated with a new industrial plant or an expansion of an existing plant or an existing industrial plant load which is not contracted for or committed to by a public body, cooperative, or Federal agency customer prior to October 1, 1978, any of which will result in an increase in power requirements of ten average megawatts or more in any three-year period: Provided, that the Council may recommend to the Congress for approval a different limitation in the maximum size of such new large industrial load.

(k) "Pacific Northwest", "region", or "regional" means:

(1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin; and

(2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of this Act which has a distribution system from which it serves both within and without said region.

(l) "Plan" means the regional electric power plan prepared and adopted pursuant to this Act.

(m) "Renewable resource" means a resource which utilizes a renewable source of energy, including, but not limited to, solar, wind, hydro, geothermal, and biomass, and which is used for electric power generation or which will reduce the electric power requirements of a consumer by direct application.

(n) "Reserves" means the electric power needed to avert particular planning or operating shortages for the benefit of firm power customers of the Administrator and available to the Administrator either from resources or through rights to interrupt, curtail, or otherwise withdraw, as provided by specific contract provisions, portions of the electric power supplied to customers.

(o) "Residential use" or "residential load" means all usual residential, apartment, seasonal dwelling and farm electrical loads or uses, but only the first four hundred horsepower of farm irrigation and pumping for any farm.

(p) "Resource" means (1) electric power, including the actual or planned electric power capability of generating facilities or (2) actual or planned load reduction resulting from direct application of a renewable energy resource, or from a conservation measure.

REGIONAL PLANNING AND PARTICIPATION

SEC. 4. (a) There is established the Pacific Northwest Electric Power Planning Council composed of five members. The Governors of the States of Idaho, Oregon, Montana, and Washington may under applicable State laws each appoint one member to the Council from their respective States. The Administrator shall serve as the fifth member of the Council.

(b) The Council shall select a chairman from among its members. Three members of the Council shall constitute a quorum for conducting business. Decisions of the Council shall be by majority vote: *Provided,* That any action to approve or amend the plan described in subsections (d) and (e) of this section, or any element thereof, must receive the votes of at least three members of the Council, including the vote of the Administrator, to be adopted. The Council shall adopt rules of procedure, including rules applicable to its public hearings.

(c) Each State's member of the Council may request Council approval of funding in support of his State's participation in the Council and activities of his State related thereto. The Administrator shall include in his annual budget submitted pursuant to Public Law 93-454 (as amended), such requests approved by the Council, not to exceed a total amount equal to 0.02 mills per kilowatt-hour of the Administrator's estimated sales in the year the budget is to be effective. In order to assist initial State participation in the Council, the Administrator shall prepare and propose an amended annual budget as soon as practicable after the enactment of this Act to expedite payments to the States.

(d) The Council shall direct the preparation of a regional electric power plan, and shall adopt such plan within two years after the effective date of this Act. The adopted plan or any portion thereof may be amended from time to time, and shall be reviewed not less frequently than once every five years. Within one year from the effective date of this Act, and thereafter prior to each review, the Council shall identify major subject areas to be included in the plan. Public hearings shall be held in each member's State on (1) major subject areas to be addressed in the plan, and (2) the plan or amendments to the plan, proposed by the Council for adoption: *Provided,* That a public hearing shall also be held in any other State of the region on the plan, or amendments, proposed for adoption if the Council determines that the plan or amendments would likely have a substantial impact on that State in terms of major resources which may be developed in that State and which the Administrator may seek to acquire. The Council shall take action under this subsection pursuant to section 553 of title 5, United States Code.

The Administrator's implementation of the authorities under this Act shall be consistent, to the extent he determines feasible, with the plan: *Provided,* That the Administrator shall notify the Council of any actions not consistent with the plan together with his reasons for taking such actions: *Provided further,* That the Administrator's implementation of the authorities in sections 6(a) through (d), (f), (h), and (m) shall be consistent with the plan as he determines or, notwithstanding his determination, as the Council, within sixty days of his determination by majority vote of the full council, may determine: *Provided, however,* That if no plan is in effect or a proposed implementation of a conservation measure or an acquisition of a resource is not consistent with the plan, the Administrator may proceed to implement the conservation measure or acquire the resource pursuant to the procedures in sections 6(a) through (c).

(e) The plan shall give the following priority to resources: first, to conservation; second, to renewable resources; third, to generating resources utilizing waste heat and generating resources of high fuel conversion efficiency; and fourth, to all other resources: *Provided,* That all such resources shall be cost effective and feasible.

(1) The plan shall set forth a general scheme for implementing conservation and developing resources to reduce or meet the Administrator's obligations with due consideration for environmental quality, compatibility with the existing regional power system, preservation and enhancement of fisheries, and other criteria which may be set forth in the plan.

(2) The plan shall also include, but not be limited to, model conservation standards, areas for research and development, a methodology for determining the average system cost of resources exchanged under section 5(b)(2), a methodology for determining quantifiable environmental and social costs and benefits under section 3(c), and a twenty-year demand forecast which includes regional reliability and reserve requirements.

(f) Model conservation standards for inclusion in the plan shall (1) include, but not be limited to, standards applicable to new and existing structures, utility, customer and governmental conservation programs, and other consumer actions for achieving conservation, and (2) be designed to produce all power savings that are reasonable, feasible and cost-effective to consumers. If the Council so recommends by majority vote of the full Council, the Administrator may impose additional charges on customers for those portions of their load within the region that are within States or political subdivisions which have not, or on his customers which have not, implemented conservation measures applicable to themselves that achieve energy savings which the Administrator determines are comparable to those which would be obtained under such model conservation standards. Such charges shall be set to recover additional costs the

Administrator determines he will incur because such energy savings have not been achieved, but in no case may such charges be less than 10 per centum or more than 50 per centum of the Administrator's applicable rates for such load or portion thereof.

(g) To insure widespread public involvement in the formulation of regional power policies, the Administrator (1) shall maintain comprehensive programs, including programs in cooperation with the Council, to inform the Pacific Northwest public of major regional power issues, to obtain public views concerning those issues, and to secure advice and consultation from the Administrator's customers and other parties; and (2) may form advisory committees as appropriate.

(h) The Council shall request annually from the region's State and Federal fisheries agencies and the appropriate Indian tribes their recommendations of measures which would contribute to the preservation and enhancement of the fish resources of the Columbia River and its tributaries for inclusion in the plan and their recommendations for the funding of research and development efforts which have the potential of providing improved passage for anadromous fish migrants at and between the region's hydroelectric dams. The Council shall consider such recommendations in the preparation of the plan or amendments to the plan. If the Council so recommends in the plan or amendments to the plan, the Administrator shall (1) include in his annual budget funds for fisheries research and development to be paid from the Bonneville Power Administration fund, or from appropriations, and (2) acquire and dispose of power and utilize the flexibility of the resources available to him in a manner which will assist in the preservation and enhancement of the anadromous fisheries resources while meeting his other obligations.

SALE OF POWER

SEC. 5. Subject at all times to the preference and priority provisions of the Bonneville Project Act of 1937, Public Law 75-329 (as amended), and, in particular, sections 4 and 5 thereof, and at rates established pursuant to section 7 of this Act—

(a) Whenever requested, the Administrator shall offer to sell to each requesting public body and cooperative entitled to preference and priority under Public Law 75-329 (as amended), and to each requesting investor-owned utility, electric power to meet such customer's firm power load in the region which is in excess of the capability of such customer's firm resources which such customer had used in the year prior to enactment of this Act to serve its firm load and such other resources as such customer shall determine, pursuant to contracts under this Act, will be used to serve its firm load: Provided, That such resources shall continue to be so used except with the consent of the Administrator or because of obsolescence, retirement, loss of resource or loss of contract rights.

The Administrator shall include in contracts executed in accordance with the subsection provisions that enable him to restrict his obligations to meet such loads in the event he determines, after a reasonable period of experience under this Act, that he cannot be assured of acquiring sufficient resources pursuant to section 6 to meet such loads, but (1) no such restrictions shall be applicable to the Administrator's public body and cooperative customers entitled to preference and priority under Public Law 75-329 (as amended), or to his Federal agency customers, until the Federal base system resources are fully allocated to such customers; and (2) sales to customers pursuant to this subsection shall not be restricted below the amounts of electric power, as specified in such contracts, required by the Administrator from or on behalf of such customer pursuant to subsection 5(b)(2) and section 6. The Administrator shall, consistent with the provisions of this Act, insure that any such restrictions pursuant to this subsection are distributed equitably throughout the region.

(b) Additionally, (1) the Administrator is authorized to sell electric power to Federal agencies in the region, and (2) whenever a Pacific Northwest utility offers to sell electric power to the Administrator at the average system cost of resources then available to that utility, the Administrator shall purchase such power and shall offer, in exchange, to sell an equivalent amount of electric power to such utility for resale to that utility's residential users within the region: *Provided*, That (A) such sale shall be limited to an amount not to exceed 50 per centum of such utility's regional residential load in the year beginning July 1, 1980, and increasing in equal annual increments to 100 per centum of such load in the year beginning July 1, 1985; (B) the cost benefits, as specified in contracts, of any such exchange sale which are attributable to any utility's residential load within a State shall be passed through directly to the utility's residential loads within such State: *Provided*, That a State which lies partially within and partially without the region may require that such benefits be distributed among all of the utility's residential loads in that State; (C) a utility may terminate, upon reasonable terms and conditions, its exchange purchase and sale in the event the supplemental rate charge provided for in section 7(b) is applied and the cost of electric power sold to the utility under this subsection exceeds, after application of such rate charge, the average system cost of power sold by the utility to the Administrator under this subsection; and (D) the Administrator may acquire the electric power necessary to carry out the exchange sale from other resources, rather than purchase the electric power offered him by the utility pursuant to this subsection, if the cost of doing so is less than the cost of purchasing the electric power offered by the utility.

The "average system cost" for electric power sold to the Administrator under this subsection shall be determined by the Administrator, subject to review and approval by the Federal Energy Regulatory Commission as provided in section 9(g), on the basis of a methodology developed for this purpose. Such methodology shall be developed by the Council as part of the regional electric power plan identified in section 4, or, until such a plan has been adopted, shall be developed by the Administrator in consultation with his customers in the region and appropriate State regulatory bodies. Average system cost shall not in any event include: (i) the cost of additional resources in an amount sufficient to serve any new large industrial load of the utility that was not contracted for or committed to prior to October 1, 1978; (ii) the cost of additional resources in an amount sufficient to meet any additional load outside the region occurring after the effective date of this Act; and (iii) any costs of a generating facility which is terminated prior to commercial operation.

(c)(1) The Administrator is authorized to sell electric power to direct service industrial customers which have contracts for the purchase of electric power from him on the effective date of this Act, so long as such sales provide a portion of the reserves for firm power loads within the region. To effectuate the purposes of this subsection the Administrator shall offer to such customers new long term contracts in accordance with section 9(c) that provide such customers an amount of power equivalent to that to which such customers are entitled under present industrial firm contracts. The offer and execution of these initial new contracts shall be deemed to be supported by a sufficiency of electric power available to the Administrator.

(2) The Administrator shall not offer to sell amounts of electric power, including reserves, to new direct service industrial customers or to existing direct service industrial customers in addition to the amounts provided under subsection (c)(1) unless the Council has approved such sale by majority vote of the full Council and the Administrator determines that such proposed sale is consistent with the plan and that (A) additional power system reserves are required for the region's firm loads, (B) additional direct service industrial loads would provide a feasible and cost-effective method of supplying such reserves, (C) loads of similar character cannot provide equivalent operating or planning benefits to the region if served by a utility, and (D) the Administrator has or can acquire sufficient electric power to serve such loads. After such determination and approval by the Council, the Administrator is authorized to offer to new or existing direct service industrial customers an additional amount of power providing reserves in the amount determined to be necessary.

(d) The Administrator is further authorized to sell or otherwise dispose of electric power, including acquired power, that is surplus to his obligations incurred pursuant to subsections (a), (b), and (c) of this section in accordance with this and other statutes applicable to the Administrator.

CONSERVATION AND RESOURCE ACQUISITION

SEC. 6. (a) The Administrator shall, to the maximum extent practicable, implement all conservation measures he determines to be consistent with the plan. If no plan is in effect the Administrator shall implement conservation measures he determines are feasible and consistent with the criteria of section 4(e): *Provided*, That no mandatory conservation requirements shall be set by the Administrator pursuant to this authority in the absence of a plan. Such measures may include, but are not limited to, financial assistance for insulation or weatherization, increased system efficiency, and waste energy recovery by direct application. The Administrator may, in accordance with the provisions of this section, conduct demonstration projects to determine the feasibility of conservation measures and direct application renewable energy resources: *Provided further*, That no obligation may be incurred for any such demonstration project until such proposal is explicitly noted in the Administrator's budget submittal to the Congress pursuant to Public Law 93-454 (as amended). In addition, he shall assist conservation by and among regional consumers by (1) providing technical or financial assistance, (2) cooperating with his customers and governmental authorities to encourage maximum cost-effective voluntary conservation, and (3) aiding his customers and governmental authorities in implementing conservation standards adopted pursuant to section 4(f).

(b) The Administrator shall meet his contractual obligations that remain after taking into account planned savings from conservation measures provided in this section by acquiring additional resources (in addition to electric power acquired on a short term basis pursuant to section 11(b)(6)(i) of Public Law 93-454 (as amended)) he determines to be consistent with the plan or, if no such plan is in effect, which he determines, after compliance with section 6(c), are consistent with section 4(e). The Administrator shall acquire resources to replace Federal base system resources in accordance with the provisions of section 6 of this Act except in the case of federally constructed resources otherwise authorized by the Congress. Notwithstanding any acquisition of resources, the Administrator shall

not reduce his efforts to achieve conservation savings pursuant to section 6(a).

(c)(1) In proposing to acquire any major resource, the Administrator shall give notice of the proposed action to the Council, his customers and the State in which the resource would be acquired, solicit views and relevant information, conduct a public hearing, and not less than ninety days after such notice may make a decision supported by a written statement, which statement shall include specific findings that the proposed acquisition is consistent with the plan unless such acquisition is proposed pursuant to parts (3) or (4) of this subsection.

(2) The Administrator shall submit to appropriate committees of the Congress the administrative record which shall consist of his written statement in support of any major resource acquisition decision made pursuant to this subsection together with (A) all statements, data, and other information on which the Administrator relies, including information received by him from the Council and his customers; (B) the transcript or other record (including all exhibits) of the hearing; (C) a record of all other relevant views and reactions received by him; and (D) a statement of the procedures followed or to be followed for compliance with the National Environmental Policy Act, Public Law 91-190 (as amended). The Administrator thereafter shall publish notice of his decision in the Federal Register. The Administrator may not implement any such decision or make any financial commitment for a major resource acquisition under this subsection prior to ninety days after the date of publication in the Federal Register and until it has been noted in the Administrator's budget submittal made pursuant to Public Law 93-454 (as amended): *Provided*, That in the absence of a plan or if the proposal is inconsistent with the plan, no financial commitment for a major resource acquisition shall be made until the acquisition has been specifically approved by Act of Congress.

(3) If within two years after the effective date of this Act, the Administrator proposes to acquire a major resource, but no plan is yet in effect, the Administrator may acquire such resource by following the procedure set forth in subsection (c)(1) and (2), except that his written statement shall include specific findings that acquisition of the resource is consistent with the criteria of subsection 4(e).

(4) If, subsequent to the adoption of a plan the Administration wishes to be able to acquire a resource or undertake a conservation measure which he determines to be inconsistent with such plan, or in the absence of an adopted plan two years after the effective date of this Act, the Administrator may acquire a resource or undertake a conservation measure pursuant to the following procedure: (A) the Administrator shall propose to the Council a plan, or an amendment to the existing plan, with which the proposed action would be consistent, and submit a written statement to the Council that the plan or proposed amendment is needed to permit the proposed action, that the resource or conservation measure is needed to meet the Administrator's obligations, and that the resource or conservation measure is consistent with the criteria set forth in subsection 4(e); (B) the Council shall proceed with hearings in accordance with provisions of section 4(d)(2); (C) if within ninety days after the submission of the Administration's proposal the Council has not adopted a plan or plan amendment with which, in the Administrator's determination, the proposed action is consistent, the Administrator may proceed with the action after following the procedure established under parts (1) and (2) of this subsection. For the acquisition of a resource or implementation of a conservation measure, either of which the Administrator determines to be inconsistent with the plan, public hearings shall be held pursuant to section 556 of title 5, United States Code, and the Administrator shall make a written statement in support of his decision pursuant to section 557 of title 5, United States Code.

(5) The Administrator shall determine in each case of a major resource acquisition that a reasonable share of the particular resource, or a reasonable equivalent, has been offered to each Pacific Northwest utility for ownership, participation, or other sponsorship but not in excess of the amounts needed to meet its regional load.

(d) The Administrator is authorized to acquire a resource, other than a major resource, which does not meet criteria of section 4 but which he determines is an experimental, developmental, demonstration or pilot project of a type with a potential for providing feasible, cost-effective, and reliable service to the region. The Administrator is authorized to construct such a project if it is a renewable resource and he determines that no utility or political subdivision in the Pacific Northwest is willing to construct such project at reasonable cost. The Administrator shall make no obligation for the acquisition or construction of such a resource until it has been noted in his budget submittal to the Congress pursuant to Public Law 93-454 (as amended).

(e) To the extent conservation measures or acquisition of resources require direct arrangements with consumers of electric power, the Administrator shall make maximum practicable use of his customers and other local entities capable of administering and carrying out such arrangements.

(f) For resources which the Administrator determines will be not inconsistent with the plan or for which he proposes to follow the procedures of section 6(c)(3) and (4), the Administrator is authorized to enter into agreements with sponsors of (1) a renewable resource, other than a major resource, to fund or secure debt incurred in the investigation and initial development of such resource which may be proposed for acquisition by the Administrator, or (2) any other resource, which on preliminary data he finds would satisfy criteria of this Act, to provide for the reimbursement of the sponsor's investigation and preconstruction expenses (which expenses shall not include procurement of capital equipment or construction material for such resource) if such resource is subsequently denied State siting approval or other necessary Federal or State permits, or if such investigation subsequently demonstrates, as determined by the Administrator, that such resource does not meet the criteria of this Act, or is not acceptable because of environmental impacts, or after such investigation the Administrator determines not to purchase the resource and the resource is not constructed: *Provided*, That any such agreements shall provide the Administrator an option to acquire any such resource: *Provided further*, That the Administrator shall terminate his financial commitment as to any further expense incurred by the sponsors (except necessary expenses involved in the liquidation of the resource) after a final denial of application for State siting approval. No further commitment may be made by the Administrator until the Administrator has completed such procedures as may be required by the National Environmental Policy Act, Public Law 91-190 (as amended).

(g) At the request of the appropriate State, any environmental impact statement which may be required with respect to a resource, to the extent determined possible by the Administrator, shall be prepared jointly and in coordination with any required environmental impact statement of the State or any other statement which serves the purpose of an environmental impact statement which is required by State law.

(h) The Administrator is authorized to grant billing credits and provide services to any of his customers for independent conservation activities undertaken by such customers or political subdivisions served by a customer and for resources constructed, completed or acquired by a customer or political subdivision after the effective date of this Act which reduce the obligation of the Administrator to acquire resources under this Act. Any such credits which are granted for a major resource shall be granted only if such grant is determined by the Administrator to be not inconsistent with the plan or if such credits are authorized pursuant to the procedures of section 6(c)(4). The Administrator shall be required to grant credits (1) to the extent such customer or political subdivision undertakes independent conservation measures which the Administrator finds will achieve energy savings beyond the measures included in the plan, and (2) for a renewable resource or a multipurpose project uniquely suitable for such customer's or political subdivision's development. The Council may develop and propose guidelines to the Administrator to assist in the determination of the amount of such credits. The Administrator shall determine the amount of credits taking into account guidelines recommended by the Council and the risks and benefits assumed by the entity to be credited and the risks and benefits provided to the Administrator's customers: *Provided*, That any credits under this subsection shall be granted only to the extent they are cost effective.

(i) Contracts for acquisition of resources entered into pursuant to this section shall contain such terms and conditions as the Administrator finds necessary or proper to insure timely construction, scheduling, completion, and operation of new resources, to insure that the costs of any acquisition are as low as reasonably possible, consistent with sound engineering, operating, and safety practices, and to provide the means for the Administrator to exercise effective oversight, audit, and review of all aspects of such construction and operation.

(j) At the request and expense of any customer or group of customers of the Administrator within the Pacific Northwest, the Administrator shall, to the extent practicable—

(1) acquire any electric power required by (A) any customer or group of customers to enable them to replace resources determined to serve firm load under subsection 5(a), or (B) direct service industrial customers, to replace electric power that is or may be curtailed or interrupted by the Administrator (other than power he is himself obligated to replace), with the cost of such replacement power to be distributed among the direct service industrial customers requesting it: *Provided*, That the Administrator may prescribe policies and conditions for the independent acquisition of replacement power by any direct service industrial customer or group of such customers for the purpose of assuring each direct service industrial customer an opportunity to participate in such acquisitions; and

(2) dispose of, or assist in the disposal of, any electric power that a customer or group of customers proposes to sell within or without the region at rates and upon terms specified by such customer or group of customers, if such disposition is not in conflict with the Administrator's other marketing obligations and the policies of this Act and other applicable statutes, and with respect to direct service industrial customers, if such sale is under terms and conditions acceptable to the Administrator.

The Administrator shall furnish services including transmission, storage, and load factoring unless he determines such services cannot be furnished without substantial interference with his power marketing pro-

gram, applicable operating limitations or existing contractual obligations. The Administrator shall, to the extent practicable, give priority in making such services available for the marketing, within and without the Pacific Northwest, of capability from projects under construction on the effective date of this Act, if such capability has been offered for sale at cost, including a reasonable rate of return, to the Administrator pursuant to this Act and such offer is not accepted within one year.

(k) All obligations incurred by the Administrator pursuant to this Act shall be secured solely by the Administrator's revenues received from the sale of electric power and other services. Such obligations shall not be, nor shall they be deemed to be, general obligations of the United States of America.

(l) In the exercise of his authorities pursuant to this section, the Administrator shall, consistent with the provisions of this Act, insure that benefits under this section, including financial and technical assistance, conduct of conservation demonstrations, and experimental projects, services, and billing credits, are distributed equitably throughout the region.

(m)(1) The Administrator is authorized and directed to investigate opportunities for adding to the region's power resources or reducing the region's power costs through the accelerated or cooperative development of resources located outside the region, if such resources are renewable resources, and are now or in the future planned or considered for eventual development by nonregional agencies or authorities that will or would own, sponsor or otherwise develop them. The Administrator shall keep the council informed of such investigations as they progress, and seek from the council its advice as to the desirability of pursuing such investigations further.

(2) The Administrator is authorized to acquire resources of the type identified in this section, and to enter into such contracts or agreements as may be necessary to facilitate such acquisitions, if he determines that such resources meet the criteria of this section and that such acquisitions are consistent with the plan: *Provided*, That if the Administrator determines that such acquisitions are not consistent with the plan or in the absence of a plan, the Administrator may acquire such resources, which he determines, after compliance with section 6(c) are consistent with section 4(e).

(3) The Administrator shall conduct the investigations and the acquisitions, if any, authorized under this section with the assistance of those departments or agencies of the Federal Government whose responsibilities include negotiation of the type of contracts or agreements that would be necessary to facilitate an acquisition under this section.

(4) No later than January 1, 1981, and thereafter not less frequently than once each year, the Administrator shall submit to the Congress a report that outlines investigations undertaken pursuant to this section, together with the prospects for obtaining additional resources under the authority granted by this section.

(5) The authority granted in this section shall not diminish or abridge any other authority of the Administrator to carry out similar activities under this Act or other Acts.

RATE DIRECTIVES

SEC. 7. (a) The Administrator shall establish and periodically modify rates for the sale and disposition of electric power and the transmission of non-Federal power. Such rates shall be set to recover, in accordance with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power including the amortization of the Federal investment in the Federal Columbia River Power System (including irrigation costs required to be repaid out of power revenues) over a reasonable period of years and the other costs and expenses incurred by the Administrator pursuant to law. Such rates shall be established in accordance with sections 9 and 10 of Public Law 93-454 (as amended) and the provisions of this Act, and shall become effective upon confirmation and approval by the Federal Energy Regulatory Commission on the finding that such rates (1) are sufficient to assure repayment of the Federal investment in the Federal Columbia River Power System over a reasonable number of years after first meeting the Administrator's other costs, (2) are based upon the Administrator's total system costs including contingencies, and (3) insofar as transmission rates are concerned, equitably allocate the costs of the Federal transmission system between Federal and non-Federal power utilizing such system.

(b) The Administrator shall establish a rate or rates of general application for electric power sold to meet the general requirements of public body, cooperative, and Federal agency customers within the Pacific Northwest, and sold to utilities under section 5(b)(2). Such rate or rates shall recover the costs of that portion of the Federal base system resources needed to supply the foregoing loads until such sales exceed the Federal base system resources. Thereafter, such rate or rates also shall recover the costs of additional electric power as needed to supply the foregoing loads, first from the electric power purchased by the Administrator under section 5(b)(2) and then from new resources: *Provided*, That after July 1, 1985, the projected amounts to be charged for firm power for the combined general requirements of public body, cooperative and Federal agency customers, exclusive of amounts charged such customers under section 7(g) for the costs of conservation, resource and conservation credits, experimental resources and uncontrollable events, shall in no event exceed in total, as determined by the Administrator, during any year plus the ensuing four years, an amount equal to the power costs for general requirements of such customers if, as estimated in accordance with the following assumptions for the same five-year period:

(1) the public body and cooperative customers' general requirements had included the direct service industrial customer loads within or adjacent to the geographic service boundaries of such public bodies and cooperatives during the applicable period;

(2) public bodies, cooperative, and Federal agency customers were served in the applicable period with Federal base system resources not obligated to other parties under contracts existing as of the effective date of this Act (during the remaining term of such contracts) excluding obligations to direct service industrial customer loads included in part (1) above;

(3) no purchases or sales as provided in section 5(b)(2) were made during the applicable period;

(4) all resources that would have been required to meet remaining general requirements of the public body, cooperative and Federal agency customers not met by the available Federal base system resources determined under part (2) above were resources purchased from such customers by the Administrator pursuant to section 6 or resources not committed to load pursuant to section 5(a) and were the least expensive resources owned or purchased by public bodies or cooperatives with any additional needed resources having been obtained at the average cost of all other new resources acquired by the Administrator; and

(5) the quantifiable monetary savings to public body, cooperative, and Federal agency customers resulting from actions of the Administrator under section 6 were not achieved.

Any amounts not charged to such public body, cooperative, and Federal agency customers because of this proviso shall be recovered through supplemental rate charges for all other power sold by the Administrator.

General requirements as used in this section shall be the public body, cooperative, or Federal agency customer's electric power purchased from the Administrator under sections 5(a) and 5(b)(1) exclusive of any new large industrial load that was not contracted for or committed to by the customer by October 1, 1978.

(c) The rate or rates applicable to direct service industrial customers shall be established:

(1) for the period prior to July 1, 1985, at a level which the Administrator estimates will be sufficient to recover the cost of resources the Administrator determines are required to serve such customers' load and the net costs incurred by the Administrator pursuant to section 5(b)(2), based upon his projected ability to make power available to such customers pursuant to their contracts, to the extent that such costs are not recovered through rates applicable to other classes of power sold by the Administrator; and

(2) for the period after July 1, 1985, at a level which the Administrator determines by rule to be equitable in relation to the retail rates charged by the public body and cooperative customers to their industrial customers in the region (to be based upon the Administrator's applicable wholesale rates to such public body and cooperative customers and the typical margins included by such public body and cooperative customers in their retail industrial rates) but taking into account (A) the comparative size and character of the loads served, (B) the relative costs of electric capacity, energy, transmission, and related delivery facilities provided and other service provisions, and (C) direct and indirect overhead costs, all as related to the delivery of power to industrial customers: *Provided*, That the Administrator's rates during such period shall in no event be less than his rate in effect for the contract year ending on June 30, 1985.

The Administrator shall adjust such rates to take into account the value of power system reserves made available to the Administrator through his rights to interrupt or curtail service to such direct service industrial customers.

(d) In order to avoid adverse impacts on—

(1) retail rates of the Administrator's customers with low system densities, the Administrator is authorized to apply discounts to the rate or rates for such customers;

(2) direct service industrial customers using raw materials indigenous to the region as their primary resource, the Administrator is authorized to establish a special rate applicable to such customer if all power sold to such customer may be interrupted, curtailed, or withdrawn to meet firm loads in the region under contract provisions equivalent to those of present modified firm contracts.

(e) In establishing rate schedules of general application, the Administrator may establish a uniform rate or rates for sale of peaking capacity.

(f) Rates for all other firm power sold by the Administrator for use in the Pacific Northwest shall be based upon the cost of the portions of Federal base system resources, purchases of power under section 5(b)(2) and additional resources (including new resources) which, in the determination of the Administrator, are applicable to such sales.

The Administrator shall allocate to power rates, as he may determine appropriate, all other costs and benefits including, but not limited to, conservation, uncontrollable even limited to, conservation, uncontrollable events, reserves, the excess costs of experimental resources under section 6, the cost of credits granted pursuant to section 6, operating services, and the sale of or inability to sell excess electric power.

(h) Notwithstanding any other provision of this section (except the provisions of subsection (a)), the Administrator shall adjust power rates to include any additional charges arising under section 4(f), and shall allocate any revenues from such charges in a manner he determines will help achieve the purposes of section 4(f).

(i) In establishing rates under this section, the Administrator shall use the following procedures, which procedures shall be established by rule:

(1) publish the initial proposed rates in the Federal Register with a statement of the justification and reasons supporting such rates pursuant to this section;

(2) appoint a hearings officer empowered to conduct ratemaking hearings and to administer oaths;

(3) after a reasonable time, conduct one or more hearings to receive public comment in the form of written and oral presentation of views, data, questions, and argument, related to such proposed rates. In any such hearing any party shall be provided with the opportunity to offer refutation or rebuttal of any material submitted by any other party. The hearings officer, in his discretion, may allow for limited cross examination in any such hearing to develop fully any essential fact which is material and relevant directly to any such proposed rate.

In his discretion, the Administrator may hold such additional hearings as he believes are necessary for the full development of the record;

(4) in addition to the opportunity to submit oral and written material at the hearings, any written views, data, questions, and argument submitted by interested persons before the close of hearings shall be made a part of the administrative record;

(5) based upon review of the full record adduced at any such hearings and written submissions, the Administrator shall publish the revised proposed rates in the Federal Register. Such rates shall be subject to an additional hearing or hearings using the procedures of (2) and (3) above, after which the Administrator shall make a final decision based on the record of all written submissions and all hearings. The decision shall include a full and complete justification of the final rates pursuant to this section;

(6) the final decision of the Administrator shall be reviewed and approved by the Federal Energy Regulatory Commission pursuant to subsection 7(a). The Commission shall have the authority to approve the final rate submitted by the Administrator on an interim basis, pending its final decision;

(7) judicial review of any rate approved by the Commission shall determine that the Administrator, in establishing such rate, has borne affirmatively the burden of proof on the basis of the administrative record developed pursuant to this subsection.

AMENDMENTS TO EXISTING LEGISLATION

SEC. 8. (a) Section 11(b) of Public Law 93-454 (as amended) is amended by striking the word "and" at the end of subparagraph (10), and by substituting "; and" for the period at the end of subparagraph (11) and adding a new subparagraph (12) as follows:

"(12) making such payments, as shall be required to carry out the purposes of the Pacific Northwest Electric Power Planning and Conservation Act.".

(b) Public Law 93-454 (as amended) is amended by striking subsections 13 (a) and (b) and substituting the following new subsections:

"SEC. 13. (a) The Administrator is authorized to issue and sell to the Secretary of the Treasury from time to time in the name of and on behalf of the Bonneville Power Administration bonds, notes, and other evidence of indebtedness (in this Act collectively referred to as 'bonds') to assist in financing the construction, acquisition, and replacement of the transmission system, to implement the Administrator's authority (including the provision of financial assistance for conservation measures and renewable resources) pursuant to the Pacific Northwest Electric Power Planning and Conservation Act, and to issue and sell bonds to refund such bonds. Such bonds shall be in such forms and denominations, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds, the useful life of the facilities for which the bonds may be issued, and financing practices of the utility industry. Refunding provisions may be prescribed by the Administrator. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of America of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rates prevailing in the market for similar bonds issued by Government corporations but not to exceed the interest rate which would be applied to such bonds if they were purchased by the Federal Financing Bank. The aggregate principal amount of any such bonds outstanding at any one time shall not exceed $1,250,000,000 prior to October 1, 1980, and $1,750,000,000 thereafter.

"(b) The principal of, premiums, if any, and interest on such bonds shall be payable solely from the Administrator's net proceeds as hereinafter defined. 'Net proceeds' shall mean for the purposes of this section the remainder of the Administrator's gross receipts from all sources after first deducting trust funds and the costs listed in section 11(b)(2) through 11(b)(7), 11(b)(11) and 11(b)(12), and shall include reserve or other funds created from such receipts.".

(c) Public Law 88-552 (as amended) is amended by striking subsection 1(b) and inserting a new subsection 1(b) as follows:

"(b) 'Pacific Northwest' means (1) the region consisting of the States of Oregon, Washington, and Idaho, the State of Montana west of the Continental Divide, and such portions of the States of Nevada, Utah, and Wyoming as are within the Columbia River drainage basin and (2) any contiguous areas, not in excess of seventy-five airline miles from said region, which are a part of the service area of a distribution cooperative served by the Administrator on the effective date of the Pacific Northwest Electric Power Planning and Conservation Act which has a distribution system from which it serves both within and without said region.".

ADMINISTRATIVE SECTIONS

SEC. 9. (a) In carrying out the provisions of this Act, the Administrator is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancellation thereof and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.

(b) The Administrator shall discharge the executive and administrative functions of his office in accordance with the policy established by Public Law 75-329, as amended, this Act and sections 302(a) (2) and (3) of Public Law 95-91. The Secretary of Energy and the Administrator shall take such steps as are necessary to (1) assure the Administrator's timely implementation of this Act and (2) enable the Administrator to operate in a sound and businesslike manner.

(c)(1) As soon as practicable after the effective date of this Act, and in no event later than nine months after the enactment of this Act, the Administrator shall, in addition to offers otherwise authorized or required in other sections of this Act, offer long-term contracts simultaneously to (A) existing public body and cooperative customers and investor-owned utilities under section 5(a); (B) Federal agencies under section 5(b)(1); (C) direct service industrial customers under section 5(c)(1); and (D) utilities under section 5(b)(2).

(2) Each customer offered a power sales contract pursuant to this subsection shall have one year from the date of offer to accept such contract. Such contract shall become effective as follows:

(A) A contract with a public body, cooperative or investor-owned utility pursuant to section 5(a) or a Federal agency pursuant to section 5(b), on the date executed by such public body, cooperative, investor-owned utility or Federal agency, unless otherwise agreed upon by the contracting parties.

(B) A contract with a utility pursuant to section 5(b)(2), on the date executed by the utility, but no earlier than the first day of the tenth month after the effective date of this Act.

(C) A contract with a direct service industrial customer pursuant to section 5(c)(1), on the date agreed upon by the parties, but no later than the first day of the tenth month after the effective date of this Act; such contract when executed may for rate purposes be given retroactive effect to such day.

The Administrator shall be deemed to have sufficient resources for the purpose of entering into the power sales contracts specified in this subsection.

(d) Any contract of the Administrator for the sale or exchange of electric power for use outside the Pacific Northwest shall be subject to limitations and conditions corresponding to those provided in sections 2 and 3 of Public Law 88-552 (as amended) for any contract for the sale, delivery or exchange of hydroelectric energy or peaking capacity generated within the Pacific Northwest for use outside the Pacific Northwest: *Provided*, That, for the purposes of this subsection, "surplus energy" shall mean electric energy for which there is no market in the Pacific Northwest at any rate established for the disposition of such energy, and "surplus peaking capacity" shall mean electric peaking capacity for which there is no demand in the Pacific Northwest at the rate established for the disposition of such capacity. The authority granted, and duties imposed upon, the Secretary of Energy by sections 5 and 7 of Public Law 88-552 (as amended) shall also apply to the Administrator in connection with resources acquired by the Administrator. The Administrator, in making any determination of the electric power requirements of a Pacific Northwest customer which is a non-Federal utility having its own generation shall exclude, in addition to hydro generated energy excluded in section 3(d) of Public Law 88-552 (as amended), any amounts of energy included in the resources of such utility for service to firm loads in the region which were disposed of by the utility outside the region if and to the extent that as the result of such disposition the firm energy requirements of such utility and other customers on the Administrator are greater than if such energy had been or reasonably could have been conserved or otherwise retained for service to regional loads.

The Administrator may sell as a replacement therefore only that which would be surplus energy.

(e)(1) For purposes of section 701 of title 5, United States Code, and the following: acquisition of resources, granting of credits under subsection 6(h), assistance to

sponsors under subsection 6(f), sales of electric power under section 5 (a) through (c), implementation of conservation measures, adoption of the plan or amendments thereto insofar as the plan or such amendments relate to specific resource acquisition or conservation decisions, determinations of the Administrator or the Council under section 4(d), and rate determinations under section 7 shall be final actions subject to judicial review. The record upon review shall compiled in accordance with this Act. The scope of review shall be governed by section 706 (1) and (2) (A) through (D) of title 5, United States Code. The adopted plan or portions thereof shall not be reviewable as a part of a review of a resource acquisition decision or a conservation measure implementation decision.

For purposes of this subsection, (A) resources shall be deemed to be acquired upon publication in the Federal Register of the Administrator's section 6(b) determination or section 6(c)(2) written statement; (B) conservation measures shall be deemed to be implemented upon publication in the Federal Register of the determination of the Administrator pursuant to section 6(a); and (C) the plan or amendments thereto shall be deemed to be adopted upon adoption by the Council and publication of notice of adoption in the Federal Register pursuant to section 4(d), or as otherwise provided for by this Act.

(2) Suits brought to challenge final actions taken pursuant to this Act, or the implementation of such final actions, whether brought pursuant to this Act or Public Law 75-329 (as amended), or Public Law 86-552 (as amended), or Public Law 93-454 (as amended), shall be commenced within ninety days of the action, or, if notice of the action is required by this Act to be published in the Federal Register, within ninety days of such notice, or be barred.

(f) For the purpose of enabling the Administrator to acquire resources from State or local governmental units at a cost no greater than the costs which would be applicable in the absence of such acquisition, the exemption from gross income of interest on certain governmental obligations provided in section 103(a)(1) of title 26 of the United States Code shall not be affected by the Administrator's acquisition of such resources if the Administrator, prior to contracting for the acquisition, certifies to his reasonable belief, in accordance with a procedure approved by the Secretary of the Treasury, as to the persons for whom the Administrator is purchasing such resources for sale pursuant to section 5 of this Act and as to the amount for each such person, and if, based upon such certification, which shall be conclusive as to the facts stated therein, the Secretary of the Treasury determines that less than a major portion thereof is to be furnished to persons who are not exempt persons as defined in section 103(b) of such title.

(g) When reviewing rates for the sale of power to the Administrator by an investor-owned utility under sections 5(b)(2) and 6, the Federal Energy Regulatory Commission shall convene a joint State board pursuant to section 209 of the Federal Power Act (16 U.S.C. 824h), and shall invest such board with such duties and authority as will assist the Commission in its review of such rates.

(h) No "company" (as defined in section 79b(a)(2) of title 15, United States Code), which owns or operates facilities for the generation of electricity (together with associated transmission and other facilities) primarily for sale to the Administrator under section 6 shall be deemed an "electric utility company" (as defined in section 79b(a)(3) of title 15, United States Code), within the meaning of any provision or provisions of chapter 2C of title 15 of the United States Code: *Provided*, That the Administrator shall have approved the organization of such "company" and all material contracts entered into by and between such "company" and any sponsor company: *Provided further*, That (1) participation in any facilities of such "company" shall have been offered to public bodies and cooperatives in the region pursuant to subsection 6(c)(5), and (2) the Administrator shall include in any contract for the purchase of a major resource from such "company" provisions limiting the amount of equity investment, if any, in such "company" to that which the Administrator determines will be consistent with achieving the lowest attainable power costs attributable to such major resource. This subsection shall continue to apply to any such "company" unless the Administrator or the Securities and Exchange Commission determines that the "company" no longer operates in accordance with this subsection, and notifies the "company" in writing of such determination, in which event this subsection shall cease to apply to such "company" thirty days after receipt of such notification.

SAVINGS PROVISIONS; WAIVERS OF PREEMPTION

SEC. 10. (a) Nothing in this Act shall alter, diminish, or abridge the right of any State or political subdivision thereof to (1) determine retail electric rates except as provided by section 5(b)(2); (2) develop and implement its own plans and programs for the conservation, development and use of electric power resources or facilities; or (3) make energy facility siting decisions including, but not limited to, determining the need for a particular facility, evaluating alternative sites, and considering alternative methods of meeting the determined need.

(b) Nothing in this Act shall alter, diminish, or abridge the authorities or obligations of the Administrator granted by or arising under any other applicable statute, unless otherwise specifically provided herein.

(c) Nothing in this Act shall alter, diminish, or abridge the rights and obligations of the Administrator or any other party under any contract or agreement existing as of the effective date of this Act.

(d) Nothing in this Act shall alter, diminish, abridge or otherwise affect the provisions of other Federal statutes by which public bodies and cooperatives are entitled to preference and priority in the sale of federally generated electric power.

(e) Nothing in this Act shall alter, diminish, or abridge the authority of the Administrator to meet with his customers or with other groups or individuals in order to discuss regional power issues or other matters of interest or concern.

(f) Nothing in this Act shall (1) affect the jurisdiction of the States and the United States over waters of any stream or over any ground water resource, (2) alter, amend, repeal, interpret, modify, or be in conflict with any interstate compact made by any States, or (3) confer upon any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.

(g) The reservation under law of electric power for use in the State of Montana by reason of the construction of Hungry Horse and Libby Dams and Reservoirs within that State, plus 50 per centum of any electric power produced at Libby Reregulating Dam when built, is hereby affirmed. Electric power so reserved shall be sold at the rate or rates set pursuant to section 7.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 316, Senate Resolution 220, continue to be laid aside temporarily until 2:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' AND SURVIVORS' BENEFITS ADJUSTMENT ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 2282, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2282) to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans.

UP AMENDMENT NO. 513

Mr. CRANSTON. Mr. President, I send to the desk a committee amendment to H.R. 2282, consisting of the text of S. 689 as reported, Calendar No. 297, and a committee amendment that I offer for myself, Senator JAVITS, Senator PERCY, Senator SIMPSON, and Senator MOYNIHAN, which is identical to an amendment adopted on June 18 as part of H.R. 3892.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON on behalf of the Committee on Veterans' Affairs) proposes an unprinted amendment numbered 513.

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) this Act may be cited as the "Veterans' and Survivors' Benefits Adjustment Act of 1979".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

RATES OF DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended by—

(1) striking out "$44" in subsection (a) and inserting in lieu thereof "$49";

(2) striking out "$80" in subsection (b) and inserting in lieu thereof "$89";

(3) striking out "$121" in subsection (c) and inserting in lieu thereof "$134";

(4) striking out "$166" in subsection (d) and inserting in lieu thereof "$184";

(5) striking out "$232" in subsection (e) and inserting in lieu thereof "$258";

(6) striking out "$292" in subsection (f) and inserting in lieu thereof "$324";

(7) striking out "$346" in subsection (g) and inserting in lieu thereof "$384";

(8) striking out "$400" in subsection (h) and inserting in lieu thereof "$444";

(9) striking out "$450" in subsection (i) and inserting in lieu thereof "$500";

(10) striking out "$809" in subsection (j) and inserting in lieu thereof "$899";

(11) striking out "$1,005" and "$1,406" in subsection (k) and inserting in lieu thereof "$1,117" and "$1,564", respectively;

(12) striking out "$1,005" in subsection (l) and inserting in lieu thereof "$1,117";

(13) striking out "$1,107" in subsection (m) and inserting in lieu thereof "$1,230";

(14) striking out "$1,258" in subsection (n) and inserting in lieu thereof "$1,398";

(15) striking out "$1,406" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,564";

(16) striking out "$604" and "$900" in subsection (r) and inserting in lieu thereof "$671" and "$1,000", respectively;

(17) striking out "$905" in subsection (s) and inserting in lieu thereof "$1,005"; and

(18) striking out "$175" in subsection (t) and inserting in lieu thereof "$194".

ELIGIBILITY FOR AID AND ATTENDANCE ALLOWANCE FOR CERTAIN VETERANS

(b) Subsection (r) of section 314 is further amended by—

(1) striking out "the" the first place it appears;

(2) striking out "or" after "this section" and inserting in lieu thereof a comma;

(3) inserting "or at the intermediate rate authorized between the rates authorized under subsections (n) and (o) of this section and at the rate authorized under subsection (k) of this section," after "subsection (p) of this section,"; and

(4) striking out "compensation under subsection (o) or (p) of this section—" and inserting in lieu thereof "compensation—".

INTERMEDIATE RATES

(c) Subsection (p) of section 314 is further amended by inserting before the semicolon at the end thereof a period and "Any intermediate rate under this subsection shall be established at the arithmetic mean between the two rates concerned".

AUTHORITY FOR ADMINISTRATIVE ADJUSTMENTS IN CERTAIN CASES

(d) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended by—

(1) striking out "$49" in clause (A) and inserting in lieu thereof "$54";

(2) striking out "$83" in clause (B) and inserting in lieu thereof "$92";

(3) striking out "$110" in clause (C) and inserting in lieu thereof "$122";

(4) striking out "$137" and "$27" in clause (D) and inserting in lieu thereof "$152" and "$30", respectively;

(5) striking out "$34" in clause (E) and inserting in lieu thereof "$38";

(6) striking out "$61" in clause (F) and inserting in lieu thereof "$68";

(7) striking out "$88" and "$27" in clause (G) and inserting in lieu thereof "$98" and "$30", respectively;

(8) striking out "$40" in clause (H) and inserting in lieu thereof "$44";

(9) striking out "$89" in clause (I) and inserting in lieu thereof "$99"; and

(10) striking out "$75" in clause (J) and inserting in lieu thereof "$83."

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$216" and inserting in lieu thereof "$242".

EFFECTIVE DATE

SEC. 104. The amendments made by sections 101 (a), (b), and (c), 102, and 103 of this title and the provisions of section 101(d) of this title shall take effect on October 1, 1979.

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 201. Section 411 is amended by—

(1) amending subsection (a) to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the persons upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate	"Pay grade	Monthly rate
E-1	$330	W-4	$473
E-2	341	O-1	418
E-3	349	O-2	431
E-4	371	O-3	462
E-5	381	O-4	488
E-6	390	O-5	538
E-7	409	O-6	604
E-8	431	O-7	655
E-9	[1] 451	O-8	718
W-1	418	O-9	771
W-2	434	O-10	[2] 844
W-3	447		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $486.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $904.";

(2) striking out "$35" in subsection (b) and inserting in lieu thereof "$39;

(3) striking out "$89" in subsection (c) and inserting in lieu thereof "$99"; and

(4) striking out "$45" in subsection (d) and inserting in lieu thereof "$50".

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended by—

(1) striking out "$150" in clause (1) and inserting in lieu thereof "$167;

(2) striking out "$216" in clause (2) and inserting in lieu thereof "$240";

(3) striking out "$278" in clause (3) and inserting in lieu thereof "$309"; and

(4) striking out "$278" and "$56" in clause (4) and inserting in lieu thereof "$309" and "$62", respectively.

RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended by—

(1) striking out "$89" in subsection (a) and inserting in lieu thereof "$99";

(2) striking out "$150" in subsection (b) and inserting in lieu thereof "$167"; and

(3) striking out "$76" in subsection (c) and inserting in lieu thereof "$84".

EFFECTIVE DATE

SEC. 204. The amendments made by this title shall take effect on October 1, 1979.

TITLE III—MODIFICATIONS OF CERTAIN VETERANS' LIFE INSURANCE PROGRAM PROVISIONS

ASSIGNMENTS OF NATIONAL SERVICE LIFE INSURANCE POLICY PROCEEDS BY BENEFICIARIES

SEC. 301. Subsection (b) of section 718 is amended by—

(1) striking out "his" and inserting in lieu thereof "such person's"; and

(2) inserting at the end thereof the following new subsection:

"(c) Except as to insurance granted under section 722(b) of this title, in any case involving a dispute between two or more persons, each of whom is claiming proceeds of a policy maturing on or after the date of the enactment of this subsection, an assignment of all or any portion of the proceeds to a person other than a person specified in subsection (b) of this section is authorized to resolve such dispute if the proposed assignee claims such proceeds on the ground that—

"(1) the insured during such insured's lifetime designated such proposed assignee as the beneficiary;

"(2) the insured contracted during such insured's lifetime with such proposed assignee to designate such proposed assignee as the beneficiary; or

"(3) such proposed assignee was named, during such insured's lifetime, in a judicial order or decree as a person whom the insured was ordered to designate as the beneficiary or to retain as the designated beneficiary.

Except in cases in which the insurance proceeds are payable in a lump sum, the designated contingent beneficiary, if any, must join in any such assignment by a person upon whose death or disqualification such contingent beneficiary's claim to the proceeds would be predicated.".

SEC. 302. Section 753 is amended by—

(1) inserting "(a)" before "Any";

(2) striking out "his" and inserting in lieu thereof "such person's"; and

(3) inserting at the end thereof the following new subsection:

"(b) In any case involving a dispute between two or more persons each of whom is claiming proceeds of a policy maturing on and after the date of enactment of this subsection, an assignment of all or any portion of the proceeds to persons other than a person specified in subsection (a) of this section is authorized to resolve such dispute if the proposed assignee claims such proceeds on the ground that—

"(1) the insured during such insured's lifetime designated such proposed assignee as the beneficiary;

"(2) the insured contracted during such insured's lifetime with such proposed assignee to designate such proposed assignee as the beneficiary; or

"(3) such proposed assignee was named, during such insured's lifetime, in a judicial order or decree as a person whom the insured was ordered to designate as the beneficiary or to retain as the designated beneficiary.

Except in cases in which the insurance proceeds are payable in a lump sum, the designated contingent beneficiary, if any, must join in any such assignment by a person upon whose death or disqualification such contingent beneficiary's claim to the proceeds would be predicated.".

AUTHORITY FOR DIVIDENDS—VETERANS' REOPENED INSURANCE

SEC. 303. Section 725 is amended by—

(1) inserting "and" after the semicolon in clause (6) of subsection (b);

(2) striking out before the period in subsection (b) the semicolon after "practicable" and all of clause (8);

(3) striking out clause (4) in subsection (c) and redesignating clauses (5), (6), and (7) as clauses (4), (5), and (6), respectively;

(4) inserting "and" after the semicolon in clause (5) (as redesignated by clause (3) of this section); and

(5) striking out in the first sentence in paragraph (1) of subsection (d) "shall be made from that fund" and inserting in lieu thereof a comma and "including payments of dividends and refunds of unearned premiums, shall be made from that fund and the interest earned thereon".

AUTHORITY FOR HIGHER INTEREST RATES FOR AMOUNTS PAYABLE TO BENEFICIARIES

SEC. 304. (a) Subchapter I of chapter 19 is amended by inserting at the end thereof the following new section:

§ 726. Authority for higher interest rates for amounts payable to beneficiaries.

"Notwithstanding sections 702, 723, and 725 of this title, where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at rate that is higher than the interest rate prescribed in the appropriate section of this subchapter. The Administrator may, from time to time, establish such higher rate only in accordance with a determination that such higher rate is administratively and actuarially sound for the program of insurance concerned. Such higher interest rate shall be paid on the unpaid balance of such monthly installments.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 725 the following new item:

"§ 725. Authority for higher interest rates for amounts payable to beneficiaries.".

SEC. 305. (a) Subchapter II of chapter 19 is amended by inserting at the end thereof the following new section:

"§ 761. Authority for higher interest rates for amounts payable to beneficiaries.

"Notwithstanding section 744(b) of this title, where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in such section. The Administrator may, from time to time, establish such higher rate only in accordance with a determination that such higher rate is administratively and actuarially sound. Such higher interest rate shall be paid on the unpaid balance of such monthly installments.".

(b) The table of sections at the beginning of such chapter is amened by inserting after the item relating to section 760 the following new item:

"§ 751. Authority for higher interest rates for amounts payable to beneficiaries.".

EFFECTIVE DATE

SEC. 306. The amendments made by this title shall take effect on the date of enactment of this Act.

TITLE IV—EXEMPTION OF VETERANS' ADMINISTRATION HOME LOANS FROM STATE ANTI-USURY PROVISIONS

SEC. 401. (a) Chapter 37 of title 38, United States Code, is amended by inserting at the end thereof the following new section:

"§ 1828. Exemption from State anti-usury provisions

"If, under any law of the United States, loans and mortgages insured under title I or title II of the National Housing Act are exempt from the application of the provisions of any State constitution or law limiting rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved by lenders, loans and mortgages guaranteed or insured under this chapter shall also be exempt from the application of such provisions.".

(b) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"§ 1828. Exemption from State anti-usury provisions.".

(c) The amendments made by this title shall be effective on the date of the enactment of this Act.

TITLE V—MISCELLANEOUS PROVISIONS

TECHNICAL AMENDMENTS

SEC. 501. (a) Paragraph (1) of subsection (c) of section 611 is amended by striking out "recognized by the Administrator for the purposes of" and inserting in lieu thereof "named in, or approved by the Administrator under,".

(b) Subsection (d) section 612A is amended by striking out the comma after "this title)".

(c) Setcion 620A is amendded by—

(1) striking out "of" after "treatment facilities" in paragraph (1) of subsection (a) and inserting in lieu thereof "for"; and

(2) striking out the comma after "such request" in paragraph (2) of subsection (d).

(d) Subsection (d) of section 663 is amended by striking out "order to carry" and inserting in lieu thereof "carrying".

(e) Subsection (a) of section 5005 is amended by striking out "section 5031 of this title" and inserting in lieu thereof "subchapter III of this chapter".

ASSISTANCE IN LOCATING CERTAIN INDIVIDUALS EXPOSED TO OCCUPATIONAL HAZARDS DURING MILITARY SERVICE

SEC. 502. In order to effectuate more fully the policy underlying the enactment of section 6103(m)(3) of the Internal Revenue Code regarding the location, for certain purposes, of individuals who are, or may have been, exposed to occupational hazards, the Director of the National Institute of Occupational Safety and Health, upon request by the Administrator of Veterans' Affairs (or the head of any other Federal department, agency, or instrumentality), shall (1) pursuant to such section 6103(m)(3), request the mailing addresses of individuals who such Administrator (or such department, agency, or instrumentality head) certifies may have been exposed to occupational hazards during active military, naval, or air service (as defined in section 101(24) of title 38, United States Code) and (2) provide such addresses to such Administrator (or such department, agency, or instrumentality head) to be used solely for the purpose of locating such individuals as part of an activity being carried out by or on behalf of the Veterans' Administration (or such other department, agency, or instrumentality) to determine the status of their health or to inform them of the possible need for medical care and treatment and of benefits to which they may be entitled based on disability resulting from exposure to such occupational hazards.

SEC. 503. (a) The Secretary of Health, Education, and Welfare, in consultation with the heads of other appropriate Federal departments and agencies, shall conduct a scientific, epidemiological study of various populations to determine if there may be long-term health effects in humans from exposure to the class of chemicals known as "the dioxins", especially those dioxins produced during the manufacture of the various phenoxy herbicides including those used during the period of the Vietnam conflict.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such long-term health effects; and (2) a description of the results of epidemiological studies conducted by the Secretary of populations of chemical workers, agricultural workers, Service personnel and veterans, and others exposed in connection with the production or use of such phenoxy herbicides. Such report, together with such comments and recommendation as the Secretary and such department and agency heads may deem appropriate, shall be submitted to the appropriate Committees of the Congress not later than two years after the date of the enactment of this Act.

Mr. CRANSTON. Mr. President, I rise to urge the Senate to approve the committee amendment to H.R. 2282. The committee amendment is identical to S. 689, the proposed Veterans' and Survivors' Benefits Adjustment Act of 1979, as reported from the Committee on Veterans' Affairs plus it includes a committee amendment authorized to be offered on the floor requiring HEW to conduct a study regarding the contaminant "dioxin." As amended by the committee amendment, H.R. 2282 would provide for an 11.1-percent cost-of-living increase in compensation and dependency and indemnity compensation—DIC—benefits that is based on an actual increase in the Consumer Price Index for urban wage earners and clerical workers—CPI–W.

The 11.1-percent increase would be effective on October 1, 1979, and would benefit 2,258,000 service-connected disabled veterans and 324,000 survivors of those who have given their lives in the service of our country.

BACKGROUND OF LEGISLATION

Mr. President, on July 12, 1979, our committee unanimously ordered S. 689 reported with an amendment in the nature of a substitute and a title amendment, and at a later point in my remarks I will insert extracts from our report, Senate Report No. 96–260.

Mr. President, on March 15, 1979, the Senator from Georgia (Mr. TALMADGE) and I introduced S. 689 at the request of the administration. As introduced, the bill provided for a 7.8-percent increase in the compensation and DIC rates. On June 7, 1979, I submitted, together with Senator TALMADGE and five other committee members—Senators STONE, DURKIN, MATSUNAGA, STAFFORD, and HUMPHREY—amendment No. 223 to S. 689, providing for a 10.7-percent increase in those rates. This increase reflected the actual percentage increase in the CPI–W for the 12 months ending in April 1979.

On June 14, 1979, Senator TALMADGE, at my request, held hearings on S. 689, amendment No. 223, and S. 754, and administration-requested bill introduced on March 26, 1979, to make certain modifications in VA insurance program provisions. Testimony was received from J. C. Peckarsky, director of the Compensation and Pension Service, E. J. Mason, assistant director for insurance, and other representatives of the Veterans' Administration, and representatives of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Blinded Veterans Association, Non-Commissioned Officers Association, and Military Widows.

On June 20, 1979, I chaired committee oversight hearings on the difficulties experienced by veterans in establishing claims for compensation for disabilities resulting from exposure to low-level radiation during nuclear weapons testing.

On June 25, 1979, the House passed H.R. 411, introduced by Congressman HAMMERSCHMIDT on January 15, 1979, to exempt VA-guaranteed home loans from State anti-usury provisions; and the bill was subsequently referred to our committee.

After reviewing the testimony received during the June 14 and June 20 hearings, the committee met in open session on July 12, 1979, to consider S. 689, amendment No. 223, S. 754, and H.R. 411, and unanimously voted to report S. 689 with an amendment in the nature of a substitute incorporating and revising many provisions from those measures.

Mr. President, S. 689, as reported, would provide for an 11.1-percent cost-of-living increase in the rates of service-connected disability compensation for some 2,258,000 veterans who were disabled as a result of their service to our country and in the rates of DIC for some 324,000 surviving spouses and children of those who died in service or as the result of service.

PURPOSES OF COMMITTEE AMENDMENT

Mr. President, the base period and the percentage increase for the compensation and DIC cost-of-living increase in the committee amendment differ from the base period used for H.R. 2282 as passed by the House on July 16, 1979. Under the committee amendment, the cost-of-living increase is 11.1 percent, based on the increase in the CPI–W for the 12 months ending in June 1979. Under H.R. 2282, as passed by the House, the rate increase is 8.3 percent, based on projected inflation for the 12 months ending on September 30, 1979.

Mr. President, the committee amendment also provides for certain modifications, derived in part from S. 754, in veterans' insurance program provisions; for the exemption of VA home loans from State antiusury laws, derived in part from H.R. 411; and for use of the so-called "NIOSH exemption" during their service veterans exposed to occupational hazards in a manner tailored to meet more effectively the need to locate certain individuals who may have been exposed to occupational hazards during military service such as low-level radiation or the contaminant dioxin found in "agent orange."

The NIOSH exemption refers to section 6103(m)(3) of the Internal Revenue Code, under which the Director of the National Institute of Occupational Safety and Health—NIOSH—may request address information from the Internal Revenue Service taxpayer files in order to locate certain individuals who have been exposed to occupational hazards for the sole purpose of advising those individuals that they may need health care.

This provision of the committee amendment is based on testimony received at the June 20 hearing on the difficulties experienced by veterans and their survivors in establishing claims for service-connected compensation and DIC benefits, and on testimony and communications we have received concerning the slow progress being made in certain long-range studies concerning the impact of low-level radiation and dioxin because of the inability of the researchers to contact exposed individuals.

Finally, the committee amendment would require an epidemiological study, by the Secretary of Health, Education, and Welfare, of the long-range effects on the health of veterans and other individuals exposed to the contaminant dioxin, as found in agent orange, a herbicide used in Vietnam during the Vietnam conflict.

"CROSSWALK" ISSUE UNDER FIRST BUDGET RESOLUTION

Mr. President, this cost-of-living increase in the committee amendment will benefit 2.3 million service-connected disabled veterans and about 320,000 survivors of those who gave their lives in the service of our country. At this time of soaring inflation rates, it is essential to provide this—the very most deserving—group of Federal beneficiaries full protection from the ravages of inflation.

Mr. President, I would like to explain briefly the reason why the committee amendment provides for an 11.1-percent cost-of-living increase. The increase is based on the actual increase in the Consumer Price Index for the 12 months ending in June 1979.

Mr. President, our committee has proposed this increase because we believe that it is extremely important to base the cost-of-living raise on an actual increase in the CPI. Last year, and in years before that, the compensation increase was based on projected rather than actual inflation. In some cases, these projections resulted in increases that exceeded or fell short of the actual increase in inflation during the base period.

Mr. President, the result of using a projection of inflation last year was a shortfall of 1.5 percentage points. The base period used then in determining the rate increase was one for which actual data with respect to the rise in the Consumer Price Index was not available when the increase was enacted. Thus, veterans and survivors were denied a full measure of protection against inflation even though Congress intended such protection.

Our committee believes that we must solve the problem of assuring rate increases adequate to counter the effects of actual inflation; and that problem cannot be solved unless Congress adopts a base period for which actual data regarding changes in the CPI are available.

Mr. President, under our committee's first concurrent resolution crosswalk, $11.7 billion in budget authority was allocated to the compensation and pension programs. The estimate being used by the Budget Committee of the fiscal year 1980 current law costs of those programs in budget authority is $11.051 billion and the estimate of the costs of this cost-of-living increase is $758 million. The total, $11.809 billion, thus exceeds by $60 million the maximum that would be within our committee's crosswalk—$11.749 billion in unrounded figures. But this Budget Committee estimate is derived from outdated CBO estimates.

The crosswalk violation, Mr. President, is thus a purely technical one. CBO's most recent current-law estimate of the cost of the compensation and pension program is $65 million lower; and if we were to use that estimate, the committee amendment would be within the crosswalk.

Mr. President, the compensation program is one of the very highest priorities of the Congress and the top priority of the Veterans' Affairs Committee. Moreover, the Congress clearly assumed, in adopting the first concurent resolution, that a cost-of-living increase would be granted.

Also, at my request, the Appropriations Committee, to which S. 689—the provisions of which are incorporated in the committee amendment—was referred last Friday in compliance with the Budget Act acted expeditiously to report the bill without recommendation on Tuesday in order to get the bill considered on the floor before the August recess.

In summary, Mr. President, let me stress that this legislation is being considered in full accord with the Congressional Budget Act. No one is trying to short circuit that process. The bill went to the Appropriations Committee because of the technical crosswalk problem, and that committee did not object to the bill or propose any costs in the rate increase figures. So the budget process is being fully preserved and respected.

Therefore, Mr. President, it seems clear that there should not be any substantive objection to passage of this bill to provide a badly needed cost-of-living increase; and the fact that the increase technically exceeds the crosswalk—simply because the rate of inflation rose to a higher level than expected and out of date cost estimates of curent law are being used in score keeping—should not stand in the way of immediate passage.

In fact, Mr. President, the fact that inflation has risen faster than expected should be a strong argument for expeditious action. I want to stress that passage before the recess is essential in order to help assure that the differences between the House- and Senate-passed versions can be resolved in time for the increase to be reflected in compensation checks for October, the first month that the increase would be effective. To delay action on this measure will mean that service-

connected disabled veterans and their survivors will not get their rate increase on time.

SUMMARY OF PROVISIONS

Mr. President, the committee amendment has five titles: Veterans' disability compensation benefits; dependency and indemnity compensation benefits; modifications of certain Veterans' Administration life insurance provisions; exemption of Veterans' Administration home loans from State anti-usury provisions; and miscellaneous provisions.

TITLE I: VETERANS' DISABILITY COMPENSATION BENEFITS

Mr. President, the provisions of title I would:

First, provide an 11.1-percent cost-of-living increase, reflecting the actual CPI–W percentage increase for the 12 months ending in June 1979, in basic compensation rates for service-connected disabled veterans and in the special rates payable for certain severe disabilities; in the allowances for spouses, children, and dependent parents, paid to service-connected disabled veterans rated 30-percent or more disabled; an in the annual clothing allowance paid to veterans whose compensable disability requires the use of a prosthetic or orthopedic appliance, including a wheelchair, that tends to tear or wear out their clothing.

Second, provide that a veteran compensated at the rate intermediate between the rates authorized under subsections (n) and (o) of section 314 of title 38 plus the rate authorized under subsection (k) of title 38—the so-called n ½ plus k rate—shall be eligible for the consideration of the need for an aid-and-attendance allowance authorized under subsection (r) of section 314.

TITLE II: DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

Mr. President, the provisions of title II would provide an 11.1 percent cost-of-living increase, again reflecting the actual CPI–W percentage increase for the 12 months ending in June 1979, in DIC benefits payable to surviving spouses of veterans whose deaths were service connected; in the additional allowances paid to surviving spouses receiving DIC for dependent children and to surviving spouses who are so disabled as to be in need of regular aid and attendance or permanently housebound; and in DIC benefits for the children of veterans whose deaths were service connected where no surviving spouse is entitled to DIC, the child is age 18 through 22 and attending an approved educational institution, or the child is age 18 or over and became permanently incapable of self-support prior to reaching age 18.

TITLE III: MODIFICATION OF CERTAIN VETERANS' ADMINISTRATION LIFE INSURANCE PROGRAM PROVISIONS

Mr. President, the provisions of title III would:

First, expand, beyond specified close family members of the insured veteran, the categories of persons to whom assignments of the proceeds of National Service Life Insurance—NSLI—and U.S. Government life insurance—USGLI—policies are authorized in order to include, where the purpose of an assignment is to facilitate the resolution of disputes between claimants for those proceeds, any person who claims such proceeds on the ground that he or she was designated by the insured veteran as the beneficiary, had a contract with the insured veteran to be designated as the beneficiary, or was named in a court order as the person whom the insured veteran must designate or retain as the beneficiary.

Second, authorize the payment of dividends on Veterans Reopened Insurance policies—NSLI—policies issued to certain disabled veterans during the limited reopening in 1965 of the NSLI program—from the Veterans Reopened Insurance trust fund.

Third, authorize the payment of interest on NSLI, USGLI, and Veterans' Special Life Insurance policy proceeds, where the proceeds are payable in a limited number of monthly installments, at rates that are higher than those currently payable and that the Administrator of Veterans' Affairs finds to be actuarially and administratively sound.

TITLE IV: EXEMPTION OF VETERAN'S ADMINISTRATION HOME LOANS FROM STATE ANTI-USURY PROVISIONS

Mr. President, the provisions of title IV would exempt VA guaranteed and insured home loans from State "anti-usury" provisions—constitutional or statutory provisions limiting the rate or amount of interest that may be charged—wherever any other Federal law provides an exemption from State antiusury provisions for home loans insured under title I or II of the National Housing Act.

TITLE V: MISCELLANEOUS PROVISIONS

Mr. President, the provisions of title V would:

First, require the Director of the National Institute of Occupational Safety and Health—NIOSH—upon the request of the VA or another Federal agency, and under the provisions of section 6103 (m) (3) of the Internal Revenue Code, to request from the Internal Revenue Service current mailing-address information on persons who the agency head certifies may have been exposed to occupational health hazards while serving in the Armed Forces and so supply that information to the VA, or another Federal agency, solely for purposes of locating such persons as part of an activity being carried out by or on behalf of the VA, or another Federal agency, for certain medical followup and benefits notification purposes relating to such possible occupational hazard exposures.

Second, require the Secretary of Health, Education, and Welfare, in consultation with other appropriate Federal agency heads, to conduct an epidemiological study of the long-term health effects of the exposure of various populations to the chemicals known as the dioxins, as found in agent orange, a herbicide used in Vietnam during the Vietnam conflict, and in other herbicides used in the United States. The report of the study, together with any recommendations of the Secretary and the other Federal agency heads, is to be submitted to the appropriate congressional committees no later than 30 months after the date of enactment of the committee amendment.

Mr. President, the provisions of titles I and II of the committee amendment would be effective on October 1, 1979, and the provisions of the remaining titles would be effective upon enactment.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of this measure, I ask unanimous consent that there be printed in the RECORD pertinent excerpts from Senate Report No. 96–260 accompanying S. 689.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

DISCUSSION

TITLE I: VETERANS' DISABILITY COMPENSATION BENEFITS

The Committee bill provides for an 11.1-percent increase in the monthly rates of service-connected disability compensation and in the annual clothing allowance. The 11.1-percent increase is based on the actual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI–W) for the 12 months ending in June 1979.

In addition, the Committee bill provides, for certain severely disabled veterans, eligibility for the aid-and-attendance allowances authorized under section 314(r) of title 38, United States Code.

The provisions of title I would become effective on October 1, 1979, and the cost-of-living increase would be reflected in monthly payments to veterans beginning on November 1, 1979.

Background

The service-connected disability compensation program provides monthly cash benefits to veterans who have suffered disabilities during, or a a result of, their service in our Nation's Armed Forces. This program ranks as the highest program priority of the Veterans' Affairs Committee.

Section 355 of title 38, United States Code, provides that the ratings for disability shall be based "as far as practicable, upon average impairments of earning capacity resulting from such injuries in civil occupations." Other less tangible factors have also been considered by Congress in establishing compensation rates for those who sustained disabilities in the service of our country.

The amount paid in individual instances is contingent upon the nature of the veterans' disability or combination of disabilities and the extent to which earning capacity is considered to have been impaired. Compensable disabilities are rated according to the VA's Schedule of Rating Disabilities on a graduated scale ranging from 10 to 100 percent. A totally disabled veteran is thus compensated at not less than the 100-percent rate. Higher monthly rates are payable to totally disabled veterans with certain specific, very severe disabilities and combinations of disabilities.

The Veterans' Administration disability compensation program currently provides benefits for 2,258,808 veterans who have service-connected disabilities. This number is composed of disabled veterans with the following periods of service: 35,500 are World War I veterans; 1,224,000 World War II veterans; 237,800 Korean-conflict veterans; and 532,400 Vietnam-era veterans.

The following table reveals average costs and caseloads for veterans and survivors:

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS DISABILITY AND SURVIVOR COMPENSATION CASES

[Total cost in thousands of dollars]

Total costs	Fiscal year 1978			Fiscal year 1979 (estimated)			Fiscal year 1980 (estimated)		
	Average cases	Average cost	Total cost ($9,629,300)	Average cases	Average cost	Total cost ($10,720,414)	Average cases	Average cost	Total cost ($11,201,800) [1]
Compensation (total)	2,617,108	$2,367	$6,195,203	2,619,664	$2,579	$6,756,221	2,616,538	$2,583	$6,757,400
Veterans (total)	2,253,738	2,252	5,075,989	2,258,808	2,453	5,538,831	2,257,308	2,456	5,554,840
Spanish-American War	3	8,153	24	3	8,748	26	3	8,748	26
Mexican border period	5	9,812	49	5	10,528	53	5	10,528	53
World War I	40,424	2,865	115,800	35,500	3,115	110,571	30,700	3,114	95,603
World War II	1,250,571	2,108	2,637,936	1,224,400	2,295	2,810,414	1,194,000	2,297	2,742,481
Korean conflict	238,783	2,539	606,227	237,800	2,760	656,341	236,800	2,760	653,694
Vietnam era	509,163	2,301	1,171,343	532,400	2,502	1,331,895	553,300	2,502	1,384,484
Peacetime service	214,789	2,536	544,620	228,700	2,757	630,531	242,500	2,757	668,988
Survivors (total)	363,370	3,080	1,119,204	360,856	3,371	1,216,390	359,230	3,375	1,212,556
Indian wars	1	2,840	3	1	3,047	3	1	3,047	3
Civil War	5	4,892	24	3	5,259	16	2	5,240	10
Spanish-American War	174	3,372	587	150	3,667	550	125	3,672	450
Mexican border period	3	3,883	12	2	4,166	8	2	4,166	8
World War I	32,460	3,552	115,307	31,300	3,861	120,858	30,400	3,867	117,556
World War II	181,188	2,659	481,746	177,300	2,905	514,975	173,400	2,903	503,371
Korean conflict	39,279	2,968	116,599	39,200	3,241	127,074	39,100	3,234	126,468
Vietnam era	61,796	3,647	225,358	63,900	3,964	254,605	66,700	3,972	264,940
Peacetime service	48,464	3,705	179,568	49,000	4,047	198,301	49,500	4,035	199,732

Source: Department of Veterans' Benefits, Veterans' Administration, July 1979.

History of Cost-of-Living Increases

The Committee periodically reviews the service-connected disability compensation program to ensure that the benefits authorized provide reasonable and adequate compensation for disabled veterans and their families. Congress has traditionally acted periodically to provide cost-of-living increases in compensation benefits, in order to assure that those benefits kept pace with inflation.

The following table shows statutory increases in the rates of disability compensation since 1957:

TABLE 2.—HISTORY OF SERVICE-CONNECTED DISABILITY COMPENSATION INCREASES, 1957 TO PRESENT

Sec. 314, title 38, subsection—	Public Law 85–168, Oct. 1, 1957 monthly rate	Public Law 87–645 Oct. 1, 1962		Public Law 89–311 Oct. 31, 1965		Public Law 90–493 Jan. 1, 1969		Public Law 91–376 July 1, 1970		Public Law 92–328 Aug. 1, 1972	
		Percentage increase	Monthly rate	Percentage increase	Monthly rate	Percentage increase	Monthly rate	Percentage increase	Monthly rate	Percentage increase	Monthly rate
(a)	$19	5.3	$20	5.0	$21	9.5	$23	8.7	$25	12.0	$28
(b)	36	5.6	38	5.3	40	7.5	43	7.0	46	10.8	51
(c)	55	5.5	58	3.4	60	8.3	65	7.7	70	10.0	77
(d)	73	5.5	77	6.6	82	8.5	89	7.9	96	10.4	106
(e)	100	7.0	107	5.6	113	8.0	122	10.7	135	10.3	149
(f)	120	6.7	128	6.3	136	8.1	147	10.9	163	9.8	179
(g)	140	6.4	149	7.4	161	8.1	174	10.9	193	9.8	212
(h)	160	6.3	170	9.4	186	8.1	201	10.9	223	9.9	245
(i)	179	6.7	191	9.4	209	8.1	226	10.6	250	10.0	275
(j)	225	11.1	250	20.0	300	33.3	400	12.5	450	10.0	493
(k)											
(l)	309	10.0	340	17.6	400	25.2	500	12.0	560	10.0	616
(m)	359	8.6	390	15.4	450	22.2	550	12.0	616	10.1	678
(n)	401	9.7	440	19.3	525	18.2	625	12.0	700	10.0	770
(o)	450	16.7	525	14.3	600	16.7	700	12.0	784	9.0	862
(p)	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9	862
(q)											
Subsec. (r) "Aid and Attendance" nonhospitalization, Public Law 85–782, effective Oct. 1, 1958:											
(1)	150	33.3	200	25.0	250	20.0	300	12.0	336	10.1	370
(2)											
Subsec. (s) (housebound cases) Public Law 86–663, effective Sept. 1, 1960	265	9.4	290	20.7	350	28.8	450	12.0	504	9.9	554
(t)											
Sec. 362 of title 38											

Sec. 314, title 38, subsection—	Public Law 93–295 May 1, 1974		Public Law 94–71 Aug. 1, 1975		Public Law 94–433 Oct. 1, 1976		Public Law 95–117 Oct. 1, 1977		Public Law 95–479 Oct. 1, 1978	
	Percentage increase	Monthly rate	Percentage increase	Monthly rate	Percentage increase	Monthly rate	Percentage increase	Monthly rate	Percentage increase	Monthly rate
(a)	11	$32	9.4	$35	8.6	$38	6.6	$41	7.3	$44
(b)	15	59	10.2	65	7.7	70	6.6	75	7.3	80
(c)	15	89	10.1	98	8.2	106	6.6	113	7.3	121
(d)	15	122	9.8	134	8.2	145	6.6	155	7.3	166
(e)	15	171	9.9	188	8.0	203	6.6	216	7.3	232
(f)	18	211	11.9	236	8.1	255	6.6	272	7.3	292
(g)	18	250	12.0	280	7.9	302	6.6	322	7.3	346
(h)	18	289	12.1	324	8.0	350	6.6	373	7.3	400
(i)	18	325	12.0	364	8.0	393	6.6	419	7.3	450
(j)	18	584	12.2	655	7.9	707	6.6	754	7.3	809
(k)	10	52	0	52	8.0	879	6.6	56	7.3	56
(l)	18	727	12.0	814	8.0	879	6.6	937	7.3	1,005
(m)	18	800	12.0	896	8.0	968	6.6	1,032	7.3	1,107
(n)	18	909	12.0	1,018	8.0	1,099	6.6	1,172	7.3	1,258
(o)	18	1,017	12.0	1,139	8.1	1,231	6.6	1,312	7.3	1,408
(p)	18	1,017	12.0	1,139	8.1	1,231	6.6	1,312	7.3	1,408
(q)										
Subsec. (r) "Aid and Attendance" nonhospitalization, Public Law 85–782, effective Oct. 1, 1958:										
(1)	18	437	11.9	489	0	528	6.6	563	7.3	604
(2)									(1)	900
Subsec. (s) (housebound cases) Public Law 86–663, effective Sept. 1, 1960	18	654	11.9	732	7.7	791	6.6	843	7.3	905
(t)									(1)	175
Sec. 362 of title 38					8.6	190	6.6	203	7.3	218

[1] From Oct. 1, 1978.

Source: Department of Veterans' Benefits, Veterans' Administration, July 1979.

In this way, Congress has shown its dedication to the needs of our Nation's service-connected disabled veterans and the survivors of those who have given their lives in the service of our country.

Base period for cost-of-living increases

From 1957 to 1978, 11 Public Laws were enacted by Congress in order to provide for rate increases. Five of those Public Laws were enacted in the last 5 years. Public Law 93-295, effective May 1, 1974, provided for an average increase of 17.2 percent. Public Law 94-71, effective August 1, 1975, provided for an average increase of 11.8 percent. Public Law 94-433, effective October 1, 1976, provided for an increase of 8 percent. Public Law 95-117, effective October 1, 1977, provided for an increase of 6.6 percent. Public Law 95-479, effective October 1, 1978, provided for an increase of 7.3 percent.

Each of these increases was intended to make up for inflation during the period from the effective date of the most recent increase to the proposed effective date of the new increase. Thus, Congress projected the rate of increase that would be required in order to make up both for inflation that had already occurred during that particular base period and the inflation that was expected to occur prior to the proposed effective date. In recommending the rate increases that were subsequently enacted by the 95th Congress, the Committee relied upon projections made by the Congressional Budget Office (CBO) and submitted to the Committee in July 1977 and July 1978.

However, when the base period used for a rate increase does not permit the use of an actual measure of the CPI increase, the increase enacted may be either more or less than what is actually required to keep pace with inflation. For example, in 1977, Public Law 95-117 provided for a rate increase of 6.6 percent, effective October 1, 1977. This increase was intended to make up for inflation from the date when the previous increase had become effective, October 1, 1976 to September 30, 1977. The actual measurement of the CPI over that base period was 6.5 percent, resulting in a rate increase that exceeded the CPI increase by one-tenth of a percentage point. A second example occurred, as a result of the enactment of Public Law 95-479. Under that law, the rate increase, effective October 1, 1978, was 7.3 percent, based on CBO's July 1978 projection of inflation for the 12 months ending in October 1978. However, the actual rate of inflation for the 12 months ending in October 1978 was 8.8 percent.

The result of using a projection of inflation in Public Law 95-479 was a shortfall of 1.5 percentage points. The base period used in determining the rate increase was one for which actual data with respect to the rise in the Consumer Price Index (CPI) was not available when the increase was enacted. Thus, veterans and survivors were denied a full measure of protection against inflation, even though Congress intended such protection.

This shortfall did not occur because of any negligence or lack of concern in the Congress. In recommending the 7.3-percent increase to the Senate in July 1978, the Committee relied on economic projections of the rate of inflation made by CBO based on economic indicators available at that time. The actual increase—8.8 percent—in the CPI for the October-to-October base period was not available until late in November 1978, many weeks after the legislation had already been passed by Congress and signed by the President.

CBO makes economic projections of inflation for the current and future fiscal years shortly after the submission of the President's budget each January for the coming fiscal year. In June, using updated economic indicators, CBO begins a revision of its economic assumptions and its projections. The revised projections are generally made available to the Congress during July, and they are not revised again until the following January.

These CBO projections are invaluable tools with regard to making decisions in the Congressional budget process and many other decisions that must be made by Congress. But, as a means by which to determine a rate increase, a projection is, in the Committee's view, inappropriate because there are far too many variables.

Thus, the Committee believes that the problem of assuring rate increases adequate to counter the effects of actual inflation cannot be solved unless Congress adopts a base period for which actual data regarding changes in the CPI are available.

Cost-of-Living Increases in Other Income Security Programs Based on CPI Increase

It is generally conceded that the most precise measure of the impact of inflation is provided by the CPI. The CPI is compiled on a monthly basis by the Bureau of Labor Statistics of the Department of Labor, and percentage changes in it are used as the basis for automatic cost-of-living adjustments in social security benefits, military retirement benefits, and civil service annuities. For example, social security and railroad retirement benefits are adjusted by reference to the percentage increase in the CPI, averaged over 3 months, between the first quarter of the calendar year in which the benefit increase is to become effective and the first quarter of the previous calendar year. Although the mechanisms in the military retirement and civil service annuity programs differ, in each of those Federal programs the semi-annual adjustments are based on the actual increase in the CPI. Also, Public Law 95-588, the Veterans' and Survivors' Pension Improvement Act of 1978, provides, with regard to the new pension program established by that Act, for automatic annual cost-of-living increases based on the social security increase and thus on the actual increase in the CPI. Thus, social security beneficiaries, military retirees, civil service annuitants, and VA pensioners are safeguarded against shortfalls in their cost-of-living increases.

Committee Bill Base Period and Use of CPI-W

By basing the cost-of-living increase on the actual change in the CPI for the 12 months ending in June 1979, the Committee bill will assure the veterans and survivors concerned of an increase commensurate with the actual increase in inflation over the most recent one-year base period for which CPI data is available.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (formerly referred to simply as the "Consumer Price Index") was revised by the Bureau of Labor Statistics in 1978, and a new Consumer Price Index for All Urban Consumers was established. The former is now known as the "CPI-W" and the latter as the "CPI-U". Both the CPI-W and the CPI-U are published toward the end of each month for the previous month. Although the CPI-U was intended to provide a better measure of increases in prices of goods and services purchased by persons living on fixed incomes and others who do not fit into the categories of wage earners and clerical workers, the new index has not varied significantly from the CPI-W.

On May 15, 1979, the Social Security Administration published a notice in the Federal Register, beginning on page 26423, that social security benefits would be increased by 9.9 percent, effective June 1, 1979, and that this automatic cost-of-living increase is based on the increase in the CPI-W over the appropriate base period.

Since social security benefit increases are based on the CPI-W, the Committee believes that measure is the most appropriate measure for computing increases in the VA's compensation and DIC programs.

Comparison between rate increase in Committee bill and projections of inflation by OMB and CBO

The base period of the Committee bill is, as has been noted, the 12-month period ending in June 1979; and inflation over that period, as measured by the actual rise in the CPI-W, was 11.1 percent.

By contrast, the base period of S. 689 as introduced is October 1, 1978, to September 30, 1979, that is, from the effective date of the most recent rate increase to the day preceding the bill's effective date. At the time S. 689 was introduced, the Office of Management and Budget (OMB) was projecting inflation of 7.8 percent over that period whereas CBO was projecting inflation of 8.3 percent. However, OMB's projection of inflation for that period has been revised to 9.4 percent, as noted by the VA's Director of Compensation and Pension Service at the June 14 hearing on S. 689, and CBO's July 1979 projection of inflation for that same period is 10.9 percent.

Administration position

The President indicated his strong support for a cost-of-living increase in compensation benefits by making provisions in his budget for fiscal year 1980 for the cost of a 7.8-percent rate increase and by recommending the enactment of legislation for such an increase. In a letter dated February 23, 1979, accompanying the draft legislation, the Administrator of Veterans' Affairs, Max Cleland, stated that the VA "supports increases designed to offset the decline in purchasing power due to inflation which are based on changes in the Consumer Price Index (CPI)". During the 95th Congress, in responding to questions submitted by the Chairman following the June 30, 1978, hearing on compensation legislation, the VA stated:

The Veterans' Administration has always favored the concept that increases in the rates payable in the disability compensation and dependency and indemnity compensation programs, designed to offset the decline in purchasing power due to inflation, should be based on changes in the Consumer Price Index (CPI) . . . .

We would have no objection to the Congress establishing a new base period such as from July 1 to June 30 on which to determine the actual CPI increase. . . .

Subsequently, at the June 14 hearing on S. 689, the Director of the Compensation and Pension Service stated that the Administration preferred to use the October-to-October base period.

Committee bill provisions

Cost-of-living increase

The 11.1-percent increase provided for by the Committee bill would apply to the monthly rates of disability compensation under section 314 of title 38, United States Code, except for the monthly rates specified in subsection (k) of section 314; the rates of additional monthly compensation for dependents payable under section 315 to veterans rated 30 percent or more disabled; and the annual clothing allowance under section 362 for disabled veterans who must use prosthetic or other orthopedic appliances, such as wheelchairs, that tend to tear or wear out clothing. The maximum monthly amounts specified in subsections (k) and (p) of section 314 would also be increased. Those are specific dollar amounts that may not be exceeded in the event that a veteran would otherwise be entitled to a higher amount by reason of entitlement to two or more monthly rates.

The following table shows the current rates of disability compensation and those proposed by the Committee bill, together with the number of veterans receiving compensation in each category:

TABLE 3.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER S. 689 AS REPORTED

Applicable subsection of sec. 314, United States Code	Percentage of disability	Increases in monthly rate From—	Increases in monthly rate To—	Number of veterans
(a)	10	$44	$49	878,138
(b)	20	80	89	354,423
(c)	30	121	134	315,110
(d)	40	166	184	184,577
(e)	50	232	258	114,808
(f)	60	292	324	123,816
(g)	70	346	384	88,987
(h)	80	400	444	40,819
(i)	90	450	500	13,974
(j)	100	809	899	121,004
HIGHER STATUTORY AWARDS FOR CERTAIN MULTIPLE DISABILITIES				
(k)(1)	Anatomical loss or loss of use of 1 or more creative organs, 1 foot, 1 hand, or both buttocks, or blindness of 1 eye, or complete organic aphonia, or deafness in both ears—for each loss.	56	56	85,871
(2)	Maximum limit for veterans receiving payments under (a) to (j), above	1,005	1,117	
(3)	Maximum limit for veterans receiving payments under (l) to (w), below.	1,408	1,564	
(l)	Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes, permanently bedridden or so helpless as to require regular aid and attendance.	1,005	1,117	6,769
(m)	Anatomical loss or loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, or blind in both eyes, either with light perception only or rendering veteran so helpless as to require regular aid and attendance.	1,107	1,230	2,804
(n)	Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthesis or anatomical loss of both eyes.	1,258	1,398	402
(o)	Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), above, no condition being considered twice in the determination, or deafness rated at 60 percent or more in combination with total blindness.	1,408	1,564	53
(p)(1)	If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate is payable—but compensation may not exceed.	1,408	1,564	6,979
(2)	For blindness of both eyes together with bilateral deafness rated at 40 percent or more disabling or total deafness of 1 ear, next higher rate or intermediate rate, respectively, is payable—but compensation may not exceed.	1,408	1,564	
(3)	Anatomical loss or loss of use of three extremities, next higher rate or intermediate rate is payable—but compensation may not exceed.	1,408	1,564	
(q)	[This subsection repealed by Public Law 90-493.]			
(r)(1)	If veteran entitled to compensation at the rate provided for under (o), above, or at the maximum rate under (p), above, is in need or regular aid and attendance, in addition to such rate.	604	671	8,645
(2)	If veteran described in (r)(1) above, is in need of a higher level of care by a licensed health-care professional or a person under the regular supervision of such a professional, in addition to the rate payable under (o) or (p).	900	1,000	
(s)	If veteran has a disability rated as total, plus additional disability independently ratable at 60 percent or over, or is permanently housebound.	905	1,005	6,780
(t)	If veteran entitled to compensation under (a) through (i), above, has suffered the service-connected loss or loss of use of an extremity ratable at 40 percent or more and the non-service-connected loss or loss of use of paired extremity, and the latter loss would be rated at 40 percent or more if service connected, in addition to the rate payable under (a) through (i), above.	175	194	14

Source: Department of Veterans' Benefits, Veterans' Administration, July 1979.

Veterans whose disabilities are rated at 30 percent or more may receive additional compensation for the veteran's spouse, children, and dependent parents. Under the Committee bill, those dependents' allowances would also be increased by 11.1 percent. Such dependents' allowances are prorated according to the percentage of disability. In 1978, the number of dependents for whom veterans received additional compensation exceeded 1 million.

The following table shows the current rates of additional compensation for dependents and those that would be provided for under the Committee bill:

TABLE 4.—ADDITIONAL COMPENSATION FOR DEPENDENTS

	Monthly rate From—	Monthly rate To—
Spouse	$49	$54
Spouse and child	[illegible]	92
No spouse, 1 child	34	37
Each additional child	27	30
Each dependent parent	40	44
Each child age 18 to 22 attending school	75	[illegible]
Spouse in nursing home or severely disabled	89	99

Source: Department of Veterans' Benefits, Veterans' Administration, July 1979.

Eligibility of certain veterans for aid-and-attendance allowance

The Committee bill would make veterans receiving compensation at the so-called "n½+k" rate eligible for consideration for the aid-and-attendance allowances under subsection (r) of section 314 of title 38, United States Code. Compensation at the "n½+k" rate means that the veteran is entitled by reason of certain severe disabilities, to receive compensation at the rate intermediate between the rates provided for under subsections (n) and (o)—called the "n½" rate for purposes of convenience—and is also entitled to a "k" award, that is, additional compensation under subsection (k) of section 314.

The intermediate rates are authorized under subsection (p) of section 314 to be determined administratively by the VA, for cases in which the veteran's disabilities exceed the requirements for a particular rate but do not meet the requirements for the next higher rate.

Under current law, in order to receive consideration for the aid-and-attendance allowances under section 314(r) of title 38, a veteran must be compensated either at the highest rate under subsection (p) or under subsection (o). Prior to 1978, veterans paid at the "n½+k" rate received compensation equal to or greater than the highest rate under subsection (p), and, in accordance with a 1963 VA General Counsel's opinion (Op. G.C. 9-63), were granted consideration for the regular aid-and-attendance allowances under subsection (r). For example, in 1977, the highest rate under subsection (p) was $1,231; a veteran compensated at the "n½+k" rate received $1,232.

Until 1974, the "n½" rate was established by the VA at the arithmetic mean between the (n) and (o) rates, and, as has been noted, a veteran compensated at the "n½+k" rate received compensation that equaled or exceeded the highest rate under subsection (p). However, the fact that Congress did not provide for cost-of-living increases in the "k" award during those years meant that "n½+k" veterans would not remain eligible for aid-and-attendance allowances if the "n½" rate were set at the arithmetic mean. From 1974 to 1977, the VA administratively adjusted the "n½" rate by making the "n½" rate an amount higher than the arithmetic mean between the (n) and (o) rates so that those veterans would remain eligible for the aid-and-attendance allowance.

The following table shows a comparison between the "n½+k" rates and the section 314(p) rates under laws enacted since 1965:

TABLE 5.—COMPARISON OF MONTHLY "n½+k" RATE AND HIGHEST RATE UNDER SECTION 314(P) OF TITLE 38 FROM 1965 TO THE PRESENT

Public Law and effective date	"n½+k"	Highest rate under sec. 314(p)
89-311, Dec. 1, 1965	$610	$600
90-77, Oct. 1, 1967	610	600
90-493, Jan. 1, 1969	710	700
91-376, July 1, 1970	789	784
92-328, Aug. 1, 1972	853	852
93-295, May 1, 1974	1,017	1,017
94-71, Aug. 1, 1975	1,140	1,139
94-433, Oct. 1, 1976	1,232	1,231
95-117, Oct. 1, 1977	1,312	1,312
95-479, Oct. 1, 1978	1,389	1,408

Source: Veterans' Administration, December 1978.

In 1978, following the enactment of Public Law 95-479, the VA adjusted the "n½" rate to the arithmetic mean. As a result, a veteran compensated at the "n½+k" rate could not be considered for an aid-and-attendance allowance because no such veteran was receiving compensation equal to or exceeding the highest rate under subsection (p). By rerating certain "n½+k" cases so that the veterans concerned would remain eligible for aid-and-attendance allowances, the VA tried to avert any hardship to individual veterans, but about 58 veterans—all very seriously disabled—are rated "n½+k" at present and are not eligible for consideration for an aid-and-attendance award.

In the Committee's view, the disabilities of these veterans may be so severe as to require

assistance by another person to the extent required for the award of an aid-and-attendance allowance under section 314(r). Thus, the Committee bill would amend section 314(r) of title 38 to provide eligibility to such veterans for consideration for the award of an aid-and-attendance allowance.

Also, in order to clarify Congressional intent with regard to the method used by the VA to establish the intermediate rates, the Committee bill would amend title 38 to require explicitly that intermediate rates be established at the arithmetic mean between the two rates concerned.

Increase in annual clothing allowance

The Committee bill would provide for an increase of 11.1 percent in the annual clothing allowance commensurate with the rate increases being provided for in the compensation and DIC programs.

Under current law (section 362 of title 38), a special clothing allowance is provided to veterans whose service-connected disabilities require them to wear or use a prosthetic or orthopedic appliance which tends to wear out or tear their clothing. In 1971, in Public Law 92-329, Congress first authorized an annual clothing allowance (of $150) for these veterans. Prior to the enactment of that law, the Administrator has been authorized to furnish "special clothing" necessitated by the wearing of prosthetic appliances. However, the law did not authorize the replacement of conventional clothing subjected to extraordinary wear and tear.

Congress has acted in recent years to assure that the clothing allowance keeps pace with inflation; and, in the Second Session of the 95th Congress, as part of Public Law 95-479, an increase of 7.3 percent was authorized, consistent with the compensation cost-of-living increase provided for under that 1978 law.

In 1979, 62,607 veterans are receiving clothing allowances.

TITLE II: SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

The Committee bill would also provide for a cost-of-living increase of 11.1 percent in the rates of dependency and indemnity compensation (DIC) authorized under chapter 13 of title 38 for surviving spouses and children of veterans whose deaths were service connected. The increase would be effective October 1, 1979, and reflected in payments to survivors beginning on November 1, 1979.

Background

The dependency and indemnity compensation (DIC) program, which supplanted the earlier death compensation program, was established in 1956 with the enactment of the Servicemen's and Veterans' Survivor Benefits Act (Public Law 84-881).

DIC is paid to the survivors—surviving spouses, unmarried children under the age of 18, as well as certain helpless children age 18 or over, children between the ages of 18 and 23 who are enrolled in school, and certain needy parents—of servicemen or veterans who died on or after January 1, 1957, from: (1) a disease or injury incurred or aggravated in line of duty while on active duty or active duty training; or (2) an injury incurred or aggravated in line of duty while on inactive duty training; or (3) a disability compensable under laws administered by the VA.

Surviving spouses, children, and parents who are receiving death compensation by reason of a veteran's death occurring before January 1, 1957, may elect to receive DIC benefits in lieu of death compensation. Once they so elect, however, they cannot thereafter receive death compensation.

DIC is paid to surviving spouses at rates determined by the pay grade—service rank—of the deceased veteran. A higher rate is payable if the surviving spouse is so disabled as to be housebound or in need of regular aid-and-attendance, and additional amounts are payable for the veteran's surviving children. Children become entitled to DIC where there is no surviving spouse, or where the child age 18 or over has become permanently incapable of self support before reaching the age of 18 or the child is age 18 to 23 and pursuing an approved course of education.

During 1978, DIC benefits were paid to or for 317,429 surviving spouses and children.

In addition, DIC is paid to the needy surviving parents of a veteran whose death was service-connected. Under Public Law 95-588, the provisions of chapter 13 of title 38, United States Code, governing the parents' DIC rates, were amended to provide for automatic annual adjustments at the same time and by the same percentage as social security benefits.

Under section 410(b) of title 38, benefits are also paid at DIC rates to the surviving spouses and children of veterans whose deaths are not determined to be service connected where the veteran received compensation at the 100-percent rate over an extended period of time immediately prior to his or her death.

Committee bill provisions

The Committee bill would provide for a cost-of-living increase of 11.1 percent in DIC rates for surviving spouses and children, the same rate of increase provided service-connected disabled veterans under title I of the Committee bill. Additional allowances for surviving spouses in need of aid-and-attendance or housebound, helpless children age 18 or over, children between the ages of 17 and 23 attending school, and surviving spouses and dependent parents in receipt of death compensation and in need of regular aid and attendance, would also be increased by 11.1 percent.

The following table shows a comparison of those rates under current law with the rates provided for under the Committee bill:

TABLE 6.—COMPARISON OF MONTHLY DIC RATES UNDER PRESENT LAW AND S.689 AS REPORTED

	From—	To—
Veterans' pay grade:		
E-1	$297	$330
E-2	307	341
E-3	314	349
E-4	334	371
E-5	343	381
E-6	351	390
E-7	368	409
E-8	388	431
E-9	406	451
W-1	376	417
W-2	391	434
W-3	402	447
W-4	426	473
O-1	376	418
O-2	388	431
O-3	416	462
O-4	439	488
O-5	484	538
O-6	544	604
O-7	590	655
O-8	646	718
O-9	694	771
O-10	760	844

The 11.1-percent increase would also be applicable to benefits paid at DIC rates under section 410(b) of title 38, United States Code, to the surviving spouses and children of certain totally disabled service-connected disabled veterans whose deaths were not service connected.

TITLE III: MODIFICATIONS OF CERTAIN VETERANS' LIFE INSURANCE PROGRAM PROVISIONS

The Committee bill would provide for three modifications of certain Veterans' Administration life insurance program provisions under chapter 19 of title 38: A limited expansion of the class of persons to whom a beneficiary may assign all or part of the proceeds of a National Service Life Insurance (NSLI) or U.S. Government life insurance (USGLI) policy; authority for the payment of dividends on certain NSLI policies; and authority for interest rates higher than those currently payable on certain NSLI, USGLI, and Veterans Special Life Insurance (VSLI) insurance proceeds. These modifications are derived from S. 754, the proposed "Veterans Insurance Amendments of 1979", an Administration-requested bill introduced by the Chairman on March 26, 1979.

Background

Life insurance protection for the Nation's veterans and service men and women is provided both under programs administered by the Veterans' Administration and programs supervised by the Veterans' Administration through a contractual relationship with private insurance companies.

Of the five programs administered by the VA—U.S. Government life insurance, National Service Life Insurance, Veterans Reopened Insurance, Veterans Special Life Insurance, and Service disabled veterans' insurance, the Committee bill concerns all but the last-named and does not modify any of the three programs—Servicemen's Group Life Insurance, Veterans Group Life Insrance, and Veterans Mortgage Life Insurance—supervised by the VA.

At the end of fiscal year 1978, the eight life insurance programs administered or supervised by the VA provided coverage exceeding $105 billion to more than 8 million insureds.

U.S. Government life insurance

U.S. Government life insurance (USGLI), the oldest Government-administered insurance program, was established in 1919 to accommodate the conversion of World War I Risk Term Insurance. The program was closed to new issues in 1951. From 1919 to 1951, approximately 1,150,000 policies were issued, of which 116,000 policies remained in force at the end of fiscal year 1978. The present face value of USGLI policies is $479.8 million. The steady decline during recent years in the number of policyholders will continue to accelerate, as the average age of the insureds advances. In 1977, the death rate was 73.8 per thousand insureds.

The program is self-supporting except for administrative expenses and claims traceable to the extra hazards of military service, which are funded through appropriations. Dividends are paid to USGLI policyholders from excess earnings of the USGLI trust fund. The 1979 dividend payments will amount to $25.6 million.

National Service Life Insurance

The largest Government life insurance program, National Service Life Insurance (NSLI), was established in 1940, to help meet insurance needs of World War II service personnel. The program was closed to new issues in 1951. From 1940 to 1951, more than 22 million policies were issued. At the end of fiscal year 1978, 3.8 million policies remained in force with face values totalling $24.5 billion. In 1977, the death rate was 11.5 per thousand insureds. The program is self-supporting except for administrative expenses and claims traceable to the extra hazards of military service, which are funded through appropriations. The 1979 dividend payments from the excess earnings of the NSLI trust fund will amount to $433.3 million.

Veterans Reopened Insurance

In 1965, Public Law 88-664 provided for the Veterans Reopened Insurance (VRI) program under a limited reopening of the NSLI program for certain disabled veterans who, because of their disabilities, were unable to obtain commercial life insurance or could not obtain it at reasonable cost. Applications for VRI policies were accepted from May 1, 1965, through May 2, 1966. About 210,000 policies were issued, of which 174,000 policies remain in force at the end of fiscal year 1978 with face values totaling $1.21 billion. The costs of administration of the program are borne by the insureds through premium payments. Under Public Law 88-664, the Administrator is authorized to adjust premium rates at intervals of not less than 2 years in order to keep the program self-supporting. Since the beginning of the program, the insurance premiums have been reduced twice on those policies with a "J" prefix and once on "JR" policies. The latest reduction in premiums was effective beginning in October 1976. All premiums on "JS" policies were eliminated effective in October 1977. Under section 725(c)(4) of title 38, dividends may not be paid on VRI policies.

Veterans Special Life Insurance

In addition to the USGLI, NSLI, and VRI programs, the VA administers the Veterans Special Life Insurance (VSLI) program for Korean-conflict veterans as a component of the NSLI program.

The VSLI program was closed to new issues in 1956. About 570,000 VSLI policies, with face values totaling $5 billion, remained in force at the end of fiscal year 1978. In 1974, Public Law 93-289 authorized the payment of dividends on VSLI policies; and the dividends paid in 1979 from excess earnings of the VSLI trust fund will amount to approximately $36.1 million.

Committee bill provisions

Assignments by Beneficiaries

The Committee bill provides for a limited expansion of the class of persons to whom all or part of the proceeds of a NSLI, VSLI, or USGLI policy may be assigned.

These provisions are intended to facilitate the settlement of insurance-proceeds cases in which two or more claimants are involved in a dispute over insurance proceeds.

A settlement of the dispute can occasionally be facilitated by cross-assignments of the policy proceeds by each claimant to the other, that is, by the claimants' agreement that each shall receive part of the proceeds. However, under current law, no assignments are lawful unless the assignee is within the classes of family members of the insured veteran specified in sections 718 and 753 of title 38. Thus, when a dispute over proceeds results from the fact that the veteran exercised his or her right to change the beneficiary without notice to the prior beneficiary, and the last-named beneficiary concedes that the prior beneficiary should receive all or part of the proceeds, an assignment cannot be made, regardless of the merits of the claim or the wishes of the proposed assignor, unless the prior beneficiary is a specified family member.

The Committee bill would provide that such assignments could be made to certain other persons: Any person designated by the insured veteran as a beneficiary, any person with whom the insured veteran had contracted to designate as the beneficiary, and any person whom a court ordered the insured veteran to designate or retain as the beneficiary. In this way, an assignment would be authorized only to a person whose claim to the proceeds was based on one of the specified legal relationships with the veteran prior to the veteran's death. These requirements are designed to provide limited authority for assignments that would, nevertheless, cover the common types of cases identified by the VA as involving disputes that could appropriately be resolved by assignments.

The Committee bill also provides that, in any case where the proceeds are to be paid other than in a lump sum, any such assignment must be joined in by the designated contingent beneficiary, if any, if the assignor is a person upon whose death or disqualification the contingent beneficiary's claim to the proceeds would be predicated. This would provide a further safeguard against the abuse of the power to assign and is similar to a provision in current law regarding assignments to specified members of the insured veteran's family.

This carefully limited provision is intended to facilitate the resolution of disputes without opening the door to abuses of these VA insurance programs and would be effective upon enactment.

Authority for dividends—Veterans reopened insurance

The Committee bill provides authority for the payment of dividends on Veterans Reopened Insurance (VRI) policies issued under the limited reopening of the NSLI program in 1965.

The VRI Fund was established for the collection of premiums and the distribution of proceeds for those policies, but, by law, dividends are not payable. Since the late sixties VRI Fund has been in surplus, and the surplus will continue to grow. Under the Committee bill, the VA would be authorized to distribute part of the surplus in the form of dividends. This provision of the Committee bill would be effective upon enactment.

The payment of dividends in fiscal year 1980 would increase outlays by about $2.4 million; however, there would be no net cost to the Federal Government nor would the distribution of dividends in any way affect the actuarial soundness of the funds.

Authority for higher interest rates for amounts payable to beneficiaries

The Committee bill provides authority for interest rates, higher than those currently prescribed by law, for proceeds payable in monthly installments to beneficiaries under USGLI, NSLI, and VSLI programs.

A veteran insured under the USGLI, NSLI, or VSLI programs may, during his or her lifetime, require that the proceeds be paid to the beneficiary in a lump sum, in a limited number of monthly installments, or in the form of an annuity. The settlement option selected by the veteran cannot be changed by the beneficiary. When the veteran dies, the proceeds vest in the beneficiary, and, if the veteran has elected that they be paid in monthly installments, interest on the unpaid balance is added to each such installment.

Under current law, the interest rates payable for each program are governed by particular sections of title 38 relating to interest-rate calculations for each program of insurance. For example, section 702 of title 38 provides for an interest rate of 3 percent per annum for all calculations pertaining to National Service Life Insurance. However, the USGLI and NSLI trust funds—out of which the monthly installments and the interest on the proceeds are paid—are earning interest at rates averaging about 6 percent.

Thus, this provision of the Committee bill, which would be effective upon enactment, authorizes the VA to pay interest, to be added to those monthly installments, at rates that are higher than the statutorily-set interest rates, but only in accordance with the Administrator's determination that the higher rates are administratively and actuarially sound.

It is unlikely that, in the foreseeable future, any higher interest rate established by the VA in accordance with the authority provided in the Committee bill would thereafter have to be reduced; however, the bill would, in effect require the VA to readjust the interest rate in order to maintain the actuarial soundness of the trust funds concerned. Of course, the interest rates currently authorized in the pertinent sections of title 38 would remain the *minimum rates* payable.

The Committee anticipates that, if this provision is enacted, the VA will act promptly to increase the interest rates for the programs concerned and that the average rate will be 6 percent.

TITLE IV: EXEMPTION OF VETERANS' ADMINISTRATION HOME LOANS FROM STATE ANTI-USURY PROVISIONS

The Committee bill would amend chapter 37 of title 38 to exempt VA guaranteed and insured home loans from State anti-usury laws and constitutional provisions.

Under this provision, wherever loans insured by the Federal Housing Administration (FHA) are exempted from a State anti-usury provision by a provision of the National Housing Act, or any other Federal law, VA loans would also be exempted. In this way, the coordination of Federal policy regarding the exemption of VA and FHA home loans from State anti-usury provisions would be assured.

Background

VA Loan-Guaranty Program

The VA provides housing credit assistance to eligible veterans, active-duty service personnel, and certain survivors for the purchase of a home or for home improvements. The program substitutes the guaranty of the Federal Government, up to a maximum of $25,000 in the case of a house or condominium, for the investment protection afforded by substantial downpayments and shorter terms of loans under conventional mortgages. The program also assists those eligible in purchasing mobile homes.

Under section 1803 of title 38, United States Code, the interest rate for VA loans for conventional homes and condominiums is established by the Administrator of Veterans' Affairs, in consultation with the Secretary of Housing and Urban Development (HUD), and the Administrator and the Secretary are directed to carry out a coordinated interest-rate policy with regard to VA home loans and loans insured under section 203(b) (FHA loans) of the National Housing Act.

In addition to interest, veterans (under section 36.4312(d)(2) of the Code of Federal Regulations) may be required by lenders to pay one "discount point"—that is, one percent of the face amount of the loan—to cover the origination fee and other costs of the loan. Discount points and other lenders' charges may, in some States, be regarded as interest, and the total amounts—interests plus discount points and other charges—thus be subject to the State anti-usury provision.

On April 23, 1979, the VA and HUD jointly announced that the interest rate for VA and FHA home loans was increased from 9½ to 10 percent.

State Anti-Usury Provisions

State anti-usury provisions—constitutional, statutory, or both—generally bar loans in which the annual interest rate exceeds a certain specified rate, either by making the amount in excess of the specified rate unrecoverable by the lender or by making the contractual agreement void and unenforceable. The purpose of such laws is to protect residents against exorbitant interest rates. (Historically, any interest rate exceeding 6 percent per annum was regarded as usurious, but in many States, the specified rate is far higher than 6 percent.)

In any State with an anti-usury provision, the State prohibition may, in effect, bar lenders from making VA loans and thus prevent veterans from using their loan-guaranty entitlement.

Some States have repealed or modified their anti-usury laws or have exempted VA and FHA loans; in other States, such as Rhode Island, the rate not to be exceeded is high enough to prevent veterans in those States from being affected. Some States—for example, Texas and Missouri—have recently raised the rate or are in the process of doing so. However, in Arkansas, the State constitutional bar, which can be removed only

through cumbersome amendatory procedures, has brought VA loan activity to a virtual halt.

Public Law 94-324

Under section 8 of Public Law 94-324, effective June 30, 1976, VA and FHA loans are exempted from State anti-usury provisions that are applicable to certain classes of lenders. This exemption was made necessary by a situation occurring in California during the early 1970's. A California constitutional anti-usury provision, adopted in 1934, specifically exempts most commercial lenders but, as interpreted, does not exempt mortgage bankers, who are the primary originators of VA loans in the United States. As a result of the Public Law 94-324 exemption, VA loans originated by mortgage bankers in California were exempted from the State constitutional provision.

Section 8 of Public Law 94-324 is not applicable to States—such as Arkansas—with a blanket Constitutional anti-usury barrier and, apparently, has no application in any State other than California.

H.R. 411

H.R. 411, introduced by Congressman Hammerschmidt on January 15, 1979, and passed by the House on June 26, 1979, would exempt VA home loans only in States having both constitutional and statutory anti-usury provisions and thus appears to be designed to exempt VA home loans only in Arkansas.

Pending legislation to exempt FHA loans

On June 7, 1979, the House passed H.R. 3875, a comprehensive housing bill. Section 310 of that bill would amend title V of the National Housing Act to exempt FHA loans from State anti-usury provisions by adding a new section as follows:

SEC. 529. (a) The provisions of the constitution of any State expressly limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved by lenders and the provisions of any State law expressly limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved shall not apply to any loan, mortgage, or advance which is insured under title I or II of this Act.

(b) The provisions of subsection (a) shall apply to loans, mortgages, or advances made or executed in any State until the effective date (after the date of enactment of this section) of a provision of law of that State limiting the rate or amount of interest, discount points, or other charges on any such loan, mortgage, or advance.

On July 13, 1979, the Senate passed H.R. 3875 after substituting the provisions of S. 1149, the proposed "Housing and Community Development Amendments of 1979" as reported and amended in the Senate. Section 319 would amend the National Housing Act by adding an exemption provision identical to the one in the House-passed version.

Under proposed section 529 of the National Housing Act, loans insured under title I or title II of the National Housing Act would be exempted from State constitutional or statutory provisions expressly limiting the amount or rate of interest, discount points, or other charges; however, those loans would not be exempt in any State that reinstated its anti-usury provision after the effective date of the new Federal law.

Thus, the State's right to set an interest-rate limitation that overrides the Federal exemption would be preserved. Public Law 94-324 also preserves this State prerogative, as would H.R. 411.

Committee bill provisions

The Committee bill would provide for an exemption from State anti-usury provisions, of VA guaranteed and insured home loans wherever any Federal law—such as the National Housing Act—exempts FHA loans. Under this provision, any State that overrode the exemption for FHA loans would also be overriding the exemption for VA loans.

The purpose of providing for an exemption in the Committee bill in this manner is to assure a coordinated Federal policy with regard to the application of State anti-usury provisions to FHA and VA home loans. This provision would be effective upon enactment. If H.R. 3875 is later signed into law by the President with the amendatory language discussed above, the exemption would become effective on the effective date of H.R. 3875. If H.R. 3875 is not enacted, this provision would become effective upon the enactment of a provision similar to section 319 of H.R. 3875 as passed by the Senate.

The VA has informally advised the Committee that the enactment of this provision—assuming that H.R. 3875 is also enacted—would permit approximately 15,000 veterans in Arkansas and other States to make use of their loan-guaranty entitlement in fiscal year 1980.

TITLE V: MISCELLANEOUS PROVISIONS

The Committee bill would correct minor technical errors in sections 611, 612A, 620A, 663, and 5005 of title 38 resulting from the recent enactment of the Veterans' Health Care Amendments of 1979 (Public Law 96-22). Also, the Committee bill would provide for Federal assistance in locating individuals who may have been exposed to occupational hazards during military service.

ASSISTANCE IN LOCATING INDIVIDUALS EXPOSED TO OCCUPATIONAL HAZARDS DURING MILITARY SERVICE

BACKGROUND ON NUCLEAR WEAPONS TESTS

Beginning in 1945, and continuing until the Limited Test Ban Treaty in 1963, the United States exploded some 235 nuclear weapons in atmospheric tests. The Department of Defense (DOD) has recently estimated that approximately 250,000 DOD personnel participated in the testing program and that some 200,000 of these were uniformed personnel. Most of those persons were subsequently discharged from the Armed Forces and are thus veterans.

The testing was heaviest in the mid-1950's. At certain tests, 3,000 to 4,000 troops were positioned near blast sites. On occasion, volunteer service personnel were placed in open trenches as close as 2,000 yards to ground zero, and at one test six volunteers stood at ground zero under an air burst some 20,000 feet above them. At other tests, units were marched or taken by helicopter to ground zero after the explosion and put through simulated combat maneuvers to test their psychological and military responses to what had just occurred. Film badges and dosimeters intended to monitor individual radiation exposures were sometimes provided to only one individual in a unit rather than to each individual. Variations in the accuracy of monitoring techniques are known to have existed, and some types of radiation were not measured at all.

In the Committee's view, it is important to remember that this testing occured immediately following the use of atomic weapons during World War II and during the height of the Korean conflict and the "Cold War." During that period of great international tension, there was overwhelming national concern about the possibility of the United States being forced to use nuclear weapons. National security considerations were of paramount importance. Safety standards were generally set in accordance with the scientific knowledge of the day, which tended to minimize the risk of disability resulting from exposure to low levels of radiation. Since that time, scientists have moved toward a consensus regarding safety standards and are in general agreement today that there is no completely safe exposure level for ionizing radiation.

Scientific uncertainties regarding health effects

The long-term health effects of exposure to "low levels" of ionizing radiation are not yet completely understood. It is clear that ionizing radiation causes an increased incidence of malignant tumors and can cause genetic damage. What is unclear is how much increased risk is caused by exposure to levels of radiation that are not "massive". It is also recognized that there is a long interval—the "latent period"—between radiation exposure and the subsequent development of malignancies. Without a clear scientific basis in fact, the issue of just compensation for conditions that develop in individuals who have been exposed to relatively low levels of ionizing radiation is a highly complex one.

Current national statistics indicate that approximately 62,500 of the 250,000 DOD personnel who participated in the nuclear weapons test program would be expected to develop some form of cancer during their lifetimes because of "natural" causes, and, of that number, some 40,000 would be expected to die of some form of cancer. At present, it is not possible to distinguish malignancies caused by radation from those caused by other hazards of "natural" causes. This further complicates the difficult factual context of the claims process. Thus, it is currently impossible to find a way to compensate only those individuals who develop cancer as a direct result of radiation exposure while serving the Armed Forces.

Long-term weapons-test participant followup studies under way

Because of the scientific uncertainty surrounding the question of the long-term health effects of exposure to *low* levels of ionizing radiation, several follow-up studies of nuclear weapons test participants have been initiated. The Center for Disease Control (CDC) in Atlanta, Georgia, is studying 3,153 individuals who participated in the 1957 test known as Shot SMOKY in Operation PLUMBBOB in Nevada to determine their current health status, or, if deceased, the cause of death. The technical nature of this type of study makes it impossible to predict a completion date. The Medical Follow-Up Agency of the National Academy of Sciences (NAS) has recently begun to study, for the same purpose, a larger group of persons who were participants in various other nuclear weapons tests. This NAS study is jointly funded by the DOD and the Department of Energy (DOE). Neither of these studies is complete, however, and the questions raised remain unanswered.

Claims process difficulties

In recent years, the VA has received more than 600 claims for benefits from veterans who were nuclear weapons test participants and their survivors. Fewer than twenty claims have been granted for radiation-induced illness related to weapons testing. The claims process has clearly been made more difficult by problems caused by incomplete or missing records, documents that may be or have been classified, or records that are unavailable because of destruction in the 1973 fire at the St. Louis National Personnel Records Center. The Committee therefore believes that veterans and their survivors should be afforded every possible assistance in gathering the information necessary to develop claims for radiation-related disability resulting from participation in weapons testing.

Review of historical documents concerning the atmospheric weapons testing program reveals that considerable controversy existed at the time of the tests about the safety of radiation exposure standards and that a considerable amount of information about the controversy over the safety of the

exposure standards was withheld from the test participants and the public until very recently. The Government also failed to follow test participants systematically after their exposure in order to determine the long-term health effects of low-level ionizing radiation and until very recently has done little in the way of systematic efforts to assist veterans and their survivors in the claims process. The Committee thus believes that there can be no doubt that the Federal government has a compelling moral responsibility to act emphatically now to do everything possible to facilitate the presentation of VA disability and death claims related to nuclear weapons testing.

Strong concern about the claims process and about steps that should be taken to facilitate the claims process was articulated by the Chairman in his May 16, 1979, letters to the Secretaries of Defense; Energy; and Health, Education, and Welfare; and the Administrator of Veterans' Affairs, requesting that a series of steps be taken to facilitate the claims process. (Those letters are reproduced in full in the Appendix to this report.) The steps urged were:

For the Secretaries of Defense and Energy to begin an immediate, systematic review of all relevant records spanning the 18 years of atmospheric nuclear weapons tests and, in every case where declassification would not jeopardize national security, to make this information available to veterans who volunteered or were ordered to participate in nuclear weapons tests and who now suffer disabilities that might be related to that participation.

For the Administrator of Veteran's Affairs to direct the VA to adopt and publish claims processing standards that would facilitate presentation of a weapons-test radiation-related claim, and require that the VA request, in every such case, records from DOE and DOD that might be helpful to a claimant but that an individual veteran might have some difficulty in obtaining. Such records include radiation exposure records maintained by a DOE contractor, Reynolds Electrical and Engineering Company—REECO—and records currently being reconstructed by DOD of each weapons test indicating the dose of radiation an individual participant probably received.

For the Secretary of Defense to initiate a new project to reconstruct each weapons test to provide an estimate of radiation exposure based on general geographic areas rather than the apparent precise location of the participant at the site. Such general geographic reconstruction was recommended to counteract some of the errors created from using imprecise data to perform what purports to be a precise, individual reconstruction.

For the Administrator of Veterans' Affairs to make full and routine use of these geographic reconstruction records as well as REECO records and individual exposure estimates to gain the exposure estimate most favorable to the claimant's case.

For the Secretary of Health, Education, and Welfare to do everything reasonably possible to expedite the crucial CDC followup study of 3,153 service personnel who participated in the 1957 Nevada SMOKY test and to cooperate with and support the NAS followup study on test participants.

Committee Oversight Hearing

The Committee held hearings on June 20, 1979, to gather information about difficulties veterans and survivors had experienced in using the claims process for weapons test-related claims. Testimony was received from veterans and their survivors who had personal experience with such claims, and representatives of veterans' service organizations, DOD, DOE, VA, the Interagency Task Force on Ionizing Radiation, HEW, and the NAS.

Outcomes

The hearings provided much valuable information to the Committee and resulted in a number of positive outcomes.

As a result of the Chairman's May 16 letters and the hearing:

1. The VA agreed to issue agencywide instructions establishing liberal presumptions on the issue of test participation and directing that credible estimates of radiation exposure, even if higher than actual badge readings of radiation exposure, be used in adjudicating a claim. These instructions will also specify and affirm the VA's role in assisting the claimant in gathering information to support the claim. The Committee has been informed that these instructions will be issued very shortly.

2. The VA has also agreed to develop, in collaboration with other interested and appropriate Federal departments and agencies, generally accepted medical principles concerning radiation-related illnesses as well as an enumeration of areas where uncertainties exist about that knowledge.

3. The VA and DOD also agreed, in a memorandum of understanding dated June 15, 1979, to conduct further research into all 229 previously denied nuclear test-related claims and, with respect to those cases where records are incomplete, DOD will reconstruct an estimate of the highest likely exposure for that claim. The Committee has been informed by DNA that 80 to 90 percent of these reconstructions will be completed within the next 6 months. This memorandum of understanding also provided that a reconstructed estimate will be done at the VA's request for each future or pending claim on a timetable designed to provide a prompt response to each request in terms of priorities related to the veteran's current medical disability. (This memorandum of understanding is reproduced in full in the Appendix to this report.)

4. The DOD stated that the principle of geographic reconstruction was being used in the techniques involved in making radiation exposure estimates for test participants.

5. The DOD has agreed to make publicly available, through declassification if necessary, any document or section of a document that related to personnel participation or radiation exposure and that would not jeopardize national security by its release, to make publicly available, and keep updated, a list of such documents, and to continue to assign a high priority to the reconstruction effort for each weapons detonation involving military personnel. The DOD has stated it is impossible to estimate when the process of making these documents publicly available and compiling a list of such documents will be completed.

6. The DOD has also agreed to contact, and arrange medical examinations in VA hospitals for all test participants who received more than 5 rem exposure during the testing program.[1] According to the most recent of several DNA estimates, the initial mailing of notifications to approximately 70 of the group of test participants will take place on August 7, 1979; the timing of future mailings will depend upon the availability of further information and addresses, which, as to the latter factor, will be improved by a provision in the Committee bill.

7. On May 31, 1979, the Defense Nuclear Agency (DNA) released a report, prepared by a contractor—Science Applications, Incorporated—summarizing the reconstruction of Shot SMOKY in Operation PLUMBBOB. The Chairman announced at the June 20 hearing that he intended to ask the Office of Technology Assessment (OTA) to review the technology used in this reconstruction effort and report to the Committee on whether or not any serious limitations to widespread application of the technology might exist. This request was formally transmitted to OTA on July 11, 1979. (This letter is reproduced in full in the Appendix to this report.)

8. The DOE likewise has agreed to review systematically all documents in its control that pertain to personnel participation or radiation measurement and to make those documents publicly available, through declassification if necessary, on a regional and decentralized basis. The Committee expects to receive DOE's timetable for completion of this review in the near future.

9. The DOE has also agreed to continue to assign a high priority to the REECO Dosimetry Master File improvement program and estimated that the expenditures for this project in fiscal year 1980 would be twice the amount expended in fiscal year 1979.

10. The DOE has also asserted that it is in the process of carrying out similar medical followup of non-DOD civil service and contract personnel who participated in the weapons testing program.

11. The DHEW has agreed to work with the VA in developing generally accepted medical principles and enumeration of areas of uncertainty about radiation-related illnesses.

IMPEDIMENTS TO LONG-TERM STUDIES

Testimony from DOD, VA, HEW and the NAS revealed that there remains a significant impediment to performing and completing epidemiological followup studies that are necessary to define the long-term health effects of exposure to radiation or other hazardous substances. As this problem relates to long-term health effects of exposure to ionizing radiation from nuclear weapons testing, it is clear that the difficulty in obtaining current addresses for test participants is slowing and impairing the progress of these crucial studies. A similar impediment can be expected to occur regarding epidemiological followup studies of persons exposed to other long-term health hazards such as "Agent Orange" and its contaminant, dioxin, discussed at greater length below. Since DOD and VA records do not contain current addresses for many of the persons who should be contacted, and the Internal Revenue Service (IRS) is the only Federal agency which, in its taxpayer files, maintains records containing the current addresses of such persons, it is vital that controlled availability of current addresses in the IRS files be permitted.

NIOSH exemption

Access to addresses in these IRS files was generally forbidden by provisions in the Tax Reform Act of 1976. However, in 1977, Public Law 95-210 amended the Internal Revenue Code to provide for a highly limited exemption. Under this exemption, IRS is directed to supply to the National Institute for Occupational Safety and Health (NIOSH), upon request, the current mailing addresses of individuals "who were or may have been exposed to occupational hazards in order to determine the status of their health or to inform them of the possible need for medical care and treatment." This so-called "NIOSH exemption" is contained in section 6103(m)(3) of the Internal Revenue Code.

Because NIOSH is an organizational component of the CDC, the CDC was able to use the "NIOSH exemption" to contact some 3,153 persons who participated in Shot SMOKY. DOD and DOE, however, are not authorized to use the "NIOSH exemption" to contact persons to be included in the NAS followup study. Although IRS has agreed to address and mail a small number of questionnaires and notifications for DOD as part of that Department's followup efforts, seri-

[1] A "rem", an abbreviation for *roentgen equivalent man*, is a unit of radiation exposure measurement which reflects the amount of biological damage done by a particular form of radiation.

ous problems remain, including DOD's inability to document receipt of the mailed material and limitations on the volume of mailing that can be accommodated.

The inability of DOD and DOE to use the IRS mailing address files for this narrow purpose has significantly impeded the progress of the crucial NAS followup study. As indicated, the same result will very likely obtain with respect to the epidemiological studies to be conducted regarding the contaminant, dioxin, discussed immediately below.

BACKGROUND ON EPIDEMIOLOGICAL STUDY OF THE LONG-TERM HEALTH EFFECTS OF AGENT ORANGE AND ITS CONTAMINANT DIOXIN

Agent Orange

Agent Orange was the military name for an herbicide or defoliant used in Vietnam from 1962 to 1971. It was a 50–50 mixture of the chemicals, 2,4-dichlorophenoxyacetic acid (2,4-D) and 2,4,5-trichlorophenoxyacetic acid (2,4,5-T). When 2,4,5-T was manufactured, an unavoidable contaminant known informally as "dioxin" was present. (Although it has usually been known only as "dioxin", it properly should be called 2,3,7,8-tetrachlorodibenzo-para-dioxin (TCDD). TCDD is only one example of the class of chemicals known as the dioxins. Nontechnical writers usually refer to the contaminant in Agent Orange simply as dioxin. This report will use the nontechnical term dioxin.)

Dioxin is one of the most toxic substances produced by man. Amounts as small as one millionth of a gram have produced serious short-term and long-term health effects in laboratory animals, and very small doses may, in fact, cause the death of the animal. According to a 1971 report prepared by the White House Office of Science and Technology Policy (Executive Office of the President, 1971, Report on 2,4,5-T, a report of the Panel on Herbicides of the President's Science Advisory Committee, C. M. MacLeod, Chairman, Office of Science and Technology, Executive Office Building, Washington, D.C.), the 2,4,5-T produced during 1965 and 1968, 2 years of heavy Agent Orange use, had high concentrations of dioxin contamination.

Agent Orange was sprayed from aircraft, helicopters, and on the ground to defoliate areas in Vietnam. It was sprayed from aircraft ("Operation Ranch Hand") and helicopters for the purpose of denying jungle cover to the enemy and occassionally for destroying food crops that might be used by the Vietcong. It was sprayed by hand to clear vegetation around military bases and encampments in order to improve visibility. There seems to be good reason to believe that the service personnel actually involved in these spraying operations received exposures to dioxin higher than any other personnel in Vietnam.

2,4-D and 2,4,5-T have been used alone or in mixture in this country since the late 1940's to control weeds in lawns and agricultural crops, to control vegetation along rights of way and highways, and, by the Forest Service, to control unwanted plants in national forests. The levels of dioxin in the 2,4,5-T produced for domestic use in the 25 years of use in this country are not known with any degree of accuracy. On March 1, 1979, the Environmental Protection Agency announced an emergency ban against further domestic use of 2,4,5-T, the first ban of a chemical on an emergency basis in that agency's history. This action followed an apparent increase in miscarriages among women in Alsea, Oregon, after nearby forests were sprayed with 2,4,5-T.

Scientific uncertainties regarding health effects

Although massive doses of 2,4,-D and 2,4,5-T can produce acute illness, these chemicals have generally been considered to be quite safe when used in appropriate amounts. It is known that where the contaminant dioxin is present in significant quantities, the possibility of acute toxic effects is increased. But the long-term toxic effects from dioxin exposure are poorly understood. Because dioxin has been shown to cause birth defects, tumors, and various other disorders in laboratory animals, there is understandable concern that these same problems might be found in humans. The studies needed to answer these questions, however, have either only recently been initiated or have not been broad enough in scope to provide the necessary answers.

Epidemiological dioxin studies

In 1976, an industrial accident in Seveso, Italy, exposed a number of Seveso residents to dioxin. A long-term follow-up study of those residents is being conducted by the Italian Government, but this study is not complete and no conclusions may yet be drawn. Because of the technical nature of this type of followup study, it is not yet known when this study will be completed. Likewise, a study of the miscarriages among women in Alsea, Oregon, is too small to provide scientifically satisfactory answers to the questions about dioxin's health effects. The Committee is not aware of any major long-term epidemiological followup study currently under way that would supply the necessary answers.

Claims process difficulties

Approximately 500 claims for service-connected disability have been filed with the Veterans' Administration for such problems as cancer, nervousness, birth defects, and miscarriages alleged to have resulted from exposure to Agent Orange. Only one claim for the one proven long-term dioxin effect—a skin condition called "chloracne"—has been allowed. Some Vietnam-era veterans view the denial of almost all Agent Orange claims by the VA as suggestive that a deliberate "cover-up" by the Federal Government is being carried out in much the same way as information about potential adverse health effects from radiation was withheld from nuclear weapons test participants in the 1950's and 1960's.

CONGRESSIONAL AND EXECUTIVE BRANCH ACTIVITIES

On October 11, 1978, the House Committee on Veterans' Affairs held a hearing on the subject of the long-term health effects that might relate to dioxin exposure.

In January 1979, the VA announced plans to begin a scientific study to search for traces of dioxin in the body fat of individuals exposed to Agent Orange and compare the results of that search to body fat samples from persons who had never been exposed to Agent Orange. The VA has informed the Committee that "15 to 20" biopsies of fat tissue from veteran "volunteers" have been conducted, but results are not yet available. The VA is unable to estimate when this study will be complete. The Committee continues to be concerned about an apparent lack of appropriate priority being assigned to completion of this project by the VA.

On April 6, 1979, the General Accounting Office, in response to a request from the late Representative Ralph H. Metcalfe, issued a report (CED–79–22) recommending that "the Department of Defense, with the assistance and guidance of an appropriate interagency group, should conduct a survey of any long-term medical effects on military personnel who were likely to have been exposed to herbicides in South Vietnam."

On April 5, 1979, the VA announced the formation of the Advisory Committee on the Health-Related Effects of Herbicides which was formed to "assemble and analyze information concerning toxicological issues which the Veterans' Administration needs in order to formulate appropriate medical policy and procedures in the interest of veterans who may have encountered herbicidal chemicals used during the Vietnam War". This committee met for the first time on June 11, 1979.

On June 26 and 27, 1979, the Subcommittee on Oversight and Investigations of the House Committee on Interstate and Foreign Commerce held hearings on the subject of the health effects of exposure to Agent Orange.

VETERANS' AFFAIRS COMMITTEE ACTION

The concern of the Committee was expressed in the Chairman's February 7, 1979, letter to President Carter, which is reproduced in full in the Appendix of this report. The Chairman expressed the belief that it was necessary to begin a larger scale epidemiological study of various populations exposed to dioxin in order to begin to answer the troublesome questions about the long-term health effects of dioxin exposure.

On March 2, 1979, Assistant to the President for Domestic Affairs and Policy, Stuart Eizenstat, replied to the Chairman's February 7 letter stating:

"Recently, the VA Administrator has submitted a formal request for the establishment of an advisory committee on herbicides to the Administrator of the General Services Administration. The advisory committee has been approved and will be established very soon. We expect that during its twelve month mandate the advisory committee will advance recommendations to resolve the complex and compelling questions involved with this issue. Furthermore, we will request that the advisory committee consider, as soon as possible, the need for and feasibility of a major long-term epidemiological study of individuals exposed to dioxin as you have suggested. I will ask my staff to monitor the deliberations of the committee as well as seek the guidance of other appropriate White House staff on the question of undertaking such a study. My staff will be reporting back to you on this matter."

In the Committee's view, because of the broad health ramifications of exposure to dioxin and because of the types of resources required to perform an epidemiological study of the various populations exposed to dioxin, the Center for Disease Control (CDC) in the Department of Health, Education, and Welfare (HEW) is the agency of the Federal government best suited to perform the necessary epidemiological study rather than the VA or the Department of Defense. Thus, on June 18, 1979, during Senate consideration of S. 1039, the Chairman, in order to reemphasize the importance that such a study be undertaken forthwith, offered and the Senate adopted an amendment, on behalf of himself and Senators Jacob K. Javits, Alan K. Simpson, Daniel P. Moynihan, and Charles Percy, as section 304 of that bill, to direct that such a study be conducted. The provisions of S. 1039 were subsequently passed by the Senate on June 18 in H.R. 3892. On July 11, 1979, the Chairman wrote to the Secretary of HEW urging that the study be undertaken by the CDC without awaiting enactment of the statutory mandate. (This letter is reproduced in full in the Appendix to this report.)

The Committee also considered the need to proceed with this study to be so important that it has directed that a Committee amendment (identical to section 304 of H.R. 3892 as passed by the Senate) be offered when this bill (S. 689) is considered on the Senate floor.

COMMITTEE BILL PROVISIONS

The Committee bill would direct that the "NIOSH exemption" in section 6103(m)(3) of the Internal Revenue Code (described above) be used to contact individuals who were or might have been exposed to an occupational hazard as a result of their service in

the Armed Forces. The Committee bill specifies that the Director of NIOSH shall request from the IRS, and supply to the VA (or other Federal department, agency, or instrumentality) current mailing addresses for individuals who the Administrator or other department, agency, or instrumentality head certifies as having experienced a possible occupational hazard exposure during military service. The VA (or other Federal department, agency, or instrumentality) would be authorized to use the addresses solely for the purpose of locating these individuals as part of an activity being carried out by or on behalf of the VA (or other Federal department, agency, instrumentality) to determine the status of the health of such individuals or to inform them that they may need medical care and that they may be entitled to benefits such as VA compensation and health care. The Committee bill incorporates the language used in the NIOSH exception in section 6103(m)(3) of the Internal Revenue Code so that the addresses may be used solely in connection with the limited purpose specified in that statutory exception.

Thus, the purpose of this provision under the Committee bill is to facilitate the completion of the weapons-test radiation long-range followup studies currently under way and the dioxin study required under section 304 of H.R. 3892 as passed by the Senate (and proposed as a Committee amendment to the Committee bill), and comparable medical followup studies of persons exposed to occupational hazards during service in the Armed Forces.

COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–160, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $758.1 million in fiscal year 1980; $765.5 million in fiscal year 1981; $773.6 million in fiscal year 1982; $784.1 million in fiscal year 1983; and $792.3 million in fiscal year 1984. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE—JULY 26, 1979

1. Bill Number: S. 689.

2. Bill title: Veterans' Disability Compensation and Survivor Benefits Act of 1979.

3. Bill Status: As ordered reported by the Senate Committee on Veterans' Affairs, July 12, 1979.

4. Bill purpose:

Title I

Sections 101 (a) and (d), 102 and 103: Would increase the monthly rates of disability compensation by an average of 11.1 percent.

Sections 101 (b) and (c): Would entitle certain severely disabled veterans to aid and attendance allowances.

Section 104: Sets the effective date for provisions in title I to be October 1, 1979.

Title II

Sections 201, 202 and 203: Would increase the monthly rates of dependency and indemnity compensation by an average of 11.1 percent.

Section 204: Sets the effective date for provisions in title II to be October 1, 1979.

Title III

Sections 301 and 302: Would provide for a limited expansion of the class of persons to whom the beneficiary may assign all or part of the proceeds of a National Service Life Insurance (NSLI) or a U.S. Government life insurance (USGLI) policy.

Section 303: Would provide authority, for the payment of dividends on Veterans Reopened Insurance (VRI) policies.

Sections 304 and 305: Would provide authority for higher interest rates under the NSLI and USGLI programs than those currently authorized.

Section 306: Sets the effective date of provisions in title III to be the date of enactment.

Title IV

Section 401: Would provide authority to exempt VA-guaranteed and VA-insured home loans from State anti-usury laws and constitutional provisions.

Title V

Section 502: Would require the National Institute of Occupational Safety and Health (NIOSH) at the request of VA or another Federal agency, to obtain from the Internal Revenue Service (IRS) the current mailing addresses of veterans and other individuals who may have been exposed during their military service to low-level radiation or other occupational hazards.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1980	1981	1982	1983	1984
Title I:					
Sec. 101(a)(d), 102 and 103:					
Required budget authority	623.6	631.4	639.3	649.4	657.4
Estimated outlays	573.7	631.0	638.7	648.7	656.8
Sec. 101(b)(c):					
Required Budget Authority	(1)	(1)	(1)	(1)	(1)
Estimated Outlays	(1)	(1)	(1)	(1)	(1)
Title II: Secs. 201, 202 and 203:					
Required budget authority	134.4	134.0	134.3	134.6	134.9
Estimated outlays	123.7	133.9	134.2	134.5	134.8
Title III:					
Secs. 301 and 302:					
Estimated budget authority	0	0	0	0	0
Estimated outlays	0	0	0	0	0
Sec. 303:					
Estimated budget authority	0	0	0	0	0
Estimated outlays	2.8	3.8	3.9	3.9	4.0
Secs. 304 and 305:					
Estimated budget authority	0	0	0	0	0
Estimated outlays	0	0	0	0	0
Title IV: Sec. 401:	0	0	0	0	0
Estimated budget authority	0	0	0	0	0
Estimated outlays	(1)	(1)	(1)	(1)	(1)
Total:					
Required budget authority	758.1	765.5	773.6	784.1	792.3
Estimated outlays	700.2	768.7	776.8	787.1	795.6

[1] Less than $500,000.

Note: Detail may not add to total due to rounding. The cost of this bill falls within budget function 700.

6. Basis for estimate:

Title I

Sections 101(a)(d), 102 and 103: The cost of the 11.1 percent increase in disability compensation rates was estimated by multiplying the projected average benefit level in each year by 11.1 percent. The anticipated increase in the average benefit is then multiplied by the projected caseload to calculate the cost of the rate increase.

Sections 101(b)(c): This provision would extend eligibility for aid and attendance allowances to veterans who are entitled to compensation at an intermediate rate between the rates provided by section 314 (n) (title 38, U.S.C.) and section 314(o) and who are also entitled to additional compensation under section 314(k). According to the VA there were only 58 such cases receiving compensation in fiscal year 1978. There are no data available upon which to estimate the number of these veterans who would qualify for aid and attendance allowances. The maximum possible cost of this provision would be $696,000, if all the affected cases were determined to be eligible for the higher level aid and attendance allowance of $1,000 a month. This is not expected to be the case, however, since the types of disabilities involved are not likely to require the higher level of attendant care. If it is assumed that 50 percent of the newly eligible veterans would qualify for regular aid and attendance and an additional 10 percent would require the higher level care, the annual cost of this provision would be approximately $300,000.

Title II

Sections 201, 202 and 203: The cost of the 11.1 percent increase in dependency and indemnity compensation rates was estimated by multiplying the projected average benefit level in each year by 11.1 percent. The anticipated increase in the average benefit is then multiplied by the projected caseload to calculate the cost of the rate increase.

Title III

Sections 301 and 302: This provision would expand the class of persons to whom the proceeds of NSLI or USGLI policies could be paid but would not affect the amount of such payments. It should, therefore, have no cost impact.

Section 303: The VRI fund is not currently authorized by law to pay dividends. Since premium payments and interest coming into the fund exceed the cost of claims, a large surplus has accumulated in the fund which would allow the payment of dividends at no cost to the Federal Government. The payment of dividends would, however, increase the outlays from the fund. The estimated outlay increase shown for fiscal year 1980 only reflects the impact for three-fourths of the year, as the fund operates on a calendar year basis. The first dividend, therefore, would not be declared until January 1980.

Sections 304 and 305: The beneficiary of a NSLI or USGLI policy has the option of receiving the proceeds of that policy in a limited number of monthly installments rather than in a lump sum. Interest is paid on the unpaid balance of such proceeds at the rate of 3 percent per annum. These unpaid balances are earning interest, however, at an average rate of 6.8 percent. The excess interest currently goes into the surpluses of the two funds and is paid out in dividends to policyholders. This provision would allow the Administration to adjust the rate at which interest is paid to beneficiaries to the rate at which the interest is actually being earned. There would be no Federal cost associated with this amendment, nor any significant change to total outlays, because the provision would only change the recipients of the outlays but not the total amount.

Title IV

Section 401: This provision would exempt VA home loans from State anti-usury laws and constitutional provisions. According to VA information, only the State of Arkansas would be significantly affected by this amendment. Other States either have State laws that exempt Federal home loan programs from the restrictions on their usury laws or have interest ceilings high enough to avoid conflict with current interest rates. Although enactment of the provision would increase loan activity in Arkansas, the increase should not significantly raise total program costs.

Title V

Section 502: The provision would require NIOSH to obtain from IRS current addresses of persons who may have been exposed to radiation or other occupational hazards during military service. This amendment would be expected to result in some net savings to Federal expenditures as it would eliminate the need for these addresses to be obtained by VA through less efficient means. Neither the increase in costs to NIOSH and IRS nor the savings to VA should be significant. If these changes are absorbed in the current funding levels of the three agencies, there would be no budgetary impact.

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: K. W. Shepherd.
10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum, Assistant Director for Budget Analysis).

SECTION-BY-SECTION ANALYSIS OF S. 969 AS REPORTED

Section 1

Subsection (a) of section 1 would provide that this Act may be cited as the "Veterans' and Survivors' Benefits Adjustment Act of 1979".

Subsection (b) of section 1 would provide that, except when otherwise expressly provided, reference in the Committee bill to a section or other provision shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

Section 101

Would amend present section 314 of title 38, relating to the rates of service-connected disability compensation.

Subsection (a) of section 101 would amend subsections (a) through (j) of present section 314 to increase by 11.1 percent the basic monthly rates of compensation paid to veterans with disabilities rated from 10 to 100 percent. Currently, a veteran with a 10-percent disability receives $44 monthly, and a veteran with a disability rated as total—100 percent—receives $800 monthly. Those rates would be increased to $49 and $899, respectively, by the Committee bill, and the rates for disabilities rated 20 to 90 percent would be increased by the same percentage. This section would also increase by 11.1 percent the higher monthly rates of compensation authorized under subsections (l) through (o) of such section for veterans with certain combinations of severe disabilities, the aid-and-attendance allowance rates authorized under subsection (r), the housebound rate authorized under subsection (s), the additional amount payable under subsection (t) to certain veterans who have suffered the service-connected loss or loss of use of an extremity and the non-service-connected loss or loss of use of the other, paired extremity; and the limitations on the total amount payable monthly to a veteran entitled to compensation under subsection (k) who is also entitled to compensation under another subsection of present section 314. Also, the maximum amount payable monthly to a veteran under subsection (p), which authorizes the Administrator to pay the next higher rate or intermediate rate to a veteran whose disabilities exceed the requirements for any of the rates prescribed in such section 314, or who is both blind and deaf, would be increased by 11.1 percent.

Subsection (b) of section 101 would further amend subsection (r) of present section 314 to make eligible for consideration for the aid-and-attendance allowances authorized under that subsection any veteran who is compensated at the rate intermediate between the rates authorized under subsections (n) and (o) of present section 314 of title 38 plus the rate authorized under subsection (k)—the so-called "n½+k" rate. Under current law, in order to receive consideration for those aid-and-attendance allowances a veteran must be compensated either under subsection (o) or at the highest rate authorized under subsection (p).

Subsection (c) of section 101 would further amend subsection (p) of present section 314 to clarify Congressional intent with regard to intermediate rates by providing that any intermediate rate established under subsection (p) by the Administrator of Veterans' Affairs be set at the arithmetic mean between the two rates concerned. For example, the intermediate rate between the rates authorized under subsections (n) and (o), as amended by the Committee bill, which are $1,398 and $1,564, respectively, would be determined by adding the two rates and dividing the total by two, resulting in an intermediate rate of $1,479.

Subsection (d) of section 101 would authorize the Administrator of Veterans' Affairs to increase by 11.1 percent of the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who do not receive compensation under chapter 11 of title 38. Public Law 85-857 generally codified in title 38 of the United States Code the laws relating to veterans' benefits; and section 10 of that law provided that any individual who was receiving benefits as a veteran on December 31, 1958, under public laws administered by the VA but not so codified, was to continue to receive benefits at the rates payable under such public laws or under corresponding provisions of title 38, whichever is the greater, as long as he or she remains eligible.

Section 102

Would amend present section 315 of title 38, relating to additional compensation payable monthly to veterans with service-connected disability ratings of 30 percent or more who have spouses, children, and dependent parents, to increase those allowances by 11.1 percent.

Clauses (1) through (10) of section 102 would amend clauses (A) through (J) of present section 315 (1) of title 38, relating to additional compensation—"dependents' allowances"—payable monthly to a totally disabled veteran who has dependents, to increase those allowances by 11.1 percent. Under existing law, a veteran so disabled who has a spouse, but no child, receives a monthly allowance of $49; if the married veteran has one child, the amount is $63; if two children, $110; if three children, $137; and if more than three children, $137, plus $27 for each child in excess of three. Under the Committee bill, those amounts would be increased to $54, $92, $122, $152, and $30, respectively.

Also, under existing law, a totally disabled veteran who has no spouse receives a monthly allowance of $34 for one child; $61 for two children; $88 for three children; and $27 for each child in excess of three. Under the Committee bill, those amounts would be increased to $31, $66, $98 and $30, respectively.

The Committee bill would also increase by 11.1 percent the amount of the dependents' allowance payable monthly to a totally disabled veteran who has a dependent parent or parents, from $40 (for each such parent) to $44; to such a veteran who has a severely disabled spouse, from $89 to $99; and to such a veteran who has a child of age 18 or over who is pursuing a course of education at an approved educational institution, from $75 to $83.

Under paragraph (2) of present section 315, the additional compensation payable to veterans rated from 30- to 90-percent disabled veteran who has a dependent parent or veteran rated at 30 percent would receive 30 percent of the amount specified in paragraph (1) of such section.

Section 103

Would amend present section 362 of title 38, relating to the clothing allowance payable annually to a veteran receiving compensation whose disability requires the use of a prosthetic or orthopedic appliance or appliances, including a wheelchair, that tends to wear out or tear the veteran's clothing, to increase that allowance by 11.1 percent, from $218 to $242.

Section 104

Would provide that the effective date of the provisions of title I shall be October 1, 1979.

Title I—Cost: This title would benefit approximately 2,256,800 veterans and its enactment is expected to cost $623.6 million in fiscal year 1980.

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

Section 201

Would amend present section 411 of title 38, United States Code, relating to the rates of dependency and indemnity compensation (DIC) for the surviving spouses of veterans whose deaths were service connected.

Clause (1) of section 201 would amend subsection (a) of present section 411, relating to basic dependency and indemnity compensation rates payable to surviving spouses of veterans whose deaths were service connected, to increase by 11.1 percent the DIC benefit payable monthly to such a surviving spouse. Under current law, DIC benefits are paid according to the pay grade—service rank—of the deceased veteran; and the amounts range from $297 per month for the surviving spouse of a veteran who had attained the grade of E-1 to $760 for the surviving spouse of a veteran who had attained the grade O-10. Those rates would be increased to $330 and $844, respectively; and proportionate increases would be provided in the rates for the intermediate pay grades and in the rates payable to the surviving spouses of veterans who had served in the positions specified in footnotes 1 and 2 to the table of grades and rates in existing section 411. Thes increases would automatically result in identical increases in the benefits payable at DIC rates under section 410(b) of title 38, United States Code, to surviving spouses of certain veterans compensated at the 100-percent rate whose deaths were not service connected.

Clause (2) of section 201 would amend subsection (b) of present section 411, to increase by 11.1 percent, from $35 to $39, the additional amount—dependents' allowances—payable for each child under the age of 18 to a surviving spouse receiving DIC.

Clause (3) of section 201 would amend subsection (c) of present section 411 in order to increase by 11.1 percent, from $89 to $99, the additional amount of DIC payable monthly to a surviving spouse who is a patient in a nursing home, or who is helpless or blind or so nearly helpless or blind as to require the regular aid and attendance of another person.

Clause (4) of section 201 would amend subsection (d) of present section 411 to increase by 11.1 percent, from $45 to $50, the DIC payable monthly to a surviving spouse who is so disabled as to be permanently housebound, but not in need of regular aid and attendance.

Section 202

Would amend present section 413 of title 38, relating to DIC for surviving children of veterans whose death were service connected, to provide an 11.1-percent increase in the monthly rates of DIC payable for the veteran's children where no surviving spouse is entitled. The current rates of $150 for one child, $216 for two children, $278 for three children, plus $56 for each additional child would be increased to $167, $240, $309, and $62, respectively. Benefits payable at DIC rates under present section 410(b) of title 38, to the surviving children of certain veterans compensated at the 100-percent rate, veterans whose deaths were not service connected would also be automatically increased as a result of the section 413 increase.

Section 203

Would amend section 414 of to title 38, relating to supplemental DIC for certain surviving children.

Clause (1) of section 203 would amend present section 414(a) to provide an 11.1-percent increase, from $89 to $99, in the additional allowance payable monthly to a child eligible for DIC who has attained the age of 18 and who became permanently incapable of self-support before reaching age 18.

Clause (2) of section 203 would amend present section 414(b) to provide an 11.1-percent increase, from $150 to $167 in the DIC payable monthly, concurrently with the payment of DIC to a surviving spouse, to a surviving child who has attained the age of 18 and who became permanently incapable of self-support before reaching age 18.

Clause (3) of section 203 would amend present section 414(c) to provide an 11.1 percent increase, from $76 to $84, in the additional DIC payable monthly, concurrently with the payment of DIC to a surviving spouse, to a surviving child pursuing a course of education approved under present section 104 of title 38.

Benefits payable at DIC rates under present section 410(b) of title 38 to similarly-situated surviving children of certain veterans compensated at the 100-percent rate whose deaths were not service connected would also be automatically increased as a result of the section 414 increase.

Section 204

Would provide that the effective date of the amendments made by title II shall be October 1, 1979.

Title II—Cost: This section would benefit approximately 366,000 survivors, and its enactment is estimated to cost $134.4 million in fiscal year 1980.

TITLE III—MODIFICATIONS OF CERTAIN VETERANS' LIFE INSURANCE PROGRAM PROVISIONS

Section 301

Would amend present section 718 of title 38, relating to assignments of insurance policy proceeds by beneficiaries of National Service Life Insurance (NSLI) policies.

Clause (1) of section 301 would amend subsection (b) of present section 718 to delete a gender reference.

Clause (2) of section 301 would amend present section 718 to add a new subsection (c), as follows:

New subsection (c): Would authorize in certain specifically defined circumstances the assignment of all or part of the proceeds of a NSLI policy by a person claiming such proceeds to another person claiming the same proceeds in order to facilitate the resolution of the dispute between them. Under present section 718, a designated beneficiary or other person to whom NSLI proceeds are payable (other than under present section 722(b)) may assign all or any portion of the proceeds only to the insured veteran's surviving spouse, child, parents, grandparent, brother, or sister, and, unless the proceeds are to be paid in a lump sum, only if the designated contingent beneficiary, if any, joins in the assignment.

An assignment is authorized under this new subsection only with respect to NSLI policies maturing on or after the date of enactment and only if the proposed assignee claims the proceeds on the ground that the insured veteran, during his or her lifetime (1) designated the proposed assignee as the beneficiary, (2) entered into a contract with the proposed assignee to designate that person as the beneficiary, or (3) was ordered by a court to designate or retain the proposed assignee as the beneficiary. Unless the proceeds are to be paid in a lump sum, the designated contingent beneficiary, if any, would be required to join in any assignment by a person upon whose death or disqualification such contingent beneficiary's claim to those proceeds would be predicated. This new subsection does not apply to payments of insurance granted under present section 722(b) of title 38, to statutorily designated survivors of certain mentally incompetent veterans.

Section 301—Cost: No costs are anticipated from the enactment of this provision.

Section 302

Would amend present section 753 of title 38, relating to assignments of insurance policy proceeds by beneficiaries of U.S. Government life insurance (USGLI) policies.

Clause (1) of section 302 would amend present section 753 by redesignating that section as subsection (a).

Clause (2) of section 302 would further amend subsection (a) of section 753 (as to redesignated) to delete a gender reference.

Clause (3) of section 302 would further amend present section 753 to add a new subsection (b), as follows:

New subsection (b): Would authorize in certain specifically defined circumstances the assignment of all or part of the proceeds of a USGLI policy by a person claiming such proceeds to another person claiming the same proceeds in order to facilitate the resolution of the dispute. Under present section 753, a person to whom USGLI proceeds are payable may assign all or any portion of the proceeds only to the insured veteran's spouse, child, grandchild, parent, brother, sister, uncle, aunt, nephew, niece, brother-in-law, or sister-in-law, and, unless the proceeds are to be paid in a lump sum, only if the designated contingent beneficiary, if any, joins in the assignment. An assignment is authorized under this new subsection only with respect to USGLI policies maturing on or after the date of enactment and only if the proposed assignee claims the proceeds on the ground that the insured veteran, during his or her lifetime (1) designated the proposed assignee as the beneficiary, (2) entered into a contract with the proposed assignee to designate that person as the beneficiary, or (3) was ordered by a court to designate or retain the proposed assignee as the beneficiary. Unless the proceeds are to be paid in a lump sum, the designated contingent beneficiary, if any, must join in any assignment by the person upon whose death or disqualification such contingent beneficiary's claim to those proceeds would be predicated.

Section 302—Cost: No costs are anticipated from the enactment of this provision.

Section 303

Would amend present section 725 of title 38, relating to NSLI policies issued to certain disabled veterans during the limited reopening in 1965 and 1966 of the NSLI program—the so-called "Veterans Reopened Insurance" (VRI) policies.

Clauses (1) through (4) of section 303 would amend subsections (b) and (c) of present section 725, relating to the terms and conditions of VRI, to delete the clauses (clause (8) of subsection (b) of clause (4) of subsection (c)) providing that VRI policies are issued on a nonparticipating basis, and thus authorize the payment of dividends on such policies.

Clause (5) of section 303 would amend paragraph (1) of subsection (d) of present section 725, relating to the VRI Fund, a revolving fund established in the Treasury of the United States, to provide that VRI dividends and refunds of unearned premiums on VRI policies as well as other payments on VRI policies shall be made from such Fund and the interest it earns.

Section 303—Cost: No costs are anticipated from the enactment of this provision, but the distribution of dividends from the VRI Fund is anticipated to increase outlays from that Fund by $2.8 million in fiscal year 1980.

Section 304

Subsection (a) of section 304 would amend subchapter I of chapter 19 of title 38, relating to NSLI, to add a new section 726, as follows:

New section 726.—Authority for higher interest rates for amounts payable to beneficiaries: Would authorize the payment of interest rates higher than those prescribed under present sections 702, 723, and 725 for various types of NSLI and Veterans Special Life Insurance (VSLI) policies on the unpaid balance of policy proceeds where the veteran elected to provide for the payment to the beneficiary of such proceeds in equal monthly installments over a limited period of months. Interest payments are, under current law, added to each such monthly installment. Under this new section, any higher rate of interest (or subsequently reduced rate) may be established only in accordance with a determination, which the Administrator of Veterans' Affairs may make from time to time, that such higher interest rate (or subsequently reduced rate) for the insurance program concerned is administratively and actuarially sound. Under present sections 702, 723(a) and 725(b), various interest rates are prescribed for calculations of interest on NSLI and VSLI policies; and those prescribed rates would remain the minimum interest rates payable in connection with proceeds to which this new subsection applies.

Subsection (b) of section 304 would amend the table of sections at the beginning of chapter 19 to reflect the addition of new section 726, made by the amendment in subsection (a) of this section of the Committee bill.

Section 304—Cost: No costs are anticipated from the enactment of this provision.

Section 305

Subsection (a) of section 305 would amend subchapter II of chapter 19, of title 38, relating to USGLI, to add a new section 761, as follows:

New section 761.—Authority for higher interest rates for amounts payable to beneficiaries: Would authorize the payment of an interest rate higher than the rate prescribed under present section 744(b) on the unpaid balance of USGLI proceeds where the veteran elected to provide for the payment to the beneficiary of such proceeds in equal monthly installments over a limited period of months. Interest payments are under current law added to each such monthly installment. Under this new section, any higher interest rate (or subsequently reduced rate) may be established only in accordance with a determination, which the Administrator of Veterans' Affairs may make from time to time, that such higher interest rate (or subsequently reduced rate) is administratively and actuarially sound. Under present section 744(b) of title 38, an interest rate of 3½ percent is prescribed for all calculations on USGLI; and that rate would remain the minimum interest rate payable in connection with proceeds to which this new section applies.

Subsection (b) of section 305 would amend the table of sections at the beginning of chapter 19 to reflect the addition of new section 761, made by the amendment in subsection (a) of this section of the Committee bill.

Section 305—Cost: No costs are anticipated from the enactment of this provision.

Section 306

Would provide that the effective date of the amendments made by this title of the Committee bill shall be the date of enactment.

TITLE IV—EXEMPTION OF VETERANS' ADMINISTRATION HOME LOANS FROM STATE ANTI-USURY PROVISIONS

Section 401

Subsection (a) of section 401 would amend chapter 37 of title 38, relating to home, condominium, and mobile-home loan programs for veterans, to add a new section 1828, as follows:

New section 1828.—Exemption from State anti-usury provisions: Would exempt loans

and mortgages guaranteed or insured under chapter 37 of title 38, United States Code, from the application of the provisions—so-called "anti-usury" provisions—of any State constitution or law limiting the rate or amount of interest, discount points, or other charges which lenders may charge, take, receive or reserve, if, under any Federal law, loans insured under title I or title II of the National Housing Act are exempt from the application of such provisions. Titles I and II of the National Housing Act provide for several programs of federally insured loans for residential housing; and, under current law, there are no Federal laws generally exempting such insured loans from such State provisions.

Section 8 of Public Law 94-324 exempts both VA guaranteed and insured loans as well as those insured under titles I and II of the National Housing Act from interest rate limitations that are applicable to certain classes of lenders. Under section 310 of H.R. 3875, the proposed "Housing and Community Development Amendments of 1979", as passed by the House on June 7, 1979, title V of the National Housing Act would be amended to insert a new section 529, as follows:

"SEC. 529. (a) The provisions of the constitution of any State expressly limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received or reserved by lenders and the provisions of any State law expressly limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved shall not apply to any loan, mortgage, or advance which is insured under title I or II of this Act.

"(b) The provisions of subsection (a) shall apply to loans, mortgages, or advances made or executed in any State until the effective date (after the date of enactment of this section) of a provision of law of that State limiting the rate or amount of interest, discount points, or other charges on any such loan, mortgage, or advance."

Under section 319 of H.R. 3875, as passed by the Senate on July 13, 1979, title V of the National Housing Act would be amended to insert an identical provision.

Subsection (b) of section 401 would amend the table of sections at the beginning of chapter 37 to reflect the addition of new section 1828, made by the amendment in subsection (a) of this section of the Committee bill.

Title IV—Cost: No costs are anticipated from the enactment of the provisions of this title.

TITLE V—MISCELLANEOUS PROVISIONS

Section 501

Would amend chapter 17 of title 38, relating to veterans' hospital, nursing home, domiciliary, and medical care, and chapter 81 of such title, relating to the acquisition and operation of veterans' hospital and domiciliary facilities, in order to correct minor technical errors resulting from the enactment of the Veterans' Health Care Amendments of 1979 (Public Law 96-22).

Subsection (a) of section 501 would amend present section 611(c)(1) of title 38 to conform to the wording of present section 3402 the reference to certain organizations described in section 3402.

Section (b) of section 501 would amend present section 612A(d) of title 38 to delete an unnecessary comma.

Subsection (c) of section 501 would amend present section 620A of title 38 to correct a grammatical error and to delete an unnecessary comma.

Subsection (d) of section 501 would amend present section 663(d) of title 38 to make a grammatical correction.

Subsection (e) of section 501 would amend present section 5005 to provide a correct reference to the provisions of title 38—subchapter III of chapter 81—under which State home construction grant assistance is authorized.

Section 502

Would require the Director of the National Institute of Occupational Safety and Health (NIOSH), upon the request of the VA (or other Federal department, agency, or instrumentality) and under the provisions of section 6103(m)(3) of the Internal Revenue Code, to request from the Internal Revenue Service current mailing address information on persons who the agency head certifies may have been exposed to occupational health hazards while serving in the Armed Forces and to supply that information to the VA (or other Federal department, agency, or instrumentality) solely for purposes of locating such persons as part of an activity being carried out by or on behalf of the VA (or other Federal department, agency, or instrumentality) for certain medical followup and benefits notification purposes relating to such possible exposure.

Relevant portions of section 6103 of the Internal Revenue Code are as follows:

§ 6103. Confidentiality and disclosure of returns and return information

(a) GENERAL RULE.—Returns and return information shall be confidential, and except as authorized by this title—

(1) no officer or employee of the United States,

(2) no officer or employee of any State or of any local child support enforcement agency who has or had access to returns or return information under this section, and

(3) no other person (or officer or employee thereof) who has or had access to returns or return information under subsection (e)(1)(D)(iii), subsection (m)(4)(B), or subsection (n),

shall disclose any returns or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this section. For purposes of this subsection, the term "officer or employee" includes a former officer or employee.

* * * * *

(m) Disclosure of taxpayer identity information.—

* * * * *

(3) NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH.—Upon written request, the Secretary may disclose the mailing address of taxpayers to officers and employees of the National Institute for Occupational Safety and Health solely for the purpose of locating individuals who are, or may have been, exposed to occupational hazards in order to determine the status of their health or to inform them of the possible need for medical care and treatment.

Title V—Cost: No costs are anticipated from the enactment of the provisions of title V.

CONCLUSION

Mr. CRANSTON. Mr. President, S. 689 as reported was estimated to entail the following cost over the next 5 years, as more fully described in the committee report excerpts printed above, $758.1 million in fiscal year 1980; $765.5 million in fiscal year 1981; $773.6 million in fiscal year 1982; $784.1 million in fiscal year 1983; and $792.3 million in fiscal year 1984. The committee amendment costs would be the same, except that CBO has informally advised the committee that $1.3 million should be added in each of fiscal years 1980 and 1981 to reflect the cost of the Agent Orange study required under title V of the committee substitute.

Unfortunately, as previously indicated, the fiscal year cost of S. 689 as reported was not deemed to be within our committee's crosswalk allocations under the first concurrent budget resolution and was thus referred to the Appropriations Committee on July 27. The Appropriations Committee, chaired by my distinguished colleague, the Senator from Washington (Mr. MAGNUSON), was extremely helpful in reporting the bill promptly on July 30. Thanks are due also to the able chairman of the Subcommittee on HUD-Independent Agencies, the Senator from Wisconsin (Mr. PROXMIRE), and to the distinguished ranking minority members of the Appropriations Committee and the subcommittee, the Senator from North Dakota (Mr. YOUNG) and the Senator from Maryland (Mr. MATHIAS), respectively, and the very capable Appropriations Committee staff members Featherstone Reid, Terry Lierman, and Joel Bonner, and Appropriations Subcommittee staff members Tom van der Voort and Wallace Berger.

As I stated earlier, the service-connected disability compensation program is the highest priority of this committee, and I strongly believe that the 11.1-percent cost-of-living increase and other provisions in the committee amendment are fully warranted. I am most grateful for the excellent contributions and cooperation of all the committee members in working on this legislation and am very thankful for the help of their staff members.

I would particularly like to express my appreciation to our ranking minority member, the Senator from Wyoming (Mr. SIMPSON), for his help and guidance; to his staff member, Ken Bergquist; and to Minority Counsel Garner Shriver, Assistant Minority Counsel Gary Crawford, and Associate Minority Counsel John Pressly.

I would also like to thank the able Senator from Georgia (Mr. TALMADGE) for his excellent work in the development of this legislation and his staff member, Bobby Avary.

Finally, I would like to thank Senior Counsel Hugh Evans of the Senate Legislative Counsel's Office, committee staff members Mary Sears, Ed Scott, Jon Steinberg, Gerry Charles, Harold Carter, Terri Morgan, Janice Orr, Becky Walker, Mikki Day, the committee's GPO-detailed printers, James MacRae and Walter Klingner, and Shelley Madden of my personal staff. I would also like to take this opportunity to express my deep appreciation for the many fine and significant contributions made by Dr. Gerry Charles during his all too brief service with our committee staff as a Robert Wood Johnson fellow.

Does the Senator from Idaho wish to be recognized?

Mr. McCLURE. Mr. President, as the Senator from California knows, I have had some questions concerning this bill, not with respect to the question of whether veterans are entitled to the benefits or whether or not the increase in veterans benefits is justified. I think it is. I support the increase from the 8.3 percent that was in the House bill to the 11.1 percent which is in the Senate bill.

My question does not have to do with the veterans benefits at all but with the budget process.

The first concurrent budget resolution, according to the Budget Committee staff, is being exceeded by the passage of this bill. The only way this bill can be held to be within the bounds of the first concurrent resolution is to assume that there will be some offsetting savings which may or may not occur in the future.

The Budget Committee has, of course, been working on the second concurrent resolution and a couple of days ago took action which would accommodate the increase for this legislation.

But after having taken that as they again looked at what was happening to the budget, I think some $15 billion over the first concurrent resolution in total, if the remainder of the actions expected during the remainder of this session come about, with no offsetting savings, they late last night adopted a resolution that said each legislative committee is going to be asked to cut back the total amount of money which has been committed by that committee to the amount in the first concurrent resolution.

Mr. President, the Veterans' Affairs Committee is unable to give us assurances that they will or are able to do that or that they even intend to do that.

It is also my understanding that this budget figure that I am talking about is prior to two other events or perhaps three other events that have occurred since the first concurrent resolution.

One is that the optimistic projections of economic performance that were—I use the term "optimistic." Their projections that I thought were too optimistic in regard to the performance of the economy have, as a matter of fact, proven to be too optimistic. The economy is neither performing so well nor is inflation behaving as well as the first concurrent resolution assumed that it would.

Second, we are now involved again under an urgency stimulated by the President as a result of the reduction in oil imports from Iran to again take some massive emergency actions that will have budgetary impact in the next fiscal year in energy programs. And again they may be justified, but they have budgetary impact.

We are now involved in the beginnings of the great debate upon foreign policy stimulated by the discussion of the SALT II treaty proposal and whether or not it will be balanced by sufficient amount of effort to build our own military strength in this country which will have, if it comes out in the way that some are suggesting, large budgetary effect in the next fiscal year.

That all in the face of the fact that the economy is not behaving in the way of the standard economic theory in vogue within the administration, within Congress, within CBO, and within the Federal Reserve. That the economic theory is not being matched by economic facts.

So there is a great deal of confusion around here as to what needs to be done to reduce the current rate of inflation.

The economic labor statistics just released indicate that rather than the problem geting reduced in size it is getting worse, rather than inflation slowing down it is continuing to heat up, and rather than unemployment problems going away the expectations are that unemployment problems will become greater.

Mr. President, I am absolutely convinced, as I have been for some years, that this economic situation will not yield to the current economic panaceas that have been so in vogue in this country for too long and that there is a very great need for this Congress to focus on those problems.

Hence my concern about a budgetary process that has worked to some degree and failed in a large degree, in my opinion, to accomplish what was hoped for it by many of those who supported the installation of that budget process.

Mr. President, it is not my intention to hold up the passage of this legislation today. I have no intention of trying in any way to amend it, or to limit the amount of the gain in benefits which the Senator from California and the majority of the Veterans' Affairs Committee have suggested is necessary for them.

But I am suggesting at this time that we cannot promise everyone in our society everything that everyone in this Chamber wishes to give them and survive. Economics will not yield to callous political platitudes. We cannot say to people we are going to hold you harmless from the economic conditions that we have created; You veterans, because inflation has run, are entitled to more benefits; You elderly who are on fixed incomes are entitled to help from us because we have created inflation; You who are on social security must be assured that you are going to be protected over all the years to come because we politicians find it necessary to make promises to you about what we will do that will get us past the next election. And devil take care of those who in the future have to pay the bills in inflation, in the taxes that will destroy the stability of this country and in the loss of real earning power for the majority of the working men and women in this country.

There is no way for us to keep dividing up a pie into larger and larger pieces when the pie itself does not grow. Hence, my concern about our failure to look at the consequences of abiding by a budgetary process that is supposed to deal with those very questions.

This bill is certainly not a popular place to raise that issue. I happen to be committed to veterans' benefits, and I have voted that way ever since I have been in Congress and, of course, since my service on the Veterans Committee, although I do not any longer serve there.

But, Mr. President, I think those of us who have a feeling toward a particular program of this nature, as I do, perhaps have a greater responsibility to restrain our appetite to satisfy the urge to respond to the very real needs of the people who are affected by it, recognizing that if we do not control the spending appetites within this Congress, there is no way we can tax the American people enough to pay for all of it.

When we refuse to tax people enough to pay for all of it, we create the inflation which is the cruelest and most regressive tax of all because it has no deductions, it has no exemptions, it is no respecter of the ability of anyone to pay.

That cruel tax is levied by the Members of Congress who do not have the political courage to say, "No," on spending proposals and new schemes for new Federal programs.

Mr. President, again I do not intend to try to obstruct this bill because I tend to favor it. I do not intend to try to amend this bill because I believe they are entitled to that relief. I do not intend to raise the budgetary question because the Budget Committee itself has not elected to raise that issue.

Mr. President, I cannot allow this opportunity to go by, this moment to go by, without saying that what we are doing is symptomatic of the reasons why this country is in trouble today because politicians will not restrain their appetites to assure everyone that we can help them out of every mess we have created.

Mr. THURMOND. Mr. President, the needs of the service-connected disabled veteran must always remain first in priority in the scheme of veterans' benefits. S. 689, Veterans' and Survivors' Benefits Adjustment Act of 1979 will continue to maintain this high priority and demonstrate our Nation's commitment to those disabled while in the service of our country.

Mr. President, the premier provision in S. 689 is an 11.1 percent cost-of-living increase for those individuals receiving compensation and DIC benefits. This rate increase reflects the rise in inflation over the 12 months ending in June 1979, as indicated by the Consumer Price Index.

S. 689 also would provide that a category of very severely disabled veterans not presently eligible for consideration for aid-and-attendance allowances under subsection (r) of section 314 of title 38 would be eligible for such consideration. Prior to this legislation, this category of veterans had been eligible for the regular aid-and-attendance allowance but, because of certain complexities in the compensation rate structure, they are now excluded. This legislation remedies the existing situation and permanently restores this eligibility. Although this measure will affect only a few veterans, I believe that these individuals—all of whom are severely disabled—are the most deserving of their benefits and entitlements.

During the 94th Congress, legislation was enacted which exempted VA and FHA home loans from certain types of State anti-usury statutes. However, due to technical difficulties regarding the language of this Federal statute, all States were not included in this exemption. Therefore, S. 689 provides that an exemption from all State constitutional or statutory usury provisions would exist for the VA home loan program. I believe

this will be of great assistance to those veterans, especially the younger Vietnam-era veterans, who are attempting to purchase a home during this time of high inflation and interest rates.

Changes in the VA insurance programs are included in S. 689. There is a provision which would authorize the payment of dividends on certain policies, and also higher rates of interest on insurance proceeds paid on an installment basis would be authorized. Also contained in this measure is a provision which would allow the assignment of VA insurance policies to certain close family members. Under current law, these policies are not assignable.

Mr. President, these are several of the important provisions of S. 689. Others exist, but I will not discuss them at this time. I believe this bill is meritorious and fully support it, and I urge my colleagues to do likewise.

● Mr. BELLMON. Mr. President, I support this bill, S. 689, the Veterans' Disability Compensation and Survivor Benefits Act of 1979.

This bill provides an 11.1-percent increase in compensation benefits for veterans who have service-connected disabilities and dependency and indemnity compensation for spouses and dependent children of veterans who have died from service-connected causes. While I am concerned about the cost of adjusting Federal benefit programs for inflation, I agree that it is important that we increase benefits for disabled veterans and their surviving spouses and children to help them cope with increases in the cost of living.

However, Mr. President, I would like to note that the Veterans' Affairs Committee has not yet reported legislation achieving savings assumed in the first budget resolution. I am aware that the Veterans' Affairs Committee did not agree with some of the specific savings assumed in the budget resolution. Nevertheless, if the various committees do not achieve savings comparable to those assumed in the budget resolution, Congress will find itself with a much higher spending level and a larger deficit than it set out to achieve.

I am personally pleased, Mr. President, that the Senate will have the opportunity next month to reaffirm the legislative savings goals it set in the first budget resolution. If the Senate does ratify these goals, the Veterans' Committee will be required to re-examine all of its programs and achieve fiscal year 1980 savings of $0.1 billion in budget authority and $0.2 billion in outlays. The Veterans' Committee would have the responsibility of deciding specifically how to achieve these savings.

As I have already indicated, I see no reason why this bill should not pass, but I feel it is important to alert the Senate to the implications for the Veterans' Affairs Committee of the decisions to be made next month as part of the Senate's action on the second budget resolution for fiscal year 1980.●

Mr. CRANSTON. Mr. President, I share the concern of the Senator from Idaho about the many budgetary and economic difficulties that our country faces. I share his concern about the congressional budget process since I helped to create it and served on the Budget Committee for a time with the Senator from Idaho.

We have been very prudent in our approach to spending.

I would like to outline some very significant steps—which were somewhat controversial—that we have taken to deal with spending in veterans' programs in a very responsible way. Mr. President, our committee will deal with the specific issues the Senator has raised relating to veterans' affairs as they come before us and in the coming budget resolution.

During this session, Mr. President, the Veterans' Affairs Committee has dealt, and will continue to deal, very seriously with its obligations regarding cost savings proposals assumed in the first concurrent budget resolution.

Mr. President, with respect to flight and correspondence training, the committee ordered reported, just last Friday, legislation—S. 870—which would, if enacted, result in cost-savings in this area of more than $31 million. As ordered reported, the committee bill would modify the authorities for pursuit of both flight and correspondence training and would tighten the so-called 50-percent employment rule applicable to these types of training, as well as to other vocational objective courses.

I believe the committee has taken most responsible action in this regard, since outright termination of the authorities for pursuit of these types of training would deny certain veterans access to benefits already utilized by their peers, would prohibit the use of GI bill benefits for pursuant of types of training that have, in many instances, resulted in jobs, and could deny to some veterans the chance to utilize in a meaningful way benefits to which they are entitled. Thus, the committee has attempted to deal fairly and reasonably with the issue by designing legislation to curb abuses through avocational use of GI bill benefits for these courses.

CBO has estimated the savings that would result from the modifications in these GI bill authorities to be $31 million in fiscal year 1980. The savings that would result from tightening of the 50-percent employment rule have not yet been determined, but we expect them to be substantial. The net fiscal result, then, of the committee's actions last Friday will be a cost savings.

I certainly hope we can count on the support of Budget Committee members for that bill on the floor next month.

Second, with regard to cost savings proposals affecting the VA health care system, our committee reported savings of $38 million—after a hard-fought battle in committee—and the Senate passed H.R. 3892 to provide for those savings. With regard to the health insurance reimbursement legislation, S. 759—an administration proposal that has been around for several years—such as the administration's ability to implement the bill and the effect on health insurance premiums—staff has met with representatives of the administration, the health insurance industry, CRS, and CBO, and a further meeting is scheduled this month to which staff of the Budget Committee has been invited. We have scheduled hearings on S. 759 for September 25. I would like to note that the cost savings assumed in the first concurrent budget resolution for fiscal year 1980—$0.2 billion—have now been reestimated by CBO at $0.1 billion.

But let me read from the July 27 letter to the chairman and ranking minority member of the Budget Committee from the Veterans' Affairs Committee on this so-called savings and on other unrealistic—I stress that point, unrealistic—cost savings legislation assumed by the Budget Committee in connection with the first concurrent resolution. We wrote, on July 27:

[E]ven if it is assumed that such legislation would be enacted—which seems most unlikely this year—we believe strongly that the estimated cost-savings should not be deducted, just as we have previously urged they should not be deducted in connection with the FCR, from amounts otherwise allocable to the Appropriations Committee for the first fiscal year following enactment of the legislation. Our reasons for this are primarily based on the fact that collections of reimbursements under this measure would not be available to the VA until toward the end of fiscal year 1980; and any reduction of appropriations premised on the enactment of this legislation would, to the extent of such a reduction, force the VA to operate at a reduced program level for much of that year—perhaps for the entire fiscal year in the event that estimated collections later in the year do not materialize in the amounts forecast. In our Committee's view, this would be a most unsatisfactory result, and an alternative method of accounting for the estimated savings is clearly necessary.

. . . [W]ith regard to legislation to eliminate or reduce certain veterans' burial benefits, the enactment of which your Committee assumed would result in cost savings of $0.1 billion in fiscal year 1980, no such legislation has been introduced either in the House or the Senate. In our view, it is totally unrealistic to expect the Congress to reduce these benefits; and we have no plans to consider such legislation. Thus, we urge that the estimated savings be restored in the SCR.

. . . [W]ith regard to legislation to reduce the period of eligibility for GI Bill—educational assistance—benefits, in connection with which your Committee assumed cost savings of $0.1 billion in budget authority and outlays, as in the case of burial benefits, no such legislation has been introduced in either House. In our view, there is no basis whatever for assuming enactment; and we have no plans to consider such legislation. Thus, we recommend that the estimated savings be restored in the SCR.

Mr. President, I ask unanimous consent that our July 27 letter be printed in full in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 27, 1979.

Hon. EDMUND S. MUSKIE, *Chairman,*
Hon. HENRY BELLMON, *Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, D.C.*

DEAR ED AND HENRY: We are writing, on behalf of the Committee on Veterans' Affairs, in response to your letter of July 23 pertaining to legislation under the First Concurrent Resolution on the Budget for

Fiscal Year 1980 (FCR). In that letter you asked for information regarding the Veterans' Affairs Committee's plans with respect to legislation having cost implications in order to assist the Budget Committee in its deliberations on the Second Concurrent Resolution (SCR).

You specifically asked about the prospects for cost-savings legislation that your Committee has assumed would be enacted. First, with respect to S. 759, health-insurance reimbursement legislation, estimated by the Congressional Budget Office (CBO) at the time of your report to result in savings of $0.2 billion in budget authority and outlays in fiscal year 1980, Committee staff has conducted an extensive review of the complex issues involved, has met with VA, CBO, Congressional Research Service, and health insurance industry representatives, and has scheduled a further meeting for August 15 with representatives of the same organizations, staff of your Committee and other Congressional Committees, and White House staff. Hearings will be held on S. 749 on September 12. In light of the difficult constitutional and policy issues that this legislation presents, we are not now in a position to predict what action will be taken in our Committee.

There has been no movement on counterpart legislation in the House of Representatives, and the House Committee on Veterans' Affairs has clearly indicated that it will not take any action on it this year.

In any event, even if it is assumed that such legislation would be enacted (which seems most unlikely this year), we believe strongly that the estimated cost-savings should not be deducted, just as we have previously urged they should not be deducted in connection with the FCR, from amounts otherwise allocable to the Appropriations Committee for the first fiscal year following enactment of the legislation. Our reasons for this are primarily based on the fact that collections of reimbursements under this measure would not be available to the VA until toward the end of fiscal year 1980; and any reduction of appropriations premised on the enactment of this legislation would, to the extent of such a reduction, force the VA to operate at a reduced program level for much of that year—perhaps for the entire fiscal year in the event that estimated collections alter in the year do not materialize in the amounts forecast. In our Committee's view, this would be a most unsatisfactory result, and an alternative method of account for the estimated savings is clearly necessary.

We would also note that on July 6, 1979, we received an informal CBO estimate (copy enclosed) of cost-savings (collections) of only $107 million in fiscal year 1980, based on an optimistic assumption of an effective date of January 1, 1980; this is a reduction of $58 million from the previous CBO estimate dated April 19, 1979.

Second, with regard to legislation to eliminate or reduce certain veterans' burial benefits, the enactment of which your Committee assumed would result in cost savings of $0.1 billion in fiscal year 1980, no such legislation has been introduced either in the House or the Senate. In our view, it is totally unrealistic to expect the Congress to reduce these benefits; and we have no plans to consider such legislation. Thus, we urge that the estimate savings be restored in the SCR.

Third, with regard to legislation to reduce the period of eligibility for GI Bill—educational assistance—benefits in connection with which your Committee assumed cost savings of $0.1 billion in budget authority and outlays, as in the case of burial benefits, no such legislation has been introduced in either House. In our view, there is no basis whatever for assuming enactment; and we have no plans to consider such legislation. Thus, we recommend that the estimated savings be restored in the SCR.

Fourth, with regard to legislation to eliminate GI Bill benefits for flight and correspondence training, as proposed in Administration-requested legislation, S. 370, and assumed to result in cost-savings of $57.8 million at the time your Committee reported the FCR, the Veterans' Affairs Committee, after very careful study and with the benefit of preliminary data from a General Accounting Office report on these two programs, will not recommend such legislation but rather has ordered reported legislation (S. 870) to tighten administration of the flight and correspondence programs and reduce payments for flight training by requiring greater cost sharing by the trainee. According to CBO, fiscal year 1980 estimated cost savings of $31 million in budget authority and outlays would result from the enactment of the provisions that our Committee has approved.

With respect to other legislation, there are several matters on which we would like to give you our views. First, our Committee plans to report legislation making improvements in the GI Bill, including a targeted extension of the period of GI Bill eligibility for educationally disadvantaged veterans and those who could benefit from on-job training to acquire needed job skills, all of which, when taken into account together with the above mentioned cost-savings, will result in net costs that are within our crosswalk under the FCR for Mission 2 of Function 700—$2.2 billion in budget authority and $2.3 billion in outlays. As soon as we have a CBO estimate of the costs of this bill, we will make certain that you also have copies.

We also recommend that Mission 1 of Function 700 be increased to provide for the 11.1-percent cost-of-living increase in service-connected disability compensation rates which our Committee has favorably reported in S. 689.

Also, as our Committee had previously urged in our March 15, 1979, report of views and estimates for the fiscal year 1980 budget, we strongly recommend that the SCR include provision for a "capped" 7-percent cost-of-living increase in GI Bill benefits, estimated to result in costs of $275 million in budget authority and outlays in fiscal year 1980. (Although your Committee had assumed enactment of such a cost-of-living increase in making its recommendation on the FCR, various cost-savings proposals for Function 700 entitlement programs that your Committee had assumed would be enacted, but will not be enacted—together with the fact that the cost-of-living increase in the compensation legislation has become more costly than had been expected—ultimately resulted in a crosswalk that realistically left no room for any cost-of-living increase.) If the SCR makes provision for this badly needed increase, our Committee will shortly thereafter recommend the enactment of this legislation.

With respect to Mission 3 of Function 700, we recommend that provision be made in the SCR for appropriations for VA accounts that are included in H.R. 4392 as reported by the Appropriations Committee plus $30.1 million, which would consist of an additional $25.1 million for the medical care account for the implementation of the Veterans' Health Care Amendments of 1979 (Public Law 96-22), which was enacted on June 13, 1979, and an additional $5 million for the grants to State extended-care facilities account to maintain the veterans' State home construction assistance program in fiscal year 1980 at the same $10 million level of appropriations provided in the current fiscal year. Senator Cranston will propose an amendment to H.R. 4392 for the $25.1 million increase; and Senator Randolph, for the $5 million increase.

Finally, we would like to clarify on behalf of the Veterans' Affairs Committee one aspect of our Committee's crosswalk report (S. Rept. No. 96-244) under the FCR. Our Committee, in subdividing among major programs the allocations to it of $14.1 billion in budget authority and outlays, allocated $11.7 billion in budget authority in $11.6 billion in outlays to "Income security" and $0.2 billion in budget authority and outlays to "Burial benefits". The Committee's intention regarding this subdivision is that the only programs included in the "Income security" category are the disability compensation and pension programs; and "Burial benefits" includes all other non-direct spending programs in Mission 1 of Function 700—for which $211 million in budget authority and outlays (in unrounded figures) were included.

With respect to the projections you requested for fiscal years 1981 through 1984, we are unable to provide you with firm estimates for those years because of the very uncertain prospects for S. 759, the health insurance reimbursement measure discussed above, and the complexities involved in forecasting legislative activities in future years. However, if you require further information in this regard to update the projection included in the attachment to our Committee's March 15 report to your Committee (pages 51-52), we would ask that you have a member of the Budget Committee staff contact Edward Scott, General Counsel of the Veterans' Affairs Committee, for whatever analysis or data that is needed and that our Committee staff can provide with respect to those years.

We hope that you find this response helpful in your Committee's deliberations on the SCR for fiscal year 1980.

Sincerely,

ALAN CRANSTON,
Chairman.
ALAN K. SIMPSON,
Ranking Minority Member.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., July 6, 1979.

To: Ed Scott.
From: Steven Crane.

Attached is an informal estimate of S. 759 on a cash basis, reflecting a January 1, 1980 effective date, as you requested in your letter of June 4, 1979.

If you have any questions, please let me know.

[Informal draft]

COST ESTIMATE

JULY 6, 1979.

1. Bill number: S. 759.
2. Bill title:

A bill to amend title 38, United States Code to provide for the right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans Administration (VA) to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes.

3. Bill status:

As introduced by the Senate Committee on Veterans Affairs, March 26, 1979.

4. Bill purpose:

To amend title 38, U.S.C., to give the United States the right to recover the cost of hospital, nursing home, and outpatient care provided by the VA to veterans with non-service connected disabilities to the extent that such veterans have health insurance or similar coverage for such care.

5. Cost estimate:

Estimated authorization/costs by fiscal years, in millions of dollars

1980	−107
1981	−302
1982	−364
1983	−391
1984	−420

Total five year savings: −1584

The costs/savings of this bill fall within budget function 700.

6. Basis of estimate:

According to information published in the 1977 VA Annual Report and the Fiscal Year 1980 VA budget justification document, approximately 70 percent of VA hospital discharges are veterans under 65 years of age who have been treated for non-service-connected disabilities. A recent survey conducted by the VA indicates that about 16 percent of such veterans have some type of medical insurance coverage. This survey did not collect information concerning the depth of coverage of these policies, or whether the policies had remaining coverage. It may be true that some veterans with private insurance utilize VA care only after such coverage has been exceeded or has temporarily lapsed, or have policies that cover only a limited number of services. In the absence of additional information, CBO assumes that the average policy would cover 86 percent of inpatient charges and 60 percent of outpatient charges based on a 1978 study by the Health Insurance Association of America of group medical insurance coverage. CBO further assumes that all veterans who reported private coverage in the VA study had valid policies that on the average would reimburse the above percentage of charges.

The proposed legislation would allow the U.S. to recover the costs of care from private health insurers according to the terms of agreement between the insured person and the insurer. In most cases, insurers are liable for only those costs which are deemed to be "reasonable or customary" for a particular episode of care. A number of studies have indicated that VA hospitals in general have lengths of stay that are approximately twice as long as stays for similarly aged persons treated in community hospitals for similar diagnoses. According to the VA, preliminary discussions with major private insurers have indicated that carriers would likely not reimburse at least some portion of these additional days of care in VA facilities if medical need could not be demonstrated. Although it is presently unclear what proportion of a VA hospital stay carriers would consider reasonable, CBO assumes that for most type of care private insurance would cover two-thirds the normal VA length of stay for reimbursement purposes.

Enactment of the proposed legislation would require the VA to establish a formal billing system to collect reimbursement from the insurance carriers. Although there has been some controversy as to how quickly the VA could implement such a system, the VA presently claims that a collection system could be made operational within three months. The proposed system would bill carriers on an inclusive per diem rate, which would be based on average cost information which is currently collected by the VA. In addition, a recent VA study indicates that patient recordkeeping would require only minor modification to accommodate such billing. According to the VA, preliminary discussions with several major carriers suggest that the proposed system would be acceptable to most insurers and could be implemented within several months.

Based on the VA claim, CBO assumes that collection could begin 90 days after enactment of the proposed legislation. CBO further assumes that administrative costs would amount to about 2.5 percent of the amount collected, based on experience with the medicare program. Administrative costs are assumed to represent a higher percentage of collections in the first year as the program is phased in. Because the proposed legislation would apply only to insurance policies that are written, revised, or renewed after the law becomes effective, the first year's collections would be considerably less than succeeding years. The VA presently defines a policy revision or renewal to include changes in the premium rate. Based on information from the insurance industry, CBO assumes that all policies of the affected veterans population are normally rewritten or revised every year, and that these revisions are distributed evenly throughout the year. Therefore, only about half the amount of collections could be made the first year as could be made during succeeding years.

According to information provided by the Congressional Research Service and private insurance companies, the average lag in cash payments to hospitals following a patient's release is about 3-4 weeks. Hospitals require about seven working days to prepare the claim and present it for reimbursement; carriers require about the same period of time to process the claim and provide payment. CBO assumes that during the first year of the program, the cash lag for the VA would average about six weeks as the billing system is developed and perfected. In the following years, CBO assumes an average lag of four weeks.

Based on the above assumptions and analysis, CBO estimates the VA could collect a net of $107 million in FY 1980, assuming a January 1, 1980 effective date. Five year collections are estimated to total about $1.6 billion. The outyear estimates reflect CBO's assumptions of inflation in the general economy. Although the proposed legislation includes private reimbursement for nursing home care, CBO estimates savings for such care to be insignificant.

7. Estimate comparison:

A cost estimate prepared by the VA for this bill shows savings of $170 million in fiscal year 1980 and five-year savings of $1.1 billion. In formulating their estimate, the VA assumed that 74 percent of inpatient charges would be reimbursable by the average private insurance policy, and only 28 percent of outpatient charges. In addition, the VA apparently did not include psychiatric care as a reimbursable service. Finally, the VA assumed that 75 percent of full-year savings could be realized in fiscal year 1980, which reflects an implicit assumption that a higher proportion of insurance policies turn over during the first part of the fiscal year than the latter part. The five-year savings do not reflect the impact of inflation in the general economy.

8. Previous CBO estimate:

CBO prepared an estimate of S. 759 on April 19, 1979. The estimate assumed an October 1, 1979 effective date, a shorter cash lag, and lower assumptions about inflation of medical care costs in the out-years.

9. Estimate prepared by: Steven Crane (225-7756)

10. Estimate approved by: —— ——.

The PRESIDING OFFICER (Mr. GLENN). The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. SIMPSON. Mr. President, the Veterans' and Survivors' Benefits Adjustment Act of 1979, S. 689, was unanimously recommended for passage by our Senate Committee on Veterans' Affairs on July 27, 1979. In these remarks I will refer to this legislation as the committee bill. All of our committee members contributed and worked together to bring to the Senate a greatly improved veterans' compensation program.

The principal provisions of the committee bill are an 11.1-percent increase in the monthly rates of service-connected disability compensation and a corresponding 11.1-percent increase in the rates of dependency and indemnity compensation (DIC) for surviving spouses and children of veterans whose deaths were service-connected.

The veterans' compensation program provides monthly benefits to veterans who have suffered disabilities during, or as a result of, their service in our armed forces. Through the years, Congress has granted the highest priority in behalf of those veterans with service-connected disabilities. Throughout the history of the Veterans' Compensation Act, the purpose of the act has been to compensate for the loss in income veterans have suffered because of disabilities from military service.

Over the years, our committee has attempted to assure that the purchasing power of these compensation benefits keeps pace with the rising cost of goods and services.

Our Committee on Veterans' Affairs periodically reviews the service-connected disability compensation program to make sure that the disabled veterans and their families are provided reasonable and adequate compensation, and to make sure that the purchasing power of these compensation benefits keeps pace with the rising costs of goods and services. It has been the intent of our committee and I believe of the Congress that cost-of-living increases be provided to service-connected disabled veterans and their families to keep pace with inflation.

If there is any group our Nation and its citizens want to assist, it is those who have suffered a loss in their earning capacity from disability growing out of their period of service to the country. Payment of benefits to a survivor of a veteran who died of service-connected causes is an effort by the Nation to replace, in part, the loss to the family of its provider.

There have been frequent cost-of-living increases through the years. In fact, cost-of-living increases have been provided in each of the last 5 years. The last such increase was effective October 1, 1978, and provided for an increase of 7.3 percent.

The committee bill now before us calls for an 11.1-percent rate increase. The Consumer Price Index (CPI) for the 12 months ending in June of 1979 shows the CPI has increased by 11.1 percent. The Congressional Budget Office estimate of costs for S. 689 with this rate of increase is $758.1 million in budget authority and $697.4 million in outlays.

Our bill would provide for the same percentage of rate increase of dependency and indemnity compensation (DIC) for surviving spouses and children of veterans whose deaths were service connected.

DIC is paid to surviving spouses at rates determined by the pay grade—service rank—of the deceased veteran. A higher rate is payable if the surviving spouse is so disabled as to be housebound or in need of regular aid-and-attendance, and additional amounts are payable for the veteran's surviving children. Children become entitled to DIC where there is no surviving spouse, or where the child 18 years of age or over has become permanently incapable of self-support before reaching the age of 18 or the child is age 18 to 23 and pursuing an approved course of education.

In addition DIC is paid to the needy surviving parents of a veteran whose death was service connected.

Our committee bill provides for a cost-of-living increase of 11.1 percent in DIC rates for surviving spouses and children. Additional allowances for surviving spouses in need of aid-and-attendance or housebound, helpless children age 18 or over, children between ages of 17 and 23 attending school, and surviving spouses and dependent parents in receipt of death compensation and in need of regular aid-and-attendance would also be increased by 11.1 percent.

The committee bill provides for an 11.1 percent increase in the annual clothing allowance. It is presently $218 and would be increased to $242. This special clothing allowance is provided to veterans whose service-connected disabilities require them to wear or use a prosthetic or orthopedic appliance which wears out or tears their clothing. It is interesting to note that 62,607 veterans are receiving clothing allowances.

In addition to the rate increases, the committee bill would permit aid-and-attendance benefits to be paid to a very limited number of severely disabled veterans. It would extend a basic but not automatic consideration for a monthly aid-and-attendance allowance under section 314(r) of title 38, United States Code, only to those veterans who have entitlement to compensation at the rate intermediate between the rates provided by section 314(n) and section 314(o) and who are also entitled to added compensation under section 314(k) of title 38. This is a highly technical but important clarification affecting no more than a possible 58 severely disabled veterans. A more detailed explanation is found in our committee report.

At this time there are 2,265,000 service-connected disabled veterans drawing compensation and 323,515 surviving spouses and children receiving disability indemnity compensation. The passage of this legislation will greatly affect lives of many of our most deserving citizens. We cannot fail those who have contributed so much toward our Nation's survival.

The committee bill now before this body would provide for three modifications of certain Veterans' Administration insurance programs. The first would authorize the payment of dividends on nation service life insurance policies issued under the limited reopening of that program in 1965. There is a revolving fund for the collection of premiums from those policies, but, under the law, dividends are not payable. For some time now, that fund has had a surplus, and it will continue to grow. Part of that surplus would be used to pay for the dividends that this legislation authorizes.

Another insurance provision related within the committee bill concerns payments of insurance proceeds of national service life insurance and U.S. Government life insurance policies in monthly installments and would provide authority for interest rates higher than those now paid on the unpaid balance of those proceeds. The legally established rates for each program range from 2¼ percent to 3½ percent. The trust funds out of which they are paid are earning interest that averages about 6 percent. This bill provides for the VA to pay higher interest rates determined by the administrator to be actuarily and administratively sound.

The bill also permits assignments by beneficiaries, intending to facilitate the settlement of insurance proceeds cases in which two or more claimants are involved in a dispute over the same proceeds. The VA has identified the common types of cases involving disputes that could appropriately be resolved by assignments. The carefully limited provision in the committee bill is intended to facilitate the resolution of disputes without opening the door to abuses of the VA insurance programs.

The committee bill would provide for an exemption, from State anti-usury provisions, of VA guaranteed and insured home loans wherever any Federal law exempts FHA loans. The purpose of providing for an exemption is to assure a coordinated Federal policy with regard to the application of State antiusury provisions to FHA and VA home loans. The enactment of this provision together with enactment of H.R. 3875, the "Housing and Community Development Amendments of 1979," would permit veterans of the State of Arkansas and other States to make use of their loan-guaranty entitlement in fiscal year 1980.

The need for this legislation has evolved at this time because of the antiusury prohibition in the State of Arkansas where the State constitutional bar, which can be removed only through cumbersome amendatory procedures, has brought VA loan activity in that State to a halt.

Our Senate Committee on Veterans' Affairs has the responsibility of a continuing concern for the health of our Nation's veterans. In June we held hearings on veterans' claims for disabilities resulting from nuclear weapons testing.

In the past few years the Veterans' Administration has received more than 600 claims for benefits from veterans who took some part in nuclear weapons testing. Very few claims have been approved for radiation-induced illness related to weapons testing. The committee believes that the Federal Government has a responsibility to do everything possible to facilitate the presentation of VA disability and death claims related to nuclear weapons testing.

The oversight hearings conducted by our Senate committee provided much useful information to the committee, but one problem was made very clear, and that is the matter of locating veterans who were exposed to serious health hazards during their military service.

Often the only way to locate the veterans who need to be contacted is through the taxpayer address files of the Internal Revenue Service. The Revenue Code presently authorizes the National Institute of Occupational Safety (NIOSH) to obtain addresses for the purpose of locating persons who may have been exposed to an occupational hazard.

The committee bill would direct that the NIOSH exemption within the Revenue Code be used to contact individuals who are or might have been exposed to an occupational hazard as a result of their service in the armed forces. Our bill specifies that the Director of NIOSH shall request from the IRS, and supply to the VA or other Federal department, current mailing addresses for individuals whom the VA Administrator certifies as having experienced a possible occupational hazard exposure during military service.

This provision should facilitate the completion of the weapons-test studies now underway or to be undertaken, and should greatly assist in the protection of veterans' claims rights.

S. 689 contains many provisions of significance and importance to our Nation's veterans. The bill was unanimously reported by our committee, and we recommend and urge the support of our colleagues. This bill will be of tremendous benefit to disabled wartime veterans and their families. We are again fulfilling our obligations to those who have served so well in time of war and conflict.●

● Mr. HUMPHREY. Mr. President, I rise today in support of an actual cost-of-living increase for disabled veterans' compensation. I join my distinguished colleagues on the Senate Veterans' Affairs Committee in sponsoring this very worthy legislation.

It is only fair that we support such an increase. While reduced Government spending is necessary to attack the root cause of inflation, we must not penalize the disabled veterans who depend on their monthly check. They sacrificed so much to help keep this country free, and we must not forget our debt to them.

Mr. President, this increase is strongly supported by veterans nationwide. Many groups testified before the Veterans' Affairs Committee and spoke eloquently of the need for a cost-of-living increase in compensation. They reminded us in the Senate that these benefits are for the veterans disabled in the service of our country, and for the survivor of veterans whose deaths were service connected. We should not deny these brave Americans an actual cost-of-living increase. We must keep the faith with them.●

● Mr. TALMADGE. Mr. President, I rise to speak in support of S. 689, the Veterans Disability Compensation and Survivor Benefits Act of 1979, a bill that I introduced together with Chairman CRANSTON on March 15, 1979.

I am pleased that this legislation, as reported by the Senate Committee on Veterans' Affairs, provides for an 11.2-percent increase in the rates of service-connected disability compensation and dependency and indemnity compensation (DIC). With spiraling inflation running rampant in our country, it is indeed tough to make ends meet. Many of those receiving service-connected disability compensation and DIC are the hardest hit by rising food prices, increasingly higher energy bills, and medical costs. With this in mind, I am especially delighted that our bill reflects an actual rate of inflation rather than projected inflation. Using the actual rate of the Consumer Price Index rather than projected inflation will alleviate the problem of a shortfall of 1.5 percentage points that we incurred last year.

In addition to the proposed rate increases, S. 689 addresses several other important issues. Those service-connected disabled veterans classified N-½ +K will be provided the opportunity to be considered for aid and attendance. Modifications in Veterans' Administration insurance programs are also included in this legislation.

On June 14, 1979, I chaired the hearings of the Senate Committee on Veterans' Affairs on S. 689. We heard testimony from the Veterans' Administration, various veterans service organizations, and other interested persons. Certainly, we appreciate their guidance and cooperation in formulating this legislation. Finally, I want to compliment the staff of the Senate Committee on Veterans' Affairs and the staff of representatives for each member of the committee for their work on this legislation.

Mr. President, along with the distinguished chairman and other members of our committee, I urge favorable approval of S. 689, and I hope that final congressional action will take place very soon. Millions of deserving service-connected disabled veterans and their families will be helped by this important legislation.●

Mr. ROBERT C. BYRD. Mr. President, the Senate today acted on the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979. The veterans' disability compensation program provides monthly cash benefits to veterans whose earning capacity has been reduced as a result of service-connected disability. Under this program, the amount paid to individual veterans varies. Payment depends upon the nature of the disability as well as the extent to which earning capacity has declined as a result of disability. Understandably, this program is of major importance to our Nation's veterans.

Veterans' survivor benefits are paid monthly to the spouses and children of veterans whose deaths were service connected. Additionally, in some instances, these benefits are paid to needy parents of a veteran whose death was related to military service.

The measure which was before the Senate today, will provide cost-of-living increases in compensation and survivor benefits to assure that those benefits keep pace with inflation. The Congress record on such legislation is a solid one. Over the last decade, eight public laws have been enacted to provide needed rate increases in these benefits.

We have had a longstanding commitment in this country "to care for him who shall have borne the battle" and "to care for his widow and orphan." Senator CRANSTON, chairman of the Veterans' Affairs Committee, has been an eloquent spokesman for those men and women who have sacrificed and endured hardship in the service of our country. Senator CRANSTON's diligent and effective leadership has resulted in significant improvements in veterans' programs. I wish to thank my colleague from California and the distinguished Senator from Wyoming, Mr. SIMPSON and all members of the Veterans' Affairs Committee for the bill before the Senate today.

● Mr. DURKIN. Mr. President, I urge my Senate colleagues to grant their full and overwhelming support for the 11.1 percent raise in monthly rates of Veterans' Disability Compensation and Survivors' benefits that I am sponsoring. This rate of increase is considerably higher than what the administration first proposed and it is a pleasure to note that the VA has revised its thinking in favor of our actual inflation adjustment.

As the only member of the Senate on the Veterans' Affairs Committee and on the Senate Appropriations Committee, I firmly believe this Nation owes a special debt to the men and women who have valiantly served in our Armed Forces. Today, my legislative effort is particularly dedicated to those who suffer from service-connected disability and to the survivors of those who have given their lives in the service of our country. The 11.1 percent COLI will serve to keep some 2,265,000 veterans and 323,000 survivors from losing ground to rising costs. It is needed and, certainly, well deserved.

Since the last increase in compensation benefits was October 1, 1978, the raise I am sponsoring carries an effective date of October 1 of this year. Senate passage is vitally important and I want to thank all who join me in support of this effort.●

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time. The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? (Putting the question)

The bill (H.R. 2282) was passed as follows:

H.R. 2282

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' and Survivors' Benefits Adjustment Act of 1979".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

RATES OF DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended by—

(1) striking out "$49" and inserting in lieu thereof "$49";

(2) striking out "$80" in subsection (b) and inserting in lieu thereof "$89";

(3) striking out "$121" in subsection (c) and inserting in lieu thereof "$134";

(4) striking out "$166" in subsection (d) and inserting in lieu thereof "$184";

(5) striking out "$232" in subsection (e) and inserting in lieu thereof "$258";

(6) striking out "$292" in subsection (f) and inserting in lieu thereof "$324";

(7) striking out "$346" in subsection (g) and inserting in lieu thereof "$384";

(8) striking out "$400" in subsection (h) and inserting in lieu thereof "$444";

(9) striking out "$450" in subsection (i) and inserting in lieu thereof "$500";

(10) striking out "$609" in subsection (j) and inserting in lieu thereof "$899";

(11) striking out "$1,005" and "$1,408" in subsection (k) and inserting in lieu thereof "$1,117" and "$1,564", respectively;

(12) striking out "$1,005" in subsection (l) and inserting in lieu thereof "$1,117";

(13) striking out "$1,107" in subsection (m) and inserting in lieu thereof "$1,230";

(14) striking out "$1,258" in subsection (n) and inserting in lieu thereof "$1,398";

(15) striking out "$1,408" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,564";

(16) striking out "$604" and "$900" in subsection (r) and inserting in lieu thereof "$671" and "$1,000", respectively;

(17) striking out "$905" in subsection (s) and inserting in lieu thereof "$1,005"; and

(18) striking out "$175" in subsection (t) and inserting in lieu thereof "$194".

ELIGIBILITY FOR AID AND ATTENDANCE ALLOWANCE FOR CERTAIN VETERANS

(b) Subsection (r) of section 314 is further amended by—

(1) striking out "the" the first place it appears;

(2) striking out "or" after "this section" and inserting in lieu thereof a comma;

(3) inserting "or at the intermediate rate authorized between the rates authorized under subsections (n) and (o) of this section and at the rate authorized under subsection (k) of this section," after "subsection (p) of this section,"; and

(4) striking out "compensation under subsections (o) or (p) of this section—" and inserting in lieu thereof "compensation—".

INTERMEDIATE RATES

(c) Subsection (p) of section 314 is further amended by inserting before the semicolon at the end thereof a period and "Any intermediate rate under this subsection shall be established at the arithmetic mean between the two rates concerned".

AUTHORITY FOR ADMINISTRATIVE ADJUSTMENTS IN CERTAIN CASES

(d) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons with the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 314(1) is amended by—

(1) striking out "$49" in clause (A) and inserting in lieu thereof "$54";

(2) striking out "$83" in clause (B) and inserting in lieu thereof "$92";

(3) striking out "$110" in clause (C) and inserting in lieu thereof "$122";

(4) striking out "$137" and "$27" in clause (D) and inserting in lieu thereof "$152" and "$30", respectively;

(5) striking out "$34" in clause (E) and inserting in lieu thereof "$38";

(6) striking out "$61" in clause (F) and inserting in lieu thereof "$68";

(7) striking out "$88" and "$27" in clause (G) and inserting in lieu thereof "$98" and "$30", respectively;

(8) striking out "$40" in clause (H) and inserting in lieu thereof "$44";

(9) striking out "$80" in clause (I) and inserting in lieu thereof "$99"; and

(10) striking out "$75" in clause (J) and inserting in lieu thereof "$83".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$216" and inserting in lieu thereof "$242".

EFFECTIVE DATE

SEC. 104. The amendment made by sections 101 (a), (b), and (c), 102, and 103 of this title and the provisions of section 101(d) of this title shall take effect on October 1, 1979.

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS FOR SURVIVING SPOUSES

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 is amended by—

(1) amending subsection (a) to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the persons upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	*Montly rate*
E-1	$330
E-2	341
E-3	349
E-4	371
E-5	381
E-6	390
E-7	409
E-8	431
E-9	[1] 451
W-1	418
W-2	434
W-3	447
W-4	473
O-1	418
O-2	431
O-3	462
O-4	488
O-5	538
O-6	604
O-7	655
O-8	718
O-9	771
O-10	[2] 844

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $486.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouses' rate shall be $904.";

(2) striking out "$35" in subsection (b) and inserting in lieu thereof "$39";

(3) striking out "$89" in subsection (c) and inserting in lieu thereof "$99"; and

(4) striking out "$45" in subsection (d) and inserting in lieu thereof "$50".

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended by—

(1) striking out "$150" in clause (1) and inserting in lieu thereof "$167";

(2) striking out "$216" in clause (2) and inserting in lieu thereof "$240";

(3) striking out "$278" in clause (3) and inserting in lieu thereof "$309"; and

(4) striking out "$278" and "$56" in clause (4) and inserting in lieu thereof "$309" and "$62", respectively.

RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended by—

(1) striking out "$89" in subsection (a) and inserting in lieu thereof "$99";

(2) striking out "$150" in subsection (b) and inserting in lieu thereof "$167"; and

(3) striking out "$76" in subsection (c) and inserting in lieu thereof "$84".

EFFECTIVE DATE

SEC. 204. The amendments made by this title shall take effect on October 1, 1979.

TITLE III—MODIFICATIONS OF CERTAIN VETERANS' LIFE INSURANCE PROGRAM PROVISIONS

ASSIGNMENTS OF NATIONAL SERVICE LIFE INSURANCE POLICY PROCEEDS BY BENEFICIARIES

SEC. 301. Subsection (b) of section 718 is amended by—

(1) striking out "his" and inserting in lieu thereof "such person's"; and

(2) inserting at the end thereof the following new subsection:

"(c) Except as to insurance granted under section 722(b) of this title, in any case involving a dispute between two or more persons, each of whom is claiming proceeds of a policy maturing on or after the date of enactment of this subsection, an assignment of all or any portion of the proceeds to a person other than a person specified in subsection (b) of this section is authorized to resolve such dispute if the proposed assignee claims such proceeds on the ground that—

"(1) the insured during such insured's lifetime designated such proposed assignee as the beneficiary;

"(2) the insured contracted during such insured's lifetime with such proposed assignee to designate such proposed assignee as the beneficiary; or

"(3) such proposed assignee was named, during such insured's lifetime, in a judicial order or decree as a person whom the insured was ordered to designate as the beneficiary or to retain as the designated beneficiary.

Except in cases in which the insurance proceeds are payable in a lump sum, the designated contingent beneficiary, if any, must join in any such assignment by a person upon whose death or disqualification such contingent beneficiary's claim to the proceeds would be predicated.".

SEC. 302. Section 753 is amended by—

(1) inserting "(a)" before "Any";

(2) striking out "his" and inserting in lieu thereof "such person's"; and

(3) inserting at the end thereof the following new subsection:

"(b) In any case involving a dispute between two or more persons each of whom is claiming proceeds of a policy maturing on and after the date of enactment of this subsection, an assignment of all or any portion of the proceeds to persons other than a person specified in subsection (a) of this section is authorized to resolve such dispute if the proposed assignee claims such proceeds on the ground that—

"(1) the insured during such insured's lifetime designated such proposed assignee as the beneficiary;

"(2) the insured contracted during such insured's lifetime with such proposed assignee to designate such proposed assignee as the beneficiary; or

"(3) such proposed assignee was named, during such insured's lifetime, in a judicial order or decree as a person whom the insured was ordered to designate as the beneficiary or to retain as the designated beneficiary.

Except in cases in which the insurance proceeds are payable in a lump sum, the designated contingent beneficiary, if any, must join in any such assignment by a person upon whose death or disqualification such contingent beneficiary's claim to the proceeds would be predicated.".

AUTHORITY FOR DIVIDENDS—VETERANS' REOPENED INSURANCE

SEC. 303. Section 725 is amended by—

(1) inserting "and" after the semicolon in clause (6) of subsection (b);

(2) striking out before the period in subsection (b) the semicolon after "practicable" and all of clause (8);

(3) striking out clause (4) in subsection (c) and redesignating clauses (5), (6), and (7) as clauses (4), (5), and (6), respectively;

(4) inserting "and" after the semicolon in clause (5) (as redesignated by clause (3) of this section); and

(5) striking out in the first sentence in paragraph (1) of subsection (d) "shall be made from that fund" and inserting in lieu thereof a comma and "including payments of dividends and refunds of unearned premiums, shall be made from that fund and the interest earned thereon".

AUTHORITY FOR HIGHER INTEREST RATES FOR AMOUNTS PAYABLE TO BENEFICIARIES

SEC. 304. (a) Subchapter I of chapter 19 is amended by inserting at the end thereof the following new section:

"§ 726. Authority for higher interest rates for amounts payable to beneficiaries

"Notwithstanding sections 702, 723, and 725 of this title, where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in the appropriate section of this subchapter. The Administrator may, from time to time, establish such higher rate only in accordance with a determination that such higher rate is administratively and actuarially sound for the program of insurance concerned. Such higher interest rate shall be paid on the unpaid balance of such monthly installments.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 725 the following new item:

"726. Authority for higher interest rates for amounts payable to beneficiaries.".

SEC. 305. (a) Subchapter II of chapter 19 is amended by inserting at the end thereof the following new section:

"§ 761. Authority for higher interest rates for amounts payable to beneficiaries

"Notwithstanding section 744(b) of this title, where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in such section. The Administrator may, from time to time, establish such higher rate only in accordance with a determination that such higher rate is administratively and actuari-

ally sound. Such higher interest rate shall be paid on the unpaid balance of such monthly installments.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 760 the following new item:

"761. Authority for higher interest rates for amounts payable to beneficiaries.".

EFFECTIVE DATE

SEC. 306. The amendments made by this title shall take effect on the date of enactment of this Act.

TITLE IV—EXEMPTION OF VETERANS' ADMINISTRATION HOME LOANS FROM STATE ANTI-USURY PROVISIONS

SEC. 401. (a) Chapter 37 of title 38, United States Code, is amended by inserting at the end thereof the following new section:

"§ 1828. Exemption from State anti-usury provisions

"If, under any law of the United States, loans and mortgages insured under title I or title II of the National Housing Act are exempt from the application of the provisions of any State constitution or law limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved by lenders, loans and mortgages guaranteed or insured under this chapter shall also be exempt from the application of such provisions.".

(b) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"1828. Exemption from State anti-usury provisions.".

(c) The amendments made by this title shall be effective on the date of the enactment of this Act.

TITLE V—MISCELLANEOUS PROVISIONS

TECHNICAL AMENDMENTS

SEC. 501. (a) Paragraph (1) of subsection (c) of section 611 is amended by striking out "recognized by the Administrator for the purposes of" and inserting in lieu thereof "named in, or approved by the Administrator under,".

(b) Subsection (d) of section 612A is amended by striking out the comma after "this title)".

(c) Section 620A is amended by—

(1) striking out "of" after "treatment facilities" in paragraph (1) of subsection (a) and inserting in lieu thereof "for"; and

(2) striking out the comma after "such request" in paragraph (2) of subsection (d).

(d) Subsection (d) of section 663 is amended by striking out "order to carry" and inserting in lieu thereof "carrying".

(e) Subsection (a) of section 5006 is amended by striking out "section 5031 of this title" and inserting in lieu thereof "subchapter III of this chapter".

ASSISTANCE IN LOCATING CERTAIN INDIVIDUALS EXPOSED TO OCCUPATIONAL HAZARDS DURING MILITARY SERVICE

SEC. 502. In order to effectuate more fully the policy underlying the enactment of section 6103(m)(3) of the Internal Revenue Code regarding the location, for certain purposes, of individuals who are, or may have been, exposed to occupational hazards, the Director of the National Institute of Occupational Safety and Health, upon request by the Administrator of Veterans' Affairs (or the head of any other Federal department, agency, or instrumentality), shall (1) pursuant to such section 6103(m)(3), request the mailing addresses of individuals who such Administrator (or such department, agency, or instrumentality head) certifies may have been exposed to occupational hazards during active military, naval, or air service (as defined in section 101(24) of title 38, United States Code) and (2) provide such addresses to such Administrator (or such department, agency, or instrumentality head) to be used solely for the purpose of locating such individuals as part of an activity being carried out by or on behalf of the Veterans' Administration (or such other department, agency, or instrumentality) to determine the status of their health or to inform them of the possible need for medical care and treatment and of benefits to which they may be entitled based on disability resulting from exposure to such occupational hazards.

SEC. 503. (a) The Secretary of Health, Education, and Welfare, in consultation with the heads of other appropriate Federal departments and agencies, shall conduct a scientific, epidemiological study of various populations to determine if there may be long-term health effects in humans from exposure to the class of chemicals known as "the dioxins", especially those dioxins produced during the manufacture of the various phenoxy herbicides including those used during the period of the Vietnam conflict.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such long-term health effects; and (2) a description of the results of epidemiological studies conducted by the Secretary of populations of chemical workers, agricultural workers, Service personnel and veterans, and others exposed in connection with the production or use of such phenoxy herbicides. Such report, together with such comments and recommendation as the Secretary and such department and agency heads may deem appropriate, shall be submitted to the appropriate committees of the Congress not later than two years after the date of the enactment of this Act.

Amend the title so as to read: "An act to amend title 38, United States Code, to provide for a cost-of-living increase in the rates of service-connected disability compensation for veterans and dependency and indemnity compensation for surviving spouses and children of veterans that reflects an actual increase in the Consumer Price Index; to modify certain veterans' life insurance programs; and to exempt Veterans' Administration home loans from State anti-usury provisions; to provide for certain assistance in locating individuals who were exposed to occupational hazards during military service; and for other purposes.".

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the title of H.R. 2282 be amended with the title amendment of S. 689, as reported.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read as follows:

A bill to amend title 38, United States Code, to provide for a cost-of-living increase in the rates of service-connected disability compensation for veterans and dependency and indemnity compensation for surviving spouses and children of veterans that reflects an actual increase in the Consumer Price Index; to modify certain veterans' life insurance programs; and to exempt Veterans' Administration home loans from State anti-usury provisions; to provide for certain assistance in locating individuals who were exposed to occupational hazards during military service; and for other purposes.

Mr. CRANSTON. Mr. President, I ask unanimous consent that H.R. 2282 be printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that S. 689 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL FAMILY WEEK

Mr. ROBERT C. BYRD. Mr. President, at the request of Mr. BURDICK, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 322.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the joint resolution by title.

The legislative clerk read as follows:

S.J. Res. 41, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

The Senate proceeded to consider the joint resolution, which was reported without amendment.

Mr. BURDICK. Mr. President, I rise in support of my resolution authorizing National Family Week. Twenty-eight Senators have joined in cosponsoring this resolution. They include Senators BAYH, DECONCINI, WALLOP, JOHNSTON, COCHRAN, GOLDWATER, MCGOVERN, PRESSLER, YOUNG, HATCH, CHURCH, MELCHER, FORD, STAFFORD, LUGAR, CHILES, MOYNIHAN, GARN, SCHMITT, LEVIN, STEVENS, BUMPERS, THURMOND, DURENBERGER, MORGAN, JEPSEN, ARMSTRONG, and MCCLURE. If the House approves this resolution, we will again be able to celebrate National Family Week this November, as we have for the past 3 years.

National Family Week sets aside a specific time to recognize the importance of the family and the fundamental role it has played in the formation of our Nation. National Family Week is neither commercial nor promotional. It is simply a means of encouraging people to pause for a moment and consider the way families have affected their lives and the course of the Nation. Because of the nature of this observance, it comes during that week in November which includes Thanksgiving Day. This is a time when families traditionally gather and is an especially appropriate time to recognize the role of the family in American life.

Sociologists tell us that the role of the family has changed dramatically in America. The basic social unit in this country today is made up of only two people—a far cry from the social structure at the beginning of this century when the extended family was the basic economic and social unit of society. Despite these statistics, the family is still the basic structure through which values and experiences are passed from one generation to the other. National Family Week recognizes the essential role the family plays in American life and honors it.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL GRANDPARENTS DAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of House Joint Resolution 244, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the resolution by title.

The legislative clerk read as follows:

H.J. Res. 244 to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents day.

The Senate proceeded to consider the joint resolution.

Mr. BURDICK. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. Mr. President, in West Virginia we have had interest, especially on the part of Mrs. Marion McQuade of Oak Hill, in legislation leading to the recognition of Grandparents Day. We have a Mother's Day, we have a Father's Day, and she has worked for years with others throughout the country, feeling that it is proper that a special recognition, not just a gesture, should be given to our grandparents.

This is a recognition of the value of grandparents, who have an important and vital role in the structure of the family circle. They make life more interesting, productive, and worthwhile.

It has been my privilege to sponsor a Grandparent's Day Resolution in the past three Congresses. We celebrated our first observance in 1978. The resolution we consider today will establish an annual day of honoring our grandparents.

I am most appreciative of the general support that Senator NUNN and I have received on the resolution we sponsored this year, Senate Joint Resolution 60. Also, a special thanks to Senators KENNEDY and THURMOND for moving the proposal in the Judiciary Committee and to the majority and minority leaders, Mr. BYRD and Mr. BAKER, for giving us the opportunity to have this resolution considered and approved.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution was read the third time, and passed.

Mr. RANDOLPH. I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

TREASURY AND POSTAL SERVICE APPROPRIATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on H.R. 4393, the Treasury and Postal Service appropriation bill, there be the following time agreement: Two hours on the bill, equally divided between Mr. CHILES and Mr. SCHMITT; 1 hour, equally divided, on any amendment, except 3 hours on an amendment dealing with electronic mail and 3 hours on an amendment dealing with IRS debt collection, with 30 minutes on any amendment in the second degree, and 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; and that the agreement be in the usual form with respect to division and control of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 4393 (Order No. 320), an act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1980, and for other purposes, debate on any amendment in the first degree shall be limited to 1 hour (except on an amendment dealing with electronic mail, on which there shall be 3 hours, and on an amendment dealing with IRS debt collection, on which there shall be 3 hours), to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Florida (Mr. CHILES) and the Senator from New Mexico (Mr. SCHMITT): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

KENNEDY CENTER AUTHORIZATION

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of the Treasury-Postal Service appropriation bill, which will be when the Senate reconvenes in September, the Senate then proceed to the consideration of S. 1142, Calendar Order No. 160, the Kennedy Center authorization; that there be a time limitation on that bill of 1 hour, to be equally divided between Mr. RANDOLPH and Mr. CHAFEE, with 30 minutes on any amendment, except for 1 hour on an amendment by Mr. DOMENICI relating to tickets, and 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; and that the agreement be in the usual form as to division and control of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 1142 (Order No. 160), a bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts and for other purposes, debate on any amendment shall be limited to 30 minutes (except an amendment by the Senator from New Mexico (Mr. DOMENICI) relating to tickets, on which there shall be 1 hour), to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Rhode Island (Mr. CHAFEE): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

REFUGEE ASSISTANCE

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of Calendar Order 160, S. 1142, the Senate proceed to the consideration of Calendar Order No. 271, S. 643, Refugee Assistance, under the following time agreement: That there be a limitation of 2 hours, to be equally divided between and controlled by Mr. KENNEDY and Mr. THURMOND, on the bill; with 30 minutes, equally divided, on any amendment, and 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement to be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 643 (Order No. 271), a bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Massachusetts (Mr. Kennedy) and the Senator from South Carolina (Mr. Thurmond): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

LAND RECLAMATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the following time agreement obtain on Calendar Order No. 246, S. 14, Land Reclamation, with the understanding that it not be called up before Monday, September 10:

Four hours on the bill, to be equally divided between and controlled by Mr. CHURCH and Mr. HATFIELD; with 1 hour, equally divided, on any amendment in the first degree except for a limitation of 2 hours, equally divided, on an amendment by Mr. MORGAN; 30 minutes on any amendment in the second degree, and 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That not before Monday, September 10, 1979, when the Senate proceeds to the consideration of S. 14 (Order No. 246), a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes, debate on any amendment in the first degree shall be limited to 1 hour (except on an amendment by the Senator from North Carolina (Mr. Morgan), on which there shall be 2 hours), to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Idaho (Mr. Church) and the Senator from Oregon (Mr. Hatfield): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

FILING OF COMMITTEE REPORTS DURING THE RECESS

Mr. ROBERT C. BYRD. I ask unanimous consent that committees be permitted to file reports during the recess of the Senate on Thursday, August 9 and Friday, August 24, during the hours between 9 a.m. and 3 p.m. on each of those days.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

TITLE AMENDMENT TO H.R. 3996

Mr. ROBERT C. BYRD. Mr. President, on yesterday the Senate passed H.R. 3996 after amending it with the text of S. 712, as amended by the Senate.

Through inadvertence the title was not amended. I ask unanimous consent that the title of H.R. 3996, as passed by the Senate, be amended to read: "An act to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for two additional years, and for other purposes."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there is no problem with a possible motion to reconsider that bill, is there?

I move to reconsider the vote by which the title amendment was adopted.

Mr. BAKER. I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, there is no problem that I can see with any possible motion to reconsider the action on that bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

SAFE DRINKING WATER AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1146.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1146) entitled "An Act to amend title XIV of the Public Health Service Act, as amended by the Safe Drinking Water Act (88 Stat. 1660, 42 U.S.C. 300j), to extend for three fiscal years the authorization for appropriations, and for other purposes," do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. (a) The first sentence of subsection (e) of section 1442 of the Public Health Service Act (42 U.S.C. 300j–1(e)) is amended by striking out "; and" and substituting a semicolon and by inserting the following before the period at the end thereof: "; $21,405,000 for the fiscal year ending September 30, 1980; $30,000,000 for the fiscal year ending September 30, 1981; and $35,000,000 for the fiscal year ending September 30, 1982".

(b) The second sentence of such subsection (e) is amended by striking out "and 1979" and substituting "through 1982".

SEC. 2. (a) Paragraph (7) of subsection (a) of section 1443 of the Public Health Service Act (42 U.S.C. 300j–2(a)(7)) is amended by striking out "and" and by inserting the following before the period at the end thereof: ", $29,450,000 for the fiscal year ending September 30, 1980, $32,000,000 for the fiscal year ending September 30, 1981, and $34,000,000 for the fiscal year ending September 30, 1982".

(b) Paragraph (5) of subsection (b) of such section is amended by striking out "and $10,000,000" and substituting "$10,000,000" and by inserting the following before the period at the end thereof: ", $7,795,000 for the fiscal year ending September 30, 1980, $18,000,000 for the fiscal year ending September 30, 1981, and $21,000,000 for the fiscal year ending September 30, 1982".

SEC. 3. Paragraph (2) of subsection (f) of section 1441 of the Public Health Service Act (42 U.S.C. 300j(f)) is amended by striking out "1979" and substituting "1982".

Amend the title so as to read: "An Act to extend for three fiscal years the authorizations for appropriations under the Safe Drinking Water Act".

● Mr. CULVER. Mr. President, I have long believed that the Environmental Protection Agency (EPA) has not been sufficiently committed helping small and rural communities develop effective and economical drinking water purification systems.

Among a community's most important assets is an adequate supply of good quality drinking water. Both its physical and economic well-being are diminished if its water is unsafe for human consumption. The Safe Drinking Water Act (Public Law 93–523), enacted by Congress in 1974, recognized this basic fact by directing EPA to develop drinking water standards to protect the public health and welfare.

The Safe Drinking Water Act, however, does not authorize construction grants to help communities meet the cost of upgrading their drinking water systems. These improvements must be borne by the communities themselves. This puts a particularly severe financial burden on small towns with fewer financial resources to utilize. A number of Iowans who reside in small and rural communities have told me about the difficulty of assuring safe, affordable water in these areas.

We need to develop economical and efficient water treatment systems that are applicable to small communities. While EPA has undertaken some research and development work on small system technologies—including aeration and resin absorption—the Agency has not carried out this vital task in a systematic way. EPA must determine whether these treatment methods are adaptable to small community water systems. The Agency should also increase its technical assistance program so that these technologies can be made available to the communities which urgently need them.

During consideration of the reauthorization of the Safe Drinking Water Act by the Environmental Pollution Subcommittee, I offered an amendment which authorized EPA to spend $1 million for demonstration projects to assess new or alternative treatment methods for water purification systems serving towns with populations of 5,000 or less.

This amendment would enable EPA to test systems that may be applicable throughout small towns and rural America, and would allow communities to have safe drinking water at affordable costs. This would be of significant benefit to a State like Iowa, in which more than 90 percent of the State's communities are under 5,000 in size.

My amendment was accepted by the subcommittee, and subsequently passed by the Environment and Public Works Committee and the Senate. While the House Commerce Committee supported my amendment, and would have likely included a similar provision on the floor, the House of Representatives passed the Safe Drinking Water reauthorization under suspension of the rules, a parliamentary device which does not permit amendments to be added to the original committee bill.

Mr. President, I am pleased to state that the EPA recognizes the need, and fully supports the goal, of providing more assistance to small communities seeking to improve their drinking water systems. Yesterday, I received assurances from EPA Administrator Douglas Costle, that the Agency will implement a small community water system demonstration program using funds already allocated to it. EPA will direct a minimum of $1 million to this effort, and will help small towns acquire the equipment and trained personnel necessary to get this program under way. Thus, the Agency is committed to instituting the program originally mandated by the Culver amendment to the Safe Drinking Water Act. As a result, my amendment is not part of the legislation the Senate is considering today.

The implementation of the demonstration program first called for by the Culver amendment will help meet a pressing need of rural areas and small towns, and assures that safe, high quality drinking water will be available to all Americans. EPA will now accelerate development of efficient and economical treatment technologies so that the drinking water needs of these communities can be achieved. I am confident that Iowa and other predominantly rural States will apply for funding under this innovative and worthwhile program.

Mr. President, I ask that a copy of the letter sent to me by EPA Administrator Costle be inserted in the RECORD.

The letter follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C.

Hon. JOHN C. CULVER,
U.S. Senate, Washington, D.C.

DEAR SENATOR CULVER: In your amendment to the Safe Drinking Water Act, you included an authorization for the demonstration of water treatment technologies for small systems serving fewer than 5,000 people. We share your view that there is a definite need to help small communities gain first hand experience with the technological systems that are available to them to treat their water in order to meet drinking water standards. This is especially true with regard to technology for controlling organic chemical contamination. In addition, there is a major need to deal with the management problems which must be overcome to insure that the identified technologies can be practically implemented.

Recognizing the small system problem, we are prepared to devote both money and personnel over the next several years to try and come up with a feasible solution. At least $1 million and most likely substantially more will be devoted to this effort. This would be accomplished by demonstration projects for new technologies and also by developing information on the performance and reliability of those treatment systems that are available.

In addition, we will make a concentrated effort in our drinking water program to assist small communities to become aware of those techniques that will help them secure the equipment, funds, training, and expertise necessary to implement the technology.

I appreciate your strong leadership in this critical area and pledge our full cooperation in addressing the problem as quickly as possible.

Sincerely yours,

DOUGLAS M. COSTLE.●

● Mr. MUSKIE. Mr. President, today, the Senate is again considering S. 1146, the 1979 amendments to the Safe Drinking Water Act. These amendments were passed by the Senate in June. The House of Representatives acted on this legislation earlier this week.

The bills passed by the Senate and House of Representatives are nearly identical. They conform closely to the suggested amendments proposed by the administration earlier this year. Several differences should be noted.

The bill as passed by the House of Representatives, the bill which is before the Senate today, does not contain an amendment authored by Senator CULVER. That amendment was designed to encourage the Environmental Protection Agency to dedicate additional resources to developing affordable treatment technologies for small community water supply systems. This was a good provision. However, EPA has agreed to pursue this research program under existing authorities. It is a credit to Senator CULVER for raising this issue. Clearly, his legislative work has borne fruits in the administration of this program.

A second difference in the bills passed by the two Houses of Congress is the provision of an emergency fund in the House bill. The House bill maintains authority in present law to fund emergency clean-up efforts in public water supply systems. The administration omitted this from its recommendations pending the enactment of the "superfund" legislation. Due to the delay in enactment of a comprehensive compensation and liability program for chemical spills, this authority is necessary. It will provide needed flexibility to the Administrator of the Environmental Protection Agency to deal with localized emergency water contamination problems.

The House bill provides somewhat higher program authorization levels than did the Senate bill. This increment will give EPA the resources necessary to fully implement the drinking water program in States which have not assumed primacy. This is consistent with congressional intent. This legislation authorizes EPA to administer all elements of the program, including enforcement, monitoring, information collection, granting of variances and exceptions in the absence of a State program.

The 1962 Public Health Standards for drinking water were voluntary. The 1974 Safe Drinking Water Act mandated uniform national regulations. In enacting the 1974 act, the Congress intended States to assume primary enforcement responsibility, or primacy, once minimum standards had been met. Meeting national standards in the absence of State primacy is the responsibility of the Environmental Protection Agency. In short, the added authorization provides necessary operating room to manage these responsibilities effectively.

The House bill also provides somewhat higher authorizations for the underground injection control program. The administration figures, upon which the Senate bill was based, contemplated only 22 States participating in the program. That assumption is no longer valid. At present, EPA anticipates that all 50 States will be included in the program. Supervision of programs in all of the States and territories will make even the higher House authorization inadequate. These sums will be stretched, but it is clear they will be effectively employed in this program.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate agree, en bloc, to the amendments of the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:45 p.m. today.

There being no objection, at 2:18 p.m. the Senate took a recess until 2:45 p.m., whereupon the Senate reassembled, when called to order by the Presiding Officer (Mr. BURDICK).

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 95–561,

appoints the following Members to the Commission on Proposals for the National Academy of Peace and Conflict Resolution: Mr. John P. Dunfey, Senator SPARK M. MATSUNAGA, and Mr. John Dellenback.

SENATE PUBLIC FINANCIAL DISCLOSURE PROVISIONS

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of Senate Resolution 220.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time coming out of either side.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, what is the pending business?

The PRESIDING OFFICER. Senate Resolution 220.

Mr. STEVENSON. Mr. President, this resolution, which has been reported by the Senate Ethics Committee, conforms rule 42 on financial disclosure to the requirements of the newly enacted Ethics in Government Act. Thus, the Senate would be subjected by this resolution to the same financial disclosure requirements as all other agencies of the Government, including the House of Representatives.

The most significant changes made by conforming Senate rules to the law are to increase the salary threshold for disclosure requirements. Only employees compensated at the GS16 or higher levels would be subject to the disclosure requirements if this resolution is approved. If a Senator had no employee at that level, the disclosure requirement would fall upon another individual within his office. Senators are not affected by this change.

The resolution also eliminates the requirement for random GAO audits. These audits have been expensive and unproductive. According to GAO figures, each audit of a Senator's disclosure statement costs GAO about $7,000; each audit for a staff member costs about $2,400. Thus, with about 25 audits for Members and about 90 for staff, the annual cost of these audits to the GAO is in the neighborhood of $400,000.

That sum would better be spent by GAO rooting out inefficiency and corruption in Government. The accounting cost associated with compliance with audit requirements to Members and staff is also chargeable to the Government. Thus, the annual cost of this audit requirement exceeds $500,000. In addition to the expense, these audits divert the time of GAO auditors, staff and Members away from more important duties. And for all that, little of significance is learned. Only one audit report to date has raised the possibility of any significant irregularity in a disclosure statement.

The Ethics Committee reviews all financial disclosure statements. If any evidence of irregularity comes to the attention of that committee either through its review of these reports or by complaints or other means, it can investigate. It can order audits. And it would do so should the need arise.

The Senate has mandated a consideration of financial disclosure requirements by the appropriate committees, including the Ethics Committee. That study has not been completed and I regret that. We bring up this resolution now upon the recommendation of the Ethics Committee because the audits of the 1978 financial disclosure statements have commenced. If that provision with respect to audits is to be repealed, it would make more sense to do so before the audits than after or in mid course.

In no way will approval of this resolution prevent the Ethics Committee, the Rules Committee, the Governmental Affairs Committee, and the Senate itself from reconsidering the whole question of financial disclosure in the code of conduct. And, indeed, I renew the commitment of the Ethics Committee to consider the code of conduct, including Senate Resolution 109, as the circumstances permit, but in time for action no later than the beginning of next year. The purpose of this resolution is simply to avoid an unnecessary expenditure of funds and an extraordinary diversion of time for Members and staff from their duties. The results of the audits are in no way commensurate with their cost in time and in public funds. I am hopeful, therefore, that the Senate will approve this resolution.

Mr. MORGAN. Mr. President, I simply echo what the distinguished Senator from Illinois has said. This resolution, by which we conform our Rules to the Ethics in Government Act of 1978, simply puts the Members of this Senate in the position of living under the same rules that the executive branch of Government lives under, the same rules that the members of the Supreme Court live under, and the same rules that the House of Representatives lives under.

In 1977 when we adopted our Code of Conduct, which included rule 42, it was anticipated at that time that we would enact in Congress an Ethics in Government Act, and I think it was anticipated by most of us that whenever the Ethics in Government Act was enacted we then would conform our rules to that.

The House of Representatives has done that.

So this confers no specific privileges upon the Senate. It simply requires that Members of the Senate shall live under the same rules as all other members of Government. The main difference is it eliminates a random audit by the GAO which requires that every Senator's disclosure statement be audited at least once in 6 years. Some because of the random selection will be audited twice in 6 years. Some will be audited three times in 6 years. And by their formula there will be two audited four times in 6 years.

This does not deprive the Ethics Committee of the authority to order an audit for cause.

The only thing, as the Senator points out, it does make the number of staff members who are subject to audit and filing returns manageable.

Right now when 1,600 staff members submit their returns or their disclosure statements, it simply becomes meaningless and unmanageable. So I hope the Senate will adopt it, and it will conform the rules to the law.

As the Senator pointed out, it does not prevent us from attempting to alter or change the Ethics in Government Act of 1978 whenever it is the will of the Congress that it do so.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. BOREN). Who yields time?

Mr. METZENBAUM. Mr. President, I ask the distinguished minority leader who, I understand, is controlling the time for the opposition, to yield me 5 minutes.

Mr. BAKER. Mr. President, on behalf of the distinguished Senator from New Mexico, who is the ranking member of the Ethics Committee, I am happy to yield that time to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. They have not.

Mr. METZENBAUM. I ask for the yeas and nays.

Mr. ROBERT C. BYRD. I join in asking for them. I stated on yesterday there would be a rollcall vote on this.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, I rise to indicate my concern and my opposition to Senate Resolution 220, which will change the Senate rules governing financial disclosure to make them conform with the Ethics in Government Act. I do so not because there is any evil intent or because I believe the proposal has any perniciousness in it, but, because I think it is bound to be perceived as a letting down or a breaking down of the protections we have built up by the enactment of rule XLII at an earlier date.

At the present time, the U.S. Senate has 6,000 employees. Sixteen hundred of those employees are presently covered by rule XLII and are required to file financial disclosure statements. Only 300 will be covered if this resolution is agreed upon today. The other 1,300 employees presently covered will not have to file any financial disclosure statement. I believe very strongly they should, and I think by our failure to have them do so there will be misinterpretation. Although it may or may not be evil, the fact is it will make the people of this country feel that for some reason we are closing off important information to them.

Under the rule today, Members and employees who leave the Senate must file a report to the date of leaving, but under this provision they would not have to file a report as of the date of leaving.

Under the present Senate rule—Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. METZENBAUM. Under the present rule, Members—and this part does not apply only to staffs but also applies to the Members, and, it may be one of the most important parts of the change—today, every Member must indicate his financial holdings, and in doing so there are different brackets going all the way up to the last bracket, which is in excess of $5 million.

It is possible under those brackets for outsiders or those who care to know to learn what the financial holdings of the individual Member of the Senate are, as well as the holdings of staff members.

Under this proposal all that the Member would have to do, or the staff member would have to do, is to use one bracket for those assets which are in excess of $250,000.

There can be no doubt about it, this will keep the American people from knowing what the assets of their Senators are and what the assets of the employees, the staffs, of the Senate are.

I think it is very important, particularly with respect to this category, that Senators be required to make such disclosures.

I am one who has not always felt very comfortable or very pleased about having to make such disclosures. I cannot say that I relish making them. But those are the rules of the Senate. They are the ones under which I came into this body. I think changing them at this time would cause a misinterpretation across the breadth of our country. I think changing them would be a major step backward. When people are calling for more openness in Government, this will give them less.

The last item I bring to the attention of the Members of the Senate is that of the audit requirements of Members and staff under rule XLII. The act eliminates these requirements.

I think this is a step backward. I think it is a matter that will be interpreted as throwing a cloak around the information concerning the financial position of the Members of the Senate, as well as those who are in leadership roles on our staffs, those earning between $25,000 and $44,000.

I think this resolution, this change, will prevail. I think it should not prevail. I urge the Members of the Senate not to support the rule change. I think it is a move in the wrong direction.

Mr. SCHMITT. Mr. President, I feel in a somewhat unusual position in standing in opposition to the repeal of rule XLII. Having been one of the nine Members of this body who voted against the Code of Conduct, I feel I may be a little bit awkward in defending one of its provisions, and one of the provisions that caused me to vote against it.

I do not think rule XLII is a good provision. My proposal to the Senate in the 95th Congress was, my proposal still to the Senate is, that we go to a true full disclosure code so that there is a minimum of bureaucracy for the Senate to deal with and a maximum of visibility for our constituents into the affairs of their elected representatives.

I think we are making a mistake if we repeal rule XLII at this time without doing what the distinguished Senator from Connecticut has advocated and I have advocated, and that is a full review of the philosophy and of the provision of the Code of Conduct.

I am happy to see at the very least it appears that this will be done in the not too distant future. In the meantime I think we are making a mistake. It is premature of the Senate to consider this repeal. It is premature because at this time there remain fundamental policy issues that the Select Committee on Ethics and other committees of jurisdiction have not yet resolved.

In addition, since Senate rule XLII requires more information in almost every respect than does title I of the Ethics in Government Act, the public is likely to perceive—and I think correctly—that this repeal is a retreat from the openness of the affairs of those of us who enjoy the public trust. There is nothing wrong with the Senate requiring more from itself and its employees than the Congress requires from the top levels of the Federal Government or of the judiciary or even of the other body.

More particularly, I and others are deeply concerned by serious questions raised by repeal of the random audit required by Senate rule which are not required by the act.

The philosophy of random audits has been one that has made our Tax Code operate as a largely voluntary code. It is one of which we should not be afraid.

Repeal of the audit provisions for routine, random or confidential audits of financial disclosure reports could remove a significant mechanism through which the public may be assured the reports are accurate, thorough, and complete.

It is a great incentive upon all of us and our employees to do that job correctly.

In addition the act requires the Comptroller General to study the desirability of adding an audit requirement to the law. As yet, the results of that study are not available, and the Ethics Committee has not yet had an opportunity to review the results of the audits for calendar year 1977, the first year for those audits which have only recently been completed and made available to the committee.

Mr. President, I think that the GAO has acted irresponsibly in the conduct of these audits. I think they have not acted within the spirit of the requirement that was built into our Code of Conduct. They did not want to do this job, and they made it as onerous as they possibly could, hoping that just this kind of action would occur. I may be wrong, but I do not think I am.

Repealing rule XLII would drastically limit the number of Senate staff who are required to file a financial report, thus limiting the financial accountability of those of our employees who have a direct responsibility to the public trust.

When the Senate passed a limited disclosure rule in 1968—old Senate rule 44—all employees paid at or above a rate of $15,000 had to file a report, which was then about one-quarter of Senate staff. Today's rule 42 has a $25,000 reporting threshold, which is also about one-quarter of all staff. Repealing the rule would mean that only those staff paid at or above the GS-16 level, about $44,000, and approximately 5 percent of staff, would have to file. This would be a significant departure from 10 years of Senate policy concerning those employees that we require to be accountable to the public for their financial holdings and dealings.

Repealing rule 42 would also mean the Senate was departing further from its supposed policy of full and complete financial disclosure. If we were operating only under the Ethics in Government Act, liabilities of less than $10,000 would not have to be disclosed, and the ownership of homes and mortgage indebtedness would be deleted. There would also be no requirement that assets worth over $250,000 be valued by the higher categories of value that our rule provides. If the policy of the Senate is full disclosure, repealing the rule would be a retreat from that policy.

Finally, there is no need to act hastily today because no new annual financial disclosure reports are due from Members or staff until next May 15. There is time for the committee and then the Senate to make a complete and careful judgment on what the Senate should require of itself in making itself accountable to the American people.

I believe, as I said when I began, that rule XLII should be drastically revised, but only in the light of a major review of the whole issue of ethics in Government. So, Mr. President, I am sorry that this appears to be the action that is going to be taken today. I hope, in the general review of the rules to be provided for in the unanimous-consent request, we will repeal the action that we are about to take, however unwisely, today.

Mr. MORGAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes and 36 seconds remaining. The opposition has 3 minutes.

Mr. MORGAN. Mr. President, I yield the Senator from Rhode Island (Mr. PELL) whatever time he desires.

Mr. PELL. I thank the Senator very much. There are several points I would like to make.

The first is that the basic premise

seems to be that as was said of the old Romans, we are all guilty until we have proved ourselves innocent.

Mr. President, there is no Government more open than our own Government. We bare our chests, our pocketbooks, and our lives. You can look at other governments, and I am sure we all agree that no other governments, parliaments and legislative bodies are as honest as we are. Officials of other governments laugh at the conniptions through which we force ourselves in this regard. We know any rascal can get around these rules anyway. For the many honest officials they are an invasion of privacy, an insult to our intelligence, and an expense.

I would like to touch on the expense. The GAO spends $400,000 a year, or an average of almost $3,500 each, for these audits they do. The cost to the individual Senators is also a substantial amount. While a Senator can pay for these costs out of office accounts perfectly legally, the Senator then has his office account depleted when he needs those funds for other legitimate purposes. I hate to see the Government ripped off, just as much as I hate to see myself ripped off.

Finally, to illustrate the difference between the Senate rules this past year and the year before, I ask my colleagues to consider, as I flutter these two sheafs of paper, that the 1978 report is a great deal thicker than the 1977 report. I can assure you that is the case, because my accountants' bill was six times higher for this one than for that one.

So I would hope something can be done to simplify this procedure, which has really become a bonanza for the accountants and a burden for all Senators. I support the amendment of the Senator from North Carolina.

Mr. MORGAN. Mr. President, I reserve the remainder of my time.

Mr. SCHMITT. Mr. President, just very briefly in response, let me state that some of us on the floor of the Senate will recall that early in the 95th Congress, Mr. MUSKIE, Mr. WEICKER, myself, and others tried to create a Code of Conduct that was truly the kind of code of which the Senate could be proud, by which the American people could judge us, and which would, in fact, respond to some of our constituents'—and that is the taxpayers'—demand for greater accountability in our activities.

I wonder where the critics of the code today were when we were trying to create the code that in fact the public demanded of us? I believe the majority of Congress voted for this code because they perceived that their constituents wanted a code. In that context, the taxpayer was asked to bear the burden of whatever costs might accrue from such a code.

I do not believe this is the way in which we relieve the taxpayers of that burden which, through their elected representatives, they apparently chose to bear.

I reserve the remainder of my time, unless the Senator from North Carolina is prepared to yield back.

Mr. MORGAN. Mr. President, I have one further point. It is true, as the Senator from New Mexico points out, that IRS uses a random audit system. But the law does not require that they audit every taxpayer at least every 6 years, and use a random selection that would require some to be audited twice in 6 years, some in three times, and some four. Moreover, this does not remove from the Ethics Committee the right to order an audit at any time for cause.

Mr. SCHMITT. The Senator is correct in that. I, too, believe, though, that the more responsible and considered procedure would have been to revise the audit procedure, rather than eliminate it.

Mr. MORGAN. I do not think we could have done that without putting ourselves in the position of saying to the GAO that we want them to audit, and then trying to dictate the terms under which they audit. It is unfortunate both ways.

Mr. SCHMITT. Unfortunately they are dictating the terms, and they are extremely onerous; the Senator and I are in agreement on that.

Mr. MORGAN. I say to the Senator, if your disclosure statement got as much radio, press, and TV coverage in your State as mine did in my State, I do not think an audit can add or detract much from public knowledge of my affairs. Even my children read it, and had more difficulty with their allowances since then.

I am prepared to yield back the remainder of my time.

Mr. SCHMITT. My children have not read mine yet.

Mr. LEAHY. For the record, Mr. President, the distinguished Senator from New Mexico is a bachelor. It is just as well they have not.

Mr. SCHMITT. I yield back the remainder of my time.

Mr. MORGAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the resolution (S. Res. 220). The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Resolution 109, which is currently in the Committee on Rules and Administration, be referred jointly to that committee and the Committee on Governmental Affairs. I further ask unanimous consent that each of those committees be directed to report the measure no later than Friday, November 16, 1979, by separate action if they so desire.

I ask unanimous consent that the majority leader be authorized to call up Senate Resolution 109, as a privileged matter, anytime after 2 weeks following the convening of the Senate for the second session of the 96th Congress, next January.

The PRESIDING OFFICER. Is there objection?

Mr. SCHMITT. Mr. President, reserving the right to object, and I will not object, this has been cleared with interested parties on this side of the aisle. I think it is extremely important that we do proceed to fully examine and debate the subject of revising the Code of Conduct and all matter relating to the action being taken now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the resolution (S. Res. 220). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New York (Mr. MOYNIHAN), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), the Senator from Alabama (Mr. STEWART), the Senator from Florida (Mr. STONE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "nay."

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Pennsylvania (Mr. HEINZ) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators present desiring to vote?

The result was announced—yeas 50, nays 29, as follows:

[Rollcall Vote No. 252 Leg.]

YEAS—50

Armstrong	Hatch	Melcher
Baker	Hatfield	Morgan
Baucus	Hayakawa	Nelson
Bellmon	Helms	Packwood
Burdick	Hollings	Pell
Byrd, Harry F., Jr.	Humphrey	Percy
	Inouye	Proxmire
Byrd, Robert C.	Jackson	Pryor
Cannon	Jepsen	Randolph
Chafee	Johnston	Sasser
Culver	Kassebaum	Schweiker
Danforth	Kennedy	Stevens
DeConcini	Laxalt	Tower
Dole	Levin	Wallop
Ford	Long	Warner
Glenn	Lugar	Williams
Hart	Matsunaga	Young

NAYS—29

Bayh	Durkin	Roth
Biden	Exon	Sarbanes
Boren	Heflin	Schmitt
Boschwitz	Javits	Simpson
Church	Leahy	Stafford
Cochran	Mathias	Thurmond
Cohen	McClure	Tsongas
Cranston	Metzenbaum	Weicker
Domenici	Pressler	Zorinsky
Durenberger	Riegle	

NOT VOTING—21

Bentsen	Gravel	Nunn
Bradley	Heinz	Ribicoff
Bumpers	Huddleston	Stennis
Chiles	Magnuson	Stevenson
Eagleton	McGovern	Stewart
Garn	Moynihan	Stone
Goldwater	Muskie	Talmadge

So the resolution was agreed to.

Mr. MORGAN. Mr. President, I move

to reconsider the vote by which the resolution was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if we may have order in the Senate, we will know within a period of 60 seconds whether or not there will be any further rollcall votes. But I would like to have the attention of all Senators.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the only remaining business before the Senate will be the nominations on the Executive Calendar, and if no Senator wishes to ask for a rollcall vote on any nomination, and if no Senator wishes to ask for a rollcall vote on the motion to recess, then I am prepared to state that there will be no more rollcall votes today.

Is there any Senator who wants a rollcall vote on any nomination?

Is there any Senator who wishes a rollcall vote on the motion to recess?

Then, Mr. President, there will be no more rollcall votes today.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF ENERGY

The assistant legislative clerk read the nomination of John Mark Deutch, of Massachusetts, to be Under Secretary of Energy.

Mr. Melcher addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I have had a great deal of interest in the nomination of Dr. Deutch.

The PRESIDING OFFICER. If the Senator will suspend, the Senate is not in order.

The Senate will be in order.

The Senator from Montana.

Mr. MELCHER. Mr. President, I have had a great deal of interest in the nomination of Dr. Deutch for Under Secretary in the Department of Energy. He is a very learned individual in his field and is a great asset for the Department of Energy.

However, we have had discussions with Dr. Deutch and with the Secretary of Energy on a very important point.

I wish to draw this to the attention of my colleagues and also to the attention of the majority leader, that many of us have had this great interest in making sure that the Department of Energy gives more attention to research and development programs on fossil fuels such as magneto hydrodynamics (MHD) to burn coal for more efficiently and cleaner to generate electricity.

I, and other Senators, have discussed with Dr. Deutch that promising technologies for coal be supported by the Department of Energy and that it is important to have an Assistant Secretary with broad experience in fossil fuel research and development programs.

I want to note that it is important that an Assistant Secretary within the Department of Energy focus full attention on developing fossil fuel programs.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MELCHER. I am delighted to yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I have been assured that there will be an assistant secretaryship created which will have jurisdiction over fossil fuels technology in the Department of Energy.

Mr. MELCHER. I thank the majority leader.

I am very much pleased to be assured of that. I feel that the Department of Energy's efforts will be greatly enhanced by such an Assistant Secretary.

Mr. FORD. Will the Senator yield for a moment that I may comment?

Mr. MELCHER. I am delighted to yield to the Senator from Kentucky.

Mr. FORD. Mr. President, I am delighted with the Senator's remarks on the new Under Secretary for Fossil Fuel.

It is my understanding that the organization in this area now will go by subject. Not only will it give a more organizational ability to zero in on the problems of energy than ever before, but I think it is a compliment to Secretary Duncan that in the beginning he is organizing by subject.

This is the way I think it should be. I am very pleased we are going to have someone that will look after the fossil fuel industry.

I thank the Senator for allowing me to have a few moments.

Mr. DOMENICI. Will the Senator yield?

Mr. MELCHER. I am delighted to yield to the Senator.

Mr. DOMENICI. I thank the Senator.

Mr. President, I do not rise to laud the creation of an assistant secretaryship for fossil fuels. While that may be an excellent idea, I rise to talk about Dr. Deutch and what he has done to this point.

I think everyone would acknowledge that the Secretary of Energy has been a most difficult job. I have had the privilege of working with Dr. Deutch. He has appeared before committees I serve on many times. He is handling many matters of grave importance to our country and my State.

I have found him to be a man of high intelligence, extreme dedication, and that he is not afraid to make decisions.

I think he will do an excellent job in the position we are going to confirm him in this afternoon.

If our new Secretary is interested in moving ahead in areas of solving our energy crisis, John Deutch will be an excellent part of that team.

I totally support his nomination.

I thank my friend for yielding.

Mr. McCLURE. Will the Senator yield?

Mr. MELCHER. I yield to my friend from Idaho.

Mr. McCLURE. Mr. President, I want to associate myself with the remarks of the Senator from New Mexico.

Those of us who have had the opportunity to work with Dr. Deutch have come to respect his ability. While we may not always agree on every detail, we certainly found it to be an open exchange and a very honest exchange.

I am delighted to be able to support this nomination.

Mr. MELCHER. I thank both my friends from Idaho and New Mexico for their very astute remarks. I also thank my friend from Kentucky, and the majority leader, for their remarks.

I think it is most encouraging. I do not want to indicate we are just interested in fossil fuels. I think we have great interest in solar and gasohol also, along with the other research and development programs in the Department of Energy.

I believe the new Secretary of Energy, Mr. Duncan, has indicated his strong support for these programs and will emphasize stepped up research and development programs for all three—coal, solar, and gasohol.

Mr. MATSUNAGA. Will the Senator yield?

Mr. MELCHER. I am glad to yield to my friend from Hawaii.

Mr. MATSUNAGA. Mr. President, I wish to join my colleagues in encouraging the confirmation of Mr. Deutch.

I have found in him one who believes in the principle that one in public office is a public servant.

I endorse his confirmation.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Montana (Mr. MELCHER) for his observations and also for his support of fossil fuels and support of an assistant secretaryship which will have jurisdiction over that area of our energy resources and energy problem.

Mr. TSONGAS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TSONGAS. Mr. President, I speak in favor of the confirmation of Mr. Deutch. First, because he is a citizen of the State of Massachusetts and the fact that he was involved in public office himself, although he was defeated in his bid for reelection, would suggest some sensitivity to the political process.

Second, I do not think there is anybody in the country as technically proficient in the physics of energy as Dr. Deutch is. I think that kind of proficiency is important in the Department of Energy.

The only discussions I have had in reservation would be the commitment of this Department of Energy to the renewable resources, solar, and the like, hopefully getting away from the mind set that has marked the Department for years.

It is my hope that Dr. Deutch will read these statements and that, even though

he is a professor from MIT, he will read the Harvard Business School book "Energy Future," which I believe, in essence, tells it like it is and, in essence, will be the bible of an energy program in the future.

I am pleased to join in the confirmation of his nomination, and I urge my colleagues to do the same.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MELCHER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining nominations be considered and confirmed en bloc, that the motion to reconsider en bloc be laid on the table, and that the President of the United States be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc, the motion to reconsider en bloc is laid on the table, and the President of the United States will be notified of the confirmation of the nominations.

The nominations considered and confirmed en bloc are as follows:

U.S. AIR FORCE

Sundry nominations in the U.S. Air Force.

U.S. ARMY

Sundry nominations in the U.S. Army.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS.

Sundry nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

(All nominations confirmed today are printed at the conclusion of Senate proceedings.)

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER (Mr. LEVIN). Without objection, it is so ordered.

SENATE RESOLUTION 226—RESOLUTION AUTHORIZATION SENATE COUNSEL IN PENDING LITIGATION

Mr. ROBERT C. BYRD. Mr. President, title VII of the Ethics in Government Act of 1978 establishes a Joint Leadership Group to oversee the Office of Senate Legal Counsel. The membership of the Leadership Group consists of the President pro tempore, the majority and minority leaders, the chairman and ranking minority member of the Judiciary Committee, and the chairman and ranking minority member of the Rules Committee.

The Senate Legal Counsel has reported to the Joint Leadership Group on the status of pending litigation. Most of these are matters for which the Senate has expended funds for outside counsel. The Counsel's report also advised the Joint Leadership Group of pending matters for which counsel had not been retained.

The Joint Leadership Group unanimously concluded that the cases listed in the resolution should be assigned to the Office of Senate Legal Counsel.

On behalf of Mr. BAKER and myself, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 226) authorizing representation by the Senate legal counsel and deputy Senate legal counsel in pending litigation.

The resolution was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 226

Whereas the Senate by S. Res. 463, approved August 9, 1976, authorized the payment of expenses in *Hutchinson* v. *Proxmire, et al.*, No. 76 C 257 in the United States District Court for the Western District of Wisconsin;

Whereas the Senate has incurred and continues to incur expenses in providing counsel for officers and employees of the Senate in respect to discovery in *Common Cause* v. *Bailar*, C.A. 1887–73, in the United States District Court for the District of Columbia;

Whereas the Secretary of the Senate has appeared on behalf of the Senate as amicus curiae in *Chadha* v. *Immigration and Naturalization Service*, No. 77–1702 in the United States Court of Appeals for the Ninth Circuit, and that proceeding is still pending;

Whereas the Senate has incurred and continues to incur expenses in providing counsel for one of its committees in the case of *McSurley* v. *McAdams, et al.*, C.A. 516–69, in the United States District Court for the District of Columbia;

Whereas the Secretary of the Senate has been named as a defendant in *Albaugh* v. *United States Government, et. al.*, No. 79–1258, in the United States District Court for the District of Columbia;

Whereas Senator Robert C. Byrd and the Members of the Senate are appellees in *Dawson* v. *Byrd, et. al.*, No. 79–1798, in the United States Court of Appeals for the District of Columbia Circuit;

Whereas Title VII of the Ethics in Government Act of 1978, Pub. L. 95–521 ("the Act"), establishes the Office of Senate Legal Counsel and provides that the Senate may direct its Counsel to represent the Senate, its committees, Members, officers or employees;

Whereas, in one of the cases embraced by this resolution, *McSurley* v. *McAdams, et. al.*, the Senate Legal Counsel is disqualified from providing representation by virtue of his prior employment at the United States Court of Appeals for the District of Columbia while an appeal in the case was pending;

Whereas it is appropriate to direct the Deputy Senate Legal Counsel to provide representation when the Counsel may not do so;

Resolved, That S. Res. 463, approved August 9, 1976, is repealed and, pursuant to section 704(a)(1) of the Act, the Senate Legal Counsel is directed to assume and continue the defense of Senator William Proxmire and Morton Schwartz, his legislative assistant, in *Hutchinson* v. *Proxmire, et. al.*;

SEC. 2. That, pursuant to section 704(a)(2) of the Act, the Senate Legal Counsel is directed to represent the Senate, its committees, Members, officers, and employees in respect to discovery in *Common Cause* v. *Bailar, et. al.*;

SEC. 3. That, pursuant to section 706(a) of the Act, the Senate Legal Counsel is directed to assume and continue with the representation of the Secretary of the Senate as amicus curiae on behalf of the Senate in *Chadha* v. *Immigration and Naturalization Service*;

SEC. 4. That, pursuant to section 704(a)(2) of the Act, the Deputy Senate Legal Counsel is directed to represent the Senate Permanent Subcommittee on Investigations in respect to discovery in *McSurley* v. *McAdams, et al.*;

SEC. 5. That, pursuant to section 704(a) of the Act, the Senate Legal Counsel is directed to defend the Secretary of the Senate in *Albaugh* v. *United States Government*; and

SEC. 6. That, pursuant to section 704(a) of the Act, the Senate Legal Counsel is directed to defend Senator Robert C. Byrd and the Members of the Senate in *Dawson* v. *Byrd, et al.*

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR PRINTING S. 855

Mr. FORD. Mr. President, I ask unanimous consent that 200 copies of S. 855, as passed by the Senate today, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS DURING RECESS OF THE SENATE

Mr. FORD. Mr. President, I ask unanimous consent that during the recess of the Senate until September 5, 1979, the President of the Senate and the President pro tempore be, and they are hereby, authorized to make appointments to commissions or committees authorized by law, by concurrent action of the two Houses, or by order of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

EARTH DAY

Mr. FORD. Mr. President, in 1970, Senator NELSON organized Earth Day. Across the Nation, millions of Americans in the cities and villages and on the campuses participated in a dramatic nationwide expression of concern over the status of our environment and the conservation of our resources.

Three years later, in 1973, Senator NELSON organized Earth Week around

the theme of energy conservation and the need for alternative energy sources.

Long before there was any national discussion of the energy crisis, and before the Arab oil embargo, Senator NELSON gave a prophetic speech in Burlington, Wis., in which he delineated the problem this Nation would face in the second half of the 1970's. Below are four brief excerpts from the speech:

The evidence overwhelmingly shows that we had better start coming to grips with the energy issue quickly, or the situation is going to go from bad to worse to disastrous . . .

In order to maintain a good standard of living and the technology on which it is based, this country must immediately launch a crash effort to bring order and planning to the present chaos in our energy affairs; to develop massive new, clean supplies of energy, and to conserve the tremendous amounts of energy we now waste.

Energy experts have estimated that with good conservation practices, this country could save about one-third of the energy it consumes and still enjoy a decent standard of living.

For the first time, our fast consuming nation is in real danger of "running out of gas" without having any easy answers near at hand.

Senator NELSON clearly saw the energy crisis on the horizon but few shared that vision with him.

Interestingly enough, most of the proposals being mentioned now by President Carter and the Congress were advocated in Senator NELSON's 1973 speech. He called clearly and persistently for energy conservation, alternative energy supplies, synthetic fuels, solar energy, fusion energy, and a reassessment of the American way of consumption. He called for a Presidentially appointed National Energy Council to draw up the Nation's plan for conservation and increased supply. He called for a joint congressional committee to accelerate consideration of energy legislation. And, he called for a national energy development project to meet America's energy needs through coal liquefaction, gasification, solar and geothermal energy.

I commend this insightful address to my colleagues and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ENERGY POLICY ADDRESS BY SENATOR GAYLORD NELSON

Today's energy experiment in Burlington, Wisconsin, could be tomorrow's reality in America. This candlelight dinner and the simulated energy shortages that Burlington homes have experienced during the past few days of energy consumption tests could be just a prelude.

Ask South Florida. A surprise blackout last week along 120 miles of that state's fabled Gold Coast affected some three million people. It was not an experiment.

Ask the people in New York City. One day a few years ago, their lights went out. The elevators froze. The subway trains stopped. The darkness descended over that giant of the modern age, that capitol of communications, industry, and finance; that home and place of work for millions of people. It was not an experiment.

Ask the people of Wisconsin and other Midwestern states who were threatened this past winter with a serious fuel oil shortage. It was not an experiment.

Ask the independent gas stations around the country who have closed or cut operations because of insufficient gasoline supplies from large oil companies on whom they rely. It has not been an experiment.

How many test and mini-crises do we need to make the lesson clear? America now has serious energy problems which could escalate into a major national crisis at some point in the not too distant future.

In order to maintain a good standard of living and the technology on which it is based, this country must immediately launch a crash effort to bring order and planning to the present chaos in our energy affairs; to develop massive new, clean supplies of energy, and to conserve the tremendous amounts of energy we now waste.

Author-physicist Ralph Lapp dramatically shows in some recent speeches the "energy gap" which threatens America between now and the year 2000.

For instance, for the key resource of natural gas, he estimates that the gap between U.S. demand and domestic supplies could total 570 trillion cubic feet between now and the end of the century. Therefore, it is essential that we develop new energy supplies to fill this gap. Currently, we are consuming 22 trillion cubic feet of natural gas per year.

For oil, another vital resource, Dr. Lapp estimates that the gap between U.S. demand and domestic supply could total 170 billion barrels from now to the end of the century. Currently, we are consuming about 6 billion barrels of oil a year.

While such figures on fuel availability vary significantly, depending on assumptions and interpretations, the energy experts are almost unanimous in their view that the age of unlimited clean, cheap energy is ending fast.

For the first time, our fast-consuming nation is in real danger of "running out of gas" without having any easy answers near at hand.

For instance, while there are tremendous coal reserves in this country, a major investment in technology and environmental protection is going to be required in order to tap the great quantities of this fossil fuel that appear to be necessary, without scarring and polluting large sections of the West and more of Appalachia.

If we convert the coal to gas, which is a possibility, Dr. Lapp estimates that in order to supply half of the U.S. needs for natural gas 27 years from now, we would have to build 275 coal gasification plants at a cost of nearly $100 billion, with an input of over two billion tons of coal a year.

As another example, while nuclear power is viewed by many experts as the long-range source to rescue America from an energy crunch, we must somehow find ways to safely store radioactive wastes from these plants for many thousands of years until the wastes become harmless. And current estimates are that our huge energy appetite will demand the equivalent of 1200 nuclear power plants by the year 2000.

Still, our historical belief in an easy abundance is so strong that the announcement of energy problems in this country has brought reactions of astonishment and even indignation.

Actually, when we look at the evidence, the real surprise is that the nation has gotten as far as it has without energy problems that were much worse.

Is it any wonder we are in an energy dilemma when our per capita electricity consumption has been doubling almost every ten years, and when it is estimated that over the course of this century, this consumption will have increased more than 1,000 fold?

Is it surprising that we are facing energy problems when about 66 billion gallons of gasoline were consumed in 1970 in the United States just by automobiles?

Is it any wonder that energy experts are urgently calling for conservation measures when 210 million Americans waste about as much energy as 105 million Japanese consume; when an estimated two out of three cars of coal sent into power generating plants end up as waste heat; when less than 10 per cent of the fuel burned by our automobiles ends up as useful work?

Does the concern about government's effectiveness in energy affairs surprise anyone when energy authority currently is divided among 64 Federal departments and agencies, and when nuclear power plants have been licensed by the Atomic Energy Commission despite the recent discovery of major, unanswered safety questions?

Is anyone shocked by our lag in finding more efficient, cleaner energy methods when public and private research and development funding for all energy sources comes to around two per cent of the country's $75 billion annual spending for energy, including only $700 million a year by the Federal Government, and when it is estimated by an electric utility task force that for electric power alone, an average of $1.1 billion a year will be needed in research and development funds over the next 30 years?

The causes of our dilemma are bound up in the whole history of this country, in our belief as a people that nature would provide an endless bounty and that technology could solve any problem. The resources of the planet and its capacity to support life are, after all, finite.

After nearly 200 years of rosy optimism that there would always be a new frontier, America is finally being confronted with the necessity of facing some tough realities.

It has been a painful awakening. It started a few years ago when we began to realize that in our unthinking, pell mell national growth, we were destroying the air, the water, the land—the very environment which provided our unique natural heritage, supported our well being, and sustained our existence.

The threat of blackouts and fuel shortages is but another debt coming due on the mortgage for America's unprecedented material success. Our unceasing demand for MORE has simply stretched to the breaking point the energy systems and resources that are the foundation of our style of life.

Just as Earth Day, 1970, symbolized the nation's awakening concern about the environmental devastation, this Earth Week, three years later, may symbolize the country's growing awareness of the seriousness of our energy dilemma.

In fact, the pollution crisis and the energy crisis are merely different sides to the same coin, and both must be dealt with together.

To try to solve an energy crisis while blinding ourselves to environmental problems, or vice versa, as some have been advocating, would be a fool's course.

A future of poisoned air, a gutted landscape, and dead seas, but abundant energy, would be as insufferable as one with pure air and water, but no heat, light or transportation.

The real answers lie not in the piecemeal, "me first" approach that has characterized our resource and energy activities in the past.

We must reject the myth of easy abundance and adopt an ethic of conservation and stewardship.

We must shed the illusion that endless, reckless growth is a panacea that brings all the sweet and none of the sour.

We must recognize that there is no way we can safely go on doubling and redoubling our energy consumption. An exponentially increasing energy demand will quickly soar beyond the capacity of man's technology and nature's resources.

Individually and collectively, we must make adjustments in our energy policies, priorities and values today as a down pay-

ment toward meeting our energy needs tomorrow.

Unless the people of our country are willing to make a modest investment now for an adequate energy future, an even greater cost will be exacted in other ways. For instance, we must be very careful to assure that giant oil companies are not permitted to take advantage of the public's energy concern by increasing their profits, or achieving energy monopolies, or ravaging the environment. In fact, five of the largest oil companies reportedly paid only five per cent in Federal taxes on their 1971 profits, and the sprawling interests of six of the ten largest oil companies include holdings in oil, gas, coal, and uranium.

As in the environmental area, meaningful and effective energy policies will be established only when the public itself demonstrates its concern and becomes actively involved in the issue.

In fact, perhaps there should be a National Energy Day, so that the public will be heard, just as we had a National Earth Day three years ago to express the overwhelming public concern about the environment.

It is also long past time for the leaders of this country to say where they stand on the energy issue.

For twenty years, experts have been warning that we were in for serious energy trouble and urging that steps be taken to coordinate our energy policies.

Yet under this Administration and the previous three Presidents, we have stumbled and bungled our way along, while the signs of energy trouble have been showing up everywhere.

For one Administration after the other, the attitude seems to have been that the best energy policy is No Policy at All.

As the latest example of this ad hoc approach, the comprehensive energy policy message President Nixon promised early this year has yet to be delivered. Reportedly, the message may finally be coming later this week. While the President's energy message two years ago addressed the issue, it left the major, critical questions unresolved.

Meanwhile, the Administration, backed by the oil companies involved, is crusading for quick approval of the Trans-Alaska pipeline route, despite studies showing that a Trans-Canadian route might be better from both a consumer and an environmental view to bring Alaska's North Slope oil and gas to Midwest and East Coast markets.

Never mind the fact that energy is the vrey foundation of our modern, technological society—the view from the White House for the past two decades seems to have been that if we just look the other way long enough, with the help of some plain old good luck, any energy problems would just take care of themselves.

Well, no energy troubles that I know of look as if they are going to solve themselves. The evidence overwhelmingly shows that we had better start coming to grips with the energy issue quickly, or the situation is going to go from bad to worse to disastrous.

To seriously address the energy issue, we must launch a massive, Federally coordinated program funded and manned on the same scale as the Apollo program that put man on the moon and the Manhattan Project that developed the atomic bomb.

To show just how urgent the matter is, even with an immediate, top priority national push, it will be a number of years before the highly sophisticated technologies needed to close the energy gap can be developed for full scale use.

The National Energy Program must include the following major, fundamental steps:

I. A Presidentially-appointed National Energy Council must be established with the responsibility for drawing up an overall national energy conservation and development plan and the authority to coordinate the plan's implementation.

In the anarchy of the nation's energy policy today, what goes for decision-making and planning is actually a chaos of scattered Federal and state efforts, the pulling and hauling of powerful private interests, and a minimum of public participation.

Federal agencies don't even have the basic prerequisite for intelligent decision-making available to them—adequate data independently obtained. Instead, the agencies have had to rely on private energy companies' own estimates of proven oil and gas reserves.

A. The National Energy Council must provide the high level leadership necessary to help plan and coordinate the nation's activities on energy supplies, research and development, energy conservation, price regulation, energy and foreign policy, and environmental protection.

Under the Council's guidance, the bits and pieces of the nation's energy affairs must be pulled together into a coherent, cooperative effort involving public agencies, private industry and the American public.

B. Congress must establish a Joint Committee on Energy to better coordinate and oversee its own energy decisions and numerous energy jurisdictions.

C. Import quotas on oil must be removed. Under any policy taking a comprehensive, public interest view of the nation's energy picture, the Federal government's import quotas on oil, which artificially maintain prices and limit supplies, and favor one industry, should have been lifted long ago. They can and must be lifted now by Presidential order.

II. A $2.5 billion a year National Energy Development Project of research and development must be undertaken to meet America's energy needs. This must be a crash effort continuing for as many years as are necessary to develop new, clean, reasonably priced energy resources and to find ways to cut energy wastes.

A National Energy Development Project must aim at the following goals:

A. To supply energy between the 1980's and the end of the century, environmentally-safe technologies must be developed for mass production of energy from sources such as coal gasification, solar energy, nuclear power, geothermal energy, and coal liquefaction.

B. Major research and development is necessary to insure protection of the environment in energy activities. Environmental controls and protections must be vastly improved in existing areas such as strip mining, ocean oil shipping and drilling, power plant siting and operation, and power transmission. Also, sound environmental and safety measures must be designed before emerging energy technologies such as coal gasification and oil shale are put into production.

C. Energy efficiency must be improved through methods such as advanced power cycles, a national power grid, recycling of waste heat, and energy from solid wastes.

D. To supply energy in the next century and beyond, technologies must be explored for new energy sources such as nuclear fusion and solar energy, again with the standard that before such technologies are utilized, environmental and safety questions such as storage of radioactive wastes must be resolved.

III. A National Energy Conservation Program must be launched to reduce our energy waste and postpone an energy crisis while new supply technologies are developed.

Energy experts have estimated that with good conservation practices, this country could save about one-third of the energy it consumes and still enjoy a decent standard of living.

As the signs of an impending energy crunch increase, energy conservation becomes an urgent necessity. Furthermore, if effective steps aren't undertaken to bridge the energy supply-demand gaps projected between now and the end of the century, America may have no choice but to see "conservation" efforts replaced with "rationing" on a broad scale.

A. A major first step toward wiser energy use in this country would be a reduction in the weight and engine size of the automobile.

In the near future, I will request that the Office of Technology Assessment recently established by Congress do a one year study of the best means of achieving a major reduction in auto weight and engine size and of the energy benefits this would bring.

Last year alone, the nation would have saved about 17 billion gallons of gasoline if the average automobile weight were reduced to 2500 pounds, with a corresponding reduction in engine size. That would be an annual saving of about 5 gallons of gas for every human being on earth.

Automobile weight—which has actually been increasing—is the single most important factor affecting urban fuel economy, according to the Environmental Protection Agency. A 5000 pound vehicle will have one half the fuel economy of a 2500 pound vehicle, according to the EPA.

Either by sound planning and foresight now, or by the compulsion of gasoline shortages later, the American automakers will almost certainly be required to go to a lighter car, a smaller engine and much better gas mileage.

If the American automakers don't act, innovative foreign car makers probably will, just as some foreign manufacturers have already developed auto engines that meet the 1975 Federal clean air standards.

Loss to foreign automakers of the vast market for small cars and small engines that would be created by a gasoline squeeze would knock the American automobile industry for a loop, with possibly catastrophic results for the whole nation's employment and economy.

B. Other energy conservation measures must include changing electrical rate structures to eliminate the built-in penalty on the small energy user; requiring "truth-in-energy" labelling on appliances, automobiles and housing to aid consumers; increasing the incentives for more energy-efficient transportation; improving insulation and design for office and apartment buildings and homes; establishing tax incentives to encourage recycling of "wastes"; requiring Federal agencies to consider the energy consumption implications of their proposed projects and actions, and providing better information to the public on energy conservation costs and benefits.

Additionally, there are many steps the individual can take to cut energy consumption, measures which are now being widely reported.

In conclusion, in carrying out this energy experiment, the people of Burlington have provided an important service to their country. These tests have helped awaken America to the need to confront the challenge of an impending energy crisis.

Now, the American public and its leaders must act, as individuals and as a nation, adopting the policies that are necessary to assure a decent energy and environmental future.

SALT II

Mr. McCLURE. Mr. President, there is at present no consensus on SALT II and as the national debate on the treaty develops we find Senators falling not just into SALT yes and SALT no camps, but into a strange and ironic SALT if camp. It is ironic because proponents of the

SALT if position believe that the ratification process of the strategic arms limitation treaty can be used to force a reluctant President to augment our defense program and redress the military balance. It therefore becomes important for us to examine the effect SALT I and Vladivostok have had on our willingness to provide for an adequate defense. Henry Kissinger, the leading SALT if spokesman, has pointed out that our default on the arms race was not dictated by the terms of SALT I.

The B-1 bomber could have been operational this year. We chose to cancel it.

The MX missile was to be operational in 1983. We chose to postpone it.

The Trident submarine was to be operational in 1978 and the various cruise missiles in the 1980's.

Each of these vital programs was abandoned or delayed by Congress and the administration. We could have done each of them and more. We chose not to, and we may well pay dearly for that weakness. SALT did not prevent us from acting, but the SALT process was used by opponents of military preparedness to stifle these needed weapons. For example, Carter administration witnesses before various congressional committees in support of budget requests for fiscal year 1978, fiscal year 1979, and fiscal year 1980 indicated that the budgets were presented in the expectation that SALT would be successfully negotiated and ratified by the Congress. Hence, the administration delayed a full-scale engineering development decision for nearly 3 years after the MX was ready for engineering development because it would be ready for flight tests during the protocol period. As a result, the deployment of MX is made moot as a point of contention in SALT II. Only the Trident can be operational during the period covered by SALT II. The pitfalls of depending on the SALT ratification to buttress our weak defense posture is discussed in a thought-provoking editorial in this morning's Wall Street Journal, and I ask unanimous consent that it be printed in the RECORD for the benefit of my colleagues.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. KISSINGER ON SALT

Henry Kissinger says it would be OK to ratify the strategic arms treaty during the Carter administration, provided the leopard changes its spots. The administration thanks him for his support, and treaty advocates profess a great victory.

The same thing happened last week to Senator Sam Nunn, who also coupled approval of SALT to large increases in the U.S. military budget. Senator Nunn certainly did not think he was handling out a victory for the administration. We doubt that Secretary Kissinger did either, with his catalog of Ford administration weapons programs killed by Mr. Carter. The cheering from treaty advocates is to some extent mere whistling past the graveyard, but it is also something beyond that.

What the advocates plainly believe, or at least hope, is that Mr. Kissinger and Senator Nunn are not serious. The Senator wants real growth of 4% to 5% in U.S. military spending; the former Secretary of State wants a supplemental defense spending bill signed and sealed before ratification. But in the view of treaty advocates, these are merely the opening bids in protracted real estate haggling. In the end, they believe, the selling price will be merely some hawkish presidential rhetoric, and some spending promises that can be negotiated away in SALT-III or sacrificed to a balanced budget. So the treaty will be ratified, and nothing fundamental will be changed.

What's more, we ourselves are far from sure that this view is wrong. There is something unserious, after all, in the argument that we can afford disarmament if only we spend more on weapons. Or for that matter, the argument that we need to spend more to offset the menace of a determined foe and the way to build support for the spending is to negotiate arms limitation with our adversary. These positions have the very smell of something that will wither under the heat of a roll-call vote.

Yet we by no means doubt the sincerity of Mr. Kissinger or Senator Nunn in wanting to do something to react to the Soviet build-up, and it is possible the dissonance in their current positions may be resolved against the treaty rather than for it. It is, first of all, not easy to imagine how the Carter administration could attain credibility with any commitment to sharply higher defense spending, after rejecting or stretching out so many programs and after failing to meet its NATO commitment to a real increase of 3 percent. And as the debate proceeds, surely it will become clearer that there really is a connection between strategic arms treaties and the strategic arms balance.

So far even skeptical Senators have uncritically accepted the bland assertion that ratification or rejection of SALT II is irrelevant to the evolution of the military balance. This despite the experience of a rapid shift in the Soviet favor during the term of SALT I. In a narrow sense Secretary Kissinger is quite right that the trend results from unilateral decisions by current and past American administrations. But the whole point is that these decisions are profoundly shaped by strategic arms negotiations, past, present and future.

The clearest example is Mr. Carter's decision to delay deployment of the sea-launched cruise missiles, in which his Budget Bureau specifically cited "uncertainty as to how SALT protocol provisions affecting these systems will be reflected in future agreements." The same dynamic proceeds today. In recent weeks Rep. Jack Kemp offered the defense appropriations subcommittee an amendment to provide funds to extend the range of the Pershing missile in Europe, and lost to the argument that this may be banned in SALT III, though the extended Pershing is merely an answer to the SS-20 the Soviets have already put in the field.

Or look at it this way: What would a U.S. administration do, perhaps in 1981, if it felt the Soviet build-up was an unmistakable threat to our way of life? In the absence of SALT, it would press our remaining technological advantages. It would protect our Minuteman fields against a first strike with an anti-missile system. And it would expand our deterrent with swarms of small, mobile and inexpensive cruise missiles. The first option was effectively killed by SALT I, and the second will be effectively killed by SALT II. Neither treaty affects the principal area of Soviet advantage, the huge size of their missiles.

At the political level, meanwhile, heavy emphasis on arms talks has meant that our leaders have been handicapped by the same kind of dissonance that now allows the disarmament lobby to declare victory over the testimony of Secretary Kissinger and Senator Nunn. With the message of defense needs clouded by disarmament hopes, it has been hard to get voters to support military spending, and hard to get allies to do their part. It is harder still when the treaty provisions foreclose the best options and leave only dubious ones. SALT does not so much leave the people "tranquilized" as it leaves the leaders incoherent.

The Kissinger and Nunn statements are a good first step, though, toward the kind of coherence we now need. They focus the debate squarely on the first question, which is the need to respond to the unprecedented Soviet military build-up and unprecedented Soviet political gains. But at some point we will need to move on to the second question, which is whether we are more likely to find the right response if the treaty is ratified or rejected.

Mr. McCLURE. Mr. President, some Senators believe the solution to the SALT dilemma lies in linking ratification to an agreement between Congress and the President to improve our defense program.

If this idea is to be more than a sham, the method by which we link ratification to future action must be binding and enforceable. Unless it is binding and enforceable, I fear it will turn out to be merely a minor inconvenience to those steering us toward unilateral disarmament. We need only look at the fate of the Jackson amendment to SALT I to see how little concern the administration has for congressional mandates. The Jackson amendment required future agreements to be equal. The administration gave us a treaty with at least a 4-to-1 payload advantage for the Soviet Union.

Only if breach of the defense commitment automatically nullifies the treaty can we be sure our effort to redress the military balance will not be subverted. Such a legally binding, conditional ratification will be difficult to draft, but anything less will be an exercise in self-delusion.

Although I shall oppose this treaty because it is unequal, destabilizing and unverifiable, I will support genuine efforts to reverse our military decline.

Mr. TSONGAS. Mr. President, before the Senator from Idaho goes away for August and enjoys his vacation, in the light of the remarks he just made, there are 12 of us who sent a letter to the President on the issue of SALT and defense spending which I think he might enjoy reading.

I am not sure if a copy got to his office.

Mr. McCLURE. I hope the Senator is right.

Mr. TSONGAS. It may ruin his August recess, but I think it is worth reading nonetheless.

Mr. McCLURE. Mr. President, will the Senator yield a moment?

Mr. TSONGAS. I yield.

Mr. McCLURE. I thank the Senator for yielding.

I will look forward to receiving that letter and I hope that it does not spoil my August. I am sure it will be interesting reading.

Mr. TSONGAS. I say to the Senator I have a copy of Mr. Kissinger's speech which I have promised to read during my recess, and I find it intriguing that the

fellow who was as responsible as anyone for what happened in Hanoi and the bombing, that scenario, in SALT I should argue about linkage in SALT II. I think that kind of a paradox is worth a great deal of contemplation, and I intend to invest about 30 seconds of my Cape Cod time reviewing that paradox.

Mr. McCLURE. Is the Senator suggesting that his reading of Kissinger is therapeutic and my reading of the TSONGAS letter is equally therapeutic?

Mr. TSONGAS. The Senator is welcome to draw whatever conclusion he draws on the situation.

HAVERHILL, MASS.—AN ALL-AMERICAN CITY

Mr. TSONGAS. Mr. President, Haverhill, Mass., has been recognized for outstanding achievement in community development through citizen action. Haverhill was cited by the National Municipal League for sustaining a long-term economic development program through the Greater Haverhill Foundation, Inc., which has created over 1,200 jobs; the renovation and reuse of mills as housing for elderly by Bethany Homes, Inc.; and the creation of associations for neighborhood revitalization.

The award reflects the imaginative and vigorous efforts the Haverhill citizens have taken to improve their city.

Haverhill was settled in 1640 and grew steadily to become the leading manufacturer of shoes in the late 1800's and was known as the "Queen Slipper City of the World."

Haverhill was like so many other Northeastern cities following World War II whose factories closed and chronic unemployment plagued the area. She typified the deteriorating old northeast industrial city fighting for its survival and experiencing an intolerable unemployment rate. This had a disastrous effect on her citizens who were demoralized by the decline in the central business district, empty industrial buildings and deteriorating homes.

Civic leaders in Haverhill committed to overcoming this disastrous trend, recognized that with the unavailability of Government relief, that any industrial rehabilitation became dependent upon the work of her citizens. Civic leaders, made up of 20 concerned citizens, formed the nonprofit Haverhill Foundation whose main objective was to bring jobs to the city. They, in turn, enlisted support of others in industry, banking, commerce, property owners, and residents to invest in the city's future. Local citizens became experts in financing and industrial tract development with great results. Since 1963, the foundation with its offer of 100 percent financing has filled two industrial parks which employs a total of 1,300 persons. This success attracted funding from the Federal, State, and municipal governments to create a third park, which will employ another 2,500 persons. This success was recently acknowledged in an SBA report citing Haverhill for having the State's second largest rate of industrial growth and development.

Another example which combined citizen civic action with the private sector was in the areas of providing housing for the low and moderate income elderly. The elderly comprised 11 percent of Haverhill's population and were the ones who were uprooted from their homes in the 1950's and 1960's by the urban renewal program. The directors of the privately operated nonprofit Bethany Homes Corp. together with 65 church members and clergy and concerned neighbors investigated every possible method of raising funds to build modern, decent housing and health facilities for the elderly. This resulted in the construction of two large housing complexes within walking distance from the downtown area and a 120-bed nursing home. Currently, Bethany Homes is again responding to the need for more elderly housing by converting empty shoe factories to another 80 units of elderly housing. Their innovative planning has not only provided a great service to the elderly but is also helping to revitalize the historic shoe district which has recently been placed on the national register.

Another area which involved citizen participation was in the improvement of deteriorating neighborhoods. Many of the beautiful 19th century homes of wealthy shoe manufacturing families showed severe signs of neglect. They were unable to be maintained by single ownership and fell into the hands of absentee landlords and subdivided. Enforcement of building codes failed and decay, crime and arson for profit spread throughout these neighborhoods during the 1950's and 1960's. Beautiful streets and magnificent homes once representing a lucrative era were rapidly becoming slums. To help reverse this situation, groups of private citsiens formed neighborhood associations such as the Highlands Association. They identified the most pressing problems and worked with various city officials and the public safety department. They attempted to combat crime and to arrest the major arsonists and burglars. Building codes began to be enforced and a rise in owner-occupied buildings took place. They were able to secure $400,000 in Federal community development funds to rehabilitate existing structures and to repair streets. A resurgence of spirit and pride in the Highlands became evident. A proposal is being prepared to designate the area as an historic district. This positive impact on neighborhoods is now being shared with other citizen groups.

Citizens and municipal employees in Haverhill have set an excellent example of overcoming the neglect suffered by our older industrial cities hit by the economic crunch. Their determined efforts, imagination, and perseverance have been able to attract some Federal aid which is crucial to maintaining cities like Haverhill.

I grew up not far from Haverhill and it was not a very romantic place to visit. Like other mill towns in the northeast, Haverhill was a forgotten city struggling for her survival. I have watched her emerge as a vibrant, active and exciting city as a result of the resourcefulness of its private and public sector. It has become a city with a bright future and a prototype for other old industrial cities. There is a whole new spirit in Haverhill resulting from the industrial parks, elderly housing construction, retail activities in the old downtown and the improvement of neighborhoods.

Haverhill was a city in the forefront of two revolutions, the American Revolution and the industrial revolution. Today, it is the leader of the third, the redevelopment revolution.

SELECTIVE SERVICE

Mr. MORGAN. Mr. President, last year, I tried to get Selective Service registration started again so we could cut some precious time off the months we would need to induct and train people for a national emergency mobilization. I got very little support here on the floor.

This year, I introduced a bill to begin Selective Service registration and have received more support from my colleagues. President Carter is also coming around to this position. As he said recently, "We are now reassessing the status of whether or not people ought to be registered. I do not see any prospect anytime soon of actually calling people to a draft, but we might have to have, as a precautionary measure, registration for the draft, just as a standby measure".

I am also pleased to see that the press is now speaking favorably of registration. I read in the RECORD an editorial from the Washington Star of July 30, 1979.

REGISTERING FOR THE DRAFT

The recent debate about resuming some form of the draft or instituting national service has been fitful. The opposition often has been virulently rhetorical, while proponents have often presented their case clumsily.

Thoughtful discussion has, however, gone on in the interstices, to a degree that there is no need any longer, we think, to defer conclusion. We must pull our heads from beneath the blanket.

Pending in the House, as a rider to a weapons authorization bill, is a proposal by Rep. Sonny Montgomery, D-Ala., that would require registration of all 18-year-old males beginning in January 1981. In the Senate, a bill sponsored by Sen. Sam Nunn, D-Ga., would also require registration, but beginning next January. Neither is a draft bill. The requirement simply would be for those eligible to get on the rolls.

The White House does not want registration and, on Friday, Speaker O'Neill said he would support removal of the amendment from the weapons bill.

But we think registration is a sensible and necessary first step to dealing with a military manpower situation that is potentially devastating. "In a real sense," Senator Nunn has said, "the choice is between realistic preparation of our conventional forces, including peacetime registration, or more and more reliance on quick use of nuclear weapons."

To those still suffering from extreme post-Vietnam blahs, the possibility of American military involvement, anywhere or in any degree, is intolerable. If only the world were so simple.

Right now, U.S. military manpower deficiencies are so pronounced that we could not respond adequately to a national-security emergency. Senator Nunn does not pussyfoot: The Defense Department's present contingency mobilization plan is, he says, a "hoax".

Peacetime registration will not, of course, make whole a flawed mobilization plan and severely inadequate numbers of trained Reservists. But a peacetime registration would be a constructive approach to shoring up these shaky timbers of national defense.

Representative Montgomery has drafted a separate bill that would go beyond registration. It would provide for a partial draft—of up to 200,000 men a year for the Ready Reserve. These men would serve four to six months on active duty and then would be subject to active-duty calls for six years. Draftees would be chosen from a non-deferment lottery pool and those drafted for the Ready Reserve would receive GI educational benefits. His proposal would quickly address the deficiencies in Reserve units which would be a primary resource in an emergency.

There is nothing wrong with the Montgomery bill. But it's more feasible now to begin with registration.

Senator Nunn's proposal has been approved by the Armed Services Committee and, under a unanimous consent agreement, will become the Senate's pending business once the House acts on its registration measure. Senator Nunn wants his bill to provide a forum for full public debate on this crucial and sensitive matter and he thinks the timing is urgent. He is right on both counts.

Is the question here—the obligation of a citizen to his nation—really as controversial among those who would be affected as shrill opponents would have us believe?"

THE BROWN LUNG DISEASE ACT

Mr. MORGAN. Mr. President, I am pleased to become a cosponsor of S. 381, the Brown Lung Disease Act of 1979, a bill introduced earlier this year by Senators HOLLINGS and THURMOND. This bill would insure that textile workers who have been victimized by byssinosis, also called brown lung disease, receive minimum levels of compensation.

Mr. President, brown lung is a disease of the lungs which afflicts textile workers repeatedly exposed to cotton dust. When it first appears, its symptom is just a simple irritation of the bronchial tubes. But over time, it gets progressively worse until it finally developes into a highly disabling disease resembling emphysema. Victims of brown lung have no lung capacity, and therefore, have no stamina and have trouble catching their breath.

Mr. President, I challenge anyone who looks into the plight of brown lung victims, and who looks into the failure of the private sector or the public authorities to take action, not to be distressed and disturbed. Senator HOLLINGS has referred to this inaction as a "conspiracy of neglect." Brown lung is a disease that was first diagnosed over 200 years ago. In Great Britain, textile workers have been able to get compensation for brown lung for nearly 40 years. But, in this country, brown lung victims are forced out of work to live without or on pitiful pensions. If they try to obtain compensation, they end up spending years appearing at hearings and going to court, and are likely to be dead before they receive a penny.

I strongly believe that workmen's compensation issues are best handled at the State level. But in this case, the States simply have not done the job. This is not a national problem for it only arises in those 20 or so States which have textile workers; it is an especially serious problem in North Carolina, which I am proud to represent, and South Carolina, where the textile industry is one of the primary employers. We have a situation here which is very similar to what existed in the coal-producing States prior to the establishment of the black lung program, and we need a similar congressional response now.

Mr. President, a human tragedy is going on, and I hope that the distinguished chairman of the Senate Human Resources Committee will hold hearings on this issue, and push for the enactment of S. 381 at the earliest possible time.

TRIBUTE TO SHAHPOUR BAKHTIAR

Mr. HATCH. Mr. President, on July 31, the last premier appointed by Shah Reza Pahlavi, Shahpour Bakhtiar, held the first press conference since the overthrow by the forces supporting the Ayatollah Khomeini. The reemergence of this highly intelligent man who, despite the opposition to the corruptions of the government of the Shah, represented a moderate political philosophy is of major importance.

Bakhtiar, now 63 years old, is still the leader of the Bahktiaris, Iran's oldest and largest tribe, whose members form as much as 60 percent of the work force in some oilfields. He was born in Tehran and attended French schools in Beirut. He attended the University of Paris where he received a doctorate in international and French law, political science, and philosophy. During World War II, he fought in the French Army against Nazi Germany. As a result of his direct participation in the war, he became an opponent of any kind of dictatorship, racial discrimination, and religious intolerance. In 1948, only 2 years after his return to Iran, he joined the Iran Party that represented social democratic ideas within the National Front. In 1953, when Mohammed Mossadegh became the Prime Minister, Mr. Bakhtiar was awarded with a sensitive government job. He became the Deputy Minister of Labor. After the overthrow of Mossadegh, he started to work in private law offices. Although he was jailed six times by the police for political activities. Mr. Bakhtiar maintained a low profile, among the leaders of the opposition.

When he was asked by the Shah to form a new government he accepted the call by saying, "time is working against my country and the King too. The King does not concern me, but it is a question of the country." With enormous dedication, Mr. Bakhtiar tried to calm the whirlwind caused by the Soviet Union and a confused opposition. During the short period of time he was in power, he articulated his ideas on how Iran's crisis could be defused. First, he said, "the people must be shown that corruption will no longer be tolerated." Second, "all the top office holders in the country must be dismissed and replaced by men not identified with corrupt government and the past." Finally, "the King must pledge publicly that he will not try to recover the powers he is now being forced to give up after the current crisis passes."

Mr. Bakhtiar pursued his political goals with remarkable toughness. Even the strong criticism of his political friends could not shake his belief that the monarchy must be preserved in order to prevent a drift into chaos. "If the Shah falls now," he said, "the military would split into several factions, coup would follow coup, and Iran would drift into chaos or civil war."

His iron will and political toughness were exemplified by his personal behavior during the crisis. He did not flee until the very last moment. First he was hidden by faithful members of his work force tribe and later, when the new regime became increasingly violent, he left Iran and established his residence on the French side of Lake Geneva.

In his press conference, Mr. Bakhtiar emphasized the need for a politically and economically stable society that could end the political and economic mess created by Khomeini and his followers. He promised that if he returned to power he would hold a free referendum on the question of the form of government and that he would master the problems of the country within 18 months.

Mr. President, I personally do believe that Mr. Bakhtiar deserves our sincere admiration for his political beliefs. I do hope that history would provide him with another opportunity to serve the people of Iran who so much need his talents.

THE LEADERSHIP OF WILLIAM HENSLEY

Mr. STEVENS. Mr. President, I am amazed at the wave of sentiment that is sweeping the country today, blaming many of our domestic troubles on the fact that we have very few young charismatic leaders.

The State of Alaska has never lacked for imaginative young people willing to spend their lives molding the future of a great land. This is a truly exciting time for Alaska, and our young leaders have pioneered new approaches to wise natural resource planning, to the protection of indigenous people's rights and to far-sighted land use-planning. One young Alaskan leader on the scene for many years has been Willie Hensley. Mr. Hensley has always brought a courageous yet balanced point of view into the political arena and I wholeheartedly agree with Time magazine's recent designation of him as one of the 50 young leaders of America.

I ask unanimous consent that the profile of William Hensley from Time magazine be printed in the RECORD.

WILLIAM HENSLEY

William Hensley, 38, an Eskimo, grew up in in northwest Alaska living as a nomad. After catching the attention of teachers in the town of Kotzebue, he boldly set out for the nation's capital, where he got a degree in political science from George Washington University. In 1966 Hensley returned to Alaska to lead the struggle for native rights. As a state legislator, he flew to Washington more than 100 times to help keep the land claims issue before Congress. In 1971 Congress passed the Alaska Native Claims Settlement Act that gave Eskimos, Indians and Aleuts nearly $1 billion and 40 million acres

of land. Hensley now heads the influential development arm of the Northwest Alaska Native Association (NANA), one of 13 regional corporations created by the act to manage Alaskan native assets. Under his tenure, NANA has built rural schools, offices, rescue stations and even owns a reindeer herd of 4,200 head to provide meat to northwest natives. Hensley, who speaks English, Russian and Inupiaq (an Eskimo language in western Alaska), lost a bid for his state's sole House seat in 1974, but is often introduced by Alaskans as "our next Senator."

DEATH OF RICHARD E. TUKEY OF SPARTANBURG

Mr. THURMOND. Mr. President, a distinguished South Carolina businessman, Mr. Richard E. Tukey of Spartanburg, S.C., passed away on July 25, 1979.

I had known Dick Tukey for many years, and he was both a fine man and an excellent businessman.

He was recognized by State, Federal, and foreign governments for his singular role in promoting Spartanburg and South Carolina to industrial investors and attracting over 60 foreign companies from nine nations to invest in Spartanburg County.

In 1973 he was awarded the Officers Cross of the Order of Merit by the Federal Republic of Germany. It is the highest civilian award made by that Government.

As executive vice president of the Greater Spartanburg Chamber of Commerce for the past 28 years he was instrumental in aiding nearly every public project that developed in the county since 1951. Among these projects is the branch of the University of South Carolina in Spartanburg.

In May he was awarded the honorary degree of doctor of public service by the University of South Carolina for his exemplary work in civic and business affairs for his county and State.

He was past president of the South Carolina Association of Chamber of Commerce Executives, a member of the Spartanburg Airport Commission, the South Carolina Educational Television Commission, and the South Carolina Regional Export Expansion Control.

Mr. Tukey strove for continued improvements in schools, housing, and recreation for Spartanburg County.

He was an outstanding South Carolinian and an outstanding American. I am very proud to have known him. He will be greatly missed by all, and I extend my heartfelt sympathy to his family.

Mr. President, in order to share this editorial and newspaper article about Mr. Tukey with my colleagues, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RICHARD E. TUKEY, 61, DIES

Richard E. Tukey, 61, of 209 Arbor Rd., died Wednesday at 2:15 p.m. in General Hospital after a long illness.

Tukey, for the past 28 years the Executive Vice President of the Chamber of Commerce of Greater Spartanburg, was born in Brooklyn, N.Y., the son of the late Frank and Mabel Russell Tukey.

Tukey's health had been failing in recent months and he was hospitalized for a series of operations. His condition worsened in the past two weeks.

In recent years, Tukey has been recognized by state, federal and foreign governments for his singular role in selling Spartanburg and South Carolina to industrial investors in this country and abroad.

He was called South Carolina's "secret weapon" in connection with his successful efforts to attract more than 60 foreign companies from nine nations to invest in Spartanburg County.

In 1973 the Federal Republic of Germany awarded him the Officer's Cross of the Order of Merit, the highest civilian award made by that government. It was in recognition of Tukey's efforts in the reverse investment program that brought a large number of German manufacturing firms to this country.

This past May, Tukey was awarded the honorary degree of Doctor of Public Service by the University of South Carolina in recognition of his many endeavors in the civic and business affairs of his county and state.

Tukey had been the driving force in the Chamber of Commerce of Greater Spartanburg since he was employed as the Executive Vice President in May, 1951.

He jokingly told friends that he actually arrived in South Carolina during World War II when flying over the northern part of the state and having to bail out of a disabled plane. His parachute set him down in a field near Walhalla. He was in the Army at the time, stationed at Ft. Benning, Ga.

Beginning in 1954, industrial developers began to scout this area for plant sites and resources. Tukey is credited with taking the lead in a sales campaign in which new industry was being wooed. At one time, late in his career, Tukey was challenged by a local official to tell whether he was the one who decided that an industrial prospect was a "good" or a "bad" one for the county. Tukey's response was that he would be happy to bring any prospect to that particular official and let him make that decision.

Tukey's sales tools, he often repeated, were Spartanburg County people, the excellent water and power supplies, the schools and the cooperative spirit of the community.

At the direction of the Board of Directors of the Chamber, Tukey was instrumental in aiding nearly every public project that has developed in the county since 1951. Among these projects were the merger of the city and county health departments, the adoption of a *no situs* law for South Carolina, the Spartanburg County Tax Equalization program, Home Rule legislation, and the several urban redevelopment and renewal projects in the city.

He was instrumental in the creation of the branch of the University of South Carolina in Spartanburg. A lecture auditorium in the library building there is named in his honor.

Tukey was the prime mover in the creation of the Foreign Trade Zone near Wellford in 1978.

Through Tukey's efforts, Spartanburg has received national and international press exposure. Articles about the community's success in attracting foreign industrial investment have appeared throughout Europe, and even in the Soviet Union. Spartanburg's story has appeared in major American newspapers and magazines, including the Reader's Digest, and on the television networks.

Before coming to Spartanburg, Tukey was vice president of operations for the Ettinger Company (public relations) in New York City, and before that was assistant to the president and executive director of the Cigar Institute of America in New York.

He served as executive director of the Columbus, Ga., Chamber of Commerce, 1946–48; was a staff specialist in the U.S. Army, 1941–46; a reporter for International News Service in New York, 1940–41; and during college vacation (from Bowdoin College where he graduated cum laude) was a reporter for the White Plains (N.Y.) Daily Reporter.

Tukey and the former Virginia Walker Ligon were married in 1954.

Among the honors given to Tukey have been his selection as Kiwanis Club Man of the Year in 1970; the Sertoma Clubs' award for Service to Mankind, 1975; and a resolution by the South Carolina General Assembly in 1975, which said in part: ". . . no individual has made a greater contribution to the industrial expansion of Spartanburg County and the State of South Carolina than Richard E. Tukey."

In 1978 he was named Man of the Year by the Spartanburg Board of Realtors.

Tukey was a past president of the S.C. Association of Chamber of Commerce Executives, and was a member of the Spartanburg Rotary Club, the Greenville-Spartanburg Airport Commission, the South Carolina Educational Television Commission from the Fourth District and the S. C. Regional Export Expansion Council.

Surviving in addition to his wife are sons Philip A. Tukey of Ft. Mill and William E. Tukey of the home; stepsons James W. Spencer of Atlanta and Pinckney L. Spencer of Ft. Mill; grandchildren Cecily, Quentin, Jonathan and Travis Pinckney; sister Mrs. E. A. Frederick of Delray Beach, Fla.

Funeral services will be conducted at 11 a.m. Friday at the Episcopal Church of the Advent by the Revs. Charles Duval and Robert Spencer; burial will be in Greenlawn Memorial Gardens.

The family requests that in lieu of flowers, memorials be made to the Richard E. Tukey Scholarship for International Relations at the University of South Carolina at Spartanburg; or the S.C. ETV Endowment.

Pallbearers will be Gerhard Faulstitch, Paul Foerster, Dr. G. B. Hodge, Hubert Hendrix, Jones Hobbs, Fred D. Moffitt, Arno Wildman, Rudolf Mueller, Mack Quattlebaum, Al Willis and Kurt Zimmerli.

The honorary escort will be the president and past presidents of the Chamber of Commerce of Greater Spartanburg.

The family is at the home, 209 Arbor Rd., Spartanburg.

J. F. Floyd Mortuary is in charge of arrangements.

DICK TUKEY: OUR LEGACY

Dick Tukey.

The name always will have the ring of Spartanburg to it. From the day he arrived here in 1951 to the day he died, Richard Ellery Tukey was very much in harmony with the spirit and soul of this community.

In considerable measure, he plotted its course into this bright era of the New South.

His own exodus is symbolic of the development we have witnessed over these three decades.

He was born in Brooklyn and reared in White Plains, N.Y. He first came South from New York City as a National Guardsman called to active duty as the United States tumbled into World War II.

After the war, he remained in Georgia for a time, then returned to the Big Town. When the opportunity arose, he happily agreed to come to Spartanburg as executive of the Chamber of Commerce.

He married the former Virginia Ligon and called Spartanburg home.

From the beginning, he was confident, aggressive and imaginative. He took it as a personal crusade to bring a sense of new development to the county. He succeeded magnificently.

For the past 28 years, he has worked tirelessly to cultivate a prosperous harvest of industry and jobs for the people of this area and the entire state.

Dick Tukey learned early that he had a good product to sell—Spartanburg County and its industrious people. He sold it with complete enthusiasm. He had a remarkable

ability to marshall the resources and talents of the community—of the state when necessary—to convince top corporate executives that this was the place for their investments.

In recent years, his salesmanship almost singlehandedly was responsible for the location hero of about 60 firms from nine other nations. His friends from abroad have dubbed Interstate 85, along which the flags of several nations fly, as "Tukey Turnpike."

He was selective in his efforts to attract new industry, believing that "industry at any cost" was too expensive. When corporate representatives came to him, he told them promptly that this community does not sell "cheap labor" or "no taxes." He offered a healthy business climate and productive, loyal workers.

During the 1960's he once commented that "industry is going to come whether we like it or not." He intended to see that the total community interest was served in the process.

An accurate appraisal of how well he did was a resolution adopted by the S.C. General Assembly in 1975 which said: "No single individual has made a greater contribution to the industrial expansion of Spartanburg County or the State of South Carolina than Richard E. Tukey."

Among the many honors he received during this decade was the "Officers Cross of the Order of Merit," highest medal awarded by the West German government to citizens of other nations. Instrumental in granting that decoration was the present chancellor, Helmut Schmidt, who as finance minister, visited Spartanburg by Turkey's invitation.

Dick Tukey had an avid interest in community affairs—civic and governmental. His influence often was applied as a gentle, steady pressure for cautious public officials, to undertake large-scale projects.

Among them were massive slum clearance and urban renewal, in which the City of Spartanburg became the state pioneer; Home Rule legislation for the county; establishment of the University of South Carolina in Spartanburg; business-district of revitalization; major bond issues for city improvement; and development of the joint airport.

His very name is a permanent legacy to the hometown he chose and loved.

SALT II

Mr. BIDEN. Mr. President, this afternoon I announce my unqualified support for Senate ratification of the SALT II Treaty. I believe the Senate should ratify the treaty on its merits and, at the same time, avoid the strategic spending splurge that has been suggested by some.

My purpose today is to take a formal position on SALT. With 5 years having passed since the Vladivostok accord set the basic terms for a SALT II agreement, and with a full month of Foreign Relations Committee hearings having been conducted since the treaty was signed in Vienna, I think it fair to say that the issues surrounding this agreement have been thoroughly aired. Having now studied these issues to the best of my ability and having reached a decision, I find no reason to delay issuing a clear statement of intent.

I approached SALT II with three questions which would require affirmative answers if I were to support the treaty. First, are the treaty's terms consistent with our need to maintain essential equivalence with the Soviet Union, so that we can preserve a stable condition of mutual nuclear deterrence? Second, are U.S. monitoring capabilities sufficient to provide us with the necessary confidence in Soviet compliance with those terms? Third, would a ratified treaty contribute to the political solidarity and military security of the Atlantic Alliance, which for 30 years has been the foundation of our national defense?

With regard to all three of these questions—concerning the treaty's terms, its verifiability, and its effect on NATO—numerous doubts have been raised. Some of these doubts I did not take seriously; they arose quite clearly from the mindless machismo which continues to afflict some Americans who cannot accept that the Soviet Union has emerged as a superpower with certain capabilities rivaling our own and who therefore resist any measure which recognizes this fact. Other doubts about the treaty I did take seriously, and I have focused my efforts on determining whether these doubts could, to my satisfaction, be laid to rest. That has now been accomplished.

I am therefore today announcing my unqualified intent to support the SALT II agreement, and to argue energetically in favor of its ratification throughout the remaining Senate deliberations on the treaty issue.

My expression of unqualified support for SALT II does not mean that I find the treaty to be flawless with respect to all we might hope such an agreement to contain. Rather, my support is based upon a confirmed belief that over 7 years, through three administrations, the U.S. SALT Delegation—public servants of sharp intelligence and high patriotism—have negotiated a tough, practical compromise which embodies a reasonable balance of concessions by both sides and which enhances U.S. security.

Nor does my unqualified support mean that I am ignoring the necessity that certain clarifications be made in the course of ratification. Indeed, at the very outset of the Foreign Relations Committee's hearings, I put forward a comprehensive eight-point "understanding" which I proposed be incorporated into the Senate's resolution of ratification and then into the Treaty itself at the time of actual ratification. I judge this to be necessary for two reasons: First, to clarify certain of the treaty's terms, and second, to clarify our own national intent and purpose in ratifying the treaty. I still feel that this is necessary, and I have now augmented my proposal into a 10-point understanding to cover additional points requiring clarification.

As I stressed, however, when originally proposing these "understandings," I consider them secondary in importance. For this debate should not be focused on technical questions of legislative craftsmanship or on the pretense of the Senate making perfecting changes in the treaty terms. The issue here is too important for a charade. It is nuclear weapons, the terrible destructive power they represent, and our solemn duty to ourselves and future generations to reduce that threat. At his inauguration, President Carter spoke hopefully, and I believe with deep sincerity, about ridding the world of this danger. Yet 2½ years later we find little progress toward this end. Indeed, we see the superpowers continuing to expand their strategic arsenals at the rate of several new nuclear warheads each day. In our deliberations, what we must constantly be asking is how this race can be curbed.

As we face this perplexing question, there is one fact of which we can be sure: Arms reductions will not be achieved if we abandon the SALT process. However marginal the achievement thus far, continued negotiation represents our only hope for slowing and eventually reversing the momentum of the nuclear race. This does not mean that we must accept any arms agreement, whatever its content, in order to keep the SALT process alive. But it does mean that we should never lose sight of our long-term goal, which is to move steadily toward substantial mutual arms reductions in a way which stabilizes the military relationship between the two superpowers and enhances the security of each.

In emphasizing this goal, I should draw a distinction concerning certain of my colleagues who have called for deeper cuts than have thus far been achieved. Some are expressing sincere misgivings about the slowness of progress in SALT and about the arms build-up which the two sides have continued even while negotiating in Geneva on limitations. I share this concern, for there is in the SALT process an element of inherent perversity, as each side struggles to accumulate bargaining chips and to extract every advantage possible from the negotiation.

Meanwhile, there is in each country a constituency of arms builders whose support for the arms limitations process is conditional at best and whose consent is necessary if negotiations are to proceed. There is thus a constant tension between the SALT process itself and the goals it is meant to achieve. In our debate, a valuable contribution has been made by those who have asked whether the SALT process does not tend to undermine its own purposes. This tendency is real, and one we must seek to resist.

Certain others who have decried the treaty's failure to achieve "deep cuts" are, in my judgment, less credible in their criticism. Upon examination, the cuts they would have us achieve are essentially one-sided cuts in the Soviet arsenal—cuts which could not be obtained during 7 years of hard bargaining and compromise. Thus, while they speak the language of arms control, the real purpose of these critics is to attack the treaty itself, while portraying themselves as tough on the Russians, tough on the State Department, and ivory pure on the issue of arms control. This kind of political posturing is unfortunate in a debate of such momentous consequence. In describing my own support for the Agreement as "unqualified," I am simply seeking to stress my belief that we have witnessed enough posturing and positioning, and that it is now time for some Senators to stand up and support this treaty with energy and conviction.

THREE CRITERIA FOR EVALUATING THE TREATY

I should now like to turn to the three questions which I established as the framework for my decision on SALT.

ADEQUACY OF THE TREATY TERMS

The first concerns the adequacy of the treaty in preserving essential strategic

equivalence between the two superpowers. The treaty does, of course, establish common ceilings and subceilings on missile launchers and heavy bombers. But the question which must be answered is whether this apparent equality disguises an imbalance of any kind detrimental to the United States. It is in this context that two specters have been raised: the Soviet heavy missile and the Soviet Backfire bomber.

A feature of the treaty by now well-known—because it has been avidly publicized by SALT critics—is that the Soviets would be allowed 308 heavy missiles—SS-18s—while the United States would have no missiles of comparably large throw-weight. This isolated fact has been seized upon as supposed evidence that the United States got the worst of the SALT bargain.

A scenario has been postulated in which the Soviets, using their highly accurate and MIRVed SS-19s, launch a first-strike against our Minuteman/Titan ICBM force; the President chooses not to launch these ICBMs; they are destroyed; and the President is then paralyzed by the knowledge that any retaliation against Soviet cities using our airborne bombers and submarine-based missiles would invite a massive attack on American cities by heavily-MIRVed SS-18s. Thus, according to this scenario, the United States, with perhaps 10 million Americans already dead, could suddenly find itself caught in a horrible dilemma between national impotence and national suicide.

About this scenario, several points need be made. The first is that it is in no way dependent upon the existence of the Soviet SS-18. As I believe I successfully demonstrated when the committee heard testimony from Secretary of Defense Harold Brown, the scenario proves equally plausible—if it has plausibility—even if the SS-18 were eliminated and replaced by smaller Soviet missiles such as the SS-17 or SS-19. The simple fact is that, with or without the SS-18, the Soviets will, in the early 1980s, have the theoretical capability to conduct a first-strike on our silo-based ICBMs. This is the so-called "problem of Minuteman vulnerability," and it arises not from the existence of the SS-18, nor indeed from any provisions of the SALT II agreement, but rather from the steady technological advances being made in the accuracy of Soviet ICBM's.

Whether Minuteman vulnerability is a real problem—or simply a theoretical construct—can be debated by reasonable men. Some argue, and I think persuasively, that the first-strike scenario is so implausible as to have little or no validity as a basis for American defense planning, for Soviet leaders could never rationally stake their future and that of their society on a cosmic, long-shot gamble that the United States, possessing more than 9,000 nuclear warheads, would respond with the total passivity postulated.

Others argue that deploying a new U.S. ICBM—the mobile MX—would eliminate any possibility of Soviet temptation and thereby stabilize the nuclear balance. It is perfectly consistent with either position, however, to discern and declare that the SS-18 is essentially irrelevant to this issue of U.S. vulnerability.

The true importance of the SS-18 should be suggested by the absence of any desire among our own strategic planners to develop a similar weapon for the U.S. arsenal. We long ago decided to use the superiority of American technology to develop and deploy smaller nuclear weapons of higher accuracy, and this decision has never been seriously challenged. An extremely heavy missile possesses only one significant virtue—its capacity to carry many warheads—and it is precisely that characteristic which the SALT II agreement would constrain—by establishing a "fractionation" limit of 10 re-entry vehicles on each SS-18 launcher, which could otherwise carry up to 30 or 40 warheads. Thus, to the degree that the SS-18 does pose a threat to the United States, that threat is markedly curtailed by the treaty terms.

The second specter raised by treaty critics alleging imbalance concerns the Soviet Backfire bomber. Although this weapon is clearly oriented toward theater rather than intercontinental missions, it has been asserted that, because of the range and refueling capabilities of these bombers, they could conceivably be used if the Soviets were ever to unleash a massive strike on the United States.

The theoretical truth of this assertion is undeniable. But the implausibility of the Soviets actually using the Backfire in this way is so great as to deprive the scenario of any real validity. It is indeed virtually impossible to imagine circumstances under which such a decision would be made.

If Soviet planners were to contemplate a surprise first strike against the United States, they would hardly call upon the Backfire because, as an air-breathing weapon, it would arrive hours after the attack was over. Alternatively, if Soviet leaders were to find themselves in a prolonged confrontation with the United States—a situation which would almost inevitably bring the Soviets and their Warsaw Pact allies into conflict, or a serious risk of conflict, with America's NATO allies—they would be foolhardy in the extreme to assign a highly capable theater asset to a marginally valuable intercontinental mission. There would, moreover, be ample opportunity for the United States to detect that the Kremlin was even considering any such bizarre option, for the necessary preparation would entail detectable changes in the pattern of Soviet pilot training and bomber deployments.

Complaints by treaty critics that the Backfire was not included under the ceilings established by the agreement also fail to acknowledge the assets on our side which are likewise not included. Here must be mentioned U.S. forward-base systems, which encompass more than 500 U.S. aircraft deployed in the Atlantic and Pacific theaters and able to strike Soviet territory; the additional aircraft based in the United States capable either of direct strikes against the Soviets, or of rapid repositioning for such strikes; and also the substantial nuclear capabilities of our NATO Allies, capabilities which help to insure that Soviet leaders would not feel free to divert the Backfire from its theater role.

Given the pronounced implausibility that Backfire would be used against the United States, and the very significant U.S. and Allied strategic assets that are not counted under the treaty ceilings, I find little merit in the argument that the treaty should be amended to place Backfire under the strategic ceilings. President Brezhnev has provided formal assurances that Backfire production will be limited and that Backfire will indeed be deployed for theater missions.

In my judgment, the incorporation of those assurances into the treaty context, which can be accomplished during the ratification process, represents a satisfactory resolution of this issue, as least as regards the SALT II agreement. In SALT III, where theater systems will likely be under discussion, the subject of the Backfire bomber should again be addressed because of the threat it poses to our NATO Allies. But that is an argument for moving ahead promptly into SALT III, not for scuttling SALT II.

All in all, I find that the treaty terms are fully consistent with the imperative that we maintain essential strategic equivalence with the Soviet Union. Indeed, I believe that far too little attention has been accorded to the substantial concessions which our negotiators extracted from the Soviets. Surrounded as they are by multiple nuclear threats—from the United States, from Britain, from France, and from China—the Soviets can only have agreed most reluctantly to the principle of equal ceilings with the United States alone, and even more reluctantly to our insistence that these ceilings not include U.S. forward-based systems.

In fact, concessions of this magnitude seem explicable only by reference to President Brezhnev's obvious political stake in the SALT process, as well as his desire to attain for the Soviet Union the prestige of bargaining as an equal with the United States, and to perpetuate some version of détente.

Whatever the reason for Soviet concessions, however, I believe that our negotiators deserve more praise and less scorn than they have thus far received. Pointing selectively to heavy missiles and Backfire bombers, American critics of SALT have condemned the treaty as "fatally flawed." In so doing, they have vastly overestimated Soviet capabilities while seriously underestimating Soviet vulnerabilities. I submit that a Soviet critic of this treaty could point to far more glaring deficiencies in its terms than those alleged by his American counterparts.

VERIFIABILITY

With regard to my second standard for judging the treaty—our ability to verify Soviet compliance—I will say little here today. There is in this area the obvious and unfortunate paradox that to explain in detail the basis for confidence in our monitoring capability is to reveal information that would jeopardize that very capability. I will say, however, that as one of two Senators who sit simultaneously on the Foreign Relations and the Intelligence Committees, I have felt a special responsibility to analyze the verification issue indepth.

As a consequence, I have devoted much of my time in recent months to briefings and study, on the basis of which I am now satisfied that the United States is fully capable of detecting any Soviet violation of this treaty which could affect the strategic balance.

My conclusion is based on four judgments:

That the United States has, in operation now, the national technical means to monitor the SALT II agreements with an acceptable degree of certainty;

That any cheating or break-out potential which exists as a result of low montoring confidence would not result in an undetected alteration of the strategic balance;

That, given current administration plans for the deployment of new strategic systems, the U.S. possesses and will retain the weapons flexibility to respond to any discovery of Soviet cheating; and

That the leadership of the United States, including the Congress as a monitor of the verification process, has the political will to challenge the Soviet Union on any questions of compliance which may occur.

With respect to the first point—concerning national technical means—I concur with the statement of Senator GOLDWATER, vice chairman of the Intelligence Committee, that while our monitoring capability is now sufficient, it will—to be effective over the period of SALT II and to support negotiations for SALT III—require increased budgetary support. In this regard one should note, however, that SALT verification does not exist in a vacuum but rather is a part of our overall intelligence collection and analysis capability. Thus, support for our SALT monitoring capability is also support for our general intelligence capability, which must exist with or without SALT.

Overall, with regard to verification, I would suffice it to say that to become aware of the full extent of our intelligence capability is, first, to be greatly impressed by the remarkable achievements of advanced American technology and, second, to be greatly reassured that, in monitoring Soviet compliance with this treaty, nothing need be left to trust.

EFFECT ON THE ATLANTIC ALLIANCE

The third standard against which I evaluated the treaty is its effect on the strength and security of the Atlantic Alliance, and here I focused my efforts on learning as much as possible about the views of our allies.

In early June, I traveled to West Germany for extended meetings with Chancellor Helmut Schmidt, Foreign Minister Hans-Dietrich Genscher, and Defense Minister Hans Apel, and with a number of other German parliamentarians of both government and opposition parties. Subsequently, I met with French Foreign Minister Jean Francois-Poncet, British Defense Minister Francis Pym, and other top European officials concerned with defense issues. In addition, in order to probe more deeply and to elicit informed views on a less formal basis, I assigned the Foreign Relations Committee's two senior specialists on European affairs to investigate this matter fully, first by analyzing the record of U.S. consultations with the Allies, and then by travelling to the key Allied capitals to conduct extensive off-the-record interviews with knowledgeable government officials in Allied defense and foreign ministries, and with top journalists and academics who could reflect the European view of SALT. The report on this investigation will be formally issued later this month.

On the basis of all of these soundings, I have concluded that the Allies deeply and sincerely support the ratification of SALT II. This, it should be acknowledged, is primarily a political judgment rather than a military one.

The Allies view the SALT process as integral to the process of détente and the stability of East-West relations, and are generally content to allow the United States to determine its own interests as regards the technical negotiations on central strategic systems. But the Allies have by no means been reluctant to voice their views on those aspects of the SALT negotiations which relate directly to West European defense.

Hence, such provisions as the non-circumvention clause and the temporary protocol ban on cruise missile deployments have been a central topic in U.S. consultations with the Allies as the SALT negotiations proceeded. It seems fair to say that early in the SALT II talks, when it first became known that theater systems were under discussion, the Allies were uneasy about the possibility that their interests might be directly affected by a bilateral U.S.-Soviet contract.

Now, however, it seems clear that those concerns have been genuinely allayed through the process of consultation and clarification of the treaty and protocol provisions.

This is not to say that the Allies are sanguine or complacent about the future of West European defense. Soviet deployments of the accurate and mobile SS-20 IRBM, along with Soviet production of the Backfire, which the Europeans rightly see as an effective theater weapon, have generated strong Allied support for a unified NATO response.

As a result, a new high level group in NATO has recommended to Allied leaders a significant new program of theater nuclear force—or TNF—modernization, which would include not only improvements in existing NATO theater nuclear weaponry but also new deployments on the continent of both ground-launched cruise missiles and newly developed Pershing missiles with extended range.

At the same time, a special group in NATO has analyzed a variety of arms control approaches which might prove effective in negotiating with the Soviets toward a stable balance in theater nuclear forces. Integrating these modernization and arms control efforts into a unified strategy is now a major NATO priority. Such an effort is keyed, however, to Allied expectation that United States-Soviet negotiations will continue into SALT III.

As West European leaders have stressed to me repeatedly, this positive Allied approach would be seriously undermined if U.S. leadership of the alliance were suddenly to be brought into question by a failure of the American Government to uphold the United States-Soviet agreement negotiated in SALT II.

In short, those who warn of deep-seated Allied concerns about SALT fail to make a crucial distinction. The Allies are concerned about SALT, for they stand keenly aware that the Soviet buildup poses a direct challenge to West European security. But were SALT to collapse, and being confronted with the serious task of maintaining an adequate theater balance, they would have no alternative to an arms race within Europe amidst the unstable climate which a SALT breakdown would inevitably have produced.

On the other hand, a continuance of SALT offers the prospect that a European balance can be negotiated—with lower levels of nuclear weaponry on each side and greater theater stability. Faced with this choice, the Allies' interest is clear, and the response they seek from us is not a repudiation of SALT, but rather the demonstration of American leadership which would come from consummating SALT II, collaborating with the Allies to develop a solid program of theater nuclear force modernization, and then moving ahead into a SALT III negotiation during which the Allies would be closely consulted regarding any provisions governing theater nuclear forces. To do otherwise—in my view and that of our NATO allies—is to abrogate our responsibilities as leader of the Atlantic alliance.

In this connection, I might point out that later this month I will lead a delegation of Senators on a trip to London, Moscow, and Brussels to discuss East-West relations in general and SALT in particular. In the Allied capitals, the delegation will confer with top NATO defense officials and in Moscow with the Soviet leadership.

For myself, the principal purpose of the visit will be to assess future prospects for SALT by developing additional insight concerning Allied and Soviet priorities in SALT III, particularly with regard to theater nuclear systems.

A WORD ON THE PROPOSED 10-POINT "UNDERSTANDING"

Because some confusion surrounds the Senate's options with regard to the SALT II agreement, I believe that a word of clarification may be in order concerning the status of my own "understandings" and proposals which may be made by other Senators. The nomenclature in this area—which includes amendments, reservations, declarations, statements, and understandings—is, in its diversity, somewhat misleading.

For the Senate's options, if it approves the treaty, are essentially twofold: We may approve ratification in a way which in effect endorses the agreement as negotiated, or we may approve in a way which requires the Soviets to accept, at the time of actual ratification, any changes or clarifications we have specified. The nomenclature we apply to our action may be indicative of which of

these we have done, but is not determinative. What is determinative is content.

I have therefore chosen to call my 11-point proposal an "understanding," recognizing that some of its points are hortatory, while others, depending upon how the Soviets view it, may have the effect of slightly altering the treaty terms. It is an interesting aspect of the ratification process, however, that this distinction need never be explicitly made, for if the Senate makes U.S. ratification subject to these "understandings," and the Soviets then agree to ratify, the understandings become integral to the treaty.

Although the points in my understandings are self-explanatory, I would point out that those which are clearly hortatory are designed less as a message to the Soviets than as a message to ourselves. Because so much confusion has surrounded the significance of ratification, it seems useful, for example, to reiterate that consummating this treaty does not in any way mitigate either our disapproval of many aspects of Soviet foreign policy or our determination to take all steps necessary to maintain essential strategic equivalence.

The final two points, I might also point out, are intended as alternatives to any proposals which may be made with respect to Soviet heavy missiles or the Backfire bomber. In large measure, I think, concerns regarding these systems have become exaggerated because they have been viewed in isolation rather than as part of an overall balance of negotiated concessions by both sides. Instead of allowing proposals on these weapons to be voted on in similar isolation, it seemed to me useful to craft substitute language which places those weapons more properly into context.

THE PROCEEDINGS TO DATE AND AN ALTERNATIVE POSITION

Such substitute language may well prove unnecessary, for clearly the most remarkable aspect of the treaty deliberations to date has been the shift of focus away from the treaty itself and onto issues surrounding the overall U.S. strategic position. Those who began the debate with high oratory about the treaty's "fatal flaws" have now begun to sound calmer, and attention has been redirected to the possibility of expanding the defense budget. In part, this shift is attributable to the demonstrable weakness of the arguments supporting the "fatal flaws" position, a weakness which has been fully exposed during a month of hearings. In part, the shift may be traced to the increasingly well understood fact that the treaty would not in any significant way actually curtail U.S. strategic deployments.

Thus, those who wish to express concern about the Soviet buildup and Soviet adventurism seem to have found an alternative to the "killer amendments" which were in fashion a few weeks ago. As it is emerging, their new approach appears to be to support the treaty, since it does in fact curtail certain Soviet programs, while conditioning their support upon an augmented program of U.S. strategic spending.

In one sense, such a shift represents progress, for it would mean that the treaty itself had ceased to be a whipping boy for those who wish to vent disapproval of Soviet foreign or domestic policy, or to attack the Carter administration, or simply to ride what they perceive to be a current tide of conservatism in America.

In another sense, however, this shift means no more than the replacement of one delusion by another. Time and again, during the committee's hearings, witnesses invoked the concept of a looming Soviet nuclear superiority which, if and when attained, would embolden the Soviets to embark on an unprecedented adventurism, confident of their ability to intimidate the United States and other nations into acquiescence. Yet mysteriously vague through all testimony was exactly what this nuclear "superiority" would consist of and how it would be used.

As he does so well, Dr. Kissinger caught the mood of the day and converted it into a theological pronouncement about the dangers which lie ahead. In the process, he even went so far as to repudiate what may have been his single most eloquent utterance while in office. During SALT negotiations in 1974, he had asked:

> What in God's name is strategic superiority? What is the significance of it * * * at these levels of numbers? What do you do with it?

A rhetorical question which aptly summarized the virtual impossibility of using nuclear weapons for any rational purpose other than nuclear deterrence.

Still more unfortunately, Dr. Kissinger went on in his testimony to associate himself with a concept newly in vogue: That in the early 1980's—after Soviet ICBM accuracy has improved and before our mobile MX is deployed—the Soviets will, because of the theoretical vulnerability of our Minuteman ICBM, enjoy a so-called window of opportunity, which portends grave peril for the United States. Again, exactly how the Soviets might use this opportunity was unspecified. Indeed, upon examination, the so-called window of opportunity becomes no more than another chance for the Soviets to commit nuclear suicide, an opportunity they have heretofore shown themselves pleased to reject.

To criticize these assertions by Dr. Kissinger and others is not to suggest that we downplay the Soviet threat, or to ignore it. Rather, it is to argue that our response must be deliberate and precise. Dr. Kissinger recommended a bold 5-year program of expanded strategic spending, a congressional and Presidential commitment to which should be explicitly tied to treaty ratification. Yet, during questioning, Dr. Kissinger was remarkably vague about what such a program would accomplish beyond what the current administration has already planned.

Air-, ground-, and sea-lanuched cruise missiles are under active development; procurement of the Trident submarine has begun; the highly-accurate Mark-12A warhead is now being emplaced on our Minuteman force; and a full go-ahead on the mobile MX missile was recently announced by President Carter, subject to the still-difficult choice of proper basing made. Even while speaking with the voice of doom, Dr. Kissinger under questioning felt compelled to admit that within a few years these programs could render the Soviet arsenal highly vulnerable, far more vulnerable in fact than our force will be at any point.

I think the danger that the Senate is now presented with is those who opposed the treaty in the past are now suggesting that the treaty might warrant support if the Senate will make specific and large commitments to strategic expenditures, the symbolic strategic splurge to which I refer.

My overwhelming concern is if we buy that approach we may be mortgaging our defense capabilities, because I think we may very well, if we are put in that position, find we have diverted funds away from the very area of our military power most in need, and which is going to be needed first, if ever needed. I refer to our conventional forces, land, sea, and air.

The perversity of such a stampede to strategic armaments, I would think, is apparent, or should be apparent, to my colleagues for if there is a single dominant lesson in the postwar periods it is that in any crisis or test of strength conventional and not nuclear superiority has been the determinative factor in controlling the events.

This was true, for example, in Korea, in Hungary, in Vietnam, in Czechoslovakia, and even in the Cuban missile crisis where our proximity with conventional capability is what carried the day. Our localized supremacy was the important factor.

This lesson also underlies our current doctrine within NATO where it has been recognized that the strategic nuclear umbrella is no substitute for strength at the theater nuclear level or conventional level.

We should thus be warned against the symbolic gestures born out of political opportunism and/or a failing self-confidence that has been expressed, and then later echoed by some of the more prominent Americans who have testified in this matter.

I am convinced that SALT II has been completely negotiated. I am convinced that it can be explained to the American people, a people whose basic instinct is to support efforts to limit the danger of nuclear war.

I think a true sign of our national confidence would be for the United States to ratify this treaty, to reaffirm our leadership in the Western alliance, and to move ahead with a policy of negotiation from strength. It is a true sign of statesmanship, I submit, for Senators to support this treaty on its merits, and then approve—but only after deliberation—those strategic and conventional programs necessary to our national defense.

I ask unanimous consent to have printed in the RECORD the 10-point understanding.

There being no objection, the understanding was ordered to be printed in the RECORD, as follows:

TEN-POINT UNDERSTANDING

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Treaty on the Limitation of Strategic Offensive Arms, known as SALT II, including the Protocol thereto, both signed at Vienna on June 10, 1979, subject to the understanding which shall be included in the instruments of ratification:

(1) with regard to the foreign policy of the Soviet Union, that ratification of this Treaty shall not be construed as acceptance by the United States of Soviet aims or conduct, but is instead based upon the imperative that U.S.-Soviet competition be regulated to reduce the danger of nuclear holocaust;

(2) with regard to future strategic policy and nuclear weapons deployments, the United States shall continue to take all steps necessary to maintain essential equivalence with the Soviet Union and a stable condition of mutual nuclear deterrence;

(3) with regard to future arms negotiations, that the arms limitations required by this Treaty shall be considered only an interim measure, leading to future intensive efforts to achieve significant reductions in established levels of strategic nuclear weaponry;

(4) with regard to the non-circumvention provision of Article XII, that such provision shall not impede traditional patterns of military and technological cooperation between the United States and its allies, and that such cooperation shall continue in all ways necessary to ensure the common defense of member-states of the North Atlantic Alliance;

(5) with regard to the provisions of the Protocol, that such provisions shall not without Senate concurrence be legally extended beyond December 1981 and shall not be construed as having precedential significance for subsequent arms limitations;

(6) with regard to production and deployment of the Soviet Backfire bomber, that the written and verbal assurances set forth by President Brezhnev shall be considered integral to the Treaty;

(7) with regard to agreed statements and common understandings, the memorandum of understanding regarding data, and the joint statement of principles and basic guidelines for subsequent negotiations, that such associated documents shall also be considered integral to the Treaty;

(8) with regard to future United States deployment of mobile land-based missiles, that such deployment, regardless of mode, shall, if accompanied by procedures conducive to appropriate Soviet verification efforts, be acceptable under the Treaty;

(9) with regard to strategic systems limited by the Treaty, which are governed by equal aggregates, that any Soviet advantage attributable to greater overall throw-weight is and shall be balanced *inter alia* by the superior accuracy, diversity, and number of United States weapons; by the forward-based systems of the United States; and by the nuclear forces of United States allies; and

(10) with regard to long-range nuclear weapons not limited by the Treaty, that the Soviet Backfire bomber is balanced *inter alia* by the forward-based systems of the United States, certain United States-based bombers not governed by the Treaty, the nuclear forces of United States allies, and the residual right of the United States to deploy an aircraft with the characteristics of the Backfire bomber.

A STRATEGY FOR ENERGY

Mr. TOWER. Mr. President, at the root of the energy problems facing our country today is public cynicism and misunderstanding about the proper course to be taken to solve the problem of fuel shortages. The American people are experiencing an erosion of confidence in government that is directly proportional to government's expanded role in the regulation of energy. Today we are plagued with shortages aggravated by the Government which, because of blind adherence to misguided energy policies of the past, is needlessly pushing a problem toward a crisis.

The President in his July 15 message issued a call to arms to overcome the energy problem and restore our American confidence and spirit. Sadly, though, what he offered was only more of the same governmental poisons that are killing that spirit right now. The President reaffirmed his intentions not to trust free market forces to allocate scarce resources, but rather to assign this task to the hands of government, on the premise that only a federal bureaucracy can do it.

Americans who are serious about finding a meaningful solution to our energy problems can only be disappointed by the content of the President's message. Entirely omitted was any reference to the immediate need to lift artificial price controls on domestic crude oil, natural gas, and gasoline, and to abolish the unwieldy allocation and entitlement programs. Instead, the President's aim is to direct a massive Federal intervention into the private economy, urging more government to attack the problems fundamentally caused by too much government in the first place. In so doing, he has signalled a vote of no confidence in our free enterprise system in the quest for developing new energy sources.

It is undoubtedly true that we must focus on both long-term and short-term solutions to assure ourselves of abundant energy supplies for the future. The Government must continue aggressively to encourage and foster research, development, and demonstration of advanced, alternative energy sources, such as solar energy, designed to satisfy our energy needs in the long run. Nor can any serious national energy plan be complete in the absence of reasonable measures designed to encourage conservation and more efficient use of energy.

The glaring defect of the President's program, however, is its failure to provide any remedies for the short term. It conspicuously ignores the essential steps that must be taken immediately to remove the economic and regulatory shackles that impede efforts to exploit our domestic energy potential.

Mr. President, the complexities of the problems before us do not lend themselves to solutions motivated largely by consideration of political expediency. They cannot be explained away in a distrustful atmosphere of name calling and old-fashioned, populist scapegoating. As the President correctly observes, the American people are looking for honest answers, not easy answers. Indeed, this necessarily involves hard decisions and requires strong and effective leadership. But regrettably, the President's program only shys away from these hard choices, seeking instead to obscure the true causes of the current energy debacle.

Government overregulation is the root cause of our present energy supply problem, and any energy plan which fails to recognize that fact is doomed to failure. The President's plan gives lip service to the need for a lessened Government role, but the substance of the plan belies any understanding of the problem. I propose instead a plan which has as its very foundation an appreciation of the efficiency of the marktplace and the productivity of the American free enterprise system.

The recent gasoline shortages have served to demonstrate quite vividly the gross ineffectiveness and myriad inequities of the present Federal gasoline price and allocation program. Despite the Carter administration's long overdue effort to redesign and improve the retail price control formula, it is increasingly clear that the gasoline control program has outlived any usefulness it ever had. That was my opinion in January 1977, when President Gerald Ford proposed gasoline decontrol, and I remain convinced that continuation of these controls is unwise and counterproductive. It is obvious that the price controls have not protected consumers from high prices and equally obvious that the allocation controls have only served to magnify the effects of the shortage. Price and allocation controls on motor gasoline and other refined petroleum products still subject to regulation should be removed immediately.

Federal regulation of the price of domestic crude oil must end. Domestic crude oil prices have increased substantially in recent years, but so have the risks and costs of domestic oil exploration and development. Oil decontrol is urgently needed to provide the capital and economic incentives necessary to add substantially to domestic oil supplies.

By holding prices below market-clearing levels, oil price controls encourage wasteful consumption and discourage efforts to expand supplies through increased exploration and development. Because depressed production means increased reliance on higher priced imported oil, the consumer benefits not one bit from continued controls. Instead, the costly and counterproductive oil price control program costs industry and government—and, ultimately all energy consumers—hundreds of millions of dollars for program compliance, enforcement, and administration.

President Carter's program for the gradual, phased removal of oil price controls is a significant step forward, but the urgency of our present crisis requires a bolder approach. The President should exercise the authority he now has to decontrol new crude oil by January 1, 1980; to escalate old oil prices to the upper tier level by that same date; and to complete decontrol of old oil by October 1, 1981, the expiration date of the President's authority to control oil prices. Along with complete decontrol should also come the complete elimination of the complicated crude oil entitlements program which effectively subsidizes and encourages oil imports.

In my view, there is no justification whatsoever for any "windfall profits tax." Such a tax is antagonistic to the purpose of decontrol itself—to provide the necessary incentive to achieve energy self-sufficiency—and will only serve to

aggravate our growing dependency on oil from foreign, and often unstable, sources.

The President's windfall profits tax proposal was billed as a vital deterrent to oil companies' reaping "huge and undeserved windfall profits," and, he assured us that it would be borne only by profiteering oil companies, not by the consumer. Its primary purpose was to reduce the dominance of "big oil" in our economy, while remaining true to the President's other commitments of reducing Federal intervention into the private economy, providing incentives to increase domestic exploration and production, and improving our competitive position internationally through lessened reliance on imported oil.

All of the premises on which the windfall profits tax is based, however are unfounded. In fact, the tax will ultimately be paid at the pump by the American consumer himself. It will actually increase the dominance of the major oil companies by effectively taxing to death the 10,000 small and independent producers who carry out 90 percent of the country's oil exploration. In addition, it will stymie domestic production—to the benefit of foreign producers—erode our competitiveness overseas with respect to OPEC, and threaten our national security if we become too dependent on volatile suppliers from abroad.

The tax is mislabeled as a "windfall profits tax" on excessive profits, but this is a misnomer. It is not a true income tax on either "windfall" or "profits," but rather an excise, or severance tax on sales at the wellhead which is levied without regard to profits. Ironically, oil company earnings are not "excessive" by any ordinary standard of measuring profitability. They are not out of line with those in other industries, and, in real terms, have even declined comparatively.

Unfortunately, the need for a windfall profits tax has been developed not on the merits, but has been bred out of a distrustful political and social environment in which rational argument has ceased to be heard. The President defends the windfall profits tax as a necessary adjunct to the additional revenues accruing to oil producers as a result of decontrol. But the President overlooks the facts and relies on the force of rhetoric to inflame public opinion against this essential, productive sector of American private industry. Most of whom, incidently, are independents and not major corporations. Such divisive demagogic attacks serve not only to lower the level of Presidential communication, but also to impede our national effort to solve the energy problem.

In trying to assuage those who believe price controls should never be removed, the President devised an incompatible combination of two steps going in opposite directions by insisting on a tax that effectively removes the very incentive decontrol would provide. Such a fractured policy can only result in lower returns to the oil producers, higher prices to consumers, and the same vulnerability to extortion at the hands of the OPEC nations.

A major purpose of the President's decision to decontrol crude oil prices was to reduce the level of governmental interference in the marketplace, allowing greater freedom to economic forces to set prices. Ironically, the result of the windfalls profits tax is just the opposite. Any "windfall profit" that accrues will accrue to the Federal Govrnment. Reversing the benefits of decontrol by such a tax only subverts the efforts of reducing governmental interference in the marketplace.

To say that the tax will "protect" the American consumer because it will be paid by the oil companies ignores the economic fact of life that businesses—including oil companies—do not pay taxes. The Government may use the oil companies, and other businesses, as collection vehicles, but the American people themselves are the ultimate source of all taxes imposed by Congress.

Continued reliance on crude oil from foreign sources also raises very serious issues of national security. Today, 47 percent of our oil is imported, much of which is from some of the most politically unstable areas in the world. But because the tax applies only to production in the United States, it will dramatically increase the value of the multinational oil companies' foreign assets, because they will find it less profitable to develop domestic supplies than to market imported oil. This will only increase the enormous economic leverage already held by our foreign suppliers. Such a result carries serious national security implications which deserve careful attention.

Despite last year's enactment of the Natural Gas Policy Act, it is time to turn again to the issue of natural gas pricing policy. No o[illegible] in Congress can relish the thought of reopening this controversy which has so bitterly divided Congress for many years, but the dangerous degree of our dependence on imported oil cries out for a speedy transition to market-regulated pricing for natural gas. With the encouragement of prudent Government policies and favorable economic incentives, natural gas can reduce our dependence on foreign oil and satisfy a major portion of our energy needs for many decades to come.

Federal Government policy at present, however, continues to be characterized by uncertainty and overregulation. Although the Natural Gas Policy Act of 1978 is often erroneously referred to as a deregulation bill, this unfortunate law is in fact a disastrous jumble of redtape and overregulation which has perpetuated producer uncertainty and continued to depress exploration and production by holding the price of gas artificially low. The law's incredible complexity and ambiguity, coupled with the severity of the penalties for noncompliance, have made it necessary for small producers in particular to divert substantial resources of time and money into nonproductive efforts to understand and comply with the law.

The Natural Gas Policy Act should be amended to provide for the deregulation of onshore and offshore new natural gas by January 1, 1980, and the deregulation of all other natural gas by January 1, 1981.

The incident at the Three Mile Island nuclear plant notwithstanding, a realistic consideration of the options leads to the conclusion that continued and increased reliance on nuclear-generated electricity is a necessary ingredient in any responsible national energy policy. Three Mile Island focused attention on the potential risks and problems associated with nuclear power and on the need for unfailing vigilance on matters of safety, but it is important to remember that the accident was contained and that nuclear power remains to this day among the safest of fuels for the generation of electricity. We have the ability to solve the problems and the risks involved are not unreasonable ones, in my judgment.

We can and must do more to improve Federal nuclear regulation and the procedures and safeguards designed to insure safety in nuclear plant operation and nuclear fuels transportation, and I am supporting legislation to achieve these objectives. Congress should also proceed with the approval of legislation to streamline the licensing process and shorten the time it now takes to bring needed new powerplants into operation. In the meantime, Nuclear Regulatory Commission consideration of licensing applications should proceed without delay after prompt resolution of legitimate policy questions arising in the wake of the Three Mile Island incident. Improvements in the licensing and review process need not result in more paperwork and longer delays.

Coal can make the single most significant contribution toward solution of our Nation's energy supply problems if not prevented from doing so by unwise governmental overregulation. In fact, most of the real obstacles to massively increased coal production and utilization are governmental in origin. Overly restrictive environmental laws enacted in recent years have made it unnecessarily difficult and costly both to mine coal and to burn coal.

Early experience with the landmark Surface Mining and Reclamation Act of 1977 has already demonstrated the need for changes in that law. Certainly, it is imperative that land reclamation follow the surface mining of coal, but the 1977 Federal law goes far beyond what should reasonably be required. State governments—not Federal agencies—should retain maximum authority to regulate coal development within their respective boundaries.

The greatest single obstacle to the increased use of our abundant coal resources is the Clean Air Act. The air pollution standards mandated by that law can be relaxed without unacceptable environmental and health effects, and any substantially increased reliance on coal as an energy source will depend on the enactment of amendments to the Clean Air Act.

There are numerous additional actions which can and should be taken by Government now to help assure this Nation an adequate supply of energy in the years to come. Legislation is necessary in many instances, but there is much that the present administration can do immediately under current law.

As we work toward the goal of energy independence in the future, some energy imports can serve the national interest now. Oil and gas imports from Mexico are the most obvious examples, and the Carter administration must be more aggressive in its efforts to reach realistic and mutually acceptable trade terms for the importation of Mexican energy. The current administration stance disfavoring additional imports of liquified natural gas is another example of shortsighted Carter energy policy. LNG can play an important role in the Nation's overall energy supply strategy, and a more favorable attitude toward LNG would reduce present uncertainties about future gas supply availability.

Inadequate domestic refinery capacity and quality continues to be a major contributing cause of petroleum supply and distribution problems. Not a single major new refinery has been built in this country since 1973, and current policies affecting construction and operation of refineries also discourage needed improvements in existing facilities. Clean air act modifications and motor gasoline decontrol will go a long way toward elimination of current disincentives, but Congress should also provide positive incentives to encourage additions to domestic refinery capacity.

Effective utilization of Alaskan North Slope crude oil is seriously hampered by inadequate west coast refinery capacity and oil transportation bottlenecks which prevent efficient distribution to coast and east coast refineries capable of processing the higher sulfur Alaskan oil. The ultimate solution to such problems will come through construction and modification of west coast refineries and completion of west-to-east oil pipelines. One possible interim solution would be to arrange for export or swap of some Alaskan production in exchange for delivery of imported oil which would otherwise go, for instance, to Japan. Such arrangements could substantially reduce oil transportation costs and would ease existing logistical problems and increase our ability to utilize Alaskan oil effectively.

The idea of exporting or swapping Alaskan crude oil is understandably controversial, and current law imposes strict conditions on the President's authority to approve such arrangements. The President should have greater flexibility to approve specific export arrangements which are in the national interest.

The apparent collapse of Sohio's Pactex oil pipeline project and our seeming inability to utilize fully Alaskan oil in a time of national shortages is another tragic example of the kind of Government overregulation which has so far thwarted efforts to solve this nation's energy problem. In addition to calling for substantive modifications of existing environmental laws, we must do all that we can to permit expedited review and approval of priority projects in the national interest.

By now it should be crystal clear to everyone that our current domestic energy shortage is largely the result of two and one-half decades of foolish national energy policies and Federal overregulation. In view of this fact, it is inconceivable that the President would propose yet another round of massive governmental intervention into the energy industry. Our goal ought to be to keep government involvement to a minimum.

We can and must develop a viable synthetic fuels industry in order to utilize better our vast coal and oil shale resources. That can best be done, however, not by massive government-owned and government-operated energy facilities but by stripping away the Government-imposed layers of overregulation and regulatory uncertainty which now stifle private investment.

A prudent, cost-effective approach to synthetic fuels commercialization should include the following elements: first, a program of limited loan guarantees, with substantial private capital at risk; second, a form of refundable tax credit, which would function as a floor price for those investors undertaking the massive capital risks involved in synfuels production; and third, a program to make the Government the "purchaser of last resort" of fuels produced from unconventional sources. There is no justification for the creation of another Government agency to administer a synthetic fuels program.

Had the Federal Government pursued a more reasonable course in energy policy and environmental protection in the past, these extraordinary Government inducements would not now be necessary. Particularly with respect to efforts to protect our environment, the laws of the last decade have erroneously assumed that environmental purity and pristine wilderness have no economic cost. We cannot afford to despoil our air and water, but neither can we afford to have legitimate national needs of growth and development held hostage to overly restrictive environmental standards.

In the long run, we may well realize the dream of clean, nonpolluting, renewable energy. If we are to meet our goals of energy production and supply in the short run, however, it is imperative that national policy recognize the need for reasonable trade-offs between energy development and environmental protection.

Much of the U.S. known and potential energy resources is found on Federal public lands, and yet the Carter administration has withdrawn enormous tracts of those lands from leasing, exploration, and potential development. If President Carter is serious about attaining the energy production goals he has established, he must see that his administration pursues a more balanced approach to public lands mineral development and wilderness preservation.

Current provisions of the Clean Air Act unduly restrict and impede energy development, refinery expansion, coal utilization, synthetic fuels commercialization. The burning of high-sulfur residual oil, and a host of other energy-related activities. The Clean Air Act should be amended to place more emphasis on economic consideration and cost effectiveness and to deal more realistically with naturally occurring pollution. Most importantly, the Clean Air Act's overly stringent provisions limiting growth and development must be modified to take into account urgent national energy needs. Even the national ambient air standards themselves should be reassessed.

The environmental impact statement process established by the National Environmental Policy Act of 1969 has become a tool for mindless obstructionism and unfounded delays. That act should be amended to provide for a reasonable statute of limitations, such as 180 days, on suits filed for judicial review of the adequacy of environmental impact statements.

The refining of high octane, unleaded gasoline is costly and wasteful. Current EPA restrictions on the use of octane-boosting additives such as lead and MMT in gasoline should be removed.

There is still no demonstrated need for Federal environmental regulation of oil field brines, salt water disposal, and underground injection. The Resource Conservation and Recovery Act and the Safe Drinking Water Act should be amended to insure that hazardous waste and underground injection control regulations do not duplicate adequate State regulatory programs and would unnecessarily impede oil and gas exploration and development.

Mr. President, the energy strategy which I propose offers the promise of substantially increased supplies of energy for the American people now. It is not a painless plan of action, but it is a plan which will increase the U.S. supply of energy and make us much less dependent on foreign oil. The President's program, on the other hand, is built on faulty premises which result in an energy scheme that completely ignores the short run, effectively nationalizes the energy industry and fails to address the long range trade-offs that any rational program must face.

FARMING THREATENED BY ENERGY CRISIS

Mr. THURMOND. Mr. President, with the energy shortage at hand, we need to give special attention to the impact oil has on the agricultural industry. From trucks to tractors, almost every phase of farming operates on petroleum.

Recently Americans have become acutely aware of the importance of saving energy. Accordingly, we must employ techniques to insure that farming, which is heavily dependent upon oil, does not suffer from any future energy crisis.

An editorial in the State newspaper of Columbia, S.C., adds some insight by Harry Bell, president of the South Carolina Farm Bureau Federation into the need to maintain a sufficient supply of energy for our farms.

Mr. President, in order to share this editorial with my colleagues, I ask unanimous support that it appear in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FARMING THREATENED BY ENERGY CRISIS

When (and if) the average consumer thinks of energy in terms of its agricultural implications, his thoughts usually center on

the truckers who move produce from farm to market.

That image, incidentally, was reinforced by the recent demonstrations of independent truckers seeking concessions in their quest for fuel supplies and compensation to meet the current energy crunch.

But energy, in all of its diversity from diesel fuel for tractors to electricity for brooders, undergirds the entire field of agriculture as it exists in the United States today. And let it be noted that U.S. agriculture today provides food not only for more than 200 million Americans but for additional millions overseas—many of them in lands with far greater natural energy resources than exist in this country.

City folk, in their blissful ignorance of the rural scene, tend to believe that the energy crisis on the farm front can be met by such simple expedients as returning to animal power and natural fertilizers. True, there is some merit to such thoughts, and some relatively small opportunity for successful exploitation of that theme. But the limitations of any such approach are effectively described by Harry Bell, president of the S.C. Farm Bureau Federation, in the current issue of South Carolina Farmer.

Here are some of the achievements which Mr. Bell says would be needed to make any such program work:

Find 18 to 20 million horses and mules to provide the motive power now supplied by mechanical equipment. Devote 40 to 50 million acres to the feeding of these animals. Draft 20 to 30 million workers to produce, harvest and manually store food which now is handled mechanically. Finally, tolerate drastic declines in crop production and quality.

Mr. Bell has his own ideas of how the problem should be faced, and he outlines them editorially in this series of recommendations:

Dismantle oil and natural gas price controls.

Assign top priority to development of policy to minimize effects of dwindling domestic petroleum supply.

Expand coal use and production.

Increase incentives for private energy research.

Encourage private exploration and development of gas and petroleum supplies.

Intensify university research in agricultural energy conservation.

Restore oil and gas depletion allowances.

Simplify and streamline environmental procedures.

Use allocations of petroleum products only in extreme emergencies.

Those suggestions, as we said, come from Mr. Bell in his capacity as president of the Farm Bureau in South Carolina. Without necessarily endorsing them in toto, The State feels that they warrant public—and political—attention.

But we do endorse, unequivocally, this broader assessment by Mr. Bell:

"America has the resources, technology, willpower and common sense to solve the energy problem—if we'll stop looking for someone to blame for our present situation and get on with the job that must be done."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on August 2, 1979, he had approved and signed the following act:

S. 961. An act to amend the Speedy Trial Act of 1974.

MESSAGES FROM THE HOUSE

At 11:50 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4389, an act making appropriations for the Departments of Labor, and Health, Education and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 17, 30, 31, 42, 48, 51, 52, 71, 77, 88, 101, 111, 112, 113, 115, and 117 to the bill, and concurs therein; that the House recedes from it disagreement to the amendments of the Senate numbered 3, 16, 21, 62, 64, 65, 78, 127, 139, 140, and 142 to the bill, and concurs therein each with an amendment; and that the House insist upon it disagreement to the amendment of the Senate numbered 137 to the bill.

The message also announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 35. A concurrent resolution reaffirming the commitment of Congress to the right of the people of Puerto Rico to determine their own political future.

The message further announced that, pursuant to the provisions of 44 U.S.C. 2501, as amended, the Speaker has appointed Mr. BOWEN as a member of the National Historical Publications and Records Commission, vice Mr. PREYER, resigned.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 41. An act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.;

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes;

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932;

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson;

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps, and for other purposes;

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting;

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code;

H.J. Res. 19. A joint resolution to provide for the designation of a week as "National Lupus Week"; and

H.J. Res. 209. A joint resolution designating the week of October 6 through October 14, 1979, as "National Diabetes Week".

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore (Mr. MAGNUSON).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on August 3, 1979, he presented to the President of the United States the following enrolled bills:

S. 41. An act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.;

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes; and

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1906. A communication from the Director, Defense Security Assistance Agency, reportings, pursuant to law, concerning the Department of the Navy's proposed letter of offer to Japan for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-1907. A communication from the First Vice President and Vice Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during June 1979 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-1908. A communication from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, on the proposed use, in the fiscal year 1979 Space Shuttle program, of $10,000,000 in funds appropriated pursuant to the National Aeronautics and Space Administration Authorization Act, 1979 (92 Stat. 857), in excess of the amount authorized therefor; to the Committee on Commerce, Science, and Transportation.

EC-1909. A communication from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, with respect to waiving the contract clause requirement in section 2313(b) of title 10 which provides for the examination of books and records of a foreign contractor by the Comptroller General; to the Committee on Commerce Science, and Transportation.

EC-1910. A communication from the Assistant Secretary for Budget and Programs, Department of Transportation, transmitting a draft of proposed legislation to establish uniform national standards for the weight and length of vehicles using the National System of Interstate and Defense Highways during fuel emergencies; to the Committee on Commerce, Science, and Transportation.

EC-1911. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish competitive oil and gas leasing in favorable areas within producing geologic provinces; to the Committee on Energy and Natural Resources.

EC-1912. A communication from the Federal Cochairman, Four Corners Regional Commission, transmitting, pursuant to law, the Commission's eleventh annual report; to the Committee on Environment and Public Works.

EC-1913. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Vanguard Building, 1111 20th Street NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC-1914. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at 100 Summer Street, Boston, Mass.; to the Committee on Environment and Public Works.

EC-1915. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the renewal of a lease for space in Queens, New York for the Department of Health, Education, and Welfare, Social Security Administration; to the Committee on Environment and Public Works.

EC-1916. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Houston, Tex., Federal Building-Courthouse, 513 Rusk Avenue, in the amount of $2,446,000; to the Committee on Environmental and Public Works.

EC-1917. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Federal Building-Courthouse, 230 North First Avenue, Phoenix Ariz., in the amount of $965,000; to the Committee on Environment and Public Works.

EC-1918. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend certain authorities of the Secretary of the Interior with respect to water research and development and saline water conversion research and development programs, and for other purposes; to the Committee on Environment and Public Works.

EC-1919. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Greenville, S.C., Federal Building-U.S. Courthouse, in the amount of $1,750,000; to the Committee on Environment and Public Works.

EC-1920. A communication from the Secretary of Labor, transmitting, pursuant to law, the ninth annual report on the Work Incentive (WIN) program; to the Committee on Finance.

EC-1921. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed fiscal year 1979 program in Senegal; to the Committee on Foreign Relations.

EC-1922. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed fiscal year 1979 program in Mali; to the Committee on Foreign Relations.

EC-1923. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification for an increase in the funding level of our proposed fiscal year 1979 program in Costa Rica; to the Committee on Foreign Relations.

EC-1924. A communication from the General Counsel of the Navy, transmitting, pursuant to law, a report concerning allegations of mismanagement at the Naval Weapons Center, China Lake, Calif.; to the Committee on Governmental Affairs.

EC-1925. A communication from the Mayor, The District of Columbia, transmitting, pursuant to law, a report on the status of the alcoholism program in the District of Columbia; to the Committee on Governmental Affairs.

EC-1926. A communication from the Attorney General, transmitting a draft of proposed legislation to create a charter for the Federal Bureau of Investigation, and for other purposes; to the Committee on the Judiciary.

EC-1927. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered under the authority contained in section 13(b) of the Act of September 11, 1957; to the Committee on the Judiciary.

EC-1928. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to set limits on increase in hospital capital stock, and for other purposes; to the Committee on Labor and Human Resources.

EC-1929. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1978 annual plan for fiscal year 1980-1984, on the National Cancer Program; to the Committee on Labor and Human Resources.

EC-1930. A communication from the Governor, Farm Credit Administration, transmitting, pursuant to law, the 45th annual report of the Farm Credit Administration and the Cooperative Farm Credit System, which includes a report of the activities of the Federal Farm Credit Board; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1931. A communication from the Vice Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report with reports to a transaction involving U.S. exports to Algeria; to the Committee on Banking, Housing, and Urban Affairs.

EC-1932. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report from the U.S. Government Comptroller for Guam/TTPI/NMI on Federal Grant Management and Accounting, Government of Guam; to the Committee on Energy and Natural Resources.

EC-1933. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-1934. A communication from the Administrator, U.S. Environmental Protection Agency, reporting, pursuant to law on a study relating to sludge; to the Committee on Environment and Public Works.

EC-1935. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed fiscal year 1979 program for Gambia; to the Committee on Foreign Relations.

EC-1936. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of GAO reports for the month of June 1979; to the Committee on Governmental Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-411. A resolution adopted by the Senate of the Legislature of the State of Massachusetts; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTION

"Whereas, a reduced United States slaughter has decreased the availability of domestic hides by approximately seven million (almost twenty per cent) while United States and world demand have remained high; and

"Whereas, other nations traditionally selling hides in the world market such as Argentina, India, Pakistan, Brazil, Mexico and Uruguay have stopped all exports in order to retain supplies for their domestic users; and

"Whereas, the United States has traditionally supplied about seventy-five per cent of cattle hides in world commerce; and

"Whereas, foreign purchases of the United States hides in recent months accounted for eighty-five per cent of the available supply, with Japan purchasing an ever increasing per cent of its supply from the United States; and

"Whereas, United States consumers of leather products face price increases because of the inflationary increases in leather costs which exceed those of any other commodity; and

"Whereas, the over two hundred per cent increase in the costs of raw material threatens the future existence of industries such as tanners, and makers of shoes, boots, bags, furniture and other manufactured products which are dependent upon leather hides as a raw material; and

"Whereas, there has been no attempt by the meat packing industry or the United States Government equitably to allocate the existing supply of hides in order to provide both domestic users and foreign customers with their traditional shares of hides; now therefore be it

"*Resolved*, That it is the sense of Senate that the President and Congress should recognize the crisis nature of the situation and take such action as may be necessary to assure an equitable distribution of existing supplies of cattle hides to domestic and foreign users of such products; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, and to the Members of Congress from the Commonwealth."

POM-412. A resolution adopted by the Assembly of the Legislature of the State of California; to the Committee on the Judiciary:

"HOUSE RESOLUTION No. 13

"Whereas, the California Supreme Court, in its 1970 decision of Castro v. State of California, 2 Cal. 3d 223, ruled that the requirement of literacy in the English language as a qualification for registering to vote or voting was a violation of the Equal Protection Clause of the Fourteenth Amendment to the United States Constitution; and

"Whereas, The State Supreme Court decided as it did, because, although a requirement of literacy might be constitutional in order to ensure that voters had access to sufficient sources of printed information to cast an informed vote, a requirement of literacy in English was unconstitutional since it discriminated against persons literate in other languages who had access to equal amounts of printed information on the issues in an election in their own language; and

"Whereas, In the Castro case the petitioners, who were citizens of the United States, resident in California, and literate in Spanish, but not in English, demonstrated that they had access to 17 newspapers and 11 magazines printed wholly or partially in Spanish and circulated in the area in which they resided which served to keep them informed about the issues; and

"Whereas, In 1970, Congress adopted amendments to the Voting Rights Act of 1965 which prohibited the use of literacy tests for five years in all state and federal elections; and

"Whereas, In the November 1972 General Election, the voters of California deleted from the California Constitution the requirement of literacy in English as a condition to voting upon their approval of Proposition 7 by a vote of 5,226,396 to 2,426,816; and

"Whereas, The number of persons in California literate in Spanish, but not literate in English, who were enfranchised by the above was estimated in 1970 as being as many as 500,000; and

"Whereas, California, like other states in the southwestern part of the United States, is unique in several ways, including the fact that it was under the control of Spain until 1821 and of Mexico from 1821 to 1846, a control which ended only as a result of the military defeat of Mexico; and

"Whereas, Following the treaty of Guadalupe-Hidalgo, the new government of California, under the Constitution of 1849, had special obligations to protect the rights of its Spanish-speaking citizens, among which was the publication in Spanish as well as English of all laws, decrees, regulations, and provisions, which, from their nature, required publication; and

"Whereas, The government of the State of California failed to live up to its obligations to provide Spanish translations of its laws and regulations; and

"Whereas, The population of California consists of a significant number of persons descended from the original Spanish and Mexican settlers, in addition to large numbers of persons descended from emigrants from Mexico and other Spanish-speaking countries; and

"Whereas, The immediate proximity of the nation of Mexico has the effect of maintaining and reinforcing the Hispanic culture, including the Spanish language; and

"Whereas, Federal law does not require a person to be able to speak English in order to become an American citizen if such person is 50 years of age or older and has been in the United States for 20 years or more; moreover, it requires no more than a second grade level of proficiency in the English language for naturalization for anyone else; and

"Whereas, By making election materials available in languages, other than English, to voters who do not speak English, such voters will be encouraged to participate in the electoral process and thereby become more fully integrated into the broader American society and more likely to want to learn English as the language of that society; and

"Whereas, The California Legislature has long recognized the needs of voters speaking languages other than English by having passed legislation in 1967 and 1971 requiring that translations of the ballot be posted in Spanish in all polling places and in other languages as required, and in 1973 by requiring recruitment of bilingual precinct boards in precincts with 3 percent or greater non-English speaking voting age residents; and

"Whereas, The United States Congress, citing voting discrimination against citizens of language minorities, denial of equal educational opportunities by state and local governments for such citizens, and exclusion of such citizens from the electoral process by the conduct of elections only in English, enacted the 1975 amendments to the Voting Rights Act of 1965, to require that election and registration materials be made available to minority language citizens in their own languages; and

"Whereas, Congress determined that the foreign language election materials would have to be provided if 5 percent of the citizens of voting age of the state or political subdivision were members of a single language minority and that their illiteracy rate was higher than the national illiteracy rate, using failure to complete the fifth primary grade as a measure of illiteracy since no census question on illiteracy has been asked since 1920; and

"Whereas, The nearest data that Congress had to a measure of English language literacy was the 1970 census question, based upon a 15 percent sample, which asked: "What language other than English was spoken in the person's home while he was a child?"; and

"Whereas, The 1970 census failed to ask what a person was speaking now, as an adult, and how well he spoke English, if at all; and

"Whereas, The 1980 census will ask if the individual speaks a language other than English at home and, if so, what language it is, and how well the person speaks English based on the following responses: "very well," "well," "not well," and "not at all"; and

"Whereas, The 1980 question on languages spoken will be based on a 50 percent sample in any place of 5,000 people or less and a 16⅔ percent sample in any place over 5,000 people; and

"Whereas, The 1970 census question on national origin was based on a 20 percent sample as to each individuals place of birth and a 15 percent sample for each person's parents' places of birth, but the 1980 census question on national origin will use a 50 percent sample for places under 5,000 population and a 16⅔ percent sample for places over 5,000; and

"Whereas, The 1970 census question on Spanish (Hispanic) background used a 5 percent sample, but the 1980 census question will use a 100 percent sample; and

"Whereas, The formula adopted by Congress in the 1975 amendments to the Voting Rights Act of 1965 does not reflect the greater precision which will be available from the 1980 census; and

"Whereas, The General Accounting Office of Congress in a report issued in 1978 noted that the 1975 formula was a percentage formula which fails to provide foreign language assistance to some groups that may be in need of assistance; and

"Whereas, The proportion of the voting population in need of bilingual election materials in a city, school district, or special district may be considerably different from that in a county but the formula adopted by Congress in the 1975 amendments to the Voting Rights Act of 1965 fails to take this into account; and

"Whereas, Title II of the 1975 amendments to the Voting Rights Act imposes additional obligations on a county in which, among other things, less than 50% of the voting age population voted in the 1972 presidential election; and

"Whereas, The four California counties subject to Title II have large nonvoting, or absentee voting, military populations assigned to military installations located in those counties which account for the seemingly low voter participation which the 1975 amendments to the Voting Rights Act of 1965 fail to take into account; and

"Whereas, The guidelines published by the United States Department of Justice to implement the 1975 amendments and the subsequent specific guidance from the department have left state and local election officials uncertain as to what procedures they should follow in order to comply with the 1975 law; and

"Whereas, As a result of lack of guidance from the Justice Department, local election officials in California have adopted programs that are inconsistent in their implementation and less than cost-effective; and

"Whereas, The voters of California in their overwhelming adoption of Proposition 13 at the June 1978 primary election showed their determination that government programs should be cost-effective; and

"Whereas, The United States Department of Justice is a valuable enforcement agency, but lacks managerial skills needed if local governments are to be provided with adequate assistance in devising and implementing cost-effective programs; and

"Whereas, Congress adopted amendments to the Voting Rights Act of 1965 to ensure equal access to the electoral process by all minority language groups, but put the burden of paying for the program on the local property taxpayer; and

"Whereas, California provides more voter assistance than virtually any other state, and, therefore, is obligated to spend far more per capita on translations of election materials than virtually any other state; now therefore, be it

"*Resolved by the Assembly of the State of California*, That the Members respectfully memorialize the Congress of the United States to amend the Voting Rights Act of 1965, as amended, to: (1) transfer administration of the bilingual election materials portion of the act to the Federal Elections Commission which would be responsible for assisting election administrators in developing compliance plans, assessing needs for bilingual election assistance, and developing cost-effective means of providing bilingual assistance to voters; (2) develop an information system which would include cost, dissemination, and usage data to evaluate the cost-effectiveness of various methods of providing language assistance; (3) use the more detailed 1980 federal census questions as the basis for identifying those persons who genuinely need foreign language assistance in elections instead of the present 5 percent formula; (4) make a distinction between the needs for bilingual election materials in a county, on the one hand, and a city, school district, or special district on the other; (5) take into account the presence of large numbers of military personnel in identifying Title II counties; (6) provide federal reimbursement to state and local jurisdictions for the cost of compliance with the bilingual election materials requirement of the Voting Rights Act of 1965, as amended; and (7) provide federal assistance to state and local election officials for a program to identify and register to vote persons who are not now being reached by the electoral process in areas where registration is low in proportion to the population; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative in the Congress."

POM-413. A resolution adopted by the Colorado River Indian Tribal Council, Parker, Ark., opposing the establishment of a hazardous waste disposal site within the proximity of the Colorado River Indian Reservation; to the Committee on Environment and Public Works.

POM-414. A resolution adopted by the Hibbing City Council, Hibbing, Minn., opposing transer of authority and/or jurisdiction of the Corps of Engineers relating to the Western Lake Superior Drainage Basin of Minnesota and Wisconsin to the Detroit, Mich., office of the Corps of Engineers; to the Committee on Environment and Public Works.

POM-415. A petition from a private citizen, relating to confidence and faith in our Government; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary with amendments:

S. 1477. A bill to provide for improvements in the structure and administration of the Federal courts, and for other purposes (Rept. No. 96-304).

By Mr. DeCONCINI, from the Committee on the Judiciary, with an amendment:

S. 658. A bill to correct technical errors, clarify and make minor substantive changes to Public Law 95-598 (Rept. No. 96-305).

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S. 1691. An original bill to provide for improvements in the structure and administration of Federal tax courts, and for other purposes (Rept. No. 96-306). Referred to the Committee on Finance until not later than December 31, 1979, by unanimous consent.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE ARMED SERVICES COMMITTEE, APRIL 11, TO JUNE 30, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles J. Connelly:									
Saudi Arabia	Riyal	776	230.95					776.00	230.95
Bahrain	Dinar	40.375	106.25					40.375	106.25
Greece	Drachma	5,565	150.00					5,565.00	150.00
Senator Harry F. Byrd:									
Saudi Arabia	Riyal	761.60	226.67					761.60	226.67
Bahrain	Dinar	39.215	103.20					39.215	103.20
Greece	Drachma	5,565	150.00					5,565.00	150.00
Edward B. Kenney: Panama	U.S. dollar		256.00		355.00		18.00		639.00
Senator Carl Levin: Panama	U.S. dollar		73.60						73.60
Peter Lennon: Panama	U.S. dollar		60.70						60.70
John C. Roberts: Panama	U.S. dollar		96.80		5.00				101.80
David Hansell: Panama	U.S. dollar		60.70						60.70
Total			1,524.87		360.00		18.00		1,902.87

July 31, 1979.

JOHN C. STENNIS, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON THE BUDGET, FROM APR. 26, TO MAY 7, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Edmund S. Muskie:									
Portugal	Escudo	692	14.27	308	6.35			1,000	20.62
Spain	Peseta	13,232	195.74	1,978	29.26			15,210	225.00
Belgium	Belgian franc	2,616	86.94	604	20.06			3,220	107.00
Poland	Zloty	9,405	300.00					9,405	300.00
West Germany	Deutsche mark	476.28	252.00					476.28	252.00
John T. McEvoy:									
Portugal	Escudo	3,377.5	69.64					3,377.5	69.64
Spain	Peseta	15,210	225.00					15,210	225.00
Belgium	Belgian franc	2,200	73.11					2,200	73.11
Poland	Zloty	6,815	217.59					6,815	217.59
West Germany	Deutsche mark	366.28	193.80					366.28	193.80
Robert R. Rose:									
Portugal	Escudo	2,510	51.75					2,510	51.75
Spain	Peseta	14,947	221.11					14,947	221.11
Belgium	Belgian franc	2,220	73.78					2,220	73.78
Poland	Zloty	5,810	185.62					5,810	185.62
West Germany	Deutsche mark	453.33	239.86					453.33	239.86
Leon G. Billings:									
Portugal	Escudo	2,510	51.75					2,510	51.75
Spain	Peseta	15,210	225.00					15,210	225.00
Belgium	Belgian franc	2,220	73.78					2,220	73.78
Poland	Zloty	6,695	213.78					6,695	213.78
West Germany	Deutsche mark	453.48	239.94					453.48	239.94
Delegation expenses:									
Portugal	Escudo					32,624.1	663.79	32,624.1	663.79
Spain	Peseta					83,634.04	1,237.19	83,634.04	1,237.19
Belgium	Belgian franc					15,101.17	501.85	15,101.17	501.85
Poland	Zloty					47,446.21	1,507.55	47,446.21	1,507.55
West Germany	Deutsche mark					4,053.35	2,111.78	4,053.35	2,111.78
Total			3,204.46		55.67		6,022.16		9,282.29

June 27, 1979.

EDMUND S. MUSKIE, Chairman.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAUCUS (for himself and Mr. MELCHER):

S. 1665. A bill for the relief of Mondakota Gas Co.; to the Committee on the Judiciary.

S. 1666. A bill for the relief of F. H. Stoltze Land and Lumber Co., Inc.; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 1667. A bill to provide mitigation for Rocky Mountain Elk habitat lost as a result of construction of the Dworshak Dam and Reservoir on the North Fork of the Clearwater River within the State of Idaho; to the Committee on Environment and Public Works.

By Mr. CHURCH (by request):

S. 1668. A bill to authorize additional appropriations for the Department of State for migration and refugee assistance for fiscal years 1980 and 1981; to the Committee on Foreign Relations.

By Mr. TALMADGE:

S. 1669. A bill relating to Federal payments with respect to expenditures for the operation of State plans for child support established pursuant to title IV–D of the Social Security Act; to the Committee on Finance.

S. 1670. A bill to amend title IV of the Social Security Act to provide for more effective implementation of the work and training requirements under AFDC programs; to the Committee on Finance.

S. 1671. A bill to amend title IV–A of the Social Security Act to provide an incentive for recipients of aid, under AFDC programs, to report earned income; to the Committee on Finance.

S. 1672. A bill to amend title IV–A of the Social Security Act to provide additional Federal funding under AFDC programs for certain mechanized claims processing and information retrieval systems; to the Committee on Finance.

S. 1673. A bill to amend title IV–A of the Social Security Act to provide 75 percent Federal matching in expenditures incurred by separate fraud units in investigating and prosecuting cases of fraud under State AFDC plans; to the Committee on Finance.

S. 1674. A bill to amend provisions of title IV–A of the Social Security Act which relate to safeguards restricting disclosure of certain information under AFDC programs; to the Committee on Finance.

S. 1675. A bill to amend title IV–D of the Social Security Act so as to provide increased Federal matching for computer systems under State child support and establishment of paternity programs; to the Committee on Finance.

S. 1676. A bill to amend title IV–D of the Social Security Act to authorize Federal financial participation in court expenses attributable to the performance of services directly related to the operation of a State plan for child support established pursuant to such title; to the Committee on Finance.

S. 1677. A bill to amend title IV–D of the Social Security Act to authorize use of internal revenue service to collect child support for non-AFDC families; to the Committee on Finance.

S. 1678. A bill to amend title IV–D of the Social Security Act and appropriate provisions of the Internal Revenue Code of 1954 so as more adequately to provide access to wage information for purposes of carrying out State plans for child support approved under such title.

By Mr. BAYH:

S. 1679. A bill to amend the Patent Laws, title 35 of the United States Code; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. GOLDWATER, Mr. CANNON, Mr. STEVENS, Mr. HELMS, Mr. GARN, Mr. ZORINSKY, Mr. DECONCINI, and Mr. JEPSEN):

S. 1680. A bill to provide for the cession and conveyance to the States of federally owned unreserved, unappropriated lands, and to establish policy, methods, procedures, schedules, and criteria for such transfers; to the Committee on Energy and Natural Resources.

By Mr. PRYOR:

S. 1681. A bill to reduce paperwork in the administration of certain construction contract provisions of law relating to wage rates; to the Committee on Governmental Affairs.

By Mr. JACKSON:

S. 1682. A bill to amend the Act of August 9, 1955 (69 Stat. 539) (25 U.S.C. 415), as amended, to authorize a ninety-nine year lease for the Moses Allotment No. 10, Chelan County, Washington; to the Select Committee on Indian Affairs.

By Mr. HATCH (for himself, Mr. DOMENICI, and Mr. COCHRAN):

S. 1683. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $6,000; to the Committee on Finance.

By Mr. JOHNSTON:

S. 1684. A bill to encourage the development, improvement and operation of domestic refinery capabilities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON (for himself and Mr. DANFORTH):

S. 1685. A bill to designate certain lands in the State of Missouri as wilderness; to the Committee on Energy and Natural Resources.

By Mr. ROTH (for himself, Mr. RANDOLPH, Mr. STAFFORD, and Mr. BIDEN):

S. 1686. A bill to designate the building known as the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building"; to the Committee on Environment and Public Works.

By Mr. LUGAR (for himself and Mr. CRANSTON):

S. 1687. A bill to amend title 10, United States Code, to eliminate certain limitations imposed on excess profits arising from any contract with any military department of the United States for the construction or manufacture of all or part of any complete aircraft or any contract with the Secretary of the Navy for the construction or manufacture of all or part of any complete naval vessel, and for other purposes; to the Committee on Armed Services.

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, and Mr. WALLOP):

S. 1688. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

By Mr. RANDOLPH (by request):

S. 1689. A bill to establish national standards for weight and length of vehicles using the National System of Interstate and Defense Highways during fuel emergencies; to the Committee on Environment and Public Works.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 1690. A bill to provide for conveyance of certain lands near Fairbanks, Alaska, to the University of Alaska; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY:

S. 1691. A bill to provide for improvements in the structure and administration of Federal tax courts, and for other purposes; from the Committee on the Judiciary; to the Committee on Finance, by unanimous consent with instructions that it be referred until not later than December 31, 1979.

By Mr. MELCHER (for himself and Mr. MUSKIE):

S. 1692. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

By Mr. MELCHER:

S. 1693. A bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so; to the Committee on Labor and Human Resources.

By Mr. DOLE (for himself and Mr. COHEN):

S. 1694. A bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000, to the Committee on Finance.

By Mr. NELSON:

S. 1695. A bill for the relief of Fred L. Timm and Leona M. Timm; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. MCGOVERN, Mr. YOUNG, Mr. ZORINSKY, Mr. MELCHER, Mrs. KASSEBAUM, and Mr. BOSCHWITZ):

S. 1696. A bill to further the purpose of the Food and Agriculture Act of 1977 in providing price and income protection for farmers and assuring consumers of an abundance of food and fiber at reasonable prices; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WEICKER:

S. 1697. A bill to amend the Internal Revenue Code of 1954 to permit a credit, or exclusion from tax, for interest received on savings in residential finance institution; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 1698. A bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes; to the Committee on Governmental Affairs.

By Mr. FORD (for himself, Mr. GLENN, Mr. HUDDLESTON, and Mr. HART):

S. 1699. A bill to amend title VI of the Powerplant and Industrial Fuel Use Act of 1978 to provide financial and technical assistance to States, local governments, and regional agencies to promote the establishment of consolidated programs to mitigate certain adverse social and economic impacts caused by major energy developments, and for other purposes; to the Committee on Energy and Natural Resources and the Committee on Governmental Affairs, jointly, by unanimous consent.

By Mr. KENNEDY (for himself, Mr. STAFFORD, and Mr. TSONGAS):

S. 1700. A bill to amend the Federal Election Campaign Act of 1971 to reduce campaign contributions by nonparty multicandidate political committees for election for the Senate, and for other purposes; to the Committee on Rules and Administration.

By Mr. METZENBAUM:

S. 1701. A bill to amend the Magnuson-Moss—Federal Trade Commission Improvement Act to extend the protections contained in such Act to owners of new passenger motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LEVIN:

S. 1702. A bill to amend title 18 of the United States Code to provide that the provisions of chapter 119, relating to the interception of wire and oral communications, apply to pen registers; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself, Mr. COCHRAN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. JEPSEN, Mr. RIBICOFF, Mr. BOREN, and Mr. LONG):

S. 1703. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Finance.

By Mr. WEICKER:

S. 1704. A bill to amend title 23 of the United States Code in order to improve transportation throughout the Nation; to the Committee on Environment and Public Works.

By Mr. PACKWOOD (for himself, Mr. EAGLETON, and Mr. MOYNIHAN):

S. 1705. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of charitable contributions to organizations from which the taxpayer or a member of his family receives services; to the Committee on Finance.

By Mr. LEVIN:

S. 1706. A bill to amend the Federal Rules of Criminal Procedure to require that the court instruct the jury, upon the defendant's request, that the defendant is presumed innocent until proven guilty; to the Committee on the Judiciary.

By Mr. SASSER:

S. 1707. A bill to authorize funds for the William Levi Dawson Institute of Public Affairs; to the Committee on Labor and Human Resources.

By Mr. PERCY (for himself, Mr. KENNEDY, Mr. TSONGAS, Mr. DOMENICI, Mr. STEVENS):

S. 1708. A bill to reorganize the executive branch of the Government to consolidate different governmental agencies with respect to energy technology, and for other purposes; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH:

S. 1667. A bill to provide mitigation for Rocky Mountain elk habitat lost as a result of construction of the Dworshak Dam and Reservoir on the North Fork of the Clearwater River within the State of Idaho; to the Committee on Environment and Public Works.

ELK MITIGATION AT THE DWORSHAK DAM

● Mr. CHURCH. Mr. President, I am introducing legislation today to provide long overdue mitigation for the Rocky Mountain elk habitat lost as a result of construction of the Dworshak Dam and Reservoir on the North Fork of the Clearwater River in Idaho.

This legislation is sorely needed. For 25 years, wildlife interests in Idaho have been trying to assure that critical elk winter habitat flooded by the Dworshak Reservoir would be replaced in kind. Their efforts, I am sorry to say, have been met primarily with bureaucratic buck-passing and prolonged foot-dragging. Although some elk mitigation has been accomplished by the Army Corps of Engineers, much remains to be done.

Fortunately, this problem has a solution, and it is not nearly as complex a solution as some would imagine.

The State of Idaho owns 4,680 acres of land on the North Fork of the Clearwater River known as Smith Ridge. These lands are heavily timbered and lie adjacent to the federally controlled Hard-Core area at the Dworshak project. The south side of Smith Ridge, upstream from the Hard-Core area, represents the most important additional area that could be acquired for the benefit of the elk. State and Federal wildlife officials, after an exhaustive examination of potential alternatives, have all reached a mutual, longstanding agreement: Smith Ridge is essential to the success of the mitigation program. An excerpt from the Idaho Fish and Game Department's summary of elk mitigation activities at Dworshak demonstrates this fact:

> Most of the wintering elk migrate to the hard-core area and Smith Ridge from areas upstream and at higher elevations. They are effectively blocked by the arms of the reservoir from going further and concentrate on this area. This area could be managed with the hard-core block as a single, contiguous unit. The entire area could be kept roadless and a virtual winter sanctuary for elk. It generally has a south aspect and snow depth is minimal. A resident elk herd already exists and as long as the area remains roadless and free of human activity, this elk herd can be maintained. The hard-core area alone simply cannot support the big game herds in this area during critical winter months.
>
> In 1971, the [Idaho Fish and Game] Department and the U.S. Fish and Wildlife Service initiated two major actions. The first was a request to acquire the control of about 4,500 acres of land on Smith Ridge specifically for management of elk . . . These lands are administered by the Idaho Department of Public Lands and state law provides they must be managed to provide maximum income to the Idaho School Endowment Fund. This requirement makes it unfeasible to manage the same lands for big game winter range enhancement because that requires removal of timber. The [Idaho Fish and Game] Department, U.S. Fish and Wildlife Service and the Corps [of Engineers] have explored all potential alternatives for resolving the problem of obtaining additional winter forage for big game animals and concluded the most desirable solution is to exchange land already held in federal ownership . . . for state lands on Smith Ridge which are of equal value and have similar or greater timber stands.

For the last 8 years—since the importance of the Smith Ridge lands were known—I have repeatedly urged Federal land managers to come forward with proposals to exchange Federal land holdings for the State land at Smith Ridge. Early in 1977, the Department of the Interior stated definitively that its agencies "did not have suitable lands to exchange for Smith Ridge." That left only the Forest Service with the type of land holdings which could be used for the exchange.

Several serious attempts have been made in past years, both by my office and by other interested parties, to get the Forest Service to relinquish some of its holdings in north Idaho in exchange for Federal title to Smith Ridge. These attempts have all failed. The Forest Service remains convinced that the elk mitigation problem at Dworshak is "a problem which must be solved by the Army Corps of Engineers."

Mr. President, this is not just a Corps of Engineers problem. It is a Federal problem, and it requires a Federal response. The Government has a longstanding commitment to provide elk mitigation. My bill fulfills that commitment. The Idaho State Board of Land Commissioners has identified some 8,158 acres of Clearwater National Forest lands in the Charlie Creek area which the board of commissioners would be willing to exchange for the Smith Ridge lands. Under the terms of this legislation, as soon as the State of Idaho transfers to the United States "all right, title, and interest" in the Smith Ridge lands, then the Secretary of Agriculture must convey to the State "all right, title, and interest" to the Charlie Creek lands. I am advised that both parcels are of roughly equal value.

My legislation further provides that when control of the Smith Ridge lands is conveyed to the United States, they shall be administered by the Secretary of the Army as part of the Dworshak project. The land must be managed primarily for elk mitigation purposes.

Mr. President, I ask unanimous consent that the text of the bill, a summary of Dworshak Dam mitigation efforts prepared by the Idaho Department of Fish and Game, and certain letters be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

SECTION 1. At such time as the State of Idaho conveys to the United States all right, title, and interest to the following lands lying within the State of Idaho:

T41N, R4E, Boise Meridian

Section 36: N½NE, E½SWNE, SENE, N½NENW, SENENW, NENWNW, E½SWSW, SESW, NESE, E½NWSE, S½SE.

T41N, R5E

Section 22: S½.
Section 23: S½.
Section 24: S½.
Section 25: NE¼, N½NW, N½SWNW, SENW, N½NESE, SENESE, NENWSE.
Section 26: N½NE, SWNE, N½SENE, SWSENE, NW¼, NENESW, NWNWSE.
Section 27: N½, N½N½SW¼.
Section 28: N½, N½S½, SWSW, N½SESW.
Section 29: All.
Section 30: E½SW¼, SE¼.
Section 31: NE¼, E½NW, Lots 2, 3, 4, E½SW, N½SE, SWSE, N½SESE.
Section 32: W½NENE, NWNE, N½SWNE, SWSWNE, NW¼, NWSW, N½NESW.

then the Secretary of Agriculture shall convey to the State of Idaho all right, title, and interest to the following national forest system lands lying within the State of Idaho:

T43N, R1W, Boise Meridian

Section 5: Lot 4.
Section 6: All (includes Lots 1–11).
Section 7: W½NE, SENE, E½W½, Lots 1–8 NWSE.
Section 17: S1/2.
Section 18: Lots 1–8, E½W½, W½SE, SESE.
Section 19: All (includes Lots 1–8).
Section 20: All.
Section 29: N½NE, NW¼, NWSW.
Section 30: N½NE.

T43N, R2W, Boise Meridian

Section 1: All (includes Lots 1–4).
Section 2: All (includes Lots 1–7).
Section 11: All (includes Lots 1–4):
Section 12: NE¼, N½NW, SENW, S½.

Section 13: E½, E½W½, NWNW, SWSW.
Section 14: N½NE, E½NW, Lot 1, SWNW.
Section 24: N½NE.

T44N, R1W, Boise Meridian

Section 29: SW¼.
Section 30: SENE, E½SE.
Section 31: E½E½.
Section 32: SENE, S½SW, SE¼.
Section 33: E½.
Section 34: N½SW, SWSW.

Sec. 2. At such time as the conveyances under section 1 occur, then the lands conveyed from the State of Idaho to the United States shall be administered by the Secretary of the Army as part of the Dworshak Dam and Reservoir Project, authorized by the Act of October 23, 1962 (Public Law 87-874), and said lands shall be managed primarily to provide mitigation for Rocky Mountain Elk habitat lost as a result of construction of the Dworshak Dam and Reservoir Project.

ELK MITIGATION AT DWORSHAK DAM AND RESERVOIR: A SUMMARY

(Prepared by the Idaho Department of Fish and Game)

This is a summary of highlights of the history of mitigation efforts concerning the Dworshak Dam and Reservoir project (formerly Bruce's Eddy) located in Clearwater County on the North Fork of the Clearwater River in northern Idaho.

Wildlife studies were started by the Idaho Department of Fish and Game (Department) in the fall of 1954 on the basis of preliminary planning by the U.S. Army Corps of Engineers (Corps). This was "The Clearwater Game and Range Study", a Pittman-Robertson project which covered the period October 1, 1954 through September 30, 1957. The study area covered 6,400 square miles and included both the Dworshak and Penney Cliffs Reservoir sites. The Department recommendation in the final report of this study was that neither dam should be built.

The U.S. Fish and Wildlife Service (FWS) established procedures for wildlife studies, based on a meeting at Lewiston, August 29, 1955, under the Fish and Wildlife Coordination Act.

The Corps was authorized to proceed with detailed studies of this project by public law 85-500, 85th Congress, 2nd Session, July 3, 1958. The dam is located at mile 1.9 of the North Fork of the Clearwater River. The dam is 630 feet high, maximum pool level is 1,600 feet with a crest elevation of 1,613 feet. The reservoir stores 3,454,000 acre feet at 1,600 feet elevation. This extends 53 miles upriver and covers 16,970 surface acres.

During the early period of the study there was considerable controversy regarding the effects of the project on fish and wildlife. A story in the July 23, 1958 Lewiston Tribune quoted Major General E. C. Itchner, Chief of the Corps as testifying before Congress as follows: "If Bruce's Eddy is going to hurt fish and wildlife resources a great deal, we would be hesitant about giving it our full-hearted support. I have testified before Congress that there is no truth in opposition. The opponents are not fair or they are completely ignorant. It would cause infinitesimal damage". The damage which has resulted to date has been substantial.

Feeling was reported so great among local people that fish and game personnel were not welcome in the vicinity of the project. Local businessmen resented the Department interests opposing the project.

A report released by the FWS in 1960 on the then proposed 1,540 foot pool elevation (later changed to 1,600 feet by the Corps) requested acquisition of 24,000 acres of project lands being made available for wildlife management and habitat improvement to mitigate the loss of wildlife habitat to the reservoir project.

A Corps report released September 15, 1961 recognized this recommendation for acquiring 24,000 acres for wildlife management. The Corps indicated about 12,000 acres of land would be acquired for flowage and other project purposes, above pool level, and these perimeter lands could be improved and used as big game winter range.

The Corps report recommended acquiring an additional 12,000 acres of the most suitable land available in order to attain the 24,000 acres needed. This Corps report included a recommendation that the project provide a $70,000 budget as annual operation and maintenance cost for the wildlife area.

A second wildlife report, August 1962, based on an increased maximum pool of 1,630 feet increased the required wildlife need to 36,000 acres. The estimated budget was increased to $75,000 per year for the first five years and $35,000 annually thereafter for operation and maintenance.

The construction of Dworshak Reservoir was authorized by Public Law 87-874 dated October 23, 1962. Joint policies of the Department of the Army and Department of Interior, executed February 16, 1962 provided for acquisition in fee title of such lands as are necessary to meet present and future mitigation requirements for fish and wildlife as determined pursuant to the Fish and Wildlife Coordination Act.

In 1963 the Corps requested more detailed requirements from the FWS and the Department concerning the wildlife land area recommended in the 1962 report.

During March, 1963 the Idaho Department of Fish and Game supplied the Corps of Engineers a completion report for the Comprehensive Plan for land development provided in Article 1, paragraph 3 of the Bruce's Eddy (now Dworshak) Wildlife Study.

A meeting of Department, FWS and Corps personnel took place in Walla Walla, Washington in August 1963 to determine procedures for delineating and justifying land areas required for mitigation.

Field studies were made in the fall of 1963 to define lands required and the conclusion, as outlined in a March 12, 1964 letter was that a 50,000 acre wildlife management area be established surrounding the junction of the North Fork and Little North Fork of the Clearwater River (Heesen Block). About 12,000 acres of that tract was privately owned and it was recommended 2,616 acres be acquired in fee title and management agreements be negotiated on 9,624 acres. It was further stipulated if satisfactory agreements could not be negotiated, it would be necessary to acquire all the private land in fee title. It was assumed, at that time, a management agreement could be made on the 34,700 acres of state land included in the proposed management area.

In May 1964, a meeting with Potlach Forest, Inc. (PFI) officials produced a statement that PFI would not enter into an agreement for wildlife management on their lands. PFI would prefer to sell the acreage in question. When these results were reported to the Corps, they replied they would not purchase that amount of land (12,000 acres). At a subsequent meeting with the Corps later that month, Mr. Glenn von Gunten of the Corps stated his office would not consider any wildlife land purchase in our proposed area until they were certain management agreements had been negotiated for the various tracts of public land within the area. He was highly critical of wildlife studies conducted by both the FWS and the Department and state we greatly exaggerated the magnitude of wildlife losses on the Dworshak site.

His proposal was that we should have recommended enhancement instead of mitigation. The Department agreed to proceed with negotiations for a wildlife agreement for state land within the area (Heesen Block) with the State Land Board. This was signed in final form August 12, 1965. The requirements were:

1. Lands described in the agreement were to be managed with "special attention" given to fish and wildlife and especially to meet winter range requirements for big game animals compatible with management for timber production and other multiple uses. It further specifies timber cutting practices be planned to provide as much palatable browse and useful cover for big game animals and upland game birds as practicable.

2. Establishment of a technical committee, consisting of a minimum of two persons each from the Land Board and Department who are "responsible for reviewing management plans for state lands". This agreement was considered the only alternative at that time since it was then impossible to transfer to or acquire the land for the Department.

In September, 1965 the Corps informed us PFI officials agreed to discuss the possibility of entering a reasonable cooperative agreement similar to the one signed by the State Land Board for wildlife management.

A copy of the agreement was provided the Corps for negotiation with PFI but subsequent correspondence pointed out the State agreement provided either party could cancel without giving a reason; it would, therefore, be possible for a private party to cancel. Further, we felt an arbitration clause was essential should a difference arise. It was also requested that an option for purchase by the Government be included in the agreement in case the private owner should desire to sell any or all parcels of land involved.

Further negotiation resulted in the Department recommending (June 28, 1966) the total area be reduced from 51,600 acres to 46,000 acres and that instead of buying 2,616 acres of private land and negotiating for management agreements on 9,624 acres, that 7,045 acres be purchased with no land under agreement. There were 3,970 acres of private land deleted from acquisition plans. This action resulted in the Department giving up north-facing slopes and left islands of private land within the boundaries of the Heesen Block.

The State Land Department informed us on November 1, 1966 that mineral leases were granted or pending for kyanite mining on about 5,000 acres of state land on the east central part of the Heesen Block. This was inadvertently done but they also pointed out nothing was said in the agreement about mineral leases.

The Corps informed us, June 28, 1966 they had recommended to their Chief's office that some 5,000 acres in the Heesen Block be acquired but they deleted 2,000 acres in the northern part known as Cobblers Knob.

During May 1967, in response to a protest of this action to Senator Church, we received a copy of a letter from Col. Max McCord stating the acquisition cost of the Cobblers Knob tract would exceed 1 million dollars. He did imply further discussion could be held to resolve differences.

District Engineer McElwee sent a letter in May 1967 that he was authorized to purchase the 5,000 odd acres at the confluence of the North Fork and little North Fork of the Clearwater River but further justification would be required to acquire the Cobblers Knob area. He predicted condemnation would be necessary and "warned" we would be expected to furnish "expert witnesses" to testify in Federal Court to support condemnation action.

Further information and answers to questions were furnished the Corps during June 1967 to justify acquiring Cobblers Knob. Telephone word was subsequently received that the District Engineer would take necessary action to acquire the lands requested but no written confirmation followed. In July, 1967, PFI met with the Corps to protest possible condemnation action (White's memo, July 31, 1967).

On July 27, Governor Samuelson, met with the FWS, PFI and Department personnel and urged the Department to sign an agreement, for management of PFI lands, similiar to the one discussed in 1964 which was determined inadequate. This agreement was not signed but taken for further study.

On August 1, 1967, Col. Robert Giesen, District Engineer wrote the FWS indicating he expected authority soon to acquire all wildlife areas suggested. He requested assistance in drafting a letter to appropriate congressmen, the Governor of Idaho and others to provide them with maps and a statement covering the wildlife studies leading to the selection of private lands to be acquired.

On August 8, 1967, he wrote another letter nullifying his letter of August 1. This was apparently the result of much opposition from PFI and Governor Samuelson.

This was followed August 25, 1967 by a letter from the District Engineer requesting a report which would demonstrate why the lands requested were essential to maintain the population of big game present on the area at the time. He further requested that we show the value of the big game resource to be preserved would be worth the cost of the land to be acquired. He also wanted the loss quantified in order to determine its value. He said acquisition would be withheld, pending receipt and review of this material.

The Regional Director of the FWS sent a letter to the Director of the Department on September 8, 1967 advising that in view of the Governor's position, we should sign the agreement as written applying only to the Cobblers Knob tract. We should reduce our land acquisition plan to include only a hard-core area of about 5,000 acres on which long-term, intensive development of wildlife habitat could take place.

On November 1, 1967, Director John R. Woodworth answered this request with a copy of the agreement dated October 27, 1967, signed by him and Vice President Rauch of PFI covering the Cobblers Knob area.

Director Woodworth maintained the hard-core area should be acquired.

Senator Len B. Jordan sent a letter to Col. Pick of the office of the Chief of Army Engineers on November 2, 1967 expressing his displeasure at the Corps proposing to acquire any private land for wildlife in the Dworshak project area. He stated the North Fork was not an important elk producing area and private land should be kept in private ownership. The Col. answered with an explanation of justification and stated the Corps intended to furnish lands necessary to comply with mitigation requirements of the authorization.

The Department issued a news release December 18, 1967 covering the plan for mitigation for wildlife loses at Dworshak Reservoir including the proposal to purchase 5,000 acres of land. Col. Giesen wrote to Mr. Gordon Trombley, State Land Commissioner, December 26, 1967 to provide information requested by Mr. Trombley on lands that were proposed for acquisition. A map outlined 5,189.82 acres being considered.

Vice President Rauch of PFI wrote to Director Woodworth on January 2, 1968 proposing a supplemental management agreement to cover 4,077 acres of PFI lands in the hard-core area. He stated the agreement should be adequate on this area as it was on the 3,016 acres in the Cobblers Knob area. Mr. Rauch also informed Senator Jordan of the plan to negotiate an agreement on the property in the hard-core area. The Senator informed Col. Pick of the Corps who replied they would seriously consider any management proposal for Dworshak and the Fish and Game Commission would meet January 24, 1968 to consider this proposal.

Senator Jordan wrote letters to Secretary of Interior Udall on December 15, 1967 and January 3, 1968 inquiring of decisions he made regarding proposed acquisition of hard-core lands. The Secretary's reply dated February 2, 1968 explained the necessity of these purchases pointing out the management agreement would not adequately mitigate losses to wildlife.

The previously requested justification (August, 1967) was sent to the Corps February 27, 1968 providing an estimate of wildlife losses expected to occur when the dam was constructed, the plan for mitigating those losses and the results anticipated if the plan were accomplished. These results were quantified for big game, small game and upland game plus harvest and hunter days involved.

In April 1968, Director Woodworth informed Vice President Rauch of PFI that the Fish and Game Commission would not agree to sign the proposed agreement covering the 4,077 acres of Potlatch land in the hard-core area.

In July 1968, District Engineer Giesen contacted Governor Samuelson to obtain his comments regarding purchase of hard-core lands. The response was there should be no purchase; a cooperative agreement should be made to manage these lands.

The Fish and Game Commission reiterated its position (on August 15, 1968) that the Corps should acquire hard-core lands.

The FWS Deputy Director informed Col. Giesen, District Engineer, August 29, 1968, that FWS urged acquisition of hard-core land.

Senator Frank Church wrote Secretary of Interior Hickel on May 27, 1970 reviewing problems with land acquisition to that date and he outlined the proposal of trading Bureau of Land Management (BLM) land for about 5,000 acres of private land in the hard-core area. He stated this solution was acceptable to the FWS, Corps and the Department and urged the speeding up of this operation as the dam was to be completed and the pool to begin filling in 1971. Secretary Hickel responded on August 3, 1970 that everything possible would be done to complete the land trade as rapidly as possible.

The "hard-core" block is actually three separate units separated by arms of the reservoir and big game animals cannot move freely between the area. The west and south blocks are further subdivided. The west block has an all-weather road at or above the 2000' contour from Grandad Bridge north to Breakfast Creek. This eliminates big game use in the area between the road and the pool. This road bisects the south block from Grandad Bridge enroute to Headquarters. Another all-weather road goes south from Grandad Bridge to the Silver Creek road and continues to Long Creek and Breakfast Creek. Numerous logging roads bisect the area at places and elevations critical to elk. Because of the nature of the hard-core block the only portion of it substantially used by elk is the north block. When the hard-core area was designated and selected it was not known by the Department that these roads would be built. Connecting roads extensively reduce the value of the area to elk and other big game.

Also, the cooperative agreement for state lands on Smith Ridge—the most important area outside the hard-core area—had not proved adequate and needs of elk winter range are not being met by state logging sales.

It was realized earlier that the south side of Smith Ridge upstream from the hard-core block would be the most valuable additional area that could be acquired for the benefit of elk. Most of the wintering elk migrate to the hard-core area and Smith Ridge from areas upstream and at higher elevations. They are effectively blocked by the arms of the reservoir from going further and concentrate on this area. This area could be managed with the hard-core block as a single contiguous unit. The entire area could be kept roadless and a virtual winter sanctuary for elk. It generally has a south aspect and snow depth is minimal. A resident elk herd already exists and as long as the area remains roadless and free of human activity, this elk herd can be maintained. The hard-core area alone simply cannot support the big game herds in this area during critical winter months.

In 1971, the Department and the FWS initiated two major actions. The first was a request to acquire the control of about 4,500 acres of land on Smith Ridge specifically for management of elk. The tract is within the original Heeson Block. These lands are administered by the Idaho Department of Public Lands and state law provides they must be managed to provide maximum income to the Idaho School Endowment Fund. This requirement makes it unfeasible to manage the same lands for big game winter range enhancement because that requires removal of timber. The Department, FWS and the Corps have explored all potential alternatives for resolving the problem of obtaining additional winter forage for big game animals and concluded the most desirable solution is to exchange land already held in federal ownership and presently under jurisdiction of the BLM for state lands on Smith Ridge which are of equal value and have similar or greater timber stands.

The second major action was developing plans for logging portions of wildlife mitigation lands on the hard-core area.

Meanwhile, the Corps reported to Senator Church on February 1, 1972 that by April 1, 1972 all 5,120 acres of the hard-core land would be acquired through exchange, agreement or fee acquisition.

The gates on Dworshak Dam were closed in September, 1971. By December the upper pool was nearly full and frozen over. Deer were having trouble negotiating the ice and a flight on December 22 showed where over 100 deer had fallen through the ice and drowned. During the balance of December an additional 106 deer were observed to have died on the ice. These deaths were from slipping on glare ice and breaking legs and from being killed by coyotes. A deer on slick ice has no chance against coyotes. These ice conditions only lasted a few days and subsequent flights showed different circumstances.

On April 1972, a memorandum of understanding was completed to provide that the BLM prepare the logging plan to enhance big game browse on 1,567 acres of hard-core land. All agencies agreed on helicopter technique of logging at that time.

The Corps engaged a private appraiser to prepare a report on the 4,500 acres of State Endowment lands on Smith Ridge at the same time.

Since 1972, the involved agencies have been working out management plans on Corps "take lands".

The logging sale was advertised in 1973 and no bids were received. Plans to advertise the sale again were immediately formulated and again no bids were received. Major General J. W. Morris wrote Under Secretary of Interior John Whitaker on September 20, 1973 and stated the most reasonable solution to resolving the problem of obtaining area for winter forage for big game animals is "to exchange land already held in federal ownership and presently under BLM jurisdiction with the state in return for the Smith Ridge area". He further stated the land exchanged should be retained under the jurisdiction of the Department of Interior and be managed

specifically for wildlife through cooperative agreement with the Department.

Several exchanges of correspondence took place between the Corps and the State Land Board with regard to the Corps acquiring approximately 4,500 acres of land on Smith Ridge. The Corps furnished a justification report with the request. Commissioner Trombley replied on November 21, 1973 that the only alternative acceptable to the State Land Board was that lands to be taken for project purposes must be exchanged for other federal land of equal value.

During March 1974, a meeting of all management agencies involved produced the following:

1. Another effort would be made to advertise the logging sale on Hughes Point. The helicopter portion of this sale would be deleted and considered separately. This sale was made during the summer of 1975.

2. Colonel Conover, District Engineer, said no official word has been received from Department of Interior stating whether or not it would agree to a trade procedure of Smith Ridge lands. Subsequent to this meeting, the Secretary of Interior replied by letter dated April 24, 1974 directing coordination be made to initiate the trade of BLM lands for the needed 4,500 acres of state lands.

The State Land Board was quoted in an April 23, 1975 Lewiston Morning Tribune newspaper article as rejecting a request to trade state land for federal land. Some of the reasons listed by the newspaper in this AP release were:

1. This is prime timber land and they could not vote to take away producing land and give it to a federal agency. Comment: the agencies involved all have the same goal and intent with regard to the trade which is that it be acre for acre of equal value land. Further, when the trade is completed, the Idaho Department of Public Lands would still have 4,500 acres plus the Department would have an equal amount to manage specifically for the benefit of wildlife.

2. The Board voted to inform federal agencies that the state is not interested in any land trade until it gets more action on other exchanges the state has been trying to consummate with the federal government.

It is our understanding that problems with the other land trades have been resolved so we are now in the planning to ask the Board reconsider our request for approval to move ahead with the Smith Ridge exchange.

This is a necessity to more nearly fulfill the mitigation obligation created by the Dworshak project.

CORPS OF ENGINEERS,
Walla Walla, Wash., April 20, 1979.

Mr. JOSEPH C. GREENLEY,
Director, Idaho Department of Fish and Game, Boise, Idaho.

DEAR MR. GREENLEY: This is in reply to your letter of 20 March 1979 in which you posed several questions concerning Dworshak mitigation lands.

As to the Smith Ridge land trade, there appear to be two main stumbling blocks: the agreement on selection of lands to trade and the encumbrance of the Smith Ridge lands by the Hutchins and Allgood lawsuit. On 17 November 1978 the Department of Lands wrote to the Panhandle National Forest Office reaffirming the State's 13 April 1978 selection of Forest Service lands. In our last contact with Department of Lands on 9 April 1979 there had been no progress either in land selection or in the lawsuit. On 10 April 1979 we were informed by the Forest Service Region I office in Missoula that, on 9 March 1979, they had sent a report and recommendation to their Washington, D.C., office. We were later furnished a copy of that report. Mr. Worf informed us that Region I is not in favor of using Forest Service lands for the exchange unless they are replaced, preferably by the Corps' acquiring lands on Hope Peninsula. The Department of Lands' selection in the "Charlie Creek" block is not acceptable to USFS and they recommend use of BLM lands for exchange as previously proposed. The course of action preferred by USFS is to reopen the total wildlife mitigation question and approach it from the standpoint of providing additional elk forage through intensive habitat improvement on existing state, BLM, and National Forest lands. They do not believe any authority exists at the Regional level to enter into any Forest Service-State-Corps exchange even if the lands were agreed to. I would appreciate any assistance you could give in impressing on the State Land Board the urgent need for Smith Ridge and for an early agreement on exchangeable lands.

In reference to O&M funding for the big game mitigation lands, our regulations direct us to make the lands available first to the Fish and Wildlife Service to assume budgetary funding and operation and maintenance responsibilities. If the Service will not assume these responsibilities, then the lands will be offered to the appropriate state agency to assume funding and management. If the state refuses, then the lands will remain under Corps' jurisdiction and be managed by the Corps according to an approved management plan in the same manner as all other unlicensed project lands having wildlife values. We requested and received further clarification of this directive which stated: "In the latter situation, the District Engineer may implement the management plan entirely with in-house personnel, or, if more appropriate, he may contract with the State or a private company to do part or all of the work set forth in the plan. Since both the Service and your Department have refused to assume O&M funding responsibilities, the latter situation prevails."

Management of the wildlife resources within the state is the responsibility of your agency and the Corps does not wish to infringe on that responsibility. Also, the Fish and Wildlife Service has already stated that management of these mitigation lands should be by your Department. Therefore, upon completion of an approved management plan, we will contract directly with the Fish and Game Department.

This same policy, however, does not apply to the take-lands along the lower reservoir. Our directives are very specific in that we can only fund O&M on lands which are designated for mitigation needs. Project lands, other than mitigation lands, classified for wildlife management can be leased to a state wildlife agency for development and management in the same manner as other single-purpose project lands but that would mean that the lessee would be required to provide the funding. We have tried several times on other projects to get this policy changed but without success.

Getting back to the mitigation lands, we do not have a completely developed unit to turn over to you for management yet but we would be able to make portions of the area available by this fall. Before we can do this, however, a management plan must be prepared and agreed to. Preparation of this plan should be initiated by you as the managing agency. We will be glad to work with you on this as needed. It would be of considerable value to both our agencies in preparation of this management plan if we had a full evaluation of the research conducted on these lands. As you will recall, at our meeting in June 1977 we agreed to defer further contracting until your Department had completed a summary report on studies conducted from 1969 to 1977 with recommendations for management procedures. Receipt of this report would be a big step in determining our management goals.

If you wish, I will be glad to discuss any of these other items further with you at your convenience.

Sincerely yours,

C. J. ALLAIRE,
Colonel, CE, District Engineer.

DEPARTMENT OF FISH AND GAME,
Boise, Idaho, May 25, 1979.

Mr. JOHN D. HOUSE,
Director, Western Field Offices, Department of the Interior, Seattle, Wash.

DEAR JOHN: Your June 22, 1977, memo following the June 17 meeting at Smith Ridge cogently summarized the whole land exchange situation and stimulated action toward resolving the longstanding elk mitigation problem at Dworshak.

A subsequent meeting to start negotiations for exchange between the Idaho Department of Lands and the U.S. Forest Service raised our hopes that after 25 years of frustration the solution was finally forthcoming.

However, we recently inquired about progress and learned from the Corps (April 20, 1979, letter from Colonel Allaire, copy of which you received) and the Idaho Department of Lands that little has been accomplished in the almost two years since involvement of Forest Service lands in the exchange was directed.

John, the central facts of the issue remain as you summarized them in 1977:

"The BLM does not have suitable lands—to exchange—for Smith Ridge—;

"There is not a suitable alternative for mitigating habitat losses; State and federal wildlife officials have reached this mutual longstanding agreement: Smith Ridge is essential.

"The Forest Service does have suitable holdings in the area which could be used for the exchange. The Senators' representatives, Mr. LaRocco and Mr. Goller, agree that the USFS is the only realistic alternative."

As we perceive it the current obstacle is that the Forest Service still holds a negative attitude toward pursuing this exchange with any degree of enthusiasm. While this may be understandable, since they were only recently made unwilling participants in this 25 year attempt to achieve mitigation, we don't think it should be necessary to replow a quarter-century of negotiations to bring them up to speed when the solution is so near and obvious.

This has been a long, tedious, frustrating, often discouraging road, in attempting to achieve reasonable mitigation for losses caused to Idaho by a federal project.

We still believe, again quoting from your analysis, that—"The issue is resolvable, but only if there is direction from the top through Assistant Secretary Cutler to his regional forester at Missoula."

What can be done at this time to re-stimulate its resolution? Your advice and assistance would be most helpful.

Sincerely,

JOSEPH C. GREENLEY,
Director.

By Mr. CHURCH (by request):

S. 1668. A bill to authorize additional appropriations for the Department of State for migration and refugee assistance for fiscal years 1980 and 1981; to the Committee on Foreign Relations.

● Mr. CHURCH. Mr. President, I introduce by request a bill to authorize additional appropriations for fiscal years 1980 and 1981 in order that the Department of State may carry out its authorities, functions, duties and responsibilities in the conduct of the foreign affairs of the United States, and other purposes authorized by law.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with an analysis and justification of the proposed legislation, and the letter from the Acting Assistant Secretary of State for Congressional Relations to the President of the Senate dated July 25, 1979.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ADDITIONAL AUTHORIZATION FOR MIGRATION AND REFUGEE ASSISTANCE

Section 102(a)(4) of H.R. 3363 and section 101(a)(4) of the Senate amendment thereto (Foreign Relations Authorization Act, Fiscal Years 1980 and 1981) are amended for fiscal year 1980 by striking out $248,951,000 and inserting in lieu thereof $456,241,000 and for fiscal year 1981 by striking out $254,188,000 and inserting in lieu thereof $457,798,000.

JULY 25, 1979.

Hon. WALTER F. MONDALE,
President of the Senate, U.S. Senate.

DEAR MR. PRESIDENT: There is transmitted herewith a legislative proposal to authorize additional appropriations for fiscal years 1980 and 1981 in order that the Department of State may carry out its authorities, functions, duties and responsibilities in the conduct of the foreign affairs of the United States, and other purposes authorized by law.

The proposal provides for an additional authorization of $207,290,000 and 49 positions in fiscal year 1980 and $203,610,000 in fiscal year 1981 to cover the costs associated with a budget amendment for the Migration and Refugee Assistance appropriation which will be transmitted to you shortly. An analysis further explaining the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

J. BRIAN ATWOOD,
Acting Assistant Secretary for Congressional Relations.

ANALYSIS

Additional Authorization for the Migration and Refugee Assistance Appropriation.

This amendment provides additional authorization of $207,290,000 in fiscal year 1980 and $203,610,000 in fiscal year 1981 to cover the costs associated with a fiscal year 1980 appropriation request to fund the costs of the increased flow of refugees—primarily from Indochina.

The United Nations High Commissioner for Refugees will receive an additional $84,000,000 from the fiscal year 1980 appropriation. This increased contribution will assist in meeting the care and maintenance and camp development costs associated with the increased flow of Indochinese refugees.

Increased costs amounting to $105,000,000 are expected to occur in the United States Refugee Program. These costs represent the processing, transportation, reception and initial resettlement costs associated with the recently increased rate of Indochinese refugee resettlements in this country from 7,000 a month to 14,000.

Seventeen million dollars is required to reimburse the Department of Defense for the use of vessels and aircraft to transport refugees to processing centers, and to search for refugee boats in distress.

The dramatic increase in projected refugee flows from Southeast Asia has made existing staffing arrangements insufficient. An additional $1,290,000 to cover operational and administrative expenses is necessary to establish a proper level of staffing to meet the needs of the refugee programs.

The estimated cost of continuing these new initiatives in fiscal year 1981, less the one-time cost of reimbursing the Department of Defense for refugee-related services, is an additional $203,610,000. This increases our authorization request for fiscal year 1981 to $457,798,000.

ANALYSIS OF FISCAL YEAR 1980 AMENDMENT REQUEST—MIGRATION AND REFUGEE ASSISTANCE

Program by activities	Fiscal year 1980 pending request[1]	Amendment requested	Fiscal year 1980 total request	Justifications appear on the following pages
United Nations High Commissioner for Refugees	$62,950,000	$84,000,000	$146,950,000	4-5
U.S. refugee program:				
Indochinese program	97,344,000	105,000,000	202,344,000	6-8
Soviet, Eastern European, and other refugees program	49,824,000	0	49,824,000	
Subtotal, U.S. refugee program	147,168,000	105,000,000	252,168,000	
Intergovernmental Committee for European Migration	4,120,000	0	4,120,000	
International Committee of the Red Cross	6,000,000	0	6,000,000	
Reimbursement to the Department of Defense	0	17,000,000	17,000,000	9
Operational and administrative expenses	3,713,000	1,290,000	5,003,000	10-11
Assistance to refugees settling in Israel	[2] 25,000,000	0	25,000,000	
Total	248,951,000	207,290,000	456,241,000	

[1] Includes earlier amendment of $87,066,000.

[2] Congressional initiative.

JUSTIFICATION

I. United Nations High Commissioner for Refugees, $84,000,000.

Indochina refugee program

The present camp population in Southeast Asia continues to grow by tens of thousands of refugees per month. In May and June these arrivals averaged over 50,000 per month. If these trends continue for the balance of this year and through the end of fiscal year 1980, the population in the camps outside of the People's Republic of China could reach 800,000 with nearly another 300,000 in the PRC. This compares with the initial estimate for fiscal year 1980 of 318,000 which foresaw no growth from the prior year level of operations. It is likely that the UNHCR will be supporting an average calendar year camp population of 812,000 (including those in the PRC) at a daily cost of about $1.18 per day per refugee which generates a fiscal year 1980 UNHCR program of about $352 million.

Over the past several years, the United States has attempted to contribute about fifty per cent of the cost of the UNHCR's care and maintenance program for refugees in Southeast Asia. However, the Government of Japan, along with other nations, has pledged to increase their contribution to the care and maintenance program of the UNHCR to a degree which will allow the United States share of the program to decrease from fifty per cent to thirty per cent. Thus, for the care and maintenance of this increased caseload (offset partially by increased contributions by other nations) there is an additional fiscal year 1980 requirement of $64,000,000. Please note that the projected contribution is computed on a U.S. fiscal year basis rather than the calendar year basis commonly used for the UNHCR's programs.

Also requested is $20,000,000 for an initial U.S. contribution to help defray the cost of establishing Refugee Processing Centers (RPCs) in Southeast Asia. It is expected that RPCs sufficient for a population of 250,000 refugees will be established in the near future. Initial costs associated with the first centers are estimated to be $66,000,000 of which the U.S. plans to contribute 30 percent or $20,000,000.

CONTRIUTIBUON TO THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

	Fiscal year 1980 pending request[1]	Amendment requested	Fiscal year 1980 total request
Indochinese refugees (including contribution to establishing refugee processing centers)	$41,500,000	$84,000,000	$125,500,000
African refugees	20,000,000	0	20,000,000
All other refugees	1,450,000	0	1,450,000
Total	62,950,000	84,000,000	146,950,000

[1] Includes earlier amendment of $16,500,000.

II. United States refugee program, $105,000,000.

Indochinese program

On June 28, the President announced that the U.S. Government was increasing its rate of Indochinese refugee resettlements from the current rate of 7,000 per month to 14,000. The Department of State, therefore, is re-

questing a budget amendment for fiscal year 1980 of $105,000,000 to finance the processing, transportation, reception and initial resettlement of these additional 84,000 refugees. This increase will raise the fiscal year 1980 request for this portion of the United States Refugee Program to $202,344,000.

This amount is required to meet the following needs:

1. Selection and Documentation: $5,040,000.

The additional request for refugee processing and documentation is $5.04 million. This amount will provide for contractual costs associated with the operations of the overseas system of refugee processing for refugees from Indochina. This request is based on the assumption that per capita costs for this function will not vary with the increasing numbers of refugees admitted to the U.S. by this decision.

2. Transportation: $54,600,000.

The Department proposes to contribute $54.6 million to the loan funds of the Intergovernmental Committee for European Migration to finance the transportation to the U.S. of these 84,000 refugees. The per capita contribution will be $650 which is an increase of $75 per capita over the amount requested in the pending FY 1980 budget. This increase stems from the necessity to rely exclusively on charter arrangements for the movement of these refugees and the higher costs therefore incurred. In view of objections raised to the Department's proposal to shift from transportation loans to grants, it proposes to use this budget amendment as the opportunity to retract the earlier plan to adopt a transportation grant system. Instead it proposes to retain the current system, but implement a ceiling on the loan made to any principal applicant.

3. Reception and Placement Grants: $42,000,000.

The Department requests an additional $42 million to finance the payment of reception and placement grants to the voluntary agencies which arrange for the sponsorship of these refugees. This request envisions the continuation of the grant at the $500 level currently planned for fiscal year 1980.

4. Short-term Transit Centers: $2,520,000.

A new feature of this program is the requirement to finance the establishment by the involved voluntary agencies of short-term transit centers at the major ports of entry of Los Angeles, San Francisco and Seattle. These centers would provide short-term accommodations for refugees while they await onward flights to their final destinations and would also provide facilities to meet the immediate health needs of arriving refugees. It is believed that centers such as these could be provided for $30 per capita. These facilities are required only for the additional resettlements; the original 7,000 resettlements per month would have been accommodated without resorting to these centers. The request of the Department of State for this activity is $2.52 million.

5. Enhanced Medical Screening: $840,000.

At the request of Ambassador-at-Large Clark, a team of health screening experts, specialists in contagious diseases and epidemiologists, has been examining the health screening provided to refugees. As a result of this study, the Center for Disease Control (CDC) has estimated that improved health screening and services can be provided to the portion of the refugee population resettled in the U.S. for an additional $5 per capita. This project will require an additional $840,000 in fiscal year 1980.

Details of the Indochina Program follow:

	Fiscal year 1980 pending request [1]	Amendment requested	Fiscal year 1980 total request
Selection and documentation	$5,043,000	$5,040,000	$10,083,000
Transportation and related costs	48,301,000	54,600,000	102,901,000
Reception and placement grants	42,000,000	42,000,000	84,000,000
Resettlement in Southeast Asia of Indochinese refugees	2,000,000	0	2,000,000
Short-term transit centers	0	2,520,000	2,520,000
Enhanced medical screening	0	840,000	840,000
Total	97,344,000	105,000,000	202,344,000

[1] Includes an earlier amendment of $55,773,000.

III. Reimbursement to the Department of Defense, $17,000,000.

President Carter has ordered the Department of Defense to augment immediately its air and sea presence in the shipping lanes off of Vietnam so that assistance can be provided to refugees who are in distress. This mission is to be undertaken on a reimbursable basis with the Department of State.

The estimated cost for charactering ships through the facilities of the Military Sea Lift Command and using those ships for a 120 day period to assist and transport refugees is $14,000,000. Transportation provided would also include movements of large numbers of refugees to Refugee Processing Centers as they are established. In addition, the Department of State is required to reimburse the Department of Defense for the costs associated with dedicating a half squadron of long range air reconnaissance planes to efforts to identify and assist "boat people" who are in distress. The estimated cost of this operation, for a six month period, is $3,000,000. This brings the total sought for reimbursement to the Department of Defense to $17,000,000.

The funds are required to reimburse the Department of Defense for activities undertaken in fiscal year 1979 and fiscal year 1980.

IV. Operational and administrative expenses, $1,290,000.

Currently, there are only 40 positions provided to the Migration and Refugee Assistance appropriation. This number is clearly insufficient for either current or planned operations. This insufficient number of positions has forced this program to rely on a reimbursable and/or TDY staff to provide services to refugees in Southeast Asia. While this situation was reasonable when refugee flows of only 30,000 per year were projected, it is clearly inadequate when annual refugee flows of 168,000 for Indochinese refugees alone are projected. Therefore, it is necessary to: 1) Provide 24 positions to formalize existing staffing arrangements (in this case these 24 positions are currently funded through this appropriation, although the positions are not allocated to this account). 2) Provide 25 additional positions, and $1,290,000 to meet the expanded workload resulting from the President's recent decisions on refugee admissions; and, 3) Fund three additional person-years of inspectors in the Office of the Inspector General who will audit the refugee program.

The estimated annual cost of the newly required positions is $1,290,000. This raises the FY 1980 request for operational and administrative expenses to $5,003,000.

Fiscal year 1980 pending request [1]		Amendment requested		Fiscal year 1980 total request	
Positions	Funds	Positions	Funds	Positions	Funds
40	$3,713,000	49	$1,290,000	89	$5,003,000

[1] Includes an earlier amendment of $432,000.

By Mr. BAYH:

S. 1679. A bill to amend the patent laws, title 35 of the United States Code; to the Committee on the Judiciary.

PATENT LAW AMENDMENTS OF 1979

● Mr. BAYH. Mr. President, today I am introducing a bill entitled the "Patent Law Amendments Act of 1979." This legislation is designed to cut through the delays and legal expenses that many patent holders encounter when someone challenges the validity of a patent in court on the basis that an incomplete search of the patent files was made before the patent was issued.

The problem is this: Because of underfunding of the Patent and Trademark Office, an estimated 2 percent to 28 percent of the search files are missing in every patent subclass. This means that many times when patent examiners are searching these files seeking prior patents and relevant materials in order to determine whether or not to grant a requested patent, some of the materials that are needed to make this decision might be missing. The result has been that there is a great deal of uncertainty over the validity of issued U.S. patents among many in the business community. Such uncertainty is a direct contributor to our lagging rates of innovation and productivity. Countries such as Japan and West Germany are renowned for the strength of their patent systems, which encourage inventors to pursue new ideas and processes without continuing doubt about the worth of their patents.

It has been estimated by patent experts that it frequently costs both parties in civil patent challenges more than $250,000 apiece to pursue these questions through the court system. The Subcommittee on Patent and Information Policy, which is a part of the President's innovation and productivity study, said that the question of reexamination of issued patents should be handled by the Patent and Trademark Office rather than through the courts. About 50 percent of these challenged patents are now being found to be invalid in court when evidence is presented that not all of the relevant material was considered by the patent examiner before issuance of the patent. Businesses are understandably reluctant to invest millions of dollars in developing and marketing new products when there is a 50-percent chance that their patent might be no good. I am concerned that the threat of long court challenges is especially serious to small businesses, which simply does not have the resources to defend their patents in these cases. This type of threat hangs like a sword over important small business patents and has been used to induce

these companies to allow rivals to infringe on important patents rather than undertake the expense and delay of court actions.

The bill that I am introducing today would allow the Patent and Trademark Office to reexamine these challenged patents and to consider the evidence that not all of the relevant materials were considered prior to patent issuance. Because this can be a very technical question and because the patent examiners are the best trained people to decide these questions, both parties would save considerable amounts of money in court costs and would receive a much quicker determination of the patent's validity than is now possible. This bill would also reduce part of the enormous case load from our Federal court system.

Under this legislation, whenever anyone wanted to challenge an issued patent they would file a request with the Patent and Trademark Office along with a modest fee and the evidence that is relevant to the patent challenge. The patent holder would be informed of the challenge and would receive a copy of any cited material being used to question his patent. Within 90 days of receipt of this request, the Commissioner of Patents would issue his decision. If the Commissioner determined that the challenge was invalid, the patent would be upheld and this decision could not be appealed. If the patent was found to be too broad, the patent holder would have the opportunity of narrowing the patent claim. The Commissioner could also invalidate the issued patent. Such an action would be subject to appeal by the patent holder.

The Patent Law Amendments Act would also give the courts the option of sending patent challenges that are already pending back to the Patent Office for reexamination, although it would not require that such action be taken. The courts would still have the option of accepting patent validity cases if they chose to do so, but this bill would give an inexpensive alternative to costly legal actions.

I would like to point out to my colleagues that our patent system which was once the envy of the world is no longer the most efficient patent system. I think that part of the responsibility for this sad situation lies with the Congress which has neglected the patent system for too long. This bill will go a long way toward restoring confidence in our patent system and will also remove the possibility that patent holders will be subjected to long, expensive law suits to determine the validity of issued patents.

This bill would insure that both parties to patent challenges would get speedy justice at a reasonable price. I urge my colleagues to join me in support of this important bill. There has been a great deal of concern in the Congress about the drop in our productivity and innovation rates; this bill is an opportunity for the Congress to directly address a very real part of this problem.

I ask unanimous consent that the text of the bill be printed in the RECORD, along with a copy of the recommendation of the Advisory Subcommittee on Patent and Information Policy of the Advisory Committee on Industrial Innovation.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

S. 1679

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Patent Law Amendments of 1979".

SEC. 2. Title 35 of the United States Code, entitled "Patents", is amended by adding the following chapter: "Chapter 30.—PRIOR ART CITATIONS TO PATENT OFFICE AND REEXAMINATION OF PATENTS

"§ 301. Rules established by Commissioner of Patents

"The Commissioner shall establish rules and regulations for the citation to the Office of prior art patents or publications, pertinent to the validity of patents, and for the reexamination of patents in the light of such prior art.

"§ 302. Citation of art

"Any person may, at any time within the period of enforceability of a patent, cite to the Office prior patents or publications which may have a bearing on the patentability of any claim of the patent, provided that the person citing such prior art identifies in writing the part(s) of the same considered pertinent and the manner of applying the same to at least one claim of the patent. The writing identifying and applying the same shall become a part of the official file of the patent. The identity of the person citing the prior art will be excluded from such file upon his request to remain anonymous.

"§ 303. Request for examination

"Any person may, at any time within the period of enforceability of a patent, request reexamination of the patent as to the patentability of any claim thereof in the light of any prior art cited under the provisions of section 302 of this chapter, by filing in the Office a written request for such reexamination accompanied by a reexamination fee prescribed according to this title and by a statement of the relation of such prior art to the patentability of the claim or claims involved. Unless the requesting person is the patentee, the Commissioner shall promptly send a copy of such request and statement to the owner of the patent appearing from the records of the Office at the time of the filing of the request.

"§ 304. Determination of issue by Commissioner of Patents

"(a) Within ninety days following the filing of a request for reexamination under section 303 of this chapter, the Commissioner shall make a determination as to whether a substantial new question of patentability affecting any claim of the patent concerned, not previously considered in examination or reexamination of such claim, is raised by the consideration, with or without any other prior art, of the prior art which has been cited in relation to the patent according to section 302 of this chapter. The Commissioner on his own initiative may make such a determination at any time.

"(b) A record of the Commissioner's determination under paragraph (a) of this section shall be made in the file of the patent, and a copy of it sent promptly to the owner of the patent.

"(c) A determination by the Commissioner pursuant to paragraph (a) of this section that such a new question of patentability is not so raised shall be final and nonappealable.

"§ 305. Reexamination ordered by Commissioner of Patents

"If, in a determination made pursuant to paragraph (a) of section 304, the Commissioner finds that a substantial new question of patentability affecting a claim or claims of the patent is raised by consideration of the patents and publications that have been cited in relation to the patent according to section 302 of this chapter, he shall order a reexamination of the patent for the resolution of the question, and shall proceed to resolve it as though the claim or claims involved were present in a pending application. The patent owner shall be given a reasonable period, not less than two months, after the filing of the reexamination order within which he may file a statement on such question for consideration in the reexamination. The patentee shall serve a copy of such statement on any person who has requested examination according to section 302 of this chapter and such person shall have the right, within a period of two months from such service, to submit a reply to the patentee statement. Any reexamination proceeding under this section shall be conducted with special dispatch within the Office.

"§ 306. Response or amendment by patent owner

"The patent owner shall be provided an opportunity in any reexamination proceeding under this chapter to amend any claim of his patent in order to distinguish the claim from prior art cited according to section 302 of this chapter, or in response to a decision adverse to the patentability of the claim, but no amendment enlarging the scope of a claim shall be permitted in a reexamination proceeding under this chapter.

"§ 307. Appeals

"The owner of a patent involved in a reexamination proceeding under this chapter may appeal from a final decision in such proceeding adverse to the patentability of any claim, or amended claim, of the patent.

"§ 308. Certificate of patentability; unpatentability and claim cancellation

"When in a reexamination proceeding under this chapter the time for appeal has expired or any appeal proceeding has terminated, the Commissioner shall issue and publish a certificate cancelling any claim of the patent finally determined in such proceeding or on appeal therein to be unpatentable, confirming any claim of the patent so determined to be patentable, and incorporating in the patent any amended claim thereof so determined to be patentable.

"§ 309. Reliance on art in court

"No patent or (printed) publication may be relied upon as evidence of nonpatentability in a civil action involving an issue of validity or infringement of a patent unless (a) the patent or publication was cited by or to the Office during prosecution of the application for the patent or was submitted for consideration by the Office in accordance with sections 302 and 303 of this chapter and was actually considered in accordance with section 304, or (b) the Court, upon motion, concludes such submission and reconsideration to be unnecessary for its adjudication of the issue of validity or infringement. The limitation provided by this section shall apply in any civil action in which a pleading presents a claim for infringement or for adjudication of the validity of a patent, upon the basis of the contents of the patent file as it existed on the date of the filing of such pleading, excepting that a party may rely upon a patent or publication cited later, and upon the final determination had on a request for reexamination in the light of such patent or publication, if such patent or publication was cited and such request was filed in the Office within the period of a

stay ordered by the court in accordance with section 310 of this chapter.

"§ 310. Stay of court proceedings to permit Office review

"(a) Any party to a civil action against whom a pleading presents a claim for infringement or for adjudication of the validity of a patent shall have the right, by motion brought before any responsive pleading, to secure a stay of all proceedings in the action by order of the court for a period, not less than four months, sufficient to enable such party to search for and cite patents or publications considered pertinent to the patent and to request reexamination of the patent in view of such prior art according to sections 302 and 303 of this chapter. If such party files a request for such reexamination in the Office and serves and files a copy of it in the action within the period of the stay provided by such order, the stay shall be extended by further order of the court until at least twenty days after the final determination of the request for reexamination.

"(b) The court, on motion and upon such terms as are just, may at any time stay the proceedings in a civil action in which the validity of a patent is in issue for a period sufficient to enable the moving party to cite to the Office newly discovered additional prior art in the nature of patents or (printed) publications and to secure final determination of a request for reexamination of the patent in the light of such additional prior art, provided the court finds that such additional prior art, in fact, constitutes newly discovered evidence which by due diligence could not have been discovered in time to be cited to and considered by the Office within the period of a stay of such proceedings that was or could have been secured according to subsection (a) of this section.

"§ 311. Dismissal of complaint

"The party or parties whose complaint commencing a civil action presents a claim for infringement or for adjudication of the validity of a patent shall have the right, by notice served upon the other party or parties and filed in the action at any time within the period of a stay ordered by the court pursuant to section 310 of this chapter, to dismiss such complaint without prejudice and without costs to any party.".

DRAFT REPORT ON PATENT POLICY

(A draft report of the Advisory Subcommittee on Patent and Information Policy of the Advisory Committee on Industrial Innovation established as part of the Domestic Policy Review, Dec. 20, 1978)

(*Notice:* This report represents the views of the Subcommittee on Patent and Information Policy of the Advisory Committee on Industrial Innovation, an advisory committee convened by and reporting to the Secretary of Commerce. The views of the Subcommittee do not necessarily represent those of the Department of Commerce or any other agency of the Federal Government.)

ADVISORY SUBCOMMITTEE ON PATENTS AND INFORMATION

Herbert R. Brinberg, Co-Chairman, Information, President, Aspen Systems Corporation.

*Robert B. Benson, Co-Chairman, Patents, Director, Patent Law Department, Allis-Chalmers Corporation.

Rudolph J. Anderson, Jr., Associate General Counsel, Merck & Company, Inc.

*Tom Arnold, Arnold, White & Durkee.

Henry L. Bachman, Vice President—Quality, Hazeltine Corporation.

Gerard M. Beaugonin, Vice President, Control Data Corporation.

*Homer Blair, Vice President, Patents & Licensing, Itek Corporation.

*Member of the Working Group on Patent Policy.

Gloria Cohen, Consultant, Information Services.

*Joseph A. DeGrandi, Beveridge, Degrandi, Kline & Lunsford.

*Joe Engelberger, President, Unimation.

*Charles Heiken, Esq.

H. E. O'Kelley, President & Chief Executive Officer, Datapoint Corporation.

Dan Lacy, Vice President, McGraw-Hill.

*Pauline Newman, Director, Patent & Licensing, FMC Corporation.

Donald J. Quigg, Patent Counsel, Phillips Petroleum Company.

William Ragan, Vice President, Research & Development, Becton & Dickinson Company.

*Eric P. Schellin, Esq.

Clarence Spangle, President, Honeywell Information Services.

*David E. Sunstein.

Leo J. Thomas, Jr., Director of Research, Eastman Kodak.

Lawrence Welke, President, International Computer Program.

PROPOSAL II—PROVIDE FOR REEXAMINATION OF PATENTS

One of the fundamental problems of the existing patent system is that pertinent prior art is very often found after the patent has issued and has become commercially important. At this point in time, additional prior art, not considered by the PTO, is often found which creates uncertainty concerning the enforceability of the patent. Such uncertainty often deters the patent owner of licensee from commercializing the invention. Such uncertainty can also deter commercialization by an interested party who cannot quickly and cheaply assess the value of the patent. Litigation is slow and very expensive. Such uncertainty coupled with such expense can be utilized by infringers to avoid respecting the patent property, especially those owned by independent inventors and small businesses, which in turn reduced the value of patents as an incentive to innovate. Therefore, a need exists for a fast, inexpensive method for increasing the certainty as to the enforceability and scope of a patent.

Accordingly, the subcommittee proposes that the PTO initiate a system for the reexamination of U.S. patents by any party requesting such reexamination during the life of the patent. The reexamination system should provide for submission of written arguments by the patentee and other interested persons concerning patentability over prior patents or printed publications. Such reexamination should be handled on an expedited basis by the PTO so that a prompt decision can be rendered. If the claims are held to be patentable over the cited art, the presumption of validity of the patent is enhanced and patentees and interested parties would have a clearer idea about the strength of the patent, without resorting to litigation. In some instances, the reexamination procedure should help avoid litigation costs.

If the patent claims were held to be invalid over the cited art, the patentee would have the right to amend his claims and to define his invention more accurately or assert his position to the Board of Appeals and, on appeal, to the Court of Customs and Patent Appeals or the U.S. District Court for the District of Columbia.

This reexamination system would be available whether or not the patent to be reexamined was already involved in litigation. In such case, however, it would be solely within the court's discretion as to whether the litigation should be stayed pending the reexamination, so as to avoid undue delays in obtaining a final court adjudication.

The importance of having prior art relied upon to invalidate a patent reviewed in the first instance by the PTO, when obtainable without delay of infringement litigation, cannot be too highly emphasized. Indeed, reliable statistics suggest that a significantly higher percentage of litigated patents are held invalid where prior art relied on in court was not previously considered by the PTO than was the case where the prior art had been so considered.[1]

The subcommittee recommends enactment of suitable legislation[2] to fully implement the reexamination system; in the interim, the subcommittee encourages the Commissioner to use his rule-making authority to institute reexamination to the fullest extent possible.

The net effect of this subcommittee's proposal for reexamination would be to provide a simple, inexpensive method of greatly improving the quality and reliability of those U.S. patents which have demonstrated commercial value and to avoid expensive and wasteful procedures with respect to noncommercial developments. It would also provide a system whereby competitors of the patentee can request a more accurate definition of the invention (claims) as guidance in their efforts to legitimately compete with the patentee.[3]

FOOTNOTES

[1] See Koenig, "Patent Invalidity—A Statistical and Substantive Analysis" (Clark Boardman Co., Ltd. 1976).

[2] Such as H.R. 14632, 94th Congress, January 30, 1976, as modified by Resolutions Two and Three of the August, 1977 annual meeting of the Patent, Trademark And Copyright Law Section of the American Bar Association, the effect of which is to (1) give the courts discretion to stay litigation for determination of the issue by the PTO, and (2) provide third parties who have initiated a reexamination proceeding to have an opportunity to submit a written response to the statements filed by the patentee.

[3] See Appendix H.●

By Mr. HATCH (for himself, Mr. GOLDWATER, Mr. CANNON, Mr. STEVENS, Mr. HELMS, Mr. GARN, Mr. ZORINSKY, Mr. DECONCINI, and Mr. JEPSEN):

S. 1680. A bill to provide for the cession and conveyance to the States of federally owned unreserved, unappropriated lands, and to establish policy, methods, procedures, schedules and criteria for such transfers; to the Committee on Energy and Natural Resources.

WESTERN LANDS DISTRIBUTION AND REGIONAL EQUALIZATION ACT OF 1979

● Mr. HATCH. Mr. President, I have introduced today a comprehensive bill which will correct a longstanding inequity in the adjudication of rights and privileges to the various States of the Union. This bill, entitled "Western Lands Distribution and Regional Equalization Act of 1979," establishes a mechanism by which States west of the 100th meridian may obtain rightful title to certain public lands within their respective boundaries.

In recent years, citizens of these Western States have experienced abnormally high levels of apprehension toward the Federal Establishment. This concern has directly resulted from the enactment of the Federal Land Management and Policy Act of 1976 and other, similar legislative and administrative measures that effectuated absolute control over many aspects of the public domain by Federal land managers. More specifically, it has been observed that in the absence of some form of external restraint, Federal land managers have interpreted discretionary legislative mandates to extremes with devastating effects on economic, social, and political institutions in those Western States where lands are preponderantly of Federal ownership.

Mr. President, no conceivable benefit to the American public can be derived from extreme and inflexible management of the national resource lands. This kind of management benefits only the politicians who have chosen to use the public lands as political cannon fodder in the battle for the votes of indignant dogmatists. Perhaps of greater significance, it benefits and fertilizes the inflationary growth of a Federal bureaucracy; the only true function of which is to preserve and proliferate itself at the public's expense.

I ask you, Mr. President, is it in the Nation's best interest, at a time when shortages of energy resources are causing civil strife and catastrophic economic disorder, to have precious resources, so abundant in the West, subjected to the whims and vagaries of the politically and bureaucratically inspired? I ask you—is it just to subject the unfortunate citizenship of a few of these United States to a degree of Federal involvement in their lives that most, if not all Americans, would find intolerable? Can you not imagine how BLM district managers might be likened to the sheriff of Nottingham, or colonial magistrates, by westerners?

The common solution to these critical problems is clear: The transferral of the unappropriated public lands to States' jurisdiction. The various Western States have repeatedly demonstrated the capability to manage public resources in an evenhanded, dynamic and effective fashion. They have, for decades, managed wildlife resources in such a manner that the resource has flourished and the harvest by all Americans has been abundant. The States have for decades, managed and regulated the most complex and technical aspects of oil and gas production and development on all lands within their borders. These activities by States clearly refute the argument that State control of the public domain would be dominated by parochial interests.

I believe that while the idea of a public land transfer has flourished for some time, what has been lacking is a mechanism to effectuate such a transfer. This bill provides that mechanism.

First, in an effort to avoid legislation that would contribute to the growth of Federal bureaucracy, the bill provides that Federal involvement in each transfer process will be conducted by a seven-person inter-agency "Federal Land Transfer Board." The membership of the Board will be appointed by the President each time an individual State applies for lands transfer and the Board will dissolve immediately upon completion of the particular transfer for which it was established.

Second, the bill provides a definite schedule of events that spans a maximum of 28 months be established during which applications that are in compliance with the act are pursued to completion.

Third, the bill requires that applicant States establish "State Land Commissions" to conduct the actual management of the subject lands after they are transferred.

Fourth, the bill stipulates that certain State legislation be passed prior to lands transfers which would insure that all contracts and covenants currently in force with the United States will continue uninterrupted under subsequent State jurisdiction.

Fifth, this proposal requires that specific management planning direction be provided the State land commissions.

Sixth, the bill provides extensive machinery to assist in the relocation and reemployment of Federal employees who may be displaced by the act.

Mr. President, this bill will allow the States to regulate their own course of affairs much better than they now can under the omnipresent hand of Federal regulators. It will put the decisionmaking power into the hands of Western States in the way that the same power has been vested in all other States. It will place all States on an equal footing as the Founding Fathers intended.

Last, it will prevent the further regulatory entanglement of western lands which has seriously curtailed the appropriate utilization of needed western resources.

I believe, Mr. President, that if this country is to overcome the crisis facing it today, it must utilize all of its resources; including the vast amount of natural resources in Western States. These resources will never be fully developed while the Government subjugates the Western States. We must act now to provide all States with equality. I urge my colleagues to support this concept.●

By Mr. PRYOR:

S. 1681. A bill to reduce paperwork in the administration of certain construction contract provisions of law relating to wage rates; to the Committee on Governmental Affairs.

Mr. PRYOR. Mr. President, the legislation I am introducing today is very simple but significant in its impact on the thousands of contractors for Federal construction work who get bogged down the senseless requirements of the Copeland Anti-Kickback Act, originally passed in 1934.

The bill simply requires that a contractor on a Federal public construction project submit a notarized statement at the beginning and the end of each contract with respect to the wages and fringes to be paid or which have been paid on the project.

Under current law and regulations, the contractor must submit weekly a copy of all payrolls to the contracting agency. The prime contractor is made responsible for assuring that all subcontractors used on the construction project adhere to the requirements, and for certifying and passing on the subcontractors weekly payrolls to the contracting agency. This is in addition to a requirement that payroll and other basic records relating thereto be preserved by contractors and subcontractors for a period of 3 years after the work is completed.

The required payroll report forms include the following: name and address of the contractor, project and location project or contract number, payroll number, week of filing, and for each employee his name, address, social security number, number of withholding exemptions, number of hours worked each day of the week, rate of pay, gross earnings, FICA, withholding tax and other deductions, and net wages paid for the week. Additional requirements include more certifications that no rebates have been made, and certifications about apprentices employed and about fringe benefits paid. It is not difficult to see that a large amount of time and manpower is needed to complete this information to be submitted each week.

These weekly payroll requirements are costly to the contractors and a significant contribution to the cost of construction. Verification of the weekly payrolls by Government personnel is a time-consuming and costly activity. According to a recent GAO report on Davis-Bacon, the estimated cost of complying with these administrative requirements was $202.5 million for 1976 and $201.6 million for 1977. Mr. President, this is a tremendous amount of money needlessly spent and this situation can be easily corrected with my amendment.

The requirements appear even more onerous when one realizes that they are not an effective enforcement tool. According to a 1972 report by the Commission on Government Procurement, few, if any, violations of significance were ever disclosed as a result of the Government's review and verification of weekly payrolls. The errors in position classification or rates of pay that are occasionally spotted are often mistakes in the records themselves rather than actual violations.

The paperwork involved in this reporting requirement is unnecessary. Whatever purpose it was originally intended to serve—whether to facilitate and assist the contracting agency in its enforcement responsibility or to help prevent fraud in administering the Davis-Bacon Act—it is obvious that these purposes are not being served now. The legislation I am offering would still guarantee that the contractors are meeting the enforcement responsibilities of the Davis-Bacon Act, but eliminate a huge amount of weekly paperwork so characteristic of our burgeoning bureaucracy today.

To give some examples of how burdensome these reporting requirements are: In 1971, a study group was formed to investigate controls over the Government procurement process. In their advisory report to the Commission on Government Procurement, contractors visited by the study group identified as a major item in their overhead the preparation of reports such as the weekly payroll records under Davis-Bacon. The report states that one firm, engaged in subcontracting work of which $700,000 of its 1970 volume of business was on Federal construction, estimated that it cost $5,000, or 2½ percent of its general overhead expense, to prepare and submit weekly payrolls. The report states further that the total cost of complying with the reporting requirements for all Govern-

ment construction contracts annually is about $200 million. The Commission recommended that the requirement that contractors submit weekly payrolls be eliminated. In a recent report to the Congress, the General Accounting Office made this same recommendation.

Based on the statistical information provided by a sample of its membership, the Associated General Contractors estimated that one-half of 1 percent—$5,000 per million of contract—of overall contract costs was required for Davis-Bacon report requirements alone. With over 60,000 Federal construction contracts per year—totaling as much as $40 billion or more—a very small cost on each project or a very small percentage of contract costs for administration magnifies itself with alarming speed.

I might also point out that the submission of weekly payroll records is not required under other laws containing labor standard provisions. Compliance under such statutes as the Service Contract Act or the Fair Labor Standards Act is accomplished through employee interviews and inspections of payroll records maintained by the employer or the contractor.

In sum, the time and money required to complete the weekly payroll report is not well spent. These reports just go on to join endless, neglected mounds of paperwork sitting in a hundred Federal basements. With the adoption of this bill, millions of dollars can be saved every year, with absolutely no detrimental effects.

Mr. President, it is irresponsible for us to continue to allow these reporting requirements when they serve no needed purpose, while costing millions of dollars, and can be so easily corrected. Private businessmen and citizens in this country are resentful and sick of the heavy responsibilities an increasingly unresponsive Federal Government is placing on them. The reporting requirement is just the sort of picky, difficult regulation that makes our citizens doubt the competence and understanding of their national leaders.

While this legislation may seem small in the overall picture, it will substantially affect the day-to-day operations of thousands of contractors.

Mr. President, when I came to the U.S. Senate I pledged to my constituents that I would seek to reduce the redtape nightmare that is choking so many American businesses to death. Doubtless many of my colleagues made similar pledges, and I urgently ask them to join me today in this attempt to eliminate one more unnecessary regulation from the bureaucratic morass.

By Mr. JACKSON:

S. 1682. A bill to amend the Act of August 9, 1955 (69 Stat 539) (25 U.S.C. 415), as amended, to authorize a 99-year lease for the Moses Allotment No. 10 Chelan County, Wash.; to the Select Committee on Indian Affairs.

● Mr. JACKSON. Mr. President, normal Indian trust property administered by the Bureau of Indian Affairs may be leased for periods of up to 25 years with an option to renew for an additional 25 years. Exceptions to the normal practice have been authorized by statute on a case-by-case basis primarily for the purpose of facilitating commercial development of trust lands under appropriate circumstances. A longer term lease is required in order to obtain financing for substantial capital investments.

I am introducing legislation to authorize the Indian trust land comprising Wapato Point on Lake Chelan to be leased for a term of up to 99 years by the Wapato family. This bill would simply add the Wapato Point property to the list of trust properties previously included under 25 U.S.C. 415 as eligible for leases of up to 99 years. The Wapato family has requested this legislation.

I ask unanimous consent that the bill and a report of the Department of the Interior to me concerning this bill be printed in the RECORD.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of August 9, 1955 (69 Stat. 539) as amended (25 U.S.C. 415), is amended by striking out "and the Navajo Reservation" and inserting in lieu thereof the following: "the Navajo Reservation, and the lands comprising the Moses Allotment No. 10, Chelan County, Washington".

BUREAU OF INDIAN AFFAIRS,
Washington, D.C., July 23, 1979.

Hon. HENRY M. JACKSON,
U.S. Senate
Washington, D.C.

DEAR SENATOR JACKSON: Further reference is made to your inquiry and our acknowledgment of June 6 on behalf of the Wapato family and their request to extend the leasing period to 99 years by a special bill.

The Portland Area Office has the following to report:

The four owners to Moses Agreement Allotment No. 10 have entered into a lease for the development of their property with Wapato Point Development Co., Ltd. The lease term is for 25 years with an option to renew for an additional 25 years. The term is the maximum term allowable under Federal law. The limited term of this lease has created problems for the developer in their obtaining long term financing. The 99 year lease authority that the Wapato-Evans family is seeking through this proposed legislation was fully discussed prior to approval of this lease. The family raised the question: How could we get authority to legally obtain a longer term for the orderly development of our property? The Regional Solicitor's Office and the Bureau of Indian Affairs agreed the best method would be by special legislation. The Wapato-Evans family decided they would initiate a request to their congressional representatives, with assistance from their lessee.

The income generated to the Wapato-Evans family will be greatly increased and will benefit this family for generations to come. The Wapato-Evans family members are all direct descendants of the original allottee, Peter Wapato. The passage of the special bill would provide the family the ability to extend a longer term on their lease and would substantially facilitate long term financing, which would benefit the family and their lessee.

We concur with the recommendation of Portland Area Office that every effort be made toward obtaining passage of this proposed special bill.

Sincerely,

DAVID C. HARRISON,
Acting Director, Office of Trust Responsibilities.●

By Mr. HATCH (for himself, Mr. DOMENICI, and Mr. COCHRAN):

S. 1683. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $6,000; to the Committee on Finance.

● Mr. HATCH. Mr. President, I am introducing a bill to raise the gift tax exclusion from its current level of $3,000 to $6,000. The bill is designed to correct an inequity that has long been overlooked in our tax code.

The gift tax was first imposed in 1932 to prevent individuals from avoiding estate and income taxes by transferring property in the form of gifts. At that time, the law allowed a donor to give up to $5,000 to another individual without being taxed. After the $5,000 limit was reached, the donor was then taxed for any additional amount given.

In an effort to raise revenue during the Second World War, Congress lowered the gift tax exclusion to $3,000 in 1942. It has remained at that level ever since. Because today's dollar is worth less than one-fourth its value in 1942, it seems only reasonable that some adjustment must be made to raise the level of the gift tax exclusion.

It is not my desire to eliminate the gift tax; only to restore it to its original purpose. The bill I am introducing will begin that process. By adjusting the per donee exclusion to $6,000, a figure only half as large in real terms as the exclusion allowed in 1942, I believe Congress will be taking a necessary step in the right direction. Congressman NORMAN SHUMWAY has introduced an identical bill that has already received widespread support within the House of Representatives.

The failure of Congress to raise the gift tax exclusion is yet another glaring example of Government benefiting from inflation. As the value of the dollar declines, the Federal Treasury reaps the profit—at the expense of the already overburdened American taxpayer. I hope, Mr. President, that many of my colleagues will join me in helping to bring about this fair change in our Nation's law.●

By Mr. JOHNSTON:

S. 1684. A bill to encourage the development, improvement and operation of domestic refinery capabilities, and for other purposes; to the Committee on Energy and Natural Resources.

DOMESTIC REFINERY DEVELOPMENT AND IMPROVEMENT ACT OF 1979

● Mr. JOHNSTON. Mr. President, today I am introducing comprehensive legislation to establish a firm policy for the United States with respect to the refining of crude oil into gasoline, home heating oil and the other petroleum products so essential to the functioning of our domestic economy. We have had no coherent refinery policy for years and the state of our refinery capacity shows it.

We import approximately 2 million barrels per day of fuel from foreign refineries.

We cannot produce the unleaded gasoline and low sulfur oil our environmental laws require.

We cannot produce the home heating oil and diesel fuel our economy needs, despite the fact that practically all uses of these fuels are high priority uses.

During the recent domestic middle distillate shortages our dependence on imports resulted in very, very sharp increases in domestic prices. These increases were triggered almost entirely by speculation in the Rotterdam fuels market.

Our refineries are not prepared to process heavy, high sulfur crude oil, such as the crude oil produced in Alaska, which is increasingly available both domestically and on the world market.

The bill I am introducing today will, I hope, become the vehicle for correcting the deficiencies which have been fostered by our nonpolicy of past years. It will insure, by building the refinery capacity we need, that consumers need not face the threat of a continuing tightness in the supply of refined products. It will encourage new entry into the refining industry by independent firms, and, by promoting competition, guarantee that consumers will be more adequately served at lower prices.

This bill has been several months in preparation and contains specific approaches to a number of different problems in the refining industry. I ask unanimous consent that a section-by-section analysis of its provisions be included in the RECORD at the conclusion of my remarks. By way of summary, this bill—

Provides a basic 3 cents per gallon protection for domestic refineries from foreign refineries which operate in a situation characterized by lower taxes, lower wage scales, and far more relaxed environmental standards;

Directs that the funds generated in this way would be made available to independent firms to encourage such firms to supply formerly import-dependent regions with domestically refined petroleum products;

Provides that these funds will also be used to encourage the construction of new refineries and the modernization of existing refineries by independent firms to meet the national need for environmentally acceptable fuels;

Establishes a comprehensive program of Federal loan guarantees to provide capital to independent firms seeking to construct or modify domestic refineries;

Streamlines and shortens the process for obtaining the necessary permits for refinery construction and improvement; and

Provides for access to crude oil for small, independent firms engaged in refining in order that these firms may effectively compete with the major oil companies.

Mr. President, I expect to begin hearings on this bill soon after the August recess to begin the debate on the refining policy we need. A key feature of this debate, which cannot be forecast at this time, will be the proposal of the administration to establish quotas on the importation of crude oil and refined petroleum products. All we know about this proposal is what was contained in the President's recent energy message. Yet, these quotas will have far more impact on our energy situation in the short term than any other issue discussed in that speech. It will clearly have immense and, at present, totally uncertain implications for the domestic refining industry.

In what manner, how frequently, and by whom will the amount of the quota for each year be established?

Will the quota system contain a preference for crude imports over product imports?

If the quota system actually restrains imports of crude oil at some future date, will there be a fair method for allocating all crude, domestic as well as foreign, among domestic refineries?

If available crude is "allocated" by price, either by lifting all price controls on crude oil or auctioning the right to import crude, will the administration lift price ceilings on refined products? Conversely, will independent domestic refiners face a situation in which the price of crude is forced up by quotas while the price of refined products is artificially restrained by Government price and allocation controls?

Will any allocation system of crude oil under the quota provide access on an equal or preferred basis to new, expanded, or retrofitted refineries most able to serve our national needs for certain products?

Will the system encourage investment in refineries, particularly new refineries, with the potential of serving the east coast market now overly dependent on product imports?

What procedure, if any, will be established for enlarging the quota in "emergencies?" Will there be an "oil import appeals board?"

By what process will the above questions be answered? Will there be an opportunity for public input?

I intend that there will be a close congressional oversight of these matters and, if necessary, a legislative statement of the import policies which are necessary to maintain a healthy, competitive, and viable domestic refining industry.

During the 95th Congress the beginnings of a community of interest in domestic refinery policy was forged. This consensus was expressed in the form of a letter written to the Secretary of Energy by several Senators setting forth the view that a comprehensive refining policy is urgently needed. I ask unanimous consent that a copy of this letter be inserted in the RECORD at the conclusion of my remarks. I am looking forward to working with all my colleagues in the Senate as we attempt to renew this consensus, this time on legislation to put our ideas into effect.

Mr. President, the story of our past failures in refinery policy is a sad one. I ask unanimous consent that a brief compilation of recent materials setting forth this story be printed in the RECORD to underscore these points. I anticipate that we will receive a substantial volume of comment on the bill being introduced today. I hope we can get on with the job of putting together the legislation this country so desperately needs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 2. Statement of finding and Policy.

Section 3. Definitions.

The definitions of "small refiner" and "independent refiner" have the same definition as in the Emergency Petroleum Allocation Act except that the definition of "independent refiner" is based on refinery input as of the date of enactment of the Domestic Refinery Development and Improvement Act.

The definitions of "new refinery", "expanded refinery", and "retrofitted refinery" are all conditioned on ownership by small refiners or independent refiners, on construction commencing after the date of enactment of this Act, and on possession of refining characteristics essential to national needs. "New storage capacity" has a similar definition except that importers may be the owners of these new storage facilities.

The definition of "refining characteristics essential to national needs" includes references to crude oils of low gravity, desulphurizing capability, unleaded gasoline, enhancing competition in the refining industry, and other characteristics designated by the Secretary.

TITLE I. OFFICE OF REFINERY DEVELOPMENT

Section 101. Office of Refinery Development.

This section establishes an Office of Refinery Development within the Department of Energy to administer certain programs created under this act and to advise the Secretary of Energy on refinery matters.

Section 102. Refinery Development Fund.

This section creates a trust fund to be administered by the Secretary of Energy acting through the Office of Refinery Development. Fees obtained under Section 106 are placed in the fund and the fund is used to make the refined petroleum products of small and independent refiners more competitive with imported products in import-dependent regions of the United States.

Section 103. Qualification for Payments.

This section defines who qualifies for payments from the fund established under section 102.

Section 104. Amount of Payment.

This section directs the Secretary of Energy to determine the differential per barrel between the shipping rate actually paid and the amount that would have been paid had the quantity of refined petroleum product been shipped in a subsidized U.S. flag ship or a foreign flag ship. The Secretary is to pay that differential per barrel to qualified purchasers of refined petroleum products.

Section 105. Competition.

This section describes the conditions relating to market competition under which the Secretary of Energy may discontinue payments from the fund.

Section 106. Funding.

This section describes the source of funds for the Small and Independent Refinery Development Fund. Every barrel of foreign-refined petroleum product imported into the United States is subject to a fee of $1.25 per barrel and this fee will be adjusted for inflation.

Section 107. Effect on the Trade Expansion Act of 1962.

This section acts so as to remove the import fees imposed under authority of existing law on crude oil and petroleum product. Otherwise, there would be two fees imposed on imported petroleum products, one under section 106 and the other under existing law.

Nevertheless, this section does not alter the authority of the President to impose or remove fees under the Trade Expansion Act of 1962, but if he does so, he shall take into account the fee already imposed under the separate authority of Section 106.

Section 108. Exemptions.

Under this section small and independent refiners who refine crude oil in a new refinery, an expanded refinery, a retrofitted refinery or those who construct new storage capacity receive licenses exempting them for one year from the fee imposed under Section 106. The license is with respect to a specified number of barrels of imported products and this license is freely transferrable.

Furthermore, under this section the President may exempt new small refiners from the petroleum pricing and allocation regulations altogether.

Section 109. Entitlements Treatment for the Nation.

This section requires the President to amend the DOE regulations to grant entitlements within certain limitations on imported residual fuel oil and No. 2 heating oil.

Section 110. Miscellaneous.

TITLE IV. LOAN GUARANTEES

Section 201. Definitions.

Section 202. Federal Independent and Small Refinery Loan Guarantee Fund.

This section creates a $100 million loan guarantee fund that the Secretary of Energy shall use as a revolving fund to carry out the provisions of this title.

Section 203. Authorization of Secretary to Guarantee Obligations.

This section authorises the Secretary to make loan guarantees and imposes restrictions on those guarantees.

Section 204. Eligibility for and Terms of Guarantee.

This section specifies the uses to which the obligations guaranteed under this title may be put. Further conditions are imposed on the loan guarantees and the Secretary is instructed to give priority in the granting of these guarantees to those projects which the Secretary determines are designed to have to the greatest extent refining characteristics essential to national needs.

Section 205. Defaults.

Section 206. Offenses and Penalties.

This section enumerates the offenses and penalties with respect to the loan guarantee program.

Section 207. Escrow Fund.

Section 208. Rules and Regulations.

This section authorizes the Secretary of Energy to conduct rulemaking as necessary and appropriate under this title.

Section 209. Appropriations.

$100 million is authorized to be appropriated to carry out this title.

TITLE III. PRIORITY REFINERY PROJECT ACT

Section 301. Authority to Designate Priority Refinery Projects.

The Secretary of Energy is authorized to designate priority refinery projects.

Section 302. Authority to Apply for Priority Status.

This section addresses applications requesting designation as a priority refinery project.

Section 303. Procedure and Criteria for Designating Priority Refinery Projects.

Under this section the Secretary of Energy determines whether a proposed refinery project is of sufficient national interest to be designated a priority refinery project. That determination is based on a list of enumerated criteria.

Section 304. Extension of Deadlines.

Section 305. Relation to National Environmental Policy Act.

This section provides that the Secretary's determination as to whether a project is a priority refinery project and the establishment of the project decision schedule do not necessitate the preparation of a Federal environmental impact statement.

Section 306. Early Action Requirement.

The purpose of this section is to encourage early prospective application for designation as a priority refinery project.

Section 307. Federal Agencies Required to Submit Information.

Under this section Federal agencies are to transmit to the Director various information and items needed for the final approval of the project.

Section 308. Project Decision Schedule Established by the Secretary.

Under this section the Secretary will compile and publish a Refinery Project Decision Schedule that contains all the deadlines for all Federal actions relating to the project and this decision schedule shall constitute the lawful decision-making deadlines for the project.

Section 309. Sanctions for Failure to Meet a Refinery Project Decision Schedule.

This section enumerates the sanctions applicable to a Federal agency that does not meet a deadline in a Refinery Project Decision Schedule.

Section 310. Exceptions to Procedures Required by other Legislation.

Under this section the Secretary may require a Federal agency to make its decision or take action under a Refinery Project Decision Schedule within a period of time that is shorter than that required under existing law.

Section 311. Certification of Completed Federal Agency Review.

Section 312. Request for State Cooperation an Information.

This section requires the Director to request information from the Governor of a State in which a priority refinery project is located so as to permit the Director to establish a decision schedule for State and local agencies.

Section 313. Decision Schedules for State and Local Authorities.

This section requires the Secretary to establish a decision schedule for State and local agencies. In addition, this section enumerates the sanctions to be applied against a State whose agency or local government is unable or unwilling to implement a schedule for timely review and decision. These sanctions include the withholding of federal financial assistance authorized by this Act and ultimately the Secretary may make the decision or take the action for the State or local agency, but by applying the State or local law which would otherwise have been applied.

Section 314. Waiver of Law.

This section enumerates the conditions under which State or local law may be waived.

Section 315. Precedence over Other Laws.

This section provides that actions of Federal officers or agencies pursuant to this title are not subject to judicial review except as provided in this title.

Section 316. Decision Regarding Priority Energy Project Status.

This section limits judicial review of the designation of a priority refinery project and the establishment, modification or extension of a Refinery Project Decision Schedule.

Section 317. Other Action Pursuant to this Act.

This section limits the period of time in which judicial review of a final agency action pursuant to this title is available.

Section 318. Time Bar: Jurisdiction of the Court of Appeals.

This section provides expedited judicial review directly to the U.S. Court of Appeals.

Section 319. Supreme Court Review.

Section 320. Injunctive Relief.

This section limits injunctive relief.

Section 321. Grant Program.

Under this section the Secretary is authorized to be appropriated funds to make grants to States to support the establishment and operation of a uniform expedited procedure for processing refinery-related siting and construction permits.

Section 322. Effective Date.

TITLE IV. CRUDE OIL ALLOCATION FOR SMALL REFINERS

Section 401. Eligibility for Allocation.

This section enumerates the conditions under which a small refiner is eligible for an allocation of crude oil under this title.

Section 402. Access to Imported Crude Oil.

One of the conditions of eligibility under Section 401 is that the small refiner is deemed not to have access to imported crude oil. This section defines the meaning of that phrase.

Section 403. Procedures and Rulemaking.

Section 404. Purchase Opportunities of Refiner-Buyers.

This section defines the size of the allocation of crude oil which a qualified small refiner may purchase under this buy-sell program.

Section 405. Emergency Allocations.

Under this section a small refiner may apply to the Secretary of Energy for an emergency allocation of crude oil. The criteria for eligibility for an emergency allocation is provided here as well as the amount of the emergency allocation and the priority under which requests for allocations will be granted.

Section 406. Leased or Purchased Refineries.

This section states that leased or purchased refineries are eligible for allocations if the owner or lessee is a small refiner.

Section 407. Computation of the Total Allocation Obligation of Refiner-Sellers.

This section states that the total allocation obligation of refiner sellers as a whole is equal to the sum of the volumes of crude oil that all the refiner-buyers are eligible to purchase.

Section 408. Individual Allocation Obligation of a Refiner-Seller.

This section determines how much crude oil a refiner-seller is obligated to sell to a small refiner. Refiner-seller is defined in Section 3.

Section 409. Notification.

This section directs the Secretary of Energy to prescribe procedures for carrying out this title.

Section 410. Price Restrictions.

This section limits the price for crude oil that a refiner-seller may charge a refiner-buyer pursuant to this title.

Section 411. Dates of Effectiveness.

Section 412. Review of Eligibility, Purchase Opportunities and Emergency Allocations.

[Exerpts from the Annual Refining Report, Oil and Gas Journal, Mar. 26, 1979]

U.S. REFINING GAINS ARE LACKLUSTER

(By Leo R. Aalund, refining editor)

Some five years of congressional and bureaucratic influence on the U.S. energy system is again clearly reflected in this year's survey of the U.S. refining industry.

At a time when the lusty appetite of Americans for gasoline is whetted further by federal crude-oil and gasoline price controls, the refining industry is poorly positioned to respond this summer—if crude oil is available and if gasoline price hikes or a possible recession don't dampen demand.

Combined capacity of the four major gasoline making and octane boosting processes (catalytic crackling, catalytic reforming, hydrocracking, and alkylation) climbed only 64,000 b/d, or 0.6 percent, last year to stand at 10.58 million b/d the first of this year (Table 1).

Primary distillation capacity rose only 1.9 percent to 17.2 million b/cd.

Of course, the weakness in conversion capacity gains is not surprising in that gasoline (and jet fuel until recently) is price controlled. Payout is chancy under these conditions.

Also, 1979 or 1980 had been predicted to be the last year of gasoline consumption growth. The auto fuel economy law was to improve the mileage of the U.S. auto fleet so much that a plateau, then a downturn in demand would occur. But the lawmakers left a loophole in the law big enough to drive a van or light duty truck through. Sales of these inefficient exempted vehicles have been stunning of late and their drivers are shattering forecasts that weigh heavily on the mandatory fuel economy measures.

The current weak growth in conversion capacity is also evident from another aspect—a comparison of this capacity with primary distillation capacity. Since 1972, except for a bump upward in 1975, the year Detroit turned in earnest to the production of autos requiring unleaded gasoline, the ratios have been going downward. This trend must be tempered, however, by several facts:

The industry's current low ratio is still much higher than that of any other industrial nation in the world.

There has been over the charted period a vast amount of modernization of catalytic reforming capacity, which doesn't translate into capacity gains. But the major benefit from this is octane, not gasoline volume.

The ratio is diluted by the expansion or construction of refineries with little or no downstream conversion capability. Large expansions and one new 200,000 b/d grassroots refinery several years ago that were designed to fill an expected market in low sulfur heavy fuel oil helped dip the ratio. The last major, high-conversion grassroots refinery went on stream in the U.S. almost seven years ago. That was Mobil Oil's Joliet, Ill., unit. None are now being built.

Another strong depressing factor comes from the numerous tiny refineries that have proliferated as a result of the small refinery entitlement bias. Since January 1, 1974, according to Department of Energy statistics, over 40 of these grassroots refineries have been built and added about 430,000 b/d of crude capacity.

But they added practically no gasoline making or high sulfur crude oil capability to industry totals. The ratio of conversion to crude capacity of these small hydroskimmers is about 10 percent compared to some 59 percent for the industry as a whole.

As Table 2 reveals, bimetallics now fill over 67 percent of U.S. cat reforming capacity as compared to 29 percent the first of 1972.

Crude capacity. A sizeable increase in crude distillation capacity of 515,000 b/d is expected this year. This comes from numerous incremental expansions and small refineries. For that reason, and given the uncertainty of the current world crude oil situation, the increase can hardly be described as firm.

Phillips Petroleum Co. and Dow Chemical Co. account for the bulk of the new crude capacity expected next year. Both have projects near Freeport, Tex. Dow has delayed the timetable for its project several times. It now says 1980 startup. Initial capacity has apparently been decreased to 180,000 b/d from 200,000 b/d. The refinery will have no conversion capability. The Phillips modernization includes major conversion and high sulfur crude units.

But the share of distillation capacity that larger companies hold decreased as of the first of this year (Table 1) and is expected to go down further by Jan. 1, 1980.

Upturn. But there is expected to be a sizeable upsurge in catalytic cracking and reforming and alkylation capacity during 1979. This is related to the Environmental Protection Agency's edict that the lead in the gasoline pool must be reduced to 0.5 g/gal by October of this year.

The first step in this phasedown program was due to go into effect January 1, 1978. But the EPA, apparently fearing it would prompt a gasoline shortage, waived the deadline for 70 larger refineries, accounting for about 67 percent of U.S. refining capacity (smaller ones were exempted from phasedown). To obtain the waiver the larger refineries had to submit plans showing they had octane upgrading projects underway. Much of the conversion capacity surge will be due to that.

There will also be a great deal of modernization of catalytic reforming and cracking capacity that isn't reflected in the expansion. This is mirrored in part of the anticipated growth in hydrotreating capacity because several major refiners are converting their cat reformers from conventional to bimetallic catalysts that require treated feedstocks.

TABLE 1.—LULL IN CRUDE AND DOWNSTREAM GROWTH TO END IN 1979

	Capacity, 1,000 b/d			Construction, 1,000 b/d		
	As of Jan. 1, 1979	Volume change from Jan. 1, 1977	Percent change from Jan. 1, 1978	Estimated percent change by Jan. 1, 1980	1979 completions [1]	1980 completions [1]
Crude b/cd	17,169.9	+321.2	+1.9	+3.0	515.0	445.0
		Feed, b/sd				
Thermal operations	1,496.6	−.5	------	+7.0	105.3	6.8
Cat reforming	3,794.4	[2] +29.8	+.8	+6.6	252.0	96.7
Cat cracking (fresh feed)	4,985.4	+28.7	+.5	+4.6	232.0	119.4
Cat hydrocracking	887.0	−25.6	−2.8	------	------	20.0
Other hydroprocessing	7,892.2	+116.6	+1.5	+7.3	578.8	344.7
		Product, b/sd				
Alkylation	919.9	+31.7	+3.4	+6.0	55.5	11.4
Aromatics and isomerization	387.9	−10.7	−2.7	+14.7	57.0	5.0
Lubes	231.9	−4.7	−2.0	0	0	------
Coke, ton/day	45.2	−1.0	−2.1	+3.0	+1.4	.3
Asphalt	814.4	+41.4	+5.4	+.7	+5.9	5.0

[1] Based on known projects. Does not include factor for debottlenecking or shutdowns.
[2] Cat. reforming capacity as of Jan. 1, 1978, has been revised to 3,764.6 b/sd.

TABLE 2.—CAT REFORMING MODERNIZATION REACHES NEW PEAK

Type reformer: Catalyst	Capacity Jan 1, 1972, 1,000 b/sd	Percent of total	Capacity Jan 1, 1978, 1,000 b/sd	Percent of total	Capacity Jan 1, 1979, 1,000 b/sd	Percent of total
Semiregenerative: Conventional	1,421.0	44.8	616.6	16.3	562.0	14.8
Cyclic: Conventional	743.4	23.4	785.3	20.8	599.8	15.8
Other: Conventional	80.8	2.6	63.1	1.7	63.1	1.7
Semiregenerative: Bimetallic	874.8	27.6	2,009.6	53.1	2,179.4	57.4
Cyclic: Bimetallic	------	------	215.5	5.7	297.1	7.8
Other: Bimetallic	49.1	1.6	91.5	2.4	93.0	2.5

TABLE 3.—HYDROPROCESSING OF IMPORTANT STREAMS SHOWS GOOD GROWTH

	Capacity 1,000 b/sd, Jan. 1, 1978	Capacity 1,000 b/sd, Jan. 1, 1979	Percent change
Hydrorefining:			
Resid and heavy gas oil	[1] 532.2	571.7	+7.4
FCC and cycle stock pretreatment	[1] 655.9	632.7	−3.5
Mid distillate	727.3	703.3	+3.3
Visbreaking and other	29.3	50.4	+72.0
Hydrotreating:			
Cat reformer feed and naphtha desulfurization	3,603.0	3,671.9	+1.9
Straight run distillate	[2] 527.4	605.9	+14.9
Other distillate and material	[2] 1,411.4	1,381.8	−2.0
Lube oil polishing	169.7	156.6	−7.7
Naphtha olefin and aromatic saturation	120.4	117.9	−2.0

[1] Revised from 515.2 on Jan. 1, 1978.
[2] Revised from 519.4 and 1,419.4 on Jan. 1, 1978.

TABLE 4.—SMALL REFINERS AGAIN HAVE BIG CRUDE CAPACITY HIKE—BUT LAG IN CONVERSION

	Companies with more than 200,000 b/d crude capacity		Companies with less than 200,000 b/d crude capacity	
	Jan. 1, 1979	Jan. 1, 1978	Jan. 1, 1979	Jan. 1, 1978
Number of companies	20	20	133	125
Number of refineries	112	112	177	173
Capacity, b/cd	13,427.6	13,267.4	3,742.3	3,578.6
Capacity, b/sd	14,078.7	13,897.9	3,972.2	3,718.5
Percent of U.S. total (b/cd basis)	78.2	78.8	21.8	21.2
Cat cracking (F.F.), b/sd	4,274.5	4,235.2	710.9	721.5
Percent on crude	30.4	30.4	17.9	19.4
Cat. reforming, b/sd	3,179.6	3,170.3	614.8	611.3
Percent on crude	22.6	22.8	15.5	16.4
Hydrocracking, b/sd	853.8	865.4	30.1	47.9
Percent on crude	6.0	6.2	0.8	1.2
Other hydroprocessing, b/sd	6,787.7	6,658.2	1,104.4	1,118.4
Percent on crude	48.2	47.9	27.8	30.0
Alkylation, b/sd	771.9	756.7	145.4	131.4
Percent on crude	5.5	5.4	3.7	3.5

TABLE 5.—PROCESSING PROFILE OF LARGE REFINING COMPANIES [1]

Company and rank	Refineries	Crude capacity b/cd	Crude capacity b/sd	Cat cracking (fresh feed), b/sd	Cat reforming, b/sd	Hydro-cracking, b/sd	Other hydro-processing, b/sd	Alkylation, b/sd
		1,000 b/d						
1. Exxon	5	1,574.0	1,666.0	502.2	314.5	73.0	1,051.6	79.2
2. Chevron	12	1,464.5	1,539.4	258.0	309.5	192.0	663.2	41.1
3. Amoco	10	1,238.0	1,295.3	487.0	267.8	59.0	436.8	68.1
4. Shell	8	1,151.0	1,213.0	398.7	290.8	77.5	744.5	76.4
5. Texaco	12	1,098.0	[2] 1,155.8	452.2	259.4	38.9	478.1	69.0
6. Gulf	7	911.6	935.9	333.9	212.5	37.5	382.9	76.4
7. Mobil	7	891.0	937.6	357.0	264.5	50.7	536.1	65.3
8. Arco	4	834.0	872.0	132.0	228.0	88.0	520.6	16.2
9. Marathon	4	526.0	545.0	101.5	108.9	22.0	181.0	22.1
10. Union Oil	4	490.0	513.0	138.0	142.0	51.0	264.2	27.7
11. Sun	5	484.0	510.0	205.0	140.3	26.0	161.0	41.9
12. Sohio/BP	3	452.0	480.0	140.7	137.7	80.0	249.2	19.5
13. Ashland	7	382.0	395.0	136.0	64.0	----------	254.2	17.5
14. Continental	7	361.0	375.0	95.0	86.9	----------	143.1	18.0
15. Phillips	5	302.0	316.3	131.5	90.8	----------	197.6	38.9
16. Coastal States	3	295.0	311.6	29.8	55.0	3.0	94.0	5.5
17. Cities Service	1	291.0	306.0	125.0	46.0	----------	96.0	33.0
18. Champlin	3	240.0	247.5	84.0	46.3	----------	103.7	22.1
19. Getty	2	220.5	232.0	93.0	63.5	20.0	177.3	18.0
20. Tenco (Line)	3	222.0	232.3	74.0	51.2	34.0	54.8	16.8
Total	112	13,427.6	14,078.7	4,274.5	3,179.6	853.8	6,787.7	771.9

[1] Companies controlling more than 200,000 b/d of capacity.
[2] Not reported—calculated.

SIGNALS TO THE DOMESTIC REFINING INDUSTRY REGARDING THE CLIMATE FOR FURTHER INVESTMENT

Date, event, and documentation

December 5, 1974: Federal Energy Administration petroleum product price regulations deny the inclusions of capital investments by refineries when computing the expenses involved in producing refined products; 39 Fed. Reg. 42368 (December 5, 1974).

July 21, 1976: The FEA proposes rules increasing protection for the domestic refinery because the present level of protection is too low. However, it refuses to raise protection to the level indicated by "security consideration alone." The proposed level of protection is "minimum" according to the FEA rulemaking; 41 Fed. Reg. 30058 (July 21, 1976).

February 16, 1977: Federal Government adopts regulations subsidizing imports of more heating oil to the East Coast. Actions involved cost/sharing by domestic refiners across the nation; 42 Fed. Reg. 9379 (February 16, 1977) and New York *Times* (February 10, 1977).

May 10-12, 1977: Carter Administration statements concerning proposed COET estimate that domestic refiners will be forced to absorb one-third of the cost of COET due to the pressure of world markets on U.S. prices; *see* White House statement: May 10, 1977, *Overall Economic and Budgetary Impact of the National Energy Plan*, as reported in the *Daily Executive Reporter, Bureau of National Affairs*, No. 93, May 12, 1977.

June 10, 1977: Joint Committee on Taxation staff report outlines Carter Administration's estimate that refiners would absorb one-third of the proposed increase in costs due to COET; *see* Joint Committee on Taxation report on *Crude Oil Equalization Tax and Rebate*, June 10, 1977 (House Ways and Means Committee Print).

June 17, 1977: Deputy Secretary of Energy, John O'Leary, states before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee that: (a) the present fee level on imported refiner products is sufficient to maintain the competitive viability of the domestic refining industry; (b) if a differential in the $1.86 to $3.26 range, per PACE study, is needed, it would raise a serious question as whether or not we want the on-shore additional refining capacity; and (c) if everything works under the NEP we will not need substantial additions to refinery capacities but that if everything doesn't work, we will have a serious problem in this country; testimony before subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee.

July 13, 1977; Alfred F. Dougherty, Jr., Director of the Federal Trade Commission Bureau of Competition, in a letter to Senator Edward Kennedy (D-Mass.) states that the NEP may cause refined product imports to rise which will deter "domestic *de novo* refining entry and [created] a relative advantage to foreign refineries." He goes on to say that "the market pressure of these foreign imports could severely depress domestic refinery margins; letter to Senator Kennedy from Mr. Dougherty.

July 13, 1977: House Ways and Means Committee Report states that COET could cause the domestic refining industry to be placed at a competitive disadvantage in relation to foreign refiners, and that the Administration should take appropriate action to protect against this eventuality; House Ways and Means Committee, Energy Tax Act of 1977, H.R. Doc. No. 94-596, 95th Congress, 1st Sess. 79 (1977).

August 26, 1977: Federal Energy Administration issues regulations, effective September 1, 1977, which prevent firms which use the net cost method to compute marine transportation costs in crude from recovering the cost of capital for an equity status vessel; 42 Fed. Reg. 43054 (August 26, 1977).

October 5, 1977: The Federal Energy Administration amends the Oil Import Program and expands the fee-exempt license program for residual fuel oil imports; 42 Fed. Reg. 54255.

February 22, 1977: Al Alm, Assistant Secretary of the Department of Energy, states that the Administration opposes the Haskell Amendment which would clarify the President's discretionary authority to take actions he deems necessary to ensure that imports of rened products do not threaten or impair our national security; letter from Al Alm to Mr. Clyde A. Wheeler, Jr., V.P. of Sun Co.

April 1978: Administration officials indicate that they are seriously considering imposing import fees on crude oil. Crude fees without corresponding fees on imported products would escalate domestic refining cost vis-a-vis foreign refineries; Finance Committee consideration of Dole Amendment, April 10, 1978.

June 1978: Congressional Budget Office report states that crude fees would affect "the scale and competitiveness" of domestic refineries and "might jeopardize U.S. refineries position vis-a-vis refineries in Europe and the Caribbean"; CBO publication (#95-110); Direct Federal Action on Oil Imports: An Analysis of Import Fees and Quotas.

June 4, 1979: ERA analysis memorandum concerning residual fuel oil amendments to Entitlements Program indicates that foreign refineries may receive benefits while domestic refiners are hurt; *see* December 4, 1978 memo from Akin & Gump.

June 15, 1978: DOE officially publishes its proposals to increase the entitlements subsidy for imported residual fuel oil from 50% entitlement to a 100% entitlement. All domestic refiners would be required to pay for this subsidy; 43 Fed. Reg. 26551 (June 20, 1978).

October 7, 1978: Senator Edward Broöke (R-Mass.) states on Senate floor that DOE has promised to propose a suspension of the 63-cent import license fee which will reduce protection for domestic refiners; *see* December 4, 1978 memo.

October 10, 1978: OPEC claims industrialized nations are obstructing OPEC countries from participating in the making of finished petroleum products; Washington *Post*.

October 10, 1978: It is reported that while U.S. refiners puzzle over whether they should build plants at home, OPEC is campaigning for a bigger stake in the world's refining and petrochemical industry; *Wall Street Journal*.

October 12, 1978: OPEC demands aid from oil consuming countries in developing petroleum refining industries; *See* Washington *Post*.

November 15, 1978: DOE Secretary Schlesinger states his willingness to allow the United States to become more dependent upon imports of petroleum products; Secretary Schlesinger's press conference.

December 11, 1978: At hearing before Senate Energy and Natural Resources Committee, DOE endorses further reliance on additional foreign product imports to deal with sudden gasoline shortages. Senator Jackson criticizes proposal to decontrol gasoline; he believes that the Senate would veto gasoline decontrol; O'Leary's statement and Washington *Post*, December 16, 1978.

December 19, 1978: DOE increases the quantity of residual fuel which may be imported into PAD District I not subject to license fees; 43 Fed. Reg. 59459.

January 2, 1979: Department of Interior releases letter opposing Corps of Engineers approval of Hampton Roads Energy Co.'s plan to build a refinery in Virginia; Copy of letter, press release and Washington *Post* article, January 3, 1979.

January 16, 1979: EPA refuses to grant the Pittston Co. a water pollution discharge permit for the Company's planned Maine refinery. EPA cites the possible danger to the bald eagle as primary objection to the refinery proposal; EPA Notice of Determination to Deny NPDES Water Discharge Permit No. ME0022420 and Washington *Post*, January 17, 1979.

January 16, 1979: DOE adopts a standby mandatory crude oil allocation and refinery yield control program. This gives the ERA administrator the power to implement the program in a variety of ways to affect all or selected refiners. The knowledge that this program could be applied at any time plus the fact that ERA will review the regulations continuously so that can be made as needed injects tremendous uncertainties to the refinery investment decision process; 44 Fed. Reg. 3418 (January 16, 1979).

January 18, 1979: DOE adopts standby product allocation and price regulations and imposed allocations fractions program. The ERA administrator may order any or all of the provisions of these special rules into effect on a national or regional basis, at any level of distribution, and upon any or all refined products; 44 Fed. Reg. 3928 (January 18, 1979).

March 1, 1979: DOE adopts amendments to allocate increased costs to gasoline on a greater than *pro rata* volumetric basis. However, gasoline controls continue; 44 Fed. Reg. 15,600 (March 14, 1979).

[From the Wall Street Journal, June 27, 1979]

HOSTILE RECEPTION: LOCAL OPPOSITION HALTS OIL-REFINERY PROJECTS ALONG THE EAST COAST—SOME GAS SHORTAGES TRACED TO LIMITS ON REFINERIES; OILMEN ARE FRUSTRATED—"EVERYBODY CAN SAY NO"

(By Douglas Martin)

PORTSMOUTH, VA.—John K. Evans, a transplanted Welshman, claims he knows one good reason why gasoline supplies are so tight along the East Coast: There simply aren't enough refineries to turn crude oil into gasoline. Mr. Evans says it makes him downright angry to realize that the last major East Coast refinery was built in 1957.

The 72-year-old oil-business promoter is an expert on the subject because for the past 14 years he has been roaming from Maine to Georgia trying to build a large refinery. His latest attempt, which has been going on since 1974, is to build a large, modern refinery on the west bank of the Elizabeth River here. He hasn't succeeded, and neither has anyone else, despite more than 30 separate attempts in the past 20 years.

The reason for the failures, a government study of 24 failed attempts concludes: People don't want a large refinery in their backyards and they have become skilled at enlisting government red tape to turn back promoters' efforts. "You can never build a refinery if the people in a local community object," says Donald O'Hara, president of the National Petroleum Refiners Association. "We have reached the stage of participatory democracy where almost everyone in the society can say 'no' but no one can say 'yes,'" complains Energy Secretary James Schlesinger.

THE "NO'S" HAVE IT

The voicing of too many "no's" is finally catching up with energy consumers in the East. The East Coast gobbles up a third of all petroleum products consumed in the U.S., but only refines a quarter of its needs. The rest has to be brought in by tankers from overseas and by pipeline and barges from refineries in Texas and on the Gulf Coast, where the industry's major expansion has been concentrated. This not only increases consumers' costs but also adds to distribution problems.

The fuel shortage is likely to worsen in the East. An Energy Department study estimates that the East Coast needs five to 10 major new refineries by 1985. "We cannot overstate the seriousness of the need," Deputy Energy Secretary John O'Leary says.

There are just 19 large refineries along the East Coast from Maine to Florida. But the actual capacity is less than this because only 11 can make gasoline, and one of these has been closed down for environmental reasons. These plants are running at approximately the national average rate of 84.5% of capacity, but the Energy Department wants this raised to 87%, and others want it raised even higher. The oil companies say they are processing as much oil as they can prudently take out of their inventories. But the Energy Department is pressing them to reduce their inventories faster to increase the use of available capacity and thus produce more fuels.

Not all of the Eastern refineries producing gasoline can also refine the higher grades of unleaded gasoline, and not all of the Eastern refineries can produce low-sulphur heating oil. This is creating a tight market for two products increasingly in demand.

SHORT-SIGHTEDNESS

Opposition and red tape aren't the only reasons for the small number of plants: Government shortsightedness can also be blamed. Although the government limited imports of crude oil throughout the 1960s, it placed minimal restrictions on imports of "residual" oil for generating plants, which adequately supplemented the residual oil being produced by the Eastern refineries. It made sense to import as much as possible because the foreign product was cheaper than the domestically refined oil. All that, of course, ended with the Arab oil embargo that began in 1973 and the subsequent price increases. But until then it hadn't appeared justifiable to build new refineries on the East Coast, with the exception of a few small plants that can only produce residual oil.

Now Washington is trying to catch up, and a top-level task force is reviewing a range of possible measures to promote refinery investment, including protective tariffs. In addition, a group of senators from the Northeast and from oil-producing states is calling for a broad program of incentives.

Even today not everyone agrees on the need for new refineries. Government projections show the percentage of oil consumed in the U.S. that is also refined in this country increasing by three percentage points—to 91.2%—over the five years ending in 1981. Some oil-industry people say that these figures show that there is no impending crisis and that the U.S. has adequate refining capacity, even if it isn't all in the most ideal locations. They note that it costs about one billion dollars to build a big refinery from scratch. "How do you compete against such a plant that's already paid for? That's the real problem," one oilman says.

PROBLEMS WITH EAGLES

But other oil-industry people believe that the impending shortfall of refining capacity is very real, and promoters are struggling up and down the East Coast to build new refineries. Pittston Co. has been trying to build a 250,000-barrel-a-day refinery in Eastport, Me., since 1973, but the project has been stalled by government worries about the plant's effect on bald eagles and whales. "We seem hopelessly hung up with bureaucracy," sighs Pittston vice president Arthur Kaulakis. In the meantime, he says, the cost of the project has more than doubled to $750 million.

Usually, companies give up in despair. Crown Central Petroleum Co. fought fierce opposition to a proposed refinery in Baltimore harbor for more than five years before dropping the idea. Now the company has proposed building a refinery near Wilmington, N.C., but already an opposition group has sprung up.

Mr. Evans, the promoter who opened this story, is determined to hang on in his effort to build a 175,000-barrel-a-day refinery at Portsmouth, Va. He has bruises to show for his previous efforts. He struggled for almost four years to put up a refinery on the banks of Virginia's Nansemond River, but he was defeated by environmentalists who objected to plans for an undersea pipeline running into the plant. And in the mid-1960s he tried, unsuccessfully, to build refineries in Maine, Rhode Island and Georgia.

But he did succeed in building a refinery near Waikiki Beach, Hawaii, in 1971. It has been his sole successful refining venture to date.

Mr. Evans is a burly, mustachioed man who left his home in Wales at the age of 14 and spent several years at sea. He worked for over 30 years for Royal/Dutch Shell, and for nearly two decades he has traveled the world promoting various oil-business ventures.

His job is to seek out investors to back projects ("I've had a number of very rich friends," he says with a wink). For the proposed Portsmouth refinery he was able to attract Cox Enterprises Inc., a privately held publishing company that is trying to diversify. But as the opposition has dragged on, Cox has spent more than $6 million without seeing a girder being put into place. Mr. Evans, who has poured in $500,000 of his own money, laments that "we've got lawyers coming out of our ears."

When Mr. Evans first had the idea for the plant in 1971, the cost was estimated at $100 million. By 1975 it had reached $350 million. Now the cost has soared to $650 million.

The sour, stalemated history of Mr. Evans' refinery, named the Hampton Roads Energy Co. after the deep harbor it would overlook, can be largely explained by local opposition. An opposition group called CARE (for Citizens Against Refinery Effects) has gathered the signatures of 13,000 local people who oppose the refinery.

The refinery's opponents make a number of arguments, not the least of which is that the area, with over a million people, has a high incidence of certain types of cancer. Three local medical societies contend that the cancer rate could be increased by emissions from the refinery.

Then there are economic arguments based on the devastating effect that a tanker oil spill could have on the area's seafood industry. "Wherever refineries have been located, we've lost our oysters," says Cranston Morgan, the owner of a seafood-processing company. An oil spill also could harm tourism, another major source of local revenue. "We depend entirely on the clean beaches and clean air," says Michael Savvides, a restaurateur in the area.

But there also are residents who believe that the refinery would aid the faltering economy of the area. Supporters speak of the 50% increase in local real-estate taxes the refinery would provide, as well as the 400 jobs that Mr. Evans has promised. "The opposition is mainly composed of free loving hippies and wealthy elitists," railed a recent

editorial in the Virginia Observer, a local labor newspaper.

Now the bitter fight shows signs of entering a new stage. The chief engineer of the Army Corps of Engineers, which is responsible for gathering evidence of the project's worth, has recommended that the plant be built. The Secretary of the Army has promised a final decision by the end of July. But Joanne Berkley, a leader of CARE, says the opposition group will probably file suit against a favorable decision. National environmental groups are offering CARE their financial support.

Hampton Roads Energy also has been forced to contend with a bewildering number of environmental regulations, including rules governing atmospheric emissions, hazardous-waste disposal and water pollution. "This is a horrible time in the history of environmental laws to try to get permits," says George Pence of the Philadelphia office of the Environmental Protection Agency.

Although the EPA has granted virtually every permit that Hampton Roads Energy has requested, the agency has recommended that the Secretary of the Army kill the project. Officials say that although the company was able to prove that it would provide adequate controls, the agency believes the overall ecological effect could be disastrous. "You'r mortgaging the future of the area," says one agency official.

To come this far, the leaders of CARE have attended more than 20 federal and state hearings, have produced hundreds of pages of written comment and have brought several lawsuits. "We've been called terribly clever," says Mrs. Berkley. "What we're clever for is understanding the system." ●

By Mr. EAGLETON (for himself and Mr. DANFORTH):

S. 1685. A bill to designate certain lands in the State of Missouri as wilderness; to the Committee on Energy and Natural Resources.

MISSOURI WILDERNESS

● Mr. EAGLETON. Mr. President, as you are aware, the Department of Agriculture earlier this year completed its review of the National Forest System's lands for potential wilderness areas. The program, the roadless area review and evaluation II, or commonly known as RARE–II, called for 15 million acres of roadless lands for wilderness, 11 million acres for further planning, and 30 million acres for nonwilderness. It is, of course, up to Congress to finally resolve the proposed allocation of these lands.

Today, Senator DANFORTH and myself are pleased to submit a bill that would designate four areas in Missouri's Mark Twain National Forest as units of the National Wilderness Preservation System. These four areas were recommended by RARE–II for wilderness, and there is consensus within the Missouri delegation that they be so protected.

At the same time that my colleague and I introduce this bill we recognize that other areas in Missouri deserve to be studied more closely for their potential wilderness qualification. Specifically, there are seven areas in the Mark Twain National Forest that did not emerge from RARE–II with protected status. Various members of the Missouri delegation have today cosigned a letter to Secretary Bergland expressing their concern that these seven areas be protected administratively until we, and the Forest Service can more thoroughly study them.

The four areas are superb remnants of Missouri's original landscape. They are rich in wildlife and rustic Ozark scenery. Three of these areas have been formally recognized as wilderness study under previous legislation, and all have been carefully defined during the RARE–II process.

We are pleased to propose the national designation and are confident that the wilderness areas constitute an exceptional contribution to our Nation's wilderness preserves.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in furtherance of the purpose of the Wilderness Act (78 Stat. 890), the following lands as generally depicted on maps appropriately referenced, dated July 1979, are hereby designated as wilderness and components of the National Wilderness Preservation System:

(1) certain lands in the Mark Twain National Forest, Missouri, which comprise about eight thousand five hundred and thirty acres, as generally depicted on a map entitled "Bell Mountain Wilderness, Proposed," dated July 1979, and shall be known as the "Bell Mountain Wilderness";

(2) certain lands in the Mark Twain National Forest, Missouri, which comprise about four thousand one hundred and twenty acres, as generally depicted on a map entitled "Rockpile Mountain Wilderness, Proposed," dated July 1979, and shall be known as the "Rockpile Mountain Wilderness";

(3) certain lands in the Mark Twain National Forest, Missouri, which comprise about eight thousand four hundred and thirteen acres, as generally depicted on a map entitled "Piney Creek Wilderness, Proposed," dated July 1979, and shall be known as the "Piney Creek Wilderness";

(4) certain lands in the Mark Twain National Forest, Missouri, which comprise about six thousand seven hundred and fifty-eight acres, as generally depicted on a map entitled "Devils Backbone Wilderness, Proposed," dated July 1979, and shall be known as the "Devil's Backbone Wilderness".

SEC. 2. As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture shall file a map and a legal description of each wilderness area with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the United States House of Representatives, and each such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in each such legal description and map may be made and such maps shall be on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture.

SEC. 3. Wilderness areas designated by this Act shall be administered in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.●

By Mr. ROTH (for himself, Mr. RANDOLPH, Mr. STAFFORD, and Mr. BIDEN):

S. 1686. A bill to designate the building known as the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building"; to the Committee on Environment and Public Works.

J. CALEB BOGGS BUILDING

● Mr. ROTH. Mr. President, as a long time friend and admirer of the Honorable James Caleb Boggs, Senator from Delaware in the period 1947–73, I take the greatest satisfaction in introducing a bill to designate a Federal office building in Wilmington, Del., as the J. Caleb Boggs Building, in honor of a public servant unparalleled in nature.

If ever there can be said to have been a man worthy of the honor here involved, it would have to be Senator Boggs whose political performance rendered him outstanding in every conceivable respect.

Born on a farm in Kent County, Del., in 1909, and initially educated in the Delaware public school system, he did his undergraduate work at the University of Delaware and obtained his law degree at Georgetown in Washington, D.C. Entering the law profession in his native State, he attracted wide attention through his considerable abilities and soon was appointed judge of the Family Court of New Castle County.

In the meantime, Judge Boggs had enlisted in the Delaware National Guard as a private, and later, obtained a commission with which he entered World War II. Assigned to the European theater, he engaged in five campaigns, acquiring through frequent displays of courage and military capacity, the Legion of Merit, the Bronze Star with cluster, and the Croix de Guerre with Palm. Upon his discharge from the service at the close of hostilities, he obtained the Republican nomination for an at-large seat in the 80th Congress, and was handsomely elected. In the famous battles between President Truman and the 80th Congress, Representative Boggs declared for economy in government and fought the President tooth and nail, through the election of 1948.

Although Truman was the winner in that contest, at the national level, Representative Boggs carried his district once again with a magnificent majority. He was once more reelected in 1950, and in 1952 won the Governorship, in the same year that Dwight D. Eisenhower was elected President.

As Governor, J. Caleb Boggs revealed an executive ability unmatched throughout the country, in my humble opinion. Careful with State finances, yet imbued at all times with a full recognition of the needs of the people, he expended what funds needed expending, without extravagance and to the overwhelming satisfaction of the voters. When he stood for reelection in 1956 he was returned to office with a sizable majority. In 1957, he was elected chairman of the National Governors' Conference, and in 1960, served with distinction as president of the Council of State Governments.

At the close of his second term in the state house, Governor Boggs was offered and accepted the 1960 Republican nomination for U.S. Senator. He was once again elected, and when he sought a second Senate term in 1966, he was once again successful. In the Senate, he served with high capacity and wide recognition as a member of the Committees on Appropriations, Public Works, and Post Office and Civil Service.

The record established by this remarkable son of Delaware was one of outstanding performance, worthy of the greatest praise. On all problems brought to his attention he performed in the manner of the finest kind of legislator, responding with alacrity and always with that same resourcefulness which never seemed to fail him.

In his 12 years in the Senate and in his many years in public life in general, J. Caleb Boggs revealed himself as one man in a million, a true and earnest friend of the people.

It is highly appropriate that he be honored as this measure seeks to honor him today, and for that reason, I am pleased to introduce S. 1686, a bill to name a Federal building after the Honorable J. Caleb Boggs, former U.S. Senator from Delaware.●

By Mr. LUGAR (for himself and Mr. CRANSTON):

S. 1687. A bill to amend title 10, United States Code, to eliminate certain limitations imposed on excess profits arising from any contract with any military department of the United States for the construction or manufacture of all or part of any complete aircraft or any contract with the Secretary of the Navy for the construction or manufacture of all or part of any complete naval vessel, and for other purposes; to the Committee on Armed Services.

● Mr. LUGAR. Mr. President, I am pleased to join my colleague, Senator ALAN CRANSTON, in introducing S. 1687 to repeal the Vinson-Trammell Act. This legislation is identical to H.R. 3254, introduced in this Congress by Congressman MCCLOSKEY. Enactment of this legislation is essential if the Congress is to avoid reimposing unnecessary and confusing reporting burdens on firms contracting with the Department of Defense similar to those which were only recently eliminated by the termination of the Renegotiation Board.

Last Congress Senator CRANSTON and I authored legislation to place the Renegotiation Board in abeyance until such time as the President declared a national emergency. A majority of the Senate Banking, Housing, and Urban Affairs Committee agreed with us and the legislation was reported out for consideration by the full Senate. Although S. 2791 remained on the calendar for the balance of the 95th Congress, the Board's activities were finally terminated through the appropriations process.

The statutory authority for the Renegotiation Board expired September 30, 1976, but the Board continued to conduct business through annual appropriations from the Congress until March 31 of this year when the 6 months appropriation provided for the current fiscal year expired.

The expiration of the Renegotiation Board's authority on September 30, 1976, automatically reinstated the Vinson-Trammell Act, a relic of pre-World War II, as its application had only been suspended by the renegotiation statutes of World War II and the Korean War, including the Renegotiation Act of 1952.

Vinson-Trammell was enacted in 1934 to place a ceiling of 10 percent profits on shipbuilding contracts and was amended in 1939 to include a 12 percent ceiling on aircraft construction contracts. Compliance with Vinson-Trammell would entail considerable additional expense to ship and aircraft contractors in meeting reporting requirements—a factor which weighed heavily on the Congress in allowing the Renegotiation Board to expire.

An additional irony exists here in that the Defense Department's "Profit '76" study indicated an average pretax return on defense sales of 3.7 percent for aircraft and 0.6 percent for naval vessels, both clearly within the profit limits set by Vinson-Trammell. Although the Internal Revenue Service, which has enforcement authority under the statute, has not yet published new proposed regulations to implement Vinson-Trammell, considerable effort has been expended by IRS to draft regulations to implement this superflous statute. Congress must act to avoid this absurd result.

The Department of Defense believes that Congress should repeal Vinson-Trammell.

In a letter to IRS Commissioner Kurtz on May 22, 1978, DOD Assistant Secretary William Perry (Research and Engineering) said in part:

The existing Treasury Department regulations . . . implementing the Act were first published in 1939. These regulations do not take into account changes in laws and IRS and DOD regulations that were made during the period of Vinson-Trammell Act Suspension.

Our statistics on defense contract profit levels lead us to doubt that substantial amounts of excess profit will be collected under the Act. The data from our "Profit '76" study indicated an *average pre-tax return on defense sales of 3.7 percent for aircraft and .6 percent for naval vessels.* Moreover, the context for administration of the Vinson-Trammell Act profit limitations has changed substantially in the 43 years since enactment of that statute.

These and other considerations have led us to conclude that the Vinson-Trammell Act is out of date and should be repealed. (emphasis added)

To allow Vinson-Trammell to remain on the books would contradict the fundamental rationale underlying the Congress explicit decision to let the Renegotiation Board go out of business. Clear and convincing evidence was presented to the Congress that the Renegotiation Board was an unnecessary agency, imposed expensive reporting burdens on businesses, and in the final analysis was counterproductive to an efficient defense production industry.

To allow the automatic reinstatement of the anachronistic Vinson-Trammell Act requirements would produce the same results, and, therefore, the Congress should act expeditiously to repeal it.●

REPEAL OF THE VINSON-TRAMMELL ACT

● Mr. CRANSTON. Mr. President, I am pleased to join my colleague Senator LUGAR as a cosponsor of his bill to repeal the Vinson-Trammell Act of 1934, as amended in 1936 and 1939.

The Vinson-Trammell Act dates back to the time when President Franklin D. Roosevelt asked Congress to modernize America's then-antiquated Army Air Corps and Navy. The act established a profit limitation of 12 percent on contracts to build airplanes and 10 percent on contracts to build ships. The act does not cover contracts for missiles, tanks, vehicles, guns, and other items of defense procurement.

The act is administered by the Internal Revenue Service which is to add up the profits and losses on all contracts of the taxpayer for the tax year just ended, and then assess a tax on the amount exceeding the limitation. At the time, 1939, the Internal Revenue Service had only a fraction of the work it now performs. The personal income tax hardly affected the majority of citizens, and other tax matters were relatively uncomplicated.

The Vinson-Trammell Act is out of date, has not been enforced for more than a quarter of a century and is relevant today only because of a quirk in the law.

The Vinson-Trammell Act preceded the renegotiation statutes of World War II and the Korean war. Those statutes suspended the Vinson-Trammell Act for the duration of renegotiation. When the Renegotiation Act of 1952 finally expired on September 30, 1976, the Vinson-Trammell Act automatically was reactivated.

After years of dormancy, this Rip Van Winkle statute suddenly appeared on the doorsteps of the Internal Revenue Service and the Department of Defense.

IRS wisely responded by doing nothing. No regulations reimplementing the statute have been issued and for a very good reason: The Vinson-Trammell Act, like old Rip, simply is not suited to today's defense procurement conditions.

Defense procurement has come a long way since the 1930's when the Vinson-Trammell Act was last seriously considered by Congress.

Since that time we have the Truth-in-Negotiations Act, a powerful sanction which promotes sound and open negotiations between the Government and defense contractors. And, the Cost Accounting Standards Board has accomplished pioneering work in establishing common standards of accounting for contract costs so that the Government can better determine what costs it actually is paying for in a negotiated contract.

Procurement officials and contracting officers are highly trained competent individuals today. Contracting officers have power to conduct onsite audits at any time during the performance of a contract. Upon renewal of a contract full opportunity exists for the Government to review performance of the contractor and to insist upon a better price if the contracting office thinks the Government did not receive the best possible bargain.

Vinson-Trammell, on the other hand, deals with an after-the-fact situation. The contractor has completed his work, IRS adds up his wins and losses and then taxes the overage, in addition to his regular taxes. The procurement agency could not care less. In fact, the Vinson-Trammell Act is an open invitation to inefficiency and waste since costs can always be charged against the profits of a contract, thereby bringing the contractor below the profit limitation.

It is not in the interest of the Government or the taxpayer to establish a system which rewards waste but penalizes efficiency. The Vinson-Trammell Act is designed to do just that.

Our best protection against price-gouging and profiteering must be strong cost-conscious procurement practices.

Defense procurement drains the Treasury primarily by costly, unnecessary, and poorly conceived weapons systems. A second source of a great fiscal drain is cost overruns due to poor contract negotiations, poor planning by both Government and the contractor, and poor contract management by the Government.

Billions in waste and inefficiency can be saved through continued improvements in defense procurement practices. Good negotiations followed by strong management of the contract on the part of government will greatly reduce profiteering and price gouging by reducing opportunities for these practices to occur. We do not need another layer of bureaucratic enforcement after-the-fact to do the job.

Retaining Vinson-Trammell affords little or no advantage to the Government. Compliance and enforcement will be time consuming, confusing, and expensive for both the Government and contractors. Repeal simply removes from the books what is virtually dead letter law.

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, and Mr. WALLOP):

S. 1688. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State or political subdivision may tax certain income from sources outside the United States; to the Committee on Finance.

● Mr. MATHIAS. Mr. President, in April I introduced a new interstate taxation bill that sought to solve comprehensively the many problems that face businesses engaged in interstate commerce. That bill—S. 983—has been well received and I look forward to hearings on it late this year or early next year.

Two of the major issues addressed in my bill—worldwide combination of corporate income for State tax purposes and the taxation of dividends—were recently the subject of some debate in the course of the Senate's consideration of the United States-United Kingdom Tax Treaty. These two issues in particular need further focussed debate in both Houses and for that reason I today introduce with my distinguished colleagues a scaled down version of my interstate taxation bill. I am pleased to note that an identical bill has just been introduced in the House by Mr. CONABLE of New York.

With the introduction of these bills, I hope that we will sharpen the debate on the most important issues that separate us.

Article 9(4) of the United States-United Kingdom Income Tax Treaty would have limited the use of the worldwide combined reporting system (WCRS) by the States in assessing taxes of corporations doing business in this country, which are affiliated with foreign corporations not doing business in this country. The article was removed by reservation.

During the Senate debates, much importance was placed upon the objection to article 9(4) as applied to the States in that such limitations via a treaty did not afford an opportunity to provide a full legislative hearing involving both Houses of the U.S. Congress. Both the House of Representative and the U.S. Senate have addressed the problem caused by the use of the worldwide combined reporting system. In 1976 a task force on foreign source income chaired by Congressman DAN ROSTENKOWSKI recommended that States be precluded from taking into account, under the unitary method or any other method, income of foreign affiliates of corporations doing business within the State until such time as that income is subject to Federal income tax. In the report of the Committee on Foreign Relations of the U.S. Senate of June 15, 1979, regarding the United States-United Kingdom Tax Treaty, the committee urged "the tax writing committees of the Congress—the Finance and the Ways and Means Committees—to hold hearings in the very near future" in order to permit all sides of the issue to have their views known for the record.

The attached bill would limit the use of the worldwide combined reporting system so that a State in imposing an income tax on any corporation could not take into account any amount of income of, or attributable to, any foreign corporation which is also a member of an affiliated group of corporations, unless such amount is subject to Federal income tax.

The purpose of the section of the bill regarding dividends, which will become section 7518(e) of the Internal Revenue Code of 1954, is to bring the taxation by States of dividends into accord with the Federal Government procedure as recommended by the Rostenkowski task force and to specify that in taxing dividends from foreign corporations, or from domestic corporations treated as foreign corporations, the fact that they have paid taxes overseas will be taken into account.

The Federal Government has not used the worldwide combined reporting system, but relies on the arms-length method of taxation. The attached bill would eliminate the chances of double taxation and insure that the United States speaks with one voice in matters of foreign commerce.

I urge all of my colleagues to give the bill their closest scrutiny, and I ask unanimous consent that the text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as as follows:

S. 1688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

(a) Chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions is amended by adding at the end thereof the following new section:

"SEC. 7518. INCOME OF CORPORATIONS ATTRIBUTABLE TO FOREIGN CORPORATIONS.

"(a) IN GENERAL.—For purposes of imposing an income tax on any corporation, no State, or political subdivision thereof; may take into account, or include in income subject to such tax, any amount of income of, or attributable to, any foreign corporation which is a member of any affiliated group of corporations which includes both such corporations unless such amount is includable in the gross income of such corporation for purposes of chapter 1 (including any amount includable in gross income under subpart F of part III of subchapter N of chapter 1) for the taxable year in which or with which the taxable period (for purposes of State or local law) ends.

"(b) INCOME TAX DEFINED.—For purposes of this section, the term 'income tax' means any tax which is imposed on, according to, or measured by income.

"(c) AFFILIATED GROUP DEFINED.—For purposes of subsection (a), the term 'affiliated group' means a common parent corporation and one or more chains of corporations connected through stock ownership with such common parent corporation.

"(d) CERTAIN CORPORATIONS TREATED AS FOREIGN CORPORATIONS.—For the purposes of this section, a domestic corporation shall be treated as a foreign corporation if under section 861(a)(2)(A) a dividend received from such corporation in the taxable year referred to in subsection (a) would not be treated as income from sources within the United States.

"(e) CERTAIN DIVIDENDS PAID OR DEEMED PAID.—

(1) DIVIDENDS EXCLUDED FROM TAX.—If a corporation receives in any taxable year a dividend from a foreign corporation (or is by application of section 951 treated as having received such a dividend), in imposing an income tax on such corporation no State, or political subdivision thereof, may tax, or otherwise take into account—

(A) in the case of a dividend received from a corporation described in subsection (d), the amount of the deduction allowed by section 243 or the amount not taken into account in determining the tax liability of an affiliated group of corporations in accordance with section 1502, or

(B) in the case of a dividend to which subparagraph (A) does not apply, more than the lesser of—

(i) the amount of the dividend (exclusive of any amount determined under section 78), or (ii) the amount by which the dividend plus any amount determined under section 78 exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

(2) EXCLUDED PORTION OF A DIVIDEND.—The excluded portion of any dividend shall be determined by multiplying the amount of the dividend (including any amount determined under section 78) by a fraction—

(A) the numerator of the fraction shall be the sum of

(i) the total amount of tax withheld from all such dividends at the source, and

(ii) the total amount of tax which by application of section 902 or section 960 to all such dividends, the domestic corporation is deemed to have paid.

(B) The denominator of the fraction shall be 46 percent of all such dividends. For the purposes of this section, only a tax for which a credit against tax would be allowed under section 901 (determined without regard to the limitation in section 904) shall be taken into account.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods (for purposes of State or local law) beginning after December 31, 1978.

(c) AMENDMENT OF THE TABLE OF SECTIONS.—The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following new item:

"Sec. 7518. Income of corporations attributable to foreign corporation."●

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 1690. A bill to provide for conveyance of certain lands near Fairbanks, Alaska, to the University of Alaska; to the Committee on Energy and Natural Resources.

Mr. STEVENS. Mr. President, the bill which I introduce, for myself and Mr. GRAVEL today, concerns the conveyance of approximately 76 acres of Federal land near Fairbanks, Alaska, to the Mine Field Laboratory of the University of Alaska's School of Mineral Industry. This land contains mineral prospects, including zinc, gold, lead, silver, tungsten, and molybdenum, and the Federal conveyance is coordinated with a State conveyance of about 445 additional acres, which comprises the extent of the mining claims of a well known Alaskan miner, Mr. Turry Anderson. The purchase of these claims is in process and must be arranged before the Federal conveyance could occur. Public donations, including a $25,000 grant from the State, have been collected to do this. These funds also will be utilized to purchase the existing mining-related structures on the total 520 acres, which includues a 600-foot adit and a small mine plant. Similar conveyances have obtained successful results for the University of New Mexico, the Colorado School of Mines, and Michigan Tech.

This bill provides a beneficial conveyance of Federal lands for an in-the-field learning experience to complement the present facilities and curriculum at the University. The University agrees with the position of the Engineers' Council for Professional Development that such a working and authentic facility is a necessity for maintaining accreditation status in their mining engineering and geological engineering programs. The Mine Field Laboratory will be able to offer instruction in detailed geological mapping and location of mineralized zones, mine surveying and drilling, blasting, mucking, track laying and timbering and also students will be able to accomplish applied and basic research.

The University at one time had a working mine adit, plant and mill, but this has long since been exhausted and its utility has been limited to basic observation. Another piece of University property contains an adit, but which has difficult access and is partially caved. It would be uneconomical for the school to remedy this situation. Contrary to this situation, the mining facility of this bill is easily reached and the adit is secure and has track and ventilation hose for its full extend and is well-timbered where necessary. There is an adequate electrical lighting system underground and various other supporting supplies and equipment.

Public tours of the operations will continue to be given to provide tourists a chance to view several items of memorabilia which were used in the prospecting, mining, and milling industry of another era.

This bill is the most expedient vehicle by which this important facility can fulfill these worthy dual purposes. I am hopeful that the Congress will give this measure favorable consideration. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to the conditions and limitations specified in this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to convey to the University of Alaska all right, title, and interest of the United States in the following described land comprising approximately seventy-six acres:

E½SE¼SW¼NE¼SE¼. N½SW¼SE¼NE¼SE¼. S½S½SE¼NE¼SE¼. E½NE¼NW¼SE¼SE¼. NE¼SE¼SE¼. N½SE¼SE¼SE¼. N½S½SE¼SE¼SE¼. S½SE¼SE¼SE¼SE¼, section 8; W½SW¼SW¼. S½SW¼NW¼NE¼SW¼SW¼. SW¼NE¼SW¼SW¼. SE¼SW¼SW¼. W½W½SW¼SE¼SE¼SW¼. SW¼SE¼SW¼. S½SW¼NW¼SE¼SW¼. section 9; N½N½NW¼NW¼NW¼. N½NE¼NW¼NW¼. N½NE¼SE¼NE¼NW¼NW¼. NW¼NE¼NW¼. N½NE¼SW¼NE¼NW¼. N½NW¼SE¼NE¼NW¼. W½NE¼NE¼NW¼, section 16; township 2 north, range 1 east, Fairbanks, Meridian, Alaska.

SEC. 2. Conveyance under this Act shall be made only (a) upon the Secretary being satisfied that no valid mining claims exist on the described lands, other than the unpatented mining claims of Turry F. Anderson; and (b) upon the condition that the described land shall be held and used by the University of Alaska and shall not be conveyed by the university.

SEC. 3. No conveyance shall be made unless application for conveyance is filed by the university with the Secretary within six months of the date of approval of this Act.

SEC. 4. The Secretary may in his discretion require that he be furnished a perimeter survey of the described lands. All costs of obtaining such survey and any costs of supplying the Secretary with the proof that no valid unpatented mining claims, other than those held by Turry F. Anderson, exist on the property, shall be borne by the university.

SEC. 5. No conveyance shall be made under this Act until the university has shown to the satisfaction of the Secretary that all right, title, and interest of Turry F. Anderson to unpatented mining claims in the above described lands have been conveyed to the University of Alaska.

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S. 1691. An original bill to provide for improvements in the structure and administration of Federal tax courts, and for other purposes (Rept. No. 96-306). Referred to the Committee on Finance until not later than December 31, 1979, by unanimous consent.

TAX COURT IMPROVEMENT ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that the original bill reported today by the Committee on the Judiciary to provide for improvements in the structure and administration of the Federal tax courts, and for other purposes, be referred to the Senate Committee on Finance for a period not to extend beyond December 31, 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. MELCHER (for himself and Mr. MUSKIE):

S. 1692. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

Mr. MELCHER. Mr. President, I am today joining with my distinguished colleague from the State of Maine (Mr. MUSKIE) in introducing legislation which is designed to deal with a classic case of bureaucratic and regulatory overkill by the Federal Government against our local and State governments. Our bill, S. 1692 which closely parallels the provisions of the Occupational Safety and Health Act of 1970, provides that State and local governments will not be subject to the Federal Mine Safety and Health Act of 1977, as amended, unless the individual State elects such coverage pursuant to a State-administered mine safety and health plan.

Our reasons for introducing this legislation may be summarized as follows. First, the Federal Mine Safety and Health Act of 1977 and the training regulations issued pursuant to the act by the Mine Safety and Health Administration (MSHA), effective on October 13, 1978, impose an onerous new financial and administrative burden on local and State governments which was never intended by the Congress and which has not been justified by any demonstrated need. Second, there is a substantial legal question as to whether the act may be constitutionally applied to local and State governments.

We have heard much in recent days concerning the impact of the act and of the MSHA training regulations on private sector sand, gravel and stone operations. Numerous Members of Congress and industry representatives have pointed out the substantial economic and administrative burden being placed on small, private operators by the act and the training regulations. But while the plight of the private operator has received much deserved attention, I am not sure how many of us realize that the Office of Solicitor of the U.S. Department of Labor has recently issued an opinion interpreting the act as applying to State, county and municipally-owned or operated sand, gravel and crushed stone operations despite the absence in the act's legislative history of any express indication of congressional intent that local and State governments were to be covered.

While there do not seem to be any accurate statistics regarding the number of State and local government sand, gravel and stone operations, it appears that there are hundreds, or perhaps, thousands, of such operations throughout the Nation. Generally, State and local governments extract sand, gravel and other granular materials for a single basic purpose—public road maintenance

and improvements. Sand, gravel, and other materials are removed by State and local government employees from State and local government-owned or operated pits, and such materials are used solely for road maintenance and improvement.

Furthermore, the great majority of such operations appear to be entirely local in scope. Governmental entities are not in the business of selling gravel, sand and crushed stone to other users. In most cases, those Government employees which work in sand and gravel pits perform a variety of other functions relating to public road maintenance and construction including transporting materials to road sites, sanding of roads for highway safety purposes, repairing paved and unpaved roads on a continuing basis and dealing with emergency situations such as road washouts.

Based upon my conversations and meetings with numerous local government officials from my own State and from other States, I firmly believe that most local and State governments simply do not have the administrative and financial capacity to comply with the various mandates of the act and the regulations issued by MSHA. As noted recently by Mr. MUSKIE, "MSHA's training requirements and other regulations would impose unreasonably complex procedures on nonspecialized and undermanned local governments."

While Congress clearly stated in section 103(e) of the act its intention to minimize the administrative burden imposed by the act on mine operators, I do not believe the question was ever addressed as to what the administrative and financial impact of the act would be on local and State governmental entities.

Needless to say, while at least large private operators can pass on the substantial costs of compliance to others in the market distribution chain, governmental entities do not have such an option. Operating under severe budgetary and other financial constraints, local government highway departments, in order to comply with the act, must either reduce the level of service to the public or locate an additional source of revenue by increasing the tax burden on the public. And since many local and State governments are operating under State constitutional or statutory taxation and spending limitations, those entities will have no alternative but to cut back on highway personnel and reduce road maintenance and improvement activities.

While the act with its system of enforcement inspection, and recordkeeping procedures arguably may be suited to the requirements of large, private sector sand, gravel, and stone operations, it clearly is not tailored to the realities of local and State government operations. This point applies with particular force to the mandatory penalty provisions of the act.

Under section 104 of the act, if an MSHA inspector believes that a violation of the act or of a mandatory standard has occurred, he must issue a citation irrespective of the significance of the violation or the operator's prior safety and health record. Section 110(a) further provides that the operator "shall be assessed a civil penalty" for any violation of a mandatory standard or of other provisions of the act. Thus, unlike the Occupational Safety and Health Act of 1970 where the Secretary of Labor is accorded administrative discretion to determine whether or not a civil penalty should be proposed in cases of "nonserious" violations of OSHA, the act grants no such administrative discretion. In my view, it is extremely difficult to see how the imposition of such mandatory monetary penalties against financially hard-pressed local or State governments meets a compelling public policy objective particularly when it is considered that the cost of such penalties must be borne, in one way or another, by the public.

In addition to the substantial problems imposed by the act itself, the MSHA training regulations mandate an unduly restrictive and complex system of training on local and State governments. The training standards which are applicable to all mines under the act require each mine site to have a written training plan approved by the MSHA training center chief having jurisdiction over the mine. Five specific types of training are set forth in the regulations: new miner training, newly employed experienced miner training, task training, annual refresher training, and hazard training. Newly employed miners are required to receive 24 hours of training; 12 specific courses are required as well as any additional courses which the training chief deems appropriate. A minimum of 8 hours of annual refresher training is prescribed; 10 specific courses must be covered. In addition, the regulations mandate extensive, repetitive, and time-consuming bookkeeping to maintain the records of training and certification including requirements relating to submission of written training plans for each mine (as opposed to each operator), training and qualification of instructors and the retention of records at the mine site.

To illustrate the impact of the act and of the MSHA training regulations on local and State governments, I would like to cite the case of Missoula County, Mont.

Missoula County, which has a population of approximately 65,000 and is located in the western part of Montana, operates several sand and gravel pits during the summer in connection with its winter-sanding and road maintenance and paving activities. County officials have informed me that they operate these pits at a considerable savings to Montana taxpayers. They calculate that if they were forced to close down their sand and gravel operators, it would cost approximately three times as much to purchase sand and gravel materials from outside sources.

Nevertheless, Missoula County is seriously considering closing down its sand and gravel pits because of the financial and administrative burden imposed by the act and the MSHA training regulations. County officials believe it will cost between $10,000 and $15,000 in order to comply with the various dictates of the act and the MSHA training regulations. This figure may not appear particularly significant until it is considered that the total county road budget for this year is only $2 million. When we consider that Missoula County has an outstanding safety record in its sand and gravel pits, never having experienced a serious accident, and that the county prides itself in maintaining an excellent safety and health training program for its employees who work in the sand and gravel pits, the fact that county officials may be forced to close down their sand and gravel operations indicates the magnitude of the regulatory burden being imposed by the act and the MSHA regulations on local and State governments.

There are hundreds of other counties across the Nation which face similar problems in attempting to comply with the act and MSHA regulations. When combined with the effects of spiraling inflation and stringent revenue limitations, I am forced to conclude that the act and the MSHA training regulations will inevitably result in a substantial reduction in the level of service provided by local and State highway departments to the public.

Before I conclude my remarks, Mr. President, I think it also should be briefly indicated that there is a serious legal question as to whether or not there is a Federal constitutional bar to extending application of the Federal Mine Safety and Health Act of 1977 to State and local governments. In a statement submitted to the Labor and Human Resources Committee on May 11, the National Association of Counties (NACo) argues that extension of the act to State and local governments violates the U.S. Supreme Court's decision in *National League of Cities* v. *Usery*, 426 U.S. 833 (1976). NACo specifically takes issue with the Department of Labor's view that a local government sand and gravel operation is not a traditional governmental activity but rather is a "commercial" activity which is not within the ambit of the Usery decision. It points out that this view ignores the fact that virtually all State and local government sand, gravel, and stone operations are conducted for a single noncommercial purpose—public road maintenance and improvement, a traditional State and local function dating back to colonial times.

It should be noted that State and local governments are specifically exempted from the Federal Mine Safety and Health Act's sister statute, OSHA. I have to assume that it was considerations of federalism and concern regarding the possible unconstitutionality of extending OSHA's coverage to State and local governments which served as primary motivating factors in granting this exemption. Our bill, S. 1692, does nothing more than bring the Federal mine safety statute into line with OSHA.

Mr. President, I am a strong supporter of Federal occupational safety and health laws. I voted for the Mine Safety and Health Act when it was enacted in 1977 because I was appalled at the fatality and injury record in this industry. However, at that time, I was not aware,

nor, I suspect, were most of my colleagues aware, that the act could be stretched to include local and State governments.

There is a distressingly pervasive attitude in this city that the Federal Government always knows what is best for State and local governments. I want to make the record unequivocally clear: The county commissioners and city officials of Montana and throughout the Nation care just as much about the safety and health of their employees as does any Member of Congress or any other Federal official. Indeed, they may care more since the potential accident victims are their friends and neighbors. Counties in my State have established excellent safety and health training programs for their employees which are specifically tailored to the realities of local government sand and gravel operations. No need has been demonstrated to replace these programs with a uniform miner safety and health program dictated from Washington, D.C. Our bill appropriately places the responsibility for establishing and maintaining effective safety and health programs for local and State sand, gravel, stone, and clay operations on those layers of government in our Federal system which are best equipped to make these decisions—local and State governments.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 (d) of the Federal Mine Safety and Health Act of 1977, as amended (30 U.S.C. 802 (d)), is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "but does not include any State or political subdivision of a State".

(b) Section 4 of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "except that in no case (other than as provided for in section 117 of this Act) shall any coal or other mine owned by any State or political subdivision thereof be subject to the provisions of this Act".

SEC. 2 Title I of the Federal Mine Safety and Health Act of 1977, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 116. Upon the request of any State or political subdivision thereof which owns or operates any coal or other mine, the Administration is authorized to make available to such State or Subdivision safety and health training opportunities and materials and other data for use by such State or subdivision in the operation of such mines.

"SEC. 117. (a) Nothing in this Act shall prevent any State agency or court from asserting jurisdiction under State law over any mandatory health or safety standard issue involving a coal mine or other mine owned by such State or a political subdivision thereof.

"(b) Any State which, at any time, desires to develop and enforce any mandatory health or safety standards established by or pursuant to this Act in connection with coal mines and other mines owned by any such State or political subdivision therein may submit a State plan to the Secretary for the development of such standards and their enforcement.

"(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, if such plan in his judgment—

"(1) designates a State agency or agencies as the agency or agencies responsible for administering the plan throughout the State;

"(2) provides for the development and enforcement of mandatory health and safety standards relating to one or more safety or health issues, which standards (and the enforcement of which standards) will be at least as effective in providing safe and healthful employment and places of employment as the mandatory health and safety standards promulgated pursuant to this Act which relate to the same issues;

"(3) provides for a right of entry and inspection of all work places subject to such State standards which is at least as effective as that provided in this Act for mines subject to the provisions of this act, including a prohibition on advance notice of inspections;

"(4) contains satisfactory assurances that such agency or agencies have or will have the legal authority and qualified personnel necessary for the enforcement of such standards;

"(5) gives satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards; and

"(6) contains satisfactory assurances that such State will, to the extent permitted by its law, establish and maintain an effective and comprehensive training and education program for operators, agents, and miners involved in State-owned coal and other mines.

"(d) If the Secretary rejects a plan under this section, he shall afford the State submitting the plan due notice and opportunity for a hearing before so doing.".

By Mr. MELCHER:

S. 1693. A bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so; to the Committee on Labor and Human Resources.

Mr. MELCHER. Mr. President, I am introducing a bill, S. 1693, to provide that workers with bona fide religious convictions against joining a labor union may instead contribute an amount equal to the union dues to a nonreligious, nonlabor charity of their choice.

A similar bill passed the House last year but failed to survive in the Senate as part of the labor law reform bill. The AFL–CIO is on record as supporting this type of legislation. I know of no one who opposes it.

Several States, including Montana, have this "conscience clause" as a provision in State law. Supporters of the proposal have been seeking appropriate congressional action for over 15 years. I see no reason why there should be any further delay.

By Mr. DOLE (for himself and Mr. COHEN):

S. 1694. A bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000; to the Committee on Finance.

● Mr. DOLE. Mr. President, I am pleased to introduce this legislation today which would amend the Internal Revenue Code of 1954 to extend permanently a provision which allows for expenses incurred when removing certain architectural and transportation barriers to be counted as a deduction by the taxpayer. The Senator from Maine (Mr. COHEN) joins me in this effort to provide income tax incentives to promote the accessibility of existing facilities.

The idea of a tax incentive for the removal of barriers is not a new idea, for it was first proposed several years ago. In 1976 I introduced legislation which was incorporated into the 1976 Tax Reform Act which allowed a deduction of up to $25,000 for cost incurred in the removal of barriers. That provision expires at the end of this calendar year, so I am therefore introducing this legislation to continue indefinitely that provision. The only change in this provision from current law is that a maximum of up to $100,000 is allowed to be claimed as a deduction, rather than $25,000.

Undoubtedly the disabled face many problems in our society. However, one of the most frustrating—and certainly one of the most needless—is that which they incur because of inaccessible design. Mr. President, I firmly believe that in this day and age there is no reason why facilities cannot be designed to accommodate the mobility limitations of the handicapped. Recognizing that there is much discrepancy between the way things should be and the way things are, I offer this legislation as a means to help bridge that gap. Under present law, Government facilities are required to be accessible if they are constructed or renovated after 1968. While there have been many violations of this regulation, considerable progress has been made in recent years. This bill would address the problem of private facilities which are riddled with obstacles by giving private enterprise an economic incentive to take their own steps toward removing barriers.

Three years ago when I introduced similar legislation there was considerable support from disabled advocate groups. They were excited about the prospect of offering an incentive rather than a mandate to private industry, and thought that this was a workable approach to take. This year, in anticipation of the expiration, I have again received many letters of support from various groups urging me to introduce legislation to extend this provision. I am pleased that the handicapped groups have continued to believe that this is a reasonable means by which to address this problem, and look forward to discussing it in the Finance Committee.

Since 1976 I believe that disabled persons have made some gain. In general, I think the public is more sensitive to their needs and to the Federal legislation designed to protect their civil rights. However, this does not mean that the work has been accomplished. However, regardless of how much gain we make in the areas of education, employment, or whatever, all achievements will be somewhat limited until disabled persons are allowed to circulate freely on our

sidewalks, in our buildings, and on our public transportation systems.

In many ways the problem of accessibility is one of the most pressing which faces disabled persons. We have made some progress with the provision in the 1976 tax law and I hope we will continue to press forward by extending and expanding it.

In all truthfulness, I will admit that I have been somewhat disappointed with the results of the 1976 tax provision. In many ways, response to it has been more limited than anticipated. Although I briefly debated whether or not to introduce legislation extending that provision, I decided that the provision was worthwhile. I consulted the Building Owners and Managers Association International to solicit their opinion on this legislation. Their feeling was that the provision in current law is good, but too limited. First of all, the $25,000 limitation is quite low. With inflation, the high cost of labor, and the ever increasing cost of construction, it is almost impossible to make substantial modification for under $25,000. Thus, the incentive becomes less attractive in reality than it is on paper. Second, I understand that the temporary regulations issued by the Department of the Treasury were not only late in forthcoming, but are also quite restrictive. This legislation gives us the opportunity to address both concerns.

In conclusion, I suggest that inasmuch as this legislation is designed to increase the mobility of physically disabled persons and to encourage their circulation along the pathways of society. I anticipate that this legislation will lead to increased employment of handicapped persons. It is difficult for disabled persons to seek gainful employment when they are denied access to transportation systems and buildings. It is my hope that this bill will continue efforts being made to integrate the disabled into all walks of life, and to allow them to make greater contributions to the world around us.●

● Mr. COHEN. Mr. President, I am pleased to join with the Senator from Kansas (Mr. DOLE) in cosponsoring legislation to upgrade and extend section 190 of the Internal Revenue Code.

This little-known section is based on legislation I originally introduced in the House during the 93d Congress, entitled the Freedom of Access Act. This bill provided tax incentives to encourage owners of buildings and transportation facilities to remove structural barriers from the paths of the aged and disabled. Subsequently, the bill was introduced in the Senate by Senator DOLE and, at his instigation, it was added as an amendment to the Tax Reform Act of 1976. As enacted, this provision allows an annual deduction of up to $25,000 for the expenses of barrier removal for a 3-year period ending this December.

As we move in Congress to reassess this provision, it is difficult to come to any conclusions about its true impact. Only last week, the IRS published final regulations on the section in the Federal Register. Some extension is necessary so that private industry will have a full opportunity to take advantage of this tax incentive.

Senator DOLE's new proposal would upgrade the allowable deduction from $25,000 to $100,000 per year, and make the section a permanent addition to the Code. I think these modifications are reasonable and desirable.

One of the most serious and least understood problems facing elderly and handicapped citizens today is the large number of architectural barriers that stand in their way. It is estimated that one out of 10 persons in the United States has limited mobility, because of a temporary or permanent physical handicap. With our growing elderly population and our improved medical technology, which provides many with mobility not previously possible, this number will continue to expand. Unfortunately, all too often, our communities are designed to accommodate only the able-bodied adult. As Dr. Henry Betts of the Rehabilitation Institute of Chicago has remarked:

> Centuries ago, parents of deformed on handicapped babies in Sparta abandoned their infants on the hills, and the Eskimos still abandon their aged on icebergs. We're supposed to be the most progressive of societies. But by designing the vast majority of facilities and services to meet the needs of the "average" young, able-bodied American, by creating an environment with architectural barriers which limit the mobility of millions of Americans, we have taken the disabled and aged off the hills and the icebergs and imprisoned them in their homes.

For too long, we have tacitly ignored our duty as a compassionate Nation to see that our handicapped and elderly have as productive a role in our society as possible. Handicapped people must surmount many obstacles alone. We need not compound the physical and psychological problems of these citizens with structural barrriers that keep them shut away from interaction with the rest of their community.

Obviously, the best time to eliminate barriers is before they are constructed. Studies have shown that when a barrier-free environment is planned prior to construction, the expense usually runs less than 1 percent of the total cost. Where barriers are already in place, it is important to remember that the costs of removal are generally a onetime expense. Afterward, as customers and employees, handicapped persons will return the investment through their patronage.

The National Commission on Architectural Barriers to Rehabilitation of the Handicapped concluded that the "greatest single obstacle to the gainful employment of handicapped persons is the architectural barriers they must contend with." The promises of equal employment opportunity in the Rehabilitation Act and the Age Discrimination in Employment Act ring hollow if the elderly and handicapped cannot reach places of employment to begin with.

In 1975, the Urban Institute estimated that $1.3 billion could be saved from Government disability and welfare programs if public transportation alone was accessible to handicapped persons, thus enabling them to get to and from work. Other estimates suggest that employment of this group would yield an additional minimum of $824 million in wages. Such sums overwhelmingly offset the costs of this bill. Clearly, more can and must be done to open up the workplace to those with limited mobility.

Mr. President, I submit that it is time to give the Nation's disabled and elderly a productive place in our society. We must now take the necessary steps to place commercial buildings and transportation within the reach of all American citizens. A country which can leap the barrier of space to put a man on the Moon, should not stumble at a street curb. Mobility need not stand in the way of equal access to services and opportunities.●

By Mr. DOLE (for himself, Mr. MCGOVERN, Mr. YOUNG, Mr. ZORINSKY, Mr. MELCHER, Mrs. KASSEBAUM, and Mr. BOSCHWITZ):

S. 1696. A bill to further the purpose of the Food and Agriculture Act of 1977 in providing price and income protection for farmers and assuring consumers of an abundance of food and fiber at reasonable prices; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. DOLE. Mr. President, Senator NANCY KASSEBAUM and I are introducing today a bill to further the purpose of the Food and Agriculture Act of 1977 in providing price and income protection for farmers and assuring consumers of an abundance of food and fiber at reasonable prices.

I believe some legislative changes are necessary to the Food and Agriculture Act of 1977 to update the bill and give the Secretary of Agriculture some additional authorities.

On Wednesday, August 1, Secretary of Agriculture Bob Bergland announced the 1980 wheat program. The Secretary announced that U.S. wheat producers will be eligible for farm program benefits in 1980 without setting aside or diverting acreage.

The Secretary also announced the 1980 wheat loan rate will be $2.50 a bushel, up 15 cents from the rate in effect the past 2 years. It was also announced that administrative or legislative steps will be taken to discourage planting wheat on fragile land.

The Secretary said a detailed review of target prices for all target price commodities was also underway and should administrative or legislative changes be necessary in that system of income protection, they would be recommended.

I believe the legislation I am introducing today will give the Secretary of Agriculture the authorities he needs to adequately implement his 1980 crop programs.

The Food and Agriculture Act of 1977 gives the Secretary certain authorities when he announces a set-aside. He does not have those authorities when he announces no set-aside. This bill gives the Secretary certain authorities when there is not a set-aside.

I have also been informed by farmers and farm organizations that with a zero set-aside the normal crop acres do not have to be maintained. Farmers can plant fence row to fence row and can bring marginal, fragile land into production. Farmers are concerned this will increase wheat production too much and affect needed conservation practices.

This bill amends the Food and Agriculture Act of 1977 to:

First. Require that the target prices for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice be not less than the target prices for the crops of the respective commodities for the previous year, adjusted to reflect any change in the inflation rate.

This provision would set the 1980 target price for wheat at not less than $3.40 per bushel, up from the present minimum of $3. Without this legislation the Secretary has announced that the 1980 target price for wheat will probably be $3.07 per bushel. I do not believe $3.07 is an adequate target price given the tremendous increases in the farmers' cost of production.

The 1977 act contained a cost of production formula to adjust the target price. This formula has not been working. With 20 percent or more inflation in the past 2 years the target price according to the formula can only be raised from $3 to $3.07. I am replacing this formula with a provision that the Secretary shall adjust the target price to reflect any change in the inflation rate, as determined by the percentage change in the Bureau of Labor Statistics' Consumer Price Index for the crop year immediately preceding the crop year for which the determination is made. This should provide farmers with better price protection.

Second. Authorize the Secretary of Agriculture to require as a condition of eligibility for loans, purchases, and payments for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary—under existing law the Secretary may require compliance with the normal crop acreage only when a set-aside is in effect for the respective commodity.

This provision is needed to keep plantings of wheat within normal crop acres when there is not a set-aside and to discourage planting wheat on fragile land.

Third. Authorize the Secretary to increase the target prices for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice above what they would otherwise be whenever the Secretary requires that producers of the commodity not exceed the acreage on the farm normally planted to crops designated by the Secretary—under existing law, the Secretary may increase the target price only when a set-aside is in effect for the respective commodity.

Fourth. Continue existing law under which the Secretary may increase the established price for any of the other target price commodities in such amount as he determines necessary for the effective operation of the program whenever he adjusts the target price for one of such commodities—however, under existing law, the authority to adjust other target prices may be exercised only when an increase is made in the target prices for a commodity for which a set-aside is in effect.

Mr. President, I believe the provisions of this bill should be enacted into law as soon as possible. They will give the Secretary of Agriculture the authority to implement an adequate farm program for the 1980 and 1981 crop years. Without the changes brought about by this bill the 1980 wheat program will not provide price and income protection for farmers.

I appreciate, in addition to Senator KASSEBAUM, the cosponsorship of Senators MCGOVERN, YOUNG, ZORINSKY, MELCHER, and BOSCHWITZ.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective for the 1980 and 1981 crops, section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended to read as follows:

"NORMALLY PLANTED ACREAGE AND ESTABLISHED PRICES"

"SEC. 1001. (a) Notwithstanding any other provision of law, effective for one or more of the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice, the Secretary of Agriculture may require, as a condition of eligibility for loans, purchases, and payments under the Agricultural Act of 1949, that producers not exceed the acreage on the farm normally planted to crops designated by the Secrteary, adjusted as deemed necessary by the Secretary to be fair and equitable among producers. The acreage for any farm normally planted to crops designated by the Secretary shall be reduced by any set-aside or diverted acreage.

"(b) Notwithstanding any other provision of law—

"(1) Whenever the Secretary requires that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary in accordance with subsection (a) of this section for one or more of the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice, the Secretary may increase the established price for any such commodity by the amount the Secretary determines appropriate to compensate producers for participation in the program for the commodity.

"(2) In determining the amount of any increase in the established price for any commodity under this subsection, the Secretary shall take into account changes in the cost of production resulting from participation in the program for the commodity involved.

"(3) The established prices for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice shall be not less than the established prices for the previous year's crop of the respective commodities, and shall be adjusted to reflect any change in the inflation rate, as determined by the percentage change in the Bureau of Labor Statistics' Consumer Price Index, for the crop year immediately preceding the crop year for which the determination is made.

"(4) If the established price is increased for any commodity under this subsection, the Secretary may increase the established price for any other commodity in such amount as the Secretary determines necessary for effective operation of the program.

"(5) The Secretary shall adjust any increase in the established price under this subsection to reflect, in whole or in part, any land diversion payments for the commodity for which an increase is determined.".

SEC. 2. The provisions of this Act shall become effective October 1, 1979.●

By Mr. WEICKER:

S. 1697. A bill to amend the Internal Revenue Code of 1954 to permit a credit, or exclusion from tax, for interest received on savings in residential finance institutions; to the Committee on Finance.

ALL SAVERS TAX INCENTIVE ACT OF 1979

● Mr. WEICKER. Mr. President, whatever happened to the old adage "a penny saved is a penny earned?" Well, because of runaway inflation and a tax system that rewards spending and penalizes savings, Americans today are following a different prescription to cure their economic woes, and that is, "a dollar spent is worth more than a dollar saved." Americans have become insatiable consumers, gorging their salaries and increasing their debt at a frightening pace.

Mr. President, in 1975, I introduced legislation to grant tax "relief" for all savers, including small savers. And today, I am reintroducing this proposal at a crucial economic turning point for consumers and the entire economy. The citizens of this country are victims of high interest rates on loans, chronic high inflation, low interest rates on savings, and a tax system that encourages consumption.

The small savers have virtually no opportunity for financial growth in today's economy. They are unable to keep pace with the wealthy money-market fund investors. Productivity has declined tremendously, thus we are relying more on imports. Our economy, in actuality, provides disincentives for savings.

My bill approaches the savings issue with a different slant. I propose to offer a tax credit with the option of an exclusion from interest earned on savings accounts. This bill will stimulate the economy, provide incentives for saving, help the senior citizens who most often live off their savings, and make additional funds for the depressed housing market more accessible.

The primary intent of this legislation, Mr. President, is to encourage people to save their money. As you well know, this country is suffering a grave financial crisis. The buy now syndrome is showing up in declining savings rates. According to the U.S. League of Savings Associations, Americans saved an average of 6.7 percent of their disposable income in the years from 1973 to 1977, one of the lowest savings rates in all industrialized nations. The rate in Japan during the same period was 24.9 percent, and in West Germany it was 17.7 percent. Today, Americans save at a record low rate of 5.1 percent of their disposable income.

These figures are an embarrassment to the greatest nation in the world. This is the time to set a few priorities, and our priority should be people. The small depositor utilizing a passbook savings account can earn only 5.5 percent at savings and loan associations and 5.25 percent at commercial banks. The administration has estimated that a person in a 30-percent marginal Federal income tax bracket would receive an after-tax yield of about 3⅔ percent, but when this return is adjusted for the 1978 inflation figure of over 9 percent, the return is a negative 5⅓ percent.

A negative rate of return on interest obviously discourages savings, and thrift institutions are feeling the consequences of this at present. In 1975, I stated that savers were seeking higher yields in the open market to prevent inflation from eroding earnings, and today small savers are being lured further away from saving. The current investment options favor the large investor because of the exemption from ceilings on certificates of $100,000 or more. Money market certificates also provide high interest rates for depositors with at least a $10,000 investment.

Mr. President, at this point, I ask unanimous consent that an article which appeared in Business Week on December 11, 1978, entitled "The U.S. Bias Against Savings Leads to High Inflation, Weak Dollar, Slow Growth and Declining Productivity," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE U.S. BIAS AGAINST SAVING LEADS TO HIGH INFLATION, WEAK DOLLAR, SLOW GROWTH, DECLINING PRODUCTIVITY

During the Depression, the ideas of John Maynard Keynes galvanized the world's economists into a war on the problems of chronic underconsumption and unemployment. Because more saving meant less current spending, Keynes argued with rapier-like logic that excessive saving, by households and companies, was what prevented an economy from pulling itself out of an economic slump. Indeed, increasing the amount people save would lead to more unemployment, thereby slowing business activity and reducing national income even further.

Ever since, economists and U.S. policymakers have treated saving as a stepchild—and an ugly one at that. Although the 1930s have become little more than a blurred dream, two generations of economists have scorned saving, maintaining instead that government stimulus of consumer spending and business investment was necessary to bridge the valleys of the business cycle and sustain long-term growth. Reflecting the antisaving bias of economists, policymakers have enacted measure after measure—ranging from the taxation of interest income to the sharp increase in Social Security benefits—to discourage or reduce the public's incentive to save.

But it is now becoming increasingly clear—even to some leading Keynesians—that stacking the economic deck against saving and toward more and more current consumption has turned out to be a mistake of monumental proportions. As Franco Modigliani of the Massachusetts Institute of Technology puts it: "The view that saving is a nuisance that threatens full employment is dead, and as far as I'm concerned, it should have been dead by the mid-1950s." Because policymakers have discouraged saving over the years, the nation now faces the bleak prospects of continuing high inflation, a weak dollar, lackluster long-run growth, and declining productivity brought about by anemic capital investment. And economists are warning that unless economic policy changes to encourage more saving, then there is no way that the U.S. can get onto a stable high-investment, high-growth path.

There are encouraging signs that Washington is getting the message. Top economic officials in the Administration and members of the Federal Reserve Board are at least talking about the need to spur saving by removing government disincentives. A chronic high federal deficit (the biggest drain on private savings) and a high inflation rate (the biggest discouragement to savers) have become the prime targets of President Carter, who wants to cut the deficit from $39 billion this fiscal year to $30 billion or less in fiscal 1980. The depth and durability of the President's commitment to budget restraint, which means controversial cuts in social programs, remain to be tested. But it will augur well for saving and the economy if this policy turn can be executed successfully.

THE $15 BILLION SHORTFALL

At the very heart of the about-face on saving lies the relationship between saving and investment. The old Keynesian view held that cause and effect ran from investment to saving. High investment generated high income growth, which, in turn, automatically created the pool of savings to provide the wherewithal to continue a high level of investment. So a dearth of saving was never a problem to Keynes. Most economists today see cause and effect moving in both directions. "To some extent, high growth produces high saving, but high saving also creates growth," says Modigliani. "In the long run, it is saving that limits investment and not vice versa." Adds Harvard University's Martin S. Feldstein: "Over the long term, the real problem is saving and how to stimulate a high rate of saving."

Robert Solow, president of the American Economic Assn. and a capital theorist, will not go quite as far as Modigliani and Feldstein, but he notes that as the nation gets closer to full employment, more incentives are needed to increase saving than to increase investment. Says Solow: "You need to sacrifice current consumption to create the productive capacity to gain future consumption. And it is not too soon to start the economy moving to higher saving to achieve higher long-run growth."

Saving means that the public does not consume its full income, explains growth theorist Evsey D. Domar of MIT. This gives the nation the opportunity to enlarge its capital stock, generate more productive capacity, and raise the standard of living of its people. "More saving gives you the chance to invest more," says Domar.

Another top expert on U.S. growth, Keynesian economist John Kendrick of George Washington University and former chief economist of the Commerce Dept., says: "We are in a stage of the expansion in which it is desirable to stimulate saving as well as investment. This is in contrast to the early stages of a recovery, when autonomous increases in investment stimulate income and employment, which, in turn, yield the required saving."

But rather than moving to a higher rate, consumer saving continues to fall below its long-run trend of 6% to 6½% of disposable income. In the third quarter of this year, the rate of personal saving declined to 5.1%, continuing the downward trend of the past two years. Although seemingly small, this below-trend shortfall amounts to $15 billion a year. Moreover, as Michael J. Boskin of Stanford University points out, changes in the labor force, such as the sharp rise in two-earner households, should have led to an increase in the rate of saving.

To Boskin and others, the future growth in the nation's income is being sacrified in favor of a short-run stabilization policy. Every time the economy sputters, he says, the government cuts taxes to encourage consumption. This increases the budget deficit. The government must then borrow to finance the deficit, so the already low level of saving is diverted from corporate investment for plant and equipment.

DISINCENTIVES TO SAVING

Alan Greenspan, president of Townsend-Greenspan & Co. and former chairman of the Council of Economic Advisers, is not convinced that total private saving in the economy is deficient. But he agrees, "We face a tremendous problem of overcoming the increasing preemption by government of large chunks of saving flows from productive private investment both through government deficits and off-budget government spending." In addition, Greenspan notes that government-mandated spending in the private sector for antipollution equipment and other social goods is diverting business saving from productive to unproductive investment.

Increasing the rate of saving means reducing consumption. This could lead to an economic slump unless investment spending rises to take up the slack. So it is vital to create the incentives for business investment. Greenspan and many economists argue that "we must work on the saving and investment levers simultaneously." Federal Reserve Board Governor Henry C. Wallich is also a "two-lever" man. "If you merely stimulate saving, you may not get the higher investment but only lower total income," he says. "On the other hand, if investment goes up without an adequate supply of saving, interest rates will rise until they choke off investment."

But it is the inadequate supply of savings that is worrying more and more economists these days, particularly the decline in personal saving. Otto Eckstein, president of Data Resources Inc., says that "the government could create more tax incentives for business to save by liberalizing depreciation allowances, for example, and thus increasing real retained earnings." But he notes that it is perhaps more crucial to have a large pool of personal savings than corporate savings to ensure that the savings flow goes into those corporate ventures that offer the highest rates of return. Moreover, personal saving over the past 30 years has on the average accounted for 65% of the nation's net private saving, and it is the net saving that adds to the country's capital stock.

No one is advocating that government policy move headlong into pushing the private saving rate up sharply overnight; if that were to happen, the economy would surely go spinning into a recession. Rather, what seems to be called for is a reversal of a system of incentives that has pushed the public toward spending and away from saving. The major disincentives to saving include:

Chronic high inflation. As consumers saw high inflation erode the value of their financial assets in the early 1970s, they first increased their rate of saving to replenish the lost value. And they tightened their belts even further as the economy moved into the 1974–75 recession. But with economic recovery and continued high inflation, the public has discovered that financial assets are a poor hedge against inflation. In the past few years real assets—especially diamonds, gold, houses, and even automobiles—seem to offer the best bet against inflation. This may be considered saving by the individual, but from the economy's point of view, saving means refraining from consumption: not buying autos or diamonds.

Increased social security benefits. As social Security benefits have risen faster than national income over the years, the need for wage earners to save for the proverbial rainy day has been reduced. The fact that Japan has a modest social security and pension system compared with the U.S. explains, in part, why the Japanese rate of personal saving in 1978 is five times the U.S. rate.

The income tax system. Earnings that are saved are taxed twice, once when earned and again when they earn interest. A dollar spent, therefore, is worth more today than a dollar saved in a system that rewards spending and penalizes saving. Furthermore, since interest costs are deductible, borrowing for current consumption is encouraged.

Ceilings on interest rates. While most industrial countries spur private saving, especially by small savers, U.S. bank regulators spurn the small saver. Regulation Q puts a ceiling on the interest rates payable on regular thrift accounts, and that ceiling is now almost 50% below the going market interest rate.

"Today the small saver is mistreated—not to say ripped off by the Regulation Q ceiling," says the Fed's Wallich. Not only is the inflation rate running well above the 5¼% ceiling that thrift institutions can pay on regular accounts, but when interest income is taxed, the real aftertax return is even more negative.

The government Series E savings bond may be one of the major swindles of all time on low- and middle-income wage earners, at least according to economist Solow. The government gets free air time, he says, to push bonds that pay 6% as a solid investment, while its own economists are forecasting an 8% inflation rate. With 8% inflation, the real rate of return on E bonds is a negative 2% before taxes and worse after taxes.

Indeed, because interest income is subject to taxes, the real rate of return for both small and big savers has turned negative ever since inflation really got rolling. Since 1972 the aftertax real rate of return on regulated savings and loan association accounts has remained negative. In 1974 the tax- and inflation-adjusted rate was minus 6%, and now that rate is only slightly better. Even for corporate bonds whose yield is determined by market forces and therefore contains an inflation premium, the aftertax real return is still almost minus 2%. As the system taxes the interest that reflects the rate of inflation as well as the real interest rate, the aftertax return can easily be pushed into negative territory when inflation rises. If the market interest rate were 6%, of which 3% was inflation premium, a person in the 50% marginal tax bracket would have a zero real aftertax return, because taxes would be paid on the entire 6% yield. If the rate of inflation were to double to 6% and this premium were incorporated by the market into the yield, then the interest rate would rise to 9%. At the same 50% marginal tax rate, the tax would come to 4½%, which provides a negative real rate of 1½%.

A TURN TO TANGIBLES

The combination of inflation and taxes has also clobbered savers who put their money into the stock market, even when stocks performed well. An analysis by Feldstein and Joel Slemrod, of Harvard, of stocks sold in the very good stock market year of 1973 showed that investors paid taxes on some $4.6 billion in capital gains. But when costs of these shares were adjusted for the increase in the price level since they were purchased, the $4.6 billion gain turned out to be a $1 billion capital loss. Individuals were paying taxes on nominal capital gains, which were actually losses when adjusted for inflation.

It is little wonder that consumers, expecting a chronically high inflation rate, are putting their dollars into tangible assets rather than financial assets. And this shows up as a decline in saving and an increase in consumption. William Fellner, of the American Enterprise Institute and a former CEA member, is now conducting a study demonstrating that the ratio of tangible assets held by households—houses, cars, and other durables—to their financial assets increased sharply over the past decade. "The public, because of inflation, finds it gets better value on current consumption through tangible asset, which it uses as a proxy for saving," he notes.

"When you have high inflation, people turn from financial to other assets," says Modigliani, "and as the prices of these assets rise, then this further reduces the incentive to save." When wealth rises because such unproductive assets as gold or diamonds are bid up, he explains, saving is reduced because people are wealthier and need to put away less for later in life.

The realization by the public that houses were a good hedge against inflation has perpetuated the boom in housing and led to sharp rises in home prices in the past year. This not only has pushed huge dollar savings flows into housing rather than into more productive corporate investment but also has reduced the incentive of homeowners to save because their homes have appreciated in value. Furthermore, as Greenspan has been warning, the consumer is overextending himself by cashing in on the inflated value of housing. Homeowners are using second mortgages to finance current consumption on everything; from paying college tuitions to buying boats. "The upshot of the profound shift toward investing in real assets," says Gary M. Wenglowski of Goldman, Sachs & Co., "is that it exacerbates the already high rate of inflation."

On top of the turn toward tangible assets, consumers are buying in advance with the hope of beating expected price increases. Buy-in-advance psychology is especially evident in big-ticket items, where purchases can be made on credit. F. Thomas Juster, director of the University of Michigan's Survey Research Center, notes that the uncertainty caused by the reacceleration of inflation should have pushed up precautionary saving, but "people keep buying in anticipation of worsening inflation."

Harvard's Feldstein, who is also president of the National Bureau of Economic Research, is the economist who focuses most heavily on Social Security's role in reducing the incentive to save. For the majority of Americans, he argues, the most important form of household wealth is the anticipated Social Security retirement benefits. As these benefits have increased in recent years, employees have reduced their retirement nest egg almost dollar for dollar with the rise in benefits, his studies show. "Social Security significantly depresses saving, and, in turn, business capital accumulation," he says.

Feldstein's findings are controversial. Says Stanford University's Boskin: "If Feldstein's numbers are right, the Social Security system has resulted in a capital stock that is about one-third smaller than it would be otherwise. I don't believe that. His estimate overstates the Social Security effect." While they may dispute the size of the Feldstein effect, most economists accept his overall conclusion. Says Modigliani: "There is a negative impact of Social Security on saving."

Institutional factors account for much of the spread between the high rate of saving abroad and the low U.S. rate. In addition to the underdeveloped Japanese social security and pension system, the high rate there "has deep roots in Japanese culture and the Buddhist religion," says Teruo Takeda, secretary of the Federation of Bankers' Association of Japan. Germans save more than Americans, says Charles Roberts, economist at Munich's IFO Institute, in part because "German workers are simply thriftier. They believe in saving for tomorrow and not using so much credit."

Not only is the U.S. rate of personal saving the lowest of all the major industrial countries, but the U.S. rate has fallen from the level of a decade ago, while the rates in many other industrial nations have risen, and so has the percent of their gross national products that go into capital investment. In Japan, for example, the rate of saving increased from 20% in 1970 to 24.3% in 1977, and in Canada it has more than doubled in the same period.

No one argues that the U.S. saving rate should be moved up to the rates prevailing overseas, but a reversal of the current downward trend is clearly a must. An increase in personal saving in the U.S. would lead to an increase in the nation's capital stock, thus improving productivity and raising real wages, which have shown only minuscule upward movement in the past decade.

And increased saving could prevent a major confrontation between the nation's workers and retirees. Because of demographic changes, the number of retirees-per-worker at the turn of the century will decline from the current 1 per 3 workers to 1 for every 2 workers. If those future retirees continue to save so little, then those who will be working will have to carry a backbreaking financial burden to pay for their Social Security benefits.

FINDING THE REMEDIES

Now that economists have become acutely aware of the importance of saving, they are turning to the problem of how to induce both households and business to save more. Almost all economists see inflation control as the first step in a program to increase the rate of personal saving. Chipping away at the rate of inflation would induce more saving in the short run. This, in turn, would lessen demand pressures, thus further reducing the rate of price increases. More saving will mean higher productivity and thus lower inflation over the longer run, too.

Just as clearly, the U.S. Tax Code should be changed to correct the biases against saving. "What you want to do," says Feldstein, "is tilt the federal tax system from taxing income, which penalizes saving, toward a tax on expenditures." Feldstein and many other economists favor eliminating the tax on interest income. And he notes that the U.S. already has provisions in the tax code that provide incentives to save and postpone consumption. Deductions for the Individual Retirement Accounts (IRA) and Keogh plans allow taxes to be postponed until the plans are terminated and the contributions become available for spending. Feldstein wants to expand the Keogh-IRA concept to include a lot more individuals and not only those who are self-employed or whose companies do not have pension plans.

Another economist who makes the case for expenditure taxes is David F. Bradford of Princeton University, a Deputy Assistant Treasury Secretary in the Ford Administration. In early 1977 the Treasury issued a study, *Blueprints for Basic Tax Reform*, on which Bradford did the primary work. The study has become a bible for tax reformers. Bradford and his associates in the Treasury's Office of Tax Analysis laid out alternative methods for developing a comprehensive tax system, either through overhaul of the income tax or substitution of an expenditure or cash-flow tax. The expenditure tax would favor saving by excluding savings from taxation—and that includes all capital gains—until they are withdrawn or tapped for consumption of goods and services.

At first blush, the expenditure tax might appear to be a radical and alien concept to a nation accustomed to the income tax. But Bradford notes that the U.S. Tax Code already tries to offset the penalty on saving by allowing special tax rates on capital gains and tax deferrals on certain investments for retirement purposes. Thus, he argues, "a shift to a full consumption tax would really constitute less change in the present system than most people think."

Although Bradford and other proponents of consumption taxation note that it can be made as progressive as the income tax or be shaped in other ways to suit social goals, Joseph A. Pechman, director of economic studies at the Brookings Institution, faults the concept precisely on the point of equity. Pechman fears that it would inherently resemble a straight sales tax and hence hit hardest at low-income taxpayers. It would, therefore, says Pechman, benefit

those who already have the wherewithal to achieve higher lifetime savings rates.

Pechman does agree with those who want to protect the small saver through some form of partial indexation, or inflation adjustment, for savings. Ironically, Pechman concedes that a consumption tax could be an even more flexible instrument for fiscal policy than the income tax, as "rates could be raised or lowered to influence consumption more quickly for countercyclical purposes. The consumption tax would work directly on consumer spending, while income tax changes work on both consumption and saving."

The central idea of the consumption tax, like other proposals to increase saving, is to increase the return on thrift, thereby making a dollar saved worth at least as much as a dollar spent. Another way to raise the rate of return on thrift is to allow interest rates to rise, particularly for the average individual. The evidence is not altogether clear on how many savers would respond to relatively small changes in interest rates. Economists, however, generally agree that eliminating the interest rate ceiling on thrift accounts now would induce a significant increase in saving because market rates are so much higher than the regulated rates.

Likewise, offering savers bonds that are indexed to the price level would give them a means of preserving their financial capital against the ravages of inflation. "It would have a strong positive effect on savings," says Solow.

Feldstein cautions that the immediate removal of interest rate lids on all types of accounts at the thrift institutions would almost certainly bankrupt them, because most of their assets are tied up in mortgages that yield well below the current market interest rate. "It has to be done gradually," he warns. Indeed, the thrifts already feel the pinch from new six-month savings certificates that carry interest rates slightly above the market T-bill rate, now over 9%.

But Feldstein opposes gradualism in slowing the rate of growth of Social Security benefits. Past and scheduled benefit increases are so large as to require a bold effort at control if the rate of saving is to be prevented from falling further. Indeed, a tightening in benefit formulas is one of the options currently being studied by the Treasury Dept. to remedy the problem of the shortfall in the Social Security fund.

TACKLING THE BUDGET

Economists are almost unanimous in calling for tax measures that raise the business aftertax rate of return to spur business investment. Such measures include some or all of the following: cutting the corporate tax rate further (on Jan. 1 it drops to 46% from 48%), extending the investment tax credit to new structures (the 1978 Revenue Act extended it to renovation of existing structures more than 20 years old), indexing depreciation allowances for inflation, and increasing the tax exclusion for dividends to reduce double taxation of corporate profits. Increasing the corporate aftertax rate of return will not only provide more incentive to investment but will produce more retained earnings, or business saving, to carry out the investment.

The Revenue Act of 1978, while appalling to some liberal tax reformers, is the best thing that has happened since 1964 in the incentives provided for saving and investment. In addition to business investment incentives, the law reduces the maximum capital gains tax from 49 percent to 28 percent for individuals. "We need further steps in that direction," says Greenspan.

But all such steps will do little to funnel dollars from saving to investment unless Washington takes a giant step to reduce the huge budget deficit. Says Bradford: "You can't answer the question of the impact of increased private saving on the capital stock without looking at the budget. And a balanced budget is more important for investment than almost any incentive for increasing savings." Because government is a prime borrower, large budget deficits suck up savings from consumers and businesses alike. This leaves less savings to increase the nation's capital stock.

To be sure, government does invest some of the dollars it borrows in such projects as roads, schools, dams, and other programs that increase the nation's future output in almost the same way that private capital spending does. But the proportion of federal outlays going into public capital investment is declining. Over the past decade government purchases of goods and services have fallen sharply as a percent of total budget outlays, while transfer payments have increased. Even such die-hard Keynesians as George L. Perry of the Brookings Institution, who does not worry much about a lack of private saving in the economy, calls for a move toward a balanced budget to spur private investment. Lyle E. Gramley of the CEA agrees. Says he: "To increase the share of GNP going into investment, we must reduce the federal deficit. Getting the deficit down to $30 billion in fiscal 1980 and federal spending down to 21 percent of GNP are only interim goals. A budget balance could be struck at 20 percent or 19.5 percent in the early 1980s."

Gary Fromm, an economist for SRI International, is a sharp eye on the Washington economic scene. He remains skeptical about the will of the Carter Administration to cut the deficit. Despite the President's Oct. 24 commitment not to cut taxes further until inflation is curbed, he expects the Administration and Congress to seek another tax reduction in the next year or so. "Is Carter really going to resist using fiscal policy to stimulate the economy in the election year of 1980?" he asks.

If Fromm is right, then it will be some years before the turn in economists' thinking on the critical issue of saving will be matched by a corresponding turn in the actions of U.S. policymakers. This means that if the Administration bends its goal of a balanced budget and opts for the old Keynesian quick fix in the pursuit of a short-term burst of economic activity, it could cost the nation years of slower long-run growth, slumping productivity, and further loss of international competitiveness.

Mr. WEICKER. Mr. President, as this article points out, one solution to the "saving bias" offered by the U.S. Treasury in its 1977 study, "Blueprints for Basic Tax Reform," is to exclude from taxation the interest earned from depositing one's savings in a passbook account if reinvested and until it is withdrawn. The bill which I am introducing would give the taxpayer the option of choosing a limited tax credit or exclusion.

My proposal would exempt from taxes the first $1,000 of interest income earned by savers. In addition, for those people with more modest savings, they could receive a tax credit of up to $250 on their income tax payments. In this way, all Americans can take advantage of a tax incentive on their savings.

Specifically, section I provides a tax credit of up to $250 per individual taxpayer. The credit has been made such that most credits provided in current tax laws are taken before the proposed credit for interest earnings. The proposed credit is a nonrefundable credit. Thus, if tax liability is zero, the credit would cause a negative tax liability, and no moneys would be refunded by the Federal Treasury. Therefore, the loss to the Federal deficit is lessened. According to the Joint Committee on Taxation, for fiscal year 1980, the revenue loss is estimated at $1.2 billion.

Section II provides an alternative to the $250 credit by an exemption of $1,000 from gross income. The taxpayer may not take advantage of both the credit or exemption, but has the right to choose which would be more profitable. The basic provisions for the exemption are the same as for the credit. In the case of joint returns, both the credit and the exclusion would also be offered as an option.

With this incentive to save, we can help stimulate the housing industry by creating more available funds in our banks and thrift institutions and by relieving the pressure on high interest rates which prevent young couples from purchasing their first home. With adequate savings at their disposal, commercial banks, savings and loan associations and credit unions could also fund the construction of new plants and purchases of equipment. As a consequence, productivity increases, inflation declines and new jobs are created. An increased level of saving would, therefore, provide new capital investment and reduce consumption levels.

Mr. President, we must get back to the priorities of the people. This proposal would encourage all savers, small and large, to save for retirement, education, housing, or other needed objectives. The inequities suffered by the savers in this country must be remedied immediately. At present, borrowers can deduct interest as an expense for tax purposes while savers are forced to pay taxes on their accumulated interest. Savers are penalized by this system of taxation, because they are taxed not once, but twice, on their savings. They are taxed first when the money is earned, and again, when that money earns interest. With mounting inflation acting as a third tax, savers are actually getting a negative rate of return on their savings.

I recognize, in addition to this legislation, other bills introduced in both the House and Senate which would provide increased incentives to those individuals who managed to save a portion of their incomes. But I urge my colleagues to closely study this bill which would give all taxpayers the incentive of a tax credit or exclusion on interest from earned savings.

Mr. President. I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "All Savers Tax Incentive Act of 1979".

SEC. 2. CREDIT ALLOWED FOR INTEREST.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. CREDIT FOR INTEREST ON CERTAIN SAVINGS.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter so much of the amount received by the individual as interest on savings in a residential finance institution as does not exceed $250 for the taxable year.

"(b) JOINT ACCOUNTS.—The Secretary may prescribe regulations allocating interest credited to joint accounts, or other accounts under which more than one individual is entitled to receive all of the interest credited to the account, on the basis of the economic interests of the individuals who are entitled to receive such interest. Until the Secretary prescribes such regulations, the amount of interest received by each such individual under such an account shall be considered, for purposes of subsection (a), to be an amount which bears the same ratio to the total amount of interest credited to the account for the taxable year as the sum of the amounts contributed by that individual during the taxable year to the account bears to the sum of the amounts contributed by all individuals to the account for the taxable year.

"(c) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(d) DEFINITIONS.—For purposes of this section—

"(1) INTEREST.—The term 'interest' means—

"(A) interest on deposits with persons carrying on the banking business, and

"(B) amounts (whether or not designated as interest) paid by a mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, or similar organization, in respect of deposits, investment certificates, or withdrawals or repurchasable shares.

"(2) RESIDENTIAL FINANCIAL INSTITUTION.—The term 'residential financial institution' means—

"(A) a bank (as defined in section 581),

"(B) a savings institution (within the meaning of section 591), or

"(C) a credit union, the accounts of which are insured under the Federal Credit Union Act or otherwise insured under State law,

which provides mortgage financing for the purchase of residential housing.

"(3) RESIDENTIAL HOUSING.—The term 'residential housing' means property which is a principal residence (within the meaning of section 1034).".

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart is amended by inserting immediately after the item relating to section 44C the following new item:

"Sec. 44D. Credit for interest on certain savings.".

(2) Subsection (b) of section 609 (f) of such Code (relating to designation of income tax payments to Presidential election campaign fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

SEC. 3. EXCLUSION OF INTEREST ON CERTAIN SAVINGS.

(a) In General.—Part III of subchapter B of the Internal Revenue Code of 1954 (relating to items specifically excluded in gross income) is amended by redesignating section 128 as 129, and by inserting immediately after section 127 the following new section:

"SEC. 128. PARTIAL EXCLUSION OF INTEREST RECEIVED BY INDIVIDUALS.

"(a) GENERAL RULE.—In the case of an individual who elects to have this section apply for the taxable year, gross income does not include so much of the interest received by the individual from a residential finance institution as does not exceed $1,000.

"(b) APPLICATION WITH SECTION 44D.—An individual may not elect to have this section apply for any taxable year for which he claims a credit under section 44D.

"(c) DEFINITIONS; SPECIAL RULES.—

"(1) DEFINITIONS.—The terms used in this section which are defined in section 44D (d) have the same meaning as when used in section 44D.

"(2) JOINT ACCOUNTS.—With respect to interest received under a joint account or similar arrangement, subsection (a) shall be applied in accordance with section 44D (b)."

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 128. Partial exclusion of interest received by individuals.".

"S53. 129. Cross references to other acts.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1979.●

By. Mr. MATSUNAGA:

S. 1698. A bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes; to the Committee on Governmental Affairs.

Mr. MATSUNAGA. Mr. President, I am today introducing legislation which I have introduced in each of the past three Congresses designed to eliminate one of the most glaring inequities in the Federal service—the basic workweek of Federal firefighters. An identical bill has already been introduced in the House of Representative by Congressman HERBERT HARRIS of Virginia, which, as I understand, will be the subject of hearings in the House Post Office and Civil Service Committee immediately after the August recess.

Mr. President, during the last Congress, both the Senate and the House of Representatives focused their attention on the problem of the unreasonably long workweek of Federal firefighting personnel. The congressional committees with jurisdiction over the civil service—the Governmental Affairs Committee in the Senate, and the Post Office and Civil Service Committee in the House—held hearings on bills introduced by myself and Congressman HARRIS designed to improve the basic workweek and compensation system for Federal firefighters. These hearings revealed very conclusively that Federal firefighters are being treated unfairly by the Federal Government in terms of work hours and overtime compensation. They work a scheduled 72 hours per week, and receive about the same pay which most municipal firefighters receive for working a 54-hour week. Federal firefighters testified that they are being required to work 16 hours of overtime for which they are paid at a rate which is $1 less than the minimum wage.

In my judgment, Mr. President, this treatment of Federal employees is intolerable and should be corrected. Despite the objections of the administration, both the House and Senate Civil Service Committees agreed with this view and reported corrective legislation, the primary purpose of which was to provide that the regularly scheduled workweek of each Federal firefighter shall average 56 hours per week, rather than the current 72 hours. In addition, the legislation authorized the payment of 25 percent "premium pay" to firefighters who have a 56-hour workweek, and authorized overtime pay under the Fair Labor Standards Act for all hours worked in excess of the basic 56-hour workweek.

Mr. President, the House of Representatives, for the first time since I initially introduced this legislation during the 93d Congress, passed by an overwhelming margin a firefighter workweek bill on April 12, 1978. Shortly thereafter, the Senate approved unanimously the House-passed bill, with minor committee amendments. Unfortunately, as my colleagues will recall, the firefighter bill which was cleared for the White House was vetoed by President Carter on June 20, 1978—the action being described by the administration as anti-inflationary.

In his veto message to the Congress, the President stated three principle objections to the bill:

First, the Federal firefighter workweek would be reduced without a concomitant reduction in premium pay which was designed for a longer standby schedule.

Second, the ability of agency heads to manage the work force and regulate the workweek of Federal firefighters.

Third, the Department of Defense would be forced to hire additional personnel.

Mr. President, these objections were a reiteration of those forwarded to the House and Senate Civil Service Committees by the Civil Service Commission during the consideration of the legislation. It should be noted that each committee rejected them outright. Let me explain why.

First, the Civil Service Commission claimed that if the regularly scheduled administrative workweek of Federal firefighters was reduced to 56 hours, a concomitant reduction in the 25 percent premium pay firefighters now receive would be required. The Commission estimated that premium pay would have to be reduced to 12½ percent of base pay. In other words, Mr. President, the Commission claimed that firefighters are misperceiving their compensation scheme and should recognize that about half of their premium pay percentage is attributable to the 18 hours which they work each week in excess of 54. To support its view that premium pay be reduced, the Commission said that Federal firefighting positions are attractive because there are a great many applicants for vacancies in the firefighter work force. This argument completely disregards the present high unemployment

rate among workers who might be qualified for firefighter jobs. Moreover, it ignores the fact that numerous Federal firefighters leave their jobs each year for employment with municipal fire departments, where they will most likely work a normal 54-hour workweek. In addition, the Commission stated that Federal firefighters should work an additional 18 hours per week to earn the same pay as their counterparts in municipal departments because Federal firefighters do not work as hard and their duties are not as hazardous. In other words, the Commission was saying that firefighters are only earning their pay when they are involved, ax in hand, in fighting a fire. The Civil Service Commission apparently did not consider fire prevention to be work. An extension of the Commission's argument would be that armed services personnel earn their pay only when the Nation is at war, or that police officers justify their pay only when involved in gun battles. Needless to say, I cannot agree with the Commission's contention.

Mr. President, in the final analysis, the President and the Civil Service Commission objected to the continuation of the 25-percent premium pay benefit because they considered it to be a salary windfall for Federal firefighters, which would be unacceptable under the President's wage increase guidelines. The fact of the matter is, Mr. President, that pay and hour comparisons between Federal firefighters and municipal firefighters just do not support the administration's conclusion.

Most municipal firefighters work an avearge of 56 or less hours per week, far less than the Federal standard of 72. And a comparison between Federal firefighter locals and the corresponding municipal locals in their areas reveals that municipal firefighters earn at least $500 more per year for an average 56-hour workweek than the Federal firefighters earn for a 72-hour workweek.

It should be emphasized that even the firefighter pay figures presented to both Civil Service Committees by the Civil Service Commission do not support the administration's call for a reduction in premium pay. The Commission's pay figures, which involved a comparison of Federal firefighters' pay to all municipal firefighters' pay in cities over 10,000 in population, indicate that Federal firefighters now work 33 percent more hours each week than municipal firefighters, but receive only 12.5 percent to 23 percent more pay.

Furthermore, the Commission's pay comparisons with cities over 10,000 in population may be inappropriate, since many Government installations are located in or near much smaller communities where municipal firefighter salaries are likely to be lower.

At this point, Mr. President, I would like to provide my colleagues with a more in-depth explanation of the center of controversy in this legislation—premium pay.

Under existing law, Federal employees who regularly perform substantial amounts of standby duty beyond a normal tour of duty are entitled to receive additional compensation in lieu of overtime, night differential, Sunday, and holiday pay. This sum is called premium pay. It is a percentage, not to exceed 25 percent, of an employee's base pay. The actual percentage of premium pay which an employee receives is fixed by the Office of Personnel Management on the basis of overtime, nights, Sundays, and holidays worked. Irregular overtime work beyond a Federal firefighter's scheduled 72 hours results in further overtime compensation.

As a result of this requirement, Federal firefighters receive as compensation in lieu of overtime, night differential, Sunday, and holiday pay, the maximum percentage of premium pay—25 percent—which the Office of Personnel Management may authorize. Should legislation be enacted reducing the Federal firefighter workweek to 56 hours, Federal firefighters would continue to be entitled, under the criteria set by the Office of Personnel Management, to full premium pay.

The President's second major objection to the legislation was that it would impair the ability of the heads of the Federal agencies to manage the work force. In my judgment, Mr. President, no provision of the vetoed bill would have had this affect. The legislation simply said that, "the regularly scheduled administrative workweek of Federal firefighters shall be an average of 56 hours per week, computed on the basis of a period of 21 consecutive days." It went on to provide that, "the duration and frequency of workshifts occurring within such period shall be determined under regulations prescribed by the Civil Service Commission." It seems to me that this provision would fully permit agency heads to manage Federal firefighters.

The President's third and final objection to the House and Senate-passed legislation was that the Department of Defense would be required to hire 4,600 new Federal firefighters at an annual cost of $46.7 milion. I seriously question the accuracy of the Defense Department's figures in light of the fact that the Congressional Budget Office estimated that only 2,200 new Federal firefighters would be needed if the 72-hour workweek was reduced, at a cost of $24.3 million.

Mr. President, it is my view that the cost of this firefighter workweek legislation would not have been excessive. According to the Congressional Budget Office, the reduction alone in Fair Labor Standards Act overtime wages in 1979 for Federal firefighters would have covered more than one-third of the estimated costs for hiring additional personnel. Furthermore, with a workweek more comparable to municipal fire companies, the excessive training costs for new firefighters hired each year to offset the 23 percent turnover rate in Federal fire departments might be reduced.

Mr. President, I would like at this point to bring to the attention of my colleagues a chart which I have prepared showing the 1979 average workweeks for 42 of the Nation's largest cities. I ask unanimous consent that the table be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATSUNAGA. Mr. President, although much more complete data on national averages for firefighter workweeks and salaries will be prepared for committee hearings on the legislation I am introducing today, I would like to point out from this chart that the workweek for firefighters employed by the fire departments of 42 of the Nation's largest cities is just about 52 hours per week, as compared to the 72-hour week for Federal firefighters.

Mr. President, I ask my colleagues: Is it any wonder, in view of these statistics, that young firefighters are leaving the Federal service to work for municipal fire departments? Is it any wonder that Federal officials are finding it difficult to adhere to existing Federal personnel standards, or to attract motivated, high quality firefighters for the Federal force?

Like many of those who have long been concerned about the workweek of Federal firefighters, I thought that Congress had resolved the problem of excessive hours for Federal firefighters when it passed the Fair Labor Standards Act of 1974. That legislation extended special overtime provisions to all fire and police personnel, including Federal. Overtime was to be paid for all hours in excess of 60 as of January, 1975, with further phased reductions over the next several years. The goal was to require overtime pay—commonly calculated at "time-and-a-half"—for hours worked in excess of 60. The Fair Labor Standards Act ordered that beginning January 1, 1977, overtime pay be paid to firefighters for all hours worked in excess of 54 hours a week.

Incredible as it may seem, Mr. President, under a decision of the Comptroller General of the United States, Federal firefighters who work 72 hours a week receive only one-half time, not time-and-a-half, for every hour worked in excess of 54 hours a week. The rationale was that since they receive the regular rate of pay for each of the 72-hours in their duty period, Federal firefighters are entitled, under the Fair Labor Standards Act, to be paid only one-half times their regular rate of pay for the 18 hours that they work overtime each week.

Despite the workweek reductions mandated by the Fair Labor Standards Act, the Department of Defense, which employs approximately 90 percent of all Federal firefighters, has not reduced the number of hours a firefighter must work per week. The DOD has maintained a 72-hour workweek, and has paid its firefighters the "one-half overtime" for the extra 18 hours, under the ruling of the Comptroller General. In the case of a GS-5, step one, firefighter, this means that each of his 18 hours of overtime under the Fair Labor Standards Act is worth only an extra $1.66 in overtime pay. Mr. President, the unfortunate ruling of the Comptroller General has convinced me that in the 1974 amendments to the Fair Labor Standards Act were

not a sufficient remedy for Federal firefighters.

Mr. President, in view of the fact that there is a preponderance of evidence to show that Federal firefighters continue to be treated unfairly by the Federal Government in terms of work hours and compensation, Congressman HARRIS and I have decided to reintroduce in the 96th Congress legislation identical to that which passed both houses of Congress and was vetoed by the President last year. Once again, we expect both the House of Representatives and the Senate to be sympathetic to the problems of Federal firefighters and move expeditiously to enact this legislation. Furthermore, we are extremely hopeful that the President and his administration will reconsider their objections, in light of the evidence which I have propounded here and which will be forwarded in later committee hearings, and sign into law a bill to improve the basic workweek and compensation of Federal firefighters.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 61 of title 5, United States Code, relating to hours of work, is amended by inserting after section 6101 the following new section:

"§ 6102. Basic workweek of firefighters

"(a) The regularly scheduled administrative workweek of each firefighter shall be an average of 56 hours per week, computed on the basis of a period of 21 consecutive days. The duration and frequency of work-shifts occurring within such period shall be determined under regulations prescribed by the Office of Personnel Management.

"(b) For the purpose of this section, 'firefighter' means an employee in an Executive agency, the duties of whose position are primarily to perform or to supervise work directly connected with the control and extinguishment of fires or the maintenance and use of firefighting apparatus and equipment. Such term does not include any employee who has a regularly scheduled administrative workweek of 40 hours which is established under section 6101(a)(2)(A) of this title.".

(b)(1) Section 5545 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) Each firefighter with a regularly scheduled administrative workweek established under section 6102(a) of this title shall be entitled, in lieu of premium pay provided by other provisions of this subchapter (other than premium pay provided in paragraph (2) of this subsection), to premium pay equal to 25 percent of so much of his annual rate of basic pay as does not exceed the minimum rate of basic pay for GS-10.

"(2) Hours of work officially ordered or approved in excess of the regularly scheduled administrative workweek established under section 6102(a) of this title are overtime work and shall be paid for in accordance with the rates specified in section 5542 of this title.

"(3) For the purpose of this subsection, 'firefighter' has the meaning given it in section 6102(b) of this title.".

(2) Section 5545(c)(1) of title 5, United States Code, is amended by inserting ", unless subject to subsection (e) of this section," after "shall receive".

(3) Section 5547 of title 5, United States Code, is amended by striking out "sections 5542, 5545(a)–(c), and 5546(a), (b)" and inserting in lieu thereof "sections 5542, 5545 (a)–(c) and (e), and 5546(a) and (b)".

(4) Sections 5595(c), 8114(e), 8331(3)(C), and 8704(c) of title 5, United States Code, are each amended by striking out "section 5545(c)(1)" and inserting in lieu thereof "section 5545(c)(1) and (e)(1)".

(c) The analysis of chapter 61 of title 5, United States Code, is amended by inserting after the item relating to section 6101 the following new item:

"6102. Basic workweek of firefighters.".

SEC. 2. The first section of this Act shall take effect at the beginning of the first applicable pay period which begins at least 60 days after the date of the enactment of this Act.

EXHIBIT 1

Average 1979 workweeks for selected municipal fire departments

[Average work hours per week]

City:	
Atlanta	56
Baltimore	48
Birmingham	52
Boston	42
Chicago	47
Cleveland	48
Columbus	56
Dallas	56
Denver	48
Detroit	50.4
Fort Worth	56
Houston	56
Indianapolis	56
Jacksonville	56
Long Beach	56
Los Angeles	56
Los Angeles Co	56
Louisville	56
Memphis	56
Miami	52
Milwaukee	52.3
Minneapolis	56
Nashville	56
Newark	42
New Orleans	56
New York City	40
Oakland	52
Omaha	56
Philadelphia	42
Phoenix	56
Pittsburgh	42
Portland	56
Rochester	40
San Antonio	56
San Francisco	48.7
Seattle	45.7
St. Louis	56
St. Paul	56
Tampa	52
Toledo	50
Tulsa	56
Washington, D.C	48
Average municipal workweek	51.7
Average firefighter workweek	72

SOURCE: International Association of Fire Fighters.

By Mr. FORD (for himself, Mr. GLENN, Mr. HUDDLESTON, and Mr. HART):

S. 1699. A bill to amend title VI of the Powerplant and Industrial Fuel Use Act of 1978 to provide financial and technical assistance to States, local governments, and regional agencies to promote the establishment of consolidated programs to mitigate certain adverse social and economic impacts caused by major energy developments, and for other purposes; to the Committee on Governmental Affairs and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

ENERGY IMPACT ASSISTANCE ACT OF 1979

Mr. FORD. Mr. President, today I am introducing with Senators GLENN, HUDDLESTON, and HART the Energy Impact Assistance Act of 1979. This measure would expand the existing energy impact assistance contained in the Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95–620) to reflect recent legislative initiatives to foster greater domestic energy production.

The amendment would authorize energy impact assistance to State and local governments to mitigate any adverse impact of major energy developments such as synthetic fuels. The amendment also would increase the fiscal year 1980 authorization of appropriations to the Department of Energy from $30 million to $150 million and would extend the authorization to cover fiscal years 1981 through 1985 at $150 million each year.

Mr. President, this program has been consistently supported by the Committee on Energy and Natural Resources. The committee's report on the fiscal year 1980 annual authorization bill for the Department of Energy, S. 686, states:

Subsequent to Senate approval of section 601 of the Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95–620), the President announced support for a comprehensive energy impact assistance program. Similar support was enunciated in the President's 1979 State of the Union Message to the Congress. However, no appropriations in Fiscal Year 1980 are sought for the 601 program although $120 million are authorized. Rather, the proposed budget requests $150 million pursuant to legislation yet to be enacted which would provide a generic energy impact assistance program to be administered by the Economic Development Administration.

Committee Action: The Committee recommends an appropriation of $120 million to fund the 601 program. The Committee further recommends that such appropriation be accompanied by an equivalent reduction in the budget authority provided in the President's proposed budget for Fiscal Year 1980 for the proposed generic program so as to avoid double counting such budget authority within the budget resolution. At such time as further legislation is enacted its interrelationship with section 601 can be addressed by the Congress.

Mr. President, as we are all aware, national policy being fashioned by the Senate and the administration commits the United States to the greater use of our most abundant energy resource—coal—over the next quarter century. We are all acutely aware of the enormous burden this commitment will place on individual coal-producing States such as Kentucky to assure to our citizens that the increased energy production will be consistent with their economic, social and environmental well-being.

In the pursuit of our national quest for greater energy independence the Federal Government has a responsibility to help impacted areas meet the increased social and economic pressures posed by major energy development. Emphasis

must be on the creation of adequate Government mechanisms to facilitate orderly growth in the many small towns and rural areas of our country, notably Appalachia, that are shaken by the major influx of the new workers and their families that accompany any new major energy development.

What we are talking about is the provision of new public facilities and services prior to establishment of the tax base that normally would support the construction of such new public facilities as schools and hospitals, as well as roads, streets, and sewers.

The Congress has taken steps to help the coastal zone States which are experiencing rapid energy development through the Coastal Environmental Impact Fund. In addition, Federal energy impact assistance loans are provided under the Federal Land Policy and Management Act. It is nothing less than fair and equitable for the Federal Government to aid the inland States which are experiencing the same kinds of social and economic effects from expanded coal and uranium development activities, such as expansion of the Federal uranium enrichment facilities at Portsmouth, Ohio.

The major problem facing the Appalachian region today involves finding ways to provide the housing that is required for the new workers coming into the coalfields. Housing sites are at a premium because of steep terrain, complications of landownership and difficulties in obtaining financing. An equally serious problem is providing adequate health care. This problem is becoming more acute and requires a concerted effort among State, local, and Federal governments to assure that adequate planning and resources are available to meet the needs for basic public and personal health care. A third problem, and part of the public health need is to provide adequate water and sewer capacity to meet both the immediate needs and to accommodate the expanded population already arriving.

Finally, we must provide adequate safeguards to protect the environment. This will require close cooperation among all levels of government and the private sector.

From this perspective, I fully support the regulations proposed by the Farmers Home Administration for the comprehensive energy impact program set forth in section 601 of the Powerplant and Industrial Fuel Use Act of 1978. As a Senate sponsor and conferee on this statute, I am aware of the difficulties involved in formulating a comprehensive but responsive energy impact assistance program. This is further complicated by the existence of other Federal programs.

Nevertheless section 601 represents an initial judgment of the Congress on a Federal policy for inland energy impact assistance. Section 601 significantly expands the authorities of the Secretary of Agriculture to provide financial assistance to areas which have been or will be impacted by increased coal or uranium development activities including production, processing and transportation. This assistance includes grants for comprehensive planning and for public facilities and services and land acquisitions for new housing sites.

As envisioned by the Congress the section 601(b) planning grants are to be administered comprehensively so as to address the broad socio-economic impacts of such energy developments which have occurred or which are expected to occur and the overall needs for public facilities and services as well as housing. This will facilitate coordination by the Farmers Home Administration of the section 601 program with other Federal and State programs to alleviate the problems of the energy impacted areas, as is provided for in section 603 of the Rural Development Act of 1972.

In administering the section 601 program, the Congress intended that particular attention be given to the coordination of Federal assistance to reflect the priorities established by State and local government bodies serving a designated energy impact area. This will permit an optimization of the joint financial and institutional resources of Federal and State government so as to effectively meet the vital needs of energy impact areas for public facilities and services.

Mr. President, the Department of Agriculture is to be commended for its expeditious implementation of this impact assistance program 6 months ahead of the schedule provided in the Fuel Use Act. Experience with the 601 program has been invaluable in formulating the amendment I introduce today which is cosponsored by Senators GLENN, HUDDLESTON, and HART.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1690

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Impact Assistance Act of 1979".

FINDINGS AND STATEMENT OF PURPOSES

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) the protection of public health and welfare and the preservation of national security require greater production and utilization of domestic energy resources in lieu of foreign energy supplies;

(2) there are potential adverse social, economic and environmental impacts that can accompany rapid or major energy developments;

(3) the need for public facilities and services often precedes the availability of the government revenues required to finance such facilities and services;

(4) States and units of local government often lack sufficient technical and financial resources to adequately mitigate against such adverse impacts, in advance; and

(5) States and units of local government should have increased financial and technical resources to provide necessary public facilities and services prior to the availability of increased State and local governmental revenues necessary to pay for such public facilities and services.

(b) STATEMENT OF PURPOSES.—The purpose of this Act is to provide technical and financial assistance to States, regions and local governments to foster the development and implementation of programs to prevent and mitigate the potential adverse economic, social and environmental impacts resulting from major energy development, to finance public facilities and services, and for other purposes.

AMENDMENTS TO THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

SEC. 3. (a) The Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95-620) is amended by amending Title VI of the table of contents to read as follows:

"TITLE VI—FINANCIAL ASSISTANCE

"SUBTITLE A

"Sec. 601. Assistance to areas impacted by increased coal or uranium production.
"Sec. 602. Loans to assist powerplant acquisitions of air pollution control equipment.

"SUBTITLE B—ENERGY IMPACT ASSISTANCE

"Sec. 611. Definitions.
"Sec. 612. Energy Impact Development Planning.
"Sec. 613. Financial Assistance.
"Sec. 614. Regional Commissions.
"Sec. 615. Intergovernmental Coordination.
"Sec. 616. Administration.
"Sec. 617. Appropriations—Authorization.
"Sec. 618. Miscellaneous Provisions".

"(b) Title VI of the Powerplant and Industrial Fuel Use Act of 1978 is amended by inserting at the beginning thereof, "Subtitle A".

"(c) Title VI of the Powerplant and Industrial Fuel Use Act of 1978 is further amended by inserting the following new subtitle:

"SUBTITLE B—ENERGY IMPACT ASSISTANCE

"SEC. 611. DEFINITIONS.

"Unless otherwise expressly provided, for the purposes of this subtitle the term—

"(1) 'eligible applicant' means—

"(A) a State,

"(B) a local government (except for expedited assistance under section 613(e)), with the concurrence of the Governor,

"(C) the governing bodies of Indian tribes, or an Alaskan Indian tribe or Alaskan tribal group, as defined in the Indian Self-Determination and Educational Assistance Act (Public Law 93-638), if they can demonstrate the capability to effectively administer a comprehensive program under this subtitle, or

"(D) a regional commission pursuant to section 614, which serves a designated geographic area for which a local planning unit has been appointed under subsection 612(b).

"(2) 'Federal agency' means an executive agency (as defined in section 105 of title 5 of the United States Code).

"(3) 'Geographic area' means one or more areas within a State which is a special purpose district or other region recognized for governmental purposes within such State or a unit of local government.

"(4) 'Governor' means the chief executive officer of a State or his designee.

"(5) 'Indian tribe' means an Indian tribe, as defined in the Indian Self-determination and Educational Assistance Act (Public Law 93-638).

"(6) 'Local government' means—

"(A) any political subdivision of a State including, without limitation—

"(i) any town, township, parish, borough, village, or other general purpose political subdivision of the State, or

"(ii) any special unit or district of the foregoing State, or

"(iii) a council of local governments, or

"(iv) any special entity created by a State, or a political subdivision of a State and

"(B) which (in whole or in part) is located in, or has authority over the energy impact area and which—

"(i) has authority to levy taxes, or to establish and collect user fees, or

"(ii) provides any public facility or public service which is financed in whole or in part by taxes or user fees, or

"(iii) in the case of a council of local governments, serves an area designated and approved under section 612(b).

"(7) 'Local Planning Unit' means a temporary intergovernmental body of State and local officials appointed by the Governor of the State pursuant to section 612(b).

"(8) 'Major energy development' means any facility or installation such that its primary use is for the exploration, production, extraction, conversion, or processing of any energy resource; or for the generation of electricity; or any federally funded energy project (including uranium processing and nuclear spent fuel storage and waste facilities).

"(9) 'Public facilities and services' means facilities and services which are financed, in whole or in part, by any State or political subdivision thereof, or Indian tribe including highways and secondary roads, parking, mass transit, parks and recreational facilities, governmental administration, fire and police protection, water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care and any other facility or service so financed which the Secretary finds is necessary to support increased population.

"(10) 'Regional commissions' means the Appalachian Regional Commission established by the Appalachian Regional Commission Act of 1965, as amended, (40 U.S.C. App. 301) or any regional commission established under subtitle D of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3171).

"(11) 'Secretary' means the Secretary of Energy.

"(12) 'State' means a State, the District of Columbia, Puerto Rico, and any territory or possession of the United States.

"SEC. 612. ENERGY IMPACT DEVELOPMENT PLANNING.

"(a) AREA DESIGNATION.—(1) The Governor or in the case of an area under the control of an Indian Tribe, the governing body of such Indian tribe, may designate a community or geographic area as an energy impact area if it is found that—

"(A) there exists or will exist a major energy development in such community or geographic area;

"(B) as a result of the construction or operation of such development either—

"(i) employment in energy development activities in such area has increased by eight percent or more in any year not more than five years before the date of the designation, or

"(ii) employment in such activities will increase by 24 percent or more during the three years following the most recent year.

"(C) the increases in population or employment resulting from such major energy development requires or will require substantial increases in public facilities and services in such community or geographic area in the five years succeeding initiation of construction or operation of such major energy development;

"(D) a predominant amount of the energy-related products or services produced or provided by such major energy development will not be used by or consumed in such community or geographic area; and

"(E) the State and the local governments, or the governing body of an Indian tribe, serving such geographic area, lack the financial and other resources (including resources available under other Federal programs), to meet the immediate or long-term needs for increased public facilities and services identified in clause (c) which cannot be met in a timely manner without assistance under this title.

"(2)(A) The Secretary of Agriculture, after consultation with the Secretary of the Interior, Secretary of Labor, and Secretary, shall approve any designation of an area under paragraph (1) only if—

"(i) the designating official provides the Secretary of Agriculture in writing with the data and information on which such designation was made;

"(ii) the Secretary of Agriculture determines that the requirements of clauses (1)(A) through (E) have been met.

"(B) For the purposes of clause (1)(E), increased revenues, including severance tax revenues, royalties, and similar fees to the State and local governments which are associated with the increase in energy activities (including natural gas, petroleum, coal or uranium development activities) and which are not prohibited from being used under provisions of law in effect on the date of the enactment of this subtitle shall be taken into account in determining if a State or local government lacks financial resources.

"(3) An energy impacted area designated pursuant to section 601 shall be deemed an energy impact area for the purposes of this title.

"(b) LOCAL PLANNING UNIT.—(1) Any Governor, after consultation with appropriate officials of local government, or the governing body of an Indian tribe, as the case may be, shall designate a local planning unit to prepare a mitigation plan for each energy impact area. Staff may be detailed to such unit from the member organizations to carry out its responsibilities pursuant to this section: *Provided, however,* That such staff shall remain employees of the entity from which they are appointed.

"(2) For the purposes of this subsection, a Governor may designate as the local planning unit—

"(A) a local development district certified under section 301 of the Appalachian Regional Development Act of 1965;

"(B) after consultation with appropriate elected local officials, an economic development district designated under title IV of the Public Works and Economic Development Act of 1965, as amended, for energy impact areas in whole or in part within such district;

"(C) an agency of local government;

"(D) a regional consortium of local governments; or

"(E) other appropriate districts or entities.

"(c) PLANNING GRANTS.—(1) The Secretary of Agriculture, is authorized upon request to make planning grants or provide other financial and technical assistance to eligible applicants. Such grants or assistance shall be to carry out the purposes of this section, including planning and management of the activities necessary to prevent or mitigate the adverse impacts of major energy developments.

"(2) The Governor of any State receiving a grant under this subsection shall make subgrants to local planning units to assist in paying for preparation of mitigation plans required under subsection (d) and related management activities to prevent or mitigate the adverse impacts of major energy development.

"(d) MITIGATION PLANS.—(1) For each designated energy impact area the local planning unit for such area shall prepare a mitigation plan. Such unit shall consult with representatives of the appropriate Federal agencies and with representatives of the owner or operator of each major energy development within such area. Such unit also shall, to the extent practicable, seek the active participation by regional, State and local agencies and instrumentalities and the private sector through public hearings in cities and rural communities and other appropriate means to insure that the views and proposals of all segments of the economy within the designated energy impact area are taken into account in the formulation of such mitigation plan.

"(2) A mitigation plan shall be approved by the Secretary of Agriculture as a condition of receipt of assistance under section 613. Such plan shall—

"(A) identify—

"(i) the projected impact of each major energy development on the economy of the designated energy impact area, the surrounding communities and the State, for the period of five years following construction or operation of the major energy development;

"(ii) the specific needs with the designated area for public facilities and services resulting from the major energy development for the period of the succeeding five years from the initiation of the construction or operation of the major energy development;

"(iii) specific proposals for mitigating such needs, including specific public and private programs, projects, and activities;

"(iv) priorities for implementing the proposals specified in clause (iii);

"(v) the availability and location of funds and other resources to implement proposals identified in clause (iii);

"(vi) any existing or additional legislative or other authority necessary for the State or local government or Indian tribe to carry out the proposals specified in clause (iii); and

"(vii) the functions and activities in responding to such needs that the State, local government or governing body of an Indian tribe is prepared to carry out;

"(B) contain assurances satisfactory to the Secretary of Agriculture that the proceeds from any repayment of loans made by a State or Indian tribe under section 613(c) will be returned to the Secretary of the Treasury;

"(C) provide for the establishment of a planning process for review and revision, as appropriate, of the mitigation plans; and

"(D) be coordinated with, and take into account, planning assisted or required under this subtitle or any other appropriate Federal statute, including the Coastal Zone Management Act of 1976 (P.L. 94-370); the Outer Continental Shelf Act, as amended (P.L. 95-372); title IV of the Intergovernmental Cooperation Act of 1968 (7 U.S.C. 2201 et seq.); the Federal Land Policy and Management Act of 1976 (P.L. 94-565); the National Forest Management Act of 1976 (16 U.S.C. 1609); the Federal Coal Leasing Amendments of 1976 (P.L. 94-377); Payments in Lieu of Taxes Act (P.L. 94-565); and the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201).

"(3) The mitigation plan described in paragraph (2) shall be in such form, and contain such additional information as the Secretary of Agriculture may by regulation prescribe.

"(4) No assistance other than assistance under subsections 612(c) and 613(e) may be made to an applicant under this section for any project which has not been approved as part of an approved mitigation plan. Notwithstanding the preceding sentence, no assistance may be made to an applicant under section 613(e) unless the Secretary of Agriculture determines that the preliminary mitigation plan provides an adequate basis for such aid.

"(5) The Secretary of Agriculture shall approve or disapprove a mitigation plan within thirty days after receipt of such plan.

"SEC. 613 FINANCIAL ASSISTANCE

"(a) COMPREHENSIVE INVESTMENT STRATEGIES.—(1) Except as provided under subsections (b) and (c) funds may not be provided pursuant to this section to implement mitigation plans approved pursuant to subsection 612(d) unless the State or Indian tribe having the designated energy impact area for which such plan was prepared shall have submitted to the Secretary of Agricul-

ture a comprehensive investment strategy describing the intended use within such State or by such Indian tribe of all financial assistance requested under this title to implement mitigation plans and preliminary mitigation plans. Such comprehensive investment strategy shall be submitted by a State or Indian tribe to such Secretary for approval within nine months of the time an energy impact area is first designated for such State or Indian tribe and shall be updated as appropriate.

"(2) The Secretary of Agriculture shall not approve a comprehensive investment strategy unless he determines that—

"(A) such strategy is based upon the appropriate energy impact plan or plans;

"(B) such strategy, to the maximum feasible extent, identifies priorities among the measures identified in the appropriate energy impact plan or plans for possible funding under this title;

"(C) contains satisfactory assurances that other public or private assistance is not available on a timely basis for the measures identified in paragraph (B);

"(D) contains satisfactory assurances that the proceeds from any repayment of loans made by the recipient with funds under this section will be used to meet future energy impact needs; and

"(E) the procedures of this subsection have been followed.

"(3)(A) The Secretary of Agriculture shall rule on the acceptability of comprehensive investment strategies within thirty days.

"(B) In the event such Secretary does not approve a comprehensive investment strategy he shall notify the State or Indian tribe submitting the strategy of his reasons for not doing so. The State or Indian tribe may modify and resubmit the comprehensive investment strategy within thirty days of such notification.

"(b) IMPLEMENTATION GRANTS.—(1) If the Secretary of Agriculture finds that an eligible applicant is unable, because of any restriction via a State Constitution existing on the date of enactment of this subtitle relating to the incurrence of debt, to accept a loan under subsection (c) for the purpose of carrying out proposals identified in mitigation plans approved pursuant to section 612(d), and if such Secretary further determines that there is no practical alternative for providing financial assistance to such applicant under this subtitle other than by grant, then such Secretary upon the request of such applicant may make a grant to such applicant for such purposes.

"(2) Grants made pursuant to this subsection may be used for the acquisition, construction, rehabilitation, alteration, expansion or improvement of public facilities and services which are necessary to carry out the proposals identified in such mitigation plan.

"(3)(A) Grants made pursuant to this subsection shall be redistributed by such recipient through financing mechanisms approved by such Secretary to appropriate public entities in the form of grants, loans, payments to reduce interest on loans, loan guarantees or other appropriate assistance.

"(B) Such recipient may redistribute funds in the form of grants only if—

"(i) constitutional or other legal restrictions prevent the use of loans by the recipients;

"(ii) the remaining borrowing capacity of the recipients is inadequate;

"(iii) the recipients are unable to reasonably amortize repayment;

"(iv) specific local conditions or considerations of equity preclude loan and loan guarantee assistance;

"(v) the adverse social or economic impacts of energy resource development are occurring in municipal, county, or State jurisdictions which have no existing statutory authority to tax the energy resource development and to make the revenues available for impact mitigation; or

"(vi) such Secretary determines that grants are otherwise warranted to accomplish the purpose of this subtitle.

"(4) Except for grants made pursuant to section 612(c), not more than two percent of any grant to a recipient under this title may be used for the administrative expenses of such recipient for administering such grant.

"(c) IMPLEMENTATION LOANS.—(1)(A) The Secretary of Agriculture is authorized to make loans pursuant to this subsection to eligible applicants (i) for the purpose of carrying out the proposals identified in mitigations plans approved pursuant to section 612(d) and (ii) to meet needs for expedited assistance identified in the preliminary mitigation plan prepared pursuant to subsection (e). Loans made under this subsection may be made only if such Secretary determines that there is a reasonable expectation of repayment of the loan.

"(B) Loans made pursuant to this subsection may be used for the acquisition, construction, rehabilitation, alteration, expansion, or improvement of public facilities and services which are necessary to carry out the proposals identified in such mitigation plans.

"(C) Loans made pursuant to this subsection may be expended directly by the recipient or may be redistributed by such recipient through financing mechanisms approved by such Secretary to nonprofit public entities in the form of grants, loans, payments to reduce interest on loans, or other appropriate assistance.

"(2) If the Secretary of Agriculture finds that any recipient of a loan under this subsection, despite good faith efforts, is unable to meet its obligations, such Secretary may, pursuant to regulations—

"(A) modify the terms and conditions of such loan;

"(B) make a supplemental loan, the proceeds of which shall be applied to the payment of principal or interest due under such loan; or

"(C) forgive all or any portion of such loan, only if such Secretary finds that insolvency will otherwise ensue or substantial economic hardship will result and consequently frustrate the purposes of this subtitle.

"(3) In the event that any recipient of a loan under this subsection is forgiven any loan obligation such recipient shall be ineligible for further loans under this subsection or subsection (e) for a period of two years from the date of such forgiveness. Nothing in the preceding sentence shall be construed to make a State ineligible for continued assistance solely because a loan obligation of a local government or Indian tribe located within such State has been forgiven.

"(4)(A) A comprehensive investment strategy prepared by a local planning unit that includes a local development district or economic development district designated pursuant to section 612(b)(2) shall serve as the basis for the distribution of assistance under this subsection where application for such assistance has been made under this subsection and such plan meets the requirements of the development planning process established under section 225 of the Appalachian Regional Development Act of 1965 (Public Law 89-4) and has been approved pursuant to section 303 of such Act (including the affirmative vote of the Federal Cochairman).

"(B) A mitigation plan prepared by a local planning unit that includes any regional commission shall, pursuant to section 614, serve as the basis for the distribution of assistance has been made under this subsection and such plan has been reviewed and approved (including the affirmative vote of the Federal Cochairman) in accordance with sections 502 and 503 of that Act.

"(d) LOAN GUARANTEES.—(1) The Secretary of Agriculture, with the concurrence of the appropriate Governor or Indian tribe, may guarantee loans to eligible applicants to carry out projects proposed under a mitigation plan approved pursuant to section 612(d) and pursuant to a comprehensive investment strategy.

"(2) Loans guaranteed under this subsection shall be on the same terms and conditions as required for loan guarantees and interests payments under the Coastal Energy Impact Program (16 U.S.C. 1456a(d)(2), 1456a(d)(3), 1456a(e)(4), and 1456a(f)); except that no guarantee shall be made after September 30, 1984.

"(e) EXPEDITED ASSISTANCE.—(1) A local planning unit established pursuant to section 612(b) upon finding a serious threat to the public health and safety within a designated energy impact area as a result of the appropriate major energy development, may prepare a preliminary mitigation plan identifying and addressing the need for expedited assistance. Such preliminary plan shall be the basis for an application for expedited assistance under this subsection.

"(2)(A) The Secretary of Agriculture may, at any time, make grants, loans, payments to reduce interest on loans, and loan guarantees to any eligible applicant on an expedited basis for public facilities or public services in a designated energy impact area if such Secretary finds that such needs cannot be met with other Federal programs or other assistance in a sufficiently timely manner to avert a serious threat to the public health and safety identified by the local planning unit and if the public interest so requires.

"(B) Applications for such assistance shall contain the information required under paragraphs (a)(2) (C) and (D).

"(C) The guarantee of loans, payment of interest, and loans under this subsection shall be under the same terms and conditions as required for loan guarantees, interest payments, and loan under the Coastal Energy Impact Program (16 U.S.C. 1456a(d)(1), 1456a(d)(2), 1456a(d)(3), 1456a(e)(3), 1456a(e)(4), 1456(e)(5), and 1456a(f)).

"(3) The amount of any assistance made available within a State or to an Indian tribe under this subsection in any fiscal year shall be deducted from the amount of assistance which would otherwise be allocated to such State or to such Indian tribe under the provisions of section 616(b) for that fiscal year. In the event that the amount of assistance made available within a State or to an Indian tribe under this subsection in any fiscal year shall exceed the amount of assistance allocated to that State or Indian tribe under the provisions of section 616(b) for the same fiscal year, any such allocation shall be reduced, accordingly, until a total reduction equal to the amount of assistance made available under this subsection shall be obtained.

"(f) TERMS AND CONDITIONS OF ASSISTANCE.—(1) Any assistance under this title may not be used to provide the non-Federal portion of costs of any other Federal assistance program.

"(2) No financial assistance shall be provided under this subtitle in implementing proposals identified in an approved mitigation plan unless the Secretary of Agriculture finds that such plan meets the requirements set forth in section 612(d) or in implementing a preliminary mitigation plan unless such Secretary finds that such preliminary mitigation plan substantially meets the requirements set forth in section 612(d).

"(3) No loan may be made under this subtitle unless, in the opinion of the Secretary of Agriculture, there is a reasonable expectation of repayment within twenty years from the date such loan is made.

"(4) No assistance under this title shall be used for interest subsidies in connection

with loans guaranteed under subsection (d) or to establish reserves to cover losses on such loans.

"(g) NON-FEDERAL SHARE.—(1) Except as provided in paragraph (2), for the first fiscal year of any grant assistance made pursuant to this section the recipient shall provide funds equal to 12.5 per centum of the total cost of implementing the proposal for which the assistance is made. For the second fiscal year of such assistance, the recipient shall provide funds equal to 25 per centum of such costs for such purpose. For the third fiscal year of such assistance, the recipient shall provide funds equal to 37.5 per centum of such costs for such purpose. For the fourth and fifth fiscal years of such assistance, the recipient shall provide funds equal to 50 per centum of such costs for such purpose.

"(2) Where the Secretary of Agriculture determines, after consultation with the Secretary of the Interior, that an Indian tribe, which is an applicant for assistance under this section has exhausted its effective revenue producing and borrowing capacity, or where such Secretary determines that a local government which is an applicant for assistance under subsection (e) has exhausted such capacity and the State does not concur in the assistance such Secretary may waive the requirements of paragraph (1) with regard to the non-Federal share for such applicant.

"(h) LIMITATION ON FINANCIAL ASSISTANCE.—(1) Except for grants under section 612(c), any assistance under this section to any energy impact area may not be for more than five years following the receipt of the first funds for public facilities and services under this section.

"(2) Financial assistance under this section shall not replace other public or private assistance reasonably available on terms that, in the opinion of the administering Secretary, would permit the accomplishment of the project or program.

"(3) No funds appropriated to carry out the purposes of this section shall be expended in support of any program, project or activity which is eligible for Federal financial support and funds are available for such support under section 308 of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1456(a)); or the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201).

"(i) ENERGY IMPACT FUND.—There is established in the Treasury of the United States an Inland Energy Impact Fund, to be available to the Secretary of Agriculture for carrying out the provisions of this title relating to loan guarantees and loans, under the same terms and conditions as apply to the Coastal Energy Impact Fund (16 U.S.C. 1456 a(h)).

"SEC. 614. REGIONAL COMMISSIONS.

"(a) APPALACHIAN REGIONAL COMMISSION.—Upon application of the Appalachian Regional Commission established by the Appalachian Regional Development Act of 1965, in accordance with established decisionmaking and operational procedures which require the affirmative vote of a majority of the States and the Federal Cochairman, funds allocated under section 616 for energy impact areas located within the Appalachian region as defined in such Act may be made available to the Federal Cochairman of such Commission to provide comparable assistance as described under sections 612(c) and 613 (b), (c) and (e).

"(b) TITLE V REGIONAL COMMISSIONS.—Upon application of any regional commission established under title V of the Public Works and Economic Development Act, as amended (42 U.S.C. 3171), in accordance with established decisionmaking and operational procedures which require the affirmative vote of a majority of the State and the Federal Cochairman, funds allocated under section 616 for energy impact areas within such region may be made available to the Federal Cochairman of such Commission to provide comparable assistance as described in sections 612(c) and 613(b), (c) and (e).

"(c) TERMS AND CONDITIONS.—(1) Funds shall be made available to a Federal Cochairman under this section only for States whose Governors concur in such action.

"(2) The amount of any assistance made available within a State under this section in any fiscal year shall be deducted from the amount of assistance which would otherwise be allocated to such State under the provisions of section 616 for that fiscal year.

"SEC. 615. COORDINATION OF FEDERAL PROGRAMS.

"(a) The President shall establish an interagency council, to be chaired by the Secretary of Agriculture pursuant to section 603 of the Rural Development Act of 1972 (Public Law 92-419) to coordinate all Federal programs which may provide assistance to meet the needs resulting from major energy developments. Such council shall coordinate the various Federal planning processes related to major energy developments with the preparation of mitigation plans assisted under this title, in order to minimize duplication of effort or activities and to avoid delay in the consideration or carrying forward of such major energy developments.

"(b) The Secretary of Agriculture shall create an organizational unit—

"(1) to administer the program established by this subtitle;

"(2) to provide information to State and local officials and Indian tribes about Federal assistance from programs other than those authorized by this subtitle to prevent or mitigate adverse impacts from energy resource development;

"(3) to advise other appropriate Federal agencies of the needs and proposals for public facilities and services identified in energy impact plans; and

"(4) to provide information and technical assistance, when requested, to States, local governments, and Indian tribes about energy impact mitigation.

"(c) The heads of all Federal departments or agencies shall cooperate with the Council in carrying out the purposes of this subtitle and shall review the programs which each administers to determine what assistance is or may be made available to areas eligible for assistance under this title.

"SEC. 616. ADMINISTRATION.

"(a) GENERAL RULEMAKING.—The Secretary of Agriculture in consultation with the Secretary, is authorized to promulgate such regulations as necessary to carry out this subtitle, including (1) terms and conditions for financial assistance pursuant to Section 613, including a requirement for assurances of repayment of loans under section 613(c); (2) procedures to carry out the provisions of section 616(b), which shall not be subject to sections 554, 556 or 557 of title 5 of the United States Code; and (3) criteria for the allocation of funds appropriated under section 617. Such regulations shall be promulgated not later than one hundred and eighty days after the enactment of this subtitle.

"(b) TERMINATION OF FINANCIAL ASSISTANCE.—Whenever the Secretary of Agriculture, after affording the State reasonable notice and opportunity to present views, finds that a State receiving financial assistance under this subtitle has failed to comply with the provisions thereof or with any regulation issued pursuant thereto, such Secretary shall notify the State that such State is no longer eligible to receive all or a portion of the financial assistance provided under this subtitle until such Secretary is satisfied that there is no longer any such failure to comply. Such Secretary may withhold all or part of further financial assistance under this subtitle for so long as such State is deemed not to comply.

"(c) RECORDKEEPING AND REPORTING.—(1) Each State, unit of local government or Indian tribe receiving financial assistance under this title or under a State energy program shall keep records and shall make reports to the Secretary of Agriculture with copies to the Secretary, which may include information on (A) the amount and disposition expended by such State or Indian tribe of the proceeds of the financial assistance, and amount of funds for the plan, programs, projects, measures or systems for which the assistance was given or used, (C) the source and amount of funds for the plan, programs, projects, measures or systems not supplied by the Secretary of Agriculture; and (D) such other information as such Secretary may deem necessary to prepare the annual report pursuant to subsection (d) and to facilitate an effective audit and performance evaluation.

"(2) The Secretary, the Secretary of Agriculture and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination at reasonable times and under reasonable conditions, to any pertinent books, documents, papers, records and reports of any recipients of financial assistance under this subtitle or under a State energy grant program.

"(d) ANNUAL REPORT.—The Secretary, in consultation with the Secretary of Agriculture, shall prepare and submit an annual report to the Congress on the status of the programs authorized under this title.

"SEC. 617. APPROPRIATIONS AUTHORIZATION.

"(a) AUTHORIZATION.—(1) There is hereby authorized to be appropriated to the Secretary to carry out the purposes of sections 601(b) and 612(c) $30,000,000 for fiscal year ending September 30, 1980, and $15,000,000 for each of the fiscal years ending September 30, 1981, through 1985.

"(2)(A) There are authorized to be appropriated to the Secretary to carry out the provisions of this title (other than the purposes of sections 601(b) 612(c)) $135,000,000 for each of the fiscal years ending September 30, 1981 through 1985. Appropriated funds shall remain available until expended.

"(B) Of the amounts appropriated under this subsection for any fiscal year not more than 40 per centum thereof shall be expended in the form of grants.

"(C) Not more than 15 per centum of the funds appropriated under this subsection shall be used to provide expedited assistance under section 613(e).

"(D) The total principal amount of loans guaranteed under this subtitle shall not exceed $1,500,000,000.

"(b) ALLOCATIONS.—(1) The Secretary of Agriculture shall allocate funds available for assistance under subsections 612(c) and 613(b); for assistance under subsection 612(e) other than guaranteed loans; and for payment of interest under subsection 612(d) among States with energy impact areas, by a formula based fifty per centum on the absolute increase and fifty per centum on the relative increase in employment related to major energy development in energy impact areas.

"(2) The Secretary shall determine a minimum amount necessary for the efficient administration of an energy impact program by a State. The Secretary of Agriculture shall adjust the allocation under paragraph (1) to increase any allocations less than such minimum amount.

"(3) Before allocating funds, the Secretary of Agriculture shall set aside a portion of the funds available for Indian tribes and for energy impact areas in States not qualifying for a separate allocation under paragraph (2).

"(4) If the Secretary of Agriculture finds that allocated funds cannot be obligated

within a reasonable time by the State, energy impact area, or Indian tribe for which the allocation was originally made, such Secretary may make those funds available to other States, energy impact areas, or Indian tribes.

"SEC. 618. MISCELLANEOUS PROVISIONS.

"(a) PROHIBITION OF DELAY OF MAJOR ENERGY DEVELOPMENT.—No action or failure to act to designate an energy impact area, to create an assessment team, to develop or implement an approved mitigation plan, to obtain or implement expedited assistance or any other assistance under this title may not be used as a legal basis for delaying or prohibiting the obtaining of any licenses, permits, or other authority necessary for the development, construction or operation of a major energy development.

"(b) GAO REPORT.—The General Accounting Office shall prepare and submit to the Congress two years after the date of enactment of this subtitle an implementation report reviewing the status of the program of assistance provided under this title and analyzing the effectiveness of that program in carrying out the purposes of this title.".

Mr. FORD. Mr. President, I have checked with the chairman and the ranking minority member of the Government Affairs Committee. I have checked with the chairman and ranking minority member of the Committee on Energy and Natural Resources. I have checked with the majority and minority members.

I ask unanimous consent that the bill I am introducing be jointly referred to the Committee on Governmental Affairs and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I send the bill to the desk.

Mr. President, I yield to the distinguished Senator from Ohio.

Mr. GLENN. Mr. President, the Energy Impact Assistance Act of 1979, which I have co-authored with Senator FORD and which he has today introduced, is a major initiative aimed at addressing the serious social and economic dislocations which can arise from our national efforts to develop our domestic energy resources to their fullest potential. Major energy developments of the kind envisaged in President Carter's recent address to the Nation and in legislation pending before several committees of the Congress are often located in rural or isolated areas and, while they hold the promise of increased employment and economic prosperity in the long term, during the early stages of development the rapid population growth they inevitably bring can lead to drastic disruptions in the lives of persons living in the area.

As hearings held last year before my Subcommittee on Energy, Nuclear Proliferation and Federal Services on similar energy impact assistance legislation revealed, rapid growth of this kind is unpredictable in many cases and often public services and facilities cannot accommodate the overload created by the sudden influx of new inhabitants. In many cases health care facilities cannot meet demand; transportation and communication networks are undeveloped; schools become overcrowded, and water and sewer systems, overtaxed. Housing shortages often arise, increasing the price of existing homes to astronomical figures, and often trailer camps become prevalent as available land grows scarce.

Along with the service and facility shortages, social disruptions accompanying sudden energy development on a large scale are often manifest as tranquil rural communities become subject to the pressures of increased growth. There have been numerous cases where these "boomtowns" experience dramatic increases in the rate of crime, alcoholism, divorce, child abuse, and prostitution statistics which tear at the very social fabric of the community.

The Energy Impact Assistance Act is an effort to deal directly with these problems associated with the development of new energy resources. It provides for careful planning to meet community needs and for the necessary Federal funding of such projects. However, the funding contemplated by this legislation is not a Federal giveaway, but rather a carefully structured program of Federal loans and loan guarantees, with grants from the Federal Government playing a small role and available only in those cases where State constitutional restrictions make the acceptance of loans an impossibility. Rigorous planning requirements are also part of this legislation, which is based largely on a similar bill reported by the Governmental Affairs Committee last summer, to insure that Federal assistance is spent where it is most needed. At the same time a strong role for the States in establishing priorities for such expenditures is also included as a way of taking advantage of local expertise regarding local needs.

Impact assistance of this kind is, in my view, a most important component in any overall national energy strategy. We must make it clear to communities which will be receiving major energy developments that their legitimate concerns about undesirably rapid growth will not be thrust aside in an effort to meet some Federal energy quota. At the same time, the achievement of Federal energy goals will be fostered by this bill because communities which might otherwise object to new energy facilities will find that their concerns are being addressed.

By Mr. METZENBAUM:

S. 1701. A bill to amend the Magnuson-Moss Federal Trade Commission Improvement Act to extend the protections contained in such act to owners of new passenger motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AUTOMOBILE FULL WARRANTY ACT OF 1979

● Mr. METZENBAUM. Mr. President, I am today introducing the Automobile Full Warranty Act of 1979, legislation designed to help eliminate one major source of consumer complaint—poor automobile warranty performance.

After the home, the automobile is probably the single, most expensive purchase Americans make in a lifetime. In return for the thousands of dollars that a new car costs, consumers have the right to expect a quality product. Unfortunately, today's car buyers can expect no such guarantee.

Today, the consumer faces one chance in three that his or her new car will be delivered with a defect or problem. But under current automobile warranty systems, these owners can expect little relief. Not only must they bear the inconvenience and frustration involved in having defective vehicles repaired, but in many instances, they are forced to take time off from work to pay for alternate transportation while their new car is in the shop.

Automobile warranty systems work against the consumer. Too often, they offer empty promises to the new-car buyer. Too often, the new-car owners must contend with long delays in repair or with insufficient temporary repairs. And too often, dealers and manufacturers refuse to recognize problems and defects covered under the warranty.

With the Magnuson-Moss Act of 1975, Congress sought to improve warranty performance for all consumer products. Magnuson-Moss set forth minimum standards governing the performance of warranties in all categories. And, in order to give meaning to these standards, Magnuson-Moss created judicial and administrative remedies to help enforce warranty rights and obligations.

Unfortunately, with respect to automobiles, warranty performance has not improved as much as many of us had hoped, largely because the Big Three auto manufacturers have chosen to offer limited rather than full warranties on their products. Currently, more than 98 percent of all new cars are sold with limited warranties. As Esther Peterson, Director of the Office of Consumer Affairs, pointed out in her letter of support for this bill:

> The warrantor who gives a "limited" warranty has no obligation to actually remedy a defect in a reasonable time. Nor is the manufacturer obligated to provide a refund or replace an automobile which still contains defects after a reasonable number of repair attempts. Instead, the warrantor of a "limited" warranty has only the obligation to attempt to repair the defects—often until the warranty expires.

The bill I am introducing today, which has the support of Mrs. Peterson, the Federal Trade Commission, and the Center for Auto Safety, will take the standards for "full" warranties as set forth in Magnuson-Moss and apply them to automobile warranties. By extending "full" warranty protection to automobiles, the legislation will give the consumer the important legal right to a replacement or refund for unrepairable "lemons."

A significant number of companies, including many of the manufacturers of such large and expensive products as home appliances, currently offer such comprehensive protection to the consumer. In fact, full warranties are the rule rather than the exception in the major home appliance industry. In the recreational vehicle industry, more and more companies are beginning to offer full warranties. And, finally, even one

auto manufacturer, American Motors, has seen fit to offer consumers full warranty protection.

In addition to providing new car owners with clear rights for unrepairable lemons, the bill will improve the legal remedies available for enforcing those rights. It will provide greater opportunities for consumers who face identical warranty problems to join together in seeking legal redress. And, it will insure that when a manufacturer is found to have violated warranty rights, the manufacturer will bear the full cost of litigation.

In addition to providing consumers with greater protection from major warranty problems, the bill also recognizes that consumers and manufacturers need a less costly, nonjudicial means for settling the majority of less drastic problems.

Already, the major American automobile manufacturers have begun to move in this direction by creating experimental third-party appeals boards to arbitrate minor warranty problems. Although limited to only a few areas in the country, these panels have proven valuable to both the consumer and the auto manufacturer in effectively handling complaints. Last week, in testimony before the House subcommittee on Consumer Protection, a spokesperson for Ford Motor Co. stated:

> Its handful of consumer appeals boards have motivated dealership personnel to take a greater interest in improving dealership relations with their customers. The program is bringing a speedy resolution to customer problems at a minimal expense in time and money to the customer. We are convinced it has also resulted in improved confidence in our products and dealers.

The Automobile Full Warranty Protection Act will expand these existing programs nationwide. It will insure that all new car buyers with warranty-related problems will have the benefit of these impartial appeals boards.

It may not be possible to produce defect-free automobiles 100 percent of the time. But it is possible to provide assurance to the consumers of this country that new car problems will be handled promptly and satisfactorily.

I believe that the legislation I am introducing today will help achieve this objective and I ask unanimous consent that the text of the bill be printed in the RECORD along with letters in support of the bill from Esther Peterson, Director of the Office of Consumer Affairs, and from Clarence Ditlow, executive director of the Center for Auto Safety.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Automobile Full Warranty Act of 1979."

SEC. 2. (a) The Magnuson-Moss—Federal Trade Commission Improvement Act (15 U.S.C. 2301 et seq.) is amended by redesignating section 105 through section 112 as section 106 through section 113, respectively, and by inserting after section 104 the following new section:

"PASSENGER MOTOR VEHICLE WARRANTIES

"SEC. 105. The provisions of section 104 apply to any written warranty for a passenger motor vehicle.".

(b) Section 101 of that Act (15 U.S.C. 2301) is amended by adding after paragraph (15) the following:

"(16) The term 'passenger motor vehicle' means a motor vehicle with motive power, designed for carrying twelve persons or less, except (A) a motorcycle, or (B) a truck designed to carry no passengers other than its operator.

"(17) The term 'warranty dispute resolution system' or 'system' means an informal dispute settlement procedure, which may include arbitration, mediation, conciliation procedures (or any combination thereof), available to resolve consumer warranty disputes.".

SEC. 3. Section 110(a) of that Act (15 U.S.C. 2310(a)) is amended by adding at the end thereof the following:

"(6) Each manufacturer and importer of new passenger motor vehicles shall offer to all purchasers no later than January 1, 1982, a comprehensive warranty dispute resolution system which shall remain in operation for a period of three years. The systems shall operate under guidelines issued by the Commission to ensure that they are impartial, accessible to consumers, expeditious, and operate at minimum cost to consumers. Each such system shall—

"(A) provide for a determination resolving questions of law and fact raised in any consumer complaint relating to the performance of warranty obligations by the vehicle warrantor or the warrantor's designated representative for warranty service, under any written or implied warranty;

"(B) operate pursuant to rules and procedures that—

"(i) provide that the consumer may elect to submit a dispute to the system when the dispute arises;

"(ii) provide that the decision of the system shall be binding on the manufacturer, but not on the consumer;

"(iii) insure that if the consumer elects to be bound by the decision of the system, that the decision is carried out by the warrantor; and

"(iv) provide that evidence of the decision shall be admissible in any subsequent proceeding;

"(C) provide for public information to make consumers aware of the system's availability; and

"(D) keep such records as the Commission shall require to determine whether the system is operating in compliance with this title and with Commission guidelines, and to assist the Commission in making the report to Congress required in paragraph (7) of this subsection.

"(7) The Commission shall submit by January 1, 1984, a report to the Congress evaluating the performance, effectiveness, costs, and benefits of the systems required under paragraph (6). The report shall contain the Commission's recommendations for continuing, modifying, or terminating the requirements of paragraph (6).".

SEC. 4. (a) Section 110 (d) of that Act (15 U.S.C. 2310 (d)) is amended—

(1) in paragraph (2), by striking out "he may be allowed by the court to recover" and inserting in lieu thereof "he shall be awarded by the court";

(2) in paragraph (2), by striking out ", unless the court in its discretion shall determine that such an award of attorney's fees would be inappropriate";

(3) by adding at the end thereof the following:

"(4) A court shall have jurisdiction over an action filed as a class action under paragraph (3) of this subsection in which the defendant stipulates that the proposed class is one hundred persons or more. Furthermore, no court shall dismiss an action commenced under paragraph (3) of this subsection on the grounds of failure to name one hundred persons as plaintiffs unless a reasonable opportunity to conduct discovery on this issue has been provided.

"(5) In any action brought under this title with respect to a passenger motor vehicle, the consumer is entitled to retain possession and use of the passenger motor vehicle during the pendency of the action.".

SEC. 5. (a) Section 101(7) of that Act (15 U.S.C. 2301 (7)) is amended by striking out "sections 108" and inserting in lieu thereof "sections 109".

(b) Section 104(a)(2) of that Act (15 U.S.C. 2304(a)(2)) is amended by striking out "section 108(b)" and inserting in lieu thereof "section 109(b)".

(c) Section 104(e) of that Act (15 U.S.C. 2304(e)) is amended by striking out "section 110(d)" and inserting in lieu thereof "section 111(d)".

(d) Section 112(b)(2) of that Act, as so redesignated in section 2(a) of this Act, is amended by striking out "sections 108" and inserting in lieu thereof "sections 109".

(e) Section 112(c)(2) of that Act, as so redesignated in section 2(a) of this Act, is amended by striking out "section 109" and inserting in lieu thereof "section 110".

OFFICE OF CONSUMER AFFAIRS,
Washington, D.C., July 23, 1979.

Hon. HOWARD M. METZENBAUM,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR METZENBAUM: I am writing to express my views on the "Automobile Full Warranty Act," which I understand you intend to introduce in the near future. Generally, this bill would require that any warranty provided for a new passenger motor vehicle meets or exceeds the "Federal Minimum Standards for Warranty" under Section 104 of the Magnuson-Moss Warranty Act.

I heartily support the objective of this bill to provide more comprehensive warranty protection for new automobile owners. Today, more than 98 percent of new cars in this country are sold with only a "limited" warranty under the Magnuson-Moss Warranty Act. Unlike the manufacturer who offers a "full" warranty, the warrantor who gives a "limited" warranty has no obligation to actually remedy a defect in a reasonable time. Nor is the manufacturer obligated to provide a refund or replace an automobile which still contains defects after a reasonable number of repair attempts. Instead, the warrantor of a limited warranty has only the obligation to attempt to repair the defects—often until the warranty expires.

The fact that more than 50 percent of the automobile-related complaints received by my office involve warranty problems indicates that these "limited" warranties do not provide adequate protection for new car owners. In my opinion, "full" warranty protection for new automobiles would not only encourage warrantors to be more responsive to the needs of new car owners, but would also insure that consumers are given viable means of recourse in case of a failure of a warrantor to fulfill its obligations under warranty.

I believe that the enactment of the "Automobile Full Warranty Act" would be a positive step towards reducing the frequency and severity of warranty problems that confront owners of new automobiles. I congratulate you on your endeavors in this area.

Sincerely,

ESTHER PETERSON,
Director.

CENTER FOR AUTO SAFETY,
Washington, D.C., June 25, 1979.

Hon. HOWARD M. METZENBAUM,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR METZENBAUM: This is in response to your letter of June 21, 1979, regarding your bill to amend the Magnuson-Moss Act. When this act was passed, Congress expected it to significantly reduce the difficulties consumers had in getting defective vehicles remedied or replaced. Because of loopholes, vagueness and the resistance of the auto manufacturers, the Magnuson-Moss Act did not accomplish its intended purpose of helping consumers with auto problems, which remain the top consumer complaint in America.

The Center for Auto Safety commends your proposal to strengthen the Magnuson-Moss Act to improve warranty performance of the automobile manufacturers. This bill is a significant step to alleviate some of the frustration, inconvenience, and economic loss too often suffered by new car purchasers.

While the Center finds the proposed bill basically sound, several modifications could be made to strengthen the warranty protection for consumers. For example, the bill should require the auto manufacturers to provide consumers with a free loaner car for substitute transportation if the repair is going to take more than a full day. This provision would not only provide the consumer with a means of transportation, but also create an economic incentive for the manufacturer/dealer to avoid unnecessary delays in repairing the car.

The Center for Auto Safety is confident that it can work with you to develop more adequate protection for the automobile consumer.

Sincerely,

CLARENCE M. DITLOW III,
Executive Director.●

By Mr. LEVIN:

S. 1207. A bill to amend title 18 of the United States Code to provide that the provisions of chapter 119, relating to the interception of wire and oral communications, apply to pen registers; to the Committee on the Judiciary.

Mr. LEVIN. Mr. President, today I offer legislation that would bring what has come to be known as a "pen register" within the limits and controls of title III of the Omnibus Crime Control Act of 1968.

On June 20, 1979, the U.S. Supreme Court in a case entitled Smith against Maryland held that a search warrant was not constitutionally required for the installation of a pen register. A pen register is a device, usually installed at a central phone facility, that records the numbers dialed from a particular phone. It does not record the contents of a conversation, but does, however, let the listener know just whom and how often the dialer is calling.

Over 10 years ago in a now-famous case entitled Katz against United States, the Supreme Court determined that a Government agent had violated the fourth amendment when he attached an electronic listening device to a telephone booth in order to overhear the occupant's conversation. The Court stated in that opinion that the Constitution "protects people, not places" and that the Government cannot intrude without a search warrant where the person under surveillance has a reasonable expectation of privacy. That case has been definitive of 4th and 14th amendment rights on this issue, and its standards have been applied to numerous situations in subsequent decisions.

In Smith, too, the Supreme Court applied the Katz test and somehow concluded that the dialer of a private phone did not have a reasonable expectation that the number he/she dialed would remain private. The Court reasoned that since long distance calls are routinely reported on monthly bills, no phone user can expect even local calls to be unrecorded and/or unpublished. Justices Stewart, Brennan, and Marshall disagreed. Justice Stewart wrote in his dissenting opinion in which he was joined by Justice Brennan:

> I think that the numbers dialed from a private telephone—like the conversations that occur during a call—are within the constitutional protection recognized in Katz. It seems clear to me that information obtained by pen register surveillance of a private telephone is information in which the telephone subscriber has a legitimate expectation of privacy. The information captured by such surveillance emanates from private conduct within a person's home or office—locations that without question are entitled to Fourth and Fourteenth Amendment protection. Further, that information is an integral part of the telephonic communication that under Katz is entitled to constitutional protection, whether or not it is captured by a trespass into such an area.
>
> The numbers dialed from a private telephone—although certainly more prosaic than the conversation itself—are not without "content". Most private telephone subscribers may have their own numbers listed in a publicly distributed directory, but I doubt there are any who would be happy to have broadcast to the world a list of the local or long distance numbers they have called. This is not because such a list might in some sense be incriminating, but because it easily could reveal the identities of the persons and the places called, and thus reveal the most intimate details of a person's life.

I agree with that analysis, and for that reason, I am submitting this bill today.

The question of limiting the use of a pen register is part of a growing interest and concern in the issue of privacy as it is affected by the advent of sophisticated electronic and technological devices. We are just now coming to terms with the significance of our computerized world—just now beginning to realize the wealth of information that unknown and impersonal agencies and businesses have as to each of us—credit bureaus, credit card companies, banks, financial institutions, insurance companies. Like credit cards, checking accounts, and insurance policies, the phone is a modern device that has become a virtual necessity and we have become dependent upon the company that offers the service. As such, and given the fact that the phone company in each locality is a virtual monopoly, an individual cannot have a phone without using the phone company's equipment. Should that, however, give the company and the Government access to information passing through that equipment? I strongly think not.

Title III establishes procedures that Federal and State law enforcement authorities must use in order to intercept a wire or oral communication. My amendment would simply require that such procedure also be used for the installation of a pen register. Because the information gained through the use of a pen register can be so personal and revealing, and because a telephone subscriber would not reasonably expect that information to be revealed to Government agents, I believe requiring court intervention prior to installation of the pen register to be a reasonable and necessary procedure to protect our 4th and 14th amendment rights.

By Mr. CHAFEE (for himself, Mr. COCHRAN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. JEPSEN, Mr. RIBICOFF, Mr. BOREN, and Mr. LONG):

S. 1703. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Finance.

● Mr. CHAFEE. Mr. President, last year's efforts by Congress resolved a number of problems relating to the taxation of Americans working abroad but, inadvertently, it has increased Federal income taxes severely for the overseas employees of charitable organizations.

This afternoon, I am introducing a bill to correct this problem. I am honored to be joined in this effort by my colleagues, Senator COCHRAN, Senator MATSUNAGA, Senator MOYNIHAN, Senator JEPSEN, Senator RIBICOFF, Senator BOREN, and Senator LONG. Our proposal would amend Internal Revenue Code section 911 to allow American employees of charitable organizations the option of using the $20,000 income tax exclusion now available only to corporate employees working in remote camps. We believe it is a reasonable solution to a problem which should be cleared up this year.

Mr. President, the Foreign Earned Income Act of 1978 was passed last fall to deal with complex issues concerning the tax treatment of Americans employed overseas. It replaces the old section 911 foreign income exclusions for corporate workers ($15,000) and charitable workers ($20,000) with new provisions under section 913. The act establishes a series of tax deductions for excess living, housing, educational, and other expenses associated with living and working abroad. The $20,000 income exclusion is, however, retained for optional and exclusive use by corporate employees in work camps.

U.S. corporate employees stationed in foreign countries are generally well-paid and living in high-cost cities of Europe, Asia, and Latin America. For them, the section 913 cost-of-living deductions provide the protection from unfair taxes which was originally intended by the committee.

On the other hand, charitable employees are generally low paid and living under hardship conditions in less developed countries. To these persons, tax deductions based on excessive costs of living, housing, and so on are not particularly helpful. Their situation is more akin to that of company employees in

work camps who are entitled to use the section 911 $20,000 income exclusion. We seek the same tax treatment for charitable workers.

Our proposal has broad support from international service organizations. I have received a good deal of correspondence on it as, I suspect, have many of my colleagues. These organizations are deeply concerned that burdensome taxes on their employees will impede their ability to carry on the international services and goodwill they have so selflessly provided in the past. To name a few, CARE, Catholic Relief Services, Foster Parents Plan, Technoserve, Foreign Mission Board of the Southern Baptist Convention, United Israel Appeal, National Association of State Universities and Land Grant Colleges, and the American Council of Voluntary Agencies for Foreign Service have endorsed the bill which we submit today.

Why is there concern that tax changes provided under the 1978 Foreign Earned Income Act will weaken the overseas programs of American charities? CARE, whose charitable activities are diverse and worldwide, has been able to provide us with detailed information about the tax consequences to their 178 overseas workers.

In 1978, CARE conducted feeding programs, and provided emergency disaster relief, medical aid and self-help development in 37 less developed countries located throughout Latin America, Africa, and the Middle East. Their feeding program alone offers food to some 25 million people each day, including approximately 18 million children.

Like most other charitable organizations, CARE has limited funds to pay the salaries of its employees. Their total 1978 budget for overseas employee salaries was under $2.5 million. One-quarter of CARE's employees had salaries of $10,000 per year or less. The average worker's current salary is only $12,376.

Yet, Mr. President, as a result of implementation of the Foreign Earned Income Act of 1978, virtually all of CARE's workers will experience a sudden and severe increase in tax. For the average worker, the total increase in income tax will be $1,457 per year. That is an additional tax bite equal to 12 percent of their average overseas worker's total salary.

I know that it was not the intent of Congress that such a burden be placed on these dedicated individuals. Certainly, no case can be made that we have closed a gaping loophole in the law which allowed highly paid Americans to escape their fair share of taxes.

Instead, the result will be devastating for CARE and other charitable organizations. They will either lose good employees or they will be forced to pay substantially higher salaries. If CARE were to attempt to compensate its employees for this increase in tax, it would be necessary to raise its payroll by a total of $350,000 to $389,000 per year, or 16 to 18 percent of its workers' total salaries.

The problem is that CARE, like other charities, has no customers to whom it can pass along these increased costs. By necessity, they will be absorbed by the organizations and reflected through reduced program activity. Because CARE receives matching funds for the contributions it raises, and because it is able to utilize food and materials under Government surplus programs, the loss of a dollar to increased salaries means the loss of considerably more than that in terms of the relief and assistance it provides needy people around the world.

A 16-percent increase in CARE's payroll, for instance—$350,000—is sufficient to fund participation in any of the following programs:

Constructing 9 bridges and 22 culverts to increase irrigated farm land in Bangladesh;

Promoting better nutritional practices during pregnancy and early child rearing for 70,000 mothers in Egypt;

Feeding 475,000 individuals in Haiti;

Constructing 400 classrooms in Peru;

Feeding 250,000 children and mothers per year in Tunisia;

Constructing 180 classrooms and teachers' quarters for earthquake victims in Guatemala.

Is it national policy that the Federal Government undercut activities of our charitable organizations so they have to be replaced by the Peace Corps or the U.S. Agency for International Development?

Of course not. Voluntary efforts have always been encouraged by our Government. The problem we are addressing today is one which emerged inadvertently from efforts by Congress to restructure the law relating to the taxation of foreign-earned income. It is not a statement of new policy toward voluntary foreign service. It is simply a mistake.

We urge our colleagues to join us in restoring equitable tax treatment to Americans providing charitable service abroad. Their dedication and good will just cannot be replaced by Federal programs or taxpayer dollars.

Mr. President, I ask that our bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 911 of the Internal Revenue Code of 1954 (relating to income earned by individuals in certain camps) is amended by inserting "or who performs qualified charitable services," after "hardship area,".

(b)(1) Subparagraph (A) of subsection (c)(1) of such section 911 is amended to read as follows:

"(A) DOLLAR LIMITATIONS.—

"(i) CAMP RESIDENTS.—In the case of an individual who resides in a camp located in a hardship area, the amount excluded from the gross income of the individual under subsection (a) for any taxable year shall not exceed an amount which shall be computed on a daily basis at an annual rate of $20,000 for days during which he resides in a camp.

"(ii) EMPLOYEES OF CHARITABLE ORGANIZATIONS.—If any individual performs qualified charitable services during any taxable year, the amount of the earned income attributable to such services excluded from the gross income of the individual under subsection (a) for the taxable year shall not exceed an amount which shall be computed on a daily basis at an annual rate of $20,000.

"(iii) SPECIAL RULE.—If any individual performs qualified charitable services and performs other services while residing in a camp located in a hardship area during any taxable year, the amount of the earned income attributable to such other services excluded from the gross income of the individual under subsection (a) for the taxable year shall not (after the applicator of clause (i) with respect to such earned income) exceed $20,000 reduced by the amount of the earned income attributable to qualified charitable services excluded from gross income under subsection (a) for the taxable year.".

(2) Subsection (c)(1) of such section 911 is amended by adding at the end thereof the following:

"(D) QUALIFIED CHARITABLE SERVICES.—For purposes of this subsection, the term qualified charitable services' means services performed by an employee for an employer which meets the requirements of section 501(c)(3).".

(c)(1) The heading for such section 911 is amended by inserting "or from charitable BLE SERVICES" after "CAMPS".

(2) The item relating to section 911 in the table of sections for subpart B of part III of subchapter IV of chapter 1 of such Code is amended by inserting "or from charitable services" after "camps".

SEC. 2. The amendments made by this section shall apply to taxable years beginning after December 31, 1978.●

By Mr. WEICKER:

S. 1704. A bill to amend title 23 of the United States Code in order to improve transportation throughout the Nation; to the Committee on Environment and Public Works.

HIGHWAY AND PUBLIC TRANSPORTATION IMPROVEMENT ACT OF 1979

● Mr. WEICKER. Mr. President, once again I rise to offer legislation designed to conserve energy by abolishing the highway trust fund and allowing the flexible use of Federal transportation dollars. This legislation represents my continued commitment to remove the existing bias toward highway construction in Federal transportation programs and to create a balanced transportation system in the United States.

In 1956, Congress passed legislation establishing the highway trust fund to finance the construction of a nationwide Interstate Highway System. This fund is supported by a set of taxes levied on users of highways. The most important of which is the 4-cents-a-gallon tax on motor fuels which accounts for approximately 70 percent of the total revenue. Fiscal year 1978 total net receipts of highway trust fund was $7.567 billion; fiscal year 1979 estimate of total net receipts is $8.157 billion.

Although the 1956 legislation was subsequently amended to allow for the use of some funds from the trust fund for mass transit and other urban transportation projects, it represents a minute portion of the total trust fund outlays. Approximately $100 million has been used by the States and localities since 1973 from the urban systems program.

Since the highway trust fund was created 23 years ago, the needs of our society have dramatically changed. In 1956, energy was plentiful and cheap. Today, energy availability is one of the

crucial problems facing this Nation. Our heavy reliance on insecure foreign sourced oil threatens our national security, creates economic turmoil and fuels inflation. The highway trust fund has helped to exacerbate this problem. By acting as an automatic pilot for highway construction, where expenditures were based on Trust Fund revenues regardless of demonstrated need, we have created the best highways and the worst overall transportation system in the modern world. This unequal and fragmented approach to transportation funding has led to a society dominated by the automobile. More than four out of every five American families own cars today and 90 percent of all urban travel is by car or truck.

I recognize the importance of having a good highway system both at the interstate and intrastate levels; I know that our country basically runs on tires. But have not we already built the greatest highway system in the world? Presently our interstate highway system comprises over 39,000 miles of superhighways; we have more than 900,000 miles of other Federal-aid roads, not to mention the State and local roadway system, and we have spent over $104 billion from the fund alone. Enough is enough. It is well understood that more roads generate more cars and more traffic, and cars are one of the biggest categories of petroleum consumers.

We all know the facts: transportation is the largest single end use of energy consumption in the country. Currently, 52.6 percent of our total energy use is for transportation with 39.5 percent of that going into automobile gasoline tanks. The Federal Government, through the development and implementation of its transportation programs, has had an enormous impact on the yearly waste of millions of gallons of gasoline. Today, mobility means the automobile—no real choice exists for most of the American public.

Mr. President, it is time for the Congress of the United States, through the implementation of policy and programs, to lead this nation out of the grasp of OPEC and toward measures of conservation and eventual energy independence. If we really want to do something about the energy problems facing this country today, if we really want to reduce our level of gasoline consumption, and if we really want to improve our environment at the same time, we should abolish the highway trust fund and spend a good deal of the substantial funds raised by these excise taxes to finance more energy-efficient transportation.

With the long gasoline lines of just a few weeks ago it is obvious that alternatives to private automobile travel must be found. And yet the existence of the highway trust fund prohibits balanced transportation planning. Because of the fund, Federal transportation programs provide approximately 97 cents of each dollar for highways. Broken down into separate categories, the transportation dollar actually dictates transportation priorities to the States and cities. Local officials see money in one specific category of the existing highway code and then build a road that fits the Federal guidelines, rather than building what they need.

We, as a responsive legislative body, need to weigh our many national needs and seek a better balance in the use of limited financial resources. We must create a mechanism that allows States and local units to be more responsive to the changing transportation needs of our society.

In order to allow the development of more rational transportation programs, ones that reflect our current energy, environmental and community development plans, the legislation I propose today would drastically reform the Federal highway program.

This legislation was drafted to maintain many of the existing administrative procedures presently utilized for highway programs. These procedures have proved successful in developing an excellent road system in the United States, but the bill, while attempting to build upon an existing apparatus, makes important structural revisions. Title XXIII of the United States Code has been rewritten precisely to establish the new transportation priorities we clearly need.

First, and most significantly, this legislation would abolish the highway trust fund, effective September 30, 1980. Federal gasoline and other user taxes that support the fund would remain in place, but the revenues derived would flow into the general fund of the Treasury. Thus, funding levels for the revised transportation programs, as approved under this act, would be analyzed and set by the Congress through its normal authorization and appropriation process.

Second, the proposal would consolidate the existing categorical programs into three major systems: interstate, urban and rural. Funds would be distributed to these systems in the following manner:

Interstate. The apportionment formula would remain the same as current law.

Urban system. Each State would receive urban system funds based on a population factor. Cities over 150,000 in population would receive funds directly from the Federal Government. Thus, local officials will be given greater control over their programs.

Rural system. The rural system funds would continue to be appropriated to a State on the basis of mileage, land area and population. However, the 1976 Federal Aid Highway Act inserted some urban construction into the rural road system and altered the apportionment formula to reflect this change. Since the new rural system has no urban components, the Kennedy-Weicker bill would revert back to the pre-1976 formula for distributing rural system moneys.

The bill would also equalize the Federal State funding ratios amongst the various programs. Under existing law, urban and rural systems are funded on a 70 to 30 basis, while the interstate enjoys a 90 to 10 split. In order to eliminate any bias that this imposes on local officials, all transportation funding, authorized by this act, would be 90 percent Federal, 10 percent State and local.

Third, this legislation removes any restriction on the use of moneys distributed to the urban and rural systems. Funds authorized for the urban and rural systems would now be available to States and cities for either highway construction and maintenance, or for mass transit construction, maintenance and operating assistance. Thus, State and local officials would have a wide range of options to choose from in deciding how best to meet their own transportation needs.

Finally, this bill sets up a statewide transportation planning mechanism to be administered by a single state agency with jurisdiction over all State transportation programs. The Governor would be required to develop rural aspects of the plan and incorporate plans formulated by urban areas into his statewide plan. Under the bill, urban areas would retain control of their own planning. These plans would have to reflect Federal and State priorities in energy conservation, urban development, environmental concerns, and safety factors. The Secretary of Transportation and the State legislature each exercise approval power over the plans. The Secretary's disapproval of any plan may be subjected to court review.

Once the State plan was approved, the Governor would submit for the Secretary's approval a program of projects to receive Federal funding. To qualify for that approval, the projects would have to give priority to fixed-guideway and electric-powered projects—mass transit—in areas failing to meet ambient air quality standards. The bill also requires that State plans must emphasize reconstruction of unsafe rural-system highways, development of safety programs, access to public airports, and port facilities and energy-saving projects.

Mr. President, the goal of this legislation is to provide flexibility for State and local officials. They best know their own transportation needs. Federal assistance should be equally available for whatever transportation system they think best for their region. Once this flexibility and improved planning is achieved, the Nation will enjoy better transportation, cleaner air to breathe and less energy wasted.●

By Mr. PACKWOOD (for himself, Mr. EAGLETON, and Mr. MOYNIHAN):

S. 1705. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of charitable contributions to orgapizations from which the taxpayer or a member of his family receives services; to the Committee on Finance.

● Mr. PACKWOOD. Mr. President, today Senators MOYNIHAN and EAGLETON and I are introducing a bill which will have the effect of reversing a recent Internal Revenue Service ruling which can hamper continued support for all types of charitable, educational, and religious organizations. The ruling is most likely to adversely affect charitable organizations which provide substantial benefits for individuals, such as homes for the

aged, handicapped, or retarded, schools, colleges, or day care centers.

Revenue ruling 79–99, announced March 5, 1979, dealt with the deduction of a voluntary contribution made to a Lutheran school in Texas. The contribution was made by parents with a child attending the school. The school charged no tuition.

The contribution was voluntary. The IRS specifically stated that no child had been denied admission because of failure of parents to make a contribution. In addition, funds were solicited from parents on the basis of ability to pay. The ruling holds that the parent may deduct the contribution only to the extent that it exceeds the "fair market value" of the service received from the donee organization.

This bill provides that voluntary contributions will be deductible, even if the contributor receives a service from the donee organization, so long as the contribution was not earmarked for the benefit of contributor or a member of his family. This is similar to the rule stated in revenue ruling 54–580, in which the IRS indicated that voluntary payments to an organization—even if a member of the taxpayers family received benefits from the organization—are deductibe, so long as use of the contribution is not earmarked for particular children.

Revenue ruling 79–99 bars the deduction of voluntary contributions except to the extent they exceed the "fair market value" of the education. We believe this standard is inadministerable. The ruling provides no guidance as to calculating the fair market value of education received from a nonpublic school or any other service provided by nonprofit organization. The standard is hopelessly subjective. The IRS may apply "value" to mean "cost." However, this is also difficult or impossible to calculate. There are no uniform accounting standards applicable to private schools and other nonprofit organizations. Problems could arise regarding application of depreciation or valuation of volunteer services. Compliance with these requirements could force church-sponsored organizations to disclose substantialy more financial information to the IRS than is currently required. We believe this is unnecessary to proper application of the charitable deduction rules, is unwise public policy, and in some situations could lead to an unconstitutional entanglement between church and state.

Although revenue ruling 79–99 dealt with a church-sponsored educational organization, the logic of the ruling could be applied to any nonprofit organization. For example, assume an individual makes a voluntary contribution to a nonprofit volunteer fire department. If the individual subsequently receives a benefit from the fire department he could be denied deductibility for his contribution.

Similarly, a not for profit cultural organization may sell tickets for performances at below cost. If a contributor makes a voluntary contribution, he could lose the deduction for the amount of the voluntary contribution up to the "fair market value" of the performance he attends. Similar problems could arise for contributors to an organization to which they have previously paid a fee for a service, such as parents who make voluntary contributions in addition to tuition payments at a college or any other school, a nonprofit day care center, or a center for the handicapped or mentally retarded.

We look forward to receiving suggestions for modifying this bill from other Senators, the Treasury Department, and private citizens.

I request unanimous consent that the text of the bill be printed in this RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 170 of the Internal Revenue Code of 1954 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (i) as (j), and by inserting immediately after subsection (h) the following new subsection:

"(i) Contributions to Certain Organizations Providing Services.—No amount paid to a corporation, community chest, fund, or foundation described in subsection (c)(2) shall be denied treatment as a charitable contribution under subsection (a) solely because of any educational benefit or other service received by the taxpayer or any other person from such corporation, community chest, fund, or foundation, or a related organization, except to the extent that the payment is made subject to an express instruction or designation, written or verbal, that the payment will be used or applied for the direct benefit of the taxpayer or a "member of his family."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years ending after the date of enactment of this Act, and to all taxable years ending before such date for which the period for filing a claim for credit or refund for an overpayment of tax imposed by chapter 1 of the Internal Revenue Code of 1954 has not expired.●

● Mr. EAGLETON. Mr. President, I am pleased to be a cosponsor of S. 1705 introduced here today with Senators MOYNIHAN and PACKWOOD. I strongly believe that this bill is both timely and necessary in light of the IRS action last March which I believe overturned 25 years of IRS practice by revising previous rulings for charitable contributions.

Last March, the Internal Revenue Service ruled that a church member may not be entitled to a tax deduction for a contribution to his church if his child attends a parochial school financed solely by all the members of the congregation. A deduction would be allowed only to the extent the contributions exceeded the fair market value of the child's education. I believe this new ruling—revenue ruling 79–99—completely ignores what has been IRS practice since 1954. Revenue ruling 54–580 states that payments made to a religious organization operating a nontuition school cannot be regarded as a charitable contribution if the contribution is earmarked for the benefit of a particular child or children. However, this ruling—which has been cited as recently as 1978—goes on to say that "payments made to or for the use of such organizations in carrying out their general purposes and not in any way earmarked for the benefit of particular children would constitute deductible contributions or gifts under section 23(o) of the Code." I believe this new IRS ruling directly contradicts revenue ruling 54–580, which has been IRS policy for 25 years.

I believe Congress would set a dangerous precedent if it were to continue to allow IRS to carry out this ruling. By doing so, IRS has assumed the role of judge over a charitable organization to determine its motives insofar as expenditures of charitable contributions are concerned. I believe it is sufficient that the IRS make determinations of whether or not a donation to a chairtable organization is in return for a benefit for a particular person. If it is not, then I believe the IRS should go no further in its judgments of charitable functions: That is what my bill provides.●

● Mr. MOYNIHAN. Mr. President, the bill Senator PACKWOOD and I are introducing today would clarify the intent of Congress with respect to an important aspect of the charitable deduction. This would not be necessary had not the Internal Revenue Service recently embarked on a course that, if pursued, would do grave violence to what we have long assumed was the correct interpretation of the ideas of charity and voluntarism as embodied in the tax code.

The issue is whether a taxpayer loses his right to take a deduction for a voluntary contribution to a qualified, exempt organization if he or his dependents receive some benefit from the activities of that organization.

Our bill would not affect the general requirement that any contribution for which a charitable deduction may be claimed must be truly voluntary. Required payments—dues, membership fees, tuitions, fees, mandatory subscriptions and the like—are not and should not ordinarily be entitled to this deduction. Our bill would not lessen the responsibility of the taxpayer to prove the voluntary nature of a contribution for which he takes a charitable deduction.

But our bill would make clear that the charitable impulse, and the right to a charitable deduction, are not vitiated or impaired by the fact that a donor or a member of his family receives some benefit from the activities of the organization to which the contribution is made.

Consider the absurd and wholly unacceptable situations that would arise if, instead, the Internal Revenue Service persisted with the argument of revenue ruling 79–99 that the voluntary contribution is deductible only to the extent that it exceeds the "fair market value" of the benefit received.

A donation to the local volunteer fire company would not be deductible if the fire company extinguished a blaze in the donor's house.

A donation to the community rescue squad would not be deductible if the donor suffered a heart attack and was rushed to the hospital in the ambulance operated by that rescue squad.

A donation to the Girl Scouts would not be deductible if the donor's daughter were a Girl Scout.

A donation to the college attended by one's child would not be deductible, even though contributions by parents, as well as alumni and friends, are today an integral part of the annual giving programs of most higher education institutions.

A donation to a hospital would not be deductible if the donor's spouse were hospitalized there during the same calendar year.

A donation to a church would not be deductible if the donor worshipped there, or received counseling from the minister, or held his mother's funeral there.

Further absurdities arise if the Internal Revenue Service attempts to require the taxpayer to document the "fair market value" of the benefit received, so as to restrict the charitable deduction to amounts in excess of that value. What is the fair market value of a kindergarten education? What is the fair market value of a wedding or funeral? What is the fair market value of a visit to the Metropolitan Museum of Art? What is the fair market value of an evening at the Folger Theater? What is the fair market value of prompt and competent firefighting?

We must recognize that the charitable impulse is seldom wholly disinterested, nor ought it be expected to be. We contribute to organizations and institutions and causes because we are interested in them, in the services they render and in the benefits they provide. Frequently we are interested in them because we and members of our families have enjoyed the benefits they provide and hope that we and others will be able to continue enjoying those benefits. We do not want them to disappear. We do not want or expect them to rely for their support on persons who have little knowledge or experience with them. We do not want them to depend on Government support or, failing to obtain such support, to vanish, leaving the Government with the responsibility of replacing their services if it can. We recognize that often this is impossible—as in the case of churches and church-related organizations—and that often the assumption by Government of responsibility for activities would drain them of their essential value to those who cherish their distinctive private qualities.

Some months ago, Senator PACKWOOD and I introduced S. 219, which would extend the charitable deduction to all taxpayers, whether or not they itemize their other deductions. The purpose of that bill, which now has 23 cosponsors, is to encourage voluntary support of charitable organizations and activities, insofar as it is within the ability of the Federal Government to do so. That bill, too, would not be necessary had the Congress original understanding of the charitable deduction been unaffected by subsequent developments, but the gradual increase in the standard deduction, now know as the zero bracket amount, has greatly restricted the incentive effect of the charitable deduction, and corrective legislation must now be passed if we are to sustain the principle that income voluntarily contributed to qualified exempt organisations should not be subject to Federal taxation.

Today's bill could reasonably be described as a companion measure, the need for which is created by the seemingly irresistible impulse of the Internal Revenue Service to narrow the definition of charity and to erode the financial base of all activities not explicitly controlled by Government and supported with Government funds.

This animus is especially clear in the case of religious education. I fear it is no coincidence that the specific situation that led to the issuance of revenue ruling 79-99 was the effort of a denominational school to support itself with voluntary contributions. But the implications of that ruling are far broader and more worrisome, for they would intrude the IRS into determinations of the motive behind a charitable contribution and that, I submit, is no proper concern of the Government, so long as the recipient organization has the proper tax exemption and so long as the individual contribution is voluntary.

I wish to be clear that this bill does not in any way affect the determination by the IRS of an organization's tax exempt status, which, in the case of a nonpublic school, must include satisfactory proof of racial nondiscrimination. And I wish further to be explicit that this bill states a general rule in general terms. It is conceivable that in hearings and committee deliberations we will discover unforseen, complicated situations that call for greater specificity in the law. We welcome such suggestions and look forward to the discussions that will ensue.●

By Mr. LEVIN:

S. 1706. A bill to amend the Federal Rules of Criminal Procedure to require that the court instruct the jury, upon the defendant's request, that the defendant is presumed innocent until proven guilty; to the Committee on the Judiciary.

Mr. LEVIN. Mr. President, I am introducing a bill today that would require that a Federal judge, when requested by a defendant in a criminal case, instruct the jury that the defendant is presumed to be innocent until proven guilty. Although it is a basic tenet of our system of criminal justice, the Supreme Court in a recent case entitled Whorton against Kentucky held such an instruction not to be constitutionally required.

In that case, defendant's counsel had requested that the jury be instructed on the presumption of innocence. The trial judge refused. On appeal, the defendant argued that this refusal was a denial of due process in violation of the 14th amendment. A divided Kentucky Supreme Court agreed, holding that "when an instruction on the presumption of innocence is asked for and denied, there is reversible error."

The U.S. Supreme Court reversed and stated that—

> The failure to give a requested instruction on the presumption of innocence does not in and of itself violate the Constitution . . . such a failure must be evaluated in light of the totality of the circumstances—including all the instructions to the jury, the arguments of counsel, whether the weight of the evidence was overwhelming, and other relevant factors—to determine whether the defendant received a constitutionally fair trial.

Although the Supreme Court says such instruction is not constitutionally mandated, I believe it should be included upon request as part of our criminal procedure. Regardless of the "totality of the circumstances," I believe the presumption of innocence to be such an important part of our sense of criminal justice that every defendant should be allowed to have the jury reminded of his/her presumption of innocence prior to deliberation.

Justice Stewart in his dissenting opinion, in which he was joined by Justices Brennan and Marshall, pointed out that—

> While an instruction on the presumption of innocence in one sense only serve to remind the jury that the prosecutor has the burden of proof beyond a reasonable doubt, it also has a separate and distinct function. Quite apart from considerations of the burden of proof, the presumption of innocence cautions the jury to put away from their minds all the suspicion that arises from the arrest, the indictment, and the arraignment, and to reach their conclusion solely from the evidence adduced.

The bill I introduce today would amend rule 30 of the Federal Rules of Criminal Procedure to require such instruction in Federal criminal cases. Although the bill is short and the language simple, the right conferred is a very important and serious one.

For those who may question the authority of Congress to change the Federal Rules of Criminal Procedure since Congress has delegated such power to the Supreme Court, let me point out that caselaw is very clear that such delegation is not so extensive and final that Congress must either revoke this delegation or wait for the Supreme Court to propose changes before Congress can act to amend; changes may be effected at any time by statute. I refer my colleagues to the case of *United States* v. *Mitchell*, D.C.D.C. 1974, 397 F. Supp. 166, affirmed 559 F. 2d 31, *cert.* denied 431 U.S. 933, on this subject. We have the authority to make this change, we also have the responsibility to maintain the basic safeguards of our criminal justice system.

I urge my colleagues to support this bill.

By Mr. SASSER:

S. 1707. A bill to authorize funds for the William Levi Dawson Institute of Public Affairs; to the Committee on Labor and Human Resources.

WILLIAM LEVI DAWSON INSTITUTE OF PUBLIC AFFAIRS ASSISTANCE ACT

● Mr. SASSER. Mr. President, today I am introducing legislation to establish the William Levi Dawson Institute of Public Affairs at Fisk University in Nashville, Tenn. The act would authorize up to $8 million in grants to provide specialized training in public administration, in a living tribute to Bill Dawson.

Mr. President, William Dawson served his country as a U.S. Congressman from 1942 to 1970. He was only the second black person to so serve since the Reconstruction, the first black Congressman to chair a committee, and the first black person to serve as assistant chairman of the National Democratic Committee.

William Levi Dawson graduated magna cum laude at Fisk University in 1909, and received his law degree from Northwestern University in Chicago. He fought with the famed 365th Infantry Division during World War I, and he was wounded in the Argonne offensive. His dedication to serving his country then took him back to Chicago, where his political career blossomed. He once said:

> There's only one formula for making a success out of politics. Hard work and plenty of it. Start in on the ground floor and go from there.

With this philosophy, he went from city alderman in 1935 to Democratic Party committeeman to Congressman at the age of 56.

For 28 years, Mr. President, Bill Dawson served his Chicago constituency and the American people as a Congressman. He became known as a "politician's politician," seeing politics as a serious, full-time profession. "Politics for me is a full-time business," he said. "It is not a hobby to be worked on in leisure hours, but it is an honorable profession, a full-time job that rewards only those who are willing to apply their energy, start in from scratch, and benefit by his experience."

William Levi Dawson was possessed by the conviction that public service, the need to serve the people, was the primary business of politics. He felt that the "participation in politics is the crowning glory of an American citizen and is the greatest weapon to gain and safeguard the rights of citizens." He believed strongly that black Americans should develop political leaders in their own right—something that could only be accomplished with proper training and education.

Mr. President, although the number of black Americans in managerial and administrative jobs has greatly increased in the past few years, there is a conspicuous lack of adequate facilities in which to prepare black youth for public service.

The William Levi Dawson Institute of Public Affairs at Fisk University would permit many more black youths, interested in politics and public service, to obtain the educational background and practical experience necessary for a successful career in public administration. Our future generation of leaders vitally depends on these very youths—we cannot ignore the need to assist them. When our leaders are well informed, well prepared, and dedicated to excellence, the benefits to the general population geometrically increase.

Mr. President, I offer this legislation as a living monument to William Levi Dawson. He once lamanted that "* * * there are so few well-trained men and women among us devoting their entire time to political leadership." The Dawson Institute will fill this void, provide trained public administrators, and increase the opportunities for black men and women in this exciting and fulfilling field. The institute will thus be a lasting tribute to the career of a dedicated public servant, William Levi Dawson, and I look to the Senate for the early adoption of this important measure.

I want to commend Dr. Walter Leonard, the president of Fisk, and the outstanding faculty at Fisk for developing this recommendation and this plan to establish this Institute of Public Affairs. This would be a tremendous asset to the black community—and indeed for all people—in the years to come by developing strong public leadership.●

By Mr. PERCY (for himself, Mr. KENNEDY, Mr. TSONGAS, Mr. DOMENICI, and Mr. STEVENS):

S. 1708. A bill to reorganize the executive branch of the Government to consolidate different governmental agencies and activities with respect to energy technology, and for other purposes; to the Committee on Governmental Affairs.

SMALL SCALE ENERGY TECHNOLOGY PROGRAMS REORGANIZATION ACT

● Mr. PERCY. Mr. President, small-scale energy technologies can make an enormous contribution to America's energy needs. Moderately sized windmills are already meeting the electrical needs of several small communities. Solar collectors currently supply tens of thousands of American homes with space heat and hot water. Conservation devices, many of them small in scale, allow for vast reductions in energy consumption—in our homes, our automobiles, our factories, our farms, and our commercial and public buildings.

A recent study by the Army Corps of Engineers offers striking evidence of the potential impact of small-scale technologies. The corps has calculated that the United States could save 727,000 barrels of oil per day—nearly one-tenth of our current demand for imported oil—by installing small-scale generating equipment at existing dams.

Small businesses and individual inventors, like small-scale technologies, are a vastly underutilized energy resource in America today. Their capacity for productive innovation has been substantially proven over the decades. Air-conditioning, automatic transmissions, the jet engine, photo-typesetting, magnetic recording, and the helicopter are but a few of the technological breakthroughs which small independent or university-affiliated research teams can claim. I would like to point out additionally that the radio arose from the discoveries of inventors who had no ties to established firms in the communications industry.

Given their impressive history of accomplishments, individual inventors and small businesses should be recognized as key assets to America in its search for solutions to our energy dilemma.

FEDERAL INDIFFERENCE

In March 1978, I introduced an earlier version of the bill which I am now introducing. This bill, the Small Scale Energy Technology Programs Reorganization Act, proposed to establish an Office of Small Scale Technology within the Department of Energy, to give small businesses and small-scale technologies the visibility and support which they so clearly deserve.

I was not the first to call for the creation of an Office of Small Scale Technology. In April 1977, President Carter promised to create such an office, "in order to tap more fully the potential of individual inventors and small business firms." Several months later, he created a Department of Energy but failed to establish an Office of Small Scale Technology within that agency. By introducing the Small Scale Energy Technology Programs Reorganization Act last spring, I hoped to break the administration's complacency on this important matter.

Through the summer and fall of 1978, I repeatedly prodded the Department to take action. In January 1979, an Office of Small Scale Technology was finally created. I welcome this accomplishment, and I commend the administration for its prudent selection of Mr. Web Otis as the Office's Director. The Office will benefit enormously from the leadership of this knowledgeable and resourceful individual.

The mere existence of an Office of Small Scale Technology is no cause for complacency, however. Having created an administrative entity, the administration has chosen to leave that entity largely lacking in resources. The Office of Small Scale Technology, or "OSST," is one of eight offices within the Department of Energy's conservation and solar applications division. This division has 477 staff positions. Of these, a mere 11 slots—slightly more than 2 percent—have been assigned to the OSST.

In terms of funding, the OSST has been dealt an even tinier share. The conservation and solar applications division has a fiscal 1979 budget of $796 million. Only $8 million, or 1 percent of the division's total budget, is available to the OSST. For fiscal 1980, the Office of Management and Budget has recommended that the OSST receive $8.5 million of an overall budget for the division of $940 million.

Understaffing and underfunding gravely limit the potential impact of the OSST. These constraints have prevented the new office from undertaking a number of important tasks which are essential to the successful promotion of small-scale energy technologies.

SMALL GRANTS PROGRAM—A GREAT SUCCESS

At the present time, the OSST's principal undertaking is the administration of the Department's appropriate energy technology small grants program. This unusual program provides modest funding to inventors and innovators involved in researching, developing, and demonstrating small-scale technology concepts.

Starting as a pilot effort on the west coast in September 1977, the small grants program has since become a highly successful nationwide program. The following examples illustrate the range of projects funded by the program:

The City of Palo Alto, Calif., received $20,000 to build a "minisolar utility." Solar collectors mounted atop a parking garage will provide space heating and hot water to fourteen surrounding homes.

A farmer in Cooks, Mich., has been given $6,000 to install a water-pumping windmill. This device will provide irrigation water for 15 acres of strawberries, and will replace an electric motor which draws 3,937 watts per hour of electricity.

In Hawaii, a research institute is using a $12,700 grant to experiment with a method of using waste heat from refrigerators to provide domestic hot water.

The small grants program has generated tremendous enthusiasm among energy innovators. So far this year, it has attracted $337 million in funding proposals. OSST Director Web Otis conservatively estimates that 25 percent of these proposals—totaling at least $80 million—will earn "good" to "excellent" technical ratings. Because of the office's very limited budget, no more than 10 percent of these technically qualified proposals will receive assistance.

MARKETING SMALL SCALE TECHNOLOGIES

In spite of its budgetary limitations, the small grants program is able to help many small businesses and inventors through the often difficult research, development, and demonstration stages. The Office of Small Scale Technology is unable, however, to carry the inventors of promising technologies to the next, even more crucial stage: market entry.

We have long recognized that American small businesses face certain unique economic disadvantages. To obtain bank loans, they generally must pay higher interest rates than large firms, and unlike large firms, they cannot successfully float low-yield stock. These problems are particularly acute when a small firm has nothing to offer but a new idea.

Small businesses are also at a disadvantage when applying for Government grants or contracts. Government agencies tend to overlook small firms in an attempt to minimize the number and maximize the size of its grants and contracts—all in the name of bureaucratic efficiency.

In the energy field, the Federal Government has sorely neglected small businesses. In fiscal 1977, the Department of Energy's major predecessor, ERDA, allocated 50.8 percent of its procurement budget to 10 large firms, their subsidiaries and affiliates. Only 10.3 percent of the agency's procurement budget reached small businesses. In fiscal 1978, only 14 percent of the Department of Energy's procurement budget went to small businesses.

In such an unsupportive environment, it is not surprising that many potentially useful small-scale energy technologies never leave the inventor's laboratory or the tinkerer's workbench.

PURPOSES OF THE BILL

Today I am introducing a revised version of the Small Scale Energy Technology Programs Reorganization Act, to address some of the unmet needs of small-scale energy technology developers.

My proposed legislation would allow the appropriate energy technology small grants program to reach a funding level of at least $14 million in fiscal 1980. Even with this expanded funding, little more than 15 percent of the program's qualified applicants would receive funding. The current high caliber of small grants recipients would therefore be guaranteed.

The bill also instructs the Office of Small Scale Technology to provide a number of services to small businesses which are attempting to market small-scale energy technologies. The Office would conduct workshops to educate energy-related small businesses as to marketing skills, and would help small business to identify financial backing in the private and public sectors. In special cases, the Office would be able to provide modest grants to small businesses, to facilitate the marketing of their new technologies.

A number of studies are also required by the bill. One study would explore the advisability of incorporating the energy-related inventions program into the Office of Small Scale Technology. Under this program, inventors currently submit their ideas to the National Bureau of Standards. If certified by the Bureau, a given technology is then eligible for funding from the Department of Energy. As currently administered, the program forces applicants to endure months of anticipation while their inventions are being reviewed. Moreover, those which receive certification are by no means guaranteed funding by the Department of Energy, due to limited funding resources. Bringing the energy-related inventions program into the Office of Small Scale Technology could significantly enhance the impact of this foundering program.

An Interagency Council on Small Scale Technology would be another product of my proposed legislation. This Council would promote and coordinate small-scale technology programs in the various agencies of the Federal Government. Small-scale technology programs originating in one agency would surely benefit from constructive cooperation with similar programs in other agencies.

Overall funding for the Office of Small Scale Technology, as proposed by my bill, would be $23,635,000 for fiscal 1980. This is the amount recommended in the Department of Energy authorization bill, which was reported out of the Energy and Natural Resources Committee on June 7.

Small-scale technologies can and should figure more prominently in the molding of our Nation's energy policy. Building a stronger Office of Small Scale Technology is essential to this goal.

I am pleased to have Senators KENNEDY, TSONGAS, DOMENICI, and STEVENS as original cosponsors of this legislation.

Mr. President, I ask unanimous consent that a summary of the Small Scale Energy Technology Programs Reorganization Act, together with the text of the bill, be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Scale Energy Technology Programs Reorganization Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) small scale technologies can significantly reduce our Nation's dependence on imported petroleum, by enabling individual regions, communities, and households to make fuller use of locally available energy resources;

(2) the cumulative impact of many small scale technologies on national energy consumption and production can be highly significant;

(3) an expanded national focus on small scale technologies will engender individual and community efforts toward energy innovation and self-reliance;

(4) small scale technologies can provide many more jobs per dollar invested than centralized power generation facilities;

(5) small businesses can play a major role in innovating, producing, and marketing small scale technologies;

(6) small businesses and localities receive limited opportunities for participation in the programs of the Department of Energy;

(7) simplified grant and contract procedures and other forms of assistance are necessary to enable innovative small businesses and localities to realize their potential energy contribution; and

(8) current Federal programs dealing with small scale technology are scattered and lack overall coordination and visibility.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(1) "small scale technology" includes renewable energy and other technologies, products, and services which contribute to energy production, conservation, and awareness among individual or small groups of end users, in a manner which is simple in design and use, environmentally sound, and reliant upon locally available labor and other resources;

(2) "small business" means any person, inventor, partnership or corporation including all affiliates thereof, tax-exempt organization, community action agency, community corporation, or other profitmaking or nonprofit group which employes 40 or fewer individuals;

(3) "locality" means a city, town, borough, county, parish, district, Indian Tribe, or other public body created by or pursuant to State law, with responsibility for the planning and administration of local affairs;

(4) "Office" means the Office of Small Scale Technology established by section 4;

(5) "Director" means the Director of the Office of Small Scale Technology;

(6) "Secretary" means the Secretary of the Department of Energy;

(7) "Small Grants Program" means the Appropriate Energy Technology Small Grants Program of the Department of Energy;

(8) "Department" means the Department of Energy; and

(9) "Council" means the Interagency Council on Small Scale Technology, established by section 10.

OFFICE OF SMALL SCALE TECHNOLOGY

SEC. 4. (a) There is established within the Department of Energy an Office of Small Scale Technology.

(b) The Office shall be headed by a Director who shall be appointed by the Secretary and shall report to the Assistant Secretary for Conservation and Solar Applications.

(c) The Office shall incorporate the Appropriate Energy Technology Small Grants Program of the Department of Energy, and such program shall be administered in accordance with section 6.

FUNCTIONS

SEC. 5. The Secretary, acting through the Director, shall—

(1) make grants to small businesses and localities for small scale technology, subject to the restrictions of section 6;

(2) inform small businesses and localities about opportunities for participation in the programs of the Office;

(3) evaluate and certify the performance of small scale technology equipment and demonstration models developed by small grants recipients, in accordance with the provisions of section 7(c);

(4) assist in the promotion and marketing of small scale technology applications which have received technical certification;

(5) provide information to the general public concerning the benefits and availability of small scale technologies;

(6) provide analyses of the potential contribution of small scale technologies to our Nation's energy needs, and of the role of small businesses and competition in the financing, production, and marketing of such technologies;

(7) work with, and provide information and assistance to, State and local governments to encourage the widespread use of small scale energy technologies, energy conservation and renewable energy technologies;

(8) coordinate the activities of the Office with other programs within the Department of Energy, including the Energy Extension Service, the Regional Solar Energy Centers, and the Solar Energy Research Institute; and

(9) coordinate domestic and international small scale technology programs of the Federal Government through the Interagency Council on Small Scale Technology established by section 11.

SMALL GRANTS PROGRAM

SEC. 6. (a) The Secretary, in administering the appropriate Energy Technology Small Grants Program, shall make grants to qualified applicants for the purpose of research, development, and demonstration of small scale technologies. Grants to any small business or locality under this section shall not exceed $50,000 for any two-year period, unless the Secretary determines that the potential benefits to the Nation of a particular grant are sufficiently great to warrant a grant in a larger amount, in which case no grant shall exceed $100,000 over a two-year period.

(b) Applications shall be made in such form and contain such information as the Secretary may reasonably require. Application procedures shall be simple, so as to place a minimum burden upon the apolicant.

(c) The Director shall administer the Small Grants Program through the regional offices of the Department of Energy, taking into consideration the unique social, economic, geographical, and political characteristics of each region.

(d) The Secretary, acting through the Director, shall appoint review committees in each region, consisting of representatives of small businesses and other interested persons. Such committees shall review grant applications within the region, and make advisory recommendations for funding to the regional administrators of the Small Grants Program.

TECHNOLOGY PROMOTION

SEC. 7. (a) The Secretary shall initiate a program to promote the increased utilization of small scale technologies and to enhance the ooportunities and competitive position of small, energy-related businesses. The Secretary, acting through the Director, shall—

(1) conduct seminars, conferences, and other projects to educate small businesses as to marketing skills and to inform them of public and private sources of capital;

(2) encourage public and private financial institutions to adopt innovative policies favorable to small, energy-related businesses; and

(3) encourage State and local units of government to develop programs which will assist small, energy-related businesses.

(b) The Secretary shall provide grants to a selected number of small businesses and localities for the purpose of expanding the use of small scale technologies which have been certified in accordance with section 7

(c) Grants to any small business or locality under this section shall not exceed $20,000 for any two-year period.

(c) The Secretary shall cooperate with the National Bureau of Standards, the Consumer Product Safety Commission, the Environmental Protection Agency, the National Center for Appropriate Technology, and other appropriate public and private agencies in evaluating the effectiveness, reliability, and durability of selected small scale technologies.

(d) Participants in programs under this section may include, but shall not be confined to, small businesses and localities which have received assistance under section 6.

ENERGY-RELATED INVENTIONS PROGRAM

SEC. 8. (a) The Director shall conduct a study with regard to the advisability and practicality of integrating all functions of the Energy-Related Inventions Program into the Office of Small Scale Technology.

(b) Not later than 90 days after the date of enactment of this Act, the Secretary shall submit a report to the Congress which shall include recommendations with respect to the study required by section 8(a).

OTHER STUDIES

SEC. 9. (a) Not later than 18 months after the date of enactment of this Act, the Secretary shall conduct a study and submit a report to the Congress. Such report shall provide—

(1) an analysis of the degree to which the Nation can utilize small scale technologies to meet its energy needs; and

(2) recommendations as to appropriate policy actions to be taken by the Department to achieve the level of small scale technology utilization suggested in such study.

(b) Not later than one year after the date of enactment of this Act, the Secretary shall report to the Congress on the advisability of modifying the Department's patent policy to further the ability of small businesses to commercialize emerging small scale technologies.

(c) Not later than 90 days after the end of each fiscal year, the Secretary shall report to the Congress on the overall activities of the Office of Small Scale Technology.

STAFFING

SEC. 10. The Office shall include a minimum of 22 full-time staff members, in addition to the Director, who shall assist the Director in implementing the provisions of this Act. Not less than 12 of the staff members reporting to the Director shall be located in the regional offices of the Department of Energy.

INTERAGENCY COUNCIL

SEC. 11. (a) There is established an Interagency Council on Small Scale Technology as an independent instrumentality of the United States in the executive branch. The Secretary of Energy shall serve as chairman of the Council.

(b) The Secretary of Agriculture, the Secretary of Housing and Urban Development, the Secretary of State, the Director of the Agency for International Development, the Director of the National Science Foundation, the Administrator of the Small Business Administration, the Administrator of the Community Services Administration, and the Director of the National Center for Appropriate Technology shall each appoint representatives to the Council. The Secretary may request other departments, agencies, and instrumentalities of the United States to appoint representatives to the Council.

(c) The Council shall review and coordinate all small scale technology programs of the Federal Government and, through the Secretary of Energy, shall report annually to Congress on—

(1) the ongoing and potential interagency projects using small scale technology in housing, farming, energy, international assistance, integrated systems, and other areas at the discretion of the Secretary; and

(2) the ongoing and potential programs within individual Federal agencies promoting the application of small scale technologies.

(d) The Secretary shall also coordinate the activities of the Council nationwide through the established interagency Federal Regional Council system.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. (a) There are authorized to be appropriated for the purpose of carrying out the provisions of this Act $23,635,000 for the fiscal year ending September 30, 1980.

(b) Not less than 60 percent of the amount appropriated under section 12(a) shall be used for the purposes of section 6.

(c) Not less than 25 percent of the amount appropriated under section 12(a) shall be used for the purposes of section 7.

SUMMARY: SMALL SCALE ENERGY TECHNOLOGY PROGRAMS REORGANIZATION ACT

Findings (Sec. 2).

The Small Scale Energy Technology Programs Reorganization Act recognizes the important role which small scale technologies can play in meeting our Nation's energy needs. It recognizes that small scale technologies can provide many more jobs per dollar invested than centralized power generation facilities, and that small businesses and localities can play a major role in developing and promoting small scale technologies. It further recognizes that small businesses and localities have received limited opportunities for participation in the programs of the Department of Energy, and that simplified grant and contract procedures and other forms of assistance are necessary to enable innovative small businesses and localities to realize their potential energy contribution. Finally, the bill recognizes that Federal programs dealing with small scale technology need better overall coordination and higher visibility.

Office of Small Scale Technology (Sec. 4).

Section 4 mandates the establishment of an Office of Small Scale Technology within the Department of Energy, to be headed by a Director who shall report to the Assistant Secretary for Conservation and Solar Applications. (While this Office has in fact already been established, the bill provides a legislative mandate whereby Congress can determine its structure and functions.)

Functions of the office of small scale technology (Sec. 6–9).

The principal functions of the Office of Small Scale Technology can be divided into three categories:

(1) Appropriate energy technology small grants program (Sec. 6).

The Office shall assume responsibility for administering the Appropriate Energy Technology Small Grants Program. Under this program, grants shall be made to qualified applicants for the purpose of research, development, and demonstration of small scale technologies. Grants are generally not to exceed $50,000 per recipient over a two-year period. In special cases, the Director can award larger grants of up to $100,000 over a two-year period.

Application requirements are to be kept as simple as possible, in recognition of the limited resources available to many individual inventors and small businesses.

The Office shall administer the Small Grants Program through the regional offices

of the Department of Energy, and shall appoint a review committee in each region to evaluate grant applications and make advisory recommendations for funding to the regional administrators of the Small Grants Program.

(Section 6 essentially mandates that the Department of Energy follow its current practices in administering the Appropriate Energy Technology Small Grants Program.)

(2) Technology promotion (Sec. 7).

The Office shall take a number of steps to promote the market penetration and broadened utilization of small scale technologies. It shall conduct educational seminars for small businesses; work with public and private lending institutions as well as state and local units of government to develop policies more favorable to small, energy-related businesses; and cooperate with other Federal agencies in evaluating and certifying small scale technologies. In addition, the Office shall provide grants to a select number of small businesses and localities to assist in promoting the broader use of small scale technologies which have received Federal certification. Grants to any small business or locality under Sec. 7 shall not exceed $20,000 for any two-year period.

(3) Studies (Sec. 8 and 9).

The Secretary shall study and report to Congress on the advisability and practicality of incorporating the Energy-Related Inventions Program into the Office of Small Scale Technology.

The Secretary shall also study and report to Congress on the potential contribution of small scale technologies to our Nation's energy needs. This study shall include recommendations as to steps which the Department of Energy could take to promote the maximum feasible use of small scale energy technologies.

The Secretary shall also report to Congress on the advisability of modifying the Department of Energy's patent policy to provide better opportunities to small businesses engaged in small scale technology development.

The Secretary shall also report annually to Congress on the overall activities of the Office of Small Scale Technology.

Staffing (Sec. 10).

In addition to the Director, the Office of Small Scale Technology shall include a minimum of 22 full-time staff members, at least 12 of whom shall be located in the regional offices of the Department of Energy.

Interagency Council (Sec. 11).

An Interagency Council on Small Scale Technology shall be created as an independent instrumentality of the executive branch. The Secretary of Energy shall serve as Chairman of the Council. Eight other Federal departments and instrumentalities shall appoint representatives to the Council. The Secretary of Energy shall be able to make additional appointments. The Council shall review and report annually to Congress on Federal activities, within individual agencies as well as joint projects, pertaining to small scale technology development.

Funding (Sec. 12).

The bill authorizes $23,635,000 for fiscal year 1980. Not less than 60 percent of that amount shall be earmarked for the Appropriate Energy Technology Small Grants Program (Sec. 6), and not less than 25 percent of the amount shall be used for the promotion of small scale technologies (Sec. 7).●

By Mr. ROBERT C. BYRD (for himself, Mr. BAKER, Mr. HARRY F. BYRD, JR., Mr. HATFIELD, Mr. JACKSON, Mr. MATHIAS, Mr. RANDOLPH, and Mr. STEVENS):

S.J. Res. 102. Joint resolution providing for the commemoration of the 100th anniversary of the Constitution and other events related to the establishment of the Federal Government during the period 1776 to 1800 and establishing a Commission for the Commemoration of the Federal Government Bicentenary Era; to the Committee on the Judiciary.

FEDERAL GOVERNMENT BICENTENARY

Mr. ROBERT C. BYRD. Mr. President, on behalf of the minority leader and myself, I am introducing a joint resolution to provide for the commemoration of the 200th anniversary of the Constitution and events related to the establishment of the Federal Government during the period of 1776 to 1800. The resolution also establishes a Commission for the Commemoration of the Federal Government Bicentenary Era.

All too often, our Nation becomes enmeshed in temporary problem while neglecting our strengths and the quality of our national heritage. In these coming years, it is most appropriate to reflect on our Nation's origins, its unique form of democratic Government, and our great national strength.

Our forefathers signed the Declaration of Independence on July 4, 1776, and within 25 years a new, vibrant nation was forging into its future, with 16 States already admitted into the Union. In that short time period, our Nation's founding citizens won the Revolutionary War; they drafted, signed, and ratified the Constitution of the United States—the greatest legal document in the world since the Magna Carta; and they established a new form of government, creating three equal legislative, executive, and judicial branches.

I take great pride in introducing this resolution, and I urge my fellow citizens to reflect on the resilience and strength of our great Nation.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 102

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that the years from 1776 to 1800 were the critical and formative years in the development of our federal form of government; and, that the bicentenary of this period is an era which provides the opportunity for the Nation better to understand and appreciate its history and heritage by focusing attention on the Revolutionary War, the trying period following the Treaty of Paris, the great leadership in drafting and ratifying the Constitution, the establishment of a new form of government creating the three equal legislative, executive, and judicial branches, the inauguration of the first President of the United States, the creation of a new capital city—Washington, the beginning of the two party system, and other significant events of the era.

SEC. 2. (a) In order that the events of this period may be commemorated and appropriately observed throughout the Nation, there is hereby established a Commission for the Commemoration of the Federal Government Bicentenary Era (hereinafter referred to as the "Commission").

(b) The Commission shall be composed as follows:

(1) the President of the United States, who shall serve as Honorary Chairman, ex officio;

(2) the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the United States, and the Governors of the States; all of whom shall serve as Honorary Vice-Chairmen, ex officio;

(3) the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of the Interior, and the Librarian of Congress; all of whom may designate alternates;

(4) four members to be appointed by the President of the United States;

(5) two members of the Senate, to be appointed by the President of the Senate, one upon recommendation of the Majority Leader of the Senate and one upon recommendation of the Minority Leader of the Senate;

(6) two members of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(7) four members of the Federal judiciary, to be appointed by the Chief Justice of the United States; and

(8) four members to be appointed by the White House Historical Association, four members to be appointed by the United States Capitol Historical Society, four members to be appointed by the Supreme Court Historical Society, and four members to be appointed by the Washington National Monument Society.

(c) The Commission shall elect from among its membership a Chairman, a Vice Chairman, an Executive Committee of not to exceed eleven members, and such other officers as it deems necessary.

(d) Vacancies in the appointed membership of the Commission shall be filled in the same manner as the original appointments.

SEC. 3. (a) It shall be the duty of the Commission to—

(1) stimulate interest in the bicentenary of the Constitution, the organization of the Government of the United States, and other significant events of the 1776–1800 era, and to plan, encourage, coordinate and participate in appropriate commemorative observances of the events;

(2) encourage or sponsor programs of education and information designed to reinforce public understanding and appreciation of the problems, issues, personalities, and public debate involved in formulating a Federal Government that has stood the test of time;

(3) invite governmental bodies, historical and civil organizations, and other interested groups to cooperate and participate in accomplishing the objectives of this joint resolution;

(4) consult, cooperate with, and seek advice and assistance from appropriate Federal departments and agencies;

(5) seek financial support from public and private sources to finance the objectives of this joint resolution; and

(6) establish advisory committees from which it may request advice and assistance in connection with the bicentenary observances.

(b) The Commission is authorized to make grants to the States and their political subdivisions and to nonprofit organizations and institutions to assist in the development and support of projects and programs devised to carry out the objectives of this joint resolution and approved by the Commission. No grant may be made for more than one-third of the cost of any such project or program.

SEC. 4. (a) The members of the Commission shall receive no compensation for their services. Members from the legislative, executive, and judicial branches of the Federal Government shall be allowed necessary travel expenses as authorized under law for official travel. Other Members shall be allowed necessary travel expenses as authorized by section 5703 of title 5, United States Code.

(b) The Commission may appoint and fix the compensation of a Director and such

other officers and employees as it deems advisable. The Director may be compensated at a rate not exceeding the annual rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(c) The Commission may procure services as authorized by section 3109 of title 5, United States Code.

(d) The Commission may accept donations of money, property, and personal services and, subject to the provisions of subsection (e), use any donations received to carry out the objectives of this joint resolution.

(e) Within the limit of funds available to it by appropriation or donation, the Commission may procure supplies, services, and property; make contracts; and make expenditures to carry out the objectives of this joint resolution.

SEC. 5. The Commission shall submit to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the United States annual reports of its activities, including an accounting of funds received and expended.

SEC. 6. To enable the Commission to carry out its duties and functions under this joint resolution, there is authorized to be appropriated for the fiscal year ending September 30, 1981, the sum of $1,800,000, and for each fiscal year thereafter such sums as may be authorized. Seventy-five percent of all funds appropriated as authorized by this section shall be available only for making grants under section 3(b).

SEC. 7. The Commissioner shall terminate on March 31, 2001.

SEC. 8. This joint resolution shall become effective on October 1, 1980, except that appointments to the Commission may be made before such date to be effective on such date.

Mr. BAKER. Mr. President, I rise in support of the resolution offered by the distinguished majority leader, providing for a Citizen's Commission for the Commemoration of the Federal Government Bicentenary Era.

It has been 3 years now since the American people celebrated the 200th anniversary of our independence, and through that celebration millions of Americans came to a fuller knowledge and deeper appreciation of their heritage.

But the signing of the Declaration of Independence in 1776 was only the beginning, rather than the end of a remarkable era in the history of our country—a time in which we waged and won a revolution, drafted and ratified a brilliant Constitution, inaugurated our first President of the United States, created a new Capital City for the new Nation, and built the foundation for the greatest nation in the history of mankind.

All of these events are cause for celebration, Mr. President, and each is a subject of enormous historic interest.

So I am happy to join the distinguished majority leader in sponsoring this resolution, and I urge its favorable consideration by my colleagues.

ADDITIONAL COSPONSORS

S. 100

At the request of Mr. PACKWOOD, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 100, the Reforestation Incentive Act of 1979.

S. 208

At the request of Mr. WALLOP, the Senator from Georgia (Mr. TALMADGE) was added as a cosponsor of S. 208, to amend the IRC to subject foreign investors to the capital gains tax from the sale of real property in the United States.

S. 451

At the request of Mr. SCHWEIKER, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 451, the Diabetes Research and Training Amendments and the National Diabetes Advisory Board Extension Act.

S. 689

At the request of Mr. TALMADGE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 689, the Veterans' and Survivors Benefits Adjustment Act of 1979.

S. 930

At the request of Mr. PERCY, the Senator from Rhode Island (Mr. CHAFEE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from North Carolina (Mr. MORGAN), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 930, the Federal Employee Parking Act.

S. 1121

At the request of Mr. HAYAKAWA, the Senator from North Carolina (Mr. HELMS) and the Senator from Oklahoma (Mr. BOREN) were added as cosponsors of S. 1121, to amend the Saccharine Study and Labeling Act.

S. 1241

At the request of Mr. DOMENICI, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 1241, a bill to authorize the National Water Resources Policy and Development Act of 1979, to direct the Water Resources Council to act as the coordinating body for a program of water resources assistance to the States.

S. 1313

At the request of Mr. SARBANES, he was added as a cosponsor of S. 1313, a bill to amend the Federal Water Pollution Control Act, as amended.

S. 1333

At the request of Mr. ROTH, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1333, a bill to provide for the inclusion of certain Federal entities in the budget effective with fiscal year 1983.

S. 1398

At the request of Mr. METZENBAUM, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 1398, the Industrial Equipment Efficiency Act of 1979.

S. 1435

At the request of Mr. NELSON, the Senator from the State of Minnesota (Mr. BOSCHWITZ), the Senator from Vermont (Mr. LEAHY), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 1435, the Capital Cost Recovery Act of 1979.

S. 1437

At the request of Mr. CULVER, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of S. 1437, for the relief of Carmichael Peters.

S. 1505

At the request of Mr. COCHRAN, the Senator from Texas (Mr. TOWER) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 1505, to amend the IRC to provide that a deduction in the case of a disaster loss shall be increased by an amount computed with regard to the replacement cost of property lost in the disaster.

S. 1523

At the request of Mr. THURMOND, the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Ohio (Mr. GLENN) were added as cosponsors of S. 1523, a bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration.

S. 1543

At the request of Mr. NELSON, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1543, a bill relating to tax treatment of qualified dividends reinvestment plans.

S. 1546

At the request of Mr. COHEN, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1546, the Long Term Care Residents' Rights Act.

S. 1577

At the request of Mr. JEPSEN, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1577, to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 1590

At the request of Mr. SCHWEIKER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1590, the Comprehensive Health Care Reform Act of 1979.

S. 1648

At the request of Mr. CANNON, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1648, a bill to provide for the improvement of the Nation's airport and airway system, and for other purposes.

S. 1649

At the request of Mr. CANNON, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1649, a bill to provide for the modification of airport and airway user taxes, and for other purposes.

S. 1656

At the request of Mr. KENNEDY, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 1656, a bill to amend the Saltonstall-Kennedy Act to provide for a national program of fisheries research and development, and for other purposes.

S. RES. 216

At the request of Mr. PROXMIRE, the Senator from Texas (Mr. TOWER) and the Senator from Florida (Mr. STONE) were added as cosponsors of S. Res. 216, relating to the construction of Senate office buildings.

SENATE JOINT RESOLUTION 85

At the request of Mr. SCHWEIKER, the Senator from Maine (Mr. COHEN), the Senator from Kentucky (Mr. FORD), the Senator from Indiana (Mr. LUGAR), the Senator from Oregon (Mr. PACKWOOD), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of Senate Joint Resolution 85, to authorize

and request the President to proclaim the week of September 16–22 as "National Meals on Wheels Week."

SENATE JOINT RESOLUTION 97

At the request of Mr. DANFORTH, the Senator from California (Mr. CRANSTON), the Senator from Georgia (Mr. NUNN), the Senator from Illinois (Mr. STEVENSON), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Joint Resolution 97, designating April 13 through April 19 as "Days of Remembrance of Victims of the Holocaust."

AMENDMENTS SUBMITTED FOR PRINTING

REFUGEE ASSISTANCE ACT OF 1979—S. 643

AMENDMENT NO. 391

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself and Mr. HAYAKAWA) submitted an amendment intended to be proposed by them, jointly, to S. 643, a bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

● Mr. CRANSTON. Mr. President, I am joining with my junior colleague from California (Mr. HAYAKAWA) to submit an amendment to S. 643, the Refugee Assistance Act of 1979, to provide continued Federal reimbursement for public assistance to all Indochina refugees for 2 more years. Thereafter, Indochina refugee welfare costs would be paid by the Federal Government only during the 36 months following entry of the refugee into the United States.

This is a matter of urgency.

The Indochina Refugee Migration and Assistance Act will expire on September 30. This is the authorizing statute for the Indochina refugee assistance program (IRAP) which has paid for the assistance given to Indochina refugees since their arrival in the United States in 1975.

The Refugee Act of 1979 (S. 643), as reported from the Senate Judiciary Committee, does not provide for continued assistance to Indochina refugees who have been in the United States for more than 24 months. This means the overwhelming number of refugees no longer will be assisted wholly by the Federal Government but will become charges on State and local taxpayers.

All of this comes at a time when our Nation is responding to the humanitarian need to rescue thousands of refugees fleeing Southeast Asia in order to escape what appears to be certain genocide.

We are doubling the number of Indochina refugees being admitted from the present 7,000 a month to 14,000 a month by October 1.

But the Indochina refugee assistance program expires on September 30.

The amendment I am proposing with Senator HAYAKAWA will greatly strengthen our ability to assimilate the new influx of refugees.

First, we provide for continued Federal reimbursement for those refugees who have not successfully been assimilated into society. Language training in English has been insufficient for these people. Many of them live in extended families with only one wage earner. Some families include more than 10 individuals. Some refugees have medical or other disabilities and require expensive and lengthy treatment before they can be self-sufficient, if ever.

Relieving States and local governments of these costs will provide time to assess accurately patterns of assimilation before a final decision is made as to how refugee welfare cases should be treated.

This action also will enable local agencies to concentrate their funds on their continuing efforts to educate and train refugees so that they may obtain better paying jobs.

It also will prevent a sharp discrepancy in treatmetn in favor of new arrivals as against earlier refugees.

Second, we provide for 36 months of assistance reimbursed by the Federal Government for all new refugees from Indochina. S. 643 provides only 24 months.

Welfare officials in California, who have extensive experience with refugees from Southeast Asia, report to me that the average refugee receives assistance for more than 30 months. This compares with the average AFDC case in the State which continues for only 23 months.

I will ask that a brief report prepared by the California Department of Social Services on "What We Know About the Indochinese Refugee Assistance Program (IRAP)" be printed at the conclusion of my remarks.

It is clear from the California experience that we know very little about providing effective assistance to refugees from Southeast Asia. The early arrivals were Vietnamese, Laotians, Cambodians, and other indigenous ethnic groups to Southeast Asia. The new boat people and camp refugees include large numbers of Chinese and other minorities driven from their homes for racial reasons as much as for political ones.

Mr. President, our amendment is not the last word on this subject. It is a proposal to give the States and local governments 2 years in which to work to assist refugees to become self-supporting. Ours is a proposal to postpone for 2 years the very basic question of who should pay for those refugees who clearly have not been assimilated and who have become welfare cases.

S. 643 decides this question without full consideration and guided solely by short-sighted budgetary considerations.

Unfortunately, the overall context in which S. 643 presents the question of who pays is established by the far more compelling moral mandate to provide for the rescue and relief of refugees from death at sea or in substandard refugee camps or concentration camps.

The estimated costs of our proposal are very rough. HEW has not been able to provide me with final estimates. The first year cost of our proposal appears to add about $67 million to the bill for fiscal year 1980 and $110 million for fiscal year 1981.

These costs, I remind Senators, actually represent costs which will otherwise be raised from state and local property taxpayers. I do not think it a wise or fair policy to ask only a few taxpayers to share the cost of our refugee admissions policy.

Our amendment deals with this problem directly.

I ask unanimous consent that the report and the text of the amendment be printed in the RECORD.

There being no objection, the report and amendment were ordered to be printed in the RECORD, as follows:

WHAT WE KNOW ABOUT THE INDOCHINESE REFUGEE ASSISTANCE PROGRAM (IRAP)

1. How many Indochinese refugees are living in the U.S.?

The U.S. Department of HEW estimates there are currently 182,000 refugees living in the U.S.[1]

2. How many Indochinese refugees are living in California?

Of the estimated total number of refugees (182,000) approximately 27.5 percent (50,000) are living in California.[1]

3. How many Indochinese refugees are currently receiving aid in California?

The estimated number of persons on aid in California for F.Y. 1978–79 is 35,400.[2]

4. How long are these people in California before they apply for assistance?

Over three quarters (76.6 percent) of the total active cases applied for aid within the first two months of arrival. Almost half (46.7 percent) applied for aid in the same month that they arrived in California.[3]

5. How many Indochinese refugees lived in another U.S. State prior to applying for aid in California?

Of the Indochinese population currently receiving aid in California, 17.0 percent had established residence in another State. Of the population that migrated to California, over half (54.4 percent) had received public assistance in another State.

6. How long do Indochinese refugees remain on AID?

We do not know the average number of months a refugee will remain on aid. We do know, however, based on the length of time in California, these refugees have received assistance for 31.4 percent of the total time they have been in California.[3]

7. How does the length of time on AID for the assisted Indochinese compare with the typical AFDC recipient?

The median length of time on aid since the most recent case opening for an AFDC recipient is 22.9 months.[4] This number is not comparable to any average which might be computed at this time for IRAPS. The AFDC program has been in existence for a much longer period of time and the program is essentially stable. The Indochinese Refugee Assistance Program has only been in existence since 1975 and we cannot yet track the entire cycle of receiving public assistance. Any average computed now would be skewed toward the lower end because of the continuing influx of refugees into the country and onto public assistance.

8. What changes have taken place in the profile of the typical IRAP family from the first refugees to those arriving after January 1, 1978, that would affect their length of time on AID in California?

In comparing the first wave of refugees to the boat refugees now appearing in California who are receiving assistance, significant differences can be seen in their social and economic characteristics:

Footnotes at end of article.

Generally speaking, a higher percent of the later arrivals could not speak English (84.6 percent as compared to 70.6 percent of the pre-January 1978 arrivals).

The educational level of the early arrivals was that of at least a high school graduate for 26.9 percent. Of the later arrivals, this percentage decreased to 14.9 percent.

The later arrivals' occupational background is different from that of the earlier arrivals. The early refugees had a higher percentage of professional and semi-professional workers (10.3 percent as compared to 4.3 percent). A higher proportion of soldiers arrived as boat refugees (17.7 percent compared to 6.5 percent).

The gross income level has dropped from $407 per month for the early arrivals to $146 per month for the more recent arrivals.

9. How does the December 1978 IRAP characteristics survey compare with other data sources?

The only other data source available about the IRAP is the Los Angeles County IRAP Survey which reviewed data from the May 1978 payroll. The two surveys are supportive of each other for the characteristics which depict the Indochinese recipient in California in general.

10. What conclusions can be drawn?

Based on the information from the recent survey done by Department of Social Services' staff, we conclude that Indochinese refugees arriving in California, either directly or through in-migration, will go on aid almost immediately. Once on aid we believe that these recipients will remain on aid longer than the typical AFDC recipient and longer than the 24 month federal proposal. Any computation of average length of time on aid for IRAP recipients would be skewed toward the lower end due to the recent influx of Indochinese refugees. We expect the influx to continue. Until the program and the population has stabilized, the longevity cycle cannot be known. The characteristics of the recent arrivals indicate that they will have a more difficult and lengthy time assimilating into the American culture and economy than the earlier arrivals.

Of the current IRAP population, 79 percent are receiving and would continue to receive assistance if federal fiscal participation stopped. Twenty-one percent of the IRAP caseload would be terminated from aid.

Of those remaining on aid, 79 percent would continue to be eligible for AFDC with normal federal fiscal participation. Another 5 percent would receive AFDC benefits with no federal fiscal participation. Six percent would receive SSI/SSP benefits. The remaining 10 percent might receive General Relief depending on the county of residence.

In comparing certain characteristics of the earlier arrivals to those boat refugees who are now receiving aid in California, the trend appears to show a much more vulnerable type of recipient. Such things as basic occupational skills and educational levels are lower now. It would seem that these people would need a longer time to adjust. In addition, we can reasonably expect that their health care needs will be greater than the earlier arrivals.

We conclude that these people will need a longer time to adjust to both the American economy and to our culture. All available data indicate that 24 months is not enough time to assimilate the refugees into the American culture. Because the population has not stabilized it is too early to predict when federal fiscal participation should be withdrawn.

FOOTNOTES

[1] Information from the Los Angeles County Fact Sheet—April 4, 1979.

[2] Estimates from May 1979.

[3] Information from the DSS IRAP Characteristics Survey, December 1978.

[4] From the AFDC Quarterly Characteristics Survey, October 1975.

AMENDMENT NO. 391

On page 20, line 18, strike out "No payment" and insert in lieu thereof "Except as provided in paragraph (5), no payment".

On page 21, line 11, strike out the close quotation marks and the second period.

On page 21, between lines 11 and 12, insert the following:

"(5) Payment may be made under paragraph (G) with respect to aid or services, furnished directly or through a project or program, to any Indochina refugee who entered the United States prior to October 1, 1979, without regard to the limitation specified in paragraph (2) of subsection (6) for the fiscal years ending September 30, 1980, and September 30, 1981, and thereafter such payments may be made for aid and services furnished under paragraph (G) to any Indochina refugee who entered the United States less than 36 months prior to receiving such aid or assistance. For the purposes of this paragraph, the term 'Indochina refugee' means a refugee from Cambodia, Vietnam, or Laos." ●

ADOPTION ASSISTANCE, FOSTER CARE, AND CHILD WELFARE AMENDMENTS OF 1979—S. 966

AMENDMENT NO. 392

(Ordered to be printed and referred to the Committee on Finance.)

Mr. CRANSTON (for himself, Mr. MOYNIHAN, and Mr. RIEGLE) submitted an amendment intended to be proposed by them, jointly, to S. 966, a bill to amend the Social Security Act to strengthen and improve the program of Federal support for foster care of needy dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes.

● Mr. CRANSTON. Mr. President, we are today submitting amendment No. 392 to S. 966, the proposed "Child Welfare Amendments of 1979".

The amendment we are introducing today—the proposed "Adoption Assistance, Foster Care, and Child Welfare Amendments of 1979"—was developed after deliberations with Finance Committee leadership, White House staff members, and HEW officials. I am delighted to say that this legislation, which is a total substitute for the version which I introduced on April 10 at the request of the administration, has the support of the administration. This legislation is vitally important for the hundreds of thousands of children in this Nation's foster care system, and I personally intend to do everything possible to secure the approval of this legislation by the Finance Committee and the Senate during this Congress.

Mr. President, I am delighted to be joined in sponsoring this legislation by the distinguished chairman of the Public Assistance Subcommittee of the Finance Committee, Mr. MOYNIHAN, with whom I worked closely on similar legislation during the 95th Congress, as well as a highly dedicated member of my Child and Human Development Subcommittee, the Senator from Michigan (Mr. RIEGLE). Senator MOYNIHAN and Senator RIEGLE have each been tremendously supportive and actively involved in past legislative efforts to reform the present foster care system and facilitate the adoption of children with special needs, and I am pleased to have their continued support.

BACKGROUND

Mr. President, the legislation we are introducing today is aimed at strengthening and improving the existing federally-supported foster care system for dependent and neglected children, establishing an adoption assistance program to encourage the adoption of children with special needs, and improving the existing federally-supported child welfare services program.

It is very similar to the legislation—in H.R. 13511 and H.R. 3968—which passed the Senate twice last October and is the product of extensive work and negotiations between members of the Finance Committee and Labor and Human Resources Committee, officials from HEW, and White House staff members during the 95th Congress and the first few months of the 96th Congress.

The need for reform of our existing foster care system has been documented time and time again. Foster care is an important part of our national efforts to protect helpless children from abuse and neglect, but too often children have been taken away from their natural parents, only to become lost in the "foster care limbo" at enormous expense to the taxpayers and irreparable damage to the children involved. The legislation being introducede today represents a major step in the direction needed both to reduce unnecessary foster care and to provide adequate protection for those children who, because of abuse or neglect, or other circumstances, cannot live with their families.

Mr. President, a tremendously important aspect of this legislation—and of deep personal concern to me—are the provisions which remove the barriers which exist in present law and practices to finding permanent, loving adoptive homes for those children who cannot return to their families. I have been working for adoption reform legislation for the past 7 years and introduced legislation in this area in the 93d, 94th, and 95th Congresses. Hearings which I conducted during the 95th Congress demonstrated that there are thousands of families eager to adopt children with special needs and provide these children with the warm, loving family life every child is entitled to have.

In too many instances, however, our current laws and practices prevent families from adopting these needy children. During the 95th Congress, we were successful in enacting the Adoption Reform Act—title II of Public Law 95–966. This act, which provides for the establishment of a national foster care and adoption data gathering and analysis system, training and education programs, a national adoption information exchange to assist in the placement of children awaiting adoption, and the development of model adoption legislation, provides a first step toward eliminating the bar-

riers which exist and inhibit finding permanent, loving homes for the thousands of children presently locked in the foster care system. We have been content too long to pour millions of dollars into foster care and virtually nothing into programs aimed at keeping children with their families or finding new families where necessary.

When I originally introduced S. 966 on April 10, at the request of the administration, I expressed my reservations about certain provisions of the administration's proposal, particularly those which dealt with the adoption assistance program. Today's legislation, as I will explain shortly, corrects those and other deficiencies.

EFFORTS IN THE 95TH CONGRESS

Mr. President, for the benefit of my colleagues, I would like to review briefly, the history of the development of this legislation and our efforts during the last Congress to enact similar legislation.

During the first session of the 95th Congress—July of 1977—I introduced S. 1928, the proposed "Child Welfare Amendments of 1977", on behalf of the administration. This proposal was the result of many hours of discussion and negotiations which a number of us in Congress had with Vice President MONDALE, and with HEW and White House staff. Vice President MONDALE provided the kind of leadership which brought together many diverse opinions on the direction this legislation should take. He has continued to provide this leadership.

The adoption provisions of S. 1928, were taken largely from legislative proposals I had been working to develop over the past few years and which I introduced in the 95th Congress as S. 961. S. 961 represented the culmination of years of work with experts in the adoption field, and the redrafting and refining of legislation dealing with adoption reform that I had sponsored during the 93d and 94th Congresses.

The foster care provisions of S. 1928 built upon the legislation passed by the House of Representatives, H.R. 7200, which largely reflected years of work by my colleague from California, Congressman GEORGE MILLER, who is widely recognized as being a national leader of efforts toward the reform of the foster care system. GEORGE MILLER's outstanding efforts in this area provided the stimulus to focus national attention upon the enormous problems in the foster care system.

Mr. President, despite widespread recognition of the need to reform foster care and remove barriers to adoption of children with special needs, we were not successful in our efforts during the 95th Congress to enact legislation in this area. It is indeed ironic to note that foster care-adoption reform legislation was passed by the Senate twice in the 95th Congress—in H.R. 13511 and H.R. 3968—and twice by the House—in H.R. 7200 and H.R. 11711. Unfortunately, neither House was able to act on the same legislation at the same time, and each bill died in the 95th Congress.

Mr. President, I want to comment briefly on the excellent assistance and contributions made during the last Congress by my good friends the chairman of the Finance Committee, Mr. LONG, and the chairman of the Public Assistance Subcommittee of the Finance Committee, Mr. MOYNIHAN, to the development of legislation—based upon the administration's proposal in the last Congress, S. 1928—passed by the Senate the last year. The Finance Committee worked hard to develop a compromise proposal which in some areas, such as adoption assistance, was more generous and responsive than that originally proposed by the administration.

That legislation—H.R. 7200—was reported by the Finance Committee in December of 1977; unfortunately, there were other, non-child welfare, controversial measures contained in other provisions of the Finance Committee reported bill which precluded consideration of the full measure during the 95th Congress. As my colleagues will well remember, the Senate was operating throughout the entire 2d session of the 95th Congress under extraordinary time constraints and few legislative matters were taken up by the Senate without time agreements.

Although H.R. 7200 itself was not taken up in the Senate, during the last week of the 95th Congress, the child welfare-foster care-adoption assistance provisions of title I of H.R. 7200 were added by Senator MOYNIHAN and myself, with the support of Senator LONG, as amendments to two other House-passed measures, H.R. 11511, the Tax Revenue Act of 1978, and H.R. 3968, the Wool Tariff Bill. Though the Senate passed both bills with our amendments, the House declined to act favorably on either amendment.

Congressman JAMES CORMAN, then offered provisions similar to the Senate-passed measure as an amendment to the Trade Adjustment Assistance amendments, H.R. 11711, which the House sent to the Senate in literally the last few minutes of the 95th Congress. The Senate, however, adjourned sine die without acting upon H.R. 11711. Thus, each House of Congress has, within the last 2 years, acted favorably twice on legislation to reform the foster care system and establish a program of adoption assistance for special needs children.

RECENT HEARINGS ON INSTITUTIONAL ABUSE

Mr. President, my own commitment to moving forward with reform of the foster care system has been made even stronger as a result of hearings I chaired in January and May of this year before the Child and Human Development Subcommittee of the Labor and Human Resources Committee. These hearings, which focused upon abuse and neglect of children living in various types of institutions, revealed what can truly be described as atrocious examples of brutality and abuse of foster children in institutions in various parts of the country. Let me hasten to note that many foster care institutions provide needed and appropriate care for these children, but the testimony at our hearings indicated numerous instances of abuse of children in institutional care.

Mr. President, I could share with my colleagues many examples of abuse described to our subcommittee. In a number of these cases, State and Federal courts made specific findings of fact documenting these horror stories. Other testimony has shown the lengthy delays and great difficulties public officials have encountered in attempting to close down institutions with repeated and documented instances of abuse and neglect of children.

We heard from parents describing their frustrations in attempting to get public officials even to look into problem institutions and from child care workers who have become concerned about the policies of the institutions where they work, but have had no place to report the abuses they have witnessed.

A number of witnesses at our hearings on institutional abuse, Mr. President, expressed the view that one of the most effective ways to deal with this problem is to reduce the number of children who must reside in institutional settings. The legislation we are introducing today, by seeking to reduce the number of children who must be placed in foster care and the length of their stays, as well as encourage placement in the least restrictive, most family-like setting appropriate for the individual child, will, I believe, provide one remedy for the devastating problem of institutional abuse.

There are, in addition, other steps which are critical to the protection of the rights of children residing in institutions such as passage of S. 10, legislation I have cosponsored with the distinguished Senator from Indiana (Mr. BAYH) and others to continue the authority of the Attorney General of the United States to initiate or intervene in legal actions involving denial of constitutional or Federal statutory rights of children and other persons in institutions. The House has now passed the companion measure, H.R. 10 and I intend to continue to press for passage of the Senate legislation.

FOSTER CARE CHILDREN IN GUYANA

Mr. President, I also want to comment briefly on another aspect of the foster care abuse problem that has recently come to light and has increased my own sense of urgency about the need to enact foster care reform measures during this Congress. Several months ago, reports came to my attention in connection with the hearings the Child and Human Development Subcommittee was conducting in the area of institutional abuse of children that a number of foster children has been placed into foster care facilities operated by the People's Temple, or by members of the People's Temple, and that these children had died in Jonestown.

At that time, I requested the General Accounting Office to conduct an investigation into these reports and advise the subcommittee whether any foster children had died in Jonestown, and if so, under what circumstances they had gone to Guyana, and, if these reports were true, what changes in existing law might

prevent similar tragedies from occurring in the future.

On May 31, the GAO testified before the subcommittee on the results of the first stage of its investigation. The GAO reported that 337 children were among the more than 900 members of the People's Temple who emigrated to Guyana, and that, of those, 19 children had previously been in foster care and 12 had been placed in homes or facilities operated by members of the People's Temple; 16 of these children are reported to have perished in Guyana, two survived, and the status of one child is still unresolved.

In one case, foster care payments continued to be sent to the child's foster parent who remained in the United States for some 7 months after the child emigrated—without the foster parent—to Guyana. In two other cases, foster care payments were discontinued after the responsible county reported having "lost contact" with the foster parent. The loss of contact, of course, was the result for their removal from the country.

In addition to the foster care children, the GAO investigators uncovered a pattern, developed by the attorneys for the People's Temple, of securing guardianship orders placing dependent children into the custody of People's Temple members. This practice was apparently designed for the purpose of evading California statutes requiring that children in out-of-home care be placed in licensed foster homes or facilities unless placed in the homes of legal guardians.

The GAO has not completed its investigation into this usage of guardianship arrangements, but has indicated at our hearing that a total of 31 of the 337 children in Guyana were under guardianship arrangements.

Mr. President, the death of these children in Jonestown is perhaps only the most dramatic example of the inadequacies of our foster care system. Foster children in this country are all too frequently lost into the foster care limbo with little or no accountability from the public agencies responsible for their welfare.

Study after study has documented the lack of supervision of foster care placements, the perfunctory reviews of placements and the utter abandonment of many children to permanent foster care, rather than the return to their own families or placement for adoption. The children who died in Guyana were only a tiny fraction of the hundreds of thousands of children across the country who have become "victims" of the system.

NUMEROUS STUDIES AND DOCUMENTATION OF THE NEED FOR FOSTER CARE REFORM

Mr. President, when I introduced the administration's legislative proposal for foster care and adoption reform in 1977, I recited many of the statistics and studies that documented the need for reform of this system, (CONGRESSIONAL RECORD, vol. 123, p. 24861, July 26, 1977). In February of this year, Arabella Martinez, Assistant Secretary for Human Development Services, testified before the Public Assistance and Unemployment Compensation Subcommittee of the House Ways and Means Committee, on the administration's new proposal. In her testimony, she provided a number of facts, derived from the National Study of Social Services for Children and Their Families, a study conducted for HEW's Administration for Children, Youth, and Families. She indicated that this study revealed that—

The number of children in foster care in 1977 was approximately 500,000—nearly three times the number of children in foster care as compared to 1961.

About 80 percent of the children in foster care are in foster family care (almost 400,000 children).

In only one of every five cases does the services plan for these foster children recommend a specific length of placement. In other words, the so-called temporary provision of foster care has no definite target date for ending the placement and for placing the child in a permanent family setting.

Over half the children in foster care have been away from their families for more than 2 years—about 100,000 children have spent more than 6 years of their lives in foster care.

Nearly one-fourth of the children have been in three or more foster family homes.

Nearly half of the children who have spent 2 or more years in foster care have had at least four different caseworkers.

Even in cases where the agency had developed a plan for returning the child to his or her home, in one-third of the cases, there was no plan for visits between the child and the parent or another person who would care for the child if returned home.

There are more than 100,000 children in foster care awaiting adoption.

For more than one-third of the children, financial assistance to the adoptive family would be needed to meet their special needs.

No adoptive homes have been found for 50,000 of the children already legally free for adoption.

Earlier this year, the Children's Defense Fund, a nonprofit children's advocacy and research project based in Washington, D.C., released a report, "Children Without Homes," which documented, once more, the weaknesses in the present foster care system. The Children's Defense Fund report cited the inadequate monitoring of foster care placements, inappropriate institutionalization, the placement of children far from their homes or communities, and the lack of adequate data in the vast majority of States to indicate what children are in foster care, where they are or how long they have been there.

Another citizens group, the National Commission on Children in Need of Parents, also released a report earlier this year entitled "Who Knows? Who Cares? Forgotten Children in Foster Care," reiterating the problems endemic to the foster care system. This National Commission, on the basis of its public hearings throughout the country, listed the abuses—inadequate records, lack of services, and inadequacy of care.

Both the Children's Defense Fund and the National Commission reports stress the fact that few funds or services are available to prevent unnecessary removal of children from their homes, to reunite children with their families, or to assist in finding new families through adoption when appropriate.

In contrast, there exists open-ended funding to pay the costs of foster care—often many times more expensive than the cost of services which would keep a child with his or her own family.

It is time, I am convinced, that we reverse the fiscal incentives in the current system which encourage the placement of children in foster care and provide little support for services to keep families together or for efforts to move foster children into new adoptive homes where necessary. The data and research has been compiled; the time for action is now.

Mr. President, the legislation being introduced today, the proposed "Adoption Assistance, Foster Care and Child Welfare Services Amendments of 1979," is designed to shift the fiscal incentives away from prolonged placement of children in foster-care systems and towards maintaining them with their own families or finding new adoptive families for them. While the proposal may not, in every instance, encompass all the reforms which I personally would like to see achieved, I am confident it represents a critical and much needed step in the right direction.

Before I describe the provisions of legislation in each of the three critical areas—foster care, adoption assistance, and child welfare services—encompassed by this proposal, I would like to describe briefly for my colleagues the present Federal involvement in foster care and child welfare services.

HISTORICAL DEVELOPMENT: THE FEDERAL ROLE IN FOSTER CARE AND CHILD WELFARE SERVICES

Mr. President, in order to understand the present Federal role in the area of foster care and child welfare services, I think it is important to understand how the Federal Government first became involved in foster care.

Robert H. Mnookin, professor of law at the University of California/Berkeley, provided an excellent historical perspective of the Federal role in foster care in his testimony of September 8, 1976, during joint hearings called by the House Education and Labor Committee and the former Senate Committee on Labor and Public Welfare to explore the problems and issues of foster care. The following is an excerpt from Professor Mnookin's testimony:

> The limits of the current Federal role—to provide funds for foster care but not to make or influence policy—can be partially explained by the history of federally supported foster care within the AFDC program of the Social Security Act of 1935. Before passage of the Social Security Act, care of poor, neglected and dependent children was a State, local and private responsibility. Although the Federal Children's Bureau was concerned with children separated from parents and relatives, the Federal Government provided meager financial support for children who were orphaned, abandoned, or removed from, their families because of neglect or abuse.

The Federal AFDC program did not initially include foster care. In fact, the program emphasized the importance of supporting poor children within their own homes or in the homes of relatives, and not resorting to out-of-home placement. Giving Federal aid to children not living with their families was seen as undermining the Social Security Act's central policy of encouraging family unity and responsibility. During the 1940's and 1950's, State AFDC plans included provisions for discontinuing support payments if a home were found to be "unsuitable." However, at the same time, the prohibitive costs of caring for a child outside his or her home discouraged States from using juvenile courts to remove children from parental custody, unless a relative or other person offered to care for or support the child. Consequently, a welfare department was likely to find a home "unsuitable", and discontinue AFDC payments but leave a child to live in that "unsuitable" home.

The 1962 amendments to the Social Security Act changed the situation significantly. Children who had been receiving AFDC payments within their own homes became eligible for an even higher Federal reimbursement if they were removed from their homes as "a result of a judicial determination to the effect the continuation therein would be contrary to the welfare of such child" [42 U.S.C. § 608(a)(1)]. The requirement of a court decision was a compromise. It provided a means for the Federal Government to share in State and local foster care, but only in those cases where a court of law as an independent decisionmaker had found that the interests of the child and the duty of the State to protect its children outweighed the interests of family privacy and necessitated removal from parental custody for the child's welfare.

The availability of Federal funds for out-of-home care did not significantly affect the States' behavior, since States were not obligated to include foster care as a regular part of their AFDC program. Most States did not immediately apply for Federal funds because the act required certain changes in the administration of foster care for States to be eligible. Moreover, only a fraction of the children in foster care at that time would have become eligible anyway since many were not removed by courts, and those who had come before the court were not always AFDC recipients at the time they were removed. By June 1965, only 23 States had accepted the AFDC foster care program and were using it to care for 5,779 children.

In 1967, after continuing controversy between HEW and several States over their foster care programs, the AFDC foster care program was made mandatory for all States to begin in 1969. Eligibility for Federal reimbursement was extended to children who were not actually AFDC recipients but who would have been if application had been made when the court removed them from parental custody [42 U.S.C. § 608(a)(4)]. These amendments expanded the AFDC foster care program dramatically.

Thus, Mr. President, today any State which participates in the federally supported Aid to Families with Dependent Children—AFDC—program must provide in its State plan a program of foster care for children removed fom AFDC homes by court order. Under this existing system, the Federal Government shares with the States the cost of maintaining in foster-care homes or institutions those children from AFDC-income eligible homes who have been removed from their homes as a result of a judicial determination that removal is necessary for the child's welfare.

Under the criteria, Mr. President the Federal Government now contributes to the support of approximately 115,000 children in foster-care situations at an annual Federal cost of over $200 million. Federal expenditures for fiscal year 1979 are estimated to be about $240 million. The remaining children in foster care are not funded under title IV–A, although they may receive some Federal maintenance support through title IV–B, Child Welfare Services, of the Social Security Act.

It is estimated that most of the money appropriated under title IV–B currently $56.6 million—is spent on foster care for children not eligible for the title IV–A foster-care program. These children are not included in the existing IV–A program either because they do not meet the AFDC-income eligibility criteria or because they were not placed in foster care as a result of a court order.

Mr. President, under our current system of financing foster care, title IV–A is an open-ended entitlement program. That is, a State may seek Federal financial assistance for any number of children it places in foster care who meet the requirement for IV–A funding—a court order removing them from a AFDC-eligible home. In contrast, the Federal Government's contribution to services aimed at keeping children with their own families has been severely limited. Although appropriations under title IV–B have been authorized above $200 million for several years, actual appropriations have never exceeded $56.5 million. It is a curious situation—and I believe a seriously untenable one—when the Federal Government is willing to pay virtually unlimited amounts of money to keep children in foster care institutions or homes, and yet provides very limited resources for the kinds of services that would keep children in their own homes or assist them in finding permanent, adoptive homes.

OUTLINE OF LEGISLATION

Mr. President, the legislation we are introducing today deals with three basic areas: Reform of the existing IV–A foster-care program, establishment of a program of adoption assistance for children with special needs, and revision and strengthening of the existing child welfare services program under title IV–B of the Social Security Act. The first two—foster care and adoption—would be incorporated into a new title IV–E of the Social Security Act.

Mr. President, let me digress here for a moment to say that the designation of a new part E of title IV of the Social Security Act to encompass the foster-care and adoption-assistance programs, while of minor technical importance, is of tremendous symbolic importance, since it removes foster care from the existing AFDC welfare program under title IV–A. Although many of the components of the new title IV–E foster-care program will resemble the essential ingredients of the old IV–A foster-care program, the transfer of the foster-care program and the placement of the new adoption-assistance program, away from the title IV–A program which is generally regarded as a welfare program, and in a new and distinct title under the Social Security Act is an important symbolic recognition of the differences between the child welfare effort on behalf of foster children and children eligible for adoption, and the existing welfare program under the general AFDC program.

NEW IV–E PROGRAM

Mr. President, let me briefly summarize some of the important changes this legislation would make in the foster-care program under the new title IV–E. First of all, it is explicitly stated in the proposed new section 470(b)(1) that it is the policy of the Federal Government, in providing funds to the States to carry out their foster-care programs, that foster care should not ordinarily be regarded as a desirable form of permanent child care and that foster care should ordinarily be regarded as a temporary status. The various studies I cited earlier have demonstrated all too dramatically the necessity of reiterating the point that foster care ordinarily should be—and originally was—designed as a temporary placement, and is not, in most cases, a desirable way to care for a child for any substantial period of time.

There are, of course, excentional cases where a child must reside permanently in a foster-care situation. Far too many children, however, enter the foster-care system during an emergency situation for a "temporary" foster care placement which turns into years of lingering in the foster-care system, without any planning or efforts toward finding a permanent home for the child, either with his family or in a new adoptive home.

In an effort to take positive steps toward reducing the number of children in long-term foster care placements, the legislation would provide that each State shall establish on or before October 1, 1981, specific goals for each fiscal year as to the maximum number of children who will remain in foster care for more than 24 months, and provide a description of the steps which will be taken by the State to achieve such goals. This provision is intended to assist the States in focusing upon the problem of unnecessary long-term foster care and to facilitate a planning process at the State level for reducing long-term foster care.

PROVISION OF PREVENTIVE SERVICES AS A CRITERION FOR PARTICIPATION IN THE IV–E PROGRAM

Mr. President, a second major revision of the existing IV–A program under the new IV–E program is the requirement under the proposed section 471(a)(14), effective October 1, 1981, that in each case reasonable efforts are to be made

prior to the placement of a child in foster care to prevent the removal of the child from his or her home as well as reasonable efforts to make it possible for the child to return to home after removal. This requirement in the State plan under the proposed section 471(a)(14) would be reinforced by the new requirement under the proposed section 472 that each State with a plan approved under section IV–E may make foster-care maintenance payments only for a child who has been removed from a home as a result of an explicit judicial determination that reasonable efforts to prevent the removal have been made, as well as making the determination required by existing law that continuation in the home would be contrary to the welfare of the child.

Mr. President, these two provisions, I believe, are extremely important to our efforts to both reduce the number of children who are unnecessarily placed in foster care and to reduce the length of time children remain in foster-care situations. These provisions, along with the availability of extra resources for services to help keep families together or to reunite families under the IV–B program, which I will outline shortly, are critical to our efforts to reform the foster-care system.

STRENGTHENING OF CASE PLANS FOR FOSTER-CARE CHILDREN

Mr. President, another important provision in the new IV–E program is the requirement that for each foster child in the IV–E program there be developed a detailed case plan which includes provision for periodic review of the necessity of the child's being in foster care.

Mr. President, existing law under title IV–A requires that each foster child have a plan developed to assure that the child receives proper care while in foster care and that services are provided which are designed to improve the conditions in the home from which he was removed. Unfortunately, the evidence is all too clear that there has been little, if any, compliance with this generalized requirement. The 1977 GAO investigation of foster-care placements found a widespread failure to include vital information in the case plans developed for foster children. Indeed, only one-third of the children reviewed in the GAO investigation had received case reviews. The GAO report noted that current Federal requirements for case plans are "very general and do not require that the plans be documented."

The proposed legislation strengthens the provisions in existing law by describing exactly what factors should be covered in the case plan. The bill provides under the proposed section 472(a)(5) that each child in foster care shall have a case plan. The proposed section 475(1) provides that this case plan must contain a description of the type of home or institution in which a child is to be placed, including a discussion of the appropriateness of the placement, a plan of services that will be provided to the parents, child, and foster parents in order to improve the conditions in the parents' home, and facilitate return of the child, or bring about the permanent placement of the child, and must address the needs of the child while in foster care, including a discussion of the appropriateness of the plan of services provided to the child.

Hopefully, these specific requirements will assist in providing the kind of focus for case plans that is missing under current law and is needed to reduce unnecessary foster care.

FOSTER-CARE CEILING

Mr. President, before I describe the adoption-assistance and child welfare services provisions of this legislation, I would like to discuss one provision which has, in the past, created some controversy. This legislation, like the bill that passed the Senate last year and the administration's proposed legislation—both in this Congress and during the 95th Congress—contains a prospective ceiling on the existing open-ended funding for foster care. This provision provides that States would be entitled in fiscal year 1980 to receive 120 percent of their 1978 fiscal year entitlement for foster care. For each of the fiscal years 1981, 1982, 1983, and 1984, a State would be entitled to an allotment equal to 110 per centum of its allotment for the preceding fiscal year. This ceiling thus increases 20 percent the first year, and then 10 percent each year until 1985. In 1985, the bill provides that the entire program will need to be reauthorized for any new foster-care placements. This will provide Congress an opportunity to determine whether this ceiling should be continued, eliminated, or modified. The bill also provides that a State may use, for services authorized under title IV–B, any funds allocated under title IV–E which are not utilized for foster-care maintenance or adoption-assistance payments. In other words, a State which does not reach its ceiling for foster care, may utilize title IV–E funds for child welfare services under title IV–B.

Mr. President, I have certain reservations concerning the appropriateness of placing a cap upon a maintenance program of this type. It is sometimes difficult to predict in advance what unforeseen economic factors might increase legitimate program costs over the next few years. The rationale underlying this fiscal limitation is that it will discourage placement of children in foster care. Under existing law, there are virtually no financial constraints on the inappropriate placement of children in foster-care situations. A State is fiscally free to remove any number of AFDC eligible children from their own homes, place them in foster care, and receive Federal financial support. Under the fiscal constraints proposed in the ceiling to be imposed by this legislation, States will be encouraged to place in foster care only those children whose removal from their families is clearly necessary.

There has been concern expressed that a ceiling on the foster-care program will result in children remaining in homes when they should be removed, and that there is no guarantee under this kind of fiscal constraint that the "right" children will be removed or left in their homes. Although these are valid concerns, there is little doubt that under our current system far more children are removed from their families than need be if services were provided to keep families together. The placement of a ceiling on the federally-funded foster-care maintenance payments is an attempt to deal with a very real problem—excessive and unnecessary foster-care placements.

The imposition of a fiscal restraint such as the ceiling is not a substitute for providing the type of services that are necessary to hold families together. Unfortunately, however, our social services programs too often are molded to precipitate the flow of Federal dollars. As long as States can tap into unlimited funds for foster-care maintenance, foster-care placement will continue to offer all too easy a solution.

It is essential that action be taken to create some form of fiscal disincentives that will aid in reducing unnecessary foster-care placements. I do believe, however, that proponents of this ceiling must be prepared to make adjustments, if necessary, to insure that the welfare of foster children is protected. Thus, although the administration's legislative proposal provided that the ceiling become permanently fixed at the 1985 level, the legislation being submitted today would provide that both the ceiling and authorization for new foster-care placements expire in 1985 in order to require that Congress reassess its effects. The bill also provides specific reporting requirements for HEW in order to provide Congress with the data it will need to make a determination whether the foster-care ceiling has been effective in helping to reduce foster care placements.

Additionally, the legislation includes a provision which the Finance Committee, in its work during the last Congress on this proposal, adopted providing for an alternative formula to protect States with low foster-care participation. This provision provides the States with the alternative of a fixed allocation based upon their population under 18, rather than an allocation based upon their present foster-care caseload. The Finance Committee's alternative formula in 1977 would have provided room for program growth to some 19 States with disproportionately small foster-care programs.

Mr. President, I want to make one final comment on the proposed ceiling on the IV–E program. Whatever arguments can be advanced on behalf of a ceiling on the foster-care program, there is clearly no policy justification for placing a ceiling on an adoption-assistance program. Whereas there is legitimate basis for trying to discourage foster-care placements through creation of fiscal disincentives, precisely the opposite is true of adoption assistance. As I indicated in my floor statement on April 10, I was very disappointed that the administration's proposal continued to include a ceiling on the adoption assistance program—a ceiling which the Senate Finance Committee specifically rejected during the last Congress. The legislation submitted today would not include any ceiling on adoption-assistance payments.

Mr. President, before I turn to a discussion of the specific provisions of the

adoption-assistance program, I would like to comment upon the provisions of the legislation which relate to the title IV–B child welfare program.

FEDERAL PARTICIPATION IN CHILD WELFARE SERVICES UNDER TITLE IV–B OF THE SOCIAL SECURITY ACT

Mr. President, title IV–B of the Social Security Act provides for a mechanism of funding child welfare services by the Federal Government through State public welfare agencies. The child welfare moneys made available to the States through title IV–B can be utilized by the States for a wide variety of child welfare services, ranging from foster-care programs to child protection systems. One particularly important element of the title IV–B funded programs is the absence of a "means test" for assistance. In other words, State agencies have been able to extend child services, for example, where a child is being physically abused by his family, without the necessity of requiring an income eligibility test.

Moneys that the States have received under the IV–B program have been virtually unrestricted programmatically and States are now free to utilize these funds for whatever child service programs they deem necessary.

Despite the potential for supporting innovative and constructive child services programs, the IV–B program has never been as effective as its promise. First of all, although the authorization level for the IV–B program has exceeded $200 million for the last 4 fiscal years and is currently at a level of $266 million, the appropriations level for title IV–B has never risen beyond $56.6 million. Second, although States have been free to utilize these funds for a wide range of child services, estimates indicate—as I pointed out earlier—that as much as 80 percent of the title IV–B funds received by the States are expended on foster-care maintenance payments for children who are not eligible for the title IV–A foster care maintenance program either because the children are in voluntary placements or are not AFDC eligible.

Thus, the potential for supporting innovative and useful child services programs under title IV–B has not been met. Instead, title IV–B funds, for the most part, have served to support a parallel foster-care maintenance program for children ineligible for the title IV–A program.

It is not surprising, therefore, that many critics of the Federal financial participation in foster care point out that although the Federal Government literally pours about 250 million Federal dollars a year into the maintenance of children in foster-care situations, almost no Federal money is directed either toward providing children and their families with the services that might prevent the initial breakup of the family units or promote the reunification of these families. The failure of the Federal Government to fund title IV–B at its full authorization level combined with the failure of the States to utilize the bulk of the funds received under title IV–B for anything other than foster-care maintenance is a disheartening and unacceptable demonstration of our present low level of commitment to children and families.

NEW TITLE IV–B SERVICES

Mr. President, in an effort to induce States to utilize title IV–B funds in a more productive fashion, the legislation would authorize the earmarking of new title IV–B funds through the appropriations process for specific services designed to protect children from unnecessary and prolonged foster-care placements.

The legislation also would provide that States would not be permitted to spend any of new title IV–B funds on foster-care maintenance payments. States would thus be permitted to utilize their shares of the present $56 million Federal dollars for these programs but no new IV–B funds could be used for foster-care maintenance payments.

Mr. President, in order for a State to be eligible to receive the new funds appropriated under this earmark provision, a State must agree to expend these new funds on specific services, outlined in the proposed section 428, that I will describe.

INVENTORY OF ALL CHILDREN IN FOSTER CARE FOR 6 MONTHS

During the first year a State receives these new funds, it must conduct an inventory of all children who have been in foster care under the responsibility of the State for a period of 6 months. As part of this inventory, the State must determine the appropriateness of and necessity for the current foster-care placement and whether the child can be returned to his or her parents or should be freed for adoption. The State must indicate in this inventory what services are necessary to facilitate either the return of the child or the placement of the child for adoption. The State could carry over funds from its first year's allocation to complete the inventory, if necessary.

Mr. President, I believe that inventories of this nature are essential to our efforts to deal with foster-care problems.

The absence of data on the children now in the foster-care system is one of the most critical problems facing us today. The requirement of a one-time inventory of the 400,000 to 500,000 children now in foster care is designed to find out where these children are and what is happening to them. Until States have taken account of their existing foster-care populations, the reforms hoped for in the foster-care system cannot take place in a meaningful fashion. It is disgraceful that this information is not currently available. The thousands of children who are frequently described as being "lost" in the foster-care system—in some cases, without even a caseworker assigned to them—must be found and helped as we begin our task of protecting the interests of children and families who enter the foster-care system in the future.

DEVELOPMENT OF STATEWIDE INFORMATION SYSTEM

The bill also would provide that during the first year that a State receives these new funds, it must design and develop a statewide information system from which the status, demographic characteristics, location, and goals for the placement of every child in foster care or who has been in such care within the preceding 12 months can be readily determined.

This requirement is designed to provide a permanent mechanism for the tracking of children in foster care and to prevent the build-up which presently exists of children lost in the foster-care maze. The establishment of such a system is also important as a vehicle to maintain information on how well a State is moving its children into and out of foster care.

Again, Mr. President, the legislation would permit a State to carry over funds from its first year allocation if necessary to complete the design and development of this system.

Mr. President, during our hearings on the Opportunities for Adoption Act during the 95th Congress (now partly enacted as Public Law 96–266), we established that it is impossible to account accurately for the number of children in foster care because of the lack of administrative and recording systems capable of keeping track of these children. The result is that they can linger in foster care for years without having any efforts made to return them to their homes of birth or free them for adoption. In Public Law 95–266, we required the establishment of a national data gathering and analysis system so that, for the country as a whole, we would have the ability to evaluate accurately problem areas in moving children from inappropriate foster-care placements, and have better accountability systems for determining how Federal dollars in this area are being spent.

The State data collection systems developed under the provisions of this legislation would feed data into the national data collection mechanism established under Public Law 95–266. Hopefully, in years to come, it will be possible with these systems in operation to determine where foster children are on both a State and national basis.

A CASE REVIEW SYSTEM

States would also be required to design and develop a case review system to insure that each child receiving foster care under the supervision of the State has a case plan and that the status of each child is reviewed no less frequently than once every 12 months by either a court or administrative body. This review is designed to determine the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to the home or placed for adoption or legal guardianship.

Mr. President, this case review system would also require the establishment of due process procedures designed to protect the rights of parents, foster parents, and children. These procedures must cover such situations as the removal of a child from his or her home, changes in the child's placement, and any determinations affecting visitation privileges of parents.

The case review system must also assure that each foster child is afforded a dispositional hearing, either by a court or administrative body appointed by the court, no later than 24 months after the original placement to determine whether the child should be returned home, requires continued placement for a specified period of time, should be placed for adoption, or should, because of special needs or circumstances, be continued in foster care on a permanent or long-term basis.

Mr. President, the provision for a dispositional hearing after a set period of time is, I believe, of critical importance. One of the prime weaknesses of our existing foster-care system is that, once a child enters the system and remains in it for even a few months, the child is likely to become "lost" in the system. Yearly judicial reviews of the child's placement too often become perfunctory exercises with little or no focus upon the difficult question of what the child's future placement should be. Foster care, with a few exceptions, should be a temporary placement; unfortunately, under our existing system, temporary foster care becomes a permanent solution for far too many children. This provision requiring a dispositional hearing after a child has been in foster care for a specific period of time should assist States in making the difficult, but critical, decisions regarding a foster child's long-term placement.

Mr. President, as I indicated before, these due process provisions must also apply to such aspects of the foster-care process as the removal of the child from the home of his parents, changes in the child's placement, and any determination affecting visitation privileges by parents.

The legislation does not specify the precise mechanism or the specific procedures which a State must follow in establishing due process protections. The procedures, must, however, embody the basic components of due process—providing parents and other interested parties with notice of proceedings, the nature of the proceedings, and the possible consequences. The parties must be provided an opportunity to be heard. Where necessary, counsel must be provided. For example, the U.S. Court of Appeals for the Ninth Circuit has held that the due process clause of the Constitution requires that States must provide counsel for indigent parents in proceedings in which parents cannot properly present their case without counsel and where the parents face a substantial possibility of loss of custody of child or a prolonged separation from the child (*Cleaver* v. *Wilcox*, 499 F. 2d 940, 9th Cir. 1974).

The parties should also receive timely notice as to any determination of their rights and an indication of the basis for the decision. Such proceedings need not, in every case, be a full judicial hearing, but should be presided over by an impartial and disinterested person and comport with the general notion of due process proceedings. Obviously, the more serious the nature of the rights affected the more formal the proceedings must become.

Mr. President, these minimal due process requirements—leaving to the discretion of the States the precise mechanisms for protecting the rights of persons in the foster-care system—are clearly necessary to insure that each person be treated with the fairness and procedural safeguards essential to the operation of a fair and equitable system.

PLACEMENT STANDARDS

Mr. President, the case review system provision also would require that each foster child have a case plan designed to achieve placement in the least restrictive, family-like setting and in close proximity to the parents' home consistent with the best interests and special needs of the child.

The provisions dealing with geographic placement of children are particularly important. The shipments of foster children to distant States where they have been placed in large, barren institutions has given rise to a legitimate outcry and demand for congressional action. These unfortunate children have been cut off from any contact with their families, deprived of the possibility of visitation, and effectively denied the potential for reunification with their families. Litigation by the Children's Defense Fund in Louisiana in the Gary W. case has amply demonstrated the abuses which have arisen in the interstate movement of foster children. However, these problems are not necessarily limited to interstate placements of children. Placement of children in foster homes or institutions hundreds of miles from their homes within the same State also severely limits the ability of the family and child to maintain contact and to become reunited.

It has been found that sometimes not even the child's caseworker maintains contact with the child in these situations. The GAO study of foster care indicated that in many of the States reviewed, there were no regular visits to the institutions by caseworkers. Moreover, almost half of the institutions actually visited by the GAO auditors had serious deficiencies in terms of repairs, cleanliness, and available facilities.

At the hearings on institutional abuse in children's residential facilities which I chaired earlier this year, witnesses made the point that when a child is placed in a distant institution, away from both family and caseworkers, the likelihood of neglect and institutional abuse is often increased.

Mr. President, there is a strong and legitimate concern in our country that foster children should reside in the least restrictive, family-like setting consistent with the child's interests and special needs. There is widespread agreement that many children are inappropriately placed in foster-care institutions and deprived of the benefits of family life as a result of such placements. The proposed legislation addresses this particular problem—the overinstitutionalization of foster children—by requiring that the child be placed in the least restrictive, most family-like setting consistent with the best interests and special needs of the child. Of course, there are some children for whom institutional care is the most appropriate placement. However, it is important that the possibility of placement in a family or family-like setting be explored as a potential placement for every child in need of foster care.

SERVICE PROGRAMS

Mr. President, the proposed legislation also would provide that States which accept these new funds must design and develop a service program designed to help children remain with their families, help children to return to families from which they have been removed, or, where appropriate to place children for adoption or in legal guardianships.

Mr. President, I would like to point out that the omission in the administration's bill this year of a services program designed to help children who should be freed for adoption was a great disappointment to me and was one of the key reasons why I was unable to give my whole-hearted support to S. 966 as introduced. Where we can provide services to keep children with their own families or reunite them, we certainly should do everything possible to achieve that goal. But where foster children cannot, for some reason, ever be returned to their birth families, efforts should be made to remove them from the foster care "limbo," and to find permanent, adoptive homes for them.

Mr. President, the establishment of a service program to prevent the removal of children from their homes, to reunify families, and, where appropriate, to find new adoptive homes for foster children is central to our efforts to reform the foster care system.

The States and Federal Government annually spend millions of dollars on the maintenance of children in foster homes and institutions. Yet, our commitment to provide equivalent support for programs that would prevent or shorten the length of time children remain in foster care has been sadly lacking.

Every study of the existing foster-care system has found a dismal absence of services provided to the family—services which could prevent the removal and long-term placement of children in foster-care. Yet, in recent years there have been demonstration service delivery programs throughout the country which have shown that we can dramatically reduce foster-care placements by providing services to the family and children in their own homes.

For example, in Nashville, Tenn., the comprehensive emergency services program, funded by HEW, dramatically reduced both the number of foster care placements and the time in placement. The statistics are remarkable: A 56-percent reduction in the number of neglect and dependency petitions, 51-percent reduction in the number of children removed from homes, 85-percent reduction in the number of children placed in institutions, 100-percent reduction in the number of children under age 6 placed in institutions, 88-percent reduction in the recidivism rate for neglect and dependency, and finally, a reduction in the percentage of children in long-term care—more than 2 years—from 94 per-

cent to only 34 percent. The net dollar savings under the Nashville program was $68,000.

Similar results can be found in other programs around the country. A Child Welfare League program in New York City—the New York State Preventive Services Demonstration Project—provided an investment of $500,000 for services, an estimated savings of $2 million in 1 year. A project operated in over a dozen cities around the Nation by the National Council of Juvenile Court Judges—the Children-in-Placement project—has sharply reduced the number of children in care and reunited children with their families in every community in which it has been implemented. Judge John P. Steketee of the Grand Rapids, Mich., juvenile court aptly described, in his testimony before a hearing—chaired by Congressman GEORGE MILLER—of the Select Education Subcommittee of the Education and Labor Committee in the House of Representatives 2 years ago, the basic principles upon which such a system is based. Judge Steketee testified:

> If a family has problems, the most humane, effective and economical way to assist is by protective services intervention. If a family is to be separated, this should be only as an emergency or last resort and we must all work together toward reuniting that family. If out-of-home placement continues unduly—weeks and months stretching into years—it is imperative that planning be made for permanency for the child.

The human costs of failing to take whatever steps are available to prevent the removal of a child from his family are beyond calculation. The financial costs of placing a child in long-term foster care—running as high as $30,000 a year for institutional placements—can become enormous, particularly in contrast to the cost of the preventive services which could avert the necessity for removal or continued removal of the child. Our present system provides through its open-ended financing for a dramatic incentive for continuing children in foster care situations and only a tiny fraction of that money for preventive services.

Hence, efforts to reunite families when children are in foster care are minimal in the existing system. The GAO study found, in the cases it reviewed, that in 45 percent of the cases, the families of the children in foster care were not even visited by caseworkers; and case plans frequently provided no planning for reunification of families. The HEW study of foster care in five States—Arizona, California, Iowa, Massachusetts, and Vermont—reached similar conclusions. Efforts must be made both to prevent families from being broken up and to restore children to their families when possible.

Mr. President, I believe that this legislation goes a long way toward promoting the kinds of services that are needed to keep families together—instead of breaking them apart. As I indicated earlier, these provisions for service programs are directly related to the proposed requirement under the new title IV-E foster-care program that a judicial determination be made for each child in the IV-E foster-care program that reasonable efforts have been made prior to the placement of the child in foster care to prevent the removal of the child from his home and to make it possible for the child to return to his home. Once these programs are instituted, unnecessary and prolonged foster-care placements should be greatly reduced—at a substantial savings to the taxpayer and an enormous benefit to the children and families.

VOLUNTARY PLACEMENT IN FOSTER CARE

Mr. President, there is one issue not addressed in the proposed legislation we are introducing today which I would like to comment upon. Under existing law, Federal financial assistance is not available under title IV-A for foster care placement unless the placement is the result of a child's removal from his home by a court order to the effect that continuation of the child in his own home would be contrary to the child's welfare.

The requirement in the existing law limiting Federal financial participation in foster-care replacement to those children removed by a judicial determination was enacted originally as part of the basic policy of the AFDC program; that is, to provide support first for needy children in their own homes. The expansion of this program to support children in foster-care was originally limited to situations where a child was removed by a court order because of the Federal Government's concern that the removal of children from their own homes not be encouraged in any way except in those instances where removal is clearly necessary for the child's protection.

The judicial determination requirement was also enacted to protect against the possibility of children being placed in foster care under the guise of voluntariness when the placement was, in fact, involuntary. There was legitimate concern that families not be coerced into "voluntarily" giving up their children for foster-care placements. The requirement of a judicial determination as a condition for Federal involvement in foster-care maintenance under title IV-A was viewed as a means of limiting the potential for such abuses.

Concern has been growing, however, that the Federal Government has legitimate obligations in the area of maintenance of AFDC-eligible children in certain voluntary placements. A large number of children in voluntary foster placements actually do receive some Federal maintenance support under the title IV-B (Child Welfare Services) of the Social Security Act—there are estimates indicating that as high as 80 percent of the title IV-B total of $56.6 million in Federal funds given to States are spent on foster-care maintenance payments for children who do not qualify for the IV-A funding because they are in voluntary, rather than involuntary, placements.

These children do not now receive any of the protections—however limited—afforded children in the existing title IV-A foster-care program.

Mr. President, in some instances, the requirement of a judicial determination can work counter to the Federal desire to support the integrity of the family. For example, in the case of a mother facing emergency hospitalization with no options for the care of her children other than foster care, the imposition of the judicial determination requirement, carrying with it the stigma of unfitness or failure as a parent, is both unnecessary and unduly harsh.

Similarly, various studies have indicated that those children who are voluntarily placed in foster care are subjected to many of the same problems suffered by involuntarily placed children. For example, existing data suggest that after a certain period of time in the initial placement, voluntarily placed children are likely to stay in the foster-care system as long as the involuntarily placed children.

Indeed in testimony before the Subcommittee on Select Education of the Committee on Education and Labor in the House of Representatives, Prof. Robert H. Mnookin, professor of law, University of California, Berkeley, Calif., observed:

> Because welfare departments are typically not accountable to anyone for what happens to these chidlren, children who are voluntarily placed are quite often the "orphans of the living".

Finally, there is legitimate concern that the requirement for judicial determination as a condition for Federal funds for foster-care maintenance has led to a misuse of the court process simply in order to obtain Federal assistance. In other words, in some areas of the country, all foster children are "run through" the court system simply to meet the Federal requirements for more Federal money. This practice has led, unfortunately, to the overloading of the court systems and superficial court reviews for all children. Thus, by forcing States to channel all foster children through a judicial system in order to generate Federal financial assistance, the meaningful judicial review sought in existing law has, in many cases, been undermined.

Clearly, Mr. President, there is a need to address the welfare of AFDC children who are voluntarily placed in certain foster-care situations.

At the same time, a number of concerned individuals feel that a blanket removal of the judicial protections for foster children would be, in the words of Professor Mnookin, a "serious policy error."

It could, as Professor Mnookin points out:

> Simply create incentives for the continued operation of a system that, if anything, is less accountable than the system where kids go through juvenile court.

The administration's proposal that I introduced in 1977, and the proposal I introduced in April on behalf of the administration, provided for a limited coverage for children voluntarily placed in foster care. Under these proposals, the Federal Government would be authorized to make a contribution to the care of these children for the first 180 days. Then, the existing law's requirement of a judicial determination would come into effect and require court approval of the

continued foster-care placement. I felt this was a reasonable middle ground, which would meet some of the need for emergency, short-term foster care on a voluntary basis, while not encouraging the creation of a new group of foster children who would become, as Professor Mnookin stated, "orphans of the living."

The proposal that we are submitting today, however, does not contain this provision principally because the legislation which the Finance Committee considered and reported during the last Congress did not change the provisions of existing law with respect to judicial determination. As I indicated earlier, although there are some areas I would have preferred to address, the legislative proposal we have introduced was the result of negotiations with various parties—and a process in which certain compromises have been reached to achieve a consensus. The legislation which the House has acted upon does contain a modification of the provision of existing law in this area and I am hopeful that some further consideration may be given to this issue when the House and Senate proposals are reconciled.

ADOPTION ASSISTANCE PROVISIONS STATUS

Mr. President, I would like to turn now to the adoption portion of the bill which builds on and provides financing for legislative concepts to promote adoption which I have been advocating for several years now.

GROUNDWORK PROVIDED BY PREVIOUS LAW

During the 93d Congress and again in the 94th, I introduced legislation to assist children who would benefit by adoption. My initial proposal, then entitled the "Opportunities for Adoption Act," would have provided grants to the States to be used to assist financially parents who adopted children with special needs.

I subsequently became convinced, however, that to avoid duplication of effort and to provide for continuity, any adoption assistance program should be tied into the existing foster care and medicaid systems. Thus, during the last Congress, I deleted those provisions in the proposed Opportunities for Adoption Act that dealt with adoption assistance payments, and I worked with the Finance Committee and the administration to develop separate legislative provisions that would better relate to foster care and medicaid. In doing so, I endeavored to assure that the protections for parents and children that I had built into my original legislation would become a part of the new proposals.

ENACTMENT OF PUBLIC LAW 95-266

The proposed Opportunities for Adoption Act, as revised, was signed into law on April 24, 1978 as title II of Public Law 95-266, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978. Implementation of title II is now well underway by the Administration on Children, Youth, and Families in the Department of Health, Education, and Welfare, thanks to the $5 million Congress appropriated for fiscal year 1979. I was also pleased to note that the President requested an additional $5 million for the Adoption Reform Act in his fiscal 1980 budget, and both the House and Senate-passed fiscal year 1980 Labor-HEW appropriations measures include the full amount requested.

Mr. President, the Adoption Reform Act requires the development of model adoption legislation designed to correct the inconsistencies and contradictions which exist between current State adoption laws and which pose barriers to interstate adoption placements. It calls for the establishment of an administrative arrangement for planning and coordinating Federal activities affecting adoption and foster care, and mandates the development of a tracking and information system to prevent children from being lost in the foster-care system. It calls for the establishment of an administrative arrangement for planning and coordinating Federal activities affecting adoption and foster care, and mandates the development of a tracking information system to prevent children from being lost in the foster-care system. It calls for the provision of a national computerized adoption information exchange system to match waiting children with waiting families, and it includes a requirement for a study of the effects upon children of unlicensed adoption placements. In effect, it lays the groundwork for the reform provisions in the legislation being introduced today.

Although the provisions of the Adoption Reform Act will assist in locating both the children currently in foster care who have no hope of being reunited with their birth parents, and in locating parents wishing to adopt such children, today's legislation would entitle medically needy children to medicaid eligibility under title XIX of the Social Security Act. This legislation would further permit maintenance assistance through title IV-A—proposed to become title IV-E.

PROPOSED SOCIAL SECURITY ACT AMENDMENTS

Mr. President, providing for the financing of adoption assistance through titles IV and XIX of the Social Security Act will truly be a giant step forward for children who would benefit by adoption. I want to point out, too, Mr. President, that such financing not only will be of enormous benefit to children with special needs, but should save taxpayers money in the long run, since the high proportion of the adopted children who these provisions will benefit in many instances will require less assistance in adoptive placements than they would had they been relegated to spend the rest of their childhood in foster care.

Mr. President, I would like now to discuss the specifics of the adoption provisions in the proposal.

ADOPTION MAINTENANCE PAYMENT

Mr. President, section 473 of the new part E—Foster Care and Adoption Assistance—in the amendment would authorize federally supported maintenance payments for adoption assistance when a child with special needs who had been eligible for foster care is adopted by parents whose income at the time of the adoption does not exceed 150 percent of the State median income for a family of four—adjusted for family size, including the size of the family after adoption, or if the State or local agency administering the section 473 program determines that there are special circumstances in the family warranting adoption assistance payments.

In introducing S. 1928 on behalf of the administration 2 years ago, I expressed my philosophic difficulty with the notion of including an absolute means test cutoff—then 115 percent of the median income—in an adoption reform measure. I continue to believe that adoption assistance should be tied to the needs of the child, and not solely to the income level of adoptive parents. If there is a need for some assistance in light of the family's income, it should be provided even if very small. We should not design a program to foster adoptions only in those families with the least financial capacity to care for these special needs children.

Mr. President, let me point out that most of the children we are talking about are not healthy infants. We are talking about assisting parents who want to adopt "special needs children" who would be unable to be placed in adoption without the benefit of assistance.

They are the children like those we heard about during our work on Public Law 95-266—Jenny, who was adopted at age 3 after having been mistakenly diagnosed as mentally retarded, who was legally blind and had deformed hands—she is now a top student in her third grade class; Barbara, adopted at age 6 after having lived her life in a convalescent home for crippled children because of a variety of birth defects; John and William, teenage brothers emotionally scarred by years in and out of foster care.

Although I continue to be opposed philosophically to the income cutoff, I recognize that other Members of Congress and the administration are committed to such a requirement. This legislation has improved the standard markedly from last Congress bill.

Moreover, in this amendment, unlike S. 966 as introduced, the income test would not be applicable to eligibility for continuation of medicaid assistance. There are numerous cases where a family adopting a severely handicapped child might fall above the bill's income test for adoption assistance payments, but be in great need of help with the child's medical costs. In many cases, private medical insurance does not cover pre-existing medical conditions of an adopted child. This is another area where I was particularly disappointed in the administration's proposal this year. The administration's legislation tied medicaid eligibility for special-needs children to eligibility for a cash adoption assistance payment. The linkage would have resulted in the imposition of the means test cut-off upon medicaid coverage—a concept I find to be totally unacceptable in these circumstances where we are trying to find adoptive homes for often severely handicapped children with very costly medical needs.

COST-EFFECTIVENESS

Mr. President, section 473 would limit the adoption assistance payments to no more than the foster-care maintenance payment which the adopted child would have received in a foster family home. I want to highlight this provision, because it is significant in terms of the cost-effectiveness of the adoption assistance concept—the particular financial costs for a given child would never be greater than those associated with retaining the child in the least expensive setting—foster home care versus institutional costs—in the foster-care system.

DEFINITION OF ADOPTION ASSISTANCE AGREEMENT

Mr. President, section 475 of the proposed new part E would define an "adoption assistance agreement" as a written agreement, binding on the parties to the agreement, between the State agency, other relevant agencies, and the prospective adopting parents of a minor child which, at the minimum, specifies the amounts of the adoption assistance payments and any additional services and assistance which are to be provided as part of such agreement.

Mr. President, this legislation would not specifically deal with the problem which may arise when the adopting family moves from one State to another. This issue was raised at the hearing I chaired on the Opportunities for Adoption Act in the 95th Congress. During our hearings the parents of one adopted child, Jenny, the remarkable child whom I mentioned earlier, testified to their first-hand experience when the obligations of two States involved in an interstate placement are not established at the outset. Jenny's mother testified as follows:

Let me give you a vivid example of a roadblock we had that scared both Allen and myself tremendously.

Jenny came down here from New York to Virginia; one of her hands was deformed badly, and we had been told that she needed a series of operations, starting right away. This was about 2 months after we had Jenny.

So we found a doctor, a very capable doctor. He said that he was willing to perform the operations. We told him about our financial situation. He said that did not really matter, that he would go ahead with it anyway.

We wrote to New York State, saying is there any money you could give us to help with Jenny's handicaps, and they wrote back saying no, that we were unfortunately ineligible because she was no longer a ward of New York State.

So then, I started in at Richmond, saying, "Now we are going to live here in Richmond. Could you help us out?" And they said no, that she was the responsibility of New York.

It came down to the morning of Jenny's operation, and the nurse came up to Allen and myself and said, "Would you like to sign the papers?" for the release of Jenny's operation, and we said, "No. She is not ours."

Now, when a child is placed in your home, that is exactly what it is; she is placed. She is not ours. We could not adopt Jenny for a good year after we got her. It took 1 year by the time we adopted her. So we had no legal right to sign any papers for an operation.

But yet, New York State was not going to help us, and Virginia claimed that it was not their responsibility. So we signed the papers, knowing full well that if anything happened to Jenny in that operation, we could be in a lot of trouble.

Mr. President, I would hope that in the implementation of this section, provisions would be made for dealing with instances when adoptive families move from State to State.

MEDICAID ELIGIBILITY FOR SPECIAL NEEDS CHILDREN: A LANDMARK PROVISION

MEDICAL ELIGIBILITY

Mr. President, as I mentioned before, one of the major benefits affecting adoption reform included in this legislation is to vest title XIX medicaid coverage in a child who was eligible for foster care and is later adopted, for medical conditions existing prior to adoption. In addition, a State may provide full eligibility for medical assistance under the State's approved title XIX plan for such a child, if the State so chooses. I cannot overemphasize the importance of this provision. Right now, children in foster care receive Federal medicaid assistance to pay for serious medical and emotional problems. If these children are adopted, however, they automatically lose this medicaid assistance, and adopting parents often find that their own insurance carriers will not cover these preexisting costs for an adopted child. This certainly is a "catch-22" situation—one all too often resolved by leaving the child in foster care so that the medicaid benefit will not be lost.

This bill would amend the law to permit medicaid benefits to follow the child into an adoption placement—limited, if the State so elects, to care for those medical conditions existing prior to adoption. This provision would eliminate one of the worst disincentives to adoption. I want to point out again, Mr. President, how important it is that there is no means test associated with these medicaid eligibility provisions and that the medicaid assistance would extend to the age—18—at which a disabled child can be eligible for medicaid and maintenance support through SSI eligibility.

NON-RECURRING COSTS

Mr. President, this amendment would also authorize States to cover with title IV-B funds the costs of nonrecurring expenses associated with the proceedings related to the adoption of a child with special needs, such as legal and other expenses. This provision was included in my proposed Opportunities for Adoption Act and the Senate-passed legislation last year, and I believe it is important to our goal of encouraging adoption for homeless children.

LEGISLATIVE HISTORY

For purposes of legislative history, in my July 26, 1977, floor remarks on S. 1928, and again in my floor remarks on October 9, 1978, on amendment No. 2032, I discussed in great detail some of the problems we attempted to deal with in my original adoption legislation and the genesis of provisions in both S. 1928 and the legislation the Senate passed last October derived from that original legislation. Those remarks and legislative history apply as well to this legislation, and I hereby incorporate them by reference in this statement—specifically beginning on page 24861 of the CONGRESSIONAL RECORD of July 26, 1977 and beginning on page 34711 of the RECORD of October 9, 1978.

Mr. President, it has been seven years since I first began my work in the area of adoption and foster-care reform, and will now be over 2 years since I introduced the predecessor legislation to this legislation on July 26, 1977 I hope that the children who will benefit by these proposals will not be put off one day longer than is absolutely necessary.

CONCLUSION

Mr. President, the legislation we are introducing today when enacted will, I believe, be a giant step forward in attempting to deal with a system which has failed to respond adequately to the needs of thousands of homeless children throughout our country. Enactment of these reforms into law will give these children a real future and an opportunity to grow and develop into productive and healthy citizens.

Mr. President, I want to express my personal appreciation to the members of the White House domestic policy staff, Bert Carp and Chris Edley, to Margie Siegel, Dick Warden and Sandra Steigen from HEW, and David Kleinberg from the Office of Management and Budget, for their help in working out this accord. I also deeply appreciate the assistance of Michael Stern and Joe Humphreys of the Finance Committee staff, Checker Finn of Senator MOYNIHAN's staff, and the staff on the Child and Human Development Subcommittee. Finally, I must again recognize the leadership of Vice President MONDALE, whose continued commitment to the welfare of children has been instrumental to the success of our efforts.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

S. 966

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Adoption Assistance, Foster Care, and Child Welfare Services Amendments of 1979".

SEC. 2. (a)(1) Title IV of the Social Security Act is amended by adding at the end thereof the following new part:

"PART E—FEDERAL PAYMENTS FOR ADOPTION ASSISTANCE AND FOSTER CARE

"PURPOSE: APPROPRIATION

"SEC. 470. (a) For the purpose of encouraging each State, as far as is practicable under the conditions of that State, to provide, in appropriate cases, foster care and adoption assistance for children who otherwise would be eligible for assistance under the State's plan approved under part A, there are authorized to be appropriated for each fiscal year (commencing with the fiscal year which begins October 1, 1979) such sums as may be necessary to carry out the provisions of this part.

"(b) The sums made available under this section—

"(1) are made available in recognition of the policy of the Federal Government that the placement of a child in foster care is not ordinarily regarded as a desirable form of permanent child care and that foster care should therefore ordinarily be a temporary status; and

"(2) shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans under this part.

"STATE PLAN FOR ADOPTION ASSISTANCE AND FOSTER CARE

"SEC. 471. (a) In order for a State to be eligible for payments under this part, it shall have a plan approved by the Secretary which—

"(1) provides, where the plan includes adoption assistance payments, that such payments shall be payable in accordance with section 471, and, where the plan includes foster care maintenance payments, that such payments shall be payable in accordance with section 472;

"(2) provides that the State agency responsible for administering the program authorized by part B of this title shall administer the program authorized by this part;

"(3) provides that the plan shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(4) provides that the State shall assure that the programs at the local level assisted under this part will be coordinated with the programs at the State or local level assisted under parts A and B of this title, under title XX of this Act, and under any other appropriate provision of Federal law;

"(5) provides that the State will, in the administration of its programs under this part, use such methods relating to the establishment and maintenance of personnel standards on a merit basis as are found by the Secretary to be necessary for the proper and efficient operation of the programs, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods;

"(6) provides that the State agency referred to in paragraph (1) (hereinafter in this part referred to as the 'State agency') will make such reports, in such form and containing such information as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provides that the State agency will monitor and conduct periodic evaluations of activities carried out under this part;

"(8) provides safeguards which restrict the use of or disclosure of information concerning individuals assisted under the State plan to purposes directly connected with (A) the administration of the plan of the State approved under this part, the plan or program of the State under part A, B, C, or D of this title or under title I, V, X, XIV, XVI (as in effect in Puerto Rico, Guam, and the Virgin Island), XIX, or XX or the supplemental security income program established by title XVI, (B) any investigation, prosecution, or criminal or civil proceeding, conducted in connection with the administration of any such plan or program, (C) the administration of any other Federal or federally assisted program which provides assistance, in cash or in kind, or services, directly to individuals on the basis of need, and (D) any audit or similar activity conducted in connection with the administration of any such plan or program by any governmental agency which is authorized by law to conduct such audit or activity; and the safeguards so provided shall prohibit disclosure, to any committee or a legislative body (other than the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and any agency referred to in clause (D) with respect to an activity referred to in such clause), of any information which identifies by name or address any such applicant or recipient; except that nothing contained herein shall preclude a State from providing standards which restrict disclosures to purposes more limited than those specified herein, or which, in the case of adoptions, prevent disclosure entirely;

"(9) provides that where any agency of the State has reason to believe that the home or institution in which a child resides whose care is being paid for in whole or in part with funds provided under this part or part B of this title is unsuitable for the child because of the neglect, abuse, or exploitation of such child, it shall bring such condition to the attention of the appropriate court or law enforcement agency;

"(10) provides that the standards referred to in section 2003(d)(1)(F) shall be applied by the State to any foster family home or child care institution receiving funds under this part or part B of this title:

"(11) provides for periodic review of the standards referred to in the preceding paragraph and amounts paid as foster care maintenance payments and adoption assistance payments to assure their continuing appropriateness;

"(12) provides that any individual who is denied a request for benefits available pursuant to this part or part B of this title (or whose request for benefits is not acted upon within a reasonable time) will be informed of the reasons for the denial or delay and, if he so requests, will be offered an opportunity to meet with a representative of the agency administering the plan to discuss the reasons for the denial or delay;

"(13) provides that the State shall arrange for a periodic and independently conducted audit of the programs assisted under this part and part B of this title, which shall be conducted no less frequently than once every three years;

"(14) provides (A) specific goals (which shall be established by State law on or before October 1, 1981) for each fiscal year (commencing with the fiscal year which begins on October 1, 1982) as to the maximum number of children (in absolute numbers or as a percentage of all children in foster care with respect to whom assistance under the plan is provided during such year) who, at any time during such year, will remain in foster care after having been in such care for a period in excess of 24 months, and (B) a description of the steps which will be taken by the State to achieve such goals; and

"(15) effective October 1, 1981, provides that, in each case, reasonable efforts will be made (A) prior to the placement of a child in foster care, to prevent the removal of the child from his home, and (B) to make it possible for the child to return to his home.

"(b) The Secretary shall approve any plan which complies with the provisions of subsection (a) of this section. However, in any case in which the Secretary finds, after reasonable notice and opportunity for a hearing, that a State plan which has been approved by the Secretary no longer complies with the provisions of subsection (a), or that in the administration of the plan there is a substantial failure to comply with the provisions of the plan, the Secretary shall notify the State that further payments will not be made to the State under this part, or that such payments will be made to the State but reduced by an amount which the Secretary determines appropriate, until the Secretary is satisfied that there is no longer any such failure to comply, and until he is so satisfied he shall make no further payments to the State, or shall reduce payments by the amount specified in his notification to the State.

"FOSTER CARE MAINTENANCE PAYMENTS PROGRAM

"SEC. 472. (a) Each State with a plan approved under this part may make foster care maintenance payments (as defined in section 475(4)) under this part only with respect to a child who is placed in foster care prior to October 1, 1984 and who would meet the requirements of section 406(a) or of section 407 of this Act but for his removal from the home of a relative (specified in section 406(a)), and only if—

"(1) the removal from the home was the result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child and that reasonable efforts of the type described in section 471(a)(14) have been made;

"(2) such child's placement and care are the responsibility of (A) the State agency administering the State plan approved under section 471, or (B) any other public agency with whom the State agency administering or supervising the administration of the State plan approved under section 471 has made an agreement which is still in effect;

"(3) such child has been placed in a foster family home or child-care institution as a result of such determination;

"(4) such child—

"(A) received aid under the State plan approved under section 402 in or for the month in which court proceedings leading to the removal of such child from the home was initiated, or

"(B)(i) would have received such aid in or for such month if application had been made therefor, or (ii) had been living with a relative specified in section 406(a) within six months prior to the month in which such proceedings were initiated, and would have received such aid in or for such month if in such month he had been living with such a relative and application therefor had been made; and

"(5) there is a case plan (as defined in section 475(1) of this part) for such child (including periodic review of the necessity for the child's being in a foster family home or child-care institution).

"(b) Foster care maintenance payments may be made under this part only in behalf of a child described in subsection (a) of this section—

"(1) in the foster family home of any individual, whether the payments therefor are made to such individual or to a public or nonprofit private child-placement or child-care agency, or

"(2) in a child-care institution, whether the payments therefor are made to such institution or to a public or nonprofit private child-placement or child-care agency, which payments shall be limited so as to include in such payments only those items which are included in the term 'foster care maintenance payment' (as defined in section 475(4)).

"(c) For the purposes of this part and part B of this title, (1) the term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State having responsibility for licensing homes of this type, as meeting the standards established for such licensing; and (2) the term 'child-care institution' means a nonprofit private child-care institution, or (subject to the succeeding sentence) a public child-care institution which accommodates no more than twenty-five children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing; but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent. A public institution which on the effective date of this part accommodates children and which, except for the provisions of this sentence would be a child-care institution (as defined in the preceding sentence), shall

not, for purposes of this part, be considered to be a child-care institution (as so defined) with respect to any child who was in such institution on the date of enactment of this part.

"(d) For purposes of title XIX of this Act, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 and shall be deemed to be a recipient of aid to families with dependent children under part A of this title.

"ADOPTION ASSISTANCE PROGRAM

"SEC. 473. (a) (1) Each State with a plan approved under this part may, directly or through another public or nonprofit private agency, make adoption assistance payments pursuant to an adoption assistance agreement in amounts determined under paragraph (3) of this subsection to parents who are eligible for such payments pursuant to paragraph (2) of this subsection and who, after the effective date of this section, adopt a child who—

"(A) would, at the time adoption proceedings were initiated, have met the requirements of section 406(a) or section 407 of this Act except for his removal from the home of a relative (specified in section 406 (a)) as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child,

"(B) (i) received aid under the State plan approved under section 402 in or for the month in which court proceedings leading to the removal of such child from the home were initiated, or

"(ii) (I) would have received such aid in or for such month if application had been made therefore, or (II) had been living with a relative specified in section 406(a) within six months prior to the month in which such proceedings were initiated, and would have received such aid in or for such month if in such month he had been living with such a relative and application therefor had been made, and

"(C) the State has determined, pursuant to subsection (c) of this section, is a child with special needs.

"(2) Parents may be eligible for adoption assistance payments under this part only if their income at the time of the adoption does not exceed 150 per centum of the median income of a family of four in the State, adjusted in accordance with regulations of the Secretary to take into account the size of the family after adoption. Notwithstanding the preceding sentence, parents whose income is above the limits specified therein may be eligible for assistance payments under this part if the State or local agency administering the program under this section determines that there are special circumstances (as defined in regulations of the Secretary) in the family which warrant adoption assistance payments.

"(3) The amount of the adoption assistance payments shall be determined through agreement between the adoptive parents and the State or local agency administering the program under this section, which shall take into consideration the circumstances of the adopting parents and the needs of the child being adopted, and may be readjusted periodically, with concurrence of the adopting parents (which may be specified in the adoption assistance agreement), depending upon changes in such circumstances. However, in no case may the amount of the adoption assistance payment exceed the foster care maintenance payment which would have been paid during the period if the child with respect to whom the adoption assistance payment is made had been in a foster family home.

"(4) Notwithstanding the preceding two paragraphs, (A) no payment may be made to parents pursuant to this section with respect to any month in a calendar year following a calendar year in which the income of such parents exceeds the limits specified in paragraph (2), unless the State or local agency administering the program under this section has determined, pursuant to paragraph (2), that there are special circumstances in the family which warrant adoption assistance payments, (B) no payment may be made to parents with respect to any child who has attained the age of eighteen, and (C) no payment may be made to parents with respect to any child if the State determines that the parents are no longer legally responsible for the support of the child or if the State determines that the child is no longer receiving any support from such parents. Parents who have been receiving adoption assistance payments under this section shall keep the State or local agency administering the program under this section informed of circumstances which would, pursuant to this subsection, make them ineligible for such assistance payments, or eligible for assistance payments in a different amount.

"(5) For the purposes of this part, individuals with whom a child (who the State determines, pursuant to subsection (c), is a child with special needs) is placed for adoption, pursuant to an interlocutory decree, shall be eligible for adoption assistance payments under this subsection, during the period of the placement, on the same terms and subject to the same conditions as if such individuals had adopted such child.

"(b) Any child—

"(1) who the State determines meets the requirements of subsection (a)(1); and

"(2) who is placed for adoption or adopted following such determination

shall, with respect to any medical condition which was in existence at the time the child was adopted, retain eligibility under title XIX until the age of eighteen under such plan. However, a State may provide to such a child full eligibility for medical assistance under the State's plan approved under title XIX. For purposes of section 1904 of this Act, the requirement imposed by the first sentence of this subsection shall be deemed to be imposed by a provision of section 1902 (a); and Federal payments on account of expenditures made by a State in compliance with such first sentence, or in accord with the second sentence of this subsection, shall be made in like manner as is provided under such title in the case of medical assistance furnished to a dependent child receiving aid under part A of title IV.

"(c) For purposes of this section, a child shall not be considered a child with special needs unless—

"(1) the State has determined that the child cannot or should not be returned to the home of his parents; and

"(2) the State had first determined (A) that there exists with respect to the child a specified factor or condition because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance, and (B) that, except where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section.

"(d) Notwithstanding any other provision of this part, no adoption assistance payment under a State plan approved under this part shall be made pursuant to any adoption assistance agreement entered into after September 30, 1984.

"PAYMENTS TO STATES; ALLOTMENTS TO STATES

"SEC. 474. (a) For each quarter beginning after September 30, 1979, each State which has a plan approved under this part (subject to the limitations imposed by subsection (b)) shall be entitled to a payment equal to the sum of—

"(1) an amount equal to the Federal medical assistance percentage (as defined in section 1905 (b) of this Act) of the total amount expended during such quarter as foster care maintenance payments under section 472 for children in foster family homes or child-care institutions who were placed in foster care prior to October 1, 1984; plus

"(2) an amount equal to the Federal medical assistance percentage (as defined in section 1905 (b) of this Act) of the total amount expended during such quarter as adoption assistance payments under section 473 pursuant to adoption assistance agreements entered into prior to October 1, 1984; plus

"(3) an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision, and

"(B) one-half of the remainder of such expenditures.

"(b) (1) Notwithstanding the provisions of subsections (a) (1) and (a) (3), with respect to expenditures relating to foster care, the aggregate of the sums payable to any State thereunder, with respect to expenditures relating to foster care, for the calendar quarters in any fiscal year shall not exceed the State's allotment for such year.

"(2) For purposes of this subsection, a State's allotment for the fiscal year ending September 30, 1978, shall be equal to the amount of the Federal funds payable to such State under section 403 on account of expenditures for aid with respect to which Federal financial participation is authorized pursuant to section 408 (including administrative expenditures attributable to the provision of such aid). In the event that there is a dispute between any State and the Secretary as to the amount of such expenditures for such fiscal year, then, until the beginning of the fiscal year immediately following the fiscal year in which the dispute is finally resolved, the amount of the State's allotment for such fiscal year shall be deemed to be the amount of Federal funds which would have been payable under such section 403 if the amount of such expenditures were equal to the amount thereof claimed by the State.

"(3) (A) For the fiscal year 1980, the allotment of each State shall be equal to 120 per centum of its allotment for the fiscal year 1978 or (if greater) the amount provided under subparagraph (B). For the fiscal years 1981, 1982, 1983, and 1984 the allotment of each State shall be equal to 110 per centum of the amount of its allotment for the preceding fiscal year, or (if greater) the amount provided under subparagraph (B). For the fiscal year 1985, the allotment of each State shall be equal to its allotment for the fiscal year 1984, or (if greater) the amount provided under subparagraph (B).

"(B) The amount of any State's allotment, for any fiscal year referred to in subparagraph (A), shall be the amount determined under such paragraph or (if greater) an amount which bears the same ratio to $100,000,000 as the under age eighteen population of such State bears to the under age eighteen population of the fifty States and the District of Columbia. The Secretary shall promulgate the amount of each State's allotment, for the fiscal year 1980, not later than sixty days after the date of enactment of this part, and for any succeeding fiscal year, prior to the first day of the third month of the preceding fiscal year, on the basis of the most recent satisfactory data available from the Department of Commerce.

"(c) For the fiscal year 1980, and each fiscal year thereafter, sums available to a State from its allotment under subsection (b) for carrying out this part, which the State does not claim as reimbursement for expenditures in such year pursuant to subsection (a) of this section, may be claimed by the State as reimbursement for expenditures in such year pursuant to part B of this title, in addition to such sums available pursuant to section 420 for carrying out that part.

"DEFINITIONS

"SEC. 475. As used in this part or part B of this title:

"(1) The term 'case plan' means a written document which includes at least the following information: a description of the type of home or institution in which a child is to be placed, including a discussion of the appropriateness of the placement and how the agency which is responsible for the child plans to carry out the judicial determination made with respect to the child in accordance with section 472(a)(1); a plan of services that will be provided to the parents, child, and foster parents in order to improve the conditions in the parents' home, facilitate return of the child to his own home or the permanent placement of the child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the services that have been provided to the child under the plan.

"(2) The term 'parents' means biological or adoptive parents or legal guardians, as determined by applicable State law.

"(3) The term 'adoption assistance agreement' means a written and consensual agreement, binding on the parties to the agreement, between the State agency, other relevant agencies, and the prospective adopting parents of a minor which specifies, at a minimum, the amounts of the adoption assistance payments and any additional services and assistance which are to be provided as part of such agreement.

"(4) The term 'foster care maintenance payments' means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation. In the case of institutional care, such term shall include the reasonable cost of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence.

"TECHNICAL ASSISTANCE; DATA COLLECTION AND EVALUATION

"SEC. 476. (a) The Secretary may provide technical assistance to the States to assist them to develop the programs authorized under this part and shall periodically (1) evaluate the programs authorized under this part and part B of this title and (2) collect and publish data pertaining to the incidence and characteristics of foster care and adoptions in this country.

"(b) Each State shall submit statistical reports as the Secretary may require with respect to children for whom payments are made under this part containing information with respect to such children including legal status, demographic characteristics, location, and length of any stay in foster care.".

(2) (A) Effective with respect to expenditures made after September 30, 1979, section 406 of the Social Security Act is, subject to subparagraph (B), repealed.

(B) The repeal made by subparagraph (A) shall not be applicable in the case of any State for any quarter prior to the first quarter, which begins after September 30, 1979, in which such State has in effect a State plan approved under part E of the Social Security Act, or (if earlier), such repeal shall be effective with respect to expenditures made after September 30, 1981. During any period with respect to which the repeal made by subparagraph (A) is not applicable in the case of a State, the aggregate of the sums payable to the State, under the State's plan approved under part A of title IV of the Social Security Act, with respect to expenditures (including administrative expenditures) authorized or incurred by reason of the provisions of section 406 of such Act shall not exceed the amount of the allotment which such State would have had for such period under section 474(b) if such State had had an approved plan under part E of such title IV.

(3) For the first fiscal year with respect to which there is appropriated under section 420 of the Social Security Act a sum which is subject to the restriction authorized under section 428(a) of such Act, Federal payment with respect to expenditures made by a State, under its State plan approved under part E of such Act, for any of the purposes described in section 428(b)(1) of such Act shall not be subject to the limitation imposed by section 474 (b) for such year.

(4) Unless otherwise specified, the amendments made by this section shall be effective on and after October 1, 1979.

(b)(1) Section 423 of the Social Security Act (including the caption thereto) is amended to read as follows:

"FEDERAL SHARE

"SEC. 423. The 'Federal share' for any State shall, effective on and after October 1, 1979, be 75 per centum.".

(2) Section 425 of such Act is amended by adding at the end thereof the following new sentence: "Expenditures made by a State for any calendar quarter which begins after September 30, 1979, for foster care maintenance payments shall be treated for purposes of making Federal payments under this part with respect to expenditures for child welfare services, as if such foster care maintenance payments constituted child welfare services of a type to which the limitation imposed by section 427 does not apply; except that, the amount payable to the State with respect to expenditures made for other child welfare services and for foster care maintenance payments during any such quarter shall not exceed 100 per centum of the amount of the expenditures made for child welfare services for which payment may be made under the limitation imposed by such section 427 as in effect without regard to this sentence.".

(3) Part B of title IV of the Social Security Act is further amended by adding at the end thereof the following new section:

"LIMITATION ON PAYMENTS WITH RESPECT TO FOSTER CARE

"SEC. 427. Notwithstanding any other provision of this part except the last sentence of section 425, if for any fiscal year which begins after September 30, 1979, there is appropriated under section 420 an amount in excess of the amount appropriated for the fiscal year ending on September 30, 1979, the amount payable to any State for expenditures made to provide child welfare services in the form of foster care maintenance payments in foster family homes or other foster care facilities, shall not exceed the amount of its allotment (before application of the provisions of section 424) under this part for the fiscal year ending September 30, 1979. Funds made available to any State pursuant to section 474(c) shall be subject to the limitation imposed by the preceding sentence.".

(4) Section 425 of such Act is amended by inserting "(a)" immediately after "SEC. 425." and by adding at the end thereof the following new subsection:

"(b) Funds expended by a State for any calendar quarter to comply with the statistical report required by section 476(b), and funds expended with respect to nonrecurring costs of adoption proceedings in the case of children placed for adoption with respect to whom assistance is provided under a state plan for adoption assistance approved under part E of this title, shall be deemed to have been expended for child welfare services.".

(c) Part B of title IV of the Social Security Act is amended by adding after section 427 (as added by subsection (b)(3) of this section) the following new sections:

"PORTIONS OF INCREASED ALLOTMENTS TO BE USED FOR CERTAIN SERVICES

"SEC. 428. (a) (1) If, for any fiscal year after 1979 there is appropriated under section 420 a sum in excess of the sum appropriated thereunder for the fiscal year 1979, the appropriation Act by which such sum is appropriated may set aside the amount of such excess necessary for the carrying out of the activities and programs described in subsections (b) and (c).

"(2) Whenever a specified amount of the sum appropriated under section 420 for any fiscal year is set aside pursuant to paragraph (1), the allotment of each State for such fiscal year shall be adjusted accordingly so as to restrict the availability of funds to the carrying out of the activities and programs described in subsections (b) and (c).

"(b) For the first year that any amount of a State's allotment is restricted under subsection (a) (2), the amount so restricted may, except as provided in subsection (c), be expanded only for the following purposes (and amounts so expended shall be conclusively presumed to be expended for child welfare services):

"(1) for the purpose of conducting an inventory of all children who have been in foster care under the responsibility of the State for a period of six months preceding the inventory; for the purpose of determining the appropriateness of, and necessity for, the current foster placement, whether the child can be or should be returned to his parents or should be freed for adoption, and the services necessary to facilitate either the return of the child or the placement of the child for adoption or legal guardianship;

"(2) for the purpose of designing and developing to the satisfaction of the Secretary—

"(A) a statewide information system from which the status, demographic characteristics, location, and goals for the placement of every child in foster care or who has been in such care within the preceding twelve months can readily be determined;

"(B) a case review system for each child receiving foster care under the supervision of the State; and

"(C) a service program designed to help children remain with their families and, where appropriate, help children return to families from which they have been removed or be placed for adoption or legal guardianship.

"(c) For any fiscal year (after the first fiscal year) that any amount of a State's allotment is restricted under subsection (a) (2), the amount so restricted may be expended only for the implementation and operation of the systems and programs described in subsection (b)(2) (and amounts for such purposes shall be conclusively presumed to be expended for child welfare services). In the case of any State which has completed an inventory of the type speci-

fied in subsection (b)(1) and the design and development of the program and systems referred to in subsection (b)(2) prior to the first fiscal year referred to in subsection (b), or at any time prior to the end of such fiscal year, the amount of such State's allotment which is restricted under subsection (a)(2) shall remain available and may thereafter in such fiscal year or the succeeding fiscal year be used for the purposes specified in the first sentence of this subsection. In the case of any State which, during the first fiscal year referred to in subsection (b), fails to complete an inventory of the type specified in subsection (b)(1) and the design and development of the program and systems referred to in subsection (b)(2) prior to the end of such fiscal year, the amount of such State's allotment which is restricted under subsection (a)(2) for such fiscal year shall remain available for the succeeding fiscal year for the purpose of completing such inventory and the design and development of such program and systems; also, the amount of such State's allotment which is restricted under subsection (a)(2) for the succeeding fiscal year may be expended for such purpose.

"(d) (1) As used in subsection (b) (2) (B), the term 'case review system' means a procedure for assuring that—

"(A) each child has a case plan designed to achieve placement in the least restrictive (most family-like) setting available and in close proximity to the parents' home, consistent with the best interest and special needs of the child,

"(B) the status of each child is reviewed periodically but no less frequently than once every twelve months by either a court or by administrative review (as defined in paragraph (2)) in order to determine the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to the home or placed for adoption or legal guardianship, and

"(C) with respect to each such child, procedural safeguards will be applied, among other things, to assure each child in foster care under the supervision of the State of a dispositional hearing to be held, in a family or juvenile court or another court (including a tribal court) of competent jurisdiction, or by an administrative body appointed by the court, no later than twenty-four months after the original placement (and periodically thereafter during the continuation of foster care), which hearing shall determine the future status of the child (including, but not limited to, whether the child should be returned to the parent, should be continued in foster care for a specified period, should be placed for adoption, or should (because of the child's special needs or circumstances) be continued in foster care on a permanent or long-term basis); and procedural safeguards shall also be applied with respect to parental rights to the removal of the child from the home of his parents, to a change in the child's placement, and to any determination affecting visitation privileges of parents.

"(2) As used in paragraph (1)(B), the term 'administrative review' means a review open to the participation of the parents of the child, conducted by a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review.

"PAYMENTS TO INDIAN TRIBAL ORGANIZATIONS

"SEC. 429. (a) The Secretary may, in appropriate cases (as determined by the Secretary) make payments under this part directly to an Indian tribal organization within any State which has a plan for child-welfare services approved under this part. Such payments shall be made in such manner and in such amounts as the Secretary determines to be appropriate.

"(b) Amounts paid under subsection (a) shall be deemed to be a part of the allotment (as determined under section 421) for the State in which such Indian tribal organization is located.

"(c) For purposes of this section—

"(1) the term 'tribal organization' means the recognized governing body of any Indian tribe, or any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body; and

"(2) the term 'Indian tribe' means any tribe, band, nation, or other organized group or community of Indians (including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (Public Law 92-203; 85 Stat. 688)) which (A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or (B) is located on, or in proximity to, a Federal or State reservation or rancheria.".

(d) Section 422 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provision of this part, there shall not (subject to paragraph (2)) be paid to any State under the preceding provisions of this section for any fiscal year (commencing with the fiscal year which begins on October 1, 1979) an amount in excess of the amount of such State's allotment for the fiscal year which began on October 1, 1978, unless the States plan for child-welfare services indicates the manner in which the State, in the administration of such plan, will achieve the objectives and carry out the activities specified in paragraphs (1) and (2) of section 428(b).

"(2) The amount payable to a State under the provisions of this part which precede this subsection shall not, because of the provisions of paragraph (1) of this subsection, be reduced for any fiscal year prior to the fiscal year which commences October 1, 1981, if the Secretary finds that such State has initiated the process for having such State's plan for child welfare services indicate the manner in which the State, in the administration of such plan, will achieve the objectives and carry out the activities specified in paragraphs (1) and (2) of section 428(b).".

SEC. 3. (a) The Secretary of Health, Education, and Welfare shall conduct a study of programs of foster care and adoption assistance established under part IV-E of the Social Security Act (as added by this Act) and shall submit to the Congress, not later than October 1, 1983, a full and complete report thereon, together with his recommendations as to (1) whether such part IV-F should be continued, and if so, (2) the changes (if any) which should be made in such part IV-E.

(b) Such report shall include, but not be limited to, the following:

(1) a determination as to (A) the extent of reduction that has occurred in the duration of foster care under such programs, (B) the extent to which such programs of adoption assistance have resulted in an increase in the adoption of children who otherwise would have remained in foster care under State plans approved under title IV-A of the Social Security Act, and (C) the extent to which the availability of Federal funding for adoption assistance under title IV-E of such Act has resulted in States' initiating or expanding programs for adoption assistance,

(2) data concerning the number of instances in which income standards for adoption assistance under section 473(a)(2) of the Social Security Act have resulted in inability to place a child in a adoptive home, and

(3) specific legislative recommendations for ways to bring about further reduction in the duration of foster care for children.

● Mr. MOYNIHAN. Mr. President, the amendment we are submitting today will look familiar to Senators and others who were acquainted with the decisions of the Committee on Finance during the 95th Congress with respect to adoption, foster care, and child welfare services. The Subcommittee on Public Assistance held extensive hearings on H.R. 7200, which were followed by protracted but careful and productive executive sessions and by the reporting of a responsible and progressive bill. Unfortunately, time pressures at the end of the 95th Congress made it impossible for these proposals to receive proper consideration by the Senate.

The present bill is identical in concept to that legislation and virtually identical in its particulars. It would work long-overdue reforms in these important programs, all of them in the direction of encouraging and facilitating sound, permanent arrangements—whether in the home of their natural parents or with adoptive parents—for youngsters who would otherwise spend much of their lives in foster care: a condition that is all too often a necessary, temporary arrangement, but that is seldom a desirable or even satisfactory long-term placement for a child. Insofar as it is within the limited abilities of the Federal Government to encourage the return of youngsters to their homes or their adoption, our policies should be so shaped. It is widely acknowledged that current Federal policy tends to have the opposite effect: it creates stronger incentives for foster care than for more satisfactory ways of meeting the needs of disadvantaged youngsters. Our bill would make urgently needed reforms, and I have high hopes for its passage.

I would also call the Senate's attention to the continuing leadership of our revered majority whip, Senator ALAN CRANSTON, in this field. His steadfast efforts, his great sensitivity to the needs of children, and his superb legislative abilities constitute the principal motive force in the Senate behind this reform movement. I salute, commend, and thank him, and his superb staff, especially Susanne Martinez and Jon Steinberg who, along with Michael Stern and Joe Humphreys of the Finance Committee staff, are some of the best friends the children of this country will ever have.●

● Mr. RIEGLE. Mr. President, today I am pleased to introduce, along with Senator CRANSTON, the Adoption Assistance, Foster Care, and Child Welfare Services Amendments of 1979. These child welfare reforms will go a long way toward removing the antifamily bias from the Federal policy toward children in need of assistance, and I hope they can receive quick approval by the Senate.

I have been working with Senator CRANSTON, the chairman of the Child and Human Development Subcommittee of the Labor and Human Resources

Committee, toward passage of an extensive package of child welfare reforms since I joined the Senate 2½ years ago. I believe that the bill we are introducing today will represent a giant step toward formulating a rational Federal-State partnership that will assure that American children are kept in their families, rejoined with their families, or placed with loving adoptive families whenever possible, rather than being placed indefinitely in institutional or foster-care settings.

The Adoption Assistance, Foster Care, and Child Welfare Services Amendments of 1979 make explicit the Federal policy that "the placement of a child in foster care is not ordinarily regarded as a desirable form of permanent child care and that foster care should therefore ordinarily be a temporary status." This policy should be self-evident, yet, ironically, the Federal payment schedule has in the past included incentives for States to keep children in institutions or in foster care, rather than seeking to promote adoption. This bill will correct that situation.

The bill also calls for improved State systems for case determination and review of foster care and institutional placements. These provisions supplement incentives for States to reunite these children with their families or, where possible, to find them adoptive homes.

The bill in its current form includes a prospective ceiling on payments for foster care. Because I am concerned about the possible effects of such a cap on children who may benefit from foster care, I believe the proposal should be carefully examined through the committee process.

I would also like to comment on related legislation which I am introducing along with my colleague from Michigan, Senator LEVIN, dealing with the adoption subsidy proposal. This bill would extend the adoption subsidy proposal included in the Adoption Assistance, Foster Care, and Child Welfare Services Amendments of 1979 to cover all children with special needs, without limitation based on family income. I strongly support the adoption subsidy approach, which saves the Government money through encouraging adoption rather than continued Government support of these children, and feel that expanding the program to cover all income ranges should be favorably considered by the Finance Committee.●

ENERGY SUPPLY ACT—S. 1308

AMENDMENT NO. 393

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. BELLMON (for himself and Mr. WALLOP) submitted an amendment intended to be proposed by them, jointly, to amendment No. 312 intended to be proposed to S. 1308, a bill to set forth a national program for the full development of energy supply, and for other purposes.

ENERGY MOBILIZATION BOARD

● Mr. BELLMON. Mr. President, today I am submitting an amendment along with Senator WALLOP to title II of S. 1308, the Energy Supply Act, which would broaden the authority of the proposed Energy Mobilization Board and thereby alleviate the need for an Energy Security Corporation. This amendment, if adopted, would empower the Energy Mobilization Board proposed under title II of S. 1308 with responsibility to enter into purchase contract agreements with private companies for the production of synthetic fuels in addition to its responsibility of "fast-tracking" the development of priority energy projects.

It is envisioned, Mr. President, that once the Board has designated a project as a priority energy project, the Board would then advertise for specific proposals from private industry on a competitive basis. After evaluating the proposals, the EMB would select the most cost-effective proposal and enter into price guaranteed purchase contracts over a period of 20 years for the output of these synfuel plants. The Federal Government would have the authority to either place this production in the strategic petroleum reserve, resell it to the Department of Defense, or market the product. Finally, Mr. President, the Board would only be authorized to enter into such agreements for incremental production up to the following levels: 300,000 b/d from oil shale; 300,000 b/d from coal liquefaction; 300,000 b/d from coal gasification; 100,000 b/d from refuge (pipeline quality).

Mr. President, the advantage to this approach is many faceted. To begin, it places the authority for synthetic fuels development in one Board, rather than with a Government corporation. By allowing the EMB to not only cut redtape, but also to contract for the output of synthetic fuels production, we will avoid creating another Government agency. If the EMB is to be the body that will streamline the regulatory procedures for priority projects, it will be in the best position to select those projects that are to be constructed.

By only allowing the EMB to enter into purchase contracts, we will be relying on private industry to do what they do best—produce. Providing guaranteed purchase contracts will allow industry to achieve the necessary financing for the development of these resources, with a minimum of Government intrusion. In addition, this method removes the political pressures associated with guaranteed loans by placing the process on a competitive basis.

Finally, Mr. President, this approach would have little impact upon the Federal Treasury, particularly in the beginning. The cost to the taxpayer at the outset would be zero, and even in later years, the actual cost to the Treasury could be minimal depending upon the price of crude oil. It is conceivable that the Government could actually enhance its position if the contract price was less than the price of oil.

Mr. President, 1 million barrels per day of synthetic fuel production by the year 1990 is a realistic achievement. This amendment will provide for that by allowing the Energy Mobilization Board to contract with industry for synthetic fuels production. This is a streamlined approach intended to encourage industry to proceed with haste. There is no reason why the members of the Energy Mobilization Board cannot perform the functions of the proposed Energy Security Corporation in addition to their redtape cutting responsibility. It would seem that both activities are interrelated and require a centralized location rather two separate entities.

Mr. President, I intend to bring this amendment up during consideration of S. 1308 in the Senate Energy and Natural Resources Committee following the August recess. It is an approach that the committee should consider and I am confident it will be afforded such consideration.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 393

On page 1, after line 4, insert:

2. On page 3, insert the following between lines 16 and 17:

"PART A—ENERGY MOBILIZATION BOARD"

On page 2, line 1, strike "2." and substitute "3.".

On page 2, line 4, strike "4." and substitute "5.".

On page 12, insert the following between lines 8 and 9:

PART B—SYNTHETIC FUELS

PRODUCTION GOALS

SEC. 231. (a) The Energy Mobilization Board (hereinafter in this section referred to as the "Board"), utilizing the provisions of this Act and any other applicable provision of law, shall achieve a national production goal of up to 1,000,000 barrels per day crude oil equivalent of synthetic fuels and synthetic chemical feedstocks not later than ten years after the effective date of this section.

(b) To assist in carrying out the objectives of this section, the Board, subject to subsections (c), (d), and (i) shall—

(1) contract for purchases of or commitments to purchase synthetic fuels and synthetic chemical feedstocks which may be used as fuels and feedstocks for Government use or resale for use conducive to defense needs or for use in the United States, its possessions or territories, or by domestic users; and

(2) encourage the development and production of such synthetic fuels and synthetic chemical feedstocks.

(c) Purchases, commitments to purchase, and resales under subsection (b) may be made without regard to the limitations of existing law, regarding the procurement of goods or services by the Federal Government, for such quantities, and on such terms and conditions, and for such periods as the Board determines necessary, except that—

(1) no contract for purchases or commitments to purchase may be entered into after September 30, 2000, or the achievement of the production goals authorized in subsection (a), whichever occurs first; and

(2) purchases or commitments to purchase involving higher than established ceiling prices (or if there are no established ceiling prices, currently prevailing market prices as determined by the Secretary of Energy) or anticipated loss on resale shall not be made unless it is determined that supply of synthetic fuels and synthetic chemical feedstocks could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability of the

United States of supplies overseas for national defense purposes.

(d)(1) Except a provided in paragraph (2), any purchase or commitment to purchase synthetic fuels and synthetic chemical feedstocks under subsection (b) shall be made by sealed competitive bidding.

(2) In any case in which no such bids are submitted to the Board or the Board determines that no such bids have been submitted which are acceptable to the Board, the Board may negotiate contracts for such purchases and commitments to purchase.

(3) Any contract for such purchases or commitments to purchase shall provide that the Board retains the right to refuse delivery of the synthetic fuels and synthetic chemical feedstocks involved and to pay the person involved an amount equal to the amount by which the price for such synthetic fuels and synthetic chemical feedstocks are specified in the contract involved exceeds the market price, as determined by the Secretary of Energy, for such synthetic fuels and synthetic chemical feedstocks on the delivery date specified in such contract.

(4)(A) With respect to any person, including any other person who is substantially controlled by such person (as determined by the Secretary of Energy), the Board may not award contracts for the purchase or commitment to purchase more than 100,000 barrels per day equivalent of synthetic fuels and synthetic chemical feedstocks. With respect to any person, including any other person who is substantially controlled by such person (as determined by the Secretary of Energy), the Board may not award contracts for the purchase or commitment to purchase of more than 75,000 barrels per day equivalent of synthetic fuels and synthetic chemical feedstocks unless both Houses of Congress have been notified in writing of such proposed contracts or commitments and 30 days of continuous session of Congress have expired following the date on which such notice was transmitted to the Congress and neither House of Congress has adopted, within such 30-day period, a resolution disapproving such proposed contracts.

(B) Contracts for the purchase or commitment to purchase synthetic fuels or synthetic chemical feedstocks may be entered into only for synthetic fuels or synthetic chemical feedstocks which are produced in facilities which are located in the United States.

(C) For purposes of this paragraph, the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States.

(5) In any case in which the Board, under the provisions of this section, accepts delivery of and does not resell any synthetic fuels or synthetic chemical feedstocks, such synthetic fuels or synthetic chemical feedstocks shall be used by the appropriate Federal agency. Such Federal agency shall pay the market price, as determined by the Secretary of Energy, for such synthetic fuels or synthetic chemical feedstocks from sums appropriated to such Federal agency for the purchase of fuels and feedstocks and the Board shall pay, from sums appropriated for such purpose, an amount equal to the amount by which the contract price for such synthetic fuels and synthetic chemical feedstocks as specified in the contract involved exceeds such market price.

(6) In considering any proposed contract under this section, the Board shall take into account the socioeconomic impacts on communities which would be affected by any new or expanded facilities required for the production of the fuel or feedstocks under that contract.

(e) The procurement power granted to the Board by this section shall include the power to transport and store and have processed and refined any products procured under this section.

(f) Each Federal officer and agency having authority to issue any permit for, or to otherwise approve or authorize, the construction or operation of any facility which is to produce any synthetic fuel or synthetic chemical feedstock for which the Board has contracted (or entered into a commitment to contract) under this section shall, to the maximum extent practicable—

(1) expedite all actions necessary for the issuance of such permit, approval, or authorization, and

(2) take steps designed to result in final action thereon not later than 12 months after the date application for such permit, approval, or authorization is made.

After taking any such action, such officer or agency shall publish notification thereof in the Federal Register.

(g) Notwithstanding any other provision of law, products acquired pursuant to the provisions of this section which, in the judgment of the Board, are excess to the needs of programs under this section, shall be transferred to the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) or to the Strategic Petroleum Reserve, when the Board determines such action to be in the public interest.

(h) For the purposes of this section, the terms "synthetic fuels" and "synthetic chemical feedstocks" means fuels and chemical feedstocks produced by the conversion of renewable and nonrenewable resources, including, but not limited to, products produced from coal gasification, coal liquefaction, shale, tar sands, lignite, peat, solid waste, and other mineral gasification, liquefaction or other conversion, and the conversion of any organic material into fuel. Such term includes fuels and chemical feedstocks produced from tar sands and heavy oils if the hydrocarbon content thereof has a gravity of 15 degrees or less (API). For purposes of applying the preceding sentence, the Board may substitute a higher gravity rating (API) for 15 degrees in any case in which the Board determines that the application of the higher gravity rating would further the purpose of this section.

(i) In no event shall the Board enter into contracts for synthetic fuel which in the aggregate exceed—

(1) 300,000 barrels per day from oil shale,

(2) 300,000 barrels per day from coal liquefaction,

(3) 300,000 barrels per day equivalent from coal gasification, and

(4) 100,000 barrels per day equivalent from refuge.●

AMENDMENT NO. 394

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. BELLMON (for himself and Mr. WALLOP) submitted an amendment intended to be proposed by them, jointly, to S. 1308, a bill to set forth a national program for the development of energy supply, and for other purposes.

AMENDMENT NO. 395

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. HART (for himself, Mr. FORD, Mr. RANDOLPH, Mr. BAUCUS, Mr. BURDICK, Mr. DOMENICI, Mr. GRAVEL, and Mr. MELCHER) submitted an amendment intended to be proposed by them, jointly, to S. 1308, supra.

INLAND ENERGY IMPACT ASSISTANCE ACT

● Mr. HART. Mr. President, I am joining today with Senators FORD, RANDOLPH, BAUCUS, BURDICK, DOMENICI, GRAVEL, and MELCHER to introduce as an amendment, the Inland Energy Impact Assistance Act of 1979.

The act, which we will propose as an amendment to the energy supply legislation now being considered by the Committee on Energy and Natural Resources, will expand and extend an existing energy impact assistance program established by section 601 of the Industrial and Powerplant Fuel Use Act of 1978. Our proposed expansion of that program will turn it into a comprehensive program to help States, local governments, and Indian tribes deal with the serious social, governmental, and economic problems caused by the booming population growth associated with rapid energy development.

This revision of section 601 is patterned very closely after the Hart-Randolph energy impact program, which I first introduced in 1976. Congressional action on that original proposal was deferred until the administration could complete a review of energy impact problems, existing Federal domestic assistance programs, and the need for new legislation to fill in the gaps in the coverage of those programs. Last May, after that review was completed, the President endorsed S. 1493, last year's Hart-Randolph bill. After the President announced his support, favorable committee action was taken in the Senate, but too little time remained to complete legislative action before adjournment.

This year, Senator RANDOLPH and I reintroduced the bill, after revising it in close cooperation with the administration, the National Governors Association, the National Association of Counties, and others. The administration endorsed that bill, and the President included full funding for the program in his fiscal year 1980 budget request—underscoring his support for the program even in this time of budgetary belt-tightening.

We are revising the original Hart-Randolph bill, and introducing a new version, for two reasons. First, we will offer the new version as an amendment to S. 1308, the major energy supply legislation being considered by the Energy Committee. Attaching impact assistance to the legislation that will include major new production incentives is a natural and necessary link. Second, the revised version amends and expands an existing, limited impact assistance program. That program is now getting underway, and it makes more sense to build upon it rather than create a totally new program. Amending the existing section 601 program also makes sense because it is administered by the Farmers Home Administration, which has a proven track record of excellent Federal assistance in the rural areas where energy impact needs are greatest.

Senator FORD is today introducing a similar energy impact bill, which I am cosponsoring. Senator FORD is a primary architect of the program which both his bill and this amendment expand, and is

a major supporter of broadened assistance to energy impact areas. Over the recess, he and I will work with other interested Senators in combining his bill and this amendment into a single measure which he will propose during Energy Committee consideration of S. 1308.

The need for this legislation arises from accelerated domestic energy production. Nobody quarrels with the need to produce more energy. Congress has already adopted important new national policies to tap more of our abundant domestic resources, and is actively considering sweeping new proposals to push forward rapidly with synthetic fuels and other replacements for insecure, dwindling, and expensive foreign energy supplies.

While these domestic resources are necessary to meet overriding national needs, their development can cause serious local adverse effects.

Energy resources are mostly in rural areas. Typically, the community nearest the site of the resources is a small town with a constant or declining population, a stable life style, a limited tax base, and almost nonexistent governmental resources.

Energy development drastically changes the community. A sudden influx of new specialized workers arrives to develop the energy resource. The energy workers also bring their families, and create a demand for "secondary" jobs to supply goods and services to the energy workers. Because of this multiplier effect, the actual population growth can be as much as six times the increase in jobs directly related to the energy development. This population surge is most pronounced at the very first stage of energy development, when temporary construction workers are present in great numbers.

This boom growth has already happened in many places. Craig, Colo., which is in the center of a coal boom, grew by almost 50 percent in 3 years, and will likely double again by 1985.

More to the point, the boom growth is likely to happen much more frequently in the future. The President has proposed a program to produce around 2 million barrels a day of synthetic fuels by 1990. Congress is moving rapidly to consider this and other sweeping new proposals. This new, major development of synthetic fuels will cause extensive impact problems around the country, since synthetic fuel plants cause greater impacts than other forms of energy development. The Department of Energy predicts that an average 100,000-barrel-per-day facility, for example, will draw 20,000 new people to the facility site. This population surge will be particularly pronounced because it will happen in rural areas. DOE has identified 41 counties in the country which could support a coal-based synthetic fuel plant; 31 of these have populations of 50,000 or less. Of the 27 western counties in this group, 26 have populations under 20,000.

This sudden population growth causes severe and complex problems, including shortages in public facilities and housing. The new residents rapidly overload existing schools, roads, sewers, hospitals, and other facilities. Commercial facilities and services cannot meet the new surge of demand. Not enough housing is available for the new population. Most new workers and their families end up in mobile homes.

The Department of Energy's best estimate is that the development costs of the facilities and services minimally necessary for each new resident associated with energy development is $7,000. A synthetic fuels plant drawing 20,000 new people, then, would have an impact price tag of $140 million.

The social and economic disruptions are worse than the shortages of facilities and services. The community is overrun by new pressures and new tensions.

The excess demand for limited goods and services, paced by soaring housing prices, creates a high inflation rate. This inflation hits hardest the older residents, whose incomes are generally much lower than the energy workers. Suddenly the community's original residents can no longer afford to live in their town in the way they have for years.

In a very real sense, the community itself does not exist as it did before the energy development. The small, quiet, stable, rural town has vanished to be replaced by a booming community dominated by a new industry and a new population. The social ties of the town are severely strained and often break. The old residents are resentful of the new. Crime, alcoholism, child abuse, and other indications of social breakdown become common. In Craig, Colo., for example, during 3 years of rapid growth caused by coal mining and power generation, crimes against people increased by 900 percent, alcoholism cases increased by 623 percent, family disturbances increased by 352 percent, child abuse and neglect cases increased by 130 percent, and child behavior problems by 1,000 percent.

Together, these problems make up the well-known "boomtown" syndrome. The most extreme examples include Craig and Hayden, Colo., and Rock Springs and Gillette, Wyo. The problems, however, are not confined to the Rocky Mountain West, Appalachia, and other areas of major energy resources.

The same problems arise from rapid population growth associated with any energy development, whether it is a coal mine or a nuclear-generating facility. Virtually every State will experience severe impact problems as our domestic energy production accelerates.

Of course, the local effects of energy development are not all bad. Although local enthusiasm for energy development is waning as people learn more about the adverse effects, some communities still welcome the new jobs and increased local tax bases. Some people point to this additional revenue, and ask why the communities cannot use it to meet their needs. While this seems reasonable at first glance, a closer examination shows why local governments by themselves cannot solve their problems.

The impacted communities' needs far exceed their current and expected resources. As I have pointed out, the towns near energy resources are usually small, with limited revenues and a lack of governmental services. For example, of 179 communities in Federal region VIII with energy-related impacts, only about 25 have planners. The almost total lack of expertise to deal with rapid growth leaves these communities extremely vulnerable.

While revenues from taxes on the energy development and related growth will help, even they will not be adequate. One study—already outdated—identifies the total national energy impact needs as $80 billion by 1985, while the increased State and local revenues would be only $49 billion.

Much more importantly, however, the revenues come in after the local Government must address the impacts.

The greatest need is for expanded facilities and services before the surging population overruns the community's existing resources. Revenues from the new population are limited. Not until the energy is being sold, typically several years later, does the community receive its greatest revenues.

Further, the local government is often unable to borrow against the future revenue to meet its initial needs. Generally, the town has no previous bonding history, and little resources to back any bonds, except from the potential energy development. Private investors are often unwilling to extend credit in these circumstances, because of the risk the energy development might not produce adequate local revenues to repay the loans.

Lack of advance information can also undercut a community's ability to arrange timely financing. Rock Springs, Wyo., for example, had 1-month's notice before construction began on a major powerplant in 1972. With the complicated procedures for municipal borrowing, which usually include a local referendum, this is not adequate time to borrow the necessary money. State constitutional and legislative provisions also often constrain a community's ability to borrow money by limiting the debt to a percentage of the town's current assessed tax base. This limit often is too low to allow the full facilities and services that are needed.

This financing difficulty is particularly acute when the energy resource is in one jurisdiction and the community in another. For example, Highland County, Va., is the residential center for workers at a power facility in neighboring Bath County. Highland County is suffering the impacts of the population growth, but has no opportunity to tax the energy development to fund new facilities and services.

The States have the primary responsibility for helping local governments deal with energy impacts. By using revenues from severance taxes on energy resources to fund impact mitigation measures, States are best able to tie increased revenues from energy development to the needs caused by that development. The States are also closer to the problems and are better able to design programs tailored to local needs.

Finally, State and local governments have a well established partnership experienced in growth problems.

The Federal Government, however, has a clear responsibility to help State and local governments deal with these impacts. The energy is being produced largely on national land. It is being produced in response to national policies. It is being produced to meet national needs. The Federal Government would be irresponsible to accept the benefits of this energy without helping address the damaging local effects of its production.

The Inland Energy Impact Assistance Act of 1979 will meet this national responsibility. It will set up a 5-year program to encourage State and local governments and Indian tribes to establish mechanisms for addressing the effects of energy-related growth.

The program will help reduce the impacts of accelerated energy development in a fiscally conservative fashion. Its most important provisions are for local planning assistance and improved delivery of assistance under existing programs. Other programs by the Farmers Home Administration, the Law Enforcement Assistance Administration, the Environmental Protection Agency, the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, and other departments and agencies will provide the vast majority of the Federal assistance for carrying out impact mitigation plans. To make sure these programs are as effective as possible, the act provides for interagency cooperation in reviewing existing programs to see how they can address better the needs of energy impact areas. To also make sure that the local governments needing these services are able to take advantage of them, FmHA would help communities identify existing domestic assistance programs matched to their needs.

Only when there are gaps in existing programs would mitigation assistance be available directly under this act. That assistance would be available in two ways, both designed to get the maximum return for the Federal dollar.

The first would be State revolving funds for loans and grants to impact areas. These funds would be established with Federal seed money, with a required State match increasing to 50 percent in the last year. A State government would use this revolving fund to make loans to impact areas. Only when loans would not provide anly real assistance—such as when the local government cannot tax an energy development in a neighboring jurisdiction, or when there are legal restrictions blocking the local government's ability to receive loans—could this assistance be through grants. After the 5 years of this program, the State revolving fund would continue operating without Federal assistance.

The Federal seed money for the State programs would be $135 million in fiscal year 1980, and $360 million in each year after that until fiscal year 1984, when the program would end.

The Federal seed money for these revolving funds is in grants, not loans, because loans would not work. Most State constitutions either prohibit or severely limit the State's authority to borrow money. Those States that do allow State borrowing generally have complicated procedures to authorize going in debt. These time-consuming procedures would prevent the State from getting the loans in time to give prompt assistance to communities facing immediate impacts. In short, a loan program would greatly undermine the effectiveness of the program.

This program is a loan program in an important way, however, since the major form of assistance to energy impact areas would be loans by State governments to local governments. Only when loans would be prohibited or ineffective would the assistance to local governments be in the form of grants. Further, when a State has no further impact needs, future payments into the State's revolving fund would be shared with the Federal Government, according to the percentage of Federal contribution in setting up the revolving fund.

The total Federal outlays for impact mitigation under this program would be a very small percentage of the total need for community planning, facilities, and services. The Nation will enjoy the benefits of the energy being produced. Sharing a small part of the local burdens that go with the energy production is not too much to ask in return.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 395

On page 94, line 3, insert the following:

"TITLE XI—INLAND ENERGY IMPACT ASSISTANCE

"SEC. 1101. This title may be cited as the 'Inland Energy Impact Assistance Act of 1979'.

SEC. 1102. The Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95-620) is amended by amending title VI of the table of contents to read as follows:

"TITLE VI—FINANCIAL ASSISTANCE

"Sec. 601. Inland energy impact assistance.
"Sec. 602. Loans to assist powerplant acquisitions of air pollution control equipment."

SEC. 1103. The Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95-620) is amended by amending section 601 to read as follows:

"SEC. 601. INLAND ENERGY IMPACT ASSISTANCE.

"(a) DESIGNATION OF IMPACTED AREAS.—(1) In accordance with such criteria and guidelines as the Secretary of Agriculture shall, by rule, prescribe, the Governor of any State, or in the case of any area under the control of an Indian tribe the governing body of such Indian tribe, may designate a community or geographic area as an energy impact area if—

"(A) there exists or will exist a major energy development in such community or geographic area;

"(B) as a result of the construction or operation of such development either—

"(i) employment in energy development activities in such area has increased by eight percent or more in any year not more than five years before the date of the designation, or

"(ii) employment in such activities will increase by 24 percent or more during the three years following the most recent year;

"(C) such employment increase has required or will require substantial increases in housing or public facilities and services or a combination of both in such area; and

"(D) the State, Indian tribe or local government or governments serving such area lack the financial and other resources to meet any such increases in public facilities and services within a reasonable time.

The Secretary, of Agriculture shall prescribe a rule containing criteria and guidelines for making a designation under this subsection, after consultation with the Secretary of Labor and the Secretary of Energy, not later than 180 days after the effective date of this Act.

"(2) For purposes of paragraph (1)(D), increased revenues, including severance tax revenues, royalties, and similar fees to the State, Indian tribe, or local governments which are associated with the energy development activities and which are not prohibited from being used under provisions of law in effect on the date of the enactment of this Act shall be taken into account in determining if a State, Indian tribe, or local government lacks financial resources.

"(3) The Secretary shall, after consultation with the Secretary of Agriculture, approve any designation of an area under paragraph (1) only if—

"(A) the Governor of the State or governing body of the Indian tribe making the designation provides the Secretary in writing with the data and information on which such designation was made, together with such additional information as the Secretary may require to carry out the purposes of this section; and

"(B) the Secretary determines that the requirements of subparagraphs (A), (B), (C), and (D) of paragraph (1) have been met.

"(b) PLANNING GRANTS.—(1) The Secretary of Agriculture shall make a grant to the appropriate State or Indian tribe for each area designated and approved under subsection (a) for the purposes of developing a mitigation plan for such area which shall include determinations of—

"(A) the anticipated level of energy development activities in such area;

"(B) the socio-economic impacts which have occurred or which are reasonably projected to occur as a result of such energy development activities;

"(C) the availability and location of resources within such area to meet the increased needs resulting from socio-economic impacts determined under subparagraph (B) (such as any increased need for housing, or public facilities and services); and

"(D) the nature and expense of measures necessary to meet within a reasonable time the increased needs resulting from such impact for which there are no resources reasonably available other than under this section.

"(2)(A) Any grant for developing a plan under this subsection may be for an amount equal to 100 percent of the costs of such plan, as determined by the Secretary of Agriculture.

"(B) The aggregate amount granted under this subsection in any fiscal year may not exceed 10 percent of the total amount appropriated for purposes of this section for such year.

"(3)(A) The Governor, after consultation with appropriate officials of local government, or the governing body of any Indian tribe, as the case may be, shall designate a local planning unit to prepare for each energy impact area the mitigation plan provided for in paragraph (1). A local planning unit may be a temporary intergovernmental body of State and local officials appointed by the Governor; an agency of a

local government or Indian tribe; a consortium of local goverments; a local development district certified under section 301 of the Appalachian Regional Development Act of 1965; an economic development district designated under title IV of the Public Works and Economic Development Act of 1965, as amended; or other appropriate district or entity. Upon request by the Governor or governing body of the Indian tribe, the Secretary of Agriculture and the Secretary of Energy shall appoint, and the heads of other appropriate Federal departments and agencies may appoint, appropriate officials of their respective departments or agencies to provide information and assistance on a regular basis to the local planning unit. The local planning unit shall consult with representatives of the owner or operator of each major energy development in the energy impact area. Such unit also shall, to the extent practicable, seek the active participation of regional, State, and local agencies and instrumentalities and the public through hearings and other appropriate means to insure that the views and proposals of all segments of the public within such are are taken into account in the formulation of the mitigation plan.

"(B) The Governor of a State or the governing body of an Indian tribe receiving grants under this subsection shall make subgrants to the appropriate local planning units to assist in the costs of preparation of mitigation plans.

"(4) To apply for assistance under subsections (c) or (d), a State or an Indian tribe shall submit and revise annually a comprehensive investment strategy describing the intended use within such State or by such Indian tribe of all such assistance requested to implement mitigation plans. The Secretary of Agriculture shall approve a comprehensive investment strategy as soon as possible after receiving it if it—

"(A) is based upon the appropriate mitigation plan or plans;

"(B) identifies priorities among the public facilities and services identified in the appropriate mitigation plan or plans for which assistance will be sought under subsections (c), (d), and (e);

"(C) contains satisfactory assurances that other public or private assistance is not reasonably available on a timely basis for the measures identified in subparagraph (B);

"(D) contains satisfactory assurances that the proceeds from any repayment of loans made by the recipient with funds under this section will be used to meet future energy impact needs; and

"(E) contains sufficient information to allow the Secretary of Agriculture to fulfill his responsibilities under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other federal laws; and

"(F) contains satisfactory assurances that the procedures of this subsection have been followed.

"(c) LAND ACQUISITION AND DEVELOPMENT GRANTS.—(1) In the case of any real property—

"(A) within an area for which a comprehensive investment strategy has been approved under subsection (b);

"(B) which is for housing or public facilities determined in such strategy as necessary due to an increase in employment due to major energy development;

"(C) with respect to which the Secretary of Agriculture has determined that the State and the local governments serving such area do not have the financial resources to acquire or the legal authority to acquire by condemnation; and

"(D) with respect to which there has been an approval in writing by the Governor of such State that the Secretary of Agriculture exercise his authority under this paragraph; the Secretary of Agriculture may acquire such real property or interest therein, by purchase, donation, lease, or exchange. Property so acquired shall be transferred to the State under such terms and conditions as the Secretary of Agriculture deems appropriate. Such terms and conditions shall provide for the reimbursement to the Secretary of Agriculture for the fair market value of the property, as determined by the Secretary of Agriculture. The value of any improvement of such property made after such acquisition shall not be taken into account in determining the fair market value of such property under this subsection. Amounts so received by the Secretary of Agriculture shall be deposited in the Treasury of the United States as miscellaneous receipts.

(2) Any approval by a Governor of a State under paragraph (1)(D) shall constitute a binding commitment of such State to accept the property to be acquired and to provide reimbursement for the amount of the fair market value of such property, as determined under paragraph (1).

(3) The Secretary of Agriculture may acquire property under paragraph (1) by condemnation only if he finds that—

(A) such property is not available by means other than condemnation at a price which does not substantially exceed the fair market value of such property;

(B) other real property is not similarly available which is within the same designated area and which is suitable for the purposes to which the property involved is to be applied; and

(C) the State and the local governments serving such area lack the legal authority to acquire such property by condemnation.

(4)(A) In the case of any real property which meets the requirements of subparagraphs (A), (B), and (C) of paragraph (1), the Secretary of Agriculture may make a grant to the State in which such property is located for the purposes of acquiring such property, and for any site development which is consistent with the comprehensive investment strategy approved under subsection (b).

(B) In the case of property acquired by the Secretary of Agriculture under paragraph (1) and transferred to the State, the Secretary of Agriculture may make a grant to such unit of government for the purposes of site development which is consistent with such plan.

(C) Grants for real property acquisition or site development or both under this paragraph may not exceed 75 percent of the costs thereof, as determined by the Secretary of Agriculture.

(5) In the selection of real property for acquisition and in such acquisition under this subsection, preference shall be given to real property which the Secretary of Agriculture determines at such time to be unoccupied or previously mined and abandoned.

(6)(A) Property held by the United States in trust for Indians or any Indian tribe may not be acquired by condemnation under this section.

(B) No property within the National Forest System (as defined in section 10 of the Forest and Range'and Renewable Resources Planning Act of 1974) may be exchanged by the Secretary in any acquisition under paragraph (1).

"(d) GENERAL MITIGATION ASSISTANCE.—(1)(A) The Secretary of Agriculture shall make grants to States and to Indian tribes for the funding of public facilities and services identified in an approved comprehensive investment strategy. The recipient may expend such grants directly or redistribute them to local governments, consortia of local governments, or appropriate public entities in the forms of grants, loans, loan guarantees, payments of interest on loans, or other appropriate means. A State may redistribute funds in the form of grants only if—

"(i) constitutional or other legal restrictions prevent the State from redistributing the funds in the form of loans;

"(ii) constitutional or other legal restrictions prevent the recipient from receiving funds distributed in the form of loans;

"(iii) the remaining borrowing capacity of the recipient is inadequate to allow it to use effectively funds distributed in the form of loans;

"(iv) the recipient is unable to amortize reasonably repayment of funds distributed in the form of loans;

"(v) specific local conditions or considerations of equity preclude distribution of funds in the form of loans;

"(vi) the adverse social or economic impacts of the major energy development are occurring in municipal, county, or State jurisdictions which have no existing authority to tax the major enery development and to make that revenue available for repayment of funds distributed in the form of loans or for public facilities and services to mitigate the impacts; or

"(vii) the Secretary of Agriculture determines that grants are otherwise warranted to accomplish the purpose of this title.

"(B) A State receiving funds under subparagraph (A) shall establish a revolving loan fund, or other financing mechanism approved by the Secretary of Agriculture, for the redistribution of such funds. If at any time—

"(i) a State has funded all public facilities and services in approved comprehensive investment strategies; and

"(ii) no additional mitigation plans or comprehensive investment strategies are being prepared in such State,

the State shall pay to the Secretary of Agriculture from future payments into the State's revolving loan fund (or other approved financing mechanism) a percentage equal to the percentage that grants by the Secretary of Agriculture to such State under this subsection and subsection (e) comprise of the total of such grants and the contributaion by such State to funding of public facilities and services in energy impact areas. The State, however, shall not be required to make payments to the Secretary of Agriculture if the Governor of the State notifies such Secretary that the Governor reasonably expects the State to experience a shortage of public facilities and services in energy impact areas within the next five years. The Secretary of Agriculture shall deposit all payments made by States under this paragraph in the Energy Impact Insurance Fund established under subsection (f), or, if that Fund shall have ceased to exist, in the General Treasury of the United States.

"(2) Upon request by a Governor or governing body of an Indian tribe, the Secretary of Agriculture may guarantee the payment of loans by State or local governments and Indian tribes, and may pay interest on such guaranteed loans, for the funding of public facilities and services in an approved comprehensive investment strategy.

"(e) EXPEDITED ASSISTANCE.—(1) A local planning unit established pursuant to paragraph (b)(3), upon finding a serious threat to the public health and safety within a designated energy impact area as a result of the appropriate major energy development, may prepare a preliminary mitigation plan identifying and addressing the need for expedited assistance. Such preliminary plan shall be the basis for an application for expedited assistance under this subsection.

"(2) The Secretary of Agriculture may, at any time, make grants or loans to, guarantee the payment of loans by, or pay the interest on such guaranteed loans by, States, Indian tribes, or, with the concurrence of the Governor, local governments, for funding pre-

liminary mitigation plan if such Secretary finds that such expedited assistance is necessary to meet needs which cannot be met with other Federal programs or other assistance in a sufficiently timely manner to avert a serious threat to the public health and safety identified by the local planning unit.

"(3) The Secretary of Agriculture shall approve an application for expedited assistance as soon as possible after receiving it if it contains the information required under paragraphs (b)(4)(A), (b)(4)(B), (b)(4)(C), (b)(4)(D), (b)(4)(E), and (b)(4)(F).

"(f) GENERAL REQUIREMENTS REGARDING ASSISTANCE.—(1) The Secretary of Agriculture shall by rule prescribe the terms and conditions for loan guarantees, payments of interest, and loans under subsections (d) and (e), which shall be consistent with the statutory requirements for loan guarantees, payments of interest, and loans under the Rural Development Act of 1972 (Public Law 92-419), except that for the purposes of assistance under this title—

"(A) the term 'State' also means an Indian tribe, or any duly authorized public entity acting on behalf of a State or Indian tribe;

"(B) loans shall bear interest at a rate determined by the Secretary of Agriculture, but not less than five percent per annum;

"(C) the restriction on assistance in such Act based on population shall not apply; and

"(D) no loan guarantees shall be made after September 30, 1984.

"(2) There is established in the Treasury of the United States an Energy Impact Insurance Fund, to be available to the Secretary of Agriculture for carrying out the provisions of this section relating to loan guarantees and loans, under the same statutory terms and conditions as apply to the Coastal Energy Impact Fund (16 U.S.C. 1456a(h)).

"(3) The Secretary of Agriculture shall prescribe, by rule, criteria for the allocation of assistance (other than the guarantee of loans) under this section, by a formula based 50 percent on the absolute increase and 50 percent on the percentage increase in employment related to major energy development in energy impact areas. Before allocating funds, such Secretary shall set aside a portion of the funds available for Indian tribes. If such Secretary finds that allocated funds cannot be obligated within a reasonable time by the State or Indian tribe for which the allocation was originally made, such Secretary may make those funds available to other States or Indian tribes.

"(4)(A) Except for grants under subsection (b), no assistance under this section may be for more than five years following the receipt of the first funds for public facilities and services under this section.

"(B) Financial assistance under this section shall not replace other public or private assistance reasonably available on terms that, in the opinion of the Secretary of Agriculture, would permit the accomplishment of the project or program.

"(C) No funds appropriated to carry out this section shall be expended in support of any program, project, or activity which is eligible for Federal financial support under the Coastal Energy Impact Program (16 U.S.C. 1456a) or the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201).

"(5)(A) Except as provided in subparagraph (B), for the second fiscal year of any assistance made pursuant to this section (other than planning grants under subsection (b)) the recipient shall provide funds equal to 12.5 percent of the total costs of implementing the proposal for which such assistance is made. For the third fiscal year, the recipient shall provide 25 percent of such costs. For the fourth fiscal year, the recipient shall provide 37.5 percent of such costs. For the fifth fiscal year, the recipient shall provide 50 percent of such costs.

"(B) Where the Secretary of Agriculture determines after consultation with the Secretary of Interior that an Indian tribe, which is an applicant for assistance under this section, or where the Secretary of Agriculture determines that a local government, which is an applicant for expedited assistance under subsection (e), has exhausted its effective revenue producing and borrowing capacity, such Secretary may waive the requirements of subparagraph (A) with regard to such applicant.

"(6) If the Secretary of Agriculture, after notice and opportunity for a public hearing, finds that a recipient of financial assistance under this section has failed to comply with the provisions of this section or with any regulation issued pursuant to this section, such Secretary shall withhold all or part of further financial assistance under this section from such recipient for so long as such recipient is deemed not to comply.

"(g) DEFINITIONS.—For the purpose of this section—

"(1) 'Indian tribe' means any Indian tribe, Alaskan Indian tribe, or Alaskan tribal group, as defined in the Indian Self-Determination and Educational Assistance Act (Public Law 93-638);

"(2) 'Major energy development' means any activity, facility, or installation associated with the production of energy (including exploration, extraction, production, conversion, or processing of any energy resource; the generation of electricity; construction of a major energy transportation facility; construction or operation of a major federally funded energy project, including uranium processing and nuclear spent fuel storage and waste facilities) if a substantial portion of such energy will not be consumed within the area of such activity, facility, or installation.

"(3) 'Public facilities and services' means facilities and services which are financed, in whole or in part, by any State or political subdivision thereof, or any Indian tribe, including highways and secondary roads, parking, mass transit, parks and recreational facilities, housing, governmental administration, fire and police protection, water supply, waste water collection and treatment (including drainage), schools and education, and hospitals and health care and any other facility or service so financed which the Secretary of Agriculture finds is necessary to support increased population.

"(4) 'Site development' means necessary off-site improvements, such as the construction of sewer and water connections, construction of access roads, and appropriate site restoration, but does not include any portion of the construction of housing or public facilities.

"(h) REPORTS.—Any person regularly engaged in any major energy development activity within an area designated and approved under subsection (a) shall prepare and transmit a report to the Secretary of Energy within 90 days after a written request to such person by the Governor of the State in which such area is located. Such report shall include—

"(1) projected employment levels for such activity by such person within such area during each of the following 3 calendar years;

"(2) the projected increase in employees in such area to engage in such activity during each of such calendar years;

"(3) the projected quantity of energy to be produced, processed, or transported by such person during each of the such calendar years; and

"(4) actions such companies plan to take or are taking to provide needed housing and other facilities for their employees directly or by providing funds to the States and local communities for this purpose.

Copies of the report shall be provided to the Secretary of Energy and the Secretary shall, subject to the provisions of section 11(d) of the Energy Supply and Environmental Coordination Act of 1974, provide the report to the Secretary of Agriculture, the Governor, and the appropriate Indian tribe, county or local officials and make it available for public review.

"(i) ADMINISTRATION.—(1) The Secretary of Agriculture shall designate within the Farmers Home Administration an organizational unit—

"(A) to administer the program established by this section;

"(2) to provide information to State and local officials and Indian tribes about federal assistance from programs other than those authorized by this section to prevent or mitigate adverse impacts from energy resource development;

"(3) to advise other appropriate Federal agencies of the needs and proposals for public facilities and services identified in mitigation plans; and

"(4) to provide information and technical assistance, when requested, to States, local governments, and Indian tribes about energy impact mitigation.

"(2) The Secretary, the Secretary of the Interior, the Secretary of Agriculture, the Federal Energy Regulatory Commission, the Administrator of the Environmental Protection Agency, and the head of any other Federal agency with responsibility for or knowledge of energy resource development shall, to the extent practicable, provide staff and other assistance to appropriate States, Indian tribes, or local planning units to facilitate assessment of community needs and to assist in early or initial energy impact planning efforts.

"(3) The President shall establish an interagency council, to be chaired by the Secretary of Agriculture pursuant to Section 603 of the Rural Development Act of 1972 (Public Law 92-419) to coordinate all Federal programs which may provide assistance to meet needs resulting from major energy developments. Such council shall coordinate the various Federal planning processes related to major energy developments with the preparation of mitigation plans under this section, in order to minimize duplication of effort or activities and to avoid delay in the consideration or carrying forward of such major energy developments. The heads of all Federal departments or agencies shall cooperate with the council in carrying out the purposes of this subsection and shall review the programs which each administers to determine what assistance is or may be made available to areas eligible for assistance under this section.

"(4) No action or failure to act (including the designation of an energy impact area, the designation of a local planning unit, the development or implementation of a mitigation plan or comprehensive investment strategy, or provision of assistance) under this section may be used as a legal basis for delaying or prohibiting the obtaining of any licenses, permits, or other authority necessary for the development, construction, or operation of a major energy development.

"(j) APPROPRIATIONS AUTHORIZATION.—(1) There is hereby authorized to be appropriated to the Secretary of Energy for purposes of this section, $60,000,000 for fiscal year 1979, $150,000,000 for fiscal year 1980, and $400,000,000 for each of the fiscal years 1981 through 1985. The Secretary of Energy and the Secretary of Agriculture shall enter into an agreement for the allocation of funds appropriated pursuant to this section for carrying out their respective responsibilities under this section, including the amounts for personnel and administrative costs, and upon such agreement, the Secretary of Energy shall transfer to the Secretary of Agriculture amounts determined under that agreement.

"(2) Not more than 10 percent of the funds appropriated under this section shall be used to provide planning grants under subsection (b). Not more than 15 percent of the funds appropriated under this section shall be used to provide expedited assistance (other than loan guarantees) under subsection (e).

"(3) The total principal amount of loans guaranteed under subsections (d) and (e) shall not exceed $1,500,000,000.

"(k) PROTECTION FROM CERTAIN HAZARDOUS ACTIONS.—Federal agencies having responsibilities concerning the health and safety of any person working in any coal, uranium, metal, or nonmetallic mine regulated by any Federal agency shall interpret and utilize their authorities fully and promptly, including the promulgation of standards and regulations, to protect existing and future housing, property, persons, and public facilities located adjacent to or near active and abandoned coal, uranium, metal, and nonmetallic mines from actions occurring at such activities that pose a hazard to such property or persons.

"(l) REORGANIZATION.—The authority of the Secretary of Energy under this section may not be transferred to any other Secretary of Energy under this section may not be transferred to any other Secretary or to any other Federal agency under chapter 9 of title 5, United States Code, or under any other provision of law, other than under specific provisions of a law enacted after the date of the enactment of this Act. The preceding provisions of this subsection shall not preclude either Secretary from delegating any such authority to any officer, employee, or entity within such Secretary's department." ●

WINDFALL PROFITS TAX—H.R. 3919

AMENDMENT NO. 396

(Ordered to be printed and referred to the Committee on Finance.)

Mr. WALLOP (for himself, Mr. BOREN, Mr. GRAVEL, Mr. CRANSTON, Mr. YOUNG, Mr. TOWER, Mr. SIMPSON, Mr. DOMENICI, Mr. SCHMITT, Mr. HAYAKAWA, and Mr. BELLMON) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, an act to impose a windfall profits tax on domestic crude oil.

● Mr. WALLOP. Mr. President, the windfall profits tax, as passed by the House of Representatives, shortsightedly places an undue burden on State and local governments, Indian tribes and upon the many worthwhile programs sponsored by the funds these governments receive from oil and gas production on publicly owned lands.

The House-passed windfall profits tax bill exempts State and local oil production from the tax only if 100 percent of the proceeds are dedicated to education. The House passed bill would impose a tax on oil funds going to other State or local public programs, and the tax would also fall on crude oil interests held in trust by or for Indians or Indian tribes.

The windfall profits tax places an inequitable burden on local and State governments, and the Indian tribes who depend so heavily on oil production income for maintaining public programs. For this reason, I intend to sponsor an amendment to H.R. 3919 which will exempt from the windfall profits tax oil in which the Federal, State, or local governments own the economic interest, provided that the proceeds from the sale of the oil are used for public purposes. I will also propose an amendment to exempt from the tax oil produced from tribal lands, and oil the proceeds from which are paid into tribal or native trust funds in the U.S. Treasury.

Income received by State or municipal governments should be exempt from the tax, whether or not they utilize the income solely for education. There is little reason to place an arbitrary distinction on the value of one public service provided by the State, such as education, as opposed to other worthwhile State or municipal services. Historically, oil producing States have relied heavily on their public lands as a means of financing education. However, there are numerous government services including health care, hospital funds, penal reform funds, wildlife refuges and others which are financed by income from public lands. I see no logical policy basis for making a distinction for tax policy purposes between various types of State and local government services.

The State and local governments should not be prodded through tax policy to dedicate all of their oil production revenue to education. Many of these States and municipalities are faced with the burden of providing a wide range of public services for energy impacted communities. They face difficult choices in allocating their limited financial resources to address community and State problems. Their decisions should not be distorted by a Federal tax that exempts one type of public service and imposes a heavy tax on income dedicated to other public programs.

I would like to point out that over the past 7 years, these State and local governments have had their oil production income held arbitrarily low, through the imposition of oil price control. Oil is a depletable asset, and once these resources are used, State and municipal governments will be left only with the income derived solely from the interest on oil trust funds.

Exempting State and local oil production from the tax creates no significant detriment to the objective of the windfall profits tax, which is to raise Federal revenues. The total State and local oil production is not more than 500,000 barrels daily. Consequently, the exemption would remove not more than 5 percent of total domestic production from the oil taxable under the President's program. The public lands education exemption provided in H.R. 3919 already covers all but a small percentage of the oil production of State and local governments. Consequently, this proposed amendment would not have significant revenue effects.

The tax is also inequitable and unprecedented where it applies to trust assets received by many federally recognized Indian tribes. Since the tax is an excise tax, not an income tax, Indians and Indian tribes may not be automatically exempt from the windfall profits tax. This is unprecedented because Indian trust resources have, under long-established Federal policies, been exempt from Federal tax. Further inequities are created because Indians and Indian tribes would not qualify for adjustments which lower the tax based on income tax factors, since they are not subject to income tax.

To levy a tax on these people would be contrary to the spirit of the Indian Self-Determination Act and other recently enacted legislation designed to encourage Indians to develop and obtain maximum benefit from their natural resources. Recent court cases and Internal Revenue Service rulings indicate that income from tribal lands is clearly exempt from Federal taxation. Federal legislation has provided that all restricted allotments and undistributed property, or lands held in trust by the United States for Indians must be held free of all encumberances. Federal income taxation has repeatedly been held to be such an encumbrance, and accordingly not applicable to Indian lands.

It is important for the Congress to recognize the tribes' need for this revenue. The Indian tribal governments depend heavily on royalties from mineral development to finance basic services for their people. Royalties received by the tribes from oil production totaled $32.6 million in 1978. All of the major oil producing tribes use their royalties strictly for Government programs. For example, oil and gas revenues account for 90 percent of the Northern Ute tribal government's budget apart from Federal funds.

Tribal governments must rely heavily on this source of revenues, because other sources of funding used by other governments are not available to them. Reservation populations are extremely poor, with annual per capita income well below the national average. This means that there is almost no tax base on Indian reservations. In addition, tribal development bonds are not given tax-exempt status as are State and local bonds, making it difficult to raise money by selling bonds.

An exemption for Indian tribal lands would only address part of the ambiguity posed by H.R. 3919. The House-passed bill fails to clarify the adjustment in the tax which is granted with respect to severance taxes. The language of the bill suggests that the exemption would be granted to State severance taxes. I expect that this was merely an oversight, for to allow a deduction for State severance taxes but not tribal severance taxes would put Indian oil at a competitive disadvantage. Such a development could force the Indian tribes to abandon their severance taxes and lose an important source of income. I propose to clarify this issue by defining the term "severance tax" to include the severance taxes imposed by Indian tribes. This definition would be consistent with the action taken by Congress in the Natural Gas Policy Act, which provided that tribal severance taxes should be given the same status as State severance taxes.

The Senators who join me in offering this amendment to the windfall profits tax bill may not share my concerns over other provisions and effects of H.R. 3919. This is a bipartisan effort to amend provisions that would otherwise create inequities and cause financial hardship for the oil-producing State, local, and tribal governments.

I ask unanimous consent that the

text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 396

On page 25, line 18, strike out "educational institution" and insert "entity".

On page 25, line 22, strike out "public education" and insert "a public purpose".

On page 26, lines 5 and 6, strike out "public education" and insert "a public purpose".

On page 26, line 10, strike out "public education" and insert "a public purpose".●

DEPARTMENT OF THE TREASURY APPROPRIATIONS, 1980—H.R. 4493

AMENDMENT NO. 397

(Ordered to be printed and to lie on the table.)

Mr. PRYOR submitted an amendment intended to be proposed by him to H.R. 4393, an act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes.

Mr. PRYOR. Mr. President, I am today submitting an amendment, which I hope will be considered after we return from our recess, to the Treasury, Postal Service and General Government Appropriations bill for 1980.

This amendment states that it is the sense of Congress that upon the sale by former President Richard M. Nixon of the estate known as Casa Pacifica and located in San Clemente, Calif., the United States shall be reimbursed the original cost of those items of property procured by the General Service Administration and determined by the Comptroller General of the United States as having a nonprotective benefit.

Mr. President, many people in this country feel that, because of those additions to this estate in California and especially in view of the fact that this estate is either about to be sold or has been sold, former President Nixon has been unjustly enriched at the cost and at the expense of the taxpayers of this country.

So, at the proper time I will attempt to amend the appropriations bill so it will reflect the sense of Congress as it relates to this particular matter.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield to the Senator from Alaska.

Mr. STEVENS. I am sure the Senator is seeking equity and justice, and it will be in order, I assume, when the amendment comes up to consider the improvements that were made to the Johnson ranch and that are being made to the Carter farm. Maybe we should set some standards for future Presidents at the same time.

So I welcome the opportunity to open the whole subject up, and I hope the Senate is prepared for a lengthy consideration of the use of taxpayers' funds for the convenience of any President not just President Nixon.

I welcome the opportunity to get into some rather deep consideration of the use of taxpayers' funds by Presidents of the United States.

Mr. PRYOR. I thank the Senator for his comments on this matter.

As the Senator knows, the committee on which we serve, the Governmental Affairs Committee, specifically the Subcommittee on Civil Service and General Services, is today looking actively into two statutes which relate to former Presidents, and attempting to come forward with some constructive changes in the statutes to clear some areas of ambiguity which exist at this time.

Like the Senator from Alaska, I look forward at the proper time to a full discussion of this matter and whatever debate might ensue.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 397

At the end of the bill insert the following:

SEC. 616. It is the sense of the Congress that, upon the sale of the estate known as Casa Pacifica located in San Clemente, California, former President Richard M. Nixon should reimburse the United States for the original cost of any item of property procured by the Administrator of General Services which the Comptroller General of the United States determines, to have a nonprotective benefit.

NOTICES OF HEARINGS

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, on September 18, from 9:30 to noon, the Subcommittee on Child and Human Development of the Committee on Labor and human Resources will hold oversight hearings on the ACTION Agency's older American volunteer programs—foster grandparents, senior companions, and retired senior volunteer program (RSVP).

Persons wishing to testify should contact the subcommittee in writing at least 3 weeks prior to the hearing.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources.

The hearing is scheduled for Thursday, September 13 beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Among those invited to testify are Gov. Jay Hammond of Alaska, Secretary of the Interior Cecil Andrus, Secretary of Agriculture Bob Bergland, and other interested groups. Testimony will be heard on S. 1176, a bill to amend the Act for Preservation of American Antiquities of 1906.

For further information regarding the hearing, you may wish to contact Mr. Thomas Williams at 224–7145.

Those wishing to submit written testimony for the record should write to the Subcommittee on Parks, Recreation, and Renewable Resources, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. CULVER. Mr. President, as chairman of the Subcommittee on Administrative Practice and Procedure, I announce that our subcommittee will hold a hearing in Montpelier, Vt., on proposed regulatory reform legislation (S. 104, S. 262, S. 299, S. 755, and S. 1291). The hearing will be held on August 20, 1979. Senator PATRICK LEAHY will preside.●

SUBCOMMITTEE ON INTERNATIONAL FINANCE

● Mr. STEVENSON. Mr. President, the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs will hold hearings on Monday, September 17 and Tuesday, September 18 on legislation to encourage formation of export trading companies and export trade associations. Three bills have been introduced and referred to the Banking Committee: First, S. 864, a bill introduced by Senator DANFORTH, together with Senators BENTSEN, CHAFEE, JAVITS, and MATHIAS, to establish within the Department of Commerce an office to promote and encourage the formation and utilization of export trade associations and for other purposes; second, S. 1499, a bill introduced by Senator ROTH to promote and encourage the formation and utilization of export trade associations, and for other purposes; and third, S. 1663, a bill I introduced to encourage exports by providing for the licensing of export trading companies by the Secretary of Commerce, and by otherwise facilitating their formation and operation.

The subcommittee will receive testimony on the bills from the the administration and from private citizens.

The hearings will begin each day at 10 a.m. in room 5302 of the Dirksen Senate Office Building. Persons interested in testifying or desiring more information may contact Robert W. Russell, counsel to the International Finance Subcommittee, at 202–224–0819.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources.

The hearing is scheduled for Thursday, September 20, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be heard on S. 599, a bill relating to the Indiana Dunes National Lakeshore.

Further information regarding the hearing, you may wish to contact Mr. Thomas Williams at 224-7145.

Those wishing to submit a written statement for the record should write to the Subcommittee on Parks, Recreation, and Renewable Resources, room 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR A COMMITTEE TO MEET

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the

session of the Senate on Wednesday, September 5, 1979, beginning at 2 p.m., to hold a hearing on the nomination of Neil Goldschmidt to be Secretary of Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUS RUNS ON ALCOHOL AFTER 55-CENT ALTERATION

● Mr. LUGAR. Mr. President, our Nation's security and prosperity demand that we quickly develop new sources of energy and new energy technology to keep transportation systems and factories operating, and to provide power to homes and public buildings.

An Associated Press story which was carried in the Chicago Tribune on July 27 tells of an accomplishment by four inventors in New Hampshire, giving hope to those of us who believe that significant energy advances are possible if the Government will get out of the way.

The four young men in New Hampshire spent 30 minutes and 55 cents to develop a small part which allows a conventional bus engine to run on pure alcohol. As one of them said, "the answers are available today, not 20 years from now. All it takes is a realization by the public that it can try to solve the problems without waiting for permission from the Government."

I would only add that it takes Government policy which does not discourage private enterprise from investing in new energy solutions, with fears that new controls, new regulations, or new taxes will destroy their economic plans.

The article holds special interest for those of us who have urged that the abundance of American agriculture be used to supplement scarce petroleum fuels. The experience of thousands of Americans who have used gasohol in their own automobiles provides convincing evidence that gasohol is a practical alternative to gasoline. Now comes a report that a simple part is all that may be needed to convert a conventional engine to use pure alcohol.

This is the kind of breakthrough we can and must achieve. We must turn loose the power of private initiative to find new solutions. This is no time to adopt a defeatist attitude, to accept and to institute energy shortages, and to give Government vast new powers to allocate those shortages.

I ask that that Tribune article be printed in the RECORD.

The article follows:

[From the Chicago Tribune, July 27, 1979]

FIFTY-FIVE CENTS ALTERS BUS TO RUN ON ALCOHOL

SEABROOK, N.H.—Four inventors, irritated by President Carter's contention that energy alternatives are years away, spent 55 cents to fix an old gray school bus so it would run without gasoline.

"We've converted a bus to run on a mixture of water and alcohol. It was no great feat," said Mike Goldberg, one of the inventors who work out of a firm called Self-Propelled, Inc., in Leicester, Mass.

"The answers are available today, not 20 years from now," Goldberg said. "All it takes is a realization by the public that it can try to solve the problems without waiting for permission from the government."

"All we needed to make it work was the desire to do it, 30 minutes, and this 55-cent jet," coinventor Michael McCallum said, proudly displaying the quarter-inch metal tube that is the key to the conversion.

Goldberg, 27; McCallum, 27; Leon Bristow, 29; and Gregg Friedman, 30, said they listened to Carter's energy speech last week and didn't like the "negative tone of the President's predictions."

"The government wants us to save oil," McCallum said. "The obvious way is by using alcohol. But federal experts say it would take a major retooling by the auto industry to accomplish it.

"That's incorrect. Any home mechanic or the guy at the corner gas station can convert any vehicle to run on alcohol. It's a quick do-it-yourself project for anyone who tinkers with cars."

It was quick indeed for the four inventors. Reacting to the speech the next day, they went right to work on the 20-year-old bus one of them owned.

The concept of alcohol-powered engines is not new. Indianapolis-type race cars have run on various forms of alcohol for a decade.

At the request of the Brazilian government, General Motors Corp. is preparing engines which will run on pure alcohol.

"We should have them on the market in a couple of years," said Edward Lechtzin, a GM spokesman in Detroit. "Brazil is 90 percent dependent on imported oil and they have a real need to find an alternative fuel.

"We have tested several alcohol engines but there is no great demand for it in this country."

Friedman and Bristow explained that they replaced the jet, or value, with a wider one to accommodate the greater volume of alcohol required to burn in the engine.

"But the engine works on alcohol the same way it does with gasoline," Bristow said. "It gets about the same mileage, is cleaner, and smells a lot better. . . ."

"Cheaper quality alcohol works fine in engines and it can probably be produced and sold for half the cost of gasoline," McCallum said.

"As long as the sun shines, alcohol will always be available, and it can be produced in every section of the country. It can be made from trash from the big cities, potatoes and sugar beets from Maine, wheat from Kansas, corn from Iowa, and timber or wood products in dozens of other states."

Goldberg said he hopes "to have a thousand vehicles fueled with the same mixture gathered in Washington to prove the point to the President.

"We have something that works now and doesn't harm the environment at all."●

S. 1649—AIRPORT AND AIRWAY SYSTEM DEVELOPMENT ACT OF 1979

● Mr. PACKWOOD. Mr. President, I am happy to join with my colleague, the chairman of the Senate Commerce Committee, Senator CANNON, in introducing legislation, the Airport and Airway System Development Act of 1979, and its accompanying revenue bill, which revamp the way the Federal Government currently funds the national airport system. My office, increasingly over the past few years, has received calls and complaints from angry and frustrated airport operators in Oregon who cannot understand why they can't have the money they have helped put in the aviation trust fund. Current estimates project that at the end of fiscal year 1980 that trust fund will show a surplus of some $3.25 billion. This money has not been raised through taxpayer dollars. It is the result of an airline passenger ticket tax, aviation fuel taxes, waybill charges, an international departure fee and an aircraft registration charge. All of these are collected from the aviation industry.

Last year the Federal Aviation Administration estimated that $600 million in high priority projects had gone unfunded. That's not because there was no money to pay for them. It was because the FAA and the Office of Management and Budget refused to permit the expenditures, calling them inflationary. It seems to me that is irresponsible on their part. Last year the growth in air traffic was 17 percent. With deregulation, we are seeing the larger airports becoming more crowded. It is important that Congress act with determination to get that surplus out where it's needed and respond to airport needs. Increasingly, this is a question of safety. Project costs which go unfunded only remain to be funded at a later date, but at the inflated cost.

I commend the chairman on his innovative approach to dealing with the surplus problem. With a reduction in the airline ticket tax from 8 percent to 2 percent, which is proposed, over a period of the next few years we will be reducing the accumulation in the trust fund. Additionally, the bill eliminates, after fiscal year 1981, the eligibility of large and medium hub airports for Federal funds. The feeling is that these airports, proven revenue raisers, will be better able to negotiate directly with the carriers for that 6 percent, avoiding the cost and delay of Federal funding altogether.

Airport operators at these airports ought to be better able to plan projects and avoid bureaucratic redtape. Presently, these airports fund the greatest portion of their capital improvement projects with airport revenues, not Federal funding. While I recognize there is some uncertainty now as to how the airports will be guaranteed the proper assurances from the carriers for this funding, both sides have expressed a willingness to try to work it out, preferring to avoid the Federal middleman.

An important feature contained in the bill is one which significantly increases funding for reliever airports to $150 million over the next 5 years, compared to the approximately $17 million annually they now receive. These airports are very important to the national air transportation system in drawing traffic away from the large hubs.

The bill also permits the Secretary of Transportation, under certain conditions, to fund private airports. This is another way of relieving congestion at the large airports.

State agencies are given a potentially larger role in the administration of Federal funds for the small airports (those enplaning less than 26,000 annually). While there has been some concern expressed that this new responsibility for the State agencies might create more problems than it solves, I think it is an area we ought to explore. It would remove the Federal Government from a di-

rect role when possibly someone else can do a better job. I like that. We are not always the best people to handle these projects.

By taking the large and medium hub airports out of the program while increasing the minimum authorization levels, the bill provides a better chance for the smaller airports to get the funding they need and the attention they deserve.

In general, this legislation is a fresh look at airport financing and redefines a Federal program that clearly is not working. Removing the presence of the Federal Government from direct involvement where it is not necessary is an area in which the commerce committee has been a pioneer and shown leadership. Last year we deregulated the airlines. Maybe soon we can deregulate the airports in those cases where other financing is available.

I am happy to work with the chairman in getting this bill through the Commerce Committee. We have scheduled hearings for the week of September 10 and I know the chairman is anxious to have the Commerce Committee act expeditiously on the legislation. In that effort he will have my support. Additionally, I will provide whatever assistance I can in clearing the revenue bill through the Finance Committee on which I serve. I know the chairman is anxious to avoid any snares there.●

DIVERSE CITIZENS AND BUSINESS GROUPS, FEDERAL AGENCIES SUPPORT TRUCKING DEREGULATION

● Mr. KENNEDY. Mr. President, on Wednesday of this week I inserted in the Record excerpts of comments President Carter and I have received from a number of organizations and individuals in support of the Trucking Competition and Safety Act (S. 1400) which we introduced on June 25. Many of these letters offer more eloquent testimony on the need for enactment of this legislation than either the President or I could hope to offer.

These organizations represent Americans who are vitally affected by the operations of the trucking industry, both its regulated and unregulated segments. They also include Federal agencies and other groups with a breadth of understanding of the importance of marketplace competition to the effective functioning of our economy.

I ask, Mr. President, to insert in the RECORD a few of these letters and statements, as I believe they will be of great interest to Members of Congress and their staffs. The letters and statements are from the following organizations: the Federal Trade Commission, the chairman of the Civil Aeronautics Board, President Borman of Eastern Airlines, the National Cattleman's Association, the National Farmers Organization, the National Association of Manufacturers, the National Federation of Independent Business, the Consumer Federation of America, and the National Agricultural Transportation Alliance.

The material follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., June 20, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Federal Trade Commission strongly endorses the proposed Trucking Competition Reform and Safety Improvement Act of 1979, sponsored jointly by the Administration and Senator Kennedy. The proposed Act represents significant progress in improving competition and safety in this important industry.

The enclosed statement of the Commission describes the competitive and consumer harms caused by legislative and regulatory restrictions on competition in the trucking industry and the impact of the proposed Act on these problems. For several years, the Commission has vigorously advocated the reduction of restraints on competition in the trucking sector. We applaud you for this effort to eliminate such restraints and to infuse greater competitive vigor into this vital area of the economy.

By direction of the Commission.

MICHAEL PERTSCHUK,
Chairman.

STATEMENT OF FEDERAL TRADE COMMISSION ON "THE TRUCKING COMPETITION REFORM AND SAFETY IMPROVEMENT ACT OF 1979"

The Federal Trade Commission strongly supports the trucking reform bill jointly sponsored by the Administration and Senator Kennedy. This bill is a substantial step toward reducing the mass of government regulation and red tape which currently exist in the trucking industry and toward allowing a free market in truck transportation to function. We believe that competition in the marketplace will do more than regulation to encourage efficient operations, to afford shippers a range of price/service alternatives, and to provide American consumers the variety of goods and services they want at the lowest possible cost.

Since the federal Motor Carrier Act was passed in 1935, the trucking industry has been subject to an extensive scheme of federal regulation, administered by the Interstate Commerce Commission. Even if this pervasive regulation was necessary in 1935—in the midst of the Depression, when trucking was in its infancy and the depressed state of the economy may have made it difficult for competition to function—it no longer meets the needs of the American public. Expert economists have estimated that reducing unnecessary regulation in the trucking industry could save American consumers billions of dollars each year. The ICC has recognized the need for reducing regulation and has taken the lead in eliminating or reducing some of the regulations which no longer serve the public interest. The bill would continue along the same path and further reduce such regulation.

The Federal Trade Commission believes the trucking industry will flourish under competition. Economic regulation should be unnecessary under a competitive regimen. In recognition of this fact, the Commission has for two years advocated reduced regulation before the ICC. For example, we have opposed the applications of the motor carrier rate bureaus for antitrust immunity; we have argued that entry into the industry should be significantly eased; and we have recently petitioned the ICC to institute a "zone of reasonableness" within which proposed motor carrier rates would take effect without ICC approval. We are especially heartened to see similar features in the trucking reform bill.

The bill would substantially eliminate three major regulatory restrictions which have impaired efficiency in the trucking industry and raised prices to consumers. First, it would remove all backhaul, route and commodity restrictions, either immediately or by 1983. These restrictions have required trucks to travel empty, have limited the kinds of freight they can carry and have prohibited them from taking the shortest route between two points and from making stops at small towns between major cities. By removing these restrictions, the bill would save "gas" and diesel fuel, would allow truckers to operate more efficiently, would rationalize the existing route structure and would reduce pollution.

Second, the bill would reduce restrictions on entry into trucking markets. In order to enter a market, a prospective trucker has historically had to convince the ICC that existing service was inadequate. Large, established carriers could "protest" the prospective entrant's application before the ICC and could thus cause him needless legal expenses in defending his application, or could even discourage him from applying in the first place. Among other things, the bill would make it unnecessary for the prospective entrant to prove existing service inadequate. This would allow small businessmen—and, for the first time, minorities, who currently own fewer than one percent of the over 16,000 regulated trucking firms—a realistic opportunity to enter the trucking industry.

Third, the bill would allow truckers to reduce their rates, within certain limits, without prior ICC approval. At present, rates must be filed with the ICC 30 days before they are to take effect. When a rate is filed, competing carriers or shippers can protest it as being too low. The ICC can then suspend the proposed rate reduction for up to seven months, hold a hearing on it, and then hold it unlawful and refuse to allow it to take effect. Many proposed reductions are thus prevented from taking effect, and carriers are discouraged by the likelihood of challenge and the ensuing expense from even proposing lower rates. By allowing carriers to reduce their rates without government approval, the bill should encourage price competition among carriers and lower prices to consumers.

Together with its reduction of regulatory restrictions, the bill would also remove the special statutory exemption which since 1948 has permitted trucking companies to fix their rates through so-called "rate bureaus." This practice, known in the industry as "collective ratemaking," would violate the antitrust laws if undertaken by industries lacking the statutory immunity enjoyed by trucking firms. Collective ratemaking, along with ICC rate regulation, has frustrated price competition in the trucking industry and allowed several of the largest carriers in the industry to reap excessive profits. (The eight largest carriers in the industry have an average return on equity of 28.7 percent, and the return on equity of one of these carriers is 58 percent. The national average for all manufacturing, on the other hand, is 14 percent.) By eliminating both government regulation of rates and industry self-regulation of rates in the form of price-fixing, the bill should assure a more competitive and responsive trucking industry.

The bill would also eliminate certain other regulatory restrictions on the trucking industry. For example, it would exempt all agricultural commodities from all ICC regulations and would allow existing carriers to expand their operations by a limited amount each year without ICC approval.

In addition, the bill takes special pains to ensure that shippers and consumers in America's small communities, who generally have been poorly served by the regulated trucking industry, will receive improved service. For example, the bill would allow any financially sound trucker to serve any community which

an authorized carrier no longer serves or which a railroad abandons, and would allow trucks to stop at small towns between major origin and destination points.

The Commission congratulates the Administration and Senator Kennedy for a bill which warrants the support for the trucking industry, of shippers and of the American public. We believe that by greatly reducing government interference in the marketplace and giving competition and the free market a better chance to function, the proposal will benefit us all.

STATEMENT BY MARVIN S. COHEN, CHAIRMAN, CIVIL AERONAUTICS BOARD

I endorse the Trucking Competition and Safety Act of 1979. The objectives of this legislation are very similar to those now incorporated in the Airline Deregulation Act of 1978. As in the ADA, the proposed legislation seeks, among other things, to remove antiquated service restrictions that compel costly and needlessly inefficient operations. The bill also seeks to promote competition by creating a statutory presumption in favor of new entry, by eliminating antitrust immunity for carrier price-setting agreements and by establishing a zone of rate flexibility around the prior existing rates. Finally, and perhaps most importantly, the legislation, through a variety of provisions and incentives seeks to promote new and improved service to small communities that may not have received adequate levels of service under regulation.

The airline industry, like the trucking industry, was virtually unanimous in its opposition to airline deregulation during the time Congress considered the issue. But, our experience to date with airline deregulation is that the industry is profiting from its new found competitive freedom—1978 was the most profitable year in the airline industry. More importantly, the consumer is reaping the benefits of greater travel options. Last year the traveling public saved an estimated $2.5 billion in the cost of air travel. And, despite the escalating price of fuel, lower fares continue to be introduced almost daily in more and more markets. In addition, contrary to the charges made by the trucking industry, small communities have not been harmed by deregulation.

Prior to the Airline Deregulation Act, more than 120 small communities had lost certificated air service over the previous ten years—an average of one per month. Since the Act, no small community has lost all of its air service. Commuter airlines—who are like the independent truckers of the airline industry—expand their services to these communities by offering more conveniently timed service to major connecting airports than was previously offered by the certificated and often federally subsidized airlines.

Deregulation of the airlines is working to the benefit of consumers and the industry. I am convinced that enactment of this legislation should lead quickly to similar benefits for the trucking industry, its users and the public at large.

STATEMENT OF COL. FRANK BORMAN, CHAIRMAN AND PRESIDENT, EASTERN AIRLINES

As one who was originally opposed to the deregulation of the airline industry because of my concerns as to the possible adverse impact of unlimited route entry and pricing freedom on Eastern and our industry, I feel I must now go on record as stating that my fears proved groundless.

Deregulation, for the first time, gives us the ability to adjust our services and prices to conform to the needs of the marketplace. Consequently, in the eight months since the "Airline Deregulation Act of 1978" was enacted into law, Eastern has expanded its operations into a number of new cities and states; is providing a better service to the consumer at a lower price and has greatly enhanced its financial position.

The trucking industry is in many ways similar to our own and it is my sincere belief that it and the consumer will realize similar benefits through deregulation.

STATEMENT OF NATIONAL CATTLEMEN'S ASSOCIATION ON "THE TRUCKING COMPETITION REFORM AND SAFETY IMPROVEMENT ACT OF 1979"

At the most recent convention of the National Cattlemen's Association the following resolution was adopted by the members in attendance:

"Deregulation of Surface Transportation—

Whereas, The removal of regulation on rate determination and entry into transportation of processed agricultural products such as feed, feed ingredients, meat, processed food and manufactured goods used in agricultural production would benefit both consumer and producer;

Now, therefore be it resolved, That NCA endorses the principle of freedom of entry into surface transportation and the institution of flexibility in rate making;

Be it further resolved, That NCA endorses the enlargement of "exempted agricultural commodities" to include feed, feed ingredients, meat, processed food and manufactured goods used in agricultural production."

From this resolution, it may be observed that the NCA is in support of the overall concept "The Trucking Competition Reform and Safety Improvement Act of 1979". We feel that the substantial removal of regulations affecting truck transportation will benefit both producers and consumers with the resulting efficiencies and rate flexibilities.

We especially applaud section 105(b) which is a substitute for Section 49 USC 10526(a)6. This expanded commodity exemption can provide for a much greater utilization of trucks involved directly or indirectly in agriculture. It becomes particularly critical during the current energy crisis when fuel savings are so desperately needed. Just the application of this to backhaul ability would be a tremendous energy saver.

The NCA hopes that the legislation when introduced will move quickly through the Congress.

THE TRUCKING COMPETITION AND SAFETY ACT OF 1979: BENEFITS FOR AGRICULTURE AND RURAL AREAS

The Administration Bill to reform regulation of interstate trucking is beneficial for agriculture. It contains several provisions that will ease some of the problems in agricultural and other rural trucking.

The trucking industry is a vital component of the transport system serving agriculture. Trucks haul practically all of the milk, poultry, eggs, and livestock; about 90 percent of the fresh fruits and vegetables; about 85 percent of the meats; and most of the short-haul grain.

Truck movement of unmanufactured products of agriculture, such as fresh fruits and vegetables, now move unhampered by the rate, route, service, and entry restrictions of the Interstate Commerce Act that apply on other trucking. The "agriculture exemption" includes frozen poultry, but not fresh red meats; cooked fish, but not canned vegetables; grain, but not feed; etc.

The "agricultural exemption" has worked very well. Agricultural interests have been firm ever since 1935 in their support of the exemptions. Studies have found that exempt trucking provides efficient and adequate service at reasonable rates and with returns to truckers sufficient to sustain a competitive trucking environment.

We in agriculture therefore expect to benefit from the provisions of the bill that provides exemptions to the trucking of all food products of agriculture and of farm supplies: not only do these exemptions promise direct benefits in the form of readily available and reasonably priced trucking services for these commodities, but also certain problems affecting the transportation of these commodities will be solved. The rapidly shifting markets for regulated agricultural commodities, especially red meats, have often caused shortages of truckers with operating authorities to serve new markets. At times, meat processors have had to cease operations because of truck shortages. In the case of feeds and fertilizers that have moved to local distributors by rail, rail line abandonments have on occasion left voids in for-hire transportation links to these distributors. These supplies could become backhauls for grain truckers who now return empty. Exemptions for food products and farm supplies in this Bill therefore are most welcome.

These provisions for new exemptions promise some savings in direct transportation costs for these commodities. Perhaps equally important, they will make it more feasible for agricultural cooperative and exempt truckers to arrange more nearly profitable loads in both directions and therefore help to lower costs of transportation for currently exempt commodities. The necessity to return empty or to trip lease at low rates for return to origins of currently exempt commodities has been a problem with agricultural trucking up to present. This problem will be partially solved immediately upon enactment of this Bill by the new exemptions provided, and further relief will come in the future when all truck load trucking is exempted.

In addition to the provisions of direct and immediate benefit to agriculture and consumer represented by the provisions on cooperative trucking (removing the 15 percent restriction on nonfarmer, nonmember trucking) and the agricultural exemptions, trucking in rural areas also will improve as a consequence of the following provisions:

Motor Carrier Policy.—The national transportation policy is to be amended to include as a criterion of public interest the encouragement of entry to and additional service for small or isolated communities.

Restriction Removal.—All restrictions on route of travel and intermediate stops, which limit a carrier's opportunity to serve small or out-of-the-way towns, are to be removed.

Entry.—Fitness is to be the only test for entry into the trucking industry for the purpose of serving areas not otherwise served or as a substitute for abandoned rail service. Also, improved service to small communities is specifically included as a criterion of public convenience and necessity where such entry test is to be applied.

Small Package Exemptions.—All items weighing less than 500 pounds are to be exempted from regulation, thus enhancing the opportunities for bus companies to provide increased small-package freight service to small towns.

We in agriculture believe that these several provisions will increase the efficiency of agricultural and rural area trucking to the benefit of farmers and consumers, and relieve some wastes in trucking that contribute to unnecessary energy use.

NATIONAL FARMERS ORGANIZATION,
Washington, D.C., June 20, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The trucking industry is a vital component of the transportation system serving agriculture. Practically all our livestock, milk and other perishable products must move to market by this means. Our grain crops first move by truck to reach the railroad and barge points that serve both domestic and export trade.

Today we have NFO livestock and milk shipping points that serve our members, closed down in several states because of inadequate diesel supplies. The effect of escalating prices and uncertainty of supply threatens to immobilize the movement of food from the first processing points. This is backing up our movement of products from the farms.

This movement of raw agricultural commodities and the next customary transportation of food through the chain are rapidly approaching a crisis.

We welcome and support your proposal to reform regulation of interstate trucking. The proposal to expand the agricultural exemption to food products and farm supplies should contribute directly to lower costs for the ultimate consumer. The thrust of the bill should also enable certain elements of the trucking industry, that are now endangered economically, to survive in a fair and competitive market environment.

Specifically, we believe the provisions of the draft bill will permit carriers of exempt commodities to arrange more nearly profitable loads in both directions. Service for small communities in rural areas should be improved by removal of restrictions on route of travel and intermediate stops. Modification of entry requirements should provide relief for those communities suffering the loss of rail branch line service.

We welcome the opportunity to analyze the bill in more detail and urge its early consideration in the Congress. You are to be commended for initiating this action that may lead to remodeling the regulation of the trucking industry. As farmers and ranchers, we are vitally concerned that adequate service be available at reasonable costs. We have a great deal of common interests with the independent truckers and propose to follow the progress of the draft legislation closely in the Congress.

Sincerely,

CHARLES L. FRASIER,
Director, Washington Office.

NATIONAL ASSOCIATION OF MANUFACTURERS,
June 20, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The National Association of Manufacturers is pleased that you, along with Senator Edward Kennedy, are proposing legislation which would substantially reform the trucking industry. The Association's members are among the largest users of the freight transportation system. Enactment of legislation to improve the efficiency of the trucking industry is a priority item for NAM.

We believe that effective competition is essential to a strong freight transportation system, and that statutory and administrative regulation should be held to a minimum consistent with operational safety and continuance of service in the public interest.

We believe that the following elements are vital to regulatory reform of the trucking industry:

Remove barriers to entry and competition by existing and new firms

Insure service to small and rural communities

Increase pricing flexibility; and

Reform of antitrust immunity for collective ratemaking activities of carriers

The present draft bill is consistent with these principles, and we wish to emphasize our support for them.

We applaud the efforts of the Administration and Senator Kennedy in taking this important step toward reform of the trucking industry. We look forward to working together on this most crucial regulatory reform proposal.

Sincerely,

R. HEATH LARRY,
President.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
June 18, 1979.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: NFIB, on behalf of its 580,000 small and independent business members, strongly supports the trucking deregulation legislation your Administration is announcing.

This legislation attacks inflation and strengthens free competitive enterprise. We believe it will reduce trucking costs, provide better trucking service, and create new trucking opportunities for small entrepreneurs. These results are good for small business and good for the public.

NFIB commends you for action to attain trucking deregulation and looks forward to working with your Administration and other proponents in order to achieve it.

With best wishes.

JAMES D. "MIKE" MCKEVITT,
Washington Counsel.

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., June 21, 1979.

Consumer Federation of America, the nation's largest consumer organization, consisting of 240 national, state and local organizations which collectively represent over 30 million Americans, today applauded the joint efforts of the White House and Senator Edward M. Kennedy in moving to deregulate the trucking industry and thus reduce a significant component of the current inflation spiral.

"We commend the President and Senator Kennedy for working jointly on a comprehensive program that, as we understand from the summary of the legislation would include the removal of inflationary backhaul restrictions and costly intermediate stop prohibitions," remarked Kathleen F. O'Reilly, CFA's Executive Director.

O'Reilly referred to estimates by the Federal Energy Administration that 26% of the carriers are now returning empty to their destinations and that the American consumers could realize a savings of $300 million each year in food costs alone if ICC regulations were altered to reduce such empty backhauls of trucks carrying farm produce.

O'Reilly pointed out that such estimates can no longer be considered speculative. "The record of increased competition and reduced prices resulting from judicial removal of the anti-trust exemption is dramatic. For example, when the Supreme Court ruled that regulation of the transportation of raw dressed chickens did not come within the Interstate Commerce Commission's jurisdiction, their surface transportation costs were lowered by 35%. When the Supreme Court made a similar ruling with regard to frozen fruits and vegetables, prices were lowered 20–30%."

"CFA intends to work with both the Administration and Senator Kennedy in ensuring the rapid passage of this, a most important bill to all consumers," she stated.

NATIONAL AGRICULTURAL TRANSPORTATION ALLIANCE,
June 20, 1979.

President JIMMY CARTER,
c/o Mr. Jim Scott, Room 121, Old Executive Office Building, Washington, D.C.

DEAR MR. PRESIDENT: This is to offer our support and encouragement to the Administration's initiative to lessen entry and rate regulation in the trucking industry.

This marks the first major improvement within the trucking industry in over forty-four years and this administration should be particularly congratulated by every consumer for having the courage and foresight to present such a bill at this time. It is estimated that trucking regulation cost the consumer from 500 million to 4 billion dollars per year, and this is a definite step to reduce this exorbitant cost.

We are especially pleased to see expansion of the agricultural exempt sector, including opening up to some extent the much needed backhauls for food carriers.

Movement toward regulatory reform, particularly expanding the ICC-exempt areas, will benefit the owner operator, the farmer, and others engaged in bringing food to America, and ultimately and more importantly the consumer.

We look forward to Congressional hearings, and to having an opportunity to comment further on particulars of the proposal. We hope that Congress will act upon it quickly.

Sincerely yours,

DONALD R. CHICHILLA,
President.

SALT II STATEMENTS OF WITNESSES IN FOURTH WEEK OF HEARINGS BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

● Mr. CHURCH. Mr. President, I ask that the statements of the witnesses appearing before the Committee on Foreign Relations during its fourth week on the SALT II Treaty be printed in the RECORD.

The fourth week of witnesses included: Tuesday, July 31, the Honorable Henry A. Kissinger, Former Secretary of State; Wednesday, August 1, the Honorable Stansfield Turner, Director, Central Intelligence Agency, Adm. B. R. Inman, Director, National Security Agency; Gen. Eugene R. Tighe, Jr., Director, Defense Intelligence Agency; Thursday, August 2, the Honorable John J. McCloy, Coordinator of U.S. arms control activities, 1961–63, and former U.S. Military Governor and High Commissioner for Germany; Gen. Alexander Haig, retired, former Supreme Allied Commander, Europe. Some of the above-listed witnesses did not have prepared statements.

The Foreign Relations Committee will begin its second phase of hearings the 4th of September. It is our intention to conduct a series of public hearings with witnesses from various nongovernmental organizations who are interested in the SALT II Treaty. In addition, we will have executive sessions with Government and non-Government witnesses to discuss certain details of the treaty. And, we will recall, in public session, the Secretary of State, Secretary of Defense, and other individuals for public comment on the treaty.

Mr. President, I ask that the statements of the witnesses be printed at this point in the RECORD.

STATEMENT OF THE HONORABLE HENRY A. KISSINGER, WITH RESPECT TO THE TREATY ON STRATEGIC ARMS LIMITATION

THE PROBLEM OF SECURITY

In his essay *Perpetual Peace* the philosopher Immanuel Kant wrote that world

peace would come about in one of two ways: after a cycle of wars of ever increasing violence, or by an act of moral insight in which the nations of the world renounced the bitter competition bound to lead to self-destruction.

Our age faces precisely that choice. For the first time in history two nations have the capacity to inflict on each other and on mankind a level of destruction tantamount to ending civilized life; yet they have also before them unprecedented possibilities of cooperation to harness the wonders of technology to improve the human condition.

Both mankind's hopes and fears are bound up with the relationship between the United States and the Soviet Union. These two countries possess huge nuclear arsenals; they also espouse sharply opposing concepts of justice and hold conflicting visions of the future. The ideology of Soviet leaders does not make them content to practice their preferred social system at home; they strive for its victory worldwide. Hence the Soviet Union and America clash in areas that each considers vital. We have allies whose interests we will not sacrifice. Soviet allies such as Vietnam and Cuba are quite capable of generating crises of their own, all too frequently encouraged by Moscow to do so.

The peace we seek therefore must rest on something more tangible than a hope or a fear of holocaust. It must also reflect a military and geopolitical equilibrium. The notion of balance of power has always been unfashionable in America. But it is the precondition of security, and even progress. If the mere avoidance of conflict becomes our overriding objective, and if our own military power is disparaged, the international system will be at the mercy of the most ruthless. If the desire to conciliate becomes the sole operational basis of policy, we run the risk that the threat of war will become a weapon of blackmail; our allies and our moral values will both be permanently in danger. The desire for peace will be transformed into a caricature of itself, and become instead the beginning of appeasement. How to strive for both peace *and* our moral principles; how to avoid nuclear war without succumbing to nuclear blackmail—this is the overwhelming problem of our period.

The United States must proceed simultaneously on three fronts:

First, we must maintain a military balance that does not tempt aggression against our friends or allies, against our vital interests, or in the extreme case against ourselves.

Secondly, beyond resisting naked aggression, we have a stake in the principle that political or economic pressure, or military or terrorist blackmail, not become the arbiter of the world's political disputes. The geopolitical equilibrium must be maintained lest radical forces hostile to the West gain such momentum that they appear as the irresistible wave of the future.

And thirdly, on the basis of a balance thus achieved and preserved, we must be ready to explore routes to genuine peaceful coexistence. The great powers, having learned that they cannot dominate each other, must practice moderation and ultimately cooperation. The creativity of a world of diversity and peaceful competition can be the basis of unparalleled human progress. A stable balance is the most hopeful—perhaps the only—basis for the control and ultimately the reduction of weapon of mass destruction.

Too often these requirements are posed in the alternative. But the quest for security and for peace are inseparable; we cannot achieve one without the other. No democracy can court conflict. Our government will have support in resisting challenges to our vital interests only if confrontation is seen to have been unavoidable. Our people have a right to expect of their government that it will explore all avenues to a genuine peace. And our allies will insist on it.

The new Treaty poses a particularly complex problem for me. When I was a professor, I participated in the academic discussions of military doctrine and strategy that underlay early initiatives in arms control. I helped design the first SALT agreements in 1972. I was involved in the negotiations of the Vladivostok accord of 1974 which marked the first breakthrough of SALT II; I played a major role in the negotiations which came close to completing an agreement in January 1976. I have a long-standing personal commitment to the process of limiting strategic nuclear arms. As an historian I am conscious of the lessons of World War II when a global war resulted because the democracies disdained to maintain the balance of power. But equally we must not forget the tragedy of World War I: when disaster resulted even with an equilibrium of power, when technology and rivalry outran the control of statesmen.

Thus SALT cannot be considered in isolation. It is one element in our overall national security policy. It must be viewed in the context of the global balance that it reflects, or purports to affect.

Thus I regret to have to say that the present Treaty comes up for ratification at a time of grave danger to our national security and to the global equilibrium. The military balance is beginning to tilt ominously against the United States in too many significant categories of weaponry. The unprecedented Soviet use of proxy forces in Africa, the Middle East, and Southeast Asia, and the turmoil caused by radical forces and terrorist organizations sponsored by Moscow's friends, mark ours as a time of profound upheaval. We have learned painfully that we alone cannot be the world's policeman. But neither our moral values nor our safety can tolerate the Soviet Union's increasing tendency toward global intervention. As the United States nurses its wounds after Vietnam, radical forces are threatening regional stability and attempting the violent overthrow of moderate governments friendly to the West. If present trends continue, we face the chilling prospect of a world sliding gradually out of control, with our relative military power declining, with our economic lifeline vulnerable to blackmail, with hostile forces growing more rapidly than our ability to deal with them, and with fewer and fewer nations friendly to us surviving.

In addressing the Treaty before you, I respectfully submit, the Senate has a responsibility to examine the broader condition of our national security. The Senate has an opportunity at least to begin to reverse the unfavorable trends in the military balance and to put the Soviet Union on notice that we consider the constant probing of every regional equilibrium and the encouragement of subversive and terrorist groups as incompatible with any definition of coexistence. Without such an affirmation, SALT will become a soporific, a form of escapism. I shall submit specific proposals to achieve this, later in the statement.

THE SHIFTING STRATEGIC BALANCE

The basic technical facts about the current military balance have been presented in great detail before this and other committees. Let me concentrate first on the serious transformation, adverse to our interests, that has taken place in the overall strategic balance during the last decade and a half.

For about the first twenty-five years of the postwar period, the problem of maintaining the military equilibrium was relatively straightforward. The Soviet Union was always superior in ground forces on the Eurasian continent; we were vastly ahead in strategic striking power as well as in theater nuclear forces. The reach of the Soviet Union was limited to regions accessible to motorized ground transport, generally adjacent territories in Europe and to some extent China. Africa, most of the Middle East, even Southeast Asia were beyond the capacity of major Soviet military intervention. And the areas which were hostage to Soviet ground armies were protected by three factors:

First, by the American preponderance in strategic nuclear striking power capable of disarming the Soviet Union or at least reducing its counterblow to tolerable levels while still retaining large residual forces for attacks on industrial targets;

Second, by a vast American superiority in so-called theater nuclear forces everywhere around the Soviet periphery.

And thirdly, in Europe by substantial American and allied ground forces that posed at least a major probability that Soviet ground attack would trigger the nuclear retaliation of the United States.

Not surprisingly, the major crisis in the first twenty years of the postwar period—whether in Berlin, Korea, or Cuba—were ultimately contained, because the risks of pushing them beyond a certain point always appeared exorbitant to Moscow.

This state of affairs will soon have ceased to exist. Starting in the 1960's, the military balance began to change—almost imperceptibly at first, so great was our superiority—but with growing momentum in recent years. It is imperative that we recognize without illusion the dangerous trends that are emerging. It is crucial that we begin now to rectify them.

The growth of Soviet strategic nuclear forces has been inexorable for a decade and a half. In 1965 the Soviet strategic arsenal comprised about 220 Intercontinental Ballistic Missiles (ICBMs) and 100 Submarine-Launched Ballistic Missiles (SLBMs). By 1968 and number had grown to 860 ICBMs and over 120 SLBMs. We had stopped our build-up at 1,054 ICBMs and 656 SLBMs 1967. By mid-1970 the Soviet had caught up with us in numbers of launchers. Our intelligence estimates of their plans invariably turned out to be too low; contrary to popular mythology the Soviets did build on the scale of the "worst case" hypothesis of our intelligence community and not to the level that was defined as "most probable."[1] Instead of stopping when they reached parity with us, as the Johnson Administration expected, the Soviets *continued* their missile build-up—until they were frozen at the levels of the ceilings established by the first SALT agreement in May 1972. Then they switched energetically to qualitative improvements in their missile forces.

Our problem derives not only from the larger number of warheads on Soviet ICBMs but above all from the difference in the types of weaponry emphasized by the two sides. In the Sixties, the United States unilaterally decided to base its strategic forces on light but highly accurate ICBMs, the less vulnerable but also less accurate SLBMs, and the more versatile but more vulnerable manned bombers. The Soviets made the opposite decision, relying on large land-based missiles capable of delivering a far heavier payload. At first the crudeness of their technology and the lack of accuracy deprived these

[1] See Albert Wohlstetter, "Is There a Strategic Arms Race?" *Foreign Policy*, No. 15 (Summer 1974), pp. 3–20; "Rivals, But No 'Race,'" *Foreign Policy*, No. 16 (Fall 1974), pp. 48–81.

weapons of effectiveness against military targets. But as Soviet technology improved, its advantage in numbers and missile payload was bound to tell. For the land-based ICBM is always likely to be the most accurate and powerful strategic weapon, and the one most capable of a rapid attack against the military targets of the other side. In short the Soviets have emphasized quick reaction forces by modernizing their ICBMs; we concentrated on slow-reacting forces like air-launched cruise missiles. Thus the asymmetry in the capacity of the two sides to destroy each other's military targets has grown with every passing year.

There is now general agreement that their improvements in missile accuracy and warhead technology will put the Soviets in a position to wipe out our land-based forces of Minuteman ICBMs by 1982. Whether this capability is ever exercised or not—and I consider it improbable—it reverses and hence revolutionizes the strategic equation on which our security and that of our friends have depended through most of the postwar period.

The revolution in the strategic balance is aggravated by a comparable build-up of Soviet aircraft and missiles that threatens to overturn the American advantage in theater-based nuclear forces. The Soviet Union has deployed scores of new missiles of 2000-mile range—the SS-20—which carries a MIRVed warhead of three reentry vehicles. Several hundred supersonic Backfire bombers will threaten all peripheral areas in the Eighties (leaving aside for the moment their utility for intercontinental missions). A Soviet superiority in theater striking forces is therefore upon us. The inequality is demonstrated by the fact that we have had to assign part of our strategic forces—a number of Poseidon boats—to cover targets threatening NATO. Thus in case of war we are likely to be strained either with respect to our strategic or with respect to our theater nuclear coverage.

All this has been accomplished while the Soviet advantage in conventional forces has grown, and while the reach of Soviet power has been extended enormously by the rapid development of the Soviet Navy, an expanding long-range airlift capability, the acquisition of Soviet bases in countries like South Yemen and Vietnam, and the establishment of vast Soviet arms depots in such countries as Libya and Ethiopia, which will enable the Soviet Union to move its own or proxy troops rapidly to their prepositioned weapons. At the same time our Navy declines and our access to overseas bases shrinks.

Rarely in history has a nation so passively accepted such a radical change in the military balance. If we are to remedy it, we must first recognize the fact that we have placed ourselves at a significant disadvantage voluntarily. This is *not* the result of SALT: it is the consequence of unilateral decisions extending over a decade and a half: by a strategic doctrine adopted in the Sixties, by the bitter domestic divisions growing out of the war in Vietnam, and by choices of the present Administration. All these actions were unilateral, hence avoidable. They were not extracted from us by clever Soviet negotiators: we imposed them on ourselves by our choices, theories, and domestic turmoil. It is therefore in our power to alter them.

The prevailing American strategic doctrine of the Sixties went under the modest name of "assured destruction." According to it, deterrence was guaranteed so long as we possessed the ability to destroy a predetermined percentage of Soviet population and industrial capacity. Strategy thereby turned into an engineering problem, an economic analysis essentially independent of the size of the opposing forces. So long as enough of our weapons survived to wreck the theoretically calculated havoc, deterrence would be maintained; our military effectiveness was essentially independent of the threat we faced; the vulnerability of part of our forces—such as our ICBMs—was irrelevant so long as enough warheads would remain to inflict an "unacceptable" amount of damage on the Soviet Union.

This doctrine not only took for granted continued Soviet inferiority in technology; it also ignored the psychological inhibitions in the way of implementing such a strategy. The targeting scenarios developed from this doctrine left a President with no other options in a crisis but the mass extermination of civilians, or capitulation. This strategy was morally questionable even in an era when we had superiority. In an age of strategic equality it would be a formula for mutual suicide.

The emergence of a new strategic nuclear environment should have forced a reconsideration of this targeting doctrine and a renewed attention to regional nuclear and conventional balances. Unfortunately, at the precise moment that such a reexamination became urgently necessary, all our defense programs came under systematic attack as a byproduct of the bitter domestic debate over Vietnam. On the one hand, the Vietnam war reduced funds available for modernization of our military forces; even more important, the wholesale assault on defense spending and programs jeopardized even those major projects for which funds were available and budgeted. New weapons were decried as excessive, as symptoms of a military psychosis, as wasteful and dangerous. "Reordering national priorities" was the slogan of the day; it was the euphemism for cutting the defense budget. The ABM passed by only one vote and was then emasculated in the appropriations process; the C-5A transport aircraft which later saved an ally in the 1973 Middle East war was challenged repeatedly on budgetary grounds; MIRV's, the only strategic system available to us to offset the Soviet numerical superiority in the 1970's, were under constant attack. In the realm of strategic doctrine, paradoxically it was those most alarmed at the arms race who clung to the most bloodthirsty targeting strategies, in the hope that these would obviate the need to strengthen or increase our strategic forces.

In this atmosphere, maintaining even the strategic forces inherited from the Sixties absorbed the energies of the Administrations up to the end of the Vietnam war; obtaining funds for new programs was enormously difficult. The best that could be accomplished in the early 1970's was to alter the older strategic doctrine and shift targeting from civilian to military objectives. (Paradoxically, however, the decline of our capability for a counterforce strategy turned even the more sophisticated targeting into a high-risk tit-for-tat option with no logical stopping place.)

After the end of our involvement in Vietnam, new strategic programs could at last be funded: the B-1 manned strategic bomber, to become operational in 1979; the MX ICBM, to become operational in 1983; the Trident submarine and missile, expected to become operational in 1978; various kinds of cruise missiles for the 1980's—all of which would give the United States greater options and some of which would bring about a new counterforce capability.

Every one of these programs has been cancelled, delayed, or stretched out by the current Administration, so that we are at a point where only the Trident (with only the most limited counterforce capability) can be operational during the period of the projected SALT Treaty. In addition, even the Minuteman production line was closed down, leaving us without an emergency hedge for rapid build-up in unexpected contingencies. We now face the challenge of the early Eighties with forces designed in the Sixties. We have been able to develop new programs in only four years out of the last fifteen, and most of them have been held in abeyance since 1977.

Furthermore, a remedy will be more difficult if the Administration intends to return to the pure "assured destruction" strategic doctrine. In his State of the Union address last January 23, President Carter proclaimed that "just one of our relatively invulnerable Poseidon submarines . . . carries enough warheads to destroy every large and medium-sized city in the Soviet Union."

But this truism demonstrates rather than solves our strategic dilemma. Even under SALT conditions we will have in the early Eighties at best equality in the capacity of our strategic forces to inflict civilian damage, and a clear inferiority in the ability to attack and destroy the land-based missiles of the other side. Our Minuteman missiles do not carry sufficient warheads or possess adequate throwweight for a disarming attack against Soviet ICBMs; our present strategic forces can put at risk less than one-half of Soviet ICBMs. All of our ICBMs will in the Eighties be vulnerable to an attack by the greater numbers of missiles and warheads, and improving accuracy, of Soviet land-based missiles.

Since our modern military doctrine and strategy have depended much more on strategic forces than those of the Soviets, even overall equality revolutionizes the postwar security and geopolitical structure. But in fact the situation is worse. My principal worry is not only the growing vulnerability of our land-based forces—though this must be remedied—but the growing invulnerability of Soviet land-based forces. The deterrent effect of our strategic forces in defense of allies will continually decline; our strategic forces will surely lose their ability to offset the Soviet capacity for regional intervention. And this capacity will be reinforced by the growing edge in Soviet theater nuclear forces, a naval and airlift capability which immeasurably extends the research and preponderance of Soviet conventional power.

I want to reiterate that it is not necessary for present purposes to debate whether the Soviet Union would in fact run a risk of war on the global level; it will be grave enough if the Soviet willingness to run risks in regional conflicts is magnified. And that seems to me the minimum consequence of what is ahead. The side that can defend its interests only by threatening to initiate the mutual mass extermination of civilians will gradually slide towards strategic, and therefore eventually geopolitical, paralysis. The consequence, to put it bluntly, is that in the 1980's regional conflicts—whether deliberately promoted or not—threaten increasingly to grow out of control unless we drastically reverse the trend. We cannot possibly continue to gamble with inferior forces for regional defense, a shifting balance in theater nuclear forces, vulnerable land-based strategic forces, and invulnerable Soviet ICBMs without courting the gravest dangers. The decline in relative power must be dramatically reversed.

Even more important is a strategic doctrine which answers the following questions:

(1) How in the Eighties will we safeguard our national security when we face adverse trends in every significant military category?

(2) How will we fulfill our commitments to our allies in the absence of a significant counterforce capability, when strategic parity is at best tenuous and the theater nuclear balance is turning against us?

(3) How will we protect our vital interests in areas such as the Middle East with our present conventional forces, airlift, and declining naval capability?

(4) How will we prevent global blackmail? Our safety and that of all of those who

depend on us depends on the response. Every day we delay in dealing with the issue magnifies our peril.

The Senate therefore cannot deal with the SALT Treaty in a vacuum; it must simultaneously seek to restore the military and geopolitical balance. No responsible leader can want to face the 1980's with the present military prospects. This, and not SALT in isolation, is the principal problem facing us.

SALT IN THE CONTEXT OF AMERICAN STRATEGY

The idea of arms control developed in the late Fifties and early Sixties. The underlying rationale derived from the indisputable fact that thermonuclear weapons and intercontinental missiles have added a new dimension of peril to the historical problem of military rivalry. In the past it could be argued that weapons were a symptom rather than a cause of tension. Indeed it is difficult to find an historical example for the cliché that arms races cause wars. (What caused World War I was mobilization schedules, not the rate of increase of armaments.) But today, indeed, the nuclear age combines weapons of unprecedented destructive power, extremely rapid modes of delivery of intercontinental range, and high vulnerability to a surprise attack.

In these new and unprecedented circumstances, the conclusion seemed inescapable that the side whose capacity for retaliation was vulnerable must react in crises in ways which would heighten the likelihood of cataclysm; a country whose strategic forces were not secure could be driven, even against its will, to strike first rather than await the opponent's attack which it would know it could not survive. In the late Fifties, one of the most brilliant students of deterrence, Albert Wohlstetter, correctly perceived that what Churchill called the "balance of terror" was perilously delicate. Arms control sought to circumscribe and if possible eliminate this danger by measures that would enhance each side's "second-strike capability," that is, its secure capacity to retaliate, thereby reducing the incentive and capacity for surprise attack.

This analysis was essentially correct. At the same time this novel military doctrine—according to which an adversary's invulnerability was thought to add to stability—was combined with "assured destruction" reasoning to produce a kind of "minimum deterrence" theory by which we allegedly had no need to consider the threat posed by the level of Soviet forces. Even theorists of arms control who valued maintaining the strategic balance only dimly perceived that the strategic stability they sought implied a strategic revolution. For if attained, it would greatly magnify the danger at levels of violence below that of general nuclear exchange. If crises no longer produced fear of escalation to all-out war, they would also grow more likely. Thus even strategic stability (not to speak of a Soviet edge) would require new major military efforts by us on the regional level or else major political weakness would result. Above all it was erroneously assumed the Soviets held a similar view. In fact, there was no evidence that Soviet strategic planners—almost all military men—subscribed to the academic subtleties of American strategic theory. As Secretary Harold Brown has said, our unilateral restraint does not seem to be reciprocated by the Soviets: "We have found that when we build weapons, they build; when we stop, they nevertheless continue to build. . . ."[2]

As one of the architects of SALT, I am conscience-bound to point out that—against all previous hopes—the SALT process does not seem to have slowed down Soviet strategic competition, and in some sense may have accelerated it. The Soviets worked hard and successfully to enhance the first-strike capabilities of their land-based ICBMs despite our restraint and within the framework of SALT. The Administrations of the early 1970's of which I was a member sought to use SALT to demonstrate their commitment to easing tensions and thereby restore a public consensus behind a strong national defense; to some extent we succeeded. But we will not draw the appropriate conclusion if we do not also admit that SALT may have had a perverse effect on the willingness of some in the Congress, key opinion makers, and even Administration officials to face fully the relentless Soviet military build-up.

New weapons systems have long had to overcome the traditional objection of advocates of "minimum deterrence" that they were unnecessary (because we already possessed an "overkill" capability); they were now also attacked by arms control experts as endangering the prospects of SALT. Indeed, many new programs could be put through the Congress less on their merits than as a "bargaining chip"; they were needed, various Administrations argued, so that they could be traded in a negotiation. Whatever the tactical utility of this argument, it tended to reduce the energy which such programs were pursued. The Pentagon found it difficult to muster enthusiasm—or scarce resources—for programs which were ephemeral by definition. After a while the Soviet Union began to play the game deliberately: from ABM to cruise missiles it systematically sought to use SALT to inhibit our military and technological development; it tried to fuel our domestic debate, adding its own propaganda pressures to domestic pressures against new weapons systems.

The theory that new American weapons weakened the prospects of arms control thrived despite all evidence to the contrary. In 1967, before we had an ABM program, when President Johnson suggested to Soviet Premier Kosygin at Glassboro that both sides renounce ABMs, Kosygin contemptuously dismissed the idea as one of the most ridiculous he had ever heard. By 1970, after the Nixon Administration had narrowly won its Congressional battle for funding of an ABM, Soviet SALT negotiators refused to discuss any subject except ABM, and it required the most strenuous negotiating efforts to maintain the crucial linkage between offensive and defensive limitations. Conversely, neither the abandonment of the B-1 by the current Administration, nor its stretch-out of the MX missile, nor the slowdown in the Trident program, speeded up SALT negotiations or improved the terms.

The SALT negotiations have always proceeded against the background of the strategic balance as it existed, and must be considered in this context.

The negotiations for SALT I grew out of the ABM debate of the 1960s: whether the U.S. should follow the Soviet lead and build a defense against ballistic missiles, or try to head off such a new competition by negotiating some limits with the USSR. After considerable Soviet stalling, to see whether Congress might kill the ABM without any need for Soviet reciprocity, the SALT negotiations began in November 1969. Almost from the outset it was apparent that the only system the Soviets were eager to limit by negotiation was the sole system we were building—the ABM. In the 1972 ABM treaty both sides agreed in effect to leave themselves indefinitely vulnerable to missile attacks; ABMs were restricted to a token deployment at one site (which we then unilaterally abandoned for budgetary reasons). In effect we traded our superior ABM technology for a halt to the numerical build-up of Soviet offensive forces.

To restore equality in this critical area—strategic offensive forces—proved to be enormously difficult, largely due to the unilateral decisions of the Sixties that stopped both our ICBM and SLBM programs by 1967. As I have said, in pure numbers of offensive missiles the Soviets passed the United States in 1970; in this category we had no bargaining chips. Our only active program was adding multiple warheads (MIRVs) to our land- and sea-based missiles. The Soviet numerical building program was so considerable, and Congressional opposition to comparable American programs was so unrelenting, that it was the Defense Department which in July 1970 and then again in January 1972 urged a five-year mutual freeze on offensive weapons, primarily to arrest the momentum of the Soviet build-up and to give us an opportunity to catch up.

The first SALT agreement on offensive weapons was thus a photograph of the existing balance, not an alteration of it: it froze the numbers of American and Soviet land- and sea-based missiles for five years. The numerical balance was favorable to the USSR in the same proportion that the previous decade of unrestricted arms competition had produced. Because of our MIRV program, the United States retained a substantial advantage in numbers of warheads for the lifetime of the Interim Agreement and beyond. The criticism later heard, that SALT I "gave" the Soviets unequal numbers, missed the central point: what had produced the Soviet numerical edge was not SALT I but the unilateral American decisions of the Sixties to stop our strategic building programs, and then the Congressional and public attacks on the defense budget growing out of the Vietnam war. The 1972 SALT agreement curtailed no American offensive program; it did halt the numerical growth of the Soviet strategic forces. It gave us an opportunity to catch up—which we sought to do by pushing the development of the B-1 slated to be operational in 1978, the Trident submarine and missile planned for 1979, the MX missile for 1983, and a variety of cruise missiles for the early Eighties.

But the simple Interim Agreement of SALT I could not deal with—nor did it pretend to address—the rapid evolution of technology. Modernization of existing weapons was allowed, and both sides proceeded apace with new programs. The US funded its MIRV program, and the Soviets developed a new generation of ICBMs; in doing so they pushed to its outer limit the SALT I provision restricting conversion of "light" to "heavy" missiles. It was these larger missiles (the SS-17, 18 and 19), soon equipped with MIRVs, and with the potential of greatly improved accuracy, that were bound to give the Soviets for the first time in history a capacity to launch a first strike against our land-based missiles.

These trends, which would eventually put our force of ICBMs into jeopardy, led us first to undertake a complex but eventually fruitless negotiation to set a low, long-term ceiling on Soviet missile capabilities both in numbers and in quality. For a time these negotiations seemed promising; but they fell victim to the collapse of executive authority resulting from Watergate. In the wake of President Nixon's resignation, it seemed prudent to pick up the thread of a simpler agreement that at least consolidated numerical equality, and then to move as quickly as possible in SALT III into the more intricate discussions of the qualitative factors (missile accuracy, throwweight, number of warheads, testing limits and so forth). Thus, in November 1974 in Vladivostok, President Ford pressed for an agreement based on equal aggregate ceilings, and the Soviet Union accepted our proposal. A framework accord was reached specifying strict equality of 2400 missiles and strategic bombers for each side, and an equal limit of 1320 missiles with

[2] Statement of Secretary Brown before the Senate Foreign Relations Committee, July 9, 1979.

MIRVs, in an agreement to run through 1985.

The Ford Administration had first hoped that a treaty implementing the Vladivostok accord could be completed in 1975. But two new issues intervened to slow down the talks: first was the Soviet insistence that cruise missiles be entirely banned if they had a range of more than 600 kilometers (350 miles); second was the US counterdemand that the Soviet aircraft called the "Backfire" be counted as a "heavy" bomber and thus be included in the SALT totals. Inevitably the two systems became linked in the talks. Throughout 1975 and into early 1976, the US and the USSR made proposals to resolve the dispute. Basically, the Ford Administration was prepared to limit the range and number of some cruise missiles provided the Soviets would reciprocate by limiting the Backfire bomber in some comparable manner. In January 1976, we were close to a compromise along these lines which also would have lowered the Vladivostok ceilings of 2400 to "below 2300."

Two events prevented the completion of the negotiations. First, the introduction of 25,000 Cuban proxy troops in Angola raised serious doubts about Soviet motives and fueled a whole new debate in this country about US-Soviet relations. And the imminent American Presidential election convinced President Ford that it would be best to keep SALT from turning into a partisan issue and so to wait to conclude an agreement after the election.

The advent of a new Administration brought with it the obligatory new approach. The first proposal to Moscow in March 1977 abandoned the negotiations as they then stood. An entirely new proposal was submitted, immediately rejected, and quickly withdrawn. The parties returned to earlier proposals, and over two more years were spent refining the agreement. Meanwhile the presuppositions of that agreement were daily challenged by technological change, the pace of the Soviet build-up, and the unilateral abandonment or stretching out of major American weapons systems, all of which further tilted the strategic balance dangerously against us.

Three conclusions emerge: The imbalances we now face, and which concern so many, stem in essence from unilateral American decisions rather than from the SALT negotiating process. This is important when we consider the provisions of the SALT Treaty. No negotiation can achieve through diplomacy that for which we have been unwilling to make unilateral efforts.

Second, SALT by itself cannot bring about parity; it can only ratify trends which exist. SALT cannot be a substitute for defense programs. If we fall behind by our own actions, SALT runs the risk of perpetuating an inequality. But whether that comes about is up to us; and to avoid it must be a principal concern of the Senate.

Third, SALT III cannot simply be an extension of the previous process. It must be explicitly related to our long-term strategic program. Its principles must be clearly worked out between the Administration and the Congress and settled with our allies before we launch ourselves into it.

THE VIENNA TREATY: HOW DOES IT AFFECT THE STRATEGIC BALANCE?

We must now ask, how does the SALT II agreement affect the strategic balance? The agreement is composed of three documents:

The Treaty itself, running until the end of 1985, would limit the total numbers of ICBM and SLBM launchers (though the term is not defined); heavy bombers; MIRVed missiles; and land-based MIRVed missiles. It also defines counting rules for MIRVed missiles and for heavy bombers equipped with air-launched cruise missiles.

Second is a Protocol that restricts cruise missiles other than on heavy bombers to a range of 600 kilometers (or 350 miles) and bans the testing and deployment of mobile ICBMs. The Protocol is supposed to expire on December 31, 1981.

Third is a set of principles to guide the negotiations for SALT III.

Any fair-minded analysis must recognize the beneficial aspects of the SALT II agreements. The overall ceiling of 2250 will force the Soviets to get rid of 250 strategic systems, including some modern ones, while giving us the right to equalize the numbers. The permitted number of land-based Soviet MIRVs (820) is some 100 below the maximum number that they probably intended to build in the absence of SALT. There are some restrictions on missile testing procedures. There are limits on numbers of missile warheads on ICBMs and a prohibition on more than one "new" ICBM. There is for the first time an agreed baseline of information on the Soviet forces. The counting rules are a useful way of dealing with the MIRV problem.

Regrettably none of these very real achievements affects the grave stratetgic situation which I have described and which must urgently be reversed. The Treaty does not reduce the Soviet first-strike capability against our land-based forces, or improve our ability to survive a first strike. It does not diminish the Soviet residual capability to destroy civilian targets in the United States. And it does not enhance—indeed it may slightly inhibit—the possibility for the United States to catch up in the capacity of our strategic forces to attack military targets.

To be sure, the Soviets will be obligated after 1981 to reduce the total number of their launchers by about 250. But the new ceiling of 2,250 will not limit the Soviets' ability to destroy our ICBM force or to inflict devastating damage upon the United States. The reduction in Soviet numbers is irrelevant to our strategic problem. For the danger to our security derives from warheads, not from launchers, and the Soviet total of ICBM warheads will increase from 3200 at the time of the signing of SALT II to over 6000 even after the reduction in Soviet launchers is supposed to take place; the total number of Soviet warheads (including SLBMs) will approach 12,000 in 1985 as compared to 8,000 at the time of the SALT signing. (In fact, if the Soviets went all out they could get 8,000 MIRVed warheads in the permitted new land-based missiles.) Moreover, the total Soviet missile throwweight will increase from about 6 million pounds at the time of the signing of SALT I, to 7 million pounds at the signing of SALT II, to 9 million pounds (compared to our 2.5 million) in 1985. And improvements in Soviet accuracy will approach ours by 1982; the practical effect of this will be to reduce the number of warheads that need to be aimed at our ICBM silos, freeing a larger number of the ever-increasing Soviet warheads for other targets.

The agreed ceiling, of course, is some 200 above the 2060 operational systems we now possess. We thus have some considerable room for expansion of single-warhead systems. But given the cancellation of the B-1 bomber, the delay in the operational date for MX, and the slow pace of Trident production, there is almost no chance that the United States can reach the permitted total of 2250 except perhaps by keeping in service ten older Polaris submarines (with 160 missiles); this the Navy is likely to oppose because of the heavy cost of operation and relatively short range of its missiles. The result, therefore, is that in practice the overall aggregate numbers will continue to be unequal.

The limitation of land-based MIRVed launchers to 820, which may be some 100 below the probable Soviet program, is equally welcome and similarly without significance to our fundamental problem. The Soviet Union can destroy our land-based ICBMs with about half of the land-based MIRVs permitted by the Treaty; this would leave over 300 Soviet land-based MIRVed launchers, 380 sea-based MIRVed systems, and some 500 single-warhead systems—or well over 5,000 warheads—aimed at our civilian population and industrial potential. (By contrast, if we expended our entire land-based force against the Soviet ICBM silos we could destroy less than half.)[3]

Nor is the threat to our forces and to the overall strategic balance reduced by the provision limiting new missiles during the time of the Treaty. The provision is drafted so as to permit the deployment of the MX for the United States, a comparable new missile for the Soviet Union, and the modernization of existing missiles allowing an increase in in their volume of up to five percent in each direction. Except for setting a precedent for qualitative restraints, these limitations have little operational effect on the Soviet program—all the less so as there seems to be no definition of baselines. The testimony of Administration witnesses seems to confirm that no known Soviet program is effected.

In short, the Vienna Treaty will not diminish the threat to the strategic balance. During the life of the Treaty the Soviets will complete their counterforce capability against our ICBMs. This will coincide exactly with our period of maximum danger. To be sure, a good case can be made for the proposition that in the absence of the Treaty the relative numbers will be even worse. But the analysis here suggests that what is allowed to the Soviets will meet all their foreseeable counterforce and residual needs.

But I must repeat: any SALT treaty is likely to ratify existing strategic trends. SALT negotiators cannot produce what our military programs—for whatever reason—have neglected. The Soviets will never agree to unilaterial reductions. If we want equality, we must build to equality. We must reverse the strategic trends if we are serious about an equitable SALT treaty. Nothing in the Vienna Treaty diminishes the need for a substantial military build-up by the United States. In fact, the situation which SALT reflects makes such a build-up imperative.

In fairness, it must be pointed out that the same was true of the SALT II aggregates worked out in the previous Administration. There are nevertheless three essential differences: first, the rate of advance of Soviet technology which has been unexpectedly rapid (the estimate at Vladivostok was that Minuteman would not become vulnerable to a Soviet counterforce strike until after 1985); second, the unilateral abandonment or stretch-out of almost every American strategic program inherited by the Carter Administration, which makes the Soviet threat even more ominous; and third, the Soviet geopolitical offensive in Africa, the Middle East, and Southeast Asia which has gained

[3] Though the permitted total of land-based MIRV's is some 300 above what we possess, we cannot expand our land-based MIRVs significantly since the Treaty also contains a subceiling of 1200 permitted MIRVed vehicles. We could thus increase the number of our land-based missiles only by reducing the number of submarine-based missiles. That sublimit will also force us to dismantle either one Poseidon boat (or 14 Minuteman III) when the seventh Trident submarine goes on sea trials, probably by 1983. If the eighth and ninth Trident were to become operational before December 1985, three more Poseidon boats or 48 Minuteman II or some combination of the two would have to be dismantled.

momentum since. But to help a bipartisan solution I am willing to concede that the problem we face has origins going back at least 15 years.[4]

The novel—and to me the most disturbing—feature of the current Treaty is its negative impact on the theater nuclear balance. The Soviet Backfire bomber is limited to production of no more than 30 per year, through an oral agreement outside the Treaty or Protocol. There has been dispute about the utility of the Backfire in carrying out unrefueled attacks against the United States. There is no doubt of its ability to threaten all our allies as well as China and the sea approaches to Eurasia. In addition, the Soviet Union is developing a large number of SS-20 missiles each with a range of 2000 miles and three MIRV warheads. Like the Backfire, the SS-20 is convertible to intercontinental range—in the case of the Backfire by adding fuel tanks, or an aerial refueling capability; in the case of the SS-20 by adding another stage, thereby converting it into the already tested mobile SS-16. These actions are prohibited by SALT II but they are not easily verifiable, and in any event they represent a rapid break-out potential should the Treaty be broken or lapse.

The most immediately available American counter to these weapons has been cruise missiles. In the negotiations conducted by the Ford Administration, proposed restrictions on cruise missiles were made conditional on comparable restrictions on the Backfire. The concept was to limit the number of cruise missiles of more than 600-kilometer range in some relationship to limits on the Backfire. The Protocol, on the other hand, prohibits the deployment of land- and sea-based cruise missiles and of air-launched cruise missiles of more than 600-kilometer range on other than heavy bombers altogether—even when they carry conventional warheads. The same Protocol prohibits the testing and deployment of mobile ICBM launchers, even though the Soviets have already tested a mobile system (the SS-16) and we have neither tested nor developed a comparable weapon.

The provisions of the Protocol with respect to cruise missiles, especially, restrict exclusively American programs; they affect not a single Soviet program. They amount to a unilateral renunciation of an American capability. The Protocol also for the first time limits American weapons relevant primarily to the theater nuclear balance—thus affecting important interests of our allies—in return at best for restrictions relevant primarily to the United States. This is something we have heretofore consistently refused to do as a matter of principle in the decade that SALT negotiations have been taking place. It is a dangerous precedent.

Two arguments are advanced on behalf of the Protocol: First, that it was necessary to induce the Soviet Union to go along with limits in the overall Treaty; second, that since the Protocol will lapse at the end of 1981 and since we will have no cruise missiles of more than 600-kilometer range before then, no real concession is involved. These propositions are mutually inconsistent; if the Protocol restrains nothing we can do before the end of 1981 and will lapse, then why are the Soviets so insistent on it?

The answer is that the Soviets know the history of moratoria and protocols very well; they are aware that such "provisional" agreements almost never end on their expiration date, especially if a negotiation is then taking place. At a minimum the Protocol's terms will be the point of departure for the next round of negotiations. The Soviets will have the option of offering a seeming concession—for example, reducing the SALT totals to 2150 (which we know they can accept since at one stage in the current negotiations they suggested it), or even lower. They can conversely threaten to abandon whatever negotiation is then taking place. Will we then insist on pursuing the development of cruise missiles, without which we have done for nearly three years? And if we do extend the moratorium, we will then have explicitly traded theater capabilities important to our allies in return for marginally reducing the threat against ourselves.

This deficiency of the Protocol would not be cured by a proposed Senate amendment or reservation stating that it may not be extended except with the Senate's approval. Such an amendment, to begin with, implies that the Protocol with its existing one-sided terms might well be extended, albeit with the Senate's consent. This will make it more difficult to appropriate significant sums for cruise missile programs which may at any moment be ended by an extension of the Protocol.[5] Moreover, if the Protocol comes up for extension independently of a broader consideration of the strategic balance, the temptation to extend it could easily be overwhelming.

To sum up: I have serious reservations about the Protocol. As for the Treaty, I conclude that its terms do not improve our strategic situation but neither do they prevent our remedying it during the remaining six years of its life. Undoubtedly it imposes some inhibitions on us—the prohibition against "heavy" missiles for the United States, for example, as well as the Protocol's ban on mobile missiles through 1981. But I believe that the Senate can deal with these during the ratification process. (The issue of heavy missiles seems to me most relevant to the period after the expiration of the Treaty since we could not build any before 1985 and since MX should take care of immediate needs.)

The crucial question is whether we can unite behind what is clearly necessary. Ratifying SALT—or rejecting SALT—makes sense only if it promots a renewed dedication to our national defense and security. The Senate's judgment of the Vienna Treaty should hinge, in my view, on what will be done to remedy existing trends and on the international impact of ratification or rejection.

Let me turn, therefore, to the broader political context of this SALT II agreement.

THE GEOPOLITICAL PROBLEM

A. The Soviet Union

The awesomeness of modern weapons, and the aspirations of all peoples for peace, impose the imperative of peaceful coexistence. No democratic leader deserves the public trust if he fails to make a genuine effort to reduce the dangers of nuclear holocaust, and to free national energies for dealing with the many urgent problems of mankind. The temptation is overwhelming to view this common stake in peace as a common bond between us and the Soviet Union. It should be and someday it must be if a cataclysm is to be avoided. But we cannot in good conscience say that current evidence supports the proposition that the time has yet arrived.

For a too brief period in 1972 and 1973, our insistence on restraint in the conduct of international relations seemed to bear fruit. SALT I was accompanied by a declaration of principles signed by the United States and the Soviet Union. It affirmed the necessity of avoiding confrontation, the imperative of mutual restraint, the rejection of attempts to exploit tensions to gain unilateral advantage, the renunciation of claims to special influence in any region of the world. These principles, of course, reflected an aspiration, not a contract; they defined a yardstick by which to assess Soviet behavior. The strategy of detente was to encourage observance of these standards by a combination of positive incentives for constructive behavior and firm responses to block adventurism. The principles agreed in Moscow were a paradigm of conduct which the Soviet Union could violate only to its political cost.

Whether the Soviet Union ever intended to comply with them, or whether it was tempted into an adventurous course by the collapse of our executive authority as a result of Watergate (which deprived us of both incentives and penalties), or whether a combination of all these factors was responsible, will never be known.

Whatever the cause, the fact is that since 1975 there has been an unprecedented Soviet assault on the international equilibrium. 1975 saw the introduction of Cuban combat forces into Angola, eventually reaching 40,000, backed by Soviet financing, airlift, and policy support. By 1977 Soviet planes and pilots were flying air defense missions out of Cuba so that the Cuban airforce could operate in Africa. 1977 witnessed the spread of Cuban forces to Ethiopia. East German military and inteligence advisers have now joined the Cubans all over Africa and the Middle East. There have been two invasions of Zaire—and there may yet be a third; there have been Communist coups in Afghanistan and South Yemen; and the occupation of Cambodia by Vietnam, preceded by a Soviet Friendship Treaty designed to secure Hanoi's rear during its aggression. Soviet arms depots in Libya and Ethiopia fuel insurgencies all over Africa. While the collapse of the Shah of Iran had many causes, one contributing factor surely was the demoralization of a pro-Western leadership group by the gradual and unopposed growth of Soviet power in nearby areas.

Nor is this all. Terrorist organizations supported by Communist funds, armed by Communist weapons, and trained by Communist instructors are becoming a systematic instrument of anti-Western policy threatening countries friendly to us on several continents. They are not, to be sure, all controlled by Moscow; but someone who has started a rockslide cannot avoid responsibility by claiming that the rock he threw was not the one that ultimately killed bystanders. These tactics, reinformed by a Soviet military build-up clearly threatening the strategic, theater, and conventional balances, are incompatible with any notion of detente or coexistence.

Some argue that SALT is necessary lest we risk a return to the Cold War. This is a curious argument. Whatever label we give to recent Soviet conduct—whether "Cold War" or opportunism—it must be ended if there are to be any prospects for East-West coexistence or cooperation. No leader serves his people by pretending that SALT is needed to perpetuate an acceptable state of affairs. It is not an acceptable state of affairs, and it cannot be continued.

[4] On at least one occasion I contributed to the existing ambivalence. After an exhausting negotiation in July 1974 I gave an answer to a question at a press conference which I have come to regret: "What in the name of God is strategic superiority?" I asked. "What is the significance of it . . . at these levels of numbers? What do you do with it?" My statement reflected fatigue and exasperation, not analysis. If both sides maintain the balance, then indeed the race becomes futile and SALT has its place in strengthening stability. But if we opt out of the race unilaterally, we will probably be faced eventually with a younger group of Soviet leaders who will figure out what can be done with strategic superiority.

[5] Apparently the Navy has virtually abandoned the development of cruise missiles aimed at land targets—a role still considered important enough in the Ford Administration to cause the Joint Chiefs of Staff in 1976 to withhold their consent to an agreement which did no protect that capability.

The Vienna summit recorded no progress toward a clear understanding with the Soviet Union on the key issue of political restraint. It was not possible, of course, to settle in the space of three days all the outstanding issues of Africa, the Middle East, or Southeast Asia. Nor can the Senate responsibly delay SALT until these vexing matters are settled; they must be dealt with by intelligent and patient diplomacy and firm resistance to pressure. But it would have been important to give at least symbolic expression to what is the overwhelming political challenge of our period: the ultimate test of an improved relationship—the real turning away from the Cold War—must be restrained Soviet international conduct. The refusal of the Soviets even to discuss the subject at Vienna, the reiteration by Brezhnev of the commitment to so-called struggles of liberation, is worrisome indeed.

What is involved here is a profound issue in U.S.-Soviet relations which is both philosophical and practical. Can peace be realized exclusively by restraint in the field of arms? Or does the structure of peace require a geopolitical dimension as well? Is it possible to proceed in separate negotiations on their merits, or must there be some relationship between all the various interactions of two superpowers in the field of foreign policy? In the language of recent controversies, should there be "linkage" or not?

In my view, to seek to separate US-Soviet relations into discrete compartments runs the risk of encouraging Soviet leaders to believe that they can use East-West cooperation in one area as a safety valve while striving for unilateral advantage elsewhere. The Administration, imagining that linkage was a personal idiosyncrasy of previous administrations, decided to "abolish" it. SALT was pursued for its own sake, unaffected by Cuban troops in Ethiopia and East German auxiliaries in Mozambique; by Communist coups in Afghanistan and South Yemen; or by Soviet Friendship Treaties such as the one with Vietnam that was a prelude to the occupation of Cambodia.

This raises several problems. First of all, it is not possible to "abolish" the simple reality that the two superpowers impinge on each other on a broad range of issues and areas. Moreover, the attempt to do so produces an almost compulsive commitment to whatever particular subject seems susceptible to solution, such as SALT, thus permitting the Soviets to dictate the pace of negotiations and to use it to reduce the risks of aggressiveness. And it simultaneously overloads the issue under negotiation. If SALT must bear the whole weight of East-West relations, it runs the risk of turning into escapism; it will eventually crumble under the strain.

No serious person would maintain that nothing should be settled until all issues are settled; nor should SALT become the hostage of every passing political tension of a world in flux. What is needed, however, is a broad recognition that in an interdependent world the actions of the major nuclear powers are inevitably related and have consequences beyond the issue or region immediately concerned. A demonstration of American impotence in one part of the world erodes our credibility and hence the stability of other regions; pressures against our friends, encouraged by the Soviet Union or its proxies, cannot be compensated for by other negotiations such as SALT. If we ignore these facts we paradoxically enhance the attractiveness of such adventures. It surely is not provocative to ask the Soviet Union to accompany restraint in arms with restraint in political conduct. Attention to this kind of linkage ensures that no agreement stands alone vulnerable to the next crisis, or turns into a soporific to lull the West while adventurism runs free.

I am inclined to agree that the failure to ratify an agreement negotiated over seven years by three Administrations would have a disruptive impact on East-West relationships, creating a crisis atmosphere for which we may have little public or allied support. This is undoubtedly one of the telling arguments in favor of ratification. But the Senate will also wish to consider that to deal with SALT in isolation runs the risk of seriously misleading the Soviet Union. Moscow cannot have it both ways: the slogan of detente and the reality of the systematic undermining of the geopolitical equilibrium. We should use the SALT debate to force a decision. The Senate will want to make clear that Soviet expansionism threatens the peace and that coexistence depends above all on restrained international conduct, for which the Senate should define some criteria.

In the long run this is also in the Soviet interest, for current trends will make a confrontation inevitable sooner or later. Our country will not be defeated without noticing it and when it does take notice, it will resist. The course of inadequate defense preparation, gradual reduction of military capacity, and partial accommodation to Soviet expansionism must be reversed—on a bipartisan basis and by cooperation between the Administration and the Congress.

B. The concern of allies

All our allies have expressed support for ratification of the Vienna Treaty. But their endorsement results from a complex of factors of which approval of the provisions of the Treaty is by far the least significant. Each has been urged, if not pressed, by the Administration to express support. In some cases the Soviets have added their entreaties. Refusal to comply would thus risk relations with both superpowers over an issue that is of high technical complexity and has been under negotiation for seven years. If the Treaty failed as a result of their opposition, our allies might find themselves in the uncomfortable position of taking on both superpowers. Some governments are loath to expose themselves to domestic criticism as an "obstacle to detente"—especially over a Treaty which the United States has already declared compatible with Western security. Some allies want to keep open their own individual options for detente and increased East-West trade. Some are afraid lest their objection endanger their essential defense cooperation with the United States (even while worried about the non-circumvention clauses of the Treaty).

Some sense the changing military balance but, unsure of our direction and unwilling to demand domestic sacrifice, seek to mitigate their perils by accommodation with the Soviet Union, staying one step ahead of us on the road to Moscow. All are reluctant to contribute to a further weakening of American executive authority, reasoning correctly that whatever their views on particulars their ultimate security depends on the self-assurance and credibility of the American President. There is no doubt that failure to ratify the Treaty will shake European confidence in an American government that for seven years assured them that it knew what it was doing.

At the same time, allied endorsement should be seen in the context of a pervasive ambivalence. Our allies, especially in NATO, fear an exacerbation of tensions—but they are also deeply worried about the military imbalance on the European continent which the ratification of the present strategic relationship brings to the forefront of concern. The thoughtful leaders among them know that the basis of their security is eroding as our strategic superiority ebbs—but they fear there is not enough domestic support for a really significant defense effort, especially when American attitudes on that score are so ambiguous. They do not want to be perceived as an obstacle to SALT II, but they are highly uneasy about the inevitable SALT III, in which some limitation of theater-based nuclear weapons has already been placed on the agenda.

The United States thus stands in danger of being blamed by our allies at one and the same time for risking detente and for paying inadequate attention to security, for provoking the Soviet colussus and for jeopardizing the defense of the free world. It has ever been thus in the postwar period. The ultimate test of our leadership cannot be a poll of our allies, which will always reflect a mixture of incommensurable motives. The test of our leadership is American willingness to give a clearcut signal of what we understand by Western security and how we intend to maintain it. No other country or group of countries, however, closely associated, can take this burden from our shoulders. None of our allies will forgive us if we fail.

RECOMMENDATIONS

We thus return to our original problem. The Senate is in the anomalous position of being asked to ratify a treaty which is essentially peripheral to our basic security and geopolitical concerns but whose either simple ratification or simple rejection would have a profound and dangerous symbolic impact. Failure to ratify an agreement negotiated over seven years would compromise international confidence in our ability to perceive our own interests or to harmonize the various branches of our government. But it is equally true that if the custodian of free world security neglects its task, sooner or later panic will become inevitable. The Senate in considering ratification needs urgently to address our dangers in a comprehensive way:

First, how the Senate can take concrete steps to begin redressing the military balance;

Second, how to deal with the specific problems in the Treaty and Protocol; and

Third, how the Senate can put the Soviet Union on notice that continued attempts to upset the global equilibrium will not be tolerated.

Some, whose analysis I respect, have urged amendments to the Treaty to accomplish these goals. These amendments are of two kinds. The first category would not require any renegotiation with the Soviet Union. They would either express the Senate's interpretation of the meaning of ambiguous clauses of the Treaty, or instruct our negotiator on criteria to be applied in any follow-on negotiations, or reassure uneasy allies about our intentions in applying SALT provisions, for example, on non-circumvention. The second category of amendments would seek changes in the text. These amendments would require renegotiation of the Vienna agreement and they again fall into two categories: One type would alter the strategic balance during the term of the Treaty, for example, by forcing a reduction of Soviet throwweight or heavy missiles. The second type would represent a claim of equal "entitlement"—such as an American right to possess 308 heavy missiles—which cannot be exercised during the life of the Treaty and would therefore represent an assertion of principle rather than a contribution to the strategic balance.

The only amendments that would make any immediate difference are the kind which go to the heart of the problem: they would remove the Soviet counterforce capability against our ICBMs (by mandating a drastic reduction of throwweight, for example). Such amendments are almost certain to be rejected by the Soviets; they would be accepted, if at all, only after an actual build-up of our forces, which in turn might well be delayed by the very fact that renegotiations were underway. If we maintained current limits while negotiating, the result would be a continuation of the existing deterioration of the strategic balance. We might thus wind up without either SALT or a strengthened defense.

After much reflection I have concluded that I can support ratification only with the following conditions:

First, if it is coupled with a defense program representing an obligatory understanding between the Congress and the President which overcomes on an urgent basis the grave peril posed by the current military balance.

Second, if it is accompanied by amendments—not requiring renegotiation—clearing up ambiguities in the Treaty, defining the status of the Protocol, the meaning of non-circumvention, and setting guidelines for follow-on negotiations.

And third, if it is accompanied by a vigorous expression of the Senate's view of the linkage between SALT and Soviet geopolitical conduct.

This approach would avoid the negative consequences of a collapse of SALT. But ratification must not become an end in itself. In my view it can only be justified if the Administration is prepared to unite our country by demonstrating its determination to restore our military strength and the geopolitical equilibrium. This seems to me the sense of what Senator Nunn among others has proposed, and it points the way to a bipartisan resolution of the issue.

A. To redress the military balance

With respect to the military programs, I respectfully recommend that the Senate give its advice and consent to ratification of the Vienna Treaty only after the Administration has submitted, and the Congress has authorized and begun appropriating, a supplemental defense budget and a revised five-year defense program that will begin rectifying some of the shortcomings I have identified. The Congressional recess provides an opportunity to prepare such a program, on which work should already be far advanced as part of the normal budgetary process. If the Administration is unable to put forward such a program to this session of Congress, I recommend that the Senate delay its advice and consent until a new military program has been submitted to and authorized by the next session of Congress. I would be open-minded about other methods to achieve this end, provided they are unambiguous, and represent an obligatory commitment by both branches of our government.

Assurances that the Executive Branch intends to proceed with individual weapons systems like the MX are not enough, either for the reality of our danger or to reverse the political and psychological trends which will make the immediate future a period of great peril. Nor have the percentage figures of projected increases—such as the three-percent increase agreed with NATO— proved effective, because of ambiguities about the baseline and how to compute rates of inflation. I am worried that if the consideration of defense programs takes place after SALT is ratified, the debate over the proposed defense programs may stifle remedial actions or delay them beyond all relevance—all the more so as the Administration seems to have a far from settled view about the need for a strengthened defense. Witness the cancellation of the B-1, the nuclear carrier, and the neutron bomb; the closing down of the Minuteman III production line; and the stretch-out of the MX, Trident, and cruise missile programs. After ratification, Soviet propaganda pressures can be expected to multiply, particularly against any MX basing system that ensures survivability. Allied doubts about the security situation—especially with respect to theater forces—will grow.

It is not a question of balancing the insistence of conservatives for higher defense with the considerations of liberals for a reduction in our military spending. The issue is what our country needs for its long-term security. The President and the Congress must choose. After fifteen years of giving inadequate priority to defense, it is time for a serious long-term effort to prevent a menacing imbalance against us. The program must include accelerated development of a counterforce capability through the MX and Trident II, air defense against Backfire, immediate steps to restore the theater nuclear balance, and urgent measures to beef up our capacity for regional defense including accelerated modernization and expansion of our Navy. Our current five-year program is deficient in all these categories. My support for ratification is entirely conditional on the development of a new program and doctrine given some binding form by the Congress.

The Joint Chiefs have testified that the rapid improvements required cannot be achieved at expenditures representing less than a five percent real increase over current programs, for at least the next five years. The burden of proof to the contrary should rest with the Administration.

B. Clarifying the treaty and protocol

In addition to these military programs, I recommend that the Senate add the following amendments to its advice-and-consent resolution. None of them requires renegotiation with the Soviet Union:

First, as far as cruise missiles are concerned, that the Protocol may not be extended after 1981. The Senate should stipulate that its particular limitations can be submitted to the Congress again only as part of an equitable arrangement for theater nuclear forces. Specifically, no limitations may be negotiated for American theater weapons—such as cruise missiles—which are not matched by similar limitations on Soviet weapons performing comparable missions. This will bring cruise missiles into some equilibrium with the Backfire and the SS-20.

Second, the Senate should specify that as part of SALT III, the United States be entitled to any weapons system permitted to the Soviets in the new agreement unless the Soviets agree to some compensation by giving up a weapons system of equivalent characteristics allowed to us. This should take care of the heavy missile inequity within the only framework—that of SALT III—which will give us a real option to produce it.

Third, that the non-circumvention clause be interpreted by the Senate as not interrupting cooperative relationships with allies with respect to technology needed to modernize their forces. No technology available to us should be barred for transfer.

I also suggest that the Senate reexamine the SALT Agreement every two years, specifically to determine its verifiability.

C. To address the geopolitical problem

Finally, I respectfully urge the Senate to use the ratification process to put the Soviet Union on notice that this country is prepared, nay eager, for peaceful coexistence that reflects true stability and equality in arms, and also political restraint. We are ready to pursue the control and reduction of arms with dedication. But we will brook no subterfuge, nor can we continue a conciliatory policy if Moscow chooses to exploit that policy as a convenient opening to Soviet predominance. The Senate should attach to its instrument of advice and consent an expression of the following principles:

That the absence of political restraint will seriously jeopardize continuation of the SALT process.

That the Senate understands this to include Soviet supply or encouragement of intervention by proxy military forces; the use of Soviet forces on the territory of its allies such as Cuba to free Cuban forces to fight in Africa; the support, financing, or encouragement by any member of the Warsaw Pact of groups and activities seeking to undermine governments friendly to the United States; or the exacerbation of regional conflicts.

That the Administration be required to submit an annual report to the Senate on the degree to which the Soviet Union is living up to these criteria.

That the Senate vote every two years its judgment whether the Soviet Union has lived up to these criteria. If the judgment is negative, the Senate should then vote whether whatever SALT negotiations are taking place should be continued.

Finally, if we thus reassess our strategic position, we must also take another look at the SALT process. Though the strategic conditions I have described result largely from unilateral American decisions, they have been reflected in the SALT process which was essentially a confirmation of them. The fact that I have participated in the process—and must share some of the responsibility—entitles me to warn against continuing it by vote. I urge that its long-term implications be carefully considered. Never in the postwar period has there been more disagreement and intellectual confusion about the requirements of strategic stability and the implications of arms control. A thorough reassessment and the fullest consultation with our allies are crucial before we launch ourselves into SALT III, which will directly affect our allies and hence may jeopardize our alliances.

CONCLUSION

I recommend the approach outlined here because it gives this country an opportunity to address its dangers without abandoning an important negotiation that has already extended over seven years. And it gives us an opportunity to proceed as a united people. If the Administration rejects this approach, the Senate will have no alternative except to go the route of farther-reaching amendments, either holding the Treaty in abeyance or forcing a renegotiation. The result will almost certainly be a diplomatic stalemate until the Soviets are convinced that we are determined to restore the strategic balance; it would be an indirect—and in my view less productive—route which, even if successful, would lead to the same result of a major new effort to meet our imperative security needs.

To be sure, the course I proposed will make SALT II far from the turn in the arms race many of us hoped for when the negotiations were inaugurated. But too much time has been lost, too many weapons systems have been unilaterally abandoned, too many military adventures have been encouraged by the Soviet Union, the geopolitical balance has been too severely strained by Soviet pressures, for SALT to be much more than a base from which, one can hope, a new and serious effort at equitable arms reduction can be made. Concrete steps to rectify the global balance are urgently required. In this context a ratified SALT II Treaty can play a useful role as a signpost to continuing negotiations, as a beacon illuminating the path to genuine coexistence and detente, and as a means to contain current tensions. But SALT must contribute to the world's security, not insecurity.

At this moment our major obligation is to restore the confidence of all those who depend on us; to redress the military balance; to reestablish some effective link between arms control and restrained international conduct. All Americans—of either party—should share these goals.

There are deeply concerned people who want SALT but doubt the need for augmented defense. Others see in SALT an obstacle to augmented defense. Let there be

serious effort to reconcile these points of view before we turn to domestic confrontation. I am prepared to do my best in this effort.

Rarely is an opportunity so clearly presented to a legislative body to determine the course of national policy in a direction vital to the future of the democracies. After the 1919 Versailles Treaty, misjudgments by the Senate and the Administration led to a debacle which undermined international security and doomed the world to another bloody holocaust. At this moment, the Senate and the Administration can point us in a different direction—toward a restoration of our national unity, toward the strengthening of the security of this nation and of its allies, and toward a more constructive relationship with our principal adversaries. This is America's responsibility, if we are to remain true to our trust and to the hopes of mankind.

STATEMENT OF JOHN J. MCCLOY

I have been asked to appear before this Committee to express my views regarding the pending treaty or draft treaty known as SALT II. In doing so I shall also, with your permission, express certain views on our treaty-making process, particularly as it relates to SALT II and our security and defense interests. I approach this problem from what may be a somewhat different perspective than those who have been actively negotiating the treaty provisions or serving as the immediate back-up groups. I am a private citizen and for a substantial period of time I have not been connected in any way with the SALT negotiations, owing, I imagine, to my past experience with them and with other Soviet contacts I have been asked to give my views regarding the pending treaty. I trust this experience may be of some value to the Senate in arriving at a sound determination of its difficult and very important task.

Perhaps I should first sketch briefly the experience I have had which gives rise to my views. My interest in military matters and foreign affairs dates back to World War I when I held a commission in the so-called Regular Army, serving in France and Germany. I was The Assistant Secretary of War during World War II under Secretary Stimson. My duties in that office were varied; they related, though not exclusively, more to the political-military aspects of the war than to problems of procurement. I had close relations with the Joint Chiefs of Staff and attended a number of conferences with our Allies during and after the War, including the one at Potsdam at the close of the war where we came face to face with the Soviet leaders. Later, following General Lucius Clay, I became the U.S. Military Governor of Germany and after this the U.S. High Commissioner. During this period I had various confrontations with the Soviets and their political and military chiefs, particularly in regard to the defense of the City of Berlin. On a number of occasions I undertook missions or attended conferences with our Allies or our own Government on defense matters, including our force levels in Europe and the establishment of NATO, with whose leaders I often maintained close contact.

Following the inauguration of President Kennedy, I acted as his general advisor on matters of disarmament and helped set up the Arms Control and Disarmament Agency in 1961. At first I was acting director of that Agency, later becoming the first Chairman of its Advisory Committee. I took part in meetings related to disarmament with Messrs. Khrushchev, Brezhnev, Gromyko, Semenov and other Soviet leaders. Though I never was a member of the active negotiating team which represented the United States in the negotiations leading up to SALT I, I kept in close touch with the negotiations and attended some of those negotiations. I dealt directly with the First Deputy Chairman of the Presidium of the Supreme Soviet of the U.S.S.R., Mr. Kuznetsov, as well as with other Soviet officials, including Mr. Zorin, on the matter of the removal of the Soviet strategic missiles from Cuba.

I had considerable experience in connection with the development of our nuclear armament in the early days when I served under Mr. Stimson and later during the period when I was Chairman of the Advisory Committee to which I have referred. I was a member of the Baruch Committee and had close dealings with the Acheson-Lilienthal Committee which gave considerable time and thought to the formulation of our nuclear policy following World War II. At one time I was quite familiar with our national means of intelligence gathering in regard to Soviet nuclear armament. This experience, then, and my reading of the transcripts of the current hearing have shaped my understanding of the issues and my comments to this Committee today.

First, let me say something regarding our treaty-making process, for I am concerned over what I consider to be some of its defects. We are now all familiar with the constitutional process which requires that before the President can make a treaty which becomes effective as the supreme law of the land, it must have been arrived at "by and with the advice and consent of the Senate . . . provided two-thirds of the Senators present concur". (Article II, Section 2 of the Constitution). This is a rather extraordinary and unique provision and I am not aware of any similar provision in any other country. I have heard a good bit of comment on how this provision came to be incorporated into the Constitution of the United States. I have consulted some constitutional historians on the subject and I have conducted some research of my own.

Members of this Committee, or at least some of them, are probably quite as familiar with the history of this provision as I am, but I believe it is pertinent to point out that under the original Articles of Confederation the United States "In Congress assembled" had the full power both to negotiate and approve any treaty, provided 9 of the representatives of the 13 states assented. When the Founding Fathers, with their memories of George the Third, regarded this power, they were sensitive of the danger of concentrating too much power in one person. They intended that the making of treaties (which were not too popular) should be a difficult process. From the beginning of the Constitutional Convention's consideration of the treaty provision, it was contemplated that a fundamental element in the making of a treaty was the participation of a Federal legislative body. At one time, some sought to introduce the House of Representatives into the act—for example, James Wilson of Pennsylvania (3 Records 538) and George Mason of Virginia (4 J. Elliott, "Debates on the Federal Convention" 331 (1836)) supported such a position. Recognizing that the power of making a treaty could have far-reaching consequences, the Constitutional Convention's first draft of the treaty-making power provided that it would reside completely in the Senate. Due to considerations of expediency and efficiency, however, later drafts introduced the President into the process, giving him the right to "make" a treaty "by and with the advice and consent" of the Senate provided that the consent of two-thirds of the members present was obtained. In a somewhat different form this provision was finally adopted by the Convention. The role of the President, as I read the early history, was conceived of as that of an agent rather than a prime mover. In speaking of the treaty-making power, Alexander Hamilton had this to say:

"The qualities elsewhere detailed, as indispensable in the management of foreign negotiations, point out the executive as the most fit agent in those transactions; while the vast importance of the trust, and the operation of the treaties as laws, plead strongly for the participation of the whole, or a portion, of the legislative body in the office of making them." Federalist Papers no. LXXV.

James Madison said very much the same thing during the debates of the Constitutional Convention. (2 Records of the Federal Convention of 1787 329 (M. Farrand, ed. 1911)).

The Senate was ultimately chosen as the more experienced and elite legislative body to receive this "trust" being, as John Jay pointed out, not elected by the general public, as it is now but appointed by the legislatures of the several states. (Federalist Papers no. LXIV). In any event, and for a combination of these reasons—distrust of the concentration of power, expediency and the need for legislative participation—the provision, as it now stands, was incorporated into the Constitution.

There has been sharp criticism of the provision from time to time. Frequently Secretaries of State, I believe, have not been very happy with it. John Hay, when he was Secretary of State, called the provision "the original mistake in the Constitution". (3 J. Hay, Letters of John Hay and Extracts from Diary 156 (privately printed 1908)). I am not certain that he was right. At any rate, there it is, a part of our basic law of which everyone is on notice, and the wording is very clear. Neither the negotiators, nor the Secretary of State, nor even the President of the United States can create a commitment, in any sense, binding upon the country as "the supreme law of the land", without the vote of two-thirds of the Senators present. I refer to this fact because I believe the concept that the Senate, by its consideration and its vote on the treaty, could somehow be undermining the authority of the President of the United States or his Secretary of State, is not well founded.

I now see the Executive branch sending so-called "task forces" throughout the country urging audiences "to write your senators". I have attended some of these sessions in my neighborhood. They did not help me resolve the very difficult problems I had in making up my mind on the merits of the treaty. Certainly, if my reading of the record as to how this provision came into the Constitution is at all correct, the Founding Fathers would not have taken kindly to the thought that the Executive should bring pressure on the Senate in the course of giving its advice and consent to a treaty, in accordance with the provision of the Constitution.

There are two other aspects of our negotiating procedures which I would like to mention. As I look back on our negotiations with the Soviet Union on disarmament or on the limitation of strategic weapons, I feel that we have been handicapped by the fact that our negotiators seem always to come under pressure when arriving at an agreement in the closing or critical stages of a negotiation. Every administration which sets out to seek a treaty, whether with the Soviet Union or someone else, seems to come under pressure before it is over to achieve what is considered to be the political success attached to an agreement, or at least to avoid the sense of failure if agreement is not reached. On the Soviet side, there is no such public opinion nor administrative pressure. Given the nature of the Soviet system, the Soviet negotiators for all practical purposes have the final power in their own hands. They do not have pressures on them to reach an agreement as do those of the United States. The result has been that the Soviet negotiators could and, I thought, did on occasion in my experience sit back and say "nyet" while waiting for pressure on the U.S. negotiators to build up for an agreement.

The other side of this coin is, I suppose,

that with Senate approval necessary the Soviet side could claim it has been at a disadvantage since an agreement between the negotiators, while conclusive for practical purposes so far as the Soviet side was concerned, is not final with us until the Senate approval is forthcoming. This tends, I imagine, to give rise to the present demand on the part of the Soviets that no amendments to the treaty can be entertained. My experience has been, nonetheless, that as the negotiations reach a climax, the United States side tends to contract "agreementitis" so as to achieve the appearance of success or avoid the charge of failure if no agreement transpires.

There is another aspect of our treaty making which, I believe, is unfortunate and it affects the treaty now under consideration as well as some others. In the effort to secure Senate approval we too frequently feel the need to mount an intensive public relations program to bring about approval or rejection. Polls are taken and advertised and claims are made that such and such a percentage of the people are in favor of a treaty and such and such are opposed, without much consideration of how well informed those polled were or how they were questioned. I deplore the fact that our treaty-making process seems so frequently to take on this form. May I add that from reading the transcripts and sitting in some of the hearings I believe this Committee has been hearing a high quality of testimony and an objective presentation of the rather complicated problems involved.

At this stage in our history we cannot and should not change our constitutional treaty-making process, but we ought to be able to arrange our negotiation and ratification procedures in such a way as to minimize the political pressures and maximize serious discussion and debate of treaties related to the security of the country.

Now as to the merits of the treaty. I believe it is indisputable that there has been in recent years a very heavy Soviet buildup of strategic and conventional forces, army, naval and air as well as civilian defenses. For over 10 years this has been going on in terms of appropriations substantially larger than ours and now the consequences of this effort have quite inevitably begun to emerge. Let us face it, these consequences are bad. In view of this, I believe that what this country and this body need and deserve is the most objective analysis available of our present strategic position, particularly in the light of this Soviet buildup.

I have read Secretary Brown's analysis of our position which he submitted to this Committee and, of course, I have read the statement of the Joint Chiefs of Staff though they do not purport to be comprehensive. Secretary Brown has a wide and, indeed, a profound knowledge of our nuclear and conventional potential and I believe the same thing can be said of his knowledge of the potential of the Soviet Union.

He has, at times, been one of our negotiators in the SALT process and to a large degree he has been a proponent of it, as I have been. But I would wish it were possible to have an analysis of our overall strategic position independent of and quite unrelated to the present issue of the merits of SALT II. I do not know of any general board such as we once had which would now be equipped to make an independent analysis of our overall position.

It is probably too late in the day for it and perhaps there would be all sorts of security objections to making it public. But it does seem that somewhere along the line there should be available to the Senate an understanding of what our overall strategic (not only in the sense of nuclear) situation really is in relation to that of the Soviet Union.

It could serve as background to all the determinations this body has to make in considering the merits of this treaty and the ultimate decisions as to what needs to be done to bring about equality as well as to determine whether there is anything in SALT II which would seriously constrain or inhibit our authority to do it.

With such an analysis one might find it easier to come to decisions. We must always bear in mind that not only do we have an obligation to maintain our security, but we must always bear in mind that of our Allies as well. I suggest we do not need more polls or pressures to reach our conclusions. But every effort on the part of the Administration, as well as on the part of the critics of the Treaty, should be devoted to helping this body arrive at an informed and satisfactory determination of these questions.

Before dealing further with the serious security considerations which, I believe, are the main questions before the Senate, I would like to talk for a few minutes about the matter of treaty verification as I appraise it. The President has said that the country could be assured that he would never sign a treaty that could not be adequately verified. Of course, it must depend heavily on what is meant by the term "adequately" or, as it is sometimes expressed, "significantly" verified. I gather the Senate now has the opinion of the Secretary of Defense and the Joint Chiefs of Staff that the treaty is adequately verifiable.

There was a period when, as Chairman of the Advisory Committee of the Disarmament Agency, I was rather well informed about our verification capability in regard to the characteristics and trend of Soviet nuclear weaponry. Our capacities in this respect impressed me very much, but it was quite clear even then that we did not have the whole story. I received from time to time detailed presentations of the intelligence that we had in this area.

The material given us was, of course, most sensitive. It is difficult for the Senate as a whole to satisfy itself as to the efficacy of our so-called national capabilities without seriously risking the security of our information. Valuable information can be imparted to selected members of the Senate, I suppose, but in some degree it will be necessary to take something on faith.

Impressive as this material is, the sum total of our information in regard to the Soviet nuclear and military capabilities, would not, I believe, ever be as complete as the sum total of the information which the Soviet Union has of ours. Once we enter into a treaty with the Soviet Union, with its closed society and almost passionate attachment to secrecy, they will have a better verifiable treaty than we will have simply because of our open society and our almost equally passionate attachment to disclosure and leaks. What with our Freedom of Information Act, our investigative reporters, our open publications, free wheeling commentators, over-staffed staffs and government publications, any espionage or information gathering system as efficient as that of the Soviet Union must certainly have a much easier time gathering information on our weaponry in this country than our CIA or other U.S. intelligence agencies can ever hope to attain on theirs in the Soviet Union.

Having said this I have come to the conclusion that this is a fact of life with which we simply have to live. The Soviet Union with its might and its ideology is not going to go away; we must continue to attempt to find a modus vivendi with them and they with us if we ever hope to advance the cause of peace in a nuclear world and, at the same time, retain our essential security. In short, we have to take some risks. Even so, I must confess I am somewhat skeptical of the extent of our "significant" knowledge with respect to verification. I believe there is much information which we would have great difficulty in obtaining in regard to Soviet weaponry particularly before it gets to the testing stage.

Having been familiar with the sites in Iran, I was most skeptical of the Statement made so shortly after their loss that the verifiability of our treaties with the Soviet Union on strategic weapons was not significantly impaired. In some way, the Senate must be put in a position to reach a reliable judgment on our so-called national intelligence sources and our ability to verify the important treaty provisions.

I have been impressed in the past, as I have said, by what we were able to find out about Soviet weaponry, but I suggest that you do not let the fact that in one of our photographs you can see a small screw head in a Soviet missile mislead you into thinking that this is the measure of our intelligence capacity in the Soviet Union in respect of its strategic weapons. As one of our intelligence officers said to me once, "Do not think that this means we can tell you every time Mr. Brezhnev goes to the bathroom." There is much we do not know but, I repeat, I believe we have to take some risks in the way of trusting the Soviets and they us if we are to hope to lessen the dangers of a nuclear exchange and to arrive at a point where we can bring about a really significant limitation on our respective nuclear and conventional weaponry.

I have dealt with the Soviets on a number of occasions where I have had an opportunity to judge their bona fide. As I have indicated, I had to deal with them in such important areas as the defense of Berlin and West Germany and in the Cuban missile crisis. As to their attitude and negotiating tactics, I would summarize it this way. They are good chess players, as we all know, and on top of this they have a deep-seated or "gut" instinct as to what they want to feel they should have for their security.

After having been the victims of Western European aggression in two successive centuries, they resist all blandishments, the force of good example or bluffing and they operate in terms of size, quantity and power. By and large I have come to the conclusion that once the Soviets make a commitment which is clear cut and incapable of equivocation, they will honor it. I found this to be so in my dealings with Mr. Kuznetsov over the actual removal of the missiles from Cuba. I gained the impression he was meticulous in carrying out our understanding.

On the other hand, if in our verification process we were compelled to rely at any point on the word of the Soviet Foreign Minister, I would have little confidence in it as I cannot forget that he quite blandly stated to Adlai Stevenson among others that there were no Soviet strategic missiles in Cuba when he knew there were.

I rather doubt that the Soviets would have much of a motive to cheat in regard to this treaty. I believe they would very much like to see it in force and have it remain in force. It is clearly favorable to them in that it does ensure them of at least parity with US in strategic strength. We have come a very long way from our position of complete superiority to the present level of relative parity or something less. I believe they would be ill advised, as a matter of their own interest, to risk the consequences of cheating, even though I certainly could not exclude the possibility of it.

One more thought on verification. Although in the past we have been able to rely heavily on our satellite photography of the Soviet ICBM sites, because it was there that the Soviet strategic power was centered, it is now quite apparent that with the whole Soviet buildup we face the need of intelli-

gence on a much wider and penetrating scale than heretofore.

The introduction of MIRVing on top of their civil defense, the threat of killer satellites to our control and command systems, the great superiority in armor and artillery facing West European targets, the presence of new forces, including the Cubans, in the Middle East area, the improvements generally in Soviet anti-European offensive systems (the gray area) will require expanded intelligence capacities on our part.

I would strongly urge that the time for open season on the CIA and our other intelligence gathering services is passed. They will need all the talent, energy, esprit de corps and dedication they can muster if we are to gather the "significant" verification data, as well as the broad intelligence as to Soviet intentions and capabilities which we should have.

In considering this treaty, I believe, the Senate is aware that there are even more serious and wider problems before it than how the constitutional provisions regarding the making of our treaties came to be adopted or even how well the provisions of this particular treaty can be verified.

It is now a fact that by a combination of the Soviet buildup within the treaty and our own laxity in not reacting to it while we had the perfect right to do so, we are now in a position of vulnerability. SALT I really had little to do with it. It is clear now that there has been a continuous series of improvements in their ICBM land-based systems, none of which, while disappointing to us, constitutes a proven violation of any existing SALT provision.

The Soviets acted within their rights under the provisions of the treaty and we acted within ours in choosing not to react, beyond continuing a rather well ordered maintenance of our existing land-based system avoiding obsolescence and coining phrases such as "minimum deterrence" designed to rationalize our failure to do anything more than we were then doing. I gather that very few, if any, now seriously deny that our main land-based nuclear battery has been made increasingly vulnerable and may well become compromised by this continuous improvement of the Soviet ICBM land-based systems. The Department of Defense, including the Joint Chiefs of Staff, I believe, do not contest this vulnerability, and indeed, if I have read them correctly, actually assert it.

There was some objection voiced the other day, according to a transcript I read, to the use of the term "goofed" in describing our inaction over the last ten years. Let us not deal in semantics; let us not waste time in ascribing fault. Let's admit there were a number who could be criticized. There is enough fault to go around. The fact is we did allow our investment in our main ICBM battery to lag just when the Soviet buildup was going along at its greatest pace. This, of course, had consequences and we should not blink them by ignoring the facts or by creating phrases or slogans to rationalize inaction.

The basic scenario is that with an immensely greater throw weight, together with increased accuracy and general quality due in large part to the Soviet Union's buildup aimed at a given time in the mid 1980's, the U.S.S.R. would be in a position to destroy or nearly destroy all our land-based ICBMs on a first strike and still have a reserve of land-based ICBMs to deliver against the United States. To be sure we would have the capacity to inflict some heavy reprisals against the Soviet population and their industrial targets, but the option is not a very satisfying one on the hypothesis that the Soviets would have a considerable remaining potential, after a first strike, in their land-based ICBM reserves as well as in their submarines and bombers.

If we accept the superiority of the Soviet land-based ICBM potential over that of the United States as the Department of Defense does, together with the general superiority of Soviet or Warsaw European-based nuclear and conventional strength over Allied European strength, the credibility of the American deterrent on which so much of the security and confidence of the whole free world depends could be materially impaired.

Our ICBM land-based batteries are probably the most efficient, the most accurate and best controlled and commanded, of all our nuclear weaponry. They are also, I would say, the most symbolic of our strength. We cannot afford inferiority in this area irrespective of where we stand in others. If our Allies and our potential enemies perceive that our main land-based nuclear battery is vulnerable, it could well induce pressures, tensions and tests of will that could lead to dangerous confrontations.

I doubt that the Soviets are looking toward or preparing for a successful nuclear exchange with us or a "bolt out of the blue" as General Jones calls it. Some contend that they are. I think they are too intelligent to risk such a confrontation, but I do believe, without any doubt, that they have been consciously seeking a position in relation to us on which they felt they might be able to apply pressures or leverage which would enable them to extend their influence over our Allies or their so-called hegemony without resorting to the risks of war. The signs, particularly since Cuba, certainly point that way.

Hopefully the scenario to which I referred will never take place. Indeed, we have to do what we can to ensure that, in fact, it does not occur. The Secretary of Defense points to a number of things, some of which are already in effect and some which can be put into effect that would not only deter the Soviet Union from undertaking such a strike but also would restore confidence all along the Allied line, that the credibility of the U.S. deterrent remains firm.

What are these measures? First, it is suggested that there is always the possibility facing the Soviet Commander who is contemplating a first strike that if the first strike were attempted, the targeted ICBMs might not be there. Any such strike is probably not going to occur without some buildup of warning signals; and the United States, with memories of Pearl Harbor in mind, just might fire on warning. It would require a bold decision made within minutes. However you look at it, it is a very narrow ledge on which to stand and who can tell who will be standing on that ledge when the decision must be made.

Next the Secretary of Defense states that by 1985 we will have in our improved submarine force and our bombers a capability of destroying a large number of the Soviet land-based ICMBs, which should deter them from risking a first strike on our land-based ICBMs. The B-52 bombers, though aging, he contends, will still have penetrability and could be put into operation either simultaneously with or before our ALCM's begin to come in.

We also now have the belated decision to start on the MX's with their mobile basing modes.

I am a little confused as to just when the MX and the air cruise missiles are planned to come in. I have the impression there is not a nice time fix on which we can rely. There may well be a time gap within which it might be tempting for the U.S.S.R. to attack our ICBMs. I do not believe that our relations with the Soviet Union are on such a delicate balance that we need to have all our deterrents in place at the right time in order to create constant and full deterrence.

We can strive to do so, but if, in the meantime we show we have measures on the way and we can improvise to a degree with our existing forces, there would still be considerable risks for an attacker to take. Though we may have to go through a nervous period, it is one so relatively short that the U.S.S.R. would have to make some very fine calculations, indeed, to choose the right moment to attack.

But SALT II is not responsible for this. I wish we had accomplished our modernization a little earlier. I wish we had been a little more discerning of what was happening in the way of the Soviet buildup and that we had started to counter it some years ago particularly by starting on the MX program earlier. I wish from what may be incomplete information that we had not scrapped the B-1, but we did. We made some miscalculations of the time it would take for the Soviets to improve the quality of the Soviet ICBMs. However, we should waste no time, as I have said, in assessing blame, but concentrate on restoring the balance. We shall have to play catch up football to a degree in bringing our land-based ICBM force either through survivability or other measures to a point when it is again, both perception wise and in fact, essentially equal in power to the U.S.S.R.

I have difficulty following the argument that the treaty freezes us into a position of inferiority. Secretary Brown and the Joint Chiefs of Staff seem to think we can in time remedy the vulnerability of our ICBMs and that there is nothing in SALT II to prevent our doing so.

If I heard the Secretary of Defense and the Joint Chiefs of Staff right, they said there was nothing in SALT II which would inhibit or seriously impair the United States from taking any steps which they thought were necessary to offset the threats to our land-based ICBMs or indeed any other serious threats or to help our Allies to offset the threats to them in the regional area. This is assuming we and our allies have the will to do so. I place great reliance on their testimony in this respect. I do not know that I know enough about the situation to be as confident about this as they are, but then I do not know what measures they feel we should take in order to regain the essential equivalence, as the phrase goes. I take it that it certainly includes the MX, the Trident II submarine and missile as well as the cruise missile. There may be other items. I also assume that in saying this they mean action, and not merely reservations of options, for I believe we have passed beyond the stage where they will prove effective.

I am quite prepared to accept the contention that what we have done or failed to do thus far has set a bad precedent and that the Soviets can be counted upon to be as obdurate in SALT III as they have been in leading up to SALT II. But is not the answer that for once we can be equally as obdurate? My position is that it should be made perfectly clear that under the treaty we intend to go ahead immediately to restore the balance with respect to our security. It should also be made clear that we intend to help our Allies establish the forces necessary to maintain their security, through the transfer of technology and equipment. The treaty does not insure our security by any means. No one can seriously contend that it does. It requires other determined steps to do that. My belief is that in taking those steps we are, on balance, better off with the treaty in effect than without it.

I wish to add that if I felt the approval of this treaty would recreate an aura of complacency resulting in failure to take action to redress the imbalance caused by the Soviet buildup, the treaty would not have my support.

In considering the favorable aspects of the treaty, I have come to the conclusion that we shall be in a much better position to verify what the Soviets are doing and what they are intending to do under the proposed and existing treaty provisions than we would

be without them. Moreover, though the limits set for launchers are so high that they do not have much meaning, they do constitute limits which are now set not only in the overall but in the important subcategories as well. They do restrain unlimited increases in missiles and RVs and hopefully this may encourage further limitations. To put it another way, they are considerably better than no limits at all.

I am also ready to accept the Administration's emphasis on the importance of the next phase, i.e. SALT III although this may be in the realm of hope rather than reality. I believe it is important to continue in spite of our discouragements to strive to bring about really significant and equal reductions of armaments as between ourselves and the Soviet Union. This, I think, we should do as long as we feel there is a reasonable hope of Soviet acceptance of arms reductions. I do not know enough about present Soviet intentions to know whether there is such a hope.

People whose judgment and experience I respect feel there is. I have become convinced we have a better chance of finding this out with the treaty than without it. I am impressed, as is Senator McGovern, with the fact that so many segments of opinion among the military and nonmilitary favor the principle of much larger equalized limitations. General Rowny even seemed to think if we had been a little more persistent about it, we could have had Soviet agreement to greater reductions in 1977.

Larger reductions continue to be highly desirable, both in the cause of peace and in the relief they could give each of our countries from massive financial burdens. I would suggest to Senator McGovern that a convincing demonstration of our willingness to take the steps to redress the present inbalance ought to induce a willingness on the part of the Soviets to agree to significant reductions. Or to put it another way, to discourage them from clinging to the high levels they have been demanding. I am inclined to agree with those who say that if there is no hope of going forward steadily with significant and equal reductions in our armaments, there will be real doubts as to the sense of continuing the SALT process at all.

The size and nature of the Soviet buildup is, of course, related to this treaty as well as the security of ourselves and our Allies. It makes this debate in the Senate take on serious proportions. I would hope that it would introduce a note of objectivity that will despense with some of the name calling which has marked certain phases of the earlier argumentation.

I should like to record that I believe that Paul Nitze, who was one of our early negotiators and who is an expert in security matters and a patriot has done the country a service in pointing out publicly what he sincerely considers to be substantial disadvantages in this treaty. But for him and the work of his Committee, I doubt the country and this Committee would have had as clear a picture of the problems which have resulted from the steady improvements and investments in the Soviet ICBM systems over the last 10 years. I would like also to remind this Committee of the fact that had it not been for the support of the generals, the admirals and the air chiefs, mainly the World War II military leaders from Eisenhower down, there would never have been a disarmament agency or the legislation which gave momentum to arms limitation efforts.

When we look at the priorities, I believe, we must conclude that the greatest issue facing this country, and the human race remains the balance between peace and war. When one thinks of the number of these massive engines of destruction, all targeted, aimed and alerted in their launchers, and what they can do to our civilization if they were to be let go, all other issues such as energy, inflation and the tyranny of the bureaucracy, would have to take second, third or fourth place.

Happily the question of the approval or disapproval of this treaty is not synonymous with the issue of peace and war, but the treaty, as I see it, does give us, at least, one more crack in the future at attempting to reduce this costly pile of armaments with which we are now so heavily and dangerously burdened. If we have the treaty, I repeat, I would hope that it will afford us another chance to talk seriously with the Soviets about the real need for more significant and equal reductions of our respective armaments nuclear and conventional.

I do not place much importance on the argument that if we do not ratify this treaty limiting nuclear arms with the Soviets, others, absent our example, will be disposed to start proliferating on their own. I say this because the example set by SALT II is not all that eloquent.

On the other hand, I do believe, as I have indicated, that we would be better served with this treaty with such clarifications and reservations this body may see fit to make than we would be without it. I place particular emphasis on the opportunity for improved intelligence and the opportunity for going forward which SALT II provides. If we do not go to sleep, and let's not cavil about it, we at least nodded, then we ought to have a better chance of keeping our deterrent capability alert and convincing because of certain provisions in SALT II.

The idea of having a standing consulting organization to which each side can come with its suspicions of cheating is a helpful if not a sure way to test out each other's bona fide. Under the treaty and with SALT III it would seem to me that we could establish a continuing forum within which to press our point of view and in the last analysis to convince the Soviet Union that we intend always to take such action as we feel necessary to resist any attempt on their part to put us to a position of inferiority. One must remember that, with or without SALT, the price of our security will, remain as always in eternal vigilance.

Our progress with SALT III may tell us a good bit about the value of the SALT II treaty. It may prove to be a decisive step. The strong emphasis which the Administration places on the on-going effect of the SALT process seems to indicate to me its own appreciation of the shortcomings of SALT II, as well as its conviction that the opportunity exists for substantial progress in the next phase of the negotiations.

As long as that hope persists and as long as we remain alert to our own security needs and those of our Allies, the more we talk with the Soviets about the limitation of armaments the better. There may be considerable momentum generated toward such progress by reason of the airing of the whole subject of the strategic situation in the world which the announcement of this proposed treaty and these hearings have provoked.

One can be sure that the U.S.S.R., as well as our Allies, will "cover" these hearings and the ensuing debates with deep interest. This is an opportunity of going further. I believe this opportunity for going forward is worth exploring. It might be irretrievably lost were SALT II to fail approval.

Here I wish to emphasize that in negotiations for SALT III, it is essential that we establish a system to obtain the views and meet the requirements of our NATO Allies whose interests will be profoundly affected by that treaty. We must never forget that the unity of the Alliance remains a vital element in our defense and that of the free world. The Soviets never cease their attempts to undermine it. We must constantly preserve it whether we are operating under SALT II or SALT III.

I have said that the consideration of this treaty and its relevance to the Soviet buildup and our general strategic position in the world is worthy of a profound Senate debate. There is much more involved than just arriving at a bareboned conclusion that we are or are not better off with this particular treaty than without it. What clarifications it may need, what is required in the way of bolstering the credibility of our deterrent and the security of Allies in the general strategic situation are all involved.

When it is suggested that there is enthusiastic support for the treaty among our Allies, I must say I fail to discern it and I have long been fairly close to European opinion. One has to realize that the United States and the free world are faced with the reality that this country is no longer in a military class by itself. It is matched, or as many serious analysts here and abroad believe, outmatched by the Soviet Union. Our Allies are very deeply concerned about it. They are close to the division lines between the East and the West and they are anxious to avoid unnecessarily provocative attitudes. Their position, as I read it, is somewhat ambivalent. They are aware of and are deeply concerned about the Soviet buildup; at the same time that they fear what the consequences might be if after all the publicity no treaty should ensure.

My main preoccupation for a number of years has been in the strength of the alliance and the defense unity of Western Europe. I still have a good many contacts among our European Allies. I am aware that the Administration sought and obtained considerable Allied governmental support for this treaty, but make no mistake, deep concern about the perception of the strength of the United States persists. Naturally, I do not purport to have the wide contacts that our Government people have abroad, but from my not inconsiderable ones and from much reading of serious comment I sense a deeper concern today regarding the credibility of the American deterrent than at any time I can recall. I do not believe there is an Allied Chancellery in Western Europe which is not uneasy at the thought that in the future it may not be able to assume, as it has in the past, the U.S. umbrella remains as firmly placed and impervious as ever. I am inclined to think that our Allies would react favorably if the Senate took steps to clarify or even amend the treaty in such a way as to confirm the aspect and power of the U.S. deterrent. This is particularly true in the face of the realization of the loss of American strategic superiority and the concurrent dimensions of the Soviet military buildup.

I am much comforted by the fact that the Senate is squaring away to deal with the difficult problem it faces with the treaty. We all know about some of the great Senate debates in the past—the great slavery debates, the Versailles and League of Nations treaty, etc. They are a stirring part of our history. I had the opportunity once to sit on the floor of the Senate through what might be classed as a great debate. I was then in the War Department, it was the Lend-Lease debate, and I posed as a page to get by the Sergeant-at-Arms. At issue was our old isolation policy against the call for our intervention in critical world affairs. I came away from that debate with great respect for the body you represent.

I knew that legislation like the back of my hand, but I was frequently amazed at how knowledgeable of the issues involved the members, as a whole, were. There was not a weak point that was not detected nor a strong one that was not weighed in the course of debating and concluding the issue. I am confident that in consideration of the SALT II treaty the present Senate will reach a conclusion consistent with the security of the country and preservation

of peace. I would remind you of what Alexander Hamilton said: You like no one else are charged with the trust.

STATEMENT OF GEN. ALEXANDER MEIGS HAIG, JR., U.S.A. (RET.)

Mr. Chairman, I welcome the opportunity presented today to take part in your deliberations on the SALT II Treaty. Thoughtful analysis and assimilation of a document of this breadth and complexity is a formidable task. It is clear, however, that the outcome of your efforts will have an indelible effect in shaping the terms and climate of U.S.-Soviet relations and thereby the prospects for peace in the years ahead.

Today, you have asked for my views on the effectiveness of the treaty in meeting the security requirements of the North Atlantic Alliance, our oldest and most compelling defense commitment. In the next few minutes, I will try to characterize for you the significance of SALT to European leaders.

NATO strategy, as you know, calls for defense against conventional attack as far forward as possible. In addition, if necessary to limit penetrations and restore boundaries, the strategy calls for the use of tactical nuclear weapons and ultimately central strategic systems if escalation is not earlier contained. Although a conventional attack would be met in kind, the serious, historical imbalance in conventional forces favoring the Warsaw Pact has led to the common expectation among our allies of early resort to nuclear weapons—both tactical and strategic. Consequently, the reason for their interest in negotiations which affect these systems is very clear.

THEATER NUCLEAR FORCES

In recent years, there has been a dramatic shift in the balance of theater nuclear forces in favor of the Warsaw Pact.

As a result of an extremely vigorous Soviet program of modernization and replacement, the Warsaw Pact has redressed their historical position of inferiority in theater nuclear systems to a position of approximately 3 to 1 advantage. The deployment of the SS-20 IRBM and the Backfire bomber has been especially troubling throughout the alliance.

Within this context, allied concerns over SALT focus on its impact on the existing imbalance; that is, does the treaty provide special benefit to the Soviets or prevent allied efforts to catch up? Viewed in these terms, the exclusion of the Backfire and SS-20 and restricting the range and deployability of cruise missiles has raised serious questions in NATO capitals. From their perspective, both systems have a central influence on their security, and the exclusion of the Backfire and SS-20 contrasted with the inclusion of cruise missiles, was both puzzling and a cause of concern.

With respect to the integration of cruise missiles into NATO units, no precise schedule or mode has been decided. The need, however, is clear. The desirability of having a conventional variant has also been raised. In this regard, I believe the potential of these systems to be enormous, and there is no question that unhindered access by our European Allies to cruise missile technology is vital to restoring the balance.

THE STRATEGIC BALANCE

Our NATO partners have always placed foremost importance upon the secure linkage of U.S. strategic forces to their defense. In this light, the relationship of SALT to European security is very apparent. During the years of unquestioned U.S. superiority, the credibility of the U.S. commitment was high. As that position of superiority eroded toward parity, our reliability became less certain. As it erodes further toward clear Soviet advantage in the next few years, even greater doubts will arise.

Despite the foregoing, European political leaders have expressed support for SALT II. This support is conditioned by the following factors:

First, Europeans—like Americans—are generally supportive of efforts to reduce the levels of nuclear armaments.

Second, there is strong sentiment to avoid any action which might further weaken the United States Presidency.

And third, there is concern that the nonratification of SALT II in its present form would disrupt the overall U.S.-Soviet relationship of detente and lead to increased tension and possible U.S.-Soviet confrontation which might be resolved at the expense of our allies.

Nevertheless, beneath these overarching considerations, there is deep concern in Europe over the very painful realities reflected in SALT II. Consequently, they are seeking and would surely welcome a definite signal of reassurance with respect to the steadily worsening trend in both the theater and nuclear balance. In specific terms, they would welcome actions which confirm unequivocally the U.S. commitment to a program of prompt strategic force modernization and improvement. They have been heartened by the U.S. pledge of unhindered sharing of systems and technologies designed to restore the theater nuclear balance. The obvious corollary, however, is the absolutely imperative termination in 1981 of the Protocol restrictions on ground- and sea-launched cruise missiles.

A firm, unambiguous demonstration of renewed U.S. strength and ability to lead is overdue. The global power balance is viewed in Europe as shifting against us, and we can ignore it no longer. It is in this context that Senate action on the SALT II treaty, as a political expression of national will, takes on special meaning, and I urge you to consider it in those terms. The SALT II treaty is viewed as a benchmark. It can be an instrument which marks the end of a period of drift in United States leadership. Whatever substantive alterations the Senate may wish to consider, it is essential that this debate result in a demonstration of our resolve to redress this imbalance by an immediate and unequivocal commitment of greater resources to our defense needs.

In conclusion, I am not satisfied that the necessary commitments have been made with respect to our strategic needs. I am also concerned that the Administration's budget for the past two years and the President's defense budget projections through FY 1984 are inadequate to meet our conventional needs, to say nothing of our already proffered commitments to NATO. Furthermore, I consider that the SALT II treaty itself contains flaws which should be given serious attention in your deliberations. Beyond that, the necessary consensus between the United States and its European allies has yet to be achieved for the implementation of absolutely essential theater nuclear modernization. This includes determination of systems to be provided, deployment patterns to be pursued, arrangement of funding, and, in the light of SALT II, the provision of necessary technology to our allies. Finally, I believe these programmatic commitments must be based on a two-tiered United States consensus which addresses the fundamental directions of future U.S.-Soviet relations on the one hand and clearly delineates U.S. strategic nuclear policy on the other.

Until such firm commitments and their underlying strategy have been confirmed and resulting programs in the strategic theater nuclear, and conventional areas have been carefully assessed and agreed upon, and until the Senate has assured itself that the flaws in SALT II have been resolved, I urge that ratification of SALT II be held in abeyance.●

INDIA'S CHANGE OF LEADERSHIP

● Mr. PERCY. Mr. President, the peaceable, constitutional change in the leadership of India reminds us once again that India is a working democracy which deserves our respect. An excellent editorial in the Washington Post on July 31, 1979, made this point very effectively, and I ask that the editorial be printed in the RECORD.

The editorial follows:

MR. SINGH'S TURN IN DELHI

The United States is not the only democracy suffering summer palpitations. In India, the coalition Morarji Desai assembled to oust Indira Ghandi two years ago, having found no other common purpose, disintegrated in mid-July. A new coalition—India is such a large and disparate country it can only be governed, democratically, by a coalition—has been put together by Charan Singh: It's less sectarian (Hindu) and northern. At 77, Mr. Singh is just six years younger than his predecessor. To become prime minister he accepted crucial support from the still-calculating Mrs. Gandhi. His political base is among peasant proprietors and in ideology he is strongly pro-rural, anti-urban. He is a homebody, having left India only once—for Sri Lanka. Already his foes are trying to bring him down.

Not many Americans—to put it mildly—are close students of Indian party politics. The differences between Mr. Desai and Mr. Singh are not likely to dominate the conversation at a whole lot of dinner tables. For those people who do feel some moral obligation to check into the affairs of the world's most populous democracy from time to time, it is perhaps enough to note that, once again, India has been able to carry off a change in national leadership by orderly, peaceable means. It's no small feat. A country doing it for the first time could expect to be feted in the Rose Garden. India's reward for doing it consistently is to be put down in some quarters for "instability," as though making political changes by the rules were not the very definition of stable democratic procedure. The details of the change in Delhi—who knifed whom—intrigue only connoisseurs. But the fact of the change is worthy of wide respect.

What do we Americans want from India, anyway? For it to be democratic? It is. For it to be making inroads into its poverty? Its recent quiet achievement of agricultural self-sufficiency constitutes major progress by any sober standard, though a serious distribution problem remains. For it to take a positive attitude toward global efforts for peace and stability? India adequately fills this bill. The lone cloud on the horizon lies in the prospect that Indian nationalism, perhaps aggravated by the country's dispute with the United States over nuclear safeguards, may push it toward openly matching China's bomb. The hope—though it seems pretty slim—must be that maintenance of a working democracy may put a check on this troubling ambition.●

ENVIRONMENT AND PUBLIC WORKS WATERSHED WORK PLAN REPORT

● Mr. RANDOLPH. Mr. President, the Committee on Environment and Public Works has approved the implementation of nine watershed work plans submitted by the Soil Conservation Service of the Department of Agriculture. The watershed work plans are approved by committee resolution in accordance with the Watershed Protection and Flood Prevention Act, Public Law 83-566, as amended. Similar resolutions have been approved by the House Committee on Public Works and Transportation.

This report to the Senate explaining the views of the committee in adopting these watershed work plans is in accordance with committee procedure. I ask that the report be printed in the RECORD.

The report follows:

REPORT TO THE SENATE ON SEVERAL PUBLIC LAW 83-566 WATERSHED WORK PLANS APPROVED FOR AUTHORIZATION FOR CONSTRUCTION BY RESOLUTION OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

GENERAL STATEMENT

In considering the nine watershed work plans, the Committee on Environment and Public Works found that the plans were economically feasible and environmentally acceptable. The plans have the support of local interests and the Senators from the States in which the projects are located. The plans were adopted because the Committee believes they are needed and in the public interest.

In the last session of the 95th Congress the Committee adopted a group of 21 watershed work plans. In its report to the Senate on September 14, 1978 the Committee listed several concerns it had with those work plans. This group of projects is vastly improved over those reports. However, there are some concerns remaining such as watershed size and delineation, and incremental justification of project purposes. These concerns were detailed in the September 14 report. The Committee is pleased that the Soil Conservation Service is working to address the concerns that were expressed in the September 14 report, and urges the Service to continue to improve the quality of the reports.

DESCRIPTIONS OF WATERSHED WORK PLANS APPROVED

Dynne Creek Watershed, Alabama

This 16,600, acre watershed is located in Cleburne County. The watershed plan will provide for watershed protection, flood prevention, recreation, and municipal and industrial water supply. Principal measures include soil conservation practices on farms, recreation facilities, two floodwater retarding structures and one multiple-purpose reservoir. The three reservoirs will have a total capacity of 6,200 acre-feet. The plan is estimated to cost $1,330,000 of which $730,000 will be a Federal responsibility. The project is economically justified with a primary benefit-cost radio of 1.4.

Factory Creek Watershed, Alabama

The Factory Creek watershed is an area of 51,600 acres located in Sumpter County. The watershed work plan proposes principal measures of three floodwater retarding structures with a capacity of 6,100 acre-feet and soil conservation practices. These measures would facilitate watershed protection and flood prevention. The primary benefit-cost ratio is 1.4. Total cost of the plan is estimated to be about $1,327,000 with a Federal share of $725,000.

Middle Creek Watershed, Kansas

The plan for this 46,765 acre watershed located in Miami and Linn Counties would provide watershed protection, flood prevention, recreation and agricultural, municipal and industrial water supply. Implementation of the plan would require soil conservation practices on farms, seven floodwater retarding structures, one multiple-purpose structure and the removal of log jams from channels. The total capacity of the structures is 12,400 acre-ft. The primary benefit-cost ratio is 1.5. The Federal cost is estimated as $3,200,000 out of a total cost of $5,540,000.

Wet Walnut Creek Subwatershed No. 2, Kansas

This subwatershed of 232,200 acres located in Ness, Rush and Pawnee Counties was cut out of the much larger Wet Walnut Creek Basin to meet the acreage limitation on PL 556 projects. The plan for watershed protection, flood prevention and recreation would require soil conservation practices, 23 floodwater retarding structures and one multiple-purpose structure. The planned storage capacity of the structures is 36,600 acre-feet. The primary benefit-cost ratio is 1.04 with a total cost of $8,460,000. The Federal portion of estimated costs is $5,280,000.

Wet Walnut Creek Subwatershed No. 3, Kansas

This 228,000 acre portion of Wet Walnut Creek Basin is located in Ness County. The purposes for which the work plan was developed are watershed protection, flood prevention and recreation. Facilities to implement the purposes are: soil conservation practices, 11 floodwater retarding structures; and one multiple-purpose structure. The capacity of the structures is 28,100 acre-feet. The primary benefit-cost ratio is 1.02. The total cost is estimated as $6,550,000 of which $4,070,000 is the Federal cost.

Wet Walnut Creek Subwatershed No. 5, Kansas

This 198,000 acre area is located in the headwaters of the Wet Walnut Creek Basin in Scott, Lane and Ness Counties. Soil conservation practices and three floodwater retarding structures with a 10,900 acre-foot capacity will provide watershed protection and flood prevention. The primary benefit cost ratio is 1.1. Total and Federal estimated costs are $2,800,000 and $1,350,000, respectively.

Kickapoo Nations Watershed, Oklahoma

This watershed area of 165,300 acres is located in Lincoln and Oklahoma Counties. The watershed work plan is formulated to provide watershed protection, flood prevention, municipal water supply and recreation. Principal measures include soil conservation practices, 19 floodwater retarding structures, one multiple-purpose structure and 25 acres of wildlife habitat mitigation features. The storage capacity of the structures is 46,800 acre-feet. The primary benefit-cost ratio is 1.7. The Federal cost is estimated to be $7,710,000 which is a part of the total cost of $11,740,000.

Robinson Creek Watershed, Oklahoma

The Robinson Creek watershed of 40,320 acres is located in Lincoln County. Project plan purposes are watershed protection, flood prevention, municipal water supply and recreation practices, 10 floodwater retarding structures, and one multiple-purpose structure. The total capacity of the structures will be about 10,740 acre-feet. The primary benefit-cost ratio is 1.2. Total and Federal costs are estimated at $5,640,000 and $3,760,000, respectively.

Upper San Marcos River Watershed, Texas

This 60,780 acre watershed is located in Comal and Hays Counties. To provide watershed protection, flood prevention and recreation, the plan requires 5 floodwater retarding structures and public water based recreation facilities. The capacity of the structures is 18,900 acre-feet. The primary benefit-cost ratio is 2.2. The Federal cost is estimated to be $4,450,000 out of a total cost of $5,910,000.●

U.S. POLICY IN EUROPE

● Mr. KENNEDY. Mr. President, this has been an important year for Europe. During the past 6 months Pope John Paul II has returned to his homeland, Poland, for a momentous visit; President Carter and Premier Brezhnev have met in Vienna for the historic signing of the SALT II Treaty—a treaty that all the governments of Europe support; the European Community has successfully launched the new European Monetary System and conducted the first democratic elections to ever be held for an international political body, the European Parliament.

George S. Vest, Assistant Secretary of State for European Affairs, explored these recent developments and related their significance to the United States in his recent testimony before the House Foreign Affairs Subcommittee on Europe and the Mideast. Mr. Vest is a longtime observer and participant of European affairs. Among other posts, he has served as Director of the Bureau of Politico-Military Affairs as well as Deputy Coordinator for Security Assistance. In addition, Mr. Vest was assigned as Deputy Chief of Mission to the European Communities and, later, as Deputy Chief of Mission to NATO.

In his testimony, Mr. Vest noted that—

U.S. relations with Europe are the cornerstone of American foreign policy. Through pursuit of shared aspirations with the nations of Western Europe and Canada, we seek to assure strong defense and fullest possible economic and political opportunity for our citizens. Through promotion of detente with the countries of Eastern Europe and the Soviet Union, we try to curtail dangerous competition and expand constructive cooperation.

I join Mr. Vest in his support for greater cooperation—

Because the problems are so great and because the need for cooperation is so clear, we have to put primary emphasis on working together.

Whether in such important areas as trade, energy, defense or economic policy, United States-European cooperation must continue to grow.

Mr. President, I ask that the full text of Assistant Secretary Vest's thoughtful testimony before the Foreign Affairs Subcommittee be printed in the RECORD.

The material follows:

REVIEW OF U.S. POLICY IN EUROPE

Mr. Chairman and Members of the Committee, I welcome this opportunity to discuss with you the state of U.S. relations in Europe. I know that your overriding concern is U.S. policy:

What are our main objectives?

What have we achieved?

What remains to be done?

It is with an eye to those central issues that this annual review is addressed. The succinct answer to your questions is that U.S.-European relations are in good shape.

We have reaffirmed and reinforced our commitment to the traditional principles of U.S. policy and to our transatlantic partners.

We continue to stress items of highest priority for the U.S. national interest: Western solidarity, the military defense of the West, economic well-being, the preservation and development of democratic institutions in Western Europe, and the promotion of constructive relations with the diverse countries of Eastern Europe.

We are working together with the governments of Western Europe and Canada on

major issues of mutual concern. They have, for example, expressed strong support for SALT II and they recognize the continuing need to cooperate on the economic challenges before us all.

To elaborate on these larger themes that pervade recent and current U.S. policy toward Europe, I will start with a discussion of our role vis-a-vis the major institutions of Europe. I will then move to discussion of our bilateral ties with Western European and non-aligned nations and Canada. I will conclude with a summary of the evolution of our relations in Eastern Europe.

WESTERN MILITARY SECURITY

Concern for the security of our citizens remains fundamental to U.S. foreign policy. In that regard, the American role in the North Atlantic Treaty Organization (NATO) is central. This year we celebrated the thirtieth anniversary of an alliance which, according to President Carter, has "successfully deterred war and maintained stability in Western Europe and North America, thus securing the well-being and prosperity of its fifteen member states."

NATO's main purpose is, in the words of the North Atlantic Treaty, "to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law," and "to promote stability and well-being in the North Atlantic area." NATO's basic means to achieve these goals are to deter war in the North Atlantic Community, and to defend its member states, if deterrence fails, by sustaining the credibility of NATO's strategy of forward defense and flexible response based on a triad of conventional, tactical nuclear, and strategic nuclear forces.

U.S. policies to carry out this strategy center, in the first instance, on the modernization of theater nuclear and conventional forces. These improvements are required in order to maintain the credibility of NATO strategy in the face of Soviet theater nuclear and conventional force improvements over the past decade. U.S. policies toward NATO, in the second instance, aim at restraining arms competition in strategic theater nuclear, and conventional armaments.

We carried out continuous consultations with our NATO partners on the strategic arms limitations talks and we coordinate closely with them on MBFR and other arms control initiatives. Thus, U.S. policy toward NATO offers the Soviet Union and its allies an alternative to an unrelenting force buildup, while NATO force improvements offer them an incentive to move forward on this option.

Equally important, the U.S. pursues these policies in NATO in a way that preserves political cohesion among members of the Alliance. It is in the interest of NATO solidarity that we consult continuously with our Allies, not only on the issues of arms control, but also on global issues where the national interests of the U.S. and its allies intersect.

The impact of U.S. policy on this institutional cornerstone of Western security is impressive. We held a Ministerial meeting recently at which there was a most useful exchange of views. We are confident that our effort to help shore up NATO's defenses, renewed after long concentration on Southeast Asia, is making headway:

On conventional forces, the NATO summit a year ago approved the Long-Term Defense Program (LTDP). It provides programmatic remedies for such deficiencies in conventional forces as anti-armor, reenforcement, reserve mobilization, maritime, air defense, and logistics. Complementing the LTDP was the NATO Summit's commitment to the goal of three percent real annual increases in members' defense spending. Needed improvements could not have been made on the basis of existing levels of defense expenditure. The summit also approved Alliance cooperation in the development and production of armaments in order to bring about greater standardization and interoperability of NATO arms and greater efficiency in the employment of economic resources.

On theater nuclear forces (TNF), the LTDP gives impetus to consultations with Allies on the need to modernize. The question has taken on particular importance in view of the continuing deployment of Soviet long-range theater nuclear systems targeted on Western Europe, such as the SS-20 missile and the Backfire bomber. These consultations, carried on in the NATO Nuclear Planning Group's High Level Group (which we chair), are moving toward recommendations for TNF modernization. In parallel with this process, we are consulting with our Allies on theater nuclear arms control measures in the Special Group, which the U.S. also chairs

On strategic arms limitations, we have consulted closely with our European Allies and Canada over the course of the recent years to ensure that the SALT II Treaty protects and enhances their security. The consultations have focused on Treaty issues of particular interest to the Allies, such as the Protocol cruise missile restrictions and the non-circumvention provision. European leaders made clear their support for SALT II at the Guadeloupe Summit last January, in individual government statements in the intervening months and, most recently, at the NATO Foreign and Defense Ministers' meetings in May and after the NATO Council reviewed the Treaty on June 29.

I could not give a comprehensive review of our NATO policies without touching on the question of enhanced radiation warheads, the so-called "neutron bomb." This defensive tactical nuclear weapon was designed to counter an enemy tank assault with a nuclear warhead which would cause less collateral damage than existing nuclear weapons. The President decided in April 1978 to defer production of the weapon, but to modernize tactical nuclear forces in such a way as to leave open the option of adding it at some future time, depending on Soviet restraint.

In addition to the defense side of our policy toward NATO, we have, on the political side, sustained the vital consultative process on issues of mutual concern. East-West relations, the Mideast, China, Southeast Asia, and Africa have been prominent among the questions of foreign policy we have addressed in the NATO council, often with special experts sent from Washington for the meetings.

The need to preserve political cohesion in NATO, while a truism, can never be taken for granted, precisely because we are an Alliance of fifteen sovereign equals. And, the greatest single burden in this respect falls on the U.S. It is, in part, for that reason that President Carter has met three times with the North Atlantic Council. Our leadership is an imperative. Further, the manner in which we lead influences NATO's cohesiveness, as well as its effectiveness.

The fact that NATO's basic fabric is strong and resilient in 1979 is a signal achievement. It may be a greater accomplishment now than it was in 1959 or 1969 when we were in the midst of, or were just emerging from, the Cold War. To have preserved the commitment of NATO's fifteen members to the Alliance has been a difficult challenge in an increasingly multipolar world where defense and detente have been our declared policy since 1967. And, it has been all the more difficult for NATO to confront collectively the unprecedented, broad range of divisive issues that face the West today.

Finally, the very success of our efforts to preserve Western security begets new challenges. On the defense side, our success in achieving Alliance agreement on how to respond to the Warsaw Pact conventional and theater nuclear challenge leaves the need to follow-through with implementation of agreed decisions. More particularly:

On the LTDP, the U.S. must lead the effort for vigorous follow-through on the 123 conventional force improvement measures approved at the NATO Summit a year ago.

On improved cooperation in NATO armaments, U.S. leadership will require imagination and face hard choices, given the economic as well as military implications of this issue. The Executive branch intends to work closely with the Congress and with U.S. business and industry.

Similarly, carrying out the goal of a three percent increase in defense expenditures will necessitate equally tough choices. If we fail to fulfill our commitments, our Allies are likely to find it impossible to convince their own publics and parliaments of this need.

On theater nuclear force modernization, we will continue to consult closely with allies, looking to NATO decisions near the end of the year.

Close consultations will be the order of the day for SALT III.

On the political side, the current effectiveness of our intensive consultations in NATO does not relieve us of the task of maintaining that process. It is a primary necessity for NATO, as well as for our own foreign and security policies. And, needless to say, we in the Executive Branch attach comparable importance to the need to continue to consult with the Congress as we move ahead on issues vital to U.S. security.

WESTERN ECONOMIC WELL-BEING

There can be no enduring military security without a sound basis in economic strength. Recession can imperil the defensive underpinnings of the alliance and the political stability of its member states. Concern about economic issues in general and energy in particular ranks uppermost in the minds of Europeans, as much as with most Americans.

How to deal with shared economic problems is thus a major consideration in U.S.-European relations. Because the problems are so great and because the need for cooperation is so clear, we have put primary emphasis on working together. Recognition of the necessity for close consultation on shared challenges to our economic well-being is the basis for holding Economic Summits and it accounts for the special emphasis we place on working with two major multilateral institutions: the Organization for Economic Cooperation and Develoomnt (OECD) and the European Community (EC).

We have made a concerted and continuing effort to underscore the role of the OECD as a major forum for cooperation among the industrialized nations. At the June 13–14 OECD Ministerial meeting, Deputy Secretary of State Warren Christopher, Secretary of the Treasury Michael Blumenthal, and Council of Economic Advisers Chairman Charles Schultze headed the U.S. delegation. They focused on the need to grapple collectively with such problems as sustained non-inflationary economic growth, payments imbalances and the International Monetary situation, energy, the North-South dialogue, and structural change brought about by changes in technology and relative prices, as well as shifting patterns of world production and trade.

Using the OECD as the principal forum, we have engaged in extensive consultations with the EC nine and other European countries on North-South issues. We have been successful in building support for U.S. views and in achieving a common position among the OECD member countries in meetings such as the recently concluded UNCTAD V Session in Manila. This time, the industrialized countries had a cohesive approach and we avoided acrimonious disputes with our allies.

The International Energy Agency (IEA), an independent agency within the OECD framework, is the principal forum for consumer country cooperation on energy matters. As recent price and supply developments illustrate, there is a need to maintain a united consumer country position and for careful management of the situation. The IEA ministerial meeting, May 21–22, reconfirmed the decision for members to adopt measures to reduce their collective demand for oil by two million barrels per day, or by about five percent of anticipated 1979 IEA demand. The ministers decided to continue such efforts in 1980 and agreed on a set of policies and principles for enhancing coal utilization, production and trade. France, although not an IEA member, has adopted parallel conservation measures. The EC is an IEA participant and the EC energy program has reflected IEA recommendations. The Tokyo Summit commitments to limit oil imports are based upon the IEA program.

A substantial package of economic assistance for Turkey has been developed within the OECD framework, with the Federal Republic of Germany and OECD Secretary General Van Lennep playing key lead roles. A pledging session Paris, May 30, resulted in commitments in excess of $900 million over the next year in the form of concessional credits, export credits, and grants. The U.S. share is approximately $250 million, subject to Congressional authorization and appropriation. The pledging of these funds has facilitated the completion of an agreement between the Turkish Government and the IMF on appropriate economic policies. We expect to receive formal IMF approval later this month.

U.S. support for the progress of European integration, exemplified by the evolution of the European community, remains strong. We consider progress toward European unity of primary importance for Europe, for the west and for the world. At the same time, we believe that European unity must be achieved by the Europeans themselves. It is in that spirit that we follow with interest such milestones in the move toward European unity as the establishment of the European monetary system (EMS), the enlargement of the community to include nations of southern Europe, and the holding of direct elections to the European parliament. We view these developments and others as reflections of the growing habit of Europeans to think and act in the European context.

We welcome the EMS, launched on March 13, 1979 by all EC members except the United Kingdom. It is an effort to stabilize intra-EC exchange rates and to provide additional resources to counter exchange speculation. It is a major Franco-German political initiative, designed to stabilize European currencies and, incidentally, to foster European economic integration. Its long-term success will depend on the member states' ability to harmonize their economic policies.

We applaud the signing of a treaty of accession for Greece on May 28, 1979. After ratification by all the national parliaments, Greece is expected to become the tenth EC member on January 1, 1981. Portugal and Spain have also applied for membership and substantive negotiations are expected to begin this fall, with entry into the EC as early as 1982–83. The primary motivation for EC enlargement is political: To bind the newly democratic applicants to the more advanced European democracies and thereby enhance their political and economic stability.

We consider the first elections to the European parliament, June 7–10, a significant step forward for Europe. The shift to direct elections will not increase the limited advisory and oversight powers of the parliament, but the new legislators will adopt a higher profile than their appointed predecessors and will gradually seek to expand their influence. We hope that, in due course, the present ties between the Congress and the European parliament can be strengthened to reflect the significance of the June elections.

In addition to expanding U.S. activity in the OECD and increasing cooperation with the EC, there are other developments in the economic realm that merit mention. We continue to participate in economic summits as one of several means to buttress joint action for economic well-being. The economic summit in Tokyo was a crucial opportunity to focus on such priority issues as energy. In the area of energy, the most important decisions revolved around the commitment to set national ceilings for oil imports for 1980 and 1985 and to ensure adequate resources for the development and commercial application of technologies for alternative sources of energy. Both the OECD, including the International Energy Agency, and the European Community will play a significant role in the follow-up to the commitments made by the Summit participants. Although energy was the key issue discussed at the Tokyo Summit, the participants also made commitments to do more to improve the long-term productive efficiency and flexibility of their economies, to implement the agreements reached in the Tokyo round of the Multilateral Trade Negotiations, to achieve durable external equilibrium, and to pursue constructive North-South relations.

After years of arduous bargaining, we have achieved the successful conclusion of the Multilateral Trade Negotiations (MTN). U.S.-EC negotiations lay at the heart of the MTN because of the community's weight in world trade. We have, in consultation with the Congress, prepared the necessary U.S. implementing legislation. We will be consulting closely with the EC and other European countries to ensure that their implementing regulations and legislative procedures are a comprehensive and accurate reflection of the agreements reached at Geneva. With ratification, we will have to put the new rules into practice through revised GATT procedures and thus be able to deal with trade disputes over the coming decades.

Over the past year, we have been working closely with our European allies to arrive at reasonable solutions which balance proliferation concerns with energy needs. The international nuclear fuel cycle evaluation (INFCE) is part of this process. In addition, as required by the 1978 Nuclear Non-Proliferation Act (NNPA), we are negotiating a new nuclear cooperation agreement with the EC and hope to conclude a new agreement sometime next year after the end of INFCE. We are also working with the EC and the International Atomic Energy Agency (IAEA) in Vienna to accelerate the conclusion of facility inspection arrangements between the EC and the IAEA.

BILATERAL RELATIONS WITH WESTERN EUROPEAN NATIONS, CANADA, AND THE NON-ALIGNED

Although the United States places significant emphasis on using multilateral institutions to help foster western military security and economic well-being, we must, at the same time, deal with our European counterparts and non-aligned nations effectively on a bilateral basis. Here—as with NATO, the OECD and the EC—we are searching together for solutions to problems that affect both Europeans and Americans.

We have deepened mutual understanding on bilateral policy issues with the Federal Republic of Germany through intensified consultation. Of particular note during the last year were the President's highly successful state visit to the FRG in July 1978 and Chancellor Schmidt's visit to Washington last month. The Chancellor has countered reports of a deterioration in U.S.–FRG relations in major speeches in Germany and during his June 1979 visit in the United States. In a speech at the University of South Carolina, for example, he emphasized that firm U.S.-German ties are a reliable feature in today's international affairs, and that "the focus of our relations is no longer on a purely bilateral relationship but on the wider tasks and responsibilities which we share." He has expressed strong support for the President's efforts to achieve lasting peace in the Middle East and for the prompt conclusion and ratification of SALT II. Areas of U.S.-West German relations requiring continued special attention include military-security policy, east-west relations, the coordination of economic measures, and policies on nuclear energy and export.

We continue to have a positive relationship with France, based on mutual respect and exemplified by the recent Washington visit by French Foreign Minister Francois-Poncet and effective consultations with the French during their term in the EC presidency this year. We recognize that, in its role as a major power, France has its own views on such questions as peace in the Middle East, organizing assistance for Africa, conventional disarmament in Europe, oil price ceilings and export credit competition. All of these questions are under extensive discussion, as are such questions as nuclear nonproliferation where there is now a greater identity of view. The important underlying factor in all these questions is that French and U.S. basic objectives in the world are similar, while we sometimes seek their achievement along different but parallel paths.

Since I talked with your committee last year, the conservative party in Great Britain has returned to power. Prime Minister Thatcher's victory, May 3, has given her party a solid working majority in Parliament and a strong mandate to try a Tory approach to dominant domestic economic issues. We expect our close ties with Britain to continue, as we work together on problems of mutual interest, especially those regarding Western security and southern Africa. If differences of view on some specific issues should emerge between us and the new British Government, we are confident that they will be resolved through the close and continuing cooperation that has long existed between our two countries. The Administration's dealings with the new British Government got off to an excellent start when Secretary Vance visited London, May 20–24. The President and Mrs. Thatcher met in Tokyo for the Economic Summit last month.

We remain distressed by the continuing violence in Northern Ireland which, although below the level of several years ago, still claims lives with tragic regularity and disrupts social peace and economic progress. As President Carter has said, our policy on Northern Ireland is one of impartiality and we recognize that the only permanent solution must come from the people who live there. Given a settlement acceptable to both parts of the community, we would be prepared to join with others to see how job-creating investment could be encouraged for the benefit of all in Northern Ireland.

We, of course, continue to enjoy close ties with the Republic of Ireland and are pleased to witness its continuing economic growth. We welcome Ireland's increased activity on the world scene, as evidenced by its contribution of troops to UN peacekeeping efforts in Lebanon and its assumption of the presidency of the European Economic Community for the second half of this year. We look forward to the visit of Prime Minister Lynch this November. That occasion will give us the opportunity to consult with him in his dual capacity as head of government and president of the Council of Ministers of the European Community.

We have continued our traditionally close ties with the nations of the nordic area.

an area of growing strategic significance in the light of the steady build-up of Soviet forces on the nearby Kola Peninsula. Vice President Mondale's trip to Northern Europe in April 1979 demonstrated the solidarity of our NATO links to Iceland, Norway and Denmark. On the same journey, he visited Sweden and Finland as visible evidence of our respect for these nations and their policy of neutrality, which also contributes to the stability of the northern region. The Vice President's trip to Northern Europe was the first undertaken of that scope and at that level since Lyndon Johnson visited the area as Vice President in 1963.

Although the Nordic countries have differing security policies, they share common concerns with each other and with the United States on such global issues as human rights, East-West relations, arms control, UN peacekeeping, the Middle East, and economic development of the third world. Vice President Mondale's trip provided an opportunity for high-level consultation on these world issues where the Nordic countries play a leading role, and where their advice and support are important to us. The visit last month to Washington of Norwegian Prime Minister Nordli of Norway was a welcome reaffirmation of this process. Both in our talks and in public statements, Nordli stressed Norway's "close commitment" to NATO and emphasized that "SALT is an important element in the evolution of East-West detente."

Our relations with the Benelux countries continue to be excellent and largely free of bilateral problems. We welcome their contributions to NATO defense and to peaceful solutions to common problems, both political and economic. Examples of these include the Belgian contribution to stability in Zaire and the Dutch contribution of troops for the UN forces in Lebanon. The Vice President's visit to the Netherlands in April underlined the importance we attach to that country and the rest of the Benelux.

U.S. policy goals in Spain remain to support Spanish democracy and Spanish integration with the rest of Western Europe and to maintain our mutually beneficial security relationship. Our cooperation under the 1976 treaty of friendship and cooperation contributes to the security of both nations and makes an important contribution to the defense of Western Europe and the Mediterranean. Spain has made tremendous progress in its transition to democracy in the face of serious political and economic difficulties. Having adopted a new democratic constitution and carried out both national and local elections since December, the country is about to enter a challenging post-transition phase of political life in which fundamental issues, such as economic policy, basic implementing legislation, and regional autonomy, must be addressed. Of particular seriousness is the problem of the continued, brutal terrorist campaign to destabilize Spanish democracy. Our support for Spain, as manifested by the administration and the Congress, and by our close relationship, assists the Spanish people in their efforts to realize the democratic ideals we share. Secretary Brown visited Madrid in mid-May. On June 1, Secretary Vance co-chaired a meeting of the U.S.-Spanish council in Madrid and met with the King and Prime Minister.

U.S. relations with Portugal continue to be excellent. Our governments' shared goals of democratic consolidation and professionalization of the military were recently highlighted and reinforced during visits to Portugal by Secretary of Defense Brown and Senator Edmund Muskie and a meeting between Secretary Vance and the Portuguese foreign minister at The Hague. Secretary Vance stopped in Lisbon, June 18–19, to sign the extension of the Azores base agreement. With the May 30 passage of the budget, Portugal can also look forward to resuming negotiations with the IMF on a third credit tranche standby. The fourth constitutional government headed by Prime Minister Mota Pinto submitted its resignation on June 6 but will remain in caretaker status until a new government is formed or elections are held. The debate over the formation of any future government is, however, distinguished by the continued firm commitment to the democratic process and by a common willingness to seek a reasonable compromise to solve present problems.

Our important interests in Italy remain what they have been since the war. Italy's strategic position in Southern Europe and the Mediterranean, her willingness to host American military bases dedicated to NATO, her nearly total support for American foreign policy positions and her status as a major U.S. trading partner underscore the value of good U.S.-Italian relations. Over the past year and a half, we have tried to reinforce our close relationship with Italy by pursuing a "strategy of cooperation" comprising concrete, mutually beneficial projects in such diverse fields as energy, health and the environment. The program stresses medium- to long-range efforts to assist the Italians to solve their serious problems, to solidify our relations for the future, and to take advantage of Italian expertise in areas where they are advanced, like solar energy. We have also encouraged high level visits between our two countries, the latest being that of Secretary Vance less than six weeks ago.

Elsewhere in the eastern Mediterranean, the United States continues to work for stability in the area, including good relations with Greece and Turkey, progress towards a Cyprus solution, and the general strengthening of democracy among the countries of the region. During the past year, there have been significant developments in all of these areas:

With regard to Cyprus, the administration has been actively engaged over the past year in seeking to promote an early and effective resumption of intercommunal negotiations. The centerpiece of this effort was the series of substantive suggestions that we submitted to the two Cypriot parties last November 10, in conjunction with the British and Canadian governments. We are gratified that our efforts and the initiative undertaken by UN Secretary-General Waldheim resulted in an agreement to resume intercommunal negotiations, June 15. Unfortunately, these talks have run into temporary difficulties over the agenda and have now been recessed. We hope, however, that these difficulties will be overcome soon and that we will see sustained and productive negotiations leading to concrete progress towards a mutually-acceptable settlement. As in past months, we will work closely with the United Nations, the Cypriot parties and our Allies to help ensure the success of these talks.

Turkey continues to be plagued by serious economic problems. We have worked to help solve them by proposing a substantial U.S. assistance program, as well as by working with other countries in a multilateral effort led by the Federal Republic of Germany to provide Turkey with needed foreign exchange so that necessary steps can be taken by the Turkish government to start on the road to economic recovery. As I noted earlier, the multilateral effort is proceeding well. Our security relationship with Turkey has also improved. In response to the lifting of the arms embargo, the Turkish government, on October 9, 1978, authorized the resumption of U.S. military activities in Turkey.

The authorization was for a one-year period during which a permanent arrangement for the operations of the activities is to be negotiated. Formal negotiations began on January 18, 1979 and are continuing. They involve several complex issues and much work remains to be done, but we are confident that we will work out a mutually satisfactory agreement.

Discussions are continuing within NATO to develop arrangements for the reintegration of Greek forces into the Alliance's integrated military structure. As you know, Greece withdrew her forces in 1974 at the time of the Cyprus events. In the interim, there have been command changes on the southern flank which make necessary new command and control arrangements in the sensitive Aegean area. The issue has been handled in NATO military channels with General Haig playing a key role in his capacity as SACEUR. The retirement of General Haig will not halt the process. As we have stated repeatedly, we believe it is important to secure the return of Greek forces at the earliest possible time. Greece, in the meantime, is enjoying a continuing period of economic vitality and democratic strength, as demonstrated by her signing a treaty of accession to the European Communities. That development contributes to one of our major policy goals, stability in the vital eastern Mediterranean area.

U.S. relations with Canada are excellent. We enjoyed close working relations with the Trudeau Government and look forward to continuing close cooperation with prime minister Joe Clark. We particularly value the cooperative approaches to the energy challenge which we have effected with the Canadians, as well as cooperation on such global concerns as the Cyprus dispute, Southern Africa, the Mideast peace effort, and assistance for Indochinese refugees. We are gratified by Prime Minister Clark's reaffirmation of Canada's commitment to NATO and the North American Air Defense Command (NORAD) and his indication that Canada should increase defense spending. Finally, we hope that long-standing differences on fisheries and boundary issues in the Gulf of Maine will be resolved by two treaties signed last March, agreements that we hope will be considered and approved promptly by the Senate.

Our good relations with Switzerland have been bolstered in recent months by visits from the Swiss Minister of Defense, Gnaegi, and the Minister of Foreign Affairs, Aubert. Both visits went smoothly. While reaffirming their own stance of armed neutrality, the Swiss have shown support for most aspects of U.S. foreign policy. We have a modest but important defense relationship with them, including co-production arrangements for some US. weaponry.

U.S. relations with Austria are essentially troublefree. We respect Austria's neutrality under the 1955 State Treaty; at the same time, we admire her democratic development and prosperity. We support the Austrian desire to make of Vienna a third UN city and we are grateful for Austrian hospitality in connection with the summit conference held there in June.

U.S. relations with nonaligned Yugoslavia have continued to improve across the board, as both sides have demonstrated a conscious effort to resolve differences and to build a climate of trust for the present and the future. President Tito's state visit to Washington in March, 1978 provided the opportunity for in-depth discussions. This dialogue has continued through a dozen or so letters between the two Presidents and through frequent consultations. Other Yugoslav visitors have included Assembly President Markovic and Defense Secretary Ljubicic. From our side, several cabinet-level officials have visited Yugoslavia or are planning to this year. In the economic area, we have made significant efforts to increase trade and to improve further the climate for U.S. business in Yugoslavia. The U.S. is Yugoslavia's fourth largest trade partner and is first in the value of joint ventures, but we are convinced that both trade and investment can be increased further. In scientific affairs, the two sides recently reviewed the achievements of the

Joint Science and Technology Program over the past five years, but the future of this highly successful program is clouded by the prospect that the U.S. may be forced to cut its contribution to about one-third of the level of the past five years. On the cultural side, Joan Mondale recently opened a major exhibit of American arts in Belgrade. Mrs. Mondale also visited the earthquake-stricken Republic of Montenegro. Following the severe earthquake, April 15, the U.S. mobilized a major disaster relief effort which resulted in the prompt delivery of nearly $1.3 million worth of relief supplies.

We are currently in the process of working out a program of longer-term rehabilitation and reconstruction assistance. All of this activity is in support of a policy which has remained consistent through every Administration since 1948: We support Yugoslavia's independence, territorial integrity, and unity. But, in addition, we are trying to move our relations towards broader interchange, mutual understanding and confidence.

EVOLUTION OF EAST-WEST RELATIONS

Much that the United States pursues with the nations of Western Europe, Canada, and Yugoslavia reflects our shared interest in fostering improved East-West relations. The Carter Administration has devoted substantial high-level attention to this area of concern. Since I understand that you will be holding separate hearings on U.S. relations with the Soviet Union and SALT, I will focus on U.S. policy toward Eastern Europe.

We are grateful to this Subcommittee and to you, Mr. Chairman, for your initiative in convening hearings last year on recent developments and trends in Eastern Europe. The statement which then Deputy Assistant Secretary Luers presented to you, September 7, remains valid as a comprehensive account of U.S. policy and objectives toward the region. As Mr. Luers indicated then, we are mindful of the increased diversity in Eastern Europe and, at the same time, of the importance of contributing to the security of all of Europe in pursuing our policies. Thus, we intend neither to leave our relations with Eastern Europe hostage to relations with the Soviet Union, nor to conduct a policy that is reckless and destabilizing.

In Eastern Europe, we have continued to make progress toward more normal relations with individual countries. We have expanded and intensified human contacts, trade, cultural and scientific exchanges, and discussions of political and security issues. Our approach is designed to recognize and support the sovereignty and individuality of each Eastern European nation in its domestic and foreign affairs.

During the past eighteen months, our relations with Romania, Poland, and Hungary have been particularly active and fruitful. For example, with Romania, which pursues an independent foreign policy in many respects, we have conducted a useful dialogue on a broad range of international political and economic issues. These discussions were given special impetus during President Ceausescu's visit here in April, 1978, and by subsequent visits to Romania by Secretaries Blumenthal and Kreps. With Poland, official and non-governmental exchanges continue to develop, and the level of our two-way trade rose to over $1 billion last year. Earlier this week, Polish Foreign Minister Emil Wojtaszek visited Washington for an extensive review of bilateral and international issues. And, U.S.-Hungarian relations continued to improve, as demonstrated by successful conclusion last year of a bilateral trade agreement extending Most Favored Nation tariff treatment to the exports of both countries.

With Czechoslovakia our first priority continues to be a satisfactory resolution of the nationalization claims of U.S. citizens. Following consultations with the Congress, we hope to be able to initiate new talks on this long-standing problem in the coming months. Our relations with Bulgaria have continued to show gradual improvement, although progress in family reunification has been slower than we had hoped.

The U.S. is continuing to try to develop improved relations with the German Democratic Republic. We recently completed negotiation of a consular convention with the GDR in which, to our satisfaction and that of the FRG, we successfully defended the position that there is a single German nationality. When the convention has been signed, the way will be open for some modest development of our relations with the GDR. For example, the GDR will then be allowed to open two trade offices in New York. We will continue to stress claims, our desire for more action on divided family cases, and the need for a general improvement in their emigration record.

Of course, we continue to have certain fundamental differences with the governments of the Eastern European countries. We are concerned about the lack of democratic institutions, about uneven observance of human rights, and issues such as divided families and denial of freedom of movement which directly affect many American citizens. But, it is also clear that the expansion of U.S. relations with these countries has enhanced our ability to talk candidly with their governments about these and other issues. During the past months, for example, we have had constructive consultations with Eastern European governments concerning further progress in implementing all aspects of the Helsinki Final Act, and we expect to continue to use these bilateral exchanges as we approach the Madrid Review Conference for the Conference on Security and Cooperation in Europe (CSCE).

Indeed, continuing attention to the CSCE process has been an integral part of U.S. policy in the area of East-West relations. Our objective in the CSCE is to achieve full implementation of the Helsinki Final Act and thereby reduce international tensions, improve observance of human rights, and solve some of the human problems caused by the political differences among European states. Progress has been slow and there have been many setbacks. Yet, we have seen some efforts by all signatories to implement the Final Act, and thus believe that sustained attention to carrying out the commitments undertaken in Helsinki will have a positive effect.

The first meeting for review of implementation, held in Belgrade, ended in March 1978. That meeting achieved our major aim of providing a full and complete review of the follow-through on the Helsinki Accords. The time since the Belgrade meeting has been devoted to a series of experts meetings, to prepare a Scientific Forum, to discuss peaceful settlement of disputes, and to consider economic, cultural and scientific cooperation in the Mediterranean.

In addition, the United States, its allies, and the other participating states in the CSCE have now turned their attention fully to the review meeting to be held in Madrid in 1980. The U.S. has held bilateral consultations, using the Final Act as a framework, with Austria, Bulgaria, Finland, the German Democratic Republic, Hungary, Poland, Romania, Spain and Switzerland. Consultations were recently held with Yugoslavia and Sweden. We have also had the first of a long series of discussions on the Madrid meeting in NATO. We anticipate that these consultations will continue throughout the period leading to Madrid. At that meeting, the United States favors seeking a review of implementation of the Final Act and consideration of a limited number of new proposals. Any new proposals should be balanced to reflect the major concerns of the Final Act. We would not favor, for example, adopting new proposals in the military area without including new humanitarian measures.

CONCLUSION

Concern with security and the importance of the individual brings me full circle in this tour d'horizon of U.S.-European relations. Several points of particular import emerge from this summary of Western military security, Western Economic well-being, bilateral relations with individual nations, and the evolution of East-West relations.

First, U.S. objectives in Europe are clear. We have a firm sense of overall direction and priority. We consider U.S. relations with Europe the cornerstone of American foreign policy. Through pursuit of shared aspirations with the nations of Western Europe and Canada, we seek to assure strong defense and fullest possible economic and political opportunity for our citizens. Through promotion of detente with the countries of Eastern Europe and the Soviet Union, we try to curtail dangerous competition and expand constructive cooperation.

Second, active and sustained pursuit of these goals has helped serve important U.S. interests. Relations with the nations of Western Europe and Canada are sound. Although much of the rest of the world is torn by turmoil, there is institutional stability and a sense of communal progress in the west. Since I last met with you for a review of U.S.-European relations, there have been elections in ten European countries. Transitions have been orderly, both in terms of the changing of guard from one government to the next and in terms of continuing American cooperation with new heads of government. For the first time in its history, all members of NATO are democracies. We have resisted retrenchment into national reaction to challenges that transcend borders. We have, instead, reached out to work together on mutual problems for mutual benefit. It is for that reason that NATO is strong and growing stronger, and that we have resisted the worst protectionist pressures in a generation in order to try together to shape a healthier world economy. At the same time, we have achieved continuing success in building more normal relations with Eastern Europe—relations that reflect the diversity of the area, our interest in security, and our concerns with fundamental human rights.

Third, we recognize that, despite some achievements to date, much remains to be done. The problems before us—most notably, those in the area of economics and energy and those in the sphere of East-West relations—are complex. Bilateral frictions persist. Uncertainties exist within some European nations, especially those in the Mediterranean area. We are, however, determined to persist in the pursuit of vital U.S. objectives. And, we feel confident that we can succeed. As Secretary Vance stated in his address on "The U.S.-European Partnership," December 9, 1978:

"We have passed through a particularly difficult period during the 1970's. But we have navigated these turbulent waters. Although the course ahead remains demanding, the progress we have made should give us great confidence in our future." ●

SOME THOUGHTS ON ENVIRONMENTAL QUALITY AND ENERGY LEGISLATION

● Mr. MUSKIE. Mr. President, voices are urging that the goal of energy inde-

pendence take its place among the symbols that capture our national aspirations and direct our talents. The call to lessen our dependence on foreign oil will affect other important goals. These include international cooperation, reduced inflation, and environmental quality, among others.

The effect on other goals could be positive. But if we make a desperate grab for anything that glimmers as a new domestic energy source, then the effects will surely be negative.

President Carter has proposed sweeping initiatives in energy policy. We need these proposals as a catalyst to stimulate national activity and create a sense of urgency.

The Founding Fathers anticipated the need for a strong President to provide such leadership. They tried the weak Articles of Confederation and found that arrangement wanting.

They also demanded a strong legislature—one that could question Presidential initiatives, examine their strengths and weaknesses, and lead the national debate. That is what is presently occurring in the SALT hearings.

And that must also happen with energy initiatives now pending in Congress.

Before we stampede in any direction, we must ask further questions on energy costs, on environmental and health effects of energy production, on procedures for achieving increased energy production, and on alternative energy sources.

COST CONSIDERATIONS

Have we really come to grips with the costs of producing new energy supplies?

In a decade's time, President Carter would like to spend $142 billion in order to reach energy independence.

Are the monetary priorities of these goals in the proper order?

Are these cost estimates accurate?

Will the synthetic fuels be produced at what we believe to be reasonable prices?

What are the extra costs that will surely surround any massive energy proposal? New systems for coal transportation? New methods to dispose of hazardous wastes? New aid to energy boomtowns? Large amounts of capital and personnel will surely be shifted in the direction of these goals.

Under each program listed, what is the cost of a barrel of oil (or equivalent)? Would it not be useful to rank proposals in this fashion?

Economists know that the amounts of capital we are talking about in these proposals will have a tremendous effect on every aspect of our society. Alan Greenspan has said:

> I'm not saying we shouldn't do it, but it's how we do it that's critical. If we blunder our way into a blank check project, we could find ourselves short of capital in other areas.

COAL USE AND SYNTHETIC FUELS

The expense of synthetic fuels cannot be measured in dollars alone. It must also be measured in terms of its effect on the entire economy and the environment as a whole.

How would the recent energy proposals affect the environment of our land and the health of our citizens?

The task to prevent great environmental and health damage from increased energy production will be formidable.

How large is the pollution potential from these sorts of facilities? A recent report from the Library of Congress indicates that "the concentration of pollutants at the processing site will be large and the potential for contamination of the local environment will be great."

What would it take to cut pollution in half from synthetic fuel plants? Are our national efforts being directed to that purpose?

At a Senate symposium this week, I heard testimony from a panel of scientists from around the world who warned of the drastic environmental impact that the release of carbon monoxide through coal burning could have on the Earth's climate in less than two decades. Should we proceed without better information on such an important point?

What about the pollution which comes from the production of oil from shale?

Both the on-surface production and in situ methods of melting the oil out of the shale produces great amounts of toxic wastes which pose threats to miners and groundwater supplies.

Can the control technology available to the petroleum industries handle these major threats? If not, what do we do with the hazardous waste?

Why have synthetic fuel plants not been built on a commercial scale before?

Should the Nation build a small number of these first to test out the technology, the environmental impact, and the cost?

Will the national interest be harmed if Congress takes a few months to examine the massive alternatives presented? There are many other environmental and health questions which can and must be asked. It is important that this administration, this frugal Congress, and the American public at large, weigh all the environmental and health effects which occur before we undertake such new ventures.

Have new sources of natural gas, both conventional and unconventional, been discovered as a result of the decontrol of natural gas prices?

EXPEDITED PROCEDURES

Many are saying that existing procedures do not allow the Nation to move quickly enough to meet its energy needs. Some say those procedures should either be eliminated or shortened.

Why have we established these procedures in the past? What rights of citizens and values of a nation do they preserve?

If a massive new energy facility is to be placed in a particular county, should those citizens that inhabit that county have a voice in the location of such a facility?

Both Houses of Congress are pushing forward with legislative proposals to put this Nation on a "fast track" to energy independence. How will the Clean Water Act, the Clean Air Act, the National Environmental Policy Act, the Federal Strip Mining Act, the Endangered Species Act, and other substantive laws be affected by an energy mobilization board waiving already established requirements?

What do we gain by altering the normal processes of judicial review, or by supplying individuals with certain irrevokable powers?

What if procedures and regulation had been expedited in the construction of nuclear power plants in the past? How many more Three Mile Island accidents would we now have?

How many energy projects have actually been killed by environmental laws? The list is very small. Most have been modified to be acceptable and have been approved. Of those that have not been approved, how many would use foreign sources of oil?

What can we do to speed up processes without taking away the rights to question projects which can have significant impacts?

One of the rights that has developed in the environmental field is the right to have adequate information before major decisions are made. Do we no longer want to find out the impact of major decisions before we make them? Do we want to return to the days when we found out what the damage would be only after the harm had occurred?

ALTERNATIVE ENERGY SUPPLIES

Are we protecting ourselves by developing a wide variety of energy options? Will some be much less capital-intensive and, therefore, more useful to the Third World countries?

Are we moving with all deliberate speed toward more solar power technology? Will it be worth the investment?

Not all of these questions can be fully answered by the time we must make energy decisions. But they must be raised now, and answered as completely as possible.

Since the gas lines began this summer, there has been a reluctance among many to question any proposal that holds out the hope of supplying more energy. No one wants to appear to be standing in the way of development of further supplies. But questions must be asked. And, legislating must await adequate answers.●

NEVILLE HUNS'CKER IS HONORED FOR 47 YEARS AS VOCATIONAL EDUCATOR—FUTURE FARMERS OF AMERICA ARE GRATEFUL

● Mr. RANDOLPH. Mr. President, it is with pleasure that I call attention today for a man who has provided outstanding leadership to millions of young men and women during his 47 years as a vocational agricultural educator.

H. Neville Hunsicker has recently retired after serving as the national adviser of the Future Farmers of America and Chief of Vocational Agriculture, Agribusiness, and Natural Resources Occupations of the U.S. Office of Education.

He began his professional life as a teacher of agriculture in Wayne, W. Va. In 1935 Neville became assistant State supervisor of agricultural education and FFA executive secretary in West Virginia. In 1946 he was named head State supervisor in West Virginia. He began his service to the U.S. Office of Education in 1952 and was named the Chief of Agricultural Education and national adviser of the FFA in 1964.

Neville Hunsicker has had a positive impact on the lives of millions of young men and women who have prepared for careers in agriculture. He was instrumental in founding the State FFA/FHA camp and conference center at Ripley, W. Va., considered to be one of the most outstanding in our country.

During our friend's leadership at the national level, the program has doubled in the number of students and has been broadened to include training for agribusiness and natural resources occupations. The national FFA organization, during Hunsicker's tenure as national adviser and chairman of its board of directors, has redirected its contest and award program to recognize student attainment in education and career accomplishments.

Additional national thrusts in agricultural education championed by Mr. Hunsicker include the establishment of program standards for agriculture education; improvement of adult education, establishment of competency based curriculums; and identification and validation of agriculture/agribusiness occupations including the number of employment opportunities therein.

Our leader further assisted in the development of a taxonomy of agriculture/agribusiness occupations; the tripling of support and participation in the national FFA foundation; and was instrumental in starting the FFA alumni association as a support group. Recently, the National Post Secondary Agricultural Student Organization, another of his thrusts in agriculture education, was established.

Mr. Hunsicker, in his Christian spirit, has taught the true meaning of the FFA motto:

> Learning To Do
> Doing To Learn
> Earning To Live
> Living To Serve

The good deeds of this man speak louder than our written words. I extend to him my best wishes and the kind regards of many Members of the Congress for his future years of success and service.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. KENNEDY. Mr. President, I am submitting today several additional items from newspapers around the country which are representative of editorial opinion on the issue of deregulation of the trucking industry.

The editorials are from newspapers in the States of Tennessee, Texas, Utah, Virginia, and Washington.

I commend them to the attention of my colleagues, and ask that they be printed in the RECORD.

The editorials follow:

[From the Chattanooga, (Tenn.), News-Free Press, June 24, 1979]

FREEDOM TO SAVE YOU MONEY

President Jimmy Carter and Sen. Teddy Kennedy are often on opposite sides, and when they are together, they are usually both wrong. But we should give thanks that one current issue they are together—and right.

Both have called for deregulation of the trucking industry.

There is absolutely no reason for much of the regulation that has become law. It is wasteful, wrongful and costs you a lot of money.

For example, regulation makes some trucks haul goods one way and return empty, instead of carrying a payload that would reduce the costs of the products you buy. That also wastes fuel. There are other regulations that are plain foolish. Mr. Carter said a truck may carry bananas but not pineapples, but may carry bananas and pineapples mixed. Regulations are costly and hinder free market adjustments to conditions. So who would oppose needed deregulation?

Many big trucking companies will. The Teamsters Union that has most of those companies organized will.

Why? Because the big companies don't want free enterprise competition that would lower their rates and give you a money-saving alternative. Because the Teamsters can have a stranglehold on the nation by dominating a few companies but could not so easily dominate a totally free trucking market.

But why should you and your representatives and senators not insist on deregulation? There is no good reason at all. Anyone who wants to truck and meets normal licensing and safety rules ought to be able to do so and compete in the market. It would assure better service and lower costs.

Deregulation is not without problems, because adjustments must be made. Airline deregulation already has yielded some major benefits along with some temporary local difficulties. Trucking deregulation—and other reduction in controls—ought to be hastened.

Because of the organized opposition, trucking deregulation will have a hard fight in Congress. But the American people ought to demand it so strongly it will pass.

[From the Chattanooga (Tenn.) News-Free Press, Mar. 21, 1979]

DEREGULATE TRUCKS ANYHOW

With the Carter administration trying to hold a 7 percent rein on inflation, President Jimmy Carter's inflation fighter Alfred Kahn says that if the Teamsters Union is successful in getting a large part of its demand for a 35 percent increase in wages and benefits in national contract negotiations, the administration might push harder for deregulation of trucking.

Whatever the Teamsters do, there should be a push for deregulation of trucking. That would be the right action, and ought to be pursued without having the Teamsters provide a special reason.

With regulation, much trucking business is centralized in a few firms. The Teamsters deal with them—hard. Then the firms simply pass the bill on to consumers, meaning all of us, and we pay.

With deregulation, there would be almost unlimited competition in the trucking business, with more individual truckers getting into the act. There would surely be some changes, some of them meaning better service and lower prices.

Government ought not to regulate. In fact, we ought to deregulate almost everything.

[From the Chattanooga (Tenn.) Times, June 29, 1979]

PUT UP OR SHUT UP

In presenting an sweeping proposal to deregulate the U.S. trucking industry, President Carter and Sen. Edward Kennedy are in effect telling the ardent defenders of free enterprise to "put up or shut up." It is likely we will see unusual alliances being formed as the bill travels through Congress.

The bill will provide an acid test for those who for years have preached against government involvement in the marketplace. But already the proposal has been attracted by some strange bedfellows: The American Trucking Association and the Teamsters union, two organizations that normally have trouble agreeing on the time of day.

ATA President Bennett C. Whitlock Jr., for instance, called the bill a "radical approach" that could lead to waste instead of efficiency. What does he mean, "radical"?

Among other things, the bill would outlaw the now legal price fixing by truckers and remove restrictions that, for instance, prevent them from carrying certain commodities or taking the most direct route to their destinations. In return, the truckers would eventually be allowed to change rates at will as long as they stayed within a reasonable range—thus letting marketplace forces determine rates, in other words.

A key provision would make it easier for new trucking companies to enter the lucrative long-distance market by requiring existing carriers to prove that the newcomer's presence would be harmful to the public interest. Currently, the new applicant has to prove a negative: that his activity won't be harmful, a backward procedure at best.

All of that is "radical"?

The Carter-Kennedy alliance should do much to speed action on the bill but there should be no mistaking the difficulty it faces. The trucking industry is well-organized and there are more trucking companies than airlines, who were unsuccessful in preventing deregulation of their industry—to their relief, incidentally.

The Council on Wage and Price Stability estimates that deregulation of the trucking industry could save consumers upwards of $5 billion a year. Even if that figure is slightly inflated, the savings would be substantial.

More to the point, the proposal, if successful, would add impetus to President Carter's effort to withdraw the government from the marketplace to the greatest extent possible. The opposition from segments of the business community is an ironic commentary on their philosophy.

From the Jackson, (Tenn.) Sun., June 27, 1979]

TRUCK STRIKE SETS STAGE FOR DEREGULATION PUSH

With truckers on strike demanding higher speed limits, cheaper fuel and heavier, longer trucks, it is time to get serious about the notion of relaxing government regulation of the trucking industry.

Truckers themselves complain that excessive regulation pushes their operating costs up needlessly.

That trucking organizations and Teamsters are the fiercest opponents of the deregulation move indicates that the issue is much more complex than the simple rolling back of a bunch of rules.

It is also a sign that the trucking industry is afflicted with its own version of featherbedding, and that if it is deregulated—albeit carefully and probably only partially—consumers stand to gain, in that shipping by truck will become more competitive.

As it now stands, a complex web of rules governing the industry keep truckers from operating as efficiently as they might. In many cases, for example, trucks make a haul, only to return to their point of origin empty, in effect wasting 50 percent of their travel time and significant amount of fuel.

President Carter, in a message to Congress encouraging deregulation, cited other examples. One rule states that a trucker may haul pineapples only if they are mixed with bananas. Another requires a trucker to drive to Denver from Albuquerque via Salt Lake City, a needless detour of 300 miles.

Carter called rules like these "symbols of government regulation gone wild." He's right. The regulatory process has run amok.

So it is time to overhaul the regulatory

system. The current crunch truckers find themselves in—caught between rising fuel prices (rising because their price has been deregulated) and fixed fees—is a solid indication that the web of regulations governing trucking serves only to entangle the industry in inefficiency.

Some power struggles underlie the move toward deregulation, but that may work in favor of a well-drafted law. Sens. Edward Kennedy, D-Mass., and Howard W. Cannon, D-Nev., who teamed up to push airline deregulation through Congress, again share an interest in the idea of abolishing some federal rules.

This time, however, they are split on how extreme the action should be, Cannon backing a more modest proposal than the one Kennedy supports.

Kennedy has been working with the White House on drafting a deregulation bill, but Cannon chairs the committee that will conduct the hearings on the issue. So there is good reason to expect the issue will be aired fully, by persons with a keen interest in reform, yet who bring different perspectives in the issue.

Truckers will need to approach this issue with care. They cannot insist on deregulation of rules that inconvenience them and then demand that rules protecting them at the expense of fair competition be retained.

The industry as a whole is going to have to give up a degree of security for the sake of freer competition. It is a principle that has worked well for this country. It can, if applied carefully, work for truckers.

[From the Knoxville (Tenn.) News-Sentinel, Feb. 27, 1979]

OPEN ROAD FOR TRUCKERS

The Interstate Commerce Commission has taken another step toward encouraging greater competition in the trucking industry.

The ICC has already lowered some of the barriers that restrict competition among intercity truckers and tend to keep out new owner-operators. It now says that, beginning about the middle of March, when considering applications for operating rights, it will give preference to truckers who pledge to provide cut-rate service.

The commission believes the new policy will stimulate innovative pricing and service options by trucking companies, and at the same time promote efficient and well-managed operations.

Predictably, the announcement brought groans from the industry. Some spokesmen called the ICC's action a kind of end run around Congress, which this session is expected to take up the issue of deregulation.

Viewing that prospect, trucking executives have been ringing many of the same alarm bells sounded by the airline executives when deregulation of their industry was first proposed a few years ago.

According to Bennett C. Whitlock, president of the American Trucking Associations, deregulation would "plunge the trucking industry into chaotic rate wars, drastically reducing the number of firms engaged in the business."

This would hurt many small towns, whose only link with the outside economy is truck transport, he says. Moreover, it would be impossible for the shipping public to know with any degree of certainty the transportation charges on the thousands of commodities which the 16,500 ICC carriers regularly transport throughout the country.

In short, regulation has served both the industry and the nation well. Don't mess with it.

Pardon us if we don't buy these arguments. "Chaos and confusion" presently reign among the airlines, but it is a kind we think the flying public rather likes. We know the airlines are enjoying it, for the advent of more open route and fare competition has resulted in the biggest boom in their history.

We agree, of course, that truckers and airlines can't be compared exactly, and certainly don't advocate that all the regulations be wiped out in one fell swoop.

But as for the general concept of deregulation, we say to the trucking industry: Try it. We think you'll like it, too.

[From the Nashville, (Tenn.) Banner, June 23, 1979]

DEREGULATE TRUCKING?

The administration's plan for deregulation of the trucking industry certainly has some compelling arguments going for it. Perhaps the most compelling is that a gradual end to federal regulations that protect the trucking industry from competition will save consumers about $5 billion a year. Along with the fact that airline deregulation has saved over $2.5 billion in reduced air fares, and that the plan would do away with such rules as prohibiting the carrying of cargo on return truck trips—particularly ridiculous today—right away should grab congressional and public support.

Will it? Undoubtedly, it would now find public support. As far as Congress goes, that's something else again. Truckers opposed to deregulation carry clout. Or, as one Senate aide told the Associated Press in comparing the politics of airline vs. trucking deregulation: "There are only 35 airlines but 16,000 truckers and 200,000 Teamsters."

The truckers aren't without argument, of course, saying regulations have avoided cut-throat competition that would have let strong firms drive out competitors and raise prices to new highs. And even some foes of federal regulation think the Carter proposal goes too far. Maybe. But the burden is squarely on opponents of the plan. There is the success of the airlines. And most of all there is that $5 billion in estimated savings under deregulation and free enterprise.

[From the San Antonio, (Tex.) Express, June 25, 1979]

TRUCK DEREGULATION SHOULD BE APPROVED

President Carter has sent a proposed bill to Congress removing most of the federal regulation of the trucking industry.

The proposal would phase out by 1984 all federal restrictions on what commodities truckers may carry and what routes they must follow.

It would allow rate cuts of up to 20 percent per year and some price increases without government approval. It would end legalized price fixing by making truckers liable to the same anti-trust laws as other companies.

It would move toward ending one particularly senseless thing—federal restrictions on "backhauls," the loads truckers carry on return trips. The estimate is that trucks now are empty on 20 percent of all miles traveled.

There are two reasons why Carter's deregulations should be passed by Congress.

The administration forecasts it could save consumers as much as $5 billion a year. This may be high or low but certainly it will save the consumer considerable.

More important is a principle.

We talk a lot about "free enterprise" and "competition ruling the market place." We see no reason why the trucking industry—or any other business—should be free from either.

[From the Houston (Tex.) Chronicle, Mar. 23, 1979]

CLOUDING THE PICTURE FOR DEREGULATION

Circumstances seem to have conspired to create somewhat of a you-can't-win feeling of frustration about governmental deregulation of industries to increase competition and lower costs.

It is an idea whose time has finally appeared to have come. The public and politicians recognize its promise and favor the concept. There is a bright, shining example in the airline industry. Things never looked better for some real progress.

So what happens? Other events intrude to cloud the picture for the two most promising immediate areas: the airlines, already deregulated, and the trucking industry, next up on Washington's probable list.

For the airlines it is the fuel shortage. If present disruptions continue on a long-term basis, they will likely force the airlines themselves to reexamine whether they will have the fuel necessary to fly all those additional services, and competitive flights between the markets, that are a hallmark of deregulation. Not only the additional service and the competition may be affected. So would the lower cost fares. Fares are of course a product of competition. They would also be affected by increases in fuel cost in a shorter supply situation.

Then there is the trucking industry, which was to be the subject of an administration-congressional push for deregulation. Now that may fall victim to the anti-inflation battle. The Teamsters union, which opposes deregulation as do most trucking companies, is negotiating a new contract. The administration is quite worried that the settlement may shatter any chance to maintain the 7 percent wage increase guideline. So the White House is offering to back off from significant deregulation if the union and industry restrain themselves to an acceptable wage increase.

The irony is that effective deregulation, itself a prime anti-inflation weapon, is being junked in the name of anti-inflation.

So it goes. The battle for deregulation has never been easy, but these complications certainly weren't needed just when the tide seems to have turned.

[From the Pama (Tex.) News, Mar. 16, 1979]

DEREGULATING TRUCKING

In his 1979 State of the Union address, President Carter was not able to point to many accomplishments in the domestic area of government. But he did refer to one achievement which few would challenge: the deregulation of the airlines. As a result of legislation enacted in 1978, Governmental controls are being phased out over a period of years from this major industry, to the benefit of both producers and consumers of its services.

The advantages of airline deregulation are already apparent due to the procompetition position followed by the Civil Aeronautics Board since 1976. Fares are substantially lower and more people than ever can now afford to travel by air. Capitalism is accomplishing what its enemies insist it cannot do. Lower airline fares mean little to the rich, but a great deal to the poor.

The Carter administration is now seeking an even more ambitious deregulation goal. It wants to deregulate the trucking industry, which pits it against many truck owners and drivers. Thomas Gale Moore, a senior fellow at the Hoover Institution writes in the current Journal of Law and Economics that three-fourths or more of the cost to shippers, and ultimately to consumers, of ICC trucking regulations takes the form of income transfers to labor and capitol involved in trucking. The magnitude of these benefits obviously makes fashioning a deregulation package difficult notes Moore.

The Hoover fellow presents some examples in his article of the price impact of trucking regulation. In the 1950s, some products that had been transported only by regulated carriers were declared by the courts to be commodities exempt from trucking regulation. As a result of these decisions, prices

declined 12 to 59 percent in particular markets. There was an unweighted average 33 percent for frozen poultry shipments. The weighted average decline in shipping costs for frozen fruit and vegetables was 19 percent.

The poultry market offers another illustration. Member firms of the National Broiler Council ship fresh poultry by exempt carriers and cooked poultry by regulated carriers. In comparing rates for the same routes between the same points, the Council found that on the average, unregulated rates were 33 percent less than the rates on regulated carriers. Comparisons of trucking rates between countries—admittedly a difficult process because of the exchange rates—show that rates in countries with little or no regulation were 63 percent lower than those in West Germany (with strict controls), and the United States (also tightly controlled).

The Motor Carrier Act of 1935, which imposed the regulation, was designed to eliminate competition from the trucking industry, and accordingly, the ICC restricts entry into it. Moore observes that the Commission's policy is to authorize new services only where a new shipping need has developed and, in addition, where the new service will not divert traffic from existing carriers.

According to Moore, trucking regulations will tend to increase wages through two effects. First, it will strengthen union power by eliminating or reducing the competition of non-union firms. Regulation automatically prevents a certain number of non-unionized firms from entering the industry, and competing for the traffic carried by unionized firms.

Second, operating ratio regulation, which controls profits on the basis of costs, will either make it more profitable to pay higher wages or, at worst, make it less unprofitable to do so. Moore states that an increase in Teamster wages usually triggers ICC approval of a rate increase. Indications are that the gains for regulated drivers over unregulated ones are about 50 to 55 percent. Thus, Moore concludes, gains to Teamster members as a result of regulation, may have amounted to between $1 billion and $1.3 billion in 1972 alone.

The other major beneficiary of trucking regulation is the original owners of the ICC certificates that are required to conduct business in the regulated portion of the industry. A large number of the trucking firms operating at the time of federal regulations were initially imposed, were issued certificates without cost. Those who have been granted or have purchased certificates and permits from others since then also stand to lose from deregulation.

Because the ICC is very restrictive in authorizing new service, the owner of a certificate has a very valuable asset which would become worthless if entry into the industry were no longer limited. Moore estimates that in 1972 the value of certificates and other permits owned by the larger carriers was between $2.1 and $3 billion.

[From the Salt Lake City, (Utah) Deseret News, June 22, 1979]

EXTEND FREE COMPETITION TO TRUCKING INDUSTRY, TOO

Before Congress de-regulated the airline industry, many firms warned that the results would be disaster.

Indeed, after the lawmakers ignored those warnings and started removing the worst federal restrictions, it initially appeared that the prophets of gloom might be right.

As airlines that once competed with each other only to the extent of seeing which firm could offer the fanciest frills started competing in terms of lowering prices, there was room for entertaining second thoughts. Could the upshot of de-regulation be a ruinous squeeze on profits and eventually fewer airline firms?

Guess again.

In the first year after de-regulation, passenger traffic increased 16.3 percent and profits climbed to $1.2 billion compared to $754 million the year before.

With this success story to inspire and guide it, it's understandable that the White House moved Thursday to extend the deregulation movement from airlines to the trucking industry.

The plan that President Carter sent to Congress amounts only to partial de-regulation and would be phased in over the next three years. That should give the trucking industry a reasonable time in which to make the necessary adjustments.

The basic provisions of the Carter proposal would ease geographic limits on where truckers can go, relax the load restrictions on what they can carry, create a range within which truckers could set their own rates, and provide uniform size and weight requirements for all states.

Because some states now impose size and weight standards below federal regulations, certain drivers are forced to take long, indirect routes.

With 16,000 separate firms involved in trucking, this industry is much less concentrated than the airline business. But that's no justification for not de-regulating trucking, too, even though some firms try to use it as an excuse to preserve a status quo that some find comfortable.

Though there are considerably more truckers than there are airlines, 1 percent of those truckers do 50 percent of the trucking business.

Because of the additional costs created by federal regulations, the U.S. Council on Wage and Price Stability estimates that de-regulation could save consumers $5 billion a year.

That estimate is easy to believe in view of a recent study comparing regulated and non-regulated truckers in New Jersey. The study showed that the absence of regulations lowered costs to shippers by 9 to 15 percent.

Even though President Carter is pushing de-regulation of trucking with the belated support of Sen. Kennedy who initially opposed it, this is not just a Democratic reform. Former President Ford worked to de-regulate trucking, too.

The question should no longer be whether or not trucking should be de-regulated. Rather, the only question for Congress should be how far and fast such de-regulation should go.

TRUCKING DEREGULATION WILL WORK—FOR INDUSTRY, TOO

Now that the U.S. airline industry has been successfully deregulated it is time to do the same for its earthbound counterpart, trucking.

Testimony confirming the success of airline deregulation comes from no less than Frank Borman, the former astronaut now chief executive officer of Eastern Air Lines. In a two-page advertisement in the Wall Street Journal on May 23, Mr. Borman, a vigorous and outspoken opponent of airline deregulation two years ago, said, "we are now convinced that it works—not only for the customer, but for the airlines as well."

President Carter, who announced his plan to have Congress phase out many of the "mindless" rules now pinioning the trucking industry, is similarly convinced.

"The trucking industry today is subject to perhaps more complex, detailed and burdensome federal regulation than any other industry in the nation," he said. Such regulation "subjects one of our nation's most important industries to a mindless scheme of unnecessary government interference and control."

Part of that "mindless scheme" forbids, in some cases, trucks to return to their originating terminal full. The Carter proposal junks this sort of foolishness. It defies reason why any trucking executive, interested in using his equipment to its maximum possible efficiency, would oppose eliminating such counter-productive and senseless regulation.

Yet, the trucking industry has been almost strident in its opposition to deregulation.

Also the Carter plan would include steps to:

—End immediately prohibitions on trucks making intermediate stops between authorized points.

—End by Dec. 31, 1981, all route restrictions, many of which require trucks to use longer, more costly and circuitous routes.

—For two years, allow carriers to lower rates by 20 percent or increase them 3 percent from rates used the previous year without Interstate Commerce Commission approval. After that, carriers could raise their rates by 7 percent a year.

The Carter plan, with the support of long-time deregulation advocate Sen. Edward Kennedy, D-Mass., would set aside those logic-defying restrictions that exempt raisins covered by honey from ICC oversight, but not raisins covered by chocolate, or frozen dinners unless they contain chicken or seafood.

In the long haul, Mr. Carter's proposal for deregulating the trucking industry will give American consumers the break they have long deserved. Also it will permit an unhampered American trucking industry to operate efficiently and competitively.

Closer objective examination by Bennett Whitlock, president of the American Trucking Associations, who now calls the Carter plan a "radical approach to truck deregulation," should convince him, as it did Mr. Borman, that "it works—not only for the customer, but for the (trucker) as well."

[From the Richmond, (Va.) News-Leader, Feb. 27, 1979]

TRUCKING DEREGULATION

Deregulation of the country's transportation system was a cornerstone of Jimmy Carter's campaign. The President earned high marks for deregulating the airlines in partial fulfillment of that promise. But although airline deregulation has been a boon to both passengers and carriers, he appears to be backing away from his commitment to deregulate the trucking industry.

In his State of the Union address Mr. Carter said, "I will send to Congress shortly a surface transportation reform message dealing with the rail, inter-city bus, and transportation industries." White House aides predicted the President would submit his proposal this month. Yet Mr. Carter reportedly has told trucking company executives that he has not studied the Department of Transportation's memo on trucking deregulation, nor has he made up his own mind on the issue.

Mr. Carter seems to be shelving trucking deregulation in return for Teamsters union support of his anti-inflation package. The Teamsters emphatically oppose deregulation because they fear it would encourage non-union independent truckers. Like most federal regulatory programs, trucking regulation benefits large companies and powerful unions while it discourages competition from smaller, owner-operated, and non-union firms.

Trucking deregulation would be in the public interest. Inflexible rates and restrictive services inflate costs. In "Trucking Regulation: Lessons from Europe," Thomas Moore says that trucking rates fell as much as 50 per cent when deregulated in some European countries. He estimates deregulation in the U.S. could shave prices 20 per cent.

A 1950s deregulation experiment showed that regulation encourages high prices. During the mid-'50s, poultry and frozen fruits and vegetables were exempted from govern-

ment rate regulation for trucks. Prices for shipping poultry dropped 33 per cent; prices for shipping frozen goods fell 19 per cent.

Regulation inflates shipping costs because it limits services. Truckers lack the freedom to tailor services or rates to meet particular shippers' needs. For example, "backhaul" restrictions prevent truckers from returning to their starting points with full loads. A trucker can carry a load of fresh fruit to a cannery, but he cannot return with a load of canned fruit. He must come home empty or return by a circuitous route that jacks up his costs—and those of his customers.

Existing regulations discourage competition because carriers need government certification before they can serve specific routes. Prospective trucking companies must convince the Interstate Commerce Commission that they can provide quality service on the routes in question. Certified carriers participate in the ICC hearings and often argue successfully that further competition would inhibit service. And because certification costs can be high, independents and minority-owned firms lack the capital to enter new markets.

Regulation amounts to nothing less than government protection of certain businesses and certain unions. It runs counter to a proper reliance on the free market. A coalition of Liberals and conservatives—from Edward Kennedy to the American Conservative Union—supports deregulation. President Carter should not let political squabbles with the Teamsters put his trucking deregulation plans behind schedule.

[From the Camas (Wash.) Post-Record, Mar. 21, 1979]

KEEP ON TRUCKIN'

A transportation expert from Oregon has claimed that deregulation of the trucking industry would weaken the regional economy by causing rate instability and inequity, and would encourage deterioration of existing safety standards.

Dr. Roy J. Sampson, professor of transportation at the University of Eugene, adds that deregulation would also increase driving hazards and require greater safety enforcement efforts at taxpayers expense.

He points out that these conclusions should be of great concern to Pacific Northwest residents, where a large volume of highway and truck traffic already consists of unregulated truckers and exempt commodities.

The good professor also quotes a Harvard professor, Dr. D. Daryl Wyckoff, whose study survey experiences and attitudes of some 10,500 truckers involved in intercity driving.

Wyckoff asserts, in effect, that only regulated common carriers are currently playing by highway safety rules, and that without continued economic regulation there would be many more trucks on the road with bad brakes, bald tires and generally in poor mechanical condition.

This type of generalization is similar to that which preceded the deregulation of the airline industry. The public was warned by special interest groups within the industry that deregulation should be spurned as the plague and that dire consequences would surely follow.

The hole in the argument is that safety is just as important to wildcat or gyppo truckers, as opposed to those aligned with formal, regulated associations.

When a truck suffers from faulty mechanical equipment it is certainly prone to a breakdown, at home or on the highway. In any case, the driver or owner suffers the penalty, which is of course loss of income.

Similar to the airline industry, safety is standard regardless of the status of governmental interference into the field.

Sir Freddy Laker, who ran a British shoestring air operation into a global industrial giant by offering ridiculously low fares to London and back to points of origin, said recently that safety is so important to the industry that whenever his plane is even close to time for safety maintenance checks it is rushed to mechanics sometimes ahead of time so as to insure the plane's availability for flights scheduled. Profit is the bottom line, he reasoned.

We tend to think that organized truckers use the scare of unregulated carriers to protect their own selfish interests as to protected high shipping rates and to discourage small, private truckers who offer competitive rates.

It might be time to try the other path, unregulated trucking. After all, safety standards are the same whether trucks are regulated or not.

[From the Pasco (Wash.) Tri-City Herald, Feb. 18, 1979]

DEREGULATE THE TRUCKS

About 25 percent of the nation's freight is carried by trucks.

Most trucks are regulated by the federal government. It decides who can carry cargo, who cannot and what price shippers must pay.

Regulation began—and until recently there was little challenge of the idea—as a means of protecting shippers—and consumers.

As time passed, it became more and more apparent, however, that regulation was part of a cartel. The railroads and the truckers fixed prices, and the government stamped the prices official.

Now the Carter Administration, spurred by consumer groups and some shippers, is pushing for deregulation of the trucks.

Opposing the move are some truckers, the Teamsters union and some members of the Interstate Commerce Commission, which regulates the trucks and the railroads.

Frank Fitzsimmons, president of the Teamsters, calls the move to deregulate the trucks "anti-labor and anti-worker." He claims deregulation would "destroy collective bargaining" and dismantle "the finest transportation system in the world."

Some truckers also like the present arrangement, which has protected them from competition and given them great leeway in setting rates.

It follows that with such protection the truckers had little incentive to bargain hard with the union. Labor costs can easily be passed along to the shippers—and the consumers.

The trucking lobby is formidable. And in the face of its political power, deregulation might seem hopeless were it not for the successful deregulation of the airlines last year and the growing recognition that regulation feeds inflation. Also there is a growing revolt among businessmen of all kinds against regulation of any kind.

Estimates are that regulation adds as much as $4 billion a year to the cost of merchandise. This added cost is both a result of rate fixing and of such wasteful ICC rules as the one forcing trucks making deliveries for their companies to return home empty instead of hauling for another firm on the return run.

That rule, along with some others, was recently relaxed by the ICC. But the basic rate-fixing system is unchanged. It is set up so the trucking companies in a region must charge enough to pay expenses and make a profit.

These rates then are almost always approved by the ICC and posted by regional "rate bureaus." None of the 16,000 regulated trucking companies can charge less than the posted rate.

This rate-fixing system has the blessing of Congress, which in 1948 exempt the trucking industry from antitrust laws.

A bill in Congress sponsored by Sen. Edward Kennedy, D-Mass., would remove the exemption, leaving truckers free to ignore the posted rates.

Passage of the Kennedy bill, and of legislation the Carter Administration proposes to introduce later in this session of Congress, would do much to get the trucks back on the right road.

Everyone should pitch in and help clear any roadblocks that the truckers and their allies may erect.

[From the Spokane (Wash.) Spokesman-Review, July 3, 1979]

DEREGULATION IS NECESSARY

One must hope the administration is successful in convincing Congress to deregulate the freight railroad and trucking industries.

With the volume and cost of federal regulation mounting almost daily, government should get out of the business of regulating transportation. Federal regulations have shielded both industries from the competitive struggles that have driven down the price of other goods and services.

President Carter and others have the best interests of the public in mind when they advocate deregulation.

One need look no further than the airlines to see that deregulation works. The airline fought deregulation two years ago, but now are convinced that it was the smart thing to do. Ticket prices went down and ridership went up. The public is happy and the airlines are happy.

In the past, airlines flying the same route generally charged the same fare. Under the new law, airlines can raise fares by as much as 5 percent a year without federal approval or lower them by as much as 50 percent. Discount fares have been introduced by most of the major carriers.

The success of airline deregulation would seem a fairly accurate indication of how well regulatory reform can work in other areas of transportation.

Opposition, however, will be intense. Competition is a nasty word in the vocabulary of truckers. Because current regulations limit new entry and keep rates high, existing firms are content with the status quo. Another stumbling block is the powerful Teamsters union, which is strongly opposed to deregulation.

Regulation, in large part, has contributed to the railroads' financial problems. The government will have to resign itself to paying out larger subsidies unless it eases its regulatory grip.

Instead of relying on subsidies, the railroads should be permitted to operate in an environment that allows them to improve their operations and profits.

Railroads must compete as free enterprise companies.

Summary: Excessive regulation in the transportation industry is hamstringing the economy, handcuffing business enterprises and robbing the consumer through inflation.●

DEATH OF HENRY ROBBINS

● Mr. MOYNIHAN. Mr. President, of all the things I might regret of my life as a young man none is more poignant at this moment than the realization that I shall never write a book that will be edited by Henry Robbins, for he has now died.

It almost happened. As a young man, or youngish one, 20 years ago, I wrote for the old Reporter magazine an article entitled "Epidemic on the Highways." It was, I believe, the first general treatment of traffic safety as a public health problem that could be dealt with in scientific terms.

Within a week Henry Robbins had tracked me down at Syracuse University and proposed that I write a book for Knopf. It was typical of him to see in a technical article on a technical subject the outlines of a social issue—consumerism, if you like—that would play so large a part in the politics of the decade that followed.

I never wrote the book. I went to Washington instead with the Kennedy administration, where I was able to pursue the issue from within the Government.

But if I lost the opportunity to write for him, I won his friendship, an even more precious privilege. A rare man, Henry Robbins; a gift to his age.

Mr. President, I submit for the RECORD a tribute to Henry Robbins that was published in today's Washington Star. May I say the grace and insight of the editorial is a tribute as well to the quiet inspiration of the Star editorial page in general.

The editorial follows:

HENRY ROBBINS

The business of publishing books for the general trade readership is a business indeed; most people who work in publishing are attracted as much by its commercial aspects as by its literary ones, and the truly "literary" publisher or editor—Horace Liveright, Maxwell Perkins, Alfred Knopf, Roger Straus—is something of a rarity. Henry Robbins was such an individual; his early death on July 31 is a sad and shocking loss to the American literary community.

Mr. Robbins worked in publishing for a quarter-century. He began as a junior editor at Knopf, "where my taste and judgment were formed," moved on briefly to Dial, then to Farrar, Straus and Giroux, after that to Simon and Schuster, and finally to E. P. Dutton. In his last assignment, which began four years ago, he was both editor-in-chief of the entire trade-book division and publisher of a smaller line under his own imprint, Henry Robbins Books. By the time of his death he had acquired a vast amount of experience in both the commercial and literary sides of his business, and had managed to strike a singularly happy balance between them.

Mr. Robbins recognized "the reality that the editor must also be to some extent a publisher," so he did not shrink from involving himself in such matters as jacket-design, subsidiary-plants sales, marketing and promotion. In fact he was remarkably successful in all those areas; his vigorous involvement in the advance promotion for *The World According to Garp* was crucial to the success that John Irving's novel eventually enjoyed.

The World According to Garp is, in fact, a perfect illustration of Mr. Robbins' virtues as editor and publisher. In the former capacity, he encouraged Mr. Irving to write a novel that might find a large readership while maintaining the impressive literary standards of his earlier work; this was not a cynical capitulation to commercialism, but an effort to match a serious writer with the audience he deserved. Then, in the latter capacity, he put the full resources of his imprint behind the novel; he believed in it, and he worked to make it a success. The result was a best seller that genuinely deserved to be one.

Over the years Mr. Robbins was editor—and friend—to some of the country's most consequential writers: Walker Percy, Wilfrid Sheed, Joan Didion, John Gregory Dunne, Donald Barthelme. It was a measure of the affection and respect in which he was held that many of them moved along with him as he made his upward progress through five publishing houses. They knew that with Mr. Robbins, as with Maxwell Perkins, the writer came first.

Editing, when it is done as it should be, is a quiet affair. The best editors know that their purpose is to help their writers do the best work they can, and that each writer must be treated with a sensitive appreciation of his unique strengths and weaknesses. The best editors do not seek publicity and their names are not widely known. But inside the business everyone knew that Henry Robbins was as good as they come, a true heir to the Perkins tradition. American literature is richer because of the quiet work he did.●

THE BUREAUCRATIC ESTATE

● Mr. HATCH. Mr. President, I would like to compliment my colleague from New Mexico, Senator HARRISON SCHMITT, for his vigilence in revealing and restraining the abuses of Federal regulatory agencies. An article by James J. Kilpatrick in the Washington Star of July 10, 1979, describes an important amendment that Senator SCHMITT intends to introduce to the Federal Trade Commission authorization bill, giving either House of Congress a legislative veto over any trade rule regulation imposed by the FTC on American businesses. These trade rule regulations are used by the FTC to dictate how American businessmen can run their private operations, and effectively overrule any contrary State statutes or local ordinances. I commend my distinguished colleague for drawing attention to the shocking way in which the FTC has usurped vast Federal and State legislative authority without the proper balances and safeguards of a genuine legislative body.

The oppressive scope and impact of these trade rule regulations are indicative of the frightening trend of runaway Federal regulatory agencies extending their interfering tentacles far beyond the scope of their original authority. For example, by loosely interpreting the phase "affects commerce," the FTC arrogantly presumes to have exclusive control over all business activities in this country, plus anything remotely related to business. It is estimated that Federal regulators devise 18 regulations for every law passed by Congress, imposing an enormous burden on the entire country. We are literally being buried under an avalanche of regulations.

These Federal agencies not only infringe on the rights of businessmen and private citizens, but also trample on the traditional prerogative of State and local governments to regulate local commerce. All-knowing Washington bureaucrats decree that America should be run from Washington, and destroy the vitality and vigor of our private institutions by imposing unreasonable burdens on them. Power-hungry civil servants who think that they know what is best for everyone in America continue to intrude upon private citizens and organizations. Yet, how can an insulated agency rule-maker possibly be sensitive to the special needs of all Americans, or even understand the diverse needs of my constituents in Utah?

These bureaucrats have forgotten that they are the servants of America, not the masters, Our regulatory agencies have never been properly accountable to the very citizens they are supposed to protect. Directed by boards or commissions with fixed term memberships, these agencies have lost touch with the realities of American society and are immune from public evaluation or change. They have failed to recognize that the mood of America has turned against big Government, preferring to rely on the efficiency of traditional market forces and private institutions to restrain unethical or illegal business practices.

Mr. President, this proposal by Senator SCHMITT to allow congressional review into the rulemaking process of the FTC could prove to be a very useful step toward restraining the reckless activities of these super-regulators and turning the regulatory process back to local governments where it properly belongs. Unfortunately, I understand that an effort may be made to delay consideration of the FTC authorization bill so that the Senate will not have an opportunity to consider this proposal. I feel that it is time for each of us as Members of the Senate to assume our constitutional roles as legislators and announce that Congress, not the Federal regulatory agencies, shall be the final voice on national legislative activities. I ask that the article "The Bureaucratic Estate" be printed in the RECORD.

The article follows:

THE BUREAUCRATIC ESTATE

Our government, as every schoolboy knows, theoretically embraces three branches—the executive, the legislative and the judicial. Recent years have produced a fourth branch: the bureaucracy. One of the most troublesome political questions of our time goes to the problem of restraining bureaucratic power.

Sen. Harrison Schmitt has an idea. He wants to provide for a legislative veto over the formal Trade Rule Regulations imposed by the Federal Trade Commission. He makes a convincing case in support of his plan.

Most persons—and certainly most businessmen—are familiar with the general problem. Over the past 15 or 20 years we have witnessed in Washington an explosion of federal regulations. The powers of old agencies, such as the FTC, have been greatly expanded. A dozen new agencies have been created. Upward of 200,000 civil servants now are engaged in regulatory activities.

Some of the agencies, such as the Occupational Safety and Health Administration (OSHA), function as complete little governments. OSHA effectively makes laws, a legislative function; OSHA administers its own laws, an executive function; and OSHA prosecutes, tries and fines those who violate its laws, a judicial function. An aggrieved victim of OSHA's power has but one avenue of relief—the murderously expensive and time-consuming process of appeal to the federal courts.

In the old days, a regulatory agency typically had a limited field of authority. The Maritime Commission dealt with ships, the Federal Communications Commission with radio and television, the Civil Aeronautics Board with air transportation, and so on. The new breed of agency is different. The writ of the FTC, for example, runs clean across the board. Any activity that even remotely "affects commerce" is fair game for the commission.

At the FTC, 1,700 bureaucrats, including 600 lawyers, are actively, eagerly, obsessively engaged in the promulgation of rules and regulations. By Schmitt's count, the FTC is working on 40 public investigations, 120

private investigations, 30 active litigations, and 15 proposed Trade Rule Regulations. The TRR's cover funeral homes, health spas, used cars, hearing aids, mobile homes, children's television advertising and a mind-boggling assortment of other matters.

"The Federal Trade Commission," Schmitt contends, "may be the second most powerful legislature in the country. The FTC claims the power to declare any commercial act to be 'unfair,' regardless of state laws, and thereby to amend all state statutes and reverse all state cases that may be inconsistent with its declaration."

Schmitt's concern goes beyond particular TRR's. The basic question is a question of power: "Who writes the laws in this country—unelected administrators or the elected representatives of the people?" His disturbing answer is that the regulatory agencies are spinning out 16 laws for every one law enacted by the Congress. For all practical purposes, the agencies are untouchable. They are headed by boards or commissions whose members are named for fixed terms, and they are served by bureaucratic staffs with what amounts to life tenure.

Under an amendment proposed by Schmitt to the FTC authorization bill, Congress would have 60 days in which either house could impose a legislative veto upon a TRR. There is nothing especially novel in a legislative veto as such. Since 1932, Schmitt says, Congress has reserved such a power nearly 300 times. At least 34 states have some form of legislative veto over state agencies. The authority appears to be rarely used.

Schmitt's resort amounts to a last resort, and last resorts ought to be seldom invoked. The device troubles some observers who regard the veto as a intrusion upon executive responsibilities, but there seems to be nothing unconstitutional in the approach. My own inclination would be to try the Schmitt plan for a few years and to see how it works with the FTC. If a veto would restrain that power-hungry outfit, the same kind of emergency brakes could be provided for all the rest.●

REFORM GONE AWRY

● Mr. HATCH. Mr. President, ever since I arrived in Washington, one question has repeatedly come to mind as I have viewed the problems created by our bloated Federal bureaucracy: Will the Federal Government, including this body, ever learn that imposing Federal "regulatory reforms" on society only creates additional headaches for the people of this country without solving the original problem they were designed to correct? The American people are tired of self-anointed crusaders who promote these half-baked regulatory schemes out of a desire for recognition and publicity. Fortunately, the citizens of this great country are recognizing the waste and inefficiency from solutions dictated by omnipotent Washington bureaucrats and politicians, and they are demanding a halt to this drive to regulate every aspect of American society.

The recent reform of the Presidential election system is an excellent example of how reforms get bogged down in the swamp of bureaucratic mismanagement and create problems we never even dreamed of before the reform. Public financing of Presidential elections was promoted as the ideal solution to eliminate improper influences from Presidential politics and widen citizen participation in these races. However, because the Federal agency handling this reform lacked the ability or vision to achieve these lofty goals, today we must cope with the realities of their regulatory solutions.

The Federal Election Commission has hopelessly confused former candidates by their complicated investigation of the 1976 election, and there is a frightening potential for a chaotic election in 1980 unless something is done. Unfortunately, the only solution Washington ever dreams of for bureaucratic mismanagement is to throw more money and more manpower at the agencies involved, allowing bureaucrats to entrench themselves deeper and deeper in our society. Only when we face reality and acknowledge that another round of Washington regulations only complicates our problems will we ever succeed in finding real solutions to our problems.

I commend the Washington Post for their fine editorial of June 20, 1979, "'Reform' Gone Awry" which emphasizes the inconsistencies of public financing reform. I hope that the FEC's bureaucratic nit-picking will not deter our citizens from participating in the political process, as this article points out could happen. I ask unanimous consent that this article be printed in the RECORD.

The article follows:

REFORM GONE AWRY

Three years and one week after Rep. Morris K. Udall (D-Ariz.) suspended his 1976 presidential quest, the Federal Election Commission's auditors are still quibbling about how some of his campaign funds were handled. The FEC has pursued the matter so doggedly that you would think millions of dollars had vanished without a trace. Not so. Out of the Udall campaign's total expenditures of $5,166,015.37, the current arguments involve $74,135.60—less than 1.4 percent.

In most fields of government spending—military procurement, for instance, or public welfare—an error of 1.4 percent would be considered very good, if not downright miraculous. But where public campaign subsidies are involved, the nit-picking seems to have no end. In the Udall case, the auditors want more documentation for outlays of $61,741.87, made up of about 280 separate items in 20 states. For almost all of these, Mr. Udall's people have provided canceled checks and an explanatory note such as, "$200 to Jane Smith—field expenses." The auditors won't accept that. They want a detailed bill, voucher or explanation from Jane Smith—who might have been a student volunteer. And what if Jane Smith can't be found to verify that the $200 really went for food, lodging and gas? Well, then, someone will have to reimburse the federal treasury.

The Udall campaign is not the only victim of this ludicrously slow, small-bore auditing. Two weeks ago President Carter's general-election committee was told to repay about $15,000 for poorly documented Election Day expenditures. The wrangling over some of George Wallace's campaign spending has also gone on longer than the campaign did.

Meanwhile, of course, a flock of presidential aspirants has already begun next year's campaigns. Do they have to anticipate having their New Hampshire expenses challenged in 1983? If that occurs, the FEC—which has already worn out everybody's patience—could bring the whole experiment in public financing into disrepute. True, some of the problems do flow from the law. If there were no state-by-state spending ceilings, for example, the Udall team would not be quarreling with the auditors about how much of his radio and television ads on Boston stations were aimed at New Hampshire voters as opposed to Massachusetts one. But the undeniable complexities and quirks and unrealities in the law do not excuse the FEC. It has made a large contribution to the bureaucratizing of federal campaigns—and created a large agenda of difficulties for congressional committees to address.

To see what's gone awry, remember that the point of the "reform" was to open up presidential politics and encourage ordinary citizens to play a larger role. And now the larger role is that of lawyers and accountants—and citizen volunteers are being asked, three years later, to come forward with itemized receipts for every hamburger they bought on the campaign trail.●

SIXTEENTH SUMMIT OF THE ORGANIZATION OF AFRICAN UNITY

● Mr. KENNEDY. Mr. President, the 16th summit of the Organization of African Unity (OAU) took place recently in Monrovia, the capital of Liberia. Representatives of 48 countries, representing over 300 million people, met to discuss the central changes that are taking place in Africa, and to formulate policies that will answer collective problems on a collective basis. The formation of the internal settlement in Zimbabwe-Rhodesia, the common horror felt at the atrocities committed by the Amin regime in Uganda, and changing views of military intervention stimulated by Tanzania's role in its downfall, are resulting in an important revitalization of the OAU by its members.

In his keynote address, the host and chairman of the OAU summit, President William R. Tolbert of Liberia, noted how the previously unquestioned rule of noninterference by African states in the internal affairs of one another could serve as an excuse for African leaders to ignore and neglect important cases of human rights violations in the region. In addition, President Tolbert called for revision of the OAU Charter to include provisions for the protection of human rights, a "cohesive policy on refugees," a regional cooperative economic policy, and a pan-African peacekeeping force—manned only by Africans—which would provide a regional response to African problems.

These proposals and the active debate of both the continuing crisis in Southern Africa and the Egyptian-Israeli Peace Treaty highlight the increasing importance of the OAU in African affairs. Unfortunately, the conference fell short of support for the Peace Treaty, and it still remains to be seen how many African governments will restore their diplomatic ties with Israel now that it has made peace with Egypt. Nevertheless, the recent meeting of the OAU demonstrates that the countries of Africa are responding together to the challenges they face together—and there is now the welcome prospect of increased cooperation in the political, economic, peacekeeping, and human rights fields.

As the Christian Science Monitor recently commented on the 16th summit meeting of the OAU:

The OAU . . . is moving in positive directions . . . the Organization is beginning to grow in ways that are salutary for the future of the African continent.

Mr. President, I ask that the editorial in the Christian Science Monitor of July 24, 1979, be printed in the RECORD.

The editorial follows:

AFRICA'S OAU: BOISTEROUS BUT BLOOMING

You can look at the just-ended meeting of the Organization of African Unity in two ways. One, as a raucous, indisciplined, disunified conference of leaders bent above all on preserving their political independence of action. Or, two, as a lively, disputatious meeting of heads of state finally beginning to speak out on substantive issues and groping for ways to make the OAU a body capable of resolving regional conflicts and taking collective decisions.

Both views are defensible, perhaps, but we choose to stress the latter.

We in fact think it significant that regional groupings in many parts of the world are slowly gaining in strength and influence. The Organization of American States, for instance, has just played a key role in the overturn of the Somoza dynasty in Nicaragua. Across the Pacific, in Southeast Asia, the 12-year-old ASEAN has grown impressively in confidence and is dealing effectively with many regional problems. In Europe, the European Community continues to stand as a model of economic cooperation and now, with its first directly elected Parliament, starts in earnest striving for the goal of political unity.

Africa comes to its collective endeavors only recently in an historical sense. It lacks tradition and experience. To expect the leaders of 49 relatively new independent states, with such divergent political systems and cultural and tribal backgrounds, to coalesce in a strong, unified organization would be expecting too much too soon. Leaders who only recently were the subjects of colonial powers are not eager to give up national rights even before they have had time to exercise them themselves. They are jealous of noninterference in their internal affairs.

Nationalism is thus likely to remain a potent force in Africa for a long time to come. But if it remains such a robust factor even in Europe, which has centuries of independence and democratic tradition behind it, let us not be too critical of the Africans.

True, the OAU meeting in Monrovia, Liberia, was one of the most acrimonious ever held. There were angry words, irate walkouts, threats of resignation from the OAU. But there was also more forthright, if heated, discussion of controversial issues, with more leaders speaking out for the first time—and no Idi Amin swaggering around with pistols on his hips. Surely such open disputation is healthy for the democratic process.

To touch on some of the resolutions passed, the most encouraging is the one sponsored by Senegal and Gambia calling for "better international cooperation to protect human rights." Not the strongest wording, perhaps, but it represents an unprecedented focus on the subject. Another resolution supports the Patriotic Front leaders in the Rhodesian struggle, but it does not rule out a conference of all the parties to resolve the conflict. Still another condemns Israel and backs the PLO but, significantly, stops short of denouncing Egypt's peace initiatives.

Not least of all, the OAU also took up the idea of a collective peace-keeping force. This remains only in the realm of a concept but it is a concept with enormous potential. The fact is that Africans do not like the presence of Cubans and Russians in their midst any more than the presence of French or any other Western power. The ultimate solution could be an all-Africa force to help preserve the African nations' territorial integrity—a self-policing action in which such countries as Morocco, Ivory Coast, and Gabon already have had useful experience.

The OAU, in short, is moving in positive directions. The most important dealings and decisions may continue to take place in the corridors. But the organization is beginning to grow in ways that are salutary for the future of the African continent. As in all things, a good measure of patience is in order.●

WHITE HOUSE CONFERENCE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, preparations for the White House Conference on Small Business to be held in January 1980, are well underway. Small businessmen and women from all parts of the country have been asked to contribute their ideas to the White House organizers of the conference.

As part of that process, White House Small Business Open Forums are being held in cities all across our Nation. One of these recently was held in Billings, Mont. Senator MAX BAUCUS of Montana and a member of the Senate Select Small Business Committee was the keynote speaker at that particular open forum.

His remarks are an important contribution to the national debate on how we can improve the economic health of small businesses. For that reason, I ask that Senator BAUCUS' speech be printed in the RECORD and commend it to my colleagues.

The speech follows:

SPEECH BY SENATOR MAX BAUCUS

I'd like to welcome you to this Open Forum. It's a pleasure to see so many friends and familiar faces in the audience.

I'm excited to see such a good showing, and I hope you will carry your participation one step further by keeping in touch with me. Don't hesitate to call me whenever you have an opinion or problem you feel I should know about, on small business or any other subject.

Today I would like to make a few comments about the state of small business. Then I would like to take a few moments to discuss some of the larger issues we face as a State, and as a Nation.

This Open Forum is one of sixty being held around the country—each one to provide direction for the White House Conference on Small Business which will be held in January.

These meetings, however, are serving an even more important purpose: they are sending a message back to Washington. They are underscoring something we've known all along: the strength of this nation's small businesses is critical to the strength of our economy.

There will not be a healthy national economy unless small business is healthy. And, as we all know, a healthy small business community is doubly important in States like Montana.

But despite that fact, small business too often is taken for granted. Rather than promoting small businesses, too often government stifles and smothers you and your business. Government regulation is excessive; the tax code is growing increasingly complex. Too often government's efforts to help small businesses, end up having exactly the opposite effect.

But it's not all bad news. The situation is beginning to improve. Despite the problems, I sense that the small business community is finally beginning to wake up Washington. It's about time. And this Conference can help wake up Washington more quickly.

Washington is finally learning that there is nothing small about small business.

Nearly one-half of our Gross National Product is the result of independent men and women like you. There's nothing small about that.

Independent businesses are the leading developers of innovative ways to do business. There's nothing small about that.

And there's nothing small about an American tradition which has been the foundation of our economy for over two centuries.

Twice each year I've held small business conferences with members of the small business community and officials from dozens of government agencies. And I've held hundreds of meetings and conversations with you and other small business men and women throughout the State. They've been helpful.

You have urged me to get a handle on how the government can support small business without overburdening it. You expressed concern that the government is removing too many of the incentives for a healthy free enterprise system. And, you and other Montanans told me to get government off your backs. I listened to you. When I got to the Senate I pushed hard for membership on the Senate Small Business Committee; to put me in a better position to act on your concerns.

I had quite a bit of competition for my seat on the Committee. This year, more Senators requested assignment to the Senate Small Business Committee than any other Senate Committee. That's really something when you consider that more Senators requested the Small Business Committee than the prestigious Appropriations, Finance, or Judiciary Committees.

In addition, the SBA is becoming more of an advocate. One of the primary responsibilities of the Small Business Committee is to authorize funds for the Small Business Administration.

Yet, the SBA should be more than just a lending institution. To me it can—and should—serve as your advocate with federal agencies.

One step in this process has already taken place.

The SBA Office of Advocacy now represents small business interests at high levels of government. But there is still a great deal more to be done, and you can be certain that as long as I have a role in this area, I will insure that the SBA is an advocate.

A promising program now developing within the Small Business Administration is its bank certification and lending program. Under this program, the SBA could delegate its lending authority and application procedures for both direct loans and loan guarantees to certified financial institutions.

It will not only improve the cumbersome application process from the SBA, but it will speed up the amount of time it takes to process an SBA loan.

The bank certification and lending program is now in the pilot stage. If the results are as promising as I expect them to be, I expect we will see the SBA get out of the loan processing business.

Initiatives to help small business are also being developed in the other Committees on which I serve. On the Finance Committee, for example, I am working on tax legislation to help small businesses. And, I chair the Subcommittee on Internal Revenue Service Oversight.

Too many times IRS has dealt unfairly with small businessmen. Small businesses contribute more than their share to the Federal Treasury and I want to make certain that they are treated more fairly in the future.

One way to do that would be for the Inter-

nal Revenue Service to pay attorneys' fees whenever it loses a court case against a small business owner. Such a plan would protect small businesses from frivolous treatment by IRS officials. I am the chief sponsor of legislation to do just that—and that should help stop these frivolous and oppressive suits.

In the Judiciary Committee, I am dealing with scores of bills affecting government regulation. This Committee deals with everything from antitrust to the criminal code, but one bill I think you might be interested in is the regulatory flexibility bill:

This bill, which I am co-sponsoring, calls for a two-tiered approach to government regulation—one for big business—another for small business. It requires each government agency—before enacting any new regulations—to evaluate the impact on small businesses. If it is determined that a new regulation is inappropriate for small business, then, under my proposal, the agency would be forced either to exempt small business from its rule, or to rewrite its rule in a manner more appropriate to the small business community.

I think this is a good approach. It's just common sense. For when all is said and done, I suspect we will find that most small and medium sized businesses can—and should—be exempted from much of the regulation and paperwork imposed by the federal government.

I'd like to shift gears somewhat, and discuss something that I know has been on your minds the past few weeks.

We live in an era of complicated questions and complex problems. Because of that it's easy for us to ignore the problems most important to the future of our economy and society.

Nothing jarred Montanans from the complacency more than this spring's diesel fuel shortage. Likewise, in Washington, nothing drove home the truth about our energy crisis than waiting in line for two hours for gasoline.

We've known for quite a few years that someday worldwide oil supplies would end. Since the 1973 oil embargo, we've known that the era of cheap, abundant gasoline and diesel fuel is over. And, we've been faced with the reality that this nation's security could be held hostage by a group of oil sheiks in the Middle East.

Today, the three most serious economic problems we must face as a nation are recession, the worldwide energy shortage, and inflation.

These three developments—and the crisis of confidence they have precipitated—will affect all Americans. They require all of us to exercise our imaginations and to utilize our resources more efficiently.

There are no easy answers to these problems. No magic solutions will appear, there is no quick fix.

More important, we must not be fooled or be deceived by simple answers to these problems.

There is an old phrase that says it best: To every complex problem there is a simple solution—and it's probably wrong.

I'm not going to propose my energy program today. Nor am I going to outline elaborate proposals to revitalize the world economy.

My message is more basic: we as a people must realize that there are limits to our consumption of energy.

In 1961, President Kennedy set a goal. The United States would mobilize an effort unlike any other in our history. New technologies—up to then only a dream—were devised, perfected and manufactured. At a time when this nation was suffering an identity crisis in the wake of the Bay of Pigs, and Sputnik, we picked ourselves up, and set out on our path to the Moon.

Ten years ago Friday—we succeeded. We proved to the world we could do it. We were proud, and for good reason.

Today we have that same opportunity. President Carter has set our goal: cut our imports in half by 1990. To reach that goal, though, we must make the same effort. We need cars that use less gas. And although today's challenge is more difficult than placing a man on the Moon, it's a challenge and opportunity we should not avoid.

The small businessmen and women of the United States can play a crucial role in helping our nation achieve that goal.

You have been the entrepreneurs and innovators of our nation, developing new ways to solve our problems.

Our nation's strength lies in its people. That's our best hope. Small business has brought forth ways to deal with our problems in the past—and I fully expect it will do that again in the future. This conference should be most productive.●

THE EFFECT OF THE CAPITAL GAINS TAX

● Mr. HAYAKAWA. Mr. President, there has been much talk recently of whether or not large tax cuts will stimulate the economy. From 1969 through 1977 Congress raised the tax on capital gains from 25 percent to 49 percent. Proportionately, over that same time, venture capital tapered off to a trickle by 1977 as the costs of failure increased and the rewards of success diminished. In 1978 Congress realized its error and reduced capital gains taxes to the present 28 percent rate. In an editorial in the July 30, 1979 edition of the Wall Street Journal, the 1978 capital gains cut and its effects are discussed. The benefits to venture capital from the tax reduction cannot be exaggerated and it behooves us to apply the lesson we have learned to the rest of our tax system. The behavior of our economy, since the capital gains tax reduction, indicates the responsiveness of the economy to incentives. I would suggest that the editorial is correct when it states that more encouragement of the economy's "inclinations to grow would no doubt produce further benefits" and I ask that the article, "Snapping Back," be printed in the RECORD.

The article follows:

SNAPPING BACK

Anyone who might be wondering about the effects of last year's reduction in capital gains tax rates would do well to look at the venture capital revival that has since occurred. We particularly urge a look by those who argued then—and still do in some cases—that you can't improve capital formation by lightening the tax burden on it.

Venture capital is money raised by entrepreneurs whose only assets are their new ideas. Even if they turn out to be successful, investors must expect their capital to be locked up for 5 or 6 years. A decade ago venture capital was thriving. But along came the Tax Reform Act of 1969 which together with its subsequent revisions raised the maximum tax on capital gains from 25% to 49%, reduced the write-off of capital losses by 50% and sharply curtailed the deduction of interest expense on borrowed funds used to make an investment. All in all, the rewards for success were cut in half, and the penalties for failure were doubled.

The effect on venture capital was devastating. The ability of small companies to raise equity capital by public stock issues declined drastically, and by 1978 small company issues had practically ceased. In 1977 when the maximum tax on capital gains hit 49%, equity capital from all sources dried up.

The tax reformers who sold this bad bill of goods to the Congress said the purpose of it was "to make the rich pay taxes." Congress expected to score some easy political points, not to dry up important wellsprings of economic progress. New small companies account for a disproportionate amount of new products and technologies, and they contribute substantially to the growth of the economy as a result of their own rapid growth and the productivity gains that they introduce into the economy.

By 1978 Congress realized what it had done, and Rep. Bill Steiger found majority support in both houses for his proposal to reduce the capital gains tax. In November the rate was reduced to 28 percent.

The response from venture capital was instantaneous and began in May before the law was passed when Senator Hansen rounded up 60 Senate cosponsors of the Steiger bill. By the end of the year venture capital raised by firms specializing in the activity rose eleven-fold over the previous year. In 1979 venture capital is back where it was 10 years ago.

The snapback is easy to understand. In 1969 Congress began adding to the costs of failure on risky new ventures, while reducing the rewards of success. With risk taxed at the same rate as corporate salaries, fewer people left comfortable employment to go off on their own with the ideas they couldn't sell to their employers. Those still willing could find few financial backers. In 1978 Congress restored incentives for assuming risk, and people began assuming risk once more.

There is evidence that lowering the capital gains tax rate had wider ripple effects. The Dow Jones Industrial average rose 130 points from March to August last year as it became evident that there were enough votes in Congress to cut the capital gains rate. The market has since lost some of that exuberance but still is well above March 1978 despite rampant inflation and a recession threat.

Equally impressive, in light of recession fears, is the fact that corporate expenditures for new plant and equipment and for research and development are once again showing signs of life after a long period of stagnation. Shareholders can once again look with favor on managers plowing back earnings rather than paying them out in dividends.

These signs that the economy would like to get back on it's growth track are encouraging challenges to the gloomy predictions that the growth era is over. They indicate that the economy responds to incentives, and is not in the clutches of some inexorable process of decline. More encouragement of its inclinations to grow would no doubt produce further benefits.

We have in mind cutting tax rates on personal income in order to lower the high marginal rates on real income that a decade of inflation has brought about, altering taxes on interest and dividend income in ways to lessen the tax bias against saving and passing something like the Jones-Conable Capital Cost Recovery Act so that businesses can recover their investment capital before inflation eats up their depreciation allowances. A little good tax law and the economy as a whole will snap back as rapidly as venture capital.●

THE COUNCIL OF INTERNATIONAL PROGRAMS

● Mr. GLENN. Mr. President, I would like to inform you and my colleagues of the upcoming visit to Washington by several hundred participants in the Council of International Programs. These young men and women are professional social workers and special teachers from Africa, Europe, Asia, and Latin America. As individuals of exceptional talent and ability, they were chosen to represent their native countries in this unique exchange program.

I am familiar with the Council of International Programs because it was founded in Ohio 23 years ago by Dr. Henry Ollendorff, an internationally recognized social worker. Dr. Ollendorff served as secretary-general of the organization until his death this year. Today the Council of International Programs is under the direction of a distinguished group with Sidney D. Josephs as president, Paul A. Unger as honorary president, and Wilbur E. Wright as secretary general.

The success of this program is evidenced by the 3,000 participants it has had since 1956. These outstanding people have returned to their countries to fill influential positions; these have included provincial governors, members of parliament or congress, mayors, national ministers of welfare, deans of schools, and directors of all types of social agencies.

About 200 participants come to the United States each April for periods lasting from 4 to 13 months. At the beginning of their stays here, they enjoy hospitality contributed voluntarily by thousands of American families. During that time they participate in seminars to exchange information on policies and programs of their respective nations. At various university campuses throughout the United States, they prepare for individual assignments with an American agency. Then each one goes to work in a capacity similar to the one which they have in their own country. In addition to those in Ohio, CIP participants are now working in Colorado, Georgia, Illinois, Indiana, Iowa, Minnesota, Michigan, North Carolina, Pennsylvania, West Virginia, and the District of Columbia.

Most of the funds for these programs are raised by voluntary contributions from individuals, foundations, and corporations in the host cities. In recognition of the importance of these programs for fostering better international relations, the International Communications Agency provides financial assistance and stipends for participants from less developed countries. The sending country provides most of the travel expense plus some program support.

Because of the tremendous success of the CIP, other nations have begun reverse programs to bring American social service professionals to their countries. The first such program was begun in West Germany, with the full costs paid by the German Government. Similar endeavors are now underway in France, United Kingdom, Sweden and Turkey, with others in formations.

Mr. President, even though the Congress will not be in session when this group arrives, I would like to welcome them to our Nation's Capital and to thank them for the work which they have done in our country. I hope that each of them takes home a better understanding of the United States, just as I am sure they have left a better understanding of their own countries with our Nation.●

DEATH OF THURMAN MUNSON

● Mr. MOYNIHAN. Mr. President, I rise to lament the death of Thurman Munson, the captain of the New York Yankees. He was killed yesterday when his plane crashed short of the runway at the airport near his home in Ohio.

Thurman Munson occupied a giant place in the lives and most especially the hearts of all New Yorkers. The void he leaves will not easily or quickly be filled. I was touched by Yankee owner George Steinbrenner's remarks on Thurman. He said,

> I've lost a dear friend, a pal and one of the greatest competitors I've ever known. We spent many hours together talking baseball, and business. He loved his family. He was our leader.

Thurman's rise in the baseball world was meteoric. He joined the Yankees in 1969 at the age of 22. In 1970 he was named the "Rookie of the Year." For 3 years running he won the Golden Glove Award. In 1976 he won the American League's Most Valuable Player Award and was named the captain of the Yankees. So while still in his 20's Thurman Munson realized every American boy's dream.

The memories of Thurman will be many and will transcend his awesome abilities on the field. We shall remember his spunk, his wit, his frankness. He was a hero to many, a leader to all.

May I offer my deepest sympathy to his wife, Diane, and his three children, Tracy Lynn, Kelly, and Michael.●

THE EFFECTS OF NUCLEAR WAR

● Mr. CHURCH. Mr. President, in 1978 the Committee on Foreign Relations requested the Office of Technology Assessment to conduct a study on the effects of nuclear warfare. A previous OTA study, also commissioned by the committee and published in 1975, investigated the effects of limited nuclear war and concluded that a more comprehensive examination of damage effects and radiation release was needed. The committee asked that these recommendations serve as guidelines for a second study, designed to explore the impact of various levels of attack on the populations and economies of the United States and the Soviet Union.

Unlike most defense analyses, the new study (released in June 1979) concerns itself only with damage to civilian society, bypassing military effects. Within this range, it investigates both direct and indirect effects over the short and long term, as well as an examination of the utility of civil defense measures. Specific case studies include a projected attack on single cities (Detroit and Leningrad) with one weapon, an attack on oil refineries limited to 10 missiles, a counterforce attack, and a full-scale attack on military and economic targets. In this final scenario, deaths in the first 30 days could range from 35 to 77 percent of the entire U.S. population, with additional millions of deaths estimated from long-term effects such as cancer, starvation, and exposure. Such devastation is unthinkable, yet even with a "limited" nuclear war (a counterforce attack) it was estimated that U.S. deaths could reach 20 million.

The OTA found that calculations of the effects of nuclear war are at least equaled by effects that cannot be calculated, such as fire, shortages of medical care, and long-term ecological damage. Such uncalculable effects, in addition to large uncertainties in the actual calculations, contribute to the enormity of even a limited attack.

No one can be certain as to how the survivors of a nuclear war would actually cope with such an unprecedented situation, where prewar patterns of life would be obliterated. Indeed, the one certain prediction resulting from the OTA study asserts that economic conditions after an attack would get worse. This would almost certainly be accompanied by deteriorating social and political conditions as well.

The OTA study serves as an important reference work for future research into the effects of nuclear war. More importantly, however, it brings home the actual human consequences of a nuclear attack. In the context of the SALT II debate it is essential to remember the life-and-death implications of the abstract terms bandied about on both sides. In a recent New York Times editorial, for instance, the import of this aspect of the SALT debate is almost ignored, despite the enormous potential consequences for us all.

Mr. President, I ask that the New York Times editorial of July 16, 1979, be printed in the RECORD.

The editorial follows:

TOWN MEETING ABOUT ARMAGEDDON

America fared well at the first week of televised debate of the SALT II treaty. The Russians, we suspect, stood in awe of the spectacle; they really can't understand letting the public near such dynamite.

Americans with the power to order the devastation of both the Soviet Union and the United States appeared on camera to implore a group of quarrelsome and skeptical Senators to approve the doomsday weapon agreements that the President has already signed. The Secretary of Defense conceded, good-naturedly, that he was mostly a backboard off which Senators played a jumble of opinions. The Joint Chiefs of Staff impressed us not only with their soft-spoken reflections on Armageddon but also with their footwork around the political boobytraps in every question. They plainly would prefer a different treaty, as they would prefer a less contentious Government; but they seemed proud to have mastered, beyond weapons, a politics beyond the ken of any Soviet marshal. As for the Senators on the Foreign Relations Committee, they could not be thrown by talk of throw-weights and missile fractionation. They stepped up to the balance of terror as if the issue were repairing the town bridge.

We're sorry the subject of Judgment Day hasn't drawn more television viewers. They would have been satisfied that our political superiority, at least, remains assured. And the military truth about the pending treaty was, finally, not hard to discern.

Senator Helms aptly called it "not a limitation treaty but an escalation treaty." Everyone agreed that the treaty would let Russia complete the strategic buildup with which it hopes to match or exceed the United States on practically every index. All agreed, too, that the treaty would let the

United States accelerate the redesign of its arsenal to rematch the Russians in most respects and to leapfrog over them in others.

Only two things about this treaty, it turns out, bother the people who would reject it. One is the idea of signing an agreement that allows the Russians to keep much larger missiles than the United States either has or would want. The objection here concerns not the military danger of those missiles but the diplomatic danger of precedent. Some critics fear moving ever deeper into the arms control thicket without having yet established the principle that all quantitative and qualitative limits on weapons shall be equal for both sides. When it comes to nuclear weapons, which no one really expects to use, perception is everything. The fear is that our smaller and leaner weapons, even if adequate or more agile, might one day be misperceived as weaker, with terrible consequences.

The other concern of the treaty's opponents reflects distrust—of Americans. The critics think their fellow citizens will not understand that arms limitation has so far limited very little. Thus the treaty can become a tranqualiser, the critics warn, and put Americans to sleep while the Russians achieve permanent superiority. They acknowledge that SALT II would permit building every new weapon we might want as fast as we could. It's Americans' resolve they doubt, and the money for new missiles that they want to see before they sign on to the treaty.

With or without a treaty, then, our country faces a long debate about what new military power it needs. Build the weapons that President Carter is pledged to build, the Joint Chiefs assert, and the treaty becomes a modest gain: it inhibits the Russians slightly and us in no significant way. Build less than that *because of the treaty* and they say it becomes a net loss. Build even more than the President wants and maybe the Russians will finally agree to some major limitations in SALT III.

The essential failure of arms control so far was clearly revealed in the testimony favoring another arms control agreement. On that paradoxical ground the sponsors and critics of SALT II met last week. It's a largely harmless treaty militarily, they agree, because it achieves so little limitation on arms. Its risks, to the critics, are political, and so, too, are its main benefits to the sponsors. Some say hold out for more arms control in this treaty; some say take this treaty on the way to trying for a better one next time. What once looked like a Great Debate could be turning into a modest spat.●

THE AFFIRMATIVE ACTION NIGHTMARE

● Mr. HAYAKAWA. Mr. President, I submit for the RECORD an article, "A Dream Becomes a Nightmare," which appeared in the May 4 Washington Star.

I hope that my colleagues in the Senate and the House of Representatives will take a minute to read this article. It says many of the things I have tried to say in the last 2 years, since my election to the U.S. Senate.

The purpose of the Civil Rights Act of 1964 was to guarantee equal opportunity to all our citizens. And what does equal opportunity mean? It should mean that each man and woman has the right to strive, to compete, to accomplish and to be rewarded. Affirmative action programs and quotas attempt to replace personal effort with preferential treatment. "Equal" opportunity then becomes "selective opportunity," available only to those whom the bureaucracy has selected for special handling.

Last year I asked the Senate to deny Federal funds for Health, Education and Welfare and Labor Department programs which give preferential treatment to minority groups. My intention was not to destroy opportunities available to people who have suffered from discrimination in the past, but to keep those opportunities from being color-coded handouts. On what basis does the Government decide which group is the most deserving of preferential treatment? Many ethnic and cultural groups can genuinely claim to have been discriminated against. There are also people who have social handicaps. Certainly, if the Government insists on selecting those who should be shoved to the front of the line, the selection should not be based on skin color alone.

The point I want to stress is that I believe that affirmative action programs were begun in good faith, and served to good purpose. But these same programs have long since become outdated. The programs brought the necessary public attention to the problem, which served to solve much of the problem. We have now gone far past insuring equal rights for minorities, however, and forced preferential treatment for minorities on employers. This has not only caused resentment among those who are nonminority, but I think has caused embarrassment among the well-qualified minorities who can get jobs and equal treatment without any special help from the bureaucrats.

The time has come for us to put affirmative action programs behind us and proceed. I hope my colleagues will read this interesting article as it appeared in the Washington Star, and give it the appropriate serious consideration.

The article follows:

A DREAM BECOMES A NIGHTMARE

An unfortunate misconception has been created concerning my request to the federal government to eliminate the "Spanish surnamed" designation from my personnel records. This confusion has been exacerbated by the remarks attributed to an official of the U.S. Office of Personnel Management who, without seeing my request, concluded that I was seeking a reclassification from "Hispanic" to "white."

Contrary to press reports, I have not requested reclassification from "Hispanic" to "white" but declassification in terms of race/ethnic codes and, consequently, removal from affirmative action programs. This decision was not prompted by the "Leon case" in Montgomery County, as reported. It was the result of a protracted deliberation for which there is sufficient documentary evidence.

Discrimination against certain segments of our society is a historical fact. This discrimination should have been both pragmatically and ideologically unacceptable in a democratic society founded on the basis of Judeo-Christian tradition, which asserts that mankind is "created in the image of God," and guided by our Constitution, which declares that "all men (mankind implied) are created equal."

Affirmative action programs have therefore been enacted to redress discrimination. However, these programs have been variously interpreted and often applied on an irrational, arbitrary and sometimes flagrantly discriminatory basis. I have viewed affirmative action as a process which guarantees the hiring and promotion of qualified minorities, sometimes even over equally qualified non-minorities. The preferential selection of a qualified minority at the exclusion of an equally qualified non-minority seems to be the only realistic approach to remedy the devastating effects of past discrimination.

But on the way to implementation, this dream of equal opportunities appears to have been transformed into a nightmare of thwarted hopes and contradictions. For the fact is that affirmative action has been tainted with capriciousness, ignorance, mismanagement and pervasive tokenism.

Paradoxically, it has also engendered a new and unusual form of discrimination, i.e., the widespread perception that the hiring and promotion of minorities are exclusively determined by their "preferential" or "numero uno" status, rather than by their qualifications and merits. This misconception has created an environment potentially detrimental to the professional and personal growth of minorities.

Affirmative action has also failed to create genuine and lasting opportunities for those with the greatest need. Among Hispanics, no other group has been more systematically and brutally discriminated against, and for a longer period of time, than Chicanos. Yet the people who appear to have benefited the most are those who, on a competitive basis, could have succeeded without affirmative action.

There is also little doubt that tokenism has been widely practiced. While statistically it shows compliance with the goals of affirmative action, tokenism does nothing for the recipients except guarantee an income and rob them of self-esteem and genuine job opportunities.

Even the determination of minority categories has been so fraught with subjectivity and capriciousness that it has been intrinsically unfair to minorities and non-minorities alike. Is the determination done on the basis of "visual inspection" or by "surnames?" And who does it? How about race? Does a 90 percent "white" and a 10 percent "black" ancestry make one a Caucasian or a Negro? Do multiple-minority labels mean one has a greater advantage over someone with a single label?

Not only is the labeling arbitrary but the secretary shrouding it is an infringement of constitutional rights. It provides no option to accept or decline participation and no thought as to the individual's real need for it.

For example, under present federal guidelines, Muhammad Ali would be secretly cast as a minority in need of protection of affirmative action. Never mind that he, on the basis of talent, great skills and unrelenting determination, surmounted the hurdles of racial and political hate to catapult himself into worldwide recognition. The problem is that the custodians of affirmative action fail to realize that Mr. Ali, like myself, has already overcome discrimination. And if again confronted with this injustice, he could cope with it more effectively alone than in partnership with the federal government.

For a program that ostensibly aims to restore to minorities the opportunities inherent to the American Dream, affirmative action has failed to make an impact on those institutions which provide leadership to the federal government and to the nation. Ironically, this year the Equal Opportunity Commission (EEOC) was found guilty in federal court of discrimination against one of its employees, a Puerto Rican, Aida Berio. By violating the same laws it was charged to enforce, the moral leadership of the EEOC has been seriously weakened.

There is the inherent danger that, if left unchecked, affirmative action may contribute to the further fragmentation and polarization of our society. Thus your editorial of April 14, "A blow against labeling," has rendered a great service by offering an alternative to minority labeling, i.e., a category "for all Americans who would prefer to bear no racial or ethnic label."

My hope is that affirmative action, while creating equal opportunities for hiring and promotion, will also enable minorities to help themselves so that they, in due time, will be "graduated" from this program. Then the only necessary requirements for equal employment opportunity will be competence and achievement.●

SMALL BUSINESS ADMINISTRATION LOAN PROGRAMS

● Mr. NELSON. Mr. President, on March 27, six members of the Senate Small Business Committee joined me in introducing S. 793, the "Small Business Loan Reform Act of 1979." That proposal would shift most of the Small Business Administration's responsibilities for their guaranteed loan program (section 7(a)) to the private banking sector.

It has been estimated that enactment of that legislation could cut from the Federal budget one-half billion dollars and reduce SBA personnel by at least 1,000. As a result of this new concept, if enacted, greater emphasis would be placed on SBA's other highly important but often overlooked nonlending programs. More and more people in the business world are beginning to perceive of these programs, such as the advocacy program, as more important than the loans SBA makes each year.

In this regard, Mr. Dean Treptow, president of the Brown Deer Bank, Brown Deer, Wisc., and president of the Independent Business Association of Wisconsin (IBAW) has written a highly thoughtful paper analyzing the Small Business Administration's direct and guaranteed business loan programs. Mr. Treptow offers some perceptive and constructive suggestions for improving the flow of debt funds to the small business sector.

These personal observations of a businessman who understands the responsibilities and needs of both the financial community specifically, and the small business community generally, will be useful when the Small Business Committee reviews in depth the SBA's programs in an upcoming series of oversight hearings. I am sure my colleagues would benefit from Mr. Treptow's recommendations, as well.

Mr. President, I ask that Mr. Treptow's memorandum be printed in full in the RECORD.

The memorandum follows:

MEMORANDUM

Subject: Small Business Loan Programs.
From: Dean Treptow, President, Independent Business Association of Wisconsin.

An understanding of S.B.A.'s role in direct lending and loan guaranty programs requires some background on the general nature of business lending and unique aspects of financing the entrepreneurial business.

Availability of credit to any business is a function of two different criteria. One is allocation of resources and the other is credit qualification. The manner in which these criteria are applied will vary somewhat with the type of lender. Commercial finance companies, insurance companies, S.B.I.C.'s, the S.B.A. and commercial banks all make direct business loans and each will approach the subject differently. For the purpose of this paper I will take the commercial bank viewpoint as it is the principal source of credit to small business and the S.B.A., whether lending direct or guaranteeing a bank loan, tends to apply standards similar to the banks.

Allocation of resources is a matter of the lender deciding how it will allocate its resources among competing investment opportunities. These alternatives are numerous, consisting of long term versus short term commitments, fixed yields versus floating all within different markets for governmental units, consumers and businesses. Assuming that a bank has the desire to finance small business and the staff expertise to compete in the market, there are other factors that affect the extent to which it will allocate its resources to this market.

A significant factor is cost per unit of investment. It takes the same amount of time to analyze the financial statements of a small business for a $100,000 loan, as it does to analyze the statements of a "Fortune 500" company for a $5 million loan. This is assuming that the small business has accurate financial statements that can in fact be relied upon to accurately reflect the quality of the business venture. In reality this is frequently not the case. In any event, the expense related to investing a given unit of money in small business is significantly greater than in many alternatives available to the bank.

A second important factor is the liquidity needs of the bank. It is well known that the rate of savings and investment in this country has been declining. Simultaneously, the demand for credit from all sectors of our economy has been increasing. During inflationary periods, intense competition exists for each investment dollar in the market, while the government restricts the money supply and at the same time competes for dollars more actively in an effort to place new federal debt. Banks in general have a difficult time maintaining a reliable flow of funds to the borrowers during these inflationary periods. Businesses and consumers alike spend in anticipation of inflation, drawing on their savings in the bank and supplementing it with borrowed dollars. The result is usually strangling of the loan supply to small businesses in inflationary periods. This, of course, is precisely the time it needs its greatest credit because of inflation expanded working capital needs.

By virtue of the sources of funds available to banks, their aggregate availability of funds and cost of those funds will be volatile. The trend of developments in recent years would promise even greater volatility for the future. This circumstances can be assumed to be disadvantageous for the smaller business because of his heavy reliance on the banks. Large business entities and government can shift to other sources, unavailable to the small business. Insurance companies and pension funds have growing pools of investable funds which by their nature are more stable in supply and cost. These institutional investors can't practically invest in loans to small business for reasons which I will explain later. Large businesses and government however, can and do access these funds with ease.

Large corporate borrowers and governmental units can also go directly to the consumer market for funds, in fact competing directly with banks in the markets that are the principal sources to the bank. This is done through issuance of commercial paper, sales of corporate bonds and marketing of small denomination U.S. Treasury Bills and Notes. Theoretically, smaller businesses could also tap these markets, but are precluded in in fact. Sale of commercial paper or corporate bonds to the public requires expensive S.E.C. registration. The marketing costs alone would preclude any issues of less than several million dollars.

Thus far I have spoken only about the allocation of funds. Credit qualification is the other criterion that affects small business funds availability. A credit decision by any lender is based on that lender's level of confidence that it will be repaid as agreed. That perception of confidence is referred to as the risk factor. The level of risk that any lender will accept is directly related to the yield or reward potential of the investment. To illustrate, if a lender desires a return of 9% on a loan, he can choose to buy a U.S. government security with a 9% yield and reasonably expect his stated return because he assumes no possibility of loss of principal. If on the other hand he chooses to lend to a class of borrower that historically, as a class, has had a high rate of failure, the risk is greater. Let's say that lender experience has been that 5% of loans to this class have not been collected. In this situation, our lender desiring the 9% return would require a 14% interest rate to achieve his objective.

It is relevant to point out here that the best earning banks show a net income after tax of about 1.0% of total assets. This means that if bank management made an error in judgment of loan risk that resulted in 1% of its loans being uncollectible, it would forfeit one year's income. Banks also have high leverage ratios of assets to capital. At December 31, 1977, the median ratio of capital to assets of all banks in the U.S. was 7.93%. Thus, an 8% loan loss would destroy the capital structure of the industry. The importance of these relationships is to point out that the banking industry is one with thin margins and little room for errors of judgment in risk assessment.

When a bank evaluates risk, that evaluation is really a function of two variables—people and profits. In an entrepreneurial business, the people variable probably counts for at least 50% of the risk formula. This is a highly subjective valuation. Good managers can overcome weak balance sheets and serious adversity in marketing, production, etc. Weak managers can destroy strong financial positions and mess up great opportunity. A track record of proven success is very important in controlling risks in the perception of a lender.

What has been management's history? Has it encountered adversity? If so, how? Did it play ostrich and ignore the problem until it expanded out of control? Did it seek bankruptcy protection, or did it show energy, guts and tenacity—the survival instinct.

What about the product or service being marketed? Is there a quantifiable existing market for the product or is it a new product seeking a new market?

What is history of this business? Has it produced profits? Has it successfully manufactured and sold its production?

Lenders need identifiable, projected rates of returns on loans. This requires some confidence in ability to assess risk. If the lender is faced with a situation where the borrower is a "start-up" business, owned and managed by someone without previous enterpreneural experience, selling a new product concept into a market that has not previously used this concept; then risk determination is objectively impossible. If such a business is to be started, it must necessarily rely on personal savings and resources of the entrepreneur until some track record, at least in one or more of these areas can be demonstrated.

Successful delivery of adequate loan funds to independent business requires two major prerequisites:

1. The point of loan origination, credit decision and administration must be local, per-

mitting a highly personal relationship to develop between the business person and the lender.

2. Vehicles must be created to permit the independent business access to all the credit sources available to other larger businesses so as to stabilize sources of funds in all phases of the economic cycle.

The close personal relationship is necessitated by the subjective nature of risk assessment in smaller businesses. To the extent that the relationship is depersonalized, the greater the weight that will be placed on pure historical financial statement analysis. The result of this will be depriving exceptionally strong management of credit in some circumstances or exceptional loan losses that may restrict the supply of loan funds to all businesses. Certainly, the depersonalizing of the loan relationship will skew credit availability in favor of larger, more mature and less innovative borrowers.

It is for these reasons that insurance companies and pension funds will never be reliable sources of direct loans for independent business. This conclusion is reinforced by the unit cost of investment decision when an institutional investor has alternatives available with public traded debt instruments of major corporations, already risk scored by rating agencies such as Standard & Poor or Moody. I have already discussed the prohibitive effect of securities laws and marketing costs on direct sale of loans by independent business to the general public. Despite these problems, we do have available to us a means of achieving our two major prerequisites to adequate funding of independent business.

The Small Business Administration has already taken some important steps in the right direction. Before I describe how we can move from the present situation to a solution, however, we must answer some fundamental questions:

1. What emphasis should our solution include on stimulating new business creation?

2. How shall we distribute risk of the program among relevant entities—government, lender and business community?

In my view there is no reason why our society should bear any expense for risk creation simply because a person may decide that it would be personally desirable to start a business as opposed to working for someone else. Entrepreneurship is not a right, it is an opportunity for those who are qualified. On the other hand, I believe it is in the national interest to encourage new business creation for the benefits that accrue from product innovation, competition, job creation and individual self reliance.

Whatever our view, however, I believe it can be proven that availability of loans to the start-up business is not a top priority affecting successful business start-up. Management ability, experience and integrity, viability of product or service and competitive factors all are more critical factors in the initial success of a business. The minority business loan programs extended by the S.B.A. have produced more tragedy than success. With the worthy objective of assisting minorities to find opportunity to enter the entrepreneurial sector, S.B.A. under Congressional mandate, invested millions of dollars as an answer to the problem. All too often this turned out to be a cruel hoax on the minority business person. Enticed into business by government encouragement and availability of debt, all too many well intentioned entrepreneurs found themselves helplessly in debt and humiliated by financial and business failure.

A revised program for new business creation should start with management education. I would recommend an educational program leading to certification for all would be entrepreneurs without previous experience and wanting to start a new business. This certification should precede start-up of the business. Properly designed, it would not only develop essential skills for managing the small business, but also enable the prospective entrepreneur to better evaluate the risks inherent in his proposed business and cause re-evaluation of his decisions.

University extension programs already exist in most areas of the country and could be adapted to meet the needs of this certification program. Of special interest to me, however, is the new Small Business Development Center concept within our academic institutions. This could provide the ideal vehicle for preparing and screening prospective entrepreneurs. The education could frequently be undertaken while the student was otherwise employed. Upon completion of this educational program, the graduate should be expected to fit into the same S.B.A. structure that would exist for any other business applicant.

I believe that S.B.A. and the business community have held a wrong perspective on the need for governmental influence on availability of credit to small business. The S.B.A. loan programs have been almost totally focused on the "credit qualification" aspect of lending. No attention was given to the "allocation" factor until the recent advent of a secondary market for S.B.A. loans. It is my judgment that we should focus only on the "allocation" factor.

Our economic cycle, over the last several decades, has been fluctuating with wider swings and shorter cycle periods. When the cycle peaks with high inflation and great business activity, money supply is tight and interest rates high. At the bottom of the cycle, banks are fighting with each other to place money. At this low point in the cycle, small business finds it relatively easier to obtain loans. The reasons for this are obvious. When bank funds are plentiful, bankers will accept increased risk and they have more time available to deal with the unique characteristics of small business loan processing. Then, as the cycle changes and money gets tighter, it is allocated to the best risks and many independent businesses are denied access to credit. This condition is obviously detrimental to many independent businesses.

If the supply of funds available for small business could be smoothed—the cyclical availability removed—the results would be a compound benefit for small business. The business could rely on stable availability and banks would be encouraged to increase activity in small business lending through the economic cycle. If the lenders were so attracted to the independent business market, then market action would allocate credit to those businesses that had a real economic basis for success. Government would not be required to intrude in the "credit qualification" formula.

The means to accomplish this result is by devising a vehicle to make small business debt saleable to every investor in the market place. I mean every investor from the individual saver with $10,000 to the largest pension funds and insurance companies.

Successful implementation of such a credit program for independent business will require special attention to three essential participants in the program—local bankers, a credit quality assurance function and the investors.

The origination, administration and collection of loans to independent business must reside with the local banker. Given the unique characteristics of small business lending already described, especially the need for personal familiarity, the private banking system is the only practical interface between independent business and the entire spectrum of potential credit sources. The banker must be motivated to allocate a greater portion of his resources, particularly manpower, to seeking out independent business loan opportunities and the marketing of these loans to other investors. What I am recommending is that the banker alter his concept of financing small business so that he resembles more of an underwriter of small business financing than an investor.

This will never happen, however, unless the ultimate investor—individual or pension fund—can be assured of a uniform credit quality by some third party. The investor cannot be expected to evaluate credits and he will not trust the banker as the bank has a conflict of interest unless he sold the loan with recourse. Banking law precludes banks from selling loans with recourse. This is the place for government to step in with its S.B.A. guaranty. Any bank loan carrying the S.B.A. guaranty will be perceived by an investor as having acceptable credit quality and the loan will most likely meet pension fund standards for credit quality. True, the secondary market for S.B.A. and Farmers Home Administration guaranteed loans already provides this credit quality assurance. The program doesn't go far enough, however, to meet investor requirements. The secondary market currently deals only in units of whole individual loans. The odd dollar amounts and varying maturity schedules just don't need the portfolio management standards of investors. The essential enhancement is to have a pooling of these loans by S.B.A. or Fm.H.A. with investor certificates in varying denominations issued against the pool. For example, the S.B.A. could purchase from banks, a pool of $100,000,000 of S.B.A. guaranteed loans. The loans within this pool would produce a statistically valid average expected maturity and average yield. Investment certificates could be issued against the pool in various denominations, ranging perhaps from $10,000 to $1,000,000.

Under this proposal the government would have the credit risk equal to the amount of guarantees issued and would be an interim funding source during the time the pool was aggregated and then subsequently sold.

Essentially this same concept for pooling and certificating was embodied within H.R. 11445, vetoed by President Carter. I am advocating going beyond this concept in a way that would reduce government risk, compensate government for any residual risk and motivate and discipline bankers in a way never embodied in H.R. 11445.

My recommendations include the following provisions:

1. Alter the present procedure for issuance of S.B.A./FmH.A. loan guarantees:

Currently, there is a duplicity of effort involved in the issuance of an S.B.A. guarantee that leads to added expense, time delays and frequently an awkward loan structure. All loans submitted for S.B.A. guaranty are reviewed first by a bank. A bank collects all of the relevant information it needs to make its credit decision. Then a totally separate credit application is prepared for the S.B.A. and its personnel go through essentially the same analytical procedures already accomplished by the bank.

This separate analysis is justified by the fact that the S.B.A. usually assumes 90% of the risk versus 10% by the bank. Given the relatively low comparative risk taken by the bank, there have been abuses of the S.B.A. by banks on specific loans. Under present law, a bank pays a fee to the S.B.A. equal to 1% of the amount of the guaranty. This fee is not adequate for the level of risk assumed by the S.B.A. in a majority of situations.

I recommend that individual banks be given authority to commit the S.B.A. guarantee without prior review or prior approval by the S.B.A. I further recommend that S.B.A. guarantees be available on loans to any business that meets defined standards as

an "independent business". Bear in mind that our emphasis here is on credit allocation to independent business, not on credit to marginal credit risk businesses. This procedure will result in the most cost efficient processing of guaranteed loans by the parties having the most intimate knowledge of business characteristics.

Obviously, the banks must be disciplined to use sound credit judgment or the bank could pass the risk almost totally to the S.B.A. without its veto. This can be accomplished as described in the next provision.

2. Introduce a proper balance of risk and reward between banks and S.B.A.:

If a program for pooling and certificating loans existed, then banks would have an entirely new source of income, not now available to them. They would be selling knowledge and expertise in finance through a pseudo underwriting function. The potential of this source of revenue as compared to direct investment for the life of a loan and the attendant liquidity problems should be so attractive to banks that they would be induced to abide by some new rules.

It is recommended that a bank be licensed or certified by the S.B.A. as qualified to issue S.B.A. guarantees. Without this certification, a bank would be precluded from any participation with S.B.A. The certification would be based on prior experience in small business lending. Once certified, the bank could lose its certification to participate if loan losses on guaranteed loans exceeded a certain limit.

In addition the bank should be required to pay an insurance premium to the S.B.A. based on the dollar amount of each loan, loan loss history of the borrowers industry and finally the banks' own loan loss history under the program.

The licensing concept has precedent in the S.B.I.C. industry. It has worked reasonably well there for a long time. The opportunity to originate small business loans and pass them through to a pool purchaser should prove to be a powerful enticement to banks to increase activity in financing independent business. The bank should be able to keep a profit shim (borne by the borrower) on sale of the loan to a pool and solve its liquidity needs. Source of funds for independent business will be subject to far less cyclical variation.

3. Provide opportunity for phase out of Government involvement:

If this program is properly structured, in a few years the borrower, banks and investors should achieve a satisfactory balance of risk and reward. When this happens, government risk should be stabilized and become highly predictable. At that time, I predict the advent of private insurers stepping into the role of the S.B.A. These private entities could be expected to issue guarantees or insurance policies on loans and privately pool and certificate loan securities.

Incentive is built into this recommendation to cause banks to lend to as many independent businesses as possible, but restricted by real loss experience. The market place will allocate credit to all independent businesses that have a predictable risk factor.

If our society wishes to extend credit for social or other reasons, to business entities without predictable risk, then that is a separate issue. A decision to do that, however, should not be co-mingled with this program and the public should not be misled by the terminology of a "loan program". More accurately, that social program should be characterized as a societal expense and written off as incurred.●

RATCHETING TO RUIN

● Mr. HAYAKAWA. Mr. President, a recent Wall Street Journal editorial commends the Joint Economic Committee on its current economic policy. We are all indebted to Chairman BENTSEN and the entire Joint Economic Committee for their efforts on behalf of this entire Nation. I would like to add my personal thanks to the kind words of the Wall Street Journal and I ask that the July 3, 1979, editorial in the Wall Street Journal, "Ratcheting to Ruin," be printed in the RECORD. I thank the Chair.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 3, 1979]

RATCHETING TO RUIN

With the economy bordering on recession, Congress must begin now planning a different kind of recovery. That was the message that Joint Economic Committee Chairman Lloyd Bentsen (D., Texas) and ranking Republican Bud Brown (R., Ohio) gave at their press conference last week.

No more easy money and spending programs to pump up demand while applying the tax brake to production, said the lawmakers. The track record of demand management, shown by the chart below, is just too dismal. The inflation and unemployment rates have ratcheted upward with each successive cycle. Performance previously deemed unacceptable becomes unattainable. The unemployment rate at the peak of the present cycle is as bad as at the trough of the previous cycle. In a word, demand management has stagflated the economy.

This time around the JEC favors a different policy: moderation in spending and money to fight inflation, and tax rate reductions to restore an incentive structure for economic growth. We applaud the JEC for assuming a leadership role rather than continuing to rationalize demand management policies that accommodate Congress's spending priorities while the economy ratchets to ruin.

The JEC's task of persuading the Congress will not be easy. But it will be helped by the fact that the long economic expansion, which shows signs of coming to an end, has been disappointing. On a scale of many indicators the expansion has fallen short in disturbing ways.

For example, after more than four years of economic recovery real spendable average weekly earnings are $6 less than at the peak of the previous cycle in the summer of 1973. Even more disturbing, the average job today provides less buying power than at the peak two cycles back around the first quarter of 1969. We have gone through a recovery during which spendable earnings have fallen all the way back to 1964 levels. All the income gains of the 1960s following the uptrend of the Kennedy tax cuts have been erased for the average job. Furthermore, the current trend is down.

The Labor Department says spendable earnings are falling because the economy has been adding a lot of low quality jobs which drag down the measure; second earners have been taking advantage of the expansion to pick up low productivity part-time jobs. But that doesn't explain why the economy has been adding low productivity, low paying jobs during an expansion. The recovery simply lacked the capital formation necessary to create high productivity jobs. Economies that don't save don't grow, and the low U.S. saving rate and decline in productivity growth are matters of record. The economy is not investing enough of its resources to generate a rising living standard.

The problem, says the JEC, is the trend increase in taxes and regulation. Washington's regulatory binge has added to costs in the same way as the OPEC sheiks and eaten up a sizeable chunk of business investment in addition. Inflation-swollen nominal incomes have pushed average earners into tax brackets once experienced only by relatively few people with high real incomes. The result has been to reduce the after-tax rates of return throughout the economy—to work effort, to risk-takers, to savers and investors.

On top of this, rising energy costs means that it takes more input to produce the same amount of output. The result is that costs are rising faster than investment in cost-saving modern plant and equipment. Without the latter to offset the former, productivity and income growth are impaired.

Earlier this year the JEC, Keynesianism's original home in the government, closed its doors on the Keynesian era by stressing in its annual report that economic policy must focus on the supply side of the economy. In last week's press conference Sen. Bentsen and Rep. Brown made it clear that the committee is serious. The JEC's change of mind is the most hopeful sign on the economic horizon.●

SALUTE NATIONAL HISPANIC HERITAGE WEEK

● Mr. DANFORTH. Mr. President, as we all know, President Carter has proclaimed the week beginning Monday, September 10, 1979, as National Hispanic Heritage Week.

The President has asked all Americans to reflect on the Hispanic heritage of our Nation. In his proclamation designating National Hispanic Heritage Week, the President recalled the central role which Hispanics have played in our country's development—first as explorers, then as settlers, and today as leaders in all segments of society.

President Carter is correct in asking all Americans to recall the tremendous contributions which Hispanic Americans have made to our Nation in the past. However, my purpose today is to call the attention of this body not to the past, but to the present. Our Nation's record has not always been good with respect to the opportunities which have been afforded Hispanic Americans. Yet, I have been fortunate enough to have experienced firsthand the deep pride and commitment of the Hispanic community in Missouri.

In my years in public office, nowhere have I seen more determination by a community than that of the Mexican-American community in Kansas City. Over the past several months I have worked closely with Hispanic leaders in Kansas City and various projects. They are deeply committed to improving their situation in society and leaving a better economic and social environment for their children. The spirit of the Mexican-American community in Kansas City is characteristic of Hispanics throughout our Nation.

The road has not always been easy, as they seek to partake of the full measure of what America has to offer. I, for one, am grateful for the example which they have given, and I believe our Nation is better for their efforts.●

RURAL HEALTH MANPOWER

● Mr. BAUCUS. Mr. President, early next year Congress will begin a comprehensive evaluation of all health manpower assistance programs.

Congress will begin this analysis at a time when many of us agree that there are enough doctors, nurses, nurse prac-

titioners and paramedics—the providers of health care—to fulfill the demand for health care. Some of the experts project a surplus of doctors in the near future.

The problem is not a shortage of doctors and nurses. The latest statistics seem to show that the total number of persons providing health care should be equal to the Nation's demand for health care.

The fundamental problem is that the supply is not distributed fairly. People who live in metropolitan areas get better health care than those who live in sparsely populated areas. Health care facilities are better equipped and larger in cities; there are more doctors and nurses in metropolitan areas, and there are more specialists in cities.

Congress has debated this issue before, and if it is going to act responsibly, must address it again. We have attempted to solve this distribution problem in previous legislation and obviously have failed.

For example, in my State of Montana, there are fewer than 1,000 active physicians today. More than half of these are practicing in the two largest cities in the State. In many Montana towns there are no general practitioners. The family doctor is disappearing and there is no one to replace him. Increasingly, health clinics, nurse practitioners and physician assistants are becoming commonplace.

The seriousness of this problem is magnified by the fact that more and more graduates of medical school are choosing to specialize and not become family doctors.

I feel the immediacy of this crisis every time I travel to eastern Montana. There, the population is sparse, the hospitals are small and ill-equipped technologically, and many people simply do not have access to a general practitioner or hospital.

No matter what Congress decides should be the Federal Government's role in financing the education and training of medical and nursing students, we still will not have solved this basic problem. Over 49 million people in 1,121 medically underserved rural areas will continue to lack basic health care services.

We must ask several fundamental questions during congressional consideration. Should the Federal Government play a larger role in encouraging doctors to locate in medically underserved areas? Should Federal assistance to medical Students be contingent on a commitment to practice in medically underserved areas? Should the National Health Service Corps be strengthened to respond to the health care shortages in rural America? How can other Federal programs, such as the rural health initiative, become a better resource with which to develop a comprehensive coverage of medically underserved areas.

A surplus of doctors and nurses in a metropolitan area does not mean there is a surplus of doctors and nurses in rural Montana. That fact must be recognized when we debate Federal assistance for training medical students. I commend the following two articles to my colleagues on this subject. In my view these articles are a good discussion of some of the issues we should consider.

The articles are as follows:

CARTER, CONGRESS SEEK WAYS TO IMPROVE U.S. HEALTH CARE

(By Elizabeth Wehr)

"I think many physicians don't realize that they get part of the public dole when they go to school. . . . I've been told . . . about 90,000 of the public dollars go into training [each] physician. . . . They are no better than anybody else, and they owe the public. . . ."—Mildred Stubbs, East of the River Health Association, Washington, D.C., 1977 testimony before a House subcommittee

Like Mildred Stubbs, an outspoken board member of a ghetto clinic, President Carter thinks that doctors and other health professionals "owe" the taxpayers who help put them through school.

The administration plans to use that "debt" to try to prod more health professionals into primary care practice, in poor city neighborhoods and remote rural counties where 25 to 50 million Americans live with little or no medical care.

The concept is not new. In 1976 Congress adopted a similar strategy of tying federal aid to conditions that medical schools produce needed "generalist" doctors and that their graduates practice in underserved areas.

Since producing a practicing physician can take seven years or more, it seems too soon to tell how effective this strategy is.

Nevertheless, Carter has decided to tighten the screws on both schools and students. He wants to end most federal aid that is not directly tied to the dual goal of promoting primary care and putting it where it is most needed.

As his fiscal 1980 budget puts it, "Financial aid to learn a lucrative profession should only be extended in exchange for a commitment to work in an underserved area."

Few schools and students think they can get along without the federal aid. Medical school tuitions now run as high as $14,000 a year, and taxpayers' money provides about 60 percent of the cost of educating doctors, according to Edward M. Kennedy, D-Mass., chairman of the Senate Human Resources Subcommittee on Health.

While few dispute the principle of targeting aid where it is most needed, strong objections have been raised to eliminating general support for health professions training. Not only doctors, nurses, medical schools and students object; so do the people from areas with health care shortages, and their representatives in Congress, who see federal funds as the only way for the government to exert leverage to bring adequate health care to all areas.

The battle has been fought repeatedly in the past few years, most recently over appropriations for health professions programs.

The issue will resurface several more times—on the fiscal 1979 supplemental and the fiscal 1980 Labor-HEW appropriations bills—even before the administration sends its comprehensive health manpower policy bill to Capitol Hill, probably some time this summer. Quick action on that bill is unlikely; the last time Congress debated health manpower reauthorizations, it took three years to enact a bill.

THE BASIC ISSUE

The fundamental issue is the question of whether the nation has enough doctors and other health professionals, or not.

The administration believes it does. Health, Education and Welfare (HEW) Secretary Joseph A. Califano, Jr. has said we may have a surplus of 28,000 to 150,000 doctors by 1990, and he sees no reason to keep spending taxpayers' money to produce more. The only problem is that too many of them are the wrong kind of doctors, practicing in the wrong place, the administration believes.

Others, including backers of comprehensive national health insurance, such as Kennedy, oppose cutting health manpower funds. Like President Carter, they also want to target funds on shortage areas, but they see a growing need for more doctors and other health professionals if broad universal health care coverage is adopted.

Some, even in HEW itself, dispute Califano's contention that a doctor surplus is imminent. Dr. John Sherman of the Association of American Medical Colleges (AAMC) calls that a "political" judgment, based on economics, not health. "It's not possible to know how many doctors we're going to need," Sherman says.

In a budget-cutting atmosphere, these critics maintain, the question of how much health care is enough is sometimes reworded to read: How much health care are we willing to pay for?

Without accurate estimates of health care needs, and with heavy lobbying by powerful medical, nursing and hospital groups to continue existing programs, Congress so far has opted to stick with the patchwork of programs as they come up for reauthorization.

But with both Republican and Democratic presidents in recent years calling for less health manpower spending by the federal government, it appears that a critical reexamination of U.S. health care needs is in the offing.

BACKGROUND

The supply of doctors in the United States was deliberately limited for the first six decades of this century, until 1963, when Congress authorized the first direct federal aid to medical education.

Between 1925 and 1965, medical enrollments grew from about 6,500 to 8,500, while the nation's population climbed from 106 million in 1920 to 179 million in 1960.

A pivotal 1910 report by Abraham Flexner for the Carnegie Commission fostered early moves to shrink medical education programs.

Flexner found that many "medical schools" were little more than organized apprenticeships, run by local practitioners for students who had barely finished high school. Students trailed their mentors on daily rounds and rarely saw the inside of a laboratory or an anatomy theater.

His report and public concern with the uneven quality of medical education prompted the closing or absorption of many substandard training programs.

The prime mover was the American Medical Association (AMA), which denied accreditation to unsatisfactory schools and thereby assured that their poorly trained graduates were ineligible for state licensure. Accredited schools were pressured to limit class sizes to ensure adequate teaching and use of facilities.

By 1915, the number of medical students was down to about half the number that had been in training a decade earlier.

Initially, the AMA's goal was to assure the quality of medical care. But as the Depression cut into patient incomes and, accordingly, into demand for medical services, AMA control of medical education helped maintain doctors' earning power, according to a 1978 study by the Council on Wage and Price Stability (COWPS). The study cited evidence that the AMA "sought to limit the supply of new physicians to prevent erosion of income."

Until the late 1950s, the AMA objected strenuously and successfully to any major expansion of medical education, particularly with federal subsidies, although there was some indirect federal funding through research grants.

FIRST FEDERAL AID

By 1963, the AMA had come to support limited federal aid to medical education, and Congress enacted the first Health Professions Education Assistance Act (PL 88-129). That law and subsequent amendments provided federal loans and scholarships for students of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy and veterinary medicine, along with construction funds for medical and nursing schools.

During the 1968s, Congress extended and expanded this act and also authorized aid for training nurses and allied health professionals. The concept of using specially trained nurses, physician assistants and other mid-level practitioners to deliver babies, handle routine complaints and provide basic medical services received considerable attention.

Behind the legislation of the 1960s was a growing sense of concern that the nation's need for medical care was rapidly outstripping the capacity of available health personnel.

Warnings of a doctor shortage began shortly after World War II. They resulted partly from the fact that medical examinations of draftees had revealed "untreated, undiagnosed disease" on a scale not previously suspected, according to Dr. Thomas Kennedy of the AAMC.

In the 1950s, the baby boom and extended life expectancies suggested that more medical care would be needed, both at the beginning and toward the end of life.

Medicare and Medicaid, enacted in 1965, increased pressures on the health system as the elderly and the poor began to use their new access to medical treatment. At the same time, private health insurance plans were expanding rapidly, encouraging more people to seek medical care. And because of medical advances, doctors could do more for patients.

The combination of public and private third-party payers tended to protect physician incomes, and this apparently further softened AMA resistance to growth of the profession, according to the COWPS study.

HEALTH MANPOWER ACT

By 1970, the Carnegie Commission and others were predicting critical shortages of as many as 50,000 doctors.

Congress responded with the Comprehensive Health Manpower Training Act of 1971 (PL 92-157).

A new feature was capitation grants, which amounted to "bonus" per-student payments to medical schools, to encourage expansion. These funds also became a source of needed income for the schools, theoretically more stable than occasional injections of grant money for construction or special projects.

The 1971 act also continued funding for construction and subsidized loans, as well as special help for schools with severe financial problems, one-time grants for new schools and financial aid for U.S. students studying in foreign medical schools.

The 1971 act showed some awareness that the sheer numbers of doctors might be less important than what kind of doctors they were and where they practiced. Loan-forgiveness and scholarship provisions were included to promote service in shortage areas, and there were funds for a new "generalist" specialty, family medicine.

In 1972 Congress authorized the National Health Service Corps, which had already been established administratively. (1972 Almanac p. 949)

PROBLEMS

Between 1971 and 1974, when the Health Manpower Act came up for renewal, suspicion grew that simply increasing the total number of doctors was not curing maldistribution and overspecialization.

Between the late 1960s and 1970, the number of medical schools grew from around 80 to 125, and the annual number of U.S. medical school graduates nearly doubled, from 8,000 in 1963 to 15,000 in 1978.

But the percentage of primary care doctors went in the opposite direction. By 1975, only 38 percent of practicing physicians were involved full-time in primary care, HEW figures showed. (Primary care is generally defined as "first-visit" diagnosis and routine care provided by family and general practitioners, general internists and pediatricians.)

Concentration of doctors showed up on both coasts and in urban centers, while the South and Plains states continued to suffer chronic shortages.

One study cited by the General Accounting Office (GAO) showed that the city of Chicago lost a third of its private doctors between 1950 and 1979, while its suburbs gained nearly the same number of new practitioners.

South Dakota in 1976 had 78 doctors per 100,000 people, while New York had 198. Washington, D.C., and its suburbs had the highest rate—359 doctors per 100,000 residents, the study showed.

In medically underserved areas, the percentage of private doctors in practice actually declined in the decade following 1963, according to Califano.

The number of shortage areas has increased since federal aid to medical education began, but that growth may simply show that the ways of defining shortages have become more sophisticated.

The low percentage of physicians in primary care practice in 1975 compared dramatically with 1931, when more than 90 percent of practicing doctors were in general or primary care practice.

It is also well below the standard set by the AAMC of 50 percent primary care doctors.

REMEDIES

Between 1974 and 1976 the House and Senate separately approved stiff mandatory measures to try to correct maldistribution and overspecialization. But they failed to agree on a bill until members opted for an incentive approach instead.

A 1974 House bill would have required students to repay capitation support paid on their behalf to medical schools if they did not practice in underserved areas. The Senate bill required medical schools receiving federal aid to allot 25 percent of the positions in their incoming classes to students who agreed to practice in underserved areas for a minimum period of time.

The 1976 bill was finally written in conference, and its provisions were considered a victory for medical schools and organized medicine.

Conferees rejected both the student "payback" and scholarship "quota" schemes. Instead, they agreed to boost funds for the scholarships requiring service later, in the belief that students would join an expanded program.

They adopted a modified version of the residency training "quota" for primary care, dropping a stiff Senate plan for national allocation of residencies. Under the bill, schools could get capitation funds only if they ensured that an increasing percentage of first-year residencies in hospitals affiliated with medical schools were in primary care.

A controversial condition for capitation grants added by Congress was that schools expand their third-year classes by accepting American students then studying at foreign medical schools.

The bill also severely restricted the entry of doctors trained abroad who were not U.S. citizens.

The 1976 bill included a new federally guaranteed loan program, but not at low subsidized interest rates. Loans were at high market-level rates, to make the service related ways of financing a medical education more attractive by comparison. The bill expanded the National Health Service Corps and authorized other scholarships only for persons with exceptional financial need.

In 1977 Congress took another step to try to remedy shortages of medical services in rural areas. It authorized Medicare and Medicaid payments for services of nurse practitioners and physician assistants in rural clinics and in certain medically underserved urban areas.

Existing law had allowed reimbursement only for services performed under supervising physicians, but the mid-level practitioners were often the only source of medical attention in shortage areas.

CARTER POLICY

Although most of the authorizations for federal aid to medical, dental and other health professions programs don't expire until 1980, the direction of Carter administration policy is already clear.

Presidential budgets of the past two years and a speech to the AAMC in 1978 by Califano have laid out these key elements:

A basic premise that the nation now has or soon will have enough doctors, nurses and other health professionals, and that federal dollars should only support primary care training and students willing to treat the 25 to 50 million Americans who live where medical care is scarce or nonexistent.

An assumption that doctor surpluses raise total health spending because doctors facing competition tend to keep their incomes up by prescribing more and more treatments.

An end to per-student general purpose (capitation) grants for schools, and elimination of aid for allied health programs, U.S. students studying abroad, and dental residencies, which "do not contribute significantly to the cure of specialty and geographic maldistribution problems," according to the budget.

Other budget cuts include scholarships for exceptionally needy students and projects to rotate medical students and residents through clinics in underserved areas.

Beefed-up spending for programs training primary care and family practitioners, for new urban and rural clinics, and for the National Health Service Corps, a scholarship program that requires graduates to "pay back" aid by practicing in underserved areas.

The only loans continued would be those at regular market interest rates, so that students would be discouraged from using them and choose service-obligation scholarships instead.

Support for training nurse-practitioners would continue.

OBJECTIONS

Drying up federal aid to health care training may delight fiscal conservatives but it has raised sharp objections from educators, students, health practitioners and members of Congress from states where health professionals are scarce.

Medical schools say it is unfair to expect them to solve the most intractable ills of the American medical system: maldistribution of health care personnel and overspecialization.

President Carter is telling them to correct the problems but withholding the money they need to try, and avoiding more difficult, meaningful reforms in fee structures, according to Drs. Kennedy and Sherman of the AAMC.

"If there's a social problem that doctors make too much money, why don't we tackle that problem? The schools don't get those high fees," said Sherman.

The schools complain that flip-flopping federal policy disrupts the long process of training doctors.

Ten years ago, when Congress demanded more doctors, the schools doubled the capacity of the medical education system. Now, they say, they're being left to pay for new tenured faculty, new buildings and other costs of expansion. Without federal help, some may go under, they say.

Particularly painful would be the termination of the general purpose capitation grants. The schools need this sort of "flexible money" to develop new ways of training

medical students, recruit minorities and make other improvements, Kennedy said. For schools without large endowments, the funds are critical for survival, he added.

The AMA and AAMC warn that professional training cannot carry the burden of redistributing health personnel. The problems of maldistribution and overspecialization won't respond to a carrot-and-stick approach, they say, because expected earnings are only one of several important factors in career decisions.

"If you can make $60,000 a year in Missoula, which you can, then there must be other reasons for not going there," as one medical lobbyist put it.

"Doctors are not going to places where they're needed. But neither are other people, like teachers and lawyers and accountants, going to places where they're needed," said AMA official Dr. Leonard Fenninger.

Like other highly trained professionals, most doctors prefer to work near colleagues and near clinical and cultural resources of major cities. Many also like the shorter hours and greater prestige of specialty practice, as well as the higher fees.

Medical schools and residencies can't effectively redirect these motivations, Fenninger suggested.

"I've been wrestling with this problem for 20 years. I haven't seen mankind remade yet," said Fenninger, who was the first chief of manpower at HEW in 1967.

Medical students are also appalled at proposed elimination of federal aid. Medical school tuitions now range from under $2,000 a year to $14,000 at one western state school.

Students say their medical education can put them as much as $140,000 in debt as interest payments balloon during the long years of their training. That means a doctor beginning practice could face monthly loan payments of $800—a factor that would surely influence his fees, AAMC officials point out.

PROPOSED SOLUTIONS

Dealing with manpower shortages is "enormously complicated. There are no simple answers," says Kennedy of the AAMC.

Problems of maldistribution and overspecialization are so difficult that even socialist nations, with considerably more control over health personnel, are having trouble resolving them, according to Dr. Julius B. Richmond, HEW assistant secretary for health.

Manpower decisions are difficult because policy makers must deal with several potentially conflicting types of demands. There are demands to:

Improve access to health care in shortage areas.

Hold down medical costs by promoting primary care, which is less expensive than specialty medicine.

Increase the number of black, Indian, Spanish-speaking and other practitioners that are now underrepresented in the health care professions.

Maintain the research and patient-care functions of academic medical centers.

The complex psychology of career choice casts doubt on the effectiveness of the most popular proposed solutions for manpower problems: education subsidies wtih "strings attached," and reform of reimbursement systems.

Other proposed solutions include creating new clinics in shortage areas, promoting the use of non-M.D. health care providers, and allowing uncontrolled growth in the supply of doctors, to create a competitive marketplace.

SUBSIDIES

Some experts suggest that subsidies for training programs don't really change hearts and minds—that dollar incentives are wasted on dedicated individuals who would seek out shortage areas anyway, and the extra pay won't persuade many others to serve.

Califano, in an October 1978 address to the AAMC, contended that the programs Congress enacted to channel more doctors into primary care and into underserved areas had "so far proved unsuccessful."

The requirement that half a medical school's first-year residencies be in primary care wasn't working, *The New England Journal of Medicine* said in 1978, because decisions to specialize came after the first year. Two-thirds of students who began general internal medicine residencies later chose "further subspecialty training," researchers reported.

But there are some promising trends.

HEW figures show that three out of four medical schools now have family practice departments, which were nonexistent before 1969.

A massive HEW report published in August 1978 also showed that the number of primary care doctors has grown at a faster rate than the overall population.

As for the impact of increasing the number of National Health Service Corps scholarships, it won't really be felt until students complete undergraduate and advanced training.

The Corps is a major element in Carter's plan. But an uncomplimentary 1978 GAO report noted that only 42 physicians, out of the 800 who had served in the Corps, had decided to settle permanently in the underserved areas where they had worked.

Corps doctors were not as productive as private-practice counterparts and, as a short-term method of providing merical care, the Corps was extremely expensive, the report added.

The Corps disputed the figures and said that about two-fifths of Corps doctors stay on after their service commitment is completed.

REIMBURSEMENT REFORM

The importance of non-dollar motivations makes Fenninger and others skeptical of another dollar-based strategy currently popular with economists writing about health policy; reimbursement reform.

In 1978, the Institute of Medicine recommended eliminating the powerful fee incentives that encourage doctors to choose an urban specialty practice. It said Medicare, Medicaid and private insurers should pay the same fee for a given procedure, regardless of where it was performed.

City-based doctors now earn more per procedure than rural doctors do.

In one of its most controversial recommendations, the Institute also suggested that the fee be the same "regardless of whether the services are provided by physicians, nurse-practitioners or physician assistants."

Both Califano and HEW Under Secretary Hale Champion have promised reimbursement reform, but HEW does not appear to be pressing this approach, probably because it is very controversial. A massive overhaul of reimbursement would run into the same stiff resistance doctors have always shown to efforts to tinker with their fees. But it would have to be a major component of any national health insurance plan, according to Champion.

A narrower proposal, to put only Medicare reimbursements on a fee schedule basis, is in the "serious talk stage" at HEW, according to Peter D. Fox, HEW director of policy analysis.

But Fox could not say whether a reimbursement bill would reach Capitol Hill this year, because department analysts were still trying to figure out how to change the reimbursement system without further distorting the medical market.

The danger is that if Medicare reimbursements drop much below the market level, doctors will simply refuse to see these patients—as many now reject Medicaid patients.

Preventing this problem by requiring doctors to treat federal beneficiaries is not part of manpower-scarcity policy talks, according to Fox, although so-called "mandatory assignment" for Medicare is a feature of the first phase of Carter's much-delayed national health insurance legislation, according to unofficial documents.

NEW FACILITIES

A third strategy for dealing with medical service shortages is to create new facilities where needed.

Relying on this approach, however, still doesn't ensure uniform availability of health care.

"Poor families living in a neighborhood without a governmentally funded health project may receive no benefits, while needy families in a more fortunate community may receive comprehensive care," note HEW Deputy Assistant Secretary Karen Davis and Cathy Schoen in a recent Brookings Institution study.

Carter's 1980 budget boosted funds for urban and rural clinics but slashed spending for Area Health Education Centers, medical school training and clinical centers located in remote areas. The GAO report had praised this program, suggesting that it had "considerable long-term potential . . . to overcome some of the important professional objections to shortage-area practice."

Authorized in 1971, the centers were intended to decentralize medical education and train medical students and residents in patient care in shortage areas.

OTHER PROPOSALS

Nurse Practitioners, Physicians' Assistants. Mid-level professionals, sometimes called "physician extenders," can perform more than half the procedures usually performed by doctors, and both physicians and consumers appear satisfied with the quality of their services, according to a recent Congressional Budget Office (CBO) study.

They also tend to "settle in rural and urban areas not frequented by physicians," and could therefore improve acccess to health care, the study said.

Services provided by non-M.D.s can be dramatically lower in cost. For instance, salaried nurse anesthetists earn about $19,000 a year, while their M.D. counterparts earn about $75,000 year or more in fees. Their training also costs less—$10,000 to $12,000, compared with more than $60,000 to train a physician, according to CBO estimates.

Competition. "The only hope we have of ensuring that these underserved groups get quality health care is by having substantially more doctors than suburban America can sustain," according to former special presidential assistant Dr. Peter G. Bourne.

The 1978 HEW manpower report also suggested this option, but added that "the cost implications of such an oversupply are not clear."

Many health analysis think there is no saturation level for health services.

THERE MAY BE TOO MANY DOCTORS IN THE HOUSE

(By Linda E. Demkovich)

Yesterday's doctors' "shortage" may become tomorrow's "surplus," and the Carter Administration wants to limit the anticipated oversupply by restricting federal financial support for medical schools—a prospect that has the school lobbyists howling.

Government programs to increase the supply of physicians have "succeeded all too well," Health, Education, and Welfare Secretary Joseph A. Califano, Jr., said in a speech last October.

The nation's medical schools turned out 15,000 graduates last year, nearly double the total in 1963, when the first federal subsidy

programs started. By 1990, that number is expected to reach 20,000, swelling the number of practicing physicians to 594,000. That's more than Califano believes will be necessary.

But don't be so sure about that "surplus," the medical schools warn, particularly if national health insurance is enacted in the next few years.

"It takes three years minimum [after graduation] to join the physician pool," said John A. D. Cooper, president of the Association of American Medical Colleges. "So the increase in the number of physicians is just now beginning to make itself apparent. We ought to wait and see what happens before we decide we have too few or too many or just the right number."

For the short term, even Califano concedes, there will be continuing shortage of certain kinds of doctors in certain parts of the country. Primary care physicians are hard to find because more and more graduates are specializing, he said, and a nagging scarcity of doctors in the rural areas and inner cities leaves 25 million people with inadequate health care.

President Carter's fiscal 1980 budget, reflecting Califano's concerns, called for an end to "capitation grants"—payments to medical schools for each student enrolled. It also would curtail loan and scholarship programs, linking the aid that remains available to a commitment by graduates to work in under-served areas.

Later this year, the Administration will send Congress its health manpower legislation, reaffirming its intention to do away with cash incentives designed to stimulate schooling of doctors and other health professionals.

Congress may not be prepared to go as far as the Administration would like. But it, too, is showing its willingness to scale back some of the federal support it has extended over the past 15 years.

Earlier this year, for example, it approved a fiscal 1979 budget rescission that cut the appropriation for capitation grants by 20 percent, from $138.1 million (also the 1978 budget level) to $110.5 million. For 1980, the House Appropriations Committee approved another 20 percent cut, to $88.4 million—although Carter asked that the program be eliminated.

The committee was unwilling to trim other programs at all. While it may agree in principle with an effort to redistribute doctors to under-served areas, it said, Congress "cannot ignore the financial burden that will be imposed upon both the students and the schools if federal assistance is abruptly reduced or withdrawn." It also noted that many of the programs that the Administration marked for extinction—such as scholarships for exceptionally needy students—are the very ones designed to take care of the maldistribution problem.

The medical schools obviously hope that Congress will agree with that line of reasoning. The loss of capitation grants would be a severe blow to the schools. But it's what Cooper calls the Administration's "multiple assault" on loan and scholarship programs and research stipends that represents the real threat.

An the alternatives—raising tuition, reducing faculty and cutting back on research—would not only drive out lower-income students (often also minority students) but also reduce the quality of education for those students who can still afford to go, he said.

"Medical schools are not as whimsical as the federal government. They aren't going to tell students that they can't finish their last year." Cooper said.

But if Congress tampers with the programs, he warned, the schools "are going to be hanging on by their fingernails."

THE PHYSICIAN PIPELINE

Determining the necessary number of physicians is a tricky exercise for one simple reason: the law of supply and demand doesn't seem to apply to doctors. The more doctors there are, the more services people seem to want. Doctors are hardly going out of business or losing money, even in areas that have a high ratio of physicians to population.

No one argues that the number of doctors and other health professionals hasn't grown impressively since 1963, when federal dollars began flowing.

In 1960, there were 144 doctors for every 100,000 people in the United States. That figure has climbed to about 190 today, and HEW expects it to reach 241 by 1990.

That may or may not add up to an oversupply of doctors. Even if it does, it still leaves room for shortages in particular specialties and areas of the country.

One of the major concerns is the perceived shortage of primary care physicians—in general practice, family practice, internal medicine and pediatrics.

In 1931, for example, primary care physicians accounted for nearly 94 percent of all those practicing. But by 1974, according to HEW's Bureau of Health Manpower, the percentage had dropped to 38.3 percent. It is expected to increase to 41.2 percent next year and 46 percent in 1990 as internists and family care physicians become more common.

Even that will be short of the goal—50 per cent—of the Association of American Medical Colleges. And it may be exaggerated anyway, according to outgoing HEW undersecretary Hale Champion, who says it merely reflects new ways of classifying specialists.

By looking at the distribution pattern of first-year residencies from 1968–74, the Bureau of Health Manpower has developed a picture of the future supply of doctors. Of nearly 13,000 first-year residents in 1968, general practitioners made up about 2 per cent of the total. In 1974, the percentage had dropped to 0.9 per cent of 19,000 residents. In the same period, the number of internists—also classified as primary care physicians—increased from 20.1 percent to 24.2 percent.

Among specialties, the biggest gainers were colon and rectal surgery, child psychiatry, orthopedic surgery, plastic surgery, neurological surgery and dermatology.

The geographic distribution of doctors, both regionally and between urban and rural areas, also concerns HEW.

In its August 1978 report to Congress, HEW's Health Resources Administration said that the New England and Mid-Atlantic states have the most favorable supply of health professionals, while the South and parts of the West are lagging. Nationwide in 1977, a total of 1,106 areas, many of them with low population densities, were designated as having critical shortages of medical personnel.

Similarly, the report said, doctors are scarce in many rural areas and inner-city neighborhoods. In 1976, for example, metropolitan areas averaged 203 medical doctors per 100,000 people, while non-metropolitan areas averaged only 88.

Although statistics on suburban areas and inner cities are not available, officials are convinced that shortages exist even within metropolitan areas with an overall abundance of doctors.

Cooper said localized shortages are growing rarer, particularly in rural areas. The development of area health education centers, which are designed to increase and improve medical resources in under-served areas, has made some of those areas more attractive, he said.

MONEY WITH STRINGS

The Administration's strategy for dealing with the doctors' supply issue has a double edge: to deter further expansion by cutting off direct aid to the schools and to encourage more doctors to spend a year or two in the areas that need their services most by offering them a better deal in paying off their educational debts.

"The federal government should not be in the position of supporting the schools any more." Champion said. "What we need to do now is put more into solving the distribution problems."

HEW will address the issues later this year when it submits legislation to extend the expiring 1976 Health Professions Educational Assistance Act (90 Stat 2243). Its Health Resources Administration has proposed to Califano that the legislation combine all existing student aid programs into two new ones—a national service scholarship program, which would demand a year of service in a manpower-short area in return for a year of assistance, and a direct loan program, with the interest rate based on the recipient's potential earning power.

Other programs would be phased out or terminated. In its fiscal 1980 budget, the Administration had already omitted funds for many programs, including exceptional need scholarships, even though this program benefits many minority students who are more likely than others to practice in underserved areas. The House Appropriations Committee rejected most of the proposed cuts; it allotted $7 million for exceptional need scholarships.

The Administration's proposals, Cooper said, would make a medical education something that "only the sons and daughters of rich families can afford." And that, he said, would undoubtedly mean a reduction in the number of minority students the schools are now enrolling—up from 292 in 1968 to 1,446 in 1978 for first-year students.

Students without scholarships or loans face enormous costs at medical schools. California residents have to pay only $756 in annual tuition at the University of California (Los Angeles), but at Georgetown University, a private school in Washington, D.C., medical tuition is going up to $13,500. When other costs are added, average medical school costs will be about $17,000 a year.

Students who borrow money to get through medical school have a lot of repayments to look forward to. Cooper said a student who borrows $8,000 a year for four years at 12 percent interest has to pay back $146,000 over 15 years. That same student also has to meet the enormous costs of medical practice: malpractice insurance (an estimated $10,000 a year), office space and salaries ($50,000) and equipment ($20,000).

"You can imagine what kind of stimulus that is to low-income minority students and what it does to stimulate primary care in low-income areas," Cooper said.

To try to solve this problem, the Administration may propose varying the interest rates on certain federal loans according to the earnings potential of the various specialties. It also may reduce interest rates for medical school graduates who locate in areas with doctor shortages.

Like their students, medical schools would feel the pinch if the Administration's proposals were adopted. Capitation grants, the biggest of the threatened programs, have already shrunk from $2,100 in 1973 to $1,400 in 1978 to $1,000 in 1979 as a result of the recent budget recission. If Congress goes along with the House Appropriations Committee recommendation, the average payment would decrease to $800 in 1980. If HEW has its way, the program would disappear after 1980.

In the wake of recent expansions—under orders from Congress, the schools were forced to increase the size of their third-year classes by 5 percent in 1978, mostly to accommodate foreign students—eliminating capitation would be a "breach of contract," Cooper said.

In its 1980 budget, the Administration also proposed terminating start-up funds for new schools but did not tamper with aid to financially distressed institutions. According to Champion, HEW would be willing to consider aiding the schools in other ways, by providing funds for overhead and grants for research, for example.

"I think that's one of the most useful things you could do for medical schools in terms of their general dollar problems," he said. "The real issue is not giving them unrestricted money."

OUTLOOK

Congressional committees have until next May 15 to report legislation to reauthorize the health manpower programs and unless they opt for a simple extension, they had better get started soon. Debate on the 1976 reauthorization bill started a full two years earlier, and produced what a former House aide called a "terrible" bill.

At this point, aides say, neither authorizing committee has made any decisions about renewing the programs.

In the House, the Interstate and Foreign Commerce Subcommittee on Health and the Environment, under chairman Henry A. Waxman, D-Calif., is tentatively planning to hold oversight hearings on some individual issues—such as capitation—later this year.

In the Senate, the work has already begun. Sen. Edward M. Kennedy, D-Mass., chairman of the Labor and Human Resources Subcommittee on Health and Scientific Research, reviewed the manpower programs earlier this year as part of a broader hearing on the fiscal 1980 budget. He will also convene additional hearings to get a bill ready by the beginning of the next session.

In July, two manpower experts from the Administration—Robert Graham, deputy administrator of the Health Resources Administration, and Robert F. Knouss, deputy director of HEW's manpower bureau, will be joining the Senate subcommittee staff. Knouss on a full-time basis and Graham on detail.

If the action taken by the House Appropriations Committee on the fiscal 1980 budget is any indicator, Congress probably will not go as far as the Administration wants in terminating aid to the health professions. Another clue came in May, when the Senate voted a one-year, $103 million extension of nurse training funds, largely ignoring the Administration's request for a major reduction in program funds.

But the medical schools are still worried that the Administration and Congress, in their drive to balance the federal budget, will eliminate programs that the colleges consider vital not only to their own existence but also to the future health of the nation.●

WHY NOT THE BEST?

● Mr. HAYAKAWA. Mr. President, I wish to call to the attention of my colleagues an editorial by Paul Harvey which urges President Carter to be aware of his responsibilities in the appointment of 152 new trial and appellate judges. The omnibus judgeship bill, which passed during the last session of Congress, granted a power to President Carter unknown by any previous President. He will name more Federal judges than any of his predecessors. During his campaign, Mr. Carter promised that all of the appointments of Federal judges would be made strictly on the basis of merit, without consideration of political influence. Interestingly enough, he has appointed a smaller percentage of judges who are members of the opposition than did either President Ford, Nixon, or Johnson. Is President Carter telling us that he cannot find qualified candidates outside his own political party?

The omnibus judgeship bill has given President Carter a unique opportunity to live up to his campaign promise, as well as to appoint quality judges. It is very important that the President recognize his great responsibility and live up to it. Paul Harvey stated the argument well in his editorial of April 10th, and I know that my colleagues will find it informative.

I submit the following editorial for the RECORD.

WHY NOT THE BEST?

Jimmy Carter might have remained in the Navy.

It was his Navy superior, Admiral H. G. Rickover, who detected a greater potential and advised, "Why not be the best?"

Subsequently Carter wrote a book under that title: "Why Not The Best."

Mister President, Sir, in your selection of federal judges, why not the best?

Much has been said and written about the significance of the selection of the next Supreme Court Justice. He may tilt the now balanced court to the left or right.

Less mentioned but no less important is the selection of the 152 new trial and appellate judges authorized by Congress.

This President, making those selections, will have a bigger impact on the Federal Judiciary below the Supreme Court than any President in history.

He will name more federal judges than has any previous President.

About twenty-five judges retire or resign each year. Add to these the carry-over vacancies plus the 152 new judgeships and President Carter will appoint more than half as many judges as were in place when he became President.

Why is this so important?

Most decisions are made in these lower level courts.

District courts will decide some 126,000 cases.

Eleven Courts of Appeal will decide some 18,000 cases.

The Supreme Court can hear only about 175 cases—about one case in 700.

Jimmy Carter, campaigning, promised, "All federal judges and prosecutors should be appointed strictly on the basis of merit, without any consideration of political aspect or influence."

Yet the record shows that each of Carter's three predecessors, Ford, Nixon and Johnson, appointed a higher percentage of judges from the opposition party.

Of Carter's District judge appointments, so far, only 4.4% have gone to Republicans; Court of Appeals appointments, no Republicans.

Indeed though this President promised "no politics" in the judiciary, 75% of his Court of Appeals nominees were political activists!

Americans can thank God for the American Bar Association's Standing Committee on the Federal Judiciary. For 35 years this committee has fought sporadic efforts by Presidents and Senators to seat on the bench incompetents, alcoholics, unethical political hacks.

As a result, in our Federal Judiciary, scandal is almost non-existent, dishonesty almost unknown.

This Committee ranks most Carter appointees so far as well-qualified, but about one-third rank no higher than simply "qualified."

Mister President, why not the best?●

WHEAT SET-ASIDE ANNOUNCEMENT

● Mr. BAUCUS. Mr. President, on Wednesday, Secretary of Agriculture Bergland announced that there would be no set-aside for next year's wheat crop. This is the first time in 3 years that the Government has removed acreage restrictions on wheat.

I am disappointed by the administration's decision. I believe the USDA should have established a small set-aside, at least 5 percent.

In its action, the administration has ignored the wishes of the Senate expressed in Senate Resolution 206 which we passed Monday. This resolution, which I supported, called for at least a 5 percent set-aside.

Without the set-aside requirement for wheat, we once again face the prospect of fence row to fence row planting. We will lose protection the set-aside program provides from grain surpluses and falling prices.

Without the set-aside, the target price of wheat will drop from the present level of $3.40 per bushel to $3.07. Thus, farmers will lack income protection if prices drop sharply.

In addition, the set-aside requirement would have prevented the breaking up of marginal land.

On the other hand, the administration has made two decisions I applaud: authorizing the sale of wheat to Russia and raising the wheat loan rate to $2.50 per bushel.

The increase in the loan rate is long overdue. It is a step that should have been taken long ago. The wheat loan rate becomes an effective floor for both domestic and international grain prices when supplies are large. This floor should be no lower than farmers' costs of production.

The decision to sell wheat to the Russians is also good news.

U.S. wheat supplies are adequate, at a time when crop estimates indicate that the Soviet Union badly needs grain. The Soviet sales will not only increase farm income in this country, but also improve our balance of trade deficit.

Finally, Mr. President, while the prospect of added grain exports is good for Montana's wheat farmers, increased sales of U.S. wheat will not benefit farmers in my State unless transportation is available to ship that wheat. Once again, I would urge the Interstate Commerce Commission to take steps to correct the severe grain car shortage and the uncertainty about railroad transportation in Montana.

Recent news reports indicate that there will be 1,000 additional grain hopper cars available on the Burlington Northern Railroad this fall, but there is no guarantee these cars will alleviate Montana's problems. Montana wheat farmers should not be asked to sit on the sidelines while other wheat farmers reap the benefit of export sales of wheat.●

THE DOLLAR'S PERFORMANCE

● Mr. HAYAKAWA. Mr. President, we have all watched the performance of the dollar and of gold since President Carter's announced Cabinet changes. In view of the dollar's rather dismal performance, I found two recent Wall Street Journal articles extremely interesting. I submit the editorials entitled "The Fed's Dilemma" and "The Dollar Abroad" for the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

THE FED'S DILEMMA

Yesterday's shockingly adverse reaction in world gold and currency markets to the Fed's Friday efforts to slow dollar growth faces U.S. money managers with a serious dilemma:

Should they raise interest rates further and risk domestic political wrath or should they try to ride out the current bout of dollar weakness with further market support operations and other dollar propping measures? Fed Chairman and Treasury Secretary-designate Miller indicated yesterday he is in no hurry to try opinion No. 1. We wish him luck.

The Friday moves, a one-half point increase in the Fed's discount rate and a raising of the federal funds target, were obviously, judging from the market reaction, too little, too late. It was a situation that called for boldness, but there was no boldness to be found. Mr. Blumenthal, who had last winter committed the U.S. to a sound-dollar policy, had just been fired. Chairman Miller, who has made himself highly popular with the White House by keeping the money spigots open, had just been elevated to the administration's top economic policy post, at least putatively. And there was little reason to believe that the next Fed chairman, whoever he might be, will be much firmer in his monetary policies than Mr. Miller has been. Gold responded to all this by shooting up $4.85 an ounce.

It is now abundantly clear—indeed it seemed clear to us months ago—that the Fed has been running a too-liberal monetary policy in the vain hope that it could stave off recession. Once the confusion is sorted out over automatic fund transfer and other new types of "transaction" bank accounts, it becomes evident that basic money growth has been greater than the Fed has originally aimed for.

The New York Fed, to better define money growth, has included in M1 (checking account deposits and currency in circulation) the other kinds of bank accounts that resemble checking. By that measure, money growth in the first quarter this year, at first widely believed to be flat, was actually 10.3% over the 1978 fourth quarter. And in the quarter just ended, the money supply leaped 19.1% from the first quarter.

The early errors were perhaps understandable. Even some highly respected economists, Milton Friedman, for example, cautioned the Fed earlier in the year against too much restraint on the basis of those early and misleading M1 readings. But there is very little excuse for the Fed to have carried on with its easy policies after the error became clear.

The result is that we now have the beginning of a stagflation cycle that could be more serious than the one in 1974–75. The Consumer Price Index is rising at 13% and some forecasters fear it could reach 18% or more before peaking out. Real growth of the economy fell 3.3% in the second quarter. The country remains awash in credit.

The Fed may not know it, but it has only one real choice. That is to try to repair the damage its policies of the last four months have caused, which means getting money growth under control. It has already proved that it can't stall off recession by showering dollars on the economy. It can, in fact, only make matters worse and complicate the difficulties of pulling out of this stagflation cycle.

As to the administration, it can take steps toward restoring confidence by choosing a new Fed chairman as soon as possible. And while extremely difficult under present circumstances, it should try to reassure the world that it has selected a chairman who will run a sound-money policy independent of both White House pressures and the advice of the chairman who is leaving that post to head the Treasury.

That's asking a lot but it will take a lot to repair the mistakes that have been made the last few months.

THE DOLLAR ABROAD

With money growth since April higher than prior to the dollar rescue program of last November, it is well to note that things are different in today's international arena from what they were the last time there was a run on the dollar.

During last year's run, the dollar got some much needed support from the Swiss and Germans at the cost to them of importing our inflation. The Germans are still having inflationary problems and are unlikely to take on more just so Jimmy Carter, for domestic political reasons, can hold the gasoline price and the interest rate below market levels.

The new European Monetary System in operation since mid-March will make the Germans less likely to support the dollar. The EMS is committed to holding roughly fixed rates of exchange between member county currencies. That means the German central bank must stand prepared to support the weaker EMS currencies. With this commitment and their limited tolerance for inflation, the Germans are naturally hesitant to pump out many marks in support of the dollar.

The EMS also means that the dollar is likely to fare worse in any future run on it. The last time around the dollar lost ground heavily against the Swiss franc, the German mark and the Japanese yen, but didn't do too badly against the trade-weighted exchange rate average, a basket of currencies of our trading partners. The depreciation of the dollar against the French franc and the Italian lire, for example, was nothing like what the dollar suffered against the stronger currencies.

But if the EMS succeeds in maintaining the exchange rate alignment between member countries, a future run on the dollar would see the French and Italian currencies moving with the German mark against the dollar. A run on the dollar, then, would not be confined to a few major currencies.

An even bieger change since last November is the Saudis' expressed unwillingness to be the holder of last resort of a depreciating dollar. Another run on the dollar like last year's and the Saudis may abandon the dollar as an exclusive settlement mechanism for oil bills and demand payment in a basket of currencies.

The question is afoot whether this administration, preoccupied as it is with political imagery, is aware that the next run on the dollar would be more difficult to arrest than the last and would, therefore, be best avoided. People are also wondering what the administration would do. Would the administration choose an interventionist "solution" of the type it has chosen for every other economic problem and impose exchange controls?

The President already has exchange control authority, and as he has said that the depreciation of the dollar adds to inflation, both rationale and power are in his hands. This itself makes the dollar markets nervous, because reducing the tradeability of the dollar makes it less valuable. The administration could reduce the chance of a run on the dollar by asking Congress to repeal exchange control authority, as the Shadow Open-Market Committee has recommended.

More importantly, the administration can look to its macro-economic policies. With surprising candor the Council of Economic Advisers admitted in its 1979 annual report that the dollar became an uncertain asset and went bad over the summer and fall of 1978 because of concern about the administration's macro-economic policy. Nothing fundamental about that policy has changed. There's still an outpouring of dollars, and the administration has shown itself even more enamored with non-market approaches to economic problems.

With all of these factors working to undermine confidence in the dollar the President staged an unprecedented upheaval in the top level of government, informing the world to exact political expediency rather than leadership.

Now that the President has dealt with the political complexion of his Cabinet maybe the dollar can flag his attention before he gets a crisis that can't be managed with Caddell oils and Rafshoon imagery.●

CONGRESSIONAL SENIOR INTERN PROGRAM

● Mr. PACKWOOD. Mr. President, this is the second year I have sponsored two senior interns in my office under the Congressional Senior Citizen Intern program. I can say without hesitation the experience has been extremely rewarding.

From my viewpoint, I was able to deepen my understanding of the problems which affect senior citizens and to develop long-term relationships with several active and knowledgeable seniors in Oregon. From the interns' viewpoints, they were able to learn better how the Federal Government works and how they as a group can work with government to resolve some of their concerns.

One of my interns this year, Mrs. Lela Humiston of Eugene, Oreg., kept a journal during her stay in Washington. It offers a great deal of insight into the intern program and provides a very sensitive and moving view of our Capital City. Her observations deserve to be shared. Mr. President, I request that the journal of Mrs. Lela Humiston be printed in the RECORD.

The journal follows:

JOURNAL OF LELA HUMISTON, SENIOR INTERN FOR SENATOR BOB PACKWOOD

MAY 5–6

My children and grandchildren view with some amusement and considerable disbelief my taking off across the country and "getting mixed up with the government." And I must say I rather share their apprehension.

My first ventures into senior advocacy on the legislative level have met considerable resistance from some preconceived, traditional notions of the way government functions: mystical, unfathomable, omnipotent and inexorable. What solemn rituals went on in the hallowed halls and behind the imposing doors were not for the likes of us who tiptoed in hoping to catch a glimpse of the great men who kept our nation great. My parents generation and even my own didn't do much demonstrating on the steps. They chose a man whose integrity they trusted and sent him off to the Capitol to perform the necessary miracles. Discontent was usually a lot of private grumbling about what "they" are doing to us, with occasional loud cries to "throw the rascals out." But

ordinary citizens didn't really get involved beyond the town hall.

I tell myself firmly that this is all nonsense, but I still hear echoes. It's true the image has cracked a bit since I've been going to the legislature in Salem, but I am still genuinely surprised at how willing legislators are to listen to my opinions.

However, Washington must be even more mystical, more unfathomable etc. After all, they have *big* problems to worry about—the Middle East, Panama Canal, energy, trade deficits. . . . I expect Washington is closer to Russia than it is to Oregon; they seem to talk to it more often. I have an uneasy feeling that it was by some mistake that I was tapped for this mission, that "they" will discover I don't know anything about the "big" problems and may send me home post haste.

On the other hand I have this insatiable curiosity to find out how things work, and why they do or do not succeed. Washington will be a whole new world for me to explore, a whole new challenge to learn. I am heartened by all the seniors who have asked me to speak for them, and to explore some of the mysteries of "what's going on back there." Come to think of it the every day problems of where you live and what you eat and whether you live or die are pretty big problems, too, to the individual people I know. If they want someone to speak for them, and I have some small talents to tell it as it is, I am content.

Certainly the fact that the senior interns were all invited shows there are lots of sympathetic ears listening to senior concerns. Washington can't be too forbidding. Senator Packwood shook my hand and seems perfectly human. I have talked with his Legislative Assistant, Anne Reifenberg, on the phone; she not only sounds nice but even understands mundane things like arranging to pay your hotel bill, and being afraid to arrive in a strange city at night.

As we flew in over Washington just now, all the lights looked like fairyland; I think my spirit of adventure is winning out. If this whole thing is some kind of magic—so be it. Time will tell if I am entering the Land of Oz—or down the Rabbit Hole like Alice.

MONDAY, MAY 7

This was a day of beginnings, a kaleidoscope of faces, of voice patterns, of strong egos trying to set up territorial rights; a day of disorientation while we sought to establish some new bases from which to function in physical surroundings, in personal interrelationships, in our new office careers.

Everything about this city, downtown at least, strikes me as being bigger than life. Space and mass seem to dominate in about equal proportions: vast lawns, massive stone buildings with lots of space between. It is so far from here to there—even far up to my room on the eleventh floor. Inside the buildings the corridors seem interminable, there is always something else around every corner. The little train underground between the Capitol and the House and Senate buildings seems to fit right in.

Entering Senator Packwood's offices is like turning the telescope around and looking through the small end. An incredible number of people and amount of office equipment fit neatly together in a maze-like structure, occupying practically no space. Again the eye moves on and on, detecting rooms within rooms, but I am afraid to move my feet lest I step on somebody. I wonder why nobody has yet moved out and set up shop in that vast empty corridor!

Following Anne's thoughtful guidance, I met my Oregon colleague and his wife, and we took a taxi to the first meeting. Convention registrations and orientations are pretty much alike. We learned something of the history of the program, how Congressman Hillis started it seven years ago with about a dozen interns, and how it has grown to 165 interns from 34 different states.

I liked a statement made by Congressman Hillis, which I will adopt as the keynote of this intern program: it is designed to improve two-way communication between my people back home and their government. All this is not just for my benefit, but for the benefit of the community and of my sponsor as they learn to work better together within the framework of what is necessary and what is possible.

Having coffee with Anne between sessions, and later visiting the offices to get acquainted was fun, but it also had a deeper value. I first began to feel that I was going to be part of something real and very serious. As we talked about what I might do here, I felt a renewed sense of purpose, and such a comfortable feeling of support from the whole staff.

THURSDAY, MAY 10

I attended an extremely informative meeting on Medicare today. The speakers were: Dr. Karen Davis, Deputy Assistant Secretary for Planning and Evaluation, Department of HEW; Patricia Schoeni (Shane), Director, Office of Public Affairs, Health Care Financing Administration; Mary Lehnhard, Professional Staff, House Ways and Means Committee.

This session was constructively conducted. Long lists of complaints and horror stories were neatly forestalled by an early delineation of the scope and purpose of the program. The speakers were very articulate in presenting the problem areas and the methods proposed to alleviate some of them.

The basic theme: Medicare was never intended as a total health care program; there are defects and gaps in the program; let's make it work as well as is possible in its present form; we may consider Comprehensive National Health Care as another alternative for the future.

Medicare was established to help with medical costs at a time when less than one half of the elderly had any health insurance at all. This was an innovative move and was a significant achievement. It was first designed as hospitalization insurance. Later Part B was added to cover a portion of bills from physicians. Basically, half of the physician bill is covered by government and half by the individuals.

Conditions have changed radically in the fourteen years Medicare has been in existence, and the program has grown immensely. Inflation and other factors have increased medical expenses to a point where a Medicare patient today paying the required 20 percent of his bill (the average is $168) spends more than did the patient paying the full bill before Medicare began (the average was $128).

Receiving social security payments is an eligibility requirement for Medicare; new blocks of workers are frequently added to the social security system, upon which they become eligible for Medicare. The total expenditures are exhausting the Social Security Trust Fund. Thus, while the need for broader coverage is widely evident, expansion of the program is not possible, until the program can be financed more soundly.

The gaps in Medicare are significant, and appear in three areas. First, many people do not receive social security and are thus completely ineligible for Medicare. Second, some services are not covered at all, and the extent of all services is limited. For instance, prescription drugs are not covered, yet four out of five elderly must use them. Chronic illnesses are usually not covered because of time limitations in Medicare regulations. One in four elderly persons can expect to spend some time in institutions, yet these costs are poorly covered. For example, care in nursing homes is limited to skilled facilities, which resulted last year in only 3 percent of nursing home costs being paid for eligible Medicare patients.

The third gap is in the coverage of physician costs. Health care for Medicare covered elderly still cost them an average of $300 a year. They still pay about 55 percent of the total bill. This is largely attributed to the charges doctors make above the "reasonable cost" covered by Medicare. The "reasonable cost" is figured on the basis of: (1) the actual charge of the physician, (2) the usual charge for some services, and (3) the prevailing rate of all physicians practicing in the area. These may fluctuate greatly, and usually the figures used by HEW are about a year behind present costs. It is common practice for physicians not to accept Medicare reimbursements as full payment—thus those patients who apply for benefits never know how much beyond their Medicare coverage they might have to pay for a bill. Suggestions are being made to improve this situation by encouraging more doctors to accept Medicare reimbursements as full payment, perhaps by making extra payments to those who do, or by computing the reasonable charge more frequently and in conference with the doctors in each area. Another proposal is to make lists available to the elderly to those doctors who accept Medicare reimbursements as full payment.

FRIDAY, MAY 11

Meeting the President is not a casual thing for most of us, and so it seems right that the process be difficult and all but impossible. And it was. I was so proud to have attained in some way the privilege of being invited. My mood was shaken a little as we waited in line so long outside the iron bars that warm, muggy morning. Some expressed the same uneasiness by saying they guessed he didn't know we were coming, or maybe he didn't really want to see us after all. And how could he? He is the President.

The White House is beautiful and magnificent as the tour guide describes each room—but I have seen other beautiful and magnificent dwellings as a tour guide described them. I cannot relate to these—I only believe I am getting closer to the Rose Garden.

And finally, there he is, not ten feet away, smiling in the morning sun. He has some things to say about our concerns (Social Security) and about his concerns for our country (the SALT agreement). Then he moves among us, shaking hands, asking if we liked the White House (like any proud new home owner), saying it is more beautiful when Rosalyn and Amy are in it (like any lonesome father left in the city to mind the business). After a few minutes he goes up the steps and with a final wave of his hand, disappears into the Oval Office, where we will see him again on TV from time to time.

Only then, with a shock, I realize I have just shaken hands with the President of the United States. As I climb back up the stairs, I have a moment of intense grief that I cannot share this experience with my father and mother. When I was chosen by Senator Packwood as his intern, an old family friend wrote to me, "How proud your father would be." I know this is true. My father was an old-fashioned patriot. He was a volunteer in 1918 and never regretted it. The men in my family have all been, not necessarily warriors—reasonable and peaceable in general—but certainly defenders of what they believed in. My father was proud of his country, of its traditions, and we wanted to be part of making democracy work. After he died my mother received a Certificate of Service to his country, signed by the newly elected President Jimmy Carter. She had it framed and hung on her wall. I have it now. And today I stood in the garden of the White House and shook hands with a President.

SATURDAY, MAY 12

At the midway point of this experience I am becoming more aware of some basic questions and even some doubts about my mission here and the entire role of senior advocacy.

I have been delighted to find that basic needs of the elderly so well recognized, their concerns so sympathetically listened to, and their causes so articulately espoused in our nation's Capitol. It is gratifying to find so many others working on the same proposals we have been campaigning for in Oregon and in our own communities. But I wonder if we are duplicating efforts, if we will simply proliferate programs which will not fit together into a cohensive plan to help our most vulnerable elderly. We know from experience how utterly confusing, and often contradictory are the regulations and eligibility requirements of overlapping programs. For example, seniors do not make much use of home weatherization programs, which exist at both state and national levels. Some programs offer tax credits, some refunds, some require application first, some require forms submitted later, eligibility requirements differ, and one starts out, "Do not apply if you are eligible for any federal programs." But no one can tell you this unless you personally explore all possibilities by contacting a variety of agencies. As a result, valuable programs are underutilized by those who need them most. Additional funds from any source can always be used to fill basic needs, but much thought must be given to coordinating their use, somewhat as funds from the Older American Act and Oregon Project Independence are all funneled through the Area Agencies on Aging to the same top-priority programs in each community.

If local plans seem to better fit local needs, I am not at all sure how much the Federal government can or should do in the "people" area. Planning and regulating the every day lives of millions of people in so broad and diverse a land may lead inevitably to unforeseen results and the disappointment of expectations. Basic human needs are the same: food, shelter, fuel, some income security; but communities have different resources, and different traditions of filling their needs. Only by best using the resources, including the people, in the community, can any program be economical and successful.

My colleague from Eastern Oregon has a running joke about his part of the state seeming to be invisible to those who run the state. But I can see that this is not really such a joke. Areas with sparcer population cannot be served as well by mass oriented programs. The same must be true in trying to apply national programs to less populated states like Oregon. How difficult it must be to balance making a fair division of funds against putting the money where the most people will benefit. As a member of the Citizens Advisory Council on Aging in my county, we are constantly concerned with reaching the isolated elderly out in the country. As a board member of the Legal Aid Service, we see a decrease in funding threatening our circuit riders. How much more difficult it must be to reconcile these problems of the nation as a whole.

MONDAY, MAY 14

I was asked a hard question today. The same question I remember being asked as a child: "What did you learn today?" How could one answer proudly, "I learned the letter 'e'," when the concept of the alphabet as an entity was not yet known; when it was impossible to see that the letter "e" would lead to all the future pleasures of reading. A letter is such a little thing; only experience can prove its value.

"What have I learned in Washington in the past week?" At first, like a child, I searched my mind for some vast store of facts, some treasured bits of wisdom, some newly budding philosophy. Finding none, I nearly answered "Nothing," with a sense of missed opportunity. But now I have enough experience to know that there is a continuity to learning as well as to life. Each bit I learn must fit into some pattern important to me or I'll soon forget it. There will be many things I've learned whose real significance may not be apparent yet, but which will add a new dimension to my work with seniors.

Gaining a different perspective, a change in attitude, a new confidence, a renewed purpose may each be one small thing. But if learning and experience are inseparable, if today is the foundation upon which we build tomorrows, the bits I have learned in Washington may some day turn out to be parts of a whole new alphabet.

TUESDAY, MAY 25

A recent headline in the Washington Post caught my eye and struck a responsive chord. "The gadflies have made their case. Maybe it's time for them to retire," it said.

Some of us at the intern briefings are becoming increasingly annoyed because there are a few interns who waste the question-and-answer periods with diatribes of their own and confrontation tactics which serve no useful purpose, since no one in the room opposes their basic premises.

Although the staff writer for the Post was writing in an entirely different context, some of his remarks seem to me apropos if we substitute for his "professional shareholders," something like "militant senior advocates." With due apologies, I would like to rephrase some of his statements as they might apply to us:

"'They' go from meeting to meeting to play a self-appointed role of assuring that governments deal honestly with seniors and to continually remind officials that seniors have rights. They have made their case. They have raised worthwhile issues and won some battles throughout the years. They have spent more than 40 years taking officials to task for lack of responsiveness to the senior.

"But, today, more often than not their performances add little to either the meeting itself or to the knowledge that seniors gain about their programs. Increasingly the average senior understands his or her rights and is exercising them intelligently. At meetings where 'they' do not appear, insightful questioning is no less in evidence.

"Because 'they' are experts at getting the floor to make their case—attending scores of meetings a year—they often tend to dominate meetings, excluding other seniors less used to asserting themselves. And they take up so much time that new, important issues that they care little about are delayed until late in the meeting when many seniors have left.

"Whether their dedication to democracy is as great as their dedication to their own personal publicity also can be questioned, as several seniors remarked privately after our meetings this week."

I too came to Washington to speak up for my seniors back home. But I am discovering as the days go by that you don't have to yell to be heard. The people who have met with us, those who are at the head of the agencies and those who work day by day with the programs, seem tuned in to the needs of seniors, alert to the problems in administering their programs, and interested in improving the services provided to seniors. They want our advice and our cooperation. They already know that seniors have rights, that they have special problems. They also know that the solutions are not simple. Let's not waste time belaboring the obvious; let's not discourage our chief advocates by carping criticisms and personal vilification. There is work to be done and we can do it together.

WEDNESDAY, MAY 16

Many of the questions and doubts I brought to Washington have already been answered. The briefings we have had from high-level officials have made clearer to me the scope and function of many programs. No one has promised utopia, but a sympathetic attitude and a frank statement of what is possible and what is not, supported by good and sufficient reasons, provides a more solid basis for planning, both community planning and personal planning. This should help allay some of the fears of an uncertain future, and some of the resentments of unfulfilled expectations.

The people who spoke to us invited us to contact them if we had further questions, and outlined for us clearer channels of communication with the departments and agencies responsible for senior legislation and services. Those I later asked to meet with, through the help of the Senator's staff, allowed me time to talk with knowledgeable and sympathetic people about the problems of seniors in Oregon. My impression was that they invariably listened, they explained some of their problems in coping with the situation, and then outlined some of the plans afoot to remedy the gross injustices. I am more sure now that we have not been forgotten, we are not being ignored, and things are moving on the federal level, however slowly it may seem to us.

Knowing the Senator's staff and being initiated into some of the mysteries of a legislative office has done much to lessen and refocus my concerns. Where I had a particular question, I was referred to a particular staff person with special knowledge in that area. Always, this person sat down with me, listened to my concerns, produced relevant bills or information, and explained the Senator's position on the issue. I felt reassured that our needs were being understood and that things were in motion. I was being listened to and someone already knew what I was talking about. When I wanted further information or impact, my special staff person arranged meetings for me with agency personnel, or suggested hearings I might like to attend. I discovered for myself that people's letters are treated seriously, that the Senator is kept up-to-date on what people at home are saying, and that he knows what things are important to us. His office is not a cold, austere bureaucracy, but rather, a small community of warm friendly people who take pride in using their special skills to support the Senator in his hard tasks, and to help the people back home. When I first came to Washington, my immediate future (for two weeks) was very much in their hands. After two weeks of exceptional support in my mission, and of tender loving care for a visitor, I feel that Oregon and the elderly will continue to be in good hands.

FRIDAY, MAY 18

This afternoon seems darker than a few clouds and showers should make it. A strange sense of desolation pervades it and me. I have said goodbye to the staff and broken the close ties with the office. I have taken off the badge that has given me identity for two weeks; it will no longer provide me entry into privileged places. I have said for the last time, "I am a member of Senator Packwood's staff," and been given the help I sought. Now I feel an alien again, even as I walk the familiar streets.

And that is why I am disconsolate; it is the sense of community that I have lost. For two weeks, the senior interns, coming as they did from all parts of the country, had been nonetheless a group, participating in a common experience, sharing themselves with each other in pursuit of similar goals. There had been leadership and purpose in our lives. Now that spell is broken, and they

have all gone their separate ways. I am doubly bereft because I was also welcomed into a smaller and more intense community, the Senator's office staff. I was swept up in their enthusiasms, and imbued with their sense of urgency in attacking our common problems. I have been part of these things and now for the moment I walk alone.

But even as I do, the bustling city reaches out to touch me and coax me from my mood. It is good to stand back and be an observer again—to lay aside the great emotional tension of trying to solve people's problems. It is not an easy task to speak for others, to try to express their needs, to find information of value to them, and I have not taken it lightly. Now there is a certain joy in anonymity. Life moves on around me, and I can again view it with curiosity and pleasure. It is no longer strangely restricted to the elderly. For now my sense of mission is in abeyance, and I am just a part of humanity. I can admire the buildings, listen to the history lessons, buy souvenirs for my grandchildren. And as I do, Washington again becomes my city, an important part of my country. Never again will I think of it as a cold and distant place, where inexplicable decisions are made and inflexible policies proliferate. Now I have discovered that the bureaucracy is alive, pulsing, vibrant, concerned—open to suggestion and responsive in its way. This I know because, for a brief time, I was a part of its community.●

BASQUE BRUTALITY

● Mr. CHURCH. Mr. President, in many respects the prospects for the Basque country in Spain look better now than they have for some years. In mid-July, the Spanish Government reached agreement with the Basque Nationalist Party (PNV) leaders on a Basque autonomy statute. Marathon negotiating sessions produced an agreed statute which provides for considerable home rule and a democratic avenue for pursuing Basque aspirations, while maintaining the supremacy of the constitution of the Spanish state. The agreement has been widely hailed as a milestone in Spanish political life and as the beginning of the end of strife between the Basques and Madrid.

The proposed autonomy statute will go to referendum in the Basque country this fall and then to the Cortes for ratification. Afterward the process of gradual transfer of local control—taxation and spending, mass media, education, and public works—to the Basque General Council will begin. For the first time, the police force will recruit among the Basque population, and the Basque language will become an official language of the region.

The statute represents a significant accomplishment and deserves the widespread support which it has attracted. However, in this generally bright horizon, some dark clouds threaten. The extreme political factions of the left and the right have announced their opposition to the statute and will continue to attempt to sabotage the political process of conciliation now in motion. For example, the Basque terrorist group (ETA) has vowed to continue its "armed struggle," and it has delivered: after almost a month of relative quiet, a series of shootings in the Basque country July 28–29 left eight policemen dead or wounded. In addition, the July 29 bombings at the Madrid airport and at 2 train stations left 5 dead and over 100 injured.

At this juncture, it is apparent that the extremists seek to gain through terror what they have failed to accomplish by the ballot box or at the negotiating table. It is also clear that the overwhelming majority of Basques support the autonomy statute, which will provide a peaceful, constitutional channel for addressing regional issues. What remains to be seen is whether moderation will prevail and the majority will exercise its responsibility in isolating those who continue to insist on violence. The democratic process must be allowed to work its will, for the path of violence will surely lead to ruin.

Mr. President, I ask that an August 1 editorial from the Idaho Statesman entitled "Basque Brutality" be printed in the RECORD.

The article follows:

BASQUE BRUTALITY

Most Basques, including many in Idaho, support the cause of Basque independence. That is their right, but, however just the cause may be, we hope Idaho's Basques will stop short of supporting ETA, the militant Basque separatist organization.

ETA has legitimate complaints. Basques in Spain have, over the years, unjustly been denied their autonomy. Spanish police have occupied the Basque territory; many Basques have suffered. Basque political prisoners, according to some, have been treated cruelly and forced to endure appalling living conditions. The Suarez regime, by some accounts, is guilty of greater excesses against Basques than those committed during the Franco era.

But ETA's cause does not justify its methods. Editorials on this page have repeatedly condemned ETA killings of Spanish police and government officials. There have been so many ETA murders—some 80 so far this year—that they almost come to seem routine. There is nothing routine about killing, however, and this week the ETA shocked the world with atrocities that revealed new depths in its lust for carnage.

Bombs planted Sunday at two railroad stations and an airport in Madrid killed four people and wounded at least 113 others. It was a new low for ETA, more the sort of thing the world has come to expect from the PLO. Until now, most of the ETA's efforts have at least been directed at specific targets, mostly Spanish police and judicial officials. That doesn't make them right, but they at least appeared to have a specific motive.

Sunday's killings, on the other hand, were the random senseless sort of slaughter that is almost universally deplored. A Dutch woman was killed. Two Americans and a variety of other non-Spanish bystanders were wounded. Anyone in the stations or the airport when the bombs exploded was in danger.

It is beyond us how anyone could commit such acts. To coldly plot to kill innocent human beings—men, women and children, people who have nothing to do with your holy cause—is perhaps the most unspeakable atrocity of all. It is killing for shock value alone, and the mind reels at the type of group or individual capable of such a thing.

The lucky victims are those who died. Many of the others must live the rest of their lives crippled, deformed, in pain. They had nothing to do with the cause of Basque independence, but they'll spend the rest of their lives suffering for it, as will their loved ones.

We ask those Basques who still support the ETA how they would feel if it had happened to them. If it had been the PLO, and if it had been their own families who had been killed or maimed, would the cause still be worth it?

No cause—Nationalistic, religious or otherwise—justifies such butchery.

We have no sympathy for the ETA, or its sympathizers. Any group that does what it did Sunday forfeits the right of support from decent people. It deserves only their contempt.●

THE BUDGET PROCESS

● Mr. HAYAKAWA. Mr. President, for 2 frustrating years, I sat on the Senate Budget Committee. Time and again, I watched measures that would have saved taxpayers billions of dollars go down in defeat before the hallowed figures of the Congressional Budget Office. It was with the greatest pleasure, therefore, that I read Senator HATCH's brilliant article in Barron's. The seven veils have been torn from the budget process and it is exposed for what it truly is—a sham. I doubt that the budget dance is ended, but a lot of the "mumbo-jumbo" is gone. My colleague has been so artful in disrobing the Budget Committee and the CBO, I hate to spoil the effect. I, therefore, ask that Senator HATCH's article, "Congressional Irresolution," be printed in the RECORD.

The article follows:

CONGRESSIONAL IRRESOLUTION

(By ORRIN G. HATCH)

"Major Recession Now Forecast by Hill Budget Office," front-paged the Washington Post on Sunday, June 10. The story, by Staff Writer Art Prime, revealed that the "nonpartisan Congressional Budget Office has privately warned Congress to expect a full-fledged recession this year and through most of 1980, with inflation continuing at a double-digit pace and the jobless rate rising to 7.5 percent."

Having dispatched this missile, Pine presumably went back throwing darts at old posters of Richard Nixon, dozing at his typewriter and whatever else they do at the Washington Post during the current lull in American politics. Within the Capitol Hill beehive, furious activity broke out. The worker bees of the Congressional Budget Office and the Senate Budget Committee Staff swarmed around angrily, and even came to communicate their agitation to the elected queen bees of the legislative process.

This was done through memos from Staff Director John T. McEvoy and Congressional Budget Office Director Alice M. Rivlin to those of us who sit on the House and Senate Budget committees. Reading these memos, I became uncomfortably aware that although they repeatedly referred to Pine's "inaccuracies," there were few concrete examples. Indeed, the attached statistical table seemed to support him. The CBO had not finished revising its January forecast, but it had already reduced its estimate of real GNP growth for the next two years from levels which even then had assumed two negative quarters. There will probably be double-digit inflation in the early quarters of 1980, and although average 1980 unemployment was not projected at 7.5% exactly, it seems likely to be pretty close. One might almost think senators are expected to read only the memos' stinging prose, and not their rather stickler figures.

Ms. Rivlin, according to the memos, intended "to complain to Ben Bradlee," the *Post's* Executive Editor. It was hard to imagine the Watergate Warrior being impressed.

(After all, here was an editor who at one point publicly reaffirmed the *Post's* version of Hugh Sloan's grand jury testimony even after his own reporters had told him they'd got it wrong.) Nevertheless, 11 days later, the *Post* ran a groveling apology. It reproached itself for "significant errors" about unemployment's peak, whether the CBO had specifically forecast more than two quarters' decline, and whether Congressional leaders had seen an official forecast. Skilled students of Washington nuance will note that the *Post* had been persuaded to apologize for things its reporter had not originally said. As they say, it's a company town.

REMOTE TARGET

The whole episode was all the more puzzling because a rather negative view of U.S. economic prospects is not uncommon, outside Washington. But that's not what the Carter Administration, which has been consistently more optimistic, wants to hear.

It is hardly surprising that Pine caused trouble with his assertion that "the CBO's calculations were made known privately to Congressional leaders before the final passage of the initial budget resolution last month, but sources said that the two Budget committees decided to shelve them for the moment in what was described as a gamble that the economy might improve." With the budget as currently planned, such an economic performance would lead to a $4–$8 billion increase in expenditures. And that's even before the second budget resolution, due in the fall, starts knee-jerk countercyclical spending. The target of a balanced budget by fiscal 1981, confirmed in May amid much Democratic self-congratulation along with the $23 billion deficit projected out of $532 billion outlay in fiscal 1980, seems more remote than ever.

The fact is that the Congressional Budget process, which seemed like a good idea when enacted in 1974, has simply turned out to be an engine for the relentless expansion of government. The system co-opts those taking part—including some from the minority party and supposedly impartial civil servants—and provides a pseudo-scientific rationale for the continued care and feeding of the spending constituencies that elect the politicians happily presiding over the decline of our Republic. It has not brought greater discipline to Congress' spending. Many authorizing committees habitually miss their deadlines. And it has totally failed to perform what is commonly understood to be the budget process: cutting your coat to suit your cloth. Symbolically, the first thing the Senate Budget Committee did in 1979 was to defeat a motion that would have required them to look first at their cloth—anticipated government revenues—instead of (drooolingly) at spending.

INFLATION PUSH

This year's Senate Budget Resolution covered the next three fiscal years, including fiscal 1980 (which begins this October). It projected a small surplus of $0.5 billion for fiscal 1981, and one of $0.7 billion for fiscal 1982. Additionally, there was provision for tax cuts of $55 billion in 1982, and somewhat larger ones thereafter, although this assumes there will also be GNP growth substantially above historic averages.

Total tax revenues, however, will rise as inflation pushes taxpayers into higher brackets. The Senate Budget Resolution was passed after three days of debate in conference committee. The compromise resolution confirmed the strategy, albeit with a smaller 1980 deficit. A surplus of $5.6 billion was predicted for 1981, $4.1 billion in 1982; a smaller tax cut was planned. Over the summer, the various appropriation committees will complete their detailed work, and there will be a final adjustment for current conditions in the second Budget Resolution this fall.

The system's failure can be measured in at least two ways. The most obvious is that in 1979, the fourth and probably final year of economic recovery, the U.S. federal budget is nowhere near coming into balance. And yet this is the time, according to Keynesian theory, when we should be in surplus, in order to balance out over the entire business cycle, so as not to blow the roof off with inflation when we stimulate the economy in the face of recession.

And nominal surpluses, of the sort allegedly expected in 1981 and 1982, aren't good enough. The system has to balance. There has to be a surplus to match the $45 billion deficit of President Carter's first year in office. Needless to say, our born-again budget balancers on the Budget Committee don't mention that.

"SPENDING SHORTFALL"

As a matter of fact, the U.S. has balanced its budget only once since 1960. But its performance over the life of the Budget Committee has been particularly disgraceful. A low point was 1977. Directly after the federal election, the Democrats discovered a "spending shortfall" and introduced an extraordinary third budget resolution, ending all hope of a surplus in this cycle and coincidentally paying off a number of supporters. Moreover, the Budget Committee is now estimating that tax revenues in 1980 will be 20% of gross national product. The average since 1956—except for the 1968–70 Vietnam surcharge—has been 18.6%. Any budget-balancing that is going on is hurting the taxpayer, not the government employee. (The federal government's impact is, of course, also felt in the economy through the $12 billion or so off-budget items and the $150-odd billion loans made or guaranteed each year by government agencies.)

The Senate debate on the budget resounded to talk of hacking, slashing, chopping, and cutting. At times it sounded more like a spree in a slaughterhouse. But little blood was actually shed. Federal Government spending will still grow 9.1% in 1980, and there has been no major cuts in permanent programs. This did not prevent both the Washington Post and the New York Times from congratulating us for what the Times called "self-discipline on Capitol Hill." It pointed out that our spending was "slightly smaller than the President proposed" (well, yes, by $0.3 billion) and that our final deficit figure was $6 billion less than the President's (although it was still $23 billion; the difference was mainly that we figured higher inflation would just force more people into higher tax brackets). However, it seems that no one on Wall Street had the least expectation the budget would ultimately be balanced. The Budget Committee staff's public relations apparently cut little ice there.

Fiscal conservatives thought that the budget process would compel liberals to accept responsibility for their spending programs. But it hasn't worked that way. Instead, it is the conservatives who are constantly being confronted with an unpalatable choice: between deficits and economic dislocation, unemployment and, ultimately, larger deficits. Without the stimulus of government spending, they are told, unemployment will rise. This will cause expenditures on welfare programs to rise and tax receipts to fall. Which will create a larger deficit next year. Hence attempts to balance the budget in reality, as opposed to in rhetoric, are made to seem irresponsible, and an attack on the budget process itself.

This trap is set right at the beginning of the process, when the various spending committees of Congress submit their estimates. These are fairly generous. The appropriations committees always include a little amiable padding, and there are usually some symbolic new programs designed to reassure the constituents of powerful congressmen that they are still loved. The Budget Committee can claim credit for subsequent shrinkage.

Then the Congressional Budget Office's econometric models are consulted to see what level of federal spending is necessary to keep the economy at full employment. By a miracle rather similar to the annual liquefaction of St. Janarius' blood, this turns out to be pretty much what the spending committees had (actually) in mind. At various points in the business cycle, deficits can be justified to stimulate or sustain economic expansion. Or, when there is worry about overheating early in the year, as in 1979, there can be much talk of austerity in the confident expectation that some signs of downturn, perhaps triggered by tight money, will materialize in time for all. Whatever the rationale, the result remains the same: more spending, and more frustrated conservatives.

So frustrated, in fact, that they have had heretical thoughts about the impartiality of the oracles that so consistently prophesy disaster if conservative ideas are implemented: the econometric models favored by the Congressional Budget Office. At close quarters, of course, these are not quite so awe-inspiring. Essentially, they are herds of equations, chivvied along by the arbitrary assumptions of the economists organizing them. In recent years, the CBO began to find itself criticized because the models it relies upon—notably those of Data Resources Inc., and Wharton—tend to neglect the dynamic supply-side effects of cuts in the tax rate.

A tax rate reduction would affect gross national product in three ways. It would stimulate production, because people would not have the fruits of their labors filched from them. It would promote investment, because investing would have become more attractive than immediate consumption, and this would create jobs. And it would increase everyone's disposable income by the amount not taxed from them, stimulating demand. This demand surge is the only result of cutting the tax rate that the models, and consequently the CBO, take seriously. They are still operating in the shadow of Keynes, or, more accurately, Keynesians. Demand still dominates debate. (Oddly enough, one major modeling service, Chase Econometrics, seems to have declined in favor with the CBO precisely when it began to discover and adjust for the supply side.)

JUGGLING MULTIPLIERS

The immediate impact of this is that, for purposes of the budget resolution, a dollar spent by the government is assumed by the CBOE to be more stimulating than a dollar of tax cut, some of the proceeds of which would be saved and not immediately boost demand. So government spending appears to be a cheaper way of keeping the economy at full employment.

When they finally realized what this was doing to them, Senate conservatives began to complain. Last year, for the purpose of the Senate Budget Committee "mark-up"—the preliminary meetings by staffers at which the resolution is roughed out—the government spending and tax cut multipliers were conceded to be equal. This year, however, it emerged in the course of debate on the Senate floor that this principle had been quietly abandoned.

Because budget-making involves so many esoteric technical questions, the Budget Committees are unusually vulnerable to the influence of their staff. But the process has other weaknesses which are endemic in the legislative branch today. The Democrats have controlled Congress for the past three decades. Complaints that they have begun to act as if they owned the joint no doubt owe something to Republican paranoia. But just because you are paranoid doesn't mean someone isn't trying to get you. Largely un-

noticed in the country, there has in recent years been a steady erosion of Congressional parliamentary procedures, all designed to make life easier for the majority. Last year's extension of the deadline for states to ratify the Equal Rights Amendment, a rule-change designed solely to rescue a defeated liberal cause at the cost of general derision and possible judicial reversal, was merely one case of manipulation which caught the public eye. On the Hill, it happens all the time.

In 1978, for example, Republican Rep. Marjorie S. Holt of Maryland offered amendments to the budget that would have maintained the current deficit, but lowered spending and taxes in tandem. Speaker Tip O'Neill, forced through rules that will compel Representative Holt to specify how much less each spending program will receive if her lower figures are adopted. This totally contradicts the 1974 Budget Act, which says that the Budget Resolution should set a total spending figure and leave the Appropriations Committee to divide the pie. But it throws the proposers of such amendments very much on to the defensive, and also means that any Congressman voting for one would immediately become the target of all the injured spending lobbies, a distressing prospect.

I tried to deal with another aspect of the institutionalization of majority power this year. I proposed an amendment to prevent certain types of approcriations being passed into law prior to the Second Budget Resolution, so as to preserve the Senate's mansuvering room should the desire to cut taxes suddenly become overwhelming in the fall. Appropriations would be passed, but they would be "held at the desk" and not implemented before the Budget Committee completed its work. There was provision for this in the original 1974 Budget Act. However, the amendment was defeated. It was argued that the provision was a "fail-safe" device, intended as a last resort if Congress got into the habit of irresponsibly appropriating more than the Budget Committee had provisionally agreed. And, of course, this hasn't happened. With a Budget Committee like ours, it wasn't necessary.

The Senate is a profoundly traditional institution. The precise legalities of their situation often matter less to its members than the extension of courtesies between them. The common experience of working together on something like the Budget Committee seems likely to have a chilling—or more accurately, perhaps, a mellowing—effect on the opposition's determination to oppose the Resolution when it reaches the Senate floor. This tendency is actively encouraged by the Majority. Being present at the creation of one of these customs is like watching the Rocky Mountains rising from some primeval sea in a speeded-up tempo—fascinating, but alarming once you realize that it is squarely in the road to fiscal discipline.

In the debate on the Senate floor, the custom takes the form of an attempt to persuade those of us who offered amendments, particularly on matters of detail, that they (a) concerned matters of detail, and should therefore be left to the relevant oversight committee; or else that they (b) should have been offered in the Budget Committee itself, which is somehow slighted by being ignored. If you appeal to the sovereignty of the Senate, the attempt is abandoned. But it is always later renewed.

For example, I proposed cutting federal overtime, travel allowances and film-making, partly because of evidence of waste cited in reports of the General Accounting Office. Ed Muskie, the Senate Budget Committee Chairman, objected.

Mr. Muskie: ". . . Now, you never offered this."

Mr. Hatch: "Is the Senator suggesting that I am not acting within my rights to bring this to the floor of the Senate rather than before the Budget Committee?"

Mr. Muskie: "I never suggested that. Since you played a very active role in the Budget Committee, and the Senator will agree to that, you never offered this amendment and you never offered the evidence to substantiate it. Is that not a statement of fact?"

Mr. Hatch: "That is a statement of fact on this particular amendment."

Mr. Muskie: "That is all I said. . . ."

But it wasn't. The debate became heated, as Senator Muskie made the same point again.

Mr. Hatch: "Mr. President, may I ask who has the floor?"

Mr. Muskie: "And the Senate as a whole is not in as good a position to consider the details of your case as the committee was. So why do you think you could get a better hearing here than you could in the Budget Committee?"

Mr. Hatch: "I know I will get a better hearing here."

Mr. Muskie: "All right."

Mr. Hatch: "I do not have any doubt about it."

Mr. Muskie: "That is your judgment of the Budget Committee."

This may not enlighten readers as to whether or not Budget Committee members are supposed to assume collective responsibility for the Budget Resolution. But it helps explain why Americans typically elect as senators men who are larger than average, at least in lung capacity.

There are two lessons to be drawn from a study of the budget process. The first is that the momentum of federal spending is formidable. Such spending is squarely in the interest of a powerful New Class of bureaucrats, politicians and their academic and journalistic acolytes, as well as the spending constituencies who form their electoral base. This class is tenacious in defense of the status quo. It is currently fighting on two fronts, against the supply-side fiscalists who are advocating a tax cut to stimulate production in the manner popularized by economist Art Laffer, and the more traditionalist budget-balancers, who were stealthily advancing on their goal of a constitutional amendment until loudly joined by Gov. Jerry Brown of California.

THE NEW CLASS CONSOLIDATES

Last year, with Proposition 13 gnashing its teeth, the Budget Committee cut $95 billion from its 1979 fiscal spending. But after the November elections some $7 million snuck back in again. But there is still fear that the tax revolt has not been entirely finessed, which accounts for the talk of some tax cuts sometime, maybe the year after next. The balanced budget movement is a more familiar problem. Eventually, recession will galvanize the spending constituencies and frighten everyone else. Until that happens, the plan seems to be to move towards balance essentially by allowing taxes to rise indirectly, as inflation lifts taxpayers into higher brackets. *That* should teach them to whine about fiscal discipline! Meantime, the New Class consolidates, spending its time whittling away at the concepts like "tax expenditures"—money not extracted from the public because of various loopholes and concessions. These will ultimately be used to raise yet more revenue and further the idea that all property and income actually belongs to the government. And its servants.

The second lesson is equally simple. Financial rectitude cannot be imposed by gimmick. The Budget Committee process is not better than sunset laws or (remember?) zero-based budgeting. There is no substitute for political will. Without it, the Budget Committee can't work, and with it, we would not need a Budget Committee. In its absence, I can only endorse Sen. Edward Muskie's proposal, although he made it rhetorically in debate while irritated at impertinent rebels:

"Why not write the budget on the floor of the Senate in total, and see how you can do it?"

IS THE MAN SERIOUS?

● Mr. DANFORTH. Mr. President, I ask that the following editorial from the Columbia Daily Tribune in Columbia, Mo., be printed in the RECORD. I believe it sums up very well the reaction of my constituents to President Carter's latest energy proposals.

The editorial follows:

IS THE MAN SERIOUS?

What did you think of President Jimmy Carter's energy speech Sunday night?

Frankly, we think he missed the ball a country mile. It was bad enough that he preached through most of it, but it bordered on insult when he suggested that the American people, through some sort of collective failure of will and spirit, are responsible for the energy crisis.

"In a nation that was proud of hard work . . ." he said, "too many of us now tend to worship self-indulgence and consumption."

"When you get a chance, say something good about our country,' he concluded.

Okay, Mr. President, here goes:

Out here in the hinterland, we don't wallow in splendor and leisure. We spend most of our time at work, and we don't have multi-million-dollar office buildings complete with gymnasiums and restaurants. More typically, we brown bag our lunch, built out of bread that sells for $1.02 a loaf.

On the weekend, we go to a movie—at $6 a couple, plus popcorn—or we eat out at a restaurant. On a particularly good weekend, we eat out and take in a movie. Pretty conspicuous consumption, you see. Sometimes, we just go for a ride in the country, on gas that costs us nearly a buck a gallon. There's a little less riding in the country these days.

Most of us try to put a little aside in a savings account. We earn 5 percent interest, but inflation takes that plus another 5 percent. It's hard to get ahead that way. Our houses may not be quite as fancy as those in Arlington and Alexandria, but they're okay by our standards.

Sometimes it's a little tough making the mortgage payments, but we're not complaining. In the long run, we think it's worth it.

Sometimes we do get a little wild. We admit that. We buy boats and motorcycles purely for fun, and we don't really need such things. But we pay for them on budgets that are tighter than any the federal government has seen for many a decade. Maybe that's why we don't feel too guilty about spending money for enjoyment.

Those tight budgets seem to keep us in line pretty well. That's why some of us are having a hard time understanding some of the proposals you made on television Sunday.

To give an example, why are you putting a quota on imported oil? Out here, we've got quotas on everything we buy—namely, prices. If the price of gasoline goes a little higher, we'll use a little less. Maybe we'll stop taking drives in the country altogether.

So why not take the controls off oil prices, and let the oil companies have a try at producing more domestic oil? After all, our nation owns 24 per cent of the world's oil reserves, or so we're told. The OPEC countries only have 5 per cent. How did they get us over a barrel with only 5 per cent?

And we don't really understand about "windfall profits" taxes. We read that the oil companies are putting more than 90 per cent

of their investments into energy production and exploration. Wouldn't they invest more if the government allowed them to earn it by raising prices? It would be pretty bold of you to give that one a try.

You told us in your speech that we've been hearing "more and more about what the government thinks of what the government should be doing, and less and less about our nation's hopes, our dreams of the future." Well, that's true, Mr. President. We have been hearing a lot about that.

Some of us out here thought we heard more of the same Sunday when you spoke. You talked about government quotas, mandatory conservation, government energy corporations, government energy boards, government gasoline rationing, government spending, taxes—well, you can see how a few of us might have gotten the wrong impression.

We've got some other funny notions out here. We don't understand why we have to swelter in a restaurant or movie theater when the Senate is putting up an office building with gymnasiums and restaurants. With the energy saved by scrapping that building, alone, we could enjoy a cool movie on Saturday night—which is pretty swell stuff to some of us in the Midwest.

Well, you know how things are out here in Columbia, Mr. President. You were here just last year, although it was a pretty quick stop for you. If you really think we worship self-indulgence and consumption, why don't you come back and stay a little longer? Stop by at work and have a sandwich with us, and take in a movie on Saturday night—we'll buy.

We'd be right glad to have you.●

CONFERENCE REPORT TO H.R. 4389, LABOR/HEW APPROPRIATIONS FOR FISCAL YEAR 1980

● Mr. TALMADGE. Mr. President, I am disappointed that the efforts of the Appropriations Committee, Subcommittee on Labor/HEW to keep the WIN at the same level of funding that was authorized for fiscal year 1979 did not prevail in the conference on H.R. 4389, the Labor/HEW appropriations bill for fiscal year 1980. The conferees accepted the House funding level of $365 million rather than the $385 million approved by the Senate. The $20 million reduction in WIN appropriations is a relatively small amount in terms of the overall appropriations in H.R. 4389, but to the WIN program it represents more than a 5-percent reduction in the present level of WIN funding.

Such reduction will be felt greatly by those WIN registrants who prefer work to welfare and in all of the States when the allocation they are now receiving must be cut.

Mr. President, the work incentive (WIN) program is not only most effective but also reduces or eliminates dependency of both applicants and recipients on the aid to families with dependent children program.

The WIN program accomplishes this in a manner which benefits the welfare family, the taxpayer, and the country—by placing the AFDC recipient in private sector employment. I wish to emphasize, Mr. President, the only way to reduce dependency is by nonsubsidized employment, not by putting people in making-work jobs. Certainly public service employment may reduce the AFDC rolls somewhat but it does not reduce dependency on the Government and is more costly to the taxpayer. It is fallacious to argue that public service employment reduces dependency unless such public service employment is permanent and productive and not merely a temporary job.

Mr. President, I believe all employable persons not only have the right but also the moral obligation to work and be productive, including welfare recipients. In this regard, the work incentive (WIN) program, as modified in 1971, has proven very successful. These changes, which I had proposed, emphasize placement in private sector employment. Previously, the program had been designed for training for jobs most of which turned out to be nonexistent and resulted in discouragement and frustration on the part of the trainee.

The WIN program helps welfare recipients find jobs, and keep them. It encourages, through the use of tax credits, private businesses to hire welfare recipients, which saves taxpayers money.

Present funding levels of $385 million allow full participation in the program by only one-fourth of WIN registrants. Seventy-five percent of the current two million persons registered during a given year receive no services other than registration and appraisal.

In spite of no additional funding, the WIN program placed 234,614 WIN participants in nonsubsidized employment in fiscal year 1978, an increase of 260 percent over fiscal year 1973.

Mr. President, the Labor Department estimates overall savings in fiscal year 1978 amounting to $544,890,672. Total program expenditures were $382,470,032, resulting in a return of $1.69 in grant reductions for each dollar expended. Additional reductions, generated as the result of reductions in medicare, food stamps, housing, and other benefits, are not included in the overall savings. In addition to the grant reductions due to employment of AFDC recipients, there were savings due to 40,040 persons entering employment during AFDC applicant status largely because of the WIN program. Most such persons do not become AFDC recipients.

Mr. President, many people say that welfare recipients are unemployable, that it is unreasonable to attempt to move them into the nonsubsidized labor force. That assessment is wrong, in my opinion.

Mr. President, I would like to thank the members of the Appropriations Committee, particularly the senior Senator from Washington and the staff of the Subcommittee on Labor and HEW for the fine work that they have done on behalf of the WIN program.

Mr. President, I wish to advise the Senate that I plan to offer an amendment authorizing a $20 million increase for the WIN program above the level in H.R. 4389 to the first supplemntal Labor/HEW Appropriations bill for fiscal year 1980. I plan to earmark this $20 million for expenditure in the WIN program only.●

WATER RIGHTS LITIGATION IN MONTANA

● Mr. BAUCUS. Mr. President, I wish to bring to your attention a situation that has occurred in Montana, one in which I have taken a great deal of interest. It concerns the water rights law suits filed by the Department of Justice on behalf of several Indian tribes in Montana against approximately 4,000 individual water users in the State. I have paid careful attention to this situation, to the extent of sending one of my Washington staff to Montana during July to visit all seven Indian reservations and to talk to many of the defendants involved in the lawsuits.

During the last legislative session, the Montana State Legislature passed a measure, which was signed into law, in which the State declared its intent to adjudicate all water claims arising out of Montana river basins, including the water claims reserved to Indian tribes under treaties with the Federal Government. The Department of Justice responded to this measure by filing suit on behalf of the Indian tribes at the request of the Department of the Interior in fulfillment of their trust responsibility to the tribes. The primary issue which must be determined is whether Indian water claims should be adjudicated in State or Federal court.

The lawsuits filed by the Department of Justice have created immense problems for the 4,000 defendant water users. The largest concern which has been generated is that of providing adequate legal representation. Because the Federal lawsuits have already been filed, and because the State of Montana may at some time filed lawsuits for the declaration of water rights, the defendants face the prospect of litigating two lawsuits.

The expenditures the defendants will have to make in terms of court costs and legal fees will be enormous. The expense of the litigation is of particular concern to the defendants, particularly because the Indian tribes will have their costs and attorneys fees paid for by the Federal Government. Moreover the length of time these lawsuits will require before a final determination is reached, will impose great hardships on those who wish to sell their land and transfer the water rights appurtenant to the land. It may take years before any defendant could sell his land in any real estate transaction.

Admittedly, there is a limit to what Congress can or should do in a situation such as this where a lawsuit has already been filed. But allocation of water rights is an issue of critical proportion, gaining increasing importance daily because of our current energy situation and the potential requirement for large amounts of water in meeting our energy demands. Mr. President, it is an issue that will not disappear and Congress cannot ignore it.

In similar situations involving land and water rights in Maine, Arizona, and California, negotiating commissions have been established to resolve the issues in conflict. Congress has established the precedent of providing assistance to

these commissions. At some point it may be necessary to determine whether a similar solution can be applied to the water rights lawsuits in Montana.

It is my fervent hope that this issue can be resolved through means other than lengthy and expensive litigation. Mr. President, it may be necessary for Congress at some future time to fashion an appropriate solution to this important issue.●

THE DAY OF SHAME

● Mr. WILLIAMS. Mr. President, we of the free world mark with sorrow and dismay the 11th anniversary of the brutal Soviet invasion of Czechoslovakia. We must not forget these tragic events of August 21, 1968.

The Czechoslovak nation dreamed of removing its oppressive Soviet yoke from its neck. Reformers in this small nation had made many great strides toward implementing a freer and more open society only to be forced by thousands of alien soldiers to accept the repressive standards of Communist rule.

Although the memory of these events fades, 11 years later the Soviet Union continues to oppress the Czechoslovakian people. The ensuing years have not softened the harshness of an invasion which shattered a country's dream of freedom.

And today, this dream has not totally died. The spirit of freedom endures in Czechoslovakia. Workers have joined in protests against oppression, religious leaders have spoken out bravely against religious persecution, and a group which calls itself Charter 77, a group which now has some 1,000 public supporters, cries out for freedom. They petition the Soviet Union to adhere to the Helsinki Agreements and to restore freedom to their oppressed nation.

On the anniversary of oppression, we must do the same. We must stand up and speak for freedom throughout the world. As Americans, we are privileged to be able to promote the cause of freedom by protesting the plight of people who are systematically denied such rights by their own government. Too many countries like Czechoslovakia have reluctantly fallen under totalitarian rule. On this anniversary, therefore, when we pray for the liberty of Czechoslovakia, we must add to our resolve to preserve our own freedom and that of peoples throughout the world.●

MONTANA'S WORSENING FUEL CRISIS

● Mr. BAUCUS. Mr. President, as we near the August recess—a time when all Americans turn their thoughts to vacations and travel—it is appropriate to focus our attention on the availability of fuel to get us to our destination. Secretary Schlesinger of the Department of Energy has reassured us that gasoline supplies are slightly increased in August, and that we should have no major problems in filling our tanks.

Additionally, diesel supplies seem to have increased to the point where the Nation's trucks are rolling again after the abortive truckers' strike. Certainly there seems to be no fuel problem in the Washington, D.C., area. A trip on the Capital Beltway, which rings the Metropolitan Washington area, reveals a great number of the giant vehicles on the highway.

But, Mr. President, not all areas of this Nation are so fortunate. In Montana, for example, where vast distances put strains on our transportation system, the picture is not good. We have suffered through the worst summer in recent years—and there are no prospects of improvement in sight.

Montanans have generally had access to adequate supplies of gasoline, but August promises to be troublesome. Cenex, the petroleum refining and marketing arm of the Farmers Union in Montana and 12 other agricultural States, has been the unintended victim of new DOE gasoline regulations promulgated on July 19. Those regulations redefine the agricultural priority, and add eight other priority categories.

The effect of the regulations, combined with a recent interruption of Canadian crude oil supply to Cenex, will be to prohibit the organization from servicing most of its retail customers. This could be catastrophic in some Montana communities, especially those where the co-op pumps are the only ones within miles. I strongly protest the implementation of these regulations. Although there are remedies in theory—application to the oversubscribed State set-aside or to the regional DOE authorities to assign a new supplier—no one believes that relief will be forthcoming except through the Cenex network. I have written to Secretary Schlesinger, but am not optimistic about a successful resolution, given the history of DOE treatment of Montana.

For an example of DOE treatment of my State, one has only to examine the case of diesel fuel. While other States seem to get by on their allotted share, Montanans have suffered a critical shortage of this precious fuel. The situation has gotten so bad that the Department of Transportation has issued bulletins to truckstops in the West advising truckers to bypass Montana.

I am extremely upset at the seeming inability, or the unwillingness, of the Department of Energy to provide some relief. As I stated in a recent letter to President Carter, Montana is not asking for special treatment. Rather it is asking for "equal" treatment. And we have not been getting it.

Montana is an agricultural State. Its farmers need diesel to get its crops planted and harvested. Its truckers need fuel to haul the wheat to distant markets, as well as its logs, livestock, and minerals. We had a late spring, and demands for diesel for planting continued for 2 months longer than usual. A similar situation throughout the country prompted the Department of Energy to promulgate special rule No. 9, establishing agriculture as a diesel priority. Although laudable in intention, the rule barely served the needs of agriculture while badly dislocating the flow of diesel to other users, principally truckers.

We have not survived that initial shortage. Montana truckstops began running out of their June allocation by the 10th of the month. July's allocation lasted a little longer; most stations held out until the 20th or beyond. The August picture shows little improvement. Diesel allocations by company, which generally are tied voluntarily to their mandatory gasoline allocations, are running about the same as those of July. The situation is clouded by the uncertainty surrounding Cenex and by the startup of some harvesting operations, which require diesel.

In attempting to evaluate the diesel problem, I have had a procession of corporate and DOE officials in my office. I have talked to dozens of oil and gas people at other levels of the industry. I find a crazy quilt of distribution patterns and regulations. Montana refineries produce enough diesel to take care of all of the State's needs; yet well over half of it is shipped out of State. It does no good to insist that the three principal refineries operate at 100-percent capacity; the State's needs will still be shorted.

The problem, Mr. President, is in the base allocation for Montana. DOE can claim that it is treating the State fairly because its base remains more or less constant. However, if the base is originally set at a starvation level, the victim is eventually going to die. We need relief, and we need it soon.

Mr. Gene Eidenberg of the Department of Energy was in Montana several weeks ago and proclaimed it the most diesel-deficient State in the Union. The situation has not changed. Yet the Secretary of Energy has the power to make adjustments in nearly every phase of the refining and distribution process. He can order a refinery to increase its production, or change its mix of products, or divert the final product to another destination. Despite repeated calls for help, none of these actions have been taken. For this reason, I have asked Mr. Carter to direct an investigation by a top-level DOE team of Montana's special problem—and effect a solution.

I do not know that continued efforts to work with the energy companies or the Department of Energy will bear fruit. It will take high-level intervention to restore health to the diesel situation in Montana. I urge the President to intervene.

Mr. President, I ask that a copy of my letter to President Carter be printed in the RECORD.

The letter follows:

WASHINGTON, D.C.,
July 30, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Knowing how busy you are, it is with some reluctance that I bring this matter to your attention. However, many fruitless weeks have gone by in dealing with the Department of Energy and the situation has not improved.

I refer to a critical diesel shortage in the State of Montana. The situation has been so bad that a high-ranking Department of Energy official more than one month ago termed Montana's diesel crisis "the worst in the nation." While diesel supplies seem to have expanded elsewhere, easing the plight of the nation's truckers, they remain critically low in Montana.

The Montana Congressional delegation and State officials have gone hat-in-hand to Energy Department people a great many times since the crisis began. Although agency personnel acknowledge that it is within the Secretary's discretion to divert supplies, I am not aware of a single directive to a refinery or oil company to make adjustments aimed at relieving our shortage.

The U.S. Department of Transportation has just issued a bulletin which is being widely circulated in truck stops in the upper Mid-West. That bulletin warns to bypass Montana because of insufficient fuel. Many truck stops are completely out of diesel; others are operating on a part-time basis.

CENEX, the refining division of Farmers Union operating in 13 states, has suffered an interruption in its crude oil supply. The Department of Energy has arranged for enough crude oil for the Laurel, Montana, refinery to operate at nearly 80 per cent of capacity, but the shortfall in a state which is already dangerously low is another serious blow.

Small businesses are being hit. People are being laid off. Truckers are pleading for relief so they can make payments on their vehicles. And yet no directives for relief are forthcoming from the Department of Energy.

Montana is not asking for special treatment. It is asking for equal treatment.

Montanans are willing to make sacrifices in the name of stretching our energy supplies. But those sacrifices ought to be proportionate to the national sacrifice.

Montana truck stops ran out of diesel early in June and early in July. By all accounts, August will be equally difficult.

I therefore urge you to direct the Secretary of Energy to set up a task force to zero in on Montana's special problems and special needs. The task force should be required to specify temporary emergency measures which will bring Montana's supply into line with other states.

Your consideration of this request will be greatly appreciated.

Sincerely,

MAX BAUCUS.●

SALT AS A SOPORIFIC

● Mr. BELLMON. Mr. President, the floor debate on SALT treaties will not begin until after Labor Day. Nevertheless, probably every Member who has not made a decision on the SALT treaty will spend much time mulling over the pros and cons of this difficult question. A concise, lucid editorial which appeared in the Tulsa Tribune, August 1, may be as helpful to others in bringing SALT into focus as it was to me. I ask that the following editorial be printed in the RECORD.

SALT AS A SOPORIFIC

The true meaning of the SALT II treaty became a bit clearer Tuesday with former Secretary of State Henry Kissinger's testimony before the Senate Foreign Relations Committee.

Kissinger, who said he would endorse the treaty if the national defense is upgraded and Soviet geopolitical conduct is linked with SALT II, told the committee that because U.S. military capability has deteriorated and Soviet international adventures have continued unchecked, the treaty is little more than "a base from which, one can hope, a new and serious effort at equitable arms reductions can be made."

Kissinger's conditions will add fuel to the debate, but his point shouldn't be missed. It is that the debate may be academic, for SALT II is no longer a strategic arms limitation treaty—if it ever was—but, as he put it, little more than "a base" for a third arms agreement.

In other words, after seven years of talking, the best prospect is for years of still more talking, negotiations conducted in a vacuum apart from the real world. While the SALT II treaty was being hammered out, American military was declining and the Soviets were busily supporting revolutions in Third World nations.

The result is that the final product being debated in the Senate is really not an arms limitation agreement at all but a document that serves best as proof that U.S. and Soviet negotiators could sit together for seven years without dying of boredom.

For military technology doesn't stand still but advances according to the national priority. The Soviets used the seven years to good advantage and now have achieved parity—superiority some military experts would argue. The United States squandered the same time period, throwing away the B-1 bomber, dismantling its air defenses and shrinking the size of its navy.

Kissinger warns that unless the national defense is upgraded, "SALT will become a sopcrific, form of escapism."

It's a fair warning. There has been too much sleeping already.●

S. 1241: THE NATIONAL WATER RESOURCES POLICY AND DEVELOPMENT ACT OF 1979

● Mr. DURENBERGER. Mr. President, I am pleased to announce my cosponsorship of S. 1241, the National Water Resources Policy and Development Act of 1979, introduced by my distinguished colleagues PETE DOMENICI and DANIEL MOYNIHAN. The bill offers the opportunity to change longstanding traditions in water resources management in the Congress and in State planning agencies throughout the country. The bill is long overdue.

I concur with Mr. DOMENICI, who stated in introducing the bill:

If there is anything important to life, it is water. And if there is any policy of the U.S. government that is ineffective, inoperative and disastrous, it is the nonwater policy that exists today. That nonwater policy exists only by way of a series of ad hoc projects dreamed up, promoted, and that now take an average of 26 years from the time they are authorized until they go into construction. There is no prioritizing either by the state or by the nation.

A cost/benefit ratio is developed to indicate their worth, but that is a shambles. To many who have looked at that ratio, it is meaningless today . . . the existing system is really no system at all. Rather, it is a random array of benefits that respond to the vagaries of seniority in the U.S. Congress more than anything else.

By way of illustration, I need look no further than Rochester, Minn., and the South Fork of the Zumbro River flood control project. By conservative estimate, community planning was begun in 1965. Now, 14 years later, with a flood last summer that claimed five lives and $60,000,000 in property damage, the project still has another 4 years of planning before construction can begin in fiscal year 1984.

The soil conservation portion of the project is uncertain because the Department of Agriculture does not obtain a favorable cost/benefit ratio figuring the SCS portion separately. That was never intended. It is one project with two agencies involved. They elected to view it as two projects because two agencies are involved. The Department has become fixated on itself and its administrative procedure. Meanwhile, although construction could begin immediately, it is held in the Secretary's office pending a decision. How long that will be is unknown.

Although both Congressman ERDAHL and I have bills to authorize construction funds for Rochester, the Omnibus Water bill, which has been passed by the Congress, it has not been signed by the President for the past 2 years. The impasse between the President and Congress over control of water projects continues while needed projects languish.

The Red River area on the Minnesota/North Dakota border is another striking example. This "flooding" problem has been under consideration and discussion for 40 years. This past spring a flood of monumental proportions cost $100,000 in public funds, millions more in private loss and untold human suffering.

Floods have become an annual event with international implications, for Canada is the recipient of the rapid water runoff due to years of drainage, urbanization, and extensive increasing acreage in cultivation along the Red River of the North and its tributaries. The Corps of Engineers has studied and planned, as have the Soil Conservation Service of the Department of Agriculture, the several local watershed districts, and the Upper Mississippi River Basin Commission. Still, the flooding continues. Coordinated implementation of several proposals that would go far to moderate, if not totally eliminate, flooding is in order. Concerned elected and appointed officials gather endlessly in meetings looking vainly at solutions—solutions that exist, but are not possible to implement under the present federal "system." These are but two of many examples in Minnesota and adjacent states.

S. 1241 seeks to reform present policy by establishing a new investment strategy—one that sets priorities and involves States in a meaningful fashion. The bill is designed to create a fair and equitable distribution of water resource money, and places strong emphasis on improving conservation on Federal projects. The bill that is proposed is a sharp change from the present system of "tedious studies, delays, authorizations, delays, appropriations, delays, and more delays—this is legislation that should free the Federal water resource agencies from the current straitjackets and enable them to go after the priority work, in consultation and full cooperation of the States."

There are five basic provisions in S. 1241:

First, It sets up a method for automatically studying water needs—an annual list of State priorities;

Second. It establishes a system of grants to the States—a block grant sys-

tem—for their use on priority projects, to be built by Federal agencies;

Third. It establishes a system of loans for some older projects not on the new priority list;

Fourth. It sets up a special national category of regional, interstate projects that will be built by the traditional method at Federal cost;

Fifth. It initiates a program of water conservation on new projects, and requires a study of how to conserve on old projects.

The bill rests heavily on the belief that local and State government must take a more active role in the development of projects. The State governments will determine what is spent, where it is spent and at what speed. Some cost sharing is the price of more local involvement and more local control. It is believed that better priority setting will lead to a more effective program. The bill requires generally a 75 Federal–25 State/local cost-sharing ratio.

I believe, as do the bill's two authors, that we can no longer afford the present crippled program of ad hoc decisions. We need a system that will allow us to set priorities, go after the priority work and make sure that local people who will benefit offer a reasonable commitment to the work—and then move on to its early completion.

It is hoped that when the system is in place, it will not take longer than 3 years from the time a State selects a project until construction can begin. Even if it were to take 5 years, that is a fifth of the time it now takes—26 years.

Under this bill, all of the environmental protection that present law prescribes will apply to the proposed projects.

Now, a word about funding distribution and what this means to Minnesota.

There has been an historic inequity in the distribution of water project funds. From 1950–76, the northeast received slightly more than 6 percent of the national water resource funds spent per capita; the west, 48 percent; the south, 28 percent; and the north central region, 18 percent. Under S. 1241, the northeast per capita share rises to 13 percent; the north central to 21 percent; and that of the south and west decreases to 21 percent and 45 percent respectively. The distribution of the proposed $4 billion annual appropriation for State water projects would be on the basis of State geographical size and population. In Minnesota, this would mean about $80 million annually, or 2 percent of the total. Presently, the State receives about 7/8 of 1 percent, or $19 million, of the annual water project budget.

The present budget allows about $4 million a year for water projects that are not developed according to any priority plan—and America's real water problems may well go unattended in spite of these expenditures. "The projects are the pattern of the randomly acquired influence of the relevant committees of the U.S. Congress and do not reflect a clear policy."

Again, I want to express my pleasure at joining Senators DOMENICI and MOYNIHAN on S. 1241, the National Water Resources Policy and Development Act of 1979.

Certain specifics of the bill may need to be clarified or amended, but the importance of debate on the development of sound national water policy and a strategy for achieving it cannot be overstated. The direction we choose now, the decisions we make, or refuse to address, may well determine the future of the country as surely as the shortage of energy that is now upon us. ●

VENTURE CAPITAL COMPANY ACT OF 1979

● Mr. WEICKER. Mr. President, I am pleased to be a cosponsor of S. 1533, the Venture Capital Company Act of 1979. This legislation would exempt qualified venture capital companies from the Investment Company Act of 1940. I stress that word "qualified" as this bill has been drafted to insure the protection of public investors in venture capital firms while allowing these firms to raise the funds needed to enable them to grow and to contribute capital to new generations of businesses.

The Investment Company Act has its roots in the Public Utility Holding Company Act of 1935. This act directed the SEC to:

> Make a study of the functions and activities of investment trusts and investment companies . . . and *the influence exerted by interests affiliated with the management of such . . . companies upon their investment policies*, and to report the results of its study and its recommendation to the Congress." (Emphasis added.)

Complying with that direction, the SEC made an exhaustive study of the investment company industry, and found that to an alarming extent investment companies had been operated in the interests of their managers and to the detriment of investors.

It was found that:

First. Insiders often viewed investment companies as sources of capital for business ventures of their own;

Second. Reports to shareholders were often misleading and deceptive;

Third. Controlling positions in investment companies—represented by special classes of stock or by advisory contracts—were bought and sold without the consent, or even the knowledge, of public shareholders;

Fourth. Advisory contracts were often long term; and

Fifth. Management fees charged in connection with contractual plans sometimes bore no relationship to any actual managerial services.

As a result of the SEC report, Congress enacted legislation to correct the self-dealing and conflicts of interest which were prevalent among investment companies. In its report on the bill which later became the Investment Company Act, the Senate Committee on Banking and Currency stated that:

> Basically the problems flow from the very nature of the assets of the investment companies. The assets of such companies invariably consist of cash and securities, assets which are completely liquid, mobile and readily negotiable . . . These assets can and have been easily misappropriated and diverted by such types of managements, and have been *employed to foster their personal interests rather than the interests of public security holders*. (Emphasis added.)

Thus, the Investment Company Act was passed with the purpose "to mitigate and, so far as is feasible, to eliminate the conditions (among investment companies) which adversely affect the national public interest and the interests of investors." As the First Circuit Court of Appeals observed in *Alfred Investment Trust* v. *SEC*, 151 F.2d 254, 260, the act "in effect codifies the fiduciary obligations placed upon officers and directors of investment companies."

Mr. President, the Investment Company Act has been effective in cleaning up the abuses prevelant in the investment company industry at the time of its enactment. However, there has been a serious adverse side effect of the Act. It has placed regulatory structures upon venture capital firms which have effectively prevented them from growing to a size where these firms can provide growth capital to struggling young enterprises.

Venture capital companies come within the act's definition of "investment company," even though these companies differ significantly from the mutual funds and closed-end investment companies for which the act was designed. Thus, a venture capital firm with more than 100 shareholders is required to register under the Investment Company Act, and thereby becomes subject to the numerous requirements of the act. They are thus bound by the restrictions in the act which are appropriate for mutual funds, although many of these restrictions are inappropriate for venture capital firms. As a result, venture capital companies avoid acquiring 100 shareholders. Yet, by so limiting their size, venture capital firms are precluded from growing to a size where they can supply capital to the small businesses which so desperately need it.

Mr. President, there are no pure venture capital companies today which operate under this act. Accordingly, the Venture Capital Company Act of 1979 provides for a limited exemption of venture capital companies from the Investment Company Act.

The prerequisites for exemption contained in S. 1533 assure the protection of investors. To qualify for exemptions, the company must:

First. Have been engaged in the venture capital business for at least 5 years. This requirement enables the investor to make an informed investment decision based on the company's past record.

Second. Have on its Board of Directors a majority of "independent directors". This will prevent conflict of interest situations which are ripe for abuse.

Third. Be subject to the requirements of the Securities Act of 1933 and the Securities Exchange Act of 1944.

Fourth. Refrain from certain trading activities which are central to the Investment Company Act.

Fifth. Accept restrictions on the ownership by its officers, directors and controlling persons of securities issued by companies in which it invests.

Mr. President, this bill would facilitate the provision of capital to those small firms which so badly need funds for growth. Congress has taken significant steps to ease the capital formation problem confronting our Nation's small- and medium-sized businesses. However, as C. V. Wood, Jr., chairman of the McCulloch Oil Corp., pointed out in an article which recently appeared in the New York Times, much more must be done. The Venture Capital Company Act of 1979 will benefit emerging companies by providing for healthy venture capital industry. As important, it will help these capital starved enterprises without jeopardizing the protection of investors. I urge my colleagues to give serious consideration to this bill.

Mr. President, I request that the New York Times article I referred to be printed in the RECORD.

The article follows:

[From the New York Times. July 10, 1979]

ANOTHER LOOK AT A TAX CUT

(By C. V. Wood, Jr.)

Last November maximum Federal tax rates on long-term capital gains were rolled back from 49 percent to 28 percent. Advocates of the rollback urged that it would encourage investment in our deteriorating capital plant and productive equipment. Opponents said it was just a device to enrich the wealthy.

The background of the change was that a major weakening of the capital gains investment incentive took place in 1969 when the maximum effective tax rate was increased from 25 percent to 45.5 percent. In large part as a result of this action, 1970 marked the onset of a period characterized by a declining number of shareholders, the drying up of new corporate stock issues, the increase of corporate debt in relation to equity and sharp decline of the market price of stocks as a related to corporate earnings.

Over this same period, the United States has had among the lowest level of capital investment and the lowest savings rate of all major industrialized nations. Japan and West Germany are pre-eminent in both categories. It is noteworthy that in West Germany there is no tax on long-term capital gains in portfolio stock investments, and in Japan capital gains are generally exempt from tax.

Much of our capital plant is outmoded. Investment in research and development has greatly sagged. American productivity has been slumping badly. Productivity gains have averaged only 1.5 percent per year over the past decade, roughly half of the annual increase of 3.1 percent over the two prior decades. The capital shortfall and lagging productivity have weakened our competitive position abroad, eroded our technological leadership and contributed to our growing trade imbalances. At home they have fed the twin bugaboos of inflation and underemployment.

Nonetheless, the capital gains rollback proposal drew heated opposition from many so-called liberal economists and others. Upon close scrutiny, their case against the rollback came down to this: Congress shouldn't enact a measure, however, much it may benefit the nation and all of its people if, at the same time, it would also benefit rich people who would receive a substantial part of the tax reduction.

This reasoning was not persuasive to Congress and the capital gains rollback was enacted into law. Undaunted, its detractors have taken a new tack. They now suggest that the rollback is not working. In support of this proposition, much is made of the fact that the Standard & Poor's 500 stock index has only slightly increased since Nov. 1. This overlooks the fact that Congress, in reducing maximum capital gains rates, was not primarily concerned with the capital formation requirements of America's 500 largest corporations. These companies, fortunately, are able to meet most of their capital needs from internal funds as well as from investments by tax-free pension funds.

On the other hand, thousands of small- and medium-sized companies have languished in recent years as individual investors have retreated to the sidelines. These companies, whose ranks include the I.B.M.s and Xeroxes of the future, depend upon stock purchases of small investors to raise the capital necessary for their growth.

With the sharp increases in the capital gains rates, investment in common stock has been neither attractive nor sensible. Studies have shown that these companies—smaller, younger, often more innovative—have the potential to grow faster and generate more new jobs, technological breakthroughs and tax revenues than the giants of American industry.

However, in reecnt years the equity capital market for small and newer enterprises has been practically non-existent. Regardless of prospects or opportunities, most publicly owned companies have experienced great difficulties in raising equity capital.

It was the critical weakness in our equity capital markets which in 1973 spurred the formation of the Committee of Publicly Owned Companies, a nationwide association of 700 chief executive officers.

And how have the small- and medium-sized companies fared since the capital gains rollback? The American Stock Exchange index has increased by 18 percent so far this year, and the NASDAQ composite index is up 12.5 percent. No less significant, according to *Going Public* magazine, there have been 19 publicly underwritten new issues raising $104.4 million marketed in the first four months this year, compared with only eight issues raising $46.4 million during the same period in 1978. This step-up in investment activity is even more remarkable when viewed in the context of current double-digit inflation and interest rates, both historical stock market depressants.

The nation's backlog of essential capital projects—for energy, plant renovation, retooling, modernization, transportation, research and development—runs into the hundreds of billions of dollars. The rollback of capital gains marks a start, albeit a limited one, of reversing our nation's declining productivity growth by encouraging individuals to invest their savings in America's future.

Other reforms are badly needed. The crushing burden of Government overregulation must be reduced. Simplified forms and procedures for securities registrations must be developed to reduce capital raising costs, especially for smaller companies. Double taxation on corporate dividends should be avoided. Capital recovery allowances should be liberalized. Investment incentives specifically tailored to encourage small investors and smaller companies would be very helpful.

A good example in this regard is the proposal of American Stock Exchange Chairman Arthur Levitt Jr. to give a 10 percent tax credit to individuals who invest in the new equity of companies that have a net worth of less than $25 million. Finally, steps must be taken to impose fiscal restraint, strengthen the dollar and control inflation.

Although it is too early to draw definitive conclusions, the evidence to date shows that the rollback in capital gains tax rates is accomplishing precisely what the Congress intended, which is to aid the deployment of capital to rebuild and refurbish our productive plant and our creative technology. The early results vindicate the prediction of the late Representative William Steiger, that by reducing capital gains taxes, "new companies could start up and existing firms could expand and exploit new technologies to promote American competitiveness in the world market."●

PRODUCTIVITY STANDARD FOR WAGE PRICE GUIDELINES

● Mr. PERCY. Mr. President, I would like to associate myself with the remarks of my distinguished colleague from New York, Senator JAVITS.

Productivity and the long-run performance of our economy are coming to be more and more appreciated as root causes of this skyrocketing inflation that is plaguing the country. It is no accident that, as inflation climbs, the U.S. productivity growth rate is in an inverse decline. Table 1 of the Council on Wage and Price Stability report, which Senator JAVITS includes with his statement, makes this all too clear: In the last 30 years, the Consumer Price Index has jumped from a 1.6 percent annual growth rate to an 8 percent rate for the period 1973–78. This year, inflation is running well into double digits, at about a 13 percent rate.

At the same time that inflation was worsening, productivity is shown as deteriorating from 2.6 percent annual increases between 1948 and 1965 down to an infinitesimal 0.8 increase for the years 1973 to 1978. And what has been happening to productivity this year as inflation has soared? It too has dropped. In fact, you could almost say it dropped right off the charts this year. Just 4 days ago the Labor Department announced that the productivity rate for the nonfarm business sector plunged 5.7 percent, following a drop of 3 percent in the first quarter. According to the Labor Department, this is the steepest quarterly decline in the 32 years the Department has been keeping records.

Senator JAVITS and I—and a good number of our colleagues—are concerned over this decline in productivity and what it reflects about investment in plant and equipment and our preparation for the economic challenges of the 1980's. We are not making the investments we should that will keep us competitive with our foreign trading partners. The United States is no longer the pre-eminent economic power on the globe and we are going to have to redouble our efforts if we want to retain our standard of living.

For these reasons, Senator JAVITS and I were concerned that the Council on Wage and Price Stability (COWPS) did not have a program as part of the inflation guidelines that would offer an incentive for firms and workers that did increase their productivity above and beyond the inflation rate. We know firms and workers are making the investments and conducting the research and development that will reduce overall costs of production and yet they are hamstrung for their efforts by the present guidelines.

Mr. President, there can be a very real correlation between the Government's actions and the steps taken by the private sector. We are just now getting feedback from economists about the tax cuts we passed last year. It appears that, as many of us expected, the cut in the cap-

ital gains tax, the expansion of the investment tax credit and the cut in the corporate tax rate have all contributed to strong capital spending this year, one of the few bright spots in the economy.

Along these lines, a Chase Manhattan Bank newsletter recently reported:

Business plans for capital investment are clearly a bright spot in the recent flow of rather somber economic news. A government survey of business investment plans indicates an increase this year in capital spending of about 6% in real terms. The growth that these plans imply for the big construction and machinery industries could provide a substantial offset to the weakening trend that has appeared elsewhere in the economy.

It is of course possible that investment plans will be cut back if sales to final customers continue to weaken. As yet, however, there are no clear signs that such a retrenchment has begun. Perhaps some credit for this should be given to the 95th Congress, which enacted tax legislation last year that was specifically aimed at encouraging private investment. The permanent and liberalized investment tax credit, the capital gains tax reduction, and the cut in corporate income tax rates may already be paying dividends to the economy.

The Chase Manhattan Bank is not alone in this evaluation of the 1978 tax cuts. Similar articles have appeared in the Wall Street Journal and Nation's Business. Mr. President, I am submitting a July 30, 1979, Wall Street Journal editorial immediately following my remarks.

Where we find the economy now is in a possible slide into a mild recession. Many firms have launched investment plans, however, because the capital is suddenly available for modernization. This will mean more jobs in the future and will be a strong force in improving the U.S. productivity performance.

I commend the COFWS report on productivity to my colleagues. It is a careful document and it points to two of the greatest disincentives to investment and productivity: tax policy and excessive regulation.

The Governmental Affairs Committee, on which I serve as ranking Republican, has concluded 14 days of hearings on regulatory reform bills before the committee. I expect a full-scale mark-up session will begin in earnest in September and the changes we make in regulatory proceedings will be a major step forward in removing this disincentive from economic activity. We are not going to get rid of regulation; we are going to make it more cost-effective in its approach to problem-solving.

In closing, I would like to compliment Senator JAVITS for his leadership in the productivity field. He has pointed out for many years the key roles of investment and productivity in the economy. The summary of the Republican Policy Committee's Task Force on Capital Formation and Productivity—which Senator DANFORTH and I have chaired this spring and summer—provides a guide for action in establishing productivity incentives. I am pleased that Senator JAVITS included our recommendations with his statement and he can be sure Senator DANFORTH and I will pursue our tax and regulatory proposals in this Congress.

The editorial follows:

SNAPPING BACK

Anyone who might be wondering about the effects of last year's reduction in capital gains tax rates would do well to look at the venture capital revival that has since occurred. We particularly urge a look by those who argued then—and still do in some cases—that you can't improve capital formation by lightening the tax burden on it.

Venture capital is money raised by entrepreneurs whose only assets are their new ideas. Even if they turn out to be successful, investors must expect their capital to be locked up for 5 or 6 years. A decade ago venture capital was thriving. But along came the Tax Reform Act of 1969 which together with its subsequent revisions raised the maximum tax on capital gains from 25 percent to 49 percent, reduced the write-off of capital losses by 50 percent, and sharply curtailed the deduction of interest expense on borrowed funds used to make an investment. All in all, the rewards for success were cut in half, and the penalties for failure were doubled.

The effect on venture capital was devastating. The ability of small companies to raise equity capital by public stock issues declined drastically, and by 1973 small company issues had practically ceased. In 1977 when the maximum tax on capital gains hit 49 percent, equity capital from all sources dried up.

The tax reformers who sold this bad bill of goods to the Congress said the purpose of it was "to make the rich pay taxes." Congress expected to score some easy political points, not to dry up important wellsprings of economic progress. New small companies account for a disproportionate amount of new products and technologies, and they contribute substantially to the growth of the economy as a result of their own rapid growth and the productivity gains that they introduce into the economy.

By 1978 Congress realized what it had done, and Rep. Bill Steiger found majority support in both houses for his proposal to reduce the capital gains tax. In November the rate was reduced to 28 percent.

The response from venture capital was instantaneous and began in May before the law was passed when Senator Hansen rounded up 60 Senate cosponsors of the Steiger bill. By the end of the year venture capital raised by firms specializing in the activity rose eleven-fold over the previous year. In 1979 venture capital is back where it was 10 years ago.

The snapback is easy to understand. In 1969 Congress began adding to the costs of failure on risky new ventures, while reducing the rewards of success. With risk taxed at the same rate as corporate salaries, fewer people left comfortable employment to go off on their own with the ideas they couldn't sell to their employers. Those still willing could find few financial backers. In 1978 Congress restored incentives for assuming risk, and people began assuming risk once more.

There is evidence that lowering the capital gains tax rate had wider ripple effects. The Dow Jones Industrial average rose 130 points from March to August last year as it became evident that there were enough votes in Congress to cut the capital gains rate. The market has since lost some of that exuberance but still is well above March 1978 despite rampant inflation and a recession threat.

Equally impressive, in light of recession fears, is the fact that corporate expenditures for new plant and equipment and for research and development are once again showing signs of life after a long period of stagnation. Shareholders can once again look with favor on managers plowing back earnings rather than paying them out in dividends.

These signs that the economy would like to get back on its growth track are encouraging challenges to the gloomy predictions that the growth era is over. They indicate that the economy responds to incentives, and is not in the clutches of some inexorable process of decline. More encouragement of its inclinations to grow would no doubt produce further benefits.

We have in mind cutting tax rates on personal income in order to lower the high marginal rates on real income that a decade of inflation has brought about, altering taxes on interest and dividend income in ways to lessen the tax bias against savings and passing something like the Jones-Conable Capital Cost Recovery Act so that business can recover their investment capital before inflation eats up their depreciation allowances. A little good tax law and the economy as a whole will snap back as rapidly as venture capital.●

ACTS OF COURAGE

● Mr. CHAFEE. Mr. President, American history has been characterized by a certain spirit of its people—an attitude of achievement, a belief that an individual's initiatives are an important contribution to the common good of the country. No better example of this spirit exists than the many individual acts of courage during the Allied invasion at Normandy 35 years ago.

Mr. President, I believe strongly in the value of private endeavors, and feel that such a spirit needs to be encouraged. It is a distinct pleasure for me to be able to join with my colleague from Rhode Island, Mr. PELL, in paying tribute to two people whose personal efforts can serve as inspiration for us all. The couple to whom I refer, Monsieur Henri Frochot and Madame Madeline Frochot-Benoit, are not American citizens, but they have rendered valuable assistance to many Americans.

M. Frochot is 89 and Mme. Frochot-Benoit is 77. They both reside in Burgundy, France. During World War II, they befriended many American soldiers during the fighting in France, including a constituent of mine, Mr. Ralph Messinger.

At a time when helping Americans could have been dangerous, these people opened up their home to American soldiers, provided them with food, and went out of their way to make these American soldiers feel at home during their stay in France.

Since the war, M. Frochot has been active in promoting international understanding. He has been a key figure in a program that specializes in exchanging citizens of French and German towns, again proving that one person can make a difference. Mr. President, it is important for us now to recognize those people who have not only aided America and her citizens, but who have also shown they care about friendship between countries.

M. Frochot and Mme. Frochot-Benoit are clearly two people who believe in progress, and who are willing to pitch in to achieve it. They fully deserve this modest and overdue expression of our appreciation.●

● Mr. PELL. Mr. President, I would like to join my colleague, Senator CHAFEE, in commending Monsieur Henri Frochot and Madame Madeline Frochot-Benoit for their invaluable assistance to members of the U.S. Armed Forces during

World War II. I know how important their sacrifices were in aiding the American war cause.

The Frochots demonstrated their unselfishness during that time of dire need by opening up their home in the Province of Burgundy, France, to the 15th Air Force and turning their garage into a mess hall. One of the servicemen assisted by the Frochots was a constituent of mine, Ralph Messinger of Tiverton, R.I. For a time at least, the men were reminded of the warmth and giving of a family in the Frochots' "home away from home." I know that Mr. Messinger and the other servicemen who benefited from the Frochots' humanitarian efforts will be eternally grateful.

Monsieur Frochot also extended his contributions to peace even after the war by fostering exchange programs between French and German citizens. His efforts helped ease the antagonisms between those two peoples and helped make peace in Europe a reality. The Frochots are very special people who expanded the fight for world understanding. They should be honored and remembered as such.●

SAVINGS LESSON FROM ILLINOIS

● Mr. PERCY. Mr. President, I was most heartened to read of the success of the Waisviss family of Champaign, Ill., a family that emigrated to the United States 10 years ago with more determination and spirit than cash.

The U.S. Chamber of Commerce spotlighted this remarkable family in a June "Voice of Business Column" which I would like to have printed in the RECORD at the close of my remarks.

The Waisviss family has worked hard in the past decade and now owns two houses, one of which they rent. What is more, the family's three children have recently purchased a house from their savings. They pay off the taxes and mortgage with the rental payments they receive. As Dick Lesher, president of the chamber of commerce, says in his column on the family:

> And that leaves them free to start saving again for their next anticipated investment—a college education. In the interim, they will have gained a practical education most people don't get until they're 30."

Savings and investment are two of the most crucial elements of a growing economy, yet the average U.S. savings rate is well below that of our major trading partners. What is more, it is our failure to generate savings and make necessary investments that lies at the root of inflation.

Mr. President, we need more families like the Waisvisses who are willing to save and put their money in sound investments. I introduced legislation on July 19 that would move us in that direction by providing a tax exemption on the first $500 of dividend and interest income that is reinvested during the tax year. Senator DANFORTH joined me in introducing the bill—the Small Savers Incentive Act—and last week all 41 Republican Senators endorsed this concept, noting:

As an incentive for greater savings and investment, a savings interest exclusion should be provided and the present dividend exclusion from federal personal income taxes should be expanded.

It is time Congress acted to provide the incentives we need to spur productive investments. The Waisviss family offers all of us an encouraging example of where we should place our priorities and resources.

The material is as follows:

MEET THE WAISVISS FAMILY—AMERICA'S 20TH CENTURY PIONEERS

WASHINGTON.—It's a story that deserves to be told. For our purposes, let us pick it up in 1966 when they arrived in British Columbia as immigrants from the Netherlands. Things seemed bleak at first; they knew no one; he had no prospects for work, and only enough money to afford lodging in a third-rate hotel where they were told they must sleep on the floor. But they did have hope, and each other, and an enthusiasm, spirit and discipline—indeed a total commitment—to realize their shared dream of eventually becoming Americans and living a better life in the United States.

Today, the Waisviss family, Herman, his wife, Vera and their three sons, Max, 15, Lehman, 13, and David, 12, have already realized that dream and much more. Indeed, they are living proof of Harry Emerson Fosdick's belief that free democratic societies are strong and endure because "there are extraordinary possibilities in ordinary people."

It didn't take Mr. Waisviss long to locate his first position as a project engineer for the Park and Tilford Company in British Columbia, nor for him and his wife to save enough money to make a down payment on their first, very modest home. By 1969, his engineering abilities earned him a better offer from the Arthur G. McGee Company in Cleveland, and the family jumped at the chance to live in the United States . . . and in a better home. But they only stayed there a year, as Herman's reputation had already caught the attention of the U.S. Industrial Chemicals Company in Tuscola, Illinois.

Today, they live in nearby Champaign, Illinois. Herman now works as group leader of USICC's engineering division. Vera works too, selling jewelry in Robeson's, a downtown department store. Thanks to all their work and sacrifices and promotions, Herman and Vera now own two homes—their present residence in Champaign, and their former home in Cleveland which they rent. That's pretty impressive after starting from scratch just 13 years ago; but it's really just the beginning of this family's amazing story.

You see the Waisviss sons, Max, Lehman and David, not to be outdone by their parents, bought a home themselves in 1977 for $40,000! How did they do it? Each one saved nearly every cent he earned over a four-year stretch delivering papers; then they combined their savings and pledged the entire amount toward an $8,000 down payment. Of course Dad did have to chip in with the final $1,800, but the boys have already paid half of that back. The brothers now rent the house, make the necessary repairs with a little help from Mom and Dad, and use the money from the monthly rent payments to meet their tax and mortgage obligations. And that leaves them free to start saving again for their next anticipated investment—a college education. In the interim, they will have gained a practical education most people don't get until they're 30.

Our office got a taste of just how business-like these young landlords are when we called the Waisviss family. The boys weren't there—probably out delivering the Champaign News-Gazette or fixing a faulty faucet in their house—but they did have their own recording which beeped, and then courteously requested us to leave our message.

When we did talk to the boys, we got a feeling of their responsibility, their motivation, in essence—their character. "You have to always make sure everything is right," said 12-year-old David about his house. Lehman told us that when he's feeling "happy" he can deliver his 49 papers in 15 minutes. (He admitted he takes longer when he knows they're having spinach for dinner.) Max, who first had the idea to invest the brothers' money in something that would appreciate in value, has a room full of stereo equipment bought with a little money and lots of bargaining skill.

Together, the boys have won bikes, and even a trip to Florida, as first prizes in contests run by their local paper to gain new subscribers. Through it all, they find plenty of time to watch television, see friends and play ball. But they sometimes wonder how others their age can accept allowances without doing any work.

Writer George Will recently observed: "For nations, as for individuals, character is destiny . . ." The members of this remarkable family know precisely where they are going: They are going up. And they also know why. They know that to succeed, besides hard work, they basically need only two things: The discipline to live within a budget, to live below their yearnings, and the wisdom to invest well for tomorrow, rather than to spend for today. As young David remarked, "If you looked at my shoes, you might think I was poor, but I'm not!"

Our government insists on the opposite spending approach. Do you think it just a coincidence that our economy is also headed in the opposite direction—down? Could it be, that all our government's greatest minds lack the simple common sense of a 12-year-old boy? ●

FIFTEENTH ANNIVERSARY OF THE ECONOMIC OPPORTUNITY ACT 1964

● Mr. NELSON. Mr. President, while the Congress is away on its August recess a very important and noteworthy anniversary will occur on August 20—the 15th anniversary of the signing of the Economic Opportunity Act of 1964.

It was in March of 1964 that President Lyndon B. Johnson transmitted to the Congress a message on poverty, in which the President proposed to declare a war on poverty. The Congress responded to this message with the enactment of the Economic Opportunity Act. This act, which has served as the primary vehicle for the Nation's antipoverty efforts, states in its declaration of purpose:

> It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement and coordinate efforts in furtherance of that policy.

The Office of Economic Opportunity—OEO—was charged with carrying out and coordinating the Nation's antipoverty efforts. Programs such as Community Action, Head Start, Follow Through, the Job Corps, Legal Services and the Weatherization program, to name a few, were conceived of and developed by OEO. These programs have done much to open opportunities for the poor and to develop their capacities

so that they might participate more fully and share in the resources and possibilities this Nation offers.

As the antipoverty programs grew and their successes were recognized congressional support increased. Many of these programs are now administered by other agencies of the Federal Government, including HEW, DOL, DOE, and the Legal Services Corporation. In 1974, the Congress created the Community Services Administration—CSA—as an independent agency to replace the OEO. CSA has continued to carry out the OEO mandate and further the Nation's antipoverty effort.

Mr. President, as we approach this 15th anniversary it is important to note some of the accomplishments of our antipoverty efforts.

THE NUMBER OF PEOPLE LIVING IN POVERTY DECLINES

Since 1959 the poverty rate for all persons has declined by approximately 15 million persons from 39 million poor in 1959 to 24 million at the end of 1977.

COMMUNITY ACTION SERVES AS THE FOUNDATION FOR OUR ANTIPOVERTY EFFORTS

At the heart of the Nation's efforts to eliminate poverty is the community action program. The community action concept—a community marshaling its own abilities, tapping State and Federal resources, recruiting professionals, and enlisting volunteers to solve the problems of its low-income citizens—is the basic Federal approach to local assistance programs for the poor.

Community action operates through over 880 community-action agencies—CAA's—located across the Nation. Over 14 million persons participate annually in these locally based and operated programs.

With administrative and other funds from the CSA, along with specific program grants from various Federal agencies, CAA's have combined ingenuity, resourcefulness, and hard work to combat poverty. In fiscal year 1978, the $369 million available for CAA local initiative funds enabled the CAA's to generate some $2 billion from Federal, State, and local sources for human service programs in their local communities.

HEAD START HAS DEVELOPED TO BECOME A MODEL FOR CHILD DEVELOPMENT PROGRAMS

Since its inception in 1965, Head Start has provided health, educational, nutritional, and social services to some 6 million children and their families in every State and territory.

In fiscal year 1979, Head Start served nearly 400,000 children, and it employed nearly 70,000 workers and enlisted the services of some 100,000 volunteers.

For 14 years the Head Start program has played a major role in focusing the attention of the Nation on the importance of early childhood development, especially in the first 5 years of life. In many ways, the program has had a dramatic impact on the child development field nationwide: Serving as a model for many other child development programs, public and private; pioneering in the delivery of health services to disadvantaged preschool children; focusing attention on the importance of parent involvement; and impacting on community efforts for low-income families.

In a recent GAO report, the Head Start program was cited as an example of the type of child development activities which warrant an increased national commitment.

LEGAL SERVICES PROVIDE ACCESS TO THE NATION'S SYSTEM OF JUSTICE

From a relatively small program within OEO, Legal Services has developed into a program which serves nearly three-fourths of the Nation's poor and has been established as a private, nonprofit corporation.

Today, access to legal services is a reality for more poor people than ever before. They now have a chance for justice in many places where none existed before.

During 1978, the funds provided by the Legal Services Corporation to local legal services programs enabled the local programs to provide minimum access to legal services for approximately 21 million of the Nation's poor. These programs handled some 1.4 million matters in 1978 and only about 15 percent resulted in litigation. The others were handled outside the courtroom through counseling, negotiation, and other means.

If Congress appropriates the necessary funds, the corporation's immediate goal of providing all the Nation's poor minimum access to legal services—defined as the equivalent of two attorneys for every 10,000 clients—will soon be met.

ENERGY CONSERVATION AND WEATHERIZATION—ANTI-POVERTY PROGRAMS SPEARHEAD THESE EFFORTS

Upon its own initiative and using previously appropriated funds, OEO/CSA originated a comprehensive weatherization and energy-saving program for the poor at the time of the fuel crisis in 1973. Community action agencies in my home State of Wisconsin were instrumental in the development of the weatherization program. Working through its network of CAA's, homes were weatherized—insulated, and made more energy efficient—using cooperatively purchased materials, as well as volunteers and job trainees. The national CSA Weatherization program proved so successful that the Department of Energy now has a weatherization program based on the concept developed by local community action agencies.

CSA also initiated an energy voucher subsidy program to test this method of providing the poor with money to buy fuel. For the past three winters, a program to provide the poor and the elderly with assistance in paying utility bills has been administered by CSA. In addition, the antipoverty programs have been among the first anywhere in the country to develop appropriate technology, active and passive solar energy-saving devices, revolving loan funds, crisis centers, and emergency fuel depots. The antipoverty programs will continue to play an active and crucial role in the Nation's efforts to cushion the impact of the energy crisis on the poor.

Despite the success of these efforts and programs, the country has not yet conquered poverty. As all of us are well aware, alleviation of the causes of and the problems associated with poverty has been frustrated by many factors: The commitment of vast amounts of the Nation's resources—human and financial—to another war, the war in Vietnam; our country's economic troubles; the attempts of a previous administration to dismantle the antipoverty programs; and, internal problems within the Community Services Administration itself.

All of these factors have left a gap in the goals we set forward 15 years ago and the reality today. But there has been some progress. The Congress again committed the Nation to making more progress in alleviating the problems of poverty when last year it reauthorized programs administered under the Economic Opportunity Act through fiscal year 1981.

Throughout the good times and the bad, we must not permit our Nation to give up in its antipoverty efforts, the pursuit of social justice. We as a nation must keep sight of who and what this effort is all about. In this way, the distance between where we are today and where ideally we wish to go can be narrowed.

As the 15th anniversary of the Economic Opportunity Act approaches, the words of President Johnson in his 1964 "Call to Action" provide wise advice on how to carry our struggle out. His advice should provide us all with a renewed sense of commitment and mission as we move forward into the 16th year of the Nation's antipoverty efforts.

CALL TO ACTION

The war on poverty is not a struggle simply to support people, to make them dependent on the generosity of others.

It is a struggle to give people a chance.

It is an effort to allow them to develop and use their capacities, as we have been allowed to develop and use ours, so that they can share, as others share, in the promise of this nation.

We are fully aware that this program will not eliminate all the poverty in America in a few months or a few years. Poverty is deeply rooted and its causes are many.

But this program will show the way to new opportunities for millions of our fellow citizens.

It will provide a lever with which we can begin to open the door to our prosperity for those who have been kept outside.

It will also give us the chance to test our weapons, to try our energy and ideas and imagination for the many battles yet to come. As conditions change, and as experience illuminates our difficulties, we will be prepared to modify our strategy.

And this program is much more than a beginning.

Rather it is a commitment. It is a total commitment by the President, and the Congress, and this nation to pursue victory over the most ancient of mankind's enemies.●

SURFACE MINING AND THE PRESIDENT

● Mr. HATFIELD. Mr. President, Tuesday in coal rich Kentucky, President Carter said:

We can burn twice as much coal in this Nation and not lower our environmental standards.

The President also emphasized the need to remove duplicative and unnecessary paperwork, regulations, and redtape which hinder the development of coal, and to do this without detracting from high environmental standards.

I couldn't agree more. The Congress should join the President in accomplishing these objectives—in promoting synfuels, in encouraging research toward clean coal-burning technologies, and in reducing unnecessary regulations and redtape.

In fact each of these areas is being pursued: Synfuels fever has hit Capitol Hill and both the House and Senate are working toward fostering the development of shale oil, coal liquids, and coal gas; significant funding for clean, coal-burning technologies has been appropriated; and work is underway, albeit very slowly, to reduce duplicative and unnecessary paperwork and regulations which affect coal development.

I would like to discuss briefly this last aspect—unnecessary paperwork and regulatory overkill.

The Energy and Natural Resources Committee has recommended that the Senate pass three amendments to the Surface Mining Control and Reclamation Act of 1977.

The three amendments, now incorporated in S. 1403 and endorsed by 17 coal State Governors, remove redundant Federal regulations and allow the States to assume the primary role in reclamation programs—as Congress had originally intended. The amendments also extend the time for submission of State reclamation programs because of delays and excesses by the Federal Office of Surface Mining and delays in the appropriations process.

The President also spoke of "the separation between the American people and their government." Speaking to Kentuckians, President Carter said:

We spend to much time reading Federal Government forms and regulations instead of listening to people like you.

Perhaps the President has seen the 550 pages of small print in the Federal Register which contains the Office of Surface Mining's voluminous rules and regulations.

Perhaps the President realizes that these excesses in regulation are depriving the States from the lead role they were promised.

Perhaps the President recognizes that Federal rules which go well beyond congressional intent, and the resulting breach of faith with the States, tend to separate the American people from their Government.

Perhaps. But I doubt the President has seen the excesses which he so roundly criticized Tuesday. And so I am delivering to the President a bound copy of all those Federal rules and regulations.

Just as importantly, I am excerpting for the President one of the primary goals of the Surface Mining Act—and I quote from section 101(f):

Because of the diversity in . . . conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing and enforcing regulations for surface mining and reclamation operations subject to this act should rest with the States.

And, I am recommending the President scan, for he certainly will not have time to read, the 115 specific and detailed environmental performance standards and reclamation requirements in the Surface Mining Act. That degree of specificity, uncommon in most Federal legislation, was incorporated with the intent that the environmental protections to be imposed on a national basis were to provide a uniform set of minimum standards for all surface mining operations.

To demonstrate the specific nature of these statutory reclamation requirements, I ask that I may insert at the end of my statement examples of the environmental performance standards found in the act. I am sure my colleagues will agree that exceedingly detailed standards such as these are not only uncommon in Federal law but also insure a consistent, well delineated minimum program from which the States can derive their programs.

In closing, let me reiterate my support for the President's objectives espoused in Kentucky this week. Those objectives call for greatly increased coal usage, retention of our high environmental standards, and action to reduce unnecessary paperwork and regulation. The surface mining amendments recommended by the Energy Committee on July 27 represent one of many actions essential in meeting their objectives.

The examples of standards follow:

EXAMPLES

(Examples of "Environmental Protection Performance Standards" (§ 515) found in the Surface Mining Act:)

Sec. 515(b)(3) except as provided in subsection (c) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this Act): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

Sec. 515(b)(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

Sec. 515(b)(10) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B)(i) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow, or runoff outside the permit area, but in no event shall contributions be in excess of requirements set by applicable State or Federal law;

(ii) constructing any siltation structures pursuant to subparagraph (B)(i) of this subsection prior to commencement of surface coal mining operations, such structures to be certified by a qualified registered engineer to be constructed as designed and as approved in the reclamation plan;

(C) cleaning out and removing temporary or large settling ponds or other siltation structures from drainways after disturbed areas are revegetated and stabilized; and depositing the silt and debris at a site and in a manner approved by the regulatory authority;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the regulatory authority may prescribe.●

ADMINISTRATION OF THE DAVIS-BACON ACT MUST BE IMPROVED

● Mr. PERCY. Mr. President, in the last few weeks the Senate has defeated several attempts to reduce the scope of the Davis-Bacon Act. Legislation to repeal the act completely is also pending.

I agree with the principle behind the Davis-Bacon Act: Workers on federally funded construction projects should be paid no more or no less than other workers in the same geographic area doing the same work.

I am not convinced the Davis-Bacon Act should be repealed and I opposed all but one of the specific changes proposed recently in the Senate, including the Garn amendment to the Housing and Community Development Authorization Act and the Tower provision of the Military Construction Authorization Act which, respectively, would have waived Davis-Bacon's applicability to certain kinds of housing rehabilitation and to military construction.

The Senate did agree to change the dollar-cost threshold which triggers Davis-Bacon's applicability to federally financed or assisted construction projects, raising the existing $2,000 minimum to $10,000 for new construction while maintaining the $2,000 level for maintenance and repair work. I voted for this change, which reflects the increase in the Consumer Price Index since 1935 and the resulting necessity to update this aspect of the law.

While I do not support repeal at this time, I cannot support the status quo. Evidence gathered by the General Accounting Office, with which I work closely and for whose staff I have the greatest respect, shows serious problems in the administration of this act by the Department of Labor. No other conclusion can be drawn from the GAO's April 27 report but that implementation of the act must be improved so that it is fair to construction industry employers, employees, and—last but not least—the taxpayers who foot the bill for construction projects covered by the act.

Federally assisted construction is a big business in this country. According to the GAO, $37.8 billion was spent in 1977 on direct Federal or federally assisted construction spent by State and local agencies involving 600,000 prime and subcontracts and an estimated 22 percent of this country's 3.8 million construction workers.

Three separate, but not incompatible, sets of interest must be considered in the allocation of such a substantial amount of taxpayer funds:

The taxpayer's interest must be protected by our making sure that construction work paid for by the Federal Government is of the best quality for the most reasonable price;

The employer's interest must be protected by our making sure that the paperwork and other requirements are not so onerous as to discourage good contractors from bidding on public contracts;

The worker's interest must be protected by our making sure that he or she is fairly paid in comparison to privately employed workers on similar jobs in the area.

Congress can and must require of the Department of Labor, by legislation if necessary, an application of the law that balances these interests.

But Mr. President, the GAO report convinces me that there is a big difference between what Congress intended when it passed the Davis-Bacon Act and how it has turned out after nearly 50 years of administration by Republicans and Democrats alike.

The General Accounting Office has pinpointed for us the major flaw in the implementation of the act: The Department of Labor has yet to develop an effective program to issue and maintain accurate wage determinations. Current procedures provide no assurance that the rates stipulated actually "prevail," as required by law. GAO's review of 30 randomly selected projects covered by Davis-Bacon Act wage requirements and costing an estimated $25.9 million, showed that the majority of the rates issued by Labor were higher than the prevailing rates in 12 of the localities and lower in the other 18. In the 12 determinations where Labor's rates were higher, wage costs paid on the projects averaged 37 percent more than the comparable wage costs at rates prevailing in the localities. The higher wage costs ranged from a low of 5 percent to a high of 123 percent.

The cost to the taxpayer of such mistakes is overwhelming and completely unacceptable. The Secretary of Labor must take immediate and thorough action to remedy this problem. I understand that some work is already being done by the Labor Department and I urge the Secretary to take a personal interest in this matter so that Davis-Bacon will be properly administered as soon as possible.

Finally, Mr. President, I support a thorough review of the act by Congress. I am a great believer in the concept of "sunset" and have been working on behalf of its adoption in the Governmental Affairs Committee. No law is above review, especially when it is almost 50 years old. If the principle of Davis-Bacon can be carried out better by another law, then so be it. We should not hesitate to find out if this law is doing what it is supposed to be doing and whether its scope is still justified. I want to urge my colleagues on the Human Resources Committee to undertake such a review soon, and assure them I would be pleased to cooperate in any way.●

ARMS SALES AND HUMAN RIGHTS IN TAIWAN

● Mr. PELL. Mr. President, yesterday marked the expiration of the time period within which the Congress could have acted to prohibit certain arms sales to Taiwan under the Arms Export Control Act. In the absence of such a congressional prohibition, these arms sales will take place.

I did not object to these sales, because I believe that the United States must, in this delicate period following the normalization of relations with mainland China, demonstrate its determination to help Taiwan defend itself against potential attack from the mainland. At the same time, the government on Taiwan should not interpret the Congress acquiescence in these arms sales as an endorsement of the domestic policies pursued by the governmental authorities on Taiwan, in particular their violations of human rights.

In this connection, I would like to remind my colleagues that the Taiwan Relations Act contains a provision that I authored stating:

> The preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States.

In my view, this provision has direct relevance to the question of arms sales to Taiwan, because we should not be supplying arms to Taiwan for use against its own people.

I am deeply concerned about the deteriorating human rights situation on Taiwan, and I would like to cite a few examples of recent actions that have aroused my concern.

First. Last December, immediately after President Carter announced his decision to recognize mainland China, the Taiwanese Government canceled elections. Those elections have not been rescheduled, and there are no indications that they ever will be.

Second. Shortly after we established relations with mainland China this past January, the Taiwanese Government moved against opposition leaders, particularly native Taiwanese. For example, Yu Teng-fa, a 77-year-old native Taiwanese opposition leader was arrested on sedition charges because he announced that he planned to convene a convention of opposition leaders. Also another opposition leader, Hsu Hsin-liang, was suspended as mayor of a native Taiwanese community; and a third prominent opposition leader, Shi Ming-teh has gone into hiding.

Third. Finally, I have been informed that the Taiwanese Government is actively considering a new law that would seriously infringe on religious rights in Taiwan. Under this proposed law, the Government could control all communications between a religious group and its members and could take action against a religious group engaging in acts considered as against the "public interest"—a term that is not clearly defined in the draft legislation.

I earnestly hope and urge that the Taiwanese Government will correct these actual or prospective abuses of human rights. I, as much as any other Members of the Senate, want to see the United States remain a firm friend of the people on Taiwan so as to help insure that Taiwan is not taken over by Peking. At the same time, I hope we have learned from events in Iran and Nicaragua that our interests are not served by ignoring human rights violations. In my view, the mainland descendants of Chiang Kai-shek will one day relinquish power to the native Taiwanese, and it is in the American interest to demonstrate now that we are the friends of the native Taiwanese.

It is also in the interest of the descendants of the mainland Chinese who came to Taiwan after World War II to forge amicable relations with the native Taiwanese majority. For it would serve no one's interest to further divide the ethnic communities that co-inhabit the island of Taiwan and therefore give Peking a pretext for invading Taiwan to "restore order".●

UNICEF'S FINANCES

● Mr. PERCY. Mr. President, most of us read the June 17 article in the Washington Post claiming that the United Nations had excess funds in reserve at a time when it was claiming it had a deficit. UNICEF was also mentioned in the article which said that it maintains a reserve much larger than is actually necessary. I would like to bring to the attention of my colleagues UNICEF's response to that article, and I ask that it be printed in the RECORD.

The material is as follows:

UNITED STATES COMMITTEE FOR UNICEF,
New York, N.Y., June 19, 1979.

LETTERS TO THE EDITOR,
Washington Post,
Washington, D.C.

TO THE EDITOR: Obviously Ronald Kessler in his June 17th article misunderstood the facts about how the United Nations Children's Fund works. What he incorrectly designates as "excess money" is in fact a revolving fund of working capital essential to the effective operation of the organization for which the requirements are set by the 30-nation UNICEF Executive Board. The U.S. Government is an active member of that Board.

In fairness to Mr. Kessler, I must acknowledge that his error is one of the most common in dealing with the financial aspect of public issues—confusing temporary cash flow positions with actual surplus.

The fact is that against $131 million on hand on December 31, 1977, UNICEF was faced with outstanding commitments to programs of $304 million, mainly for delivery in 1978 and 1979. Moreover, against the cash on hand figure were $9 million in accounts payable and other unliquidated obligations, $33 million in contractual obligations for supplies and equipment, and $26 million in funds-in-trust which do not belong to UNICEF.

Far from having more money than necessary, UNICEF at the end of 1977 had projects for services to children noted by the Board as suitable for funding in the amount of $55 million. It did not have the resources to fund these projects and was seeking special contributions for them. As of this date UNICEF has a total of over $100 million of such approved projects awaiting funding.

Because UNICEF is financed not by assessments but by voluntary contributions, the amount of future revenues is never assured, nor are the dates of receipt. UNICEF cannot borrow money; neither does it have access to any government treasury.

Nevertheless, since UNICEF's long-term commitments to more than 100 developing countries (often running as long as five years ahead) help support larger programs of those governments to benefit children, the agency must be able to supply its input when needed. To do so, it must be ready to pay promptly for the necessary supplies and equipment. That is why the organization must always have sufficient resources on hand to meet future expenditures; in 1978, UNICEF's monthly expenditures average $14 million. UNICEF each year publishes its annual financial report giving a full disclosure of its financial position, which is available to the public.

In recent years, UNICEF's cooperation with governments for child-assistance programs has expanded, and consequently its expenditures have increased substantially, necessitating a comparable increase in funds-in-hand. These funds are drawn on, among other needs, to meet the excess of expenditures over revenue that usually occurs during the first four months of each year. In 1978, this use amounted to $8 million. During 1979, it amounted to $34 million, which in itself illustrates the range of difference between expenditure and revenue that the UNICEF financial system has to be prepared to meet.

Two-thirds of the world's children, the neediest one billion, live in the developing countries where UNICEF works to improve their health, nutrition and education. The generous contributions of the United States Government and of those millions of Americans who participate in Halloween collections and other fund-raising programs, including the purchase of UNICEF cards, help make the Children's Fund possible.

It would be tragic indeed for those children, and for the future peace of the world, if confusion growing out of Kessler's misreading of UNICEF's financial situation should diminish our contributions by a single dollar.

Sincerely,

DATUS C. SMITH, JR.,
President.●

WASHINGTON, CITY OF TREES

● Mr. LEAHY. Mr. President, as chairman of the Appropriations Subcommittee on the District of Columbia and a member of the Committee on Agriculture, Nutrition and Forestry, I was pleased to learn recently that at long last a book is being written that will capture the rich history of the trees of our Nation's Capital.

I was also happy to learn that the authors, Melanie Choukas-Bradley and Polly Alexander, are from my home State of Vermont.

Tentatively entitled "Washington, City of Trees," their forthcoming book will trace a truly important story. The tale of Washington's trees does not end with our famous flowering cherries from Japan. Right here on the Capitol Grounds, alone, are more than 3,000 trees from all over the country and the world. Many of them commemorate important people and events that are central to this Nation's history. The official State trees of 32 States and the District of Columbia, including the sugar maple from my home State of Vermont, are planted here on the Capitol Grounds.

Dozens of trees planted by U.S. Presidents as far back as John Quincy Adams stand on the White House Grounds. And down the Potomac at Mount Vernon several trees survived that were planted by George Washington.

In addition to providing important historical information, this book will also serve as a botanical guide to the cultivated trees of Washington. Apparently, the trees of the District of Columbia are as interesting botanically as they are historically. Several hundred species are present here, including scores of exotics from Asia, Europe, and other parts of the globe.

"Washington, City of Trees" will be published in the fall of 1980 by EPM Publications of McLean, Va., the same publisher responsible for the beautiful bicentennial book, "These United States" by Hugh Sidey and Fred Maroon. Work on the book is being supported by a grant from the American Forest Institute and the project has the enthusiastic support of the president of the U.S. Capitol Historical Society, former Iowa Congressman Fred Schwengel.

I certainly look forward to the publication of this book, which will prove invaluable for both D.C. residents and our many visitors from the 50 States. For the information of my colleagues in the Senate, I submit for the RECORD a list of the official State trees which are planted on the Capitol Grounds.

There being no objection, the list is ordered to be printed in the RECORD, as follows:

STATE TREES

California, Giant Sequoia (*Sequoiadendron Giganteum*).
Colorado, Blue Spruce (*Picea pungens*—on Library of Congress grounds).
Connecticut, White Oak (*Quercus alba*).
Delaware, American Holly (*Ilex opaca*).
District of Columbia, Scarlet Oak (*Quercus coccinea*).
Illinois, White Oak (*Quercus alba*).
Indiana, Tulip Tree (*Liriodendron tulipifera*).
Iowa, Oak (*Quercus species*).
Kentucky, Kentucky Coffee Tree (*Gymnocladus dioicus*).
Louisiana Baldcypress (*Taxodium distichum*).
Maine, White Pine (*Pinus strobus*).
Maryland, White Oak (*Quercus alba*).
Massachusetts, American Elm (*Ulmus americana*).
Michigan, White Pine (*Pinus strobus*).
Minnesota, Red Pine (*Pinus resinosa*).
Mississippi, Southern Magnolia (*Magnolia grandiflora*).
Missouri, Flowering Dogwood (*Cornus florida*).
New Jersey, Northern Red Oak (*Quercus borealis*).
New York, Sugar Maple (*Acer saccharum*).
North Carolina, Pine (*Pinus species*)
NOTE: Flowering Dogwood (*Cornus florida*) is North Carolina's state flower.
North Dakota, American Elm (*Ulmus americana*).
Ohio, Ohio Buckeye (*Aesculus glabra*).
Oklahoma, Redbud (*Cercis canadensis*).
Oregon, Douglas-fir (*Pseudotsuga menziesii*).
Pennsylvania, Eastern Hemlock (*Tsuga canadensis*).
Rhode Island, Red Maple (*Acer rubrum*).
Tennessee, Tulip Tree (*Liriodendron tulipifera*).
Texas, Pecan (*Carya illinoensis*).
Utah, Blue Spruce (*Picea pungens*—on Library of Congress grounds).
Vermont, Sugar Maple (*Acer saccharum*).
Virginia, Flowering Dogwood (*Cornus florida*).
West Virginia, Sugar Maple (*Acer saccharum*).
Wyoming, Sugar Maple (*Acer saccharum*).●

50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER AS THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, often in the course of political events we find ourselves so surrounded by critics at home that we forget that foreign opinion can offer useful insights about our

struggles. For these outside observers are blessed with the luxury of detachment and frequently the absence of predilection.

In a series of essays I am submitting to commemorate the 50th anniversary of Herbert Hoover's inauguration, we have heard so far from writers who have examined our 31st President from within our borders. Benjamin Rhodes, a professor in the University of Wisconsin's College of Letters and Sciences, offers us a new perspective in his analysis of the commentaries of British diplomats who were Hoover's contemporaries.

While I take exception with much of the negativism in the British view, I know Professor Rhodes' essay provides a helpful slant on the assessment of the Hoover Presidency.

Owing to Hoover's humanitarian success in Europe, Russia, and the United States, British opinion of Hoover was generally favorable prior to 1929. But, according to Professor Rhodes, the tone of British views then began to take an increasingly bitter turn. As one retiring British ambassador theorized, Hoover was confronted with the problem of "how to keep new wine in an old bottle without either damaging the taste of the old wine or bursting the bottle." Unhappily, as we all know, the bottle soon burst.

Because this essay gives us a new foundation for examining the problems confronting the Hoover Presidency, I commend it to my colleagues and other readers of the RECORD.

Mr. President, I submit the following copy of the essay, along with a biographical summary of Professor Rhodes, for the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

VITA SHEET

Benjamine D. Rhodes, Professor of History, University of Wisconsin–Whitewater, Whitewater, Wisconsin.

I. EDUCATION

Degrees, year granted, and institution:
B.A., 1958, University of Colorado.
M.A., 1961, University of Colorado.
Ph.D., 1965, University of Colorado.

II. PUBLICATIONS

Date, title, and journal:

March, 1969, "Reassessing 'Uncle Shylock' " the United States and the French War Debt, 1917–1929," Journal of American History.

January, 1972, "The Origins of Finnish-American Friendship, 1917–1941," Mid-America.

Summer, 1974, "Herbert Hoover and the War Debts," Prologue: The Journal of the National Archives.

Summer, 1977, "Anglophobia in Chicago: Mayor William Hale Thompson's 1927 Campaign against King George V," Illinois Quarterly.

Spring, 1978, "The British Royal Visit of 1939 and the 'Psychological Approach' to the United States," Diplomatic History.

BRITISH DIPLOMACY AND "SIR HERBERT" HOOVER, 1920–1933

When Herbert Hoover was first mentioned as a presidential possibility in 1920, he was widely regarded as a miracle worker due to his achievements as an engineer and humanitarian. But among superpatriots and Anglophobes, "Sir Herbert" was viewed with intense suspicion because he had spent much of his adult life residing in the British Empire. When asked in 1920 to characterize his political views, Hoover replied that he was a "liberal," and as a consequence was denounced for being so anglicized that he did not even know the names of the American political parties. As President, after he was unjustly blamed for the world-wide depression, critics continued to vilify Hoover as a man who was more loyal to England than America. British diplomatic observers of Hoover's career, however, emphatically rejected the notion that Hoover was an uncritical admirer of Britain. During his early rise in American politics, Hoover appeared to the British as a man of intense individualism, energy, and intelligence, but without conspicuous political gifts. However, following the abrupt and unavoidable decline in Hoover's reputation after 1929, British observers concentrated more and more upon his political and temperamental limitations.

Hoover first became a factor in American politics in the spring of 1920. British Chargé d'affaires Ronald Lindsay reported that Hoover was the only prospective candidate to appeal to the imagination of the American people. "The public," Lindsay explained, "is fairly tired of politicians and looks on him as a man who gets things done, and it is generally supposed that his work on relief in Europe during the war has secured him the enthusiastic support of every woman voter in America." Nevertheless, Hoover was not without shortcomings. "Personally," noted Lindsay "he is not of prepossessing appearance, and he has an unpleasant hang-dog manner that really does him injustice. He is a very bad speaker to a crowd and a good talker to a deputation."[1]

With Democratic fortunes at low ebb a Hoover candidacy appeared the only chance for a Democratic victory. But in "an extremely adroit" statement, Hoover announced that he was a Republican and indirectly declared his candidacy for the Republican nomination.

Yet, in spite of the spontaneous appearance of "Hoover Clubs" and his support by "the best elements in the country," Hoover remained a dark horse. "It seems to me very doubtful," concluded Lindsay, "whether the Republican convention will be so susceptible to the influence of public opinion as to select so independent a personality as Mr. Hoover as their candidate, especially in an election whereby present appearances they will not be under the imperative necessity of polling every vote they can."[2] Lindsay's judgment was vindicated when at Chicago the Republican leaders ignored Hoover and engineered the selection of Ohio Senator Warren G. Harding. The result was well summed up by the new British Ambassador, Sir Auckland Geddes: "Heat and funk were the entwined sensation and emotion which at the end nominated Harding and rejected Hoover with apparent contempt."[3]

Eight years as Secretary of Commerce removed Hoover from the day-to-day scrutiny of British officaldom, except when his activities touched upon foreign policy. His efforts to expand American foreign trade and the American merchant marine (at the expense of Britain) were duly, if unenthusiastically, reported.[4]

Moreover, Hoover did not endear himself with the British by sponsoring what were felt in Britain to be less than generous terms for the repayment of the $4.6 billion British war debt to the United States. In 1922 President Harding appointed Hoover to the five-member World War Foreign Debt Commission which had been created by Congress with instructions to collect within 25 years the $10.3 billion in foreign loans made during and after World War 1 at 4¼ per cent interest.

Footnotes at end of article.

Prior to the arrival of a British debt mission in early 1923, Sir Auckland Geddes prepared for the Foreign Office a confidential analysis of the strengths and weaknesses of the American negotiators. In a highly critical portrait, the ambassador described Hoover as "extremely anti-British and also anti-European." Hoover was characterized as "intensely egotistical and impatient of contradiction," as one who did "not work well as one of a team," and as lacking in "sound" financial views. "He is not," reported the ambassador, "a facile speaker either on the platform or in committee."

Basically Geddes saw Hoover as an opportunist with "his eyes firmly fixed on the White House." Hoover's strategy for achieving his ambition was to ingratiate himself with the business community while awaiting some "dramatic opportunity" for presenting his candidacy to the public.[5]

The apparent explanation for the ambassador's ire was a speech Hoover had delivered at Toledo on October 5, 1922, in which he opposed war debt cancellation and had vaguely suggested that any American concessions on debts should be balanced against the adoption by Europe of favorable economic and armament policies. Actually, the ambassador's hostility was unjustified since Hoover was one of the most farsighted of the American debt commissioners. A few months earlier he had privately suggested to the Debt Commission that the United States cancel the loans made prior to the Armistice (about $7 billion) or alternately cancel all interest on the entire amount of $10.3 billion.

However, his more politically experienced colleagues protested that Congress would never approve such proposals. By the time of the British negotiations, in January 1923, Hoover had modified his position in light of the political realities, and now opposed any cancellation of principal. Instead, he favored reducing the British interest rate from 4¼ per cent to a 3.3 per cent as the only practical method of convincing Congress to approve the settlement.

No doubt Hoover was correct when, in his Memoirs, he observed that the British debt "should have been reduced still further."[6] However, if Hoover was not blameless for having agreed to a debt settlement which soon proved unworkable, British officials such as Sir Auckland Geddes were equally responsible for the blunder by urging the British government to assume an unrealistic burden.

Far more favorable in his assessment of Hoover was Sir Esme Howard who became British Ambassador to the United States in 1924. As early as January 1927, when the political plans of Calvin Coolidge were still unknown, Howard predicted that the most likely Republican prospects were Hoover, former Illinois Governor Frank Lowden (the farmer's candidate), and Speaker of the House of Representatives Nicholas Longworth of Ohio.[7] President Coolidge's "political bombshell" of August 2, 1927, in which he announced: "I do not choose to run for President in 1928," enormously enhanced Hoover's position, since he would not have to challenge an incumbent president. Good fortune assisted Hoover in seeking the nomination as no strong opponent appeared against him. His chances were also indirectly assisted by the dislike demonstrated toward him by Wall Street, which translated paradoxically into support for Hoover in the farm belt. And Hoover's strong showing in the primaries left the reluctant party leaders with little choice but to accept him.[8]

Hoover, thought Ambassador Howard, enjoyed several advantages in his campaign against the Democratic nominee, Governor Alfred E. Smith of New York. One major asset was his national reputation as a master administrator and added to that was his popularity in the South for having efficiently organized a program of relief in the Mississippi Valley during the spring floods of 1927. His principal weakness as a campaigner was his lack of "personality which plays such a large part in the decisions of the average American voter." Moreover, Hoover was "an exceptionally bad orator" and in this respect was at a severe disadvantage in comparison with his Democrat opponent. It was just possible, thought Howard, that Smith might through his speaking skill capture the imagination of the nation.[9] But in the end, although Smith captured much of the campaign publicity, Hoover got most of the votes.

What sort of man had the nation selected as President? For the most part, Sir Esme Howard was genuinely impressed by Hoover's character and accomplishments and regarded him as a fit representative of American vigor and idealism Hoover was a man shaped by "strong natural traits," by a Quaker upbringing, and by his scientific education. He was a man characterized by "complete self-reliance and belief in himself and his country, an immense power of work and talent for organisation, a hatred of what he terms the 'European frozen strata of classes,' and of tyranny in any form which prevents completely free development of an individual who has merit above his fellows." Another of Hoover's assets was his wife, who possessed "all the qualities which her distinguished husband lacks, social charm, intelligent conversation and direct human sympathy with others, as opposed to the rather mechanical and philosophical sympathy of her husband."

But, because he was mortal, he had human weaknesses, many of which were serious liabilities for a politician:

His principal limitation is, I am inclined to think, a contempt for what he does not understand and therefore has no sympathy with. His mind runs on definitely concrete lines, he is very sure that he is in the right, and he is therefore inclined to give no consideration to, and to ride roughshod over, imponderabilia which, however, may be of immense importance to others.

Further, he is said to be almost painfully susceptible to personal criticism of his own actions, which is not likely to make the White House a bed of roses for him, nor perhaps for his staff.

Lastly, he is lacking entirely in those lesser graces of life which, in a man in the position of President of the United States, help to make the wheels of the machine around him run more smoothly. These, again, he appears to despise as part and parcel of the European system. He can nevertheless, inspire his immediate followers with an affection which savours of hero worship, and I have heard his wonderful success at the late election attributed to the band known as Hoover's young men, who worked with him in Belgium, Russia and the Mississippi Valley, and would go through fire and water for him. This quality must be remembered in endeavoring to make an estimate of him.

Regarding Hoover's attitude toward Britain, the ambassador could find no solid evidence that he was anti-British. "I think," he added, "that he is without prejudice for or against any particular foreign country, though he has a general prejudice against all foreign countries which he shares with most of his countrymen."[10]

Hoover's administration began auspiciously enough. His inaugural address, although "lacking in the particular gift likely to stir the blood of an audience," left Ambassador Howard "well satisfied." His program and cabinet appeared to be adequate and he established a cordial realtionship with the press by permitting himself, unlike his predecessor, to be quoted verbatim.

Hoover's greatest strength lay in his popularity throughout the country, and he appeared ready "to tackle" problems as they arose "in a bold spirit of statesmanlike efficiency." In foreign affairs Hoover also presented a pleasing prospect as he was likely to demonstrate greater leadership and take a broader view than Calvin Coolidge. The greatest problem confronting Hoover and the country, observed Howard on the eve of his retirement, was "how to keep new wine in an old bottle without either damaging the taste of the old wine or bursting the bottle."[11]

The bright promise of the Hoover administration was quickly shattered by the bursting of the economic bottle only half a year after he took office. At first however, British observers underestimated the seriousness of the economic damage. As 1929 ended the Commercial Secretary of the British Embassy found the economic atmosphere to be "reassuring."

Hoover, as reported by Secretary of Commerce Robert P. Lamont, hoped to confine the period of business recession to three months and there was "a feeling abroad already that the country has weathered the storm, and that industry will proceed steadily towards recovery."[12] Such optimism soon proved ludicrous. Sir Ronald Lindsay, who arrived as the new British Ambassador in January, 1930, having previously served in Washington as Second Secretary and First Secretary, observed that Hoover was experiencing "increasing difficulties." Conceding that it was normal for a president to lose some popularity during his first year in office, Lindsay detected a disastrous collapse in Hoover's prestige as the depression deepened.

Hoover's primary shortcoming, felt Lindsay was a striking lack of political skill, and he found Hoover, when confronted by the "complete and perfect unreason [of] pure American politicians" to be "dumbfounded and struck with impotence."[13] Hoover's political effectiveness was not enhanced by his "ungainly mannerisms and inability to ingratiate himself, nor by his personal distaste toward such necessary but unpleasant tasks as enforcing party discipline."

Nevertheless, Lindsay never questioned Hoover's basic intelligence and administrative ability, noting that the President possessed a "remarkable genius for organization and an immense grasp of detail." What Hoover had to learn was "to hit back and to show his teeth both to his open enemies and to his disloyal friends."[14]

One hopeful example of presidential leadership noted by Lindsay was Hoover's attempt to improve American relations with Latin America through the publication of the J. Reuben Clark Memorandum which denied that America possessed any right to intervene in Latin America under the Monroe Doctrine.[15] A few months later, however, Hoover disappointed Lindsay by signing the protectionist Hawley-Smoot Tariff Act and by so doing "he let slip a splendid opportunity for proving that his relationship with enlightened opinion was not purely platonic."

It was the ambassador's opinion that the extremely inactive role taken by Hoover during the tariff debate would be interpreted in Congress and throughout the country as evidence that he lacked the "fibre necessary for leadership."[16] Nor was Lindsay impressed by Hoover's rather passive role in the 1930 congressional elections in which the Democrats gained almost a tie in both houses of Congress.

The President confined his efforts to making several "long and rather dull speeches," but failed to "appeal to the imagination of the people as a politician." However, Lindsay did not view the Republican setback as necessarily fatal to Hoover's reelection chances in 1932, recognizing that tradition favored the party out of power during midterm elections, and that a revival of the economy might resurrect Hoover's fortunes.[17] But for the moment the economic outlook was bleak. Despite Hoover's predictions of improved business conditions, the economy by the autumn of 1930 remained mired "in a state of depression unrelieved by any tangible indications of a change for the better."[18]

Lindsay's disillusionment with Hoover's leadership progressively deepened during 1931. Hoover, the ambassador conceded, was "capable, hardworking, and efficient," but his personality remained devoid of political "charm." Fundamentally Lindsay lacked confidence that Hoover's program of modest spending upon public works and loans to farmers would succeed in reversing the deflationary cycle and restore public confidence.

Moreover, Lindsay found it difficult to comprehend Hoover's unrelenting opposition to a federal dole to the destitute. Hoover, he believed, was "ignoring practical difficulties" by insisting that the cost of relief must be met by the states and private charity. How, he asked, were poor southern states to bontend with the burden of unemployment and natural catastrophes? To the ambassador it was "becoming more and more evident that nothing but a return of prosperity is likely to bring about his re-election."[19]

Then on June 20, 1931, Hoover dramatically proposed a one-year moratorium on war debts and reparations. Initially Lindsay viewed the moratorium, which would postpone approximately $160 million in British war debt payments, as a turning point in the fortunes of the Hoover administration. But within a few months, Lindsay's pessimism had returned as Britain was forced off the gold standard and as American bank failures and unemployment continued their runaway course.[20]

Also discouraging to the ambassador was Hoover's 1931 State of the Union address in which he placed the blame for the depression largely upon European economic dislocations and the Democrats in Congress. It was evident, he concluded, "that even the few who still hoped for inspiration and leadership from Mr. Hoover are disappointed."[21]

Even less enthusiastic about the President's ability was the British Embassy's Counselor F. D. G. Osborne, who regarded Hoover as "embarrassed and irresolute, helpless and unhelpful, inspired with admirable intentions, but otherwise meagrely equipped to deal with the complexities of a situation that would daunt any man alive. He would appear to be patently and pathetically unequal to the responsibilities of his office and his time, even when making due allowance for the handicaps of the American political system."[22]

Lindsay's feeling of despair was further accentuated by the undisciplined performance of Congress when it assembled in December, 1931. An immediate disappointment was the overwhelming congressional hostility to Hoover's statesmanlike request that the World War Foreign Debt Commission be recreated in order to make temporary adjustments in the outdated war debt agreements of the twenties.

Venting his frustration in caustic dispatches to the Foreign Office, Lindsay contended that "Congress has given an exhibition of irresponsibility, buffoonery and ineptitude that could hardly be paralleled in the Haitian legislature." Having "proved unequal to its responsibilities and the needs of the country," Congress offered a prospect that could only be appreciated by "such critics of democracy and representative government as Messrs. Mussolini and Stalin." Should the congressional farce continue, observed Lindsay, "it will achieve the miracle of gaining Mr. Hoover some measure of sympathy." As 1931 ended Lindsay had succumbed to what he described as "an atmosphere of unrelieved gloom, in which the dark and menacing clouds are illuminated only by flashes of panic apprehension."[23]

A brief ray of hope for the Hoover adminis-

Footnotes at end of article.

tration appeared in early 1932 when Congress approved the creation of the Reconstruction Finance Corporation. It was a "bold and constructive" development, reported Lindsay, an indication that Congress had finally "appreciated the seriousness of the situation" and had "temporarily abandoned its exploitation for party purposes."[24] But the ambassador was distinctly unimpressed by Hoover's message to Congress upon the subject of improving law enforcement. He found it to be "not a very inspiring document" and indicative of "Mr. Hoover's hesitancy and evasiveness and his reluctance to face disagreeable facts." Unfortunately for Hoover, it was characteristic of his chronic "ill-luck" that no sooner had he conceded the need for an improvement in law enforcement than the nation was shocked by the brutal Lindbergh kidnapping.[25] By the end of March 1932, Lindsay's hopes for an economic revival were once again disintegrating. Amid continued bank failures, unemployment, and industrial stagnation, he could detect "no signs of business recovery." The nation's economy, he feared, was "incapable of rallying from a condition of physical coma and moral despair."[26] A month later he candidly remarked that he had been expecting "bread riots" for the past three months and warned that such outbreaks were to be considered likely during the presidential campaign.[27] As the economic collapse intensified, Lindsay wrote with alarm of "the national bankruptcy in single-minded, constructive leadership" and predicted that the reelection of President Hoover was "very unlikely."[28]

When the Republican Convention met at Chicago the result was entirely predictable as the party adopted a conservative platform and renominated Hoover for a second term. ("Don't change toboggans in the middle of the slide" could have been his slogan, Lindsay remarked.) The ambassador has expected the Republican convention to be "dull, and this expectation was not disappointed." However, he was tremendously pleased by the absence in the platform of any pledge to collect the war debts thereby implying that Hoover, if reelected, might enjoy a free hand.[29] The Democrats, contrary to Lindsay's predictions, managed to avoid a convention deadlock and in Governor Franklin D. Roosevelt selected an "experienced and skillful campaigner." In Lindsay's judgment, Roosevelt's chances were excellent against the "awkward, undramatic Hoover, whose speeches, even on the wireless, are monotonous and uninspiring." Republican attempts to distract attention from the depression by portraying Roosevelt as a radical who intended to lead the country "down the slippery slope to red ruin," did not strike the ambassador as very convincing. Besides, added Osborne, Roosevelt's birth, training, and political career appeared to the voters as anything but radical. What did interest the electorate argued Lindsay, was the hard fact of the depression which could be expected "to influence the voter irresistibly against the present Administration."[30]

From the viewpoint of the British Embassy little went Hoover's way during the campaign. In the first place he was discredited by ordering the armed eviction from Washington of the Bonus marchers—veterans of World War I who were seeking immediate payment of a government bonus not due until 1945. The action, felt Osborne, gave the impression that Hoover had surrendered to panic. Moreover, the President erred further by "trumping up unconvincing charges of criminality and retailing bloodcurdling stories of impending revolution, and broadcasting them through Administration spokesmen." The effect was the opposite of what had been intended, arousing sympathy for the men and creating "suspicion and resentment towards the President."[31]

The President's campaign speeches, in the opinion of the embassy, proved another serious liability. Even Hoover's acceptance speech, it was reported, won only "slight applause" from the Republican delegates, in part because of a malfunctioning loudspeaker system which made the speaker's words difficult to follow. Osborne, who was present, noted Hoover's wooden speaking style and "pathetic insulation from the emotion of his audience and his incapacity to respond in any way." The lack of Republican enthusiasm also seemed attributable "to the dispiriting influence of Mr. Hoover's personality, his unprepossessing exterior, his sour, puckered face of a bilious baby, his dreary, nasal monotone reading interminably, and for the most part inaudibly, from a typescript, without a single inflection or gesture to relieve the tedium."[32] Originally Hoover had planned to campaign over the radio (a decision reflecting his lack of personality) while remaining at the White House "saving the country."[33] However, his advisors persuaded him to take the offensive and, in a fighting and effective series of speeches, the President appeared to be "getting the better of it" toward the end of the campaign.[34] Still, according to the estimate of Sir Ronald Lindsay, it would take a miracle to prevent Hoover's defeat. Personally, Lindsay hoped for a Democratic victory and the passing of Hoover's "American system," which he characterized as "the alliance between the Republican Old Guard and the big bankers and industrialists . . . and the political philosophy and economic structure which derives from this alliance and which has been described as economic feudalism." Unless the country was able "to let off steam" by ousting Hoover, concluded the ambassador, "I should fear some other and more violent and painful explosion in the absence of a highly improbable early amelioration of conditions."[35]

The predicted Democratic victory left the Republican Party "decimated" and placed Hoover in the unenviable position of being a "lame duck" president for a dismal four months.[36] The British focus was now on the President-elect rather than on the White House. Hoover and the discredited Congress, in view of their tenuous status, received cursory and unsympathetic treatment.

Hoover's State of the Union message was dismissed as being of only "academic interest," while Congress, Lindsay wrote in January, 1933, had "unmistakably surpassed its 1932 record for futility and impotence in the face of the national emergency."[37] The final discrediting of Hoover came as he departed from office, "in the tradition of Greek tragedy," amid a collapse of the nation's banking system, an apparent "final visitation of the tribulation of the gods."

Having "imprudently promised a materialistic Arcadia," Hoover retired "with agriculture prostrate, industry paralysed, banking in collapse, unemployment at an unprecedented height, and human distress and disillusionment gripping the country from coast to coast."[38] In British eyes, Hoover left Washington totally discredited and his administration was superciliously dismissed as "the fearful, furtive fumbling of the Great White Feather."[39]

Had times remained prosperous there is no reason to think that Hoover would not have received at least passing marks from British observers. Given the catastrophe of 1929–1933, the collapse of Hoover's reputation in British eyes was simply inevitable. Until the disintegration of the economy, British criticisms of Hoover's performance and personality were at least rational.

Moreover, a great deal of what was reported emphasized his undeniable strengths: his vigor, organizational ability, and his commendable desire to foster American individualism. By 1932, however, any pretext of objectivity was abandoned and the Washington embassy, displaying a notable lack of sporting instinct, maintained an eager watch for signs of failure.

Surely there was much exaggeration, pomposity, and childishness in the British assaults on Hoover after 1932 and the British were hardly fair in assessing the immense political and economic difficulties confronting Hoover as he sought to grapple with the worst economic setback in modern history; but they did demonstrate clearly Hoover's weaknesses as a politician. If the British diplomats failed to produce any profound revelations concerning Hoover's character and career, they at least laid to rest the myth that he was flagrantly pro-British and therefore disloyal.

FOOTNOTES

[1] Lindsay to Lord Curzon of Kedleston, February 19, 1920, FO414/246/A1054, Public Record Office, London, England (hereafter cited as PRO).

[2] Lindsay to Curzon, March 12, 1920, FO414/246/A1638, *ibid.*; Lindsay to Curzon, April 1, 1920, FO414/246/A2150, *ibid.*

[3] Geddes to Curzon, July 13, 1920, FO414/246/A5171, *ibid.*

[4] Geddes to Curzon, June 3, 1921, FO414/247/A4208, *ibid.*; Henry G. Chilton to Curzon, November 9, 1923, FO414/252/A6792, *ibid.*

[5] Geddes to Curzon, October 17, 1922, FO371/7283/A6613, *ibid.* "In view of the confidential nature of this report and the sources from which parts of it have been obtained," noted the ambassador, "I venture to ask that it may not be given any circulation beyond the communication to the British Delegates of the two specially prepared copies enclosed."

[6] Herbert Hoover, *Memoirs of Herbert Hoover* (New York, 1951–52), II, 177–78. For the background of Hoover's changing views on the debts see Benjamin D. Rhodes, "Herbert Hoover and the War Debts, 1919–1933," *Prologue: The Journal of the National Archives* 6 (1974): 130–144.

[7] Howard to Sir Austen Chamberlain, January 27, 1927, FO414/259/A795, PRO.

[8] Howard to Chamberlain, August 5, 1927, FO414/260/A4793, *ibid.*; Howard to Chamberlain, March 20, 1928, FO414/261/A2437, *ibid.*; Howard to Chamberlain, May 8, 1928, FO414/261/A3350, *ibid.*

[9] Chilton to Chamberlain, June 29, 1928, FO414/262/A4691, *ibid.*

[10] Howard to Lord Cushendun, November 16, 1928, FO414/262/A8126, *ibid.*

[11] Howard to Cushendun, November 23, 1928, FO414/262/A8281, *ibid.*; Howard to Chamberlain, March 7, 1929, FO414/263/A1969, *ibid.*; Howard to Chamberlain, March 8, 1929, FO414/263/A1973, *ibid.*

[12] Howard to Arthur Henderson, December 20, 1929 (memorandum by Commercial Secretary A. J. Pack, n.d., enclosed), FO414/265/A51, *ibid.*

[13] Lindsay to Henderson, July 10, 1930, FO371/14282/A4976, *ibid.*

[14] Lindsay to Henderson, May 14, 1930, FO371/14282/A3741, *ibid.*

[15] Lindsay to Henderson, March 26, 1930, FO414/265/A2538, *ibid.*

[16] Lindsay to Henderson, July 3, 1930, FO414/266/A4769, *ibid.*

[17] Lindsay to Henderson, November 10, 1930, FO371/14283/A7668, *ibid.*

[18] Lindsay to Henderson, October 24, 1930, FO414/266/A7246, *ibid.*

[19] Lindsay to Henderson, March 10, 1931, FO414/267/A1955, *ibid.*

[20] Lindsay to Sir John Simon, November 20, 1931, FO414/268/C8903, *ibid.*

[21] Lindsay to Simon, December 10, 1931, FO414/268/A7433, *ibid.*

[22] Osborne to the Marquess of Reading, September 18, 1931, FO414/268/A5736, *ibid.*

[23] Lindsay to Simon, December 17, 1931, FO414/268/A7539, *ibid.*; Lindsay to Simon, December 31, 1931, FO414/269/A187, *ibid.*

[24] Lindsay to Simon, January 15, 1932, FO414/269/A488, *ibid.*; Lindsay to Simon, February 5, 1932, FO414/269/A1019, *ibid.*

[25] Lindsay to Simon, March 4, 1932, FO414/269/A1589, *ibid.*

[26] Lindsay to Simon, March 24, 1932, FO414/269/A2014, *ibid.*

[27] Lindsay to Simon, April 27, 1932, E. L. Woodward and Rohan Butler, eds., *Documents on British Foreign Policy*, 1919–1939 (London, 1948), Second Series, III, 131.

[28] Lindsay to Simon, April 27, 1932, *ibid.*, 133.

[29] Lindsay to Simon, June 22, 1932, FO414/270/A3992, PRO.

[30] Lindsay to Simon, July 21, 1932, FO414/270/A4756, *ibid.*

[31] Osborne to Simon, September 15, 1932, FO414/270/A6387, *ibid.*

[32] Osborne to Simon, August 18, 1932, FO414/270/A5556, *ibid.*

[33] Osborne to Simon, September 22, 1932, FO414/270/A6613, *ibid.*

[34] Osborne to Simon, October 27, 1932, FO414/270/A7519, *ibid.*

[35] Lindsay to Simon, November 4, 1932, FO414/270/A7687, *ibid.*

[36] Lindsay to Simon, November 15, 1932, FO414/270/A8010, *ibid.*

[37] Lindsay to Simon, December 8, 1932, FO414/270/A8486, *ibid.*; Lindsay to Simon, January 19, 1933, FO414/271/A733, *ibid.*

[38] Lindsay to Simon, March 9, 1933, FO414/271/A2141, *ibid.*

[39] Lindsay to Simon, March 15, 1933, FO414/271/A2336, *ibid.*●

STUART STATLER: A TRUSTED FRIEND AND COUNSEL DEPARTS THE SENATE

● Mr. PERCY. Mr. President, I was enormously pleased that on July 26, 1979 the Senate confirmed the nomination of Stuart Statler to be a Commissioner of the Consumer Product Safety Commission. Stuart Statler has been a trusted adviser and valuable counselor of mine since March 1971, and has served for the last 6 years as the Chief Counsel to the Minority of the Senate Permanent Subcommittee on Investigations, of which I am the ranking minority member. Mr. President, I can honestly say that in the 12 years since I came to the Senate, and in my previous 28 years of corporate life, I have never felt more deeply about losing any member of my staff. I can think of no one who is more deserving of advancement in public life, and about whom the Senate could be more confident that the President has selected the right person for the right job.

As I testified before the Commerce Committee at its July 10, 1979 hearing on his nomination, Stuart Statler is eminently qualified to serve as a Commissioner of the CPSC. First, it is a rare opportunity for him. A decade ago, working as a staff associate with the National Commission on Product Safety (a 2-year study group which was created by Congress and whose seven members were appointed by President Lyndon Johnson), he helped study and design what is today the CPSC.

Second, it is an extremely fortunate situation when a nominee for Commissioner of the CPSC has had 8 years of practical experience investigating matters of concern to consumers. As chief counsel to the minority of the Senate Permanent Subcommittee on Investigations he has supervised and has been personally involved in countless significant investigations that have benefited the public, including most recently, a major review of the arson-for-profit epidemic in this country. Several of these investigations have been in the health and safety field, such as risks associated with baby cribs, hearing aids, liquid protein diets, and the use of the herbicide paraquat.

The first case Stuart Statler brought to me concerned the babycrib industry. As lumber got more expensive and as costs got higher, the industry kept widening the distance between the slats on the cribs. This action used less lumber and saved the industry money, but it also endangered the life of the infant, who literally could strangle itself in its own bed. Because of the pressure brought by the subcommittee, the CPSC enacted strict standards regulating the distance between slats. Countless infant lives have been saved by this action.

In another case, hearing aids, Stuart Statler initiated constructive subcommittee action to end widespread fraud and abuse in the industry. Salesmen were peddling hearing aids door-to-door, using high-pressure sales techniques to sell their product. Often, these salesmen were unqualified; frequently, they sold hearing aids to people who could not be helped by them. In some cases, two hearing aids were sold when one would have sufficed, and many were sold that had not been adequately tested.

The subcommittee could have sought out a confrontation with the industry to try to end the shoddy practices. Stuart Statler approached the problem from a different perspective. He brought the industry around to working with the Government, not against it, by meeting with industry officials and presenting the problem to them. He did not humiliate or embarrass them. He selected one hearing aid manufacturer that was doing an outstanding job and highlighted its actions. By taking an example from industry, he caused the other manufacturers to change their practices and emulate their competitor. Stuart Statler just used constructive, persuasive action, and got the job done.

These examples indicate Stuart Statler's impressive professional credentials and capabilities. Yet he has many other qualities that are required for a high-level position in the Government. A public official must have unblemished integrity. Stuart Statler has been involved in many highly sensitive matters in his tenure as minority chief counsel. He has never flinched, and he has never deviated from what I would consider to be the strictest standards of professional conduct.

He also has an uncanny ability in the administrative field. I hope I shall not upset too many of my colleagues when I observe that lawyers are not always noted for their administrative talents. It is a pleasant surprise when a lawyer turns out to be a good administrator as well. Stuart Statler's ability to administer a sizeable staff—giving each person a feeling that he or she is important, while at the same time challenging and inspiring each of them—is a tremendous attribute.

In addition, Stuart Statler is instinctively creative. He also has a sense of priorities, and he establishes and carries through on his goals. He has an ability to look out over the whole horizon, to select subjects on which his work can truly have an impact. At the Permanent Subcommittee on Investigations, whose mandate covers such widely diverse areas as organized crime, Government waste, and energy, Stuart Statler has focused his staff on substantive investigations which produce results. I am confident that he will continue this practice at the Consumer Product Safety Commission which also has a wide-ranging charter. Such a focus will prove to be invaluable in producing future Commission successes.

It is with great sadness that I see Stuart Statler leave my staff. His dedicated and able efforts on my behalf, and on behalf of the American public, have been tremendous. I will miss his formidable talents—his excellent judgment, his great intelligence, and his strong and dynamic leadership. Yet, I am excited for the Commission and the staff of the CPSC. The relationship he will have with them will be significant. All will be challenged by him, and will enjoy and benefit from that relationship. The American consumers can also be assured of vigorous and productive efforts on their behalf.

My best wishes go with Stuart as he takes this next step in his career. He will be greatly missed.●

ANTHRACITE COAL FOR HOME USE

● Mr. DURKIN. Mr. President, New England is more dependent on imported oil than any other region of the Nation. Because of New England's extreme dependence on foreign oil, the people of New England are at the forefront of our nation's effort to find acceptable alternatives to increasingly expensive and insecure foreign oil supplies. The ingenuity and dedication of the people of New England in tackling the tough problem of oil dependency is evidenced in the hundreds of grassroots efforts to develop alternative energy technologies to take advantage of New England's indigenous energy supplies.

One such effort that shows considerable promise is the use of prepackaged anthracite coal for domestic heat and hot water production. A recently formed group, the Solid Fuel Advisory Council, is working to introduce to the United States this type of technology which is widely used in England. A recent article from the New Hampshire Times by Hank Nichols describes this promising technology and the efforts to introduce it into American homes. I ask that this article be printed in the RECORD for the benefit of the Senate.

The article follows:

BANKING ON KING COAL: IS ANTHRACITE SOLUTION TO THE ENERGY CRISIS?

Most people in New England were not the least bit sad to see coal exit from the home heating scene. The stuff had a reputation for being dirty and cumbersome and, after all, home heating oil was so cheap and easy to use it made no sense at all to stick with coal.

Today, long after coal has all but disap-

peared from the New England home heating scene, it may be on the way to a comeback. And, while the road back for coal will not be an easy one, there are a few folks here in New Hampshire who are confident the trip will be made and coal will once again play a major role in keeping New Englanders warm in the winter.

Barry Lukatch of Meredith jumped into the wood stove business about five years ago, ignoring the doubtful glances from those who thought wood heat was an idea whose time had gone for good. Now Lukatch says he is confident that coal will be making a comeback, and he recently met with a group of reporters in Concord to talk about that possibility.

He was joined at the press meeting by Geoffrey Hyde of a new organization called the Solid Fuel (read coal) Council of America and two representatives of a British company that manufactures coal-fired "appliances," as they are called—boilers that can also be adapted to forced hot air heating systems.

Hyde said that, with the coming winter and the anticipated problems with home heating oil, alternatives are going to be in demand and that coal heat is an obvious consideration. The British, Hyde pointed out, have a long history of using coal in their homes and have developed a coal heat technology that is nearly pollution-free.

The key, according to Hyde and Lukatch, is the use of hard coal, anthracite, instead of the softer bituminous coals. Anthracite, they said, is hard enough so that it is relatively clean to handle and it burns cleanly and thoroughly, leaving little residue and producing little smoke and soot. Even bituminous coal can be converted to coke, which has properties similar to anthracite, the two said.

But the big problem with the use of coal will be getting it to the home. This problem is a "chicken and the egg" problem that will be a difficult one to overcome: Persons will be reluctant to install coal heaters without a secure supply, and distributors will not rush into the business until the demand is there.

To help with the distribution of coal, Lukatch says there is a growing market for coal sold in 50-pound bags and he expects to see coal available in New Hampshire soon in this form. There are today only a handful of coal dealers in New England who sell coal in bulk quantities, selling and delivering coal by the ton. Lukatch thinks the day may come when persons who are now selling wood stoves will add coal appliances to their line and start selling coal in 50-pound bags.

It sounds cumbersome, but Lukatch says there are some strong economic incentives for converting to coal heat once more. In terms of energy equivalents, one ton of anthracite produces as much heat as 187 gallons of oil, and a ton of coal equals about one and one-half cords of high-quality, dry hardwood.

Coal, Lukatch said, is selling in the Northeast now for $74 to $85 a ton in bulk quantities, while a ton of bagged coal now sells for $110 to $150. That works out to paying 50 to 60 cents a gallon for heating oil in heat equivalents, and Lukatch says that fact makes coal an attractive alternative heat source that is available now.

Dennis Kenyon from the British compny Trianco was there to talk about the British experience with coal and about the products his company manufactures for the British homeowner.

Kenyon said that, starting with the Arab oil embargo of 1973, Britain has vigorously pursued the home heating use of coal with positive results. Today, Kenyon said, about 20 percent of the homes in England are depending on coal heat and, where the air was once heavy with soot from coal fires, today the air is clean because of emission standards set by the government for coal-burning equipment.

Trianco makes two coal heaters, Kenyon said. One is a standing coal boiler that looks like a refrigerator. Folks in England place these models in their kitchens or in a closet. The second model is a room heater that is smaller, about the size of a dishwasher, and fits in a room much the same as a wood stove.

Both of the models are "hopper" fed and need to be filled up with coal every 12 to 48 hours, depending on the amount of heat the unit is producing. The heaters burn continuously and are controlled by thermostats, so they require little attention.

In both cases, the units heat water, and it is the heated water that heats the home. The units can be attached to forced hot water heating systems or, with a heat exchanger, they can be adapted to forced hot air systems.

The average home, Kenyon said, burns between five and seven tons of coal each winter, and that produces not only heat for the home but also produces the domestic hot water supply.

Kenyon said the heaters are about 75 percent efficient and that a system costs about $1,200 to $2,000 to buy. The conversion to forced hot air adds $120 to $200 to the cost of the units.

According to Kenyon, Trianco has been watching the United States market for several years now, but even as recently as late fall, the company concluded that the American market was not ready for the coal heaters.

All that has changed now, according to Kenyon. The recent price and supply situation in the United States has given the company a clear signal that now is the time to sell their heaters here.

The company is not expecting to make substantial sales this year, but expects to do well next year. Lukatch hopes to start selling coal heaters this fall, but he too is looking to 1980 as the year coal heat starts up in New Hampshire.●

A TRIBUTE TO BARBARA OAKLEY

Mr. WILLIAMS. Mr. President, I would like to call my colleagues' attention today to the fine athletic performance of Barbara Oakley from my home State of New Jersey.

This young woman has lead the softball team from Northern Valley High School to the State Group 3 championship, the Mid-Atlantic Regional championship, and now has set her sights on the national championship. Pitching for the team this year, she had an astounding 1.04 earned run average. She finessed opponents for a season record of 119 strikeouts and only 35 walks, and matched her pitching ability with a .303 batting average. Barbara's extraordinary record of achievement will serve as an example for generations of young women entering high school athletics. This kind of performance on the sports field harbingers dramatic changes in women's athletic competition in this country.

Twenty years ago when I was a freshman Senator, women's athletics were not taken seriously and certainly no dignified woman thought of making sports her career. But things have changed quite a bit since then.

Throughout my career as a Senator I have worked to end this shameful discrimination against women in sports. For example, I cosponsored the original legislation to prohibit discrimination by educational institutions; the Educational Amendments Act of 1972, which cut off funding to any institution that discriminated on the basis of sex.

Barbara Oakley is an excellent example of the significant strides women's athletics have made in the last decade. As we all know, the competition and camaraderie of athletics plays an important part in the development of our youth, and now this too is open to women.

No longer will the challenge and exhilaration of sports be reserved for men. Now young women like Barbara Oakley can join in the game and hopefully go on to lead their teams to victory.

AUTHORITY FOR COMMITTEES TO FILE CONFERENCE REPORTS ON AUGUST 9 AND AUGUST 24, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may be authorized to file conference reports also on August 9 and August 24, under the order previously entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR STATEMENTS, BILLS, AND REPORTS TO BE FILED UNTIL 6 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 6 p.m. today to file statements, bills, and reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR OFFICERS OF THE SENATE TO TAKE CERTAIN ACTION DURING RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until Wednesday, September 5, 1979, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that they be appropriately referred.

I further ask unanimous consent that the President of the Senate, or the President pro tempore, or the Acting President pro tempore, be authorized to sign duly enrolled bills and resolutions during that period, and that the Senator from West Virginia (Mr. ROBERT C. BYRD) be designated as an Acting President pro tempore during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR ROBERT C. BYRD'S EXPRESSION OF APPRECIATION FOR COOPERATION RECEIVED

Mr. ROBERT C. BYRD. Mr. President, I wish to take this opportunity to express my appreciation to my colleagues on both sides of the aisle, to the minority leader, to the minority whip and, of course, to the majority whip, and to the Secretary of the Democratic Conference, Messrs. BAKER, STEVENS, CRANSTON, INOUYE, respectively, for the cooperation

that has been shown and the courtesies that have been accorded unstintingly and without reservation to the majority leader, and the efforts that have been put forth by all in accumulating what I consider to be a good record that has been made by the Senate thus far this year.

On the day before yesterday I inserted in the RECORD a statement of the various measures that had been passed by the Senate this year, and I think that statement and the record of the Senate thus far reflect the mood of the country and the mood of the country at this particular time in our Nation's history.

The Senate has acted with care and thoroughness, as it has approached the budgetary matters that have confronted it thus far. Committees have conducted oversight hearings, and the Calendar has been kept in relatively good order, I should think.

Of course, as I also stated earlier, I believe, when the Senate returns from the August holiday, it will take up the remaining authorization bills, which number circa half a dozen, and the remaining appropriation bills, of which there are about seven, conference reports on those measures, the water resources planning bill, which is one of the main authorization bills, the energy legislation, the excess profits tax legislation, and then be ready to debate the SALT II Treaty.

In this connection, I congratulate the Foreign Relations Committee, the Armed Services Committee, and the Committee on Intelligence, chaired by Messrs. CHURCH, STENNIS, and BAYH, respectively, on the thoroughness, the comprehensive nature of their work, and the well-organized approach that all of those committees have demonstrated as they have conducted the hearings on the SALT II Treaty.

I anticipate that the treaty should be disposed of, hopefully, certainly by early or mid-November, and I should think that in the main, that measure should perhaps be about the last measure to be disposed of. That is not saying that it will be. I do not foresee what other measures might become necessary, but of course energy legislation will command center stage during a considerable part of the time remaining in this session.

I also want to thank Mary Jane Checchi and Abby Reed of the Democratic Policy Committee for the fine work that they have done and the labor they have performed on behalf of the leadership on this side and on behalf of the Senate. Miss Checchi is chief counsel and staff director for the Democratic Policy Committee, and has certainly acquitted herself and discharged her responsibilities in that regard in a very excellent manner, and I think in a way that is deserving of the plaudits of, certainly myself, and all others in the Senate.

I want to commend the Democratic Policy Committee in its entirety, the members thereof, and also I commend Tom Baker and Charles Kinney of that committee staff for the work they have done on the floor during the session, as well as the secretary for the majority, Joe Stewart, all of whom have certainly given their best in expediting the work of the Senate.

I want to express my appreciation to Bill Hildenbrand and Howard Greene of the minority staff for the unending courtesy they continue to extend to me on this side of the aisle, and for the contributions that they, too, have made toward the expedition of the legislative program. These things should also extend to the officers of the Senate, the Secretary of the Senate, the Sergeant at Arms, the Chaplain; they are the elected officers of the Senate; and certainly I do not want to forget the others in this body who are here from day to day working, sometimes without the expression of thanks, but always with the thanks of the leadership. They include the clerks at the desk, the doorkeepers, and we would not forget the pages, who work for all of us and who help to keep us cheerful by the way they cheerfully approach their duties. I hope that all will have a good rest during the holiday.

I personally intend to go to the iridescent hills of West Virginia and talk with my constituents there, and I will be here from time to time working in my office during the holidays, the Lord willing.

Committees will be meeting and committee staffs will be working to arrange the remaining legislation that is to be disposed of before the Senate adjourns sine die for the year.

Having said that, if I have left out anyone, I want to thank everyone whom I may have inadvertently omitted, because it is not intended. It takes a team to do this work; it takes a lot of people, many unsung heroes, and they all should be congratulated and certainly appreciated, as they are, in the hearts of everybody who has to depend upon them and their efforts.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. TOWER. Keep it short.

Mr. BAKER. Mr. President, I would like to take only the briefest opportunity, in response to the suggestion of my good friends and colleagues behind me——

Mr. TOWER. Mr. President, if the Senator will yield, he was talking about me, and not the distinguished majority leader.

Mr. BAKER. In any event, Mr. President, I want to take just a very brief opportunity to express my pleasure in working with the majority leader and his staff and all the members of his group, who contribute so much to the organization and affairs of the Senate, but more particularly, in my case, to pay equal respect to the diligent and hard-working staff of the minority. I understand that the distinguished Senator from Texas proposes an amendment to delete certain names from the thanks expressed by the distinguished majority leader, but I am sure I would move to table that, so everyone is set.

It has been a good session, Mr. President. We will have a stormy and controversial session, I am sure, after we return from the August break, but I think it will be worthwhile and significant.

Let me conclude by expressing my personal appreciation to the majority leader for his cooperation through the year, and to the distinguished assistant Republican leader, the Senator from Alaska (Mr. STEVENS), who has been so cooperative and so helpful in trying to accommodate the wishes and needs of the Members on this side, and to protect the interests of the minority as we proceed with the Senate session.

Mr. President, my good wishes to the Senator from West Virginia as he conducts his visits and returns to West Virginia, and I look forward to working with him after the recess.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. President, there is one thing the Senate is never short on, and that is oratory, but I think we sometimes forget to thank the people who make it possible for the Senate to operate as it does. I want to express my appreciation to the chief deputy majority whip, SPARKY MATSUNAGA, for the decorum and skill with which he performs his duties, and for his good disposition and latent smile, which he is exhibiting tonight as always.

I yield to the Senator from Texas.

Mr. TOWER. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. And with thanks also to the Official Reporters of Debates.

RECESS UNTIL 11 A.M. WEDNESDAY, SEPTEMBER 5, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, pursuant to the provisions of House Concurrent Resolution 168, that the Senate stand in recess until the hour of 11 a.m., Wednesday, September 5, 1979.

The motion was agreed to, and at 4:40 p.m., the Senate recessed until Wednesday, September 5, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate August 3, 1979:

FEDERAL TRADE COMMISSION

Patricia Price Bailey, of the District of Columbia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1973, vice Mary Elizabeth Hanford, resigned.

CIVIL AERONAUTICS BOARD

George A. Dalley, of the District of Columbia, to be a Member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1982, vice Alfred Edward Kahn, resigned.

FEDERAL MARITIME COMMISSION

James V. Day, of Maine, to be a Federal Maritime Commissioner for the term expiring June 30, 1984 (reappointment).

SECURITIES AND EXCHANGE COMMISSION

John R. Evans, of Utah, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 1983 (reappointment).

Philip A. Loomis, Jr., of Maryland, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 1984 (reappointment).

THE JUDICIARY

Jerry L. Buchmeyer, of Texas, to be U.S. district judge for the northern district of Texas, vice William M. Taylor, Jr., retired.

Alan N. Bloch, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice Herbert P. Sorg, retired.

INTERNATIONAL JOINT COMMISSION, UNITED STATES AND CANADA

Jean Lande Hennessey, of New Hampshire, to be a Commissioner on the part of the United States on the International Joint Commission, United States and Canada, vice Kenneth M. Curtis, resigned.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Lawrence F. Simoneaux for permanent appointment to the grade of lieutenant (j.g.) in the National Oceanic and Atmospheric Administration, subject to qualifications provided by law.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 3, 1979:

DEPARTMENT OF ENERGY

John Mark Deutch, of Massachusetts, to be Under Secretary of Energy.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Jay G. Benton, 098-14-7877FG, Air National Guard of the United States.

Brig. Gen. Roger W. Gilbert, 479-22-2259 FG, Air National Guard of the United States.

Brig. Gen. Richard M. Scott, 196-10-9419FG, Air National Guard of the United States.

To be brigadier general

Col. Jack R. Brasher, 412-46-8919FG, Air National Guard of the United States.

Col. John G. Brosky, 204-36-1799FG, Air National Guard of the United States.

Col. Fred W. Cross, 404-32-9586FG, Air National Guard of the United States.

Col. Wayne C. Gatlin, 476-16-3443FG, Air National Guard of the United States.

Col. Harold G. Holesinger, 318-24-0235, Air National Guard of the United States.

Col. Robert H. Hormann, 308-16-9817FG, Air National Guard of the United States.

Col. Charles D. Kelley, 419-22-8474FG, Air National Guard of the United States.

Col. James D. Montgomery, 480-36-4162FG, Air National Guard of the United States.

Col. Donald E. Richards, 544-34-5229FG, Air National Guard of the United States.

Col. Curtis D. Roberts, 424-34-4503FG, Air National Guard of the United States.

Col. Charles A. Sams, 542-26-1413FG, Air National Guard of the United States.

Col. Floyd E. Snyder, 204-28-1144FG, Air National Guard of the United States.

Col. David S. Taylor, 232-40-6422FG, Air National Guard of the United States.

Col. Robert G. Urquhart, 500-07-3613FG, Air National Guard of the United States.

Col. Dale E. Wainwright, 534-26-0763FG, Air National Guard of the United States.

Col. Leslie E. Whitehead, 416-20-4200FG, Air National Guard of the United States.

Col. Willie L. Whitman, Jr., 424-10-1353FG, Air National Guard of the United States.

Col. Albert W. Wright, 443-28-6860FG, Air National Guard of the United States.

Col. James E. Young, 137-12-0337FG, Air National Guard of the United States.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of Section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lincoln David Faurer, 208-12-8092, U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Glenn Kay Otis, 084-20-5936, Army of the United States (colonel, U.S. Army).

Maj. Gen. Glenn Kay Otis, 084-20-5936, Army of the United States (colonel, U.S. Army), for appointment as Senior U.S. Army Member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

IN THE AIR FORCE

Air Force nominations beginning Helen A. Brainerd, to be captain, and ending George K. Asselanis, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 16, 1979.

Air Force nominations beginning Ralph I. Abravaya, to be captain, and ending Dale A. Young, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 16, 1979.

IN THE ARMY

Army nominations beginning Frank S. Adams, to be colonel, and ending Murray B. Watt, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 27, 1979.

IN THE NAVY

Navy nominations beginning Kenneth C. Malokofsky, Jr., to be lieutenant, and ending Scott H. Burbs, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 16, 1979.

Navy nominations beginning James N. Adkins, Jr., to be captain, and ending Henry G. Russell, to be permanent ensign and temporary lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 27, 1979.

IN THE MARINE CORPS

Ellen B. Moroney, for reappointment to the grade of lieutenant colonel in the Marine Corps, which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on July 16, 1979.

Marine Corps nominations beginning Kathy N. Badzioch, to be second lieutenant, and ending Kevin F. Patterson, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 16, 1979.

EXTENSIONS OF REMARKS

KEYNOTE ADDRESS OF ADMINISTRATOR MAX CLELAND. BEFORE THE VETERANS' ADMINISTRATION REHABILITATION CONFERENCE

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 2, 1979

● Mr. RANDOLPH. Mr. President, my colleagues know of Max Cleland's efforts to increase the responsiveness of the Veterans' Administration to the needs of our veterans, particularly with regard to the provision of rehabilitation services. As a part of the planning process in this area, the VA recently sponsored a Rehabilitation Conference which provided a unique opportunity for many individuals to become involved in the policy process at an early stage.

As a member of the Veterans Affairs Committee and as chairman of the Subcommittee on the Handicapped, it was my privilege to participate in this conference and to know of the inspiring keynote address by Administrator Cleland. After summarizing the responses received from a survey of disabled Vietnam era veterans which was conducted last fall as part of an overall evaluation of vocational rehabilitation.

It was demonstrated that the impact of VA education and rehabilitation as well as the need for the development of new strategies to meet the rehabilitation needs of disabled veterans, Administrator Cleland outlined his plans for establishing and implementing an improved, comprehensive and integrated program of rehabilitation services and research, with the basic goal of providing the best possible rehabilitation services for disabled veterans. His energetic and creative approach to the formulation of such a program will come as a further encouragement to those of us who worked with him when he served as a staff member on the Senate Veterans Affairs Committee. Administrator Cleland's remarks are informative. I ask that they be printed in the RECORD.

The remarks follow:

KEYNOTE ADDRESS: THE HONORABLE MAX CLELAND, ADMINISTRATOR OF VETERANS' AFFAIRS

Welcome those of you who are new to Washington, a city that Jack Kennedy described as a blend of Northern hospitality and Southern efficiency. During your stay here you may get exposed to a little bit of both.

Let me just say that I am delighted we are having the conference here today. This is a subject that I personally have been deeply involved with over the last 11 or so years, and I think that it is time we got together and talked about our problems in rehabilitation and combined our expertise and put together the awesome talent that this agency has.

I know that it is so difficult many times to communicate, especially across interdepartmental lines, and across professional lines. But I hope that our conference is a good example of clear communication.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Today I would like to give you some feel for why I am so strongly concerned about the subject this week; I would also like to describe what strides we have made in our rehabilitation efforts and where we can improve—this forms the baseline from which we shall move forward; and finally I would share with you my hopes for this week and the months that follow.

When I returned from Vietnam I had hoped to find a coordinated rehabilitation program which would show me the way back physically, psychologically, mentally and socially. Where war took me and many of you from potentially productive lives to a hospital bed, I looked for something that would bring me from that hospital bed back to a productive life. That coordinated program was not there for me ten years ago. When you have an experience like that you can either criticize the "system" which I did a little bit of or you can turn your energies toward positive change. That is what I have been trying to do for the last few years.

Jim Mayer has already mentioned some of the rehabilitation activities I have been concerned with prior to coming with the VA. But were it not for my own experiences I doubt that I would have had the sensitivity to those issues. It is this same concern that I have brought to the VA with me. As I focused my attention on rehabilitation in this Agency I have seen that many long strides have been made toward a more comprehensive VA Wide rehabilitation effort; yet much remains to be done.

The framework for what we are about this week can be seen in several ways. The VA Vocational Rehabilitation portion of the law—Chapter 31—has not changed substantially since 1943 when VA was a pioneer in the field. The goal enunciated in that chapter is "employability"—not "employment"—"employability." And we have submitted legislation to change that. Medical rehabilitation as defined in Chapter 17 of the law is restoration of physical, mental and psychological *functioning* of an individual. But right now we do not address rehabilitation in the VA code as a comprehensive process.

However, the Rehabilitation Act of 1973, the most cogent Federal concept of rehabilitation, stressed emphasis on the seriously disabled, comprehensive and continuous individual rehabilitation plans, application of new medical and scientific methods, and the need for comprehensive medical and vocational services leading to employment. Congress has challenged VA since 1974 to bring its laws, its procedures and its programs in vocational rehabilitation more in line with these concepts. Earlier this year we responded to that challenge by submitting to Congress our own assessment of how we can move forward and have recently submitted legislation on Chapter 31 which would implement many of our study recommendations. Many of you here today submitted your thoughts which became a part of the final results. Among other things the new legislation would provide for job placement and adjustment services which have been solely Department of Labor responsibility, it would remove time limits on eligibility, lengthen training time, have an expanded scope to better serve the severely disabled and provide for staff development and research.

The Presidential Policy Review Memorandum on the Vietnam Veteran also committed VA to improve upon its rehabilitation efforts.

The base we have to build upon is strong. We have made major contributions to rehabilitation in this country. For example:

We have been forerunners in blind rehabilitation and continue to be leaders today.

We have the largest and most complete spinal cord injury program in the country.

We have made unique contributions in the field of prosthetics.

We have had extensive involvement in the training of physicians in rehabilitation medicine and other medical and areas such as spinal cord injury and prosthetics.

We have an extremely capable medical research program which adds daily to the base of knowledge.

We have prepared a new case manager approach to managing the individual's rehabilitation program.

We have developed expedited administrative and counseling procedures for individuals in Vocational Rehabilitation training.

We have developed an extensive new staff development program in the Counseling and Rehabilitation area of the Department of Veterans Benefits which will add to our skills there.

In short, we have a broad base of experience and expertise to build upon, to expand, to improve upon and to bring together our services in such a way that the veteran receives not only what he needs, but when he needs it and in a coordinated fashion. As of May of this year we have provided Vocational Rehabilitation training for over 827,000 disabled veterans at a cost of over $2.6 billion. Each year over 25,000 disabled veterans, most of them from the Vietnam era, receive this assistance. This is a record to be proud of but we can and will do better.

Over the past three or four years several studies have been conducted both within the VA and by other organizations such as the Paralyzed Veterans of America and the Disabled American Veterans. I have also brought in a special consultant of my own whose commitment, expertise and sound judgment I had come to respect from my previous experience—Nathan Nolan who formerly headed vocational rehabilitation efforts in the State of Georgia. He has been instrumental in providing an impartial view and as a catalyst for change. All of these efforts showed a significant correlation in their findings in pointing to areas where we can do better. Many of you were participants in these studies and as you will see in your materials some of these recommendations have come forth such as:

Improvement in coordination with organizations we are linked to in rehabilitation such as HEW and the Department of Labor.

The need to emphasize an interdisciplinary, team approach with the individual in evaluating, planning and developing the individual's rehabilitation program.

Improvement in job development and job placement assistance.

Both more clearly defined lines of responsibility and improved coordination between the Department of Veterans Benefits and the Department of Medicine and Surgery.

An examination of present built-in disincentives to rehabilitation.

Development of case manager approach.

Improved outreach to the disabled veteran.

A better system of information for management.

A need for sufficient legal and administrative flexibility to best serve the needs of each individual.

A need for additional follow up after employment.

And an earlier identification of veterans at medical facilities who are potentially eligible for rehabilitation.

I am sure each of you can make your own list, as I am sure you will do in your workshops, and in a constructive way point us toward a better effort.

We also wanted to hear from our consumers of these services—primarily disabled Vietnam era veterans—so in the fall of last year we surveyed, as part of an overall evaluation of vocational rehabilitation, a sample of over six thousand of this group. This was an unprecedented survey which for the first time gave us a meaningful handle on the results of our rehabilitation efforts. We were particularly encouraged that over 80% responded. It was designed in such a way that we could accurately estimate results for individuals who had not trained, who had received G.I. Bill training, and who had received Vocational Rehabilitation training. We were also able to look at the impact of the severity and general type of disability, racial and ethnic factors and prior education. As in many areas of life this survey gave us both good news and bad news.

For example, of the disabled veterans who completed training 78% did so under the G.I. Bill while only 20% did so under Vocational Rehabilitation. A substantial number indicated the reason they did not take Vocational Rehabilitation was because they were not aware of it. This concerns me.

In the medical area, 42% of the veterans sampled rated hospital rehabilitation services as excellent or good; 34% rated them poor. This also concerns me.

On the positive side, over 70% of the group surveyed rated VA regional office information and assistance, willingness to listen and promptness of service as excellent or good. And an overwhelming 96% of the veterans who took Vocational Rehabilitation training said they would recommend it to another veteran in similar circumstances.

The area of employment is of course a concern to all of us, particularly in a time of increasing pressures on the economy. As of last fall, veterans with disability ratings of 50-100%—those more seriously disabled—had an unemployment rate of 16.8% while 69% were working full or part time. In the lower disability categories the unemployment rate was 10.4% with 86% working full or part time. We also found that a somewhat high 26% of disabled veterans who completed any VA training subsequently took jobs with Federal, State or local government. The VA presently has 5.8% of its workforce comprised of disabled veterans. Yet I am concerned that the total number of disabled veterans in the VA has been slowly dropping since 1971 even while our total employment has been increasing. We can do better.

Concerning readjustment problems we found substantial confirmation of the need for the psychological readjustment program that recently was enacted by Congress. Forty five percent of all disabled Vietnam era veterans said they experienced readjustment problems. Of these, approximately 60% had trouble making plans for the future, experienced severe depression, and had not yet resolved their problems. And while 31% of those having difficulty did get VA assistance, 58% received absolutely no assistance from anyone. We will be doing better here.

Overall we found about what you might expect across the board: minorities, the seriously disabled—particularly those with neuropsychiatric disabilities—and the lower educated have had the most difficulties with employment, training and readjustment. These are the groups the Presidential Review Memorandum also singled out for attention.

Possibly the most significant results of the survey were those that demonstrated the impact of VA education and rehabilitation training. Those disabled veterans who completed training had a 7.2% unemployment rate. Those who did not had a 16.1% rate. Of those who completed training, 42% experienced readjustment problems; 57% of those who did not complete experienced these problems. Education and rehabilitation can and do make a difference—particularly as a part of a total rehabilitation process.

This brings us to our task this week. I have tried to give you some flavor for why I am so deeply concerned about rehabilitation and some of the background of this conference: the significant efforts that have already taken place, the strong thrust from Congress and the President, and the extensive documentation that already exists both in achievement and in need for improvement. What now are we about?

First, my responsibility is clearly laid out in Title 38—the code governing VA operations. The administrator is specifically di-

rected to ensure that hospital rehabilitation services are coordinated with the G.I. Bill and with Vocational Rehabilitation and that individuals can take maximum advantage of this training.

Earlier this year as I saw the results of several studies on rehabilitation; as I saw the activities we were planning in both DM&S and DVB and as I listened to the thoughts of some knowledgable people, I realized that we needed to pull together a comprehensive approach to rehabilitation in the VA: one which would fully integrate, to the extent possible, the efforts of both the medical and vocational aspects of rehabilitation and provide a unified, coordinated and personalized, systematic process of rehabilitation. We establish an administrative planning structure to develop plans and policies for integrating our present and future efforts. One of the first actions was to develop what our concept of rehabilitation in the VA should be. This document, which I signed on April 9th of this year, is one which each of you has received. It represents the best thinking of many people throughout the VA. This concept is intended to be used as a framework around which the policies and issues which are identified this week can be formed.

This conference is another part of the integrated planning process which was established. This conference is somewhat unique in that we have brought together individuals from the entire spectrum of interests in rehabilitation: the VA—headquarters and the field, medical and vocational—Congress, services organizations, professional groups, other Federal and State government agencies, and private individuals. This is truly an opportunity to be creative and to produce the ideas that may well influence the direction of VA rehabilitation for the benefit of hundreds of thousands of disabled veterans. This is particularly unique in that many individuals are going to be involved in the policy process at an early date. This is somewhat of a new way of doing business but we want and need the diversity and energy that each of you bring to this task.

I also believe very strongly in opportunity having its own particular timing. I believe the climate is right for major improvements in veterans rehabilitation and we can and will act as forcefully as possible.

I am also well aware that in any process of change there are attendant difficulties. Resources are scarce and competition is keen. Communication and coordination between our two departments and between this Agency and others are not nearly as good as they can be. Professional differences do exist, for example, within the medical community and within the discipline of psychology as to the importance and direction of rehabilitation. I am aware of these problems and do not take them lightly.

Nevertheless, in my guidance this year to both the department of Veterans Benefits and to the Department of Medicine and Surgery I have established an improved, comprehensive and integrated program of rehabilitation services and research as a top priority. I am confident this will be taken seriously with the results of this conference weighing heavily on those deliberations.

At the end of the conference, the Chief Benefits Director has been specifically charged to form an agency task force and to take the lead in integrating ongoing efforts, previous studies and your recommendations into a comprehensive plan for agency rehabilitation programs which fully address the concept for rehabilitation. This plan will be one in which agency goals, objectives and priorities are related to proposed activities and to any legislation which shall be developed. The Chief Benefits Director will work closely with the Chief Medical Director and the General Counsel. By the end of this year this comprehensive plan will be submitted to me for final approval.

I am encouraged and excited about what is to occur this week. I would urge you to be creative, open, and energetic. Let us lay aside any individual interests where they may conflict with the basic goal of providing the best possible rehabilitation services for disabled veterans. Above all like Mathew Arnold said of life, "Keep your perspective steady and keep it whole."

Dr. Howard Rusk once said about rehabilitation, it is "neither a purely psychiatric nor purely physical medicine concept. It is a total concept to meet the total needs of a disabled person."

I would also just like to conclude with a little statement that Dr. Rusk once made. He quoted from a tomb in an English graveyard that he had once come across that left a message with him.

It said simply "If every man mend a man, then all the world be mended." That is what we are about this week. I am glad to be here and help kick the conference off. I welcome all of you to Washington and I hope that this will be one of the most significant meetings of this type that you have ever been to, and we are certainly interested in keeping our eye on the total goal of every man mending a man.

I think that is the highest mission we in the VA could possibly have.

Thank you very much. God bless you.●

CONTROL OF FEDERAL PUBLICATIONS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LEE. Mr. Speaker, the question of Government information is indeed a very sensitive one. Through my work in the committee on the Health Subcommittee, I have learned that the Government develops vast amounts of information directly and indirectly through its various research programs. We have attempted to foster the dissemination of this information whenever it is in the best interest of our Nation as a whole. Similarly, we have attempted to correct those procedures which have resulted in needless and useless reports and documents which constitute a substantial burden on the taxpayer.

Recently the Congress has been considering a revision to title 44 of the United States Code which governs the production and dissemination of Government documents. Members of the scientific community have expressed a fear that the bill under consideration by the Congress will place unneeded restrictions on valid scientific inquiry. The bill would require the Government Printing Office to approve the publication of research articles in private scholarly journals. The present law does not require the Government Printing Office to approve the printing of governmentally funded research in private journals, and I fail to understand why a new law should give it that authority. The Congress has made major efforts to support research in the area of cancer, heart disease, and child development, those efforts should not be frustrated by a bill which attempts to assert control over all Government printing and information services.

I include a recent editorial dealing with the control of Federal publications in Science, published by the prestigious American Association for the Advancement of Science, for the RECORD:

[From Science, July 20, 1979]

CONTROL OF FEDERAL PUBLICATIONS

Hearings have begun this month on H.R. 4572. In its present form, this bill (designed to revise Title 44 of the U.S. Code) would place government scientific and technical publications under the control of a politically appointed board. The bill should be amended to provide more safeguards for a process that is essential to the free flow of information in our society. Scientists and educators throughout the nation should examine this issue promptly and thoroughly.

Title 44 of the U.S. Code places primary responsibility for developing and administering policy for the printing and distribution of all government publications with the Joint Committee on Printing. The power of this statute has, in fact, been delegated (or relegated) to the staff of the Committee. It also defines the mission of the Government Printing Office (GPO) as that of providing all branches of government with printing, binding, and distribution services. The distribution function is managed by the office of the Superintendent of Documents, which operates 26 bookstores, a subscription and mail-order sales service, and a depository library and free distribution program.

Despite inefficiencies, this system has worked. One reason is that the executive agencies of government, in special situations and with Joint Committee approval, have developed their own printing and distribution mechanisms to serve the needs of their own constituencies.

In hearings that were held quietly in 1978, an Ad Hoc Advisory Committee reviewed the federal government's printing and distribution program. The hearing and the report that ensued were soon followed by the introduction of H.R. 4572 to revise Title 44. If this bill were enacted into law, a powerful government monopoly could control the printing and distribution of all government and public documents. The bill would create a presidentially appointed seven-member board of directors, who would be responsible for developing and implementing a central, comprehensive, and unified policy for printing and distributing government publications. Four voting members would be chosen from the printing and reproduction industries, organized labor, the library community, and the information industries, and three nonvoting members would represent the House, the Senate, and the Office of Management and Budget. No representation from science, education, or the humanities is suggested. The chairman of the board would have total authority to regulate the distribution of all government information, whether in printed, audiovisual, or machine-readable form, and to decide issues that are appealed. The board would control the GPO through its regulations. It would appoint two general managers: a Public Printer and a Superintendent of Documents. The interests of Congress would be protected by having its printing come under the jurisdiction of the House Administration and Senate Rules committees.

The proposed system would place executive agencies at the mercy of the politically appointed board members, whose regulation of the GPO would, in effect, give them control over all government publications. The National Technical Information Service of the Department of Commerce, which distributes government or public technical reports and documents on a self-sustaining basis, would be threatened by the proposed new system.

This control would extend to publications resulting from any research supported by a federal grant or contract. The provisions could be interpreted in such a way that board approval would be required for the use of grant funds to pay page charges. The public interest will not be well served if the executive agencies of government are compelled to seek the approval of a small but powerful board for the printing and distribution of documents and other informational materials related to the agencies' business.—Martin M. Cummings.●

SUGAR LEGISLATION

HON. RUSSELL B. LONG

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Thursday, August 2, 1979

● Mr. LONG. Mr. President, sugar producers in Louisiana, and the entire Nation, are in the middle of a life-or-death struggle against low sugar prices, coupled with ever-increasing costs of production.

It is imperative that Congress enact meaningful sugar legislation as soon as possible if the Louisiana sugar industry—or, in fact, the U.S. sugar industry—is to survive.

I was, therefore, especially pleased to note that the House Ways and Means Committee recently reported H.R. 2172, and I was equally gratified by subsequent House Rules Committee action unanimously granting this bill a rule.

It is my fervent hope that this important legislation will be acted on by the full House as early as possible in September, so that the Senate Finance Committee and the full Senate can consider it without the untimely delays which occurred on similar legislation last year.

At this time, I would like to call to the attention of my colleagues a recent television broadcast of "The MacNeil/Lehrer Report." On July 13 that program focused on the sugar situation. Guests included the distinguished chairman of the House Agriculture Committee, Representative THOMAS FOLEY, two sugar industry spokesmen, Mr. Horace Godfrey and Mr. Roger Sullivan, and the executive director of the Consumer Federation of America, Kathleen O'Reilly.

Chairman FOLEY and Mr. Godfrey, in particular, presented a strong case in support of the sugar bill. If any of my colleagues would like to know the real facts about the sugar situation and the disastrous consequences which both the industry and the consumers will face if sugar legislation is not enacted, I suggest that they read the transcript of this broadcast, which follows:

THE MACNEIL/LEHRER REPORT, JULY 13, 1979

Robert MacNeil: Last April 4th, during a hearing on Capitol Hill, an interesting exchange took place between Alfred Kahn, President Carter's chief inflation fighter, and Margaret Heckler, Democratic Congresswoman from Massachusetts.

Rep. Margaret Heckler: How can you stand behind an inflation-fighting program if you are advocating a policy that increases sugar prices across the board and in itself causes inflation? What have you told the President about this bill?

Alfred Kahn: I have fought my fight as vigorously as I possibly could. And I won't tell you whether I won or lost, because that would tell you whether—what . . .

Rep. Heckler: It's quite clear that you lost.

Kahn: . . . I told the President.

But I think that my attitude toward sugar legislation and support for sugar prices is known.

Rep. Heckler: I understand your political situation, Mr. Kahn. But I would like the record, then to show that you stand behind your earlier statements to the Consumer Federation of America that the sugar bill is highly inflationary.

Kahn: Ah, I think—let the record show an embarrassed silence.

[Laughter.]

MacNeil: There may be an embarrassed silence at the White House over proposals to raise support prices for sugar, but there is a lot of noise on Capitol Hill.

Tonight, the politics of sugar.

Jim Lehrer is off. Charlayne Hunter-Gault's in Washington.

Charlayne Hunter-Gault: The battle in Congress, Robin, is over what the price of sugar should be in this country. Like many basic farm products, sugar is supported by the Federal Government through direct payments and loans. Those subsidies insure that the prices farmers get will not fall below a certain amount. That can cost the government as much as one billion dollars a year.

The government rationale is that the subsidies are necessary to keep domestic industry alive, since foreign growers, using cheap labor, can sell their sugar at lower prices.

The minimum price of sugar in this country is now 15 cents per pound, twice the world market price. Now there is a move by the sugar growers to raise the domestic price to 15.8 cents per pound, with more increases in 1980 and 1981. That effort is opposed by a coalition of consumer groups and by some members of the sugar industry itself, for the American sugar industry is not monolithic. In one camp, the sugar beet growers, mainly small producers located in the Western states. They supply 30 percent of domestic sugar. Then there are the sugar cane growers, mainly large producers in Florida, Texas, Louisiana, and Hawaii. They supply 25 percent. The remaining 45 percent of our sugar comes from abroad.

In all, sugar growers represent less than one percent of American farmers. But historically, they have been a strong political force in Congress.

Now, to one of the leading congressmen who is heading the fight to increase domestic sugar prices. He is Thomas Foley, Democrat of Washington, and Chairman of the House Agriculture Committee.

Congressman, you coauthored this bill. Why is it necessary?

Rep. Thomas Foley: Well, it's necessary because, first of all, we've seen since 1974–75 a continual drop in world sugar prices. And some people talk about free prices in the world. But nowhere in the world can you produce sugar for the eight cents a pound that it now sells for. What happens is that most countries have some special arrangement, long-term contracting, bilateral arrangements of some kind. And what's left on the market after those arrangements have been utilized is so-called free-traded sugar. When there's a surplus of it—and it's at record heights now—the result is a kind of dump price of eight cents a pound.

We have to remember that in 1970 . . .

Hunter-Gault: A dump price meaning?

Rep. Foley: Meaning you're just getting rid of the extra sugar. And it doesn't mean that any country is likely to be able to produce and sell sugar over a long period of time at eight cents a pound. In fact, most people estimate that almost everywhere in the world the minimum prices of production are 10 to 11, 12 cents a pound. The average world price is estimated by many people to be 12. But it's selling for eight. So people say, "Well, that's the world price."

But if we were to count on that price, if we were to assume that that price will continue in the future, and allow unlimited quantities to come into the United States and compete with sugar that costs about 15½ cents a pound on the average, to produce here, our sugar industry would be destroyed in a few years.

Hunter-Gault: So, in essence, the purpose of your bill is to keep—as you see it, to keep the sugar industry from being destroyed?

Rep. Foley: To keep the sugar industry from being destroyed, first of all. Obviously, to benefit, if we can, the continued livelihood of sugar producers and to protect the investment in the sugar industry. Secondly, to protect consumers against what can happen in the opposite direction.

In 1974, when that so-called free market became short, prices went to 59 cents a pound, raw value. They're eight cents today. They went to 59 cents in 1974–75 at their peak. Because, again, small movements in the sugar market tend to be amplified through this very small international market. Sometimes as much as a one percent difference in that market's supply-and-demand situation can lead to changes in price of 30 to 50 percent. A 10 percent difference can lead to differences in prices of 300 to 500 percent.

Hunter-Gault: I see. So, essentially, to protect consumers and industry.

Rep. Foley: Exactly.

Hunter-Gault: The various interest groups within the industry didn't all want the same things. How did you balance out the sometimes conflicting interests among those groups?

Rep. Foley: Well, of course, that's not always easy. For example, in addition to cane and beet sugar, that you described, there the sugar, or sweetener made from corn called high-fructose sweetener. And that competes directly in the industrial market with sugar.

Hunter-Gault: Well, before we add a whole lot of others that we haven't discussed, let's just talk about the main ones and how you balanced off those interests.

Rep. Foley: Well, first of all, there are some differences between growing groups. Hawaii tends to be a very efficient producer on a fairly large scale. And consequently, they are not as interested in having the additional one-half cent of payment that the bill provides to individual producers.

The bill provides a very modest minimum price, 15.8 cents a pound, which actually we have in effect today. And then it provides a seven percent increase in 1980 and a seven percent increase in 1981—that is, a maximum of seven percent—if costs of production actually go up. That's within the President's guidelines. And so it's very modest.

But there is a disagreement with Hawaii and Louisiana and other places. They are in favor of a one-half cent, a very modest additional payment to sugar growers to get the total income to about 16.3 cents.

Hunter-Gault: Well, just briefly, how do you see the chance for passage?

Rep. Foley: Well, it's going to be difficult to pass, I think, because I think there's a lot of misinformation about the bill. It isn't a rip-off on consumers. It isn't an outrageous thing at all.

Hunter-Gault. All right, we'll get to some of those points in a moment.

MacNeil: First let me apologise to Congresswoman Heckler, who is a Republican and not, as I said a Democrat.

This sugar bill is also supported by Horace Godfrey, sometimes known as the dean of sugar lobbyists in Washington. Mr. Godfrey is a former Administrator of the Department of Agriculture's Stabilization and Conservation Service, which administers sugar and other commodity programs. He currently represents Florida and Texas sugar growers.

Mr. Godfrey, why are you in favor of the bill?

Horace Godfrey: Robin, I'm in favor of it, as Mr. Foley said, to maintain and sustain a domestic industry, and to protect consumers from outrageous prices that they had to pay in 1974 and '75 for sugar. They paid more for those two crops of sugar than they paid for any other five crops.

MacNeil: It's hard for a simple-minded person to grasp the logic of how it protects the consumer if he has to pay twice as much for American sugar as he could pay for sugar on the free international market.

Godfrey: Well, he doesn't do that all the time. You heard Mr. Foley just a moment ago say that the price in 1974 went to 50 cents per pound. And the price is not twice as much. It's a dumping price when you consider the world's sugar. It's the sugar that's left over. Five-sixths of all the sugar that's traded in international trade is traded under special arrangements. The one-sixth that's left over is then dumped on the market. Now, the five-sixths that's traded on special arrangements sometimes go for 30 to 35 cents a pound. For example, Russia pays Cuba 30 cents a pound for more than three million tons of sugar each year. Japan pays Australia better than 25 cents a pound for the sugar they buy from Australia. The British Government pays the ACP countries better than 20 cents a pound. The price support level for all beets in the Common Market is in excess of 20 cents per pound.

So, it is not a world price as such. The House committee bill says in its report that the world price is a misnomer. It's a dumping price.

MacNeil: I see. So you're maintaining it would—the American consumer could not avail himself regularly of sugar cheaper than the 15 or 16 cents a pound.

Godfrey: Well, let's just carry it one step further. Mr. Foley said he was trying to maintain the domestic industry with his sugar bill. Now, the House Ways and Means Committee, in their report, went a little bit further. They said that if the U.S. had produced no sugar last year—and that's where we'll wind up unless we have some assistance in the way of legislation—they said that if the U.S. had produced no sugar last year, the effect on the market would have been dramatic and would have increased world prices several hundred percent.

MacNeil: Why is it important, Mr. Godfrey, to keep a U.S. sugar industry in existence?

Godfrey: I think all we have to do is look at oil, coffee, and some other commodities, and you have the answer.

MacNeil: Which is what? That foreigners.

Godfrey: It is that if you don't produce for yourself some of your requirements, then you can pay double for what you do obtain.

MacNeil: Are you saying, as some do, that if you don't have a sugar industry here, that foreigners would gang up together and form a cartel, like OPEC for oil?

Godfrey: No. No, I am saying that, as the Ways and Means Committee said, that if you drive the American production out, which is about six million tons per year, the sugar stocks are immediately imbalanced for the world. And if they are imbalanced, then you have a bullish market. That's what happened in 1974. The minute the supply stocks drop to 25 million tons carryover, you have a bullish market.

We now have about a 33-million-ton carryover. For you to take our six million tons out, and you have a bullish market, and you could see sugar prices of 50 cents within a year.

MacNeil: I see. Thank you.

Hunter-Gault: As I indicated earlier, not all of the sugar people are of one mind on this bill. And one who is of a different mind from Mr. Godfrey is Roger Sullivan, lobbyist for the Hawaiian Sugar Planters Association.

Mr. Sullivan, what's your problem with the bill?

Roger Sullivan: It's really a very narrow problem. We were—the Hawaiian industry was in favor of the bill right through the early part of the deliberations and until the final day when it was reported out by the House Agriculture Committee. And our sole objection to it is that it contains a one-half-cent payment per pound paid directly to producers, with an overall $50,000 limitation on how much any one producer can receive. Now, that, because of the structure of the industry in Hawaii, causes us a very grave, if not a fatal, problem.

Hunter-Gault: How do you mean?

Sullivan: Hawaii is 2450 miles from the nearest market for its sugar. We're been growing sugar there since 1835 and gradually evolved into a system which, by necessity, involves large producing units. Fourteen corporate plantations produce a million tons a year, or about 95 percent of the sugar that's produced in the entire state.

Therefore, when you have a payment limitation, as far as Hawaii is concerned, you get one million dollars in total payments because each of those 174 producing entities could get only 50,000. And yet the normal expectation on a million tons of production would be $10 million. Half a cent a pound. It turns out to be $10 a ton times one million tons.

Hunter-Gault: But aren't most of those large companies representing the sugar interests also diversified? And shouldn't they, rather than the taxpayers, be doing the subsidizing?

Sullivan: Well, yes, they are diversified. But I don't think you can expect a large diversified corporation to carry on indefinitely a losing proposition. The problem in Hawaii at the moment has been that the companies, while they make money in other enterprises, by and large are not making money in sugar. In 1976 the overall loss in the state was $15 million. In 1977 the overall loss would have been $38 million were it not for a government payment we received that year. The loss in 1978 was 11.5. So over that three-year period we've lost $8.5 million, and we can't keep on doing that indefinitely.

There's one thing I want to add. It's not just that we don't get the full subsidy that others receive, but our sugar is sold in the Western market against beet sugar crop competition. By and large, the $50,000 limitation does not affect the average beet sugar farmer. So if you look at a total crop of three million tons, you can see generally there'll be a $30 million subsidy going each year to our competition, while over the three years of the program it would be $90 million. And we would be losing 27 million at the same time.

Hunter-Gault: So, briefly . . .

Sullivan: We can't compete against that kind of a handicap.

Hunter-Gault: Briefly—you said you didn't oppose the bill per se, just this portion. What would you like to see instead?

Sullivan: Well, I would very much like to see the entire payment provision knocked out of the bill. I think it's always been controversial, it's always caused us problems. It causes difficulties, I think, when we get to the floor. The vote on that issue in the Agriculture Committee was 20-to-1. The vote in the Trade Subcommittee of the Ways and Means Committee was 9-to-7. I'd like to think that that's the beginning of wisdom.

We could support the bill if there were no payment provision.

Hunter-Gault: I see. And what—just again briefly—would happen in Hawaii if this payment situation were not knocked out?

Sullivan: Well, what I think you'd see is that the only money that we make in Hawaii is the money that the California-Hawaiian Sugar Company, our cooperative, which is the sales arm of the industry, the only money we'd get is what they make on the sale of sugar in the Western United States.

Hunter-Gault: And you couldn't survive on that?

Sullivan: If they cannot com—they cannot compete against that kind of a handicap, or not very well. And I think we would steadily lose money.

Hunter-Gault: Thank you.

MacNeil: The opposition from Hawaiian interests on that point has strengthened the coalition of groups that is opposing the bill here, called Consumers Against Sugar Hikes, or CASH. One of the coalition members is the Consumer Federation of America, whose Executive Director is Kathleen O'Reilly.

Ms. O'Reilly, why are you against this bill?

Kathleen O'Reilly: Beyond its obvious inflationary implications, there's the fact that this is a classic rip-off piece of legislation that is really forcing consumers to pick up the tab so that Uncle Sam can, in effect, be sugar daddy and take action that will pump hundreds of millions of dollars into 14,000 sugar producers at a time when there is no economic justification for it whatsoever.

And more offensively than that is the fact that in the first six months of this year alone, the cost of food has been going up at annual rates of 18–20 percent. Consumers are really at the edge of the cliff as to what their budgets will be able to tolerate. And it is inexcusable that they should be asked to tolerate something that is economically unjustifiable and is just a boondoggle.

MacNeil: What will be the impact to consumers of this bill, economic impact?

O'Reilly: There are direct and indirect economic impacts. The price tag put on the present legislation would be in excess of $400 million. We pay for it directly when we purchase a one-pound, five-pound bag of sugar. You also pay for it in the processed foods.

It's very important to understand that about 76 percent of the sugar that we consume is in processed food. And not just the candies, which are so obvious. We're talking about worcestershire sauce and creamed corn, tomato soup, and on and on.

We also pay for this as taxpayers. Because when the cost of sugar goes up, the CPI goes up. And that automatically . . .

MacNeil: Consumer price index.

O'Reilly: That automatically triggers an increase in federal feeding programs: school breakfast, school lunch, food stamps, and so forth.

And it's also important to understand the consumers are already, according to Mr. Kahn's own statistics, paying $2.6 billion to protect what is really less than one percent of the American farmers.

MacNeil: Do you accept the argument that the American sugar industry needs protecting in order to keep it in existence?

O'Reilly: Not at all. It's a very clever, very persuasive type of political scare tactic. But the facts just do not back that up.

The sugar industry is very viable. The sugar estimates in the Department of Agriculture for production this year show that for sugar cane, for example, we can expect an increase of some eight percent. There is a decrease in the beet, but it still represents a very modest decrease from five years ago.

Also, it's important to understand that some of the sugar plants that are going under and some of the losses that we hear about, we cannot gloss over some of the factors that are included, such as mismanagement, heavy settlements that they've been paying for antitrust actions that have been brought against them.

Another factor that we have to take into consideration is the fact of the growing competition from the corn sweetener industry.

MacNeil: Which the Congressman mentioned.

But Mr. Sullivan, representing the Hawaiian interests, whose sugar producers are supposed to be among the most efficient in the world, says they've been losing money by the millions over the last few years.

O'Reilly: Well, the facts just don't bear that out. They're against the legislation because they want even more money, not because the principle is offensive to them.

The statistics that are routinely reported in Sugar Producer magazine, in the Wall Street Journal, and so forth, show that in the 14-to-15-cent range the cost of production plus a profit is there. There is no economic justification for the 15.8.

And we should also understand that we're not just talking about some small mom-and-pop-type family farmer. Not at all. The folks that would reap benefits from this are among the large multinational corporate giants, such as Gulf and Western, U.S. Sugar, and so forth. And it's really hard to shed any tears for these kinds of multionationals that are trying to take advantage of the American taxpayer.

MacNeil: Well, thank you.

Hunter-Kault: A classic rip-off, Congressman?

Rep. Foley: No, not at all. As a matter of fact, I think what Miss O'Reilly fails to say is that sugar prices today are at the point that [what] the 15.8-cent bill would provide for the next year wouldn't cost any additional amount to any of the suppliers or to any of the users of sugar. The fact that there's a half-a-cent payment involved is many times compensated by the fact that there are fees assigned to the sugar imports which bring in about $2 billion over the life of the bill. It makes more money for the taxpayer than the taxpayer ever puts out.

O'Reilly: Well, that just isn't true. And the suggestion that we need to have this to protect the consumers for future problems also belies the track record of the domestic sugar industry. Because back in '74, when those sugar prices spiraled, the domestic sugar producers didn't just double their profits when sugar was doubling, they quadrupled those profits. They also failed to produce, which is supposed to be one part of their end of the bargain. They did not even produce enough for their '74 quotas, which really left shortages which contributed significantly to this spiraling cost.

Hunter-Gault: Well, now, let's get just a moment of response from Mr. Godfrey and the industry on that.

Godfrey: Well, all I can do is laugh at that, because the crops were in the ground before the prices started up. The prices started up in January of 1974, at 15 cents in January of '74. And by November of '74 they had reached a high of 64 cents. The producers had nothing to do with making the crop. The crop was in the ground. Now, the Good Lord may have had something to do with how they made, the producers had nothing to do with it.

Hunter-Gault: Ms. O'Reilly?

O'Reilly: I'm talking about profit, and I'm saying that from 1973 to 1975, when the price of sugar about doubled for consumers, the profits quadrupled.

And I think it's also interesting, when we're talking about the domestic versus the international, that the Chairman of the Holly Sugar Company, Mr. Bunker, recently told his shareholders that it would be very bad to go the route of the European countries, where one of the problems that has really resulted in this kind of depressed market is because those countries have gone along with high support levels. And he talked about the need to really develop more efficient sugar production than to get into this vicious sugar of having the government prop up the industry, inefficient and efficient, big and small, all, again, asking the consumers to pick up the tab for a purely political program.

Hunter-Gault: You want to get in on . . .

Rep. Foley: Can I get in on that?

Hunter-Gault: Sure, Congressman.

Rep. Foley: Obviously, there are some people in the sugar business that would like to keep low sugar prices, imported sugar prices. They are cane refiners, who buy low, who process the cane, and sell it into the domestic market. So the lower the so-called international price is, the more they benefit from the low cost and the higher profits they make, which is legitimate if you're in that end of the business.

But the point has to be made again and again that we're talking about very small amounts of money in terms of the consumer. Even with the secondary impacts, the CBO indicates that a one-cent . . .

Hunter-Gault: The Congressional Budget Office.

Rep. Foley: Yes, Congressional Budget Office—that a one-cent increase in sugar prices would result in about a 90-cent to a dollar increase per person, or somewhere between three and four dollars a year.

Hunter-Gault: Well, what about Ms. O'Reilly's point that the increase applies to products across the board not just sugar, but worcestershire sauce and catsup and . . .

Rep. Foley: Right, there is a secondary impact. I think probably somewhere between three and four dollars a year would include all the things that were purchased in the secondary market of bread and ice cream and so forth. Unless, of course, there was an excuse taken, because of that slight rise, for somebody to raise prices higher than would be justified.

But the fact of the matter is that when prices doubled and tripled in 1974, it had the impact of adding not three or four dollars, not 30 or 40, but about $120 to the average budget per year.

If we get out of the sugar business, if our 5½ million tons a year disappears—and plants are closing in the beet areas all over this country recently because they can't survive at these prices—then we're going to have to call on the world market to supply that 5½ million tons. And that's going to rapidly short that market. We're going to get into an amplified run-up price again. And the consumers, predictably, in the next two or three years, if we don't have some basic stabilization act, are going to pay lots and lots of money.

And I don't think that the CASH, C-A-S-H, Committee Against Sugar Hikes, is going to sound very good when the consumers are going to pay 10 times as much for their sugar or 5 times as much for their sugar as we're talking about now in this very moderate bill.

Hunter-Gault: Does that bother you, Ms. O'Reilly?

O'Reilly: Well, the facts just don't bear that out. If they are crumbling and going under, why is production high, why are profits high? The facts just aren't there to back that up.

Hunter-Gault: Mr. Sullivan, do you have the facts?

Sullivan: Well, production in Hawaii has remained remarkably steady over the years. We always produce between a million and a million-two, and it doesn't change. The crop is in the ground. We have a two-year crop there. We get successive crops by leaving the root structure in the ground, so it's a six-year cycle at the very minimum. So there's certainly no big change in production on that basis.

Hunter-Gault: Well, let me just ask . . .

Rep. Foley: Let me just make a point, because I think—it's different in cane than it is in beet sugar. Beet sugar can not be transported at great distances. It cannot be left in the ground. And this year, the Utah and Idaho Sugar Company closed plants in Toppenish, Washington, Moses Lake, and threatening—other plants have been closed down in Louisiana and many places. And once those plants close, it's very difficult to start the sugar business again in beets.

Hunter-Gault: We've got 30 seconds.

Godfrey: I would like to make one point.

Hunter-Gault: One point, quickly. Is the bill inflationary, and can you . . .

Godfrey: It is not inflationary. And Ms. O'Reilly, since she reads the Wall Street Journal, she should read the one this week about foreign countries converting sugar to alcohol.

Hunter-Gault: Thank you.●

BOARD OF VETERANS' APPEALS TO STAY IN WASHINGTON

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BARNES. Mr. Speaker, I was greatly relieved by Veterans' Administrator Max Cleland's recent decision not to relocate the Board of Veterans' Appeals from its present downtown location to a site in Baileys Crossroads, Va. The Committee on Veterans' Affairs is to be commended for its timely and effective oversight hearing on this matter, during which veterans service organizations testified unanimously against the proposed move.

Had the relocation occurred, it would have caused a serious hardship for the many dedicated employees of the Board of Veterans' Appeals, who would have had to commute inordinate distances to reach their place of employment. Many would have had to search out new jobs, because of the limitations on their ability to commute to a location well beyond the reach of regular, reliable mass transit.

A larger issue here, however, was the very operation and success of the Board of Veterans' Appeals in carrying out its mission to serve our Nation's veterans. I belive it would have been most unwise, Mr. Speaker, after spending many billions to build a subway system in Washington with total accessibility to the handicapped, to locate this Federal agency that serves great numbers of handicapped persons well beyond the reach of the subway system.

In March of this year, I wrote Veterans' Administrator Max Cleland, urging him to reconsider his decision to move this agency. Upon receiving an unyielding response from Mr. Cleland, I expressed my concerns to the Veterans' Affairs Committee, and urged that it take appropriate action. It goes without saying that I was most pleased to learn that, after a most useful oversight hearing by the Veterans' Affairs Committee, the Veterans' Administration decided to scrap the ill-conceived transfer.

For the record, I would like to submit copies of my correspondence with Veterans' Administrator Max Cleland:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 15, 1979.

Hon. MAX CLELAND,
Administrator, Veterans' Administration, Washington, D.C.

DEAR MR. CLELAND: It has come to my attention that the Veterans Administration is

contemplating a move of the Board of Veterans Appeals away from its present location near Lafayette Square. In addition, I am informed that a likely candidate for the Board's relocation is a building near Bailey's Crossroads, Virginia. If that is indeed the case, I would like to express my opinion concerning this matter.

As you know, the METRO subway does not serve the Bailey's Crossroads area, nor will it do so upon completion of the system. The Board's mission of assisting veterans visiting from around the country has been well served in the past by its convenient downtown location, and it seems logical to make every attempt to relocate the Board to an equally accessible site, hopefully within easy reach of our rapid transit system.

In my view, this question is more than just a matter of convenience. Can we be certain that veterans would not be discouraged from availing themselves of the Board because of a trip requiring additional time and transfers? I believe this concern is particularly relevant to unscheduled "walk-in" appellants, who utilize the Board's services while here on other business. If anything, our visiting veterans deserve easy access to the agencies that serve them.

Please understand that the purpose of this latter is not to express a prejudice for a specific site or jurisdiction; I ask only that you do everything possible to relocate the Board of Veterans Appeals to an easily accessible location.

Thank you very much for your consideration of this request.

Sincerely,

MICHAEL D. BARNES.

VETERANS' ADMINISTRATION,
Washington, D.C.

Hon. MICHAEL D. BARNES,
House of Representatives,
Washington, D.C.

DEAR MR. BARNES: Thank you for your letter regarding the move of the Board of Veterans Appeals to Skyline Place in Bailey's Crossroads, Virginia. I appreciate your concern.

The Veterans Administration Central Office Headquarters has an urgent need for additional space in the Washington Metropolitan area. This is causing communication and operational difficulties which is affecting service to veterans. The only solution was to acquire additional space to provide an adequate working environment for all our employees.

To resolve this problem, the VA reviewed the overall use of space and the communications and dependency on personnel in other VA departments and offices. The VA decided, and GSA concurred, that the only solution was to acquire additional space. The Board of Veterans Appeals was chosen, with the approval of the Chairman, because it was the most autonomous organization that could operate independently in another location. The vacated space would then be used to consolidate the scattered offices.

Briefly, the Chairman's requirements were for GSA to acquire 46,440 square feet of space and consider all possible locations within the beltway that were not more than two blocks from a major bus route or Metro Station. GSA responded to the VA request and sent out thirteen solicitations for bid which included locations in the downtown Washington area.

GSA received seven inquiries and only Skyline Place, Bailey's Crossroads, Virginia, submitted an acceptable bid. The site was visited and fulfilled the requirements the VA specified in the request to GSA. The Skyline Place will provide BVA with 9,418 square feet of additional space. There is adequate public transportation so that anyone who wishes does not have to drive an automobile. Should the demand for bus transportation be greater than the current schedule, Metro indicates they will consider additional busses.

After careful consideration and further study, the decision was made to accept Skyline Place and to relocate BVA there. In my judgment, this relocation will provide a more equitable use of VA space, relieve severe overcrowding, and create an environment more conducive to work efficiency for all our VA Central Office employees.

It is my best judgment that the move of the Board of Veterans Appeals to Skyline Place is in the overall best interest of the VA, the Veterans, and the beneficiaries.

Sincerely,

MAX CLELAND,
Administrator.●

QUESTIONNAIRE RESULTS, FIFTH CONGRESSIONAL DISTRICT, NEW YORK

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. WYDLER. Mr. Speaker, I have just received the tabulation of the responses to the questionnaire which I had mailed to every household in the fabulous Fifth Congressional District.

The results of the questionnaire did not surprise me as I am constantly in touch with the people of my district and have a fair idea of what their views may be. I was, of course, concerned by the fact that so many people believe the economy will get worse during 1979. Unfortunately, that appears to be very much the case. This view was held by 83.59 percent.

The strongest support for any proposal was a continuation of the 55-mile-an-hour speed limit. I agree with the wise judgment of my constituents, because it not only saves energy, but it saves lives which is much more important.

I was mildly surprised by the support for the reinstitution of selective service registration on a standby basis. My own position is to oppose this unless and until we actually need a draft, but I will reconsider that position in light of the questionnaire results.

I was gratified by the strong support—72.15 percent—for my commuter tax deduction proposal. This is something long past due and something I hope we will be able to get included in the next tax bill.

The strong support for tuition tax credits also was a clear indication that people in general want tax relief and this is one form that would be most helpful to them.

Finally, of course, there was strong support for giving the President authority to mandate wage and price controls. On this issue I would again want to see some proof of the need for such controls before I would be willing to grant the President a general authority which could amount to a blank check.

I thank each of those who participated by completing and returning the questionnaire. As their Representative in the Federal Government, there is nothing more important to me than an open and free exchange of views with my constituents.

As I continue to try to speak their voice in Washington, I shall certainly consider carefully the views expressed by the questionnaire results.

For the benefit of my colleagues, I am including in the RECORD at this point the complete tabulation of the questionnaire results:

	Yes	No	No opinion
1. Do you believe the economy will improve in 1979?	9.92	83.59	6.49
2. Should the Federal Government subsidize construction of more low-income housing in the 5th Congressional District?	19.56	73.83	6.61
3. Are you in favor of Government controls, such as rationing, to prevent a fuel shortage in America?	54.82	40.12	5.06
4. Do you believe the President's policies with regard to the People's Republic of China and Taiwan have hurt America's standing with other nations of the world?	38.22	51.39	10.39
5. Would you support reinstitution of Selective Service registration on a standby basis to meet unexpected emergencies?	70.27	25.01	4.72
6. Do you believe the present administration is giving Long Island its fair share of Federal aid and Federal contracts?	10.37	64.99	24.64
7. Are you in favor of continuing the 55-mile-an-hour speed limit on all major highways?	87.87	10.86	1.27
8. Should Congress support a constitutional amendment to mandate a balanced Federal budget?	68.27	22.70	9.03
9. Should the outside earnings limit be ended for social security recipients?	67.35	27.75	4.90
10. Should commuters be allowed to deduct the cost of going to and from work from their income taxes, as has been proposed by Congressman Wydler?	72.15	24.40	3.45
11. Do you believe tax dollars should be used to finance congressional election campaigns—in place of private funding of such efforts?	38.59	54.45	6.96
12. Should all education expenses, including those for students in colleges or universities, be allowed as a Federal income tax deduction?	63.13	33.05	3.82
13. Would you favor legislation for an across-the-board major income tax cut for all Americans, regardless of their annual income?	53.94	40.75	5.31
14. Do you favor the President's proposal to offer a tax rebate for workers who observe the 7-percent pay increase guideline if the rate of inflation exceeds 7 percent nationally?	56.13	33.14	10.73
15. Should the President be given the authority to mandate wage and price controls if, in his judgment, it becomes necessary as a tool to battle inflation?	62.07	32.32	5.61
16. Do you believe there should be a national minimum hourly wage for teenagers and college students that is lower than the present $2.90 minimum wage, so that employers will be encouraged to hire young people for summer and vacation time jobs?	63.62	32.56	3.82

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AMERICA LEARNING ALL OVER AGAIN THAT POWER COUNTS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following editorial appeared in the Washington Star on July 22, 1979. It discusses the emerging character of our post-Vietnam foreign policy.

As we know, the Vietnam war has produced a retrenchment in American foreign policy. Events in the last year have painfully illustrated that we must again be aggressive in protecting our own interests, and those of the entire free world, abroad.

As the article points out, our image abroad is crucial to what we can accomplish. It is imperative that others realize the United States is not afraid to use its power. The "lessons of Vietnam" must be replaced by a renewed confidence in the American values that will assure a strong foreign policy.

The article follows:

AMERICA LEARNING ALL OVER AGAIN THAT POWER COUNTS

(By Ben J. Wattenberg)

There is a rhythm to the ideas of men. Thus, for an extended moment—call it from Tet to the ayatollah—there seemed to be a growing sense that America's experience in Vietnam had repealed many of the old precepts of statecraft.

What were these old precepts? Well, why were we in Vietnam in the first place? To defend freedom, said LBJ, and to honor our commitments so that other nations would not acquire an image of America as a paper tiger, and to prevent communist forces from taking over other countries and toppling the dominoes one by one. And just how would we go about accomplishing this? We would do it with raw power—not because we wanted to do it that way but because, as events unfolded in Vietnam, there was no other way.

As Vietnam turned from an agony to tragedy to a debacle, as it seared and shaped the minds of those who opposed the war and ultimately of many who supported it, these old precepts came under challenge. The rhythm of our era took us through a time when a new catechism emerged under the rubric of "The Lessons of Vietnam."

To the early doves and some of the latter-day doves, too, many of these lessons seemed clear. American power, they felt, was not a last resort that got you out of trouble: American power was what in fact, what got into trouble.

And so it seemed to many that the old rules deserved to be challenged, even junked. Just as a "New Politics" formed in reaction to Vietnam, so too did a new foreign policy. It was a policy, said its advocates, that was less muscular, more accommodating, and lower in profile. It was a policy, said its critics, that was weak and retreatist. When Jimmy Carter, a man often in tune with the rhythm of American thought, took over as president, he staffed his foreign-policy agencies with people who accepted these soft-line "lessons" derived from "the trauma of Vietnam."

And then—suddenly—chaos.

Late last year and early this one, a grim sequence of international events seemed to create a sense of what news magazines quickly labeled "America in Retreat." The world was unraveling—or so it seemed. And as this happened, the melody of an already swelling new mood in Washington gained still more volume.

What are the old general rules that are now enjoying a new esteem? And how do they apply to what is clearly a new era in world politics and power? Consider, to begin, four such dictums, all of which are coming out of the closet now with a vengeance.

The first rule is that image counts.

Once upon a time there was an American president named Richard Nixon who said that unless the United States flexed its muscles occasionally, the world would come to regard us as "a pitiful, helpless giant." That notion was greeted with derision.

But recent events suggest that it shouldn't have been. As it is in life, so, too, in statecraft: Image and perception may count as much as reality. In fact, they often become reality.

An example of the consequences of America's image as a helpless giant is what is happening in Saudi Arabia. The Saudis were horrified by what they perceived to be American weakness in Iran. Was it an accident that, following such horror, they made softer sounds to the Soviets, were less willing and able to put a brake on escalating OPEC prices, and didn't lift so much as a finger to help us out with the Egyptian-Israeli peace treaty?

Image counts. If other folks think you're a pitiful, helpless giant (or, in the Ayotollah Khomeini's felicitous phrase, "a defeated and wounded snake"), you're halfway there.

The second resurgent rule is that power counts.

The reassertion of this notion is similar to another great reassertion currently sweeping down the boulevards of Washington. "There's no free lunch," says Milton Friedman in the realm of economics. Everything cost something.

And so, too, in the realm of power and statecraft. Suppose that, for a period of a decade, the United States declares that it has to "reorder priorities." Suppose it decides that the way to do this is to "cut the bloated military-industrial complex." And suppose that this goes on at a time when the Soviet Union, our principal adversary, is reordering its priorities in exactly the opposite direction—beefing up and further bloating its military-industrial complex. If all this happens, the old-fashioned rules say that somebody, somewhere, will end picking up that lunch tab. Specifically, unless these spending trends are reversed either by us or by them, America will in a few years be "No. 2" in military might. We know this. They know this. And the rule of "no free lunch" holds that if they have more power and we have less, the Soviets will use what they have and be able to use it more effectively.

Power counts. And it abhors a vacuum.

The third rule: Dominoes live.

Exactly how the word "discredited" became attached to the phrase "domino theory," during precisely those years when events were bearing it out, will no doubt remain a linguistic mystery for some time. Yet the facts are plain: Almost immediately after the fall of South Vietnam, communist governments or puppets did assume power in neighboring Cambodia and Laos, just as predicted.

So much for literal dominoes. But figurative dominoes were always more important in the diplomatic house built on the old foundations. Simply put, the domino theory was (and is) shorthand for the truism that events in one country influence events in others.

How could anything so obviously correct ever be "discredited"?

Our fourth resurgent rule is: Freedom counts.

The foundation of American post-World War II foreign policy was clear: The Western notion of human freedom was threatened. Unless the United States defended these Western values, they might decline around the world, primarily under Soviet pressure. And if these values eroded around the world, sooner or later they would erode here as well.

It was, to be sure, a noble concept, but one that just as surely got us into trouble at times.

No one would dare use the phrase "communist menace" these days, but there are communists and their footprints are still menacing. Solshenitsyn has exposed the horrors of the Soviet gulag. The "boat people" are fleeing communism just as the East Germans did a generation earlier—and as they did not flee the "corrupt" General Thieu. And in Cambodia, the Khmer Rouge bloodbath provided, in extremis, the horror that has come to be associated, in one way or the other, with communist takeovers around the world.

WHAT WE CAN DO

So if Western values are still under siege, if the alternatives seem dreadful, and if America's power is diminished, one is pushed to ask a difficult question: Can our values ever really flourish in a world where "the United States is in retreat"?

It is surely true that we do not have the same ability to control events around the world that we once had. There is a new set of "multipolar" circumstances, and friends, foes and neutrals are all more powerful than they used to be.

But that there is a new set of global circumstances, for one example, does not mean that America must remain denuded of an intelligence agency. That there is a new era does not mean that the Soviets must be allowed to become the dominant military power.

Still, we can never go back to our military supremacy of the 1950s. That there is a new era in which our military power is necessarily diminished in a relative sense may well mean that we have to think once again about playing hardball with the Soviets on economic matters. The "discredited" Jackson Amendment linking American trade preferences to Soviet emigration policy is about as "discredited" as the domino theory. The Soviets have recently loosened up their emigration policy in an attempt to gain trade benefits. That is precisely what the Jackson Amendment intended, and the question now is only whether we hang tough and nail down a good bargain.

The Carter foreign-policy team, often still mired in the mentality of the late '60, may well have been the last to know, but under the combined pressures of circumstances and politics, the Carterites, too, are beginning to understand once again the old precepts and to unlearn some of the "lessons of Vietnam."

And so, the pendulum is swinging—for the third time in a third of a century.

Our problem is not too much but too little power. The old chestnut of "peace through strength" makes ever greater sense. The realization has dawned on us again that our culture, our values, our ideas are worth defending. And the nation seems ready to act, moderately, on this proposition.●

RUSSELL JAMES WEST—TORRANCE CITY LIBRARIAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ANDERSON of California. Mr. Speaker, on August 17, 1979, Russell James West will be honored by his friends and associates for his 12 years of

dedicated service as Torrance City librarian. This will be a truly special moment in the city library's history, since it will mark the end of the tenure of a man who was instrumental in creating for Torrance citizens their first city-owned library. In sharing this man's career of accomplishments with my colleagues today, I join in honoring him for his numerous and valued contributions as a public servant and community leader.

Russell West started his career with the city of Torrance as a librarian without a library. He was hired in 1967 to build a municipal library system just as the city's library services contract with the county of Los Angeles was about to expire. Applying his 15 years of experience in library service, he met the challenge well, unveiling a library for the city within months of assuming office. Continuing his drive for improvement, he later made possible the opening of the new Torrance Civic Center Library in 1971. This structure now stands as a great source of pride for the citizens of the Torrance community.

Support for the library and its activities has grown greatly in large part due to the work of Russell West. He was instrumental in convincing the local Lion's Club on making the library a prime beneficiary of its fundraising drives. This made possible the extension of library services to the physically handicapped by the purchase of special equipment.

This man has also generously devoted his time to community betterment concerns. His work was instrumental in the formation of the Torrance historical society and the success of the Torrance bicentennial celebration.

Mr. Speaker, for his many good works as a public servant and community volunteer, Russell West deserves recognition as a citizen of the first class. He is one who on leaving service with the city of Torrance can take credit for many good deeds.

My wife, Lee, joins me in offering our congratulations to Russell West on his outstanding career with the city of Torrance. We send him and his family, his wife, Margaret, their daughters, Karen, Karol, and Kathy, a future of continued success and prosperity.●

THE SCOFFLAW APPROACH?

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SOLOMON. Mr. Speaker, the New York Times, reports that the U.S. Government is New York City's biggest scofflaw. The Federal Government, according to one report, owes half a million dollars to New York City in unpaid parking violations.

We now have Mr. Hamilton Jordan, a scofflaw himself when it comes to parking violations, at a position of highest authority in the White House. It is poetic justice that the Federal Government should be among the Nation's biggest scofflaws with such a person helping to run it.

But the situation is not a funny one. President Carter, as he has reminded us again and again and again, is the one who is supposed to set a moral tone to government for the rest of us to follow. What has he done about half a million dollars in scofflaw fines in one city? He is the head of government, so the responsibility is his. How much is owed by the government all across the Nation in scofflaw fines? The taxpayer deserves to be told and I am sending a letter to the President requesting that he tell us exactly how much the bureaucrats have been getting away with in parking violations. Yes, I know that previous administrations have owed money in parking violations. But that does not mean the Carter administration can ignore its moral and financial responsibilities.

I enclose the following:

[From the New York Times, Aug. 2, 1979]

U.S. IS SCOFFLAW, LEGISLATOR SAYS

The Federal Government is New York City's biggest scofflaw, owing nearly half a million dollars for unpaid parking fines, but the city has neglected to get the information it needs to do anything about it, a Brooklyn Assemblyman charged yesterday.

The Assemblyman, Charles E. Schumer, chairman of the Assembly's newly created Oversight Investigations Committee, accused the city's Parking Violations Bureau of letting the Federal Government slide by without paying its full due in parking fines—while forcing private drivers to pay—because of lax monitoring procedures.

The issue last came up during the city's fiscal crisis in 1975, when Michael J. Lasar, who was then the Transportation Commissioner, put the total in outstanding summonses and late penalties owed the city by the Government at $6 million.●

REFORMS TO HELP THE ELDERLY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. HORTON. Mr. Speaker, our colleague, Congressman CLAUDE PEPPER, chairman of the House Select Committee on Aging, has introduced a most important piece of legislation, H.R. 2602. This legislation seeks to reform abuses in the sale of health insurance to the elderly. Because the abuses disclosed during the committee's hearings are of a serious nature, and because I believe every protection should be afforded our elderly citizens, I was pleased to cosponsor the measure.

Earlier this year, Mr. Speaker, the Select Committee on Aging conducted several days of hearings on abuses in the sale of health insurance to the elderly in supplementation of medicare. During those hearings, a number of startling abuses were revealed. For example, it was disclosed that one elderly woman was sold over seventy insurance policies when one would have sufficed. In addition, the hearings revealed that a list of vulnerable senior citizens is constantly circulated among agents who refer to these prospective clients as easy marks or "gophers."

While the revelations were shocking, it should be pointed out that the hearings did not show that these abuses are industrywide. Instead, the abuses were limited to the companies which specialize in the sale of individual, not group, insurance policies. In many instances, however, the distinction between a good company and one that is more interested in defrauding its clients is often difficult for elderly clients to determine.

This legislation would help resolve this problem. The bill sets up a program of voluntary certification so that those companies that wish to do so, may submit their policies to the Secretary of Health, Education, and Welfare. Those policies which meet Federal minimum standards, as promulgated by the Secretary, would receive a "seal of approval." This seal could then be used by the company in its advertising.

This legislation is long overdue, and I urge my colleagues on the Interstate and Foreign Commerce Committee to act expeditiously on it.●

WHO IS TO BLAME?

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, when the President returned from Camp David to deliver his energy sermon, he blamed the organization of petroleum exporting countries for taking a "tremendous toll on our economy."

Alfred Kahn, President Carter's inflation justifier, explained shortly after the announcement that inflation was 13.2 percent for the first half of the year that we would be controlling inflation if OPEC were not draining away our resources.

Yesterday the Labor Department reported that productivity—output per man hours worked—fell at a 3.8 percent annual rate last quarter. Presumably OPEC is to blame for this as well.

Unquestionably OPEC's price increases have cost us dearly. But OPEC is too often a convenient scapegoat for our economic malaise. OPEC is not as much to blame as our own Government.

In the first place, we would not be dependent upon imports for almost 50 percent of our energy consumption if Government price controls had not shut off the capital and incentive to keep domestic wells flowing. The Government made us dependent on OPEC.

Before assigning guilt, let us look at another indicator. Japan and West Germany both import close to 100 percent of their oil. Yet both have strong economies. Japan's productivity climbed at a 5.6 percent rate throughout the OPEC price increases of 1978. West Germany's productivity has grown at a 4.2 percent rate. They are even more dependent on OPEC, yet have strong economies and no gas lines.

If dependence on OPEC does not explain the difference between Japan's prosperity and our inflationary recession, perhaps we should look elsewhere for a reason. May I suggest such a reason? Japan and West Germany do not have Departments of Energy. In short, they have much less government, where the real blame belongs for shortages, whether shortages of oil or of confidence.

In Japan, the government spends 4 percent of their GNP; in West Germany, 3 percent. For this reason, less is taken from their citizens in taxes and inflation, more is invested in modern plants and machinery. In Japan, gross fixed investment in 1978 equalled 32.9 percent of GNP; in West Germany, 22.4 percent. Investment in the United States is much lower—17.4 percent. How can we expect to be as productive as these nations when taxes and regulations drain away the investment capital necessary for modernization?

Is OPEC to blame for our economic problems? Ask Japan and West Germany.●

ELEVEN YEARS OF OPPRESSION IN CZECHOSLOVAKIA

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GREEN. Mr. Speaker, almost 11 years ago, on August 21, 1968, Soviet and other Warsaw Pact forces roared into Czechoslovakia to halt its noble efforts to "humanize" the Communist system. Czechoslovakia was making progress in the areas of human rights and basic freedom, and the Soviets felt threatened by the new social order established in that freedom loving country.

The Soviet invasion and subsequent occupation flagrantly violated numerous United Nations resolutions, including article 2, section 4 of the U.N. Charter, which states that—

> All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any manner inconsistent with the Purposes of the United Nations.

In addition, the Soviet action violated the fundamental right of a country to determine its own fate and aspirations—in effect, to strive for a better way of life. As a result of this Soviet occupation, the Czechoslovakian people lost an opportunity for self-determination and as a result basic human rights have also gone ignored.

In their quest for freedom, untold numbers of Czechoslovakians suffered from a loss of their rights to express themselves. It is noteworthy that a courageous group of Czechoslovakian citizens, workers, and intellectuals alike, have banded together to sign Charter 77, petitioning their government to implement the Helsinki Agreements, signed by the Soviet Government in 1975. While I am hopeful that the spirit of human rights is still evident among the people of this country, reports of harassment of Charter 77 signers is very disturbing.

While the shadow of Soviet oppression remains in Czechoslovakia, we must speak out on the need to make such aggression and domination a thing of the past. Our goal is to achieve true freedom for all peoples of the world, and the people of Czechoslovakia who have suffered so much are certainly among those deserving of our support.●

THE ENERGY PRODUCTION INCENTIVE ACT

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. KRAMER. Mr. Speaker, we have seen bill after bill during the past few weeks purporting to deal with the energy problems facing the Nation. Virtually all of the legislation we have seen to date creates more paperwork, more regulations, more taxes, and more controls on energy by the Federal Government.

Almost none of these bills offer any incentives for Americans to create more energy, or to incorporate meaningful conservation measures into their daily lives.

Those energy bills we have seen so far have concentrated on higher taxes, such as the windfall profits tax, which will eventually be passed on to the consumer, and on expanding the already formidable Federal controls over our Nation's energy supplies by creating even more Federal programs and bureaucracies.

I think this is the wrong approach. We need to give incentives for responsible conservation measures, for the use of new and alternative fuels, for bio-conversion processes, not just to the energy companies, but to average Americans and to the large industrial users of energy.

That is what this legislation, the Energy Production Incentive Act, will do. Americans have always responded better to incentives than penalties.

Among the measures included are a tax credit of 10 percent of a new car's purchase price to any American who buys a car which gets 30 miles per gallon or better or who buys an electric or steam powered car.

In addition, any builder who provides a solar powered primary heating system can get a tax credit of up to $8,000 per house so equipped. So can any American who builds his own home with such a system.

Many of the more important inventions in this country have been created by small inventors, but the rewards for inventing have diminished over the years and the difficulties have increased. While it is not meant to be a total solution, the Energy Production Incentive Act would provide up to a $100,000 tax credit which can be applied against the revenues any inventor receives from the use or application of inventions which result in energy conservation or the use of new energy sources or fuels. The credit is limited to two inventions and designed primarily for small inventors, not large corporations or conglomerates.

In addition, one of the biggest incentives to both consumers and producers of energy would be the abolition of the Department of Energy and the programs and regulations which it administers. The act would abolish both DOE and its programs after December 31, 1983. So far, DOE has done nothing which creates new energy supplies or encourages the use of alternative energy sources and little to encourage practical conservation measures.

Thus, the act would basically give DOE 4 years to justify its existence, and at any time before that date Congress could repeal the abolition clause. This is a far more generous treatment than DOE deserves, and frankly gives that bureaucracy, in my opinion, more than enough time.

After 5 years of Federal price controls on petroleum, after 3 years of a full-fledged Department of Energy with a $14.5 billion annual budget, after entitlements programs and allocation programs, after endless debates in Congress, and after domestic and foreign energy summits, what has the Government accomplished? The Federal Government has not created one single drop of oil, nor have we received one additional barrel through the Federal Government.

Finally, the Energy Production Incentive Act would provide incentives for the production of alternative forms of liquid fuels, such as shale oil, tar sands, heavy crude, and gasohol, by providing a $3 barrel tax credit for their production.

In addition, gasohol plants would receive an additional 10 percent investment tax credit, as would other synthetic fuels plants. Utilities and major fuel burning industries could receive up to an additional 5 percent tax credit for power generated through bioconversion or the use of garbage or waste as a power source.

Whether our energy problems have been created by shortsightedness or by excessive Government, or whether they can be laid at the door of OPEC and the boardrooms of big oil is not the question. Nor is it a question of who to blame. It is a question of how to encourage the people of America, to give them incentives, and not to chastise or to shift the responsibility from one group to another while ignoring the problem.

The energy problem is real. The spot market price of gasoline in Rotterdam hit $50 a barrel last month. The CIA has also predicted that the growing Soviet demand for oil will turn the U.S.S.R. from an oil exporter to an oil importer within the next 5 years. Saudi Arabia will not continue to increase production for our benefit.

In the long run, we must rely on our own domestic energy, and we can best do

that not by penalizing, but by rewarding Americans who will help solve our energy problems.

Close to 50 percent of our petroleum is imported—more than 8.5 million barrels a day, and only in 1977 did we as a Nation import more.

But what has been the reaction to our dependence on foreign oil? In 1973 and 1974, earlier Congresses enacted the legislation setting up price controls and allocations on domestically produced oil and gas. This had the real impact of rewarding oil producers who had invested overseas, because the price controls did not apply to foreign oil, and penalized oil producers with heavy investments in the United States. The result was predictable. Imports soared and domestic production dropped and stabilized at a lower level. There are wells which could have produced oil in this country which have been capped or not produced—largely because Congress has set a policy where Americans who drilled oil wells before 1972 in the United States are paid less than $6 per barrel for their oil, while Americans who drilled in Kuwait, Saudi Arabia, Qatar, or anywhere outside the United States can receive $15 to $20 a barrel for their oil, sometimes as much as $40 a barrel.

I am not arguing for the oil companies, but if our laws reward those who benefit from the extortionistic policies of OPEC and penalize those who do not, then the extortion will continue.

But that has not been the extent of our shortsightedness.

Through the Clean Air Acts we have required more and more pollution controls on new cars, which has reduced their mileage to the point that a 1978 car which may be 500 pounds lighter than a comparable 1968 car gets the same gas mileage as the heavier 1968 car, and requires scarcer and more expensive unleaded gasoline as well.

We have passed legislation which has the effect of stopping new oil wells in the west at any time snow is on the ground. Why? Because archeological artifacts might be present.

I was told of a case in Wyoming where the stone sheep pens erected by a rancher's grandfather were classified as an archeological artifact.

No single piece of legislation can deal with all these problems, but I submit that the basic premise behind our energy policy is summarized by such examples.

Our policy is negative—don't produce oil here; don't raise your prices even if your costs increase; don't hurt the environment, even if it costs millions of gallons of gasoline annually.

I am not saying that environmental concerns are wrong. I am not saying that all regulations are wrong. What I am saying is that along with all the restrictions, along with all the "don'ts," along with all the negatives, we need positive encouragement for the American people to come up with new energy sources, to buy fuel efficient cars, and to invest in new ways of supplying our future energy.

And that is the purpose of the Energy Production Incentive Act—to set a positive tone, to work with Americans, rather than against them, and to move toward greater energy independence with enthusiasm, not because the Federal Government ordered it.●

TOVA RAY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to recognize and commend the work of Tova Ray of Gloucester, Mass., a woman who has, in recent years, selflessly devoted herself to assisting the handicapped residents of the Cape Ann area.

When Mrs. Ray and her husband, John, moved to Gloucester in 1973, they perceived a vital need for support and services on behalf of the handicapped of that area. With this recognition, Tova and John made a commitment of their resources—both financial and emotional—to rectify that situation.

With that decision, Tova Ray established Reach (Recreation, Education, Arts and Crafts for the Handicapped), an organization which to this day exists for the purpose of providing opportunities and experiences for the handicapped of all ages.

Over the years, Tova and John have drawn the less fortunate out of their isolation and into an outgoing, loving community. They have taught these people how to bowl, how to swim, they have taught them crafts and they have organized dinners and parties in their honor. But on a deeper and more permanent level, Tova has provided these individuals with an even greater service. She has given the handicapped with whom she has worked a sense of worth, a degree of dignity and a level of independence which many of them never had before.

The success of Reach—which has been well documented—is due, quite simply, to the work and devotion of Tova Ray. She has lent these people her time, her energy and even her home. She has given of herself unselfishly in her determination to improve the quality of life for those less fortunate than herself.

Ill health now mandates that Tova step down from her position as director of Reach. The organization which has run primarily on inkind contributions from the community and donations from the Rays, must now seek someone to fill Tova's shoes. In truth, to replace Tova would be impossible—but it is absolutely essential that her work be continued. As a result, I have lent John Ray my support in his pursuit of financial resources to sustain Reach and in his search for an individual who is capable and willing to assume Tova's role. In this regard, I ask my colleagues for their interest and assistance.

I will close simply with a heartfelt thank you to Tova, not only from myself, but from the handicapped, from their families, and from everyone who has been touched in some way by her energy and love.●

SHARING THE RESPONSIBILITY OF RESTRAINING HEALTH CARE COSTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FISHER. Mr. Speaker, the House Ways and Means Committee has voted to report the Hospital Cost Containment Act of 1979, H.R. 2626, to the full House of Representatives. I support this bill as a way of addressing the immediate problem of runaway hospital costs. In an effort to develop necessary long-term goals of overall health care cost control I offered an amendment, which the committee adopted, establishing a cost control task force, directed to explore comprehensive changes in our health care system; changes requiring increased participation by both the consumer and the provider of health care. The following remarks, which appear in the committee report, express my further thoughts on the task force and the bill:

ADDITIONAL VIEWS OF JOSEPH L. FISHER

I joined with the majority of my colleagues on the Ways and Means Committee in reporting the Hospital Cost Containment Act of 1979 (H.R. 2626). I believe this bill is an important first step in addressing the problem of skyrocketing health care costs, and in particular, hospital costs.

I recognize and commend the hospital industry for adopting a voluntary hospital cost control program, known as the Voluntary Effort (VE). This program apparently has had some success in keeping down the annual rates of increase in hospital costs. In my view, H.R. 2626 is consistent with the goal of VE. This bill provides hospitals with incentives to keep costs down while assuring conformity with the Voluntary Effort.

The voluntary program, contained in H.R. 2626, uses the hospital industry's own limit for 1979 (11.6 percent) as a floor for determining whether hospitals across the country have been successful in reducing their expenditures. Should the inflation rate continue to rise, the allowable rate of increase for hospital costs would also increase. The mandatory program is triggered when hospitals across the country have exceeded this voluntary limit. Even then, a majority of hospitals still would be exempt from the program.

I believe that H.R. 2626 is a reasonable, short-term proposal for curtailing the upward spiral of costs in the health care industry. However, I believe that there are broader, long-term issues which should be considered. We must more fully involve the consumers and providers of health care in assuring quality and restraining the costs of medical assistance. The public and private sectors both must contribute to this effort.

To this end, I offered an amendment, which was adopted, that would establish a 2 year task force charged with evaluating and recommending to Congress additional cost control programs.

I offered this amendment because of my deep concern over the lack of clear cost-consciousness by the consumers and the providers of health care. The present payment system is, for the most part, a third-party payor system (Blue Cross, Medicare, commercial insurers). Furthermore, the reimbursement system is heavily oriented toward a cost-plus system; whatever costs are incurred will be paid by the insurer. Often, patients never even see their medical bills; they fill out insurance forms, the hospital or doctor forwards it to the insurer and is reimbursed. There is little opportunity even to monitor the costs incurred in providing the care.

The task force will study alternatives to the present reimbursement system. Among the options which should be analyzed are: increased or sliding scale deductibles, coinsurance, or other cost sharing arrangements designed to focus on the real costs of medical services. I am confident that a more efficient medical payment system will result in cost savings to the consumer.

While I support H.R. 2626, I am not convinced that it will result in the significant consumer savings envisioned by the Administration. There are a number of exemptions that, however worthwhile, will reduce the opportunity for such savings. I am also not persuaded by the arguments of the bill's opponents that H.R. 2626 will thwart the development of new technologies. Again, there are many allowable exceptions and the bill's life is too short for that to happen.

The bill merely is a short-term attempt to break the accelerating pace of high costs for hospital care. Longer range solutions must be developed. I believe that my task force amendment begins to move in that direction. Health care policy is too important to be developed on an ad hoc basis; we must begin to solve these cost problems in the context of consumer awareness.●

BATON, ETC.

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MATSUI. Mr. Speaker, this week in Norfolk, Va., some very special constituents from Sacramento, Calif., are competing in the 1979 grand national championships of baton twirling. Twelve young students ranging in age from 7 to 14 years will compete against contestants from throughout the United States.

In the summer of 1977, an unknown baton twirling team from the Sacramento area did the next to impossible—they captured the title of grand national juvenile small dance twirl champions on the occasion of their first national competition. The team, California Elite, established itself in the world of twirling.

In the 2 years since that competition, the Sacramento group has grown in size and formed the Parents Club. Currently it has 25 twirling members who compete in several different events against their own age levels and based on their various levels of ability. The organization now calls itself Baton, Etc. The teams of Baton, Etc. are: California Elite, a junior small dance twirl team; California Elite Act II, a junior small twirl team; California Petite Elite, a primary small dance twirl team and a primary small twirl team.

These young people, who are constantly striving to improve their performance, must be dedicated and disciplined. They devote a considerable amount of time to obtain their goals. Sacramento is proud of them, and I take this opportunity to wish them continued success. I hereby extend my congratulations to this year's participants in national competition: Tanja Anguay, Toni Foster, Jenny and Leslie Hilsinger, Tiffany Mamuyac, Katie Raney, Sondra Richardson, Elisa Rodriguez, Julie Thompson, Tricia Thomson, Jennifer Utter, Jill Westover and to Becky Bianco, USTA champion and professional instructor of the group.●

TWO PROBLEMS OF OLDER AMERICANS: HEALTH INSURANCE AND TRANSPORTATION

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. COLEMAN. Mr. Speaker, older Americans today are faced by a multitude of complex and interrelated problems. Largely living on fixed incomes, most older persons do not receive the wage and salary increases that enable others to keep ahead of inflation. Greater longevity and earlier retirement have further strained the incomes of older citizens because retirement years are thus lengthened, forcing more assets to be drawn down in an effort to get by. Social security has kept many from poverty, yet there are, nevertheless, older Americans who must choose between welfare and financial dependency upon ther children. Reductions in economic circumstances have forced many elderly citizens into substandard housing conditions. Even those able to afford institutionalized care are too often the victims of inadequate health care.

These problems should not exist. Older Americans have contributed immeasurably to the development of our Nation. The quality of life that we currently enjoy is the direct result of their hard work. Our Nation owes our senior citizens the right to enjoy the fruits of their labor. In an effort to alleviate and ultimately remedy the difficulties faced by this group of Americans, I have been working on measures designed to deal with the problems of health insurance abuse and transportation for the rural elderly.

During the past year, the House Select Committee on Aging has been examining abuses in the sale of health care insurance to the elderly. Gaps in the health care coverage provided by medicare have caused many senior citizens to buy more insurance in an effort to protect themselves from rising health care costs. The majority of the companies engaged in the sale of these policies are providing a much needed service for older citizens. Unfortunately, a few companies engaged in the sale of health insurance have sought to prey upon the fears of the elderly.

These companies have deliberately encouraged the purchase of numerous duplicate policies, fully realising most of the policies contain clauses stating that, in the event of duplication, only one policy would pay. The committee discovered that many agents have presented themselves as representatives of medicare to their elderly customers, that agents have encouraged the cancellation of policies when it was of a financial benefit to themselves, and that agents have purposefully sought to sell older citizens more insurance than necessary. Indeed, it was discovered that some individuals were the holders of 10, 15, or even 30 health care policies.

These practices in the sale of health care insurance have convinced me of the need for reform in this area. Therefore, I am cosponsoring the Senior Citizens Health Insurance Reform Act of 1979.

The purpose of the act is to eliminate abuses in the sale of health care insurance such as those discovered by the committee. The bill seeks to make unlawful the willful overselling of health insurance policies to the elderly, as well as an agent's presentation of himself as a representative of medicare. In addition, the bill would authorize the Secretary of Health, Education, and Welfare to establish a program of voluntary certification of health insurance policies in an effort to provide some guidance to the elderly.

The bill would also eliminate mail order abuses in the sales of health insurance by requiring that all such policies sold through the mails in a particular State first be placed on file with and then approved by the commissioner of insurance of that State.

Another serious problem facing the elderly is rural transportation. The increased availability of gasoline supplies for the month of August will not mark the end of transportation dislocations for all our citizens. Senior citizens living on fixed or limited incomes are finding it more and more difficult to afford increasingly expensive gasoline. In addition, the overall inflation rate in our economy threatens to cause partial and even total curtailments in specialized transportation systems designed exclusively for the elderly.

In rural America, where distances between homes and essential services are often great, the transportation crisis of the elderly is particularly pressing. Only 55 percent of the rural elderly own automobiles, and there is often no alternative means of transportation available. The 61 percent increase in the price of gasoline this year will result in many of these persons being unable to afford this means of transportation.

Public transportation in rural areas is often nonexistent. Of all towns with populations of 50,000 or less, only 31 percent have any public transportation. The vehicles used in such systems are sometimes unsuitable for use by elderly riders and the fares required to ride such systems are sometimes prohibitive.

The lack of adequate transportation services can lead directly to the isolation or forced retirement of older Americans. Job opportunities, social activities, and accessibility to high quality medical services are often dependent upon adequate transportation. Its absence means denying these opportunities to our older citizens.

I believe the Congress has a clear responsibility to assure the availability of adequate transportation services to older Americans. As ranking minority member

of the Subcommittee on Human Resources, I am hopeful that our subcommittee, under the chairmanship of Congressman IKE ANDREWS of North Dakota, will hold hearings on transportation services for the elderly. At these hearings I will propose that the adequacy of existing services be investigated, and that means of improving coordination between various Federal programs which fund transportation services, particularly within HEW, be examined.

It is my hope that the growing transportation problems of the elderly can be solved. To achieve this goal, the important role transportation plays in the whole range of social programs must be understood. Close coordination of existing funding sources for such projects must also be made more efficient. Only through such coordination will our Nation's commitment to our senior citizens be truly fulfilled.●

VILLAGE OF SMYRNA, N.Y., IS 150 YEARS OLD

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. HANLEY. Mr. Speaker, I would like to take a moment to bring attention to an historic occasion for some residents of New York's 32d Congressional District. They are celebrating a birthday, the 150th birthday, in fact, of the village of Smyrna.

The area which the village of Smyrna now encompasses was originally a settlement of the Oneida Indians. The first white settlers were the Porter family, who bought 250 acres and blazed their own trail. The first road to the area came in 1805, when the Albany-Ithaca Turnpike was built, opening the region to increased settlement. At one time, the entire site of the present village of Smyrna was purchased by two men, Apollos Allen and Jesse Hutchinson. Smyrna was incorporated in 1829, the third village in the County of Chenango to be incorporated. The village today has a population of about 250 persons, in a rural and dairy farming region. Other major businesses are lumber and logging, including one business that furnishes logs for log cabins and provided the materials for excellent reconstruction of Fort Stanwix in Rome, N.Y. The people of Smyrna made a documentary film of this effort.

The village of Smyrna has planned an extensive 3-day celebration from August 24 through August 26, including a citizens award Friday night to their emergency squad, a program of entertainment, and a busy program Saturday of a parade, games, a horse show, a dance sponsored by the fireman's auxiliary, and a band concert by the 125-member citizens band, which is one of the oldest if not the oldest citizens band in the country. On Sunday, the Baptist Church joins with its celebration of its 175th anniversary with three services by returning Minister Woodrow Brown.

The town historian, Mrs. Mary Fargo, has done considerable research on the buildings of Smyrna, and as a result, walking tours will be available giving the history and interesting facts about many of the buildings in the village. I am certain my colleagues join in sending our congratulations and best wishes to the people of Smyrna for a busy celebration of their sesquicentennial.●

RECOGNITION OF VOLUNTEER WORKERS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Ms. MIKULSKI. Mr. Speaker, I am introducing two bills today of great significance to every American and of enormous personal importance to me. These bills would, through certain changes in our tax laws, give people who volunteer their time to nonprofit organizations a degree of recognition for the outstanding service which they provide.

During my 20 years of work as a social worker and city councilwoman in Baltimore before I came to Congress, I saw each day the outstanding and vital work which volunteers provided. I viewed firsthand how they delivered our meals on wheels; taught the physically and mentally handicapped to become more productive members of our society, and assisted in our alcohol and drug rehabilitation centers. The vital influence of volunteers extends to virtually every aspect of our society—health, education, social services, culture, religion, and the arts. An enormous number of people volunteer their time each year—approximately 40 million Americans last year. The spirit of volunteerism is strong in every economic class. According to a 1974 report, 12 percent of those Americans living below the poverty level were volunteers. For example, many of the most active participants in the meals on wheels program are themselves retired citizens living on fixed incomes.

Yet, despite their critical importance to our society, the work of volunteers has never really been appreciated. At best, their contributions are taken for granted. Too often, the Government actually discourages their efforts. For example, volunteers who use personal automobiles in the course of their service may take a tax credit of 9 cents per mile. If the same people use the same automobiles for business, they can deduct 17 cents per mile. There is no fair explanation for the difference between these figures.

The present surge in gasoline prices is causing a severe strain on volunteers and the social services which rely on them. Recently, I have been contacted by people who tell me that because of the increased cost of driving they will no longer be able to deliver those meals on wheels which are so badly needed.

The first bill I am introducing would begin to rectify this problem. It would grant to volunteers the same mileage credit which is now allowed for business purposes.

My second bill would demonstrate to the American people that the Federal Government official recognizes the importance of volunteerism as an essential positive component of our society. This legislation grants Americans who volunteer a minimum of 50 hours per year a credit for their Federal income tax. The amount of credit would be computed by multiplying the number of hours a person has volunteered by the Federal minimum wage at the particular time, but the total would be limited to a maximum of $750 per year.

The importance of volunteers to our Nation is immeasurable. The passage of these bills would be a way for our Government and our people finally to say, "Thank you" to volunteers. I hope very much that the Congress will act favorably on these two bills.●

MANIPULATING THE AMERICAN PUBLIC

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ASHBROOK. Mr. Speaker, the brand of imagery we are hearing from the Carter White House is wearing thin on the American people. In the last couple of weeks, President Carter and Mr. Rafshoon have pulled several rabbits out of the Presidential hat in an unrelenting effort to win back the public trust.

First, it was the circus at Camp David, where the President went into hiding with his public relations team and liberal allies from the Congress and big labor and assorted self-described spokesmen for the American people.

Next, it was Mr. Carter pounding the table on national TV, asking Americans to sacrifice, to tighten their belts a little tighter.

Then it was the Cabinet shakeup. The shakeup was to let the American people know that changes were taking place at the White House, that things were going to get better.

Then it was last week's conference when the President blamed everyone from the Washington press to the big oil lobby for his miserable failures.

Mr. Speaker, when is this administration going to come to grips with reality? When will they learn? The American people are not fooled. Inflation still hovers around 13 percent. Taxes are still much too high. Gasoline is still in short supply. Homes will still have to be heated next winter.

We have come a long way from the characterization of our first President as first in war, first in peace and first in the hearts of his countrymen. Now, we have a President who is first in inflation, first in shortages and 23 percent in the hearts of his countrymen.

I suppose that Members on my side of the aisle should be stirring with glee. But we are not. We know that the President needs help and we are willing to give it to him. But first, he is going to have to start listening.●

A FURTHER NOTE ON A CALIFORNIA MATTER

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BROWN of California. Mr. Speaker, ordinarily I would not comment on a matter which seemed limited to the State of California, but recent comments in this body about appointments of the Governor of California deserve some comment. This is especially true since the major purpose of these comments was to discuss the views one held about U.S. military involvement in Vietnam.

A column from today's Los Angeles Times should help clarify this discussion.

The article follows:

[From the Los Angeles Times, Aug. 2, 1979]

MISS FONDA DESERVES ARTS POST

(By Phil Kerby)

When Jane Fonda served her few days on the California Arts Council, I slept as well as I usually do. I had no fear that she was about to overthrow the state of California. Now that the state Senate has rallied around the flag and knocked her off the council, I feel about the same. The world seems to be continuing along its customary muddled and savage way.

Still, without arguing that her rejection was a pivotal point in human affairs, I think she would have been a nice addition to the state bureaucracy. She had ideas and energy and talent. My artistic friends who know about such things say she is the best actress extant, and they are upset over the way she has been treated by the politicians in Sacramento.

It is offensive to them that "politics" entered the equation. She should have been considered, they say, solely on her qualifications. Her political confidant, Gov. Brown, made the same point. Temporarily abandoning his cool, sardonic style, Brown said the senators who voted against her "lacked guts," and he fumed at the Senate for its "narrow-minded political" bias against the actress.

But politics, narrow-minded or not, is life, and life refuses to be parceled out in neat little rational packages. That's the way it is. Nothing can be done about it.

One state senator, overwhelmed by his own rectitude and speaking from the safety of the Senate chamber, accused Miss Fonda of "treason" during the Vietnam war, while one of her few defenders countered that "people have a right to express their views and not be called traitors."

Both themes were picked up and expressed in the letters column of this newspaper by readers with a robust sense of their own convictions. One wrote that the rejections of Miss Fonda was an "act of treason" by the Legislature "against our Constitution," while another said, "If there was an award for disservice to our country, Jane Fonda would win it hands down." (How easily the word "treason" is tossed about on all sides and applied—as it has been to her in this instance—to people never convicted of any crime.)

There is no doubt that Jane Fonda is an irritating personality. She is a woman and an actress, a double offense apparently to many critics. She is bright, which seems to arouse more antipathy, and she presumes to have opinions on matters of state, which have always been in the province of men to mess up.

But what aroused the most bile against her was the 1972 trip she made to Hanoi, an excursion that demonstrates how emotion in the best of causes can undermine judgment. While I was against the war, I never thought that Hanoi provided quite the fitting democratic platform to appeal to the folks at home to stop the conflict. It would have taken someone with even more skill than Miss Fonda possesses to turn that junket into less than a public relations disaster.

Yet I was not so disturbed over the trip as were some of my sulfuric colleagues because I never confused her with either Secretary Kissinger or President Nixon. I assumed that they, not she, wielded power. My opinion at the time was that the President, not she, could send the troops farther into the morass of Vietnam or withdraw them; that the President, not she, could order the bombers to fly or keep them on the ground.

Whatever little niceties of protocol she violated, I never thought her offense compared to the secret bombing in 1969 of a neutral country, Cambodia, or the corruption of the official record to conceal this merciless attack from Congress and the American people. Whatever mistaken sympathies she may have harbored, I never thought she was responsible for the saturation bombing of Cambodia in 1973 when more explosives were dumped on that wretched defenseless land than fell on Japan in all of World War II.

My assumption was that Nixon, with the courtier Kissinger dancing at his side, issued the orders and that Jane Fonda had little influence over them. Too bad. They might come out better in the history books if they had paid some attention to her. Of course, that's easy for me to say. I have no hope ever of being appointed to the California Arts Council.●

LEGISLATION TO PROTECT POTOMAC RIVER SHORELINE IS INTRODUCED

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BARNES. Mr. Speaker, I am very pleased to join today with my colleague and neighbor, Congressman JOSEPH FISHER, in introducing legislation to protect the shoreline of the Potomac River. The Potomac is one of the most magnificent, least-spoiled major rivers in the eastern part of the country, and this legislation is designed to protect its lovely character for present and future generations.

The bill designates the Interstate Commission on the Potomac River Basin as the agency to take a close look at the river's shoreline in Maryland, Virginia, and the District of Columbia. The Interstate Commission's task will be to work in close cooperation with local officials, private landowners, and other interested and affected parties to identify shoreline areas that are environmentally sensitive, or that hold special wildlife, recreation, or scenic values, and to recommend conservation strategies that would have local public support and are consistent with existing appropriate uses of private land along the shoreline.

The bill is not an effort to create a massive Federal land acquisition project along the Potomac. Rather, it is designed to protect fragile areas by a range of different activities: Increased public awareness of these environmentally sensitive areas; use of local or county zoning ordinances, or purchase of easements and development rights; public purchase for protection or recreational development; and other possible means of protection. In many places, it is likely that the study will find that no changes will be necessary.

I look forward to working with my colleague from Virginia, Mr. FISHER, in bringing the goals of this legislation to fruition.●

FAREWELL TO A DEAR FRIEND

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GUDGER. Mr. Speaker, as we head into our August recess, I will be returning home with a heavy heart. I have just learned of the death in my district of North Carolina, State Representative Mary C. Nesbitt, with whom I had the privilege of serving in the general assembly before coming to Congress.

I was deeply shocked and dismayed to learn of her passing on August 1. Her untimely death deprives our community of a great leader and us of a dear and important friend. We shall miss Mary Nesbitt deeply.

Perhaps Mary Nesbitt has been the outstanding educator of her generation in western North Carolina and she was western North Carolina's second woman to serve in the general assembly. An inspiring teacher in our public school system, she became a leader in the forces of education before completing her teaching career and she led many community, State, and national efforts to advance the cause of education.

Later, I came to admire her also as a lawmaker while serving with her in the general assembly and more recently had considerable communication with her while she continued to serve in Raleigh and I in Washington. A graduate of the 1931 class of the old Biltmore Junior College, now the University of North Carolina at Asheville, she was a member of that institution's first graduating class, along with my predecessor, in Congress, the Honorable Roy A. Taylor. She also held a master's degree from Western Carolina University where she later received the alumni award for distinguished service in the field of education.

She taught for 28 years in the public schools of her native Buncombe County

and was named to Gov. Dan Moore's commission to study the schools of North Carolina. She was the widow of Martin L. Nesbitt, Sr., principal of Oakley School, and was the daughter of Martha J. Cordell of Swannanoa, and the late Joseph Cordell.

In the general assembly, she served on legislative committees for human resources, education, higher education, courts, and judicial districts, constitutional amendments, finance, and local governments.

A participant in numerous other activities, and recipient of many honors, she will be remembered in western North Carolina by many of us as an exemplary educator of education and lofty purpose.●

SMALL BUSINESS CAPITAL FORMATION TAX ACT OF 1979

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. NOWAK. Mr. Speaker, I am introducing legislation to aid small business through the process of capital formation and depreciation reform, H.R. 5096, a bill to amend the Internal Revenue Code of 1954, to allow a deduction as an expense for certain amounts of office equipment and pollution control equipment, and to allow rapid amortization for machinery and equipment and motor vehicles.

WHAT THE BILL WOULD DO

This bill would provide for the simplification of a highly complex area of the Federal tax law. The provisions of this bill allow any business the election to deduct as an expense qualified office equipment and pollution control equipment. Motor vehicles would be permitted to be depreciated over a period of 2 years. In addition, machinery and equipment would be permitted to be depreciated over a period of 5 years. The criteria that a business must meet to qualify for the investment tax credit is unaffected by this bill.

Limitations are placed on the extent to which an election may be made under this bill. An election to expense qualified office and pollution control equipment within the year of purchase has limitations for the taxable year of $5,000 and $25,000 respectively. Further, there are limitations of $15,000 for motor vehicles and $50,000 for machinery and equipment on an election made for the taxable year.

Qualified office equipment is defined as any typewriter, adding machine, calculator, word processor, computer, cash register, telephone equipment, or similar equipment.

BACKGROUND

The crisis in capital formation has had a tremendous effect on small business. It has become apparent that the amount of capital needed to start or remain in business has grown dramatically. This has been occurring at a time when a small business' ability to raise and internally generate capital has been hampered by high interest rates, unfavorable tax laws, and Government regulation.

In order to promote capital formation and economic development, the Federal Government has up to now relied on tax incentive mechanisms such as investment tax credits, depletion allowances, and foreign tax credits. Although these tax laws are written for the benefit of all businesses, large business establishments have consistently reaped the greatest benefits from changes in the tax law. Since most small businesses experience marginal profits, or no profits at all during the early years of operation, their utilization of such incentives are severely limited.

This capital formation crisis has led to the need of permitting businesses to recover more rapidly the capital which it has. Small business have, further, found that they would like to see a massive simplification of the Federal tax law and regulations dealing with depreciation. Simplification would help small business avoid spending an inordinate amount of time and money complying with the depreciation provisions of the Internal Revenue Code.

I am also introducing today a companion bill, entitled the "Small Business Capital Formation and Reinvestment Tax Act of 1979." In my opinion, these two companion bills should be considered a step in the direction of channeling a more equitable share of the tax benefits for small business.●

REAR ADM. JAMES E. MANTEL TWICE A CITIZEN

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. WINN. Mr. Speaker, on November 1, 1979, after more than 34 years of service to our Nation and to the U.S. Naval Reserve Rear Adm. James E. Mantel will retire. He is currently serving as the Commander of the Reserve Naval Construction Force and the Commander of the First Reserve Naval Construction Brigade.

The brigade consists of 8 reserve naval construction regiments and 17 reserve naval mobile construction battalions throughout the United States. With more than 12,000 officers and enlisted reservists the brigade is the largest single command in the Naval Reserve. The units of the brigade are highly trained, hardware equipped, and self-sufficient combat ready units ready to deploy anywhere in the world in response to contingency construction requirements in the early days of any conflict.

In addition, Admiral Mantel commands 10 reserve augment units which will be called to bring existing active duty naval construction units up to wartime strength in an emergency. These augment units, together with the brigade, comprise the Reserve Naval Construction Force.

The Navy Seabees have long been recognized as a highly efficient and exceptionally well-managed asset which have served our Nation with distinction and honor since the earliest days of World War II. Admiral Mantel has continued that tradition and has significantly improved both the readiness and morale of the Reserve Seabees. Recently the Chief of Naval Operations stated that the Reserve Seabees are the most cost-effective use of manpower in the Navy today.

In these days when it is no longer fashionable to take pride in serving our country and contributions are often overlooked I am pleased to call attention to Rear Admiral Mantel's years of dedication to the cause of our national defense. Admiral Mantel first enlisted in the Navy as a seaman and served in both the active and reserve forces from 1945 through 1950. After being commissioned in September 1950 he served in a variety of positions with ever-increasing challenges and responsibilities. In Kansas City he commanded Reserve Seabee Divisions 9–17 and 9–18 before serving as operations and executive officer of Reserve Naval Mobile Construction Battalion 26 from 1964 to 1966. He went on to serve as commander of three Reserve Naval Construction Regiments, the 9th in Dallas, Tex.; the 2d in Great Lakes, Ill.; and the 6th which is also located in the Great Lakes area. He went on to serve as the Assistant Chief of Staff for Administration and Logistics for the commander of the 1st Reserve Naval Construction Brigade from 1973 until 1975.

Following his selection and promotion to rear admiral in 1976 he was appointed as Director of the Naval Reserve facilities engineering program where he served until he assumed command of the brigade in October of 1977.

Under his command there have been remarkable improvements in the Reserve Naval Constructional Force. Organizational changes have made significant improvements in mobilization readiness and have also contributed to marked improvements in the ability of command and control within the organization. In a more remarkable move he directed a 40 percent reduction in paperwork and a 39 percent reduction in the number of instructions with the resulting elimination of thousands of pages of paper and significant savings to the Government.

During the last 2 years Admiral Mantel has taken numerous steps to insure that the focus of training within the Reserve Naval Construction Force has been combat mobilization readiness. To insure that this goal is met he has directed his staff to become involved in mobilization planning and contingency support roles. The result has been much closer cooperation and understanding between Reserve Seabees and Regular Navy, Marine, and Air Force commanders. There is no doubt that this knowledge will pay tremendous dividends if we ever have to mobilize in an emergency.

It has been my privilege to know Jim Mantel and to follow his superb leadership and effective management while he has commanded the Reserve Naval Construction Force. He has worked with boundless energy, good humor, great depths of knowledge and expertise, patience and persistance, in order to achieve the vastly improved readiness posture of the Reserve Seabees within the past few years. He worked equally hard to see that the public was aware of our continuing need for naval construction forces in the Naval Reserve and tremendous asset they represent to all Americans.

Mr. Speaker, I take great pleasure in honoring this great American and in bringing to the attention of the Congress of the United States his substantial contributions to the welfare of our Nation. I am sure that my colleagues join me in wishing Rear Adm. Jim Mantel continued success in all of his endeavors and congratulate him on the completion of a remarkable and highly successful naval career.●

CANCEL PUBLIC TELEVISION

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PAUL. Mr. Speaker, as the American people are burdened with more and more taxes and inflation, the subsidization of such unnecessary activities as Government television becomes less and less tenable, even to liberals.

Is it morally right to tax working Americans so the well-paid elites of Washington and New York can have the TV programs they want? I say it was never justified, and this is obvious in today's economic climate.

I would like to say Amen to Stephen Chapman's excellent article on the subject, which appeared in Harper's, and was excerpted in the Washington Star. Cable TV, and other new technology which telecommunications deregulation would make possible, can provide diverse programing for all tastes, at no cost to the taxpayers.

CANCEL PUBLIC TELEVISION!

(By Stephen Chapman)

Two years ago the Carnegie Corporation, that bulwark of high-mindedness, felt the urge to issue one of its periodic bulls. The subject this time was public television, which is known to the great bulk of the populace as the station one flips past on the way from "Hawaii Five-0" to "Barney Miller."

One can safely assume that the people at Carnegie knew at the outset pretty much what they thought should be done about public television. More public money should be spent on it. That is what a Carnegie study had proposed a dozen years ago, and now seemed a good time to repeat the thought.

The commission thinks that some changes ought to be made—changes it explains and defends in numbing detail—but that the problems in public television and radio are pretty simple. The simplest and most important is money.

"There is a sense," the commission says, "in which Americans are denied what other societies consider vital: a flourishing public communications service, uncensored by commercial imperatives." President Carter's budget for fiscal 1980 includes $172 million for the Corporation for Public Broadcasting, which is about a fourth of all the money that will be spent on public broadcasting (the rest comes from state and local governments, colleges, foundations, private corporations, and public donations). The commission thinks a minimum of $640 million in federal funds is necessary to guarantee what it calls a "first-class, full-service public broadcasting system." In addition, other contributors should ante up $570 million a year by 1985 (up from $347 million in 1977).

Where will the federal government get the money to more than triple its spending on public broadcasting? The first Carnegie Commission proposed a tax on TV sets; this one recommends that commercial broadcasters be charged a "spectrum fee" for the right to use the nation's airwaves. Since that would raise only about $200 million, the commission suggests the remaining $440 million come out of general revenues.

The ostensible point of this medium has always been to improve programming quality. Here the commission harks back to E. B. White's dictum that "non-commercial television should address itself to the ideal of excellence, not the ideal of acceptability." In layman's terms this means that public television requires government help precisely because not many people watch it. From the point of view of public-television programmers and bureaucrats, the genius of White's rather inexact standard is that excellence, unlike acceptability, cannot be measured. So deciding what constitutes "excellence" must be left to government agencies and individual stations. The determination obviously can't be left to the preferences of the mass viewing audience; in fact, by the commission logic, mass popularity is incompatible with artistic quality.

That incompatibility was the original reason for creating a public system. The commercial networks, driven by the necessity of supporting themselves through advertising, had to appeal to as broad an audience as possible. The first Carnegie Commission thought it highly unfortunate that American viewers apparently preferred "Gilligan's Island" and "The Beverly Hillbillies" to opera, serious drama, or news documentaries. Since the American public wasn't willing to support "excellence" in television programming by watching high-quality shows, then citizens should be forced to support it through their taxes. The second Carnegie Commission doesn't question the logic.

The first commission had grand hopes for public television, which it said "is capable of becoming the clearest expression of American diversity." In practice, the medium has been something less than excellent or diverse. Programming, for the most part, has charted new frontiers of tedium.

At the time the first commission issued its report, one might have been able to argue that Americans didn't watch first-rate shows only because the networks didnt offer any. Unfortunately one can no longer make this argument, because the typical American now has a choice; he can watch the standard network fare, or he can tune in the rarefied offerings of public television. Almost everyone, it turns out, chooses the former. The most popular public-television shows reach no more than about five per cent of American homes. The least popular network shows—those that get cancelled—generally have twice the audience.

When the first Carnegie report was issued, one might credibly have argued that the only way to serve that portion of the television audience that wanted better and more sophisticated programming was through a government-supported noncommercial system. The financial exigencies of providing basic television service through a combination of local stations and national networks effectively made it impossible to aim some programs at small audiences wtih comparatively esoteric tastes.

WHAT TECHNOLOGY OFFERS

That remains true for advertiser-supported commercial television. Since 1967, though, improved technology and relaxed government regulations have opened up a range of ways to channel more diverse and imaginative programs to people who want them. Paycable, for example, has grown impressively in the past few years, despite its wrestling matches with the restrictive policies of the FCC, which has been most concerned with protecting existing commercial broadcasters. For years cable served, thanks to federal rules, mainly to provide network reception to relatively isolated parts of the country that had few or no local stations. In areas where cable would have competed with, rather than augmented, commercial broadcasters, the FCC stifled it. But recent court decisions and a new skepticism toward regulation at the FCC have permitted cable to expand into new types of service.

The most successful experiment so far has been Home Box Office, a national cable system owned by Time, Inc., which has grown from 250,000 subscribers in 1975 to more than 2 million today. For an average monthly fee of $8.17 HBO provides a mix of movies (most about six months after they are released to theaters and before they appear on the networks), variety specials (which it produces), and sports—all without commercials.

From the standpoint of those dissatisfied with what's offered by the networks, the primary attraction of cable systems like HBO is that they can appeal profitably to small but enthusiastic audiences. Even more specialized shows can be broadcast through systems that charge for each show through special channels that permit computer billing. One cable system showed a La Scala production of "Cavalleria Rusticana" to any subscribers willing to pay $2.50. There is every reason to expect that freely competing cable systems would offer the sorts of shows currently broadcast on public television—British productions, symphonies, plays, documentaries—if viewers want them.

AUDIENCE DECIDES

Cable is only the most immediate option. More variety can also be offered through satellite-to-home transmissions, video cassettes, and video-discs, to name just a few of the possibilities.

Cable is crucially different from public television, at least from the point of view of programmers. In cable and other forms of pay television, programming decisions have to be based on the preferences of the audience (however small) and not on some vague standard of "excellence" that makes the programmers the sole arbiter of taste, as in public television. Cable and other potential competitors thus threaten the power of people in public broadcasting.

For public television's viewers, such competition also presents a threat. Even if pay television offered exactly the same programming, these viewers would have to pay for it themselves instead of fobbing off the cost on the public at large. But self-interest in Chevy Chase is no basis on which to make public policy. If some viewers want a kind of programming and can afford to pay for it, then what reasonable purpose is served by shifting the cost to those people—generally less affluent—who care little or nothing about it?

The question the commission carefully avoids is the only interesting one: Why have public television at all? There is now no good reason for a government-supported system. Small audiences with tastes different from those of the great mass of Americans can be served by a variety of means ranging from cable to cassettes. And they can be served better since their preferences, and not those of public-broadcasting bureaucrats, determine what is offered. As for ex-

isting public television stations, they should either find ways to support themselves through advertising or donations, or go under.

And if they die? Well, they die.●

THE MINIMUM WAGE LAW

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ERLENBORN. Mr. Speaker, Representative HINSON and I today are introducing a bill to make important and necessary changes in the minimum wage law or, as it is formally known, the Fair Labor Standards Act. A summary and section-by-section of our bill follows for our colleagues' review:

SUMMARY OF THE FAIR LABOR STANDARDS AMENDMENTS OF 1979 (H.R. 5080)

YOUTH OPPORTUNITY

To increase job opportunities for young people, the bill provides a youth opportunity wage of 85 per cent of the current minimum hourly rate. The special youth wage may be paid to anyone less than 19 years old for the first six months on a job and to any full-time student.

Child labor laws would apply but, except for vacation periods, the youth wage could not be paid to students for more than 20 hours a week. Prior certification by the Labor Secretary would not be required, but a student would have to get proof of school enrollment for an employer.

The Secretary can require payment of unpaid wages and overtime compensation from an employer who pays less than the youth opportunity wage or who extends the 180-day limit for youngsters not in school.

Employers who displace workers who must be paid the minimum wage with those eligible for the youth rate will be subject to similar penalties.

The Secretary is to impose similar penalties against employers who hire young people for six months, fire them, and then hire other youngsters.

CHILD LABOR LAWS

Existing government regulations pertaining to child labor are well-intentioned but flawed. Most were written before retail and service industries were covered by the minimum wage law and so ignore recent technology. In many instances, they also fail to distinguish between, for example, equipment used in a wholesale bakery and that used in a neighborhood bakery shop.

Because of a recent court decision, current child labor regulations are, for all practical purposes, unenforceable. The law says that penalties for violations are to be paid to the Secretary of Labor, and the U.S. District Court for the District of Columbia on May 7, 1979, held this provision unconstitutional.

The bill remedies these defects.

Within one year after enactment, the Secretary is to review current child labor regulations and orders which apply to retail or service industries and revise them if he determines they could not be issued under the bill. Briefly, the physical characteristics of the equipment used would have to be considered, as well as the safety instructions and supervision offered, the potential for and severity and frequency of injury, and the economic benefit to the young people involved.

New regulations are to be based on hearings.

The unconstitutional penalties provision in the child labor law is removed by the bill. Thus, future penalties would be payable to the Treasury as is the case for violations of other parts of the minimum wage law.

DEFERRAL OF MINIMUM WAGE INCREASES

Under the 1977 Amendments to the Fair Labor Standards Act, the minimum wage will go from the current $2.90 an hour to $3.10 an hour on January 1, 1980, and to $3.35 on January 1, 1981. If we allow this to happen we will add another notch or more to the inflation spiral. Therefore, the bill defers these increases to 1982 and 1983, respectively.

TIP CREDIT

Under existing law, the tips paid employees may be included in computing their wage, but there is a ceiling on the amount of the tips which may be included in the wage computation.

Due to the 1977 Amendments, the ceiling was reduced from 50 per cent to 45 per cent on January 1, 1979, and is scheduled to go to 40 percent January 1, 1980. With each reduction in the tip credit, many jobs are lost. The bill, therefore, restores the 50 percent tip credit.

The following is a description of the changes made in the Fair Labor Standards Act of 1938 (referred to in the description as the "Act") by H.R. 5080.

Section 1. *Short Title.*—Provides that the bill when enacted may be cited as the "Fair Labor Standards Amendments of 1979."

Section 2. *Youth Opportunity Wage.*—Rewrites Section 14 (b) of the Act to expand job opportunities for youth. Subsection (a) provides that 85 per cent of the applicable minimum wage rate may be paid to (1) any youth under the age of 19 (in compliance with child labor laws) for 180 days by the same employer and (2) any full-time student (regardless of age but in compliance with child labor laws) for not more than 20 hours a week, except during vacation periods. Prior certification by the Secretary of Labor is not required, but a student must present to the employer proof of enrollment from the school he or she attends.

To insure that the youth opportunity wage provisions are not violated, the Secretary has authority to require unpaid wage and overtime compensation from an employer who pays a youth less than the wage rate allowed, pays the allowed rate for more than 180 days in the case of a non-student, or is engaged in a pattern and practice of substituting employees at the youth opportunity rate for those who must be paid the minimum wage or terminates non-student youth employees after 180 days.

Subsection (b) is a conforming amendment.

Section 3. *Child Labor Regulations for Retail and Services Employment.*—Amends section 3 of the Act, relating to oppressive child labor. Subsection (a) sets forth five considerations the Secretary must make in issuing orders or regulations under the child labor laws for employment in retail or service establishments. These deal with the employment opportunities or earning power of youths under the age of 18; the total work environment, including potential for and severity and frequency of injury; the age of other employees in such establishments; the economic well-being of the employees and their dependents, and their attitudes about employment.

Five considerations shall also be made by the Secretary in issuing any order or regulation respecting any equipment used in retail or service establishments. These deal with the physical characteristics of the equipment; the frequency or regularity of use by workers under the age of 18; the likelihood that they would not be employed if not permitted to use the equipment; the saftey instructions and supervision offered, and the potential for and severity and frequency of injury.

An opportunity for hearing must be provided for any order or regulation (or substantive amendment to such order or regulation) promulgated under this section; and such order or amendment is subject to judicial review and shall be held unlawful if not supported by substantial evidence on the record.

In evaluating the frequency and severity of potential injury, the Secreary shall consider available data relating to the number of injuries per total work population, the days of lost work, and the necessity for medical treatment.

Subsection (b) requires that the Secretary, within one year after enactment of these amendments, review existing child labor orders and regulations which apply to employment and equipment used in retail or service establishments to determine if they could be issued under these amendments and make any necessary revisions in compliance with these amendments.

Section 4. *Deferral of Increase in Minimum Wage Rate.*—The Fair Labor Standards Amendments of 1977 amended Section 6 of the Act to provide for an increase in the minimum wage rate to $3.10 per hour, effective January 1, 1980, and for a further increase to $3.35 per hour after December 31, 1980.

The amendment defers the above increases for two years. Effective January 1, 1982, the minimum wage rate is raised to $3.10 per hour, and after December 31, 1982, it is raised to $3.35 per hour.

Section 5. *Tip Credit.*—Under the definition of the term "wage" in section 3(m) of the Act, tips of tipped employees may be included in the computation of the wage of such employees in determining whether their employers have satisfied the minimum wage requirements. There is, however, a ceiling on the minimum wage requirements. There is, however, a ceiling on the amount of tips which may be included in the wage computation. Effective January 1, 1979, the ceiling was reduced from 50 percent to 45 percent of the applicable minimum wage; effective January 1, 1980, the ceiling will be reduced from 45 percent to 40 percent, as provided in the Fair Labor Standards Amendments of 1977.

Subsection (a) of the amendment restores the tip credit ceiling from its current level of 45 percent to 50 percent of the applicable minimum wage. Subsection (b) repeals the provision of the 1977 amendment reducing the tip credit ceiling to 40 percent.

Section 6. *Deposit of Civil Money Penalties in the Treasury.*—Section 16(e) of the Act provides for the imposition of monetary civil penalties against persons who violate the provisions of Section 12, relating to child labor and stipulates that sums collected as penalties shall be paid to the Labor Secretary.

On May 7, 1979, United States District Court for the District of Columbia held that this provision was unconstitutional. *Jerrico, Inc.* v. *Dept. of Labor, No. 78-0128 (D.D.C. 1979)*.

The amendment cures the defect by removing the unconstitutional provision. Civil money penalties for violation of Section 12 of the Act are paid to the Treasury in conformity with Section 16 of the Act.●

CHARLES T. FENTON PATIENCE REWARDED

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LEE. Mr. Speaker, I am pleased to bring to your attention today the

United States Department of Defense award of military decoration to Charles T. Fenton, a constituent of my 33d Congressional District of New York, who must surely be one of America's most patient defenders.

The award being presented is the Purple Heart, given Mr. Fenton for wounds he received during combat along the Hindenburg Line in France on September 29, 1918. Today, more than 60 years later, the United States is affording due recognition to one of its most faithful soldiers.

Mr. Fenton was seriously wounded by machine-gun fire and evacuated to the United States during the First World War battle. Yet, because of oversight or administrative error, this Government had not before acknowledged the debt it owed Mr. Fenton. Today, at 81 years of age, I am honored to transmit this military decoration to him as a signal of his Nation's continued thanks for his sacrifice.

I ask today that this House join in observing the award and in offering our apologies for the somewhat tardy performance of its departments in fulfilling the obligation of the Nation to Mr. Fenton.●

FOURTH ANNIVERSARY OF THE HELSINKI AGREEMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ASHBROOK. Mr. Speaker, on August 1, 1975, the Conference on Security and Cooperation in Europe concluded its business in Helsinki, Finland. The product of the Conference was the Helsinki agreement. This agreement was heralded by many as the beginning of opening the door to improved conditions for the millions held in bondage to the states of Eastern Europe. Unfortunately, on the fourth anniversary of this agreement, I look back on the history of compliance to the principles embodied in the agreement and find it is one more bitter disappointment for those who strive for freedom behind the Iron Curtain.

The two major sections of the Helsinki agreement that address human rights are titles VII and VIII. I would like to reprint these titles for my colleagues' information:

VII. RESPECT FOR HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS, INCLUDING THE FREEDOM OF THOUGHT, CONSCIENCE, RELIGION OR BELIEF

The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion.

They will promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development.

Within this framework the participating States will recognize and respect the freedom of the individual to profess and practise, alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience.

The participating States on whose territory national minorities exist will respect the right of persons belonging to such minorities to equality before the law, will afford them the full opportunity for the actual enjoyment of human rights and fundamental freedoms and will, in this manner, protect their legitimate interests in this sphere.

The participating States recognize the universal significance of human rights and fundamental freedoms, respect for which is an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and co-operation among themselves as among all States.

They will constantly respect these rights and freedoms in their mutual relations and will endeavour jointly and separately, including in co-operation with the United Nations, to promote universal and effective respect for them.

They confirm the right of the individual to know and act upon his rights and duties in this field.

In the field of human rights and fundamental freedoms, the participating States will act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights. They will also fulfill their obligations as set forth in the international declarations and agreements in this field, including inter alia the International Covenants on Human Rights, by which they may be bound.

VIII. EQUAL RIGHTS AND SELF-DETERMINATION OF PEOPLES

The participating States will respect the equal rights of people and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of States.

By virtue of the principle of equal rights and self-determination of peoples, all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development.

The participating States reaffirm the universal significance of respect for and effective exercise of equal rights and self-determination of peoples for the development of friendly relations among themselves as among all States; they also recall the importance of the elimination of any form of violation of this principle.

I think it is tragedy for the entire world that the nations of Eastern Europe have so flagrantly violated these provisions. Just last week East Germany issued a new set of severe restrictions on the freedom of its citizens. The Soviet Union still oppresses the Baltic States and leads the world in affronts to humanity. Now the Soviets have issued new citizenship guidelines that even reach to many of the first and second generation immigrants in America. Romania continues to obliterate the heritage of the Hungarian minority in that nation. Poland persists in its actions against religious freedom, despite the efforts of Pope John Paul II. In all of these cases the human rights situation is getting worse, not better in these signatory countries.

Probably the most tragic dissapointment to those enslaved under communism is the way the West has reacted to the escalating moves against freedom in Eastern Europe. Every year many of my colleagues stand up and express sympathy for the captive nations under communism. It is good that we call attention to the existence of captive nations, however, it is frustrating to see many of these same Members turn around and reward Romania with most-favored-nation trade status or send the Crown of St. Stephen back to the leaders of Hungary.

I watch with wonderment as my colleagues on the Senate side disregard those who died facing Soviet tanks in Hungary and Czechoslovakia in order to justify their trust of the Soviets in SALT II. The Carter White House says that its foreign policy is based on human rights and then it sends negotiators to Moscow to hammer out sellouts on trade and allies. Finally, the media does its best to seek out and expose the prisons and secret police of our allies, but bury Alexander Ginsburg's press conference on the Helsinki violations of the U.S.S.R. on the back pages.

Actions speak louder than words, but it seems that America can provide only words to those who suffer under Communist oppression. It is a sad commentary that many prefer to take only a rhetorical stand on such a fundamental issue as the freedom of millions of people in the world. One of these days the hopes of these captive people that have been bouyed by the courageous actions of Pope John Paul II, and by the dedication of many sincere people in this Nation may give way to dispair and surrender in the face of inaction by this Congress and this administration. There is still time to stop this trend. The Helsinki Agreement gave us the mandate, the will of the people of Eastern Europe gives us the inspiration. It is time for us to act by refusing to give into the posturing of Communist regimes and to assert our own set of demands on the Soviets before it really is too late for Eastern Europe and ourselves.●

SMALL SAVERS ACT OF 1979

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BIAGGI. Mr. Speaker, as New York's ranking member on the Select Committee on Aging, I introduced legislation today to correct one of the great injustices against the elderly, and all other small savers of our Nation. This bill, the Small Savers Act of 1979, would provide for a gradual phaseout of interest rate ceilings over an 8-year period beginning on January 1, 1981.

For over a decade the Federal Government has limited the interest rates that savers can receive on their passbook savings accounts. Certainly, this policy discourages savings, and prevents many Americans from improving their standard of living in the future. This policy is especially unfair to our senior citizens,

many of whom depend in part on the income from interest on savings for their livelihood.

While money market interest rates currently stand around 9 to 10 percent, and the inflation rate is over 10 percent, a person who put his or her money in a savings account can only earn about 5¼ or 5½ percent interest. After taxes and adjustment for inflation, the small saver is actually getting a negative return.

The losses to savers from deposit ceilings have been considerable. A recent study by Prof. Edward Kane of Ohio State University estimated that between 1968 and 1979, interest rate ceilings resulted in $42 billion in lost interest, and rate restrictions on all types of financial instruments cost $55 billion in interest. Kane estimated that $19 billion was lost by people over the age of 65.

Adding to this injustice is the fact that financial institutions are authorized to issue so-called money market certificates in denominations of $10,000 or more. While these certificates earn a market rate of interest, the small saver, who cannot afford such a large investment, is restricted by law as to the amount of interest he or she can earn.

At this time, I would like to review the causes of this unfortunate and unjust situation. Financial institutions—commercial banks, savings and loans associations, and savings banks—are required to operate under interest rate controls set by the Federal Reserve, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board. The interest rate control authority exercised by these regulatory agencies has become known as regulation Q. This term denotes, as a convention, the entire body of Federal regulations that limit the interest rates paid on the various classes of deposits at commercial banks and at thrift institutions. Also, under the regulation, thrift institutions, which provide savings and mortgage services, are able to offer their depositors one-quarter of 1 percent more than commercial banks.

Deposit rate ceilings and deposit rate differentials were intended to support thrift institutions, which have a lesser range of powers and services than commercial banks, by encouraging depositors to maintain their savings flows into mutual savings banks and savings and loan associations, thus helping to support the housing industry.

Unfortunately, the current inflation has brought money market interest rates into the 9- to 10-percent range, while regulation Q rates have remained static and substantially lower.

I was most encouraged when the President established an Interagency Task Force on Interest Rates, chaired by the Treasury, to review the fairness, effectiveness, and efficiency of these interest rate controls. The task force concluded that the ceilings are:

Ineffective in preventing sharp changes in the flow of funds to savings institutions and the housing markets;

Unfair to the smaller saver; and

Conducive to inefficiencies in the marketplace.

Based on this study, the President, on May 22, 1979, outlined in a message to the Congress, broad legislative objectives to help correct this unfortunate situation and promote fairness to small savers. Specifically, he asked Congress to "permit an orderly transition to a system where the average depositor can receive market-level interest rates on his or her savings."

It is on the basis of these findings and the request by the President that I am introducing the Small Savers Act of 1979. This bill provides for a gradual phaseout of regulation Q interest rate ceilings over an 8-year period beginning on January 1, 1981. It would appear that at the end of that 8-year period, the regulation Q ceilings would exceed the market rate, thus eliminating the restrictions on the amount of interest paid on savings deposits. Interest rate ceilings would be officially repealed, under this bill, on January 1, 1989.

While I firmly believe that this issue must be dealt with promptly, this legislation takes into account the serious and adverse effect the complete or sudden removal of ceilings might have on our economy. This is due to the imbalance of short-term liabilities and long-term assets in the portfolios of most thrifts, which are vulnerable when interest rates are rising rapidly. The bill gives institutions sufficient time to adjust their portfolios and operating policies in an orderly manner.

Further, the bill provides regulators with emergency power to delay the escalation of interest rate ceilings to avoid a serious economic crisis and sets up conditions for resumption of escalation. In this same regard, regulators are encouraged to accelerate the increases in the maximum rates of interest and dividends if it is determined feasible.

In addition, the legislation authorizes negotiable order of withdrawal (NOW) accounts—an interest-bearing checking account—and share drafts on a nationwide basis.

These NOW accounts and share drafts will enable consumers to earn additional interest income; will offer the consumer a more convenient form of transactions account; and will make it possible to spend less time and effort in managing deposits. Also, by granting NOW accounts to savings and loan associations and mutual savings banks, those institutions will have an additional means to attract deposits, the proceeds of which can be made available to the housing market.

Mr. Chairman, our Nation's small saver has suffered long enough from the regulation Q interest rate ceilings. During this time of increasing inflation and with the talk of a recession in the not-too-distant future, I certainly do agree with the President that "it is particularly unconscionable for the Federal Government to prohibit small savers from receiving the return on their deposits that is available to large and sophisticated investors."

Mr. Chairman, we have labeled inflation as the number one problem facing our nation today. While we have given a great deal of well-deserved attention to this critical problem, the fact remains that very little has been done to ease the increased economic burden borne by those persons on fixed-, low-, and middle-incomes—whose savings are concentrated in passbook accounts. Recognizing this fact, I introduced the Small Savers Act of 1979, and I am hopeful that my colleagues will join me in effectively addressing the problem by giving this legislation prompt and favorable consideration.●

A NATIONAL DAY OF PRAYER FOR ISRAEL

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. McHUGH. Mr. Speaker, it has been called to my attention that the American Board of Missions to the Jews, which is located in Orangeburg, N.Y., has suggested that our Government officially proclaim August 2, 1979, which is Tish b Av on the Jewish calendar, a national day of prayer for Israel.

Although I would support such a proclamation, I also recognize that this information was brought to my attention too late for Congress to act officially to proclaim August 2 a "National Day of Prayer."

Nonetheless, I would like to take this opportunity to urge my colleagues to set aside a few moments today to consider the trials that the children of Abraham have suffered over many centuries, and to call upon the Lord for His continued protection of a people who are struggling to keep this tiny bastion of democracy alive in the Middle East.

Mr. Speaker, the last 30 years have been a period of struggle and suffering for the people of Israel. They have experienced three major wars and the unrelenting hostility of their neighbors. Many have died preserving the independence of Israel, and those who have survived have experienced no real peace.

Having said this, it is also important for us to recognize that the last 30 years have been a period of triumph and fulfillment. The people of Israel have been tested, but they have managed to persevere against the most incredible odds. They have carved a nation from the desert, and in doing so they have given hope to all those who struggle for the survival of freedom and democracy around the world.

Moreover, the resolve of the people of Israel finally appears to be bearing fruit. In the last year major progress has been made toward a just and lasting peace in the Middle East. Egypt, the ancient enemy of Israel, has concluded a treaty of peace which offers new hope to the peoples of both nations. This singular event also gives promise that other nations in that region will eventually follow suit, and that the people of the Middle East will finally turn their energies from war to peace.

Throughout our history, Mr. Speaker, the American people have steadfastly

supported and encouraged the people of Israel because we share so much in common. Our traditions and values, our cultures, and our love of liberty have forged a lasting bond between us. Thus, it is only appropriate that all of us devote a few moments today to reaffirming the ties between our two great nations.●

SUBSTANTIAL PROGRESS ON REVISION OF THE FEDERAL CRIMINAL CODE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DRINAN. Mr. Speaker, yesterday the House Judiciary Subcommittee on Criminal Justice held a press conference to announce that it has substantially completed its revision of the Federal Criminal Code, and that a general consensus in favor of the bill's approach has been reached with the Senate Judiciary Committee and U.S. Department of Justice.

As chairman of the subcommittee, I would like to praise the individual subcommittee members for their many hours of dedicated work. The ranking minority member, Congressman THOMAS N. KINDNESS, of Ohio, the gentleman from Michigan (Mr. CONYERS), the gentleman from Texas (Mr. HALL), the gentleman from Oklahoma (Mr. SYNAR), the gentleman from Illinois (Mr. MIKVA), the gentleman from Alabama (Mr. SHELBY), the gentleman from Michigan (Mr. SAWYER), and the gentleman from California (Mr. LUNGREN) have spent hundreds of hours laboring at a task which most of their constituents will never read about in the headlines of their local newspapers. Even so, the recodification of the Federal Criminal Code is a vitally important task which will have far-reaching and positive effects on the administration of justice in the United States.

The materials which follow include several of the statements made at yesterday's press conference—an event whose participants included the chairman of the House Judiciary Committee, the gentleman from New Jersey (Mr. RODINO); the ranking minority member of the full committee, the gentleman from Illinois (Mr. MCCLORY); the senior Senator from Massachusetts and chairman of the Senate Judiciary Committee (Mr. KENNEDY); the junior Senator from Utah and member of the Senate Judiciary Committee (Mr. HATCH); and Attorney General-designate Benjamin Civiletti.

STATEMENT OF ROBERT F. DRINAN, CHAIRMAN OF THE HOUSE JUDICIARY SUBCOMMITTEE ON CRIMINAL JUSTICE, AUGUST 1, 1979

Over a decade ago, Congress made a commitment to enact a new federal Criminal Code which would replace confusion with clarity and consistency.

Today, that commitment is nearer to realization than ever before. By patient and persistent cooperation, the Judiciary Committees of the House and the Senate are in substantial agreement on the basic ingredients of a Criminal Code which follows substantially the recommendations of America's most distinguished jurists.

The proposed Criminal Code does not withhold from federal law enforcement officials any power which they need to restrict and hopefully curb the rise in the incidence of serious crime. At the same time, the proposed Criminal Code strictly adheres to the fundamental principle that federal law enforcement should not interfere with the police powers of the local communities or of the states.

The proposed Criminal Code, moreover, does not compromise those rights granted to persons accused of crimes in the Fourth and Sixth Amendments of the Bill of Rights. The Code, furthermore, clarifies and strengthens those rights conferred upon defendants in criminal cases which have evolved over several centuries of Anglo-American criminal jurisprudence.

It should be stressed that there is a broad consensus among attorneys and professional groups within the legal profession on the desirability of codification of our criminal laws. Codification has worked out well in the thirty-five states that have codified their criminal laws.

There is a broad consensus in the legal community that, for example, criminal culpability should be defined by four states of mind, rather than the fifty or more such states of mind now in the federal criminal law. There is also a consensus that sentencing should be streamlined and that punishment for felonies and misdemeanors should be uniform.

The Criminal Code which the Subcommittee on Criminal Justice hopes to report out in September, is characterized by balance. It will not contain anything objectionable to the civil liberties community. Nor will it be opposed by federal law enforcement officials.

Disputes may, of course, occur with regard to a very few provisions, but the overall documents will be looked upon both by those who prosecute and those who defend as substantially fair, just and balanced.

This revision is the work product of nine lawyers who accepted the unique challenge of filling the commitment made by this Congress years ago to bring about a comprehensive, clear and consistent criminal law for the federal government.

It is hoped that the House Judiciary Committee will approve this criminal code revision this fall. With continued collaboration between the Judiciary Committees of the House and Senate, we can hope that a comprehensive Criminal Code can become law in the 96th Congress.

Today we announce a major step toward the culmination of a process of which we can all be proud. A Criminal Code will be a monument to our dedication to the principles of justice and compassion to those accused of crimes and threatened with a loss of their liberty.

Now, finally, is the time when the bench and the bar, prosecutors and defense attorneys, Congress and the country can agree on a Criminal Code that simultaneously punishes crime while defending the civil liberties of those accused of wrongdoing.

Over a decade ago, President Johnson sent a message to Congress urging action a comprehensive revision of the Federal criminal law. President Johnson stated:

"A number of . . . our criminal laws are obsolete. Many are inconsistent in their efforts to make the penalty fit the crime. We are a nation dedicated to the precepts of justice, the rule of law and the dignity of man. Our criminal code should be worthy of these ideals."

President Johnson's mandate is closer to fulfillment today than ever before.

History will not forgive us if we fail. History will not forget us if we succeed.

REMARKS OF SENATOR EDWARD M. KENNEDY

Attorney General-designate Civiletti and Phil Heymann of the Justice Department, my colleagues in the House of Representatives, Pete Rodino and Bob McClory and Bob Drinan and Congressman Kindness and the members of the Judiciary Committee, Senator Hatch, who has taken such interest in this issue, Strom Thurmond, who just left a few moments ago, who was involved in our Conference Committee on the Magistrates and very much involved in the discussion and debate and hopes to be here momentarily: I first of all want to join today in commending the House Judiciary Committee and particularly the work of Bob Drinan and Congressman Kindness and all of the members of the Committee for really an extraordinary effort in the process of legislation. I think the Congress has been well served. I think the whole process has been well served on an issue of enormous complexity; an issue which this country has not addressed since its founding some 200 years ago in the way in which we are addressing at the present time.

It is an issue on which I think we in the federal government can take very considerable inspiration from what has been happening in the states around the country. There are only 3 states that have not addressed the issue of the recodification of their criminal codes or brought about at least some aspects of sentencing reform. In one respect we in the Congress are playing catch-up ball on an issue of incredible significance.

Knowing of the work of Congressman Drinan, and the work of his Committee, those of us on the Senate Judiciary Committee come here today to pay tribute to his diligence, to the tirelessness with which he has approached this issue, and for the very comprehensive way in which he's addressed it. We have over the period of the past months and the early part of last spring worked with members of the Committee, with Congressman Mann and other members of the Judiciary Committee. This is an issue of, as I mentioned, enormous complexity. It's going to be extremely challenging to bring a final product in which all of the members of the House of Representatives or the Senate of the United States would agree on. But nonetheless we're challenged with this opportunity and I agree with Congressman Drinan: We are not going to fail our responsibility in the Senate and quite clearly in the House of Representative in recodification of the criminal code and sentencing reform.

The legislation which we will consider in the Senate Judiciary Committee will be the working draft, a product of the House of Representatives. There will also be an effort, obviously, to benefit from the work of the House Judiciary Committee in this past several months as well as the past Spring when they raised a number of issues.

I commend the House for developing legislation that is comprehensive. It includes the important aspects of sentencing reform. It deals with the issues of culpability which are so widely diversified in the current criminal code. It brings about significant reorganization in a way which I think is commendable, and there are many other features to it which are extremely close to the thinking in the Senate.

I'm absolutely convinced that we can pass legislation in the House and the Senate and in the Conference Committee which will be overwhelmingly accepted by the members of both the Committees. I welcome the opportunity of working closely with the House Judiciary Committee and to join in

paying tribute to their monumental achievement here today.

Our full Judiciary Committee will have hearings on September 11, 13, and 18. We have had some 41 days of hearings on related matters which are included in the recodification of criminal code. We have had many days of markup and we believe that these 3 days of hearings and the work that will be done by the members, and has already been done by the members of the Judiciary Committee, will give us an opportunity to work in parallel time frames with the House of Representatives so that we can get an end product of an undertaking which was begun many years ago and which we believe, as Bob Drinan and the other members of the Judiciary believe, is long overdue.

We will not be successful or would not be successful unless we had strong bi-partisan support.

REMARKS OF ATTORNEY GENERAL-DESIGNATE BENJAMIN CIVILETTI

Thank you Chairman Drinan, Chairman Rodino, departing Chairman Kennedy and distinguished and hard working members of this Subcommittee.

I noted in the past that several predecessors in office, whether they be Deputy Attorneys General or Attorneys General believed that a modern federal criminal code preserving the best of the current federal law, making improvements where they are needed and incorporating the product in easily understood format would be a material and substantial benefit to this nation. A vision of such a code was developed by the National Commission on Reform of the Federal Criminal Laws at the beginning of this decade. Since then a great deal of work has been devoted to this project.

Early last year, the Senate passed a comprehensive bill that earned the strong support of the Administration. We are here today to provide a joint recognition to an equally crucial facet of the general effort. The conclusion of a highly concentrated series of intense working sessions as result of which the House Subcommittee on Criminal Justice will soon have prepared a basis for House action on comprehensive criminal codification.

It is appropriate to pause at this time to pay tribute to the effort made by the Subcommittee which is truly remarkable. Too often after legislation is passed, in the congratulations and hubub of the passage, the dedication and diligence and perservance of the Subcommittee work, which is all-important to the passage of important comprehensive legislation, is overlooked. Therefore, I think it is appropriate and rewarding we have this occasion to pay that tribute.

Chairman Drinan and members of his Subcommittee are to be commended and honored for their concentration and for their diligence. That's not to say, of course, as others have remarked, that their initial product will necessarily be perceived as perfect, few products are, or even perhaps desirable by all who are interested in and committed to achieving a fair and effective Code.

I'm sure, however, that the Subcommittee members themselves are the first to recognize that although an important segment of their work has been completed, and completed successfully, in a larger sense there is vital work yet to be done. The inevitable refinements and reconsiderations and debates, will, I am hopeful, result in further improvements of this initial product or draft and will provide the House with a sound basis for reaching a favorable conclusion of this long developing process and of this long needed reform.

I pledge my personal effort and that of the Department of Justice and of the Administration in working to achieve this long-sought goal. Thank you.●

HOME HEATING OIL ISSUES

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BEDELL. Mr. Speaker, I took the floor yesterday to tell the House about a meeting I had, as chairman of the Small Business Subcommittee on Antitrust, with a group of home heating oil distributors from New York. They were concerned about a recently announced change in Gulf Oil credit terms for dealers.

One consequence of this sudden change in policy is that Gulf dealers are forced to cut back on the amount of home heating oil they would take delivery on from refineries this summer. As a result, national inventory statistics for Gulf may be artificially high, while dealer inventories at the local level plummet.

A report I received today from the staff of the Antitrust Subcommittee confirms that Gulf is not the only oil company that is shipping less product to dealers than is normal at this time of year. Throughout the country, we see dealers' inventory levels significantly below normal and summer fill programs behind schedule. And yet the national statistics on the amount of product in primary storage continues to rise.

I discussed this issue yesterday. Today I would like to discuss another aspect of this apparent slowdown in the distribution of heating oil from refiners' inventory to the local level. The other issue is price.

Just since the beginning of this summer the wholesale price of home heating oil has gone up approximately 12 cents per gallon. There are indications that the total increase may be as much as 20 cents by the end of this summer.

Normally, dealers use the summer months to fill their customers' tanks while demand is low and business is slow. This helps avoid a sudden surge in demand in the fall and it allows both consumers and distributors to level out their purchases of fuel during the year.

If dealers cannot fill their customers' tanks in the summer months, it does not mean that less home heating oil will be needed in the fall. People will still need to heat their homes when the frost comes. The difference is that if customers are forced to buy the fuel in September instead of early in the summer, this year it may cost them 20 cents a gallon more.

Mr. Speaker, this is unconscionable. We all are well aware of the severe strain being placed on the budgets of average Americans by rising energy costs. For senior citizens and others on fixed incomes the situation is becoming critical. So, it distresses me to see some of our major oil companies pursuing policies that appear destined to further aggravate the problem.

The Antitrust Subcommittee held hearings in Washington in May and June, examining various aspects of the supply and distribution of middle distillate fuel—diesel and home heating oil. In August and September we will hold field hearings on this subject in the Midwest and New England.

We got into this issue because it looked like the main victims of the oil companies' policies were the small businesses that serve as their distributors. But it is beginning to look like the harm extends to private citizens and the general public.●

PLO MORE FORTHCOMING ON PEACE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FINDLEY. Mr. Speaker, I would like to call the attention of my colleagues to a speech made in the United Nations on June 12, 1979 by Abdel Rahman of the Palestine Liberation Organization. As the July 16 Christian Science Monitor editorial states, this speech gives positive indications that the PLO is becoming more forthcoming in the Middle East peace process. In fact, the PLO came "amazingly close to recognizing Resolution 242, which is the basis for the Mideast negotiations," as the Monitor rightly notes.

I would like to point out the following passage, in particular:

As I have said in previous statements and as has been affirmed and confirmed by my colleagues in the PLO, peace is our goal, our objective; we struggle for it, we want it—for we are not a bunch of masochists. We do not enjoy suffering and we do not enjoy dispersion; we do not enjoy exile either. We are normal people, like any other people in this world. We want to live together as Palestinian people; we want to be allowed the opportunity to build a nation, to reconstruct our national identity, create a culture, put it together and establish normal relations with everyone in this world.

In order for this to be achieved, certain conditions have to be established. Those conditions are: total Israeli withdrawal from the occupied territories; recognition of the national rights of the Palestinian people, which include the right to self-determination and national independence; and a just solution of the Palestinian refugee problem, in accordance with the resolutions of the United Nations pertinent to the refugee problem. When these conditions are met, peace can be established very soon thereafter.

The editorial and Mr. Rahman's speech follow:

AND NOW, MR. ARAFAT?

Only three months ago Yasser Arafat, leader of the Palestine Liberation Organization, was forecasting a revolution against President Sadat and scorning the Egyptian leader as a traitor to the Arab cause. This in reaction to the Egyptian-Israeli treaty. Yet this weekend he sent a PLO delegation to help Turkish officials negotiate a settlement with the four Palestinian gunmen who had seized the Egyptian Embassy in Ankara, killed two guards, and taken about a dozen hostages. The PLO disclaimed any connection with the terrorists and its intervention saved the day. The terrorists gave up and the hostages are safe. All of which suggests that the PLO bark is sometimes worse than its bite.

Divorcing himself in this concrete way from Palestinian extremists could help Mr. Arafat's standing in the world. More than that. He now has an opportunity to continue projecting an image of moderation and reasonableness, a stance that would surely

win the Palestinians even more public sympathy, facilitate the Egyptian-U.S. hand in the current Mideast negotiations, and ultimately make it possible to bring the PLO into the negotiations.

Inasmuch as most Palestinians in the disputed West Bank as well as Palestinians elsewhere look to the PLO as their representative body. It is clear the PLO will have to be involved in the autonomy talks if those talks are to go anywhere. The dilemma is how to bring this about. Israel has a legitimate position in arguing it will not sit down at the table with an organization "bent on the destruction of Israel." At issue is the PLO's Palestine National Covenant, which calls for armed struggle against Israel and affirms its strategic goal of destroying Israel. Obviously, as long as that charter is allowed to stand as worded, Israel will always be able to justify its position. Other past PLO statements denying Israel the right to exist as a Jewish state are similarly impediments to serious negotiation.

Yet, as is so often the case in the Arab-Israeli dispute, the "other side" too has logical arguments. The PLO contends that, if it publicly acknowledges Israel's right to exist and alters its charter, it will be giving up its one major bargaining card. It feels that card is all the more crucial in light of the Israeli proposals for the West Bank—a plan the PLO fears, and with justification, would not only deprive the Palestinians of true autonomy but would legitimize Israeli control of the region. The PLO further argues, and again not without logic; why should it recognize Israel's territorial integrity and its rights as a sovereign state if Israel does not in turn recognize the Palestinians' right to exist as a state?

Whatever the merit of its arguments, however, the PLO must realize that its present stance costs it support in the West. The fact is, it has other levers, including a softening international climate, the backing of the major Arab powers, and a United States which for the first time since 1948 has gone to bat for the Palestinian cause in a purposeful way. The PLO will have to be careful not to throw these significant gains away. And it ought to weigh carefully whether a softer official stand on Israel is not more likely to win popular support and help in the US and elsewhere than perpetuating the image of an organization made up of terrorists determined to push Israel into the sea.

There are some positive signs that the PLO is in fact being more forthcoming. In a little-publicized speech before the UN Security Council last month, the PLO came amazingly close to recognising Resolution 242, which is the basis for the Mideast negotiations. It said it wanted to build a nation and "establish normal relations with everyone in the world" (our emphasis) and the "conditions" for achieving this were total Israeli withdrawal from occupied territories, recognition of the rights of the Palestinian people, and a "just solution of the Palestinian refugee problem." These elements are close to the phrases of 242.

"When these conditions are met, peace can be established very soon thereafter," the PLO statement concluded. Peace, in other words, with Israel.

This strikes us as encouraging. Mr. Arafat's action in the case of the raid on the Egyptian Embassy is still another positive note. If he and the PLO continue along this constructive path—and put down the irresponsible militants in their midst—it will be difficult for Israel to deny them a proper role at the negotiating table, and public support for a settlement in which the rights of both Israel and the Palestinians are safeguarded is bound to grow.

SPEECH OF ABDEL RAHMAN

Mr. Abdel Rahman of the Palestine Liberation Organization (PLO): Mr. President, since this is the first time that I have spoken during your presidency allow me to congratulate you on your assumption to the presidency of this Council for this month. We are confident that under your wise and skillful guidance the business of this Council will be fruitful and productive.

In reference to the situation in Lebanon, the position of the Palestine Liberation Organization is very clear. As has been reiterated time and again before this Council and on every other opportunity that we have had to express ourselves, we are for the territorial integrity of Lebanon, we are for the national unity of Lebanon, and we respect the sovereignty of Lebanon.

So far as the United Nations Interim Force in Lebanon (UNIFIL) is concerned, the recent report of the Secretary-General is as clear in that regard as previous reports of the Secretary-General have been; the position of the PLO is one of full co-operation with UNIFIL in order to allow it to implement its mandate.

The Palestine Liberation Organization and the national Lebanese movement adopted a declaration a week ago wherein they made gestures, reflected in concrete actions, to facilitate the work of UNIFIL and to accommodate the Lebanese Government. Among the essential points made in that declaration is the fact that the Palestine Liberation Organization declared it would withdraw all resistance offices from the city of Tyre and would withdraw all armed forces from villages and towns in southern Lebanon. This is in addition to other elements of that declaration which are directed specifically to alleviating the situation of the people living in south Lebanon.

What was the response of the Israeli Zionists to that declaration? Further brutal and cowardly attacks on concentrations of Lebanese as well as Palestinians. I say "cowardly" because it cannot conceivably be heroic for anyone to fly a plane 10,000 feet above a defenceless civilian population and drop bombs on them to kill them. That is not an act of heroism and therefore it should be described as it really is, an act of cowardly murder against the civilian Palestinian and Lebanese populations.

The Palestine Liberation Organization has part of its headquarters in Lebanon. That is not because the PLO moved into Lebanon and created refugee camps around it. It is logical that people in exile in refugee camps should be able to use men and women who fight for justice. We did not gather the Palestinians around our offices, we grew out of the Palestinian refugee camps. There is no shame in starting a revolution from outside, especially if one is expelled from one's home and property and finds oneself forced to live in exile. General de Gaulle did not fight the Nazis from inside France, he conducted his war of liberation against the Nazis from outside France. Other national liberation movements such as those of our brothers in southern Africa have part of their military and political forces outside their own countries in neighbouring friendly countries which believe in the justice of their cause and which are willing to make sacrifices sometimes to allow them to continue their just struggle, a struggle that is recognised by this august body as well as by other organs of the United Nations.

We have heard a lot about the question of peace. The Zionist representative definitely uses a perverted logic and I think he is a master of that. The perverted logic lies in the fact that he is talking about a peace that will tear the Palestinian people into pieces and not a peace that will secure justice for the Palestinians. The Camp David Accords, with the name of which we have been bombarded so often, clearly deny the Palestinian people their right to self-determination. They legitimize the Israeli foreign occupation of the territories seized in 1967. They do not deal with the question of the settlements nor with the question of Jerusalem. They do not recognize the national integrity of the Palestinian people.

They divide the Palestinian people into several categories. Those who live in the West Bank are separated from those who live in the Gaza Strip, and those who were expelled in 1967 are different from, and in fact have no relationship with, those who were expelled from their homes in 1948. And they have been used, at least in concrete Israeli policies, to aggravate the situation of the Palestinians, to allow the Israeli racist Government of Menachem Begin to expropriate more land, confiscate more property and conduct more and more aggression against the Palestinian people by imprisoning Palestinians and by closing institutions of higher education, such as Bir Zeit University, as a result of which the whole international academic community declared its condemnation of the State of Israel for that act of infringement on the academic freedom of the people of the occupied territories.

Furthermore, there are the extremely dangerous vigilante acts conducted by the settlers against the people in the occupied territories. On 2 May several thousands of Israeli settlers brandishing machine-guns moved into the occupied territories, into the villages and towns, harassing, humiliating and beating our people. And when a "civilized" professor of medicine, who at least should have had some respect for human life, found it proper to take his gun and shoot a student at Bir Zeit University, the man who committed that crime was gaoled for two days only, and he is now free.

On 26 May a gang of settlers from Kiryat Arba entered the city of Hebron, occupying the houses of Palestinians, terrorizing the inhabitants of those houses and beating up women and children, telling them: "These houses belong to the Jews. Get out of here."

The acts of the people who committed those crimes, which are reminiscent of those of the storm troopers of Nazi Germany who used to terrorize innocent Jews, are very threatening and very disturbing, not only to us, the Palestinians, but to public opinion in general. However, there has been not one single statement from those who consider themselves champions of human rights to protest about these crimes against the innocent Palestinian population. On the contrary, they seek to find excuses for them. Not only do they not condemn them, but they excuse them, finding reasons to rationalize those acts, whereas those crimes should be condemned by the international community as a whole.

Why does all this take place? Because we have an illegal occupation—an occupation that denies people their basic human rights, including their right to self-determination. It is an occupation that is directed at the very existence of the Palestinian people as a nation, because the confiscation of land and the establishment of settlements have to be seen in the light of what land means to the Palestinian. Land to the Palestinian is not only the source of his livelihood: land to the Palestinian is the geographic base where he, as an individual and as part of a collectivity, affirms his existence—where he, together with his people, should exercise his national existence. And if this land is taken away from him and ghettos of Palestinians are established in accordance with the plans that are set by the Israeli Government, this is an attack on the very national existence of the Palestinian people; it is an attack to pre-empt the possibility of the emergence of a national existence for the Palestinians and of their exercising that right.

As I have said in previous statements and as has been affirmed and confirmed by my colleagues in the PLO, peace is our goal, our objective; we struggle for it, we want it—for we are not a bunch of masochists. We do not enjoy suffering and we do not enjoy dispersion; we do not enjoy exile either. We are normal people, like any other people in this world. We want to live together as Palestinian people; we want to be allowed the opportunity to build a nation, to reconstruct our national identity, create a culture put it together and establish normal relations with everyone in this world.

In order for this to be achieved, certain conditions have to be established. Those conditions are: total Israeli withdrawal from the occupied territories; recognition of the national rights of the Palestinian people, which include the right to self-determination and national independence; and a just solution of the Palestinian refugee problem, in accordance with the resolutions of the United Nations pertinent to the refugee problem. When these conditions are met, peace can be established very soon thereafter. But if those conditions are not established, I think it is the moral as well as the legal obligation of the international community to stand together with the Palestinian people in their legitimate struggle for the achievement of their legitimate rights.

The Camp David Accords were described by an Israeli, Uri Avneri, not as documents for peace but as "a declaration of war against the Palestinian people, against their right to self-determination and against their right to national independence".

We the Palestinian people want peace—but peace with justice, not peace that will tear us to pieces.●

AMBASSADOR ELLIOT RICHARDSON SPEAKS ON LAW OF THE SEA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BINGHAM. Mr. Speaker, on July 14 Ambassador Elliot Richardson, the President's Special Representative for the Law of the Sea negotiations, delivered an address in Bath, Maine, on the occasion of the launching of the U.S.S. *Samuel E. Morison*. The speech points out the advantages to our national security which would be gained if we could achieve a Law of the Sea treaty. Since the House will be dealing with legislation pertaining to Law of the Sea later in the year, I urge my colleagues to give Ambassador Richardson's speech careful attention.

The speech follows:

NATIONAL SECURITY AND THE LAW OF THE SEA

In the waning days of his exciting, productive life, Samuel Eliot Morison urged us to face the future resolutely and to adapt boldly to a world in which unsettling change was an ever-present reality. "Have faith", he exhorted. "Hang on! In human affairs there is no harbor, no rest short of the grave. We are forever sailing forth afresh across new and stormy seas, or into outer space."

Unsettling change, triggered mainly by the burgeoning claims and aspirations of Third World countries, has overtaken the seas Admiral Morison loved so passionately. Next week in New York representatives of more than 150 countries will resume their striving to channel these forces of change in directions which promote world order. They hope to accomplish this high purpose through a treaty negotiated at the Third United Nations Conference on the Law of the Sea.

Morison the historian—his ravenous curiosity aroused—would have been drawn inexorably to this Conference for it represents a landmark effort by the world community to establish the rule of law over every conceivable use of salt water. Morison the sailor would have examined with flaming interest its implications for American naval operations. And Morison the humanist would have applauded its goal of reducing tension and conflict around the globe.

As we launch this warship, the namesake of a gallant naval officer and an indomitable scholar, it seems entirely fitting to speak of national security and the law of the sea.

Beneath the surface noise of contemporary debate on foreign policy rests a broad base of consensus on our most fundamental goals. We seek a world in which we are at peace with other societies, in which we and they are free to pursue our own interests and destinies, and in which the inevitable conflicts are firmly controlled and fairly resolved.

The primary goals of American national security policy are the subject of equally broad agreement. They are to encourage the evolution of the world we seek by building and maintaining a stable military balance among potential adversaries and by discouraging breaches of the peace that could lead to superpower confrontation or prejudice our basic interests. The missions, levels, weapons systems, and deployments of our land, air, and naval forces, both nuclear and conventional, must be so designed as to proclaim to friend and foe alike their evident capacity to play their necessary parts.

Within this framework, the Navy bears a special responsibility for the prevention—the deterrence—of armed conflict. As Admiral S. G. Gorshkov, the chief architect of the formidable expansion of the Soviet Navy, has written:

"Owing to the high mobility and endurance of its combatants, the Navy possesses the capability to vividly demonstrate the economic and military might of a country beyond its borders during peacetime. This quality is normally used by the political leadership of the imperialist states to show their readiness for decisive actions, to deter or suppress the intentions of potential enemies, as well as to support 'friendly states.' Consequently, the role of a navy is not limited to the execution of important missions in armed combat. While representing a formidable force in war, it has always been an instrument of policy of the imperialist states and an important support for diplomacy in peacetime owing to its inherent qualities which permit it to a greater degree than other branches of the armed forces to exert pressure on potential enemies without the direct employment of weaponry."

Admiral Gorshkov's slap at our "imperialism" is, of course, standard Soviet rhetoric. The significant point is strong, if "backhanded," acknowledgment of the peacekeeping contribution of our and our allies' navies.

Nor has the importance of the Navy been affected by the reduction in the number of U.S. overseas bases and military personnel stationed abroad. That is the result of cost constraints, the strong self-reliance of our friends, and the practical lessons of the Viet Nam war, not, as some would have us believe, a contraction in the scope of our vital overseas interests. Indeed, it is hard to imagine where any such contraction is supposed to have occurred. Certainly not in the Middle East, the Persian Gulf, the Indian Ocean, or the Mediterranean. And if our overseas interests in distant parts of the globe have not diminished, the reduction in direct deployment of ground forces does not reduce but adds to the necessity for alternate means of protecting those interests. Our economic well-being, meanwhile, is continually more dependent on overseas trade and vulnerable to distant political developments. The combined result is to compel increased reliance on the strength, mobility, and versatility of the U.S. Navy.

To fulfill its deterrent and protective missions our Navy must have the manifest capacity either to maintain a presence in far-flung areas of the globe or to assemble such a presence rapidly. This capacity must embrace two essential components, one operational and the other political. The first is true global mobility—mobility that is totally credible and impossible to contain. The second is the right to sail and take up station without subjecting the United States to involvement with any other state.

This kind of flexibility makes possible the calibration of our responses precisely to the situation at hand. It draws on the Navy's unique ability to position itself at sea near foreign countries without entering the territory of friend or foe. It permits the movement of forces and supplies past the coasts of other countries irrespective of their view of the mission. In conjunction with the political as well as logistical capacity of our air forces to deliver material rapidly to our friends, we thus preserve the opportunity to persuade them to refrain from steps that would otherwise accelerate localized arms races.

Two accelerating developments in the law of the sea challenge these operational and political premises. First, great seaward expansion in coastal state claims of sovereignty reduces the area in which deployment can remain outside the claimed territory of actual or potential combatants. Second, these claims vastly increase the number of legal chokepoints around the world—mainly straits and archipelagoes—where naval and air transit is essential to the deployment.

These developments, which have not yet run their course, add greatly to the risk and cost of deploying global naval forces. True, once a catastrophic crisis is upon us, the question of risk and cost may be cast aside. It is in our preventive missions and our capacity to deter such a crisis that restraints are most acutely felt.

If deployments to far-flung regions of the world require that we defy the claims of third states along the way, they entail a high risk of political, economic, or even military conflict. What is then left of the credibility of our readiness to move forces into an area if and when necessary? What is left of routine deployments past such states? What political, economic, or military concessions will be demanded of us if we are forced to negotiate bilateral agreements to preserve a right to send warships and military aircraft through other states claimed waters? Most states, be it noted, have no interest in exercising the same rights off our coasts. What new forms of rivalry will face the major maritime powers if they can preserve military and commercial mobility at sea only by gaining influence over strategically located coastal states?

The net effect is to reduce intermediate options, forcing choices more and more in the direction of either inaction or serious conflict. The only way to bring this deteriorating situation under control is by shaping the assumptions of foreign coastal states about their rights and our rights in the oceans. This is not a matter of who has the superior legal argument. Foreign perceptions will continue to dictate the scope of operational risks and costs.

Thus, the ability of the United States to execute its preventive mission depends upon the existence of a consensus—a consensus of geographically significant coastal states—on rules compatible with the routine global deployment of our forces.

Analysis of the law of the sea, particularly by lawyers, tends to focus on legal substance

while ignoring the importance of international consensus in maintaining the international environmental needed to support optimum flexibility in global deployments. It is not enough merely to insist that freedom of navigation and overflight beyond a narrow territorial sea and unimpeded transit through, under, and over straits are essential. Nor is it enough to be prepared to assert our rights in the face of challenge. Our strategic objectives cannot be achieved unless the legitimacy of these principles is sufficiently accepted by the world at large that their observance can be carried out on a routine operational basis.

A new element of uncertainty has been added by the recognition that coastal states are entitled to exercise some forms of control far out at sea. Indeed, the United States, with passage of the Fisheries Conservation and Management Act of 1976, established a 200-mile zone in which all fishing activity would come under American jurisdiction. We are thus no longer in a position to base our global mobility on narrow limits of coastal state control for all purposes. Our mobility must be based on accepted distinctions between types of control.

The ocean environment I have described is neither stable nor predictable. The complicating factors stand out starkly:

First, 12-mile territorial seas would affect more than 100 straits around the world narrower than 24 miles. Among these are the Strait of Gibraltar, the Strait of Malacca, connecting the Pacific and Indian Oceans, and the Strait of Hormuz at the entrance to the Persian Gulf. There must be free transit of such straits.

Second, 200-mile fisheries or economic zones cover roughly 40 percent of total ocean area. If these ever come to be regarded by coastal states as their territory, most of our Navy's operational waters will be removed from the exercise of freedom of navigation and overflight. Checking the expansion of coastal state powers in waters that for some purposes are concededly under their jurisdiction becomes more difficult every day. It matters little that it was Soviet overfishing that originally caused a foreign state to declare 200-mile territorial sea if that claim subsequently leads to restraints on navigation either directly, or by encouraging similar claims.

Third, scores of developing states, with their newly asserted nationalism rampant, are in control of the coastlines along which our ships and aircraft must pass. Many of these Third World states have acquired patrol fleets and other craft capable of interdicting naval, commercial, and research ships steaming off their shores. Taken together, this increases the possibility of prejudicial claims, the risk of ignoring them, and the number of situations in which the overt exercise of high-seas rights would be needed to alter perceptions.

Clearly, then, the United States has a major interest in promoting the development of a widely accepted body of international law for the oceans. We must have a legal environment in which our own perception of our rights is unchallenged. This means the right of navigation and overflight free of foreign control, free of substantial military risk, and free of economic or political cost. We know that the old rules are no longer adequate to sustain such a legal environment. We have no choice but to adapt and supplement them. And in the circumstances it is apparent that a universal treaty—if the rules it contains are adequate—would be the most effective basis for maintaining the necessary global legal environment over time.

The negotiating text now before the Third United Nations Conference on the Law of the Sea, if incorporated in a widely ratified Law of the Sea Treaty, would meet this need.

First, by establishing a 12-mile maximum limit for the territorial sea, the text would prohibit further assertions of sovereignty by coastal states beyond 12 miles, and roll back some existing claims.

Second, under the text we would enjoy free and unimpeded passage through, under, and over straits and archipelagic waters. The provisions on these subjects emphasize the obligations of transiting states rather than the right of coastal States to control transit. This approach is designed to protect legitimate coastal state interests without permitting coastal State interference with transit. As you might expect, the only significant exceptions pertain to enforcement of internationally approved maritime safety and pollution measures.

Third, the text provides for an economic zone extending up to 200 miles from the coast. The most important aspect of the economic-zone text is that coastal state rights in the 200-mile zone are not open-ended. They are carefully circumscribed, and relate primarily to control of living and non-living resources. We would continue to enjoy full high seas freedoms in the economic zone for the purposes of navigation, overflight, and related operations.

Fourth, under the text we would be able to bring suit against a state that interferes with navigation or overflight. Compulsory third-party settlement of disputes would give us an important new option in our efforts to control and discourage claims that erode high-seas freedoms. This option would help relieve us of the agonizing choice between acquiescence and costly defiance each time a claim is made. In addition, the possibility of suit would strengthen the advocates of reason and restraint within foreign governments.

Significant though these benefits would be, we will not sacrifice any basic American interests to gain them. A Law of the Sea Treaty would deal with far more than navigation and overflight. Serious deficiencies exist in the current negotiating texts on deep seabed mining and the conduct of marine scientific research. We will insist on what we believe to be the improvements necessary to protect our interests in these matters. We will not accept a treaty unless they are forthcoming. In Samuel Eliot Morison's words, we will "have faith!" we will "hang on!" and do our utmost to bring negotiations to a successful conclusion.

Still, any treaty that has any prospect of widespread acceptance will have costs as well as benefits. Its measure is not whether it is better than the law as we would write it if we could. The measure is whether it is better than the situations most likely to evolve without it. All American interests must be weighed in making this decision. We can expect serious national debate if and when a Law of the Sea Treaty comes before the Senate. It is imperative that those concerned with national security ready themselves to take part in the debate, not just on the adequacy of the navigation articles, but on the overall effect of acceptance or rejection of a treaty on our national security posture well into the next century. Silence and indifference on this basic issue could lead potential adversaries to dangerous—and I trust erroneous—conclusions about the Navy's—and America's—perception of our future role in the maintenance of peace and security.●

REPEAL THE MARRIAGE TAX

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. QUAYLE. Mr. Speaker, there is growing momentum in Congress and across the Nation to correct a serious inequity confronting working married couples who file their Federal income tax reports jointly.

In my own State of Indiana, State Representative Phyllis Pond brought attention to this problem with a unique legislative remedy that would have permitted married couples to dissolve their marriage at 11:59 p.m. on December 31 and reunite 2 minutes later on January 1. This would have meant tax savings for couples enabling them to file returns as single persons.

While Representative Pond's action was in the end unsuccessful, it has underscored the discrimination and inequity for married couples who end up paying higher income taxes.

I have introduced H.R. 3386 which is designed to remedy the situation. My distinguished colleague from New Jersey (Mrs. FENWICK) also is a leader in the fight to remove the tax on marriage.

Under leave to extend my remarks in the RECORD, I include the following editorial from the Madison, Ind., Courier:

MARRIAGE TAX

Now that April 15 has come and gone and Hoosiers have completed their federal tax forms for another year, they have a far deeper appreciation for what Rep. Phyllis Pond, R-New Haven, was trying to do with what was probably the most unusual legislation introduced in the 1979 General Assembly.

Rep. Pond, in addition to being a legislator, is a teacher and a homemaker. She became perplexed over what she perceived to be gross inequities in the federal tax laws that penalized husbands and wives who both work.

She proposed a bill that would have resulted in the automatic dissolution of marriage for all Hoosiers, beginning at 11:59 p.m. Dec. 31 and ending two minutes later at 12:01 a.m. Jan. 1. The intent was to make it possible for married Hoosiers to be able to file returns as single persons at significant tax savings.

The legislation was never passed but it did create a greater awareness of the penalty married couples pay.

For example: This year a married couple without children and with total earnings of $10,000 paid $702 in federal income taxes. If they had been able to file as single taxpayers their total tax would have been $502.

The marriage tax was $200. A couple with total earnings of $25,000 paid $4,057 in federal income taxes filing jointly, but would have paid only $3,522 if they had been able to file as single taxpayers. The marriage tax was $535.

The fly in the ointment is the progressiveness of the nation's federal income tax system. The tax rate for a husband with a net income of $13,000 is 22 percent. Add a wife's income of $10,000, which would normally be taxed at a 19-percent rate, and the combined income is $23,000 and the tax rate is 32 percent, 10 percentage points higher on the husband's salary and 13 percentage points higher on the wife's salary.

Actions like those taken by Rep. Pond are finally awakening the U.S. Congress to the seriousness of the problem.

Rep. Dan Quayle from Indiana's Fouth District is among the leaders in the movement.

What needs to be done, he says, is simply give married couples the option of filing as if they were single, each taking the standard deduction and each using the single rate schedule.

That approach, while logical, may be too simplistic. With 57 percent of American fam-

lies now having both the husband, wife employed, the impact of such legislation on the federal treasury would be catastrophic.

Adjustments can be made in the tax schedule for a husband and wife filing a joint return that would modify the progressiveness of the tax schedule in this category.

The trend of the future, according to economists, is going to be towards more families with both the husband and wife working. In most instances the action is taken out of economic necessity. The secondary income, whether it be the husband's or the wife's, should not be treated as a luxury by the federal tax laws.

"There are those who believe the federal tax laws are actually discouraging couples from getting married, which serves as a tax disincentive and weakens the fiber of our society," Quayle commented.

Mobilizing the Congress to take any action which would reduce the total tax receipts will be difficult in the wake of the pressure to produce a balanced budget.

Still the inequities of the situation should be obvious.

The "marriage tax" should be removed; but if this is practically impossible, it should at least be modified.●

AMERICA OWES A GREAT DEBT TO GEN. EDWARD ROWNY AS HE TESTIFIES ON SALT BEFORE THE SENATE ARMED SERVICES COMMITTEE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. KEMP. Mr. Speaker, as a member of the congressional delegation to the strategic arms limitation talks, it has been a great privilege to come to know Lt. Gen. Edward Rowny, the Joint Chiefs of Staff's representative to SALT. General Rowny is unique among general officers I have known for his unblemished intellectual integrity and selfless devotion to the national interest. Having participated in some of the SALT II drafting sessions in Geneva, I can attest to his remarkable sense of duty to have withstood more than 6 years of assaults by some of his colleagues on the SALT delegation whose primary interest was in reaching an early agreement with the Soviets to maintain the momentum of détente, rather than protecting American security interests.

During my years of service on the Defense Appropriations Subcommittee, perhaps the most frustrating dimension of the entire process has been the unwillingness of senior military officers to give their professional judgment on defense matters without caving in to political interference. The failure to give their professional advice has undermined the support and esteem for the armed services in many areas of public life. It is therefore a marvelous contrast to work with General Rowny whose personal integrity and sense of professional responsibility demands the kind of honesty that does not brook political dictation.

Today, General Rowny has offered his testimony before the Senate Armed Services Committee that stands as a monument to his exemplary 42 years of service to our country. The Nation could do no better than to encourage the willingness of other military officers to discharge their responsibilities in the manner in which General Rowny has discharged his.

Upon the completion of the SALT II negotiations last month, General Rowny had the courage to tender his resignation from the Army because he could not support the agreement which had been negotiated. He then retired on June 30 after more than four decades of military service in three wars. I hope the Congress will heed the advice General Rowny has offered.

The text of the testimony follows:

PROPOSED TESTIMONY BEFORE THE SENATE ARMED SERVICES COMMITTEE

Mr. Chairman: For more than six years I represented the Joint Chiefs of Staff at the Strategic Arms Limitation Talks. I had been selected for this job because of my experience as Chief of the Mutual and Balanced Force Reductions (MBFR) Working Group in NATO and because I had on numerous occasions expressed my belief in the utility of limiting strategic arms. I continue to hold this belief.

As their representative, I supported the goals of the Joint Chiefs of Staff aimed at achieving limitations on strategic arms provided—and only provided—such limitations were consistent with maintaining our security. If such goals were achieved, our long-term objectives of enhancing deterrence and strengthening global stability would be served. I believe that an agreement which reduces the strategic arms of both sides to equal levels—in numbers as well as in overall capability—is in our nation's interest. I am convinced that such an agreement was—and still is—attainable.

Over the six year period that I was the JCS Representative to SALT, I expressed my views to the Joint Chiefs of Staff in numerous messages and memoranda. At their request I submitted an assessment of SALT in a classified memorandum dated 6 January 1978. I brought that assessment up-to-date on 5 January 1979 and again on 27 March 1979. I mention these assessments to make clear that my final judgments are based upon a long, continuous process of study and evaluation. On 21 May 1979, after the announcement that "agreement in principle" had been reached on the remaining issues of SALT II, I made a final assessment. I concluded that—even though the Joint Chiefs of Staff have made it a considerably better Treaty than it would have otherwise been—this Treaty does not meet minimally acceptable standards. I stated that it was my judgment, based on years of negotiating with the Soviets, that a Treaty meeting the criteria of the Joint Chiefs of Staff was—and is—attainable. However, since negotiations were to be concluded on less than satisfactory terms, I asked to be relieved of my duties and requested retirement. My request was approved and I retired on 30 June 1979.

I would like to state at the outset that in principle there are some positive aspects of the Treaty signed in Vienna on 18 June 1979. The Treaty establishes the principle that there should be equal and lower ceilings of strategic offensive arms. It calls for numerical reductions which, because the Soviets have surged ahead of us, will impact upon the Soviet Union. It seeks to limit the Soviet Union to a maximum of ten warheads per ICBM—and in theory—to one new light ICBM during the life of the Treaty. The Treaty contains certain provisions which are intended as aids to verifiability of missile launchers. Finally the Treaty provides for an exchange of certain data on the numbers of strategic offensive arms.

However, most of these positive features have serious negative aspects. Specifically, the agreement in principle that there be equal ceilings of strategic arms remains an achievement more in theory than in practice. This is so because a significant number of Soviet strategic systems are allowed to go uncounted. Moreover, the ceilings are set at such high levels and the capabilities of these systems are so great that they are militarily virtually meaningless. The reductions agreed upon are extremely modest. Thus, even if the Soviets reduce to the lower ceiling of 2250 by 1982, the United States, having at that time only about 2050 less capable operational systems, would still need to build up actually to achieve equality with the Soviet Union.

Since qualitative improvements are virtually unrestricted by the Treaty, the numerical limitations imposed upon the Soviet Union will not reduce their overall capability. Indeed, that capability will grow enormously during the life of the Treaty. Furthermore, because qualitative improvements are far harder to monitor than mere numbers of systems, the emerging Treaty will afford us less predictability of the capabilities of their systems and hence less stability. The freeze on the number of warheads per MIRVed missile and the limitation to ten warheads per ICBM allows the Soviets a total number of warheads far greater than are required to destroy the hard targets of the United States. This is hardly a stabilizing influence. Moreover, and a point often overlooked, these limits expire with the Treaty at which time our negotiating posture will be much weaker than it is now. While it is commonly assumed that these fractionation limits will be continued beyond the expiration of the Treaty, it is difficult to imagine what leverage the United States will possess for assuring that such fractionation limits can, in fact, be extended.

Given the current throw-weight potential of Soviet missile systems after 1985, it will permit Soviets to deploy even greater numbers of reentry vehicles on their existing ICBMs. While the Treaty in theory limits the Soviets to one new type of light ICBM, in practice the agreed terms of the Treaty permit the Soviets to deploy several new types of missiles. The provisions regarding verifiability are insufficient by a large margin to make the Treaty adequately verifiable. In fact certain aspects are inherently univerifiable unless cooperative measures, steadfastly opposed by the USSR, were to be agreed upon and included in the Treaty.

These positive and negative aspects aside, the Treaty should be tested against objective standards for measuring the worth of a Treaty. A SALT agreement designed to limit strategic offensive arms would be in the interest of our military security and hence in our national interest if it were equitable and verifiable, if it strengthened European security, and if it contributed to allied coherence.

THE TREATY IS UNEQUAL

The Treaty is not an equal one. It grants certain rights to the Soviets and not to us. Two of these inequalities are of cardinal importance: first, the 308 launchers of heavy ICBMs permitted the USSR but not the US, and the second, the exclusion of 375 Soviet Backfire bombers from the Soviet aggregates.

The exclusive right of the Soviet Union to deploy 308 launchers of heavy ICBMs is the most glaring inequity of this Treaty. These heavy missile launchers account for over one-third of the Soviet ICBM destructive potential and for one-half of the ICBM warheads the Soviets are permitted to deploy under the Treaty. The heavy missiles which can be fired from these 308 heavy ICBM launchers contain more destructive potential than all of our US ICBMs and SLBMs combined. The more than 3,000 warheads on these heavy missiles alone could destroy 90 percent of our ICBM force in Soviet first-strike. If it were not for these Soviet heavy missiles we would not need to develop and deploy as extensive or expensive a multiple basing mode for the M-X missile, a program which will cost the US in excess of 30 billions of dollars.

I have heard it asserted that our M-X light missile will be the equal of the SS-18 heavy missile. This assertion is wrong. If two missiles are of equal accuracy (and we no longer hold a monopoly on highly accurate ICBM's), the one with greater yield is more effective because it makes up for near misses. More importantly, an S-18 possesses the potential for carrying two or three times as many warheads as the M-X once the Treaty expires. It is this break-out potential of the SS-18 which is often overlooked when comparisons are made which equate the SS-18 with the M-X. Therefore, instead of bounding the MPS deployment problem, the planned MPS basing scheme will become obsolete and unbounded even before the M-X is deployed.

It is sometimes argued that the U.S. elected not to build heavy missiles and consequently that we should not fault the Treaty for giving the Soviets the sole right to develop them. This argument is wide of the mark. At that time our planners believed that lighter missiles could, given sufficient accuracy, adequately cover Soviet hard targets. Accordingly, the United States, believing that the Soviet Union could not match us in accuracy, and believing it to be consistent with the objective of holding down the number, size, and destructive potential of strategic offensive arms, decided to deploy only lighter missiles.

The Soviets, however, did not follow our example and chose to develop and deploy heavy missiles. Each of these heavy missiles is six times as powerful as our Minuteman missiles and carries three times as many warheads as do our MIRVed missiles. I believe the U.S. should have persisted in its objective of insisting upon a reduction in the Soviet number of launchers of heavy ICBM's (as we did in March 1977). The best way to reduce the threat from these heavy missiles is to cause it to go away.

Failing that, we should insist on being compensated for this glaring and militarily significant asymmetry. Otherwise, we may find ourselves under increasing pressure to invoke in the near future the supreme interest clause. Rather than to risk unraveling SALT completely, we might be better off trying to renegotiate SALT II.

The second unilateral right afforded the USSR is its right to exclude from the Soviet total their 375 Backfire intercontinental bombers. Various U.S. intelligence estimates, although they disagree as to its precise capabilities, all agree that the Backfire is capable of striking targets in the U.S. on unrefueled missions and recover in third countries. This is precisely the way in which B-52's, which are counted in U.S. totals, would perform strikes against the U.S.S.R. The Backfire, two-and-a-half times as large as any medium bomber on either side, and exceeding the capability of many of our B-52's, has the capability of carrying a 20,000 pound bomb load to over 10,000 kilometers. It is seldom appreciated that the 375 Soviet Backfire bombers add an additional one-third in destructive potential to the already formidable total strategic throwweight possessed by the U.S.S.R.

It is sometimes argued that bombers are second-strike or follow-on systems, and therefore that we need not be concerned over this Soviet "add-on" capability. If this argument were accepted, it would follow that the U.S. does not need B-52's. This is obviously a spurious argument. Furthermore, many of our B-52 airbases could be attacked by Soviet sea-launched cruise missiles of less than 600 km range (permitted by the Treaty), whereas Backfire bases cannot be hit by U.S. short-range sea-launched cruise missiles.

Further, while air launched cruise missiles and the B-52's from which they would be launched would suffer severe attrition as a result of extensive Soviet air defenses, the U.S. has virtually no air defenses and it is a near certainty that the Backfire could carry out its missions. As it is, the U.S. may, according to some Pentagon estimates, need to spend upward of 8 billion dollars over the next ten years to improve its air defenses to counter the threat of what some label an "insignificant" Backfire threat.

To argue that the Soviets intend to use these modern long-range penetrating aircraft for theater or naval missions is to overlook the inherent flexibility of heavy bombers. We military persons must deal with capabilities, not mere intentions. Our use of B-52's tactically in Southeast Asia would not have prevented our using them, if the need arose, in a strategic role.

Finally, the negotiating history of the Backfire issue, especially when one considers the conflicting statements the Soviets made concerning its performance at various profiles, to say nothing about the blatant manner in which the Soviets have refused to enter into any serious discussions of the Backfire's capabilities, can only give future Soviet negotiators comfort that the United States will continue to accept Soviet declarations of weapons capabilities as carrying more weight than our intelligence estimates.

In sum, as the Joint Chiefs of Staff have made repeatedly clear, there are no objective reasons why Backfire should not be counted in the Soviet aggregate. If they were properly so counted, the Soviets would be forced to replace 375 first-line central systems from their inventory.

The Treaty allows an initial ceiling, until the end of 1981, of 2,400 strategic systems. It is sometimes argued that the U.S.S.R. since it has 2,550 systems today, is disadvantaged since it will be required to reduce 150 systems, whereas the U.S. will not have to reduce any systems. Implicit in this argument is the notion that the U.S.S.R. should be rewarded for not showing restraint and for having forged ahead of the U.S. while SALT negotiations were in progress.

Furthermore, the fact that the ceilings will be reduced to 2,250 after 1981 will not rectify the asymmetry favoring the Soviets. By that time a number of the "bone-yard" B-52's, now mothballed and only marginally recoverable for use, will have been completely scrapped. At the end of 1981 the U.S. will have only about 2,050 systems in its inventory. Thus the U.S.S.R. will stay ahead of the U.S. in the number of strategic systems throughout the life of the Treaty. One way in which this situation could have been equalized would have been for both sides to make greater reductions, say to reduce to 2,000 systems by 1985. The JCS made repeated recommendations that deeper reductions of this sort should be made. Their recommendations were consistently rejected. A second way in which the large asymmetries between the U.S. and the U.S.S.R. could have been equalized would have been to abide by Public Law 92-448—the Jackson Amendment, which called for equal levels of forces which went beyond mere numbers and would limit, for example, throwweight.

It has been stated by some that we gave the Soviets a unilateral right to heavy missile launchers in a trade for their abandonment of counting our so-called FBS. Others stated that we traded the Soviets not counting Backfire for our not counting FBS Neither of these statements is supportable by the record. What is supportable is that the Soviets abandoned their FPS argument when we insisted that they include their more numerous and more powerful comparable systems. The simple fact is that the Soviets dropped their FBS argument when we insisted that they count their counterpart systems which are twice as numerous and possess at east ten times the destructive potential of ours.

In short, the Soviets dropped their FBS argument because it was in their own self-interest to do so. The number of systems possessed by the two sides is not even a rough measure of their respective strengths. More accurate comparisons must take into account the number of warheads each side will have, the types of systems these warheads will be deployed upon, and the yield of these warheads.

Under the Treaty, the U.S.S.R. is permitted to deploy by 1985 over 6,000 warheads on existing types of ICBM's, the U.S. slightly over 2,000. Since the US has deployed only 3 re-entry vehicles, RVs for short, on each of its 550 MMIII's and the U.S.S.R. has deployed 4 RV's on its SS-17's, 6 RV's on its SS-19's, and 10 RV's on its SS-18's, these obvious inequalities result in the 3 to 1 asymmetry of RV's on ICBM's in the Soviets' favor by 1985. Moreover, each Soviet ICBM warhead will, by the early 1980's, possess accuracies comparable to ours. ICBM's are for a number of reasons the most destructive and most destabilizing of strategic offensive systems.

First, practically all ICBM's can be launched (as opposed to SLBMs where one-half of the force is in port at any one time). Secondly, ICBM's have secure and redundant communications (in contrast to the more tenuous communications available for submarines). And thirdly, only an ICBM warhead possesses the combination of yield and accuracy which gives it the certain capability of destroying hard targets. The 3 to 1 Soviet advantages in ICBM warheads takes on even greater importance when one considers that the U.S. has only one-half the number of hard targets as does the U.S.S.R.

It is sometimes argued that the current U.S. lead in SLBM warheads compensates for the Soviet ICBM asymmetry because it gives the U.S. the greater number of deliverable weapons. This argument is militarily invalid. Today's SLBM warheads cannot destroy Soviet hard targets. SLBM warheads have roughly one-tenth the yield and thus are one-tenth as powerful as ICBM warheads.

Further, SLBM accuracy is generally considered to be roughly one-half that of ICBM's, and since the effect of reduced accuracy is an inverse square function, SLBM's are only one-fourth as effective as ICBM's of equal yield. Thus the average SLBM warhead is only one-fortieth as effective as an ICBM warhead. Furthermore, only one-half of the SLBM's can be expected to be on submarines at sea at any one time. Finally, the full complement of 14 warheads can seldom if ever be effectively employed; the maximum number is closer to ten. When one puts all these factors together it becomes clear that an SLBM possesses one-eightieth to one-hundredth of the potential value of an ICBM. Accordingly, one should not count ICBM and SLBM warheads as though they were equal. Or to be more graphic, weapons the size of grapes should not be thought of as being in the same class as those the size of grapefruits.

There are a host of other inequities in the Treaty. One example becomes immediately discernible from a glance at the history of the negotiating process concerning cruise missiles. Prior to Vladivostok, limitations on cruise missiles were practically never mentioned. Indeed, after the meeting at Vladivostok President Ford reported that cruise missiles had not been mentioned at all and that it was his understanding that only ballistic missile constraints were discussed with the Soviets. Following the Vladivostok meeting the Soviets refused to initial the aide memoire in which the U.S. had insisted that it refer only to ballistic missiles.

After several days the aide memoire was initiated with the understanding that the term "air-launched missile" did not encom-

pass cruise missiles. This point was later countered by the Soviets who argued that if the accord was meant to restrict only ballistic cruise missiles the aide memoire would have explicitly said so.

Thus cruise missiles, which we maintained were not covered by the agreement, were subsequently subjected to an ever-increasing number of restrictions. The JCS, as General Wilson has testified, recommended that no constraints be placed on cruise missiles since to do so would not be in the national interest.

Since the U.S. is ahead in cruise missile technology, and since only the U.S. has a requirement for air-launched cruise missiles to make B-52's capable of penetrating Soviet air defenses, limitations on cruise missiles—for all intents and purposes—constrain only U.S. systems. This is a glaring inequality of the Treaty as drafted.

The second inequality in cruise missile limitations is the cut-off range between systems to be limited from those not to be limited. The Soviets insisted that this distance be 600 km, a cut-off point which greatly favors the U.S.S.R.

Soviet sea-launched cruise missiles of under 600 km range could attack between 50 and 75 percent of the population and industry of the U.S., whereas missiles of the same range launched by the U.S. can reach less than 2 percent of the population and industry of the U.S.S.R.

As is well known, the Soviets have hundreds of cruise missiles which approach this range. Originally, the JCS wanted the cut-off point between tactical and strategic cruise missiles to be set at a more equitable figure, say at 100 or at most 200 km. However, this view did not prevail.

Another inequality in connection with cruise missiles resulted from the inclusion of aircraft equipped for air-launched cruise missiles in the 1,320 aggregate. In January of 1976, in one of the large number of offers made by the United States, we proposed to the Soviets that such aircraft count in the 1,320 aggregate in trade for counting all BACKFIRES over 75 (the number the Soviets were expected to deploy by the time the Treaty was expected to be signed).

The Soviets pocketed our offer to include in the 1,320 aggregate aircraft equipped for cruise missiles, and no more was heard of the BACKFIRE end of the bargain. Worse, the Soviets argued that no BACKFIRES should be counted at all. In March 1977, the Carter Administration, as an alternative to its Comprehensive Proposal, offered to postpone decisions on Backfire and cruise missiles for three years after the Treaty went into force. The Soviets rejected this proposal, just as they had rejected the Comprehensive Proposal.

Rather than be resolute in our negotiating position, the U.S. hurriedly abandoned this postponement proposal, just as it had abandoned its Comprehensive Proposal. The net result is that Backfire is not counted at all in the Treaty and ALCM carriers count in have since then been subjected to an increased number of restrictions, to include counting conventionally armed air-launched cruise missiles as though they were nuclear armed.●

TRIBUTE TO W. E. WILLIAMSON

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I now pay tribute to the late W. E. "Ed" Williamson, the former chief clerk and staff director of the House Committee on Interstate and Foreign Commerce. On July 24, Ed lost his private struggle with cancer.

When I first came to Washington I had the privilege of serving on the Commerce Committee. From my first day of service, Ed Williamson received me warmly. I imagine the best way to describe his character is to say that he had a way of making you feel totally at ease even when your inexperience caused you to ask him a naive or elementary question. When he saw you distressed he had a way of remedying the situation: He would walk to your office and help work out whatever problems with the committee you had had.

Mr. Speaker, I viewed him as the father of the committee. Even today I can vividly remember Ed whispering into Chairman Oren Harris' ear. Judging from the successful tenure of Chairman Harris, it surely seems that Ed's specialty was the "handling" of Members on the lower dais.

Ed Williamson was a man of responsibility. His credentials as a public servant were strong. He was mayor of Magnolia, Ark., at the time Oren Harris appointed him to head the Commerce Committee staff. Prior to this service he had distinguished himself as circuit and chancery court clerk in Magnolia. His military record also brought him distinction: after enlisting in the U.S. Army in 1942, he rose to the rank of captain by the time of his discharge in 1946.

Ed Williamson was a strong believer in the integrity of Congress. He added to the professionalism and honesty which is so crucial to the success of our institution. In particular, his keen mind was well versed in the rules of the House, as well as committee procedures.

But more than being solely a capable counselor, Ed was a good friend. On several occasions Ed shared stories about the time he spent sitting around the campfire on the banks of the White River and narrating the finer points of fishing and hunting. There was nothing better than hearing stories from the old master himself, William E. Williamson.

He was loyal, hard working, and conscientious to the very end. He could not be bothered by his own physical infirmities, but rather he tried to work to his last days.

Ed Williamson—a dedicated public servant, a man of unquestioned integrity, a dear friend—will long be missed by this Member of Congress.●

SMALL BUSINESS CAPITAL FORMATION AND REINVESTMENT TAX ACT OF 1979

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. NOWAK. Mr. Speaker, I am introducing legislation to allow for the nonrecognition of gain on the sale or exchange of stock when such proceeds are reinvested in the stock of a small business corporation. H.R. 5097, a bill to amend the Internal Revenue Code of 1954 to allow nonrecognition of gain on the sale or exchange of stock in small business corporations.

WHAT THE BILL WOULD DO

This bill is, in effect, a "capital gains rollover bill." Gain on the sale or exchange of stock would not be recognized as long as the proceeds from such sale or exchange are reinvested in another small business stock within 1 year. The stock in a small business corporation would, however, have to be held for 18 months before it can be sold. For purposes of the bill, in general a small business corporation is defined as a corporation which has a contribution to capital and paid-in surplus not exceeding $35 million.

BACKGROUND

The crisis in capital formation has had a tremendous effect on small business. It has become apparent that the amount of capital needed to start or remain in business has grown dramatically. This has been occurring at a time when a small business' ability to raise and internally generate capital has been hampered by high interest rates, unfavorable tax laws and Government regulation.

In order to promote capital formation and economic development, the Federal Government has, up to now, relied on tax incentive mechanisms such as investment tax credits, depletion allowances, and foreign tax credits. Although these tax laws are written for the benefit of all businesses, large business establishments have consistently reaped the greatest benefits from changes in the tax law. Since most small businesses experience marginal profits or no profits at all during the early years of operation, their utilization of such incentives are severely limited.

In addition to this capital gains rollover bill, I am also introducing today a companion bill entitled, the Small Business Capital Formation Tax Act of 1979. These two companion bills should be considered a step in the direction of channeling a more equitable share of the tax benefits for small business.●

BULGARIAN HUMAN RIGHTS: AN AMERICAN CONCERN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BIAGGI. Mr. Speaker, it has come to the attention of this body that members of the Protestant clergy in Bulgaria have been persecuted and arrested for what has been reported as "currency exchange violations" but in reality has been the distribution of Bibles and various other religious publications. The Commission on Security and Cooperation in Europe, chaired by our distinguished colleague DANTE FASCELL, has received numerous reports in recent weeks from Bulgarian-American agencies asking that this matter be brought to the attention of our State Department.

The Helsinki agreement, signed by Bulgaria, protects the rights and insures respect of the religious beliefs of the population. In a country which is predominantly Eastern Orthodox, the minority has been unfairly and unjustly persecuted. I consider this action worthy of immediate attention and urge the Bulgarian Government to recommit itself to the spirit of Helsinki by releasing these religious observers in question.

Human rights is a long-standing concern of captive nations such as Bulgaria. Since 1946, Bulgaria has been one of many harnessed by Soviet domination and subjected to human rights abuses and violations. Let us not believe for 1 minute that this Soviet policy will change unless we diligently and consistently press for international awareness and attention to human rights violations to the people living in captive nations. A major leverage point is the SALT II Treaty which is at present being discussed by the Senate. I would urge my colleagues on the Senate side to be mindful of this problem during the debate on the ratification of the treaty as we have an important opportunity to strengthen our human rights commitment to those nations under Soviet domination.

The scorecard of Eastern Europe is replete with human rights violations such as those reported in Bulgaria. It remains to this Nation, which has time and time again reaffirmed human rights as the "cornerstone" of our Nation's foreign policy, to encourage and apply this policy in a timely and consistent fashion in our relations with Eastern Europe, most especially Bulgaria. In doing so, we not only reassert our commitment to the personal freedom and integrity of all peoples of all nations, but we also demonstrate that we are ready, willing and able to stand up and counter the threat of increasing world domination and oppression by the Soviet Union.●

THE INTRODUCTION OF A RESOLUTION CALLING FOR AN INTERNATIONAL CONFERENCE TO PROTECT INDIVIDUALS IN TIMES OF CIVIL WAR OR OTHER HOSTILITIES

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FISHER. Mr. Speaker, I am introducing legislation which calls upon the President to take all appropriate steps for the convening of an international conference to strengthen the international laws and agreements in order to protect members of the press, representatives of international organizations and members of peace-keeping forces in times of civil war or other hostilities.

All Americans were shocked by the death of ABC reporter Bill Stewart earlier this year in Nicaragua. He was a respected member of the international press community performing his job under trying circumstances when he was murdered. Unfortunately, Bill Stewart's death is not an uncommon occurance in today's world. Members of United Nations peacekeeping forces have been killed in Zaire and Lebanon. Overservers of UN supervised elections have been endangered in many areas. Terrorism is rampant around the globe.

The United States has always been in the forefront of nations trying to ameliorate the ravages of war and to protect civilians from the impact of conflict. Protection is accorded to many persons under the provisions of the Geneva Conventions of 1949. However, time and events have shown that further protections are needed in order to assure humane treatment of all persons who are endangered by conflicts and hostilities whether within a country or among several nations.

I hope that the Congress will move quickly to enact this resolution.●

FDA DISAGREES WITH CCC

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MAGUIRE. Mr. Speaker, Dr. Michael Jacobson, director of the Center for Science in the public interest sent to my office a copy of a brochure—"Saccharin—a benefit to millions" widely distributed by the Calorie Control Council (CCC). The scientific, legislative, and regulatory inaccuracies presented by the CCC are disturbing to those of us who have reviewed the saccharin literature with great care. I submit for the RECORD a copy of FDA's criticism of the Calorie Control Council brochure.

DEPARTMENT OF HEALTH, EDUCATION, WELFARE, PUBLIC HEALTH SERVICE, FOOD AND DRUG ADMINISTRATION,
Rockville, Md., July 30, 1979.

Hon. ANDREW MAGUIRE,
House of Representatives, Washington, D.C.

DEAR MR. MAGUIRE: The enclosed literature which is being distributed by the Calorie Control Council (CCC), has been brought to our attention. It will undoubtedly generate a great deal of mail to the Congress. In view of the misinformation it contains, we believe some comments are in order.

The CCC document presents a one-sided picture of the saccharin issue supported by selective quotations from the National Academy of Sciences' (NAS) report on saccharin. The impression of the NAS report given by the CCC bears no relationship to the report that the Academy actually issued. Contrary to the CCC, the NAS concludes that:

Saccharin is a carcinogen in animals, albeit of low potency.

It is a potential carcinogen in humans.

Fifty to seventy million Americans consume saccharin with some frequency. One-third of children under ten are among the users and children are at greatest risk. Because of the quantity of saccharin consumed, its use presents a moderate to high risk to consumers.

Saccharin seems to promote the effects of other cancer-causing agents.

There is no objective evidence that saccharin has any health benefits.

The CCC also persists in attacking the design of the animal studies that the NAS (and Congress' Office of Technology Assessment) concluded showed saccharin to cause cancer. These tests are widely accepted and used in the scientific community, by industry, and the Government both to determine the risks from and safety of food additives, pesticides, and industrial chemicals.

Mr. Wayne L. Pines, the Food and Drug Administration's Associate Commissioner for Public Affairs, wrote CCC directly about their brochure. We enclose a copy of his letter for your reference.

We also enclose an article by former Commissioner of Food and Drugs, Donald Kennedy, which recently appeared in the *Washington Post*. It discusses these issues in greater detail.

If we can be of further assistance, please let us know.

Sincerely yours,
ROBERT C. WETHERELL, Jr.,
Associate Commissioner for Legislative Affairs.●

SUPPORT OF RECOMMENDATIONS OF PUBLIC WORKS COMMITTEE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. McCLORY. Mr. Speaker, today when the conference report making appropriations for energy and water development is under review and awaiting approval by this body, I wish to rise in support of the final recommendations and express appreciation to members of the Public Works Committees, and the Appropriations Committees, of both the House and Senate, for their recommendations regarding federally funded projects in the 13th District of Illinois.

The $420,000 allocated for the Fox River Valley Basin will nearly complete the study which I sponsored in the Congress several years ago. This project is vital if the quality of water in the Fox River is to be improved—and flood control and increased domestic and recreational uses of this significant waterway are to be realized.

I am particularly pleased that $100,000 has been recommended for the small boat harbor study of the shoreline from Waukegan to the Wisconsin State line enabling the Corps of Engineers to complete its navigational study and determine the need for new and improved small boat facilities in Lake County, Ill. This was not included in the Army Corps of Engineers budget request when it was submitted to the Congress earlier this year. For this reason, I am most gratified to have funds for this purpose recommended by the conferees.

Likewise, $200,000 is earmarked for the beach erosion study of the Lake Michigan shoreline—which was authorized in a beach erosion resolution requested by myself, former Congressman

Sam Young and PHIL CRANE in 1974. Serious beach erosion problems exist in the area between Waukegan and Fort Sheridan in my congressional district and in addition, this study is required in the development of Illinois Beach State Park.

Another $100,000 has been earmarked for increasing diversion of Lake Michigan water at Chicago—which is likewise of considerable importance to our district especially northern Illinois communities which can benefit from increased supplies of water from Lake Michigan for domestic purposes. There has been a serious shortage of water during the past 2 years—and the study will help to alleviate the problem.

The sum of $20 million has been recommended for rebuilding Lock and Dam 26 at Alton—a project of much importance to the rural areas in Illinois. Farm communities in Lake, McHenry, and Kane Counties will benefit from this improved water transportation system.

Public works projects have received much criticism of late and have been identified with such terms as "pork barrel" and "boondoggles." Many taxpayers see their tax dollars going into the Government coffers and this is an example to my constituents of the 13th District of Illinois of a return of their money and a wise expenditure of Federal funds which will benefit many Americans for years to come.●

THE LATE HONORABLE JOHN BAYNE BRECKINRIDGE

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. NATCHER. Mr. Speaker, I join with the many friends of John Bayne Breckinridge in expressing my sorrow at his untimely passing. Our former colleague served with distinction in the Commonwealth of Kentucky as Attorney General. He established an outstanding record. His competence as a trial lawyer was recognized by the legal profession throughout this country. He was honored in the year 1968 when he was elected to receive the National Association of Attorney Generals' Wyman Award for State Attorney General.

My friend, John Bayne Breckinridge, was elected to Congress in the year 1972, and during his tenure as a Member, he established an outstanding record as an able legislator and an energetic advocate of his people. He was a long-time public servant, having served in many capacities and with distinction in each assignment. With the highest level of ability and integrity, John Bayne Breckinridge zealously defended the ideas and principles he believed in and upon which this Nation was built. He gave himself fully and unselfishly. No one could question his loyal and dedicated service to the people of the Commonwealth of Kentucky and to the people of the United States of America.

Mr. Speaker, it was a distinct privilege and an honor for me to serve in the House of Representatives with our friend, John Bayne Breckinridge. I would like to extend my deepest sympathy to Mrs. Breckinridge and to the members of his family.●

A TRIBUTE TO TETRA TECH, INC., OF PASADENA, CALIF., ON THE PRESENTATION OF THE JAMES S. COGSWELL INDUSTRIAL SECURITY AWARD

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ROUSSELOT. Mr. Speaker, for the past several months this Congress has been almost completely absorbed in concern for and discussions about what is termed "the energy crisis." The entire Nation is engrossed in worry and even fear that we will be immobilized by shortages and predictions of gloom and doom have overshadowed the positive side of the picture.

For over 300 hundred years, the American people have been demonstrating a remarkable ability to meet challenges with zeal, grit, and determination. It is with spirit and pride of achievement that individual Americans are always ready to engage in competitive enterprise. Under the constitutionally authorized free market system, the people of America have undertaken that which is difficult, complicated and risky.

The progress of our Nation is marked by an independent energetic spirit. It is this kind of initiative that I wish to pay tribute to today. I believe that this country has a great resource of entrepreneurship which will respond to our Nation's energy demands with competitive interest and a will to maintain America's economic strength and independence.

I commend to my colleague's attention the superior performance of Tetra-Tech, Inc., which is located in Pasadena, Calif., a city in my congressional district which I share with my colleague, Representative CARLOS MOORHEAD.

The tribute follows:

THE PRESENTATION TO TETRA-TECH, INC. OF THE JAMES S. COGSWELL INDUSTRIAL SECURITY AWARD

Tetra Tech, Inc., of Pasadena, California is among the country's most sophisticated companies in the providing of engineering and technical management services in the fields of water and energy resources. The company also develops, manufactures and markets underwater television systems and remote controlled vehicles used primarily in the offshore oil, marine construction and utility industries.

The company's products and services are marketed throughout the world. Its prime resource is its more than 575 employees, of whom 272 have bachelor's degrees. Of these, 86 hold master's degrees and 47 doctoral degrees. The company is publicly held and its shares are traded on the American Stock Exchange.

During Tetra Tech's 1978 fiscal year, 37 percent of its total revenues of almost $31 million were from work for various agencies of the United States government.

In light of the complex and diverse nature of Tetra Tech's operations, it was particularly gratifying to me to learn that this Pasadena based company has been recognized by the Department of Defense for its superior performance in safeguarding classified U.S. government information.

Tetra Tech has been given the James S. Cogswell Industrial Security Award, an honor which in 1978 was given to only 25 defense contractors out of 11,000 industrial firms having Department of Defense facility security clearances to perform work on classified contracts. Winners were chosen on the basis of criteria that included the degree of security consciousness and cooperation by management; effectiveness of employee security education and motivation programs; security practices and procedures, and the ability to sustain progressive security systems.

The award was established 12 years ago in honor of the late Air Force Colonel James S. Cogswell, who was the first chief of a centralized Department of Defense office of industrial security.

The Cogswell Award plaque was presented by Air Force General Joseph H. Connolly to Nicholas D. Boratynski, Tetra Tech's president, Mrs. Lois J. Jenkins, corporate secretary and the company's chief security officer, and Ms. Melody Wilbur, internal security representative at Tetra Tech.

In presenting the award, General Connolly, who is commander of the Defense Administration Agency, Los Angeles, said that the plaque was the Defense Department's "way of officially recognizing superior achievement by contractors throughout the whole range of industrial security requirements."

General Connolly noted the extremely high criteria established for the Cogswell award, saying:

"Your management must give evidence of a high degree of security consciousness. You must have an effective security education and motivation program, and your organization must conduct regular inspections of security practices. Your officials must cooperate fully in the DOD security review procedures governing your publications and advertising.

"And lastly, your security personnel must have successfully kept abreast of new security methods in automatic data processing, in the reproduction and transmission of materials and in the control of employees and visitors within your facility.

"Of the approximately 12,000 facilities in the United States eligible for this award, less than one-half of one percent qualify for nomination. The screening to which your operation is subjected before nomination is most meticulous. Our security representative, Cosmo Perrone, recommended you for the award following a comprehensive inspection of your compliance with the DOD established industrial security practices. Thereafter, at our region headquarters, your organization competed with others whose names had been submitted for the award.

"Once Tetra Tech was chosen by our region, we obtained concurrence from the government buying agencies. Thereafter, our recommendation was sent to our headquarters in Washington to compete with those additional facilities which had been recommended by the other defense contract administration regions located elsewhere in the United States. Final decision was rendered following an intensive weighing of the evidence by our headquarters staff. So you see, the ultimate recipient well deserves the kind of recognition you are receiving today. And finally, may I say the fine security system which your company has, demonstrates how very serious you and your people consider your responsibility as an important segment of the government industry team.

"I take pride, Mr. Boratynski, in commending you, your security officer, Ms. Jenkins, and your entire organization for your outstanding contribution to defense security. This plaque recognizes your superior performance in carrying out your security obligations. It is to your very great honor and credit. My congratulations and good luck in the years ahead."

It is fitting to add the congratulations of the Congress to those of the Department of Defense in recognizing Tetra Tech's outstanding achievement in this vital area of our national security.●

OFFSET PROVISION OF SOCIAL SECURITY ACT

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MAVROULES. Mr. Speaker, since this country was conceived, every generation of Americans has looked upon our Nation as a land of opportunity and promise, a land where every American can build for the future, reasonably certain that his or her efforts would not be in vain.

Today, however, we are faced with laws that thwart the hope of certain Americans and take a toll on the national spirit. One such law is the offset provision of the Social Security Act, due to take effect December 1982.

Mr. Speaker, I am introducing a bill today that would eliminate the offset provision and play a small but significant part in restoring the faith of many Americans in their future, when they put their working days behind them.

More to the point, I am asking that we eliminate a provision that discriminates against not only retirees but also certain groups of women as well.

The offset provision of the Social Security Act allows the Federal Government to deduct a female public employee's State, county, or local pension from the benefits that have accrued to her as the beneficiary of her husband's social security plan.

My measure views this as unfair as it disrupts a married couple's lifelong timetable leading up to a comfortable, hard-earned retirement. In these economically distressed times, we surely cannot afford to short-change any contributing member of our society.

In my "Dear Colleague" letter, I mention an example of the unfavorable impact the offset provision will have on a married couple, with the woman contributing to a State pension plan and the man to social security.

The developing situation is this. The husband dies at age 50, but the woman must wait for her own retirement to receive any benefits. When that day arrives, she will discover that she is only eligible for the larger of the two benefits—either her own State pension or her husband's social security fund. The other alternative is that she may have her husband's benefits reduced by the amount of her own retirement fund.

The irony is that if she had been working for a private company, she would be able to collect both benefits immediately. But, again, the offset provision cruelly penalizes our hypothetical wife, as it does all women in this class.

Originally enacted as a cost-saving measure to shore up the social security system, this provision has inadvertently singled out these women.

I say to you that this is not what social security is all about.

I say to you that it is not fair to ask this particular group to bear the onerous burden of the Federal Government's failure of judgment.

And I say to you that it is not fair to ask any couple that has worked long and hard in expectation of a comfortable retirement to face the financial uncertainty the offset provision creates.

This provision makes a mockery of Government. It undermines our belief that Government should be the repository of our trust and responsible, ultimately, for our well-being.

More important, the offset provision makes a mockery of one of this Nation's most cherished beliefs: the belief that every American can build toward a bright future.

The arguments against this provision are solid and clear. We must now reconsider and return to a segment of our society the rewards of a lifetime of effort in our Nation's work force.●

CLINCH RIVER PROJECT CRUCIAL FOR PROGRESS

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BAILEY. Mr. Speaker, I feel it is imperative for our country's leaders to recognize that we currently have no alternate source of energy that can match the unlimited potential of nuclear power in the near future.

In light of our precariously dangerous dependence on foreign oil, I feel the President and many others are wrong in trying to halt the safe development of nuclear power.

By deciding to continue funding for the Clinch River breeder reactor, I feel that we are taking an important step toward progressive development of this extremely vital energy source.

We, as a nation and people, need to develop now this inevitable energy form as a necessary part of any energy policy that will make this country independent of imported oil. It would be foolish for us to ignore the promises of fast breeder technology at such a strategic point in our energy technology.

By supporting the Clinch River breeder reactor project we are one rung closer to helping this Nation achieve control of its energy destiny.

I am very pleased that the crippling amendments intended to drastically reduce the funding for Clinch River were defeated. I'm hopeful that the people will see our funding of this project as a wise movement to support programs necessary to help keep this country strong and free.●

LEGISLATIVE OVERVIEW: THE RECORD OF THE 96TH TO DATE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BRADEMAS. Mr. Speaker, over the last few months national attention has been dramatically focused on the issue of energy. And while that attention has produced near-unanimous agreement that the United States must break loose from the energy stranglehold imposed by the oil-producing nations, there has been substantially less agreement on the best way to go about accomplishing this goal.

Over the next few months Congress will be involved in the difficult task of sifting through a variety of energy proposals, weighing their individual costs and benefits, and attempting to forge a comprehensive and effective energy policy that moves the country closer toward energy self-sufficiency in the next decade in a way that spreads the burden evenly among all groups in society.

The House of Representatives has already acted on a number of the ingredients of an energy package. Last month the House passed and sent to the Senate the financial cornerstone of the President's program: The windfall profits tax capable of financing a range of alternative energy initiatives, research, mass transit grants, and aid to low-income groups. Even before the President's announced program of alternative fuel development, the House passed a major bill providing for a joint Government-private industry effort in the production of synthetic fuels, such as fluids from coal, and set a production goal of 2 million barrels a day by 1990.

In addition, Mr. Speaker, the House acted favorably this week on a funding bill that contains $3.5 billion in energy funds, including $1.5 billion for a synthetic fuels program and funds for other key congressional initiatives such as coal liquefaction and gasification, enhanced oil and gas recovery and conservation. The House also had under consideration a bill from conference providing an additional $3 billion for the energy related programs of the Department of Energy including $620 million for solar, $149 million for geothermal and $355 million for fusion energy.

Finally, the House approved a bill giving the President authority to develop a standby rationing plan for use in the event of emergency gas shortages.

Energy is certainly the most visible and perhaps the most crucial issue facing the 96th Congress. But it is not the only one. This Congress has been busy

along a number of fronts in this first session. Following is an overview of the major legislative actions taken.

INFLATION

Mr. Speaker, led by soaring energy and housing costs, consumer prices rose again in June at a pace that translates into an annual inflation rate of 13.2 percent. This continued high inflation rate, even in the face of strong evidence that the economy is slowing down into a recessionary period, means that inflation will remain one of the more important and yet difficult problems facing the 96th Congress.

In the area where congressional pressure against inflation can be applied most directly—the size of the Federal budget—this Congress has already shown that it has taken seriously the call for fiscal restraint. The first budget resolution passed this spring, setting budget targets for the next fiscal year, contained the lowest projected Federal deficit in 6 years, a figure lower than the President's original austere proposal and one-half the size of the recession high figure of $66.4 billion under the Ford administration. The budget called for little in the way of new spending programs and as approved in May its projected spending targets fell billions of dollars short of merely funding current services under current law.

In other actions on the anti-inflation front Congress extended the life of the Council on Wage and Price Stability and expanded its staff and budget to administer the President's anti-inflation policies and monitor compliance with the guidelines.

Mr. Speaker, one of the two House committees with jurisdiction over hospital cost containment legislation has reported out a bill proposing to cap hospital cost increases at 11.6 percent a year. The Democratic leadership has joined the President in designating this bill a top priority for this Congress.

Congressional committees continue to focus on oversight responsibilities, applied to authorization and appropriation stages of the legislative cycle. The goal is to focus attention on programs already in place in order to cut waste, improve management, and oversee efficient spending of tax dollars.

Mr. Speaker, the approval of a major international trade agreement can be an important aspect of the fight against inflation. It is expected that it will open up significant new markets abroad for American products, improving our balance of payments, strengthening the value of the dollar and lowering prices consumers pay for foreign products.

Of course inflation should not be considered, and cannot be dealt with, in a vacuum; our national reliance on imported oil drains billions of dollars a year and is a crucial problem in our economy. It will not be solved overnight, but as the Congress and the Nation move to develop proposals for alternative fuel sources and conservation of energy, we move at the same time to reduce that upward pressure on prices that comes with each barrel of imported oil.

MILITARY AND FOREIGN AFFAIRS

Mr. Speaker, Congress has been busy throughout this session on legislation vital to the administration's foreign policy goals—in Panama, the Mideast, and Africa.

PANAMA CANAL

This week the House and Senate went to conference on a bill to implement the canal treaties which take effect October 1, 1979 and provide for the gradual turnover of the operation of the canal to Panama by the year 2000. As passed by the House the bill would establish the Panama Canal Commission as a noncorporate U.S. Government agency subject to the direction of the Secretary of Defense to run the canal during the transfer period; require that all canal revenues be paid into the Treasury and that expenditures be made pursuant to an annual appropriations process; provide for the recovery through tolls of all costs of operation including interest and payments to Panama, capital costs, and employee benefits included in the bill; require congressional authorization of all property transfers including those scheduled for October under the treaty; and provide for U.S. military control of the canal during war.

FOREIGN AID

A bill in conference would authorize $880.3 million for fiscal 1980 and $865.3 million for fiscal 1981 for international security assistance programs, including grant military aid and training, foreign military sales credits, peacekeeping operations and international narcotics control programs. The foreign economic aid bill has been reported from conference and was scheduled for House consideration this week. As agreed to by conferees, the bill would authorize $1.8 billion for economic development assistance, $24 million for an Institute for Scientific and Technological Cooperation (to support research and technological innovation in development countries to reduce obstacles to economic growth), and $105 million for the Peace Corps.

MIDEAST

Mr. Speaker, the fiscal 1980 military foreign aid bill, in conference, provides Israel with $1 billion under the foreign military sales financing program (with repayment of half forgiven). Conferees also transferred into that bill a $1.9 billion economic support fund, most of which is in support of the Middle East peace effort, with $785 million earmarked for Israel and $750 million for Egypt. This is in addition to a bill just signed into law providing for a fiscal 1979 supplemental of almost $1.5 billion to implement the peace treaty between Egypt and Israel. The authorization would support a total program level of $4.8 billion in economic and military assistance for the two countries consisting of loans, grants, and foreign military sales credits.

TAIWAN

A new law continues nongovernmental relations with Taiwan through an American Institute and gives that country assurance of United States concern for its peace and security and arms assistance in a security emergency.

FOREIGN AID REORGANIZATION

Congress gave its approval to the President's plan to reorganize the foreign aid programs by bringing them all under one umbrella organization, the International Development Cooperation Agency. The new agency would be the focal point for setting and coordinating development assistance policy and would take over most of the functions now performed by the Agency for International Development (AID) in the State Department.

In other foreign policy matters, the House passed a bill directing the President to lift sanctions against Zimbabwe-Rhodesia by the fall of this year unless he determines that it would not be in the national interest and so reports to Congress. Reported from conference is a bill lifting prohibitions on economic aid to Uganda in fiscal 1979.

SOUTHEAST ASIA REFUGEES

Mr. Speaker, the Foreign Affairs Committee this week reported out a bill to aid the Southeast Asian refugees by providing additional funds in fiscal 1980 ($207 million) and fiscal 1981 ($204 million) for migration and refugee assistance. A fiscal 1979 supplemental appropriation contained $109 million in additional aid for these refugees. The Speaker this week appointed a bipartisan nine-member committee of House Members to visit the refugee camps in Hong Kong, Malaysia, and Thailand and report to the House in regard to legislation to increase the number of refugees admitted to this country.

DEFENSE

Congress approved a fiscal 1979 supplemental request for funds for the MX missile system, and for the purchase of four destroyers made available due to the cancellation of Iranian orders. The House this week was scheduled to take up a $42.1 billion defense bill for fiscal 1980 that contains funds for the MX, an eighth Trident nuclear submarine, and a nuclear aircraft carrier. The bill would also reinstitute draft registration of 18 year olds beginning in 1981.

TRADE

TRADE PACT

Mr. Speaker, Congress gave final approval this month to the largest single trade agreement in U.S. history—one that will create American jobs, make American goods more competitive abroad, reduce our trade deficit and thus help bolster the dollar and ease inflation. The pact, signed in Geneva in the spring by the United States and 22 other nations after years of intensive multilateral trade negotiations, would reduce tariffs by about a third over 8 years and make substantial reforms in those nontariff barriers that hamper the free flow of goods between countries.

In its action the Congress brought U.S. law into conformity with a new set of international rules agreed upon by treaty signatories to eliminate various trade barriers. These include rules to: Restrict Government subsidies of exports, eliminate the use of special and arbitrary product standards, establish uniform

methods for determining the value of imports in trade, and end Government procurement practices that discriminate against foreign suppliers.

TRADE ADJUSTMENT ASSISTANCE

The House passed a bill to broaden assistance for workers and firms that are adversely affected by import competition. The bill would extend assistance now provided workers and firms involved in producing goods competitively injured by imports, to those who produce other parts or services that are essential to the production of such import-impacted end products. The bill would also liberalize employment eligibility periods, extend benefit periods for older workers and trainees, and increase job search and relocation allowances.

Mr. Speaker, scheduled for consideration by the House soon is a bill to extend expiring export control authority under the Export Administration Act. The bill contains a provision to strengthen existing restrictions on the export of Alaskan oil by prohibiting such export for oil swaps (such as with Mexico and Japan) unless it would result in lower oil prices for U.S. consumers.

The House last week passed the fiscal 1980 Maritime Administration authorization for fiscal 1980 that includes $357 million in construction and operating subsidies for the U.S. merchant fleet. A new law strengthening prohibitions against illegal rebating in ocean shipping.

In other trade-related matters, Mr. Speaker, the House voted to approve the President's recommendation to waive the freedom-of-emigration requirements in regard to Romania to allow that country's products to continue to receive most-favored-nation treatment.

EDUCATION, SOCIAL SERVICES, HEALTH

DEPARTMENT OF EDUCATION

A bill in conference approves one of the Presidents major reorganization proposals in creating a Cabinet-level Department of Education. The new Department would take over virtually all of HEWs elementary, secondary, and college-aid programs, vocational rehabilitation programs, and the Defense Department's overseas schools. It would have a budget of approximately $14 billion and a personnel force of about 18,000.

Mr. Speaker, in the field of higher education, the House passed a bill to remove the cap on the special allowance paid to lenders under the guaranteed student loan program in order to keep student loans an attractive investment and thus insure their availability. The bill would make other changes in the higher education laws designed to provide more equitable treatment to independent students and to facilitate the collection of defaulted loans.

FOOD STAMPS

A bill reported from conference would authorize an additional $620 million for the food stamp program to continue benefits for the remainder of the year. The bill also would permit the elderly, blind, and disabled to deduct medical expenses and excess shelter expenses from their income in computing eligibility for food stamps.

SSI DISABILITY

Mr. Speaker, the House passed a bill to remove some of the work disincentives faced by the disabled under the supplemental security income benefits program, by allowing them to have greater earnings than presently allowed and still maintain eligibility, and by permitting those who lose their jobs to requalify for benefits without lengthy waiting periods.

SOCIAL SERVICES AND CHILD WELFARE

The House approved a bill raising title XX broad social services grants to the States from $2.9 to $3.1 billion, increasing Federal matching funds for services provided to abused, neglected, and homeless children to a maximum $141 million in fiscal 1980 and $266 million in fiscal 1981 (from a current level of $56.6 million), and permitting the use of welfare funds to help support adopted children.

HEALTH

Mr. Speaker, a bill passed by both Houses in differing forms would extend health resources and planning development programs for 3 years and authorize a total $1.2 billion, with funds for health systems agency planning grants, and grants for hospital construction, modernization, conversion and closure. Another bill passed by both Houses would authorize $103 million for fiscal 1980 for assistance programs in nurse training, including loans, grants, traineeships and scholarships.

TRANSPORTATION

AMTRAK

The House passed a bill extending Federal assistance for the operation of Amtrak in amounts of $881.5 million for fiscal 1980 and approximately $1.9 billion for the following 2 years. In an effort to preserve those trains with high ridership during an energy crisis the House voted to restore about half the route cutbacks proposed by the administration, and agreed to a provision that would assure each section of the country at least one long-distance train.

The House passed a bill authorizing an additional $1.7 billion in Federal funds to aid the completion of the District of Columbia's 101-mile Metro rapid transit system.

ENVIRONMENT

Mr. Speaker, the House passed a bill extending the Safe Drinking Water Act for 3 years and authorizing a total of $253 million to the Environmental Protection Agency to carry out the programs of the act, including enforcement of pollution control and abatement, and grants to States for water supervision programs and protection of underground water sources.

Both Houses passed in differing forms a bill authorizing $381 million for fiscal 1980, mostly to EPA, for environmental research and demonstration. The House passed a resolution calling for an indefinite moratorium on all commercial killing of whales.

Earlier in the session, Mr. Speaker, the House passed the largest single piece of conservation legislation with approval of the Alaska lands bill, designating over 120 million acres of public land for preservation as wilderness, parks, refuges, and forests.

OTHER BILLS

BANKING; HOUSING; SBA

The House passed a major banking bill, the Monetary Control Act, designed to stem the exodus of banks from the Federal Reserve System and enhance the Fed's ability to control monetary policy and combat inflation. The bill as finally passed would reduce the amount of noninterest-bearing reserves that member banks must keep with the Fed, maintain the current system under which only member banks are required to hold reserves, but specify that if, in the future, the percentage of total bank deposits covered by the Fed Reserve requirement should fall below a certain level, then nonmember banks would also be subject to reserve requirements.

Both Houses passed in differing forms a bill to extend Federal housing and community development programs. As passed by the House the bill provides for fiscal 1980, $1.2 billion for low-income public housing and section 8 housing, $675 million for urban development action grants, $150 million for housing rehabilitation loans, and $644 million for rural housing programs.

A bill in conference authorizes $5.3 billion over 3 years for programs of the Small Business Administration, including low-interest disaster loans.

VETERANS

Mr. Speaker, a bill passed by the House would provide an 8.3-percent cost-of-living increase in service-connected disability compensation and dependency and indemnity compensation (DIC) for veterans and their survivors. The bill would benefit approximately 2.3 million disabled veterans and 345,000 survivors.

A new law establishes a readjustment counseling program for Vietnam veterans and sets up 5-year pilot programs in preventive health care for disabled veterans and in drug and alcohol abuse treatment.

JUDICIAL

The House passed a bill authorizing the Attorney General to initiate civil actions to protect the rights of persons institutionalized due to physical or mental incapacities, of the elderly in nursing homes, detained juveniles, and prisoners. The House also passed a bill to close a current loophole in the law and allow the Coast Guard to make arrests on the high seas for illicit trafficking in drugs by U.S. citizens or aboard vessels under U.S. jurisdiction.

Mr. Speaker, the House defeated a proposed amendment to the Constitution that would have banned the busing of schoolchildren to attain racial integration. The House approved an extension until July 1981 of the current moratorium on any move to ban saccharin.●

AID TO NICARAGUA

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GRAY. Mr. Speaker, I would like to insert in the RECORD an article from

the Christian Science Monitor of July 31, 1979 describing the new and as yet uncertain, relationships between the United States and Nicaragua and Cuba and Nicaragua.

As the author of the article points out, Nicaragua is desperately in need of humanitarian aid and debt relief. Much of this aid must come from the United States, as we are one of the only countries in a position to airlift the food and medical supplies that are needed throughout Nicaragua.

The United States has already contributed about 25 tons of medicines, edible oils, and food to the new government in Managua which has also received supplies from Cuba.

While the legacy of two U.S. interventions in Nicaragua in this century might well be a stumbling block to future United States-Nicaraguan relations, our present humanitarian aid can help to overcome mutual suspicions in Washington and Managua. Furthermore, it can strengthen the position of those Sandinistas who are not eager to embrace Cuba and its radical socialist policies.

I strongly support our present humanitarian efforts in Nicaragua and would like to urge the Carter administration to maintain its present policy of strict noninterference in the internal affairs of Nicaragua and other countries in the Americas.

I commend the following article to the attention of my colleagues:

UNITED STATES, CUBA BOTH MOVE CAUTIOUSLY IN NICARAGUA

LONGTIME ANTAGONISTS ARE GOING TO PLAY MAJOR ROLE IN RECONSTRUCTION

(By James Nelson Goodsell)

MANAGUA, NICARAGUA.—Washington's cautious overtures to the new Nicaraguan Government, along with Havana's low-key proffer of friendship, suggests that both the United States and Cuba plan to move slowly in developing ties with the new leadership here.

For the U.S., caution is clearly the key word. Washington wants the new government here to know it is ready to spend millions in helping relieve the immediate suffering in this war-ravaged land and in reconstructing the country. But it has many questions about the Sandinistas who now control Nicaragua.

The U.S. knows that the guerrillas are wary of the U.S. and its motives. The legacy of two U.S. interventions in this century and U.S. closeness to the now ousted Somoza dynasty is still very real.

Moreover, many Sandinistas have said sharp things about the U.S. in the past. At the moment, however, the guerrillas are speaking softly about the U.S. now that they are in power.

The Sandinistas seem in no particular rush to fully embrace Cuba, although there were forecasts prior to the change in government here that this would be one of their early moves. For its part, the government of Havana seems to be encouraging the Sandinistas not to move too fast.

Yet the two longtime antagonists—Washington and Havana—are clearly going to play roles of importance with the new government. This was dramatized here July 28 when U.S. Ambassador Lawrence A. Pezzullo returned to take up his duties anew.

The droop-wing U.S. Air Force C-141 cargo jet that brought Mr. Pezzullo pulled up on the Managua Airport tarmac next to a Cubana de Aviación Ilyushin turboprop transport that had arrived earlier in the day.

And while the U.S. Ambassador was telling his Nicaraguan hosts that the U.S. jet brought 25 tons of medicines and edible oils, the Cuban aircraft began taxiing on its return takeoff for Havana—and for another 10-ton load of relief supplies.

Neither Mr. Pezzullo nor his Nicaraguan greeting party, surprisingly headed by Sandinista guerrilla commander Tomás Borge Martinez, made any mention of the Cuban aircraft.

But there was no need to do so.

Cuba's presence here, low-key though it may be, is clearly evident. Moreover, Nicaragua's new government sent a hastily organized delegation to Cuba for the annual July 26 celebrations marking the start of Fidel Castro's revolution. Indeed, the Nicaraguan delegation was the only foreign group officially attending the ceremonies held in the eastern Cuban city of Holguin.

Alfonso Robelo Callejas, a member of the professional governing junta and one of Nicaragua's delegates, said on his return July 27 that Nicaragua expected to expand its ties with Cuba in the months ahead. He added that Cuba had promised a variety of health and educational aid to Nicaragua—"as much as we need."

The presence of the daily Cuban flight on the runway was testimony to that promise. But US aid is expected to be extensive, too. Mr. Pezzullo on arrival said "We're prepared to make a major contribution" to reconstructing Nicaragua, far beyond the $3 million already expended in the past several weeks.

The new government in Managua is aware, and has said so in so many words, that much of the relief it needs is going to have to come from the United States. Past experience here and elsewhere suggests that this relief will not come from the socialist block countries or from countries outside the Western hemisphere. Now that the Sandinistas are in power, they apparently are becoming more realistic about this prospect.

In addition, several Sandinista leaders in the past several days have said that they might even ask the US for arms and ammunition to fend off a rumored offensive by remnants of the one-time strong National Guard that are still loose in Nicaragua and in neighboring Honduras.

It is understood that Col. Anastasio Somoza Portocarrero, son of the deposed dictator, is in Honduras, and it is thought that he may be planning such an offensive.

This threat of a Somoza attack certainly affects the new government's attitude toward the United States.

Mr. Borge, in his airport remarks greeting Mr. Pezzullo, spoke of the "woefully sad" relations between Nicaragua and the US in past years and warned Washington that the new Nicaraguan Government would expect "the most absolute respect" from the US.

The sharpness of this warning could not be mistaken. But at the same time, it was viewed as an important signal to the US that it was Mr. Borge who came to the airport. As the only surviving founder of the Sandinista movement, he has tremendous weight in the new government, and the symbolism of his presence was not lost on observers.

Mr. Pezzullo, in remarks to the press, said his job as the new US ambassador here was one of trying to be helpful and that he was not anticipating trouble. "We realize that this is a new situation," he said.

His comments were clearly part of an overture by Washington to build a new relationship with Nicaragua in the wake of the collapse of the Somoza family dynasty, which the US had helped establish and supported for some 40 years—a dynasty that now is largely discredited here.●

FLAGRANT OIL COMPANY PRICE INCREASES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CONYERS. Mr. Speaker, at the June 28 hearing before the House Commerce, Consumer, and Monetary Affairs Subcommittee, chaired by Mr. ROSENTHAL, Barry Bosworth of the Wage and Price Council conceded that gasoline and home fuel oil No. 2 price increases since the beginning of the year have far exceeded the amount necessary to pass along increased costs and/or "banked" savings. He admitted that the Department of Energy had failed in its responsibility to enforce this basic area in accordance with the anti-inflation guidelines.

I want to bring to the attention of my colleagues Leonard Curry's excellent report on that hearing that appeared in the Washington Star on June 28. This provides yet another example of the arbitrariness and lack of accountability of the oil industry.

The report follows:

HOUSE UNIT CHALLENGES GASOLINE PRICE BOOSTS

(By Leonard Curry)

A House subcommittee today asked the Carter administration's top inflation monitors to explain how petroleum refineries are complying with anti-inflation guidelines in light of gasoline price increases that are outstripping the cost of imported crude oil.

The Council on Wage and Price Stability chairman, Alfred E. Kahn, and director Barry P. Bosworth were the scheduled witnesses for the hearings before the House subcommittee on Commerce, Consumer and Monetary Affairs.

Rep. Benjamin S. Rosenthal, D-N.Y., chairs the subcommittee, which has oversight responsibility for the White House office administering the voluntary anti-inflation program.

Rosenthal said in prepared remarks that the 14 percent inflation now racking the country, huge increases in gasoline and food prices are evidence that the voluntary program is ineffective.

In support of Rosenthal's comments, the subcommittee said its investigation of gasoline-price increases indicates that they have been far in excess of the amount necessary to pass along increases by the oil-exporting countries.

The voluntary anti-inflation guidelines allow processors to include higher costs of raw materials in calculating their selling prices. But the final price increase must fall within the guidelines of being lower than the company's price increases of the previous two years.

The subcommittee staff said prices of all types of gasoline have increased this spring three times faster than the average price of a gallon of imported crude oil. While gasoline prices have risen 12 to 15 cents a gallon, the subcommittee said, the average price of a gallon of imported crude has increased about four cents, according to Commerce Department data.

The subcommittee also said the spiral in gasoline prices that began last summer coincided with an actual decline in the price of imported crude, as reported by the Commerce Department and the U.S. Customs Service.

Rosenthal, who is among the House Democratic Caucus' most outspoken critics of the voluntary guidelines said the administration must soon begin serious consideration of stronger alternatives.

"The wage-price guidelines have had no discernible impact on the alarming rate of inflation in the energy, food, housing and health-care sectors of our economy," Rosenthal said before the hearings began.

"The conclusion is inescapable that the guidelines are not working," Rosenthal said, "and that major new anti-inflation initiatives are required if the administration is to win the inflation fight and the confidence of the American people."

Rosenthal said the Bureau of Labor Statistics, which gathers pricing information for the government, has no data to prove the program is working.

In addition, the subcommittee chairman said state governments have shown no interest in implementing anti-inflation programs that the administration has recommended.●

WE MUST RESOLVE TO UTILIZE ALL POSSIBLE RESOURCES AND MEANS IN BEHALF OF THE VIETNAMESE REFUGEES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. KEMP. Mr. Speaker, I would like to address the horror which continues to face Vietnamese citizens and refugees who are desperately trying to leave the oppression of their homeland. While I recognize that some progress has been made pursuant to the recent Geneva Conference, the help which has been pledged, the assurances which have been given, and the meeting of minds at the convention have yet to provide the boat people and Vietnamese people with concrete relief from their dreadful plight.

The Vietnamese Government has proclaimed that it will "make every effort to stop illegal departures" of refugees from Vietnam, ostensibly to ease the burden of those nations of first asylum. While I realize the necessity to provide such relief at this time, I want to make it clear that this can only be sanctioned as a temporary relief measure. Emigration should proceed legally and efficiently, and I am therefore asking the President to vigorously pursue the establishment of a consular office in Vietnam to insure that those who wish to leave the country are provided with assistance in doing so.

More immediately pressing is the need to rescue sea-bound refugees, provide them with medical care, supplies, and food, and airlift those who have been approved for admission to the United States to our country as quickly as possible. We need to process and resettle these people as swiftly as possible and permit the thousands of eager Americans waiting to help them to proceed with their humanitarian efforts. While strides have been made in this regard, much, much more can be done. Our airlifts should include medical teams ready to treat the suffering and disease-ridden refugees to the greatest extent possible. Transit centers should be established, equipped with medical care and coordinators for private sector and volunteer assistance. We must redouble our efforts to end the misery these people have endured for much too long and I support the administrations request for $200 million extra to help relieve this human tragedy.

Finally, I am resolved that the United Nations General Assembly should convene to discuss placing sanctions against Vietnam for ongoing inhumane treatment of its citizens. If we are to be the humanitarian nation we must be, we must take leadership in bringing about an end to oppression and human rights violations wherever they exist with the means we have to combat them.

I ask for the concurrence of my colleagues in the Congress in the following resolution urging President Carter to move with all possible speed and turn his assurances of assistance in behalf of the Vietnamese into action.

Mr. Speaker, in the 1930's this Congress was neutral to the sufferings of the "holocaust"—I say, "never again".

H. CON. RES. 181

Whereas Vietnamese citizens are risking their lives on the high seas to escape intolerable conditions in their homeland and are seeking asylum in nations ill-equipped to shelter them;

Whereas there are over 400,000 Vietnamese refugees living in squalor and privation in refugee camps;

Whereas 30,000 Vietnamese refugees who have been approved for admission into the United States remain in refugee camps; and

Whereas the Vietnamese Government has violated and continues to violate the human rights of the citizens of Vietnam, first by forcing their flight from Vietnam, and now by preventing their flight from Vietnam (to ease the burden on nations which are asked to provide asylum for the Vietnamese refugees): Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President should—

(1) Take steps to rescue refugees found in distress on the high seas and to encourage the cooperation of other nations in rescuing such refugees;

(2) Initiate immediate airlifts of medical supplies and food to camps for Vietnamese refugees;

(3) Initiate immediate airlifts to bring into the United States all Vietnamese refugees who have been approved for admission into the United States and to provide a medical team to care for such refugees during such airlifts;

(4) Authorize the establishment of centers in the United States for the medical examination and care of Vietnamese refugees upon their arrival in the United States;

(5) Authorize the establishment of centers in the United States to assist Vietnamese refugees in settling in the United States;

(6) Take steps to establish a consular office in Vietnam to insure the orderly departure from Vietnam of those wishing to emigrate; and

(7) Call for a session of the United Nations General Assembly to discuss sanctions against Vietnam for the inhumane treatment of its citizens.●

SHATTER THE SILENCE, VIGIL 1979

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

○ Mr. FISH. Mr. Speaker, as a dedicated participant in the "Shatter the Silence, Vigil 1979" program, I would like to take this opportunity, in view of our upcoming August recess, to report to the House on the current plight of two of my adopted Soviet Prisoners of Conscience.

I have some good news. Isaac Shklonik has finally been released from prison having served the entire term of a 7-year sentence. I think it is important to note that, during his period of incarceration, Soviet officials repeatedly offered Shklonik an early release if he would abandon all plans to join his family in Israel and also persuade them to return to the Soviet Union. Shklonik refused and I have heard that the last months of his imprisonment were excessively harsh. For the present, he has been allowed to return to his apartment and, despite his ordeal, he remains determined to join his family and settle in Israel. I, too, remain committed in helping him achieve this end.

I would also like to bring to the attention of my colleagues the plight of Ida Nudel who remains in prison. Known as the "guardian angel" for her activities on behalf of Soviet Jewish Prisoners of Conscience, she was arrested in June 1978, after years of harassment, for hanging a banner from her window publicizing her request for permission to emigrate to Israel. For this "crime" she was sentenced to 4 years internal exile. I recently met with Ida Nudel's sister here, in Washington, and have promised to continue to work toward Ida's release and her eventual emigration to Israel.

While the Soviet emigration movement, of which I am proud to be a member, has had several recent successes, I believe it is essential that we remain vigilant in our efforts, so that one day all of those who wish to emigrate and join their families elsewhere will be able to do so. In closing, I would like to share with you the following lyrics to a song dedicated to Ida Nudel written by Naomi Shemer, a leading song writer in Israel today, entitled, "Shalom Ida Nudel."

SHALOM IDA NUDEL

(English translation: Aviva Marks)

We both were born in the same year, from one people come,
And though we two have never met
Nor may I bid you welcome yet—
Allow me for all that to call you sister,
And tell you in a tongue ancient as time—
Your people are my people, your G-d, mine.
A tiny woman in a snow-bound desert
A pail of water in her frozen hand
And in her hut, to cold and hunger prey
In solitude she struggles, abandoned to the fray—
And yet against all reason, in some strange and curious way
It may be said that she, she is my only hope today.
I who dwell in comfort and in shelter
With shade in summer and with autumn's stove
And honey with my morning bread and butter,
And she has nothing, save despair and cold.
And all the stubbornness and all the quiet
And all the arid dryness after storm—
A tiny woman, and her cry—a whisper
A stranger to me, yet for all that, sister.
The family tree we both do share is ancient,
The wind that moves it blows beyond the pale,
One is the wind that soars across the borders
Of the Siberian frost—to Eretz Yisrael.

That wind it is that moves your silent lips now
And pledges us to seal one with the other
A covenant of sister souls.
And whispers to me as I write to wish you well
To wish you all the blue and light of Eretz Yisrael—
That I believe the long awaited day is soon to come
When I may bid you welcome, and when one enormous sun
Will shine upon the two of us, dear sister.●

QUEENS RESIDENTS ABANDON HOMES IN ANTICIPATION OF HEATING OIL CRISIS

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Ms. FERRARO. Mr. Speaker, I know my colleagues have been following with great interest the crisis situation developing as we try to insure that enough home heating oil gets to consumers this winter. In recent weeks we have seen the oil companies take actions which have exacerbated an already difficult situation. Although many of us are aware of the hardships which a heating oil shortage may cause on our constituents—I think most of us would be surprised to learn of one way in which consumers are reacting to the possibility of a shortage. An article in Newsday on July 31 pointed out that many homeowners in Queens County, part of which I represent, are actually abandoning their homes due to the expectation of increased heating costs and shortages. It is my hope my colleagues will read the article, and that it will renew our determination to prevent the callous policies of the oil companies from causing a serious heating oil shortage this winter.

The article follows:

HOME ABANDONMENTS INCREASE IN QUEENS, AND WORSE FEARED

(By Edmund Newton)

Besieged by rising costs and taxes, more Queens homeowners than ever are packing up and walking away from their one and two-family houses. And borough officials say they are worried that the problem of housing abandonment will be aggravated this winter by increases in the price of home-heating oil.

Community leaders, taking note of the increasing numbers of boarded-up houses, warn that an abandonment on a block often leads to deterioration.

"It leaves a blight," said Assemb. Gerdi Lipschultz (D-Rockaway Park), whose district has been especially hard hit. "It has a detrimental effect on the entire neighborhood. An abandoned house is an open invitation to vandals and arsonists."

With observers predicting that the price of heating oil may rise to $1 a gallon by mid-winter, Borough President Donald Manes has asked ranking borough officials to seek means of providing aid for financially strapped homeowners. "Unfortunately, we can't affect OPEC prices," Manes said the other day, but added that he planned to press the White House for "some new assistance programs for homeowners, as well as meaningful controls." (OPEC members seek an emergency meeting to adjust oil prices; story on the next page.)

There is no actual count of the number of abandoned buildings. But municipal officials cited recent statistics to illustrate the new dimensions of the abandonment problem in Queens, particularly in such "transitional" areas as Jamaica and the Rockaways. Increases have been noted in the number of properties seized for being in tax arrears, in the number of vacant buildings declared "unsafe" by city inspectors, and in the number of federally insured mortgages in default. All of those statistics, officials said, show that homeowners are enduring especially hard times.

The chief inspector for the City Department of Buildings, Marvin Perlmutter, said that during the first half of the year, city inspectors had declared 305 vacant buildings—almost all of them one- and two-family houses—unsafe, as compared to only 228 in the first half of 1978. The Department of Buildings acts on complaints from neighbors, the Community Planning Board or the Fire Department. An official finding that a vacant building is unsafe is necessary before the city can obtain a court order to demolish it.

"The bulk of the people who are abandoning these homes leave just after a fire or else they just walk away, leaving the house wide open," Perlmutter said.

At the same time, the Department of Housing Development and Preservation cited increases in the number of properties in tax default. Part of the increase, officials said, stems from a new law permitting the city to take title after landlords have been in tax arrears for a year. Previously, the city had to wait three years. But housing officials said they suspected that the increasing costs of home-owning had contributed to the defaults.

The borough director of planning for the City Housing Agency, Rubin Wolf, quoted annual figures showing that the number of "vested" properties—those seized for failure to pay real estate taxes—is rising steadily in Queens. The most recent figures show 380 properties vested in the 1975–76 period and 836 in 1976–77. Not all of the vested properties are houses; some are just vacant lots. The city now "owns" 334 houses in Queens.

That figure could double in the next few months, according to the officials. The city plans the next Queens vestment in the early fall. The borough real estate manager for the city, Anthony Quondamatteo, said that more than 2,000 pieces of property are scheduled to be seized. From that pool, the city could end up owning more than 500 houses, he said.

An aide to Manes, Sam Samuels, said that homes seized by the city for failure to pay taxes were often in the worst physical shape. "If the house were of any value, the owner would try to sell first," he said.

"We're going to make a survey of all these buildings to find out why people are abandoning them," Wolf said. He said that the initial findings were that some homes were abandoned when elderly homeowners became seriously ill or died. "Others give up their homes only because of economics," he said. ". . . It could well be that increased fuel costs could panic people into even further abandonments."

Federal officials reported an increase over the past five or six years in defaults on mortgages insured by the Federal Housing Administration. The U.S. Department of Housing and Urban Development has seized 1,400 such properties in the city, with HUD-administered properties concentrated in several Queens neighborhoods. There are, for example, 65 HUD homes in South Ozone Park.

Housing officials said that there are a number of programs to aid homeowners threatened with having to give up their houses. If a homeowner faces default on an FHA-insured mortgage, for instance, he has several options—ranging from an informal "forbearance" agreement, in which he is allowed to put off his payments for a few months, to the refinancing of a mortgage.

"The trouble is that some people are not very well-educated about loans," said Sydelle Knepper, a regional HUD official. "People tend to ignore the notices when they're in default."

For homeowners who don't have the money to finance essential repairs, the Department of Housing Preservation and Development can offer lower-interest loans—3 per cent as opposed to about 11 per cent from most commercial lenders—of up to $27,000 for each dwelling unit. Most city homeowners are eligible for that program.●

MICHIGAN UNIVERSITY PRESIDENT'S AWARD GOES TO THREE DISTINGUISHED CITIZENS

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DAVIS of Michigan. Mr. Speaker, Northern Michigan University (NMU) has awarded to three outstanding citizens of the State of Michigan its President's Award for Distinguished Citizenship.

Northern Michigan University initiated this award program in 1974, the institution's 75th anniversary. To date, the President's Award has been given to 28 extraordinary citizens of northern Michigan who have distinguished themselves in the fields of community service, professional achievement, and the humanities in general.

This year, the university is acknowledging the outstanding contributions of Herbert W. Corey, Moira D. Reynolds, and John A. Lemmer. I would like to take this opportunity to bring to my colleagues' attention the conscientious efforts of these citizens.

Herbert W. Corey has been a driving force for over half a century in endeavors affecting the social, economic, and educational life of Stephenson, Mich. A distinguished member of the banking profession, he has been associated with the Bank of Stephenson for 50 years.

Mr. Corey has devoted himself to many areas of community betterment as well, having served as president and mayor of Stephenson since 1936, with the exception of a 5-year period. He also has served with distinction as chairman of the International Bridge Authority, having been appointed by Gov. William Milliken.

Wife, mother, author, research scientist, teacher, volunteer, and civic leader, Moira D. Reynolds has given much to her family, her profession, and her community.

She has been a leader in the fight against cancer, and has worked hard on behalf of public education and screening programs. She has served as a member of the public education committee as well as the Marquette County cancer unit.

Mrs. Reynolds also enjoys a national reputation as a writer of nonfiction articles which have been published in newspapers and magazines throughout the Nation.

John A. Lemmer has devoted most of his life to the education of the youth of Delta County, Mich. He has been a teacher, principal, and superintendent of schools.

During his long and illustrious career, he has earned a statewide reputation as a leader in the field of education, as evidenced by his election as president of the Michigan High School Principals Association and as president of the Michigan Association of School Administrators.

Mr. Lemmer has been involved in numerous civic, community, and church activities over the years, including service as the district governor of Rotary International, as well as work for the Easter Seal Society, March of Dimes, Hi-Y, Red Cross, and the Salvation Army.

Through the work of Herbert W. Corey, Moira D. Reynolds, and John A. Lemmer, the lives of countless citizens of Michigan have been enriched. They are most worthy of the recognition being accorded to them.●

WORLD HUNGER

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. AuCOIN. Mr. Speaker, every day 700 million people go home hungry. For them, a welcome dinner might be a handful of ground cereal or a bit of root scavenged from the parched soil. These are the starving who live in the haunting reality of world hunger.

Like a wartime enemy, world hunger claims lives, devastates land, and halts social progress. Nearly 20 million children under the age of 5 will die this year because of malnutrition. In parts of South Asia, more than 50 percent of the children never reach adulthood because they have never had enough to eat.

How is it in our prosperous world, we lose millions of our fellow men and women each year to the clutches of starvation?

One reason is the absence of a U.S. food policy.

We may not have all the answers to world hunger, but we are making strides where we never took steps before.

I was encouraged that the seven major industrialized nations concluded the recent Tokyo energy summit meeting with a statement on agricultural aid to Third World nations.

"We will place more emphasis on cooperation with developing countries in overcoming hunger and malnutrition," the seven attending heads of state declared.

These governments promise a three-prong initiative to combat world hunger:

To develop effective food policies;

To increase Third World countries' storage capacities; and

To encourage more worldwide cooperation for agricultural research.

That's an ambitious program. But it is the promise for Third World agricultural development we must keep. Achieving development goals among the many countries of the world is difficult. We must overcome cultural barriers besides identifying solutions to world hunger.

Yet the United States is no stranger to successful foreign aid. Ever since the Marshall plan we have pursued a strong tradition of humanitarian aid in developmental assistance. Now is the time to put that tradition into practice as we pledge to end world hunger.

First, look at grain reserves. The President said in Tokyo that the United States would assist in building up the Third World food storage capacities. To do so, we must provide a reliable stockpile when it comes time to fill those bins.

If we hope to foster technical development, it can not be on a starvation diet. Technical and nutritive assistance go together. A starving worker cannot run a machine. Food security means assuring reserves in emergency situations. We can give people of the Third World that assurance by guaranteeing our share of a world food reserve, and that is the opportunity Congress faces right now.

The Congress will consider the final version of the International Development Cooperation Act soon. In that bill are provisions for a food reserve system. Three hundred thousand metric tons will be earmarked for emergency food reserves. This is a substantial commitment. I urge support of that emergency reserve.

Second, this legislation fosters a new concept in foreign aid: Linking guaranteed aid to development incentives. The International Development Cooperation Act, H.R. 3324, requires local workers and institutions of Third World countries to participate in technical programs and planning. This act could be the ground breaker for truly effective assistance—assistance that stimulates self-reliance through participation.

We will never end world hunger if we do not work to change the structural problems that shackle developing countries. I intend to work for that long-term goal when H.R. 3324 comes before Congress. Direct participation in technical programs will give people a livelihood and therefore an escape from poverty—which is the real root of hunger.

Other creative solutions are emerging from the executive branch as well. The President's Commission on World Hunger, founded last October, has identified several crucial objectives for food security.

During the Commission's July 6 meeting, Eduoard Saouma, Director General of the U.N. Food and Agriculture Organization, emphasized, "A solution cannot be found to the problems of poverty and hunger without fuller use of the multilateral institutions." He further stated that Third World countries have barely produced as much in agricultural products over the past 10 years as during the previous 10 years.

Information and concerns such as these help build effective policy. The President's Commission on World Hunger is there to provide that expertise to Congress. We should heed that resource and use it as we legislate.

I urge that we aim to wipe out world hunger by 1990. That is not impossible with the right programs and the right vision.

We must act immediately. Stalling to protect U.S. jobs and prices will only postpone the stand we must take, because we can no longer ignore our part in assuring mankind's most basic right: The right to food.●

THE COST OF TAGGING EXPLOSIVES: A SHOT IN THE DARK

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, August 3, 1979

● Mr. EAGLETON. Mr. President, the Omnibus Antiterrorism Act of 1979, S. 333, contains a section that would require the placing of tiny plastic "tags" in all explosive products (section 303). This bill is currently being considered by the Committee on Governmental Affairs, which is awaiting the results of a feasibility study on taggant technology by the Office of Technology Assessment.

Some of my colleagues have expressed their enthusiastic support for this proposed tagging program, maintaining that it would be a relatively inexpensive, cost-effective way to eliminate or at least trace the perpetrators of terrorist bombings in this country. Whether taggants would be effective from a technological or strategical point of view is hotly disputed. Although there is on record one incident where a pilot tagging program helped to trace a suspect, it is quite likely that most sophisticated terrorists would not be so careless as to use explosives traceable to them. This will be debated often and vigorously throughout the life of the bill.

However, the cost of the tagging program has, in my opinion, not been subject to a similarly thorough analysis. The Bureau of Alcohol, Tobacco and Firearms study came up with a cost estimate of $40 million dollars annually to the industry, and thus, to consumers. I do not believe that this figure takes into account the full panoply of expenses that may be incurred due to the broad mandate imposed by S. 333. For instance, it did not consider the costs of tagging 92 percent of the commercial explosives manufactured annually—noncap-sensitive explosives—or the increased recordkeeping costs for tagging cast boosters, black powder detonating cords, blasting caps, and noncap-sensitive-explosives.

The BATF cost analysis is disputed by other industry spokesmen. The Institute of Makers of Explosives has prepared

its own analysis, and, I believe that my colleagues should read it before they accept the $40 million price tag as a definitive figure. The IME study disputes the BATF estimates and makes the following analysis:

First. It understates the taggant price that will be charged by 3M—the sole manufacturer of tags—in a monopolistic market.

Second. It assumes, contrary to common sense, that the addition of more elements to a taggant will decrease its cost.

Third. It ignores the cost of tagging noncap-sensitive explosives.

Fourth. It ignores the currently charged code renewal fees.

Fifth. It assumes that the recordkeeping costs consist solely of product marking and recording costs, and that acquiring, storing and retrieving the tags—as well as quality control—will be achieved without incurring any additional costs.

Sixth. It ignores the economic impact of the 15 percent decrease in productivity observed during the experimental program.

IME's estimate is a "little" more than $40 million annually. They project a $703 million price tag to enable the BATF to arrest an estimated 38 more bombing suspects per year. That's $18.5 million per arrest. If this estimate is even in the ballpark of the true cost, it is a bad bargain for the taxpayers.

The IME prepared this analysis in response to a question from my colleague, Senator RIBICOFF, who asked IME to explain the discrepancy between the cost estimates provided by BATF and IME. I am convinced by their answer that the discrepancy raises serious questions about the BATF analysis, and should be dealt with before we try to push ahead with the taggant program.

I urge all of my colleagues to carefully consider the IME analysis which follows. I hope you will find it as compelling as I did, and I hope it raises the same questions about the credibility of the explosives tagging program in your mind as it did in mine.

[Excerpt]

ANALYSIS

8. The cost estimates of using explosive taggants are grossly disparate. For example, in a letter to the Committee, 3M, the manufacturer of the taggants, says it will charge a maximum of $40 per pound of taggants. IME says the cost will go to $200 per pound. Total annual cost of the program is put at $40 million by Aerospace, and $490 million by IME. How do you explain these discrepancies?

RESPONSE

We are acutely aware of the gross disparities in estimated costs, disparities that are great enough to imperil our credibility before the Committee. We are concerned, however, that the only cost estimates prepared for BATF have been done by those who have strongly advocated taggant development for years. We are particularly concerned that these figures not only ignore the current market price for taggants, but are based on estimated prices supplied by 3M—the only BATF-approved supplier of explosive taggants. Of course, we are not suggesting that Aerospace and 3M have falsified or otherwise altered the cost figures in any way. We suggest only that 3M's potential position as a legislatively-sanctioned monopolist raises very serious questions about the future pricing of taggants that have not been satisfactorily answered. We will address the Committee's questions from this perspective.

a. Price per Pound: The disparity in the price per pound of taggants has not resulted from Aerospace's "deflating" the projected prices nor from our "inflating" the figures. It has arisen from two grossly disparate estimates supplied by 3M.

In a letter to Mr. Howard McDanel of the Austin Powder Company dated January 31, 1979,[25] 3M enclosed its current sales brochure for microtaggants. In a section entitled "Price List," 3M quoted a price of $200 per pound for code lots of up to 49 pounds.[26] A recent check with 3M's sales representatives confirmed that these are current market prices. When we prepared our estimate, we made the eminently reasonable assumption that the taggants would be sold to us at a price no less than the current market price. Aerospace, on the other hand, relied on a $25–40 per pound price range quoted by 3M in a letter from L. J. Hesburg to Hon. Glen Anderson dated March 14, 1979.[27]

Thus the real question here is not how IME can explain the disparity in estimated prices, but whether 3M has adequately explained how the price of taggants would be reduced 500–800% below the current market price. We do not believe they have.

This tremendous price reduction is defended by 3M on several grounds. First, 3M tells the Committee that the taggants currently marketed do not have a polyethylene coating, whereas those used in the pilot tagging program were coated. From this 3M attempts to infer that *coated* taggants are *less expensive* to produce than *uncoated* taggants and, therefore, the price for *coated* taggants would be lower than the *uncoated* taggants currently marketed.[28] IME is aware that economics is an imprecise science, but we know of no theory that explains how the *addition* of an item to a product *reduces* its per unit production cost. Thus, regardless of whether coated or uncoated taggants are used in the program, the current market price for *uncoated* taggants ($200) must be the lowest possible price.

Second, 3M asks the Committee to accept its novel economic theory of the "Benevolent Monopolist." It is beyond question that 3M is the only producer of identification taggants that has survived the stiff competition to produce taggants that meet BATF's "stringent" criteria.[29] According to 3M, the supplier of a product who has achieved this monopolistic position will slash the current market price of its product because of economies of scale; however, the opposite is universally true: A monopolist has no such incentive to reduce prices.[30] The Committee has no reason to believe that 3M would behave any differently.[31]

Nevertheless, BATF suggests several reasons why 3M will keep prices reasonable.[32] First, BATF tells the Committee that 3M will keep its prices reasonable because "[t]hey said so in writing."[33] As businessmen or attorneys, we hope the Committee recognizes that unless 3M's "writing" is a signed contract with the buyers of taggants it does not guarantee that prices will, in fact, remain reasonable. BATF then tells the Committee that "natural economic forces" will inspire competition that will, in turn, keep taggant prices reasonable.[34] This, too, is belied by both the facts and textbook economic theory. As BATF acknowledges, the "stiff competition" has already occurred, and 3M has emerged as the sole supplier of the product, *i.e.* it is the only supplier that can meet BATF's "stringent" taggant standards.[35] 3M thus totally controls the expertise, processes, and facilities necessary to manufacture taggants for explosives. As long as taggant standards are stringent barriers to entering the market, other manufacturers (particularly those who have already failed) have little incentive to devote capital, manpower and resources to produce BATF—approved taggants—only to compete with a manufacturer (3M) who is already firmly ensconced in the market.[36]

For those reasons, we are highly skeptical of 3M's Alice in Wonderland economics. Experience and reason both tell us that the only *certain* price for taggants is the current competitive market price of $200 per pound. To argue that $25–40 per pound is an accurate estimate price for the same product in a *monopolistic market* is belied by economic theory and business experience, and common sense.

b. Annual Cost: The annual cost of S. 333 (as currently written) to the explosives industry has been grossly understated by Aerospace. We believe that a more realistic estimate is $703,000,000 each year.[37] The components of this figure are discussed below and are tabulated on page 54.

(1) Cost of Materials: The taggant price per pound discussed at pp. 27–31 supra, will significantly affect the total cost of the raw materials used in producing explosives. Based on all available data, we have calculated that the addition of taggants to explosives will add an additional $392,464,600 in raw material cost to explosive products. The cost estimates for the various types of explosives products are discussed below and are tabulated on page 40.

Cap-sensitive Packaged Explosives: Total annual production of cap-sensitive packaged explosives in the United States is 275 million pounds.[38] During the pilot program, the taggant concentration in the explosives was 0.05 percent by weight. Aerospace now proposes to reduce this concentration to 0.025 percent by removing the polyethelene coating (which accounts for 50 percent of the taggant weight) from the taggants. As discussed in our response to question 2, see pp. 11–13 supra, because uncoated taggants were not used in the pilot program and have not been thoroughly tested; Aerospace's suggestion that they should be used in a national tagging program evinces a cavalier disregard for the inherent hazards of the explosives manufacturing process. Thus, our analysis will assume a coated taggant concentration of 0.05 percent by weight as used in the pilot program.

With a taggant concentration of 0.05 percent by weight, one pound of taggants will be required for every 2000 pounds of explosives.[39] Thus, if taggants are priced at $200 per pound, the cost of the taggants in each pound of explosives will be 10 cents.[40]

This additional cost is frighteningly inflationary. The current cost of raw materials used in producing one pound of cap sensitive explosive is approximately 15 cents. Consequently, tagging cap sensitive explosives will increase raw material costs 66 2/3 percent. With an annual production level of 275 million pounds, the annual increased raw material cost for the taggants will be $27,500,000.

Cast Boosters: Cast boosters are extremely powerful explosives used to detonate noncap-sensitive packaged explosives and other blasting agents. Tests have shown that taggants in boosters have severe survivability problems.

Moreover, the feasibility of tagging these explosives in conventional production processes has not been tested. Consequently, we believe that both Aerospace's price projection for these taggants (which must be specially manufactured to insure even a modicum of survivability),[41] and the projected tagging level are purely speculative. It is certain, however, that the price of these taggants will be considerably greater than those used in tagging cap-sensitive explosives simply because a more sophisticated taggant must be specially manufactured from more expensive materials.[42] Rather than speculate, our analysis uses the artificially low minimum taggant price of $200 per pound.

Aerospace suggests tagging boosters at 0.1 percent by weight. Thus, one pound of taggants will be required for every 1,000 pounds of explosives.[43] Consequently, if taggants are priced at $200 per pound, the cost of taggants in each pound of explosives will be 20 cents.[44] Since the cost of raw materials for boosters is 60 cents per pound, the addition of taggants will increase the cost of raw materials by 33 percent. With an annual production level of 6 million pounds, the annual increased raw material cost for the taggants will be $1,200,000.

Black Powder: As with cast boosters, tagged black powders have not been tested for compatability with the manufacturing process.[45] These taggants, however, must be specially manufactured to prevent a user from magnetically separating the taggants from the powder.[46] Thus, while any cost estimate is speculative, it can be said that the addition of demagnetizing or masking agents to these taggants will make them more expensive than the basic unencapsulated taggant.[47] Consequently, this analysis uses $200 per pound as a conservative minimum taggant price.

With a taggant concentration of 0.05 percent by weight,[48] one pound of taggants will be required for every 2,000 pounds of powder.[49] If taggants are priced at $200 per pound, the cost of the taggants in each pound of powder will be 10 cents.[50] Since the cost of raw materials for black powder is 11 cents per pound, the addition of taggants will increase the cost of raw materials by 91 percent. With an annual production level of 2.5 million pounds,[51] the annual increased raw material cost for the taggants would be $250,000.

Detonating Cord: As with cast boosters and black powder, the feasibility of tagging detonating cord in any conventional production process has not been tested. Moreover, the explosive material used in the core of the detonating cord is the highly sensitive, highly energetic PETN which would vaporize any known taggant.[52] Nevertheless, S. 333 would require detonating cord to contain taggants.[53]

Aerospace grossly understates the annual production of detonating cord. According to Aerospace, 12 million feet of detonating cord are manufactured each year;[54] however, IME members actually produce nearly 500,000,000 feet of commercially-marketed detonating cord annually.[55] Accepting Aerospace's estimate that approximately 2,600 pounds of taggants would be required to tag the 12 million feet of cord, we can calculate that 108,333 pounds of taggants would be required to tag 500 million feet of cord.[56] With taggants priced at $200 per pound, the annual increase in raw materials costs for detonating cord will be $21,666,600, or 4.3 cents per foot. This figure is greater than the value of all explosive products sold by the largest producer of detonating cord in the United States today! Since the cost of raw materials for detonating cord is 2 cents per foot, the addition of taggants will increase the cost of raw materials by 215 percent.

Blasting Caps: Like cast boosters, powders and detonating cord, blasting caps have not been tested for compatability, feasibility or safety.[57] Nevertheless, they are "explosive material" and under section 303(b) of S. 333 they would be subject to mandatory tagging. Even Aerospace reluctantly admits that tagging caps will be very costly.[58]

Aerospace suggests a tagging level of 50 mg of taggants per cap.[59] With taggants priced at $200 per pound, the cost of taggant concentration found adequate by the cost of raw materials for caps is 20–30 cents per cap, the addition of taggants will increase the cost of raw materials by 7–11 percent. With an annual production level of 84 million caps, the annual increased raw material cost for taggants will be $1,848,000.

Noncap-sensitive explosives: Noncap-sensitive explosives are those explosives requiring another explosive to achieve detonation. Despite the fact that 3.4 billion pounds of these explosives are commercially produced each year, Aerospace has opted to recommend taggants only in the booster charge that detonates the explosive because "the tagging of [noncap-sensitive explosives] would be a very expensive undertaking."[61] Unfortunately, S. 333 allows no such latitude, for under section 303(b) it will be unlawful to manufacture, transport, distribute, or receive any untagged explosive material: which definition includes noncap-sensitive explosives. 18 U.S.C. § 841(c). Any valid cost analysis must consider the legislation as written, because by conveniently ignoring the broad scope of the proposed law, Aerospace ignored the admittedly exorbitant cost of tagging the most common commercially-produced explosives. Since Aerospace and BATF have never studied the tagging of noncap-sensitive explosives, we can only guess at the necessary tagging level. A good conservative estimate would be the lowest taggant concentration found adequate by Aerospace: 0.05 percent by weight:[62] with this taggant concentration, one pound of taggants will be required for every 2,000 pounds of explosive.[63] With taggants priced at $200 per pound, the cost of the taggants in each pound of explosive will be 10 cents.[64] Since the cost of raw materials for the most common noncap-sensitive explosive, NAPO, is 6.3 cents per pound,[65] the addition of taggants will increase the cost of raw materials by 159 percent. With an annual production level of 3.4 billion pounds, the annual increased raw material cost for the taggants alone will be a whopping $340,000,000.[66]

ANNUAL COST OF RAW MATERIALS FOR TAGGING PROGRAM

Explosive product category	Current cost of explosive raw materials	Cost of taggants per pound	Percent increase in raw materials cost	Total taggant cost
Cap-sensitive explosives	15 cents per pound	10 cents	66⅔	$27,500,000
Cast boosters	60 cents per pound	20 cents	33	1,200,000
Black powder	11 cents per pound	10 cents	91	250,000
Detonating cord	2 cents per foot	4.3 cents per foot	215	21,666,600
Blasting caps	20 to 30 cents per cap	2.2 cents per cap	7–11	1,848,000
Noncap-sensitive explosives	6.3 cents per pound	10 cents	159	340,000,000
Total				392,464,600

(2) Code Renewal Fees: 3M currently charges users of taggants a $100 annual code renewal fee.[67] According to 3M, with an explosives tagging program the fee will neither be eliminated nor reduced: It will be included in the estimated taggant price of $25–40 per pound.[68] Aerospace did not question this statement, and its Inflation Impact Analysis does not include cost reservation fees.

For several reasons, we believe it is unreasonable to exclude these fees from taggant program cost estimates. First, 3M is again asking the Committee to accept its "Benevolent Monopolist" theory. Again we ask: If the fee applies to current competitive market prices, what assurance do we have that the current renewal fee will be eliminated or reduced once 3M has a guaranteed market in which it is the sole supplier? For the reasons discussed at pp. 28–31 supra, we strongly believe that both economic theory and experience compel a negative answer to our question. In fact, they tell us that we have every reason to believe that the renewal fee will remain at $100 per year.

3M's rationale is even less believable for a second reason: The renewal fee could not possibly have been absorbed in the estimated taggant price.[69] Under its current pricing policy, 3M's taggant price includes the first year's reservation fee; and we do not dispute that this fee could be included in a $25–40 per pound taggant price. We are concerned solely with the $100 annual renewal fee; which, since a code must be reserved for ten years, amounts to an additional $900 per code lot.[70] If 3M charged $25–40 per pound with a taggant lot size of 5 pounds (the maximum size prescribed by Aerospace),[71] each lot would cost $125–200. 3M is asking the Committee to believe that in this one-time payment, 3M recovers $900-worth of code reservation fees, raw material costs and production costs! We are aware of economies of scale, but the magnitude of alleged savings here makes such an explanation implausible.

For these reasons, we believe that a realistic cost analysis must include the $100 annual renewal fee per code over the 10 year reservation period that is currently charged by 3M in the competitive market. Thus, after the 10th year of the tagging program (the year when all possible lots are being renewed), the explosives industry will be paying 3M $291,131,000 annually in renewal fees alone. The fees for each explosive product category are tabulated below.

ANNUAL COST OF RENEWAL FEES IN 10TH YR OF TAGGING PROGRAM

Explosive product category	Annual production [1]	Tagging level [1]	Total number of codes required annually [2]	Renewal fees in 10th yr [3]
Cap-sensitive explosives	275,000,000 lb [4]	20,000 lb [5]	13,750	$12,375,000
Cast boosters	6,000,000 lb	2,000 lb	3,000	2,700,000
Black powder	2,500,000 lb [4]	5,000 lb	500	450,000
Detonating cord	500,000,000 ft [4]	5,000 ft	100,000	90,000,000
Blasting caps	84,000,000 units	2,381 caps	35,279	31,751,000
Noncap-sensitive explosives	3,419,000,000 lb [6]	20,000 lb (estimate)	170,950	153,855,000
Total				291,131,000

[1] Based on data in the Aerospace Corporation, supra note 15, at 7 (table 3–1).
[2] Derived by dividing "Tagging level" into "Annual production".
[3] Derived by multiplying "Total number of codes required annually" by $900.
[4] IME figure. See notes 37, 51, 55 supra and accompanying text.
[5] Aerospace has also stated that a tagging level as low as 10,000 lb may be necessary. Statement of Dr. Robert Moler, supra note 5, at 7. If this figure was used, 27,500 codes would be required each year and the 10th yr renewal fees would be $24,750,000.
[6] This figure includes: 3,150,000,000 lb ammonium nitrate prills and prill products; 269,000,000 lb noncap-sensitive slurries and water gels.

Footnotes at end of article.

Footnotes at end of article.

(3) Recordkeeping Costs: Aerospace estimates the annual increased recordkeeping costs associated with tagging as $1,236,000.[72] We believe this number is an unrealistic representation of recordkeeping requirements that will innundate the explosive industry in an ocean of paperwork. Based on past experience, we believe that a realistic figure would be $10,497,500. The basis for this figure will be discussed below according to the type of explosives produced.

Cap-Sensitive Packaged Explosives. Aerospace asserts that the only additional recordkeeping cost from tagging cap-sensitive packaged explosives would be an additional entry on currently-existing records, which would cost $900,000 or .27 cents per pound of explosives.[73] This estimate not only understates the cost of making "additional entries" but it naively characterizes this as the singular component of recordkeeping cost.

The cost of making "additional entries" will be substantially more than .27 cents per pound. The cost of complying with date/shift code regulations has been 1.27 cents per pound of explosive. Aerospace never refutes this figure: it merely asserts that since tagging will only require filling-in an additional blank on the date/shift form, the additional cost will be nominal. The problem with this reasoning is that it assumes an equivalency between the number of code lots used and the production run (which is the basis for the date/shift code). This is simply not true. For example, a 100,000 pound production run with a unique taggant code every 20,000 pounds requires 5 separate markings. As a result, records cannot be kept by production run, but they must be categorized by taggant code because each production run will have a variety of codes. Thus, one form will not have five additional markings. Instead, five separate forms will be required—all of which must be filled-out. For this reason we believe that Aerospace's cost estimates reason from a flatly erroneous premise.

Aerospace's cost estimates are defective for a second reason: they assume that the only costs incurred are in marking the explosive and recording those markings for posterity. This, too, is belied by common sense. Recordkeeping costs include:

"Front End" Costs: i.e. "the explosives manufacturer must acquire the taggant, store, and inventory it."[74] These costs are not incurred under the date/shift code system. They are enumerated in our answer to question 5(b), pp. 22–24, *supra*.

Product-recording and Marketing Costs: These are discussed at p. 45 *supra* and are the only costs even nominally considered by Aerospace.

Storage and Retrieval Costs: As Aerospace notes, the recordkeeping requirements will generate a "substantial" volume of records that must be stored, catalogued, and monitored.[75] Additionally, if bombing is a substantial problem and if the taggants are recoverable we should expect to be inundated with retrieval requests which, of course, will incur additional costs.

Nevertheless, Aerospace offhandedly assumes these activities require no additional expenditures! This arbitrary and presumptuous dismissal of readily-apparent cost factors typifies Aerospace's treatment of the entire cost issue and raises grave questions about the entire Inflation Impact Analysis.

For these reasons, we believe that the recordkeeping costs for a tagging program must, at a minimum, equal the 1.25 cents per pound incurred under current recordkeeping requirements. In fact, we believe that these costs will realistically approach 2 cents per pound.[76] Thus, annual recordkeeping costs for cap-sensitive explosives should range from $3,440,000 to $5,500,000.

Cast Boosters: Curiously, Aerospace provides no cost estimate of the recordkeeping costs for cast boosters.[77] GOEX, Inc. which is conducting a pilot test of boosters, has estimated a 2 cent per pound recordkeeping cost.[78] Using our 1.25 cent per pound figure as a bottom-line and an annual production level of 6 million pounds, the recordkeeping costs should range from $75,000 to $120,000.

Black Powder: Aerospace estimates the annual recordkeeping costs of tagging black powder at $6,000 (1.5 cents per pound).[79] These figures may be overly conservative; however, for the sake of argument we will assume 1.5 cents per pound as a reasonable bottom line figure. Nevertheless, as discussed at note 51 *supra*, Aerospace's production figures assume that only sporting grade black powder will be tagged. This ignores the remaining 3.1 million pounds of black powder produced and used for commercial purposes. Thus, the recordkeeping cost for tagging all black powder will be $37,500.

Detonating Cord: As with cast boosters, Aerospace provides no cost estimate of the recordkeeping costs for detonating cord.[80] As discussed at pp. 45–46 *supra*, recordkeeping costs for a tagging program will exceed those incurred in the date/shift program due to front end and storage and retrieval costs. Recordkeeping costs for detonating cord will be even greater. Currently, detonating cord production machinery produces hundreds of thousands of feet of detonating cord on each production run. This cord is wound onto large reels, from which it is cut and shipped to millions of customers. Aerospace proposes to change the taggant lot after the ridiculously low level of 5000 feet.[81] Keeping track of the start/end point for each taggant lot as well as the customers who receive the cord when it is unwound from the reels will be a Herculean task. Thus, the costs will grossly exceed costs incurred under the date/shift code.[82]

The current recordkeeping costs for detonating cord are .05 cents per foot. Thus, a very conservative minimum figure of the costs to keep track of the records required for an annual production level of 500 million feet of cord is $250,000.

Blasting Caps: As with cast boosters and detonating cord, Aerospace provides no estimate of the recordkeeping costs for blasting caps;[83] and, as far as the Committee knows, they may never have considered the question.

The current recordkeeping cost for blasting caps is 1 cent per cap. Since, as discussed at pp. 45–46 *supra*, we can reasonably conclude that total recordkeeping costs for the tagging program will at a minimum equal those under the date/shift code program, the recordkeeping costs for tagging 84 million blasting caps should, at a minimum, be $840,000.

Noncap-sensitive Explosives: As it has throughout the Inflation Impact Analysis, Aerospace has ignored the cost impact of tagging what it characterizes as the most common commercially-produced explosive.[84] Most importantly (as shown by the figures) the tagging of noncap-sensitive explosives has substantially increased the estimated costs of the tagging program.[85]

The current recordkeeping costs associated with placing the date/shift code on noncap-sensitive explosives is .375 cents per pound. As discussed at pp. 45–46 supra, this figure represents a conservative estimate of the recordkeeping costs associated with tagging. Since 3.4 billion pounds of noncap-sensitive explosives are produced annually, the recordkeeping costs associated with tagging these explosives are approximately $12,750,000.

(4) Unqualified Manufacturing Process Costs: As with recordkeeping costs, Aerospace glibly assumes that the costs to incorporate taggants into the manufacturing process will be de minimis. The shallowness of their analysis is illustrated by the length of the discussion of manufacturing costs—the equivalent of one full page.[86]

As a practical matter, these costs are impossible to estimate because taggants have never been added to any explosive product in non-experimental conditions; and, as discussed in our answer to question 2, pp. 10–13 supra, the explosives industry at this time does not know of a 100% safe way to add taggants to any explosive product. Consequently, Aerospace's inability to specify the machinery, processes, etc. required to add taggants reduces its "conservative estimates" of manufacturing costs to unfounded speculations. The only conclusion that can be drawn at this time is that expensive retooling and equipment will be necessary.

Only a few of the explosive products in the cap-sensitive explosives category have undergone testing in a pilot production run. The taggants were added by hand during the mixing process. Using this method, which Aerospace apparently assumes,[87] the pilot program encountered a 15% loss in production capability.[88] Such a loss of productivity would have grave consequences for both the price and the supply of explosives, and is precisely the type of "inflation impact" that should be thoroughly discussed in an Inflation Impact Analysis. Nevertheless, Aerospace remained mute on this statistic.

Another consequence of tagging that was mentioned but ignored by Aerospace is the throwaway loss occasioned by taggant use.[89] As part of the manufacturing process, a significant amount of the explosives produced are "reworked," i.e. recycled into the production line and mixed with other batches. Tagging would undoubtedly require some throwaway to prevent mixing codes. This would not only be wasteful: it would decrease productivity and require the purchase of more raw materials, thereby increasing the per unit cost of the raw materials used in an explosives product. See p. 26 supra.

c. Conclusions: The foregoing analysis clearly explains the disparities between the estimated costs proffered by Aerospace and those developed by IME. In preparing its estimates, Aerospace ignored economic theory and business reality by accepting unrealistically price per pound and renewal fee estimates from 3M. Aerospace also understated or ignored significant and substantial portions of the cost equation, notably recordkeeping and retooling costs. It also ignored the 15% loss of productivity encountered in the pilot program, as well as the loss of productivity due to the elimination of rework. Most importantly, by ignoring the mandate of S. 333 that all explosive material be tagged, Aerospace artificially excluded the cost impact of tagging the most common commercially-produced explosives, noncap-sensitive explosives, thereby grossly understating the projected cost estimates.

As illustrated by the table on the following page, we believe a more realistic conservative estimate of the annual cost of the nationwide program envisioned in S. 333 would be $703,093,100. Since the current market value of all explosives sold is $500,000,000, the addition of taggants would more than double the cost of explosives to the consumer, and would have a dramatic economic effect on the domestic explosives industry.

This sobering fact compels us to ask the obvious question: Is it worth it? We think not. Everyone but BATF and its hired contractor, Aerospace Corporation, seems to agree. Bombings are well-planned premeditated acts, not crimes of passion, and identification tagging will not deter the criminal or the terrorist from cold-blooded killing. At very best, tagging provides a confirmatory tool for a solvable crime. In our opinion, this dubious benefit certainly does not justify mandating a costly and untested technology on the explosives industry and the consuming public.

Footnotes at end of article.

ANNUAL COST OF TAGGING PROGRAM TO THE EXPLOSIVES INDUSTRY

Explosive product category	Taggant cost	Renewal fees (10th yr)	Recordkeeping costs (conservative minimum)	Total
Cap-sensitive explosives	$27, 500, 000	$12, 375, 000	$5, 500, 000	$45, 375, 000
Cast boosters	1, 200, 000	2, 700, 000	120, 000	4, 020, 000
Black powder	250, 000	450, 000	37, 500	737, 500
Detonating cord	21, 666, 600	90, 000, 000	250, 000	111, 916, 600
Blasting caps	1, 848, 000	31, 751, 000	840, 000	34, 439, 000
Noncap-sensitive explosives	340, 000, 000	153, 855, 000	12, 750, 000	506, 605, 000
Total	392, 464, 000	291, 131, 000	19, 497, 500	703, 093, 100

FOOTNOTES

[69] *Reprinted in* Testimony of David M. Gleason, *supra* note 11, at Attachment B.

[70] The $200 per pound price figure was used instead of the other prices quoted in the sales brochure because it corresponds with the code lot size range (.0016 to 5 lbs.) recommended by Aerospace. The Aerospace Corporation, *Explosive Tagging Inflation Impact Analysis* 7 (April 1979) (under column headed "Taggant Batch Size"), *reprinted in* Statement of Dr. Robert Moler, *supra* note 5, at Attachment I. This is an ultraconservative figure because 3M does not sell taggants in lots *less than 5 pounds* in today's market. Lloyd D. Lea, *supra* note 11, at Enclosure p. 3.

[71] *Reprinted in* Statement of Dr. Robert Moler, *supra* note 5, at Attachment I, Appendix A. *See* the Aerospace Corporation, *supra* note 15, at 6. Although it is not at all clear, Aerospace's price analysis reflects 3M's estimated maximum price of $40 per pound. The price paid by Aerospace for the taggants during the pilot program, $49 per pound, reflects encapsulated taggants, whereas 3M's $25–40 estimate apparently reflects prices for unencapsulated taggants (*i.e.* those currently marketed). On the assumption that encapsulated taggants will not be required by BATF, Aerospace used the latter estimate to compute the final cost figures. *Id.* at 6–8; *see* pp. 11–13 *supra*.

[72] L. J. Hessburg, *supra* note 14, at 1. As discussed *supra* pp. 11–13 and p. 26 n. 27, Aerospace states that polyethelene encapsulation is no longer necessary. Since unencapsulated taggants were not tested in the pilot program, we believe this assumption evinces a cavalier disregard for the potential hazards of the explosives industry, particularly since a polyethelene coating was necessary "to provide an ablative coating and to minimize the absorption of explosives ingredients." The Aerospace Corporation Description of the Pilot Program, Appendix A (undated).

[73] Statement of G. R. Dickerson, *supra* note 4, at 5.

[74] It must be kept in mind that 3M would not be a regulated monopoly such as a public utility. Instead, it would be a sure monopolist. As such it would have pricing powers as unrestrained as those of the OPEC cartel. We are not saying that 3M may never have an incentive to reduce prices: only that as an OPEC-like supplier its pricing policies will be set at a level that will freely exploit its guaranteed market. This in no way assures that the prices will be reasonable. Put simply—3M will charge what the market (which is guaranteed) will bear. *See* C. McConnell, *Economics: Principles, Problems, and Policies* 485–87 (5th ed. 1972).

[75] The fact that 3M "sold" taggants to Aerospace for $49 per pound does not support this theory. There is no economic reason for 3M to "sell" its taggants to Aerospace for $151 per pound *less* than its *advertised competitive market price*. The only plausible reason is that 3M recognized the business advantages of "selling" taggants to Aerospace at an unrealistically low price. Thus, this, "sale" price is an inaccurate guideline for 3M's future monopolistic pricing policies.

[76] Statement of G. R. Dickerson, *supra* note 4, at 5.

[77] *Id.*

[78] *Id.*

[79] *Id.*

[80] BATF also suggests that prices will be kept reasonable by the addition of a requirement to S. 333 similar to section 308 of the Clean Air Act. This statute requires mandatory licensing of *patents*. It does not grant authority to dictate *mandatory price controls* on products sold to ultimate consumers. While price protection would be desirable to the explosives industry, such mandatory price controls are politically impractical.

[81] This cost figure excludes costs associated with tagging smokeless powder. These have been excluded because smokeless powders are not used in commercial blasting—the area in which IME represents the explosives industry.

[82] In its calculations, Aerospace assumes a production level of 325 million pounds. This figure is inaccurate. Our analysis uses the more correct figure of 275 million pounds.

[83] 1 lb. explosives/0.0005 lb. taggants equals 2,000 lb. explosives/1 lb. taggants.

[84] (1 lb. taggants) x ($200) or 10 cents per pound equals (2,000 lb. explosives) x $(x).

[85] Statement of Dr. Robert Moler, *supra* note 5, at 9.

[86] *Id.*

[87] 1 lb. explosives/0.001 lb. taggants equals 1,000 lb. explosives/1 lb. taggants.

[88] (1 lb. taggants) x ($200) or 20 cents per pound equals (1,000 lb. explosives) x ($x).

[89] Statement of Dr. Robert Mohler, *supra* note 5, at 8, 11. The only laboratory tests that have been completed on black powder were done with sporting grade black powder—a small percentage of the total commercial production. Boyars, *Feasibility of Identification Tagging of Black Powder: Progress Report* 21 (March 1979), *reprinted in* Statement of Dr. Robert Moler, *supra* note 5, at Attachment G; *see* note 51 *infra*.

[90] *Id.* at 3; Statement of Dr. Robert Moler, *supra* not 5, at 10.

[91] *See* note 45 *supra*.

[92] The Aerospace Corporation, *supra* note 15, at 10.

[93] *See* note 39 *supra*.

[94] *See* note 40 *supra*.

[95] Aerospace apparently only studied sporting grade black powder, the annual production level of which is 400,000 pounds. However, over seven million pounds of black powder is annually produced for commercial production. This figure is not reflected in the Bureau of Mines reports because black powder is not used in mining and quarrying. Instead it is used to make specialty explosives, *e.g.* jet tappers and perforators for the oil industry. Since these are "explosive materials" by definition, S. 333 would require them to be tagged and the cost estimates should be adjusted accordingly. *See* note 53 and p. 38 *infra*.

[96] Detonating cord is also considered to have a "lower overall threat potential." Statement of Dr. Robert Moler, *supra* note 5, at 13. Of course, this assumes that other explosives have "threat potential"—a premise we have consistently questioned. *See* pp. 3–4 *supra*.

[97] S. 333 applies to "any explosive material." S. 333, 96th Cong., 1st Sess. § 303(b) (1979). The term explosive material means "explosives, blasting agents, and *detonators*." 18 U.S.C. § 841(c).

[98] The Aerospace Corporation, *supra* note 15, at 15.

[99] This number was derived by summing the production levels for the three domestic producers of detonating cord. Those production figures were supplied to IME on a proprietary basis.

[100] (2,600 pounds taggants)/12 million feet equals (x pounds taggants)/500 million feet or 108,333 pounds of taggants.

[101] Statement of Dr. Robert Moler, *supra* note 5, at 13.

[102] *Id.*

[103] The Aerospace Corporation, *supra* note 15, at 11.

[104] (50 mg)/(1 cap) times (.001 gm)/(1 mg) times (1 kg)/(1,000 gm) times (2.2046 lb.)/(1 kg) times ($200)/(1 lb. taggants) equals $.022 per cap or 2.2 cents per cap.

[105] Statement of Dr. Robert Moler, *supra* note 5, at 12.

[106] *Id.*

[107] *See* note 39 *supra*.

[108] *See* note 40 *supra*.

[109] ANFO is a mixture of 6.6 lbs. fuel oil and 100 lbs. ammonium nitrate. The raw materials for this basic mixture cost $6.70. The cost for one pound is calculated accordingly: ($6.70)/(106.6 lb.) equals (x)/(1 lb.) or 6.3 cents per pound.

[110] Even using the Aerospace/3M estimated taggant price of $40 per pound, the cost of tagging noncap-sensitive explosives would be $68,000,000.

[111] Lloyd D. Lea, *supra* note 11, Enclosure at p. 3.

[112] L. J. Hessburg, *supra* note 14, at 2.

[113] *See* notes 30–31 *supra* and accompanying text.

[114] Statement of Dr. Robert Moler, *supra* note 5, at 8. Although the total lot reservation fee would be $1000 ($100 per year x 10 years), $100 is already paid in the price of the tags itself. Thus, the amount of reservation fees would be $1000 −$100 or $900 per lot over a 10 year period.

[115] The Aerospace Corporation, *supra* note 5, at 7 (Table 3–1, column headed "Taggant Batch Size").

[116] This figure was calculated by summing the figures in The Aerospace Corporation, *supra* note 15, at 19–22: $900,000 (cap-sensitive explosives) + $330,000 (smokeless powder) + $6,000 (black powder) = $1,236,000.

[117] ($900,000)/(325,000,000 lbs.) equal $.0027 (or .27 cents) per pound.

[118] The Aerospace Corporation, *supra* note 15, at 14.

[119] *Id.* at 17.

[120] This is due, in part, to the fact that the recordkeeping costs ignored by Aerospace are precisely those costs not incurred in the date/shift code program, *e.g.* the costs of acquiring, storing and keeping invetnory on taggants. *See* pp. 22–24 *supra*.

[121] Instead it assumes an additional manufacturing cost of $400,000 despite its admission that there is no known process to add taggants to boosters. This faith in American know-how is commendable, but faith alone does not provide a sound basis for a cost estimate. *See* The Aerospace Corporation, *supra* note 15, at 19.

[122] Letter from David Levey, President, GOEX, Inc. to Alan B. Mollohan, Esq. 2 (July 11, 1979).

[123] The Aerospace Corporation, *supra* note 15, at 21–22.

[124] The figure supplied by Aerospace represents the annual cost of the estimated manpower necessary to operate a tagging station. *Id.* at 22.

[125] *Id.* at 7 (column headed "Taggant Level"). This will also create a substantial loss of productivity. *See* pp. 50–53 *infra*.

[126] Currently each detonating cord production facility requires three full time employees simply to keep track of the date/

shift code as the cord is unwound from the reels and prepared for shipment.

[26] The cost figures supplied by Aerospace pertain to production machinery and not recordkeeping. *See* The Aerospace Corporation, *supra* note 15, at 22.

[27] Statement of Dr. Robert Moler, *supra* note 5, at 12; *see* p. 38 *supra*.

[28] Many of these explosives are inexpensive, bulk products sold to large users of explosives, *e.g.*, surface miners. There is a very real probability the cost increases associated with the addition of taggants to these (as well as other) products will make it cheaper for industrial consumers to prepare their own mixes of these products. This would drive many small manufacturers out of business and would force the remaining manufacturers to escalate the cost of their products to compensate for the loss of business.

[29] The Aerospace Corporation, *supra* note 15, at 22–23.

[30] *Id.* at 22. The assumption that the cost of mechanical taggant dispensing equipment to equal to the labor it replaces is wholly unfounded. It also ignores the safety question. *See* pp. 6–8 *supra*.

[31] C. W. Ello, *Report of Pilot Test Program For Tagging of Explosives: Hercules Incorporated* 8 (Oct. 25, 1978), *reprinted in* Statement of Dr. Robert Moler, *supra* note 5, at Attachment D.

[32] The Aerospace Corporation, *supra* note 15, at 14.●

EPITAPH FOR AN INDEPENDENT NEWSPAPER

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LaFALCE. Mr. Speaker, in the Wall Street Journal (July 9, 1979), an article recently appeared recounting how Gannett Co., which controls 80 newspapers, is acquiring the Nashville Tennessean. It struck me as especially ironic that John Seigenthaler, the present publisher of the Tennessean who will remain in that position under the Gannett regime, recently testified (May 24, 1979) as a representative from an independent newspaper before the Senate Select Committee on Small Business with respect to the increasing economic concentration within that industry.

While he suggested that the movement toward chain ownership was "inexorable", he proceeded to question where it will lead:

> Is this movement toward chain ownership by public corporations healthy? Let me state the question in another way: is it the best thing—or even a good thing—for large numbers of stockholders of most of America's daily newspapers to have a compelling interest in what is in the dividend check, but no interest in what is in the newshole; to have more of a concern about quarterly earnings than editorial positions; not to be able to read daily, or ever, the newspaper which produces their stock earnings? That is the sort of stockholder this movement toward chains is creating.
>
> In light of that, is it not inevitable at some points for chains to be so pressured by the need to accelerate earnings that there may be years ahead when the chief interest must be the bottom line?

He continued his rhetorical questions by suggesting that the increased emphasis on profitability will ultimately impair local interests:

> When those decisions are made will not the interests of those in the board rooms take substantial precedence over the interests of those in the city rooms?
>
> Won't the more vital decisions be made in the executive suites, relating to business issues not in the editorial board conference where crucial positions are taken on questions that affect our national quality of life?

However, despite all of the foregoing, Mr. Seigenthaler has "not been concerned about the trend toward chain ownership" because he "know(s) and trust(s) most of the people who direct and manage chains and those who publish and edit their chain-owned papers."

As Mr. Seigenthaler and his contemporaries retire, they will likely be replaced with a new breed of managers—professionals who will not remember the "good old independent" days, who will not necessarily act in the best interests of the community, but who will maximize profits.

In all events, if there were to be an epitaph on the tombstone marking the death of the Tennessean's independence, perhaps it should be Mr. Seigenthaler's concluding remarks before the Senate:

> The ultimate question, perhaps not for this decade of newspaper chain owners but for all Americans in the future is: whether a free press, and publicly-held chains may not become a contradiction in terms.

The Wall Street Journal article and Mr. Seigenthaler's prepared remarks before the Senate follow:

STATEMENT OF JOHN SEIGENTHALER

> I represent an independent newspaper. It has been owned independently since 1937 by the Evans family who purchased it out of receivership that year. Since that year it has been part of a Joint Operating Agreement with the Nashville Banner, currently owned by the Gannett chain.
>
> The Banner, until 1972, was independently owned by the late James G. Stahlman. The Joint Operating Agreement, which is validated by the Newspaper Preservation Act, has meant that there would be two separate editorial voices in our readership area and that there would be competition for news—even though the business affairs of the newspapers were carried on in the same manner as it is conducted in so-called "one newspaper towns" such as in Memphis, Atlanta, Louisville and Charlotte.
>
> My own first-hand view and my chief impressions of chain-operated newspapers are perceived largely through my focus of the Banner's management by Gannett since 1972. As one who has worked all my professional life for the same Evans family-owned newspaper I have strong, visceral preferences in favor of locally-controlled dailies. Much of that preference has to do with my regard for Amon Evans who controls The Tennessean, and for his father and brother who preceded him in that control. Much of it has to do with the sense that over four decades of their ownership the newspaper has developed a character and established a tradition in the community. I relate those highly positive factors to their independent ownership. They have demonstrated a special pride in their paper; a special concern for those who have worked to make it a newspaper with character.
>
> But beyond that personal preference, I am concerned about the many implications of where concentrated control is taking the American press and where public ownership of chains is taking the American press. At the same time, I think it a mistake, viewing Gannett's ownership of the Banner, to suggest that my concerns about chain ownership have anything to do with what communications school professors are prone to call "quality journalism."
>
> It is a trap, I think, to try to equate local, independent ownership with "quality" or to hint that chain ownership connotes an absence of quality.
>
> The Banner is a different paper under Gannett ownership; by standards acceptable to most news consumers it is a better paper.
>
> It is more attractive with a stylish Six-column Page One image. Because it has standardized its logos and section headings it is a paper that is easier to read. It has stronger Washington coverage, thanks to its ties with Gannett. It now has an opposite editorial page, more features, is involved more in investigative reporting and has an aggressive promotion department which has helped turn some of its recent endeavors into prize-winning journalism. Nor in the executive dealings between Amon Evans and Gannett have they been unwilling to spend money for plant expansion or technological modernization.
>
> As I read other Gannett papers in the chain it does seem to me that there is a sameness about them. I mention that, not in a perjorative sense, but only as an impression. While I hear that the news standards set by Al Neuharth and John Quinn have brought about positive changes in other papers than their Nashville link in the chain, I doubt that anyone would suggest that Gannett control in St. Petersburg, or Louisville, or Boston could sustain or surpass the high quality in those locally-owned papers. Gannett might be able to improve the bottom line on any one of those cities. But I insist that neither Gannett, nor any other chain, could improve news or editorial quality.
>
> If our city has gained a more readable afternoon paper with the coming of the Gannett, it also has lost something perhaps intangible that goes with local independent ownership; something that has to do with the stamp of local before him. He knew his city, loved it and in his own special way (and perhaps at times his perverse way) he dedicated his paper to it.
>
> The roots of his paper were buried deep in the soil of Middle Tennessee. It saddens me that those roots have been taken up and transplanted in Rochester. I would feel the same if the roots that Frank Gannett put down in upstate New York should some day be uprooted and transplanted elsewhere.
>
> It may be too late to question whether the movement toward chain-ownership by publicly-held corporations is inexorable. I think it is too late. It certainly is too late to question whether monopoly ownership in a local community is good or bad. That is reality, with more than 95% of our communities now without competing newspapers. Chain ownership is no longer a drift—it is a tide.
>
> The statistics presented at these sessions are accurate. Perhaps the most disturbing statistic is to be found in the fact that more than 20 chains now sell their stock to the public on the New York and American exchanges.
>
> The continuance of devastating estate tax laws, plus lucrative prices ranging up to 30 or 35% of earnings will increasingly push independent owners toward selling to chains. The highest possible profit motive will drive other papers to public ownership.
>
> Is this movement toward chain ownership by public corporations healthy? Let me state the question in another way: is it the best thing—or even a good thing—for large numbers of stockholders of most of America's daily newspapers to have a compelling interest in what is in the dividend check, but no interest in what is in the newshole; to have more of a concern about quarterly earnings than editorial positions; not to be able to read daily, or ever, the newspaper which produces their stock earnings? That is the sort of stockholder this movement toward chains is creating.
>
> In light of that, is it not inevitable at some points for chains to be so pressured by the need to accelerate earnings that there may be years ahead when the chief interest must be the bottom line?
>
> It is inevitable that our industry will ultimately suffer economic setbacks which will require cutbacks.
>
> Like every other industry, directors and stockholders in the face of that will have to determine whether to effect cutbacks in non-income producing areas—which means, of course, news and editorial expenditures.
>
> When those decisions are made will not the interests of those in the board rooms take substantial precedence over the interests of those in the city rooms?
>
> Won't the more vital decisions be made in the executive suites, relating to business issues not in the editorial board conference where crucial positions are taken on questions that affect our national quality of life?
>
> In a real sense I have not been concerned about the trend toward chain ownership because I know and trust most of the people who direct and manage chains and those who publish and edit their chain-owned papers. They have motives that are good. They know this industry. They want the best for their papers.
>
> But is there any reason to expect that publicly-held corporations in our industry will be protected from corporate raiders who have moved in with grasping hands on other industries?
>
> I fear that the future of our industry will include secret manipulations by those vast conglomerate managers who can see immense profits and unprecedented power in corporate control of the press. I worry that in the next decade we will see the newspaper industry hit by a series of proxy fights and tender offers not uncommon in other free enterprise areas. Who is to say who will control these chains a decade or two from now? It could be the oil and energy conglomerates, the huge banking-insurance holding companies, or shadow operators.
>
> Should Mobil or Gulf own Gannett or Knight-Ritter the integrity of the press would suffer. More than that, it would invite government investigation, regulation and control.
>
> Already some of this industry, with cross-ownership in the electronic media, are being scrutinized by the FCC. Those papers which are publicly-held are subject to regulation by the SEC. The resolution in Congress by Rep. Morris Udall calling for an investigation of the corporate power concentration in this industry, is attractive to many Congress members.
>
> When we ask seriously whether conglomerates and holding companies will be running these publicly-held newspaper chains a few years from now, we cannot ignore the impact of that on First Amendment questions.
>
> Who can trust the conglomerate-holding company view of First Amendment responsibility?
>
> Who can predict how conglomerates and holding companies would respond to a hostile administration or any angry Congress?
>
> Who can say how they may respond to the temptation to forget the constitutional responsibility to serve as an adversary check on government affairs and those politicians who run the government.
>
> The ultimate question, perhaps not for this decade of newspapers chain owners, but for all Americans in the future is: Whether a free press, in publicly-held chains, may not become a contradiction in terms?

[From the Wall Street Journal, July 9, 1979]

GANNETT TO ACQUIRE NASHVILLE TENNESSEAN, SELL AFTERNOON PAPER

NASHVILLE, TENN.—In an unusual move, Gannett Co. announced agreements for the sale of its afternoon daily newspaper here, The Nashville Banner, and the acquisition of the city's morning and Sunday newspaper, The Tennessean. Under antitrust law, the same party can't own both newspapers.

Gannett, based in Rochester, N.Y., said the Banner is being sold for $25 million to a local group, Music City Media Inc., whose principals include John Jay Hooker Jr., a Nashville lawyer and an unsuccessful Democratic Party candidate for governor. Mr. Hooker will become the paper's publisher.

In turn, Gannett said The Tennessean is being acquired for about $50 million from the Silliman Evans family trusts and Amon Carter Evans. The Tennessean has a daily circulation exceeding 130,000 and a Sunday circulation of about 240,000, while the Banner has a daily circulation from Monday through Saturday of about 85,000.

Under still another agreement, Gannett also would acquire a controlling interest in Newspaper Printing Corp., which handles advertising, circulation production and printing functions for both newspapers.

It's believed the Justice Department probably won't raise any objection to the proposed transactions. Noting that the two papers have maintained joint production operations since 1937, one Justice Department official said in Washington that Gannett's transaction "doesn't make the situation any less competitive than it is now."

The transaction also would leave unchanged, at 80, the number of papers that Gannett owns throughout the nation and in the Virgin Islands and Guam.

Mr. Hooker's partners in Music City Media are Brownlee O. Currey, a Nashville investor who will serve as chairman and chief executive officer, and Irby C. Simpkins Jr., a suburban Brentwood banker who will be president.

Allen H. Neuharth, Gannett chairman and president, said that John Seigenthaler would continue to head The Tennessean under Gannett ownership, as its president, publisher and editor. He currently is the publisher. "In keeping with Gannett's policy of local autonomy," Mr. Neuharth said, "he will have full responsibility for all news and editorial matters. . . . We expect the Tennessean to become an even more effective voice throughout Tennessee and the South."

With regard to the sale of the Banner, Mr. Neuharth said: "We are pleased to place The Nashville Banner in the hands of a local group, preserving the mix of group and local ownership in this exciting and competitive newspaper city."

Mr. Neuharth also said that James Jesse, who has been publisher of the Banner, which Gannett acquired in 1972, would become president and general manager of Newspaper Printing Corp.

In addition to its newspapers, Gannett—which recently acquired Combined Communications Corp.—owns seven television and 12 radio stations, plus outdoor advertising, opinion research and national news and advertising services.●

POSTAL SERVICE AT CROSSROADS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORCORAN. Mr. Speaker, an article I wrote regarding the U.S. Postal Service appeared as an op-ed piece in the Chicago Sun-Times on June 1, 1979. In it, I address some of the hard choices facing the Congress and happily produced some interesting responses from readers both agreeing and disagreeing with my viewpoint.

For the benefit of my colleagues, I would like to share with you an exchange of correspondence following publication of my article:

PHOENIX-HECHT,
Chicago, Ill., June 27, 1979.

Hon. TOM CORCORAN,
Longworth House Office Building,
Washington, D.C.

DEAR MR. CORCORAN: I have enclosed a copy of my rebuttal of your June 1 op-ed piece in the Chicago Sun Times.

Your article disturbed me for two reasons. First, you have proposed sweeping changes in the United States Postal Service which you have justified almost solely on the basis of glib and gratuitous generalities; Second, you have proposed legislation broadening the scope of federal government while your back-home political rhetoric, as befits your constituency, has been far more Jeffersonian in its tone.

The facts, by any conceivable measure, show that postal reorganization is working: Unit costs are coming down, productivity is going up, deficits are shrinking, and planning systems have been created to solve the longer range problems of making the United States Postal Service a real competitor in an increasingly heterogeneous and fragmented marketplace. It is axiomatic amongst businessmen that if something works, you don't fix it. That certainly applies to the United States Postal Service and to postal reorganization overall.

I believe the old saw that that which governs least governs best. As a businessman I have had to deal with an increasingly intrusive federal bureaucracy, for which privilege I pay a steep price in time and dollars, and from which I derive little of real value.

Your arguments in the Sun Times notwithstanding, you have proposed legislation which represents a serious step in the wrong direction—toward bigger government and greater political control. Postal independence is hardly a pipe dream; it is an emerging, functioning reality. In nine years, the United States Postal Service has addressed and corrected many of the problems which resulted from 180 years of political control. Now is hardly the time for back pedaling.

I urge you to withdraw your support from the legislation discussed in the Sun Times article, pending a thorough study of its implications. I also urge you in the upcoming campaign to deal frankly and honestly with what appears to be a major shift in your political philosophy away from responsible government.

Respectfully,

RICHARD J. POJE.

CONGRESS OF THE UNITED STATES,
Washington, D.C., August 2, 1979.

Mr. RICHARD J. POJE,
President, Phoenix-Hecht,
Chicago, Ill.

DEAR MR. POJE: Thank you for your recent letter in response to my editorial on the future of the Postal Service. As I'm sure you can understand, an editorial does not provide sufficient length to engage in extensive statistical analysis; nor would it be printed if it did. It was not, therefore, my intent to be glib and gratuitous, but to make my argument in as brief and readable a form as possible—a short, pithy discussion.

You refer in your cover letter to "the facts". Unfortunately, the facts are only as good as the methodology used in the collection of the data and as the skill of the analyst

in drawing out the facts, as well as the bent of the analyst. As you doubtless know, different levels of analysis and different statistical tools and techniques may yield differing results. In the case of the Postal Service, the only data available is usually provided by the Postal Service. In addition, it is often of a very unsophisticated nature . . . so unsophisticated as to be most uninformative as a rule. I point this out now to explain why we may reach different conclusions on the Committee on Post Office and Civil Service than does the Postal Service. I will explicate this as I continue.

Now, to the trust of the article. I will begin at the beginning, by pointing out that this bill is not my legislative package. It was introduced by Congressman Charles Wilson and was supported by the Committee on Post Office and Civil Service. I did, however, offer several amendments to the basic legislation, and these amendments were adopted with bipartisan support.

The legislation provides an increase in the amount of the subsidy received by the Postal Service. I offered an amendment that would require for the first time that the Postal Service delineate by function its expenditure of this money, which is derived from tax revenues. As you refer to businessmen repeatedly in your letter, I would assume that you as a taxpayer would prefer to know exactly how your money is being spent and that you would support this accountability amendment.

In addition, I offered an amendment that stipulated that the amount of the increase in the public service appropriation would be spent on maintaining the lowest possible first-class rates, because first-class is the only class of mail that is subject to the Private Express Statutes and for which mailers have no competitive alternative to which they can turn in the event that rates rise too high. I consider this only fair to avoid a situation in which we say "You must not use any alternative, and we will now charge you as much as we want!". This would be an unconscionable abuse of the right of government monopoly. I might add that over 80 percent of all first-class mail is business mail.

The subsidy to which you are opposed was in the original legislation and was not my proposal. I would like to point out, however, that contrary to your assumption that the Postal Service is in terrific shape, the Postal Service budget for FY 1980 clearly indicates that the Postal Service will have to borrow to meet operating expenses. The also anticipate borrowing in 1981, and for virtually every year thereafter. The logic is that it is a government corporation and should not show a profit at the expense of the public. Therefore, it will generally operate at a deficit. The logic of the Committee in supporting H.R. 79 is that rather than have a government corporation borrowing to meet expenses, thereby fueling inflation and increasing government competition with the private sector in the money market, we should admit that the Postal Service is operating at a loss and directly provide that money. But we do need to know where the money is being spent and if, in fact, it is actually needed. At present, under the system you support, the Postal Service has received a full $920 million per year with no strings attached, to be spent who knows where. In addition, in 1976 and 1977, the Postal Service came before Congress requesting an additional $500 million each year, threatening to reduce services if it wasn't received, on the grounds that they couldn't pay their bills. They received the funds. In 1978, the Postal Service claimed it could only make ends meet by eliminating six-day delivery. This was nipped in the bud by legislation. In fact, it was during this period that the Postal Service created a plan for massive closings of small post offices. The figures to which you refer are a direct result of Congressional intervention to establish a moratorium for two years. The figures do not reflect postal policy.

As you know, the Postal Service claims that productivity has risen. I applauded this in my editorial, but I must say that I'm uncertain of the validity of the Postal Service's conclusion. Unfortunately, the Postal Service measure of productivity is an ultra-simplistic manhours compared to pieces of mail. This measure does not take account of changes resulting from composition changes in the type of mail handled (such as the fact that the Postal Service lost most of the parcel market, which is one of the more difficult and costly to handle), changes in the types of transportation used, increased mechanization, etc. This bivariate analysis of productivity would not be acceptable to most businesses. This would be like measuring a secretary's productivity by the number of words typed per day, with no reference to accuracy, other chores accomplished, ability to operate independently, etc.

In addition, unit cost has in fact increased, by the Postal Service's own admission, if you take personnel as the unit of analysis. The following is a quote from a GAO report on the Postal Service entitled "Comparative for Postal and Other Federal Employees Since 1970" (Feb. 1, 1979).

"Since its establishment in July 1971, the Service's total operating expenses have exceeded its total income each year, with operating losses ranging from $102 million in 1973 to $1,079 million in fiscal year 1976. At the end of fiscal year 1977, the accumulated net loss had exhausted the Service's equity and the Postal Service had incurred a $588 million deficit. The Congress appropriated an additional $1 billion in 1976 to retire some of the Service's indebtedness . . . Since postal reorganization, the Service has endeavored to improve productivity and to cut labor costs by moving toward more mechanization. However, despite the fact that total employment has declined over the last few years, personnel costs, both in terms of dollars and as a percent of total operating costs, have steadily increased . . . the number of employees decreased 12 percent from 1970 to 1977, yet personnel costs increased 101 percent. . ."

Note that this is now considerably higher than 101 per cent, since the Postal Service has a contract including unlimited COLA with the various craft unions.

As you can appreciate, the Postal Service has 86 percent of its annual budget tied up in compensation of personnel. Therefore, the only really effective means of controlling costs is to reduce personnel via mechanization, etc. Unfortunately, the Postal Service's attempts at mechanization have been notoriously unsuccessful, and the current contracts contain a no-layoff clause, which means any reduction must be through attrition.

You may be interested in the GAO report on the bulk mail system, entitled "Grim Outlook for the United States Postal Service's National Bulk Mail System" (May 16, 1978). In the cover letter from the Comptroller General to Congressman Wilson, the General notes that there are "serious problems—noncompetitive parcel post rates and untimely and inconsistent deliveries, which have prevented the system's success, and raised questions as to whether the Service can . . . provide good enough mail service to be continued in the future."

The study further concludes "The National Bulk Mail System . . . has not achieved its goals of reducing costs and improving service. The prospect of it ever doing so is unpromising. Parcel post rates have been noncompetitive and delivery service is untimely and inconsistent. As a result, the Service continues to lose parcel business and the bulk mail system lacks sufficient volume to run as efficiently as planned . . . Because the bulk mail system is highly mechanized, declining parcel post volume results in higher processing costs for each parcel."

The study further concludes that these higher unit costs ultimately result in higher parcel post rates. Likewise, service improvements will increase costs and result in higher rates. They finally conclude that the outlook for the system is "grim".

The Postal Service has invested over $1 billion in the National Bulk Mail System in an attempt to retain its share of the market. However, there are projections that this share will be almost zero by 1985. In addition, this study clearly indicates that in 1976 and 1977, using bulk mail centers, delivery time was higher in every quarter than in previous years before the use of bulk mail centers. Damages are also extraordinarily high, and mail is frequently sent to the wrong destination. All of this is documented in the GAO report. Finally, "The Service recently estimated annual savings to be $40 million, a return of less than 4 percent annually on the $1 billion spent on the system. If parcel volume declines as projected, the system may prove to be more costly to operate than alternative means to move bulk mail." This means it may pay to abandon them altogether. The bulk mail centers are the Postal Service's largest investment in mechanization to date, and they are a notorious failure.

The future of mechanization in the Postal Service will not necessarily follow this trend, but regardless of its success, the Postal Service will have to be labor intensive to offer the types of service it does now. The degree to which it can reduce personnel without reducing service is limited, and I believe we're nearing saturation. This interpretation is supported by the Postal Service's attempts to reduce service in order to cut costs.

The studies of which I am aware that indicate improved delivery are postal studies, which, you might be interested to know, claim 95 per cent success in delivering mail same day or within 24 hours. Unfortunately, no one knows how they compile these statistics, and each year they are a bone of contention as others do not come to the same conclusion. The result is that I have been attending for the last month hearings on the Private Express Statutes, and businesses are vociferous complainers about the quality of service received. In addition, the mail that I receive runs clearly toward the need for improvement in service in the Postal Service. I do not consider my claims of poor service to be unsubstantiated. I consider thousands of letters of complaint to be very solid evidence. I do feel that the Postal Service has a stake in proving improved service since it is reliant on Federal funds to operate.

The question becomes again the question of philosophy that I addressed in my editorial. Do we support self-sufficiency of the Postal Service at any cost, including reductions in service? Or do we conclude that the Postal Service as a means of communication is vital and needs an infusion of funds and a restructuring of top management? I came down on the side of maintaining and improving the Postal Service.

The thrust of the legislation in which I am involved is to improve the Postal Service's ability to continue to improve services. There are basically two focal points. As I mentioned, one is the Postal Service's continuing deficit, which we attempt to handle without indebtedness and with more accountability. The second is the problem that, contrary to your claim, there is considerable evidence of poor service. We do not attempt to legislate standards, but the Postal Service is meant to serve the public, so we do attempt to make it more directly responsible to the public by eliminating the layer of bureaucracy called the Board of Governors. This does not reintroduce politics into the operation of the Postal Service. The Board is politically appointed and they appoint the Postmaster General. We would eliminate the Board and make the Postmaster General a Presidential appointee directly responsible to the President. This would reintroduce public responsibility into the politics that already exist.

Thank you for your letter and your thoughtful appraisal. I hope that showing you some of the underpinnings of my opinion will clarify my position for you. Please let me know if I can be of further assistance to you in the future.

Sincerely,

TOM CORCORAN,
Representative in Congress,
15th District, Illinois.●

LOSS OF PERSONAL INDEPENDENCE IN AMERICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DORNAN. Mr. Speaker, how inspiring it is to read the words of young patriotic citizens defending our Nation and its political system with pride and enthusiasm.

These are the leaders of tomorrow, our students who have the courage to speak, and the commitment to act for the preservation of the freedom we so enjoy, and perhaps take for granted.

I was honored to attend the Palos Verdes Peninsula Independence Day celebration, and listen to such essays as the one I insert in the CONGRESSIONAL RECORD today, written by Stephen Hwang.

I am proud to commend to the attention of my colleagues in the House of Representatives, this piece by a young constituent of mine from Rancho Palos Verdes. Stephen effectively addresses the subject of the loss of personal independence in America, and the global conflict which would inevitably arise under a system of world government. His essay follows:

LOSS OF PERSONAL INDEPENDENCE IN AMERICA

(By Stephen Hwang)

America is a nation of independent, freedom-loving people. Since the founding of the United States, Americans have strived to protect their national independence. This national independence and the personal independence associated with it are by their nature incompatible with a world government.

Under a world government, individual nations would have to subordinate their power to the power of the central authority. Just as the states gave up their sovereignty when they ratified the Constitution, America would have to give up its national independence under a world government. However, this would run against the very principles upon which this nation was founded.

The founders of our nation fought for independence and for self-rule, and they formed a government which was meant to be free of outside control. America was brought into being by men who thought that the people of a nation could best govern themselves as an autonomous unit. To put the United States under a world government would eliminate self-rule, the heart of American independence.

Under a world government, not only national independence but also personal independence would suffer. In America, personal independence is based on the dignity and rights of every human being. However, under a massive, soulless, all-encompassing world government, individuals would be subordinate to the state. Personal independence is linked to a belief in the importance of the individual, and a world government would threaten both.

In fact, the basic purpose of a world government is hostile to independence. This purpose is the fusion of individuals and nations into one monolithic structure. This goal involves the elimination of the independent unit and with it, of course, independence. By their very natures, world government and independence are incompatible.

Independence, both national and personal, is something vital to America. A world government would endanger this independence, for the two are irreconcilable. Rather than seeking to create a monolithic government, we should seek to preserve the independent individual.●

SHARP REPORTS QUESTIONNAIRE RESULTS

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SHARP. Mr. Speaker, several thousand residents of Indiana's 10th District have given me their views on some of the important issues facing the country, and I would like to share them with my colleagues in Congress. These citizens took the time and made the effort to respond to my annual questionnaire, and I personally consider their responses to be a valuable part of the input I regularly receive from the people in my district.

While the questions necessarily simplified some very complex issues, I believe the people's answers are an indication of their general thinking in these important areas. The questions and answers speak for themselves, and I do not want to interpret them in ways that may not have been intended by those who responded. Nevertheless, there are some points that deserve emphasis.

For example, nearly three-fourths of the respondents favor a standby gasoline rationing plan. I have supported such a plan and was pleased to learn that my constituents shared my judgment of the need for such preparedness. If the question were asked today, I think the response would have been even more favorable.

Other energy questions were also included in this questionnaire, and the results are interesting. My district is divided almost evenly, according to these questionnaire results, on the President's decontrol and windfall profits proposal. The people support by a large margin some relaxation of environmental standards in order to allow more use of coal. They also strongly oppose a ban on the construction of new nuclear electric generating plants. The questionnaire was mailed before the gas shortages this summer but after the Three Mile Island incident.

On defense questions, the people of the 10th District favored by moderate margins the President's increase in the defense budget and legislation to allow a military draft.

Concern about inflation is reflected in the 49 percent favoring mandatory wage and price controls. A comparison to last year's responses to the same question shows the number of people willing to take such stringent measures is growing. A year ago, only 43 percent of my constituents favored such controls.

An even more significant shift in opinion occurred on the question of social security financing. In the summer of 1978 only 28 percent of the people responding said they favored the use of general tax revenues to finance part of medicare and disability benefits. This year, after the increase in social security taxes began to go into effect, the number favoring this alternative rose to 55 percent. While the wording of the question was slightly different this year, I think this a clear indication that the people want Congress to consider alternatives to the large increase in social security taxes.

In other areas, two-thirds of the people favored a more flexible standard that would allow consideration of economics and other factors in deciding whether to ban cancer-causing food additives. Three-fourths of my constituents oppose increasing postal subsidies in order to avoid future postal rate increases.

In the two most overwhelming responses on this questionnaire, 77 percent of the people indicated a willingness to make some material and financial sacrifices if necessary to protect the environment, and 82 percent favor prohibiting large corporations from buying U.S. farmland.

The question in this year's questionnaire, and my constituents' responses in percentages, are printed below:

RESULTS OF QUESTIONNAIRE

1. Do you favor President Carter's proposal to phase out controls on oil prices, and to tax the windfall profits to oil companies, as a way of encouraging conservation and the production of more oil?

[In percent]

Yes	50.1
No	49.9

2. Congress voted last year to increase Social Security taxes in order to ensure the financial integrity of the Social Security Trust Funds. As an alternative, some people have proposed using income tax revenues to finance part of Medicare and disability benefits. Would you favor the use of income taxes rather than Social Security taxes to fund these programs?

Yes	55
No	45

3. Do you favor a proposal prohibiting large corporations from buying U.S. farm land?

Yes	82
No	18

4. Do you think Congress should enact a standby gasoline rationing plan to be used if there is a severe shortage or a cutoff of our supply of imported oil?

Yes ---------- 72
No ---------- 28

5. Current law requires the government to ban any food additive, such as saccharin, which induces cancer in man or test animals. Would you favor a relaxation of that requirement to allow the government to consider other factors, such as economics, in a decision to ban or not to ban an additive?

Yes ---------- 66
No ---------- 34

6. Some members of Congress and others are calling for a return to the draft. Would you favor legislation allowing 18-year-olds to be drafted into the Army?

Yes ---------- 62
No ---------- 38

7. Should the government establish mandatory wage and price controls to help stop inflation?

Yes ---------- 49
No ---------- 51

8. Do you favor relaxation of clean air and strip mining standards if necessary to allow more use of coal?

Yes ---------- 75
No ---------- 26

9. Do you believe that Congress should increase the taxpayer's subsidy to the U.S. Postal Service in order to prevent future postal rate increases?

Yes ---------- 25
No ---------- 75

10. Should the defense budget be increased by three percent more than the rate of inflation (from about $115 billion to $126 billion), as proposed by President Carter?

Yes ---------- 57
No ---------- 43

11. Would you support a ban on the construction of new nuclear electric generating plants?

Yes ---------- 28
No ---------- 72

12. Do you believe that Americans must sacrifice some material goods and bear some financial burden if necessary to protect and preserve the environment?

Yes ---------- 77
No ---------- 23

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THE 1980 OLYMPICS IN MOSCOW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DERWINSKI. Mr. Speaker, it is necessary for us to remember that the Soviets utilize sports for propaganda purposes. Therefore, it follows that the Soviets will make every attempt to propagandize the 1980 Olympics being held in Moscow.

I wish to insert an article from the sports section of this morning's August 2, Washington Post, by Barry Lorge, which is an objective look at Soviet policy and attitude toward the forthcoming Olympic games:

MOTHER RUSSIA ALWAYS AWAITS THE NOVICE OLYMPIANS

(By Barry Lorge)

Moscow, Aug. 1.—Kenny Moore, the former U.S. Olympic marathoner and track and field writer extraordinaire, wandered into the dining room of his hotel Sunday afternoon at 2:30, a little bleary-eyed and hungry but psychologically ready to run 26 miles 385 yards.

He had been up much of the previous night writing his story for Sports Illustrated on the first week of Spartakiade, the National Games of the Peoples of the U.S.S.R. Now he wanted a light snack three hours before competing in the marathon, the concluding track and field event of the Spartakiade.

He was optimistic. On a fast, level and smoothly paved course along the Moscow River that he thinks could yield a record time in next summer's Olympic Games, he hoped to run a good enough time to qualify for the U.S. Olympic trials in the marathon next spring in Buffalo.

He sat down with a couple of other Americans, summoned a waiter and tried to order tea and toast. He knew the Russian word for tea, "chigh," but couldn't quite get across the idea of toast.

Eventually, frustrated by the waiter's blank stares, he pointed across the room to a plate of bread and gave a first-rate impersonation of a man putting slices into a toaster, waiting for them to pop up and buttering the results.

The waiter gave a reassuring nod of recognition and disappeared. He returned several minutes later, triumphantly, with a cup of tea, two large pats of butter and a plate of cookies—some chocolate, some jelly, some sugared.

Moore looked at them, shrugged, but decided not to protest. With stoicism, he ate buttered cookies with his tea.

He told a wonderful story about running along the river one day last week and getting hooked by one of the Soviet anglers who regularly fish off the city's bridges. He had not really noticed the man until his long, cane pole snapped back, and the hook at the end of the line attached itself firmly to the leg of his track suit.

"I tried to tell them it was okay, that it was only a track suit, and they should go ahead and rip the prong out. But they held onto me and worked it out very carefully, painstakingly, and smoothed it over to make sure it wasn't ruined. They were very concerned.

"He was very upset, and two other men came running over. They grabbed me firmly but gently. They wanted to make sure that I was all right and that my suit wasn't damaged," Moore said.

"It was an interesting counterpoint to the kind of gruff, unbending proletarian mentality so evident in other ways here."

Moore, a thoughtful, sensitive, uncommonly observant man, had noticed, as others have, the vivid contrast in treatment of foreigners between Soviet officialdom and the man in the street.

Translators, hotel chambermaids and others in similar low-level support positions hardly could be more eager to please, at least until their superiors judge them to be too chummy with foreigners. But officials, especially the middle-level bureaucrats, are quick to say, "No . . . impossible . . . it cannot be done." And so it probably will be at next year's Olympics.

That thought came back in the cool of Sunday evening as European champion Leonid Moseyev of the U.S.S.R. won the marathon in 2 hours 13 minutes 20 seconds, edging second-place finisher Shigeru Sou of Japan and three other Soviets in a remarkable finish that looked more like the end of a sprint than that of a marathon. The five top men burst into Lenin Central Stadium for the final yards of the race practically on one another's heels, and the finish was so close that the top three wound up with the same clocking.

Kenny Moore—listed in the official entry list and results as "Kin Mur," the sort of loose phonetic spelling of English names that has boggled the minds of Westerners competing at Spartakiade—staggered home in 2:36:57, more than 20 minutes behind his personal best time. Obviously, writing a story, then lunching on tea and cookies, is no way to prepare for a marathon, even on an invitingly fast course.

American athletes and coaches at Spartakiade have taken note of a number of things that they will pass on to their compatriots before the Moscow Olympics.

They have noticed, for instance, that the food here is rather starchy and monotonous, and takes a long time to get served. That the local mineral water tastes like iodine, and the lemonade smells like perfume. That there is a brisk black market trade in American goods, especially jeans, track suits, sporting equipment and tapes, but that a ruble saved might as well be a ruble burned.

They have noticed that the Soviets are masters of psychology, that they like to televise their athletes when they win but not when they lose. That the man who offers to buy jeans in the middle of Red Square is likely a KGB agent looking for a set-up, but that the one who comes to your room might offer $100 and mean it. And that there seems to be a definite Soviet bias in officiating and judging in the Spartakiade that might not go away at Olympics time.

"I like competing over here because they make it very tough for you," said Stan Vinson. "They don't give you the benefit of any doubt. You come here thinking you're at a disadvantage and that gets you that much more psyched to win."

Vinson, 27, a veteran of five previous trips to the U.S.S.R., has won a gold medal in the 400 meters and in the 4 x 400 relays at Spartakiade.

AN EDGE TO THE HOSTS

"Imagine a track meet where the hosts give their athletes the best lane assignments, the best schedule, the best opportunities to win. That's what the Soviets do here. I always come to the Soviet Union aware that they have given themselves every edge and prepared with something—a little extra conditioning, speed work or something like that—to surprise them."

Vinson and the other American runners who swept the 400-, 800-, and 1,600-meter relays Sunday to give the U.S. an encouraging finale to the Spartakiade track and field program, were invited to a lunch of hamburgers and french fries at the American Embassy Monday. It was "the first square meal we've had since we got here," said one sprinter.

Afterwards, Vinson went on a private excursion along Kalinin Prospekt, a major shopping street, to take photos and search for batteries for his tape cassette player, which had exhausted itself blaring out Donna Summers, Earth, Wind and Fire and other disco sounds for hours on end—to the delight of the American team and pop-loving Soviets alike.

("All the Russians have been requesting that type of thing," said Vinson. "They told me, 'Bring a lot of Donna Summers when you come back.' I even heard her on the radio here, which blew my mind.")

OLYMPIC JOB PROGRAM

Vinson, who ran for the D.C. Striders (now the D.C. International Track Club) for a year and married Washingtonian Paula Smith before settling in Chicago, now works for Wilson Sporting Goods under the Olympic Job Opportunities Programs and trains with the University of Chicago track club. He has traveled hundreds of thousands of miles in a U.S.A. track suit and has competed all over Europe, in China, Japan, Australia, the Middle East, the Caribbean and South America.

"I kind of consider myself a citizen of the world because I've lived under all kinds of conditions and maybe can adjust easier than a lot of people," said Vinson.

He is bright, street-wise and fairly self-sufficient, having majored in interior design, business and home economics at Eastern Michigan University, where he also won the NCAA 400 meters in 1974. He can cook, sew and take care of himself practically anywhere, all while keeping his sanity and an engaging sense of good humor.

"I kind of deal with things as they come," he said. "Most places you shouldn't expect much, because that's what you're going to get."

FEW SENT BEST TEAMS

Most of the 87 foreign countries that accepted invitations to Spartakiade—normally a competition among teams representing the 15 Soviet republics and the cities of Moscow and Leningrad, but opened to foreigners this year as a dry run for the Olympics—did not send their best teams.

The scuttlebutt around the U.S. camp was that a number of leading Americans decided not to come when it became evident that their chief Olympic rivals would not be here and that they could make better financial arrangements at other meets in Europe and elsewhere.

The American athletes at Spartakiade are paid a per diem of 24 rubles a week ($5 a day) in addition to their room, board and air fare. They would much prefer the money in dollars, since practically everything a tourist might want to buy in Moscow must be purchased with hard currency. But they have been told by the U.S. Amateur Athletic Union that they must take their allowance in rubles.

Most of the Americans who did come—and the U.S. Olympic men's track and field coach, Jimmy Carnes, estimated that 70 percent of his Spartakiade team would be back next July—never had competed in the U.S.S.R. before. For them, Spartakiade has been a valuable experience.

GET READY TO WAIT

They know that next year they should bring books, playing cards, tapes and stoic attitudes, for they will find little in the way of homestyle amusements in Moscow. They will know what creature comforts cannot be taken for granted. And they will be acclimated to such Soviet idiosyncrasies as a 30-minute waiting period in a designated area before all events, intended to assure that one event follows another with precision timing.

"That is something you can tell athletes about, but until they experience it themselves, they won't really know how it affects them and how they should adjust their warmup," said Carnes. "We are better prepared now. These games have served their purpose in that regard. But I wish we had more athletes here."

The Americans who show up next July without competitive experience in Soviet Union, may live to regret it.

"It's definitely a cultural shock coming here," said Vinson. "They are going to find a lot of things that they are accustomed to missing, and if they don't prepare for them before they leave they'll have problems.

"I hope the coaches have taken notes on the weather. It is supposed to be warm and dry here in July, but it has been chilly and wet. If we have the same weather this time next year, the athletes will practically need fur coats."

Most residents and tourists drink the tap water in Moscow without unpleasant consequences, but Vinson got sick from it on one of his trips and now drinks only mineral water, tea and soft drinks. And although the local Olympic Organizing Committee has promised a wide variety of diets and prompt service in the Olympic Village—and shown films of chefs and waiters being scrupulously trained—Vinson and other old U.S.S.R. hands remain skeptical.

NO LANGUAGE PROBLEM

"We don't have a language problem with meals or taxis or things like that because they understand rubles and dollars perfectly," Vinson went on. "Anything you want to buy, you can make yourself understood. But when you go to the track it's a different story, because we can't even read our names in their alphabet."

Vinson and a number of his conferees expect American, and other unsuspecting foreigners, to get "taken to the cleaners" next year by wily Soviets.

"The Spartakiade proved that we have some potential, but things are going to be kind of hectic when we get here," said Vinson. "It was interesting to note the lane assignments we got: We pretty much knew we were going to be on the extreme outside, either lane 1 or lane 8 every time. And who says they can't control things like that at the Olympics, too.

"They pick the officials, and if you question them it's like saying, 'Okay, this is war.' You don't dictate to a country like the Soviet Union, even though the International Olympic Committee is supposed to be in charge.

"In Montreal, we had eight practice tracks. Here there is only one, and every nation on the face of the earth is going to want to use that. The Soviets will have their own track. They have access to facilities the other athletes won't be able to use. For all we know, they may have a track underground someplace. They know what they are doing and we don't.

"SLICK, SLY TREATMENT

"Think about the political overtones of next year, and they're going to get away with as much as they possibly can, and they'll be as slick and sly as they can. It's not going to be detectable. I do think we'll get taken to the cleaners that way.

"I can hear our coaches now, going on TV and crying, 'Those guys! Everything is wrong. They're putting us in bad lanes, disqualifying our people, robbing us with their judges.' And the Soviets will be laughing.

"The psyche is going to be something else, too," Vinson predicted. "I wouldn't be surprised to see them put some English language shows on radio and TV just so we can understand them, say, 'The Americans are getting beat bad.' It's interesting to see how they handled the television of Spartakiade. They wanted to emphasize the events in which the Soviets figured to do well. They showed their fighters beating up on guys. When there was a fight they expected the Russian to win, and an American started tap dancing on his face, they cut right away to another sport in the middle of a round. "Now let's go to swimming . . ."

For these and other reasons, the Americans next summer will set up pre-Olympic training camps, in track and field and perhaps other sports, in cities outside the Soviet Union. These will be areas where the athletes can be outfitted and complete their training with a minimum of hassle, and they then will fly into Moscow two or three days before their events.

The Soviets resent this attempt to commute, but plans already are underway. Several sites have been considered, with well-equipped facilities in Oslo and Zurich the most likely to be chosen. Two assistant coaches were dispatched this week to examine other possible headquarters in Finland and Sweden.

"The Soviets really don't appreciate the idea, but it's good for the athletes. We'll do our own thing," said Vinson.●

HOME MAINTENANCE FOR THE ELDERLY

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. HARKIN. Mr. Speaker, I am submitting a bill to the Congress which will establish home maintenance assistance programs to enable older persons to continue living independently in a home environment. I developed this legislation with the help of two senior citizen interns who worked in my office here in Washington for 2 weeks in May of this year. Mrs. Alice Jensen, of Harlan, Iowa, and Mrs. Loreah Wilson, of Earlham, Iowa were a valuable addition to my staff, and they are my eyes and ears back in Iowa. They were involved in a number of important activities, one of which was discussing with me the needs of the elderly in their own communities. The problem of home maintenance services was cited as an important need, and together, we discussed the legislation that was needed to address this problem.

The bill which I am introducing directs each State to establish and carry out a program to provide home maintenance assistance to older individuals. It allocates $20 million to this end, and provides guidelines to area agencies on aging in developing needed services for the elderly in each community.

I think this legislation is particularly important, because today's programs in this area are a patchwork of local, State, Federal, and volunteer efforts. My bill will provide the incentive and funds to coordinate these efforts to be sure that these services are available to every older individual who needs them.

In Iowa, as in many States, many elderly people would like to continue living in their homes as long as possible, and could do so if certain services, such as yard maintenance, carpentry repair, plumbing repair, painting, and appliance servicing were available to them at a reduced rate. How much better it is to help provide these services than to see our elderly citizens forced to move to nursing homes before they must, often at taxpayer expense. I believe this is a bill which my colleagues will be glad to support, and I take great pride in submitting it to the Congress, in behalf of my senior interns, Alice Jensen and Loreah Wilson, and the elderly people of Iowa.

A brief discussion of what this bill will and will not accomplish follows:

BRIEF DISCUSSION

What does this legislation do? It amends the Social Security act which will establish home maintenance assistance programs for each state to enable older persons to continue living independently in a home environment.

Why is it needed? Currently, home maintenance services are one of many programs suggested in the Older Americans Act, but there is no specific federal legislative mandate, or earmarked funds for these services. Available services are a hodge podge of state,

federal, and volunteer efforts, and the elderly in many communities "fall between the cracks". My bill provides funds and direction to be sure that these services are available in every community.

How is it administered? My bill requires every state to establish and carry out a program of home maintenance services for the elderly. This means that in the state plans which are submitted by all states in order to receive their Older Americans Act funds, the state must describe the way that the services are provided, and the needs of the state's elderly met. The bill does not force States to spend a certain percentage of their funds on the program, however. Realizing that many Area Agencies are already providing these services with existing funds and volunteer help, the bill leaves the actual allocation of funds up to the States, based on assessments of needs of Area Agencies on Aging.

How much will it cost? The bill authorizes 20 million dollars, which will be distributed to the states according to the formula used for distribution of Older Americans funds (based on states' elderly population.) The money is earmarked, however, so that it must be spent on chore maintenance programs, not siphoned off into other programs. The current authorization for the Older Americans program is $480 million. This bill raises the authorization to 500 million.

How does the taxpayer benefit? Even though this bill authorizes an additional 20 million in federal funds, it has the potential of being a money saver in the long run. Although statistics aren't available, hundreds of elderly people in every state have to leave their homes prematurely because they can no longer do home maintenance chores, or afford to have them done. It costs the State $12,000 per year to pay for nursing home care for indigent elderly people. How much better it would be for older people to continue to live in their own homes by providing assistance with appliance servicing and repairs, electrical repairs, yard maintenance, snow removal, carpentry repair work, and other home maintenance services.

What will happen to existing programs? Some communities already have chore services and home maintenance programs in one form or another. (Earlham, for example). This legislation will not eliminate existing programs, or replace volunteer help with paid employees. What is does specify is that the Area agencels coordinate and report on private and volunteer activities to be sure that the services are indeed being provided where needed. The state will decide which Area Agencels are in need of additional funds to develop home maintenance programs, but no Area Agency will lose money because they have already provided the service. Our bill adds money to make sure that existing services do not need to be cut back to implement the new requirements of State agencies on aging.

What kinds of home maintenance services may be provided? This legislation leaves up to the area agencies and states to develop the programs that best meet local needs, recognizing the need for flexibility. The legislation does suggest several ways that home maintenance programs may be provided, including 1) support and coordination of volunteer efforts 2) hiring people to provide services to the elderly 3) subsidizing local businesses so that services may be provided at a substantially lower rate for low-income elderly.

Who can receive these subsidized services? This bill specifies that the home maintenance assistance shall be available to "low-income" individuals. In keeping with the Older Americans Act, low-income means any older individual who has a low income (as determined by the Commissioner), and includes any older individual whose income is not more than 125 percent of the poverty guidelines established by the Bureau of Labor Statistics.●

U.S. TANK SALES TO JORDAN

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DODD. Mr. Speaker, I have long advocated that the United States follow a program of incentives for peace in the Middle East. Very simply, the basis of such a program would be for this country to reward those nations in the Middle East who are sincerely interested in furthering peace in that troubled region. At the same time, we should refrain from giving financial, political, and military aid to nations which have been obstacles to peace in the Middle East.

The United States has already gallantly shouldered its responsibility for providing assistance to the peacemakers of the region: Israel and Egypt. However, it appears that we also prepared to transfer sophisticated military equipment to a nation which has been less than enthusiastic about the peace agreement which Israel and Egypt have painstakingly negotiated. The nation I am referring to is Jordan.

Recently, the administration announced its intention to sell Jordan up to 300 M-60A3 main battle tanks for approximately $300 million. I believe that this sale should be scrutinized very carefully, not only in terms of how it might affect the Arab-Israeli military balance, but also in terms of how the United States uses its influence to promote peace in the Middle East. Considering the fact that Jordan remains committed to a boycott of Egypt and has denounced the Egypt-Israel peace treaty, as well as refusing to negotiate with Israel, I question whether this is the proper time to transfer advanced weaponry to Jordan. It would be unfortunate indeed if our action were seen as a reward for Jordanian behavior.

The M-60A3 tank is the most sophisticated American tank now in production. It is, in fact, the main battle tank of the U.S. Army. The M-60 utilizes a 105-mm main gun and can carry 63 rounds of high-explosive ammunition. With a combat range of 310 miles and a top speed of 30 miles an hour, the M-60 tank is a formidable weapon.

The Jordanian Government has requested up to 300 M-60A3 tanks to replace its older force of American M-48 tanks. While I understand that the Carter administration will request a written guarantee that the M-60 replace the M-48's on a one-for-one basis, this increase in armored capability will pose a greater threat to Israel at a time when our stated policy is to reduce tensions in the region.

Politically, Jordan has consistently sought to frustrate Israeli and Egyptian efforts to achieve peace. At the first Baghdad Arab summit, King Hussein voted for the resolution which called on Egypt "not to sign any reconciliation treaty with the enemy." In March of 1979, Jordan voted for the second Baghdad summit resolutions which accused Egypt of "collusion with the United States" and "standing by the side of the Zionist enemy." The same resolutions "condemned the policy that the United States is practicing, regarding its role in concluding the Camp David agreements and the Israeli-Egyptian treaty." The second summit also demanded that Arab States sever diplomatic and economic relations with Egypt. Jordan quickly complied.

I question whether Jordan should therefore be granted this type of substantial military assistance.

I understand that Mr. Hamilton, chairman of the Subcommittee on Europe and the Middle East of the Foreign Affairs Committee, held hearings yesterday on a number of proposed arms sales, and has requested further information on the sale of M-60 tanks to Jordan. If further hearings on this sale are held, I hope that the subcommittee will carefully weigh the supposed benefits of this sale against Jordan's recent record of opposing United States, Israeli, and Egyptian efforts to bring peace to the Middle East.●

FEDERAL RESEARCH GRANTS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PURSELL. Mr. Speaker, earlier this year the distinguished Comptroller General of the United States, Elmer B. Staats, addressed the National Graduate University's 19th Institute on Federal Funding concerning the subject of "Federal Research Grants: Maintaining Public Accountability Without Inhibiting Creative Research." His remarks were the basis for a recent article in Science magazine.

As the congressional representative of one of the Nation's most noted research universities, the University of Michigan, I have been very much interested and involved in the research partnership between the Federal Government and our schools of higher learning. Mr. Staats notes that there "are signs of strain" in the partnership and then he goes on to suggest ways of improving this important relationship. I would like to share his comments, with the hope and expectation that they will help contribute to efforts aimed at maintaining our country's unexcelled capability for basic research.

The comments follow:

FEDERAL RESEARCH GRANTS: MAINTAINING PUBLIC ACCOUNTABILITY WITHOUT INHIBITING CREATIVE RESEARCH

(By Elmer B. Staats)

Finding an appropriate working definition of accountability for public funds used

to support basic research at universities is a matter of great importance. This topic currently is eliciting wide interest and kindling very strong reactons in concerned parties. In this article I will describe the necessity for both accountability and the freedom essential to creative research. Although I will focus on university research, many of the same issues arise in relation to other institutions performing research, development, demonstrations, training, or other services under federal grants.

INTRODUCTION

Few people, I believe, would question that science and technology have made basic contributions toward meeting societal needs. In almost every sector of our economy, almost every aspect of our modern lives, science and technology have major impacts. This was appropriately stated by President Carter in his Science and Technology Message to Congress on 27 March:

"We look to the fruits of science and technology to improve our health by curing illness and preventing disease and disability. We expect science and technology to find new sources of energy, to feed the world's growing population, to provide new tools for our national security, and to prevent unwise applications of science and technology. The health of our economy has been especially tied to science and technology; they have been key factors in generating growth, jobs, and productivity through innovation. Indeed, most of the great undertakings we face today as a nation have a scientific or technological component."

Whether short- or long-term in its effects, basic research is the fundamental seed for scientific and technological advancement. The importance of basic research has been recognized by the federal government, as shown by the following three trends:

(1) From 1960 to 1978, federal spending for basic research has almost tripled (in constant 1972 dollars) from around $1 billion to approximately $2.8 billion.

(2) During this time, the importance of the universities as performers of basic research has increased greatly. In 1958, universities performed 32 percent of all U.S. basic research. This figure rose to 52 percent by 1978.

(3) Finally, in 1978 the universities depended on the government for 72 percent of total university support for basic research and, on the other hand, 54 percent of total federal funds spent on basic research was used to support basic research at universities.

It is thus apparent that the federal government and the universities have become very dependent on one another for the performance and support for our nation's basic research. However, there are signs of strain in this partnership. A report entitled *The State of Academic Science* (1) has recently found substantial anxiety in the research community over the future of this relationship. The National Science Board's *Science at the Bicentennial* (2) also revealed the growing tensions. Last November, Jerome Wiesner, president of the Massachusetts Institute of Technology, gave an address in which he expressed "grave concern that the basic federal-academic relationship . . . is floundering. . . . [I]t has begun to deteriorate and come apart so badly that we have reached a point of crisis that could see the effectiveness of this nation's major research universities seriously curtailed at a time when it sorely needs to be enhanced."

In recognition of the importance of these tensions, an independent National Commission on Research created in October 1978 is taking an in-depth look at the issues involved. A major point of contention and area of study of the commission is the determination of an appropriate operating definition of accountability. The fundamental dilemma here is how to achieve adequate accountability for public funds without imposing excessive controls, direction, and administrative burden on research grantees, which would inhibit freedom of intellectual inquiry and efficient performance of research. Although much concern has been expressed about this issue, at this time there is insufficient evidence to determine the magnitude of the problem.

As a first step toward improving the relationship between the federal government and the universities, there must be discussion and understanding between sponsors and performers. Each must recognize how the other operates, the degree of flexibility, the pressures and constraints, and so on. With this in mind, I will now briefly describe important attributes of the research process and then of the need for federal accountability, with particular emphasis on what accountability means in various contexts.

THE NATURE OF ACADEMIC RESEARCH

There are several characteristics of university basic research which are relevant to a discussion of accountability and which I believe need to be understood. I would like to summarize some of those characteristics now to provide context for my remarks.

The pluralism so endemic to the way this country supports and performs science and technology is especially characteristic of research universities. Not only is each university an independent entity, but its research is performed in independent departments, which, in turn, are composed of individual, autonomous researchers. The structure and organization of this environment are generally nonhierarchical and tend to be loose and flexible with much autonomy of the individual parts.

The keystone of the research process, however, is the individual researcher or the generally small group of researchers who perform the work. The process of investigation itself, like the overall "climate," is characterized by a lack of hierarchy. The researcher conceives, directs, performs, and publishes his work, often in conjunction with graduate students, who are essentially practicing apprentices. He is his own director, his own boss. He has a heightened sense of self-reliance and autonomy, and this serves as crucial motivation for his work. As a consequence, a researcher will be particularly sensitive to any externally imposed constraints on his time and investigative effort.

In fact, such autonomy has come to be viewed by many scientists, as well as nonscientists, as necessary to scientific excellence. It has, however, served us well: our science and technology effort has been a prodigious success by any standards.

This situation has been strongly encouraged by the type of financial support the government has provided for basic research. Project grant funding began its development in various private foundations before World War II. After the war, it was adopted as a special type of government contract which recognized the need to avoid detailed and short-term political control of research. I will return to the unique status of grants in a moment. Peer review remains the primary system for selecting proposals to be funded. This system is an outgrowth of a fundamental type of accountability to which all scientific research is subjected: there is an intensive scrutiny that scientists aim at each other's work, a continual testing and retesting of experiments, ideas, and theories that is the rite of passage for all research. This type of scrutiny is the way scientists establish the reliability and supportability of their working methods and results. Peer review represents an institutionalized form of this and is essentially a scientific method of accounting for research, reviewing science on its own terms.

Despite recent criticism, it appears, in principle, to be the best way we know to determine which research most merits support. In general terms, peer review is the method by which the government is accountable to the public for its selection of science to support. However, there are other types of accountability which are integral to federal sponsorship of research.

THE GOVERNMENT'S ROLE IN ACCOUNTABILITY

This brings me to discussing the general characteristics of the government's position with regard to accountability. As we are all aware, the government, as the steward of public monies entrusted to it, acts as sponsor for activities which will enhance our quality of life. It is in the broadest terms accountable to the public for engaging high-quality services. Such accountability is very complex and involves several separate facets: the need to be responsible for selection of the performer, and to ensure that the appropriate procedures or methods are used by the performer, that the resulting service is of acceptable quality and meets a recognized need, and that the public funds are spent in accord with the terms of the contract.

I would like to emphasize that the basic intention of a research grant is to support, not to procure in the sense that one procures hardware. It inherently involves a long-term view, in that it supports and encourages effort which is characterized by its perennial and unspecific potential for social benefits, not by its ability to generate specific products or services. In the context of government support, scientific research is a particularly unique and esoteric endeavor. Its primary form of accountability—peer review—reflects this uniqueness. Peer review still appears to be the best method of accounting for the substance of scientific research, as opposed to other aspects, such as the finances.

Most of the controversy focuses primarily on financial accountability. Financial accountability is concerned with monitoring whether funds are spent for their intended, agreed upon purpose. The government carries a strong mandate from the public to ensure that public funds are spent as intended without diversion, waste, or fraud.

Recently, public pressure for accountability in goverment has increased significantly. This pressure can be attributed to several factors.

(1) As continuing inflation makes people more aware of their personal budget limitations, more public attention is given to how tax dollars are spent. This is best reflected in initiatives to limit taxing authority and public expenditures.

(2) There appears to be increasing public mistrust of large institutions. This is due in major part to exposures of carelessness and instances of outright fraud. This mistrust is not diminished by arguments that these instances may represent only a minor percentage of public expenditures.

(3) There also has been increasing tightening of federal spending, which includes certain cuts in the budget. Consequently, there is greater competition for increasingly scarce funds.

(4) Related to this budget tightening and competition over funds is an increasing degree of congressional oversight of federal programs.

This pressure for financial accountability applies to all programs of the government, in all instances where the government has stewardship for public funds. Universities are not different from other institutions that receive public funds—public money

must be accounted for. Public pressure for fiscal accountability for university research is especially called for since the public understands little of what the research actually entails. Fiscal controls at least offer some degree of assurance that funds are being used as authorized on research.

In addition, as I previously mentioned in describing the research process, the other major form of accountability, that for the substance of the expenditure, is already taken out of the public domain by the peer review system, which is internal to the research process. It therefore stands to reason that the public requires increased fiscal accountability for university research in order to retain some check on public research expenditures.

This very real, and frankly legitimate, demand for strong accountability presents a major challenge to the university community, as well as to the federal government. Precise, uniformly categorized accounting systems may not be appropriate for university research, with its emphasis on individual autonomy. The key issue is how to ensure appropriate stewardship for funds spent in support of research, without imposing excessive controls, direction, and administrative burden on research grantees. It is in the best interests of both the government and the universities to guard against the imposition of excessive controls, which would restrict the research freedom and autonomy and thus affect the performance of research.

WHAT THE FEDERAL GOVERNMENT AND UNIVERSITIES MUST DO

The federal government must continue to provide major support for basic research in both natural and social sciences and the engineering disciplines. Sponsors must recognize that the very nature of basic research is long-term and exploratory, with little or no assurance of predetermined positive results. While it is necessary to assure wise and accountable expenditure of public funds, we in the government should seek ways to fulfill this need without inhibiting freedom of intellectual inquiry and risk-taking.

I believe that the government should establish a long-term plan for investment in basic research. In addition, I believe that it is important to provide a stable base for funding from year to year. As longer-range plans are developed, Congress should also consider greater use of multiyear and advanced funding methods for basic research and other selected R. & D. efforts which require more than 1 year to complete. I stated these views in my testimony in April before the House Committee on Science and Technology.

I am pleased by the Carter Administration's support of basic research. James McIntyre, director of the Office of Management and Budget, and Frank Press, director of the Office of Science and Technology Policy, wrote a memorandum to the heads of departments and agencies last summer to advise them of the "need for providing an adequate level of basic research support" despite the constraints of budget ceilings. The letter stated, "It is the policy of this Administration to assure effective support of basic or long-term of research, particularly to provide a better basis for decision-making or for dealing with long-term national problems."

We in the federal government, in regard to basic research, must understand that fiscal accountability is only a means of insuring that research is carried out. Such accountability is not an end in itself. With this in mind, the government needs to review how standards for accountability are affecting university research. We need to recognize the unique needs of the universities—that accounting standards developed by the government for nonacademic institutions may not be appropriate for uniform application to universities. Thus, accountability must be achieved in such a way as to minimize controls and time-consuming administrative procedures, which can detract from research. I might add that it may be constructive for the government to treat general health, safety, and equal employment opportunity regulations pertaining to universities in the same perspective—these regulations should be examined in light of their impacts on research and applied so that their adverse effects are minimized, while they meet the needs for which they are intended.

In administering grants for basic research, individual federal agencies must exercise sufficient oversight to ensure that the peer-review system is consistent, well managed, and fair, and that adequate records are kept of the review process. The agencies must also fulfill their responsibility for financial accountability and monitor grant expenditures to ensure that the funds are expended for the purposes intended.

On the university side, it seems that several things are needed. First, although I have to some degree emphasized the unique position of university research and the importance of government officials recognizing this, there is an equal need for university understanding of the government's role with respect to accountability. There must be cognizance of the general need for public accountability in our democracy, as well as the growing pressures for this and how such pressures affect governmental relations. In general, there is a need for adaptability to a changing context: simple advocacy or looking back on former times as a "paradise lost" will not serve this need.

Second, there is a need to sit down with federal officials in the attempt to forge greater mutual understanding. University officials and researchers should explain their own special requirements in light of the fact that they, like other performers under government sponsorship, are not unique to the point of requiring exemption from fiscal accountability. The intention must be mutual cooperation so that acceptable solutions to problems of accountability can be found. An important step in this direction has been taken by the National Commission on Research in its creation of a subcommittee concerned with this subject. This subcommittee is doing an extensive review of both government and university views on accountability, and I, along with members of my staff, have met with them and discussed some of the issues involved.

More specifically, university officials need to thoroughly appraise their present financial procedures to ensure compliance with existing federal requirements, as well as to present university views concerning proposed changes to these requirements.

Also, it might be helpful for university associations and professional societies to promote greater public understanding of the nature and importance of scientific research, and of the central role of autonomy in its continued excellence. Again, rather than stressing the uniqueness of university research, focusing on what it needs to operate optimally is needed.

WHAT THE GENERAL ACCOUNTING OFFICE IS DOING IN THIS AREA

The General Accounting Office has a great interest in the issues related to basic research. Related work currently in progress, or being planned includes the following:

(1) A review, in draft, of the adequacy of Health, Education, and Welfare audits of the 20 academic institutions that received the most federal support during fiscal year 1975, and for which HEW was assigned auditing responsibility. This federal support included funds for R & D as well as for facilities and equipment, fellowships and traineeships, and other general funding. A tentative conclusion is that some of the audits are not as effective and timely as they could be.

(2) A review, in draft, of indirect costs of health research, how they are computed, and why they are increasing as rapidly. Data were obtained from the analysis of questionnaire responses from 444 federal grantees and from interviews at 14 grantee institutions. This review explains why indirect cost rates cannot be meaningfully compared among grantees and demonstrates inconsistencies in the principles and practices used to make indirect cost determinations.

(3) A study, in progress, of research proposal review and monitoring of grants to universities by the National Science Foundation and the National Institutes of Health to determine how well the peer review system assesses scientific accountability and whether grant monitoring by NSF and NIH is effective. For this study, we will examine 75 grants.

(4) A study, being planned, which will examine federal policies and institutional relationships affecting government-industry-university cooperation in the area of basic research. This study will include an examination of foreign experiences in this area.

In conclusion, there is a great challenge to all of us to find a means of ensuring accountability for money spent on research without choking off creativity. This challenge must be met by a collaborative effort between universities and the government to make certain that the U.S. capability for basic research is maintained.

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RETIREMENT OF JOHN M. KUGLITSCH, GREENDALE VILLAGE MANAGER

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ZABLOCKI. Mr. Speaker, in keeping with the tradition of recognizing outstanding public service wherever we find it, I would like to bring to the attention of the House the long and important role played by Mr. John M. Kuglitsch as the manager of the Village of Greendale, a suburb of Milwaukee.

Mr. Kuglitsch began his distinguished association with Greendale in 1947 as clerk-treasurer. In his job as village manager from 1950 to 1979 he was closely involved in Greendale's transition from Federal Government ownership to a model community of privately-owned homes.

Mr. Kuglitsch has assisted in the molding of a community that is a credit to the metropolitan Milwaukee area, an asset to the State of Wisconsin, and a village with pride.

Mr. Speaker, upon the occasion of his retirement and as further testimony to his outstanding career, I would like to share with my colleagues the following article from the Southwest Post on the subject of the dinner honoring his 32 years of service to Greendale:

KUGLITSCH RETIRES IN STYLE

(By Cynthia Dries)

John Kuglitsch got more than "just dessert" at a testimonial dinner held at the Ramada Inn, 6401 S. 13th St., last Thursday evening. The dinner was in honor of his 32 years tenure with the village of Greendale.

Accolades and admiration were not in short supply as many current and former village officials, as well as family and friends, gathered to praise Kuglitsch upon his retirement from his successful term as village manager from October, 1950, until June 30 of this year.

The evening began much like a "roast" with a contrived slide show depicting Kuglitsch as a hob-nobbing, aggressive village emissary. Nothing, however, could be further from the truth. And as the evening progressed, descriptions like "loyal, honest, diplomatic, professional and friendly" were spoken over and over again.

"John was there to contribute his efforts in turning a government experimental settlement into a strong, well-knit community," said Gerald Schwerm, former Brown Deer Village Manager and recently appointed director of transportation for Milwaukee.

"He talked to the people," Schwerm added, and that statement reflected the feelings of all of the more than 350 people in attendance.

City managers from other communities, village officials, and representatives from Greendale's business community all attested to Kuglitsch's congenial manner and devotion to duty. Some came from out of state and many from communities in Northern Wisconsin. Even the president of the League of Suburban Municipalities called Kuglitsch "an unshakable leaf."

Words, however, were not the only commendations Kuglitsch received. State Sen. Lynn Adelman (D-New Berlin) presented him with a special citation, duly enacted by both houses of the State Legislature, signifying appreciation of his dedication to the village and his courtesy to the people.

Another citation prepared by the Milwaukee County Board of Supervisors and presented by County Supervisor Dan Casey rewarded Kuglitsch's "foresight in managing a fiscally sound and orderly developed community" that had grown 148 percent since its conception 41 years ago.

Bill Little, "Wauwatosa's City Manager, presented Kuglitsch with an honorary life membership in the International City Managers Association. He explained that Kuglitsch rated in the top 1 to 2 percent nationwide as a village manager with such extended tenure.

An oil portrait that pictured Kuglitsch in front of the Village Hall that he had come to know as a second home was the final grandiose presentation of the evening.

"It really flabbergasts me, this overwhelming tribute to someone who just did his job," said Kuglitsch in his personable, unassuming style. He then went on to applaud all those people with whom he worked and who helped to make his job less of a burden.

As one close friend, business associate and golfing buddy put it, "John and someone might not always agree, but he would always listen and say 'show me' if he recognized their point was valid. These are not just flowery phrases here tonight, he's a very dear man and we love him."●

NATION'S FIRST MINORITY FIRM TO OPERATE RAILROAD LINE

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SAWYER. Mr. Speaker, efficient and effective transportation of goods is one of the most vital elements required for a healthy and stable business environment. The evidence indicates that without such service it becomes impossible to continue a profitable business, which can have a significant impact on local employment, community growth and economic development.

Recently in my Congressional District of Grand Rapids, Mich., the Kent-Barry-Eaton Connecting Railway Co. (KBE) became the first minority owned business in the Nation to operate a railroad. Without private operation of the important rail line, numerous industries including agriculture, lumber, and automobile, would be affected forcing shippers to use more expensive rates for alternative transportation. This in turn causes the price of products to increase and puts the businesses at a competitive disadvantage with other firms.

I commend the KBE for its determination and dedication in undertaking this project which will serve an important need in our local communities. I also invite my colleagues' attention to this progressive enterprise which represents a first for the Nation.

I submit newspaper articles from the Washington Post and Grand Rapids Press which describes this project in greater detail:

[From the Grand Rapids (Mich.) Press, July 24, 1979]

TRAIN STARTS ROLLING ON NATION'S FIRST BLACK-OWNED RAIL LINE

(By Chris Meehan)

Two years of hard work and ardent lobbying paid off recently when a five-car freight train laden with lumber and grain puled out of Vermontville and headed north for Grand Rapids.

"We had the determination, persistence and the knowledge to get this off the ground. We are very happy," said Calvin Shelton, president of the Kent-Barry-Eaton Connecting Railway (KBE), the only black-owned railroad in the country.

The KBE hauls freight along a 42-mile stretch of track that formerly was owned by Conrail. The railroad's owners got help from the Minority Business Resource Center, a division of the federal Department of Transportation, to get their venture off the ground.

The driving force behind the railroad is Shelton, 55, a former Detroit trolley driver and mass-transit supervisor.

KBE has its headquarters in the old Penn Central freight yards at 6908 Patterson Ave. SE in Dutton. The railroad company is housed in one portion of the building and the construction firm that is doing the major overhaul of the tracks is in the other.

Shelton said Monday he got the inspiration for the railroad company years ago while working in Detroit's transportation department. He still lives in Detroit.

It wasn't until two years ago, with the backing of nine others, including his wife, that he set out to realize a dream of owning and operating his own railroad.

The first step, he said, was to write a proposal, "putting our desires and dreams on paper, trying to see if we could make them work."

The proposal was sent to the state transportation department which approved Shelton's plan earlier this year.

Shelton and his partners put $1,500 apiece together to get the railroad started. That wasn't enough to persuade the state that it should take the line away from Conrail and lease it to the minority businessmen. The tracks were taken over by the state when Penn Central went bankrupt.

It was necessary to get a state and federal subsidy of $574,590, as well as a loan of $86,000 from the Minority Business Resource Center in Washington, D.C., to get things moving. The subsidy was approved last year, and the loan went through last week.

The federal government approved the loan after it got a commitment from area grain dealers that they would do business with the new railroad line.

Part of the state subsidy will be paid directly to a construction firm to do major repair work on the stretch of tracks, a state official said. The rest of the money KBE itself will use to do such minor repair work as fixing crossing signals.

"Even with my background in transportation, I didn't know very much about railroads.

"But the more I got into it, the more I learned, and the more I enjoyed it," said Shelton, who plans to move his family to Vermontville within the next few weeks so that he can more easily oversee railroad operations.

The KBE will make at least three round trips to Grand Rapids every week, stopping along the way in Caledonia, Middleville, Nashville and Hastings to take on and unload grain, lumber, fertilizer and other items.

Right now, Shelton said, four men are working full-time with the railroad. "But we're going to be hiring more people," he said, adding that the company will hire from the Vermontville area.

Shelton hopes the company can eventually work out an agreement to upgrade and then extend the 42-mile line east from Vermontville to Charlotte.

"That would give us better access to other areas for shipping," he said.

Shelton said he expects to add more cars to the train within the next few days. "This is the height of the harvest season. We've got to get the cars so that we can serve our customers," he said.

In a Press story last year, Shelton said, "Conrail doesn't give the service." Shelton said then that he can earn more money than Conrail by using large doses of old-fashioned business enterprise.

Looking ahead, Shelton said the company may branch out into the area of mass transportation. "Passenger service is a definite possibility. That's another thing that we could make happen."

A private railroad consultant will be helping the line during the first months of operation.

Shelton is confident the line will be a success.

"The whole area around Vermontville is growing," he said, "and we want to grow right along with it."

[From the Washington Post, July 24, 1979]

MINORITY-OWNED FIRM RUNNING MICH. RAILROAD

(By Jane Seaberry)

A Grand Rapids company has become the first minority-owned firm to operate a railroad, the Department of Transportation said yesterday.

The Kent-Barry-Eaton Connection Railway Co., began operating a 42-mile stretch of track on July 15 from Grand Rapids to Vermontville, Mich., which was formerly operated by Consolidated Rail Corp.

However, a Michigan Department of Transportation official said that the minority operation will be subsidized by about $750,000 of Michigan taxpayers' funds for the first nine months as opposed to about $95,000 for a year under Conrail's operation.

The stretch of track will service 11 customers, six of whom will be regulars, according to Edward Goodman, administrator for the state Railroad and Port Facility Division. Running the railroad for such a large amount of money to serve those customers

"is not worth it," Goodman said, but it is worth keeping the jobs that might be lost if the railroad were not operated.

Goodman said he doesn't know how many jobs would be affected if the railroad were not operated.

In Michigan, "Nine hundred and seventeen miles of track are subsidized to keep people employed," Goodman said. "Otherwise we'd pay more in welfare payments."

The operation by the minority-owned firm is expected to be more efficient than that under Conrail, Goodman said. He added that, under the minority firm, subsidies no longer will be necessary after nine years whereas, "With Conrail, there's no expectation of reaching that point."

The 10-person minority firm has no experience with railroads but it has hired a consultant, Goodman said. The track services shipments of automobile parts, grain and lumber products from rural western Michigan to main railroads, Goodman said.●

ILLEGAL ALIEN CONTROL ACT OF 1979

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BURGENER. Mr. Speaker, today I have introduced legislation aimed at dealing with the massive influx of illegal aliens which are swarming across our borders every day due to the almost complete lack of enforcement of our immigration laws.

The Comprehensive Illegal Alien Control Act represents an overall effort to deal with this pressing problem, and I am pleased to have a number of cosponsors join me in offering the legislation.

The bill is a tough one which calls for civil penalties on employers who knowingly hire illegal aliens, but a realistic one which recognizes that we often need temporary foreign labor to perform jobs Americans simply will not perform.

The bill calls, first, for a boost in our Border Patrol strength to a level of 3,800, a one-third increase in the current manning levels of the Border Patrol. This increase is necessary, Mr. Speaker, because current Border Patrol manning levels are simply inadequate to cope with the tide of illegals sweeping across our borders. Border Patrol officers admit they are only apprehending one of every three or four illegals who attempt to enter the country, and yet, apprehensions along the San Diego County, Calif., border alone, are averaging 35,000 to 45,000 per month, and on weekend nights, apprehensions sometimes total over 2,000 per night.

The Border Patrol is demoralized and underequipped, trying to fulfill their important mission with inadequate backing from us.

The measure tasks the Commissioner of Social Security to develop a tamperproof social security card to protect the integrity of the social security account and empowers the Social Security Administration to verify, through State vital statistics agencies, that an applicant is who he says he is. Currently, if an applicant is armed with fraudulent documents which are convincing, he can obtain a social security account number with little danger of detection.

The legislation imposes civil penalties on employers who knowingly hire illegal aliens, but gives the employer a simple mechanism to check on a job applicant's citizenship status through the Social Security System's offices.

Almost important provision of the bill is the establishment of a "guest labor" program which recognizes that various U.S. employers, particularly in the agricultural sector, desparately need foreign labor because Americans will simply not perform the difficult work required. Under the guest labor program, the Secretary of Labor, upon the request of an employer, can admit a certain number of foreign workers for a period not to exceed 1 year if he certifies that sufficient numbers of domestic workers are not available to perform the work needed. The Secretary must conduct the certification in a timely fashion, within a period of 20 days upon request of the employer.

Lastly, the bill calls for stiffer criminal penalties for those who prey upon illegal aliens, often exploiting them for huge profits. Fraudulent document artists and "coyotes," those who deliver illegals to a U.S. destination, often under inhumane conditions and at an exorbitant cost, would receive stiffer fines and sentences if convicted under current statutes.

Mr. Speaker, if current estimates are correct, within 5 or 6 years and perhaps even sooner, illegal aliens will comprise 10 percent of the U.S. population. The total lack of enforcement of our immigration laws has bred an impunity for them which renders them totally unenforceable.

Mr. Speaker, we must either enforce the law or change it where needed, and the Comprehensive Illegal Alien Control Act seeks to do both. I hope many of my colleagues will join me in cosponsoring it, as a well-stated and forceful policy for this country is needed now.●

BIG OIL DISINVESTING IN AMERICAN ENERGY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CONYERS. Mr. Speaker, the American people's anxiety about oil is rooted in their perception that this basic resource is controlled by distant, arbitrary, and arrogant powers, in particular the small number of oil-producing countries that form the OPEC cartel and the handful of multinational oil companies that dominate world oil markets.

The public's sense of impotence in the face of this reality is reinforced by the glaring inconsistencies and contradictions that surround the pricing and production of petroleum. One day there are abrupt shortages and the next day the shortages disappear. The public is told, on the one hand, that vast, untapped oil reserves exist in the world, and then is told, on the other, that the world is and will always be short of oil. The price of oil continues to soar, while the cost of production remains relatively stable. Given the extraordinary spread between the cost of production of oil put aboard a tanker (which in the case of Saudi oil is about 20 cents per barrel) and the price charged ($18 to $20 per barrel), the public has every right to ask why other firms have not entered the market, which established economic theory dictates should happen.

Of late, the American people have also come to learn that, despite all the hoopla generated by the oil industry about its need for additional incentives to spur new oil production, that the companies have been diverting their capital away from energy production into every other kind of investment—copper mining for Arco; Latin American cosmetic firms for Gulf; retailing such as Montgomery Ward for Mobil; French rubber for Exxon, among others. The cascading acquisitions of American and foreign firms, totally unrelated to energy, by the big American oil companies has been occurring, regardless of the level of incentives available to them. The fact of the matter is that American "big oil" seems more interested in its rate of return on nonenergy investments than it does in its management of the new energy development that America needs.

The United Auto Worker's newspaper, Solidarity, in its April 2 issue, published a highly revealing piece on what American "big oil" is doing in the way of foreign investments and what it is failing to do in the way of the development of American energy. Written by Jeff Stansbury, the article, "Big Oil's Big Lie," lays out a cogent case why the American public is losing badly under the hands of the oil industry and what needs to be done to reverse the trend. I commend the article to my colleagues:

BIG OIL'S BIG LIE

(By Jeff Stansbury)

Two years after the U.S. Constitution was ratified, the residents of London—still agog over the Revolution of their 13 American colonies—began plunking down a few pennies for a new Sunday paper, The Observer. During the next 185 years, the paper's reportage from America and elsewhere made it a prestigious and profitable journal for its British owners.

So profitable was the paper, in fact, that it struck the fancy of a giant U.S. oil company. Three years ago, Atlantic-Richfield (Arco) bought out The Observer. And a newspaper famous for telling a certain kind of truth came under the control of an industry infamous for telling a certain kind of lie.

Ever since the 1973 energy crisis, Big Oil has been solemnly pledging—in newspaper, radio and TV advertising—that it was going all out to boost production from domestic U.S. oilfields to insure long-term supplies of cheap energy.

But the facts, Solidarity finds, are otherwise. Big Oil has used much of its profits to buy up non-energy-related businesses like The Observer at home and abroad, instead of committing full resources to boost domestic energy supplies.

As a result, domestic oil production has shrunk—although to listen to the oil companies' ads, one would never know they are holding back on production. Exxon for ex-

ample, trumpets its search for domestic oil under the banner, "Energy for a Strong America." Gulf does the same, but calls it "Meeting the Challenge."

And Standard Oil of Indiana (Amoco) sings the following hallelujah to its own patriotism: "All over America, Amoco is working to make our country less dependent on foreign oil . . . In fact Amoco helped open up eight new oil and natural-gas fields and participated in the drilling of over 100 wells in the Overthrust Belt (of Wyoming and Utah) since 1975 . . . And each new discovery helps our country determine its own energy future and maintains the American standard of living by keeping the American dollar strong."

That's the propaganda. What are the facts?

The major U.S. oil companies have been diverting more and more of their investment capital out of oil and out of the United States: Arco's acquisition of The Observer is a symbolic case in point. But Arco had already invested heavily in nonoil or foreign concerns by 1976, and its investment portfolio has grown even broader in the last three years. It includes an Australian coal company (S & M Fox), a Jamaican bauxite producer, a valve manufacturer (Serck), a maker of military airplanes (Northrup), a chemicals plant (Texas Chemicals), a copper-mining firm (Anaconda), a photovoltaic cell manufacturer (Solar Technology International), a trucking firm (Parsons), a nuclear energy supply firm (Nuclear Materials and Equipment), and two plastics manufacturers (Massachusetts Plastics and J. P. Frank Chemical and Plastic).

What about Mobil Oil, whose full-page ads routinely equate big business with God and Motherhood? Mobil Oil is pumping capital out of the U.S. faster than it is pumping oil out of new domestic wells. Through Container Corp., it now has active investments in five foreign nations. Through Pastucol and Aral Italiana, it helps finance and run four Italian companies. Mobil's current subsidiary operations include insurance, paints, coal, shipbuilding, printing, real estate, and chain-store merchandising (Montgomery Ward and Marcor).

What about Exxon? New investments in French rubber; Chilean copper; Canadian lead, coal, and zinc; Australian coal and uranium; and American real estate, telecopying, and cryogenics.

Gulf Oil? New investments in Taiwanese polymers; European and Latin American cosmetics, crystals, electronics, printing inks, and household chemicals; Korean ethylene; Canadian uranium; Dutch and Welsh petrochemicals; and American explosives.

Standard Oil? New investments in Indonesian nickel; Papua-New Guinean copper; Zairean copper and cobalt; Canadian sulfur and gold; and American coal, insurance, and carpet-backing.

Shell Oil? New investments in Brazilian and Surinam bauxite; Canadian, South African, Botswanan and Swaziland coal; Thailand, Indonesian, and Malaysian tin; Arctic lead; Bolivian zinc; Canadian molybdenum and tungsten; Peruvian copper; and American coal, uranium, and polymers.

The key question, of course, is what all this outward-bound oil capital is doing to oil production within the United States.

Domestic oil production is declining: Since—and despite—the energy crisis of 1973, U.S. oil companies have cut down their daily production from about 12 million to 10 million barrels. The 1973 Arab oil embargo supposedly took them by surprise: they had halved their annual drilling of exploratory wells during the preceding 15 years. Despite the shock of that embargo, however, the major U.S. companies continued to drag their feet in the search for new domestic oil. Today their exploration rate is up only a little, and production keeps going down.

Shell Oil, the fourth-ranked U.S. crude oil producer, typifies what's really happening behind the glowing corporate propaganda. Between 1973 and 1977, Shell's domestic production shrank from 547,000 to 419,000 barrels per day—a drop of 23 percent. Company officials quietly predicted further declines in 1978 and 1979.

During the first half of this decade, moreover, the big oil companies fought off strong environmental opposition and won the right to drill new wells on public lands in northern Alaska and in public waters off the East, Alaskan, and California coasts. They got their way on the seeming strength of their "national security" argument that the United States had to shake off its addiction to foreign oil.

Where is the Alaskan oil bonanza now? Some 1.2 million barrels are surging daily southward via pipeline from Prudhoe Bay, but the oil companies are getting cold feet. Gulf has shut down its Alaskan exploration office. Exxon has pared its exploration staff by more than one-quarter. Standard Oil, Sohio, and other big firms may soon retrench. Their excuse is unusually candid: they aren't satisfied with the average $2.91 per barrel after tax profit they've been making from Alaskan oil.

And the offshore boom? It's a bust. Early this March, Interior Secretary Cecil Andrus threatened to cancel the offshore leases of companies that had stalled on drilling exploratory wells. He especially criticized their performance in the Lower Cook Inlet off Alaska, where they had drilled only three such wells on 83 federal tracts in 20 months.

Foreign oil imports are rising: The U.S. now imports 60 percent more oil from the Organization of Petroleum Exporting Countries (OPEC) than it did five years ago.

"In 1977, nearly half the petroleum consumed in the U.S. was imported Gulf's top executives, Jerry McAfee and James E. Lee, wrote in the company's 1977 annual report. "Moreover, foreign oil cost the U.S. $44 billion last year, contributing to the largest trade deficit in the nation's history and a corresponding decline in the value of the dollar."

Were these crocodile tears? Probably. Gulf has been stepping up its investment in foreign oil production since 1976. When it buys high-priced oil abroad, moreover, it passes the stratospheric costs right along to its consumers in the United States. And Gulf's domestic oil output has been sagging steadily.

Daniel A. Dreyfus, staff director of the Senate's Energy and Natural Resources Committee, knows what companies like Gulf are up to. There is, he says, no escape from the "bleak outlook that for the next 30, 40, 50 years, we will be living with a strategic import."

Small wonder that the Carter Administration is rattling its sabers to protect the high-import stategy of Big Oil. On the same winter day (Feb. 25), Energy Secretary James Schlesinger said the United States would protect its "vital interests in the Persian Gulf," while Defense Secretary Harold Brown added: "In protection of those vital interests, we'll take any action that's appropriate, including the use of military force."

Why are the major companies encouraging imports by holding back on domestic exploration and production? Interior Secretary Andrus asked the same question on the day he threatened to cancel the offshore leases. "There's always a question in people's minds," he said. "Why did they drill to 13,000 feet and stop?"

The routine reply of Big Oil is that government controls on the price of domestic oil make exploration and production unprofitable. On March 11, for example, a spokesman for the American Petroleum Institute claimed controls create "a lack of financial incentive to explore and produce." Is this true?

Domestic oil prices have risen rapidly, making domestic production profitable even with price controls: Since 1973, the regulated average price of domestic oil has climbed markedly from $3 to $10.45 per barrel, while the price of newly developed oil is even higher. Alaskan oil sells for nearly $14.

True, the price of Saudi Arabian light crude (benchmark for OPEC oil) has risen even faster—from $3 to about $14—but the fact remains that our own oil can be produced at a more than adequate profit. Total production costs for Alaskan oil, including transportation, taxes, royalties, and depreciation, come to only slightly more than $11. In the contiguous 48 states, costs are usually much lower, but the substantial net earnings are carefully masked in Big Oil's annual reports.

There's no denying that American oil companies are permitted to make even fatter profits by extracting or buying oil overseas. This is why they have held back on domestic exploration and production. If they hold back long enough, they believe they will force Congress to deregulate the price of domestic oil. Domestic oil prices would then rise to the OPEC level, domestic drilling would pick up steam, and more profits would be made all around. Then, as now, workers and consumers would be obliged to carry the oil profiteers around on their backs.

On March 10, the Congressional Office of Technology Assessment warned, in a major study, that deregulation of petroleum prices would cause inflationary effects on the national economy, impose a disproportionate burden on low-income persons, and generally restrict the use of the auto.

Recently, the UAW's International Executive Board called for several steps to curb Big Oil's profiteering. It urged the government to take control of oil imports through sealed bidding and other means. Even more fundamentally, it said the government should begin exploring for oil and gas, producing them, and operating refineries to guarantee adequate domestic supplies and to create a standard by which Big Oil's performance can be judged.

"One of these days, the good people of the U.S. and Canada are going to say to themselves, whose oil is that?" UAW President Douglas A. Fraser declared at the union's recent Skilled Trades Conference in Detroit. "Did anyone manufacture it? Of course not. That oil has been accumulating in the good earth over millions of years."

Indeed, while the diversified, large-scale production of energy is not itself a bad thing, Americans will one day have to settle the question of who is to control this production—multinational corporations accountable mainly to the stockholders or a government accountable to the people.●

HOW SYNTHETIC FUELS COULD STRAIN THE ECONOMY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Ms. HOLTZMAN. Mr. Speaker, President Carter has proposed a massive synthetic fuel program. There are numerous questions about this program, some of which are outlined in the following

New York Times article. I commend this article to my colleagues:

[From the New York Times, July 15, 1979]

HOW SYNTHETIC FUELS COULD STRAIN THE ECONOMY

(By Peter J. Schuyten)

For almost a decade now Armand Hammer, the chairman of the Occidental Petroleum Corporation, has been telling just about anyone who would listen that America could satisfy its voracious appetite for petroleum by wringing it out of the stratified rock formations known as oil shale.

But just as often engineers and economists have come away from the company's shale oil holdings on the western slopes of the Colorado Rockies shaking their heads skeptically. Estimates of the cost of producing oil from the rock-hard shale, they find, keep climbing in tandem—but always well above—the rising world price of oil.

When it comes to synthetic fuels, the rub isn't the technology, it's the cost. Oil obtained from shale and tar sands and coal has been too expensive for the marketplace—$10 to $15 a barrel above imported crude. But the United States, harassed by seemingly endless increases in the price of foreign crude, seems on the verge of saying hang the cost.

President Carter is scheduled to go on television tonight to talk about energy, and unless he cancels this speech as he did the one he was to make 10 days ago, one of his key recommendations is expected to be urgent development of synthetic fuels. They would become the heart of a program to reduce imports by four or five million barrels a day by 1990.

Yet a weighty question remains: How will society pay for synthetic fuels? The price of the President's program has been estimated at from $50 billion to $300 billion, numbers that beggar the 10-year $25 billion Apollo program effort to put a man on the moon. There are hidden expenses too, such as the cost of beefing up a transportation system to lug the billion or so extra tons of coal that would be required by 1990 to feed the new fuel factories.

The expense of synthetic fuels, moreover, is measured not just in dollars but in terms of its impact on the nation's economy and its environment. An ambitious plan to develop synthetic fuels could mean widespread stripping of the country's mountains and despoiling of vast tracts of wilderness with great air-polluting plants. Then too, there is concern over health and safety; coal liquids, for example, are thought to contain cancer-causing agents, while shale processing would not only create toxic fumes but siphon off scarce Western water supplies.

And the costs of these technologies could have a trickle-through effect on the economy. The demand for coal, for example, if combined with a moratorium on nuclear power could, in the opinion of Stephen Smith, the director of energy services for Data Resources Inc., force the price of coal up so that utilities that burn it would have to charge their customers more for electricity.

Then too, there is no assurance that per-barrel price estimates for the synthetic fuels are anywhere near accurate. In 1972, for example, the cost to produce a barrel of shale oil—and still make a 10 percent profit—was thought to be $4.40, says Malcolm A. Weiss, deputy director of the Massachusetts Institute of Technology's Energy Laboratory. By March 1974 it had risen to $8, while five months later it jumped to $11.50. These increases have, in many ways paralleled the price of oil.

Despite the obstacles, optimists abound in the synthetic-fuel industry. "This is no time for timidity," says Dr. Hammer of Occidental. But many economists, conservative and liberal alike, express reservations. "I'm not saying we shouldn't do it," says Alan Greenspan, chairman of the Council of Economic Advisers under President Gerald R. Ford "but it's how we do it that is critical. If we blunder our way into a blank-check project, we could find ourselves short of capital in other areas."

The economist Gar Alperovitz, co-director of the leftist National Center for Economic Alternatives, adds: "With that kind of capital involved, this is a society-shaping decision." Synthetic-fuel funding is low on his list of priorities, which include home insulation, expanded mass transit, smaller cars and more efficient appliances. "Our penchant for the quick fix could turn into a fast sink," he adds. In a soon-to-be-released study for the Energy Department, the Rand Corporation warns of painful cost overruns in the building of synthetic-fuel plants. "Early estimates aren't worth a damn in this business," says the author, Edward W. Merrow. "I think a target of five million barrels a day by 1990 is simply out of the question."

Even a modest commercial coal liquefaction plant capable of turning out, say, 100,000 barrels of oil a day, is now estimated to cost around $3 billion, and some believe that could be on the low side.

And the fuels themselves are not inexpensive. The current world price for oil averages around $20 a barrel, while the Department of Energy estimates that producing oil from shale would cost around $25 a barrel. Oil produced by either gasification or liquefaction would run to $30 or more.

The methods for obtaining synthetic fuels are for the most part well understood. From the turn of the century into the 1920's, when oil became plentiful, a coal gasification process was used to produce a low-grade fuel called "town gas" that was used to light cities and warm ovens. In World War II Germany fueled its Messerschmitts and Panzer divisions with coal-derived gas. And for the last quarter of a century South Africa has been producing oil from coal—albeit on a small scale—and by the early 1980's expects to generate some 60 percent of its petroleum this way.

The term "synthetic" is actually something of a misnomer. The oil is there. It's just hard to take it out of the shale and tar sands or to convert it from coal, another carbon-based organic material. The four principal technologies each have their own peculiar characteristics and associated problems. They are:

COAL GASIFICATION

Coal is plentiful enough. Some 400 billion tons are considered to be economically recoverable, enough to meet the country's energy needs for 400 years.

The key to both the gasification and liquefaction processes is hydrogen-enriched coal. Whereas ordinary coal has 16 atoms of carbon for every atom of hydrogen, heavy fuel oil, for example, has six carbon atoms to one hydrogen atom. Natural gas, on the other hand, has four hydrogen atoms for every carbon atom. Under temperature and pressure, coal's chemical structure breaks down to admit hydrogen atoms to its molecular structure.

The trick then is in enriching pulverized coal with hydrogen atoms. In coal gasification, steam and oxygen in the presence of high temperatures and under pressure react with coal to form a gaseous mixture of hydrogen and carbon monoxide, which can be used as a low-grade boiler fuel. But if the mixture is also passed over a nickel-based catalyst, methane, the chief constituent of natural gas is the result.

A consortium led by the American Natural Resources Company is ready to start building a gasification plant in Mercer County, N.D., that would produce 125 million cubic feet of gas a day, or enough to heat around 365,000 homes a year, but construction of the $1.5 billion facility is being held up because of regulatory problems.

Conventional gasification technology has a drawback in that it cannot process coal mined east of the Mississippi River, which under those temperatures and pressures tends to cake and clog the gasifier equipment.

Currently the Energy Department hopes to overcome this problem by developing gasifiers that either pretreat or mechanically break up the lumps of coal to prevent caking. Early next year the department, which has already spent close to $1 billion on coal gasification, will select a contractor to build a demonstration plant that can use Eastern coal.

COAL LIQUEFACTION

Coal liquefaction relies on the same chemical principles as gasification, namely the addition of hydrogen to coal, but it differs in that it produces a liquid fuel having a lower carbon-to-hydrogen ratio that can be burned as a substitute for oil or gasoline. There are two approaches to liquefaction, direct and indirect.

Indirect liquefaction is a two-step process in which coal is first converted to a gas, which is then chemically changed into a variety of synthetic liquids, both fuels and chemicals. There is only one commercial-scale indirect liquefaction plant in the world, South Africa's Sasol I, which has been operating since 1960, but the economics of the process are in question.

By far the preferred technique at this point is direct liquefaction. In this process the coal is dissolved under temperature and pressure with a coal-derived solvent, say a light oil—and in some cases a catalyst—that chemically transfers the hydrogen to the coal to form either a heavy oil or a refinable liquid fuel.

Two direct liquefaction pilot plants are in operation. One, in Fort Lewis, Wash., is run by a Gulf Oil subsidiary for the Department of Energy and processes 50 tons of coal a day, to produce 150 barrels of fuel oil while the other, in Wilsonville, Ala., is owned and operated by a subsidiary of the Southern Company and processes six tons daily for an output of 18 barrels of oil.

Satisfied with these efforts the Department is ready to take the next step, which is to build at a cost of $700 million each, full-scale commercial modules that would process up to 6,000 tons a day into the energy equivalent of 20,000 barrels of oil, one for producing liquid in Morgantown, W. Va., and the other in Owensboro, Ky., for a solid clean-burning coal substitute. Construction should begin in 1981 and the two plants should be producing fuel in 1984.

A variation uses a donor solvent to carry the hydrogen to the coal, while yet a third approach includes a catalyst with the solvent to speed up the chemical reaction that transfers the hydrogen to the coal.

The former technique, developed by Exxon, is going into a pilot plant being built near the company's Baytown, Tex., refinery, while the catalyst approach is being utilized in an Ashland Oil pilot plant in Catlettsburg, Ky.

SHALE OIL

Although, as Dr. Hammer points out, there are 1.8 trillion barrels of shale oil in an area bounded by Colorado, Wyoming and Utah, only about 600 billion are considered recoverable. When cooked at 900 degrees Fahrenheit, pulverized shale yields up an organic material called kerogen that recombines chemically into oil.

But shale, too, has its problems. For one thing, a commercial-sized plant producing 100,000 barrels of oil a day, would require daily disposal of 150,000 tons of shale. The shale cannot simply be returned to the earth since crushing it causes the volume to increase by 20 percent or so of its former size.

Shale also requires great amounts of water, a fact that worries not a few conservationists.

A way around these problems is to process the shale underground, without ever bringing it to the surface. The in situ process, as it's called, entails digging down to the shale seam, no more than 200 to 300 feet below ground and in many cases in a mountain, and fracturing it with an explosive charge. Then a slow-burning fire heats the shale, releasing the oil, which flows to the bottom of the explosion chamber cavity and is pumped out. Shale produces a fuel that can be burned in a boiler, and with proper—but expensive—conditioning can be upgraded to a refinery feedstock.

Present estimates put the cost of a full-sized shale plant producing 100,000 barrels a day at well over $1 billion, and, if a preconditioning facility is included, closer to $3 billion.

TAR SANDS

This is a technology where Canada leads, although much of the work in extraction and refining of bitumen, a form of petroleum deposit, is being performed by Canadian subsidiaries of American oil companies.

In operation the gooey sands are mined by a large drag line and moved by conveyor belt into the extraction plant, where they are mixed with hot water and steam to form a slurry. Put into extraction vessels, the material breaks down into sand and bitumin which is then cleaned, cracked and upgraded with hydrogen and a catalyst.

The first plant was opened 10 years ago in Alberta by a Sun Company subsidiary, and is producing 50,000 barrels of oil a day.

Syncrude Canada Ltd., which is jointly owned by Esso Resources Canada Ltd., Canada Cities Service, Gulf Canada Resources, PanCanadian Petroleums Ltd., the Canadian federal government and the province of Alberta, is producing 80,000 to 100,000 barrels of oil a day and ultimately production would run at the rate of nearly 130,000 barrels a day. Over its 25-year life the $2.3 billion facility is expected to produce about 1.1 billion barrels of oil.

It takes energy to produce energy, of course—the energy that is used up producing the steel and other materials that go into constructing a plant, the electricity and oil needed to run the equipment in the plant. This is the so-called "net energy" school of thought and by this measure synthetic fuels are considerably less efficient than, say, domestic oil, which returns about 50 B.T.U.'s of energy for every B.T.U. that is used in producing it. (A. B. T. U. is the amount of heat needed to increase the temperature of a pound of water by one degree Farenheit.) By contrast, the energy yield for synthetic fuels produced from coal, for example, is about 17 to 1, while for shale oil the ratio drops to around 6.5 to 1, says Martha W. Gilliland, executive director of the El Paso, Tex., consulting firm, Energy Policy Studies Inc.

Finally, in view of some economists, the reallocation of capital that surely would occur given a push to develop a synthetic fuels industry, might be spent more profitably, and still afford a measure of energy independence.

"I am convinced that a lot of oil would be forthcoming at $35 per barrel, mostly from secondary and tertiary recovery. It's not at all clear to me that the synthetic fuels offer any advantage over gas oil and coal for direct generation," says Hendrick Houthakker, an economist and former member of the Council of Economic Advisers under President Richard M. Nixon.

Some proponents of synthetic fuels, particularly of the coal-based variety, use the South African model to show its feasibility. But economists don't agree.

"The price at which you can acquire coal in U.S. is a major obstacle to gasification and liquefaction," says Dale W. Jorgenson, a professor of economics at Harvard University. "In the South African program coal costs $5 a ton, whereas in the United States it is around $20. If we had $5 coal we could make a lot of progress in a hurry."

COAL

Technology

Liquefaction: Hydrogen is added to coal in all conversion processes. In so-called "direct" processes, which have attracted the most attention in the United States, coal is dissolved in an organic liquid and exposed to pressurized hydrogen gas. Indirect processes, used in the world's only commercial liquefaction plant in South Africa, heat the coal in the presence of steam and chemically convert the gas to liquid fuels.

Gasification: The production of natural gas is much the same as liquefaction, but simpler. Research has focused on adapting the technologies to various grades of coal.

Companies and facilities

Gulf Oil, Southern Company, Exxon, Dynelectron, Ashland Oil, Mobile. The Energy Department funded two prototype plants, in Washington state and Alabama. Two other plants are under construction, in Texas and Kentucky.

American Natural Resources, Conoco, several utilities. A privately owned plant has been proposed for North Dakota, and designs are being considered for two plants in the eastern United States.

Costs

$2 billion to $3 billion for a plant capable of producing 50,000 to 100,000 barrels of oil a day costing $30 a barrel.

Approximately $1.5 billion for a plant capable of producing 125 million cubic feet of natural gas a day at $5.50 per thousand cubic feet.

Drawbacks

In both liquefaction and gasification most problems are associated with large-scale coal mining. There are also the pollution worries that stem from heating coal in the processes, as well as suspicions that coal liquids may be carcinogenic.

OIL SHALE

Technology

Extraction from Kerogen shale: One method calls for mining the shale, which is located primarily in Wyoming, Colorado and Utah, and heating it to force the oil out of the rock. Another technology, which will not be available for several years, calls for the shale to be heated underground until the liquid seeps out and forms a pool that can be pumped to the surface.

Companies and facilities

Occidental Petroleum, Union Oil, Superior Oil, Colony Oil, Rio Blanco, Development Engineering Inc. One commercial plant is being built in Colorado.

Costs

$1 billion to $3 billion for a plant capable of producing 50,000 to 100,000 barrels of oil a day costing $25 a barrel.

Drawbacks

The biggest problem with current technology is disposal of the spent shale. Large amounts of water—sometimes scarce in the West—are also required. Toxic fumes are associated with both surface and in situ technologies.

TAR SANDS

Technology

Extraction from tar sands: Most commercial deposits of the sands are located in Alberta, Canada. The sands are combined with hot water and steam, and the resulting mixture is refined into coke, a crude oil and natural gas.

Companies and facilities

Exxon, Cities Service, Gulf, Sun Company, Shell, PanCanadian, PetroCanada. Most activity is in Canada where two commercial plants are operating and two others are planned.

Costs

A synthetic crude oil plant refines 129,000 barrels of oil a day at full production at a cost of $15.25 a barrel.

Drawbacks

Only 26 billion barrels of a potential 200 billion barrels are on the surface. The rest is as far as 2,000 feet below ground and no economic technology is believed available to bring it to the surface.●

CONGRESSMAN GREEN CITES ACT ONE AWARDS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GREEN. Mr. Speaker, in remarks before the House earlier this year I spoke about a multifaceted program in my congressional district emphasizing citizen efforts to fight crime which is being funded by LEAA and being administered by Lenox Hill Neighborhood Association in association with the East 86th Street area team, the East Mid-Manhattan Chamber of Commerce, Interfaith Neighbors, Marymount Manhattan College, and the Burden Center for the Aging.

The anticrime through organized neighborhood effort, known locally as Act One, has become an effective community project aimed at reducing crime and the fear of crime, and redeveloping a sense of community on Manhattan's Upper East Side from 59th Street to East 96th Street. Tonight, August 2, will be the presentation of the 1979 Act One Community Anti-Crime Awards. I would like to take this opportunity to recognize the efforts of the following recipients: 400 East 80th Street Block Association, 200 East 74th Street Block Association, 400 East 78th Street Block Association, 300 East 87th Street Block Association, 200 East 88th Street Block Association, 300 East 91st Street Block Association, 300 East 92d Street Block Association, and the Inner Circle (a senior citizen group centered at 415 East 93d Street).

Each of these groups resides in targeted crime areas, and on the basis of proposals submitted to Act One will receive monetary awards which they will match in varying proportions. These self-help projects to be initiated by the block associations are broad in scope. They range from: seed money to raise funds for a neighborhood youth center to be staffed by resident volunteers; workshops for self defense, particularly for women and the elderly; painting building numbers on roofs so that neighbors can readily identify buildings when intruders are spotted, and a variety of projects installing crime prevention equipment.

Each recipient deserves strong commendation and each exemplifies not only the most positive aspects of LEAA grant activity, but, as active participants of their neighborhoods, are making an invaluable contribution to the long-term stability of the 18th Congressional District and New York City.●

IN RECOGNITION OF SIDNEY SUNTAG

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LEVITAS. Mr. Speaker, last January, Sidney Suntag of Atlanta retired after 32 years of distinguished service as executive secreatry of Tau Epsilon Phil Fraternity. This tenure of service is virtually unmatched by any other director in the history of the fraternity system. During his many years as executive secretary, Sid became synonymous with Tau Epsilon Phi and the expansion that has marked our fraternity since he came on the job. Over 70 new chapters were formed under Sid's guidance and numerous ones were revitalized after years of inactivity. His dedicated service to young college men was exemplary.

In August, Tau Epsilon Phi will hold its annual convention in Orlando, Fla. At that time Sidney Suntag will be officially honored for his service to the fraternity. In anticipation of this event, I believe it is proper that the RECORD reflect some of Sid's accomplishments while executive secretary. Therefore, I would like to enter a copy of an article which appeared in the fall, 1978 edition of The Plume, Tau Epsilon Phi's newsletter. I believe this article will clearly show why we are all proud to call this man "brother."

The article follows:

AN ERA COMES TO A CLOSE: SUNTAG RETIRES

(By Alan Karmelin)

When Sid Suntag reaches the mandatory age for retirement in January, a TEP legend will pass into history. Needless to say, no one in TEP's history has served the Fraternity as Executive Secretary more than the 32 years plus that have marked his tenure. As a matter of fact, it is interesting to note that only one other Fraternity Executive in the history of the Fraternity system served his own fraternity approximately as long as Sid has TEP. Although it is general knowledge that Sid has held the post of Executive Secretary since August 1946, little is known generally of his prior TEP activity.

He became a member of TEP just 48 years ago in Epsilon Chapter at Fordham University where he served as Scribe, Vice Chancellor, and Chancellor. Following his graduation from College, and while in his first year at Law School, he was elected Assistant Tribune on the Grand Council. When the Executive Secretary at that time suddenly resigned, Sid was pressed into service as Acting Executive Secretary. So, for a period of two years, while attending N.Y.U. Law School, he spent all of his spare time conducting the affairs of the Fraternity, making chapter visitations as time allowed, until Irving Klepper was appointed full time Executive Secretary. In recognition of this extraordinary service, Sid was elected Tribune on the Grand Council, the youngest TEP to serve in that high office. Sid went on to become an attorney in New York, and practiced law in that City until he was drafted into the U.S. Army several months before Pearl Harbor.

His military career was no less distinguished than his service to TEP. Entering the Army as a Private, he rapidly rose in rank to the grade of Major, during which time he served for 2½ years in the 29th Infanty Division in Europe. He commanded an infantry rifle company in the invasion of Normandy, France on D-Day, and was later seriously wounded in action. He still carries several German shell fragments in his skull and neck as a result of this wound. In recognition of his military exploits, he was awarded a Presidential Citation; the Bronze Star for Valor; the Order of the Purple Heart; and the Combat Infantry Badge, as well as earning two battle stars.

His being prevailed upon by the late Brother A. Harold Frost, who was Consul at the time, to resign his Commission in the U.S. Army, and accept the post of Executive Secretary, is now part of the Suntag legend. As Sid tells it, he was trying to decide between making the Army a career, or returning to civilian life and resuming the practice of law when he was offered the job of Executive Secretary by Brother Frost. Of course, it didn't take much convincing for him to accept the job. His interest and concern for TEP had never flagged despite his long separation from TEP affairs during the war years, and he readily accepted the challenge to rebuild the Fraternity that had suffered severe disruption during the War, when most chapters closed, and the Central organization was in almost total disarray.

The rest is history. While still in uniform (he didn't have time to buy civilian clothes) he immediately embarked on months-long trips from coast to coast reopening war dormant chapters. By the end of the '46–'47 school year, he had succeeded in reactivating all inactive chapters, and had begun an expansion program that eventually led to the establishment of more than 70 new chapters. Based on Central Office vouchers and reports, as well as his own records, Sid estimates that in the 32 years of his stewardship, he has travelled just under a million miles throughout the Continent on Fraternity business. This, too, could well be a record of sorts.

Throughout his career in the Fraternity, Sid has been noted for two things in particular. The first, his being effectionately known as the "Bald Eagle" is not difficult to understand. The second is his uncanny knack of being able to remember names and faces, and what is more important, placing them together even years after meeting those brothers. It has always been a source of amazement at TEP gatherings, when he has been able to remember individuals by name, and even nickname, years after contact with them, even casually.

The regard that TEP has for Sid is equally shared by the general fraternity community. In 1954, "The Fraternity Month," the system's trade magazine, hailed Sid for his outstanding service to the fraternity system in an article under the banner, "We pause to Honor These Fraternity Leaders." As an indication of the respect accorded him by his contemporaries, he was elected President of the Fraternity Executives Association, and continues to serve on its Executive Board.

We all know that for reasons of efficiency and economy, the Central Headquarters of the Fraternity was moved from New York to Atlanta in 1972. This was a particularly difficult disruption for Sid and his family, yet he fully supported the move because he agreed that the move would benefit the Fraternity. So, what are Sid's future plans? His roots are now firmly planted in Atlanta and he will continue to make his home there with his lovely and ever patient wife "Flip" (Sid likes to refer to her as his "English souvenir of World War II"). Incidentally, as an example of how closely entwined his personal life has been with the Fraternity, Sid and "Flip" were married in the Alpha TEP House almost 31 years ago. Sid's daughter Avril, who is married and also resides in Atlanta, recently presented him with his first grandchild—sure to become a future TEP sweetheart.

One thing is certain, Sid is not ready to be put out to pasture. Those of us who know him realize only too well that he is much too active a person to remain idle. For one, he will continue as Consultant to the Fraternity on a part-time basis. His experience and expertise should prove invaluable to the new Executive Secretary, George Mamo, and the Fraternity, in the coming years. Additionally, being a member of the Georgia Bar, as well as the New York Bar, he will join the Law Firm of Jacobs, Jacobs, and Davis in Atlanta, and practice law. He also says that if he can find the time, he may start on a long postponed project—writing a book. Therefore it would seem that Sid isn't really retiring—he will probably be busier than ever before!

And so, as the Suntag era comes to a close, we all wish "Mr. TEP" and his family health, happiness, and long life. He has truly exemplified the Creed of Tau Epsilon Phi: friendship—chivalry—service.●

CONGRESS SHOULD CLOSE THE MEDI-GAP

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MOFFETT. Mr. Speaker, my friend and colleague, Representative CLAUDE PEPPER, is today reintroducing H.R. 2602, a bill designed to curb abuses in the sale of supplemental health insurance to medicare participants. This legislation could help us deal with a growing problem, and it has my enthusiastic support and cosponsorship.

Senior citizens spend about $1.5 billion a year for supplemental insurance, to cover costs of health care not included in medicare, 15 million of America's 23 million elderly have some form of supplemental insurance.

Tragically, few are getting their money's worth. In certain cases, companies which specialize in this sort of insurance return to the elderly only 20 cents on the average for a premium dollar. Congress has heard shocking reports of senior citizens denying themselves food and heat in order to keep up payments on as many as 30 separate supplemental policies.

Connecticut has taken a leading role in State control of supplemental insurance sales. In its last general assembly session, Connecticut passed a law requiring that individual medicare supplemental policies return 65 percent on premiums collected—and that loss ratios for group supplemental medicare insurance be 70 percent. The legislation also requires adequate disclosure about duplications between medicare and supplemental policies being sold, and requires that the insurance salesperson clearly explain what medicare covers and what it does not.

The vast majority of insurance companies are reputable and reasonable in their sales of supplemental insurance. These firms will welcome the passage of legislation designed to halt abuses by the small number of companies who are presently victimizing senior citizens and offering them no health care cost protection. I strongly support H.R. 2602, and hope to see it speedily enacted.●

THIRTY-FIFTH CONVENTION FOR DELTA SIGMA THETA, INC.

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GRAY. Mr. Speaker, among the many organizations in our Nation which have labored to preserve human worth and dignity, one stands out for its dedication and its unselfish efforts. That group is Delta Sigma Theta, Inc., a predominantly black public service organization of approximately 95,000 college educated women.

Later this month, I will have the honor of addressing 35th National Convention of Delta Sigma Theta, in New Orleans, La. At that time, I will join the tribute to the organization's outgoing President, Mrs. Thelma Thomas Daley, who has provided inspiring and tremendously competent leadership during her term in office. I know, Mr. Speaker, that my colleagues join me in offering congratulations to Mrs. Daley as she steps down from office, and to Delta Sigma Theta for its untiring labors.

For more than 50 years Delta Sigma Theta, Inc. has undertaken an array of activities designed to carry out its commitment to public service in many facets such as education, economic development, legislation, housing (including the elderly and the handicapped), the arts and letters, et cetera. Annually more than $500,000 is awarded to deserving students to assist them in attending colleges and universities. In 1978 alone, the national office provided assistance to 32 students totaling more than $16,000. Contributions to other groups such as the UNCF, NAACP, YMCA, NCNW, Urban League and numerous agencies and insitutions at the local community level total more than $750,000. Each year Delta Sigma Theta makes a $1,000 contribution to the National Black Achievement Scholarship Committee of the Nation's merit scholarship program. More than 50 of this organization's nearly 700 chapters participate in the reading is fundamental (RIF), a federally matching grant program which provides books for children to own.

Armed with a $134,000 grant from HEW, Delta Sigma Theta has for the past year, engaged in developing a women's educational equity training and assessment program. The goal of this project is to develop and test materials to be used by personnel in public and private institutions and community groups in an effort to combat sex stereotypes and promote educational equity for women.

With a $2.76 million grant from the National Science Foundation, Delta has established a resource center in science and engineering to increase the number of scientists and engineers from minority and low income groups. Its national office has contributed to the Hubert H. Humphrey Institute of Public Affairs to provide a reading shelf in the library on the roles of women in the civil rights movement of the 1960's.

DST telecommunications is the mechanism through which Delta Sigma Theta impacts in the arts and letters arena. To date, this dynamic organization has produced a record and a film representing a courageous statement in the artistic advancement of black people, reversing the traditional Hollywood approach to themes about Africa, black America, and black women.

For the 11th year, Delta has operated its direct search for talent project, which is administered and conducted in Baltimore. With funding of approximately $750,000 from the Office of Education, Delta has endeavored to identify students in selected high schools to present counseling services, tutorial assistance, guidance, career testing and evaluation services, and financial aid services. A second direct search for talent project has been instituted by the North Jersey alumnae chapter with more than 20,000 participants.

Mr. Speaker, many of the accomplishments of Delta are due to the excellent leadership of Mrs. Thelma Daley. Mrs. Daley is a nationally recognized guidance and counseling professional and former national president of both the American Personnel and Guidance Association and the American School Counselor Association. She has served on the faculties of Coppin State College, Western Maryland College, and the University of Wisconsin. Mrs. Daley has also served on the Harvard University College Admission Summer Institute staff.

Employed by the Baltimore City Board of Education, she has just completed a 2-year loan to the Maryland Department of Education as a consultant in career education and as Federal project director.

Thelma Thomas Daley's professional and community involvement is extensive: trustee, educational testing service; former trustee, College Entrance Examination Board: appointed by David Mathews, former Secretary to HEW, to the 14-member National Advisory Council on Career Education; appointed by Joseph Califano, Secretary of HEW, to chair the National Advisory Commission on Career Education; member of the board of directors of the Voluntary Action Center of Central Maryland; co-chairperson of the Maryland Foster Care Committee; and chairperson of a statewide special involvement of adoption for Babies Through Conference and Delta.

Thelma Thomas Daley has received numerous citations and awards including a plaque from the NAACP citing her outstanding contribution to the life membership program; the Continental Society, Inc., Outstanding Black American Award; the Governor's Citation; and the Lamda Kappa Mu Outstanding Woman Award. She is listed as one of the 100 most influential black women. Mrs. Daley is also listed in "Personalities in the South" and "Who's Who in Black America." ●

AMERICANS ARE REDISCOVERING AN OLD LOVE: THE TRAIN

HON. LES AUCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. AUCOIN. Mr. Speaker, the gas crunch is forcing all of us to change our daily habits, form planning shopping excursions to charting cross-country trips with the unpleasant specter of an empty tank in mind.

But it is also reminding us of the pleasant alternatives mass transportation can offer.

This article from the Bulletin, published in Bend, a central Oregon paper, drives home a simple truth: Americans, when they commit themselves to change, have no problem passing up the gaslines for a comfortable seat in an Amtrak coach.

Families such as the one from Bend, mentioned in this article, clearly care more about seeing their country than they do about maintaining their mythical "self reliance" for travel. This is the evidence which justifies the millions of dollars in Amtrak subsidy the House approved last week.

While it is now the Senate's task to uphold this decision and give people the train service they want, I hope other citizens will speak out too—through dollar votes at the Amtrak ticket window—so our national rail system will continue to serve all communities of the country.

The article follows:

MORE DRIVERS NOW OPTING FOR TRAIN TRIPS

(By Ila Grant Hopper)

For most people, the gasoline crunch may be anything from an annoyance to a disaster. But it's the best thing that's ever happened to public transportation.

But companies, railroads and airlines report significant increases in business. Many people who have been in the habit of driving their own cars now are leaving the driving to someone else.

Jerry Fallowfield and family, who live in downtown Bend, are planning to spend their vacation with relatives in Harbor City, Calif. They will travel most of the distance by train.

Jerry, Dawn and their two children—10-year-old Chris and 14-month-old Regina—will make the round trip on Amtrak for a total fare of $186. Friends will accompany them to Klamath Falls to board the train, and will pick them up there in two weeks.

"I figure it would cost around $25 to $35 more to drive the car the whole distance (nearly 1,000 miles)," Jerry said. "We usually drive right through, but with the baby, probably we'd have to make longer and more frequent stops."

Dawn said she is excited about the trip because of the convenience factor. "We can walk around whenever we want to, and in daylight, we can enjoy the scenery. For another $50 we could have had a compartment—but we thought we'd economize and make do with the reclining seats."

Dawn plans to pack a basket of baby food and snacks, but she's looking forward to meals in the train's dining room. It will be her first train trip since she was an infant.

"One nice thing about it," she noted, "you can have a drink in the lounge car and not have to worry. We wouldn't take a chance on drinking and driving—it's too dangerous."

Amtrak's "Starlight," which goes to Davis

and other central California points, then down the coast to Los Angeles, is becoming so popular that reservations well in advance are a necessity, according to Barbara McCaige at Cascades Travel Service.

"It's the first time this has happened," McCaige said. "People are re-discovering the train, and loving it. It's a bit of nostalgia."

In Oregon, the train may be boarded at Portland, Salem, Eugene and Klamath Falls.

Bus travel also is increasing in popularity, especially for charter tours, according to Marion Grant at Travelplace Inc.

"We're seeing a new breed of bus travelers—lots of people who used to insist on driving their cars," Grant said. "They're discovering they can relax and have a good time and not have to worry about gasoline. It's no fun to be stranded in your car late at night or on weekends, because the gas stations aren't open."

Lots of first-timers are also opting for plane travel, according to Carmen Cappell of Tour Time.

"The excursion fares and discount coupons that the airlines are offering are very attractive," Cappell said. "We're seeing lots of families making cross-continental vacation trips."

The reduced rates for children in family groups make air travel comparatively economical, Cappell said. Half-rate fares apply for children ages 2–12, and infants under age 2 ride free. As on other public conveyances, however, babies must be held unless unclaimed seats are available.

"We advise booking at least a month in advance for excursions to New York, the Midwest or the Caribbean," Cappell said. "We're already making reservations for next spring vacation. And if you haven't already made arrangements for Christmas vacation flights—you aren't going anywhere!" ●

REDUCTION OF SOCIAL SECURITY BENEFITS

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MICA. Mr. Speaker, over the past few months, I have been contacted by many of my constituents expressing their opposition to the administration's proposal to cutback social security benefits. I have been quite disturbed by this proposal and am pleased to note that not a single Member of Congress has introduced legislation to cut social security benefits. Additionally, the Subcommittee on Social Security has recommended that any cutbacks in social security are unrealistic and impractical at this time.

It is my strong feeling that our Nation needs to become more aware of the financial burden which many of our elderly living on fixed incomes face. I want to commend and thank my colleagues for deciding not to act on proposals to reduce social security benefits, thereby reaffirming the Congress commitment to our elderly citizens.

As a member of the House Select Committee on Aging and being involved with the elderly, I have had the opportunity to see firsthand what skyrocketing costs are doing to those living on fixed incomes. It is my feeling that the Congress needs to continue expanding their concern for the problems and interests of elder Americans, who represent the fastest growing segment of our national population.

In an effort to help, I have recently sponsored legislation which will provide a tax relief for individuals who have received hikes in their fuel adjustment charges. I have also cosponsored legislation which will increase the housing and medical deductions allowed to the elderly when determining eligibility for food stamp benefits. I was pleased to support today, the conference report on the Food Stamp Act of 1979, which included these provisions.

One of the most important concerns facing our aging is access to quality health care. I do not feel that current medicare and medicaid programs are meeting the necessary health care requirements and feel that the Congress and the President need to take further action on this matter. I will continue my efforts to seek legislation to assure adequate health care and as a member of the Select Committee on Aging, will work to end fraud, abuse, and mismanagement of programs for the elderly.●

LITTLE KNOWN HISTORY OF ATOMIC ACCIDENTS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DELLUMS. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I am today introducing the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

[Excerpt]

ATOMIC ACCIDENT, MAY 21, 1946 CRITICALITY ACCIDENT, LOS ALAMOS, N. MEX.

COMPARISON WITH 1946 LOS ALAMOS EXPOSURES

On May 21, 1946, a criticality accident occurred in one of the facilities of the Los Alamos Scientific Laboratories. Eight persons were exposed to the ionizing radiation in amounts comparable to those received during the Y-12 incident. The dosimetry problem was similar in that film badge dosimeters were not worn in either case. The area in Y-12 in which this accident occurred was one in which only insignificant amounts of radiation are normally present. Accordingly, film badge dosimeters were not worn by the employees.

Thus, as in the Y-12 case, the Los Alamos investigating committee used the blood sodium activity in their estimation of the neutron dose received by each of the eight persons exposed. In essence, the technique consisted of using Na^{24} activity to measure the integrated thermal neutron flux and from this to compute the associated fast flux. This flux is then converted into dose units by assuming an average energy for the leakage spectrum. To account for the effect of the higher energy neutrons, a factor of 3 was arbitrarily applied to the estimated doses. This final figure is considered to be the "most probable" dose.

While estimates of the neutron component of the Y-12 doses may be obtained by comparison of the NA^{24} activity of the Y-12 employees to that of the Los Alamos personnel, the estimates so obtained will contain all of the assumptions and inaccuracies inherent in the calculations made 12 years ago.

The technique of comparison consists in averaging the neutron dose per unit blood serum activity for the Los Alamos cases and multiplying this into the blood serum activities found for the Y-12 cases.

The ratio of neutron dose per unit volume activity of NA^{24} for the Los Alamos cases was 0.84 rad per disintegration per second per cc, while for the Y-12 cases the ratio was 2.0. There are several possible reasons for this difference; e.g., (1) the capture cross section used by Los Alamos was 23% higher than the value used for the Y-12 cases; (2) an estimated energy was used for the leakage neutrons for the Los Alamos cases rather than a calculated value.

A gross underestimate of the total dose would be obtained by applying the above technique to the gamma plus neutron dose instead of just the neutron dose since the gamma to neutron dose ratio was considerably different for the two accidents. The difference is due to the fact that the Y-12 incident involved a moderated homogeneous system whereas the Los Alamos incident involved a beryllium reflected metal system.

Source: Excerpt from Y-1234 ("Accidental Radiation Excursion at the Y-12 Plant") Pages 75–76.●

CONGRESSMAN GREEN DECRIES SOVIET INJUSTICE IN THE UKRAINE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GREEN. Mr. Speaker, I would like to take this time to inform the Members of the House of yet another alarming report of Soviet injustice to Jews in the Ukraine.

On July 14, a Soviet court of appeals in Donetsk upheld a judicial decision to execute four Soviet Jews for economic crimes. These four men were tried and convicted, in August of 1978, of stealing surplus textiles from a factory in Baku, in the Azerbaidjan Republic. At this time they face a sentence of death for their nonviolent crime of robbery.

Other related facts about the trial proceedings raise questions concerning the outcome of the case. The trial was held in secret. No details of the evidence presented by the prosecutor or rebuttals and/or statements made by the defense were available to the public. More importantly, if these four men were guilty as charged, it seems fair to assume that a reasonable and retributive punishment would be in order in accordance with Soviet law. Yet, how does one legitimize the enactment of the death sentence for a victimless crime such as theft? Rather this case seems to embody anti-Semitic sentiment and maintain world perception of the Soviet Union as a nation suppressing segments of its Jewish population.

In an effort to rectify this flagrant injustice, I have sent letters to Roman Rudenko, and A. P. Lyashko, the Procurator General of the Soviet Union, and the Soviet Supreme of the Ukraine, respectively. In the interest of human decency and compassion, I have requested that these Soviet officials call for a commutation of sentence for these four ill-fated Soviet citizens.

I believe that this sentence of death constitutes a cruel and unusually harsh punishment. I would like to ask my colleagues in the House to join me in expressing their deepest regret and sincere concern for the fate of these four Soviet Jews by writing to Mr. Rudenko and Mr. Lyashko who have the authority to correct this inequity.●

PESHTIGO TIMES EDITOR HAS 50TH ANNIVERSARY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ROTH. Mr. Speaker, I believe all of our colleagues would unanimously agree that democracy and good government depend on responsible reporting by the news media. Jefferson once said,

> Were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter.

Today I would like to recognize Leo J. Pesch, Sr., a newspaper publisher from Pesntigo, Wis., who for 50 years has set as his standard to "report news objectively, honestly, and without fear or favor."

I submit for the RECORD the background of Leo Pesch's career as living proof that the key to success in newspaper publishing is hard work and honest reporting.

Leo Pesch became publisher of the Peshtigo Times on August 1, 1929, with a circulation of 354. Over the past 50 years, the circulation has grown to 14,000, making the Peshtigo Times the largest weekly in Wisconsin.

The awards Leo Pesch has earned are too numerous to list completely, but some deserve mention. In 1976, Leo Pesch was the first non-Legionnaire to receive the "Man of the Year Award" from the Marinette County Council American Legion. The next year he received the National Americanism Award by the Freedom Foundation at Valley Forge for the centennial issue published in August 1977. And during the 50 years that Pesch has published the Peshtigo Times, the paper has won over 50 awards from the Wisconsin Press Association.

One of the high points of Mr. Pesch's career was his 1960 interview with the late John F. Kennedy during his campaign for election to the Presidency. But it is not so much the highlights of Leo Pesch's career that merit attention or proclaim his success. As I mentioned earlier, hard work and honest reporting are the keys to his success. It has been the quality of his daily work over the past 50 years that is responsible for his success. The growth in circulation of his paper is testimony to his diligence and success.

And today I ask my colleagues to join me in thanking Leo Pesch, on his 50th anniversary as publisher of the Peshtigo Times, for a job well done.●

PROPER VENUE IN ENVIRONMENT LITIGATION

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. McKAY. Mr. Speaker, I am pleased to introduce a bill to provide proper venue in environment litigation I am grateful for the cosponsorship of both the majority and minority leaders. Under this bill, the proper venue for litigation of civil actions against the United States involving environmental questions would be restricted to the U.S. district court in which the major impact of the litigation would be felt.

At the present time, plaintiffs seeking to bring actions against Federal administrative agencies have a rather wide latitude in choice of venue. Yet the majority of such actions are brought in the U.S. courts for the District of Columbia. The primary reason for this is that many of the plaintiffs in such actions are national organizations of various types having headquarters in the Nation's Capital, of public-interest law firms having their headquarters there. It is, therefore, easier for plaintiff's counsel to institute the action in the District of Columbia. However, often the matter is more than one of convenience. Plaintiffs, in many cases feel their objectives might best be met by a Federal judge unfamiliar with the economy and culture of the area being affected by the litigation.

To illustrate this, let us consider the case of a judge whose entire experience has been in water-abundant areas. Should that judge be asked to consider a case involving water rights, as so many of these cases do, it would be difficult for him to set in proper perspective the evidence and the law if he has had no exposure to the impact of water and water rights in the water-short areas of our Nation.

In cases of lawsuits having broad public impact there is no doubt ample justification for trying cases in the District of Columbia courts. A different situation entirely exists, however, where the principal impact of a case will be felt only in certain regions of localities within the country or by only a very few of our citizens.

It is hardly equitable that those who are most deeply affected may often have decisions made by the District of Columbia Courts affecting their particular economic or social welfare without even knowing that the litigation is in progress, and if they learn of it, being able to defend their rights only at great inconvenience and expense.

Matters of the type which I am here discussing can best be heard and adequately adjudicated by a judge having knowledge of the area being affected by the litigation. A judge who has a better understanding of the background against which a case arises can better decide the facts and apply the law in a manner to reach justice, than can a judge who does not have such an advantage.

In a nation as large and diverse as ours, there is a danger of too much centralization of governmental action. Specific problems in widely scattered areas require specific rather than generalized approaches. It is not right that peoples' rights be affected by decisions made by counsel or judges unknown to them and in a jurisdiction far distant in both geography and knowledge.

Hopefully this bill can stop this forum shopping for a favorable judge and will help us return to a system which allows a local judge to decide local matters.●

SOLAR ENERGY FACTSHEET

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. UDALL. Mr. Speaker, every Member of Congress is being consumed by the search for ways to meet this Nation's energy needs. All manner and method of energy supply alternatives are being explored and discussed. Some have passed this body already, and more are on the way when we return in September. However, one key component to meeting our energy needs has been overshadowed in the rush to develop expensive and exotic alternatives to oil—it is solar energy.

As our conventional energy resources dwindle and their costs skyrocket and as our national security becomes more vulnerable to the vaguaries of the international oil trade, more and more people are looking to renewable resources to fill our needs. All one has to do to get a sense of the public's interest in this is to go to my State of Arizona. Hundreds of individuals have turned to solar to supply home heating and cooling needs. Thousands more, seeking relief from rising fuel bills, are exploring the solar option.

Government can play an essential role at this critical stage.

We are now promoting solar with a variety of Federal programs enacted in recent years, and new, innovative ideas are in the legislative pipeline.

We here in Congress also have an essential role—to spread the word to our friends and neighbors about the promise of solar energy.

And that is where the Environmental Study Conference, with its more than 300 members from the House and Senate, comes in. The conference has just updated and expanded its excellent guide to solar energy programs and information resources. It briefly describes various solar technologies and their applications, Federal tax credits, grants and loans, State and local programs, and information resources.

Like so many of ESC's services, this

guide has been a great help to me and more so to my constituents interested in the promise of solar. I congratulate ESC and its able cochairmen, JOSEPH L. FISHER and JOHN H. CHAFEE, on another job well done, and commend the guide to you.

SOLAR ENERGY: A GUIDE TO FEDERAL AND STATE PROGRAMS AND INFORMATION RESOURCES

(By Mike McCabe)

Solar energy continues to attract growing interest as the nation explores alternatives for meeting its energy needs. Inexhaustible, environmentally sound and available everywhere, solar energy is being pursued with the hope that if only a tiny fraction of the sunlight falling to earth could be tapped, our energy problems would evaporate.

That hope, of course, is far from being realized. At present, less than 1 percent of the U.S. energy demand is met by solar, and the potential for future contributions is a subject of great debate.

Nevertheless, a number of factors combine to make solar a key option for meeting the nation's long-term energy requirements: the promise of a nonpolluting and renewable resource, the uncertain future of conventional energy supplies, escalating fuel prices, and the severe environmental problems with coal, conventional nuclear power and a massive push to develop synthetic fuels.

Here in Congress, support for solar has been growing steadily in recent years. Solar R&D funding has jumped dramatically, and scores of solar initiatives have passed into law in one form or another. Solar got a big boost from tax credits, loan programs and federal grants in the national energy plan passed in the last Congress. In addition, Congress is presently working on a number of measures to promote solar use in response to recent oil price hikes and President Carter's new energy initiatives.

State and local government agencies also are very active. In fact, many state and localities are far out in front of the federal effort.

All of these governmental programs, however, may be lagging behind the public's interest in solar. On May 3, 1978, a national day of celebration for solar energy—Sun Day—was held, swelling the ranks of solar supporters nationwide.

With greater public awareness has come increased demand for good information about solar and the programs that encourage and demonstrate its use. The solar fact sheet was prepared to help Environmental Study Conference members, their staffs and constituents locate this kind of information.

The economic and technical feasibility, as well as the projected contribution of solar, are issues beyond the scope of this fact sheet, but they can be explored with the help of the many individuals and organizations listed.

The information provided can be used by homeowners, businesses, the construction industry, workers in solar-related trades, research firms, local government officials and individuals interested in the development and use of solar energy.

The fact sheet includes:

An index of programs according to user groups

A brief review of solar technologies

A summary of solar-related provisions in the national energy plan.

A review of solar initiatives working their way through Congress

A listing of programs scattered through various federal agencies that assist in the purchase, installation or general development of solar equipment

An overview of state solar programs and

A directory of information sources which can provide material suitable for individuals with no background in solar energy, as well as technical data for those well-versed in the field.

USER INDEX

This index lists programs according to specific groups or individuals who may benefit followed by the programs' sponsor. Many programs are listed more than once.

Homeowners

Solar tax credits, IRS.
Solar energy home loans, HUD.
Federally insured home loans, FHA/HUD.
Secondary financing home improvement loans, HUD.
Small utility loans, DOE, local utilities.
Community development block grants, HUD.
Small-scale and appropriate technology grants, DOE, NCAT.
Hot water initiative, DOE/HUD.
Home improvement loans, FHA/HUD.
Veteran's loans, VA.
Tennessee Valley Authority programs, TVA.
State energy office information.
NSHCIC solar information line, HUD/DOE.
Solar information services, SEINAM, SEIA, SERI, CRR.
Solar publications, GPO.
Building your own system information, ASHRAE, NAHB.

Low-income and elderly

Community development block grants, HUD.
Small-scale appropriate technology grants, DOE, NCAT.
Solar employment training, DOL.
Low-income community grants, CSA.
State energy office importation.

Schools, hospitals and nursing homes

Energy conservation grants, NOE.

Business and industry

Solar tax credits for businesses, IRS.
Small-scale appropriate technology grants, DOE, NCAT.
Small business loans, SBA.
Technology transfer, DOE.
Project proposals and inventions, DOE/NBS.
NSHCIC solar information line, HUD/DOE.
Solar information services, SEINAM, SEIA, SERI.

State and local governments

Community block grants, HUD.
Solar for cities and towns, DOE.
Severe unemployment area assistance, EDA/Commerce.
Solar employment training, DOL/SEIA.
Low-income community grants, CSA.
State wind demonstration project, DOE.
Energy report to the states, NCSL.
Energy project, NACO.
Solar status report, HUD.

Rural and agricultural uses

Solar tax credits for businesses, IRS.
Rural and farm assistance loans and grants, FmHA, USDA.
State energy office information.
NSHCIC solar information line, HUD/DOE.

Builders, architects, and engineers

Solar tax credit for businesses, IRS.
Small-scale appropriate technology grants, DOE, NCAT.
Solar installation correspondence course, DOE, HAWA.
Technology transfer, DOE.
Technical guide, EDA/Commerce.
Project proposals and inventions, DOE, NBS.
TVA passive solar home designs, TVA.
State energy office information.
NSHCIC solar information line, HUD/DOE.
Solar information services, SEINAM, SERI, SEIA, ASHRAE, DOE/TIC, NTIS, HUD.
Solar publications, GPO.

SOLAR TECHNOLOGIES

The term solar energy actually encompasses a broad range of energy sources that convert the sun's rays either directly or indirectly into usable energy. For example, solar electric cells, usually thin silicon slices, convert sunlight into electricity. This category of solar energy is called photovoltaics. The conversion of organic matter, such as solid waste, into liquid fuels, such as methane, for energy use also is considered an application of solar energy—biomass.

In all, there are eight basic solar technology categories. They are:

Passive;
Solar heating and cooling;
Agricultural and industrial process heat;
Wind;
Photovoltaics;
Solar thermal;
Ocean thermal energy conversion; and
Biomass.

In addition, there are a number of different technology designs and appplications within each of the categories. For example, under solar heating and cooling, there are many collector designs that use different heat exchange mediums. Some use water; some forced air. Some use flat plate collectors; others use evacuated tubes.

A number of different systems can be combined to supply a greater and more reliable energy product than when used separately. For example, both electricity and process heat can be provided by using a combination of solar devices. These are usually referred to as hybrid systems.

Some solar technologies are designed to be integrated into centralized power generating systems, while others lend themselves to small-scale, decentralized applications.

Decentralized, small-scale applications include residential heating and cooling and hot water, as well as various agricultural and industrial heat processes. Systems such as photovoltaic cells and wind energy can be used to generate electricity for small-scale use. Several hybrid systems lend themselves to use in homes, businesses and farms.

On other other hand, some solar technologies can only be used in large-scale applications—primarily centralized electrical power generating plants. So-called "power towers," which use mirrors to concentrate the sun's rays on steam boilers that drive an electric generator, and ocean thermal systems, using temperature differences in the ocean, require large generating plants and electric power grid systems.

Some systems, such as photovoltaics, wind and biomass conversion, can be used in small-scale and large-scale applications.

The solar energy picture is changing almost daily. From about $1 million in fiscal year 1971, the federal solar research budget has leaped to more than $800 million for FY 1980. Rapid changes are occurring not only in the technology itself, but also in feasibility, economics and availability.

Below are short explanations of the various categories of solar technologies. Their relative merits, ecnomic feasibility or technical feasibility are not discussed. Information on these aspects of solar energy can usually be obtained by contacting the individuals listed. Contacts listed after each technology are DOE officials familiar with, and, in most cases, responsible for, programs in those areas.

Passive solar: Passive solar takes advantage of the design and siting of a building to maximize the effects of natural processes, such as evaporation and heat flow, as opposed to active systems, which require mechanical devices, such as motors, pumps and valves, to heat or cool a building. It is believed that the early cliff dwellers in the Southwest positioned their structures under cliffs in such a way to receive direct solar radiance which heated thick outer walls during the winter months, yet were shaded by the cliff overhang in hot summer months.

Modern architects are rediscovering these same principles. The orientation of a house, positioning of the walls, windows and baffles to let in the sun during the winter and keep it out in summar can be an effective way of capitalising on the sun's natural heat. The use of deciduous trees to provide extra shade in the summer, storage ponds, building green houses, and site orientation according to prevailing wind patterns can also passively contribute to the energy needs of a building.

DOE contact: Mike Maybaum, 376-9642.

Heating, cooling and hot water: Air present levels of technology, solar energy systems with the greatest potential for widespread application are those for space heating and domestic hot water—systems which do not require high temperatures. Solar cooling is generally considered to be further away from widespread use.

Standard heating systems include a solar collector panel, a storage unit, an energy exchange and distribution network, a tie-in with a back-up energy supply and a thermostat control unit. Collectors are most often located on a building's rooftop and are simple in design. Relatively efficient operation can be achieved with commercially available panels, now manufactured by dozens of companies. And in many parts of the country, considerable energy and costs savings can be expected over the lifetime of the unit.

For cooling, an additional component must be added, either a standard "absorption" air conditioner or a mechanical motor-driven system.

To be used effectively, all solar systems should be accompanied by stringent conservation measures such as insulation and proper building design. For information on conservation programs see ESC Fact Sheet: Guide to Federal Conservation Programs.

DOE contacts: Karl Konner, 376-9600; Roger Bezdek, 376-9619.

Agricultural and industrial process heat: The use of both direct sunlight and the conversion of solar energy collected by panels to low and medium temperature heat can be applied to many agricultural and industrial processes. Among the potential uses are grain and crop drying, heating of greenhouses and livestock shelters, food processing, low pressure steam operations, and a wide range of processes in the textile, paper and chemical industries. Most applications would replace conventional processes using scarce and expensive propane gas.

DOE contact: Jim Dollard, 376-9633.

Photovoltaics: Solar electric cells—photovoltaics—convert sunlight directly into electricity and have successfully powered electric equipment. * * *

Current the paper and lumber industry have demonstrated considerable energy savings and some degree of energy self-sufficiency through direct burning of forest residues. And some experiments are underway to burn municipal wastes for electrical generation.

DOE contact: Sandy Harris, 376-9425.●

LAMB IMPORT RESTRICTIONS LEGISLATION

HON. TOM LOEFFLER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LOEFFLER. Mr. Speaker, over the last several years, sheep producers in this country have suffered a steady and serious decline in their herds. In 1950, for example, domestic sheep numbered some 50 million head. As a result of inflationary production costs, increasing predation of live sheep and lambs, and rising imports, by 1978 this figure had dropped to 11.7 million head. As a result, as foreign imports of lamb have increased, the supply of domestically produced product has severely declined.

Moreover, lamb is now the staple of the American sheep industry, and imported lamb, particularly frozen lamb—usually less fresh than the American product—is currently in direct competition with domestically produced lamb, creating an excess supply in a relatively small market and reducing the ability of the American producer to market the sheep industry's main product.

In addition, unlabeled foreign lamb meat is sold in many stores right alongside fresh domestic lamb; thus the American consumer may not be afforded the opportunity to choose between the imported product and the usually more fresh domestic lamb.

Mr. Speaker, the legislation which I am introducing today for myself, Mr. ROUSSELOT, Mr. STENHOLM, and Mr. SYMMS will correct the oversight created when this important commodity was omitted from current meat import restrictions by providing a modest limit on the quantity of lamb meat which may enter the United States during any year. This legislation will provide protection for both the consumer and the producer of lamb by assuring an adequate supply of domestic lamb meat at a fair price while maintaining the stability our international lamb trade. I urge my colleagues' support.●

GRASSROPE PROJECT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ABDNOR. Mr. Speaker, today I have introduced legislation to authorize construction of the Grassrope irrigation project on the Lower Brule Indian Reservation.

Construction of this 3,500-acre project offers the Lower Brule Sioux Tribe an excellent opportunity to improve the standard of living of its people. The project is expected to cost approximately $9.5 million to construct—January 1978 prices—and, according to benefit-cost analysis, will return $1.10 to $1.40 for every dollar spent. The return to the local tribe would be much greater than this, though.

The Grassrope unit would become an integral part of the Pick-Sloan Missouri Basin program, authorized by the Flood Control Act of December 22, 1944. The principle features of the Grassrope unit would include the pumping plant, pipe distribution system, drainage facilities, and the following on-farm features: pipe laterals booster pumping units, sprinkler systems, and necessary facilities to effect the previously mentioned purposes of the unit.

Repayment of capital costs on Indian trust on alloted lands shall be deferred pursuant to the Leavitt Act, unless the land passes into non-Indian ownership. All annual operation, maintenance and replacement costs of the project are reimbursable and shall be assigned to the irrigators. These costs shall be paid by the water users annually over the life of the unit.

Mr. Speaker, I have introduced this legislation today to provide an opportunity for the Lower Brule Sioux Tribe to better establish an economic base for its people. The Grassrope unit is a very good project; and I urge rapid, favorable consideration of the necessary authorizing legislation.

Congressman DASCHLE has joined me in cosponsorship of this measure.●

REVISION OF THE FEDERAL CRIMINAL CODE: A SHORT SUMMARY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DRINAN. Mr. Speaker, during yesterday's press conference at which I and the other members of the Criminal Justice Subcommittee announced that we had substantially completed our revision of the Federal Criminal Code, we distributed a short summary of our work on the bill.

I would like to take this opportunity to include that outline in the CONGRESSIONAL RECORD in order to acquaint other Members of Congress with our progress in this area.

The material follows:

OUTLINE OF THE CRIMINAL JUSTICE SUBCOMMITTEE'S DRAFT RECODIFICATION BILL

I. BACKGROUND

Over a decade ago President Lyndon B. Johnson sent a message to Congress urging action on a comprehensive revision of the federal criminal law. In that message he stated:

"A number of our criminal laws are obsolete. Many are inconsistent in their efforts to make the penalty fit the crime . . . . We are a nation dedicated to the precepts of justice, the rule of law and the dignity of man. Our criminal code should be worthy of those ideals."

Congress in response established the National Commission on Reform of Federal Criminal Laws, better known as the Brown Commission, "to make recommendations for revision and recodification of the criminal laws of the United States."

The Brown Commission submitted its Final Report in early 1971, and the present recodification effort is a direct outgrowth of the Brown Commission's fine work begun over 12 year ago.

While many states have rewritten their criminal law in recent years, none have faced as difficult a task as that confronting those seeking recodification on the federal level. Current federal criminal law is spread throughout various titles of the United States Code, and its complexity is much greater than that of state criminal regulations. Moreover, the wide range of diverse interests at work at the federal level has necessarily made legislating in this area a delicate and complicated chore.

The difficult task of balancing competing and often conflicting interests has lead some to urge that a comprehensive recodification effort is ill-advised. Admittedly, the reconciliation of the concern for individual rights with the need for an orderly society frequently produces results which cause qualms in one or more interest groups. It is a mistake, however, to conclude that a comprehensive bill protecting both the constitutional liberties of the individual and the integrity of the community cannot be developed.

The Subcommittee on Criminal Justice has now completed the vast majority of its work on a draft bill that recodifies federal criminal laws. I believe that we have developed legislation which is comprehensive and which has the clarity and conciseness essential to a modern criminal code. The benefits of such a comprehensive criminal code are significant.

Consolidation and clarification

The Subcommittee's proposed criminal code assembles all felony offenses in one title of the United States Code, making the job of prosecutors, defense attorneys and judges easier. More significantly, the proposed code makes federal criminal law more readily understandable by consolidating and updating overlapping and inconsistent provisions. For example, the proposed code consolidates the more than 100 present theft and fraud provisions into just 7 basic offenses. Current theft, embezzlement, and fraud statutes have maximum prison terms ranking from 1 to 10 years. Frequently the differences in penalty levels are based on accidents of drafting. The Subcommittee's proposed code grades theft according to the importance and value of the property.

States of mind

A second benefit from the Subcommittee's comprehensive recodification is the use of uniform and clearly-defined standards of culpability. Present federal law contains more than 60 different terms to define the state of mind with which a person must have acted before criminal liability attaches. Following the lead of the American Law Institute's Model Penal Code, the various new state criminal codes, and the Brown Commission, the Subcommittee has brought some order to the area. The proposed code has defined four culpable states of mind, and those four states of mind are used exclusively in defining all of the offenses in the proposed code. Using standard terms with clearly understood meanings will assist the criminal justice system to obtain the type of uniformity which benefits both the community and the defendant.

Federal jurisdiction

By accepting the concept of a comprehensive recodification, the Subcommittee has forced itself to focus on the problems which exist under present federal statutes. Among the most important changes resulting from this scrutiny of current problems are improvements in the treatment of federal jurisdiction to prosecute criminal cases and the development of a clear delineation of the appropriate roles for federal, state and local law enforcement.

In dealing with the matter of federal jurisdiction, the Subcommittee has carefully examined the substantiality of the federal interest involved before recommending any intrusion into the affairs of state and local governments. Thus, under the Subcommittee's approach there is almost no "piggyback" federal jurisdiction for which the Brown Commission was so severely criticized. Further, all crimes which would be of federal interest are included, but the Subcommittee has consciously avoided adding new jurisdiction to federal law enforcement except where a strong showing of need has been made.

Finally, the Subcommittee has codified a long standing policy of the Justice Department to limit to appropriate situations the prosecution of persons in federal court for conduct for which they have previously been tried in state courts.

II. OFFENSES AND DEFENSES

Organized crime

The Subcommittee's proposed criminal code, through the addition of 2 new offenses, has expanded the coverage of the statutes dealing with organized crime. The offense of "Operating a Racketeering Syndicate" will enable prosecutors to obtain convictions of persons who direct large criminal syndicates. The proposed code's expanded coverage of the current loansharking statute will make felonious the loaning of funds at totally exorbitant interest rates under circumstances indicative of illegal activity. Finally, the laundering of money made from organized crime activities is addressed in a more complete fashion.

Civil rights

The proposed code amends the present civil rights offenses to encompass discrimination on the basis of sex. The proposed code also amends them in order to eliminate inconsistencies in coverage and to define with greater specificity the proscribed conduct. As a result, the federal government will be abe to vindicate the civil rights of its citizens more effectively.

Pirating records and movies

The proposed code contains a new offense to deal with the pervasive and serious problem of pirated records and tapes. In addition, the proposed code contains new provisions that will help ease the way for prosecution of the commercial theft of copies of movies.

Sexual offenses

The Subcommittee, recognizing the importance of protecting both men and women from serious sexual assaults, has made some significant changes in the area of sexual crimes. For example, spousal immunity, long a defense to a charge of rape, has been restricted. Under the Subcommittee's approach, which is consistent with recent state enactments, a sexually battered wife will be better able to obtain redress.

Official corruption

The Subcommittee's proposed code contains several new provisions for dealing with official corruption. The offense of "Trading in Special Influence" prohibits the sale of influence over public policy by someone who is not a public official. Thus, the husband of an elected official who, with an evil motive, takes money from a foreign government in exchange for attempting to influence his wife's vote as an elected official, would be punished under this offense.

The Subcommittee has also eased the way for convictions of persons who lie before an official proceeding. The offense of "False Swearing", which does not require that the statement in question be material to the official proceeding, gives prosecutors a greater tool than they currently have in this area.

Conspiracy

In accord with the recommendations of leading legal scholars and the American Bar Association, the Subcommittee has concluded that persons who are part of a conspiracy should not be held responsible for the acts of others when they had no knowledge of the plan of the others—and might even have disapproved of such plans if they had known of them. The Subcommittee has also provided for a defense of renunciation. This defense will give an incentive to repentant conspirators to prevent the accomplishment of the goal of the conspiracy, an incentive that does not presently exist.

Generalized offenses

The proposed code severely limits the use of overly-broad generic offenses, which cover much conduct that should not be punished. The Subcommittee's basic approach has been to recodify existing provisions in such a way as to reach criminal wrongdoing by means of specific offenses which speak directly to the nature of the harm.

Contempt of court

The Subcommittees proposed code contains several provisions that prohibit specific contempts of court. For example, failing to testify when called to the witness stand is, under the appropriate standards, a specified, the Subcommittee has limited the application of the general contempt provision to situations where the other provisions cannot meet the necessary purposes of the court's contempt power. The nonserious nature of contumacious behavior which cannot be dealt with through the specific offenses has led the Subcommittee to limit the general contempt power of the court to a maximum penalty of 5 days in jail.

Defenses to criminal charges

The Subcommittee's proposed code codifies existing case defenses, such as insanity. It delineates the scope of many defenses about which case law is unclear. This codification and delineation will allow greater precision in the practice of criminal law and will add speed and certainty to the criminal process.

III. SENTENCING

The punishment of criminal wrongdoers has frequently been the target of criticism of the criminal process. The practices, procedures, and statutes which govern the sentencing of offenders in federal courts have been criticized for their inconsistency and redundancy. Critics correctly point to the existence of unwarranted sentence disparity. Similarly situated offenders who have committed similar crimes often receive widely dissimilar sentences.

Unfortunately, much of the blame for these difficulties must be on the Congress. Congress has failed to give to the judiciary the policy guidance necessary to create a rational and systematic set of sentencing principles. Whenever Congress has enacted new criminal provisions, it has tended to make ad hoc determinations about the appropriate penalty level. This has produced a federal criminal law with over 20 different maximum prison terms and an almost equal number of fine levels. Moreover, Congress has from time to time enacted specialized sentencing statutes which are either outdated or rarely, if ever, used.

Most importantly, Congress has not given sufficient attention to the important concepts of certainty and clarity of sentencing practices and results. The present federal sentencing structure can best be described as a modified determinant system. If a prison term is imposed upon a convicted defendant, the length of time that that person will actually serve in prison is affected by the "good time" and parole provisions of present law. Through the earning of good time, the person can reduced the maximum term by 1/3. For most people sentenced to prison, the amount of time actually served is materially affected by parole provisions. These factors, coupled with the absence of a requirement that the sentencing judge articulate the reasons for the sentence they imposed, leave the public and the victim of the crime in the dark about the practical effect of a sentence.

The Subcommittee determined to resolve the tough issues of sentencing by taking a straightforward and honest approach to sentencing. Sentences should mean what they say—there should be "truth in sentencing". Sentencing judges are required to state the reasons for the sentence at the time it is imposed. Sentencing guidelines developed by

the Judicial Conference of the United States will assist judges to impose the proper sentence. These guidelines will create categories of offenses and offenders and provide judges with detailed and relevant information about the suggested sentence range for offenders convicted of particular crimes when those offenders have similar criminal histories. Finally, any prison term imposed by the judge will be the actual time served.

The Subcommittee's proposed code grants jurisdiction to the United States Circuit Courts of Appeals to hear appeals from allegedly excessive sentences. This should enable the development of a common law of sentencing as well as the development of some limitations upon the inappropriate use of prison terms. This appellate review provision in the proposed code will bring this country into line with the jurisprudence of many other countries.

In structuring its sentencing system, the Subcommittee has attempted to avoid any aggregate increase—or decrease—in the numbers of people sent to prison or in the length of time actually served in prison. Thus, it is the Subcommittee's goal that, while some individual offenders, or types of offenders, may receive longer prison terms, on balance the size of the prison population should not increase.

The Subcommittee concluded that despite dedicated efforts to provide rehabilitation in the prison environment, rehabilitation programs do not sufficiently benefit society or the offender to justify the imposition of a prison term for the purpose of rehabilitation of the individual being sentenced. The uncertain state of the knowledge about how to rehabilitate, and about determining when someone is rehabilitated, makes it patently unfair to deprive someone of liberty based upon the notion that prison will "reform" the person. Under the Subcommittee's proposed code, a prison term may not be imposed solely for the purpose of rehabilitation. This does not mean, however, that educational, vocational, and other such programs in prison will be eliminated. It does mean that, for reasons of honesty and fairness, we should admit that prison sentences are to be imposed for reasons other than rehabilitation.

The sentencing system proposed by the Subcommittee makes, in addition to the changes already mentioned, several other important changes in current law:

(1) Offenses are classified into 5 grades of felonies, 3 grade of misdemeanors, and an infraction. Each grade has a uniform maximum prison term and fine level. This will replace the multiplicity of maximum prison terms and fine levels in present law.

(2) Outdated specialized sentencing provisions are repealed because the factors they involve can better be dealt with in the context of uniform sentencing guidelines.

(3) Additional information, including a statement from the victim of the offense, will be included in the presentence report which the judge uses in sentencing. A sentencing hearing will be required whenever it is necessary to resolve factual disputes concerning a sentence.

(4) Probation is explicitly recognized as a form of sentence and its utility is highlighted. Procedures for the imposition of probation, and for the modification or revocation of the terms and conditions of a sentence of probation, are set forth.

(5) The availability of restitution to the victims of crime is expanded by requiring that such restitution be a mandatory condition of probation, unless such payments are necessarily impractical.

(6) A new sentence of conditional discharge has been developed by the Subcommittee. A sentence of conditional discharge will be impossible on corporation and other organizations. Such entities cannot be sent to prison.) In addition, the sentence will be appropriate for individuals with no need for rehabilitative services.

The Subcommittee's proposed sentencing system draws upon the best thinking of the past decade. It recognizes the current problems with sentence disparity, but acknowledges that there is not magic solution. It takes a cautious approach by giving judges guidance without unnecessarily hampering their discretion to impose a sentence appropriate to the particular offender.

Finally, the modernization of sentencing practices and procedures will bring into the open sentencing decision-making. Both the public and the convicted defendant have a right to know how and why the defendant is being sentenced. Under the Subcommittee's sentencing system, they will.●

NO GAS SHORTAGE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ROSENTHAL. Mr. Speaker, I wish to bring to my colleagues attention the following news story relating to certain statements that I have made relating to the supposedly crude oil shortage, the gas prices, and other related petroleum problems. The second item which I wish to bring to my colleagues attention is the fact that on Monday, July 30, 1979, the Wall Street Journal in a lead story entitled "Plentiful Petroleum" essentially agreed with the statements that I have made. An excerpted copy of this item also follows:

THE GAS CRISIS IS A FRAUD CHARGES TOP REPRESENTATIVE

(By Rose Harris and Patrick Edwards)

There is no gas crisis, says U.S. Representative Benjamin Rosenthal.

It is a fraud being put over by the major oil companies. With the assistance of Federal agencies, says Rosenthal, chairman of the House subcommittee which is looking into the crisis.

Specifically, he charges that:

Oil companies are withholding supplies so they can up prices and reap huge, windfall profits.

Oil supplies in the U.S. are at nearly record highs, despite claims of the Department of Energy (DOE) and the oil companies.

The Justice Department and the DOE have been blocking attempts to investigate the crisis.

The current "artificial shortage" may result in a deep freeze this winter with not enough heating oil to go around.

"If the Federal Government and the oil companies wanted, we could have a million more barrels a day," Rosenthal told Globe this week.

"Our imports of crude are up 10 percent over last year and increasing," he said. The Iranian slowdown has had no effect on import levels.

"But refinery operations—which change crude oil into gasoline—are down approximately seven percent from last year. This is criminal—a scandal!"

Rosenthal charges that the oil companies are holding back on their crude supplies to create a demand for gas products which far exceeds supply.

"That way, prices are pushed up artificially and the profits of the big oil companies will be huge," he explained.

But Rosenthal's most amazing charges concern the behavior of Federal agencies and Government officials.

"The Department of Energy regards the oil industry as a client—not as an industry to be regulated in an arm's length way," he claimed.

"The Justice Department refused to clear an investigation into worldwide production of crude."

E.G. Enss, a spokesman for the American Petroleum Institute, an umbrella organization for the oil industry, has his own accusations.

"Rosenthal's lying," Enss told Globe bluntly, "Our crude oil reserves as of June 15 were just under 330 million barrels. Last year, there were 333 million barrels."

Enss admitted, however, that the rate of refinery production is down compared to last year.

"But the reason it's down is that there is a shortage of crude oil. So we're stockpiling."

PLENTIFUL PETROLEUM—SHORTAGE OF OIL IS OVER FOR NOW, BUT PROBLEMS REMAIN FOR LONG RUN

(By James Tanner)

The world oil shortage is over—at least for a while.

No one is sure when it ended. Indeed, many will argue that it hasn't.

Despite such arguments, petroleum is suddenly plentiful world-wide. Consumption is down. Production is up. Above-ground inventories are moving into the "normal" range. Though still at lofty levels, sky-high spot prices for petroleum are coming down.

"There is no longer a petroleum shortage," says a London-based oilman turned petroleum consultant. "We are back in balance on supply and demand," says Frank G. Zarb, the former federal energy administrator who now is a New York investment banker.

Barring another cutoff of Iranian oil or a similar disruption of oil supplies elsewhere, another petroleum surplus may even be building. A temporary "mini-glut" is anticipated next year, if not sooner, by a small but growing group of oil observers—including oil ministers in several OPEC countries.

OBSCURING THE SURPLUS

Such a surplus may already be here. But, if so, it is obscured by the "gloom-and-doom" headlines on energy, the continued panic buying of fuels and crude oil in parts of the world, and the distortions caused in oil markets by government programs in the major consuming nations, particularly the U.S., that are designed to share the "shortages."

For Americans, an easing of the oil cruch should signal:

An early evaporation of the already-diminished gasoline lines, at least for the rest of 1979, with supplies of motor fuel remaining in the "comfortable" zone for the duration of the so-called driving season.

Probably ample supplies of fuel oil for this year's heating season, barring an extremely severe winter.

Some slowing, but not an end, to the increases in fuel costs. * * *

Even so, many companies are beginning to snub spot markets for petroleum. Some oil speculators have been caught with unsold cargoes purchased at peak prices. A much-preferred grade of Nigerian crude oil, which sold as high as $42 a barrel only a few weeks ago, was down last week to $33 a barrel, delivered to the U.S. Gulf Coast.

It is doubtful, however, that spot petroleum prices will soon drop all the way to the official price range of $18 to $23.50 set by the Organization of Petroleum Exporting Countries, observers say. "These uncertainties (such as Iran) make people nervous and keep spot markets from collapsing, unfortunately," says Walter Levy, the internationally known oil consultant. And some of the

OPEC countries are continuing to divert oil from contract customers to the spot market.

Whatever the outlook for the future, the current oil-supply picture is improving sharply day by day. The main sign of that improvement is in above-ground oil inventories.

According to calculations by E. Anthony Copp, energy-research and development vice president for Salomon Brothers, worldwide petroleum inventories have surged to a near-normal range of 4.4 billion to 4.5 billion barrels and are still rising. That is only slightly below the 4.7 billion to 4.9 billion barrels that inventories are estimated to have reached at the peak of the oil glut last year.

World oil output has begun to outrun demand, meanwhile. Although the North Sea and Mexico are contributing to added supplies, OPEC has also increased production despite real and threatened cutbacks by some of the 13 members. Even with this year's Iranian interruption, OPEC's total output in the first six months was higher than the 28.8 million barrels a day averaged in last year's first half.

Currently, OPEC production is running at what Mr. Schlesinger calls "a very respectable" rate of 31.5 million barrels a day, or about 60 percent of the non-Communist world's output. This month, Saudi Arabia began allowing an extra one million barrels a day of production. But even without that, many observers believe more oil is being produced than is being consumed.

There has been a sharp decline in consumption, particularly in the U.S., the world's biggest oil user. In recent weeks, U.S. motorists have curtailed driving either because they couldn't get gasoline or thought they couldn't get it. Whatever the reason, gasoline consumption in the four weeks ended July 13 was down 9.5 percent to seven million barrels a day from the record 7.7 million barrels a day in the year-earlier weeks.●

UCLA DEBATE TEAM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CLAY. Mr. Speaker, I would like to take this opportunity to congratulate the UCLA Debate Team which was offically designated second in the Nation for the 1978–79 season by the Cross Examination Debate Association. The trophy was awarded at the last tournament of the year, the Great Western Invitational, held at the University of Reno.

In addition, to winning the national trophy, the University of California at Los Angeles placed 1st at the tournament, defeating the University of Utah, the University of California at Berkeley, and the University of Southern California to gain the top spot.

Under the direction of Tom Miller, director of forensics the win capped a near perfect year. UCLA broke out of the preliminary rounds into the elimination rounds at every tournament it entered. In addition, UCLA entered 16 tournaments this season, and was in the final round of 11 of them. The final record was impressive; first place at seven tournaments, second place at four, third place at four, and ninth place at one.

UCLA debate team members that contributed to the overall national victory were Paul Carey, Brad Greeley, Stephen A. Jones, Alan Schainwooks, Howard Schneider, John Scardino, and Brad Zerbe.●

SMALL BUSINESS RESEARCH

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LEWIS. Mr. Speaker, I am introducing today the Small Business Innovation Research Act which will strengthen technological innovation and promote increased productivity in the Nation's economy. This bill is identical to S. 1074 introduced in the Senate by Mr. KENNEDY.

The rate of productivity growth in the United States now lags behind most of our competitors in the world economy. At the same time, we are suffering from unemployment, inflation, and a large negative balance of payments.

Many of these problems result in part from a lack of new innovation to keep our economy abreast, if not ahead, of other industrialized economies. According to a recent Department of Commerce study, both the U.S. share of patents filed worldwide and the number of U.S. patents awarded to U.S. citizens have dramatically decreased in the last decade. That finding, together with the decline in the number of new innovative technology-based companies and the reduction by 50 percent in the United States worldwide lead in productivity, clearly demonstrates that there is a serious decline in innovation in the United States.

This decline in technological innovation poses a major threat to the quality of our lives. It represents a decline in U.S. industrial might, a loss of jobs, and a decrease in our standard of living. Today, we often find foreign technology running circles around our domestic industries. Overseas industries often use more advanced technology, foreign manufacturers are often first to introduce new features, new energy technology is often applied more quickly in other countries.

The low rate of technological innovation and new high technology firm formation in the United States is even more significant in view of the findings of a study by Data Resources, Inc. The study shows high technology companies growing nearly three times as fast as lower technologly firms, while increasing their productivity growth rate nearly twice as fast as the lower technology firms. The rate of inflation in higher technology companies is lower because of this productivity growth rate. Of great significance is the finding supported by many studies that higher technology firms create jobs at a much greater rate than lower technology companies.

Among the innovative or high technology companies, there is mounting evidence that small business firms far surpass large firms in the rate and efficiency of innovation and in job creation. A 1977 OMB report found that "firms of less than 1,000 employees accounted for almost one-half of the major innovations during 1953–73." Numerous other studies have shown similar results. The study also found that "firms of less than 1,000 employees have a ratio of innovations to R. & D. employment which is approximately four times greater compared to firms with more than 1,000 employees." Independent inventors and small business firms have been responsible for inventions such as insulin, titanium, dacron, polyester fiber, automatic transmissions, the ballpoint pen, helicopter, and many others.

The same OMB report found that small firms are far more cost effective, with a cost per scientist or engineer of only half as much as large firms. Numerous other studies substantiate the outstanding contribution of innovative small business firms to our Nation's economy. For example, the House Subcommittee on Antitrust, Consumers and Employment's study "Employment of the Fortune 1,000 top industrial corian Labor Force" indicates that small businesses were responsible for 96 percent of the jobs created in the private sector in the period from 1969 to 1977: the Fortune 1,000 top industrial corporations accounted for only 4 percent of the jobs created in the same period.

Reports released by Department of Commerce and the Small Business Administration within the last 30 days substantiate the role of small Business in innovation and the need for increasing innovation in the United States.

In light of more favorable record of small business in innovation and cost efficiency and in view of the vital need for increased innovation, greater productivity growth and new employment opportunities—it is startling that only 3½ percent of the Federal research and development budget is awarded each year to small business firms.

It is long past time for the Nation to establish programs and incentives to increase the small business share of Federal R. & D. awards. In concluding that small, particularly new, enterprises occupy the critical role in innovation of linking ideas and innovation to the marketplace, a 1978 joint hearing of House and Senate small business committees found that—

> The market linking function of small enterprises, their problems and potentials should be receiving the very highest priority treatment in the Nation's effort to encourage and strengthen technological innovation.

The National Science Foundation has established a program known as small business innovation applied to national needs. This three-phase program has as its main purpose the reserving of a specific amount of money for award to small innovative firms to promote greater utilization of their capabilities in NSF research and development and to convert the results of their research to technological innovation in the private sector.

First phase results from this program are very encouraging in terms of small firm response and quality of research performed.

The bill I am introducing today will amend the Small Business Act to establish small business innovation research programs similar to the NSF program throughout the Federal Government. The bill requires each executive agency having an annual R. & D. budget of more than $100 million to establish a small business innovation research (SBIR) program where one-half of 1 percent of its 1980 R. & D. budget and 1 percent of its subsequent years R. & D. budgets would be reserved for award to small business firms specifically in connection with its small business innovation research program. In fiscal year 1980, approximately $137 million would be channeled to small business. In subsequent fiscal years, the total amount would approximate $275 million.

The money would be spent by each agency for projects suitable to the SBIR program and that would fulfill the agency's R. & D. plans. Therefore, funds beyond the normal R. & D. budgets are not required for the SBIR programs. The SBIR programs would differ from normal small business set-asides in several significant ways.

First, the funds would be specifically reserved for small business on a continuing basis, thereby eliminating the question of whether the contracts awarded with these funds should go to large or small business and giving Federal technical and procurement officials the responsibility and incentive to promote competition among small firms for these R. & D. contracts awards. Second, the continuity of the program will encourage participation by existing small firms and will promote the establishment of additional highly innovative small firms.

Third, the bill calls for a simplified acquisition process for the program with SBIR requests for proposals being standardized throughout the Federal Government. Instead of being faced with a dozen different, highly complex, 100-plus-page, requests for proposals, the small business person will only have to deal with one or two standard forms, simplified, 20-page solicitations. The small businesspersons' initial response likewise will be simple and of a few pages instead of the complex, expensive, several-hundred-page proposal that is now often required.

The SBIR programs will be phased to take a basic idea or concept to the production stage. The first phase solicits small feasibility research proposals to determine the practicability of an idea. These first-phase efforts are funded by the Government for about $25,000 each. Phase II is limited to firms successfully completing phase I and is for the principal research effort to develop a new product or process. The second-phase efforts are also funded by the Government for about $250,000 each. The third and final phase, which is carried out with venture capital or other private funds, is for follow-on development effort to pursue commercial objectives that will justify continued private-sector investment. The SBIR program will provide a major link between the basic idea and the point where it is developed sufficiently to be of interest to venture capitalist and other financing sources. Much has been written about the very real shortage of venture capital, especially for small businesses. Some studies have concluded that a good part of the venture capital problem is the lack of good ideas that are developed into viable proposals. The SBIR program would directly address this problem.

I urge my colleagues to join me in supporting this legislation.●

A TRIBUTE TO MRS. THELMA THOMAS DALEY

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, in just a few weeks, Mrs. Thelma Thomas Daley of Baltimore, Md., will be relinquishing the office of national president of Delta Sigma Theta Sorority, Inc., following a series of momentous public service accomplishments, both by herself and by Delta.

On numerous occasions, I have acknowledged and commended the work of Mrs. Daley and Delta Sigma Theta. At this time, however, I believe that it is most appropriate to share a tribute to her and this organization with my colleagues in the House of Representatives.

For over 50 years, Delta Sigma Theta, Inc. has engaged in activities which are clearly indicative of its unwavering dedication to public service in such areas as education, economic development, legislation, housing, (including the elderly and the handicapped), arts and letters, and scores of other initiatives. The organization awards more than $500,000 annually to deserving students to assist them in attending colleges and universities. Contributions to other groups (such as the United Negro College Fund, NAACP, YMCA, National Council of Negro Women, Urban League and a substantial number of agencies and institutions at the local community level) total more than $750,000. In addition, Delta Sigma Theta, Inc. makes a $1,000 contribution to the National Black Achievement Scholarship Committee of the Nation's merit scholarship program.

With the assistance of a $134,000 grant from the Department of Health, Education, and Welfare, Delta Sigma Theta has, for the past year, engaged in developing a women's educational equity training and assessment program (WEETAP). This project has as its goal, the development and subsequent testing of materials to be used by personnel in public and private institutions and community groups in an effort to combat sex stereotypes and promote educational equity for women.

The Federal City Alumnae Chapter (Washintgon, D.C.) spearheaded an effort in conjunction with the national office to impact on the equal rights amendment and full voting representation for the District of Columbia. During the 1978 regional conferences of Delta, more than 4,000 letters were written from members across the country in support of the ERA. In addition, over 700 letters were written at the Delta eastern regional conference encouraging Congress to pass the bill providing full voting representation for the District of Columbia.

I remain particularly thankful that for the 11th year, Delta has operated its direct search for talent project in my own city of Baltimore, Md. With funding of approximately $750,000 from the Office of Education, Delta has endeavored to identify students in selected high schools to present counseling services, tutorial assistance, guidance, career testing and evaluation services, and financial aid services. A second direct search for talent project has been instituted by the North Jersey alumnae chapter with more than 20,000 participants.

While I could proceed endlessly to identify the many areas of services to which Delta Sigma Theta has dedicated itself, it is imperative to note that many of the accomplishments of this organization have been highlighted by the excellent leadership of Mrs. Thelma Thomas Daley as president.

Mrs. Daley is a nationally recognized guidance and counseling professional and former national president of both the American Personnel and Guidance Association and the American School Counselor Association. She has served on the faculties of Coppin State College, Western Maryland College, and the University of Wisconsin. Mrs. Daley has also served on the Harvard University College admission summer institute staff. Employed by the Baltimore City Board of Education, she has just completed a 2 year loan to the Maryland Department of Education as a consultant in career education and as Federal project director. Thelma Thomas Daley's professional and community involvement is extensive: trustee, Educational Testing Service; former trustee, College Entrance Examination Board; appointed by David Mathews—former Secretary of HEW—to the 14-member National Advisory Council on Career Education; appointed by Joseph Califano, Former Secretary of HEW to chair the National Advisory Commission on Career Education; member of the Board of Directors of the Voluntary Action Center of Central Maryland; cochairperson of the Maryland Foster Care Committee; and chairperson of a statewide special involvement of adoption for babies through conference and Delta. Thelma Thomas Daley has received numerous citations and awards including a plaque from the NAACP citing her outstanding contrbution to the life membership program; the Continental Society, Inc. Outstanding Black American Award; the Governor's Citation; Lamda Kappa Mu Outstanding Woman Award, and listed as one of the 100 most influential black women. Mrs. Daley is also listed in Personalities in the South and Who's Who in Black America.

As Mrs. Daley leaves office I salute her for her strength, leadership and accomplishments as president of Delta Sigma Theta Sorority, Inc. Thelma Thomas Daley represents the epitome of hard

work and dedication. Her years of service truly uphold her genuine illustration of unrelentless commitment to human services.●

URBAN GARDENING AND SOLAR ENERGY FEATURED AT NEW YORK CITY GARDENERS HARVEST FAIR

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. RICHMOND. Mr. Speaker, those of us who represent the densely populated inner cities have been witness to an increasing appreciation by urban residents of the vital link between humankind and the environment. Nowhere is this expanded awareness more evident than in the burgeoning urban agriculture movement, in which I am proud to have played a part. Last year, in New York City alone, an estimated 28,000 urban gardeners cultivated over 27 acres of what were once vacant, rubble-strewn lots, yielding not only fresh produce but a renewed sense of community pride.

This year, on Saturday, September 15, New York City gardeners will have a unique opportunity to display that pride at the first annual New York City Gardeners Harvest Fair to be held from 9 a.m. to 6 p.m. at Floyd Bennett Field in Gateway National Park.

The September 15 event, which I am cosponsoring along with the Cornell University Cooperative Extension and other community gardening groups, will feature music, rides, races, and exhibits, and will be highlighted by a competition for the best homegrown vegetables and the best homemade food. There will be 17 classes for vegetable displays and five categories in which homemade jams, jellies, cucumber pickles, and baked goods will be judged. In the tradition of a real country fair, blue, red, and white ribbons will be awarded for each category, and there will be certificates of honorable mention for each participant.

As one who has taken every opportunity to encourage urban agriculture, I will be present to congratulate our city gardeners on their enthusiasm, their skill and their hard but rewarding work, and to assist in handing out the awards.

Mr. Speaker, the sense of well-being a person can feel after successfully preparing a seedbed, sowing a crop, caring for it, and finally harvesting the bounty of the Earth is intensified when it is accomplished in the concrete environs of the inner city. Urban gardeners perform an essential service to our cities, creating a spirit of hope and community cooperation that has eluded generations of city planners and bureaucrats. I look forward with the greatest of pleasure and pride to this celebration of their hard work and commitment.

I might add, Mr. Speaker, that one highlight of the New York City Gardeners Harvest Fair will be an energy resources library, which I am now compiling for my constituents and will have on display on September 15. Obviously, if our fellow Americans are to achieve the critically important goals of energy conservation, we must start with community action and awareness.

The energy resources library, consists of pamphlets, books and bibliographies covering conservation, solar power, wind, and geothermal power, as well as complete curriculum guides for grades 1 through 12 and college-level energy and conservation courses. Materials of interest to small business owners, renters, and homeowners will be included in the display, along with community action plans and hospital and school energy assessment programs.

I am sure that my colleagues will be interested in reviewing the energy resources library and I take this opportunity to inform them that the library will be available for their inspection in my office after September 17.

Again, Mr. Speaker, I urge my colleagues to join me and many thousands of urban gardeners at the New York City Gardener's Harvest Fair on September 15.●

REFORMS FOR ABUSES IN THE SALE OF HEALTH INSURANCE TO THE ELDERLY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PEPPER. Mr. Speaker, in March of this year I introduced a bill to direct the Secretary of the Department of Health, Education, and Welfare to institute a program of voluntary certification for health insurance policies sold to the elderly in supplementation of medicare. This bill is a result of the detailed investigation conducted over the past year by the staff of the House Select Committee on Aging. We concluded that there were widespread and serious abuses in the sale of health insurance to senior citizens in supplementation of medicare.

Mr. Speaker, I include my bill, H.R. 2602, to be printed in the RECORD at this point and that the bill now reflect cosponsorship of the following Members of the House:

LIST OF COSPONSORS

Mr. Scheuer, Mr. Waxman, Mr. Staggers, Mr. Carter, Mr. Rangel, Mr. Preyer, Mr. Maguire, Mr. Walgren, Ms. Mikulski, Mr. Leland, Mr. Murphy of New York, Mr. Madigan, Mr. Lee, Mr. Van Deerlin, Mr. Eckhardt, Mr. Ottinger, Mr. Wirth, Mr. Florio, Mr. Moffett, Mr. Santini, Mr. Russo, Mr. Markey, Mr. Motti, Mr. Lent, Mr. Rinaldo, Mr. Roybal, Mr. Biaggi, Mr. Andrews of N.C., Mr. John Burton, Mr. Bonker,

Mr. Downey, Mr. Ford of Tenn., Mr. Hughes, Mr. Drinan, Mr. Lundine, Ms. Oakar, Ms. Holtzman, Mr. Lloyd, Mr. Watkins, Mr. Gudger, Ms. Ferraro, Mr. Ratchford, Mr. Mica, Mr. Stack, Mr. Synar, Mr. Atkinson, Mr. Regula, Mr. Dornan, Mr. Hollenbeck, Mr. Green, Mr. Shumway, Mr. Hopkins, Ms. Snowe, Mr. Lungren, Mr. Whittaker, Mr. Marks, Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Ambro,

Mr. Anderson of Calif., Mr. Anderson of Ill., Mr. Andrews of N. Dak., Mr. Anthony, Mr. Applegate, Mr. Ashley, Mr. AuCoin, Mr. Bailey, Mr. Barnes, Mr. Beard of R.I., Mr. Bedell, Mr. Bellenson, Mr. Bennett, Mr. Bevill, Mr. Bingham, Mr. Blanchard, Ms. Boggs, Mr. Boland, Mr. Bolling, Mr. Bonior, Mr. Bowen, Mr. Brodhead, Mr. Brown of Calif., Mr. Buchanan, Mr. P. Burton, Mr. Butler, Mr. Carr, Mr. Chappell, Ms. Chisholm, Mr. Clay,

Mr. Clinger, Mr. Coelho, Mr. Conable, Mr. Conte, Mr. Conyers, Mr. Corrada, Mr. Cotter, Mr. Courter, Mr. D'Amours, Mr. Danielson, Mr. Davis of Mich., Mr. Davis of S.C., Mr. Dellums, Mr. Derrick, Mr. Diggs, Mr. Dixon, Mr. Dodd, Mr. Donnelly, Mr. Dougherty, Mr. Duncan of Oreg., Mr. Duncan of Tenn., Mr. Edgar, Mr. Edwards of Calif., Mr. Emery, Mr. Erdahl, Mr. Ertel, Mr. Evans of V.I., Mr. Fascell, Mr. Fauntroy, Mr. Fazio.

Ms. Fenwick, Mr. Findley, Mr. Fish, Mr. Fisher, Mr. Fithian, Mr. Flippo, Mr. Flood, Mr. Ford of Mich., Mr. Forsythe, Mr. Fountain, Mr. Fowler, Mr. Fuqua, Mr. Garcia, Mr. Gephardt, Mr. Gilman, Mr. Glickman, Mr. Goldwater, Mr. Gonzales, Mr. Goodling, Mr. Gore, Mr. Gramm, Mr. Gray, Mr. Grisham, Mr. Guarini, Mr. Guyer, Mr. Hagedorn, Mr. Hall, Mr. Hanley, Mr. Harkin, Mr. Harris,

Mr. Harsha, Mr. Hawkins, Ms. Heckler, Mr. Hefner, Mr. Heftel, Mr. Hillis, Mr. Hinson, Mr. Horton, Mr. Howard, Mr. Hubbard, Mr. Huckaby, Mr. Hutto, Mr. Jenkins, Mr. Jenrette, Mr. Johnson of Calif., Mr. Jones of Tenn., Mr. Kastenmeier, Mr. Kemp, Mr. Kildee, Mr. Kogovsek, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lederer, Mr. Lehman, Mr. Long of La., Mr. Long of Md., Mr. Lott, Mr. Lowry, Mr. McCloskey,

Mr. McCormack, Mr. McDade, Mr. McHugh, Mr. McKay, Mr. McKinney, Mr. Matsui, Mr. Mavroules, Mr. Miller of Calif., Mr. Mineta, Mr. Minish, Mr. Mitchell of Md., Mr. Moakley, Mr. Mollohan, Mr. Montgomery, Mr. Moorhead of Pa., Mr. Murphy of Ill., Mr. Murphy of Pa., Mr. Myers of Pa., Mr. Neal, Mr. Nedzi, Mr. Nolan, Mr. Nowak, Mr. Oberstar, Mr. Panetta, Mr. Pashayan, Mr. Patten, Mr. Patterson, Mr. Pease, Mr. Petri, Mr. Peyser,

Mr. Pickle, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Rahall, Mr. Reuss, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Rousselot, Mr. Royer, Mr. Sabo, Mr. St Germain, Ms. Schroeder, Mr. Seiberling, Mr. Shannon, Mr. Simon, Mr. Slack, Mr. Smith, Mr. Solarz, Mr. Solomon, Ms. Spellman, Mr. Stangeland, Mr. Stanton, Mr. Stark, Mr. Steed, Mr. Stenholm, Mr. Stewart, Mr. Stokes,

Mr. Symms, Mr. Thompson, Mr. Traxler, Mr. Udall, Mr. Vander Jagt, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Williams of Mont., Mr. C. Wilson of Calif., Mr. Wilson of Texas, Mr. Wolff, Mr. Wolpe, Mr. Won Pat, Mr. Yates, Mr. Yatron, Mr. Young of Fla., Mr. Zablocki, Mr. Zeferetti, Mr. Annunzio, Mr. Coleman, Mr. Daschle, and Mr. Coughlin.

H.R. 2602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be called the "Senior Citizens Health Insurance Reform Act of 1979".

FINDINGS

SEC. 2. The Congress finds that—

(1) health insurance costs have been increasing at a dramatic rate and now constitute one of thte greatest fears of the elderly;

(2) medicare's coverage has been shrinking from almost 50 per centum at its inception to approximately 37 per centum of the average senior citizen health care costs in 1979;

(3) senior citizens are paying more and more to participate in medicare in the form of copayments and deductibles and are increasingly turning to the purchase of private health insurance policies to fill the gaps in medicare's coverage;

(4) the policies are often sold to the elderly

on the understanding that they will pay for items uncovered by medicare such as out-of-hospital prescription drugs and nursing home care when the reality is that most of these policies provide payment only for medicare's copayment and deductibles;

(5) unethical insurance agents and a small number of insurance companies have sought to capitalize on the fears of the elderly and the general misunderstanding about the nature of medicare supplementary policies by selling the elderly excessive or duplicative insurance with very limited economic value;

(6) recent congressional hearings have established that these abuses are widespread and serious and that only six States have enacted specific laws or regulations to deal with the problem; and

(7) the instances of abuses have reached the point of becoming a national scandal and since these abuses have their roots in the Federal medicare program it is the Federal Government's responsibility to help provide a remedy.

SEC. 3. To assist individuals in dealing with these circumstances, the Secretary of Health, Education, and Welfare shall establish a procedure whereby health insurance policies offered by private insurers in supplementation of medicare may be certified by the Secretary as meeting minimum standards with respect to adequacy of coverage, reasonableness of premium charge, and general economic benefit to the insured.

SEC. 4. (a) Any insurer which desires to have any health insurance policy which it offers in supplementation of medicare certified for use in one or more States specified by the insurer may (in accordance with regulations promulgated by the Secretary) offer any such policy to the Secretary and request his examination and certification thereof.

(b) If the Secretary, after examining any such policy and evaluating any data submitted in connection with such policy determines that such policy meets the standards set forth in section 4, he shall certify such policy for use.

(c) Such certification shall remain in effect provided that the insurer files a notarized statement with the Secretary no later than December 31 of each year stating that the policy continues to meet all Federal minimum standards.

(d) The Secretary shall establish procedures for requiring that additional relevant data be provided to his office in order that he might independently verify if the certified policies continue to meet Federal minimum standards.

SEC. 5. The Secretary shall not certify under this Act any insurance policy offered (or which may be offered) by an insured unless he finds—

(1) that such policy—

(A) supplements both part A and part B of medicare;

(B) is written in simplified language and printed in no less than ten-point type;

(C) does not limit or preclude liability under the policy for a period longer than sixty days because of a health condition existing before the policy is effective;

(D) contains a prominently displayed "no loss cancellation clause" enabling the insured to return the policy within 30 days of the date of sale without financial loss;

(E) provides the insured reasonable economic benefit in relation to the premium paid, including an assurance that, by the end of the second calendar year in which such policy is in effect, at least 75 per centum of the amount of premiums collected from the sale of such health insurance is paid out in the form of benefits provided under the policy; and

(2) that such policy complies with such other regulations as are established by the Secretary pursuant to the purpose of this Act.

SEC. 6. The Secretary shall cause to be designed an appropriate emblem which may be used as an indication that certification on an insurance policy under this Act has been made by the Secretary; and any insurer which has secured certification on an insurance policy by the Secretary under this Act may have such emblem printed thereon and may, in advertising such policy to potential subscribers, display such emblem, and state that such policy has received such a certification.

SEC. 7. The Secretary shall provide each State insurance commissioner with a list of each policy which has received Federal certification. The Secretary shall encourage the commissioners to facilitate the sale of federally approved policies and discourage the sale of policies which fail to meet Federal minimum standards.

SEC. 8. (a) It shall be unlawful for an insurance company to provide false or misleading information to the Secretary for the purpose of obtaining Federal certification for insurance policies sold in supplementation of medicare or for the purpose of attempting to establish that policies which have received certification continue to be in compliance with Federal minimum standards.

(b) Whoever knowingly and willfully makes or causes to be made or induces or seeks to induce the making of any false statement or representaation of a material fact with respect to the compliance of any policy with the standards set forth in provisions of Federal law and regulations as set forth above in this Act or in regulations promulgated by the Secretary pursuant to this Act shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than five years or both.

SEC. 9. Whoever falsely assumes or pretends to be acting, or misrepresents in any way that he is acting, under the authority of or in association with any program of health insurance established by Federal statute for the purpose of selling or attempting to sell insurance, or in such pretended character demands, or obtains money, paper, documents, or anything of value, shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than five years or both.

SEC. 10. Whoever knowingly sells a health insurance policy to a person eligible to participate in a program of health insurance established by Federal statute, which policy substantially duplicates insurance protection already owned by said person (unless the policy being sold permits valid claims to be made against the policy without regard to similar claims made on previously owned policies), shall be fined not more than $25,000 or imprisoned not more than three years or both.

SEC. 11. Whoever knowingly advertises, solicits, or offers for sale by mail, or knowingly deposits in the mail or sends or delivers by mail any insurance policy or policies into any State in which said policy or policies have not been approved by the State commissioner or superintendent of insurance shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than five years or both.

SEC. 12. The Secretary shall promulgate regulations to implement this Act not later than eighteen months from the date of enactment.

Mr. Speaker, I also include to have entered in the RECORD at this point the Miami News story of June 14 which describes testimony about the bill before the Subcommittee on Health and the Environment of the House Interstate and Foreign Commerce Committee. In addition, I include a letter from the Congressional Budget Office to be entered in the RECORD pointing out that H.R. 2602 will not result in significant new costs to the Government as well as a statement by Florida's insurance commissioner, the Honorable William Gunter, in support of my bill. I hope the bill can be enacted soon.

The articles follow:

[From the Miami News, June 14, 1979]

MEDI-SCARE ALERT SOUNDED—INSURANCE AGENTS ADMIT CHEATING ELDERLY IN FLORIDA

(By Bud Newman)

WASHINGTON.—Wearing a ski mask to disguise himself, a Florida insurance agent told a House subcommittee yesterday that three quarters of all agents selling Medicare supplemental policies lie to, cheat and steal from their elderly customers.

"Seventy-five per cent of the agents involved in the business today do this," said the man, identified only as "Agent Y."

He said the turnover among agents in the Medicare supplemental insurance business is so great that "if they don't practice this, they won't be in the business next year."

"Agent Y" and another disguised colleague from Florida, dubbed "Agent X," both told the House health and environmental subcommittee about fraudulent practices they have used to sell old people duplicate, unnecessary or worthless health and life insurance policies.

Subcommittee chairman Henry Waxman (D-Calif.) called the 75 per cent figure "astonishing."

Both said they still are selling insurance today under a Florida license, but said they have reformed and no longer cheat their customers.

An investigator for the House Select Committee on Aging, which has looked into so-called "Medi-Scare" insurance fraud and abuses, said both hooded agents became born-again Christians in recent years.

Agent X told the subcommittee he is a reformed alcoholic who had a bad drinking problem when he used fraudulent sales pitches to sell Medicare supplemental policies in Florida in the 1960s.

"I didn't have a conscience in those days," Agent X said. "I was a thief."

Agent X said he now has "a new way of life" and works as a volunteer in an alcohol abuse prevention program.

Many of the techniques described by the two agents have come out in earlier congressional testimony. But the allegation by Agent Y that the great majority of agents selling Medicare supplemental policies do so fraudulently is new.

Committee chairman Rep. Claude Pepper (D-Miami), whose committee convinced the two mystery agents to testify, yesterday released a report on his investigation into the problem. He called it "a colossal racket" and "a national scandal of staggering dimensions."

The Aging Committee report repeated an earlier charge that senior citizens who buy these policies are being taken for about $1 billion a year in useless insurance.

"The situation is a national outrage," Pepper said, adding that "major scandals" have erupted in 23 states. He said a few states, including Florida, New York and Virginia, have good records in cracking down on unscrupulous agents and firms and in revoking licenses.

As a result of his committee's investigation, 79-year-old Pepper filed a bill calling for voluntary certification by the federal government of Medicare supplemental policies. Policies meeting federal criteria would get what Pepper called the government's "Good Housekeeping seal of approval," giving them a competitive edge over companies unwilling to have their policies submitted for federal certification.

Pepper's bill already has been co-sponsored

by more than a majority of the members of the House.

During testimony yesterday, Agent Y said he collected $200 a month in insurance premiums from one old lady, all the while suggesting additional coverage for her.

"This went on for months, until one day we found that we had only hit the tip of the iceberg because a dance instructor took her for $40,000 in dance lessons," the agent said.

Both agents claimed the senior citizens who become suckers for phony sale pitches often do so because they are lonely and just want the agent's company, or they are afraid of not being able to afford proper treatment in case of illness.

"If the agent could establish a friendship with the older person, they could do just about anything they wanted to do to them," Agent Y said. "They did not buy the company, they bought the agent. They would buy a friend."

Agent X said it was his experience that old people "may not have had the money for food, clothing or a trip, but most older people still had the money for health insurance."

He said he regularly loses customers to unscrupulous agents who will "lie and tell any story whatsoever" to move in on a customer.

"An agent will tell one of my customers that my license has been revoked, that I am out of the business or was kicked out or even that I am dead in order to replace existing coverage and switch to the plans they represent," Agent X said.

A frequent danger in switching policies, he said, is that new policies often carry a waiting period of 30 days to a year before benefits take effect. The more times someone's policy is changed, the longer they go without coverage—and the higher the agent's commission would be because new policies carry higher commissions than renewals.

STATEMENT BY WILLIAM GUNTER, FLORIDA STATE INSURANCE COMMISSIONER

JUNE 12, 1979.

Mr. Chairman, distinguished members of the House Interstate and Foreign Commerce Subcommittee on Health and the Environment.

Chairman Pepper and his Committee are to be commended for their continued efforts to aid state insurance commissioners in a crack down on fraud and misrepresentation in the sale of Medicare supplemental insurance policies.

In Florida, we have had to lift the licenses of 325 agents in the past six years, the vast majority for abuses in the sale of health insurance.

But lifting licenses and aggressive policing of agents and companies is not enough.

Too much of the so-called medi-gap supplemental insurance market is being solicited through the mails, insulated from state regulations.

Chairman Pepper's bill gives me and other insurance commissioners the power to police the sales. I urge each member of the subcommittee to act favorably on the bill and end what the distinguished Mr. Pepper so accurately described as a national scandal.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C. May 31, 1979.

Hon. CLAUDE PEPPER,
Chairman, Select Committee on Aging, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 2602, the Senior Citizens Health Insurance Reform Act of 1979, as introduced by the House Select Committee on Aging, March 5, 1979.

The bill directs the Secretary of the Department of Health, Education, and Welfare (DHEW) to establish a procedure whereby health insurance policies offered by private insurers in supplementation of medicare may be certified by the Secretary as meeting minimum standards with respect to adequacy of coverage, reasonableness of premium charge, and general economic benefit to the insured.

Because the additional DHEW administrative costs required to carry out the provisions in the bill are expected to be minimal, it is expected that no significant additional cost to the government will be incurred as a result of enactment of this legislation.

Sincerely,

ALICE M. RIVLIN,
Director.●

SENATOR WILLIAMS AND METROPARK STATION, ISELIN, N.J.

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PATTEN. Mr. Speaker, I rise today in praise of one of New Jersey's finest legislators, Senator HARRISON A. (PETE) WILLIAMS, JR. Some of my colleagues in this Chamber who had the privilege of serving with PETE WILLIAMS in this body during the 1950's will be able to bear out my remarks.

Since being elected to the Senate in 1958, Senator HARRISON WILLIAMS has become New Jersey's shining star in various fields of important legislation. But in no area has that star shined as brightly as in the field of mass transit legislation.

A decade before this Nation heard of an energy crisis and gas lines, Senator WILLIAMS led the battle to fund America's first mass transit program. While gasoline sold for 30 cents a gallon, Senator WILLIAMS had the foresight to seek increased funding for bus and rail facilities. These programs were not enacted for the parochial concerns of New Jersey, but for this Nation's welfare as a whole. Indeed, had we all adopted PETE WILLIAMS' vigor for mass transit, our bitter energy pill would be a little easier to swallow today.

And so it is fitting that the State of New Jersey has decided to honor this great man by dedicating the Metropark in my district as the HARRISON A. WILLIAMS, JR., Metropark Station.

Metropark has the largest park-and-ride facility and is one of the busiest rail stations in New Jersey. It therefore serves as a just tribute to this great advocate of public transportation.

Mr. Speaker, I am also enclosing a copy of the remarks of Jeanette Williams, the Senator's wife, as she introduced her husband during the dedication ceremony at the Metropark in Iselin, N.J. Mrs. Williams' words provide a personal insight into the man all citizens of New Jersey and all Members of this body can be proud of—PETE WILLIAMS.

The following is Jeanette Williams' introduction of our great Senator and her fine husband:

REMARKS BY JEANETTE WILLIAMS

Thank you, Governor Byrne.

It frequently falls upon the least of us to do the most difficult tasks, and this morning, I am faced with one of the most awesome of all: using a few simple words to introduce a man of uncommon gentleness and wisdom.

I know our guest of honor so well that I could write an entire book about the many things he has done to help the people of this state and this nation.

Perhaps it's wiser to rely on the eloquence of a great author, George Bernard Shaw, who once said: "People do not become great by doing great things; they do great things because they are great."

The great struggles in this country—the battle for civil rights in the 1960's, the fight for equal opportunity for women, the young, the old, the handicapped, the effort to resurrect our cities, and the campaign to safeguard the rights of our workers, have required men and women of great vision determination and wisdom.

It is such a person that we honor today.

The real leaders of our country are the ones who make important things happen, who make people act, and who make life better for us all.

And greatness comes from knowing when and how to pursue the issues that will change for the better the way we all lead our lives.

When my husband was first elected to the Senate over two decades ago, he asked the right question about our nation's commitment to public transportation and he knew the answer was to pursue a massive drive for mass transit.

In 1960, he introduced the first mass transportation bill which passed Congress.

In 1962, he convinced President Kennedy to recommend passage of another major urban mass transportation bill that Senator Williams authored.

In 1964, he stood next to President Johnson as that vital piece of legislation was signed into law.

And since then, Senator Williams has been the shepherd of every major increase in funding for the mass transportation assistance program that he created.

It has taken decisive leadership and greatness to convince the naysayers that mass transit makes sense for a nation that is suffering an accute energy shortage.

And now, because of Senator Williams' leadership, all of America is awakening to the realization that he was right over twenty years ago when he began his lonely crusade for a mass transportation program.

We all know so well that the American taxpayer is critical of excessive spending by government, but a recent poll shows that over two-thirds of the men and women in this nation believe that we must continue to increase spending for the public transportation program that Senator Williams started.

And the thing that amazes me so much about Senator Williams is that he has duplicated this impressive record in so many other fields, in so many other causes that have improved the quality of life in our nation.

But rather than reciting this long list of achievements, I will simply make one other observation—one which the humorist Will Rogers first voiced:

"It's great to be great, but it's greater to be human."

Knowing Senator Williams so well makes me appreciate more the fact that his greatest greatness is his wonderful concern for humanity and his work to help those in need.

It is a special honor and privilege for me to present to you the Honorable Senator Harrison "Pete" Williams.●

STATE AND LOCAL INVOLVEMENT IN SOLAR ENERGY INFORMATION SERVICES

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. UDALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

STATE AND LOCAL INVOLVEMENT

More than half the states have enacted legislation aimed at promoting solar development. In addition to various financial incentive programs designed to encourage purchase and installation of home solar units, state actions have included the financing and research and development, modification of state building codes to ease the introduction of solar devices, establishment of informational and promotional activities, promulgation of solar energy product standards and the legal recognition of "sun rights."

The number of state solar bills adopted doubled from 1975 to 1976, and then again in 1977. Several types of financial incentives have been implemented: property tax credits, which allow an owner to deduct part or all of the cost of a solar unit from a property tax payment; property tax deductions, which allow the exemption from increased property assessment of all or part of a solar unit's value; income tax credits, which operate similarly to property tax credits; direct loans for the purchase of solar equipment, some at low interest and/or with extended payback periods; and exemption of solar energy vendors from sales tax on their receipts.

NSHCIC keeps an up-to-date run-down of state solar developments and can direct interested parties to the proper state offices. The National Conference of State Legislatures also monitors state actions and reports on them in its "Energy Report to the States."

NCSL contact: Bill Mitchell, 303-623-6600. DOE contact: Lynda Connor, State Programs, 376-9674.

Incentive Information for Local Governments: Officials in local governments interested in methods of encouraging solar commercialization will find helpful an information packet prepared by the National Association of Counties. The packet offers advice on local demonstration projects, consumer protection for solar users, utility rate restructuring and direct and indirect financial incentives. It is available free by writing the NACO Energy Project, 1735 New York Ave., N.W., Washington, D.C. 20006.

State Energy Offices: Every state has a state energy office in one form or another. Citizens interested in identifying programs and incentives for solar and conservation in their state should contact their state government and ask for the energy office. These offices can put individuals directly in touch with local builders, architects and firms specializing in solar and conservation.

INFORMATION SERVICES

A number of government agencies, trade associations and nonprofit organizations provide a full range of information on solar energy, and general background for the uninitiated to detailed professional advice for the solar technician.

National Solar Heating and Cooling Information Center: NSHCIC was established by the federal government to serve as the primary source of solar information for the public. By calling the center's toll-free number, individuals can request basic information in layman's terms, the names of architects and builders in their areas specializing in solar design, detailed technical findings, listings of books and periodicals on specific subjects and the latest information on available government services.

ESC has found NSHCIC to be the quickest and most broad-based information resource available.

Also, NSHCIC can help arrange for exhibits and speakers for community groups, professional conferences and trade shows. In most cases, the center can answer questions immediately, forward information directly in a few days or refer inquiries to the proper sources. NSHCIC can be reached by writing: Solar Heating, P.O. Box Box 1607, Rockville, Maryland 20850. Their toll-free number is 800-523-2929, in Pennsylvania, 800-462-4983, in Alaska and Hawaii, 800-523-4700.

Solar Energy Institute of America: Similar services are provided by the nonprofit SEINAM, which offers information through exhibits, seminars, publications and a public information telephone line. The institute maintains regional listings of architects and builders and a nationwide speakers' bureau. Although SEINAM is a membership organization (membership entitles one to a solar energy products catalog and a monthly newsletter), inquiries from anyone are welcome.

SEINAM also will check out consumer complaints about faulty products, installations or service. The institute can be reached at: SEINAM, 1110 Sixth St., N.W., Washington, D.C. 20001, 202-667-6611.

Solar Energy Research Institute: SERI is the nation's first solar laboratory, created by Congress to promote the use of solar energy and support DOE's solar energy program. Located in Golden, Colorado, SERI employs the largest and most impressive group of solar experts in the country. Among its many responsibilities, SERI is charged with analyzing and distributing technical information, conducting educational programs, providing technical assistance and supporting international cooperative programs.

SERI has compiled the National Solar Energy Educational Directory with information on over 1200 solar-related courses being offered by about 700 universities, colleges and technical-vocational trade schools. Copies of the directory may be obtained for $4.75 each from the Government Printing Office, Washington, D.C. 20402 (stock no. 061-000-00210-3).

SERI is currently developing a Solar Energy Information Data Bank to serve the technical community. It answers technical inquiries, conducts seminars, provides library and computer services, including modeling and simulation.

SERI also publishes a bimonthly review called Solar Law Reporter for those interested in legal incentives and barriers to solar, wind and biomass development.

For further information on SERI and its public information services, call Hank Raze, 303-234-7171.

Regional Solar Centers: DOE is in the process of establishing a network of four regional solar energy centers to provide general information and to assist in the commercialization of solar technologies on a regional basis. Information on the four regional centers (Mid-American Solar Energy Complex, Northeast Solar Energy Center, Western Sun, and Southern Solar Energy Center Planning Project) may be obtained from NSHCIC.

Solar Energy Industries Association: SEIA, a trade group organized to promote the interests of the solar industry, provides a number of services for its members. Of interest to the public may be SEIA's Solar Industry Index, which contains a nationwide listing of solar product suppliers and manufacturers as well as general information on solar home units. To order the index or for membership information, contact: Luana Moore, SEIA, 1001 Connecticut Ave., N.W., Washington, D.C. 20036, 202-293-2981.

Government Printing Office: The federal government's printing office has several solar-related publications available to the public. A free pamphlet "Solar Energy, Subject Bibliography No. 9," lists those materials available through GPO. Inquiries should be directed to: Superintendent of Documents, United States Government Printing Office, Washington, D.C. 20402, 202-783-3238.

Technical Guide: The Economic Development Administration of the Commerce Department, together with the Colorado State University, has prepared a two-volume manual which serves as the basis for a technical training course or as a reference guide for solar technicians. Designed for use by architects, builders, contractors and design engineers, the volumes are the result of an EDA-assisted training program developed and field tested at Colorado State.

Entitled "Solar Heating and Cooling of Residential Buildings," volume one is "Design of Systems" and volume two is "Sizing, Installation and Operations of Systems." They can be obtained from the General Printing Office (see information section).

EDA contact: Glenn Patzinger, 377-4637.

Building and Installing Your Own System: Persons interested in designing their own solar installations can get assistance from the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) or the National Association of Home Builders (NAHB). Professional engineers and architects and individuals in the building industry interested in expanding into the solar market can also contact these groups, which offer direct advice and refer inquiries to individuals in their region.

They can be reached through: ASHRAE, Director of Research and Technical Services, 345 East 47th Street, New York, N.Y. 10017, 212-644-7953; NAHB Research Foundation, P.O. Box 1627, Rockville, Md., 20850, 301-762-4200.

Simple solar hot water systems that can be integrated into an existing water heating system can be built by a skilled "do-it-yourselfer." One set of instructions on how to build a system is available for $2.50 from Environmental Information Center, 935 Orange Ave., Suite E, Winter Park, Fla., 32789.

The State of Massachusetts also offers a book entitled "Solar Water Heater Installation Guidelines: A Manual for Homeowners and Professionals." It explains in general terms how to install a liquid solar water heater. Single copies can be obtained free by writing: Commonwealth of Massachusetts, Executive Office of Consumer Affairs, Solar Action Office, 1 Ashburn Place, Boston, Mass., 02108.

Center for Renewable Resources: The Center for Renewable Resources grew out of the Sun Day celebration of May 3, 1978. It works with local, state and national groups to promote the development of renewable energy sources. The Center supplies governments, institutions and consumers with reliable information and analyses on solar and other renewable energy forms.

Information is available by writing: Center for Renewable Resources, 1001 Connecticut Ave., NW., Suite 530, Washington, D.C. 20036.

Center contact: Richard Munson, 466-6860.

Technical Information Center: DOE maintains the Technical Information Center for the dissemination of scientific and technical data compiled from all the research conducted by DOE and its contractors. This information is of great use to planners and builders of solar installations, but is generally too detailed for the average homeowner. TIC operates an extensive computerized data base and offers microfiche service.

The center can be reached at: DOE Technical Information Center, P.O. Box 62, Oak Ridge, Tenn. 37830, 615-483-8611.

National Technical Information Service: Similar information is available from the Commerce Department's National Technical Information Service, which includes solar data within its wide range of detailed materials. NTIS offers a free General Information Catalog which can be obtained from NTIS, 5285 Port Royal Road, Springfield, Va. 22161, 703-557-4600.

HUD Solar Status: HSHCIC distributes a monthly report providing useful information on federal and state solar programs. To be placed on the mailing list, write: National Solar Heating and Cooling Information Center, Status Mail, Box 1607, Rockville, Md. 20850.

Solar Energy Research and Development Report: DOE offers a monthly publication on developments within its solar division that highlights individuals, conferences and funding opportunities in the field of solar energy.

To get on the mailing list, send your request to: Technology Transfer Branch, Office of Conservation and Solar Applications, Department of Energy, Washington, D.C. 20545.

Additional Information: Listed below are individuals and organizations which can help provide more information on solar energy.

American Institute of Architects, 1735 New York Ave., N.W., Washington, D.C. 20006, 785-7300.

Friends of the Earth, 620 C St., S.E., Washington, D.C. 20003, 543-4312.

Environmental Action Reprint Service, Box 545, La Veta, Colo. 81055, 303-742-3221.

Citizen's Energy Project, 783-0452.

Institute for Local Self-Reliance, 1717 18th St., N.W., Washington, D.C. 20009.

Environmental Action, 1346 Connecticut Ave., N.W., Washington, D.C. 200036, 833-1945.

Sierra Club, 330 Penn. Ave., S.E., Washington, D.C. 20003, 547-1144.

Environmental Policy Center, 317 Penn. Ave., S.E., Washington, D.C. 20003, 547-6500.

American Wind Energy Association, 1621 Conn. Ave., N.W., Washington, D.C. 20009, 667-9137.

Zomeworks, Box 712, Albuquerque, N. Mex., 87103, 505-242-3552.

Total Environmental Action, 1 Church Hill, Harrisville, N.H. 03450, 603-827-3374.

DOE Regional Offices: The Department of Energy operates regional offices which can provide citizens with information on solar, conservation and other energy issues. They are listed below:

Region I: Harold Keohane, Analex Building, Room 700, 150 Causeway St., Boston, Mass., 02114. 617-223-3701. Covers Connecticut, Maine, New Hampshire, Massachusetts, Rhode Island, Vermont.

Region II: Robert Low, 26 Federal Plaza, Room 3206, New York, N.Y., 10007. 212-264-1021. New York, New Jersey, Puerto Rico, Virgin Islands.

Region III: Bernard Snyder, 1421 Cherry St., 10th Floor, Philadelphia, Pa., 19102. 215-597-3890. Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia.

Region IV: Roy Pettit, 1655 Peachtree St., N.E., 8th Floor, Atlanta Ga., 30309. 404-881-2838. Alabama, Florida, Georgia, Kentucky, Mississippi,, North Carolina, South Carolina, Tennessee.

Region V: Robert Bauer, 175 West Jackson Blvd., Room A-333, Chicago, Ill., 60604. 312-353-0540. Illinois, Indiana, Minnesota, Michigan, Wisconsin, Ohio.

Region VI: Curtis Carlson, Jr., P.O. Box 35228, 2626 W. Mockingbird Lane, Dallas, Tex., 75235. 214-749-7345. Arkansas, Louisiana, New Mexico, Oklahoma, Texas.

Region VII: Mary O'Halloran, 324 East 11th St., Kansas City, Mo., 64106. 816-374-3061. Iowa, Kansas, Missouri, Nebraska.

Region VIII: Charles Metzger, P. O. Box 26247 Belmar Branch, 1075 South Yukon St., Lakewood, Colo., 80226. 303-234-2420. Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.

Region IX: William Arntz, 111 Pine St., Third Floor, San Francisco, Calif., 94111. 415-556-7316. Arizona, California, Hawaii, Guam, American Samoa, Nevada.

Region X: Jack Robertson, 1992 Federal Building, 915 Second Ave., Seattle, Wash. 98174. 206-442-7280. Alaska, Idaho, Oregon, Washington.

If you find that your program or organization is not listed in this fact sheet, or if you know about other solar programs or information resources, please let us know by writing: Solar Fact Sheet, Environmental Study Conference, U.S. Congress, 3334 House Annex No. 2, Washington, D.C. 20515.

Printed copies of this fact sheet can be obtained by writing your Senator or Congressman.●

OLYMPIC RULES AND IDEALS MUST TAKE PRECEDENCE OVER SOVIET POLICIES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. KEMP. Mr. Speaker, as the 1980 summer Olympic games draw near, I think it vital that we monitor developments in the Soviet Union which would affect international partcipation in the games.

I would like to share some information with the House and Senate, and ask for the concurrence of my colleagues in a resolution which calls for the Soviet Government to uphold the principles of the Helsinki accords and the Olympic spirit of mutual respect and fair play in hosting the Olympics next summer on behalf of all those whose voices are not heard.

In the Soviet Union the Spartakiade determines the composition of the Soviet Olympic teams. This year is unique in that more than 100 countries have joined the Soviets in this competition by invitation. Yet Israel was not invited to participate. It surely would have been an important event for them in light of the Soviet assurances given to Yitzhok Caspi, secretary of the Israel Olympic team, and Yitzhok Ofek, president of the Israel Olympic Committee, that Israel will be permitted equal participation in the Olympics.

Why, then, was Alex Giladi, a senior Israeli television official, denied a visa to cover the Spartakiade? Is this an example of the equal participation which the Soviet Union has planned for Israel or the rest of the world?

As our colleague from Pennsylvania, DON RITTER, pointed out recently, the Soviet Government has passed a new law subjecting all former Soviet citizens, regardless of current citizenship, to Soviet law.

I agree with the gentleman from Pennsylvania that this law is pointed at Soviet emigres as a direct threat and hangs over their heads as they wonder whether to chance going to the Olympics as participants, spectators, or in any other capacity, considering the problems they might face when once again subject to the Soviet discrimination which caused them to flee that country in the first place.

Mr. Speaker, the third fundamental principle of the Olympic rules states in part that—

"No discrimination is allowed against any country or person on the grounds of race, religion, or politics."

In light of the fact that such discrimination is commonplace in the Soviet Union, and in light of this Soviet reassertion of its intention to subject former citizens to this discrimination, I feel that it is especially important for us to express our concern that the Soviet Government treat all individuals who wish to participate in the Olympic games without discrimination.

This would include athletes, spectators, journalists, and other participants, regardless of native country, citizenship, relationship to any Soviet citizen, religious or political affiliation, or ethnic background. It would encompass such activities as issuing visas, distributing admission tickets, allocating hotel and airline reservations, and providing other services in connection with the Olympic games.

Mr. Speaker, I believe it is imperative that we elicit these guarantees from the Soviet Government and that they should provide them in keeping with their responsibility to the international community to uphold the spirit of mutual respect and fair play inherent in hosting the Olympic games. Too much has happened in the past for us to sit by and assume that they will do this given their less than sterling record in the area of human rights. It is in response to Soviet actions during former President Nixon's visit, during which many Soviet citizens were detained to prevent them from communicating with anyone in the American entourage, that I have included in this resolution provisions expressing the sense of the House that the Soviet Government should not detain, threaten, harass, or punish its citizens to prevent them from communicating or as a result of having communicated with any of the participants in the summer Olympic games.

Mr. Speaker, we have been asked to endure exorbitant deposits placed on tickets more than a year in advance, along with compulsory tours of the Soviet Union, in order to attend 1 out of 5 weeks of events next summer. Those who can afford to do so and want to do so should be able to enjoy the games without fear of harassment and discrimination, without endangering Soviet citizens, and without regard to Soviet internal policy which is reprehensible to any freedom-loving person.

We are dealing with a basic incompatability between Soviet law and Olympic rules, and I believe it is the responsibility of the Soviet Union to bow to Olympic rules despite its own internal policies as

host to the international community. My resolution follows and I urge all Members to join in this expression of concern that the 1980 Olympics live up to its high ideals:

H. CON. RES. 180

Concurrent resolution expressing the sense of the Congress that, in hosting the 1980 Olympic Games, the Soviet Government should adhere to the Helsinki Accords and the Olympic spirit of fair play and equality of opportunity

Whereas the 1980 summer Olympic games are to be held in Moscow, Union of Soviet Socialist Republics;

Whereas the Soviet Government, in violation of the Helsinki Accords and the Olympic spirit of fair play and equality of opportunity, harasses individuals on the basis of their religious, national, or political affiliation or ethnic background;

Whereas the Soviet Government, in violation of the Helsinki Accords and the Olympic spirit of fair play and equality of opportunity, discriminates against individuals on the basis of their religious, national, or pofiliation or ethnic background;

Whereas the Soviet Government, in violation of the Helsinki Accords and the Olympic spirit of fair play and equality of opportunity, prevents individuals from freely entering and leaving the Union of Soviet Socialist Republics; and

Whereas the Soviet Government, in violation of the Helsinki Accords and the Olympic spirit of fair play and equality of opportunity, discourages the communication of news and ideas: Now, therefore, be ll

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the Soviet Government should permit full participation in the 1980 summer Olympics by athletes, spectators, and journalists, regardless of their native country, citizenship, relationship to any Soviet citizen, religious or political affiliation, or ethnic background;

(2) the Soviet Government should issue visas, distribute admission tickets, allocate hotel and airline reservations, and provide other services with respect to the 1980 summer Olympics in a nondiscriminatory manner;

(3) the Soviet Government should not interfere with news coverage of the 1980 summer Olympics;

(4) the Soviet Government should not detain any of its citizens to prevent them from communicating with any of the participants in the 1980 summer Olympics; and

(5) the Soviet Government should not threaten, harass, or punish its citizens for communicating with any of the participants in the 1980 summer Olympics.●

THE REFUGEES

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SAWYER. Mr. Speaker, under the current United Nations definition there are over 14 million refugees worldwide. Understandably, many of these refugees are seeking admission to the United States.

The United States has throughout its history maintained a significant concern for the plight of refugees worldwide. In the case of Indochinese refugees the United States assumed a special responsibility for the first wave of refugees going back to 1975, due to U.S. involvement in the Indochinese war. The United States, itself a land of immigrants, has continued to assume a major share of the burden of the worsening refugee problem as more Indochinese and other groups flee their homelands, including some of whom are former Viet Cong and Khmer Rouge.

The U.S. Government cannot, however, continue to deal effectively with the refugee problem on a criteria basis. Over the next 3 years, anywhere from 100,000 to 600,000 Indochinese may become refugees. It is essential now that the United States adopt a long-range refugee policy. We must realize that the United States cannot hope to solve the world refugee problem with immigration alone.

The Congress is now considering the Refugee Act of 1979. This measure affords us the opportunity to begin to answer the difficult questions which, no matter how painful and sensitive, must be addressed.

As a start, I commend to my colleagues' attention excerpts from a recent editorial in the Grand Rapids Press which comments on our refugee situation and more specifically highlights the recommendations of the Federation for American Immigration Reform (FAIR), a valuable organization established to promote a rational and sound U.S. immigration policy.

THE REFUGEES

At last Indochina's boat people have caught the attention of the rest of the world. A special two-day conference was held last week in Geneva to adopt humanitarian measures for the refugees.

Even before the session was called to order Friday by U.N. Secretary-General Kurt Waldheim, the Western nations had agreed to provide homes for 250,000 of the displaced persons. This figure was double their original offer. The United States will allow 14,000 to enter monthly, Canada's monthly quota was raised to 3,000 and Britain announced it will admit a total of 10,000 refugees.

Since mid-1975, U.N. officials say 202,485 Indochinese have been resettled. That number, however, does not include 250,000 Vietnamese of Chinese ancestry who escaped overland into China. Another 260,000 boat people are believed to have perished at sea.

The plight of the boat people is, for the United States, just a part of a much larger concern; the flow of immigrants to this country. Faced with a long-term energy crisis, resource scarcity, inflation and unemployment, continuous population increases may not be in the nation's interest.

The United States already is accepting 400,000 legal immigrants a year. In addition, hundreds of thousands of illegal immigrants gain entry each year. At least one organization—the Federation for American Immigration Reform—(FAIR) wants to do something about the problem.

One recommendation FAIR has made is to deduct any additional refugee admissions from the overall 400,000 limitation. Under this approach, the president could be authorized to increase refugee admissions in emergency situations by reallocating admissions within the current overall ceiling. This way, countries which would send correspondingly fewer emigrants to the United States would be thus enabled to share the burden of responding to the refugee crisis.

This idea is certain to be discussed as Congress debates the Refugee Act of 1979 proposed by the Carter administration. Unquestionably the FAIR proposal has merit.

As the bill is debated, however, members of Congress and others would do well to keep in mind the events in Indochina which preceded the flight of the boat people. Like this nation's intolerable inflation rate and its crowded veterans' hospitals, the refugee problem is part of the price we must pay for our misadventure in Southeast Asia.●

AN ANTI-INFLATIONARY TAX CUT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GEPHARDT. Mr. Speaker, on Monday, July 23, I joined with my distinguished colleagues Congressmen DODD, DOWNEY, GLICKMAN, HEFTEL, HOLLAND, JENKINS, MATTOX, MINETA, OBEY, and WIRTH in introducing H.R. 4990, a bill to amend the Internal Revenue Code of 1954, to provide an income-tax credit for social security taxes paid in 1980 and 1981. We did this because the administration's current economic forecast predicts a recession that has already brought on the hue and cry for a tax cut to stimulate the economy one again. We are not at all sure whether a stimulative tax cut is appropriate or necessary in this period of high inflation and given our commitment to balance the Federal budget, but if we do anything in this regard, it should be a payroll tax cut. Thus, I am pleased to note that the renowned economist, Walter Heller, agrees. An article by Mr. Heller on this timely and important subject that appeared in today's Wall Street Journal here follows:

AN ANTI-INFLATIONARY TAX CUT

(By Walter W. Heller)

With an eye cocked on the dollar, the Federal Reserve recently tightened credit and President Carter appointed the internationally respected Paul Volcker to head the Federal Reserve System. These moves confirm the historic November 1 commitment to defend the dollar, even at some expense to the domestic economy. They confirm further that actions to keep the OPEC "oil tax" from dragging us into too deep and too long a recession will have to come primarily from the fiscal rather than the monetary side. And with the country, the Congress and Mr. Carter firmly determined to hold federal spending in check, it becomes ever clearer that tax cuts are the way to go.

But not any old tax cuts. They have to be carefully contoured to fit the shape of today's economy. The purchasing power lost to OPEC must be restored in ways that will reduce the cost and price bulges in today's economy and provide incentives to boost productivity in tomorrow's. Can it be done? Yes.

A tax cut to neutralized the $25 billion to $30 billion OPEC oil drag can be so structured that every dollar of tax relief will ease cost and prices pressures and/or boost productive incentives. The centerpiece would be a $15 billion to $20 billion cut in Social Security payroll taxes on employers and employees.

Consider the advantages:

Every dollar lopped off the employers' net payroll tax would be a dollar cut in business costs. Given the prevalence of mark-up pricing, this should quickly pass through to con-

sumer prices. It is widely agreed that through this process most of the employer-paid payroll tax eventually ends up on the backs of employes. The same process should work in reverse.

Every dollar lopped off the employes' payroll tax is an increase in take-home pay that government can offer workers as part of the price for accepting more restrained wage increases. In the face of what will be predominately a cost-push inflation in the period ahead, this potential easing of wage-push pressure has particular relevance.

Payroll tax cuts are an especially fitting response to OPEC price increases that have been pummeling lower income groups with skyrocketing gasoline and heating oil prices. The payroll tax, like the "OPEC tax," makes no concessions for small incomes or big families, a bane when the tax rises, but a boon when it drops.

INTEGRITY OF SOCIAL SECURITY

So payroll tax cuts are tailor-made to fit the needs of an economy badgered by both inflation and recession. But what of the integrity of the Social Security system? That integrity can be readily protected by shifting Medicare health insurance from payroll tax to general revenue financing. Unlike old age and survivors insurance and unemployment compensation, there is no particular link between wages and health benefits. The shift to general revenue financing would be a good short-run fiscal policy, good long-run social policy, and good for the consumer price index.

What would it cost? A payroll tax cut of $21.5 billion (the projected 1980 tax revenues for the hospital insurance program) could be enacted at a net revenue cost of $17.7 billion to the overall federal budget. Because payroll taxes are a deductible business expense, the $10 billion-plus of employers' payroll tax savings would boost business income-tax liabilities by $3.7 billion.

If the health insurance transfer proves too controversial, there is an easy alternative: Simply grant a refundable credit against income taxes for a specified percentage of payroll taxes paid. Congressman Gephardt, for example, has introduced a bill pegging the cut at 20 percent for both employers and employes. This would do the trick, but since it operates through the income tax in a more roundabout way, it might blur the favorable impact of the tax cut on costs and prices.

A second, closely related component of the anti-inflationary tax cut would be a revised form of real wage insurance. This year's proposal wilted under the heat of price run-ups in oil, food and home building. In contrast, 1980 should be a year of receding inflation, a much more reassuring context in which to consider wage insurance.

Changes in the plan would have to be geared to any change in the base line of the White House wage-price standards. Instead of calling for income tax credits for complying wage earners if the consumer price index rises by more than 7 percent, as in this year's proposal, the benchmark might be raised to 8 percent.

BOARD OF CONTRIBUTORS

At an inflation rate half a percent above the norm, the 1979 proposal would have cost $2.5 billion. If legislation for 1980 were to allow $5 billion for the wage-insurance plan, it would cover reasonable contingencies. To assure that it would not bust the budget in case of a new inflationary breakout, one could apply the co-insurance principle and also put a cap on tax credits at three percentage points above the inflation base line. But such limits would correspondingly dilute the inducement to comply with the wage restraints.

Some observers consider wage insurance a first step towards income-tax indexing, a view that attracts some and repels others. But both sides are missing the point. Unlike indexing, which would try to accommodate inflation by indexing taxpayers against it, wage insurance would serve as an incentive to unions and workers to comply with the wage guidelines and thereby join the battle against inflation. The point is to fight inflation, not adjust to it.

One should note that most of the revenue impact on any wage insurance plan would be delayed until 1981. But with a scheduled payroll tax increase of $15 billion coming up in 1981, the White House and Congress need to take a two-year perspective on tax cuts in any event.

A third major piece of the anti-inflationary tax cut would be a significant easing of depreciation allowances. It is clear that the time has come for such action partly as a response to high inflation rates and partly as an incentive for the increases in business investment and productivity that can help curb inflation in the longer run.

Last year, Congress enacted a major cut in the capital gains tax, thereby improving the general atmosphere for investment. Next year, it should focus more directly on decisions to invest in plant, machinery and equipment by allowing more rapid write-offs that would cut the effective cost of every capital outlay by business. This measure could also add clout to the wage-price restraint program if, as Arthur Okun has suggested, companies would have to certify compliance with the wage-price guidelines in order to qualify for accelerated depreciation.

A first-year cut of about $5 billion in business tax liabilities would be an appropriate target for the easing of depreciation allowances. A careful appraisal of revenue impacts in future years will be essential.

Even as modest a tax cut as the one here proposed—only slightly more than 1 percent of next year's $2.5 trillion GNP—has to be tested for its impact not just on the cost and supply side of inflation but also on the demand side. In this connection, one should take into account that we are at a curious dual turning point on inflation, downward in the overall rate but upward in the underlying rate:

The overall rate should drop from its torrid 13.3 percent in the first six months of this year to less than 10 percent by year-end as the economy softens, beef and other food prices ease, the fuel price explosion slows down and mortgage interest rates taper off. In other words, there's a downturn in "demand-pull" and "external shock" inflation just ahead.

But at the same time, we are on the verge of an upturn in the underlying "cost-push" or "wage-push" inflation rate.

There is no reason to believe that the proposed tax cuts would reverse the easing of demand inflation. The tax cut is designed not to pump up the economy but to control the damage done by OPEC's rapacious price increases. True, tax cuts cannot restore the real income that the 1979 price explosion is leaching out of the consumers' pockets. But without tax cuts to offset the OPEC drag on purchasing power, recession will lengthen and deepen. To the insult of lost output, jobs, investment and productivity would be added the injury of lost real income. On inflation's demand side, then, an OPEC-offsetting tax cut poses no threat.

What of the cost and supply side? Thus far, thanks in large part to the much-maligned but not ineffective wage-price guidelines, zooming food, fuel and home building costs have not been built into wage increases. Contrary to widespread impressions, the rise in the average hourly earnings index actually tapered down during the 12 months ending in May and average pay increases from June 1978 to June 1979 were lower than in the preceding 12 months.

THE HONEYMOON IS OVER

But the honeymoon seems to be just about over. The game of wage catch-up is about to begin—catch-up with soaring food and fuel prices and non-union catch-up with unions. With little or no productivity gains to absorb the wage increases, the great bulk of wage boosts will pass through to price boosts. The present bedrock or basic inflation rate of around 7 percent could well be boosted to 8 percent or more, thus making the winding down of inflation vastly more difficult.

To forestall or at least minimize the imbedding of the food-fuel-home price bulge into the wage price structure and into the hardcore inflation rate requires that the wage-price guidelines be revised, reaffirmed and revitalized. A carefully crafted tax cut could go a long way in putting new life and starch into the guidelines and slowing down the price-wage-price merry-go-round.

If the government could strike a wage-moderating bargain with labor by offering a meaningful menu of tax actions to boost take-home pay and provide real wage insurance, prospects for curbing cost-push inflation would brighten overnight. Even if a formal endorsement is out of reach, such tax actions will strengthen the appeal of the wage-price restraint program to millions of workers and to the public in general.

While it is too early to push the panic button on a tax cut, it is none too early to push the planning button. Given the realities of the political process and in particular the budget process, Jan. 1, 1980, is probably the earliest practical effective date for a tax cut. Even that date will require prompt planning, firm proposals by fall and hearings late in the year as a prelude to rapid action after Congress convenes next January. But the earlier the tax cut is announced, the more support it can provide for the wage-price restraint program.

Recently, Vice President Mondale aptly noted that most of the tough economic problems we face involve "solutions that inevitably front-load pain and back-load pleasure." Surely, that is true of the energy problem and the use of economic slack and slowdown to cope with the inflation problem. But a tax cut, properly structured, can be both front-loaded and back-loaded with pleasure.

Mr. Heller is Regents' Professor of Economics at the University of Minnesota, former chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson and a member of the Journal's Board of Contributors.●

SOUTHEAST ASIA'S REFUGEES

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. RATCHFORD. Mr. Speaker,, I rise today to bring your attention to the crisis of the Southeast Asian refugees.

Ever since the Japanese imperial expansion of the 1930's and 1940's, the men and women of Southeast Asia have suffered at the hands of one repressive regime after another. Today, that repression has reached a new zenith, and the incredible flow of refugees from the nations of Southeast Asia speaks far more forcefully than words.

During the last few months, the number of refugees attempting to exit Vietnam, Laos, and Cambodia have hovered

at 152,000 people per month. Of this group, 43 percent or 87,000 have lost their lives in attempting to safely escape.

Certainly these figures are horrifying but the prospects for the future are further dimmed by two factors. First, Indochina is presently entering the monsoon season with its high winds and torrential rains. Monsoons spell almost assured death for those "boat people" still left at sea. Second, the war this past spring severely curtailed crop planting, and present indicators point to a critical food shortage in the coming months.

Mr. Speaker, there is no need to enumerate the human rights violations which compel so many people to leave Indochinese regimes. The refugee figures speak all too clearly for themselves. The point which I wish to underline here is that the United States has a moral obligation to help rectify the tragedy of the "boat people" with every reasonable resource at our disposal.

In a welcome display of sound leadership and initiative, the President has already taken the lead in organizing refugee assistance. Our monthly refugee quotas have temporarily been doubled and the 7th Fleet is now rescuing "boat people" at sea. I applaud these actions, but the harsh reality of the situation is that these are merely short-term solutions to a long-term problem.

Mr. Speaker, it is my firm belief that we must take a direct and decisive course of action. Our refugee assistance appropriations must reflect the enormous magnitude of the refugee problem, and our immigration legislation must be reexamined to insure that refugee admission policy is both responsive and just.

Mr. Speaker, the world community looks to the United States to take the lead in meeting with the critical needs of these beleaguered peoples. I trust that the Congress will be sensible to this Nation's high moral responsibility and act quickly and decisively to secure safe passage for all those attempting to flee the repressive regimes of Southeast Asia.●

TRIBUTE TO DR. CARL L. HUBBS

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BURGENER. Mr. Speaker, I take this opportunity to reflect upon the life's work of a San Diego neighbor and world-renowned marine biologist, Dr. Carl L. Hubbs, who passed away earlier this month. To those of us fortunate enough to know him, Carl Hubbs was an educator and scholar par excellence. But more than that, he was a person who shared in his job a daily commitment to a better world.

Carl Hubbs earned his bachelor's and master's degrees in 1916 and 1917 at Stanford University, and then his doctoral degree at the University of Michigan in 1927. After 3 years as a curator of the Field Museum of Natural History in Chicago, he spent 24 years as a teacher and curator of vertebrates at the University of Michigan. He organized, and for 5 years directed, the Instiute for Fisheries Research during that period. In 1939, he assisted the Interior Department in improving the administration of wildlife in Alaska.

In 1944, he joined the Scripps Institute in La Jolla, Calif., as a professor. Although he was named professor emeritus in 1962, he continued teaching actively until 1969, when he resumed emeritus status. Even after his retirement from teaching, Carl Hubbs continued to research and advise on a host of projects from his office at Scripps.

One of Carl Hubbs' larger contributions to his profession was as a practical conservationist. He possessed a keenly balanced awarness of man and his environment. He was instrumental in preserving the Torrey pine trees, tule elk, fur seals, and the Pacific gray whales. He brought consevation to the international level as well, working with the Mexican Government to protect the seal population and designating the Scammons lagoon as a calving resort for the California gray whale. Yet in 1977, when he examined the Government's stringent restrictions on porpoise deaths associated with tuna fishing, Dr. Hubbs spoke spoke out for their relaxation because he thought the country was in danger of losing a great industry and a wonderful source of food. Carl Hubbs was acutely aware that man and his environment must coexist, and we would all do well to adopt his model of the practical conservationist.

Throughout all his teachings, writing, and research he was ably assisted by his wife Laura, a woman certainly equal to the tasks in every respect. A mathematician by training, they met at Stanford in 1918. She frequently accompanied him on trips, coauthored some of his works and was his indispensable companion for 60 years.

The greatest gift of an educator such as Carl Hubbs is the perpetuation of his ideas and knowledge for future generations. We would do well to accept his gift graciously.●

SOLAR INITIATIVES IN THE NATIONAL ENERGY ACT AND FEDERAL ASSISTANCE PROGRAMS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. UDALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

NATIONAL ENERGY ACT

A number of programs designed to give solar and energy conservation a big push were enacted as part of the National Energy Act passed last year. These include tax credits for homeowners and businesses, residential loans and grant programs.

Solar tax credit for homeowners: Taxpayers can take a credit of 30 percent of the first $2,000 and 20 percent of the next $8,000 spent on qualifying solar equipment. The maximum credit would be $2,200. Although the incentive is available through 1985, any credit in excess of tax liability can be carried over to taxable years ending in 1987. The credit is retroactive to cover systems installed after April 20, 1977. Equipment qualifying for the credit includes heating, cooling, and hot water systems, as well as wind and photovoltaic sstems providing space heating and cooling. A 15 percent credit on expenditures up to $2,000 is available for investments in insulation, weather stripping, storm windows or doors, and other conservation equipment.

IRS contact: Regional IRS office or Mo Schuldinger, 566-2929.

Solar tax credits for businesses: Credits are available to businesses for solar equipment of all types installed between October 1, 1978, and January 1, 1983, on both new and existing buildings. For solar systems designed to generate electricity, provide hot water, or heat or cool a building, a business could receive the 10 percent investment tax credit. For solar systems designed to produce industrial process heat or hot water or for equipment to use, process, or store biomass materials, a business could receive the existing 10 percent investment tax credit, plus an additional 10 percent energy credit for a total 20 percent. The credit is refundable.

IRS contact: Regional IRS office or Mo Schuldinger, 566-2929.

Solar energy home loans: Although no funding has been appropriated for this program, the National Energy Conservation Policy Act (part of the National Energy Act) authorized the Government National Mortgage Association (GNMA) to make low interest loans available to all income levels for the purchase and installation of solar heating and cooling systems (both active and passive), solar hot water equipment and wind machines. Under the program, conventional banks make loans for up to $8,000 at interest rates ranging from 7 to 12 percent (determined by HUD) for periods of up to 15 years. These loans would then be purchased by GNMA. Solar consumers can take advantage of both the tax credit and the loans for the same system.

GNMA contact: James Kozuch, 755-5593.

Federally insured home loans: The National Energy Act increases from $60,000 to $72,000 the ceiling on basic Federal Housing Home Administration (FmHA) insured mortgages for single and multi-family dwellings to cover the additional cost of passive or active solar or wind energy equipment.

FHA contact. Diana Meyer, 757-7380.

Secondary Financing of Solar Home Improvement Loans: In a move to make more money available for solar home improvements, the National Energy Act authorized the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association to purchase Title I FHA home improvement loans or conventional home improvement loans for qualified solar and conservation systems. However, the program was not appropriated and never was initiated. Similar loans are available through FHA (see Home Improvement Loan section).

HUD contact: Mike Stamper, 755-5593.

Small Utility Loans: Under the National Energy Act utilities are required to inform customers of potential conservation and solar improvements and provide cost estimates. Upon request, utilities must inspect customers' residences to determine which improvements would be cost-effective. They must provide a list of lenders, suppliers and contractors and must act as a "project manager" arranging installation and financing. Utilities may bill the customer on a monthly basis so that the repayment for the service may be spread out.

In addition, utilities can make loans of up to $300 for purchase or installation of specified conservation measures, including

solar equipment. Contact your local utility for information.

DOE contact: Bill Mathes, 376–1964.

Grants to Schools and Hospitals for Energy Conserving Improvements: Energy conservation renovation grants to public and private non-profit schools and hospitals are authorized under the National Energy Conservation Policy Act. When fully funded, the program would pay up to 50 percent of the cost of each energy conservation project (or 90 percent in severe hardship cases), with state or private sources paying the remainder. Energy conservation projects may include solar heating and cooling, water heating and electric generating systems.

DOE contact. Michael Willingham, 376–4149.

NEW PROPOSALS BY THE PRESIDENT AND CONGRESS

Under the president's $142 billion plan to reduce U.S. dependency on imported oil, solar and other renewable energy sources will get a piece of the pie. However, many solar proponents say it is a tiny sliver compared to what fossil fuels will receive. Whatever the funding levels, they will have to come from revenues derived from the windfall profits tax on oil companies.

Several weeks earlier the president announced a new solar strategy to insure that solar supplies 20 percent of the nation's energy needs by the year 2000. The key components of this program, now part of the larger import reduction strategy, were being developed in Congress at the time of his announcement and are expected to be enacted before the 1980 elections. They include:

A National Solar Bank located within the Department of Housing and Urban Development. The Bank would lend millions of dollars to consumers to purchase and install solar equipment.

An additional 15 percent investment tax credit for solar systems to provide heat for industry. This is added to the 10 percent investment credit under the National Energy Act.

A 20 percent tax credit, up to $3,000 per residency for new homes using a passive solar design. Credits also will be proposed for commercial passive design buildings.

A 15 percent tax credit for the purchase and installation of airtight woodburning stoves in principal residences.

A permanent exemption from the 4-cent-a-gallon federal tax for gasohol—gasoline that contains 10 percent alcohol which can be derived from biomass conversion.

Additional federally sponsored solar research and development programs also will be initiated.

Individuals interested in finding out the status of these programs should write their Senator or Representative.

OTHER FEDERAL ASSISTANCE PROGRAMS

Many federal agencies offer programs and services which can be of assistance to persons interested in solar energy. While a few of these programs are specifically intended to promote solar energy, most are general programs with eligibility requirements that solar projects can meet.

The contact listed in each section is a person in the energy administering the particular program. They are offered as an aid to Congressional staff and are usually not the persons whom individuals outside Congress should contact. However, they can provide the names of those to contact.

Community Block Grant Program: HUD administers a community block grant program which is available for a wide range of projects aimed at conservation and building rehabilitation in urban centers. If desired, a community could use some of this grant money for funding solar systems.

HUD contact: Don Patch, 755–6587.

Small-Scale Technology Grants: This year DOE's Office of Small Scale Technology funded $8 million in grants for small scale energy projects. The purpose of the program was to reach out to people who normally don't have access to government energy contracts. Applications for the grants are no longer being received, but a new larger program is expected to get underway in December of this year. Proposals will be accepted for projects costing $50,000 for two years. The projects have to demonstrate an efficient use of renewable energy resources, such as solar, but that includes a wide range of possibilities.

The program is very popular and highly competitive. Over 13,000 proposals were received this year and if all had been funded it would have cost $343 million.

DOE contact: Webb Otis, 376–4480.

As part if its charge to pursue alternative energy resource development, like solar, the National Center for Appropriate Technology develops and supports locally oriented technologies geared to the needs and resources of low-income people and communities. Its research and small grants program supports community experiments and demonstrations. NCAT regionally based field representatives are the point of contact for communities.

NCAT contact: Scott Sklar, 347–9193.

Hot Water Initiative: HUD and DOE have run a "hot water initiative" aimed at stimulating the use of solar hot water units in residential and commercial buildings. Block grants were allocated to ten states where homeowners paid high electric heating bills in 1976, allowing rebates of up to $400 toward the costs of a residential unit.

Originally scheduled to have ended August 31, 1977, the program has been extended in states where allocated funds have yet to be depleted. HUD is currently exploring ways to redirect some of the unused money to states where demand for the program is exceptionally high.

The program is administered through state agencies. For the name and phone number of the agency in your state, call NSHCIC, 800–523–2929.

Residential and Commercial Demonstration Program: During the past five years the Departments of Energy and Housing and Urban Development have sponsored demonstration programs designed to encourage solar heating and cooling projects in buildings. The programs, which distributed federal grants, are now closed to new applicants and many of the systems which received funding have been installed.

The fate of future demonstration programs is uncertain. The Carter administration decided that it would be better to stimulate solar use through tax credits and loans rather than giving out federal funds. However, there may be a new category of "commercialization" programs which develop in the next few years, which could include grants.

For new developments in this area contact the National Solar Heating and Cooling Information Center at their toll free number, 800–523–2929 or write to the Department of Energy, Office of Conservation and Solar Application, 20 Massachusetts Ave., Washington, D.C. 20545.

Home Improvement Loans: Homeowners may qualify for government-guaranteed loans to install solar heating, cooling and hot water units under the Federal Housing Administration's Insured Home Improvement Loan Program. A maximum of $15,000 is available for up to 15 years, at a 12 percent interest rate. A similar provision is in the national energy act (see NEA section).

To qualify, an individual must own or have a long-term lease on the property, have a satisfactory credit rating and be able to pay back the loan over its term. Before approving a loan, FHA must be satisfied that the solar system to be installed has proven to be reliable. Field offices have been issued guidelines for evaluating the acceptability of a proposed system.

FHA's willingness to guarantee loans for solar equipment may vary regionally. Applications should contact the local HUD/FHA offices or any FHA-approved lender.

FHA contact: Stanley Pohutsky, 755–6880.

Loans to Veterans: The Veterans Administration will consider solar energy systems under VA home acquisition and home improvement loan guarantee programs at interest rates of 10 percent for up to 30 years. Solar equipment must meet HUD–FHA standards. Eligible veterans and active-duty personnel should apply for VA loans through regular lending institutions. VA must appraise the property and assess the credit worthiness of the veteran.

VA contact: Walter Burke, 389–2249.

Rural and Farm Assistance: The Farmers' Home Administration (FmHA) operates several loan and grant programs to aid farmers and residents of rural areas unable to obtain financial assistance through other means. Though none of the FmHA programs are directed specifically at solar development, proposals will be considered under any of the agency's programs which offer credit for home improvement and acquisition of farm equipment. Systems must meet HUD minimum property standards and be cost-effective (available from NSHCIC; see information section).

FmHA also finances solar greenhouses in conjunction with local community action projects.

Applicants should contact the architect in their state FmHA office or the county supervisor for their area.

FmHA contact: Richard Slater, 447–3394.

Solar for Cities and Towns: DOE is developing an informal initiative to assist municipalities in the planning, design and use of solar and conservation in currently programmed local building projects. Pilot projects under this program, both public and private, would be aimed at improving the energy self-sufficiency and quality of life of participating communities. If successful the program could provide the model for an expanded national program.

City and town planners interested in having their area considered for a pilot project should contact the Office of Conservation and Solar Applications, DOE.

DOE contact: Frank deSerio, 376–9642.

Severe Unemployment Area Assistance: The Economic Development Administration is authorized to make grants to communities with severe unemployment problems which might be used for solar projects.

The objective of the grant program, authorized by the Public Works and Economic Development Act of 1965, is to stimulate employment. Solar energy projects that meet the goals of the program may qualify, but each project will be considered on a case-by-case basis.

EDA contact: Charles Coss, 377–5265.

Solar Employment Training: Under a one-year program, the Department of Labor will train about 120 Jobs Corps enrollees for entry level positions with firms engaged in various aspects of solar energy use. The program, under a contract with the Solar Energy Industries Association, will be open to all Job Corps members. Current members with prior experience in a Jobs Corps construction trades program will receive preferential consideration for the specialized training.

DOL contact: Josie Gomez, 376–3200.

SEIA contact: Les Dennis, 547–8600.

DOE, in cooperation with the solar industry, has developed a correspondence course in the installation and maintenance of solar space heating and domestic hot water systems. For details write: North American

Heating and Airconditioning Wholesalers Association Home Study Institute, 1661 West Henderson Rd., Columbus, Ohio, 43220, 614–459–2100.

Low-Income Community Grants: Community Action Projects across the country funded through the Community Services Administration are engaged in building, designing and installing solar energy systems for low-income homes. Greenhouses, supplementary heat for the elderly, and low-cost hot water systems are some of the projects under way.

Grants of $25,000 per project are available.

CSA contact: Dick Saul, 632–6503.

Small Business Loans: Individuals interested in starting or expanding small solar or energy conservation businesses can apply for loans and loan guarantees under the Small Business Energy Loan Program enacted last year. SBA will fund direct loans up to $350,000 and will guarantee loans up to $500,0000. Interest on the loans is set at a maximum of 12 percent, but direct loans can be as low as 7⅝ percent.

Interested persons should first contact a local bank or lending institution or the nearest SBA field office.

SBA contact: Mark Johnson, 653–6546.

Technology Transfer: A variety of services is offered by the Technology Transfer Program of DOE's Solar Division. The program attempts to boost the commercialization of "early impact technologies" by promoting information exchange between groups involved in the development of solar.

Technical training programs form a major part of the office's activities and include classroom and in-home courses. Emphasis is placed on "add-on" training, offering education in solar technologies to workers already skilled in relevant trades. Also available are materials for use in primary and secondary schools and exhibits and displays designed to stimulate public interest in solar energy.

Persons interested in any of these programs should contact the Washington office, which may then refer them to one of DOE's regional offices. The address is: Solar Technology Transfer Branch, Division of Solar Energy, Department of Energy, Washington, D.C. 20545.

DOE contact: Lawnie Taylor, 376–9138.

Project Proposals and Inventions: DOE has funding available for solicited and unsolicited proposals. Any unsolicited project will be reviewed, provided it does not fall within the scope of planned competitive solicitations.

When DOE wishes to fund a specific project, a Request for Proposal is issued. All RFPs are listed in Commerce Business Daily, which is available by subscription from the Government Printing Office ($75 annual, see address in information section) and is kept on hand by many public libraries. Anyone wishing to find out if an RFP in a particular area has been released may contact DOE at the address below.

Persons wishing to submit unsolicited proposals are encouraged to contact the DOE beforehand for any advice they may be able to offer. These projects are sent by DOE to the National Bureau of Standards' Office of Energy-Related Inventions for evaluation. Reportedly, the review process often can be very lengthy.

All inquiries should be addressed to: Division of Business Programs, Intergovernmental Relations, Department of Energy, 86–031, Washington, D.C. 20585.

DOE contact: Patrick Donohoe, 252–6260.

State Wind Energy Demonstrations: Every state soon may have at lease one wind energy generator in an ambitious demonstration program headed by DOE. Two sites will be chosen in each state where wind energy systems can best provide information on performance and interconnection with local utilities. These sites will be choosen by state energy offices and wind systems will be selected from commercially available units of all sizes and types.

For more information about the program write: Ron Kerschner, DOE, Rocky Flats Area Office, Box 928, Golden, Colo., 80401, 303–441–1305.

Tennessee Valley Authority: This year President Carter directed the Tennessee Valley Authority to become the nation's solar showcase. The states in the TVA service area are Tennessee, Virginia, North Carolina, Alabama, Georgia, Kentucky and Mississippi. A number of programs are already underway and many more are planned.

TVA provides low-interest loans to residents of Memphis to install solar water heating in their homes. The homeowner repays the loans on the utility bill in payments unaffected by rising fuel costs. Sixty new installations are being completed every month.

In another demonstration project seven north Georgia counties are eligible for interest-free loans for energy-efficient, Airtight wood stoves.

TVA also has developed 11 different passive solar home designs and 44 homes using these plans will be built and sold on the open market. Conventional building techniques are used and private contractors will do the building.

In addition, TVA offers a variety of energy conservation programs to the homeowner and businessman.

TVA contact: Bob Hemphill, 615–755–2061.●

"WE HAVE MET THE ENEMY . . ."

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. VANDER JAGT. Mr. Speaker, our current energy problems have given rise to what might become, unfortunately, a dominant political exercise in this city—finger pointing. We have all heard a great deal of rhetoric casting the blame on "Big Oil" and the massive conspiracy to withhold supplies from the market. We have heard the blame for our energy and inflation problems conveniently thrown upon the shoulders of our OPEC friends. We have listened to the blame being thrown right back upon Americans who commit the seemingly sinful act of filling up their automobiles with gasoline. And we have cursed both the Ayatollah and the Shah as the root of our problem.

But a more thoughtful analysis puts the blame closer to home. The often quoted statement of the legendary Pogo that "We have met the enemy, and he is us" could not be more applicable to the energy situation and the gas lines in particular.

I want to bring to the attention of my colleagues a particularly relevant article written by Jay VanAndel and Richard M. DeVos entitled "The Gas Lines: 'Made in Washington.'" Jay VanAndel is chairman of the Board of Amway Corp., Ada, Mich., and now is serving as chairman of the board of the Chamber of Commerce of the United States. Richard M. DeVos is president and cofounder of Amway. Both are outstanding spokesmen on behalf of the free enterprise system, and offer an excellent commentary in this article:

THE GAS LINES: "MADE IN WASHINGTON"

(By Jay VanAndel and Richard M. DeVos)

As the gas lines proliferate across our nation, the reaction of most Americans ranges from a mixture of anger and frustration to confusion and disbelief. For the first time since the Arab oil embargo, the energy crisis has hit home, and with a vengeance.

Americans treasure their mobility, and the sudden deprivation of gasoline is seen as nothing less than a direct assault on their personal freedom. Such perceptions of the current shortage have led, understandably, to a search for the cause or, lacking that, for a scapegoat. Demagoging politicians, instant "experts," and self-proclaimed consumer advocates have been more than willing to provide the public with a convenient target for their anger: "Big Oil." The only trouble is that it is not the oil companies who are to blame, and the rather hysterical level of rhetoric only serves to obscure the real culprit: the federal government.

The history of government intervention in the energy market is a long and unhappy one, dating to a Supreme Court devision in 1954 which allowed the Federal Power Commission to regulate the interstate market for natural gas. This decision led to the curious but predictable situation of a shortage of natural gas on the price-controlled interstate market and a surplus of natural gas on the uncontrolled intrastate market. It was a virtual textbook example of the shortages which inevitably result when the government attempts to place ceilings on prices. Nor is this the only example of government interference with energy markets.

If it strikes you as odd that North Carolina has gasoline, but Virginia doesn't, don't blame it on a conspiracy by the oil companies. The fact is that the federal government, through the Department of Energy, allocates fuel supplies. Now it might be obvious to the average citizen that burdening a supply system with a cumbersome bureaucracy will inevitably lead to a loss of responsiveness within that system, but the message hasn't yet penetrated Washington. Instead, their answer is to ask for coupon rationing, to spread the shortage. One of the many problems with rationing, and no one seems willing to admit this, is that implementing a coupon rationing program would take anywhere from twelve to eighteen months. So much for taking care of the immediate problem.

What about the entitlements program? Under this program, every refiner using price-controlled domestic crude oil pays a $3 tax on each barrel to the federal government, which the government then transfers to refiners using uncontrolled foreign oil. In effect, this means that we are subsidizing OPEC to the tune of $3 per barrel or somewhere in the neighborhood of $9 billion. Imagine what would happen if that subsidy were going to Houston for more exploration and development of domestic energy resources.

And what about the controls on oil prices themselves? If we are to produce domestic oil, then there must be incentives for domestic oil exploration and development. In spite of this, price controls, which have existed since 1971, continue to exist on a significant amount of our domestic reserves. It should be obvious that, without financial incentives, companies will not invest in risky and expensive ventures.

Yet another area of government restraint on our ability to produce energy domestically can be found in federal leasing policies. Many of our most potentially fertile areas of exploration lie on federal lands or in off-

shore areas controlled by the federal government. In spite of the obvious national need for intensive development of these areas, federal leasing policies remain intransigent. It took nearly twenty years to open up the Baltimore Canyon deposit, and numerous other areas may never be opened up. This is the case in vast areas to be preserved under the Alaskan Lands Bill. In its current form, it would lock out exploration on deposits in much of that state. It has been estimated that the equivalent of as many as seven Prudhoe Bays may lie under the lands the bill would close.

It should be noted that federal leasing policies not only lock up oil deposits, but also affect coal, shale, and geothermal deposits. In fact, almost all of the most promising geothermal sites are found on federal land. The same is true of most of our Western coal reserves.

With regard to coal, our most abundant fuel, a former Federal Power Commissioner said, "While coal is a wonderful fuel, under current law, you can't mine it, can't transport it, and can't burn it." All of this results in increasing our dependence on foreign oil with all of the problems that have become so familiar.

Most of the blame for today's gas lines can be laid to the Department of Energy. When Iran shut down production, the federal government told oil refiners not to enter the "spot market" to offset the interrupted supply. This mandate remained in effect until the end of May. The rationale was that, by staying out of the spot market, U.S. refiners would create a slack in the market and prices would not rise. Someone in the Department of Energy couldn't count. There was a 5.6 million barrel per day shortage created at first, and there was no way the market had enough slack to make up for it. The result was that our refiners had to draw down their stocks, while the rest of the world bid up the price of crude. At the same time, the Department told refiners to make more heating oil and less gasoline, further worsening the shortage. Then, they began to expand the list of priority users of gasoline.

The idea behind the priority use categories is to insure that essential services are not disrupted by supply interruptions. Priority users are allowed as much gasoline as they want, so there is no restriction on their growth of demand regardless of supplies. The trouble is, as more categories are allowed a priority, the amount of gasoline left for the average motorist shrinks dramatically. In some areas, as much as 15 percent of the total allocation is now going to a wide range of priority users—including delivery services and taxicab companies. The result is that a 5 to 7 percent real shortage results in a 22 to 25 percent shortage at the gasoline pump.

Other examples of federal regulations restricting all types of supplies of energy abound. Among them, the environmental regulations which limit refinery construction—creating a surplus of Alaskan crude oil and insufficient refinery capacity on the West Coast to handle it. At the same time, other environmental regulations blocks construction of the Sohio pipeline which might have carried the Alaskan crude to refiners in the Midwest. And yet another is found in the block of a coal-fired power plant on the grounds that it would generate too much dust: even though it was located in the middle of a desert, an area not noted for its lack of dust!

The examples are endless, but they all point to the same fact. When you look for a scapegoat to blame for the energy crisis, you don't have to search for some insidious conspiracy or smoke-filled room. You only need to look to the shores of the Potomac, because those gas lines are unquestionably "Made in Washington." ●

TRADE REORGANIZATION ACT UNDER STUDY

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LONG of Louisiana. Mr. Speaker, last Friday, I introduced the Trade Reorganization Act of 1979. Because my bill and a variety of other proposals will be under active consideration during the August recess, I want to place into the RECORD a terse, section-by-section analysis of the key provisions of my bill:

TRADE REORGANIZATION ACT OF 1979

SECTION-BY-SECTION ANALYSIS

TITLE I

Congressional findings with regard to America's recent international trade performance are set forth. Findings include the need to establish a small cabinet-level agency that directs the formulation of U.S. trade policy and negotiations, enforcement of U.S. laws against unfair trade practices and development of a U.S. export policy.

Section 201(c): The President shall provide that the Special Trade Representative shall be a member of the National Advisory Committee on International Monetary and Financial Policies.

TITLE II

Section, 201: The Trade Reorganization Act of 1979 (TRA–79) expands and strengthens the existing office of the Special Trade Representative by creating the Special Trade Agency (STA). The STA will be an independent agency of the executive branch that will not be part of the Executive Office of the President.

The STA will be directed by the Special Trade Representative and three Deputy Special Trade Representatives. Thus the TRA–79 creates only one additional executive level position.

Section. 202: The STA will have three permanent Offices—one for trade policy and negotiations, one for trade administration and enforcement, and a third for export policy. Each Office will be headed by a Deputy Special Trade Representative.

Section. 203: The STA will have authority for all multilateral and bilateral trade negotiations with regard to manufactured goods, commodities and services.

In addition to the existing powers of the Office of the Special Trade Representative, the STA will acquire the State Department's current responsibilities for negotiating East-West trade agreements, other bilateral trade pacts and commodity agreements.

The STA's powers will include the existing responsibility of the Office of Special Trade Representative:

For action against foreign import restrictions and foreign subsidies that affect U.S. exports to third country markets (Sec. 301 of the Trade Act of 1974);

For prevention of disruption of the U.S. domestic market by the exports of nonmarket economies.

In addition, the STA will have responsibility for seeking redress under the General Agreement on Tariffs and Trade for violations of the GATT, including the new codes that emerged from the latest round of trade negotiations.

The STA will acquire from the Treasury responsibility for enforcement of the countervailing duty law and the antidumping law.

(3) At present, there is no single agency or department charged with the development of overall U.S. export policy. The STA would be specifically charged with that responsibility.

Personnel

Section 204: The STA is designed to be small enough to avoid the dangers of rapid bureaucratization and still large enough to be an effective voice for U.S. trade policy. To meet both goals, the Trade Reorganization Act of 1979 places a ceiling of 400 on total STA personnel. The figure of 400 will include all transfers from other agencies.

Among the 400, there will be only one new Executive Level Appointee, the third Deputy Special Trade Representative.

As head of the STA, the Special Trade Representative will be able to appoint up to twenty broad gauge trade specialists to help spur exports. These trade specialists may be appointed without regard to civil service requirements governing competitive appointments.

TITLE III: TRADE COORDINATION COUNCIL

Section 301: The TRA–79 also creates a Trade Coordination Council to succeed the existing Trade Policy Council. The new TCC will be housed in the Executive Office of the President and will provide the President with advice over a wide range of trade and trade related matters.

In addition to the existing powers of the Trade Policy Council, the TCC will have the responsibility to coordinate:

Tax policy that affects international trade and investment;

Foreign investment policy;

Antitrust policy that affects international trade;

International energy trade; and

Other issues that affect international trade.

The TCC will be chaired by the Special Trade Representative and directed by an executive director at the GS–18 level. Membership in the TCC will be made up of current members of the TPC (The Secretaries of State, Treasury, Defense, Interior, Agriculture, Commerce and Labor, and the Attorney General) and two new members (The Presidential Assistants for National Security Affairs and for Domestic Affair and Policy).

TITLE IV: TRANSFER OF FUNCTIONS

Section 401: This section transfers the Office of the Special Trade Representative to the Special Trade Agency.

Section 402: This section transfers from the Secretary of State to the Special Trade Agency all functions with regard to bilateral trade agreements, East-West trade and commodity agreements.

Section 403: This section transfers from the Secretary of the Treasury to the Special Trade Agency responsibility for the investigation of complaints with regard to countervailing duty and antidumping laws and certain other trade functions.

Section 404: This section transfers from the Secretary of State to the Department of Commerce the commercial activities of the Department of State including the commercial attaches.

TITLE V: MISCELLANEOUS PROVISIONS

Section 510: The Special Trade Representative is made chairman of the Board of the Export-Import Bank.●

FAREWELL AMERICA

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. RHODES. Mr. Speaker, the distinguished Washington correspondent for the Melbourne Herald has just completed his tour of service in the United States for one of the great Australian newspapers. John Hamilton, who came to America in 1975, is moving to a new post as The Melbourne Herald's bureau chief in London. He has been an incisive observer of the American scene for the last 4 years. His readers in Australia have been fortunate to receive from the United States dispatches that catch the rhythm and the flow of American life. Mr. Hamilton's final article from the United States is entitled, "Farewell, America." It is a remarkable document in that it captures the vitality and positive spirit of the American people at the same time as it expresses the deep political dilemmas which we confront in 1979. I believe it worthy of the attention of the Members of this body and I wish to introduce, "Farewell, America" into the RECORD.

The article follows:

FAREWELL AMERICA

(By John Hamilton)

Once a year the President of the United States goes to Capitol Hill, walks down the crowded rows of Representatives and Senators and delivers the state of the Union address.

The speech is supposed to be a thermometer reading of the state of health of the republic.

Presidents, of course, have a healthy self-interest in reporting that the state of the Union is sound.

But with no self-interest as a foreign correspondent, I can report that the state of the union is confusion.

America today is confused over two things—why it ever elected Jimmy Carter to be its president and why on earth the country should be running out of gas.

There is an uneasy shifting and murmuring across the land. Something indefinable seems to be happening, something akin to the stillness and the nervous gusts of wind that precede a violent thunderstorm.

Things have been going wrong in America, things that just should not be going wrong.

The near disaster at Three Mile Island, the real disaster with the DC–10's, the possible disaster that only God averted when Skylab fell back to earth—all are deeply unsettling. America's pride has taken a severe beating.

But there is something else wrong.

Its name is Jimmy Carter.

America today is rudderless because it elected a good man to the wrong job.

President James Earl Carter, Jr., is a good man, but he is no leader.

So the Nation is waiting, because it has to, until next year and the political storms that will rage across the land.

The storms will be violent—already one senior White House aide has warned his staff to get out if they haven't got the stomach for what he sees as the "dirtiest Presidential campaign in U.S. history."

But despite this unease and confusion, America remains fundamentally strong today. The danger is for its friends and allies to believe that the country is going down the drain economically and spiritually—because the man at the top is in trouble.

Nothing is farther from the truth. America is marking time until next year.

Its enormous industrial power is still there. Its enormous resources are still there. Its mercurial spirit and great optimism is still there.

Yet, the President of the United States would have you believe differently.

In a remarkable series of events last month (July), Jimmy Carter took himself off into the seclusion of Camp David and summoned 150 Americans to give him counsel. That event triggered the extraordinary Cabinet reshuffling, the "evaluation forms," the desperate President trying to put a disintegrating house in order with personnel shuffles and dismissals.

Up on the mountain there were Senators, Governors, legislators, union leaders, public officials, religious leaders—even the president of the biggest bird watching group in America.

Jimmy Carter distilled what they had to say to him and went on national television to deliver an extraordinary sermon to America.

He spoke of the "erosion of confidence in our future that is threatening to destroy the social and political fabric of America."

It was almost as though he had some sort of miraculous vision of a plague sweeping America, sapping its public morale and traditional enthusiasm.

It was an ominous and foolhardy message. Sixty years ago Woodrow Wilson followed the same path by blaming the Nation for mistakes of Government.

Wilson regarded the American people as "the most generous, the best, the most idealistic of all the world." But when his policies failed, Wilson blamed the same people after "our enemies have . . . poisoned the wells of public opinion."

Any discussion of America today and where it is heading has to inevitably come back like a swinging compass needle to one man—James Earl Carter, Jr., President of the United States.

This is a personal view of how the Carter phenomenon arose.

When I arrived in Washington in the winter of 1976, there were two things you did not talk about. The first was Vietnam, the second Watergate. The wounds of both were still too fresh on the American psyche.

The bitterness of the Vietnam debacle was summed up by one T-shirt gathering dust in a souvenir shop.

It read, "Asian war games—U.S. second place." People did not want to talk about Vietnam. Nobody likes to lose.

Particularly if you are raised in a country where patriotism is next to godliness, where the pledge of allegiance is recited by rote in kindergartens and the stars and stripes are known in front yards and from apartment balconies.

A country where you are taught that the might of the mighty eagle of the United States is invincible. It was this patriotism, this love of brass bands and marchings, parades and rifle twirlings that first struck me as a foreigner in the United States.

But Vietnam had given patrotism a beating.

And patriotism is one of the things that binds this vast country with its 250 million disparate people together.

"I see an America on the move again, united, a diverse and vital and tolerant Nation, entering our third century with pride and confidence," Jimmy Carter told the cheering delegates to the Democratic convention.

He promised to "make our country large and driving and generous in spirit again."

That spirit was already abroad that July as America celebrated its 200th birthday. The bicentennial celebrations were a huge success. Despite dire warnings of disruptions and demonstrations as the Nation basked in a perfectly beautiful day when America was at peace at last.

The Republicans chose Gerald Ford as their nominee after a rowdy convention in Kansas City and Ronald Reagan headed back into the western Sunset to try again another day.

The remainder of the Presidential campaign was a bore with the much touted Presidential debates between Ford and Carter revealing to the public just how unremarkable the candidates and how difficult the choice.

Carter made it because America did want a change and for a few brief honeymoon months, it looked as though the United States was on the move again.

Carter borrowed unashamedly from his predecessors.

The famous "Buck Stops Here" sign from Harry Truman's days was put on the desk in the oval office.

The desk itself was removed from the storeroom where it had gathered dust since last being used by President John F. Kennedy.

A crackling fire was set so that Carter, in an old pullover, could deliver a fireside chat to the Nation—a la Franklin Delano Roosevelt.

There were town meetings and talk back shows as the White House image makers tried to get across a new "man of the people" Presidency.

They went a little too far.

After selling the Presidential yacht and getting rid of most of the ceremonial trappings that usually greet a VIP when he arrives at the White House, Carter scrapped the playing of the traditional tune that marks the arrival of the President—Hail to the Chief.

And then he started carrying his own suit bag.

That suit bag might well mark the turning point in Carter's fortunes.

Americans realised they did not want a man who carried his own suit bag as their President. They wanted somebody with style.

They also wanted somebody who was not blindly loyal to his friends—so blind that he could not see the political dangers of defending people like Bert Lance or keeping a tight circle of good old boys from Georgia around him, shielding him from the real world outside Washington, instead of reaching out for the best brains in the country to help him.

Up on Capitol Hill the Representatives and Senators closed ranks against the administration and proposal after proposal was rejected.

The one great achievement of Jimmy Carter, the Camp David meeting that led to the signing of the Middle East Peace Treaty—pulled him out of trouble briefly.

But symbolic signing ceremonies on the lawn of the White House are soon forgotten when you are a sweating motorist in a gas line hoping for a gallon of petrol.

The queues for petrol quickly eclipsed the signing of the SALT Treaty with the Soviet Union and the economic summitry of Tokyo.

As somebody remarked wryly, Americans believe in the right to carry a gun and drive a big car. Take away even one of those rights and you've got trouble.

Many Americans simply could not believe what was going on. Their whole lifestyle—being able to drive as many cars as they liked, as big as they like, with as much cheap petrol as they liked on the best road system in the world—had suddenly vanished.

The gas line was the catalyst which forced Jimmy Carter into doing something to try and save his presidency.

Whether the soul searching and the Cabinet reshuffle works whether he will survive politically to run again as President and win next year remains to be seen.

A football team of Republican candidates are already out on the national political playing field. Senator Ted Kennedy keeps declaring that he won't run—but can he resist a clarion call from his countrymen to come to the aid of the party? And when the polls tell him the public has forgiven him for Chappaquiddick?

Will it be a Carter-Reagan fight for the Presidency? A Connally-Kennedy match?

I don't know. Nobody knows. It is anybody's guess. It's going to be a boots-and-all election.

But I am convinced that some things will remain certain about America, regardless of who wins.

Its people will remain the most generous, open hearted, kind and hospitable people on Earth.

They will still be motivated by the work ethic, to rise early and retire late and seek goals which they know they can achieve, only in America.

They will still be God fearing and go to church on Sundays.

They will run things on time.

They will continue to enjoy a musical heritage that flows through every level of society—from the banjo pluckers of the mountain tops to the symphony concerts of the cities and omnipresent blare of the high school bands.

They will continue to enjoy dressing up on the slightest excuse and holding a parade or a convention.

They will enjoy turkey for Thanksgiving and trimming the trees at Christmas.

They will remain a polite society, the only one in the world that wishes "have a nice day" on every stranger, and asks him to come back and see them soon.

Their telephone system will continue to be the best in the world, their martinis the strongest.

Even if the present state of the union is confusion—beneath the surface, the immense technological and industrial heartbeat of America continues to beat as strongly as ever.

And its people are sound—that is the most important thing.

Remember that there are 250 million Americans of every race, color and persuasion somehow welded together enjoying "certain inalienable rights" in the immortal words of the Constitution.

Rights including "Life, Liberty and the Pursuit of Happiness."

Two hundred and fifty million people guaranteed the right to happiness.

That is why America will remain great—and why I will miss her.●

GEN. ROBERT L. DENIG, SR., DIES

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, it is with deep regret that I report to the House the passing of a fellow Marine Brig. Gen. Robert Livingston Denig, Sr., U.S. Marine Corps, retired, founder of Marine Corps public relations during World War II and considered the "father of Marine Corps combat correspondents, who died on July 25, at Los Altos, Calif., at the age of 94. Funeral service, with full military honors, will be held at the chapel, Arlington Cemetery at 1 p.m. on August 3.

General Denig, was born September 29, 1884, in Clinton, N.Y. The son of a naval officer, he became acquainted with the naval service early in life, and attended grade school for several years in Japan while his father was serving with the U.S. Asiatic Fleet.

After attending high school in Sandusky, Ohio, where in 1900 he was a member of the Sixth Ohio Regiment of the National Guard, he attended the University of Pennsylvania.

On his 21st birthday in 1905, he was commissioned a second lieutenant in the Marine Corps. After attending the School of Application at Annapolis, Md., he was ordered, in September 1906, to a provisional marine battalion being assembled at Norfolk, Va., for duty with the Army in the Cuban pacification. In November 1907 he was ordered to Washington, D.C., and was assigned to the Marine detachment U.S.S. *Missouri*, abroad which he participated in the 1907–09 cruise around the world. This assignment was followed by a tour at the Marine Barracks, Annapolis, Md., as officer in charge of recruiting, St. Paul, Minn., and with the 1st Marine Brigade in the Philippines from which he was transferred to the Marine Barracks, Olongapo, Philippine Islands. At the beginning of World War I he was attached to the Marine Barracks, Philadelphia, Pa.

In July 1917 after duty at St. Nazaire and Bordeaux, he attended U.S. Army schools at Gondrecourt and Langes. In May 1918, he was ordered to the 3d Infantry Division for duty as the commanding officer, 1st Battalion, 30th Infantry. With this battalion he participated in the Aisne-Marne offensive. Following this engagement he was transferred to the 2d Infantry Division to command the 2d Battalion, 6th Marines with which he saw action at Soissons. Then on July 30 he was again assigned to duty with the Army, this time to command the 3d Battalion, 9th Infantry, 2d Infantry Division. He lead this unit in the Pont-a-Mousson, St. Mihiel, and Meuse-Argonne offensives. While leading his men in cleaning out enemy machineguns and snipers from the area around Medeah Farm, he was wounded on October 3, 1918. For remaining in action until the mission was completed he was awarded the Army Distinguished Service Cross and the Navy Cross, the Nation's second highest decorations. For his distinguished duty and heroism, the Government of France presented him with the Legion of Honor, the Croix de Guerre with Palm and Bronze Star and the Fourragere.

After World War I he served at various posts in the United States, and in Santo Domingo with the 2d Marine Brigade. Later in Nicaragua with that country's National Guard, he first saw duty as the Northern District Commander in antiguerrilla operations and later as the Guard's Chief of Staff. He was injured in the 1931 Managua earthquake and returned to the United States for hospitalization. For outstanding performance of duty with the Guard, he was awarded that country's Presidential Medal of Merit.

Recovering from his injuries, he was ordered to headquarters, U.S. Marine Corps for duty with the Division of Operations and Training, then with the newly organized Fleet Marine Force at Quantico, Va., at the U.S. Naval Prison, Portsmouth, N.H., and at the Marine Barracks, Pearl Harbor, Hawaiian Islands. From there he was ordered to the Marine Barracks, Bremerton, Wash., where, in June 1941, he was placed on the retired list and promoted to the rank of brigadier general in recognition of his distinguished war service.

He was immediately recalled to active duty and assigned the task of organizing the Division of Public Relations at Headquarters, U.S. Marine Corps, Washington, D.C. It was during this period of service that General Denig is credited with "fathering" the idea of the combat correspondent in the American Armed Forces. Under this plan uniformed reporters related the exploits of their comrades-in-arms during and since World War II. For his work as director of this division throughout World War II, he received the Legion of Merit.

General Denig also is credited with having the foresight to equip his combat cameraman with color motion picture film, an innovation at the time, to document such momentous battles as Iwo Jima.

Following World War II, General Denig organized the Marine Corps Combat Correspondents Association. The organization grew from a few dozen eligible members to over 3,000 today of which about 500 actively participate. General Denig stayed active in the association until 2 years ago when his health prevented him from traveling to the conventions. His last byline was filed with the Marine Corps Gazette just a year ago.

Survivors include the general's son, Brig. Gen. Robert L. Denig, Jr., U.S. Marine Corps, retired, two grandchildren, and five great grandchildren.●

RECOMMENDS MAJOR TAX REDUCTION

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MATTOX. Mr. Speaker, in view of the recession we are already in, I propose that the Congress enact a major tax reduction to relieve the inflationary pressure and stimulate the economy. My proposal affects the productive American—both the businessman and the worker—people who build the cars, construct the homes, and provide the services all of us need.

Specifically, I recommend effective January 1, 1980:

A $24.4 billion cut in payroll taxes primarily by transferring health insurance out of the social security fund and financing it through general revenues;

A $1.1 billion reduction in business taxes resulting from an expansion in the asset depreciation range from 20 to 30 percent, thereby providing accelerated depreciation allowances; and,

A $3.1 billion business investment tax credit program resulting from an increase from the present 10 percent to 12 percent for eligible investments.

It is obvious to all of us that the recession is not just a mild interruption in economic growth caused by a rise in prices for energy; it is much deeper than that. Unemployment is now expected to reach over 8 percent in 1980. Inflation is expected to average 11 percent during 1979 and 9 percent in 1980. Economic growth is expected to decline by 1.4 percent more than was forecast by the administration on July 12. All of these factors combined will create a heavy drag on the economy and will result in increasing the deficit, unless we take intelligent and swift action now.

A cut in the payroll taxes is especially important because of the crucial link it provides in providing a sounder base for the economy while reducing inflationary pressure. A social security roll back would help both the employer and the employee. As Walter Heller, former Chairman of the Council of Economic Advisers, has said before the Budget Committee—a payroll tax reduction would relieve the pressure to increase prices, provide more net, take-home pay for the worker and abate the need for higher wage demands.

As Alice Rivlin, Director of the Congressional Budget Office, pointed out:

> A cut in payroll taxes does not imply a cut in benefits. . . . To assure the solvency of the system (it would be necessary) to replace the health insurance portion of the payroll tax with general revenues. . . . And, indeed, the hospital insurance portion is a logical candidate for being financed out of general revenues, rather than a payroll tax, for the simple reason that hospital benefits under medicare, are not tied to the beneficiary's previous earnings.

Tax reduction in the form of accelerated depreciation and investment tax credits would have the double effect of stimulating corporate cash flow and capital investment, and at the same time, provide incentive for conversion to more efficient energy sources.

We can balance the budget in the future, but only if we have a healthy economy. We can reduce unemployment and inflation through appropriate and targeted tax reductions. It is imperative to act now to protect this Nation from a severe recession and increase the incentive for the productive American.●

LEV BLITSHTEIN'S TRAGIC WEDDING ANNIVERSARY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LENT. Mr. Speaker, I want to call to the attention of my colleagues a truly sad and tragic violation of human rights by the heartless rulers of the Soviet Union.

It is the case of Lev Blitshtein, one of the many Soviet Jews who is seeking to leave Russia to be able to practice their religion free of the official criticism and oppression so often accorded those of the Jewish faith in the Soviet Union.

With the inhuman cruelty which seems to be inbred in the Communist officials who rule Russia, permission was given 4 years ago for Mr. Blitshtein's wife, son, and daughter to leave Russia. For the past 4 years they have been living in New York. But the Communist officialdom has refused to give Mr. Blitshtein a visa because he is "aware of a State secret."

Mr. Speaker, do you know what that "State secret" is? The secret possessed by Mr. Blitshtein is the knowledge of how to make meatless sausages.

Such a ruling would be laughable if it were not for the human travail it has brought to the Blitshtein family, which now has been separated for 4 long years by this inane and cruel order. I have talked personally with Lev's son Boris, and I know of the agony the family is undergoing. On August 8, 1979, Mr. Speaker, the Blitshtein family will undergo even further travail. August 8 marks the 25th wedding anniversary of Mr. and Mrs. Blitshtein. For most families such a momentous occasion is marked by great rejoicing and warm family reunions. Alas, such will not be possible for the Blitshtein family. Separated by thousands of miles and by the heartless edict of the Kremlin, Mr. and Mrs. Blitshtein and their children can only turn to us and ask for our help in relieving their misery.

Mr. Speaker, I call upon my colleagues to offer their assistance to this unfortunate family. Please join me in a renewed appeal to Soviet officials to reverse their inhuman ruling and issue permission for Mr. Blitshtein to join his family in New York. Denial of such permission is a blatant violation of the Helsinki accords which Russia signed 4 years ago. The Soviets must be brought to correct this grievous error.

I assure my colleagues that any effort they may make on behalf of Lev Blitshtein will be deeply appreciated by the Blitshtein family, and will be of great service to the cause of human rights.●

RELIGIOUS FREEDOMS JEOPARDIZED ON TAIWAN

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LEACH of Iowa. Mr. Speaker, I have from time to time brought before the House a number of current concerns with respect to the future of the people of Taiwan.

It is with increasing alarm that I have followed a series of events, which have taken place on Taiwan since the announcement, last December, of the full normalization of relations between the United States and the People's Republic of China.

Most recently, I met with the Honorable David Dean, chairman of the board and managing director of the American Institute in Taiwan, as well as representatives of the National Council of Churches, to discuss several proposed revisions to regulations pertaining to religious organizations in Taiwan. Although I have been informed that these revisions are simply proposals at this point, they have been placed, I understand, on the agenda of the Legislative Yuan in Taiwan, and have caused widespread concern with respect to the future exercise of constitutional religious liberties on the island.

The revisions, if enacted, would permit the governing authorities in Taiwan to "abolish" certain decisions of churches and religious organizations and to make changes in personnel or confiscate property and assets if the Government finds that the organization has acted against the public interest. What specifically constitutes public interest is apparently open for broad interpretation by the ruling authorities.

This threat to the fundamental civil and religious freedom of the Taiwanese people deserves special note from this body. As my colleagues will recall, section 2(c) of the Taiwan Relations Act (Public Law 96–8), declares:

> The preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States.

The efforts of some in the ruling minority in Taiwan to potentially deprive the vast majority of religious freedoms spelled out in article 13 of their Constitution warrants the special attention of the Congress and all Americans who share our interest in the protection of human rigths for all peoples.

I would urge my colleagues to join me in expressing my deep concern to the ruling authorities in Taiwan with respect to these proposals. The suspension and denial of basic and fundamental freedoms of the Taiwanese people can only serve to impair—not improve—the future relationship between Taiwan and the United States. It is my hope that good judgment will prevail and that these proposed changes with respect to religious freedom will be overwhelmingly rejected.●

H.R. 4833—TO ELIMINATE DOUBLE TAX ON DIVIDENDS

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SAWYER. Mr. Speaker, on Tuesday, July 17, 1979, I introduced H.R. 4833, which will eliminate the double taxation of corporate dividends as a method to spur business investment and increase domestic employment.

At that same time I introduced separate legislation, the Small Savers Protection Act of 1979, to make personal savings attractive again and moderate the "buy now" philosophy which is contributing to our present high rate of inflation.

Due to a printing error, the measure that would permit domestic corporations to deduct all dividend distributions in the same manner as interest payments on debts was omitted.

I therefore include a copy of H.R. 4833 with a listing of its cosponsors:

LIST OF COSPONSORS

Mr. Badham, Mr. Barnard, Mr. Buchanan, Mr. Burgener, Mr. Carter, Mr. Cleveland, Mr. Coelho, Mr. Derwinski, Mr. Dornan, Mr. Edgar, Mr. Erlenborn, Mr. Goodling, Mr. Grisham, Mr. Hyde, Mr. Jeffries.

Mr. Johnson of Colorado, Mr. Kindness, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Lee, Mr. Lent, Mr. McEwen, Mr. Marriott, Mr. Regula, Mr. Sensenbrenner, Mr. Vander Jagt, Mr. Winn, Mr. Broomfield, Mr. Guyer and Mr. Kemp.

H.R. 4833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF DEDUCTION FOR DIVIDENDS PAID BY DOMESTIC CORPORATIONS.

(a) GENERAL RULE.—Section 243 of the Internal Revenue Code of 1954 (relating to dividends received by corporations) is amended to read as follows:

"SEC. 243. DIVIDENDS PAID BY DOMESTIC CORPORATIONS.

"(a) GENERAL RULE.—In the case of a domestic corporation which is subject to taxation under this chapter, there shall be allowed as a deduction for the taxable year an amount equal to the dividends paid by such corporation during the taxable year.

"(b) DIVIDENDS.—For purposes of this section, the term 'dividend' means any dividend (as defined in section 316) to which section 301 applies.

"(c) CERTAIN CORPORATIONS NOT ELIGIBLE.—No deduction shall be allowed under this section with respect to dividends paid by any corporation which is—

"(1) an electing small business corporation (as defined in section 1371(b));

"(2) a regulated investment company (as defined in section 856(a));

"(3) a real estate investment trust (as defined in section 856(a)); or

"(4) a personal holding company (as defined in section 542).

"(d) SPECIAL RULES FOR CERTAIN DISTRIBUTIONS.—

"(1) MUTUAL SAVINGS BANKS, ETC.—For purposes of this section, any amount allowed as a deduction under section 591 (relating to deduction for dividends paid by mutual savings banks, etc.) shall not be treated as a dividend.

"(2) DIVIDENDS FROM A DISC OR FORMER DISC.—No deduction shall be allowed under subsection (a) for any dividend paid by a corporation which is a DISC or a former DISC (as defined in section 992(a)) to the extent that such dividend is paid out of the corporation's accumulated DISC income or previously taxed income, or is a deemed distribution pursuant to section 995(b)(1)."

(b) DIVIDENDS RECEIVED FROM CERTAIN FOREIGN CORPORATIONS.—

(1) Subsection (a) of section 245 of such Code (relating to dividends received from certain foreign corporations) is amended by striking out "the percent (specified in section 243 for the taxable year)" each place it appears and inserting in lieu thereof "85 percent (100 percent in the case of a small business investment company operating under the Small Business Investment Act of 1958 (15 U.S.C. 661 and following))".

(2) Section 2345 of such Code is amended by adding at the end thereof the following new subsection:

"(d) LIMITATION AND SPECIAL RULES.—

"(1) LIMITATION ON AGGREGATE AMOUNT OF DEDUCTION.—

"(A) IN GENERAL.—Except as provided by subparagraph (B), the aggregate amount of the deductions allowed by subsections (a) and (b) shall not exceed 85 percent of the taxable income computed without regard to the deductions allowed by subsection (a) and (b) and sections 172 and 243, and without regard to any capital loss carryback to the taxable year under 1212(a)(1).

"(B) EFFECT OF NET OPERATING LOSS.—Subparagraph (A) shall not apply for any taxable year for which there is a net operating loss (as determined under section 172).

"(2) EXCLUSION OF CERTAIN DIVIDENDS.—

"(A) IN GENERAL.—No deduction shall be allowed under subsection (a) or (b) in respect of any dividend on any share of stock—

"(i) which is sold or otherwise disposed of in any case in which the taxpayer has held such share for 15 days or less, or

"(ii) to the extent that the taxpayer is under an obligation (whether pursuant to a short sale or otherwise) to make corresponding payments with respect to substantially identical stock or securities.

"(B) 90-DAY RULE IN THE CASE OF CERTAIN PREFERENCE DIVIDENDS.—In the case of any stock having preference in dividends, the holding period specified in paragraph (A)(i) shall be 90 days in lieu of 15 days if the taxpayer receives dividends with respect to such stock which are attributable to a period or periods aggregating in excess of 366 days.

"(C) DETERMINATION OF HOLDING PERIODS.—For purposes of this subsection, in determining the period for which the taxpayer has held any share of stock—

"(i) the day of disposition, but not the day of acquisition, shall be taken into account,

"(ii) there shall not be taken into account any day which is more than 15 days (or 90 days in the case of stock to which subparagraph (B) applies) after the date on which such sare becomes ex-dividend, and

"(iii) paragraph (4) of section 1223 shall not apply.

The holding periods determined under the preceding provisions of his subparagraph shall be appropriately reduced (in the manner provided in regulations prescribed by the Secretary) for any period (during such holding periods) in which the taxpayer has an option to sell, is under a contractual obligation to sell, or has made (and not closed) a short sale of, substantially identical stock or securities.

"(3) CROSS REFERENCE.—

"For special rule relating to mutual savings banks, etc., to which section 593 applies, see section 596."

(c) REPEAL OF CERTAIN PROVISIONS.—Sections 244 (relating to dividends received on certain preferred stock), 246 (relating to rules applying to deductions for dividends received), and 247 (relating to dividends paid on certain preferred stock of public utilities) of such Code are hereby repealed.

(d) NET OPERATING LOSS DEDUCTION.—Paragraph (6) of section 172(d) of such Code is amended to read as follows:

"(6) COMPUTATION OF DEDUCTION FOR DIVIDENDS RECEIVED FROM CERTAIN FOREIGN CORPORATIONS.—The deduction allowed by section 245 (relating to deduction for dividends received from certain foreign corporations) shall be computed without regard to section 245(d)(1)."

(e) MUTUAL SAVINGS BANKS.—Section 596 of such Code (relating to limitation on dividends received deduction) is amended by striking out "sections 243, 244, and 245" and inserting in lieu thereof "section 245".

(f) CLERICAL AMENDMENTS.—The table of sections for part VIII of subchapter B of chapter 1 is amended by striking out the items relating to sections 243, 244, 246, and 247 and by inserting after the item relating to section 241 the following:

"SEC. 243. Dividends paid by domestic corporations."

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 1980.●

AMERICA IN RETREAT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, with the SALT II Treaty now before the Senate, with the aftershocks of the Iranian revolution still being felt around the globe, and with summer gas lines vividly depicting this Nation's extreme degree of dependence upon the foreign OPEC oil cartel, the question of America's political and military position in world affairs has become a prominent question indeed. Enemies, allies, and Americans alike have all been reflecting upon the global status of the United States, and their inescapable conclusion is always the same: America is in retreat.

One analyst who has been examining both the causes and some of the possible solutions to this retreat is Mr. Ben J. Wattenberg, a senior fellow at the American Enterprise Institute and chairman of the Coalition for a Democratic Majority. In an article which appeared in the New York Times magazine on July 22, 1979, Mr. Wattenberg assessed the shifting tides of public opinion as we approach the end of nearly a decade of retreat.

Though Mr. Wattenberg displays a thorough knowledge of the numbers involved in defense spending and nuclear weaponry, as well as an acute awareness of the intricacies of international politics in the late 1970's, the thrust of his argument is that America's retreat can only be fully understood in light of the past trends and events which have led us into that retreat. As a professor of history myself, I could not agree more.

I would like to share the full text of Mr. Wattenberg's recent remarks with all of my colleagues. I highly commend this thoughtful article to your attention:

IT'S TIME TO STOP AMERICA'S RETREAT—AS THE WORLD SEEMS TO UNRAVEL, SOME OLD-FASHIONED IDEAS ABOUT FOREIGN POLICY ARE MAKING SENSE AGAIN

(By Ben J. Wattenberg)

There is a rhythm to the ideas of men. Thus, for an extended moment—call it from Tet to the Ayatollah—there seemed to be a growing sense that America's experience in Vietnam had repealed many of the old precepts of statecraft.

What were these old precepts? Well, why were we in Vietnam in the first place? To defend freedom, said L. B. J., *and* to honor our commitments so that other nations would not acquire an image of America as a paper tiger, *and* to prevent Communist forces from taking over other countries and toppling the dominoes one by one. And just how would we go about accomplishing this? We would do it with raw power—not because we wanted to do it that way but because, as events unfolded in Vietnam, there was no other way.

As Vietnam turned from an agony to a tragedy to a debacle, as it seared and shaped the minds of those who opposed the war and ultimately of many who supported it, these old precepts came under challenge. The rhythm of our era took us through a time when a new catechism emerged under the rubric of "The Lessons of Vietnam."

To the early doves and some of the latter-day doves, too, many of these lessons seemed

clear. American power, they felt, was not a last resort that got you out of trouble; American power was, in fact, what got you into trouble. We suffered, they said, from an "arrogance of power." We were "overextended." That "domino theory," of course, was "discredited." What had taken the shine off America's international image was our belief that human blood should be shed in the defense of something as intangible as that image. And freedom? Well, was the "corrupt" Thieu Government an exemplar of "freedom"?

And so it seemed to many that the old rules deserved to be challenged, even junked. Just as a "New Politics" formed in reaction to Vietnam, so too did a new foreign policy. It was a policy, said its advocates, that was less muscular, more accommodating, and lower in profile. It was a policy, said its critics, that was weak and retreatist. When Jimmy Carter, a man often in tune with the rhythm of American thought, took over as President, he staffed his foreign-policy agencies with people who accepted these soft-line "lessons" derived from "the trauma of Vietnam."

And then—suddenly—chaos.

Late last year and early this one, a grim sequence of events seemed to create a sense of what newsmagazines quickly labeled "America in Retreat." Revolution in Iran, withdrawal from Taiwan, war in the Yemens, war (once again) in Vietnam, a Communist coup and then assassination in Afghanistan, near anarchy in Turkey, price buccaneering by OPEC, mercenary militarism on Cuba's part on Africa, and, perhaps most symbolic, gaucherie and rebuke in Mexico.

The world was unraveling—or so it seemed. And as this happened, the melody of an already swelling new mood in Washington gained still more volume. The metronome was swinging again to the rhythm of our time. The crux of this new mood, I would suggest, can be defined as "the dawn of old ideas in a new era." And as one listens to the talk here these days, a feeling grows that if the President's State of the Union message had been delivered today instead of in January, the contest for a snappy slogan might have properly been won not by "New Foundation" but, perhaps, by "Old Foundation."

What are these old general rules that are now enjoying a new esteem? And now do they apply to what is clearly a new era in world politics and power? Consider, to begin, four such dictums, all of which are coming out of the closet now with a vengence.

The first rule is that image counts.

Once upon a time there was an American President named Richard Nixon who said that unless the United States flexed its muscles occasionally, the world would come to regard us as "a pitiful, helpless giant." That notion was greeted with derision.

But recent events suggest that it shouldn't have been. As it is in life, so, too, in statecraft: Image and perception may count as much as reality. In fact, they often become reality.

Late last year, just a moment before the world seemed to start shuddering before our very eyes, Zbigniew Brzezinski, Assistant to the President for National Security Affairs, spoke from a podium in an elegant hotel ballroom to a crowd of about 500 card-carrying members of the foreign-policy establishment. In his clipped, precise manner, he delivered a coherent and official view of the Administration's foreign policy.

When this Administration came into office, Dr. Brzezinski informed us, it identified a series of major problem areas facing America and the world: rich nations versus poor nations, East-West problems, military security, economic and trade problems, disarmament, human rights and so on. He was pleased to report that progress had been made on all these fronts. Such was the message that consumed roughly 44 of the speech's 45 minutes.

During the final minute of his address, however, Dr. Brzezinski acknowledged that, of course, the world was not a perfect place and some problems remained. He named two: The Russians were continuing a massive military buildup, and, he noted further, "an arc of crisis" now stretched "along the shores of the Indian Ocean." End of speech. Polite applause.

I left the hall and a few minutes later was at a small luncheon at the American Enterprise Institute with a man I will identify only as "Diplomat X," who happened to come from one of those nations in "the arc of crisis." His message differed considerably from Dr. Brzezinski's.

What on earth is going on? he thundered. The word is out around the world. Your great country, on which we all relied, is retreating from the world arena. We allied ourselves to you, antagonizing the Soviet superpower, and suddenly we find ourselves out at the end of the plank. And so we may have to cut a deal with the Soviets. We do not like this, because cutting deals with the Soviets is hazardous—and often the Soviets end up holding all the cards. But we now have little choice.

"Diplomat X" concluded by saying that he was sure that one day America would regain its senses—sooner, he hoped, rather than later. But in truth, he did not know whether the damage done by then would be reversible.

Now, the purpose of this exercise in the "Rashomon" of foreign policy is not to determine whether Dr. Brzezinski or "Diplomat X" is right about the state of American power. We already know the answer. "Diplomat X" is right. His nation has perceived America as weak. The sources of this perception are many: our lack of effective response in Angola, the Horn of Africa and Iran, our lack of response to, or alarm over, a Russian-surrogate takeover in Afghanistan, our inability to deal with a Cuban expeditionary force in Africa, our planned withdrawal of troops from South Korea, the demoralization of our C.I.A., our decisions to shelve the B-1 bomber and the neutron bomb, the feeling that we have been siding with our adversaries instead of bolstering our friends—and so on and so forth.

Of course, "Diplomat X" may well be objectively wrong about any or each of these cases or conditions. But that is not the point. When "X" and his diplomatic colleagues talk privately over drinks late at night, they are thinking and saying that the United States is in retreat. And then they, and their governments, act accordingly. Soon thereafter, one picks up the newspaper and finds a pro-American government acting neutral, or a neutral government acting pro-Soviet, or another batch of Cubans popping up in yet another African country, or another oil price hike that we didn't expect.

An example of the consequences of Americas' image as a helpless giant is what is happening in Saudi Arabia. The Saudis were horrified by what they perceived to be American weakness in Iran. Was it an accident that, following such horror, they made softer sounds to the Soviets, were less willing and able to put a brake on escalating OPEC prices, and didn't lift so much as a finger to help us out with the Egyptian-Israeli peace treaty?

Image counts. If other folks think you're a pitiful, helpless giant (or, in the Ayatollah Khomeini's felicitous phrase, "a defeated and wounded snake"), you're halfway there.

The second resurgent rule is that power counts.

The reassertion of this notion is similar to another great reassertion currently sweeping down the boulevards of Washington. "There's no free lunch," says Milton Friedman in the realm of economics. Everything costs something.

And so, too, in the realm of power and statecraft. Thus it is not very difficult to run a domestic three-ring circus around the Central Intelligence Agency. That's a free lunch. Senators can fondle poison-dart guns in front of television cameras. The agency can be denounced as a "rogue elephant." A battalion of legislators can be empowered to provide oversight. (Today a C.I.A. "secret" must be shared with eight Congressional committees and scores of typically tight-lipped legislators.)

All that is free and easy. What is not easy is to do this and still expect the C.I.A. to be able to do its job. The chutzpah award of the decade goes to those legislators who beat up on the C.I.A. with great glee and then demanded, How come we didn't know what was going on in Iran?"

"No free lunch" means that a demoralized intelligence agency, oversighted to death and scared of its own political shadow, is not likely to come up with coherent and tough-minded plans to squeeze Cuba in the right places so that Castro might decide that maybe his African adventure isn't such a good idea after all. Does anyone believe that such active planning is going on? I don't believe it because if it were so, given the current state of leakage, I would already have read about it in the newspapers.

Further, "no free lunch" also applies to more conventional modes of power. Suppose that, for a period of a decade, the United States declares that it has to reorder priorities." Suppose it decides that the way to do this is to "cut the bloated military-industrial complex." And suppose that this goes on at a time when the Soviet Union, our principal adversary, is reordering its priorities in exactly the opposite direction—beefing up and further bloating its military-industrial complex. If all this happens, the old-fashioned rules say that somebody, somewhere, will end picking up that lunch tab.

In the 1960's, the United States spent about 9 percent of its gross national product on military expenditures and about 10 percent for social welfare. Today, the military portion of our G.N.P. has fallen to 5 percent, while social-welfare spending has risen to 21 percent—a rather successful-reordering indeed.

Moreover, during this same period, spending by the Soviets on defense has soared. (Modest estimates say 15 percent of the Soviet G.N.P. goes for defense.) The common phrase for it is that the Soviets have undertaken the largest peacetime military buildup in history." A few years ago, such a phrase was the exclusive province of hawkish types like me, but today it is no longer seriously contested at any point on the ideological spectrum. Simply put, the Soviet Union has at least caught up with the United States in military power—and, as the current wisdom has it, unless the spending trends are reversed either by us or by them, America will in a few years be "No. 2" in military might.

We know this. They know this. And the rule of "no free lunch" holds that if they have more power and we have less, the Soviets will use what they have and be able to use it more effectively. If they want to back Cuban troops in Angola with massive economic resources, a wide array of military supplies and a resupply capability based on a newly developed blue-water navy, why, they will do it. And if, because of what we have done to our C.I.A., to our military power and to our own heads, we don't back UNITA, the still viable, still pro-Western Angolan guerrillas, it makes it just that much easier for the Soviets.

Power counts. And, in the language of the really old foundations, it abhors a vacuum.

The third rule: *Dominoes live.*

Exactly how the word "discredited" became

attached to the phrase "domino theory," during precisely those years when events were bearing it out, will no doubt remain a linguistic mystery for some time. Yet the facts are plain: Almost immediately after the fall of South Vietnam, Communist governments or puppets did assume power in neighboring Cambodia and Laos, just as predicted. For good measure, and in an ironic twist, when Communist Vietnam didn't like the behavior of Communist Cambodia, it simply marched in, toppled the new domino and installed its own surrogate government.

So much for liberal dominoes. But figurative dominoes were always more important in the diplomatic house built on the old foundations. Simply put, the domino theory was (and is) shorthand for the truism that events in one country influence events in others.

How could anything so obviously correct ever be "discredited"?

The validity of the figurative aspect of the domino theory was underscored in our newspapers during the recent days of tumult. Some months ago, doves laughed when "cold warriors" got hot and bothered about the pro-Soviet coup in Afghanistan. A backward, out-of-the-way country, they giggled. Makes no difference. But when the Shah experienced his recent unpleasantness in Iran, it wasn't so funny when reports came through that pro-Communist infiltrators were passing from that same Afghanistan into Iran in a continuing attempt to turn Khomeini's revolution into the Kremlin's.

And so it goes. Dominoes.

We will come to our fourth rule in a moment, but consider first a challenging question often raised over the past dozen years about the aforementioned three: *So what?*

So what if North Vietnam takes over South Vietnam? *So what* if the Soviets float a massive new navy and surpass us in nuclear firepower? *So what* if Cuba sends troops to Africa? What do any of these remote things have to do with us? Will the Soviets land in Montauk and march west?

This question is asked less frequently these days as the old foundations reappear. Partly, as I sense it, this is because some international events have had such a powerful impact on our domestic situation. "So what?" is an unrefined question at a moment when international conditions have driven the dollar down and gasoline and inflation up—phenomena felt on every street corner, in every supermarket and on every gas line. But in addition to these domestic implications, there is another old brick of an answer to "So what?"

The answer is our fourth resurgent rule: Freedom counts.

The foundation of American post-World War II foreign policy was clear: The Western notion of human freedom was threatened. Unless the United States defended these Western values, they might decline around the world, primarily under Soviet pressure. And if these values eroded around the world, sooner or later they would erode here as well.

It was, to be sure, a noble concept, but one that just as surely got us into trouble at times. Under such a policy it was easy enough to support other Western industrial democracies. But it also meant supporting other nations that were allied with us in resisting Soviet advances—even if those nations were not themselves democratic. At its most convoluted, the policy occasionally resulted in Americans' using covert, undemocratic means to support undemocratic governments threatened by internal forces that at least professed democratic beliefs.

Still, for all its complexity, there was a consistent purpose—and a moral one, at that—behind the sometimes rococo curlicues of who was friend and who was foe. As John Kennedy said, we were the "watchmen on the walls of freedom." That old brick, of course, was kicked aside during Vietnam. J.F.K.'s idealistic language was held up to mockery. (Cold Warrior!) Our allies in Vietnam put people in tiger cages and we weren't any better, what with napalm and My Lai.

But it was Dr. Johnson who said, "Depend upon it, sir, when a man knows he is to be hanged in a fortnight, it concentrates his mind wonderfully." Something like that seems to be happening to us now. As we end up on the short side of the operative principles of power, image and dominoes, our minds, too, are concentrating, and we are being forced to look squarely at that earlier guiding principal of our foreign policy, the defense of Western values.

No one would dare use the phrase "Communist menace" these days, but there are Communists and their footprints are still menacing. Solzhenitsyn has exposed the horrors of the Soviet gulag, and the Chinese version was denounced by none other than Deng Xiaoping. One can assume that Mr. Deng has a more accurate notion of the Chinese paradise than a generation of Western liberals who saw "a human symphony" (in Shirley MacClaine's immortal phrase).

Another bubble has burst in Indochina. The "boat people" are fleeing Communism just as the East Germans did a generation earlier—and as they did not flee the "corrupt" General Thieu. And in Combodia, the Khmer Rouge blood bath provided, *in extremis*, the horror that has come to be associated, in one way or the other, with Communist takeovers around the world.

So if Western values are still under siege, if the alternatives seem dreadful, and if America's power is diminished, one is pushed to ask yet another difficult question: Can our values ever really flourish in a world where "the United States is in retreat"? And the answer ones gets in Washington these days is a gloomy "maybe."

Now, in normal parlance, an answer of "maybe" carries little thought of imperative action. But consider "maybe" when it is used in this sentence: "Well, it's true we don't really understand the tides of history, but *maybe* the nature of Western civilization will be undermined if America doesn't turn things around. . . ." Now, that's a pretty big "maybe" to try to get to sleep with in the quiet, still hours when even harried diplomats must think about the long range effects of what they're doing.

Let us note that 10 minutes before the Dark Ages began, people were not sitting around their parlors saying, "Tut, tut, in 10 minutes the Dark Ages will begin." But recently, as I sense it, much of official and semiofficial Washington—in the Administration and Congress, in the think tanks and the plush law offices where outsiders wait to become insiders again—has been musing in this cosmic way. So far, our Western freedoms have represented a mere blip in history. There is no guarantee they will survive in any event, but the odds go down if we predicate that our children will live in a world where the Soviet Union is the most powerful military force on earth, and if we and our Western friends are perceived internationally as either "in retreat" or impotent. Fourth rule resurgent: Freedom counts.

And so there is a clammy feeling in Washington. Accordingly, foreign policy has rather suddenly become recognized as a key Presidential issue for 1980.

As President Carter and his spokesman watched the great unraveling earlier this year, they pursued two lines of public defense of their positions. "Restraint" was their policy, they said, and anyway, they asked, "What can we do about it?"

These arguments are less than robust on the campaign trail. Americans believe that a President is paid his salary not to ask what can we do about it, but to do something about it. Recent public-opinion polls, in fact, show the nation turning steadily to a more hawkish, prodefense posture. If President Carter hasn't sensed this, his Republican opponents certainly have. From Senator Howard H. Baker's call for an end to bipartisanship in foreign policy to John B. Connally's more vigorous call ("We have to make up our mind that the United States is the leader of the free world, and if we are not the leader, there will be no leader"), the Republican political sharks smell blood in the water. Nor are they above explaining that gas lines and high prices have some of their roots in foreign circumstances.

So politics, too, are conspiring to a move toward a reassessment and reassertion of America's international position. If Archimedes didn't say it, he ought to have: "Give me the lever of domestic political advantage and I can move the world."

What, then, can we do, besides saying, "What can we do about it?"

The first step toward an answer involves acknowledging that there is merit in the Carter Administration's oft-proclaimed view that we live in a new era. It is surely true that we do not have the same ability to control events around the world that we once had. There is a new set of "multipolar" circumstances, and friends, foes and neutrals are all more powerful than they used to be.

But that there is a new set of global circumstances, for one example, does not mean that America must remain denuded of an intelligence agency. That can be changed, quickly and unilaterally, while still allowing for some form of reasonable oversight.

That there is a new era does not mean that the Soviets must be allowed to become the dominant military power. It is an ugly fact but a fact nonetheless that America's defense spending must be determined by the Kremlin, not by the poor condition of our cities. The United States and its allies still make up by far the mightiest assembly of technological and economic resources known to history. The idea that we cannot afford a given amount of defense to meet Soviet activity is, simply, hokum.

Still, we can never go back to our military supremacy of the 1950's. That there is a new era in which our military power is necessarily diminished in a relative sense may well mean that we have to think once again about playing hardball with the Soviets on economic matters. The "discredited" Jackson Amendment linking American trade preferences to Soviet emigration policy is about as "discredited" as the domino theory. The Soviets have recently loosened up their emigration policy in an attempt to gain trade benefits. That is precisely what the Jackson Amendment intended, and the question now is only whether we hang tough and nail down a good bargain.

There are other economic linkages, admittedly complicated, that deserve consideration. The Soviets need Western technology, grain and so on. In the new era, they may well have to expect to pay a political price for what they need. The phrase for such a policy is "the wealth weapon," and it is an instrument that can be wielded only as a scalpel, not as a blunderbuss. If the Soviets want wheat, for example, we might be able to design a sales and licensing procedure that would key such trade, perhaps subtly, perhaps publicly, to a lessening of the rate of increase of the Soviet military buildup.

In the new era in which American raw power is diminished, there is all the more reason to look at our sources of refined power. The campaign for human rights, brilliantly begun and sadly executed by President Carter, is such a power source. Our human-rights policy, originally designed to deal with strong adversaries, has become a switch with which to whip weak allies. It is, after all,

easier to berate Chile and South Korea than the U.S.S.R. This should change. Poised as it is on a potential powder keg of restless nationalities within its borders, challenged in Eastern Europe by the galvanized divisions of the Pope, scorned now even in leftist intellectual salons around the world, the Soviet Union will be a much less dangerous force in the world if we make sure that it remains on the ideological defensive by renewing our campaign for human rights.

Now, it's all true, all these suggestions do not tell you what to do on the day when the gunmen take over your embassy or when the Cubans arrive in yet another African country or when another neutral state acquiesces to Soviet pressure. All that a change in American foreign policy along the lines suggested here will do is make it somewhat less likely that such events will plague us in the future, less likely that a future American administration will have to say, quite so often or quite so plaintively, "But what can we do?"

The Carter foreign-policy team, often still mired in the mentality of the late 60's, may well have been the last to know, but under the combined pressures of circumstances and politics, the Carterites, too, are beginning to understand once again the old precepts and to unlearn some of the "lessons of Vietnam." I think, for example, that a case can be made that the final and successful push for the Egyptian-Israeli peace treaty came only after the Iranian collapse, after the tumbling-house-of-cards sensation, after the newsmagazines asked if "America was in retreat." Aside from all the other valid reasons for such a treaty, suddenly America needed the treaty to send a message to the world that our writ had not run out. And we were able to make it happen by letting both Egyptians and Israelis know that, at least in this one area of the globe, America was still the world's policeman.

Our decision to send arms to Yemen was also of major symbolic significance. Just about every official I spoke to at the State Department volunteered the thought that such a situation would not have engendered such a response only a few months earlier. One assistant secretary said to me, "I was against sending the aircraft carrier to the Yemen area. What the hell can a carrier really do there anyway, besides get sunk? But once we did it—by God—it did make sense. Everyone—us and them—suddenly knew we were playing for keeps. And that becomes a big fat fact." Now, for good measure, there is talk about establishing a new U.S. fleet, the Fifth, to patrol the littoral of the Indian Ocean.

Recently, too, the President has finally approved plans to go ahead with some aspects of the MX missile system—to applause from the Pentagon—in an effort to help passage in the Senate of the SALT treaty.

Indeed, it is likely that the SALT debate, too, will deal with the dawn of old ideas. It is fair to guess that more than one senator will speculate out loud that he could find it easier to vote for SALT if the Russians sent their Cuban mercenaries back from Africa to their island cane fields. Quite properly, the SALT debate will address the big issue of whether the policy of détente, which was designed to end the cold war, has turned into a policy whereby we are losing the cold war because of our neglect of the old rules of statecraft. Simply put, it is doubtful that the President will be able to obtain solid endorsement of the SALT treaty if Americans believe that "the United States is in retreat."

And so, the pendulum is swinging—for the third time in a third of a century.

After World War II, the United States filled a massive power vacuum while the European nations and Japan, with our assistance, rebuilt themselves. Our mood was expansive and internationalist. In a brief moment, our technology and culture spread across the world; our military might was unparalleled. The American century had arrived.

But the view of American power began changing in the late 1960's and early 1970's, at least among a good portion of American elites. Our power had gotten us into trouble. We identified our adversary; a generation of activists paraphrased Pogo's words: "The enemy is us."

So the pendulum swung back. The Presidential candidate of the largest and oldest political party of the free world in 1972 was described as a "neoisolationist." George McGovern was a big loser in the election, but his plea, "Come home, America," surely represented a new view held by many influential Americans.

Now the pendulum is swinging once again. Our problem is not too much but too little power. The old chestnut of "peace through strength" makes ever greater sense. The realization has dawned on us again that our culture, our values, our ideas are worth defending. And the nation seems ready to act, moderately, on this proposition.●

MARGUERITE G. WOOD: PIONEER AVIATOR OF HAWAII

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. HEFTEL. Mr. Speaker, I am proud to join Congresswoman SCHROEDER in honoring American women's contributions to American history, by calling to your attention Marguerite G. Wood, pioneer aviator of Hawaii.

Marguerite G. Wood turned to flying in the early 1930's for a unique reason; her grandmother thought surfing was too dangerous for her. She received her pilot's license in 1936, and in 1939 joined the Gambo Flying School at John Rodgers Field. She was Hawaii's first female commercial pilot, flight instructor, and flight school operator.

Wood's most memorable flight was on December 7, 1941, when the Japanese attacked Pearl Harbor. She was in the air at the time, and saw the attack from above. She barely escaped strafing by Japanese pilots when she landed at John Rodgers Field, the present Honolulu Airport: An exciting beginning to her military service. The incident was later portrayed in the movie "Tora, Tora, Tora."

In the male-dominated field of aviation, she was the only commercial pilot allowed to continue flying after the December 7 attack. When her flying service in Hawaii was closed later in the war, she moved to Arizona to become the chief flight instructor for a school to train combat pilots.

Wood has continued her interest in aviation, through Hawaii's Country Club of the Air, a flight instruction school, and through scholarships to Civil Air Patrol cadets and others. She was recently honored at the 10th anniversary of the Ninety-Nines, an organization of women fliers. A plaque bearing her name will be installed at the International Fores of Friendship's Memory Lane in Atchison, Kans. Atchison is Amelia Earhart's birthplace, and for Wood, who often cites Earhart as her inspiration, this gives the honor a special significance.

In Hawaii, an island State, the advent of commercial air travel has played an especially important role in the development of our present economy and lifestyle. Marguerite G. Wood, 65 years old, still flying and still managing her flight instruction school, is deserving of our respect and admiration. She epitomizes the pioneering, and enduring spirit of Hawaii's aviators.●

EXPANSION OF TARGETED JOBS TAX CREDIT

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GUARINI. Mr. Speaker, today I am introducing legislation to expand the targeted jobs tax credit contained in the Revenue Act of 1978 to include unemployed workers in designated redevelopment areas.

The Revenue Act of 1978 (Public Law 95-600) included a tax credit for wages paid to certain target groups—vocational rehabilitation referrals, economically disadvantaged youth, economically disadvantaged Vietnam veterans, economically disadvantaged convicts, supplemental security income recipients, recipients of general assistance, and cooperative education students.

However, this list of targeted groups failed to include workers in areas of chronic unemployment. Since the last recession, there has been a considerable lag in the recovery rates of certain communities around the country. Particularly in the Northeast and Midwest, unemployment has continued at levels significantly higher than in the rest of the Nation as a whole.

In order to address the compelling needs of these workers, I have added a new category, "qualified redevelopment area workers" to the targeted groups in Public Law 95-600. The employer of a qualified redevelopment area worker would be eligible for a tax credit equal to one-half of the worker's first year wages and one-quarter of the worker's second year wages up to a maximum of $6,000. This would work out to a maximum tax credit of $3,000 the first year and $1,500 in the second year.

To qualify for the credit, the worker must be first certified as unemployed for 60 days prior to employment by a local agency designated by the Department of Labor or the Treasury pursuant to provisions of Public Law 95-600.

Second, the worker must be employed and work within a redevelopment area as described by the Public Works and Economic Development Act of 1965 (Public Law 89-136, 42 U.S.C. § 3161). Under the provisions of that law, the Secretary of Commerce may designate certain areas

as redevelopment areas if there has existed "substantial and persistent unemployment for an extended period of time" or in which there has been a "substantial loss of population due to lack of employment opportunity." The designated areas also include those localities in which the Secretary of Labor finds that the unemployment rate is at least 6 percent and in which the unemployment rate is substantially above the national average.

Third, the services performed must be within the redevelopment area. This provision is designed to attract employers to areas of high unemployment and to maximize utilization of unemployed workers in those areas.

The tax credit would apply to wages paid after December 31, 1978, to qualified workers who were not hired before that date by the employer.

In summary, this bill would serve two purposes: It would assist unemployed workers in areas of chronic high unemployment; and would provide a further inducement to employers to locate in depressed areas in order to utilize unemployed workers in those areas.●

PITTMAN-ROBERTSON FUNDING: AN ENDANGERED SPECIES?

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SOLOMON. Mr. Speaker, ever since 1937, Federal funds have been made available to our States and territories for the use on fish and wildlife restoration and hunter safety programs under provisions of the Pittman-Robertson Act. Pittman-Robertson has been a highly successful and popular Federal-aid program among States and local officials, sportsmen and outdoor enthusiasts across this country. It was therefore distressing to learn of a recent court suit pending here in Washington against the U.S. Fish and Wildlife Service which threatened the future of this program.

When Congress passed the Pittman-Robertson Act, Federal tax was placed on the sale of all sporting arms and ammunition, hand guns and some archery equipment. Each year, the Fish and Wildlife Service returns this money to the 50 States, Guam, Puerto Rico, and the Virgin Islands, for use on a variety of fish and wildlife programs. Currently, over 600 projects nationwide receive some Pittman-Robertson funding. Yet just recently, the smooth continuation of this program was jeopardized because a substantial portion of this aid was tied up in litigation. An attempt was made to block funding for a total of 182 Pittman-Robertson projects nationwide until environmental impact statements were filed on each one of them as required under the National Environmental Policy Act (NEPA). At least one project in every State was affected by this action.

As my colleagues are no doubt aware, environmental impact statements are required whenever a Federal action may have a "significant impact on the quality of the human environment." A close examination of the projects under challenge however, reveals that most of them did not meet this criterion. They were only challenged as a way of ensnarling a program with which the plaintiffs disagreed.

While this suit was eventually dismissed, it created a climate of grave uncertainty about the future of the projects involved in this litigation. A severe and unnecessary burden was placed on the States which rely on this money for the successful operation and maintenance of their Pittman-Robertson projects. If the suit had been successful, millions of dollars in Pittman-Robertson aid to the States could have been delayed for months or even years. This could have meant significant cutbacks in some of these projects and the eventual elimination of others.

Mr. Speaker, the Pittman-Robertson program is one Federal program which actually does work. This money has helped the States establish fish and wildlife refuges. Sportsmen have been provided with areas in which to hunt and fish, and adequate stocks of game species have been maintained for this purpose. While much of the Federal money directly benefits the hunters, trappers, and fishermen in our country, this program is not limited to these uses alone. For example:

In Illinois, extensive farming operations are being done on a portion of a 14,300-acre wildlife management area to provide food for Canada geese and to provide an appropriate setting for viewing this wildlife.

In Maryland, the Southeastern Cooperative Wildlife Disease Study Center is surveying diseased wildlife to determine the cause of wildlife disease and devise methods for its control.

In New Mexico, attempts are underway to identify and determine the status of endangered and threatened fish and wildlife species in that State and to initiate activities aimed at their preservation.

In Oregon, portions of the Sauvie Island Wildlife Area are being protected from excessive public use in order to enhance this area to benefit wildlife.

In California, the natural habitat of the Grizzly Island Wildlife Area is being improved to the advantage of wildlife through water level management and some farming.

In Florida, the movements of deer, quail, turkey, bear, and rare and endangered wildlife are being studied. Study is also taking place on the parasites and diseases of wildlife in this region, to develop a means of controlling them.

In short, Pittman-Robertson funding is being used in a variety of ways which benefit not only sportsmen, but individuals of all types who enjoy exploring the outdoors and observing wildlife species in their natural habitat.

Those who wish to hunt or fish are given that right, but in controlled areas carefully maintained by the States. Hunter safety training programs are available to insure adequate safeguards for those participating in this form of recreation.

Those who simply wish to view the natural beauty of Canada geese quietly lounging in a marshland or mountain elk strolling across the slopes of Alaska can also do so, thanks to Pittman-Robertson funds provided to maintain natural wildlife habitats for this purpose.

Mr. Speaker, because this Federal aid is vital if these opportunities are to remain, I have introduced legislation to prevent future court challenges to Pittman-Robertson funding by groups or individuals who are merely promoting their own narrow self-interests. Federal aid (like Pittman-Robertson funding) which benefits so many Americans should not become an "endangered species" of its own, simply because some people disagree with its purpose.

My bill, H.R. 4497, has two simple provisions. Section 1 permanently exempts eight categories of Pittman-Robertson projects from compliance with NEPA because they do not significantly affect the human environment. Among these exemptions are routine maintenance projects; surveys and inventories to determine the numbers and conditions of fish and wildlife in their habitats; hunter education programs (including classroom and target range instruction); and migratory bird banding operations.

Section 2 stipulates that no funding for a Pittman-Robertson project can be held up by a court injunction while any legal challenge to its relationship with NEPA is pending. This section also provides time (up to 1 year) for the Fish and Wildlife Service to comply with any court ruling involving these projects before funding can be affected.

My legislation will not cost the taxpayers any additional money. Rather, it will help insure that money already provided for fish and wildlife programs under the Pittman-Robertson Act is actually spent for that purpose, not fighting legal actions against it. If this bill is enacted, each State will be able to proceed with its share of Pittman-Robertson projects without the threat of an interruption in Federal reimbursement. This will make advance State planning and budgeting much easier.

Mr. Speaker, several of my colleagues have already joined me in sponsoring this legislation. This is not an issue which breaks down along partisan, geographical, or ideological lines. On the contrary, broad-based support has already developed for this measure because Pittman-Robertson funding affects every State in this Nation. In fiscal year 1979, over $100 million will have been spent on this program nationwide. Similar amounts are expected to be spent next year. I urge my colleagues who share the tremendous concern about the future of this program as expressed by sportsmen and outdoor enthusiasts throughout America, to add their names as cosponsors of this legislation. Now is the time to act. Fish and wildlife programs must continue to flourish, not die. Exploitable technicalities designed to harass worthwhile Federal programs such as Pittman-Robertson must be eliminated.●

WHY NOT THE BEST?

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. WINN. Mr. Speaker, a few weeks ago, President Carter spoke to the Nation about confidence. In a strident tone, he made several points about what he felt was wrong with the country and what he felt could be done to restore confidence. I believe he neglected one of the most important points.

People are not suffering from a lack of confidence in our country, its goals and its future. More importantly, people are suffering from a lack of confidence in the leadership of this country. Not only are they dissatisfied with the way they see this body act, but they are deeply perturbed by the lack of leadership displayed by President Carter.

This message has been conveyed to me in many ways, and today I am submitting for the RECORD the "Saturday Column" from the Lawrence (Kans.) Daily Journal-World, of July 28. In a very profound and thought-provoking way, the editor and publisher, Dolph Simons, Jr., has hit the nail on the head, as far as the people in the Third District of Kansas are concerned.

I urge my colleagues to read these remarks and to consider the points raised with great care:

SATURDAY COLUMN

(By Dolph C. Simons Jr.)

President Carter is facing some extremely tough days in the months to come and it is difficult to predict which of his concerns will receive top priority and the most massive efforts to correct.

Included in his worries are his own popularity among both the general citizenry and within his Democratic Party; approval of the SALT II agreement with the Soviet Union; the energy situation in the U.S., and the nation's economy which presents to Carter the question of how to meet growing inflation without bringing about higher unemployment, which would be damaging to his chances for re-nomination and possible re-election, along with the question of how to moderate a possible recession.

Aside from the president's worries about how to maintain his popularity and how to fight off possible challenges by Ted Kennedy, Jerry Brown, and maybe even more Demo hopefuls, the president has the heavy responsibility of trying to guide this country over a tough and highly dangerous obstacle course. Lately, Carter has appealed to the public for unity and support and has suggested that anyone who is critical of the presidency, or his efforts, is weakening the country and/or is offering proof they do not believe in the future of America. He wants a "unified team", he suggests that a great many in the U.S. have "lost confidence" in the country and he wants "team players.

This all is well and good, but it is highly questionable if the public's spirit is as low as the president suggests, and it is completely wrong for Carter to imply or label anyone who is critical of the president as not being patriotic or as an individual who doesn't believe in this country.

The fact is that the vast majority of Americans still believe the U.S. is the greatest country on earth, offering more freedoms and more opportunities than any other nation—but, they are fed up with the caliber of leadership of a high percent of our elected officials.

Carter sought the presidency, he promised voters he could do a better job than his predecessor, he had quick, easy and great-sounding solutions to most all concerns and worries and he presented himself as just about the greatest thing to ever hit the political scene. He made promise after promise, and he kept saying whatever his pollsters told him the voters wanted to hear.

It is natural for many citizens to feel sorry for Carter and his worries and responsibilities, but no one should forget he worked for two or three years to get the job and from all indications he wants to have another four years in the White House after his first term is completed. Carter, his wife Rosalynn, and all the other members of the Georgia contingent which has moved to Washington seem to like their jobs, so no one should feel too sorry for these individuals.

What should be worrying more Americans is what will happen to the country with a continuation of the Carter presidency. It is obvious there is a loss of public confidence in Carter, not a loss of confidence in this country, its potential and its future. There is serious and legitimate doubt about SALT II and whether Uncle Sam is being a chump and is backing down in face of the superior military strength of the Soviet Union.

Carter talks out of both sides of his mouth about how to fight the energy matter, and there is justification to worry about how he intends to fight inflation, recession and unemployment. It should be remembered that just a year from now Democratic delegates will be gathering to select their nominee for the 1980 presidential election. And Carter wants to make sure he doesn't offend too many delegates or voters.

Republicans have no reason to gloat, however. At this stage of the political battle no one has emerged from within the GOP ranks as a truly superior candidate for the White House. And, if Carter should get knocked off within his own party, what would happen to the nation with either Kennedy or Brown sitting in the Oval Office?

It is not a question of there not being many topflight individuals who could ably serve as president of this country, but rather a case of these types of individuals either not wanting to seek the presidency, or else believing the chances of their ever getting elected are highly doubtful.

Consequently, the nation gets people who find it easy to make promises, present flashy smiles, make the deals to win the necessary political support and, when and if they make it to the White House, they suddenly discover that it was far easier to get applause and support on the campaign trail by promising this and promising that, than it is to face the tough issues head on and come up with realistic, sound solutions in the best interests of the country.

Jimmy Carter asked, "Why not the best?" and at this time, it seems like an even more appropriate question.●

MELANIE DELIANIDES

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. REGULA. Mr. Speaker, today marks the last day of the service of Melanie Delianides as a congressional page. Although Melanie is a resident of Norwalk, Ohio, in the 17th District, many members of her family live in the 16th Congressional District. Therefore I feel as if she represents my congressional district as well as that of her sponsor, Congressman JOHN ASHBROOK.

Quite often I have introduced Melanie to residents of the 16th District who are visiting the House of Representatives Chamber. I have been grateful for this privilege; because our visitors, especially the young members of the visiting families, are quite excited to meet a page with many relatives in the Canton area and to hear firsthand from Melanie about her experiences.

She has charmed my constituents with her candor and thoughtfulness as she shares with them her insights and experiences as a page during the past 10 months.

Melanie is a shining example of the attractive, thoughtful young people who serve as pages in the House of Representatives. In her conversations with our visitors, she presents the positive image of the young people and the Government they serve that is vital to our Nation's future. The privilege of meeting Melanie has been an inspiration to our visitors from the 16th District, and I am grateful to her for her part in enhancing the visits of 16th District residents to the Nation's Capitol.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent from the House of Representatives on Tuesday, July 31, 1979. Had I been present, I would have voted: "aye" on rollcall No. 405 authorizing a bust or statute of Martin Luther King, Jr. to be placed in the U.S. Capitol; "aye" on rollcall No. 406 on final passage of S. 961, amending the Speedy Trial Act of 1974; "yes" on rollcall No. 408 amending S. 1030, the Emergency Energy Conservation Act of 1979, to provide for a legislative veto of any gasoline-rationing plan at the time it is submitted by the President to the Congress rather than at the time of the implementation of the plan; "aye" on rollcall No. 409, amending S. 1030, to require the President to describe how any gasoline-rationing plan will affect the handicapped, rural and suburban areas, and to require that the appropriate congressional committees hold hearings on any gasoline-rationing plan and issue findings within 120 days after the President has submitted the rationing plan; "no" on rollcall No. 410, amending S. 1030, to strike the provisions requiring a gas-shortage of 20 percent for 30 days before the President may put the gasoline-rationing plan into affect; "no" on rollcall No. 412, amending S. 1030, to provide for the expiration of the President's authority to implement gasoline-rationing on September

30, 1980; "aye" on rollcall No. 413, amending S. 1030 to provide exemptions from the 78° building temperature restrictions for buildings which achieve an equivalent reduction in energy consumption by other means.●

REGULATING POWERS OF FEDERAL AGENCIES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DANNEMEYER. Mr. Speaker, today it is my privilege to submit legislation for the consideration of the House that would assist it in retaining its constitutionally mandated role of making the laws by which the citizens will live. Our position as the lawmakers of this country is being threatened by the massive bureaucracy in the executive branch that legislates through the labyrinth of rules and regulations that they force upon an already overregulated populace. The legislation that I have submitted today is designed to cut through this Gordian knot of regulation that strangles business, commerce and the personal lives of all of our constituents.

This bill would prohibit any agency from promulgating rules or regulations that would have the same legal effect as any provision of a bill rejected by vote of either House of Congress or any committee or subcommittee of either House. This prohibition on rulemaking would remain in effect for 3 years following the date of disapproval of the bill. This prohibition may be overridden by concurrent resolution of the House and Senate or by enactment of a law that specifically provides for the prohibited rule to be promulgated.

Allow me, if you will, to relate to you an incident that was brought to my attention by one of my constituents that illustrates the degree to which our legislative prerogative has been preempted by the executive branch and its superagencies. In the two preceding Congresses, legislation was introduced that would have closely regulated the standards and certification industry. This regulation would have had profound effects upon every American due to the pervasive nature of the certification and standardization of the many products that we use every day.

At present this self-regulation that industries impose upon themselves has served well to insure high product quality over a broad variety of goods used in our homes on a daily basis. Over the course of consideration of these pieces of legislation the Senate twice declined to enact them into law. Two consecutive attempts to make these proposals into law were rejected by the duly elected lawmakers of this country.

In the wake of this double rejection of regulation of the standards and certification efforts of private industry one would expect that the question had been resolved. But no, the FTC has seen fit to step into the picture and impose rules specifically rejected by the Senate.

An analysis done by my staff comparing the FTC rules to the previously rejected Senate bills reveals that the rules do much that the bills intended for domestic standards and certification labs. But the FTC rules attempt to go beyond the earlier proposals by mandating stricter adherence to standards and guidelines for certifiers and regulating the way certifiers may use standards in the course of their evaluations of products. These represent clear steps toward further regulation of the industry beyond the scope of the proposed legislation.

I perceive this as a dangerous trend away from regulation with representation and toward regulation without representation. The faceless bureaucracies of Washington, insulated from the desires of the people in their granite monuments, are becoming the most pervasive lawmaking body of this land. They impose rules and regulations conceived by individuals who have not been elected by the citizens of this land and who do not answer to anyone but another hidden authority.

The real costs of this sort of over regulation are borne by all of us as consumers. The excessive work and paperwork necessitated by these hidden lawmakers contributes to the inflation that robs every member of society and is an acute burden for the poor and elderly. The curtailment of excessive regulation that has been rejected by Congress will not only return to us our duty as the exclusive lawmakers of this country, but it will also be a strong first step toward solving some of the Nation's gravest problems, inflation and overregulation.

I submit to you that this subtle encroachment of executive agencies into the legislative arena portends a bleak future for personal freedom in this land once built upon principles of personal freedom. This trend must be arrested before it grows so prevalent that its control will be impossible. I sincerely urge you to consider this legislation here introduced as an impetus to consideration and discussion of this grave matter and that out of this simple beginning may come swift and decisive action to preserve the freedom and integrity not only of the people of this great land, but also the delicate balance of power that this body has fought to preserve.●

TRIBUTE TO BOWLING ASSOCIATION

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. YATRON. Mr. Speaker, on Sunday, August 26, the Greater Reading and Berks County Bowling Proprietors Association begin their all-American family bowling expo with a roll-off dinner and sports celebrity roast to raise money for muscular dystrophy research.

I ask my colleagues to join me in commending, Mr. Daniel E. Diefenderfer, secretary of this fine organization and all the members of the Reading and Berks County Bowling Association for their outstanding efforts to help those in great need. Muscular dystrophy is certainly a most destructive disease and I am hopeful that the public spirit exhibited by this fine organization will be echoed throughout our country until a cure is found.●

SOCIAL SECURITY LUMP-SUM DEATH BENEFITS

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GUARINI. Mr. Speaker, today I am introducing legislation which will assist many poor and lower income families in coping with rising funeral expenses.

A death in any family is a time of trouble and hardship. Unfortunately, it is even more difficult for a family with limited resources. Along with the sadness over the loss of a loved one, the family must face the problem of paying for a funeral at a time when any additional expense is burdensome.

The National Funeral Director's Association has noted that while the average adult funeral in 1967 cost $850, it cost $1,285 in 1975 and in 1976 the Federal Funeral Director's Association estimated costs of $2,002. The average American funeral in 1978 was reported to cost between $2,200 and $2,400.

The legislation I am proposing will increase the social security lump-sum death benefit to a maximum of $750 for those individuals covered by social security who leave small estates. At present, this benefit is limited to a maximum of $255 for everyone under social security.

In 1965 and again in 1971, the HEW Advisory Council on Social Security commented that the lump-sum payment "should not be subject to a dollar limit that is allowed to remain stationary when other provisions of the law are changed, but rather * * * the dollar limit should be adjusted with other provisions of the law as earnings levels rise." At the present, the cost of increasing the death benefit to $750 for everyone would be prohibitively expensive. However, it would seem appropriate to provide some relief to those most in need.

The bill which I am introducing would increase the amount of the lump-sum payment to $750 if the value of the decedent's estate is determined to be $5,000 or less. The additional $495 would be added to the base level of $255 for the purpose of providing additional funds to help finance the funeral of the decedent.

The value of the decedent's estate would be the net worth of the estate as determined by regulations to be promulgated by the Secretary of Health, Education, and Welfare. It is my intention that the additional $495 not be received until the final settlement of the estate, at which time the exact value of the estate

would be known. In no way, however, would the base payment of $255 be affected.

Funds for this increased benefit would be taken from the social security trust fund with all amounts in excess of the base payment of $255 refunded from general revenues.

In conclusion, I would urge my colleagues to support this simple, compassionate measure which would alleviate some of the burdens placed upon our neediest individuals and their families.

Thank you.●

MURRAE FEINGOLD—DISTINGUISHED SENIOR CITIZEN

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. WYDLER. Mr. Speaker, in the passing of Murrae Feingold last night, the Fifth Congressional District of New York lost one of its most outstanding senior citizens.

Murrae Feingold was a human being who cared. Born on June 3, 1894, he pursued a long and successful career with the Hall of Records in New York City. He retired from that responsible position in 1960.

For Murrae Feingold, however, retirement was not an end. It was a new beginning. His concern for others led him directly into full involvement with the affairs of the senior citizens of our area. His activities and leadership directly touched the lives of hundreds of senior citizens in our area and made significant improvements in the lives of thousands of others.

At the time of his death, Murrae Feingold was serving actively as chairman of the Older Americans Volunteer Committee of the town of Hempstead—a position which he held for a number of years.

Other activities which enabled him to play such a significant role in the affairs of all senior citizens of New York's Fifth Congressional District were his work as consultant to the town board of the town of Hempstead, his service as vice president of chapter 59 of the American Association of Retired People; and his role as a founder of the Nassau Senior Forum. In 1971, he was appointed to the White House Conference on Aging, and for many years, he also served on the executive committee of the advisory board for Nassau County Older Americans.

In addition to his work directly involving senior citizens, Mr. Feingold was very active in consumer health affairs with the town of Hempstead. His dedicated and untiring efforts in community affairs directly resulted in improving the quality of life for many residents in the Fifth Congressional District.

When I instituted my senior citizens intern program in 1974, I made the decision that the interns participating in the program each year would be selected by a committee of their peers. At that time, I asked Murrae Feingold to serve as a member of that selection committee. His judgment, particularly on matters involving the interests of the aged, was so highly valued and respected that his involvement in the selection of the senior citizen interns who come to Washington each year from the Fifth Congressional District has done a great deal to make my senior citizen intern program a success.

Murrae Feingold was my valued friend and adviser. We will miss him greatly in the days to come.●

TREATY IN NO WAY BRINGS MORE SECURITY TO EUROPE: AN INTERVIEW WITH MANFRED WÖRNER, CHAIRMAN, ARMED SERVICES COMMITTEE, OF THE GERMAN BUNDESTAG

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, Dr. Manfred Wörner, the chairman of the Armed Services Committee of the West German Parliament, recently gave an extremely interesting interview on SALT II. Dr. Wörner identifies many of the European concerns that I have heard regarding SALT II. I would like my colleagues to have the benefit of the views of a very able, well respected, and distinguished parliamentarian of one of our major allies and most important friends. I insert the interview in the RECORD at this time:

"TREATY IN NO WAY BRINGS MORE SECURITY TO EUROPE: AN INTERVIEW WITH MANFRED WÖRNER, CHAIRMAN, ARMED SERVICES COMMITTEE, OF THE GERMAN BUNDESTAG"

DIE WELT, MAY 11, 1979

Welt: Does the SALT II bring more or less security for Western Europe and does this treaty influence the conventional components of defense?

Wörner: The SALT II Treaty in no way brings more security for Western Europe. European security depends on the balance of power at all levels. Of decisive importance is the credibility of the U.S. nuclear deterrent. The massive Soviet buildup in the area of intercontinental weapons will lead by the beginning of the 80s to the vulnerability of the land-based American intercontinental missiles and through it to a threatening imbalance in favor of the Soviet Union. The SALT agreements do not change anything here. It is indispensable for European security that the United States reestablish the invulnerability of its land-based strategic missiles and that the SALT provisions not prevent it from doing this.

In the area of medium-range weapons, the protocol of the SALT II Treaty creates an imbalance at the expense of Europe, which would be unbearable in the long run. The Soviet medium-range weapons (SS-20 missiles and the Backfire Bomber) are unrestricted towards Western Europe, whereas the cruise missiles, one of the possible counter weapons of the West, are subjected to limitations. Europe can live under these provisions only if it is made clear that the protocol expires after three years and will not be made a basis for the SALT III negotiations.

It is also important to European security that the non-circumvention clause be so unequivocally defined and so understood that it does not hamper the defense efforts of NATO in the nuclear and conventional area.

The establishment of nuclear parity in the strategic area increases the necessity of reducing the superiority of the USSR at the other threshhold levels, including the conventional one.

Welt: Is the NATO doctrine that rests on the total system of flexible deterrence not put in jeopardy?

Wörner: The NATO doctrine of flexible deterrence grows out of the linkage between conventional, tactical-nuclear and strategic nuclear levels, and thus imposes unacceptable risks for the potential attacker. A Soviet superiority in the strategic area, or in the field of theater nuclear weapons, would cut this connection and would practically detach Europe from the United States' nuclear protection, with all of its political and military consequences. The SALT Treaties should not sanction such a situation and they should not close the road to a balancing of power.

Welt: How can SALT II constitute the basis for the negotiations intended by the West on the so-called gray area weapons?

Wörner: This question cannot be answered definitely either without the knowledge of exact treaty texts. However, it is important that for the gray area weapons the principle of parity be established. The continuing expansion of the Soviet medium-range potential undermines the strategic equilibrium and makes Europe a hostage of the Soviet Union against the United States. Counter measures by NATO are urgently needed.●

CAPTIVE NATIONS COMMITTEE OF WESTERN NEW YORK

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

Mr. KEMP. Mr. Speaker, the Captive Nations Committee of Western New York is one of the most active chapters in the country that is concerned with the freedom of the Captive Nations and the establishment of human rights behind the Iron Curtain. On July 21, this committee adopted the following resolution which was proposed by Mrs. Dasha Procyk, a dedicated leader of the Ukrainian community in New York State. I urge my colleagues in the Congress to take note of this important statement.

RESOLUTION OF THE CAPTIVE NATIONS COMMITTEE OF WESTERN NEW YORK

Whereas, two decades ago, the legislators of our land passed Public Law 86-90 whereby requesting the President to proclaim the third week of July of each year as Captive Nations Week, and;

Whereas, the intent of this law is to render moral support to all captive nations craving to regain their lost freedom and independence; and

Whereas, the past twenty years have seen a steady and disturbing erosion of national and human rights in different parts of our shrinking world; and

Whereas, political prosperity can only be guaranteed when supported by morality in all endeavours of public life; and

Whereas, true freedom and liberty cannot be established without adherence to the

fundamental tenets that national and human right is a basic pre-requisite to world peace; and

Whereas, universal freedom is still not attained and the quest for same is daily challenged by subversive forces that flagrantly abuse basic national and human rights; and

Whereas, only a strong United States can be a deterrent to further encroachments of Communist Russian expansionist designs and a bipartisan alliance of our political leaders is most urgently needed to adopt a national strategy of peace through strength; and

Whereas, a viable society is achieved by not those who talk but by those who do—the achievers and individual excellence paves the road to national prominence; and

Whereas, America has demonstrated a traditional regard for excellence and has shown in times of national crises that it can draw on this fountain for sustenance; and

Whereas, by recognizing that we are now being challenged by multiple problems at home and abroad exacerbated by the same worldwide conspiracy that toppled the once free nations;

Now, therefore, be it resolved, that we, gathered here tonight to observe the twentieth anniversary of the Captive Nations Week will individually exercize our utmost efforts to work toward the realization of the ideals of freedom and sovereignty for all nations and shall endeavour to urge our elected officials on all levels of public office to re-dedicate their efforts to the ideals that made our country great and by doing so give a new dimension to efforts of other nations to attain freedom and sovereignty.

CONFERENCE REPORT ON H.R. 4389, DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, APPROPRIATIONS

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PHILLIP BURTON. Mr. Speaker, the House and Senate conferees, in the fiscal 1980 Labor-HEW appropriations conference report, approved $5 million for the insular areas: $3 million, under section 1524 of Public Law 95-561, for general assistance to the Virgin Islands; and $2 million, under section 1525 of the same public law, to be used for teacher training assistance in American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands.

Since no formula for allocating the $2 million was included by the conferees in the conference report, I would like to insert in the CONGRESSIONAL RECORD the following breakdown for the distribution of the funds:

Direct grants of $400,000 each to the Virgin Islands, Guam, and American Samoa. The balance of $800,000 to be utilized on a regional basis between Guam, the Northern Marianas, and the Trust Territory of the Pacific Islands.

This formula was worked out by Representative TONY WON PAT and me, in consultation with various representatives from the insular areas. We believe this arrangement is equitable, given each area's needs and population, and we hope it will be implemented accordingly.●

THE WAR AGAINST HIGH BLOOD PRESSURE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PEPPER. Mr. Speaker, hypertension is a major health problem which is directly related to cardiovascular disease, heart attack, stroke, kidney failure, and blindness. An estimated 60 million Americans suffer from this condition. High blood pressure generally does not have any symptoms, so unless an individual is tested, he or she may not be aware of this condition until more serious consequences appear.

Because so many of our people have hypertension, especially the elderly, the Select Committee on Aging and its Subcommittee on Health and Long-Term Care, both of which I have the privilege to chair, have undertaken a major initiative in this area.

Last fall, I appointed a blue ribbon advisory panel on the treatment of high blood pressure in America, composed of Americans distinguished in the fields of medicine, business, labor, and philanthropy, to advise the committee on steps we might take to combat this serious national health problem. The panel met with our committee in January of this year and provided us with their report which recommended legislative and administrative initiatives. I have incorporated many of these recommendations in a legislative package on hypertension.

This spring, Reader's Digest published two most informative articles on high blood pressure entitled, "The War Against Stroke" and "To Control Your High Blood Pressure." These articles clearly point out the seriousness of hypertension and describe some dramatic advances in the control of hypertension. I recommend these articles to the attention of my colleagues and ask unanimous consent that they be included in the RECORD at this point.

The articles follow:

THE WAR AGAINST STROKE

(By James H. Winchester)

The charming old Georgia seaport of Savannah has long been infamous as the stroke capital of the world. In 1969-70, in the city and surrounding Chatham County, there were 256 stroke-related deaths for every 100,000 people—nearly 2.5 times the national average that year. Today, however, thanks to an intensive education effort, stroke deaths in Savannah have been cut by half.

Similar efforts in other U.S. communities are achieving striking successes. Milwaukee has reduced stroke deaths by 38 percent in the past 4½ years. And, since a statewide campaign began in Connecticut in 1973, stroke deaths have declined by 21 percent in males and 22 percent in females. Nationwide, stroke deaths have declined a solid 13.5 percent in the last ten years.

Improved diet, new drugs, more sophisticated diagnostic procedures and innovative surgery have all played a role in the reduction. But the remarkable decline, accelerated since 1972, signals a vital message which doctors have long recognized: Conquest of stroke—which even now afflicts more than 300,000 Americans each year and kills 180,000—begins with control of high blood pressure.

Chief communicator of the message has been the National High Blood Pressure Education Program (NHBPEP). Conceived in 1972 and coordinated by the National Heart, Lung and Blood Institute, this effort has recruited more than 2300 national, state and local health agencies, lay and professional groups—including medical associations, the Red Cross, pharmaceutical companies and labor unions—in a unique partnership. The goal: to alert physicians and lay people to the dangers of high blood pressure and to establish programs—or encourage existing ones—for screening and treatment.

When the first of these programs began, only 3 million Americans with high blood pressure had it under effective control. Today the number is 7.5 million, and the NHBPEP is considered one of the most successful disease-prevention efforts ever undertaken in this country—a major contributing factor to the recently accelerated decline in the national death rate from high-blood-pressure-related disease.*

Savannah's program, called S.O.S. for Strike Out Strokes, began in 1972—even before the national program was fully activated. Actress Patrica Neal, then recovering from a paralyzing stroke, came to help launch the drive. The Community Cardiovascular Council, representing virtually all the physicians, and government, civic and consumer-health organizations in the area, coordinated the effort. Doctors, nurses and volunteers—from firefighters to homemakers—manned screening posts countrywide. Within a few weekends, more than 25,000 adults came for blood-pressure readings. Since then, 75,000 Savannah citizens, over half the adult population, have been examined, and 14 permanent blood-pressure-reading stations, nine of them in city firehouses, continue to provide free checkups.

More than one-third of the Savannahians screened had elevated blood-pressure readings. The majority had been unaware of their condition.

Surprising? No, for usually the person with high blood pressure experiences no obvious symptoms until heart and blood vessels are damaged. Often the first outward sign is a devastating stroke, heart attack or kidney disease. "You can't wait for symptoms to appear," comments Dr. James C. Metts, Jr., prime mover of the Savannah crusade. "Undetected and untreated, high blood pressure will get you. It's a sneaky, silent killer!"

Persons whose elevated blood pressure is confirmed by more than one reading are strongly urged to go to their own physician or to public sources for treatment. The S.O.S. program maintains an inexpensive Risk Factor Center at Savannah's Candler General Hospital for persons with low incomes who do not qualify for public assistance. Doctors are available at scheduled times to examine and prescribe, and nurses are there for follow-up treatment. Prescribed medicine is free or low-cost, and nominal fees of $5 or less are charged for visits.

The continuing response of Savannahians to the program indicates that the city may indeed "strike out" stroke. Latest statistics show that 55 percent of the people diagnosed as having high blood pressure are now taking medication for it, and 85 percent of those have their blood pressure under control.

Before Milwaukee's attack on high blood pressure was launched in 1974, Dr. Constantine Panagis, city health commissioner, and Dr. Harold Itskovitz, chief of the hypertension section at the Medical College of Wisconsin, spent a year organizing a network of people from government-, medical- and community-health groups, and from business and industry to provide free screening for adults. In addition to permanent blood-pressure-reading stations, the Milwaukee program provides mobile screening booths at shopping centers and neighborhood events, and screening services to businesses and industrial plants.

To date, the program has made blood-pressure readings on 200,000 adults in Milwaukee County. More than 25 percent have been found to have elevated pressure. Half of these people were unaware of their condition. And more than half of those whose elevated blood pressure was confirmed by a second reading went on to receive treatment.

Commenting on Milwaukee's dramatic 38-percent reduction in stroke deaths, Dr. Panagis says, "The community blood-pressure-screening program is the major factor responsible." Adds Dr. Itskovitz, "We had a magnificent product to sell—a longer and happier life—but we had to get it out to the people."

In all programs to control high blood pressure, success depends on follow-up treatment. In Connecticut, where 15 percent of the population has been screened, the name and medical data of anyone found to have elevated pressure are entered in a computerized registry maintained by the American Health Association's Connecticut affiliate at Yale University. At the same time, the individual is advised to seek care and is given a card to be presented to his physician, who completes and returns it to the centralized registry. If, in six weeks, the card has not been returned, the patient receives a written reminder. If there's still no response, a Heart Association volunteer makes a personal call.

As a result, nearly 90 percent of persons identified with high blood pressure in Connecticut have entered the medical-care system. Dr. David D'Atri, assistant professor of epidemiology and public health at Yale, who directs the state's pioneering effort, says, "We are seeing a big pay-off. Since 1974, the proportion of persons unaware they have high blod pressure has decreased by 50 percent; the proportion who are under adequate treatment has doubled; and the proportion who are not under any treatment at all has been reduced by 25 percent."

Impressive gains, these. But before the war against high-blood-pressure-related disease is won, all experts agree, every potential victim must join the fight. The first step is a blood-pressure checkup by a physician or other health profesional and, if pressure is high, following the doctor's advice to control it. Dr. Marvin Moser, nationally known White Plains, N.Y., cardiologist and senior consultant to the NHBPEP, observes: "Controlling your high blood pressure to prevent its catastrophic effects is a prime example of effective preventive medicine."

TO CONTROL YOUR HIGH BLOOD PRESSURE

(By Susan W. Thompson)

Although more Americans than ever before have their high blood pressure under medical control, at least 15 million who have been diagnosed as having this disorder are not getting adequate treatment. Many begin treatment, then drop out.

The consequences are tragic and needless. Hardly more than 20 years ago, little could be done to interrupt high blood pressure's dead-end course. Today, modern medical advances make it possible to control more than 80 percent of cases.

Then why do millions of Americans choose to neglect treatment and seemingly opt for stroke, heart attack, progressive kidney disease and premature death? From National High Blood Pressure Education Program research and from physicians across the country comes one important answer: Failure of communication between doctor and patient is a major roadblock to adequate high-blood-pressure treatment.

In a national health-interview study, people with high blood pressure who had stopped taking their medicine were asked why. One-third replied that their doctors had advised them to stop. But the fact is that high blood pressure, with few exceptions, requires continuous medication—often only a pill a day, but usually a lifetime regimen—to keep it under control. Rarely does a physician tell a patient to stop taking medicine.

Dr. Donald G. Vidt, head of the clinical section of the Cleveland Clinic's department of hypertension and nephrology, says, "We physicians just don't spend enough time educating our patients about the importance of their disease and lifetime treatment." Dr. Harold Itskovitz, co-organizer of Milwaukee's screening program, adds, "Without doubt, better and more personal communication between doctor and patient is the key to continuing treatment."

If your doctor has told you that you have high blood pressure, it may help you to communicate better with the physician if you do some background reading on this dangerous condition. Dr. Marvin Moser, chairman of a national committee of physicians that recently established guidelines for long-term treatment of hypertension, suggests some booklets about high blood pressure written in lay language. Many professional organizations, pharmaceutical houses and the NHBPEP* sponsor such pamphlets.

Ask questions of your doctor. Ask the purpose of the medicine you must take. If you're not sure of the instructions for taking it, ask for clarification. Ask if you're to have the prescription refilled and why you must continue taking it. Ask when you are to check back with the doctor (it may be every month initially; then, at longer intervals—perhaps two to three times a year). Communicate with your doctor between regular visits if you have questions. On each visit, ask the doctor what the numbers in your reading mean, and keep a record of each reading.

Most physicians begin treatment with a diuretic—an agent that increases urine excretion of salt and excess body fluid. Roughly half of all high blood pressure can be controlled by one or two tablets a day.

But, physicians say, no two cases are exactly alike. Your doctor may add medication, adjust the dosage, or change the medicine altogether to get the best results for your particular case.

Tell the doctor if you experience side effects. Millions of high-blood-pressure patients experience none, and usually such effects are temporary. Moreover, new drugs and modifications of older ones that produce effective control in smaller dosage and minimize side effects are constantly becoming available.

If you are concerned about how high blood pressure will affect your life or your work, tell your doctor. The facts should reassure you. Only five percent of Americans with known high blood pressure surveyed in 1973 had given up their jobs because of it. (Even airline pilots with elevated blood pressure that can be controlled by a mild diuretic are not grounded.) In contrast, the complications of uncontrolled high blood pressure are a leading cause of disability in the American work force.

NHBPEP research pinpoints four widespread misconceptions that can cause people with high blood pressure to neglect treatment. Don't let these dangerous fallacies trap you.

"High-Strung" Fallacy. Millions of Americans believe that hypertension— the medical term for high blood pressure—means that one is high-strung and nervous. Because of this mistaken idea, many people with high blood pressure take their medicine only if they feel tense or nervous. As Graham H. Ward, coordinator of the NHBPEP, explains, they "treat their medicine as if it were an aspirin to be taken for an occasional headache."

The fact is: High blood pressure is not usually related to nervousness. Many persons with elevated blood pressure are calm and placid. *Hyper* means excessive. *Tension* refers to the pressure of your blood against the walls of the arteries. If excessive pressure is not controlled, it will shorten your life.

Symptoms Fallacy. Many people falsely believe that high blood pressure has symptoms. Because they experience none, they don't take their medici e. But in high blood pressure the effects of neglect are usually symptomless until the cumulative build-up causes an enlarged heart, or other dangerous or fatal complications.

"Choose Your Own Treatment" Fallacy. According to the NHBPEP, when a physician advises weight reduction, more exercise, or not salting your food at the table—in addition to daily blood-pressure tablets—many people falsely assume that they may ignore the medicine and pick an alternative from the other measures. But in most cases such measures only assist medical treatment and are not substitutes for it.

Cure Fallacy. Many people stop the daily tablets when their elevated blood pressure is lowered to the "normal" goal set by the physician, because they assume that they are "cured" and no longer need it. Actually, with few exceptions, high blood pressure cannot be cured. It is a physiological condition that must be continuously controlled to prevent the diseases that it causes.

It's not difficult to establish the routines that the doctor prescribes to control your high pressure, and the returns are immeasurable—a longer and healthier life. Perhaps you think it's tough living with daily medication, especially when you don't feel ill. If so, remember that up to 15 percent of the people who have to live with dialysis machines started out with moderate, uncontrolled high blood pressure, as did the hundreds of thousands who must live with the aftermath of stroke, and most of the millions for whom all living has ended prematurely in heart death.●

* In recognition of the NHBPEP's outstanding success, Elliot L. Richardson, who authorized the effort while Secretary of the Department of Health, Education and Welfare, and Dr. Theodore Cooper, former director of the National Heart, Lung and Blood Institute, who coordinated it, received an Albert Lasker Special Public Service Award in 1978.

* For information, write to: High Blood Pressure Information Center, 120/80 National Institutes of Health, Bethesda, Md. 20014.

TRIBUTE TO HON. JOHN B. BRECKINRIDGE

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. CLAUSEN. Mr. Speaker, I would like to join in paying tribute to our late friend the Honorable John B. Breckinridge of Kentucky.

I had the great privilege of serving with him during his tenure in the Congress. Our former colleague was not only

a gentleman of great ability, he was also a man of dedication and integrity.

He started his distinguished career of public service at the State level. With a vote of confidence, the people of central Kentucky sent him to Washington to represent them in the Congress. He was a dedicated public servant in every sense of the world, giving of his time and efforts for the betterment of all.

I will most remember him as the driving force behind the organization of the Coalition for the Common Defense. As its first chairman, he stimulated the exchange of thoughts and ideas—keeping the lines of communication open.

His life was one of service to his fellow man with outstanding success and I wish to extend my heartfelt sympathies to his family. He will be greatly missed.●

MARAT AND KLAUDIA OSNIS, SHATTER THE SILENCE, VIGIL 1979

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ARCHER. Mr. Speaker, I am again privileged to join with many of my colleagues in participating in the "Shatter the Silence, Vigil 1979" project sponsored by the Union of Councils for Soviet Jewry—an effort by those of us who are able to speak out freely on behalf of those others, less fortunate, who cannot.

Through our participation in this important vigil, we seek fulfillment of a promise made 5 years ago by 35 nations who offered both their signatures and their oaths in the name of fundamental human rights. My comments today are directed toward one of the signatory nations, the Soviet Union, which has flagrantly and repeatedly ignored its own pledge to this cause through its continuing policy of detainment of Soviet Jews who long for freedom of thought, speech, and action.

Emigration out of the Soviet Union is the only path to freedom for all of these "prisoners of conscience," and this path continues to be obstructed by constant harassment, tactics resulting in social ostracism, and neglect on the part of Soviet emigration authorities. Because of these tragic realities, the Soviets have defaulted on their promise embedded in the Helsinki Final Act of 1975, and it is time for us to act as "creditors for freedom," and collect on this overdue note.

The victims for whom we must fight have themselves been fighting for many years on their own. Such is the case of Marat Osnis and his wife, Klaudia. In early 1972, Marat was a hard working mathematician-engineer, and Klaudia was finishing her third year at the university in the Ukraine. The couple, along with the parents of Marat, applied for permission to emigrate to Israel. Shortly afterward, Marat's mother and father received their visas with assurances that visas for their son and daughter-in-law would also follow shortly. It was with great hesitancy and trepidation that Marat's parents left their son and his wife behind to face an uncertain future.

The news soon reached Marat's parents that their son had been exposed to a series of "state secrets" in his work and could not be allowed to leave the Soviet Union for fear of revealing these so-called "secrets." Klaudia Osnis was expelled from the university and Marat and his spouse have since been the victims of unannounced interrogations, searches, and intrusions upon their almost nonexistent privacy. I have been in contact with Marat's mother, who has since journeyed to the United States on behalf of her tormented son and his plight. The Soviet Embassy in this country has been made aware of this case, yet it remains untouched along with thousands of other equally well-documented cases of human beings who long for the richness of freedom, a richness that we Americans often take for granted.

Because of our long standing dedication to the protection of fundamental human rights, both within our own boundaries and abroad, we must push on to seek vindication and relief for those who have suffered. This is the aim of this year's vigil, and I urge continuing support from my colleagues in this task.

The initial step in the emigration process is receipt of a vysov, a formal invitation by the State of Israel for the emigrants to journey to Israel to live. I stand before you today to ask that we, as free citizens of the world, extend a verbal "vysov" to Marat Osnis and others like him through our support of "Shatter the Silence." ●

OCEANIC POLICY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. WHITEHURST. Mr. Speaker, Mr. Gilven Slonim, president of the Oceanic Educational Foundation, has kindly provided me with a copy of his paper entitled "Oceanic Policy: Prelude to Opportunity." Because I think that he has raised a number of excellent points which we would all do well to consider carefully, I am pleased to take this opportunity to share it with my colleagues at this point in the RECORD.

I have the privilege of being a member of the board of directors of the foundation, and I am pleased that there is a growing interest in this country in programs in oceanic studies; I hope that this positive trend will continue.

The article follows:

OCEANIC POLICY: PRELUDE TO OPPORTUNITY

Policy became a watchword for Americans in the Persian Gulf in 1979. Heretofore, it was largely a matter of indifference to the people of the United States and, unfortunately, their leaders alike. With the collapse of the Shahs regime, preservation of peace and stability within the Indian Ocean region gained recognition as crucial to U.S. security and, at the same time, as an avenue to restoring the credibility of American commitments worldwide.

THE SIGNIFICANCE OF COMPREHENSIVE OCEANIC POLICY

The policy challenge

If America's third century is to be a global century, then the United States must lead the way to fuller, yet enlightened, oceanic use—for the compelling trend is toward an oceanic frontier of the future. How well the Nation rises to the challenge of a future inextricably tied to the oceanic realm ultimately hinges on the perspective, the determination, and the direction of its policy drive. The crux reposes in the formulation of far-reaching oceanic policy demonstrably in the national interest that illustrates the significance of the role played by the world ocean in the affairs of nations and in human fulfillment and survival, and outlines the challenges posed and the opportunities to be seized through oceanic enterprise. The policy needed would demonstrate in clear pragmatic terms the human stake in the advancement of knowledge of the sea and optimum, global utilization of the ocean.

Despite congressional initiatives spanning the last quarter of a century, the importance of the untapped potential of the world ocean to sustain human betterment, to strengthen the Nation's economy, and to foster new oceanic solutions to pressing problems failed to permeate the mainstream of American thought. The development of policy at the national level is a process that eludes the Country. Its failure to do so came into clear focus with the Iranian crisis and the irresolute conduct of the United States in response thereto.

Turn to the sea

In America's turn to the sea in the 1960s, the national policy thrust was recognized as central to the realization of the potential of the world ocean. A moment of maritime euphoria was achieved with the passage of the Marine Resources and Engineering Development Act in 1966. Conceivably, a consensus about the national scene considered that comprehensive, long-range, national oceanic policy actually had been formulated. But the regrettable fact is: America, to this day, remains without oceanic policy.

With the unanimous passage of Resolution 223 in February 1974, the U.S. Senate clearly signaled its concern as to this critical policy deficiency. Sponsored by 60 senators from both sides of the aisle and every geographic area of the Nation, S. Res. 222 called for a complete investigation and study of the elements of, and the eventual establishment of, a long-range, comprehensive oceanic policy. Beyond this first step, the comprehension and support of the administration, industry, academia, and the public sector would be required to formulate national policy and to guide its implementation.

The definition of policy

What, then, is this policy that has remained elusive to the American view through these many years? American citizens must answer this question in moving to chart the future of the Nation. Simply stated, policy may be defined as the process whereby a nation establishes long-term goals and provides incentives to accomplish those aims, seeking what it envisions as long-range potential and moving toward what it perceives as its national objectives framed in the public interest. The formulation and implementation of national oceanic policy entails an orchestrated effort of the executive, congressional, and public sectors of the Nation. This becomes the iron triangle which fosters the dynamics of the national policy process.

As a departure point, oceanic policy encompasses a national commitment calling for:

Fuller, comprehensive, and enlightened utilization of the world ocean to reinforce the national economy, encourage investment, stimulate U.S. productivity, and elevate the American standard of life.

The cardinal elements of long-term policy span the full spectrum of oceanic endeavor:

Competitive posture on the seas. Regain a competitive, flag-conscious, trade-carrying posture on the global sea to spearhead a vibrant seafaring industry based in the United States, whose fleets are built and manned by competent, able-bodied American citizens;

World stability and preservation of peace. Exploit the strategic potential of oceanic space as a matrix toward ensuring optimum national security, gaining international stability, cooperation, and the preservation of world peace through optimum uses of the world ocean;

Law of the sea * * * a new oceanic regime. Provide leadership and direction within the on-going negotiations at the U.N. Conference on Law of the Sea, based upon the principles provided in the comprehensive policy formulated at the national level;

Geoeconomic potential of the world ocean. Probe the total "geoeconomic" potential of the world ocean to provide long-term prosperity and the betterment of mankind. Investment in oceanic enterprise affords critically needed stimuli for a viable economy—a stabilized U.S. dollar. Potential economic benefits portended encompass the full range of global oceanic use and resources;

Coastal oceanic planning. Establish, as integral to the policy process, comprehensive coastal oceanic planning guided by the principles and incentives within the national policy. As the "spring board" to the world ocean, wise and sound coastal planning and development advance the full-scale negotiation of the oceanic frontier;

The environment * * * enhancement. Encourage enlightened uses of the oceanic environment which provide positive incentives for the protection, preservation and, indeed, enhancement of the world ocean as vital to the survival of mankind;

Resolute oceanic research. Ensure, through resolute oceanic research, the Nation's capability to effectively realize the oceanic opportunities afforded for solving crucial national and international problems and engender the knowledge base to gain the full portent of the oceanic frontier of the future;

Seacreation * * * wave of the future. Accentuate the economic and societal significance of the "seacreational" attraction of the oceanic environment, providing new leisure patterns and new, dynamic lifestyles that encourage ever increasing quality of future life and that stimulate the human endeavor toward realization of individual potential;

Oceanic education to undergird policy. Launch a comprehensive, multidisciplinary, public oceanic education program throughout the continuum of U.S. schools to achieve citizen understanding of the human stake in oceanic advancement and to stimulate and undergird the emerging oceanic policy process;

Oceanic legislation * * * gaining the total potential of the global ocean. Examine existing legislation to assess relevance and sufficiency and need for updating and amendment so as to serve the national interest and provide incentives to invest and compete in the arena of oceanic enterprise. Future oceanic legislation should transcend past if resource management and environmental regulation. Such legislation, conceived through a national oceanic policy drive toward total use of the global ocean, serves as the dynamo for orchestration of long-range, comprehensive policy implementation.

Timeliness of long-range policy

Interest mounts within the public sector, as well as Government, concerning the contribution of the world ocean in economic development, human welfare and societal development, and quality of life. Comprehensive knowledge and policy provision for fuller use of the global sea afford new oceanic solutions to pressing problems and to the fulfillment of mounting human needs: water for human use, energy from sources invulnerable to threats of arbitrary interruption and price manipulation, medicines, food, raw materials, living space, and "seacreational" enjoyment. Dynamic policy can counter a burgeoning adverse balance of trade, mounting welfare rolls, and reinforce a faltering, inflated economy and a downward spiraling dollar.

The oceanic destiny of the United States

The concept of an American assumption of oceanic leadership entails first and foremost a public educational imperative; for the sea remains distant to the thinking of most people. Without an established, public educational base to counter the knowledge gap, public policy formulation encouraging comprehensive use of the world ocean as a new frontier is inhibited. Only a cadre of professional educators, dedicated, confident, knowledgeable, stimulated, and sensitive to the ocean's potential contribution to human betterment in the years ahead—encompassing not only the scientific dimension but a dimension of the humanities as well—can engender a strong oceanic educational base of support that derives a solid, "grass roots," oceanic constituency.

The finest American minds, honed through the centuries-long vigil of seafaring experience, must mold this enlightened policy—a policy that enhances the posture, prowess, and prestige of the United States while shaping the future destiny of the Nation, which manifestly remains oceanic.●

PRESERVING THE POTOMAC

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FISHER. Mr. Speaker, I am introducing today a bill to authorize Interstate Commission on the Potomac River Basin (ICPRB) to develop a plan for the protection and wise use of the Potomac River shoreline in Maryland and Virginia upstream from the District of Columbia. This bill is a considerably altered version of bills I have introduced in the past two Congresses.

The present version calls on an existing organization, the ICPRB, to prepare a suitable plan and program for management of the plan. The area covered by this bill is the Virginia shoreline from Key Bridge upstream to the confluence of the Potomac and the Shendanoah Rivers and the District of Columbia and Maryland shoreline from Key Bridge upstream to Cumberland.

The ICPRB is also authorized to consider the advisability of undertaking a planning effort for the downstream portion of the Potomac, including the estuary and the balance of the river down to its opening to the Chesapeake Bay. Upstream portions could also be considered for future planning. Congress would have to approve any recommendations for planning that included more area than that specifically covered in this bill.

The plan called for in this bill will have to be submitted to Virginia, Maryland, the District of Columbia, and the affected county governments for their comments and recommendations and then submitted to Congress for approval.

Neither the plan nor the way it is to be prepared will in any way place the Federal Government in the driver's seat with regard to control over the land abutting the shoreline. State and local units of government will predominate The ICPRB was established in 1941 by a compact among the States of Maryland, Pennsylvania, Virginia, and West Virginia, and the District of Columbia, and the Federal Government. Each signatory government appoints members to the commission.

In addition, the bill authorizes the establishment of an advisory committee. The advisory committee will consist of citizens from each county along the affected portion of the river and the District of Columbia; citizens concerned with conservation, river, historic, and fish and wildlife or recreational matters; as well as certain governmental agencies with a responsibility for the Potomac River.

Earlier this year, I expressed my concern about the need for a careful plan for the use of land along the Potomac in an article which appeared in the EPA Journal. The article outlines the major components of the bill I am introducing today, with certain changes. The major change is the deletion of West Virginia from the area covered by the bill. Also the ICPRB will be the planning organization, rather than a special commission.

The text of the article follows:

PRESERVING THE POTOMAC

The owner is moving away. Such land does not come on the market very often and many interests are intrigued by the prospect of obtaining a choice Potomac River lot.

Who should buy the property? What use should be made of this site?

A developer wants to build a condominium high rise and some recreational facilities. The county government would like to buy the land, but because there is not enough potential for intensive recreational use, does not believe the expenditure can be justified. The regional park authority could use the land but has no acquisition funds. The Federal Government is interested, but because budget and program planning requires a lead time of eighteen months, cannot act quickly enough. A local farmer would be happy to enlarge his holdings but cannot match the price offered by the developer.

What will happen to this property? What should happen?

The answer, unfortunately, is that there is no consensus on what should be done with the shores of the Potomac River. Much of the attraction of the shoreline is found in the diversity of its uses. Farming and other private land uses contribute greatly to the character of the area. Boating, hiking, fishing, and other kinds of recreation are among the activities the public can enjoy along the Potomac.

To ensure that this diversity continues and that both public and private interests are respected, some kind of forum is needed to bring these interests together to formulate goals for the protection and appropriate use of the river area. If a forum existed and if it had agreed upon goals, then sellers and pur-

chasers of land along the river would have guidance. They would know what land was needed to be kept open for public access, what land was intended for private development, and what land was expected to be maintained as farmland.

The Potomac River is one of the most interesting and beautiful rivers in the eastern United States. I have canoed along much of its upper reaches from West Virginia to Washington including the exciting white water in the stretch where the Shenandoah joins the Potomac, at Little Falls, and many other spots. As the main stem of the river runs between Maryland and West Virginia and Virginia, it changes from a wide and bucolic stretch of water to dramatic falls channeled through high palisades. The shores of the river and the surrounding area are as compellingly beautiful and beguilingly changeable as the river itself. The Potomac flows through territory that changes from rural woodland to historical Harpers Ferry at the confluence with that other fabled river, the Shenandoah, to Great Falls, and finally to Washington, the Nation's capital.

But this scenic and historic setting is fragile. The pressures for development and recreation use of the river shore are coming to the Potomac as they have come to many parts of the countryside within reach of urban areas. The problem inherent in these pressures is not so much in the changes they engender as in the possibility that a lack of forethought and planning will result in unattractive and inefficient development and needless loss of access to the river.

What can be done? I think that the first step must be for landowners and residents of the river area, outdoor enthusiasts, naturalists, and representatives of government at all levels to get together to discuss their common interests. No one group with an interest in the Potomac, and certainly not the Federal Government, should dictate to the others how the river shore should be used in the future. What is needed and what will work is a cooperative study and planning process involving local, State and Federal Governments and private interests, with each contributing equally what it does best. The result would be a collection of recommendations on the appropriate use of each section of the river which would be supported by all interested parties.

This forum of citizens and governmental representatives would have an important agenda. It would identify locations along the river which are either ecologically fragile or important because of their potential for wildlife, recreation, and scenic beauty. Land management techniques such as easements, public access agreements with private landowners, and other methods can be employed to enable the goals of the area people to be carried out. It should make plans to provide for the protection and promotion of such existing uses of the area as farming and forestry and those industries and other developments which are consistent with acceptable goals. The forum should also provide standards for recreational use of the river, which will indicate, for instance, the kinds of uses that are appropriate for various sections of the river.

The forum would also have a more general agenda for planning. Among the elements to be included in a plan would be a statement of the values that the plan would be intended to protect and which would guide future planning and development; a proposed boundary map of the area to be covered by the plan; a description of the role of local officials and citizens in the planning and management of the area; recommendations for land use and conservation; recommendations for the coordination of local, State, and Federal programs and policies with each other and with private interests; recommendations for places where public use will be allowed; recommendations for financing the plan; and recommendations for the way the plan for the area should be managed.

This would not be planning imposed by outsiders, but a cooperative effort by the people most affected by decisions about land use along the river and the governmental bodies responsible for enforcing any legally binding decisions. Furthermore, none of the recommendations would be effective unless they were ratified by the appropriate level of government and the necessary ordinances and laws adopted.

A whole range of steps to guide future land use could be recommended, encompassing local or county zoning ordinances for some areas; purchase of easements and development rights in order to keep certain lands in their existing use; public purchase for protection or recreational development in another type of area; and no change in other sections of the river. These recommendations would be made only after a careful study of the needs and character of the Potomac shore area and after public hearings. Such a process would result in a plan that would have local public support and would assist in decision-making for land use along the Potomac River.

In the last Congress I introduced a bill embodying these concepts. It called for the establishment of a 30-member commission to prepare the kind of plan I have described. The majority of members of the commission were to be residents of the area along the river. Citizens would be represented by members with an interest in outdoor activities and conservation. The commission would also include representatives from State government and Federal agencies. The recommendation of the commission would be advisory with no official standing until the appropriate governing bodies had acted on the recommendations. I expect to introduce a bill along these lines again in the 96th Congress.

But the cooperative effort that I think is necessary does not have to wait for Federal legislation to go forward. If the people and the governments in the Potomac Valley want to plan ahead for the changes that inevitably come to any area, then they can work together voluntarily. Because local efforts and support are vital to the process that I have described, I think that a voluntary planning group might be successful. The Interstate Commission on the Potomac River Basin could be the agency through which a voluntary effort is begun. The opportunity should not be lost to give the citizens of the Potomac River area a voice in the future of their land.●

HOUSING FOR THE ELDERLY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PEPPER. Mr. Speaker, I introduce for appropriate reference a bill to transfer to the District of Columbia a piece of property located between 2d and 3d Streets and D and E Streets SE.

The purpose of this transfer would be to facilitate the construction of a modern low-rise housing complex for senior citizens under the sponsorship of 24 churches in the District of Columbia, generally known as the Capitol Hill Group Ministries, Inc. Member churches include: Capitol Hill Presbyterian Church, Capitol Hill United Methodist, Christ Church Episcopal, Church of the Brethren-Washington City, Ebenezer United Methodist, Four Gospel Baptist, Holy Comforter/St. Cyprian's Catholic, Holy Temple Church of Christ, Lincoln Park United Methodist, Lutheran Church of the Reformation, Mount Joy Baptist, Mount Paran Baptist, Prayer Temple, St. James Episcopal, St. Mark's Episcopal, St. Monica's Episcopal, St. Peter's Catholic, St. Peter's School, Trinidad Baptist, and William Penn House.

Originally, the Congress took possession of this land with the intent of constructing the John W. McCormack Residential Page School. This project has since been abandoned and the land is being maintained at congressional expense by the Architect of the Capitol. In the recent past, there have been a number of other suggestions for use of this property including a parking lot, a high rise condominium, and a new headquarters for the Capitol Police. All these uses have been found unacceptable by either the Architect of the Capitol, the National Capitol Planning Commission, or the residents of the area.

Informal inquiries with these offices by our staff have indicated that there are no immediate or long-range plans for use of this property by the Congress or the Federal Government. It strikes me that a housing project for senior citizens, close to the Capitol, would be an excellent use of this property. It is no secret that the Congress has displaced hundreds of senior citizens' housing as it has grown over the past few years. More and more senior citizens are being forced from their homes and neighborhoods. Those senior citizens who live in apartments are also being forced out by the phenomenon known as condominium conversion.

The project would include 156 1-bedroom units and 6 2-bedroom units. An effort will be made to make the building conform to the surrounding neighborhood. A central dining room would be included as well as other public spaces such as a library, recreation room, lounges, laundry room, hobby room, exercise room, and others. Many of these facilities would be available to neighborhood elderly not living in the building.

There may be objections to this project that are not apparent to me at this time, however, I feel that it is important to introduce this bill to start the discussion process. Specifically, the bill would transfer the title of the property to the District of Columbia with the proviso that it be utilized for this purpose within a 3-year period of time or the land would revert back to the Congress.●

MEDIA COVERAGE OF POPE PAUL'S VISIT TO POLAND

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DERWINSKI. Mr. Speaker, as further evidence of the suppression of information the U.S.S.R. and the captive East European countries, I wish to insert

into the RECORD a dissertation by Mr. Walter Zachariasiewicz, a noted observer of the international scene, who analyzes the limited media coverage in Communist-controlled countries of the recent visit by Pope John Paul II to his Polish homeland.

The article follows:

EAST EUROPEAN, SOVIET AND RFE/RL COVERAGE OF THE POPE'S VISIT TO POLAND, JUNE 2–10

The dramatic visit of the Polish Pope John Paul II to his Catholic homeland was a unique event in the history of Poland and East Europe. The pontiff, describing himself as "this Slav, this Pole," and preaching Christian morality, the rights of man and national independence, produced a massive, spontaneous popular response in Poland not accorded the secular leaders of the Warsaw Pact countries. In this painful situation East European media either tried to ignore the issue or where this was impossible afforded tendentious and inadequate coverage. On the other hand the RFE/RL Services drawing on the rich and abundant coverage by Western media presented complete coverage in depth employing a variety of resources and program formats which resulted in programming far surpassing the timid East European offerings.

With the exception of Poland East European media coverage of the pope's visit to his native country was threadbare and a grudgingly factual, being heavily edited to include what the regimes could find congenial and to excise any elements which the leaderships might deem objectionable. In those countries—Bulgaria, Romania, and the USSR—where the Roman Catholic population is miniscule the event was almost totally ignored. Reports by Bulgarian media were limited to terse mentions of John Paul II's arrival stressing his meeting with Gierek, his visit to Auschwitz-Birkenau reporting his references to the role played by the Russian people in World War II and his statements condemning war, and his departure, noting that speeches were made at Balice Airport near Krakow by the pope, by Cardinal Wyszynski, and by State Council Chairman Jablonski.

The same minimal approach was adopted by Romanian media which confined itself to announcing the pope's arrival on June 2 and to a reporting on the next day that he had had talks with Jablonski and party leader Gierek. On June 6 the Romanian media noted John Paul II's departure for Krakow mentioning that his visit was the first made by a pope to a socialist country. The pilgrimage to Auschwitz-Birkenau was reported and a passage from the papal homage to the martyrs, clearly acceptable to the Romanian leadership, was excerpted, in which the pope stated that "no nation has the right to develop at the expense of another one by occupying, enslaving, exploiting, and killing." This was repeated by Radio Bucharest on June 8 at the end of a commentary on the statute of limitations on war crimes. Romanian media briefly reported the pope's departure.

Soviet media coverage considered to a few short factual reports with three minor exceptions. TASS in Russian carried only six items—twenty-three lines in all—noting the pontiff's activities. Several of these were reproduced in the central press: Pravda and Izvestia on June 3 and Pravda on June 11. Radio Moscow's domestic service announced the pope's arrival on June 2 and his meeting with Gierek and Jablonski—each item only two and a half lines long. Nine lines were devoted to the visit to Auschwitz stressing John Paul II's recognition of the Russian role in World War II. The following day, June 9, Izvestia devoted 31 lines to the Auchwitz visit again stressing the pope's remarks on the Russian contribution but noting also that six-million Poles died during the war. In neither case was there a mention of Jews who had perished. The only commentary on the visit was provided by Soviet television on June 3.

Radio Minsk's "Sovetskaya Belorussia" station for listeners abroad carried a few factual items on different phases of the pope's visit, and Radio Kiev in its transmissions for listeners abroad also broadcast a few reports. The total Soviet Russian, Ukrainian, and Belorussian radio and wire service coverage of the entire visit amounted to some 50 lines.

Two countries with relatively large Catholic populations—Czechoslovakia, about 77 per cent and Hungary, about 67 per cent—carried only factual reporting with no commentary; the great difference being that Czechoslovak mass media carried nothing but brief notices of John Paul's arrival, his meeting with Gierek and Jablonski and his departure while the Hungarian radio and central press contained factual items almost every day so that the interested Hungarian could determine what the pope did and where he was, though these items were not accorded any prominence.

Czechoslovak media previewed the visit with an article in the CPCS ideological weekly Tribuna (May 30) which was devoted to the role of the Roman Catholic Church in Europe in which the task of St. Stanislaw in carrying out Pope Gregory VII's objective of achieving "Church supremacy over the state" was asserted. In this connection the author viewed Pope John Paul's visit on the anniversary of St. Stanislaw with suspicion questioning the celebrating of the martyred St. Stanislaw "who intended to implement . . . demands for total world rule by the Pope and the Church expressed by Gregory VII."

The author found it even more surprising since "John Paul II himself has proclaimed that the Church should abstain from politics." As if to emphasize its studied indifference of the pontificial visit a special correspondent of Rude Pravo was dispatched to Poland shortly before the pope's arrival. On May 29 he filed an article written in celebration of the 35th anniversary of socialist Poland remarking on the growing popularity of agricultural collectivization and the gradual abandonment of "antiquated ideas" such as religion.

The Slovak edition of the Catholic weekly, Katolicke Noviny, of 10 June described the papal visit as an apostolic pilgrimage to on the 900th anniversary of the martyrdom of St. Stanislaw and noted the itinerary John Paul had followed in Poland. The pope was not quoted but it was noted that official Polish sources expressed the conviction that the visit would help unite the Polish people and contribute to better Church-state relations and to peace.

Hungarian radio and newspapers carried factual items on the pope's activities every day except the day of his arrival. On June 2 he was upstaged in Hungarian media by the departure of Breshnev from Hungary. Even on that day the evening paper Esti Hirlap managed 17 lines on its first page, though subsequent press coverage was relegated to pages two and three among other international items and was not as prominently positioned as such items as the Nicaraguan events. The youth magazine Magyar Ifjusag (June 1) previewed the visit criticizing the conservative nature of the Polish Church but crediting priests who had contributed to preserving Polish culture and the nation through the ages to 1945.

The article was critical of the Church's anticommunism in the post-World War II period, noted that the Church is flourishing in Poland today and asserted that Church and state have arrived at an agreement about building their "common socialist homeland." The article admonished the Vatican to use its influence to promote just international settlements and quoted Jablonski's remark that the Polish people will greet John Paul "as an outstanding son and a Polish patriot" and will give him a "cordial welcome."

Uj Ember (June 3) noted that John Paul's visit was in connection with the anniversary of St. Stanislaw's martyrdom and listed members of the Hungarian Church delegation who would take part in ceremonies at Czestochowa and Krakow. Only once was the pope quoted and that was his stress on the importance of peace to mankind upon his arrival at Warsaw Airport. Hungarian media also reported on the arrival and departure of the delegation led by Cardinal Lekai. Thus, though hardly according the event the extensive media treatment it merited, the Hungarian authorities did make obeisances to popular interest and provided the minimum factual coverage while the Czechoslovak media responded to the pilgrimage with a virtual news blackout.

Polish media had the unenviable task of minimizing the importance of the apostolic pilgrimage of the first "Polish pope" undertaken during Pentacost in commemoration of the martyrdom of St. Stanislaw, the patron saint of a country which is 90–95 per cent Roman Catholic and identifies Catholicism with its national identify. In such circumstances the media were clearly instructed to avoid describing or, in the case of TV, showing the enormous and enthusiastic crowds which welcomed the pope, to play down the religious aspect of the pilgrimage and to stress whatever secular sides of the visit it could find that were noncontroversial and to confine itself to factual reportage without commentary. Thus, on the first day of the visit the pontiff's arrival at Warsaw's Okecie Military Airport, the official reception at the Belvedere Palace and the wreath laying ceremony at the Tomb of the Unknown Soldier in Victory Square in Warsaw were adequately treated by Radio and TV on a live nationwide basis.

Radio Warsaw covered the papal visit mainly on regular newscasts and in brief reports. Polish TV accorded 15 minutes per day to covering the papal visit, with longer periods accorded for special occasions but important events such as the ceremonies at Gniezno and Czestochowa were covered only on local channels and were tailored to eliminate showing large crowds and young people. At Nowy Targ a gathering of about a million was made to appear one of the smallest. At Auschwitz during the pope's departure for Birkenau the TV cameraman erred and panned an enormous crowd of pilgrims.

The audio-visual media also quoted as far as possible and often out of context those papal pronouncements acceptable to the regime such as his remarks on the need for national unity, hard work, and sobriety, the struggle for peace and international solidarity, and even his thanks to the security services for their part in maintaining order. Expunged were his pleas for more religious freedom and respect for human rights, his assertion of man's right to own land, his criticism of viewing man as only a means of production, his identification of Poland's nationhood with its Christian baptism, his warnings against materialism and conformism, etc. There is also some question as to whether potential viewers in eastern and north-eastern Poland had the benefit of seeing the holy father on nationwide TV at all as some reports assert that Bialystok regional TV became inoperative a few days before the visit started.

As far as Polish press coverage was concerned the central press (*Trybuna Ludu* and *Zycie Warszawy*) covered the first day of the pilgrimage adequately but again dealt with the secular more extensively than the religious aspects of the occasion. No editorial comment was tendered and only a factual

report by PAP and the speeches of John Paul II, Cardinal Wyszynski, Chairman Jablonski, and First Secretary Gierek were offered. Subsequent issues contained only laconic PAP bulletins with the briefest of information on the pope's doings concentrating largely on the politically acceptable elements of his speeches and sermons.

His pilgrimage to Auschwitz-Birkenau on June 7 was reported by PAP in somewhat more detail and some of his remarks, though not his most pointed ones, were included. The PAX daily Slowo Powszechne, however, gave the pope's homily in full. The next two days (June 8-9) were reported briefly and factually with quotes from papal addresses being published only if they could be taken if not in support of at least as understanding for Polish realities. The last day of the visit was covered somewhat more extensively as it included the formal aspects of his departure from the Krakow-Balice Airport.

The efforts of the press to detract from the importance of the visit were no more evident than in the local Czestochowa paper. The pontiff stayed in Czestochowa for the better part of three days yet this publication did not manage to publish one word by its staff reporters, or one photograph of the colorful proceedings or even give information on the traffic rerouting ordered for the visit. The best Zycie Czestochowy could do was republish PAP bulletins.

Once the Polish leadership accepted the visit of John Paul II to Poland it could only attempt to mitigate its effects by diminishing its nationwide media exposure as much as possible. The dramatic impact of a pontiff who spoke to a total of perhaps as many as six-million people could be only marginally reduced by manipulation of the media. The Polish media did its transparent best to report on and simultaneously to minimize the effects of the visit and the regime made the best of an impossible situation in which it had to retain credibility. While media coverage was extensive it was incomplete and its potential audience far from being satisfied.

RFE/RL programming on the visit by contrast was extensive and diverse. The papal mission was covered in newscasts and in addition received the following first-run feature treatment from June 2 through June 10.

As might be anticipated the smaller services and those services transmitting to countries containing insignificant minorities of Roman Catholic believers devoted less time to the papal visit while those services broadcasting to areas of a substantial number of believers would accord the event a corresponding greater amount of time. All services previewed the visit with the Czechoslovak and Hungarian Services devoting a number of programs to backgrounding while the Polish Service provided background in an increasing crescendo starting several weeks before the pope's arrival in Poland. All RFE/RL Services continued follow-up feature programming after the pope had left Poland. Newscasts on all services were updated to include the latest developments in the papal pilgrimage.

RFE/RL's Polish Service transmissions were beamed to the entire Polish nation while much of Polish domestic coverage was local or regional. In such circumstances the Polish Service clearly enjoyed an enormous advantage which it exploited fully.

All of the major events of the trip, many of which were covered only locally or regionally by Polish media, were dealt with in full by the Polish Service, as were a number of lesser occurrances. Not only the editorial opinions and reportages of the more prestigeous Western Press organs were reviewed but the Service noted positive comment in l'Unita and l'Humanite, reported on the coverage of Yugoslav media, and cited favorable reactions from the Polish Western press unofficial publications inside Poland, US Senators and prominent Polish-Americans. Color stories about the size of the crowds, their orderly behavior and enthusiastic response to John Paul II, the pageantry of the various events of the trip and reactions to the pope by the Polish man on the street were provided from the vast number of vignettes appearing in West European and American press and wire service reports.

Descriptions of the papal route and the political-religious histories of the famous shrines and monuments visited by the pontiff were transmitted. Backgrounders on the symbolism and meaning of many of the pope's activities were provided along with views of the places in Polish and Catholic history occupied by the early Piasts, Paul VI, Father Kolbe, St. Wojciech (Adelbert), St. Stanislaw, and others. St. Stanislaw was the subject of a three part biographical presentation culminating on the day of the mass at Blonie Krakowskie in commemoration of his martyrdom. Western assessments of the significance of the pope's journey for Poland, for East Europe and for the common heritage of East and West Europe were presented.

The papal visit was covered extensively by the Hungarian Service which reported on all its significant aspects using press reviews and commentaries to assess its importance. The Service reported on the presence of Hungarian Cardinal Lekai at Czestochowa and on the importance of his and other East European churchman's presence at the demonstrations in the pope's honor. Human interest stories were carried and the maneuvering by the Polish media to deemphasize the popular impact of the pilgrimage were noted. The Service reported the incident in Czestochowa in which the police roughed up several newsmen and discussed the situation of foreign correspondents covering the trip.

Major efforts on the part of the Hungarian Service involved four live programs encompassing 465 minutes of air time on the reception of the pope at Warsaw's Airport, the report of the mass and sermon at Auschwitz-Birkenau, the commemorative mass for St. Stanislaw at Blonie Krakowskie, and the farewell for the pontiff at Balice Airport near Krakow. These programs were based on direct viewing of transmissions by German and Austrian TV using sound transmitted live by the RAI international sound line. Another program worthy of note was an 80 minute Czestochowa Special which covered John Paul II's visit to the Jasna Gora shrine of the Black Madonna, highlighted his sermon and described his enthusiastic reception by pilgrims. The program was based mainly on live broadcasts by Radio Vatican's international service and Austrian TV transmissions.

Because of the Czechoslovak media's almost complete blackout of John Paul II's visit to Poland RFE/RL's Czechoslovak Service was a clear winner in the news and information field by default as the information gap was almost all gap and no information. The Czechoslovak Service covered all papal sermons, homilies and statements and used international press reviews to reflect positive world reaction to the visit. Four live programs encompassing 480 minutes were aired on the pontiff's arrival, the ceremonies at Auschwitz-Birkenau, the mass in honor of St. Stanislaw at Blonie Krakowskie and the pope's departure from Balice Airport.

These programs were based largely on West German and Austrian transmissions and Radio Vatican relays. There were also special Czechoslovak aspects to the pope's activities which went unreported by Czechoslovak domestic media but which were duly registered by RFE/RL's Czechoslovak Service. In his mass at Gniezno the pontiff stressed the historic bonds between Slavs and noting a placard in the crowd admonishing him to "Remember, Father, your Czech Children" responded: "This pope cannot forget the Czech children . . ." The Service also reported on the presence of Czech Archbishop Tomasek and the pope's mention at Novy Targ of Czechoslovak Catholics and his prayer for those who could not cross the border.

Against a background of almost complete lack of reporting on the visit by domestic media RFE's Bulgarian Service filled in the total information gap. News and feature materials informed listeners daily of the latest developments calling attention to the enthusiastic reception which the pope received from millions of devout Polish Catholics, noting the manipulation of the Polish media to dimish the impact of the visit and the scanty coverage the visit received in other Warsaw Pact countries.

The Romanian Service had scarcely less of an open field in which to run than did RFE's Bulgarian Service. The Romanian Service updated its news and features daily to include the latest happenings in the papal itinerary. The Service drew on German and Austrian TV coverage to comment on the first day of the visit and reported on the heavy coverage given by Italian media.

RL's Russian Service included updating of news and almost daily news features covering events of the previous 24 hours dealing with the main political and religious aspects of the event. Press reviews were used extensively to record the almost universally positive assessment of the pontiff's activities and statements. Human interest stories in connection with the trip were carried in the Service's Kaleidoscope program and the visit's implications for the USSR in the pope's reference to the spiritual brotherhood of Slavic peoples were noted. The Russian Service also broadcast the schedule of planned Polish national network TV coverage for potential listeners in the Western parts of the USSR who could receive the Polish first TV channel.

The Ukrainian and Belorussian Services also paid major attention to the visit, covering all its stages and noting John Paul II's observations on the spiritual unity of Slavic peoples and the common Christian tradition of all of Europe.

It is difficult to determine the extent of Lithuanian domestic media's coverage of the trip, but it may be assumed that such coverage was no less abbreviated than that of the treatment by Soviet Russian media and that the Lithuanian Service had to cover an information gap which was almost total. The Service broadcasting to an area which is predominantly Roman Catholic and has an active Catholic dissident group, transmitted the formal statements and informal remarks of the pope, reported the enthusiastic responses of the multitudes of pilgrims which attended his appearances, and reviewed the Western press extensively on the significance of the visit for Poland, Eastern Europe, and internationally.

The Service especially noted those papal remarks addressed to "our brothers, the Lithuanians." On the two Saturdays and Sundays of the visit the Lithuanian Service doubled its normal program from 30 to 60 minutes three-quarters of which was devoted to papal activities and on its normal weekday program half of the 30 minutes was given over to reporting on the pontiff's activities. With the additional programming time available the Service was able to cover all the major events of the visit, including Western reactions.

The Latvian Service carried at least one item a day on the visit and the weekly Latgallian program assessed the meaning of the trip for Latvian Catholics. Latgallian is an archaic form of Latvian spoken in eastern Latvia where most of Latvia's Catholics are situated. The Estonian, Armenian, and Georgian Services also carried at least one item a day on the holy father's activities.●

THE HEALTH CARE FOR ALL AMERICANS ACT: CONTROLLING HEALTH COSTS

HON. HENRY A. WAXMAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. WAXMAN. Mr. Speaker, on May 14, 1979, I announced my decision to sponsor the Health Care for All Americans Act in the House of Representatives. As chairman of the House Subcommittee on Health and the Environment, I am working with Senator KENNEDY, chairman of the Senate Human Resources Health Subcommittee, in a mutual endeavor to get both Houses of Congress moving simultaneously toward enactment of a universal, comprehensive, national health insurance system—a promise first held out to Americans over a generation ago. I plan to begin hearings on national health insurance before the Subcommittee on Health and the Environment in the fall.

Many Members of Congress have expressed interest in learning the details of the Kennedy-Waxman national health insurance proposal, and how it differs from the administration and so-called catastrophic health insurance proposals.

This is my second in a series of articles on how the Health Care for All Americans Act can improve the quality of, and access to, health care services at a reasonable cost. This article will illustrate how national health insurance can be an effective mechanism for holding down health costs.

Poll after poll tells us inflation is the public's greatest concern today. Uncontrolled health costs are a leading cause of inflation in our economy and of increased spending by Federal, State, and local governments. They drive up the prices of the goods and services we buy and take ever larger chunks of our disposable incomes for uncovered health services and higher insurance premiums. Insurance premiums nationwide have doubled in just 5 years.

Medical costs are hidden in just about every single thing we buy. For example, they add about $162 to the cost of every General Motors car, because GM pays more than $1 billion a year for its workers' health insurance, and this cost is spread out across every line of cars GM sells.

The issue is not whether the Nation can afford national health insurance—but rather whether we can afford not to have it. In the past decade we have witnessed an explosion in medical costs, while each Federal dollar spent on health care buys less and less.

It is ironic that although each of us uses the health care system, very few Americans realize how gargantuan that system has become. Today health care is the Nation's third largest industry, representing $182 billion in expenditures in fiscal year 1978. Six percent of our labor force—6.8 million persons—are employed in the health industry. This includes 400,000 physicians, 1.6 million nurses, and 3.2 million hospital workers. The United States today has 7,100 hospitals, and 18,000 nursing homes. Health expenditures account for about 9 percent of the gross national product and are rising rapidly. Health costs are doubling about every 5 years.

There are many aspects of our present health care delivery system that make it inefficient and unnecessarily costly. First, health services are unevenly distributed; 51 million people live in underserved areas while in the rest of the Nation, hospital beds cannot be kept filled. Overhead costs at overbedded hospitals are soaring. Second, our cost-plus, third-party, reimbursement system rewards inefficiency and provides little incentive for frugality. Third, there is limited competition between providers: only 4 percent of our population is enrolled in health maintenace organizations, which provide necessary services to subscribers to a prepaid plan. Fourth, health insurance policies are geared toward expensive inpatient care; most preventive services are not covered.

We all are subsidizing explosive inflation in our health care system. The Nation's health bill is paid for four ways. Private health insurance premiums pay $51 billion; Federal, State, and local taxes pay $76 billion; and philanthropy and company health services pay $7 billion. Individuals' out-of-pocket expenses for medical care amounted to a startling $48 billion in fiscal year 1978.

What this last figure tells us is that despite how much our Nation spends on health care today there remain egregious gaps in health coverage. People who cannot afford to pay their medical bills out of pocket cannot be sure they will ever get the care they need.

National health insurance is not a luxury; 50,000 Americans will be bankrupted this year by heavy medical expenses. Seven million families this year will incur medical expenses that will exceed 15 percent of their total income; 24 million Americans have no health insurance whatsoever; 60 million have inadequate coverage. And 83 million Americans—36 percent of our population—have no insurance against very large medical bills.

In the last fiscal year, $1,000 was spent in the United States on medical care for every man, woman, and child in our country. Yet, when one looks at key indexes of public health, we are still far behind nations that spend less per capita. Fourteen other countries have lower infant mortality rates, and 10 countries have longer life expectancy.

I made my decisions to be the House sponsor of the Health Care for All Americans Act because I decided the alternative was less desirable. The alternative is to let our present disjointed system of health care run into higher inflation rates, with the potential of bankrupting middle-income Americans and stripping our older retirees of their life savings.

HOW NATIONAL HEALTH INSURANCE CAN CONTROL HEALTH COSTS

The thrust of the Kennedy-Waxman Health Care for All Americans Act is to reform our present system, make it more efficient, and save dollars now wasted on unnecessary surgery, unnecessary hospitalization, and underused facilities. This proposal retains what works best in our present system, and adds incentives for competition in the delivery of quality care.

The economic goal of the Kennedy-Waxman Health Care for All Americans Act is the consolidation of the way health care charges are now paid. Under today's nonsystem, the individual or his family pays the doctor, the hospital, the insurance company or companies, and frequently others separately. There are frequently deductibles, coinsurance, and limitations in the insurance, and these have to be paid too. Under national health insurance, the costs are paid in full on the basis of a national premium.

What we need in health care, and what our legislative proposal provides, is prospective budgeting. Our Nation already applies this budgeting principle to national defense, education, and law enforcement. Every family is familiar with it in planning how to allocate expendable income.

The Health Care for All Americans Act proposes a national health budget ceiling.

The total annual increase in health expenditures will be limited under the Health Care for All Americans Act to a maximum of the average rate of increase in the gross national product (GNP) over the preceding 3 years.

Hospitals and doctors will be paid on the basis of prenegotiated amounts. They will not be permitted to charge patients more than the insurance plan pays. National, areawide and State budgets for health services will be set by negotiations between providers on the one hand and insurers, the public and national and State health boards on the other hand.

There is not a proposal before the Congress this year that has cost controls more comprehensive or more effective than the containment mechanisms in the Health Care for All Americans Act.

If Congress does nothing at all, and this comprehensive national health insurance proposal is not enacted, Americans will end up spending $323 billion for medical care in 1983. This is a 1,000-percent increase in spending in a 20-year period. Does it make sense to spend nearly 10-percent of our GNP on medical care without reforming the health care system or the existing gaps in current insurance coverage?

Four years after implementation of needed reforms under the Health Care for All Americans Act, there is a crossover period after which our national health insurance program would actually save consumers and taxpayers money. The Nation could save at least $73 billion of its projected health bill in 1990 by adopting this comprehensive national health insurance plan with incentives for economy.

In conclusion, to do nothing at all is more expensive than implementing a national health insurance program with effective cost controls.

The notion that a comprehensive benefits program can actually slow inflation is not hypothetical. Canada, the last country to implement national health in-

surance, has a standard of living similar to our own. In 1968, Canada was spending 6.8 percent of its gross national product on health care. Ten years later, after enactment of national health insurance, it was only 7 percent. Americans were spending 6.3 percent of our GNP on health care in 1968. But by 1978, health costs were devouring almost 9 percent of our GNP. Without national health insurance, we are spending more of our GNP on health than Canada does with national health insurance.

The success of national health insurance in Canada should make us less timid about launching a comprehensive health care program in our own country. Canada's health insurance system is today the most popular governmental program in that country.

The Canadian system is a comprehensive national health program which consisted, in its introduction in 1958, of two major components: Hospital insurance and diagnostic services. Insurance for physicians' services and other benefits were added in 1968 under the Medical Care Act.

Health in Canada has improved. The life expectancy of Canadians is higher than that of U.S. citizens. The infant and maternal mortality rates were reduced considerably after adoption of maternal health insurance.

Canada has done a better job of controlling costs. Administrative costs of national health insurance in Canada are only 2.3 percent of benefits—only one-sixth as great as the 13.8 percent for administrative costs of all private health insurance plans in the United States.

In human terms, no Canadian must undergo the trauma of bankruptcy because of heavy medical expenses that threaten millions of American neighbors.

Without the cost controls the Kennedy-Waxman Health Care for All Americans Act proposes, present health benefits will be eroded and health coverage will actually shrink rather than expand. By the year 2000, at the present rate of inflation, U.S. health care costs will reach $1 trillion. Yet it is likely if present trends continue and reforms are not enacted that Americans' insurance will give them less coverage in the year 2000 than they now enjoy.

The Health Care for all Americans Act can slow the rise in costs of medical care and insurance premiums. Putting the brakes on health care inflation will benefit everyone—employers, Government and taxpayers.

There are three ways the Health Care for all Americans Act can reduce the explosive inflation we see in the health sector today:

By increasing competition;

By negotiating fee schedules and hospital charges; and

By setting a national health budget ceiling.

COMPETITIVE INCENTIVES FOR INSURERS AND HMO'S UNDER THE HEALTH CARE FOR ALL AMERICANS ACT

Insurers and HMO's are given competitive incentives to operate efficiently, to assure provider fee schedules and budgets are complied with, and to offer health care in more cost-effective ways. First, they are free to market their plans to everyone in the Nation, and the more people who enroll because of the advantages of their plan, the more the insurer stands to benefit. This creates an incentive to control costs in order to offer broader benefits at the negotiated community rates, or the standard benefits at a reduced rate. The plan allows insurers to do both by permitting rebates or dividends to be paid to enrollees when the plan's costs are lower than the community rate.

Second, insurers and HMO's would have to absorb any financial losses incurred if their negotiated community rate fails to cover the costs of health care services to their enrollees, that is, they are "at risk." This creates a further incentive for efficiency and careful monitoring of claims, fee schedules and budgets.

Third, insurers and HMO's would be able to buy certain medical services at lower cost. They would then offer such special arrangements to everyone who enrolls with them, with any savings from the community-rated premiums converted into more benefits or premium rebates.

Finally, incentives for insurers to compete by experience rating or risk selection—which aggravate the overall costs of care problem by increasing costs to the ill—are eliminated by careful Government regulation of open enrollment, how plans are priced and advertised, and by the insurers and HMO's self-regulating efforts within consortia.

INCENTIVES FOR PROVIDERS

Providers of health care would be given incentives to keep health care costs at the levels they negotiated for their State. This is accomplished by putting providers at risk for any cost overrun. That is, doctors would have to renegotiate or prorate fees for the remainder of the year if, based on reports to the Government by the insurers, fee payments were being made at rates that would exceed the State's prospective health budget. Hospitals also would be required to absorb any such overruns.

Negotiation of fee schedules, hospital and other provider budgets, and national and State community-rate premiums are critical to the plan's approach to cost control. Under the plan, providers of health care negotiate with those who ultimately pay for health care; namely, employers, unions, consumers, and Government, to agree on what payment rates and budgets are fair and reasonable. In turn, based on these fee schedules and budgets, the Government negotiates with insurers and HMO's to establish fair and reasonable community-rated premiums to cover services in every State, and to set national wage- and income-related premiums adequate to pay these community-rated premiums.

INCENTIVES FOR EMPLOYERS, EMPLOYEES, AND STATE GOVERNMENTS

Employers, unions, Government, and consumers are given incentives to negotiate to keep costs down by a provision that allows the actual wage-related premiums for a State to be reduced below the national rate if the State spends less on health care than its budget limit allows.

BUDGET LIMITS

The overall national and State budget limits in the plan are designed to slow cost increases.

In the rest of the economy. They are not designed to stop all increases in health care costs, and they are generous enough to allow improvements in the quality and accessibility of care.

HOW NATIONAL HEALTH INSURANCE WILL BE PAID FOR

The principal source of funding will be employers who will pay a premium related to total wages. The premium will cover the full costs of the covered benefits. Employees may pay up to 35 percent of premium costs.

Contributions from general revenues will relieve marginal employers of too excessive an increase in what they pay for health insurance. Migrant workers, part-time employees, and other low-income working people and their families will be covered by the Health Care for All Americans Act.

Federal and State tax funds will continue to be used for coverage of the poor and the unemployed.

Funds for an improved medicare program will be obtained from part B (physician) premium payments, payroll taxes, general revenues, and interest on trust fund assets.

Hospitals and doctors will be paid on the basis of prenegotiated amounts. They will not be permitted to charge patients more than the insurance plan pays. National, areawide and State budgets for health services will be set and any increases will be tightly controlled. The program will be administered by a National Health Insurance Board whose members will be appointed by the President, subject to Senate confirmation. A majority will be consumer representatives. A National Health Insurance Advisory Council and State councils with consumer majorities will advise Federal and State authorities.

Some Members of Congress have asked me what their constituents can expect to pay for comprehensive national health insurance. The average American will spend the same for national health insurance as he now pays for medical care each year—somewhere between $850 and $1,000. Those with above-average earnings will spend more; those with below-average earnings or no earnings will spend less, or nothing at all.

Older Americans will be getting broader coverage at less cost. Current out-of-pocket expenditures for physician services will be eliminated because there will be no deductibles or copayments. There will also be coverage for prescription drugs for certain chronic illnesses on an outpatient basis which medicare does not now cover.

And because cost controls in the Kennedy-Waxman proposal can arrest the current inflationary spiral, over time each of us will spend less for health care under national health insurance than we spend without it. Yet, we will benefit from more complete coverage.

Some have a preconceived notion that a comprehensive national health insurance bill with strong cost controls has no grassroots constituency. This is not so. In 1977, almost half of all the medical costs in this country were paid for out of tax dollars. American taxpayers constitute the broadest possible constituency to support cost controls and consolidation in our present health care payment system. American consumers and taxpayers are the constituency better served by the Health Care for all Americans Act.

I believe Americans want Congress to do something about inflation. We know inflation in our economy as a whole is fanned by inflation in health costs. Congress does have a responsibility to weigh what alternatives there are to this runaway inflation and our piecemeal health care system.

That is why I am introducing the Kennedy-Waxman Health Care for All Americans Act in the House of Representatives this year.

Health care is a human need. We cannot, as the generous and good people I believe us to be forever defer serving this need. We can never know the suffering, pain or fear that might have been alleviated had this legislation been acted on sooner.●

SURPLUS BEGINS AT HOME

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LONG of Louisiana. Mr. Speaker, trade is becoming an increasingly important activity for the United States. Dr. Robert A. Flammang, a distinguished professor of economics at Louisiana State University has recently published a compelling short article in the Executive, a journal of the Graduate School of Business and Public Administration at Cornell University, in which he describes unique restraints to U.S. penetration of Japanese markets.

Dr. Flammang has testified before my Subcommittee on International Economics of the Joint Economic Committee on two separate occasions—once to address the problems of American export policy and once to discuss the subject of Latin American economic relationships. His article describes, in a cogent fashion, some of the difficulties imposed upon American exporters to Japan as a result of vast cultural differences between our two countries. I commend it to the attention of my colleagues.

The article follows:

SURPLUS BEGINS AT HOME

(By Robert A. Flammang)

Both Democratic and Republican administrations have been officially committed to a policy of freer trade since 1934. As a result, tariff levels for the United States and for its trading partners have been dramatically lowered, and world trade has mushroomed. True, the movement toward trade liberalization has not been without its ups and downs, but no country has displayed its faith in freer markets more vigorously than the United States.

Japan, too, appears committed to freer trade. It joined the General Agreement on Tariffs and Trade in 1955, and the International Monetary Fund and the Organization for Economic Cooperation and Development in 1964. It has eliminated or reduced many of its special export incentives, trimmed back its import restraints, and opened its economy to more outside investment. It has granted import preferences to products from the less developed countries, adopted the Brussels Tariff Nomenclature, and abolished many controls on foreign exchange transactions. Japan has made it easier for nationals to import foreign technology and has even conducted seminars abroad on how to sell successfully in Japan.

Yet the seemingly parallel policies of the two countries have had far from parallel results. Last year Japan had a trade surplus of $26 billion, of which $12 billion was with the United States. Even the falling dollar has not helped U.S. exporters much in the Japanese market. Some observers point out that cheaper imports mean lower production costs in both domestic and foreign markets. Hence Japanese producers have a greater competitive advantage than might be expected simply from observing changes in exchange rates. Moreover, Japan mostly purchases U.S. goods for which demand is relatively insensitive to price changes. Consequently, cheaper dollars do little to expand U.S. sales.

Still, the roots of Japan's persistent trade surplus go much deeper than demand insensitivity or cost advantages. They lie in the nature of Japanese society.

Japan is a communal rather than an individualistic culture; group welfare takes precedence over the welfare of the individual. Individuals are expected to cooperate rather than compete, because cooperation cements the group while competition fractures it. Economic security is ranked much higher in the Japanese value system than economic abundance, and communal cooperation is perceived as the road to security. In Edward T. Hall's *The Hidden Dimension*, an old priest notes that "to really know the Japanese you have to spend some cold winter evenings snuggled together around the *hibachi*. Everybody sits together. A common quilt covers not only the *hibachi* but everyone's lap as well. In this way the heat is held in. It's when your hands touch and you feel the warmth of their bodies and everyone feels together—that's when you get to know the Japanese. That is the real Japan!"

This communality is reflected throughout Japanese life. Business decision making is communal: proposals are made formally at the middle management level, discussed politely and widely up the management hierarchy, and finally articulated by the chief executive. Everyone feels involved, everyone shares in the successes and jointly bears the risks of failure.

Communality is mirrored in the Japanese financial structure. Most Japanese enterprises operate with high ratios of debt to equity. In the West, equity is usually a cushion to protect the enterprise, to enable it to survive during hard times. But in Japan the position of a firm as part of a "family" of firms mitigates the importance of equity. Enterprises can count on their banks for bail-out loans, even if equity should evaporate. This thin margin of equity, coupled with the lifetime employment commitment that characterizes so many Japanese enterprises, translates into a high ratio of fixed-to-variable costs and leads to frequent "dumping" by Japanese producers. In the individualistic West, of course, every firm must take care of itself; equity margins must be higher, employment is much less stable, and dumping is much less common.

The Japanese are notorious for their suspicion of outsiders. They have historically placed all sorts of restrictions on foreign ownership within Japan. They make little use of foreign managers and are reluctant to let foreign workers into the country. Foreign cartels are prevented from getting a toehold, while domestic cartels are not only tolerated but often actively encouraged—especially in the export sector.

Japan has also traditionally been reluctant to export its capital. In contrast to U.S. or European firms, Japanese multinationals have generally accepted minority positions in overseas ventures. When they have invested abroad, they have shown a distinct preference for activities that stimulate either Japanese exports or needed imports. They are less interested in maximizing returns on their overseas investments. They are almost inevitably committed to home production, home employment—to national unity.

Communality also explains the unique partnership between the government and the private sector in Japan. The adversary relationship that particularly characterizes the United States simply does not exist in Japan. The term "Japan, Inc.," so often used to describe this symbiotic relationship, is very accurate. The Ministry for International Trade and Industry, for example, not only promotes trade but also conducts market research and performs quality control services for Japanese exporters. And the ministry normally consults with industry associations before it makes any notable policy changes.

Perhaps communality shows up most vividly in the general trading company. These companies are often owned by a constellation of related banking, commercial, and manufacturing enterprises and perform nearly any function related to the distribution of goods and services. They pack, store, insure, finance, and ship products, conduct market research, and even engage in research and development activities for their clients. They hire the very best Japanese talent available. They have officers all over the world and handle import as well as export trade; in fact, trading companies altogether handle an estimated 80 percent of Japan's total trade. As befits a truly communal organization, associated firms can get almost any service they need "in-house."

The upshot of all this is that the Japanese prefer to deal with other Japanese. If they must deal with foreigners, they try to do so from a position of strength (most of Japan's joint-venture partners are either individuals or closely held, relatively small, family corporations). They have a strong preference for buying Japanese goods; and when none are available, they favor long-term contracts from many sources. On the other hand their love for security prompts them to sell products or technology to anyone—East or West, rich or poor, with or without credit.

Given this communal system, the Japanese are incredibly sensitive to foreign reactions to their sales efforts. Japan is one of the few countries which limits its exports, particularly textiles, steel, and—increasingly—television sets and automobiles. When foreigners begin to bristle at the onslaught of Japanese competition, the Japanese try to salve their feelings by undertaking production in those countries. (Sony, Honda, and Kawasaki have, for instance, put up factories in the U.S.)

But the power of Japanese communality is still very apparent. American exporters of diammonium phosphates recently complained that the Ministry of International Trade and Industry had established an "administrative guideline" limiting imports to 20 percent of demand, with the net result that exports to Japan dropped 30 percent while they continued to rise in other market areas. Government tobacco and grain enter-

prices sell import items at prices far higher than their local counterparts. The government requires that Japanese testing be performed before products can be approved for internal sale, while most countries accept foreign test results. (Even minor modifications such as color changes require new approvals.) Government purchases are almost entirely from Japanese sources, and since the government controls many industries from railroads to telephones, the restrictions have an enormous impact upon imports.

One of the most frustrating characteristics of these nontariff barriers is that they are often informal; their existence cannot be firmly established for negotiating purposes. So tariffs may be formally lowered at negotiations like those in Geneva, import quotas may be pruned away, and there may still be little improvement in trade balances. This is why it is so important to understand that the roots of the problem lie deep in Japanese society. Things will obviously not change until either Japanese communality broadens to include more non-Japanese elements or Japan's trading partners begin behaving as the Japanese do.

Some of this is already beginning to happen. Kawasaki Steel recently broke ranks with its fellow steel makers and bid independently for an Iraqi steel pipe contract—normally, Japanese steel producers pool their bids in a consortium—and won the bid. Also, many business executives are trying to move away from lifetime employment commitments in their ranks. Labor unions are becoming increasingly independent and behaving more like adversaries than family members. Business firms are increasing their overseas investments at a rapid rate. Foreign managers are becoming more common, both inside and outside Japan. The "enlightened self-interest" of Adam Smith appears to be breaking out—but slowly.

On the other side of the coin, Japan's trading partners are also beginning to act somewhat more communally. The notion of establishing general trading corporations in other countries has surfaced again. Governments seem more willing to support their private producers and investors in their Japanese export efforts. The European Economic Community has taken steps to deal with Japanese competition in a number of areas. As may be expected in societies where communal action is neither as common nor as desired as it is in Japan, however, these steps have been slight and relatively ineffective.

The prospects for more balanced trade between the United States and Japan in the future are, then, not particularly bright. The two societies are structured very differently, and societal change is a relatively slow process. But the long-run solution may come through vastly increased Japanese overseas investment: someday there may be as much Japanese capital and labor abroad as there is at home. When that day comes, there may be a redefinition of what it means to be really Japanese; the society will feel safe in opening itself up, and we will all find ourselves—socially, psychologically, and economically—on more common ground.●

FISHING INDUSTRY AND UNDERUTILIZED SPECIES

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORRADA. Mr. Speaker, today I am introducing legislation which will lead to the development of an advanced technology American fishing industry in certain underutilized species. The legislation is especially designed to encourage this new fishing industry to locate in areas of high unemployment, such as Puerto Rico and other economically depressed areas.

American fishermen are currently harvesting less than one-third of the available catch of species such as squid, butterfish, and croaker. These species of fish are abundant in American waters and can be sold for high prices in overseas markets such as Japan and Western Europe. Although most of these species are not in high demand among American consumers, they represent an export potential of over $200 million a year.

But these valuable fishing resources are currently being left unharvested because American fishermen do not have the technologically advanced factory ships which are needed in order to process and quick-freeze these species soon after they are caught. The existing Federal programs designed to encourage the construction of more American-built fishing vessels have not led to the construction of any technologically advanced fishing vessels comparable to those now used by Japan and various European countries.

The legislation which I am introducing will allow American companies to use foreign-built fishing vessels of advanced design to harvest certain underutilized species for a limited number of years, subject to the condition that at least 10 percent of the gross revenues from the operation of the vessel must be set aside and used for the construction of an American-built advanced technology fishing vessel.

This will permit Americans to begin harvesting these underutilized species immediately, and will establish the nucleus of an ultramodern fishing fleet composed of American-built vessels. Each fishing vessel will employ approximately 50 American crew members, and several thousand additional jobs will be created in shoreside operations such as processing, canning, ship repair and indirect jobs.

However, the total number of fishing vessels involved will be limited to a harvest of 50 percent of the total allowable level of foreign fishing ("TALFF") which is established for any given species, to insure that American fishermen who currently harvest these species will not be affected. The legislation is designed to make it possible for American companies to harvest valuable fishing resources which are now going to waste and which represent a potential supply of high protein food for large numbers of people.

The legislation which I am introducing is fundamentally similar to H.R. 4360 which limits the catch that can be harvested by any one company and its affiliates to 20 percent of the TALFF established for a given species. My bill will permit this amount to be increased by an additional 10 percent whenever all of a company's vessels which are participating in this program have their home port in a State, Territory, District or possession of the United States with an unemployment rate equal to or in excess of 8.5 percent. This provides a special incentive for companies participating in the program to base their technologically advanced fishing vessels in an economically depressed area such as Puerto Rico and the Virgin Islands.

Several companies have already expressed a particular interest in training Puerto Ricans to be crew members on these ultramodern vessels, and they expect that 1,000 additional jobs for Puerto Rico would be created in shoreside industries and support operations. Puerto Rico currently has a shockingly high unemployment rate of 16.2 percent. The additional jobs created by a modern fishing industry are desperately needed and will have a significant impact on the island's economy.

The legislation that I am introducing will be good for Puerto Rico because of the new jobs it will create. It will be good for our country as a whole because large-scale exports of squid, butterfish, and croaker will significantly improve the U.S. balance of trade. And it will add a valuable supply of high protein food to the world's diet, based on species of fish which are currently left unharvested.●

IMMIGRATION AND NATURALIZATION SERVICE

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. PREYER. Mr. Speaker, on several occasions, I addressed the House on records management difficulties at the Immigration and Naturalization Service. I pointed out serious problems and irregularities with INS plans to automate some of its recordkeeping operations. Although I recognize the need to deal with the tremendous paperwork backlogs at INS, I am concerned about the failure of the agency to demonstrate that the benefits from the planned computerization justify the costs.

My earlier comments were based on a Department of Justice internal audit report about INS operations and on investigative work done by the staff of the Subcommittee on Government Information and Individual Rights. We have now heard the same criticism from yet another source. At a hearing on July 23, the subcommittee received testimony from Walter Anderson, the top computer specialist at the General Accounting Office.

Mr. Anderson described the INS approach to computerization as "management by crisis." He confirmed that INS has not complied with the Federal Property Management Regulations, the Federal Procurement Regulations, OMB Guidelines, and Federal Information Processing Standards. GAO also found that the INS computer concept was incomplete; that the procurement of equipment was premature; and that INS had failed to get required approvals from the Department of Justice.

INS Commissioner Leonel Castillo justified agency actions as necessary to deal with pressing paper problems. In his view, formal planning, testing, and evaluation would have taken several years. However, Mr. Anderson testified that proper ADP planning would take months and not years to complete. Anderson also indicated that planning could well result in a better and cheaper system in the long run.

Despite all of the shortcomings, I still believe that Commissioner Castillo deserves credit for recognizing and attempting to deal the severe records management problems at his agency. His decision to introduce computers at INS was correct. However, more attention must be paid to the way in which that decision is being implemented. As a relative neophyte in automation, INS needs more rather than less planning.

GAO outlined a comprehensive approach to developing computer capacity, and I think that INS would do well to consider it. Specifically, GAO recommended that INS first, prepare an ADP plan that supports the agency's long-range plan; second, established a high level steering committee chaired by the Commissioner or his Deputy; third, comply with existing regulations and standards; fourth, carefully analyze the Houston experiment and prepare a system design concept based on these results, together with considerations of alternatives; fifth, defer any large scale procurement until the system design concept is firm; and sixth, conduct an analysis of the various lease and purchase alternatives to determine the method most favorable to the Government.

The Subcommittee on Government Information and Individual Rights will continue its oversight of INS computer operations after the August recess.●

CONGRESSIONAL SALUTE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ROE. Mr. Speaker, on Friday, August 24, the Veterans of Foreign Wars of the United States will gather in convention at New Orleans, La., for the installation of their new commander in chief, the Honorable Howard E. Vander Clute, Jr., of New Jersey, whose lifetime of exemplary service on behalf of our veterans and their families has truly enriched our community, State and Nation. I know you will want to join with me in extending our heartiest congratulations to Howard Vander Clute and share the pride of his wife Mary (past president of the VFW Ladies Auxiliary); his daughters, Mrs. James Whitney and Mrs. John Higgins; and sons, Marine veteran Robert and Army veteran Richard on this great milestone in their family record of achievements.

Mr. Speaker, Howard Vander Clute has served his country with distinction—in Army service in Germany and as a highly respected citizen and community leader in dedicated service to the VFW organization and its most prestigious membership of veterans. He joined VFW Post 8946 in 1953 and has attained elective office at every level of the VFW—in his post, county council, State department and national council. He was commander of Post 8946, a past all-American district and department commander. He was New Jersey department commander in 1974–75 and recently completed a term on the national council of administration. He has also served as a member of the general resolutions committee and the national budget and finance committee. He is presently serving as senior vice commander in chief of the Veterans of Foreign Wars of the United States.

In our State of New Jersey, Howard was appointed by the Governor in 1972 as the State Veterans Day chairman and in 1975 was appointed and reappointed in 1979 by the Governor and confirmed by the senate for two 4-year terms as a member of the State veterans services council where he serves as chairman of this vitally important State veterans advisory board.

Mr. Speaker, the quality of Howard Vander Clute's leadership in national veterans affairs has truly warranted his fellow veterans' deepest of admiration and respect. During his term of office as Junior Vice Commander-in-Chief he participated in several fact-finding missions to NATO countries and the Far East. We are most appreciative and grateful for his representation of our veterans on his visits to the Mideast, Panama (Guantanamo Bay), Cuba, SAC, MAC, TAC and NORAD with the U.S. Air Force.

Howard's lifetime of dynamic and energetic endeavors in veterans, civic and business endeavors is an inspiration to all of us. For 16 years until 1969, he operated his own masonry contracting company and is currently a territory manager for the Celotex Corp., a national manufacturer of building products.

Mr. Speaker, there is so much that can be said about Howard Vander Clute's exemplary record of performance and the love of our country has been strongly intertwined within the story of his life. It is with deep personal pride and pleasure that I take this opportunity to call your attention to the forthcoming installation of Howard Vander Clute as the VFW's National Commander-in-Chief, a highly esteemed office of trust among our veterans and, for that matter, all of our people, which brings great pride and prestige to the State of New Jersey and to our Nation.

Howard's lifetime of dedication, devotion and personal commitment to our Nation's veterans has surely contributed to the quality of life and way of life here in America. We do indeed salute a good friend, respected community leader, esteemed businessman, distinguished citizen and great American—The Honorable Howard E. Vander Clute, Jr. of New Jersey, Commander-in-Chief of the Veterans of Foreign Wars of the United States.●

STATEMENT ON WORK-STUDY PROGRAM AMENDMENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. WEISS. Mr. Speaker, the college work-study program (CWSP) was created in 1964 with three objectives in mind. With the same Federal dollars, it was hoped that the work-study student would not only earn the needed funds for his or her education, but also enhance educational experience and improve the delivery of services within the community.

In the 15 years since its inception, the CWSP has become almost devoid of any educational interest. The extent to which work study is used as a work-learning experience or as a means of community service is almost coincidental. At many institutions, work study has become little more than federally subsidized labor for the institution.

Today I am introducing legislation to improve this situation. I do not mean to deemphasize the financial aid aspect of the CWSP, nor prescribe the nature of the work-study experience. Rather by offering incentives to institutions, students, and prospective employers, this legislation will enable them to make efficient use of the multiple resources which are available in the program and meet the original objectives of the program.

However, few institutions can devote the time or energy necessary to develop educationally valid work-study opportunities. My bill helps to ease the constraint and to encourage work-learning placement. Institutions which place students in work learning will be eligible for administrative allowance increases. This measure would serve as a strong inducement for institutions to actively seek work-learning opportunities for their work study students.

This bill would not force, but encourage the efforts of institutions to place students in work-learning experiences. The program will remain flexible and at the determination of the institution. Individual institutions will decide what constitutes a work-learning experience as well as any credit which would be granted. In addition, the number of work-study jobs necessary for the performance of campus services would also be determined by the institution.

Work-learning experiences better serve the interests of the student, institution, and community. This Congress has already recognized the value of bringing together the worlds of education and work through its establishment of the Office of Career Education with the Office of Education and its continuing support of the cooperative education program. We know that students need to experience the real world in addition to their classroom studies; college work-

study provides this opportunity for valuable career-related experiences.

I am particularly proud that the foremost example of the successful use of the college work-study program to support meaningful work-learning experiences is the Urban Corps in New York City. The first of more than a score of similar programs in cities throughout the Nation, the New York City Urban Corps this year alone will provide more than 5,000 students from 125 colleges and universities with work-learning opportunities in over 100 city agencies and departments. These students are performing valuable services for the people of New York, and are gaining an education experience quite beyond the limits of their campuses. Since the Urban Corps was founded in New York City in 1965, many alumni of that program have upon graduation entered careers in public service. This is yet another valuable benefit of the college work-study program.

The success of the New York City Urban Corps, carried out in coordination with certain work-learning components of CETA and cooperative education, proves conclusively that work-study jobs do not have to be menial. Work-study funds are better spent if they can provide students not only with needed financial assistance but also with educational enhancement and vocational and career guidance, and provide our hardpressed communities with much-needed skills and motivated manpower, and do all this with the same Federal dollars.

It is time for the original objectives and the great potential of the college work-study program to be realized. I urge my colleagues to join me in sponsoring this legislation, a copy of which is printed below:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part C of title IV of the Higher Education Act of 1965 is amended—

(1) in section 441(a), by inserting immediately before the period at the end thereof the following: ", but also particularly where such employment will provide work-learning opportunities supportive of the students' educational and vocational program and goals and serve the public interest";

(2) in section 444(a)(7), by inserting "(A)" immediately after "provisions", and by inserting immediately before the semicolon at the end thereof the following: ", and (B) to insure that in the assignment of students to employment under this part the institution will make a reasonable effort to provide a work-learning opportunity consistent with the educational or vocational program or goals of the student, except that no otherwise eligible student shall be denied employment under this part solely because of the unavailability of such work-learning opportunities or because the student does not wish to undertake a work-learning position";

(3) in section 444(c), by inserting at the end thereof the following new sentence: "Determination of the amount of a student's work-study award allocable toward non-education related living expenses during a period of non-regular enrollment shall be established by the institution at which the student is enrolled and shall take into account the needs of the student and customary living costs in the area where the student is residing during such period.";

(4) in section 444, by adding at the end thereof the following new subsections:

"(d) Nothing in this part shall restrict or limit the right of an institution to award to students employed under this part credit for academic achievement or learning attained or earned as a part of or incidental to such employment.

"(e) In carrying out the provisions of this part, the institution shall have the sole and exclusive right to determine the character and nature of employment under this part which bears a direct relationship to the academic or vocational program or goals of the participating student or which provides work-learning opportunities consistent with such program or goals.";

(5) in section 445—

(A) by inserting "including other sources of Federal funds to the extent that such funds may be used for the purpose of this part," immediately after "agreement under this part,"; and

(B) by adding at the end thereof the following new sentence: "The Commissioner shall encourage the use of work-study funds in conjunction with other work-training and work-education activities, particularly where such other activities are supported in whole or in part with Federal funds."; and

(6) in section 447—

(A) by striking out "develops jobs" in subsection (a) and inserting in lieu thereof "develops work experience opportunities (whether or not supported with funds allocated under section 446)"; and

(B) by adding at the end of such section the following new subsections:

"(c)(1) Agreements under subsection (a) may provide that—

"(A) for fiscal year 1981 not less than 30 per centum of the funds allocated under section 446, exclusive of funds allocated under this section, will be used in accordance with paragraph (2);

"(B) for fiscal year 1982 not less than 35 per centum of such funds will be so used;

"(C) for fiscal year 1983 not less than 40 per centum of such funds will be so used; and

"(D) for fiscal year 1984 not less than 50 per centum of such funds will be so used.

"(2) Funds reserved pursuant to paragraph (1) of this subsection shall be used for the support of employment, other than for the institution involved, which bears a direct relationship to the academic or vocational program or goals of the participating student.

"(d) An eligible institution whose agreement with the Commissioner includes a provision for the reservation of funds under subsection (c) may, notwithstanding subsection (a) of this section, use not more than 20 per centum or $30,000 of its allotment under section 446, whichever is less, for the purposes of this section.

"(e) Notwithstanding any other provision of this section or of section 493, an institution which has entered into an agreement pursuant to section 443 may, from its allotment under section 446, allocate up to 3 per centum of the amount paid from such allotment for the employment of eligible students, other than in the service of that institution, and may utilize such amount in such manner as it deems appropriate for the administration, supervision, evaluation, or management of such employment.".

SEC. 2. Section 493A(a)(1)(A) of the Higher Education Act of 1965 is amended by inserting at the end thereof the following: "including off-campus employment opportunities supported under part C of this title,".●

S. 1030, THE EMERGENCY ENERGY CONSERVATION ACT OF 1979

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DODD. Mr. Speaker, on August 1, I voted in favor of S. 1030, the Emergency Energy Conservation Act of 1979. The bill would give the President standby gasoline rationing authority in the event of a 20-percent shortage as well as the power to impose conservation plans when States do not submit their own during a 10-percent shortfall.

It was obvious after the House's defeat of the first rationing proposal in May that the parochial wranglings among Members of Congress would continue to prevent passage of a gasoline rationing program until we found ourselves in the midst of a national crisis. Granting the President the authority to implement a rationing plan, subject to a one-House veto within 15 days of the plan's submittal to Congress, would insure that available supplies of fuel would be equitably distributed during an energy emergency.

Only a month ago, our country was still weathering long lines at the gas stations, panic buying, and often violent outbursts during only a 3–5 percent shortfall in fuel supplies. Considering the chaos caused by the last gasoline shortage, imagine the kind of dangerous situation a 10-percent or 15-percent cutback in supplies will create. During consideration of the rationing bill, I supported an amendment to lower the trigger for implementation of national gas rationing from a 20-percent to 15-percent shortfall in supplies. That amendment was, unfortunately, defeated. As a result, gasoline supplies will have to drop by 20 percent nationwide before the President can take decisive action.

To insure that some conservation programs are already in place before such a severe shortage, the bill triggers mandatory State conservation plans at the time of a 10-percent shortfall. States would be able to impose plans that adequately reflect local needs, and the President could only step in when a State fails to submit a plan that will achieve conservation goals.

This bill represents only a first step toward insuring that this country can have an effective gas rationing plan in place should a supply emergency arise. As passed, S. 1030 would constrain the President from imposing a rationing system unless a 20-percent shortage lasts for 30 days, after which another 15 days for congressional approval or disapproval of the plan must pass before a plan can be put into place. Thirty days of a 20-percent shortfall plus the added time for submittal and congressional review could prove disastrous. Congress must recognize that a gasoline rationing plan should be dealt with expeditiously if we are to have any measure of success in handling an energy emergency.

S. 1030 stipulates that any plan drafted by the administration must distribute gasoline fairly among all States so that the burden of the shortage is shared equally while also assuring that priority users—emergency vehicles, farmers, mail carriers—have a sufficient supply of gasoline. Under these circumstances, coupon rationing should make gasoline available on the basis of need rather than on the accident of geographical location or individual affluence.

It would be both irresponsible and shortsighted of Congress not to give the President this standby authority, especially in light of the continuing instability in Iran which could result in another shutoff of OPEC supplies. We must be properly prepared for a severe shortfall, and although S. 1030 addresses this problem in part, the 6 week or more lag before a rationing plan can be instituted, undermines the President's effort to deal with a potentially explosive situation.

I sincerely hope that the occasion will never arise when we will have to implement a gasoline rationing plan, but should the time come when we need such a plan, then the President should not be hampered by unproductive delays in Congress.●

FOREIGN ASSISTANCE ACT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BONKER. Mr. Speaker, section 116(e) of the Foreign Assistance Act created a fund for fiscal 1979 and 1980 of $1,500,000 "for studies to identify and for openly carrying out, programs and activities which will encourage or promote increased adherence to civil and political rights as set forth in the Universal Declaration of Human Rights in countries eligible for U.S. bilateral assistance."

The purpose of this fund is to help countries to strengthen local guarantees of human rights or to improve legal assistance programs as well as sponsoring workshops and conferences on human rights and economic development.

For the first three quarters of fiscal 1979, AID has provided me with a brief summary of the individual activities funded under section 116(e). I would like to bring this program to the attention of my colleagues.

FISCAL YEAR 1979 SECTION 116(e) ACTIVITIES

I. FUNDED (AS OF 15 JUNE 1979)

Regional Human Rights Arrangements for Africa.—$24,325.

The Commission to Study the Organization of the Peace in making a study of regional arrangements to protect and promote human rights. The effort, which follows up on an African initiative in the UN will deal with the particular needs and circumstances of that continent in the light of the experience of the Inter-American and the European Human Rights Commissions.

Sponsored by the State Department's Bureau of African Affairs, a group of leading African jurists will observe the functioning of the Inter-American and the European Human Rights Commissions.—$17,000.

Human Rights Fund for Africa.—$100,000.

This fund is available to U.S. Ambassadors in Africa to respond on a timely basis to request for assistance that will promote or support political and civil rights initiatives on that continent.

Human Rights Perspectives in Africa.

The Council for Policy and Social Research, with support from AID, the International Communications Agency, and State's Bureau for Intelligence and Research, is making a survey of African support for and concern about civil and political rights. The study will be of direct use to African governments and others in Africa who wish to promote human rights, and should also help the U.S. Government and international agencies to carry out policy in support of human rights. The total cost is $15,000, of which AID's contribution under Section 116(e) is $5,000.

Inter-American Seminar on Regional Human Rights Protection.—$20,000.

A seminar was held in San Jose, Costa Rica, in February, under the sponsorship of the InterAmerican Bar Association to review regional arrangements for the protection of human rights, including the American Convention on Human Rights, which came into force in July 1978.

Legal Services for Rural Women: Paraguay.—$80,000.

The Liga Paraguaya de los Derechos de la Mujer, the Paraguayan League for Women's Rights, conducts a program to inform rural women of their legal rights and to provide legal services. A three year grant of $136,435, of which $80,000 is obligated in FY 1979.

Legal Services for Urban Women: Peru.—$50,000.

A Peruvian organization, Movimento Derechos de la Mujer, Movement for the Rights of Women, will carry out a 9 to 12 month program in that country, using public media as well as direct contact with women's groups, to educate women and men on their legal rights and the resources available to assist them in exercising those rights. The Overseas Education Fund of the League of Women Voters will provide technical assistance.

Use of Legal Processes for Social and Economic Reform.—$24,000.

Leaders from developing countries participated in a series of conferences and seminars on the use of legal processes to achieve social and economic reform which were held in the United States in May to mark the 25th anniversary of the Supreme Court's school desegregation decisions. The project was sponsored by Columbia University and the Legal Defense and Education Fund of the NAACP.

Human Rights Organizations in Developing Countries.—$81,000.

Under sponsorship of the State Department's Bureau for Human Rights, the Human Rights Internet will collect, publish, and disseminate data on human rights organizations in developing countries. The purpose is to encourage and support contact among people in developed and developing countries who share an interest in problems of political and civil rights in the context of economic development.

II. PENDING (AS OF 15 JUNE)

States of Emergency and Administrative Detention.—$100,000.

The International Commission of Jurists will conduct a worldwide study of law and practice relating to states of emergency and administrative detention. The study will lead to an increased understanding of how governments can deal with internal security problems and promote and protect political and civil rights.

Asia Regional Program.—$351,000.

The Asia Foundation will carry out a program of support for activities that encourage and promote programs for political and civil rights in Asia. The activities include legal services for the poor, protection of minority rights, administration of justice, and research and educational programs. This will be a three year program, with a total estimated cost of $945,000, of which $351,000 will be obligated in FY 1979.

Indonesian Legal Services.—$260,000.

The Asia Foundation will assist programs in Indonesia intended to help people who are poor and live in rural areas to know about and to protect their legal rights. The total estimated cost of this program is $517,000, of which $260,000 will be obligated in FY 1979.

Inter-American Legal Services Association.—$147,616.

The Inter-American Legal Services Association is made up of lawyers and organizations in Latin America involved in local legal aid and law reform work aimed at the encouragement of political and civil rights. A three year grant was made in FY 1978 (through the American Society of International Law) to assist in its establishment and its initial program. The total grant was for $380,580, of which $152,414 was obligated in FY 1978 and $147,616 will be obligated in FY 1979.●

MOORHEAD ON SYNFUELS: THE PHILADELPHIA BULLETIN

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. LEDERER. Mr. Speaker, 2 days before the House voted overwhelmingly for H.R. 3930, a bill to develop a domestic synthetic fuel industry in the United States, our colleague, the gentleman from Pennsylvania (Mr. MOORHEAD) eloquently argued for the prompt passage of this bill, in an article which appeared in the Philadelphia Bulletin.

The House responded to the Moorhead call, by a vote of 368 to 25, and sent this important bill to the Senate where it now sits under the scrutiny of two Senate committees.

The urgency which existed on June 26 still is present. The other body would do well to heed the words of our good friend and quickly report this bill so that the Nation can move ahead toward that highly desired position of energy independence.

I would like to include in the RECORD at this time for my colleagues—and for those Members of the other body—that article by Mr. MOORHEAD.

SYNTHETIC FUEL, HERE WE COME . . .

(By William S. Moorhead)

In a little noticed action on May 8, the House Banking, Finance and Urban Affairs Committee passed, by a vote of 39 to 1, H.R. 3930, my legislation, "to amend the Defense Production Act of 1950."

With that thumping vote, the Committee paved the way for the development in the United States of a large domestic synthetic fuel industry and took a major step toward

breaking the OPEC cartel which has used our nation's voracious appetite for oil and OPEC's plentiful oil reserves to manipulate prices and plunge not only this country but many others into a spiraling inflation that threatens the very foundation of democratic government.

The Moorhead legislation would establish a 500,000 barrel per day synthetic fuel target and authorize the President to purchase that amount for use by the Defense Department. The bill contains funds for the purchase of the fuels as well as loans and loan guarantee authority to assist with the construction of synthetic fuel plants.

Synthetic fuel, or synfuel, is any fuel not made from petroleum or conventional natural gas. Synthetic fuels are made from coal, oil shale, peat, tar sands, surplus grain and even garbage, just to name a few. Most of these would be converted into liquid fuels because that's what our big need is now. However, gaseous and solid fuels also are contemplated in my legislation.

The bill is designed so that private industry would build the plants and pay for them, but permits government to do the job if necessary.

Plant cost is tremendous. For example, one 50,000 barrel-a-day coal-to-gasoline plant would cost between $1.5 billion and $2 billion.

Yet that too has its advantages since any money spent to develop a synthetic fuel plant and to purchase the product would be dollars that all stay in the United States. Thus synfuel development represents a valuable weapon in our balance of payments fight.

Each new plant would provide about 20,000 jobs on site and in various support industries—all in America. In addition, of importance to Pennsylvanians and other Appalachian residents, many of these plants—of necessity—will be built where ready coal deposits are.

So synfuels represents new domestic industry, a way to keep money that normally would flow overseas to OPEC here in the United States, and a strong hope for energy independence.

Frankly, I see only two situations where the Government, not private industry, might be forced to build synthetic fuel plants. The first would be if private industry fails to respond to the challenge and opportunity presented by the legislation, and I think that's quite unlikely. The second is what I call the "worst case" situation.

If one or more of our major oil suppliers—say in the Middle East or Africa—cut off or drastically reduced our oil imports, the Government might have to build many of these plants very quickly. We had to do this once before during World War II to develop and produce synthetic rubber. Even so, the Government got back almost 97 percent of its investment when it sold the plants to private industry.

It's important to point out that the synfuel plants I envision in this bill already exist in South Africa and I've sent my subcommittee investigators there last December to inspect those plants. The plants work and the plant sites are not environmental disaster areas.

The chemical engineers who design synfuel plants have taken the criticisms and fears of environmentalists to heart. Plants now on the drawing board feature both closed water and gaseous emission systems. The water is recycled and as it evaporates is replenished from time to time. The gases also are recycled in the processing system. Those gases not used are subjected to more complete combustion reducing pollutants or made into useful by-products. Sulphur, a coal residue, is an important and necessary element for many of our fertilizers to grow needed farm products.

As for the end product, the synthetic fuel, it is environmentally superior to natural fuels because so many contaminants such as sulphur and lead have been removed.

I am optimistic about the speed with which this new domestic industry can evolve.

I think we will see results coming in a few short years. Alcohol will probably come on first and quite rapidly because of the smaller capital investments needed. Many small plants should be built all over the country. Look for more gasohol with better mileage for your car, better engine performance from the higher octane and much less harmful hydrocarbon emissions.

The fuels from coal and shale will start to enter the marketplace in four to five years. All of the first 500,000 barrels of synthetics a day will be earmarked for defense needs, but this will create an immediate offset in the domestic civilian market because that's where the military now gets its fuel. The armed services draw fuel from the same supply you and I do.

Synthetic fuels under our bill will free greater supplies over time for everyone. Someday, I truly believe that those who supported this legislation will be able to look back and say we helped to attain America's energy independence. And I believe it's quite appropriate that the House vote on this bill will come just before the Fourth of July, our national Independence Day.●

STRATTON SPEAKS OUT ON SYNFUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, on June 26, when the House overwhelmingly approved H.R. 3930, a bill to create a domestic synthetic fuels industry in the United States, one of the most eloquent spokesmen on the floor that day was the gentleman from New York (Mr. STRATTON).

With his long experience in military matters, the gentleman perceived the national security threat posed by our dependence on unsure foreign sources for so much of our daily supply of oil and urged the House to approve the bill.

With great emphasis and reason, the gentleman helped make the case that the sooner we begin developing synthetic fuel from domestic supplies of coal and other materials the quicker we insure that the basic military mission of our Armed Forces will not be curtailed.

On Thursday, August 2, the gentleman from New York wrote to the Washington Post with regard to an editorial on synthetic fuels which the gentleman believes—and I agree—misstates the importance of promptly moving on with the development of a domestic synthetic fuel industry.

I would like to thank the gentleman once again for his help on June 26 and include in the RECORD at this time his letter to the Washington Post.

LETTER TO THE EDITOR

Your July 17 editorial on President Carter's new energy program ["The Right Commitment"] can't avoid working up a healthy sneer at Congress for being "seized with a fit of enthusiasm for manufacturing synthetic oil and gas from coal." Indulgently you concede that "building pilot plants as an experiment is certainly worth doing to discover precisely how well it works." But you condescend to instruct us that "the complexity of the process is enormous," "synthetics cannot contribute much within the next decade," and "much surer, and cheaper, alternatives are at hand."

This is precisely the kind of interminable, argumentative nit-picking which has so far stymied the country from moving boldly and effectively to deal with energy, and which President Carter's comprehensive speech was designed to eliminate. The longer we keep arguing learnedly about complexity, length of time, and "surer and cheaper" alternatives, the further away is the hour when we stop writing editorials, roll up our sleeves and set out on one clearly defined course.

By the way, when did you switch writers? A June 15 editorial entitled "Oil From Coal—in a Hurry," had this to say: "One endeavor on which [the administration] can embark immediately, visibly and most usefully, is to demonstrate the promise of coal technology."

I don't pretend to be an energy expert, but as one who had the privilege of accompanying House Majority Leader Jim Wright to Europe over the July 4th recess to inspect the current state of coal conversion technology abroad, I can say, on the basis of what we saw and learned, that the facts are quite different from your latest editorial exhortations.

For example, no pilot plants are needed "to discover precisely how well" this technology works. Experimental plants are already in operation in Germany and England, and a successful commercial plant has been producing for some 20 years in South Africa. Those in charge of these plants told us that a crash program on our part could cost a bit more and might involve an occasional misstep. But Franklin Roosevelt didn't wait for perfected technology or complain about production "complexities" when he ordered 50,000 airplanes in early 1942. We had no time to lose then. And we have even less today.

As for "surer, cheaper, alternatives," significantly, your editorial writer could identify none. In an emergency cost estimates are at best wild guesses—as we discovered in World War II—and in any event performance always takes precedence over cost. What price freedom? What price oil independence?

So instead of being sneered at by dilettantish commenators, the House leadership, I would say, deserves great praise for its initiative. While others were wringing their hands, they have come up with a solution that taps the most abundant single energy resource in our land. Apparently the House membership, and the millions of Americans for whom they speak, agreed—by a whopping 368-to-25 vote!

SAMUEL S. STATTON,
U.S. Representative.

WASHINGTON.●

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Wednesday, September 5, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. CARL M. LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who art from everlasting to everlasting, be to each of us our Guard and Guide as once more we undertake the work of this House. Grant us pure hearts, keen minds, and the spirit of servants.

And so many on this day pause to honor a fallen hero, so may we with hushed reverence and deep gratitude remember Thy servant Lord Louis Mountbatten—his royal presence, his brilliant mind, his personal bravery, his military prowess, his lofty statesmanship, his grace, and his goodness. May he rest in peace, honored by his countrymen and by all who were touched by his life.

And to Thee shall be the glory and the praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 5, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL M. LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the orders of the two leaders, there be a brief period for the transaction of routine morning business, that Senators may be permitted to speak up to 3 minutes therein, and that the period not extend beyond 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE UNITED STATES-SOVIET MILITARY BALANCE

Mr. ROBERT C. BYRD. Mr. President, in the coming weeks, the Senate will be making some critical decisions with respect to our future national security.

The hearings which have been conducted on the SALT II Treaty by the Committee on Foreign Relations, the Committee on Armed Services, and the Intelligence Committee have been particularly valuable because not only have these committees examined the specific elements of the treaty, but the debates that have occurred in the Foreign Relations Committee and the Armed Services Committee have also focused national attention on the broader issue of the overall military and strategic balance.

During the month of August, I took the opportunity to review the record of the hearings conducted by the Armed Services Committee and the Foreign Relations Committee and also to discuss these national security issues with citizens in my State. My review of the hearings has served to heighten my concern about our national defense and the strategic balance in the years ahead.

The Senate committees will soon be concluding their hearings on SALT II and the treaty will be coming before the entire body. As I have repeatedly stated, I shall make my decision on the SALT II Treaty on the merits of the treaty and on the question as to whether or not it serves U.S. national security interests.

Today, it is not my intention to address the treaty itself. Rather, I want to speak to the significant questions involved in the broader issues of U.S. defense capability and the growth of Soviet military strength. The importance of these issues has been underlined by the hearings and our response to them is a matter of highest importance.

The United States continues to maintain a first-rate military capability. Today we have what is called rough or essential equivalence with the Soviet Union in conventional and strategic military power. What concerns me is not the situation at the moment, although there are some problems, but the growing imbalance, the trends that are clearly emerging. I am concerned about the momentum of the Soviet military buildup—in central strategic systems, in theater nuclear capability, and in conventional forces.

Up to the midsixties, this country maintained unquestioned military superiority in all major categories. Since that time the Soviet Union has steadily boosted its military capability. We have made some important strides of our own, and in some cases have maintained notable advantages—as in our nuclear submarine and submarine-launched ballistic missile forces. In other areas, however, the Soviets have attained rough equality or a potentially significant edge over the United States.

The Soviet Union has made these gains as a result of a major and sustained commitment to military spending over a 20-year period, becoming particularly marked from the midsixties on. While direct comparisons between Soviet and United States military spending are extremely difficult, there is no question that by any measure the Soviets are outspending us militarily; the only question is by how much and with what consequences.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

We face the 1980's with some very troubling prospects. There will be a period in which our land-based missile forces will be potentially vulnerable to a Soviet attack. I have supported full-scale development of a mobile MX as a means of countering this potential vulnerability and of assuring the viability of the land-based leg of our strategic triad.

Already, the Soviet Union possesses a significant conventional and theater nuclear capability in central Europe, with one-third more troops in the field, three times as many tanks as the NATO allies, and a distinct advantage in the theater nuclear systems. The Soviet "blue-water" navy will give the Soviets the capability to intervene in conflicts far removed from the Soviet Union's areas of historical concern. Clearly, Moscow is developing and deploying military capability far beyond the legitimate needs of its own territorial security.

The picture that emerges from these trends is one that causes serious concern for the future. But it is certainly not a hopeless situation, if we will take the needed action. I believe that the United States can respond positively to this growing trend through a prudent mix of negotiations with the Soviets that aim at restraining military competition and reducing political tensions worldwide, combined with the steady commitment to the modernization and qualitative improvement of our military capability.

We must assure that we retain essential equivalence in strategic capability. Regardless of the outcome of Senate consideration of SALT II, we will need to strengthen our conventional forces and strategic systems. Such efforts can be undertaken within the prescribed limits of the SALT II agreement, if the treaty is approved. And, if SALT II is ratified and we are able to progress to SALT III with the aim of achieving deep and significant reductions in strategic arms, we nonetheless must proceed in the meantime with the qualitative improvements we need in order to maintain our security and that of our allies, and in order to be in a position to bargain during the process of SALT III; in order to have some leverage, in order to be in a position to negotiate and to negotiate effectively.

We continue to have significant advantages over the Soviets—a more productive economy, a more technologically advanced and innovative society, a better informed and aware public. I believe that we shall have to do more than we have in the past to meet the challenges of the 1980's, including spending more money than we have in recent years on defense needs.

I do not advocate throwing money at the problem, but I do believe we can prudently and selectively develop those areas in which adequate funding should be forthcoming. I believe that the public will respond positively to this challenge because the American people are beginning to recognize the degree to which peace and our continued prosperity rest on the maintenance of a strong national defense. An unstable military balance is not in the interest of peace.

In conclusion, I want to emphasize that we should meet our defense needs in the most effective way possible. We need to apply our funding selectively and carefully, focusing on those programs that meet real needs and which will counter the trend toward strategic imbalance. This is where our emphasis must be. In the days and weeks ahead, the Congress and the Executive face the challenge of identifying our defense priorities and in moving to support them in a realistic but decisive manner.

AMENDMENT OF UNANIMOUS-CONSENT AGREEMENT—H.R. 4393

Mr. ROBERT C. BYRD. Mr. President, in relation to the Treasury and Postal Service appropriations bill, H.R. 4393, which will be before the Senate today, I make the following amendment, by way of unanimous-consent request; to the agreement: that on an amendment by Mr. JAVITS dealing with IRS regulations on racially discriminatory private schools, there be 2 hours equally divided in accordance with the usual form.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMOVAL OF INJUNCTIONS OF SECRECY

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunctions of secrecy be removed from three treaties transmitted to the Senate by the President of the United States during the recess of the Senate on August 10, 1979. These treaties are an extradition treaty with Norway (Ex. CC, 96–1); a protocol, with annex, amending the 1953 convention with Canada for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea (Ex. DD, 96–1); and the 1978 convention on standards of training, certification and watchkeeping for seafarers, with annex (Ex. EE, 96–1).

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty of Extradition Between the United States of America and Norway signed at Oslo on June 9, 1977.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern extradition treaties being negotiated by the United States. It expands the list of extraditable offenses to include aircraft hijacking and obstruction of justice, as well as other offenses not now covered by our existing treaty with Norway. Upon entry into force, it will terminate and supersede the existing Treaty of Extradition of 1893, the Amendatory Extradition Treaty of 1904, and the Supplementary Extradition Treaty of 1938.

This treaty will make a significant contribution to international cooperation in law enforcement. I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

To the Senate of the United States:

I am pleased to transmit the Protocol, with Annex, Amending the 1953 Convention Between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea for Senate advice and consent to ratification. The Protocol was signed at Washington on March 29, 1979.

I also transmit for the information of the Senate the report of the Secretary of State with respect to this Protocol and an exchange of Notes, done on March 29, 1979, and an Agreed Minute, done on April 6, 1979.

This agreement was negotiated to bring the 1953 Convention Between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea into conformity with the terms and intent of the Fishery Conservation and Management Act of 1976, which extended U.S. exclusive fisheries jurisdiction to 200 miles off the U.S. coasts. It will allow continuation of the International Pacific Halibut Commission, and of the joint management of the halibut resource in the Pacific. The agreement contains provisions for an interim enforcement regime, to apply, pending final delimitation, to maritime boundary areas in which both Canada and the United States claim fisheries jurisdiction. It allows the uninterrupted continuation of the work of the International Pacific Halibut Commission, and provides for the continuation of recreational fishing by both countries in maritime areas in which each exercises exclusive fisheries jurisdiction. In general, it makes an important contribution to good fisheries relations between our two countries.

I believe that approval of this Protocol is in the best interests of the United States. I recommend that the Senate give early consideration to this Protocol and its advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, with Annex, 1978 (the Convention), done at London, July 7, 1978. The report of the Department of State is enclosed for the information of the Senate in connection with its consideration of the Convention.

This Convention establishes improved and often new international requirements for training, certification and watchkeeping for masters, officers and certain crewmembers of "seagoing" merchant ships. These requirements should provide more highly qualified personnel on board ships and thereby reduce maritime casualties and promote safety of life at sea and protection of the marine environment. Such international requirements are responsive to proposals which were made by the United States in March 1977, following a series of tanker accidents in or near United States waters. I recommend that the Senate give prompt consideration to this Convention and advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

SALT II AND RUSSIANS IN CUBA

Mr. BAKER. Mr. President, I am happy to be back and to have the opportunity to stand here and participate in the opening ceremony after Labor Day, and to hear an outstanding presentation by the distinguished majority leader on the matter of national defense and the foreign policy of the United States. It is truly an important contribution to the national détente of this crucial subject.

No one in this Chamber, I believe, has a greater devotion to the requirement for absolute security and military strength of the United States than does the distinguished majority leader.

We often agree. We sometimes disagree on a range of subjects. But we do not disagree on that one.

In respect to the external threat to this country—and the manner in which the foreign policy and the national defense of the United States should meet that threat, there has arisen a new concern in the last few days: The confirmation of the presence of a Russian combat unit together with associated support equipment in Cuba.

Mr. President, the Senate is engaged in committee consideration of the proposed SALT II treaty. I fully expect that before long the full Senate will turn its attention to the SALT Treaty, for I anticipate that the Foreign Relations Committee will report that treaty, with or without amendments, for the further consideration of the Senate.

Mr. President, the Russian troop situation in Cuba is important to the SALT Treaty only to the extent—in my judgment, only to the extent—that it represents a determined effort by the Soviet Union to thumb its nose at the United States.

I do not presently perceive that the Russian troops in Cuba are an immediate threat to the territorial integrity of this country. I do not rule out the possibility that, directly or indirectly, they might support the export of Russian influence from Cuba to other Latin American countries. But I am firmly convinced that the Soviet Union is engaged in a testing of the will and the resolve and the determination of the United States by this commitment, this direct commitment, of Soviet troops to the territory of that island country.

Early in the consideration of the SALT treaty we were advised by the administration—by the President, by the Secretary of State, and by others—that the treaty should be considered in isolation and free of any linkage, that it was too important to consider except on the basis of the language contained within the four corners of the document.

I indicated my disagreement with that view at the time, and I reiterate it now. I believe that this confirmation of Russian armed personnel in Cuba is a confirmation of the wisdom of that decision. I believe that we should consider the SALT Treaty in light of the presence of Cubans in Africa and now Russians in Cuba.

It is my view, as I have often stated before, that the proposed SALT II Treaty is inequitable, that it creates a significant and substantial strategic advantage for the Soviet Union, and that while I supported SALT I and the Vladivostok agreement, and while I would like to support SALT II, I do not plan to support SALT II in disregard of the real world as we find it. I do not intend to support just any treaty, particularly a treaty that provides a significant strategic superiority or advantage for the Soviet Union.

So, Mr. President, I state that my concern for a Russian combat brigade, complete with tanks, armament, and support facilities, in Cuba is disquieting, and it calls to mind what reactions there might have been at an earlier time, just a decade or so ago, by the United States.

But that is not the limit of my concern. I am far more concerned with the general testing that the Soviet Union is now undertaking in terms of an adventurist foreign policy. I am concerned about provocating Soviet efforts in the Middle East and the Yemens; their adventures in Africa through their surrogates, the Cubans; their involvement in Ethiopia, in Angola; their unbridled military buildup of conventional and strategic forces; and now their commitment of a combat brigade to Cuba.

I do not know whether this violates the agreement reached by Premier Khrushchev and President Kennedy or not. I wish the President would order the release of that agreement and all of its ramifications. But I do know to my own satisfaction that the presence of Soviet troops in Cuba at least violates the spirit and the intent of that agreement, and depreciates the national strength and will brought to bear by the late President John F. Kennedy when he stood down the Russians in the 1960's at the height of the missile crisis.

The Russians are thumbing their noses at us, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I will.

Mr. ROBERT C. BYRD. Mr. President, I do not respond by way of challenging the statement made by the distinguished Senator from Tennessee, the minority leader, or by way of arguing with him. He has expressed a sincere viewpoint, one that is held by many persons.

But I would like to state for the record my own viewpoint in this regard and, in so stating, indicate that I prefer to await further information in connection with the Soviet brigade in Cuba before I arrive at conclusions regarding the SALT II Treaty.

The Foreign Relations Committee is at this moment conducting a hearing in executive session, with Admiral Turner making a presentation there. I had the opportunity earlier today to attend that hearing for a brief period.

It is my understanding that in 1963 the Soviets had something like 20,000 armored personnel in Cuba. There is no clear indication that all of those personnel were ever removed from Cuba. There is indication that 1,500 to 2,000 were retained there for advisory purposes, and so on. But there is no indication that this brigade, or at least the personnel, the Soviet troops, have been there all along, and, at the same time, no clear indication that they have not been there during the intervening years.

So I think it would be well to await the development of as much information as is possible before reaching hasty conclusions regarding the treaty.

I am concerned about it. I do not know what the mission of the Soviet brigade may be. I hope we can find out more about that. Secretary Vance will be discussing this subject with Mr. Dobrynin and presumably with Mr. Gromyko very soon, and we will be able to get further information here in the Senate.

However, as to the treaty, the committees will have ample time to explore this matter before the treaty comes before the Senate. For my part, I prefer to make my decision—other Senators may do as they wish, of course; they have that right—I prefer to make my own decision on the treaty, on the basis of the merits of the treaty itself.

Of course, there are peripheral issues. I do not like what the Soviets have been doing in Africa. I do not like their adventurism elsewhere.

But I am going to reach my personal opinion on the treaty—others may do as they see fit—on the basis of whether this country will be better off with the treaty or without it—whether the treaty is in the security interests of our country. I hope the Senate will approach the matter from that standpoint.

It is impossible to erase completely from view or from our consideration some of the other matters that we do not like and that do cause us concern. But I think we should keep an eye closely on that treaty and weigh it on the basis of whether or not it is in the security interests of this country to ratify that treaty. We have ample time to explore the other issues. I hope we will at least await until we have access to all the information that can be produced, and it may be limited, before we make final judgments on the treaty.

It is very difficult to determine whether an individual wearing a Cuban uniform

is a Russian or a Cuban. In some respects, it is far more difficult to secure adequate intelligence from Cuba, although it is only 90 miles from our own shore, than it is to secure information regarding activities in other countries.

I share the concern of the distinguished minority leader; but I want to await further knowledge in regard to this overall subject, as I know we all do, before I make up my mind, especially with respect to the treaty.

On that basis, I am going to judge the treaty on the evidence and on the facts as I see them, after having read all the transcripts carefully, which I have done to date. I will make that decision shortly.

I hope we can determine what the intentions of the Soviets are. Again I say that we do not know how long the Soviet Brigade personnel have been there. We do not know that they have only been there since 1976. They may have been there since 1974, 1970, the late 1960's. I hope we can determine this as time goes on, and also their purpose in being there, and what the future prospects are.

I thank the minority leader for yielding this time.

I ask unanimous consent that he may have an additional 3 minutes, if he wishes.

Mr. BAKER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes.

Mr. BAKER. Mr. President, I need to yield 5 minutes to the Senator from Indiana. Could we extend the time for 1 more minute?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the minority leader may have the additional time needed, so that he may respond to what I have said, if he wishes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I will take a minute, and then I want to yield to the Senator from Indiana for a statement that will be received with regret and sorrow, I am sure, by all of us.

Mr. President, I do not know how long we have to know Russian troops have been in Cuba. It is true, as the majority leader says, that they may have been there a long time. But if they have been there a long time, then that raises another question: How good is our intelligence? How capable are we at verifying the presence of Russians 80 miles away, let alone the presence of missiles in Russia?

Let me say again I would like to support a SALT II treaty, but I am not going to support just any old SALT II treaty. I would like to support a treaty that gives us at least parity with the Soviet Union in terms of strategic weaponry. I do not believe this treaty does.

Therefore, I consider Russian adventurist foreign policy, particularly in the Middle East and in Africa, the submission of a treaty that puts us at a strategic disadvantage, and now the commitment of Russian military forces to Cuba, as a single continuum: the Russians are testing the United States. They are thumbing their nose at us.

Mr. President, I yield the remainder of my time to the Senator from Indiana.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, I believe every Senator in this body can say the same as the distinguished minority leader has said, namely, that just any old treaty will not do. I do not intend to support just any old treaty.

In any event, I am taking my time in reaching a decision on the treaty. I indicated in the beginning that I was going to approach the matter, in a comprehensive, thorough, and systematic way. I am attempting to do that. I do not intend to support just any old treaty, but I have not written this one off, and I have not written it on. At this point, I have not made a decision.

As a matter of fact, I have asked my staff to prepare for me a speech for the treaty and a speech against the treaty.

So I am in the process of reaching my decision systematically, methodically, and carefully. I may reach the wrong decision; but if I reach a decision to support that treaty, it will be because I think that treaty—modest though it may be and not ideal, as I would like it written—is a treaty that is in the best interests of the United States. If I reach the opposite conclusion, I will be prepared to so state and why.

Mr. BAKER. Mr. President, I conclude by saying that I accept at face value what the majority leader says. I would not suggest, for one moment, that he will do anything other than give this treaty and any proposed amendments to this treaty the most careful consideration and base his judgment on that.

It is often asked, "Would we be better off with this treaty or with no treaty?" I accept that formulation. It is also sometimes said, "Think of the consequences if we reject the treaty." However, I often think of the consequences if we ratify a bad treaty and what that will signal to the Soviet Union.

I hope this treaty can be amended so that I can support it—on a basis such as a limitation on the Soviet Backfire bomber, and revisions of certain other provisions of the treaty.

But this is not the time to debate the treaty on the floor. I hope we can do that thoroughly and at some length. I would like to see it have the maximum public exposure and participation of the American people, because it is that important.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator still have the full 5 minutes to yield to the Senator from Indiana.

Mr. BAKER. The majority leader is very kind, and I thank him.

I yield to the Senator from Indiana.

DEATH OF FORMER SENATOR HOMER E. CAPEHART OF INDIANA

Mr. LUGAR. Mr. President, the late Senator Homer Capehart of Indiana would have gloried in the debate we have heard this morning, because he was in every sense a patriot, deeply interested in the United States of America and deeply interested in its international relationships.

Indeed, in his final days of service in 1962, on the floor of the Senate, he warned about the difficulties that were then obvious to him and others with respect to Cuba. Those warnings formed a part of the senatorial debate of 1962 in Indiana, in which Senator Capehart, after 18 years of distinguished service, yielded to my colleague Senator BIRCH BAYH of Indiana, who has served subsequently.

Homer Capehart's life, in my judgment, had four distinct parts to it—almost equal quarters of his four score and 2 years.

He was born in Pike County, the son of a tenant farmer. He farmed the land with his father, moved to Daviess County, worked his way through high school, and that ended his formal education.

He was the first in Davies County to volunteer for the U.S. Army in World War I, and he advanced to the rank of sergeant before his discharge. He was always active in military and patriotic affairs in the State of Indiana.

From that time he moved into free enterprise. In fact, he was heavily involved in the formation of a very successful firm, the Packard Co., that made phonographs, and as a distributor for Wurlitzer juke boxes he was one of the outstanding salesmen of this country and made a private fortune which gave him a base for political leadership in our State.

Clearly the end of the second quarter of his life, as I judge it, came with his sponsorship of the cornfield conference in Indiana in 1938 which brought together tens of thousands of people from throughout the State of Indiana and throughout America at a time when it was a low point for the Republican Party at the grass roots and brought a revival. Six years later Senator Homer Capehart was in fact nominated at the colosseum in Indianapolis for his first term and he won successful elections in 1944, 1950, and 1956.

During that period of time I was privileged to be a part of conversations during the visits by Senator Capehart to our diningroom table.

He had been a close associate of my father, Marvin L. Lugar, in the Indianapolis Rotary Club. Indeed, he had asked my dad to appraise cattle on the Capehart farm in Daviess County and had brought his cattle up through the commission companies there in the Indianapolis stockyard.

He was a devoted farmer, but his interests expanded to international relationships and especially into banking and housing affairs, and after the election of President Eisenhower in 1952 for the next session of Congress he, in fact, became chairman of the Banking and Housing Committee where he is still remembered by many who served on the staff at that time.

Senator Capehart continued to advocate vigorous world trade communities for the United States of America and was very active in boosting foreign aid but suggested the orientation of that foreign aid should come more through private business. He was the

leader of many foreign trade groups, particularly in Latin America as a focus of his activity.

In 1962, following his defeat in that November election, Homer Capehart blamed the defeat on no one other than himself and was a gracious loser as he had been a gracious winner. He continued to have the affection of all Hoosiers, and during the past 17 years has indeed been a counselor to all of us who knew him as young people and who have revered his counsel as well as his advice in the years that have lied just behind us.

It was my personal privilege to visit with Homer Capehart at the celebration of the Indiana Republican Editorial Association just a year ago. Although in ill health he came out for that rally and celebration as he had come out faithfully for so many others in the past. He retained his optimism about this country, his encouragement of young people in politics, and his general enthusiasm for the Republican Party, not in a tremendously partisan sense but because he revered the two-party system and revered the system of Government that he loved and served so well.

The Indianapolis Star in an editorial published in Indianapolis this morning says:

> Behind the image of the cigar-smoking, suspendered rustic was a man of enormous energy, a man with business acumen, organizing ability and a sound knowledge of human nature. He parlayed these attributes into successful careers of salesman, advertising agency head, manufacturing executive and a major power in the Indiana Republican Party.

Finally, the Star concludes:

> There was no question in Mr. Capehart's mind that the United States was the greatest, freest country on earth with the best political and economic systems and that Indiana was the finest state in the Union.
>
> An affable, decent man, he was a credit to the state he represented.

He died on September 3 in Methodist Hospital in Indianapolis at the age of 82. All Hoosiers will miss him and his memory will always be revered.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. LUGAR. I am happy to yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to commend the able Senator from Indiana for the outstanding tribute he has made this morning in the Chamber to Senator Capehart.

When I came to the Senate in December 1954, but actually reached here in January 1955, I had the pleasure of meeting Senator Capehart and serving with him.

Senator Capehart impressed me as a pioneering type of man, a man of great substance, a man of stability, a man of capacity, and a man of unquestioned character and integrity.

I was deeply impressed with him as a fellow Senator. I enjoyed my service with him, and I regretted to see him leave the Senate. In my opinion, he served his country well, and I hope that the remarks of the able Senator from Indiana this morning will be sent to his family and the people of Indiana will have the opportunity to read them.

I appreciate the personal friendship of Senator Capehart and wish to extend my deepest sympathy to his family in his passing.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from South Carolina.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of routine morning business for a period not to exceed 15 minutes, with statements permitted up to 3 minutes in length.

Is there morning business?

THE IMPORTANCE OF SOUTHERN AFRICA, THE "PERSIAN GULF OF MINERALS," TO THE UNITED STATES

Mr. THURMOND. Mr. President, no American these days needs to look farther than the line at his neighborhood gasoline station to be reminded just how dependent this Nation has become on imported raw materials. In the years ahead, as our home-produced resources sources for strategic minerals. To an increases for vital raw materials, we will be forced to turn more and more to foreign sources for strategic minerals. To an inceasing extent, the continent to which we must look for these materials is Africa.

That portion of Africa known as the plateau of southern Africa, stretching from South Africa's Transvaal Province northward through Rhodesia and into Angola and Zaire, has been called the Persian Gulf of Minerals, and South Africa its "Saudi Arabia." With all its natural wealth, this is a region in the throes of political struggle. A bitter guerrilla war and a trade embargo by the United Nations have all but paralyzed the economy of Rhodesia. South Africa arms itself against its black neighbors and struggles to keep the pace of change within its society under white control. What all these nations share, South Africa, Rhodesia, and the emerging black republics, is a need to trade with the rest of the world, just as the outside world needs their raw materials. They all need foreign investment to find and mine their resources and they need the revenue from production to develop their economies and raise their standards of living.

Mr. President, in 1974, an interagency Government task force reporting to the National Security Council studied the U.S. needs for strategic minerals and drew up a list of 18 whose supply is particularly vital for national defense and for the economy. Of those 18 strategic materials, 13 are supplied from Africa. Those with significant sources in Africa are: Aluminum, chrome, platinum and its related metals, iron ore, manganese, cobalt, mercury, columbium, fluorspar, copper, titanium, phosphates, and vanadium. Of the four judged most critical—chromium, manganese, the platinum group, and aluminum—Africa is the world's most important source of all except aluminum, and the United States draws some of its supplies of even that metal from Guinea.

Mr. President, in this brief review that I provide today of the United States' past and future strategic requirements, it is a little ironic to note that for 15 years, this country has enforced an arms embargo against the country that is one of its most important suppliers of strategic metals. More recently, the embargo was expanded to include a ban on supplies for South Africa's police forces, as well as its national armed forces. Last year, legislation was passed to bar the Export-Import Bank from providing loan guarantees and insurance for U.S. businesses operating in South Africa.

While future developments in technology may reduce the U.S. dependence upon the Middle East for energy, we have fewer such options in the case of strategic metals. The geology of the planet Earth has placed an extremely high proportion of the world's vital industrial raw materials on the continent of Africa, and particularly in its southern third.

Mr. President, I feel that it is extremely important for the United States to participate in the development and protection of these sources of supply. The alternative is to risk a weakening of our economy and impairment of our ability to defend ourselves. This matter must be given adequate attention by us now and in the future.

During the years when Saudi Arabia was emerging as the world's richest source of oil, the United States through the investment of private capital and the careful cultivation of diplomatic relations, managed to establish and maintain a close relationship with that desert kingdom. A realization of shared interest served both nations well, and helped to preserve free and open communications, even when national views diverged, as in the recent Mideast negotiations. A combination of diplomacy and economic interest may be equally useful in the nations of Africa in the years ahead.

In one respect, the parallels between oil and the strategic metals do not apply. With enormous difficulty and at great expense we could in the long term find substitutes for foreign oil. We can apply rigorous conservation, drill our remaining reserves of oil and gas, develop the potential of oil shales and tar sands, mine our coal, and expand the use of solar and wind power. But we have no known substitute at any price for chrome or for manganese in the manufacture of high strength and specialty steels, and our domestic supplies of those alloys are meager. Some experts believe that in 20 years, southern Africa may have a total world monopoly on minable deposits of chrome.

Chrome is an essential component for the kinds of steel used in jet engines, in nuclear reactors and in many kinds of armament. About 25 percent of U.S. supplies of chrome originate in the Republic of South Africa. The Philippines have been supplying about 18 percent of U.S. needs, but the Philippine ores are nearing depletion. So long as the Byrd

amendment provided this Nation with a legal loophole to the U.S.-inspired trade embargo with Rhodesia, we were getting about 12 percent of our chrome from that country, but the repeal of the Byrd amendment in 1977 closed off the Rhodesian supply and led to an increase in imports from the Soviet Union. Some experts, American and foreign, are convinced that the Soviets, in violation of the U.S. trade sanctions that the United States continued to honor, purchased quantities of chrome from Rhodesia and resold it to the United States as Soviet chrome, at an appropriate markup.

Our dependence on South Africa is likely to increase, in part because South African deposits of chrome are large and easily mined, in contrast to the smaller lodes worked in other countries. Assuming an eventual end to the trade embargo in Rhodesia, that country may again become a major supplier of chrome to the United States and its allies.

Manganese is another essential element for the production of quality steel, and is also used in the production of aluminum and cast iron and in the manufacture of dry-cell batteries. There is no satisfactory substitute for manganese in steel production and unlike chrome, it cannot be recycled. Gabon and South Africa are significant suppliers of manganese to the United States along with Brazil, Australia, and France.

Manganese is one of the minerals, along with nickel, copper, and cobalt, that is believed to be recoverable from the ocean floor. However, delays in writing an acceptable Law of the Sea Convention have postponed well into the future the time when the legal structure and technical advances will permit recovery of important quantities of manganese from the seabed.

Meanwhile, South Africa, with an estimated 78 percent of the world's known reserves of manganese, has been stepping up its production at a compounded rate of 11 percent a year for the past decade, and announces that it is ready to meet all foreseeable future market demands.

Vanadium is the third leg of this triangle of strategic metals required in the steelmaking process. It is also used in the manufacture of iron and aluminum and in petroleum refining. There are also indications that it can serve as a less toxic substitute for lead as an anti-knock ingredient in gasoline. It is less critical than chrome or manganese, since the United States and Canada have significant supplies, and there are a number of substitutes for vanadium, and South Africa estimates that its reserves amount to 49 percent of the world's known reserves of vanadium.

The platinum group of metals—platinum, palladium, iridium, osmium, rhodium, ruthenium—fiund their major industrial uses as chemical catalysts in the refining and chemical industries, and in the manufacture of emission control devices for automobiles. Fortune magazine quotes a General Motors executive as saying:

> Without South African platinum for catalytic converters, the U.S. government would have to call off the entire emission-control program.

In fact, the United States depends on imports for 92 percent of its platinum group needs and draws 42 percent of its requirements from South Africa. The U.S.S.R. is the second major supplier.

In 1978, the price of platinum on world markets almost doubled, due to the removal from world markets of about half of the 600,000 ounces that the Soviet Union normally supplies. Reason for this shortfall was not entirely clear. The Soviet Union is believed to have built up its stockpile in anticipation of minting an issue of platinum-based Olympic coins for 1980, while increasing consumption of the metal in its chemical and refining industries. Whatever the explanation, the disappearance of only 15 percent of the normal supply rocketed the price of platinum from $186 an ounce at the start of 1978 to $350 an ounce at year's end, and illustrated the explosive effect of even a small shortage of a critical material.

This experience carries a warning of possible similar price moves whenever shortages develop in an essential material. South Africa says that its platinum group ore reserves are 75 percent of the world's total known deposits, and are "considered adequate to meet world demand for the foreseeable future." Rhodesia also has extensive undeveloped platinum reserves.

Beyond the supercritical metals that we have just mentioned lies a longer list of still vital minerals important for certain industries and for national security. Because the list is based on essentiality rather than scarcity, aluminum and iron ore are prominently mentioned. The African nation of Guinea supplies about 20 percent of the aluminum that we import as bauxite, and Liberia and Mauretania are providers of iron ore.

Much rarer is cobalt, an essential alloy for steels used in the turbine blades of jet engines and pumps, and for electronic equipment. Domestic mining of cobalt ended in 1971, making the United States entirely dependent on imports for this metal, except for a minor amount recovered from scrap. Last year, Zaire met 42 percent of our needs for cobalt, and Zambia provided another 7 percent. The fragility of our supply was demonstrated last year when insurgents disrupted cobalt mining in the Kolwezi area of Shaba province in Zaire. A Pan-Africa force was created to maintain security and mining was resumed. But the scare disrupted the market, sent prices up to three times the level of $6.40 a pound prevailing at the start of the year, and some spot sales were made at $40 a pound. This points up the importance of developing alternate sources of this vital metal. It is also worth noting that Morocco and Botswana have modest reserves and some production of cobalt.

Copper has long been abundant in the Western States and in the Western Hemisphere, but U.S. production has reached a plateau, and imports have been rising, to 19 percent of our needs. Zambia was this nation's largest supplier of copper from outside the Western Hemisphere. Zaire is also a significant producer of copper and could be a future supplier.

Mercury, a necessary component in many electrical products, in some chemicals and paints, is also in dwindling supply in the United States Domestic production now is limited to one surviving mine in Nevada, plus some mercury recovered from scrap. Algeria is our largest foreign supplier, providing about 13 percent of our national requirement.

Columbium is one of the lesser known metals which is still regarded as a strategic material because of its uses in steelmaking and aerospace applications. Brazil is the principal supplier to the United States, Nigeria and Zaire with small reserves are potential sources.

Titanium with its light weight and great strength is finding increasing demand in aircraft construction. New discoveries of titanium in South Africa make that country a potentially important supplier of this space-age metal.

Fluorspar, a strategic mineral used mainly in the production of steel, is another of the minerals with which South Africa is well endowed, with an estimated 35 percent of the world's known reserves. There is also some production in Kenya, though that nation is not a significant supplier to the United States.

Phosphate rock, despite its abundance from sources in Florida, is still classified as a strategic material, because of its importance as a fertilizer and animal feed supplement. The deposits in North Africa, Senegal, and South Africa serve the world market and to some extent, the U.S. market as well.

In a time when the United States continues to require great numbers and large amounts of strategic materials from foreign producers, it is important to plan ahead to insure a supply of the minerals we will need. Dr. Fred Collender, a British mining engineer and expert on natural resources, estimates that 70 percent of the strategic materials that this country requires are available in Africa, and mainly in southern Africa.

Along with the minerals that we now classify as strategic, there are others that will become increasingly important because of new discoveries and developments. Antimony will be in increasing demand for its value in flame-proofing fabrics. Lithium, a metal so light that it floats on water, will be needed for the manufacture of lightweight batteries, an essential component of any successful battery-driven automobile. Both minerals are found in South Africa and in other countries of the great southern plateau.

While the U.S. Government's list of key strategic materials does not include industrial diamonds or uranium, both have their significance. Industrial diamonds are so essential for high-performance drills and cutting tools that no substitute is entirely satisfactory. South Africa is a major producer of industrial as well as gem diamonds, and markets the output of its own mines as well as those of Zaire, Ghana, and Botswana.

The history of U.S. nuclear power is closely linked with uranium ore from Zaire. All of the uranium used to produce the first United States-made atomic bombs, including the two dropped on Japan, was mined in what was then the

Belgian Congo and smuggled to New York by cooperative Belgian mining officials.

The United States is now relatively self-sufficient in uranium and accounts for an estimated 40 percent of total world production. Both Zaire and South Africa have important uranium reserves whose size is not officially disclosed, and provide radioactive elements for the nuclear power generation programs of U.S. allies in Europe. South Africa may soon overtake Canada as the world's leading exporter of uranium.

Recently, the new Prime Minister of South Africa, P. W. Botha, complained to the London Daily Express of the "illogic" of such measures, given the West's admitted need for South Africa's strategic materials. He said that he would not hesitate to use his country's mineral resources as a strategic weapon, and would not rule out the possibility of entering into a minerals-marketing pact with the Soviet Union. The carrying out of such a threat would be very bad news for the United States and the Western alliance.

In published statistical analyses, the South Africans sometimes lump their own mineral resources with those of the Soviet Union, ostensibly to show the degree of control that the Soviet block would exert over world supplies of raw materials should a pro-Soviet regime gain political power in South Africa. The prime minister's threat gives a new dimension to such statistical analysis. According to the South Africans, the combined holdings of South Africa and the Soviet Union represent 84 percent of the world's known reserves of chrome, 94 percent of its manganese, 90 percent of its platinum group metals, 95 percent of its vanadium, 42 percent of its iron ore, 39 percent of its fluorspar, and a proportion of its uranium that is described only as "large."

Two South African writers, W. C. J. van Rensburg and D. A. Pretorius, have discussed some strategic factors facing the West in their book "South African Strategic Mineral: Pieces on a Continental Chessboard." They write:

> Control over South African resources would place the USSR in a completely dominant position with regard to the major precious metals and minerals, gold, gem diamonds, and the platinum group metals. Control over the Cape sea route and the ability to disrupt any oil supplies via the Suez Canal or pipe lines constructed in the Middle East, would enable the Soviet Union to disrupt vital supplies from Europe's and North America's most important sources of energy . . . . The USA and Western Europe should realize the vital importance of South Africa's mineral resources and the Cape sea route to their future security. They should protect this interest by maintaining a meaningful dialogue with South Africa, and even by offering financial assistance to bring about adequate social, economic, and political reform in South Africa.

It is interesting to note that these are South African voices calling for positive help rather than punitive measures to help their country achieve internal reform.

In their emergence from a colonial past, several of the African nations have created Marxist and left-leaning regimes, ideologically closer to the Soviet Union than to the West. But ideology and rhetoric have not always been the final determinants of their actions. The west African nation of Guinea continued to sell bauxite to the United States even when its political orientation was more Eastern than Western. The United States has no formal relations with the leftist regime of postcolonial Angola, yet a number of American companies have continued to do business there. A U.S. expert on African economic affairs said:

> I don't know of any African head of state who isn't anxious to try to develop his country. Most Africans are basically African nationalists.

Perhaps our best course is to pursue a careful, pragmatic policy based on mutual self interest with the emerging countries. The United States can provide capital, technology, know-how, food, and markets. As long as these are proffered in a way that does not offend the sensitivities of the emerging nations, they may offer keys to productive and relatively stable future trade relations.

Perhaps it is time to remember that Rhodesia—or Zimbabwe—may well be considered one of the emerging black nations. Its recent national election, while boycotted by the more radical guerrilla movements, produced a voter turnout that was impressive even by Western standards and chose a government headed by a black prime minister. The Senate has recently acted to make known its views in favor of lifting restrictions on Rhodesia, an action long overdue.

The newly elected Conservative government in Britain has also signaled its intention to review British policy toward Rhodesia. It is possible that London may postpone any final decision until after a Commonwealth conference which both the new prime minister and her Queen plan to attend in Lusaka, Zambia in August.

The United States and British Governments have already begun consultations on the Rhodesian question. If the two Governments decide to end sanctions, these decisions will open the doors for a restoration of a trade that is important to all the Western World. Some Western-owned mining companies have continued to function under control of the Rhodesian Government, and presumably are prepared to step up their production of strategic metals when the major world markets open to them. The end of the sanctions, whether sooner or later, can also signal a new surge of exploration for the vital ores that lie beneath the hills in this great global treasure house.

TRIBUTE TO SOUTH CAROLINA STATE SENATOR FRANK L. RODDEY

Mr. THURMOND. Mr. President, South Carolina State Senator Frank L. Roddey, one of the outstanding legislators in my State died recently, ending a long career of public service. Senator Roddey was a tireless and devoted Senate leader who worked for the best interest of all South Carolinians, and his contributions to his State will long be remembered.

All of his life Senator Roddey was a dedicated, conscientious man with a keen sense of public duty. He was a prominent member of various civic organizations and, in 1956, was named "Young Man of the Year" by the South Carolina Jaycees.

Frank Roddey was an able businessman who built a fine insurance agency in his hometown of Lancaster, S.C. Despite the many duties required of him by his business, his strong desire to help his community led him to serve with distinction on the Lancaster City Council for 8 years.

Senator Roddey was elected to the South Carolina Senate in 1962. During his tenure he served the people of South Carolina honorably and always did his utmost for the State he loved so well.

In the Senate, Senator Roddey served as chairman of the senate labor, commerce and industry committee; chairman of the joint bond review committee; chairman of the election laws study committee; and chairman of the tourism and trade study committee.

I knew Frank Roddey to be a good friend and an able public servant who worked both diligently and well for the common good of the people. His service in the South Carolina State Senate during the last 17 years was marked by a devotion to good government and effective representation.

Known as "Son" by his friends, he had the respect of all who knew and worked with him. He was a tough fighter for the causes in which he believed, but even those who sometimes opposed his views could depend upon his fairness, honesty, and friendly manner.

Senator Roddey made many contributions throughout his life of public service, and because of him the State of South Carolina is a better place. His dedication and service were invaluable. People from all walks of life mourn his passing and the large crowd which gathered for his funeral attested to the esteem and regard in which he was held. Although we shall miss "Son" Roddey, we can be thankful for the years of association which we had with him.

My deepest sympathy is extended to his lovely wife Ophelia Melbrae and his three devoted daughters, Sunni R. Parker, Glendora R. Small, and Jan R. Westmoreland.

Mr. President, numerous articles and editorials concerning Senator Roddey's death have appeared in newspapers throughout South Carolina. In order to share these with my colleagues, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Rock Hill (S.C.) Evening Herald, Aug. 20, 1979]

SENATOR FRANK RODDEY, 52, DIES

(By Kathy Doherty)

LANCASTER.—Funeral services for state Sen. Frank "Son" Roddey, 52, D-Lancaster, who died Sunday in New Orleans, will be 3 p.m. Tuesday at the First Baptist Church in Lancaster.

Roddey died at the Ochsner Clinic in New Orleans of complications following surgery

to remove his spleen. He had been in bad health for a year.

After the Aug. 10 operation, Roddey began hemorrhaging and was placed in intensive care. His life hung in the balance for a week before he died Sunday at 3:20 a.m.

Last week, following an appeal in both houses of the Legislature, large groups from the House and Senate gave blood to replace that used by Roddey.

"He provided good leadership," Gov. Dick Riley said of Roddey. "He was independent-minded but a very effective leader."

Roddey, sixth in seniority in the South Carolina Senate, was chairman of the Senate Labor, Commerce and Industry Committee, and a member of the Banking and Insurance, Corrections and Penology, Finance, and Medical Affairs committees.

He was praised by his colleagues from York County as a legislator who could get things done.

"He was the man to talk to," said Rep. Herbert Kirah, D-Clover. "He was a great man for York County."

Kirah said Roddey helped to pass the recent bonds allocating $75,000 to Floyd D. Johnson Vocational Center in York, and $6.6 million for the Winthrop College field house.

"He has been a fine and able senator," said Rep. Robert McFadden, D-Rock Hill, "and as one of the senators from this area, he's been a real friend for York County."

Rep. Palmer Freeman, D-Fort Hill, said Roddey was "very effective and well respected" in the General Assembly, and Sen. Coleman Poag, D-Rock Hill, characterized him as a capable man who was very popular.

Roddey ran unsuccessfully for the Democratic nomination for the Fifth District Congressional seat in 1974. He was beaten in a runoff by Congressman Ken Holland.

Born February 3, 1927, in Lancaster, Roddey attended Davidson College in Davidson, N.C. and the University of South Carolina.

He was owner of Frank L. Roddey Insurance Co. in Lancaster.

Roddey served on the Lancaster City Council from 1952–1959; was president of the Lancaster Jaycees in 1956; and was voted "Young Man of the Year" in 1956.

He was a member of the board of directors of the Chamber of Commerce and the United Fund; chairman of the United Fund in 1961; a Mason in the Jackson Lodge No. 53; and a member of the Shriner Hejas Temple.

Roddey is survived by his wife, the former Ophelia Melbrae Taylor, whom he married in 1947, and their three daughters, Sunni R. Parker, Glendora R. Small and Jan R. Westmoreland.

Also surviving are his parents, Mr. and Mrs. Elliot B. Roddey; two sisters, Mrs. Charles R. Love Jr. of Lancaster and Libb Roddey Woodruff of Rock Hill; and three grandchildren.

Burial will be in Lancaster Memorial Park.

Mahaffey Funeral Home is in charge.

[From the Sumter (S.C.) Daily Item Aug. 20, 1979]

SEN. FRANK RODDEY DIES

COLUMBIA, S.C.—Almost until the last days of his life, Frank Roddey was working.

The South Carolina Legislature was in recess, and Gov. Dick Riley was contemplating some vetoes of a bill for capital improvement bonds. The governor was vacationing on Hilton Head Island, and Roddey, chairman of the Joint Legislative Bond Committee, was at Garden City on the Grand Island.

Riley said Sunday he called the 52-year-old Lancaster County senator and "went through the whole bill line by line for 2½ hours. Then I called back the next day for another 30 minutes."

Riley told Roddey of the 15 vetoes he proposed for the legislation "and he agreed with virtually everything I did. It was a comfort to me to know that his leadership was involved in that measure."

It was just before Roddey was to leave for the Ochsner Clinic in New Orleans to have his spleen surgically removed. After the operation, Roddey began hemorrhaging and was placed in intensive care. His life hung in the balance for a week before he died Sunday at 3:20 a.m. EST.

But before the operation, the ailing senator got on the telephone "to House members from New Orleans and from the beach asking them to support my vetoes," the governor said.

"He provided good leadership," Riley added, speaking generally of Roddey's service in the Legislature. "He was independent minded but a very effective leader."

The Lancaster Democrat also served as chairman of the Senate Labor, Commerce and Industry Committee, the Election Laws Study Committee and the Joint Legislative Nursing Home Study Committee.

A senator since 1963, he ranked No. 6 in the Senate's all-important seniority system. He was best known for his work on election laws and bonds.

Sen. L. Marion Gressette, senior member and president pro tempore of the Senate, said, "It's going to be hard to replace him in the Senate.

"He was very capable and able in his processing of legislation. . . . He kept a very good relationship and the lines of communication open between labor, management and government," Gressette, D-Calhoun, said.

"It's hard to accept. We just have to do the best we can," he said.

House Speaker Rex Carter, D-Greenville, said, "South Carolina is going to sorely miss his services. He was always working out compromises, getting legislation through the process.

"He kept the same friendly approach to all people. Everyone who knew him loved him," Carter said.

He was born in Lancaster on Feb. 3, 1927 to Elliott and Beulah Mae Roddey. He returned there to go into the insurance business in 1948 after attending Davidson College and the University of South Carolina.

Always active in politics, Sen. Roddey ran for the Democratic nomination for Congress in 1974 when then-Rep. Tom Gettys decided to step down. He was defeated in that race by Kenneth L. Holland, who has held the seat since.

He was a Mason and a member of the board of directors of the Lancaster Chamber of Commerce and the United Fund.

Survivors are his widow, Ophelia Melbrae Taylor; his parents; three daughters, Sunni R. Parker, of Spartanburg; Glendora R. Small, of Lancaster and Jan R. Westmoreland, of Columbia; three grandchildren and two sisters, Mrs. Charles R. Love Jr. of Lancaster and Mrs. Libb Roddey Woodruff of Rock Hill.

Services will be 3 p.m. Tuesday at First Baptist Church in Lancaster. Burial will be in Lancaster Memorial Park.

[From the Lancaster (S.C.) News, Aug. 20, 1979]

SON RODDEY WAS A FIGHTER

Senator Frank L. Roddey was always a fighter, up until the early hours Sunday morning in New Orleans.

But "Son" Roddey had been a fighter since I had known him, and that goes back to when he was 6 years old. He was a fighter when he played football and basketball for the old Blue Hurricane teams at Lancaster High School. He put all of his 125 pounds into the games. He took some hard shots and sometimes it was probably difficult to get up after being tackled by a 200-pounder, but "Son" got up and ran again.

City Councilman Frank L. Roddey was a fighter for what he believed to be the best for the City of Lancaster. He didn't win every round, but he gave it all he had each time. He put up a game fight when he ran for the mayor's office, and he was a gentleman in defeat.

I remember just like it was yesterday, although it has been more than 17 years ago now. I was mailing a letter at the box located near the old J.F. Mackey Drug Co. on Main Street. It was less than an hour before the deadline for candidates to file for office in the 1962 Democratic primary.

"Son" walked up to the mail box. "I'm going to run for the Senate, Lester, I've made up my mind," he said puffing a cigarette. "What do you think my chances are?," he asked. W. Bruce Williams, the 16-year incumbent had long since filed to seek re-election. The late Mr. Williams was the most powerful figure in Lancaster County politics in 1962 and for many years previously.

"He'll beat the daylights out of you," was the only reply that I could think of at the time. If "Son" had thought about running before the deadline, he must have kept it to himself. At least, it came as a big surprise to me.

He puffed a pack of cigarettes during the next 55 minutes. I was in a second floor room of the County Office Building, which was used at that time for candidates to file, when "Son" came in. He looked around, spoke to everyone there, including Senator Williams, calling them by their first names. Immediately after paying his filing fee, he walked over to Senator Williams and remarked: "Bruce, I'm running against you and I'll run a clean race. Good luck." That was "Son" Roddey.

In 1962 there were a lot more stump meetings than now. I believe there were 14 that year. At any rate, they started slow but began to heat up as they progressed. "Son" was given little chance of winning during talk I could hear before and after the first half of these speakings.

But "Son" saw an opening. "Elect 'Son' Roddey as your senator and he'll bring new industry to Lancaster County. That's my promise," he said on the stump. At that time, Springs Mills was the only industry of any consequence here.

In his reply to this Roddey statement, Sen. Williams made the first of his two big blunders in the campaign. "Lancaster County is already over-industrialized, we don't need any more industry," he said. Williams told me at the next meeting that he didn't make the statement. I showed him my notes. Then he gave me one of the best compliments I have received since I've been reporting for The News. "If it's in there, I said it. You've never been for me but you've always treated me fairly in the paper," he said.

Bruce Williams was a master when it came to stump speaking. Somehow, he managed to come up with a nick-name for all his opponents.

But the Senator made the second blunder, the biggest, when he said on the stump that the only time he had ever seen his opponent was when he was dressed up like a clown in Lancaster parades. "And I think he made a good clown," Williams added.

At the next stump meeting, in the old Kershaw High School building, "Son" spoke first, and he jumped on the clown remark with the knockout punch. "Sure, I've been a clown," he said. "And I'll put a red ball on my nose, makeup on my face and get out the clown suit again if it takes that to help a little girl who has cancer." A 13-year-old girl from the Kershaw area had recently died of cancer and Lancaster Jaycees collected funds to defray hospital expenses. Some of the Jaycees dressed as clowns to draw attention while selling candy suckers. "Son" was among them.

Williams apologized for the clown statement as soon as it came his time to speak. But the damage had been done. He never recovered. And Roddey won the election, one of the biggest political upsets in Lancaster County history.

Senator Roddey has continued to be a fighter, from the time of his early filibuster against the grain elevator in Charleston to

just this year when he and Rep. Tom Mangum inserted $750,000 for the USC-L physical education facility in the bond bill, one of the few items that Gov. Richard Riley saw fit not to veto.

He did bring new industry to Lancaster County. In less than a year after he took office, Clark Control was under construction at the old Cunningham peach orchard site off Highway 9, Lehigh Structural Steel moved in later, followed by Southern Screen Engraving. "Son" had kept his promise.

"Son" faced his biggest battle in New Orleans and he had thousands of people in his corner to cheer him on and he deserved every one of them. His loss is their loss.

[From the Lancaster (S.C.) News, Aug. 20, 1979]

FRANK L. RODDEY, 1927–1979

(By Charles C. Moore)

Funeral services for State Senator Frank L. "Son" Roddey will be held at 3 p.m. Tuesday at Lancaster's First Baptist Church.

Burial will follow in Lancaster Memorial Park.

The family has asked friends to send contributions to the Frank L. Roddey Scholarship Fund for the University of South Carolina at Lancaster in lieu of flowers. The fund is being handled by the First Citizens Bank & Trust Co.

Roddey, who served as Senator for 17 consecutive years and was that body's sixth most senior member, died at 2:30 a.m., Sunday following surgery Aug. 10 for removal of an overactive spleen.

Roddey died at the 520-bed Ochsner Foundation Hospital in New Orleans, the facility where he had surgery. The hospital, according to New Orleans sources, is a highly respected private research and treatment institution that specializes in cardiopulmonary diseases.

An Ochsner spokesman said Roddey's family was with him when he died. Roddey apparently died of complications from his surgery, the spokesman said.

The hospital would not specify the actual cause of death.

Initially, doctors thought Roddey had a heart condition, but tests indicated the problem was his spleen. The spleen is an abdominal organ that acts as a filter for blood.

Roddey was placed in the Ochsner intensive care unit the day after his operation.

On Aug. 15, members of the South Carolina General Assembly donated several gallons of blood to help replace the nearly 100 pints used by doctors to treat Roddey.

While expressing sorrow at the senator's death, state leaders praised the legacy he left behind, especially his fondness for detail and his willingness to work hard on matters important to his state and county.

"I'm just sick to hear it," said Gov. Dick Riley, who served eight years in the Senate with Roddey. "He was a friend of mine and I will miss him a great deal."

Riley said Roddey had become "one of the leading senators" in recent years.

"He was a strong person, and when he took hold of a situation you could depend on his careful attention to it," Riley said.

"He stayed with his principles."

Sen. L. Marion Gressette, D-Calhoun, said the Senate would set up "a suitable memorial" for Roddey, who was known to his friends as "Son."

"Son did not mind going the extra mile in carrying his part of the work in the Senate," Gressette said. "I think he went beyond the call of duty and the state has lost a very dedicated public servant."

[From the Lancaster (S.C.) News, Aug. 20, 1979]

FRANK L. RODDEY: A LIFETIME OF SERVICE

The impact that Senator Frank L. Roddey had on Lancaster County and South Carolina will be felt more many years to come. No one was more loyal to his state. No one loved Lancaster and Lancaster County more than "Son" Roddey.

Where do you begin to tell the good that this man wrought on the community he served so well? It could go back a quarter of century and more when he worked as a pharmacist apprentice at a downtown drug store and would leave his home at any hour to fill a medical prescription to relieve the pain and sickness of a fellow human being.

As president of the Lancaster Jaycees in the 1950's, "Son" Roddey formed, shaped and worked on numerous projects—all for the benefit of the community. He was also a prominent figure in the South Carolina and national Junior Chamber of Commerce. In 1956, the Jaycees honored him with their highest award, "Young Man of the Year."

Frank Roddey served with distinction on Lancaster City Council for eight years. He was defeated in his race for mayor, but he never displayed any bitterness. He faced the defeat with a familiar trademark, the "Son" Roddey smile.

Few people in Lancaster County, even his closest friends, gave him little chance of winning a seat in the South Carolina Senate in his first attempt in 1962. Mr. Roddey had to face one of the most powerful members of that body, one with top seniority and political clout. "I will be happy to serve my people in the Senate, no matter if it be on the back row in the outfield," he said once from the stump during that now famous campaign.

Senator Roddey's tenure in the South Carolina Senate was one of honorable service and distinction. He had promised in his first race that he would seek and bring new industry to Lancaster County. In less than a year after he took office, ground was broken off S.C. Highway 9 for an industry moving to Lancaster County from Ohio. Two more smaller, but sound, industries were to follow. And Sen. Roddey assisted in bringing three others to Lancaster County.

Senator Roddey was chairman of the Labor, Commerce and Industry Committee of the Senate and was a ranking member of that body's powerful Finance Committee.

He was not idle either while serving as chairman of the Joint Bond Review Committee. Just this past spring, he along with committee member Rep. Tom Mangum of Lancaster, wrote a $750,000 appropriation to be applied to the construction of the physical education complex at the University of South Carolina at Lancaster. This appropriation was among the few that Governor Riley did not veto.

Senator Roddey was a candidate for Congress in 1974, but was defeated in a second race by now Congressman Ken Holland. A close friend of the Senator was overheard to remark yesterday: "'Son' really didn't want to go to Congress. He wanted to stay where he was. There, he was closer to his family and his county."

The family that he held so dearly has requested that in lieu of flowers a memorial scholarship fund be started at the University of South Carolina at Lancaster (USC-L), another of Sen. Roddey's loves. The Frank L. Roddey Memorial Scholarship Fund is deserving to be perpetual, something that will help deserving young men and women for years and years to come.

Senator Roddey's successor will have the proverbial "big shoes to fill." "Son" served us so well for so many years that it is really hard to believe that he is gone.

[From the Columbia (S.C.) The State, Aug. 20, 1979]

LEADERS MOURN RODDEY'S DEATH

(By the Associated Press)

The death of state Sen. Frank L. Roddey, D-Lancaster, Sunday was mourned by leaders of the South Carolina Legislature as the loss of a capable, hardworking legislator.

"All of us will miss him in the Senate," said Sen. L. Marion Gressette, president pro tem of the upper chamber. "We were very fond of him. He was a capable debator. We were able to gain more information where he controlled (legislation) than where we had other persons handling it.

"I deeply sympathize with his family in their great loss," he added. It's hard to accept. We just have to do the best we can."

Gov. Dick Riley, who served in the Senate with Roddey, said, "I will cherish the personal relationship I had with him as a fellow senator, and certainly as governor.

"I know I speak for many people who share my sorrow when I say we will miss him a great deal," Riley said. "Through hard work, strong leadership and devotion to high personal principles, Sen. Roddey had become one of our state's genuine leaders," he said.

Roddey, 52, died early Sunday at the Ochsner Clinic in New Orleans, where he underwent surgery Aug. 10 to have his spleen removed.

Clinic spokeswomen said he suffered complications after surgery and had remained in the clinic's intensive care unit for more than a week before his death.

"South Carolina is going to sorely miss his services," House Speaker Rex Carter, D-Greenville, said.

Carter said, "I think we all knew him as one of the friendliest people in both houses, and he carried that with him into discussions of legislation."

Both Gressette and Carter characterized Roddey as a hard worker, especially in his committee work.

"He was always working out compromises, getting legislation through the process. He kept that same friendly approach to all people. Everyone who knew him loved him," Carter said.

Gressette cited Roddey's chairmanship of the Senate Committee on Labor, Commerce and Industry as perhaps the senator's greatest contribution to South Carolina and its economy.

Regrets at Roddey's passing were shared by Jerry Beasley, executive vice president of the South Carolina Textile Manufacturers Association, who said, "The people of South Carolina and the industry in this state have lost a great leader.

"The man was respected both personally and professionally as a person of highest integrity, a man you always knew where he stood and one who applied common sense to every decision," Beasley said.

Roddey was a leader in legislation that contributed to the growth of South Carolina, and state textile leaders will miss him personally and professionally, Beasley said.

Gressette said Roddey "was an exceptionally good senator in that he was not afraid of work. . . . He kept a very good relationship and the lines of communication open between labor, management and government."

Rather than being known for work on one or two pieces of legislation, Carter said, Roddey "took an interest in all legislation. He was well read; he did his homework and research."

[From the Lancaster News (S.C.) Aug. 22, 1979]

HUNDREDS PAY LAST RESPECTS TO SENATOR FRANK L. RODDEY

(By Charles C. Moore)

People from all over South Carolina converged on Lacaster's First Baptist Church Tuesday afternoon to pay homage to Senator Frank L. "Son" Roddey.

Roddey, 62, died early Sunday morning in a New Orleans hospital from complica-

tions following surgery to remove his spleen Aug. 10.

At 1:30 p.m. there was a sprinkling of people in the church. By 2 p.m. it was half-filled. When the funeral began at 3 p.m. the church was packed, overflowing the 700 seat sanctuary, the 144 seat balcony and spilling into the vestibule and churchyard.

Law enforcement estimates of the crowd ran as high as 2,000.

At least 90 members of the State General Assembly—serving as honorary pallbearers—as well as a host of judges and former legislators attended the service.

Gov. Dick Riley and Lt. Gov. Nancy Stevenson were there, as well as former governors Robert McNair and James Edwards.

U.S. Senator Strom Thurmond and U.S. Congressman Ken Holland also attended.

Virtually every community of Lancaster County was represented, including political leaders, doctors, lawyers, factory workers, ministers, elementary and high school teachers and college professors.

"Today we can feel the heartbeat of the community," Rev. Robert Cuttino, one of three officiating ministers, said. "Today we came to pay homage."

Cuttino, First Baptist minister and Roddey's family pastor, characterized Roddey as a man "who lived in the 'crossroads of life'" and lauded the late Senator as a man who tried to make life better for everyone.

Cuttino said Roddey tried to make time for everyone and said it was not unusual for the late Senator to "stand in front of the post office and talk to you for 45 minutes."

Referring to Roddey as a man "who had not reached the peak of his life," Cuttino said, "There was a common thought among us, that it was just not time for Frank Roddey to die."

"There is a special place in Heaven for those who want to get involved," Cuttino said.

Rev. Darrell Galints, pastor of By the Sea Lutheran Church in Garden City, called Roddey a man who worked hard "and was not afraid."

"He knew how to love," Galints said. "He loved his work. He loved the people associated with him. He loved his church and even more he loved his Lord."

Roddey often attended By The Sea while at his second home at Garden City.

State Senate Chaplain Dr. George Meetze said Roddey "had fought the good fight, finished the race, and kept the faith."

"But that was no surprise to us in the Senate," Meetze said. "We all knew 'Son' Roddey was a fighter."

Several hundred people followed the hearse and steel gray casket the five miles to Lancaster Memorial Park and weathered the 96 degree heat in order to attend Roddey's burial.

Most statewide meetings were canceled Monday and Lancaster County offices closed at noon to allow friends to attend the services.

[From the Columbia (S.C.) State, Aug. 22, 1979]

POLITICIANS PAY HOMAGE TO RODDEY AT SERVICES

(By Merle Kellerhals)

LANCASTER.—Scores of politicians gathered in Lancaster Tuesday to pay homage to Sen. Frank L. "Son" Roddey, a 16-year Senate veteran who died Sunday.

More than 100 of the state's most prominent politicians served as honorary pallbearers for Roddey, who died at the age of 52 in New Orleans from complications following Aug. 10 surgery to remove his spleen.

The funeral, held in the spacious red-brick First Baptist Church of Lancaster was overflowing with friends and colleagues, some of whom were forced to stand outside in the sunny, 90 degree heat.

The Rev. Robert E. Cuttino, Roddey's family pastor, said the Lancaster lawmaker's death was "premature," calling Roddey "a man who had not reached the peak of his life."

"Frank 'Son' Roddey did more than live beside the road," Cuttino said. "He lived in the crossroads of life."

The flower-draped steel gray casket was carried into and out of the church by friends and associates. Burial was in Lancaster Memorial Park.

Cuttino said there is a "special place in heaven for those who want to get involved."

"The community and the state have paused to pay empathetic sorrow and grief for the passing of Son Roddey," Cuttino said.

Cuttino said there was a "common thought among us, that it was just not time for Frank Roddey to die."

The Rev. George Meetze of Columbia, chaplain of the Senate where Roddey served as chairman of the Labor, Commerce, and Industry Committee, said Roddey's doctors at the Ochsner Foundation Hospital in New Orleans said they had never seen a patient fight so hard to live.

"That was no surprise to us," Meetze said. "We knew Son Roddey was a fighter."

"Our ranks will be fewer with his passing."

Roddey is survived by his wife, the former Ophelia Melbrae Taylor; and three children, Sunni R. Parker, Glendora R. Small, and Jan R. Westmoreland.

Flags were flown at halfmast at the State House in Columbia, and Roddey's desk in the Senate chamber was covered in black and draped with flowers. Most statewide meetings were cancelled so officials could attend the Roddey funeral.

On Aug. 15, members of the General Assembly flocked to donate gallons of blood for Roddey, who remained in the intensive care unit at the hospital until he died.

[From the Columbia (S.C.) State, Aug. 22, 1979]

A SUNNY SENATOR

Most politicians make a lot of friends and a lot of enemies. Sen. Frank L. Roddey of Lancaster made a lot more friends than enemies.

None of his closer buddies in the State House and the press corps called him Frank or Senator Roddey in personal conversations. They called him by his nickname "Son." It fit. Son was a casual fellow, sort of a hail-fella-well-met, with a happy disposition and a fine sense of humor. An easy guy to know and to like, just like his legislative running mate, Rep. William Green DesChamps of Lee County.

But Son Roddey was anything but a legislative lightweight. As he gained seniority—eventually rising to sixth—he headed important committees, working diligently on issues in a number of fields. He was respected as capable and honest even by those who opposed his positions.

Within the past year, Senator Roddey's friends have been talking of him in concerned tones. He didn't look well. He was in an out of hospitals during the 1979 session, and doctors seemed to have trouble spotting the problem.

Finally he checked into a New Orleans hospital and his spleen was removed. But complications set in and he needed gallons of blood. His colleagues in the General Assembly anxiously gave it and saw that it was rushed to New Orleans.

But Son Roddey, only 52, didn't make it. The high praise of his legislative service from Gov. Dick Riley, Senate President Pro Tempore L. Marion Gressette and others was not just verbal flowers. They meant it. South Carolina will miss a dedicated public servant who was happily free of pretensions.

THE SALT II TREATY—SURVIVAL OR SURRENDER

Mr. HATCH. Mr. President, a bright young college student has graced my office this summer. This student has done a rather complex analysis on his own of the SALT II Treaty.

I find his analysis definitive and thought provoking. It is an example of the depth of thinking of which our young people are capable and suggests to me that this Nation may yet find the strength it needs in that generation which is now coming upon the scene. I commend his analysis to your attention.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE SALT II TREATY—SURVIVAL OR SURRENDER

(By Mark Cannon)

The SALT II Treaty has recently been the subject of much controversy. In examination of the treaty we must ask ourselves, "would ratification of the treaty in its present form be in our national best interest?" Or more specifically, under the provisions of SALT II, would the U.S. and U.S.S.R. each, cut nuclear arms production and expenditures, decrease the threatening arms already in existence, and reduce the chance of war. This should be the purpose of SALT. In this paper I will examine the important issues involved in our negotiations with the Soviets and explain some of the problems in the SALT II Treaty.

THE AGREEMENT IN BRIEF

The lengthy treaty contains much technical material, but the basic agreement can be laid out as follows:

Weapon type	Current strategic arsenal: United States	Current strategic arsenal: U.S.S.R.	Total arms allowed to United States and U.S.S.R. by 1981
All strategic nuclear delivery systems	2,060	2,500	2,250
All types of MIRV's	1,046	795	1,320
MIRVed SLBM's and ICBM's	1,046	725	1,200
MIRVed ICBM's	550	600	820
Modern heavy MIRVed	0	380	(1)

[1] Frozen at existing levels.

Acronyms: MIRV (Multiple Independently-Targeted Re-Entry Vehicles), SLBM (Submarine-Launched Ballistic Missile), ICBM (Inter-Continental Ballistic Missile).

DOES THE TREATY CONTAIN MEANINGFUL ARMS REDUCTIONS?

Through examination of the figures it is apparent that the only cutbacks would be in 250 Russian strategic nuclear delivery systems. The Carter Administration explained in the SALT II Reference Guide, that the Soviets would have to divest themselves of 250 "nuclear delivery systems". This is not quite correct. It will force the Soviets to give up 250 nuclear delivery vehicle launchers. In this case there is an important fundamental difference. A launcher is a device from which a strategic delivery vehicle is fired. Thus an ICBM launcher is a missile silo, not the missile fired from a silo. Therefore the Soviets must get rid of 320 silos—or bombers or submarine ballistic missile tubes—but not the missiles fired from those launchers. Many of the launchers to be disposed of are obsolete and would have to have been disposed of anyway. The older systems are unnecessary because the newer ICBMs can be launched from reload silos. By reloading these silos the Soviets could fire just as many missiles as they could without silo reduction. A quick glance at the figures shows that this is the only major cut-back and it is not particularly advantageous to the U.S.

WILL ARMS PRODUCTION GREATLY INCREASE WITHOUT SALT?

Many proponents of the SALT argue that if the treaty is not ratified the Soviet's weapon production will increase radically. I believe there is adequate evidence to refute this argument, because the U.S.S.R. is already at, or very near their maximum level of armament development deployment. Here in the U.S. we spend five percent of our Gross National Product on defense. That comes to 23 percent of our federal budget. The Russians, on the other hand, spend 15 percent of their Gross National Product on defense. That comes to 50 billion dollars more per year than is spent in the United States. Through their overbearing emphasis on weapons production, the Russians have neglected some of the needs of their economic system. If they were to try to step up arms production, they would risk doing intolerable damage to their already weak economy.

CIA estimates confirm that no element of the SALT II Treaty will slow down the Russian effort. The Soviets have been driving for a war-winning supremacy over the U.S. for years. In light of this information we can see that SALT II is not effective in either cutting production or decreasing existing, threatening arms of the U.S.S.R.

IS THE SALT II TREATY EQUITABLE?

Our goals as a nation are to allow the people of the world to have the freedom to choose the type of government that is best for them. We should be aware that the Soviet goals are not the same. They are expansionists whose main efforts are directed towards spreading the Communist sphere of influence as far as possible. In order to do this, they need a protective umbrella of nuclear forces. They see SALT as a means of promoting their goals of military superiority by diminishing U.S. military programs. When we look at the Carter Administration and see the cancelation of the B–1 Bomber and Neutron Bomb, and the delayed development of our cruise missiles, we can see that the Soviet plan is working. By neglecting our defenses in this way we have given up many of our bargaining chips, which limited our bargaining power at the negotiating table. This has resulted in an inequitable treaty in which the Russians have been granted special advantages, for which no similar advantages have been granted the U.S. For example, the Soviets may have 308 heavy missiles whereas the U.S. is allowed none. These heavy missiles have six times the explosive power of our Minuteman III, which is our most advanced ICBM. These heavy missiles are capable of obliterating our land-based ICBMs. Our land-based ICBMs are crucial because they have the most accurate and have the greatest potency. In a war we would count on these to destroy the enemy's land-based attack systems. Under the threat of the Russian's heavy missiles we would not be able to assure the survivability of our land-based ICBM's which leaves our national defense system terribly vulnerable.

Furthermore, the Soviets have the Backfire Bomber, a long-range bomber which is capable of refueling in the air. The U.S.S.R. will be allowed to maintain their present supply of Backfire Bombers and continue to produce them with no ceiling. They now have 100 Backfires and will be allowed to continue to produce them at a rate of 30 per year. On the other hand, the U.S. long-range bombers (the FB–111) are all required to be included in the U.S. strategic delivery system ceiling. This will give them a total of at least 350 to 400 more long-range bombers than we have and the CIA estimates that they could have up to 700 more for which we are given no further compensation. The administration's justification for this is that if the Backfire bomber were included in the treaty we would have to include our European-based FB–111s. It should be noted, however, that we have only 80 while the Soviets could have up to 700 Backfires. In addition to the Backfire the U.S.S.R. will be allowed 800 to 1,000 strategic missiles of intermediate range which will not be included in SALT II. These intermediate missiles would be especially threatening to our European allies. Another important fact is that the Backfires would have to penetrate our weak air defense system while our FB–111s would have to penetrate the stronger Soviet system. The consequences of the asymmetries in the treaty are of great importance and must be reconciled if we are going to have a productive agreement with the U.S.S.R.

CAN SOVIET COMPLIANCE WITH THE AGREEMENT BE VERIFIED?

Another important issue is verification. Will we be able to detect Soviet cheating. The loss of our monitoring stations in Iran has undoubtedly limited our ability to check up on Soviet activities. We can no longer monitor the crucial first stage of missile test flights. The Russians have the ability to encrypt or encode the telemetry (send out false data) from missiles during tests, thereby denying us the knowledge of cruise missile range. Also, there is no way for us to tell from pictures what is going on inside buildings or how many warheads a Soviet missile contains. Verification used to mean the ability to detect Soviet cheating. Unfortunately the term "verifiable" has since been changed to "adequately verifiable". This means that if the Soviets cheat so much that it poses a "military risk", we will be able to detect it in time to respond to offset the threat. Soviet cheating will, however, be undetectable to a large extent. What constitutes a military threat is somewhat vague and it is rather frightening to think that we have so little information about Soviet compliance.

If the United States is to expect full cooperation on the part of the Soviets, we will simply have to trust them, and the Soviets so far have not been worthy of much trust. Former Secretary of Defense Melvin Laird has characterized the Soviets as flagrant violators of SALT I. He revealed what he felt was a deliberate pattern of violations and misleading information by the Soviets in an article in Readers Digest. The U.S.S.R. conducted more than fifty test flights of an air defense interceptor and associated radars in an anti-ballistic mode in violation of the Anti-Ballistic Missile Treaty of 1972. Negotiations on this subject proceeded for more than a year before the Soviets ceased their test program. It is probable that they finished their test program rather than that they felt a duty to cooperate with the U.S.

WOULD AMENDING THE TREATY HAVE A CATASTROPHIC AFFECT ON THE SOVIET-AMERICAN RELATIONS?

Carter and Brezhnev have both warned the Senate that any changes in the SALT Treaty would have a disastrous effect on Soviet-American relations.

In 1971, a treaty was signed between the Soviet Union and the Federal Republic of Germany. It was negotiated by the Social Democrat Free Liberal Coalition, which is still in power. Willy Brandt, the Chancellor, and Egou Bahr, the negotiator of the treaty, both threatened disaster if the German Parliament amended the treaty. The German Parliament went ahead and amended the treaty and Moscow readily accepted it, despite the Kremlin's previous warnings.

We do not want to upset Soviet-American relations, but the Russians' overwhelming desire to have a treaty and this example would tend to indicate that we can make a more equitable treaty without causing contention.

CONCLUSION

In summation, I would like to say that it was said of SALT I that it is not perfect but it is a start and perhaps SALT II will compensate. SALT I turned out to be an undisputable disaster, allowing Soviets a military buildup. Now it is said that SALT II is not perfect, but we believe that SALT III will make up for it. We cannot accept this belief, and we cannot allow ourselves to make the same mistakes we made last time. SALT II is not significantly limiting production of nuclear arms or disposing of the threatening arms already in existence. There are many fallacies in our monitoring systems. The Soviets have been granted special privileges, and we have no assurance that Carter will make up for these failures by developing and improving Minute Man III, the B–1, the Neutron Bomb, or our Cruise Missiles. For these reasons, I believe SALT II will seriously undermine the security of the U.S. and other Western European democracies by providing the U.S.S.R. with unilateral advantages. I feel, therefore, that it is my duty to oppose ratification of the SALT II Treaty unless it can be satisfactorily amended.

LOU BROCK: BASEBALL HERO

Mr. EAGLETON. Mr. President, for 15 years, it has been axiomatic in St. Louis baseball circles that as goes Lou Brock, so go the St. Louis Cardinals. When Brock is hot, so are the Cardinals, and when Brock goes cold, the team suffers.

Thus, when the Cardinals suffered through the worst season in their history in 1978, it was a sad reflection of what appeared to be the end of Lou Brock's career. The once-mighty leftfielder's batting average dropped to .221 in 1978 and many people were counting him out at the age of 39.

But in the words of Bing Devine, the former Cardinal general manager who brought Brock to St. Louis in 1964, "A superstar is never through until he hangs up his uniform. The truth of the matter is that somewhere they have a hidden source of ability that even they can't really explain." Those words describe no man better than Lou Brock.

Thus, it came as no surprise to learn that Lou Brock was coming back for 1 more year. Even at the age of 40, Brock simply had too much pride and too much talent to let his career fizzle to an end.

"I refused to let anybody deny me my final moment of glory," is the way Brock recently put it. "This is the fight within me. Last year, there came a time when everything I had done could have been tarnished. I refused to be denied."

So Brock came back for 1 more year and, fittingly, it has been one of the finest years of his stellar career. Throughout most of the 1979 season, Brock has maintained an average above the .300 mark, and has consistently ranked in the top 10 batters in the National League. He has led the Cardinals' dramatic surge back into pennant contention and, on a team resplendent with awesome hitters, he delivered the season's most awesome hit.

Prior to this season, only 13 men in the entire history of major league baseball had recorded 3,000 career hits. On August 13, 1979, Lou Brock joined that select society, ironically rapping his historic safety against the Chicago Cubs, the team that had traded him to St. Louis in 1964. It was Brock's second hit of the evening, in a thrilling game eventually

won by the Cardinals by a score of 3 to 2. The game was interrupted for 16 minutes of noisy celebration, as Brock accepted the congratulations of friends, teammates, club officials, and the Cardinals' only other 3,000 hit player, Hall of Famer Stan Musial.

On September 9, Mr. President, St. Louis and baseball will honor Lou Brock on "Lou Brock Day" at Busch Memorial Stadium. It will be a day of well-deserved tribute for a man who, in addition to earning membership in the 3,000 hit club, has captured almost every major league base-stealing record, including most career stolen bases and most stolen bases in a single season; who ranks second in career World Series batting average and fifth in career World Series slugging average; who has maintained a career batting average of more than .290; who has sparked his team to three National League pennants and two World Championships; and who is a sure bet for admission to Baseball's Hall of Fame.

In honor of Lou Brock's outstanding achievements on and off the baseball diamond, I, on behalf of myself and Senator DANFORTH, have introduced Senate Resolution 227. I request that the clerk read the resolution, and the resolution be brought up for immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 227) to commend Lou Brock for his outstanding contributions to major league baseball.

Mr. EAGLETON. Mr. President, I should note this matter has been cleared on both sides of the aisle.

Mr. THURMOND. Mr. President, that is correct. It has been cleared on our side.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 227) together with its preamble is as follows:

Whereas September 9, 1979 has been designated as "Lou Brock Day" in Saint Louis, Missouri;

Whereas Lou Brock got his 3000th major league hit on August 13, 1979, thus becoming only the fourteenth player to reach that milestone;

Whereas Lou Brock holds almost every major league record for stolen bases, including most stolen bases in one season and most career stolen bases;

Whereas Lou Brock has made numerous and significant contributions to the nation outside of his endeavors on the baseball field, especially to the nation's youth; and

Whereas Lou Brock will retire from baseball at the end of the 1979 season, at the age of 40, after 19 years in the major leagues, 15 of which were spent with the Saint Louis Cardinals: Now, therefore, be it

Resolved, That the Senate wishes to honor and pay tribute to Louis Clark Brock for his outstanding achievements in a long and distinguished career in major league baseball, and for his civic and social contributions to the nation.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Lou Brock.

Mr. EAGLETON. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION ON MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

TREASURY-POSTAL SERVICE APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4393, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4393) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. CHILES. Mr. President, I am pleased to bring to the Senate today for consideration the appropriations bill for Treasury, Postal Service, and General Government. The amount of the bill before the Senate today totals $8,846,104,100. In round terms, the bill is $508 million below the appropriations provided in fiscal year 1979; it is $174 million under the requests from the various agencies included in the jurisdiction of this appropriations bill; and it is $454 million below the allocation from the first concurrent resolution. While we are now under the first concurrent resolution ceiling, it should be pointed out that approximately $440 million, or 97 percent, of the current underage will be needed to fund the October pay raises.

The Senate was able to consider a number of funding proposals that arrived too late for consideration in the House. Several of these proposals and a few items of significant priority were added to the bill as recommended by the House. These several additions to the House bill result in the Senate bill being $56.4 million over the amount recommended by the House.

Mr. President, we have a fine and well balanced bill that reflects the priorities established by the authorizing committees and by the members of the Appropriations Committee. This bill represents the product of 11 days of hearings and a fully attended subcommittee markup session. This bill was carefully considered by well attended full committee markup sessions which were convened on 3 different days over a period of 2 weeks. In order to have a fully complete legislative history on the full committee process, I ask unanimous consent to have printed in the RECORD at this point a listing and description of the 10 rollcall votes that were taken during full committee consideration of the bill.

There being no objection, the information was ordered to be printed in the RECORD as follows:

ROLLCALL VOTES IN COMMITTEE

By a vote of 10 yeas to 9 nays the committee agreed to a motion to strike Section 202 intended to prohibit the Postal Service from procuring its own electronic message system and from owning or operating its own electronic message system.

By a vote of 11 yeas to 4 nays the Committee agreed to a compromise motion intended to prohibit the Postal Service from procuring its own electronic message system and from owning or operating its own electronic message system.

By a vote of 4 yeas to 2 nays the Committee agreed to an amendment to increase the appropriation for the U.S. Postal Service by $4,000,000 in fiscal year 1980 for political committtee mailings.

By a vote of 10 yeas to 11 nays the Committee rejected a motion intended to prevent the initiation of a pilot program at IRS to use tax refunds to offset amounts owed the Government.

By a vote of 9 yeas to 13 nays the Committee rejected an amendment to strike Section 103 (Ashbrook) and Section 615 (Dornan) to be replaced with report language.

By a vote of 10 yeas to 12 nays the Committee rejected an amendment to strike Section 103 (Ashbrook) and Section 615 (Dornan), the sections dealing with IRS rulings on the question of tax exemption for private schools.

By a vote of 6 yeas to 15 nays the Committee rejected an amendment to strike Section 103 (Ashbrook) and to amend Section 615 (Dornan) by adding the following phrase to the amendment: "Without the prior approval of the appropriate congressional committees as designated by the Speaker of the House and the President of the Senate."

By a vote of 12 yeas to 11 nays the Committee accepted an amendment to strike Section 103 (Ashbrook).

By a vote of 11 yeas to 12 nays the Committee rejected an amendment to strike Section 615 (Dornan).

By a vote of 7 yeas to 18 nays the Committee rejected an amendment to strike Section 614 intended to prohibit IRS from disallowing tax exemptions for general purpose contributions made to religious organizations for educational purposes.

Mr. CHILES. Mr. President, the report to accompany this bill has been available since August 2, or for more than than a month, and is now before each Member at his desk. Pages 66 through 71 summarize the recommendations included in the bill. While I will not go over each and every item at this time, I would like to highlight a number of significant items in the bill.

Last week the Treasury Department released a study of the subterranean economy. The study shows that unreported and underreported income is now estimated to approach $135 billion annually, which results in a $19 to $25 billion loss of revenue to the Treasury each year.

I am competing here, Mr. President. I will be delighted to yield.

Mr. FORD. Mr. President, I apologize to the distinguished Senator. I was just

trying to work out his legislation without any problems.

Mr. CHILES. My colleague learned to whisper in a sawmill.

Mr. FORD. That is all right; I did not have to walk to get there.

Mr. CHILES. In the process of the subcommittee hearings on the Internal Revenue Service budget, proposal, I discussed the declining trends of voluntary compliance with the U.S. tax laws with the Commissioner. In spite of these declining trends, IRS had proposed to reduce audit coverage from 2.24 percent in fiscal year 1979 to 2.11 percent in fiscal year 1980. In order to permit the Internal Revenue Service to maintain its audit coverage at 2.24 percent and in order to help reduce the declining trends of voluntary compliance with the U.S. tax laws, the committee has added $29 million and 1,500 positions to the Internal Revenue Service budget. This action will also generate an additional $145 million in tax revenue in fiscal year 1980 and subsequent years. The importance of this initiative is reinforced by the subterranean economy study released last week by the Department.

Mr. President, I am sure all the Members have received mail and heard expressions of concern regarding the Adminisration's proposal to reduce the U.S. Customs Service budget by eliminating in excess of 300 inspector positions. These positions are used at our many ports of entry around the country to expedite the processing of incoming passengers and cargo. In view of the 6-percent growth each year in both passengers and cargo tonnage that enters the United States, the committee did not agree with the administration's proposal to reduce the number of inspectors at our ports of entry. We have, therefore, added full funding for 200 inspector positions to the U.S. Customs Service budget over the number proposed by the agency.

Over the years the number of customs employees who earn excessive amounts of overtime pay has grown to the point where now over 275 customs employees are earning in excess of $20,000 a year in overtime pay each year. The subcommittee discussed this situation with the Commissioner of the U.S. Customs Service, Mr. Chasen, and are pleased that he is moving to initiate needed reforms in this area. In order to assist in this regard, the committee has recommended a $20,000 pay cap on the amount of overtime pay any one employee may earn in a given year. Our proposal is also to reduce this pay cap to $15,000 in the appropriations bill next year. To reduce the pay cap any more in 1980 would result in many of our ports of entry not being staffed in the last months of the year due to the fact that Customs has become dependent on overtime work in order to move cargo and process passengers.

Mr. President, as the Members know, the legislation to implement the Multilateral Trade Negotiations passed the Senate on July 26, 1979. This legislation imposed limitations on the amount of time that the Treasury Department may use to consider countervailing duty and antidumping cases. Where the Department of the Treasury has had the responsibility to implement these countervailing duty and antidumping programs for a number of years, their effectiveness has been limited and the backlog of cases now approaches 3½ years. In order to permit the Department to develop a more credible program in this area and to meet the time restrictions included in the implementing legislation for the Multilateral Trade Negotiations, the committee has provided an additional $1.3 million and 130 positions. The Department has also proposed to unify these programs under a new Assistant Commissioner.

Mr. President, after a great deal of debate the committee decided to adopt two spending limitations to be imposed on the Internal Revenue Service that have also been recommended by the House. The first of these is included in section 614 of the bill and has the purpose of prohibiting the Internal Revenue Service from issuing rulings that would deny taxpayers deductions for general purpose contributions to religious organizations which are used for educational purposes. The committee also agreed to adopt a provision included in section 615 of the bill which would prohibit the Internal Revenue Service from carrying out their proposed revenue procedures relating to the tax exempt status of private schools. These revenue procedures were intended to provide guidance to taxpayers and Internal Revenue Service agents in making determinations on the question of whether or not a particular private school is racially nondiscriminatory and therefore eligible for tax exempt status. I and a majority of the members of the committee felt these revenue procedures should not be issued until approved by the appropriate authorizing committees, therefore, this section will give the authorizing committee time to complete their review before IRS issues them.

The committee has recommended $2.3 million for the Volunteer Income Tax Assistance Program, which is $500,000 more than requested. It is the committee's intention that these additional funds will be used entirely to assist the elderly in their preparation of tax returns and other matters of this nature.

The committee has recommended $1,379,000 and 51 positions for the cigarette anti-bootlegging program. This program is intended to curtail and eliminate the contraband cigarette racketeering which results in a loss of State tax revenues estimated to be approximately $390 million a year.

Mr. President, with regard to the Postal Service, the committee recommends a spending prohibition intended to prevent the Postal Service from entering directly into the electronic communications market. The committee's view is that as the private sector is already in this market, has the capability to serve it, and can provide adequate services, there is little demonstrated need for the Postal Service to directly compete with the private sector. The committee has also added $4,000,000 for fiscal year 1980 to permit the Postal Service to begin subsidizing the mailings of qualified political committees. This will permit National, State, or congressional committees of major and minor parties to enjoy the same subsidized mailing rates as do the various nonprofit public interest and lobbying groups that are also an important part of the political process in this country.

There are several items included in the bill as recommended to the Senate which should substantially assist our efforts to curtail fraud and abuse in the Federal Government. In this regard, the committee has recommended $18,874,000, or $6,561,000 more than requested by the administration, for the Office of Inspector General at the General Services Administration. All the Members I am sure are well aware of the series of scandals that have been occurring at GSA and have been unfolding in press stories over the last 18 months.

This funding will help establish, pursuant to authorizing legislation, an independent office within the General Services Administration with responsibility for investigating and prosecuting fraudulent activities by Government employees within the agency. Also recommended in the bill is $665,000 of additional funding for the Federal Law Enforcement Training Center. These additional funds are required to expand the white collar crime course at the center in order to train the investigators being hired by the Inspector General at GSA and investigators being hired by the other Inspector General offices being established in the various Federal agencies.

Mr. President, as the Members will recall, the Civil Service Reform Act that the Congress passed last year established the Merit Systems Protection Board and the Federal Labor Relations Authority. In order to permit the Merit Systems Protection Board to successfully accomplish all the responsibilities assigned to it, the bill before the Members provides $1,575,000 more than recommended by the House for the programs of the Merit Systems Protection Board. This will provide a funding level of $12,075,000 for the Board in 1980, which is the full amount requested by the Board and the amount recommended to us by the General Accounting Office. Upon completion of my statement, I intend to offer an amendment to add an additional $1,542,000 and 63 positions to the amount recommended by the Committee for the Federal Labor Relations Authority. This additional funding was requested after the full committee completed its actions and has been recommended by the administration and the General Accounting Office. This is the additional amount needed for the authority to carry out its expanded functions under the Civil Service Reform Act of 1978.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text, providing that no point of order shall be raised by reason of agreement to this request.

The PRESIDING OFFICER. (Mr. PRYOR). Is there objection?

Mr. SCHMITT. Mr. President, reserv-

ing the right to object, and I will not object, if the chairman will yield for a moment I would like to suggest the absence of a quorum to work out a minor problem.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I withdraw the unanimous-consent request I had proposed.

Mr. President, at this time I would like to thank the distinguished Senator from New Mexico, Senator SCHMITT, and his committee staff, Mr. Burkett Van Kirk, for their very able advice and assistance to me in the process of developing this bill. Senator SCHMITT's contribution was indeed large and we are grateful to him. If he would care to make any comments at this time, I am prepared to yield to him.

Mr. President, I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, as the ranking minority member of the subcommittee which considered H.R. 4393, the appropriations bill for fiscal year 1980 for the Department of Treasury, Postal Service, and General Government, I want to associate myself first of all with the remarks of the distinguished chairman of the subcommittee, the Senator from Florida. I also want to cite the chairman's leadership and perseverance in reporting this somewhat controversial bill to the Senate. Those of my colleagues who did not participate in the subcommittee, and more particularly in the full committee markup, may not be aware of the time bombs that exist in a bill of this kind. So far we have wound our way through that particular mine field.

The subcommittee held extensive hearings with officers and officials of the executive branch to provide a thorough review of the administration's budget request. Our recommendation of $8,816,305,100 should provide adequate resources for the agencies under the subcommittee's jurisdiction. The amount recommended to the Senate as indicated by the Senator from Florida is $508,272,900 below what was appropriated last year and $173,063,900 below the administration's request for fiscal year 1980.

This bill contains a number of issues with which the subcommittee and even the full committee have wrestled for some time. I think the final legislation as reported represents a general consensus of all the members of the Appropriations Committee except, unfortunately, for my concern about having the IRS collect debts by setoff. This position is well illustrated by minority views in the committee report and will be the subject of a subsequent amendment offered by the Senator from New Mexico.

With respect to the Bureau of Alcohol, Tobacco, and Firearms, we have provided $1.550 million for explosives detection tagging research. Congress has always been strongly supportive of the Bureau's efforts to suppress arson and illegal explosives activity. We have been particularly interested in the explosives tagging program in spite of controversy which it has engendered. Therefore, we have authorized more funds for research in this area but specifically admonished the Bureau to take no steps, and I repeat no steps, toward implementation of the tagging program until the Office of Technology Assessment has reviewed the viability of the program and the committee gives its specific approval to proceed further.

Of course, my colleagues are aware that the controversy surrounding tagging has to do with the use of tagged explosives in firearms for private and legitimate purposes.

We have provided Customs with additional inspectors who are vitally needed at our gateway ports of entry. We have attempted to improve Customs air interdiction capabilities. Hopefully, we have moved to eliminate the abuses regarding overtime pay to U.S. Customs Service employees. During the course of the hearings, the committee received evidence that approximately $70 million or 15 percent of the total Customs' budget of $447 million would be spent on overtime pay. Such an expenditure is patently ridiculous and the committee has taken positive action to prevent what would otherwise be a clear misuse of taxpayer funds.

Our colleagues ought to be aware of another important provision in this bill. Without a shred of statutory authority, IRS has announced it intended to issue proposed regulations that would not approve deductibility status for nonprofit educational institutions that failed to meet racial admission standards. In other words, the IRS would hold private schools guilty of discrimination until they established their innocence. Such a proposal would be a virtual death sentence for hundreds of private schools, particularly those of a religious nature. This bill, by funding limitations, prevents the bureaucracy, in this case the IRS, from seizing substantive legislative power in the name of social engineering.

Mr. President, I want to emphasize that this is a decision that the IRS should not make; that it is the Congress that should determine the tax status of nonprofit educational institutions.

Another area of concern relates to IRS policies in the use of law enforcement personnel. IRS is a tax collection agency and not a law enforcement agency. The excessive use of criminal investigators and overabundance of agents authorized to carry firearms is inexplicable. The Service has been put on notice that we intend to thoroughly look into this matter next year and will make every effort to pare and reduce the number of law enforcement personnel employed by the agency commensurate with their responsibilities.

For the U.S. Postal Service, we have approved limited funding for revenue forgone for committee political mailings. This concept of reduced rate mailings for political committee mailings is similar to the postal benefits accorded scientific, educational, charitable, and other public service organizations.

It is hoped that with the new proposed rate schedules of the Postal Service, over a period of years all or most of the discrimination that exists now in various mail rates will disappear.

Also with respect to the Postal Service, the committee has taken the position that electronic communications which have traditionally been in the hands of private companies such as Western Union, the Bell Telephone System, IBM, and others should remain in the private sector. Thus, the committee has determined that, for at least the coming fiscal year, Uncle Sam will not compete with private firms to control the electronic mail industry. This prohibition will not affect—I repeat, will not affect—research and development activity nor the delivery of hardcopy messages such as Mailgram. The provision will provide Congress time to study the issue and to formulate a policy outlining the role of the Postal Service in electronic communications vis-a-vis that of the private sector in electronic communications.

During the course of our hearings and deliberations, we became well aware of numerous complaints regarding the manner in which the Council on Wage and Price Stability amended its program of voluntary price and wage guidelines. There is no doubt that the Council has been changing its standards on a piecemeal basis without adequate notice and making new standards effective retroactively. The Council should be aware that we in the legislative branch are watching.

Next year, if necessary, we will do more than issue an admonishment that due process be accorded the private sector as that sector is affected by the Council's program. Every one of us realizes the threat to this Nation caused by excessive Government spending with resultant spiraling inflation. However, we are at this time supposed to have a voluntary wage/price program and excessive arm twisting or jaw-boning of targeted industries by high administrative officials should be avoided. At the same time, excessive wage and price increases are obviously not in the national interest.

Finally, Mr. President, let me call my colleagues' attention to the situation at the Federal Elections Commission. At the time of our hearings, not one single certified public accountant was on its auditing staff. Staff turnover was running at least 25 percent annually. Most disturbingly, there have been allegations that, in the Office of General Counsel of the FEC, we may have individuals closely connected to the current administration. The Commissioners must make sure that all of their employees treat all of the various candidates and all the political parties with nonpartisan equality and equity.

In closing, Mr. President, I once again want to extend my appreciation to the chairman of our subcommittee for his handling of this legislation. Likewise, I wish to call to the Senate's attention the outstanding service performed for our subcommittee by the clerk on this bill, Mr. Michael Hall, and Mr. Burkett Van Kirk of the minority staff.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NO ROLLCALLS PRIOR TO 2:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcalls, excluding possible rollcalls to get a quorum—and I do not expect that—prior to 2:30 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, during House consideration of the Treasury and Postal appropriation bill currently before us, two very important amendments were adopted intended to bar implementation of proposed IRS racial discrimination guidelines for many tax exempt schools and academies throughout the Nation. The IRS proposed regulations involved have been criticized by church, synagogue, and civil libertarian organizations; by parents, educators, and those most directly involved in the educational process. The two amendments already in the bill before us would help these people. They would bar the IRS from using money to implement what has become one of the more unpopular and controversial schemes to emanate from Washington in many years.

The two amendments are a package. Introduced by Congressman DORNAN of California, the first amendment, approved on July 16 in the House, specifically prevents the Internal Revenue Service from using any appropriated money to cause the loss of tax exempt status by the agency's regulations proposed on August 22 of last year and February 13 of this year. The second Dornan amendment, also a part of the appropriation bill before us, bars the use of IRS funds from denying a charitable deduction for general purpose contributions, examples of such contributions being the moneys used for educational purposes by tax exempt religious organizations.

Earlier this year, I introduced two bills intended to accomplish the same purpose, S. 449, the Save our Schools Act, and S. 103, the Charitable Organizations Preservation Act. The 20 of my colleagues who cosponsored my two bills, as well as the many Senators who have personally said that they share the spirit and purpose of the letter of my legislation recognize the central principle at stake. They recognize that we face a separation of powers problem, and an affront to the civil liberties of educators and a threat to the quality of the teaching they are expected to do.

Parochial schools have been organized in our country during the past 2 years at the rate of 3 per day throughout the United States. It is estimated that if this pace continues, by 1992, the number of private and alternative schools in our country will equal the number of public schools. They will continue to complement the important role and preserve the quality of public schools, and parochial school development is in the long-run interests of both educational systems.

If the proposed IRS procedures are implemented, we not only retard this increase in the number and diversity of our elementary and secondary schools. We also allow to slip into regulatory hands powers that are granted to Congress. We allow over 3,500 private schools and academies in our country to be victimized by potential agency harassment, leading to the intimidation of present and potential contributors to these educational institutions.

In the final analysis, it would be the taxpayer, the parent and the child who would pay for the IRS prerogatives their newly proposed regulations would institutionalize.

This is primarily why I believe so strongly that the House amendments to the pending appropriation bill must be retained. It is why I urge my colleagues, especially those who have not yet come to a decision, to vote to retain these very important amendments.

And it is why, Mr. President, at the appropriate time following the substance of the impending debate on these IRS amendments in question, I hope one of my colleagues will move to table a motion for their deletion.

WHY THESE IRS AMENDMENTS OUGHT TO BE ADDED TO AN APPROPRIATIONS BILL

The proposed regulations the IRS wishes to promulgate are scheduled to go into effect in January of 1980. In the House, there are more than 120 Members who have cosponsored more than 20 bills to delete or set back the regulations in question. Hearings were held, though the bills—like those I have introduced in the Senate—are destined never to reach the full committee stage in time to have any real effect on the controversial regulations in question. If we do not act now; if we do not amend the appropriations bill in the manner the House has suggested, there will be no practical recourse for the many schools involved which are fighting for their existences in the face of the IRS threat.

WHY THE IRS ALREADY HAS SUFFICIENT AUTHORITY TO REVIEW SCHOOL EXEMPTIONS (THAT IS, AND THE PROPOSED REGULATIONS WOULD GIVE IRS EXCESSIVE AUTHORITY)

Current IRS regulation No. 7450 already gives the IRS sufficient authority to review schools according to a case by case process which they have been using up to August 22 of 1978. This is proper authority within the scope the IRS was originally granted. Giving the IRS a form of "class action" power to remove the tax exemptions of the many private schools in question is a much broader, and a substantive as opposed to procedural authority which Congress ought not and has not granted to the IRS.

WHY THE IRS REGULATIONS IN QUESTION VIOLATE CIVIL LIBERTIES

The August 22, 1978 proposed IRS regulations changes the burden of proof from the IRS having to prove that a particular school is in fact discriminating to the private school having to prove to the IRS satisfaction that it is not. In other words, "guilty until proven innocent" is the standard to be institutionalized on a class basis. There is nothing in past court decisions nor in any interpretation of the 14th amendment to justify such a rendering.

WHY THE IRS REGULATIONS VIOLATE SEPARATION OF POWERS

The proposed IRS action is a serious infringement by the executive branch of the Government on the constitutional provision making the Congress the sole legislative body, specifically in the powers delineated in article I. To date, the Congress has not legislated or in any way acted to give the IRS the policy authority it claims to have been granted by us.

Only Congress has the right to legislate a new tax status for traditionally exempt charitable institutions. Nowhere has Congress given the IRS the authority to regulate educational policies or enforce these proposed guidelines. The Green against Connally court case (1971) cited in a colleague letter sent to all of us this morning by Senator JAVITS, a case upon which Senator JAVITS' case rests, relies solely on segregated academies with no open admission policies in the State of Mississippi. In the Supreme Court case, Bob Jones University against Simon (1976), the Court ruled that the Green against Connally case was not a true adversary proceeding and therefore could not serve as a legal precedent.

So I cite that to my colleagues in advance of the debate on these two amendments because, literally, if we decide to take out these amendments, we are decreasing the power of Congress in favor of increasing the power of regulatory bodies, and that is a bad precedent for us to follow.

Mr. CHILES. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, with the exception of section 102, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be raised by reason of agreement to this request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

On page 2, line 12, strike "$30,850,000" and insert "$30,550,000";

On page 2, line 23, strike "$60,000" and insert "$80,000";

On page 3, line 1, strike "$22,700,000" and insert "$22,752,000";

On page 3, line 11, strike "$12,670,000" and insert "$13,335,000";

On page 3, line 15, strike "$191,115,000" and insert "$190,361,000";

On page 4, line 4, strike "$139,000,000" and insert "$138,482,600";

On page 4, line 13, beginning with the colon, strike through and including "1979" in line 20;

On page 5, line 4, strike "$446,857,000" and insert "$447,457,000";

On page 5, line 8, after "expended" insert "and of which $3,300,000 shall be available for the Antidumping and Countervailing Duty Program";

On page 5, line 13, strike "the annual base salary of that employee" and insert "$20,000";

On page 5, line 18, strike "$50,580,000" and insert "$53,347,000: *Provided*, That $5,700,000 of the unobligated balances in the construction account shall also be made available for salaries and expenses";

On page 6, line 16, strike "$773,160,000" and insert "$774,660,000";

On page 6, line 23, strike "$784,000,000" and insert "$818,711,000";

On page 7, line 10, strike "$475,000,000" and insert "$476,711,000";

On page 8, line 3, beginning with "$157,000,000" strike through and including the word "*Act*" in line 12;

On page 8, line 12, after "*Provided*," insert the following:

"That $5,600,000 previously appropriated for payment to State and local governments for protection of permanent and observer foreign diplomatic missions, pursuant to Public Law 94–196, shall be made available during fiscal year 1980 for salaries and expenses: *Provided further*,"

On page 8, line 19, beginning with "and" strike through and including the word "candidate" in line 23;

On page 9, beginning with line 1, strike through and including line 6;

On page 10, line 21, after "That" insert "for the fiscal year ending September 30, 1980,";

On page 11, line 2, after "amended" insert a colon and the following:

Provided further, For an additional amount for payment to the Postal Service Fund for the fiscal year ending September 30, 1979, pursuant to Public Law 95–593 and 39 U.S.C. 2004, $2,000,000.

On page 11, beginning with line 7, insert the following:

GENERAL PROVISIONS—UNITED STATES POSTAL SERVICE

SEC. 201. Appropriations in this Act to the Postal Service Fund shall not be available for the payment of the salary of any postmaster appointed after the date of the enactment of this title unless such postmaster is selected under a procedure which provides a priority for otherwise qualified applicants for the positions of postmaster who reside in the area which is served by the post office for which such position is to be filled.

On page 11, beginning with line 17, insert the following:

SEC. 202. No funds appropriated under this Act shall be available to the Postal Service if the Postal Service: procures its own electronic message system; owns or operates electronic transmission capacity or facilities, including switching devices, which may be used to send electronic messages; markets directly to the public electronic message services; without congressional approval. Nothing in this section shall be construed to affect the ability of the Postal Service to undertake research and development and testing of electronic message technology applications on an experimental basis or to affect contracts in existence on the date of enactment of this Act.

On page 12, line 11, beginning with the colon, strike through and including the word "Code" in line 15;

On page 12, line 19, strike "$11,000,000" and insert "$7,628,000";

On page 13, line 23, strike "$40,000" and insert "$60,000";

On page 14, line 21, strike "$7,500,000" and insert "$8,483,000";

On page 15, line 8, strike "$2,600,000" and insert "$2,650,000";

On page 15, line 20, strike "$27,600,000" and insert "$32,486,000";

On page 15, line 25, after "$3,000,000" insert a colon and the following:

"*Provided*, That there shall be transferred from the Department of Defense to the Office of Federal Procurement Policy the functions performed by the Federal Acquisition Institute, including personnel."

On page 17, beginning with line 18, insert the following:

"FEDERAL ELECTION COMMISSION

"SALARIES AND EXPENSES

"For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1976, $8,646,000, of which $750,000 shall be available only for activities, including contract support, of the National Clearinghouse of the Federal Election Commission."

On page 19, line 1, strike "$1,423,622,000" and insert "$1,421,985,000";

On page 19, line 2, strike "$18,787,000" and insert "$29,280,000";

On page 19, line 11, strike "$2,500,000" and insert "$21,573,000";

On page 19, line 12, strike in its entirety;

On page 19, beginning with line 15, strike through and including line 17;

On page 19, beginning with line 20, strike through and including the word "and" in line 21;

On page 19, line 25, after "per centum" insert a colon and the following:

"*Provided further*, That all appropriations for direct construction projects shall expire on September 30, 1981, except appropriations for projects as to which funds have been obligated in whole or in part prior to such date."

On page 20, line 5, strike "$130,900,000" and insert "$144,570,000";

On page 20, line 6, after "repairs" insert a colon and the following:

"*Provided*, That appropriations made to the Federal Buildings Fund for Alterations and Major Repairs shall, for prospectus projects be limited to the amount by project shown in the budget justification therefor, except each project may be increased by an amount not to exceed 10 per centum to the extent that savings are effected in other such projects but by not to exceed 10 per centum for each project: *Provided further*, That all appropriations for alterations and major repair prospectus projects shall expire on September 30, 1981, except appropriations for projects as to which funds have been obligated in whole or in part prior to such date"

On page 20, line 19, strike "$554,600,000" and insert "$577,900,000";

On page 22, line 3, strike "$1,423,622,000" and insert "$1,421,985,000";

On page 20, line 6, after the comma, insert the following:

"That for additional expenses necessary to reimburse the fund established pursuant to Section 210 of the Federal Property and Administrative Services Act of 1949, as amended, for expenditures made under 210(j) of said Act, $115,000 to be deposited to said funds"

On page 20, beginning with line 11, strike through and including "1949" in line 17;

On page 23, line 18, strike "$3,255,000" and insert "$2,855,000";

On page 23, line 25, strike "$8,900,000" and insert "$9,222,000";

On page 26, line 5, insert "(INCLUDING TRANSFER OF FUNDS)";

On page 26, line 7, strike "of" and insert "including administrative and staff support services for";

On page 26, line 9, after "Administration" insert "not otherwise provided for";

On page 26, line 9, strike "$18,988,000" and insert "$104,758,000";

On page 26, line 11, after "expenses" insert a colon and the following:

"*Provided further*, That this appropriation shall be available, subject to the reimbursement by the applicable agency, for services performed for other agencies pursuant to section 601 of the Economy Act of 1932, as amended (31 U.S.C. 696)"

On page 26, beginning with line 16, insert the following:

"OFFICE OF INSPECTOR

"For the necessary expenses of the Office of Inspector General, $18,874,000: *Provided*, That not to exceed $10,000 shall be available for payment of information and detection of fraud against the government, including payment for stolen government property."

On page 27, line 7, strike "$798,000" and insert "$759,500";

On page 27, line 10, after the period, strike through and including line 13;

On page 27, beginning with line 14, strike through and including line 23;

On page 28, line 5, strike "$6,600,000" and insert "$6,669,000";

On page 30, line 1, strike "$114,139,000" and insert "$113,939,000";

On page 31, line 23, strike "$10,500,000" and insert "$12,075,000";

On page 32, line 10, strike "$3,250,000" and insert "$4,516,000";

On page 32, line 17, after "including" insert "services as authorized by 5 U.S.C. 3109, including hire of experts and consultants,";

On page 37, line 3, after "vehicles" insert "purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976";

On page 38, line 11, strike "Israel,";

On page 43, beginning with line 15, insert the following:

SEC. 613. (a) No part of any of the funds appropriated for the fiscal year ending September 30, 1980, by this Act or any other Act, may be used to pay the salary or pay of any individual in any office or position in an amount which exceeds the rate of salary or basic pay payable for such office or position on September 30, 1979, by more than the overall average percentage increase in the General Schedule rates of basic pay, as a result of any adjustments which take effect during such fiscal year (1) under section 5343 of title 5, United States Code, if such adjustment is granted pursuant to a wage survey (but only with respect to prevailing rate employees described in section 5342(a)(A) of that title); or (2) any negotiated agreement pertaining to Government prevailing rate employees to whom section 9(b) of Public Law 92–392 applies.

(b) The limitations on the availability of funds imposed by this section shall not restrict the payment of any rate of basic pay which does not exceed $4.22 per hour, if such rate of basic pay would be payable were it not for this section.

(c) For the purpose of administering any provision of law, rule, or regulation which provides premium pay, retirement, life insurance, or any other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

On page 44, line 17, strike "613" and insert "614";

On page 44, line 24, strike "614" and insert "615".

Mr. McCLURE. Mr. President, I think the procedure that has been adopted now leaves in section 102 of the bill as passed by the House. I assume that the managers of the bill will make a motion to strike that section, pursuant to the committee action that was taken. It

will be my intention to resist the motion to strike section 102.

Does the Senator from Florida agree that that will be the procedure?

Mr. CHILES. The Senator is correct. If he wishes, I will make that motion now, so that we can proceed with the debate.

Mr. McCLURE. That is fine. I yield to the Senator for that purpose.

Mr. CHILES. On behalf of the committee, Mr. President, I move to strike section 102 of the original text, and I will send that amendment to the desk.

Mr. President, the subcommittee, in looking at the House proposal, noted that an amendment was proposed on the floor of the House that was contained in section 102, which stated:

None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

No hearings were held on this provision. There was no real guidance that the subcommittee could find as to why this proposal was included or what the effect of the proposal would be. So the subcommittee felt that it would be more appropriate for us not to consent to this but to take this section to conference with the House and then, at the conference, try to determine what the effect of this would be, whether the Fair Debt Collection Practices Act should apply to the Internal Revenue Service.

It appeared that it was not designed to cover IRS, to start with, but to cover private collection agencies, and that it would be better to take this to conference than for us to say that we would take the amendment. The full committee agreed with that proposition.

As my memory serves me, we never had a vote in either the subcommittee or the full committee, nor did we really debate the proposal in either of those committees, other than to say that we would just take the matter to conference and see what the rationale was when the amendment was adopted on the floor of the House.

That was the action taken by the subcommittee and the full committee, and that sort of set the stage for this debate.

It was my feeling then, and it is my feeling now, that with an amendment such as this, where there have been no hearings, where there really has not been any consideration, the Senate would be better off not to go along with the amendment and to let us take it to conference, where it would be an issue, and determine what the rationale was in the House in proposing the amendment.

Mr. SCHMITT. Mr. President, the recollection of the Senator from Florida coincides with mine, with respect to subcommittee and committee action and as to the decision to refer this matter to the conference.

I think it is an issue on which, at first blush, I would find myself in sympathy with the Senator from Idaho. However, I do not believe we have before us the basis on which to make a considered judgment as to what purposes would be served by the use of the Fair Debt Collection Practices Act provisions as restrictions on the IRS.

I suspect that they may need that, but I do not understand the issue well enough to be supportive at this point. I have worked very hard in the Banking Committee to defeat that bill, and I think I understand how the bill does affect the private sector. I do not at this point claim to understand how it would affect the IRS.

Mr. McCLURE. Mr. President, I oppose the motion of the Senator from Florida to strike this language in section 102 of the bill as sent to us from the House, and I shall state very briefly for the RECORD my reasons for opposing it.

First of all, it has been said there was no debate in the subcommittee or in the full committee, no discussion, and no vote. As a matter of fact, there was some discussion. It was somewhat limited, because the committee had not held hearings on this specific language. It being a House amendment rather than a Senate subcommittee or committee amendment, there was no reason for the Senate to hold hearings on this specific amendment. But the Treasury-Post Office Subcommittee of the Appropriations Committee has held hearings in the past on the collection abuses by IRS. Anyone who has been around here more than a year or two will recognize that every Member of Congress in this body or in the other has a horror file about the abuses by IRS of the rights of individual citizens in this country.

There is no one who is more concerned than I about the Federal Government collecting the amount of taxes that is due from any taxpayer. I think it goes without saying that this amendment is not intended in any way to inhibit the legitimate enforcement of the law against taxpayers who owe taxes and will not or do not pay them.

But we know, every one of us, whether we have held formal hearings in this subcommittee on the particular amendment, or whether we have had hearings in the past on other similar proposals or just abuses in general, that IRS agents have harassed and abused the taxpayers in the country.

I am always amazed at the ability of this Congress to set up rules for everyone else but exempt the Federal Government from them. We have all kinds of rules and regulations dealing with individual conduct or private business conduct, but most of them exempt the Federal Government from the same restrictions. Why? And why even more so in an area as critically sensitive as a voluntary tax collection system based upon the support of the American people to voluntarily fill out their tax form and to voluntarily submit a check that they say, "This is what I think I owe the Government?" Then to turn around, on the other hand, and say that the Government then can step forward and harass and abuse the taxpayer and then to say that we cannot accept an amendment because we do not know what it means strikes me as being a little anomalous for, as a matter of fact, we know what IRS has been doing. We know that the majority of their agents act responsibly. We know that in many instances there are taxpayers who have approached us who claim abuses who really owe the tax. And I am sure the Senator from Florida and the Senator from New Mexico would have to confess that in our files we have letters where we have taken the case for a constituent who felt abused and found that the constituent was wrong, but I think we would also have to confess that there are dozens upon dozens of cases in the files of every Member of Congress where an IRS agent or the agency as a whole has used its coercive power to collect or to attempt to collect taxes that were not due or taxes upon which there was a reasonable argument on a legal basis as to whether or not they were actually due and collectible.

I remember the instance of the taxpayer, a small businessman in a small northern Idaho community, who wrote me that he just had his bank account seized by the IRS because he had not paid the withholding tax or he had not submitted the tax that he had withheld from his employees and had not sent it in. He produced the canceled check payable to the IRS in the exact amount claimed that matched with the return that he had filed. They said: "We don't have any record of it." He produced the check that showed that they not only had received the check but had deposited the check and it had been returned to him and charged against his account. They still refused to release his bank account because they did not have a record of it.

Here was a small businessman who was about to be put out of business because the bureaucratic agency could not make up its mind whether or not they had adequate information as to the payment of the tax.

I think we know some of the old stories, and these do not come from my own personal recollection, of IRS agents who come in to a place of business and embarrass the taxpayer before all of his employees and his customers by threatening to put a padlock on the door to collect the taxes due when there was a legitimate argument about whether the taxes were due and when there were other means by which they could settle whether or not the taxes claimed by the IRS were due.

We know of the case when an IRS agent struck a pregnant woman in her own home, knocked her down, and caused a miscarriage because of his excess in the desire to collect taxes because they get a percentage of what they collect on old taxes. That is another system that I think maybe we should look at. They have an incentive system. The more you can extort from people, the more money you get. We call it a reward system.

Mr. CHILES. The IRS agent gets it?

Mr. McCLURE. Yes, the IRS agents gets a portion. He gets paid for collecting more taxes, and those lead to abuses that we sought to correct in the passage of the Debt Collections Act. It does not seem to me at all reasonable to expect that the Federal Government agents can

use means which we have prohibited to be used in the collection of debts in the private sector.

This amendment which the committee seeks to strike that was added in the House of Representatives simply says:

None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

Mr. President, is the Senate now about to go on record saying that IRS agents can harass and abuse taxpayers?

It seems to me that is the necessary implication of a vote to strike language that says they cannot.

I do not know how other Senators may feel, but I agree with the action taken in the other body. When this amendment was offered on the floor of the House of Representatives, it passed by a vote of 299 to 69.

I have communicated with the Commissioner of the Internal Revenue Service who says, "Well, we can't really tell what this would do."

They had appeared in opposition when this bill was in markup before the subcommittee, and they said they were opposed to the bill, opposed to this section, and they wanted it stricken.

We asked why. They said: "Well, we can't really tell you why except we don't think it fits very well with our operations."

Are their operations based upon harassment and abuse?

Following the hearing and the action by the subcommittee and the full committee, I wrote to the Commissioner of Internal Revenue Service and asked him to comment, and about all they said in reply was: "We don't really know what it means; therefore, we are opposed to it. We don't know quite how it would fit; therefore, we are opposed to it. Besides that, we already comply with the spirit of that act."

Well, if they are complying with the spirit of the act why do they object to the language being added? It would not change anything apparently. But they do not want to have to change their methods. If, as a matter of fact, what we have required of private business and private collection agencies in terms of the rights of the debtor is correct, they do not want to have that same protection applied where it is a taxpayer who is being harassed or threatened by the IRS or it is the Federal Government that is trying to collect the tax.

Mr. President, let us have no misunderstanding about who will be benefited or who will be hurt by this amendment. It is not an amendment to help big business because there are batteries of accountants and tax lawyers and there are tens of thousands of dollars involved in the collection, and there is a specific exemption in the Fair Debt Collection Practices Act.

This is a measure intended to and designed to deal only with the relationship of the ordinary citizen, the natural person, as defined by the statute.

This is intended to allow them to know that we in the Congress of the United States are concerned as to whether or not their Government can use unfair practices, and harass and abuse taxpayers without notice to them, with intimidation in their place of business or in their homes.

It seems to me if we in the Congress have felt it was necessary to do that with respect to private businesses and to private debt collection services, we ought to be equally and, perhaps, even more, concerned about how the Federal Government itself goes about collecting the amount of money the Government claims is due.

For that reason, Mr. President, I oppose the motion to strike section 102.

I thank the Senator from Florida and the Senator from New Mexico for helping to arrange and agree upon the procedure by which we come to the point of a motion to strike, thus preserving the House language unless the Senate agrees to strike the language. I just have a feeling that deep down the Senator from Florida and the Senator from New Mexico do not disagree with the Senator from Idaho. I hope the Senate will agree with the action taken in the other body since this is a limitation on an appropriation measure, and its life is coincident with the extent of the period during which that money will be expended. During that period of time I hope the appropriate legislative committees will take a look at how it is operated, will take a look at the protections that are necessary, and that we can then, before the expiration of that period, have enacted permanent legislation that will protect the rights of individual taxpayers.

In the meantime, I hope the Senate will agree to the maintenance of this amendment added by the other body, and that the taxpayers of this country at least will have that much breathing space, without irreparable injury to the Government.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. McCLURE. I would be happy to yield to my friend.

Mr. HELMS. Mr. President, I certainly agree with the distinguished Senator from Idaho (Mr. McCLURE). This amendment must stay in this bill if the taxpayers are to have any equity whatsoever in their dealings with the Internal Revenue Service.

About 10 days ago I went over to the western part of my State to visit with a distinguished group of Americans who are the survivors of the Bataan-Corregidor death march. One of the men attending that function handed me a thick file on a dispute he is now having with the Internal Revenue Service.

I do not suggest that Commissioner Kurtz even knows about this matter, or that he condones it. It gets down, however, to the point of who is running the store.

This man, who survived the Bataan-Corregidor death march, showed me, as I said earlier, a thick file of correspondence with an Internal Revenue Service representative. The IRS refused to answer any of the man's questions, they refused to accede to any request, so he said, "Well, all right, I will stand pat."

Whereupon, the IRS sent a bill for $134,000 in taxes. He said, "I do not know where they got that figure. They would not explain it. They said, in effect, 'We will take you to court.'"

This man does not have the funds to fight the IRS in court. He would have to compete with the salaried attorneys of the Federal Government at his own expense.

Now, if I have any advice at all for Commissioner Kurtz it is that he immediately implement a plan to monitor what his people are doing. Maybe there will be some reconciling of the attitude by some IRS people.

So I agree with the Senator from Idaho that this amendment should stand, it should not be stricken, and I do hope my friends from Florida and New Mexico will not resist the retention of the amendment.

I thank the Senator for yielding to me.

Mr. McCLURE. Mr. President, it is my understanding that there will be no rollcall votes prior to 2:30 this afternoon, by unanimous-consent agreement; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. Mr. President, it will be my intention to ask for a rollcall vote on the motion to strike.

Let me conclude my remarks at this point by making reference to one other portion of the amendment that has not heretofore been discussed in detail.

The amendment would prohibit employees of the Internal Revenue Service from communicating with a third party unless that party was the attorney for the individual taxpayer concerned. In other words, the IRS agents, as any other debt collection agent, would no longer be allowed to question a taxpayer's neighbors, friends, or relatives as to his lifestyle or various other assorted unethical questions.

The Commissioner of Internal Revenue Service has indicated in his letter to me that he finds that objectionable, and apparently it is his intention to continue the practice of IRS agents going around and questioning all of the friends, neighbors, and relatives of a taxpayer in order to try to find the evidence to sustain the case before they have even made the allegation.

As every Member of this body knows, that has had a very bad effect upon the reputation of a number of people who were not guilty of any wrongdoing, who owed no tax at all, and it was exactly that kind of abuse we attempted to eliminate when this body passed the Fair Debt Collection Practices Act on August 5, 1977.

Now, only a little better than 2 years later, we are trying to extend the benefits of the protection of that law to those the Government claims owe them or owe it some money.

The PRESIDING OFFICER. Who yields time?

Mr. SCHMITT. Mr. President, I yield myself such time as I require. For the purposes of the Senator from Idaho's understanding, I want to say that the time was an hour-and-a-half on my time, and I am yielding the Senator such time as he requires for this consideration.

Mr. McCLURE. I thank the Senator.

Mr. SCHMITT. Mr. President, I find myself in a very awkward position because I agree completely with the concerns of the Senator from Idaho with respect to many of what are commonly called abuses of the IRS in their collection activities.

The tax system of this country must be a voluntary system, and one of the best ways to get it to cease to be a voluntary system, other than overtaxation, which we are doing very well also, is to put the taxpayer in fear of or at odds with the tax collector.

My concern, having dealt with the Fair Debt Collection Act in the Banking Committee, is that there was just no consideration, although there should have been, because of jurisdictional problems, of the IRS question. The question of the IRS abuses goes far beyond those that have been considered in the total consideration of this act in the Banking Committee. As a matter of fact, the reason I opposed this act in the Banking Committee is that it blanketed the entire industry with a massive new set of regulations in order to correct very specific abuses that could have been corrected by enforcing existing law. But, no, we added another regulatory blanket to an already overburdened society, and in particular we again hurt those people, the small business people and minority business people, who can least afford to be hurt in this particular economic situation, or in any economic situation.

What I would hope that we could do, and obviously this will be an issue before the conference no matter what we do today——

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. SCHMITT. Happy to.

Mr. McCLURE. It will not be before the conference if the motion to strike fails. The issue will have been resolved.

Mr. SCHMITT. The Senator is entirely correct, and I stand corrected. However, the issue is far broader than what the Senator proposes to do. Several of the abuses you have already outlined would not be covered by this. It is not even clear how the language of section 805 would be interpreted by a court in dealing with the IRS. I certainly am not an expert in that kind of interpretation. I would hope it would be possible for the House and the Senate to agree, and for the Senator from Idaho to agree, that the House and the Senate must address the issue, and must address it in this session, and that before any other appropriations are made available to the IRS, their debt collection practices are resolved, particularly those that have to do with due process. The situation the Senator described about his constituent's bank account being attached, I think, is the IRS acting without due process. They can do that. Again, I am not a constitutional expert, but I think it is clear that Congress should take action in that area as well as several others.

So, although I will have to oppose the Senator, I do commit to him that I will do everything I can within my committee jurisdiction and my other abilities to see that this issue is addressed, and addressed fully. I am afraid that what can be pulled out in section 805, part A, and section 806 of Public Law 95-109 is not going to get to the core of the problem; it is sort of a transition treatment. It is a statement by Congress that we do not like what is going on, but we really are not going to be able to do much about it with respect to these two sections.

So whatever we may decide today on the floor of the Senate, I will certainly be working with them to make sure that the entire issue is addressed and addressed properly and completely by the Congress.

(Mr. BAUCUS assumed the chair.)

Mr. CHILES. Mr. President, the Debt Collection Practices Act was passed to cover abuses of private collection agencies that are set up purely for profit, purely as a means of earning a profit, and to go out and collect other people's debts that these private collection agencies had taken on, at a percentage or a profit, to collect.

There were extensive hearings held on that. It covered a number of situations. There was a great deal of debate on it, and particularly how it covers these private agencies.

I cannot tell you whether it is working or not. I do not know whether any oversight hearings were held. But now we are going to take sections of that act and make it apply to the IRS.

I do not condone violations of people's individual rights by the IRS. I have been on this subcommittee for a long period of time prior to the time I was chairman. I participated in hearings held by the previous chairman of the subcommittee into abuses by IRS agents, and into debt collection practices; and if specific instances were brought before the subcommittee now, and particular abuses, we would go into that in the subcommittee. I do not condone that at all, and to say the subcommittee is condoning it puts us in an intolerable situation.

But at the same time, to see us say we are going to take an amendment passed on the floor of the House, late at night, dealing with private collection agencies, and say the IRS has to comply with exactly the same things that private collection agencies, working for a profit, who are taking the debts of other parties and going out and collecting them does not seem appropriate and I do not think makes very good sense. To say this is the approach which must be taken I do not think is correct. Every time a tax bill comes to this floor, it would be proper to put an amendment on that tax bill, as we can on this floor, saying the IRS should take certain steps or not take certain steps, and see that they are designed to the situation of the IRS. We can do that; but to take this entire bill, of many pages, including a preamble setting forth reasons for the bill which certainly does not apply to IRS, which uses language which does not apply to IRS and make it do is not right. When it talks about the consumer that really does not apply to a taxpayer, and to say that those sections will apply to the IRS does not make sense.

I started, at the initiation of the debate, to bring up the subterranean economy report, which shows that $135 billion now escapes taxation in this country. We need to talk a little bit about that. I am concerned that the IRS is not collecting the $19 billion to $25 billion in taxes on that $135 billion that is not being taxed. That $25 billion is enough to balance the deficit we have in the Federal budget. My distinguished friend from North Carolina has raised situations where there have been abuses, and certainly there have, and we do not condone them. But to handicap IRS in doing the job we charge them with doing, collecting the taxes with which we run this Government, including defense and every other phase of the Government, I am not sure how much sense that makes.

What about the people in this Government? What about the citizens who have not done the right thing and are not going to do the right thing and pay their taxes, and who have not been paying their taxes? We have a $135 billion subterranean economy, and that does not mention the ones who are not part of the subterranean economy, but also those we know who attempt to cheat on their taxes. What kind of rights are we going to give them under this amendment, by prohibiting that collection

If we have some problem with the IRS, if we have some cases, let us design something that covers the IRS, and put it on a tax bill. Let us not pick a piece of legislation designed to cover private debt collection agencies designed to collect debts for third parties, and say it exactly applies to the IRS. The IRS is an agency created by the Congress designed to collect the taxes with which we run our country. To say we are going to put them under the exact language we set up to cover some private debt collection agencies acting on behalf of third parties is not appropriate. I do not think that kind of thing makes sense, and I think when you read through the language, when you look at the terms, when you look at what the IRS would have to do to comply with all of those terms—you will agree. For example, to search out if a person has an attorney, find that out before you can communicate with him, search out and find out whether he has an attorney; my gosh, does that mean that before the IRS can write to me and state, "Lawton, it looks like you owe us a little money, and you better get that in"—they have had to do that before. I usually get that money in the fastest way I can. I am afraid of the IRS.

But the fact that I am afraid of them is one of the reasons that I am a taxpayer and that I try to get my money in on time. I do not know what it would do to our debt collection system of trying to

collect if I knew I could tell them, "Go dance, boys, you are just like any private debt collection agency now. Notify my attorney. Get hold of him. Do not notify me anymore. Do not come to my business, do not tell me anything, do not touch anything. I am covered. You cannot touch me anymore."

I think hearings should be held on that. If we are talking about abuses, design something that covers the IRS. Do not take something that just covers private debt collection agencies collecting for profit and say this makes all kinds of sense for IRS.

We talk about abusers in IRS. I regret that. I wish we could find all of them and get them kicked out. But we also have a lot who are really doing a good public service, really trying to do a job that Congress told them to do, to collect the money that we tell them to so that we can run our country.

If we turn around now and say we are going to treat them like they are private debt collectors, each one of them, that they are under the same kinds of provisions and we are going to put them under those kinds of provisions, I do not think that is the way to legislate.

When we were coming up with this private debt collection service, why did we not put the IRS in it at that time if they should have been covered? Why did we not design it to cover the IRS?

I do not read anything in the preamble talking about the Government being the problem. It talks about the use of deceptive and unfair debt collecting practices by many debt collectors.

I do not see any listing of the Federal Government. But if that is what it was designed to do, we should put them under there. If we were talking about putting them under, we would not have put in some of these provisions. We would have made specific provisions for them.

As I say, if there are people here who have a beef with the way they are doing it, and there may well be, let us design something that covers the IRS. Let us not say that you can make apples and oranges because the IRS is not the same as a private debt collection agency out collecting a debt from third parties for a profit. It is an arm of the Federal Government, created by the Congress to do a job that we have given it to do. If we do not think it is doing that job properly, let us prune that arm, let us put some limitations on it. But let us not call it a private debt collection agency.

Mr. SCHMITT. Mr. President, I think the Senator from Florida makes a number of good points. Whether he and I will agree or disagree on what limitations should be attached to IRS debt collection only time will tell. I do think the essential point is we ought to do this with proper legislation and proper consideration of the total issue rather than on a reasonably ad hoc basis of taking a portion of the law designed for another purpose completely and attaching it as legislation to the appropriations bill.

I yield to the Senator from Idaho.

If the Senator will permit me, I would like to allow him to ask for the yeas and nays at this point.

Mr. McCLURE. Mr. President, I do ask for the yeas and nays on the motion to strike.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. McCLURE. Mr. President, it is my understanding there will be no rollcall votes until 2:30. I ask unanimous consent that it be in order to ask for the yeas and nays on this motion to strike at 2:30 or at any time prior to that when a sufficient number of Senators are in the Chamber.

Mr. CHILES. Or prior to the time of the first rollcall.

Mr. McCLURE. Or prior to the time of the first rollcall.

Mr. CHILES. Let us try again. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I thank the Senator from Florida and I thank the Senator from New Mexico for yielding to me. I will not prolong the debate.

It seems to me if I hear correctly and understand correctly the arguments against the language as adopted by the other body, the Senator from New Mexico says, "Let us not pass this now because it only addresses part of the problem."

I do not see anything wrong with solving a part of the problem rather than solving none of it.

The Senator from Florida says, "Not now. Let us do it some other time on some other bill." He says we ought to have hearings to determine what the effect may be.

There have been hearings, hearings by the subcommittee which the Senator from Florida now chairs. That subcommittee and those hearings uncovered evidence of abuse across this land. As I recall, the hearings were held in every IRS district. The citizens came forward at those hearings and recited the abuses in collection. In spite of those hearings, in spite of that evidence, no legislation was forthcoming.

Now we have legislation which the Senator from New Mexico says is not enough and, therefore, we should not pass it. The Senator from Florida says let us have hearings. The hearings in the past have produced no legislation.

It seems to me that we ought to at least hold onto one little bit of protection that the public has a right to expect, and that we have already required of private debt collection services, and say that the IRS can live by the same rules we have made applicable to others.

Mr. President, I do not know what the Senator from Florida means when he says it might handicap the IRS efforts to collect taxes. Certainly he does not mean that IRS collects by harassment and intimidation. I do not think that would be the intention. Yet, if that is not his intention, then how does this handicap the IRS?

There is no one able to show any legitimate reason why IRS cannot live with the provisions of a law that we have made applicable to others. It seems to me that we ought to vote against the motion to table and I will urge my colleagues to do that when we get to that rollcall.

Mr. CHILES. Mr. President, I ask unanimous consent that the vote on the motion to strike come immediately after the first rollcall which is taken on this bill today, which will not occur before 2:30.

Mr. McCLURE. Will the Senator include temporarily setting this aside?

Mr. CHILES. And that this matter be temporarily set aside until that point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 514

Mr. CHILES. Mr. President, I move that the amount of $10,590,000 on line 21 of page 32 of the bill be stricken and, in lieu thereof, the amount of $12,132,000 be inserted.

The purpose of this amendment is to provide the Federal Labor Relations Authority with an additional $1,542,000 and 63 positions for fiscal year 1980, needed to permit the Federal Labor Relations Authority to carry out the additional responsibilities assigned to it by the Civil Service Reform Act of 1978. The administration's request in this regard was not received by the committee until August 20, 1979, or after the consideration of the bill by the full committee.

The original funding level proposed for the authority was a sufficient level of resources to carry out the program as it operated under Executive Order 11491 prior to the passage of the Civil Service Reform Act of 1978. This level of resources is not adequate to carry out the new responsibilities. This fact has been confirmed to us by a General Accounting Office letter report that was recently submitted to Senator RIBICOFF, chairman of the Committee on Governmental Affairs.

Filings of unfair labor practice charges under Title VII of the Civil Service Reform Act of 1978, the work unit requiring the greatest resource commitment, have far exceeded projections. The annualized rate of filings of unfair labor practice charges is approximately 2,700 compared to 1,168 filings originally projected for fiscal year 1980.

A second category of cases which will require additional personnel in fiscal year 1980 is negotiability appeals which come directly to the authority for resolution. These cases involve disputes between labor organizations and agencies over the scope of negotiations. Negotiability cases are being received at a rate three times greater than such cases filed under the Executive order program.

Mr. SCHMITT. Mr. President, I concur in the remarks by the distinguished Senator from Florida. I think this amendment should be accepted.

Mr. CHILES. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP amendment No. 514) was agreed to.

Mr. SCHMITT. I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope that Senators who have amendments will come to the floor and offer them. Otherwise, I am going to express the hope that the Chair will put the question, sending the bill to third reading. At the moment, I will not do that.

We have been in a quorum call now for 20 or 30 minutes. The Senate has a great deal of work to do. Thanksgiving is coming on. It will be here too soon. I hope the Senate will not be in session past Thanksgiving, but we have work to do before we adjourn sine die, and every day counts.

So I will suggest the absence of a quorum; and if Senators do not come to the floor, I will make it live.

The manager of the bill, Mr. CHILES, is here, patiently awaiting Senators to come to the floor. The ranking minority member, Mr. SCHMITT, is here. They are at their posts of duty, and they want some amendments so that we can dispose of this matter. I express thanks to both of them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, this seemed to be an opportune time to present the Budget Committee's statement on the pending measure. Perhaps it will create the impression in the offices, if they are tuned in, that action on the bill is underway, and we might be able to get things moving.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield the Senator from Maine such time as he may need.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, the Senate has before it H.R. 4393, which provides fiscal year 1980 appropriations for the Treasury Department, Postal Service, Executive Office, and Independent Agencies. I want to take a few moments to comment on the relationship of this bill to the first budget resolution. Before I do, however, let me say that I support the bill. I congratulate the chairman of the subcommittee, Senator CHILES, and the ranking minority member, Senator SCHMITT, as well as the full Appropriations Committee, for reporting this fiscally responsible legislation.

Mr. President, the bill as reported provides $8.8 billion in new budget authority. Outlays associated with the bill total $8.4 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated $9.3 billion in budget authority and $9.2 billion in outlays to the Treasury/Postal Service Subcommittee.

The funds provided by H.R. 4393 as reported, plus action already completed, put the subcommittee $0.5 billion under its 302(b) budget authority and $0.4 billion under its outlay allocations. But I would call your attention to the fact that possible later requirements known at this time are expected to boost the subcommittee above its present allocation by $0.1 billion in budget authority and outlays.

I ask unanimous consent that a table showing the relationship of this bill and possible later requirements to the subcommittee allocation be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 4393—TREASURY-POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATION BILL, 1980 (RELATIONSHIP TO SUBCOMMITTEE'S SECTION 320(b) ALLOCATION)

	Budget authority	Outlays
Subcommittee sec. 302(b) allocation	9.3	9.2
Action completed		.3
H.R. 4393, as reported	8.8	8.4
Amount over (+) or under (−) subcommittee allocation	−.5	−.4
Possible later requirements:		
Strategic stockpile acquisitions	.2	.2
October 1979 pay raise	.1	.1
Payment to civil service retirement and disability fund	.3	.3
Total	.6	.6
Possible amount over (+) or under (−) subcommittee allocation	+.1	+.1

Mr. MUSKIE. Mr. President, I think it is important to remind the Senate of the point I have made on previous fiscal 1980 appropriations bills that have been before us. It appears that the full Appropriations Committee may exceed the amount allocated to it under the first budget resolution when all the regular appropriation bills and expected supplemental requirements are taken into account.

These appropriations excesses could increase the fiscal 1980 deficit, and, in fact, combined with the apparent economic slowdown threaten to drive the fiscal 1980 deficit higher than fiscal 1979. The reconciliation recommendation contained in the second resolution is the Budget Committee's solution to this threat of a higher deficit.

As reported, the second resolution compares to this subcommittee bill in exactly the same fashion, and considerable restraint will be necessary for the Senate to stay within the Budget Committee's recommendation. The further effect on this subcommittee of the reconciliation recommendation is still uncertain.

Senator CHILES has been one of the strongest supporters of the budget process, and voted in support of the committee's recommendations for the second resolution. I am confident that he will continue that support.

I congratulate the Senator on his foresight in staying under the section 302(b) allocation to provide room for possible later requirements. However, I am concerned that reductions in the possible later requirements associated with this bill will be difficult to achieve. I am aware that possible later requirements include funding for the pay raise, the payment to the civil service retirement and disability fund, and the purchase of materials for the strategic stockpile, the authorization for which has not yet been reported by the Armed Services Committee. At this time, it is also not forseeable what the effect of the reconciliation recommendation of the second concurrent resolution will be on this subcommittee, because the Appropriations Committee's own allocation of the savings assumed has yet to be made. Consequently, there does appear to be some flexibility and uncertainty regarding further actions.

Therefore, I ask the Senator from Florida if he can be more specific as to how his subcommittee intends to stay within its section 302(b) allocation.

Mr. CHILES. I thank the distinguished Senator for his kind remarks and attempt to respond to his question.

The bill as reported is more than $450 million under the allocation from both the first and second concurrent resolutions. This should be an adequate amount to cover the pay raise which is the one mandatory item for the remainder of fiscal year 1980 for this bill. Other possible funding items are neither certain at this time nor would they be mandatory in any case. It is fair to say, however, that any additional supplementals for this bill, other than the pay raise, will have very slim chances and would almost certainly have to be accompanied by offsetting reductions, as I intend to recommend and advance all actions that I possibly can to stay within our allocations.

The point that the Senator made in regard to the reconciliation is the one thing that at this stage of the game, not knowing what the allocations are going to be from the savings by the full committee, I cannot entirely answer other than to say that the subcommittee is going to try to see that any share that is given to us of those savings we try to meet those savings from the best means at our disposal.

Mr. MUSKIE. Mr. President, I appreciate that reply which comes as no surprise. I have come to expect that kind of fiscal restraint from the distinguished floor manager of the bill and it is because he is in charge, so to speak, that I am willing to support the bill in its present form and in its present form I reemphasize what both of us have said; that it is around $450 million below the 302(b) allocation in budget authority and around $0.4 billion below in outlays.

I thank the Senator.

Mr. SCHMITT. Mr. President, I yield to the distinguished Senator from Ohio.

Mr. GLENN. I thank the distinguished Senator.

Mr. President, I rise for a question concerning the committee amendment, section 202 of the bill as reported, which pertains to the use of electronic transmissions by the Postal Service.

As chairman of the subcommittee with postal jurisdiction, I was inclined to object to the committee amendment as being beyond the proper jurisdiction of the Appropriations Committee. It appeared to establish basic policy, and it goes beyond the normal limitation on the use of appropriated funds by proposing to deny all appropriations to the Postal Service if it takes certain actions involved with the use of electronics.

Mr. SCHMITT. The Senator, I am sure, understands that such a limitation on the use of appropriated funds is not very useful when dealing with the Postal Service because it derives most of its funding directly from revenues and has the ability to borrow off-budget.

Mr. GLENN. I understand the Senator's point. And I understand the point that the amendment is intended to limit the further expansion of Postal Service operations into the electronic era without congressional approval. On that point, let me ask a couple questions.

Is it the intention of the committee and of the sponsors of this amendment to establish a policy either favoring or opposing Postal Service use of electronic transmission beyond September 30, 1980, the last day of the fiscal year to which this bill applies?

Mr. SCHMITT. We do not so intend. The limitations the amendment would impose would expire with the end of fiscal Year 1980, it being our intention only to maintain the status quo pending the determination of the future course of the Postal Service by Congress.

Mr. GLENN. Do I understand correctly that there is no presumption that the language of this amendment will automatically appear in next year's appropriations bill?

Mr. SCHMITT. That is correct.

Mr. GLENN. The status quo involves, basically, three ongoing Postal Service projects. The first of these is E-Com, which stands for electronic computer originated mail. It is a service that would permit Postal Service customers who generate large volumes of mail to link up directly with computers leased by the Postal Service and have their letters, bills, or whatever, transmitted over lines leased from a common carrier to a post officer nearer the point of delivery. There they would be printed on paper for the first time, enveloped, and dispatched for normal delivery by a letter carrier. It is similar to a mailgram.

Mr. SCHMITT. It is certainly similar in concept, but fundamentally different in that the service would be marketed by a Government establishment, the Postal Service, rather than by a private sector company contracting with the Postal Service for the final physical delivery as is the case today.

Mr. GLENN. The Senator is correct. That is the key difference. But is it the intention of the committee amendment to prevent E-Com, even if approved by the pertinent regulatory bodies, from entering service during fiscal year 1980?

Mr. SCHMITT. Yes, as a permanent service, and I emphasize the word "permanent." It is our intention that such service not be permanently fixed in place without congressional approval.

Mr. GLENN. It is not the intention of the committee amendment to bar E-Com from being put into service on a test or experimental basis?

Mr. SCHMITT. The Senator is correct. The wording of the amendment specifically exempts research and development, the testing of electronic message technology applications on an experimental basis, and guarantees against abrogation of any contracts in existence.

Mr. GLENN. The second Postal Service project now pending is called Intelpost. Developed under contract with Comsat, this project involves the transmission of mail matter to and from seven foreign countries from a selected few post offices in the United States. Bids were sought on this system and awarded to two U.S.-based international record carriers, who have not yet obtained tariffs from the Federal Communications Commission. The mail involved originates and ends as hard copy.

Would the committee amendment prevent Intelpost from being put into service during fiscal year 1980?

Mr. SCHMITT. I say that the situation is the same as that pertaining to E-Com. The amendment would be intended to hinder Intelpost from being publicly offered as a permanent service. It would not hinder its use to test electronic message technology on an experimental basis.

Mr. GLENN. The last Postal Service project is a longer term research and development project called EMSS, which stands for Electronic Message Service System. Can we safely assume that the wording of the amendment, excluding from its limitations the ability of the Postal Service to undertake research and development, means that the pending R. & D. work, which is being conducted under contract with private industry, would be unaffected?

Mr. SCHMITT. That is correct.

Mr. GLENN. I want to thank the Senator. With these clarifications, I will not object to the committee amendment. I agree that the basic public policy decision on how the Postal Service will utilize electronics in the years ahead should be made by the Congress, operating through the legislative committees with appropriate jurisdictions over postal affairs and telecommunications. Two years ago the Postal Service was under criticism for not being forward-looking and aggressive enough in this area. Now they have come under some criticism for being too aggressive. While I agree that the basic public policy decisions should be made by the Congress, I do not want to stifle the spirit of innovation at the Postal Service.

I thank the Senator for yielding.

Mr. SCHMITT. I thank the Senator for working with us on this matter.

I might make one additional comment on the colloquy. The Senator had at some point asked about what is intended by "testing on an experimental basis." To qualify, it would be necessary that such service be implemented in such a way as to be implemented in scope or duration and not be implemented in such a way as to imply they are permanent fixtures of the Postal Service. I think that clarifies that issue also.

Mr. GLENN. It does, and I think it clarifies the situation.

Mr. SCHMITT. I yield to the distinguished chairman of the Commerce, Science, and Transportation Committee for some comments he wishes to make.

Mr. CANNON. I thank the Senator for yielding.

While I am not a member of the Appropriations Committee, my committee has studied the matter of Postal Service involvement in electronic communications in the context of our revisions to the Communications Act.

I may say Senator Hollings had intended to be here for this matter today but, unfortunately, because of the hurricane in that area his flight was canceled and he is not able to get back and, therefore, I am speaking, in part, in his behalf as well.

I think it is imperative that we make a policy statement. Postal Service seems to take contrary positions—on the one hand they say they do not intend to become a carrier; yet they oppose language to preclude their direct involvement. The Presidential policy statement is unclear on this matter, yet we understand they do not intend the Postal Service to compete with electronic carriers. The Commerce Committee has clearly stated its opposition to direct Postal Service involvement as a carrier, and Senator Glenn now voices his general support for our position. I particularly appreciate the cooperation on this issue that our committee has received from Senator GLENN, the chairman of the subcommittee which deals with Postal Service matters, on this amendment, and I look forward to working with him to resolve the jurisdictional and policy questions in this debate in a timely manner.

I understand the point has been informally raised that this would constitute legislation on an appropriation bill. I think in light of the colloquy we have had and to clarify the intent it would be appropriate, therefore, to strike section 202 from this bill, particularly in light of what now appears to be a general agreement on the importance of these issues and the need for a congressional determination prior to any Postal Service action. Clearly the Postal Service is on notice that it should not move in this area without a clear policy statement by the Congress.

So, Mr. President, I move to strike section 202 of the bill.

Mr. SCHMITT. Mr. President, I think the Senator from Nevada makes an excellent suggestion. I know the distinguished Senator from North Dakota (Mr. BURDICK) might like to speak on this subject. He has expressed the same opinion.

With this colloquy and with the growing understanding between the two committees of jurisdiction as to not only what their roles are on this issue but the fact that those roles must be exercised, that we must give the Postal Service as well as the private sector policy guidance on this issue, I think we can proceed without doing violence by legislating on an appropriation bill.

I yield to the Senator from North Dakota at this point.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from North Dakota.

Mr. BURDICK. I want to thank the Senator from New Mexico.

Mr. President, I had intended to raise a point of order with respect to the Schmitt electronic mail amendment, section 202 of H.R. 4393 as adopted by the Appropriations Committee.

The question that lies before this body is whether the Senate Appropriations Committee can or should take legislative action. I voted against this language in committee and intended to raise a point of order for I strongly feel that the postal appropriations bill is not the place for the Senate to state its policy on the role of the Postal Service in electronic transfer of messages.

When the old Senate Post Office and Civil Service Committee was disbanded by the 95th Congress, Postal Service oversight and authorization responsibility was delegated to the appropriate subcommittee in the Governmental Affairs Committee. That is where questions of postal policy must be resolved. The subject of telecommunications is within the domain of the Commerce Committee. Neither committee has taken action on this issue. Only by following the hearing process, indeed the entire legislative process, can the Senate know that all questions have been examined and a clear-cut rational policy be developed.

The role of the U.S. Postal Service in the transfer of communications finds its roots in the articles of the U.S. Constitution. Article I, clause 7 states:

> The Congress shall have power to establish Post Offices and Post Roads.

A series of court decisions has served to extend this to mean that the postal powers of Congress embrace all measures necessary to insure the safe and speedy transit and prompt delivery of the mails. I can only ask: Where does the electronic transfer of mail fit in with this constitutional responsibility? Without the benefit of the proper legislative channels we cannot reach a reliable conclusion.

Back in 1970 the Postal Reorganization Act became law. As we all know, this established the Postal Service as a unique, separate entity with the authority to make decisions such as those involving the use of telecommunications. I am not here to pass judgment on the Postal Reorganization Act of 1970, but I must question the propriety of eroding the impact of this act through language attached to an appropriations bill without any action on the issue by the Governmental Affairs Committee. Furthermore, this law states:

> The Postal Service shall have as its basic function the obligation to provide postal services to bind the nation together through the personal, educational, literary and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities.

Again I ask: Where does the electronic transfer of mail fit in with these legislated responsibilities? And, again, I come to the conclusion that without the benefit of the proper legislative channels, this important question cannot be answered.

The President has put forth eight conditions for the use of electronic transfer by the Postal Service. Postmaster General Bolger has agreed to the conditions. A quick glance at the President's eight conditions reveals that the Postal Service will continue to enter this field in a deliberate manner. The conditions clearly preclude any wholesale takeover of telecommunications by the Federal Government.

I feel that two other issues that go to the heart of the matter must not be left unsaid. The Postal Service must be able to react to technological developments. Just as the transfer of mail has evolved from the Pony Express to trains to airplanes, the Postal Service should not be denied access to electronic mail.

Everyone in this body knows well my overriding concern for the development and well-being of the vast natural areas that stretch across America. It is very clear to me that the U.S. Postal Service is the only structure that is truly nationwide, serving both urban and rural areas, that can potentially provide electronic mail services to all Americans. I can only wonder how long Hettinger, Tioga, Pembina, or other small communities in North Dakota would have to wait for access to private services.

Mr. President, the issue of the role of the Postal Service in electronic communications is too large and important to be decided upon without action from the authorizing committees. Therefore, Mr. President, I join in the motion to strike, as offered by Senator Cannon, section 202 of H.R. 4393.

Mr. President, I ask unanimous consent that the President's eight conditions previously referred to be made a part of the RECORD.

There being no objection, the conditions were ordered to be printed in the RECORD, as follows:

CONDITIONS

President Carter's Conditions for use of Electronic Transfer by the Postal Service as accepted by Postmaster Bolger:

(1) The Administration opposes any legislative or regulatory efforts to restrict competition or entry in the electronic message field. In particular, it opposes any extension of the private express statutes beyond letter mail to cover electronic transmission.

(2) The USPS electronic service should not be subsidized by tax money or by revenues from other USPS services.

(3) The USPS electronic service should be established as a separate entity for accounting and ratemaking purposes to ensure that it is operated in a competitive fashion and to avoid the cross-subsidization of electronic service by regular mail services.

(4) The USPS should make its delivery services available to all electronic carriers at the same rates as those it charges itself.

(5) The USPS electronic service will be reviewed within the next five years, before the major investment is made, to evaluate its competitive impact and its potential to improve postal services and to ensure that no cross-subsidies or other anticompetitive actions are involved.

(6) The USPS should purchase electronic transmission services from carriers rather than building a transmission network.

(7) To ensure that interconnection with the mail delivery system is available to all companies, technical interconnection standards should be developed through a cooperative effort by the American National Standards Institute, the USPS, the private carriers, and an impartial arbiter, if needed.

(8) The existing regulatory system should be used to regulate the prices of the new services; i.e., the Federal Communications Comm. should regulate the pricing of the electronic transmission portion of the electronic message service and the Postal Rate Comm. should regulate the pricing of mail delivery. This regulatory system should be re-examined after five years to determine whether any statutory change is needed.

UP AMENDMENT NO. 515

(Purpose: To strike provision relative to electronic mail)

Mr. BURDICK. Mr. President, I send an amendment to the desk, if Mr. CANNON has not already done so.

The PRESIDING OFFICER. Is the Senator from North Dakota sending the amendment to the desk?

Mr. SCHMITT. Mr. President, I ask unanimous consent that this amendment be considered as a joint amendment by the Senator from Nevada and the Senator from North Dakota.

The PRESIDING OFFICER. Do the Senators wish consideration at this time?

Mr. SCHMITT. We wish consideration of this amendment at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from North Dakota (Mr. BURDICK), for himself and Mr. CANNON, proposes an unprinted amendment numbered 515:
>
> On page 11 strike line 17 through page 12, line 3.

Mr. SCHMITT. Mr. President, I want to thank all parties concerned.

The PRESIDING OFFICER. The Chair will ask the Senator from New Mexico if this amendment is the 3-hour amendment under the unanimous-consent agreement which is contemplated therein?

Mr. SCHMITT. I believe it is under the original agreement with the Senator from Ohio that he would offer such an amendment. I ask unanimous consent that it be considered as the amendment for which there was a 3-hour time agreement.

The PRESIDING OFFICER. The man-

agers have the prerogative to so designate the amendment.

Mr. SCHMITT. The managers then so designate.

The PRESIDING OFFICER. I thank the Senator from New Mexico.

Mr. SCHMITT. Mr. President, the Senators involved in this issue have, I think, begun the process toward reaching not only a consensus of the instant matter but also the process of beginning authorizing and eventually appropriations hearings, if necessary, that will give guidance to the Postal Service on the matter of not only electronic mail but the general issue of the application of technology to communications, written or printed communications.

Mr. President, I cannot remember who it was, but somebody recently has said, and I think it very apropos, that the technology in communications is removing the tyranny of distance, and in the development of this great country of ours the tyranny of distance has played a tremendous role in not only the limitations on that development but on communications among our citizens.

But with the advance of satellite communications and microwave communications and many other new innovative techniques for one person communicating with another or groups of persons communicating with other groups, we are entering into a new era. I share the concern of the Senator from North Dakota about our rural communities. His State as well as mine is composed primarily of rural communities and individuals living rural settings. But we are very rapidly seeing new alternatives develop by which these individuals can communicate among themselves as well as the outside world, satellite communication being one of the principal elements of that new era of communication.

So I would hope that we all will keep an open mind on what is possible and what is economically feasible and desirable as we enter the hearings that hopefully will take place in the not-to-distant future. I do believe we must be very careful and not substitute a Federal service where a private service can more economically and in a technically superior way serve the people of this country, both rural and otherwise. But with this agreement, and with the amendment and the colloquy preceding it, I believe we have taken a giant step, if I may use that expression, toward a policy decision by Congress in this very important and potentially extremely fruitful area of electronic communication.

Mr. BURDICK. Mr. President, I am ready to vote. I yield back any time that I have.

Mr. SCHMITT. Mr. President, in behalf of the committee, I yield back the committee's time on this amendment. We will have to wait until 2:30, if I remember correctly, for a vote.

The PRESIDING OFFICER. The Senator is correct.

Mr. SCHMITT. So I ask unanimous consent that the vote be temporarily postponed until that time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Is all remaining time yielded back?

Mr. BURDICK. Yes.

The PRESIDING OFFICER. All remaining time has been yielded back. Do Senators seek the yeas and nays?

Mr. BURDICK. No.

Mr. SCHMITT. I misunderstood the Senator from North Dakota. There is no need for a rollcall on the part of the committee. Therefore we can proceed with that vote at this time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from North Dakota (Mr. BURDICK).

The amendment (UP No. 515) was agreed to.

Mr. SCHMITT. Mr. President, I believe the Senator from Arkansas (Mr. PRYOR) has an amendment to offer at this time.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 397

(Purpose: To express the sense of the Congress with respect to the sale by former President Richard M. Nixon of the estate known as Casa Pacifica, located in San Clemente, California)

Mr. PRYOR. Mr. President, I call up an amendment which I have at the desk, and I ask for its consideration at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) proposes an amendment numbered 397.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

SEC. 616. It is the sense of the Congress that, upon the sale of the estate known as Casa Pacifica located in San Clemente, California, former President Richard M. Nixon should reimburse the United States for the original cost of any item of property procured by the Administrator of General Services which the Comptroller General of the United States determines to have a nonprotective benefit.

Mr. PRYOR. Mr. President, the amendment to H.R. 4393 that I am today proposing is an amendment that expresses the sense of Congress that upon the sale by former President Nixon of the estate known as Casa Pacifica, located in San Clemente, Calif., the U.S. Government shall be reimbursed the original cost of those items of property procured by the General Services Administration and determined by the Comptroller General of the United States as having a nonprotective benefit.

Based on reports by the General Accounting Office in 1973, the Joint Committee on Internal Revenue Taxation in 1974, and the House Government Operations Committee in 1974, it is apparent to me, and I think to many others, that hundreds of thousands of dollars in Federal funds were spent on the San Clemente property. Among those expenditures were payments for items having a nonprotective benefit to the owner of the property. It is the cost of such items that should be reimbursed to the Federal Government.

In the past I have referred to this as the unjust enrichment of a former President.

At one time press reports indicated that former President Nixon had promised the Federal Government the deed to San Clemente. Even the 1973 GAO report cited the announcement that his interest in the estate would be a gift to the American people. Former President Nixon's decision to sell the San Clemente property to a private concern, however, has now brought this issue to the forefront.

Mr. President, many believe that these nonprotective improvements to San Clemente have resulted in former President Nixon being unjustly enriched at the cost and expense of the taxpayers of this country. Because the House of Representatives addressed this issue in its consideration of this appropriation bill, I believe the Senate ought to consider it in the same context.

To put this issue in perspective, I want to point out that after the Government reports of 1973 and 1974, Congress expressed its will on the subject of such expenditures with the enactment of the Presidential Protection Assistance Act of 1976.

This act places certain limitations and conditions on the expenditure of funds for the protection of the President, Vice President, and others whom the Secret Service is directed to protect. It provides that executive departments and agencies shall assist the Secret Service by providing services, equipment and facilities on a temporary and reimbursable basis when requested by the Director of the Secret Service, and on a permanent and reimbusable basis upon advance written request from the Director.

Section 5 of the act states that all improvements and other items acquired pursuant to provisions of the bill shall remain the property of the U.S. Government. All such improvements and other items shall be removed upon termination of Secret Service protection unless the Director determines that it would not be economically feasible to do so. However, they shall be removed regardless of cost if the owner of the property, at the time of termination, requests removal.

If such improvements are not removed, the owner shall compensate the Government either for the original costs or for the amount by which the improvements have increased the fair market value of the property, as determined by the General Accounting Office, whichever is less.

Although the 1976 law does not apply to San Clemente retroactively, it sets out provisions which I believe should guide the actions of all former Presidents. That is the purpose of my amendment today—to express the will of Congress that former President Nixon should not be unjustly enriched at the cost and expense of the taxpayers of the United States.

Examples of such reimbursable costs are: A heating system at $13,500; a fire protection system at $33,300; gazebo renovation at $6,600; sewer lines at $3,800, and a flagpole at a cost of $2,300. There has been some discrepancy on a final figure regarding the reimbursable

amount. For this reason, I suggest that a 1979 GAO verification be initiated to arrive at an appropriate and final figure.

It is not the intention of this amendment, Mr. President, to be a prejudgment or accusation of wrongdoing. It is not intended to level a legal claim against the property at San Clemente. Nor is it intended to reduce funds for former President Nixon's staff and office expenses as the House voted to do on July 16, 1979, during its consideration of this bill.

The Senate Appropriations Committee is currently reviewing the proper level of appropriations for expenses for former Presidents. The Government Affairs Subcommittee on Civil Service and General Services, of which I am chairman, is presently looking into the proper type of expenditures for former Presidents. In fact hearings have already been held on the Former Presidents Act of 1958 and the Presidential Transition Act of 1963 in order to determine if these two statutes can be altered to clear up some areas of ambiguity that presently exist.

I believe, Mr. President, that the amendment I propose today is a most reasonable and fair approach to this issue at this time. I urge my colleagues to join me in support of this measure.

At this time I yield to our distinguished colleague from the State of Colorado (Mr. HART).

UP AMENDMENT NO. 516

Mr. HART. I thank the Senator from Arkansas. Mr. President, I send to the desk a modifying amendment to the amendment of the Senator from Arkansas, and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair must inform the Senator from Colorado that the amendment to the amendment is not in order until the time on the amendment of the Senator from Arkansas has expired, except by unanimous consent.

Mr. PRYOR. I yield back the remainder of my time.

Mr. CHILES. I yield back my time.

Mr. SCHMITT. I yield back my time.

The PRESIDING OFFICER. The amendment is now in order. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment numbered 516 to amendment 397:

On page 1 line 5, strike all through page 2 line 2, and insert the following:

any construction, renovation, improvements, equipment or articles paid for by the Federal Government of the United States, or for the amount by which they have increased the fair market value of the property, as determined by the Comptroller General of the United States, as of the date of sale, whichever is less.

Mr. HART. Mr. President, first, I would like to commend Senator PRYOR for bringing the issue of former President Nixon's sale of San Clemente to the Senate floor. This is an issue I first raised in the Senate in June when I introduced a resolution seeking reimbursement to the U.S. Treasury of any gain made in the sale of former President Nixon's residence at San Clemente which resulted from improvements made to the property from Federal funds.

The Presidential Protection Act of 1976 provides that when improvements made to non-governmental property at Federal expense are not removed, the owner of that property at the time of termination shall compensate the United States for the original cost of such improvements or for the amount by which they have increased the fair market value of that property, as determined by the Comptroller General of the United States, as of the date of termination, whichever is less.

Senator PRYOR's amendment calls for reimbursement of original cost for nonprotective benefits. My amendment to his amendment adopts the language of the Presidential Protection Act and provides for reimbursement of the amount by which improvements have increased the fair market value of the property, or for reimbursement of original cost, whichever is less. Taken together, these amendments track the language of the 1976 Presidential Protection Act and express the sense of the Congress that the principles of the Act should be applied in the case of former President Nixon's sale of San Clemente. These amendments put the Senate on record in support of prohibiting personal gain by employees and officials of the Federal Government at public expense.

Mr. President, the sale by former President Nixon of his residence at San Clemente presents a test of our dedication to public ethics. Substantial public expense was incurred to improve San Clemente, most of which was necessary at the time for purposes of security and official function. However, the sale of the residence precludes its further use in the public interest. The public's financial investment should be returned to the Treasury.

Mr. President, neither of our amendments is intended to single out or discriminate against Mr. Nixon. Our intent is to support a policy which should be applied to all Federal employees and officials, past, present, and future. I urge my colleagues to join us now and in the future. I ask them to help keep the trust, confidence, and credibility of the American people in their Government officials.

Again, I commend Senator PRYOR for bringing this issue to the floor. There has been great public interest in this since my resolution was introduced in June. Now the Senate has an opportunity to act. I hope the Senate will adopt our amendments together.

Mr. STEVENS. Will the Senator yield?

Mr. SCHMITT. I yield to the Senator from Alaska such time as he may desire.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. May I ask the Senator from Colorado, is it the understanding of the Senator from Alaska that this is still a sense-of-the-Congress amendment to the bill? Is that correct?

Mr. HART. The Senator from Alaska is correct.

Mr. STEVENS. Then it would be this Senator's understanding that the effect of this sense-of-the-Senate amendment would be for the Senate to go on record as interpreting the Presidential Protection Act of 1976 as it applies to the sale of the Nixon property?

Mr. HART. The Senator is correct.

Mr. STEVENS. And is there any intention in this sense of the Senate amendment which would in any way change any prior interpretation by the Comptroller General or any other executive agency of the Presidential Protection Act of 1976 as that act might apply to the sale of the Nixon property?

Mr. HART. Not to the knowledge of the Senator from Colorado.

Mr. STEVENS. Mr. President, we have been concerned with the problem of the improvements made to any residence of a President. There are, I believe, instances where other improvements have been made in the past. Certainly, there are improvements being made even right now, as I understand it, to the incumbent President's residence or home. It is something that must be done to meet the needs of the Secret Service. I do think we ought to go on record as indicating what our interpretation of existing law is as it applies to the sale of the Nixon property in San Clemente.

As a member of the committee which has been involved with this over a period of years I am concerned and want to make certain, though, that the understandings that we reached in 1976 are in no way affected by this sense of the Senate amendment. It really is declaring once again that that act and the principles of that act should be applied to the sale of the Nixon property as that act is interpreted by the Comptroller General of the United States.

Mr. HART. The Senator is correct, but I want to clarify a previous answer so that the Senator will understand. The General Services Administration has rendered an opinion that the act does not apply to President Nixon. It was not retroactive. It was enacted in 1976. The Senator's question was cast, I think, in terms of the General Accounting Office. The answer is no, there is no General Accounting Office opinion that I am aware of. But the General Services Administration has itself interpreted the law to mean that it does not apply to President Nixon.

Mr. STEVENS. I understand the statement of the Senator from Colorado, and I concur in the position stated by him in that regard. I take it we are setting a precedent that should President Johnson's farm be sold or President Truman's former residence be sold, we would again look at the principal as far as the Presidential Protection Act of 1976. Certainly, that act applies to all Presidents who serve in office subsequent to 1976.

Mr. HART. The Senator is correct.

Mr. STEVENS. I thank the Senator for his answers.

Mr. HART. I yield to the Senator from Arkansas.

Mr. PRYOR. I thank the Senator for yielding. I would like to say, Mr. President, that the modification that Senator HART is making to my amendment is to include the more precise language of the Presidential Protection Assistance Act of 1976 regarding the fair market value of the property.

It has been my intention throughout

this endeavor to use the Presidential Protection Assistance Act as the basis for my amendment. I gladly accept the change to my amendment sought by the distinguished Senator from Colorado (Mr. HART).

Mr. HART. I thank the Senator for his remarks.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. CHILES. Mr. President, I yield back the remainder of my time.

Mr. SCHMITT. Mr. President, I yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question recurs on the amendment offered by the Senator from Colorado to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Arkansas, as amended.

The amendment, as amended, was agreed to.

Mr. PRYOR. I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 517

(Purpose: to prohibit the use of funds to issue or enforce regulations relating to the inclusion in gross income of fringe benefits)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 517:

On page 45, between lines 8 and 9, insert the following new section:

SEC. 616. None of the funds available under this Act may be used to issue or administer regulations providing for the inclusion of any fringe benefit in gross income by reason of section 61 of the Internal Revenue Code of 1954 unless such fringe benefit was so included as of July 1, 1978.

Mr. ARMSTRONG. Mr. President, a reading of the amendment spells out clearly the purpose of it. The need of it is very simple. My amendment arises from a 1977 proposal by the Internal Revenue Service, which announced plans to tax some 40 employee benefits which would have boosted the tax bill of a typical worker by about $240 per year. Among the benefits that would have been subject to taxation under the IRS proposal would have been such things as free parking on employer premises, subsidized meals in employee cafeterias, free transportation for employees of airlines, buslines, and railroads, discounts for retail employees, the company picnic, and the company Christmas party, to name a few of them.

I think it was the feeling of most of us in Congress at that time that such a proposal was, first, unwise, and, second, a policy decision that should be made by the Congress, not by the regulatory bureaucracy at the IRS.

When this was proposed, I offered an amendment identical in language to what is now pending before the Senate to the Treasury-Post Office bill which was then being considered by the House of Representatives. It was adopted unanimously or nearly so, then later was preempted when the Ways and Means Committee passed a substitute which addressed this problem.

Unfortunately, the prohibition which was contained in that act expires on December 31 of this year, so that on January 1, the IRS will be free to go ahead and tax the fringe benefits which I have just mentioned and others of similar kind. The administration has indicated its intention to do so.

Therefore, unless we pass this amendment or something similar to it, there is every reason to believe that they will go ahead and implement this plan to tax fringe benefits. It may be that, after hearings, Congress would wish to extend tax to these benefits. I personally am doubtful of it. In any case, I think we can all agree that a further extension of the time limit to give us a chance to decide that, rather than just let it happen by accident of regulation, is well advised.

With word of explanation, I encourage my colleagues to support this amendment. I shall, for the moment, at least, reserve the remainder of my time.

Mr. CHILES. Mr. President, this amendment is one that we did not discuss at all in the committee or in the subcommittee. I was trying to determine whether the chairman of the Committee on Finance wanted to come to the floor and have an opportunity to speak to the amendment. I think that it might be wise for us to determine that. Under those circumstances, I think I shall ask for a quorum on my time and see if I can get hold of him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PRYOR). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, in order to facilitate the work of the Senate, we have, as I understand it, advised the chairman of the Committee on Finance of the action we are taking. In order to proceed without holding up the Senate in consideration of its business, I ask unanimous consent that this amendment be laid aside temporarily and that I be permitted to offer another amendment pending the arrival of the Senator from Louisiana, the chairman of the Finance Committee.

The PRESIDING OFFICER (Mr. ZORINSKY). Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 518

(Purpose: To prohibit funds from being used to enforce Revenue Ruling 79-72)

Mr. ARMSTRONG. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 518.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, between lines 8 and 9, insert the following:

SEC. 616. None of the funds made available under this Act may be used to carry out the purposes of Revenue Ruling 79-72 or the proposed amendment to section 1.1232-3A(b)(2) of the income tax regulations, published June 29, 1979 in the case of time deposit certificates which are described in the revenue ruling and the proposed amendment and which are issued after December 31, 1978 by reason of Sections 451 or 1232 of the Internal Revenue Code of 1954.

Mr. ARMSTRONG. Mr. President, I believe I can explain this amendment very quickly. This amendment would prohibit the Internal Revenue Service from changing the present tax treatment on short-term certificates of deposit. Let me explain briefly what has happened up to now.

The IRS has proposed new rules which would amend income tax regulations of the Internal Revenue Code to require holders of short-term certificates of deposit with maturities of 1 year or less where interest accrues over into the next year to pay taxes on the interest that has been accrued by the end of the calendar or tax year, even though that interest has not been received by the taxpayer. This new rule would require banks and other financial institutions to furnish returns reporting interest under a new and, I am advised, a very difficult-to-implement formula. The taxpayer would then have to declare this amount as taxable income, even though he or she had not actually received the money and would not receive it until the following year.

There are two reasons why I am suggesting this proposed amendment: First, because, as a matter of justice, most taxpayers are on a cash accounting basis. It seems to me they should become liable for the tax only after they have received the interest earned on the certificate of deposit. That is the present law. My amendment does not change the present law. What it does is prevent the imposition of the tax prior to receipt of the interest payment, which is the present IRS proposal. So I am simply freezing the present law and leaving that for later determination by Congress.

The second reason why this is important to do is that it imposes a serious administrative burden on the banks and others which are affected. I think it is obvious why this is needed. I point out that this amendment enjoys the support

of the American Bankers Association, the United States Savings and Loan Association League, the Ameriran Association of Retired Persons, and the Independent Bankers.

With that word of explanation, I urge the adoption of this amendment.

Mr. CHILES. Mr. President, I say to my distinguished colleague that while we have not, again, held any hearings on this amendment, it does appear that it is going to work a burden and it would be inequitable and cause tremendous recordkeeping problems to a number of our senior citizens, who put their savings into these bank certificates. So it would be my disposition to say that we could take this amendment at this time and go to the conference committee with it. If we then find out that there are going to be some tremendous tax consequences or lost revenue or something, we would be able to take that up with the conference committee. At this time, I would be disposed to take it.

Mr. SCHMITT. I think the Senator from Florida makes an excellent suggestion.

Mr. CHILES. I yield back any time we have.

Mr. ARMSTRONG. Mr. President, I appreciate the courtesy of the managers and I yield back any time I have.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (UP No. 518) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. Is the pending business now my earlier amendment?

The PRESIDING OFFICER. The Senator is correct.

Who yields time?

Mr. CHILES. I wonder if the Senator would further consent to set his amendment aside at this time and let us take up the Humphrey amendment.

I do not know whether we were able to reach Senator LONG or not. We put in a call. But, in the meantime, we will try to see.

Mr. ARMSTRONG. I am happy to withhold.

Mr. CHILES. I thank my distinguished colleague.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I inform the floor managers that I will be requesting a rollcall vote on my amendment. I would certainly be willing to defer until the vote on the amendment which is scheduled at 2:30—I see it is now 2:40.

Mr. CHILES. The agreement we had was that there would be no rollcall before 2:30.

Mr. HUMPHREY. Yes.

Mr. CHILES. It may well be the vote on the Senator's amendment would be the first rollcall.

Mr. HUMPHREY. I see.

Mr. CHILES. I think we have waited long enough.

Mr. HUMPHREY. Fine. I did not realize it was this late.

UP AMENDMENT NO. 519

Mr. HUMPHREY. Mr. President, I send to the desk an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 519:

On page 17, line 24, strike the period and insert in lieu thereof a comma and the following: "and of which $500,000 shall be available only for activities related to the investigation of possible violations of federal law connected with the Carter peanut warehouse in Plains, Georgia."

Mr. HUMPHREY. Mr. President, indictment of President Carter's good friend Bert Lance on 15 counts of misapplication of bank funds raised more questions than it answered. Lance and three banking colleagues are alleged to have engaged in a conspiracy beginning in 1972 involving $20 million, 383 loans, and 41 banks. The indictment said the actual or potential loss to the banks exceeded $500,000. However, Mr. Lance's most famous loans—to the Carter peanut warehouses—were not among those covered in the indictments. Yet these million dollar loans and the way they were administered may have had an immeasurable impact on the life of this Nation because it has been alleged that Bert Lance's banking practices made possible the winning candidacy of Jimmy Carter in 1976.

The background of the startling accusation is this: In 1975 and 1976 Bert Lance, then the president of the National Bank of Georgia, made a loan to the Carter warehouse to purchase a peanut sheller and for improvements to the warehouse. From the very beginning, the loans made little economic sense. There was never at any time enough income produced by the warehouse to amortize the loans.

To be specific, the Carter warehouse needed to make a profit of at least $250,000 per year—$144,000 for the principal and $106,000 for interest—to repay the loan. This, of course, would be over and beyond any income paid out to Jimmy Carter, his brother Billy, and to his mother. Yet the records show that in order to meet just the loan requirements the warehouse would have had to shell 25,000 tons of peanuts each season. It would have cost $9.8 million to purchase 25,000 tons of peanuts, but the Carter warehouse spent about $2.8 million for peanuts in 1975. In 1976, $4.4 million was spent on peanuts.

Under these financial circumstances, there was no way—simply no way—the loans to the business could be met by the peanut shelling operation. The Washington Post on March 11, 1979 charged that Billy Carter altered the records of the family peanut warehouse and delayed making payment of $500,000 to Bert Lance's National Bank of Georgia.

Second, the Carter warehouse had insufficient collateral on hand to secure the loans. At the end of 1975, the Carter warehouse owed the National Bank of Georgia $1,690,000.

For this loan to have been properly secured, the warehouse should have had $2,112,500 worth of peanuts on hand. Instead the warehouse had on hand peanuts valued at $1,499,403—a shortfall of $613,097. At about the same time, in March of 1976, the Nation magazine charged that Billy Carter had transferred $500,000 from the Carter warehouse bank accounts at the National Bank of Georgia to his personal account at the same bank. According to the Nation, this money then was shortly withdrawn. The Nation also reports that $500,000 was redeposited in Billy Carter's personal account in May and June 1976. The money was then transferred to the warehouse account and then used to repay the delinquent loan.

These dates and the amounts involved are crucial. In 1974 the Congress enacted the Presidential Campaign Finance Law. Among other provisions, the law limited individual campaign contributions by business. On January 30, 1976, the Supreme Court handed down a decision that upheld part of the Act including the limitation on contributions, while striking down certain other provisions. The Court, however, stayed its ruling until March 22 to give the Congress time to enact remedial legislation. On midnight, March 22, the matching Federal Campaign faucet was turned off. The Congress finally enacted remedial legislation, 43 days after the Supreme Court deadline and the President signed the bill May 10.

Meanwhile, Mr. President, the primaries continued on schedule. A number of candidates were hard pressed for campaign funds and were forced to curtail their efforts. But not Jimmy Carter. Senator HENRY JACKSON, for instance, spent only $167,150 in his Pennsylvania effort. Carter, even though his campaign was in debt almost $1 million, spent $472,117. On April 27, Carter won the crucial Pennsylvania primary. Carter carried 64 of 67 counties and had a margin of 170,000 votes. This election effectively ended Senator JACKSON's campaign, and Jimmy Carter went on to wrap up the nomination when he won the Ohio primary on June 8, 1976. Coincidentally—everything seems to be a coincidence—during this crucial period the Rafshoon Advertising Agency extended massive credit to the Carter campaign. According to documents on file within the Federal Election Commission, by the end of May the Carter campaign owed the Rafshoon agency almost $646,000.

The Nation magazine suggests the Rafshoon Agency was the recipient of the $500,000 Billy Carter withdrew from the warehouse account. In effect, the Nation alleges that Rafshoon and company laundered the money.

Mr. Rafshoon, of course, is now a

high White House aide, paid $56,000 per year to attend to Jimmy Carter's image.

Since these allegations were first made, there has been a massive silence in Washington. Nobody is asking: "What did Jimmy Carter know and when did he know it?" Yet, if these allegations are true, Jimmy Carter violated Federal election laws.

The indictment of Bert Lance should encourage the Federal Election Commission and the Special Counsel, Paul G. Curran, to fully investigate the loans made to the Carter warehouse and the dubious disposition of those funds.

The statute of limitations is about to run out on the possible FEC violations. Other laws, with longer statutes of limitations, are also applicable. The Lance-Carter connection must be fully examined. It seems unlikely that a man who is accused of conspiring over a period of 7 years of misapplying bank funds involving 383 loans exempted the Carter warehouse loan from this pattern of conduct—a loan, by the way, he publicizes in the 1976 annual report of the National Bank of Georgia.

There can be no doubt of the closeness of Jimmy Carter to Bert Lance. He was the first person Carter named to his Cabinet. His tearful acceptance of Lance's resignation provided memorable television drama.

On October 8, 1976, while campaigning, Jimmy Carter attacked President Ford, who was being investigated on a phony charge of misusing campaign funds. Jimmy Carter urged the press corps to question President Ford, saying:

> I call on the American news media to insist that Mr. Ford be cross-examined in a carefully prepared, open, previously announced press conference, with sound.

It is time Jimmy Carter answered some questions about the charges that have swirled about as a result of his relationship with Bert Lance.

Mr. President, the Federal Election Commission on August 21 announced that it had, by a 4-to-2 vote, cleared the Rafshoon agency of charges of giving illegal financial assistance to the Carter general election campaign. The matters which relate to the Carter peanut warehouse, in contrast, have to do with the Presidential primary period which has been swept under the rug and not been subject of a full investigation by the Federal Election Commission. Neither has there been any decision by the FEC on the validity of the charges which have been made in the Nation and elsewhere regarding the Carter peanut warehouse financial transactions.

We have it in our power to encourage the FEC to conduct the thorough investigation this serious matter deserves. A vote for this amendment is a vote for clean elections, a vote to prove to the American people that even the President of the United States is not immune to the operation of the law. We cannot afford to allow these serious charges to remain uninvestigated by the FEC.

Imagine what the average citizen must think about the failure of the appropriate agencies to conduct a thorough investigation. Is the voter to believe that because those in charge of exposing violations of the law are Presidential appointees that the President is, therefore, safe from investigation? This must not be, Mr. President.

Must we wait until a new President takes office? The term to which Mr. Carter was elected is close to three-fourths gone. It is time for an investigation now.

Mr. President, my amendment would reserve $500,000 of the FEC budget to facilitate a thorough investigation of these very serious allegations. It seems to me very strange that the FEC has been very slow to move in looking into these charges.

As I mentioned a moment ago, the statute of limitations with respect to the laws which it is alleged have been violated will be running out very soon, and I think it is time for the FEC to act. I urge my colleagues to urge the FEC to act by accepting this amendment.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHILES. Mr. President, I am going to make a few remarks, and when time has expired—the Senator has 30 minutes on his side—I propose to move to table his amendment. I will do that when the time has expired, so he can make any other comments he wishes.

For the convenience of the Senate, perhaps we could take up the vote on the Senator's amendment after the vote on the McClure amendment, which is going to follow the first rollcall vote we have today. That might help us to get underway, so that we can finish this bill today and not be too late in doing so.

Mr. HUMPHREY. That is perfectly agreeable.

Mr. CHILES. Mr. President, I ask unanimous consent that the vote on the Humphrey amendment or the motion to table the Humphrey amendment occur immediately following the vote on the McClure amendment, which will follow the first rollcall vote we have today.

The PRESIDING OFFICER. As a clarification, the McClure amendment is the committee amendment.

Mr. CHILES. That is correct. It is the committee motion to strike.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHILES. Mr. President, we are now going to have two rollcall votes immediately following that. I ask unanimous consent that on the next two rollcall votes, after the first rollcall vote, there be a limitation of 10 minutes on each vote. That has been cleared on the minority side. There will be 15 minutes on the first rollcall vote. Senators will be here. This is an attempt to speed up the process.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President—and I do not object—the distinguished chairman has cleared this with me. We are talking about the three rollcall votes—two back-to-back behind the initial one, which will be 15 minutes.

Mr. CHILES. Yes, the first will be 15 minutes.

Mr. ROBERT C. BYRD. And the warning bell will be sounded after the first 2½ minutes on the subsequent two.

Mr. CHILES. Yes.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, referring to the amendment of the Senator from New Hampshire (Mr. HUMPHREY), as I understand the amendment, he says that $500,000 of the funds going to the Federal Election Commission would have to be spent on the investigation of the Carter warehouse and its activities.

My understanding is that the FEC has concluded the audit of the Carter campaign. They have also concluded and published their findings on the audit of Rafshoon and his dealings. So I do not see why it is necessary to have $500,000 of funds reserved or $500,000 taken out of this budget.

It also is my understanding that the Justice Department has been designated to be the lead agency for an investigation in regard to the Bert Lance matter, and that Department has been conducting that investigation. So these funds would not be in that capacity.

In addition, there were some allegations that the Justice Department is also investigating Billy Carter and the warehouse operation. The Justice Department is conducting those investigations.

The FEC's audit of the Carter campaign has been completed, the audit of Rafshoon and his dealings is virtually completed and is soon to be published, and the Justice Department is the lead agency in these matters, in the Bert Lance investigation and allegations in regard to Billy Carter and any improprieties that might involve him with respect to the warehouse. Under those circumstances, I cannot see any reason for saying that we are going to peg down $500,000 and that these funds cannot be spent for the general business of the Federal Elections Commission.

Under those circumstances, I will move at the proper time to table the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield back any time I have, but I do not want to prohibit the Senator from New Hampshire from speaking.

Mr. HUMPHREY. Mr. President, my amendment would not mandate the FEC to do anything. It is hoped that it would encourage the FEC to do something; namely, look into these very serious charges which heretofore, it seems to me, it has ignored.

Senator CHILES noted that the Justice Department has been designated as the lead agency—to use his words—in investigating the Carter campaign. Nevertheless, that designation does not render the FEC inoperative.

In addition, the FEC audit of the Carter campaign did not investigate the serious charges relating to half a million dollars which came from Bert Lance's bank to the Carter warehouse and then to Billy Carter and then mysteriously disappeared during the critical months of the Presidential primary

campaign. The FEC audit of Rafshoon covered only the general election period, not the primary period in question.

If a President whose campaign is under investigation appoints the Justice Department as the lead agency and thereby nullifies the FEC or absolves the FEC of its responsibilities, then we are in a difficult situation. It seems to me that some very serious charges here have been swept under the rug.

My amendment is very simple. It simply would reserve $500,000 to permit the FEC to conduct an investigation, an early investigation, a long overdue investigation, a critical investigation, into these very serious charges.

Mr. CHILES. Mr. President, I am prepared to yield back my time.

I will yield back the remainder of my time if the Senator is prepared to yield back his.

Mr. HUMPHREY. I yield back the remainder of my time, Mr. President.

Mr. CHILES. Mr. President, I move to lay the amendment on the table and ask unanimous consent that we set the amendment aside in accordance with the previous unanimous-consent agreement.

The PRESIDING OFFICER. The unanimous-consent agreement has already been made.

Mr. CHILES. I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Colorado.

Mr. CHILES. No. In accordance with the previous unanimous-consent agreement we are now setting the amendment aside.

The PRESIDING OFFICER. That has occurred.

Mr. SCHMITT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHMITT. Has the amendment by the Senator from Colorado (Mr. ARMSTRONG) been temporarily set aside?

The PRESIDING OFFICER. It has been done so twice and would ordinarily occur as the pending amendment unless set aside the third time.

Mr. SCHMITT. Thank you, Mr. President.

Mr. CHILES. Mr. President, we had set aside the amendment of the Senator from Colorado. I have been unable to get the chairman of the Finance Committee. My disposition is to tell the Senator that I think I would just be prepared to take his amendment and go to conference with it. If the Senator from Louisiana, the distinguished chairman of the Finance Committee, has great objection or the committee does, they can make that known to us or if they have some other way of handling this prior to the time we go to conference, and I hate to keep the Senator.

Mr. ARMSTRONG. Unless there is further discussion that solution would suit me fine, Mr. President.

Mr. CHILES. Under those circumstances, Mr. President, I yield back the remainder of my time and shall try to take the amendment to conference.

The PRESIDING OFFICER. Does the Senator from Colorado yield back his time?

Mr. ARMSTRONG. Yes, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question recurs on agreeing to the amendment of the Senator from Colorado.

(Putting the question.)

The ayes appear to have it. The ayes do have it.

The amendment (UP amendment No. 517) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 520

(Purpose: To delete the IRS debt offset program)

Mr. SCHMITT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 6, line 17, strike: "$774,660,000" and insert in lieu thereof "$773,660,000".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SCHMITT. Mr. President, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding.

TIME-LIMIT AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on this amendment be limited as follows: 30 minutes under the control of Mr. SASSER; 30 minutes under the control of Mr. SCHMITT; 15 minutes under the control of Mr. WEICKER; and 15 minutes under the control of Mr. PERCY.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, this amendment deletes $1 million from the appropriations for the IRS, the $1 million that is allocated for the purpose of a study having to do with the IRS offsetting debts owed to the Department of Health, Education, and Welfare for student loans.

Mr. President, it is disturbing to learn that in fiscal year 1978 over $400 million owed by individuals and businesses to the Federal Government was written off as uncollectable. When individuals refuse to pay their legitimate debts to the Government, the taxpayers of this country are cheated. There is no question about that and there is clearly a need for increased efforts by the agencies in collecting legitimate debts owned to them by the citizens of the country.

On March 9 of this year, the Comptroller General issued a report recommending that the Internal Revenue Service offset loans in default against income tax refunds. That is if there is a loan in default the IRS would, in coordination with the particular agency, offset that loan against a refund that the same individual might be owed. That recommendation by the Comptroller General has become a test program in this bill. During committee consideration of H.R. 4393, I offered an amendment to delete this section. The amendment failed by an 11 to 10 vote. I again offer this amendment.

This program is ill-conceived, unwise, and potentially dangerous and to embark on it at this time is fundamentally wrong. The need for the proposal has not been established nor have the consequences been fully examined. The proposal has raised many questions which are left unanswered.

Mr. President, giving the Internal Revenue Service $1 million and 30 positions to enter into a wholly new debt collection procedure is without precedent, and without the benefit of adequate inspectional oversight by either the Treasury, Postal Service, and General Government Subcommittee or the full Senate Appropriations Committee. As a matter of fact, in both the House and the Senate, the four committees having direct jurisdiction over this new endeavor, the House Ways and Means Committee, the Senate Finance Committee, and the House and Senate Committees on Appropriations, have not held hearings which would justify this expenditure and the need for this program. Last December, the Senate Finance Subcommittee on Taxation and Debt Management Generally held a hearing on debt collection but no mention was even made about the involvement of the IRS in offset.

The House has not held any hearings on the issue of offsetting defaulted debts against income tax refunds. Should this provision remain in this bill, the House would never even have the opportunity to vote on this major issue, if accepted in conference.

The only hearing on this subject was a 45-minute hearing before the Senate Appropriations Subcommittee on the Legislative Branch on March 20 of this year. Testimony was taken from the Comptroller General and his staff. There were no other witnesses, not even the Internal Revenue Service, the agency which will have to implement the program.

The proponents of this proposal have not established a need for such a drastic step, as to have the IRS become a debt-collection agency rather than being solely a tax-collection agency as it is today. To be sure, the Government writes off many millions of dollars every year in bad debts, and I support efforts to increase the effectiveness of collection efforts. The Comptroller General has stated that departments and agencies "have not been aggressive in pursuing collection (of debts)," and recom-

mended steps which could be implemented in-house to increase collection efficiency. These recommendations have, for the most part, not been implemented.

In addition, the Congress enacted legislation in 1978 providing for Inspectors General for various departments and agencies. Little or no effort has been undertaken to direct IG's to tighten debt collection procedures at the various agencies. These alternatives should be considered first before we embark on the uncertain waters of IRS debt collections.

My major concern and the concern of many of my colleagues is the rights of individuals and due process. This proposal, without any guidelines, shifts the burden of proof of guilt or innocence from the Government to the individual. No longer will the Government be forced to prove an individual owes money; rather, the individual will be forced to prove he does not owe the Government any money just to recover the tax refund due him. If through computer or human error, an innocent individual is thought to owe money to the Government, that individual could very well have his hard-earned money confiscated and then forced to spend months trying to recover it.

The proposal is inherently discriminatory. It is assumed that individuals who do in fact owe money to the Government are unwilling rather than unable to pay. There may be extenuating circumstances that the judicial system of debt collection would consider legitimate, but that this automatic system does not take into account. The proposal assumes that all tax refunds are due to income earned. It is very possible that some individual who is unable to pay off his debt to the Government receives an income tax refund due to medical expenses during the year. Clearly, this proposal for debt collection is prone to error and inflexible, as it now stands.

The issue of privacy and individual rights are not even addressed. Even in the case where an individual is guilty of defaulting on a loan, that individual has the right to due process. I hope we have established this principle in this country by now.

The relationship between a taxpayer and the Government is one of extreme confidentiality and must be protected. The Tax Reform Act of 1976 put a limitation on the use of tax return information. This proposal runs counter to the intent of that legislation and that law poses problems for this program. Under the Tax Reform Act of 1976, the IRS would be unable to report to the Office of Education, in this case, or any agency on the disposition of any accounts referred to collection. The initiating agency will have no way of knowing if the account was accurate or in error, paid or still in default. Should the individual apply for another loan, what kind of credit rating will that individual have at the agency?

The Internal Revenue Service is a revenue-collecting agency. A great deal of thought and discussion is needed before we embark on a program which would expand the IRS into a bill-collecting agency. At a minimum, the relevant committees of the House and the Senate should review the program and the IRS should be allowed to state its position on the program.

The IRS is strongly opposed to the program for a number of reasons. At this time I would like to read the letter I received from the Commissioner of Internal Revenue, Jerome Kurtz:

DEAR SENATOR SCHMITT: As requested by your staff, I am providing the following comments on the General Accounting Office's proposal that the government collect delinquent non-tax debts by keeping Federal tax refunds as offsets. This recommendation was contained in GAO report FGMSD-79-19, of March 9, 1979.

The Service opposes the test GAO recommends because although it could answer the narrow question of the cost effectiveness of the offset concept, we do not believe it would resolve the difficulties we foresee if IRS were to become the Nation's debt collector for small claims.

Overall, our opposition to offset is based on three major concerns.

RISKS TO THE NATION'S TAX WITHHOLDING SYSTEM

The IRS will collect about 90% or some $450 billion of the $500 billion in Federal revenues forecast for FY 1980. Taxpayers will voluntarily determine that they owe more than $440 billion, will file the required tax returns, and will pay this money—largely through withholding—without direct IRS enforcement action. Less than $10 billion will be collected as a result of direct enforcement action. It is the withholding system that makes it possible for the IRS to collect tax revenue at the inexpensive cost of about .50 per $100 collected.

If taxpayers react to the idea of IRS becoming the Nation's small debt collector by adjusting their tax withholding as much as 1%, the initial loss of Federal taxes voluntarily paid would be $4 or $5 billion. We are seriously concerned about the risks to which a National non-tax debt collection program would expose the withholding system.

PRIVACY CONCERNS

The test raises the issue of using tax information and the tax administration system for non-tax purposes. The GAO proposal would put IRS in the middle of controversy between the debtor and the agency owed the debt. Thus offsets which partially cover the debt, disagreements as to amounts between the debtor and the agency owed, remaining balances, and similar controversy would ultimately place the IRS in an awkward position. To maintain taxpayer privacy and to prevent unauthorized disclosure of tax information, IRS would be burdened with dealing with the taxpayer in attempting to resolve the controversy between the taxpayer and the agency owed the debt—without the authority to resolve the matter.

Additionally, we question whether the inter-agency use of personal financial data on citizens would adequately recognize concerns about citizen privacy in the use of data processing technology.

IMPACT ON IRS AS AN INSTITUTION ENTITLED TO PUBLIC CONFIDENCE

Maintaining taxpayer confidence in the tax administration system is one of the most critical tasks that we have. To add the task of public debt collector for small claims to our tax administration responsibilities would, in our judgment, damage our institutional position. The underpinning of the tax system is the voluntary payment of billions of dollars by more than 90 million individuals. We believe Congress should weigh the possible consequences of imposing such a test on the tax administration system.

I trust this information is of use to you in your deliberations, and appreciate very much your interest in the operations of the Internal Revenue Service.

With kind regards,

Sincerely,

JEROME KURTZ.

Mr. President, in summary, I believe very strongly that it would be a mistake to enact this major policy change in our tax and debt collection policies without adequate debate and discussion within the relevant committees and, subsequently, on the floor of the two Houses.

There are many practical problems and questions left unanswered. The major concern, however, is the potential for violation of the rights of individuals and the denial of due process. Saving the taxpayers some money is not worth the cost of what we may have to pay in terms of taxpayers' rights.

The PRESIDING OFFICER (Mr. HART). The Senator from New York.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. SCHMITT. I would be happy to yield to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, as a member of the Committee on Finance, no less than as a Member of the Senate, I would like to express my appreciation for the extraordinarily thoughtful and capable comments that have just been made by my colleague, Senator SCHMITT.

It sometimes is an occasion almost for despair to see how little regard we have for the singular trust which Americans reside in our institutions of Government. We read an awful lot about distrust.

Go to a society where there is no trust in Government and see how taxes are paid. There is no greater measure of the stability of this society, of the strength of its policies, than the willing payment of taxes. As Commissioner Kurtz described to us, he made a rough calculation that $10 billion out of $440 billion, perhaps 3 percent, is collected by actions of the tax collection agencies, and better than 90 percent voluntarily, largely unnoticed. Is it not possible to make a conservative argument that if we have an effective method now, do not tamper with it? Do not, in fact, let a petty annoyance with post-teenagers who may not have paid their bills jeopardize this extraordinary institution of trust and reciprocity between citizen and Government.

I cannot too much congratulate the Senator for what he has said. I would like to note, as a member of the Finance Committee, that it is my understanding that the Finance Committee has not held hearings on this matter. I believe the Senator shares my understanding.

Mr. SCHMITT. That is correct.

Mr. MOYNIHAN. It would be a misuse of power to accept this amendment. It would be a mindless trifling with an imperative that we have the most profound responsibility to maintain in effect. I hope the Senate will not do this. I think it is more than attractive that such a proposal as this has come from the other side of the aisle, in a matter that should be attended on this side of the aisle as well.

Mr. SCHMITT. I thank the Senator for those comments. I would just make the minor correction that what I am trying to do is remove this provision from the bill.

Mr. MOYNIHAN. That is correct.

Mr. SCHMITT. Which the committee adopted by a vote of 11 to 10.

Mr. MOYNIHAN. Did I indicate otherwise?

Mr. SCHMITT. You indicated otherwise, but just in case anyone is paying attention to us, I want to have you on the side of justice.

Mr. MOYNIHAN. This should not be a part of this bill.

Mr. SCHMITT. But more seriously, you make such a profound argument about the voluntary tax system, and you above all, with the experience you have had with other governments and with the history of Government, recognize that it is a truly unique tax system. It is a voluntary tax system, and there are not many of those around; not in major nations, with the internal domestic complexity of our own.

Unfortunately, there are other pressures on that taxing system right now that are denigrating the voluntary nature of it: just the tax burden itself, the complexity of the tax system, the abuses by the IRS in other areas, all tend to make it less voluntary.

And Heaven help us if we ever lose a significant degree of voluntary activity on the part of the taxpayer. As I understand, the French Government is now in a situation where it is basically a negotiated tax. We do not want that. We do not want to have to negotiate with every citizen of this country on what their tax will be. It has to be a voluntary system, or there will be difficulties without end.

Mr. MOYNIHAN. In France the taxes are negotiated, as you say. In some countries they take the form of genuinely regressive tariffs and sales taxes. The whole system that we have adopted so faithfully of progressive taxes, of sharing the burdens according to ability to pay—what is the matter with us? Can the Senator explain to me how a body of this consequence, through centuries, almost, in the building of such an act in this Chamber, would jeopardize an institution so precious?

Mr. SCHMITT. I think we just move too quickly, and with the sincere motivation of trying to make the system of Government work better. I think everyone feels that if there are legitimate debts, they ought to be paid; but the issue has been transferred to "Let us have IRS collect them," and that is unfortunately the wrong way to go about it.

Mr. MOYNIHAN. Are we not jeopardizing the confidentiality of these matters?

Mr. SCHMITT. That is my opinion. It is also the opinion of Jerome Kurtz, the Commissioner of Internal Revenue.

Mr. MOYNIHAN. If I may say to my colleague and friend, I had something to do, in the executive branch, with the enactment of these student loan programs, but if we have to compromise the integrity of the Internal Revenue Service in order to collect these loans, I would rather see us not make any loans.

Mr. SCHMITT. The original proposal made in the committee was that we collect the VA debt. That did not meet with much popularity. This is an experiment.

Mr. MOYNIHAN. Might we not as well rent out the Internal Revenue Service to the local bookmakers, used car dealers, and savings and loan associations? We could rent an Internal Revenue Service.

What has become of sovereignty, and the dignity of the American Government?

Mr. SCHMITT. I think the Senator's implicit point is that we have moved from what has been the trend relative to privacy in Government, privacy of the individual in Government, or has been deflected by Government into an uncertain course. Where this will lead us I do not know. That is one of the problems with the proposal. The guidelines and constraints within which the IRS would operate are not defined. That should certainly be discussed before such a proposal becomes the law.

Mr. MOYNIHAN. I certainly wish to stand here and say that I am grateful to the Senator from New Mexico. I think he is right. I wish more were listening. But I certainly hope the Senate will not go forward on this course without even giving the Committee on Finance an opportunity to address this matter. I see the distinguished ranking Republican member of that committee is on the floor, and while I do not know his position on this matter, I think clearly the case of something so much opposed by the Internal Revenue Department and which represents such a departure from its historic function is certainly not something that should be done in a single afternoon, on a matter which has no bearing whatsoever on the measure before us.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. SCHMITT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 5½ minutes remaining.

Mr. DOLE. Will the Senator yield me 1 minute?

Mr. SCHMITT. I yield the Senator from Kansas 1 minute.

Mr. DOLE. Mr. President, as the ranking Republican member of the Finance Committee, I do not have any quarrel with the intent of the amendment, but we have not had any hearings. That is the point. It seems to me this is a proper matter for the jurisdiction of the Finance Committee. Perhaps with hearings we could work out guidelines, and IRS could testify, and others could testify. But on the basis of what little information I have, I would guess no members of the Finance Committee would favor it, not because of jurisdiction or some other reason, not because we did not want anybody to invade our jurisdiction, but because there have not been hearings; and because of other problems I see, I would support the efforts of the Senator from New Mexico, and I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I see no basis for argument, because that institution is working. Leave it alone.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. I yield myself such time as I may require.

Mr. President, I rise in opposition to the amendment from the Senator from New Mexico (Mr. SCHMITT). The Senator's amendment would strike the committee amendment designed to withhold income tax refunds from former students who have defaulted on their Government subsidized student loans. I commend the chairman of the Treasury, Postal Service and General Government Subcommittee (Mr. CHILES) for his courtesy and support of this "offset" amendment.

THE FEDERAL GOVERNMENT IS OWED $140 BILLION

We found at a recent hearing that the debt owed to the Federal Government from all sources is $140 billion.

THREE AND A HALF BILLION DOLLARS IN BAD DEBTS

We have also found that Federal agencies are despairing of ever collecting an increasing portion of that debt. The sum of $3.5 billion has been written off as "bad debts."

This is an increase of 60 percent in the past 2 years.

The committee amendment provides 30 positions and $1 million for the budget of the Internal Revenue Service to conduct the pilot project which could save the taxpayers an estimated $35 million. I repeat—a $1 million investment that has a potential payback of $35 million—a favorable benefit-cost ratio of 35 to 1. In fact, this may be the most cost effective amendment in the bill.

Yet from the dialog we have heard on this floor today, Mr. President, one would think that this pilot project, the amendment to recover $35 million of hard-earned taxpayer's dollars, was rocking this Republic down to its very foundation.

THE PROBLEM

Mr. President, the magnitude of the problem is stunning.

Currently, there are over $2 billion in student loans in default at the Office of Education.

When those defaults due to death, disability or bankruptcy of the borrowers are excluded—the amount remaining in default is still around $2 billion.

Mr. President, I ask unanimous consent that a table containing information supplied by the General Accounting Office be printed in the RECORD at this point. The table shows the amounts loaned, paid, and defaulted in Office of Education loan programs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

(Amount in billions)

Guaranteed student loan program:	
Amount loaned as of fiscal year 1979	$15.5
Amount repaid by students	6.2
Amount defaulted	1.3
Amount outstanding	7.8
In repayment	3.2
Students in school	4.6

(Amount in billions)

National direct student loan program:	
Amount loaned as of fiscal year 1979	$5.6
Amount repaid by students	1.6
Amount outstanding	4.0
Defaults	.7

Mr. SASSER. Mr. President, to continue:

SOME EXAMPLES OF DEFAULTERS WITH THE ABILITY TO PAY

The General Accounting Office has supplied me with 10 examples of student loan defaulters—all with the ability to pay. Each has a good credit rating outside the Government. They pay their bills to everybody except the taxpayers of this country. These cases represent the type of loans which would be included in the pilot test conducted by the IRS.

Each of the following examples have been in default since 1976 or earlier, and efforts to collect the amounts due have been unsuccessful.

None of the students have disputed the amount owed. In most cases, they simply refused to acknowledge the collection efforts.

CASE 1

The person defaulted for $454 in 1975. During the period 1975 to 1979, he satisfactorily paid off four unsecured bank loans in the amounts of $1,900, $1,700, $500, and $1,100.

CASE 2

The person defaulted for $595 in 1973. In 1977, he was granted an automobile loan for $8,900, and as of July 1979, he had paid about $3,000 on that loan.

He is riding around in a new automobile but he cannot bring himself to pay the funds owed to the U.S. Government, which loaned him the money to get the education which perhaps enabled him to get the loan for the automobile.

He has also paid off over $600 on a $1,300 installment sales contract with a major department store.

CASE 3

The person defaulted for $754 in 1976. During 1978, he was granted an unsecured bank loan for $1,300 which was satisfactorily paid off in 6 months.

Mr. President, I ask unanimous consent that cases 4 through 10 be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CASE 4

The person defaulted for $571 in 1972. During 1978–1979 he satisfactorily paid off an $1,000 secured loan. He was then granted a $1,000 unsecured loan in March 1979, of which $88 has been paid off as of June 1979.

CASE 5

The person defaulted for $832 in 1976. She has a "bank card" account with a credit extension of $2,000 and two charge accounts at department stores with credit lines of $700 and $500. She has an estimated income of $10,000 and shares a $350 a month apartment with another person.

CASE 6

The person defaulted for $549 in 1976. In March 1979, she was granted an unsecured loan for $6,600. As of June 1979, she paid almost $2,000 on this loan.

CASE 7

The person defaulted for $301 in 1975. In 1979, he had been granted a charge account with a credit line of $900 at a local department store. He also had been given two bank card accounts with a credit line of $1,400 on each account. He is employed with an estimated annual income of about $12,000.

CASE 8

The person defaulted for $328 in 1976. In March 1979, she was granted a $6,400 car loan by a bank. She paid off almost $400 of the loan through June 1979.

CASE 9

The person defaulted for $505 in 1974. As of 1979, she had been granted two bank card accounts with lines of credit of $700 and $200. She has also had two department store charge accounts with lines of credit of $400 and $500.

CASE 10

The person defaulted for $829 in 1976. She has been granted a bank card account with a credit line of $1,600. She also has department store charge accounts with credit lines of $800 and $500.

PROPOSAL FOR PILOT TEST

Mr. SASSER. Mr. President, the 30 positions and $1 million proposed for inclusion in the IRS budget has been approved by the Senate Appropriations Committee. It is contemplated that these resources would be used to match a target group of 100,000 defaulted student loans from the Office of Education—worth over $100 million—against income tax refunds.

Once the amount due the Government has been firmly and conclusively established by due process, beyond a reasonable doubt, the refund would be withheld as an offset against the defaulted loan.

IMMEDIATE SAVINGS OF $35 MILLION

The General Accounting Office, which supports this initiative, estimates that at least $35 million of the $100 million in defaulted loans in the target group could be collected through this limited investment—and the amount collected could range much higher.

ULTIMATE SAVINGS POTENTIAL

Once established, this mechanism has the potential of savings the taxpayer from one to two billion dollars.

FAIRNESS OF THE PILOT TEST

Mr. President, this pilot test is fair and equitable. It will target individuals who have had their higher education costs subsidized by the taxpayer, but who refuse to pay their just debts. Because of those subsidies, the affected individuals have been able to enjoy the benefits and income security deriving from higher education. It is only fair that these defaulted loans be repaid out of those higher earnings.

I think it is absolutely unfair and irresponsible to expect the taxpayers to subsidize higher education and then allow the recipients of that education to scoff at fellow taxpayers.

Mr. President, I ask unanimous consent that there be printed in the RECORD, at the conclusion of my remarks, a letter from the Comptroller General and a memorandum from OMB Director McIntyre on the subject of debt collection. The letter is in support of this experiment. It also addresses some of the concerns that have been raised about the pilot test by several of my colleagues.

The memorandum shows that the administration is also concerned about the matter of debt collection and recognizes more needs to be done in this area.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

HONEST CITIZENS WOULD BE GRATEFUL

Mr. SASSER. Mr. President, I am in full agreement with the statement of the Comptroller General on this issue. I firmly believe that the vast majority of honest citizens—who pay their just debts to the Government—would be grateful to see the Government taking action to recover delinquent debts. But, that action cannot begin to take place in the ways I have explained—unless my colleagues support this committee approved amendment.

CONCLUSION

Mr. President, I hope my colleagues will support this amendment which has the potential of eventually saving the taxpayer in excess of $1 billion.

It is, I believe, a very moderate proposal—an opening gun—to combat a very serious problem.

If the committee amendment is approved, I believe we will be sending the correct message to the taxpayers—that is, that we recognize that it is patently unfair to the honest citizen who pays his debts to the Government to allow other debts to go uncollected.

It seems to me that if we do not approve the committee amendment, we are going to be conveying just the opposite message—that the U.S. Government does not have the will to collect from the deadbeats, even when the individual has the ability to pay and the amount of the debt is not in dispute.

Like all of my colleagues, Mr. President, I have visited my State over the past few weeks.

We recognize the mood of the country, the citizens we have been elected to serve are concerned about inflation, the Federal deficit, and taxes. Support for the committee amendment is one way we can tell them we, as their elected representatives, appreciate those concerns and stand ready to do something about it. Each million dollars collected under the provisions of the committee amendment reduces the deficit, reduces the national debt, and has the consequent moderating influence on taxes and inflation.

Mr. President, I urge my colleagues to support the committee amendment.

I might say, in addition, that there have been questions raised here about confidentiality and the tax return being sacrosanct and that its confidentiality should be and ought to be must be protected. Mr. President, I could not agree more with those expressions, but I ask, how is the confidentiality of the tax return to be breached by the addition of 30 staff members to the Internal Revenue Service staff? Does not the staff of the Internal Revenue Service presently have access to the tax returns of the citizens of this country?

The question was raised, is there adequate due process? I say, Mr. President, that I am as concerned as the next Senator about guaranteeing and insuring that our citizens have access to due process of law. The system that has been set

up to collect these delinquent accounts would guarantee due process.

First and foremost, the delinquent borrower will have signed a note and, at the time that this note is signed, there would have been full disclosure of the rights and the obligations that flow between the parties with regard to this promissory note. At the time that the debtor or the borrower leaves the school, there would be an exit interview and there would be provided to the borrower or the debtor a repayment schedule, the schedule by which they are expected to repay this loan.

Thereafter, a written record is maintained of the exit interview, including a signed copy, signed by the debtor, of the repayment schedule.

Thereafter, contact is maintained with the borrowers after they leave the school, also establishing and maintaining regular billing and follow-up procedures during the period in which the outstanding loan balance remains unpaid.

Should, for some reason, it become impossible to contact the debtor through the ordinary course of events or through the mail, then a commercial skip-tracing organization or some organization performing the equivalent service for the institutions are employed to locate the borrowers. After the borrowers are located, if there is still no payment, then a collection agency is employed in an effort to collect the remaining indebtedness.

After all of these steps are taken and after all of these steps have been fruitless and all other avenues have been exhausted, then a letter would go forward to the debtor from the Office of Education, indicating that the debt is owed, asking if there is any dispute about the amount that is owed and, if some response is not forthcoming, then the debtor would be subject to offset; that is, the amount coming to the debtor by way of tax refund would be subject to an offset of this particular debt.

Now, should the debtor come forward and say, "I do not owe this money," or there is some dispute, then the debtor's name would be automatically removed from the pilot project and he would not be subject to the offset provisions.

Mr. President, I do not see how we could more fully guarantee and protect the due process of citizens than this—one procedure after another, and always there is present the signed promissory note, which is the basis for any effort in debt collection.

Mr. President, I again urge my colleagues to support this committee amendment. I think it is necessary and mandatory that we begin efforts now to collect the enormous amount of debt owing the honest taxpayers of this country from other citizens who are not conscientious about paying their just debts.

EXHIBIT 1

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., August 22, 1979.

Hon. JAMES R. SASSER,
U.S. Senate.

DEAR JIM: This letter discusses the additional views which were included in the Committee on Appropriations Report on the Treasury, Postal Service, and General Government Appropriation Bill for Fiscal Year 1980 (H.R. 4393). These additional views concern a provision which would provide funding necessary for IRS to test the collection of delinquent debts by keeping tax refunds as offsets.

The provision would support a test program by providing $1 million to fund 30 authorized positions for IRS to perform the test. For this test, 100,000 debts due the Office of Education under the National Direct Student Loan Program would be selected. These debts would be delinquent loans on which the debtor had signed a promissory note to an educational institution and subsequently defaulted. These defaulted loans have all been assigned to the Office of Education by the educational institutions.

On all deliquent loans included in this test, the educational institutions will have exercised due diligence in their collection effort. Due diligence efforts include:

Fully disclosing to borrowers their rights and obligations when they sign the promissory notes,

Conducting an exit interview with borrowers and providing them a copy of the repayment schedule before they leave school.

Maintaining a written record of the exit interview including a signed copy of the repayment schedule,

Maintaining contact with borrowers after they leave school,

Establishing and maintaining regular billing and follow-up procedures during the period in which any outstanding loan balance remains unpaid,

Using a commercial skiptracing organization or performing the equivalent service with institutional personnel to locate borrowers, and

Engaging a collection agency or performing collection activities with school personnel or resorting to litigation in those cases in which a borrower fails to make loan payments.

In addition to these efforts by the educational institutions, the Office of Education would be required to meet normal due process requirements prior to referring the debt for offset. Any disputed debts would be dropped from the sample of cases referred to IRS for possible offset. The remaining debts which would be transferred to IRS for offset would be ones in which both the school's and the Office of Education's debt collection process has proved unsuccessful.

We respect the views of your colleagues on this important legislation; however, we believe it is important that they consider all factors in arriving at a final decision on this matter. I would like to provide the following specific comments on points raised in the additional views of Senators Schmitt, Laxalt, Weicker, McClure and Hatfield.

1. The additional views make the statement that ". . . the four committees having direct jurisdiction over this new endeavor, the Ways and Means Committee, the Senate Finance Committee and the House and Senate Committees on Appropriations, have not held one hearing where evidence was received that would justify this expenditure allowing the IRS to enter into the vast unexplored area of debt collection by setoff". The Senators were apparently unaware that, on March 20, 1979, you presided over the Senate Committee on Appropriations, Subcommittee on Legislative Branch hearings on "Improving Government Debt Collection Operations." During these hearings, the feasibility of utilizing IRS to collect debts was discussed. In addition, in December 1978, we testified at length on Federal debt collection before the Senate Finance Subcommittee on Taxation and Debt Management Generally. While we did not discuss the subject of IRS setoff since our report had not been issued, the Finance Subcommittee received a copy of our March report.

2. As pointed out in the additional views, departments and agencies have not been aggressive in pursuing collection of debts. Also, although GAO has recommended certain improvements, actions to tighten debt collection procedures have not been completed.

We recognize the need for agencies to retain primary responsibility for collecting any debts due the Government resulting from their operation. The proposed method of collecting amounts due the Government by reducing future refunds due the taxpayer would work in conjunction with the present collection system. The Office of Education would retain primary responsibility for collection of amounts due. Only after the Office of Education has taken appropriate collection action and has determined that further efforts, including legal action, would not be economically feasible, would they then refer the debt to IRS.

In this test, the agency would transfer loans to IRS for offset only after the existing collection process has been aggressively pursued. Thus, this method would not replace normal agency debt collection procedures or eliminate the requirement for aggressive action on the part of the Office of Education. Instead, this process would be used as a last resort after the existing debt collection process has proved unsuccessful. However, as there were 841,161 students with $702,542,830 outstanding on defaulted loans at September 30, 1978, there will be many debts which cannot be economically collected by conventional methods.

3. The concern that ". . . taxpayer confidence in the tax administration system could be seriously compromised by turning the IRS into a bill collecting agency" would probably be unfounded. A widespread public outcry against using IRS as the Government's debt collector should not be heard if offset is used under the constraints discussed. Instead, quite the opposite reaction would likely occur if this collection procedure were publicized. The majority of honest citizens who pay their debts to the Government would be gratified to see the Government taking actions to recover delinquent debts.

4. The statement that, under the proposal, the burden of proof of the debt is shifted from the Government to the individual is unfounded. Under the National Direct Student Loan Program, the debtor signed legally binding promissory notes. These notes have since been reassigned to the office of Education. Further, no collection action will be taken in any instance where the amount of the debt is in dispute.

5. Due process requirements and rights of the individual have been carefully considered. The Office of Education would be required to meet normal due process requirements prior to referring the debt. Also, we believe collection by offset is warranted by equity concerns. It's patently unfair to the honest citizen who pays his debts to the Government to allow other debts to go uncollected. This inequity is especially acute when the individual owing the debt has the ability to pay but does not, and the validity or amount of the debt is not in dispute.

6. The fact that "the relationship between a taxpayer and the Government is one of extreme confidentiality and must be protected in every way" was fully considered during our review. We recognize that tax return information is confidential under the Internal Revenue Code. However, no individual's tax return information will be released outside IRS. This test of offset will not contravene the intent of the Tax Reform Act of 1976. Instead, all limitations required by law will be strictly adhered to.

7. The conclusion that "IRS is given new authority to deduct from moneys due and owing a taxpayer those sums allegedly due the Government" is without legal basis. The Federal Government's right to collect delinquent debts by offsetting against amounts due to the debtors is strongly supported by

statutes and court decisions. IRS has on occasion, reduced tax refunds when agencies have requested that an offset be made.

3. The additional views discuss the need for the Congress to act in a deliberative manner and to make a decision based on full consideration of all available facts. We recognize the need for congressional consideration of the impact of any debt collection initiative of this magnitude. Also, we recognize that some of your colleagues will continue to have reservations about the desirability and practicability of this program. However, our report recommended that such a program first be tested by IRS to determine the extent to which there are problems and how they should be overcome before a full scale program is implemented. Further, we urged the IRS to keep Congress fully informed on the status of the test effort and to fully coordinate its approach with the appropriate committees. The action initiated by the Senate Appropriation Committee would provide funds for such a test and would provide additional data for use in any hearings or other deliberation deemed necessary by the Congress.

Because of the substantial amounts that could be collected under this program, we believe funding for this test offset program should be retained in the Treasury, Postal Service, and General Government's Appropriation Bill.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., Aug. 21, 1979.

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

Subject, Debt Collection.

The amount of overdue debts owed the Government is a matter of increasing concern. Since I last wrote you in March, our recognition of the issue has been matched by a growing awareness in Congress and the media.

While we have included debt collection in the Financial Priorities Program, we believe stronger measures are required to collect the monies owed. Toward that end, we have created a Debt Collection Project under the newly formed President's Management Improvement Council. Following the lines of the successful President's Cash Management Project, the Debt Collection Project will seek answers to individual agency problems while pursuing solutions at the general government-wide level as well. The project is intended to build on initiatives already planned and underway, including those mentioned in responses to my March memorandum.

Mr. Wayne Granquist, our Associate Director for Management and Regulatory Policy will be responsible for the Debt Collection Project. In order to coordinate this joint effort, we request you designate a representative to help us in developing specific plans, coordinating the work in your agency and keeping you informed as the work progresses.

To begin early consideration of the work plan, we would appreciate receiving word of your representative designee during the next two weeks. For any additional information, please call Jerry Bridges at 395-3967.

JAMES T. MCINTYRE, Jr.,
Director.

Mr. SCHMITT. Mr. President, I shall yield to my distinguished colleague from Illinois. First, though, I ask unanimous consent that my response to the Comptroller's letter, referred to by the Senator from Tennessee, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., September 4, 1979.

DEAR COLLEAGUE: The Senate will be considering the Fiscal Year 1980 Treasury, Postal Service, and General Government appropriations bill on September 5. During full Committee mark-up of this bill, I offered an amendment to delete the IRS Debt Collection provision. This provision would provide $1 million and authorize 30 positions for a test program which would deduct from IRS tax refunds the amount owed the U.S. Government by individuals participating in the Office of Education student loan program. The amendment was defeated by an 11 to 10 vote.

Senators Laxalt, Weicker, McClure, Hatfield, and I filed Additional Views on this subject which I circulated together with a Dear Colleague dated August 17, 1979. Since that time the Comptroller General has taken it upon himself to comment on the points raised in the Additional Views. Let me take this opportunity to respond to the points which he has raised.

1. The Additional Views stated that "the four committees having direct jurisdiction over this new endeavor, the Ways and Means Committee, the Senate Finance Committee, and the House and Senate Committees on Appropriations have not held one hearing where evidence was received that would justify this expenditure allowing the IRS to enter into the vast unexplored area of debt collection by setoff." The Comptroller General suggests that we were not aware of the hearings held. The fact is that no committee of the House has held any hearings nor would the House be given the opportunity to vote on this provision of the bill should the Senate retain it. The Comptroller General states that the Senate Finance Subcommittee on Taxation and Debt Management Generally held a hearing on debt collection last December but admits that offset was not even discussed. Lastly, the hearing before the Senate Appropriations Subcommittee on the Legislative Branch was a 45-minute hearing with only the Subcommittee Chairman in attendance, and only witnesses from the General Accounting Office testifying. This Subcommittee does not even have jurisdiction over the Internal Revenue Service, the agency which will implement this program if enacted.

2. The Comptroller General states that bad debts will be referred to the IRS "only after the Office of Education has taken appropriate collection action." "Appropriate collection action" is not defined nor are guidelines proposed. It is easy to foresee the possibility that the Office of Education or other Federal agencies will reduce their collection activities in anticipation that the IRS will bail them out.

3. The Comptroller General disagrees with our statement that the burden of proof will be shifted from the government to the individual. The fact is that if the Office of Education determines that a loan is in default under this proposal, the money of the individual will be confiscated without judicial review. An individual will then have to prove his innocence to retrieve the money due him.

4. The calculation of savings to the taxpayers is based on present withholding patterns. Individuals who do owe money to the government can adjust their tax withholding to eliminate or substantially reduce their refund. The IRS has stated that even a 1 percent shift in this direction would result in an initial loss of Federal taxes voluntarily paid of $4 to $5 billion. The cost of collection would thus increase. In addition, many students do not file income tax returns or are included on their parents' return. The proposal has not even addressed this problem.

5. Under the Tax Reform Act of 1976, the IRS would be unable to report to the Office of Education the disposition of any accounts referred to the IRS. The Office of Education will have no way of knowing if the account was accurate or in error, paid or still in default. Should that individual apply for another loan, what kind of treatment can the individual expect from the Office of Education?

6. The claim that IRS has collected debts owed to the government by offset in the past is inaccurate. I have been informed by the IRS that offset has only been used internally, i.e., collection of past due taxes by offsetting against current refunds. No collection by offset has been used for other agencies.

7. The major concern of the opponents of this proposal is dismissed by the Comptroller General. Due process and rights of individuals as well as the integrity of our tax system is not addressed in the legislation. No provisions or guidelines are included that will insure that the Office of Education and the Internal Revenue Service will observe all the rights of individuals in their efforts to collect loans in default.

8. The Comptroller General fails to mention the strong objections of the Internal Revenue Service to this proposal. With my previous Dear Colleague, I sent you a copy of the letter I received from the Commissioner of Internal Revenue outlining the concerns of the agency.

The effort to collect defaulted loans is a worthy one which has my support. I cannot, however, support a program that has not been adequately discussed and one which has the potential of compromising our tax system and violating the rights of taxpayers. The Report of the Comptroller General pointed out that agencies and departments "have not been aggressive in pursuing collection of (debts)." I suggest that steps be taken to increase the activities of agencies before we embark on this dangerous proposal. Your support of my amendment to delete this program will be appreciated.

Sincerely,

HARRISON SCHMITT.

Mr. PERCY. Mr. President, I support the amendment offered by Senator SCHMITT to strike the Internal Revenue Service debt collection provision. At the same time, I do want to indicate clearly that I agree with Senator SASSER, that the Government needs to increase the effectiveness of its debt collection practices. To this end, I find the proposal he has made intriguing, but I certainly would not feel free at this time to vote for it. I think there are enough negative factors that have been raised by the Internal Revenue Service to cause us to stop, look, and listen, and certainly study this matter much more carefully before proceeding.

I commend my distinguished colleague (Mr. SASSER) for pinpointing the need to establish better collection practices of the Government's debts. It was, after all, the Governmental Affairs Committee, on which he serves as a distinguished member, which revealed the scandalous conditions with respect to student loans. A billion dollars in default is minor compared to what we discovered. Not only were there defaults, there were defaults by hundreds of employees who worked for HEW and were receiving a paycheck twice a month, and yet still defaulting, year after year, on loans that they had received from their Government and solemnly promised to repay. So, certainly, I fully support improving our collection system.

As a result of those hearings, which

were held some time ago as a result of the appointment of an inspector general for HEW, we have begun to improve the debt collection capability of the Federal Government. We have not even approached the effectiveness achieved by the private sector, which does not waffle on this issue at all; it goes right after defaulted loans. But certainly, in this regard, I think we have to look very, very carefully at using the Internal Revenue Service.

It is apparent that we need to study this issue as carefully as we can. We want to look at the potentially serious ramifications of the program on the integrity of the income tax withholding system and the due process rights of taxpayers. And certainly, we need to look at how this proposal affects the privacy rights of our taxpayers.

The agency which would administer this program, the Internal Revenue Service, is opposed to it. They have not yet had an opportunity to testify before any committee on this matter. The officials of the IRS have stated:

> We are not prepared to run the risks to which a massive non-tax debt collection program would expose the withholding system.

If taxpayers react to the idea of the IRS becoming a debt collector by adjusting their withholding by as much as 1 percent, the initial loss of Federal taxes voluntarily paid would be as much as $5 billion. On the other hand, even proponents of this program claim that it has the potential of eventually recovering only $1 billion. It would be false economy to risk the loss of $5 billion in an effort to gain $1 billion.

Certainly, the withholding system and the integrity of that system is an integral part of the success of tax collection practices. We should be hesitant to tamper with that system in any respect. I respect the judgment of IRS in this matter; it is more knowledgable of the withholding system than anyone else.

Mr. President, I am also concerned that this program might result in the abuse of the taxpayer's right to privacy and due process. We are all well aware of bureaucratic error and insensitivity, and must give careful consideration to any proposal which invites further Government intrusion into the affairs of our citizens. We must also carefully examine the implications of shifting the burden of proof in establishing the validity and amount of debts onto the shoulders of the taxpayer.

Because of the serious concern I have with the debt collection problem, I certainly want to pledge to my distinguished colleague, Mr. SASSER, that I, as ranking minority member of the Governmental Affairs Committee, shall be happy to work with him to see that we do tackle this problem in a thorough manner. And I pledge to work with him in seeing that his proposal receives prompt attention. I hope we can work in tandem to find a debt collection proposal that would give a net plus result rather than a negative return to the Federal Government.

To date, we have only had one hearing. GAO has been the sole witnesses. Ordinarily, I highly respect GAO. In this case, however, I respectfully disagree with GAO that at this time we know enough to move ahead with this proposal.

I believe it would be irresponsible to proceed too hastily in such a sensitive area without a more thorough examination of the issues involved.

Therefore, I urge my colleagues to support the amendment offered by Senator SCHMITT.

Mr. SCHMITT. Mr. President, . I thank the distinguished Senator from Illinois. He is a man with great experience in governmental affairs and also one who I think understands the complexities of a proposal of this kind for debt collection.

I join him and the distinguished Senator from Tennessee in that we have to do something. We will do some things, but we must do more about the collection of debts owed the Federal Government.

But to take this step, to move the nose of the IRS camel into this tent without knowing the consequences or even the size of the tent, in all proportions, I think would be a mistake.

My argument today, my amendment, is directed at the problem of having the IRS a debt collection agency, not at the iact we must collect debts. We must do that. But I hesitate, I think it is obvious now, to say the IRS should do it.

Mr. SASSER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. SASSER. Mr. President, I say in response to my distinguished colleague from Illinois that the precedent has already been set for the concept of offsetting funds owed to a taxpayer from the Bureau of Internal Revenue Service against funds owed by that taxpayer to the Federal Government.

This is a procedure which has been exercised a number of years by the Justice Department in collecting funds owed to the Federal Government that the Justice Department has been called upon to collect.

So I think we need not be unduly concerned about this being the nose of the camel under the tent, because the camel has been in the IRS tent full tilt with us for a number of years.

The problem we are trying to address here is the very vexing problem of approaching the collection of debts, just debts, owed the Federal Government in the most cost-efficient way possible.

One of the reasons that the amount of money owed to the Federal Government and the amount written off as uncollectable is just simply exploding and increasing in geometric ratios every year is that taxpayers and debtors have become aware that certain Federal agencies will write off as uncollectable amounts under an arbitrary figure, $600 for one agency, $750 for another agency. The rationale of the agency being that it costs the taxpayer more to employ a staff in that particular agency to move in and try to collect the debt over a long period of time than the Government would realize as an end result.

This knowledge is becoming widespread in certain circles. So the modus operandi, Mr. President, is simply to borrow $600, or to borrow $750, on a Government loan, or to borrow $1,000 and maybe pay $400 on it until it gets down to the magic figure of $600, which might be the threshold at which this particular loaning agency writes off the debt as uncollectable, and then they get $1,000 for the price of $400.

Where is the fairness and where is the equity to the hardworking taxpayer who pays those taxes that underwrites those loans?

We talk of hearings, of studying this matter, and let me say that I agree with my distinguished and able colleague, the ranking member of the Governmental Affairs Committee, who has rendered yeoman service and has done a great service for his country on the Governmental Affairs Committee. But let me say that that is what we are undertaking here, a study. This is a pilot project. This is the expenditure of $1 million to hire 30 additional individuals in the expectation that we will recover for the taxpayers a minimum of $35 million.

Should that expectation not be realized, should it develop that this pilot project is not cost efficient, should it develop that this is actually costing the taxpayers money, at the end of the 1-year period, I will join with my distinguished friend from Illinois and my able friend from New Mexico and be the first to sponsor an amendment deleting this committee amendment that we are discussing today.

What better way to study than with a pilot project?

Mr. LONG. Will the Senator yield at that point?

Mr. SASSER. I yield to the distinguished Senator from Louisiana.

Mr. LONG. Is the Government simply saying to a citizen, "you have been owing us money for some time, and it turns out now that it seems we owe you something. We will just credit you against what you owe us for what we owe."

For example, if the Senator from Tennessee owed the Senator from Louisiana $1,000 and the Senator from Louisiana owed the Senator from Tennessee $900, when we go to pay, there is no point paying the full amount because the other fellow owes something. We just reduce it by the amount the other fellow owes.

There is all sort of precedent for that type of thing. I know a bank does that. If you put money in the bank, you do not pay your note, just take it out of your account.

It would seem to me that where the Government is just consistently being chisled and cheated on, there comes a time we could say, "In view of the fact that you owe us some money, we are just not going to pay what we otherwise would pay. We will give you credit for what you did pay, but, in view of the fact that you owe us some money, we will just reduce your debt by that amount."

To me, it seems like a useful experiment. It has been suggested on occasion. I think it probably makes sense that when a person owes the Government money which was loaned in good faith, which he could have paid, or made no effort to pay, that at some point rather than pay it in social security, or just take something out of social security checks he would otherwise draw to

reduce the amount that person failed to pay Uncle Sam when he owed money, and perhaps could have very well paid it.

Is there a so-called pauper's provision in the provision the Senator has in mind?

Let us suppose a person to whom the Government owes something contends he is destitute and without, he would have to go hungry, is there anything about that in there?

Mr. SASSER. I would say to my distinguished friend from Louisiana that individuals who are disabled or have declared bankruptcy, for example, are excluded under this provision. The provision is aimed at those individuals who are able bodied, who are working, who have substantial credit in the commercial world. It is aimed at getting those individuals to pay their just debts to the Government of this country.

Mr. LONG. It seems to me that the Senator has been very generous to those who do not pay their debts. I, for one, somewhat resent young people taking bankruptcy in order to avoid repaying money they borrowed from the Government in order to get an education.

As a citizen and taxpayer, I resent those people being successful in later life, making a lot more money as a doctor or a lawyer than other people who did not borrow money from the Government, and yet they take bankruptcy in order to avoid paying an honest debt which they would well be able to pay—money they borrowed in order to get an education better than that of most citizens.

I find appeal in the Senator's proposal, and I think I will vote for it.

Mr. SCHMITT. Mr. President, will the Senator yield for a question?

Mr. SASSER. Mr. President, I appreciate very much the statement by the Senator from Louisiana. He has served more than 26 years on the Senate Finance Committee; and I find his analysis of this matter, which deals obliquely with the tax policy of this country, very persuasive.

I will be glad to yield to the Senator from New Mexico on his time.

Mr. SCHMITT. I will be happy to do that.

Mr. President, I direct a question to the Senator from Tennessee. He has talked in his opening statement as well as just now about some kind of program by which this provision is going to be administered. I have not seen that, by any law or any provision, paupers or bankruptcy would be eliminated.

Can the Senator direct me to where this program has been outlined in such detail?

Mr. SASSER. I say to the Senator from New Mexico that here, today, we are establishing legislative intent and the legislative history of this particular amendment.

The rules and regulations under which this legislative history will be interpreted and the legislative intent will be carried out will be promulgated by the Internal Revenue Service.

I believe we have stated adequately and amply that we intend, by this legislation, to exempt those who are lame, those who are unable to pay, those who are bankrupt.

There is an escape valve here. The escape valve is that when the individual who is the debtor gets the communication, after going through a procedure of 12 or 14 steps which I enunciated earlier, he or she will be subject to offsets, unless there is a disagreement as to the amount owed. Then they simply have to say, in this pilot project, "I don't think I owe that," or, "I don't owe the money." Then they are automatically taken out of the project and are not subject to offset. That appears to me to be a very secure guarantee.

Mr. SCHMITT. Even if it were—and I am not accepting that it is, because it will interact with many other things—we cannot write on the floor of the Senate the rules and regulations under which such an experiment is going to be conducted. That is why hearings are important. That is why we need to look at this as a bill, if we can, at a future time—some bill that looks at debt collection in general. I do not think we can assume that this is legislative history with respect to the IRS.

Mr. SASSER. I say to the able Senator from New Mexico that there have been hearings on this matter. Hearings were held by the Legislative Appropriations Subcommittee. At that time, there was testimony as to the amount of debt owed the Federal Government. There was testimony as to the problem of collecting. There was testimony as to the steps and procedures that would be undertaken in the event that a project was approved by the full Appropriations Committee.

There is a report of those hearings which will be filed, if it already has not been filed. As a matter of fact, I have a copy of the transcript of the hearings and the report which was filed, captioned "Improving Government Debt Collection Operation for Fiscal Year 1980."

Mr. SCHMITT. Who were the witnesses before that committee other than the Comptroller General? The IRS was not a witness. To my knowledge, there were no other witnesses.

How can a report be filed with any validity on this issue if we did not examine it from the perspective of the IRS and other parties who may be interested, including the taxpayer?

Mr. SASSER. Witnesses were heard from the General Accounting Office. We received letters and opinions in writing from the Internal Revenue Service.

However, I submit that it is not necessary, in conducting a full and fair hearing, that you call in every agency that might be impacted by a particular piece of legislation.

Mr. SCHMITT. It may not be necessary, but I think that in a case as profound as this, in terms of making brand new policy relative to the tax collection and debt collection activity of the Federal Government, it would have been appropriate to call in the agency that is going to administer it, the agency which presumably interprets constitutional and other legal ramifications of this—namely, the Justice Department—to get some kind of input from those people and the taxpayers who are going to be most affected by it.

As the Senator may recall, the original proposal was for the Veterans' Administration to be the pilot project; and because of objections raised in committee about the Veterans' Administration, it was changed in committee to student loans.

Every program is going to be different, every pilot project is going to be different, and I presume that some new set of guidelines would be worked out on the floor of the Senate for every agency. I do not see how we can do that.

I would be happy to join the Senator in trying to figure out how we are going to collect these debts, but let us not do it on the floor of the Senate with respect to the IRS. As the Senator from New York and others have indicated, that opens a major new policy direction for the U.S. Government, and I think it would be a mistake.

Mr. SASSER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. HEFLIN). The Senator has 2½ minutes.

Mr. SASSER. Mr. President, if I may respond to the observation of the Senator from New Mexico, that is just the point: This is not new policy. The Justice Department has used the concept of offset in the past. The Internal Revenue Service has cooperated with the Justice Department in the past in using the concept of setting off the funds owed to a taxpayer by way of tax refund against the debts the taxpayer owes the Government of the United States.

As the distinguished Senator from Louisiana very ably pointed out, this is not a new concept. There is not anything particularly novel about this. I would like to claim that this is original and that I originated a unique and novel concept for collecting just debts owed the Government of the United States, but that is not the case.

Mr. President, I relinquish the remainder of my time.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico has 30 minutes on the bill. His time on the amendment has expired.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the time remaining to the Senator from Illinois and the Senator from Connecticut be provided to the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, the Senator from Tennessee and I are getting different information. I have been informed by the IRS that offset has been used only internally, within the IRS—that is, the collection of past due taxes by offset against current refunds. They have informed me that there has been no collection of offset for other agencies.

If my information is incorrect, I will go back to the IRS and try to find out more about it. That is their position on that particular point.

If the letter by the Comptroller General, which has been entered into the RECORD on this issue by the Senator from Tennessee is any indication of their understanding of this problem, then I think the Senator from Tennessee would have been well advised to ask other witnesses to testify.

The letter I introduced earlier takes their observations, point by point, and I think adequately rebuts them.

The most important thing is that we are sitting here with the Comptroller General in complete disagreement with the IRS about whether this should be done and in that kind of a situation, plus the clear philosophical and policy disagreements expressed here in the Chamber. I think the most appropriate thing to do is to agree, first, that we are going to take efforts in all arenas where it is possible to collect debts owed the Federal Government and, second, that the proposal of the Senator from Tennessee as well as other proposals will have full hearing before the appropriate committees of the House of Representatives and the Senate. In order to do that in a reasonable environment I strongly urge the adoption of my amendment to delete the money for this provision from the bill before the Senate.

Mr. President, I have no further use of my time. If everyone is in agreement, I yield back the remainder of my time and ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CHILES. Mr. President, I just wished to announce before the rollcall began that this will be followed under the unanimous-consent agreements by two more rollcalls, one on the committee's motion to strike and the second one on the Humphrey amendment, and both of those rollcalls will last 10 minutes. So Members should be advised that this is a 15-minute rollcall followed by two 10-minute rollcalls.

The PRESIDING OFFICER. The vote on the amendment of the Senator from New Hampshire is on a motion to table.

Mr. CHILES. That is right. It is my motion to table. That is correct.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment (UP No. 520) of the Senator from New Mexico. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON) and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Utah (Mr. HATCH) would each vote "yea."

Mr. GOLDWATER. Mr. President, regular order.

The PRESIDING OFFICER. The regular order is for Senators in the Chamber wishing to vote to do so.

Are there any Senators who desire to vote?

The result was announced—yeas 52, nays 38, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS—52

Armstrong	Goldwater	Riegle
Baker	Hayakawa	Roth
Biden	Heflin	Schmitt
Boren	Heinz	Schweiker
Boschwitz	Helms	Simpson
Chafee	Humphrey	Stafford
Church	Javits	Stevens
Cochran	Kassebaum	Stevenson
Cohen	Kennedy	Thurmond
Cranston	Leahy	Tower
Culver	Lugar	Tsongas
Danforth	McClure	Wallop
Dole	Morgan	Warner
Domenici	Moynihan	Weicker
Durenberger	Packwood	Williams
Durkin	Percy	Young
Exon	Pressler	
Garn	Pryor	

NAYS—38

Baucus	Ford	Muskie
Bellmon	Glenn	Nelson
Bentsen	Gravel	Nunn
Bradley	Hart	Proxmire
Bumpers	Hollings	Randolph
Burdick	Huddleston	Ribicoff
Byrd, Harry F., Jr.	Jackson	Sarbanes
Byrd, Robert C.	Johnston	Sasser
Cannon	Levin	Stennis
Chiles	Long	Stewart
DeConcini	Matsunaga	Stone
Eagleton	Meicher	Talmadge
	Metzenbaum	Zorinsky

NOT VOTING—10

Bayh	Jepsen	McGovern
Hatch	Laxalt	Pell
Hatfield	Magnuson	
Inouye	Mathias	

So Mr. SCHMITT's amendment (UP No. 520) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the question now occurs on agreeing to the committee amendment to strike section 102. The yeas and nays have been ordered, with a 10-minute rollcall vote.

Mr. McCLURE. Mr. President, a parliamentary inquiry. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Because the situation is rather complex and perhaps may be misunderstood, am I not correct in stating that the House measure had a provision in it which the committee now moves to strike? So if Senators desire to strike that material, they would vote "yea"; if they desire that the House provision remain in the legislation, the vote would be "nay."

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. I thank the Chair.

Mr. CHILES. May I have 5 minutes to explain my position?

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The PRESIDING OFFICER. Is there any other Senator present who wishes to vote?

The result was announced—yeas 41, nays 49, as follows:

[Rollcall Vote No. 254 Leg.]

YEAS—41

Baucus	Hart	Nunn
Bentsen	Hollings	Percy
Bradley	Huddleston	Pressler
Cannon	Jackson	Ribicoff
Chafee	Javits	Sarbanes
Chiles	Johnston	Sasser
Culver	Kassebaum	Schmitt
Danforth	Kennedy	Stevenson
DeConcini	Levin	Stone
Durkin	Long	Talmadge
Eagleton	Matsunaga	Tsongas
Ford	Metzenbaum	Wallop
Glenn	Moynihan	Weicker
Gravel	Muskie	

NAYS—49

Armstrong	Durenberger	Pryor
Baker	Exon	Randolph
Bellmon	Garn	Riegle
Biden	Goldwater	Roth
Boren	Hayakawa	Schweiker
Boschwitz	Heflin	Simpson
Bumpers	Heinz	Stafford
Burdick	Helms	Stennis
Byrd, Harry F., Jr.	Humphrey	Stevens
Byrd, Robert C.	Leahy	Stewart
Church	Lugar	Thurmond
Cochran	McClure	Tower
Cohen	Meicher	Warner
Cranston	Morgan	Williams
Dole	Nelson	Young
Domenici	Packwood	Zorinsky
	Proxmire	

NOT VOTING—10

Bayh	Jepsen	McGovern
Hatch	Laxalt	Pell
Hatfield	Magnuson	
Inouye	Mathias	

So the committee amendment to strike section 102 was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. SCHMITT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The next vote is on the motion to lay on the table the unprinted amendment of Mr. HUMPHREY, unprinted amendment numbered 519. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington, (Mr. MAGNUSON), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER (Mr. EXON). Are there any other Senators wishing to vote?

The result was announced—yeas 61, nays 29, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—61

Baucus	Garn	Nelson
Belmon	Glenn	Nunn
Bentsen	Gravel	Packwood
Biden	Hart	Percy
Boren	Hayakawa	Proxmire
Bradley	Heflin	Pryor
Bumpers	Hollings	Randolph
Burdick	Huddleston	Ribicoff
Byrd,	Jackson	Riegle
Harry F., Jr.	Javits	Sarbanes
Byrd, Robert C.	Johnston	Sasser
Cannon	Kennedy	Stennis
Chiles	Leahy	Stevenson
Church	Levin	Stewart
Cranston	Long	Stone
Culver	Matsunaga	Talmadge
DeConcini	Melcher	Tsongas
Durkin	Metzenbaum	Weicker
Eagleton	Morgan	Williams
Exon	Moynihan	Zorinsky
Ford	Muskie	

NAYS—29

Armstrong	Goldwater	Schweiker
Baker	Heinz	Simpson
Boschwitz	Helms	Stafford
Chafee	Humphrey	Stevens
Cochran	Kassebaum	Thurmond
Cohen	Lugar	Tower
Danforth	McClure	Wallop
Dole	Pressler	Warner
Domenici	Roth	Young
Durenberger	Schmitt	

NOT VOTING—10

Bayh	Jepsen	McGovern
Hatch	Laxalt	Pell
Hatfield	Magnuson	
Inouye	Mathias	

So the motion to lay on the table UP amendment No. 519 was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

UP AMENDMENT NO. 521

Mr. BUMPERS. Mr. President, I have an amendment at the desk which I ask be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment numbered 521:

On page 11, strike lines 9 through 16.

Mr. BUMPERS. Mr. President, this amendment strikes an amendment that I added to the appropriations bill dealing with the Postal Service during markup in the Appropriations Committee.

I did it because I was consistently hearing from my constituents who were telling me that personnel policies in the Postal Service, especially in the smaller post offices, were patently unfair.

What had been happening as a pattern, or seemed to be a pattern, was that outside postal employees who did not live in the community were being moved in to take vacancies as Postmasters in small communities.

This creates a lot of local opposition because, obviously, usually a clerk in a three- or four-person post office, the assistant postmaster or clerk, most of the time, is quite able to succeed the postmaster, yet time and time again they were going outside the area served by that post office and bringing other people in to take that vacancy.

So I added language to provide that none of the funds here could be used to pick a postmaster unless he was selected under a procedure that would provide a priority for otherwise qualified applicants who resided in the area.

Mr. President, I have had lengthy conversations with the Postmaster General, and he has satisfied me. As a matter of fact, he has satisfied me in writing that changes will be made, and they are imminent.

I would like to read the three or four really relevant paragraphs from his letter and then I will have it printed in the RECORD.

Also, the Senator from Kentucky (Mr. FORD) would like to comment on this problem.

In any event, the Postmaster General sent me this letter, and he states:

> In the smallest offices, numbering about 4,700, where there is no career postal employee other than the postmaster, vacancies will be advertised both within and outside of the service simultaneously. Since most of the time career postal employees are not interested in taking these low paying jobs, this should result in expeditious appointment of a local resident, frequently the person who was acting as temporary replacement for the postmaster during periods of absence such as leave or illness.

He goes ahead and says that he is going to try to rectify this in post offices, the very smallest offices, of which there are 4,700, in the next size offices, of which there are 7,000, and in the next size, which is 12,000. That is a total of 23,700 post offices. All but 6,400 post offices will have personnel policies applied to them essentially in keeping and commensurate with the amendment I offered in committee.

Mr. President, I ask unanimous consent that the Postmaster General's letter to me be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE POSTMASTER GENERAL,
Washington, D.C., September 5, 1979.

Hon. DALE BUMPERS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BUMPERS: Confirming our discussion, following is a summary of postmaster selection procedures which will become effective within the next week.

In the smallest offices, numbering about 4,700, where there is no career postal employee other than the postmaster, vacancies will be advertised both within and outside of the service simultaneously. Since most of the time career postal employees are not interested in taking these low paying jobs, this should result in expeditious appointment of a local resident, frequently the person who was acting as temporary replacement for the postmaster during periods of absence such as leave or illness.

In the next sized offices which usually have a postmaster, a career part-time clerk, and perhaps a rural carrier, a non-competitive appointment will be made of one of these career employees, provided he is qualified and resides within the limits of delivery from the office where the vacancy exists. There are about 7,000 such offices.

In the rest of the rural offices which may have more than one career clerk and perhaps two or more rural carriers, the higher level supervisory responsibility of the postmaster requires that we consider candidates from outside the office as well as those who work there. The best qualified candidate will be selected and the rules require that a qualified employee from within the office must be appointed if judged to be equal or better qualified than other candidates. There are about 12,000 such offices.

In the remaining 6,400 larger post offices, because of the need for superior management skills on the part of the postmaster, I need the flexibility to choose new postmasters from anywhere in the postal service. In all cases, however, qualified candidates from within the office will have the opportunity to appear before the selection board without being subject to prenomination screening out.

The 290 very largest offices, where the postmaster also has an area management responsibility of considerable significance, we have designated as Sectional Centers and classified the Sectional Center Manager/Postmaster's position in the Postal Career Executive Service (our version of the Senior Executive Service). These appointments are made by me after careful management review and are not open to competition as are the others.

Finally, I have added a requirement that in all cases where a newly appointed postmaster does not reside in the area of delivery for his office, he must move there within one year of appointment. Exceptions to this rule can be made only by my personal approval, and I will not delegate this responsibility. It is my firm belief that the concerns you have are properly solved by the administrative process described above and that further legislation on the matter is not required.

Sincerely,

WILLIAM F. BOLGER.

Mr. BUMPERS. I say further, Mr. President, that, of course, my amendment will strike the language I put in there to accomplish almost exactly what the Postmaster General says they will do administratively, and the amendment is to strike that language.

I think the distinguished floor manager and the subcommittee chairman are willing to accept the amendment. But before voting on it, I would like to yield to my distinguished colleague from Kentucky (Mr. FORD).

Mr. FORD. I thank my colleague from Arkansas.

Mr. President, the amendment presented by the Senator from Arkansas included the total spectrum of the postmasters. My amendment to his amendment would have limited that provision to postmaster grades Executive Administrative Schedule–E or lower.

I think it was a proper amendment. I discussed it with the senior Senator from Arkansas and he agreed that my amendment was a good one.

Since he will not be pursuing his amendment, my amendment to his amendment would not serve any purpose.

I wanted to make the record clear that I would have introduced that amendment in order to give priority to applicants who rise in the area served by the smaller post offices.

I compliment the Senator for his diligence in this effort. Through his discussions with the Postmaster General, he seems to have gained administratively what the amendment was intended to do.

It seems ironic to me that we have to go to a point such as this to get the attention of the agencies around the Federal Government.

Again, I compliment him for what he is accomplishing and support him in this endeavor.

Mr. BUMPERS. I thank the Senator.

Mr. President, I move the adoption of the amendment.

Mr. RANDOLPH addressed the Chair.

Mr. BUMPERS. Mr. President, I yield to my distinguished colleague from West Virginia (Mr. RANDOLPH).

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am grateful for my colleague from Arkansas yielding to me.

It is in the nature of a compliment to him because of the work he has done in this area.

In the State of West Virginia we have approximately 1,000 Postmasters. We are a State——

Mr. BUMPERS. Mr. President, the Senator from West Virginia is trying to pay me a compliment and I can hardly hear him. I want to hear every word of it.

The PRESIDING OFFICER. Will the Senate please be in order? The Chair would like to ask that the Senators please take their seats so we can have order in the Senate.

With my apologies to the Senator from West Virginia, I recognize him once again.

Mr. RANDOLPH. I thank the Chair.

I was saying that in the State of West Virginia we have approximately 1,000 postmasters. The majority of our offices are very small post offices. During my service on the Post Office and Civil Service Committee here in the Senate I gave much attention to, frankly, the plight of the small post offices.

I am asking a question now as well as complimenting my colleague because it was my feeling that the abrupt procedures within the Postal System of closing these smaller offices was an ill-adviseed action.

I believed that before an office could be closed, the patrons of that office would be given the opportunity, no matter how small the office, to express their feeling about whether the office could remain open, be closed, be served by rural carriers, or by a nearby post office.

The procedure that I have just described was enacted into law to provide the Postal Service better guidelines while at the same time giving people the opportunity to express themselves.

Has this procedure been addressed in connection with the modification of the amendment that the Senator BUMPERS—I think appropriately—offers to the pending measure?

Mr. BUMPERS. I say to the Senator from West Virginia that it does not address the problem of post office closings.

I will describe precisely what I was trying to get at.

It had become a common complaint from my constituents, especially in small communities, that the Postal Service was recruiting postal employees for postmaster vacancies from outside the area served by that post office, when there were perfectly competent and qualified people in the post office or in the communities.

My amendment, which I put in the Appropriations Committee, provided that they must hire the local people if their qualifications are equal to or better than those from outside the Service. It is that simple.

Mr. RANDOLPH. I understand your amendment. I have read it; I know its contents.

Mr. BUMPERS. Will the Senator restate the question?

Mr. RANDOLPH.. My comments on post offices have a close connection with postmaster appointments. That is why I talked of this related subject. However, because of the work he has done, because of the letter he has elicited from Postmaster General Bolger, because of the depth of the Senator's study and understanding of a situation needing review, I commend him. Senator BUMPERS . . . your legislative action does no damage to the career system in the appointment of postmasters. Is that correct?

Mr. BUMPERS. The Senator is absolutely correct.

Mr. RANDOLPH. The Senator is giving an opportunity to a person, when qualified, within the so-called local area of the post office, to seek the position of postmaster.

Mr. BUMPERS. The Senator is absolutely correct. It is just that simple. That is all I was trying to accomplish. I certainly was not trying to do damage to the rights of anybody, but simply to take care of a parochial interest where it did not do damage.

Mr. RANDOLPH. I think the parochial interest is understandable. Too often, we have gone afar to have someone come in to a community and take a position, when a person at the local level is perhaps more knowledgeable and more understanding of the job. Attitude which is very important, must also go with the aptitude to do the job. It is important to relate himself or herself to the public and to their problems—not always as the postmaster handling the mail, it also means helping people to answer those documents that come increasingly from the Federal Government, which people sometimes do not understand.

In other words, it is the helping hand of the postal worker at the local level that I think is the strength of our postal system.

Mr. CHILES. Mr. President, as I understand it, the Senator now is going to make his motion to strike.

Mr. BUMPERS. The amendment is to strike the amendment, and I am prepared to vote on it, if the manager is.

Mr. CHILES. Mr. President, I urge that we support the amendment.

The distinguished Senator from Arkansas, by his amendment, which he offered in the committee and which was accepted in the committee and was made a part of the original text, with which we are now dealing, has accomplished exactly what he set out to do. I compliment him for that.

Now the man who gave us right turns on red in 50 States of the Union and almost every place except Washington, D.C., has done it again. He has now given us back some local autonomy in the appointment of postmasters.

I think the action he is now taking, in shooting his own horse by his amendment to strike, is valid. His amendment now is not necessary.

It is sort of like a laxative of last resort, called Croton. It is said to do the work of dynamite, without quite the explosive force. I think his amendment has done the work of dynamite now, without the explosive force, if he moves to strike, and I support the motion.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor.

Mr. CHILES. We need a technical amendment simply to change one of the lines, and I move the technical amendment to the motion to strike.

The PRESIDING OFFICER. The request was made that the name of the Senator from West Virginia be added as a cosponsor. Without objection, it is so ordered.

Mr. CHILES. The technical amendment would be to strike lines 7 through 16.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Is all time yielded back?

Mr. BUMPERS. I yield back the remainder of my time. I did not realize we were under a time agreement.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment, as modified, was agreed to.

UP AMENDMENT NO. 522

Mr. JAVITS. Mr. President, I send to the desk an amendment on behalf of myself, Senator RIBICOFF, Senator HATFIELD, Senator WEICKER, Senator BAUCUS, Senator METZENBAUM, Senator TSONGAS, and Senator BRADLEY.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and others, proposes an unprinted amendment numbered 522:

On page 44, beginning with line 24, strike all through the end of the paragraph.

Mr. JAVITS. Mr. President, I understand this amendment has 2 hours for debate.

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Mr. President, I assure the Senate that I will do my utmost to abbreviate that time; but I do want the amendment to be understood clearly, and I hope that can be done in a shorter time than 2 hours.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CHILES. I think we might inform the Senate that this is the last amendment I know of on which there is a rollcall vote.

Mr. HELMS. I think there will be another.

Mr. CHILES. I take that back.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I emphasize, first, that the amendment is very serious. It affects the civil rights of citizens of the United States very materially.

The vote in the committee which allowed the amendment, which is a House amendment adopted on the floor of the House, to be incorporated in this bill was 12 to 11. I hope Members will listen carefully, because the amendment is important and resulted in a very close division in the committee.

Mr. President, the amendment we are seeking to strike proposes to deny to the Internal Revenue Service the opportunity to incorporate in what is tantamount to a regulation—that is, it is called a revenue procedure, but it is a regulation specifying how a private school may be denied tax exemption because it segregates against students as against the mandate of the Constitution of the United States.

The leading case on this subject is Green against Connally, affirmed by the Supreme Court in 1971, that tax exemption can be denied to such a school on that ground, and that this is the case even if it is a church-related school, on the ground that it is not dealing with or affecting religion; that it simply denies a privilege which can be denied.

Mr. President, there is a regulation on the books now relating to this subject. May I say, especially as the chairman of the Finance Committee is here—I do not know how he is going to vote, and it does not matter in respect of my point now to be made—that where you deal with such a profound, substantive question as this, affecting the separation of church and State, affecting the civil rights of Americans in a very serious way, it seems inconceivable to me that it would be done on an appropriations bill.

The Finance Committee, which would be the committee of jurisdiction in charge of a matter of this kind, should certainly have passed on it, let alone the Committee on Human Resources, which deals with education, or the Judiciary Committee, which deals with civil rights.

But here by a limitation on expenditures we have a specific regulation stricken down which the IRS wishes to promulgate and which we have a letter from the Secretary of the Treasury saying that they should promulgate and that he wants it promulgated, and they have been denied that opportunity by this rider on the appropriations bill.

Mr. President, I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., September 5, 1979.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, the Senate Appropriations Committee by a 12–10 vote added an amendment to the Treasury Appropriations bill prohibiting the Internal Revenue Service from implementing its proposed revenue procedure to review the tax-exempt status of private schools which are racially discriminatory.

The Treasury Department strongly opposes such an amendment. Our first objection is on the procedural ground of attaching such a provision to an appropriations measure without consideration from the Committees having jurisdiction over the substantive tax laws. The Oversight Subcommittee of the House Ways and Means Committee and the Subcommittee on Taxation and Debt Management of the Senate Finance Committee have each held hearings on the proposed procedure and have taken no action on the proposal to date.

The Internal Revenue Service has an obligation under existing law to deny tax-exempt status to racially discriminatory private schools. Its proposed procedures are uniform guidelines for IRS to follow in reviewing racial discrimination. These guidelines have been the subject of thorough hearing and review and have been substantially modified to take into account the comments made during the review process. A clear indication of the need for new guidelines is the fact that a number of private schools retain their tax exemption even though they have been held by Federal courts to be racially discriminatory under standards consistent with those proposed in the procedure.

The proposed IRS procedures have been the subject of substantial misinterpretation, distortion, and misinformation. These distortions must be cleared up.

First, the requirement that private schools be operated in a racially nondiscriminatory manner to be eligible for Federal tax-exempt status has been required by the Federal courts for a number of years.

Second, the IRS procedure is applicable only to a limited class of private elementary and secondary schools—those which have already been held by a court or appropriate agency to be racially discriminatory, and those which are classified as "reviewable" under the procedure. A "reviewable" school is one which was founded or substantially expanded at the time of public school desegregation, whose founding or expansion was related in fact to such public school desegregation, and which has insignificant minority enrollment. Schools which do not fall into these fact patterns are not subject to further review under the proposal. Schools of this type have been the subject of special scrutiny in Federal courts.

Third, the IRS procedure does not require schools to meet racial quotas or to grant preferences to minorities in hiring or admissions.

Fourth, the proposal does not presume schools to be discriminatory until proven innocent since the schools affected by the proposal would be reviewed in accordance with their overall facts and circumstances. Such overall considerations include special circumstances which limit the schools ability to attract minorities such as an emphasis on special programs or curricula which by their nature are of interest only to identifiable groups which are not composed of minority students.

Finally, the IRS is not usurping Congressional power. It is simply digesting applicable Federal law into a uniform procedure for the guidance of agents in the field.

The Treasury Department recognizes the need for procedures which provide an effective method for reviewing the tax-exempt status of private schools which in fact discriminate while at the same time protecting the rights of the vast majority of schools which do not discriminate. The proposed procedures strike this careful balance.

Sincerely,

G. WILLIAM MILLER.

Mr. JAVITS. Mr. President, this matter of a so-called Freedom Academy was decided in the Green case. This was in a section of the country, which is an interesting anomaly, that both deeply resented the desegregation activities of the United States in respect of the public schools and at the same time was the most active in complying with them. The record on the whole has been better in terms of compliance there than it has been in the North and the West because we had very very much less of that to begin with. But nonetheless that is the case.

Yet you have the strange anomaly in which the States and the people who lived in those States went to these extremes of organizing public schools outside the confines of a public school system in order to avoid the decision of the Supreme Court in Brown against the Board of Education.

Mr. President, that is their privilege. But the question is should they have tax exemption? Should the United States put itself out in order to reward the practice? And this, it seems to me, borders on the immoral. Yet that is the purport of this particular amendment which we are seeking to strike, and that is why I felt it my duty to undertake it.

Mr. President, the Internal Revenue Service in connection with the procedure which is on the books now has allowed schools to operate and to get tax exemption, notwithstanding the courts in specific cases have said that they discriminate against students on the grounds of color. The reason is that the IRS had a revenue procedure that stated that the surface indication that the school published the fact that it was not discriminating was sufficient. So long as they publish it, the IRS assumed that they were not discriminating and allowed them the tax exemption.

It is only in specific cases in which a major Federal case was made, as in this Green case to which I have referred, that any effort was made to cancel the tax exemption of such schools; and as compared with the thousands that are involved, about 100 schools suffered the penalty of what should be the law in this matter because they discriminated.

As I said, 7 years after the IRS was directed by court order to stop granting tax exemption to these discriminating schools, we now have an effort by the IRS to promulgate a series of specific regulations which would deal in a pinpointed way with this situation; and now this effort to inhibit the IRS from doing that at all.

It is very important to note the procedure which the IRS has adopted, because I think that is an important factor in what we are discussing.

The procedure in the first place applies to two types of schools. One are schools which were adjudicated as discriminating by the courts, et cetera, and the other type are the so-called reviewable schools where there is little or no minority enrollment and which under the circumstances in the particular case, and it is a case-by-case proposition, were found to be formed or substantially expanded at the time of public school desegregation.

In those cases, the IRS had adopted, if we let them adopt it, a specified procedure by which those cases may be determined, and the specified procedure is as follows:

First, there is no mechanical test. That was the defect in a previous effort to promulgate new regulations. There is now no mechanical test. But the question is based upon the facts and circumstances in each case on a case-by-case basis. Does it or does it not discriminate?

However, the burden, as in all taxpayer cases, is placed on the taxpayer, and that is the big thing that is accomplished by this particular proposed regulation.

Second, the regulation clarifies the standard of whether there is "significant minority enrollment" by expressly treating those which have enrollment of 20 percent of the percentage of minority in the community. In other words, if there is a 50-percent population of minorities in that area then 10 percent of the enrollment of minorities would exclude that school from any question whatever. It would have tax exemption. But if it does not have that, then nonetheless the school may show that it still does not discriminate, but then the burden is again upon the taxpayer to show that.

Lastly, where a private school has been expanded in connection with the time frame and incidence of public school desegregation in the area, then naturally again the burden will be on the taxpayer. But the mere fact that the expansion occurred does not ipso facto or automatically make that school reviewable. It still depends upon the facts and circumstances.

A whole host of agencies and organizations have approved the effort to sharpen this rule in the way which I have described, and I think it is very important that these particular organizations be named here. They include the Attorney General.

Mr. President, I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C. September 4, 1979.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: On July 16, 1979 the Senate Appropriations Committee approved H.R. 4393 which included appropriations for the Department of the Treasury. By a close division of the Committee, the bill, as approved, contained two provisions which the House had adopted in H.R. 4393 on amendments proposed by Congressman Dornan. One of those amendments provides:

"None of the funds available under this Act may be used to carry out proposed revenue procedure 4830–01–M of the Internal Revenue Service entitled 'Proposed Revenue Procedure on Private Tax-Exempt Schools' (44 F.R. 9451 through 9455, February 13, 1979, F.R. Document 79–4801), and proposed revenue procedure 4830–01 of the Internal Revenue Service entitled 'Proposed Revenue Procedure on Private Tax-Exempt Schools' (43 F.R. 37296 through 37298, August 22, 1978, F.R. Document 78–23515), or parts thereof."

The other amendment purports to prohibit the Internal Revenue Service from using the appropriations funds to implement any revenue ruling concerning private schools operated by religious organizations.

It is my understanding that the appropriations bill is scheduled for consideration by the Senate on September 5, 1979. I also understand that there may be an attempt on the floor of the Senate to amend the appropriations bill reported from Committee to add an amendment offered by Representative Ashbrook which the House added to H.R. 4393.

The Ashbrook amendment provides:

"None of the funds made available pursuant to the provisions of this Act shall be used to formulate or carry out any rule, policy, procedure, guideline, regulation, standard or measure which would cause the loss of tax-exempt status to private, religious or church-operated schools under Section 501(c)(3) of the Internal Revenue Code of 1954 unless in effect prior to August 22, 1978."

By a letter of July 20, 1979 from James P. Turner, Deputy Assistant Attorney General, Civil Rights Division, we informed you of this Department's strong opposition to the above amendments. I am writing this letter to request that you support on the Senate floor elimination of the above Dornan amendments and that you oppose any efforts to add the Ashbrook amendment to the bill reported from the Committee.

In his letter to you, Deputy Assistant Attorney General Turner set out our reasons for opposing the above amendments to H.R. 4393 because of the support they would provide for private racially discriminatory schools. As you know, there is a serious question of whether it is constitutionally proper for the Federal Government to confer tax-exempt status on private institutions that discriminate on the basis of race. Insofar as these amendments might be intended to bar the Executive Branch from ascertaining whether constitutional violations have occurred and from exercising enforcement discretion with respect to those cases, we believe they intrude upon the President's duty under Article II of the Constitution to see that the laws are faithfully executed. Moreover, if the intent of the amendments is simply to prevent the Executive Branch from enforcing a substantive law which Congress has previously enacted, we think they offend the sound principle—grounded in the notion of separation of powers—that it is the function of this Branch to carry out the laws enacted by Congress. Unless we are to be disabled from performing that function, Congress must not deprive this Branch of the necessary tools.

We would appreciate any efforts you could make to prevent the Dornan and Ashbrook amendments from being included as part of the appropriations bill for the Department of the Treasury. Please do not hesitate to contact us if we can be of assistance on the matter.

Sincerely,

BENJAMIN R. CIVILETTI,
Attorney General.

Mr. JAVITS. The Attorney General opposes this amendment which we are seeking to delete and is for our position.

Similarly, the Secretary of the Treasury—and his letter has already gone in the RECORD; the American Civil Liberties Union; the League of Women Voters; and a joint letter from the National Urban League, National Urban Coalition, ACLU, the Washington Bureau of the NAACP, and the National Association of Social Workers. Stanley McFarland, Director of Government Relations for the National Education Association has asked that his organization be associated with this joint letter.

I ask unanimous consent that all of these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN CIVIL LIBERTIES UNION,
Washington Office, August 31, 1979.

DEAR SENATOR: The Treasury Department Appropriations bill (H.R. 4393) will be considered on the Senate floor on Wednesday, September 6. This bill contains two amendments, added during House floor consideration, which present serious constitutional issues. On behalf of the American Civil Liberties Union, we write to urge you to vote to delete the so-called "Dornan" amendments from the Treasury Appropriations bill.

The Dornan amendments are aimed at two actions of the IRS—a revenue ruling concerning charitable deductions ("Dornan I") and proposed revenue procedures for reviewing the tax-exempt status of private schools ("Dornan II"). In each situation, the IRS acted to enforce tax laws based on existing law and accepted precedent. The Dornan amendments would impede legitimate IRS enforcement efforts and hinder IRS from fulfilling its constitutional and statutory mandates.

The Dornan I amendment reverses a revenue ruling of the IRS which limits a parent's charitable deduction for contributions which are actually used to finance a child's education at church-operated schools. The IRS had ruled that parents are entitled to deduct only that amount which exceeds the fair market value of their children's schooling. Additionally, the broad language of this amendment means that a religious organization can claim any activity is "educational"—including business activities or lobbying which are not entitled to exemptions—and IRS cannot rule otherwise. The amendment is also objectionable on constitutional grounds. Allowing parents to deduct contributions which are actually used to finance their child's education effectively creates a subsidy for religious education in violation of the establishment clause of the First Amendment. Finally, the amendment impedes constitutionally mandated school desegregation by offering indirect encouragement to the flight from public schools to private institutions.

The Dornan II amendment prohibits IRS from implementing meaningful review proce-

dures for determining the tax exempt status of private schools. Currently the IRS presumes a private school to be racially nondiscriminatory if it merely states in writing that it does not discriminate. This procedure has allowed white-flight schools, even those found by courts to be racially discriminatory, to receive the benefits of tax-exempt status—effective receipt of a federal subsidy for segregation. IRS first proposed regulations barring tax exempt status for segregation academies in August 1978. These regulations met with a storm of protest from organized private schools and some religious schools who argued that the minority enrollment guidelines would be applied inflexibly to schools for which desegregation was irrelevant. In February 1979, IRS revised its regulations which made clear that the target is the "segregation academy." The February regulations:

Apply only when the private school was formed or expanded during a period of public school desegregation;

Contain "special circumstances" exceptions made for religious schools.

The new regulations make clear that the only target is the segregation academy.

Maintaining the Dornan amendments in the Treasury Appropriations bill would be a major blow to civil rights. We urge you to vote to delete these damaging amendments.

Sincerely,

JOHN H. F. SHATTUCK,
Director.

KAREN CHRISTENSEN,
Legislative Counsel.

MEMORANDUM

AUGUST 30, 1979.

To: Members of the United States Senate.

From: Ruth J. Hinerfeld, President; Nancy Neuman, Action Chair; Dot Ridings, Human Resources Coordinator.

Re: Anti-Civil Rights Amendments to the Treasury Appropriations Bill.

Immediately upon reconvening after Labor Day, the Senate is scheduled to consider HR 4393, the Treasury and Postal Service Appropriations Act. Two amendments to this bill were added in the House which we view as pernicious anti-civil-rights amendments. The League of Women Voters of the United States is opposed to these amendments and urges that they be struck from the bill.

The first amendment would preclude the IRS from executing the law of the land in the area of civil rights in education. This amendment, Sec. 614 of the bill, is referred to as the Dornan segregation academy rider. The amendment strikes at a procedure proposed by the IRS to review the tax exempt status of private schools which appear to be discriminatory. The League and other civil rights groups have long urged the IRS to develop procedures that would bring its policy in line with federal court decisions which declare discriminatory private schools ineligible for tax exemptions and state that schools formed or substantially expanded at the time of public school desegregation, and having little or no minority enrollment, bear the burden of proving that they do not discriminate on the basis of race. The proposal by the IRS currently under attack by the Dornan rider does set forth procedures to address discriminatory admissions policies and tax exemptions for private schools. And, it does so in a manner that is exceedingly sensitive to those institutions of religious affiliation with legitimate reasons for low or no minority enrollment. The League therefore can see no motive, other than veiled racism, for supporting this rider to the bill. We urge you to strike it.

The second amendment, Sec. 613 of the bill, is also a Dornan rider. The intent of this amendment is to reverse a previous IRS ruling which limits the deductible portion of a contribution to a church school made by a parent of a student at the school to that which is in excess of the fair market value of the child's education. The amendment, then, would allow tuition for religious schools to be deducted as charitable contributions. We question the amendment's constitutionality, for it in effect creates a subsidy for religious education in violation of the Establishment Clause of the First Amendment.

Furthermore, we view this amendment as nothing less than a tuition tax credit rider for those parents with children in religious schools. The League opposed legislation in the last session of Congress which would have allowed tuition tax credits for elementary and secondary private schools. The League is especially concerned about the impact of tuition tax credits on school districts which are currently implementing desegregation plans. We believe that such legislation would provide an incentive for the expansion of non-public schools in desegregated areas to the detriment of a strong public education system. We oppose this amendment, Sec. 613, and urge you to vote to strike it as well.

NATIONAL URBAN LEAGUE, INC.,
Washington, D.C., August 28, 1979.

DEAR SENATOR: Once again an issue challenging bedrock civil rights principles is before the Senate.

You will shortly be asked to vote on H.R. 4393, the Treasury and Postal Service Appropriations Act. Section 614 of the bill is the Dornan segregation academy rider, added by the House.

The Dornan segregation academy rider would bar funds for IRS civil rights enforcement and would stymie the first serious attempts by the IRS to enforce the law precluding tax exemptions for private schools which practice racial discrimination—the "segregation academies." These academies perpetuate dual school systems in areas of desegregating public schools, thereby undermining orders of the federal courts. Equally dangerous, they cause a serious erosion of interest in—and support for—the public school system. Taxpayer support for these academies is an outrage!

The federal courts have specifically held that the IRS may not grant public subsidies for segregation academies by permitting them to be tax exempt and to receive tax deductible gifts, and has ordered the IRS to revoke the academies' exemptions.

Today, eight years later, the IRS still permits segregation academies specifically found discriminatory by federal courts to hold federal tax exempt status!

The IRS, under pressure from law suits and at last recognizing its responsibility, in August 1978, promulgated the Revenue Procedures listed in the Dornan segregation academy amendment. The proposal did not create a new law. Rather it was designed to advise affected schools and the public of improved enforcement procedures and of IRS intent to focus enforcement efforts on schools which were created or significantly expanded in the wake of public school desegregation. In response to strong protest and extensive public comment, the IRS published a modified proposed revenue procedure in February 1979. Neutral commentators described the modified version as fair, reasonable, and responsive to the comments of affected schools. Innocent schools will not lose exemptions under the modified Revenue Procedure. Only segregation academies have anything to fear. Mere paper compliance by segregation academies will no longer be sufficient for tax exempt status.

The Dornan segregation academy amendment would preclude effective law enforcement by the IRS. Its passage would be a blow to civil rights and would permit continued taxpayer support for segregation. We urge you to strike this harmful language from the Treasury Appropriations bill.

Mr. JAVITS. Mr. President, one of the problems presented by this amendment is the question of religious schools. As I said before, the fact that it is a religious school does not necessarily mean that in the pursuit of being a school it is entitled to tax exemption.

Indeed, in a well-known case, the case of Goldsborough Christian Schools, the Court held that denying tax exemptions does not violate the separation of church and state. The Court said:

There is a legitimate secular purpose for denying tax exempt status to schools maintaining a racially discriminatory admissions policy.

Indeed, in the leading case, the Green case, to which I referred, the Court also rejected the claim of violation of church and state separation, saying:

Freedom from governmental "regimentation or interference."

The Court's definition in leading cases respecting separation of church and state—and I will read it again:

Freedom from governmental "regimentation or interference" is not to be equated with the right to support.

And tax exemption is support. So the courts have properly made that distinction.

Now, Mr. President, it is claimed by the opponents of my amendment to strike that the IRS is treating private schools unfairly by placing the burden of proof on them to show that they qualify for tax exemption.

I submit that this is only the way in which the tax law is generally enforced. Any taxpayer claiming tax exemption or a tax deduction must prove that that taxpayer meets the qualifications, and so private schools must demonstrate that they qualify for tax exemption just like trade associations, labor unions, or social clubs, again with the same rights of appeal to the courts as any other organization seeking to obtain or to maintain tax-exempt status.

Now, Mr. President, in addition to the support which this amendment of mine—this is an effort to strike the amendment in the bill—has received from the list of organizations to which I have referred, it has also been supported by leading exponents of religion who believe in religious schools. Here is a quote from William H. Elder, Director of Christian Citizenship Development for the Christian Life Commission of the 13 million members of the Southern Baptist Convention. He writes as follows:

because we support the nondiscriminatory thrust of the law of the land, because we believe that the IRS has acted responsibly in the criteria selected for demonstrating nondiscriminatory status and because after having examined the arguments and oppositions to the proposed procedure, we have found them to be flawed.

They in effect come out against this provision which is in the bill.

Also the chairmen of two American Bar Association Committees, one, the chairman of the Committee on Exempt Organizations, and the other the chairman of the Section on Taxation, support the IRS in this matter, as do the Committees on Taxation, and on Civil

Rights, of the Association of the Bar of the city of New York.

I have already pointed out that the Attorney General, the Secretary of the Treasury, and many other distinguished organizations take the same position.

Mr. President, if this rider to the appropriations bill is not stricken on my motion, and that of my colleagues who have joined with me, the IRS will be required to enforce the law against tax exemption for racially discriminatory private schools. Without any defined procedure to guide either the IRS or the schools, and without adequate enforcement procedure, these segregated academies will continue to flourish with taxpayer assistance, thus perpetuating the threat to the vitality of the public schools that have been the backbone of the American educational system. We have already seen, as I said, that under the existing practice these schools continue to flourish by the thousands, continue routinely to get tax exemption to which under law or morality they are not entitled.

We must not take away the tools of the IRS to enforce the law.

Mr. President, we have had many opportunities to act on civil rights in a moral sense, and I know of few more justified than this one, and I hope very much the Senate will vote "aye" on my proposal and strike this amendment.

Mr. MOYNIHAN. Mr. President, I thank the Chair and I would like to rise to state that once again I will be voting for a proposal put forward by my revered senior colleague who, I think, is acting with prudence and responsibility in this matter.

Mr. President, the point which my senior colleague made that this is a matter that ought properly to be resolved in the course of the oversight responsibility of the Committee on Finance seems to me to be unassailable and, indeed, we have discussed this matter in the committee.

It is not a matter to be resolved by an emotional proposal on the floor of the House of Representatives or, for that matter, on the floor of the U.S. Senate, absent inquiry, absent data, absent the due process that we associate with hearings. So I will most assuredly support my senior colleague.

At the same time, I would like to state, simply to be certain that we are balanced here, that the existence of a nongovernment school is not a suspicious circumstance. While it is entirely the case, as my senior colleague observed, that the public schools are the backbone of the American educational system, they are not its entirety.

The American educational system began with church-related schools. There were none other in the United States in the 18th century. For the first half of the 19th century there were almost none of them. In the Southern States of the Union there were no public schools until the second half of the 19th century.

The oldest schools in our country are church-related schools. They do not have to explain their existence. They have been there since the beginning of public education. Some of these schools are what we would call private in that they do not draw from a particular neighborhood, but persons are sent from homes in various places to them, and they are, I suppose, the oldest schools of their kind, having their origins in Europe.

But the neighborhood schools of America in my city of New York when they began, with public assistance; the State of New York set aside lands in the western part of the State, just as the Northwest Ordinance was done by the Congress in 1787, and then reaffirmed by the First Congress, lands to provide for public education, and these moneys went to the schools that were there, sponsored by churches in precisely the same way that public moneys go to hospitals sponsored by churches at this time.

Those schools, in place for almost two centuries, do not have to explain their existence as one which raises immediate questions as to their legitimacy. The Senate will know that I am one of those who feel that there has been of late a great deal of change, which a Federal judge, a judge of the Third Circuit Court, Judge Weiss, not 2 months ago described as "a regime of judicial hostility to nonpublic schools."

"Judicial hostility" is not my term; those are the words of a Federal circuit court judge. I would be very much disturbed if that judicial hostility should transfer to a form of administrative hostility. But I have no reason to think that would be the case.

The Internal Revenue Service, whose legitimacy and integrity I was speaking for earlier today, I will speak for again. I have every confidence that IRS will do this job well. And when they do so, they will proceed from the fact that the overwhelming majority of church-related schools are altogether beneficent and splendid public institutions, without which my city of New York would be bankrupt tomorrow, if the parochial schools of the Catholic Church were to close.

New York would lose one of its greatest educational resources if the Hebrew schools were to close. It would lose some of the cultural ornaments of the city if the Protestant schools were to close. Those schools, as I say, were there before the public schools, and the IRS should pay heed to the fact, and will do so. If it does not, we will be here to observe that it has not.

So in these circumstances, I would think that the proper course of action, once again, is to support the proposal of my senior colleague, and this gives me an opportunity to say, as I have said before, that this body would be bereaved without him.

Mr. JAVITS. Mr. President, let me sum it up in 1 minute by saying that I have fought for the parochial schools, and I will continue to do so, and to provide that their children will have the same opportunity as public school children; and in addition, that the revised procedures for dealing with either by the IRS will consider the special circumstances of any school, including, for example, curriculum which is geared to the makeup of that particular religious group, the drawing of its constituency from a designated geographic area where there may be no minorities, and the fact that the system traditionally—and that goes for practically every Catholic school—has been run on a nondiscriminatory basis.

So I would certainly join my colleague from New York in eternal vigilance in that regard, and I associate myself with the things he has said, and make it clear that that is the purport, the thrust of what I am arguing here today.

Mr. MOYNIHAN. Will the Senator yield?

Mr. JAVITS. Of course.

Mr. MOYNIHAN. I would particularly like to call attention to his remarks, because one of the unfortunate facts of recent years is that well-intentioned persons and organizations, I do not doubt, have nonetheless commenced to cast doubt upon the bona fides and legitimacy of schools that stand for just the very opposite of the things which are suggested about them. The parochial schools of the city of New York have the most extraordinary representation of all the groups in the city. They are neighborhood schools. They reflect the composition of their neighborhoods. It would be most unfortunate to see those aspersions—I will use that word—continue with respect to these schools. What the senior Senator from New York has said is right, right about his record and right about the record of these schools.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from North Carolina is in control of the time in opposition. The Chair recognizes the Senator from North Carolina.

Mr. SCHMITT. Mr. President, that is correct. I yield to the Senator from North Carolina.

Mr. HELMS. I thank the Chair and the distinguished Senator from New Mexico.

Mr. President, I have listened with great interest to my friends from New York, Mr. JAVITS and Mr. MOYNIHAN, and a thought occurred to me while they were speaking. I wonder if either of them has visited a Christian school affected by the amendment which they would strike.

Considering the frequent arrogance of the IRS in making unfounded charges of discrimination, I would be willing to wager that there is not one student named Moynihan in any of those Christian schools, nor one named Javits. So, per se, the IRS could say, "This school is discriminating against all of the Moynihans and all of the Javitses." That is absurd, of course, but I use it as an illustration.

I have visited countless private religious schools, and I have yet to hear race mentioned. Now, the people who have built these schools, the people who are sacrificing to maintain them and operate them, are interested in what they perceive to be better education for their children, period—not about race. For the IRS to step in and arbitrarily say, "Because you do not have *x* number of whatever race enrolled in this school, your tax exemption is eliminated," is tyranny. It

ought to be recognized as such. That is the question here.

Moreover, the IRS is making law, and has been making law, by its regulations. It is just as simple as that.

Let me tell you about some of these Christian schools, Mr. President. I speak with firsthand knowledge about those in North Carolina. For example, I went on a tour of one in the northeastern part of my State a year or so ago, and I remember a farmer who was so very proud of the facility which was being shown that afternoon. He looked at me, stretched out his calloused hands, and said, "Senator HELMS, I built this room with these hands. I laid every one of these cinderblocks, and I did it all because I wanted my young'un to have a better chance than I had."

Then he proceeded to say, "There are no fights in this school, and no drugs in this school, and if I wanted to sacrifice for my child to have this sort of education, I think I ought to be entitled to do it."

Yet the IRS says, "Oh, no, you are not going to have any tax exemption, because we are going to throw irrelevant racial arithmetic at you."

The IRS does not ask how many blacks have applied to this school. They just take note of the fact that there may be only one or there may be only five, or maybe none. Yet, Mr. President, every time one of these schools enrolls a student, it reduces the financial burden upon the taxpayers in the operation of the public schools.

Mr. President, since the IRS announced its policy to deny tax exempt status to private schools which allegedly operate on the basis of a policy of racial discrimination, it has done so without the legal authority of specific legislation. In a public statement made on January 9, 1978, IRS Commissioner Jerome Kurtz discussed the proposed regulations and admitted that the IRS has "almost no specific statutory guidance" in moving into this area.

Instead, the IRS has argued that private schools must be treated as charitable organizations and has applied to them the common law principle that a charity must not operate illegally or contrary to public policy. The IRS has then defined this broad public policy mandate in terms of Brown against Board of Education and Title VI of the Civil Rights Act of 1964.

In his testimony before the IRS public hearings on behalf of the National Committee for Amish Religious Freedom, the Association of Christian Schools International, Organized Christian Schools of North Carolina and the North Carolina Association of Christian Schools, Mr. William B. Ball took issue with this theory by the IRS. Mr. Ball observed:

> The guidance (the Commissioner) said, has been derived from Brown v. Board of Education, and "the broad national policy announced in the Civil Rights Act of 1964". The Proposed Revenue Procedure also cites Norwood v. Harrison and Green v. Connally. I wonder why. These citations are simply not relevant. What the IRS administrators have done here is to convert a thimble-full of assumed, but non-existent, statutory power into an ocean of regulation. The Proposed Revenue Procedure can only be described as "home made" law. If it is desired to impose such restrictions on churches, then IRS must go to the lawmaker, the Congress, and make candid and public plea there—be willing to face the arguments of the people in that forum.

Similarly, in his testimony before the House Ways and Means Oversight Subcommittee, Dr. Robert Lamborn, executive director of the Council for American Private Education, considered the IRS theory and stated:

> This view is not supported by the legislative history of the act and has been soundly criticized by commentators. CAPE would vigorously oppose resting the authority of the IRS for the revenue rulings prohibiting racial discrimination in private schools on Title VI. If accepted, it would follow that other federal statutes which apply conditions to direct recipients of federal aid would also apply to private schools, a position which CAPE believes is legally insupportable and indefensible as a matter of education policy.

Dr. Lamborn continued in his testimony to call upon Congress "to take the lead in setting fundamental policy in this 'important area'" and to "provide explicit authority for the IRS position while limiting the discretionary power of the IRS to change or expand 'public policy' applicable to tax-exempt private schools."

Another witness before the House Ways and Means Oversight Subcommittee, Dr. Mark I. Klein of the Northern California District of the American Jewish Congress, observed:

> There is no compromise possible with the Internal Revenue Service on this issue which does not place our community, and others like ours totally innocent of racial discrimination, in grave danger in the future. We have no reason to question the good faith and intent of the current government, but the painful lessons of history teach that the future is always uncertain. These regulations probably exceed the Constitutional limits of the government's administrative powers.

The theory put forth by the IRS to defend its proposed procedures represents a profound distortion of the administrative process. Administrative agencies, such as the IRS, operate by means of delegated power from Congress. They are creatures of Congress and receive their power to act only from specific statutes. It is fanciful to suggest that in the absence of specific statutory authority the IRS is empowered to act in tax matters on the basis of laws and court decisions dealing with public education. This distortion is compounded when an administrative agency seeks to regulate in an area affecting sensitive first amendment rights.

It is more than curious that 2 years ago the IRS itself argued in Federal court against many of the very same procedures it now proposes. At that time, the IRS maintained that the legality of such procedures is highly doubtful. The IRS admitted, for example, that a private school may have few minority students because of many factors other than discrimination.

That is so evident to anyone who has ever visited one of these schools. Let me reiterate. Of all of the visits that I have made to private Christian schools, I have never once heard race mentioned. They do mention their desire for their children to pray in school, which the Supreme Court apparently feels is a crime. They mention that they do not want their children educated in an atmosphere of violence, which prevails in so many public schools today. If you do not believe it, Mr. President, ask some of the teachers who spend more time trying to defend themselves than teaching.

They want their children educated in an atmosphere free of drugs. I have no difficulty understanding these things. Neither should this Senate.

Mr. METZENBAUM. Will the Senator from North Carolina yield for a question?

Mr. HELMS. Yes, gladly.

Mr. METZENBAUM. I have listened attentively to the Senator from North Carolina discussing his visits to the Christian schools. He mentioned that he had never once heard the word race mentioned.

Mr. HELMS. Exactly.

Mr. METZENBAUM. Will the Senator from North Carolina be good enough to advise the Senator from Ohio as to the percentage of black students, if at all, he has encountered in these so-called Christian schools?

Mr. HELMS. Well, as I think I said, sure, such enrollment is small. But that does not prove discrimination. I think of one in Kinston where I delivered a commencement address earlier this year. I think there were only three or four. But there has been no instance of a black child whose application was declined.

Mr. METZENBAUM. Has my friend from North Carolina inquired into that subject so that he speaks from knowledge? In other words, has he inquired of the schools as to whether there have been any black children who have been declined admission?

Mr. HELMS. I will say to the Senator that I know the people who are running these schools. I know their attitude, I know their character, and I know the way they feel about things. I do not need to investigate the schools.

I will ask the Senator if he has. Has he investigated one Christian school? Has he ever visited one?

Mr. METZENBAUM. No, I have not.

Mr. HELMS. But the Senator is willing to impose restrictions upon these schools.

Mr. METZENBAUM. No, I would not do that at all. I think I would only impose upon them their obligation, A, to be Christian in every sense of the word, and, B, to abide by the Constitution.

Mr. HELMS. Does the Senator have any evidence they are not doing it?

Mr. METZENBAUM. I would say that I think it is a pretty well-accepted fact.

Mr. HELMS. By whom?

Mr. METZENBAUM. By the general community that many of these schools have been set up on the basis of providing a means to eliminate the integrated school requirements of our Constitution.

I think both the Senator from North Carolina and I could agree that that is the reality of the situation, that they were not set up to avoid drugs, they were not set up to avoid violence; they were set up to avoid the imposition or

the necessity of integration in accordance with the Constitution of the United States. The IRS, in this instance, is actually only implementing the law of the land. Now we are attempting, by legislation, to bar them from doing so.

Mr. HELMS. Does the Senator realize that he has made implicit charges which he cannot possibly support? He has just acknowledged that he has never visited one of these schools. I presume he has never talked with any of the people who operate them. I have.

Mr. METZENBAUM. I never visited the Soviet Union, and I do not know whether the Senator has. I certainly know of the repression and the problems and the lack of human rights aspects of that form of government. I do not think it is necessary for any of us to have visited a particular area to know what kind of government operation Idi Amin had in Uganda or the Soviets had.

Mr. HELMS. Mr. President, I am not going to yield any more if my friend from Ohio insists upon relating the people of North Carolina to Idi Amin——

Mr. METZENBAUM. I do not mean to do that.

Mr. HELMS. If he compares Idi Amin to the people of North Carolina, I would resent it and I am sure he does not intend to do that.

Mr. METZENBAUM. I certainly do not mean by any sense of the word to suggest any comparison with Idi Amin or the Soviet Union. I was only attempting to respond to the Senator from North Carolina as to whether this Senator had to have visited a place in order to know of the problem. That is the only reason. Otherwise, the comparison is entirely inappropriate, and I certainly would not, by any sense of the word, make that suggestion. I certainly had no intention of it.

Mr. HELMS. Very well. We have no problem. I appreciate the Senator's clarification.

IRS ACTION DISTORTS INTERNAL REVENUE CODE

Mr. President, the IRS has responded to the absence of specific statutory authority from Congress by constructing a theory which substantially distorts the legislative intent and clear meaning of section 501(c)(3) of the Internal Revenue Code. IRS asserts that for a private school to qualify for tax-exempt status under section 501(c)(3) it must be both a charitable and an educational organization. However, section 501(c)(3) lists the exempt purposes as being independent and separate. Nowhere in the statute can it be inferred that an organization seeking exemption must be both "charitable" as well as meet the requirements of one of the other listed purposes.

The enumeration of exempt purposes in section 501(c)(3) is plain and unambiguous. It states that organizations are exempt which are "organized exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes." By the rules of statutory construction, the word "or" must be read after each of the listed categories. This section is to be read to mean "religious OR charitable OR scientific OR educational."

Congress clearly did not intend that "religious" or "educational" purposes be included under or in addition to a requirement of a "charitable" purpose. If Congress had wanted to provide for the double test of charitable and one other listed purpose, it could have done so with language such as "organized and operated exclusively for charitable (including, religious, scientific, testing for public safety, literary, or educational) purposes." However, Congress did not use this statutory construction.

One important reason for rejecting such statutory language is the fact that it misstates the purpose of a religious organization. A church or a church-related school is not organized and operated exclusively or even substantially for charitable purposes. Such an organization is organized in the exercise of constitutionally protected rights of worship and religion which may or may not include works of charity. As the Supreme Court recognized in *Waltz* v. *Tax Commission*, 397 U.S. 664 (1970), the tax exemption of religious organizations does not depend upon their serving some pragmatic community purpose.

The general IRS regulations dealing with section 501(c)(3) state with equal clarity:

> (d) Exempt Purposes—(1) In general
>
> (i) An organization may be exempt as an organization described in section 501(c)(3) if it is organized and operated exclusively *for one* or more of the following purposes:
>
> (a) Religious,
> (b) Charitable,
> (c) Scientific,
> (d) Testing for public safety,
> (e) Literary,
> (f) Educational, or
> (g) Prevention of cruelty to children or animals.
>
> . . . (iii) *Since each of the purposes specified in subdivision (i) of this subparagraph is an exempt purpose in itself an organization may be exempt if organized and operated exclusively for any one or more of such purposes.* (emphasis supplied)
>
> 26 C.F.R. Sec. 1.501(c)(3)-1(d)(1), (2).

By basing its new revenue procedures on an interpretation of section 501(c)(3) which is unwarranted by its legislative history and its express terms, the IRS has overstepped its authority and usurped the authority of Congress. In *Manhattan General Equipment Co.* v. *Commissioner*, 297 U.S. 129 (1935), the Supreme Court clearly set the limits of an agency's power:

> The power of an administrative officer or board to administer a federal statute and to prescribe rules and regulations to that end is not the power to make law—for no such power can be delegated by Congress—but the power to adopt regulations to carry into effect the will of Congress as expressed by the statute. A regulation which does not do this, but operates to create a rule out of harmony with the statute, is a mere nullity.

As the Supreme Court later ruled, "this reasoning applies with even greater force to the Commissioner's rulings." *Dixon* v. *United States*, 387 U.S. 68 (1965). By seeking to alter the law in this proposed revenue procedure, the IRS has unconstitutionally attempted to seize a power reserved solely to Congress.

IRS ACTION DISTORTS COURT DECISIONS

The IRS relies upon *Norwood* v. *Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974) to support its contention that a private school can legally be denied a tax exempt status on the grounds of its racially discriminatory actions. However, the facts in Norwood differ from those involving the proposed IRS procedures in two substantial aspects.

First, unlike under the IRS procedure, the schools in Norwood were found to be operated in a racially discriminatory manner by a court. The Court did not propose, as the IRS has done, to look to a "safe harbor test" or revoke the presumption of innocence on the basis of when the school was organized. It formulated a simple and constitutional test. It stated:

> It is important to emphasize that the ultimate issue . . . is not whether black students are actually enrolled at the school, but whether their absence is because the school has restrictively denied their access; simply, does the school have a racially discriminatory admissions policy?

Second, the Government action involved in Norwood was not tax exemption, but a State financed textbook program. This is a fundamental difference in the two fact situations. The Supreme Court has, for example, struck down State textbook programs for church-related schools while upholding the constitutionality of tax exemption of churches. In a constitutional sense, a tax exemption is not a subsidy. The theory, now adopted by the IRS, that a tax exemption constitutes just such a tax benefit was argued before the Supreme Court in *Waltz* v. *Tax Commissioner*, 397 U.S. 664 (1970) and was rejected. In his concurring opinion, Mr. Justice Brennan stated:

> Tax exemptions and general subsidies, . . . are qualitatively different. Though both provide economic assistance, they do so in fundamentally different ways. A subsidy involves the direct transfer of public monies to the subsidized enterprise and uses resources exacted from taxpayers as a whole. An exemption, on the other hand, involves no such transfer. It assists the exempted enterprise only passively, by relieving a privately funded venture of the burden of paying taxes . . . Tax exemptions, accordingly, constitute mere passive state involvement with religion and not the affirmative involvement characteristic of outright governmental subsidy.

It is interesting to note that in Norwood, the Court found two schools which had no minority students, but which had a nondiscriminatory admissions policy could not be forced to withdraw from the textbook program. This decision does not stand for the principle, as the IRS asserts, that a private school must undertake an affirmative action program to obtain minority students in order to convince Government officials that it does not have a racially discriminatory policy.

The IRS relies upon the decision of two Federal courts which have denied tax exempt status to organizations which maintain a policy of racial discrimination. *Green* v. *Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *Goldsboro Christian Schools, Inc.* v. *United States*, 436 F. Supp. 1314 (E.D.N.C. 1977). While these courts refused to accept the contention of the IRS that in enacting section 501(c)(3), Congress intended organizations to qualify under the common law of charitable trusts, they nonetheless terminated the schools' tax exemption on

the basis that their activities violated Federal policy.

In coming to a decision in the Green and Goldsboro cases, the courts improperly extended the decision of the Supreme Court in *Tank Truck Rentals* v. *Commissioner*, 356 U.S. 30 (1958). First, the decision in Tank Truck concerned the legality of a taxpayer's deductions, not the tax exempt status of a private organization. Second, the taxpayer's conduct in Tank Truck involved violations of State law, not an ambiguous public policy as defined by the IRS.

The Tank Truck case involved a trucking company which encouraged its drivers to exceed speed limits in order to provide customers with faster service. The company would pay its employees' speeding tickets and then deduct the amount from its corporate income tax. The Supreme Court found that allowing this deduction would directly encourage violations of State law by lessening the penalty of the fine. In its opinion the Court outlined the test to be applied in these situations:

> This is not to say that the rule as to frustration of sharply defined national or state policies is to be viewed or applied in any absolute sense. *"It has never been thought . . . that the mere fact that an expenditure bears a remote relation to an illegal act makes it nondeductible."* Although each case must turn on its own facts, *the test of nondeductibility always is the severity and immediacy of the frustration resulting from allowance of the deduction.*

The IRS proposed procedure fails to meet the Court's test of "immediacy" as outlined in Tank Truck. The facts of that case revealed a direct cause and effect relationship between the encouragement of illegal conduct by reducing the sting of the penalty mandated by State law. However, in regard to private schools, the mere fact of tax exemption does not encourage the school to adopt a policy of racial discrimination. If the IRS can ignore the Supreme Court's rule that there is to be a cause and effect relationship between the deduction or exemption, then why not deny all such tax treatment to any taxpayer who violates any law?

IRS ACTION IGNORES RELIGIOUS NATURE OF SCHOOLS

The religious schools affected by the proposed procedures select their teachers, staff and students on the basis of their religious commitment. As the Supreme Court held in Lemon these religious schools are "integral parts of the religious mission" of the churches and religious organizations which operate them. Many parents sincerely believe it is a religious necessity and a duty in conscience to have their children enrolled in religious elementary and secondary schools, as found by the Supreme Court in Yoder. These schools seek out teachers and staff who totally agree with the moral and faith standards of the church or religious community appointing them.

Often these teachers in church-related schools are considered ministers or board members of the affiliated churches. These strict standards are maintained because the religious faith of these communities is encouraged among students not only by instruction, but by the very presence of teachers who exhibit and display firm religious beliefs and moral conduct. It makes a mockery of the constitutional doctrine prohibiting the entanglement of the Government in religious matters, for an agency of the Federal Government to insist upon setting hiring and admission rules which substantially affect the religious mission of these schools.

In its decisions affecting church-related schools, the Supreme Court has found that the activity and purpose of these schools is essentially religious in nature. For example, in *Meek* v. *Pittinger*, 421 U.S. 349 (1975) the Court stated:

> The very purpose of many of those schools is to provide an integrated secular and religious education; the teaching process is, to a large extent, devoted to the inculcation of religious values and belief.

It strains the bounds of logic to assert that these schools change from essentially religious to essentially secular depending upon the Government interest to be served.

The misunderstanding by the IRS of the essential nature of religious and church-related schools manifests itself throughout the proposed revenue procedures. For example, the IRS proposal creates a new obligation on the part of these schools to the community in which they reside. While this obligation may be consistent with the IRS theory which regards such schools as charitable organizations, it is not consistent with the religious purpose and operation of the schools themselves.

As William Ball pointed out, the term "community" as used in the proposed revenue procedure "bears no rational relationship whatever to the religious necessities" of the religious schools affected by the proposal. The obligation of religious schools is clearly to a geographical community. But unlike public schools which serve a geographical region, church-related schools serve their own faith communities. The error of the IRS proposal, Mr. Ball continued, "is that it attempts to force the schools of the faith communities to be related to population patterns of public school districts." The affirmative action quota burden imposed upon religious schools is determined by the racial make-up and desegregation problems of the public schools in their area without reference to the needs and resources of their own religious communities.

IRS ACTION VIOLATES ESTABLISHMENT CLAUSE OF FIRST AMENDMENT

Conflict with the establishment clause of the first amendment is the unavoidable result of the IRS proposal. All religious organizations, under the IRS theory, could be denied tax exemptions unless the IRS has judged the organization's purposes and practices to be in line with expressed Federal policy. According to IRS, only religious organizations, whose purposes and practices are in harmony with those of the Federal Government, will be granted an exemption. To preserve its tax exemption, a church, or other religious organization such as a religious school, would have to make sure it stayed in step with Federal public policy.

In *Tilton* v. *Richardson*, 403 U.S. 672 (1971), the Supreme Court stated its well-known test for determining if a statute contravenes the establishment clause:

> First, does the act reflect a secular legislative purpose? Second, is the primary effect of the act to advance or inhibit religion? Third, does the administration of the act foster an excessive entanglement with religion?

Regardless of the stated purpose of the IRS procedures, a primary effect will be the inhibition of those religious organizations whose policies are not consistent with national policy as declared by the IRS and the advancement of those religious groups that conform with Federal public policy.

The Supreme Court in *Walz* v. *Tax Commission of the City of New York*, 397 U.S. 664 (1970), determined that the granting of property tax exemptions equally to all churches did not violate the establishment clause of the first amendment. But, instead of all religious organizations being treated equally, as was the case in Walz, the new IRS proposal places the burden of taxation only on those religious organizations whose procedures the IRS has determined conflict with the Federal public policy. As the Supreme Court observed in Committee for Public Education against Nyguist, one form of the oppression of religion by Government is taxation. In Nyguist, the Court commented as follows:

> Special tax benefits, however, cannot be squared with the principle of neutrality established by the decisions of this Court. 413 U.S. 756 (1973).

The construction of section 501(c)(3) argued by the IRS would do away with the general grant of tax exemptions to all religious organizations, which was found in Walz to be an act of benevolent neutrality. Instead, it would transform the statute to provide a special tax benefit to some religious organizations. Since only selected religious institutions would receive exemption under the IRS interpretation, tax exemption provided by section 501(c)(3) no longer manifests neutrality toward all religions but favors some groups over others. The IRS procedures will strengthen and promote religious organizations whose religious practices do not conflict with Federal public policy and discriminate against religious groups whose convictions may conflict with those principles. Thus it essentially runs afoul of the second test articulated in Tilton, that is, a primary effect to advance or inhibit religion. Such a result strikes at the heart of the establishment clause of the first amendment.

The IRS proposal would also violate the third test of Tilton in that its administration fosters an excessive entanglement with religion. The revised revenue procedures maintain the presumption against private schools on the basis of when the school was established, they retain the affirmative action quota system for student admissions and the procedures limit the evidence which a school may use to overcome the presumption of racial discrimination.

These procedures cannot but help to guarantee the extensive oversight by an agency of the Federal Government with the day-to-day activities of hundreds, possibly thousands, of religious schools and religious organizations. Under the IRS theory, the Government would be required to monitor continually the practices of religious organizations to determine their entitlement to exemption. The proposed IRS regulations provide for a sustained and detailed administrative relationship between the Federal Government and church-related schools.

Recently, the Fifth Circuit Court of Appeals outlined the strict standard by which Government regulation of first amendment rights is to be measured:

> Only in rare instances where a compelling state interest in the regulation of a subject within the State's constitutional power to regulate is shown can a court uphold state action which imposes even an incidental burden on the free exercise of religion. In this highly sensitive constitutional area only the gravest abuses, endangering paramount interests give occasion for permissible limitation. *Sherbert v. Verner*, 374 U.S. 398 (1963). Restrictions on the free exercise of religion are allowed only when it is necessary to prevent grave and immediate danger to interests which the state may lawfully protect. *West Virginia State Board of Education v. Barnette*, 319 U.S. 624 (1943).

Mr. President, I believe it is clear that the IRS has failed to meet this standard and others developed by the Supreme Court and the Constitution to protect the free exercise of religion. The vast majority of private schools to be affected by the proposed procedures are church related or religious schools. Many of these schools are operated by religious minorities which have been subject to discrimination and other sanctions in our society.

It is too easy to lose sight of the fact that this issue involves the rights of two groups of minorities, one which is ethnic and the other religious in character. Both groups have suffered unequal treatment during the course of American history. Both groups have important constitutional rights which must be respected. The present difficulties with the IRS procedures point to the problems which arise when an administrative agency without authorization or guidance from Congress attempts to take it upon itself to resolve such sensitive issues.

It is the responsibility of Congress to examine the issues presented in this question. The legislative process is well suited to affording all interested parties a fair and open hearing. If new national policy is to be set on this matter, then it is the lawmaker, the Congress, which should act.

Mr. President, I say again that here we are, the Senate of the United States, considering an unwise and unfair proposal to strike from this piece of legislation an amendment that has already been approved by the House of Representatives by a substantial margin. Moreover, by what we do here today, we will be saying yea or nay to a proposition that the Internal Revenue Service and its bureaucrats can continue to make law and deprive citizens of the United States of their right to provide for their children what they perceive to be a better education.

These people are not asking that they be relieved of paying taxes to support the public schools. No, they are simply saying, "Leave us alone. We are willing to pay taxes to support schools which we do not use—but please don't destroy the schools we have sacrificed to build."

I say again, Mr. President, that I would be willing to wager that no Senator who votes to strike this amendment from the bill has ever visited a private Christian school. No Senator who votes to strike this amendment from the bill has talked with the average Americans who, with their own sacrifices and often with their own hands, have built these schools—not for any ulterior purpose, but simply because they want something a little bit better, in their perception, than they think would otherwise be available for their children. They may be wrong; maybe their schools are not better. But that is a judgment for the parents to make. It is certainly not a judgment for us to make in the U.S. Senate. It certainly is not a judgment for the IRS to make.

As a matter of fact, the Senator from North Carolina is persuaded that the deterioration of the public schools of America began when the Federal Government began intruding into the operation of the schools of America. I, for one, do not blame those parents who are willing to sacrifice to provide for their children's education which they perceive to be better than that which is otherwise available.

Mr. President, I believe the Senator from South Carolina wishes to speak.

(Mr. DECONCINI assumed the chair.)

Mr. THURMOND. Will the Senator from North Carolina yield to me 7 minutes?

Mr. HELMS. I yield whatever time the Senator wishes.

Mr. THURMOND. Mr. President, I rise to oppose the amendment offered by the distinguished Senator from New York (Mr. JAVITS).

I congratulate the members of the Appropriations Committee for having the courage and foresight to include in this bill an amendment adopted overwhelmingly by our colleagues in the House. I refer to section 615, an amendment that effectively prevents the IRS from implementing their proposed revenue procedure dealing with tax-exempt schools.

This procedure strays far from the statutory bounds within which the IRS is required to work. It is objectionable on numerous grounds, not the least of which is that it represents an unreasonable entanglement by the State in the internal workings of churches. It, further, imposes affirmative action plans, complete with numerical quotas of certain designated minority students, on affected private schools.

Finally, Mr. President, this procedure has evoked anger, outrage, and despair from hundreds of thousands, even millions of ordinary, decent citizens. The IRS is not the most popular of our governmental organizations to begin with, though the function it serves is a necessary one, as anyone will admit. But when this proposed procedure was published in the Federal Register, the IRS was deluged with a flood of protests. Indignant citizens from all over the United States, from Texas, Florida, California, Michigan, South Carolina, New Jersey, literally dozens of States, came to Washington to register their opposition. They were doctors, lawyers, housewives, clergy, businessmen; ordinary people who sacrificed, for various reasons, to educate their children privately. Let me point out that they also support public education with their taxes.

Mr. President, we in the Congress have a responsibility to enact the laws. We owe a duty to these concerned citizens and to all of our constituents to consider this matter carefully. A change this drastic merits more study than it has received. Section 615, approved by both Houses of Congress, will give us the opportunity to study, to fully debate the issue, to consider the far-reaching implications, to decide in Congress, where it should be decided, whether this is what we want to do.

Mr. President, the sponsors of this amendment have sought to simplify this issue so as to evoke a knee-jerk response. It is not as simple an issue as they would have us believe.

First, the sponsors appeal to the Brown against Board of Education decision in an attempt to categorize this issue as a "segregation" issue. The Brown decision dealt with public schools—I repeat, public schools—not private schools, Mr. President. It outlawed "separate but equal" public schools. It did not deal with private schools.

The sponsors try to justify application of the Brown decision by declaring that private schools operate "with taxpayers' support." In other words, tax-exempt status is active governmental support. That argument was rejected by the U.S. Supreme Court in *Walz* v. *Tax Commission*, 397 U.S. 664 (1970), a case which upheld tax-exemption for religious organizations as neutral governmental activity.

Further, they would have us believe that this question is solved by the case of *Green* v. *Connally*, 330 F. Supp. 1150 (D.D.C. 1971), affirmed without opinion by the Supreme Court in that year. I would suggest once again that the situation is not as simple as we are told.

In a 1974 case between Bob Jones University in my State and the IRS, Justice Lewis Powell noted that "the question of whether a segregative private school qualifies under section 501(c)(3) has not received plenary review in this Court, and we do not reach that question today." I repeat, has not. This is 3 years after the case Senator JAVITS and his colleagues cite as dispositive of the issue. Now they may wish that the issue were decided and may know how they want it to be decided, but I submit that it has not been decided. It is not, therefore, up to the IRS to decide it.

Mr. President, these proposed guide-

lines are not "narrowly targeted." They are vague and ill-defined. They impose monstrous burdens on private schools. They raise first amendment problems. Even should we decide that something like this should be done, it would require careful study and work to draft appropriate guidelines. I oppose this amendment. The bill as reported out of committee would give Congress a year in which to study and act, surely a reasonable time frame in which to act on a matter of such importance.

Mr. President, I am convinced that now is the time, that today is the day, in which we should act on this matter in a positive manner, in which we should tell the IRS that they have no business legislating.

Their business is to execute the laws. Under the Constitution, the Congress has the responsibility for legislating. It is the Congress responsibility to make the laws and the IRS is usurping the power of the Congress when they attempt to do what they are doing in a case of this kind.

I can hear now the sound of those who take a different view. Oh, they are only carrying out the Constitution.

They are not carrying out the Constitution or any such thing. They are usurping the right of the Congress.

This matter, Mr. President, is a matter for the Congress and the Congress only, and the IRS should never have taken the step it did and tried to legislate in its field where it has no authority to do so.

I hope that the provision contained in the appropriations bill by the committee will remain in the committee. It should remain in the committee. It is a reasonable provision.

After all, I want to ask, what harm have private religious schools done to this country? What harm have they done?

We had private religious schools in this country before we even had public schools.

I say that I know of no injustice that they have done to the public. I know of nothing bad they have done to the public. They have educated thousands and hundreds of thousands of students that the public governments would have had to educate if they had not done so.

Why do we want to destroy these schools? If people believe in a certain private school, why not let them have their school? If they want a school where they can read the Bible or where they can pray, why not let them do it?

I do not know of any child that was ever harmed by having the Bible read, although my opinion is that it should be a voluntary act.

On the other hand, I do not know of any child that was ever harmed by having prayer in schools.

It seems to me we have gone entirely too far in some of these fields. It seems to me we had better get back to the principles on which America was founded. It seems to me we had better get back to what is best for America.

I say that it is best for America if we allow these private religious schools to exist and educate these children and save the country, the States, and the localities, this expense, and further provide this freedom which they want and to which they are entitled, in my opinion, under the Constitution.

I think it is unfair. It is an unfair burden to place on them to say to them that the IRS is trying to dictate to them in the action they are taking.

I hope this provision will remain in this bill and I hope any steps taken to remove it will be defeated.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I yield 7 minutes to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I thank the distinguished Senator from New York for yielding to me.

Mr. President, I rise in support of the amendment offered by the distinguished senior Senator from New York. The amendment strikes from this legislation a provision that would prohibit action by the IRS to terminate the tax-exempt status of private schools founded for the express purpose of perpetuating racial segregation.

The supporters of this provision have argued that it is directed at countering an attempt by the IRS to impose without legislative authority a bureaucratic view of what constitutes racial equality.

They have talked about eliminating violence and avoiding violence, but that is not what this amendment is all about.

I cannot accept the arguments that have been made in support of it.

In 1979, for example, a Federal court held in Green against Connally that racially discriminatory private schools are ineligible for the tax exemptions provided to educational institutions.

In 1976, the Supreme Court in Norwood against Harrison struck down a Mississippi law that provided textbooks and transportation to students attending racially discriminatory private schools.

Two years ago, in Goldsboro Christian Schools, Inc. against United States, a district court found that a tax exemption could not be granted to a private school in spite of the fact that its policy of racial discrimination was based on religious belief.

As recently as April of this year, in Prince Edward School Foundation against Commissioner, a Federal district court held that a racially discriminatory private school had failed to meet its burden of establishing its qualification for tax-exempt status.

The law, I say to the Members of the Senate, is clear on this issue. The meaning of the Constitution is clear. And it is also clear that the IRS has acted properly in moving to enforce the law.

I believe that the issue before us today, and it is the only issue, is whether or not the Senate will consent to legislation that requires the IRS to look the other way at illegal tax exemptions.

The issue is whether or not schools established for the express purpose of evading the law of the land should be rewarded with exemptions that amount to indirect subsidies from the taxpayers of this country.

In a larger sense, the issue before us today is whether or not we in the Senate are prepared to give our sanction to a backdoor method of restoring school segregation.

I believe that the answer to each of these questions should be a resounding "No," and I urge the Senate in the strongest terms to adopt the Javits amendment, to eliminate this iniquitous amendment, which has been adopted by the House and which, I am concerned, may be adopted by this body as well.

Mr. JAVITS. I thank the Senator very much for his support.

Mr. President, I yield 8 minutes to the Senator from New Jersey (Mr. BRADLEY).

Mr. BRADLEY. Mr. President, I support the Javits amendment.

It is now 25 years since the Supreme Court made it abundantly clear that segregation is unconstitutional. Even so, for this quarter of a century, after almost all overt signs of racial discrimination have been cleansed from our laws, the Federal Government still supports segregated education. It does this by granting tax exemptions to private schools that discriminate. In effect, the Federal Government—and every taxpayer—subsidizes segregated schools.

That is the issue involved in the so-called Dornan amendment and in the Javits amendment. It is simple and clear.

One may have criticisms, legitimate or devised, about the substance of the IRS rules in question, and one may be critical about the procedures adopted last year to promulgate them. But there can be no question that it is high time the IRS started to enforce the law of the land. The IRS should be permitted to employ effective methods to insure that the private schools which have the benefit of tax-exempt status are adhering to a very basic precondition of that benefit—that they not discriminate.

I will not belabor the long history of these procedures. Suffice it to say that for many years it was an open secret that many private schools set up in the wake of the Brown against Board of Education decision were created with the purpose and effect of avoiding the fundamental dictates of that ruling. Irrespective of whether there exists a private right to discriminate, that right does not carry with it a Government subsidy. For years the IRS was urged to adopt effective enforcement techniques to insure that the segregation academies did not keep their tax exempt benefits.

The IRS went through many Commissioners, and despite their personal support of more effective enforcement, somehow bureaucratic inertia and political strategies combined to produce inaction.

It certainly is to the credit of this President, and to Jerome Kurtz, the current Commissioner, that finally the IRS has produced these long-awaited and long-needed enforcement techniques.

If the history of the first 25 years of these enforcement procedures was one of inaction, it seems that the past 10 months have more than made up for that. Since last fall, when the first version was announced, there has been an extraordinary amount of controversy. In response to criticisms that the procedures had not been the subject of public comment, the IRS held 4 days of hearings at which 193 persons testified. The transcript runs almost 2,000 pages. Many hundreds more persons and groups submitted written comments. Dozens of Senators and Congressmen appeared or sent letters. These procedures have had a most thorough public airing.

Based on those comments, the IRS substantially revised the procedures. The ones we now are considering are considerably different from the first version. Members of this body should be clear that the procedures which raised so much ire last fall are not the ones before us today. Let me spend a few moments outlining the differences between the two versions:

The original procedure set up two classes of schools, reviewable and adjudicated schools. An adjudicated school is one found by a court to discriminate. This class is not the subject of any dispute, so far as I am aware.

A school was reviewable if it was created or expanded during a time of desegregation of neighboring public schools, and if it had less than 20 percent of the minority student population ratio. The school would then have had to show that it met four of five criteria to keep its exemption.

That is now changed. The new procedures designate a school as reviewable only if it meets three criteria: It must have been created or expanded during public school desegregation; it must have an insignificant minority enrollment; and its creation or expansion must have been related in fact to public school desegregation.

The second and third criteria are determined according to the particular facts of each case. If, for example, the school's low minority enrollment is due to the fact that it offers programs which themselves attract groups with little or no minority presence, then the school does not become "reviewable."

This should relieve many religious schools of their fears. Obviously a school offering instruction in a branch of Hasidic Judaism will not have a large enrollment of persons who do not ascribe to those beliefs. One could not fault the school for not having many minority students, and the IRS and the new procedures would not apply to it either.

The new version also has a so-called "safe-harbor." Irrespective of whether the school fails all other tests, if it has an enrollment of 20 percent of the minority student ratio in the community, it will not be reviewable.

The third criteria—whether the school has expanded or created in response to public school desegregation—is likewise determined by an evaluation of all the facts. Examples of facts and circumstances that would excuse a school from the reviewable category include:

The students to whom the opening or substantial expansion of the school is attributable are not to any significant extent drawn from the public school grades subject to desegregation in the community served by the school. For example, the students may be drawn from other private schools, or from other areas not undergoing public school desegregation.

The rate of expansion is not greater than the rate of expansion experienced by the school in years prior to the time of public school desegregation, as defined in section 3.03(a) of this procedure.

The expansion is attributable to an increase in the school age population in the community.

The expansion results from a merger of the school with another private school and neither of the schools is "reviewable."

The expansion is attributable to a continuation of previous periodic expansion by adding grade levels as the school's enrollment in lower grades advance, and the school does not enroll a significant number of new students in the newly added grades from the public schools.

The school was formed or expanded in accordance with a longstanding practice of a religion or religious denomination which itself is not racially discriminatory to provide schools for religious education when circumstances are present making it practical to do so (such as a sufficient number of persons of that religious belief in the community to support the school), and such circumstances are not attributable to a purpose of excluding minorities.

At the time of formation or expansion, the school had some minority students, faculty, or board members.

Much of the controversy directed at these procedures has been focused on its application to religious schools, I have already indicated some of the provisions that are designed to protect those schools from the misapplication of the procedures. Two more points deserve to be made.

If a religious school does not have a large enough minority enrollment and was indeed created in a period of public school desegregation, it will not be reviewable if it is part of a larger religious school system which does satisfy the criteria. Thus, one school in a religious school system may have a low or nonexistent minority enrollment. But if other schools in the same system do not discriminate, then the individual school will not be reviewable.

The second point is even more important. The mere fact that a school is religious does not excuse it from the loss of tax exempt status if it does indeed discriminate. There may be a constitutional right to create private religious schools, and those schools may have right to discriminate. But that does not answer the question of whether religious schools which discriminate have the right to a tax exemption. They do not. Nobody has that right.

There should be no confusion on this point. Nobody has the right to a tax exemption, or a tax deduction. The tax laws grant these benefits and the taxpayer gets to take advantage of them if he follows the rules for claiming them.

One of the basic rules for getting or keeping an exemption or deduction is that the taxpayer has to justify his claim to it. If the IRS has reason to believe, or even no reason to believe, that the deduction or exemption is unwarranted, the taxpayer has the burden of satisfying the IRS. As many taxpayers would attest it's sometimes a nuisance. But that is the law. It is no less the law for private school, religious or otherwise. The exemption they have is a benefit, not a right. They must justify their right to keep that benefit. If the question arises or whether they are nonprofit, or really educational and charitable institutions, or whether they discriminate, it is their burden to show the facts which preserve their special tax status.

All this talk about harassment and infringement of religious rights is so much talk. Private religious schools are no different from other tax entities in the eyes of the tax laws.

The IRS rules we are debating today will serve these schools well. Rather than being harassment, they provide clear guidance to IRS employees as to whether a school is properly tax exempt. If a school meets the criteria, it has no reason to fear the IRS. As things now stand, these schools operate in a vague atmosphere of almost no rules.

If the IRS should question their right to an exemption, then the school does not have clear guidance on how to persuade the IRS they are not discriminating. These rules will help the schools, just as they will help the IRS. In the absence of the rules, enforcement of the nondiscrimination requirement will go on, but ineffectively and unsatisfactorily for all.

That is why I support the Javits amendment, and I urge the Senate to adopt it.

In these few minutes, I have had an opportunity to outline just a few of the points that bear on this debate. I ask unanimous consent to have printed in the RECORD, for the consideration of Senators, some material in support of the argument I have made.

Mr. President, I ask unanimous consent to have printed in the RECORD a number of articles supporting the argument I have just made.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 12, 1978]

PRIVATE SCHOOL DISCRIMINATION

Late last summer, the Internal Revenue Service issued a proposed set of guidelines for determining whether elementary and secondary private schools discriminate against students on the basis of race. They are unusually simple by IRS standards; you don't need an advanced degree in legalese to understand them. Yet, much of the testimony given at four days of hearings last week and much of the mail that has been pouring into IRS headquarters suggests a comprehension of those guidelines about on the level of a recent advertisement in this newspaper. That ad began, "Why is the IRS trying to close our private Christian schools?"

The answer is that the IRS isn't trying to close any schools, Christian or otherwise. It is trying, at long last, to enforce a well-established principle of federal law that schools that discriminate against students on the basis of race are not entitled to tax-exempt status.

Of course, loss of that status does mean gifts to such schools will no longer be tax deductible. Since many private schools depend heavily on such gifts, the loss of the

tax exemption might put some of them out of businesses. But if that happens, it will be because the schools decided to let it happen. They will have chosen to discriminate rather than to receive an indirect federal subsidy through the deductions given their benefactors. By forcing all private schools to make that choice, the IRS is not crossing the line between church and state or interferring with freedom of religion—as the most vocal opponents of the guidelines contend—but simply enforcing the law on taxation and education.

There are some obvious problems with the proposed guidelines. But these involve only the standards IRS wants private schools to meet, not the principle of non-discrimination. Under the guidelines, any school that came into existence or suddenly expanded when the public schools in its community were desegregated will be suspect. It will lose its tax exemption unless it has a substantial minority enrollment or can show that it is making a good-faith effort to operate on a non-discriminatory basis. Thoughtful critics of the guidelines, such as the National Association of Independent Schools and some of the religious groups, have pointed out situations in which the proposed definitions of what is a substantial minority enrollment or a good-faith effort seem unduly harsh.

In revising the guidelines now that all the testimony concerning them is in, the IRS can quite appropriately make some changes to ease the burden that would otherwise be placed on some private schools, particularly religious ones, that want a racially mixed student body but have difficulty recruiting minority candidates. What the IRS must not do is to weaken the guidelines so that those all-white academies which sprang up after *Brown v. Board of Education* can continue to hold their tax-exempt status, as they do now, by paying for an occasional advertisement claiming they don't discriminate—while doing nothing else to change the complexion of their student body.

[From the Washington Post, July 30, 1979]

TAX LOOPHOLE FOR PRIVATE SCHOOLS

About a year ago, the Internal Revenue Service set out to put some teeth in the law that denies tax-exempt status to private schools that discriminate on the basis of race. Not surprisingly, it ran into trouble, and the more it tinkered with its proposed regulations, the louder the cries against them became. Now Congress is on the verge of forbidding the IRS to make any changes in its current regulations, thus permitting a small number of private schools to continue to make a farce out of the law.

Language to kill the proposed regulations was tacked onto the Treasury Department's appropriations bill on the floor of the House. The Senate Finance Committee refused last Thursday to delete that rider after Sens. Robert Packwood and Daniel Moynihan attacked the regulations, and the IRS, for "bias" and "hatred" toward religious schools.

But the problem the IRS is trying to solve has nothing to do with religious schools—unless they discriminate on the basis of race. The proposed regulations are aimed primarily at private schools that were created or suddenly expanded when nearby public schools were desegregated—like those "white academies" that sprang up all over the South in the 1960s. Currently, these schools get their tax-exempt status merely by saying publicly that they do not discriminate. The new regulations would require them to demonstrate, rather than just say, that they are not discriminating.

If Congress doesn't like what the IRS is trying to do, it can always write a new law giving tax-exempt status to those white academies or spell out precisely how the IRS is to determine which schools discriminate and which do not. Unless it is prepared to do either of those things, however, Congress should leave the proposed regulations alone. It makes no sense in terms of either tax or civil-rights policy to use a rider on an appropriations bill to stop the IRS from closing a loophole of this kind.

[From the New York Times, Friday, Dec. 8, 1978]

NO MORE WINKING AT "SEG ACADEMIES"

For years, the Internal Revenue Service has had a policy of denying tax-exempt status to "seg academies," the hundreds of private schools created to evade desegregation of public schools. There was little protest, since I.R.S. administered its policy with a wink. All that seg academies had to do to stay eligible for tax exemption was to say they do not discriminate. But now I.R.S. has proposed stern new enforcement regulations. Wink has become scowl and scowl has provoked a reaction—115,000 protest letters and an outcry in public hearings that conclude today. Some objections seem just, but for the most part the regulations are needed and we hope I.R.S. sticks by its guns.

In the first place, the principle, impressed on I.R.S. by the Federal courts, is right: to be tax-exempt, institutions must obey the law. It would be intolerable for the Federal treasury to support what Federal law denounces. So far, the seg academies have had things both ways. They have recoiled from any contact with the Feds lest it bring them under desegregation requirements. But they have worked to maintain tax-exempt status. Without it, many could not survive.

In practice, the proposed regulations would not be as onerous as some critics seem to fear. There are some 18,000 private secular schools and an unknown number of church schools in the country. The regulations would apply only to those founded or substantially expanded in the wake of desegregation orders in their communities. That would be 3,500 schools at most, and many of these have no segregation motives.

Still, even these could be affected, and painfully so. Rules intended for schools with 4,000 students but not one black would impose bizarre requirements on, say, small parochial schools. The proposed rules state that a school with no minority students does not qualify for tax-exemption except in "rare and unusual circumstances." Critics are left free to ask how many black Amish are there in Lancaster, Pa.; how many Chinese Jews in Brooklyn? It will be hard to broaden this exception without leaving more loophole than law but some wider exclusion is necessary.

Otherwise, the Internal Revenue Service deserves credit for setting out finally to enforce its policy of denying exemptions to seg academies. And it deserves Congressional support as it stands up to emotional, exaggerated criticism. The only schools with anything to fear should be those which practice private segregation with public money.

[From the New York Times, Aug. 3, 1979]

REWARDING RACIAL SEGREGATION

Congress goes off on summer vacation tonight without having cleaned up a particularly dirty piece of business which has been made to look like bureaucratic bumbling, and by everyone's least favorite agency at that—the Internal Revenue Service. But the issue is not bureaucracy. It is race. And straightening it out ought to be an early order of business when Congress returns.

The story concerns "seg academies," the hundreds of private schools created for white students fleeing newly desegregated public schools. Should Washington give them a big financial boost by permitting contributions to them to be tax-exempt? No, of course not, says Federal law. It would make no sense for Washington to seek desegregation under civil rights laws but then to subsidize segregation under the tax laws.

Last year, Internal Revenue belatedly proposed stern regulations barring tax-exempt status for segregation academies. For example, a school with no minority students could not remain that way except in rare circumstances. There was a storm of protest from people who feared that the regulations were too mechanical and would end up hurting religious and other schools for which desegregation was irrelevant. So earlier this year, Internal Revenue came up with revised regulations. These would cut off tax-exempt status only when a relationship could be shown between the formation or expansion of a private school and the desegregation of public schools. And special provision is made for religious schools. The new regulations make clear that the agency's only target is the seg academy.

But Congress so far has been unwilling to see that. On the contrary, there has now been action to forbid Internal Revenue from issuing its new rules—and even to punish the agency. Two weeks ago, the House barred the agency from revoking tax-exempt status in any new case. And this week, the Senate Appropriations Committee forbade spending any money to enforce the new rules. No rescue effort could be mounted on the Senate floor before today's recess.

Perhaps members who opposed the new regulations did so ignorant of the revisions. Perhaps they find it politically appealing to beat up on the tax collector. But during the recess, members may came to realise that many Americans will see a different explanation: that the Congress of the United States seeks, slyly and indirectly, to reward racial segregation.

[From the Los Angeles Times, Apr. 28, 1979]

SOUTHERN BAPTIST LEADER BACKS IRS IN SCHOOL TAX EXEMPTION FUROR

WASHINGTON.—A national official of the Southern Baptist Convention's social action agency broke ranks with much of the religious community and has endorsed controversial federal tax procedures designed to end racial discrimination in private and religious schools.

William H. Elder, director of Christian citizenship development for the Christian Life Commission of the 13-million-member Southern Baptist Convention, said he decided to support the procedures, proposed by the Internal Revenue Service, because it is "our conviction that racism is totally inconsistent with the Christian gospel."

The proposed procedures would set up a method of determining whether private schools operate in a racially nondiscriminatory fashion and would limit tax exemption of those schools found to be discriminatory.

When the proposed procedures were announced last August, they were greeted with a storm of protest from representatives of Jewish, Catholic and Protestant groups, including the Baptists' joint committee on public affairs.

The outcry forced the IRS to hold public hearings on the proposal last December, and more than 100 witnesses, including about a dozen members of the House and Senate, testified against it.

In February the IRS made public a revision in the proposed procedures, but the change did not satisfy most of the critics.

Elder wrote a four-page letter backing the proposal to IRS Commissioner Jerome Kurtz and Sen. Harry F. Byrd (D-Va.), chairman of a Senate subcommittee holding hearings on the issue.

In it, Elder said he supported the proposed IRS procedures "because we support the nondiscriminatory thrust of the law of the land, because we believe that the IRS has acted responsibly in the criteria selected for demonstrating nondiscriminatory status and because after having examined the arguments in opposition to the proposed procedures we have found them to be flawed."

Elder said he does not believe the proposed procedures violate separation of church and state because "the state is not telling the church it must integrate, but it is saying that when the church is involved in providing public services it cannot enjoy tax exemption if it operates under a policy which runs counter to established public policy."

[From the Baltimore Sun, Jan. 20, 1979]

IRS VS. PRIVATE SCHOOLS

(By Thomas A. Troyer)

Recently the Internal Revenue Service proposed rules to foreclose tax exemption to private schools which practice racial discrimination. The IRS proposal has been greeted with strong support from civil rights groups, but vehement opposition from many educational and religious organizations. What is all the shooting about?

The controlling principle of law is simple and clear. Affirming a lower court in 1971, the United States Supreme Court held squarely that the advantages which the tax law establishes for educational, religious and other charitable organizations—tax exemption and qualification to receive deductible charitable contributions—do not extend to private schools which discriminate by race. That principle has been repeatedly recognized by other courts. By now, there is simply no room for reasonable dispute about it.

Despite the clarity of this law, there is broadscale evidence that many schools are not complying with it. A study published in 1976, entitled "The Schools That Fear Built—Segregationist Academies In the South," prepared by researchers at the Universities of Alabama, Tennessee, and elsewhere, found what it termed "startling growth" of private "segregationist academies" in the 13 southern states which it reviewed. The study estimates that between 3,000 and 4,000 such segregationist academies had developed in the 13 southern states by 1976.

Evidence of the growth of racially discriminatory private schools—not confined to the South—abounds. Federal court decisions, work by the Lawyers' Committee for Civil Rights Under Law, reports by the U.S. Commission on Civil Rights and the Illinois Advisory Committee to that Commission all underscore the phenomenon. Yet most of these schools continue to profit from precisely those tax benefits to which the Supreme Court held them not entitled.

Confronted by this evidence, the IRS proposed rules to enforce the Supreme Court decision. By and large, the IRS proposal uses concepts which the federal courts have evolved over the years to deal with other aspects of segregation. Here and there the rules need refinement or restructuring. Overall, though, the IRS proposal simply attempts to establish an administrative mechanism to insure that the law stated by the Supreme Court is carried out.

Why then the firestorm of criticism from educational and religious organizations? Some comments are constructive efforts to help the IRS restate its language to avoid impingement on tax benefits of schools operating in good faith, without racial discrimination. I expect the IRS to take full account of them as it frames final rules. Most critics, though, go further. Firmly and loudly, they tell the IRS that it has no right to act in this area at all.

Much of the argument flows from a time-honored maxim of lawyers: when the law is against you, argue about definitions. The assortment of disputes and quibbles which critics have contrived about words and phrases in the IRS proposal is a tribute to the inventiveness, if not the breadth, of the legal mind. To all of them the short answer is that the Supreme Court has established a clear and simple principle of law governing the subject; and it is surely not beyond the power of the English language to state rules carrying that law into effect. If the words which the IRS has chosen do not accomplish the result, let us help find ones that do. But we do not help with verbal shenanigans whose real object is to avoid the law.

Others assert that the IRS rules constitute unwarranted federal intrusion into private education. Here again, the answer is short. If schools do not want federal tax benefits, they need not concern themselves with the IRS rules. If they do want tax benefits, the IRS must see that they comply with controlling tax law.

Finally, some argue that, whatever law governs other schools, religious schools are not subject to it. As one who believes deeply in religious freedom, I find that argument profoundly disturbing.

The basis of the Supreme Court decision—that tax benefits created for charities do not extend to organizations operating illegally or contrary to public policy—is of great protective value to legitimate religious institutions. It allows much useful separation of legitimate institutions from others. If lawyers convince courts that this principle does not govern religious organizations, what shall we say when the Peoples Temple claims tax exemption and charitable contributions—but treats its members to fruit-flavored cyanide? What shall we say to the religious group claiming tax benefits as it pops rattlesnakes into the mail boxes of opponents? Are illegal activities really protected by the First Amendment as the "free exercise of religion?" And if they are not, what part of the Constitution requires us to grant tax benefits to religious institutions which embark on activities held squarely, directly, and repeatedly to be contrary to the public policy of the United States?

TAX BENEFITS FOR SEGREGATED PRIVATE SCHOOLS

We urge you to withhold your support for a rider concerning tax benefits for segregated private schools, which the House of Representatives attached to the recent Treasury Department appropriations bill.

In *Green v. Kennedy*, 309 F. Supp. 1127 (D.D.C. 1970) and *Green v. Connally*, 330 F. Supp. 1150 (D.D.C. 1971); *aff'd sub nom. Coit v. Green*, 404 U.S. 997 (1971), a three-judge court ruled that IRS administration of charitable exemption provisions of the Internal Revenue Code in the area of private segregated schools violated both statute law and constitutional principles of Equal Protection; this ruling was affirmed by the Supreme Court. The court ordered the IRS to undertake adequate enforcement steps, and in particular to cease accepting as satisfactory evidence of nondiscrimination a private school's "oblique reference to racially nondiscriminatory policy" and other such perfunctory, self-serving assertions. *Green v. Connally*, 330 F. Supp. at 1175.

Despite the court order in *Green v. Connally*, the IRS remained satisfied for years with just the sort of "paper compliance" rejected by the court. Indeed, in flagrant violation of the order, private schools found discriminatory in separate federal court proceedings continue to receive tax benefits. See *Norwood v. Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974). In August 1978, finally recognizing its responsibility, the IRS issued proposed improved enforcement procedures. Upon receiving extensive comments, and in some instances, strong protest from interested schools, the Revenue Service in February 1979 issued a revised and less stringent version of the August proposal. Fair-minded observers agreed that the February proposal was responsive to the comments of affected schools. See "School Regs Reflect Comments," *Legal Times of Washington* (March 5, 1979).

Despite the foregoing it appears that emotional appeals have induced the House of Representatives to take precipitate and unwise action, attempting by a rider to an appropriations bill to make substantive tax policy lacking constitutional validity and in conflict with a federal court order.

We understand that the rider in question prohibits the Revenue Service from carrying out any procedure regarding the tax exempt status of private schools unless issued prior to August 1978. The effect of this might be to force the Revenue Service to continue the policy of paper compliance precluded by the ruling in *Green v. Connally*—a ruling which rested ultimately on constitutional principles. 330 F. Supp. at 1163, 1171. See also *Green v. Kennedy*, 309 F. Supp. at 1133 *et seq.* The court was emphatic that the legal protection for the plaintiffs' had to be "effective directives and procedures" ensuring that private schools receiving tax benefits are not racially segregated. 300 F. Supp. at 1171.

The House rider is not only constitutionally vulnerable but ties the hands of the Revenue Service in direct conflict with the court's order. Such a legislative initiative is unwise as a matter of public policy and in derogation of the principle of separation of powers. Finally, it is particularly inappropriate to make substantive tax policy through the appropriations process where, as here, the action impinges upon the highest of national commitments to a society based on racial equality. If the Congress wishes to make fundamental changes in the tax exemption provisions of the Internal Revenue Code, it should be so in a careful, deliberate manner following the well established Congressional procedures designed for that purpose.

For all these reasons we urge you not to block the Internal Revenue Service from fulfilling its court-ordered responsibility to ensure that the United States is not an aider and abettor of private racial discrimination. The principle at stake is applicable not only in the tax context but has been adopted in numerous instances by Congress and is embedded in the Constitution. Title VI of the Civil Rights Act of 1964, 42 U.S.C. Section 200d *et seq.*; *Norwood* v. *Harrison*, 413 U.S. 455 (1973). See also *Runyon* v. *McCrary*, 96 S. Ct. 2586 (1976).

Question: What is the Dornan Segregation Academy Rider to the Treasury Appropriations bill?

Answer: The Rider prevents the IRS from enforcing in an effective manner the prohibition against federal tax exemptions for "segregation academies"—private elementary and secondary schools which discriminate in admissions on the basis of race.

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Question: Why does the IRS have any business dealing with such academies?

Answer: A three-judge court in *Green* v. *Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *aff'd per curiam sub nom., Coit* v. *Green*, 404 U.S. 997 (1971), ordered the Internal Revenue Service to cease granting tax exemptions for schools with discriminatory admissions policies and to revoke those held by discriminatory schools. The *Green* court found that the practice of taxpayer subsidies for discriminatory schools—by permitting the schools to be tax exempt and to accept tax deductible contributions—is unlawful under the statute and the Constitution. The decision was affirmed without opinion by the United States Supreme Court and represents the law of the land. The IRS has a duty to enforce this law.

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Question: Why must new procedures be adopted now? Why can't the IRS continue under existing procedures?

Answer: The plaintiffs in *Green* have re-

opened the case, claiming that the IRS has failed to meet the requirements of the *Green* order. The IRS agrees that its present policies are inadequate. Under its present policies, the IRS accepts mere paper compliance as satisfactory evidence of nondiscrimination. A school must only include open admission language in its articles of incorporation and annually publish a notice of open admissions policies to remain tax exempt, without regard to its actual practices. As a result of this IRS policy, there are at least seven schools which have been found discriminatory by federal courts and nonetheless retain tax exemption. Moreover, there are thousands of private schools with no black children and no black faculty members in areas of public school desegregation. These schools have typically been created or significantly expanded at the time of public school desegregation in the community.

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Question: What harm do these schools do?

Answer: They have perpetuated a segregated dual school system, thereby thwarting desegregation orders of federal courts. Moreover, as white children have fled to newly-created or expanded private schools, public schools have suffered a significant decline in taxpayer interest and support.

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Question: Give an example.

Answer: One of many examples is the Delta Christian School in Madison Parish, Louisiana. The school was declared ineligible for state-loaned textbooks in *Brumfield* v. *Dodd*, 405 F. Supp. 338 (E.D. La. 1975). The court found that the school had never enrolled a black student or hired a black faculty member and that it was organized "as a direct response to the court ordered integration of the parish's public schools." 405 F. Supp. at 346. The court also found that the white students attending the school "left the public school system as a result of the racial integration of such system," and that the school "has significantly interfered with the integration of the public schools of the parish." Delta Christian School is listed in the current IRS list of tax-exempt organizations and continues to receive tax-deductible donations.

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Question: What changes in law enforcement is the IRS proposing?

Answer: On August 21, 1978, the IRS proposed a revenue procedure designed to advise affected schools and IRS field personnel of a new enforcement effort focused on two classes of private elementary and secondary schools: (1) those schools adjudicated by federal courts, state courts or state agencies to be discriminatory ("adjudicated schools") and (2) those schools with little or no minority enrollment which were formed or substantially expanded at the time of public school desegregation ("reviewable schools"). The August proposal would have required these two classes of schools to make special showings to rebut indications of racial discrimination. After studying public comment and criticism of the August proposal, the IRS in February 1979, published a second proposed revenue procedure designed to meet the special needs of certain religious schools and to respond to assertions that the first proposal was too harsh and mechanical. The February proposal contains substantially liberalized guidelines. It has the following significant features:

(1) Instead of the fixed "four-out-of-five factors" test of the August proposal, it adopts for adjudicated and reviewable schools an overall "facts and circumstances", case-by-case test, with liberalized criteria.

(2) It excludes from application all colleges, universities, preschools and schools for the handicapped.

(3) It provides relief for certain church schools which may be unable to attract minority students or which were formed as part of a plan predating school desegregation.

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Question: What do neutral commentators say about the revised procedure?

Answer: Michael Sanders, Chairman of the ABA Committee on Exempt Organizations, has described the procedure as follows:

"The revised procedure reflects the IRS' consideration of comments regarding potential problems and inequities under the first procedure, and in my view presents workable and equitable guidelines for private schools seeking to obtain and maintain tax exemption and for revenue agents charged with enforcing the long-standing principle that organizations which operate in a manner contrary to public policy—such as organizations which racially discriminate—are not entitled to federal tax exemption." Sanders, "School Regs Reflect Comments," *Legal Times*, March 5, 1979.

Similarly, Lipman Redman, Chairman of the ABA Section on Taxation, described the February proposal as "a realistic and practical approach to the problem: The Commissioner has provided helpful guidelines to the schools and to revenue agents. These guidelines appear to be reasonable and workable." Redman's Statement before House Ways & Means Subcommittee on Oversight, 2/22/79.

Bernard Wolfman, Professor of Law, Harvard University, an acknowledged tax law expert, stated his views and general support as follows:

Experience may prove that the guidelines need revision. Oversight will remain important as that experience develops. For now, however, it is important to the integrity of our tax system and to fulfillment of a national policy that eschews racial discrimination that Congress not impede the Commissioner's reasonable and measured efforts to comply with the law and enforce it evenhandedly.

Letter dated April 16, 1979, to Commissioner of Internal Revenue Service.

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Question: Isn't it unconstitutional to require religious schools to adopt racially-nondiscriminatory policies for tax exemption?

Answer: In *Goldsborough Christian Schools, Inc.* v. *United States*, 436 F. Supp. 1314 (E.D.N.C. 1977), a federal district court held that a private religious school is not entitled to tax exemption. The court stated the principle as follows:

"There is a legitimate-secular purpose for denying tax exempt status to schools generally maintaining a racially discriminatory-admissions policy. Moreover, the general across-the-board denial of tax benefits to such schools is essentially neutral, and its principal or primary effect cannot be viewed as either enhancing or inhibiting religion. Finally, the policy patently avoids excessive governmental entanglement with and 'in fact, prevents indirect government aid to religion'." 436 F. Supp. at 1320.

However, one federal district court has found to the contrary in a case in which the discriminatory practices were perceived as based on religious dogma. *Bob Jones University* v. *United States*, Civ. No. 76-775 (D.S.C. 12/26/78), on appeal to the Fourth Circuit Court of Appeals.

In *Green*, the court specifically reserved the question of whether or not religious schools which discriminate on the basis of race because of religious beliefs fall within the *Green* order. However, the overwhelming majority of religious schools endorse the principle of nondiscrimination as part of their religious beliefs and do not discriminate as a matter of dogma. Thus, these schools are not within the *Bob Jones University* holding or the possible *Green* exception.

Question: Isn't denial of tax exemption for religious schools which discriminate an interference with their freedom of religion?

Answer: This claim has been rejected by the federal courts. As the *Green* court said, "Freedom from governmental 'regimentation or interference' is not to be equated with the right to support." 330 F. Supp. at 1166. In other words, even if private religious schools are free to discriminate on the basis of race, they have no right to do so with taxpayer support. (Secular schools may not discriminate by race whether or not they are tax exempt. *Runyon* v. *McCrary*, 427 U.S. 160 (1976).)

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Question: Won't the IRS proposal affect religious schools and religious education?

Answer: Religious schools which in fact discriminate by race will lose tax exemptions as required by federal law. However, in response to legitimate complaints of some religious schools, the second proposal provides that special considerations will be weighed in deciding whether a religious school can reasonably be expected to attract minority students. Moreover, the revised proposal expressly responds to the needs of church schools which are part of a school system and those whose founding was in accordance with long-standing religious practices and not related in fact to public school desegregation. The IRS will consider all of the relevant facts and circumstances.

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Question: What do church school leaders have to say about the proposal?

Answer: While many church school leaders have asserted that the proposal denies them freedom of religion and otherwise interferes with their rights, William H. Elder, Director of Christian Citizenship Development for the Christian Life Commission of the 13-million member Southern Baptist Convention, supports the proposal "because we support the nondiscriminatory thrust of the law of the land, because we believe that the IRS has acted responsibly in the criteria selected for demonstrating nondiscriminatory status and because after having examined the arguments and oppositions to the proposed procedure we have found them to be flawed. . . . [T]he state is not telling the church it must integrate, but it is saying that when the church is involved in public services, it cannot enjoy tax exemption if it operates under a policy which runs counter to established public policy."

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Question: Won't the new IRS procedure put an unnecessary administrative burden on every private school in the country?

Answer: Many—and probably most—private schools will be unaffected by the new IRS enforcement policy since the IRS will closely examine only adjudicated or reviewable schools. This focus on adjudicated and reviewable schools is appropriate under a series of federal court cases which hold that the establishment or expansion of a school in the way of public school desegregation strongly suggests a racial exclusionary policy. Under the proposal, such schools—if innocent—can show that their founding or expansion was not in fact related to school desegregation and can otherwise provide evidence of facts and circumstances showing that they do not discriminate on the basis of race. (It is standard policy to require recipients of government benefits to demonstrate that they qualify for the benefits. Organizations seeking tax exemption have always had the burden of proving that they meet all criteria for qualification.)

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Question: What if the IRS improperly revokes a school's exemption?

Answer: Every school whose exemption is revoked has the right under the Internal Revenue Code to appeal to the federal courts. Moreover, under the proposal, all decisions with respect to such exemptions will be reviewed in the National Office of the IRS.

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Question: Isn't the IRS making new law without congressional action?

Answer: No. The law has been clear since 1971—segregation academies are not entitled to exemption. The new proposals represent a strongly-focused enforcement policy and not new law.

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NEWS RELEASE—IR-2091

WASHINGTON, D.C.—After considering public comments, the Internal Revenue Service today issued, in proposed form, a revised revenue procedure setting forth guidelines to implement the Service's obligation to limit tax exemption to private schools which operate on a racially nondiscriminatory basis.

Under the guidelines, the Service will examine certain schools and deny tax exemption where their actual operations are inconsistent with their stated policies of nondiscrimination.

The newly proposed procedure, on which public comments are invited, sets forth standards to be applied to two categories of private elementary and secondary schools: those that have been held by a court or government agency to be racially discriminatory ("adjudicated schools"); and those whose formation or expansion is related to public school desegregation in the community served by the school, and do not have significant minority student enrollment ("reviewable schools").

The proposed guidelines do not apply to colleges, universities, nursery schools, or schools for the handicapped or the emotionally disturbed.

The new procedure is a revision of a proposal published in the Federal Register on August 22, 1978. It gives greater weight to each school's particular circumstances, than did the earlier proposal, in determining whether a school is racially discriminatory as to students.

Under the new proposal, a school formed or substantially expanded at the time of public school desegregation will be classified as "reviewable" if it has an insignificant minority enrollment and its formation or expansion is related in fact to public school desegregation in the community. The procedure sets forth factors to be considered in making this determination.

A school classified as "reviewable" will be considered racially discriminatory unless it has undertaken actions and programs reasonably designed to attract minority students on a continuing basis. Unlike the earlier proposal, the new procedure does not require a minimum number of specified actions to be taken in every case. Rather, it provides greater flexibility for a school to show that it is operating on a racially nondiscriminatory basis.

Public comments on the new proposal should be submitted to the Internal Revenue Service by April 20, 1979.

A copy of the proposed revenue procedure is attached.

SECTION 1. PURPOSE

.01 This Revenue Procedure sets forth guidelines the Internal Revenue Service will apply in determining whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954.

SECTION 2. BACKGROUND

.01 A school must have a racially nondiscriminatory policy as to students in order to qualify as an organization exempt from federal income tax. Revenue Ruling 71-447, 1971-2 C.B. 230. This requirement also applies to church-related and church-operated schools. Revenue Ruling 75-231, 1975-1 C.B. 158.

.02 Revenue Procedure 75-50, 1975-2 C.B. 587, sets forth certain affirmative recordkeeping and publicity requirements along with other guidelines for determining whether schools have a racially nondiscriminatory policy as to students. Revenue Procedure 75-50 generally requires tax-exempt private schools to adopt formally a racially nondiscriminatory policy and to publicize that policy annually to the community.

.03 All private schools are subject to the requirement that they have a racially nondiscriminatory policy as to students in order to qualify for and retain tax exemption, and schools are subject to examination to verify the existence of that policy.

The question whether a private school has a racially nondiscriminatory policy as to students is based on all the applicable facts and circumstances.

If a school engages in any acts or practices that are racially discriminatory as to students, the school is not entitled to tax exemption even though it may otherwise comply with the provisions of Revenue Procedure 75-50 or this Revenue Procedure. For example, if there are overt acts of racial discrimination as to students, the school is not entitled to federal income tax exemption.

.04 There are situations in which a school's formation or expansion at the time of public school desegregation in the community casts doubt on the existence of a bona fide racially nondiscriminatory policy. In such situations the mere assertion and publication of a nondiscriminatory policy may be insufficient evidence of a bona fide nondiscriminatory policy. In these cases it is appropriate to examine whether actions have been taken by the school to overcome the indications that the school was established to foster racial segregation and that minorities are not welcome at the school. See *Norwood* v. *Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974), on remand from the Supreme Court, 413 U.S. 455 (1973); *Brumfield* v. *Dodd*, 405 F. Supp. 338 (E.D. La. 1975).

This Revenue Procedure sets forth guidelines to identify certain private elementary and secondary schools that are racially discriminatory, even though they claim to have a racially nondiscriminatory policy as to students.

.05 This Revenue Procedure applies only to private elementary and secondary schools, other than schools organized and operated solely for the education of the handicapped or the emotionally disturbed. For example, it applies to church-related and church-operated elementary and secondary schools, but does not apply to colleges and universities, pre-schools, nursery schools, or schools for the blind or the deaf.

SECTION 3. DEFINITIONS.

.01 A racially nondiscriminatory policy as to students means that:

the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

Revenue Ruling 71-447. The Service considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. Revenue Procedure 75-50.

.02 A school "adjudicated to be discriminatory" means any school found to be racially discriminatory as to students by a final decision of a federal or state court of competent jurisdiction; by final agency action of a federal administrative agency in accordance with the procedures of the Administrative Procedure Act, 5 U.S.C. 551, *et seq.*; or by final agency action of a state administrative agency following a proceeding in which the school was a party or otherwise had the opportunity for a hearing and an opportunity to submit evidence. The terms "final decision of a federal or state court" and "final agency action" mean actions or decisions from which no further administrative or judicial appeal can be taken.

.03 "Reviewable school" means a school (i) formed or substantially expanded at the time of public school desegregation in the community served by the school; (ii) which does not have significant minority student enrollment; and, (iii) whose creation or substantial expansion was related in fact to public school desegregation in the community. A school will not be treated as a reviewable school unless all three of the foregoing characteristics exist.

(a) A school will be considered formed or substantially expanded at the time of public school desegregation in the community served by the school if its formation or expansion takes place during any calendar year any part of which falls within the period beginning one year before implementation of a public school desegregation plan in the community (whether a court-ordered or voluntary plan) and ending three years after substantial implementation of such desegregation order or plan. "Voluntary plan" includes, for example, a written desegregation plan entered into with the Department of Health, Education and Welfare (HEW), or with a state agency.

A school will not be considered to have substantially expanded during a particular calendar year if the increase in the maximum number of students enrolled at any time during that calendar year is 20 percent or less of the maximum number of students enrolled at any time during the immediately preceding calendar year. If the increase is more than 20 percent, a determination will be made whether the expansion is related in fact to public school desegregation, as described in section 3.03(c), *infra*, before the school will be treated as a reviewable school.

Whether a school's minority student enrollement is significant depends on all the relevant facts and circumstances. Consideration will be given to special circumstances which limit the school's ability to attract minority students, such as an emphasis on special programs or special curricula which by their nature are of interest only to identifiable groups which are not composed of a significant number of minority students, so long as such programs or curricula are not offered for the purpose of excluding minorities. In giving such consideration, the Service will also take into account whether schools in similar circumstances are not limited in their ability to attract minority students.

In any event, a school will be considered to have significant minority student enrollment if its percentage of minority students is 20 percent or more of the percentage of the minority school age population in the community served by the school. For example, if 50 percent of the school age population in the community is minority, and the school enrolls 200 students, a school would not be "reviewable" if it had at least 20 minority students. (20 percent × 50 percent = 10 percent, 10 percent × 200 students = 20 students.)

If a particular school which is part of a system of commonly supervised schools would be treated as not having significant minority student enrollment under the foregoing provisions, it may nevertheless be considered to have a significant minority student enrollment if all the following conditions are met:

1. Taking into account all schools operated by the system within the community, the school system, in the aggregate, has significant minority student enrollment;

2. The schools within the community serve designated geographical areas, which designations are based on considerations other than race; and,

3. There is no evidence that the school system operates on a racially discriminatory basis, such as through the operation of a dual school system based on race.

(c) Ordinarily, the formation or substantial expansion of a school at the time of public school desegregation in the community will be considered to be related in fact to public school desegregation. However, notwithstanding this general rule, the Service will consider evidence that a school's formation or substantial expansion was not related in fact to public school desegregation in the community and that the school therefore is not a reviewable school. The determination that a school's formation or substantial expansion is not related in fact to public school desegregation must be based on objective evidence, taking into account all the facts and circumstances relating to the school's formation or expansion. The following are illustrative of facts which are relevant in making this determination, but these facts are not exclusive.

Facts tending to indicate that the formation or substantial expansion of a school was not related in fact to public school desegregation include the following:

(1) The students to whom the opening or substantial expansion of the school is attributable are not to any significant extent drawn from the public school grades subject to desegregation in the community served by the school. For example, the students may be drawn from other private schools, or from other areas not undergoing public school desegregation.

(2) The rate of expansion is not greater than the rate of expansion experienced by the school in years prior to the time of public school desegregation, as defined in section 3.03(a) of this procedure.

(3) The expansion is attributable to an increase in the school age population in the community.

(4) The expansion results from a merger of the school with another private school and neither of the schools is otherwise "reviewable."

(5) The expansion is attributable to a continuation of previous periodic expansion by adding grade levels as the school's enrollment in lower grades advance, and the school does not enroll a significant number of new students in the newly added grades from the public schools.

(6) The school was formed or expanded in accordance with a long-standing practice of a religion or religious denomination which itself is not racially discriminatory to provide schools for religious education when circumstances are present making it practical to do so (such as a sufficient number of persons of that religious belief in the community to support the school), and such circumstances are not attributable to a purpose of excluding minorities.

(7) At the time of formation or expansion, the school had some minority students, faculty, or board members.

Facts tending to indicate that the formation or substantial expansion of a school was related in fact to public school desegregation in the community include:

(8) The opening or substantial expansion of the school occurs in one or more of the same grades that are subject to public school desegregation.

(9) The students who enroll are primarily drawn from the public schools.

(10) The school occupies or utilizes former public school facilities made available to the school in the course of implementation of the public school desegregation plan.

(11) The school is a member of an organization which practices or advocates racial segregation in schools.

(12) The school, or its founders, officers, substantial contributors or trustees, have engaged in efforts to oppose desegregation of the public schools.

(13) The school in practice limits enrollment to students from a geographic area (or areas) with few or no minorities, and this limitation coincides with a public school desegregation plan that involves exchanges of students between such area or areas and one or more other areas that have a substantial school age minority population.

(14) Non-minority faculty members added to the school's staff at the time of its formation or substantial expansion are drawn primarily from the public school system subject to desegregation.

.04 The "community" served by the school means the public school district within which the school is located, together with any other public school district from which the school enrolls a substantial percentage of its student body. As an objective guideline, the Service will consider 20 percent a substantial percentage of its student body. Where a court desegregation order involves the mandatory assignment of students to or from any of such foregoing school districts, "community" includes all public school districts covered by the order, and the appropriate percentage of minority students will be determined with reference to all such districts. For example, if the school is located in public school district A, but draws 30 percent of its students from school district B, which is under a court-ordered busing program with school district C, the relevant community for the particular school, for purposes of computing the relevant minority school age population, is school districts A, B, and C.

For purposes of determining minority school age population, the Service will rely generally on statistics compiled by the Department of Health, Education and Welfare (HEW) on public school enrollment, unless the school furnishes acceptable statistics relating to its community showing both public and private school enrollment. The enrollment data used by HEW concerning the minority school age population of a public school district may be obtained from local school boards, which are required to maintain such information by HEW regulations.

.05 "Minority" is defined as including the following separate categories: blacks; Hispanics; Asians or Pacific Islanders; and, American Indians or Alaskan natives. These classifications are in accordance with guidelines of the Department of Commerce which are currently set forth at 43 Fed. Reg. 19,-269 (1978). The relevant minority for purposes of computing the percentage of minority student enrollment under this Revenue Procedure is the group or groups found to have been the object of discrimination in the court or agency adjudication, or in the public school desegregation proceeding. For example, if both blacks and Hispanics have been found in a court or agency adjudication to have been the object of discrimination, the appropriate percentage of minority students will be determined separately for blacks and for Hispanics.

SECTION 4. GUIDELINES

.01 *Schools adjudicated to be discriminatory.* Notwithstanding a prior adjudication of racial discrimination as to students, a school adjudicated to be racially discriminatory as to students will be considered to be now operated on a nondiscriminatory basis if the school can show that:

(a) the school currently has significant minority enrollment, as defined in section 3.03(b), *supra*; or,

(b) the school has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, *infra*, for examples of such actions or programs. Ordinarily, an adjudicated school will not be considered to be operated on a racially nondiscriminatory basis unless the school has enrolled some minority students.

.02 *"Reviewable schools."*—Notwithstanding the fact that a school is a reviewable school as defined in section 3.03, the school will be considered to have a racially nondiscriminatory policy as to students if the school can show that it has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, *infra*, for examples of such actions or programs.

.03 Actions and programs reasonably designed to attract minority students must convey clearly to the affected minority community that, notwithstanding the circumstances of the school's formation or expansion and the absence of a significant number of minority students, the school, in fact, is operating on a nondiscriminatory basis and minorities are welcome at the school. The level of actions and programs that are adequate may vary from school to school and depends on the circumstances of the school, including the level of minority student enrollment. Examples of actions and programs that may contribute to attracting minority students on a continuing basis include:

1. Active and vigorous minority recruitment programs, such as extensive public advertisements in media designed to reach the minority community, specifically inviting minority applicants; communication to minority groups and minority leaders in the community inviting minority applicants; personal contacts of prospective minority students; and, participation in local, regional, or national programs designed to develop new sources of minority recruitment for the school.

2. Publicized offering of tuition waivers, scholarships or other financial assistance, with emphasis on their availability for minority students; or, actual granting of such financial assistance to minority students.

3. Employment of, or substantial efforts to recruit, minority teachers or other professional staff.

4. Participation with integrated schools in sports, music, and other events or activities.

5. Special minority-oriented curriculum or orientation programs.

6. Minority members of the board or other governing body of the school.

The failure of such actions or programs to obtain some minority student enrollment within a reasonable period of time will be a factor in determining whether such activities are adequate or are undertaken in good faith.

SECTION 5. PROCEDURES FOR HANDLING SCHOOLS CURRENTLY RECOGNIZED AS TAX-EXEMPT

.01 *Schools adjudicated to be discriminatory.* The Service will propose revocation of exemption for schools adjudicated to be discriminatory which do not meet the guidelines of section 4.01, *supra*.

.02 *"Reviewable schools".* The Service will propose revocation of exemption for reviewable schools which do not meet the guidelines of section 4.02, *supra*.

.03 *Tax deductibility of contributions.* The Service will apply the provisions of Revenue Procedure 72–39, 1972–2, C.B. 818, in determining the tax deductibility of contributions made to adjudicated or reviewable schools.

.04 *General Guidelines.* Proposed revocations of exemption will be processed in accordance with the procedures set forth in Revenue Procedure 73–8, 1973–1 C.B. 754, and this Revenue Procedure. After exhausting its administrative remedies, the school may seek judicial relief.

In appropriate cases, the Service will consider deferring issuing notice of a final revocation of exemption to a school not meeting the standards of this Revenue Procedure, if the school so requests and sets forth actions already taken and to be undertaken in good faith which demonstrate a racially nondiscriminatory policy in accordance with section 4 of this Revenue Procedure.

SECTION 6. APPLICATIONS FOR TAX-EXEMPT STATUS

.01 *School adjudicated to be discriminatory.* A favorable ruling or determination will be issued to a school adjudicated to be discriminatory only if it meets the guidelines of section 4.01, *supra*.

.02 *"Reviewable schools".* A favorable ruling or determination will be issued to a reviewable school which has commenced operation only if it meets the guidelines of section 4.02, *supra*. A favorable ruling or determination will be issued to a school with no record of actual operation only if the school's proposed operations can be described in sufficient detail to permit a conclusion that the school will not be classified as a reviewable school, or will clearly meet the guidelines of section 4.02.

.03 *General guidelines.* Applications for tax-exempt status will be processed in accordance with the procedures set forth in Revenue Procedure 72–4, 1972–1 C.B. 706, and this Revenue Procedure. A school which has either received an adverse ruling or determination or which has exhausted its administrative remedies may seek judicial relief.

SECTION 7. NATIONAL OFFICE APPEALS AND REVIEW

Applications for exemption and examinations of private elementary and secondary schools will be reviewed in the National Office under procedures established by the Assistant Commissioner (Employee Plans and Exempt Organizations). Under this procedure, appeals from adverse key district actions in these cases will be considered by the National Office rather than the Regional Directors of Appeal.

SECTION 8. EFFECTIVE DATE

In the case of schools adjudicated to be discriminatory, this Revenue Procedure will be effective on final publication for purposes of examinations and applications for exemptions. In the case of reviewable schools, this Revenue Procedure will be effective for purposes of examinations on and after January 1, 1980. For reviewable schools whose applications for exemption are pending on the date of final publication, but which do not meet the provisions of section 6 of this revenue procedure, the Service will, if requested by the school, defer any action on the application for exemption until January 1, 1980, to give the schools an opportunity to supplement its application to demonstrate compliance with section 6. Otherwise, for purposes of applications for exemption by reviewable schools, this Revenue Procedure will be effective on final publication.

SECTION 9. EFFECT ON OTHER DOCUMENTS

Revenue Procedure 75–50 is amplified, and continues to be applicable to all private schools, whether or not affected by this Revenue Procedure.

Mr. JAVITS. Mr. President, I have 5 minutes of debate, and then I will be prepared to yield back the remainder of my time. Inasmuch as I am the proponent, I would like to finish the debate, if that is agreeable to my colleague.

Mr. HELMS. Certainly.

Mr. JAVITS. I thank the Senator.

I yield myself 5 minutes.

Mr. President, I am grateful to the Members who have supported my position. I am very grateful to my cosponsors.

I would like to spend a minute or two to answer the points which have been made.

I appreciate what Senator HELMS said so eloquently, that the people have created these schools; "with their own sacrifices and their own hands, have built these schools."

Mr. President, there is not a word in what I am trying to accomplish, not an implication, not a reference which would prevent these schools from functioning.

The only question is: Shall they have tax exemption? And tax exemption is support. That is all I am arguing. So the answer, in my judgment, is that where it runs counter to the public policy of the country, it is not entitled to tax exemption, and the law, it seems to me, is very clear on that score because the law defines what is to be tax exempt as "corporations, and any community chest funds or foundations organized and operated exclusively for religious, charitable, scientific, testing for the public safety, literary, or educational purposes."

And it is respectfully submitted that a school which discriminates on the ground of race is not a purpose encompassed within the law. That is why the IRS makes this regulation.

So, Mr. President, I wish to emphasize no one is eliminating any school in any way by voting for my amendment. But what you are doing is to prevent the private school from being used as a subterfuge in order to maintain racial discrimination which is contrary to the public policy of the United States.

Second, Mr. President, it is argued that we should not pass my amendment because all that the amendment which is in the bill does is to deal with a question for 1 year and in the meantime we have to study it. But that is committing Members to a position which in our judgment is highly inimical to the public policy and the morality of our country. We can study it right now. There is nothing to stop us.

And in answer to the argument that the IRS is usurping the right of Congress because it is writing a regulation, we can change any regulation—we have done it 1,000 times or more—by law.

Third, I wish I had here the stack of regulations of the IRS on taxes. We would not do anything else. We could not even finish it if we worked 24 hours a day for 365 days a year and did nothing else on the public business. I mean the thing is just ridiculous on its face.

Mr. President, we are deciding a great issue of public policy, whether or not the Government should lend itself to segregated private schools. I deeply believe we have no right to do that, and that is the purpose of my amendment.

Lastly, the question of schools, like Senator HELMS described, of Christian schools—now, I will tell the Senator frankly I do not know whether I visited a Christian school or not. I visited so many that I may have visited one. I doubt they would bar members of my faith from the visits. So I really cannot tell whether I have or have not.

Mr. HELMS. Mr. President, if the Senator will yield, he is welcome and I invite him now to go with me to North Carolina.

Mr. JAVITS. I assure the Senator he probably will get me for that.

Mr. President, the regulations which we are considering give protections to religious schools, saying that considerations will be given to any school taking into account all schools operated by the system within the community—this applies very heavily to Catholic schools—taking into account whether the schools within the community served designated geographical areas which designations are based on considerations other than race.

Finally, where there is no evidence that the school system is operated on a racially discriminatory basis, such as through the operation of a dual school system based on race, the schools would not be affected.

Mr. President, I ask unanimous consent that these regulations be printed in the RECORD.

There being no objection, the regulations were ordered to be printed in the RECORD, as follows:

Section 1. Purpose.

.01 This Revenue Procedure sets forth guidelines the Internal Revenue Service will apply in determining whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954.

Sec. 2. Background.

.01 A school must have a racially nondiscriminatory policy as to students in order to qualify as an organization exempt from federal income tax. Revenue Ruling 71–447, 1971–2 C.B. 230. This requirement also applies to church-related and church-operated schools. Revenue Ruling 75–231, 1975–1 C.B. 158.

.02 Revenue Procedure 75–50, 1975–2 C.B. 587, sets forth certain affirmative recordkeeping and publicity requirements along with other guidelines for determining whether schools have a racially nondiscriminatory policy as to students. Revenue Procedure 75–50 generally requires tax-exempt private schools to adopt formally a racially nondiscriminatory policy and to publicize that policy annually to the community.

.03 All private schools are subject to the requirement that they had a racially nondiscriminatory policy as to students in order to qualify for and retain tax exemption, and schools are subject to examination to verify the existence of that policy.

The question whether a private school has a racially nondiscriminatory policy as to students is based on all the applicable facts and circumstances.

If a school engages in any acts or practices that are racially discriminatory as to students, the school is not entitled to tax exemption even though it may otherwise comply with the provisions of Revenue Procedure 75–50 or this Revenue Procedure. For example, if there are overt acts of racial discrimination as to students the school is not entitled to federal income tax exemption.

.04 There are situations in which a school's formation or expansion at the time of public school desegregation in the community casts doubt on the existence of a bona fide racially nondiscriminatory policy. In such situations the mere assertion and publication of a nondiscriminatory policy may be insufficient evidence of a bona fide nondiscriminatory policy. In these cases it is appropriate to examine whether actions have been taken by the school to overcome the indications that the school was established to foster racial segregation and that minorities are not welcome at the school. See *Norwood* v. *Harrison*,

383 F. Supp. 921 (N.D. Miss. 1974), on remand from the Supreme Court, 413 U.S. 455 (1973); *Brumfield* v. *Dodd*, 405 F. Supp. 338 (E.D. La. 1975).

This Revenue Procedure sets forth guidelines to identify certain private elementary and secondary schools that are racially discriminatory, even though they claim to have a racially nondiscriminatory policy as to students.

.05 This Revenue Procedure applies only to private elementary and secondary schools, other than schools organized and operated solely for the education of the handicapped or the emotionally disturbed. For example, it applies to church-related and church-operated elementary and secondary schools, but does not apply to colleges and universities, pre-schools, nursery schools, or schools for the blind or the deaf.

Sec. 3. Definitions.

.01 A racially nondiscriminatory policy as to students means that: the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

Revenue Ruling 71–447. The Service considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. Revenue Procedure 75–50.

.02 A school "adjudicated to be discriminatory" means any school found to be racially discriminatory as to students by a final decision of a federal or state court of competent jurisdiction; by final agency action of a federal administrative agency in accordance with the procedures of the Adminstrative Procedure Act, 5 U.S.C. 551, et seq.; or by final agency action of a state administrative agency following a proceeding in which the school was a party or otherwise had the opportunity for a hearing and an opportunity to submit evidence. The terms "final decision of a federal or state court" and "final agency action" mean actions or decisions from which no further administrative or judicial appeal can be taken.

.03 "Reviewable school" means a school (i) formed or substantially expanded at the time of public school desegregation in the community served by the school; (ii) which does not have significant minority student enrollment; and, (iii) whose creation or substantial expansion was related in fact to public school desegregation in the community. A school will not be treated as a reviewable school unless all three of the foregoing characteristics exist.

(a) A school will be considered formed or substantially expanded at the time of public school desegregation in the community served by the school if its formation or expansion takes place during any calendar year any part of which falls within the period beginning one year before implementation of a public school desegregation plan in the community (whether a court-ordered or voluntary plan) and ending three years after substantial implementation of such desegregation order or plan. "Voluntary plan" includes, for example, a written desegregation plan entered into with the Department of Health, Education, and Welfare (HEW), or with a state agency.

A school will not be considered to have substantially expanded during a particular calendar year if the increase in the maximum number of students enrolled at any time during that calendar year is 20 percent or less of the maximum number of students enrolled at any time during the immediately preceding calendar year. If the increase is more than 20 percent, a determination will be made whether the expansion is related in fact to public school desegregation, as described in section 3.03(c), infra, before the school will be treated as a reviewable school.

(b) Whether a school's minority student enrollment is significant depends on all the relevant facts and circumstances. Consideration will be given to special circumstances which limit the school's ability to attract minority students, such as an emphasis on special programs or special curricula which by their nature are of interest only to identifiable groups which are not composed of a significant number of minority students, so long as such programs or curricula are not offered for the purpose of excluding minorities. In giving such consideration, the Service will also take into account whether schools in similar circumstances are not limited in their ability to attract minority students.

In any event, a school will be considered to have significant minority student enrollment if its percentage of minority students is 20 percent or more of the percentage of the minority school age population in the community served by the school. For example, if 50 percent of the school age population in the community is minority, and the school enrolls 200 students, a school would not be "reviewable" if it had at least 20 minority students. (20 percent x 50 percent = 10 percent. 10 percent x 200 students = 20 students.)

If a particular school which is part of a system of commonly supervised schools would be treated as not having significant minority student enrollment under the foregoing provisions, it may nevertheless be considered to have a significant minority student enrollment if all the following conditions are met:

1. Taking into account all schools operated by the system within the community, the school system, in the aggregate, has significant minority student enrollment;

2. The schools within the community serve designated geographical areas, which designations are based on considerations other than race; and,

3. There is no evidence that the school system operates on a racially discriminatory basis, such as through the operation of a dual school system based on race.

(c) Ordinarily, the formation or substantial expansion of a school at the time of public school desegregation in the community will be considered to be related in fact to public school desegregation. However, notwithstanding this general rule, the Service will consider evidence that a school's formation or substantial expansion was not related in fact to public school desegregation in the community and that the school therefore is not a reviewable school. The determination that a school's formation or substantial expansion is not related in fact to public school desegregation must be based on objective evidence, taking into account all the facts and circumstances relating to the school's formation or expansion. The following are illustrative of facts which are relevant in making this determination, but these facts are not exclusive.

Facts tending to indicate that the formation or substantial expansion of a school was not related in fact to public school desegregation include the following:

(1) The students to whom the opening or substantial expansion of the school is attributable are not to any significant extent drawn from the public school grades subject to desegregation in the community served by the school. For example, the students may be drawn from other private schools, or from other areas not undergoing public school desegregation.

(2) The rate of expansion is not greater than the rate of expansion experienced by the school in years prior to the time of public school desegregation, as defined in section 3.03(a) of this procedure.

(3) The expansion is attributable to an increase in the school age population in the community.

(4) The expansion results from a merger of the school with another private school and neither of the schools is otherwise "reviewable."

(5) The expansion is attributable to a continuation of previous periodic expansion by adding grade levels as the school's enrollment in lower grades advance, and the school does not enroll a significant number of new students in the newly added grades from the public schools.

(6) The school was formed or expanded in accordance with a long-standing practice of a religion or religious denomination which itself is not racially discriminatory to provide schools for religious education when circumstances are present making it practical to do so (such as a sufficient number of persons of that religious belief in the community to support the school), and such circumstances are not attributable to a purpose of excluding minorities.

(7) At the time of formation or expansion, the school had some minority students, faculty, or board members.

Facts tending to indicate that the formation or substantial expansion of a school was related in fact to public school desegregation in the community include:

(8) The opening or substantial expansion of the school occurs in one or more of the same grades that are subject to public school desegregation.

(9) The students who enroll are primarily drawn from the public schools.

(10) The school occupies or utilizes former public school facilities made available to the school in the course of implementation of the public school desegregation plan.

(11) The school is a member of an organization which practices or advocates racial segregation in schools.

(12) The school, or its founders, officers, substantial contributors or trustees, have engaged in efforts to oppose desegregation of the public schools.

(13) The school in practice limits enrollment to students from a geographic area (or areas) with few or no minorities, and this limitation coincides with a public school desegregation plan that involves exchanges of students between such area or areas and one or more other areas that have a substantial school age minority population.

(14) Non-minority faculty members added to the school's staff at the time of its formation or substantial expansion are drawn primarily from the public school system subject to desegregation.

.04 The "community" served by the school means the public school district within which the school is located, together with any other public school district from which the school enrolls a substantial percentage of its student body. As an objective guideline, the Service will consider 20 percent a substantial percentage of its student body. Where a court desegregation order involves the mandatory assignment of students to or from any of such foregoing school districts, "community" includes all public school districts covered by the order, and the appropriate percentage of minority students will be determined with reference to all such districts. For example, if the school is located in public school district A, but draws 30 percent of its students from school district B, which is under a court-ordered busing program with school district C, the reveiant community for the particular school, for purposes of computing the relevant minority school age population, is school districts A, B, and C.

For purposes of determining minority school age population, the Service will rely generally on statistics compiled by the Department of Health, Education and Welfare (HEW) on public school enrollment, unless the school furnishes acceptable statistics relating to its community showing both public and private school enrollment. The enrollment data used by HEW concerning the minority school age population of a public school district may be obtained from local school boards, which are required to maintain such information by HEW regulations.

.05 "Minority" is defined as including the following separate categories: blacks; Hispanics; Asians or Pacific Islanders; and, American Indians or Alaskan natives. These classifications are in accordance with guidelines of the Department of Commerce which are currently set forth at 43 Fed. Reg. 19,269 (1978). The relevant minority for purposes of computing the percentage of minority student enrollment under this Revenue Procedure is the group or groups found to have been the object of discrimination in the court or agency adjudication, or in the public school desegregation proceeding. For example, if both blacks and Hispanics have been found in a court or agency adjudication to have been the object of discrimination, the appropriate percentage of minority students will be determined separately for blacks and for Hispanics.

Sec. 4. Guidelines.

.01 Schools adjudicated to be discriminatory. Notwithstanding a prior adjudication of racial discrimination as to students, a school adjudicated to be racially discriminatory as to students will be considered to be now operated on a nondiscriminatory basis if the school can show that:

(a) the school currently has significant minority enrollment, as defined in section 3.03(b), supra; or,

(b) the school has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, infra, for examples of such actions or programs. Ordinarily, an adjudicated school will not be considered to be operated on a racially nondiscriminatory basis unless the school has enrolled some minority students.

.02 "Reviewable schools."—Notwithstanding the fact that a school is a reviewable school as defined in section 3.03, the school will be considered to have a racially nondiscriminatory policy as to students if the school can show that it has undertaken actions or programs reasonably designed to attract minority students on a continuing basis. See section 4.03, infra, for examples of such actions or programs.

.03 Actions and programs reasonably designed to attract minority students must convey clearly to the affected minority community that, notwithstanding the circumstances of the school's formation or expansion and the absence of a significant number of minority students, the school, in fact, is operating on a nondiscriminatory basis and minorities are welcome at the school. The level of actions and programs that are adequate may vary from school to school and depends on the circumstances of the school, including the level of minority student enrollment. Examples of actions and programs that may contribute to attracting minority students on a continuing basis include:

1. Active and vigorous minority recruitment programs, such as extensive public advertisements in media designed to reach the minority community, specifically inviting minority applicants; communication to minority groups and minority leaders in the community inviting minority applicants; personal contacts of prospective minority students; and, participation in local, regional, or national programs designed to develop new sources of minority recruitment for the school.

2. Publicized offering of tuition waivers, scholarships or other financial assistance, with emphasis on their availability for minority students; or, actual granting of such financial assistance to minority students.

3. Employmeent of, or substantial efforts to recruit, minority teachers or other professional staff.

4. Participation with integrated schools in sports, music, and other events or activities.

5. Special minority-oriented curriculum or orientation programs.

6. Minority members of the board or other governing body of the school.

The failure of such actions or programs to obtain some minority student enrollment within a reasonable period of time will be a factor in determining whether such activities are adequate or are undertaken in good faith.

Sec. 5. Procedures for handling schools currently recognized as tax-exempt.

.01 Schools adjudicated to be discriminatory. The Service will propose revocation of exemption for schools adjudicated to be discriminatory which do not meet the guidelines of section 4.01, supra.

.02 "Reviewable schools". The Service will propose revocation of exemption for reviewable schools which do not meet the guidelines of section 4.02, supra.

.03 Tax deductibility of contributions. The Service will apply the provisions of Revenue Procedure 72–39, 1972–2 C.B. 818, in determining the tax deductibility of contributions made to adjudicated or reviewable schools.

.04 General Guidelines. Proposed revocations of exemption will be processed in accordance with the procedures set forth in Revenue Procedure 73–8, 1973–1 C.B. 754, and this Revenue Procedure. After exhausting its administrative remedies, the school may seek judicial relief.

In appropriate cases, the Service will consider deferring issuing notice of a final revocation of exemption to a school not meeting the standards of this Revenue Procedure, if the school so requests and sets forth actions already taken and to be undertaken in good faith which demonstrate a racially nondiscriminatory policy in accordance with section 4 of this Revenue Procedure.

Sec. 6. Applications for tax-exempt status.

.01 Schools adjudicated to be discriminatory. A favorable ruling or determination will be issued to a school adjudicated to be discriminatory only if it meets the guidelines of section 4.01, supra.

.02 "Reviewable schools". A favorable ruling or determination will be issued to a reviewable school which has commenced operation only if it meets the guidelines of section 4.02, supra. A favorable ruling or determination will be issued to a school with no record of actual operation only if the school's proposed operations can be described in sufficient detail to permit a conclusion that the school will not be classified as a reviewable school, or will clearly meet the guidelines of section 4.02.

.03 General guidelines. Applications for tax-exempt status will be processed in accordance with the procedures set forth in Revenue Procedure 72–4, 1972–1 C.B. 706, and this Revenue Procedure. A school which has either received an adverse ruling or determination or which has exhausted its administrative remedies may seek judicial relief.

Sec. 7. National Office Appeals and Review.

Applications for exemption and examinations of private elementary and secondary schools will be reviewed in the National Office under procedures established by the Assistant Commissioner (Employee Plans and Exempt Organizations). Under this procedure, appeals from adverse key district actions in these cases will be considered by the National Office rather than the Regional Directors of Appeal.

Sec. 8. Effective date.

In the case of schools adjudicated to be discriminatory, this Revenue Procedure will be effective on final publication for purposes of examinations and applications for exemptions. In the case of reviewable schools, this Revenue Procedure will be effective for purposes of examinations on and after January 1, 1980. For reviewable schools whose applications for exemption are pending on the date of final publication, but which do not meet the provisions of section 6 of this revenue procedure, the Service will, if requested by the school, defer any action on the application for exemption until January 1, 1980, to give the school an opportunity to supplement its application to demonstrate compliance with section 6. Otherwise, for purposes of applications for exemption by reviewable schools, this Revenue Procedure will be effective on final publication.

Sec. 9. Effect on other documents.

Revenue Procedure 75–50 is amplified, and continues to be applicable to all private schools, whether or not affected by this Revenue Procedure.

Mr. JAVITS. Mr. President, they provide also that where there are special programs or special curriculum of interest only to identifiable groups which are not composed of a significant number of minority students, then so long as they are not offered for the purpose of excluding any minorities, they are permissible.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Mr. President, I yield myself an additional 30 seconds.

Mr. President, I believe that there is little question about the fact that all this does is to try to keep the stable door open, not to lock it after the horse is gone. It is an appropriations bill. Every argument made says give it profound consideration.

How do we give it profound consideration—by voting it on as a rider on an appropriations bill, or by letting it be legitimately and studiously considered by the appropriate legislative committee?

On every ground, Mr. President, I deeply believe that the Senate should strike this amendment from the bill.

Mr. President, I have just been advised that Senator MUSKIE wants to have a word, and if I could have the indulgence of my colleagues, I will yield him 2 or 3 minutes, but first I wish to say this:

This amendment which I am seeking to strike was sponsored in the other body by Representative DORNAN. I wish to make it crystal clear that I in no way am challenging Representative DORNAN's views about segregation or civil rights, or his entire attitude toward the general question of school education.

This represents obviously from the debate on the floor a profound difference of view. I have deep convictions that I am right. He has deep convictions that he is right.

But I wish in no way to imply anything which slights him in terms of a thoroughly American and patriotic view toward this or any other question.

I yield 3 minutes to Senator MUSKIE. Is that sufficient?

Mr. MUSKIE. I will try to cover it in 3 minutes.

Mr. JAVITS. All right. I yield 3 minutes to the Senator from Maine.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for 1 minute without the time being charged to the distinguished Senator from Maine.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF H.R. 4393, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no later than the hour of 10 a.m. tomorrow morning the Senate resume consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

The Senate continued with the consideration of H.R. 4393.

UNANIMOUS-CONSENT AGREEMENT—MR. HELMS' AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the pending amendment Mr. HELMS may lay before the Senate his amendment and that no time be charged on the amendment during the remainder of this day. Of course, that amendment being the pending amendment when the Senate resumes consideration of the bill tomorrow upon the disposition of the Helms amendment, one way or the other, the Senate proceed, without further amendment, motion, or debate, to third reading——

Mr. BAKER. What was that?

Mr. ROBERT C. BYRD. Yes, on the disposition of the Helms amendment.

Mr. BAKER. That will knock out other amendments?

Mr. ROBERT C. BYRD. Any amendment to the Helms amendment.

Mr. BAKER. Oh, to his amendment.

Mr. ROBERT C. BYRD. On disposition of the Helms amendment and with the understanding that amendments may be offered to the Helms amendment, but upon the disposition of the Helms amendment as amended if amended the Senate proceed to the third reading of the bill.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Does the Senator have an amendment he wishes to call up tomorrow?

Mr. METZENBAUM. The Senator from Ohio is not certain whether he does have an amendment or not, but I do not want to preclude that possibility in the event the Helms amendment is adopted, and that is the only reason for my objection.

Mr. ROBERT C. BYRD. Very well. Could we agree, then, that Mr. METZENBAUM would have an opportunity to call up an amendment if he so desired upon the disposition of the Helms amendment after which the Senate would go to third reading. In the event he does not desire to call up an amendment, the Senate would go to third reading after the disposition of the Helms amendment.

I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

That means then after the pending amendment is disposed of this evening, there will be no more rollcall votes, and I thank the distinguished Senator from Maine for his courtesy and patience.

Mr. MUSKIE. I thank the majority leader.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I am a longtime supporter of public schools and of the philosophy of a common educational experience for the majority in our Nation. But my support of this common and basic American tradition does not preclude my recognizing the essential role played by nonpublic schools in our Nation and our history. The pluralistic values which flourish in our society have been largely fostered through the contributions of nonpublic schools.

Private schools give a breadth to our national environment that is substantively and philosophically essential to our survival as an open society.

These schools provide an option for families who want to maintain and strengthen a religious faith—an option I exercised in my family. They provide an option to families who believe the maintenance of ethical values is an affirmative pursuit. And, conditions in some public schools have caused some of our people to conclude that private schools are an option for the basic education of their children.

I have been particularly impressed with the Christian school movement in the country today. I have had the opportunity to witness for myself the contributions of the dedicated men and women who work in this field. And I came away impressed.

They have helped maintain and enhance an environment in which our most basic traditional values are nurtured. They are continuing and expanding the American tradition of pluralism through their support of alternative schooling options.

To cite a specific example with which I am personally familiar, I have been strongly and most favorably impressed by the Bangor Christian School operated in Maine by the Reverend Herman Frankland. This institution is a vital component of our State's educational opportunities. It combines a depth of parental involvement and concern with an ability to reach and motivate students that is unique in my experience.

I would be strongly opposed to any actions by Congress or the executive branch which might undermine the kind of positive educational experience the Reverend Frankland has worked to establish.

In fact, last October I joined a number of my colleagues in conveying to the Internal Revenue Service my concern that legitimate private schools—operated without intent to discriminate—should not be forced to justify their existence by overly broad Government regulations.

My concerns in that respect remain undiminished.

But in that letter, I and my colleagues also reaffirmed our commitment to the equitable and effective enforcement of nondiscrimination guidelines as a condition of tax-exempt status.

I ask unanimous consent that the text of the letter in question be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., October 14, 1978.

Attention E:BO.
Mr. JEROME KURTZ,
Commissioner, Internal Revenue Service, Washington, D.C.

DEAR COMMISSIONER KURTZ: In the Matter of Comments on Proposed Revenue Procedure on Private Tax-Exempt Schools, printed at 43 Fed. Reg. 37296, August 22, 1978.

The undersigned United States Senators have read and reviewed your Proposed Revenue Procedure on Private Tax-Exempt Schools, and wish to submit this letter as our comments on the proposed procedure.

Our initial comment is a simple congratulation to you and the Department of the Treasury for responding in a forthright and courageous manner to the proliferation of "white-flight" private schools established to circumvent desegregation plans. We feel most strongly that such institutions represent an improper response to reasonable desegregation efforts. The Federal government should neither encourage nor passively support the private or parochial schools created expressly to accommodate those opposed to racial desegregation.

Furthermore, we agree with the rationale expressed by the Federal courts, that underlies your proposed procedure. Federal tax exemptions and deductions under Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), should not be available to institutions whose activities are contrary to the well-settled federal public policy to refuse governmental support for any form of racial segregation.

We believe, however, that your proposed procedure and guidelines for determining whether an individual school has racially discriminatory policies are overly broad, and could injure many institutions that are totally innocent of the anti-desegregation activities which the procedures are designed to reach.

The presumption in sections 3.03 and 4.02 of the proposed procedure, that racial discrimination by a school exists if it (1) was formed or substantially expanded at the time of desegregation of public schools and (2) has an "insignificant number of minority students", casts a very wide net that will undoubtedly bring in a large number of non "white-flight" schools. The listed actions which a school can take to rebut this presumption and to demonstrate "operation in good faith" simply do not take into account the complex situations of many innocent private and parochial institutions. The factors, in many cases, cannot be satisfied by, or

will cause undue hardship to, schools that do not practice racial discrimination.

Again, we commend you for your efforts to deal with this problem of major national concern, and hope that we can help you in formulating the most effective and fairest procedure to accomplish our mutual goal.

Sincerely,

THOMAS F. EAGLETON.
JOHN H. CHAFEE.
EDMUND S. MUSKIE.
HENRY BELLMON.
JAMES B. PEARSON.

Mr. MUSKIE. On the question of nondiscrimination, the law, the courts, and the Constitution are clear. Equal protection under law cannot be denied any American on the basis of race. That principle has been reaffirmed since the 1954 Brown against Board of Education decision and, in my mind, subsequent events have not weakened its force.

The basic principle of the essential worth of all human beings is enshrined in every major religious faith. And it is a cornerstone of our Constitution.

No less important to our national life is the fundamental protection accorded religious liberties under the Constitution. These protections have put into practice a principle we all recognize as crucial to any theory of civilized human life. They have strengthened our Nation.

Parents whose children are enrolled in religious schools are rightly concerned that their free choice of an educational institution should be protected against unwarranted intrusion by any Government agency.

Our Constitution guarantees that kind of protection.

And it is at that point that these two protections in the Constitution buttress each other. The denial of basic choices or opportunities to any individual or any group in our society is intolerable. And any Government action which sanctions such a denial is intolerable.

It is precisely because of the importance of maintaining equal protection for all Americans that I rise today in support of the Javits amendment to strike the language now in the bill.

The language now in the bill cannot override the Internal Revenue Service's obligation to uphold the law. And the fundamental law at stake in this instance centers on the question of equal protection. The Service is not being prohibited from intruding on religious liberties or systems of faith, because the Service has made no effort to move in that direction. In fact, in revising its regulations last year, the Service acted to meet the legitimate objections of those—including myself—who want to protect the role of private educational institutions.

Because the Service recognized that two fundamental liberties are involved in this instance, it took particular care to define and limit the scope of its efforts in pursuit of one goal so that it would not, inadvertently, intrude on the other.

Mr. President, we have the language which Senator JAVITS seeks to strike apparently in conflict between two fundamental liberties: equal protection of the laws and religious liberties.

When two fundamental liberties appear to conflict, we cannot elevate one consideration at the expense of the other. In this instance, the Service made an effort to balance the legitimate claims of both liberties and to reach a consensus which would offend neither.

But the language now in the bill seeks to elevate, in an absolute manner, the claims of one fundamental right over another, equally fundamental. Such rights are not divisible. Nor can one be granted at the expense of the other without danger to both.

It is on this basis that I am concerned about the implications of the language in this bill which would prohibit the Service from implementing its regulations.

The Service is operating under a court injunction to act affirmatively and deny tax-exempt status to schools that discriminate. The Supreme Court has declined to override that injunction. And the Congress has not chosen to do so.

If Congress believes that appropriate action in this field lies in some direction other than that taken by the Service, Congress should make the appropriate determination and point out the correct direction. We should not preempt the considered action of the Service on the basis of a rider to an appropriations bill.

In addition to pursuing its court-ordered mandate, the Service has acted to assure that its regulations would have little impact on the vast majority of the 18,000 private schools in the country. No Maine school, for instance, would be affected by these regulations. The Service has succinctly delineated a series of inclusive criteria which must be met before a school's tax status could even be reviewed.

The Service took this action in response to communications, such as this one in which I joined with my colleagues, that were sent to the Service expressing concern about the Service's then procedures and guidelines.

The flexibility in the revised regulations is not a license for agents to indiscriminately act against private schools. And the requirement for national office review of any action under the regulations helps insure that enforcement will be even-handed. The development of uniform standards and their uniform enforcement—which this regulation requires—provides a degree of certainty that most private schools welcome.

I will, accordingly, vote to delete the prohibitionary language from the bill. It serves neither the interests of religious liberty nor the goal of assuring equal protection to all our people.

I apologize to my good friend from New York for having been detained off the floor and being unable to come to the floor until this time.

Mr. JAVITS. Your friend from New York is delighted to see you at this time.

Mr. BAKER. Mr. President, the Senator from Iowa (Mr. JEPSEN) is necessarily absent today, because he is recuperating from a recent operation.

Since assuming his duties as Senator from Iowa, he has taken an active legislative interest in the IRS proposed revenue procedure on private tax exempt schools. The Senator had planned on making a statement in opposition to the IRS proposals, so in his absence, I ask unanimous consent that his remarks be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JEPSEN

The IRS has proposed a revenue procedure that would deny tax exempt status to those private schools that cannot prove to the liking of the IRS that they have not discriminated against minorities—whether or not there is any proven intention of discrimination. As the newly elected junior Senator from Iowa, it is my humble opinion that if we allow the Internal Revenue Service to implement their proposed revenue procedure on private tax exempt schools, we will have failed to perform our duties as popularly elected legislators. Throughout my campaign for the U.S. Senate, the one pervasive theme impressed upon me by the people of my State was that somehow this Congress just has to get a handle on the insensitive Federal bureaucracy no one elected and which is seemingly (in their eyes anyway) responsible to no one.

Their never ending pleas for help have for the most part been ignored. The Federal bureaucracy over the years has expanded tremendously in size, in power, and in arrogance. Federal bureaucrats have become a mandarin class, and this country has steadily transformed itself into a mandarin state.

This characterization is only an attempt by me to explain to myself how it is that non-elected officers have come by the power to decree that father-son banquets and all male elementary school choirs are no longer acceptable practices. It suggests to me, however, that if we, as duly elected legislators, are ever to regain the confidence of the people who sent us here, we must reaffirm our role as final arbiters of policy making in this country.

With this in mind, I would just like to add that in this particular instance. I believe that there is no room for compromise. The IRS' proposed regulations don't need to be revised, they need to die a sudden death, followed by a speedy but permanent burial.

The primary target of this "revenue procedure" is no secret. In the wake of public school integration, private, so-called "segregation academies" prospered in this country. Most of the estimated 3,500 such schools are in the south, but by no means are they limited to that region. These schools are generally regarded with disfavor in the courts and in public opinion, and to the extent that they foster racial segregation at the expense of educational achievement, it is unlikely that very many people would object too strenuously to the IRS' proposed attack. Not unexpectedly, however, the federal bureaucracy's quixotic efforts to eliminate some form of social injustice has entangled them in more fundamental and significant questions as to the proper role of the federal governing body in relation to the individuals who are to be governed.

Reasons for objecting to the IRS' new "revenue procedure" are not hard to come by. There is some concern that the guidelines may exceed the Service's authority to determine the requirements for exempt status. Whether one approaches this threshold question on the basis of statutory construction or constitutional limitations, the answer, at the very least, is still open to debate. The lack of a clear cut answer by the Supreme Court on this subject and the opinions of the Justice Department in a brief filed on May 10, 1977 on behalf of the IRS in the *Wright* v. *Blumenthal* case, which argues persuasively that the legality of such regulations was "extremely doubtful" should though, be cause enough for the IRS to withdraw their proposed procedure.

But for the sake of argument let us say that they do have the authority to issue these guidelines. What is it about these proposed regulations that strikes such a fear into the hearts of the governed? It seems that in its attempt to eliminate the enemies of integration, the IRS has spread a net so wide and so far that the very notion of "a distinction between private and government" as we understand it today is threatened with extinction.

This may sound a bit dramatic but it is not far from the truth. The revenue procedure defines two classes of schools: those "adjudicated to be discriminatory", and those that are "reviewable". Reviewable schools are those (a) which were formed or substantially expanded at the time of public schools desegregation at their community, (B) which do not have significant minority enrollment, and (c) whose creation or substantial expansion was related in fact to public school desegregation in the community. They are also presumed to be discriminating unless they have "undertaken actions or programs to attract minority students on a continuing basis."

These proposals, clearly constitute a back door attempt to impose affirmative action programs on heretofore "private" schools, and if the IRS succeeds in establishing this precedent, on other privately operated institutions and organizations. In short, they amount to nothing less than "indictment by computer" and will undoubtedly discourage the creation of other private entities.

One of the most cherished and respected principles of American jurisprudence is that one is presumed innocent until proven guilty. The IRS guidelines, however, turn this principle on its head, and instead, in their application to "reviewable" schools, establish an administrative presumption of illegality based upon a statistical deviation from a racial or ethnic norm conjured up by HEW. This fact alone is so repugnant to the basic American notion of fair play that the guidelines should fall to the ground and like Humpty Dumpty, never again to be put back together.

But there is other respected authority available which allows us to reach a similar conclusion—the Supreme Court decision last year in University of California Regents v. Bakke. In its opinion the court admonished us all not to impose racial goals, quotas, or other forms of race conscious relief in the absence of specific findings of past discrimination by the courts, Congress, or competent administrative tribunals. The basic thesis of the opinion was that racial or ethnic distinctions of any sort are "inherently suspect" and lacking a finding of "identified discrimination" there is no compelling interest that can withstand constitutional objection.

Thus, it seems clear to me that the numerical standards employed in the IRS' guidelines are of dubious validity, especially in light of an absence of any showing of a racially discriminatory purpose. It would behoove the IRS to take notice of the fact that many factors, other than an intent to discriminate, might account for a given school's establishment or expansion at a time of desegregation such as an already existent general dissatisfaction with the quality of public education, the banning of voluntary prayer in public schools, an availability of funds for private school expansion, or a need for such expansion because of community growth. In addition, the fact that upon its establishment or expansion and afterwards, a private school has an insubstantial minority enrollment can be accounted for on many grounds other than an intent to discriminate.

You know, as long as I can remember, there has been a consensus in this country that there are certain limits beyond which the power and the scope of the federal government could not extend. One aspect of this is the belief that the church and the home are areas in which the federal government could not intrude. No longer, it appears, because the IRS procedure specifically states that the requirement that a school must have a racially nondiscriminatory policy as to students in order to qualify as an organization exempt from federal income tax also applies to church-related activities and church operated schools.

As I alluded to earlier in my remarks, that the IRS even has the authority to implement the procedure is dubious indeed. Its claim rests on the tenuous assumption that the government "assists" tax exempt schools with money it does not collect by virtue of exemptions, i.e., it bestows some sort of positive benefit. Aside from the fact that taxation in this instance has probably never before been contemplated, the attitude of the IRS reflects an increasing tendency on the part of certain agencies and departments of the federal government to regard tax exemption as a privilege—a privilege to be enjoyed on the government's terms.

This then, to paraphrase a Washington Star editorial, is the vehicle by which the federal government can expand its already vast powers to compel others to conform to notions of social good proclaimed in Washington, not just as to race but as to other matters as well—"the assumption that, whatever private activity the IRS now does not tax, it, in effect, refrains from taxing." It is customary for the bureaucrats to deny the logical extremes to which their original ideas points, but anyone who has followed the growth of the federal government over the past two decades recognizes that those extremes somehow manage to appear as next year's policy initiatives.

The IRS' proposed procedure raises the very real possibility that the taxation of churches and church related activities might become rather commonplace in the future. This prospect is quite discomforting to say the least.

Firmly entrenched in this nation is the notion of separation of church and state. The first amendment to the Constitution is symbolic of our commitment as a people to this practice. Further evidence of this commitment is the fact that the civil rights statutes themselves specifically exempt from coverage churches and church related activities.

When First Amendment and Fourteenth Amendment rights conflict, especially in the area of tax exemption, the law and the courts have come down on the side of those seeking protection under the First amendment on the grounds that state involvement stemming from tax exemption amounted to no more than an expression of a governmental policy of "benevolent neutrality" towards religion.

At stake here is a very important principle. If we allow the IRS to impose numerical goals and affirmative action programs on private schools as a condition of maintaining their tax exempt status a precedent will have been set—a dangerous precedent at that. Once the lines drawn today are breached, where will the new lines be drawn? It isn't hard to conjure up the spectre of the IRS deciding to meddle in the affairs not just of schools, but of virtually every kind of tax exempt organization in the years to come in an attempt to exact compliance with freshly formulated notions of social or racial democracy. Private charities, scholarly institutions, hospitals, museums, and certain clubs all could be affected. And as I've suggested in this presentation, not even churches would be beyond the agency's reach.

I mentioned earlier in my remarks that Congress would be remiss if it did not take appropriate action in this instance. It is imperative that we as legislators regain the respect of those who sent us here. Congress is ultimately responsible for the laws that it passes, and we cannot pass the buck. The Federal bureaucracy is a juggernaut out of control. It is time for us to tame it once and for all.

In view of the above, I wish to associate myself with action taken by the House when it adopted the Dornan amendment. Here is an instance in which the Congress has responded quickly to prevent a government agency from becoming lawmakers. I hope that in the future, if no real regulatory reform has taken place, that Congress will see fit, as they say, to "take the bull by the horns" more often.

Mr. TSONGAS. Mr. President, I rise in support of the amendment offered by my colleague Senator JAVITS and ask to be associated with his remarks.

I ask unanimous consent that I be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. TSONGAS. Mr. President, I am well aware of the controversy engendered by this issue. In my own State there are schools that have expressed their concern about the revised regulations proposed by the IRS to revoke the tax-exempt status of racially segregated private schools. Most private schools in my State, Mr. President, have no reason to fear these regulations because they are, in fact, in compliance with the law.

There has been a lot of confusion over this matter. In 1979 the IRS was ordered by the courts to cease granting tax exemptions to segregated academies. Since that time the IRS has lacked the enforcement mechanisms to execute this court order.

The revised regulations are simple, flexible, and unharmful to those schools that are not segregated. The proposed procedures apply to only two catgeories of schools: First, those schools adjudicated by the courts to be discriminatory, and second, those schools formed or expanded as a result of desegregation efforts of the public schools. All other schools are unaffected by these regulations.

Mr. President, this is a period of apparent retrenchment on civil rights. I have discussed before on the floor of this Chamber the backslide the civil rights movement has suffered in recent years. I ask my colleagues once again to support actively all efforts which will help us finally to realize equal opportunity for all. I urge my colleagues to join me in support of the amendment by Senator JAVITS.

Mr. LEVIN. Mr. President, I rise in support of the amendment before us offered by Senator JAVITS for a number of reasons.

First, the bill we are considering is an appropriations bill and it is not the place for substantive legislation to be adopted. The bill before us eliminates funds to implement certain provisions of the Internal Revenue Code as proposed by the IRS. The proposed IRS rules are vastly different from the ones proposed in August of 1978 which would have shifted the burden of proving a nondiscriminatory enrollment policy to all private schools in the land. The proposed regulations very carefully shift the burden of proof of nondiscrimination only in those cases where a school has been found guilty of racial discrimination or where three

specific facts are all present which indicate a reasonable likelihood of discriminatory intent.

While the IRS in August 1978 went beyond a reasonable interpretation of their statutory authority, the new rules are at least an effort on their part to do so and to comply with mandates of the Federal courts in their interpretation of the Constitution. Courts have found, most notably in the case of Green against Connally, that the practice of taxpayer subsidies for discriminatory schools is unlawful under the Constitution. If the IRS did not promulgate these new regulations, they would be in violation of the Constitution. The most recent IRS proposals are not a new law, but rather represent a more carefully focused enforcement policy.

For this Senate, in an appropriations bill, to attempt to remove the power of the IRS to carry out its substantive duty is misguided and premature. If we wish to change the Internal Revenue Code or the Constitution, there are appropriate ways to do so. This amendment restores funds which the IRS needs to enforce existing law and the Constitution as interpreted by our courts. That is all the amendment does. It does not endorse the underlying law or court decisions.

The way we exercise legislative power is as important as the substance of our actions. I hope we will adopt this amendment in order that the IRS can carry out its duties.

I would also hope that the opponents of this amendment would incorporate their concerns in appropriate bills to amend the Internal Revenue Code and that the appropriate committees would hold hearings on those bills so that the merits of the issues could be fully and properly considered in the normal legislative manner.

Mr. McCLURE. Mr. President, as we consider the Treasury, Postal Service, and general Government appropriations bill, I wish to reemphasize my support for both the Ashbrook and Dornan amendments that were overwhelmingly approved by the House during their consideration of this legislation. The Dornan amendment was subsequently approved by the Senate Appropriations Committee while the Ashbrook amendment was narrowly defeated by the same committee.

As background, last August the Internal Revenue Service proposed to eliminate the tax exemptions of private and religious schools that were not in compliance with IRS minority requirements. The proposed rulings were somewhat modified in February but substantively remained unchanged. To retain tax-exempt status under the proposed procedures, private schools would be required to undertake programs for minority preference in admissions and hiring. Extensive paperwork and inspections would be used to monitor eligibility for tax exemptions. Every private school would be presumed guilty of discrimination until it proved itself innocent. The end result, of course, would be that, if tax-exempt status were denied, most private and religious schools would face immediate closure.

Mr. President, I firmly believe that it is necessary for Congress to step in at this time to prevent the Internal Revenue Service from issuing this ruling. The IRS's actions in this area pose a threat not only to the parents, teachers, and students affiliated with private schools, but to every American concerned with the individual liberties outlined in the first amendment.

As Members of this body, an additional area of concern to all of us should be the usurpation of legislative power that the IRS's incursion represents. The IRS is issuing a policy statement which has the effect of statutory law. The question we all need to ask ourselves is, Who do we want making our laws, bureaucrats, or elected representatives?

The first educational institutions established in colonial America were under religious sponsorship. The schools continued to grow and flourish even when faced with the full establishment of a taxpayer-supported, free public education movement in the 19th century. Religious groups such as the Catholics and the Lutherans established large school systems especially in urban areas. In recent years, there has been a great growth in private schools, especially individual Christian and Jewish schools. While some of the large public school systems have had to close and consolidate schools, private educational institutions throughout the country have managed to overcome great difficulties including increasing expenses, recruitment of students, school personnel, and teachers. The growth of private education in the United States has resulted from a number of factors, including a dissatisfaction with the quality of education provided in public schools, a concern with the growing secularization of public education, and a view that religious educational institutions are part of an extension of the work of religion and religious people.

This right to the free exercise of religion is one that has historically been guarded by our Constitution and courts. The vast majority of private schools to be affected by IRS's proposed procedures are church related or religious schools. For some reason the IRS bureaucrats seem to have lost sight of the fact that religious groups also have important constitutional rights which must be respected.

Mr. President, in my opinion, the present difficulties with the IRS procedures point to the problems which arise when an administrative agency without authorization or guidance from Congress attempts to take it upon itself to resolve such sensitive issues.

This new procedure would require private and religious schools to justify their enrollment, hiring, and curriculum policies to the IRS or forfeit their tax exemption. I am unaware of any congressional mandate giving IRS authority to regulate these matters in private schools. Furthermore, the IRS procedure leaves the final determination of whether a private school is following "public policy" up to the IRS Commissioner, giving him the power of an "education czar" over private educational institutions. In my judgment, the IRS function is supposed to collect revenue, not regulate education.

I wish to emphasize that I am against racial discrimination in employment, education, or any other activity. But in this instance, the ugly specter of racism has been used as a smokescreen for usurpation of legislative authority by the IRS.

With respect to the House action on this issue, the Dornan amendment passed on the House floor by a division vote of 40 to 25. The amendment simply prohibits the IRS from receiving funds to implement the ruling in question. The Ashbrook amendment, which passed the House by a 297-to-63 margin, approaches the same problem from a slightly different perspective. It prohibits the IRS from formulating or carrying out any ruling that was not in effect prior to August 22, 1978, which is the date of the original IRS proposal.

Mr. President, I feel that both of these amendments need to be passed in order to keep IRS from both enacting undesirable social policy and usurping congressional authority. Neither of these amendments will prevent the IRS from implementing Revenue Procedure 75-50 which imposes detailed recordkeeping requirements upon tax-exempt private schools, by which they are required to submit data on the racial composition of their student bodies, faculties, and administrative staffs, as well as other pertinent information. With the use of this type of data, the IRS will still be able to continue denying schools their tax-exempt status on a case-by-case method which is the proper denial approach.

Finally, Mr. President, let me stress that neither of these amendments prevents Congress from acting in the future. Both the House Ways and Means Committee and the Senate Finance Committee have begun exploring legislative remedies in this sensitive area. Why permit unelected bureaucrats to do our work? What is more, I am confident that if we allow adequate time for Congress to act, sound social policy will result in a way fully protective of essential first amendment rights.

THE IRS AND PRIVATE SCHOOLS

• Mr. ROTH. Mr. President, I strongly support the two amendments restricting the powers of the Internal Revenue Service in the Treasury-Postal Services appropriations bill. The two amendments were added by the House and retained by the Senate Appropriations Committee. I commend the members of the Appropriations Committee for concurring with the House position, and I intend to oppose any attempts to delete these two amendments on the Senate floor.

The first amendment will prohibit the Internal Revenue Service from carrying out any ruling denying a tax deduction for a taxpayer making a contribution which the IRS deems to go to a church-operated school in lieu of a tuition payment.

If the IRS ruling is allowed to stand, many contributions to churches which operate schools may be denied a tax deduction.

The second amendment would prevent the Internal Revenue Service from implementing its proposed ruling affecting the tax-exempt status of private and parochial schools.

Mr. President, these amendments put a stop to the Internal Revenue Service's attempt to legislate through regulation.

The IRS is attempting to make substantive changes in our tax laws, changes which should be considered carefully by Congress.

The IRS bureaucrats are paid by taxpayers to administer the laws, not to make laws. Yet under the revenue rulings issued by the IRS, faceless bureaucrats would be granted broad and arbitrary powers over private and parochial schools.

The Internal Revenue Service's only job is to collect revenues.

It is not the job of the IRS to implement national social policy through regulations.

If the IRS believes changes are needed, it should submit a proposal to Congress for its consideration.

Therefore, I support the amendments to the Treasury-Postal Services appropriations bill preventing the IRS from implementing these two rulings, and I will oppose any attempts to strike these amendments.●

PRIVATE SCHOOL TAX EXEMPTION

● Mr. STENNIS. Mr. President, I oppose the amendment which would strike the so-called "Dornan Rider" to H.R. 4393. I strongly support the provisions of the pending bill which would, first, prohibit the Internal Revenue Service from carrying out any ruling denying a deduction for a tax plan making a general purpose contribution to a church operated school in lieu of a tuition payment, and second, prevent the Internal Revenue Service from implementing proposed revenue procedures concerning racial discrimination in private schools. These procedures were first published on August 22, 1978, and in the face of strong opposition were published in a revised form on February 13, 1979.

As originally proposed, the regulation stated that a prima facie case of discrimination by a school would arise from evidence that a school, first, was formed or substantially expanded at the time of desegregation of public schools, and second, has an insignificant number of minority students. The original regulation expressly stated that, in such a case, "the school has the burden of convincingly rebutting this prima facie case of racial discrimination."

While the regulation was toned down to some extent as a result of the February 9, 1979, reissuance of the proposed revenue procedure, the action was not sufficient to correct the fundamental flaw and inequity inherent in this regulation. While the Internal Revenue Service contends that the revision of February 9, 1979, restricts the scope of the regulation, it is nevertheless clear that it is still predicated on the assumption that the majority of American private schools are discriminatory and are thus fair game for IRS.

The House adopted floor amendments which would prohibit the IRS from carrying out its proposed ruling and the Senate Committee on Appropriations has concurred with the House action. I believe that equity and fair play requires these provisions should be retained in this bill.

It should be clear to the Senate, Mr. President, that the IRS has proceeded on the totally false assumption that the power to combat racial discrimination carries with it the power to nullify the exercise of such basic first amendment rights as parental rights and religious liberties. The result would be that racial minorities would be aided by tax laws while religious minorities would be placed in a special suspect and excluded class in the administration of the exemptions provided by those laws.

The Senate should be concerned over the assumption by IRS that the Congress has given it the plenary powers which are implicit in its proposed procedures. It can express this concern by defeating the Ribicoff-Javits amendment.

The issue of the tax status of private schools is a matter of far reaching social and educational significance. While the responsibility of the IRS is to enforce the tax laws, it should be allowed to expand its power in this sensitive area only when the legislative mandate and authority is clear and explicit.

The Senate should take the position that we have not vested the IRS with the power which it has attempted to exercise in this area. It is clear that we have not given IRS a blank check to proceed as its uncontrolled discretion dictates to deny the tax exemption status of private and religious schools which the Congress itself has not seen fit to deny.

The Ribicoff-Javits amendment should be defeated. Congress must and should act to prevent this dangerous practice of social engineering when it infringes on the free practice of religion and could damage very seriously the quality of education provided by the more than 3,500 private schools which operate and provide valuable services in this Nation.●

● Mr. LAXALT. Mr. President, as we consider the Treasury, Postal Service, and general Government appropriations bill, I wish to reemphasize my support for both the Ashbrook and Dornan amendments that were overwhelmingly approved by the House during their consideration of this legislation. The Dornan amendment was subsequently approved by the Senate Appropriations Committee while the Ashbrook amendment was narrowly defeated by the same committee.

As background, last August the Internal Revenue Service proposed to eliminate the tax exemptions of private and religious schools that were not in compliance with IRS minority requirements. The proposed rulings were somewhat modified in February but substantively remained unchanged. To retain tax-exempt status under the proposed procedures, private schools would be required to undertake programs for minority preference in admissions and hiring. Extensive paperwork and inspections would be used to monitor eligibility for tax exemptions. Every private school would be presumed guilty of discrimination until it proved itself innocent. The end result, of course, would be that, if tax-exempt status were denied, most private and religious schools would face immediate closure.

Mr. President, I firmly believe that it is necessary for Congress to step in at this time to prevent the Internal Revenue Service from issuing this ruling. The IRS's actions in this area pose a threat not only to the parents, teachers, and students affiliated with private schools, but to every American concerned with the individual liberties outlined in the first amendment.

As Members of this body, an additional area of concern to all of us should be the usurpation of legislative power that the IRS's incursion represents. The IRS is issuing a policy statement which has the effect of statutory law. The question we all need to ask ourselves, is, who do we want making our laws, bureaucrats, or elected representatives?

The first educational institutions established in colonial America were under religious sponsorship. The schools continued to grow and flourish even when faced with the full establishment of a taxpayer-supported, free public education movement in the 19th century. Religious groups such as the Catholics and the Lutherans established large school systems especially in urban areas. In recent years, there has been a great growth in private schools, especially individual Christian and Jewish schools. While some of the large public school systems have had to close and consolidate schools, private educational institutions throughout the country have managed to overcome great difficulties including increasing expenses, recruitment of students, school personnel, and teachers. The growth of private education in the United States has resulted from a number of factors, including a dissatisfaction with the quality of education provided in public schools, a concern with the growing secularization of public education, and a view that religious educational institutions are part of an extension of the work of religion and religious people.

This right to the free exercise of religion is one that has historically been guarded by our Constitution and courts. The vast majority of private schools to be affected by IRS's proposed procedures are church-related or religious schools. For some reason the IRS bureaucrats seem to have lost sight of the fact that religious groups also have important constitutional rights which must be respected.

Mr. President, in my opinion, the present difficulties with the IRS procedures point to the problems which arise when an administrative agency without authorization or guidance from Congress attempts to take it upon itself to resolve such sensitive issues.

This new procedure would require private and religious schools to justify their enrollment, hiring, and curriculum policies to the IRS or forfeit their tax exemption. I am unaware of any congressional mandate giving IRS authority to regulate these matters in private schools.

Furthermore, the IRS procedure leaves the final determination of whether a private school is following "public policy" up to the IRS Commissioner, giving him the power of an "education czar" over private educational institutions. In my judgment, the IRS function is supposed to collect revenue, not regulate education.

I wish to emphasize that I am against racial discrimination in employment, education, or any other activity. But in this instance, the ugly spectre of racism has been used as a smokescreen for usurpation of legislative authority by the IRS.

With respect to the House action on this issue, the Dornan amendment passed on the House floor by a division vote of 40 to 25. The amendment simply prohibits the IRS from receiving funds to implement the ruling in question. The Ashbrook amendment, which passed the House by a 297-to-63 margin, approaches the same problem from a slightly different perspective. It prohibits the IRS from formulating or carrying out any ruling that was not in effect prior to August 22, 1978, which is the date of the original IRS proposal.

Mr. President, I feel that both of these amendments need to be passed in order to keep IRS from both enacting undesirable social policy and usurping congressional authority. Neither of these amendments will prevent the IRS from implementing Revenue Procedure 75-50 which imposes detailed recordkeeping requirements upon tax-exempt private schools, by which they are required to submit data on the racial composition of their student bodies, faculties, and administrative staffs, as well as other pertinent information. With the use of this type of data, the IRS will still be able to continue denying schools their tax-exempt status on a case by case method which is the proper denial approach.

Finally, Mr. President, let me stress that neither of these amendments prevents Congress from acting in the future. Both the House Ways and Means Committee and the Senate Finance Committee have begun exploring legislative remedies in this sensitive area. Why permit unelected bureaucrats to do our work? What is more, I am confident that if we allow adequate time for Congress to act, sound social policy will result in a way fully protective of essential first amendment rights.●

Mr. HELMS. I yield myself such time as I may require, and I assure Senators it will be for only a couple of minutes.

Mr. President, let us be very clear on what is involved here. Repeatedly proponents of the amendment offered by the Senator from New York have referred to schools which "discriminate." That is not the case. What we are talking about is the Internal Revenue Service bureaucracy legislating, making purely an arithmetical judgment, based on whatever irrelevancy the IRS decides to conjure up.

The IRS claims discrimination when no discrimination exists. They have no evidence—just arithmetic. I am reminded of the time that our former distinguished colleague from North Carolina, Senator Ervin, confronted a similar situation involving hospitals. Some bureaucrat had decided that a group of hospitals did not have a patient racial ratio satisfactory to that bureaucrat. So Senator Ervin said:

> Well, I guess we had better go out and make some folks sick and put them in the hospital to satisfy the bureaucrat.

This Senator is simply saying that the IRS has no right to infringe upon the responsibilities of the churches of this country which choose to operate the schools.

In that connection, Mr. President, I ask unanimous consent that the full text of a resolution adopted at and by the Southern Baptist Convention on June 14, 1979, at Houston be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, revenue procedures have been proposed by the Internal Revenue Service which deny tax-exempt status to private schools—including those owned and operated by churches—unless they can prove that they do not discriminate on the basis of race in their admissions policies, and

Whereas, these procedures affecting the enrollment of church schools rest on broad grounds of public policy rather than on specific statutory authorization, and

Whereas, many schools operated by a particular church or association of churches form an integral part of the total religious mission of the church or association, and

Whereas, many of these schools were created by churches primarily to serve the religious as well as the educational needs of their own membership, and

Whereas, the actions of the Internal Revenue Service in this instance violate the constitutional guarantees of separation of church and state and the free exercise of religion,

Be it therefore resolved by the Southern Baptist Convention in its 1979 annual meeting in Houston, Texas that:

1. We reaffirm our historic position in support of the separation of church and state, the right of the church alone to define its own religious mission, and the right of a church to establish schools as a part of that mission without the aid of the state, hindrance by the state, and threats of loss of tax-exempt status for following that religious mission, and

2. We request that the Baptist Joint Committee on Public Affairs, while being sensitive to our position on racism, work vigorously to maintain the separation of church and state, to protect the free exercise of religion, and to oppose specifically the Internal Revenue Service's proposed intrusions into church owned and operated schools.

Mr. HELMS. I would just emphasize, Mr. President, the two resolving paragraphs:

> Be it therefore resolved by the Southern Baptist Convention in its 1979 annual meeting in Houston, Texas that:
>
> 1. We reaffirm our historic position in support of the separation of church and states, the right of the church alone to define its own religious mission, and the right of a church to establish schools as a part of that mission without the aid of the state, hindrance by the state, and threats of loss of tax-exempt status for following that religious mission, and
>
> 2. We request that the Baptist Joint Committee on Public Affairs, while being sensitive to our position on racism, work vigorously to maintain the separation of church and state, to protect the free exercise of religion, and to oppose specifically the Internal Revenue Service's proposed intrusions into church owned and operated schools.

Mr. President, that just about says it all. A lot of people around this country are going to be watching the vote of the Senate on this question. I submit that the amendment by the Sentaor from New York, who is my friend, should be rejected.

I am willing to yield back my time if the Senator wishes to yield back his time.

Mr. JAVITS. Mr. President, I will take just 30 seconds to say this: I thoroughly agree with the Senator from North Carolina that millions of Americans will be watching this vote, and I hope they are rewarded by watching the Senate adhere to morality and public policy on this very key and very sensitive issue.

I am ready to yield back my time.

Mr. HELMS. Mr. President, I must say, also in 30 seconds, that it depends on the definition of morality. I contend that what the IRS is doing, and has been doing is lacking in morality. The Senate will have to decide who is right.

Mr. JAVITS. Mr. President, I yield back my time.

Mr. HELMS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), and the Senator from Florida (Mr. STONE) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Utah (Mr. HATCH). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Utah would vote "nay."

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 31, nays 54, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—31

Baucus	Heinz	Proxmire
Bellmon	Javits	Ribicoff
Boschwitz	Kennedy	Riegle
Bradley	Levin	Sarbanes
Burdick	Matsunaga	Stafford
Chafee	Melcher	Stevenson
Church	Metzenbaum	Tsongas
Cranston	Moynihan	Weicker
Eagleton	Muskie	Williams
Glenn	Nelson	
Hart	Pressler	

NAYS—54

Armstrong	Exon	Percy
Baker	Ford	Pryor
Bentsen	Goldwater	Randolph
Biden	Hayakawa	Roth
Boren	Heflin	Sasser
Bumpers	Helms	Schmitt
Byrd, Harry F., Jr.	Hollings	Schweiker
Byrd, Robert C.	Huddleston	Simpson
Cannon	Humphrey	Stennis
Chiles	Jackson	Stevens
Cochran	Johnston	Stewart
Cohen	Kassebaum	Talmadge
Danforth	Leahy	Thurmond
DeConcini	Long	Tower
Dole	Lugar	Wallop
Domenici	McClure	Warner
Durenberger	Morgan	Zorinsky
Durkin	Nunn	
	Packwood	

NOT VOTING—15

Bayh	Hatfield	Mathias
Culver	Inouye	McGovern
Garn	Jepsen	Pell
Gravel	Laxalt	Stone
Hatch	Magnuson	Young

So Mr. JAVITS' amendment (UP No. 522) was rejected.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Will the able Senator yield?

Mr. CHILES. I am glad to yield to the distinguished Senator from North Carolina.

Mr. HELMS. I thank my friend. I know that he and his subcommittee have done an immense amount of work on this bill and he and his colleagues deserve great credit.

May I ask the chairman of the Treasury Subcommittee if his panel considered the proposed appropriations to fund the American Arts Gold Medallion program?

Mr. CHILES. The Senator from North Carolina will be pleased to know that the committee recommended $10,067,000 for the coming fiscal year to begin production and distribution of the gold medallions. I know that he was the author of the original Gold Medallion Act of 1977 which led to the passage of the gold medallion legislation last year.

Mr. HELMS. I thank the Senator, and I am glad that the committee saw fit to include this sum in the bill. If I may ask the Senator one or two further questions about this program and how these funds will be used it will be most helpful. First, although the revenues from the sales of the medallions will not be included in the budget figures, is it not true that the sale of the medallions will produce revenues for the Federal Government of over $300 million in fiscal 1980?

Mr. CHILES. The Senator is correct. One million ounces of gold will be sold in the form of medallions and it is expected that they will be priced at a figure equal to the free market gold bullion price, plus the cost of production—about $10 per piece.

Mr. HELMS. Will the Senator comment on whether his committee asked the Treasury Department if consideration was given to increasing the production and sale of the medallions above the minimum required by law?

Mr. CHILES. I respond to the Senator that minimum time was available for the committee to discuss this issue, but as I recall, the clear intent of the Senate when it passed the Gold Medallion Act during the last Congress was to provide a U.S. produced gold piece that would compete with the Krugerrand and other so-called bullion gold pieces. Obviously, the market for such pieces is far greater than 1 million ounces per year.

Mr. HELMS. Am I correct that my good friend from Florida agrees that the demand for the medallions is far greater than 1 million ounces per year?

Mr. CHILES. As the Senator from North Carolina knows better than I, it would depend entirely on how the medallions are marketed, as well as on the prospective demand for a gold bullion piece.

Mr. HELMS. I think the distinguished Senator is right that it depends on the marketing plan, and I have had some observations on that plan. The distinguished Senator from Idaho (Mr. MCCLURE) recently commented on an article that I contributed to the Coin World newspaper on this subject. I felt that the Treasury might not be living up to the spirit of the law by limiting the production and sale of the medallions to only 1 million ounces. As the Senator knows, the Treasury will not be marketing the medallions until June 1, 1980. It seems to me that there should be flexibility in the Treasury plan so that if the American public wishes the sales to be expanded they should be expanded.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. CHILES. Will the Senator yield?

Mr. KENNEDY. Will the Senator yield for 15 seconds?

Mr. HELMS. I yield.

The PRESIDING OFFICER. The Senate is not in order. Senators will please refrain from discussing matters in the well and proceed to the cloakrooms if they wish to continue conversations.

The Senate is not in order.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I desire to yield such time as may be required by the distinguished Senators from Massachusetts, New Hampshire, New York, Montana, and anybody else.

Mr. ROBERT C. BYRD. Mr. President, I do not quite like to see it done that way, I might say to the distinguished Senator from North Carolina. He can yield to whomever he wishes at the moment, but I would like to get unanimous consent that Mr. LEVIN be permitted to lay down an amendment tonight and that it be disposed of before the amendment by the Senator from North Carolina. I believe it will be acceptable by the committee.

Mr. CHILES. It will be acceptable.

Mr. HELMS. I understand, but the Chair did recognize me.

Mr. ROBERT C. BYRD. The Senator has not called up his amendment yet.

Mr. HELMS. That is correct.

Mr. ROBERT C. BYRD. If that is agreeable, Mr. President, Mr. LEVIN will be allowed to lay down an amendment tonight. In the morning it will be disposed of and then Mr. HELMS will call up his amendment.

The PRESIDING OFFICER (Mr. BURDICK). Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. HELMS. The distinguished majority leader does not desire that I call up my amendment tonight?

Mr. ROBERT C. BYRD. No. Mr. LEVIN will lay down his amendment tonight, which will be accepted by the committee tomorrow. Then Mr. HELMS will call up his amendment, and then Mr. METZENBAUM will have the privilege of calling up an amendment if he so desires, after which the Senate will go to third reading of the bill. Is the Senator agreeable?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator not do that? Will the Senator not do that? I will protect him.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business and that Senators may speak up to 5 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

THREE MILE QUESTIONS ANSWERED

Mr. HELMS. Mr. President, in the weeks following the accident at the nuclear powerplant at Three Mile Island, scores of citizens wrote me to express their concerns. I also heard from numerous citizens who felt that the major news media had blown the matter out of all proportions.

Jane Fonda and Ralph Nader are among those who are leading the demand that the United States close down all nuclear power facilities. Both have been quoted in the media frequently and extensively. Both have appeared on television on countless occasions.

I am not a scientist. I have not been prepared to refute what I consider to be their play on the emotions of the American people.

But, Mr. President, a few weeks ago, I received a statement from Dr. Edward Teller, the distinguished scientist who is probably the world's foremost nuclear authority. Dr. Teller was born in Hungary, educated in Germany and came to the United States in 1935. He worked extensively on nuclear developments during and after World War II. He led the earliest efforts to ensure the safety of nuclear power reactors and to achieve clean power generation.

In recent years he has concentrated increasingly on the varied aspects of the coming energy shortage, and has argued

for utilization of every feasible form of energy.

Mr. President, Dr. Teller has answered almost all the questions that have come to my mind in the aftermath of Three Mile Island.

Mr. President, I ask unanimous consent that Mr. Teller's statement, entitled "I Was The Only Victim Of Three-Mile Island," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I WAS THE ONLY VICTIM OF THREE-MILE ISLAND

On May 7, a few weeks after the accident at Three-Mile Island, I was in Washington. I was there to refute some of the propaganda that Ralph Nader, Jane Fonda and their kind are spewing to the news media in their attempt to frighten people away from nuclear power. I am 71 years old, and I was working 20 hours a day. The strain was too much. The next day, I suffered a heart attack. You might say that I was the only one whose health was affected by that reactor near Harrisburg. No, that would be wrong. It was not the reactor. It was Jane Fonda. Reactors are not dangerous.

Now that I am recovering, I feel compelled to use whatever time and strength are left to me to speak out on the energy problem. Nuclear power is part of the answer to that problem, only a part, but a very important one.

I have worked on the hydrogen bomb and on the safety of nuclear reactors. I did both for the same reasons. Both are needed for the survival of a free society. If we are to avoid war, we must be strong and we must help to generate the progress that makes it possible for all nations to grow and prosper.

And what is the greatest present-day threat to the prosperity and even the survival of nations? A lack of energy. Both developed and developing nations are threatened.

The citizens of the United States have just begun to recognize the impact of the world's growing energy shortage. Gasoline lines, electrical brownouts and higher prices are minor irritants. They are nothing compared to what may lie ahead. In a struggle for survival, politics, law, religion and even humanity may be forgotten. When the objective is to stay alive, the end may seem to justify the means. In that event, the world may indeed return to the 'simpler' life of the past, but millions of us will not be alive to discover its disadvantages.

When our existence is at stake, we cannot afford to turn our backs on any source of energy. We need them all. When it comes to generating electricity, we especially need nuclear power. Contrary to what Nader and Fonda, and their friends such as Sternglass, Wald and Kendall, would have you believe, nuclear power is the safest, cleanest way to generate large amounts of electrical power. This is not merely my opinion—it is a fact. Due to the lessons learned at Three-Mile Island, the nuclear way of generating electricity will be made even safer.

I have attempted to respond briefly to some of the questions which people ask about nuclear power. The problems that these questions raise are problems because of political indecision or public fear. Technically, they are non-problems, because the dangers they imply either do not exist or else we have the know-how to solve them. I am absolutely convinced of this, after a lifetime of work as a nuclear scientist.

I was once asked how I would like for my grandson, Eric, to think of me and my life's work after I am gone. Eric is nine years old. He is a terrible guy—he beats me at the game of "GO." I am enormously fond of him, but I have not given much thought to what he will someday think of my life's work. I have given a great deal of thought to whether he will be alive in the next century, and whether he will be living in freedom or in slavery. If he is living under communism, he will know I was a failure.

I believe that we have reached a turning point in history. The anti-nuclear propaganda we are hearing puts democracy to a severe test. Unless the political trend toward energy development in this country changes rapidly, there may not be a United States in the twenty-first century.

The President has recognized the danger of the energy shortage. As yet, he has given only some of the answers. I think—I hope—that democracy has enough vitality to evaluate the risks and to recognize the great benefits of nuclear power to human health and well-being, and to the survival of our free society."

Q. Can a nuclear reactor explode like an atomic bomb?

A. No. Energy cannot increase fast enough in the reactor. Therefore, it is absolutely impossible for a nuclear power plant to explode like a bomb. For this to happen the laws of nature would have to be repealed.

Q. What is the risk of nuclear power compared to other forms of producing electricity?

A. It is far safer than coal or hydroelectric power, but all three are necessary to meet our need for energy. It may sound strange to say it, because coal has been around so long, but we know more about controlling radiation than we do about controlling the pollutive effects of burning coal. And, of course, a dam has no backup system to protect those who live below it. Indeed many of these people have lost their lives and more their homes.

Q. I live within 50 miles of a nuclear power plant. What are my chances of being injured by a nuclear accident?

A. About the same as being hit by a falling meteor.

Q. What about the effect of an earthquake on a nuclear plant?

A. At the first sign of a tremor, the reactor would shut down automatically. Also, reactors are built to withstand enormous structural damage. The only man-made structures I can think of that are more stable are the pyramids of Egypt.

Q. Is it true that we still have no satisfactory ways to dispose of nuclear wastes?

A. No. Ways do exist. What we have not had is a decision by our government on which way to go. Waste disposal is a political problem, not a technical problem.

Q. How much radioactive waste materials are produced by nuclear plants?

A. At the moment, about 12½% of our electricity is generated by nuclear power. If all of it were produced this way, the wastes from these plants over the next 20 years would cover a football field to a depth of about 30 feet. To dispose of this waste a mile underground would add less than one percent to the cost of electricity.

Q. How dangerous is the release of low-level radiation from a nuclear power plant?

A. If you sat next to a nuclear power plant for a whole year, you would be exposed to less radiation than you would receive during a round-trip flight in a 747 from New York to Los Angeles. Let me put it another way: The allowable radiation from a nuclear plant is five mrems* per year. In Dallas, people get about 80 mrems per year from the natural background of buildings, rocks, etc. In Colorado, people get as much as 130 mrems per year from the natural background. Therefore, just by moving from Dallas to Boulder you would receive ten times more radiation per year than the person gets who lives next to a nuclear power plant.

Q. How much radiation were the people around Three-Mile Island exposed to during the accident?

A. Let me put it this way. Your blood contains potassium 40, from which you get an internal dose of some 25 mrems of radiation in one year. Among the people not working on the reactor, a handful may have gotten as much radiation as 25 mrems.

Q. Should "spent" nuclear wastes be reprocessed to save the plutonium and other by-products?

A. Yes. Plutonium, for example, is as valuable as the original uranium fuel, because of its potential use to produce still more energy. In the end, reprocessing is needed to make nuclear energy abundant and lasting.

Q. Is there a danger that the plutonium produced by nuclar reactors might be stolen by terrorists and used to construct home-made nuclear explosives?

A. I believe that reactor products can be properly safeguarded from terrorists. This can be much more easily done than the guarding of airplanes. Also, any terrorist who puts his mind to it can come up with ways to terrorize a population that are less dangerous to himself than handling plutonium. The answer is not to get rid of the reactors—let's get rid of the terrorists.

Q. Will the expansion of nuclear power by other countries enable them to produce nuclear weapons?

A. Unfortunately, yes. This is already happening. Two-thirds of the reactors in operation in the free world today are outside the United States. Since we can't stop other nations from building nuclear plants or weapons, what we must do is find better solutions to international problems. An energy-starved nation is much more likely to make and use nuclear weapons as a last resort to survival. The only way to prevent that is to see to it that there is enough energy to go around, and to strengthen cooperation and confidence among the nations.

Q. What have we learned from the accident at Three-Mile Island?

A. Two things. First, that nuclear reactors are even safer than we thought. Despite many human errors and a few mechanical failures at Three-Mile Island, the damage was contained. No one was killed, or even injured. We have also learned that a lot can be done by better educated, better paid and more responsible reactor operators, and by a more efficient display of the state of the reactor by modern instrument panels.

Three Mile Island has cost $500-million, but not a single life. We must pay for safety and, even after we have paid for it, nuclear energy is the cheapest source of electrical power. It is most remarkable that in the case of nuclear energy we are paying for our lessons in dollars, not in lives.

*A "mrem" is an appropriate unit used to make comparisons.

NINETY-YEAR-OLD JIM LUITWEILER RAISES QUESTION OF LEADERSHIP

Mr. HELMS. Mr. President, I have a 90-year-old friend down in Tryon, N.C., who is just as bright, alert and well-informed as he was 60 or 70 years ago. And that is saying a lot, because Mr. Jim Luitweiler's entire career has been nothing short of remarkable.

Senators may recall that it was Mr. Luitweiler who came to Washington a couple of years ago to provide valuable

testimony at the time the Senate was debating the giveaway of the Panama Canal. The late Senator James B. Allen invited Mr. Luitweiler to come and testify before the Subcommittee on the Separation of Powers, which Senator Allen chaired.

I remember the day well. Spokesmen for the administration, and others favoring the giveaway of the Panama Canal, had repeatedly claimed that the United States had never owned the canal. Even the President involved himself in that misrepresentation.

So there came Jim Luitweiler, who had been an official of the U.S. Government at the time the United States bought and paid for the land in Panama just after the turn of the century. In fact, Jim Luitweiler had been in charge of negotiating the purchase of the hundreds of tracts of land.

In conjunction with Mr. Luitweiler's testimony, Senator Allen had located the deeds to the land. Those deeds, and other relevant documents, had been stored in some Government warehouse years ago. When these documents were brought into the subcommittee hearing room, they filled several enormous wood crates, each about 4 feet square.

One by one, the crates were pried open by security men, and examined in the presence of newsmen, Senators, and others present at the hearing.

That was the last we ever heard of the administration's claim that the United States had never owned the Panama Canal property. However, news coverage of that hearing was scant. As I recall, one television network used a 60-second story; the others used nothing. The Washington Post, and other newspapers which favored the giveaway of the Panama Canal did not even mention Jim Luitweiler's testimony, nor the contents of the wood boxes in which the deeds had been stored.

I mention all of this, Mr. President, because a few weeks ago, I ran across a remarkable letter written to the editor of the Thermal Belt News Journal at Columbus, N.C. The editor is a fine young man named Mike O'Neal. The letter? It was written by my friend, Jim Luitweiler. The heading on the letter was, "Year of Crisis: Question of Leadership?"

Mr. President, I ask unanimous consent that Mr. Luitweiler's letter to the editor be printed at this point in the RECORD. I commend it to my colleagues, and to others who read the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

YEAR OF CRISIS: QUESTION OF LEADERSHIP?

To The Editor:

1979 is a year of crisis. The shadow of the Russian Communist Bear looms over the world.

While listening to the debate over the new SALT II treaty that is supposed to limit the growth of armaments of Russia and the United States, we should be aware of what these two world powers stand for. Whatever limits are agreed upon will still leave these giant nations with enough weaponry to destroy each other. Any major conflict would probably leave them as mere skeletons of their former selves. The human race might survive, but it would take centuries for the world to recover from such cataclysm.

Consider what symbolizes their respective ideologies—two well known monuments: America's Statute of Liberty in New York Harbor and Russia's Berlin Wall, dividing East and West Germany. The Statue of Liberty: For a century this colossal statue of a woman holding aloft a lighted torch 300 feet above the water-front has symbolized what America has stood for to the rest of the world. Cradled in the woman's left arm is a tablet with the date July 4, 1776, and at her feet are the broken shackles of tyranny. Inside the pedestal is a bronze plaque with the sonnet written in 1883 by an American poetess, which closes with these words:

"Give me your tired, your poor,
Your huddled masses yearning to breath free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door!"

Despite Russia's pronouncements of being the liberator of people from the tyranny of imperialism, has there ever been a Statue of Liberty erected on her soil? No, there has not. But there has been erected—The Berlin Wall: It is a symbol to the world of what Russia stands for. After the defeat of Germany in World War II, the allies allowed Germany, at Russia's bidding, to be split in two. The eastern half became Communist East Germany and the western, free West Germany. Immediately as the borders were established, 2,700,000 Germans migrated from the new East Germany to West Germany. Whereupon the Russians had a high masonry wall erected separating the two Germanies and dividing the old capital (Berlin) into East and West Berlin.

From the start, until now, this wall has been manned by armed soldiers with orders to shoot men, women and children who attempted to flee East Germany by climbing the wall or tunnelling under it. Many have lost their lives in a fruitless effort to escape East Germany.

Returning to the American scene, for more than three centuries immigrants from all over the world have streamed through our ports and fanned out over the continent to create the strongest and richest nation on earth. Their descendents are now sitting in the halls of Congress to determine our future.

Are these representatives imbued with the spirit of the Declaration of Independence, which begins with this sentence:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness".

Or have they been brain-washed with the Marxist philosophy that government owes eveyone a living; and to take from them that hath and give to them that hath-not? Nothing accomplishes this better than inflation and the printing press its most useful instrument. With it paper money can be spawned like falling leaves in the autumn winds.

We are confronted with an energy crisis that is disrupting vacation plans and our journeys to and from work, and forcing us to park our cars in long lines at the gas stations. As one hears accounts of the ire this has aroused against OPEC and the oil companies one is reminded of the vicious kicks given to a chair that has tripped one in his living room!

One even hears the Creator blamed for putting the oil under the Arabian desert, overlooking that the Creator did put under the feet of Americans five times as much coal as the equivalent of Saudi Arabia's 165,000,000 barrels of oil reserves! Our own government has so fouled up the economic machinery with its bureaucracies and environmentalists that this coal will doubtless remain there for along time!

Fortunately, there is something that our government can do right now to cut the energy Cordian knot while Congress is taking its time to unravel the red tape holding up the development of our coal and other resources.

One can pinpoint the onset of the present energy crisis: the fall of the Shah of Iran and the setting up of an anti-American Moslem regime. The American administration's first reaction made sense: dispatching an aircraft carrier to the Persian Gulf to insure that the gateway to the Middle East oil fields remain open for our tankers to bring out our needed oil. But someone got weakkneed when it was suggested this might annoy the Russians! So the carrier was turned around and steamed idly in circles. One is reminded of Kennedy's faux pas in the Bay of Pigs fiasco which allowed Castro to rise to power. And Castro has thumbed his nose at us ever since!

If our Congressmen have the backbone of their forefathers there is an opportunity to correct this grevious mistake. Out in this Middle East area, so vital to our need for Arabian oil, there is a little shiekdom (Oman), no larger than the State of Kansas, which commands the 40 mile wide channel of the Strait of Hormuz, through which have been passing half the world's oil tankers. It has its own oil fields producing 350,000 barrels of oil per day, yielding this little nation one and a half billion dollars of yearly income. Its ruler is a highly educated young man of 38, schooled in Britain's military academy (Sandhurst).

He has the best standing army on the Arabian peninsula, on which he has spent 40 per cent of the country's $1½ billion annual income. So far he has stood off the Soviet's 2000 Cuban stooges and Russian and East German "advisers" deployed in next-door Marxist South Yemen.

In an interview with the Magazine Time's Cairo correspondent printed in the June 4th issue—he asks for America's help to draw the line against the Soviet's involvement in this area. He has guts! One is reminded of Pope John's return to his native Poland in defiance of the Communist rulers of that country.

Do we have leaders in Washington to match these two men's guts? The Russians have a way of backing off from a serious confrontation with adversaries who mean business. They know full well that if Pope John is assassinated in Poland the whole Catholic world will be on their backs. No country has been more astute in avoiding needless risks than the Russians. Can we move quickly enough to counter a serious move of Russia from across the border in South Yemen into Oman, before Russia slams the gate shut on the Persian Gulf?

A companion move should be to assure that our Panama Canal remains in our hands by refusing to implement the Torrijos treaties.

By assuring the continued flow of oil from the Persian Gulf, and Alaskan oil through our Canal to our Eastern seaboard, we will take care of American energy needs while we are developing self-sufficiency on our own continent.

Bear in mind that the Arabs need to sell their oil to us and Europe as much as we need to buy it. Once they see America taking decisive measures to cooperate with them in keeping their oil flowing they will regain lost confidence in America's integrity.

Above all I should like to see a Congressman of Lincoln's stature rise on the floor of the House this month and paraphrase his Gettysburg address:

"200 years ago our forefathers brought

forth on this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal. It is now for us in this House to resolve that this nation, under God, shall have a new birth of freedom, and that government of the people, for the people, by the people, shall not perish from the earth."

EDUCATION AND THE GOVERNMENT

Mr. HATCH. Mr. President, a theme of so much controversy that has been generated in recent years has been that of Government attempting to impose its own notions of educational virtue upon parents, local schools, and private educational institutions. The apparent result, as recently summarized by Neal Pierce in the Washington Post, is that only 60 percent of American high school students can name a war in which "State's rights" was an issue, only 40 percent known what NATO stands for, only 38 percent realize that voters can split their party choice between Presidents and Members of Congress, only 25 percent can correctly cite the oceans along which Oregon and New Jersey are situated, and only 3 percent can correctly identify Alaska and Hawaii as the last two States to join the Union. College board scores reveal similar levels of academic achievement in other areas of the curriculum.

I ask unanimous consent to have printed at this point in the RECORD two excellent articles on different aspects of the assault by Government upon private control of education. In the first, Dallin Oaks, the President of Brigham Young University, assesses Government regulation of higher education from a first amendment viewpoint. In the second, Stephen Arons, a professor of legal studies, explores the issue of State versus familial control of the educational process.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

GOVERNMENT REGULATIONS OF HIGHER EDUCATION

Through a variety of laws and regulations, the federal government has now undertaken to direct and supervise some portion of almost every aspect of higher education. An over-statement? Consider the record.

Our principal academic functions involve faculty, students, curriculum, and research. We now have regulations affecting faculty hiring, compensation, and retirement. We have rules governing student admissions, financial aids, confidential records, and placement. Government supervision of university research is familiar, principally because of funding patterns.

Thus far we have no official specification of curriculum, but Congress threatened to enter that field a few years ago when it seriously debated requiring certain course work for all medical students. The proponents of the Title IX sex discrimination regulations failed in their attempt to require official approval of textbooks to eliminate sexist instructional material, but textbook and curriculum review became a reality last year for one educational organization. The Department of Justice obtained a consent decree which compelled the American Institute of Real Estate Appraisers to delete from the seventh edition of its textbook on appraisal certain offensive statements about the economic significance of a racially changing neighborhood, and to make similar modifications in its other instructional materials, courses, and teaching techniques.

The Title IX Regulations specify requirements on the relative adequacy of facilities and equipment, on access to academic programs, on the relative funding and adequacy of extracurricular activities such as athletics, and on how the institution must relate toward outside organizations accused of discrimination. Proposed student aid regulations just published in the Federal Register prescribe financial criteria to which institutions must adhere. So far we have no regulation of fund raising, but Congressman Wilson's proposed legislation awaits action in Congress.

Most of higher education acquiesces in government regulation of higher education not because of agreement with the principle of government direction but because of agreement with the content of the regulations or the goals they seek to achieve. How short-sighted! Let us all take leave of expediency for a time and consider the principle of government regulation of higher education.

We should be clear at the outset that the subject of overregulation of education is not a partisan political issue. Most of the enabling legislation was enacted with bipartisan support, and the abuses of executive agencies are traceable to Democratic and Republican administrations. The least objectionable rules are those enacted by Congress. The main offenders are the departments of the federal executive branch, especially H.E.W., the Labor Department, and the Internal Revenue Service. State regulation is also beginning to be a more significant problem for higher education, such as by licensing or accrediting measures and by curricular or other attempted supervision of private colleges and universities. Even some private accrediting bodies, through their role in certifying institutions for government programs, are seeking to exercise a quasi-official regulatory power. Finally, the men and women involved in the regulatory effort are almost entirely people of goodwill who are sincerely striving to attain what they consider to be legal and appropriate objectives. Some are uneasy about exercising authority over educational institutions, but many others are just ignorant or indifferent toward the consequences of the rules they administer.

I. Objections to Government Regulations.

Most of the familiar criticisms of government regulations apply to higher education.

1. Government regulation is financially burdensome. The government's own Commission on Federal Paper Work estimated last year that federal paper work cost more than $100 billion a year, which is about $500 for each person in the country. The Commission said that "a substantial portion of this cost is unnecessary."

2. Different rules duplicate and overlap one another. For example, there are 17 different agencies writing Equal Employment Opportunity regulations, and 439 different federal statutory authorities bearing on post-secondary education.

3. The rules are confusing and ambiguous. Thus, the H.E.W. Student Assistance Agency had a student loan application, a supplement to the application, and an addendum to the supplement to the application.

4. Many of the regulations are meddlesome and trivial. An OSHA manual lectured farmers how to avoid slipping on cow manure. Last December, with a fanfare of self-righteous publicity, Secretary Califano announced that H.E.W. had caught 49 school districts and colleges that had failed to disclaim sex discrimination by filling out the required Title IX certification. The list included the two-room school house in Bynum, Montana, the 62-student school district in Chapman Ranch, Texas, and a smattering of small colleges, most of them church-related. More than half of the schools on the hit list said they had never received H.E.W. money. No matter. All were condemned before the nation and threatened with a cutoff of their funding.

5. Some rule-making efforts are incredibly ignorant. For instance, about two years ago the Veterans Administration issued extremely burdensome regulations which ignorantly assumed that all colleges and universities took daily class attendance.

6. We are also offended by the hypocrisy in some regulatory programs. Fortune magazine exposed discriminatory hiring in the Federal Equal Employment Opportunity Commission. H.E.W. recently defended sex discrimination in the Social Security Act because its elimination would be financially burdensome. Earlier, H.E.W. had conveniently overlooked the enormous financial burden it imposed on educational institutions in its handicapped and Title IX sex discrimination regulations.

7. Some regulatory efforts are also inconsistent. This is a particular hazard of anti-discrimination laws, since laws that seek to eliminate discrimination against one group can have the effect of promoting discrimination against another. Thus, the recent law that seeks to prevent age discrimination blunts the effect of affirmative action programs to offset racial and sex discrimination. A rule prohibiting compulsory retirement at age 65 tends to freeze the work force in its present composition, thus sharply reducing the number of job vacancies that affirmative action programs could use to cure the effects of past racial and sex discrimination.

8. Finally, government laws and regulations are often ineffective or counterproductive. As Senator Muskie observed a few months ago, our government has "grown so large and ineffective that it is suffocating the very goals it seeks to achieve."

II. An approach to the Problem.

So, what is to be done about objectionable government regulation? The question arises at an awkward time. Costs have skyrocketed with inflation, and revenues—including earnings from endowments—have not kept pace. Taxpayer revolts portend further difficulties. The last Minter and Bowen study shows that the number of private colleges in a precarious financial position increased from one-fifth to over one-third last year. Institutions faced with the prospect of closing their doors find it necessary to seek some form of federal financial assistance even if it will be accompanied by objectionable regulation. Beggars can't be choosers.

Granting that some form of federal financial assistance is necessary to help many small colleges survive, we must still work to minimize the government regulation accompanying that assistance. I will suggest a six-point program. The first three points are brief and should be self-evident. The fourth and fifth points, which concern the structure and content of government regulations, require more elaboration. The sixth point proposes concerted action.

Our first step—in many ways the most painful—should be self-regulation. We must identify and eliminate abuses that would otherwise be used to justify government regulation. Most government regulatory efforts pursue worthy goals. Those who would resist them need to offer an acceptable private alternative.

Our second step should be to perpetuate and increase incentives for charitable giving to educational institutions. We must also resist any attempts to predicate government controls on the benefits that flow to educational institutions and other recipients of such charitable gifts.

Our third step should be to oppose government assistance that comes in the form of unrestricted and other direct grants, such as categorical assistance, cost of education allowances, and capitation grants. The prospect of unacceptable federal controls attached to direct assistance—once denied by

some—became abundantly clear in 1976 when Congress empowered the Secretary of H.E.W. to withhold capitation grants from medical schools that refused to accept foreign transfer students in the numbers prescribed by Congress. To minimize the prospects of government regulation we should favor indirect assistance such as grants or loans to students, or other indirect assistance like the imaginative tuition advance fund proposal or the currently debated tuition tax credit.

III. Some Needed Distinctions in Laws and Regulations.

As a fourth step, laws and regulations affecting higher education should be drafted to incorporate three important but currently missing distinctions. First, lawmakers or regulation writers should exclude education from certain rules that are generally applicable to other organizations. Second, they should exempt private institutions from some of the body of rules otherwise generally applicable to public institutions. As corollaries, the extent of regulations should bear some relationship to the magnitude of government financial assistance, and should not be premised upon the receipt of assistance by students. Finally, from the laws and regulations otherwise appropriate for private colleges and universities, rulemakers should carve out appropriate exceptions to accommodate the special constitutional freedoms guaranteed to institutions sponsored and controlled by churches.

I will now explain why I think these three distinctions are needed.

A. The Special Position of Education.

Educators should not oppose all government laws and regulations affecting higher education. In some respects an educational institution is relatively indistinguishable from other employers. Thus, I believe the government can legitimately lump educational institutions with factories and other employers for purposes of assuring employees a safe place of work and a financially secure savings and pension fund.

But there are respects in which government regulation should not lump the business of education with retailing, manufacturing, and other business activities. The market for ideas is sufficiently different from the markets for goods and services that education should receive different treatment from government regulators when the issue is the manner in which the business is conducted. Thus, the Food and Drug Administration may prescribe standards for prescriptions, but H.E.W. should not prescribe standards for textbooks or the college curriculum.

As the custodians and transmitters of our culture—secular and sacred—educational institutions need a special degree of insulation from government interference. The First Amendment, which contains special guarantees for freedom of speech, press, and religion, recognizes that special status. Unfortunately, the laws enacted by Congress and the regulations promulgated by various agencies in the past two decades have generally failed to make any distinction between educational institutions and all other corporations being regulated. I believe that this indiscriminate lumping is the root cause of educators' outcry against government regulation. Most educators do not reject all government regulation. They only reject the idea that regulations otherwise applicable to all businesses and employers should automatically apply to education.

Education has and should have a favored position in our society, like the media, the churches, and other custodians of First Amendment freedoms. We must help lawmakers see the need to minimize interference with the stated purposes and academic freedoms of colleges and universities and their personnel, public and private. No general law or regulation should be made applicable to education without a specific finding that this is essential to accomplish its purposes and that it will not impair essential educational freedoms.

B. The Special Status of Private, Independent Education.

In order to preserve our pluralistic system of education, lawmakers and regulation-writers should distinguish between the regulation that is appropriate for publicly sponsored and directly tax-supported institutions on the one hand, and the lesser regulation that can be justified for private independent institutions on the other. This is consistent with the traditional constitutional distinction between "state action," which is subject to constitutional and other legal restraints, and "private action," which is presumptively free of such restraints.

Unfortunately, current laws and regulations rarely distinguish between state-sponsored and independently sponsored institutions. If they make any distinction at all it is between institutions that are "federally assisted programs" and those that are not. But the independent sector gets little benefit from this distinction when the definitions in the regulations are written—as they usually are—so broadly that virtually every institution in the country is a federally assisted program. As a result, a small independent college making a conscientious effort to avoid any kind of direct public assistance is formally subject to the same regimen of regulations as public institutions and the great research universities—public and private—that receive millions in tax support.

The height of absurdity in ignoring the distinction between public and independent educational institutions came in the recent law forbidding mandatory retirement at age 65. In view of the Supreme Court's recent decision that Congress has no power to prescribe minimum wages for state employees because federal direction of the terms of state employment would violate state sovereignty, it seems reasonably clear that the federal law forbidding compulsory retirement at 65 is unconstitutional as applied to state colleges and universities. And so we have the spectacle of an Act of Congress that directs the terms of retirement for independent colleges and universities but not public ones.

Scholarly comments and public debate about the Bakke case have also ignored the essential difference between public and independent institutions. This voluminous literature generally seems to assume that the Bakke decision governs the admission practices of all of higher education. But Bakke involved a public institution, and independent colleges and universities should have greater latitude in student admissions. An independent institution not receiving any direct assistance from tax appropriations should be free to have preferential admissions—even the kind of quotas the Bakke case outlawed for the University of California—to benefit racial and other minorities, if they choose to do so. The Bakke case does not hold to the contrary. Granted, this kind of latitude may be abused in some instances. But if private parties lack the freedom to make wrong decisions, they lack freedom indeed.

C. Relating the Amount of Regulation to the Magnitude of Government Assistance.

Current regulatory practice is also deficient in failing to utilize the principle of de minimus, so that the receipt of a nominal amount of federal financial assistance would involve little or no regulatory consequences. Furthermore, applicable regulations should be graduated in some proportion to the amount of government assistance received, so that private institutions would have options on the amount of government regulation to which they would be subject by the receipt of different kinds and amounts of public assistance.

There is an immense variety in the amount of government assistance received by various independent institutions. My 1975 survey of 93 private colleges showed that two of the 93 were so anxious to avoid government ties that they would not enroll a student who was receiving a guaranteed loan, a BEOG, or any other type of government assistance. Twenty-three others (25 percent) enrolled such students, but refused all government grants, contracts, or other direct financial assistance to their institutions. Twenty-eight institutions (30 percent) received what I would call nominal assistance—some, but less than 2 percent of their annual budget. Another twenty-eight (30 percent) received significant aid—over 2 percent but less than 10 percent of their budgets. Fourteen other institutions (15 percent) received assistance amounting to 10 percent or more of their budgets.

As matters stand today, laws and regulations pertaining to higher education fail to distinguish between the massively supported research institution and the aggressively independent small college. A small college president and I complained about this fact to a prominent United States Congressman and were shocked to have him reject our complaint out of hand because, he said, "there are no more private institutions; they all get millions of dollars from the federal government like Columbia." Can it be that our Congressmen and agency officials are really this ignorant of the composition of higher education? Their laws and regulations are written as if they were. The law need not be so blunt an instrument, except in the hands of the malicious, the ignorant, or the indifferent.

D. Student Assistance As A Basis for Regulation.

We also must seek to assure that government regulation of independent institutions is not premised upon the receipt of government financial assistance by their students. Otherwise, the critical distinction between public and independent is easily bypassed. So far as I am aware, Congress has never passed a law allowing agencies to regulate an educational institution solely on the basis of the receipt of assistance by its students. The Title IX regulations and the handicapped regulations both rely on this basis for regulations, but I am hopeful and confident that they will not survive challenge in court.

H.E.W. is apparently conscious of the weakness of its position. On May 19, 1978 an H.E.W. official sent a letter to all colleges and universities in the United States, stating that each would have to sign a new agreement "in order to be able to participate" in student assistance programs this fall. The agreement commits the institution to comply with all of the Title IX sex discrimination regulations and with all of the handicapped regulations. If these regulations validly apply to the institutions in question, why must H.E.W. insist that they agree to abide by them? And if these regulations are partially invalid—as several courts (discussed hereafter) have already held—how can a government agency justify compelling institutions to agree to comply with them?

H.E.W.'s May 19th letter is a high-handed threat to disqualify students from assistance programs funded by the federal government in order to coerce their colleges and universities into agreeing to observe agency regulations of doubtful validity. I submit that such extortion is unworthy of our government.

E. The Favored Status of Church-Related Institutions.

The final distinction that needs to be observed in the regulation of higher education

pertains to the special constitutional status of those independent institutions sponsored and supported by churches. There are almost 800 such institutions, nearly half of all the independents. Many, though not all, pursue a distinctive religious mission. Thus, it is said that at least 120 religiously affiliated colleges and universities asked for religion-related exemptions from the Title IX regulations.

By requiring that colleges and universities treat pregnancies and abortions like any other illnesses and by forbidding them from considering the marital status of their employees or students, the Title IX regulations pose a direct conflict between government regulatory initiative and private institutional and religious freedom. The Title IX regulations made provision for religious exemptions, but they were deficient in making them dependent upon application to H.E.W.

A federal court recently provided a persuasive reminder of the strong legal position of the church-related college. After receiving a complaint of sex discrimination at Mississippi College, a Baptist institution, the Equal Employment Opportunity Commission sought a subpoena to require the college to submit information on its employees and employment practices. A federal district court sustained the college's refusal to comply. The Civil Rights Act permits a church-related college to give employment preference to persons of its own faith. The court also ruled that official review of a genuine church-related college's employment practices would involve the sort of government entanglement with religious organizations that the Constitution forbids. In addition, even if the Commission only intended to conduct a surface investigation "the mere possibility of an EEOC investigation inhibits the college from preferring Baptist faculty members in instances subject to the Commission's scrutiny." Consequently, EEOC was precluded from even investigating the charge of sex discrimination in that case.

And what of those independent institutions not sponsored by churches? I submit that they should also have some constitutional protection against government action like the Title IX regulations, which seek to prevent colleges from taking positions on matters of value such as marriage and morals. The government should not be able to erase the moral implications that many attach to sex-related behavior like abortion, homosexuality, or sex relations outside of marriage. Otherwise, our government is, in effect, sponsoring an unconstitutional establishment of irreligion or amorality. There must be constitutional protections available to protect the value positions of non-church-related independent educational institutions willing to go to the trouble and expense of developing them.

IV. Being More Discriminating About Anti-discrimination.

My fifth point concerns the content of anti-discrimination laws and regulations affecting higher education. I contend that lawmakers and regulation writers should be more discriminating in their anti-discrimination. Some of the most important anti-discrimination laws and regulations are seriously deficient in failing to take account of the different nature of the discriminations they outlaw.

For example, the provisions of a law or regulation forbidding racial discrimination are not necessarily sound and workable when applied across the board for outlawing sex discrimination. Thus, in the Fair Housing Act of 1968 Congress enacted a complicated legal matrix forbidding the consideration of race, color, religion or national origin as a criteria for action in any transaction in the housing industry, including buying, selling, leasing, constructing, advertising, brokering, financing, maintaining and improving. The pervasive prohibitions of this law made good sense when applied to racial discrimination. But in 1974, with hardly any clarifying legislative history, Congress inserted the word "sex" into this matrix of prohibitions without any apparent consideration of the fact that in relation to some types of housing transactions, sex discrimination is qualitatively different from the other forbidden discriminations. This is why the courts, which have made race an impermissible classification for official action, have declined to do the same for gender. Thus, the interests of privacy and decorum make sex an appropriate matter for consideration in the context of apartment living arrangements.

This bad law-making led to the ridiculous situation in which the Department of Justice threatened to file suit against Brigham Young University and various off-campus landlords for sex discrimination because we had a cooperative program to assure that single men and women were housed in separate apartments and in separate buildings or wings of buildings. Each off-campus apartment in our community typically accommodates six students. To accomplish our policy the cooperating landlords, of course, consider the sex of the prospective occupants when they assign single students to the various apartments. But in its literal language—not illuminated to the contrary by any legislative history—the amended anti-discrimination law seems to make it illegal for anyone to consider the sex of any renter in fixing the terms, conditions, or privileges of any rental arrangement. No one was very comfortable with the ridiculous implications of the government's position, and after some helpful ridicule by the media—notably the New York Times, the Los Angeles Times, and syndicated writers George Will and James J. Kilpatrick—we found a way to settle the controversy on terms that permitted BYU and the landlords to continue their practices as to single students. But the issue should never have arisen in the first place. Congress should have been more discriminating about anti-discrimination.

The increasing inclusion of the word "religion" in antidiscrimination formulas provides another example. Prohibitions against discrimination on the basis of religion are appropriate as to public institutions. It would be unconstitutional for a state institution to consider religion in its hiring or promotion. Our Constitution commits us against a religious test for public employment. But when a church sponsors and supports a college or university, it should surely have the right to consider the religious belief or practice of the students it admits and those it employs to achieve its institutional objectives. The amended Civil Rights Act grants that privilege as to employment, but some government agencies and private groups, including some accrediting bodies, persist in challenging religious discrimination as if it were to be judged by the same legal and moral standards as racial discrimination.

V. Theories For Judicial Review.

In my sixth and final point I urge that colleges and universities band together to lobby against unsound and unworkable laws and regulations, and to challenge illegal regulations in court. This cooperative effort should include more careful advance attention to the implications of proposed rule-making and more determined opposition to illegal rules already enacted. Any who doubt the need for greater combativeness in this matter should consider how far we have gone in government control of higher education in the quarter-century from 1952 to 1977. It is past time to challenge this trend, which, if not arrested, will soon transform all of our educational institutions into a colonial empire of the federal bureaucracy.

Fortunately, the most obnoxious federal regulations are clearly vulnerable to judicial challenge.

The first deficiency in recent law-making on higher education is Congress' tendency to pass a law without clear content or clarifying legislative history, thus delegating its law-making function to the executive branch. Congress did this, for example, in its sweeping prohibition of discrimination against the handicapped, which includes no legislative provision or meaningful legislative history to define the "handicapped" who were the subject of this legislation. By this means, the operative concept upon which we are required to make far-reaching changes in employment and other practices and to expand millions of dollars in capital improvements is a vague generality that must be given meaning by an executive agency not responsible directly to the Congress or the electorate. The same vagueness was employed in the Education Amendments Act of 1972, whose sweeping prohibition of sex discrimination was applicable to programs supported by "federal financial assistance," but which gave no definition of this critical jurisdictional term. Such delegation is subject to judicial challenge.

Even easier to challenge are the principal defects in recent regulations, including those instances in which the agencies have promulgated regulations that go beyond the statutory authority granted by Congress, being to that extent illegal. H.E.W. did this in the Title IX sex discrimination regulations. The law outlaws discrimination on the basis of sex "under any education program or activity receiving Federal financial assistance . . ." That straightforward language embodies an appropriate principle: no education program or activity receiving federal financial assistance shall discriminate on the basis of sex. The reference to "education program or activity" obviously focusses the requirement on certain constituent elements of a university, college, or school. Congress obviously meant to impose its requirement selectively—not on an entire institution.

But that was not the basis on which H.E.W. acted when it issued its regulations. Secretary Weinberger's covering letter shamelessly declared that the law "forbids sex discrimination in any educational institution receiving federal assistance." And the official H.E.W. explanation of the coverage of the regulations—confirmed in its recently reaffirmed position on the coverage of intercollegiate athletics—states that they apply "to all aspects of all education programs or activities" of an institution "which receives federal funds for any of those programs." If H.E.W. succeeds in this attempt to extend its regulatory authority over every program or activity of all institutions that receive or benefit from any federal financial assistance in any individual program or activity, H.E.W. will have accomplished a direct bureaucratic repeal of the limiting language enacted by Congress.

Fortunately, what one court called the "patently overbroad" coverage of the Title IX regulations is not surviving judicial examination. All four federal district courts that have considered the scope of these regulations have ruled that they were not valid in their attempt to govern employment practices in a recipient institution. All four cases reasoned that the Title IX regulations are invalid to the extent that they attempt to forbid sex discrimination as to institutional programs or activities that are not the direct recipients of federal financial assistance.

The handicapped regulations under Section 504 of the Rehabilitation Act of 1973 attempt the same overbroad regulations as Title IX, and they are subject to the same legal objection. Because of similar statutory language the handicapped regulations can only be valid as to programs or activities that are the direct recipients of federal financial assistance.

More recently, the Office of Education has proposed new requirements to regulate institutional refund policies under the Guaranteed Student Loan Program. In a prompt

and angry response the normally mild American Council on Education, speaking for ten educational associations, charged that the Office of Education "does not have the legal authority" to issue such regulations, that they were published "in direct and knowing disregard of the expressed intent of Congress," and that they constituted "an arbitrary, unwarranted, and illegal intrusion by the Office of Education into the internal administrative policies of the institutions." I am heartened to see the major educational associations raise their voices in protests long overdue.

The number of colleges and universities that have been willing to testify on proposed legislation or comment on proposed regulations has been small, and those which have been willing to go to court to oppose illegal laws, regulations and practices has been smaller still. It is heartening to see an increasing number of institutions which recognize the vital issue of independence and are willing to put their time and resources on the line to defend it. I am encouraged by the organization and recent actions of the National Association of Independent Colleges and Universities. That organization should be supported in its efforts to promote independence and urged to be even more vigorous.

Finally, we must work in the courts and through skillful counsel to develop First Amendment protections that will shield institutions of higher education from the regulatory excesses of government. As I have described elsewhere, there are significant constitutional foundations for the protection of education. The Supreme Court stated recently by way of dictum that "the right of freedom of speech and press includes not only the right to utter or to print, but . . . indeed the freedom of the entire university community." This statement and earlier holdings rejecting the regulation of private education provide raw materials to use in constructing a secure constitutional barrier to protect the freedom of educational institutions and their personnel.

I contend that government authorities need to be just as careful about regulating schools, colleges, and universities as they are about interferences with newspapers, public meetings or any other delivery mechanism for the products of free speech. As the essential transmitters of our culture and as the source, teacher, and practitioner of values in our society, schools, colleges and universities must be assured a wide range of freedom for their activities of discovery, advocacy, and practice. But if that principle is to be impressed upon the bedrock of our constitutional law, colleges and universities must have the will to oppose regulatory excesses in court and they must be willing to provide the resources of time and money necessary to provision the long struggle to develop constitutional doctrine.

IS EDUCATING YOUR OWN CHILD A CRIME?

(By Stephen Arons)

During the summer of 1977, Peter and Susan Perchemlides planned a home-instruction curriculum for their eight-year-old son, Richard. There was nothing unusual or difficult for them in this task, for these well-educated parents had taught their two oldest sons at home some years earlier. In early September of that year, the plan for Richard's home instruction was submitted for approval to the local superintendent of schools as required by state law. Eight months later, on April 6, 1978, complaints were issued in the District Court of Hampshire County in western Massachusetts against the Perchemlides for failure to send Richard to school. Dr. Perchemlides, a Ph. D. in biochemistry, had been accused of the crime of educating his own son.

The struggle between the Perchemlides family and the public school authorities of Amherst, Massachusetts, is not yet over; but the reactions of the parties, their attorneys, and the local press already show that the issue of state control over child-rearing practices touches the deepest feelings and values of American families and evokes the harshest of institutional reactions from the school system. In the narrowest sense, one economically poor but culturally advantaged family is simply seeking to educate their child within the family fabric and according to their perceptions of his needs. In a larger sense, however, the Perchemlides are asking whether there is room in America for dissent in the education of children.

The Perchemlides came to the Amherst area in 1975, drawn by the quiet beauty of the rolling hills and small farms spreading east from the Connecticut River. In their view, the academic institutions that set the tone for the area—the University of Massachusetts and Amherst, Hampshire, Smith, and Mt. Holyoke colleges—and the tolerant and progressive reputation of the schools and families in town would all contribute to the health and development of the family. This move was a substantial change from life in Boston where Peter had been first a research fellow at Massachusetts General Hospital and later a research associate at the Harvard University Medical School. Upon arrival in Amherst, Richard was enrolled in the second grade at a local elementary school, Mark's Meadow, run in conjunction with the University of Massachusetts' School of Education. The oldest two of the family's five children were enrolled in the public school system as well, and everything seemed promising.

But now the family is locked in a bitter battle with the Amherst School Department over Richard's education. Both sides claim they are acting in the child's best interest; and while neither side ascribes the actions of the other to self-interest or personal malice, there is apparently no compromise possible. At bottom, the struggle is over which side can justifiably express and seek to pass on to Richard its own values and world view, its own politics.

Looking back over the first year of what was to become a seemingly interminable controversy, Richard, now nine and a half, recalled his reactions to the one year he spent in the public school. "If you did something wrong, everyone would laugh. You had to do it just so, and it was boring to do it that way." Perhaps this is the meaning of the story his mother, Susan, tells about Richard's reaction when asked at school to provide a caption for a drawing of a woman in fancy clothes waving at someone. Richard reportedly thought it was "a working-class woman all dressed up to go somewhere she didn't get to go to much," but was afraid that if he said this the school counselor "wouldn't like us and our family." He simply replied, "I don't know."

The home education plan drafted by the Perchemlides is based on not only their earlier experience in educating the older boys at home, but also on their own views of natural and social order, and most pointedly by their reaction against the values, philosophy, and practices of the Amherst School Department. The curriculum document itself is extensive, containing page after page of detailed plans in such areas as language arts, earth science, ecology, music, mathematics, nutrition and health, and physical education, including a two-mile jog each day. The document has been reviewed by numerous education experts and found to be sound. Dr. David Campbell of the University of Pittsburgh School of Education, a consultant to public and private schools on curriculum and methodology, and the author of several books and over 40 articles, found the Perchemlides' program to be "the equivalent of a first-rate private academy both in its tutorial system and in . . . the curriculum."

When the family first raised the issue of home instruction with the Amherst Superintendent of Schools, Donald Frizzle, it apparently caught him by surprise. When asked later what his initial reaction had been, he commented, "I'd never been asked that before, and I had no particular procedures that I would normally just follow." Frizzle gave the family a form ordinarily used by the school department for private school approvals and told them to do the best they could with it. Meanwhile, he began a search for clarification of his legal powers and duties. Massachusetts compulsory attendance law requires that every child between the ages of six and 16 attend a public school or a private school approved by the local public school board, or be "otherwise instructed in a manner approved in advance by the local superintendent or school committee." The problem was not only that there were no prepared forms and procedures for the approval of home education plans, but that neither Frizzle nor the school committee had standards for making such approvals.

The Perchemlides' request for approval of home instruction is not, of course, the first time that a legal battle has been necessary to determine the relative power of government bureaucrats and individual families over the education of children. Over half a century ago, the U.S. Supreme Court declared unconstitutional one of the most blatant attempts by government to control value inculcation of children through schooling. In 1922, the state of Oregon had passed legislation requiring all children to attend public schools only. In declaring that the "child is not the mere creature of the state," the high Court ruled it a violation of fundamental constitutional liberties for a state to seek to "standardize . . . children by forcing them to accept instruction from public teachers only." Since 1925, the Pierce case has become a force for the maintenance of parental liberty in education, yet even in that case the Court implied that some regulation of education by the state was within constitutional bounds.

Two years later, the Supreme Court further narrowed the circumstances in which a state may restrict parental power over a child's education. The government was prohibited from eliminating alternatives to public school and also from regulating those alternatives so extensively as to make them identical to the public school. In the 1927 case of Farrington v. Tokushige, the legislature of Hawaii had unsuccessfully defended a set of private-school regulations which encompassed teacher qualifications, the content of textbooks, and a teachers' pledge to "direct the mind and studies of pupils in such schools as will tend to make them good and loyal American citizens." As with the Pierce case, the Court in Farrington was quashing a kind of jingoistic know-nothingism that was common in the 1920s' fear of diversity.

In the last 50 years there have been only two major cases that further delineate the limits of government power to control education through regulation of alternatives to public schooling, both of which have had a religious basis. In 1972, members of the Amish community of Wisconsin refused to send their children to any school after the eighth grade, claiming that the worldly, competitive, materialistic values of school undercut the communal religious values embodied in the Amish society's living church. The Court, in Wisconsin v. Yoder, upheld the Amish parents' act of conscience and invalidated the Wisconsin compulsory attendance law as applied to them. The case made clear that the Amish definition of education

as learning-through-doing was sufficient to meet any legitimate government interests in education.

The Perchemlides suit differs substantially from the Amish case in that the Perchemlides do not claim a religious basis for their convictions about family values and interpretation of the meaning of life, making them conscientious objectors without religious identification. It differs also in that rather than challenging the compulsory attendance law, the family seeks instead to comply with that part of its provisions in Massachusetts which makes home instruction a right. The crucial issue on this point is whether the government may so regulate a legislatively sanctioned alternative to public schooling that its distinctive quality is eliminated or contorted. Since 31 other states permit home instruction in fulfillment of compulsory education laws, the scope of legitimate government regulation is of central importance.

The second major school regulation case was Whisner v. Ohio in 1976. Although it, like Yoder, relied on religious claims, the federal court in Whisner ruled that the government may not use even a system of minimum standards in the regulation of nongovernment schooling if the result is to effectively eliminate real alternatives to the public school. In spite of the negative view that both Court and Constitution have taken toward government monopoly on education, the desire to hang on to power seems to have prompted the Amherst school authorities to claim "absolute discretion" in passing upon home education plans and to dismiss the parents' plan and values as "pet educational theories."

Confronted with a unique local case and a body of legal doctrine that is forceful but not detailed, Superintendent Frizzle and his staff seem to have been genuinely confused about how to react. Perhaps it was beyond their experience to be confronted with a family that insisted on defining what was best for their child's education. But the kind of process that the school department established to deal with this situation is an indication that they perceive a threat to professional power and government control of education in the Perchemlides' request. From interviews, depositions, and internal memoranda, the picture emerges that the school authorities meant to avoid a straightforward conflict.

At the outset, the superintendent asked for the submission of a written home-education plan but did not give any standards which the parents would be required to meet. Considering that failure to meet the school department's criteria could expose the family to criminal sanctions and even, ultimately, to the seizure of their son by the State Welfare Department, this vagueness would itself be enough to merit legal condemnation as a denial of due process. Upon submission, the plan was turned over to the school department staff for evaluation. Later, the superintendent was to claim that the standards of judgment were those mentioned in the statute for the approval of private schools, namely, that the program "equals in thoroughness and efficiency, and in the progress made therein, that in the public schools in the same town." Just what this equivalence really meant has never been specified, but counsel for the family, Wendy Sibbison and James Disceglia, knew it could not literally mean "the same as" the public schools or the *Pierce*, *Farrington*, and *Whisner* cases would have to be overruled.

The school department offered a four-inch-thick sheaf of papers purporting to describe the curriculum of the school system. Was it this to which the parents had to make their plan equal? Frizzle replied, "The burden is on the person who wants to do this." But do the parents have to equal every detail of this curriculum? No, but the parents could not be told which aspects they had to match "because that would be an invasion of their values and policy." They must "do what they feel is proper"; then judgment would be passed.

As it turned out, that judgment was passed on the proposed program on October 7, 1977, when the Perchemlides were notified that their plan had been rejected. Although each of the four grounds on which the plan was denied was based on lack of information, the family was not asked for further details. Neither was the family ever confronted with the negative opinions of the school department's experts or given a chance to refute or counter them prior to the decision. The reasons themselves are part of the roller coaster of confusion created by the school department. Although the plan is for home instruction, and such instruction is a right under state statutes and court decisions, the superintendent disapproved of the plan in part because it provides no "group experiences." The school department was unaware that a 1967 New Jersey case, *N.J. v. Massa*, dealt with just this issue, ruling that "to hold that the statute requires equivalent social contact and development would emasculate this alternative and allow only group education, thereby eliminating private tutoring for home education."

The superintendent also objected that the family had made no indication that they had the "training or background appropriate to the task you propose to undertake." Although Frizzle publicly admits his respect for the family's home life and for Peter's "immense intelligence" and "deep philosophical thinking," he notes that a Ph.D. does not necessarily know how to teach children. Yet the family had educated the two oldest sons, Greg and Steven, at home for four years; they were then enrolled in Amherst public schools where they received A's and B's their first year.

After their plan was rejected, the family sought a review of the case before the school committee, whose power is concurrent with that of the superintendent. Here the standards become still more confusing and contradictory, and the procedure becomes still more Orwellian. The school committee met five times to discuss the case. At the first meeting, the family was present with counsel, but no hearing was held because the school committee found it necessary to request additional curriculum information from the Perchemlides and to seek legal counsel on their powers in this matter. The committee subsequently received both sets of information, but never notified the parents or their attorneys of the meetings at which all the facts were to be considered, the expert opinions heard, and the witnesses examined. Considering that the parents might still suffer criminal penalties and lose their son to the state, proceedings before the school committee resembled the Star Chamber. The family had no notice of hearing, no counsel present, no opportunity to present its own expert witnesses about the quality or philosophy of the curriculum they proposed, no opportunity to cross-examine or even hear the witnesses who testified their plan was unacceptable, no knowledge of the standards being applied, and, ultimately, no statement of the reasons for the school committee's December 16, 1977 denial of their request.

During all this time, the Perchemlides continued to educate Richard at home, trying to undo what they viewed as the damage done by Richard's year in the Amherst public school. Richard, like the rest of the family, was under intense and increasing pressure as a result of the conflict with the school authorities. After a year in the spotlight, Richard would admit that he "liked being recognized." "But," he was quick to add, "I like even better just staying at home."

After the school committee's denial of the family's "appeal" and its refusal on January 30, 1978 to reconsider, the school department began to increase the pressure on the family. Up to this point, the superintendent had seen no need to "jam the law on them" and had never really questioned the sincerity of their teaching efforts or the adequacy of their home environment. In fact, in a deposition taken during this past summer, Frizzie admitted that he had implicitly approved the home instruction plan before.

Between threats, negotiations, and a general reluctance to set the wheels of the criminal law in motion, it was not until April 6, 1978, that criminal charges were finally brought against the Perchemlides under the state truancy statute. The family's lawyers, working virtually without pay because Peter was unemployed and Susan was a full-time student, immediately filed a civil suit seeking to halt the criminal prosecution, to force the school authorities to formulate standards for approval of home education plans, and to approve the family's plan pursuant to such standards.

The family's suit contends that the school committee's standards for approval of home education must be minimal. Since the family's rights of privacy, conscience, and belief are at risk in government regulation of education, the suit seeks to require that any regulation of the right of home education in Massachusetts be justified by a compelling state interest. Most important, the Perchemlides call for an end to the practice by which education standards and truancy laws are used to impose the educational philosophy and political and cultural values of the school bureaucracy upon individual families.

The case now rests before the Superior Court where, at this writing, the school authorities still seek to prevent a public hearing of the facts by taking the position that the parents have no claim and should therefore be dismissed from the court. The criminal charges have been dismissed because of the pending civil suit, but they could be renewed if the family is unsuccessful at trial. It seems unlikely that the matter will reach an out-of-court settlement or even end with the Superior Court.

It is ironic that this case should develop in the Commonwealth of Massachusetts, which considers itself the birthplace of universal education and the cradle of individual liberty in America. As the case moves beyond the personal struggle of one family and one school bureaucracy, it seems increasingly to ask whether something has happened in the development of public education to bring it into conflict with the principles of individual liberty and free and vigorous dissent upon which our Constitutional order rests.

One might have thought that this contradiction was put to rest in 1925 when the *Pierce* case denied the legitimacy of a government monopoly of schooling. One might also think the matter was settled in Massachusetts in 1897 when the state's highest court interpreted the compulsory education statute to allow home education and enunciated the purpose of compulsory education to be "that all children shall be educated, not that they shall be educated in any particular way." The issue refuses to go away.

Perhaps it is the growth of government-operated schools as self-justifying bureaucracies which highlights the parents' perception of their differences from public school ideology and moves them to resist. And perhaps the absence of more such resistance is explained by the flattening of cultural diversity and personal individuality that is left in the path of the public school steamroller. At any rate, the Perchemlides have brought forth out of their personal life, and at substantial personal risk, a serious question.

For over 100 years, Americans have assumed that education decisions are properly the province of the political majority. For

50 years, we have admitted the danger of such an assumption only when dissenters could ascribe their views to some organized religious theology. The Perchemlides seek nothing more than their due under a state statute which creates the right of home education. But their actions have turned our assumption into a question. Can a politically democratic and individually robust society afford to allow majority control of value inculcation in schooling, or does the freedom to learn, to form beliefs, and to develop personal consciousness free of government coercion need the same protections as the freedom of speech and religion?

FEDERAL EMPLOYMENT AND THE CONSTITUTION

Mr. HATCH. Mr. President, of relatively recent origin has been the notion that Federal employees hold a constitutionally-protected property right in their employment, and that such employment cannot be denied them, whatever the reason, in the absence of extended procedural and due process safeguards. As described by one observer, the Constitution is today viewed by a majority of the Supreme Court as a "sort of super-Pendleton Act, extending the civil service laws to even those aspects of government employment untouched by the statutes themselves."

The procedural and evidentiary obstacle course that must be circumvented in order to dismiss even the most incompetent and careless public employees has created in such employment a measure of job security virtually nonexistent in the private sector—a consideration never weighed in computing "comparability" between public and private sector job benefits. As a result, not only must the public suffer from a less efficient Government than they might otherwise expect, but conscientious public sector employees are tarnished. The civil service reforms approved late in the 95th Congress were, in part, prompted by the difficulty in removing public employees from their positions.

The Washington Post recently carried an informative debate on the propriety of Federal jobs as "property" of the individuals occupying them. Robert M. Kraus, editor of the Washington Monthly—from which the Post reprinted his article—states the case in opposition to this concept, while Louis Fisher, a specialist with the Library of Congress, argues in its defense.

I ask unanimous consent that the Washington Post articles on this subject be printed in the Record at this point.

There being no objection, the articles were ordered to be printed in the Record, as follows:

When a Job Becomes 'Property', It's Hard to Fire a Civil Servant

(By Robert M. Kaus)

Sometime last January, a radical proposal landed on the desks of Stuart Eizenstat's aides in the Old Executive Office Building. It was a draft "decision memo" on civil service reform—the "centerpiece" of President Carter's reorganization plans and the main vehicle for his efforts to "increase government's efficiency by placing new emphasis on the quality of performance of federal workers."

The memo, prepared by the Civil Service Commission and the Office of Management and Budget, certainly fit the president's requirements, particularly in the critical area of removing "non-performing" employes. To replace the byzatine structure of hearings, notices and appeals to which civil servants were then entitled, the memo proposed a simple procedure: employes could be dismissed by the concurrence of three supervisors—the one who initiated the discharge, a higher-up and a third supervisor experienced in deciding such disputes. If these three agreed that an employe wasn't performing up to snuff, the employe would be fired, then and there, with only a limited right of appeal for "substantial procedural error."

Despite the proposal's fairly dramatic potential for improving bureaucratic performance, some of Eizenstat's aides were troubled. For one thing, the memo surely would provoke opposition from federal employe organizations. But bargaining with the unions was to be expected, and there was even some virtue in starting the negotiations from a tough position. No there was another, trickier problem—the proposal might be *unconstitutional*.

Simon Lazarus and Steven Simmons, two lawyers on the Domestic Council, were particularly disturbed by this possibility. They called in some legal scholars and the Justice Department. Yes, came the answers, there were indeed constitutional difficulties. While the decisions of the Supreme Court were fuzzy, they appeared to require that every civil servant be given a full-pledged trial-type hearing before he could be finally discharged. Armed with these opinions, Lazarus and Simmons successfully led a push to change the draft proposal. By the time the decision memo reached Carter's desk, the right to an evidentiary appeal had been restored.

After the White House sent this revised proposal to Congress, and at each stage in the bill's passage into law, what had happened in the Executive Office Building happened again. Those who wanted to make it less difficult to fire incompetent civil servants not only had to negotiate with the employe unions, and their congressional champions, but with an unseen third party—the Supreme Court.

During the House-Senate conference, for example, Rep. William Ford (D-Mich.) repeatedly and effectively argued that unless more protections for employes were added, the whole reform package would be threatened. "The very first case of any consequence is going to be in the courts," Ford warned the conferees, "and then Scotty [Civil Service Commission Chairman Alan "Scotty" Campbell] is going to be sitting with a death row over there of thousands of cases waiting to see what the Supreme Court is going to do."

By the time the bill became law, the provisions for firing unproductive civil servants had expanded to become a complex three-stage pyramid of procedural hurdles: First, an employe is entitled to 30-day notice of the "adverse action," and a chance to rebut the charges against him. Then, if he wants, he is entitled to a trial-type hearing before the new Merit Systems Protection Board (MSPB), at which his agency must demonstrate that "substantial evidence" supported the decision to fire. Finally, the discharged employe can seek review of the MSPB's ruling in a federal appeals court.

DUE PROCESS CLAUSE

So, if you're expecting the new civil service reforms to create, as Carter put it, "a climate in which managers may discharge nonperforming employes," don't hold your breath. It's easier now to fire a civil servant, but one shudders to think how long an employe with the right kind of 'awyer could prolong the appeal of a discharge under the new system.

The administration hopes, at best, for a 60-day "turn-around" between the date of firing and the decision of the MSPB. The board that performed the MSPB's function before the recent reorganization, however, took an average of 168.9 days to decide each case. And that's just the appeal to the MSPB. Tack a 30-day notice in front of that, and a trip through the clogged federal appeals court at the end, and you've still got a system under which supervisors will be asking themselves, "Is it worth a year or more of my time trying to fire this guy?"

What the history of the civil service bill shows is that the main obstacle to changing this system is no longer the Congress, or even the unions—it's the courts. It was the threat of unconstitutionality—of judicial veto, as it were—that scared Carter's aides and supporters into watering down their reforms.

The part of the Constitution that caused all the trouble is the due process clause, which says that the government shall not "deprive any person of life, liberty or property without due process of law." Just reading the provision, you might not think it was designed to protect civil servants. But, knowing the need for judges to elaborate on the Constitution's purposefully vague language, you might speculate that firing a federal employe would be construed, in some esoteric way, to be a deprivation of, er . . . liberty? The liberty to engage in a profession perhaps—"the right to type," you know, that sort of thing. You would be wrong. Firing a federal civil servant does not per se deprive him of "liberty" under the due process clause. What a civil service job is, in modern constitutional theory, is property.

Today, law students know they are well on their way to "thinking like lawyers" when this strained reading of the Founding Father's words begins to make sense. Forty years ago, however, the average attorney would have stared back is disbelief at anyone who told him that a federal job was property, just like a plot of land. It took a lot of ambitious thinking, and a bit of history, before the idea became second nature.

But if two men have to take credit for the spectacular growth of the constitutional job rights of government workers, they would probably be Sen. Joe McCarthy and Charles Reich (the latter better known as author of the '60s bestseller, "The Greening of America.") Let's start with McCarthy.

GREAT LIBERAL VICTORY

Prior to the 1950s, the law on firing government employes was fairly simple: the government could constitutionally fire an employe without jumping through any procedural hoops. Moreover, the government employe worked—as far as the Constitution was concerned—at the will of his superiors; he could even be sacked solely because of his political inclinations. These principles were neatly summed up in Oliver Wendell Holmes' 1892 statement that a policeman "may have a constitutional right to talk politics, but he has no constitutional right to be a policeman."

All that changed during the McCarthy era, as red-hunters searched the government payrolls for communists and their sympathizers. A generation of liberal lawyers was weaned on the struggle against the persecution of these employes, and it was a great liberal victory when, in 1956, the Supreme Court stopped the dismissal of a New York college teacher who had been fired for taking the Fifth Amendment at a federal loyalty inquiry.

In presuming that this act was an admission of guilt, the Court said, the state had failed to afford the teacher the "due process" required by the Constitution. The Court didn't specify, in terms of the language of the due process clause, just what the teacher had been deprived of—was it life, liberty or property? But this was no time for conceptual nicety, and over the next decade "due process" was repeatedly invoked in attempts to save the careers of officials charged with subversive leanings. Taking away someone's government job had become a serious constitutional matter.

In 1964, Reich entered the picture. He was troubled by the growing importance of government largesse—from welfare payments to broadcast licenses to admission to the bar, the well-being of more and more Americans seemed to depend on what their country could do for them. In a sweeping and original article, Reich described this growing dependence as a threat to individual liberty.

His solution was to restore the status of the individual citizen by giving him constitutional rights to the largesse he received. Significantly, the right on which Reich seized as his model was the property right, and he argued that all manner of government benefits should be "property" under the due process clause, with elaborate procedures (the "due process") required before the benefits could be withdrawn. Just as 10 acres and a mule had been the basis for individualism in earlier times, Reich reasoned, so his "new property" could preserve individual freedom in the "joyless landscape of the public interest state."

Surprisingly, while Reich noted that the government accounted for 20 percent of all jobs, and that many other jobs depended on government contracts, he didn't put much emphasis on protecting the interests of government workers. Instead, he concentrated on cases, like cutoffs from welfare benefits, in which the injustice of arbitrary government action seemed overwhelming.

But Reich's article fell on the receptive ears of a booming civil rights industry, whose whole raison d'etre was finding more and more ingenious applications for new constitutional theories like Reich's. Law reviews—student-run journals that are the primary outlets for American legal scholarship—soon converted Reich's proposal into an abstract legal formula capable of almost unlimited application.

The courts, wrote one eager law reviewer, should "regard life, liberty and property as encompassing everything of which a person can be deprived, and hold that a person has a claim within the ambit of the due process clause whenever governmental action has accrued to his detriment." All that you needed to make a "new property" right was some action by the government that was hurting somebody, and liberals had a field day finding injustices that could be cured by application of this recipe.

MORE CAUTIOUS AT FIRST

The Supreme Court was a bit more cautious in its approach, but after a few years of exhortation by the legal journals—and after a few of the law students who had written those articles had served their tours of duty as assistants to the Justices—the Court started creating a series of "new property" rights. Welfare payments, of course, were first on the list, with the Court ruling in 1970 that a state couldn't remove a recipient from the rolls without first giving him a chance to prove his eligibility at a quasijudicial hearing. From welfare the Court moved on to drivers' licenses, which became "property" under the due process clause in 1971.

These decisions were well-received by the legal profession's avant-grade. But, the law reviews noted, there were still some areas where the new formula hadn't been applied. For example, what could be more important to an individual than his government job? "Given the modern emphasis on protecting individuals against significant inflictions of harm," one commentator complained, "why have the courts excluded public employes from the expanded panoply of the due process clause?"

In 1972, the inevitable happened. A political science professor at a Texas state college was dismissed, and he sued to get his job back. The job, the teacher said, was his "property," and the state shouldn't have been able to take it away without giving him, in effect, a mini-trial at which he could dispute the grounds for dismissal. The Supreme Court was unanimous in its agreement. In deciding that a government job could be "property," the Court handily cited as legal precedent the McCarthy-era cases that had reinstated employes in the name of "due process." But there was a key difference between those cases and the "new property" theory. In the 1950s, the courts had protected employes who had been fired for exercising some constitutional privilege, like the right against self-incrimination. The new rule applied indiscriminately to every deprivation of the "property interest" in a job. Whether you were discharged because you were a red, or because you slept at work, you were constitutionally entitled under the "property" doctrine to "due process."

Two years later, in *Arnett* v. *Kennedy*, a divided Court extended this "property" right to include the jobs of federal civil servants. At the same time, the Court announced its intention to guarantee those employes their "due process" even if the Congress chose to cut back on the procedures required in the statutes. A discharged employe, the Court majority implied, could demand a full inquest, with lawyers, testimony and cross-examination, if he chose to fight his dismissal.

Arnett is the case that gave civil service reformers in the Carter administration the biggest headaches. In effect, it presented them with a choice: give all employes the right to cumbersome trial-type hearings, or risk passing a law that would be struck down by the Court. In fact, the threat of *Arnett* was so great that it was successfully used to attach a provision in the White House's bill that dared to go so far as to deny employes a hearing if there were no factual disputes to hear.

Since the effect of *Arnett* has been to help gut the most important piece of legislation Congress addressed last term, we have good reason to question the wisdom of that decision—and of the property rationale that underlies it. In private business, after all, the courts are quite willing to say that being fired isn't the end of the world for an employe—at least no court has yet ruled that the Constitution requires private employers to go through evidentiary hearings to determine if each and every discharged is justified. Why, when the government is doing the hiring and firing, is the situation so different that lawyers and judges should fall all over themselves with constitutional concern?

NEW LAYER OF RED TAPE

In retrospect, the crusade for the federal employe's job rights appears to have been, at best, misguided—particularly from the point of view of the liberal lawyers who led it. The net effect of their efforts was to add a permanent layer of red tape to the bureaucracy, and to hamper the ability of the government to perform all the regulatory and redistributive functions liberals care about.

Even to civil libertarians, government employment is beginning to look like one area where the Court got carried away by the "new property" fad. Prof. Laurence Tribe, a liberal defender of judicial activism, admits concern over "attempts to squeeze public office-holding into the mold of private property entitlements." He notes a "thoughtful reconsideration" of the issue by Prof. William Van Alstyne, who concludes, "There is something abrasive and offensive, something anachronistic, in the idea that public sector positions can be appropriately described as the property of the individual status holder."

This "thoughtful reconsideration" has so far eluded the Court. Instead, even after *Arnett*, the justices preferred to see the Constitution as a sort of super-Pendleton Act, extending the civil service laws to even those aspects of government employment untouched by the statutes themselves.

The absurd culmination of this attitude came in *Elrod v. Burns*, a 1976 case in which the Supreme Court imposed its version of the "merit system" on the venerable patronage machine of Chicago—and, incidentally, on all the other state, local and federal government institutions that had previously avoided the bureaucratic arteriosclerosis of the civil service.

Burns was a minor functionary in the office of the Republican sheriff of Cook County, Ill. As a bureaucrat in a patronage system, he could only expect to retain his job as long as his party remained in power. And, when the voters of Chicago elected a Democratic sheriff named Elrod, Burns was fired—as everyone knew he would be.

This time, though, the Supreme Court stepped in. Such patronage dismissals, Justice Brennan said in his opinion, were unconstitutional; they penalized Burns for expressing his Republican sympathies. The civil service ideal—that government service should be free from all political risk—had come to Cook County. Henceforth, according to Brennan, even political appointees at Burns' level could only be fired for "good cause."

But the Court, we may imagine some astute law review editor pointing out, had yet to extend this principle to its ultimate application. That will happen the day the justices rule that a losing candidate for reelection can successfully sue to get his office back. After all, how could the courts allow him to be deprived of his valuable government job simply because of the views he expressed in a campaign?

Protecting Civil Servants: There Are Reasons and Precedents for Defining Job Rights as Property

(By Louis Fisher)

In his article in the Dec. 24 Outlook, Robert M. Kaus weaves a grandiose theory to show how court decisions have frustrated civil service reform efforts. Because of such decisions as Arnett in 1972, which he says helped "gut the most important piece of legislation Congress addressed last term," civil servants continue to have access to hearings, notices and appeals before losing their jobs.

When his article was first printed in The Washington Monthly, it had a title that made his theme especially provocative: "How the Supreme Court Sabotaged Civil Service Reform." Kaus takes special delight in ridiculing the proposition (recently invented, he says) that a job with the government, because it is "property," requires protection under the due process clause of the constitution. His crabbed analyses about the judiciary, removal powers, the civil service act and property rights merit a rebuttal.

Kaus claims that the property issue is of recent vintage. "Forty years ago," he writes, "the average attorney would have stared back in disbelief at anyone who told him that a federal job was property, just like a plot of land." He traces the job-property relationship to the sensational exploits of Sen. Joe McCarthy in the 1950s and to an article by Charles Reich published in 1964.

It should not take too much training in the law (even for an average attorney 40 years ago) to recall Marbury v. Madison, handed down in 1803. Chief Justice Marshall held that the president had discretion over an office until an appointment is made, but that thereafter "his power over the office is terminated in all cases, where by law the officer is not removable by him. The right to the office is then in the person appointed,

and he has the absolute, unconditional power of accepting or rejecting it." Congress had given Marbury's office a tenure of five years. Marbury had a legal right to serve for that period. He did not get the job, but Marshall's decision gave early evidence that a federal job could constitute a property right. It also suggested that Congress could circumscribe the president's removal power through statutory restrictions.

"Prior to the 1950s," we learn from Kaus, "the law on firing government employes was fairly simple: the government could constitutionally fire an employe without jumping through any procedural hoops. Moreover, the government employe worked—as far as the Constitution was concerned—at the will of his superiors; he could even be sacked solely because of his political inclinations."

Not so. The record prior to the 1950s is decidely different. Has he forgotten about the Pendleton Act of 1883? Or the job-property linkage in the case of U.S. v. Perkins, in which the Supreme Court in 1886 agreed that a naval cadet engineer could sue for pay in the Court of Claims? The secretary of the navy had discharged him without a showing of deficiency in any examination. He had been dismissed not for misconduct under any provision of law, nor had he been sentenced by court martial (statutory procedure). Thus he was still in office and entitled to the pay attached to it. Procedures existed at that time to prevent arbitrary dismissals.

The Lloyd-LaFollette Act of 1912 established some more "procedural hoops" to protect federal employes. While members of the classified civil service could be removed "for such cause as will promote the efficiency" of the agency, they were entitled at least to (1) reasons given in writing, (2) notice of the action and of any charges preferred against them, (3) a copy of the charges and reasonable time to file a written answer, with affidavits, and (4) copies of the agency's decision.

Examination of witnesses, trial and hearing were not required by statute, but could be furnished at the discretion of the official directing the removal.

It is false to say that a federal employe could be "sacked solely because of his political inclinations." A distinction is needed between employes under the civil service and officials appointed with the advice and consent of the Senate. Certainly protection against political dismissals has been available for civil servants. Even presidential appointees have access to some protection. Franklin D. Roosevelt tried to get rid of William Humphrey, a federal trade commissioner, by asking him to resign for these reasons: "I do not feel that your mind and my mind go along together on either the policies or the administering of the Federal Trade Commission." Humphrey, placed on the commission by Republican presidents, had openly sided with the business interests. This effort to remove him for policy and political reasons failed in the courts. In this case, decided in 1935, FDR's right of removal was limited to the statutory grounds established by Congress.

The claim that federal employes could be sacked for political reasons ought to remind us of Congress' attempt, in 1943 to prohibit the payment of public salaries to three individuals described by a subcommittee chairman as "irresponsible, unrepresentative, crackpot, radical bureaucrats" and affiliates of "communist-front organizations." The Supreme Court, in 1946, struck down that use of legislative power because it inflicted punishment without a judicial trial and therefore violated the Constitution's prohibition against bills of attainder.

Procedural protections are not the monopoly of the courts. In 1950, before Joe McCarthy began to make headlines, Congress passed legislation to allow certain agencies to suspend civilian employes whenever "necessary in the interest of national security." Once suspended, however, permanent employes had access to these procedurel safeguards before removal: (1) a written statement of the charges within 30 days after suspension, stated as specifically as security considerations permit; (2) an opportunity within 30 days to answer the charges and to submit affidavits; (3) a hearing, at the employe's request, by an agency authority constituted for that purpose; (4) a review of the case by the agency head or designee prior to a decision adverse to the employe is made final, and (5) a written statement of the decision.

This statute applied only to national-security dismissals. Removals of other civil servants were circumscribed by even more stringent procedures.

SECURITY CASES OF THE 1950'S

Kaus indicts the judiciary of the 1950s for impeding the government's right to fire employes. As a result of McCarthy's hunt throughout the federal payroll for communists and their sympathizers, a "generation of liberal lawyers was weaned on the struggle against the persecution of these employes . . ." Kaus says that the concept of due process was repeatedly invoked by the courts "in attempts to save the careers of officials charged with subversive leanings. Taking away someone's government job had become a serious constitutional matter."

First, the decisions were meant to save more than "careers." Reputations were at stake. Reputation has long been considered more precious than ordinary forms of property. The idea that property includes a person's name was recognized by the Supreme Court in 1891, in the case of Brown Chemical. Unambiguously the court stated: "A man's name is his own property, and he has the same right to its use and enjoyment as he has to that of any other species of property." Property has always been more than "a plot of land," as Kaus would define it.

Personal reputations are destroyed when the government dismisses officials as alleged security risks. Courts properly insist on procedural standards and constitutional rights for those accused of betraying their country. To be excluded from public employment on grounds of disloyalty, as the Supreme Court noted in 1952, becomes "a badge of infamy." To be dismissed under that cloud devastates a workers opportunity not only within the federal government but in the private sector as well.

Kaus points out that the courts in the 1950s protected employes "who had been fired for exercising constitutional privilege, like the right against self-incrimination." This is a pinched interpretation. Much more vital principles were preserved. The courts refused to let the government depend on "faceless informers" for their evidence. Employes accused of disloyalty were entitled to confront and cross-examine their anonymous accusers. Otherwise, the government should drop the charges. Many of the informants had not even made their damaging statements under oath.

The principles of free speech and free association were also part of this battle in the 1950s. Federal judges suspected that employes were being fired not for wrong conduct but for "wrong views." Someone subscribed to the wrong magazine. Someone else had a wife who associated with the wrong group. Dismissal for wrong thoughts, some judges concluded, had nothing to do with protecting the security of the United States. It had a lot to do with undermining First Amendment freedoms.

Congress could have curbed these court decisions through its power to limit appellate jurisdiction. Bills were introduced to remove the Supreme Courts authority to review the Federal Loyalty-Security Program. Congress considered removing the employe's right of confrontation and cross-examination. Some legislators proposed the application of summary suspension powers to all nonsensitive federal jobs. All of the efforts failed. There was broad agreement, then, in Congress as well as the courts, that employes accused of disloyalty were entitled to carefully delineated procedures.

"NEW PROPERTY" ORIGINS

Kaus correctly assigns to Charles Reich a major influence in the growth of the "new property" rights. Reich's article in 1964 argued persuasively that, with the growth of governmental regulation and benefits, reaching deeply into the private sector, citizens were more in need of procedural safeguards. Doctors should not be deprived of their medical license, for instance, or taxi drivers their medallion, without predictable and enforceable procedures.

Beginning around 1970, the courts began handing down a series of decisions that dramatically broadened the rights of individuals affected by governmental decisions. In his handling of these cases, I think Kaus misses their significance.

He states that the Supreme Court prohibited a state from removing a recipient from the welfare rolls "without first giving him a chance to prove his eligibility at a quasi-judicial hearing," but the issue in *Goldberg v. Kelly* was of larger moment. The purpose was not to allow someone to prove eligibility but to assure that once a recipient qualifies for assistance, he has a right to receive benefits so long as he continues to satisfy the legal criteria. State officials should not be allowed to capriciously terminate benefits. While the government has an interest in conserving fiscal and administrative resources, that cannot outweigh the procedural rights of a recipient to produce evidence in rebuttal before termination occurs.

"From welfare," Kaus writes, "the court moved on to drivers' licenses, which became 'property' under the due process clause in 1971." Is this such an absurd result? The State of Georgia had suspended the driver's license of a clergyman without first considering whether he was at fault in an accident. The Supreme Court recognized that a driver's license may be essential in the pursuit of a livelihood. The state should not take it away without determining that a judgment is at least likely against the licensee. Like the Goldberg holding, the state must have some rational basis for discontinuing a benefit. Without recourse to reason you will have government run by erratic and whimsical officials.

Kaus discusses the 1972 decision that applied property to job rights. A professor at a Texas state college, after being dismissed, sued to get his job back. According to Kaus, the Supreme Court's "new rule applied indiscriminately to every deprivation of the 'property interest' in a job. Whether you were discharged because you were a red, or because you slept at work, you were constitutionally entitled under the 'property' doctrine to 'due process.'"

Let's cut through this extravagance. The professor in the Texas case had been employed for 10 years in the state college system. During his last four years he was reappointed under a series of one-year contracts, until in 1969 the Board of Regents voted not to offer him a new contract. Although a press release by the regents charged him with insubordination, he did not receive an official statement of the reasons for the nonrenewal. Nor did he have an opportunity for a hearing to challenge the basis for their action.

The court held that the mere absence of an explicit tenure provision did not foreclose the possibility that he had a "property" interest in reemployment. He was entitled to prove his contention that a de facto policy existed, arising from rules and understandings officially promulgated and fostered by the college. Such proof would obligate college officials to grant a hearing, at his request, to enable him to learn the ground for his nonretention and to challenge their sufficiency. This is a far cry from the court applying a new rule "indiscriminately" to every job interest. This point is underscored by the case of a professor of political science in Wisconsin who was told prior to the end of his first full year that he would not be rehired. No reason was given. The Supreme Court said that neither his "liberty" nor his "property" under the 14th Amendment had been deprived.

Kaus misreads these decisions by concluding that a civil servant's removal does not deprive him of "liberty" under the due process clause.

Consider the "property" of someone whose wages are garnished. A finance company in Wisconsin instituted an action against a woman and her employer. She was not given notice. She had no opportunity to be heard prior to the seizure of her wages. The Supreme Court was asked in 1969 whether there had been a taking of property without procedural due process. With only one justice dissenting, the court struck down the prejudgment garnishment procedure, stating that as a practical matter it might "drive a wage-earning family to the wall."

Another garnishment case, decided by the court in 1972, concerned a Connecticut law under which a finance company had garnished the savings account of a woman without notice or hearing. A lower court decided that it lacked jurisdiction because the case involved "property" rights rather than "personal" rights (over which the court would have had jurisdiction).

In sharp language the Supreme Court repudiated that distinction. The dichotomy between property rights and personal liberties, said the court, was a false one. The illuminating language of the court deserves quotation in full: "Property does not have rights. People have rights. The right to enjoy property without unlawful deprivation, no less than the right to speak or the right to travel, is in truth a 'personal' right, whether the 'property' in question be a welfare check, a home or a savings account. In fact, a fundamental interdependence exists between the personal right to liberty and the personal right in property. Neither could have meaning without the other."

WHISTLEBLOWERS' RIGHTS

From Kaus we learn that the Carter administration searched for a simple way to remove "nonperforming" employes. As a substitute for the "byzantine structure" of hearings, notices and appeals, White House staff toyed with the idea of dismissing federal workers on the concurrence of three supervisors: "the one who initiated the discharge, a higher-up and a third supervisor experienced in deciding such disputes."

Simple indeed! But what would this streamlined system do to the likes of Ernest Fitzgerald, the Air Force procurement specialist who lost his job after telling Congress the truth about cost overruns on the C5A aircraft? After nearly four years of litigation, the Civil Service Commission ruled that Fitzgerald had been improperly dismissed and should be reinstated. Under the efficient method contemplated by the Carter administration, it would have been an easy matter for the Air Force to find three officials (or 3,000 officials) willing to dump Fitzgerald.

Congress has long expressed an interest in preserving a civil servant's right to contact legislators and their committees. This right dates back to the Lloyd-LaFollette Act of 1912 and is protected today by Section 7102 of Title 5. Should the administration be allowed to fire employes who have the audacity to tell Congress the facts? I think also of the climate under the Nixon administration, when employes were being penalized for carrying out laws that the White House wanted to terminate (without involvement by Congress). The Constitution directs the president to "faithfully execute" the laws, but sanctions were applied against civil servants who honored that mandate.

The Civil Service Reform Act of 1978 attempts to protect the rights of "whistleblowers." Among the list of prohibited personnel practices are reprisals against any employe who discloses information which the employe believes to be a violation of any law, rule or regulation, or which evidences mismanagement, a gross waste of funds, an abuse of authority or a substantial and specific danger to public health or safety. This invitation to bureaucratic openness does not apply to disclosures specifically prohibited by law or information specifically required by executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

I turn at last to Kaus' treatment of Elrod v. Burns, which he says brought the "civil service ideal—that government service should be free from all political risk—to Cook County, Ill." The decision did no such thing. The five justices could agree on only one point: that a nonpolicymaking government employe cannot be discharged, or threatened with discharge, from a job that he is satisfactorily performing on the sole ground of his political beliefs. While this narrows the application of patronage, it does not eliminate it. Surely it does not mean that government service is "free from all political risk." Policymaking employes (and, indeed, the court stumbled trying to define that category) may be fired for political reasons, as may non-policymaking employes who perform unsatisfactorily. The decision, whatever its defects, is not as broad as Kaus construes it.

PROPERTY RIGHTS WRIT LARGE

Kaus ends his piece with an apocalyptic warning that the courts, in their ceaseless appetite to reinterpret the Constitution, will "rule that a losing candidate for reelection can successfully sue to get his office back." We need not pursue this speculation to insist on a definition of property that goes beyond "a plot of land."

Certainly there is nothing bizarre about connecting job rights with property. When John Locke spoke of property, he meant life, liberty and estate—not simply the latter. By property he meant that which men have in their persons as well as in their goods. Everyone had a property in their labor and in the work of their hands. Property rights and personal rights were inextricably mixed.

In Federalist 10, Madison stated that the most important function of government was not the protection of property. Rather, the "first object of government" was to protect the faculties that give rise to property. It is no accident that the Constitution authorizes Congress to promote science and the arts "by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

In an essay published in 1792, Madison elaborated on the meaning of property. A man had property in his opinions and in the free communication of them. He possessed property in his religious opinions, in the safety and liberty of his person and in the "free use of his faculties and free choice of the objects on which to employ them." Conscience was for Madison the "most sacred of all property." For that reason it was a greater violation to invade a man's conscience than to invade his home. Madison captured the essential tie between property rights and human rights by making this profound observation: "In a word, as a man is said to have a right to his property, he may be equally said to have a property in his rights."

Madison was not alone in his broad conception of property. His contemporaries realized that the freedoms and liberties of America were essential parts of property. Property conveys a multitude of rights which have little in common except that they are exercised by persons and enforced by the state. These rights must operate in tandem, not in isolation.

First Amendment freedoms depend on procedural safeguards that protect privacy and reputation. Privacy relies on Fourth Amendment restrictions on searches and seizures. One's reputation may have to rest on the Sixth Amendment right of confrontation. Free speech would be a barren concept if its exercise meant the loss of employment.

What would these values amount to if the government could fire employes and terminate benefits with the concurrence of a few officials? With what logic does anyone so outraged by bureaucratic incompetence decide to entrust, without any procedural safeguards, such astonishing power to bureaucrats?

WAGE-PRICE GUIDELINES

Mr. DOLE. Mr. President, I had intended to offer an amendment which would have prevented the administration from using funds in this appropriations bill in connection with withholding Government contracts as a means of enforcing compliance with voluntary wage-price guidelines.

I have decided not to offer this amendment so that judicial proceedings may continue to completion.

GUIDELINES WILL NOT WORK

It is clear that President Carter's wage and price guidelines have not worked and will not work. The guidelines cannot be administered fairly; they distort economic indicators and they retard economic growth. In essence, they serve as a floor, rather than a ceiling, for wage and price increases, thereby doing little to hold the line on these increases. But most importantly, in attempting to treat only the symptoms of inflation, high wages and prices, they distract us from the real cause of inflation—the fiscal and monetary policies of the Government. Until we in the Congress realize that Government is the primary cause of inflation, the problem will always be with us.

CARTER HAS MADE GUIDELINES MANDATORY

Faced with the failure of his "voluntary" guidelines, the President has, in effect, made them mandatory by invoking the possibility of contract denials for noncompliance. President Carter and his advisers are trying to punish the victims of inflation, the wage earners and consumers, rather than the perpetrator of high inflation, which is poor economic policy.

SUPREME COURT GRANTED AUTHORITY

The Supreme Court recently let stand a circuit court ruling that the President had the authority to apply these procurement sanctions. Now that the courts have granted the White House the legal authority to withdraw contracts from noncomplying businesses, it apparently intends to proceed to punish several companies. But, to quote the Washington Post, such enforcement "will not work in

the atmosphere of hostility and confrontation that the administration generates by punishing some, but only a prominent few, of the violators."

It is unconscionable that the current administration would lay the blame for our economic woes on the average American rather than tackle the tough questions that face our Nation.

CARTER MUST ATTACK REAL CAUSES OF INFLATION

It is my hope that by prohibiting the President from withholding Government contracts, Congress can force the President to abandon his wage and price guidelines and begin to demonstrate leadership in finding a lasting solution to our economic problems.

What must be changed is the Government's attitude with respect to inflation. To effect that change, bold, tough decisions must be made and forceful leadership that fully understands our economic dilemma must be provided. Actions such as balancing the budget, reducing Government spending, and eliminating the regulatory shackles burdening business are needed.

I had planned to offer this amendment to hasten the much-needed relief for those Americans suffering undue hardship because of poor policy decisions. Once the judicial process is complete, I intend to offer my amendment to future legislation. I hope that others in the Senate will join me in this effort.

Mr. President, I ask unanimous consent to have the amendment printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

SEC. . None of the funds appropriated by this Act shall be available for the payment of salaries or expenses incurred in connection with the withholding of Government contracts to enforce compliance with voluntary wage-price guidelines.

DEATH OF SAMUEL I. NEWHOUSE

Mr. MOYNIHAN. Mr. President, I rise today to lament the death of a distinguished New Yorker, Mr. Samuel I. Newhouse. On Wednesday, August 29, of last month, Mr. Newhouse passed away; and in his passing America lost one of its truly distinguished guardians of freedom.

Mr. Newhouse was the son of immigrant parents, and his legacy is, indeed, an especial tribute to our Nation which welcomes those who would wish to enjoy the freedoms that our country offers. Thus it is most appropriate that Mr. Newhouse should have honored those freedoms himself by his assiduous devotion to a free press.

His career spanned the great transition that took place in American journalism, and he both reflected and contributed to this transition in an important manner. He forthrightly recognized the responsibilities that we associate with a free press, and sought to nourish and guard them in an unparalleled manner. At one point, he publicly acknowledged this when he stated that—

Only a newspaper which is a sound business operation can be a truly free, independent editorial enterprise, able to do the best possible job for the community.

As a newspaper owner, Mr. Newhouse recognized that diverse communities had diverse interests and, therefore, he did not attempt to set editorial policy but rather allowed, in fact encouraged, an editorial pluralism to prevail.

Mr. Newhouse's interests were not simply limited to his newspapers, for in his active work as a philanthropist he displayed an appreciation of the rich variety of American life that is possible. In my State of New York his generosity was of major assistance to Syracuse University, where he played a leading role in establishing the S. I. Newhouse School of Public Communications, and to Lincoln Center, where he was of generous assistance to the Mitze E. Newhouse Theatre, to mention only two examples.

I myself had the distinct pleasure of being associated with him when President Johnson appointed him to the Advisory Committee for the Medal of Freedom. S. I. (as he was called by those of us who knew him) was very much taken with this task; and he devoted the time, energy, and astute judgment to it that we had learned to expect. The medal fluorished during his tenure on the committee, and as I stand here today I should like to observe that the irony of it all is that this great American—a man committed to the preservation of the freedoms which are the lifeblood of our Nation—never received the medal himself.

JUDGE WILLIAM B. JONES

Mr. MELCHER. Mr. President, the Nation lost one of its finest Federal judges on July 31, with the death of Judge William B. Jones. Judge Jones was appointed to the the Federal bench for the District of Columbia in 1962. He was the court's chief judge from July 1975 to March 1977. At the time of his death he was still serving as a senior judge.

Recognized by his judicial colleagues as an outstanding trial judge, William B. Jones was acclaimed by the legal profession as tough but fair, a judge whose opinions were scholarly and well researched, and notably evenhanded in his decisions.

Born in Iowa in 1907, Judge Jones graduated in 1929 from Notre Dame where he played football under Knute Rockne. Later coaching Notre Dame freshmen he attended law school there receiving his law degree in 1931.

Montanans claim Judge Jones as their own. He came to Montana in 1932 to begin his law practice and coach the Carroll College football team in Helena. He served as a special assistant State's attorney general from 1935 to 1937. He then came to Washington, D.C., to work in various Government assignments and entered the private practice of law as a member of the law firm of Hamilton and Hamilton for 16 years prior to his appointment to the bench. Judge Jones was former president of the John Carroll Society and the Friendly Sons of St. Patrick.

Montanans knew and loved "Bill" Jones for his humor, his integrity, and his unfailing friendliness. He was a loyal and active leader of the Montana State Society. A devoted husband and father, and a professional of the highest integrity, his counsel and guidance will be missed by all of us.

We extend our deepest sympathy to his wife, Alice, and daughter, Barbara, of Washington, D.C.

THE JOHN F. KENNEDY LIBRARY

Mr. TSONGAS. Mr. President, the John Fitzgerald Kennedy Library will open on October 20. This memorial to President Kennedy celebrates his spirit, vision, compassion, and statesmanship. The Presidential library at Columbia Point in Boston's Dorchester community will allow thousands of people to experience more fully the essence of the man who was our 35th President.

With my colleagues' consent, I ask unanimous consent to have printed in the RECORD two essays about the Kennedy Library. The first is by Ian Menzies, a columnist for the Boston Globe; the second is by Robert Garrett, art critic for the Boston Herald American. I hope they will encourage my colleagues to join with many thousands of Americans in visiting this inspiring, important center of scholarship and remembrance.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, July 16, 1979]

MEMORIAL TO A PRESIDENT WHO LOVED THE SEA

(By Ian Menzie)

It is a rather simple building, its style flowing from the contrasting geometry of its curves and angles which converge and rise in sweeps of bare, white-faced wall.

But the site gives the new John Fitzgerald Kennedy Library a magnificent presence and mood centered within the soaring, buttressed, glass-enclosed pavilion which looks across the harbor and the islands to the distant horizon, the new frontier, that a youthful, buoyant President once offered those who shared his years.

Architect I. M. Pei has designed a lighthouse, a beacon, in the modern idiom, but kept it traditionally austere and thereby caught the drama of the site, creating a unique memorial to a man who loved the sea and ships.

This presidential library at the outermost edge of Dorchester's Columbia Point will prove to be a very different presidential library from others, as the public will discover when it officially opens Oct. 20.

There is a mood here that couldn't have been found in Cambridge where at one time everyone felt the library should go.

This is a site by itself. Neither UMass Boston nor the Columbia Point housing project intrudes. It is even a lonely site, exposed to gales as well as sun. From the shelter of the glassed pavilion, one will be able to watch the flood tides lap the seawall only a few score feet away.

It is clear already, even from a brief unfinished preview, that one will not just feel the presence of Jack Kennedy here, but feel it intimately. It will be visceral, which it

wouldn't have been, couldn't have been, in Cambridge or even Charlestown.

His sailboat Victura, which lay off the Hyannis compound, will rest between pavilion and sea, and a lighted, working beacon will arc seawards as an aid to mariners.

One has to imagine the impact, too, of first going through the museum and seeing so many of his personal belongings. There will be his rocking chair, a replica of his White House office, recordings of his voice. Then suddenly this soaring pavilion with its breathtaking panorama of city and sea, sky and islands. It cannot fail to touch the emotions, make one think, yet through the sadness, still see the horizon.

It has taken 16 years to bring the memorial library to being, but the wait now seems not to have been in vain. We have here something special, of which the nation, Boston and Dorchester can be rightly proud.

The thousands of schoolchildren and others who gave their dimes and dollars to make this memorial possible will not be disappointed.

And the scholars and students who visit the archives should now feel a far greater sense of what this John F. Kennedy was all about; what was really meant by Camelot.

Although the building is nine stories high, the public will use only the first two floors. On the fourth floor there will be a research room for scholars.

Certain decisions of public interest have not yet been made by the General Services Administration, which will take over when the library opens.

Will there, for instance, be benches along the waterfront walk between the seawall and the glassed-in pavilion? There should be.

Will there be a restaurant? There should be, and on the expansive terrace known as the West Plaza. The library is a long way from downtown Boston or any restaurants and children get hungry and older people tired.

Two other suggestions for the library trustees and GSA to consider. A real effort should still be made, as originally proposed, to moor a PT boat of the type Jack Kennedy commanded in World War II beside the seawall. Such boats are still available and a cut could easily be dredged to the seawall from the Neponset channel.

Finally, an additional elevator should be installed to take the public directly to the roof of the main building. The view of the city and its setting, the city of John F. Kennedy, from that vantage point is magnificent.

From nowhere else, not even Boston's tall buildings, is the view of the harbor islands and the waters surrounding them so intimate and so attractive.

[From the Boston Herald American, June 17, 1979]

KENNEDY LIBRARY: MORE THAN A BUILDING, IT'S AN EXPERIENCE

(By Robert Garrett)

From South Boston, you look across Dorchester Bay at the John F. Kennedy Library on Columbia Point, and you wonder. What is the relation of this building to a martyred President whose public mythology is unmatched in modern history?

Sixteen years after Kennedy's death, it is still difficult to see the man clearly—the unofficial saint of folklore merges fuzzily with the politician who walked this earth.

Fifteen years after a memorial library was first planned, and following a bitter debate over the original site at Harvard, it is now nearly completed. The white, shining $12 million memorial which will open in September is in its own way as enigmatic as the Kennedy mystique—at close range a striking building, certainly, but one which in its shifting geometric forms resists instant analysis.

I. M. Pei, the world-renowned architect who designed it, is fond of discussing another of his buildings, the new wing of the National Gallery in Washington, as a building not just to look at but "to experience." After a walk through the construction site, it is possible to predict the same for the Kennedy Library.

The centerpiece will be the Memorial Pavilion, 115-feet high glass box in which light plays off against the geometry of the 10-story building which it interests.

The pavilion is the ultimate enigma. People will end a tour through a sub-level exhibit area of Kennedy memorabilia, and come into this soaring space. They will have to draw their own conclusions. For certain, they will look at the view. What will they see? A dramatic and oddly contradictory panorama. To the east is a quiet view of Thompson's Island, to the northwest the Boston skyline, and immediately in front of them the Columbia Point housing projects, many of these sorry buildings boarded in explicit admission of a failed social program. The visitors to this austerely elegant memorial will see an imperfect world in which the idea of Camelot does not quite fit.

The building is bound to rekindle the curiosity about every aspect of Kennedy's life which has smouldered all these years, not to mention the unflagging public scrutiny of the rest of the clan.

In the archives on the upper floors, the presidential papers and other material will doubtless help scholars sift through the Kennedy years, and evaluate that period against the troubled years that followed.

But inevitably, and above all, the building will serve as a tourist mecca for the expected 750,000 visitors a year, a concrete and glass shrine which will provide permanent focus to those strains of inquisitiveness and hero worship so deeply embedded in the American public.

Simply put, the design is an interplay of triangle, rectangle and circle. The triangle is the 10-story, three-sided, pre-cast concrete main building. On bay side of this structure is the rectangular glass box. A circular dome houses two theaters, and a curving wall delineates an outdoor plaza.

Pei and his associate Ted Musho have in their design to side-step the issue of personality cult. This is a monument—as you approach it from the U. Mass. campus the imposing facade unequivocally tells you that, and the isolation of the building on the tip of Columbia heightens that effect.

But it is a monument which pulls its punches (and even feints behind an unnecessarily complicated system of walls and perimeter structures). The Greek-columned Lincoln Memorial in Washington is the epitome of an old-fashioned monument, expressing a straight-forward idealism in its symmetry and massive weight. On the other hand, the Kennedy Library is architecture aware of the realities of contemporary democracy. It embodies a new sense of restraint, even ambiguity.

Depending on your vantage point as you stroll the grounds, the forms impose themselves and then unexpectedly cut away at sleek angles. The library has the cool appeal of abstract sculpture. It is a structure which manages to avoid the worst sins of buildings which seem impressed with themselves, and for the truth of that themselves, and for truth of that statement one need only to gape back at the Mussolini Modern style of architecture embodied by the U. Mass. campus.

The history of how the library finally got off the drawing board is a woeful parable of architecture buffeted by heavy seas. If the post-Kennedy era was a time of lost innocence in the life of the nation, the planners of the library suffered their own disillusion.

When the widow of the President commissioned I.M. Pei in 1964, she explained that her choice was appropriate because the well-known architect, like her late husband, had not as yet reached his full potential. But the magic charms of Camelot dissolved in a nasty imbroglio in which Cambridge residents protested the project at J.F.K.'s beloved Harvard. They accused Pei of overweaning monumentalism in his initial design of a huge glass pyramid, and said the library would hopelessly glut the already congested traffic in the area.

During those years Jacqueline Kennedy underwent the transformation to the Jackie O. celebrated on magazine covers, and the library struggled through five design changes. Finally, in a dignified huff, the Kennedy family designated the new site.

"It was such a relief when that was resolved." Pei recently commented from his New York office. "Now it became a pure design problem of solving the functional needs, and the symbolic needs."

The task of arranging the exhibition space and helping the Kennedy family to choose particular items fell to the New York firm of Chermayeff and Geismar. Included in the display that will be installed this summer are a large number of photographs, documents and memorabilia from the Kennedy past, the White House rocking chair, the President's collection of scrimshaw, the coconut shell on which the marooned PT 109 skipper Kennedy inscribed a message for help. The presidential yacht Victura will be docked nearby. ("We kept out of the library a lot of things not directly related to his personality or to the presidency," said Ivan Chermayeff, "eliminating suits he wore or plates the family may have eaten off of, that kind of kitsch stuff.)

It was Pei's job to devise a monument which would handle large numbers of people—and somehow offer them an experience qualitatively different from a visit to a fancy shopping mall. Pei is a proven master at tailoring stylish solutions to the requests of prominent clients (in recognition of which he recently won the Gold Medal of the American Institute of Architects).

Boston, of course, is Pei's city, from the triumphant design of the Hancock Tower, to the master plan he oversaw for the Government Center, to such widely varied projects as the Christian Science Center, the Green Building at MIT and the new wing for the Museum of Fine Arts currently under construction.

If the Kennedy Library is an architectural success when it is completed, it will be thanks to I. M. Pei's talent for dealing with a prodigious riddle.

SHOULD WE BAIL OUT CHRYSLER?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article which appeared throughout the country by James J. Kilpatrick, entitled "Should Taxpayers Bail Out Ailing Chrysler Corporation? No Way" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHOULD TAXPAYERS BAIL OUT AILING CHRYSLER CORP.? NO WAY!

(By James J. Kilpatrick)

WASHINGTON.—The Chrysler Corp. has asked the American people for a billion dollars in tax relief. The answer has to be, no. Absolutely not. No way.

That is only part of the answer that ought to be made. Some relief needs to be devised for the half-million American workers whose jobs depend directly or indirectly upon Chrysler's staying in business. A word of commiseration is in order for individuals and pension funds with Chrysler investments. In those communities where Chrysler is a major employer, we ought to recognize that serious hardships may be in store.

When every appropriate expression of sym-

pathy and regret has been voiced, I revert to what seems to me an inescapable conclusion. If the taxpayers consent to bailing out Chrysler, the country's 10th-largest corporation, there will be no way under moon or sun to stop with Chrysler. The hardships that would be faced by reorganization in bankruptcy of No. 20 or No. 30 would be different only in diminishing degree.

It would be an exercise in pure fiction, at this late date, uncritically to glorify the "free enterprise system" in the United States. The ritual homage that is constantly paid to "the marketplace" carries a fulsome ring. Longfellow's village blacksmith is moldering in the grave, and his spreading chestnut tree is made of plastic now. For more than 100 years, governmental programs have subsidized essentially private industries; to this day scores of small towns offer tax-free incentives to factories that might bring payrolls to boost the local economy.

Yet the structure of an enterprise system remains. Concepts and principles and values remain. Flawed as it most surely is, our capitalistic system is the freest in the world; it is a marvelously productive system that has brought our people a high standard of living. Sound public policies should try to strengthen the system, not to bring it to its supplicant knees.

One of the principles of the system is that an enterprise—any enterprise—rests lightly upon two floating piers: the possibility of profit, and the risk of loss. Standing in the marketplace, business managers can see forever: to unlimited success in one direction, and if they will but turn around, to unlimited failure in the other. The whole structure is undermined if the possibility of failure is removed. We thus abandon the real world and play childish games instead. "Everybody has won," cried the Dodo, "and all must have prizes."

Since Chrysler's appalling second-quarter losses were revealed two weeks ago, analysts have been discoursing learnedly on reasons for the company's plight. Management did not soon enough foresee the market for a subcompact. Management kept unprofitable facilities going for much too long. As the smallest of the Big Three, unlike Ford and General Motors, Chrysler was unable to achieve bearable per-unit costs of meeting safety and environmental requirements. Debt service mounted inexorably. And so on.

And so on, and so on. Reasons abound. The bottom line for 1978 and 1979 is a prospective loss of three-quarters of a billion dollars. Hard-hearted as it may appear, I would argue that it simply is no business of the taxpayers, through the federal treasury, to keep this leaking enterprise afloat. This is not like Penn Central, where an ailing publicly regulated railroad could be reorganized; neither is it like Lockheed, which involved a loan guarantee to an essential defense contractor; neither is it to be compared to the City of New York, a municipal corporation.

This is not to contend that government should stand coldly aloof while Chrysler goes into a Chapter X reorganization under the Bankruptcy Act. Much could be done to relieve the auto industry as a whole of demands for design changes that carry high costs and low benefits. Tax relief of general application, not aimed at Chrysler alone, might improve the situation.

But if Chrysler can't stay in the race against Ford, GM, Japan and Germany, call in the lawyers, cut the losses and bring in a salvage crew.

Mr. PROXMIRE. Mr. President, there has been tremendous pressure on Members of Congress to approve a bailout. A number of prominent lobbying firms have been hired by Chrysler. The banks will be entreating us to take them off the hook. It is going to be a very tough one to resist. I do hope the Senators will give this matter their most serious consideration.

Mr. Kilpatrick asked the proper question: Where do we stop? If we bail out Chrysler, we shall have to bail out everyone. I hope the Senators will give this article consideration.

THE GENOCIDE CONVENTION IN A NUCLEAR WORLD

Mr. PROXMIRE. Mr. President, in the 20th century, we have rapidly and blindly created a nuclear world. We have created a world in which it is easy to destroy one another, easy to act on our basest desires. In such a world, international standards of decency assume heightened importance. Nations must learn to rally together—peacefully—to preserve the rights and dignity of man.

The Senate has a treaty before it that is a prime example of international cooperation in a nuclear world. I refer to the Genocide Convention.

The purpose of the treaty is clear. Quite simply, the treaty seeks to outlaw the crime of genocide. The purpose is honorable. The treaty endeavors to establish a humane standard for human action. Furthermore, the purpose is relevant to a nuclear world. The treaty is a signal to all people and all nations that in a world where premeditated destruction is hardly unimaginable, genocide is universally condemned.

Mr. President, the Genocide Treaty cannot apply to the past. It cannot erase the fact that millions of people died in death camps as victims of genocide just 35 years ago.

But the treaty does apply to the future.

It can help to bring moral pressure to bear on those who even consider applying the technology that is available today as instruments of genocide.

In a nuclear world, we need a unified effort to preserve man's most valuable right—the right to live. We need the Genocide Convention.

Mr. President, I urge my colleagues to seek prompt ratification of the Genocide Convention.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 10, August 16, August 20, August 27, and August 28, 1979, received messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received on August 10, August 16, August 20, August 27, and August 28, 1979, are printed at the end of the Senate proceedings.)

REPORT ON AERONAUTICS AND SPACE—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 94

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 13, 1979, received the following message from the President of the United States, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit this report on the Nation's progress in space and aeronautics during 1978. This report is provided in accordance with section 206 of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2476).

Included in this report are statements of policy designed to maintain American space leadership. This report concentrates on the most significant Federal space and aeronautical activities. These emphases have enabled us to reduce the amount of detail and number of separate agency program descriptions.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

REPORT ON THE FEDERAL MINE HEALTH PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 95

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 17, 1979, received the following message from the President of the United States, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I transmit herewith the 1978 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Act.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this Report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1979.*

REPORT OF DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 96

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 17, 1979, received the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Human Resources, the Committee on Foreign Relations, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment

Control Act of 1974, I herewith report four new deferrals of budget authority totalling $204.5 million. These items involve economic support fund assistance for Egypt, the White House Conference on Aging, the National Alcohol Fuels Commission, and the National Commission on the International Year of the Child.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1979.*

REPORT ON DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 97

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 27, 1979, received the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Human Resources, the Committee on Foreign Relations, and the Committee on Finance, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority totaling $30.1 million. These items involve human development services in the Department of Health, Education, and Welfare, emergency refugee and migration assistance in the Department of State, and the National Commission on Social Security.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1979.*

REPORT ON EMPLOYMENT AND TRAINING—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 98

Under the authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 27, 1979, received the following message from the President of the United States, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am transmitting to you the 17th annual report pertaining to employment and occupational requirements, resources, uses, and training, as required by section 127(a) of the Comprehensive Employment and Training Act (CETA) Amendments of 1978.

This *Employment and Training Report of the President* also includes a report on how social services, vocational education, and other programs administered by the Secretary of Health, Education, and Welfare are being integrated into State and local CETA activities, as required by section 127(b) of the 1978 CETA Amendments; a number of special reports that respond to additional reporting requirements in the amended CETA; a report on services for veterans, as required by the Vietnam Era Veterans' Readjustment Assistance Act; and a response to the requirements of section 4(f) (2) (B) of the Full Employment and Balanced Growth Act of 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1978.*

PROPOSED FEDERAL PARTICIPATION IN THE INTERNATIONAL EXPOSITION ON ENERGY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 99

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 28, 1979, received the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with statutory requirements, I am transmitting to you my proposal for Federal participation in the International Exposition on Energy to be held in Knoxville, Tennessee from May through October 1982. The Congress has already received an FY 1980 budget amendment request, in the amount of $20.8 million, to support Federal participation. The Department of Commerce is submitting the authorizing legislation as well.

It is my determination that Federal participation is in the national interest. The Exposition will provide for an international exchange of ideas on energy development, innovative energy technology, energy conservation, solar energy, synthetic fuels and other subjects important to the national interest. Moreover, the Exposition will stimulate tourist travel to the United States, thereby improving our balance of trade, promote international cultural exchange and accelerate capital growth and investment in the Knoxville area.

My proposal includes all statutory requirements:

(1) assurance that the Exposition meets all criteria for recognition and has been recognized;

(2) a statement that the Exposition has been registered by the Bureau of International Expositions on April 27, 1977; and

(3) a plan prepared by the Commerce Department and other interested departments for Federal participation.

The plan for Federal participation provides for construction of a pavilion and preparation of energy-related exhibits.

I urge that this plan be given prompt and favorable consideration by the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979.*

REPORTS BY THE UNITED NATIONS JOINT INSPECTION UNIT—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 100

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 28, 1979, received the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with Section 301 (e) (3) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2221), I am transmitting herewith copies of the reports issued by the United Nations Joint Inspection Unit during 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979.*

FEDERAL WHITE COLLAR PAY ADJUSTMENT—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 101

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 31, 1979, received the following message from the President of the United States, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

Under the Pay Comparability Act of 1970, an adjustment in Federal white collar pay will be required on October 1, 1979.

I have reviewed the report of my Pay Agent and the recommendations of the Advisory Committee on Federal Pay relative to a pay adjustment. Their findings indicate that an average 10.41 percent increase, at a cost of about $6 billion, would be required to achieve full comparability with the private sector.

However, pay comparability for Federal civilian employees and the military must be viewed in the light of the current economic situation. Inflation continues to be the single greatest threat to our economy and is a national problem of foremost concern. In considering last year's Federal pay increase, I relied heavily on the pay standards the Administration was considering to guide decisions of all employers in determining pay increases. I am continuing that practice for this year's increase.

Accordingly, under the authority given to me by the Pay Act to propose an alternative pay adjustment which I consider appropriate in the light of "economic conditions affecting the general welfare," I have determined that an alternative plan consisting of an overall 7 percent increase and a partial exemption from the full effect of the limitation for the lowest-salaried civilian employees is appropriate for the Federal increase. This increase will be within the pay standard being developed by the Council on Wage and Price Stability that will apply to all employees in the country for 1980. It is somewhat higher than the increase anticipated by my 1980 budget. However, last January when my budget was submitted, we expected significantly lower rates of inflation than we have actually experienced. I believe that the loyal and outstanding service given to the country by the Government's civilian and military personnel warrants recognition of that changed

circumstance and of the new pay standards for 1980.

Accordingly, I strongly urge the Congress to support the alternative plan which is attached.

JIMMY CARTER.

THE WHITE HOUSE, *August 31, 1979.*

MESSAGES FROM THE THE HOUSE RECEIVED DURING THE RECESS

Under authority of the order of the Senate of August 3, 1979, the Secretary of the Senate, on August 7, 1979, received a message from the House of Representatives, reporting that the House has passed S. 275, an Act for the relief of Leah Mi Cohen, with an amendment in which it requests the concurrence of the Senate.

The message also reported that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 929. An act for the relief of Eun Kyung Cho and Hei Kyung Cho;

H.R. 946. An act for the relief of Maria Estela Sims;

H.R. 1153. An act for the relief of Nyoman Rahmawati;

H.R. 1163. An act for the relief of Gladys Venicia Cruz-Sanches;

H.R. 1486. An act for the relief of Dang Petersen;

H.R. 1628. An act for the relief of Susan Katherine Adamski;

H.R. 1753. An act for the relief of Sergio and Javier Arredondo;

H.R. 1968. An act to direct the Secretary of Agriculture to convey certain lands in Clear Creek County, Colorado, to Harold and Doris Harlan;

H.R. 2098. An act for the relief of Antonio Rivera Aristizabal;

H.R. 3094. An act to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Company, a California corporation, and for other purposes;

H.R. 3142. An act for the relief of Michael Carl Brown;

H.R. 3146. An act for the relief of Patrick A. and Wayne L. Thomas;

H.R. 3218. An act for the relief of Rebecca Sevilla DeJesus;

H.R. 3319. An act for the relief of Jose Quintana Dominguez Sendejas;

H.R. 3434. An act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; and

H.J. Res. 367. A joint resolution to authorize and request the President to proclaim the week of September 16 through 22, 1979 as "National Meals on Wheels Week".

HOUSE BILLS AND JOINT RESOLUTION REFERRED DURING THE RECESS

Under authority of the order of the Senate of August 3, 1979, the following bills and joint resolution were referred as indicated:

H.R. 929. An act for the relief of Eun Kyung Cho and Hei Kyung Cho; to the Committee on the Judiciary.

H.R. 946. An act for the relief of Maria Estela Sims; to the Committee on the Judiciary.

H.R. 1153. An act for the relief of Nyoman Rahmawati; to the Committee on the Judiciary.

H.R. 1163. An act for the relief of Gladys Venicia Cruz-Sanches; to the Committee on the Judiciary.

H.R. 1486. An act for the relief of Dang Petersen; to the Committee on the Judiciary.

H.R. 1628. An act for the relief of Susan Katherine Adamski; to the Committee on the Judiciary.

H.R. 1753. An act for the relief of Sergio and Javier Arredondo; to the Committee on the Judiciary.

H.R. 1968. An act to direct the Secretary of Agriculture to convey certain lands in Clear Creek County, Colorado, to Harold and Doris Harlan; to the Committee on Energy and Natural Resources.

H.R. 2098. An act for the relief of Antonio Rivera Aristizabal; to the Committee on the Judiciary.

H.R. 3094. An act to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Company, a California corporation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 3142. An act for the relief of Michael Carl Brown; to the Committee on the Judiciary.

H.R. 3146. An act for the relief of Patrick A. and Wayne L. Thomas; to the Committee on the Judiciary.

H.R. 3218. An act for the relief of Rebecca Sevilla DeJesus; to the Committee on the Judiciary.

H.R. 3319. An act for the relief of Jose Quintana Dominguez Sendejas; to the Committee on the Judiciary.

H.R. 3434. An act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; to the Committee on Finance.

H.J. Res. 367. A joint resolution to authorize and request the President to proclaim the week of September 16 through 22, 1979, as "National Meals on Wheels Week"; to the Committee on the Judiciary.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON DISEASE CONTROL PROGRAMS—MESSAGE FROM THE PRESIDENT—PM 102

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I transmit herewith the Report to the President on Disease Control Programs.

This report was prepared by the Department of Health, Education, and Welfare in accordance with P.L. 94-317, the "National Consumer Health Information and Health Promotion Act of 1976."

JIMMY CARTER.

THE WHITE HOUSE, *September 5, 1979.*

MESSAGES FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 12:16 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1146. An act to extend for three fiscal years the authorizations for appropriations under the Safe Drinking Water Act; and

H.J. Res. 244. Joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

The enrolled bill and joint resolution were subsequently signed by the Acting President pro tempore (Mr. LEVIN).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 5, 1979, he presented to the President of the United States the following enrolled bill:

S. 1146. An act to extend for three fiscal years the authorizations for appropriations under the Safe Drinking Water Act.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to the order of the Senate of August 3, 1979, the following reports of committees were submitted on August 9, 1979:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with amendments:

S. 493. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto, and for other purposes (together with additional views) (Rept. No. 96-307). Referred, pursuant to the order of February 26, 1979, jointly to the Committee on Finance to consider title V only, and to the Committee on Environment and Public Works for not to exceed sixty calendar days, and that such committees are required to file separate reports.

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

S. 1398. A bill to establish energy efficiency standards for industrial equipment (Rept. No. 96-308).

HEALTH PLANNING AND RESOURCES DEVELOPMENT AMENDMENTS OF 1979—CONFERENCE REPORT

Mr. JACKSON, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 544) to amend title XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development; which was ordered to be printed (Rept. No. 96-309).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special Report entitled "Second Monetary Policy Report for 1979" (together with additional views) (Rept. No. 96-310).

Pursuant to the order of the Senate of August 3, 1979, the following reports of committees were submitted on August 24, 1979:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Con. Res. 36. An original resolution revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982 (together with supplemental, additional, and minority views) (Rept. No. 96-311).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment, but with a preamble:

S. Con. Res. 29. A concurrent resolution regarding the restoration of Olympic records of the late James (Jim) Thorpe (Rept. No. 96-312).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. EXON:

S. 1709. A bill for the relief of Teodoro A. Ando, M.D.; to the Committee on the Judiciary.

By Mr. HATCH:

S. 1710. A bill to provide procedures for calling Federal constitutional conventions under Article V for the purpose of proposing amendments to the United States Constitution; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 1711. A bill to amend the authorization for the Santa Ana River flood control projects in the State of California; to the Committee on Environment and Public Works.

By Mr. ROBERT C. BYRD (for Mr. INOUYE):

S. 1712. A bill for the relief of Ms. Yukari Goldwater; to the Committee on the Judiciary.

S. 1713. A bill for the relief of Dr. Kenneth P. K. Ng; to the Committee on the Judiciary.

S. 1714. A bill for the relief of Ms. Saturnia V. Bonifacio; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 1715. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

By Mr. MORGAN (for himself, Mr. DURKIN and Mr. TSONGAS):

S. 1716. A bill to establish a Solar Energy Development Bank to help make available below market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY:

S. 1717. A bill to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 1710. A bill to provide procedures for calling Federal constitutional conventions under article V for the purpose of proposing amendments to the U.S. Constitution; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1710

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. (a) The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more specific amendments to the Constitution of the United States and stating the general subject of the amendment or amendments to be proposed.

(b) The procedures provided by this Act are required to be used whenever application is made to the Congress, under article V of the Constitution of the United States, for the calling of any convention for the purposes of proposing one or more specific amendments to the Constitution of the United States, each applying State stating in the terms of its application the general subject of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or withdrawing a resolution pursuant to section 2 and section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, except that the action shall be valid without the assent of the Governor of the State.

(b) Questions concerning the State legislative procedure and the validity of the adoption or withdrawal of a State resolution cognizable under this Act are determinable by the State legislature.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or, if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution, the exact text of the resolution signed by the presiding officer of each house of the State legislature, the date on which the legislature adopted the resolution, and a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution; and

(2) to the extent practicable, a list of all State applications in effect on the date of adoption whose subject or subjects are substantially the same as the subject or subjects set forth in the application.

(c) Within ten day after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the general subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5. (a) An application submitted to the Congress by a State, unless sooner withdrawn by the State legislature, shall remain effective for the lesser of the period specified in such application by the State legislature or for a period of seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same general subject all such applications shall remain in effect until the Congess has taken action on a concurrent resolution, pursuant to section 6 of this Act, calling for a constitutional convention.

(b) A State may withdraw its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of withdrawal in conformity with the procedures specified in sections 3 and 4 of this Act, except that no such withdrawal shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same general subjects.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each general subject. Whenever applications made by two-thirds or more of the States with respect to the same general subject have been received, the Secretary and the Clerk shall so report within five days, in writing to the officer to whom those applications were transmitted, and such officer within five days thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall then be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same general subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same general subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that general subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the general subject of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than six months after adoption of the resolution.

DELEGATES

SEC. 7. (a) Each State shall appoint, in such manner as the legislature thereof may direct, a number of delegates, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress. No Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed

as delegate. Any vacancy occurring in a State delegation shall be filled by appointment of the legislature of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the President of the Senate and the Speaker of the House of Representatives the name of each delegate elected or appointed by the legislature of the State pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest duing their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

CONVENING THE CONVENTION

SEC. 8. (a) Of those persons serving as chief justices of the State supreme courts, the person who is senior in years of service as such a chief justice shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to comply with the Constitution of the United States and the provisions of this Act. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) No Federal funds may be appropriated specifically for the purposes of payment of the expenses of the convention.

(c) The Administrator of the General Services shall provide such facilities, and the Congress and each executive department, agency, or authority of the United States, including the legislative branch and the judicial branch, except that no declaratory judgment may be required, shall provide such information and assistance as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. No convention called under this Act may propose any amendment or amendments of a general subject different from that stated in the concurrent resolution calling the convention.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b)(1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of thirty days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the mode of ratification in which such amendment shall be ratified or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a general subject which differs from or was not included as one of the general subjects named or described in the concurrent resolution of the Congress by which the convention was called. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of thirty days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the mode in which such amendment shall be ratified, and a copy of this Act. Such concurrent resolution may also prescribe the time within which such amendment shall be ratified in the event that the amendment itself contains no such provision. In no case shall such a resolution prescribe a period of ratification of less than four years.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified consistent with the provisions of article V of the Constitution of the United States.

(b) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

JUDICIAL REVIEW

SEC. 15. (a) Any State aggrieved by any determination or finding, or by any failure of Congress to make a determination or finding within the periods provided, under section 6 or section 11 of this Act may bring an action in the Supreme Court of the United States against the Secretary of the Senate and the Clerk of the House of Representatives or, where appropriate, the Administrator of General Services, and such other parties as may be necessary to afford the relief sought. Such an action shall be given priority on the Court's docket.

(b) Every claim arising under this Act shall be barred unless suit is filed thereon within 60 days after such claim first arises.

(c) The right to review by the Supreme Court provided under subsection (a) does not limit or restrict the right to judicial review of any other determination or decision made under this Act of such review as is otherwise provided by the Constitution or any other law of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 16. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

CONSTITUTIONAL CONVENTION IMPLEMENTATION ACT OF 1979

Mr. HATCH. Mr. President, article V of the U.S. Constitution provides that constitutional amendments may be proposed in either of two ways. The first—the means by which every successful amendment to the Constitution has been proposed—requires the agreement of two-thirds of each House of Congress. The second requires the agreement of a convention called by Congress in response to the petitions of two-thirds of the State legislatures. Ratification of amendments proposed through either method is to be done either by the legislatures, or by conventions, in three-fourths of the States, depending upon the decision of Congress.

Largely as a result of the fact that the convention method of constitutional revision has never been successfully employed, there are substantial questions that relate to it:

What exactly constitutes a valid petition to the Congress?

What procedures must a State follow in submitting a petition?

Must the precise language of the proposed amendment be included within the petition?

How similar must the language be in the petitions of various States in order to allow them to be aggregated?

How long does a petition remain valid? May such petitions be rescinded by the States?

What is the extent of congressional power to review petitions? What is the extent of congressional power to restrict the deliberations of the convention?

What is the extent of State power to restrict the deliberations of the convention?

How is the convention to be organized? How are the States to be represented at the convention?

May Congress refuse to submit the product of a convention to the States for ratification?

How are constitutional convention-proposed amendments to be ratified in the States?

With respect to most of these questions, there is very little constitutional

guidance. The relevant language of article V states simply:

> The Congress . . . on the application of the legislatures of two-thirds of the several states, shall call a convention for proposing amendments.

Nor are there useful precedents in view of the fact that there has never been a constitutional convention. Each of the questions involved in this, the "alternative" means of amending the Constitution, is therefore a threshold question.

Article I, section 8, clause 18 of the Constitution invests authority in Congress to—

> Make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this constitution in the government of the United States.

This provision clearly authorizes the Congress to pass legislation that would give effect to the convention method of constitutional alteration. This would be a direct function of its article V authority to "call" a convention pursuant to petitions by two-thirds of the States.

OBJECTIVES OF ACT

I am introducing legislation, the "Constitutional Convention Implementation Act," which would fill in the interstices of article V. It is particularly important that this body act on this, or similar legislation, in view of the fact that at least 30 State legislatures have already purported to submit petitions to Congress for the convening of a constitution convention on the subject of a balanced budget amendment. I would hope that this act, however, could be considered separately from the merits of this specific amendment. The "Constitutional Convention Implementation Act" is designed to establish what are basically neutral procedures to guide the conduct of constitutional conventions generally. While the imminence of a convention of the matter of a balanced budget has clearly created the urgency for this legislation, the act is designed neither to facilitate nor obstruct the eventual achievement of a balanced budget amendment, or any other constitutional amendment.

One must look to the policy underlying the establishment of the convention form of amendment in order to construct a fair procedures bill. Even a cursory analysis of the original constitutional convention (convened under the auspices of the articles of confederation) would suggest that the final provision of article V resulted from a compromise between those delegates who sought to invest proposal authority solely in Congress and those who sought to invest it solely in the State legislatures. The two modes of initiating amendments were viewed as essentially equivalent alternatives, each of which was to serve as a check upon the intransigence of either the National Legislature or the State legislature in the matter of proposing constitutional revision.

In view of this fundamental purpose, I believe that legislation giving effect to the convention method of amendment should be such that resort to its use will not render the Constitution "too mutable" (the Federalist No. 43) while at the same time insuring that it will not be rendered null and void because it is too cumbersome a method. The amendment process should never be one that can be successfully employed with great ease, yet neither should it be a process totally incapable of being used to alter the Constitution. It is this general philosophy that guides congressionally-initiated amendments and would seem most appropriate with respect to convention-initiated amendments as well.

PROVISIONS OF ACT

I would like to briefly discuss the provisions of this act and explain their justification. I should add at the outset my debt to the efforts of our former colleague, Senator Sam Ervin. While my bill differs in a number of respects from legislation that Senator Ervin successfully shephe.ded through the Senate in 1971, its basic structure is closely related to that legislation. This measure has been reintroduced in the present Congress as S. 3 by our distinguished colleague from North Carolina (Senator HELMS).

Section 1 of my bill states that its short title is the "Constitutional Convention Implementation Act of 1979."

APPLICATIONS FOR CONVENTION

Section 2 states the manner in which States are to make applications for a constitutional convention. It states simply that the legislature shall state, within its application for a convention, the "General Subject" of the amendment or amendments to be proposed. It is expected that the application is to be sufficiently precise so as to enable Congress to determine whether or not the application ought to be aggregated with the applications of other States. It would not, for example, be enough for a State to say that it desired a convention for the purpose of "improving the functioning of the executive branch of the Federal Government," and have it aggregated with an application specifying its desire for a convention for the purpose of "considering changes in the length of the presidential term of office."

The purpose of the initiating process is to determine that there exists some form of consensus among the States on the matter of a relatively well-defined area of amendment. This consensus cannot fairly be said to be in evidence if aggregation is to be permitted of applications that are, at best, only incidentally related.

On the other hand, it cannot reasonably be expected that identical, or even nearly identical, language be employed in petitions that ought to be aggregated. Such a requirement is highly unrealistic with respect to fifty diverse State legislative bodies; the imposition of such a rigid rule would effectively render the alternative method of amendment provided in article V useless. Further, to the extent that a petition was required to be precise, either with respect to the specific amendment sought, or the specific language sought, there would be little use for the convention itself. To limit the convention to the consideration of a single, meticulously worded amendment is to make the convention a farce. In order for the convention to be a meaningful part of the article V process, it must have some leeway within which to exercise its legitimate discretion.

LIMITED CONVENTIONS

That this discretion, however, is not without its limits is the subject of section 2(B), and, indeed, is the basic theme of the "Constitutional Convention Implementation Act." This section states that the procedures provided in the act are to be followed in the case of applications for what are commonly referred to as "limited conventions." Such conventions are defined for the purposes of this act as conventions "for the purpose of proposing one or more specific amendments to the Constitution of the United States." Implicit in this section is the recognition that the States may call for the convening of either "limited" or "general" conventions; it is, however, simply with respect to the former that the terms of this act apply.

A "general" convention would be one in which the States petitioned for a convention, not with any specific or limited purposes in mind, but for the purpose of making whatever revisions were deemed necessary or desirable by the convention itself. It is this sort of convention that poses such great concerns to most observers, including myself. I am far from confident that a contemporary "General" convention could do much to improve upon the work of Madison, Hamilton, and Mason. While there is no way that Congress, through passage of a simple statute, could preclude the States from requesting a "general" convention—this is their right under article V—neither is Congress precluded from clarifying that the States are fully within their rights in seeking a "limited" convention.

There is significant academic dispute as to the possibilities of a "limited" constitutional convention. Prof. Charles Black of the Yale Law School, for example, believes that the constitutional convention is a "free agent," sovereign and without limitations. According to this theory, the convention represents the premier assembly of the people, and is therefore supreme to all other Government branches and agencies.

I would disagree with this interpretation. The constitutional convention, while clearly a unique and separate element of the Government—a new branch of the Government, so to speak—is subject to the same limitations and checks and balances as the other, permanent branches of the Government. A constitutional convention, as its name clearly implies, is a constitutional entity; it is appointed under the terms of the Constitution and subject to all of the express and implied limitations imposed by that document. As observed by Professor Jameson in his classic work on constitutional conventions:

> The convention's principal feature is that it is subaltern—it is evoked by the side and at the call of a government pre-existing and intended to survive it, for the purpose of administering to its special needs. It never supplants the existing organization. It never governs. Though called to look into and recommend improvement in the fundamental laws, it enacts neither them nor the statute law; and it performs no act of administration.

The Federal constitutional convention is an instrument of the Government, and acts properly only when it acts in conformity to its authorized powers.

There is nothing in the language of article V to suggest that the convention method of amendment cannot be limited to a single area of amendment; although the article states that the convention is to be convened for the purpose of proposing "amendments," resort to the plural is made also in describing the scope of Congress' proposing authority. The symmetry between the competing processes of constitutional amendment is emphasized by Madison in the Federalist No. 43 in discussing the objectives of article V:

> That useful alterations will be suggested by experience, could not be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the State governments to originate the amendment of errors as they may be pointed out by the experience on one side or on the other.

It was clearly contemplated that the convention anticipated specific amendment or amendments, rather than general revisions, and that no distinction was to be drawn between the competing methods of amendment in this respect.

To enable Congress to propose specific constitutional amendments while allowing the States only to propose general constitutional revision is to confer markedly unequal powers of amendment upon these governments, an intention contradicted by the unanimous weight of documentary evidence. If the States are to have no ability to control the actions of a convention in the form of their convention applications, then there will be strong disincentives for them to seek such conventions. In the absence of broadbased dissatisfaction with the existing constitutional system, why should they want to create the threat or possibility of a convention acting beyond the scope of the application? Why, in seeking to originate the "amendment of errors" described by Madison, should the States have to risk total revision of the constitutional system?

It is anomalous that in seeking to correct what might be a narrow defect in the system that the States should have to place the entire system in jeopardy? What better means could there be to "perpetuate the discovered faults" of the system? What better means could there be to place the convention system of amendment in an unequivalent position to the congressional system of amendment? What better means could there be to completely discourage any and all resort to the convention means of constitutional amendment?

It is the States, not Congress, that ought to properly have the ability to limit the scope of the convention, through the convention applications. While Congress, under section 6 of the "Constitutional Convention Implementation Act," is empowered to specify in its call for the convention the scope of permissible deliberations, it is performing basically an administrative, nondiscretionary function in doing so; it is simply translating the State applications into a formal convention call.

APPLICATION PROCEDURES

Section 3 of the act specifies that the procedures to be followed in making a convention application are generally to be those established by the States themselves. Section 3(a) states that for the purpose either of adopting a resolution or withdrawing one (pursuant to section 6) the State legislature is to follow the same rules of procedure that govern the enactment of a simple statute, except that the action is to be considered valid without the assent of the Governor of the State.

Thus, the term "legislatures" in article V is treated in the same manner for the purpose of convention applications as it has traditionally been treated for the purpose of amendment ratification. It has generally been thought that, had the Founders intended to require gubernatorial participation in the amendment process, they would have made express reference either to the need for ratification or proposal by the "States," or by the legislatures with the assent of the "Executive." As the Supreme Court has observed in *Lester* v. *Garnett* 258 U.S. 130, 137 (1922):

> The function of the State legislature in ratifying a proposed amendment to the Constitution, like the function of Congress in proposing the amendment, is a Federal function derived from the Federal Constitution; and it transcends any limitations sought to be imposed by the people of a State.

In an analogous decision, the Court in the early case of *Hollingworth* v. *Virginia* 3 Dall. 376 (1798) interpreted the provisions of article V to require the exclusion of the national executive from the amendment process.

Section 3(b) provides further that questions concerning the validity of application procedures are to be decided by the State legislatures themselves. While recognizing that, in pursuit of their authority under article V, the States are acting in a quasi-Federal capacity, rather than in a purely State role, it would nevertheless be incongruous for any body to determine whether or not there has been procedural regularity in a State legislative action other than the State legislature itself.

In *Field* v. *Clark* 143 U.S. 649 (1892), it was decided by the Supreme Court that the procedural requirements of the legislative process were presumed to have been satisfied when legislation was formally certified by the appropriate legislative officers. Rather than intruding Congress or the courts into this area, there is no reason why this traditional rule ought not to continue to apply with respect to convention application actions. There is no compelling reason why article V should require sacrifice by the State legislatures of their right to regulate their own proceedings.

TRANSMISSION OF APPLICATIONS

Section 4 of the act specifies the means by which the States are to transmit their applications for a convention to Congress. Section 4(a) states that, within 30 days of the adoption by a State of an application, the appropriate official is to transmit copies to the President of the Senate and the Speaker of the House of Representatives.

Section 4(b) directs the States to include within these applications the title of the resolution, the exact text of the resolution, the date of adoption, and an official certification. In addition, States are encouraged, but not compelled, to list in the application other effective State applications which are deemed to concern substantially the same subject. While such a listing is not expected to be conclusive with respect to Congress, it is nevertheless considered that such a listing will be useful to Congress in carrying out its responsibilities in aggregating similar applications.

Section 4(c) requires each house to establish a public record of each State application, and to notify each State legislature of the fact of each application. Through internal procedures to be determined by each House of Congress, Congress would be charged with making its decisions on whether or not to aggregate applications within the 10-day period following each new application. The criteria would be whether or not the applications referenced the "same general subject or subjects."

As observed earlier, it is the objective of this language to ensure the existence of some real consensus among the States with respect to the need for constitutional revision in some relatively circumscribed area. At the same time, in order not to interfere with the legitimate freedom of action of a convention, there ought not to be the requirement of extreme precision, either in the text or in the subject-matter. The language contained in the bill is designed to draw some rough balance between these requirements.

In order to ensure that the consensus for a constitutional amendment remains a relatively "contemporaneous" one (see *Dillon* v. *Gloss* 256 U.S. 368 (1921)), section 5(a) states that an application shall be effective for no longer than a 7-year period, with shorter effective periods contained within the body of an application to be respected. The court in Dillon stated that,

> Proposal and ratification are not treated as unrelated acts but as succeeding steps in a single endeavour, the natural inference being that they are not to be widely separated in time . . . must reflect the will of the people in all sections at relatively the same period which of course ratification scattered through a long series of years would not do . . . We do not find anything in article V which suggests that an amendment once proposed is to be open for ratification for all time, or that ratification in some of the states may be separated from that in others by many years and yet be effective.

Similarly, State convention applications and the "calling" of a constitutional convention are not unrelated acts, but necessary, succeeding steps in a single endeavor. There should be a "reasonable" relationship in time (see *Coleman* v. *Miller*, 307 U.S. 433 (1938)) between these actions. There is the same need to avoid staleness of applications to Congress as there is to avoid staleness of amendment proposals to the States.

In view of the fact that every amendment proposed by Congress, except one, since the 18th amendment has contained a 7-year time limitation either in the body or in the enacting clause, it was decided to use the same period for determining effectiveness of applications.

Section 5(b) authorizes States to withdraw their applications at any time prior to the time that there are a sufficient number of valid applications before Congress to enable it to call a convention. There would seem to be no valid policy reason for denying them this right. Indeed, in order to insure that the amendment process reflects the notion of "contemporaneous consensus," it is vital that the States have the right to reconsider and reverse their application decisions. States should not be dragooned unwillingly into artificial consensuses because of an inability to rethink earlier application decisions.

CALLING OF THE CONVENTION

Section 6 of the "Constitutional Convention Implementation Act" relates to the actual calling by Congress of the convention. It provides that, upon receipt in each House of that application putting two-thirds of the States in agreement on the need for some amendment, it is the duty of that House to call for the convening of a Federal constitutional convention on that general subject. Congress is to designate the time and place of the meeting of the convention, and set forth the general subject of the amendment or amendments for consideration. The convention is to be convened not later than 6 months following the adoption by Congress of its resolution.

Despite some popular misconceptions on this point, it is obligatory that Congress call a convention upon the receipt of valid applications by two-thirds of the States. Alexander Hamilton observed in the Federalist No. 85 that—

> The national rulers, whenever nine states concur, will have no option upon the subject. By the fifth article of the plan, the Congress will be *obliged* "on the application of the legislatures of two thirds of the states to call a convention for proposing amendments" . . . the words of this article are peremptory. The Congress "shall call a convention". Nothing in this particular is left to the discretion of that body.

James Madison, in a 1789 letter, remarked further—

> It is to be observed however that the question concerning a general convention will not belong to the Federal legislature. If two-thirds of the States apply for one, Congress cannot refuse to call it.

CONVENTION DELEGATES

Section 7 relates to the selection of delegates to the constitutional convention. The language is taken nearly verbatim from article II, section 1, paragraph 2 of the Constitution concerning the selection of Presidential electors. The "Great Compromise" between the larger and the smaller States is carried over into the selection of convention delegates with each State being entitled to that number of delegates equal to the combined number of its Senators and Representatives in Congress. The States are given a free hand in selecting their delegates in whatever (otherwise constitutional) manner they think appropriate. If the experience of the electoral college is at all relevant, and I believe that it is, each of the States will undoubtedly introduce some means of popular election for the delegate positions.

While there are those who would prefer to see a delegate selection system more precisely based upon population, I see no reason not to extend smaller States that slight disproportionate influence in the proposal of amendments through the convention system that they currently enjoy in the proposal of amendments through the congressional system. This is the method of delegate selection that most closely conforms to the basis for congressional representation, and which would most closely aline the alternative systems of proposing amendments.

Section 7 also excludes Members of Congress, the very embodiment of the national influence, from serving as convention delegates, directs the States to coordinate its delegate lists with the House and Senate, and confers the same immunity from arrest upon convention delegates, for the duration of the convention, that article I, section 6 of the Constitution confers upon Members of Congress.

CONVENING OF CONVENTION

Section 8 directs each delegate to the convention to subscribe to an oath by which he commits himself, during the conduct of the convention to "comply with the Constitution of the United States and the provisions of this act." As I discussed earlier, I do not believe that the concept of a "limited" convention is precluded in any manner by article V. The purpose of this purposely broad oath is simply to give effect to any limitations that may have been placed upon a convention by Congress acting on behalf of the States. Since the provisions of the "Constitutional Convention Implementation Act" purport to represent congressional interpretation of the provisions of article V, it is perhaps unnecessary to specify compliance with these as part of the delegate oath. I felt, however, that specificity was desirable in order to clarify that Congress is acting wholly within its appropriate authority in filling in the gaps of article V, and that the delegates to the convention themselves are not empowered to alter this interpretation.

Administering the oath of office to the delegates would be that chief justice serving on a State supreme court with the greatest seniority in that position. Rather than having the Vice President, or the Chief Justice of the United States fill this function, it is my belief that what is basically a State convention should remain that and not run any unnecessary risks, however remote, of being influenced by national officials. I stress the basic purpose for including the convention method of amendment in article V—the need for the States to be able to amend the Constitution in the face of an intransigent national Government.

CONVENTION PROCEDURES

Section 8 also states clearly that the convention itself is to have responsibility for drawing up its own rules of procedures, rather than Congress. No Federal funds whatsoever may be appropriated specifically for the purposes of payment of the expenses of the convention, except that the Administrator of the General Services Administration is authorized to provide facilities for the convention. At the request of the convention, the Federal Government is also permitted to provide sundry information and assistance to the convention.

Section 9 creates a single exception to the convention's prerogatives to determine its own rules by specifying that each delegate is to be entitled to a single vote on all questions before the convention.

The section also provides that the convention is to maintain a daily verbatim record of proceedings, analogous to the CONGRESSIONAL RECORD. All records of official proceedings are to be transmitted by the convention to the National Archives within 30 days following termination of the proceedings of the convention.

Section 10 again underscores the premise of this act that a "limited" convention to amend the Constitution may properly be called. It restates what is already implicit in the act that a convention called under its terms may not propose amendments of a "general subject" different from that stated in the convention's charter—the resolution approved by Congress. The convention exercises no legitimate governmental authority beyond that granted by the States through Congress. The convention is morally obliged to limit its considerations to the subjects set forth in the State applications; I believe further that it is appropriate for Congress to establish a legal obligation to this same effects.

SUBMISSION OF AMENDMENTS TO STATES

Section 11 concerns the procedures through which the convention product is submitted to the States for ratification. Within 30 days after the completion of the convention, its Presiding Officer is to transmit the exact text of any proposed amendments to Congress. The officers of each House, within 30 more days of continuous session, are to transmit the amendments to the General Services Administrator who, in turn, is to submit the amendments to the States. The amendments are to be accompanied by a congressional resolution specifying, pursuant to article V, the mode of ratification—whether it is to be ratified by the State legislatures or by special ratifying conventions within each of the States.

Congress may refuse to transmit an amendment and resolution to the States, through the GSA, only if it makes the determination that the amendment "relates to or includes" a general subject which differs from or was not included as one of the general subjects within the scope of the convention's authority. The objective is to provide some remedy to a failure by the convention to honor the limitations on its authority to propose amendments to the Constitution. Congress has no power whatsoever to refuse to submit an amendment because of disagreement with its substantive merits. Nor is it empowered to refuse to submit

an amendment because of what it perceives as procedural irregularities in the proceedings of the convention. Convention procedure is not within the ambit of congressional concern; checks upon procedural abuse must come from the States themselves in the form of the ratification process. Because this check also exists with respect to conventions acting in an ultra vires manner, it is hoped that Congress will resolve any doubts as to whether or not the convention acting within the scope of its authority in favor of an affirmative finding.

RATIFICATION OF AMENDMENTS

Section 12 of the act, borrowing language directly from article V, states simply that amendments proposed by "limited" constitutional conventions are to become part of the Constitution when ratified in accordance with the terms of article V—by three-fourths of the States in a timely and proper manner. Certified copies of the ratification document are to be forwarded by the States to the General Services Administration, although the ratification itself becomes effective once action is completed within the State legislature, *Dillon* v. *Gloss* 256 U.S. 368, 376 (1921).

Section 13 expressly holds that the States are free to reconsider and reverse their ratification decisions, at least until that point that an amendment has been ratified by three-fourths of the States. Thus, any State may ratify a proposed amendment after having previously rejected it, or may rescind an earlier ratification of a proposed amendment. It is again my view that the most reliable determination of the existence (or lack thereof) of a "contemporaneous consensus" can be made if the States are free to reconsider and rethink their ratification decisions until that point that three-fourths of the States are in agreement in support of amendment, or until that point that a "reasonable" period of time has passed for ratification. My views on the matter of rescission of ratifications are discussed at far greater length in the CONGRESSIONAL RECORD of October 4, 1978, at pages 33351–33353.

Section 14 imposes upon the General Services Administrator the duty to proclaim the final ratification of an amendment once it is in receipt of certifications of ratification from three-fourths of the States. As section 16 clarifies, however, this is an administrative duty of a symbolic nature, not one with an impact upon the actual effectiveness of an amendment. Under article V (and section 16), the amendment becomes part of the Constitution at the moment the final State has ratified, or on any date specified in the body of the amendment itself.

JUDICIAL REVIEW

Finally, section 15 discusses the role of the judicial branch in the constitutional convention process. It establishes two express situations in which an aggrieved State may bring a direct action in the Supreme Court, pursuant to article III, section 2 of the Constitution. The first involves cases in which a State disputes any determination or finding by Congress, or the failure of Congress to make a determination or finding, with respect to its section 6 responsibilities. Section 6 requires Congress to "call" a convention upon determining the existence of valid applications for such a convention from two-thirds of the States.

The second situation involves cases in which Congress actions with respect to its section 11 responsibilities are questioned. Section 11 requires Congress to submit amendments proposed by the convention to the States unless it determines that the convention acted on subject matter ouside the purview of its authority.

Section 15(c) expressly states that these two actions may not be inclusive concerning the right to a Supreme Court hearing, and that nothing in the act is intended to preclude such review "as is otherwise provided by the Constitution or any other law of the United States." Section 15 further requires suit to be brought within 60 days of a claim, either against the Secretary of the Senate and the Clerk of the House, the General Services Administrator, or "such other parties as may be necessary to afford the relief sought."

Thus, I would reject that version of the so-called "political questions" doctrine that suggests that all interpretative matters deriving from article V are to be resolved by Congress solely at its discretion. I find it ironic that so many individuals who have been so sympathetic to the advance of judicial activism in recent years are also those who would deny the Federal courts, particularly the Supreme Court, their constitutional obligation to interpret the plain language of that document. My views on the "political questions" doctrine are explained more thoroughly in the CONGRESSIONAL RECORD of October 4, 1978, at pages 33351–33352.

CONCLUSION

Mr. President, the convention method of constitutional amendment has been defended and described as an essential component of our Constitution by such men as James Madison, Alexander Hamilton, George Washington, Benjamin Franklin, and Abraham Lincoln. While no amendment has ever been ratified that has been proposed through this method, it has nevertheless exerted its influence in indirect ways. The 17th amendment to the Constitution, for example—providing for the direct election of U.S. Senators—was proposed by Congress in 1912 in response to an effort in the States to call a convention on this subject. Other convention efforts on such matters as Federal tax limitations and State legislative apportionment have also evoked a significant congressional response. It is clear, too, that the present "balanced budget" movement is having an impact upon national public policy.

It is necessary, however, in order to insure some measure of symmetry in the alternative amendment processes under article V to establish some clear-cut procedures for resort to the convention method. While the absence of legislation such as the "Constitutional Convention Implementation Act" will not preclude the States from exercising their right to call a convention, it will insure that the amendment process will not become bogged down in constant litigation, partisan political decisions, and uncertainty. The primary effect of this can only be to undermine the integrity of our constitutional system. In the process, also, we will be eroding one of the basic elements for preserving some semblance of balance between the national and the State governments, as observed by Alexander Hamilton,

> The most powerful obstacle to the Members of Congress betraying the interest of their constituents is the State legislatures themselves, who will be standing bodies of observation, possessing the confidence of the people, jealous of Federal encroachments and armed with every power to check the first essays at treachery.

While there is no one who respects more than I do the achievement of the Founding Fathers, nor anyone who would place a greater burden of proof upon those who propose to alter the Constitution, I would nevertheless agree with Malcolm Eiselen who stated (in 1937):

> To assume, as many apparently do, that a second convention could alter the Constitution only for the worse . . . is an unwarrantable libel upon the creative statesmanship and political sagacity of the American people.

A more contemporary observer has noted:

> To those who fear a "runaway convention", it need only be observed that the only group threatening to run away with it so far is Congress itself.

The purpose of the "Constitutional Convention Implementation Act" is to prevent both Congress and the Constitutional Convention from acting outside the scope of each of their proper authority. It is designed to insure that the States, in the event that Congress remains intransigent with respect to some deeply felt public problem, are able to circumvent Congress and act on their own to remedy such a situation. It is designed also to insure that the States—and Congress—are not forced to surrender totally their sovereignty to the Convention. It is designed to insure that the same matrice of constitutional checks and balances are applicable to the Constitutional Convention as to the other more permanent institutions within our governmental system. There can be no "runaway" Convention unless, ultimately, the dissatisfactions of the people are so broad and pervasive that it is a "runaway" Convention that they expressly request. The best way that Congress can work to insure that this never becomes the case is to allow the people and the States to work their will under established procedures when their grievances are more narrow, rather than allowing them to fester as a result of contrived "procedural irregularities." It is occasionally sobering to some of my colleagues, yet it is true, that ultimately it is the citizenry, not Congress, that is the responsible party in our political system.

By Mr. CRANSTON:

S. 1711. A bill to amend the authorization for the Santa Ana River flood control project in the State of California; to the Committee on Environment and Public Works.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to authorize initial construction of the Santa Ana River flood control project in California.

The Santa Ana River poses one of the most serious flood threats in California. Improvements are urgently needed to provide flood protection to the urbanized portions of Orange, Riverside, and San Bernardino Counties.

Following disastrous floods in 1938, the Corps of Engineers built Prado Dam on the Santa Ana River to provide protection to Orange County from what was then considered a 200-year flood. In reliance upon this protection, the area below the dam has been heavily developed. It now has a population of over 1 million people and property valued at $16 billion.

However, with advancements in the field of hydrology, we have learned that Prado Dam is inadequate and cannot control floods larger than the 70-year flood. Experts now say that if the 200-year "standard project flood" were to occur, it would inundate about 115,000 acres and cause property damages and economic losses in excess of $3.4 billion. The potential loss in the future is even greater as the Santa Ana River Basin continues to be one of the fastest growing areas in the Nation.

In 1964, the House Committee on Public Works—at the request of Orange, Riverside, and San Bernardino Counties—authorized the corps to study the flood problem on the Santa Ana River. In 1976, more than 10 years later, the division engineer issued the review report on the main stem of the Santa Ana River and recommended construction of improvements described in alternative six, the all river plan.

The State of California and the Boards of Supervisors of Orange, Riverside, and San Bernardino Counties all support the all river plan as the appropriate plan for reducing the flood hazard on the Santa Ana River. This plan calls for the elevation of Prado Dam by 30 feet, construction of a second dam near Mentone, enlargement of the Santa Ana River channel from Prado Dam to the Pacific Ocean, channelization of Santiago Creek in the cities of Orange and Santa Ana, and channelization of Oak Street drain in the city of Corona.

Because the all river plan—with its cost sharing of about 11 percent State-local funding—is the only plan which has the support of all three local jurisdictions involved, it is the only flood control plan that is viable for the Santa Ana River Basin. Recognizing this fact, the Congress in 1976 authorized phase 1 design memorandum stage of advanced engineering and design of the Santa Ana River project in accordance with the recommendations of the division engineer in his report of February 27, 1976. Since that time, the corps has been working on the phase 1 design memorandum which is scheduled to be completed in early 1981.

In order to prevent any delay in actual construction of the Santa Ana River improvements, it is important that Congress move forward with the construction authorization this year. The longer we wait to commence construction, the higher the cost of the project will be. In fact, the total estimated project cost has increased nearly $250 million since 1975, up to $990 million this year.

The bill I am introducing today amends the existing phase 1 authorization for the Santa Ana River project to permit the Corps of Engineers to proceed with actual construction. It is my understanding that the corps could use $100 million through fiscal year 1985 to initiate construction of the project. Thus, my bill limits the authorization to that amount.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 109 of the Water Resources Development Act of 1976 (Public Law 94–587) is amended: (1) by striking out "the Phase 1 design memorandum stage of advanced engineering and design" and inserting in lieu thereof the following "construction of a"; (2) by striking out "an estimated cost of $700,000" and inserting in lieu thereof the following "a cost not to exceed $100,000,000 through fiscal year 1985 for initiation and partial accomplishment of such project"; and (3) by striking out the second sentence.●

By Mr. STEVENS:

S. 1715. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

● Mr. STEVENS. Mr. President, today I am introducing a bill for the private relief of Mr. Jerry Crow. Mr. Crow has been the victim of a broad interpretation of the law, in that he has been denied a claim of trade and manufacturing site on which he worked, improved, and ran a business according to the regulations of section 10 of the act of May 14, 1898.

Many are the circumstances where bureaucratic redtape and different interpretations of law can detrimentally affect the individuals whom we represent. The individuals involved in these circumstances often encounter adversities that could have been avoided; however, when the adversities are not avoided, we as their representatives must seek relief.

Jerry Crow is a man who is caught up in these ambiguous interpretations and redtape of an act concerning trade and manufacturing land sites. Mr. Crow followed all regulations in filing a claim for a land site of T. & M. off the Denali Highway in the Fairbanks meridian. The regulations of the act require that the land be possessed and occupied in good faith as a trade and manufacturing site and that the applicant show that the land is used and occupied for the purposes of trade or manufacturing. The regulation also requires that a site for a "prospective business" cannot be acquired under section 10 of the act of 1898, prospective in this case meaning to be established sometime in the future.

After Mr. Crow had applied for a claim, and the Bureau of Land Management field examiner came to inspect the improvements of the land on which his claim was sited, this same field examiner concurred that improvements were located on the property as cited, the evidence on the application was sufficient, and that he believed that Mr. Crow deserved to receive approval for all of the acreage he had claimed and that was improved. However, when the field examiner learned that most of Mr. Crow's personal income was derived from another business, he said, "This is against policy," and he maintained that the BLM policy states that T. & M. applicants must receive a significant portion of one's income from his claim.

Most people in business would understand how long it takes to obtain solid footing in financial matters, especially when the economy of a certain area is weak and unstable. The area around Mr. Crow's campground is largely unpopulated, and although he has advertised his campground, his business is only very gradually enlarging. The field examiner concluded the inspection. The BLM disapproved the application. After nearly 5 years of work and attempts to keep the Eskimo campground going, Jerry Crow was expected to lose nearly everything.

Jerry Crow lost his case on the basis of an interpretation of the law; specifically on the interpretation of "commercial enterprise." Even though Jerry Crow did have business licenses for the years of 1971 and 1972, he was believed to have maintained a "prospective business" which was forbidden under the regulations of the act. And even though Jerry Crow did work for years on improving the land while running the unprofitable campground, he was believed to have not been in good faith in using and occupying a trade and manufacturing site. And even though Jerry Crow obtained personal accounts and witness statements by customers, an employee, and a neighbor, and was shown to have improved on the land, he was still found to have been attempting to acquire the land for a prospective commercial campground.

Mr. President, I believe that although the campground has proved to be initially unprofitable, the trade and manufacturing site was established in good faith and the application should be looked at in that way. Therefore, I urge my colleagues to support the approval of a private relief bill on behalf of Mr. Jerry Crow, so that he may keep title to his claim.●

By Mr. MORGAN (for himself, Mr. DURKIN, and Mr. TSONGAS):

S. 1716. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR ENERGY DEVELOPMENT BANK ACT

● Mr. MORGAN. Mr. President, during this past year several bills designed to promote the widespread use of solar energy in residential and commercial build-

ings have been before the Congress. On March 1, I introduced S. 524, a companion measure to H.R. 605, introduced by my North Carolina colleague, the Honorable STEPHEN NEAL. On April 10, Mr. DURKIN for himself and others introduced S. 950. And finally, on July 27, Mr. TSONGAS and I, for the administration, introduced S. 1595. Both the Banking Committee and the Energy Committee have studied various dimensions of solar energy use in detail. Specifically, all three bills were examined by the Banking Committee in hearings concluded shortly before the August recess.

Mr. TSONGAS, Mr. DURKIN, and I are today introducing a new bill, the Solar Energy Development Bank Act, which combines what we believe to be the best features of all three bills, and which is expected to be before the Banking Committee for markup shortly.

The Solar Bank would promote solar energy use by subsidizing loans at below-market interest rates both for new construction and for retrofitting of solar devices in existing housing.

For that purpose the Solar Energy Development Bank Act creates within the Department of Housing and Urban Development a body with powers identical to those of the Government National Mortgage Association. The Solar Bank would be administered by a president (a Presidential appointee subject to Senate confirmation) and governed by a Board of Governors, consisting of the Secretaries of HUD, Energy, and Treasury, who would be empowered to determine interest rates. The Bank would be staffed by existing personnel of HUD and the Government National Mortgage Association.

The President of the Bank and the Board of Governors would be advised by a board drawn from the relevant sectors of the public, which would provide policy guidance, assist in the promotion of the Bank, and report annually to Congress.

The present bill would authorize the Bank for 5 years, subject to an automatic sunset provision at the end of that period. Subject to a warranty to protect consumers, loans for a broad range of active and passive solar designs would be authorized. Sixty percent of the subsidy payments made by the Bank would be required for residential use. Of that amount, 5 percent would be reserved for low-income housing. The remaining 40 percent would be available for commercial loans, with a maximum commercial loan of $200,000, and maximum residential loans of $10,000 per unit for one- to four-family dwellings, and $5,000 per unit for dwellings with five or more units, up to a maximum of $500,000.

The Solar Energy Development Bank Act is a lean program designed to utilize the resource of the private lending institutions and the expertise of existing Government personnel, already skilled in the administration of similar interest subsidy programs. Testimony before the Banking Committee, both from energy experts and from private lenders, made clear that existing solar technology has the potential to save our country significant amounts of energy. What is needed to achieve widespread use of solar energy is the right combination of Government incentives. The President has recognized that a solar bank is an important part of the program, and can play a significant role in helping to meet our Nation's energy needs. We hope the Congress will act quickly to make the Solar Bank a reality.

Mr. President, I ask unanimous consent that the text of the Solar Energy Development Bank Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Energy Development Bank Act".

PURPOSE

SEC. 2. It is the purpose of this Act to encourage the use of solar energy, and thereby reduce the Nation's dependence on foreign sources of energy supplies, by establishing a Solar Energy Development Bank to provide subsidies for below-market interest rate loans made to owners or builders of commercial and residential structures for the purchase and installation of solar energy systems in such structures.

ESTABLISHMENT OF THE BANK

SEC. 3. (a). There is hereby created a body corporate to be known as the Solar Energy Development Bank (hereinafter referred to as the "Solar Bank") which shall be in the Department of Housing and Urban Development. The Solar Bank shall have succession until five years after the date of the enactment of this Act or until dissolved by an Act of Congress, whichever occurs first, and it shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of jurisdiction and venue in civil actions, to be a District of Columbia Corporation.

(b) There is established in the Department of Housing and Urban Development the position of President, Solar Bank, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate now or hereafter prescribed for Executive Level V by section 5316 of title 5, United States Code. Subject to the direction of the Board of Directors of the Solar Bank, the President shall manage and supervise the affairs of the Solar Bank and shall perform such other functions as the Board may prescribe.

(c) The General Accounting Office shall periodically audit the financial transactions of the Solar Bank, and, for this purpose, shall have access to all of its books, records, and accounts.

(d) The Solar Bank may impose fees or charges for its services which shall be deposited into the miscellaneous receipts of the Treasury.

(e) No officer, attorney, agent, or employee of the Solar Bank shall receive any salary or other remuneration from any source other than the Solar Bank during the period of his employment by such Bank. No officer, attorney, agent, or employee of the Solar Bank may participate, directly or indirectly, in any manner in the deliberations upon, or the determination of, any matter affecting his personal interest, or the interests of any corporation, partnership, or association with which he is directly or indirectly associated.

(f) The Solar Bank may impose fees or charges for its services which shall be deposited into the miscellaneous receipts of the Treasury.

(g) The Solar Bank shall have the same corporate powers given the Government National Mortgage Association in section 309 (a) of the National Housing Act.

BOARD OF DIRECTORS

SEC. 4. (a) The Solar Bank shall be governed by a Board of Directors (hereinafter referred to as the "Board") which shall make the report described in section 8 and provide advice to the President of the Solar Bank and to the Secretary of Housing and Urban Development for the purpose of assisting the Solar Bank in carrying out the provisions of this Act. The Board shall consist of the Secretary of Housing and Urban Development, the Secretary of the Treasury, and the Secretary of Energy. The Board shall adopt, and may amend or repeal, such regulations as are necessary or convenient for the functioning of the Solar Bank.

(b) Two members of the Board shall constitute a quorum.

(c) The Chairperson of the Board shall be the Secretary of Housing and Urban Development.

(d) The Board in consultation with the Advisory Board established by section 5 shall have the power to fix the level of subsidy on loans subsidized by the Bank and the interest rate paid by borrowers on such loans, and from time to time to alter the level of subsidy and interest rates for new loans subsidized by the Bank. In doing so the Bank shall give consideration to such factors as it shall deem appropriate, including, but not limited to the following:

(1) the prevailing market rates of interest for home mortgages, home improvement loans, and commercial loans, as well as prevailing market rates of interest for Government and corporate bonds;

(2) the availability of other Federal Government incentives and subsidies for solar energy equipment, including Federal income tax credits;

(3) the costs of nonrenewable energy resources and systems;

(4) the costs of solar energy systems; and

(5) the levels of subsidy needed to induce consumers and builders to install solar energy systems in residential and commercial buildings.

(e) The President of the Bank shall establish eligibility criteria which do not discriminate against simple passive or hybrid solar energy systems and which do not subsidize nonenergy related housing costs.

ADVISORY BOARD

SEC. 5. (a) As part of the Solar Bank, there shall be an Advisory Board which shall make the report described in section 8(a) and provide advice to the President of the Solar Bank and to the Board of Directors for the purpose of assisting the Solar Bank in carrying out the provisions of this Act. Such Advisory Board shall be composed of—

(1) one individual who is not an officer or employee of any governmental entity and who is able to represent the views of the general public as a result of his or her education, training, and experience.

(2) one individual who is not an officer or employee of any governmental entity or of any entity engaged in the exploration, development, production, or delivery of any energy resource and who is qualified to serve on the Board as a result of his or her education, training, and experience in scientific endeavors;

(3) one individual who is able to represent the views of the solar energy industry as a result of his or her education, training, and experience;

(4) one individual who is able to represent the views of lending and financial institutions as a result of his or her education, training, and experience; and

(5) one individual who is able to represent the views of low income persons as a result of his or her education, training, and experience.

(b) The individuals described in paragraphs (1), (2), (3), (4), and (5) of subsection (a) shall be appointed by the President of the United States.

(c) If any member of the Advisory Board becomes an officer or employee of a government or becomes employed in a manner which would disqualify the person from being on the Board, he or she may continue as a member of the Board for not longer than the ninety-day period beginning on the date he or she leaves that office or becomes such an officer or employee, as the case may be.

(d)(1) Except as provided by paragraphs (2) and (3) of this subparagraph, members appointed under paragraphs (1), (2), (3), (4), and (5), of subsection (a) shall be appointed for a term of two years.

(2) Of the members first appointed, those appointed under paragraphs (1) and (2) of subsection (a) shall be appointed for a term of two years and those appointed under paragraphs (3), (4), and (5) of subsection (a) shall be appointed for a term of three years.

(3) Any member appointed under paragraph (1), (2), (3), (4), or (5) of subsection (a) to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his or her term until a successor has taken office.

(e)(1) Except as provided in paragraph (2) of this subsection, members of the Advisory Board shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Advisory Board.

(2) While away from their homes or regular places of business in the performance of services for the Advisory Board, members of the Advisory Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 (b) of title 5, United States Code.

(f) Three members of the Board shall constitute a quorum but a lesser number may hold hearings.

(g) The Chairman and Vice Chairman of the Advisory Board shall be elected by the members of the Advisory Board. The term of office of the Chairman and Vice Chairman shall be two years.

SUBSIDY PAYMENTS

SEC. 6. (a)(1) The Solar Bank may, beginning with fiscal year 1980, make payments to financial institutions for the purpose of subsidizing below-market rate loans which are made by such institutions to owners or builders of commercial and residential structures and to units of local government in connection with programs described in section 7(d)(3) for the purchase and installation of solar energy systems in such structures and which meet the requirements of this section. Such payments may also be made with respect to the portion of a larger loan which is allocable to the purchase and installation of solar energy systems.

(2) For purposes of this Act, the term "solar energy systems" means any addition, alteration, or improvement to an existing or new structure (or its immediate surrounding) which is designed to utilize solar energy directly or indirectly (such as wind energy, energy produced by a woodburning appliance) for the purpose of generating the heating or cooling (or both), hot water, process heat, or electrical energy requirements of that structure and which is in conformity (as certified by the Secretary of Energy) with such criteria and standards as shall be prescribed by the Secretary of Housing and Urban Development in consultation with the Secretary of Energy. The term "solar energy systems" shall also include earth shelters.

(3) The amount of any payment made with respect to any loan or qualifying portion of a loan may be in a lump-sum payment and shall be in an amount necessary, as determined by the Solar Bank, to compensate the financial institution for the difference between the interest rate determined by the Board of the Solar Bank and the yield it would have received if the loan were made at a market rate.

(4) The Solar Bank may, with respect to any loan for which a subsidy payment is made under this Act, require the financial institution to repay the Solar Bank any amount to which the Solar Bank is entitled as a result of the borrower's failure to meet his obligation under the loan.

(b) A payment may be made under this section with respect to a loan or qualifying portion of a loan only if—

(1) the term of repayment does not exceed thirty years and is not less than five years, except that there shall be no penalty imposed on the borrower if the loan or advance of credit is repaid at any time before the term of repayment expires;

(2) the amount of such loan allocable to purchase and installation of a solar energy system does not exceed $10,000 per unit in the case of any one- to four-family residential structure, $5,000 per unit in the case of any residential structure with five or more dwelling units (not to exceed $500,000 per loan), and $200,000 in the case of any commercial structure;

(3) the solar energy system purchased and installed with such loan is covered by a warranty that the installer or manufacturer, or both, will remedy any defects in materials, manufacture, or installation of the system without charge and within reasonable time (including, if necessary, repair or replacement at the site) which becomes evident within one year from the date of installation or such longer period as the Board of Directors of the Solar Bark determines is reasonable. The Board of Director may also require that such warranty include a requirement that the installer will provide, without charge and within fifteen days before the expiration of the warranty, an onsite inspection of the system and components for the purpose of discovering and remedying any defects which may be present;

(4) the security for the loan meets the requirements of the Board of Directors of the Solar Bank; and

(5) the solar energy system to be financed will be purchased and installed after the date of enactment of this Act.

(c) At least 60 per centum of the amount of subsidy payments made under this section in any year shall be for the purpose of assisting the financing of solar energy systems in residential structures.

(d)(1) At least 5 per centum of the amount of subsidy payments made under this section in any year shall be for the purpose of assisting the financing of solar energy systems in residential structures occupied by low income persons. The Board of Directors shall fix special subsidy levels on loans subsidized by the bank pursuant to this subsection.

(2) Any failure to expend funds specified in this subsection shall not delay payments made under other subsections. Funds available for this subsection that are not expended in a given year shall remain available for the following year.

(3) For the purposes of this subsection, a unit of local government shall be considered an eligible recipient of a subsidized loan on behalf of low income persons in connection with a project carried out with other housing or rehabilitation programs.

PENALTIES

SEC. 7. Any person who knowingly makes any false statement or misrepresents any material fact with respect to any loan assisted under this Act shall be fined not more than $10,000 or imprisoned not more than one year, or both.

REPORTS

SEC. 8. The Advisory Board shall make an annual report to both Houses of Congress and to the President of the United States for the purpose of providing a detailed accounting of the operation of the program established by this Act, making recommendations for improvements in such program, and identifying problem areas within the solar energy industry, the Federal Government, and lending institutions which may be inhibiting the success of such program. Such report shall include the majority and minority and dissenting views of the Advisory Board and the Board of Directors and the views of the President of the Solar Bank.

PROMOTION OF PROGRAM

SEC. 9. The Solar Bank shall promote the program established by this Act by informing financial institutions and consumers of the benefits of such program and by actively seeking their participation in the program.

USE OF HOUSING AND URBAN DEVELOPMENT PERSONNEL

SEC. 10. The Secretary of Housing and Urban Development may permit the Solar Bank to utilize the services of personnel of the Department of Housing and Urban Development, including the personnel of the Government National Mortgage Association, for the purpose of carrying out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated to carry out the purposes of this Act not to exceed $50,000,000 for the fiscal year ending September 30, 1980, $150,000,000 for the fiscal year ending September 30, 1981, $225,000,000 for the fiscal year ending September 30, 1982, $300,000,000 for the fiscal year ending September 30, 1983, and $400,000,000 for the fiscal year ending September 30, 1984.●

Mr. DURKIN. Mr. President, the Sun is often seen as an exotic, complicated, and expensive source of energy. Nothing could be further from the truth. The "secret" of solar architecture is being rediscovered, not discovered. The ancient Greeks understood this principle. In one of his famous dialogs, the philospher Socrates outlined the principle of passive solar architecture which promises so much today.

Although the "secret" of solar energy is old, the need for solar energy is quite contemporary. Solar energy offers a solution to some of mankind's most pressing problems. It offers us a way to achieve

energy independence without depleting our nonrenewable resources and without ruining our environment.

Solar energy has several unique advantages over other sources of energy. Unlike oil, gas, coal, or uranium supplies, the Sun cannot be monopolized by any producer's cartel, hostile government, or band of terrorists. In an age of increasing centralization, solar energy offers the welcome promise of decentralizing a major part of our energy supply. The centralization of energy systems has thrust decisions upon our Government that it is ill suited to make. A solar economy offers us the opportunity to reverse this trend of centralization.

Solar energy also provides a welcome alternative to the increasingly unfavorable tradeoffs we face between energy development and protection of the environment. For unlike coal and nuclear power, solar energy has a benign environmental impact. It neither pollutes the air nor leaves toxic wastes.

Unlike the sources of energy we depend upon now, solar energy is a renewable resource. Until the Sun burns out, we will will have solar energy once we make the initial investment in solar collectors, the fuel is free and unlimited.

The development of solar energy could have impressive economic benefits as well. Solar energy offers us the opportunity to revitalize small business, provide badly needed unskilled and semiskilled jobs in construction, and improve the property tax base upon which local governments depend.

A successful solar energy strategy can build upon and revitalize the two industries in our country that are still made up of small independent producers—housing construction and agriculture. The housing industry will prosper in the solar age, because it is in the best position to modify existing houses and to build solar devices into new houses. The farm economy will benefit as we begin brewing alcohol fuels from farm crops that catch and store the rays of the Sun. At a time when our farm economy is in deep trouble, converting the solar energy stored by plants into liquid fuels is a possibility that we must aggressively pursue.

Increased reliance on solar energy can reduce our dependence on foreign energy supplies. This year we will import nearly $70 billion worth of foreign oil. This sum represents an enormous drain on our resources. Developing solar energy would keep this money in the United States where it can provide jobs and economic improvement for our people.

A major barrier to accelerated solar development is a structure of credit. Tapping solar energy is an investment that yields returns continuously for many years into the future. Given the unique nature of the costs and benefits of solar energy, we must establish long term, low interest loans for solar conversion. Extended credit programs have kept a small farmer in business and provided millions of Americans with the opportunity to own their own home. A program of long-term low interest loans or loan guarantees for solar systems could in a similar manner stimulate small business, help millions of home owners, hold down energy costs and meet our national energy goals all at the same time.

Solar energy today is put at a competitive disadvantage with conventional fossil fuels and nuclear power, because of hidden subsidies and unaccounted environmental costs for the oil and nuclear industries. Despite this disadvantage, solar energy is already economically viable for many uses and in many areas. If the true costs of the fuels we now use were ever reflected in their price rather than in the Federal budget solar energy would be even more attractive. At a time when the prices of all the fuels we use are rising rapidly, the prices of solar systems are falling daily.

The prospects for solar energy are bright. Well designed Federal initiatives can make the future brighter yet.

Establishment of a solar bank will be an important step in achieving the widespread commercialization of solar energy in the near future. This legislation will establish a solar bank, in the Department of Housing and Urban Development, to subsidize the interest rates on loans for solar systems. Since the bank will work with and through the existing Federal banking and housing programs, the bureaucratic overhead on this program will be kept to an absolute minimum. This bank is designed in such a way that the Federal money will call forth a far greater amount of private money than will be actually spent by the Federal Government. In a time of tight Federal budgets, it is essential that we get the maximum impact from the Federal dollars that are spent. I am convinced that the solar bank offers one of the best ways to achieve a maximum payoff for Federal funds.

The legislation I am today introducing with Senators MORGAN and TSONGAS embodies concepts originally introduced during the last Congress in the House by Congressman STEVE NEAL of North Carolina and in the Senate by Senator MCINTYRE and me. In this Congress a further distillation of these ideas was introduced by Senator MORGAN in S. 524 and by Senator TSONGAS and me in the Omnibus Solar Commercialization Act, S. 950. Further improvements on the solar bank idea by the President's domestic policy review of solar energy were introduced by Senator MORGAN earlier this summer. The legislation Senators MORGAN, TSONGAS, and I are introducing today embodies the best of these bills. Numerous days of hearings in the House and Senate and in the Senate Energy and Banking Committees have subjected these ideas to an intense and, I believe, productive public scrutiny. The Senate Subcommittee on Energy Conservation and Supply of which I am chairman, and of which Senator TSONGAS is vice chairman, held 3 days of hearings on S. 950. During these hearings dozens of Americans from all walks of life testified both to the viability of solar technologies and to the need for well-designed Federal efforts to bring solar systems within the reach of more Americans.

The results of this long learning experience are embodied in the legislation we are introducing today. I am convinced that the legislation we are introducing today is superior to the legislation as it was originally introduced some years ago. I hope the Congress will soon pass this worthy legislation and send it to the President so that this program can begin assisting the vitally needed solar transition.

Mr. TSONGAS. Mr. President, this bill provides a powerful tool to meet the realistic goal of getting 25 percent of America's energy from solar and other renewable sources by the year 2000. It establishes a Solar Energy Development Bank with the best features from the administration bill and from Representative NEAL's bill.

The administration's proposed legislation is a very positive contribution to our deliberations. This new bill combines the flexible interest subsidy rates of the administration plan with the advisory board and corporate powers of the Neal plan. Like the administration bill, it relies on the financial mechanism of the Government National Mortgage Association, which can be geared up quickly.

This legislation follows Congressman NEAL's approach by creating a five-member advisory committee with one representative from each of five sectors: The general public, the financial community, the solar industry, the scientific community, and low-income citizens. Another new provision is a 5 percent set-aside to finance solar systems in low-income residences.

The Solar Energy Development Bank is a vital part of a comprehensive commitment to transition to a solar-powered economy. It complements the residential and commercial solar tax credit passed last year in making solar energy even more attractive than it already is for many homes, businesses, and industries. It will encourage Americans to invest now in practical solar technologies which will pay dividends of savings and security for years and years.

By Mr. KENNEDY:

S. 1717. A bill to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, today I am introducing a bill to amend title III of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. 2510 et seq.). This bill addresses two distinct issues which arise in connection with the interception of wire and oral communications for law enforcement purposes: The use of a surreptitious entry to effect an interception under title III and the need for authority to conduct emergency interceptions without prior court approval in situations which involve an immediate danger of death or serious physical injury to a person.

The provisions of this bill which deal with surreptitious entry are designed to provide procedural safeguards which will insure informed judicial consideration of the need for and the reasonableness of the surreptitious entry as well as require specific court authorization for any such entry. Title III does not now contain such safeguards, and the Supreme Court recently held in *Dalia* v. *United States*, 99 S. Ct. 1682 (1979), that such safeguards are not constitutionally mandated.

The rationale of the court in Dalia was, in part, based on a finding that authorization for a surreptitious entry is implicit in an order authorizing the interception of oral communications. However, the Court did note that the "preferable approach" in such cases was for Government agencies to make explicit to the authorizing court their expectation that some form of surreptitious entry would be required to accomplish the interception. The Court then cited, with approval, the current Department of Justice policy regarding such entries. Not only do current Department of Justice guidelines require its officers to inform the Court of the need for, and to request the use of, a surreptitious entry in an application for a title III interception when such an entry is required to execute the court order, but also the Department's model form for a title III intercept order includes a provision specifically authorizing such an entry

The U.S. National Commission for Review of Federal and State Laws relating to wiretapping and electronic surveillance has recommended that Title III be amended to provide for specific court authorization of surreptitious entries, and President Carter firmly endorsed this recommendation in his recent privacy message to the Congress. The President's and my own support for such an amendment are based on the same conviction: That requiring court authorization of surreptitious entries under title III is a sound policy that will limit unnecessary encroachments on individual privacy. The power of a Government agent to enter a house or office surreptitiously lends itself to dangerous abuse and must be carefully circumscribed.

Although the fourth amendment does not generally require a judge, when issuing a warrant, to scrutinize or specifically authorize the particular means by which the warrant is to be executed, I believe that the use of surreptitious entry to effect a title III interception presents unique privacy considerations that merit such judicial involvement. First, the use of electronic surveillance in itself is quite rightly viewed as one of the most intrusive means of obtaining evidence of a crime. The stringent procedural requirements presently set forth in title III reflect the seriousness of the breach of privacy that results from the interception of personal communications. Second, unlike the execution of a search warrant, the execution of an interception order and any attendant physical entry must be accomplished in secrecy, and thus there is no contemporaneous notice to the occupants of the premises that a breach of their privacy has taken place. Third, where covert entry occurs in the course of electronic surveillance, there is a dual encroachment on the individual's right to privacy, for not only is his conversational privacy violated, but his physical privacy is breached as well.

The amendments dealing with surreptitious entries require: First, that the applicant for a title III intercept order state in his application whether a surreptitious entry will be required to effect the interception and, if so, why other means of accomplishing the same objectives are not feasible; second, that the issuing judge determine that such entry is reasonably required to effect the interception; third, that the intercept order itself specifically state whether a surreptitious entry is authorized to execute the intercept order; and fourth, that the Government attorney in charge of the investigation notify the issuing court of the time and method of the proposed entry.

It is the purpose of these amendments, then, to address the unique privacy concerns which arise when a surreptitious entry is used to execute an intercept order under title III. It is not the purpose of these amendments to preclude the use of surreptitious entry, for at times it is the only practical means of installing a surveillance device which will produce evidence of a serious crime, but rather to subject such entries to the scrutiny and approval of an informed, neutral judicial officer.

A second and equally important purpose of this bill is to provide statutory authority for an emergency interception of communications in life-threatening situations. It has long been recognized that exigent circumstances justify conducting a warrantless search, and this same principle should apply to the interception of wire or oral communications. Where an interception would be authorized under title III if there were time to obtain a court order, and where such an interception could be instrumental in preventing death or serious injury, as in a kidnaping or hostage situation, a law enforcement officer should have at his immediate disposal this valuable investigative tool.

Title III does not now permit an emergency interception in life-endangering situations. It does, however, permit such interceptions in an emergency situation which relates to "conspiratorial activities threatening the national security" or "conspiratorial activities characteristic of organized crime." The exigency of an immediate threat to human life is at least as, if not a more important reason for an emergency interception, and the scope of the emergency authorization provision, 18 U.S.C. 2518(7), should encompass such life-endangering situations.

This bill, which has been developed with the full participation of the administration and which has been personally endorsed by the President, will make these needed improvements to title III. I ask unanimous consent that the bill and the section-by-section analysis be printed in the RECORD. I also ask unanimous consent that a letter from the Administrative Office of the U.S. Courts, which details the number, type and location of State and Federal intercepts for the past 10 years, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2510 of title 18, United States Code, is amended—

(1) in paragraph (10), by striking out "and" at the end thereof;

(2) in paragraph (11), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(12) 'surreptitious entry' means a physical entry upon a private place or premises to install, repair, resposition, replace, or remove any electronic, mechanical or other device, and includes both covert entry and entry effected by means of a ruse or subterfuge.".

SEC. 2. Section 2518(1) of that title is amended—

(1) in paragraph (e), by striking out "and" at the end thereof;

(2) in paragraph (f), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(g) a statement whether surreptitious entry is required to effect the interception, and if such surreptitious entry is required, a statement as to why means of effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.".

SEC. 3. Section 2518(3) of that title is amended—

(1) in paragraph (d), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(2) by adding at the end thereof the following:

"(e) where the order is to authorize or approve a surreptitious entry, such surreptitious entry reasonably appears to be required to effect the interception because means of effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.".

SEC. 4. Section 2518(4) of that title is amended—

(1) in paragraph (d), by striking out the "and" at the end thereof;

(2) in paragraph (e), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(f) whether surreptitious entry is authorized or approved to effect the interception; and

"(g) in any order which includes authorization of surreptitious entry—

"(i) the identity of the agency authorized to make the surreptitious entry;

"(ii) that the attorney for the government in charge of the investigation shall, when practicable, notify in writing the authorizing judge of the proposed time and method of the entry, and when prior notice is not practicable, notification is to be made within 48 hours after such entry; and

"(iii) that in any case in which more than one entry is necessary to install the device, or in which re-entry is necessary to repair, reposition, or replace the device, the attorney for the government in charge of the investigation shall, when practicable, notify in writing the authorizing judge prior to such re-entry of the reasons which necessitate the re-entry, and when prior notice is not practicable, such notification is to be made within 48 hours after the re-entry and is to describe the reasons which necessitated the re-entry and why prior notification was not practicable.".

SEC. 5. Section 2518(7) of that title is amended—

(1) by amending paragraph (a) to read as follows:

"(a) an emergency situation exists that involves—

"(i) immediate danger of death or serious physical injury to any person,

"(ii) conspiratorial activities threatening the national security interest, or

"(iii) conspiratorial activities characteristic of organized crime,

that requires a wire or oral communication to be intercepted before an order authorizing such interception can, with due diligence, be obtained, and"; and

(2) by inserting a comma and "and may make any surreptitious entry required to effect such interception," immediately before "if an application for an order".

SEC. 6. Section 2519(1) of that title is amended—

(1) by inserting immediately after paragraph (e) the following:

"(f) the fact that a surreptitious entry to effect the interception was authorized or approved, the number of such entries made, and the purpose, either to install, repair, reposition, replace, or remove the interception device, for each such entry;"; and

(2) by redesignating paragraphs (f) and (g) as paragraphs (g) and (h), respectively.

SEC. 7. Section 2519(2) of that title is amended in paragraph (a) by striking out "(g)" and by inserting in lieu thereof "(h)".

SECTION-BY-SECTION ANALYSIS

Section one. This section amends section 2510 of Title 18, which sets forth the definitions of the terms employed in Title III, by defining the term "surreptitious entry". "Surreptitious entry" is defined to mean a "physical entry upon a private place or premises to install, repair, reposition, replace, or remove any electronic, mechanical, or other device". "Electronic, mechanical, or other device" is already defined in section 2510 to reach those devices which are used to intercept wire or oral communications.

The term "surreptitious entry" includes both covert entries and entries effected by ruse or subterfuge. Thus, the procedures governing surreptitious entry are to be followed whether the anticipated mode of entry is a physical break-in or the use of a pretext such as a bomb scare or utilities inspection. Inasmuch as each of these modes of gaining entry constitute physical intrusions into private premises, it is appropriate that specific court authorization for either type of entry be sought. Indeed, the Court in *Dalia v. United States*, 99 S. Ct. 1682 (1979), was of the opinion that both modes of entry were equally intrusive.

It is not intended that "surreptitious entry" include an entry which has been authorized by an occupant of the premises, or which a person, such as a landlord or common carrier has been directed to cooperate with the officers executing the order pursuant to section 2518(4). However, in the later case, if an entry on to the private premises is required, such entry must be authorized by the court. Nor are any entries onto public places intended to be characterized as "surreptitious" entries, even though a ruse or subterfuge might be used to protect the security of the interception or the safety of the officers.

Section two. 18 U.S.C. 2518(1) describes the information which must be included in an application for an order authorizing or approving the interception of wire or oral communications. Section two of the bill would amend current section 2518(1) by requiring that the application state whether surreptitious entry is required to effect the interception, and if so why means of effecting the interception other than surreptitious entry, reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.

The provisions of section two would alert the issuing judge of the fact that a surreptitious entry was anticipated, and would supply him with sufficient information to determine whether the use of surreptitious entry to effect the interception was justified.

These amendments to 18 U.S.C. 2518(1) would not require the applicant to demonstrate that surreptitious entry is the only means of effecting the interception. Rather, he need only demonstrate that alternative means appear to be unlikely to succeed, to be too dangerous, or to be impracticable. For example, the use of an external monitoring device may be impracticable if it is not available to the officers applying for the order, if they do not have the technical expertise to operate it, if it is known to be unreliable, or if the configuration of the premises is believed to make it ineffective.

The interception of oral communications generally can be accomplished only by installing a concealed surveillance device, and in most instances, surreptitious entry is necessary to install the device. Nonetheless, in such a situation, the applicant should briefly state why the use of alternative means of effecting the interception are not feasible or as equally effective. On the other hand, interception of wire communications generally does not require the use of surreptitious entry since exterior lines may be tapped. If a situation should arise in which it is necessary to use surreptitious entry to effect the interception of wire communications, the applicant should explain why traditional non-instrusive methods cannot be employed.

Section three. Section three sets forth the findings that must be made by the issuing court as a prerequisite to issuing an order which authorizes or approves the use of surreptitious entry. This amendment to 18 U.S.C. 2518(3), which currently states the required findings that must be made before an order authorizing or approving the interception of wire or oral communications may be issued, provides that authorization or approval of surreptitious entry must be based on a finding that such entry reasonably appears to be required to effect the interception because means of effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.

The issuing judge is not required to find that surreptitious entry is the only means of effecting the interception in order to authorize such an entry. While there may exist highly sophisticated devices which are capable, in certain circumstances, of external interception of oral communications, these devices are still in the experimental stages, are highly expensive, often unreliable, and are not generally available to or used by law enforcement agencies. It is recognized that implantation of concealed surveillance devices is, in most instances, the only generally available and feasible means of intercepting oral communications. Hence, the use of external devices to monitor oral communications is generally "impractical" or "unlikely to succeed", and therefore, it is likely that surreptitious entry to install a microphone on the premises identified in the order will be "required" to effect the interception.

Section four. Section four of the bill amends 18 U.S.C. 2518(4) to require that the order authorizing or approving the interception specifically state whether surreptitious entry to effect the interception is authorized. The Supreme Court held in *Dalia v. United States* 99 S. Ct. 1682 (1979), that, while judges issuing Title III interception orders had the power to authorize such entries, the Fourth Amendment did not require that the order specifically authorize such entry. The Court's reasoning was that an order authorizing interception of oral communications implicitly authorized a surreptitious entry to position a device that would intercept the targeted conversations. These amendments will ensure that the issuing court is, in fact aware that surreptitious entry will be used to effect an interception and that the court specifically authorizes a surreptitious entry in the interception order.

In addition to requiring that the order state whether surreptitious entry is authorized, section four provides that the interception order shall identify the agency authorized to make the entry, and that the order shall require the government attorney supervising the interception to notify the issuing court in writing of the proposed time and method of the initial entry, and of any subsequent entry and the purpose therefor, i.e., either to repair, reposition, replace or remove the device. The statement of the proposed method of entry need only indicate whether contemplated entry is to be gained by a ruse, a subterfuge, by a physical break-in, or some other method, and need not detail every aspect of the mode of entry, such as the tools employed, although the judge may request more detailed information if he so desires. However, this notification would not preclude the officers executing the order from using a different method of entry which, at the last minute proves to be safer, more secretive or more effective.

Where prior notice to the issuing court is not practicable or where a method different from that originally contemplated is employed, a notice to the issuing court must be given within forty-eight hours after the entry. The purpose of these notification provisions is to supply the issuing judge with sufficient information so that he may monitor the use of the surreptitious entry. If it appears that the authority to conduct surreptitious entry is being abused, the issuing judge may place restrictions on any further such entries, or may modify his initial order, if appropriate.

The notification provisions will not require the submission of an application for, or the entry of, a new order to authorize additional surreptitious entries after the

initial entry to replace, reposition, or remove an interception device in the course of a single interception. Inasmuch as "surreptitious entry" is defined to include an entry made for the purposes of installing, repairing, repositioning, replacing, or removing an interception device, an order authorizing "surreptitious entry" would include a grant of authority to make such subsequent entries. However, the government attorney would be required to notify the issuing court of the contemplated entry.

Section five. The authorization of emergency interceptions without prior court approval is governed by section 2518(7) of Title 18. Section five of this bill contains two amendments to section 2518(7). Currently, this section of Title III permits the authorization of an interception without a prior court order in only two instances: first, when an emergency situation exists with respect to "conspiratorial activities threatening the national security" and second, when such an emergency exists with respect to "conspiratorial activities characteristic of organized crime". Section five of the bill would add as a third permissible basis for the authorization of an emergency interception the existence of a situation which involves an immediate danger of death or serious physical injury. The other requirements governing emergency interceptions set forth in section 2518(7) would remain unchanged. These current requirements include a provision that there must have existed sufficient grounds that a court order could have been obtained but for the fact that the emergency situation required immediate action, and that an application for an order approving the interception be made within forty-eight hours.

It is a well established principle that the existence of exigent circumstances requiring immediate action is justification for conducting a warrantless search. There is no reason why this same principle should not apply in the area of interception of communications, particularly in view of the narrowly drawn basis for emergency authorization set forth in this amendment. Certainly, an immediate threat of danger to human life is an equally, if not a more compelling justification for emergency interception than the current statutory basis set out in section 2518(7).

Situations have arisen and may again arise in which terrorists or a felon while holding hostages, use an available telephone to arrange with associates a strategy to force action on their demands or a plan of escape. In such a situation, interception of communications may be necessary to protect the lives of the hostages, yet time for obtaining a court order is not available. This amendment to section 2518(7) of Title 18 would make it clear that an emergency interception may be authorized without prior court approval when there is imminent danger to human life.

The second amendment to section 2518 (7) contained in section five of this bill simply provides that an emergency interception authorized under 18 U.S.C. 2518(7) may be effected by means of a surreptitious entry. As under current law, an application for an order approving an emergency interception must be made within forty-eight hours, and the application and the order, if granted, would be required to conform with the provisions set forth in this bill concerning surreptitious entry, if such an entry were made in the course of an emergency interception.

Section six. Section 2519 of Title 18 currently provides that certain information concerning Title III interceptions be reported to the Administrative Office of the United States Courts. Section six of this bill would amend 18 U.S.C. 2519 to require that the number and purpose of surreptitious entries made in the course of an interception also be included in the reported information. The statement of the purpose of the surreptitious entry will simply indicate whether the entry was made to install, repair, reposition, replace, or remove the device. This information would be available in the written notices filed with the issuing judge in accordance with the proposed amendment to 18 U.S.C. 2518(4).

Compilation of this data will enable Congress and others interested in the use of eavesdropping for law enforcement purposes to assess the extent to which surreptitious entries are used to effect Title III interceptions.

Section seven. This section corrects the paragraph references in section 2519(2) to reflect the addition of a new paragraph two, and redesignation of current paragraphs of, section 2519(1) in section six of the bill.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS,
Washington, D.C., August 31, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: In response to your request of August 28, 1979, we have prepared tables on the number of state and federal intercepts installed, by location and type, during calendar years 1968 through 1978. The tables are as follows:

1. Table 1, State and Federal Phone Wire Intercepts Installed, by Location, for the Years 1968 through 1978;

2. Table 2, State and Federal Microphone-Eavesdrop Intercepts Installed, by Location, for the Years 1968 through 1978;

3. Table 3, State and Federal Phone Wire/Microphone Eavesdrop Intercepts Installed, by Location, for the Years 1968 through 1978; and

4. Table 4, State and Federal Intercepts Installed Using Other Types of Surveillance, by Location, for the Years 1968 through 1978.

In addition we are enclosing a copy of the report instructions, the docket set, and the Wiretap Report for calendar year 1978.

Sincerely yours,

JAMES A. MCCAFFERTY.

Enclosures.

TABLE 1.—STATE AND FEDERAL PHONE WIRE INTERCEPTS INSTALLED, BY LOCATION, FOR THE YEARS 1968 THROUGH 1978 [1]

Jurisdiction and year	Total installed	Location					
		Single-family dwelling	Apartment	Multi-dwelling	Business	Combination [2]	Other
Total Federal and State	6,096	2,527	1,600	397	1,012	320	230
Total Federal	1,160	424	308	48	163	179	38
1968							
1969	27	10	7	3	7		
1970	171	49	56	4	33	22	7
1971	270	115	78	11	30	27	9
1972	187	[illegible]	57	10	14	31	11
1973	105	41	29	6	13	15	1
1974	97	36	20	5	14	20	2
1975	[illegible]	26	23	4	11	18	1
1976	109	44	26	1	14	20	4
1977	57	[illegible]	8	3	9	18	3
1978	54	23	4	1	[illegible]	8	
Total State	4,936	2,113	1,292	349	849	141	192
1968	147	57	44	6	40		
1969	222	110	55	9	45	3	
1970	367	144	91	34	70	8	20
1971	483	219	124	30	90	9	11
1972	592	276	149	43	86	10	28
1973	626	243	186	48	102	11	36
1974	536	204	123	[illegible]	111	22	25
1975	537	224	154	28	92	22	17
1976	472	200	125	49	[illegible]	12	19
1977	498	220	136	[illegible]	70	26	21
1978	456	216	105	26	76	18	15

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.
[2] Combination refers to the number of authorized interceptions where more than 1 location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division, Washington, D.C. 20544.

TABLE 2.—STATE AND FEDERAL MICROPHONE-EAVESDROP INTERCEPTS INSTALLED BY LOCATION, FOR THE YEARS 1968 THROUGH 1978 [1]

Jurisdiction and year	Total installed	Location					
		Single family dwelling	Apartment	Multi-dwelling	Business	Combination [2]	Other
Total Federal and State	282	[illegible]	38	6	137	5	77
Total Federal	79	6	11	3	43	2	14
1968							
1969	1				1		
1970	3		1		2		
1971	5		1		2		2
1972	5		2		2		1
1973	12	2	1		5		4
1974	10	1		1	7		1
1975	11	1	3		5	1	1
1976	10		1		5	1	3
1977	9	2	1	1	4		1
1978	13		1	1	10		1
Total State	203	13	27	3	94	3	[illegible]
1968							
1969	14		1		8		5
1970	18		4	1	6		7
1971	12	1	1		4		6
1972	24	1	2		7	1	13
1973	36	7	6		14		9
1974	26		6	1	14	1	4
1975	26	1	5		15		5
1976	16	1			9	1	5
1977	17	2	2	1	5		7
1978	14				12		2

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.
[2] Combination refers to the number of authorized interceptions where more than 1 location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division, Washington, D.C. 20544.

TABLE 3.—STATE AND FEDERAL PHONE WIRE/MICROPHONE EAVESDROP INTERCEPTS INSTALLED, BY LOCATION, FOR THE YEARS 1968 THROUGH 1978[1]

Jurisdiction and year	Total installed	Location: Single family dwelling	Apartment	Multi-dwelling	Business	Combination[2]	Other
Total Federal and State	203	22	34	5	80	42	20
Total Federal	103	8	8	1	47	36	3
1968							
1969	2					2	
1970	5	1	1		3		
1971	6		1		2	3	
1972	13	1	1		4	5	2
1973	13	2	2		5	4	
1974	13		1		7	5	
1975	12			1	9	2	
1976	15		1		7	6	1
1977	11	1	1		5	4	
1978	13	3			5	5	
Total State	100	14	26	4	33	6	17
1968							
1969	4	1	2		1		
1970	18	3	9		3		3
1971	8	1	2	1	1		3
1972	15	2	2	2	4	1	4
1973	19	2	5		9		3
1974	5		1		4		
1975	7		3		2	2	
1976	10	2	1		4	1	2
1977	7	2	1	1	2	1	
1978	7	1			3	1	2

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.
[2] Combination refers to the number of authorized interceptions where more than one location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division, Washington, D.C. 20544.

TABLE 4.—STATE AND FEDERAL INTERCEPTS INSTALLED USING OTHER TYPES OF SURVEILLANCE, BY LOCATION, FOR THE YEARS 1968 THROUGH 1978[1]

Jurisdiction and year	Total installed	Location: Single family dwelling	Apartment	Multi-dwelling	Business	Combination[2]	Other
Total Federal and State	29	8	5		6	2	8
Total Federal	3	1				1	1
1968							
1969							
1970							
1971							
1972							
1973							
1974							
1975							
1976		2				1	1
1977							
1978	1	1					
Total State	26	7	5		6	1	7
1968							
1969							
1970							
1971	8	3			2	1	2
1972	5		2		1		2
1973	1	1					
1974	7	2	3		1		1
1975							
1976	1				1		
1977	2	1			1		
1978	2						2

[1] 1968 data covers the period June 20 to Dec. 31, 1968. All other data is for the entire calendar year.
[2] Combination refers to the number of authorized interceptions where more than one location was reported.

Source: Prepared by the Administrative Office of the U.S. Courts, Statistical Analysis and Report Division, Washington, D.C. 20544.

ADDITIONAL COSPONSORS

S. 43

At the request of Mr. HATCH, the Senator from Iowa (Mr. JEPSEN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Mississippi (Mr. STENNIS), the Senator from Georgia (Mr. TALMADGE), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act.

S. 91

At the request of Mr. THURMOND, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 91, a bill to amend title 10, U.S. Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes.

S. 105

At the request of Mr. WALLOP, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 105, the Parental Kidnaping Prevention Act of 1979.

S. 391

At the request of Mr. ROTH, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 391, a bill to limit the burden reporting requirements placed on small businesses, to provide for the pilot testing of reporting forms issued or required by the Federal Government, to establish procedures for the reduction of the reporting burden upon small businesses on a continuing basis, and for other purposes.

S. 600

At the request of Mr. KENNEDY, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 600, the Small and Independent Business Protection Act of 1979.

S. 616

At the request of Mr. DOLE, the Senator from North Carolina (Mr. HELMS) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 616, a bill to amend the Internal Revenue Code to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations.

S. 625

At the request of Mr. WALLOP, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977.

S. 655

At the request of Mr. WEICKER, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 655, the Small Business Investment Incentive Act.

S. 731

At the request of Mr. SCHWEIKER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 731, a bill to amend titles XVIII and XIX of the Social Security Act to strengthen the capabilities of the States and the Federal Government to detect medicaid fraud and abuse.

S. 879

At the request of Mr. CHILES, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 879, a bill to provide lump sum death benefits for certain Federal law officers and firefighters killed in the line of duty.

S. 1004

At the request of Mr. BENTSEN, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 1004, a bill to suspend the duty on freight cars until the close of June 30, 1981.

S. 1246

At the request of Mr. KENNEDY, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 1246, the Energy Antimonopoly Act of 1979.

S. 1252, S. 1253, S. 1254, S. 1255, S. 1256, AND S. 1257

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 1252, S. 1253, S. 1254, S. 1255, S. 1256, and S. 1257, bills to increase productivity.

S. 1269

At the request of Mr. SCHWEIKER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1269, a bill to amend the Urban Mass Transportation Assistance Act of 1964 with respect to reduced fare ridership for elderly or handicapped persons.

S. 1295

At the request of Mr. CULVER, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1295, the Senior Citizens Health Insurance Reform Act of 1979.

S. 1411

At the request of Mr. CHILES, the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 1411, a bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management.

S. 1433

At the request of Mr. PACKWOOD, the Senator from Florida (Mr. CHILES), the Senator from Tennessee (Mr. SASSER), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 1433, a bill to improve the certification process used by the Federal Aviation Authority for passenger airplanes.

S. 1475

At the request of Mr. BENTSEN, the Senator from New York (Mr. JAVITS), the Senator from Indiana (Mr. LUGAR), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1475, a bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage the creation and growth of new and innovative firms.

S. 1481

At the request of Mr. WEICKER, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1481, the Small Business Participating Debenture bill.

S. 1505

At the request of Mr. COCHRAN, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1505, to amend the IRC to provide that the amount of a deduction in the case of a disaster loss shall be increased by an amount computed with regard to the replacement cost of property lost in the disaster.

S. 1523

At the request of Mr. THURMOND, the Senator from Tennessee (Mr. BAKER) was added as cosponsors of S. 1523, a bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration.

S. 1571

At the request of Mr. PACKWOOD, the Senator from Wisconsin (Mr. NELSON), the Senator from Texas (Mr. BENTSEN), and the Senator from Massachusetts (Mr. TSONGAS), were added as cosponsors to S. 1571, a bill to amend the Internal Revenue Code to provide increased incentives for the utilization of alternative energy sources.

S. 1576

At the request of Mr. BAKER (for Mr. JEPSEN), the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1576, a bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes.

S. 1577

At the request of Mr. BAKER (for Mr. JEPSEN), the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1577, a bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 1658

At the request of Mr. JAVITS, the Senator from Rhode Island (Mr. PELL) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 1658, the Asbestos School Hazard Detection and Control Act of 1979.

S. 1680

At the request of Mr. HATCH, the Senator from Wyoming (Mr. SIMPSON), the Senator from Nevada (Mr. LAXALT) and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 1680, a bill to provide for the cession and conveyance to the States of federally owned unreserved, unappropriated funds, and to establish policy, methods, procedures, schedules, and criteria for such transfers.

SENATE JOINT RESOLUTION 85

At the request of Mr. SCHWEIKER, the Senator from Florida (Mr. CHILES) was added as a cosponsor of Senate Joint Resolution 85, to authorize and request the President to proclaim the week of September 16–22, 1979, as "National Meals on Wheels Week."

SENATE JOINT RESOLUTION 100

At the request of Mr. SASSER, the Senator from Mississippi (Mr. COCHRAN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Indiana (Mr. LUGAR), and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Joint Resolution 100, to authorize the President to proclaim May 1, 1980 as National Bicycling Day.

SENATE RESOLUTION 216

At the request of Mr. PROXMIRE, the Senator from North Dakota (Mr. BURDICK) and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Resolution 216, relating to the construction of the Senate office buildings.

SENATE CONCURRENT RESOLUTION 36—ORIGINAL CONCURRENT RESOLUTION REPORTED DURING THE RECESS REVISING THE CONGRESSIONAL BUDGET FOR FISCAL YEARS 1980, 1981, AND 1982

Mr. MUSKIE, from the Committee on the Budget, pursuant to the order of the Senate on August 3, 1979, reported the following original resolution on August 24, 1979:

S. CON. RES. 36

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to subsection 310(a) of the Congressional Budget Act of 1974, that:

In order to achieve a balanced budget in fiscal year 1981, the following budgetary levels are appropriate for the fiscal years beginning on October 1, 1979, October 1, 1980, and October 1, 1981—

(a) the recommended level of Federal revenues is as follows:

Fiscal year 1980: $514,700,000,000;
Fiscal year 1981: $603,600,000,000;
Fiscal year 1982: $658,400,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1980: +$2,000,000,000;
Fiscal year 1981: +$9,700,000,000;
Fiscal year 1982: —$38,700,000,000;

(b) the appropriate level of total new budget authority is as follows:

Fiscal year 1980: $632,200,000,000;
Fiscal year 1981: $649,200,000,000;
Fiscal year 1982: $722,500,000,000;

(c) the appropriate level of total budget outlays is as follows:

Fiscal year 1980: $542,700,000,000;
Fiscal year 1981: $588,600,000,000;
Fiscal year 1982: $632,800,000,000;

(d) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1980: —$28,000,000,000;
Fiscal year 1981: +$15,000,000,000;
Fiscal year 1982: +$25,600,000,000;

(e) the appropriate level of the public debt is as follows:

Fiscal year 1980: $887,400,000,000;
Fiscal year 1981: $906,200,000,000;
Fiscal year 1982: $921,400,000,000;

the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1980: $57,400,000,000;
Fiscal year 1981: $76,200,00,000;
Fiscal year 1982: $91,400,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (b) and (c) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to subsection 310(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1979, October 1, 1980, and October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(a) National Defense (050):

Fiscal year 1980:

(A) New budget authority, $136,800,000,000;

(B) Outlays, $127,400,000,000.

Fiscal year 1981:

(A) New budget authority, $147,300,000,000;

(B) Outlays, $138,300,000,000.

Fiscal year 1982:

(A) New budget authority, $159,000,000,000;

(B) Outlays, $148,900,000,000.

(b) International Affairs (150):

Fiscal year 1980:

(A) New budget authority, $13,100,000,000;

(B) Outlays, $8,300,000,000.

Fiscal year 1981:

(A) New budget authority, $14,000,000,000;

(B) Outlays, $8,700,000,000.

Fiscal year 1982:
(A) New budget authority, $14,900,000,000;
(B) Outlays, $8,700,000,000.
(c) General Science, Space, and Technology (250):
Fiscal year 1980:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $5,700,000,000.
Fiscal year 1981:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $5,800,000,000:
Fiscal year 1982:
(A) New budget authority, $5,600,000,000;
(B) Outlays, $5,700,000,000.
(d) Energy (270):
Fiscal year 1980:
(A) New budget authority, $41,000,000,000;
(B) Outlays $7,000,000,000.
Fiscal year 1981:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $7,600,000,000.
Fiscal year 1982:
(A) New budget authority, $24,200,000,000;
(B) Outlays, $9,500,000,000.
(e) Natural Resources and Environment (300):
Fiscal year 1980:
(A) New budget authority, $12,700,000,000;
(B) Outlays, $11,900,000,000.
Fiscal year 1981:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $12,700,000,000.
Fiscal year 1982:
(A) New budget authority, $14,100,000,000;
(B) Outlays, $13,500,000,000.
(f) Agriculture (350):
Fiscal year 1980:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $2,600,000,000.
Fiscal year 1981:
(A) New budget authority, $4,800,000,000;
(B) Outlays, $3,200,000,000.
Fiscal year 1982:
(A) New budget authority, $3,900,000,000;
(B) Outlays, $3,600,000,000.
(g) Commerce and Housing Credit (370):
Fiscal year 1980:
(A) New budget authority, $6,800,000,000;
(B) Outlays, $3,000,000,000.
Fiscal year 1981:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $3,500,000,000.
Fiscal year 1982:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $3,200,000,000.
(h) Transportation (400):
Fiscal year 1980:
(A) New budget authority, $19,500,000,000;
(B) Outlays, $18,600,000,000.
Fiscal year 1981:
(A) New budget authority, $21,700,000,000;
(B) Outlays, $19,800,000,000.
Fiscal year 1982:
(A) New budget authority, $20,400,000,000;
(B) Outlays, $20,800,000,000.
(i) Community and Regional Development (450):
Fiscal year 1980:
(A) New budget authority, $8,900,000,000;
(B) Outlays, $8,400,000,000.
Fiscal year 1981:
(A) New budget authority, $9,900,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1982:
(A) New budget authority, $9,500,000,000;
(B) Outlays, $9,600,000,000.
(j) Education, Training, Employment, and Social Services (500):
Fiscal year 1980:
(A) New budget authority, $29,700,000,000;
(B) Outlays, $30,500,000,000.
Fiscal year 1981:
(A) New budget authority, $30,400,000,000;
(B) Outlays, $30,000,000,000.
Fiscal year 1982:
(A) New budget authority, $30,300,000,000;
(B) Outlays, $30,000,000,000.
(k) Health (550):
Fiscal year 1980:
(A) New budget authority, $58,800,000,000;
(B) Outlays, $54,200,000,000.
Fiscal year 1981:
(A) New budget authority, $70,500,000,000;
(B) Outlays, $61,100,000,000.
Fiscal year 1982:
(A) New budget authority, $82,100,000,000;
(B) Outlays, $68,100,000,000.
(l) Income Security (600):
Fiscal year 1980:
(A) New budget authority, $216,600,000,000;
(B) Outlays, $188,400,000,000.
Fiscal year 1981:
(A) New budget authority, $243,300,000,000;
(B) Outlays, $210,500,000,000.
Fiscal year 1982:
(A) New budget authority, $273,500,000,000;
(B) Outlays, $233,000,000,000.
(m) Veterans Benefits and Services (700):
Fiscal year 1980:
(A) New budget authority, $21,200,000,000;
(B) Outlays, $20,500,000,000.
Fiscal year 1981:
(A) New budget authority, $21,800,000,000;
(B) Outlays, $21,400,000,000.
Fiscal year 1982:
(A) New budget authority, $22,600,000,000;
(B) Outlays, $22,500,000,000.
(n) Administration of Justice (750):
Fiscal year 1980:
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,400,000,000.
Fiscal year 1981:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1982:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,500,000,000.
(o) General Government (800):
Fiscal year 1980:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1981:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,400,000,000.
Fiscal year 1982:
(A) New budget authority, $4,900,000,000;
(B) Outlays, $4,600,000,000.
(p) General Purpose Fiscal Assistance (850):
Fiscal year 1980:
(A) New budget authority, $9,300,000,000;
(B) Outlays, $9,300,000,000.
Fiscal year 1981:
(A) New budget authority, $8,200,000,000;
(B) Outlays, $8,600,000,000.
Fiscal year 1982:
(A) New budget authority, $8,200,000,000;
(B) Outlays, $8,200,000,000.
(q) Interest (900):
Fiscal year 1980:
(A) New budget authority, $58,100,000,000;
(B) Outlays, $58,100,000,000.
Fiscal year 1981:
(A) New budget authority, $60,900,000,000;
(B) Outlays, $60,900,000,000.
Fiscal year 1982:
(A) New budget authority, $62,300,000,000;
(B) Outlays, $62,300,000,000.
(r) Allowances (920):
Fiscal year 1980:
(A) New budget authority, —$100,000,000;
(B) Outlays, —$100,000,000.
Fiscal year 1981:
(A) New budget authority, —$100,000,000;
(B) Outlays, —$100,000,000.
Fiscal year 1982:
(A) New budget authority, $0;
(B) Outlays, $0.
(s) Undistributed Offsetting Receipts (950):
Fiscal year 1980:
(A) New budget authority, —$19,700,000,000;
(B) Outlays, —$19,700,000,000.
Fiscal year 1981:
(A) New budget authority, —$21,500,000,000;
(B) Outlays, —$21,500,000,000.
Fiscal year 1982:
(A) New budget authority, —$23,900,000,000;
(B) Outlays, —$23,900,000,000.

SEC. 3. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Appropriations shall reduce spending in reported or enacted laws, bills, and resolutions by $2,900,000,000 in budget authority and $2,500,000,000 in outlays for fiscal year 1980 and are instructed to report promptly, in accordance with section 310 of such Act, their recomendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 4. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Agriculture shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in budget authority and $100,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, their recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 5. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Armed Services shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in budget authority and $100,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, their recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 6. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $250,000,000 in budget authority and are instructed to report promptly, in accordance with section 301 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 7. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Senate Committee on Finance and the House Committee on Ways and Means shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $1,700,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 8. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Senate Committee on Governmental Affairs and the House Committee on Government Operations shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 9. Pursuant to subsection 310(a) of the Congressional Budget Act of 1974, the Committees on Veterans' Affairs shall reduce spending for fiscal year 1980 in reported or enacted laws, bills, and resolutions by $100,000,000 in budget authority and $200,000,000 in outlays and are instructed to report promptly, in accordance with section 310 of such Act, recommendations for changes in new budget authority for fiscal year 1980, budget authority initially provided for prior fiscal years, and new spending authority which is to become effective during fiscal year 1980 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this section.

SEC. 10. Pursuant to section 300 and 310 of the Congressional Budget Act of 1974, the committees specified in sections 3 to 9 herein shall report the recommendations required by this resolution not later than September 25, 1979, or ten days after Congress completes action on this resolution, whichever first occurs.

AMENDMENTS SUBMITTED FOR PRINTING

MONETARY POLICY IMPROVEMENT ACT OF 1979—S. 85

AMENDMENT NO. 398

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs)

Mr. PROXMIRE (for himself, Mr. BURDICK, and Mr. BUMPERS) submitted an amendment intended to be proposed by them jointly, to S. 85, a bill to amend the Federal Reserve Act to provide for maintenance of reserves in order to facilitate the implementation of monetary policy, to promote competitive equality among depository institutions, to require the imposition of service charges for services by Federal Reserve banks, and for other purposes.

Mr. PROXMIRE. Mr. President, I am today introducing an amendment to S. 85, the Monetary Policy Improvement Act of 1979, which incorporates many of the ideas that have been talked about during the course of extensive hearings on the so-called Fed membership problem, during meetings on this subject by various groups within the banking community, and during the evolution of H.R. 7 through the House of Representatives. This amendment is being offered as a substitute for the original text of S. 85 and will be considered by the Banking Committee along with H.R. 7 at hearings that have been scheduled for September 26 and 27, 1979.

This issue has been before the Congress for a considerable time and if no consensus can be reached during this session it will be an ongoing issue until it is resolved. To call it the Fed membership issue is incorrect for the issue goes far beyond the problem of the continued erosion of membership in the Federal Reserve System. That is, of course, the problem which brought the broader issues out into the open. But, in my view, and in the view of former Chairman G. William Miller, membership in the central bank is not essential. The evolution of banking and the financial markets in the past 30 years has been dramatic, and it is time to consider needed and fundamental reforms in the Federal Reserve System to make it truly our Nation's central bank unencumbered by worries about membership.

The primary responsibility of the Federal Reserve today is the conduct of monetary policy, a function that was not even envisioned in 1913 when the Congress passed the Federal Reserve Act. In fact, the most important monetary policy committee within the Federal Reserve, the Federal Open Market Committee, was not created until 1933. And since then the importance of monetary policy to the well-being of the Nation has expanded dramatically. If the Congress is to continue to depend on the Federal Reserve to manage our money and credit needs, it is the Congress responsibility to make sure that the Fed has both the necessary tools and a broad base within the financial system from which those tools can be used. The continued reduction of the proportion of deposits covered by reserve requirements could weaken the Fed's ability to implement monetary policy.

The innovativeness of the financial system has developed an expanded payments mechanism which goes far beyond that of 1913, 1933, or even 1970. Our basic money supply used to be composed of only currency, coin, and demand deposits at banks—checking accounts. But, in recent years, our means of payments have expanded to include negotiable order of withdrawal accounts (NOW's), credit union share drafts, telephone transfer and billpayer accounts, remote service units, automatic transfer accounts, and others. If control of the money supply is important to this economy, and there is almost nobody that says it is not, then the Federal Reserve must be in a position to use its policy tools to the growth of currency, demand deposits and the new types of money, regardless of whether those components of money are deposits at member banks, nonmember banks, credit unions, mutual savings banks, or savings and loan associations.

Mr. President, important and beneficial changes are needed if the Federal Reserve System is to continue to remain strong and effective. I have tried to incorporate these into the legislation I am submitting today. The broad objectives which are sought by this legislation are:

First, to insure on a permanent basis that the Federal Reserve has the ability to control money and credit in a rapidly changing financial environment;

Second, to promote greater competitive equality among financial institutions;

Third, to provide for changes in the reserve requirement structure that provide for a lower, more uniform, and more equitable structure while at the same time providing the necessary cover to strengthen the ability of the Fed to control both money and credit;

Fourth, to enhance the safety and soundness of the banking system by providing direct access to the Federal Reserve's discount window for all depository institutions offering transaction accounts based on need, not affiliation;

Fifth, to improve the efficiency of the payments mechanism by the establishment of a system of fees for Federal Reserve services, now offered without charge, by encouraging faster clearing and less float, and by providing access to Federal Reserve services to all depository institutions at the same price;

Sixth, to free the Federal Reserve Board from any overbearing concern it may have that its decisions with regard to issues of monetary policy, or supervision and regulation of banks or bank holding companies may adversely affect membership in the Federal Reserve Sys-

tem and, therefore, weaken its ability to act; and

Seventh, to accomplish the above objectives in a manner that provides the maximum benefit at a reasonable and justifiable cost to the U.S. Treasury and the American taxpayers.

Mr. President, on July 18, 1979 the Banking Leadership Conference of the American Bankers Association issued a consensus statement in which it affirmed the importance of preserving the strength, independence, and monetary effectiveness of the Federal Reserve. The statement also indicated that the ABA would be willing to support legislation which established reserve requirements set by the Federal Reserve on all transactions accounts offered by any and all financial intermediaries, with some allowance for size considerations. This structure has been called the level-playing field because all depositories would be treated in the same manner. The legislation that I am introducing today satisfies those requirements.

SUMMARY OF MAIN FEATURES

Reserve requirements: All depository institutions would be required to hold reserves against their transaction accounts and nonpersonal time deposits. There would be no reserve requirements against personal time and savings deposits. For transaction accounts the reserve requirement would be 3 percent on the first $5 million and 12 percent on such accounts in excess of $5 million. The Federal Reserve Board would be given the authority to vary the reserve ratio on accounts above $5 million within a range of 11 to 13 percent solely for the purpose of implementing monetary policy. For nonpersonal time deposits the reserve requirement would be zero percent on the first $5 million and 6 percent on such deposits above $5 million. The Board would have the authority to vary the reserve ratio on such deposits in excess of $5 million within a range of 0 to 12 percent, again solely for the purpose of implementing monetary policy. The Board would also be given flexibility to impose reserve requirements above or below the prescribed limits in extraordinary circumstances for a period of 30 days.

This simplified and lower reserve requirement structure would permit a reduction in reserves maintained by member banks at the Federal Reserve banks of more than $10 billion, while total reserves of the banking system would be reduced by about $7 billion. At the same time the proportion of total bank deposits held at those banks subject to reserve requirements would be increased from 72 percent to approximately 87 percent. The number of banks holding reserves would increase from 5,062, total number of members banks, to 6,872.

Reporting requirements: The Federal Reserve Board would be authorized to require periodic reporting of liabilities and assets from all depository institutions whose reserve requirements are greater than zero as may be necessary or desirable to enable the Board to monitor and control the monetary and credit aggregates. Institutions not subject to reserve requirements would provide such reports to their respective supervisory agencies.

Discount window: Any depository institution in which transaction accounts are held would be entitled to access to the Federal Reserve's discount window on the same terms and conditions as member banks.

Federal Reserve services: The Federal Reserve would be required to publish for public comment a set of pricing principles and a proposed schedule of fees based on those principles for services offered by Federal Reserve banks to depository institutions within 6 months after enactment of the legislation. The Board would also be required to put into effect a schedule of fees for such services within 18 months after the date of enactment of the legislation.

All Federal Reserve services covered by the fee schedule would be made available to nonmember depository institutions at the same fee applicable to member banks.

The fees are to be established on the basis of all direct and indirect costs actually incurred including overhead and an allocated or imputed cost for taxes and the rate of return on capital that would have applied if such services were provided by private business firms, except where the Board determines that it is necessary to depart from this principle in order to prevent a serious and long lasting impairment of the Nation's payments system.

One of the services that the Federal Reserve provides—Federal Reserve float—arises from the clearing of checks and other paper items. The Fed is attempting to reduce the level of float by operational means and is studying possible changes in rules for clearing that may be needed to further reduce float. The legislation would require that any float remaining after such reductions be charged for at the current rate of interest applicable in the market for Federal funds.

Treasury revenues: The legislation would affect the revenues of the Federal Reserve System and ultimately the Treasury and, therefore, the budget deficit in a number of ways. First, the revised reserve requirement structure would reduce reserve requirements for member banks by $10.2 billion. This would increase member banks earnings and cost the Treasury approximately $660 million in pretax revenues. Second, the application of reserve requirements to insured and noninsured nonmember banks will result in an increase of reserves of $3.3 billion and an increase in pretax revenues to the Treasury of $213.4 million. Third, the mandate to begin charging for Federal Reserve services would produce an additional $410 million in pretax revenues to the Treasury at current service levels. Fourth, assuming reduction of float to end-of-year 1977 levels, the Federal Reserve would collect an additional $247 million in fees for the remaining float.

The combined effect of these changes would result in a pretax revenue gain to the Treasury of $210 million. However, these net gains in revenue to the Treasury would be subject to offsetting taxes against increased earnings and write-offs against increased expenses. The Treasury has estimated that the revenue loss would be at a 55-percent rate. Therefore, the net revenue gains to the Treasury would be approximately $116 million. This is a net gain in revenue, not a loss as would be the case with all other proposals. The revenue loss to the Treasury after taking into consideration of the amount to be recaptured by taxes of H.R. 7 is over $300 million and could be much more, perhaps more than $1 billion, depending on how the pricing of Federal Reserve services is handled. Given the President's commitment to hold down the deficit and to balance the budget, we must be mindful of the effects that this legislation will have on Treasury revenues. In our inflationary environment, with the CPI increasing at 13 percent, the use of Treasury revenues to provide additional revenues for the banks, will be extremely difficult to justify to the voters of the Nation.

Mr. President, I had an opportunity to meet with Chairman Volcker yesterday to discuss the Fed membership legislation. Several different approaches were the subject of our meeting, including some new ideas that Chairman Volcker has put forth. He will be discussing this issue with various groups over the next 2 or 3 weeks prior to our committee hearings on September 26 and 27.

Mr. President, I ask unanimous consent that the text of my amendment and the section-by-section analysis of the amendment be included in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 398

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Monetary Policy Improvement Act of 1979".

DEFINITIONS

SEC. 2. Section 19(a) of the Federal Reserve Act (12 U.S.C. 461(a)) is amended by adding at the end thereof the following new paragraphs:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act;

"(6) any insured institution as defined in section 401 of the National Housing Act; and

"(7) for the purpose of section 13 and the fourteenth paragraph of section 16, any association or entity which is wholly owned by

or which consists only of institutions referred to in clauses (1) through (6).

"The term 'bank' means any insured or noninsured bank, as defined in section 3 of the Federal Deposit Insurance Act, other than a mutual savings bank or a savings bank as defined in section 3 of the Federal Deposit Insurance Act.

"The term 'transaction account' means a deposit or account on which the depositor or account holder is allowed to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, or other similar item for the purpose of making payments or transfers to third persons or others. Such term includes demand deposits, negotiable order of withdrawal accounts, savings deposits subject to automatic transfers, and share draft accounts.

"The term 'nonpersonal time deposits' means a time deposit or account representing funds deposited to the credit of, or in which any beneficial interest is held by a depositor who is not a natural person.

"In order to prevent evasions of the reserve requirements imposed by this Act, after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, the Board of Governors of the Federal Reserve System is further authorized to determine, by regulation or order, that an account or deposit is a transaction account if such account or deposit may be used to provide funds directly or indirectly for the purpose of making payments or transfers to third persons or others.".

REPORTING REQUIREMENTS

SEC. 3 Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended—

(1) by inserting "(1)" immediately after "(a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) To require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabilities and assets as the Board may determine to be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made (A) directly to the Board in the case of member banks and in the case of other depository institutions whose reserve requirements under section 19 of this Act exceed zero, and (B) for all other reports to the Board through the (i) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, savings banks, and mutual savings banks, (ii) National Credit Union Administration Board in the case of insured credit unions, (iii) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (iv) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to avoid the imposition of unnecessary burdens on reporting institutions and the duplication of other reporting requirements. Any data provided to any department, agency, or instrumentality of the United States pursuant to other reporting requirements shall be made available to the Board. The Board may classify depository institutions for the purposes of this paragraph and may impose different requirements on each such class.".

RESERVE REQUIREMENTS

SEC. 4. Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended to read as follows:

"(b)(1) RESERVE REQUIREMENTS.—(A) Each depository institution shall maintain reserves against its transaction accounts as the Board may by regulation prescribe solely for the purpose of implementing monetary policy—

"(i) in the ratio of 3 per centum for that portion of its total transaction accounts of $5,000,000 or less; and

"(ii) in the ratio of 12 per centum, or in such other ratio as the Board may prescribe not greater than 13 per centum and not less than 11 per centum, for that portion of its total transactions accounts in excess of $5,000,000.

"(B) Each depository institution shall maintain reserves against its nonpersonal time deposits as the Board may by regulation prescribe solely for the purpose of implementing monetary policy—

"(i) in the ratio of 0 per centum for that portion of its nonpersonal time deposits if $5,000,000 or less; and

"(ii) in the ratio of 6 per centum, or in such other ratio not greater than 12 per centum and not less than 0 per centum, for that portion of its nonpersonal time deposits in excess of the $5,000,000.

"(2) WAIVER OF RATIO LIMITS.—Upon a finding by the Board that extraordinary circumstances require such action, the Board, after consultation with the appropriate committees of the Congress, may impose reserve requirements above or below the limits otherwise prescribed by this section for a period not exceeding thirty days, and for further periods not exceeding thirty days each by affirmative action by the Board in each instance. The Board shall promptly transmit to the Congress a report of any exercise of its authority under this paragraph and the reasons for such exercise.

"(3) PRIVILEGES OF INSTITUTIONS MAINTAINING RESERVES.—During any period that a depository institution is maintaining reserves pursuant to this section, such depository institution shall be entitled to all the privileges of membership in the Federal Reserve System, except that, if it is not otherwise a member, it may not hold stock in, or vote for any director of, a Federal Reserve bank.

"(4) RESERVES RELATED TO FOREIGN OBLIGATIONS OR ASSETS.—Foreign branches, subsidiaries, and international banking facilities of nonmember depository institutions shall maintain reserves to the same extent required by the Board of foreign branches, subsidiaries, and international banking facilities of member banks. In addition to any reserves otherwise required to be maintained pursuant to this subsection, any depository institution shall maintain reserves in such ratios as the Board may prescribe against—

"(A) net balances owed by domestic offices of such depository institution in the United States to its directly related foreign offices and to nonrelated foreign depository institutions,

"(B) loans to United States residents made by overseas offices of such depository institution if such depository institution has one or more offices in the United States, and

"(C) assets (including participations) held by foreign offices of a depository institution in the United States which were acquired from its domestic offices (other than assets representing credit extended to persons not residents of the United States).

"(5) EXEMPTION FOR CERTAIN DEPOSITS.—The requirements imposed by paragraph (1) of this subsection do not apply to deposits payable only outside the States of the United States and the District of Columbia, but nothing in this subsection limits the authority of the Board to impose conditions and requirements on member banks under section 25 of this Act or the authority of the Board under section 7 of the International Banking Act of 1978 (12 U.S.C. 3105).

"(6) DISCOUNT AND BORROWING.—Any depository institution in which transaction accounts are held shall be entitled to the same discount and borrowing privileges as member banks.

"(7) TRANSITIONAL ADJUSTMENTS.—

"(A) Any depository institution required to maintain reserves under this section which was engaged in business on July 1, 1979, but was not a member of the Federal Reserve System on that date, shall maintain reserves against its deposits during the first twelve-month period following the effective date of this paragraph in amounts equal to one-fourth of those otherwise required by this section, during the second such twelve-month period in amounts equal to one-half of those otherwise required, and during the third such twelve-month period in amounts equal to three-fourths of those otherwise required.

"(B) With respect to any bank which was a member of the Federal Reserve System on July 1, 1979, the amount of required reserves imposed pursuant to this section on the effective date of this section that exceeds the amount of required reserves maintained by the member institution during the reserve computation period immediately preceding the effective date of such paragraphs may, at the discretion of the Board and in accordance with such rules and regulations as it may adopt, be reduced by 75 per centum during the first year which begins after such effective date, 50 per centum during the second year, and 25 per centum during the third year.

"(C) In order to provide for an orderly transition period, the Board shall implement the reduction in reserve requirements resulting from the amendment of this subsection by the Monetary Policy Improvement Act of 1979 with respect to member banks over a period not greater than 48 months after the effective date of such paragraph.

"(D) Any depository institution which is a member bank on July 1, 1979, and leaves the Federal Reserve System after such date shall continue to be required to maintain reserves against its deposits after the effective date of this section as if it were a member bank.".

FORM OF RESERVES

SEC. 5. Section 19(c) of the Federal Reserve Act, as amended (12 U.S.C. 461) is amended to read as follows:

"(c) Reserves held by a depository institution to meet the requirements imposed pursuant to subsection (b) of this section shall be in the form of—

"(1) balances maintained for such purposes by such depository institution in the Federal Reserve bank of which it is a member or at which it maintains an account. However, the Board may, by regulation or order, permit depository institutions to maintain all or a portion of their required reserves in the form of vault cash, except that any portion so permitted shall be identical for all depository institutions; and

"(2) balances maintained by a nonmember depository institution in a depository institution that maintains required reserve balances at a Federal Reserve bank, in a Federal home loan bank, or in a central liquidity facility for credit unions, if such depository institution, Federal home loan bank, or cen-

tral liquidity facility maintains such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances received by a depository institution from another depository institution and used to satisfy the reserve requirement imposed on such depository institution by this section shall not be subject to the reserve requirements of this section imposed on such bank, and shall not be subject to assessment imposed on such bank, pursuant to section 7 of the Federal Deposit Insurance Act.".

MISCELLANEOUS AMENDMENTS

SEC. 6. (a) The first paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 342) is amended as follows:

(1) by inserting after the words "member banks" the words "or other depository institutions";

(2) by inserting after the words "payable upon presentation" the first and third times they appear, the words "or other items";

(3) by inserting after "payable upon presentation within its district," the words "or other items";

(4) by inserting after "nonmember bank or trust company," wherever it appears the words "or other depository institution";

(5) by striking out "sufficient to offset the items in transit held for its account by the Federal Reserve bank" and inserting in lieu thereof the words "in such amount as the Board determines taking into account items in transit, services provided by the Federal Reserve bank, and other factors as the Board may deem appropriate"; and

(6) by inserting after the words "nonmember bank" after the second colon the words "or other depository institution".

(b) The second paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended to read as follows:

"Each Federal Reserve bank shall maintain with the local Federal Reserve agent collateral in the form of financial assets in an amount not less than the amount of Federal Reserve notes issued by such bank and outstanding. Collateral shall not be required for Federal Reserve notes that are held in the vaults of Federal Reserve banks. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The Board of Governors may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued by it.".

(c) The thirteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 360) is amended—

(1) by striking out the words "member banks" wherever they appear and inserting in lieu thereof "depository institutions";

(2) by striking out the words "member bank" wherever they appear and inserting in lieu thereof "depository institution"; and

(3) by inserting after "checks" wherever it appears the words "and other items, including negotiable orders of withdrawal and share drafts".

(d) The fourteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 248 (o)) is amended by striking out "its member banks" and inserting in lieu thereof "depository institutions".

(e) The first sentence of section 19(e) of the Federal Reserve Act (12 U.S.C. 462) is amended to read as follows: "No member bank shall keep or deposit with any depository institution which is not authorized to have access to Federal Reserve advances under section 10(b) of this Act a sum in excess of 10 per centum of its own paid-up capital and surplus.".

ABOLITION OF PENALTY RATE

SEC. 7. Section 10(b) of the Federal Reserve Act (12 U.S.C. 347b) is amended by striking out the second sentence of the first paragraph thereof.

PRICING OF SERVICES

SEC. 8. The Federal Reserve Act is amended by inserting after section 11 the following new section:

"SEC. 11A. (a) Not later than the first day of the sixth calendar month after the date of enactment of the Monetary Policy Improvement Act of 1979, the Board shall publish for public comment a set of pricing principles in accordance with this section and a proposed schedule of fees based upon those principles for Federal Reserve bank services to depository institutions, and not later than the first day of the eighteenth calendar month after the date of enactment of the Monetary Policy Improvement Act of 1979, the Board shall put into effect a schedule of fees for such services which is based on those principles.

"(b) The services which shall be covered by the schedule of fees under subsection (a) are—

"(1) currency and coin services;

"(2) check clearing and collection services;

"(3) wire transfer services;

"(4) automated clearinghouse services;

"(5) settlement services;

"(6) securities safekeeping services;

"(7) Federal Reserve float; and

"(8) any new services which the Federal Reserve system offers, including but not limited to payment services to effectuate the electronic transfer of funds.

"(c) The schedule of fees prescribed pursuant to this section shall be based on the following principles:

"(1) All Federal Reserve bank services covered by the fee schedule shall be priced explicitly.

"(2) All Federal Reserve bank services covered by the fee schedule shall be available to nonmember depository institutions and such services shall be priced at the same fee schedule applicable to member banks, except that nonmembers shall be subject to any other terms, including a requirement of balances sufficient for clearing purposes, that the Board may determine are applicable to member banks.

"(3) Over the long run, fees shall be established on the basis of all direct and indirect costs actually incurred in providing the Federal Reserve services priced, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been furnished by a private business firm, except that the pricing principles shall give due regard to competitive factors and the provision of an adequate level of such services nationwide.

"(4) Interest on items credited prior to collection shall be charged at the current rate applicable in the market for Federal funds.

"(d) The Board shall require reductions in the operating budgets of the Federal Reserve banks commensurate with any actual or projected decline in the volume of services to be provided by such banks. The full amount of any savings so realized shall be paid into the United States Treasury.".

AUTHORITY OF STATE BANK SUPERVISORS

SEC. 9. Nothing in the this Act or in the amendments made by this Act shall be construed in derogation of the authority of any officer or agency of State over any institutions organized or existing under the laws of such State.

EFFECTIVE DATES

SEC. 10. This Act shall take effect on the date of enactment, except that the amendments made by sections 4 and 5 of this Act shall take effect on the first day of the sixth month which begins after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1. Title. Title of the bill is the "Monetary Policy Improvement Act of 1979".

Section 2. Definitions. Defines the terms "depository institution", "bank", "transaction account", and "nonpersonal time deposits". The section also gives the Federal Reserve Board the authority to determine whether an account or deposit is a transaction account after consultation with the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board.

Section 3. Reporting Requirements. Gives the Federal Reserve Board the authority to collect reports of liabilities and assets from depository institutions as may be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates.

Section 4. Reserve Requirements. This section establishes rules pertaining to reserves to be held against deposits held by depository institutions.

Every depository institution would have reserve requirements against its transaction accounts of less than $5,000,000 in a ratio of 3% and in excess of $5,000,000 in a ratio of 12%, or within a range of 11% to 13%, as determined by the Board for the purpose of implementing monetary policy. Also, every depository institution would have reserve requirements against its nonpersonal time deposits in excess of $5,000,000 in a ratio of 6%, or within a range of 0% to 12%

The Board would be given the authority to impose reserve requirements outside statutory limits for a period of 30 days in extraordinary circumstances. The exercise of this authority would require the Board to report the reasons for such actions from the Congress.

Any depository institution maintaining reserves would be entitled to all the privileges of membership in the Federal Reserve System, except nonmembers could not hold stock in or vote for directors of a Federal Reserve Bank.

The Board's authority to apply reserve requirements against foreign obligations or assets of member banks is classified and such authority as extended to nonmember depository institutions. Reserves could be prescribed against net balances owed by domestic offices to foreign offices, loans to U.S. residents made by overseas offices, and assets held by foreign offices of a U.S. depository institution acquired from its domestic offices.

The authority of the Board to impose conditions and requirements in member banks under Section 25 of the Federal Reserve Act and section 7 of the International Banking Act of 1978 is not limited by this Act.

Any depository institution in which transaction accounts are held would have access to the discount window on the same basis as member banks.

There would be a four-year phase-in of reserve requirements for any depository institution that was not a member as of July 1, 1979. Similarly, any member bank as of July 1, 1979 with an increase in reserve requirements imposed pursuant to this legislation would have a four-year phase-in of the additional requirements.

The reduction of reserve requirements for member banks would be made over a four-year period.

A nonmember depository institution, organized under state law, with the principal

offices of which are outside the continental limit of the U.S. would not be required to hold reserves against its deposits until six years after the enactment of the legislation, and then the reserve requirements would be phased-in over an additional 10 years.

Any bank which is a member bank as of July 1, 1979 and leaves the Federal Reserve System would continue to be required to maintain reserves as if it were a member.

Section 5. Form of Reserves. The reserves held by a depository institution to meet its reserve requirements would be required to be held as (1) balances for that purpose at a Federal Reserve bank, (2) vault cash, or (3) balances maintained by a nonmember depository institution in a depository institution that maintains required reserve balances at a Federal Reserve bank, in a Federal Home Loan bank, or in a central liquidity facility for credit unions, provided such balances are maintained in the form of balances with a Federal Reserve bank.

Section 6. Miscellaneous Amendments. This section amends the Federal Reserve Act to permit the Federal Reserve bank to accept deposits and to clear checks or similar instruments received from nonmember depository institutions. It also amends the collateral requirements for Federal Reserve notes.

Section 7. Abolition of Penalty Rate. Eliminates the penalty rate on advances to member banks.

Section 8. Pricing of Services. This section requires that the Federal Reserve Board publish for comment a set of pricing principles for Federal Reserve services within six months after the date of enactment of the legislation. The Board would also be required to put a fee schedule into effect within 18 months after the date of enactment.

The services to be priced include currency and coin, check clearing and collection, wire transfers, ACH services, settlement, securities safekeeping, and Federal Reserve float with float to be valued at the Federal funds rate.

This section specifies a set of principles on which prices are to be based. It also indicates that if adherence to the pricing principles for system services results in an increase in the performance of such service by the private sector the Board would make commensurate reductions in system expenditures for the provision of such services.

Section 9. Authority of State Bank Supervisors. This section provides that nothing in the bill is to be construed in derogation of the authority of any state bank supervisor over any institution it supervises by state law.

Section 10. Effective Dates. The new reserve requirement included in Section 4 and 5 takes effect on the first day of the sixth calendar month after enactment. All other sections take effect on the date of enactment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from North Dakota (Mr. BURDICK) and the Senator from Arkansas (Mr. BUMPERS) be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Committee on Finance will hold a hearing on extension of the temporary limit on the public debt has been scheduled. The Honorable William G. Miller, Secretary of the Treasury, Mr. James T. McIntyre, Director of the Office of Management and Budget, and Alice M. Rivlin, Director of the Congressional Budget Office, will testify on the public debt at 2 p.m., Tuesday, September 11, 1979, in room 2221, Dirksen Senate Office Building.

The temporary debt limit of $836 billion which the Congress enacted in February of 1979 is due to expire on September 30.

By law, the budget is required to be in balance by fiscal year 1981.

The hearings will give Congress an opportunity to review the work of the Office of Management and Budget in preparing a balanced budget and implementing the requirements established by prior debt ceiling legislation.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by October 1, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, I wish to announce that the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a field hearing on Saturday, September 8, 1979, in room 120, Boyd Hall, Plymouth State College, Plymouth, N.H., commencing at 10 a.m. This hearing, to be chaired by Senator JOHN A. DURKIN, will deal with the home heating oil and kerosene supply situation in New Hampshire. Panels representing New Hampshire fuel oil dealers, citizen groups and energy and labor coalitions have been invited to testify. Questions about this hearing may be directed to James T. Bruce, of the subcommittee staff at 224-9894.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. FORD. Mr. President, I wish to announce that on Wednesday, September 12, 1979, at 10 a.m. in room 5110, Dirksen Senate Office Building, the Subcommittee on Energy Resources and Materials Production of the Senate Committee on Energy and Natural Resources will convene a hearing to inquire into the circumstances surrounding the issuance of noncompetitive oil and gas exploration leases by the Department of the Interior on lands belonging to the Fort Chaffee, Ark. military reservation.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, the oversight hearing on the ACTION Agency's Older American Volunteer Programs scheduled by the Subcommittee on Child and Human Development for September 18 has been postponed. The hearing is now scheduled for October 17 from 8 a.m. to 10:30 a.m.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Tuesday, September 11, and Wednesday, September 12, 1979, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold hearings on S. 1684, the Domestic Refinery Development and Improvement Act of 1979. These hearings will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Tuesday, September 18, 1979 the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a hearing on S. 1417, the Foreign Oil Entitlements Act of 1979; S. 1205, the Oil Imports Act of 1979; S. 1134, the Oil Imports Act of 1979; and S. 1470, the Mandatory Oil Import Control Act of 1979. This hearing will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

ADDITIONAL STATEMENTS

ENERGY MOBILIZATION BOARD

● Mr. BUMPERS. Mr. President, the President in his energy speech called for an Energy Mobilization Board. The purpose of such a board would be to expedite critically needed energy facilities by cutting unnecessary redtape. The results would be catastrophic if the expedited process allowed the Board to waive the substantial body of constructive environmental and health laws this Congress has enacted over the past few years. The following are only a few of the laws that could be short-circuited in this process: Clean Air Act, Clean Water Act, Toxic Substance Control Act, Solid Waste Management Act, all public health laws, all occupational health and safety laws, Endangered Species Act, all laws protecting national forests and national parks and public domain lands, surface mining and other mining laws, laws affecting the establishment of claims and leases of energy and mineral resources, minimum wage laws, maximum hours laws, civil rights, equal opportunity employment, antitrust laws, patent laws, all corruption and criminal laws, Freedom of In-

formation Act, and water property rights. Fortunately, people have not been asleep as this issue has developed as the attached articles and editorials indicate.

My own amendment which is currently pending before the Energy Committee would make it abundantly clear that the purpose of such a board is to expedite decision schedules so that needed energy projects can be developed, but that its function is not to run roughshod over State and local governments, the health and safety of our workers and the public, or to destroy our natural and manmade environment.

I hope that other Senators will take heed of the warnings in these articles, and join me in support of my amendment.

I ask that the attached articles be printed in full at conclusion of my remarks.

The articles follow:

[From the Washington Post, Aug. 3, 1979]

IS "REDTAPE" A CODE WORD FOR LAW?

(By Amory Lovins)

The philosophy of Secretary James Schlesinger and Deputy Secretary John O'Leary has survived their tenure in the form of an Energy Mobilization Board (EMB), which was proposed to "cut red tape" impeding "critically needed" energy supply projects. But the crisis-management aura obscures a vital question: Does "red tape" mean the procedural defects everyone wants fixed—dilatory schedules, unconsolidated disparate hearings, uncoordinated agencies, and impact statements padded to disguise weakness with bulk? Or is "red tape" a code phrase for the painstakingly crafted substantive laws governing clean air and water, strip-mining, toxic substances, endangered species, and advance assessment of alternatives—or for the judicial review and public participation that give those laws practical effect?

Even shorn of this ambiguity, the EMB would be a dangerous implement to leave lying in the way of future administrations. Some senior officials even in the Carter administration, previously noted for its fine environmental record, have openly sought for months to use energy shortages as an excuse to gut the Clean Air Act. But the EMB is more deeply troublesome because it reflects the mistaken view that "procedural" requirements are a formalized game of hurdle-jumping rather than a serious effort to avoid mistakes.

To the extent that our political process seems cumbersome, it shows the health of democracy, for that process is meant to resolve by argument and compromise the fundamental conflicts that the EMB is meant to resolve by fiat—notably whether the facility is needed "critically" or at all. If concentrating more power in a central institution like the EMB suppresses or bypasses doubts that now cause awkward contests, those doubts will not disappear. They will merely pop up elsewhere, only worse, because the doubters will rightly be incensed at having been denied due process.

The EMB philosophy has some partial precedents that merit reflection. Still bitter in memory is the trans-Alaska pipeline. Objectors to the original "critically needed" proposal argued, on sober analysis, that the oil should be stretched out, used sparingly and piped to the Midwest (since on the West Coast it would cause a glut and have to be shipped to Japan), and that the pipeline would be leaky and astronomically expensive. They proved right on all counts. The oil companies are now immensely grateful that they were made to build a better (if still bad) pipeline that might not fall apart immediately, and at a date that saved them billions of dollars. But it was still a bad choice, rammed through Congress on Spiro Agnew's tie-breaking vote by duplicitous federal officials who thought their own wisdom was superior to public process. If we had stuck to that process, Alaskan oil would today be contributing far more to our security and prosperity. Whenever, as in that case, environmental lawsuits have delayed major energy projects, both the courts and history have consistently found the objectors right on the merits—not a hindrance to be lightly disregarded.

For many years, too, we had a federal superagency that could and did cut red tape by overriding all state or local regulation of nuclear power plants. The Atomic Energy Commission's hearings to license provided the form of due process without its substance. By dedicated cynicism, the AEC achieved the operation of dozens of nuclear plants, many near our cities. Yet once again it appears, in hindsight, that the objections the AEC so cavalierly bypassed were justified. By refusing to give them serious and timely attention, this nation poured $100 billion down a rathole; and the AEC and its successors lost their perceived legitimacy, perhaps forever.

The gravest flaw in the EMB approach lies still deeper, in its reliance on central management. The energy problem is not like building an A-bomb or putting a man on the moon. It consists rather of billions of inefficient energy-using devices and thousands of institutional barriers—silly rules and habits that prevent people from using energy in ways that would save money. With such a diverse and fine-grained problem, central management is more part of the problem than part of the solution; it is unnecessary and even an impediment.

President Carter's rhetorical tension between encouraging grass-roots and community innovation (the source of virtually all the good news about energy since 1973) and a $142 billion exercise in Nixonian technocracy reflects a deeper choice we must make—between traditional ideals of individual enterprise, intelligence and decision, and the less democratic belief that the same distrusted bureaucratic and oligopolistic elite who many feel got us into this mess are the only source of the wisdom that we are incompetent to muster for ourselves. It is a choice between soft and hard energy paths; between Jefferson and Hamilton; and ultimately between democracy and tyranny.

Rather than emphasizing those actions surest to excite political divisions, waste time and money, and fail, surely we should seek to build national consensus where it already exists. We should rely on our relatively quick, cheap and safe (and absolutely enormous) opportunities for raising energy productivity and for harnessing the vast range of proven, appropriate renewable energy sources. If we add up and vigorously promote—as in the president's fine reference to Davis, Calif.—the things we nearly all agree about, they'll be enough. We can then forget the things we don't agree about, such as synfuels and the EMB, because they'll be superfluous.

We have never tried before to design an energy policy around an existing consensus, but it seems long past time we started. Not to do so is a failure of nerve, a failure to learn that the cause of problems is facile solutions, a failure to realize that the age of throwing money at problems has passed, a failure to mobilize the deep wisdom and ingenuity of our people, and a failure of trust—trust that people can solve, as many are already solving, most of their own energy problems if only they have incentive and opportunity. The kind of energy mobilization we need is happening today in hundreds of communities and millions of homes across America. It doesn't need a board; it needs a modest government willing to lend a hand and then get out of the way.

[From the Washington Star, July 31, 1979]

ENERGY MOBILIZATION BY CONSENT?

To understand the interesting battle now shaping up in the House of Representatives, you need to recall the fifth point of President Carter's July 15th address: a so-called Energy Mobilization Board (EMB) powerful enough "to cut through the red tape, the delays and the endless roadblocks to completing key energy projects," specifically oil pipelines and refineries.

The classic case is the intolerable delay, by environmentalist nitpicking, of the Sohio pipeline. Similar dilatory processes—some warranted, some merely obstructive—could face the synthetic fuels projects Mr. Carter has called for.

The nation disagrees on the appropriate price, in social and environmental terms, to pay for shaking off energy dependency. So competing ideas of EMB powers have emerged—as expected, one might add. One man's red tape is another's protection against lung disease.

There is a congressional consensus that the Board ought to have authority to designate selected high-priority ("key") energy projects and to speed up local, state and federal regulatory procedures that could unduly delay them. EMB legislation might even limit, or at least speed up, judicial review; and when local, state or federal regulatory authorities failed to meet deadlines imposed by the Board, the Board itself might step in and pre-empt their decisions, adhering as it did so to applicable laws.

All this seems sound enough, justified by the threat of energy dependency to national well-being. Obstructive delays of vital projects must take a back seat.

But one version of the EMB legislation now before the Commerce Committee, the so-called Dingell version, appears to exceed even the uncommon powers sought for the Board by President Carter. Critics complain that the Dingell proposal would give the Board power not only to curtail dilatory procedures, and set deadlines, but to waive substantive requirements of law.

Colorado's Rep. Tim Wirth, who seeks to amend the bill, contends that "the board could waive any law—labor laws, equal opportunity laws, anything that stood in the way . . . If an oil shale project was dumping salt in the Colorado River, there would be nothing we could do about it."

Is this what the administration is seeking? That seems at least questionable. An Office of Legal Counsel memo broadly supporting the EMB concept says that "since substantive standards such as those regarding the environment, land use, health and safety are specifically excluded from the waiver, the authority does not threaten the provisions of traditional state and local services." The memo assumes, that is, that while the Board could set deadlines, and act to clear procedural obstacles when regulatory bodies fail to act speedily, it could not set aside the substance of law.

Any legislation extending the latter power to the Board would raise substantial constitutional and practical questions. Washington's appetite for centralized power has not yet deprived the states of their police powers—although the federal government may undoubtedly influence the exercise of those powers by "threat and promise." What it presumably cannot do is override or prevent legislation to protect health and safety.

And would such nullification be practical, even if constitutional? Would it serve the larger purposes of "energy mobilization?" There are environmental regulations and statutes at all levels of government, many resulting from bloody fights in the 1960s, which no "energy mobilization board" could stamp out unchallenged, even if given paper authority to do it.

If the purpose of the EMB legislation is to speed up "key" energy projects and prod lethargic bureaucracies—an entirely legitimate purpose—Congress ought to beware of extending powers that would outrage state and local interests and stir virtual guerrilla warfare against the projects it aims to expedite. This would be self-defeating.

The seeming difference between what the administration is asking for and what some congressmen of the Dingell persuasion are prepared to yield suggests a need for clarification. Is the president demanding *procedural* waiver powers for his Energy Mobilization Board? Or is he asking that the Board also be empowered to steamroller *substantive* laws and regulations? The difference is crucial. The power to obliterate substantive laws could borrow as much agony, strife and delay for "key" energy projects as it forfends.●

GREATER U.S. COMMITMENT TO GASOHOL IN NATIONAL INTEREST

● Mr. CULVER. Mr. President, our current energy situation underscores the importance of developing efficient and economical alternative energy sources. One such fuel that offers the prospect of decreasing our reliance on scarce or uncertain energy supplies is gasohol.

This fuel is already a reality in Iowa, where more than 600 service stations are expected to sell over 40 million gallons of gasohol this year. This consumer interest graphically illustrates that our Nation is ready to use this stable and renewable energy source.

In order to accelerate development of gasohol, I sponsored an amendment to the Public Works and Economic Development Administration Act which greatly expands the funds that EDA can earmark for gasohol projects. As a result of my amendment, the administration will spend a minimum of $10 million to support the development of up to 100 gasohol plants. These funds would be directed toward rural areas, where energy needs are critical and residents are especially hurt by rising fuel costs.

A recent commentary by Mr. Keith Heffernan, executive director of the Iowa Corn Production Board, in the Burlington, Iowa, Hawkeye, states the case for increased gasohol production in greater detail. As Mr. Heffernan points out, production can reduce our reliance on imported oil while improving our balance of payments and strengthening the dollar overseas.

He concludes the case for gasohol by stating:

If we can strengthen our economy by becoming more energy independent through the use of domestic energy resources such as gasohol, who can place a value on what this would mean to our country?

We can answer this question by saying that the benefits to our Nation's economy and way of life would be substantial, and Government should make the necessary resources available so that communities can develop the production capability to significantly expand our gasohol production.

Mr. President, I ask that Mr. Heffernan's remarks be printed in the RECORD.

The remarks follow:

U.S. ECONOMY CAN BE IMPROVED BY ENERGY INDEPENDENCE

The latest OPEC hike raising the price of crude oil to $18.2350 per barrel—a 40 percent increase—confirms my belief that if domestic alternative energy sources, such as gasohol, are not developed and utilized by this country on a wholesale basis, our entire economy will experience ramifications far more severe than currently exist.

The economic questions centering around gasohol can no longer be confined to the obvious penny to penny per gallon comparison between alcohol and gasoline. We must consider the overall price our country is paying for being so heavily reliant on foreign oil.

With each OPEC increase, Americans are spending more and more of their paychecks for imported energy, leaving less to spend for domestic goods and services. This latest increase by the OPEC cartel will most likely spur a downward spiral of retail spending causing the layoff of hundreds of thousands of workers in the next year.

Additionally, reliance by the United States on foreign countries to supply us with 50 percent of our energy needs has affected our balance of trade and the value of the dollar on the world market.

Last year, the U.S. imported over $172 billion worth of goods and services, with petroleum imports accounting for almost one-fourth of this total. Exports for the same time period were slightly more than $141 billion, leaving us with a negative balance of trade and thus a devalued dollar.

This means that American consumers are having to pay a higher price for imported products, because the purchasing power of their dollar is lowered.

If the stature of our economy is to improve at home and abroad, we simply must become more energy self-sufficient.

Mass production and utilization of alcohol as a 10 percent fuel extender in gasohol mixtures to stretch gasoline supplies should provide a partial solution toward strengthening the economy.

Extensive use of alcohol fuel extenders should have the effect of reducing our import needs, thus allowing more currency to remain in the country to be spent for domestic products. This should result in a higher demand for workers to produce these products.

Also, by expanding exports of high protein by-products derived from the grain alcohol conversion process, our balance of trade and the value of the U.S. dollar could be strengthened. This would mean that American consumers would not have to pay as much for imported products such as coffee and television sets.

Certainly, the economic questions involving gasohol cover a broad spectrum. If we can strengthen our economy by becoming more energy independent through the use of domestic energy resources such as gasohol, who can place a value on what this would mean to our country?●

TRIBUTES TO DR. LOUISE B. GERRARD, EXECUTIVE DIRECTOR, WEST VIRGINIA COMMISSION ON AGING, CHARLESTON, W. VA.

● Mr. RANDOLPH. Mr. President, on July 16, Dr. Louise Gerrard, executive director of West Virginia's Commission on Aging, died at Johns Hopkins of cancer, at the age of 62. She was a great lady, a dear friend, and a treasured adviser in the field of aging. Her untimely death is to deprive West Virginia and the Nation of significant contributions in the field, as well as the congressional committees before which she often appeared as an advocate for the needs of older Americans and particularly in rural America. Working over the past 10 years as a State commissioner, she also served the National Council on the Aging as vice president, secretary, chairperson for the Council's National Center on Rural Aging and as a member of the board. She founded the National Association of States Units on Aging, creating a Washington liaison office for State agency directors.

Mr. President, I would like to share with this distinguished body an Associated Press article that appeared in the Charleston Daily Mail on July 17, together with a listing of those who paid tribute to Louise Gerrard at a July 25 memorial service at the B'nai Israel Temple in Charleston, W. Va., and ask that they are printed in the RECORD.

The material is as follows:

DR. LOUISE GERRARD DIES: CALLED DYNAMIC, GENTLE

As the West Virginia Commission on Aging holds one of its four meetings a year today, it will do so without the guidance of Louise Gerrard.

Mrs. Gerrard, 62, who headed the commission for 10 years, died Monday in Johns Hopkins University Hospital in Baltimore after a fight with cancer.

"She was working right up until, I guess, three weeks or a month ago," said the Rev. Arnold Belcher, the commission's chairman.

In fact, Mrs. Gerrard "had pretty well lined out" an annual plan for using federal and state money for the elderly that is to go before the commission today for its approval, Belcher said.

"She was a very dynamic person. She loved the elderly. She gave her every ounce of energy for them," Belcher said.

Mrs. Gerrard got a first-hand feeling for the problems of old people late last year when she was first hospitalized at Johns Hopkins for ovarian cancer.

When she got out of the hospital following an operation, she told a reporter: "I thought I knew about health care needs. But you really don't understand how much medical care costs until you get a bill yourself."

She returned to the hospital June 22 for tests.

Belcher described Mrs. Gerrard as a woman who "did everything very forcefully—yet very gently. I remember in the very beginning that when she wanted something done she wasn't afraid to approach any of the government officials from the governor on up, and they listened to her when she spoke."

Gov. Rockefeller praised her by saying, "In her 10 years as executive director of the Commission on Aging, Dr. Gerrard turned a fledgling operation into a vibrant organization that now touches thousands of elderly West Virginians."

Sen. Jennings Randolph said Mrs. Gerrard "has been recognized by her peers on an intellectual level as one of the foremost authorities on problems of aging."

Last week Mrs. Gerrard was honored by the National Governor's Association for her work in developing programs for the elderly.

Last month she was honored by the Capitol City Civitan Club as "Citizen of the Year" for her service in providing programs for the state's more than 300,000 senior citizens.

She held three degrees: a bachelor's in sociology and a master's in political science from the University of Chicago and a doctorate in public law and government from Columbia University.

She taught political science and administration at Barnard College, Columbia and the West Virginia College of Graduate Studies.

She received an honorary degree of Human Letters from Southwestern University in Washington, D.C.

She is survived by her husband, Nathan Gerrard, a retired professor of sociology at the University of Charleston, two sons, Michael, a New York city lawyer, Steven, a candidate for a doctorate in philosophy at Johns Hopkins University; two sisters, Mrs. Violet Shuman of Glenview, Ill., and Mrs. Trina Malamed of Evanston, Ill.

Memorial service will be at noon July 25 in Temple Israel in Charleston, with Rabbi Israel E. Coller officiating. The family requests donations be made to the American Cancer Society.

SERVICE FOR DR. LOUISE GERRARD

Prayer Service by Rabbi I. E. Koller, Congregation B'nai Israel.

Tributes by Michael B. Gerrard, Son, Attorney at Law, New York, New York.

John D. Rockefeller IV, Governor, West Virginia.

Mrs. Rose Martin, Representing Senator Randolph.

Rev. Arnold Belcher, Chairman, Commission on Aging.

Terry H. Cunningham, Assistant Director, Commission on Aging.

Paul J. Kaufman, Attorney at Law, Charleston.

Jack Ossofsky, Executive Director, National Council on the Aging.

Harry Walker, Deputy Commissioner, Maryland Office on Aging.

Concluding Prayers by Rabbi Koller.

Mr. RANDOLPH. Mr. President, there have been a great many individuals at the National, State, and legislative levels who have expressed their love for Dr. Louise Gerrard, as a person and as a colleague in the field of aging. It is my privilege to share some of the tributes from many Federal, State, and National organizations as they join me in mourning and in memorializing Dr. Louise Gerrard:

IN MEMORY OF DR. LOUISE B. GERRARD, DIRECTOR, WEST VIRGINIA COMMISSION ON AGING

The State of West Virginia and the entire Nation benefitted from the dedication and abilities that Dr. Louise Gerrard brought to her work on the problems of aging. Through her personality and brilliance, Dr. Gerrard made lasting contributions to meeting the needs of the aged in America, and she will be long remembered for the unique role she played in confronting the challenges of aging in our society.—Honorable Robert C. Byrd, Majority Leader, United States Senate.

It is with great pride in the accomplishments of Dr. Louise Gerrard, that I join with my distinguished colleagues and friends from the State of West Virginia in paying tribute to the memory of this remarkable woman . . . Dr. Gerrard brought pride and distinction to the Commission on Aging and, as a result, to West Virginia and to herself. Her unselfish leadership and untiring dedication to improving the quality of life for the elderly of West Virginia, were responsible for significant change and improvement in the delivery of services—particularly health care services—to all the citizens of our State. . . . My thoughts and prayers are with the surviving members of her family, who can take great solace in the knowledge that the extraordinary accomplishments of this dedicated and compassionate woman, have made life better for us all.—Honorable Harley O. Staggers (D-WV), Member, U.S. House of Representatives.

I am indeed saddened by the death of Dr. Louise Gerrard. She will, without doubt, be missed by many. But let us not look upon her passing in grief. Instead, let us look at the many contributions she has made to senior citizens, both in West Virginia and across the Nation, and be thankful for her dedication, her innovation and her willingness to serve others. . . . She was a splendid woman, and I am confident that anyone who had the privilege of working with her will testify to the high degree of professionalism and sincerity that underlined all of her many contributions. She was a truly effective leader in the field of aging—a field to which she devoted many long and difficult hours. . . . I am deeply honored to have had the opportunity to work with her and to have had the benefit of her thinking on the many problems which confront Older Americans. While she will be missed enormously, her good work will live on and that is perhaps the finest tribute to individual accomplishment.—Honorable Robert H. Mollohan (D-WV), Member, U.S. House of Representatives.

On Monday, July 16, the people of West Virginia, indeed the Nation, lost a knowledgeable and dedicated public servant, as well as a fine personal friend, with the passing of Dr. Louise Gerrard, Executive Director of the WV Commission on Aging. . . . In the past, when my office had occasion to work with Dr. Gerrard, she never failed to provide thoughtful opinions and factual information, concerning problems associated with aging. Her absence will be greatly felt.—Honorable John Slack, Jr. (DWV), Member, U.S. House of Representatives.

Her contribution and effective work on behalf of senior citizens, and on behalf of West Virginians, were immeasurable. I shall miss working with her.—Honorable Nick Joe Rahall (D-WV), Member, U.S. House of Representatives.

Louise Gerrard helped tell the story of aging in this Nation, not only in terms of need, but also in terms of accomplishment for, and by, older Americans. I join my colleague Jennings Randolph in acknowledging our debt to her and our deep affection for her.—Honorable Harrison A. Williams, Jr., Chairman, Senate Committee on Labor and Human Resources.

Dr. Louise Gerrard will be long remembered for her concern and efforts on behalf of the rural elderly, especially in the area of health care. Her special understanding of the needs of older Americans made her an invaluable witness and resource for the Senate Special Committee on the Aging. The absence of her counsel will be greatly missed by Congressional Committees and staff alike, when issues involving the well-being of older Americans are under consideration.—Honorable Lawton Chiles, Chairman, Senate Special Committee on Aging.

It was with considerable regret that I learned of the death of Dr. Louise Gerrard. Her considerable capabilities and tireless efforts to improve the lives of our older citizens were felt far beyond the borders of West Virginia.

As Chairman of the Senate Subcommittee on Aging, I came to rely on Louise's good judgment and wise counsel as we worked to strengthen the Older Americans Act. The aging community has indeed suffered a great loss.—Honorable Thomas F. Eagleton, Chairman, Senate Subcommittee on Aging.

Men and women who work in aging are rewarded in many ways. Louise Gerrard enjoyed the older persons she served; she had the respect of her field, and she could savor many pioneering accomplishments by her agency and the Governors with whom she worked. Perhaps her biggest reward was the deepest affection felt for her by the elderly in her home State. In every appearance she made before the Congress, she made it clear that their trust was uppermost in her mind and heart.—Honorable Frank Church, Chairman, Senate Committee on Foreign Relations, Former Chairman, Senate Special Committee on Aging.

Dr. Gerrard's commitment to the older citizens of her State and the Nation served as a model for State Directors and other professionals in the field of aging. Through her untiring efforts, a Washington-based liaison office of the National Association of State Units on Aging (NASUA) was established to serve as a resource in the development of public policies and to coordinate the work of the aging network—the State and Area Agencies on Aging. This office will serve as a vital memorial to her years of work on behalf of older Americans.—E. Bentley Lipscomb, Staff Director, Special Committee on Aging, U.S. Senate.

Louise Gerrard brought dignity, effectiveness, and generosity to her advocacy in aging, and love as well. Her gentle presence will be missed.—William Oriol, Former Staff Director, Special Committee on Aging, U.S. Senate.

I was most shocked at the stunning loss of Louise Gerrard, whose contributions to the betterment of the life of older people must be remembered. Her concern and compassion were profound. Her special interest in the improvement of the lot of the rural elderly in West Virginia was exemplary. Not only was Louise Gerrard deeply committed to the quality of life of older people, but she

matched that commitment with the perception of a realist, and the effectiveness of an activist. This very dear person will be long remembered.—Dr. Robert Butler, Director, National Institute on Aging.

In her 10 years as executive director of the Commission on Aging, Dr. Gerrard turned a fledgling operation into a vibrant organization that now touches thousands of elderly West Virginians.—Honorable John D. Rockefeller IV, Governor, State of West Virginia.

Let me join with you and other citizens of the State of West Virginia, especially the elderly among those citizens, in our mutual sense of loss in the untimely death of Dr. Louise Gerrard.

In my years of association both in and out of government, with efforts to improve the quality of life for older Americans, I had occasion to observe the outstanding programs in your State under the leadership of Louise Gerrard. However, her talents were not confined to the State and, as you well know, her dedication was also directed to policy determining the course of National organizations of the elderly, and in counseling those of us who worked at the national level.

Just recently, I had suggested her name to the President for appointment to the Federal Council on Aging, and this appointment was in process. All of us on the Council, which I chair, were looking forward to working with her and having the benefit of her gentle and wise counsel. We thus feel the double loss of a colleague and a friend.

As I have known you for these many years, and been aware of your understanding of the needs of the elderly—going back to the days when you served in the House of Representatives and when we were both young men—I know you, too, share this sense of loss.—Dr. Nelson Cruikshank, Counsellor to the President on Aging, Chairman, Federal Council on Aging.

MEMORIAL RESOLUTION: WEST VIRGINIA COMMISSION ON AGING

Louise Gerrard was a complex and multi-talented person.

She was one of West Virginia's most prominent and sought-after public speakers.

Throughout her life, she wrote and was the author of well-drafted essays on American Family Life, small communities, and aging. Yet, she rejoiced in spending her time with the most humbly educated among us.

She was a friend and advisor to President Carter, to Governors, Senators, Members of Congress, Federal and State Officials of all sorts, but was equally at home with people in nursing homes and mental institutions.

She served 10 years as Executive Director of the West Virginia Commission on Aging, which represents a vocal group that is critical of the status quo, and impatient with government's tendency to delay solving problems until later. She represented and spoke for West Virginia's older adults—people who know they cannot wait. She argued, advocated, cajoled and criticized—but did so with such grace that she was effective in reaching many of her objectives while maintaining the admiration and affection of those she challenged.

She lived in turbulent political times, through two state administrations, which disagreed on many things but agreed on one—that Louise Gerrard was a West Virginia treasure. Everyone she served—two Governors, Members of the Commission on Aging, Members of the U.S. House and Senate, State legislators, three Presidents, and countless Federal officials, know of her commitment to those she served. Shortly before her death she was called again to serve—this time as President Carter's appointee to the Federal Council on Aging, announced four days after her death.

Public officials knew what was obvious—that Louise Gerrard's commitment was to no political party or even to herself.

Louise left us too soon and much too suddenly. When we learned she was ill we were shocked and saddened. She returned to her work and told us that she was optimistic about her condition and expected a complete and rapid recovery. She worked and lived as if she planned to live forever.

Louise Gerrard was a person to be emulated. Her life was one that everyone and every age would do well to remember as a model for the way we all should live.

The West Virginia Commission on Aging expresses its deepest sympathy to Dr. Gerrard's family and friends.

I am deeply saddened by Dr. Gerrard's untimely passing. In her work with the Commission on Aging and in her participation in a myriad of other civic activities, Dr. Gerrard was a tremendous asset to the people of the City of Charleston. Her enthusiasm and spirit will be greatly missed.—Hon. John G. Hutchinson, Mayor, City of Charleston, West Virginia.

In all of those years that I worked with her, I never knew Louise to do anything other than what was most appropriate for those she served. I always found her to be courageous and tenacious in a way that achieved many of our objectives for older people without offending those she had to convince in order to win.

She was a dedicated mother, a devoted wife, and a treasured colleague. All of us who knew her and worked with her will never forget her and all of us will be guided by the example she set so well.—Dr. Leon H. Ginsberg, Commissioner, Department of Welfare, State of West Virginia.

There are few people who combine intelligence, compassion and devotion in the way that Louise Gerrard has done. She understood the problems of our seniors in WV, cared about them, fought for them and showed them dignity. No higher compliment can be given about the life which she has led than the people she has touched and the work that has been accomplished. She will be long remembered. Louise worked so hard at living in her last days that few knew she was dying. I will miss her and the State will miss her.—Hon. Miles Dean, Commissioner of Finance & Administration, State of West Virginia.

Dr. Louise Gerrard was a compassionate woman who truly cared about the older citizens of West Virginia; she did everything in her power to make life better for them. Very few public officials made themselves accessible to their constituents in the way Dr. Gerrard did, especially during senior citizens conferences. Not many senior citizens in other States are as fortunate as we were to know their State Director as well as we knew Dr. Gerrard.—Mrs. Sally Baitty, Project Director (ret), Harrison County Area Agency on Aging, Clarksburg, West Virginia.

Louise Gerrard was not only a friend of the elderly, she was their tireless advocate in many ways: She could spend endless hours both at the West Virginia Legislature, and in our Nation's Capital, work as an official in several national organizations in the field of aging, administer the WV Commission on Aging and its programs, and still have time to sit down with a lady from Ranger, WV and talk about what it means to be an older, widowed woman, living alone in an isolated area of our State. Her concern for these many individual elderly expressed itself in her constant efforts on their behalf. West Virginia's loss is the Nation's loss.—Ms. Joan Ross, Executive Director, Southwestern Community Action Council, Huntington, West Virginia.

The sudden death of Dr. Louise Gerrard was like losing a member of our family. We knew that Dr. Gerrard cared for us and worked hard in the State and at the National level to improve the quality of life for all senior citizens like ourselves. It is difficult for us to believe that like many of the older persons whom she cared about, that she, too, has gone. While she was never really a "senior citizen," in fact over 20 years younger than me, and nearly 15 years younger than my sister, she was one of us. She was a kind lady whom we loved as she loved us. We will truly miss her, but will surely not forget her.—Mrs. Rea Borst and Mrs. Roberta Fox, sisters, Senior Citizens Wheeling, West Virginia.

The death of Louise Gerrard, who was, among many other things, Executive Director of the WV State Agency on Aging, is a great loss to the field of aging. She was a great friend, a tireless and devoted leader. Her determined fight against cancer is an example to all who must face illness or disability. In spite of extensive hospitalization, and a difficult treatment regimen, Louise maintained her warm personality and concern for continued improvement in services for older people. She was an exemplary person and an outstanding State Agency Director. She will be sincerely missed.

I extend my sincerest sympathy to Dr. Nathan Gerrard, her husband, and to their children.—Hon. Robert Benedict, Commissioner, Administration on Aging, Department of Health, Education and Welfare.

The death of Louise Gerrard deprives the field of aging of one of our truly outstanding leaders. Her understanding of the issues in the field of aging, her ability to work out constructive solutions to those issues, and her commitment to service in behalf of older persons, was and always will be a challenge and inspiration to all of us. Dr. Gerrard had the ability and the willingness to work at the grass roots, to administer the State program in an unusually effective manner, to provide leadership to her fellow directors of State Agencies, and to advise, to challenge, and to lift the sights of Federal Administrators.

Many persons mourn her death because of the unequivocal dedication of her talents and abilities to the service of others. We will miss her. She will remain with us as a continuing inspiration to all who labor in the field of aging.—Hon. Arthur S. Flemming, Immediate Past Commissioner, Administration on Aging, Department of Health, Education and Welfare.

She was, above all, a caring, compassionate, loving person who knew and felt the need of the people she served, and who had the talent and capacity to be their effective advocate. Millions of older people throughout West Virginia and indeed all of America will benefit from her life, especially the elderly poor and those in rural areas.

We have the product of her life work to remind us of all she sought to achieve for us, as we begin to perceive the void her absence leaves in America.—Jack Ossofsky, Executive Director, National Council on the Aging.

The news of Louise Gerrard's death was a shock to all of us in the field of aging. Louise had a long time concern with needs and problems of older people. Most of all, she had a measure of compassion for those who had the greatest social and economic needs. The welfare of the elderly in West Virginia, and in the country at large, through her influence, has been great. Those who have helped to carry forward the cause of the aging in this country will miss greatly her wise and gentle counsel.—John B. Martin, Legislative Consultant, National Retired Teachers/American Association of Retired Persons, Past Commissioner on Aging, Member, Federal Council on the Aging.

This Nation has truly lost a remarkable individual with the untimely death of Dr. Louise Gerrard. Her compassionate and tireless dedication on behalf of the well-being of older persons is exemplary of the best this country has to offer in personal commitment to assist our increasing numbers of senior citizens. My life and the entire aging network has been enriched by the dedication, skills and leadership of this superb lady. As the chairman of a former Task Force on Aging of the U.S. Conference of Mayors, it was my privilege to share many stimulating work experiences with this gentle giant from West Virginia. Ms. Peggy Seeley and Mr. Larry McNickle, of the task force staff, join me in expressing our sincere sympathy to Louise's family for the loss which we each will share.—Hon. Wesley C. Uhlman, Former Mayor, City of Seattle, Washington, Current Member of the Board, National Council on the Aging.

Louise Gerrard and I were great friends who shared a great concern for our Nation's older people, she as a spokeswoman for the rural elderly and I as spokesman for the urban. I recall the meeting of the Board of one national association on which we both served, when Louise and I, as we frequently did, sat next to each other and tried to catch each other up on our recent activities, as the meeting allowed. The Board's discussion suddenly turned to a dispute about urban and rural issues. Louise and I instinctively reached out a hand to each other—the tension for the moment broke when one board member noted: 'Look, the urban and rural elderly are holding hands!' Louise's memory will best be served by all of us continuing in her spirit to work together for the people we serve.—Mr. Robert J. Ahrens, President, Urban Elderly Coalition.

All older Americans, and especially those living in rural areas, have lost one of their strongest advocates, and the aging network one of its most valuable lieutenants. NASUA will be forever indebted to Louise's leadership and her untiring commitment to strengthening the capacity of the Association of the States Units to better serve older persons. I personally have lost one of my most trusted advisors and friend, whose wisdom and constant understanding have guided this office during its formative years.—Dr. Daniel Quirk, Executive Director, National Association of State Units on Aging.

The network on aging has lost one who helped lay the foundations for the network. Dr. Gerrard will be missed by all, but particularly by those who are especially concerned about the needs of elderly persons living in rural America.—Raymond C. Mastalish, Executive Director, National Association of Area Agencies on Aging.

The Mayor's Commission on Aging, Cleveland, joins the Aging network in expressions of sorrow at the loss of Dr. Louise Gerrard, Director of the WV Commission on Aging. Dr. Gerrard exemplified the capable administrator possessing sensitivity and concern for those her department served. As a West Virginian, I am proud of the superb record she has left; with her death, I am bereft of a good friend and admirable colleague.—Anna V. Brown, Executive Director, Mayor's Commission on Aging, City of Cleveland, Ohio.

Louise Gerrard made such a significant contribution to the well-being of this Nation's older American that she has left a legacy of service and commitment which few of us will ever be able to achieve, but which will serve as a standard for which to strive earnestly. She will be sorely missed.—Doris Dealaman, Chosen Freeholder, Somerset County, New Jersey, Chairperson for Aging, Welfare and Social Services Steering Committee, National Association of Counties.●

PROMOTION COSTS OF SALT II

● Mr. GOLDWATER. Mr. President, from the beginning of its campaign, the Carter administration has spent more than $1,200,000 of the taxpayer's money in its effort to build up the public pressure for Senate ratification of the SALT II Treaty. These figures were collected by the General Accounting Office from the agencies directly involved in the massive public relations effort. These figures show that during the first 6 months of 1979 expenditures were running about $624,000 and were on the increase. An earlier study by the GAO showed that the administration had spent $600,000 of taxpayer's money to promote the SALT Treaty during 1978—even before the treaty was formally submitted to the Senate.

The GAO study shows that most of the promotional work for SALT is being handled by the Department of State and the Arms Control and Disarmament Agency. However, the Department of Defense has played a role, and in recent months the White House has assumed a greater degree of participation. One of the interesting features of the study shows that the White House could not estimate the total costs which its efforts involve. From my own observation, they would be considerable.

Mr. President, during the 6-month period ending June 30, the State Department and the Arms Control and Disarmament Agency officials participated in over 650 speaking engagements before local groups and conferences in 48 States and the District of Columbia. There were 28 conferences and miniconferences cosponsored by the State Department and the ACDA as well as local organizations. Defense Department officials spoke at four of these conferences. In addition to these, the White House sponsored nine conferences or briefing sessions for congressional and public opinion media. Nonsalaried costs associated with these conferences totaled about $6,000.

Mr. President, the White House also did a massive job in mailing out, at taxpayer's expense, thousands of SALT documents, background reports, speeches, and booklets. Most of them were distributed to newspapers, columnists, radio and TV stations, and congressional staffs.

All in all, Mr. President, it is clear that the Carter administration is going all out in an attempt to build a grass roots campaign for a highly controversial policy question and doing it at the taxpayer's expense.

I ask to have the General Accounting Office report printed in the RECORD.

The report follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., August 27, 1979.

Hon. BARRY M. GOLDWATER,
U.S. Senate.

DEAR SENATOR GOLDWATER: In response to your letter of May 23, 1979, we have obtained updated information on the costs of the administration's efforts to inform the public on the Strategic Arms Limitation Talks (SALT II). In an earlier report to you (ID-79-24, March 16, 1979), we explained that the administration's public information activities relating to SALT II were centered in the Department of State and the Arms Control and Disarmament Agency (ACDA) and had cost about $600,000 in 1978. For the first 6 months of 1979, expenditures were about $624,000, thus bringing the administration's overall costs for SALT II public affairs activities to about $1.2 million for the 18-month period. Enclosures I and II provide a detailed breakdown of costs.

As described in our earlier report, the Department of State and ACDA use a variety of means for keeping the public informed, including furnishing officials for speaking engagements, arranging conferences, preparing and distributing publications, and providing interviews and press releases for the media. While the nature of these activities has basically remained unchanged, the level at which they are carried out has increased, as discussed in enclosure III.

During the 6-month period ending June 30, 1979, State Department and ACDA officials participated in over 650 speaking engagements before local groups and conferences in 48 States and the District of Columbia. There were 28 conferences and mini-conferences, cosponsored by the State Department, ACDA, and local organizations. Department of Defense officials spoke at four of these conferences.

In recent months, the White House Office has assumed a greater role in the administration's SALT II public information efforts. However, the White House Office could not estimate salary costs for its staff involved in these activities, stating that: "No records have been kept which would provide any reasonable estimate of what portion of an individual's time was spent on SALT II and therefore, no reliable cost data can be computed."

Your May 23 letter also requested information on SALT II mailings sent by the White House to various organizations and individuals around the country. Although various units within the White House Office sent out mailings relating to SALT II, detailed information was provided for only the Office of Media Liaison. Between January 20, 1977, and June 27, 1979, that Office distributed about 15,300 SALT II-related documents at a cost of about $3,000. These documents, which included SALT II background reports, speeches, and booklets, were sent primarily to daily newspapers, columnists, radio and television stations, and congressional staffs. Enclosure IV lists the subject matter of the documents and the quantities distributed.

Additional costs identified by the White House Office for mailings by other units totaled about $10,000 and represented expenditures for document preparation, binding,

and postage and handling. In other related activities, the White House has sponsored nine conferences or briefing sessions for congressional and public opinion leaders with attendance ranging from about 35 to 235 guests. Nonsalary costs associated with these conferences totaled about $6,000.

It should be noted that all cost and statistical information presented in this report was furnished by the agencies. Although we obtained general explanations concerning the methodology used in preparing the information and discussed the report contents with agency officials, we did not verify the data provided.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days from the date of issue. At that time, we will send copies to the Secretaries of State and Defense, the Director, Arms Control and Disarmament Agency, and the Special Assistant to the President for Administration.

Sincerely yours,

J. K. FASICK,
Director.

ESTIMATED COST OF INFORMING THE PUBLIC ABOUT SALT II (JAN. 1–JUNE 30, 1979)

Department/agency [1]	Salary [2]	Travel	Miscellaneous [3]	Total
Department of State:				
Bureau of Public Affairs	$88,660	$46,766	$66,942	$202,368
Bureau of European Affairs (SALT Working Group)	81,262	27,448	28,503	137,213
Office of the Counselor	11,602		1,000	12,602
Other bureaus	6,624	5,453		12,077
Total	188,148	79,667	96,445	364,260
Arms Control and Disarmament Agency:				
Office of Public Affairs	149,126	3,839	9,245	162,210
Other offices	41,580	8,513		50,093
Total	190,706	12,352	9,245	212,303
Department of Defense	3,043	26,259		29,302
The White House Office [4]	3,566	88	14,429	18,083
Total	385,463	118,366	120,119	623,948

[1] All cost data provided by the respective department or agency.
[2] Salary costs do not include fringe benefits.
[3] Miscellaneous costs include expenses for such things as office supplies, equipment, and reproduction of materials. Printing and publications represent about $90,000 of these costs.
[4] Salary costs for the White House Office are for document preparation only. The White House Office stated that no reliable salary cost data could be computed for staff members involved in SALT II public affairs activities.

ESTIMATED COST OF INFORMING THE PUBLIC ABOUT SALT II (JAN. 1, 1978–JUNE 30, 1979)

Department/agency [1]	Salary [2]	Travel	Miscellaneous [3]	Total
Department of State:				
Bureau of Public Affairs	$200,755	$83,212	$108,577	$392,544
Bureau of European Affairs (SALT Working Group)	170,065	43,343	48,654	262,062
Office of the Counselor	25,656	1,030	1,000	27,686
Other bureaus	16,836	12,242		29,078
Total	413,312	139,827	158,231	711,370
Arms Control and Disarmament Agency:				
Office of Public Affairs	341,879	11,005	22,797	375,681
Other offices	71,580	13,283		84,863
Total	413,459	24,288	22,797	460,544
Department of Defense	4,096	30,393		34,489
The White House Office [4]	3,566	88	14,978	18,632
Total	834,433	194,596	196,006	1,225,035

[1] All cost data provided by the respective department or agency.
[2] Salary costs do not include fringe benefits.
[3] Miscellaneous costs include expenses for such things as office supplies, equipment, and reproduction of materials. Printing and publications represent about $147,000 of these costs.
[4] Salary costs for the White House Office are for document preparation only. The White House Office stated that no reliable salary cost data could be computed for staff members involved in SALT II public affairs activities.

THE BUREAU OF PUBLIC AFFAIRS

The Bureau of Public Affairs focuses its primary efforts on six priority public affairs issues including SALT information activities. The Bureau carries out its SALT activities through (1) programing Department and ACDA officials to speak before groups and organizations, (2) preparing and distributing publications, and (3) arranging media activities. The Bureau accounted for $202,368 of the State Department's SALT II public affairs expenditures during the period.

From January through June 30, 1979, speakers were furnished through the Bureau for 525 engagements in 48 States and the District of Columbia. A total of 191 trips were made, with Bureau-sponsored speakers often participating in several engagements while in travel status. These officials addressed numerous audiences including academic groups, religious organizations, civic clubs, and conferences arranged by the SALT Working Group. Bureau speakers also participated in 452 media events, which consisted of television, radio, and newspaper interviews in Washington, D.C. and around the country. By comparison, updated information provided by the State Department showed that in calendar year 1978, Bureau speakers participated in 540 speaking engagements during 148 trips and in 577 media events.

During the first half of 1979, the Bureau prepared 20 SALT II-related documents, including reports, pamphlets, and speeches. In total, the Bureau distributed approximately 507,200 copies of these documents. Publications included "SALT II Agreement," "SALT II—The Basic Guide," and "SALT II—The Reason Why."

SALT WORKING GROUP

The SALT Working Group is primarily involved in developing and cosponsoring conferences throughout the United States on the subject of U.S. security and the Soviet challenge. As shown in our prior report, the Group cosponsored nine conferences from June through December 1978. For the first 6 months of 1979, the Group cosponsored 11 major conferences in 11 States. The agenda for the conferences has remained the same, including presentations on Soviet affairs and strategic theory, SALT II provisions, and SALT's impact on U.S. security.

Detailed below is information on conference locations and agency personnel attending.

Location and date	Employees attending: State	ACDA	Defense	Total
Nashville, Tenn., Feb. 1, 1979	9	1	1	11
Minneapolis, Minn., Feb. 22, 1979	7			[1] 7
Indianapolis, Ind., Feb. 27, 1979	8	3		11
Atlanta, Ga., Mar. 15, 1979	7	1	1	9
Birmingham, Ala., Mar 22, 1979	7	3	1	11
Des Moines, Iowa, Apr. 20, 1979	7	2		9
Albuquerque, N. Mex., Apr. 25, 1979	7	2		9
Richmond, Va., June 12, 1979	7	4		11
Kansas City, Mo., June 26, 1979	7	2		9
Denver, Colo., June 26, 1979	7	1		8
Cheyenne, Wyo., June 27, 1979	7	2		9
Total	80	21	3	104

[1] Conference was also attended by the Vice President and several members of his staff.

In addition to the above conferences, in the first 6 months of 1979, the SALT Working Group cosponsored 15 "mini-conferences" compared to 1 in 1978. At these mini-conferences, from 1 to 4 Government personnel discussed SALT II and related issues before audiences averaging 100 persons. The mini-conferences were cosponsored by local civic groups which furnished one or more local speakers to participate in the program. The local organizations provided most of the administrative support for the mini-conferences, and the State Department's Bureau of Public Affairs generally paid travel costs of the Government participants.

Following is a summary of the dates, locations, and number of agency personnel attending the mini-conferences:

Location and date	Employees attending: State	ACDA	Defense	Total
Detroit, Mich., Feb. 8, 1979	1	1		2
Wichita, Kans., Feb. 12, 1979	3		1	4
Leesburg, Fla., Feb. 16, 1979		1		1
Charlottesville, Va., Feb. 28, 1979	1	1		2
St. Louis, Mo., Apr. 6, 1979	3			3
New Orleans, La., Apr. 20, 1979	4			4
Hartford, Conn., Apr. 26, 1979	1	1		2
Minneapolis, Minn., Apr. 25, 1979	1			1
Springfield, Mass., Apr. 27, 1979	1	1		2
Amarillo, Tex., May 1, 1979	2			2
Westport, Conn., May 6, 1979	1			1
Auburn, Ala., May 24, 1979	1	1		2
Terre Haute, Ind., June 12, 1979	1	1		2
New London, Conn., June 15, 1979	3			3
Memphis, Tenn., June 21, 1979	2			2
Total	25	7	1	33

According to a SALT Working Group spokesperson, the Group has plans for 10 additional conferences and 3 mini-conferences between July 1 and October 31, 1979.

ARMS CONTROL AND DISARMAMENT AGENCY

Within the Arms Control and Disarmament Agency, the Office of Public Affairs is responsible for SALT II public information activities. This Office coordinates speaking engagements of ACDA officers, including the Director, and works closely with the Department of State. From January 1 through June 30, 1979, ACDA spent $212,203 on SALT II public information activities.

Public speaking engagements—In addition to the officers who participated in engagements arranged by the State Department, ACDA furnished speakers for about 140 speaking engagements in 21 States and the Washington, D.C. area. By comparison, agency speakers participated in about 150 engagements in 1978.

SALT conferences/briefings—ACDA and the State Department jointly sponsored 2 conferences in Washington for 70 representatives of scientific societies and publications and for about 100 academicians from universities and research organizations. ACDA also organized briefings in Washington for former national commanders of major veterans' organizations, the American Legion, the Executive Board of the National Association for the Advancement of Colored People, and former Members of Congress.

Publications—In addition to contributing funds to the layout and design costs of a State Department publication on SALT II, ACDA issued an 8-page document, "SALT II—Glossary of Terms" and reproduced 500 copies each of 9 texts of major speeches delivered by the Director, ACDA.

SALT Working Group conferences—ACDA personnel attended 10 of 11 conferences arranged by the SALT Working Group and 7 of the 15 mini-conferences.

THE WHITE HOUSE OFFICE OF MEDIA LIAISON, SALT II-RELATED MAILINGS, JANUARY 20, 1977–JUNE 27, 1979

Date of mailing, subject matter, and estimated quantity distributed:

April 7, 1977, Strategic Arms Limitation Talks Background Report, 2,015.

July 15, 1977, B–1 Bomber, SALT Background Report, 4,300.

July 12, 1978, The SALT Process Booklet, 1,960.

March 7, 1979, Speech by Charles Duncan, Deputy Secretary of Defense, 533.

April 5, 1979, Speech by Harold Brown, Secretary of Defense, 268.

May 4, 1979, President Carter's Speech to the American Newspaper Association, 577.

May 9, 1979, SALT II—In Perspective Background Report, 643.

May 10, 1979, SALT II—In Perspective Background Report, 4,700.

May 24, 1979, SALT II—In Perspective Background Report, 351.

Total, 15,347.●

OUR INCREASING DEPENDENCE ON OPEC

● Mr. STONE. Mr. President, on June 15, 1979, Mr. Andrew H. Hines, Jr., president of the Florida Power Corp., delivered an important address to the Mississippi Broadcasters Association in Biloxi, Miss. Mr. Hines' address concerned the terrible dilemma facing the United States as a result of our increasing dependence on OPEC. I commend Mr. Hines' remarks to the Senate and to the public in understanding the serious situation our country is facing today. I ask that Mr. Hines' remarks be printed in the RECORD.

The address follows:

DRIFTING TOWARD THE FALLS

There's an apocryphal story about two friends who went for a canoe ride on the Niagara River. As they were drifting along on a summer afternoon, they heard a deep rumble somewhere ahead. One turned to the other and said, "I think we're going to have a thunderstorm." The second said, "It can't be. It wasn't in the weather forecast last night." These friends were one turn away from the falls, drifting aimlessly toward disaster. And that's very similar to our situation today.

The other morning, our newspaper carried two headlines printed close together and bearing conflicting viewpoints on the same basic problem. One headline dealt with nationwide protests on the use of nuclear power. The second was a headline which stated that truckers are becoming concerned about the higher price of diesel fuel and are going to shut down the economy. The irony is that the editors of the paper did not connect the contradictions inherent in these two headlines, and write a third story. That story would deal with our unwillingness as a nation to accept reality in the energy area.

I propose in these few minutes here with you today, to do some problem definition, to discuss some possible solutions and to project a need for a national posture which will better serve our country's citizens and indeed its institutions. Definition of the problem is difficult to do in the welter of information and misinformation which besets us today. But going through the maze and tangle of data and conflicting reports, we can reach a basic conclusion that our energy sources are being limited at a time when energy is increasingly important to our national well-being. We can further define that problem by linking it to a massive inflation which is sweeping across our country and which is threatening the underpinnings of our society. These two problems—the limitation in energy supply and the massive inflation which is wreaking a terrible havoc in the lives of many individuals—these two problems are aspects of the same problem. They are tied together. They are in a sense cause and effect and they must be treated together. We cannot take inflation as a problem and set it to one side and say we'll tackle this with wage and price controls or jawboning or credit controls or whatever economic tool we want to apply. It is directly related to the problem of energy supply limitation and antitrust type activity at the international level. To ignore that problem is not to address the first one.

So for our purposes today, I'd like to define our problem as a limitation in energy supply; of a cartel which has established runaway prices and which is causing a shock wave of inflation to go throughout our society. And I'd like to make the point that this problem—this underlying problem of cartel action is being amplified, is being worsened, is being aggravated by regulation which is bogging down America's ability to respond to challenge. It is highly important for us as a nation to accept our problem for what it is, to cease the mindless backbiting and interagency fighting, the bickering back and forth amongst various sectors of our society. We need to cease fighting ourselves and to turn our attention to the real source.

In this regard we are, as a nation, victims of instant replay. Instant replay has done a great deal for football coaches. It has done much for grandstand quarterbacks. It enables someone to sit in his living room and watch in slow motion each unfolding event as a quarterback heads into the line of scrimmage. It shows how, if he had taken one step more to the left, he could have gone five yards further. The unfortunate thing is that the quarterback didn't have the advantage of instant replay when he was diving for the line. He had to make decisions on the basis of what he had. And criticism on the basis of instant replay doesn't really treat the person being criticized very fairly. Likewise, in our society today we are subjecting all decisions to instant replay . . . the result is that we are spending so much time belaboring our mistakes of the past that we are letting the future go by default.

We must accept our energy problem for what it is . . . a limitation in resources brought about by foreign cartel, price fixing at the international level which has provoked a massive wave of inflation. Only if we accept it in these terms can we effectively deal with it. And it is vitally important that we address the problem and that we deal with it. Because just as our friends on the Niagara River were due for a rude awakening when they drifted around the bend, so our nation is due for a rude awakening as it drifts toward a time of energy constraints which will increasingly affect the economy, the well-being and perhaps the individual freedom of each of its citizens.

Our solutions must cover a broad gambit of activities. The first and foremost, and on this there can be no argument, is conservation . . . conservation now in the facilities and the use of the energy that we have, conservation in the future by changing our methods of building, designing and operating. This program indeed is well under way. You see it reflected in targets for miles per gallon on automobiles in the early 1980's. You see it reflected in higher levels of insulation mandated in building codes. You see it reflected in the efficiency ratings of various appliances. Indeed, conservation for the future is being built into our society. Conservation for the present takes a widespread change in living habits and lifestyles. It is not a change that is easy to make for many people. Those of you who remember days when fuel was short in another national emergency will recall that we in the service were required to take our showerbaths by turning on the water, getting wet, turning it off, soaping up, turning it on, rinsing off and proceeding to get dressed. You could take a showerbath this way in about a ten quart bucket of water. Contrast this with the showerbath which your children will take when they come home from college, literally steaming the wallpaper off the walls in 30 minutes of blissful relaxation. Those days are going. Economics is forcing it. National interest intensifies the need for us to move toward conservation. It does mean change, it means doing without some things we'd like to have, it means close attention to details, but it has got to be the first step in a solution to our national dilemma.

The second step, and one which I approach from the standpoint of what I believe to be economic justice, is the need to impose national gasoline rationing. We have adopted a national policy of watching prices rise with the hope that this will curtail the demand for the product. It's true that in the long haul as prices rise, demand declines, but when you are dealing with a necessity of life, many people are caught in a severe economic crunch. Those who can afford the higher prices for gasoline will continue to utilize the fuel for whatever purpose they wish in whatever amount they wish. There may be nothing basically immoral or illegal about that. But those whose financial ability does not keep pace with the rising price of a necessity of life will become increasingly constrained. They will find themselves cutting the food budget, cutting the insurance budget, cutting the clothing budget in order to be able to drive to and from work. Only by a national system of gasoline rationing can we effectively make a major cut in the demand for petroleum products. I think it's vital that we make such a cut in order to implement some further steps that we need to take for our national well-being. The importance of gasoline rationing lies in the fact that it will enable us to take a stronger posture vis-a-vis the OPEC nations, and it is extremely important that we do just that.

I am confident that we can weather the adjustments which rationing would require.

When this was a young country, our reply to the Barbary pirates was "Millions for defense and not one cent for tribute." We must return to that type of attitude if we are to gain any respect at the international level and if we are to defend our citizens against the actions of the oil cartel. We have, indeed, to take a much stronger posture than anybody has been willing to publicly discuss, and I'd like to point out to you some possible actions that we should seriously consider.

The first of these is an embargo of all OPEC nations—not buying one cent's worth of oil from them—not selling one bushel of wheat, one piece of computer hardware, one airplane—a complete cessation in trade with all OPEC nations. In order to do that, we will have to cut our imports of oil, and the only way that I see to effectively do this is to ration gasoline. We should also consider severe action such as the confiscation of all of the assets of the OPEC nations within this country where the same thing has been done to our citizens' assets over there. We should consider the deportation of all nationals of OPEC nations. Our citizens have been driven back from the Middle East—why should theirs continue to enjoy tax-subsidized education in the United States? We can only take these vigorous actions—actions similar to those Teddy Roosevelt might have proposed—if we are in a position to face the consequences. The consequences, of course, are a reduced supply of fuel from overseas. If we are able to do this, we will be in a much stronger position to resist the kind of death by inches that our economy is now suffering.

Those who will not defend themselves are destined to suffer the consequences of no defense, and we are not defending ourselves in this economic war which is underway and intensifying. Those things which we can do within our own nation, we must do. This means that we must build new facilities—new facilities not only for producing more oil and gas but new facilities for permitting a transfer of our energy burdens from oil and gas to coal and uranium. It is a tragedy that the anti-nuclear hysteria focuses upon this country at this time when our need for nuclear power in the future will be much greater than it has been in the past. It is tragic that the straitjacket of regulation will make it increasingly more difficult to mine and burn coal than it has been in the past. These are the means whereby we can replace many millions of barrels of oil per year.

Only if we break the bottlenecks of regulation—the bottlenecks of conflicting law, rules and procedures—only if we break these can we get underway the building program which will be necessary to our national wellbeing. We have already passed the point of no return toward energy shortages which will manifest themselves over the next five to eight years. We cannot, now, begin construction on new power plants and have them ready in time to prevent a shortage of electricity that will afflict this nation in the early 1980's. But if we are to come out of that pending shortage, we must get these projects under way. Only then by recognizing our problem for what it is—cartel action resulting in massive inflation and aggravated by regulation which is bogging down constructive response; only then can we move in a straightforward, hardhitting manner to respond. We could then look forward to better days on the other side of the falls.

Our situation is not too different from that encountered by the democracies following the Munich crisis. At that time, in the rather bleak winter of 1938, there was a sense of rejoicing among many in England that peace has been obtained; that the sacrifice of the freedom of Czechoslovakia had brought peace in that time. It was before a stormy Parliament that Winston Churchill rose to express a counter view. May I quote him in closing:

"This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year unless, by a supreme recovery of moral health and martial vigor, we arise again and take our stand for freedom as in the olden time."●

TAX INCREASES FROM INFLATION SHOULD BE STOPPED

○ Mr. DOLE. Mr. President, recently the Government announced a 1-percent rise in the Consumer Price Index for the month of July and a projected annual inflation rate for 1979 in excess of 13 percent. These are not mere statistics to American taxpayers—they represent a real reduction in earning power, even where wage increases keep pace with inflation. This is so because nominal wage increases boost taxpayers into higher brackets where they are taxed at a higher rate. The result is "taxflation"—an automatic revenue boost for the U.S. Treasury and an unlegislated tax increase for our citizens.

In the Washington Post of August 16, columnist George Will discussed indexing the income tax to the rate of inflation. It is gratifying that Mr. Will favorably mentioned legislation introduced by the Senator from Kansas which would do precisely that. Indexing income taxes is not a surrender to inflation—it is a major and necessary step in our battle to preserve the purchasing power of our citizens and ease the terrible burden which inflation places on those with fixed incomes.

Indexing is equitable, logical, and simple; and the time for it is now. The Senator from Kansas believes we need to be reminded of the impact which inflation has on the tax burden of the average citizen and of the fact that a remedy—indexing—is readily available. This issue will continue to be brought to the attention of the Congress and the public, and it should be.

Mr. President, I ask that George Will's column of August 16, 1979, be printed in the RECORD.

The column follows:

A CURE FOR INCOME "TAXFLATION"

(By George F. Will)

It is perverse, even unpatriotic.

This nation was born in a wild overreaction to a tiny tax on tea. Insurrection sprang from the principle that tax increases should be legislated by representatives. Yet, today, Americans tolerate constant, huge and unlegislated tax increases.

The cause of the increases is inflation. The cure is legislation introduced by Rep. Bill Gradison (R.–Ohio) and Sen. Bob Dole (R.–Kan.). Their bill would index taxes by linking personal income-tax rates (and the personal exemption, and the no-tax threshold) to the consumer price index.

Everyone would benefit. Taxes would be lower than they otherwise will be. Congress would have to be more candid than it hitherto has been. And the inflation rate might be lower than it otherwise will be, because government would have less money to spend.

The U.S. progressive tax system was developed in an era that assumed stable prices. But today, high inflation seems inextricably entwined with the political process. It is a permanent affliction and demands a permanent accommodation of the sort Gradison and Dole propose.

Gradison illustrates indexing in terms of a worker with a wife, two children, and wage of $9.50 an hour, or about $19,000 in 1979. With four exemptions and the standard deduction, his taxable income is $15,000; his tax bill is $2,055. Assuming, optimistically, only 8 percent inflation, in 1980 his cost-of-living adjustment will bring his pay to $10.26 an hour, or $20,520 for the year. With indexing, he would pay the same percentage (10.8) of his income in 1980 taxes as he paid in 1979, or $2,220. Without indexing he will pay $2,390. The $170 difference is a decline in his real money income, the result of an unlegislated tax increase.

Dole calculates that with 8 percent inflation, a family earning $30,000 in 1979 must earn $32,400 in 1980 just to stay even. But if it does earn that, its tax bill goes up $888. Without indexing, taxpayers will pay $9 billion extra on 1979 income. The 1980 "taxflation" bill will be about $12 billion.

Indexing of income taxes has begun in several states, and in a dozen nations, including Canada. In the first five years of indexing, Canada's compounded inflation was 52.1 percent, so personal exemptions for a family of four rose from $3,600 to $5,480, and the income threshold for the maximum 56 percent rate rose from $60,000 to $91,260. Furthermore, a Canadian official says indexing is the most important factor behind Canada's declining rate of growth of government expenditure:

	Percent
1974	15.9
1975	10.2
1976	2.7
1977	2.1

Erase government's expectation of windfall revenues from inflation and you lower expenditures.

Many so-called tax "cuts" do little more than reduce the tax burden to what it was before a recent run of inflation. If Congress wants taxes to rise, it needs only to forgo such "cuts." The Gradison-Dole proposal would force accountability on Congress by requiring it to legislate tax increases and to refrain from bogus tax reductions.

Some opposition to indexing is rooted in political opportunism: Legislators do not want to make automatic the sort of tax adjustments they hitherto advertised as tax cuts. Other opposition is rooted in addiction to a discredited economic practice. Indexing, some opponents say, will diminish Congress' ability to use tax changes to "fine tune" the economy.

It is preposterous to say, as some critics of indexing do, that indexing will cause people to become apathetic about inflation. People who suffer from inflation a dozen times a day, at every cash register, will not sink into complacency about inflation just because it no longer injures them in their capacity as federal taxpayers.

Without indexing, government's incentives are perniciously mixed. There is, of course, some political reward for reducing inflation. But there also are substantial political benefits from distributing, through spending, the windfall revenues that inflation generates.

Without indexing, government harvests between $1 billion and $1.5 billion in windfall revenues for each percentage point of inflation. Surely it is imprudent to allow government to profit so handsomely from inflation that it causes and that only it can seriously combat. As Benjamin Franklin said, "He's a fool that makes his doctor his heir."●

REV. JAMES PATTERSON LYKE

● Mr. SASSER. Mr. President, on August 1 the Rev. James Patterson Lyke was ordained an auxiliary bishop of the Roman Catholic Diocese of Cleveland, Ohio. He is only the fifth black priest to be elevated to so eminent a position in his church. And at the age of 40, he is one of the youngest priests ever chosen to wear the miter of a bishop.

We in Tennessee are marking this occasion with special pride, because Father Lyke—or Father Jim, as he is known—was for 9 years the beloved pastor of St. Thomas Roman Catholic Church in Memphis.

He arrived in Memphis in 1968 and departed in 1977 to become a chaplain at Grambling College in Louisiana. His years in Memphis were distinguished by his courage and effectiveness as a leader in the cause of human rights—a leadership that was marked by his unique gift for inspiring people to work together.

In an interview in the Memphis Commercial Appeal, Msgr. Paul Clunan of the Diocese of Memphis spoke feelingly of the Christian commitment that Father Lyke brought to his role as a parish priest and community leader.

"He has an excellent way of dealing with white and black people," he said. "God has blessed him in that way."

Mr. President, we are immensely proud of Father Lyke—and we are indeed grateful, too. He touched our lives in Memphis, and because he did, we are better Christians—and better human beings. In serving his God, he served us all.●

PROPOSED FEDERAL ASSISTANCE

● Mr. WEICKER. Mr. President, Treasury Secretary G. William Miller recently announced that he would recommend Federal Government loan guarantees to aid Chrysler Corp. In his opinion, these guarantees would enable Chrysler to avert bankruptcy and get back on its feet by borrowing operating capital from private bankers which would otherwise reject loans to the company.

However, it is important to realize that should Chrysler default on repayment of these loans, the American taxpayer would be left holding the bag. If this were to occur, all the Federal Government could do would be to take over Chrysler and sell off its assets.

Mr. President, I have consistently objected to the notion of the Federal Government bailing out beleaguered businesses. I do not want to see jobs lost, but in the long run more jobs will be lost if the Federal Government hands out money to every Lockheed, Wheeling-Pittsburgh, or Chrysler that comes along, as those businesses which must go it alone will be put at a tremendous competitive disadvantage.

The free enterprise system upon which America's economic philosophy is predicated gives everyone the right to succeed or fail on one's own merits. Yes, failure is as much a part of the free enterprise system as is success.

Mr. President, if a company does not have the management and does not have the right product, it should not be in business. This applies to Chrysler as well as every other company in this country.

According to an article in the August 24 edition of the Wall Street Journal, American car sales rose 22 percent to an estimated 242,892 units in August 11–20, 1979, period, which established an alltime record. Yet in this same time period, Chrysler's sales slumped almost 19 percent. Clearly, Chrysler is doing something wrong.

It is Chrysler's management, however, and not the American Government, that has placed Chrysler in the position it presently is. An article in last Friday's Wall Street Journal shows the adverse effect that past bad business judgments have had on Chrysler. As of the end of July, Chrysler had 80,000 vehicles sitting on various lots around the country which were unwanted by consumers. This stockpile of unwanted autos is the result of Chrysler's practice, which was contrary to that of its rivals, of building "vehicles knowing full well that none of its dealers had ordered them. When dealers then refused to buy them, Chrysler was stuck with vehicles into which it had put hundreds of millions of dollars in labor, material, and other costs." The sales bank, which contained only 44,000 units early this year rose to 110,000 in early June. Now, Chrysler is in the midst of expending $90 million to get rid of these stockpiled vehicles.

Mr. President, an automobile manufacturer with sound management can, without Federal assistance, rebound from an adverse financial position to one of profitability. In 1976, American Motors Corp. was precariously close to extinction. Yet, for fiscal year 1978, American Motors showed profits of $36.7 million on sales of $2.6 billion, achieving this status by focusing its energies on specific market segments. Additionally, according to an August 29 article in the Washington Star, American Motors intends to make more than $100 million in capital investments in the next year. This turnabout has been achieved without Federal aid.

Mr. President, I believe that Chrysler, like American Motors, can return to a profitable financial position without Federal aid. Accordingly, although I wish Chrysler the best in its battle to reverse its financial misfortunes, I urge my colleagues to do likewise.

I would like to commend to the attention of my colleagues the August 31 Wall Street Journal article entitled "Orphan Autos: Cars Chrysler Produced Without Dealer Orders Burden It Many Ways." This piece depicts an example of the type of bad business judgment that has put Chrysler in the position it is. I would also urge my colleagues to read the article entitled "Small Car Revival Brings Profits, Stability to AMC," which appeared in the August 29 Washington Star, to see what a financially troubled auto manufacturer with good management can accomplish without Federal aid.

Mr. President, I ask that these articles be printed in the RECORD.

The articles follow:

[From the Wall Street Journal, Aug. 31, 1979]

ORPHAN AUTOS: CARS CHRYSLER PRODUCED WITHOUT DEALER ORDERS BURDEN IT MANY WAYS

(By Amanda Bennett)

WINDSOR, ONTARIO.—Day after day, Ethel, a chunky redhead, sits at the main gate of a harness-racing track here across the river from Chrysler Corp's. Detroit headquarters. Equipped with a CB radio (her handle is "cat eyes") and a stack of comic books, she and her staff of about a half-dozen security guards watch over fields of Chrysler cars, trucks and vans.

Some of the vehicles, parked nose-down in gullies along the roadway, have been sitting so long that thistles and cattails have grown up around them. Hoods are standing open here and there as six men in a powder-blue van move about, jumping run-down batteries and checking for other troubles.

To Ethel's crew and the maintenance men, these thousands of Chryslers, Dodges and Plymouths mean income. To Chrysler Corp., they're a colossal financial headache—and one it inflicted on itself.

At the end of last month, as Chrysler was announcing a record $207.1 million second quarter loss and appealing for an unprecedented $1 billion government rescue, there were some 80,000 such vehicles sitting on owned and rented lots around North America—unwanted by consumers or Chrysler's dealers.

BUILT UNORDERED

Contrary to the practice of its rivals, the auto maker had built the vehicles knowing full well that none of its dealers had ordered them. When dealers then refused to buy them, Chrysler was stuck with vehicles into which it had put hundreds of millions of dollars in labor, material and other costs.

These unrecovered costs have worsened Chrysler's losses and forced it to lean heavily on its $750 million short-term bank credit lines for operating money. Those borrowings, in turn, are costing Chrysler dearly in interest charges. Then there are the fees for guards, lot rentals and upkeep. And now Chrysler is digging deeper into its pockets, mounting a giant $90 million sales push to get rid of the vehicles—at fire-sale prices.

Disposing of this stockpile, euphemistically described by Chrysler as a "sales bank," is "our No. 1 priority," concedes Gar F. Laux, executive vice president for sales and marketing. "I have to get that thing moving." The company's new sales drive seems to be helping. At last count, the sales bank had dropped below 40,000 vehicles as huge discounts to dealers and direct $400-a-car rebates to consumers effectively reduced retail prices on some Chrysler models by up to $2,000.

UNIQUE PRODUCTION POLICY

But the problem is hardly solved. Despite the big reduction, the remaining stockpile still represents about $350 million worth of autos and is only slightly smaller than it was last spring, when company executives described it as "backbreaking." Mr. Laux predicts the problem will be "controllable" by October, so that Chrysler can maintain orderly production and shipment of its 1980 models. But he declines to estimate how many 1979s Chrysler will still have by then or when they will all be out of the company's hands.

General Motors Corp. and Ford Motor Co. build only cars that dealers have ordered, either to fill firm customer requests or for their showrooms. "There's a dealer with an open credit line waiting as every car rolls out" the factory door, explains one Ford man. Each car is promptly assigned to the appropriate dealer, and the auto maker is immediately paid.

Chrysler, however, since the 1960s has periodically built more cars than its dealers

ordered, and later through subtle price cutting and sometimes not-so-subtle arm-twisting persuaded its dealers to buy them. This practice was initially thought of as a "temporary expedient," recalls one Chrysler official, a method of storing up cars in slow periods to take advantage of anticipated market surges. And for years, it worked.

TROUBLE IN 1975

During the late 1960s, when the auto market was rapidly expanding, Chrysler was able to almost double its market share and maximize the efficiency and profitability of its plants. But in the slower-growth 1970s, the strategy began to backfire; in the deep 1975 recession, Chrysler found itself strangling on a 60,000-unit sales bank and in much the same predicament it is in today. Afterward, chairman John J. Riccardo promised that the practice would be abandoned and that in future downturns Chrysler "wouldn't fall in the soup again."

Yet when the gasoline crisis accelerated the current slump, the auto maker again found itself with an unwieldy stockpile of unordered autos. Early this year, Lee A. Iacocca, Chrysler's newly named president, declared that "breaking the back" of the sales bank—then containing about 44,000 units—was his prime goal. Instead, production continued to outstrip sales, and the sales bank peaked at 110,000 in early June.

Now, Mr. Iacocca and Mr. Laux—both former Ford executives—say the sales-bank strategy they inherited is officially dead. "We're dedicated to draining" the stockpile, Mr. Laux says. "There isn't one man in the organization from the top right on down who will make one move to fill the sales bank" again, he declares.

In the meantime, Chrysler is struggling to get rid of what it still has. Because sales-bank cars are built on instructions from company management rather than to orders from dealers, who presumably are more attuned to changing customer desires, "the sales bank always has the wrong cars," one Washington-area dealer complains. Mr. Iacocca doesn't disagree; the problem is "tougher than the numbers indicate," he says, because the stockpiled autos are "the kind that dealers resist taking"—such as large cars, compacts with eight-cylinder engines and other vehicles with relatively poor mileage ratings.

So as dealers draw down the sales bank, they're almost certain to bleed off the most-desirable models first, leaving behind those hardest to sell.

That means Chrysler could have a chunk of capital tied up in the vehicles for some time, returning it nothing. Indeed, one Wall Street analyst figures that at the end of the second quarter, when there were 80,000 vehicles on hand, Chrysler may have been paying some $5 million a month in interest on the bank funds it borrowed to make up for the revenues it couldn't collect by selling its stockpile.

On top of that are the direct costs of moving, storing and protecting the unsold vehicles. Chrysler has had to turn to some unusual partners for storage space. The state of Michigan, for example, has for years rented the company 10 to 12 acres at its fairgrounds in northern Detroit for about $3,000 a month. Until recently, says a state-fair official, Chrysler was squeezing about 7,000 cars in and around the edges of lots designed to park 3,000. "It was so close sometimes they'd have to crawl in through the windows to move the cars," he says.

PARKED AT FORD LOT

Besides the race track and drive-ins here, Chrysler has from time to time rented empty airport parking space in some areas and, ironically, more than 20 acres of unused ground at a Ford Motor facility in Highland Park, Mich. None of these are permanent homes, so periodically whole fleets have to be moved. In mid-August, for example, Chrysler had to evacuate the Michigan fairgrounds because the fair was about to begin. Each move costs the auto maker $35 a car, Mr. Laux says.

Chrysler says it can't estimate the cost of fixing up cars damaged while sitting on lots or being shuttled about, but Mr. Iacocca acknowledges there will be some. "We don't deliver a unit out of the bank unless it is completely gone over by the manufacturing people and shipped in good shape," he says.

With the stockpile so large, it is difficult to keep track of where things are. Mr. Laux says Chrysler has set up a special office in Detroit just to match dealer orders with long, computer-printed lists of sales-bank vehicles. Recently, he says, cars ordered by a Detroit dealer had to be located on a lot in St. Louis.

And sometimes they aren't located very quickly. Ethel says she remembers a big commotion on her lot recently when two "Chrysler hot shots" came slogging through the mud in search of a car that was on their list but was nowhere in sight. Mr. Laux concedes cars are misplaced from time to time. "But we find them eventually," he says.

In view of all these care-and-feeding costs, Chrysler's decision to slash prices to eliminate the stockpile is even more understandable. Mr. Laux says Chrysler still believes it will make some money on the cars as they are sold. But others think it may not be much. Heavy wholesale discounts to dealers and cash rebates to consumers add up to the biggest price cuts Chrysler has ever offered. On top of that are the costs of an advertising blitz making heavy use of radio and television, and support for dealer promotions.

But at least the effort seems to be working. At Ken Brown Motor Co. in downtown Detroit, just after the rebate promotion was announced "we had people leaving mad because I couldn't get a salesman to them fast enough," says Philip Kruse, sales manager.

A lot of people did manage to buy, though. The night's tally, recorded with white shoe polish on a showroom window, showed a dealership record of 21 new cars sold. Mr. Kruse says he ordered 20 cars from the sales bank to replace them, including 10 of Chrysler's large cars. In July he had bought nothing from the sales bank.

NEW-MODEL PRODUCTION

Once dealers take most of the sales bank off Chrysler's hands, the company will be ready to plan the production of 1980 models in its plants. (For months now, Chrysler has been building relatively few cars.) Mr. Laux says the company's new policy, like GM's and Ford's, is simple: "We will build cars to dealer orders," many of which are placed 60 to 90 days in advance. "If the orders aren't there, we won't build the cars."

Although that kind of pledge has been made before, many observers believe Chrysler's new operating bosses, Mr. Iacocca and Mr. Laux, will have the resolve to carry it out. "I have to take Mr. Iacocca at his word," says Raphael Cohen, executive vice president of an influential dealer organization. "If they don't have the backbone to keep the sales bank empty, they might as well flush the company down the drain."

Some predict it may take a lot of backbone. Auto sales are currently being stimulated by a rash of price cutting and promotions from all auto makers, not just Chrysler. Once these promotions clear out leftover 1979 models, however, they'll probably end and sales could soften anew.

Mr. Laux says Chrysler's advance dealer orders for September output are in "excellent shape" on most models, and he indicates that a respectable October production is in the offing. But if sales slump again after Chrysler dealers are stocked up with 1980 models, Chrysler's new policy could mean only "sporadic plant openings" late in the fourth quarter, worries Arthur Davis, auto analyst for Prescott Ball & Turben in Cleveland.

[From the Washington Star, Aug. 29, 1979]

SMALL-CAR REVIVAL BRINGS PROFITS, STABILITY TO AMC—NEW EAGLE AIMS AT MAIN STREAM

(By Barrett Seaman)

DETROIT.—With the introduction of its new, four-wheel-drive passenger vehicle, the Eagle, American Motors Corp. has drawn attention to the different course which the "littlest" of the major U.S. automakers intends to follow into the 1980s.

AMC is five times smaller than the No. 3 producer of American cars, financially troubled Chrysler. In fact, now that Volkswagen is producing Rabbits in its New Stanton, Pa., assembly plant, AMC has slipped from No. 4 to No. 5.

Despite the limitations of size, AMC these days is proving itself to be a stable—and profitable—entity in the auto industry.

For fiscal 1978, which ended Sept. 30, 1978, AMC showed profits of $36.7 million on sales of $2.6 billion. By contrast, Chrysler lost more than $200 million for the year on sales of $13.6 billion. After three quarters of fiscal 1979, AMC has earned $73 million after taxes whereas Chrysler has lost more than $260 million in its first six months.

At the same time Chrysler is asking the federal government for $1 billion in aid, American Motors has plans for more than $100 million in capital expenditures, which, according to President W. Paul Tippett Jr., will be generated entirely from internal sources. "We will finance that ourselves with no problems," he says.

AMC commands a miniscule 1.6 percent of the domestic car market. But the company has chosen to focus its energies on specific market segments. All of its cars are small. And the company's corporate average fuel economy numbers are running just over 20 miles a gallon—best of the four U.S. car makers.

None of AMC's passenger cars comes with an engine of more than six cylinders, and the heaviest of the company's three basic lines of cars weighs only 3,250 pounds.

Last year AMC owed its profitability to booming sales of its Jeep vehicles, 162,000 of which retailed during calendar 1978. In the first half of 1979, because of the gas crisis and the relative fuel inefficiency of the Jeep, sales of the almost legendary vehicle sagged 3.3 percent. By year's end, however, the company still expects to sell some 160,000 Jeeps in addition to 156,000 passenger cars.

With the introduction of the Eagle—AMC is confident it will sell all 50,000 it plans to produce—Vice President of Marketing Thomas A. Staudt predicts the firm will increase overall vehicle sales by a third next year—from roughly 300,000 to 400,000.

"We stand a good chance at some significant improvements," says Staudt, a recent acquisition from General Motors' Chevrolet Division. "We hope to move into the main stream of American purchasing considerations."

In July, when overall industry sales were off 10.6 percent. AMC car sales increased 10.5 percent. While industry unemployment now hovers around 70,000, AMC is working six overtime Saturdays to meet demand. In July, according to Tippett, sales of the Concord and Spirit models were up 38 percent over July 1978 totals.

Observing that brand loyalty among car buyers is at an all-time low, Tippett further claims that the trend represents an opportunity for AMC to increase its market share. "We believe the market for the Eighties is headed right for us," he says.

Beyond its plans for market development, American Motors is involved in a steady, if

cautious, expansion of relations with Regie Nationale des Usine Renault of France. By the end of this year AMC hopes to have sold between 15,000 and 17,000 of Renault's mini-compact "Le Car," presently the only Renault model sold through AMC dealerships following a marketing agreement signed last February.

Sometime in 1980, executives of both companies hope, the agreement will be expanded to include Renault's larger sedan, the R-18.

Presently, the two automakers are undertaking a major study aimed at the joint production of a small car that would be built at AMC's Kenosha, Wis., plant. The target model year for production is either 1982 or 1983.

Based on AMC's financial performance to date, the company could be expected to show profits close to $100 million for its fiscal year ending later this month. With the introduction of the Eagle and the growing liaison with Renault, prospects for this once struggling car maker appear brighter than the recent general auto industry news would suggest.●

CHIMNEY SWEEPS WEEK

● Mr. RIEGLE. Mr. President, I wish to call attention to a profession that is currently experiencing a revitalization in our Nation. Many years ago, most homes in the United States were heated through the direct burning of either wood or coal. At that time, everyone was familiar with chimney sweeps, and the important contribution that they made to home safety. The United States then turned to oil, gas and electricity for home heating, and chimney sweeps became somewhat of an anachronism, praised in song and in film, but not a part of everyday life in the 1950's and 1960's.

Today we are seeing a resurgence of wood and coal stoves for home heating. The President has indicated that he will order a wood-burning stove for the White House and has proposed a tax credit for the purchase of such devices. Fireplaces, once thought of as simply decorative elements in a home have become important adjuncts to winter heating systems. With this development, we see the return of the venerable chimney sweep.

Chimney sweeps perform a service that is vital to the safety of millions of homes, and one that few of us are willing to tackle on our own. They remove dangerous residues of the burning process, maintain the proper operation of flues and fireplaces, and are the mainstay in bringing back renewable fuels as a major energy source.

The State of Michigan has declared the week of October 1 through October 7, 1979, as Chimney Sweeps Week. I submit for the RECORD the executive declaration and add my voice of praise for this unheralded profession. They represent a facet of life that few of us think about but is so vital to our comfort and safety. Furthermore, they can provide a wealth of information, gained through years of experience, in proper methods of wood burning, and this education is important given our return to this most basic of energy sources.

The declaration follows:

WILLIAM G. MILLIKEN, GOVERNOR OF THE STATE OF MICHIGAN PRESENTS THIS EXECUTIVE DECLARATION IN OBSERVANCE OF OCTOBER 1–7, 1979, AS CHIMNEY SWEEPS WEEK

Many Americans have chosen to fight the energy crisis head-on, conserving by using alternate fuels. They are to be lauded for their initiative and pioneer spirit.

Solid fuel burning is a little known procedure in this generation and additional education is required in maintenance, safety and efficiency.

At the beginning of the 20th century, wood- and coal-burning residential heating plants ranked as the third most frequent cause of home fires. They now rank eighteenth. Chimney sweeps are the sole line of defense to maintain that low occurrence level. They clean the flue, smoke chamber and smoke shelf and remove the foul and dangerous accumulations of creosote, soot and other hazardous materials which are the constant by-products of burning solid fuels.

A new group of individuals, dedicated to safety, has evolved to serve the American public in this area: the American chimney sweeps.

Therefore, I, William G. Milliken, Governor of the State of Michigan, do hereby declare October 1–7, 1979, as Chimney Sweeps Week in Michigan, and urge all citizens with wood- and coal-burning units to have them properly inspected and cleaned to prevent hazards.●

ELEVENTH ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

● Mr. SCHWEIKER. Mr. President, 11 years ago, on August 21, 1968, the Dubcek regime's experiment in "socialism with a human face" was brutally terminated when Soviet tanks rumbled into Czechoslovakia to smother any flickering remnants of political liberalization. With ruthless efficiency, the hopes and promising initiatives of the short-lived "Prague spring" were crushed by the cold presence of Soviet armor and the reimposition of an orthodox Marxist government dedicated to the systematic removal of all vestiges of Czechoslovakia's incipient democratization. Moreover, the ex post facto justification for the repressive measures adopted, culminating in the infamous Brezhnev doctrine of "limited sovereignty" within the socialist commonwealth, cast an ominous pall over any potential reformist tendencies in Eastern Europe.

In a world where respect for democratic values and human rights is under constant assault, the memories associated with this particular "Day of Shame" linger painfully. In addition to its centuries-old cultural and ethnic heritage, Czechoslovakia was the first state in Eastern Europe to enjoy the fruits of a genuine liberal democracy, a tradition spawned by the achievement of political sovereignty in 1918 under the leadership of Dr. Tomas Masaryk. Yet the liberal spirit of the Czechoslovakia people and their irrepressible yearning for freedom were nurtured by the persistence of foreign influence since the 15th century. Throughout the period of Hapsburg rule, subjected to the intrigues of great power diplomacy, including a series of upheavals in the 17th century which stifled the growth of political liberties until independence was achieved in 1918, the people's creative spirit and longing for national identity and political self-expression never waned.

Czechoslovakia's history between 1918 and 1938 is similarly notable for a steadfast determination to resist encroachments on its national independence by foreign totalitarian forces, amid the apathy of democratic states willing to accept its sacrifice on the altar of appeasement. At Munich in 1938, a submissive West, disregarding its commitment to the principle of political self-determination, bartered away Czechoslovak sovereignty in a futile attempt to pacify Hitler's insatiable territorial demands. During the Second World War, the exiled Czechoslovak Government attempted to maintain the legal continuity of the political structure inherited from Masaryk, intending to restore democratic rule upon liberation from Nazi dominance in 1945.

The Communist coup of 1948, transforming Czechoslovakia into a Soviet satellite, precluded the rebirth of a liberal democratic policy. Though a powerful Red Army could compel official obeisance to the Kremlin's dictates, it could never eradicate the people's aspirations for freedom or the exercise of basic human rights. This will to freedom has manifested itself on numerous occasions, most prominently during the Dubcek era, an era whose brutal climax shocked the conscience of the civilized world. More recently, the supporters of the Charter 77 Movement have risked official persecution by their valiant efforts to monitor Czechoslovakia's compliance with the human rights provisions of the Helsinki Final Act.

Despite foreign domination and internal repression, typified by the shameful invasion whose anniversary we commemorate, it is a testament to the resilience of the Czechoslovak people that their faith in a future free of coercion has never diminished. Their fortitude in the face of oppression is an inspiration to all who cherish the dream that the ideals embodied in the Helsinki Final Act and the United Nations' Universal Declaration of Human Rights will ultimately overcome all political and ideological barriers.●

THE NATIONAL AQUACULTURE ACT OF 1979

● Mr. STONE. Mr. President, I am taking this opportunity to emphasize the importance of S. 1650, the National Aquaculture Act of 1979, which my distinguished colleague, DAN INOUYE, introduced on August 2, 1979. As an original cosponsor of this measure, I wanted to point out the significance of this legislation.

Today, aquaculture in the United States remains virtually undeveloped. Its potential has been neglected by the Federal Government, as the programs that should support this industry have been scattered across the horizon of Federal bureaus and agencies with no coordination and direction being given. Further, our aquaculture producers must fight

daily against an ever deepening pile of regulations and redtape that inhibit and impinge upon their ability to develop aquaculture in the United States.

Coordination at the Federal level for the programs and authorities that are on the books in order to reduce the burden of unnecessary regulations on aquaculture is a must.

The Congress has recognized this need for some time. In the last Congress we passed the National Aquaculture Policy Act of 1978. The intent of that bill was to provide clear direction and leadership to this infant industry. Unfortunately, the President vetoed the act. His veto was because of his concern that the act included several new programs that might result in increased expenditures. He expressed concerns about these costs and also expressed the belief that there are authorities, albeit scattered among many agencies, to achieve most of the objectives that were sought in the National Aquaculture Policy Act of 1978. The President has pledged to work with Congress and bring the many Federal agencies that have responsibilities in aquaculture together.

I am happy to say we are seeing some additional coordination and cooperation among the Federal agencies. There is a new appreciation for the potential of this industry in the administration. However, I am afraid that in many cases this belief in the purpose and goodness of aquaculture begins and stops with the program people.

It is imperative that we have a national statement of policy in regard to aquaculture. A congressional directive to the administration to give aquaculture the priority it deserves.

Aquaculture can be important to this Nation as a source of food, as a substitute for aquatic imports and I believe as a major export industry. But, aquaculture is a fledgling industry, at a critical juncture. If aquaculture is to achieve its potential it must have public support and investment similar to what we have had for agriculture. This bill is the first step to achieve this end. It will coordinate the existing programs so that we get a maximum effectiveness out of them. It is going to fully assess the burden of regulations on aquaculture at the local, State, and Federal levels. Further it is going to examine the status and need for financial assistance programs, research and other priorities for the development of aquaculture in the United States.

I am pleased to have again had the opportunity to work with my good friend from Hawaii in developing this bill. The evolution of the congressional attitude toward aquaculture mirrors the evolution of the attitudes of aquaculture producers. A few years ago we had divided objectives. Many of us were focusing on narrow aspects of aquaculture we knew. We thought it was a simple issue, however, after long years of work, debate, hearings and research, we recognize the breadth and complexity. While aquaculture, like agriculture, is very species specific and unique to aquatic environments whether they be marine or fresh, warm or cold water, we have also come to recognize that there is a great deal of commonality in aquaculture. For instance, the regulatory difficulties facing producers, marketing issues, data and information needs, water quality and other items, cut across species and specific environments and demand coordination of effort. This is recognized in the bill we are introducing today in behalf of both the Commerce and the Agriculture Committees. I believe this bill will enable us to take the first step on the journey of making aquaculture a viable industry in the United States.

I also believe it is a bill the administration can support.●

WHY NOT THE BEST?

● Mr. ARMSTRONG. Mr. President, the American electorate is becoming painfully aware of the devastating effects of inflation and they are becoming increasingly knowledgeable about who it is and what it is that is causing this such a dramatic erosion of their purchasing power, the greatest since the post-World War II period. A recent excellent column entitled "Why Not the Best?" by Richard Lesher, president of the Chamber of Commerce of the United States, illuminates two things that may not be so commonly known: The fact that the Federal Government actually profits from inflation, and the fact that Federal officials have been busy either exempting or protecting themselves from some of its effects. This column is an outstanding addition to recent commentaries about inflation. I commend it to the attention of my colleagues and ask that it be printed in its entirety in the RECORD.

The column follows:

WHY NOT THE BEST?

WASHINGTON.—Thomas Jefferson, a remarkably brilliant man with an abiding love for his country, once penned these words to his friend John Adams: "I agree with you that there is a natural aristocracy among men. The grounds of these are virtue and talents."

Jefferson was speaking as a true revolutionary, rejecting that old-world idea that power and privilege belong by birthright to one governing elite. And he was also expressing his strong conviction that there are extraordinary possibilities in ordinary people. The small merchant, farmer, printer, blacksmith and carpenter—these were the people he hoped could better their lives and shape America's destiny.

What has become of that noble idea? Are we still encouraging individuals to dream, create, achieve, improve and join together as a nation in the pursuit of excellence? I frankly wonder.

We have just celebrated Labor Day, honoring all those who make America the greatest country in the world. For 24 hours, the nation actually paused to recognize the contributions our farmers, laborers, business people, clerks, scientists and so many others are making. But then it was quickly back to reality, and to a world that, ironically, resembles more and more the one Jefferson and his compatriots rebelled against—one where unchecked power and privilege in the hands of a new elite are gradually smothering the American dream for all who revere it. Consider these facts.

Almost everyone in America agrees that inflation is our single greatest domestic problem; too few understand the federal government promotes inflation because it profits from it. As government's printing and spending of money sends prices up, individuals and businesses seek wage and price increases to offset their new costs. But even though their resulting higher levels of income and profits do not represent a real gain, since they only compensate for inflation, the government automatically taxes them at a higher rate. So bureaucrats have more money to spend on themselves and their programs, but mind you, never quite enough to balance the budget.

What would Jefferson have said about a government grabbing tens of billions of dollars in windfall taxes each year without even asking the public's permission? But of course we're not asked because we're not supposed to know. If too many people catch on—and get mad—the game might end. So we're constantly being reassured the federal government is not the main source of inflation.

But if that were true, how has the federal bureaucracy become our single biggest spender, borrower and employer, growing nearly 50 percent faster than the underlying economy, while paying salaries averaging 40 percent higher than those in the private sector? And if the cost of government is truly inconsequential, why have taxes shot up so much faster than wages and profits, and why do they now consume the largest share of the family budget? Who's kidding whom?

The federal government understands perfectly well the impact of its policies. That is why Congress and the White House granted themselves generous pay increases while lecturing us on the virtue of sacrifice. That is why Congress so neatly exempted itself from regulations it insists everyone else obey. And that is why you must pay the huge Social Security tax increases but federal employees do not, even though a majority of them qualify (through spouse benefits, moonlighting or second careers) for Social Security benefits. What a beautiful game. They never lose!

And here's the knockout punch: Even as government's deficit spending fuels the inflation that destroys the fixed values of private pensions, government officials are protecting themselves at your expense. They are committing your tax dollars to index their own pensions to the rate of inflation. And since federal workers can retire earlier, inflation and time could compound these benefits beyond belief. Twenty years from now, retired federal clerks could be receiving annual incomes of $100,000. Potential commitments like these represent an economic time bomb just waiting to explode.

We can still salvage Jefferson's dream of a better life, but only by addressing these very serious problems and by protecting the common interests of all working Americans. Otherwise the new aristocracy, the federal bureaucrats, will have already answered the question, "Why not the best?," by providing the best of all worlds—for themselves.●

HOMER CAPEHART

● Mr. DOLE. Mr. President, Homer Capehart is dead, and his native Indiana and the Senate itself have lost a staunch and beloved public servant and friend. As a businessman and farmer, Senator Capehart brought firsthand knowledge of the economy and agriculture to his work in Washington. He was a strong supporter of better relations between this country and Latin America, a lifelong advocate of a strong military defense, and a hardheaded foe of communism abroad.

Homer Capehart grew up on the land:

his father was a tenant farmer. Homer went into business as a young man, selling farm machinery and juke boxes, learning early in life the necessity for a strong free enterprise economy. In the 1930's, when Republican politics were all but smothered beneath the charm and appeal of Franklin Roosevelt, Capehart organized a "cornfield convention" at his farm; 20,000 people came; they formed the grassroots core of a resurgent GOP. Later, when Wendell Willkie won the party's Presidential nomination in 1940, it was Homer Capehart who arranged his tumultuous welcome in Indiana.

Homer Capehart saw much history, and helped to make some on his own. He will be remembered for personifying the productive ethic of America's achievement-oriented people, and for his dedication to citizen participation in the political process. He will be remembered also as a partisan in the finest sense of that word, a man of strong convictions who never shrunk from expressing them, or working for their enactment.

To his wife, Irma, his son and daughter, and all his family and friends, I extended my own sense of loss. Homer will be missed. He will also be venerated.●

GIFTED AND TALENTED CHILDREN

● Mr. JAVITS. Mr. President, the gifted and talented children of our Nation have long been of consuming interest to me, for they represent the future leadership of the United States. Last month, in Jerusalem, the World Council on Gifted and Talented Children held its Third Biennial Conference to discuss international cooperative efforts on behalf of the gifted, and to consider research and exchange programs to promote this most precious human resource.

At the Jerusalem conference, Arthur Lipper, III, an investment banker and, through his efforts as a trustee of the Lipper Foundation, a great friend of the gifted and talented, brought a fresh and insightful perspective to the proceedings. Mr. Lipper forcefully presented the idea that the development of the gifted represent the best hope for future peace and stability in the international political system. Furthermore, as Mr. Lipper states, the creative resources of the gifted of the world can be profitably utilized to solve many of the seemingly intractable problems which face both the developed and less developed nations.

I urge my colleagues to consider carefully his remarks, and I ask that the text of Mr. Lipper's address to the World Council on Gifted and Talented Children be printed in the RECORD.

The material follows:

ADDRESS BY ARTHUR LIPPER III

INTRODUCTORY REMARKS

I usually begin talks at business conferences and conventions with a joke. I won't today—the subject is too serious and humor does not translate well.

It has been asked why are you here and what are your qualifications to address this group. To answer appropriately I must tell you something of Arthur Lipper Corporation, the primary contributor to The Lipper Foundation of which I am Trustee.

Arthur Lipper Corporation which I founded in New York twelve years ago, is today a professional international investor and investment banker. We have active investments, where we either control the company or influence the management, in the United States, Canada, Japan, Singapore, Malaysia, Indonesia, Australia and Israel. Previously we have had interests and offices in Geneva, Amsterdam, London, Beirut, Bahrain and Buenos Aires. The types of businesses include: television and satellite earth stations, oil exploration, venture capital and money lending, sheep raising, insurance, land speculation, magazine publishing and stock and commodity market activities.

For the past fifteen years I have travelled continuously—four to ten Far Eastern visits annually and, during one five-year period, travelling to Switzerland and England 30-odd times a year.

That which we have sought, and to a satisfactory degree have found, is profit. That which I seek in terms of our very active interest in gifted children is profit. Not the kind of profit which is reflected in bank accounts and draws interest, but the kind which may produce an improved quality of life and possibly increased international political stability.

I am not an educator—nor am I even well educated. I am, however, a trained and experienced professional social, economic and political observer and analyst. As a result of my travels and exposures I believe that the world, and particularly the LDC's (less developed countries), are in serious trouble. Inflation, the bubonic plague of this century, when coupled with improved communications, primarily television, creates a frustration and anger within the 90-plus percent of our global population which can only be described as "have nots". Remember that 85 percent of the world's population does not have running water and 56 percent earn less than one U.S. dollar per day.

The present situation of 3–5 percent of the people consuming 90 percent of the goods produced in the world will not—cannot—be permitted to continue. Changes are coming and most, I fear, will be unpleasant for the present "haves", though not necessarily significantly improving the lot of the "have nots".

I believe that identification and development of gifted children represents the most likely means of our influencing or impacting the future socio-economic and resultant political changes and that therefore an investment of money and energy in this cause is indeed a constructive and highly leveraged (geared for the Brits present) investment. Being a "have", the profit I seek is political stability. The world's barn is burning and not all of the horses can be saved.

As to why I am here, the answer is that Dan Bitan was kind enough to offer me the opportunity to make a presentation. I took it because you are important people to meet and communicate with and are involved in a vital effort.

PREPARED REMARKS

All attending this Conference either are already, or have the potential to be, leaders. Being here in Jerusalem is appropriate as almost 2,000 years ago, three wisemen, presumably also leaders, sought, only 10 kilometers from here an Infant perceived by them to be a uniquely gifted child and their future leader. I suggest that today it is of greater importance for our ordained appointed and elected leaders to reverse the process and seek future wisemen.

One of the results of this Conference, and the fortunately increasing number of meetings of a similiar nature, can and should be the more effective seeking and identification of wisemen in the form of gifted and talented children who have the recognized or unrecognized potential for making significant contributions to their own as well as our society.

Some years ago I read the following statement in a school publication:

"One of America's most tragic wastes of natural resource is the loss of the potential for social contribution which is inherent in economically deprived, gifted children.

"Properly identified at a sufficiently early age, through culture free, non-verbal testing, the very young child can be provided with the environmental, economic and motivational support necessary for full development as a positive social contributor.

"Without such early identification, the socio-economic pressure imposed upon the economically deprived child who possesses superior cognitive ability is likely to result in either a "dropping out" or only a desire to achieve improved personal life style. The chosen or available means of obtaining a better life style may not be socially desirable. Therefore their truly constructive potential, from the standpoint of society, may be forever lost.

"We urge the economically secure to look with concern into our society's future. A better life for all will be possible only when the 'gifted among the deprived' are identified, and helped, early enough in their life and experience cycle to make a substantial difference to them and to society."

These thoughts seem to me to be applicable to all societies and especially to those less fortunate than America's. Specifically analyzed they are:

1. Identified early enough, poor but gifted children can be given medical, financial and emotional support which probably will lead to the development of positive social attitudes.

2. Not identified and assisted the kids may either not achieve their potential or may use their talents solely for the purpose of bettering their own lives, regardless of the means employed or the effects on others.

3. All gifted children, including poor kids, properly motivated and educated have the potential for significant societal contribution.

4. Those fortunate enough to be economically secure have a particular interest in and need to provide for developing the means of identifying and assisting these children in order to prevent their talents from becoming employed in activities which may be destructive in socio-economic as well as personal terms.

Is there any doubt that many of the leaders of emerging and developing countries could have been identified as being potentially gifted children? How many of today's insurgent leaders could similarly have been identified? I think many—probably most. It is known and acknowledged by many educators and penologists that in developed countries the prison and criminal population contains a larger proportion of gifted and talented persons than the population as a whole. The "crime" for which we, and they, are being punished could be described as "The Great Brain Robbery". Giftedness, unrecognized and therefore without constructive focus or direction, clearly results in a higher than normal level of frustration and anger. Talented malcontents, who probably are inarticulate, perhaps even unaware of their hunger for education are a threat to the stability of any system of government. The greatest underachievers are the unrecognized and undeveloped gifted.

In a society where there is not now, and may never be, enough of many basic goods and services, the leaders of that society are forced to make hard decisions as to allocation of natural resources. Which investment of the country's available assets is likely to yield the greatest return? Can there be any other answer than that the people themselves in all countries are the assets possessing the greatest potential? Clearly not all of the people of any country are equal in their potential. Is it not, therefore, the epitome of good judgment and basic common sense to try to determine which children are, if given the opportunity for development, likely to have the greatest potential for social contribution? And, if identified as having greater potential, should not a greater than minimum or usual investment of available resources be made in the growth of these particular children? Such a disproportionate and unequal investment, assuming the identification process is valid, whereby the children identified as gifted flourish and reach their potential, must benefit society as a whole.

Egalitarian and liberal concerns and demands for equal education and opportunities for all children are emotionally understandable and politically expedient. They are, however, practical only in those societies so rich, fortunate and protected that there is no perceived need to develop the resources of the country to the fullest extent possible. And even that country must be willing to deliberately reduce significantly the numbers, through electing to pursue a policy of non-identification and therefore subsequent non-development, of future scientists, educators and social leaders who might otherwise have been available to that society. I personally know of no country that rich.

It should, however, be noted that unfortunately the voting American public must think the United States unneeding of maximum future amounts of fully developed talent as the federal budget, which reflects legislation passed by public opinion sensitive elected representatives, provides for more than $1,000 for each learning disabled American child versus only $2.42 per gifted and talented child, and the $2.42 represents a 64 percent increase over last year. In other words, more than one billion dollars for the 8–10 million disabled versus less than seven million dollars for the 2.6 million children estimated to be gifted and talented. Only a country as rich, and seemingly secure, as America could manifest such a compassionate, politically expedient and non-self interested public policy. It may interest you to know that the individual states invest roughly five times as much in so-called special education projects, also more or less in the same 400-to-1 ratio.

It is interesting to note the number of proualy proclaimed programs for gifted child identification and development which many of the Socialist and Communist countries have as a stated and de-facto matter of public policy. Is it not strange that the capitalist countries, so quick to make use of all other "natural" resources—including the labor of their own and other countries—have been slower to recognize and secure the benefits accruing from the development of their own gifted children?

Perhaps it is simply a matter of necessity which dictates national policy, perhaps the wealthy nations have not yet sensed the compelling need for broad social progress, based upon the future contributions of the gifted, as have some of the non-capitalist countries. Whatever the reason, capitalist nations will be pushed harder, and perhaps farther, than would otherwise have been the case, because they have virtually ignored the potential represented by the gifted, while the non-capitalist nations have been forced or have been sufficiently farsighted enough to embrace and nourish these assets.

Developing countries, regardless of political orientation, as well as socio-economically deprived communities within developed countries, have important natural resources just sitting there . . . in their mothers' laps or on their mothers' backs. Oil is one universally recognized important form of energy. Of equal or perhaps even greater potential importance is the future contribution of our yet unidentified and nurtured gifted.

Finally, in terms of gifted advocacy I urge each of you attending this Conference to make every attempt to find a means to get the ongoing story of the gifted and their needs and potentials told on your local television stations. Forget about the print media. Future opinion molding will, for the most part, take place through television images. Be it through quiz shows or creative problem solving demonstrations, such as Olympics of the Mind, an excellent program utilizing competitive creative events, or documentaries or dramas or news—get the story of the gifted on television. The independent television stations as well as the TV networks are open to program ideas and the gifted are "upbeat" and the story can be presented positively.

Assisting in the early gifted and talented identification and development process is a most sensible and enlightened self-interest exercise. Let us ask not what we can do for the kids but rather what they can do—if identified and developed for all of us. This is the message and television is the medium.

CLOSING REMARKS

Before closing I wish to accept Dorothy Sisk's suggestion to me that I give some additional specific suggestions for gifted advocacy. We, through The Lipper Foundation, presently, and in the future through the "Gifted Children Newsletter—for parents of children with great promise" (which as a commercial venture Arthur Lipper Corporation is financing and co-publishing with the Learning Magazine organization), urge the following:

1. The organization of conferences with business leaders to focus on why it is in their best interest to assist the gifted and how best they can use the asset once developed.

2. Establishment of boarding schools (publicly funded) to house those identified gifted children whose existing home life is non-constructive in terms of their development.

3. To identify and publicly praise those individuals assisting the gifted. Make use of awards as a means of gaining favorable public attention and relations.

4. Bring to the attention of business leaders specific gifted children in need of assistance. I believe you will be pleasantly surprised by the result of solicitations made on a positive self-interest basis. Also make the pitch for funds using an individual child—I believe the conversion to "cause" involvement will naturally follow the specific case involvement.

We have a number of other ideas we believe will be helpful to the gifted and would privately be most pleased to share them with you.

For the gifted to help us in the future, they need our help now.

Thank you.●

SENATOR HOWARD BAKER—PROUD OF BEING A POLITICIAN

● Mr. LUGAR. Mr. President, in the August 13, 1979 issue of Time, Hugh Sidey offers a brief sketch of the Senate's minority leader HOWARD BAKER and his approach to political life. Mr. Sidey's perceptive column provides valuable insights into American politics at its finest, and I ask that the article be printed in the RECORD.

The article follows:

PROUD OF BEING A POLITICIAN

The de Havilland Sky Hawker is all fueled up. The Hasselblad camera is packed away in its tan case with the Senator's favorite 120-mm lens nestled in leather. He has a clutch of Arthur Adler's summer suits ready for rumpling. Tab, Fresca and coffee by the gallon are in the hold. The ghost of Everett McKinley Dirksen has been signed on. About this time Howard Henry Baker Jr. (6 ft. 7½ in., 160 lbs.) is ready to roll through 26 states, thumping and sweating and striving to be President of the U.S.

There is something bright and burning about this Republican camera nut and son-in-law of the late Dirksen. It is Baker's season. In six months he has come up ten to twelve points in the opinion polls. In the Kentucky hills and along the clear streams of Utah, when they take time to think about politics, there are unusual numbers of queries now about Howard Baker.

Teddy Kennedy this week will be camping in the cool Berkshires, Ronald Reagan is taking off the entire month of August. Jimmy Carter hopes for an interlude soon on an ocean island, savoring a fisherman's solitude. Not Baker.

He will inspect beef cattle and beauty queens and shout to everyone that "I am proud of being a politician!" He will tell his audiences that he is sick and tired of hearing that professional politicians are not worthy of trust, that he is fed up with amateurism.

The Senate minority leader has a remarkable record on the issues. He is responsible, often original and almost always ahead. He dived in to help the President win the Panama Canal Treaty and the arms package for Israel, Egypt and Saudi Arabia. Down at the G.O.P.'s Tidewater Conference he seized the moment and focused on SALT as an occasion for a broad re-examination of the "total military and foreign policy relationship between the Soviet Union and the U.S." It was, in Baker's eyes, time to dispel the tattered remnants of Arthur Vandenberg's bipartisan tradition, something that was right a generation ago, just after World War II, but is not fully applicable in today's psychological struggles.

Baker articulated the dark thoughts that crossed the mind of many a citizen stuck in a gas line. If the big oil companies were gouging the American people, Baker declared, they risked nationalization. Baker was wildly against even the thought of such a measure, but as a professional pol he sensed an ugly mood. His warning nearly cracked the picture windows in Houston's Petroleum Club. Baker's mail showed it.

He went to Moscow and warned Leonid Brezhnev about the doubts the Senate had over SALT. He raised his questions back home, and his state of mind is crucial as the debate rumbles along. When Jimmy Carter came down from the mountaintop in his new leadership robes, Baker, who was not invited to the seminars, swallowed hard, but once again supported his political rival.

"Deep down I'd like to tell him to go to hell," Baker muttered to friends. But he did not. Instead, he said he was "willing to lay aside animosities . . . He is President, we are in a tough time, he's got a big problem, the country has a big problem. And I'm going to give him his day."

Therein is the legacy of Dirksen, who used to reside in Baker's Capitol office, doing Baker's leadership job. "I saw it close up," says Baker. "Right here Dirksen and Lyndon Johnson worked out their differences for the good of the country. They were adversaries but not enemies."

So Howard Baker insists that judgment should be first but politics a close second. That means some solid whacks, as well as support in critical times. Baker was the one who labeled Carter "a yellow-pad President" and suggested that while the President "was saying the right things, I'm not sure he can make them happen." Politics, Baker believes, is results, though even he sometimes pauses to make a few notes. They are always brief enough to go on the backs of envelopes.●

AMTRAK

● Mr. WEICKER. Mr. President, on August 1 the Senate passed S. 712, the Amtrak Improvement Act of 1979. This bill,

which is now in conference, provides for a 2-year authorization for Amtrak appropriations.

During the course of debate on this legislation, I discussed the extent to which foreign governments subsidize their passenger train systems. The Japanese are spending $4.1 billion this year on their passenger rail system, while France is spending $1 billion and Great Britain $728 million. America's commitment to rail passenger services pales in comparison. Since 1971, when Amtrak was created, our Government has spent $76 billion in transportation subsidies, of which only $3 billion has gone to Amtrak. As an example of our Government's misguided efforts, one need only look at the administration's efforts to eliminate 43 percent of the Amtrak system. The $1.4 billion that the administration hoped to save over the next 5 years by the reduction is approximately the amount it will cost for New York City's proposed Westway Highway.

Fortunately, the Senate realized the folly of the administration's plan and substantially increased the final Amtrak system. Additionally, the Senate adopted my amendment to increase by $54 million the authorization for Amtrak's capital acquisitions, thereby enabling Amtrak to purchase the equipment it needs to provide efficient service. It is only by providing Amtrak with the capital equipment it needs that we will even stand a chance of delivering the type of rail service that I believe the people of this Nation have a right to expect.

A recent article in the New York Times underscored the negligence of the United States in providing adequate rail service. The August 19 article, entitled "In Europe, Railroads Still Have Inside Track," noted that France, Britain, Germany and Italy are developing passenger systems that will run at 200 miles per hour. Amtrak trains average only 42 miles per hour, which is 13 miles per hour lower than the highway speed limits. How can we expect Amtrak to compete with the automobile if it cannot provide service at a comparable speed? Clearly, we should be moving in the direction in which the European countries are heading.

Mr. President, I ask that the article entitled "In Europe, Railroads Still Have Inside Track," which appeared in the August 19, 1979 edition of the New York Times, be printed in the RECORD.

The article follows:

IN EUROPE, RAILROADS STILL HAVE INSIDE TRACK

(By Flora Lewis)

PARIS.—Snub-nosed, streamlined, wired for sound, Puffer-billy or the Iron Horse, is alive and well in Europe. Even without the oil crisis, a combination of geographic and political reasons had kept European railroads from lapsing exclusively into the province of nostalgics and toymakers. Now gasoline difficulties have given the rails a new momentum.

But with a difference. The new trend is for comfortable, high-speed city trains; the theory, as Patrick Punt of the International Union of Railways put it, that people will still pay if the service is good. France, Britain, Germany and Italy are developing lines that will run at 200 miles an hour, competing reasonably in terms of speed with planes over distances up to 400–500 miles if the time it takes to get in and out of airports is counted in, and with cars in terms of nerves and reliability when the highways are plugged with traffic.

The controversies, troubles and complaints are not much different from those that led to the near extinction of passenger railroads in the United States, where Congress and President Carter are now arguing over how much rail service to cut (Mr. Carter proposed a 43 percent cutback; a proposal to restore half that is before a House-Senate conference now). But the Europeans' conclusions have not been the same, and they are forcing some lively innovations to justify keeping the 19th century's greatest technological—and as a result social—force for change going through the rest of the 20th.

All European railroads are nationalized. That by no means exempts them from the laws of economics. But it changes the pressures on decision-makers. In France, for example, the Government recently ordered the railroads to halve their current $1 billion annual deficit by 1982. It would have reached $1.5 billion by that date if the current trends continued. The unions—and railroad unions are among the oldest and strongest in Europe—are angry at the implications. There were 514,000 railway workers when the state took over in 1937, 330,000 in 1967, and 263,000 now. Sharper cuts are in prospect. One plan, a subject of bitter argument, proposes shutting down 3,000 of the country's 4,500 stations.

Subsidies are believed to be considerably greater than the statistics show. For one thing, the monopolies reserved for state-owned airlines have kept domestic and intra-European air fares relatively exhorbitant. Paris-Nice, 420 air miles, costs $122 on a no-frills flight with straight-backed seats seemingly designed for dwarfs, a rate of 29 cents a mile. Second-class on a good train is $58 (8 cents a mile) and $87 for first class (12 cents a mile.) It has been calculated that the cost of a flight from Paris to New York has dropped by 72 percent and from Paris to Rio de Janeiro by 58 percent in constant currency between 1950 and now. Paris to Copenhaken has gone up by 6 percent.

Highway freight is constrained by intricate regulations, which French truckers say deliberately favor the railroads, and French railway workers grumble are inadequately enforced.

These hidden supports, as well as union clout, public insistence, and a traditionally more generous attitude about taxpayer subsidies for services which are, in any case, government-owned, helped the European railways survive the automobile explosion. Now the fact that railways can run on nuclear-generated electricity or coal as well as on diesel fuel and help shave oil imports has added to their claim for backing.

Distances between large cities make another important difference in the viability of European versus American railroads.

When the high-speed trains come into service, Paris-Lyon will take two hours, Paris-Lausanne 3½, Paris-Marseille 4½. Paris-Brussels now takes 2½ hours by the best trains; they are scheduled at mealtimes, so that the trip leaves only a few minutes on either side of an excellent lunch or dinner handsomely served on a table at your comfortable seat. There is no way to compress an overland New York-Chicago, or New York-Detroit journey into that kind of convenience.

But all that is not enough to beat the deficits. Since costs are fixed regardless of the number of passengers the European railroads are casting about for frills to lure customers. Eurorail passes, family fares, off-season and off-peak hour discounts have been introduced in country after country to increase revenues. British Railways has developed facilities in both passenger carriages and stations for the disabled so they can travel by wheelchair.

GIMMICKS FOR HOLIDAY TRAVELERS

The French railroads have just launched some new gimmicks, including a special holiday train called Le Cenewol which runs through the scenic areas of the Auvergne and the Cevennes with a special "entertainments" car carrying pinball machines, juke boxes, painting and photography exhibitions, literary readings, tourist guide lectures. Horsemen are offered facilities to board their mounts in one direction and canter back through the mountains. Cyclists have a special baggage car installation for their bicycles. It's the Club Mediterranée principle: Don't just get the guests to a resort, keep them busy and they'll come back.

There are trains on the big vacation runs which offer over-night service with a sleeper for the driver while his auto rides the flat-car behind him to the Riviera.

More and more European cities—Paris, London, Brussels already—have installed direct train service into important airports. That helps air traffic too, because it eases the use of airports that are much farther than usual from central urban areas.

The new trains are sleek, clean and quiet. They are lapsing into the old function of linking the country-side to the town as feeder lines and rural stops are abandoned, but reviving a vigorous competition with later means of transport between not-too-distant cities.

And if they still don't pay their way? Nothing is cheap any more. The pleasure of reading while rolling, or watching the world go by, will cost more but it will get you there, probably right on time. Then, if the railroad stations would recruit porters once again, or arrange curb-side baggage check-in, the romance of the rail might be reincarnated without a flaw. At any rate, the Europeans are trying.●

BERKELEY BURRELL

● Mr. DOLE. Mr. President, one of America's most distinguished black leaders died last week; we would do well to pause and ponder his example. Berkeley Burrell excelled at everything he turned his mind to. He was a successful black businessman when few black Americans were able to break into the economic system called free enterprise. He was an eminent and widely recognized authority on urban affairs, an economist and adviser to 5 Presidents. He worked tirelessly to bring others of his race into all sectors of the marketplace; in broadcasting, in the small business community and in management.

He was a newspaper columnist, a college lecturer, a housing expert. He was prominent in support of his church and community. When Ebony named him one of America's 100 most influential blacks for 6 consecutive years, they were by no means over-estimating this man's impact. But the titles and honors could not in themselves convey his heart, his generosity, his warmth and humanity.

In a day and age when millions of black Americans remain trapped in frustration, their economic aspirations mocked by a Government that takes their support and acquiesence for granted, Berkeley Burrell set an example of what could be attained by a man who sought his rightful share of a free economy's bounties. He earned his share, and helped others to do the same. He inspired young people to emulate his achievements in business and social welfare. He knew, and he passed on to each of us, the message that profits are for people, and the ultimate social justice is to be found in an economy based on incentive, profit and jobs for all who seek them.

We overlook his lesson at grave peril to a Nation at peace with itself, its historic ideals and its best intentions.

To his wife and family, Elizabeth and I extend our deepest sympathy. The sorrow they feel should be mingled with pride—a pride shared by everyone who knew, or knew of, Berkeley Burrell.●

HANDGUN CONTROL

● Mr. JAVITS. Mr. President, on August 16, Louis Harris released a poll revealing that a solid 78–20 percent majority of the American people favor "a Federal law requiring that all handguns people own be registered by Federal authorities." Results also show a strong percentage (76–26) favor control of the sale of handguns. Further, 23 percent of the adult population say they would vote against someone who is opposed to gun control, in contrast to 7 percent who would vote against a candidate who favors handgun control. These figures indicate that those who oppose gun control are taking more than three times as much of a political risk by their stand than those who favor gun control. I would like to share with my colleagues these poll results and the accompanying article, which evidence again that the majority of Americans continue to support control of handguns, and ask that it be printed in the RECORD. It is up to the Congress to stand for what is right and for what the people properly want.

The material follows:

AMERICANS CONTINUE TO SHOW HIGH LEVEL OF SUPPORT FOR GUN CONTROL

(By Louis Harris)

By a 78–20 percent majority, Americans favor "a federal law requiring that all handguns people own be registered by federal authorities." The massive majority backing of gun control continues at the same high level it has maintained over the past several years, despite the fact that effective gun control legislation has been thwarted in Congress.

In fact, Americans would like to go further than simply registering handguns: by 72–26 percent, a solid majority favors "federal laws which control the sale of guns, such as making all persons register all gun purchases, no matter where the purchases are made." This level of backing for comprehensive gun control legislation has remained about the same throughout the 1970s. But according to the latest ABC News—Harris Survey of 1,496 adults nationwide, it is higher than the 66–28 percent who felt the same way about registration of gun purchases in 1967.

There is also evidence that some of the intensity that has always surrounded the gun control issue is now abating. In 1978, when an 80–18 percent majority favored handgun registration, fully 45 percent of all those who were opposed to such a law said they would vote against a candidate who advocated gun control. Now a lesser 37 percent of the people who side with the National Rifle Association, the established lobbying group against gun control, would vote against a candidate because of this issue. By the same token, in 1978, 33 percent of all those who favored gun control laws said they would vote against a candidate who opposed federal registration of all handguns. This year, a slightly smaller 29 percent feel that way.

It seems that there are far more people in this country who would vote against a candidate who opposes gun control than there are who would vote against a candidate who favors such controls.

Overall, 23 percent of the entire adult population say they would vote against someone who is opposed to handgun control. By contrast, no more than 7 percent would vote against a candidate who favors such handgun registration. This means that those who oppose gun control are taking more than three times as much political risk by their stand than are those who favor gun control.

These results fly in the face of the prevailing wisdom in the halls of Congress and among members of most other legislative bodies in this country. The widespread belief is that the NRA is so powerful in getting its own members to vote against a candidate, that any legislator who favors gun control can be defeated in a close election. The most celebrated case that is cited by opponents of gun control is that of Senator Joseph Tydings of Maryland, who went down to defeat in 1970 after he had helped sponsor gun control bills.

The current evidence from this ABC News—Harris Survey calls into question a longstanding assumption made by many candidates for Congress: that the National Rifle Association is one of the most effective single-issue lobbies on Capitol Hill. And the NRA itself claims it can deliver its members' votes against proponents of gun control, whereas advocates of gun control simply cannot muster their following.

To a degree, this claim of the NRA may be correct, for its members are ardent gun owners who feel keenly about the issue of gun control. The organizations advocating gun control that have been put together specifically to counter NRA pressure, but their track record on getting out the vote on Election Day has not been widely demonstrated.

However, with the intensity of the gun control issue seemingly abating, both among opponents and supporters of handgun registration it may be that the time has come to put the claims of the National Rifle Association to the test.

If Congress were to pass legislation controlling handguns, and those who voted for it were willing to make their vote a major issue in their campaigns, it is likely that the issue would help rather than hinder such candidates. Certainly, such proponents would be able to point to the determined efforts of the NRA and other anti-gun control groups to unseat them over this issue. But if those favoring gun control were not prepared to make it one of the dominant issues in their campaigns, then the field would be left to the NRA, and the will of the majority could be thwarted once again.

TABLES

Between June 13th and 17th, the ABC News-Harris Survey asked a cross section of 1,496 adults nationwide by telephone:

"Do you favor or oppose federal laws which control the sale of guns, such as making all persons register all gun purchases no matter where the purchases are made?"

FEDERAL LAWS TO CONTROL SALE OF GUNS

[In percent]

	Favor	Oppose	Not sure
June 1979	72	26	2
July 1978	73	25	2
October 1975	73	24	3
June 1968	75	14	11
August 1967	66	28	6

"Do you favor or oppose a federal law requiring that all handguns people own be registered by federal authorities?"

REGISTRATION OF HANDGUN

[In percent]

	Favor	Oppose	Not sure
June 1979	78	20	
July 1978	80	18	
October 1975	77	19	

"If a candidate for Congress in your district took a stand opposed to federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not?" (Base: favor federal law requiring registration of handguns.)

VOTE AGAINST CANDIDATE OPPOSED TO GUN CONTROL

[In percent]

	Vote against	Not vote against	Not sure
June 1979	29	63	8
July 1978	33	57	10

"If a candidate for Congress in your district took a stand in favor of federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not?" (Base: oppose federal law requiring registration of handguns.)

VOTE AGAINST CANDIDATE IN FAVOR OF GUN CONTROL

[In percent]

	Vote against	Not vote against	Not sure
June 1979	37	54	9
July 1978	45	50	5

●

SENATOR HELMS ON THE GOLD MEDALLION PROGRAM

● Mr. MCCLURE. Mr. President, the Senate Appropriations Committee recently completed work on the fiscal 1980 appropriations bill for the Department of the Treasury. In that bill was $10,067,000 for the American arts gold medallion program.

As a cosponsor of Senator HELMS' original Gold Medallion Act which is similar to the bill finally enacted, and as a member of the Appropriations Committee, I am deeply concerned about how this program is to be administered.

For this reason, I was greatly interested in an article that appeared in the August 1, 1979, edition of "Coin World," an important source of information on numismatics and currency. Senator HELMS has written on the proposed method of sales of the new gold pieces and he has put forth some guidelines that I hope Treasury will consider.

Mr. President, I ask that the following article entitled, "Congressional Gold Mandate Unfilled," be printed in the RECORD.

The article follows:

IS TREASURY DRAGGING FEET?—CONGRESSIONAL GOLD MANDATE UNFILLED

(By JESSE HELMS, U.S. Senator (R-N.C.))

In the instance of the American Arts Gold Medallion Act of 1978, the Treasury Department appears to be living up to the letter of the law. But is it living up to the spirit?

When I introduced the Gold Medallion Act of 1978 in April of last year, it was intended

that the U.S. Mint produce and market gold pieces in quantities sufficient to compete effectively with the Krugerrand and other so-called "bullion" coins. The version finally approved last fall and signed into law by the President was different from both my bill and the compromise bill approved by the Senate, but it can accomplish what Congress wanted to do.

The bill, as passed, was initially authored by the able young Congressman from Iowa, Jim Leach, and provides for a minimum of one million ounces of gold to be manufactured into one ounce and one-half ounce medallions each year for five years. The design would be changed annually, and the medallion would be sold at a price equal to the market price of gold plus costs.

What now seems in doubt is whether Treasury officials will implement the law in the way that Congress intended.

Briefly, here is the way it seems Treasury will administer the program: $1.6 million will be requested this year to take advantage of a low bid on producing the gold blanks. The blanks will be 90 percent gold, 10 percent copper.

Then $10 million will be asked for fiscal 1980 (starting Oct. 1, 1979) to produce and sell 1.5 million medallions; one million, one-half ounce medallions honoring Marian Anderson and one-half million one-ounce medallions honoring Grant Wood.

The bill states that a "minimum" of one million ounces of gold in medallion form be sold. Treasury is putting a ceiling of one million ounces on the 1980 production run.

In addition, though the bill has been on the books for eight months already, it seems obvious that even if all goes as hoped, medallions won't be sold until June of 1980—eight months into the fiscal year. That means that 1.5 million pieces will have to be sold in only 16 weeks.

The method of merchandising? Posters and mail order forms will be stuck in U.S. Post Offices. Individuals will be able to take one of the 10 million forms to be printed by the Mint and then call a toll-free number. A recording will explain that day's price of the medallions, as determined by the world price, plus costs of production and distribution. A certified check in that amount with the form postmarked by that evening would entitle the buyer to a medallion by return, registered mail.

The quantity to individuals will be severely limited: Perhaps only one or two per order.

Once the 1.5 million pieces are gone, that would be that for 1980. The next issuance would wait until fiscal 1981.

As most readers of *Coin World* know, the Treasury Department has opposed the medallion program from the start. It has been suggested that the method Treasury has chosen to administer the program could well be designed to provoke enough criticism of it to cause Congress to cancel the gold medallion program altogether.

I do not believe that the officials in the Treasury Department are malicious in this regard, but there are a number of things that might be changed—and can be changed—to see that this program gets off to a good start.

First, as to the concept of supply and demand. (An aspect of economics which is, sadly, foreign to most bureaucrats.) How might it work, if the marketplace were allowed to function?

Under the law, the price that can be offered is "set" by what the marketplace dictates to be the price of bullion, plus what the costs of production and marketing might be. According to the law of supply and demand, that means that the expected demand for the product will probably be either above or below the number of medallions offered in fiscal 1980.

In order to change demand (the quantity desired), a seller would expect to raise or lower the price. If I wanted to exactly find the price the market set for a specific quantity of things on a given day, I would hold an auction. The market would determine the price. But since, under the law, the price is "set," that means that it is incumbent on the sellers to adjust the supply.

The supply should be the number of medallions that are desired at the "fixed" price. That is exactly how, for example, the Krugerrand is sold.

Now, if I want to artificially constrict demand so that I will just be able to sell what I have at the price I set, I could, for example restrict demand by excluding some buyers or limiting buyers to only one or two medallions. (Does this sound familiar to those who were involved with the first Carson City silver dollar sales—that cost far more than expected and required new legislation to finally dispose of the coins?)

I could also restrict demand by cutting the time allowed for purchasing, such as the last quarter of the year. And, in addition, I could restrict marketing to government preventing private marketers from having sufficient supplies to make promotion campaigns economically practical.

In effect that is exactly what Treasury proposes to do.

Now, in the Treasury's favor, we must note that this is the first time in 50 years that a U.S. gold piece has been produced in quantities. The U.S. Bicentennial gold medal was limited to several thousands, and sold at a fixed price by the American Revolution Bicentennial Administration. This program is new and big—gross sales of over a quarter of a billion dollars.

Why cannot Treasury get some opinions from the "pros" in the field?

Why should it be administered in such a way as to raise the question, "If I wanted to scuttle the Gold Medallion program, how would I go about it?"

Let's take, for example the question of determining demand. The Treasury wants to make sure that it doesn't end up with tons of golden images of Grant Wood sitting in the basement. It also wants the easiest way to explain the operation of a program to Congress and Budget officials.

Well, why not turn, at least in part, to that neglected institution, the marketplace? Why not for example, offer for delivery in four or six months any number of medals to whomever wants them at a price that will be determined later, using negotiable letters of credit? In other words commit people ahead of time to buying the medals yet to be produced.

How many gold medallions would the marketplace be willing to absorb a few months down the road at a price equal to the bullion price on that day plus $5 or $7?

If people are willing to make that kind of commitment, Treasury could lose no money. Production schedules could be adjusted. Promotion campaigns could be privately financed, and demand would be measurable.

Obviously, the largest group of medallions purchased under such arrangements would probably be by dealers or banks or organizations wanting them for resale or investment. But, there is no reason why individual, private purchases could not also be conducted through the Mint.

In fact, a broader market for the medallions made by dealers would help insure the investment of those who purchased through the Mint itself.

But, the Treasury is worried about profiteers, or those who might "corner" the market. Well, no market can be cornered if the supplier stands ready to meet the demand. And as to profiteers, why is it we see such a lively market in Krugerrands, with often very low margins, and all without the helping hand of the U.S. government?

Is it not clear when the law says that the medallions should include costs to cover marketing, the cost of marketing might be born by those who are willing to commit funds ahead of time and thus perhaps be eligible for a small discount on future delivery? Perhaps this could be something close to the amount of interest earned on the money in the months Treasury holds it before shipping medallions.

Then there is the question of profit. Republic National Bank Vice President Fred Bogart made one of the more memorable statements at the Senate hearings on the Gold Medallion Act, when he said that he'd guarantee that the government would suffer no loss if he could be given the annual medallion production at the bullion price plus production costs.

If fact, the often byzantine accounting system of the U.S. government insures that the American Arts Gold Medallion Program will be one of the biggest profit makers in the federal budget.

Gold is on the books at the "official" price of $42.22 per ounce. As a result the "cost" of the medallions will be about $5 or $7 plus $42.22 for the one-ounce medallions, and $21.11 for the half ounce medallions. Oh, throw in a couple cents for the copper.

At today's prices (as I write this, gold hit a record $281), the profit of the one ounce medallion will be at least $200 for each one ounce medallion and about $100 for every one-half ounce medallion. That figures out to a net profit of about $100,000,000 on the one ounce pieces and $100,000,000 on the one-half ounce pieces.

As someone who is concerned about coins and, perhaps, gold and money, I'd like to see *Coin World* reader comments on these ideas. Better yet, send the original to Secretary of the Treasury Blumenthal, and send me a copy. I'll see to it that the panel which will consider the funding for the program, the Senate Appropriations Subcommittee on the Treasury, gets a tabulation of the results.

Tell him what you think the total demand might be, and what you think of the proposed marketing plan. Also, give an estimate of how many medallions you might be willing to buy for whatever purpose.

There seems to be a communication problem here and you can help eliminate it. If I am wrong, then perhaps we should scrap the program and let other nations monopolize the arena. I'm willing to put in some time to do what I can to see that this program works and is changed if it needs be. I'd like your help.●

TAX INCENTIVES FOR FOREIGN INVESTMENT IN U.S. AGRICULTURAL LAND

● Mr. WALLOP. Mr. President, the issue of foreign investment in U.S. real estate has troubled Congress for the past several years. We know that foreign investment in the United States is on the increase, but until recently many questions regarding the extent and nature of foreign investment in the United States have remained unexplored. One of the more troublesome aspects of the foreign investment issue are the tax code and tax treaty provisions that allow foreign investors to escape paying capital gains taxation on the sale of farmland and other forms of real estate. The problem posed by this exclusive tax advantage is that the tax break prevents our own farmers and investors from competing effectively in bidding for farmland.

At the request of Senator TALMADGE, chairman of the Senate Agriculture Committee, the General Accounting Office has recently published a report shedding additional light on the question of foreign

investment in U.S. farmland. "Foreign Investment in U.S. Agricultural Land—How It Shapes Up" addresses many of the policy questions involving foreign investment in U.S. land, but its chapter on the tax treatment of foreign investments is especially useful. The GAO concludes that:

The elimination of tax advantages available to foreign but not U.S. investors would eliminate one of the factors that may be inhibiting potential U.S. purchasers from effectively competing with potential foreign purchasers of U.S. land.

Mr. President, the conclusions of this study lend further support to the Treasury's position that these tax advantages should be eliminated. The GAO report provides more evidence that Netherlands Antilles corporations are the most important foreign purchasers of U.S. land. It is common knowledge that by investing through a Netherlands Antilles corporation, foreign individuals and corporations can take advantage of the attractive tax breaks provided through treaty agreements with the Netherlands Antilles.

Mr. President, the tax questions relating to foreign investment in U.S. real estate have been addressed by the GAO, the Department of Agriculture, and the Department of the Treasury. Each of these government agencies have concluded that there is no reason to provide foreign investors a capital gains tax exemption on real estate that is denied our own investors. On June 25 the Senate Finance Committee's Subcommittee on Taxation and Debt Management held hearings on legislation that would require foreign investors to pay capital gains on the sale of U.S. farmland. The committee heard testimony from the American Farm Bureau Federation, the Department of the Treasury, independent tax experts and other witnesses, all of whom agreed that the foreign investor tax break should be changed.

There is no reason to delay passage of legislation that would change the tax treatment of real estate sold by foreign investors. I invite my colleagues to join in this effort by cosponsoring S. 208 and close a capital gains tax loophole available only to foreign investors. I urge the Senate to act quickly to change this unfair and harmful section of the Tax Code.

Mr. President, I ask that the portion of the GAO report dealing with tax advantages afforded foreign investors be printed in the RECORD.

The report follows:

FOREIGN INVESTMENT IN U.S. AGRICULTURAL LAND—HOW IT SHAPES UP

2. Nationalities and tax advantages of foreign purchasers:

The 224 foreign purchases of agricultural land that GAO identified in the review counties involved 173 foreign purchasers. Most of the 248,146 acres were bought by purchasers from the Netherlands Antilles, Belgium, West Germany, France, and Switzerland. GAO did not find Arab investors to be a factor. Most of the Antilles corporations were owned by Swiss, Belgian, and Italian investors.

Foreign investors who buy U.S. real property have U.S. tax advantages (involving primarily capital gains) not available to U.S. citizens who may wish to invest in that same property.

CONCLUSION

GAO believes elimination of the tax advantages foreign investors have would remove a factor that may be preventing potential U.S. purchasers from competing effectively with potential foreign purchasers. Legislation pending in the 96th Congress would remove the capital gains tax advantage. This would also raise U.S. Treasury revenues.

CHAPTER 2: NATIONALITIES AND TAX ADVANTAGES OF FOREIGN PURCHASERS

The 224 foreign purchases of agricultural land in the review counties during the 18-month period involved 173 foreign purchasers. They were affiliated with at least 30 different foreign countries. In some cases, we were unable to identify the specific country involved. In other cases, the investors-of-record were actually firms owned by individuals or firms from other countries. Although most purchasers' agents or attorneys were very helpful in providing ownership information, some would not go beyond admitting that the purchasers were European or foreign and some refused to provide any information on the subject.

FOREIGN AFFILIATIONS OF PURCHASERS OF AGRICULTURAL LAND IN REVIEW COUNTIES

The foreign affiliations of the 173 purchasers-of-record are shown in the following table.

Foreign affiliation	Acres purchased: Number	Acres purchased: Percent of total [1]	Transactions: Number	Transactions: Percent of total [1]
Netherlands Antilles	89,860	36.2	52	23.2
Belgium	34,792	14.0	3	1.3
West Germany	22,989	9.3	30	13.4
France	12,665	5.1	11	4.9
Switzerland	11,825	4.8	12	5.4
Europe (country not identified)	8,467	3.4	11	4.9
Austria	8,428	3.4	1	.4
Canada	8,269	3.3	39	17.4
Venezuela	7,967	3.2	1	.4
Great Britain	6,583	2.7	6	2.7
Liechtenstein	6,582	2.7	3	1.3
Netherlands	5,942	2.4	10	4.5
Mexico	5,190	2.1	4	1.8
Switzerland, West Germany, and Canada [2]	5,179	2.1	3	1.3
Singapore	2,755	1.1	1	.4
Luxembourg	2,641	1.1	1	.4
Sweden	2,452	1.0	2	.9
Hong Kong	1,547	.6	3	1.3
Italy	922	.4	3	1.3
Bahamas	578	.2	4	1.8
Liechtenstein, Panama, Canada, and Switzerland [3]	355	.1	4	1.8
Cayman Islands	214	.1	1	.4
Iran	2[illegible]	.1	3	1.3
Japan	202	.1	1	.4
Philippines	1[illegible]7	.1	3	1.3
Denmark	153	.1	1	.4
Australia	107	(4)	2	.9
Panama	95	(4)	1	.4
South Africa	90	(4)	1	.4
Japan and France [5]	86	(4)	1	.4
India	78	(4)	1	.4
Spain	64	(4)	1	.4
Taiwan	59	(4)	1	.4
Turkey	38	(4)	1	.4
Indonesia	26	(4)	1	.4
Country unknown	636	.3	1	.4
Total	248,146	[6] 100.0	224	[6] 100.0

[1] Percentages based on projected data could differ.
[2] Foreign-owned partnership comprised of German, Swiss, Canadian, and U.S. citizens.
[3] Foreign-owned corporation comprised of Panamanian, Liechtenstein, Swiss, and Canadian citizens.
[4] Less than 0.1 percent.
[5] Foreign-owned corporation comprised of Japanese and French citizens.
[6] Numbers do not add due to rounding.

Some of the countries and territories listed above are known as tax havens because residents of and firms incorporated in these areas have particularly attractive tax advantages regarding their investments in the United States. These so-called tax havens include the Netherlands Antilles, Switzerland and Liechtenstein. While we did not inquire further into the ownership of the Swiss and Liechtenstein investors, we did obtain additional information on the Netherlands Antilles purchasers.

One of our purposes in following up on the ownership of the Antillean purchasers was to determine whether concerns expressed by various individuals and sources that Arab interests may be buying U.S. agricultural land were well-founded. As the following section shows, we did not obtain any information showing that Arab interests were involved in any of the Antillean purchasers.

PURCHASES BY NETHERLANDS ANTILLES CORPORATIONS

As the table on pages 20 and 21 shows, Netherlands Antilles purchasers bought more acreage than any other foreign purchasers—89,860 acres, or 36.2 percent. These purchasers accounted for 45 of the 173 purchasers-of-record. The Netherlands Antilles—two groups of islands in the West Indies—are part of the Kingdom of the Netherlands. The islands are covered by an income tax treaty with the United States under which Netherlands Antilles corporations are entitled to certain tax benefits with respect to income derived from sources within the United States. (See pp. 31 and 32.)

It is very difficult to determine the true ownership of Antilles corporations. Antillean law allows shareholders of investment corporations to remain anonymous. This is advantageous to owners who may desire anonymity for various reasons. The president of a large real estate exchange which functions as a clearinghouse for foreign investors looking for U.S. property told us, for example, that investors from some foreign countries frequently buy property through Swiss banks and large law firms and incorporate in offshore tax havens such as the Netherlands Antilles. He said that such purchasers usually do not publicize their investments in countries other than their own because of possible legal repercussions of their countries' currency control laws.

Through the cooperation of agents and attorneys for Antillean corporations and other sources, we obtained information on the nationality, but not identity, of most of the corporations' owners. The Antillean firms that bought the most acreage (60 percent of the 89,860 acres bought by Antillean firms) were owned by Swiss and Belgian investors, as shown on the following page.

Residence and/or nationality of owners	Purchases by Netherlands Antilles corporations: Acres: Number	Acres: Percent of all foreign purchases	Transactions: Number	Transactions: Percent of all foreign purchases
Switzerland	28,181	11.4	5	2.2
Belgium	25,488	10.3	3	1.3
Italy	12,096	4.9	8	3.6
France, Italy, or West Germany [1]	10,603	4.3	15	6.7
Liechtenstein	4,772	1.9	1	.4
Netherlands	4,313	1.7	6	2.7
Hong Kong	1,247	.5	2	.9
Spain	479	.2	1	.4
Europe (country not identified)	459	.2	1	.4
Country unknown	2,222	.9	10	4.5
Total	89,860	[2] 36.2	52	[2] 23.2

[1] The agent who represented the 11 Netherlands Antilles corporations that made these 15 purchases told us that each corporation was owned by an individual, family, or group of friends from either France, Italy, or West Germany. He would not associate any corporation with a particular country.

[2] Numbers do not add due to rounding.

Combining the results of this analysis with the data in the table on pages 20 and 21 shows that six Belgian purchasers actually bought the most agricultural land—60,280 acres, or 24.3 percent—with Swiss purchasers being second—40,006 acres, or 16.1 percent. A revised ranking of the foreign affiliations of the purchasers buying more than 1,000 acres of U.S. agricultural land is shown on the next page.

Foreign affiliation	Acres purchased: Number	Acres purchased: Percent of total	Transactions: Number	Transactions: Percent of total
Belgium	60,280	24.3	6	2.7
Switzerland	40,006	16.1	17	7.6
West Germany	22,989	9.3	30	13.4
Italy	13,018	5.2	11	4.9
France	12,665	5.1	11	4.9
Liechtenstein	11,354	4.6	4	1.8
France, Italy, or West Germany	10,603	4.3	15	6.7
Netherlands	10,155	4.1	16	7.1
Europe (country not identified)	8,926	3.6	12	5.4
Austria	8,428	3.4	1	.4
Canada	8,269	3.3	39	17.4
Venezuela	7,967	3.2	1	.4
Great Britain	6,583	2.7	6	2.7
Mexico	5,190	2.1	4	1.8
Switzerland, West Germany, and Canada	5,179	2.1	3	1.3
Country unknown	2,858	1.2	11	4.9
Hong Kong	2,794	1.1	5	2.2
Singapore	2,755	1.1	1	.4
Luxembourg	2,641	1.1	1	.4
Sweden	2,452	1.0	2	.9

The Netherlands Antilles corporations bought agricultural land in six States (Arkansas, California, Georgia, Illinois, Montana, and Texas). Most of the land they purchased was in Montana (52,900 acres), California (26,356 acres), and Texas (7,029 acres). These purchases accounted for more than half of the total acres of foreign-bought agricultural land in the review counties in Montana and California and almost half of the acres purchased in Texas.

Of the seven Netherlands Antilles corporations which purchased the 52,900 acres in Montana, three were Belgian-owned firms which bought 25,488 acres and four were Swiss-owned firms which bought the other 27,412 acres.

Thirty-two Netherlands Antilles corporations purchased the 26,356 acres in California. Of these, 8 were Italian-owned firms which bought 12,096 acres and 11 were German, French, or Italian-owned firms (we had no further breakdown) which bought 10,603 acres. We could not identify the nationalities of the owners of nine other corporations that bought 1,182 acres. The owners of the remaining four corporations were from Hong Kong or Europe.

Two Netherlands Antilles corporations purchased the 7,029 acres in Texas. One, a Netherlands-owned firm, bought 2,257 acres; the other, a Liechtenstein-owned firm, bought 4,772 acres.

Ownership of the Netherlands Antilles firms which bought agricultural land in the other three States were as follows:

	Acres
Arkansas:	
One Spanish-owned firm	479
Georgia:	
One Netherlands-owned firm	1,500
One firm—owner's nationality unknown	1,040
Total	2,540
Illinois:	
One Netherlands-owned firm	547

FOREIGN AFFILIATIONS OF PURCHASERS BY STATE

The greatest numbers of different nationalities were represented by foreign purchasers in 4 of the 10 States—Arkansas, California, Georgia, and Washington. A listing, by State, of the countries and purchased acreage follows. (For this listing, the owners of the Netherlands Antilles corporations are included according to their country of residence or nationality.)

State and foreign affiliation	Foreign purchases: Acreage	Foreign purchases: Percent of total
Arkansas:		
West Germany, Canada, and Switzerland	5,179	42
Luxembourg	2,641	22
Netherlands	2,374	19
West Germany	960	8
Switzerland	500	4
Spain	479	4
France	168	1
Total	12,301	100
California:		
Italy	12,254	27
France, West Germany, and Italy [1]	10,603	23
Liechtenstein	6,582	14
Europe	3,398	7
West Germany	3,324	7
Hong Kong	2,794	6
Canada	2,020	4
Country unknown	1,182	3
Switzerland	1,016	2
Belgium	620	1
Bahamas	578	1
Mexico	350	(2)
Cayman Islands	214	(2)
Netherlands	172	(2)
Iran	133	(2)
Panama	95	(2)
India	78	(2)
Spain	64	(2)
Taiwan	59	(2)
Great Britain	46	(2)
Turkey	38	(2)
Total	45,620	[3] 100
Georgia:		
France	10,094	23
Austria	8,428	19
Europe	5,528	13
West Germany	4,416	10
Great Britain	3,253	8
Switzerland	3,047	7
Singapore	2,755	6
Sweden	2,452	6
Country unknown	1,676	4
Netherlands	1,509	4
Australia	107	(2)
South Africa	98	(2)
Total	43,265	[3] 100
Illinois:		
Netherlands	818	56
Italy	637	44
Total	1,455	100
Iowa:		
West Germany	302	42
Great Britain	271	37
Denmark	153	21
Total	727	100
Kansas:		
West Germany	5,264	64
France	2,493	31
Switzerland	332	4
Iran	80	1
Total	8,169	100
Montana:		
Belgium	59,660	62
Switzerland	27,412	28
Venezuela	7,967	8
West Germany	1,160	1
Canada	30	(2)
Total	96,229	[3] 100
Pennsylvania:		
Great Britain	3,012	68
West Germany	1,302	29
Italy	127	3
Total	4,441	100
Texas:		
West Germany	6,261	38
Liechtenstein	4,772	29
Netherlands	4,514	27
Switzerland	1,086	7
Total	16,633	[3] 100
Washington:		
Switzerland	6,613	34
Canada	6,219	32
Mexico	4,840	25
Netherlands	768	4
Switzerland, Panama, Canada, and Liechtenstein	355	2
Japan	202	1
Philippines	197	1
France and Japan	86	(2)
Indonesia	26	(2)
Total	19,306	[3] 100
Total	248,146	

[1] No breakout by specific country.

[2] Less than 1 percent.

[3] Numbers do not add because of rounding.

TAX INCENTIVES FOR FOREIGN INVESTMENT IN U.S. AGRICULTURAL LAND

Foreign investors who buy U.S. real property, including agricultural land, have certain U.S. tax advantages not available to U.S. citizens who may wish to invest in that same property. We did not obtain information on the extent to which any taxes required to be paid to the foreign country involved may offset the advantages available to foreign investors under U.S. tax laws and regulations.

The key determinant for U.S. income tax purposes is whether or not U.S. source income derived from the foreign source investment capital is considered to be effectively connected with a U.S. trade or business. This problem is discussed in a recent Treasury Department report [1] on the tax treatment of income from, or gain or loss realized on the sale of, an interest in U.S. property owned by nonresident aliens and foreign corporations.

Under U.S. law, if a nonresident alien or foreign corporation purchases U.S. real property and operates the property as a business, income derived from the investment (including capital gains) is taxed by the United States on a net basis and at rates applicable to U.S. taxpayers.

Capital gains realized by nonresident aliens and foreign corporations on the sale of U.S. investment property are not subject to U.S. tax if such gains are not "effectively connected" with a U.S. trade or business. Ordinary, "noneffectively connected" income from the investment property is taxed on a gross basis (without allowable business deductions) at a flat rate of 30 percent or at a lower rate if permitted by a tax treaty between the United States and the foreign country. With respect to ordinary income, the difference between a tax based on gross income and a tax based on that same income less allowable deductions can be substantial. If a foreign investor is not engaged in a U.S. trade or business, the investor may elect to have income from the U.S. investment property (such as payments received under a sharecropping or lease arrangement) taxed on a net basis as if it were effectively connected with a U.S. trade or business. This election is usually irrevocable if made under the Internal Revenue Code. It is annual if made under the Netherlands Antilles treaty.

The Treasury report concluded that, although most foreign investment in U.S. real estate either constitutes a U.S. trade or business or, at the election of the taxpayer, is taxed as if it were, foreign investors rarely incur a capital gains tax on the sale or disposition of their property holdings. The evidence is that foreign taxpayers are adept at using the various planning techniques available under present law which allow them to avoid the capital gains tax. Some of these techniques are as follows:

1. Foreign investors who are engaged in a U.S. trade or business may sell their U.S. real property on an installment basis and postpone receiving most or all of the payments until later years when they are no longer engaged in a trade or business. Any gain attributable to the payments in the years after the sale is not treated as effectively connected with a trade or business and therefore is not taxed.

2. Foreign investors may generally exchange U.S. real property held for productive use or investment for other property of a like kind, without recognizing any capital gain. If the property acquired in the exchange is located outside the United States, the capital gain realized on the subsequent sale of that property would not be subject to U.S. tax.

3. Foreign investors may invest in U.S. real estate through a real estate holding company incorporated outside the United States and avoid paying a capital gains tax on the sale of the real estate by the company or on the sale of the stock of the company by the foreign investor. One of the following two planning techniques would ordinarily be used.

First, if the real estate holding company sells the property and liquidates within 1 year, distributing the sales proceeds to the foreign shareholders, the capital gain realized by the company is not recognized for U.S. tax purposes.

Also, the shareholders would generally not be taxed on the gain when they exchanged their stock in liquidation for the sales proceeds of the real property because the shareholders are not considered to have been engaged in a U.S. trade or business by reason of their stock ownership.

Second, if the foreign investors sell their stock in a foreign real estate holding company which owns U.S. real estate, they are not subject to U.S. tax on the gain realized since the sale of the stock does not give rise to U.S. source income.

4. Many U.S. tax treaties with foreign countries permit foreign investors who are not engaged in a U.S. trade or business, but who elect to have their U.S. real estate income taxed on a net basis, to revoke that election in the year in which the real estate is sold. This means that with proper planning, foreign investors can elect to have income from their U.S. investment taxed on a net basis while the investment increases in value, and then revoke the election in the year they sell their land to avoid paying a capital gains tax.

THE NETHERLANDS ANTILLES TAX TREATY

Firms and individuals doing business through the Netherlands Antilles have the following tax advantages regarding their investments in the United States.

The Antilles profits tax on business income earned in the United States by Antilles firms is generally imposed at an effective rate of only 2 or 3 percent.

The Antilles has no estate, gift, or inheritance tax and no tax on capital gains, dividends, interest, or Antilles-source investment income paid to nonresidents.

The Antilles tax treaty with the United States allows for reduced U.S. taxes on income not connected with a U.S. trade or business by allowing foreign investors to elect annually whether to have the income taxed net of deductions.

The Antilles allows residents of other countries to incorporate in the Antilles and thereby take advantage of its tax treaty provisions with the United States. Consequently, investors from countries that have no tax treaties with the United States or whose tax treaties do not provide for an annual net basis election can substantially reduce their taxes on income and capital gains from their U.S. investments by incorporating in the Antilles and making the net basis election.

The Antilles allows its corporations to keep secret the identity of their shareholders. This makes it possible for investors from other countries that may have strict laws limiting investment of capital in foreign countries to circumvent such restrictions by incorporating in the Antilles.

Further details on the taxation of foreign investments in U.S. agricultural land and other real estate are discussed in the Treasury report.

[1] "Taxation of Foreign Investment in U.S. Real Estate," Department of the Treasury, May 4, 1979. A summary of this report was included in a Joint Committee Print on Tax Treatment of Foreign Investment in the United States, prepared for the use of the Senate Committee on Finance by the staff of the Joint Committee on Taxation, June 22, 1979.

SUMMARY AND CONCLUSIONS

Various individuals and sources have expressed concern that Arab interests may be buying U.S. agricultural land. We did not find this to be the case although we recognize that we did not probe beyond the nationality of the first level of ownership except in the case of the Netherlands Antilles firms. Most of the foreign-bought acreage was bought by Western European purchasers. The motives and other information regarding these purchases are discussed in the next four chapters.

The largest acreage of foreign-bought agricultural land was purchased by Netherlands Antilles firms which appear to have distinct tax advantages over U.S. purchasers. Other foreign purchasers also may have tax advantages in their U.S. property investments. Without considering any possible broader implications of such action, we believe that elimination of tax advantages available to foreign, but not U.S., investors would eliminate one of the factors that may be inhibiting potential U.S. purchasers from effectively competing with potential foreign purchasers of U.S. land. The Department of the Treasury favors elimination of these tax advantages to foreign investors. According to Treasury's report, taxing capital gains on the sale of U.S. agricultural land alone would raise U.S. Treasury revenues by an estimated $22 million in 1979; taxing capital gains on all U.S. real estate sold by foreign taxpayers would raise Treasury revenues by $142 million. The report states that the balance of payments impact of such action cannot be estimated with any precision but would probably be relatively small.

Two bills introduced in the 96th Congress (S. 208 and H.R. 3106) would generally subject to U.S. tax the capital gains of foreign investors from the sale of farmland, land suitable for farming, or rural land. Another bill (S. 192) would tax nonresident alien individuals and foreign corporations on their capital gains on all U.S. property—real estate, stocks, bonds, and so forth. Hearings were held on S. 208 and S. 192 in June 1979.●

PROGRESS, REMEMBER?

● Mr. JAVITS. Mr. President, for some time now, I have been calling for the adoption of policies to stimulate U.S. productivity growth as the highest priority. This was the theme of my Senate speech of February 6 (C.R.—1103) and, more recently, has become the raison d'etre for the Senate Republican Economic Policy Declaration, which was developed by a task force under the design of the Economic Policy Subcommittee, which I chair.

I am no longer alone in stressing the urgency with which we must act to revitalize our country's productive capacity and to modernize our business plant and equipment. In fact, the conclusions of the last two reports of the Joint Economic Committee, on which I serve as the Ranking Senate Republican member, serve to underscore my justifiable concerns with our sagging productivity performance and our weakened capacity to compete head-on with overseas suppliers.

Mr. President, over the recess, the New York Times printed an article entitled, "Progress, Remember?" written by Mr. Reginald Jones, chairman of the board of General Electric, in commemoration of the Thomas A. Edison centennial of light. Those of us who know Mr. Jones know that we can always rely on

his wisdom, be it written or oral, to make us that much richer than we were before sharing it. In his article, Mr. Jones pinpoints the source of our Nation's economic ailments as our neglect of science and technology—the "energizers" of our economic process. I concur with his view and support his argument that we must tilt our economic policies in such a way so as to offer some encouragement for those in our society who are willing to risk time, talents and money in ventures that could make life better for our people.

Some of the specific suggestions which Mr. Jones makes to encourage investment in technological innovation are already incorporated in the Republican legislative package to which I referred earlier. Others, particularly in the area of antitrust and regulation, concern the removal of inhibitory barriers to investment in new technologies. But the meat of the request that Mr. Jones makes of us is really more abstract and focuses on our fundamental attitudes toward competition, risk-taking, and progress itself. He asks us to reestablish a system that rewards talent and ingenuity, that stresses a standard of reasonableness for the resolution of economic problems, and that rejects the notion of limits and boundaries to our knowledge and development. It is alarming to realize that so evidently reasonable a request would require change of massive proportions to accomplish it.

Mr. President, I commend Mr. Jones for his excellent statement and urge my colleagues to take careful note of this most instructive set of recommendations so that we in the Senate will be able to work together to foster the type of social and political environment that will encourage an economy of progress to which Mr. Jones refers.

Mr. President, I ask to have Mr. Jones' article from the New York Times of Friday, August 24, printed in the RECORD.

The article follows:

PROGRESS, REMEMBER?

(By Reginald H. Jones)

FAIRFIELD, CONN.—Inflation, unemployment, declining productivity, trade deficits, disenchantment with government, loss of international position—all these are related directly to our recent neglect of the science and technology that energize our economic processes. And so there is, fortunately, a growing consensus, as we celebrate the Thomas A. Edison centennial of light, that we must do something about it before it's too late.

Unfortunately, under the Keynesian economics of recent decades, our tax structure has been sharply tilted against savings, investment and innovation. Additional tax changes are required to improve the crucial ratio of risk to reward that is the basic determinant of the level of business investment in the process of innovation.

Such changes could include programmed annual reductions in the corporate tax rate; improved capital recovery allowances to make up for the under-depreciation caused by inflation; relief from the double taxation of corporate dividends; additional improvements in the tax treatment of capital gains and losses; extension of the investment tax credit for new building; a reduction in the marginal tax rate on all individual income from 70 percent to 50 percent.

Tax incentives targeted specifically at research and development should be broadly based—not be restricted to certain types of such activity or certain politically chosen technologies. Similarly, the incentives should be nondiscriminatory or neutral in their application—that is, they should be available to all taxpayers, all companies and all parts of the country.

Here are some research-and-development incentives that might be instituted at relatively modest cost to the Treasury.

1. Flexible depreciation for equipment and special-purpose structures used in research and development. The taxpayer could elect to depreciate his investment in such assets in full in the year of acquisition or over any period.

2. Flexible depreciation for purchased patents and other intangible items of technology, such as know-how and secret processes. The unequal treatment of purchased and internally acquired patents and technology discourages the purchase and commercialization of new inventions and limits inventors' market opportunities.

3. A special deduction equal to 120 percent of research-and-development expenditures. Such a provision would cost about $2.4 billion a year. It would reduce the effective tax rate for companies that are efficiently investing in research and development, thus increasing their cash flow for additional innovation.

What else can we do to stimulate technological innovation?

One necessary element must be to revitalize university research. Perhaps the Government's grant funds for such research should be tied to the growth rate of the gross national product as a matter of policy. This would provide the universities with the planning stability they need. University grants and contracts must also be increased to cover full costs, or their research-and-development facilities will deteriorate to the danger point.

Increased share of the market that results from new technology should not be considered in monopoly cases. Otherwise, why bother to risk the money on developing new products and bringing them to market?

Antitrust cases are being conducted on the spurious assumption that the only competition that counts is United States competition; that United States companies must be broken up or limited while foreign governments are doing everything in their power to increase the size and capability of our foreign competitors. Yet, many of the most promising new technologies require the scale of worldwide markets in order to justify the costs. Antitrust policies that inhibit competing worldwide in high technology are flatly contrary to the public interest.

The capacity of the regulatory bureaucracy to inhibit investment in new technology cannot be overstated. What we need is not an end to Government regulation but some reasonable accommodation: some effort to balance the benefits against the costs, some encouragement for those who are willing to risk their time, talents and money in ventures that could make life better for our people.

Our fundamental need is a social and political climate that favors technological progress. We used to have it. We don't anymore. We have begun to accept limits to scientific inquiry, limits to technological innovation, limits to economic growth. If science has brought us problems—as it has—then the answer is more knowledge, not less. If technology has brought us problems—as it has—then the answer is better-managed technology, not a slow slide back to the poverty and squalor that most people had to endure in the falsely idealized past.●

MORAL ISSUES INHERENT IN ENERGY POLICY DECISIONS

● Mr. KENNEDY. Mr. President, for the past 2 years, the National Council of Churches of Christ has undertaken a study of the moral issues inherent in energy policy decisions. I was pleased to see that the NCCC concluded that conservation and increased energy efficiency should be the keystone of national energy policy. Their committment to protection of the poor and increased employment as central goals of energy policy are equally important.

I request that a summary of their report be printed in the RECORD.

The summary follows:

THE ETHICAL IMPLICATIONS OF ENERGY PRODUCTION AND USE

INTRODUCTION: ETHICAL GUIDELINES ARE NECESSARY IN THE PRESENT ENERGY SITUATION

The purpose of this Policy Statement is to clarify the values which should inform decisions about public energy policy, to set forth broad guidelines for decision-making, to indicate criteria by which energy technologies can be assessed, and finally to suggest some public policy positions and appropriate actions by churches and individual Christians.

The National Council of the Churches of Christ addresses the energy issue from a conviction that Christians must be guided by values based on the Biblical witness to creation, redemption, stewardship, justice and hope. These values should shape the policy decisions necessary to meet the profound challenge facing humanity: how to share limited amounts of energy fairly without poisoning ourselves by poisoning the wider environment.

Energy sources on which societies have become dependent are being used up. Threatened shortages increase the risk that hazardous energy technologies may be developed and used, threatening world stability and the ability of the earth to sustain life. Technical experts not only disagree on the conclusions they draw from facts; they disagree on the facts themselves. In such a threatening and bewildering atmosphere, ethics must provide important guidelines for energy policy decisions.

Energy use must not exceed the limited natural resources available, or overtax the ability of the environment to absorb pollution. Priority in energy use should be given to the satisfaction of basic human needs such as food, shelter, health, and clean air and water. Human dignity demands the widest participation in policy decisions which seek to meet these requirements.

THEOLOGY PROVIDES THE BASIS FOR OUR ETHICS

Human beings are made by God as persons-in-nature, co-creators in reciprocal relationships with everything else that God has made. As an integral part of creation, humanity shares in its finite nature. Only after making this basic affirmation does the Bible declare that humans are distinctive because they are created in God's image. Persons are unique in their capacity to respond to God in faith and hope, to their human neighbors with love, and to the nonhuman part of creation with respect and responsible care.

Humanity has often selfishly distorted the divine commission to exercise dominion over the earth into an unlimited license to exploit the material world and weaker persons. This perversion of dominion into domination is a sin and is one of the underlying causes of the energy crisis. When faith in the Creator and in the Kingdom of God is replaced by faith in human ability to solve all problems by technical means, humanity has also fallen into the sin of idolatry.

The obedient fulfillment of God's command calls for persons to think and work together both as accountable stewards of the whole earth and as bold advocates for fairness in the human community.

The Bible makes clear that the fertility of the earth—its ability to sustain human life in the peace and justice of *Shalom*—is intimately bound up with the protection of justice in the social order. Human faithlessness and injustice to our neighbor could destroy the creation. The definition of "neighbor" is now being radically expanded to encompass all humans in past, present and future generations, as well as the rest of creation. The range of our ethical responsibility must expand to conform to the fact that using advanced technology greatly increases the range in time and space of the consequences of human actions.

THE ETHIC OF ECOLOGICAL JUSTICE

We are called to embrace an ethic that takes into consideration the claims of those involved and endangered neighbors who, in the present energy debate, are necessarily voiceless because they do not yet exist, or because they exist in the nonhuman creation.

Ecological justice is such an ethic. It is an ethic for all members of the community of life, inspired by Christian hope for the fulfillment of God's promises assured us in the resurrection. It provides guidelines for human choice and action. An ecologically just society will be guided by the values of sustainability, fairness and participation.

Sustainability refers to the earth's limited capacity to provide resources and to absorb the pollution resulting from their use. Sustainability requires that biological and social systems which nurture and support life not be depleted or poisoned. The concept of sustainability defines the limits within which all should participate in the equitable satisfaction of needs.

Fairness refers to distribution of energy resources on the basis of need, and to an equitable distribution of the total benefits and costs. Fairness embodies, among other things, the rights of today's generation and those yet unborn.

Participation is a component of fairness in that the individual community member must take the responsibility and must have the opportunity to be involved in determining public policy and the hierarchy of values which guide that policy.

ECOLOGICAL JUSTICE INDICATES GENERAL GUIDELINES FOR DECISION-MAKING

Creating a just energy policy is difficult because inevitably some ethically desirable goals must be "traded off" against other goals which are also good. Precisely because such decisions are not simple, they should be made only after maximum public consideration, with conscious awareness of what good goals are being sacrificed, and agreement that the sacrifice is necessary. The ethic of ecological justice indicates some general guidelines which should apply when decisions are being made about energy policy:

I. If using a technology poses a risk of irreversible global damage, great prudence and caution should be exercised in deciding about its use. The greater the risk, the less moral justification there is for its use.

II. The survival needs of those who are below the minimum material standard of living should be met before the wants of those above that standard. Since survival depends on energy, it should be distributed by a standard that insures adequate food, health, housing, and clean air and water for all.

III. The views of those who will be affected by a particular action should be heard in the decision-making process.

IV. The effect on future generations of today's decisions must be considered.

V. Those who receive the benefits of energy decisions should, as much as possible, bear the costs.

VI. Regardless of their size or political influence, all countries should have access to full and responsible participation in arenas in which research and policy decisions are made which will affect their energy futures.

VII. Quality of life considerations—such as human dignity, satisfaction in employment, community cohesion and religion—must be considered along with technical and economic factors.

ECOLOGICAL JUSTICE INDICATES CRITERIA FOR ASSESSING TECHNOLOGIES

Ecological justice is an ethic of means as well as an ethic of ends. An ecologically just society cannot be achieved by using a technology which violates the values of fairness, sustainability and participation. The Environmental Impact Statement has been one means by which the effect of a technology on our natural life-support system can be monitored and controlled. No such legally enforceable method exists to assess and control the social impacts of a technology on the quality of life of individuals, communities and political institutions. Among the areas affected by technologies are public health, employment, safety, income distribution, community cohesion and civil liberties.

No single energy technology can realistically be expected to supply all human needs: a diversity of resources and different-sized systems will be necessary. No energy system will be free of contradictions and compromises, but ideally each technology pursued will violate as few of the following criteria as possible:

Safe: protective of the human and natural environment, and not threatening irreversible global damage.

Appropriate to human nature: not requiring infallibility or error-free performance from humans or machines.

Flexible: capable of timely change—even reversibility—during development and use in order to adapt to unpredictable events, such as unexpected health hazards.

Non-destructive to other necessities of life: for instance, not removing good agricultural land from food production or polluting necessary water supplies.

Resource-saving: using renewable energy sources rather than non-renewable—for instance, water power rather than oil.

Resilient: capable of absorbing shocks—for instance, oil embargoes, severe winters—without causing major social disruptions.

Fair: capable of having its benefits and costs allocated fairly to all, including future generations—for instance, not requiring one group to suffer genetic damage in order that another group may have electricity.

Comprehensible: capable of being understood, with information freely available, so that those citizens who wish to can participate responsibly in decisions.

Non-violent: difficult to use directly or indirectly as a weapon—for instance, not able to be easily made into a nuclear bomb.

Employment-producing: not replacing jobs with energy-intensive machinery, especially in areas of high unemployment.

Pluralistic: assuring a diversity of options, cultures, life-styles and opportunities, and encouraging a scale that permits choice and control by the user.

Appropriate: most nearly matched to the society to be served—for instance, small-scale and local where the need is mainly in small communities—and producing the kind of energy most nearly matched to the work to be done—for instance, electricity for telecommunications, solar for hot water.

Aesthetic: pleasing to the senses and enjoyable to work with.

ECOLOGICAL JUSTICE INDICATES U.S. ENERGY POLICY OUTLINES

U.S. energy policy should be in accord with the ethic of ecological justice and the guidelines and criteria it suggests. Such policy needs careful development to prevent severe social and economic dislocation. The ethic of ecological justice suggests some elements of a national energy policy which the NCCC Governing Board would support:

We support efforts to conserve energy and to use it more efficiently. Not using energy unnecessarily is the safest and cheapest "energy resource". Continued education about the necessity for and practical ways of saving energy is needed. Laws and regulations deterring conservation and recycling of materials should be adjusted.

We support publicly-funded energy-conserving projects designed in a way that will provide new skills and jobs for the unemployed. Such projects include winterization and insulation of homes, small-scale appropriate energy technologies and public transportation.

We support programs to limit fuel consumption that do not rely primarily on raising prices, which places an intolerable burden on the poor, the elderly and those with fixed incomes.

We support increased government research and development funding, subsidies and other incentives to expand the practical application of appropriate energy technologies based on renewable energy resources such as solar energy, including wind and water. Some of these are already developed; large government subsidies to other energy processes should be diverted to make appropriate technologies more readily available—for instance, freeing transportation of its inefficient dependency upon petroleum.

We support a national energy policy which does not rely on a long-term large increase in the burning of coal. Besides increased health and safety risks to workers and the general public from using more coal, extensive burning of fossil fuels may cause irreversible damage to the world's atmosphere, changing weather patterns and so threatening food production and the continued habitability of large areas of the earth. However, some increase in coal use over the short term is reluctantly accepted as necessary to avoid increased use of nuclear energy or economic dislocation caused by severe energy shortages.

We support a national energy policy which will not need to utilize nuclear fission. Secure handling of nuclear wastes over thousands of generations and safe operation of nuclear plants require that humans and their machines operate without endangering human beings or the enviroment. Human beings are not infallible; they will make mistakes, and machines will fail. The result may be irreversible damage to the environment and to the human genetic pool.

We support a continued ban on the commercial processing and use of plutonium as a fuel in the United States, and stringent efforts to reach worldwide agreement banning such use of plutonium. Commercial use of plutonium can result in proliferation of nuclear weapons. The potential misuse could result in pressure to curtail civil liberties in order to prevent such a threat.

We support the rapid development of enforceable regulations to require a social and environmenal impact statement of a technology before it is widely used and the monitoring and control of its use to prevent social and environmental damage.

We support U.S. policy which seeks to share technologies internationally without impos-

ing capital-intensive energy technologies on other countries.

We support full U.S. cooperation in international efforts to ensure equitable distribution of necessary energy supplies and the rapid development and deployment of appropriate technologies based on renewable energy resources such as solar energy, including wind and water.

THE CHALLENGE TO CHRISTIANS AND TO THE CHURCHES

The Governing Board of the National Council of the Churches of Christ calls upon the society of which it is a part to enact energy policy which fosters the values of sustainability, fairness and participation. The institutional church and each of its members as individuals and as citizens must challenge traditional modes of thought and behavior. The NCCC Governing Board urges each Christian, each member communion of the National Council, and the Council itself, prayerfully to seek guidance for a faithful response to the challenge facing us all. As possible components of such a response, the following suggestions are offered for use by Council agencies, denominations and their members:

Study materials which deal with energy issues in the context of ethics.

Monitor the energy use of households, local churches, judicatories or national agencies by means of careful and inclusive record-keeping over a period of time. Include everything from the use of products made from non-renewable energy resources to the energy used getting to meetings.

Examine these energy-use records and act to conserve energy by eliminating unnecessary use.

Develop methods by which to take advantage of government and voluntary programs designed to help poor communities, the unemployed and the elderly meet high energy bills and with conservation and job programs.

Join with others to monitor utility and energy industry regulatory agencies. Monitor local, state and national building codes, regulations and legislation. Monitor utilities and energy companies which service you or in which you have stocks. Work to bring business practices and government regulations and legislation into harmony with the values of sustainability, fairness and participation.

Voting results: 120 in favor; 26 against; 1 abstention. The Antiochian Orthodox Christian Archdiocese of North America records its negative vote.●

BENEFITS OF INCREASED ENERGY PRODUCTIVITY

● Mr. KENNEDY. Mr. President, I wish to print in the RECORD today a recent article from the Washington Post which summarizes a large number of studies which conclude that increasing energy productivity is one of the most promising methods of increasing our energy security while improving the economy. These studies reaffirm the importance of moving aggressively on legislation that Senators JACKSON, DURKIN, and I, along with cosponsors HATFIELD, TSONGAS, BUMPERS, MATSUNAGA, WALLOP, BAUCUS, PERCY, and MELCHER, recently introduced, amendment 388 to S. 1308, (introduced on August 2, 1979).

Any balanced energy program must include a major effort to increase energy productivity as its central element.

The article follows:

CONSERVATION PROJECTS WIDELY VIEWED AS MOST PROMISING ENERGY SOURCE

(By Katherine Ellison)

The titles of the studies sound almost evangelical: "The Good News about Energy," "The Easy Path Energy Plan," "Energy Future." That a rash of researchers is promoting "unique" plans to save energy after six years of on-and-off national shortages is not surprising. What is surprising is they are generally saying the same thing.

All claim the most promising untapped source of energy is the 30 to 50 percent of national use they estimate is wasted every year by inefficient cars, buildings and appliances.

Conservation, they say, could cut 2.5 million barrels daily from the 8 million barrels the nation imports. The synfuels program, by contrast, about 200,000 barrels a day. And conservation is much cheaper.

Some studies estimate the recovery cost of the "conservation barrel" at as little as one-ninth the price of a "synfuel" barrel, which could run as high as $45.

Individual consumers can save money through a variety of simple energy-saving measures costing little or nothing to implement. The Union of Concerned Scientists estimates "the potential may exist to economically reduce heating bills by 50 percent or more in the typical household" with little or no change in comfort.

"All of Carter's measures tend to mean higher prices for oil, but most conservation strategies result in lower overall costs," according to USC researcher Vince Taylor.

Experts also foresee vast national savings on larger conservation projects, though this point many of these would not pay for themselves in the current economic environment. Proponents are calling on federal government to supply the missing incentives.

"The administration should reverse their goals for conservation and synfuels—then they'd have a reasonable chance of achieving them. They have no chance now," commented Daniel Yergin, co-author of a recent Harvard study on energy.

A report by the Council on Environmental Quality this year said federal emphasis on "energy productivity" would lead to "more efficient and durable products and buildings, automobiles with higher fuel economy . . . and new, more efficient industrial processes." These advances could be attained with a 30 to 40 percent cutback on energy consumption, the report added.

Some headway has been made along these lines since the 1973 Arab oil embargo shocked Americans into watching their energy consumption more carefully. Since about that time, the amount of energy consumed per unit output has been falling at nearly 1.4 percent each year. But decades of cheap, abundant fuel have made energy-wasting a national pastime. West Germany, with a standard of living similar to that of the United States, uses only half as much energy per person, according to the Department of Energy.

Ingrained attitudes, law and policy reinforce the pattern of waste. Appraisers and contractors are reluctant to see the enhanced value of homes with energy-saving additions. Landlords renting out houses may include the utility bills in the rent, upping energy use by residents as much as 25 percent. City dwellers throw away reusable bottles for lack of any reason to return them.

Laws that impose utility-type regulations on industries that could "cogenerate" electricity as a by-product are preventing changes that might save millions of barrels of oil each day, according to DOE spokesman J. Michael Power.

Today only about 4 percent of U.S. industries use waste steam to generate power. About 56 percent did in the 1930s, said Jan Acton, a researcher at the think-tank Rand Corp. But in later years energy utilities "very deliberately gave volume discounts" making it cheaper for industries not to worry about such efficiencies, he added.

Now most industry is reluctant to move into cogeneration because plants selling extra power from the process would be reclassified as "utilities," and as such invite harsher regulatory treatment, according to Power. The problem is being reviewed by the Federal Energy Regulatory Commission, he said, but in the meantime is costing about 4 million barrels of oil-equivalent energy each day. "Until industry knows what government policy is going to be, any investment is going to be risky," Power remarked.

DOE, he added, is "trying to get away from regulating industry," choosing instead to explore cost sharing for conservation investments and joint research.

For years, government energy researchers have studied potential fuel-saving techniques; their work gets as detailed as quantifying the change in temperature achieved by wearing or not wearing a hat (.2 degrees F). But most experts now enthusiastically point to larger scale measures for conservation.

A recent Princeton University study calls for spending an average of $1,500 per house to diminish the 50 percent portion of national heating energy it estimates is wasted each year. The study recommends that the government train a squad of "house doctors" to examine homes for inefficient insulation and fuel use.

A CEQ report in March called for a stepped-up program of standards for auto, building and appliance efficiency, along with federal encouragement for firms exploring cogeneration and utilities opting for time-of-day pricing.

A CBS-New York Times poll the day after President Carter's speech last month found more than 90 percent surveyed were prepared to make sacrifices for conservation, such as driving slower or less often and adjusting their thermostats.

But few Americans are aware of how little sacrifice simple conservation measures demand, according to CEQ's John Davidson.

"We're trying to get away from the ideal of conservation as people sweating in a building," he said.

Most energy specialists have their own list of tips for painless conservation in the home or car. The following ideas are culled from lists circulating from the Environmental Protection Agency, DOE, CEQ and Rand.

Home. About 20 percent of total national energy demand goes to heating and operating appliances in residential buildings. Some of this demand could be cut by: keeping refrigerator coils clean (increasing efficiency up to 10 percent); turning off water heaters while away (reducing that annual drain by about .1 percent for each day); caulking and weather-stripping ceilings and walls; eliminating unnecessary hot water laundry rinses; replacing gas pilot lights with electrical ignitors, and turning off yard lamps.

Cars. Transportation takes about a quarter of energy use. Some simple measures can reduce the bite of that portion taken by cars.

Radial tires may increase efficiency by 6 to 7 percent; standard instead of automatic transmissions save 5 to 6 percent, and turning off air conditioners may save up to 20 percent.

Poorly tuned engines and under-inflated tires can impose a 4 to 6 percent penalty on fuel usage; properly inflated tires alone may save 3 percent of consumption. Yergin estimated that the savings attainable by keeping the national auto fleet properly maintained could "perhaps be equivalent to half the oil flowing from Alaska."

However, Yergin noted the increasing trend toward self-service stations will probably lead to worse, not better maintenance.

Conservation would be easy and pleasant if all of the country had California's climate. If so, the success of Davis, Calif., would be a logical national objective.

City officials in that college town recently claimed to have cut consumption of natural gas by 37 percent and electricity by 18 percent since 1973. They say they've done it by taking advantage of the temperate-to-hot, dry climate. The city government said bicycles are used for about 25 percent of all local trips. Officials encourage new houses to be well-insulated, and old ones to be retrofitted. And they require new buildings to be constructed so that their largest windows absorb the winter sun.

Concentric instead of "leapfrog" development keeps driving distances down, and a new city ordinance allows business and professional people to work in their homes, eliminating some commuting altogether.●

HEALTH COSTS

● Mr. BUMPERS. Mr. President, I have frequently advocated controlling health costs through competition. Many Government regulations protect inefficient medical care providers and hold back innovations in the medical care.

A recent article appeared in the New England Journal of Medicine by Clark Havighurst and Glenn Hackbarth, which explains how a more competitive health-care market would probably be more effective in controlling health-care costs and could reduce Government regulation.

We have not given enough attention to the manner in which private health insurance could be changed to reward innovations that control costs without more Government regulation.

This may seem like a dream at a time when health costs are spiraling and more Government regulation is on the horizon. However, competition has worked well in Minnesota's Twin Cities, and it could work well in other localities.

I recommend this article in light of the upcoming debate on the hospital cost containment legislation.

Mr. President, I ask that the article from the New England Journal of Medicine be printed in the RECORD.

The article follows:

PRIVATE COST CONTAINMENT

(By Clark C. Havighurst, J.D., and Glenn M. Hackbarth, J.D.)

Abstract. Physicians should recognize that a more competitive health-care market would provide the best defense against government regulation. Aside from group-practice health-maintenance organizations, the cost-containment steps that might be taken in such a market are not well understood. In particular, little attention has been paid to how private health insurers might redefine their coverage to limit the cost-increasing effects of third-party payment. Insurer-provider agreements negotiated in a competitive environment would seem to be especially promising. Competing insurance plans would be variously organized and operated according to provider and consumer preferences. Traditional doctor-patient relations as well as fee-for-service payment could be preserved. The antitrust laws, while curbing concerted effort to prevent change, should assure that physicians are not exploited by dominant buyers. Lucrative opportunities already exist for enterprising and efficient providers. (N Engl J Med 300:1298-1305, 1979)

We believe that the only truly responsible position for the medical profession to take in its defense against increasing government encroachment is to support a competitive market in which total health-care spending and the level of doctors' incomes are determined by smoothly working market forces that ultimately reflect the preferences of consumers as well as providers. This article explores the nature of privately initiated cost containment as it could be expected to emerge in such a competitive market. We hope to persuade the medical profession to accept and participate in the developments needed to make private solutions feasible as an alternative to government controls.

A critical point, however, is that the private solutions advocated here do not include those sponsored by organized medicine, such as the "Voluntary Effort." Far from appealing to organized medicine to come forward with "private-sector" remedies of its own, this article assumes that all profession-sponsored developments that potentially affect prices, even if their immediate effect is to lower them, will ultimately be held to violate the federal antitrust laws. Although this view will surprise some physicians, we hold that it is legally correct because the profession's sponsorship of change is inconsistent with the freedom of individual economic actors that is essential to make the competitive marketplace function. In our view, the medical profession should forsake collective economic action in defense of particular modes of medical practice and pursue collective political action on behalf of the competitive market as the ultimate arbiter of how much should be spent on health care and how it should be allocated.

We have elected to discuss private cost containment largely in abstract terms. The more common approach of applauding specific developments, such as health-maintenance organizations (HMO's) and second opinions, would plunge us immediately into unnecessary controversy and obscure the essential points. Moreover, existing cost-containment mechanisms may not provide a reliable basis for predicting a market-determined future, because they are only a sampling of a wider range of possibilities, some of which may prove superior to anything now in use. The essence of the market strategy is, after all, that evolution and adaptation in response to the revealed preferences of both consumers and providers should determine ultimate outcomes. Much of the discussion here is thus frankly speculative—designed not so much to prove what would actually happen in a relatively free market as to suggest the nature, range and richness of the possibilities.

RELATIVE ROLES OF HEALTH INSURANCE AND HMO'S IN A MARKET-ORIENTED SYSTEM

Our analysis differs from common conceptions of the market strategy in that we anticipate a greater role for private health insurance and a comparatively less central role for the prepaid-group-practice variety of HMO. Market advocates have often appeared to rely on group-practice HMO's as the primary vehicle with which to introduce competition and increased cost consciousness into health services.[1,2] Because of the emphasis that such HMO's have received, including their intended promotion under the federal Health Maintenance Organization Act of 1973, there is now a common tendency to equate the market strategy with their development. But the federal law's encouragement of one set of desirable initiatives has had the effect of discouraging others that might serve the public as well or better.[4]

Although HMO's offer many important improvements over traditional mechanisms, they may sacrifice the productivity, commitment and personal element that characterize traditional medicine at its best. Prepaid groups are also difficult to start and cannot quickly exert a powerful competitive influence, and many areas may be unable to support enough groups to make competition meaningful. Finally, HMO's have become a rallying point for government interventionists, who prefer to dictate to consumers and providers, rather than to enhance their freedom of choice. For all these reasons, it is desirable to identify new opportunities for experimentation and change that lie on the broad—and largely unexplored—spectrum from traditional financing mechanisms to federally subsidized group-practice HMO's.

IDENTIFYING THE TRUE CAUSES OF THE MARKET'S PAST FAILURES

Almost all major proposals for reforming the health-care system assume that the prevalence of third-party financing assures a colossal market failure that must be dealt with by extraordinary governmental means. More specifically, the assumption is that health insurance, though necessary to protect people against unbearable costs, is so destructive of cost consciousness that price competition among providers of health care is impossible. The private insurance industry itself confirms this assumption by disclaiming any ability to do more than it is currently doing about health costs. Physicians, hospitals and Blue Cross and Blue Shield plans, though they seem to take a more positive attitude, do not contemplate an increase in competitive developments that would seriously disrupt the status quo. Their position is not that competition can be made to work but that they can be trusted not to abuse their dominant positions in the market.

The assumption that health insurance precludes price competition in medical markets should be more carefully examined. Private insurers in other fields have taken steps to curb the natural propensity of consumers to spend the insurer's money on benefits not worth their costs. In non-medical fields, insurers recognize this phenomenon—called "moral hazard" by economists—as a problem that they must combat if they are to compete effectively. They therefore employ insurance adjusters, multiple estimates, fixed cash benefits and other mechanisms to control their costs.

The primary cause of the persistent rise in healthcare costs is not moral hazard itself, but the unwillingness of providers and insurers to experiment with new technics to control its impact. Health insurance is now too comprehensive, and it features administrative approaches and claims policies that indulge, rather than counteract, moral hazard. Until some changes are made, we cannot presume that the existing level of health-care expenditures is a true expression of consumer preferences. Only when it can be argued that the competitive process has operated freely and fostered innovations that reflect consumer preferences will the market be a plausible alternative to government regulation.

To be sure, the severity of the moral-hazard problem associated with health insurance is not entirely the fault of health insurers. By treating employer-paid health-insurance premiums as a nontaxable fringe benefit for both income-tax and Social Security-tax purposes, the tax laws encourage every wage-earning family to pay as many of its medical bills as possible through employer-purchased insurance. Comprehensive insurance, covering many easily budgetable expenses, allows consumers to pay medical bills with dollars that have not been subjected to previous taxation. Similarly, tax subsidies make purchasers of insurance more tolerant of the prevailing "no-questions-asked" approach to claims review. If taxes

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were not a factor in private decisions to insure, consumers would feel the full force of the trade-off between financial protection and exposure to moral hazard.[6] For the most part, private choices could be trusted not to introduce more distortion into the demand for medical care than is warranted by the need for protection against unmanageable costs. Heavier co-insurance, larger deductibles and exclusion of both highly discretionary items and minor budgetable items would probably be standard. Insurer efforts to police spending would also be more common and generally approved as a service to those who are insured.

Although the tax law may not be changed soon, other more remediable factors also inhibit the private sector's cost-containment efforts. The core of the problem is the questionable competitiveness of the insurance industry, which is both heavily regulated and largely exempt from the antitrust laws. Weak competition among insurers is not inevitable, however, since there are many firms and it is relatively easy to enter new markets. Furthermore, major insurance purchasers are becoming increasingly cost-conscious and may soon force insurers to change their traditionally noncompetitive ways. Most important, innovation in cost containment should be greatly facilitated by the new interest in applying the antitrust laws to the medical profession. Concerted professional resistance, such as that encountered after previous insurer innovations,[6] is now recognized as a violation of the antitrust laws.[7] There is thus some basis for hope that insurers' mutual forbearance from competition in cost containment, reflecting a tacit conspiracy heretofore conveniently policed by unorganized medicine, will soon break down, unleashing competitive innovation and potentially rapid change.

Setting aside the antitrust risks in resisting private cost containment, we think that the medical profession should recognize that, if it is serious about wanting to avoid governmental domination of the system, its long-term interests require that the private sector have greater freedom to work on the cost problem.

POSSIBLE INSURER STRATEGIES

Before private insurers are embraced as appropriate vehicles for cost containment, it is necessary to decide how the insurance contract can accommodate emerging concerns about costs without overstepping the limits of the insurer's appropriate role. Private-sector cost containment is in large measure an administrative problem that must be addressed in a competitive environment. Both providers and consumers must be satisfied with a plan's various elements, which should include not only the price charged or paid, but also fairness and freedom from undue administrative problems. Numerous conflicting interests must be addressed, and the plans that are most successful in accommodating these conflicting interests will be most successful in the marketplace. Plans that are too cumbersome will not and should not survive in a competitive market.

Insurer cost containment must not occur by controlling medical practice. Instead, in accord with traditional insurance concepts, cost containment should simply define the limits of insurance coverage. Exclusions from coverage that are strategically imposed for cost-containment purposes could affect any of several of the insurance policy's dimensions. Monetary exclusions, including deductibles, co-payment requirements and limits on the amounts payable in particular circumstances, are one set of possibilities. Another possible approach is to exclude particular treatments or procedures, or to include them only if certain conditions are met. Still another cost-containment strategy would be to exclude from coverage (or include on less advantageous terms) services rendered by providers who refuse to accept the insurer's administrative requirements or fee schedule or who are simply not known to be efficient or co-operative. Insurance purchasers, comparing premiums with the coverage given, might rationally choose policies with any of these types of selective coverage, thereby accepting, in return for a lower premium, some financial risk or some restriction on their free choice of provider. These various departures from traditional indemnity policies, which offer unrestricted choice of provider and largely accept providers' decisions on what costs to incur and what charges to make, suggest the conceptual basis for innovations that competing insurers can be expected to adopt.

It is important to recognize that a coverage limitation in an insurance policy is nothing more than that. An exclusion from coverage does not necessarily imply anything about the appropriateness or inappropriateness of the excluded treatments or procedures, or the competence or efficiency of any providers whose services are not covered. All that is involved is a voluntary contractual limitation on the right of the insured to draw on the common fund. Because we are not dealing, for the moment, with patients who are indigent, it can be assumed that the patient can usually pay for any additional care that he and his physician agree is desirable. Therefore, any service exclusions that plans might adopt should not become the subject of a debate over what is or is not good medical practice or over the medical "need" for the excluded service in particular circumstances. Likewise, exclusion of individual providers from a plan's coverage cannot be legitimately called into question so long as the market is competitive and therefore offers providers alternative opportunities. Competing plans must ordinarily be presumed to supply what consumers want.

The concern that a coverage limitation might sometimes impose a real hardship on the insured must not be overstated, for the object in designing coverage should be to include anything that is both essential and expensive. Although this object may not be perfectly achieved at reasonable cost, the rare cases of actual inability to pay for noncovered but necessary treatment should be easily handled by the health-care system's remaining capacity for extending free care. Whereas a governmental requirement to assure some coverage of catastrophic expenses may seem necessary to prevent "free-riding" on the health-care system's charitable impulses, it is not inappropriate to rely implicitly to some residual extent on providers to buffer any serious side effects of competing insurers' cost-containment efforts.[8] Physicians should recognize that insurer-sponsored exclusions from coverage or limitations on freedom of choice may well be in the best interests of insured groups, and that it is within the power and traditional responsibility of providers to prevent the rare case of severe hardship to an individual.

The discussion below distinguishes between two fundamentally different approaches to redesigning health-insurance coverage. The first approach would exclude some services from coverage or otherwise limit the insurer's payment, whereas the second approach would limit the providers who are eligible to provide covered services. Although implementation may blur the basic distinctions, these two approaches differ substantially in the extent to which patients must face the trade-offs involved in specific treatment decisions. The first approach contemplates many joint patient-physician decisions; the second approach, on the other hand, relies on consumer choice primarily in the selection of a plan. Which of these conceptually valid approaches consumers and providers would prefer depends on many circumstances.

SELECTIVITY IN BENEFIT PROVISIONS

One strategy for offsetting moral hazard would be to include in insurance policies many more details on the services covered and the terms of coverage than are now included. Even though administrative problems limit the complexity that can be introduced and the tax law further reduces the savings that complexity might achieve, greater selectivity in benefits still seems to offer a responsible approach to cost containment within traditional insurance arrangements. Blue Cross' recently announced policy of not paying for laboratory tests routinely performed (without a doctor's order) on hospital admission[9] is an obvious example of the kind of measure that can be taken. However, Blue Cross' action avoided challenging the prevailing, but inappropriate, principle that an insurer should pay for anything that a physician orders in good faith.

Exclusion of a particular service from coverage may be appropriate for many reasons unrelated to medical need or circumstances. In large measure, the need for insurance against a particular risk is a function of the income level of the insured, as well as his savings and preferences about risk-bearing. Thus, expenditures that are small relative to income and other factors can be met out of pocket. In addition, care that is highly discretionary, and therefore particularly subject to moral hazard, could appropriately be excluded from coverage even though there might sometimes be a burdensome expense and no question about medical appropriateness. The effect of an exclusion from coverage is, of course, to require the physician and patient to undertake a benefit-cost assessment, taking all the immediate circumstances into account. The physician would be expected to act in the time-honored capacity of professional adviser and fiduciary, with responsibility for the patient's financial situation as well as his health. In our view, this form of cost containment could be highly attractive. Carefully analyzed, this approach makes cost containment the ultimate responsibility not of the insurer, which merely defines and enforces coverage limitations, but of the physician-fiduciary acting in consultation with the patient.

With this conceptual framework established, it is possible to suggest some specific exclusions from coverage that the insurer and insured might jointly decide to be rational, especially if the tax laws were changed to eliminate the incentive to overinsure. A likely development would be an increase in the size of annual deductibles, to perhaps as much as 10 per cent of income.[10] Most physician-patient encounters would then take place without insurance in the picture. Of course, more comprehensive coverage would be appropriate for subsidized, low-income persons, since they could not be expected to bear a substantial self-insurance risk.

Even if a major shift to higher deductibles occurred, serious cost-containment problems would still exist beyond the threshold. This challenge could also be addressed by selectivity in coverage. For example, a plan might exclude (or include only with a very large co-payment) experimental treatments and unproved technology, highly discretionary items and hospital stays beyond some minimum (in cases without special complications). In setting these limits, different plans could be expected to reach different conclusions. Far from signifying a need for a regulatory or professional arbiter of correctness, such differences of opinion are the essence of the democratic marketplace, where change in technology and in the standards of medical practice are most appropriately tested.

Another insurer strategy might be to require, as a condition for insurer payment, that prior authorization be obtained for some

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elective hospitalizations and surgery. Under such a policy, a plan would not pay for services where appropriateness had not been confirmed in advance through agreed-upon procedures. Exclusion from coverage would not imply that the doctor's advice was misguided—only that the plan would not pay for something in the gray area. Because, in a competitive market a plan would have to satisfy both consumers and providers about the fairness of the mechanism employed in making these decisions, hardship should be kept to a minimum. The principles used in making the decisions would undoubtedly vary from plan to plan, but one legitimate approach would be strict limitation of coverage for care that was not obviously essential, leaving patients and physicians to face choices under the constraint of the patient's own resources.

Where exclusions from coverage occur, the insurer might lend the patient the money needed to finance the treatment, if the patient and physician should elect to proceed with it. Not only would this approach spare the patient any immediate financial hardship and assure that needed care was not foregone because of a cash-flow problem, but it would also undercut any implication that an insurer's refusal to pay for a procedure resulted from doubt about its medical legitimacy. The plan would have to accept a considerable risk of bad debts, but the insured group might find this way of avoiding hardship less costly than the alternative of underwriting free care for all.

The effectiveness of detailed coverage limitations would depend heavily on provider co-operation. In traditional open-panel insurance plans, such cooperation has been difficult to obtain. Physicians have frequently helped patients make maximum use of their insurance coverage, ordering unnecessary hospitalization and stretching diagnoses to bring treatments within the insurance policy. Thus, unless insurers can obtain provider co-operation in the administration of coverage limitations, those forms of cost containment cannot work.

The most straightforward way of enlisting provider co-operation is through provider-participation agreements that spell out in detail the physician's and the plan's respective responsibilities. Participation agreements have been widely used in service plans in the past and are used under Medicare and Medicaid. It would seem easy enough to adapt them to give individual providers specific responsibilities in the cost-containment effort, such as a duty to seek prior authorization or predetermination of benefits. Such participation agreements could be written so as to make coverage limits effective without interfering with the doctor-patient relation or the practice of medicine.

Some physicians may fear that limits on private insurers' coverage, if administered along the lines suggested, would be indistinguishable from governmental controls. Yet there are profound differences that should make the market alternative attractive. In the first place, insurers would not use administrative controls unless their cost was less than the net benefit derived; government programs, not facing competition, operate under no such constraint and frequently squander resources unproductively. Secondly, participation in a given plan would be voluntary, not compulsory, and providers would have to be persuaded to participate; they would not do so if alternative plans were more attractive. Thirdly, the crucial distinction between regulation and coverage limitation—that a coverage limitation does not interfere with or secondguess medical judgment—would probably be more scrupulously observed in a private system.

Although the foregoing speculations contain some suggestions that may seem extreme, the point is not that all these things will happen but that, in a functioning market, private participants will seek the strategies that best accommodate the various conflicting interests. Gradual evolution, featuring experimentation and adaptation, is much more likely than the upheaval associated with mandatory governmental programs. Our guess is that, if the tax laws were changed, large deductibles would remove a great deal of care from the insurers' province, leaving benefit limits and administrative controls to operate mostly in cases of expensive, catastrophic disease. In these costly situations, close monitoring would be justified, although provider participation agreements would lead to many insurer-provider relations based on trust, thus lightening petty administrative burdens.

SELECTIVITY TOWARD PROVIDERS OF COVERED SERVICES

A different strategy by which health insurers could control costs involves selectivity not primarily in terms of benefits but in terms of providers whose services are covered. The essential element in this strategy is a health plans ability to deny to certain providers the right to draw on the insurance fund. By adopting any of a variety of closed-panel arrangements, a plan could assure that only providers who economized to its satisfaction would serve the insured group at the insurer's expense. One way in which insurers might find such providers is to turn to provider groups that imposed—or were willing to impose—formal or informal controls on their own members. The impetus to seek the right balance between economy and spending on enhanced quality, convenience and other desirable features would come ultimately from the competitive environment, which would motivate both the plan and the providers to meet consumers' expectations.

The closed-panel concept has long since demonstrated its efficacy in prepaid group practices. More recent variations on the concept, known generally as "individual practice associations" (IPA's), have involved less integration of the participating physicians and retained the fee-for-service mode of payment. Although they have not been as thoroughly tested as group-practice HMO's, IPA's are less radical departures from traditional concepts and therefore seem unlikely to raise new concerns about quality. By the same token, their efficiency remains open to question, but, as experience in the Minneapolis-St. Paul area has shown, the IPA can be reasonably efficient if it faces competition.[11]

Although the term "IPA" appears in the federal HMO act, the closed-panel concept may be adopted without accepting the comprehensive benefit package and other restrictions imposed by the federal statute. The nature of physicians' associations with a plan may vary widely. The participating providers may be identified only by individually signed agreements with the insurer, or they may constitute a large and fully integrated multispecialty group practice not previously rated separately for insurance purposes. A plan could set up what Ellwood has called a "health care alliance"[12] by including one or more hospitals in the provider panel along with the physicians.

Under any of the contemplated closed-panel arrangements, the insurance premium would reflect the cost experience of the covered providers. In effect, therefore, the insurer would be marketing the group's particular ability to deliver good care for less money. In contrast, traditional insurance, covering care rendered by any provider, averages the high-cost and low-cost providers together in arriving at experience-rated premiums. Consumers are not rewarded for choosing lower-cost providers, and providers are denied the opportunity to capture any of the savings from their comparative efficiency, including a more conservative approach to hospitalization. Several multispecialty group practices have adopted the prepaid-group-practice HMO model to profit from their own efficiency. The same opportunity would be available to organizations of physicians and hospitals who, instead of adopting the prepaid-group-practice model, could persuade an insurer to underwrite them independently of other fee-for-service providers and market them as an added option, a health-care alliance, to employment groups.

The initiative in organizing an IPA or a health-care alliance can come either from the insurer or from the physicians themselves. In view of insurers' traditional passivity and noncompetitiveness (and their expectation that they will be given a major role under national health insurance without changing their behavior), physicians may be the more promising source of innovation. The rewards for efficient providers who discover ways to market their efficiency would seem to be potentially large. Judging from HMO experience, efficient practice and reduced hospital use can yield 10 to 40 per cent savings,[13] no more than a fraction of which would have to be shared with consumers to induce their enrollment in the plan. Higher fees negotiated with the insurer, perhaps well above traditional fee screens, would thus be entirely compatible with lower premiums to consumers. Although competition might in time force greater sharing of savings with consumers, a well established plan with a good reputation should always be able to command a premium price and reward its physicians handsomely.

Fee-for-service physicians should recognize the advantages of consolidating their market position early, before competition and an increasing supply of physicians have their full effect. Indeed, physicians who cling too long to traditional financing mechanisms will probably find that they are increasingly dependent on government programs and that the more attractive opportunities have already been seized by others. Although there should be no doubt that the private market will always reward professional excellence, physicians who establish themselves earliest in strategic positions will have the best chance for future security.

Whereas certain types of physician-sponsored IPA's are promising vehicles for carrying out the market strategy, other types are barriers to its implementation and present severe antitrust problems. IPA's that are closely associated with organized medicine cannot be regarded as among the initiatives that are key to the market solution, even though they may have been stimulated by competitive threats from HMO's or the aggressiveness of third-party payers. Although all physician-sponsored IPA's, as joint ventures organized by competitors, must bear scrutiny under the Sherman Act's prohibition of combinations in restraint of trade, some will appear better than others. A plan of the closed-panel variety, while eliminating some competition among the participating providers, has potential competitive benefits as well and would violate the law only if it threatened to dominate the market. On the other hand, a profession-sponsored open-panel plan serving a defensive purpose for the profession as a whole raises serious antitrust concerns. Reflecting these concerns, the Federal Trade Commission has considered proposing a rule prohibiting a physician organization from controlling a plan in which more than a specified percentage of the physicians in a community participate.

The medical-society IPA is another in the profession's long line of heretofore successful attempts to accommodate pressures for change without losing control of its economic environment. Organized medicine has always

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adopted reforms in time to prevent itself from being overwhelmed by political developments, such as unwanted regulation, or by market forces responding to consumer demands. But profession-sponsored reforms, such as Blue Shield plans in an earlier generation and some IPA's and the Voluntary Effort in the current era, have always been designed so that the profession surrenders as little power as possible and maintains barriers to competitive developments.[6,7] Thus, their prohibition under the antitrust laws is both legally correct and an essential step in improving the prospects for private cost containment.

THE TWO MODELS COMPARED

Under current circumstances, the closed-panel model, based primarily on selection of efficient and competent providers, seems the most promising vehicle for effective cost containment. Redesigning benefit packages to shift specific questionable costs and some hard choices back to consumers is probably too complex to be workable, except for a few specific items. Of course, if the tax law were changed to make large deductibles more attractive, explicit exclusions from coverage would be applicable in only a small minority of costly cases. Until such a tax change is made, however, an approach that would rely more on providers than consumers to make judgments about the cost effectiveness of specific medical options probably holds greater promise. Thus, HMO-type strategies employing the closed-panel concept have dominated the current agenda of reformers interested in solving the cost problem through competition.

The relative attractiveness of the two models would also depend heavily on consumer preferences concerning their direct participation in medical decision-making. Whereas some persons would undoubtedly prefer to place themselves entirely in the physician's hands, others might wish a greater voice in decisions. A plan that uses large deductibles and selective benefits anticipates that the patient will make more choices (though increased participation is not necessary if the physician is trusted to address the trade-offs on the patient's behalf). Such plans would seem most appropriate for persons who wish to retain greater control over their treatment and to have the options spelled out even when that explicitness itself involves somewhat greater cost. Closed-panel plans, particularly those featuring provider prepayment and risk-bearing, allow patients to choose a physician group on the basis of its reputation and style of practice, but with less expectation that they will be allowed to influence spending decisions that concern their care.

Nevertheless, the two conceptual models for reshaping private health insurance may not be so distinct as this discussion makes them appear. On the one hand, plans that rely on provider selection to control costs embody implicit benefit limitations, in that the chosen providers' benefit-cost decisions have the practical effect of limiting coverage. On the other hand, an insurance plan with numerous explicit limitations and exclusions cannot function without excluding providers who are unwilling to adhere to prescribed administrative procedures. Thus, in either case, the plan's ability to hold the physician accountable, subject only to his freedom to pursue other alternatives, is the key. This accountability, plus the influence that consumers exercise over the plans themselves, is the essence of competition in medical care.

THE ISSUE OF FREE CHOICE

As noted earlier, either of the two general approaches that an insurer might embrace in an effort to contain costs would lead it to exclude some providers from the privilege of treating subscribers at the insurer's expense. This common feature will undoubtedly cause the medical profession some concern, given the paramount importance that it has attached to the patient's free choice of physician. In our view, however, the profession has given "free choice" undue emphasis and has used it to legitimize anticompetitive policies and practices. Perceiving a danger to the profession if its ranks should be divided into competing closed panels, the profession coined the code phrase "free choice of physician" and adroitly persuaded itself and others of this value's overriding importance. The campaign for a competitive market in health services requires that the issue of free choice be considered in proper perspective.

A consumer who chooses one closed panel over another or over a plan offering unrestricted choice is exercising a free choice. The only legitimate questions are whether the consumer is offered a reasonable range of choices and whether he has an adequate chance to change plans if he decides that he has made a mistake. An annual opportunity to change plans would seem a sufficient response to the latter question. Minimal regulation can assure that consumers are not duped into selecting utterly inappropriate or financially irresponsible plans; moreover, if they feel the need, patients can purchase care outside the plan.

The appropriate range of choice to be offered consumers in the first place is somewhat more complex. McClure has recently suggested that favorable tax treatment of employer-paid health-plan premiums should be granted only if the employer makes several plans available and makes the same cash contribution regardless of which plan an employee chooses (McClure W: personal communication). There do not seem to be any insurmountable administrative difficulties in offering multiple options. The Federal Employees Health Benefits Plan currently offers a variety of plans to federal employees, and the federal HMO act requires that each major employer offer up to two federally qualified HMO's as alternatives to any other health-benefits plan that it maintains.

Employed consumers should be in a strong position to demand and obtain a range of choice. Nevertheless, employers have perceived a single, free-choice insurance plan with comprehensive benefits to be all that their employees require. It is paradoxical that additional options involving less choice are needed to widen the consumer's true freedom of choice. By the same token, organized medicine's tactic of supporting free choice—but only when cost is not a prominent factor in the consumer's decisions—has long subverted the very principle of consumer choice that the profession has purported to uphold. This subversion of competition should be recognized, along with the tax law and other misguided governmental interventions, as a major source of present difficulties.

THE MONOPSONY PROBLEM

If insurers or other health plans can discriminate among providers on the basis of quality, price and cooperation with cost-containment efforts, they will be able to use their strategic bargaining position to deprive individual practitioners of their accustomed power to set their fees unilaterally or with regard only to the receptivity of the ignorant and (usually) insured patient. Faced with an insurer-developed fee schedule and participation agreement, a physician would have to decide whether to accede or to seek better terms elsewhere. As long as a sufficient number of buyers is competing for his services, the physician cannot complain if the competitive market places a lower value on his services than he does.

In some markets, however, a single insurer might be so dominant that it could treat providers unfairly, using excessive buying power—monopsony power, as economists call it—to drive fees below competitive levels and to dictate practices. Providers are understandably nervous about insurer dominations, and they are entitled to careful and principled attention to their concerns from antitrust enforcers and other market advocates. The antitrust laws should not be used simply to support an antidoctor crusade but should be available to combat exploitation by dominant economic interest wherever it occurs. The Supreme Court has recently held that the antitrust laws are available to test the assertion that a dominant buyer is using insurer-provider agreements to exert its monopsony power over the providers.[10] It therefore appears that neutral principles will be employed in making competition work for the benefit of providers as well as consumers.

Although the medical profession's concern about monopsony is not unreasonable, it is often exaggerated and may disguise a fear of competition itself. Fee schedules will not necessarily harm the providers who are subjected to them, because organizers of competitive plans can be expected to use liberal compensation arrangements as a way of attracting high-quality, efficient providers and to share with them the benefits of their cooperation in the cost-containment effort. More important, any plan that attempts to exploit providers will simply trigger the development of alternative plans that, by paying more, can attract the better doctors and give better care, leaving the low-cost plan at an appropriate competitive disadvantage. Freedom to join (or organize) a competing plan is thus the ultimate protection for providers, as it is for consumers. It is notable that widening the consumer's range of choice, as McClure has proposed, would also benefit the provider by breaking down the buying power of a single employee group and improving a new plan's access to the market.

CONCLUSIONS

That we cannot predict exactly what would happen in a competitive market is no argument for rejecting the market alternative. Indeed, its unpredictability is the best argument for choosing the market approach; if we knew what people would choose, we could legislate that result and be done with it. Even if one believed, as many seem to, that changing consumer incentives and restoring competitive conditions would not affect outcomes appreciably, that is not an argument against making the recommended changes. Once competitive conditions are restored, the result, whatever it is, will be the product of a functioning marketplace, something wholly lacking in the present state of affairs. The need for comprehensive regulation will then be much harder to establish, since it will not be clear why private choices should be second-guessed. The important factor is not so much the result itself—for example, the share of the gross national product dedicated to health care—as the process by which that result is reached. We must establish a process that can be trusted to reveal consumers' preferences and to adapt as those preferences change. The competitive market is more likely to meet these requirements than the political process is.

McClure's proposal that favorable tax treatment of employer-paid premiums should be conditional on the offering of several different health plans would introduce choice and encourage the development of real alternatives that embody the cost-containment technics discussed here. McClure suggests that when employees select a low-priced rather than a high-priced plan, they should be given the savings tax-free. Not only would this feature redirect private incentives and strengthen the case against regulation of the private market, but its political prospects seem bright; members of unions or other groups now accustomed to high-priced benefits would not face higher taxes under this system, as they would under other systems proposed for tax reform. Even if the tax treatment of employer contributions is not changed so that employees can capture any savings tax-free, McClure's proposed change would still be beneficial. It deserves the support of everyone interested in heading off an expanded governmental role in private medicine.

Although continuation of tax subsidies is desirable, the existing tax subsidies for the purchase of health insurance would not automatically justify government regulation, which may still be criticized as more self-aggrandizing than socially imperative. Tax subsidies are common in the overall economy and do not, in themselves, invalidate reliance on the marketplace to allocate resources. Moreover, if government lacks the will to change tax rules to improve private incentives, it is fair to ask that it accept the consequences of that choice and not meddle further in the private market. Even with the tax laws as they are, the private market can be made to function usefully, although the equilibrium it seeks will obviously be affected by the tax subsidy. In short, heavy-handed regulation is not even a second-best strategy when compared with the market's ability to correct the defects in private insurance that are not tax-induced.

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[12] Reynolds JA: A new scheme to force you to compete for patients. Med Econ 54:23–42, March 21, 1977.

[13] Luft HS: How do health-maintenance organizations achieve their "savings"?: rhetoric and evidence. N Engl J Med 298: 1336–1343, 1978.

[14] Federal Trade Commission: Staff report on medical participation in control of Blue Shield and certain other open-panel medical prepayment plans, Washington, DC, Federal Trade Commission, 1979.

[15] Group Life & Health Ins. Co. v. Royal Drug Co., 99 S. Ct. 1067 (1979).●

Footnotes at end of article.

INTERPRETATIVE RULINGS OF THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, on behalf of the Select Committee on Ethics I submit for the RECORD a number of the committee's interpretative rulings on the Senate Code of Official Conduct made pursuant to section 206 of Senate Resolution 110, 95th Congress. These 92 rulings answer questions raised by Members, officers, and employees of the Senate and the public regarding Senate rules 42–50, the franked mail statute and regulations, and other matters. They are presented chronologically by ruling number (beginning with No. 151) with reference to subject and reflect committee action between June 22, 1978, and March 29, 1979. The first 103 rulings were published in the CONGRESSIONAL RECORD on October 7, 1978. Rulings 104–150 were published November 9, 1978.

The committee also responded by letter to 127 inquiries not submitted here for publication. These inquiries were either too specialized to be of general assistance or responses to inquiries duplicated interpretations presented here or previously published. These committee actions number 19 with respect to franking and use of radio and television studios, 6 on letterhead, 13 on conflict of interest, 34 on foreign travel, 15 on gifts, 12 on financial disclosure, 1 on political fund activity, 5 on outside earned income, and 22 on miscellaneous topics.

Interpretative rulings by the committee may be relied upon by an individual involved in a specific transaction or activity which is indistinguishable in all its material aspects from the facts on which a ruling has been made. The committee encourages written requests for rulings on specific situations not clearly covered by the code of conduct.

The committee will continue to respond to written requests for interpretations, treat such requests confidentially, and publish its rulings with appropriate deletions to protect the privacy of individuals who seek committee guidance.

The ruling of the select committee are as follows:

INTERPRETATIVE RULING No. 151

Date Issued: June 22, 1978.

Applicable Area: Franking.

Question considered: May a Member send out as franked mail the first page of the World Bank's "Monthly Operational Summary," a publication which lists the Bank's proposed projects and which has only recently been made available to the public?

Ruling: The proposed mailing is frankable under 39 U.S.C. 3210. The purpose and intent of the franking statute explains that the official business of Congress pertains to, among other things, "congressional representative functions generally," including "the conveying of information to the public."

In this case, it is possible to characterize the announcement of the World Bank publication accompanied by a page from the publication itself as a "publication containing items of general information," and a "matter of public service." See 3210 (2), (a)(G).

In addition, the intent of restrictions on the use of the frank is to prevent the mailing of purely personal or political matters at public expense. The proposed mailing does not appear to fall into either of those categories.

INTERPRETATIVE RULING No. 152

Date issued: June 22, 1978.

Applicable Rule: 48.

Question considered: Is a Member a "candidate" for purposes of the franking nd studio restrictions of Rule 48 if his name is on the primary ballot but he will have no primary opposition and no write-in votes are allowed under the applicable state law?

Ruling: The restrictions of Rule 48 are intended to reduce the advantage of incumbent Senators over challengers.

Under the circumstances described, there will be no challengers in the primary election. The Committee therefore believes that the restrictions of Rule 48 are not applicable.

INTERPRETATIVE RULING No. 153

Date issued: June 22, 1978.

Applicable Rule: 49.

Question considered: Is it permissible for an employee of the Senate to volunteer his or her services during a state, county, or municipal election campaign?

Ruling: Senate Rule 49, Political Fund Activity, prohibits officers and employees of the Senate from engaging in any fund-raising activities for any Federal office. This prohibition does not apply to the two staff assistants designated by a Senator to handle his or her campaign contributions, nor does it apply to state or local campaigns.

Although the Rule does not apply to such state or local elections, previous interpretations on the question of staff activities in campaigns for Federal office would be applicable to state or local elections as well. For example, the Committee on Rules and Administration has stated, in Senate Report 95–241 (95th Cong.), that it "is not aware of any laws which prohibit individuals who are part of a Senator's staff from participating in a Senator's reelection campaign as long as they do not neglect their Senate duties. . . ." In addition, the Committee has stated, in Interpretative Ruling No. 3, dated May 5, 1977, that ". . . Senators should encourage staff to remove themselves from the payroll for periods during which they expect to be heavily involved in campaign activities."

The Committee believes that these statements are applicable to employees of individual Senators, staff of Senate committees, and employees working for officers of the Senate.

INTERPRETATIVE RULING No. 154

Date issued: June 22, 1978.

Applicable Rules: 48, 49.

Questions considered: (1) Is a Senator whose name appears on a primary ballot considered a "candidate" for purposes of Rule 48 restrictions when the Senator faces no announced opposition but state law authorizes write-in candidates?

(2) May a part-time staff assistant to a Senator, who also works half-time for the Senator's reelection campaign committee, engage in fund-raising activities for the campaign committee?

(3) Is it possible for a staff assistant, while engaged in Senate duties, to become involved to a minimal degree with a campaign-related activity without violating the Code of Official Conduct?

(4) Is it permissible for a staff assistant on the Senate payroll to engage in campaign-related activities during other than normal Senate office hours?

Ruling: (1) The prohibitions imposed by Rule 48 on the use of the frank in mass mailings and on the use of the Senate Recording Studio were intended to restrict the advantages which incumbent Senators might have during a reelection campaign. The Committee previously ruled (Interpretative Rulings No. 137, dated May 24, 1978 and No. 152, dated June 22, 1978) that Senators who do not face a primary election or whose names appear on a primary ballot unopposed, and where no write-in candidates are authorized, are not "candidates" for the purposes of Rule 48. However, when a Senator's name is listed on a primary ballot and state law specifically authorizes write-in candidates, there is a possibility for a con-

tested primary election. As such, the Senator would be considered a "candidate".

(2) A staff assistant, whether full or part-time, may not engage in any fund-raising activities on behalf of a Senator's campaign committee, unless that staff assistant had been previously designated by the Senator under Rule 49 as one of the two staff assistants to the Senator who may handle his or her campaign contributions.

(3) As to the possibility of minimal involvement by a staff assistant with campaign-related business, the Select Committee believes that in a Senator's re-election campaign there might be some inadvertent and minimal overlap between the duties of a Senator's staff with respect to the Senator's representational function and his reelection campaign. However, a Senator has the responsibility to insure that such an overlap is of a de minimus nature and that staff duties do not conflict with campaign responsibilities.

(4) As to the ability of a staff assistant to engage in campaign activities during other than Senate working hours, the Committee on Rules and Administration has said in Senate Report 95-241 (95th Cong.), which accompanied Senate Resolution 168, that, except for the prohibitions of Rule 49 with respect to the handling of campaign funds, it "is not aware of any laws which prohibit individuals who are part of a Senator's staff from participating in a Senator's reelection campaign as long as they do not neglect their Senate duties, and the Committee does not feel there should be such proscriptions. Furthermore, it is neither illegal nor a violation of Senate Rules for a member of a Senator's staff to work full-time in political campaigns while on annual leave or vacation time or while on leave of absence from his or her Senate duties. . . ."

INTERPRETATIVE RULING No. 155

Date issued: June 28, 1978.

Applicable Rule: 45.

Question considered: May a Senate employee run for state office while remaining on a Member's staff? No campaigning will be done during the employee's regular working hours.

Ruling: Paragraph 3 of Rule 45 on Conflict of Interest places the responsibility upon the Member as supervisor to take such action as he or she considers necessary for the avoidance of conflict of interest or interference with Senate duties.

The Ethics Committee cannot predict whether in fact the outside activity will conflict with Senate duties or will result in a conflict of interest in connection with a particular issue. The Committee suggests that the Member monitor the situation and consider such reductions in Senate duties and compensation as may be appropriate in the future.

INTERPRETATIVE RULING No. 156

Date issued: June 28, 1978.

Applicable Rule and Area: 43, Foreign Gifts and Decorations Act.

Questions considered: (1) May a Senate employee accept travel-related expenses and an honorarium from a foreign organization in connection with a seminar on the problems of unemployment?

(2) May that employee accept from a foreign government expenses related to a fishing trip on the weekend immediately following the seminar?

Ruling: This ruling is not precedential.

The travel-related expenses in connection with the seminar would be allowed under paragraph 4 of Rule 43 concerning educational programs paid for by foreign organizations. The honorarium, given in consideration for the employee's making the keynote speech and participating in the program, is not prohibited under Rule 43 or the Foreign Gifts and Decorations Act since it is not a "gift."

However, the acceptance of an invitation to a weekend fishing trip, at the expense of a foreign government or one acting as its agent, would be a gift which would not be permissible under paragraph 4 of Rule 43, since the principal purpose of the trip would not be educational. The Foreign Gifts and Decorations Act would also prohibit acceptance of a gift of more than $100 from a foreign government or one acting as its agent unless refusal would "likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States."

INTERPRETATIVE RULING No. 157

Date issued: June 30, 1978.

Applicable Rules: 42 and 43.

Question considered: Is it permissible for a Senator to accept, in connection with an appearance related to his Senate duties, air transportation to be provided by the Federal Government and other related expenses of travel which are to be provided by a state government? Would the Senator be required to report the receipt of any of these items?

Ruling: In connection with an inspection trip to review areas of a state which are the subject of legislation pending before the Senate, a Senator has arranged that all of the necessary air transportation be provided by the Department of Defense, while the cost of all of the other expenses of the trip will be provided by the host state government. Rule 43, Gifts, excludes from the definition of a gift the payment of the necessary expenses for the performance of services for an organization by a Senator incident to the official duties of his office, including transportation, food, and lodging, if those expenses are paid by the organization for which the services are performed. In this situation, the Committee ruled that the acceptance of the payment of necessary expenses to be provided by the state government would not be prohibited by Rule 43. The receipt of such payment for necessary expenses, whether provided by the state or by an agency of the Federal Government, need not be reported under Rule 42, Public Financial Disclosure.

INTERPRETATIVE RULING No. 158

Dated issued: July 11, 1978.

Applicable Rule: 42.

Question considered: An individual sought party endorsement for nomination for election to the Senate. He stated that his campaign was directed solely to potential convention delegates, and he took no formal legal steps to file for election. Is he required to file a public financial disclosure statement as a "candidate" under Rule 42?

Ruling: Senate Rule 42 requires an individual who is a candidate to file a Public Financial Disclosure Report, and defines a candidate as an individual who has (1) taken the action necessary under state law to qualify for nomination for election, or for election, or has (2) received political contributions or made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bringing about such individual's nomination for election, or election, to the Senate. The terms "contribution" and "expenditure" are defined for purposes of the Rule as those terms are defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

The individual states that he did not take the steps necessary under state law to qualify for nomination for election, or election. However, the question remains whether he received any political contributions or made expenditures within the meaning of the Federal Election Campaign Act. If he did so, it is necessary to complete and file the Disclosure Report.

INTERPRETATIVE RULING No. 159

Date issued: July 11, 1978.

Applicable Rule: 45.

Question considered: May a Senate employee accept Federal funds from the Department of Interior to restore certain historic property owned by him?

The employee does not work for nor does his supervisor serve on any subcommittee having oversight of the Department of Interior.

Ruling: Rule 45 of the Senate Code of Official Conduct relates to conflicts of interest and provides that no employee may receive any compensation (defined by the Special Committee which reported the Code as "financial benefit") which occurs by virtue of influence improperly exerted from the employee's position.

The Committee is of the opinion that no evidence of improper conduct reflecting upon the Senate is suggested in this case. However, under Rule 45 it is the responsibility of the employee's supervisor to ensure that no conflict of interest arises.

The Committee is advised that the Internal Revenue Service has under consideration the question of whether this type of transaction constitutes a taxable sale or exchange or a gift for Federal income tax purposes.

INTERPRETATIVE RULING No. 160

Date issued: July 13, 1978.

Applicable Rule: 48.

Question considered: Is it consistent with Senate Rule 48 for a Senator to arrange to purchase from a non-Senate organization a copy of its membership or mailing list for use by the Senator in a mass mailing under the frank, where the list will be prepared by the non-Senate organization on mailing address labels which will then be affixed to the franked envelopes by the Senate Service Department?

Ruling: Rule 48, paragraph 2, provides that only official funds of the Senate may be used to prepare any mass mailing material to be sent out under the frank. The Committee has previously ruled* that the preparation of a mass mailing includes the preparation and affixing of mailing address labels.

The Committee has agreed that in order to meet the requirement of paragraph 2 of Rule 48, a Senator who desires to use the mailing list of an outside organization must reimburse that organization for the costs associated with his obtaining such a list. The Committee has previously ruled** that the 10 percent discretionary allowance may be used to purchase mailing lists for use in an official mailing.

To avoid the possibility of a prohibited loan of the frank, the affixing to franked envelopes of the mailing labels obtained from a non-Senate organization must be performed by the Service Department.

INTERPRETATIVE RULING No. 161

Date issued: July 28, 1978.

Applicable Rule: 46, Federal Election Campaign and Area Act.

Question considered: May excess campaign funds be used to defray the travel expenses of a Member's wife in order that she might attend events in connection with the Member's official duties?

Ruling: The Federal Election Campaign Act of 1971 (specifically, 2 U.S.C. 439a) and Senate Rule 46 allow a Member to defray from his excess campaign funds expenses in-

*See Interpretative Ruling No. 68, dated September 27, 1977.

**See Interpretative Ruling No. 134, dated May 18, 1978.

curred in connection with official duties. The Ethics Committee considers a spouse's travel expenses to be in connection with the Member's official duties as long as the purpose of the function to which the expenses are incidental is not predominantly social or for personal pleasure.

It should be noted that the regulations of the Federal Election Commission require semi-annual reporting of the use of such funds for official expenses.

The Ethics Committee expresses no opinion as to the tax consequences of using political committee funds to defray official expenses.

INTERPRETATIVE RULING No. 162

Date issued: August 3, 1978.

Applicable Rule: 43.

Question considered: May a Member accept a gift of the use of an apartment from a friend if the apartment is owned by the friend's employer, an organization having a direct interest in legislation? In determining the value of the gift, may the Member divide the total value by the number of members of his family who will be using the apartment?

Ruling: Rule 43 prohibits the acceptance of gifts worth over $100 during a calander year, including gifts of lodging, from organizations having a direct interest in legislation before the Congress. Although the use of an apartment has been offered to the Member by a friend, the apartment is owned by the friend's employer, who maintains a separate, segregated fund for political purposes and is thereby a "prohibited source" under Rule 43.

The Committee has determined in prior rulings* that the "personal hospitality" exception to the definition of "gift" applies only to food, lodging and entertainment enjoyed while a guest in the host's personal residence or on premises leased by the host which are not owned by the host's employer.

Thus, this Member may not accept the offer to use the apartment unless its use is valued at $100 or less.

In determining the value of the use of the apartment, the Member may not divide the amount by the number of his family members who will be using the apartment also.

INTERPRETATIVE RULING No. 163

Date issued: August 3, 1978.

Applicable Rules: 42**, 44***

Question considered: May a Senate employee accept an honorarium for presenting a paper and speaking at a seminar sponsored by a state university, when the funds for the seminar were derived in part from a federal grant?

Ruling: A university is sponsoring a seminar and has asked a Senate employee to present a paper on an issue related to his Senate duties.

Although some of the funding for the seminar was provided to the university by an agency of the Federal government, the university is the sponsor and payor of the honorarium. Therefore no Senate rule would preclude the acceptance of an honorarium from the university.

The Select Committee reminded the employee that if required to file a financial disclosure statement, paragraph 2(a)(2) of Rule 42 requires the disclosure of the source, amount, and date of each such honorarium.

*See, for example, Interpretative Ruling No. 76, dated October 5, 1977.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

***S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

INTERPRETATIVE RULING No. 164

Date issued: August 4, 1978.

Applicable Rule: 45.

Question considered: May an employee of a Senate committee purchase a weekly newspaper as an investment?

Ruling: The Committee understands that the editorial operation of the paper will remain in the control of the editor and that as publisher, the individual will receive no compensation and no return on the investment until such time as the paper's history of yearly losses is reversed.

Nothing in Rule 45, Conflict of Interest, precludes the proposed purchase of the newspaper. The Committee notes, however, that at such time as the Senate staff member begins to receive compensation for the investment, paragraph 3 of Rule 45 requires that the nature of this activity be reported to the employee's supervisor on an annual basis.

INTERPRETATIVE RULING No. 165

Date issued: August 4, 1978.

Applicable Area: Franking.

Question considered: May the mailing frank be used by a Senator to mail invitations for participation and informational matter concerning a energy fair, co-sponsored by the Senator, to potential exhibitors, speakers, and other interested persons?

Ruling: The Senator together with several agencies of the Federal Government and a state university is sponsoring a no-profit educational activity dealing with alternative energy technologies and strategies. The Senator proposes to use his mailing frank to write various individuals and organizations to participate. In addition, he proposes to include in the mailing informational matter put together by his office. The preparation and actual mailing will be by the Senator's office.

The Committee previously ruled in Interpretative Ruling No. 72, dated September 29, 1977, that the laws and regulations governing the use of the mailing frank do not preclude the preparation and mailing by the Senate Service Department of matter publicising a small business conference which is cosponsored by a Senator, several agencies of the Federal Government, and a state university.

The Committee ruled that this prior interpretation would authorize the use of a Senator's mailing frank to mail the invitations and information proposed in this factual situation.

INTERPRETATIVE RULING No. 166

Date issued: August 10, 1978.

Applicable Rule: 45.

Question considered: Does Rule 45, paragraph 6, prohibit an employee who is compensated in excess of $25,000 per year from selling real estate on week-ends under an arrangement whereby his associate broker's license is held by a real estate company?

Ruling 45, paragraph 6, prohibits an employee of the Senate who is compensated at a rate in excess of $25,000 per year from affiliating with a "firm, partnership, association or corporation for the purpose of providing professional services for compensation." The legislative history of this provision indicates that the sale of real estate was intended to be included in the prohibition. Thus, the activity in question would not be permissible.

INTERPRETATIVE RULING No. 167

Date issued: August 10, 1978.

Applicable Rule and Area: 43, Foreign Gifts & Decorations Act.

Question considered: May a staff member attend the inauguration of a foreign president-elect as the guest of that head of state's political party?

Ruling: Rule 43 of the Senate Code of Conduct prohibits the acceptance of gifts valued in excess of $100 from, among other sources, foreign political parties. While Congress has given specific consent to travel involving an international culture exchange and certain travel taking place entirely outside the United States, we do not find that the proposed travel fits within these Congressionally recognized exceptions. Therefore, the Committee believes that the offer should be declined.

INTERPRETATIVE RULING No. 168

Date Issued: August 16, 1978.

Applicable Rule and Area: 43, Foreign Gifts and Decorations Act.

Questions considered: May a Senator accept a gift of stamp reproductions from a foreign government? How is such a gift to be valued for acceptance and possible reporting purposes?

Ruling: The Foreign Gifts and Decorations Act (5 U.S.C. 7342) permits Members, officers, and employees of the Senate to accept tangible gifts from a foreign government with a retail value in the United States at the time of acceptance of $100 or less if the gift is tendered and received as a souvenir or mark of courtesy. Under the Act, procedures for obtaining an appraisal of gifts so received are to be established by the Select Committee as the employing agency for the Senate.*

The Committee is currently drafting regulations implementing the provisions of the Act. Pending enactment of these regulations, the Committee sought estimates of the value of the gift from the embassy of the donor government and a domestic retail dealer in coins and stamps. In their judgment the gift in question was worth substantially below $100. Accordingly, the Senator would be permitted to retain the gift and would not be subject to the reporting or depository requirements imposed under the Act. However, gifts from a foreign government valued at $35 or more must be aggregated for the purposes of the $100 calendar year limitation imposed under Senate Rule 43.

INTERPRETATIVE RULING No. 169

Date issued: August 18, 1978.

Applicable Area: Advisory Opinion on Use of Letterhead.

Question considered: Whether the use of the words "United States Senate" on a Senator's personal stationery or on a "Senategram" (a facsimile of a mailgram), when loaned to a third party for use in a campaign fund-raising effort, is consistent with the Committee's Advisory Opinion on use of a Senator's letterhead Whether the use of the words "Senator John Doe" on a letterhead, when loaned to a third party for use in a campaign fund-raising effort would be consistent with that Advisory Opinion?

Ruling: The Committee agreed that it would be inconsistent with the Advisory Opinion for a Senator to allow a non-Senate group or organization to make use of the Senator's letterhead which included the words "United States Senate." The Committee agreed that it is the use of the words rather than the type style employed which is regulated by the Advisory Opinion. Thus, a Senator's loan of letterhead with the words "United States Senate" would be prohibited no matter what type style or lettering was chosen by the organization.

The Committee concluded that a Senator is not prohibited by the Advisory Opinion

*Public Law 95-426 (October 7, 1978), which amended the F.G.D.A., gave the Secretary of the Senate the responsibility for establishing gift appraisal procedures.

from allowing a non-Senate organization to use letterhead identifying the Senator as "Senator John Doe."

INTERPRETATIVE RULING No. 170

Date issued: September 14, 1978.

Applicable Rule: 45.

Question considered: May a Senator employ a member of his staff in a private capacity to do research and perform editorial work in connection with a book the Member is preparing?

The employee would continue to perform services as a regular Senate employee commensurate with the Senate salary received and any work performed in connection with the book will be undertaken in non-Senate working hours. The book will not be offered for sale or otherwise put in the public domain until after the conclusion of all elections during any year in which the Member is a candidate.

Ruling: The Code of Official Conduct does not preclude such an arrangement; however, paragraph 3 of Senate Rule 45, Conflict of Interest, places the responsibility on the Member for taking such action as is necessary for the avoidance of a conflict of interest or interference with Senate duties.

Note: Also, see Interpretative Rulings No. 56, dated September 7, 1977, and No. 128, dated May 12, 1978.

INTERPRETATIVE RULING No. 171

Date issued: September 14, 1978.

Applicable rule: 45.

Question considered: May a Member aid the passage of certain tax legislation by sending letters that set forth arguments in support of the legislation if the Member's spouse practices a profession which would be benefitted by the passage of the legislation in question?

Ruling: Rule 45, paragraph 4, provides that no Member shall knowingly use his official position to introduce or aid the progress or passage of legislation, a principal purpose of which is to further the precuniary interest of his immediate family. However, the legislative history makes clear that in the case of legislation which would have a broad, general impact, such as most tax legislation, the prohibitions of paragraph 4 would not apply. Consequently, the Committee believes that the Member's support of the legislation in question is not in violation of Rule 45.

INTERPRETATIVE RULING No. 172

Date issued: September 19, 1978.

Applicable rule: 43.

Question considered: May a Senator and one or more of his employees accept, within the provision of Rule 43, the offer of a national committee of a major political party to provide the Senator and the employees with the expenses of travel in connection with a nationwide series of appearances by the Senator to promote a particular piece of legislation which was written and sponsored by the Senator?

Ruling: This ruling is not precedential.

Rule 43 excludes from the definition of a "gift" the payment of the necessary expenses, including travel, food, and lodging, in the performance of services for an organization by a Member, officer, or employee of the Senate, incident to his or her official duties, if those expenses are paid by the organization for which the services are performed. The Committee believes that a Senator's participation in a nation-wide series of speeches, press conferences and other events to promote a particular piece of legislation, which was authored and sponsored by the Senator, would be within the official duties of the Senator and his or her staff.

INTERPRETATIVE RULING No. 173

Date issued: September 21, 1978.

Applicable rule: 45.

Question considered: Is a former employee on a Senator's personal staff who left Senate employment before April 1, 1978, but who later took a position on the personal staff of another Member which he left subsequent to April 1, 1978, subject to the prohibitions against lobbying imposed under Rule 45?

Ruling: Paragraph 10 of Rule 45 provides, in pertinent part, that:

"If an employee on the staff of a Member, upon leaving that position, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the Member for whom he worked or that Member's staff for a period of one year after leaving that position."

As the individual left the staff of the first Member prior to April 1, 1978, the effective date of Section 10 of Rule 45, he would not be subject to the prohibitions of that section with respect to that Member or his staff. However, if the individual becomes a registered lobbyist or is employed or retained by a company which is a registered lobbyist for the purpose of influencing legislation, the section would apply to any Member for whom he worked, and to the staff of any Member or to the Members or the staff of any committee for which he worked, in any position he left after April 1, 1978.

INTERPRETATIVE RULING No. 174

Date issued: September 21, 1978.

Applicable rule: 44*.

Questions considered:

(1) For purposes of the Rule 44 limitations upon the acceptance of honoraria, what is considered to be the date of acceptance?

(2) Does Rule 44's $1,000 limit per appearance made by a Senator apply to an appearance made in 1978 for which payment is not received until 1979?

Rulings:

(1) Rule 44 of the Code of Official Conduct, which takes effect on January 1, 1979, limits the amount of outside earned income, including honoraria, which a Member may earn in a calendar year. For purposes of applying the limit on outside earned income (as well as reporting the receipt of honoraria under Rule 42) the Select Committee on Ethics considers time of "receipt" to occur when payment is received. This is consistent with 2 U.S.C. 441i, as amended by Public Law 95-216 (effective December 20, 1977).

(2) Rule 44 limits a Member's receipt of honoraria to $1,000 per appearance, speech, or article, effective January 1, 1979.* In fairness to those Members who make an appearance in 1978 for which payment may not be received until 1979, the $2,000 limit in effect for 1978 (2 U.S.C. 441i) would be deemed applicable. However, these amounts would be charged against the 15 percent limit on outside earned income, in keeping with the rule cited in the paragraph above.

INTERPRETATIVE RULING No. 175

Date issued: September 21, 1978.

Applicable area: Code of Official Conduct.

Question considered: May a Senator donate a copy of an art book prepared by the Architect of the Capitol to political party officials for fund-raising purposes?

Ruling: A Member's donation of property, given to him in his capacity as a Member of the Senate, to another individual is not prohibited by any specific provision of the Code of Conduct, nor does it appear to violate any regulations of the Joint Committee on Printing or the Senate Rules Committee. The Committee is concerned, nevertheless, that the use of such public property to raise funds for a political party could reflect discredit upon the Senate.

That concern is in the Committee's judgment an adequate basis upon which to decline to approve the practice with respect to donations of public property to groups organized for profit and political organizations.

*The Senate in S. Res. 93 (96th Cong.) on March 8, 1979 delayed the effective date of Rule 44 until January 1, 1983.

INTERPRETATIVE RULING No. 176

Date issued: September 22, 1978.

Applicable rule: 43.

Questions considered:

(1) May a Senator accept a life membership in an association which is registered under the Federal Regulation of Lobbying Act of 1946?

(2) May a Senator accept an honorary membership in a national hall of fame?

Ruling:

(1) Because the association is an organization registered under the Federal Regulation of Lobbying Act, it is therefore deemed to have a direct interest in legislation before the Congress for the purpose of the prohibition on gifts having an aggregate value exceeding $100, as set forth in Senate Rule 43. However, since the sole financial benefit which would accrue to the Senator would be the value of the association's dues, which are $15 per year, the Committee is of the opinion that the acceptance of a life membership in the organization would not be improper.

(2) The national hall of fame is not a registered lobbyist nor does it maintain a separate segregated fund for political purposes. Thus, the prohibitions of Rule 43 would not apply to an honorary membership in this organization. The Committee has further determined that the acceptance of the honorary membership would not be improper.

INTERPRETATIVE RULING No. 177

Date issued: September 26, 1978.

Applicable rule: 45

Question considered: May an officer or employee of the Senate be retained on the Senate payroll for a period of time equal to his or her accrued annual leave after the officer or employee has terminated his or her Senate duties and has accepted a new position outside the Senate?

Ruling: In some Senate offices, it is customary that when an employee leaves the Senate to accept new employment and that individual has any accrued annual leave, the individual is retained on the Senate payroll for a period of time equal to the unused leave, despite the fact that the individual has ceased to perform his or her Senate duties and may in fact have already commenced the new employment.

In such a case, paragraph 3 of Rule 45 on outside employment for compensation, directs the employee to report to his or her supervisor (defined in paragraph 11 of Rule 45) the nature of such employment and that it then becomes the responsibility of the supervisor to take such action as is necessary to avoid any conflict of interest.

When the employee notifies his or her supervisor and the supervisor takes any necessary action to avoid a conflict of interest, Rule 45 would not prohibit retaining an employee on the Senate payroll for a period equal to his or her accrued annual leave.

INTERPRETATIVE RULING No. 178

Date issued: September 29, 1978.

Applicable areas: Foreign Gifts and Decorations Act and Mutual Educational and Cultural Exchange Act.

Question considered: May a Senate employee accept an invitation to participate in a seminar where the sponsor, a foreign government, has offered to provide the necessary expenses of travel, including transportation, food and lodging?

Ruling: Article I, Section 9, Clause 8 of the Constitution prohibits employees of the Federal Government, absent the consent of Congress, from accepting any gift, to include the expenses of foreign travel, from any foreign government. The Congress has consented to the acceptance of such gifts in two specific instances, the Mutual Educational and Cultural Exchange Act (22 U.S.C. 2458(a)) and the Foreign Gifts and Decorations Act (5 U.S.C. 7342). The Committee ruled that the proposed arrangement would not fit within either of these two narrow exceptions and therefore, the constitutional prohibition would prevent acceptance of the offer.

INTERPRETATIVE RULING No. 179

Date issued: September 29, 1978.

Applicable rules: 42*, 43.

Question considered: Under what circumstances may a Senator accept an invitation from a personal friend to be a weekend guest at a private club? Do the details of the invitation have to be reported by the Senator?

Ruling: In this instance, the invitation was extended to a Senator by an individual who was the chief executive officer of a corporation. Neither the officer nor the corporation maintained a separate, segregated fund for political purposes nor were either registered under the Federal Regulation of Lobbying Act of 1946 and therefore neither were "prohibited sources" within the meaning of paragraph 1(b) of Rule 43. Therefore the Senator could accept the gift of a weekend at the club.

Though the gift of the expenses for the weekend could be accepted, Rule 42, Public Financial Disclosure, requires the Senator to disclose the source, a brief description of, and the value of any gifts of transportation, food, lodging or entertainment aggregating $250 or more provided during a calendar year by any one source.

INTERPRETATIVE RULING No. 180

Date issued: September 29, 1978.

Applicable area: Franking.

Question considered: May a Senator supply franked labels to the Library of Congress for the purpose of shipping surplus books to an educational institution in the Senator's home state? The Joint Committee on the Library has established a policy which requires these books to be shipped directly to the institution, and the Library of Congress would be unable to pay the shipping charges involved in the event the books are not sent under the Senator's frank.

Ruling: Section 3215 of Title 39 of the United States Code states:

"A person entitled to use a frank may not lend it or permit its use by any committee, organization, or association, or permit its use by any person for the benefit or use of any committee, organization, or association. This section does not apply to any standing, select, special, or joint committee of the Senate, House of Representatives, or Congress, composed of Members of Congress, or to the Democratic caucus or the Republican conference of the House of Representatives or the Senate."

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

The regulations governing the use of the frank state that the use of the frank is a privilege which a Senator must view as a personal responsibility and which must be vigilantly safeguarded against abuse. While the specific exceptions set forth in the statutory prohibition against the loan of the frank do not cover the situation described, a review of the legislative history indicates that Congress clearly intended to permit books from the Library of Congress to be sent out under the frank to libraries and other persons.

Given the circumstances outlined above, it is the Committee's opinion that it would be permissible for a Senator to delegate to a member of his staff the responsibility for ensuring that his frank is used for the purpose of shipping the books from the Library of Congress to the educational institution involved in such a manner as to avoid any misuse, such as the diversion of franked labels, which could constitute an improper loan of the frank.

INTERPRETATIVE RULING No. 181

Date issued: September 29, 1978.

Applicable rules: 44*, 45.

Question considered: May a full-time staff member conduct academic research for a non-profit foundation at a university? The staff member would receive a grant of approximately $12,000 from the foundation for the research which he intends to conduct during the evenings and on weekends.

Ruling: Rule 45 of the Senate Code of Official Conduct relates to conflict of interest, and paragraph 2 of that rule prohibits employees from engaging in outside activity for compensation which is inconsistent or in conflict with official duties.

Under Rule 45, paragraph 3, it is the responsibility of the staff member's supervisor to make the initial determination that the outside activity presents no conflict of interest and to take such action as is necessary for the avoidance of a conflict or interference with Senate duties. Based upon the evidence submitted, the Select Committee is of the opinion that no conflict of interest is suggested in this case.

The Committee notes that should the staff member be compensated at an annual rate in excess of $35,000, Rule 44 on outside earned income, which becomes effective on January 1, 1979, would be applicable.

INTERPRETATIVE RULING No. 182

Date issued: September 29, 1978.

Applicable rule: 49.

Question considered: Does Rule 49 prohibit a Senate employee from handling funds to be raised after the general election by a state party organization for the purpose of paying off the campaign debts incurred by the party's candidates for federal, state and local offices?

Ruling: Rule 49 prohibits an officer or employee of the Senate from receiving, soliciting, being the custodian of, or distributing funds in connection with any campaign for the nomination or election of any individual for any federal office. This prohibition does not apply to a Senate employee who is one of the two persons designated by his supervising Senator to perform any of those functions on the Senator's behalf.**

The prohibition in Rule 49 is not applicable, however, to participation by Senate employees in state and local election activities. If those activities, and a Senate employee's participation in the activities, were to be clearly divisible from any of the organization's activities performed in connection with any federal election, the employee would be permitted to participate in fundraising activities related to state and local elections. However, if the proposed activities would involve the raising of a common fund to discharge the party's political debts on behalf of all of its candidates, whether federal, state or local, the Committee believes that, even if the proceeds of the fundraising activities were to be apportioned between federal candidates and state and local candidates, a Senate employee's participation in the fundraising activities would be prohibited under Rule 49.

*S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

**See also Interpretative Ruling No. 32 (dated June 17, 1977) and No. 45 (dated July 20, 1977).

INTERPRETATIVE RULING No. 183

Date issued: September 29, 1978.

Applicable rules: 45, 46, 49.

Question considered: Does a Senator's utilization of the services of a student intern whose living and travel expenses are to be paid by a corporation during the three months of the intern program constitute an impermissible defrayal of official expenses under Rule 46?

Ruling: The utilization by a Member of the services of interns who are compensated, i.e., receive living and travel expenses from non-Senate funds, raises a question under Rule 46 which permits the defrayal of office expenses from only four sources. While the Senate Code of Official Conduct contains no specific exception to Rule 46 for expenses in connection with internship programs. Rule 49 does implicitly approve of the practice of utilizing the personal services of individuals who are not compensated by the Senate. In essence, Rule 49 calls for these individuals to comply with the Code of Conduct, and, in certain cases, requires their supervisors to file quarterly reports with the Select Committee.

In light of the fact that Rule 49 would be rendered meaningless were a Member not permitted to utilize the services of an individual compensated with non-Senate funds, the Committee has determined that the sponsorship of student intern programs is not an impermissible defrayal of official expenses under Rule 46.

It should be noted that the utilization of the services of an intern compensated by non-Senate funds could give rise to a conflict of interest question under Rule 45 should the intern be given an assignment with a Senate Committee having primary legislative jurisdiction over the activities of the intern's sponsor or over any agency of the Government charged with regulating the sponsor's activities.

INTERPRETATIVE RULING No. 184

Date issued: October 6, 1978.

Applicable rule: 46.

Question considered: The Committee was asked to reconsider its ruling of July 18, 1977, which held that under Rule 46 a Senator could defray official expenses with funds from the Senator's own political committee. The request to reconsider took issue with the previous ruling's implication that the funds of other political committees could not be used to defray official expenses.

Ruling: In April 1978, the Committee held public hearings on Rule 46 and subsequently in August 1978 a majority of its Members agreed to propose an amendment to Rule 46 to permit the defrayal of official expenses from the funds of political party committees (national, state, and senatorial) as well as from the funds of a Senator's principal campaign committee.

The Select Committee submitted the proposed amendment and its accompanying report on October 11, 1978, as S. Res. 584 and Report No. 95-1320. The resolution was referred to the Committee on Rules and Administration.

NOTE: S. Res. 584 was not considered in the 95th Congress. On January 25, 1979, the

Select Committee again submitted the proposed amendment and its accompanying report as S. Res. 25 and Report No. 96–1. The resolution was referred to the Committee on Rules and Administration.

INTERPRETATIVE RULING No. 185

Date issued: October 11, 1978.

Applicable area: Franking.

Question considered: May a Member enclose in correspondence with constituents and others a subscription form to a magazine published by a state game and parks commission?

Ruling: Section 3210(a)(1) of Title 39 of the United States Code states that the franking privilege is to be used "to assist and expedite the conduct of the official business, activities and duties of the Congress of the United States." Although Section 3210(a)(3)(A) authorizes the use of the frank for "mail matter . . . regarding programs, decisions, and other related matters of public concern or public service," such matters are specifically limited by the Regulations Governing the Use of the Mailing Frank to those relating principally to the Federal Government.

Since the publication itself appears to relate principally to recreational activities within the state and the subscription flyer thus relates to matters of state and local concern, as opposed to those relating principally to the Federal Government, it would not be appropriate to include the flyer in a franked mailing.

INTERPRETATIVE RULING No. 186

Date issued: October 11, 1978.

Applicable rule: 44.*

Question considered: Do the honorarium limits provided in Rule 44 apply to honoraria payable to a person which are paid instead at the person's request to a charitable organization selected by the payor from a list of five or more charitable organizations provided by that person?

Ruling: Under those circumstances, consistent with 2 U.S.C. 4481 (as amended in December, 1977), the Committee would not consider an honorarium to have been "accepted" for the purposes of Rule 44.2(c) (effective January 1, 1979). Consequently, the amounts donated would not count toward the $25,000 limitation in that paragraph.

INTERPRETATIVE RULING No. 187

Date issued: October 11, 1978.

Applicable rule: 42, **43.

Question considered: May a Senator accept from a friend payment for the cost of refreshments to be consumed at a staff "going away" party?

Ruling: Rule 43 of the Senate Code of Official Conduct prohibits the acceptance of gifts worth over $100 in a calendar year by a member from "prohibited sources," including registered lobbyists or persons employed by them for lobbying purposes, as well as the officers, directors or lobbyists of an organization that maintains a separate, segregated political fund. As long as the donor does not fit within those categories (and he is not a foreign national), the Senator is not prohibited by Rule 43 from accepting a gift from him having a value in excess of $100.

If the gift is made to the Senator by a nonprohibited source, he or she would be required to disclose its acceptance under Rule 42.2(b), should the value exceed $250.

*S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

INTERPRETATIVE RULING No. 188

Date issued: October 11, 1978.

Applicable rules: 43, 45.

Question considered: Would it be improper for an officer or employee of the Senate to leave the Senate payroll for a period of time in order to accept an invitation to participate in an extended seminar being offered by the organization with an interest in legislation pending before the Congress?

Ruling: In this situation, the non-Senate organization has invited an employee on the personal staff of a Member to participate in an extended seminar concerning the business activities and interests of the organization. The organization has stipulated that Senate staff participating in the seminar must agree to leave the Senate payroll for the duration of the seminar. While participating in the seminar, the organization will compensate the staffer at a rate equal to his or her Senate salary and will provide room and board. At the conclusion of the seminar, the employee will return to the Senate payroll.

The Committee ruled that if the arrangements between the non-Senate organization and the employee constituted a bona fide, non-governmental, employer-employee relationship, i.e., a relationship in which the employee would perform a service commensurate with the compensation to be provided by the organization, then the arrangement would not constitute a prohibited gift under Rule 43.

The Committee further held that while the arrangement did not appear to violate any specific provision of Rule 45, Conflicts of Interest, paragraph 3 of the Rule directs that the employee must inform his supervisor of the existence of any outside employment for compensation when such employment commences and the nature of that employment. The paragraph then directs that the supervisor must take such action as is necessary for the avoidance of conflict of interest or interference with the employee's duties to the Senate.

INTERPRETATIVE RULING No. 189

Date issued: October 11, 1978.

Applicable rules: 42*, 43, 44**.

Question considered: May a Senate employee, who is taking annual leave to speak at a seminar in London not in connection with Senate duties, accept an honorarium and travel expenses from the two British companies that are sponsoring the seminar?

Ruling: Rule 43 of the Senate Code of Official Conduct prohibits the acceptance of gifts from foreign nationals. However, the definition of "gift" does not include payments for which consideration of equal or greater value is received. The Senate employee's participation, according to the invitation from the seminar's sponsor, would seem to be consideration for the travel expenses and honorarium which the sponsors intended to pay. Under these circumstances, the staffer's acceptance of the travel expenses and honorarium in question would not be prohibited by Rule 43.

INTERPRETATIVE RULING No. 190

Date issued: October 11, 1978.

Applicable rule: 44***.

Question considered: Would proceeds from the sale of a Member's phonograph album be exempt from the limitation on earned income imposed under Rule 44?

Ruling: Paragraph 3(b) of Rule 44 excludes from the definition of "outside earned income" royalties from books and proceeds from the sale of creative or artistic works. The legislative history of Rule 44 indicates that royalties from books were exempted on the basis that they are not directly or necessarily related to actual personal services rendered, and because royalty income is, in effect, a return on a prior investment of time and energy which is largely beyond the direct control of the Member.

The provision relating to proceeds from creative or artistic works (other than books) does not specifically exempt income received from the sale of less than all the rights in a property (e.g., an exclusive distribution or marketing arrangement). However, the legislative history of the provision supports the inference that income generated by the sale of creative or artistic works was intended to be treated in the same manner as royalties generated by the publication of a book. Accordingly, the Committee is of the opinion that proceeds received in connection with the sale of a phonograph album would be exempt from the limitations on outside earned income imposed under Rule 44.

INTERPRETATIVE RULING No. 191

Date issued: October 16, 1978.

Applicable area: Franking.

Question considered: May a Senator send out a franked mass mailing which contains material reprinted from the CONGRESSIONAL RECORD, when the reprint has been reset to make the material more legible?

Ruling: The franking statute (39 U.S.C. 3212) and Regulations Governing the Use of the Mailing Frank permit the franked mailing of reprints from the CONGRESSIONAL RECORD, including speeches or reports contained therein, provided such material is otherwise frankable under section 3210. The fact that material has been placed in the RECORD does not in and of itself make it frankable.*

Assuming the content of the proposed mailing would be frankable, there is no provision in the statute or regulations which would prevent the reprint from being made more legible by the resetting of type used in the RECORD. The Select Committee believes that the franking statute's use of the term "reprint" would include such a practice.

This response should in no way be construed as a ruling on the issue of whether the material which appeared in the CONGRESSIONAL RECORD is, in fact, frankable. The Committee would need a more complete description of such material in order to rule on that question.

INTERPRETATIVE RULING No. 192

Date issued: October 16, 1978.

Applicable rules: 42**, 43.

Question considered: Would Rule 43 on Gifts, which is applicable to all Members, officers, employees, their spouses and dependents, prohibit the acceptance of certain travel arrangements offered by the employer of a spouse when the employer is a "prohibited source" within the meaning of paragraph 1(b) of Rule 43?

Ruling: In this situation, soon after their wedding, the spouse of a Senate employee will be temporarily assigned by her employer to a project in another location some distance from Washington, D.C. The project is scheduled to last for several months and will require some weekend work. As a result, the employer, registered under the Federal Regulation of Lobbying Act of 1946 and thus a "prohibited source" for purposes of Rule 43, would implement an existing company policy which provides the spouse with weekend round-trip airfare to and from Washington. On those occasions when the spouse will be engaged in weekend work, the employer has offered to fly the Senate employee to his spouse's location.

Paragraph 2(a)(7) of Rule 43 excepts from the definition of "gift" anything of value given to the spouse of a reporting individual by the employer of the spouse in recognition of the services performed by the spouse. In this factual situation, the Committee ruled that this exception would be applicable to the offer of round-trip airfare, whether the actual user of the ticket was the Senate employee or the spouse. The Committee also ruled that this arrangement was also excepted from the definition of "gift" under Rule 42, Public Financial Disclosure, and therefore need not be reported.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

**S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

***S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

* See Interpretative Ruling No. 40, dated July 1, 1977, where the Committee ruled that the "personal reference rule" is not applicable to CONGRESSIONAL RECORD excerpts.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

INTERPRETATIVE RULING No. 193

Date issued: October 17, 1978.

Applicable rules: 42*, 43.

Question Considered: May a Senator accept travel expenses from an official of a district's political party organization in return for his appearance at a rally sponsored by the organization?

Ruling: Rules 42 and 43 except from the definition of "gift" anything of value, including transportation, for which consideration of equal or greater value is received.

Under certain circumstances travel incident to a political appearance, which is not in connection with the appearing Member's own election, meets this "consideration" exception. If the Senator is appearing at the invitation of the party official, and if the proposed appearance is in consideration for the cost of the Senator's travel, then the acceptance of those expenses would not be deemed to be a gift for purposes of Rules 42 and 43.

INTERPRETATIVE RULING No. 194

Date issued: October 18, 1978.

Applicable rule: 49.

Questions considered: May Senate employees engage in campaign activities on their own time and away from federal facilities? Is it permissible for a Senate employee, following adjournment of the Congress, to utilize unused vacation time to work full-time in a campaign? Would there be any restriction which would prevent a full-time Senate employee from having his Senate salary reduced while continuing to work for the Senate on a part-time basis in order that the remainder of his time could be devoted to campaign activities?

Ruling: The Committee on Rules and Administration has stated in Senate Report No. 95–241 (95th Cong.), accompanying Senate Resolution 188, that "is not aware of any laws which prohibit individuals who are part of a Senator's staff from participating in a Senator's reelection campaign as long as they do not neglect their Senate duties . . . it is neither illegal nor a violation of Senate Rules for a member of a Senator's staff to work full-time in political campaigns while on annual leave or vacation time or while on leave of absence from his or her Senate duties . . ." The Select Committee on Ethics believes that this statement is applicable to employees of a Senate committee and those persons employed by an officer of the Senate as well.

Prior to the filing of S. Rept. No. 95–241, the Select Committee ruled* that it is preferable for a Senator to either reduce the salary or remove an employee from the Senate payroll when the employee intends to spend additional time on campaign activities, over and above leave or vacation time. The Committee recognizes that staff members ought to be able to use bona fide vacation time for political campaign activity. As long as an office has an established and reasonable annual leave policy, and as long as an employee takes no more than the amount of time normally allowed for such leave, the Committee believes that an employee may engage in campaign activities during that time. It should also be noted that the Committee has ruled that the restrictions of Rule 49, on the handling of campaign funds, are applicable to all persons who are on the Senate payroll, even though they might be paid at a reduced rate.

INTERPRETATIVE RULING No. 195

Date issued: October 18, 1978.

Applicable rules: 46, 48.

Question considered: May a Member borrow from another Senator computerized mailing lists for the purpose of communicating with constituents?

Ruling: The loan of a mailing list to a Member gives rise to a question under Rule 46 of the Senate Code of Official Conduct. Although the Code does not contain any specific restrictions on the source of a mailing list, the Committee has interpreted Rule 46 to mean that a Member may not accept goods and services in connection with the carrying out of official Senate duties unless they are paid for with funds from one of the four sources listed in the rule. This would normally mean that the provision of a mailing list free-of-charge would constitute an impermissible in-kind contribution to an office account.

However, the Committee has ruled** that in-kind services provided by agencies of the Federal Government are not subject to the Rule 46 restrictions, and goods and services provided by other Members of Congress would appear to be similarly excepted. Therefore, the use of a Member's computerized mailing lists would not be in violation of Rule 46.

Should the borrowing Member intend to incorporate the mailing list in the Senate's computer facilities, he or she should be aware that Rule 48, paragraph 5, allows the use of those facilities only if the lists bear no identification of individuals as campaign workers or contributors, as members of a political party, or by any other partisan political designation.

INTERPRETATIVE RULING No. 196

Date issued: October 26, 1978.

Applicable rule and area: 48 and Franking.

Question considered: May an agency of the Federal Government with whom a Senator is cosponsoring a conference print and affix labels to franked envelopes to be used in mailing the invitations to the conference? The envelopes would be returned to the Senate Service Department for stuffing and mailing.

Ruling: Paragraph 2 of Senate Rule 48 states that only official funds of the Senate shall be used to purchase paper, print or prepare mass mailing material to be sent out under the frank. The Committee has determined however that under the circumstances described it would not be a violation of Rule 48(2) for an agency of the Federal Government to print and affix address labels to franked envelopes to be used for the conference, provided such printing and labeling services are generally available to all Members of the Senate.

Chapter 4, Paragraph 2 of the Regulations Governing the Use of the Mailing Frank "is a privilege which Senators and others must view as a personal responsibility and which must be vigilantly safeguarded against abuse." One such abuse would be an improper loan of the frank in violation of Section 3215 of Title 39 of the United States Code. This Committee has previously ruled (Interpretative Ruling No. 66, September 26, 1977) that the processing of franked mail by an outside organization would constitute an improper loan of the frank because of the opportunity for abuse, such as the alteration of material or the diversion of franked envelopes, that would be presented. However, the Committee has determined that it would be permissible for a Member to delegate to his or her staff the responsibility for ensuring that the process of affixing address labels to the franked envelopes to be used in the conference is carried out by the agency in such a manner as to avoid any misuse which could constitute an improper loan of the frank.

INTERPRETATIVE RULING No. 197

Date issued: October 31, 1978.

Applicable rule and area: 49, Code of Official Conduct.

Question considered: Is it proper for Senate staff members to utilize annual leave time to carry out campaign-related activities?

Ruling: Except for Senate Rule 49, which prohibits anyone other than two designated employees from handling campaign funds, no rule expressly forbids campaign activity by staff members.

The Select Committee has previously ruled* that it is preferable for a Senator either to reduce the salary or to remove an employee from the Senate payroll when the employee intends to spend a substantial amount of time on campaign activities, over and above leave time.

The Committee recognizes that Senate staff members ought to be able to use bona fide vacation time in whatever way they wish, including participation in a political campaign. So long as staff takes no more than established and reasonable annual leave, the Committee is of the opinion that staff may engage in campaign activities.

Rule 49's restrictions on the handling of campaign funds by only two designees would, of course, remain applicable.

INTERPRETATIVE RULING No. 198

Date issued: November 6, 1978.

Applicable rules: 46, 48.

Question considered: Would it be permissible under paragraph 1 of Rule 46 for a Senator to accept, at no cost to him, a computerized mailing list of the names of members of a national labor union in the Senator's home state from another Member of Congress from that state, in order to communicate with the Senator's constituents?

Ruling: While the Code of Official Conduct does not contain any specific restriction on the source of mailing lists acquired and used by Senators, the Select Committee has previously interpreted** Rule 46 to prohibit a Senator from accepting any goods or services in connection with carrying out of-

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

*See, for example Interpretative Rulings No. 3, dated May 5, 1977, No. 5, dated May 11, 1977, No. 6, dated May 11, 1977, and No. 22, dated May 26, 1977.

**See Interpretative Ruling No. 72, dated September 29, 1977.

*See, for example, Interpretative Rulings No. 3, dated May 5, 1977, No. 5, dated May 11, 1977, No. 6, dated May 11, 1977 and No. 22, dated June 17, 1977.

**Interpretative Ruling No. 44, dated July 18, 1977.

ficial Senate duties, including communicating with constituents, unless those goods or services are paid for with funds available to the Senator from one of the four designated sources listed in paragraph 1 of Rule 46.

However, the Committee has also ruled* that in-kind services, when provided by agencies of the Federal Government, are not subject to this restriction. This ruling was based, in part, on a prior determination of the Federal Election Commission which stated that the Federal Government was not considered a "contributor" for purposes of the Federal Election Campaign Act.

Based on this ruling, the Committee held in this case that goods and services provided to a Senator by other Members of Congress are excepted from the limitations of Rule 46 and therefore that the acceptance of this computerized mailing list at no cost from another Member of Congress would not violate Rule 46.

However, the Committee reminded the Senator that should he incorporate the mailing list in the Senate computer facility, Rule 48, paragraph 5 would require that the list bear no identification of individuals as campaign workers or contributors, as members of a political party, or by any other partisan political designation.

INTERPRETATIVE RULING No. 199

Date issued: November 6, 1978.

Applicable rule and area: 46, Franking.

Questions considered: Would it be proper for a Senator to conduct from his home state office a telephone survey of his constituents to find out what issues are of concern to them in order to develop legislative priorities? In so doing may a Senator:

(1) Use members of his staff and volunteers to conduct the survey?

(2) Use the Senator's frank to mail the surveys in bulk to his home office?

(3) Accept the offer of a private group to use their telephone facilities free of charge; and

(4) Use telephone facilities provided by a Federal agency in the home state?

(5) Use Senate allowances to a) rent a telephone bank and b) pay for use of computers of a non-government organization to compile the survey results?

RULINGS

(1) Telephone surveys of a Member's constituents, when undertaken to better inform the Senator of the views and concerns of his constituents, have been held by the Committee to be permissible under the Code of Official Conduct. The Committee has previously ruled** that Rule 46 does not prohibit the use of volunteers who perform services for a Senator either in his Washington or home-state office.

(2) The use of the mailing frank to send copies of the survey to a Senator's district office is also proper.

(3) The Committee has consistently ruled that Rule 46 does prohibit a Senator from accepting in-kind contributions of goods and services to defray office expenses. Therefore, it would be improper for a Senator to accept non-governmental telephone facilities which might be offered at no cost.

(4) In contrast, the Committee has previously ruled that the Rule 46 restriction on in-kind contributions of goods and services does not apply when the donor is an agency of the Federal Government or another Member of Congress. (Interpretative Ruling No. 72, dated September 29, 1977) Therefore, telephone facilities provided to a Senator by a Federal agency may be used to conduct a telephone survey of constituents.

(5) The question as to whether Senate allowances might be used to pay for non-governmental telephone facilities and/or computer time comes under the primary jurisdiction of the Committee on Rules and Administration, which approves vouchers drawn against Senate allowances.

INTERPRETATIVE RULING No. 200

Date issued: November 8, 1978.

Applicable rule and area: 46 and Federal Election Campaign Act.

Question considered: May an individual employed in a Senator's office be reimbursed from that Senator's campaign funds for travel expenses (lodging and meals) incurred in connection with the staff member's attendance at a veterans' conference?

Ruling: The Federal Election Campaign Act (2 U.S.C. 439a) provides that campaign funds may be used to defray ordinary and necessary expenses incurred in connection with the duties of a federal office holder. Rule 46 of the Senate Code of Official Conduct provides that otherwise unreimbursed expenses allowable in connection with the operation of a Member's office may be defrayed from, among other sources, funds derived from a political committee.

Therefore, if the staff member's attendance at the veterans' conference is in connection with official Senate duties, funds from the Senator's campaign committee may be used to defray the expenses incident to that attendance.

INTERPRETATIVE RULING No. 201

Date issued: November 27, 1978.

Applicable rule: 42.

Question considered: For purposes of disclosing gifts of $100 or more under Rule 42, is a gift to a Member from several employees of a local high school valued at its total cost, or is the value of the gift divided by the number of individual donors?

Ruling: Rule 42(2)(c) requires the reporting of gifts "aggregating $100 or more from any one source" during a calendar year. The facts of this inquiry regarding the evaluation of a gift raise the question of the meaning of the phrase "any one source," i.e., is the donor of the gift the school, the school employees as a group, or several separate individuals.

If, on the one hand, the gift is from the school or from the employees as a group, then it would be a gift from one source, and the value would be its total cost. If the individuals who contributed toward its cost were solicited along with other school employees with the intent to make a gift from the school or from the employees as a group, or if the individuals when presenting the gift asserted their common association with the school, the presentation would appear to be a gift from one source.

If, on the other hand, the gift is from several persons acting as individuals, for reporting purposes the transaction would be treated as five separate gifts from five individuals and the value of each gift would be the amount that each individual contributed toward its cost. Thus, if the five school employees decided among themselves to make a gift to the Senator and did so without soliciting contributions toward the cost of the gift from school employees as a group or if the employees presented the gift without asserting their common association, then the facts would indicate that the gift is, in fact, from five persons acting as individuals.

INTERPRETATIVE RULING No. 202

Date issued: November 30, 1978.

Applicable rules and area: 42*, 43, Ethics in Government Act of 1978.

Questions considered: May a staff assistant to a Senator accept an invitation to address an association's convention? Would the individual be required to disclose the source and description of reimbursements which he or she received for official travel?

Ruling: Rule 43, Gifts, and Rule 42, Public Financial Disclosure, both except from the definition of "gift" the necessary expenses of the performance of services for an organization by a Senator, officer or employee, incident to his or her official duties, including travel, food, lodging and entertainment, if those expenses are paid by the organization for which the services are performed.

However, Public Law 95-521, the Ethics in Government Act of 1978, requires that reporting individuals, i.e., employees of the legislative branch who have been employed for more than sixty days in the calendar year and are compensated at a rate equal to or in excess of the annual rate of basic pay in effect for GS-16, must disclose the identity of the source and a brief description or reimbursements received from any source and a brief description of reimbursements received from any source aggregating $250 or more in value. "Reimbursement" is defined in the Act to mean any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual other than those which are—

(A) provided by the United States Government, the District of Columbia, or any State or political subdivision thereof;

(B) required to be reported by the reporting individual under section 7342 of Title 5, United States Code, the Foreign Gifts and Decorations Act; or

(C) required to be reported under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434).

INTERPRETATIVE RULING No. 203

Date issued: December 5, 1978.

Applicable rules and area: 42,** 43, 45, Ethics in Government Act of 1978.

Question considered: May a Senate employee accept the necessary expenses of foreign travel from a privately funded, domestic organization in order that the employee might attend a seminar sponsored by the foreign counterpart of the domestic organization?

Ruling: The Select Committee has previously ruled*** that a Member, officer or employee of the Senate may accept the necessary expenses of foreign travel provided by a domestic organization which is the sponsor of the program involving the foreign travel. In this factual situation, while the domestic organization providing the necessary expenses of foreign travel and the sponsor of the program in the foreign country were not one and the same, the Select Committee in agreeing to the proposed travel found that the domestic organization had been created, under the laws of the United States, for the sole purpose of assisting its foreign counterpart in the preparation and presentation of its program. The Committee ruled that the domestic organization which was to provide the necessary expenses of foreign travel and the foreign sponsor of the program were sufficiently identical such that the necessary expenses of travel would be excepted from the definition of "gift" under paragraph 2(a) of Rule 43 and paragraph 7(f) of Rule 42. Therefore, with the approval of the employee's Senate supervisor, the employee could accept the necessary expenses of the proposed travel.

While these necessary expenses of travel are not reportable as a gift under Rule 43, if the employee concerned were required to file a financial disclosure statement under the Ethics in Government Act of 1978 (Public Law 95-521), i.e., if he or she were an employee of the legislative branch for more than 60 days and were compensated at a rate equal to or in excess of the annual rate of basic pay in effect for GS-16 of the General Schedule during the calendar year, the employee would be required to report the identity of the source and a brief description of reimbursements received from any source aggregating $250 or more in value which were received during the preceding calendar year.

INTERPRETATIVE RULING No. 204

Date issued: December 5, 1978.

Applicable rule: 49.

Question considered: May a Senate employee hold a position as a political party's precinct chairman? One of the functions of the position is the periodic solicitation of funds for state and local candidates. While none of these funds go directly to candidates for Federal election, there have been instances when some of the funds were used for literature in support of local, state and Federal candidates. In the case of this "joint campaign" literature the Federal candidates contribute their own funds to cover their share of the cost of the literature.

Ruling: The Committee has previously determined* that Rule 49's restrictions on staff campaign activities apply to participation in Federal elections and not to state and local elections. So long as the state and local campaign activities are clearly separate and distinct from any activities performed in connection with a Federal election, and the activities do not interfere with Senate duties, a Senate employee would be permitted to participate in them.

The activities proposed in this case do not appear to involve the raising or use of funds for the purpose of supporting Federal candidates. Therefore, the Committee believes Rule 49 would not prohibit those activities.

INTERPRETATIVE RULING No. 205

Date issued: December 11, 1979.

Applicable rules: 44,** 45.

Questions considered:

(1) What are the rules applying to the donation of honoraria to certain educational institutions when selected from a list of five or more organizations provided to the payor by a Senator?

(2) Does Rule 44's limit on outside earned income apply to proceeds received from partnership income earned primarily through real estate sales?

Ruling: The Committee has previously ruled*** that, for purposes of the $25,000 calendar year limit on honoraria donated to charity, an honorarium payable to a person would not be charged against this limit if paid instead at his or her request to a charitable organization selected by the payor from a list of five or more charitable organizations provided by that person. The term "charitable organization" means those organizations with respect to which a deduction for Federal income tax purposes would be allowable under section 170(c) of the Internal Revenue Code.

This ruling is consistent with the Federal statute which currently limits the acceptance of honoraria, 2 U.S.C. 441i.

With regard to the second question, under Rule 44, outside earned income is defined as "compensation received as a result of personal services actually rendered." Thus, Rule 44's limits would be inapplicable, since the income from the sale of the partnership's capital assets (e.g., real estate) would not fall within the Rule's definition of outside earned income. Income from the sale of a capital asset owned by the partnership would constitute passive or investment income rather than a distribution of income from the active operation of a trade or business.

Paragraph six of Rule 45 prohibits Members from being affiliated with a firm or partnership for the purpose of providing professional services for compensation and prohibits the Member from permitting his name to be used by such a firm or partnership.

INTERPRETATIVE RULING No. 206

Date issued: December 11, 1978.

Applicable rule: 46.

Question considered: Would Rule 46 prohibit a retiring Senator from directing his campaign committee to donate excess campaign contributions to a tax-exempt, charitable organization which would use the funds to create a scholarship fund for graduate students in the Senator's name?

Ruling: Paragraph 2 of Rule 46 prohibits the conversion of campaign contributions to the personal use of any current or former Senator. While "personal use" is not specifically defined, the Committee does not believe that donation of excess campaign funds to or for the use of a tax-exempt state university to create a scholarship fund for worthy graduate students from the Senator's home state is the type of conversion to personal use prohibited by Rule 46. Similarly, while there may be a nominal or constructive conversion of the funds by the Senator for purposes of inclusion in his gross income for Federal income tax purposes, it may result in a "wash transaction" if an offsetting charitable contribution deduction is available under section 170 of the Internal Revenue Code.

While the Committee ruled that the proposal would not be prohibited by Rule 46, it cautioned that it could express no view as to the consequences of the proposal under the Internal Revenue Code or any other law.

INTERPRETATIVE RULING No. 207

Date issued: December 11, 1978.

Applicable area: Legislative Branch Appropriations Act.

Question considered: May an employee of one Senate office seek and receive compensation for part-time employment in another Senate office?

Ruling: The Legislative Branch Appropriations Act of 1978 (Public Law 95-94) section 114, as amended by the Legislative Branch Supplemental Appropriation Act of 1978, section 207, authorized the Senate Disbursing Office to compensate an employee for work done in more than one office of a Senator, Senate officer or standing committee, provided that the employee is paid on a yearly rather than an hourly basis.

No provision of the Code of Official Conduct would prohibit an employee of one Senate office from obtaining a part-time position with another Senate office.

The Select Committee suggested that an employee seeking such an arrangement should notify the supervisor of each position of the employment arrangement.

INTERPRETATIVE RULING No. 208

Date issued: December 18, 1978.

Applicable Rule: 45.

Question considered: May a member of a Senate committee serve without compensation on an advisory committee of an organization which is exempt from Federal income taxation and which receives Federal funds through grants administered by an executive branch agency authorized through the same Senate committee? The staffer's Senate duties do not include responsibility for such programs and the advisory committee on which the staff would serve will neither request nor spend any Federal monies. The staffer's activities would consist of analyzing the goals and internal structures of the organization.

Ruling: Given the circumstances presented, the Committee has no objection to the staffer's membership on the organization's advisory committee but reminds the supervising Senator that Senate Rule 45, paragraph 3, requires him to take whatever action he may consider necessary for the avoidance of any future conflict of interest or interference with Senate duties.

INTERPRETATIVE RULING No. 209

Date issued: December 18, 1978.

Applicable Rule and Area: 43, Code of Official Conduct.

Question considered: May an organization composed of Senate staff members solicit lobbyists and others with a direct interest in legislation to purchase advertising in the program for a dinner sponsored by the staff organization?

Ruling: Under Senate Rule 43 the following are deemed to have a direct interest in legislation before the Congress:

"(1) a person, organization, or corporation registered under the Federal Regulation of Lobbying Act of 1946, or any successor statute; a person who is an officer or director of such a registered lobbyist; or a person who has been employed or retained by such a registered lobbyist for the purpose of influencing legislation before the Congress; or

"(2) a corporation, labor organization, or other organization which maintains a separate segregated fund for political purposes (within the meaning of section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(b)); a person who is an officer or director of such corporation, labor organization, or other organization; or a person who has been employed or retained by such corporation, labor organization, or other organization for the purpose of influencing legislation before the Congress."

The Committee determined that solicitation of the advertising from individuals and organizations having a direct interest in legislation before the Congress gives the appearance of improper conduct which may reflect upon the Senate and that the staff organization, therefore, should refrain from making such solicitations.

INTERPRETATIVE RULING No. 210

Date issued: December 18, 1978.

Applicable Rules and Area: 42*, 43, Ethics in Government Act of 1978.

Question considered: A Senator has been asked to address a meeting of a trade association. Since the association does not have an aircraft, a corporate member of the associa-

*Interpretative Ruling No. 72, dated September 29, 1977.

**Interpretative Ruling No. 74, dated October 3, 1977. The Committee's ruling in this instance applies to surveys fitting the above description and does not apply to a survey which would be used in any manner deemed to be partisan or political.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

***See Interpretative Ruling No. 105, dated March 9, 1978.

*See Interpretative Ruling No. 182, dated September 29, 1978.

**S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

***See Interpretative Ruling No. 9, dated May 11, 1977 and Interpretative Ruling No. 28, dated June 7, 1977.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

tion has offered to provide the Senator with transportation aboard one of the corporation's aircraft from a city where the Senator will arrive on a connecting commercial flight to the site of the meeting. May the Senator accept this offer of transportation and under what circumstances would acceptance have to be disclosed?

Ruling: Rule 43 excludes from the definition of "gift" the payment of the necessary expenses of travel, including transportation, food, lodging and entertainment to a Member, officer or employee of the Senate who performs a service for an organization, such as the giving of an address, if those necessary expenses are provided by the organization for which the services are performed. In this factual situation, a corporate member of an organization, but not the organization itself, has offered to provide air transportation for the Senator.

The next question that must be addressed is whether the corporation in question has a "direct interest in legislation before the Congress" as defined by paragraph 1(b) of Rule 43. If the corporation is within this definition, or is a foreign national, Rule 43 would prohibit the acceptance of gifts with a value aggregating over $100 from the corporation in a calendar year. However, necessary expenses of transportation could be accepted from the corporation, provided that (1) the sponsor of the appearance reimbursed the corporation for the value of the transportation or (2) the Senator reimbursed the corporation for the value of the transportation provided.

As to the reporting requirements for such an arrangement, if the Senator or the sponsor of the appearance reimbursed the corporation, no "gift" would be involved and there would be no reporting requirement under Rule 42.

If the corporation is neither a "prohibited source," nor a foreign national, and the corporation is not reimbursed, the transportation may be accepted but would have to be reported as a gift under Rule 42 if the aggregate value from that source exceeded $250 in the calendar year.

However, the Ethics in Government Act of 1978 (Public Law 95-521) requires that all Senators and certain specified Senate employees file a financial disclosure statement which includes the identity of the source and a brief description of "reimbursements," defined in section 107(8) as "any payment or other thing of value received by the reporting individual, other than gifts, to cover travel-related expenses of such individual, other than those which are (A) provided by the United States Government, the District of Columbia, or any State or political subdivision thereof; (B) required to be reported under section 7342 of Title 5, United States Code (Foreign Gifts and Decorations Act); or (C) required to be reported under section 304 of the Federal Election Campaign Act of 1971," and aggregating $250 or more in value and received during the preceding calendar year. Thus, the Senator would be required to report a reimbursement of air travel expenses, if in the aggregate they were valued at $250 or more, provided by either the sponsor of the appearance or the corporation which has offered to provide its aircraft.

INTERPRETATIVE RULING No. 211

Date issued: December 22, 1978.

Applicable Rule: 44.*

Question considered: Does Rule 44's limit on outside earned income apply to salary paid to a Member and his spouse for services rendered to a corporation in which the Member is the sole shareholder? The services rendered are managerial in nature and consume a minimal amount of the Member's time.

Ruling: This ruling is based upon and limited to the specific factual situation above, and the committee does not consider it as a precedent.

Senate Rule 44 limits outside earned income of a Member to 15% of his or her Senate salary in a calendar year. Subparagraph 3(b)(5) of that Rule provides that "outside earned income" does not include:

income from family enterprises, if the services provided by the Senator, officer or employee are managerial or supervisory in nature, necessary to protect the interests in the family enterprise and do not consume significant amounts of time while the Senate is in session.

Based on the information provided, the Committee determined that, pursuant to Rule 44, subparagraph 3(b)(5), the corporation in question is a family enterprise, and the income for services performed by the Member for the corporation would not be considered outside earned income. The receipt of such income would, however, be reportable under Senate Rule 42.

The Committee noted that the restrictions in Rule 44 apply solely to the "outside earned income" of Members and certain Senate officers and employees; thus, the salary received by the Member's spouse would not be subject to the provisions of Rule 44.

INTERPRETATIVE RULING No. 212

Date issued: December 22, 1978.

Applicable Rule: 43.

Question considered: May a Senate staff member accept travel on a private aircraft of a company having a direct interest in legislation before the Congress where the purpose of the travel is to enable the staffer to inspect the operation of the company's facilities as part of a factfinding tour?

Ruling: In Interpretative Ruling No. 35, dated June 28, 1977, the Committee determined that a Senator who is on an official business tour may accept travel on private aircraft and other travel expenses, including lodging and food, from a corporation having a direct interest in legislation, when the corporation's installation or property is the principal subject of the inspection tour, when the corporation is, at least in part, sponsoring the tour, and when the trip is for an official purpose.

In Interpretative Ruling No. 69, dated September 27, 1977, the Committee ruled that factfinding in connection with matters of direct interest to a Member, his constituents and the sponsoring organization is a service of public office, and the necessary travel expenses in connection with such a trip are excluded from the definition of a gift for the purposes of the limitations on gifts from prohibited sources under Rule 43. The Committee further determined that the acceptance of necessary expenses by a staff member designated by the supervising Senator would be permissible in such a situation.

Accordingly, the Committee ruled in this case that the staff member's acceptance of necessary travel expenses in connection with the described factfinding tour was permissible.

INTERPRETATIVE RULING No. 213

Dated issued: December 22, 1978.

Applicable Rule: 45.

Question considered: Would there be a conflict of interest or the appearance of a conflict if a private company were to continue paying part of the salary of one of its employees while the employee worked full time for a one year period on the staff of a Senate committee with primary legislative jurisdiction over the activities of the company? Alternatively, would there be a possible conflict of interest if the employee retained his employment relationship with his private company and was also retained, and compensated, by the Senate committee as a part-time consultant?

Ruling: In the situation presented, a private profit-making organization would pay part of the salary of one of its employees for the individual's services as either a staff member or consultant to a Senate committee with legislative jurisdiction over the activities of the private organization. It is the opinion of the Committee that this arrangement might create the possibility of an actual conflict of interest or the appearance of such a conflict due to the jurisdiction of the Senate committee over matters of interest to the private company.

If the committee wished to hire the individual as a part-time consultant and pay him out of committee funds for his services to the committee, an appearance of a conflict of interest might arise since the individual would continue to retain his employment relationship with his private employer. The Committee recognizes that, in certain circumstances, an appearance of a conflict of interest arising from a consultant arrangement might be offset by a Senate committee's need to obtain specific expertise in a given area. The Committee will offer its guidance as to the propriety of such an arrangement where the specialized skills of a particular individual appear necessary.

INTERPRETATIVE RULING No. 214

Date issued: December 22, 1978.

Applicable Rule: 43.

Question considered: May a Member of the Senate accept payment from an entity with a direct interest in legislation before the Congress for expenses he and his spouse incur during a two-day period following the Member's scheduled appearance before the entity? What limitations exist with respect to acceptance of such expenses?

Ruling: An organization with a direct interest in legislation pending before the Congress has invited a Senator to speak to the organization's annual convention and subsequently remain at the convention site for an additional number of days to attend various convention activities. The organization has offered to provide the necessary expenses of transportation, food, lodging and entertainment for the Senator and his spouse during the entire time that the Senator is at the convention. In addition, the Senator has scheduled a briefing by a department of the executive branch in the same city for the day following the conclusion of his appearance at the convention.

Under Senate Rule 43 a Member, officer or employee of the Senate may accept necessary travel expenses from the organization sponsoring his appearance. Such expenses are not deemed to be a gift for purposes of the reporting requirements of Senate Rule 42 nor are they subject to the limitations in Senate Rule 43 on gifts from organizations having a direct interest in legislation before the Congress. The Committee has ruled (Interpretative Ruling No. 89, dated November 21, 1977) however, that such necessary travel expenses would not include any expenses which are associated with unrelated, appearance or activities. Thus, if a second, unrelated, appearance requires additional expenses such as an extra night's lodging, the payment of these expenses by the sponsor of the first appearance would be deemed to be a gift for the purpose of the reporting requirements of Rule 42 and, if the sponsor is an organization having a direct interest in legislation before the Congress, the acceptance of any additional expenses would be subject to the prohibition in Rule 43 on gifts from such organizations aggregating in excess of $100 in a calendar year.

The Committee stated that, if the Senator had remained at the convention for the purpose of participating in convention activities, it would be permissible for the sponsor to cover the necessary expenses incurred in connection with his participation in these activities. If, on the other hand, the Senator had remained at the convention solely for the purpose of attending the Naval briefing, or any other unrelated activity, the additional expenses would be deemed to have been incurred in connection with the second activity and, if paid by the sponsor of the first appearance, would be subject to the provisions of Senate Rules 42 and 43, as noted above.

INTERPRETATIVE RULING No. 215

Date issued: December 23, 1978.

Applicable area: Nepotism.

Question considered: An individual considering employment in a Member's office asked if it would be permissible to accept the position since the spouse of the Member is a cousin of one of the individual's parents.

Ruling: This Committee is not charged with the responsibility of enforcing Section 3110 of Title 5 of the United States Code, which prohibits a public official (including Members of Congress) from employing or advocating the employment of a relative in the agency in which he is serving. An office, agency or other establishment in the legislative branch is included within the definition of agency. However, the Committee noted that, for the purposes of Section 3110, a "relative" is defined as:

". . . an individual who is related to the public official as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister."

Thus, the stated relationship to the Member would not fall within the prohibitions of Section 3110.

Moreover, based on the facts described, the Committee was of the opinion that employment in the Member's office would not constitute improper conduct which may reflect upon the Senate, nor would it present the appearance of a conflict of interest.

INTERPRETATIVE RULING No. 216

Date issued: January 5, 1979.

Applicable area: Foreign Gifts and Decorations Act.

Question considered: When a Senator is visiting a foreign country on official business, may he accept transportation, lodging and hospitality from the host country in order to visit areas within that country when no commercial transportation service is available or in circumstances when it would be an affront to the host government to refuse the hospitality?

Ruling: The Foreign Gifts and Decorations Act, 5 U.S.C. section 7342, permits the acceptance from foreign governments of gifts of travel or expenses for travel taking place entirely outside the United States if such acceptance is appropriate, consistent with the interests of the United States and is permitted by the Senate Select Committee on Ethics (as the employing agency for Members, officers and employees of the Senate).

The Committee found that the acceptance of such gifts of travel or expenses for travel (including transportation, food and lodging), under the circumstances described above would be appropriate and consistent with the interests of the United States.

Within 30 days after any Member, officer or employee of the Senate (or his or her spouse or dependents) has accepted travel or travel expenses for travel taking place entirely outside the United States, such Member, officer or employee must file a statement of information with the Select Committee. The Committee's "Dear Colleague" letter of December 12, 1978 sets forth the items to be included in filing that statement.

INTERPRETATIVE RULING No. 217

Date issued: January 15, 1979.

Applicable rules and area: 42*, 43, Ethics in Government Act of 1978.

Question considered: May a group of Senate employees, who work for different Senators and Senate committees but share responsibilities for energy issues, accept an invitation from an oil producers group and a local Chamber of Commerce to attend a meeting to discuss energy problems and potential legislation, where the Chamber has offered to provide all of the necessary expenses connected with the meeting?

Ruling: Rule 43 on Gifts excludes from the definition of a gift the payment of the necessary expenses of the performance of services for an organization by a Senate staff assistant, incident to his official duties, including travel, food and lodging, if those expenses are paid by the organization for which the services are performed.

Fact finding in connection with matters of direct interest to Members and committees of the Senate, sponsored and paid for by organizations such as a local Chamber of Commerce, is directly related to the Senate duties of staff persons working for such Members and committees.

Accordingly, the acceptance of the invitation and related necessary expenses from the Chamber of Commerce would not be in violation of Rule 43, nor reportable under Rule 42, as long as the Senate employees are providing some service or making some appearance on behalf of the Chamber of Commerce.

The Committee noted that any staff member required to file under Public Law 95-521 must report the identity of the source and a brief description of reimbursements received from any source aggregating $250 or more in value during a calendar year.

INTERPRETATIVE RULING No. 218

Date issued: January 15, 1979.

Applicable rule: 45.

Question considered: What are the restrictions on a former Senate employee's communicating with the Members and staff of a committee for which he used to work? The employee plans to begin the practice of law, and his responsibilities might include occasional discussions with Senators on behalf of a client regarding certain policies of interest to the client.

Ruling: A Senate committee staffer who leaves a committee position and becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or is retained by such a registered lobbyist for the purpose of influencing legislation is prohibited by paragraph 10 of Rule 45 from lobbying Members and staff of the committee for which he or she worked for one year after leaving the committee position. "Lobbying" is defined in paragraph 11(c) of Rule 45 as any oral or written communication to influence the content or dispostion of any issue before Congress.

The Federal Regulation of Lobbying Act of 1946 applies to "any person . . . who . . . receives money or any other thing of value to be used principally to aid, or the principal purpose of which person . . ." is to aid or influence the passage or defeat of any legislation by the Congress of the United States (2 U.S.C. 266) and is not applicable to those persons having only an incidental purpose of influencing legislation (*United States* v. *Harriss*, 347 U.S. 612, 622 (1954).) One who does not meet the "principal purpose" test of the Lobbying Act (i.e., who has only an incidental purpose of influencing legislation) is not required by the Act to register as a lobbyist; consequently, the restrictions of paragraph 10 would be inapplicable to such persons.

However, failure to register under the Lobbying Act when required to do so would not render inapplicable the restrictions in paragraph 10. The Committee believes that if one is engaged in the types of activities regulated by the Lobbying Act, but fails to register under that Act, paragraph 10 of Rule 45 would nevertheless apply to such a person.

The Committee notes for your information that it has previously ruled* that if one or more partners or an associate of a law firm is a lobbyist, then a former Senate employee, if hired in any capacity by that firm, is subject to the one year lobbying restrictions.

INTERPRETATIVE RULING No. 219

Date issued: January 15, 1979.

Applicable Rule: 44.**

Question considered: What are the limits on honoraria donated to a charity selected by the payor?

Ruling: Consistent with 2 U.S.C. 4411, an honorarium is not considered to have been accepted if the speaker makes a suggestion that the honorarium be given to a charity or other like beneficiary of the payor organization's own choosing. Moreover, the Committee as previously ruled*** that if an honorarium payable to a person is paid instead at his request to a charitable organization selected by the payor from a list of five or more charitable organizations provided by that person, that person will not be deemed to have accepted an honorarium for the purposes of Rule 44. This ruling is consistent with 2 U.S.C. 4411, as amended in December, 1977.

However, if the speaker himself directs that the honorarium be paid to a particular charity or to a charitable organization selected by the payor from a list of less than five provided by the speaker, then the limits of Rule 44 (effective January 1, 1979) would be applicable. That is, the limit for Senators for each honorarium so disposed of would be $1,000 as provided in paragraph 2(a) of Rule 44, and the aggregate calendar year limit would be $25,000 as provided in paragraph 2(c) of Rule 44.

INTERPRETATIVE RULING No. 220

Date issued: January 24, 1979.

Applicable Rule: 46.

Questions considered: May a Senator accept and use audio and visual tapes which belonged to former Members of Congress? May a Senator accept two free newspaper subscriptions each of which is worth in excess of $100 per yearly subscription?

Ruling: Senate Rule 46 prohibits the acceptance of funds (other than personal and campaign funds) from outside sources to defray expenses incurred by a Senator in connection with official duties. This prohibition includes in-kind contributions of goods and services.

However, exceptions to the rule have been allowed for foods and services provided to a

*Note: S. Res. 93 changed the effective date of Rule 44 of January 1, 1983.

*Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

*Interpretative Ruling No. 92, dated December 22, 1977.

**Note: S. Res. 93 changed the effective date of Rule 44 to January 1, 1983.

***See Interpretative Ruling No. 9, dated May 11, 1977, Interpretative Ruling No. 28, dated June 7, 1977 and Interpretative Ruling No. 186, dated October 11, 1978.

Member by other Members of Congress and by agencies of the Federal governments.* The use of tapes belonging to the former Member would be permissible since it falls within the exception for goods provided by other Members. The acceptance of free newspaper subscriptions, however, would be a violation of Rule 46.

INTERPRETATIVE RULING No. 221

Date issued: January 29, 1979.
Applicable Rules: 42**, 43, 45.

Question considered: May a Senate staff member travel to Paris for an international conference at the expense of a United States association that is also taking part in the conference? The staff member's supervisor has given his approval for the trip.

Ruling: Both Rule 43, which prohibits the acceptance of certain gifts, and Rule 42, which requires the reporting of gifts, exempt from the definition of "gift" the necessary expenses of travel incident to the performance of one's Senate duties, if paid for by a domestic organization for which the services are performed.

With respect to Rule 45 (Conflict of Interest), the Committee has ruled that it is the responsibility of one's supervisor to make the initial judgment that an outside activity presents no conflict of interest either with respect to the time required to engage in the activity or due to the nature of the activity itself. Based upon the facts presented, this Committee has no reason to disagree with the supervisor's approval of this trip.

INTERPRETATIVE RULING No. 222

Date issued: January 30, 1979.
Applicable Rule: 49.

Question considered: May a Senate staff member serve as a member of the board of directors of a political action committee which is primarily concerned with fundraising activity for the campaigns of Senators other than the Senator by whom the staff member is employed?

Ruling: Rule 49 states that, in general, no Senate employee may "receive, solicit, be the custodian of, or distribute" funds in connection with any campaign for Federal office.

Based upon the staff member's description of the duties and responsibilities of a board member the Committee was of the opinion that a staff member in this position would be required to become a custodian of and/or distribute funds in connection with Federal campaigns.

The intent of Rule 49 is to prohibit Senate employees from raising funds for a political campaign unless designated to do so by the Senator in his or her behalf. The Committee has previously ruled*** that it would be a violation of Rule 49 for a Senate employee to serve as a chief administrative officer of an organization whose primary, if not sole, purpose is to solicit campaign contributions. Although Rule 49 authorizes a Senator to designate two employees to become involved in political fund activity on his or her behalf, a staff member is still prohibited from serving as a member of the board of directors of a political action committee if the fundraising activity is primarily for the campaigns of Senators other than his/her Senate supervisor.

*See Interpretative Rulings No. 72, dated September 29, 1977, No. 195, dated October 18, 1978 and No. 196, dated October 26, 1978.

**Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

***See Interpretative Rulings No. 32, dated June 17, 1977 and No. 45, dated July 20, 1977.

INTERPRETATIVE RULING No. 223

Date issued: January 30, 1979.
Applicable Rule: 49.

Questions considered: Are the Committee's prior rulings which interpret Rule 49 to allow the two designated employees of a Senator to engage in limited political fund activity only on behalf of their own Senator a correct interpretation of Rule 49†? If so, does this limitation apply if the Senator specifically instructs his designated employees to assist in fundraising activities on behalf of other candidates or committees?

Ruling: The Committee has considered this request, and has reviewed the rulings in question. It is the opinion of the Committee that the earlier rulings correctly interpret Rule 49. The Committee believes the Rule does not permit political fund activities by designated Senate employees on behalf of anyone other than their employing Senator, even if their Senator were to instruct them to assist other Federal candidates in fundraising activities.

The Committee's interpretation is based on both the specific provisions of Rule 49 and its legislative history. The language of paragraph 1 of Rule 49 was originally adopted by the Senate in 1968 as former Senate Rule 43 (1968–1977). The Select Committee on Standards and Conduct, the predecessor to this Committee, stated in recommending adoption of the provision that a narrow exception was necessary to permit a Senate employee to open mail addressed to his or her Senator and transmit any enclosed contributions without violating the Rule, however, the intent was that the exception be strictly construed. *See* S. Rept. No. 1915, 90th Cong., 2d Sess. 19 (1968). Both the prohibition and exception were again adopted by the Senate on April 1, 1977 as part of the new Code of Conduct. Rule 49, S. Res. 110, 95th Cong., 1st Sess. In the report accompanying S. Res. 110 it was noted that the Rule bars political fund activities in connection with all campaigns for Federal office, yet "reflects the reality that a Senator's office can not be fully insulated from the fundraising process." S. Rept. No. 49, 95th Cong., 1st Sess. 50 (1977). However, concern over the possible misuse of official staff for campaign purposes prompted the Senate to request that the Committee on Rules and Administration report proposals to prohibit such misuse. S. Res. 110, Title III, Section 308.

The Committee further notes that, in addition to the restrictions on campaign activity imposed under Senate rule, there are also statutory prohibitions against certain types of political activity by Senate employees. *See* 18 U.S.C., Sections 602, 603, and 607.

INTERPRETATIVE RULING No. 224

Date issued: January 30, 1979.
Applicable Rule and Area: 49, Ethics in Government Act of 1978.

Question considered: Should the Committee waive the applicability of the Code of Official Conduct, pursuant to paragraph 5 of Rule 49, with respect to several individuals hired by a Senate committee for a limited period on a per diem basis?

Ruling: The Committee believes that based upon the unique qualifications of the individuals who will be performing services for the committee and the limited time period of such employment, a waiver from the applicability of the Code of Official Conduct is appropriate.

The Committee does, however, note that the Ethics in Government Act of 1978, Public Law 95–521, requires that any individual who is an officer or employee of the legislative branch during any calendar year and performs the duties of his position of office for a period in excess of sixty days in that calendar year and who is compensated at a rate equal to or in excess of the annual rate of basic pay in effect for GS–16 of the General Schedule must file a financial disclosure statement with the Secretary of the Senate on or before May 15 or the succeeding year. If a reporting individual were to begin his duties on or after January 1, 1979, section 101(c) of the Act would require such an individual to file a "limited" financial disclosure statement within 30 days of assuming the new position. While this requirement is apparently ambiguous with respect to the requirement of section 101(c) of the Act that disclosure need only be made by those individuals who perform the duties of their positions for more than 60 days in a calendar year, the Select Committee has interpreted section 101(c) to only require limited disclosure, within 30 days of assuming their positions by those employees who begin work on or after January 1, 1979 and who have committed themselves to work or who reasonably believe that they will be working for more than 60 days in the calendar year.*

Should circumstances change after these individuals begin their assignments with the Senate committee, and they either make a specific commitment or come to reasonably believe that they will be working for 60 days or more, these individuals would be required to file disclosure statements pursuant to section 101(c) of the Act immediately upon learning of the changes in their employment arrangements. The Act defines an "officer or employee of the Senate" as an individual, other than a Senator or the Vice President, whose compensation is disbursed by the Secretary of the Senate. The Act contains no authority by which this Committee could grant a waiver of the reporting requirement.

INTERPRETATIVE RULING No. 225

Date issued: January 30, 1979.
Applicable Rule: 44.**

Question considered: Is the 15 percent earned income limitation of Rule 44 computed on a Senator's base salary or on his actual Senate salary, which might include an additional premium paid to those Senators who hold leadership positions?

Ruling: The 15 percent outside earned income limitation is computed on a Senator's base salary.

Paragraph 1(1) of Rule 44 states that, in the case of a Senator, the aggregate amount of "outside income" shall not exceed 15 percent "the aggregate amount of base salary paid to Senators and disbursed by the Secretary of the Senate. . . ." Senate Report 95–49, which accompanied Senate Resolution 110, the Code of Official Conduct, states at page 37, in discussing the 15 percent outside earned income limitation applicable to a Senator, that "For Senators the 15 percent is calculated by the Senator's base salary."

This interpretation is supported by statements made during a colloquy between several Senators on February 23, 1977 while in a "mark-up" session of the Special Committee on Official Conduct relative to Senate Resolution 110. The transcript of that meeting indicates that the computation was to be made on a Senator's base salary and that all Senators were to be treated equally in this computation, with the recognition that such a computation would, of necessity, discriminate against those Senators who hold leadership positions and receive a premium for such activities.

*See Interpretative Rulings No. 32, dated June 17, 1977, and No. 45, dated July 20, 1977.

*Subsequent to this ruling, the interpretation was enacted as an amendment to the Ethics in Government Act of 1978 by Public Law 96–19.

**The Senate in S. Res. 93 (96th Cong.) on March 8, 1979 delayed the effective date of Rule 44 until January 1, 1983.

INTERPRETATIVE RULING No. 226

Date issued: January 30, 1979.
Applicable rule: 46.

Question considered: May a Member use excess campaign funds from his or her principal campaign committee to defray the cost of moving to Washington, D.C., as a newly-elected Senator, as well as the cost of holding receptions and breakfasts for constituents?

Ruling: The use of excess campaign funds is governed by both the Federal Election Campaign Act and Senate Rule. 2 U.S.C. 439a permits such funds to be used for any lawful purpose, including the ordinary and necessary expenses incurred in connection with one's duties as a holder of federal office. In addition, Senate Rule 46 allows Senators to defray office expenses from "funds derived from a political committee;" however, no campaign contributions may be converted to the personal use of any Member. "Personal use," as that term is used in Rule 46 does not include reimbursement of "expenses incurred by a Member in connection with his official duties."

The Committee considers that for the purpose of Rule 46, both the cost of moving to Washington, D.C., as a newly-elected Senator and the cost of holding receptions and breakfasts as a public service to constituents are the kinds of expenses which are incurred by a Member in connection with his or her official duties. Consequently, excess campaign funds from a Member's principal campaign committee may be used to pay these expenses, either directly or as reimbursements should the Member pay the expenses from personal funds.

The Committee notes that this interpretation of paragraph 2 of Rule 46 has no bearing on the question of what kinds of expenses are "official expenses" as that term may be defined by the Senate Rules Committee or the Senate Disbursing Office for the purpose of making reimbursements to Members from Government funds. In fact, the Committee understands that Government funds may not be used to reimburse a newly-elected Member for expenses incurred when moving to Washington, D.C.

The Committee expresses no view as to the consequences of this proposal under Section 217 of the Internal Revenue Code.

INTERPRETATIVE RULING No. 227

Date issued: January 30, 1979.
Applicable rule: 45.

Question considered: May a Senate employee, whose Senate subcommittee responsibilities include work on oversight and authorization legislation concerning the Federal Government's school lunch program, undertake outside professional activity in the form of service on an advisory committee of a department of a state government? The department promotes the use of agricultural products grown in the state through various school nutrition programs.

Ruling: The advisory committee has been established to review educational materials and to comment on proposed projects for the department relative to a state sponsored program which relies, in part, upon Federal assistance. The Federal assistance is authorized by legislation which is handled by the employee's subcommittee. The department has proposed to provide the Senate employee with an "honorarium" of $500 and expenses, for the employee's attendance at each meeting of the advisory committee.

While the remuneration to be provided by the department is characterized by the payor as an "honorarium," the Committee considers the arrangement to be compensation for recurring professional services.

Paragraph 2 of Rule 45 directs that no employee of the Senate shall engage in any outside professional activity or employment for compensation which is inconsistent or in conflict with the conscientious performance of that employee's official duties. In this factual situation, the Committee ruled that because of the nature of the employee's responsibilities with the employing Senate subcommittee, acceptance of the invitation to serve on the advisory committee could lead to an actual conflict or the appearance of a conflict of interest with the employee's conscientious performance of Senate duties.

INTERPRETATIVE RULING No. 228

Date issued: February 7, 1979.
Applicable rule: 44*.
Questions considered:

(1) Will honoraria donated to an organization described in section 501(c)(3) of the Internal Revenue Code of 1954, as amended, be treated for the purposes of Senate Rule 44 in the same manner as such honoraria are treated for Federal income tax purposes?

(2) When a Senator donates an honorarium to a charitable organization may the Senator request the payor organization to indicate to that charitable organization the name of the individual who made the appearance or speech or wrote the article? In addition, may a Senator ask that the honorarium be donated to a charitable organization in the name of another person?

Ruling: The Committee has determined that an honorarium payable to an individual who is a Member, officer or employee of the Senate will be deemed not to have been accepted by the individual for the purposes of both the per appearance and the annual aggregate limitations imposed under Senate Rule 44 if the individual asks that the honorarium be given (a) to a charitable organization of the payor organization's own choice; or (b) to a charitable organization selected by the payor from a list of five or more charitable organizations provided by the individual.** For the purposes of this Rule a charitable organization is one described in Section 170(c) of the Internal Revenue Code. This is consistent with the provisions of 2 United States Code 4411, as amended December 1977. As noted in Interpretative Ruling No. 9, issued May 11, 1977, the Committee recognizes, however, that there is a likelihood that these honoraria would be includable in gross income for Federal income tax purposes and would be deductible from gross income under Section 170 of the Internal Revenue Code if donated to a tax-exempt organization as described above.

In response to question No. 2, the Committee is of the opinion that neither of these procedures would constitute control over the selection of the recipient such that the honorarium would be deemed to have been accepted for the purposes of Rule 44 so long as the recipient is either selected by the payor organization itself or from a list of five or more charities submitted to the payor by the individual.

INTERPRETATIVE RULING No. 229

Date issued: February 7, 1979.
Applicable rules: 42†, 44††, 45.

Question considered: May a Senate committee staff member rewrite a chapter of a legal manual, which work will be done after regular office hours and for which compensation will be $300? The Committee for which the staff member works has no oversight or authorization responsibilities for the funding of the program for which the manual is being written.

Ruling: The Committee is of the opinion that the Code of Official Conduct does not preclude this activity. Payment received for rewriting a chapter would be considered an "honorarium" and therefore would be subject to provisions of Rule 44, which limits the amount of compensation certain individuals may receive, and Rule 42, which requires disclosure of such compensation.

*The Senate in S. Res. 93 on March 8, 1979 delayed the effective date of Rule 44 until January 1, 1983.

**See Interpretative Ruling No. 28, dated June 7, 1977.

†Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

††S. Res. 93 (96th Cong.) changed the effective date of Rule 44 to January 1, 1983.

INTERPRETATIVE RULING No. 230

Date issued: February 23, 1979.
Applicable area: Code of Official Conduct.

Question considered: May a Senator remain on a seniority list maintained by a former employer? The Senator would no longer be considered an employee, would receive no compensation or other benefits, and would not be serving on any committee or subcommittee having legislative or oversight responsibilities for the former employer's industry.

Ruling: Given the above circumstances the Committee is of the opinion that such an arrangement neither violates any provision of the Senate Code of Official Conduct, nor would it appear to give rise to an actual or apparent conflict of interest.

INTERPRETATIVE RULING No. 231

Date issued: February 26, 1979.
Applicable area: Franking.

Question considered: May a Senator use the mailing frank to send a statement and an excerpt from the Congressional Record concerning the District of Columbia voting rights amendment to state legislators throughout the country?

Ruling: Section 3210(a)(3)(A) of Title 39 of the United States Code authorizes the franking of mail matter "to any person and to all agencies and officials of Federal, State and local governments regarding programs, decisions, and other related matters of public concern or public service, including any matter relating to actions of a past or current Congress." In addition, section 3210(a)(3)(E) specifically authorizes the franking of "mail matter directed by one Member of Congress to another Member of Congress or to representatives of the legislative bodies of State and local governments."

The Committee ruled that the material is frankable mail matter under Section 3210 since it directly pertains to matters affecting the functioning, working or operating of the Congress and relates to actions of a past Congress.

INTERPRETATIVE RULING No. 232

Date issued: March 2, 1979.
Applicable rule: 48.

Question considered: Is an elected member of the Agricultural Stabilization and Conservation Service considered to be a "government official" as that term is used in Senate Rule 48 for purposes of the provisions relating to mass mailings?

Ruling: In its Interpretative Ruling No. 117, dated April 10, 1978, the Committee defined "government officials", as used in Rule 48, paragraph 4, as follows: Government officials (whether Federal, State or local) include any elected or appointed officials of the United States and of any state or territory or a political subdivision thereof.

The Committee understands that, under 16 U.S.C. 590h(b), members of the A.S.C.S. are either popularly elected, elected by local, county or state A.S.C.S. committees, or appointed by the Secretary of Agriculture. Therefore, members of the Agricultural Stabilization and Conservation Service would fall under the definition of "government official" and thus mass mailings addressed to

them would not be required to be registered under Rule 48, paragraph 3.

INTERPRETATIVE RULING No. 233

Date issued: March 9, 1979.

Applicable rule: 45.

Question considered: May a lawyer continue to represent several clients in connection with certain cases after that individual has become a Senate employee? The cases in question are either personal injury cases or matters relating to estate planning and administration. The cases do not conflict with the employee's work for the Senator and the work will not be done during regular Senate office hours.

Ruling: Senate Rule 45.3 requires the supervisor of a Senate employee to make the initial judgment as to whether a proposed outside activity would present a conflict of interest because of either the time required by the activity or the nature of the activity itself. Paragraph 3 of Rule 45 further requires the supervisor to take such steps as he considers necessary for the avoidance of conflict or interference with duties to the Senate. Senate Rule 45, paragraph 6, provides that no Member or Senate employee compensated at a rate in excess of $25,000 a year and employed in excess of 90 days in a calendar year may:

(a) affiliate with a firm, partnership, association, or corporation for the purposes of providing professional services for compensation; (b) permit the individual's name to be used by such a firm, partnership, association or corporation; or (c) practice a profession for compensation to any extent during regular office hours of the Senate office in which employed.

As the Committee noted in a previous interpretative ruling,* this provision restricts, but also contemplates, some practice outside office hours or on annual leave time.

In this particular situation, the Committee believes that it would not be improper for the Senate employee to finish work on those cases which have been described so long as the individual does so as a sole practitioner of law, i.e., not in connection with a law firm. Specifically, the employee's name may not be used by a law firm nor should he participate in any partnership proceeds of a law firm for work done by him after he has begun Senate employment. In addition, after beginning work as a sole practitioner, it would not be deemed improper for him to distribute to the law firm a portion of any fees earned in connection with those cases begun when he was a partner of the firm, if that portion of the fees distributed to the firm is pursuant to a financial arrangement which existed before he left the firm.

INTERPRETATIVE RULING No. 234

Date issued: March 14, 1979.

Applicable rules: 42**, 43.

Question considered: May a Senate employee accept an invitation to visit a foreign country at the expense of a private, nonprofit foreign organization for the purpose of attending meetings with local business leaders and government officials to discuss matters relating to the employee's official Senate duties?

Ruling: Rule 43 of the Senate Code of Official Conduct prohibits the acceptance of gifts exceeding $100 in value from a foreign entity. However, the definition of "gift" does not include payments for which consideration of equal or greater value is received by the donor. The Committee finds that the staff member's participation in the meeting sponsored by the organization would constitute consideration for the travel expenses to be paid by the organization. Under these circumstances, the acceptance of the travel expenses would not be prohibited by Rule 43.

The expenses received in connection with this trip must be reported as earned income under Senate Rule 42. Furthermore, if the employee is required to file a financial disclosure statement under P.L. 95-521, Ethics in Government Act of 1978, he will be required to report the identity of the source and a brief description of reimbursements received from any source with an aggregate value of $250 or more for the calendar year.

Additionally, the Foreign Gifts and Decorations Act (5 U.S.C. Section 7342) limits the acceptance by Members, officers and employees of the United States Senate (and their spouses and dependents) of certain tangible gifts and gifts of travel or expenses for travel from a foreign government. Certain reporting requirements are imposed upon Members, officers and employees who accept gifts from a foreign government pursuant to the provisions of the Act.

INTERPRETATIVE RULING No. 235

Date issued: March 15, 1979.

Applicable rules: 42*, 44.

Question considered: Do the proceeds from the sale to a national magazine of a series of photographs taken by a Senator fall within the definition of "outside earned income" under Rule 44, paragraph 3(b)?

Ruling: On March 8, 1979, the Senate passed S. Res. 93, which changed the effective date of Rule 44 to January 1, 1983. Consequently, there are no current limits on the amount of outside earned income a Member, officer or employee of the Senate may earn, except for those limits on honoraria which may be accepted under 2 U.S.C. 441i. Outside income is reportable each year under Senate Rule 42.

INTERPRETATIVE RULING No. 236

Date issued: March 19, 1979.

Applicable area: Franking.

Question considered: What is the definition of a "page" for purposes of the personal reference rule in the franking regulations which limits personally phrased references to a Senator in a franked mailing to no more than five per page?

Ruling: The Committee has determined that a "page", for purposes of the limitation on the number of personally phrased references to a Senator in a franked mailing, is each side of an 8½"×11" or 8½"×14" sheet of paper, irrespective of the number of folds utilized in the design of the matter mailed. Thus, if a newsletter is on a legal-size sheet of paper and has print on both sides, it would be a two-page newsletter for purposes of the franking regulations, even if the paper were folded to resemble a four-page "pamphlet". The Committee notes that this interpretation is in accord with the definition of a sheet of paper used by the Committee on Rules and Administration for purposes of Members' paper allowances.

INTERPRETATIVE RULING No. 237

Date issued: March 21, 1979.

Applicable area: Code of Official Conduct.

Question considered: Is it proper for a Senator to contact a Bankruptcy Judge to endorse a motion submitted to the Judge by a group of constituents?

A corporation doing business in the Senator's state is undergoing reorganization proceedings under the Bankruptcy Act. An association of employees and users of the corporation's services in the state has filed a motion to intervene in the Bankruptcy Court proceedings, and the Senator states that the association has asked him to contact the Bankruptcy Judge to express his support for the motion. The Member also states that while he supports the intervention by the association on its merits, he is concerned that direct involvement might be an improper use of Senatorial influence.

Ruling: The Member does not indicate that he intends to become a party in the matter or that he intends to submit an *amicus curiae* brief in conformity with the Court's rules of procedure. Accordingly, the Committee determined that it would be improper for the Member to contact the Bankruptcy Judge in the manner outlined.

INTERPRETATIVE RULING No. 238

Date issued: March 26, 1979.

Applicable rule and area: 45, Ethics in Government Act of 1978.

Questions considered: Would there be an actual or apparent conflict of interest if a committee were to hire, on a per diem basis for a maximum of 60 days, an attorney from a law firm to work exclusively on a single piece of legislation? The attorney would have no other duties or responsibilities as regards any other legislation which might come before the committee. If neither an actual nor an apparent conflict were found would a waiver from the applicability of paragraph 10 of Rule 45, the post-employment lobbying restriction, be appropriate?

Ruling: The Select Committee was informed of the following facts and made the following determinations with respect to those facts: (1) that in the past, certain individuals in the attorney's law firm had been registered under the Regulation of Lobbying Act of 1946; the Select Committee determined that neither the attorney nor any other person associated with his firm were currently registered; (2) that the attorney currently serves as outside counsel to a tax-exempt organization which is engaged in a number of public policy research studies, including one in the area of products liability; the Select Committee determined that while legislation affecting products liability laws has been introduced in the past and may be reintroduced in the current Congress, any legislation would not be referred to the attorney's committee, the tax-exempt organization would have no financial interest in such legislation, the organization is restricted by the Internal Revenue Code with respect to its lobbying activities, and the attorney's duties with the committee would not involve any work on products liability legislation; (3) that the attorney represents several beneficiaries of a trust which has an interest in a Federal condemnation proceeding now underway in a state; the Select Committee determined that while the bulk of funds necessary to effect the condemnation had already been appropriated, an additional appropriation might be sought during the current year and that if this were the case, the attorney's committee would have no responsibility for such an appropriation; (4) that the attorney's law firm is representing a client who is pursuing a claim against the United States for the death of the spouse and the firm may seek the introduction of a private bill of relief in the Senate; the Select Committee determined that if such a private relief bill were introduced, although it would be referred to the attorney's committee, the firm agreed that any recovery from such a private bill would be handled on a "pro bono" rather than contingent fee basis and the attorney would not involve himself in any way with the committee's review of the matter.

Based upon these factual determinations, the Select Committee ruled that it did not appear that the attorney's duties to his law firm would present either an actual conflict or the appearance of a conflict of interest with his responsibilities to the committee which proposes to hire him. However, the Select Committee reminded the inquiring Senator, who would supervise the attorney, that paragraph 3 of Rule 45 on Conflict of Interest prohibits a Senate employee from engaging in any outside business or professional activity or employment for compensation unless he has described such activity in writing to his supervisor. The rule also places a continuing responsibility on the supervisor to take such action as is necessary for the avoidance of conflict of interest. Thus, any change in the attorney's activities, or those of his law firm and its clients, would be a critical consideration during the time the attorney is employed by the committee.

The Select Committee also addressed the request for a waiver of the post employment lobbying restriction found in paragraph 10 of Rule 45, which is applicable to all Senate employees, including those who are hired as consultants on a per diem basis. Paragraph 5 of Rule 49 authorizes the Select Committee, in its discretion, to grant waivers from the applicability of any provision of the Code of Official Conduct to an employee hired on a per diem basis, "in exceptional circumstances for good cause shown." Should circumstances arise during the period of the prohibition of paragraph 10 of Rule 45, the Committee stated it would consider the appropriateness of a waiver. The Committee said it did not believe a waiver was intended to be used as an inducement to employment against the possibility that an exceptional circumstance might arise at some future time.

The Select Committee also reminded the inquiring Senator that Section 101(c) of the Ethics in Government Act of 1978, Public Law 95-521, requires that a reporting individual who begins his duties with the legislative branch on or after January 1, 1979, must file a "limited" financial disclosure statement within thirty days of assuming the new position. However, the Select Committee has interpreted this provision to apply to employees who have committed themselves to work or who reasonably believe that they will be working for more than sixty days in the calendar year.* The Select Committee stated that should circumstances change and the attorney in question becomes aware that he would be working for more than 60 days, he would become obligated to file the required financial disclosure statement immediately upon learning of the changes in his employment arrangement.

In response to his specific request that any additional Federal laws or regulations pertaining to the hiring of the attorney be cited, the Senator was informed that 18 U.S.C. 203(a)(2), a criminal statute under the jurisdiction of the Department of Justice, would appear to restrict officers and employees of the United States (including the legislative branch) from involvement in proceedings in which the United States is a party. However, the Select Committee noted that the statute provides an exception for certain individuals who are defined as "special government employees", and that the Senator might wish to consider whether the attorney would fall within that status and thus not be subject to the limitation.

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* Interpretative Ruling No. 70, dated September 29, 1977.

** Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

* Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

* Subsequent to this ruling, the interpretation was enacted as an amendment to the Ethics in Government Act of 1978 by Public Law 96-19.

INTERPRETATIVE RULING No. 239

Date issued: March 26, 1979.

Applicable rules: 42*, 48.

Question considered: May a Senator use the Senate computer facilities to record information necessary for disclosing the receipt of gifts under Senate Rule 42?

Ruling: Rule 48, paragraph 5, prohibits the use of the Senate computer facilities to store, maintain, or otherwise process lists of names and addresses which identify individuals as campaign workers or contributors, as members of a political party, or by any other partisan political designation. The Committee has previously ruled * * * that this requirement means that records may not be sorted selectively with the intent of targeting mailings to likely election supporters.

With regard to the keeping of records and administrative details necessary to ensure compliance with the financial disclosure rule, the Committee has ruled*** that staff members may assist a Senator with these duties to the extent reasonably necessary to assure compliance with the rule, since such compliance is a Senate duty.

Likewise, the Committee believes that, if authorized by the Rules Committee, the storing and processing of information for reporting the receipt of gifts under Rule 42 would not be prohibited by Rule 48, paragraph 4, so long as no political designations were included in the data and the records were not used to target mailings for partisan political purposes.

INTERPRETATIVE RULING No. 240

Date issued: March 29, 1979.

Applicable area: Foreign Gifts and Decorations Act.

Question considered: Under what circumstances may a Senator accept a decoration from a foreign government?

Ruling: The Constitution of the United States provides, in Article I, Section 9, Clause 8, that no officer or employee of the Federal government shall accept any gift or decoration from any foreign state "without the consent of the Congress."

Under the Foreign Gifts and Decorations Act (5 U.S.C. Section 7342) (the Act), Congress has consented to the accepting, retaining and wearing of decorations by employees of the United States, subject to the approval of the employing agency, which are "tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance." Without the approval of the employing agency, a decoration is deemed to have been accepted on behalf of the United States, and becomes the property of the United States. The decoration must then be deposited with the employing agency within sixty days of its acceptance.

The Select Committee on Ethics has been designated as the employing agency under the Act for Members, officers and employees of the United States Senate for the purpose of approving the accepting, retaining, and wearing of decorations. In the opinion of the Committee, a judgment as to whether the decoration meets the statutory standard cited above can best be made after it has had an opportunity to review the citation accompanying the award of the decoration. The Committee believes, therefore, that it would be appropriate to receive the decoration with the understanding that the question as to whether the decoration may be retained or worn will be made by the Committee upon its receipt of a copy of the citation or such other supporting documentation as may be available.

INTERPRETATIVE RULING No. 241

Date issued: March 29, 1979.

Applicable rules: 46, 49.

Question considered: Is it permissible for a non-profit, non-partisan educational and business organization to print and affix mailing labels to envelopes bearing a Senator's frank to be used in a mass mailing to members of that organization in that Senator's state?

Ruling: Senate Rule 48.2 requires that only official Senate funds be used "to purchase paper, to print, or to prepare any mass mailing material which is to be sent out under the frank." In addition, Senate Rule 46 prohibits the use of funds or in-kind contributions of goods or services from sources other than those enumerated in the Rule to defray expenses incurred by the Member in connection with his official duties.

The Committee has ruled that in-kind services provided by Federal agencies are not subject to the prohibitions discussed above of Rule 46 or of Rule 48.2 if such services are generally available to all Members of the Senate.* However, these exceptions to Senate Rule 46 and Rule 48 would not be applicable in this situation. Accordingly, a Senator must reimburse an outside organization, out of official Senate allowances, for the reasonable cost of the labels and of the printing and labeling services provided by that organization in connection with a franked mass mailing.

The Committee further notes that, in Interpretative Ruling No. 66, dated September 26, 1977, it ruled that the affixing of mailing labels, by an outside organization, on franked envelopes which previously had been stuffed and sealed in the Senate would constitute a transfer of franked envelopes in violation of Section 3215 of Title 39 of the United States Code. That provision states that "a person entitled to use a frank may not lend it or permit its use by any committee, organization, or association "not itself entitled to use the frank." In the Committee's view, the opportunity for misuse or diversion of franked envelopes, even though previously stuffed and sealed by the Senate Service Department, is so great as to be tantamount to a loan of the frank.

The Committee has also ruled in Interpretative Ruling No. 196, however that it would be permissible for labels to be affixed by an outside organization to unstuffed and unsealed franked envelopes so long as the labeling process is carried out under the supervision of a member of his staff and in such a manner as to avoid any misuse which could constitute an improper loan of the frank. The franked envelopes should then be returned to the Senate under the supervision of a Senate staff member for stuffing and mailing.

The Committee also points out that in preparing any mail matter to be sent out under the frank, care must be taken to avoid giving the impression that the outside organization is in any way sponsoring the mailing, since to do so would constitute an improper loan of the frank.

INTERPRETATIVE RULING No. 242

Date issued: March 29, 1979.

Applicable area: Advisory Opinion on Use of Letterhead.

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* Subsequent to this ruling, the Senate passed (August 3, 1979) S. Res. 220 striking Rule 42 and putting in its place a new Rule 42 consisting of the provisions of Title I of The Ethics in Government Act of 1978.

** See Interpretative Ruling No. 44, dated July 18, 1977.

*** See Interpretative Ruling No. 60, dated September 13, 1977.

* Interpretative Ruling No. 196, dated October 26, 1978.

Question considered: May a Senate employee use his official Senate title on the letterhead of a mailing which solicits funds for a college, where the college will defray the costs involved in the solicitation? The first page of the letter contains a statement that the letter is not printed at government expense.

Ruling: This ruling may not be relied upon as precedent.

The Committee found that the inclusion of the employee's Senate title on the solicitation letterhead would not, as proposed, violate the Code of Official Conduct.

INTERPRETATIVE RULING NO. 119A

(Note: This ruling was inadvertently omitted in the previous publication of Rulings). (Added September, 1979).

Date issued: April 20, 1978.

Applicable area: Franking.

Question considered: A Senator inquired about the frankability of a proposed newsletter to constituents.

Ruling: The Committee determined that the content of the newsletter, if revised to eliminate all personal references in excess of five per page, was in conformity with the franking statute and regulations. In this connection, the Committee pointed out that the removal of a personal pronoun which results in an ungrammatical sentence, the use of other pronouns which in the context refer to the Member, or the use of an implied subject which is the Member, does not eliminate the personal reference from the sentence.

The Committee also cautioned that the mailing of many such newsletters which recounted experiences of a Member might be perceived as being either personal or political. Such a pattern might be found unfrankable under 39 U.S.C. 3210(a)(4), a(5)(A) and (a)(5)(B)(ii).●

WALL STREET SURVIVES COMPETITION

● Mr. KENNEDY. Mr. President, over 4 years ago, the Securities and Exchange Commission administratively "deregulated" the commissions charged by stockbrokers. Previously, brokerage fees had been set by the exchanges, and brokers were thus able to "fix" their fees at a uniformly high rate.

At the time the Antitrust and Monopoly Subcommittee began its investigation of ratemaking practices in the regulated trucking industry, in late 1977, trucking industry spokesman cited the alleged "chaos" in the securities industry which resulted from deregulation. That situation, they said, would occur in their own industry if trucking firms were similarly forbidden to fix prices. Upon closer examination, however, the "chaos" they saw turns out to be nothing more than normal price competition in a free marketplace. Unlike the situation that existed when commissions were fixed, brokerage fees now more fairly reflect the actual services provided by brokers.

The salutary effects of deregulation have been amply documented. Between 1975 and 1978, commission rates plummeted by an average of 16 percent for individual purchasers and 48 percent for institutions. "Discount brokers" entered the market and now charge rates as much as 50 percent below the old fixed rates, providing low-cost service for customers who desire fewer services. Customers, for the first time, can select an appropriate rate and level of service from a variety offered by different brokerage houses.

The end of regulated commission rates also caused changes in the membership of the New York Stock Exchange, as well as a drive for increased efficiency within firms in the market. By 1978, 93 firms had exited the exchange, 24 of which remained members of the National Association of Securities Dealers, and 62 new firms joined the exchange.

A recent article in the Washington Post by the senior vice president of Batterymarch Financial Management Corporation of Boston, Mr. James Gibson, graphically illustrates what deregulation has meant for the securities industry. I think that the view of a securities specialist like Mr. Gipson will be of considerable interest to Members of the Senate, and I ask that the article be printed in the RECORD. I would also ask that a subsequent letter Mr. Gipson wrote to me, in which he specifies the implications of securities deregulation for the trucking industry, be printed as well.

The material follows:

[From the Washington Post, June 3, 1979]

WALL STREET SURVIVES COMPETITION

(By James Gipson)

Wall Street remembers May 1, 1975, with the same feelings the U.S. Navy reserves for Dec. 7, 1941. After generations of preaching the rigorous virtures of competitive capitalism while practicing the pleasurable vices of monopoly and price fixing, Wall Street met its Pearl Harbor in the form of price competition within its own ranks. The capable brokers and the efficient firms have survived the shakeout that began that May Day, but Wall Street, unlike the Navy, has little chance to achieve redemption or to inflict revenge for the calamity that has overtaken it.

To understand the present upheaval, one must understand the old order that preceded it. The club that was to become the New York Stock Exchange was formed nearly two centuries ago under a buttonwood tree in lower Manhattan. The club was based on three principles that remained intact through booms, busts, wars and the growth of the country from a few former colonies huddled on the Atlantic Coast to the most powerful nation in the world. The three principles were: a club monopoly of trading, limited club membership and a fixed 1 percent commission.

Shortly after the club was formed, Colonel Bronk rode in from the area that now bears his name (belonging to the Bronks family, corrupted to the Bronx) and tried to go around the club in selling some securities. He failed, and no one seriously challenged the club again until the late 1960s. The club proved to be one of the most durable institutions in the country, and many people thought it would last forever.

Of course, nothing lasts forever. The third market undercut the club's monopoly of trading by conducting transactions in listed stocks away from the New York Stock Exchange. The most serious challenge to the club came on the critical issue of commissions, however.

The fixed-commission schedule of roughly 1 percent yielded a bonanza to brokers in the 1960s as both stock prices and stock volume rose to set records. Many brokers made six-figure incomes while still in their 20s. The spectacle of this largesse led to pressures to cut commission rates, particularly by large institutional investors such as bank trust departments and pension funds whose own employes did not share in the bonanza.

Under prodding from the Securities and Exchange Commission, broker commission rates were made negotiable on large trades of more than $500,000. Much to the dismay of brokers, competition quickly forced large discounts. As a result, there was considerable apprehension at the approach of May Day 1975 when the SEC ordered that all rates be made negotiable. A few major institutional brokers announced they would limit discounts to 8 percent off the old fixed rates and then sat back to see what would happen.

Nothing happened, and that was the problem. Brokers who offered small commission discounts to institutions found their phones stopped ringing. Other brokers offered more generous discounts in an admirable display of competition in action. In a matter of days, even the major brokerage firms cut their prices drastically, too. Instead of an 8 percent discount off the old rates, discounts of 50 percent became common, and ones of 80 percent or 90 percent were not unusual.

Any industry which slashes its prices that sharply is in for a shakeout of the less efficient firms. Many brokerages were managed as badly as old law firms, with an abundance of prima donnas and an absence of cost controls and efficient procedures. The weak and inefficient firms that survived under the umbrella of fixed prices simply dissolved under the downpour of price competition.

At first, the benefits of negotiated commissions went to large institutional investors, but slowly they became available to individual investors as well.

Today even a small investor who needs only trading services and who can dispense with a broker's advice can save 50 percent or more by going to a discount broker. As with the deregulation of airlines, the resulting price competition generated lower prices for the public.

Unlike the case with airlines, however, competition came as a result of more government regulation, not less.

The results of price competition lived up to the hopes of its advocates and to the fears of its opponents. The advocates thought Wall Street was overcharging the public and hoped rates would fall but few dared hope that rates would fall as far as they did.

The opponents of price competition feared that the inefficient firms would go out of business and, in fact, some did. Wall Street has not collapsed, however, but has become leaner and much more efficient than before. It does a better job of executing trades and does it with fewer employes. Many brokers still feel a fond nostalgia for the bygone era of fixed prices and large profits but, for the investing public that benefits from lower rates through price competition, these are the good old days.

BATTERYMARCH FINANCIAL MANAGEMENT CORPORATION,
Boston, Mass., June 21, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your letter on my piece in the Washington Post concerning Wall Street's experience with the deregulation of commissions. What follows are some additional observations on Wall Street's experience that may be relevant to your efforts to deregulate the trucking industry.

Wall Street's resistance to competition confirmed the adage that the last progressive thing the New York Stock Exchange did of its own free will was to move its operations indoors to get out of the rain. Brokers predicted that terrible things would happen if their fellow brokers were free to set their own prices. Some otherwise intelligent men even maintained that rates would rise if the floor on rates were removed. Similar predictions of disaster probably emanate from the trucking industry.

Brokers argued against free competition on a variety of principles, but the vigor of their case sprang from an acute realization that their financial principal would be impaired. The sharp decline in brokerage rates that followed Mayday, 1975 definitely reduced the profitability of the brokerage business, particularly the segment that deals with institutional investors such as banks and investment advisors. My own firm has cut commissions roughly 90% in the past five years since our objective is to enrich our clients, not our brokers. The price of a seat on the New York Stock Exchange has fallen from $500,000 a decade ago to about $120,000 today.

I imagine that the route rights of truckers would suffer a similar decline in value under most forms of trucking deregulation. In essence a route right is a license to join the oligopoly on a particular route, and that license has considerable value under the current rules of the game.

A change in the rules of the game was feared by brokers, probably as much as they feared the loss of income and asset values. For generations they operated under a fixed set of rules and they naturally feared the emergence of a new order whose nature and ground rules they did not understand. A similar attitude prevailed among airline executives who amazingly fought the deregulation that would give them more power, apparently because they feared the dragon of free competition they did not know more than they feared the dragon of CAB bureaucracy that they knew very well. Even the most efficient truckers who might benefit from deregulation probably fear a game played by new rules with uncertain outcomes.

Part of the predictions of disaster on Wall Street came true. A number of less efficient firms went out of business or merged into stronger ones. Some of the brokers who made six-figure incomes in the late 1960's found themselves driving taxis in the mid 1970's, but in many cases that was a net gain for society. Competition is not merely a profit system, but a profit and loss system. The advent of competition probably will be as painful to the inefficient trucker as it was to the inefficient broker. As in any shakeout, those people with ability, brains, and energy will find ways to survive and even thrive, while those with more modest talents will have to go elsewhere.

As you probably gather by now, I hope your efforts to deregulate trucking are successful. The abundance of competitors and the presence of inefficiencies such as the back haul problem make this industry nearly ideal for the introduction of more competition to lower rates, raise productivity and possibly to improve services.

Sincerely,

JAMES GIPSON,
Senior Vice President.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

The Senate continued with the consideration of the bill (H.R. 4393).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. LEVIN be permitted to lay down an amendment tonight and that it be followed on tomorrow by the amendment by Mr. HELMS.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

UP AMENDMENT NO. 523

(SUBSEQUENTLY AMENDMENT NO. 399)

(Purpose: To prohibit requiring an intermediate school district to pay postage on mail delivered between its local school districts)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 523.

Mr. LEVIN. I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45 between lines 8 and 9, insert the following:

Sec. 616. None of the funds available under this Act or any other Act may be used by the United States Postal Service or any other agency to require an intermediate school district to, or to bring a civil or criminal action against an intermediate school district for failure to, pay postage for the carrying of mail between local school districts which comprise such intermediate school district if—

(1) the carrying of such mail is performed without compensation, and

(2) the mail carried consists of matters relating to the conduct of the business of the intermediate and local school districts.

Mr. LEVIN. The President, the purpose of this amendment is to allow intermediate school districts to distribute mail to local school districts within their intermediate area without civil and criminal penalty by the Postal Service. I am hopeful that the committee will accept this amendment in the morning and that it might be acceptable to the minority as well.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, without any time being charged against the amendment tonight, there be a time limitation on the amendment by Mr. LEVIN of 10 minutes, it being my understanding that the committee is going to accept it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank Mr. HELMS for his willingness to let the Levin amendment go ahead of his amendment.

Mr. LEVIN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. LEVIN. I thank the majority leader for working this out for me and Senator HELMS as well for cooperating with me.

Mr. ROBERT C. BYRD. The Senator is most welcome.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow morning, then, will be that, upon the disposition of the amendment by Mr. LEVIN, Mr. HELMS will be recognized to call up his amendment. There will be, I believe, 1 hour on the amendment, equally divided. Upon the disposition of that amendment, there will be no more amendments unless Mr. METZENBAUM desires to call up an amendment. In that case, under the order, he will be permitted to call up an amendment. In either event, the Senate will then proceed to consideration, to third reading, and then to passage.

Mr. President, under the agreement already entered, upon the disposition of the Treasury-Postal Service appropriations bill, the Senate will take up Calendar Order No. 160, S. 1142, a bill authorizing appropriations for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

Upon the disposition of that measure, the Senate will then take up, either tomorrow or Friday, whatever the case may be, Calendar Order No. 271, S. 643, a bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees.

So there will be rollcall votes tomorrow and Friday.

ORDER FOR RECOGNITION OF SENATORS HARRY F. BYRD, JR., AND JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders are recognized under the standing order, there be two Senators recognized, each for not to exceed 15 minutes, they being Mr. HARRY F. BYRD, Jr., and Mr. JAVITS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND CONSIDERATION OF TREASURY-POSTAL SERVICE APPROPRIATIONS MEASURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the conclusion of the orders for the recognition of the Senators tomorrow, there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, that Senators may speak therein up to 5 minutes each, and that, at the conclusion of the period for routine morning business, the Senate resume the consideration of the Treasury and Postal Service appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow morning.

The motion was agreed to; and, at 7:19 p.m., the Senate recessed until tomorrow, Thursday, September 6, 1979, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate August 10, 1979, under authority of the order of the Senate of August 3, 1979:

THE JUDICIARY

Samuel D. Johnson, Jr., of Texas, to be U.S. circuit judge for the fifth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Edward B. Davis, of Florida, to be U.S. district judge for the southern district of Florida, vice a new position created by Public Law 95-486, approved October 20, 1978.

FARM CREDIT ADMINISTRATION

The following-named persons to be Members of the Federal Farm Credit Board, Farm Credit Administration, for the terms expiring March 31, 1985:

Jewell Haaland, of Minnesota, vice Alfred Underdahl, term expired.

Dwight L. Tripp, Jr., of Maine (reappointment).

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard Edwin Merkling, 557-20-9153, U.S. Air Force.

Executive nominations received by the Secretary of the Senate August 16, 1979, under authority of the order of the Senate of August 3, 1979:

INTERNATIONAL MONETARY FUND; INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT; INTER-AMERICAN DEVELOPMENT BANK; ASIAN DEVELOPMENT BANK; AFRICAN DEVELOPMENT FUND

G. William Miller, of California, to be U.S. Governor of the International Monetary Fund for a term of 5 years and U.S. Governor of the International Bank for Reconstruction and Development for a term of 5 years; a Governor of the Inter-American Development Bank for a term of 5 years; and U.S. Governor of the Asian Development Bank and U.S. Governor of the African Development Fund.

DEPARTMENT OF STATE

Francois M. Dickman, of Wyoming, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Kuwait.

John R. Clingerman, of Michigan, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Lesotho.

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

MEDICAL CORPS

Lieutenant colonel to colonel

Abramson, Bernard, 207-14-5732.
Acevedo, Julio, E., 047-40-4236.
Alandydy, Manuel S., Jr., 112-38-0910.
Anderson, Harris R., 353-18-3786.
Anderson, John A., 579-46-3943.
Andrade, Manuel T., 475-54-3426.
Astorga, Alex M., 567-20-8905.
Bailey, Edward J., 039-22-9508.
Bailey, George O., 249-44-1099.
Baker, Mason R., 314-16-7098.
Beddingfield, George W., 252-44-7126.
Beirne, Clinton G., 559-22-1119.
Bisgard, Jay C., 524-50-0044.
Bobbitt, Roy L., 463-46-6797.
Bowden, Wayne M., 340-28-2164.
Calcagni, John A., 008-30-9165.
Candy, Jon W., 344-28-7928.
Carroll, Herman G., Jr., 409-58-4130.
Carver, Richard F., 125-28-8190.
Castaneda, Tristan A., 452-56-2248.
Church, McGregor L., 538-22-3630.
Conrad, Larry L., 315-38-4820.
Corbett, James E., 468-40-6383.
Crane, Edward B., 009-07-3621.
Crow, Joe W., 431-64-8093.
Davis, John B., 354-24-5930.
Davis, Merritt G., Jr., 221-20-8109.
Dawson, Alan D., 363-16-8941.
Dean, Nowlan K., 529-40-0176.
Deatrick, Richard W., 278-36-6041.
Dehnel, Luther L., 476-20-9800.
Delcampo, Enrique J., 355-30-6709.
Delpriore, Joseph A., 131-26-3143.
Donahue, James M., 309-42-8309.
Dorey, Lee R., 224-52-5397.
Dryden, Richie S., 458-56-8845.
Fragala, Mario R., 134-34-2015.
Fredd, Sumner G., 002-14-9843.
Fry, Delos H., 390-26-2043.
Henges, David F., 455-58-3342.
Hess, George W., Jr., 375-36-8065.
Hickman, James R., Jr., 232-68-6933.
Himelberger, Corydon G., 376-18-2482.
Holbrook, James M., 370-40-1657.
Howarth, Joseph C., 294-30-7906.
Hughes, Thomas J., 478-52-4029.
Humphries, Ivan C., 258-28-3880.
Joder, Donald K., 520-40-4923.
Jones, Henry A., 407-42-4540.
Kantack, Paul W., 519-36-2238.
Kercher, Raymond L., 279-30-3363.
Kerwood, Robert I., 515-18-1695.
Kimmich, Haydee J., 580-72-0716.
Koenigsberg, Edward J., 216-34-3845.
Koop, Lamonte P., 476-46-2435.
Lavarreda, Carlos A., 032-36-7261.
Lawrence, Mills E., III, 562-20-1538.
Liest, Edward J., 517-28-6879.
Lina, Manuel S., 472-44-3586.
Lyons, James T., 265-18-3435.
Mabeus, Duane P., 508-48-5690.
Maier, Robert C., 448-36-1591.
Malin, Sarah A., 497-24-1688.
Mamawal, Mauro B., 106-34-2913.
Mapes, Donald L., 561-44-7788.
Marshall, Angus, 463-44-2005.
Mathews, Theodore S., 093-20-5090.
Mays, Joseph L., 258-20-0466.
McConnell, Whitman E., 262-56-7399.
McDonald, Harold T., 046-16-3423.
McGovern, Edward L., 361-26-4569.
Mendoza, Edward, 100-30-3709.
Meyer, George W., 434-60-0837.
Miller, Gilbert, 346-20-8901.
Mintek, Victor J., 353-16-3138.
Moll, Jacob T., 231-58-8250.
Montgomery, Robert N., 293-14-2050.
Moore, Allen H., Jr., 191-14-5611.
Morse, Harry R., 024-16-4633.
Moss, Stanley R., 100-16-0680.
Mullins, James D., 459-72-8318.
Murray, Arthur J., 434-56-2072.
Nemes, Ervin L., 090-32-8579.
Nitzberg, Benjamin W., 124-26-7135.
Ogg, Billy D., 414-40-7464.
Ortiz, Jesus, 264-76-3627.
Owens, Wyeth E., 507-20-1573.
Pendell, Paul W., 513-01-1987.
Pratofiorito, Frank N., 113-32-6875.
Ragsdale, Vernice D., 261-62-7967.
Rayos, Blas O., Jr., 090-30-2683.
Rose, Donald E., 204-14-7911.
Rosen, Paul R., 130-26-6168.
Rudin, Norman, 141-18-2996.
Rundell, William K., Jr., 458-64-1826.
Sapio, Fred J., 098-24-2933.
Schaap, George A., 573-12-4562.
Sears, Robert F., 342-16-9115.
Semler, Leonard, 726-10-5999.
Shillinglaw, Richard G., 480-20-1127.
Smith, Melvin D., 254-60-1747.
Stewart, Andrew M., 001-22-5441.
Tchou, Howard P., 204-26-4351.
Thompson, Barry H., 412-62-2827.
Tindall, John P., 266-40-1873.
Tomasovic, Jerry J., 321-34-6332.
Torma, Michael J., 434-58-8587.
Troxler, Raymond G., 437-58-6575.
Turner, John C., 187-12-2116.
Wagner, Grant H., 514-28-8418.
Wagner, James D., II, 523-44-9215.
Walker, Ronald E., 539-32-1654.
Wells, James R., 380-26-5442.
West, Gary W., 353-32-5946.
Wild, James H., 276-32-0370.
Williams, Ariel L., Jr., 361-20-4357.
Winer, Bernard A., 490-34-2200.
Wisehart, Willard J., 717-14-2983.
Wright, George D., 358-22-4144.
Yrizarryyunque, Jose M., 582-76-8674.
Zaayer, Dolph W., 504-26-0191.
Zeiner, George B., 055-32-7619.
Ziesmer, Carl B., 562-20-2776.

MEDICAL CORPS

Major to lieutenant colonel

Walters, Charles L., 434-70-0968.

The following officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

To be major

Meyer, George W., 434-60-0837.
Mullins, James D., 459-72-8318.

The following officers for appointment in the Regular Air Force, in grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be captain

Abels, James A., 484-56-5560.
Ammirati, Louis J., 546-64-5536.
Baginsky, Vincent J., 185-36-5951.
Baldassari, Ronald J., 044-34-3264.
Barrera, Arturo R., Jr., 455-72-1409.
Bass, Marvin G., 266-70-1053.
Beam, Danny A., 458-74-7316.
Beard, Michael W., 417-58-6464.
Bergquist, Ronald E., 454-74-2947.
Berry, Edward M., III, 145-36-1188.
Beverly, Gerald M., 570-62-7247.
Borum, John P., 263-72-0664.
Boyce, Earl J., 472-54-3868.
Brearey, Jonathan L., 243-76-8049.
Buffin, John K., 449-76-0851.
Burleson, Thomas H., Jr., 400-60-1078.
Cabe, Robert D., 268-40-4559.
Cardona, Angel A., 582-62-7182.
Carlson, Dennis A., 533-50-6859.
Choate, Charles M., Jr., 217-42-0928.
Cobb, William T., 237-74-5153.
Cochard, Douglas D., 311-48-2535.
Coco, Malcolm P., Jr., 439-70-3488.
Coleman, Joseph W., 173-36-3422.
Corlett, Clair R., 446-42-8386.
Daugherty, Gerry R., 308-48-4782.
Davidson, Sally L., 520-48-9754.
Davis, Jerome N., Jr., 290-44-9501.
Delorey, Edward A., 563-60-8530.
Downs, David B., 432-84-9979.
Drewitt, Robert A., 051-38-7756.
Durham, John M., 465-68-2067.
Emmons, Gary W., 533-44-2556.
Fedoroff, Igor V., 068-40-1454.
Ficklin, John B., Jr., 228-64-7656.
Figueroa, Robert C., 265-62-4676.
Franco, John A., Jr., 223-62-4931.
Friesen, Dee W., 510-44-7345.
Fuchs, Ronald P., 230-60-5829.

Gordon, Mitchell K., 561-60-5857.
Gorman, Dennis M., 543-56-1696.
Griffin, Sidney W., 447-44-5489.
Gutierres, Mario J., 536-42-1597.
Haile, Gary W., 465-68-1072.
Hall, William F., 394-44-6210.
Hamilton, Ronald H., 267-70-5003.
Hamilton, Wilbur R., 557-66-2132.
Hancock, Lance E., 106-38-0128.
Helms, Ralph C., Jr., 526-72-1881.
Heskew, Wayne R., 444-48-0584.
Hickman, Paul G., 233-68-8479.
Holliker, Robert F., Jr., 212-46-7459.
Hutchinson, James N., Jr., 314-46-2281.
Johnson, Clark C., 722-05-1862.
Jones, Richard H., 527-62-7984.
Jorgenson, Gary A., 476-50-8846.
Kim, John S. S., 576-44-0898.
Koehrsen, Bernal F., Jr., 192-38-1624.
Lacaria, Thomas A., II, 232-74-7007.
Lambert, James D., 543-52-1419.
Lauther, Thomas G., 526-58-8844.
Lea, James H., Jr., 438-62-4187.
Leitch, Walter T., 519-54-0565.
Lippincott, Robert L., Jr., 136-36-1924.
Livingston, Meredith S., 290-34-7213.
Loken, Peter R., 468-54-4668.
Mace, Gilbert W., 077-38-9588.
Manion, Kenneth J., Jr., 444-42-8864.
Mankin, Michael W., 455-72-3637.
Mayfield, Gary D., 432-84-1331.
McAfee, Regis S., 171-36-1115.
Meybaum, Klaus D., 067-34-8579.
Miller, Thomas W., 392-46-5185.
Moseley, Paula S. L., 585-14-8423.
Mundle, Robert W., 472-50-5520.
Nath, Charles J., III, 193-34-2566.
Neu, David L., 476-46-0869.
Olson, Leon C., 477-52-1512.
Parks, Noel R., 145-34-8359.
Perez, Alberto, 453-58-3512.
Pettijohn, Charles M., 446-42-5200.
Phillips, James C., 572-60-1410.
Plakorus, George M., 509-46-5706.
Player, George C., III, 250-84-4310.
Powers, Marcelle V., 230-62-1498.
Ratley, Griffin L., 557-68-2161.
Raymore, Peter K., 019-34-4752.
Reeves, Edward H., Jr., 144-38-2938.
Riordan, Jeremiah C., 220-42-2842.
Rogers, Wallace H., Jr., 508-54-6384.
Rondeau, Jacques A., 037-28-6107.
Roscoe, Harry E., Jr., 032-26-2629.
Santens, Jerry S., 564-62-7845.
Schneider, John IV., 213-44-1146.
Schwenk, Daniel G., 544-56-3713.
Shaver, Samuel P., 159-38-1568.
Skaggs, Dennie M., 407-60-6420.
Skopal, Paul A., 830-40-1518.
Smith, James H., 501-52-3364.
Snyder, Larry A., 288-40-8167.
Spaulding, George L., 436-70-7014.
Stamm, Michael R., 395-44-8198.
Stammler, Richard, 183-34-5735.
Steadman, Bryan L., 529-54-3969.
Stinson, Michael D., 540-50-7250.
Suckman, Barry S., 063-34-5139.
Sullivan, Claude T., 531-42-0646.
Takehara, William, 576-46-9490.
Tanner, Sidney W., 258-68-9455.
Taylor, David S., 427-90-0904.
Thornton, Terry W., 136-38-0922.
Torbensen, Jerry L., 529-60-1582.
Trask, Tommy J., 182-38-2561.
Voorhees, Ronald R., 573-64-1772.
Walker, John M., 409-74-9175.
Walsh, Michael, 149-32-1603.
Walther, John G., Jr., 251-74-9530.
Warner, James B., 306-46-0152.
Welch, Michael J., 557-60-0772.
Whitener, Ralph S., 242-64-0151.
Wilson, Thomas F., 031-32-4622.
Wurster, Clifford L., 222-26-3696.
Younge, Wilson A., Jr., 248-56-8958.
Zeiber, Alan R., 055-34-0942.
Zeimmer, Ronald M., 307-50-0592.
Zimmerman, Robert J., 237-70-3291.

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

CHAPLAIN CORPS

To be captain

Bena, David J., 056-34-9110.

JUDGE ADVOCATE CORPS

To be captain

Albright, William A., 530-28-9176.
Dixon, David C., 528-56-4147.
Farrow, Michael R., 422-66-0303.
Lee, Ralph J., 434-72-7857.
Michael, Steven P., 416-64-6845.
Nowak, Robert C., 228-56-4206.
Parr, Edgar G., 429-82-0986.
Sternal, Guy J., 470-50-6886.
Stubbs, Jerald D., 214-44-0457.

NURSE CORPS

To be captain

Booker, Carol M., 024-32-0345.
Mansmith, Fred T., 483-48-1426.
McMurray, Joan A., 085-36-7176.
Stiegelmeyer, Marjorie J., 001-34-9367.
Zhea, Charles R., 197-30-3567.

MEDICAL SERVICE CORPS

To be captain

Melchiorre, Joseph E., Jr., 155-34-8185.
Nicholson, Henry B., Jr., 523-60-0857.
Williams, Carroll C., 385-42-8523.

VETERINARY CORPS

To be major

Nichols, James B., 421-42-5881.

BIOMEDICAL SCIENCE CORPS

To be captain

Barnes, Edward S., 039-28-6292.
Farinacci, Nicholas A., 457-68-5806.
Sawyer, Bobby J. 482-60-1282.
Smogur, Thomas G., 496-50-8808.
Sweigart, Marlin L., 168-34-8685.

IN THE ARMY

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3284, 3286, 3287, 3288, and 3290:

Cain, Bruce L., 426-02-1394.
Choyce, Charlie, 466-92-1053.
Flanagan, Michael S., 275-58-5697.
Harrell, Jeff P., 411-80-3327.
Hunsucker, Philip C., 559-06-6248.
Merrell, Philip R., 406-84-8643.
Miller, Joseph B., 350-46-8940.
Oliva, Jeri L., 032-48-3991.
Pifer, Timothy J., 233-74-6261.
Roser, Lance R., 340-54-3110.
Utz, Dennis M., 465-13-6203.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2106, 3284, 3286, 3287, 3288, and 3290:

Allen, Winston, 222-30-8355.
Atkinson, Ricky N., 246-08-9544.
Barton, Lawrence E., 400-86-2697.
Blanchard, Hugh V., 550-70-7461.
Dell, John W., 256-04-6046.
Harpham, Karen A., 559-98-9718.
Hutchinson, Elbert, 258-90-5250.
Kulifay, Bernard E., 530-56-8448.
Long, Gary B., 255-86-0449.
Mabry, Sharon K., 458-78-8786.
Manto, Samuel E., 331-50-9452.
Marich, Lou L., 114-52-6309.
Martin, Theresa L., 022-48-4092.
Masters, Gary L., 255-96-9983.
McKinney, Pamela L., 452-29-6110.
Negron, Edgardo L., 581-08-8780.
Nelson, James L., 508-68-3967.
Ormson, Mitchell D., 397-68-2197.
Patisaul, Charles E., 256-02-1736.
Rupp, Robert C., 279-60-5122.
Shiflett, Guy A., 223-85-3944.
Thompson, James J., 210-46-2697.
Torrance, Steven M., 255-98-1008.
Wiant, Terry L., 297-50-8736.

The following-named officers for appointment in the Regular Army, by transfer in the grade specified, under the applicable provisions of chapter 835, title 10, United States Code:

To be captain

Beckman, Herbert D., 453-70-8846.

To be first lieutenant

Edwards, Kip C., 321-48-2003.
Johnson, Lawrence M., 345-48-2184.
Remmert, Stephen M., 410-96-8880.
Riggs, Gary H., 246-80-9674.
Tocci, Denis P., 176-46-5361.

The following-named officers for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3284 through 3294:

To be lieutenant colonel

Delacerna, Melchor F., 022-40-1941.
Griffith, Donne G., 542-36-0472.

To be major

Boening, Suzanne S., 312-34-6239.
Burnham, Arlie E., Jr., 524-56-8625.
Fox, Alexander J., 070-34-6342.
Simpson, Albert F., Jr., 410-64-2779.

To be captain

Bach, Durwood E., 230-52-4531.
Barrett, Thomas N., 540-56-3182.
Bettes, Stephen F., 286-42-4076.
Beuttenmuller, Erhard A., 062-36-4869.
Boody, Curtis J., 498-48-1063.
Bowers James E., 251-76-3128.
Brinsfield, John W., Jr., 258-66-0191.
Caldwell, Joe R., Jr., 219-52-9246.
Campbell, Jerry C., 419-70-2947.
Deboer, James, 508-58-7772.
Diamond, Richard, 524-68-0239.
Donnelly, Jerome C., 522-54-5986.
Fowler, Kenneth E., 257-68-8401.
Gottlieb, Samuel, 080-38-3894.
Gsegner, Ford F., 255-66-7657.
Johnson, John A., 449-80-2782.
Johnston, Paul L., 331-40-7637.
Maastricht, Richard S., 388-44-4488.
Mariscal, Rouque, 456-62-3589.
Martin, Gerald E., 478-46-7983.
Mogridge, James D., 408-66-5501.
Murphy, James J., 263-82-6223.
Newberry, Robert D., 383-54-3417.
Partridge, William F., 261-62-9667.
Poux, Robert J., Jr., 177-38-8232.
Putnam, Michael B., 123-38-5081.
Regennitter, Frederick J., 481-58-4095.
Rehyansky, Joseph A., 158-34-3328.
Richards, Harry E., III, 208-38-1988.
Russell, James E., Jr., 579-50-1001.
Shaman, Paul R., 052-38-4538.
Smith, Ottis W., 412-60-2240.
Strong, Scott L., 518-58-3658.
Thompson, Randall A., 536-46-9236.
Wong, Marston Kin Sun, 553-68-3129.
Ziegler, Edward R., 460-68-4359.

To be first lieutenant

Bass, Richard A., 509-56-8552.
Cleland, Bruce P., 250-60-6666.
Cloyd, David G., 499-54-3606.
Erhardt, James B., 534-52-4710.
Hubner, Roger D., 503-72-3770.
Reppart, Ralph C., 289-48-1831.
Richards, John W., Jr., 250-92-0469.
Roundtree, William E., 244-82-2870.
Selph, Barney E., 412-90-9025.
Stanley, Wayne G., 417-76-3470.
Valentine, James D., Jr., 533-54-2361.
Walker, James, 443-54-8603.

Yakes, Wayne F., 422-92-9294.
Yee, Philip M., 347-44-4141.

The following-named officers for promotion in the Regular Army of the United States under the provisions of title 10, United States Code, section 3306:

ARMY PROMOTION LIST

To be colonel

Hilty, Paul R., Jr., 273-12-1068.
O'Brien, Emmett, J., 722-18-1732.
Rodgers, William E., 179-24-1323.

The following-named officers for promotion in the Regular Army, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Alston, Pontha D., 251-50-0005.

DENTAL CORPS

To be lieutenant colonel

Pickett, Alan B., 016-30-7956.

DENTAL CORPS

To be major

Doyle, Frank M., 356-34-5567.
Pawsat, David S., 397-42-0457.

MEDICAL SERVICE CORPS

To be major

Burrell, Charles P., 412-50-6375.
Workman, Dale H., 547-50-2931.

VETERINARY CORPS

To be major

Mitchell, Kenny D., 420-52-4547.

ARMY PROMOTION LIST

To be captain

Allen, James M., 431-30-3904.
Enck, Rebecca S., 103-36-8031.
Greer, William, 526-94-7205.
Harrold, Glenn J., 449-88-7480.
MaGee, Allan H., 389-54-1603.
Morrison, John D., 547-70-1692.
Mortenson, Robert H., 470-60-6465.
Nyese, John E., 583-46-1653.
Richmann, James N., 478-62-5215.
Snell, Landon P., III, 454-94-1315.
Stone, Frank J., 462-92-7334.
Wilson, Richard W., 224-64-9320.

DENTAL CORPS

To be captain

Berman, Michael B., 063-38-2022.

MEDICAL SERVICE CORPS

To be captain

Yasalonis, John W., 173-36-5445.

ARMY NURSE CORPS

To be captain

Roberston, Kathryn E., 360-44-7268.
Stowe, Harvey O., 418-50-0380.

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be colonel

Alden, Errol R., 277-36-8953.
Allison, Howard H., 182-30-3724.
Allison, Stanley C., 569-50-9044.
Alvarez, Johnny D., 098-44-2599.
Anderson, Daniel H., 534-26-0722.
Anglin, Walter M., 297-16-6525.
Angritt, Peter, 056-44-5788.
Armitage, David T., 055-32-7956.
Babcock, William S., 374-34-5518.
Barja, Roberto H., 476-56-8654.
Barlow, Matthew J., 228-52-2984.
Bart, Gerald N., 033-38-2703.
Berger, Winfried M., 383-52-7225.
Berliner, Daniel S., 336-36-8682.
Berman, Irwin, 461-40-7817.
Blount, Richard B., 451-52-6833.
Branch, Leslie B., 244-56-5944.
Bridenbaugh, Robert, 543-48-9267.
Brown, Stanton R., 142-30-8234.
Bugay, Glenn L., 368-30-5019.
Burger, Leslie M., 127-30-7953.
Cadol, Roger V., 529-38-5986.
Camp, Richard A., 575-38-9586.
Chamberlain, Terry, 519-36-9534.
Clark, Gary B., 375-38-9276.
Claypool, Robert G., 348-32-3837.
Cohen, Howard B., 093-30-7611.
Collins, George J., 456-60-4923.
Cook, Edgar L., 002-14-7202.
Coville, Frederick, 548-56-4419.
Cowan, George S., 115-30-8070.
Davis, Juan C., 360-44-8007.
Dean, Arthur J., Jr., 241-54-8097.
Dibella, Nicholas J., 553-54-6955.
Dresner, Martin L., 211-30-7592.
Dunnington, Glenn W., 522-52-6859.
Eielson, John A., 020-30-1272.
Ergas, Ralph E., 116-26-7341.
Favila, Marcial Q., 320-42-3817.
Flanagan, Clyde H., 406-60-6933.
Fleming, Arthur W., 413-50-6634.
Flores, George H., 496-44-1559.
Gardner, Horace B., 527-50-0914.
Gerstenberger, Duane F., 531-30-0108.
Gilman, Priscilla A., 045-28-6183.
Giustolisi, Vincent, 126-38-3088.
Glancy, Gerard L., 561-52-1337.
Gober, Lowman E., 452-58-4816.
Goldberg, Bertram, 162-30-8672.
Gonzales, William E., 449-54-3988.
Graven, Richard M., 360-32-0921.
Gunther, John S., 103-30-6418.
Gushwa, Richard L., 317-30-6976.
Hall, Donald L., 565-36-8821.
Hardin, Virgil M., 438-42-2155.
Harrell, Jerry D., 109-24-8514.
Hastings, Constance, 096-28-3974.
Hedlund, Kenneth W., 115-26-6698.
Hegstrom, George R., 544-38-6317.
Hennessy, William J., 554-38-9258.
Henry, James M., 346-26-7884.
Hofeidt, Fred D., 519-40-0433.
Jirka, Anton J., 322-32-8515.
Johnson, Edward M., 497-22-0196.
Karney, David H., 458-50-2502.
Katz, Norman N., 274-50-4206.
Kimball, Daniel B., 229-44-9640.
Kissack, Micheline, 106-36-3623.
Kolmer, John W., 230-44-7332.
Kreutzman, Robert, 389-40-7093.
Kull, Donald H., 324-28-8651.
Kyser, Kay A., 488-48-5327.
Landes, Richard D., 233-58-3333.
Leman, Milton H., 433-40-4294.
Leppla, Bruce W., 557-26-1252.
Lowell, George G., 452-44-4128.
Luehrs, James G., 539-28-8121.
Lull, Robert J., 097-30-4025.
MacDonald, Richard, 250-64-4923.
Maybee, David A., 221-26-1690.
McCracken, Joseph D., 261-60-2136.
McLeod, David G., 245-50-7189.
McMarlin, Stacy L., 227-48-7736.
McMeekin, Robert R., 247-70-3916.
McNamara, Norbert J., 552-32-9743.
Merenstein, Gerald, 183-32-4201.
Metz, Leon B., 435-50-7896.
Miller, Richard N., 360-28-5239.
Miyazawa, Kunio, 230-60-0981.
Moore, William L., 259-44-9388.
Morton, Arthur R., 525-64-7352.
Murgo, Joseph P., 037-24-7867.
Ninos, Nichols P., 356-30-5461.
Osorio-Olivencia, Jose R., 582-38-3429.
Parker, John E., 249-68-0550.
Parry, William H., 313-36-7917.
Pawlak, Wallace W., 385-52-5110.
Peck, Charles A., 290-34-7325.
Pesua, Carlos D., 579-66-4782.
Pierce, H. Irving, 542-38-5807.
Pierozynski, George, 055-46-0570.
Prall, Robert H., 145-28-9497.
Protsman, Robert R., 093-32-3943.
Rosenberg, Donald M., 108-28-0931.
Saglio, Jack W., 035-20-1103.
Saintromain, Ray A., 439-22-3030.
Sasada, Allan M., 564-54-2918.
Sawyer, Robert, 069-32-7683.
Sayers, Ronny J., 171-32-5716.
Siraa, Andreas F., 534-56-2440.
Sobol, Samuel M., 143-30-8069.
Soderdahl, Douglas, 342-34-1671.
Stafford, Chester T., 419-46-2043.
Stafford, Harry, 566-10-2047.
Starke, William R., 499-42-9921.
Stuen, Marcus R., 532-18-4103.
Thiessen, Jacob W., 177-46-7084.
Thomason, Albert M., 521-40-0114.
Tippens, Jack K., 257-62-3013.
Tipton, William R., 256-46-2522.
Todd, Warren A., 426-82-6098.
Tremaine, Myron D., 355-30-0227.
Turnbull, Gottlieb, 436-48-3344.
Warren, Daniel C., 229-46-1541.
Whitmore, Paul J., 380-40-3791.
Wong, William, 059-34-4887.
Yamaoka, Ronald M., 576-32-3842.
Youngs, Brian L., 368-38-8028.
Zajtchuk, Joan E., 237-30-6762.

MEDICAL SERVICE CORPS

To be colonel

Carollo, Donald J., 374-24-7799.
Potin, James B., 434-46-9382.
Snell, John T., 132-38-5083.

ARMY PROMOTION LIST

To be lieutenant colonel

Siekman, Raymond D., 508-54-0896.

The following-named officers for promotion in the Regular Army, under provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Greer, William, 526-94-7205.
Henry, John, 389-58-6629.
Renaut, Robert R., 276-56-4030.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, section 5780:

Ronald E. Ablowich
James S. Adams
Robert A. Adams
William S. Ainsley, III
Alfred J. Allega
John C. Arick
Lowell E. Austin, Jr.
John C. Baggette
Thomas V. Barrett
William C. Bartels
Thomas Y. Barton, Jr.
Delbert M. Bassett
Dennis C. Beyma
Roy D. Black
Harold W. Blot
Ronald R. Borowics
Gary R. Braun
George D. Brennan, II
William T. Bridgham, Jr.
Gene A. Brown
John R. Burns, Jr.
John M. Butler, Jr.
Ronald F. Calta
Thomas E. Campbell
William R. Campbell, Jr.
John W. Cargile
Kenneth C. Carlon
John D. Carr
John J. Carroll
Gene E. Castagnetti
James H. Champion
George R. Christmas
Donald E. Christy
Michael L. Cluff
Roland W. Coleman
Anthony C. Conlon
Terence P. Connell
Richard W. Crain
Dennis W. Craney
Richard L. Cody
Herbert L. Currie
Dennis E. Damon
Charles E. Daniel
Charles E. Davis
Andrew D. Debona
Richard A. Delaney
Raymond E. Dennison
Billy H. Dobbs
Francis H. Douglas
Noel E. Douglas
Thomas V. Draude
Raymond R. Dunlevy
Clifford R. Dunning
Bob E. Edwards
Roy T. Edwards
Norman E. Ehlert
Gene B. Erwin
Richard A. Flaherty
James J. Foley, Jr.
James F. Foster
Robert J. Gadwill
Willard F. Galbraith, Jr.
Dennis O. Gallagher
Ronald C. Garten
Edmond D. Gaucher, Jr.
Jon R. Gibson
Brendan M. Greeley, Jr.
Robert R. Green
James W. Gresham
Sidney B. Grimes
Nicholas H. Gross, Jr.

Jean A. Gruhler, Jr.
Francis X. Hamilton, Jr.
Glen L. Hampton
David Hancock
Frederick F. Harshbarger
James A. Hart
William R. Hart
Leonard C. Hayes
Richard D. Hearney
Frederick H. Hemphill, Jr.
James C. Henderson
John B. Hendricks
William A. Hesser
Solomon P. Hill
Jefferson D. Howell, Jr.
Ray E. Huebner
Abram J. Hunter, Jr.
Douglas B. James
Jack C. James
Robert G. Jessee
Harry N. Johnson
Ken H. Johnson
Kenneth W. Johnson
Poindexter M. Johnson
Kenneth D. Jordan
August J. Kalimanos
Gerald J. Keller
James L. Kerney
George A. Kiesel
Roger E. Kilb
Blaine D. King
Francis J. Kirchner
Joseph F. Kline
Thomas L. Kosciw
James Lau
Robert P. Learnard
John Lecornu
Gregory W. Lee
Edward O. Leroy
Frederick E. Lewis
Bertram L. Linkonis
James E. Livingston
Calvin A. Lloyd II
Mark E. Loveless
Darrel M. Lowe
Albert F. Lucas, Jr.
Howard L. Luttrell
James P. Mangan
Anthony E. Manning
Paul S. Marcani
William E. Marcantel
Richard E. Maresco
Elliott R. Markell, Jr.
David E. Marks
Norman Marshall
Robert J. Mastrion
Gregory A. McAdams
Charles E. McDanal
Lawrence J. McDonald
Dayle O. McGaha
Michael J. McGowan
Thomas K. McKeown
John J. McNamara
Richard G. McPherson
Thomas H. Metzger
John L. Mikkelson
David F. Miller
Donald G. Miller
Jerry L. Miller
Neil F. Mitchell
Robert W. Mitchell, Jr.
Joe D. Moody
Alfred H. Moore
Allen R. Moore
Jerry L. Morgan
John J. Mullen, Jr.
James M. Myatt
Jimmie C. Nelson
James L. Neyman
Gerald J. Oberndorfer
Fred E. Ogline
Paul F. O'Keefe
Francis D. Pacello
Fred J. Palumbo
Robert L. Pappas
Gary W. Parker
Harold J. Phelan
John C. Pilley
Stanley G. Pratt
Donald L. Price
Robert A. Queen
William M. Rakow, Jr.
John P. Ray
Lawrence E. Reed
Michael E. Rich
Albert R. Rideout III
Charles S. Rigby III
Edward F. Riley
Michael B. Riley
Maurice A. Roesch III
Joseph G. Roman
Joseph M. Romero
Richard B. Rothwell
Peter J. Rowe
Dale C. Ross
Henry J. Sage
William Sahno
Michael F. Scanlon
Denver D. Scott
Robert E. Setzer
Carl A. Shaver
John J. Sheehan
Robert J. Sheehan
James A. Shepherd
Jerry C. Shirley
Donald K. Shockey, Jr.
Roy W. Sims
Walter H. Skierkowski
Albert C. Slater, Jr.
Charles R. Smith, Jr.
William R. Smith
James A. Spaith
James D. Sparks
Burton P. Sperry III
John W. Spivey
Victor M. Szalankiewicz
Kenneth T. Taylor
Robert A. Tiebout
Philip H. Torrey, III
Samuel D. Turner, Jr.
Joseph E. Underwood
Charles W. VanHorne
Hugh M. Vann, III
Jay R. Vargas
Amilcar Vasquez
Clyde L. Vermilyea
Bill D. Waddell
William L. Waters
Lewis C. Watt
Dwight D. Weber
Malcolm W. Wehrung
Julian A. Weingarten
William H. White
George A. Whitfield
John A. Williams
John A. Williams
Thomas Williams, Jr.
Robert J. Wilson
Donald T. Winter
Charles J. Wolk, Jr.
Regan R. Wright
Peter B. Wyrick
Harvey L. Zimmerle
Ralph A. Zimmerman

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, United States Code, section 5911:

Merrel F. Adams, Jr.
Richard G. Adams
Tommy L. Adair
James L. Anderst
Daniel T. Armstrong
Joseph F. Ashe
Enos A. Axtell, Jr.
George W. Ayers
Lester D. Bacon
Samuel Badiner
Clarence L. Baer
Claude, Baldwin III
Robert L. Ballantyne
Gilbert A. Bartlett
Stanley K. Bazant
Leonard C. Bieberbach
Dean S. Billik
Darwin E. Bremer
Roger L. Brooks
Frank A. Buethe
Harold J. Campbell, Jr.
Terry W. Cannon
John G. Carlton, Jr.
Marshall N. Carter
William E. Chase
James W. Clark
Eldred W. Cline, Jr.
Bobby L. Coleman
William H. Cook, Jr.
Thomas M. Cooper
Daniel B. Corts
Kenneth R. Couch
John T. Coyne
Edward P. Craft
James A. Daugherty
Ronnie O. Davis
John H. Deaver, Jr.
Douglas S. Dexter
Eldon R. Dilworth
Robert L. Doyon
Michael F. Eddy
Richard M. Eklund
Frederick D. Ellis
Robert J. Everett
Crockett Farnell
Alan D. Fiers, Jr.
Michael Fiorillo, Jr.
Joseph T. Fisher
John F. Follett
Michael D. Fowler
Jackie W. Fraim
Frank W. Gill, Jr.
Perry C. Gillette, Jr.
Robert A. Godwin, Jr.
George W. Goerts
Paul A. Gorgos
Melvin T. Graves
John A. Harris
Mark T. Hehnen
Richard L. Hemenez
Hamilton E. Hicks, Jr.
John E. Hixon
Lemuel W. Houston, Jr.
Harris D. Husted
Jack J. James
Philip L. Johnson
Robert C. Keeler
Kenneth J. Kelly
Stuart O. Kendall
Frank J. Kennedy
Frederick E. Kiesel
David J. Kindt
Richard S. Kulczycki
Stephen A. Leroux
John J. Lowrey
James L. McGee
John J. McNamara
John G. McPheeters
William B. Mooney
Harvey B. Moore
Stanley M. Mori
Normand L. Noel
Richard A. Partee
Thomas L. Pristavec
Robert H. Rathert
John C. Reale
Larry E. Renfro
William R. Rice
Robert C. Richards
John C. Riley
Frank D. Rimer, III
Larry M. Roberts
Frank J. Robinson
John L. Roe
Lewis P. Rogers
Anthony J. Roszak
Walter L. Sanders
Robert P. Scheinblum
Steven J. Sewell
Jack T. Seymour
Lundie L. Sherrets
Gordon M. Shoemaker,
Harry S. Shoemaker
Tenney R. Spofford
James H. Stewart, Jr.
Harold R. Sullivan
David C. Terry, Jr.
Dudley E. Thomas, Jr.
James L. Trudeau
Robert J. Walker
Larry G. Willoughby
William L. Wilson
John R. Wingert
Ehrhard K. Winkelbrar
George S. Woodall, Jr.
Wayne P. Zetsman

The following-named officers of the Marine Corps for permanent appointment to the grade of major under the provisions of title 10, United States Code, section 5780:

John F. Adinolfi
Richard M. Ahlers
James A. Amendolia
William G. Andersen
Robert C. Anderson, Jr
William D. Armstrong,
Bradley R. Baird
Jerry K. Baird
James R. Ballard
Bradley E. Barriteau
Frank M. Batha, Jr.
Walter C. Belcher
Maurice F. J. Bernier
Robert A. G. Berns
Lee H. Bettis, Jr.
John A. Bicknas
Jerry C. Black
Earl T. Bowers, Jr.
Robert J. Bradley
Ross A. Brown
Randolph D. Brunell
Clarence C. Bryant
Allan S. Buescher
Kenneth R. Burns
Jose R. Campos
Hugh T. Carter
Justice M. Chamgers, Jr.
John C. Church
William C. Cleveland, Jr.
Clovis C. Coffman, Jr.
Dillard W. Copeland
Kermit C. Corcoran
Robert A. Courtney
William V. Cowan III
David E. Crais
Edward E. Crews
Richard A. Crowe
Erry M. Curtis
Robert J. Dalton
Walden L. Daniel
Michael A. Davis
Thomas E. Davis
Waler E. Deese
Richard J. Deichl
John H. Eager
Robert I. Edwards
Edwin E. Eloe
George J. Eschenfelder
David P. Evans
John T. Fanning
Dennis L. Faust
Andrew R. Finlayson
Augustus Fitch III
Norman R. Ford
Wesley L. Fox
Robert L. Frantz
Richard H. Freeman
Gary A. Fry
Carlton W. Fulford, Jr.
Larry Garrett
Howard L. Gerlach
Perry H. Gesell
Graydon F. Geske
Henry P. Giedzinski
Robert W. Gillespie II
John P. Glasgow
Joaquin C. Gracida
Samuel T. Gray
Garrat W. Greene
Bruce E. Griesmer
James C. Hajduk
Jerry E. Hankins
Dennis M. Harke
Kenneth L. Harmon
William F. Harvey
William M. Hatch
Gale E. Healvilin
Ronald A. Hellbusch
Donald H. Hense
Peter M. Hesser
Robert G. Hill
Anthony S. Hilliard
Miles M. Hodges
Richard W. Hodory
Franklin D. Holder
Allen W. Hoof
Nathaniel R. Hoskot, Jr.
James L. Hurlburt
Douglas K. Isaly
Frank M. Izenour, Jr.
Jack D. Jewell
James Johnson
William F. Johnson
Walter F. Jones
Harry K. Jowers, Jr.
Luis A. Juares
Larence G. Karch
William E. Keller, Jr.
Michael S. Kelly
Anthony L. Keyfel
Wayne W. King
David E. Knop
George W. Kralovec III
John J. Krauer
Coleman D. Kuhn, Jr.
Timothy L. Laplaunt
Joseph A. Lavigne
Francis X. Lawler, Jr.
Edmond H. Lawrence
William S. Lawrence
Newton A. Lieurance, Jr.
Jasper C. Lilly, Jr.
Ronald A. Longtin, Jr.
Claude L. Lott
James W. Lucey
Freddie M. Luckie
Michael G. Malone
Gerald R. Martin
William R. Masciangelo
Dean H. Matzko
Herman L. May
William G. McBride, Jr.
Jimmy W. Clung
James B. McKenney
Warren R. McPherson
John H. Mentzer, II
Rex B. Moody
Kenneth W. Moore
Paul Moore, Jr.
Alfred H. Mossler
Richard J. Muller
William A. Murphy
Frederick Y. Nakatani
Russell L. Nelson
Mark D. O'Connor
John P. Oppenhuisen
Julian W. Parrish
Charles W. Paschen
Francis A. Pope
Guy A. Pete, Jr.
William C. Peters
Wayne E. Peterson
Daniel R. Phipps
John F. Pindel, Jr.
Paul J. Prinster
Larry D. Rannels
James M. Rapp
Lawrence C. Reifsnider
Wayne H. Rice
Clarence E. Richards, Jr.
Robert J. Riordan
Jack W. Rippy
Clifford R. Robinson
Hugh A. Ronalds
James W. Sanders
Kenneth R. Sandstrom
Robert T. Sarles
Bernard D. Schmidt
Milburn F. Schuler
Rudy T. Schwanda
William O. Schwarz
Michael N. Shahan
William G. Sheldon, III
William B. Shively
Kenneth C. Shumate
William J. Simpson
Hurman R. Sims
Alexander G. Smith, III
Edward A. Smyth
Robert L. Spooner
Larry J. Springer
Richard E. Squires
Frederick M. Stitcher
James E. Stoll
Thomas D. Stouffer
John M. Suhy
John J. Sullivan
Patrick J. Sullivan
Williams G. Swarens
Bronson W. Sweeney
William P. Symolon
James R. Taylor
William K. Terrell
William F. Thompson
Thomas A. Toth
Gordon E. Tubesing
Ellsworth J. Turse, Jr.
John H. Updyke
William P. Vacca
Jay H. Vandyne
Richard L. Vogel
Thomas U. Wall
Theodore B. Warren, Jr.
Terrence M. Weber
Alfred M. West
Carlton P. White
Eddie D. Whitehead
Michael C. Wholley
Frank G. Wickersham, III
Mark D. Williams
James R. Williams
Lester H. Williams, Jr.
Roger L. Williams
Richard G. Wilmes
William D. Wischmeyer
Dana J. Wood
Larry L. Woodruff
Richard J. Yeoman
Jon L. Zellers
Lester M. Zwick

The following-named officers of the Marine Corps for permanent appointment to the

grade of captain under the provisions of title 10, United States Code, section 5780:

Michael J. Aguilar
Paul R. Ahrens
Robert A. Aikman
Gerald W. Allen
James V. Allen
Donald P. Amiotte
Gary W. Anderson
Richard G. Anderson
Ralph H. Anselmo
Gary D. Appenfelder
Craig M. Arnold
James P. Axelrod
Rayfel M. Bachiller
Thomas A. Bailey
Christopher L. Baker,
John M. Ballard
William E. Barker
Barney K. Barnett
Donald C. Barnett
Stephen J. Bartram
James R. Battaglini
Terry E. Beane
Scott R. Beaty
Mark T. Beck
Roger P. Beebe
Curtis M. Beede
Ivan M. Behel
Charles D. Bennett
Chris Bennett
George H. Benskin III
Richard P. Bess, Jr.
Stephen G. Bidduiph
David W. Birch
Paul W. Bishop
Thomas E. Bjerke
Patrick A. Black
Carl N. Blair
Scott A. Blair
David R. Bloomer
Robert Blose, Jr.
James S. Bloxom
Richard A. Boeckman
Wiley N. Boland, Jr.
James L. Booker, Sr.
Robert B. Boone
Bruce H. Borum
John F. Bouldry
William G. Bowdon III
William L. Bowling
Denham W. Bowman
Michael H. Boyce
David R. Boyer
Robert E. Braithwaite
Thomas O. Brannon
Frank X. Braun IV
David L. Breed
Charles B. Brewer
Clyde S. Brinkley, Jr.
Arthur E. Brooks
Phillip A. Brooks
Mark L. Brophy
Dennis L. Brown
Shepard R. Brown
Stephen R. Brown
Donald F. Bruey
Craig L. Bryson
William E. Bubsey
Melvin R. Buhls II
Michael M. Bullen
Richard E. Buller
Paul A. Burrows
Richard E. Burton
Kenneth O. Bush
Michael S. Bush
Ronald D. Bussey
Gary A. Butler
Patrick C. Butler
Robert D. Cabana
Charles T. Carroll
John L. Carson
Dee H. Caudill
Thomas A. Caughlan
Richard C. Cavallaro
David L. Chadwick
Ronald W. Chambless
Stephen A. Cheney
James P. Chessum
John S. Cipparone
Charles J. Clarke
Alfred F. Clarkson, Jr.
Gary W. Claunch
Wayne A. Clemmer
Daniel B. Cliffe
John M. Cocke
Robert S. Cohen
John R. Cohn
Larry P. Cole
James M. Collins II
William B. Collins
George W. Colvin
Joseph Composto
Michael R. Compton
Larkin E. Conatser
Vincent P. Conroy
Kevin A. Conry
Larry G. Cook
John P. Corcoran
Max A. Corley
Alfred A. Cortez
Christopher Cortez
Randolph P. Cotten
Norris G. Cotton
James P. Courtney
Glenn B. Cowen
Jimmy R. Cox
Jack C. Cuddy
Lawrence D. Cummings
Robert C. Cummins
Richard B. Daley
Thomas R. Dalton
Alan H. Dank
William C. Darner
Dacre G. Davis, Jr.
Donald L. Davis
Donnie B. Davis
Hartley R. Davis II
John A. Davis
David G. Decker
Ronald V. Deloney
William Z. Dement
Henry M. Denton
Frederick M. Deutsch
Henry V. Dickens
Geoffry M. Doermann
Charles W. Dorman
Peter R. Dorn
Peter A. Dotto
Stephen L. Dubinsky
Gerald J. Duda
Troy L. Duncan
Thomas E. Dunkelberger
James M. Durham
Rhoades E. Dutton
Mark S. Dyl
Darel B. Ealum
Michael E. Edwards
James M. Eicher II
Dallas A. Elliott
Russell H. Erickson
Teddy J. Etsell
Herschel G. Esell
Timothy N. Farlow
Jackie L. Farmer
James R. Felt, Jr.
Thomas D. Ferran
Wilburn C. Finch, Jr.
Bruce V. Finley, Jr.
Robert M. Flanagan
George W. Flinn
Patrick J. Flynn
Thomas R. Fox
Robert J. Friend, Jr.
David R. Fry
Dwain L. Fuller
Richard J. Gallagher
Francis O. Galloway, Jr.
Anthony S. Gans
Lawrence E. Garcia
Mark S. Gardner
Joseph C. Gegan III
Jerome L. Geil
Theodore R. Gendron
Raymond F. Geoffroy, Jr.
Peter J. Giacobbe
James A. Giansiracusa
Thomas W. Gilleylen
William M. Given III
Terry V. Gleason
William B. Godwin
Arthur Gomes
Ryan P. Goodell
George H. Goodman
Joseph P. Gordon, Jr.
Vincent J. Goulding, Jr.
Stephen E. Grayner
Christopher J. Gregor
Michael J. L. Greene, Jr.
Barry P. Griffin
Terry A. Gusic
Robert E. Haber
Michael R. Hafen
Emory J. Hagan III
Randall B. Haglund
John R. Hales
Geoffrey T. Hall
Charles F. Hamilton
William L. Hammerle
Charles W. Hammond, Jr.
Timothy J. Hannigan
Thomas G. Harleman
Thomas E. Harris
Eugene G. Harrison, Jr.
Robert E. Hartley
Walter P. Havenstein
Mark K. Hayden
Robert L. Hedden
Lambert C. Heikes
Jeffrey F. Hemler
Thomas R. Henry
Glen E. Hensley
Carl M. Herdering
Donald E. Hesse
Steven C. Hibbens
Michael P. Hickey
Jerry N. Higdon
John E. Hill
William H. Hill I.I
John M. Himes
Timothy J. Himes
Clyde J. Hindes
Phillip L. Hindsley
Keith M. Hirvonen
Richard P. Hobbs, Jr.
Keith T. Holcomb
Ward A. Holcomb
Travis D. Holland
Tony L. Holm
George E. Holmes
Stephen G. Hornberger
Patrick R. Hourigan
Russell J. Howald
Jackson R. Howard
Richard A. Huck
Patrick J. Hughes, Jr.
Jeffrey L. Hull
Michael D. Hume
Douglas E. Humston
Billy D. Hunt
Richard F. Hutchinson
Harold L. Inabinet
Thomas B. Isaac
Robert B. Jacobs
Travis L. Jardon
Reid A. Jecmen
Joseph R. Jelinski, Jr.
Stephen C. Jennings
Eugene Johnson
Gerald H. Johnson
Graig L. Johnson
Gregory J. Johnson
Leslie B. Johnson
William J. Joslyn
Richard A. Joyce
Bruce Judge
Larry R. Kapp
Robert W. Kearney
Danny L. Keating
David G. Keck
James D. Keith
Richard L. Kelly
Steven J. King
Thomas R. King
William L. King
Thomas W. Kinsell
David A. Knott
Norbert S. Koziol
Stephen J. Labadie, Jr.
Charles A. Lackey
Roy A. Lammon, Jr.
Tony C. Landry
Lee F. Lange II
Jon R. Larsen
James A. Laswell
Earl L. Lavan
Joseph F. Lawler
Jerry F. Lawlor
James H. Lee III
Harry C. Leeper, Jr.
Joseph E. Leinenbach, Jr.
James D. Lenard
Floyd C. Lewis
Bruce P. Lohman
George F. Lord
Jeffery L. Lott
Lawrence A. Machabee
John D. Mackenzie
Harold J. Maher
Roger E. Mahoney
Richard A. Maloney
David G. Mann
Leo T. Marier
Richard B. Martin
John J. Martinoli, Jr.
Martin J. Martinson
Judson P. Mason, Jr.
Michael J. Maxie
Stephen A. Maxwell
Peter S. Mayberry
John S. Mays
Dennis C. McBride
Patrick L. McCarthy
John K. McClure
Ronald L. McClure
George M. McCombs
Danny L. McConnell
Joseph X. McCormack III
Daniel J. McGraw
Kevin J. McHale
William E. McHenry
Hugh M. McIlroy, Jr.
Scott W. McKenzie
James M. McLaughlin
Gene S. Mead
John B. Meagher
James S. Mendelson
Ronald L. Meng
Donald J. Mikkelsen
Ottavio J. Milano
Charles M. Miller
Gregory F. Miller
Stephen W. Miller
Herman W. Mullenhauer, Jr.
Henry D. Morris
James R. Morris
Charles L. Mot, Jr.
Michael I. Molt
Stephen F. Mugg
Robert S. Muir
John J. Mullarkey
Martin L. Musella
Joseph A. Najjar
Michael R. Nance
Henry Napoleon, Jr.
Michael J. Neder
Craig A. Nesbitt
Steven T. Nichols
Thomas J. Nicholson
Vincent W. Norako, Jr.
Robert H. Norman
John R. North
Dennis K. Oberhelman
Thomas P. O'Brien, Jr.
James S. O'Connell
David D. Odell
Hugh K. O'Donnell, Jr.
James P. O'Donnell
Donal A. Olsen, Jr.
Michael L. Olson
Glen A. Osmond, Jr.
Dennis M. O'Connor
James R. Ottaway
Larry D. Outlaw
Richard L. Owen
Richard L. Owen, Jr.
Stanley C. Owen
Crus Pardo
Frederic A. Parker
William H. Parrish
Richard L. Patterson
Philip J. Paul III
Ned G. Paulson
William C. Pedrick, Jr.
Brian A. Peiranc
Terry S. Pendleton
William A. Pepper
Mitchell M. Perkins
Alfred L. Perry
Peter G. Peters
Dale A. Peterson
Ronald W. Peterson
John F. Pettine
Gerald W. Pickett
Harold W. Pierpoint II
John P. Poole
Lewis C. Pope, Jr.
Michael B. Potter
Michael C. Powers
Robert A. Price
Paul P. Pugh
John A. Quinn IV
Bruce A. Randall
Curtis J. Rastetter
John W. Rerucha
Larry R. Rice
Joseph J. Riggio
Charles R. Rivenbark
Raymond M. Roberston
John R. Robinson
John J. Roddy III
Robert W. Roesch, Jr.
Ronald D. Rogers
Joseph J. Rogish, Jr.
Gerald H. Rohloff
Mark C. Ronning
Ralph C. Rosacker II
Bowen P. Rose
James K. Ross
Joseph L. Ruthenberg
Charles A. Ryan
Thomas P. Ryan
Victor W. Ryan, Jr.
Arthur J. Rybicki
James L. Sachtleben
John W. Sams
McDewain Sandlin, Jr.
John F. Sattler
Karl T. Schwelm
Gerald M. Scienski
Joe E. Scott
Robert Shearer, Jr.
Charles N. Sherman
James S. Shi
Robert G. Shillito
Richard Y. Shintani
Larry L. Shreve
Roy N. Sifers
Gary B. Simpson
Laurence E. Simpson
Larry J. Sims

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant under the provisions of title 10, United States Code, section 5788:

Raymond Adamiec
James E. Adams
David R. Aday
Daniel Aguilar
Mark E. Alfers
Donald B. Allegro
John R. Allen
David W. Andersen
Wayne C. Anderson
James C. Andrus
Danny R. Smith
Michael H. Smith
Paul R. Smith
William R. Spain
Grant M. Sparks
Martin J. Speer
Ronald E. Spratt
John W. Springstead
Christopher B. Stoops
David K. Storey
Kenneth F. Stang
James A. Storey III
Darrell L. Stewart
George G. Stuart
Lynn A. Stuart
Robert C. Stuart
Jonathan W. Stull
Patrick H. Sullivan
Thomas P. Sullivan
Frank W. Sultenfuss III
Mario J. Summa
Michael P. Summers
Gary D. Sweeney
Michael J. Swords
Anthony T. Tavella III
Thelbert F. Taylor
Timothy M. Taylor
Jon D. Terry
Bruce J. Thomas, Jr.
David M. Thomas
Michael K. Thweatt
James R. Tippett
Jerome P. Todd
Terry L. Tonkin
Richard F. Travis
Benjamin L. Treadway
Thomas E. Treurniet
Gene A. Tromly, Jr.
David J. Turner
Robert C. Twigger
Joseph S. Uberman
Jack Vandebruinhorst
Gerald J. Varela
Danny P. Venable
Michael J. Verbarendse
James E. Vesely
James S. Vintar
Robert C. Vogel
Michael Vontungeln
Gregory J. Vonwald
Paul H. Voss
John H. Wagner
Richard W. Walker
Richard P. Walton
Bruce M. Ward
Donald G. Warfield
Glenn I. Warrick
Dale M. Watson
David B. Weber
Elbert L. Weist, Jr.
Gary C. Wells
John W. Westmoreland, Jr.
William A. Whitlow
Jimmy L. Whitson
Hugh N. Wiggins
Paul A. Wilbur
John D. Winchester
Tony L. Winstead
Ronald F. Wnek
Ronald M. Woodward
John C. Worlie
Robert P. Wray
Larry W. Wright
James M. Younkins
Joseph K. Zowasky
Eric D. Zobel

Steven J. Antosh
Scott E. Apgar
Michael F. Applegate
Linda C. Arms
Roy A. Arnold
Lawrence W. Astyk
Richard A. Atkinson
Leroy Auston
Brian J. Bach
Frank A. Baleskie
Anthony Banasszewski
Terry L. Barger
Steven F. Barlich
Albert Barnes
Dennis J. Barr
John A. Bass
Ralph G. Bass
John R. Bates
Robert H. Bauman
Dan O. Bausch
Ronald D. Bean
Maynard P. Bearce
Jeffery W. Bearor
James C. Beck
Donald P. Becker
James E. Beckle
Patrick J. Behnke
Bennie H. Bell III
Wayne C. Bell
Paul L. Benedict
Richard D. Benjamin
Francis X. Bergmeister
John W. Berkley
Bruce Bessemer
Raymond L. Betros
Brent J. Beverly
Eddie Bickham
Mark W. Bircher
Barbara A. Black
Leonard A. Blasiol
Michael R. Blehm
Jerri L. Bliss
Gwendolyn E. Blizzard
Raymond H. Blumel, Jr.
Gerald A. Boeke
Patrick S. Bole
Kent R. Bolin
David P. Bonwit
Steven C. Bott
Lorraine C. Bowser
Charles E. Boyd
Charlie C. Boyd, Jr.
Calvin C. Boykin III
Bruce P. Brady
Richard C. Branch
Thomas I. Branch
Edward A. Brandt
Allan C. Breller
Dennis J. Brennan
Daniel R. Bretheim
Kevin B. Brewer
George S. Brock
Germain B. Broeckert, Jr.
Russell A. Brooks
Donald D. Brown, Jr.
Larry K. Brown, Jr.
Terrence D. Brown
William D. Brown
Roy D. Bryant
Philip E. Buchinger
Jeffrey L. Budimier
Geoffrey J. Bulliung
Joseph F. Buranosky
Robert A. Burkes
Paul A. Burkholder
Baxter D. Burton
Steven Busch
James M. Bushee
Roy R. Byrd
Mark A. Cagiano
John L. Camp
Robert I. Campbell
William O. Campbell II
Mario V. Carmo
Andrew J. Carrabus
Jack P. Carter, Jr.
David W. Case
Mark E. Casey
Michael W. Caslin
Thomas A. Castriota
Michial M. Celvi
Aron K. Champion
Frankie D. Chappell
Robert S. Chester
Theodore C. Childers, Jr.
Timothy J. Christenson
Larry G. Christie
Sameul H. Christopher
Daniel F. Chwalisz
Louis J. Cipriani, Jr.
Barry H. Clark
Bradley S. Clark
Steven E. Clark
Scott W. Clarke
William D. Claytor
Janice P. Closson
Robert A. Coates
Henry J. Coble
Harry L. Cole, Jr.
Thomas V. Colella
John C. Coleman
Gary C. Conary
William E. Conaway
Christopher J. Conlan
David G. Conley
James E. Connick
William J. Corcoran
William L. Core
Timothy J. Cornell
Jeffrey A. Cory
Rodney M. Cotten
Richard D. Coulter
Leonard A. Courson
James H. Court
Robert L. Crabb
Constant P. Craig
Ralph D. Craig
Robert J. Craig
James M. Crites
Donald G. Croom
William M. Cryan
Gary R. Cullop
Frederick H. Curlin, Jr.
Stuart D. Currier III
John P. Curry
Robert F. Curtis
Roger T. Cuva
Michael N. Daily
Michael L. Dammer
Richard A. DaPrato, Jr.
Rodell C. Darling
Robert G. David, Jr.
Thomas A. Davidson
James C. Davis
James M. Davis
Lester B. Davis
Sidney F. Davis
Thomas M. Davis
Michael T. Daw
David R. Dean
Richard A. DeChaineau
Robert L. Deen
Joseph J. DeFranco
Andrew C. Delgado
Alvis W. Denning
James I. Dennis III
Gordon B. Denny
Vincent G. Depierre
Bruce D. Devers
Joe W. Dickerson, Jr.
Dennis J. Dilucente
Frank P. DiMarco
Dale S. Dimitroff
Charles L. DiRienzo, Jr.
Charles E. Dolejs
Robert E. Donelan, Jr.
James H. Donnan
Martin A. Donovan
Stephen C. Dorsett
Paul A. Doscher
Doyle G. Douglas
William B. Drennan
Michael L. Drennan
David G. Driegert
Richard H. Dunnivan
John P. Dwyer
Dale A. Dykhuizen
Gregory J. Eddy
Randy L. Edwards
Richard J. Eisloeffel
Alfred W. Ellis III
Ronald L. Ellis
Ralph H. Emerson III
Russell A. Eve
Stephen D. Ewers
Philip J. Exner
Phillip A. Faigley
Roberta L. Feldhans
Kerry K. Feldman
Kevin P. Fennell
Timothy K. Ferral
Barry R. Fetzer
Donald M. Finney
Douglas A. Fisher
Leonard J. Fitzgibbons
Patrick J. Fitzsimmons
Wayne T. Fleming
Larry G. Flores
Susan J. Flores
Gerold J. Flotte
Stephen P. Folan
John W. Foley
David S. Foster
Preston H. Foster
Harold H. Fox II
William F. Fredericks
Elizabeth K. Freund
Lee W. Freund
Andrew P. Frick
Steve A. Fris
David J. Fry
Edwin G. Fulkerson
Daniel S. Fullerton
Janet E. Furtick T.
Barbara R. Furse
Richard M. Galvez, Jr.
Alfred A. Gambone, Jr.
Leslie C. Garrison
Timothy M. Geakins
Michael J. Gearin
Dennis D. German
Rose A. Getty
Mark J. Gibson
Michael Gibson
David L. Gilbreath
Bruce A. Giron
Michael J. Giagola
Donald E. Goddard, Jr.
Michael J. Goin
Timothy R. Golike
James Goodloe, Jr.
Kenneth B. Goodrow
Arthur V. Gorman, Jr.
Robert W. Gose
Richard A. Graham
Alfred Green, Jr.
Douglas L. Green
Eric J. Green
Max P. Greene
Edwin W. Groff
Leon D. Guenzler
Ramon L. Guerrero
Charles M. Gurganus
Debra Haas
Mark W. Haas
Gary L. Hall
Michael D. Halloran
Larry K. Hamilton
Richard F. Hamme
Gerald M. Hammes
Michael J. Hanaway
Robert S. Hansel
Jack R. Harkins, Jr.
Edward A. Harper
Karen L. Harper
William L. Harraman
Charles R. Harris
Timothy B. Harris
Willie J. Harris
Donald S. Hartman, Jr.
Michael S. Haskell
Stephen C. Hastings
Samuel J. Head
Charles W. Hearn, Jr.
Roy W. Heidicker
Raymond B. Held
Timothy W. Helms
John F. Hemleben
Mark L. Hendricks
John T. Hennessey
James A. Henry
Timothy J. Hesketh
Michael S. Hicklin
Ernest E. Hickson
James M. Higgins
Peter E. Higgins
Paul R. Hill
Clayton F. Hill
Terry L. Hill
Alden E. Hingle, Jr.
Jonathan J. Hirtle
Mitchell S. Hoffman
Otis L. Holler II
Susan M. Holmgren
Robert J. Holt
Jay W. Hommer
Jerry W. Honea
James F. Honeycutt, Jr.
Donald C. House, Jr.
Craig S. Huddleston
Jack M. Hughes
James G. Hughes
Michael J. Hughes
Richard D. Hughes
Robert J. Hugin
Vince L. Huston
Phillip R. Hutcherson
Maurice B. Hutchinson
Richard M. Hutchinson
John A. Hutchison
Dennis J. Jackson, Jr.
Otis J. Jackson, Jr.
Everett L. Jacobson
John M. Jagielski
David L. Jankowski
Kevin P. Janowsky
Luther B. Jenkins
Robert L. Jenkins, Jr.
Harold L. Jennings, Jr.
Edward A. Jeter
Bobby R. Johnson
Gary Johnson
Roy H. Johnson
Terrie B. Johnson
William L. Johnson III
Jere J. Johnston
Dwight W. Jones
Ritchie K. Jones
Susie K. Jones
William M. Jones
Dennis Judge
Arlow A. Julian
David J. Kaessner
Thomas M. Kait
Steven A. Kapitan
Stephen R. Kappes
Peter J. Karonis III
Thor L. Kaumeyer
Brendan P. Kearney
Donald M. Keithly
Ricki A. Kelish
Bruce R. Kelly
Charles E. Kelly
John F. Kelly
Michael T. Kelly
Daniel J. Kernen
David T. Kerrick
John J. Kirk, Jr.
Joseph R. Kirkman
Frederick J. Klauser
Scott E. Klippert
Robert J. Knapp
David G. Knittig
Philip E. Knobel
David L. Kooker
Gary R. Koslusky
John E. Kramer
Kathleen G. Kramer
Mark L. Krigbaum
Mary A. Kruse
John E. Kruse, Jr.
Michael J. Krynak
Leellen Kubow
Robert F. Kuhlow
Philip B. Kumpis
Joseph P. Kusior, Jr.
John C. Ladd
Roger D. Lamb
John M. Landfair
Edward L. Lane
William R. Langford
Joseph S. Lape
Kenneth M. Lapean
Randall W. Larsen
Ivan W. Lassiter
Rufus B. Laws
Marc D. Lederman
Kevin H. Leeman
Scott M. Lehman
John D. Lehockey
Marcus L. Lenderman
Frank J. Lengel
James E. Lindsey
Jerome C. Liscomb
Gary A. Littlejohn
Duane B. Logan
John L. Lott, Jr.
Joseph N. Lott
Michael T. Lovejoy
James M. Lowe
Steven M. Lowery
Edward J. Lubbers
Robert E. Lund
Kevin B. Lydon
Edward W. Lynch
Robert F. Lynn
James R. MacDonald
Bron N. Madrigan
David W. Maffett
Alyce M. Mahlock
Michael A. Malachowsky
John D. Mann
Jeffery L. Martin
Michael A. Marriott
Joanna M. Martin
Paul J. Matthews
David W. Mauldin
Kenneth T. McCabe
Bernard V. McCarthy, Jr.
Robert T. McCarty
Charles B. McClain
Michael P. McCloskey
Gary L. McClure
Gary M. McConnell
A. V. McCoy, Jr.
Harry F. McDole, Jr.
Chester H. McFarland
Joseph V. McIlhenny, Jr.
Keith D. McKain
William T. McKenzie
Michael D. McMillan
James S. McTighe
Joseph V. Medina
William L. Meeks
Charles J. Mehalic
Kim Mehalko
Rickie A. Mellenkamp
David C. Mickelson
John E. Miles
David A. Miles IV
Blaise P. Miller
David B. Miller
Jeffrey W. Miller
Mark C. Miller
Pierce R. Miller
William W. Miller
Richard P. Mills
Michael B. Minnehan
John M. Misiewicz
Charles R. Mise, Jr.
Joseph E. Moeder
Chester C. Moeller II
Kenneth C. Mogray, Jr.
Leonard M. Mokan
John S. Moore
Richard S. Moore
Richard D. Morgan
Michael T. Moriarty
Phillip A. Morris
Mark G. Mossman
Way P. Moy
George E. Mueller, Jr.
Charles V. Mugno
Warren F. Muldrow
Curtis A. Munson
Robert J. Murawski, Jr.
Robert B. Murray
John D. Myers
Arthur L. Nalls, Jr.
Clayton F. Nans
Crystal M. Nans
Roderic S. Navarre
Kenneth E. Neu, Jr.
Jeffrey A. Neufeld
James L. Newbold
Phillip L. Newman
Rosco A. Newson
Kelley J. Nielsen
Berva B. Noone
Joseph C. Noone, Jr.
David B. Norris
Robert A. Nusum
James Oates III
David M. Oberholtzer
John P. O'Connor
Lawrence J. O'Donnell, Jr.
Allen E. Oliver
Michael C. O'Neal
Gordon C. O'Neill
Craig E. Opel
Richard J. Packard
Harry A. Page
Roy F. Page
Robert H. Paine
Lawrence F. Palazzolo
Menelaos P. Palles
Frank A. Panter, Jr.
Robert D. Papak
Mark W. Papineau
Robert S. Paris
Raymond D. Parker
Robert R. Parker, Jr.
Randall D. Parman
Craig T. Patrane
Charles S. Patton
Celand Paulding
Martin D. Peatross
Reynolds B. Peale
Frank D. Pelli
Edward J. Perkins III
Michael F. Perry
Ronald C. Perry
Andrew J. Peters, Jr.
David L. Peterson
Michael R. Peterson
Bruce K. Petit
Nicholas C. Petronzio
Walter E. Pfandl
Gary V. Phillips
John R. Philp
Lawrence J. Piano
Bruce G. Pike
Greg P. Postochini
Christopher D. Platt
Harold E. Poole
Roger R. Poole
Richard J. Poppe
Tony L. Porter
Dennis C. Pratt
William J. Preston
Randall R. Pritchett
Harold T. Pruessner, Jr.
Mario T. Rabusin
John G. Rader
William A. Radtke III
David E. Reagan
Lawrence J. Recoppa
George E. Rector, Jr.
Dennis W. Reilly
John E. Reiss
Louis F. Repucci, Jr.
James M. Reuter
Steven A. Reynolds

Harley J. Rhoten
Jeffrey C. Richter
Paul J. Riding
Thomas A. Roberts
Jeffrey A. Robertson
Mastin M. Robeson
David J. Robinson
Wayne D. Robinson
Terry G. Roblin
Barbara J. Rollins
Lewis W. Rollins
Glenn C. Roundy
Philip C. Rudder
Brendan P. Ryan
James T. Ryan
Peter L. Rybacki
Eugene R. Rybak
Jonathan T. Ryberg
Dan R. Sadberry
David A. Salzman
Kevin G. Sandri
Michael W. Barnes
John M. Scepurek
Thomas O. Schaefer
Thomas H. Schalch
Duane R. Schattle
Frederick A. Schenk
Nancy J. Schenk
Richard J. Schmitt
Paul A. Schneider
Robert B. Schnepp
Michael H. Schoelwer
Mark A. Schon
Daniel C. Schultz
Benjamin L. Scofield
James E. Scroggs
William T. Sears
Thomas M. Seifert
Thomas R. Serrin
James J. Seward
Sylvan J. Sewell
Curtis J. Shaffer
Carl H. Sharperson, Jr.
Raymond S. Shelton
Joseph L. Sheppard, Jr.
Karim Shihata
Patrick K. Shy
Thomas A. Sieg
Richard L. Simmons, Jr.
Walter W. Simmons
Dan Simons
Jeffrey R. Simons
Thomas L. Simpson
Neil E. Sizemore
Frank P. Slavich, Jr.
Marvin E. Sleppy
Timothy A. Sloan
Gregory L. Smith
Jordan B. Smith, Jr.
Michael L. Smith
Sheri A. Smith
Thomas M. Smith
Vincent L. Smith
Craig C. Snee
William T. Snider, Jr.
Robert E. Snyder
Nicholas A. Sottler
Paul F. Sousa
Jack K. Sparks
Jake L. Sparks II
John E. Sparks, Jr.
James L. Spears
Melvin G. Spiese
Harrell D. Spoons, Jr.
Louis P. Sposato, Jr.
Paul T. Stanley
Conley W. Starling
Randall L. Stegner
Allen R. Steward
Glenn D. Stoker
George E. Stratmann, Jr.
John J. Stuart
Richard K. Stutler
James A. Summers, Jr.
John R. Suter

Stephen D. Swanse
William S. Sweeney
Palmer D. Swift
Bradford L. Tammaro
George J. Taylor
Jonathan M. Taylor
Robert C. Tekampe
David E. Ternes
Kenneth W. Terry
Victor J. Thombs
Dennis C. Thompson
Jerry L. Thompson
Theodore R. Timmerman
Hubert E. Tobey
Peter B. Todsen II
Ann F. Toggenburger
Randolph E. Tom, Sr.
Jeffrey J. Tomlin
Douglas M. Tonn
Charles E. Tower, Jr.
Randall L. Trammell
John W. Tranberg
Lynn E. Trenda
Dennis P. Tretter
Gerald L. Troupe
Danny K. Trout
Robert P. Troy, Jr.
Scot W. Tschirgi
Frederick L. Tuggle
Alan A. Turk
Bradley E. Turner
Wilma L. Turner
Robert L. Urban
Janice M. Vancamp
Jackson M. Vanderburg
James L. Vanfossan
James I. Vansummeren
Jeffrey D. Vick
Austin K. Vincent
William F. Vokoun
Blair R. Vorgang
Thomas D. Waldhauser
Lawrence G. Walker
Joseph A. Wallace
Craig A. Wallwork
Belton R. Ward, Jr.
William A. Warner
Raymond F. Waters III
Roxanne L. Waters
Paul W. Watson
Dennis E. Watts
Dolph N. Watts
Robert M. Weidert
Richard E. Weiss
Kari D. Wells
Michael D. Weltsch
James G. Westberg
George M. Wheeler
John D. Whitaker
Jonathan C. White
Steven B. White
Steve E. White
Timothy R. White
Stephen P. Whitlock
Michael W. Whitted
George K. Wilcutt
Jan J. Williams
Jeffrey B. Williams
Michael E. Williams
Dennis A. Winberry
Kevin H. Winters
Russell C. Woody
Benjamin G. Wyatt
Francis J. Wysocki
Thomas M. Yackley
Gary W. Yagiello
Stephen A. Yates
James M. Yeager
Stanley J. Yelito
Wade Yoffee
Randolph F. Young
Raymond H. Young
Anthony Zesso II

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant under the provisions of title 10, United States Code, section 7854:

Charlie H. Adams, Jr.
Paul D. Adams
William T. Alexander
Randolph D. Alles
Daniel N. Allmayer
Thomas E. Archer II
Gerard B. Baigis
Peter L. Bann
Bruce L. Barnes
Mark P. Barthel
Ralph S. Battles, Jr.
Donald P. Beck
Bruce P. Bendele
Robert L. Biely
Harry J. Blair III
Arthur L. Blodgett
Stephen P. Bohlmann
Harold E. Bonham, Jr.
Steven K. Booth
Gordon C. Bourgeois
Terry R. Bower
Miles S. Bozarth
Gary W. Bradley
John M. Brereton
Wayne E. Briggs
Alan A. Bromka
David N. Brown
Stephen A. Butera
Pamela F. Capatosto
Karl F. Carlson
Steven J. Cash
Ralph D. Catoe
Roger C. Cecil
George P. Celvi
Gerald R. Chapman
Donald J. Chattin, Jr.
Gregory G. Clark
Michael E. Clark
James W. Cluck, Jr.
Terry M. Collins
Richard A. Comfort, Jr.
Thomas M. Corbett
Donald E. Creighton
John M. Croley
Billy H. Davis
Ralph D. Dawson
David G. Desmond, Jr.
Jeffrey L. Dewcese
Ronald G. Dodson, Jr.
Stanley M. Donham II
Leo M. Donnelly
Rick O. Donovan
Michael S. Dossett
Michael J. Doughty
David B. Dunmore
Christian J. Eck III
Oregon, Emerson III
Kenneth R. England
Mark C. Evans
Raymond J. Fagot, Jr.
David E. Falls
John R. Farris, Jr.
Brian T. Fenlon
Patrick J. Ferral
Edwin E. Field R.
Kenneth D. Finlon
John S. Flanagan II
Roy W. Flentge
Kevin F. Foley
Michael R. Fontenо
Michael F. Forrester
Frank E. Foster
Robert E. Foulk
Joseph H. G. Franz
Kent R. Freeland
Mark L. Friedman
Sarah E. Fry
Thomas M. Fuller
Rodney J. Gerdes
Kevin M. Gilpin
Gregory G. Golden
Charles D. Gooby
Joseph W. Graff
Kenneth A. Granger
Robert W. Griffin
John D. Gumbel
David L. Hackemeyer
Elizabeth A. Hallin
Jon T. Hardwick
Craig T. Hartigan

Carson E. Haury
John A. Hautala
Robert W. Hawkins
John E. Hennelly
Joseph B. Herlihy, Jr.
James E. Hill
Arthur E. Hockmar II
Eddie L. Holcomb
James F. Holland, Jr.
Steven T. Holste
Paul M. Hornback
Harvey E. Howard, Jr.
Gordon A. Howe
Alan P. Howell
Karen E. Hughes
Robert D. Hunter
Harry L. Hutch, Jr.
Ernest D. Ibarra
Joseph P. Innerst
Phillip M. Jackson
John W. James
James F. Janecek
Richard E. Jannell
Donald L. Johnston, Jr.
Erik L. Jorde
David A. Jorgensen
Joseph E. Joutras
Steven P. Junkersfeld
Bernard F. Kallelis
Peter J. Keenan
Larry M. Keim
Christopher C. Kelley
Davide A. Kelley
George M. Kelley
William G. Kellogg
David L. Kennedy
Kit M. Kerkesner
Thomas H. Kitto
Gordon Klau
Donald R. Knauss
Ross K. Knight
Calvin A. Knox
Robert M. Knutsen
David J. Koleos
Joseph W. Kosewicz
Carl F. Kusch
Robert R. Lane
Robert L. Langrill
Robert J. Lemyre
Danny U. Lewis
Robert E. Lindsey, Jr.
Richard M. Linton
Tracy K. Loftis
Michael A. Loose
Kevin M. Lucas
Eric W. Lund
Michael J. Lyden
Gregg L. Lynes
Douglas C. Lynn
Gary J. Magnuson
David F. Maier
Curtis E. Mamzic
Joel R. Mariani
Kevin B. Marsh
Anthony D. Martelli
Robert D. Mastroianni
Daniel P. Mathern
Gregory D. Mathis
James D. Matthews
Colin F. Mayo
Michael L. McCabe
James F. McCaffrey
Tommy B. McClelland, Jr.
Howell G. McCleskey
Terrence B. McGuire
William L. McKenna
William M. Meade
Linda S. Mehalko
John M. Melink
Michael A. Merrill
Jim B. Mickler
Dean A. Millard
David L. Miller
David M. Mitchell
Robert B. Moore
Robert J. Munisteri
Brian A. Murray
Bryan K. Murray

Alan J. Neff
Martin E. Nolan
Margaret M. Nordin
Eric N. Nyberg
David B. Pabst
Dennis C. Pederson
Michael L. Pellegrini
Michael L. Phillips
Merrill L. Pierce
Eugenio G. Pino
James M. Plumer
John S. Prather
Curtis G. Raetz
Stephen W. Randall
Franklin V. Reagan
William T. Reagan
James M. Redman
David E. Reeves
Michael R. Regner
Charles W. Reif
Robin R. Renken
Bruce A. Requa
Rodney C. Richardson
Thomas C. Richardson
Bruce A. Richter
David B. Richter
David J. Salter
William A. Sanderson
Frederick M. Sanford
Dennis R. Schroeck
Arnold P. Segovia
James B. Sell
Jeffrey M. Seng
Marcia M. Shaffer
Howard S. Shaub
David J. Shaw, Jr.
Judith C. Shaw
Michael T. Shaw
Stanley G. Shumway
Clifford M. Simmons
Reginald S. Simmons
Randolph P. Sinnott
Glen E. Sisson
Douglas L. Smythe
John J. Spang
Edward J. Spooner
Mikal P. Stampke

The following-named officers of the Marine Corps for appointment to the grade of chief warrant officer, W-4 under the provisions of title 10, United States Code, section 563:

Willie A. Armstead
Lorenza T. Baker
Bonnie H. Bass
Richard J. Beatty
Robert L. Bowen
Reganold A. Bowser
Dennis A. Braund
Albert K. Britton
Charles J. Bruce
Ben W. Caesar
Robert L. Caldwell
James E. Carter
Donnie E. Cavinder
Jackie E. Certain
Gregory Connor
Rex L. Curtis
Eldon L. Dodson
Arthur J. Douglas
Terrell L. Dulaney
James M. Edgerton
Robert R. Epps
Donald T. Eakam
Charles A. Fitzgerald
Sandra L. Furber
Earl G. Gale III
Craig D. Gibbons
William M. Grant
Richard L. Gregg
William L. Grinnell
Hubert A. Grummer
Henry D. Halloway
Frank R. Hart
Albert L. Hayes
Harold S. Heinbaugh
William J. Hisle III
Raymond L. Hug
Guy L. Hunter, Jr.
Robert R. Irvine
William R. Johnson

Michael L. Steele
Michael C. Stephens
Patrick F. Stickel
Anthony Z. Stobiecki
Michael R. Suttle
Theodore M. Swendra, Jr.
Christopher K. Taylor
Michael E. Taylor
James M. Thomas
Harry J. Todd, Jr.
Michael E. Tucker
Tommy L. Tyrrell, Jr.
Paul W. Underwood
Anthony W. Valentino
James B. Vile
Michael L. Voniderstine
Derrell E. Wad
Susan G. Walker
Gregory T. Wallick
Kevin L. Warkentin
Bradford G. Washabaugh
William G. Washington, Jr.
James H. Watson
Earl S. Wed Brook
Stanley W. Wende
James M. Wenk
Raymond W. Wersel
Scott Westervelt
Arthur E. White
Paul L. Whitehouse
Terrence W. Wilcutt
Robert J. Wilkinson, Jr.
Kenneth L. Williams
Charles L. Wilson
Russell E. Wilson
William R. Wilson IV
David M. Winn
David W. Wood
Michael A. Woodcock
Donna A. Woods
Warren H. Wright
Robert W. Young, Jr.

The following-named officers of the Marine Corps for appointment to the grade of chief warrant officer, W-4 under the provisions of title 10, United States Code, section 563:

Allen F. Kent
Joe Killebrew
Leslie C. King
Chester C. Kinsey
Charles E. Lambert
Albert R. Lary
Philip D. Leslie
John W. Loynes
Raymond J. Main
John P. Marlowe
Barry E. Marsh
Benjamin A. Marsh
Charles J. McCormick
Howard McDonald
William L. McGinn
Larry G. Merrifield
Allen R. Morris
James T. Morris
Lawrence T. Mullin
Walter D. Perry
Jimmie F. Peters
Charles T. Pettigrew, Sr.
Robert P. Phillips
Alfred M. Pitcher
Wilfred Puumala
Richard A. Rossi
Michael J. Schulke
John D. Scroggins
Albert W. Sheldon
Dan W. Showalter, Jr.
David E. Shumpert
Wilbert O. Sisson
Robert M. Skidmore
Charles G. Skinner
Minter C. Skipper, Jr.
Isaac A. Snipes
Jeffrey J. Snyder
Elias J. Solis

Ronald J. Stopka
Joseph J. Stours
George B. Strickroth
Michael E. Thomas
Joseph Thorpe
Paul R. Tippy
Louis G. Troutman

The following-named officers of the Marine Corps for appointment to the grade of chief warrant officer, W-3 under the provisions of title 10, United States Code, section 563:

Joseph E. Ashton
Lauren D. Ayers, Jr.
David B. Barts
Jon C. Benrud
Ronald M. Brahmer
Ronald G. Brodgon
Charles L. Brown
William L. Burke
Robert C. Burlingame
Douglas M. Catlett
Joseph C. Chiles
Richard W. Christiansen
John C. Clark
Ronald E. Clemons
Gerald L. Colby
Larry A. Cowart
William T. Cumbie
Cecil R. Delarosa
Robert N. Diab
Ronald T. Dudley
Kelly R. Edwards
Sergio E. Estrada
Carmelo A. Finocchiaro
Harold A. Gawerecki
Sylvester Graves
Thomas M. Grenier
Gary R. Grothe
William R. Hayes
Gerald T. Janda
Marcus W. Johns
Joe V. Johnson
Charles J. Kathrein
Frederick J. Keegan
John J. Kenney
Ronald A. Koren
Curtis A. Leslie
Larry D. Logsdon
Tommy L. Lopez

The following-named officers of the Marine Corps for appointment to the grade of chief warrant officer, W-2 under the provisions of title 10, United States Code, section 563:

Anthony E. Agrue
Michael R. Allen
Myron E. Allen
Lester L. Anderson
Lawrence J. Anderson
David V. Antkowiak
Steve W. Archer
Max E. Austin
William J. Balderama
James R. Barnes
Kevin J. Barth
John R. Beall
Robert O. Bennett, Jr.
Clement J. Berendt
David V. Bertoldo
Raymond A. Bethke
George K. Blackwell
David J. Bland
Scott D. Boyer
John C. Brady
Thomas L. Breese
James F. Bremer
Larry C. Brown
Russell K. Burnett
Joseph P. Bynum Jr.
Clifton D. Caldwell
Kenneth R. Calvert
Billy J. Carico
Gary R. Carlson
Patricia A. Carter

William T. White
Charles E. Young
Arthur Yow, Jr.
Bennie R. Walker
Arthur P. Williams
Jerome K. Williams
Richard K. Wolfe

Patrick T. Mahoney
Darrell F. Martin
Joseph A. McDonald
Paul A. McInerney
Raymond E. McNeal
Richard L. Meeker
Marien B. Meierdierks
Leslie A. Meyer
Vernon J. Meyer
Frederick M. Morrone
Leonard A. Mueller
Lance E. Parker
Teddy H. Perrodin
Daniel B. Pickens
Loren D. Primmer, Jr.
Jerry R. Prince
Edward Richey, Jr.
Carl Romero
Larry F. Rudolf
Ronald G. Ruppelt
Daniel W. Sable
Winston J. Scott
John R. Seay
John D. Self
Cathy J. Sieber
Charles C. Simpson
Ryan E. Stafford
Richard M. Speidel
Robert T. Stockman
Robert D. Stride
Ralph Sturgeon, Jr.
Peter W. Taliman
Teodoro R. Tenorio
Lyndon F. Vrooman
Dean A. Waller
Richard J. Walter
James C. Wheeler, Jr.
Anthony W. Williams
Robert F. Zurface

Robert W. Cavanaugh, Jr.
William J. Cavanaugh
Larry D. Chamblias
Richard E. Chandler
Tommy L. Chandler
William D. Chapman
William H. Charlton, Jr.
Marvin E. Christians
Gerald M. Clark, Sr.
George R. Collard
Charles E. Colvard
Kenneth R. Cooper
Ronald B. Corbett
Denny L. Cox
William C. Cox
Daniel A. Crall
Grove S. Crank
Ernest L. Crawford
James Currie
Richard W. Dailey
Wayne A. Davey
Ronald H. Deford
Joseph S. Delossantos
Richard L. Denoyer
Michael P. Derose
Ralph J. Dias
David A. Dipman
Donald R. Dockrey
Larrie A. Dombos
Robert P. Downs

Stephen M. Dreher
Roger F. Drown
Donald L. Dytmire
Michael D. Edwards
Steven O. Eggren
Thomas C. Ellenberg
Sally J. Exworthy
Daniel L. Farster
James L. Fields
Jerrold R. Fisher
Roylance J. Frank, Jr.
Jeffrey S. Frye
Pete Flores
Juan Galvan, Jr.
Paul A. Gelinas
Charles N. Gibson
John M. Graf
Michael W. Green
George T. Grow, Jr.
Calvin F. Guntherberg
Gary F. Halford
Lee F. Haverson
Alan A. Hammer
Henry C. Harris
Peter L. Harris
Howard A. Hartman
Michael B. Hayes
Edward H. Heffernan
Dennis E. Henson
Frank R. Hernandez
Steven Hickey
Morris B. Hichman, Jr.
William D. Hightower
John V. Hinds, Jr.
Russell R. Hobbs, Jr.
James R. Hoogendorn
Johnny L. Howard
Winfield D. Howard, Jr.
Donnel Humbert
Robert H. Irvine
David L. Jennings
Andrew L. Johnson
James F. Johnson
Paul E. Johnson
John W. Johnston
Lester R. Jones
Charles G. Katsekes
Garry R. Kerr
John O. Keyes
James R. Kikta
Robin C. Kilpatrick
Mark J. Klicker
John A. Klossner
James M. Knope
Darryl J. Kokos
Michael Kozakewich, Jr.
Paul J. Kufhta, Jr.
Eugene W. Landrum
Alfred P. Laporte, Jr.
James Largue III
Victor A. Larkin
Kenneth P. Lasnier
Bryan N. Lavender
Douglas A. Law
Gary W. Lawyer
Patrick B. Leach
Edward C. Ledlow III
Cornelius F. Leer
Galo I. Leguillou
Donald Lewis
Eugene W. Lindley
Roosevelt Lindsey, Jr.
Wilburn E. Littrell
Stanley W. Longworth
William E. Lovelady
Luis R. Lozada
Albert A. Luckey
Harry Manchester, Jr.
John M. Mansch
James J. Massie
Larry W. McBeth
Jack R. McClelland
Andrew McClendon
Paul E. McEvoy
Todd A. McIntyre
Michael L. McKinney
John H. McTier
William L. Mees

Curtis D. Mertz
Larry T. Messner
George H. Mikesell
Harry R. Monds
Anthony R. Montoya
Howard R. Moon
Bobby L. Moore, Jr.
Gerald H. Moors
Keith A. Morgan
Roy L. Morris
Roger T. Mullins
Lloyd A. Myer
Lloyd R. Narramore, Jr.
Frederick L. Navarre
John R. Nebeker
Daniel A. Nelson
Herbert L. Nichols, Jr.
James D. Nicholson
George D. Nilson
John L. Nusbaum
Daniel E. O'Donnell
Robert E. Older
J. B. Oliver, Jr.
Charles A. Padgette
Jimmy C. Patrick
Darrell L. Paul
Gerald L. Peaske
Nyles W. Peterson
George J. Phillips
Charles B. Plowman
Frank B. Plumlee
Tony E. Poole
James Poon, Jr.
Charles W. Pritchard
William F. Ramberg
Antonio E. Ranero
Steven D. Rapp
Donald E. Rich
George C. Rife
Errol W. Roberts
Harry W. Roberts, Jr.
Robert W. Rodenski
Burkeen W. Salyer
Leo Sanders, Jr.
Frank J. Scarpinato, Jr.
Joseph H. Schepisi
Paul V. Schichtel
Patricia J. Schmoller
Stephen E. Schwab
Edgar L. Sciler II
Nicholas A. Shrum
Paul G. Silvis
Arnnold E. Simmons
David L. Simon
Barry J. Singer
Frank P. Skinner
Donald R. Smith
James F. Smith
Lonnie D. Smith
Robert W. Smith
Stephen K. Smith
William C. Smith
Joseph Spelman
Michael E. Spencer
Rufus E. Spigner
Robert Steinheimer
Marc M. Stevens
Ronald A. Stewart
Thomas R. Still
Dempsey Stowers
David P. Strong
John D. Sutton
Roland C. Swensen
Cecil E. Swift
Larry L. Swope
Jesse H. Terpstra, Jr.
Haney Thomas, Jr.
Dennis M. Thorpe
Berndt H. Tietjen
Edward R. Tokars
Jesse Torres
Gary E. Toupin
Glenn H. Trexler
Bruce A. Vandenberg
John F. Velarde
Noe, Vera
Glenn L. Wadford
Roy V. Wallis
Kimberly A. Walt

Raymond E. Ward
Ronald R. Washburn
William M. Watson
Howard A. Watt
Ray A. Welch
Jerry D. Wellner
John M. Williams
Marvin G. Williams

Wilbur L. Williams
Varnziel Winfield
Gary L. Winslow
John F. Winstead
Jack L. Wood
Jerry A. Youmans
William H. Young, Jr.
Thomas M. Zarner

Executive nominations received by the Secretary of the Senate August 20, 1979, under authority of the order of the Senate of August 3, 1979:

INTERNATIONAL MONETARY FUND

Paul A. Volcker, of New Jersey, to be U.S. Alternate Governor of the International Monetary Fund for a term of 5 years, vice G. William Miller.

DEPARTMENT OF STATE

Stephen Low, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Nigeria.

Executive nominations received by the Secretary of the Senate August 27, 1979, under authority of the order of the Senate of August 3, 1979:

FEDERAL HOME LOAN BANK BOARD

Jay Janis, of Florida, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1981, vice Robert H. McKinney, resigned.

IN THE AIR FORCE

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force.

To be captain

Toenjes, Donald M., 500-44-0075.

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be major

Yerger, David H., 231-50-3481.

To be captain

Baugh, Eric R., 053-34-9709.

DENTAL CORPS

To be first lieutenant

Rabbio, Maria A., 026-32-2618.
Rogerson, John N., 144-34-6729.

VETERINARY CORPS

To be major

Milligan, Joseph E., 141-34-4044.

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Abel, William G., 257-38-7462.
Ansari, Parvis M., 334-42-0116.
Bartlett, Richard A., 016-24-7260.
Bennett, Lansing H., 151-20-4792.
Bianchini, Valentino J., 129-22-1168.
Brenner, Harris (NMI), 062-34-9496.
Clemens, Frederick W., 304-32-7760.
Gallo, Albert E., 070-20-0043.
Hauschild, Werner A., 396-44-3413.
Haverlah, Gene V., 459-36-1219.
Herrera, Gaston C., 209-32-6814.
Hillan, Donald D., 504-40-0163.
Jones, Edward H., 033-24-2420.

Kingsbury, Robert C., 219-22-2662.
Loiseaux, Paul H., 219-28-2652.
McCumber, Myron L., 366-32-1833.
Nestler, William H., Jr., 145-12-7371.
Pabios, Gliceria T., 054-22-7594.
Pica, John (NMI), 078-26-6403.
Sanderson, John M., 429-78-9067.
Scott, Jack (NMI), 160-24-5911.
Sellors, William H., 202-12-8251.
Teodor, Peter (NMI), 279-38-8118.
Tripp, Cecil D., 243-50-7927.
Weaver, Fred III, 722-18-7937.
Yamauchi, Hiroshi (NMI), 550-38-8137.
Yates, James E., 025-14-6843.

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Dalessandro, Angelo A., 064-26-6023.
Mogerman, Donald M., 500-32-5246.

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Bamel, Solomon, 064-18-3333.
Cruzjimenes, Pedro R., 581-66-8831.
Wakefield, Charles T., 342-24-9992.
Wiese, Lowell M., 360-18-1980.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Bettner, Donald J., 133-32-5693.
Brand, Roderick P., 460-68-3289.
Brenzel, Robert C., 400-44-2891.
Christoffersen, Neil, 397-36-2548.
Crump, Ronald H., 217-36-8409.
Clutter, James W., 380-36-5307.
Dorris, John W., 253-58-7677.
Dunlap, Richard M., 455-56-5439.
Elliott, George G., 025-30-1204.
Piegel, David A., 150-28-5237.
Plook, Gerald L., 482-48-6196.
Green, Thomas A., 281-30-9939.
Hengel, Raymond J., 056-30-9142.
Holen, John A., 572-48-3709.
Hubbard, Charles R., 462-68-8408.
Loucks, Justin E., 448-34-9071.
Noack, Leonard A., 482-44-0111.
Parkinson, Thomas H., 198-32-2854.
Porter, Harl M., 532-36-7124.
Radko, Anatole, 041-30-1782.
Schmitt, Arthur E., 276-36-1003.
Smith, Donald, 164-32-9707.
Stegenga, Peter, Jr., 427-70-2416.

CHAPLAIN CORPS

Major to lieutenant colonel

Pearson, John R., 255-50-9672.

NURSE CORPS

Major to lieutenant colonel

Colley, Helen L., 177-30-1605.

MEDICAL CORPS

Major to lieutenant colonel

Andre, Donald A., 727-09-8899.
Cabatbat, Inocencio, 392-56-9400.
Davey, Joseph J., 457-66-8254.
Donahue, James M., 309-42-8309.
Gauvin, Lloyd D., 520-30-7431.
Hoag, Harriet A., 537-44-1078.
Kendle, Ellis M., 544-48-3666.
Kharod, Upendrakuma, 164-40-3035.
Payen, Hermilando P., 048-46-7442.
Satir, Ahmet S., 227-48-9214.
Schwartz, Gary P., 093-34-8813.
Sisson, William R., 524-05-5937.
Tremblay, Normand P., 033-32-8190.
Turlington, James T., 450-76-4611.
Vandersarl, Jules V., 310-46-1696.

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of temporary colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Nash, Merle W., 561-26-1468.

IN THE NAVY

The following-named commanders of the United States Navy for temporary promotion to the grade of captain in the staff corps as indicated, pursuant to Title 10, United States Code, Sections 5773 and 5791, subject to qualification therefor as provided by law:

MEDICAL CORPS

Abbott, Mark O.
Addison, Robert G.
Angelo, Don S.
Baker, James C.
Bellanca, Joseph J.
Bouvier, John J.
Browning, Robert W.
Clayton, William E.
Cloutier, Charles T.
Cook, Taylor I.
Donnell, Robert L.
Drake, Anthony M.
Dunne, Michael J.
Dwinnell, Frank L.
Evertson, Larry R.
Fink, Lawrence H.
Foreman, David R.
Gabel, Ronald E.
Garvin, David F.
Gross, Theodore D.
Harrison, William O.
Harvey, Claude A.
Hauser, James L.
Heffner, Dennis K.
Henrichs, Walter D.
Higgins, Robert W.
Hodges, Leon C., Jr.
Hoskins, William J.
Howard, Noel S.
Johannes, James D.
Kaminsky, Howard H.
Kellogg, Gordon F.
Korbelak, Robert M.
Lench, Joel B.
Lyons, James F.
Maginnis, Michael A.
Majewski, Paul L.
Mannarino, Francis G.
McAllister, Clyde H.
McCarthy, Michael P.
McClurkan, James M.
Milroy, William C.
Negron, George L.
Noel, Ewell C., Jr.
Osborne, John E.
Peloquin, William H.
Peterson, Douglas W.
Pickett, Charles D.
Rasmussen, Bruce D.
Reed, Charles N. II
Ricketson, George M. III
Roberts, James D.
Sandri, Piero F.
Santiago, Lombardo M.
Schwabe, Mario R.
Senechal, John H.
Smyth, Joseph P.
Symonds, Ronald D.
Velat, Gary F.
Vogt, Philip J. W.
Weaver, Joseph W.
Welham, Richard T.
Williams, Loys E.
Williams, Theodore G.

SUPPLY CORPS

Austin, Walter I.
Bell, Ronald M.
Bian, John W.
Biver, David A.
Boese, Fred M.
Brown, James W.
Crane, Lee D.
DeMayo, Peter
Dempsey, Edward J.
Drake, Claude H.
Eckelberger, James E.
Evans, Steven H.
Felt, John D.
Filipiak, Francis L.
Gray, Lloyd C.
Hatchett, John W.
Hauenstein, William H.
Hoopes, Ronald G.
Huffman, Haldon J.
Iverson, Ronald I.
Jaap, Joseph D.
Jaecques, Raymond C.
Jarrett, William A.
Johnson, Omer L.
Kelly, James A.
Knight, James W., Jr.
Kuhns, Howard E.
Lavely, Lawrence W.
Lingenbrink, Robert A.
Lord, Charles W.
Lynam, Edward J.
Maginniss, Christopher M., Jr.
McAdams, William M.
Montgomery, Samuel S.
Muenster, William S.
Nichols, Gerald M.
Nix, Harvey W., Jr.
Olson, Engwall A., III
Overman, Douglas R.
Patterson, Jerry G.
Powell, Hal B.
Rader, Lynden L.
Randall, Harold N., Jr.
Risinger, Robert E.
Rogers, William J., Jr.
Sherwood, William C.
Spillane, James J.
Vanni, Ralph J.
Walther, Harrison N.
Wardrup, Leo C., Jr.
Weatherson, Harvey D.
Wheeler, J. C., Jr.
Willis, Gerald W.
Wood, Allen

CHAPLAIN CORPS

Ahrnsbrak, Leonard L.
Baes, Samuel
Beach, Stanley J.
Brennan, Joseph F.
Davis, Lex L.
Dempsey, Richard J.
Doffin, James E., Jr.
Dolachan, John
Ecker, Robert J.
Ferguson, Edmond B.
Finn, Daniel E.
Goetz, Herbert M., Jr.
Hamilton, Edward A.
Hathaway, Dudley C.
Hawley, Quinn L.
Hiskett, Walter A.
Holwager, Philip J.
Hunsicker, David S.
Landry, Gene D.
Lewis, Herbert T.
MacCullagh, Richard E.
Mack, Wilfred B.
McCue, Richard T.
McDonnell, Francis W.
McNamara, John R.
Moran, Eddy B.
Pfannenstiel, James D.
Plishker, Richard A.
Rushing, Leslie W.
Smith, William A.
Stewart, Wayne A.
Weaver, John F.
Witting, Martin J.

CIVIL ENGINEER CORPS

Alexander, Robert E.
Bodamer, James E.
Bottorff, David E.
Caughman, James B., Jr.
Cook, Jan W.
Dallam, Michael M.
Davis, Gene
Dettbarn, John L.
Donovan, Lawrence K.
Gilmore, Gordon R.
Harrell, Haywood H.
Holmes, Henry A.
Ives, Jon R.
Jacobsen, John R.
Kau, Julian M. F.
Leonard, Daniel B., Jr.
McCorvey, Donald L., Jr.
McLaughlin, Edwin W.
Miller, Robert K.
Montoya, Benjamin F.
O'Donnell, William J.
Peltier, Eugene J., Jr.
Steadley, Alfred M., Jr.
Walter, John A.

JUDGE ADVOCATE GENERAL'S CORPS

Anderson, John W.
Campbell, Hugh D.
Debobes, Richard D.
Donato, Dan, Jr.
Drapeau, John W.
Drew, Kenneth W.
Googe, James P., Jr.
Hoffman, James L., Jr.
Kercheval, John W., II
Medlin, William R.
Nerseth, Marvin P.
Stumbaugh, Everette D.
Vanslate, Jean E.
Woods, Theodore K., Jr.

DENTAL CORPS

Ahl, Dennis R.
Allen, John M.
Andrzejewski, David A.
Antrim, Donald D.
Back, Jim P.
Barton, Terry L.
Bickenbach, Alan P.
Billy, Edward J.
Bollinger, Thomas E.
Branham, Gerald B.
Branon, Anthony W.
Buchholtz, William J.
Calder, David R.
Canal, John W.
Clark, George E.
Copeland, Richard A.
Crooks, Walter G.
Delaossa, Arthur D.
Demeyer, John H.
Emery, Clare A., Jr.
Fady, James A., Jr.
Fields, Marion S.
Flinton, Robert J.
Fortman, Kenneth V.
Foster, George S.
Frazier, James L.
Glaser, Sanford A.
Grisham, John P.
Groff, Gordon B.
Hancock, Everett B.
Heibel, John L.
Hicks, Morris L.
Hillenbrand, Ronald E.
Hillenbrand, Dennis G.
Hinman, Robert W.
Hirschfeld, William E.
Ho, Patrick
Holtan, James R.
Horton, Charles B.
Howe, David J.
Hunter, Thomas A.
Hirschfeld, William E.
Isaacs, Jerome E.
Julienne, Charles H.
Kehoe, Joseph C.
Kennard, John T.
Kepley, Benjamin F
King, Ronald C.
Kjome, Robert L.
Knehans, William E.
Kobes, Peter
Koenigs, Joseph F.
Lawton, Robert A.
Lehman, Paul C.
Leonard, Edward P.
Lineberger, Luther T.
Lohr, John R.
Lufkin, John C.
Luhtala, Jay L.
Maastraight, William H.
Martin, Richard L.
Matson, John E.
McDavid, Paul T., Jr.
Mitchell, Donald L.
Mohr, Richard W.
Morris, Don R.
Mowad, Massoud G.
Mullins, Harry C.
Nelson, Ronald T.
Nieusma, Gerald E.
Oatis, George W., Jr.
Oldfield, Ronald E.
Orthmeyer, Harold J.
Ostrowski, John S.
Paulk, Glenn L., Jr.
Perry, Frank U.
Petri, William H., II
Porter, John W.
Regan, Paul F.
Ross, George R.
Sadler, John F.
Schaberg, Siegfried J.
Sconyers, Jimmy R.
Scoralle, Donald L.
Seck, Dale W.
Shafer, Robert T.
Shanley, James J.
Sharrow, Barry E.
Shoemaker, Philip W.
Skyberg, Russell L.
Smith, Cameron M.
Smith, Gary L.
Snell, William H., Jr.
Splitgerber, Thomas C
Stanton, Herbert J.
Stob, John A.
Streicher, Carl W.
Thetford, Oris H.
Vazzana, Lorenzo S.
Webster, Roger A.

Whitlock, Richard P.
Whittaker, James F.
Wible, James H.
Wight, Thomas A.
Wisser, Robert C.
Wittgow, Walter C., Jr.
Young, Raymond F.
Zendt, Robert R.

MEDICAL SERVICE CORPS

Baldauf, George W.
Hodges, Richard C.
Law, Malcolm K.
Wentworth, Richard L.

NURSE CORPS

Barnes, Julia O.
Brase, Beverly J.
Clunan, Claudette C.
Emal, Janice A.
Holbrook, Helen A.
Jean Elizabeth A.
Jennett, Jo Ann
Kendall, Kathleen M.
Ledgerwood, Mary C.
Liakos, Angeline G.
Lisec, Helen A.
Lyons, Barbara A.
Meehan, Mary K.
Nelson, Marijean V.
Peters, Edna L.
Ross, Stella A.
Swetonic Marjorie A.
Weidt, Bew P., II
Young, Mary L.

Comdr. Andrew S. Markovits,* Medical Corps, of the Reserve of the U.S. Navy, for temporary promotion to the grade of commander, in the Medical Corps of the U.S. Navy as a Reserve officer, pursuant to title 10, United States Code, sections 5505 and 5793, subject to qualification therefor as provided by law.

The following-named ensign of the line, of the U.S. Navy for appointment in the Civil Engineer Corps, as permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Duke, Lawrence K.

Executive nominations received by the Secretary of the Senate August 28, 1979, under authority of the order of the Senate of August 3, 1979:

DEPARTMENT OF STATE

Thomas M. Tracy, of Florida, a Foreign Service officer of class 1, to be an Assistant Secretary of State, vice John M. Thomas, resigned.

John P. Condon, of Oklahoma, a Foreign Service officer of class 1, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominion of Fiji, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga and as Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu.

THE JUDICIARY

Thomas A. Clark, of Florida, to be U.S. circuit judge for the fifth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Nathaniel R. Jones, of Ohio, to be U.S. circuit judge for the sixth circuit, vice John W. Peck, retired.

Arthur L. Alarcon, of California, to be U.S. circuit judge for the ninth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Harry Pregerson, of California, to be U.S. circuit judge for the ninth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Stephanie K. Seymour, of Oklahoma, to be U.S. circuit judge for the tenth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Alcee L. Hastings, of Florida, to be U.S. district judge for the southern district of Florida, vice a new position created by Public Law 95-486, approved October 20, 1978.

Scott E. Reed, of Kentucky, to be U.S. district judge for the eastern district of Kentucky, vice a new position created by Public Law 95-486, approved October 20, 1978.

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*Ad Interim

Executive nominations received by the Senate September 5, 1979:

COUNCIL ON WAGE AND PRICE STABILITY

R. Robert Russell, of California, to be Director of the Council on Wage and Price Stability, vice Barry P. Bosworth, resigned.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Captain to major

Aarons, Ronald D., 042-34-9958.
Abbott, Sherwood S., 237-70-6102.
Abel, Raymond E., Jr., 507-56-9107.
Abel, Thomas R., 308-42-7929.
Abels, J. A., 484-56-5561.
Abendschein, Frederick E., 178-34-6873.
Abernathy, Charles R., 543-44-9524.
Abney, Billy W., 437-64-2546.
Acke, Edward H., 345-34-9420.
Adams, Gerald R., 423-52-7399.
Adams, Harold B., 535-38-0833.
Adams, Harold C., II, 332-36-0264.
Adams, Henry A., III, 077-36-7452.
Adams, James D., 462-50-3892.
Adams, Stephen D., 528-54-1929.
Adkins, Joel E., 079-34-6166.
Agnew, John T., 053-36-9518.
Aikman, Lynn A., 541-50-3197.
Aitken, James G., 036-28-0973.
Akers, Gibson C., 440-44-7690.
Albertson, Fred W., Jr., 579-58-7844.
Alexander, Jon R., 212-44-7879.
Alexander, Joseph D., 558-58-0379.
Alexander, Thomas L., 466-72-3904.
Alford, Benjam F., III, 549-62-4977.
Alfred, Robert E. L., Jr., 232-68-8165.
Alldredge, Charles H. S., 578-58-1059.
Allen, George W., 289-36-7968.
Allen, Jerrold P., 009-30-6342.
Allen, John J., 465-74-2516.
Allen, Richard L., 400-60-3718.
Alley, Charles E., 557-56-2319.
Allgaier, William A., III, 001-30-2096.
Allgood, John R., 441-40-1557.
Allick, Samuel O., 485-46-7973.
Almand, Larry M., 259-66-0598.
Almond, Russell H., Jr., 226-58-7002.
Alpert, Harold S., 118-34-3457.
Alverson, Kintner W., 555-60-5081.
Amann, John J., 137-32-2322.
Ambrose, John W., III, 181-34-9214.
Ameis, Bernard J., 154-30-5750.
Ames, Laurence W., 079-34-4748.
Amundson, Robert C., 475-40-0830.
Anders, Wayne R., 315-40-7503.
Andersen, Roland E., 454-70-4727.
Anderson, Arnold R., Jr., 312-42-1258.
Anderson, Darwin C., 529-60-3217.
Anderson, Frank W., Jr., 017-32-5996.
Anderson, Harlan L., 503-50-4244.
Anderson, James R., 183-28-6159.
Anderson, John F., 469-48-6515.
Anderson, John M., 520-42-9834.
Anderson, John M., Jr., 072-38-9384.
Anderson, John R., 558-58-3657.
Anderson, Martin G., 091-32-9867.
Anderson, Michael E., 474-46-7630.
Anderson, Ralph J., 176-32-8399.
Andrade, Martin G., 585-12-8611.
Andreus, Frank C., II, 167-36-4850.
Andrews, Franklin J., 352-32-3963.
Andrews, Robert G., 462-68-6060.
Andrews, Robert P., 507-56-3991.
Andrews, Victor C., 341-34-2953.
Anthony, Ron A., 560-60-2313.
Antol, Wayne M., 195-34-2306.
Apple, Robert C., 258-70-5371.
Applegate, William P., 151-34-1561.
Arent, Lauren E., 506-46-5435.
Armentrout, Alden H., 223-58-7403.
Armstrong, James C., Jr., 256-64-4610.
Arnold, Alfred F., 215-42-0708.
Arnold, John M., 465-74-4818.
Arnold, William D., 372-44-2475.
Arzola, Nelson, 563-01-4200.
Ashby, Randolph W., 228-54-4434.
Ashman, David, 158-32-8372.
Ashton, Gerald L., 284-34-8772.
Atchley, Gordon H., 441-42-2603.
Aten, Ronald B., 503-50-5015.
Atkins, Walter J., Jr., 220-40-4341.
Atkinson, David E., 566-56-6628.
Austin, Charles E., 445-42-9602.
Austin, David J., 160-28-3959.
Austin, Thomas W., 306-50-0640.
Austin, William H., 347-34-4744.
Avant, James R., Jr., 557-60-1995.
Azuma, Robert T., 348-28-2816.
Baars, Thomas E., 539-40-6862.
Backers, Glen E., 295-36-5903.
Bacon, William G., 464-64-9850.
Badger, Robert C., 523-50-3427.
Bafundo, George R., 079-34-8307.
Bagley, Larry C., 529-62-5197.
Bailey, Edward P., Jr., 561-60-3625.
Bailey, Frank L., 254-58-8397.
Bailey, Richard W., 400-60-9570.
Bain, Gary H., 262-66-6241.
Bair, Charles A., Jr., 346-34-5009.
Baity, Mickey W., 246-56-0606.
Baker, Bob E., 440-44-4394.
Baker, Carl L., 381-42-8072.
Baker, George L., 371-44-3001.
Baker, Herbert G., 562-58-3204.
Baker, James H., III, 467-68-2004.
Bakonyi, Laszlo J., 171-34-1430.
Baldwin, Richard F., 047-34-5896.
Ball, Willis H., III, 447-44-4144.
Balmanno, William F., 503-58-3244.
Banachowski, Chester A., 564-56-0304.
Bangeman, Mark P., 356-34-4062.
Baratelli, Philip J., 145-32-8667.
Barber, Thomas J., 067-36-2928.
Barbezat, Eugene L., 519-34-6110.
Barclay, Lewis P., 288-38-9189.
Barclay, Victor W., 539-36-6481.
Barnes, David B., 565-58-8377.
Barnes, Jere R., 437-58-0875.
Barnes, Michael P., 460-68-3596.
Barnhardt, James W., Jr., 269-42-0382.
Barnhart, Eugene L., 500-40-9964.
Barrett, Donald R., 220-58-1245.
Barrett, Gerald F., Jr., 115-34-3557.
Barrett, John R., 488-48-2125.
Barrilleaux, James L., 459-68-6341.
Barry, Maurice H., 052-36-0708.
Bartness, Patrick M., 398-40-5061.
Barton, Melvin W., 464-52-1762.
Barton, Richard W., 273-38-1883.
Bartos, Henry S., 249-68-9226.
Base, John R., 143-34-6928.
Bashant, Ronald W., 565-60-8958.
Basinski, Gary J., 272-38-6349.
Bass, Charles A., 284-36-5366.
Bass, Paul J., 500-40-7386.
Batsel, Michael L., 212-44-9449.
Batten, Arthur D., 002-32-8862.
Bauer, James F., 321-42-9628.
Bauer, John E., 090-36-2879
Bauman, Robert B., 226-60-6256.
Baxter, Ronald L., 572-44-9637.
Beal, John F., 056-36-7681.
Beam, Jack E., III, 517-48-0938.
Bean, David J., 154-32-2179.
Beard, Faye L., 299-36-3243.
Beasley, Jay N., 411-70-3615.
Beaty, Joseph K., 312-40-1444.
Bebber, Gary D., 541-48-1443.
Beck, Dennis G., 483-50-1130.
Beck, Frank P., 170-34-0786.
Beck, Michael O., 515-40-5796.
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Sherrill, Yowell M., 466-66-1700.
Snell, Gerald M., 564-70-2808.
Staley, Jon E., 301-32-4892.
Stoffers, Kenneth W., 543-46-5736.
Swan, Richard H., 262-76-5102.
Thurmond, John W., 505-56-0155.
Westbrook, Steve D., 544-50-6273.

JUDGE ADVOCATE

Allen, Robert D. M., 220-40-3887.
Anderson, Perry L., 247-74-0643.
Balch, Edwin H., Jr., 467-66-7545.
Brasel, Jerry M., 333-36-5741.
Bristol, Matt C. C., III, 247-70-2736.
Callinan, Michael C., 476-48-0553.
Capio, Ralph J., 151-34-2144.
Carnahan, Burrus M., 325-38-8743.
Carrington, Royle P., III, 513-44-6630.
Clarke, Leonard S., 248-70-5060.
Corbin, Norman L., 479-40-0698.
Darter, Lewie J., III, 213-38-0931.
Davidson, John P., 424-52-8488.
Donat, James L., 505-54-7175.
Driscoll, David J., 031-32-1232.
Dumerer, James E., 334-36-6530.
Durham, Bryant L., 258-70-6637.
Elliott, William R., Jr., 565-64-7064.
Emerson, Michael R., 226-58-5395.
Engebretsen, David H., 558-46-4038.
Fiore, Joseph C., 106-34-5881.
Harrington, Donald J., 070-36-0082.
Hornbrook, Edwin F., 264-60-6132.
Ingram, James E., Jr., 173-32-8595.
Johnson, Phillip A., 478-50-6777.
Leonard, Robert H., 384-42-5365.
Moran, Francis C., Jr., 017-32-2399.
Mounts, Robert T., 267-62-6930.
Nolte, Donald A., 165-36-5370.
Novak, Richard A., 070-34-2581.
Petersen, James O., 520-46-6373.
Purdon, Richard L., 488-46-3856.
Ranciglio, Alessandro J., 490-48-6909.
Rigsby, Allen W., Jr., 507-52-7960.
Rothenburg, Richard F., 226-46-9644.
Scanlin, Thomas D., 513-40-3572.
Schilling, Edwin C., III, 437-64-9458.
Shaughnessy, John E., Jr., 017-34-6976.
Smalliridge, Gary C., 265-84-1689.
Summerfield, Ralph S., 497-46-9243.
Sweeney, Howard P., 556-60-7633.
Tate, Robert W., II, 457-64-3486.
Tomes, Robert E., 229-56-2964.
Warren, Stephen A., 314-42-9604.
Wheeler, Jon S., 261-68-3669.
Wickham, Richard J., 093-32-1278.
Wilson, Michael B., 542-52-7413.

MEDICAL CORPS

Abraham, David A., 378-44-5604.
Arnold, Colin B., 525-98-8344.
Bishop, John A., 221-36-9000.
Burch, John E., Jr., 267-68-2909.
Christian, Charles B., Jr., 423-54-3186.
Clark, Max A., 522-58-7059.
Clarke, William R., 546-72-9656.
Coburn, Bry H., 423-54-8833.
Cramer, Frederick S., 061-30-3004.
Demette, Eugene M., 051-36-4506.
Eglinton, Gary S., 527-68-1246.
Fisk, David E., 302-38-0955.
Floyd, John L., Jr., 458-70-3298.
Gilstrap, Larry C., III, 263-72-0684.
Gutierres, Armando N., 264-74-0967.
Harasimonwicz, Joseh A., 012-34-2978.
Hoffman, Peter F., 214-42-4009.
Holt, Gilbert A., Jr., 042-34-0772.
Hoogerland, David L., [illegible]-2190.
Lainof, Kerry W., 234-58-7431.
Lents, Carl W., III, 459-70-4048.
Mendlick, Richard [illegible]146.
Noffsinger, Jay E., 315-44-7710.
Rasmussen, Reed C., 528-50-4101.
Ryan, Mitchell N., 410-66-7730.
Sanderson, John N., 429-78-9067.
Schwender, George E., 456-70-0333.
Shepler, Thomas R., 005-44-0561.
Spadoni, James R., 314-48-5628.
Stith, John A., 281-40-9250.
Thornton, William V. S., 444-33-4716.
Tolley, Douglas G., Jr., 196-36-8856.
Vanbuskirk, Ronald, 291-38-8068.
Walters, Charles L., 434-70-0968.
Wright, Donald G., 491-32-8945.

NURSE CORPS

Aldridge, Patricia D., 241-54-8673.
Armstrong, Frances P., 230-54-9337.
Baiocchetti, Loreto A., 040-30-6616.
Cadieux, Arthur J., 118-34-7628.
Cook, Rosa L., 405-46-5433.
Cramer, Ladonn B., 504-50-3427.
Cummings, Myra F., 490-48-3125.
Easley, Phyllis A., 317-40-6723.
Fadusko, Jeanne A., 184-32-3388.
Forbes, Janyce L., 434-62-0804.
Garner, Patricia C., 161-32-8776.
Gebhart, Eileen G., 162-32-1741.
Gokee, Henry F., 538-36-7420.
Goker, Elizabeth J., 021-30-8925.
Hagens, Robert L., 200-32-5286.
Hotop, Marcella C., 497-38-6740.
Huber, Priscilla J., 275-34-4369.
Hughes, Ellen A., 051-32-5507.
Jackson, Melissa R., 055-38-1638.
Kaplan, Mary M., 270-34-1911.
Knight, Annamarie, 060-32-9294.
Lavine, Jean A., 298-36-3355.
Link, Vincent H., 091-36-3217.
List, Sara F., 301-34-2192.
Lowery, Antoinette T., 180-28-7481.
Lunceford, Marilyn Y., 515-32-4232.
Lux, Frances P., 429-78-9200.
Maher, Janet T., 173-36-0709.
Messer, Monica S., 266-62-9165.
Miller, James E., 062-32-7781.
Moots, Paul E., 130-30-7267.
Norgaard, Gayle D., 501-44-5279.
Norton, Patricia, 001-30-5902.
Ontko, James P., 203-30-1304.
Owen, Carolyn F., 436-58-9538.
Purdy, Patricia A., 274-34-7681.
Rinne, Michael S., 472-46-0520.
Ritter, Patricia J., 303-40-0967.
Ryan, Elizabeth K., 311-42-1957.
Salmons, Freddie E., 494-42-9604.
Satterley, Daniel B., 118-36-3152.
Semrad, Louis, Jr., 110-30-5161.

Shockley, George E., Jr., 464-62-8772.
Tadano, Margaret C., 472-48-1419.
Thomas, Awilda, 581-60-7390.
Vancavage, Caroline J., 160-36-3641.
Watkins, Sylvia A., 232-58-7539.
Wenzel, Sandra L., 345-32-9206.
Wilder, Barbara E., 399-42-0957.
Willis, Juanita M., 254-56-3171.
Workman, Connie D., 539-42-4753.
Zweck, Robert L., 461-46-9605.

MEDICAL SERVICE CORPS

Bjerken, Paul A., 501-42-6407.
Bloomquist, Carroll R., 478-52-0599.
Breault, George A., 044-34-8250.
Brown, Charles W., III, 380-40-4191.
Burchfield, Larry R., 456-66-8996.
Chappelle, Raymond J., Jr., 247-68-6957.
Coleman, Steven L., 303-40-3023.
Dikes, James E., 436-62-8772.
Driver, David C., 450-62-8796.
Garcia, Joe, 457-52-1330.
Hare, Charles E., 462-60-0405.
Harrison, James T., 171-34-7541.
Holts, Daniel D., 303-46-2273.
Knight, Jimmy M., 430-64-5505.
Lee, Jerry N., 265-48-0570.
Mayo, Billy W., 424-48-3211.
McCausland, Orrin J., 474-46-8766.
McGough, Richard G., 395-42-7749.
Moore, William W., 467-42-0582.
Petermann, Mark H., 104-34-1542.
Phill, Charles M., 434-60-8941.
Raynor, Richard R., 536-34-2754.
Renoudet, Donald D., 433-56-3685.
Wilson, Ira D., 443-34-8935.
Young, Chester L., 575-42-0190.

VETERINARY CORPS

Albersmeyer, Michael M., 311-42-1746.
Bekaert, Denis A., 057-26-7907.
Cartledge, Robert M., 571-80-9351.
Gunnels, Robert D., 461-72-5508.
Hewins, Stanley O., 409-82-5340.
Mills, Andrew C. S., 420-56-7686.
Pletcher, John M., 548-60-8780.
Rankin, James T., Jr., 026-38-0611.
Skalka, Dennis R., 506-56-2544.
Somers, Rick A., 292-38-7948.
Vandellen, Adrian F., 470-50-1005.

BIOMEDICAL SCIENCES CORPS

Alter, William A., III, 052-34-5325.
Arnold, Barbara P., 375-44-4356.
Bowen, Victor G., 517-40-2398.
Brannon, Larry D., 483-42-2080.
Campbell, James M., 292-32-7329.
Chavella, Joyce D., 177-34-6966.
Clegern, Robert W., 549-58-9862.
Crouse, Dan T., 445-42-3100.
Elliott, Nancy R., 479-44-0583.
Erwin, Charles S., 287-38-8767.
Gibson, Sidney C., 436-58-2274.
Goodson, Richard A., 261-66-3882.
Hadden, David A., 248-74-5953.
Hughes, Robert O., 458-56-8241.
Jenkins, James L., 529-48-9199.
Jernigan, Mary Ann, 127-34-3368.
Jones, Charles R., 214-42-2500.
Jones, Wayne D., 492-44-6939.
Key, James A., 298-36-7852.
Kiffer, James J., 481-50-0379.
Kolquist, Saundra A., 194-32-9063.
Lombard, Robert A., Jr., 033-32-4081.
Lynch, Thomas P., Sr., 094-32-0478.
Majors, James S., 356-30-8378.
Pauls, Chester F., 147-34-5732.
Ricker, Philip R., 516-36-1233.
Sayre, Larry E., 305-38-3715.
Sellers, Richard F., Jr., 243-58-5266.
Shadfstall, Robert M., 515-42-7831.
Smith, Jack R., 245-48-0772.
Taylor, Boyce A., 425-80-4182.
Thomson, David P., 555-54-6596.
Tremblay, James W., 010-30-1468.
Webb, Thomas S., 255-60-1060.
Weber, Leo R., 503-48-8405.
Wells, Robert L., 428-74-5483.
Wilkerson, Lillard C., 466-60-9389.
Wilson, Lawrence F., 257-66-8537.
Wood, David G., 401-60-6074.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Berryman, William C., 418-30-0601.
Bowling, Rodney I., 233-46-4426.
Brown, Harold S., 039-18-3231.
Bryant, Rudolph, 149-24-6814.
Collar, Robert D., 355-28-9176.
Dollar, Jerry, 417-44-7551.
Fox, John F., 301-28-4086.
Gambrell, Samuel C., 250-58-5909.
Green, Paul M., 467-36-8884.
Gunn, James E., 454-42-9409.
Kerr, Keith H., 562-36-6670.
Knight, Roger P., 133-20-8604.
Kowalski, Louis E., 390-30-8218.
Lorenz, Karl A., 537-32-7769.
Naples, Anthony F., 070-22-0551.
Paynton, Jan H., 492-36-3538.
Pennycuick, Robert F., 500-36-7466.
Provencher, Paul, 021-26-1986.
Reay, Tommy L., 511-26-5896.
Redmond, Michael, 388-28-1494.
Rigg, Richard J., 389-34-2741.
Schellhase, Walter R., 453-42-3285.
Spikes, Harold J., 422-38-0242.
Valtunas, Andrew V., 047-26-8205.
Walker, Jack W., 451-36-3598.
Wojtas, Jerome R., 342-26-0786.

CHAPLAIN

To be colonel

Epps, Bryan C., 556-38-1680.
Shaub, Robert W., 034-22-3966.
Terry, Frederick D., 242-44-9921.

MEDICAL CORPS

To be colonel

Hamilton, Thomas P., 178-24-9552.

MEDICAL SERVICE CORPS

To be colonel

Wygle, Peter R., 562-40-8136.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3367 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Adkinson, William E., 421-26-5755.
Alvarado, Paul H., 552-48-2478.
Andersen, Jerry M., 532-30-3246.
Armstrong, Arthur R., 430-56-1724.
Atherton, James T., 320-30-9190.
Biles, Derwood C., 430-80-6546.
Black, Joseph L., 525-78-1046.
Boudoucies, John A., 249-54-8792.
Brannon, James F., 428-76-6388.
Brown, Doris M., 467-44-0932.
Bryan, Jerry G., 445-36-9854.
Buckley, John B., 006-36-3382.
Bultman, Roger C., 387-44-4140.
Burgess, Roland P., 383-34-6260.
Campbell, Hugh B., 241-54-7187.
Carr, George L., 427-68-1963.
Carr, Joseph V., Jr., 725-01-3904.
Cary, John, 255-54-8410.
Casey, Patrick H., 260-56-1593.
Caulkins, Lawrence T., 526-40-7437.
Clayton, Marvin C., 377-30-7878.
Conlon, Joseph F., 073-34-9870.
Crittenden, James M., 229-56-1548.
Cruthirds, Niles D., 427-50-9048.
Curtis, Chester E., 005-30-2262.
Daniel, Dennis K., 425-66-1491.
Dayhuff, Charles H., 224-48-4597.
Deloney, Leslie C., 417-50-3835.
Denker, Hugo C., 485-42-6709.
DeShon, Harry A., 005-34-7999.
Dixon, Lyle A., 209-24-8789.
Doolittle, Max L., 425-70-1884.
Doyle, Glenn A., 412-54-0439.
Drake, Harry P., 218-40-8716.
Drapeau, Robert L., 035-26-2386.
Dugger, Daniel R., 410-62-2719.
Edmondston, Francis M., 157-30-1116.
Felhoelter, William B., 406-46-9124.
Ferris, James J., 115-32-9474.
Fisher, Harold G., 130-30-0477.
Freshour, Charles E., 448-34-4432.
Garlock, Joel D., 399-34-4065.
Giacoppe, George N., 023-28-0428.
Giudice, Henry M., 569-46-2978.
Goldsmith, George Jr., 251-68-5373.
Goodwin, Ray C., 229-44-9529.
Griffin, John L., 546-46-9237.
Gunning, Ronald T., 448-36-1127.
Hahn, David G., 375-42-3648.
Haley, John M., 307-44-4887.
Hartnitt, Bruce D., 440-30-4096.
Hartzog, Robert L., Jr., 499-40-8070.
Heath, Dwright N., 486-36-0480.
Hesselink, Gerald D., 386-34-6698.
Hix, Gayle D., 518-36-7786.
Huff, Marvin, 191-28-8243.
Hutson, Robert A., 284-28-4601.
Hyama, James E., 404-46-6899.
Janco, Peter R., 152-26-8223.
Janelle, Roland H., 005-30-6576.
Kelly, Peter J., 038-26-0075.
Kidd, Ronald M., 364-42-2495.
Kiger, Louis S., 231-46-0832.
Knopp, Harry T., 547-58-2620.
Kofmettl, William F., 200-34-1954.
Kosowski, Bernard M., 355-32-7681.
Krach, Donald F., 219-32-9971.
Laney, Charles A., 424-48-3541.
Lanham, John W., 309-32-7245.
Lanham, Zeddie D., 526-48-5098.
Lavy, Jack W., 458-54-6254.
Leander, Denny W., 482-48-6962.
Lemieux, Gerard M., 005-32-1286.
Litton, James L., 414-60-4190.
Lowman, John S., 432-48-7426.
Lowrie, Virgil A., 460-52-6367.
Lubbe, Joseph R., 337-28-4214.
Lunde, Raymond H., 468-32-4279.
Lynch, Howard F., 216-32-4940.
Macaluso, Anthony, Sr., 437-58-8614.
MacHemehl, Jerry L., 456-56-1869.
MacLachlan, Bruce B., 029-26-2426.
Mahon, John J., 128-28-0448.
Martin, Joseph D., 574-14-7662.
Martinez-Olivo, Reinaldo, 582-70-1079.
Mason, Robert W., 370-36-2209.
Masterson, Joseph A., 481-34-1691.
Maze, Franklin, 296-20-1715.
McBride, Charles L., 425-76-7649.
McCage, Ronald D., 402-48-9159.
McCann, Paul L., 282-22-6708.
McGrew, John H., 383-34-6019.
McKenna, John J., 203-28-4853.
McVeigh, James P., 035-28-6722.
Meikle, James W., S., 222-22-2430.
Miller, John S., 122-28-4885.
Moates, William A., 152-28-7724.
O'Reilly, John J., 112-28-1727.
Pasholk, Ronald W., 396-34-0147.
Patterson, David H., Jr., 400-46-5441.
Peacock, Thomas A., 150-24-8612.
Pearson, Robert W., 220-32-1616.
Perrone, Paul J., 161-34-7361.
Perry Donald T., 229-46-3244.
Possumato, Nicholas D., 150-24-0013.
Prisk, Gary R., 533-42-9538.
Pulsifer, William P., 006-32-0137.
Purdy, James A., 202-28-0038.
Reitzel, Maurice D., 509-40-7677.
Revis, Paul N., 431-64-5006.
Rewerts, Milan A., 329-34-2407.
Rich, Terrence L., 287-30-4772.
Roth, John C., 088-32-8972.
Sargent, George W., 021-22-4708.
Schrader, Johnie R., 431-54-2977.
Schwartz, Francis D., 462-60-1449.
Shade, Luke L., 209-28-7967.
Shideler, Robert W., 524-38-8108.
Simon, Benjamin J., 535-30-3954.
Sloan, Allan P., 248-56-9245.
Smith, James B., 147-34-0031.
Smith, William C., 135-26-9453.
Soltes, Charles R., 137-32-0114.
Starnes, Donald D., 457-48-5497.
Stoll, Walter J., 526-36-1434.
Storat, Richard E., 180-32-4815.

Styles, Charles F., 248-46-2789.
Taylor, David P., 242-60-0002.
Tramma, Joseph M., 553-50-5381.
Trobaugh, James E., 304-34-1875.
Truett, Curtis P., 258-42-2474.
Vaughan, Cristopher C., 247-68-7451.
Vigelis, Eugene, 136-26-4189.
Wagner, Richard E., 343-24-3933.
Waldman, Richard J., 120-24-1412.
Waldrup, William C., Jr., 520-40-9922.
Warr, James W., 417-56-5099.
Wetherby, Carlton L., 082-30-3200.
Wittsell, Edward L., 429-58-5199.
Woodruff, Philip, 523-46-2792.
Woodworth, David E., 441-28-3570.
Wright, Thomas E., 035-26-5279.

CHAPLAIN

To be lieutenant colonel

Durbin, Paul G., 435-52-4454.
Hert, Darrald P., 478-36-5223.
Johnson, Clifford H., 474-30-2445.
Rose, Robert E., 520-30-4084.

MEDICAL CORPS

To be lieutenant colonel

Luna, Rodrigo F. C., 260-88-1430.
May, Duane L., 514-40-3910.
Urizar, Rodrigo E., 469-54-4871.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Woodard, John R., 240-68-0376.

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Brooks, Clifton R., 235-48-0864.

ARMY NURSE CORPS

To be lieutenant colonel

Baszynski, Alice J., 065-20-7791.
Stevenson, Margaret R., 547-42-3596.

DENTAL CORPS

To be lieutenant colonel

Boyko, Nicholas, 270-20-4432.
Cancellara, Anthony N., 077-22-6250.
Carbone, John W., 018-26-1626.
Cremer, Jerry L., 456-46-5832.
Griffin, Robert E., Jr., 482-52-5418.
Johnson, Richard L., 446-42-2640.
Lopez, Jesus, Jr., 585-10-0117.
Olechowski, George W., 045-28-3458.
Oleskeyvich, James M., 524-54-1369.
Pulskamp, Frank E., 279-40-2920.
Randolph, Richard B., 371-26-5933.
Taves, Melvin E., 558-12-9554.

MEDICAL CORPS

To be lieutenant colonel

Adams, Billy M., 406-20-9538.
Bell, Exter F., 449-28-2658.
Bell, William H., 410-54-6108.
Berryman, Arthur H., 220-18-5268.
Bianco, Emidio A., 215-18-0784.
Bice, Clarence M., 436-54-2193.
BoLene, Robert V., 447-30-8196.
Campbell, Carlos B., 357-26-7874.
Campbell, Mike C., 427-72-3087.
Chai, Kyong S., 145-46-6734.
Chaput, Christopher J., 457-68-6180.
Clerebiej, Albert, 183-24-3945.
Davies, Ross S., 523-54-0012.
Drennen, Robert V. E., 307-30-2461.
Engel, Rolf R., 470-26-6717.
Eves, John H., 187-24-2549.
Gladue, Joseph R., 037-12-0914.
Guanzon, Leo A., 094-34-8884.
Harvey, John C., 285-16-8042.
Hickerson, James S., 430-40-0563.
Hughes, Edward M., 143-30-4130.
Kahane, Stanley B., 100-24-7279.
Kilbury, Merlin J., Jr., 429-34-2669.
Klutzow, Friedrich, 024-28-1219.
Kurtze, Arthur G., 044-24-6604.
Lugo-Faria, Merlin D., 582-54-3648.
Marcel, Jesse A., Jr., 433-54-4942.
McCree, Robert L., 386-12-4548.
McLaughlin, Max V., 419-28-1862.
Montes, Jose A., 265-74-2611.
Oliver, Richard T., 330-26-9587.
Roldan, ErLinda C., 215-40-3636.
Saldana, Guido F., 094-42-9182.
Smith, Leonard, 080-22-1306.
Stelter, Gerald P., 392-26-5048.
Tankleff, Bert N., 101-12-7420.
Tucker, Wayne L., 521-38-9240.
Updegraff, Bryan R., 483-52-3536.
Varnado, Jimmie W., 436-74-1760.
Waldman, Martin L., 106-24-0016.
Watanabe, Henry K., 576-28-2930.
Weiss, Joseph F., 541-36-3303.
West, Edward T., Jr., 410-40-8520.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Guinn, Joe L., 467-48-8928.

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, United States Code, section 3494:

MEDICAL CORPS

To be colonel

Boone, Stephen C., 451-54-6624.

MEDICAL CORPS

To be lieutenant colonel

Clark, Charles F., 521-60-0782.
Levine, Matthew E., 031-28-6701.
Moorman, Claude T., 261-56-4080.
Stouder, Stephen R., 311-36-6956.
Talbot, Asa R., 061-28-0548.

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Section 3385:

ARMY PROMOTION LIST

To be colonel

Appel, Darvin R., 312-24-0597.
Blair, Ollie J., 436-44-3205.
Bourgeois, Charles A., 438-42-1269.
Bowen, Francis J., 027-22-9296.
Brown, Ralph H., 434-38-4625.
Burdick, Donald, 158-26-9703.
Cole, Francis E., 304-34-0040.
Cook, William A., 431-38-2105.
DeMara, Richard D., 369-28-3976.
Donnelly, Raymond J., 039-16-3271.
Farley, Norman H., 431-44-0314.
Finley, Philip B., 512-28-1270.
Fleming, James B., 504-26-1972.
Hall, Ernest E., 224-38-0860.
Hiatte, Donald L., 495-34-9389.
Hohnbaum, Donald C., 482-24-1651.
Horgan, Francis J., 115-16-6860.
Jackson, Earnest L., 448-26-4040.
Lander, Richard J., 269-26-1510.
Maruzzella, Frank R., 077-24-4653.
Miller, Walter W., 383-22-3078.
Mitchell, Don E., 555-36-3469.
Moore, William E., 412-32-9633.
Morris, James R., 431-48-3289.
Niven, Benjamin F., Jr., 240-40-1394.
Noel, Martin A., 490-28-7675.
Riggs, Howard N., 429-34-3043.
Roberts, Harold E., 441-34-7787.
Russell, Oscar G., Jr., 430-40-4584.
Springer, Bobby J., 432-50-5688.
Thrash, Melvin C., 4332-52-8976.
Timmerman, Raymond T., Jr., 411-42-6428.
Vath, Alvin R., 435-30-8859.
White, Donald L., 417-34-6010.
Woolpert, Deane V., 515-22-4935.

MEDICAL SERVICE CORPS

To be colonel

Anderson, John W., 215-28-1890.
Sutton, Lewis J., 496-26-5751.

ARMY PROMOTION LIST

To be lieutenant colonel

Adair, Bennie C., 444-34-4463.
Adams, Gary L., 528-54-4868.
Allmon, Douglas J., 536-32-1873.
Arnett, Jack D., 275-32-9671.
Bowden, Marion A., 355-20-8165.
Bray, Lloyd L., 431-60-8006.
Bruck, John D., 212-32-6969.
Carter, William D., 167-28-5455.
Chapman, George C., 322-22-6800.
Christy, Donald E., 307-26-4807.
Collazo-Irizarry, Nector, 580-40-4296.
Davis, John C., 505-42-5411.
Echols, Robert L., 411-62-6631.
Franke, Loren W., 542-42-0202.
Prate, Philip, Jr., 105-26-7997.
Gault, Billy F., 431-62-2014.
George, Samuel A., Jr., 251-54-0243.
Gershner, Leon, Jr., 430-66-9089.
Hallock, Francis C., 076-30-3405.
Hamilton, Johnnie C., 491-32-6492.
Haralson, John W., 497-38-2175.
Harkins, John P., 200-24-1577.
Harrison, Robert L., 507-40-5374.
Houston, Charles D., 440-36-6357.
Howard, Thomas E., 520-36-0415.
Jacobs, Wesley V., 432-56-2276.
Johnson, Peter L., 004-50-4581.
Kane, William C., 231-48-2140.
Klein, Kenneth C., 142-30-0627.
Koonce, Calvin E., 448-38-4400.
Mangraviti, James, 021-28-1301.
McGilbra, Allan F., 442-38-0858.
Moreno-Rodriguez, Gilberto, 581-62-1973.
Morgano, Vito, 144-26-1379.
Moore, Leon, 431-52-0042.
Munford, Paul H., 223-46-2246.
Myers, Charles D., 317-32-9063.
O'Leary, Joseph P., 128-28-9504.
Peterson, Laurice K., 520-32-6527.
Ramey, John B., 502-42-2367.
Ripley, John J., 574-10-1588.
Robberson, DeLano G., 432-64-5726.
Rochester, Earle F., 249-38-8706.
Rooney, Edward J., 038-22-6131.
Roper, Olin W., 251-52-4567.
Samuels, James B., 210-28-4671.
Schaub, Cornelius C., 296-32-7853.
Schmidt, Richard C., 213-40-0790.
Shott, Ernest M., 184-28-0146.
Showalter, Stephen A., 509-44-7056.
Sivilla, John M., 044-28-3068.
Snyder, Ernest M., 218-30-9359.
Stachel, Jorg, 310-40-6336.
Swenson, Zack, 460-48-6903.
Torres, Reinerio, 258-68-6633.
Van Fleet, Frank C., 405-48-3796.
Whitaker, Charles W., 310-38-9194.
Williams, Earl W., 308-42-4959.
Wills, Robert C., 378-32-8131.
Wood, William B., 220-26-7654.
Young, William D., 432-52-2067.
Zanoff, John, 429-46-4385.

CHAPLAIN

To be lieutenant colonel

Beverley, James A., 038-20-3172.
Hoyal, James A., 408-40-9229.

ARMY NURSE CORPS

To be lieutenant colonel

Brown, Virginia S., 425-80-6711.

DENTAL CORPS

To be lieutenant colonel

Andrews, Hugh H., 425-50-1688.
Hall, Robert P., 424-30-7645.

MEDICAL CORPS

To be lieutenant colonel

Bicknell, Donald S., 009-24-3696.
DeCarlo, Gasto, 112-34-3282.
Laidlaw, William M., 544-14-0651.
Melton, Robert A., Jr., 241-48-3075.
Neun, Charles J., Jr., 205-16-0213.
Sargeant, James G., 397-38-4988.
Schillhamer, William R., Jr., 003-12-4224.
Schwartz, Jack, 108-20-1831.
Steinbeck, Herbert F., 727-03-7053.
Toms, Stephen, 208-14-4235.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Nissen, Thomas R., 485-28-0427.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United

States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be major

Acton, Michael R., 478-48-1863.
Adam, Klaus M., 462-62-4732.
Adams, Melville W., 418-60-0663.
Akers, Frank H., 424-56-9239.
Albright, Carl W., 405-54-3642.
Aleva, Robert J., 166-32-8563.
Alexander, George M., 045-34-3083.
Alexander, James P., 199-34-0668.
Allanach, William C., 132-32-5537.
Allen, Gerald W., 144-32-2262.
Allen, Jon J., 251-58-2557.
Allen, Richard D., 523-48-4526.
Allison, Robert C., 207-34-0473.
Almes, Edward W., 108-34-8539.
Almojuela, Thomas N., 537-40-2929.
Amick, David B., 521-48-7499.
Amiot, Robert J., 539-52-3473.
Andersen, Timothy W., 537-42-8907.
Anderson, Ben L., 513-42-7468.
Anderson, Dale R., 374-40-3432.
Anderson, David M., 426-60-5783.
Anderson, Edward G., 537-42-3536.
Anderson, John D., 490-46-8389.
Anderson, Leonard G., 430-82-1628.
Anderson, Louie H., 418-62-4519.
Anderson, Melvin L., 159-34-0630.
Andrews, Edward L., 210-32-0895.
Andrie, John C., 341-34-8432.
Angell, Raymond S., 189-34-3657.
Angell, Gary M., 544-46-1697.
Angsten, Joseph J., 137-36-8748.
Anthony, Edward H., 023-30-5488.
Anthony, Henry G., 346-36-3794.
Antoine, Lawrence V., 360-34-6910.
Aquino, Paschal A., 075-34-6822.
Archebelle, Edwin B., 260-62-9896.
Arko, Anthony, 273-38-7361.
Armstrong, David J., 208-30-1377.
Arrante, William M., 248-70-7231.
Arthur, David W., 046-34-8944.
Asiello, Robert M., 123-34-3181.
Asimakopoulos, Peter L., 203-38-0526.
Atchison, Jere L., 254-62-3520.
Atkins, Edsel R., 268-40-2932.
Auger, John D., 131-34-6216.
Augsburger, Grayson, 345-34-3412.
Avriett, Robert J., 247-68-3524.
Back, John P., 211-30-3403.
Badger, James L., 125-32-7673.
Baily, Charles M., 094-36-8333.
Baird, Thomas F., 362-46-0633.
Baker, Richard L., 459-56-7705.
Baker, Robert M., 502-46-8101.
Baker, Thomas W., 031-30-6892.
Barbara, James C., 130-32-6342.
Barbee, William R., 242-58-4161.
Barefoot, Allen, Jr., 245-66-3443.
Barnes, Darvin E., 526-54-7009.
Barnhill, Jerry R., 455-62-3397.
Barrington, John E., 386-40-3556.
Barry, William A., 034-30-5284.
Bartley, Randall B., 532-38-0695.
Battcher, John A., 265-58-3646.
Baumgartner, Glenn, 231-56-1061.
Beale, Thomas L., 260-42-5573.
Beard, Otis R., 521-52-9841.
Beaver, John W., 232-70-4211.
Belch, Peter P., 171-36-5285.
Bell, Ronald D., 452-62-4087.
Bels, George D., 215-42-5565.
Benefield, Johnie H., 429-80-1055.
Bennett, Kelley E., 407-60-8886.
Berg, David B., 176-34-4376.
Bergeron, Alfred J., 437-66-4491.
Bergman, William K., 098-34-2920.
Berkey, Richard O., 204-34-6913.
Bernard, Joseph P., 265-70-2055.
Berry, Gerald J., 226-54-3651.
Berry, Steven D., 574-14-5616.
Bertagnolli, Joseph, 529-58-0560.
Beverley, William W., 448-40-3113.
Biegen, William K., 085-36-1325.
Bijold, Gerald P., 456-66-5280.
Bikus, John J., 355-34-4966.
Billings, Darryl R., 450-58-6798.
Bischoff, Robert C., 220-40-6165.
Bise, Lanny C., 261-72-1483.
Bishop, Lewis M., 225-60-7770.
Black, John H., 521-54-9452.
Blackburn, David A., 485-40-1550.
Blackwell, Leon B., 466-66-3529.
Blades, Jon W., 026-30-5756.
Blanchard, Sherman, 478-44-8703.
Blaylock, Norman R., 416-56-2151.
Bloyd, John R., 562-56-3666.
Blumenfeld, Charles, 161-32-5749.
Bock, William P., 065-36-0203.
Bockman, Frank W., 420-54-2454.
Bohusiar, John W., 454-68-2261.
Boies, Edward A., 202-32-9371.
Bolick, Miles A., 432-72-8477.
Bond, Peter A., 273-42-2864.
Bonnell, Kenneth L., 273-40-7590.
Borek, Theodore B., 094-36-8298.
Bornmann, Rex N., 524-46-2673.
Bounds, Gary L., 441-42-3060.
Bowen, Kenneth G., 344-30-7269.
Bowles, Edward S., 186-34-2312.
Boyd, Michael F., 492-48-6041.
Boyer, Robert F., 036-26-0236.
Brasili, Samuel A., 300-30-9406.
Braudaway, Jessie A., 449-74-6526.
Brase, David J., 346-32-3012.
Breman, Stephen L., 414-66-8555.
Bridges, Franklin G., 493-46-6996.
Bridges, Terrell D., 423-52-1841.
Brinker, Walter E., 442-44-0945.
Brisbine, Glen E., 541-50-3060.
Brittingham, Michael, 263-72-9934.
Broadhurst, Carl R., 492-44-7217.
Brockington, Anthony, 251-52-2967.
Brooks, Susan, 097-34-8731.
Brown, Bradford M., 545-66-7701.
Brown, Clark C., 110-34-7578.
Brown, David J., 159-36-5357.
Brown, Donald F., 422-50-9131.
Brown, Floyd L., 374-38-0643.
Brown, Jerry A., 266-56-6718.
Brown, Robert J., 170-32-3516.
Brown, Robert M., 228-58-0945.
Brown, Wayne K., 234-68-8233.
Bruegger, Robert D., 560-60-6610.
Brunnhoeffer, Gilbert, 401-60-4235.
Bryant, Hurley D., 216-42-7547.
Bryant, James W., 230-52-9792.
Bryson, Gene K., 225-58-9654.
Buchwald, Clarence, 056-36-9432.
Buckley, Daniel J., 555-60-7328.
Buczacki, John B., 054-34-4773.
Buetti, Anthony J., 094-36-8327.
Bullock, Howard R., 217-40-0669.
Bumangiag, Carlos J., 575-42-3143.
Bundons, Albert R., 147-32-2810.
Burbidge, John M., 528-56-5760.
Burdette, Robert J., 568-54-2610.
Burnette, Larry R., 265-62-7246.
Burns, Kennith R., 452-72-1117.
Burnside, John G., 529-50-9397.
Busch, Brian J., 336-14-3950.
Bush, Charles D., 442-42-7920.
Bush, John R., 365-42-4418.
Buys, Albert P., 142-34-7167.
Buzby, Brian, 172-34-8377.
Byard, Frederick B., 248-72-3308.
Byrne, William G., 140-34-8868.
Cabot, O. H. Perry, 028-32-0957.
Cadorette, Raymond, 247-70-9777.
Cain, James E., 454-70-1378.
Caine, Bruce T., 104-34-3878.
Calek, Joseph R., 505-56-0460.
Callahan, Francis R., 499-46-3270.
Callaway, John H., 457-64-1718.
Callaway, Larry W., 260-58-4205.
Cameron, Tom O., 429-80-5745.
Campbell, Carole M., 158-32-5404.
Campbell, Julian M., 229-58-4045.
Canar, Robert G., 392-42-7564.
Cannon, Walter W., 316-42-1101.
Canon, Charles M., 419-52-6233.
Capozzi, Roy M., 056-34-3149.
Capps, James H., 257-64-0308.
Cardell, Larry E., 237-56-5557.
Carden, Joe B., 543-46-6658.
Carlson, Kenneth G., 094-36-8326.
Carlton, John W., 520-44-0044.
Carmack, James R., 432-68-2905.
Carpenter, Ronald B., 529-54-5080.
Carr, Jerry T., 520-40-5745.
Carter, Willard T., 427-78-4240.
Cartwright, Robert, 537-38-2540.
Carsoll, Richard L., 478-42-3277.
Casalengo, Roger W., 046-34-0974.
Case, James W., 341-36-7655.
Catalano, Thomas S., 043-32-9006.
Cathey, Theodore F., 576-34-6005.
Cecere, Peter M., 094-36-8292.
Cecil, Gerald T., 407-54-2152.
Celani, Albert F., 216-42-5702.
Cepak, Charlie J., 454-64-7943.
Cercone, Joseph A., 211-30-2950.
Ceremenaro, James A., 024-30-1684.
Chambers, James V., 223-56-9932.
Chapman, Abner B., 437-62-4389.
Chapman, William J., 537-38-5927.
Cheatham, Calvin W., 229-56-3679.
Chellis, Allen R., 251-68-6883.
Chidichimo, Salvatore, 145-34-1716.
Childs, Ernest L., 558-50-7543.
Chilton, Forrest S., 178-36-1861.
Christiano, Michael, 121-34-8457.
Christiansen, Edward, 070-32-1554.
Ciarlo, Fred H., 260-62-5332.
Clare, Joseph F., 576-46-4963.
Clark, Douglas M., 034-30-6890.
Clark, Hugh D., 098-34-8272.
Clark, James E., 089-32-1883.
Clark, Louis R., 455-52-2122.
Clark, Michael R., 504-46-0813.
Clark, Patrick W., 433-60-1778.
Clark, Wesley K., 432-80-5682.
Clegg, Ronald W., 283-38-7762.
Clemens, Judd L., 181-32-8932.
Coates, Charles F., 260-66-4772.
Coats, Landis R., 239-52-7957.
Cobb, Douglas H., 250-70-6229.
Cochran, Franklin H., 430-76-2604.
Coen, Kendall B., 253-66-3662.
Coffey, Robert S., 273-40-3824.
Coffman, Raymond J., 234-64-8929.
Coggins, Gary M., 515-40-6761.
Cole, Carlos E., 406-56-7326.
Cole, William P., 098-34-1940.
Coleman, Bruce S., 523-60-0046.
Coleman, Charles E., 409-68-9639.
Collard, Nelson B., 535-40-7254.
Collier, Samuel M., 437-62-3040.
Collins, Carl L., 441-42-2197.
Collins, James L., 254-64-6234.
Collins, Kenneth R., 134-30-8475.
Collmeyer, Michael, 337-36-0781.
Condon, John L., 040-32-5866.
Conley, John E., 370-42-8651.
Connally, Sharon C., 253-60-9503.
Conner, James C., 432-76-2190.
Connolly, John F., 015-30-3536.
Conrad, Thomas F., 332-34-0825.
Cook, Joseph L., 500-40-9185.
Cook, Paul E., 484-48-2067.
Cooney, Norman R., 005-36-0465.
Cooper, James P., 418-58-3808.
Cooper, William E., 531-42-9669.
Coradini, William J., 410-78-7416.
Corbin, James E., 532-42-6887.
Cordes, Arben P., 141-30-5356.
Cork, Stephen D., 317-42-5146.
Corley, Milton D., 265-62-0935.
Corn, Volney B., 246-64-5716.
Corthell, Jeffrey L., 290-38-0583.
Cosgrove, Colin B., 003-30-1014.
Cottrell, Peter J., 295-38-6208.
Coughlin, John F., 028-30-9556.
Cowings, John S., 093-36-3294.
Cowsert, Garrett T., 056-34-8228.
Cox, Ronald H., 491-46-5457.
Coyle, Raymond A., 031-32-8919.
Crabtree, Jack D., 094-36-8293.
Craig, Aubrey D., 448-38-7129.
Craig, Terry L., 234-60-4003.
Cravens, James J., Jr., 559-62-9698.
Crawford, Danny L., 467-68-8396.
Cretella, Joseph G., 266-38-3507.
Crews, Gerald L., 227-50-5535.
Crittainger, Clifford, 066-32-2235.
Crocker, George A., 431-78-8579.
Crockett, John R., 523-60-7663.

Cropper, Siegfried, 265-70-0494.
Crosby, Robert W., 409-60-9987.
Crowell, David V., 444-40-1412.
Cruikshank, Ralph H., 239-64-4904.
Culbreth, Larry M., 257-66-4505.
Cullem, James M., 068-34-3945.
Cummings, Charles G., 213-36-5691.
Curl, Terry W., 552-58-7319.
Curtis, Craig H., 528-66-4789.
Cushing, John R., 405-52-0594.
Dalfonso, Joseph A., 207-32-1378.
Daly, Lawrence T., 057-32-4594.
Daly, Timothy E., 099-34-6951.
Daniels, Jerry W., 113-30-1946.
Daprato, Norman P., 029-30-6081.
Darley, Roger G., 459-58-0232.
Darnell, Ronald H., 414-72-8758.
Darone, Ronald D., 219-40-3011.
Davies, James, III, 432-78-0483.
Davis, Homer L., 555-60-7083.
Davis, James H., 239-56-2432.
Davis, Louis R., 434-72-1601.
Davis, Merrill W., 003-30-5854.
Davis, Nathan, 423-50-4009.
Davis, Richard N., 466-58-5202.
Dawson, Lester P., 416-54-3985.
Day, Lawrence W., 523-52-2889.
Dean, Byron K., 233-64-5262.
Debiase, James P., 179-32-4583.
Delaney, Russell J., 208-30-7490.
Delgado, Richard, 506-50-2163.
Delk, Lucious E., 267-76-0466.
Dellomo, John L., 059-34-6966.
Dempsey, Daniel J., 565-64-1346.
Denniston, Leroy W., 478-54-7385.
Deperro, John F., 287-36-2359.
Dephillips, Terry L., 207-32-3296.
Derby, Anson W., 521-44-4020.
Derouen, Donald B., 462-68-5504.
Derr, Stanley E., 161-34-4231.
Devlin, Donald L., 257-66-6766.
Dickens, James A., 263-60-7915.
Dickinson, Paul W., 062-34-9733.
Difiore, Matthew F., 145-34-6584.
Diamukes, William F., 308-38-8095.
Divalentin, Anthony, 238-62-0481.
Divita, Joseph M., 235-66-2901.
Dixon, Gerald E., 528-56-3645.
Dixon, James H., 408-58-5986.
Dock, William E., 556-52-9601.
Dombrowsky, Thomas, 104-34-1839.
Donahoe, John F., 026-32-6182.
Donnithorne, Larry, 466-70-4180.
Dooley, Buryl E., 548-60-9125.
Dopler, Jack E., 290-34-7621.
Dorsey, Mercer M., 526-50-9110.
Dort, Dean R., 230-52-4265.
Doty, Donald W., 463-54-4429.
Dougherty, Russell, 526-62-6776.
Dowling, Ted K., 529-48-1581.
Doyle, James B., 267-70-5685.
Doyle, James T., 094-36-8302.
Drewes, Carl E., 328-36-6998.
Driscoll, Eugene J., 144-32-3009.
Droke, Willard B., 537-40-9925.
Dubis, John A., 215-42-1617.
Duncan, Franklin E., 239-68-6665.
Duncan, Jimmy L., 382-40-5783.
Dunn, Carroll H., 561-62-6178.
Dunnem, Alvin E., 549-52-6962.
Durazzo, Franklyn P., 569-46-6114.
Durbin, Terrence E., 532-42-5174.
Eakin, William C., 211-30-7282.
Eastman, Robert J., 380-44-7428.
Eaton, Bruce R., 070-34-6511.
Ebbitt, Harold K., 201-34-6046.
Eberle, John C., 471-50-0234.
Eckel, Hasko K., 286-38-0088.
Ecuyer, Lawrence J., 435-56-0367.
Edge, Harold B., 239-50-4641.
Edgerton, Thomas J., 391-38-7364.
Edwards, Floyd E., 207-32-8490.
Edwards, Jerome G., 094-36-8317.
Ehart, Stephen H., 216-42-5238.
Eichenberger, David, 500-44-3391.
Eiland, Lewis K., 450-70-7805.
Eisenberg, Stephen, 100-34-1470.
Elder, Robin L., 100-34-8631.
Elders, James F., 253-58-6901.
Elders, Telford E., 255-68-7681.
Eiler, Thomas H., 414-72-0976.
Emerick, Robert G., 175-32-4021.
Emerson, Samuel C., 378-42-5474.
Eng, Harry F., 326-34-8048.
English, Ronald W., 465-66-3355.
Epperson, Gary E., 304-40-1418.
Ericksen, Scott R., 546-66-8437.
Ernst, Carl F., 436-66-0027.
Ernst, Federick G., 263-68-6191.
Esmay, Jerry D., 504-36-6934.
Estes, John R., 430-76-6686.
Estrada, Martin, 432-72-7901.
Evans, Gordon E., 230-56-9007.
Evans, Mickey S., 451-66-5659.
Everitt, Donald B., 226-60-6383.
Ewing, Vernon C., 492-44-4799.
Eye, Richard D., 506-38-8349.
Faber, Morris R., 247-70-8042.
Fagersten, James R., 536-36-3335.
Fairhead, Michael P., 429-78-7724.
Falcon, John D., 457-58-9266.
Farewell, Thomas E., 229-58-1542.
Farrar, John L., 315-34-8706.
Farrell, Henry E., 176-34-7875.
Farris, Karl, 511-44-1541.
Farthing, Clifford, 237-68-0540.
Fassett, Richard M., 153-30-3154.
Faust, Edmond L., 094-36-8311.
Fazen, Robert P., 396-44-0160.
Felch, John E., Jr., 015-34-8419.
Fellens, Michael P., 245-66-2949.
Felletter, Vincent, 046-30-0673.
Fender, Charles K., 417-54-5932.
Ferguson, Richard E., 126-32-0953.
Ferguson, William E., 222-26-8925.
Ferrea, Albert J., 114-30-2792.
Feurer, Michael H., 217-40-9721.
Fichter, James M., 312-44-9919.
Fields, Clifford L., 217-34-5244.
Fields, Harold D., 232-66-3136.
Fields, Thomas J., 100-32-1764.
Fields, Timothy G., 045-34-7903.
Figgins, Charles E., 272-38-0636.
Filson, James W., 444-42-0544.
Finch, Alfred J., 573-54-3182.
Fincke, Dale E., 450-72-6753.
Finley, Earl W., 021-34-9438.
Fish, John H., 033-32-3625.
Fitzgerald, Henry E., 449-68-8345.
Fitzgerald, Thomas, 506-50-3038.
Fitzpatrick, Joseph, 212-42-0964.
Fix, Donald J., 501-48-0704.
Flanders, Charles L., 216-42-3630.
Flannery, Corbett M., 264-74-6927.
Fleming, John J., 165-34-2653.
Fletcher, Douglas M., 494-48-3117.
Flowers, James H., 452-66-4453.
Fontenot, Russell J., 434-58-5402.
Ford, Robert L., 037-26-5510.
Foster, Douglas E., 253-60-0123.
Foster, Michael R., 517-46-3613.
Fousek, Richard J., 215-42-9695.
Fowler, David F., 041-40-8536.
Fox, Richard W., 303-42-9411.
Frankel, Ronald S., 261-74-7977.
Franklin, Jerry L., 461-66-5220.
Fraser, Schley J., 401-56-7847.
Frazier, Billy W., 460-64-6434.
Frazier, Thomas M., 425-70-8941.
Frederick, James L., 422-58-0454.
Freitas, William F., 568-48-8936.
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Zamory, David A., 054-30-3669.
Zeiler, Richard H., 524-54-6750.
Zepko, John J., 118-34-6322.
Zierdt, John G., 422-52-4923.
Zimmerman, Leroy, 249-76-4150.
Zink, Gale R., 550-58-4200.
Zogiman, Robert R., 399-40-8320.
Zwirner, Adolf A., 515-40-9439.

CHAPLAIN CORPS

To be major

Allen, John M., 261-42-1223.
Berger, Robert F., 207-28-8778.
Garrison, Raymond E., 513-40-9936.
Goldsmith, Richard, 376-40-6146.
Grace, James N., 326-28-1506.
Stenbakken, Richard, 522-48-1085.
Sullivan, Max D., 356-26-5065.

DENTAL CORPS

To be major

Agar, John R., 227-62-9727.
Backenstose, William, 506-56-9495.
Baker, Kim J., 489-48-2451.
Carbone, David O., 378-46-3554.
Cressler, John W., 214-46-0956.
Crumpler, Lyle E., 238-54-0689.
Edge, Marion J., 419-58-3393.
Hlista, Richard J., 094-36-8287.
Hooks, Thomas W., 091-36-0119.
Hughbanks, James C., 400-62-0144.
Hunter, Ronald D., 507-60-2143.
Johnson, Ralph G., 034-32-7843.
Lemoine, David L., 395-40-2359.
Marcoot, Ralph M., 216-44-5831.
McQuade, Michael J., 519-46-9933.
Nagy, William W., 287-36-8234.
Osborne, William H., 286-38-6823.
Rathofer, Steven A., 529-68-3654.
Sharbo, Paul W., 484-50-8877.
Sigala, Joseph L., 549-68-6470.
Stalker, William H., 311-44-1116.
Stefani, Dennis E., 517-44-0946.
Swain, Gary R., 482-56-8791.
Turner, Kenneth D., 456-60-9098.
Wampole, Harry S., 176-36-9208.

MEDICAL CORPS

To be major

Berliner, Daniel S., 336-36-8682.
Cole, Gary B., 429-74-0495.
Coppin, David F., 528-54-9532.
Dalton, Bruce A., 246-64-6602.
Davis, Geoffrey V., 265-68-8932.
Dewitt, Ralph O., 499-42-4200.
Doty, Richard D., 569-60-5350.
Ewart, Thomas W., 422-56-8501.
Fullerton, Leroy R., 231-52-7182.
Grabow, Thomas W., 503-50-6806.
Head, Harold D., 229-62-8395.
Jenna, Russel W., Jr., 223-60-7916.
Kinane, Thomas J., 131-32-7428.
Manning, George S., 528-50-9210.
Obyrne, Stuart A., 360-34-5906.
Parker, John S., 190-32-5626.
Peake, James B., 220-42-1525.
Piskun, Walter S., 058-34-0910.
Poling, Charles W., 281-34-9743.
Rawlings, James S., 226-56-5619.
Redmond, John, III, 551-64-6731.
Rogers, Jack A., Jr., 573-66-1409.
Salander, James M., 009-30-0537.
Watson, Richard A., 155-30-7731.
Wheeler, Leigh F., 214-42-6308.
Wilson, Lynnford S., 223-60-7067.
Wilson, Torrence M., 252-62-9561.

MEDICAL SPECIALIST CORPS

To be major

Allemond, Pierre, 424-66-8625.
Ammerman, Frederick, 523-54-3290.
Anderson, Robert M., 430-68-9344.
Aoki, Wayne C., 576-42-1270.
Ashmore, Lee F., 478-48-0428.
Badgett, Arthur L., 522-56-8782.
Barrett, John A., 178-34-3567.
Bell, William H., 018-34-0080.
Beringer, George R., 561-64-2244.
Beumler, Henry C., 527-54-0234.
Blackwell, Russell, 424-54-0667.
Bodenbender, David, 292-36-7247.
Bogue, Ronald A., 533-40-7033.
Bosetti, Larry G., 208-32-3771.
Boyd, Willie E., 424-56-8223.
Braendel, Douglas A., 169-32-1571.
Brown, Samuel A., 246-82-7994.
Bunch, James S., 569-50-9424.
Church, Zaldos N., 381-42-3906.
Clegg, Thomas A., 242-66-7995.
Coleman, Richard L., 411-70-3567.
Crum, John W., 526-52-4945.
Damato, James J., 145-34-4287.
Debree, William F., 145-30-6977.
Delaney, Gerald L., 021-32-7260.
Elisondo, Raymundo, 451-64-0738.
Ferinde, John, 147-32-3283.
Fields, Jerry L., 200-30-2304.
Foust, Jerome V., 445-42-0982.
Galenes, Alexander, 261-64-3213.
Gaston, Gary W., 428-68-7933.
Ginn, Richard V., 267-68-3369.
Greene, Stonell B., 463-70-3511.
Griffin, Bruce N., 224-64-3967.
Gulley, Myra I., 441-36-3799.
Hamilton, John, 261-54-4083.
Hammond, Sterling D., 001-32-0082.
Haugen, Lawrence A., 560-58-1108.
Hawkins, Robert T., 309-46-5926.
Hembree, Stephen C., 246-58-0354.
Herndon, Michael E., 237-68-4427.
Hiu, Patrick S., 576-42-3433.
Hohmann, James G., 165-24-3404.
Hohn, Dennis E., 547-54-6141.
Hooker, Scottie T., 247-72-6459.
Horrell, Ronald L., 542-50-8693.
Howard, David, 094-32-6265.
Hunt, William C., 213-44-7044.
Inasu, William M., 149-34-6677.
Jasper, William R., 456-62-4400.
Jeffrey, Timothy B., 108-34-9686.
Johnson, Barry J., 544-40-2393.
Jordan, Charles F., 232-66-6085.
Juchau, Simmeon V., 519-38-5725.
Kaiserahot, Gordon, 501-44-7229.
Knisely, Benjamin M., 263-64-2712.
Krupka, Thaddeus A., 114-34-9730.
Langhorne, Webster, 230-52-6762.
Leblanc, Robby J., 439-72-8314.
Lyons, Joseph F., 176-34-6153.
Madkins, Lawrence H., 451-70-8786.
Marsteller, Clyde C., 306-30-3639.
McAdams, Spurgeon A., 266-60-8320.
McKinstry, Earl R., 503-48-4295.
McLain, Frederick R., 481-58-1544.
Miles, Ronald D., 458-66-2734.
Miller, Dewey R., 540-48-7396.
Moody, Hershell L., 417-56-0940.
Moore, Clayton, H., 410-70-1817.
Morris, Arnold E., 007-40-3542.
Morris, Harold B., 450-52-3709.
Odell, Thomas E., 267-62-7054.
Olson, Roger, 505-50-5615.
Ostrander, James H., 504-52-1240.
Owen, John T., 139-36-4268.
Partin, Daniel H., 238-62-1147.
Peters, Curtis A., 447-42-7316.
Posniak, Thomas B., 465-68-5333.
Quinn, Frank X., 181-30-8800.
Rodman, Terral L., 442-42-8382.
Salko, Joseph E., 157-32-9226.
Schulz, Jeffrey B., 052-34-7953.
Slifer, William E., 374-38-1630.
Smith, Clarence W., 234-66-9080.
Steen, David B., 366-34-3319.
Sullivan, John E., 429-76-1170.
Swallow, Gary L., 261-60-0790.
Taylor, James A., 267-64-4655.

Thompson, Jerry F., 510-36-3058.
Touchard, George H., 437-56-0294.
Valdes, Victor M., 580-52-7437.
Vatne, Clarence G., 502-48-0176.
Ward, Larry G., 459-60-5794.
Washington, Curtis, 168-30-4622.
White, Julius C., 535-40-3912.
Williams, James N., 330-36-3642.
Williams, Michael D., 263-64-9333.
Wortham, James T., 216-42-6460.

ARMY MEDICAL SPECIALIST CORPS

To be major

Bell, Clyde H., 263-66-7601.
Brown, Clarence D., 235-64-2692.
Ford, Daniel T., 263-66-7681.
Grabhorn, Juanita J., 424-56-0920.
Jenkie, Ronald A., 009-30-8388.
Kersey, Douglas A., 234-62-9088.
Liu, George K., 575-40-1724.
Maize, Roy S., 208-34-3503.
Pennell, Clifford R., 403-54-4206.
Sater, Derrol H., 533-40-1732.

VETERINARY CORPS

To be major

Allshouse, Harvel P., 524-52-0082.
Antosh, Thomas F., 453-82-8893.
Carlisle, Eddie L., 422-46-2725.
Catanzaro, Thomas E., 334-36-1936.
Kastello, Michael D., 361-34-9198.
Lewis, George E., 267-66-5993.
Ridder, William E., 263-38-6304.
Vescovi, Ronald E., 415-74-4784.
Zotter, Jon G., 040-36-3841.

ARMY NURSE CORPS

To be major

Accardo, Wilbert J., 062-36-4227.
Allanach, Bruce B., 028-34-9485.
Arndt, Georgene E., 469-40-5470.
Arnold, Joseph V., 495-42-6345.
Arrowsmith, David R., 514-44-4599.
Babson, Beverly R., 007-40-8011.
Barah, John E., 208-32-1425.
Baysinger, Douglas, 370-36-4163.
Breeden, Linda J., 406-54-2854.
Brillant, Eugene G., 066-28-7276.
Brockschmidt, Frederick, 436-62-6800.
Bryan, Gareth D., 510-42-9373.
Bystran, Sharon F., 542-50-4717.
Chadwick, Mary L., 259-54-2204.
Clark, Dorothy J., 416-54-1426.
Courcy, Ernest H., 008-30-4063.
Cox, Janice M., 305-42-9730.
Deloach, James H., 416-52-5010.
Prelin, Alyce J., 191-32-9147.
Gleeson, Roberta L., 137-36-4051.
Guida, Robert A., 168-36-4889.
Heston, James V., 201-32-0904.
Hickman, Kathleen R., 329-36-0967.
Hopkins, Roger N., 334-34-1168.
Howard, Duane L., 303-42-9527.
Hudock, John M., 168-32-0515.
Hutcheson, Marguerite, 298-40-5905.
Knepper, Glenn S., 300-32-1356.
Kraemer, William J., 036-26-4304.
Laur, Margaret H., 168-28-3279.
Leavell, Ronald E., 319-34-4585.
Lemieux, Elizabeth, 357-34-1422.
Lenig, Richard C., 207-32-7098.
Leonard, Lawrence C., 299-34-7818.
Leonhard, John F., 335-36-7075.
Long, Jerry D., 232-58-1954.
Maloney, Joseph F., 168-32-0435.
McCarthy, Mary M., 113-30-8466.
McDonnell, Robert C., 165-30-0867.
McEntire, Jackie J., 349-32-7049.
Metcalf, Franklin L., 186-28-6370.
Meyer, Robert A., 504-32-8472.
Meyers, Edward M., 171-34-0055.
Mika, Walter V., 349-32-3399.
Minahan, Sue P., 456-64-7637.
Misener, Terry R., 481-50-6055.
Mitten, John N., 526-54-8149.
Morales, Sandra S., 178-34-6122.
O'Connor, Stephen J., 514-42-4309.
Oliver, Randall L., 463-52-4519.
Parr, Thomas E., 399-32-3477.
Patnode, Louis G., 056-36-8242.
Person, Rodney M., 191-32-0506.
Pfaehler, Karl H., 169-30-5063.
Phelps, Frederick O., 478-50-2332.
Price, Barbara J., 372-36-4847.
Riedman, John A., 055-34-9018.
Riley, EllenE., 474-42-8462.
Roscoe, Ronald R., 422-42-9762.
Sanford, Dan M., 534-36-7936.
Sapolis, Richard J., 185-36-2729.
Schanding, Donald W., 401-46-9654.
Seureau, Kathleen N., 505-64-4002.
Sexton, Michael P., 125-34-0893.
Seymour, Richard S., 515-34-7631.
Shellabarger, Virginia, 284-38-5207.
Showman, Lonnie J., 414-64-1453.
Smith, Charles L., 209-30-8826.
Spencer, Joanne M., 017-34-0035.
Stamper, Roy R., 319-34-3797.
Strieper, Sarah S., 424-62-1691.
Swanson, Bruce E., 506-50-9390.
Sylvester, Marilyn, 535-34-6708.
Tiers, Sharon M., 511-42-5864.
Urick,George M., 351-32-3164.
Vail, James D., 431-70-2887.
Welch, Christopher, 148-28-1180.
Wimett, William J., 108-32-3709.
Wimmer, Sidna P., 225-48-8595.
Woldt, Gerald D., 387-42-1399.
Wolf, Richard C., 512-42-7706.

The following-named officer for promotion in the Regular Army, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Martin, Peter H., 536-48-3172.

ARMY PROMOTION LIST

To be captain

King, Jeffrey L., 341-40-3574.
Schwing, Fred K., 300-46-0432.

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, section 3442 and 3447:

DENTAL CORPS

To be lieutenant colonel

Baumgartner, John C., 390-42-8825.
Beebe, John E., 521-44-0320.
Madden, Robert J., 001-24-5790.
Stevenson, Michael E., 328-32-9179.

IN THE NAVY

The following-named midshipman (Naval Academy) to be appointed a permanent ensign in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Andrew W. Acevedo

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Amy S. Comstock
David G. McRae
Robert N. Nixon

The following-named Navy enlisted scientific education program candidates to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Armstrong, James D.
Arnold, Ronald R.
Bainbridge, Richard L.
Baldwin, Craig W.
Ballard, Stephen D.
Banks, Albert J.
Barber, Frederick L.
Beckley, James M.
Blake, Donald S.
Borer, Chris J.
Bouma, John C.
Bowen, John D.
Bowling, Douglas F.
Boyer, Phillip O.
Brewster, Edward Y.
Bridges, Stephen M.
Brown, Michael S.
Brosso, Michael R.
Burnfield, Daniel L.
Cabe, William C.
Caldwell, Billy A.
Carter, Lawrence R.
Ceci, David M.
Chappell, David C.
Cheeks, Lee A.
Childs, Robert D.
Christiano, Brian A.
Coleman, Leland E.
Coleman, Leland L.
Correllus, William A.
Critch, Ronald W.
Cronan, John L.
Demuth, Donald E.
Dotson, Robert W.
Drown, Douglas R.
Duncan, Armanda V.
Estabrook, Murry W.
Evans, Leonard P.
Fleming, Gary W.
Flynn, John T.
Forbes, Wilfred J.
Franklin, Gene C.
Gibbs, Robert B.
Gilmore, Thomas N.
Goble, Dale L.
Goode, Gregory L.
Crafton, Thomas R.
Hamman, Thomas R.
Harris, Brian K.
Hatzenbuehler, Mark
Hawes, Stephen L.
Headley, Edward W.
Heinbaugh, Richard A.
Hess, Timothy N.
Hill, James R.
Hoffman, Randall L.
Holley, Earl T.
Hooper, Daniel P.
Hopkins, Charles L.
Howard, Dean E.
Hoyt, Werner F.
Hurley, James J.
Ingram, Vernon D.
Johnson, James M.
Langford, Leonard L.
Leshbrook, David L.
Lea, Timothy D.
Ledesma, Alfred
Lee, Stanley K. C.
Lester, Donald J.
Long, Roland E.
Longest, Jerry M.
Losano, Carlos
Lybarger, Charles D.
McGowan, Gerald K.
McSwain, William R.
Maker, Jerome J.
Malmberg, Roy D.
Manos, Thomas F.
Martello, Charles
Martinig, Richard
Miller, Robert S.
Miller, Theodore A.
Molyneux, Harry F.
Morlang, Gary M.
Mortenson, Rodney D.
Moss, Daniel S.
Mulcady, John M.
Munyon, Thomas J.
Oakes, Montford E.
O'Donnell, Henry E.
Oliver, Wayne S.
Persyn, John M.
Porter, Scott W.
Posey, Robert L.
Poteat, Gary N.
Pratt, Douglas A.
Ptetl, Robert T.
Purdy, Darrel W.
Rains, Terry D.
Rattz, Donald E.
Reiff, Thomas V.
Robles, Marcelino
Rodante, Robert S.
Rombough, Lance W.
Rosenau, Chris A.
Rubin, James B.
Schimizze, Richard R.
Scott, Gary L.
Seidel, Walter A.
Semrite, Alexander J.
Setzer, Christopher J.
Shropshire, Caroll L.
Silver, Mark I.
Simpson, Robert F.
Smith, Mark B.
Spears, Thomas M.
Steele, James J.
Stever, Daniel K.
Swetnane, Michael S.
Thomas, Michael S.
Tillotson, Daniel D.
Tisdale, Charles W.
Troan, James W.
Vanbracklin, Kermit
Voyles, Steven R.
Walker, Jimmy D.
Weeden, Dana K.
Wentland, Cynthia
White, Keven M.
Wilhelm, Robert H.
Williams, Mary C.
Williams, Michael D.
Wilstrom, Kenneth A.
Wissenbach, Lewes E.
Wolber, Raymond W.
Wolfe, Robert C.
Wood, Charles L.
Wood, Michael E.
Workman, Chester J.
Wortherly, Clemon R.
Wright, Steven W.
Wright, Walter J.
Wrigley, Samuel R.
Yuna, Joseph D.
Zeiler, John E.

The following-named temporary chief warrant officers to be appointed permanent chief warrant officers, in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

James D. Abehear
Robert E. Allen
Wilfred J. Bean
David D. Buckley
Allison L. Carson, Jr.
George J. Casey
James V. Emme
Gary L. Farwell
Michael R. Finn
Clarence B. Glover, Jr.
Gilbert M. Gonzales
Billy P. Hrbacek
John S. Kelley
James M. Lewis
Gary W. Reash
Charles R. Warner

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

John J. Geren
Jon J. Hanlon
Bernard P. Novak

The following-named (ex-U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Michael W. Kistler
*Jack S. Resnick
*John P. Sands, Jr.

*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 28 June 1979–6 July 1979.

The following-named (ex-U.S. Air Force officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Stephen R. Stouder

The following-named (civilian college graduates) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Nejat H. Akbiyik
*William A. Shetemata

The following-named (U.S. Navy officer) to be appointed a temporary commander in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Gayle A. Owens

The following-named (U.S. Navy officer) to be appointed a temporary commander, in the line, in the U.S. Navy, subject to the qualifications therefor as provided by law:

David J. Friel

IN THE MARINE CORPS

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 2107, subject to the qualifications therefor as provided by law:

Aichelmann, Frank M.
Andrews, Richard H.
Austin, Stanley M.
Barber, Gary W.
Barnes, Gregory W.
Barrow, Robert H.
Bartels, William L.
Bassett, William G.
Beaty, Timothy J.
Beekman, Patrick L.
Beeton, Clifford F.
Benford, Robert C.
Bennett, John S.
Berg, David W.
Blair, Kevin L.
Bohn, Michael S.
Bracken, Stephen T.
Bradley, Loretta G.
Brent, Rober C.
Brinn, Chauncey J.
Brogan, Michael M.
Brooker, Michael F.
Brown, Jerome W.
Brozozowksi, Mark M.
Bryant, John J.
Calhoun, Powell T., II
Capitano, Richard G.
Carper, Robert W., Jr.
Chace, Stephen D.
Conn, Daniel J.
Corscadden, Robert A.
Cross, Lyle M.
Curley, James M.
Cusick, Robert P.
Dalton, Pat P., III
Daniels, Robert J.
Daugherty, George L.
David, John W.
Davis, Claude H., III
Dean, Michael J.
Deatherage, Raymond F.
Dedeaux, Waldon A.
Decker, Michael H.
Defazio, George W.
Delaney, William F.
Dickerson, Curtis R.
Diehl, Curtis W.
Digregorio, Frank J.
DiSilva, Debra A.
Doll, James L.
Edmonds, Alan K.
Ellison, Christopher D.
Elwing, David W.
Ennis, Timothy K.
Eoff, David M.
Eskew, Mitchell A.
Fitzgerald, C. Scott
Fitzgerald, Robert A.
Flick, Edmond J.
Fulcher, Mark A.
Gearhart, Robert A.
Geerlings, Norma S.
Gelles, Thomas N.
Gibney, John R.
Gibson, Charles R.
Giorgio, John, Jr.
Golebiowski, Joseph, Jr.
Gossard, Ronald S.
Gray, William K.
Grecco, David J.
Gregory, Thomas E.
Grillo, Christopher
Guzauskas, Susan L.
Hall, Terry L.
Harben, Richard L.
Harding, William W.
Harris, William E.
Hartman, Mary R.
Hartway, Gordon E.
Hastings, Calvin E.
Haynes, Charles T.
Healey, Regina M.
Helmly, Reed L.
Hinman, Craig N.
Hofien, Kent G.
Horton, David B.
Huete, Timothy H.
Huskey, Gregory A.
Jackson, Timothy J.
Jeffries, James H.
Johnson, Joanne
Jones, Frank A., Jr.
Kane, Paul J.
Keffer, Paul N.
Kelly, Donald W.
Kelly, Thomas R.
Kjell, Nils E.
Kleinfelter, Peter J.
Knauff, Kathy L.
Koppenhaver, James
Lacrosse, John M.
Lake, Brian D.
Lee, Mickey F.
Leech, Frank J.
Leinenkugel, Richard J.
Letts, Steven J.
Luigard, Timothy E.
Lukeman, James W.
Lynes, Jerome M.
Lynn, David B.
Mahnke, Peter A.
Manthe, Brian
Manuel, Larry K.
Martin, Jonathan B.
Masterpool, Michael M.
McAfee, David P.
McCown, James E. III
McLaughlin, Daniel J.
McNeive, James F.
Mortensen, Joseph A.
Moseley, William J.
Munch, Joseph C.
Muse, Mittie C.
Nellis, Stephen M.
Neuwirth, Mark E.
Nitkowski, Suzanne B.
Nixon, David B.
Noblit, Mark L.
Noxon, Robert B.
O'Donnell, Michael R.
Oles, Gary R.
O'Neil, Michael S.
Orawczk, Walter H.
Pearson, Warren L.
Peck, David T.
Piatel, Craig A.
Pleasant, Timothy W.
Powell, Curtis J.
Pravati, Lucian M.
Psilias, Christopher F.
Putnam, Adin P.
Rains, Cal II
Renegar, Edwin S.
Richardson, Byron G.
Riley, James E.
Rinaman, Timothy W.
Ritonia, Michael J.
Roberson, David L.
Rood, John A.
Rooney, Joseph J.
Rugar, Mark J.
Sapp, Donald W.
Scott, Francis P.
Shumay, Michael A.
Sitler, David F.
Skinner, Mike T.
Smith, Charles D.
Smith, David E.
Smith, Matthew
Sommerhof, William S.
Sorfleet, William D.
Stebbins, Lee A.
Stinnette, Jesse W.
Stork, Harlan A.
Stroman, Mark H.
Switay, Kenneth M.
Talmon, Kent R.
Tanks, Bobby H.
Treacy, Jonathan T.
Vaughn, Daniel L.
Wakefield, Bruce A.
Walchessen, Nora S.
Waedin, Ricky S.
Wassermann, Helene S.
Wheeler, Mark E.
Wheeler, Robert F.
White, David L.
White, Patrick J.
Whittle, Frederick J.
Wholley, James R.
Wilson, Jimmy L.
Wolf, Frances B.
Young, Frank A.
Zolman, Richard L.

*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 28 June 1979–6 July 1979.

The following-named Marine Corps enlisted commissioning education program graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 5583, subject to the qualifications therefor as provided by law:

Averitt, Bruce A.
Duckworth, Frank H.
Krug, Daryl V.
Mason, Christy C.
Zirkelbach, Kurt V.

HOUSE OF REPRESENTATIVES—*Wednesday, September 5, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will extol Thee, my God and King, and bless Thy name for ever and ever. Every day I will bless Thee, and praise Thy name for ever and ever. Great is the Lord, and greatly to be praised, and His greatness is unsearchable.—Psalms 145: 1–3.

O Lord, as we praise Your name, so bless our coming together this day, and cause Your grace to be with those who labor here for the welfare of all people. May Your providence guide our Nation and give the vision for the path of justice and mercy.

When we are selfish and look only to our own needs, give us forgiveness and a new beginning, when we speak the truth and are faithful to our responsibility, then confirm and encourage in the right.

Bless all Your people, Lord, and may Your Spirit daily strengthen us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 2, 1979:

H.R. 2729. An act to authorize appropriations for activities for the National Science Foundation for fiscal year 1980, and for other purposes.

On August 3, 1979:

H.J. Res. 373. Joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

On August 6, 1979:

H.R. 4591. An act to make technical corrections and miscellaneous amendments in certain education laws contained in the Education Amendments of 1978, and for other purposes.

On August 8, 1979:

H.R. 1786. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

On August 13, 1979:

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson;

H.R. 4476. An act to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes;

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week"; and

H.J. Res. 209. Joint resolution designating the week of October 14, 1979, as "National Diabetes Week."

On August 14, 1979:

H.R. 2807. An act to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States;

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance pro-

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

grams and for the Peace Corps, and for other purposes;

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4057. An act to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code; and

H.R. 4811. An act for the relief of the city of Nenana, Alaska, and to amend the act of January 2, 1976, as amended, and for other purposes.

On August 15, 1979:

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2262. An act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans; and

H.R. 3996. An act to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 86. An act for the relief of Soerjanti Bonsoumet-Soetarto;

S. 151. An act for the relief of Jerry W. Manandic and Ceferino W. Manandic;

S. 216. An act for the relief of Chong Hui Schrein;

S. 319. An act for the relief of Chan Siu Ha (also known as Linda Chan);

S. 566. An act to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an antirecession fiscal assistance program, and for other purposes;

S. 707. An act for the relief of certain aliens;

S. 885. An act to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes;

S. 914. An act to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for multistate regional development commissions to promote balanced development in the regions of the Nation;

S. 974. An act for the relief of Tin Foo Chan (also known as Michael Chan);

S. 1037. An act to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits;

S.J. Res. 41. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; and

S.J. Res. 43. Joint resolution to proclaim March 21, 1980, "National Energy Education Day."

The message also announced that the President pro tempore, pursuant to Public Law 95-561, appointed Mr. John P. Dunfey, Senator SPARK M. MATSUNAGA, and Mr. John Dellenback to be members of the Commission on Proposals for the National Academy of Peace and Conflict Resolution.

The message also announced that the Vice President, pursuant to Public Law 95-45, appointed Mr. WILLIAMS (Chairman), Mr. DECONCINI, Mr. STAFFORD (Vice Chairman), and Mr. THURMOND to the 66th Interparliamentary Union Conference, to be held in Caracas, Venezuela, September 13-21, 1979.

COMMUNICATON FROM THE CLERK OF THE HOUSE

The Speaker laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 3, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on August 2, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed H.R. 896, An Act for the relief of Joseph J. Andrews;

That the Senate passed H.R. 899, An Act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

That the Senate passed H.R. 932, An Act for the relief of Doris Mauri Coonrad; and

That the Senate passed H.R. 1158, An Act for the relief of James C. Wilkinson.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

August 6, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted on August 2, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate agree to the amendments of the House of Representatives to the bill S. 1146, An Act to amend title XIV of the Public Health Service Act, as amended by the Safe Drinking Water Act (88 Stat. 1660, 42 U.S.C. 300j), to extend for three fiscal years the authorization for appropriations, and for other purposes; and

That the Senate passed without amendment H.J. Res. 244, to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, August 2, he did on Friday, August 3, sign the following enrolled bills:

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps, and for other purposes;

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting;

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the national capital region;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code;

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson;

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week";

H.J. Res. 209. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week";

S. 41. An act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.;

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes; and

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932.

□ 1210

MESSAGE FROM CONSTITUENTS

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I have just returned, as many of the Members have, from traveling around my district for 1 month, talking and listening to the constituents in my area of Florida. I want the Members to know that it is my feeling, from the feedback that I get, that there is no great demand from the public for any new major initiatives from this Congress. The message that I received was that we simply address as quickly as possible the energy and inflation problems facing this Nation—and everyone realizes they are tied together—do it as quickly as possible and adjourn and go home.

The public is not looking for much more than that. I think the message they are giving us is that they are asking us to make a commitment to give a little, asking all of the Members of Congress to

just give a little bit, to try to come to some reasonable compromises that can turn this Nation around and let the people know that we are willing and capable to take a little action to get us on our feet again.

The only other area of concern for the seniors of my area is, obviously, health care for senior citizens, and they are looking for assistance. This is an area that is long overdue for consideration.

BLOODY AUGUST IN IRELAND

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, in the long, sad, and violent history of Ireland, August 1979 may be remembered as one of the bloodiest months ever. On August 27 IRA terrorists killed Lord Mountbatten and the very next day 21 British soldiers were ambushed and killed. These were acts of sheer madness and brutal criminality. Those responsible should be prosecuted to the fullest extent of the law.

As chairman of the 130-member ad hoc Congressional Committee for Irish Affairs, I deplore the overall escalation of violence. I am especially distressed over the resurgence of purely sectarian based violence which had been at a lull over the past 18 months.

The reemergence of violence points up graphically the fact that the Irish issue is far from resolution. However, we cannot be content merely reacting to these latest atrocities. We must be in a position to work to prevent further atrocities.

We on the ad hoc committee have been involved in a number of peace initiatives—all designed to have the United States play a more positive role in advancing peace and justice for Ireland. On August 7 I met with President Carter to urge he undertake a "Camp David" type plan for Ireland.

We seek to aid the peace process as friends and not meddlers. The ad hoc committee operates with the conviction that the final resolution in Ireland must come from the people of Ireland. However our peace efforts will be frustrated as long as violence and lawlessness prevails in Ulster. We plea for the forces of reason to reassert themselves in Ireland.

STATEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives during one rollcall vote on Thursday, August 2, 1979; inasmuch as I was attending a meeting of a subcommittee of the House Judiciary Committee.

On Rollcall No. 428 the House approved, by a vote of 306 yeas to 9 nays, the Journal for Wednesday, August 1. If I had been present I would have voted "aye."●

A TRIBUTE TO SENATOR HOMER E. CAPEHART

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I take this time to pay tribute to one of the best known and most popular figures in the political life of my home State of Indiana, Senator Homer E. Capehart, who died this past weekend.

For 18 years, from 1945 to 1962, Senator Capehart represented Indiana in the U.S. Senate.

A vigorous and active Republican, he had many friends among Democrats as well as Republicans, a fact for which his affable and outgoing personality was in large part responsible.

Mr. Speaker, Homer Capehart was not only a U.S. Senator for three terms, but also a highly successful businessman.

Mr. Speaker, to Senator Capehart's widow, the former Irma Mueller, and to his son, H. Earl, and daughter, Patricia Pearson, as well as to his 12 grandchildren, I extend my deepest sympathy.

TRIBUTE TO JOHN F. O'LEARY, FORMER DEPUTY SECRETARY OF THE DEPARTMENT OF ENERGY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, as of today, John F. O'Leary is no longer Deputy Secretary of the Department of Energy, and I, for one, regret that he is no longer serving his country in that capacity.

Mr. O'Leary was with the Department since it was created in October 1977. He brought a wealth of talent and experience to the position.

As a member of the Interior Subcommittee on Appropriations, I particularly appreciated his cooperation and candor each time he came before the committee to testify. He expertly and succinctly analyzed problems presented to him and recommended possible and realistic solutions.

Hopefully, the suggestions he made in the past will be considered by Congress as it attempts to deal with perplexing energy issues. But, we will miss his wisdom and leadership in the future because we are only beginning to come to grips with the energy problems facing our Nation. Without his capable leadership our task is more difficult. But, it is not impossible. I would like to challenge all of us as Members of Congress to respond to our serious energy situation in a manner as thoughtful and well-reasoned as that displayed by our former Deputy Secretary of Energy, John O'Leary.

OIL IMPORTS ROSE DURING GAS CRISIS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, once again the American public is faced with the news that big oil may have ripped off the consumer during the summer months. Banner headlines in the Boston Globe read, "Oil Imports Rose During Gas Crisis."

While the American motorists were waiting in gas lines earlier this year, the major oil companies were importing 9 percent more crude oil than they did in 1978. The increase in crude oil would have supplied an additional 3 weeks of gasoline to the American motorist this summer.

Mr. Speaker, even as imports increased steadily in the first half of 1979, the oil companies cut gasoline supplies to service stations by as much as 15 percent. We all are painfully aware of what resulted—a 50-percent increase in the price of gasoline.

I find that difficult to reconcile in light of the fact that imports were up by 9 percent, while worldwide oil production was up 5.8 percent in the first 6 months of this year.

This is just another reason why this Congress must continue to scrutinize the activities of the oil industry.

SOVIET TROOPS IN CUBA

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the presence of Soviet combat troops in Cuba is an event of international importance. Whatever the reason for their presence, the fact that they are there at all is a propaganda coup for the Soviet Union. Four or five years ago it would have been unthinkable for the Soviets to take such a gamble. Now, exploiting the weakness of the present administration, they send combat troops 90 miles from our shores and they do so with apparent impunity. The United States has lost a battle, a battle of ideas, no matter what the ultimate outcome of this situation.

For the present, we have the irony of seeing Fidel Castro speaking for the "nonalined" nations. Castro, the attack dog of Soviet imperialism, with a Soviet chain around his neck, his daily sustenance coming from the Soviets tells the world he is unalined. In fact he barks when the Soviets say "bark" and rolls over on command. And yet this administration has pushed the idea of an "opening to Cuba."

It is my hope that the Senate hearings being held today will clarify this situation. For the time being I can only say that the United States has suffered a humiliating defeat in the area of world opinion.

□ 1220

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4760

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I rise to ask unanimous consent that my name be re-

moved as a cosponsor from H.R. 4760. When I agreed to cosponsor this bill, I did so believing that it simply reduced taxes. Over the recess I learned that it does far more than that, for it authorizes spending $900 million to subsidize the development of gas turbine vehicles. I would not want to be a party to such a massive redistribution of property, so I ask that my name be removed immediately.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. PAUL)?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the Chairman of the Committee on Public Works and Transportation, which was read and referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C., July 30, 1979.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects on July 26, 1979:

ALTERATION

Chicago, Illinois, John C. Kluczynski Federal Building.

Middle River, Maryland, Federal Depot.

Washington, D.C., Housing and Urban Development Building.

Philadelphia, Pennsylvania, U.S. Customhouse and Appraisers Store.

Boston, Massachusetts, John F. Kennedy Federal Building.

Washington, D.C., Liberty Loan Building.

Washington, D.C., Interstate Commerce Commission Building.

ACQUISITION

Boston, Massachusetts, Food and Drug Administration Building.

LEASE

Washington, D.C., Page Building No. 1.

The original and one copy of the authorizing resolutions are enclosed.

Sincerely,

HAROLD T. (BIZE) JOHNSON,
Chairman.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 10, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 12:45 p.m. on Friday, August 10, 1979, and said to contain a message from the President whereby he transmits the 1978 annual aeronautics and space report of the President.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

THE 1978 ANNUAL AERONAUTICS AND SPACE REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and together with the accompanying papers, referred to the Committee on Science and Technology:

To the Congress of the United States:

I transmit this report on the Nation's progress in space and aeronautics during 1978. This report is provided in accordance with Section 206 of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2476).

Included in this report are statements of policy designed to maintain American space leadership. This report concentrates on the most significant Federal space and aeronautical activities. These emphases have enabled us to reduce the amount of detail and number of separate agency program descriptions.

JIMMY CARTER.

THE WHITE HOUSE, *August 10, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 16, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:45 p.m. on Thursday, August 16, 1979, and said to contain a message from the President wherein he transmits in accordance with the Impoundment Control Act of 1974, the report of four new deferrals of budget authority totalling $204.5 million.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

FOUR NEW DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-175)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report four new deferrals of budget authority totalling $204.5 million. These items involve economic support fund assistance for Egypt, the White House Conference on Aging, the National Alcohol Fuels Commission, and the National Commission on the International Year of the Child.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
August 16, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:45 p.m. on Monday, August 16, 1979, and said to contain a message from the President wherein he transmits the 1978 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

With kind regards, I em,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

THE 1978 ANNUAL REPORT OF HEALTH ACTIVITIES UNDER FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I transmit herewith the 1978 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Act.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this Report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER.

THE WHITE HOUSE, *August 16, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 27, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received on this date in the Office of the Clerk, and said to contain the 17th annual Employment and Training Report of the President.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SEVENTEENTH ANNUAL REPORT PERTAINING TO EMPLOYMENT AND OCCUPATIONAL REQUIREMENTS, RESOURCES, USES, AND TRAINING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am transmitting to you the 17th annual report pertaining to employment and occupational requirements, resources, uses, and training, as required by section 127(a) of the Comprehensive Employment and Training Act (CETA) Amendments of 1978.

This *Employment and Training Report of the President* also includes a report on how social services, vocational education, and other programs administered by the Secretary of Health, Education, and Welfare are being integrated into State and local CETA activities, as required by section 127(b) of the 1978 CETA Amendments; a number of special reports that respond to additional reporting requirements in the amended CETA; a report on services for veterans, as required by the Vietnam Era Veterans' Readjustment Assistance Act; and a response to the requirements of section 4 (f)(2)(B) of the Full Employment and Balanced Growth Act of 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 27, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:00 p.m. on Monday, August 27, 1979, and said to contain a message from the President wherein he transmits the 12th Special Message for 1979, in accordance with the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THREE NEW DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-176)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority totalling $30.1 million. These items involve human development services in the Department of Health, Education, and Welfare, emergency refugee and migration assistance in the Department of State, and the National Commission on Social Security.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *August 27, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 29 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office on Tuesday, August 28, 1979, at 4:40 p.m., and said to contain a message from the President wherein he transmits his proposal for Federal participation in the International Exposition on Energy to be held in Knoxville, Tennessee.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

PROPOSAL FOR FEDERAL PARTICIPATION IN INTERNATIONAL EXPOSITION ON ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In accordance with statutory requirements, I am transmitting to you my proposal for Federal participation in the International Exposition on Energy to be held in Knoxville, Tennessee from May through October 1982. The Congress has already received an FY 1980 budget amendment request, in the amount of $20.8 million, to support Federal participation. The Department of Commerce is submitting the authorizing legislation as well.

It is my determination that Federal participation is in the national interest. The Exposition will provide for an international exchange of ideas on energy development, innovative energy technology, energy conservation, solar energy, synthetic fuels and other subjects important to the national interest. Moreover, the Exposition will stimulate tourist travel to the United States, thereby improving our balance of trade, promote international cultural exchange and accelerate capital growth and investment in the Knoxville area.

My proposal includes all statutory requirements:

(1) assurance that the Exposition meets all criteria for recognition and has been recognized;

(2) a statement that the Exposition has been registered by the Bureau of International Expositions on April 27, 1977; and

(3) a plan prepared by the Commerce Department and other interested departments for Federal participation.

The plan for Federal participation provides for construction of a pavilion and preparation of energy-related exhibits.

I urge that this plan be given prompt and favorable consideration by the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979.*

□ 1240

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 29, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office on Tuesday, August 28, 1979 at 4:40 p.m., and said to contain a message from the President wherein he transmits copies of the reports issued by the United Nations Joint Inspection Unit during 1978.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

COPIES OF REPORTS ISSUED BY UNITED NATIONS JOINT INSPECTION UNIT DURING 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In accordance with Section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2221), I am transmitting herewith copies of the reports issued by the United Nations Joint Inspection Unit during 1978.

JIMMY CARTER.

THE WHITE HOUSE, *August 28, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
August 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from

the White House, received in the Clerk's Office at 11:24 a.m. on Friday, August 31, 1979, and said to contain a Message from the President wherein he transmits to the Congress his recommendations concerning Federal pay, together with a Federal Pay Comparability Alternative Plan.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

PAY COMPARABILITY FOR FEDERAL CIVILIAN EMPLOYEES AND MILITARY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-177)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

Under the Pay Comparability Act of 1970, an adjustment in Federal white collar pay will be required on October 1, 1979.

I have reviewed the report of my Pay Agent and the recommendations of the Advisory Committee on Federal Pay relative to a pay adjustment. Their findings indicate that an average 10.41 percent increase, at a cost of about $6 billion, would be required to achieve full comparability with the private sector.

However, pay comparability for Federal civilian employees and the military must be viewed in the light of the current economic situation. Inflation continues to be the single greatest threat to our economy and is a national problem of foremost concern. In considering last year's Federal pay increase, I relied heavily on the pay standards the Administration was considering to guide decisions of all employers in determining pay increases. I am continuing that practice for this year's increase.

Accordingly, under the authority given to me by the Pay Act to propose an alternative pay adjustment which I consider appropriate in the light of "economic conditions affecting the general welfare," I have determined that an alternative plan consisting of an overall 7 percent increase and a partial exemption from the full effect of the limitation for the lowest-salaried civilian employees is appropriate for the Federal increase. This increase will be within the pay standard being developed by the Council on Wage and Price Stability that will apply to all employees in the country for 1980. It is somewhat higher than the increase anticipated by my 1980 budget. However, last January when my budget was submitted, we expected significantly lower rates of inflation than we have actually experienced. I believe that the loyal and outstanding service given to the country by the Government's civilian and military personnel warrants recognition of that changed circumstance and of the new pay standards for 1980.

Accordingly, I strongly urge the Congress to support the alternative plan which is attached.

JIMMY CARTER.

THE WHITE HOUSE, *August 31, 1979.*

REPORT BY HEW TO THE PRESIDENT ON DISEASE CONTROL PROGRAMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Report to the President on Disease Control Programs.

This report was prepared by the Department of Health, Education, and Welfare in accordance with P.L. 94-317, the "National Consumer Health Information and Health Promotion Act of 1976."

JIMMY CARTER.

THE WHITE HOUSE, *September 5, 1979.*

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

The SPEAKER. Does the gentleman want the call of the House previous to the motion to go into the Committee of the Whole?

Mr. BAUMAN. I will do whatever the Speaker says. I always do. Would the Speaker rather have a vote on the motion?

The SPEAKER. The gentleman from Maryland has changed his attitude since the vacation.

Mr. BAUMAN. A month off does everyone good, Mr. Speaker.

The SPEAKER. The Chair will recognize the gentleman from Maryland (Mr. LONG).

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 6, not voting 66, as follows:

[Roll No. 435]

YEAS—362

Abdnor	Emery	Lewis
Addabbo	English	Livingston
Akaka	Erdahl	Lloyd
Ambro	Erlenborn	Loeffler
Anderson, Calif.	Ertel	Long, La.
Andrews, N.C.	Evans, Del.	Long, Md.
Andrews, N. Dak.	Evans, Ga.	Lott
Annunzio	Evans, Ind	Lowry
Anthony	Fary	Lujan
Archer	Fazio	Luken
Ashley	Fenwick	Lundine
Aspin	Ferraro	Lungren
Atkinson	Findley	McClory
Badham	Fisher	McCloskey
Bafalis	Fithian	McCormack
Bailey	Flippo	McDade
Baldus	Foley	McHugh
Barnard	Ford, Mich.	McKay
Barnes	Forsythe	McKinney
Beard, R.I.	Fountain	Madigan
Bedell	Fowler	Markey
Bellenson	Frost	Marks
Benjamin	Fuqua	Marlenee
Bennett	Garcia	Marriott
Bereuter	Gaydos	Martin
Bethune	Gephardt	Matsui
Bevill	Giaimo	Mattox
Biaggi	Gibbons	Mavroules
Bingham	Gilman	Mazzoli
Blanchard	Gingrich	Mica
Boggs	Ginn	Michel
Boland	Glickman	Mikulski
Bolling	Gonzalez	Miller, Ohio
Bonker	Goodling	Mineta
Bonior	Gore	Minish
Bonker	Gradison	Mitchell, N.Y.
Bouquard	Gramm	Moakley
Brademas	Grassley	Mollohan
Breaux	Gray	Montgomery
Brinkley	Green	Moore
Brodhead	Grisham	Moorhead, Calif.
Brooks	Guarini	Mottl
Broomfield	Gudger	Murphy, Ill.
Brown, Calif.	Guyer	Murphy, N.Y.
Brown, Ohio	Hagedorn	Murphy, Pa.
Broyhill	Hall, Ohio	Murtha
Buchanan	Hall, Tex.	Natcher
Burgener	Hamilton	Neal
Burlison	Hance	Nedzi
Burton, John	Hanley	Nelson
Burton, Phillip	Harkin	Nichols
Butler	Harris	Nolan
Carney	Harsha	Nowak
Carr	Hawkins	Oakar
Clausen	Heckler	Oberstar
Clay	Hefner	Obey
Cleveland	Hightower	Ottinger
Clinger	Hillis	Panetta
Coelho	Hinson	Patten
Coleman	Holland	Patterson
Collins, Ill.	Holtzman	Pease
Collins, Tex.	Hopkins	Pepper
Conable	Horton	Perkins
Conte	Howard	Petri
Corcoran	Hubbard	Pickle
Corman	Huckaby	Preyer
Coughlin	Hutto	Price
Courter	Hyde	Purcell
Crane, Philip	Ichord	Quayle
Daniel, Dan	Ireland	Quillen
Daniel, R. W.	Jacobs	Rahall
Danielson	Jeffries	Railsback
Dannemeyer	Jenkins	Rangel
Daschle	Johnson, Calif.	Ratchford
Davis, Mich.	Jones, N.C.	Regula
de la Garza	Jones, Okla.	Reuss
Deckard	Jones, Tenn.	Rhodes
Derrick	Kastenmeier	Richmond
Derwinski	Kazen	Rinaldo
Devine	Kelly	Ritter
Dickinson	Kemp	Roberts
Dicks	Kildee	Robinson
Dixon	Kindness	Roe
Donnelly	Kogovsek	Rose
Dornan	Kostmayer	Rosenthal
Dougherty	Kramer	Rostenkowski
Downey	LaFalce	Roth
Drinan	Lagomarsino	Roybal
Duncan, Oreg.	Leach, Iowa	Royer
Duncan, Tenn.	Leach, La.	Rudd
Early	Leath, Tex.	Runnels
Eckhardt	Lederer	Sabo
Edgar	Lee	Schsuer
Edwards, Ala.	Lehman	Schroeder
Edwards, Calif.	Leland	Schulze
Edwards, Okla.	Lent	Sebelius
	Levitas	Seiberling

Sensenbrenner	Stokes	Weiss
Shannon	Stratton	White
Sharp	Studds	Whitehurst
Shelby	Stump	Whitley
Shumway	Swift	Whittaker
Shuster	Symms	Whitten
Simon	Synar	Williams, Mont.
Skelton	Tauke	Williams, Ohio
Slack	Taylor	Wilson, C. H.
Smith, Nebr.	Thomas	Wilson, Tex.
Snowe	Thompson	Winn
Solars	Traxler	Wirth
Solomon	Trible	Wolpe
Spence	Udall	Wright
St Germain	Ullman	Wyatt
Stack	Van Deerlin	Wydler
Staggers	Vander Jagt	Wylie
Stangeland	Vanik	Yates
Stanton	Vento	Yatron
Stark	Volkmer	Young, Fla.
Steed	Walgren	Young, Mo.
Stenholm	Walker	Zablocki
Stewart	Wampler	Zeferetti
Stockman	Waxman	

NAYS—6

Bauman	Myers, Ind.	Snyder
McDonald	Paul	Wilson, Bob

NOT VOTING—66

Albosta	Dodd	Mitchell, Md.
Alexander	Fascell	Moffett
Anderson, Ill.	Fish	Moorhead, Pa.
Applegate	Flood	Myers, Pa.
Ashbrook	Florio	O'Brien
AuCoin	Ford, Tenn.	Pashayan
Beard, Tenn.	Frenzel	Peyser
Bowen	Goldwater	Pritchard
Byron	Hammer-schmidt	Rodino
Campbell	Hansen	Rousselot
Carter	Heftel	Russo
Cavanaugh	Hollenbeck	Sentini
Chappell	Holt	Satterfield
Cheney	Hughes	Sawyer
Chisholm	Jeffords	Smith, Iowa
Conyers	Johnson, Colo.	Spellman
Cotter	Latta	Treen
Crane, Daniel	McEwen	Watkins
D'Amours	Maguire	Weaver
Davis, S.C.	Mathis	Wolff
Dellums	Mikva	Young, Alaska
Diggs	Miller, Calif.	
Dingell		

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4473, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, July 19, 1979, the Clerk had read through line 4 on page 6, and pending was an amendment offered by the gentleman from Florida (Mr. YOUNG).

Without objection, the Clerk will again report the amendment.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

The Clerk read the amendment as follows:

Amendment offered by Mr. YOUNG of Florida: On page 6, line 2, strike "$267,280,000" and insert in lieu thereof $263,330,000".

And on line 4 strike the period and insert the following: ": *Provided further*, That not more than $126,050,000 shall be available for the United Nations Development Program."

The CHAIRMAN. The Chair at this time will recognize the gentleman from Florida (Mr. YOUNG) for 5 minutes on behalf of his amendment.

Mr. YOUNG of Florida. Mr. Chairman, I am happy to welcome back our colleagues from their district work periods by offering an amendment that gives them an opportunity to do what we promised for the last 4 weeks, by telling our constituents that we are going to cut as much unnecessary and wasteful spending out of Government as we possibly can.

This amendment would reduce our contribution to the United Nations Development Program to last year's level.

Mr. Chairman, the appropriation for the United Nations Development Program in this bill is $130 million. Last year we appropriated $126,050,000. All this amendment does is reduce the fiscal year 1980 appropriation for the UNDP to last year's level. It is not going to hurt any UNDP program; it is certainly not going to hurt the United Nations Development Program itself.

As a matter of fact, UNDP would not even miss this money if they would use wise fiscal practices such as we must do in the Congress, such as our city, county, and State officials are required to do; if they would put their money on deposit in banks with interest-bearing accounts rather than non-interest-bearing accounts, they would get enough interest to more than make up for this minor cut which my amendment proposes to make.

In the UNDP there is an awful lot of waste. I am not going to take 5 minutes to berate the programs because they have some good programs but I am here to tell you that of this $126,050,000, if we appropriate that much, we are going to be sending part of that money to places like Cuba, South Yemen, Mozambique, Vietnam, Ethiopia, Laos, and a number of other countries that I personally have questions about.

Mr. Chairman, I yield back the balance of my time.

□ 1300

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I thank the gentleman from Florida for his past help; but unfortunately, I do have to rise in opposition to the gentleman's amendment. The UNDP is the technical assistance arm of the United Nations which provides needed assistance directly to the poorest sector of many of the poorest nations of the world.

UNDP is not perfect, of course. Small amounts of assistance often do go to rich countries, such as Saudi Arabia, where the UNDP provides technical assistance to programs intended to benefit the legions of the poor of that nation. Even so, Saudi Arabia contributes to the U.N. more than it receives. I think that is important to keep in mind.

The UNDP also does have small planned programs for countries, such as Vietnam, which in my opinion are not deserving of such aid. This assistance is not in the form, however, of cash contributions to Hanoi, but in the form of technical assistance for projects benefiting the needy, which from my observation on my trip there last month, are unfortunately the vast majority of the Vietnamese people.

Finally, the committee is recommending an increase of only 3 percent. It is one of the smallest increases we have recommended in the bill.

Mr. Chairman, I hope the House will defeat the amendment.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I am happy to yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding. I want to concur in the remarks the gentleman from Maryland has made in opposing the amendment of the gentleman from Florida. I rise to do so only because of the fact that I have had an opportunity to talk to the administrator of this program, Brad Morse, a former colleague of ours, just last week. I was impressed with the caliber of the work he is doing and with the high regard which Brad Morse and the UNDP program has in the international community. I think it is one of the real bright spots in the entire U.N. system. It may well be that it will be one of the first programs which will be supported to conduct additional activities without controversy because of the outstanding nature of the work that has been going on there.

It is for this reason that I feel it would be highly inappropriate to in effect give a slap in the face to this extremely successful operation at a time when it may be asked to undertake additional responsibilities.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman from California.

I agree with Mr. Morse, who was, incidentally, a member of the minority side of this House and has been doing a good job as Ambassador.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman.

Mr. SCHEUER. Mr. Chairman, I want to add my support to the gentleman's position opposing this amendment. I, too, spent time with Brad Morse last week, not only in Vienna in the Conference on Appropriate Technology, but a day later in Columbo in Sri Lanka at the Conference on Population and Development.

Now, in both of these conferences there was a clear drumbeat of pressure on the developed countries vastly to increase the order of magnitude of their aid and they talked about our only giving 0.27 percent of our GNP for aid and they wanted it to be three-quarters of 1 percent or 1 percent.

I think they realized that is fortunate, but I do make the point that a reduction, even a small reduction in our aid to UNDP I think would be taken as a symbol that we do not want to make. It would be taken as a symbol of our further walking away from the problem, of our further indicating that our aid to the developing world has less priority. I do not think that we want to send that signal, particularly in the case of an agency that is as well run or better than any other U.N. agency, where a former colleague in whom all of us across the aisles have real confidence in his integrity and his efficiency and when the gentleman as a Congressman and I and others have talked to him about the need for getting away from high tech-

nology projects that benefit the elite and to job creating, labor-intensive technology to help the people, when he has indicated that he believes in the principles of that approach and intends to follow it.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I would simply like to make the point that this amendment goes to the integrity of the committee system. This is not unique to this amendment. Under the able leadership of the gentleman from Maryland (Mr. LONG), our committee has spent a considerable amount of time in hearings listening to the justifications for this particular program and others.

The administration requested $140 million for the UNDP in its budget request. Our subcommittee reduced that request from $140 to $130 million. We did so based upon the hearings and the discussions we had in committee. The gentleman from Florida has every right to offer his amendment, of course, and I am not critical of that; but I think it is important in these situations to give some weight to what the committee has done thoughtfully during its hearing process.

This amendment would cut approximately $4 million from what the committee is asking for. As the chairman has pointed out, this request is only a 3-percent increase over last year's appropriation. That does not keep pace with inflation. We think it is a reasonable request.

I hope the Members of the House will give consideration and due weight to what our subcommittee and the full Appropriations Committee have done.

As has been pointed out, this program is a worthwhile program. It does not provide cash to any government. It provides technical assistance on the ground for projects which are critical to some of the poorest countries of the world.

It is also worth noting, I think, that the United States actually secured more in contracts than we contributed in appropriations by about 12 percent in 1978; so this program helps not only the poorest people with technical assistance, but it also returns to the United States in contracts more than we actually contribute. I therefore hope that this amendment will be defeated.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I think this a very modest cut. The United States last year provided 19 percent of the total funding for UNDP, whereas the whole list of OPEC countries provided only 2 percent. I know that in the last 5 years UNDP has given $49 million to Vietnam. This Congress has voted against sending our taxpayers' hard-earned money to Vietnam.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I am happy to yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, we have heard now from several of our colleagues who talked to our former colleague and friend, Brad Morse, during the recess. Of course, Brad is the Director of the UNDP. He is not going to tell us anything that is not good about the UNDP program, but let me read a statement that a White House official made about the UNDP to an international meeting dealing with the United Nations. Here is what he said:

> In surveying UNDP assistance programs to individual countries, we have noticed a disturbing trend toward increased fragmentation of effort.

Now, that is different from what good old Brad said.

> In one recent instance it was determined that the UNDP resident representative himself was ignorant of more than half of the resources being provided by donors through U.N. agencies.

That is different from what good old Brad said.

> The host country was no more aware than the UNDP resident representative of some of these programs. Both donors and recipients are getting less value than they should from available resources.

Now, that is not what good old Brad said. What did good old Brad say? Here is a report, Evaluation Study No. 2, concerning rural development, put out by the United Nations development program itself and in here they repeat some of the very same charges included in the White House statement made last year in Geneva.

Now, if you think the UNDP programs are all beds of roses and milk and honey, you are wrong. They are not. I did not want to start off today with a great tirade against the UNDP, but if I have to I will.

I will cite program after program where the money has been wasted, where it has been used for social reasons or political reasons, rather than economic or development reasons.

□ 1310

Mr. Chairman, I say that is wrong. Let me say this again: This modest cut of some $3 million plus is money that UNDP would never miss.

If they would put their money in bank accounts where they drew interest, like our county commissioners have to do and like our city officials have to do, they would get interest on their deposits. If our newspapers back home ever got word of a mayor or county commission chairman putting public money in noninterest bearing accounts, they would run them out of office or have them indicted. Yet the United Nations has millions and millions of American dollars and dollars from other donors in bank accounts that draw no interest. They let most of their projects without competitive bidding.

Let me tell the Members something. The way they handle their business is sad, it is tragic, and I say they should be able to get by with the same amount of money we gave them last year. And that was too much last year, by the way.

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the subcommittee chairman.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentlewoman for yielding.

The gentleman from Florida (Mr. YOUNG) will be interested to know that I agree very strongly with him on this business of putting deposited money in non-interest bearing accounts, and I feel the subcommittee should hold hearings on this question at a very early date. The gentleman from Florida has been very helpful in these matters in the past, but I do not think that this issue is really related to the question of a cut.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, it is my understanding from my conversations with him that it is the intent of the subcommittee chairman to ask our investigative staff to look into those very practices that are costing the UNDP and other U.N. agencies millions of dollars in interest that they could be getting. This represents more money that is lost by their shoddy business practices than I am trying to remove by this amendment to the bill.

I say, let us give our taxpayers a break. Let us save them a couple of million dollars every time we get a chance to do it. Here is a way we can do it, and the UNDP will never miss it.

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, let me say that we should not only investigate the deposit of funds by the UNDP in non-interest bearing accounts but the deposits by all the multilateral agencies. This should be a task for the subcommittee in the months ahead to complete.

However, that would not negate the need for the money represented here. I would hope that we would not vote for the gentleman's amendment but that we would wait until we have a chance to examine this aspect of the matter.

Mr. YOUNG of Florida. Mr. Chairman, I agree with the chairman of my subcommittee on the importance of this investigation.

I ask for an aye vote on the disposition of this amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will only take a minute. I just want to point out that the U.S. contribution to UNDP is 18 percent of the total UNDP amount this year, as opposed to an amount which was about 35 percent in 1970. I think that indicates the burden sharing for this program has considerably changed in our favor.

The House has already made four cuts in this bill, and I would urge the House to stick with the committee on this matter in the interest of preserving the integrity of the committee process.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and on a division (demanded by Mr. YOUNG of Florida) there were—ayes 27, noes 24.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 234, noes 139, not voting 61, as follows:

[Roll No. 436]

AYES—234

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boland
Boner
Bouquard
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Carney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Devine
Dicks
Dingell
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferraro
Findley
Fithian
Florio
Ford, Mich.
Forsythe
Fowler
Fuqua
Garcia
Gephardt
Giaimo
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Gore
Gradison
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hance
Heckler
Hefner
Hefner
Hightower
Hinson
Holland
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Neal
Nelson
Nichols
Nowak
Patten
Paul
Perkins
Petri
Pickle
Preyer
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Udall
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—139

Addabbo
Akaka
Anderson, Calif.
Annunzio
Ashley
Aspin
Baldus
Barnes
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Bolling
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Collins, Ill.
Conte
Conyers
Corman
Dellums
Derrick
Derwinski
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fazio
Fenwick
Fisher
Florio
Ford, Mich.
Forsythe
Fowler
Fuqua
Garcia
Gephardt
Giaimo
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Holtzman
Howard
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McHugh
Maguire
Markey
Matsui
Mazzoli
Mikulski
Mineta
Moakley
Moffett
Murphy, Ill.
Natcher
Nedzi
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Price
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Stark
Stewart
Stokes
Studds
Swift
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Wirth
Wolpe
Wright
Yates
Young, Mo.
Zablocki

NOT VOTING—61

Albosta
Alexander
Anderson, Ill.
Ashbrook
AuCoin
Beard, Tenn.
Bowen
Breaux
Byron
Campbell
Carter
Chappell
Cheney
Clay
Conable
Crane, Daniel
D'Amours
Davis, S.C.
Dickinson
Diggs
Fascell
Fish
Flood
Ford, Tenn.
Frenzel
Goldwater
Hammer-schmidt
Hansen
Harsha
Hillis
Hollenbeck
Holt
Horton
Hughes
Jeffords
Johnson, Colo.
Jones, Tenn.
Kemp
Latta
McEwen
McKinney
Mikva
Miller, Calif.
Mitchell, Md.
Moorhead, Pa.
Myers, Pa.
O'Brien
Pashayan
Pepper
Peyser
Pritchard
Rodino
Rousselot
Sawyer
Smith, Iowa
Spellman
Stockman
Treen
Weaver
Wolff
Young, Alaska

□ 1330

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Rodino against.

Mr. Albosta for, with Mr. Pepper against.

Messrs. LEE, STUMP, and TAUKE changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Population, Development Assistance: For necessary expenses to carry out the provisions of section 104(b), $201,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for obligation until September 30, 1981.

AMENDMENTS OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer a series of amendments, all dealing with aid to Panama, and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. BAUMAN: On page 6, line 20, strike out "$201,000,000" and insert "$195,500,000".

On page 6, line 25, strike out "$141,000,000" and insert "$140,500,000".

On page 7, line 12, strike out "$125,000,000" and insert "$118,500,000".

On page 7, line 19, strike out "$400,000,000" and insert "$399,750,000".

On page 23, line 10, strike out all of section 526 and insert the following:

"SEC. 526. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any economic or military aid to Panama, excepting those funds appropriated for food and medical assistance."

Mr. BAUMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland (Mr. BAUMAN) that the amendments be considered en bloc?

There was no objection.

Mr. BAUMAN. Mr. Chairman, this is simply a prohibition against any aid to the Republic of Panama excepting aid for food programs or medical assistance.

This bill contains $12 million for various programs for the Republic of Panama, and, while some may have no particular objection to the people of Panama benefiting from the U.S. taxpayers' largess, if it is done in a proper manner for appropriate programs, I would call attention of the committee to the fact that on October 1, the Republic of Panama will become the owner and controller of the Panama Canal, all of its capital improvements and all of the land encompassed within that area with a value of many billions of dollars.

This will mean that within the first year, according to projected estimates now available to us, that the Republic of Panama will receive from the income of that canal, instead of the approximately $2½ to $3 million presently being paid to them, something in the neighborhood of $75 million a year or more; and projections over the next several years would indicate it may go over $100 million a year.

My thesis, therefore, is very simple, and that is that with the unusual type of aid being given to Panama, a multibillion-dollar capital improvement paid for by the American taxpayers, turned over to that Government, and most of its income, we have no further obligation to pay in addition to the Government of Panama $12 million in foreign aid.

Now, the amendment makes exceptions for medical assistance and food, but the House has already addressed this question of aid to Panama in authorizing legislation, and this bill does not contain an absolute prohibition against aid to Panama, such as the House supported in an overwhelming vote.

I think it is also worth mentioning that in the last several months, the dimensions of Panama's intervention in the affairs of other Latin American nations, including Nicaragua in concert with the Communist government of Cuba, has certainly become widely known.

At one time it was necessary for us to discuss that issue in this body in a secret session because of the intelligence aspect, but now the government of Somoza has fallen. We now know the

extent of that Panamanian-Cuban activity. It certainly cannot give American taxpayers any great comfort to see the picture in the newspaper the other day of the true ruler of Panama, Gen. Omar Torrijos, embracing the Marxist dictator of Cuba, Mr. Castro, and to know this is the character of government to which we are giving the Panama Canal. But that is not the issue here.

This issue is simply whether we should continue 12 millions of dollars in foreign aid to a nation that will in effect get one of the biggest subsidies and one of the biggest gifts ever handed to a nation anywhere.

I ask the House to stand by the provisions it has already enacted on several other occasions and to strike the aid from the bill as my amendment proposes.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, these amendments are redundant unless we want to tie the hands of the President and make it impossible for him to operate in an area which is probably one of the most strategic in the world from the standpoint of our national interests.

Let me point out in section 24 of the authorizing legislation, it says:

> None of the funds authorized to be appropriated by this title may be made available for assistance to the Republic of Panama, its agencies or instrumentalities—

That is economic or military assistance—

> unless the President determines that assistance to Panama is in the national interest of the United States.

Now, let me point out, the United States and Panama are embarked on a period when cooperation is crucial to the smooth operation of the canal, the central goal of our aid to Panama. The aid programs are not directly related to the treaties or implementing legislation, but to abruptly cut off all programs just as we enter this new relationship would have all of the wrong implications for Panama.

Payments to Panama under the treaty are not a windfall. Investment requirements in canal-related services and activities will place a new burden on Panama. Those payments are in any case not assistance but come from canal tolls. They are basically payments for the use of Panama's land and water.

There is a good working relationship between Panama and the United States. The human rights picture has improved over the past 2 years and is now quite good. Political liberalization has moved ahead smartly with the legalization of political parties, popular elections for the National Assembly in 1978 and popular elections of the next President scheduled for 1984.

AID assistance to Panama is aimed at attacking poverty that prevails among rural and urban poor whose annual per capita income is less than $450.

I am one of the most severe critics of foreign aid that probably ever occupied the chair of the subcommittee. I have found not very many foreign aid programs around the world that meet with my approval. I did, however, find a program in Panama that, to my surprise, was one of the best that I have seen anywhere. A program where fish ponds were being delivered to large numbers of people, not just demonstration programs, but actually deliveries of programs.

□ 1340

Panama is a democracy, at least for Latin America. We ought to encourage it.

But, let me make another point. Aid to Panama and our relations with Panama in this treaty have been a popular subject for opposition on the part of right wing politicians. Let me point out that if the Castro types ever should try to take control of the Panama Canal, we want to have at least some of the Panamanians on our side. Without this treaty, they will all be against us.

My son was with the 82d Airborne Division, and at a time when this treaty was under consideration he was in jungle training down in Panama. He telephoned me and he said,

> Dad, there is not a single member of the 82d Airborne who is not for that treaty.

He said,

> We do not want to have to come down here and fight another unpopular war in a jungle.

This treaty will at least give us some friends, and I plead with the Members to put us in a position where we have some friends if we ever have to fight a guerrilla war, a jungle war, in Panama. I urge that these amendments be defeated.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I want to rise to oppose the amendment.

Mr. Chairman, I want to support everything the chairman has said on this amendment, and make a few very simple points. No. 1, in the rural areas of Panama where most of this assistance will be directed, the average per capita income is about $8 a week. Now, those people with incomes of that level are hardly the people we want to punish because of our unhappiness with certain aspects of General Torrijos' regime. In fact, those people, if we really are standing for what America is supposed to stand for in this world, those are the kinds of people we ought to be trying to help, because those are the kinds of people who, in dictatorships, most often get left out.

Let me also point out that strictly in terms of our own national interest, our own national interest is not advanced by making cuts of this nature. We have a simple question before us: What is in our own national interest; to express our unhappiness with the Torrijos' regime, to express our unhappiness about a past action, an action already taken by the Senate, namely, the ratification of the Panama Canal Treaty, or is it in our national interest to try to help create the kind of stable society in Panama which will enable that canal to remain open and which will enable that canal to help serve American economic interests through the remainder of the century?

That is what our national interest is, I submit; not the former. If we are going to transfer the Panama Canal, and that decision, as we all know, has already been made—some people like it, some people do not—but if the jurisdiction over that canal is in fact going to be transferred, then it is in our interest, our national interest, to transfer it in the most effective way possible. Amendments like this will make that transfer ineffective. They will not serve the national interest of the United States.

I urge the Members to support the chairman and defeat the amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Wisconsin yield?

Mr. OBEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would only say to the gentleman that he misreads the intention of the gentleman from Maryland if he thinks the amendment is prompted because of my unhappiness with the Panama Canal Treaties. The treaties, as the gentleman correctly states, are the law of the land, and on October 1 they will take affect. My sole purpose is not to punish Panama, but simply to say that with the extraordinary amount of money they will be receiving, we ought to delete $12 million from this bill which ordinarily would have been given them as bilateral aid had there been no treaty. I think they are getting a very unusual type of foreign aid including the canal and all of its operating funds, and an annual income of $75 to $100 million. That is enough.

Mr. OBEY. If I can take back the remainder of my time, the gentleman's position on Panama is well known and his position on the treaty is well known. I think the House would have been surprised if the gentleman did not offer his amendment, given his position on the treaty. Where the gentleman and I differ is simply on interpretation of what constitutes an effective instrument of foreign policy in Panama. I do not think his amendment meets that need.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken, and on a division (demanded by Mr. LONG of Maryland) there were—ayes 32; noes 30.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 247, noes 128, not voting 59, as follows:

[Roll No. 437]

AYES—247

Abdnor	Benjamin	Clausen
Addabbo	Bennett	Cleveland
Ambro	Bereuter	Clinger
Anderson, Calif.	Bethune	Coleman
Andrews, N.C.	Bevill	Collins, Tex.
Andrews, N. Dak.	Biaggi	Conte
Annunzio	Blanchard	Corcoran
Anthony	Boggs	Cotter
Applegate	Boland	Coughlin
Archer	Boner	Courter
Atkinson	Bouquard	Crane, Philip
Badham	Brinkley	Daniel, Dan
Bafalis	Broomfield	Daniel, R. W.
Bailey	Brown, Ohio	Dannemeyer
Barnard	Broyhill	Davis, Mich.
Bauman	Buchanan	de la Garza
Beard, R.I.	Burgener	Deckard
	Butler	Derwinski
	Carney	Devine
Dickinson	Kelly	Rinaldo
Donnelly	Kemp	Ritter
Dornan	Kindness	Roberts
Dougherty	Kramer	Robinson
Duncan, Tenn.	Lagomarsino	Roe
Early	Leach, Iowa	Rose
Edwards, Okla.	Leach, La.	Roth
Emery	Leath, Tex.	Royer
English	Lee	Rudd
Erdahl	Lent	Runnels
Erlenborn	Levitas	Russo
Ertel	Lewis	Santini
Evans, Del.	Livingston	Satterfield
Evans, Ga.	Lloyd	Schulze
Evans, Ind.	Loeffler	Sebelius
Ferraro	Long, La.	Sensenbrenner
Fish	Lott	Sharp
Fithian	Lujan	Shelby
Flippo	Luken	Shumway
Florio	Lungren	Shuster
Forsythe	McClory	Skelton
Fountain	McCloskey	Slack
Frost	McDade	Smith, Nebr.
Fuqua	McDonald	Snowe
Gaydos	Madigan	Snyder
Gibbons	Marks	Solomon
Gilman	Marlenee	Spence
Gingrich	Marriott	Staggers
Ginn	Martin	Stangeland
Glickman	Mathis	Stanton
Goodling	Mattox	Stenholm
Gore	Mavroules	Stratton
Gradison	Mazzoli	Stump
Gramm	Mica	Symms
Grassley	Michel	Synar
Green	Miller, Ohio	Tauke
Grisham	Minish	Taylor
Guarini	Mitchell, N.Y.	Thomas
Gudger	Mollohan	Traxler
Guyer	Montgomery	Trible
Hagedorn	Moore	Vander Jagt
Hall, Tex.	Moorhead, Calif.	Vanik
Hance	Mottl	Volkmer
Harsha	Murphy, N.Y.	Walker
Heckler	Murphy, Pa.	Wampler
Hefner	Murtha	Watkins
Heftel	Myers, Ind.	White
Hightower	Natcher	Whitehurst
Hinson	Neal	Whitley
Hopkins	Nelson	Whittaker
Horton	Nichols	Whitten
Hubbard	Oakar	Williams, Ohio
Huckaby	Panetta	Wilson, Bob
Hutto	Paul	Wilson, C. H.
Hyde	Perkins	Wilson, Tex.
Ichord	Petri	Winn
Ireland	Preyer	Wyatt
Jeffries	Pursell	Wydler
Jenkins	Quayle	Wylie
Jenrette	Quillen	Yatron
Johnson, Calif.	Rahall	Young, Fla.
Jones, N.C.	Railsback	Young, Mo.
Jones, Okla.	Regula	Zeferetti
Jones, Tenn.	Rhodes	
Kazen		

NOES—128

Akaka	Duncan, Oreg.	Long, Md.
Ashley	Eckhardt	Lowry
Aspin	Edgar	Lundine
Baldus	Edwards, Calif.	McCormack
Barnes	Fary	McHugh
Bedell	Fazio	McKay
Bellenson	Fenwick	McKinney
Bingham	Findley	Maguire
Bolling	Fisher	Markey
Bonior	Foley	Matsui
Bonker	Ford, Mich.	Mikulski
Brademas	Fowler	Mineta
Brodhead	Garcia	Moakley
Brooks	Gephardt	Moffett
Brown, Calif.	Gonzalez	Murphy, Ill.
Burlison	Gray	Myers, Pa.
Burton, John	Hall, Ohio	Nedzi
Burton, Phillip	Hamilton	Nolan
Carr	Hanley	Nowak
Cavanaugh	Harkin	Oberstar
Chisholm	Harris	Obey
Clay	Hawkins	Ottinger
Coelho	Holland	Patten
Corman	Holtzman	Patterson
Danielson	Howard	Pease
Daschle	Jacobs	Pickle
Dellums	Kastenmeier	Price
Derrick	Kildee	Rangel
Dicks	Kogovsek	Ratchford
Dingell	Kostmayer	Reuss
Dixon	LaFalce	Richmond
Dodd	Lederer	Rosenthal
Downey	Lehman	Rostenkowski
Drinan	Leland	Roybal
Sabo	Stark	Weigren
Scheuer	Steed	Weiss
Schroeder	Stewart	Williams, Mont.
Seiberling	Stokes	Wirth
Shannon	Studds	Wolpe
Simon	Thompson	Wright
Solarz	Udall	Yates
St Germain	Van Deerlin	Zablocki
Stack	Vento	

NOT VOTING—59

Albosta	Edwards, Ala.	Mitchell, Md.
Alexander	Fascell	Moorhead, Pa.
Anderson, Ill.	Flood	O'Brien
Ashbrook	Ford, Tenn.	Pashayan
AuCoin	Frenzel	Pepper
Beard, Tenn.	Giaimo	Peyser
Bowen	Goldwater	Pritchard
Breaux	Hammer-schmidt	Rodino
Byron	Hansen	Rousselot
Campbell	Hillis	Sawyer
Carter	Hollenbeck	Smith, Iowa
Chappell	Holt	Spellman
Cheney	Hughes	Stockman
Collins, Ill.	Jeffords	Treen
Corcoran	Johnson, Colo.	Ullman
Conyers	Latta	Waxman
Crane, Daniel	McEwen	Weaver
D'Amours	Mikva	Wolff
Davis, S.C.	Miller, Calif.	Young, Alaska
Diggs		

□ 1400

The Clerk announced the following pairs:

On this vote:

Mr. Albosta for, with Mr. Pepper against.

Mr. Daniel B. Crane, for, with Mr. Mitchell of Maryland against.

Mr. Ashbrook for, with Mr. Rodino against.

Messrs. MAVROULES, COTTER, and LUKEN changed their votes from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> Sahel development program: For necessary expenses to carry out the provisions of section 121, $100,000,000, to remain available until expended: *Provided*, That no part of such appropriation may be available to make any contribution of the United States to the Sahel development program in excess of 10 per centum of the total contributions to such program.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. YOUNG of Florida: On page 8, line 17, strike "$100,000,000" and insert in lieu thereof "$80,250,000".

Mr. YOUNG of Florida. Mr. Chairman, the $80,250,000 that this amendment would leave in the bill is 7 percent greater than the Sahel funding for last year. I want to make this point as I begin my remarks. I am not opposed to the Sahel project. I think it is a necessary program. I think it is one that could work if we can put enough pressure on the people who are responsible for spending the money.

The problem that I have with the program is too much of the money is being wasted and not getting to the people that we are intending to help.

Let me give you an example of what I am talking about. There are funds being spent by personnel in the Sahel area from AID, from the Peace Corps, the International Development Association, the World Bank, the International Fund for Agricultural Development, the United Nations Development Program, West African Development Bank, African Development Bank, Food and Agricultural Organization, UNESCO, OPEC Special Fund, Kuwait Fund for Arab Economic Development, Arab Bank for Economic Development in Africa, France, Canada, Netherlands, Denmark, Belgium, West Germany, United Kingdom, Switzerland, European Development Fund, and the list goes on and on.

□ 1410

The problem is that all this money is coming into the Sahel, and it hits and it splatters. It is being spent by a lot of people who are drawing salaries and travel expenses, and it is not helping the people we want to help.

The purpose of my amendment is to apply some pressure to the people who are spending the money wastefully and get them to spend it to accomplish what we want to accomplish, and that is to help the poor people in the Sahel.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am happy to yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding.

There is, of course, no more vigilant watchdog of the public purse than the distinguished gentleman from Florida, and I want him to know that as the chairman of the Subcommittee on Africa, which has the authorizing jurisdiction over this program, I share some of the concerns which the gentleman just expressed.

This is, of course, as the gentleman knows, probably the poorest part of the world. It is a region of Africa where the average life expectancy is 37 years, where over 90 percent of the people are illiterate, where the average per capita income is less than $100 a year, where one out of every four babies dies by the age of 1, and where two out of every four children die by the age of 5.

So as the gentleman indicated, this is an important program. It is a program designed to make it possible for the people of the Sahel to achieve agricultural self-sufficency by the end of the century so that they will not be confronted again, as they were several years ago, with the kind of devastating famines which resulted in the needless deaths of literally hundreds of thousands of people.

But the gentleman is also right in saying that the taxpayers of our country have every right to expect that literally every cent we spend on this program will be well spent, and that literally every dollar that is not being well spent at the present time will be spent so that it can be put to more productive purposes either back home or elsewhere in the world.

If it will be helpful to the gentleman, I want to make it clear that our committee will engage in rigorous oversight of this program prior to the time the foreign aid bill comes up next year. I want to make sure that whatever level of funding we recommend is a level of

funding which can be justified in terms of the return which we expect to receive for the money we spend on this program.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the comments of the gentleman. He does hold a very important position relative to oversight on this subject. I appreciate very much the thoughts that he has offered here today. If I felt there were enough of us in this House who are willing to take that same position—because what I am trying to do is get the money where it is needed—and if I could get enough help to do that, I would be satisfied.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DIXON. Mr. Chairman, I will say to the gentleman from Florida (Mr. YOUNG) that I can join him in saying that our aim in the programs for Africa and every part of the world is that we are concerned with efficiency. The report the gentleman is citing does have some negative things connected with it, but it is not a totally negative report. I am informed that in a lot of the projects that are under criticism, they are starting to work and are proceeding well, and as the distinguished gentleman from New York points out, the Sahel program is part of a program of over 21 countries.

These are probably some of the most needy people in the world.

Mr. Chairman, I pledge myself to work with the gentleman and see that that program is efficient, and if there are needs for cutbacks in next year's budget we will support that effort.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has has expired.

(By unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. DIXON. Mr. Chairman, will the gentleman yield further?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DIXON. So, Mr. Chairman, since we agree the program is well intended and well needed, I certainly want to join my colleagues here in seeing that there is efficiency. I will work with the gentleman to make sure that next year the program is effective as well as efficiently run.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate my colleague's confirmation in this matter. The gentleman serves on the committee which has jurisdiction over this matter, and he can be helpful in solving this critical problem.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to point initially that a number of countries in the Sahel have a per capita income of less than $350 per year. Malawi and Upper Volta, for instance, have a per capita GNP of $110. Niger has a per capita GNP of something like $110, and Chad a mere $70.

The point is well taken by my distinguished colleague, the gentleman from California (Mr. DIXON), that this program is needed and is well intended. But I certainly understand the motivation of my distinguished colleague, the gentleman from Florida (Mr. YOUNG), who offered this amendment, not in an effort to challenge the credibility of the objectives of the program but as one who is concerned about how those resources are being spent and who benefits from them.

I certainly would join my colleagues on this side of the aisle in insisting that all the resources that are at the disposal of the people in the Sahel actually go to deal with the poverty and misery of all those who desperately need them in the Sahel.

I take the floor at this moment to join my colleague in saying that in the next several months, prior to the time the foreign aid budget comes to the floor, we will try to make sure that every single thing is done that can be done to bring pressure on the Treasury and other appropriate agencies to see to it that we remove all these inefficiencies that have been alluded to in the GAO report. I join my colleague in that effort.

Finally, let me say that given these assurances, I hope my colleague will see fit to withdraw the amendment. Certainly we have made legislative history, and a number of us have joined together to challenge these inefficiencies and to see that the resources go to the people who are definitely in need of help.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the comment of the gentleman.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the subcommittee chairman, the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I know that the gentleman from Florida (Mr. YOUNG) is one of the genuine watchdogs that we have over foreign aid. I have appreciated that from the very first.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has again expired.

(On request of Mr. LONG of Maryland, and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. Chairman, if the gentleman will yield further, I want to thank him for all his efforts in the subcommittee.

Let me point out that there has been good, constructive progress in the Sahel, and there are very good programs. I could read them all, but I do not think we need to do that at this time.

Let me point out that this is really one of the poorest places in the world. It is a place where people really are very miserable. We know that the Russian Communists are fishing in troubled waters all over Africa. What we want to do is to build this part of the world up so that we do not provide the Russians a vehicle for a takeover.

Mr. Chairman, I hope the gentleman can withdraw his amendment.

Mr. YOUNG of Florida. Mr. Chairman, I thank my subcommittee chairman for his comments.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I rise in opposition to the proposed cut in funding for the Sahel development program. Careful analysis of the projects to be undertaken through this program show them to be manifestations of the new direction in foreign assistance. The projects help to develop not only the local management skills necessary to undertake development, but concentrate on renewable energy resources, reforestation, agricultural development, health, and education. AID's plan for the region and specifically the Sahel nations, reflects the orientation toward fulfilling the basic human needs of the local populations.

Recently the General Accounting Office published a report entitled, "U.S. Development Assistance to the Sahel—Progress and Problems." According to the report some of the major problems with foreign assistance and development in the region included the absorptive capacity of the recipient nations, slow arrival of the equipment and lack of coordination among other donors. In addition, the report stated that AID was pursuing an outdated development strategy and further that agricultural assistance fostered dependence rather than self-sufficient food production. In addressing each of these criticisms, I believe that I will be able to convey to you both the importance of the program and its effectiveness in goal achievement.

Mr. Chairman, it is a fact that currently a large unobligated balance for the Sahel programs remains. At the end of fiscal year 1979, $155 million will be in the pipeline, but these funds are not without a purpose. The first years of the program focused on planning and project design. Now is the time for project implementation. Economic development, as we are all aware is a long-term process requiring long-term planning. AID has spent time carefully analyzing the needs and resources of the eight Sahelian nations. Should they be criticized for a commitment to a well-formulated strategy for that region's development? And further, should they be criticized for laying the foundation for such development through training and resource development? Years of preliminary work have set the stage for economic development which can evolve in a systematic fashion. In fact 70 percent of the fiscal year 1979 funds have been obligated and the remainder will be obligated before the close of the fiscal year.

A second major flaw revealed in the report is a reputed lack of coordination among aid agencies in the nations. The report states:

> A review of the proposed 1980 program indicates that very few new projects are of a multi-donor, multi-recipient nature.

My review of the Sahel program reveals precisely the opposite. Of the 15 regional projects for fiscal year 1980, 12

are being planned with other nations and other international organizations. Of the 67 projects for specific nations, 46 are multidonor and multirecipient. Coordination among nations and organizations has been the hallmark of the Sahel program.

The report further states that AID's regional strategy for the Sahel is outdated. I would like to ask the Members if they believe that agricultural development and self-sufficiency in food production are outdated? Are village-based health systems, human resource projects to strengthen the capability of Sahelian institutions and transportation networks outdated? How about reforestation and renewable energy techniques. Again, contrary to what the report states, AID's plan incorporates the basic elements of a concise plan of economic development. Their integrated program, multicoordinated in nature, is as far from outdated as I have seen.

Finally the report states that little has been done to convert food assistance from short-range emergency uses to development applications. It is true that when the United States first joined the Sahel program, food assistance was a major component. But times and goals have changed. For this upcoming year, there are 39 agricultural development projects ranging from irrigation, seeding improvement, and fertilizer development, to marketing and production techniques. The nature of the land of the Sahel requires vast concentrations of resources for agricultural production—but surely these projects illustrate a concern with self-sufficiency in food production.

The eight nations of the Sahel are at an extreme disadvantage. With annual per capita incomes ranging from $100 in Mali to $390 in Senegal, literacy rates averaging 10 percent, a life expectancy of 38 years and mortality rates of 160 per 1,000 births, this region is without a doubt one of the poorest in the world. The dire situation is complicated by the lack of economic resources to facilitate development. External assistance is fundamental.

Mr. Chairman, the Sahel program is good. The need of the nations is indisputable. Coordination among donors is evident. Let us not cut the funding for a program which so clearly demonstrates U.S. commitment to economic development and to the fulfillment of basic human needs in one of the world's most deprived areas.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has again expired.

(By unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 1 additional minute.)

Mr. YOUNG of Florida. Mr. Chairman, I think we have just seen created here on the floor a coalition and a force that could become very, very effective in this field of foreign assistance and especially in the Sahel program, which we concede is an important program.

Mr. Chairman, in view of the tremendous amount of support that we are going to have now in our efforts in the coming months, I believe that in the long run we can save the American taxpayer more money than this amendment would save them today. I think that as far as the money that is spent is concerned, we will see that it gets to the people in Africa who really need that help.

Mr. Chairman, in view of the commitments made by so many of our colleagues on the floor today, I ask unanimous consent that I may be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> International narcotics control: For necessary expenses to carry out the provisions of section 481, $42,000,000: *Provided*, That not more than $6,242,000 shall be available for the Republic of Colombia for the interdiction of drug traffic.

AMENDMENT OFFERED BY MR. ROSENTHAL

Mr. ROSENTHAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROSENTHAL: Page 10, line 11, strike out "$42,000,000" and insert in lieu thereof "$51,758,000".
>
> Page 10, line 12, strike out "$6,242,000" and insert in lieu thereof "$16,000,000".

□ 1420

Mr. ROSENTHAL. Mr. Chairman, this amendment adds $10 million to the narcotics interdiction program, and the money would go, principally, to the Government of Colombia for their work in the narcotics interdiction program.

The amendment is the result of my concern, which I am sure every Member in the Chamber shares, for the illicit drug traffic within our country.

The Drug Enforcement Administration claims that the one way to accomplish anything significant in interdiction is to do it at the source. Colombia, for which 75 percent of the cocaine and marihuana coming to the United States is the source, is making a very creditable and a very singularly important effort to do something about the problem. They have asked for a total of $16 million. This would be $3.5 million for area campaigns, for program support, including fuel and maintenance repairs for coastal and border vehicles, $1.5 million for radar procurement, installation and maintenance, $5 million for three coastal patrol craft, $6 million for six helicopters, and $600,000 for vehicles.

I visited Colombia last October, and I met with all of the Government officials who had relevant responsibilities in this area. I myself was convinced that they take this assignment very seriously, that they intend to pursue it with vigor, and it is the most efficacious method for dealing in this area.

Colombia is the only South American democracy that has moved to cooperate with major U.S. drug programs, and I believe that we should support this effort.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Texas.

Mr. DE LA GARZA. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend my distinguished colleague for offering the amendment and join with him. I, too, visited Colombia and was quite impressed with what the Government of Colombia is doing, with what our Ambassador, Ambassador Asencio, is doing there. Certainly they merit our support and cooperation. The country has meager resources, but yet they have dedicated all they have to this effort that is so important to us and to our youngsters and the people in the United States. I think we should help them in every way possible, and certainly this is a major effort on that behalf. I commend my colleague for offering this amendment.

Mr. ROSENTHAL. I thank the gentleman for his contribution.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Maryland (Mr. LONG), the distinguished chairman of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, I was in Colombia earlier this year. I perceived a genuine desire on the part of the Colombian Government to deal with this problem given the resources.

I have talked to my colleagues on the majority side; we have no objection to the amendment.

Mr. ROSENTHAL. I thank the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would like to ask the gentleman if he is really convinced that the allegations of the past of wrongdoing on the part of the Colombian officials have been resolved to his satisfaction.

Mr. ROSENTHAL. Yes, indeed they have. I am absolutely convinced that they are serious and they intend to pursue with vigor and determination the war against drug traffic in that country.

Mr. YOUNG of Florida. If the gentleman will yield further, I have had the opportunity to visit with our Ambassador, also. This is what he tells me. And, believe me, I want to be convinced. If we can stop the flow of drugs and narcotics at the source, we have saved this country billions and billions of dollars, not only in dollars, but in suffering and in pain, and if the gentleman is as convinced as he seems to be, I would have no objection to this amendment.

Mr. ROSENTHAL. I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I understood the gentleman to say that he had met with the appropriate officials who are in charge of this program and by this direct contact the gentleman is convinced of the desire that they have to totally cooperate with us.

Mr. ROSENTHAL. I have. We visited with the Minister of Justice and all other relevant officials down there, and, as some of my colleagues suggested, our own Ambassador is himself convinced of their

seriousness and their determination of purpose.

Mr. DERWINSKI. May I point out, Mr. Chairman, that this is certainly strong evidence of the value of this amendment; but, furthermore, it also demonstrates the great practicality of congressional travel.

Mr. ROSENTHAL. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to my colleague, the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to commend the gentleman for his amendment, as well.

As the gentleman knows, he brought this amendment up in the policy committee, and we had quite a discussion about it. From that discussion, and from my visit to Colombia 2 years ago and from what has subsequently transpired there, I think that the new government is really trying to do something about it. I think if we can encourage them with this additional assistance it will be of great help to them and it will also be a good example to other countries in the area that have not been as forthcoming.

Mr. ROSENTHAL. I thank the gentleman.

● Mr. LAFALCE. Mr. Chairman, I rise in support of the amendment, and I congratulate the gentleman from New York (Mr. ROSENTHAL) for proposing it.

We all know that drug trafficking is a vile and pernicious problem, and that the traumatic effects of drug abuse, particularly among our youth, is staggering. I believe that the gentleman's amendment proposes a significant response to these problems, because it seeks to more effectively halt drug trafficking at its source, and directly impede the flow of illegal drugs into this country.

Colombia has the unfortunate reputation of being the source of most of the cocaine and marihuana which is smuggled into the United States. It is estimated that this illicit export trade come to $500 million to $1 billion a year. The Colombian Government, however, has begun serious and concerted efforts to crack down on this criminal activity. The U.S. Government has actively encouraged these efforts, and through this amendment we can send a clear message to Colombia that we will support them as much as we can.

The Colombian Government has exhibited that it is a willing partner in controlling and eliminating the flow of narcotics to the United States. As a first step, President Turbay has placed the Guajira Peninsula—the major shipment point for marihuana and cocaine—under the jurisdiction of Colombia's Armed Forces. The result has already been a substantial number of arrests and confiscation of contraband goods ready for shipment. The Turbay government has also allowed U.S. Secret Service agents into Colombia in an effort to eliminate illegal counterfeiting rings which have hitherto operated freely. In short, we have a partner in Colombia which is committed to eliminating this multimillion dollar business.

This amendment reinforces the realization that only through sincere and cooperative attitudes can we pose an end to this illicit and immoral business.

In passing, I would like to add that I have introduced three bills, which would enable U.S. law enforcement officials to more effectively curtail international drug trafficking here in the United States. These bills, and this amendment, and the many other proposals dealing with this issue demonstrate how crucial it has become. One of the ways we can begin to deal with it, is to terminate the flow of narcotics into this country. I heartily recommend the adoption of this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ROSENTHAL).

The amendment was agreed to.

Mr. EVANS of Delaware. Mr. Chairman, I ask unanimous consent to proceed out of order and go back to page 9, line 10, and offer an amendment concerning the Sudan.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

Mr. LONG of Maryland. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, as amended, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, $15,964,000: *Provided*, That not to exceed $1,036,000 of previously appropriated funds shall also be available for necessary expenses during the current fiscal year.

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I make a point of order against the proviso which begins on line 21, of page 10, on the ground that it constitutes a reappropriation of unexpended balances, and violates rule XXI, clause 6.

The proviso would apply to all previously appropriated funds, those which by their terms would remain available during the current fiscal year and those which by their terms would not otherwise remain available during the current fiscal year, that is, fiscal year 1980.

By extending the availability of the previously appropriated funds, this proviso constitutes a reappropriation and is not in order.

The CHAIRMAN. Does any Member wish to speak on the point of order or to contest the point of order? If not, the Chair rules that it is a reappropriation and, accordingly, sustains the point of order against the proviso.

The Clerk will read.

The Clerk read as follows:

INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

For expenses necessary to carry out the provisions of title IV of the International Development Cooperation Act of 1979, $23,750,000, to remain available until expended.

AMENDMENT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOTT: Page 11, line 1, strike out "Institute for Scientific Technology" and all that follows through line 5.

Mr. LOTT. Mr. Chairman, the amendment I am offering would eliminate that portion of the bill which appropriates funds for the Institute for Scientific and Technological Cooperation. Included in this year's foreign assistance appropriation bill is a sum of $23,750,000. In addition to this sum, $66,586,000 of funds provided to the Agency for International Development are planned to be transferred to and administered by the Institute.

The purpose of the Institute is to promote enhanced cooperation between the United States and less developed countries in conducting scientific and technological research to hasten economic growth and development. Who could quarrel with such goals? I certainly do not. And yet, at a time when every Member of this House is, I am sure, concerned about keeping the lid on increased Federal spending, how can we justify a new Institute, the need for which is still unclear?

The principal function of the Institute will be responsibility for some $66 million of research now centrally funded by the Agency for International Development under the assumption that the Institute would be better able to manage these programs. One wonders, if we are to make such a commitment to research, why we could not make this same commitment within the AID program and eliminate the need for a new Federal agency. In fact, just how the ISTC's activities will differ from those of AID's science and technology programs is still not clear. What we need is better administration of AID and not setting aside a new separate agency to soak up more money each year as it grows and grows.

After even a cursory review of this plan, it is evident that the proposal for the new Institute is poorly planned. One example of such inadequate planning is the fact that the name of the body has been changed several times already. The proposed Institute was formerly called the Foundation for Technological Cooperation or the Institute for Technological Cooperation. In the first instance, there was apparently some concern that the term "foundation" would imply Government funding to universities to solve academic development problems. It seems that whenever criticism of the Institute appears, the name is changed. The fact is that the proponents of this plan actually are not sure what the ISTC would do.

It also needs to be pointed out that there is an overlapping of the ISTC with other program activities, including those of the National Science Foundation. Certainly this is an example of the kind of costly duplication of effort which occurs when new agencies spring into being without our first considering what such

an agency can do that is not already being done.

What needs or demands of the United States will the Institute satisfy? Certainly this question is a valid one and one which has never been answered to my satisfaction.

Today not one of us is unaware of the crying need for fiscal restraint, the necessity for assigning priorities to those areas which are the most urgent, and the careful allocation of our resources to those problems which are obviously in the Nation's best interest. The funding request for the Institute is not great. However, it is the totality of funds allocated to many such programs which has proved to be such a burden to the taxpayer and which has caused him to send us a message that he will tolerate no further Government growth.

I do not seek elimination of funds for the Institute for Scientific and Technological Cooperation because it is a bad concept or because I am not aware of the needs of the less developed countries. I ask you to support this amendment because it is paramount that we establish priorities and be selective in the manner in which we allocate the taxpayer's money; $23,750,000 is not a lot of money, but it is definitely money that could be better spent elsewhere—or even saved. In this case, I ask you to oppose the creation of an additional layer of expensive bureaucracy and an agency which merely duplicates that which already exists.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding

Mr. Chairman, I would like to point out to the gentleman, when he said that this is no time to be creating a new $24 million program, this $23,750,000 is not all that the Institute for Scientific and Technological Cooperation gets.

□ 1430

As a matter of fact, there is an additional $66 million that is being transferred from the AID budget to this new ISTC or whatever it is called today. I wanted to point that out because $24 million is just part of the overall cost.

Mr. LOTT. If the gentleman will let me respond to that, it is sort of like this original gas rationing bill we had. Even the title of the program has changed several times. This has been going on through the process.

At one point it was called the Foundation for Technological Cooperation. Then it had, as I understand it, a couple of other titles, thinking maybe if you change the title a little bit, that would give it greater support, greater strength. That again just shows I do not think there is any clear direction for this new institute. They do not know how it is going to work. They are going to set it up, move money in, which comes to a total of $100 million, and then they are going to decide how they are going to use it.

Mr. YOUNG of Florida. If the gentleman will continue to yield, I think that all those who support our AID program—Agency for International Development—should be concerned that this is the beginning of a dismantling of that agency. This first $66 million out of their budget is a good indicator. A lot of the scientific work that this new agency would do is presently being done by AID. And if we would talk to our friends at AID, I think we would find that, while on the surface, they might toe the line and agree to support this new agency, the truth is they are not really for it because they see it as taking from AID and putting it someplace else wherever it might end up.

Mr. LOTT. That is certainly true.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when this came before the House in the authorizing bill, I voted against it. I had a chance after that to understand more completely what this program is about.

In my opinion, this is not really a new program. It is simply a pulling together of programs that have been scattered all over the place. Research has been going on in AID but has had no coordination. The purpose of this program is to set up one central organization in which we can consolidate all foreign aid research, and, as the gentleman from Florida points out, we are going to take $66 million out of the regular AID budget and add it to this $25 million and get a real, consolidated, research program. The United States has a tremendous amount to offer to economic development in these various developing countries. Things that are awfully important that we have not been doing well to this point.

We have been overlooking the genius existing in our universities that can be used to help our foreign aid development program. We have been overlooking a great bit.

I would hope very much that we can defeat this amendment. I will watch over it and make sure that this program is executed in an efficient, effective way.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment is defeated. Some of the best minds in the country have gone into this particular plan, and they have come out with what I think, serving on the committee for 21 years now, is one of the most promising things in the foreign aid field.

Just this morning I received a letter from the White House, and it says:

As you know, the Congress authorized creation of the Institute shortly before its recess; we expect the Institute to begin operations October 1.

You may be interested in what the President said about ISTC in his message to the UN Conference on Science and Technology for Development held in Vienna in late August: "The . . . Institute for Scientific and Technological Cooperation, which we plan to establish this fall, . . . is one of our most important innovations to help developing countries who so desire create and adapt the technologies best suited to their needs. Its work will receive my strong personal support."

At the same Conference, Father Hesburgh, (Pres. of Notre Dame Univ.), who headed the US delegation, described the Institute to the Conference in more detail: "In order to respond to the challenge of building such indigenous capacity, we are establishing, at the personal initiative of President Carter, a new Institute for Scientific and Technological Cooperation. The Institute's principal functions will include:

"Enlisting developing countries' assistance in establishing research and development priorities;

"Long-term research and development on critical development problems;

"Marshalling research and development activities of various US public and private agencies;

"Facilitating greater attention by US scientific and technical institutions to joint research, training and other cooperative activities; and

"Involving the private sector in the United States in efforts to improve science and technology for development."

The next step affecting the Institute's effectiveness will be Congressional action regarding appropriations. The Congress authorized $23.75 million. The House will vote on this shortly after the recess, and the Senate Appropriations Committee will then consider the matter.

The Institute is a key element of the President's reorganization of our foreign assistance program. We hope the entire program will receive your support when the appropriations bill reaches the floor.

Thanks again for your help.

Sincerely,

FRANK PRESS.
HENRY OWEN.

Mr. Chairman, I rise in support of the newly created Institute for Scientific and Technological Cooperation. Science and Technology have come to be viewed as critical tools in the development process of every nation. The growth of our own country was, without a doubt, the function of our technological prowess and scientific accomplishment. Such factors play a particularly crucial role in the case of the third and fourth world's striving for economic growth, yet constrained by the local means of adapting to new technology and barriers to both knowledge and skill acquisition.

It is undeniable that America has long been the world leader in technological innovation, research, and development. We have also been generous in transferring ideas and technology to the developing world. Yet, such transfers can have serious consequences for the recipient nation. It is a recent revelation that a fundamental problem in development, and a major reason behind some of our past failures, is that development has not been a local process. Initially, programs of both the multilateral institutions and bilateral organizations were tailored not to the unique characteristics of the developing world, but to our own values, cultures and ideas. We know now that the developing world may have neither the capacity nor the desire to accept western technology and ideas. Further, technology not appropriate to their needs may increase the problems associated with underdevelopment, further skewing the distribution of income, heightening unemployment, or intensifying the dual nature of their economies.

Since 1973 and the advent of the new direction in foreign aid, appropriate and

light capital technology have become the hallmarks of our development assistance. But this new orientation is only a beginning. We must now begin research and development to determine what is truly appropriate to the developing world. The Institute for Science and Technology lays the foundation to begin such a process.

Some of my colleagues have argued that this new Institute is unnecessary—that the same programs are being carried out elsewhere. This is not so. The Institute brings a totally fresh approach and a much needed one, to the problems of adapting science and technology to the developing world. The agencies currently charged with foreign assistance have neither the structure nor the orientation to deal with this issue. These agencies are concerned primarily with large resource transfer. They have a short time frame in which to demonstrate results and decisionmaking is organized largely around bilateral relationships and restrictions on eligibility which exclude a growing number of the more advanced developing countries. This atmosphere is hardly conducive to scientific research and development.

The new Institute will concern itself with the establishment of local research and development capacities. It will not exclude the middle income countries who often are those whose continued support offers the greatest long term political, economic and strategic benefits to the United States. It will emphasize not country programs, but problem areas. It is a cooperative effort, not of nations, but of ideas—the best of both the developed and the developing world. We will finally be able to work side by side with the developing world to formulate appropriate strategies for the use of science and technology which will hasten, not impede development. And it is a mutually beneficial venture. Increasing agricultural productivity will help to prevent the massive food deficit predicted for the eighties which will not only lead to famine, but skyrocketing prices around the globe. Improving population programs will keep us off the collision course we are now on with respect to the Earth's biological systems. Energy planning and new supplies will help to develop sources appropriate to both developed and the developing world. This can potentially decrease our vulnerability to the whims of the current energy suppliers. And environmental protection and natural resource management will help to solve global problems such as pollution, which recognize no national boundaries.

Our experiences with economic development have been marked by great accomplishments, unmitigated failures and profound reassessments. This new Institute is a result of such reassessments. Utilizing the lessons of the past, we are moving into a new era in economic development—one of true cooperation and a sharing of ideas. By channeling and harnessing the best energies of both the developed and developing worlds, the Institute for Technological Cooperation offers us an opportunity for a truly cooperative effort to solve the problems which have plagued man since the beginning of time. I, therefore, urge your support of this endeavor.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for his very eloquent statement.

Let me give just one example of what we can do. Everyone who has traveled knows the problem of polluted water all over the world. There is hardly a developing country where you can get a drink of clean water. You have to drink all kinds of sparkling water and so on, the kind of water that is not available to the average poor person. We know the problem with intestinal diseases. We know the blindness diseases. We know all of the many other diseases people have to suffer in all these poor countries.

This is something that our own genius can deal with. We now know how to deal with the problem of polluted water. It is a question of bringing our scientific technology to bear on this problem. We can affect hundreds of millions of people with relatively small sums of money if we really go to work on it. We have not been doing it. This program is a good stairway by which to reach this goal.

□ 1440

Mr. SCHEUER. Mr. Chairman, I move to strike the last word, and I rise to oppose the amendment.

Mr. Chairman, I wish to rise to support the position of my distinguished colleague from Massachusetts (Mr. CONTE) and my colleague from Maryland (Mr. LONG) in opposing this amendment. I just returned from Vienna, where I joined Father Hesburgh and others there in supporting a new approach to scientific interchange. The purpose of this new entity is to focus all of our assets into a far more effective use of necessarily limited scientific resources in a way that will be very much more productive to the recipient developing countries.

Up until the present time there has been a proclivity on the part of the chiefs of state of these developing countries to engage in high technology investments that are capital intensive and that provide little or no employment, especially in the rural areas where over 80 percent of the poor populations of the developing countries live. They have had a preoccupation with pulp and paper mills, petrochemical plants, steel mills, and so forth, which the ruling elites of these countries generally own. They manufacture a product for sale in international commerce. They bank the profits in a numbered account in Switzerland and pay little or no taxes, and create few or no jobs. Very few people in these developing countries are benefitted thereby.

Now, the whole new approach that we have heard our distinguished chairman espouse on the floor of the House is not toward high technology, but toward the kind of technology that is appropriate to each of these countries. Frequently, that means labor intensive technology instead of capital intensive technology. It means job producing development in the rural areas especially available to women, because when there is sufficient literacy and jobs for women, they have a new perception of themselves. They feel that they are not just put on Earth, to till the soil, raise the food, and bear children.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I am glad the gentleman raised this point, one that I did not expand on sufficiently when I gave my own statement of purposes. The purpose of this institute is not to spend money, but to save it. One of the features that won my support was their pledge to make this a very effective vehicle for the development and promulgation of capital saving technology.

We have a worldwide shortage of capital. When we pile the fertilizer too high in one corner of the field, we do not have any left to fertilize the rest of the field. A lot of money is going to the wealthy with this sophisticated technology, and very little to help the masses of the poor.

I have seen some very encouraging examples of delivery of capital saving technology on my recent trip—the kind of thing this Institute has been designed to push so that we can save our foreign aid by today money directly to the poor people with very cheap capital instruments, $100 or $200 on the average per person. If we can do that, we can accomplish the job of helping the poor people of the world by reaching all of the 1 billion poor people of the world with far less expenditure on the part of the taxpayers of the United States.

So, I support this program, not as a means of wasting money, but as a means of saving money for the taxpayer.

Mr. SCHEUER. I thank my colleague. It is basically a sophisticated means of helping these countries use what they have got locally in more effective and in more scientifically sophisticated terms; using their local materials, using their local sources of energy; looking at their markets, looking at their manpower, and devising means of employing people and producing products mostly for sale and use in that country that build on their infrastructures of manpower, materials, energy, and the like, instead of just automatically transferring in a sort of meaningless and mindless way our high technology to those countries when it may be most inappropriate and hurtful kind of development.

So, I thoroughly support the program, and I urge that the amendment be defeated.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in reluctant opposition to the amendment, not because I do not disagree with the amendment, but because of the great respect I have for the gentleman who offered the amendment (Mr. LOTT) and for Mr. YOUNG of Florida, who is also supporting this amendment. The Members all know, if they have paid any attention to my voting record, that I do not often vote for new agencies or new programs, but I think that the Institute for Scientific and Technological Cooperation is a modest but a very important means to strengthen our relations with the Third World in a practical, sensible, and a more effective way.

As has already been mentioned, the House approved the ISTC on April 9 by a good margin after a full hearing in the Foreign Affairs Committee. I had grave doubts about this proposal until I heard the debate and talked to some of the people who are going to be running this Agency. After I did that, I came to the conclusion that it makes good sense as a new approach to our foreign assistance program, and it would be unreasonable for us to deny the funds. It is sensible; it will enable us to do things well in the future which we have been deficient on over past years.

I have in mind that the ISTC plan will deal with problems that inhibit the development effort on a long-term, sustained basis, apart from the country-by-country approach of AID. It will enlist greater participation in development of our science and technology community—in universities, industry, and the private sector generally. There are a lot of people who would take part in this kind of program, who do not want to take part in what they consider to be a Government handout program. They might be right and they might be wrong, but that is the feeling they have.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. I would like to commend him on his statement and on his opposition to the amendment.

Just to underline what the gentleman was mentioning, I am sure that he will remember in the testimony that there were many distinguished scientists and people who are reluctant to go to work for AID, partly because it may seem political or it is short run, who would be attracted to perform real service in an agency of this kind. I agree with the gentleman that it is a fresh approach, and one that is very badly needed. I am glad to associate myself with the gentleman's remarks.

□ 1450

Mr. LAGOMARSINO. I thank the gentleman and I agree with his remarks as well. By the testimony of many of our science and technology leaders we are just not putting our best foot forward. There is great underused strength and much need abroad for better application of science and technology. We need this Institute if only for this reason and the improved performance it would bring to our total approach to these problems.

It also would establish a system of collaboration with middle-income countries in science and technology on cost-shared, mutually beneficial basis. Many of these middle-income countries have gone beyond aid arrangements either because of eligibility standpoints or, in some cases, because they are just plain too proud to take what they consider to be a handout. So we need a new cooperative style, and it will benefit them as well as this country.

These countries are important to us. Just to name a few, Mexico, and we all know how important that is; Brazil, Venezuela, countries that in many cases are just plain too proud to accept foreign aid, even if we could give it to them.

Some of these problems were mentioned earlier and I came across another one just the other day. Malaria is making a new comeback in India and other countries in Asia. These are things that we can all work on together. These are just a few of the net gains that we will make through the ISTC program. A specialized small agency such as ISTC makes very much sense. It would build on our great strength in science and technology and is designed to bridge the gap to our private sector.

I want to repeat that I think this is a most important element. It is a small investment compared to the potential gain and I think it deserves our support.

Just a short time ago this House by a pretty good vote voted to cut money out of the U.N. development program. I suspect that the reason as many people voted for that amendment as did, and I was one of them, was because they just do not have the faith in that organization to do the kinds of things we are talking about there. What we are really doing here, I think it might be said, is creating a means of cooperating with other countries, a way to do the same thing that UNDP was supposed to do, but to do it in a practical and a beneficial way.

I urge defeat of the amendment.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word and rise in support of the amendment.

Mr. Chairman, it seems inconceivable to me that we should return from a 30-day so-called in-district work period, if indeed Members were in their districts, and be able to come to this floor and advocate within a matter of 3 hours after our meeting the creation of another governmental agency at the cost of nearly $24 million a year. That, of course, as we know, is the downpayment on this Institute. It will cost much more.

The gentleman from Maryland offered an amendment earlier this year dealing with this matter and, unfortunately, it was rejected. I suspect that perhaps the 30 days at home might have done something to show us the disposition of the American people and their desires. In my district the people with whom I talked uniformly were complaining about the size, the cost of Government, heavy taxation, and inflation. All of that is a piece with this proposal before us, and that is why I strongly support the amendment of the gentleman from Mississippi.

It is also strange to me that after all of these years since the Marshall plan in 1947 we are suddenly told that the U.S. Government does not know how to give away money. I think it has learned that far too well. We have studied it and we have looked at it backward and forward, and now we are told we need an institute to research how many more ways we can give away the taxpayers' money.

Mr. LOTT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I am delighted to yield to the distinguished author of the amendment.

Mr. LOTT. I thank the gentleman. I want to emphasize again that this has been a controversial issue. Just a couple of the questions that were raised during the hearings were: "Will ISTC constitute a meaningful mechanism in dealing with powerful forces that determine foreign assistance flows or will it be a cosmetic and costly advisory group?"

Also, "Just how will its activities differ from those already going on in AID?"

Another question was: "How acceptable are plans to give foreign scientists and politicians a greater role in determining the allocation of U.S. development assistance funds?"

There was an editorial in the Washington Post entitled, "Just Another Research Subsidy," by Werner Fornos, and he pointed out that it is a new institute and like all other new Federal agencies, it will grow like Topsy. As proof of this, as originally proposed, it would have gone from funding of $25 million the first year to $40 million in fiscal year 1981, a 60-percent increase in 1 year. Of course, that is not in the authorization as it finally passed, but it shows what will happen with this new institute. And that does not mention, of course, the moneys that will be transferred from AID.

I urge my colleagues, this is one new institute in a foreign aid bill where we can save just a few millions of dollars. Let us not let this opportunity get by us.

Mr. BAUMAN. The gentleman is correct in his observation that the closest thing to eternal life is a Federal agency once created. Certainly this Institute falls into that category.

I might add one other thought. Research in this country has been an imperative for us to expand and grow over the two centuries and more of our existence. But we also ought to acknowledge the fact that research has become a part of the ruling establishment in this country. Many people make their substantial livings from taxpayer financed research. Much of it is wasted, duplicative and unneeded.

Mr. McHUGH. Mr. Chairman, I move

to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I think most of the points have been made. I think the gentleman from Mississippi and the gentleman from Maryland on the face of it have raised a very legitimate question. Most of us in the House, and certainly most Americans, are not favorably inclined to creating another Federal agency. Generally, we have had enough of that, and we have seen the inefficiencies and the costs involved. We should establish a new agency only if there is a solid reason to do so.

I think that there is a very solid reason to do so in this case, not only because it is a modest proposal, $23.7 million, but because AID, based on the experience that we have had, is simply not able to address effectively the type of research projects and programs that we are concerned about. AID necessarily has to deal with the most immediate problems, the day-to-day crises. We are all familiar with the terrible conditions in many of the countries where AID has to work. AID's focus, therefore, and this is not a criticism, is necessarily on the quick fix for the immediate problem. What we are trying to do by funding this Institute is to refocus some of our research endeavors to the intermediate research questions, those questions which are absolutely critical if we are going to deal ultimately and effectively with some of the problems relating to food, health, population, energy, the environment, and the other matters of substantial interest to all of us.

The members of the committee believe that the only way to address these intermediate research programs is by separating out of AID these kinds of projects. That is what this Institute in a very, very modest way is designed to do. It would involve not just expenditures by the United States; it would involve cost-sharing with the developing countries where we are trying to address these important research programs.

Accordingly, I think it is important to distinguish what AID is charged with doing, that is, attempting to address the immediate crises, from what this Institute is designed to address, namely, the more intermediate research programs which are just as important and perhaps ultimately more important than the immediate crises.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I will yield to the gentleman.

Mr. CHARLES WILSON of Texas. I would think that the circumstances of today and of the weekend would certainly strengthen the gentleman's arguments in that certainly people at AID for the last week, and probably for the next month are going to be concerned with disaster relief from the hurricanes that have taken place and the great loss of life in the Dominican Republic and Puerto Rico. Without the amendment this will provide a separate entity that will be able, without having its efforts diluted, without losing track, to work in an uninterrupted fashion toward coordinating and focusing technical efforts that are already in place. So in this case it is more, it is more a reorganization rather than adding a new agency, and I would like to add my support.

Mr. McHUGH. The gentleman is absolutely right. It is a refocusing of our research efforts so we adequately relate to these intermediate and long-term problems that are at the heart of these development concerns we have. It will improve the quality of our research effort in cooperation with developing countries at a very small cost, $23.75 million. I hope the Members will reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. LOTT).

The question was taken; and on a division (demanded by Mr. LONG of Maryland) there were—ayes 24, noes 19.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 234, not voting 34, as follows:

[Roll No. 438]

AYES—166

Abdnor
Andrews, N.C.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Benjamin
Bennett
Bethune
Bevill
Boner
Bowen
Breaux
Brinkley
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Evans, Ga.
Evans, Ind.
Fountain
Frenzel
Gaydos
Gephardt
Gibbons
Gingrich
Ginn
Goodling
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Harsha
Hefner
Heftel
Hightower
Hinson
Holland
Hopkins
Hubbard
Huckaby
Ichord
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kindness
Kramer
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDade
McDonald
McKay
Marlenee
Marriott
Martin
Mathis
Michel
Mikulski
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nichols
Oakar
Patterson
Paul
Petri
Pursell
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rudd
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Stack
Stangeland
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walker
Wampler
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wyatt
Wylie
Yatron
Young, Fla.

NOES—234

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Bellenson
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Emery
Erlenborn
Ertel
Evans, Del.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fowler
Frost
Fuqua
Garcia
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hillis
Holtzman
Horton
Howard
Hutto
Hyde
Ireland
Jacobs
Jeffords
Johnson, Calif.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Pickle
Preyer
Price
Rahall
Rallsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Royer
Runnels
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Snowe
Solarz
St Germain
Staggers
Stanton
Stark
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weiss
White
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—34

Albosta
Alexander
Anderson, Ill.
Applegate
AuCoin
Beard, Tenn.
Byron
Carter
Chappell
Pascell
Flood
Ford, Mich.
Giaimo
Goldwater
Hansen
Hollenbeck
Holt
Hughes
McEwen
Mikva
Miller, Calif.
Pashayan
Peyser
Pritchard
Rodino
Rousselot
Roybal
Sawyer
Smith, Iowa
Spellman
Treen
Weaver
Wolff
Young, Alaska

□ 1510

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Tennessee for, with Mr. Goldwater against.

Mr. Carter for, with Mr. Hollenbeck against.

Mr. Hansen for, with Mr. Pritchard against.

Mrs. FENWICK and Mr. LEVITAS changed their votes from "aye" to "no."

Mr. TAUKE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1520

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed $10,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) has a point of order. The gentleman will state it.

Mr. YOUNG of Florida. Mr. Chairman, I make a point of order against the appropriation for entertainment allowances in lines 9 and 10 on page 11 on the ground that the appropriation is not authorized by law.

The CHAIRMAN. The Chair will inquire, is the gentleman referring only to the parenthetical language?

Mr. YOUNG of Florida. That is correct, Mr. Chairman. I refer to the language, "(including not to exceed $10,000 for entertainment allowances)".

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) concede the point of order?

Mr. LONG of Maryland. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances as authorized by 5 U.S.C. 5921–5925; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; $248,951,000: *Provided*, That these funds shall be administered in a manner that insures equity in the treatment of all refugees receiving Federal assistance: *Provided further*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: On page 12 of the bill, line 13, strike out "$248,951,000" and insert in lieu thereof "$456,241,000".

Mr. LONG of Maryland. Mr. Chairman, the purpose of this amendment is to add $207,290,000 to the migration and refugee assistance account in order to carry out the President's recent announcement to provide additional assistance to the Indochinese refugees. On July 26, 1979, the President sent up a request for this amount to cover the costs of transportation, reception, and placement of an additional 84,000 Indochinese refugees in fiscal year 1980. This would allow the resettlement of 14,000 Indochinese refugees per month in the United States as was announced by the President recently. These funds would also provide for the U.S. share of the costs for care and maintenance for increased numbers of refugees in Southeast Asia as well as for the establishment of special refugee processing centers in that area.

There are presently 375,000 Indochinese refugees overflowing the refugee camps in Southeast Asia, thousands of refugees have lost their lives in seeking safety and asylum and the prospect of the continued expulsion of refugees from Indochina threatens the peace and security of the entire region. We all have been kept informed about the terrible plight of the poor refugees fleeing in the boats from Indochina and facing unheard of hardships. The people of Southeast Asia have tried to help these people, but their economies and facilities are strained beyond the breaking point. Some of the boats have been turned away and some have been allowed to land only to be refitted and then turned back to the open sea. This is a frightful situation, and a large humanitarian effort is needed to avoid further disaster.

As the Members know, on July 20 and 21, a refugee meeting was held in Geneva to discuss this overall situation. According to State Department representatives, the meeting was held to be a success. A number of the Members of this body attended that meeting, and I would defer to them as to the success of the meeting.

However, the State Department representatives indicate that as a result of the Geneva meeting the U.N. High Commissioner received resettlement offers for 260,000 refugees in the coming 18 months, the UNHCR received new pledges of financial support totalling $190 million, with Japan underwriting 50 percent of the UNHCR's budget for the Indochinese program, and the Philippines has offered to provide a site for a new refugee processing center to accommodate up to 50,000 refugees. The possible creation of an International Resettlement Fund was discussed, and Vietnam indicated a willingness to stem the flow of refugees from its borders and regularize departures from Vietnam directly to resettlement countries. I might also point out that discussions are also being conducted with the Peoples' Republic of China to encourage them to accept additional numbers of the Indochinese refugees, the ethnic Chinese.

I want to go on record at this point that I believe the administration should do much more to encourage other countries to accept refugees permanently. I think the United States has adequately demonstrated its humanitarian interests in caring for these refugees in monetary terms and in permanent resettlement of large numbers of the refugees in the United States. We need to do more, and the administration needs to be more aggressive in negotiating with the other countries to resettle more Indochinese refugees within their own borders. I am talking about permanent resettlement.

I think the American people are willing to accept these people into the United States, as we have already done, with about 230,000 coming in through August and probably nearly 300,000 by the end of the year. But I do not believe this is going to be an open-ended invitation if the other countries show no willingness to open their doors.

Mr. Chairman, I urge the adoption of this amendment which will provide increased funding for the Indochinese refugee program.

Incidentally, I visited some of the refugee camps on my trip to Asia, in Hong Kong, and elsewhere, and I can tell the Members that the money is not being thrown away. The average expenditure runs around a dollar, and in some cases less, per person per day, and yet they live very cleanly.

One would think, when you get thousands of people living on one floor, with many in one room, that the sanitary conditions would be terrible. Yet, although we saw places where 30 people live in one room, the sanitary conditions were remarkable.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. LONG) has expired.

(By unanimous consent, Mr. LONG of Maryland was allowed to proceed for 2 additional minutes.)

Mr. LONG of Maryland. Mr. Chairman, as I say, on the whole the sanitary conditions were absolutely remarkable. I have never seen anything like it.

These are good people, they are hard-working people, and I think we have done the right thing in trying to help them.

Incidentally, when we were in the Soviet Union, we saw that in the Soviet Union and in Indochina they were very

concerned that the 7th Fleet was picking these people up. They asked, "Why didn't we send them merchant vessels?"

I pointed out that pictures of these people overflowing the boats and falling into the water were horrifying the American people who were demanding that the President act immediately to help these refugees.

The President had to do something dramatic to show the world and the American people that we were helping these people. Sending the 7th Fleet was the most dramatic and the most effective thing we could have done. I think we are doing all we can do in the present circumstances.

I do not think that other countries are doing nearly enough.

□ 1530

It is up to our State Department to push leaders to get other countries to do more. But in the present situation, I hope that the Members will support this unanimous committee amendment for these extra moneys to provide for the President's program.

Mr. CONTE. Mr. Chairman, I rise in support of this amendment to appropriate an additional $207 million for Indochinese refugees. The plight of the refugee is one of the most immediate and critical issues facing the world today. Literally hundreds of thousands of these displaced persons have fled their homes, particularly in Cambodia and Vietnam, because of excessive human rights violations in those nations. The situation has been complicated by the fact that the neighboring Asian nations have been so flooded with refugees that their economies can assimilate no more.

Unfortunately the ordeal of the refugee does not end with their escape. He often faces equally adverse circumstances in the already overcrowded camps or may even be denied this asylum. Mere survival becomes a never-ending struggle for the refugee.

The additional aid proposed here is part of a multifaceted effort to fulfill the pledge of our President to accept 14,000 refugees per month. It will also fund efforts to rescue refugees in distress at sea, establish the international refugee processing center, and increase contributions for the care and maintenance of refugees in camps. The refugee issue has become an international problem with international responsibilities.

Some may question the wisdom of accepting increased numbers when the United States is experiencing so many domestic problems. But there are several good reasons to do so. First, the refugee resettlement programs have been an unmitigated success. With a low record of unemployment, the majority of refugees when resettled have become some of the most productive contributors to our society. Second, America's humanitarian spirit and sense of responsibility dictate that we extend our hand to those in distress. Finally, this is aid in the true sense of the word—its purpose is to help people to merely survive and hopefully rebuild their shattered lives. I strongly urge that this amendment be accepted.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Chairman, I am happy to rise in strong support of the Long amendment adding funds for the initial resettlement of Indochinese refugees. I was pleased to be a member of the U.S. delegation to the recent United Nations Conference on Refugees in Geneva, Switzerland, where 65 nations were represented to discuss this enoromus human problem created by the massive outflow of refugees from Vietnam, Laos, and Cambodia. In our discussions with the representatives of many nations in attendance, we stressed the commitment of the United States to accept a large share of these refugees. We asked the various countries represented to follow our lead and accept their share of refugees for resettlement.

During the earlier months of this year, because of a lack of funding being available, our rate of acceptance had to be reduced causing further pressures on the already strained facilities in the refugee camps in Southeast Asia with unfortunate results for the refugees. We must not let this happen again, and the amendment will provide the funds necessary to live up to our commitments and allow refugees to be moved out of the camps at the 14,000 per month rate.

I note that the amendment also contains additional funding for the United Nations High Commissioner on Refugees. As you know, the camps in Southeast Asia are maintained by funds through this office. There are recent developments which I wish to call to the Members' attention. First, the Japanese Government has agreed to underwrite 50 percent of the High Commissioner's budget dealing with the Indochinese refugees thereby replacing the United States as the UNHCR's principal supporters. Second, the Government of the Philippines at the Geneva conference announced its willingness to make land available to the High Commissioner for the establishment of a refugee processing center, capable of holding up to 50,000 refugees. Third, Canada generously accepted 50,000. This is some indication of the success of our efforts to involve other countries in the resettlement process, and I congratulate the governments of these countries. It is obviously necessary that the United States continue its support of the High Commissioner's efforts in this area.

I congratulate the chairman and ranking member of the subcommittee on their leadership in bringing this urgent matter to the full House. I am pleased to join with them in strong support.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman on one portion of his statement, and that deals with the original cause of this refugee problem. I believe too little has been said about why these people are fleeing their native land. They are fleeing, because the free world, and yes, the United States, gave up in our effort to help them stay free. Too many Americans—including many in this Congress who are now wringing their hands about this refugee problem—are some of the very ones who swallowed the line that the Vietnam Communists were simply a nationalistic movement from which we had nothing to fear. At the time I remember hearing many of these same people saying that the Vietnamese did not care who or what kind of government they had. Well, we know for sure now that our effort there was worthy and right, because the Vietnamese people by the hundreds of thousands are leaving all their worldly goods, their native land, risking their lives, and they are voting with their feet by leaving.

I am sympathetic with these people in their plight, but I must admit some bitterness at those among us who helped put them there.

Mr. CONTE. I thank the gentleman.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman from Massachusetts for yielding.

Mr. Chairman, I rise in strong support of this amendment. I supported it in the Committee on Appropriations on which I am pleased to serve and consider it of utmost importance to this Nation's humanitarian pledge and human rights policy.

The gentleman just mentioned the holocaust that is going on in Southeast Asia. I would remind the House that last week was the 40th anniversary of the invasion of Poland by Nazi Germany, a parallel situation comes to mind. In those dark days we chose to turn our backs on the refugees aboard the *St. Louis* who sought asylum in our country, and their subsequent imprisonment in "death camps" at the hands of the Nazis will forever be to our shame. We must never again, through any action or lack of action, allow innocent people to perish at the hands of an oppressive government in any part of the world, not as long as we have the will and way in which to be of help.

Those Indochinese refugees require our assistance now. We must act swiftly and decisively in their behalf, for to do otherwise would be to allow them to continue to suffer and die on monsoon-swept seas and in woefully inadequate camps. While I feel strongly that we must encourage other nations to participate in these assistance efforts to the greatest extent possible, we must not make our aid contingent upon theirs. We are not playing diplomatic games, we are dealing with human lives—abused and forlorn people who should be rescued and resettled and be permitted to begin rebuilding their shattered lives where they can have some hope for the future. The administration and particularly Mr. CLARK are to be congratulated for advocating this $207 million in aid.

Mr. Chairman, these people want freedom and hope, what more can we suggest must a people do before they receive our helping hand?

This money, as my friend in the well pointed out so articulately, will be used to rescue these people and provide for their immediate needs. I have been extremely heartened by the generous offers of my constituents in western New York to assist these people, and I know that I speak for the vast majority of Americans when I rise in support of this amendment to provide immediate assistance for these unfortunate, homeless people.

Our Nation, our family can do no less—we must condemn this holocaust today in Southeast Asia for the same reasons we should have done so in the 1930's. I was not in Congress then, but I am now and I say, never again.

Mr. Chairman, I hope this passes unanimously.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I was a member of the mission to visit the refugee camps in Hong Kong a couple of weeks ago, and something that really struck home very forcefully to me was the very simple answer that those people gave when we asked them, "Why did you leave?" Three different refugees in different places, where they could not have overheard what the others said, answered, in reply to that question, one word: "Freedom."

I think we certainly, as the bastion of freedom in the world today, owe a moral and legal duty to do what we can to help.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, in all of the discussion that I have heard regarding this amendment, which doubles, almost, the amount of money in this bill to about one-half billion dollars, there has been no reference to what commitments have been made or are being carried out by other nations.

I understand we have had meetings in Geneva and elsewhere.

Are the American taxpayers to pay the complete bill for this, or are other nations going to give some similar aid? I think certainly they have an obligation as well.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I did not take my full time earlier, and my remarks on the subject of the gentleman's question will appear in the RECORD on that point.

One of the items in this amendment calls for funds for the U.N. High Commissioner for Refugees, which has the prime responsibility in the camps in Southeast Asia.

It is interesting to note that Japan now pays 50 percent of the U.N. High Commissioner for refugee's bills. We used to pay 50 percent. Japan now has become the major contributor to the U.N. High Commissioner. We are down to 30 percent.

Second, I might point out, in response to our move to double the number of refugees coming in, Canada announced that it would take in, in the next fiscal year, 50,000 refugees, which is 3 or 4 times the number they were taking in before that.

The other success we had was in getting the Philippines to agree to a camp for a population of 50,000, which they are in the process now of setting up.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I advised my colleagues on July 24 of my intention to offer an amendment, identical to the one now proposed by the gentleman from Maryland (Mr. LONG). Therefore, I wish to compliment him, his subcommittee, and the Committee on Appropriations for proposing this very important amendment.

The President in Tokyo and the Vice President in Geneva made a commitment that we would double the number of refugees that we were taking from Southeast Asia. Unfortunately, there was no money to back that promise. If funds are not provided in this bill for fiscal year 1980 we will create an enormous credibility crisis. We would have made a promise, refugees would have been relying on it, other nations would have been relying on it, and the funds simply would not have been there. In fact, we saw a similar problem arise just this past spring, when Congress was forced to resort to a supplemental appropriation for refugees. We had to go through the lengthy process of supplemental funding while refugees were languishing in camps. At that time, the asylum nations in Southeast Asia were concerned that the United States was not keeping its commitment to take refugees because money was not available to process, transport, and resettle them.

In fact, this problem may have contributed to a more rigid asylum policy on the part of some countries, which then began to force refugees out to sea.

I am glad that, after the prodding of my colleague, the gentleman from New York, the ranking minority member of the Subcommittee on Immigration (Mr. FISH), and myself, OMB finally agreed to submit the budget amendment calling for full funding of the President's commitment and that the Committee on Appropriations acted as promptly as it did.

This is a crucial amendment if our Government intends to honor the commitments that have been made to the refugees and to the world. It must be kept. I strongly urge the adoption of this amendment.

□ 1540

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Let me say from what I have been able to see, money is the least of our problems on this. We have gotten commitments from other countries for about $190 million. What we really need are commitments from other countries to take more refugees on a permanent basis.

On this basis, the United States has been the front runner. We do not have to be ashamed of what we have done. We will by the end of this year have taken nearly 300,000. We do not seem to be able to get that kind of commitment from other countries. I think it is up to our State Department to do a much harder-nosed job of getting that type of permanent refugee commitment from the other nations.

Ms. HOLTZMAN. Let me tell the gentleman from Maryland, after I visited Southeast Asia last February, I learned that we had no coherent policy for asking other countries to do their share and that we had not even approached Japan to ask them for resettlement assistance. Finally, after much prodding, our Government made such an effort to involve other countries in what must be an international operation. I would agree with the gentleman that more needs to be done. I think it is very important that the United States maintain its humanitarian position and, if we are going to make commitments, there ought to be money to back them. At the same time we ought to be getting other nations of the world to do their share.

I was pleased at Geneva to see other nations were making a larger commitment than ever before on this problem Clearly, more needs to be done. Vietnam has to change its policy to permit an orderly and humane exodus instead of forcing people out. I think some progress is being made on all these fronts.

Mr. VENTO. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentlewoman for yielding.

I want to rise and commend the gentlewoman from New York for her leadership on this issue and for holding the hearings in the judiciary, and the ranking minority member, Mr. FISH, for their work. I think this commitment is one we should have made and that we should keep. Without these additional resources we are going to spread the services much too thin so we would not be able to do the type of job that should be done for these refugees who are being brought to this country. I think we all see manifest in our districts and throughout this country problems that have been and are created by bringing in refugees who have not had the proper resources and services in the camps and in

locations where they can be prepared to enter this country in an appropriate manner.

The current situation of the refugees has been brought to my personal attention because of the large number of Indochinese refugees in St. Paul and because of the compassionate concern of the late Dr. Ted Mitau.

This amendment would provide an additional $207.3 million for the Indochinese refugee program. I understand that this money is essential if we are going to keep our commitment made to other countries and if we are going to provide the needed initial services to these refugees.

The plight of the Indochinese refugee is well known. We are all aware of the sometimes heroic journey these people have made to escape the persecution of despotic regimes. In fact, in many instances these people are forced to leave their homeland because of their past cooperation with U.S. military and intelligence forces.

The amendment jells perfectly with the administration's new initiative on refugees and meshes with the immigration reauthorization legislation proceeding through the House and Senate.

Of the additional $207.3 million, $84 million will be transferred to the United Nations High Commission on Refugees. Some of this will be used to establish a refugee processing center in Southeast Asia. This is desperately needed to relieve the pressure placed on Maylasia. Thailand, and Hong Kong by the rapid influx of hundreds of thousands of refugees. Without a processing center, these countries may be forced to revert back to the policy of turning away refugees at their border.

More than half of this money will be used to directly finance our increased commitment of accepting 14,000 Indochinese refugees a month.

Five million dollars will be used by the State Department to increase the efficiency of the selection and documentation of refugees for permanent resettlement to the United States. This money is urgently needed to bring the processing up to speed in these camps. The current situation is so bad that in many cases refugees have been waiting for more than 4 years.

The amendment also provides $54.5 million for transportation to the United States and $45 million in per capita grants to voluntary service organizations for initial resettlement expenses. It also provides $17 million in reimbursement to the Navy for their expenses in picking the boat people out of the ocean.

A final and extremely important purpose of the amendment will be to enhance the medical screening of the refugees. The medical problems are enormous. In addition to the problems of malnutrition and in some cases starvation, there is a very high incidence of communicable diseases. Medical personnel working with these refugees have seen a high incidence of tropical diseases which are not common in the United States.

I recently met with many individuals from my district who are providing health care for refugees. It is the opinion of these health care providers that the typical Indochinese refugee is still faced with serious health problems even after several months in this country. Enhanced medical screening together with improved health care of refugees in the processing and resettlement camps is desperately needed. The $840,000 appropriated for this purpose will do much to improve the health of these people. It is essential for their safety and well-being as well as in the public health interests of the United States that we provide sufficient money to institute comprehensive health screening of these refugees.

Mr. Chairman, these are nuts and bolts of this amendment. I think a close examination shows that this is not an extravagant expenditure. Indeed, it is a well reasoned and compassionate request for additional funds.

The basic argument concerning this amendment is whether we will keep our commitments to the international community and our commitments to these people. Vice President MONDALE has hammered out an agreement with other nations to provide an international framework for dealing with the refugee problem. I applaud this agreement because it recognizes that no single nation can accept the full responsibility for the refugees. It is our opportunity to demonstrate that we support the multinational approach. This additional appropriation is in the best interests of the United States and the best interests of the Indochinese refugees.

I urge my colleagues to support the amendment of the gentlewoman from New York.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the amendment.

I want to compliment the gentlewoman from New York and all the other members of the subcommittee who have worked so hard on this. One of the things I really want to bring to the attention of this body is what is happening to the refugees once they get here, because this is a very important piece of the equation. I do not think we have really taken enough responsibility for it at the national level.

I have not visited any of the refugee camps, but I was in my district all last month; and things got very, very tense there. As you know, once the refugees get to America, they may go anywhere to settle.

We can recommend they go to certain places, but if they want to go somewhere else, they certainly are free to do that.

I come from Denver, Colo., where we have been very, very heavily impacted by the large numbers moving in and great tension has been caused because of the pressure on services that are already really overstressed and understaffed. We cannot forget a portion of that equation. Getting the refugees here is only part of the problems.

I am very worried because the minimal funding that is there is running out at the end of this month. I think one of the things we have done traditionally in this country is say, "Give me your tired, your poor," and once they get here, we have not paid enough attention to them. I hope that this body does not forget. Helping the communities adopt and adapt these families and bring them into America and really make them a part of the country rather than just getting them here and throwing them in to compete for really valuable resources against other groups who already feel they are being shortchanged is very important.

I compliment everyone who has worked so hard on this amendment, but also say, "Don't forget," the money is running out September 30 and we must act on that, also. I think we are really under the gun.

Mr. MARRIOTT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would just like to make a point that if we want to get a testimony of the problems of the refugees, we should have spent the last month with the gentlewoman from Illinois (Mrs. COLLINS), and others, and myself included, in Congressman WILSON's delegation as we visited the refugee camp at Ban Van Ai up near the Mekong River and also the refugee camps in Hong Kong.

We spent a half day helping refugees off the trucks and seeing the problems they are faced with and trying to understand the problem.

I think after that experience, I can honestly say that I sincerely believe that the money, additional money of $207 million, would be well spent to help these people.

Pol Pot in Cambodia has executed at least 2½ million people. Ethnic Chinese now who are leaving North Vietnam primarily are drowning at sea. The last count was about 60 percent of those people are drowning before they find refuge.

I think we have an obligation to do all we can to help that situation. I think a good point has been made that we should also encourage other countries to do their share in helping these refugees. Japan, I think, has not done enough. Australia has not done enough. I think a point to be made, though, is many of the countries in Southeast Asia cannot do any more than they are now doing. Some of the people in the refugee camps are living better than the farmers in Thailand, for example. I think that we then have the greatest resources to help these people.

I want to make just one other point in support of this amendment.

I think, Mr. Chairman, the solution to the refugee problem is not in running around the country trying to encourage other countries, who have problems of their own, to take in these refugees. The problem is through the United Nations and through the governments of all of the countries to put the pressure on the Communist Government in Hanoi, as the gentlewoman from New York stated earlier, to stop the ungodly condition that is resulting in the proliferation of these refugees. I think that is the bottom line in terms of solving this problem.

Until we get to that point, I support and congratulate the chairman on his amendment. I think it is absolutely necessary.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Just so the record is correct, I agree with the statement of the gentleman. However, in the case of Australia, I think the record should show that on a per-capita basis, Australia has taken in more refugees than has the United States. I do not think they should be one of the countries that is criticized in this particular instance.

Mr. MARRIOTT. I thank the gentleman.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. The gentleman may be interested to know that when I and a delegation totaling 12 Congressmen were in Hanoi in mid-August, we got some assurances from the Vietnamese that they would do what they could to regularize the outflow of emigrants. Of course, they were a little bit puzzled. On one hand, we ask them to let people go when they want to leave. On the other hand, we ask them not to let them go to create too great a refugee problem.

So there is a bit of an ambiguity there. Also, when we say, "Don't create a lot of refugees," we are really asking them not to be Communists. They are not about to do that. It is a rough regime, and a lot of people do not want any part of it and do not want to stay there.

I might point out, people in Vietnam are seeing all these pitiful boats full of refugees drowning. The Vietnamese Government is naturally not showing the picture, so a lot of these people are leaving the country without any knowledge of what they are getting into. These are some of the complicating factors I thought the gentleman might be interested in.

Mr. MARRIOTT. I thank the gentleman for that. I still maintain we should do all we can to help these people if they make that decision to leave and then to continue putting the pressures on the Communist governments. I thank the gentleman.

I yield back the balance of my time.

□ 1515

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me slow things down just for a second here, so the Members will know exactly what we have been doing for the refugees from Indochina.

In the fiscal year 1979 bill we appropriated $38 million for Indochina refugees. We came back just a few months ago and in a supplemental bill for fiscal year 1979 we appropriated an additional $72,176,000.

According to former Senator Clark, who heads up our refugee program now, when one takes those figures plus what all we have done for Indochinese refugees, we have spent $1 billion through 1979 for Indochinese refugees.

In the fiscal year 1980 bill, the bill as before us today, the committee has approved an additional $138,844,000 for Indochinese refugees. This amendment adds an additional $207,290,000 for Indochinese refugees.

We will be receiving in this Congress very shortly a budget amendment from HEW for an additional $246 million to care for the refugees once they get here to the United States, for a grand total of just in this 12-month period $702 million, nearly a billion dollars for Indochinese refugees.

I do not raise these figures to express my opposition to caring for these unfortunate people. I did not visit any of the refugee camps during the recess, but I do not have to visit a refugee camp to have compassion for one of God's creatures.

But I have to say, Mr. Chairman, I want to use this argument just to inject another thought into today's conversation. The gentlewoman from Colorado said "Give me your tired, your poor." She was quoting, as the Members know, from the inscription on the Statue of Liberty.

Let me tell the Members who is tired. The American people are tired. The American taxpayers are tired because the American taxpayers realize that in this same bill appropriating this over $300 million to take care of refugees created by Vietnam, in what our chairman says was an excessive denial of human rights, and he is so right, in this very same bill we are appropriating American tax dollars that will go to that very same repressive government of Vietnam who is creating the situation that is requiring us to spend this more than a billion dollars on Indochinese refugees.

A little bit later in this bill the Members will have an opportunity to take care of the other side of this. I am not going to oppose this addition of $207 million to help people that cannot help themselves, but the Members are going to see a strong effort made to make sure that no other American tax dollar appropriated by this bill today goes to Vietnam through our AID programs or through the United Nations development programs, or through the World Bank or the Asian Development Bank or any other international institution to which we contribute. If the Members feel strongly about caring for these refugees, look at the other side, look at the bad guys that are creating the situation that makes these refugees. When that opportunity comes to prevent any possible use of American money to help the Vietnamese Government, vote with me to stop it.

Mr. NOLAN. Mr. Chairman, I move to strike the requisite number of words, and rise in support of the amendment.

In response to the gentleman from Florida, I would only remind this House that the United States bears some responsibility for the refugee problem, the fact is we have spent $150 billion in destroying that country. If the gentleman does not think that had something to do with the terrible, harsh living conditions in that country, some of the conditions that make people want to leave, then I am afraid the gentleman has no understanding about the effects of war on a society.

When one couples that with the fact that Vietnam has had two successive crop failures; they were hit by a typhoon last year that left 6 million people homeless, coupled with 30 years of war, has just left that country devastated with the most terrible, unimaginable, harsh living conditions. That perhaps more than anything is the primary reason why those people want to leave and find some of the peace and some of the freedom and some of the prosperity they have come to associate with America.

It is only fitting and proper that having to bear some of the responsibility for those conditions that we should bear some of the responsibility for helping those people who have become refugees as a result of it. But I submit to the gentleman from Florida and the rest of the Members of this body that some money spent on some economic aid, food aid and developmental assistance in Vietnam itself would do a great deal more good for the people of Vietnam and for this country than all of the money that we spent by trying to deal with the problem after the fact, as we are in the case of the refugees.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have heard some convoluted reasoning in my time, but that certainly takes the cake. When Cornwallis surrendered at Yorktown the band played a little ditty called "The World Turned Upside Down." I have to say that when I heard the argument that the reason these poor people are fleeing by the thousands from Vietnam is because of the United States, I knew there has got to be something wrong somewhere in the logic, if any, attached to such an argument.

One of the major themes that a mass of politicians in this country called liberals preached for years was that the United States ought to get out of Vietnam and let the Communists take over so that the good life would follow, the wonderful existence that would be provided to each of the people if Ho Chi Minh and his successors were allowed to take over that government. Well, they have taken over and now suddenly the explanation for the occurrence of precisely what we conservatives predicted would happen is that the United States caused it.

At some point logic does have to intrude in debate. Let us help the refugees, but place the blame where it belongs, not on the U.S. taxpayers, or the Congress, or the several Presidents of the United States, or the thousands of dead and wounded Americans who were trying to preserve freedom and fight against those that now are causing this refugee

problem and all of the associated suffering that follows. The United States is not where the blame lies. It lies with brutal communism and the type of vicious people that now control Vietnam. Until you liberals learn the difference between freedom and communism, you will continue to make inane arguments of this nature which have no basis in logic or in fact.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman.

Mr. LAGOMARSINO. I thank the gentleman for yielding. The gentleman has hit the nail right square on the head. The Vietnamese officials themselves told us there were two reasons refugees (boat people) were leaving. "One, because they cannot live under our system, they are capitalists, not Communists, and the second reason is because they are Chinese, they are Chinese and they belong to an ethnic race we want out of our country."

Mr. BAUMAN. Yes, there is an ethnic tinge to this mass persecution.

Mr. LAGOMARSINO. And if the gentleman will continue to yield, they did promise to try to regularize the immigration because they said when these people leave illegally they steal boats and, of course, these boats belong to them in the first place. And also another "terrible" thing is that when they leave they take with them their possessions. That is why they are leaving, because as one refugee told me, they cannot live with communism. It has nothing to do with the economic situation.

Mr. BAUMAN. I agree with the gentleman and if this insane liberal appeasement of communism continues to go on in this way long enough we will probably wind up with Jane Fonda as Secretary of State, and then we will all have to take to the boats, but the question is where will we go?

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

I would like to address the question to my dear friend and colleague from Maryland. Does the gentleman happen to know how many left these United States after Cornwallis surrendered, how many Tories left and where they went?

Mr. BAUMAN. If the gentleman will yield, there were a certain number who found that they were disaffected with the new government, and I assume they returned to their homeland in England, which has been the recipient of any number of billions of dollars in aid from this country subsequently.

Mr. JOHN L. BURTON. Many people did leave after we won, after the domocracy won against the monarchy, people did leave these United States.

Mr. BAUMAN. A certain number, but a great many stayed here.

Mr. JOHN L. BURTON. And a great many stayed over I think in Vietnam also.

Mr. BAUMAN. Many people stayed here and came here with strange sounding American names like Burton and Bauman and others.

Mr. JOHN L. BURTON. In the event that the Communists in China invade the Communists in Vietnam, because the Communists in Vietnam invaded the Communists in Cambodia, which Communists are the Communists and should be the Communists that we, the Democrats and Republicans, feel are the bad Communists versus the good Communists?

Mr. BAUMAN. If the gentleman will continue to yield, I would yield to the gentleman to answer his own question, because I know the gentleman to be an expert on Chinese and Asian matters. I heard him say at a banquet in Peking a few months ago that he was with them even before 1949.

Mr. JOHN L. BURTON. Yes, I did say that. I do think that the point here is well taken from the colloquy that many of the people are leaving Vietnam for two reasons, Chinese ethnic discrimination that is happening to them, and also the fact that many of them were supporters of the government that was in control and that was not exactly what one would call your democracy. The last time that I saw a Buddhist monk burn himself to death to protest a democracy was in Vietnam when we were defending that democracy.

I really think the question is simpler than the gentleman states it, and I do not require much knowledge to know the position of my good friend from Florida on this amendment, but I would only say at this time, and I think it is very important I do say so, that I would yield back the balance of my time.

□ 1600

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, members of the committee, I shall not take 5 minutes, but I would simply like to respond to my distinguished colleague from Maryland who stated that most of us who opposed America's involvement in Vietnam in some way promised some great future. I was one of those persons elected to this Congress in 1970. We stated very clearly that we thought our involvement was illegal, immoral, and indeed insane. We did not ever promise to our fellow Americans that withdrawing from Vietnam and from the mentality of death and destruction as a way of solving human problems and addressing human imperatives would grant a great panacea.

But, what we did realize was that they had no chance to do it as long as we were raining terror, death and destruction, engaging in defoliation, moving people from villages and burning them, looting people, engaging in all kinds of warfare, madness, in violation of any notion of human decency.

I would suggest to my colleague that we thought it was important to withdraw from that mentality. We never suggested that some great country would evolve out of this situation, but we thought they would at least have a chance to do it. I would like to state that in the remarks of my distinguished colleague he said that there were two kinds of refugees leaving. One are the Chinese. The Vietnamese have been very paranoid about the Chinese, who challenged them, and thousands of them were killed; and the Pol Pot regime, who indeed murdered tens of thousands of human beings. The second group tend to be those persons who fought on the side of the United States in the Vietnamese war, and who themselves feel very paranoid vis-a-vis this particular government. The gentleman's statement is well taken, he can walk away from murders and destroying lives of those people, broke family ties in this country, and that makes them walk away and say that they have no responsibility to them.

I realize I am advocating a position that may not necessarily be popular, but I do think that it is a moral position. I do not think we can destroy and walk away without providing some resources. I think we ought to give aid to the refugees where we can, but I suggest that we ought to do far more than that. We burned and destroyed and it seems to me that we have some ethical obligation to deal with that. It is not that we were playing games.

As to Jane Fonda, I would like to suggest that she also is a citizen of the United States. She is covered by the Constitution of the United States. She has the right of free speech, and I would suggest that she has the right to say whatever she said. If it happens to be on the question of the Vietnam war, our incredible involvement, our mentality, our militarism, she and I agree.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I just want to emphasize that in my district there are 1,000 plus Hmongs. These mountain people worked for us during the Vietnam conflict. They fought on our side during the war. They deserve this type of assistance we are talking about. This help is an American responsibility whether we are liberals or conservatives. We must meet whatever responsibility and commitments that have been made and are due.

Mr. DELLUMS. I thank the gentleman.

Mr. AKAKA. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maryland (Mr. LONG) to increase funding for refugee assistance, and urge my colleagues to support this amendment.

This amendment would provide assistance for the resettlement of the 7,000 additional refugees that the President has agreed to admit into the United States each month. I commend the President for this important decision. We now have the opportunity to implement his decision by offering Indochinese refugees the means of getting to the United States and beginning a new life. By this action, our country will demonstrate its continued willingness to assist these people and ease their unbearable suffering. We are all aware of the special obligation we have in this area.

We must demonstrate to the world community our willingness to commit our resources to this difficult problem.

Our positive action will be well received and make it easier for other nations to support this cause. Many believe that the United States has special responsibilities towards the refugees, and are waiting for us to act. Other nations, notably Japan, have already committed resources to assist Indochinese refugees. The time has come for us to offer a strong helping hand.

Without this assistance, our decision to double the immigration quotas for Indochinese refugees will be only a hollow gesture. Funds for the processing, transportation and resettlement of refugees are essential if these people are to adjust properly to their new surroundings and resume a normal existence. Southeast Asian refugees have demonstrated an overwhelming desire to achieve financial self-sufficiency and integration within our society. They cannot, however, do this without some basic help.

We have all read of the suffering and overwhelming misery of Asia's boat people. The opportunity is now before us to demonstrate our concern in terms that will have real impact and prevent further suffering.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. LONG).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $14,129,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, and not to exceed $24,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof.

Mr. YOUNG of Florida. Mr. Chairman, I am just standing preparing to raise a point of order.

The CHAIRMAN. Let the Chair suggest to the gentleman that he speak up, because he has been standing up over the last three paragraphs, and the Chair does not know where he intends to offer his amendment. So, the Chair would request that the gentleman speak up. Is the gentleman asking for recognition?

Mr. YOUNG of Florida. Mr. Chairman, let me thank the Chair for that admonition, and suggest that I have never been bashful about speaking up.

The reason I was standing was because I could not hear the reading clerk, and I just wanted to make sure that I was protecting my opportunity to raise a point of order.

The CHAIRMAN. The Chair wants to protect the gentleman in offering his amendments or making his points of order; but the gentleman has not asked for recognition, or at least the Chair cannot hear him. For what purpose does the gentleman rise?

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, on page 15, beginning on line 5, I make a point of order that the following words are out of order on the ground that they are not authorized by law. Those words are:

And not to exceed $24,000 for entertainment allowances for members of the Board of Directors.

The CHAIRMAN. Does the gentleman from Maryland wish to be heard on the point of order?

Mr. LONG of Maryland. I would like to be cleared up on the question of whether the objection to the language the point of order refers to wipes out the allowance or wipes out merely the limitation, so that it might be unlimited amounts for entertainment.

The CHAIRMAN. As the Chair understands, the point of order goes to the language on line 5 of page 15, starting with the last word:

And not to exceed $24,000 for entertainment allowances for members of the Board of Directors.

That is what the point of order goes to. Does the gentleman concede the point of order?

Mr. LONG of Maryland. I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

SEC. 504. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that on page 17, line 1, the following words: "or any prior Act" constitutes legislation in a general appropriations bill, and are therefore out of order.

□ 1610

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) have any comment?

Mr. LONG of Maryland. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained against those four words "or any prior Act."

The Clerk will read.

The Clerk read as follows:

SEC. 508. Of the funds appropriated or made available pursuant to this Act, not to exceed $122,800 shall be for official residence expenses of the Agency for International Development during fiscal year 1980: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

POINT OF ORDER

The CHAIRMAN. For what purpose does the gentleman from Florida (Mr. YOUNG) rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that on page 17, section 508, the following words are out of order in that they are appropriations not authorized by law:

Of the funds appropriated or made available pursuant to this Act, not to exceed $122,800 shall be for official residence expenses of the Agency for International Development during fiscal year 1980:

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) concede the point of order?

Mr. LONG of Maryland. Mr. Chairman I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

SEC. 509. Of the funds appropriated or made available pursuant to this Act, not to exceed $15,000 shall be for entertainment expenses of the Agency for International Development during fiscal year 1980.

POINT OF ORDER

The CHAIRMAN. For what purpose does the gentleman from Florida (Mr. YOUNG) rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, on page 18, section 509, I make a point of order that it is out of order because that section is not authorized by law.

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) have a statement to make on the point of order?

Mr. LONG of Maryland. Mr. Chairman I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. Section 509 is stricken in its entirety.

The Clerk will read.

The Clerk read as follows:

SEC. 510. Of the funds appropriated or made available pursuant to this Act, not to exceed $108,200 shall be for representation allowances of the Agency for International Development during fiscal year 1980: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

POINT OF ORDER

The CHAIRMAN. For what purpose does the gentleman from Florida (Mr. YOUNG) rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that on page 18 the following words of section 510 are not authorized by law:

Of the funds appropriated or made available pursuant to this Act, not to exceed $108,200 shall be for representation allowances of the Agency for International Development during fiscal year 1980:

The CHAIRMAN. Does the gentleman from Maryland have a statement to make?

Mr. LONG of Maryland. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is conceded and sustained up to the proviso after the figure "1980."

The Clerk will read.

The Clerk read as follows:

Sec. 514. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Angola, the Central African Empire, Cambodia, Laos, or the Socialist Republic of Vietnam.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 19, line 12, after the word "directly" add the following: "or indirectly".

Mr. YOUNG of Florida. Mr. Chairman, this is the amendment that I alluded to in our conversation on the $207 million add-on for Vietnamese refugees. What I am attempting to do by this amendment is to make sure that no American tax dollar goes to Vietnam either directly or indirectly in the form of foreign aid.

The Members might wonder why I am so concerned about this. We have talked about it so much. The World Bank last year approved a $60 million loan for Vietnam, and the American taxpayer is the largest contributor to that $60 million loan. There are five or six more loan applications for Vietnam pending before the World Bank.

Mr. Chairman, the last time this bill was before the House we had heard conversation to the effect that all Vietnam loans have been frozen, that the proceeds of the first $60 million loan are not going to be distributed, and everything else is in a deep freeze.

Mr. Chairman, I wrote a letter to our Executive Director at the World Bank, the U.S. Executive Director, and also a letter to Mr. McNamara, and I asked them certain questions, for example: "Was this freeze official?"

I still have not been told officially that there is a freeze on.

No. 2, I asked: "How long is the freeze going to last?"

I asked: "Who made the decision that there was going to be a freeze?"

The other question was: "Who would have the authority to lift the freeze?"

After I did not get any answers for quite a long time I sent a Mailgram to both of these gentlemen again asking them to respond to my initial letter, and I received a letter from Mr. McNamara. He tells me that Mr. Bill Dixon has responded for the Bank, Mr. Bill Dixon, who was at the time our Alternate Executive Director.

The funny thing is that after all of this communication, after all of this delay, after all of these statements that there is a freeze on loans to Vietnam through the World Bank, to which we are the largest contributor, the fact is that nobody will confirm that—at least nobody at the World Bank. So I say to the Members that if we do not want American taxpayers' dollars going to aid the Government of Vietnam, the very same people who are creating these uncivilized conditions, for which we have spent nearly a billion dollars taking care of the refugees, then vote for this amendment. It simply adds to a prohibition that is already in this bill against any direct aid to those countries mentioned, including Vietnam. It merely adds the words "or indirectly." That means that the money of our American taxpayers, our constituents, will not go to Vietnam, no matter how tragic some of our Members might feel about our relationship with Vietnam.

I hope the day will come when we can have a good relationship with Vietnam, but I feel no obligation to rebuild or develop a nation that is still a warring nation. I feel no obligation to send American tax dollars to Vietnam to help them do the very things that are costing us hundreds of millions of dollars on the other side to try to correct.

This House has passed this amendment before with an overwhelming vote. We have had difficulty with this amendment in the other body. But it is a new ball game over there, too, this year. See what they are doing on some of these issues of foreign aid. See what they are doing on foreign policy.

I say if the House will stand by its guns, if we would support this prohibition against any direct or indirect aid to Vietnam, we will have struck a real blow for those American taxpayers who are so tired of giving and giving and giving to the enemy and the people in Vietnam who are creating a refugee situation that has cost us nearly $1 billion in the last 12 months. Vote for this amendment.

AMENDMENT OFFERED BY MR. OBEY TO THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. OBEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY to the amendment offered by Mr. YOUNG of Florida: Add the words "through international institutions funded through this Act" immediately after the word "indirectly" wherever it appears in the amendment.

Mr. OBEY. Mr. Chairman, I rise both in support of my amendment and in opposition to the Young amendment. Let me simply explain my amendment. My amendment simply makes clear—and I do not think it would be controversial irrespective of what happens to the actual Young amendment—that when we use the word "indirectly" as the gentleman from Florida (Mr. YOUNG) does in his amendment, what we are talking about is limiting aid of the United States which goes through international financial institutions. I think there is a great deal of confusion about that, and this amendment is simply meant to clarify what the intent of the Young amendment is. I doubt that there will be any controversy about it. I would urge the Members to adopt that amendment, regardless of what they are going to do with the Young amendment.

Let me assert my reasons for opposing the Young amendment. First of all, let me say that I, like the gentleman from Florida (Mr. YOUNG), feel no obligation to rebuild Vietnam. I feel no sense of guilt about what happened, and I think that, while I opposed the Vietnam war for years, it is terribly destructive for us to continue to engage in this search for guilt within our own country, which makes it impossible to deal with the Vietnamese issue on a rational basis.

□ 1620

Let me simply say I feel no need to rebuild Vietnam. I have a niece who is a refugee from Vietnam and while I am glad to have her as part of the family I very deeply regret the nature of the government which forced her to come here.

Let me simply say that the Young amendment does not do what the gentleman from Florida (Mr. YOUNG) claims it will do. The Young amendment will not eliminate funding for Vietnam. All the Young amendment will do is to insure that the United States will no longer participate in the international financial institutions which are the real target of this amendment.

Mr. Chairman, we have gone through this many times. As is known, eight former secretaries of the Treasury, Robert Anderson, Joseph Barr, John Connally—not exactly a radical—C. Douglas Dillon, Henry Fowler, David Kennedy, George Schultz, William Simon—also not necessarily a Vietnam-loving radical—all of them have indicated that if amendments like this pass, our leadership ability in the banks is finished because we cannot under their charters make that money available to the banks. All that happens then is that you increase the likelihood that countries such as Vietnam are going to be able to receive money because we will no longer be there in strong position to oppose it. Our voting force will be reduced in the banks and I do not think it makes any sense to do that.

I also want to point out that while the gentleman from Florida (Mr. YOUNG) chooses not to recognize it, there is, in fact, a freeze on Vietnam funding at the World Bank. I have a copy of the letter to the gentleman from Florida (Mr. YOUNG) from Mr. Dixon at the bank which reads as follows:

. . . the Bank has made clear that it would be completely inconsistent with its basic policies for any new loan commitments to be approved until the situation in Vietnam changes.

As you know, in January, 1979, Mr. Fried emphasized to Bank management and to other members of the Board that lending to Vietnam should be discontinued. Other Executive Directors made similar representations.

Mr. Chairman, the fact is there have been no new loans to Vietnam and none are planned for the foreseeable future.

There have been no loans for Vietnam in the past year.

It is also my understanding, and I understand the gentleman from New York (Mr. DOWNEY) will verify this, Mr. McNamara personally in a conversation with a number of Members of Congress made quite clear there is, in fact, a bank freeze on Vietnam lending.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I thank the gentleman for yielding.

I would say about a month and a half ago President McNamara was at a meeting with at least 12 other Members of Congress. This question was put to him specifically with respect to bank involvement in Vietnam and he said categorically that the bank was not involved and that there was a freeze in funding.

Mr. OBEY. Mr. Chairman, I thank the gentleman.

Mr. Chairman, let me point out we also have a letter from Cy Vance. The last time I looked he was still working for the Government. His letter reads as follows:

No new lending to Vietnam has taken place since mid-1978 nor do we expect any loans to be brought forward for approval this year. It is clear that Vietnam's deliberate policy of expelling large numbers of refugees brings into question the appropriateness of any loan to Vietnam at this time.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, I would repeat, the only effect of this amendment will be to eliminate the U.S. participation in the banks, because the banks' charters prohibit the acceptance of contributions if they are limited in any way by any donor country. There are a lot of people who do not happen to like that. I happen to think that is in our advantage, because the last time I looked around the world I found there were a lot of countries that were rather undependable in terms of choosing friends. I do not believe it would be in the interest of the United States to politicize the banks and to have each donor country in the world saying, "Here is my list of no-noes, boys, and if you do not go along with that list of no-noes, you are not going to get my money."

That would destroy the effect of the banks, and the result would be that we would be back to bilateral lending only as a basis for international assistance, and as we all know the United States bears a disproportionate share of that burden.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words, and rise in opposition to the Young of Florida amendment.

Mr. Chairman, this, of course, is no new amendment. I find myself in something of a quandary on it. I have strongly opposed any aid to Vietnam, direct or indirect. In fact, when I was in Hanoi in the middle of August, some of the delegation seemed to indicate that if they acted favorably on refugees and on the missing in action question, there might be aid to Vietnam. I said that as chairman of the Foreign Operations Subcommittee on Appropriations I would strongly oppose aid to Vietnam no matter what they did. I felt if they made any concession on refugees they should do it in order to get a better relationship between our countries and not in response to the idea that they were going to get any money. We ought to make that clear.

Mr. Chairman, we have had this amendment before us before. All it has done is just gum up the works. The Senate will not take it, the President will not take it. Frankly, I am inclined to agree with the gentleman from Florida. I do not think the charters forbid their taking this money under those conditions; they simply don't want to take the conditions and our administration backs them up on this interpretation. The President can always get lawyers in this town to tell him anything he wants to hear, but the fact is, we have a problem; we must include language in the bill that will be workable for both bodies. Two years ago in a conference with the Senate on this issue we broke up in disagreement. We finally went back to conference and dropped out the language. That I do not think is very helpful.

Mr. Chairman, I hope we can leave this language out.

Mr. Chairman, I think there is another way we can solve the problem. The next time the appropriation bill is considered we indicate that any money the banks give to Vietnam in the future will be matched by a corresponding cut in the amount of appropriations that will be given. That is a solution that will work.

This indirect solution I do not believe will work. I hope the Young amendment will be not agreed to.

Mr. Chairman, I must say I do not understand the Obey amendment. The Obey amendment simply says you cannot provide funds through the banks. There are other ways in which indirect aid can be going to Vietnam. For example, India receives bilateral aid and then indirectly, launders it into Vietnam.

The amendment proposed by the gentleman from Wisconsin (Mr. OBEY) would provide a clearer signal for that kind of indirect aid to be given. I do not like that particular language.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I will be glad to yield to the gentleman from Wisconsin.

Mr. OBEY. Let me point out it does not refer only to the World Bank. It simply adds the words, "through international institutions funded through this Act."

Mr. LONG of Maryland. I know that, Mr. Chairman.

Mr. OBEY. Mr. Chairman, it simply makes clear that when you use the word "indirect," that you are talking about American money as funneled through all international institutions.

Mr. LONG of Maryland. I understand.

Mr. OBEY. That is exactly what the Young amendment does.

Mr. LONG of Maryland. Apparently it leaves open the possibility of doing it through the U.N. or doing it, in a manner I just described, where India decides that she will take some of our bilateral aid and launder it to Vietnam.

Mr. OBEY. Will the gentleman yield further, Mr. Chairman?

Mr. LONG of Maryland. I yield further to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, it does absolutely nothing of the kind. It simply makes clear when you say, "indirectly," you are talking about what in fact we are talking about, and that is all the amendment does.

□ 1630

Mr. LONG of Maryland. I do not understand why the gentleman wants to use the language then. The gentleman is implying that in some other way indirectly is OK. I do not believe the gentleman means that.

Now, on the question of whether the World Bank has stated that no new lending will be provided to Vietnam, I gather that is true; although, I have not been informed of that officially.

On the other hand——

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from California.

Mr. JOHN L. BURTON. She wore a glove because she had warts.

Mr. LONG of Maryland. I am afraid I did not hear what the gentleman said.

Mr. JOHN L. BURTON. The gentleman said, "On the other hand."

I said, "She wore a glove because she had warts." It is a timeworn joke told me by the gentleman from Texas, Dr. PAUL.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. LONG) has expired.

(By unanimous consent, Mr. LONG of Maryland was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. McNamara stated there would be no new lending to Vietnam; but Mr. McNamara cannot speak for other lending institutions; it may be moot as far as the World Bank is concerned, but it is not moot as far as these other financial institutions are concerned.

Mr. YOUNG of Florida. Mr. Chairman, I rise to speak against the Obey amendment to the Young amendment.

Mr. Chairman, let me just state what is happening. The language of the Obey amendment appears to be very innocuous. But, I want to take us back to July when there was a similar amendment offered by the gentleman from Florida on the International Development Association to prevent any funding through that agency to Vietnam.

The gentleman from New York (Mr. MCHUGH) who is on the floor at the present time, offered an amendment to that amendment, at which time the gentleman said, "Notwithstanding, however, that none of the restrictions shall prevent any assistance to Egypt or the Sudan."

Now, if you recall the conversation that

took place then, I raised considerable suspicion that the intent of that amendment was not favorable. The gentleman from New York responded, and I have the record here, I could read it word for word, but it is very lengthy; the gentleman said no, he just wanted to protect Egypt and Sudan.

I suggested that it was a tactic to nullify my original amendment.

The gentleman said, "Oh, no, that is not the case."

I remind my colleagues that the gentleman from New York (Mr. McHugh) is on the floor now, so that the gentleman knows what I am saying. At that time the gentleman from New York (Mr. McHugh) had an amendment which had been prepared for him by attorneys outside of the gentleman's own office. Those attorneys are now chuckling, and if you read some of the latest news accounts you would find the World Bank attorneys themselves are saying that the McHugh amendment nullified the Young amendment, so that the work the House did as it related to IDA and Vietnam is null and void.

Now, Mr. Chairman, that is about what is going to happen to us here now. We are going to see a little dazzling footwork. We are going to see another innocuous little amendment that is going to attempt to nullify this prohibition against American dollars going to Vietnam.

I appeal to my friends on the other side. I appeal to my friends to let us have a straight vote on the issue of aid to Vietnam. Let us either allow them to have it or let us not allow them to have it, but let us not clutter up the issue with a lot of parliamentary footwork, with a lot of innocuous amendments that are intended to destroy the effectiveness of the main amendment.

Now, that is exactly what happened on the McHugh amendment to the Young amendment back in July to the International Development Association. That is what I fear is about to happen to us now.

I just think that the people of America deserve for their Congress to take a position, not try to waffle out of it, not try to cloud the issue, but take a position, either you want American tax dollars going to Vietnam indirectly, or however they get there, or you do not. Let that be the vote and let us not fool around with these innocuous sounding amendments that eventually have the effect of nullifying everything we thought we were doing.

AMENDMENT OFFERED BY MR. M'HUGH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. McHUGH. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh as a substitute for the amendment offered by Mr. Young of Florida:

On page 19, at line 12, add the words "or indirectly" immediately following the word "directly"; and on page 19, at line 14, strike the period and insert the following: ", except that nothing in this paragraph shall in any way prevent the obligation or expenditure of funds indirectly that could be used to finance any assistance to Israel, Egypt, Mexico, the Dominician Republic, Indonesia, Malaysia, Thailand or any other nation not specifically mentioned in this paragraph otherwise eligible to receive assistance.".

Mr. McHUGH. Mr. Chairman, in proposing this amendment I would also like to respond to the comments made by the gentleman from Florida (Mr. Young). I think it is clear from the record, if the gentleman from Florida (Mr. Young) will review it carefully, that I was not suggesting by my prior amendment that I was trying to protect only Egypt and Sudan. As I clearly indicated at that time, those countries were simply illustrative of the problem that is presented by the amendment of the gentleman from Florida (Mr. Young) which would prohibit "indirect" assistance.

The problem was very eloquently and effectively described by the gentleman from Wisconsin (Mr. Obey). The problem is that we have a series of legal opinions from competent legal authorities, as well as the opinions of the last eight Secretaries of the Treasury, Republican, and Democrat, that the effect of the Young amendment is not to preclude aid to Vietnam alone. That is not the issue, and in that sense the amendment of the gentleman from Florida (Mr. Young) is the red herring in this debate.

As these competent authorities have pointed out, the effect of the amendment of the gentleman from Florida (Mr. Young) is to preclude all U.S. contributions from going to the International Organizations, because their charters prohibit the receipt from any country of contributions which are conditioned for political or other reasons. That is the problem with the Young amendment and let no one misunderstand.

The reason we offer these amendments is to avoid that very dramatic and unfortunate result. Let there be no misunderstanding about it. If the gentleman from Florida (Mr. Young) misinterpreted what I was doing the last time, let me make it clear that the substitute amendment which I am offering now is to give the Members of this body an opportunity to avoid the result that would follow from the amendment of the gentleman from Florida (Mr. Young), which would be to preclude U.S. participation in any of the international lending institutions.

There is no issue with respect to Vietnam here. Our bill expressly prohibits direct assistance to Vietnam and, therefore, no U.S. dollars would go directly to Vietnam under this bill.

Moreover, there is no real issue here of indirect assistance, because, as has been pointed out, there is no intent on the part of the World Bank to offer loans to Vietnam. In fact, since 1975, there has only been one loan to Vietnam. It was for an irrigation project in a rural area to serve people with incomes per year of less than $200. That was the only loan, and there is no intention to provide additional direct or indirect assistance to Vietnam.

Now, what is this substitute amendment I am offering? It very clearly provides that nothing in the Young amendment or in paragraph 514 as amended by Mr. Young should preclude the use of U.S. funds by these international lending institutions for countries which are eligible for aid, including those friendly to us. I specify a number of those countries: Israel, Egypt, Mexico, the Dominican Republic, Indonesia, Malaysia, and Thailand. The amendment also protects any other nation not specifically mentioned in this paragraph which would otherwise be eligible to receive assistance.

The point is to protect our contributions, to permit them to go to these international lending institutions, to permit countries which we want to help through these institutions to receive our help.

The choice is clear. If that is what you want to do, then you should vote for the McHugh substitute. If you want to preclude all U.S. contributions from going to the multilateral lending institutions, then you should vote for the Young amendment. It is that simple. That is the issue. There is no razzle-dazzle. There is no attempt at parliamentary footwork. The purpose of my amendment is to set up clearly for the Members of the House the issue. By precluding indirect aid the Young amendment would remove the United States from participation in the international lending institutions. Those institutions would ultimately collapse without our participation, and that is the problem.

I hope that the Members will adopt my substitute and vote down the amendment offered by the gentleman from Florida (Mr. Young).

AMENDMENT OFFERED BY MR. OBEY TO THE AMENDMENT OFFERED BY MR. M'HUGH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. OBEY. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Obey to the amendment offered by Mr. McHugh as a substitute for the amendment offered by Mr. Young of Florida: Add the words "through international institutions funded through this Act" immediately after the word "indirectly' whenever it appears in the amendment.

□ 1640

Mr. OBEY. Mr. Chairman, I am attempting to do to the McHugh amendment exactly what I am trying to do to the Young amendment. I do not believe either one of them serves the purposes of good legislation, although I would infinitely prefer the McHugh amendment to the Young amendment.

All this amendment does again is simply say, whether we adopt the McHugh amendment or whether we adopt the Young amendment, that if we adopt either amendment, we are simply making it clear that what we are talking about is what we are talking about. And what we are talking about is a limitation on the American funds which go to another country through the device of international financial institutions.

Believe it or not, after this issue has been discussed for 4 and 5 years in a row on this House floor, there is still some confusion about what the word, "indirectly," means.

The gentleman from Florida (Mr. Young) has verified that what he is talking about is the international financial institutions. This amendment does not try to give anybody more aid, and it does not try to take any aid away. It simply tries to make clear what the intent of the Young amendment is and what the intent of the McHugh amendment is.

I personally do not favor either amendment, because I agree with the statement of the eight former Secretaries of the Treasury that we cannot limit American contributions to the banks or, rather, we cannot earmark or provide any limitation on American contributions to the banks without wiping out our entire contribution to the banks. That is what the Secretaries of the Treasury have said, going all the way back to Eisenhower.

I do not think that John Connally and I do not think that Bill Simon are trying to sell the Congress a bill of goods on behalf of Jimmy Carter. The last time I looked, Mr. Connally was trying to do just the opposite.

Mr. Chairman, I suggest to the Members that we should heed the advice of eight Secretaries of the Treasury and oppose these amendments.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, in the gentleman's clarifying amendment he mentions international institutions. Does the gentleman intend the United Nations development program to be included as one of those international institutions?

Mr. OBEY. Mr. Chairman, first let me ask the gentleman what he is intending by his amendment.

Mr. YOUNG of Florida. I am intending to definitely preclude any American funding from going to Vietnam through the UNDP.

Mr. OBEY. Then my amendment would do the same thing. My amendment simply makes clear that we are talking about international institutions. We are not talking about anything else except international institutions.

Mr. YOUNG of Florida. So the gentleman's amendment would apply to the UNDP fund, and it would apply to the World Bank as well as the Asian Development Bank?

Mr. OBEY. Mr. Chairman, this amendment would apply in the same manner as the amendment offered by the gentleman from Florida.

Mr. YOUNG of Florida. I think that is enough legislative history on that, and I thank the gentleman for yielding.

Mr. OBEY. Then may I ask the gentleman a question? The gentleman indicated earlier he is opposed to my amendment. In light of the legislative history we have just had, would he retract that opposition?

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will yield, I will say that I am opposed to the gentleman's amendment to my amendment, but I am not nearly as opposed to that amendment as I am to the substitute.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, would the gentleman then allow aid to go, say, to India, to be laundered to Vietnam?

Mr. OBEY. My amendment does not allow anything that is not allowed by the Young amendment. It does not preclude anything that is not precluded by the Young amendment.

Mr. LONG of Maryland. Then why does the gentleman indicate "international financial institutions"? I ask that because bilateral aid given India has been laundered into Vietnam.

Mr. OBEY. As far as I know, there is no way to track that.

Mr. LONG of Maryland. Mr. Chairman, the Young language, as it is, would preclude that, although the language of the amendment offered by the gentleman from Wisconsin (Mr. Obey) specifies "international financial institutions."

Mr. OBEY. Mr. Chairman, if I may answer the gentleman's question and if I may reclaim my time, my understanding is that the Young amendment does not reach that problem. As the gentleman knows, there is no way to reach that problem except to cut off all aid, period. There is no bookkeeping way to keep track of that. We are simply trying to clarify for the benefit of the Members exactly what we are talking about in the event either one of these ill-advised amendments is adopted.

Mr. Chairman, I yield back the balance of my time.

Mr. LONG of Maryland. Mr. Chairman, I would like to hear from the gentleman from Florida (Mr. Young) on that question, whether the intent of his amendment is to preclude such aid.

The CHAIRMAN. The gentleman from Wisconsin (Mr. Obey) had the time, and he has given it up. Does the gentleman from Maryland (Mr. Long) seek time on his own?

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the McHugh substitute.

The CHAIRMAN. The gentleman from Florida (Mr. Young) is recognized for 5 minutes.

Mr. YOUNG of Florida. Mr. Chairman, I did not realize how prophetic my earlier comment was going to be on the parliamentary razzle-dazzle here, but now that the McHugh substitute comes along, it bears out what I was saying happened before and what I thought was going to happen again. And it has happened.

I hope that we will definitely defeat the McHugh substitute. I prefer, of course, the Obey amendment to the McHugh substitute because that will clean it up somewhat, but it would not really be to my satisfaction.

I would like to respond to the issue raised by the gentleman from Maryland (Mr. Long). The gentleman wants to know what my intent is.

The gentleman from Wisconsin (Mr. Obey) says that his amendment would have the same effect as my amendment would. The effect of my amendment and what I intend is this, and I would like to have the whole world know this and understand it: I intend to make sure that no American tax dollar goes to Vietnam in the form of foreign assistance, either directly through any of our aid programs or indirectly through any of our multilateral international foreign aid programs. That means zero. I do not want any American dollar going to Vietnam. That is what I intend, and that is what the effect of my amendment would be.

Let me respond to something the gentleman from New York (Mr. McHugh) said about how that really was not my intent. I want the Members to please believe me, Mr. Chairman, that is my intent.

The gentleman from New York (Mr. McHugh) suggests that my intent is to stop all U.S. contributions to the international banks. That is not the case. That is not what I intend, and that, Mr. Chairman, would not be the effect of my amendment.

Every year when we have this argument, the gentleman from Wisconsin (Mr. Obey) raises the issue of the letter from the eight former Secretaries of the Treasury. All I can say to the gentleman and to those eight former Secretaries is this: They have not read the charter. Nowhere in their letter do they specify what article or chapter or paragraph or sentence of the charter makes that preclusion or prohibition that prevents them from accepting restricted funds.

This is very interesting. During oversight hearings on this very point, I presented that question to the Assistant Secretary of the Treasury who handles international banks for us, and I asked him to point to that place in the charter where it is prohibited. Despite the fact that he had a roomfull of staff and a lot of attorneys present, he was unable to do it. He knew that question was going to come up, because we have been arguing about it for 3 years, but when the question was raised at an oversight hearing, he could not cite the section of the charter.

Mr. Chairman, I challenge any Member in this Chamber or anyone from the Treasury Department or anyone from the World Bank to cite for me a section of the charter that prohibits them from accepting restricted funds. It is not there.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I will be happy to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, let me ask the gentleman, was the cita-

tion I gave him the last time he raised this point somewhat narrow?

Mr. YOUNG of Florida. No, that citation was not germane.

Mr. JOHN L. BURTON. Was that not a citation from the charter that prohibited them from keeping or accepting earmarked or "strings-on" funds? Was that the wrong citation?

Mr. YOUNG of Florida. That was the wrong citation. As a matter of fact, when I reread the charter after we had that conversation, I found that citation, No. 1, does not exist.

Mr. JOHN L. BURTON. Wait. Which charter was the gentleman reading?

Mr. YOUNG of Florida. No. 2, there is no prohibition in the charter on the acceptance of restricted funds. So on that issue it is only opinion that they do not believe they would accept those funds. Maybe they would not, but there is nothing in the charter that prohibits them from accepting the funds.

Mr. JOHN L. BURTON. In other words, the citation I gave the gentleman did not appear in the charter itself?

Mr. YOUNG of Florida. That is correct, I regret to inform my friend and colleague.

Mr. Chairman, despite the many arguments that we hear, it is not my intent to stop U.S. participation in the international banks or in the United Nations development program. It is my intent, purely and simply, to make sure that my constituents' tax money and the tax money of the constituents of other Members is not taken from them by our constitutional taxing authority and then, through our appropriations process, sent to Vietnam either directly or indirectly.

Mr. Chairman, I remind the Members that I raised this issue earlier today when we talked about an amendment adding an additional $207 million to care for Indochinese refugees. These are people whose lives we are saving. These are people whose lives are being saved by the expenditure of hundreds of millions and, yes, a billion American dollars.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Obey amendment.

Mr. Chairman, I rise not only in support of the Obey amendment, but to take the opportunity to respond to the gentleman from Florida.

It has been pointed out by the gentleman from Wisconsin (Mr. OBEY), but I think it needs emphasis, that while the gentleman from Florida (Mr. YOUNG) and perhaps the gentleman from Maryland (Mr. LONG) think, off the tops of their heads, that the word "indirectly" would not have the effect of precluding all U.S. contributions to the development banks, the fact is that competent lawyers have looked at this very carefully and have rendered a different opinion. Their opinion is that precluding "indirect" aid would preclude all U.S. participation in the development banks. These opinions have been rendered by the General Counsel of the Treasury Department, the Comptroller General of the United States, the American Law Division of the Library of Congress, the International Law Division of the District of Columbia Bar, and others.

The gentleman from Florida (Mr. YOUNG) talks about citations, but he has not provided one piece of evidence that there is a legal opinion carefully thought out which supports his off-the-top-of-the-head view.

In my office I have a Government publication which sets forth all of the charters of the international lending institutions. I regret very much that I do not have that book here, but I did write down the provision in those charters which the legal opinions have indicated would preclude all U.S. contributions if the word "indirectly" is adopted. The provisions which are included in the charters read as follows:

> To the extent necessary to carry out the operations provided for in this Agreement and subject to the provisions of this Agreement, all property and assets of the Bank shall be free from restrictions, regulations, controls, and moratoria of any nature.

The pages where these provisions are found and which relate to the specific charters of the banks in question are on pages 446, 456, 505, 553, 568, and 599. I will provide for the record, as soon as I can, the publication I am referring to and its official citation. I want to emphasize, however, that based upon the legal opinions that I have cited and my own observations of the bank charters, it is clear that this language has the effect of precluding all U.S. participation if the Young of Florida amendment is adopted. For that reason I hope that the Members of the House will reject the Young of Florida amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out, also, that the Library of Congress CRS service, American Law Division, indicates as follows, in a letter dated July 16, to me. It has the following language:

> It is therefore, by virtue of interpretation of otherwise non-specific charter provisions, as well as by board of governors resolutions, that the November 16 memorandum—

Which is an earlier memorandum which they sent—

> concluded that conditional monetary contributions would be offensive to the charters and board of governors resolutions of the various financial institutions.

The therefore conclude that the opinion indicated by the eight Secretaries of the Treasury is in fact the correct one.

You have a choice. You can believe the gentleman from Florida (Mr. YOUNG) or you can believe that Robert Anderson, Joe Barr, John Connally, C. Douglas Dillon, Henry Fowler, David Kennedy, George Schultz, and William Simon are not telling a lie to the Congress of the United States.

The only conclusion you can draw if you take the viewpoint of the gentleman from Florida (Mr. YOUNG) is that they are misleading the American Congress, because they are "some lawyers," as the gentleman from Florida (Mr. YOUNG) described them, who will simply roll over and play dead anytime the White House asks them to do something.

I think these are eight distinguished Americans who were trying to indicate that there is a trap into which we would fall if we were to adopt the Young of Florida amendment. I urge you not to fall into that trap.

The CHAIRMAN. The time of the gentleman from New York (Mr. McHUGH) has expired.

(On request of Mr. OBEY and by unanimous consent, Mr. McHUGH was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, we have a choice of deciding what is in the national interest of the United States. The amendment of the gentleman from Florida (Mr. YOUNG) is only theoretical. Both Mr. McNamara and Mr. Dixon made it quite clear that Vietnam "ain't going to get no money," they "ain't going to get no money" from the World Bank, and that ought to be clear by now.

Our point is whether we want to take a theoretical swipe at Vietnam, and make us all feel good, or whether we want to continue American leadership in those banks. If you want to stop revolutions around the world that we do not like and that we do not need, you have to ask yourself what is the best technique to do it. One of the techniques is to have strong military capability which you can rely on, and the other technique is to try to assure the kind of social and economic conditions around the world that make those revolutions unlikely. That is what the banks are trying to do. They are too important to the national interest of the United States for us to scuttle in this manner by adopting the Young of Florida amendment. I urge the Members to oppose the Young of Florida amendment.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Florida (Mr. YOUNG).

Mr. Chairman, the gentleman and I have offered that amendment over the years. Back in the days when we did not have as direct and forthright a ranking minority member on the Committee on Appropriations I offered the amendment. Now that the gentleman speaks with a strong and direct voice I have not had to do that. I support him wholeheartedly.

I cannot help but think that this entire amendment tells us a lot about the House of Representatives. There are two words we are talking about that tells us everything we need to know about this body and why we are in trouble with the American people: Direct and indirect.

I have been around here long enough to know, and I sit back and smile, this House will do anything except act directly. Given any excuse to avoid, to put aside, to shove off, to put the heat on someone else, to get a hook to hang on, anything but act direct. I think that is why I appreciate our colleague, the gentleman from Florida (Mr. YOUNG). He speaks directly, openly, and honestly.

I have been sitting back and thinking about all of the copouts. We do not act on things, because there is a letter which has been sent down based on some

change in the future. But you notice the operative sentence in that letter, "until things change."

I remember a few years ago siting and listening to Averill Harriman when a major policy of the United States was going to be changed, and he said he had the assurance of friendly intentions of our adversaries. Asked what those friendly intentions were, he said, "Well, we had cocktails with them the other day and they smiled at us." It takes about that kind of friendly intention to change a policy. Do you think that letter from the World Bank means anything? They spell it out for you: Until conditions change.

Change to what we are talking about? Of course not. Changes which would be meager but just enough to let them do what they already want to do.

That is copout No. 1.

Copout No. 2: Rather than act directly ourselves, we talk about what former Secretaries of the Treasury have done. By the way, the dollar is in such good shape, I think I will take the advice of what these former Secretaries of the Treasury have done. They have done so well with the American dollar and handling our affairs that we ought to take their word on "direct" and "indirect."

Copout No. 3: "Well, the Senate will not accept this."

Of course, they may not. But why do we fail to act directly because the Senate may or may not do something?

Copout No. 4: "The President may veto it."

Oh, let us roll over and play dead, let us not act directly, let us put the heat on the President, give him the onus. Because he might veto it we do not want to act directly.

We have not gotten to copout No. 5 as yet and that is, "Well, we will put something in the report," or copout No. 6, "Some bureaucrat will not really use all of the authority we give him."

Rather than act directly ourselves we are always looking for some reason not to act directly.

Then I have seen the copout over the years that we do not want to take a position so we put in the bill, "Well, if the President deems it in the national interest, he can change the entire policy we set up. Give him the authority."

Time and time and time again we see examples that this body, the majority in this body, will do anything but act direct, will act indirectly everytime it gets the chance. The majority will do anything except be specific.

I think that is one of the reasons the American people hold in low esteem this body.

□ 1700

Here is a precise example. We are talking about laundered funds. Anybody in politics knows what laundered money is. Some of you may even have received some laundered money over the years. We know what laundered money is. It is money that goes to someone, and they give it to someone else to accomplish a purpose which may be illegal or may be improper, or again, you want to avoid the responsibility.

This is a laundered money amendment.

I hope we vote down the substitute and support the amendment of the gentleman from Florida.

I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the Obey amendment to the McHugh substitute.

Mr. Chairman, we are coming to a couple of issues now that we ought to resolve. On the question of whether there is a freeze on, for example, I say that I have not been responded to. Others say where have I been, that there is definitely a freeze on.

The gentleman from Wisconsin (Mr. OBEY) just a few minutes ago, said there is not going to be any of the money distributed to Vietnam.

If I were the gentleman from Wisconsin (Mr. OBEY), or the gentleman from New York (Mr. McHUGH), I think I would get tired of being told one thing by World Bank people, while they are telling somebody else something else.

Here is an edition of Barron's September 3, 1979. They interviewed a Mr. Frederick Nossal, financial relations adviser of the Bank's Information Department. Mr. Nossal told Barron's that the freeze has nothing to do with the $60 million loan that is being disbursed now.

True, as the Dixon letter says, there have been no disbursements to date, but $25 to $30 million have been committed to the project through letters of credit, which when presented for payments by suppliers, will automatically be honored.

Director Fried told us—this is Barron's again—that he has not asked the Bank to hold up disbursement of the $60 million and that he fully expects the money to be spent.

So, who is telling you the truth? I am telling you that there is no confirmation of a freeze. Mr. Nossal says the $60 million is going to be disbursed.

You are on the floor telling us now there is a freeze. Well now, there is something wrong when two different stories coming out of the same source end up here in the House of Representatives.

Now, if there is a freeze, why will they not tell me? I hold the position of ranking minority member on this subcommittee. I spend a lot of time on the floor when this bill is on the floor. I try not to waste a lot of time otherwise.

But if that is the case, and if there is a freeze, why would not Mr. McNamara or Mr. Dixon or Mr. Fried tell me that there is a freeze on? Why would not they tell me who put the freeze into effect? Who decided, Mr. Chairman, that there is going to be a freeze? Mr. McNamara? Mr. Fried? Mr. Bill Dixon? The Board of Directors, who, according to the charter, are the only ones to make that kind of a decision?

Who has the authority to lift the freeze? Well, obviously the same one who put the freeze in effect, if in fact there is a freeze in effect, and if in fact that freeze is going to last.

Mr. Nossal says the $60 million is going to be distributed.

I say the question of a freeze is phony, and if it is not phony, why will not Mr. McNamara come out in the open and answer the questions of a Member of Congress who asked specific questions more than a month ago? Why? Because the arrogance of the President of the World Bank is such that he feels he does not have to answer to the American people through their elective representative in Congress. Is that the problem? Why sure, that is one of the big problems.

The people who run the World Bank consider themselves supersovereign, answerable to no one but themselves, and that is why we are getting all this flak about whether or not they can accept American dollars if we impose a restriction. You can listen to all of the argument on this floor, as you have for years, that they cannot take it, but still no one has picked up this copy of the articles of agreement and cited one paragraph or section that says they cannot take the money. That argument, my friends, also, is a phony.

Now, the gentleman from New York (Mr. McHUGH) made the point that I had never offered any legal opinions relative to this issue. As a matter of fact, I did. As a matter of fact, I cited a Library of Congress Congressional Research Service opinion that they could accept the funds, but then all of a sudden the pressure built up; and the same person who wrote that first opinion wrote a second one and said, well, but maybe they could not.

Let me tell my colleagues about another one. I cited it. Look at the record. It is in the minority views that I filed. It is on page 87 of the report. This is an analysis by the National Law Center. They say this:

> The World Bank has misconstrued its powers under its articles, and in view of current international relations, its position is outmoded and untenable. The Bank's articles do not preclude it from considering human rights factors in loan decisions.
>
> Indeed, they seem to impose responsibility to do so. Contrary to long-standing IBRD precedent, human rights are not the internal political affairs of members.

And it goes on.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has expired.

(At the request of Mr. OBEY and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Let me simply repeat again for the third time that what Mr. McNamara has told Members of Congress and what Mr. Dixon made clear in his letter to the gentleman and what Mr. Vance has made quite clear to the committee in his letter to us, is that there are no new loans being approved by the bank, and none are expected to be approved by the bank as long as Vietnam continues its outrageous behavior. The key word is "new."

The gentleman and I both know there is a legal contractual obligation which exists between Vietnam and the bank

on its previous loan, and the conditions under which that loan can be disbursed are related only to the economic preparation of that package, but no new loans are being made. That is the word of the Secretary of State. That is the word of the former Assistant Director of the bank, Mr. Dixon.

Let me also point out to the gentleman that I recognize that nobody's word seems to be good enough for the gentleman from Florida, but the fact is eight Secretaries of the Treasury still indicate that the bank's interpretation of their charter is correct.

Now, somebody has to be telling the truth sometime. People do not just tell the truth if they happen to agree with the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I only ask this: I ask any one of those eight former Secretaries of Treasury to show me where in this charter that prohibition exists. That is all I am asking for. They are entitled to their opinion, but I am entitled to ask the question. Here is the charter. Come and read it. Tell me where the prohibition is.

I say to my colleagues that it is not there.

One further point: If Mr. McNamara has been willing to respond to certain Members of Congress on the question of this freeze, why is Mr. McNamara unwilling to respond to this Member of Congress who has a formal responsibility in this particular issue? Why has he failed to respond to me? Why will he not tell me whether or not this freeze is a formal freeze or an informal freeze? Why will he not tell me who made the decision to impose the freeze? Why will he not tell me who has the authority to make a decision to lift the freeze?

The CHAIRMAN. The time of the gentleman from Florida has again expired.

(At the request of Mr. McHUGH and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding.

The gentleman has referred to a legal opinion which he believes sustains his position, and that is contained in the Journal of International Law and Commissions, which I have in my hand. This is an article the gentleman refers to. It is written by a 1978 graduate of the American University Law School. This Journal was published in 1978, so what we are talking about is an article written by one person, a 1978 graduate, stacked up against all of the weighty legal opinions we have cited earlier.

It seems to me, if the gentleman is straightforward about it, that he would have to agree that this particular opinion, written by a 1978 graduate, is not only not the opinion of this law school or center, but is not very persuasive when compared with the opinions rendered by the Comptroller General of the United States, the Library of Congress, the International Law Division of the District of Columbia Bar, and the others which have been cited.

□ 1710

I hope the Members will take that into account in weighing the merits of this argument.

Mr. YOUNG of Florida. We can easily resolve this whole issue. Would the gentleman cite for me what article or what paragraph in the charter or articles of agreement prohibit the acceptance of funds?

Mr. McHUGH. I have already explained that to the gentleman.

Mr. YOUNG of Florida. Would the gentleman cite a specific article?

Mr. McHUGH. If the gentleman will yield further, I have specifically cited pages from a Government publication which sets forth the bank charters, including the provisions the gentleman is asking for.

Mr. YOUNG of Florida. Would the gentleman cite a specific article in the charter?

Mr. McHUGH. I have cited the express words of the provisions in those charters. I have read it to the gentleman and the entire committee, and it is very clear that the banks subject to those charters cannot accept money which is restricted. It is very clear.

Mr. YOUNG of Florida. Would the gentleman cite the specific language in the charter itself?

Mr. McHUGH. I have cited it to the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) to the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) to the amendment offered by the gentleman from New York (Mr. McHUGH) as a substitute for the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment to the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHUGH) as a substitute for the amendment offered by the gentleman from Florida (Mr. YOUNG), as amended.

The question was taken; and on a division (demanded by Mr. OBEY) there were—ayes 19, noes 24.

Mr. McHUGH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1720

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from New York (Mr. McHUGH) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 153, noes 244, not voting 37, as follows:

[Roll No. 439]

AYES—153

Addabbo
Akaka
Anderson, Calif.
Annunzio
Ashley
Aspin
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Conyers
Corman
Danielson
Daschle
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fowler
Frost
Garcia
Gephardt
Giaimo
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heftel
Holland
Holtzman
Howard
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, Md.
Lowry
McCormack
McHugh
McKinney
Maguire
Markey
Matsui
Mazzoli
Mica
Mikulski
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nolan
Nowak
O'Brien
Obey
Ottinger
Patten
Patterson
Pease
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Solarz
Stark
Stewart
Stokes
Studds
Swift
Thompson
Vento
Waxman
Weiss
Williams, Mont.
Wilson, Tex.
Wirth
Wolpe
Wright
Yates
Zablocki

NOES—244

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Cavanaugh
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flippo
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hall, Tex.
Hammer-schmidt
Hance
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Hopkins
Horton
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Motti
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
Oakar
Oberstar
Panetta
Paul
Perkins
Petri
Pickle
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—37

Albosta
Alexander
Anderson, Ill.
AuCoin
Beard, Tenn.
Byron
Carter
Chappell
Collins, Ill.
Davis, S.C.
Dodd
Flood
Ford, Mich.
Hagedorn
Hansen
Hollenbeck
Holt
Hughes
Lundine
McEwen
Madigan
Mikva
Miller, Calif.
Pashayan
Pepper
Perkins
Pritchard
Rodino
Rousselot
Roybal
Smith, Iowa
Spellman
Treen
Ullman
Weaver
Wolff
Young, Alaska

□ 1740

Messrs. BOLAND, SABO, and ASHLEY changed their vote from "no" to "aye."

Mr. APPLEGATE changed his vote "aye" to "no."

Mr. DONNELLY changed his vote from "present" to "aye."

So the amendment offered as a substitute for the amendment, as amended was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the

Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 281, noes 117, not voting 36, as follows:

[Roll No. 440]

AYES—281

Abdnor
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferraro
Fish
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hall, Tex.
Hammer-schmidt
Hance
Hanley
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McKay
Madigan
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Motti
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
O'Brien
Oakar
Panetta
Patten
Patterson
Paul
Perkins
Petri
Pickle
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trazler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—117

Akaka
Ashley
Aspin
Baldus
Barnes
Bedell
Beilenson
Bingham
Blanchard
Bolling
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conyers
Corman
D'Amours
Danielson
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Foley
Garcia
Gephardt
Gonzalez
Gray
Green
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Holtzman
Hyde
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lehman
Leland
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Matsui
Mikulski
Mineta
Mitchell, Md.
Moffett
Moorhead, Pa.
Murphy, Ill.
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Pease
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Solarz
Stark
Stewart
Stokes
Studds
Swift
Thompson
Vento
Waxman
Weiss
Wirth
Wolpe
Yates
Zablocki

NOT VOTING—36

Albosta
Alexander
Anderson, Ill.
AuCoin
Beard, Tenn.
Byron
Carter
Chappell
Dickinson
Flood
Gilman
Hagedorn
Hansen
Hollenbeck
Holt
Hughes
McEwen
Mikva
Miller, Calif.
Pashayan
Pepper
Perkins
Roberts
Rodino
Rousselot
Roybal
Simon
Smith, Iowa
Spellman
Treen
Ullman
Weaver
Wolff
Wright
Young, Alaska

□ 1800

Mr. TAUKE changed his vote from "no" to "aye."

Mr. STEWART changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 515. None of the funds appropriated in this Act shall be used for any form of aid directly to Cuba.

AMENDMENT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PAUL: On page 19, line 16, after the word "Cuba." strike the period and insert a comma and add the following: "the Union of Soviet Socialist Republics, and the People's Republic of China."

Mr. PAUL. Mr. Chairman, this amendment is not complex at all. It merely adds the words, "the Union of Soviet Socialist Republics, and the People's Republic of China." This would mean that no

funds appropriated in this act would be used in any form to aid these two countries in addition to Cuba.

While I was home on my last visit during the month of August, I did not have one individual or one constituent come up to me and advocate that we here in the Congress spend money on foreign aid. I think foreign aid is one of the sore spots in my district and throughout Texas as well, if not throughout this country.

Today people are starting to really feel the bad effects of big Government and inflation. And every time we talk about foreign aid and expenditures of this sort, if we fail to recognize that this has to come from the American taxpayers and if we fail to recognize that it comes from the poor and the average taxpayer, when we spend more of the taxpayers money, I do not think we will ever clean up the mess up here in Washington. The American taxpayer is beginning to recognize that foreign aid is coming out of his pocket, and it does have an effect on the inflation rate.

This is not an earth-shattering amendment. I fully recognize that to date we have not given any direct aid to China or Russia, even though some indirect aid has gone to Russia. This amendment would not involve any indirect aid.

I feel that this amendment is noncontroversial, and I hope that both sides will agree to adding these two countries. I think this would be a tremendous reassurance to our taxpayers that we are going on record at least in opposing aid to Russia and China, as well as Cuba, in this day and age when the taxpayers are suffering so much.

I think we are moving into an age when we are improving our relations with China and Russia, and there may be a day when there is most-favored-nation status granted to them.

Under these conditions, I would like to protect the American taxpayer, and it is up to us, I think, to at least go on record as opposing direct aid to these two Communist nations, because if there is any way to rub salt on the wounds of the American taxpayer, it is by giving foreign aid to our sworn enemies. With this amendment we would be on paper at least as prohibiting foreign aid from going to nations of this sort, nations which have proven to be the most violent and vicious violaters of human rights.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, let me ask the gentleman, does this mean that aid could go directly to Albania?

Mr. PAUL. This amendment has nothing to do with Albania, and it has nothing to do with indirect aid.

Mr. JOHN L. BURTON. So an amendment to the gentleman's amendment would be in order to prevent direct aid from going to Albania?

Mr. PAUL. Surely. I would think so.

Mr. Chairman, I yield back the balance of my time.

□ 1810

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section 620(f) of the Foreign Assistance Act of 1961, prohibits any assistance to any Communist country. This provision includes by name the Soviet Union and the People's Republic of China. Adding these countries to the list of prohibited countries under the appropriation act is both unnecessary and redundant.

The administration announced that it has no intention of providing assistance to these countries under the Foreign Assistance Act and has noted that such assistance is prohibited by law. These unnecessary amendments would single out these countries for a gratuitous insult at a very sensitive time when we are trying to come to some decision on the SALT Treaty.

When I was in Russia it was pretty clear that the Russians want good relations with us. I do not see any reason why we should turn around and kick them in the teeth when we have no particular reason to, when the matter is in the law already.

Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PAUL).

The question was taken; and on division (demanded by Mr. PAUL) there were—ayes 30, noes 78.

Mr. PAUL. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 19, insert "or indirectly" in line 16, after "aid directly".

Mr. ASHBROOK. Mr. Chairman, it shall not take more than 30 seconds to explain this amendment. I would do precisely in section 515 what has already been accomplished in section 514. The section would then read:

None of the funds appropriated in this Act shall be used for any form of aid directly or indirectly to Cuba.

We debated over an hour on this subject. The House has spoken. I would assume we would apply the same standard to Cuba.

Mr. LONG of Maryland. Mr. Chairman, we do not oppose this amendment.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I will take only 30 seconds in response to the gentleman.

Obviously, the votes on the prior amendment indicate how this one will turn out. I simply would like to point out that not only would the impact of this amendment be to preclude any U.S. contributions going to the banks, because of this indirect prohibition relative to Cuba, but Cuba is not even eligible to receive assistance from the banks. So the amendment is more ludicrous, if that is possible, than the prior amendments which were adopted, and I certainly hope that the Members will reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 522. None of the funds appropriated or otherwise made available by this Act to the Export-Import Bank and funds appropriated by this Act for direct foreign assistance may be obligated for any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism, unless the President of the United States finds that the national security requires otherwise.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: Page 21, line 3, strike out "an" and insert in lieu thereof ", or is being sought by any other government for prosecution for, any war crime or".

Mr. LONG of Maryland. Mr. Chairman, this amendment would prohibit assistance to any government which gives sanctuary to those sought by another state for prosecution for a war crime. This is a prohibition that would put governments which have harbored Nazi war criminals for many years on notice that the United States expects their full cooperation in the extradition of those war criminals for prosecution elsewhere. Any government which fails to cooperate in extradition should be ineligible for economic assistance or Export-Import Bank credits.

The need for this amendment becomes apparent when one considers the case of Dr. Mengele, the infamous "Angel of Death" who was chief "doctor" at Hitler's Auschwitz concentration camp during World War II. He stands accused of the most heinous crimes against the inmates of that camp, including the torture, disfigurement, and murder of at least 200,000 children in perverted experiments. Warrants for his arrest have been issued by the public prosecutors in Frieburg, in Breisgau and in Frankfurt, Germany, based on the statements of many survivors of Auschwitz and on court findings from previous war crimes trials.

This man, who is responsible for some of the most unspeakable horrors the world has ever known, is living freely today in Paraguay, as a Paraguayan citizen, according to the Simon Wiesenthal Center for Holocaust studies. In fiscal year 1980 Paraguay will receive $3.83 million in economic aid from the United States. Yet there is no record of any action by the Paraguyan Government to assist in bringing Mengele to justice.

This is not only a violation of civilized behavior but a violation of the UN charter.

It is time for us to make it clear that governments who tolerate Mengele and other such war criminals known to be living in certain Latin American countries will not get another dime of assistance from the United States unless their policies change dramatically.

□ 1820

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I would like to say on behalf of the minority, we are willing to accept this amendment.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman from Maryland (Mr. LONG), in regards to section 522, when he uses the words ". . . any individual, who has committed an act of international terrorism," talking about granting sanctuary from prosecution to that individual, I wonder if perhaps this might not also cover the Government of Chile, which is now harboring an individual who is wanted by the U.S. Government for prosecution in this country for committing a terrorist bombing on the streets of Washington about 3 years ago? Would this cover that also, to a country like Chile that is harboring that individual who is wanted for prosecution?

Mr. LONG of Maryland. That would be my understanding. Let me point out that is not part of my amendment, because it is already included in the bill.

Mr. HARKIN. That kind of thing is covered by section 522?

Mr. LONG of Maryland. That is covered by the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. LONG).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 526. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance any military assistance to Panama.

AMENDMENT OFFERED BY MR. MINISH

Mr. MINISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MINISH: Page 23, after line 12, insert the following:

SEC. 527. None of the funds appropriated or otherwise made available pursuant to title II or title III of this Act shall be obligated or expended to finance any assistance to Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Qatar, Kuwait, Libya, Nigeria, Saudi Arabia, United Arab Emirates, or Venesuela.

Mr. MINISH. Mr. Chairman, the measure before us today contains more than $250 million in direct aid to members of the OPEC cartel.

In April of this year, I attempted to amend the International Development Cooperation Act to deny aid to OPEC nations. At the time, opponents of my amendment argued that the assistance in the bill was earmarked for our "friends" in OPEC.

I think everyone who voted against my amendment in April should reconsider his or her vote in light of some recent actions by our so-called friends in OPEC.

Back in April, OPEC supplied oil to the United States at a price of $14.54 per barrel. Today the going rate is closer to $20.

Indonesia is one of our alleged friends in OPEC that is scheduled to receive $241 million in today's legislation. Indonesia, which has traditionally charged about $1.50 per barrel above the OPEC market price for her oil, hit the American consumer with a costly 12-percent surcharge the very day after this amendment failed in April.

Indonesia's action, which I do not consider to be the act of a friend, has cost the American people more than $1 million per day in extra crude oil costs.

Another one of our so-called OPEC friends is Nigeria. A July 31 report in the national press stated that Nigeria is considering cutting its production by 10 percent. Why? To further put the squeeze on hapless consumers by tightening the supply of oil. This action would undoubtedly contribute to further oil price increases.

There are those who have argued that the wealth generated by the oil in these countries never reaches the poor and middle classes. The fact remains, the price fixing and profiteering by OPEC—as a block—have been the single greatest cause of inflation in this country. The effects of inflation on our own middle and lower-income people, particularly those on fixed incomes, concerns me far more than the effect on OPEC of cutting off this aid. It will be very difficult for our own people to pay their energy bills this winter.

And it is also important to remember that these countries are always among the first to add surcharges to the regular OPEC price for oil. Indonesia was under no obligation to charge a surcharge, but it did anyway.

The American people have been more than generous to OPEC over the years. Since World War II, we have contributed more than $6.6 billion in direct aid to these countries. I need not comment on how this generosity has been repaid.

Indonesia is a perfect example of how the American people are being treated in return for their help. In 1970, we imported 70,000 barrels per day of Indonesian oil at a cost of about $2 per barrel. Today we import over 500,000 barrels daily at $20 a barrel. Yet, in the years 1962 through 1969—in a time of cheap oil when a case might legitimately have been made that American aid was necessary—we gave Indonesia a total of $4.5 million in direct assistance. This year, however, when our oil needs will cause us to pay Indonesia about $3.65 billion for crude oil, we add to that figure by supplying $241 million in string-free assistance. It does not make sense.

Mr. Chairman, I say the OPEC countries are profiting enough from the exorbitant prices they demand for their oil. I see no need to further burden the American taxpayers by appropriating more funds for the members of this cartel.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. MINISH. I would be happy to yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman from New Jersey (Mr. MINISH) for his remarks on cutting off foreign aid to OPEC. But I know that his amendment only relates to titles II and III of this bill, which is the bilateral economic and military assistance.

Why has not the gentleman broadened his amendment to include all of the funds so that we can get at the funds that would be extended to OPEC countries indirectly through the multilateral aid programs?

Mr. MINISH. If the gentleman has an amendment, I will accept it. Does the gentleman want to amend it?

Mr. SENSENBRENNER. I do.

□ 1830

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have to rise in opposition to this amendment. I know we all feel frustrated about the cost of our imported oil and the way the OPEC countries have consistently raised the oil prices. But let us face it, the real basic problem is that we did not take action to deal with our own internal oil supply problem or our alternate energy problem in years past.

In fiscal year 1980 the administration plans to provide some form of bilateral aid to 4 of the 13 OPEC nations. All four of these countries have had long-term bilateral aid programs with the United States, and a closer look at their economic profiles does not fulfill the visions one has of an oil rich OPEC nation.

Three of the four recipients—Ecuador, Gabon, and Nigeria—receive a total of only $17 million altogether. The fourth recipient, Indonesia, receives the lion's share, $241 million. Indonesia is a country desperate with overpopulation, illiteracy, poverty, and hunger. Indonesia supports a population of 143 million people. It has a per capita income of less than $240.

The transportation systems are nearly nonexistent and their vast natural resources go untapped.

The AID program is aimed at increasing the low, overall agricultural production and rural incomes; stemming the population growth; helping to alleviate the acute shortage of trained people. Since 1973 U.S. assistance has concentrated on improving the condition of rural poor. A series of decentralized projects attempt to create employment and increase rural productivity.

At a time when the U.S. needs all the moderate support within OPEC that it can muster, it does not seem prudent to offer a slap in the face to four of its members who have been long-term allies of the United States and major trading partners with its manufacturers.

The main countries that are leading the movement and are raising our oil prices are not getting any aid so they are not touched by this amendment. What we are doing is hitting the small number of countries getting aid who are not the major offenders.

Mr. Chairman, this is a harmful amendment and I hope it will be voted down.

AMENDMENT OFFERED BY MR. SENSENBRENNER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MINISH

Mr. SENSENBRENNER. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. SENSENBRENNER as a substitute for the amendment offered by Mr. MINISH: Page 23, insert the following after line 12:

"SEC. 527. None of the funds appropriated or otherwise made available pursuant to this Act may be used to furnish assistance to any country that is a member of the Organization of Petroleum Exporting Countries."

Mr. SENSENBRENNER. Mr. Chairman, I believe this amendment takes care of the problem which I brought up in my colloquy with the distinguished gentleman from New Jersey (Mr. MINISH). That is it gets at the indirect aid that would be provided to the OPEC countries under the bill. I believe very strongly that we ought to cut out the $259 million worth of bilateral assistance. The gentleman from New Jersey's amendment takes care of that. But I am certain that there is multilateral assistance that goes to the OPEC countries as well. We should not be using American taxpayers' dollars to help the rich get richer.

I strongly urge that my amendment in the nature of a substitute be approved.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I am afraid I did not really hear the gentleman's amendment. I wonder if he could say just exactly how this substitutes for the other amendment?

Mr. SENSENBRENNER. The substitute reads as follows:

None of the funds appropriated or otherwise made available pursuant to this act may be used to furnish assistance to any country that is a member of the Organization of Petroleum Exporting Countries.

Mr. LONG of Maryland. If the gentleman will yield, I cannot see any difference between the gentleman's amendment and that of the gentleman from New Jersey. Therefore, my remarks in opposition to the amendment of the gentleman from New Jersey have to apply to the gentleman now speaking in the well. I think it is harmful. The gentleman's amendment in the nature of a substitute is aiming at the very countries who are not the main reasons why we are having to pay higher oil prices. They are not rich countries. So the gentleman is wrong on that. These are poor countries and they are only four of them altogether.

In other words, we are aiming at the wrong target and going to make very angry the people who feel that we are trying to aim at them by missing. I think the gentleman's amendment is a harmful amendment.

Mr. SENSENBRENNER. If those countries that are wanting American foreign aid are feeling so poor they can resign their membership from OPEC and they would be immediately eligible for foreign aid under my substitute amendment as soon as they get out of OPEC.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know what the popular thing to do is on this amendment. We have all come from our home districts and it is obvious to me today that having done that we are willing to do exactly what has gotten this country in so much trouble in the first place. Apparently we are collectively willing to respond to every instant pressure that comes from any source without having the guts and the thoughtfulness to explain to people why sometimes what they may be suggesting is not necessarily in the interest of the United States.

Mr. Chairman, both of these amendments are essentially blunderbuss amendments. What they do is bring into serious question whether this Congress really wants to do anything significant on the issue of energy supply. Oh, we are great, we are just great at offering this amendment or that amendment to convince people we have done something to instantly solve or respond to their frustrations over energy.

I have heard 50 people on this floor today talk to me about how weak President Carter appears based on their discussions they have had back home with people in their districts. Then what do we do? We come back to Washington and help make President Carter weaker by adopting amendment after amendment that limits his ability to deal with international affairs in a way which defends the national interest of the United States. That is not politically smart and it is not substantively wise.

Let me suggest to the Members the only countries affected by both amendments, despite the intent of the gentleman from Wisconsin, his amendment is erroneously drawn, the only countries who are affected by either amendment are the countries laid out by the gentleman from Maryland, the chairman. They are Ecuador, Indonesia, Gabon, and Nigeria.

Before Members vote on this amendment, I want them to keep in mind what we get from those countries in oil every day. From Ecuador we get 64,000 barrels of oil a day. From Indonesia we get 540,000 barrels of oil a day. From Nigeria we get 904,000 barrels of oil a day.

Do the Members really think they increase the likelihood that we will continue to get that oil and we will continue to get it at a price which we are paying today if we adopt this amendment? What are the Members going to say to their constituents 3 or 4 months from now if this amendment passes and we have had another round of OPEC price increases and that round of OPEC price increases has been as a result of their anger at the U.S. Congress for its passage of this amendment? I know Members do not like to hear that and I know I do not like to go to my constituents and say it. But the hard fact is that all those countries have to do to compensate for this amendment is to raise oil prices again, and the Members are inviting them to do so if they pass this amendment.

□ 1840

Second, I would point out to the Members that three of the four countries involved are countries which did not participate in the original oil boycott in 1975. Nigeria did not; Indonesia did not; Ecuador did not do it. These are not the rich countries. The only countries being funded in this bill are the countries which are the poorest in the world. The amendment does not cut off any funds to Saudi Arabia. The amendment does not cut off any funds to Qatar or any of the wealthy OPEC countries. It only attacks the least wealthy OPEC countries, countries which have in times past served the national interest of the United States.

Mr. Chairman, I urge the Members to do the responsible thing and oppose this amendment.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, the gentleman apparently did not hear my remarks when he said that this amendment was offered after visiting the district. This amendment was offered in April.

And, since when do they do us a favor by giving us this oil. We pay $20 a barrel. The day after a similar amendment was defeated, this past April our so-called friend Indonesia increased the price by an additional $2 a barrel, this additional surcharge cost the American consumers an additional $500 million per year.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. OBEY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. RUSSO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. Mr. Chairman, I thank the gentleman for yielding. As I indicated earlier, the very day after this amendment was defeated this past April Indonesia increased the price of oil by $2 a barrel.

If you are worried about the constituents, my friend, let me tell you that you are going to be worried a lot more when the price of heating oil for their homes goes up to around 80 cents a gallon, as it is in New Jersey. Here, we are giving this country $200 million in aid and they are charging us $20 a barrel for oil. They do not need and do not deserve this assistance. It is ridiculous to say that they will not sell us the oil. They

have all the reason in the world to sell us more oil at these prices.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I would simply respond to the gentleman that the U.S. Congress is not going to determine how much oil we get from these countries. The only man in the United States who has any real influence over what happens on that is the President, and if we pass this amendment we weaken his ability to deal with each and every OPEC country we need oil from in order to keep our economy functioning. What we do is continue the process of weakening the very man who we are criticizing for being weak.

Mr. MINISH. I think it will strengthen the President's hand.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I will be happy to yield to the gentleman from Missouri.

Mr. VOLKMER. I would just like to have a question——

Mr. JOHN L. BURTON. I will be happy to answer it. I knew about oil before they even sold it for profit.

Mr. VOLKMER. My difficulty with the amendment is that it was Saudi Arabia, even though it will not apply, which increased their production just this summer in order to make sure that we do not have a shortfall, as I understand the increase in production.

The other thing that concerns me is, if this amendment is adopted——

Mr. JOHN L. BURTON. Excuse me—his amendment or his amendment?

Mr. VOLKMER. Either one. As to Nigeria and Ecuador and Indonesia, that applies to approximately 10 percent of our daily import of oil. If they cut it off, how do we replace it? I would like to ask the gentleman from New Jersey that if the gentleman from California will yield to the gentleman from New Jersey.

Mr. JOHN L. BURTON. I yield.

Mr. VOLKMER. Where do we get the oil from to replace that oil?

Mr. MINISH. I do not think the gentleman should assume that Indonesia is going to cut off selling us oil at $20 a barrel.

Mr. VOLKMER. All right.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to make a few comments in opposition to both of these amendments. First of all, I would associate myself with the remarks of my distinguished colleague from Wisconsin (Mr. OBEY), who I think has laid out the issue very clearly. I would just like to move a little further.

I was home in my district, as I am sure all Members were at some point during this break. I happened to do a radio interview where people called in. One of the callers called in and asked on the air of me, "Do we in this country provide foreign assistance to OPEC countries?"

My answer was "Yes."

His response was, "Oh, my God."

The political response to that could have been to say, "Oh, my God," as well. But, I chose not to do that because I think it is terribly important, as I have said many times on this floor, that we have a profound obligation to do more than simply be mirror images of unenlightened, uninformed public opinion. My response to that person is the statement I would make to the Members.

There are times when governments do have differences of opinion as to questions of policy, but the bigger story is that in many of these OPEC countries there are literally tens of thousands of human beings who are poverty stricken and who are desperate. We are perhaps the wealthiest nation in the world, and we are only spending 1.5 percent of our total budget to deal with the question of starvation.

It would seem to me that even though we disagree at a level of policy with respect to governments, we should not substitute those who are nongovernment, who are living in poverty and disease. To that extent I think both of these amendments will strike at only the politics of the situation; not the realities of the world, and certainly not the reality of our energy bill.

I also point out to the author of the amendment that American oil companies, indeed, have contributed significantly to the energy crisis in this country. We are not penalizing the American oil companies.

One of my colleagues, the author of the substitute amendment, indicated that we would make the rich richer. I find that ludicrous, because I think that if we could take that voting record of that particular person and look at it, we will see that when we have debated and discussed the energy bill and the role of the big oil companies here in this Nation, we certainly have not penalized them. It seems to me that we go in one direction and make possible multimillionaires of the oil companies for billions of dollars, and yet we are prepared to strike out those poor people in OPEC nations.

We are essentially paying the same price to England to buy their oil; to Norway to buy their oil; to Canada to buy their oil, and from Texas, absolutely, from the United States in purchasing their oil. So, where is the continuity? Where is the consistency in these amendments that, with all due respect to the people who offered them, I think are misguided? I think they make no sense.

Finally, I would end on this note: We are perhaps the wealthiest nation in the world. If governments differ, let us discuss those differences, but the poor, impoverished, desperate people do have to have foreign aid, and should not be penalized. We should be larger than that, bigger than that. To vote in support of these amendments is to respond to that, "Oh, my God," response of an unenlightened, uninformed American people. But, as the people have reached that question, it would seem to me that if we can respond to it intelligently and wisely, people will understand.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would just like to remind the Members of this House—and again I know that this is not a popular thing to say—but I heard this morning Members have 1-minute speeches praising the departing Under Secretary of the Department of Energy, Mr. O'Leary. He made the statement a couple of weeks ago that we all ought to remember that we might not like the price Saudi Arabia is charging; we all ought to remember, for instance, that all they need to process to meet their own domestic needs is 4.5 million barrels of oil, and today every barrel above that amount they process and supply to the United States is simply a gift to world stability. I do not think we contribute to a relationship with that country if we adopt this amendment.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from New Jersey.

Mr. MINISH. Let me say that from the time we were paying $2 a barrel for oil we were giving them $4.5 million a year. Now we are giving them $241 million a year plus $3.5 billion for the oil. So I think the money is there.

When the gentleman mentions England, I am sure the gentleman knows that we are not giving foreign aid to England. I am saying that we want to take it out of OPEC nations.

□ 1850

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words. Both of these amendments aim at the wrong parties and hit the wrong people, the people who are not guilty. I hope very much that the House will vote down both these amendments.

Mr. MINISH. Will the gentleman yield? The gentleman is doing the grandstanding.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to these politically appealing but shortsighted amendments. Do not get me wrong. I believe the U.S. Government must do much more to combat OPEC's arbitrary production and pricing policies. But we should not blindly flail away at OPEC. Rather we should weigh our options carefully, understand fully OPEC's vulnerabilities, recognize the diversity among the member nations of OPEC, and then get on with supporting those steps that offer really effective means of reducing our vulnerability to OPEC.

There are several problems with these amendments. Let me explain a couple of its drawbacks.

First, they give the impression of striking a meaningful blow against the OPEC cartel. The plain truth of the matter is that most of the member nations of OPEC are not even eligible to receive any of the development assistance to be funded by this bill. The oil-rich states of the Middle East like Saudi Arabia and Libya could care less whether these amendments pass.

I for one think that if we are going about throwing punches at OPEC that we at least ought to be certain to land a punch where it will hurt. It is time we stop boxing with the shadow of OPEC and get serious about what effective steps we can take to begin to offset some of OPEC's clout.

Second, these amendments seem to be based upon the premise that all member nations of OPEC are luxuriously rich and their leaders are modern-day "robber barons" preoccupied with the task of finding ways to spend all of their money. They fail to take into account the tremendous divergence of interests and needs among the nations that constitute OPEC. Consequently, the only countries that would really be significantly influenced by this amendment would be Ecuador, Gabon, Indonesia, and Nigeria. We would be punishing the poorest among the member nations of OPEC under the guise of getting tough with the oil-rich Arab nations.

To understand the unanticipated, harmful effects this amendment would have, consider the case of Ecuador. This tiny South American nation of nearly 8 million people has just returned to civilian democratic government after 9 years of dictatorship. Hopefully, the government of President Roldos will be able to set an example that will be emulated elsewhere among the military dictatorships of South America.

But the new democracy in Ecuador must come to grips with immense problems of poverty, hunger, and illiteracy among the Ecuadorian people if it is to survive. We should be striving to find ways in which our country can help nurture democratic traditions in this region. Instead these amendments would have us turn our backs on the new developments in Ecuador in a misguided attempt to get back at OPEC.

The annual per capita GNP of Ecuador is $640 in contrast with that of Saudi Arabia which is $4,480 or Kuwait which is $15,480. In addition, in 1977, the United States bought nearly $609 million worth of oil from Ecuador, but at the same time Ecuador bought approximately $565 million worth of U.S. exports. So our trade with Ecuador was almost balanced in contrast with that of other members of OPEC.

Developing countries like Ecuador who happen to be members of OPEC deserve better treatment that would be extended them by measures such as the Sensenbrenner amendment. For this reason, I hope these amendments will be defeated. Should they pass, I hope they will at least be amended to provide exemptions for Ecuador, Nigeria, Indonesia, and Gabon.

Mr. MINISH. Mr. Chairman will the gentleman yield?

Mr. PEASE. I yield to the gentleman from New Jersey.

Mr. MINISH. I thank the gentleman for yielding.

Does the gentleman really believe that Indonesia has treated us fairly? After giving them 3.5 billion—billion dollars—in aid, they increased the surcharge after the original increase by another $2 per barrel. I am amazed at the poor people in the other countries. I want the Members to know that there are a lot of poor people in our cities who are not going to be able to afford this oil.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. PEASE) has expired.

(At the request of Mr. MCHUGH, and by unanimous consent, Mr. PEASE was allowed to proceed to 2 additional minutes.)

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding, and I thank him for his remarks. He has rightly pointed out that there are only four countries affected by this amendment in any way. The one that I think is affected the most is Indonesia which would receive under our legislation, before the cuts which have been adopted, $242 million.

The basic things I think the Members should remember about Indonesia are, first of all, that it is a country of 130 million people with a per capita income per year of less than $300. Secondly, it provides over 500,000 barrels of oil to this country today. Thirdly, it did not participate in the OPEC embargo in 1973. Finally—and this is a point that has not yet been made—the Indonesian Government is participating in a very constructive way in dealing with the refugee problem. It is accepting refugees into its shores despite some public opposition. It is providing some processing centers and has offered to do more in that respect. I think for all of these reasons it would simply be against the U.S. interest to adopt this amendment, as politically attractive as it is on its face.

I thank the gentleman for yielding.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Chairman, to get back to the difference between the pending amendment and the amendment originally offered by the gentleman from New Jersey (Mr. MINISH), the pending amendment attempts to get at the indirect aid that is given to OPEC countries as well as the direct aid. Among the World Bank, the Asian Development Bank, and the Inter-American Development Bank, which are substantially funded by American taxpayers' dollars, OPEC countries get $1,071,000,000 more in aid, in addition to the $259 million in aid that they get directly through bilateral aid programs. So I would urge a yes vote on the pending amendment to try to get at that aid money, too.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) as a substitute for the amendment offered by the gentleman from New Jersey (Mr. MINISH).

The question was taken; and on a division (demanded by Mr. SENSENBRENNER) there were—ayes 17, noes 53.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. MINISH).

The question was taken; and on a division (demanded by Mr. MINISH) there were—ayes 28, noes 53.

□ 1900

Mr. MINISH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and three Members are present, a quorum.

The pending business is the demand of the gentleman from New Jersey (Mr. MINISH) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

● Mr. HALL of Ohio. Mr. Chairman, I rise in opposition to the Young amendment that was offered to limit appropriations for the United Nations Development Program to $126,050,000.

The Appropriations Committee has recommended an appropriation of $130 million for the U.N. Development Program. It is important to keep in mind that the amount in the committee bill already is $10 million below the amount requested by the administration. It also is $10 million below the amount authorized for fiscal 1980 by the House Foreign Affairs Committee in the International Development Cooperation Act.

The Appropriations Committee increased UNDP funding for fiscal 1980 by only $3,940,000 over the fiscal 1979 level. The effect of the Young amendment would be to keep funding at the 1979 level and eliminate the slight increase approved by the Appropriations Committee.

The Foreign Affairs Committee authorized the full amount recommended by the executive branch for the UNDP. We did so in recognition of the importance of UNDP as the principal U.N. body for coordinating technical assistance programs for economic and social development. Over the years, U.S. support of UNDP has been an important factor in encouraging other nations to support the program.

UNDP assistance, administered cooperatively by recipient countries and the U.N. specialized agencies, supports large-scale development projects in such sectors as transportation, communications, agriculture, forestry, fisheries, and industrial development. The success and continuity of these programs has significantly depended upon the leadership and commitment of the United States.

"Technical assistance" refers to the transfer of expertise, as distinct from the large-scale transfers of capital involved in projects such as the construction of dams, major roads, or industrial facilities. U.N. technical assistance helps recipient developing countries to prepare themselves to effectively utilize the outside capital inflows they receive for local development.

From all sources—voluntary and assessed contributions—the U.N. agencies spent approximately $663 million on technical assistance in 1977. This amounted to 27.6 percent of the total funds available within the U.N. system. The effect of this money is multiplied several times since the technical assistance activities stimulate followup investments on a larger scale from the private sector and from international financial institutions.

Our contribution to UNDP represents

a solid investment in the developing world for which we can expect high returns both on a short-term and on a long-term basis. As my colleague from Ohio, Mr. PEASE, pointed out in a colleague letter he circulated in July, the United States has shared significantly in the $19 billion in investment opportunities the UNDP helped generate during its first programing cycle (1971–76). In addition, the United States ranks first among all nations in UNDP equipment purchases, UNDP subcontracts, and in hosting UNDP fellowships. On a long-term basis, the United States will benefit from the opportunities for trade and investment which emerge from the development brought about with UNDP technical assistance.

Now is not the time to cut back on the valuable investment the UNDP holds both for the developing world and for our own country. This is not a "giveaway" program—it is a mutually beneficial development mechanism that contributes to global stability and progress.●

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4473) making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4473, just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Maryland (Mr. LONG).

There was no objection.

CONFERENCE ON S. 230, EXTENSION AND REVISION OF NURSE TRAINING AND OTHER HEALTH PROGRAMS

Mr. STAGGERS submitted the following conference report and statement on the Senate bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 96–419)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—NURSE TRAINING

SEC. 101. (a) This title may be cited as the "Nurse Training Amendments of 1979".

(b) Whenever in this Act (other than sections 204, 208, and 313) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) (42 U.S.C. 296) is amended by striking out "and" after "1977," and by inserting after "for fiscal year 1978" the following: ", and $2,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) (42 U.S.C. 296d) are each amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (e) of such section is amended by inserting after "in fiscal year 1978" the following: "and in each of the next two fiscal years".

SEC. 104. Subsection (f)(1) of section 810 (relating to capitation grants) (42 U.S.C. 296e) is amended by striking out "and" after "1977," and by inserting after "fiscal year 1978" the following: "and $24,000,000 for the fiscal year ending September 30, 1980."

SEC. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) (42 U.S.C. 296k) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $17,000,000 for the fiscal year ending September 30, 1980".

SEC. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) (42 U.S.C. 296l) is amended by striking out "and" after "1977", and by inserting after "for fiscal year 1978" the following: ", and $13,500,000 for the fiscal year ending September 30, 1980".

SEC. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) (42 U.S.C. 296m) is amended by striking out "and" after "1977," and by inserting before the period the following: ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 108. Subsection (b) of section 830 (relating to traineeships) (42 U.S.C. 297) is amended by striking out "and" after "1977," and by inserting before the period ", and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 109. (a) Subsection (b)(4) of section 835 (relating to loan agreements) (42 U.S.C. 297a) is amended by striking out "1978" and inserting in lieu thereof "1980".

(b) Section 837 (relating to authorizations for student loan funds) (42 U.S.C. 297c) is amended (1) by striking out "and" after "1977," in the first sentence and (2) by inserting before the period in the first sentence ", and $13,500,000 for the fiscal year ending September 30, 1980", (3) by striking out "fiscal year 1979" and inserting in lieu thereof "the fiscal year ending September 30, 1981", and (4) by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) (42 U.S.C. 297e) is amended by striking out "September 30, 1980, and not later than December 31, 1981" and inserting in lieu thereof "September 30, 1983, and not later than December 31, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and inserting in lieu thereof "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and inserting in lieu thereof "1983".

SEC. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) (42 U.S.C. 297j) is amended (1) by striking out "next two fiscal years" in the first sentence and inserting in lieu thereof "next four fiscal years", (2) by striking out "1979" and inserting in lieu thereof "1981", and (3) by striking out "1978" and inserting in lieu thereof "1980".

(b) Subsection (c)(1) of such section is amended (1) by striking out "next two fiscal years" in subparagraph (A) and inserting in lieu thereof "next four fiscal years," (2) by striking out "1978" in subparagraph (B) and inserting in lieu thereof "1980", and (3) by striking out "1979" in such subparagraph and inserting in lieu thereof "1981".

(c) The amendments made by subsections (a) and (b) do not authorize appropriations for the fiscal year ending September 30, 1979, for scholarships under section 845 of the Public Health Service Act in addition to the amount available for such scholarships under section 101(a) of Public Law 95–482.

SEC. 111. Subpart I of part B of title VIII (relating to traineeships) is amended by adding after section 830 (42 U.S.C. 297) the following new section:

"TRAINEESHIPS FOR TRAINING OF NURSE ANESTHETISTS

"SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the Commissioner of Education, of licensed, registered nurses to be nurse anesthetists.

"(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

"(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980.".

SEC. 112. Section 836(b)(3) (relating to student loans) (42 U.S.C. 297b(b)(3)) is amended (1) by inserting after "(3)" the following: "in the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979,", and (2) by striking out "any such loan" and inserting in lieu thereof "any such loan made before such date".

SEC. 113. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study—

(A) to determine the need to continue a specific program of Federal financial support for nursing education.

(B) to determine the reasons nurses do not practice in medically underserved areas and to develop recommendations for actions which could be taken to encourage nurses to practice in such areas, and

(C) to determine the rate at which and the reasons for which nurses leave the nursing profession and to develop recommendations for actions which could be taken to encourage nurses to remain or re-enter the nursing profession, including actions involving practice settings conducive to the retention of nurses.

(2) The part of the study described in paragraph (1)(A) shall include consideration of the following:

(A) The need for nurses under the present health care delivery system and under such system as it may be modified by increased

use of ambulatory care facilities or as it may be changed by the enactment of legislation for national health insurance. Determination of such need shall include determination of the need for nurses trained in each type of school of nursing (as defined in section 853(2) of the Public Health Service Act), for nurses with graduate training in the varying nurse practitioner clinical specialties, and for nurse administrators and nurse educators.

(B) The cost of nursing education and a comparison of the cost of education at each type of school of nursing (as so defined) and comparison of the cost of each of the graduate programs of nursing.

(C) The availability of other sources of support for nursing education, including support under general programs of Federal financial support for postsecondary education, under State and other public programs, and from private sources.

(b)(1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study, required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an agreement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary, after consulting with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(2) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(4) The Secretary shall undertake such preliminary activities as may be necessary to enable the Secretary to enter into an arrangement for the conduct of the study at the earliest possible date.

(c) Not later than six months after the date the arrangement for the conduct of the study is entered into under subsection (b), the Secretary and the entity conducting the study shall each report to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives their respective preliminary recommendations respecting the matters described in subparagraphs (A), (B), and (C) of subsection (a)(1) and, if a need for continued Federal financial support for nursing is found, the form in which the support should be provided. Not later than two years after such date, the Secretary and the entity which conducted the study shall each report to such Committees recommendations respecting such matters (including the form of Federal financial support for nursing) and the basis for such recommendations.

TITLE II—OTHER HEALTH PROGRAMS

SEC. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) (42 U.S.C. 294(a)) is amended—

(1) by inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education as such schools requires such increase"; and

(2) by inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools requires such increase".

SEC. 202. (a) Section 752(b)(5)(A) (relating to service requirements for National Health Service Corps scholarships) (42 U.S.C. 294u(b)(5)(A)) is amended by striking out "(not to exceed three years)" and inserting in lieu thereof "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

(b)(1) Such section 752(b)(5)(A) is further amended by adding after the first sentence the following: "With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed one year or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training.".

(2) The last sentence of such section is amended by striking out "such".

(3) Section 752(b)(5)(B) is amended by striking out "other than a school of medicine, osteopathy, or dentistry" and inserting in lieu thereof "other than a school referred to in subparagraph (A)".

(c) Section 338(a) is amended by striking out "$70,000,000" and inserting in lieu thereof "$82,000,000".

SEC. 203. Section 281(c) (relating to requirements for participation of schools in area health education center programs) (42 U.S.C. 295g-1(c)) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

SEC. 204. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transition provisions on area health education centers) is amended—

(1) by striking out "for the next fiscal year" and inserting in lieu thereof "for the next three fiscal years";

(2) by striking out "no payment shall be made to an entity under such a contract" and inserting in lieu thereof "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) by inserting before the period at the end thereof the following: ", or (2) for any fiscal year beginning after September 30, 1979".

SEC. 205. (a) Paragraph (4) of section 788(b) (42 U.S.C. 295g-8(b)(4)) is repealed and paragraphs (5) and (6) of such section are redesignated as paragraphs (4) and (5), respectively.

(b) Subparagraph (B) of section 788(e)(2) is amended by striking out $5,000,000" and inserting in lieu thereof "$10,000,000".

SEC. 206. (a) Section 748(b)(3)(B) (42 U.S.C. 294e(b)(3)(B)) is amended (1) by striking out "or" at the end of clause (iv), (2) by striking out the period at the end of clause (v) and inserting in lieu thereof ", or", and (3) by adding after clause (v) the following:

"(vi) maternal and child health.".

(b) Section 792(a) (42 U.S.C. 295h-1(a)) is amended (1) by striking out "or" at the end of paragraph (3), (2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", or", and (3) by adding after paragraph (4) the following new paragraph:

"(5) maternal and child health.".

SEC. 207. Section 771(d)(5) (42 U.S.C. 295f-1(d)(5)) is amended by striking out "may waive (in whole or in part) application to a school of dentistry of the requirement of any paragraph of this subsection if the Secretary" and inserting in lieu thereof "may—

"(A) in the case of a school of dentistry which increased its enrollment of full-time first-year students in accordance with paragraph (3), waive (in whole or in part and under such conditions as the Secretary may prescribe) application of the requirement of subsection (a)(1) that it maintain its increased enrollment of such students, and

"(B) in the case of any school of dentistry, waive (in whole or in part) application of the requirement of any paragraph of this subsection,

if the Secretary determines".

SEC. 208. Section 401 of the Health Programs Extension Act of 1973 (42 U.S.C. 300a-7) is amended by adding at the end thereof the following new subsection:

"(e) No entity which receives, after the date of enactment of this paragraph, any grant, contract, loan, loan guarantee, or interest subsidy under the Public Health Service Act, the Community Mental Health Centers Act, or the Development Disabilities Assistance and Bill of Rights Act may deny admission or otherwise discriminate against any applicant (including applicants for internships and residencies) for training or study because of the applicant's reluctance, or willingness, to counsel, suggest, recommend, assist, or in any way participate in the performance of abortions or sterilizations contrary to or consistent with the applicant's religious beliefs or moral convictions.".

SEC. 209. Section 1701(b) (42 U.S.C. 300u(b)) is amended by striking out "and" after "1978," and by inserting before the period a comma and the following: $14,000,000 for the fiscal year ending September 30, 1980, $15,000,000 for the fiscal year ending September 30, 1981, and $16,000,000 for the fiscal year ending September 30, 1982".

TITLE III—PUBLIC HEALTH SERVICE ADMINISTRATION

SEC. 301. This title may be cited as the "Public Health Service Administrative Amendments of 1979".

SEC. 302. (a) Section 203 (42 U.S.C. 204) is amended by adding at the end thereof the following new sentence: "Warrant officers may be appointed to the Service for the purpose of providing support to the health and delivery systems maintained by the Service and any warrant officer appointed to the Service shall be considered for purposes of this Act and title 37, United States Code, to be a commissioned officer within the commissioned corps of the Service.".

(b) Section 205(b) (42 U.S.C. 206(b)) is amended by striking out "six" and inserting in lieu thereof "eight" and by inserting after "the Chief Dental Officer of the Service," the following: "the Chief Nurse Officer of the Service, the Chief Pharmacist Officer of the Service,".

SEC. 303. Section 205(c) (42 U.S.C. 206(c)) is amended to read as follows:

"(c)(1) The Surgeon General, with the approval of the Secretary, is authorized to create special temporary positions in the grade of Assistant Surgeons General when necessary for the proper staffing of the Service. The Surgeon General may assign officers of either the Regular Corps or the Reserve Corps to any such temporary position, and

while so serving they shall each have the title of Assistant Surgeon General.

"(2) Except as provided in this paragraph, the number of special temporary positions created by the Surgeon General under paragraph (1) shall not on any day exceed 1 per centum of the highest number, during the ninety days preceding such day, of officers of the Regular Corps on active duty and officers of the Reserve Corps on active duty for more than thirty days. If on any day the number of such special temporary positions exceeds such 1 per centum limitation, for a period of not more than one year after such day, the number of such special temporary positions shall be reduced for purposes of complying with such 1 per centum limitation only by the resignation, retirement, death, or transfer to a position of a lower grade, of any officer holding any such temporary position.".

SEC. 304. (a) The third sentence of subsection (a) of section 206 (42 U.S.C. 207(a)) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Officers of the assistant grade—first lieutenant;

"(6) Officers of the junior assistant grade—second lieutenant;

"(7) Chief warrant officers of (W-4) grade—chief warrant officer (W-4);

"(8) Chief warrant officers of (W-3) grade—chief warrant officer (W-3);

"(9) Chief warrant officers of (W-2) grade—chief warrant officer (W-2); and

"(10) Warrant officers of (W-1) grade—warrant officer (W-1).".

(b) Section 206(c) (42 U.S.C. 207(c)) is repealed.

(c) The first sentence of section 206(d) (42 U.S.C. 207(d)) is amended by striking out "junior assistant grade" and inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 305. Section 207(a)(1) (42 U.S.C. 209(a)(1)) is amended by inserting immediately after "original appointments to the Regular Corps may be made only in the" the following: "warrant officer (W-1), chief warrant officer (W-2), chief warrant officer (W-3), chief warrant officer (W-4),".

SEC. 306. Section 209(c) (42 U.S.C. 210b(c)) is amended by striking out "assistant grade" and by inserting in lieu thereof the following: "warrant officer (W-1) grade".

SEC. 307. (a) Section 210(d)(1) (42 U.S.C. 211(d)(1)) is amended by striking out "Officers in the junior assistant grade" and by inserting in lieu thereof the following: "Officers in the warrant officer (W-1) grade, chief warrant officer (W-2) grade, chief warrant officer (W-3) grade, chief warrant officer (W-4) grade, and junior assistant grade".

(b) Section 210(g) (42 U.S.C. 211(g)) is amended—

(1) in the first sentence by striking out "an officer of the Regular Corps in the junior assistant grade" and inserting in lieu thereof the following: "an officer of the Regular Corps in the warrant officer (W-1) grade or junior assistant grade";

(2) in the second sentence by striking out "an officer of the Regular Corps in the assistant, senior assistant," and inserting in lieu thereof the following: "an officer of the Regular Corps in the chief warrant officer (W-2), chief warrant officer (W-3), assistant, senior assistant,";

(3) in paragraph (1) by striking out "if in the assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-2) or assistant grade"; and

(4) in paragraph (2) by striking out "if in the senior assistant grade" and inserting in lieu thereof the following: "if in the chief warrant officer (W-3) or senior assistant grade".

SEC. 308. Section 211(e) (42 U.S.C. 212(e)) is amended by striking out "a part of a year of active service of six months or more shall be counted as a whole year and a part of a year of active service which is less than six months shall be disregarded" and by inserting in lieu thereof the following: "a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded".

SEC. 309. (a) Section 214(c) (42 U.S.C. 215(c)) is amended by striking out the comma immediately after "nonprofit educational research" and by inserting immediately after "Service" the following: "to any appropriate committee of the Congress or".

(b) Section 214(d) (42 U.S.C. 215(d)) is amended by inserting after the first sentence the following new sentence: "In the case of detail of personnel under subsections (b) or (c) to be paid from applicable Service appropriations, the Secretary may condition such detail on an agreement by the State, subdivision, or institution concerned that such State, subdivision, or institution concerned shall reimburse the United States for the amount of such payments made by the Service.".

SEC. 310. (a) The first sentence of section 218(b) (42 U.S.C. 218a(b)) is amended to read as follows: "Any officer whose tuition, fees, and other necessary expenses are paid pursuant to subsection (a) while attending an educational institution or training program for a period in excess of thirty days shall be obligated to pay to the Service an amount equal to two times the total amount of such tuition, fees, and other necessary expenses received by such officer during such period, and two times the total amount of any compensation received by, and any allowance paid to, such officer during such period, if after return to active service such officer voluntarily leaves the Service within (1) six months, or (2) twice the period of such attendance, whichever is greater.".

(b) The third sentence of section 218(b) (42 U.S.C. 218a(b)) is amended by striking out "reimbursement" wherever it appears and by inserting in lieu thereof the following: "payment".

SEC. 311. Section 219(c) (42 U.S.C. 219-1(c)) is repealed.

SEC. 312. Section 221(a) (42 U.S.C. 213a(a)) is amended by adding at the end thereof the following new paragraphs:

"(12) Section 1552, Correction of military records: claims incident thereto.

"(13) Section 1553, Review of discharge or dismissal.

"(14) Section 1554, Review of retirement or separation without pay for physical disability.".

SEC. 313. (a) The table in section 201(a) of title 37, United States Code, is amended by striking out "Surgeon General." in the fourth column of such table and by inserting in such column to correspond with pay grade O-9 the following: "Surgeon General.".

(b)(1) Section 1006(a) of title 37, United States Code, is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(2) Section 1006(b) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(3) Section 1006(c) of such title is amended by inserting immediately after "member of an armed force" the following: "or of the Public Health Service".

(4) Section 1006(c) of such title is amended by inserting immediately after "members of the armed forces" the following: "or of the Public Health Service".

5) Section 1006(d) of such title is amended by inserting immediately after "from his armed force" the following: "or from the Public Health Service".

(6) Section 1006(e) of such title is amended by inserting before the period the following: "and the Public Health Service,".

(7) Section 1006(h) of such title is amended by inserting immediately after "members of an armed force" the following: "or of the Public Health Service".

(c) Section 415(d) of title 37, United States Code, is amended to read as follows:

"(d) An allowance of $250 for uniforms and equipment may be paid to each commissioned officer of the Public Health Service who is—

"(1) on active duty or on inactive duty training status; and

"(2) required by directive of the Surgeon General to wear a uniform.

An officer is not entitled to more than one allowance under this subsection.".

SEC. 314. The amendments made by sections 303, 304, 305, 306, 307, and 313 shall take effect on October 1, 1979.

And the House agree to the same.

HARLEY O. STAGGERS,
HENRY A. WAXMAN,
DAVID E. SATTERFIELD,
RICHARDSON PREYER,
JAMES T. BROYHILL,
TIM LEE CARTER,
Managers on the Part of the House.

EDWARD KENNEDY,
HARRISON A. WILLIAMS, Jr.,
GAYLORD NELSON,
ALAN CRANSTON,
C. PELL,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
ORRIN G. HATCH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATIONS OF APPROPRIATIONS

A. Nurse training

The Senate bill and the House amendment each provided authorizations of appropriations for programs of nurse training for fiscal year 1980 in the amount of $103 million. However, the Senate bill provided $4 million for construction authority while the House amendment provided $2 million for construction and $2 million for traineeships for the training of nurse anesthetists.

The conference substitute conforms to the House amendment (Table 1).

B. National Health Service Corps

The Senate bill contained a provision not included in the House amendment which would increase the authorization of appropriations under section 338 of the Public Health Service Act for the National Health Service Corps program from $70 million to $82 million for fiscal year 1980.

The conference substitute conforms to the Senate bill.

C. Health information and health promotion

The Senate bill provided authorizations of appropriations of $14, $15, and $16 million for fiscal years 1980, 1981, and 1982, respectively, for programs of health information and health promotion under Title XVII of the Public Health Service Act. The House amendment did not contain these provisions; however, the House had authorized identical appropriations for these programs in another House-passed measure (H.R. 3641).

The conference substitute conforms to the Senate bill.

TABLE I.—AUTHORIZATIONS OF APPROPRIATIONS FOR PROGRAMS OF NURSE TRAINING FOR FISCAL YEAR 1980

[In millions of dollars]

Authority	Fiscal year 1979 appropriation	Proposed fiscal year 1980 authorization: Senate bill	Proposed fiscal year 1980 authorization: House amendment	Fiscal year 1980 authorization, conference substitute
Capitation	24	24.0	24.0	24.0
Advanced training	12	13.5	13.5	13.5
Nurse practitioner training	13	15.0	15.0	15.0
Special projects	15	17.0	17.0	17.0
Construction	0	4.0	2.0	2.0
Interest subsidies	.....	1.0	1.0	1.0
Loans	13.5	13.5	13.5	13.5
Loan repayment	.75	(1)	(1)	(1)
Traineeships	13	15.0	15.0	15.0
Scholarships	9	(1)	(1)	(1)
Nurse anesthetist	.....	0	2.0	2.0
Total	100.25	103.0	103.0	103.0

[1] No line item.

TRAINEESHIPS FOR TRAINING OF NURSE ANESTHETISTS

The House amendment contained a provision, not included in the Senate bill, which added a new section 831 to the Public Health Service Act authorizing the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") to make grants to cover the costs of traineeships for the training of nurse anesthetists.

The conference substitute conforms to the House amendment.

The managers recognize the current need for providing support for the training of nurse anesthetists. However, adoption of this grant program at this time is intended to serve only as a short-term mechanism for the provision of financial assistance to these health practitioners. Next year, when this bill expires, it is the managers' intent that this grant program be subjected to the same review and possible revision as all other nurse training authorities.

STUDY OF FEDERAL SUPPORT FOR NURSING EDUCATION

Both the Senate bill and the House amendment require the Secretary to arrange for a study to determine the need to continue a specific program of Federal financial support for nursing education. Several minor differences occurred between the Senate bill and the House amendment. Those differences and the agreements of the conference substitute follow:

(1) Study Content: Both the Senate bill and the House amendment provide that the study shall determine the need to continue a specific program of Federal financial support for nursing education. The Senate bill also calls for recommendations regarding ways to encourage nurses to practice in medically underserved areas, and recommendations to stimulate the retention or re-entry of nurses into the nursing profession. In addition, the Senate bill provides more specific direction as to the factors which must be taken into account in conducting this study, such as the effect that increasing utilization of ambulatory care in health maintenance organizations and other settings might have on the numbers and types of nurses needed in both inpatient and outpatient services. The conference substitute conforms to the requirements of the Senate bill.

(2) Study Contractor: Both the Senate bill and the House amendment provide that the Secretary is first to request the National Academy of Sciences, acting through the Institute of Medicine, to undertake the study. If the Academy declines the request, the Secretary is to enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct the study. The Senate bill provides that arrangements with any entity other than the National Academy of Sciences may be made only after consultation with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. The conference substitute conforms to the Senate bill.

(3) Study Submittal: Both the Senate bill and the House amendment require the National Academy of Science's Institute of Medicine (or any other entity conducting the study) to submit its findings and recommendations to the Secretary. The House amendment requires simultaneous submittal of the same material to the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives. The conference substitute conforms to the House amendment.

(4) Timing of Reports: The Senate bill requires a final report to be submitted to the Congress by the Secretary not later than January 15, 1980. The House amendment requires a preliminary report within six months after formal agreements are completed between the Secretary and the National Academy of Sciences (or other appropriate entity), and a final report not later than two years from that date. The conference substitute conforms to the intent of the House amendment.

The managers are aware that studies on this same issue are currently underway in both HEW and within the nursing profession. The purpose for authorizing yet another study stems from the managers' awareness of the longstanding—and thus far unresolved—controversy between the nursing profession and the Department of HEW over the need for Federal support of nursing education programs. While all available data and recommendations regarding possible revisions to the Nurse Training Act authorities will be considered when this legislation expires, this independent study will be a particularly valuable source of information as it is designed to represent an objective assessment of the problem. The results of this study should be of enormous value to the Congress.

It is the managers' intent that the negotiations surrounding the formal agreement between the Secretary and the Academy (or other entity, in the event the Academy declines the Secretary's request) not be protracted. In view of the short time frame within which assessment must be completed, the conferees expect the agreement to be formalized within 60 days from the date of enactment of the proposed legislation, and would urge the two parties to reach agreement within a month of the date of enactment.

DEFERRAL OF SERVICE OBLIGATION FOR NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP RECIPIENTS

The Senate bill and the House amendment each contain a provision amending section 752(b)(5)(A) of the Public Health Service Act regarding the period of time which the Secretary, at the request of a medical, osteopathic, or dental school scholarship recipient, is required to defer that individual's service obligation to enable him to complete an internship, residency, or other advanced clinical training. Existing law limits such deferral to a period not to exceed 3 years. The provisions of the Senate bill, the House amendment and the conference substitute would authorize the Secretary to extend the period of deferral for such an individual beyond 3 years, if such additional deferral is consistent with the needs of the Corps.

In addition, the House amendment requires the Secretary to defer such service obligation for not less than one year for veterinarians, optometrists, podiatrists, or pharmacists who received National Health Service Corps scholarships, in order to complete their advanced clinical training. The conference substitute provides that the Secretary shall at the request of such individuals, defer their service obligation for a period of one year, or such greater time as the Secretary may authorize consistent with the needs of the Corps, for such internship, residency, or other advanced clinical training. This policy will be reviewed again by the Congress next year in line with the overall review of the Health Professions Educational Assistance Act.

FINANCIAL DISTRESS GRANTS FOR HEALTH PROFESSIONS SCHOOLS

The Senate bill and the House amendment each contain a provision mending section 788(e)(2)(B) of the Public Health Service Act increasing the maximum amount of funds authorized under section 788(e)(1) which may be obligated for financial distress grants for schools of the health professions from $5 million to $10 million. In addition, the House amendment repeals section 788(b)(4) of the Public Health Service Act which limits second and subsequent financial distress grants for health professions schools to 75 percent of the prior year grant award. The conference substitute conforms to the House amendment. This policy will be reviewed again by the Congress next year in line with the overall review of the Health Professions Educational Assistance Act.

NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP AWARDS

The Senate bill removes all restrictions on the percentage of National Health Service Corps scholarship funds which must be used to support specific professional training. Current law provides that 90 percent of appropriated funds are to be obligated for scholarships for medical, osteopathic, and dental students, and that at least 10 percent of that 90 percent must be used to support dental students. The House amendment continues to place a restriction on the percentage of funds obligated for specific professional training by requiring that at least 9 percent of all appropriated funds be obligated for students of dentistry. The conference substitute retains existing statutory provisions. Both Committees intend to undertake a major review of the National Health Service Corps program next year during consideration of the reauthorization of the Health Professions Educational Assistance Act. This review will include, in part, an assessment of the need for the various health practitioners by the Corps. Consequently, the managers believe that any action which affects the distribution of National Health Service Corps scholarships should be postponed until that review is completed.

TRAINEESHIPS AND SPECIAL PROJECT SUPPORT FOR MATERNAL AND CHILD HEALTH

The House amendment includes maternal and child health among those disciplines within schools of public health eligible to receive traineeship and special project support under sections 748(b)(3)(B) and 792(a) of the Public Health Service Act. The Senate bill contains no similar provision. The conference substitute conforms to the House amendment.

CAPITATION SUPPORT FOR SCHOOLS OF DENTISTRY

The House amendment authorizes the Secretary to waive the maintenance of increased enrollment requirement for dental school capitation support under section 771(a)(1) of the Public Health Service Act, and to impose such other conditions as he may prescribe, when a dental school is in jeopardy of losing its accreditation if its increased enrollment is maintained. The Senate bill has no similar provision. The conference substitute conforms to the House amendment. This policy will be reviewed again by the Congress next year in line with the overall review of the Health Professions Educational Assistance Act.

PUBLIC HEALTH SERVICE ADMINISTRATION

The House amendment provides a series of amendments not contained in the Senate bill to Title II of the Public Health Service Act (Administration) to improve the management of the Commissioned Corps of the Public Health Service. The major provisions of the House amendment include: (1) Amendment of section 203 of the PHS Act to authorize the appointment of warrant officers to the Commissioned Corps of the Public Health Service; (2) Amendment of section 205 of the PHS Act to establish the positions of Chief Nurse Officer and Chief Pharmacist Officer for the Public Health Service; to include such positions among those designated as Assistant Surgeons General; and to increase from three-fourths of 1 percent, to 1 percent, the number of active duty officers of the Corps who may hold the special temporary grade of Assistant Surgeon General; (3) Repeal of section 206(c) of the PHS Act which automatically promotes any Public Health Service Division Chief to the grade of "Director" for the duration of such assignment; (4) Amendment of section 207 of the PHS Act to extend to officers of the Reserve Corps the same education and training credits currently available to officers of the Regular Corps; (5) Amendment of section 211 of the PHS Act to clarify the manner of computation of creditable service years for retirement pay; (6) Amendment of section 214 of the PHS Act to authorize the conditioning of the detail of a Commissioned Officer of the Public Health Service by requiring the entity to which the officer is detailed to reimburse the United States for the costs of that detail, and specifically include appropriate Committees of the Congress among those entities to which officers may be detailed; (7) Amendment of Section 218 of the PHS Act to require an officer to pay back two times the total of all sums paid by the Public Health Service for his training programs if he voluntarily leaves the Service following such training within either six months or twice the period of training, whichever is greater; (8) Repeal of section 219 of the PHS Act which prohibits the granting of earned annual leave between the time an officer of the Public Health Service applies for or is directed to accept retirement, separation, or release from active duty, and the actual date of such action; (9) Amendment of section 221 of the PHS Act to extend Commissioned Officers of the Public Health Service the same rights now provided for Commissioned Officers of the Army, Navy, Air Force, Marine Corps, and Coast Guard relative to: (a) correction of military records; (b) review of discharge or dismissal; and (c) review of retirement or separation without pay for physical disability; (10) Amendment of the PHS Act to add a new section 228 to prescribe the method of calculation for severance pay upon involuntary release from active duty of Reserve Corps officers of the Public Health Service, and (11) Amendment of Title 37 of the United States Code: (a) to establish the position of Surgeon General of the Public Health Service at the same level as the Surgeon General of the Army; (b) to provide the same authority for advance payment of compensation and allowances to Commissioned Officers of the Public Health Service that is currently provided for members of the Armed Forces; (c) to provide one year of credit for a Commissioned Officer of the Public Health Service who earned a masters degree before entry or reentry into active duty where such degree was required for appointment, and to provide three years of such credit for an earned doctoral degree required for appointment; and (d) to provide for a second uniform allowance to any Commissioned Officer of the Public Health Service required to wear the uniform of the United States Coast Guard.

The conference substitute conforms to the House amendment except that provisions numbered 4, 10, and 11(c) above have been deleted by the managers at the request of the Administration as being too costly. In addition, the managers agreed to delete provision number 11(d) because the managers view as inappropriate the practice of officers of the Public Health Service wearing a uniform other than that prescribed for the Public Health Service.

HARLEY O. STAGGERS,
HENRY A. WAXMAN,
DAVID E. SATTERFIELD,
RICHARDSON PREYER,
JAMES T. BROYHILL,
TIM LEE CARTER,
Managers on the Part of the House.

EDWARD KENNEDY,
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JACOB K. JAVITS,
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Managers on the Part of the Senate.

CONFERENCE ON S. 544, HEALTH PLANNING AND RESOURCES DEVELOPMENT OF 1979

Mr. STAGGERS submitted the following conference report and statement on the Senate bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and resources development:

CONFERENCE REPORT (REPT. NO. 96-420)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and resources development, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE; REFERENCES TO PUBLIC HEALTH SERVICE ACT; AND TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Health Planning and Resources Development Amendments of 1979".

(b) Whenever in this Act (other than in subsections (j) and (k) of section 115 and subsection (a) of section 128) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

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TITLE III—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES
Sec. 301. Authorization of program.
Sec. 302. Study.

TITLE I—REVISION OF HEALTH PLANNING AUTHORITY

REVISION AND REPORTING ON NATIONAL GUIDELINES FOR HEALTH PLANNING

SEC. 101. (a)(1)(A) Section 1501 is amended (i) by striking out "and shall, as he deems appropriate, by regulation revise such guidelines" in subsection (a), and (ii) by adding after subsection (c) the following:

"(d) The Secretary shall, on an annual basis, review the standards and goals included in the guidelines issued under subsection (a). In conducting such a review, the Secretary shall review the health systems plans and annual implementation plans of health systems agencies and State health plans. If the Secretary proposes to revise a guideline issued under subsection (a), he shall make such revision by regulations promulgated in accordance with section 553 of title 5, United States Code.

"(e)(1) The Secretary may collect data to determine whether the health care delivery systems meet or are changing to meet the goals included in health systems plans under section 1513(b)(2) and State health plans under section 1524 and to determine the personnel, facilities, and other resources needed to meet such goals. The Secretary shall prescribe (A) the manner in which such data shall be assembled and reported to the Secretary by health systems agencies, State health planning and development agencies, and other entities, and (B) the definitions which shall be used by such agencies and entities in assembling and reporting such data.

"(2) The Secretary shall from the data collected under paragraph (1) periodically make public a (A) statement of the relationship between the goals contained in the health systems plans and the State health plans and the status of the supply, distribution, and organization of health resources with respect to which such goals were established, and (B) summary of changes (either through additions or reductions) in resources needed to meet such goals.".

(B) The amendments made by subparagraph (A) do not authorize the enactment of new budget authority before October 1, 1979.

(2) Subsection (b)(1) of section 1501 is amended by adding at the end thereof the following: "Such standards shall reflect the unique circumstances and needs of medically underserved populations in isolated rural communities.".

(3) Subsection (c) of section 1501 is amended by striking out "In issuing guidelines under subsection (a) the Secretary shall" and inserting in lieu thereof "At least 45 days before the initial publication of a regulation proposing a guideline under subsection (a) or a revision under subsection (d) of such a guideline, the Secretary shall, with respect to such proposed guideline or revision,".

(b)(1) Section 1513(b)(1) is amended by adding after and below subparagraph (F) the following: "The agency shall also assemble and report to the Secretary such data (including data on the personnel, facilities, and other resources needed to meet the goals set forth in the agency's health system plan) as the Secretary may require to carry out his responsibilities under section 1501(e). The Secretary may not require the assembling and reporting of data under this paragraph which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title.".

(2) Section 1522(b)(10) is amended by inserting after "require the State agency to" the following: "(A) assemble and report to the Secretary data (other than data which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title) which the Secretary may require to carry out his responsibilities under section 1501(e), including data on the personnel, facilities, and other resources needed to meet the goals set forth in the State health plan, and (B)".

NATIONAL HEALTH PRIORITIES; NATIONAL COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

SEC. 102. (a)(1) Section 1502 is amended by adding at the end the following:

"(12) The identification and discontinuance of duplicative or unneeded services and facilities.

"(13) The adoption of policies which will (A) contain the rapidly rising costs of health care delivery, (B) insure more appropriate use of health care services, and (C) promote greater efficiency in the health care delivery system.

"(14) The elimination of inappropriate placement in institutions of persons with mental health problems and the improvement of the quality of care provided those with mental health problems for whom institutional care is appropriate.

"(15) Assurance of access to community mental health centers and other mental health care providers for needed mental health services to emphasize the provision of outpatient as a preferable alternative to inpatient mental health services.

"(16) The promotion of those health services which are provided in a manner cognizant of the emotional and psychological components of the prevention and treatment of illness and the maintenance of health.".

(2) Section 1502(9) is amended by inserting before the period the following: "and the development and use of cost saving technology".

(b) Section 1503(b)(1) is amended (1) by striking out "fifteen" and inserting in lieu thereof "twenty"; (2) by inserting "the Assistant Secretary for Rural Development of the Department of Agriculture," after "Defense,"; (3) by striking out "not less than five shall be persons who are not providers of health services" and inserting in lieu thereof "not less than eight members shall be persons who are not providers of health care and those members shall include individuals who represent urban and rural medically underserved populations"; and (4) by inserting "not less than one member shall represent hospitals," after "Federal Government,".

THE ROLE OF COMPETITION IN THE ALLOCATION OF HEALTH SERVICES

SEC. 103. (a) Section 1502(a) is amended by adding after paragraph (16) (added by section 102(a)) the following new paragraph:

"(17) The strengthening of competitive forces in the health services industry wherever competition and consumer choice can constructively serve, in accordance with subsection (b), to advance the purposes of quality assurance, cost effectiveness, and access.".

(b) Section 1502 is amended (1) by inserting "(a)" after "1502.", and (2) by adding at the end the following:

"(b)(1) The Congress finds that the effect of competition on decisions of providers respecting the supply of health services and facilities is diminished. The primary source of the lessening of such effect is the prevailing methods of paying for health services by public and private health insurers, particularly for inpatient health services and other institutional health services. As a result, there is duplication and excess supply of certain health services and facilities, particularly in the case of inpatient health services.

"(2) For health services, such as inpatient health services and other institutional health services, for which competition does not or will not appropriately allocate supply consistent with health system plans and State health plans, health systems agencies and State health planning and development agencies should in the exercise of their functions under this title take actions (where appropriate to advance the purposes of quality assurance, cost effectiveness, and access and the other purposes of this title) to allocate the supply of such services.

"(3) For the health services for which competition appropriately allocates supply consistent with health systems plans and State health plans, health systems agencies and State health planning and development agencies should in the performance of their functions under this title give priority (where appropriate to advance the purposes of quality assurance, cost effectiveness, and access) to actions which would strengthen the effect of competition on the supply of such services.".

(c) Section 1513(a) is amended (1) by striking out "and" at the end of paragraph (3), (2) by inserting "and" at the end of paragraph (4), and (3) by adding after paragraph (4) the following:

"(5) preserving and improving, in accordance with section 1502(b), competition in the health service area,".

(c) Section 1532(c) is amended by adding at the end the following:

"(11) In accordance with section 1502(b), the factors which affect the effect of competition on the supply of the health services being reviewed.

"(12) Improvements or innovations in the financing and delivery of health services which foster competition, in accordance with section 1502(b), and serve to promote quality assurance and cost effectiveness.".

DESIGNATION OF HEALTH SERVICE AREAS

SEC. 104. (a)(1) Section 1511(b)(4) is amended to read as follows:

"(4) The Secretary shall review on his own initiative or at the request of any Governor or designated health systems agency the appropriateness of the boundaries of the health service areas established under paragraph (3) and, if he determines that—

"(A) the boundaries for a health service area no longer meet the requirements of subsection (a), or

"(B) the boundaries for a proposed revised health service area meet the requirements of subsection (a) in a significantly more appropriate manner in terms of the efficiency and effectiveness of health planning efforts,

he shall revise the boundaries in accordance with the procedures prescribed by paragraph (3)(B)(ii). If the Secretary acts on his own initiative to revise the boundaries of any health service area, he shall consult with the Governor of the State or States which would be affected by the revision, the chief executive officer or agency of the political subdivisions within such State or States, and the designated health systems agency or agencies and the established Statewide Health Coordinating Council or Councils that would be affected by the revision. A Governor may request a revision of the boundaries of a health service area only after consultation with the Governor of any other State or States that would be affected by the revision, the chief executive officer or agency of the political subdivisions within such State or States, and the designated health systems agencies and the established Statewide Health Coordinating Council or Councils that would be affected by the revision and shall include in such request the comments concerning the proposed revision made by such individuals and entities. A designated health systems agency may request a revision of the boundaries of its health service area only after consultation with the Governor of the State or States that would be affected by the revision, the chief executive officer or agency of the political subdivisions within such State or States, the Statewide Health Coordinating Council of such State or States, and the health systems agencies that would be affected by the revision and shall include in such request the comments concerning the proposed revision made by such individuals and entities. No proposed revision of the boundaries of a health service area shall comprise an entire

State without the prior consent of the Governor of such State. In addition, for each proposed revision of the boundaries of a health service area, the Secretary shall give notice and an opportunity for a hearing to all interested persons and make a written determination of his findings and decision.".

(2) Not later than one year after the date of the enactment of this Act the Secretary shall by regulation prescribe criteria for the revision of health service area boundaries under section 1511(b)(4) of the Public Health Service Act (as amended by paragraph (1)).

(b) Section 1511(c) is repealed.

(c)(1) Section 1536(a) is amended by inserting "the Commonwealth of Puerto Rico," before "the Virgin Islands".

(2) Section 1531(1) is amended by striking out "and the Commonwealth of Puerto Rico".

DESIGNATION OF HEALTH SYSTEMS AGENCIES

SEC. 105. (a) Section 1515(b)(4) is amended by striking out the last sentence and inserting in lieu thereof: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor or a Statewide Health Coordinating Council for approval. When the Secretary enters into an agreement with an entity under paragraph (1), the Secretary shall notify the Governor of the State in which such entity is located of such agreement.".

(b) The last sentence of section 1515(c)(2) is amended to read as follows: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor or a Statewide Health Coordinating Council for approval.".

(c) Section 1515(c) is amended by adding after paragraph (3) the following:

"(4) Before renewing an agreement with a health systems agency under this subsection, the Secretary shall provide the State health planning and development agency of the State in which the health systems agency is located an opportunity to comment on the performance of such agency and to provide a recommendation on whether such agreement should be renewed and whether its renewal should be made subject to conditions as authorized by paragraph (3).

"(5) If the Secretary enters into an agreement under this subsection with an entity or renews such an agreement, the Secretary shall notify the Governor of the State in which such entity is located of the agreement, its renewal, and, if any conditions have been imposed under paragraph (3), such conditions.".

(d)(1)(A) Paragraphs (1) and (3) of section 1515(c) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall take effect with respect to designation agreements entered into under section 1515(c) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1515(c)(1) is amended—

(A) by inserting "(A)" after "(c)(1)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the entity is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate, under subparagraph (A)(ii), an agreement with an entity for designation as the health systems agency for a health service area, the Secretary shall—

"(i) consult with the Governor and the Statewide Health Coordinating Council of each State in which is located the health service area respecting the proposed termination,

"(ii) give the entity notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the entity is not in compliance with the agreement, and (II) the actions that the entity should take to come into compliance with the agreement, and

"(iii) provide the entity with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.

The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination. Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the entity with which the agreement was made notice of the intention not to renew the agreement and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the entity an opportunity for a hearing on the matter specified in the notice.".

(e) Section 1515(c) (as amended by subsection (d)) is amended by adding after clause (ii) of paragraph (1)(A) the following: "A designation agreement under this subsection may be terminated by the Secretary before the expiration of its term if the health service area with respect to which the agreement was entered into is revised under section 1511(b)(4) and the Secretary determines, after consultation with the Governor and Statewide Health Coordinating Council of each State in which the health service area (as revised) is located, that the health systems agency designated under such agreement cannot effectively carry out the agreement for the area (as revised). In terminating an agreement under the preceding sentence, the Secretary may provide that the termination not take effect before an agreement for the designation of a new agency takes effect and shall provide the agency designated under the agreement to be terminated an opportunity to terminate its affairs in a satisfactory manner.".

(f) Section 1514 is amended (1) by striking out "may" and inserting in lieu thereof "shall", and (2) by striking out "(including entities" through "section 304)".

(g) Section 1515(d) is amended (1) by inserting "agreement" after "If a designation", and (2) by inserting "or is not renewed" after "prescribed for its expiration".

(h) Section 1515(c)(3) is amended (1) by inserting "(A)" after "(3)"; (2) by inserting "during the period of the agreement to be renewed" after "section 1513"; and (3) by adding at the end thereof the following new subparagraph:

"(B) If upon a review under section 1535 of the agency's operation and performance of its functions, the Secretary determines that it has not fulfilled, in a satisfactory manner, the functions of a health systems agency prescribed by section 1513 during the period of the agreement to be renewed or does not continue to meet the requirements of section 1512(b), he may terminate such agreement or return such agency to a conditionally designated status under subsection (b) for a period not to exceed twelve months. At the end of such period, the Secretary shall either terminate the agreement with such agency or enter into an agreement with such agency under paragraph (1). The Secretary may not take the action authorized by the first sentence of this subparagraph unless the Secretary has—

"(i) provided the agency with notice of his intent to return it to a conditional status or terminate the agreement with the agency and included in that notice specification of any functions which the Secretary has determined the agency did not satisfactorily fulfill and of any requirements which the Secretary has determined the agency has not met;

"(ii) provided the agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the action proposed to be taken by the Secretary; and

"(iii) in the case of a proposed termination of an agreement, consulted with the National Council on Health Planning and Development respecting the termination.".

PLANNING GRANTS

SEC. 106. (a) Section 1516 is amended by redesignating subsection (c) as subsection (d) and by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The amount of any grant under subsection (a) to a health systems agency designated under section 1515(b) shall be determined by the Secretary.

"(c)(1) Except as provided in paragraph (2), the amount of a grant under subsection (a) to a health systems agency designated under section 1515(c) shall be the greater of the amount determined under subparagraph (A), (B), or (C) as follows:

"(A) The amount of a grant to a health systems agency shall be the lesser of—

"(i) the product of $0.60 and the population of the health service area for which the agency is designated, or

"(ii) $3,750,000.

"(B)(i) If the application of the health systems agency for such grant states that the agency, in its latest fiscal year ending before the period in which such grant will be available for obligation, collected non-Federal funds meeting the requirements of clause (ii) for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(I) the amount determined under subparagraph (A) or (C), whichever is applicable, and

"(II) the lesser of the amount of such non-Federal funds or $200,000 or the product of $0.25 and the population of the health service area for which the agency is designated, whichever is greater.

"(ii) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by clause (i) shall be funds which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(C) The amount of a grant to a health systems agency may not be less than—

"(i) in the case of a grant made in the fiscal year ending September 30, 1979, $175,000 and, to the extent appropriations are specifically made after October 1, 1979, to provide the additional amount authorized by this clause, an amount which bears the same ratio to $50,000 as the number of days beginning in the period beginning on October 1, 1979, and ending on the date of the period for which the grant was made bears to 365,

(ii) $225,000 in the case of a grant made in the fiscal year ending September 30, 1980, and

"(iii) $245,000 in the case of a grant made in the fiscal year ending September 30, 1981, and

"(iv) $260,000 in the case of a grant made in any succeeding fiscal year.

(2) If the Secretary determines, after review of the budget of a health systems agency and after consultation with the State health planning and development agency of

the State in which such agency is located, that the amount of a grant which is to be made to the agency in accordance with paragraph (1) is in excess of the amount needed by the agency to adequately perform its functions under its designation agreement, the amount of the grant to the agency shall be such amount as the Secretary determines the agency needs for the performances of such functions.".

(b) Subsection (d) (as so redesignated) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Of the amount appropriated under paragraph (1) for any fiscal year, the Secretary may use not more than 5 per centum of such amount to increase the amount of grants in such fiscal year to health systems agencies under subsection (a) to assist the agencies in meeting extraordinary expenses (including extraordinary expenses resulting from any agency's health service area being located in more than one State or from an agency serving a large rural or urban medically underserved population or a geographically large health service area) which would not be covered under the amount of a grant that would be available to an agency under subsection (c) and in improving their performance as a result of the development and implementation of innovative health planning techniques.".

"(3) Notwithstanding subsection (c)(1), if the total of the amounts appropriated under paragraph (1) for any fiscal year (reduced by the amount to be retained by the Secretary for use under paragraph (2)) is less than the amount required to make grants to each health system agency designated under section 1515(c) in the amount prescribed for such agency by subparagraph (A), (B), or (C) of subsection (c)(1), the Secretary shall make a pro rata reduction in the amount of the grant to each such agency, but, to the extent of available appropriations, no such agency shall receive a grant in an amount less than the amount prescribed by such subparagraph (C) for such fiscal year.".

(c) The second sentence of section 1516(a) is amended by inserting "(including submission of the health systems agency's budget)" after "such conditions".

CARRYOVER OF GRANT FUNDS

SEC. 107. (a) Section 1513(c)(3) is amended by striking out the period at the end of the fourth sentence and inserting in lieu thereof the following: "unless another grant or contract is made or entered into, in which case the funds under the first grant or contract shall remain available for the period of the second grant or contract. Funds from a first grant or contract which remain available for obligation in the period of a second grant or contract shall not be considered in determining the amount of the second grant or contract.".

(b)(1) The second sentence of section 1516(a) is amended by striking out ", and shall be available for obligation" and all that follows in such sentence and inserting in lieu thereof a period.

(2) Such section is amended by inserting after the second sentence the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, except that (1) no funds under any grant to an agency may be obligated in any period in which a designation agreement is not in effect for such agency, and (2) notwithstanding clause (1), a grant made to a conditionally designated entity with which the Secretary will not enter into a designation agreement under section 1515(c) shall be available for obligation for such additional period as the Secretary determines such entity will require to satisfactorily terminate its activities under the agreement for its conditional designation.".

(c) The second sentence of section 1525(a) is amended to read as follows: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

(d) Section 1526(c) is amended (1) by striking out "(1) such a grant" and all that follows through "(2)", and (2) by inserting at the end the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

MEMBERSHIP REQUIREMENTS

SEC. 108. (a)(1) Clause (i) of section 1512(b)(3)(C) is amended (A) by inserting "(I)" after "shall be", and (B) by striking out all after "providers of health care" and inserting in lieu thereof ", and (II) broadly representative of the health service area and shall include individuals representing the principal social, economic, linguistic, handicapped, and racial populations and geographic areas of the health service area and major purchasers of health care (including labor organizations) in the area.".

(2) The first sentence of section 1512(b)(3)(C)(ii) is amended (A) by striking out "residents of" and inserting in lieu thereof "residents of, or have their principal place of business in,", (B) in subclause (I), by inserting "podiatrists, physician assistants," after "optometrists,", (C) by inserting "rehabilitation facilities," after "long-term care facilities," in subclause (II), (D) by striking out "substance abuse" in subclause (II) and inserting in lieu thereof "alcohol and drug abuse", (E) by striking out "and" at the end of subclause (IV), and (F) by inserting before the period a comma and the following: "and (VI) other providers of health care".

(3) The second sentence of section 1512(b)(3)(C)(ii) is amended (A) by striking out "one-third" and inserting in lieu thereof "one-half", and (B) by inserting before the period at the end the following: "and of such direct providers of health care, at least one shall be a person engaged in the administration of a hospital".

(b)(1) Section 1512(b)(3)(C)(iii)(I) is amended by striking out "and other representatives of governmental authorities" and inserting in lieu thereof "and other representatives of units of general purpose local government".

(2) Subclause (II) of such section is amended (A) by striking out "is equal" and inserting in lieu thereof "is at least equal", and (B) by striking out "and" at the end.

(3) Such section is amended by striking out subclause (III) and inserting in lieu thereof the following:

"(III) include (through consumer and provider members) individuals who are knowledgeable about mental health services,

"(IV) if the health systems agency serves an area in which there is located one or more hospitals or other health care facilities of the Veterans' Administration, include, as a nonvoting, ex officio member, an individual whom the Chief Medical Director of the Veterans' Administration shall have designated for such purpose, and

"(V) if the agency serves an area in which there is located one or more health maintenance organizations, include at least one member who is representative of such organizations.".

(c) Section 1512(b)(3)(C) is amended by inserting after and below clause (iv) the following: "For purposes of clause (iii)(I), to be considered a representative of a unit of general purpose local government, an individual must be appointed by such unit or a combination thereof, and the State government of a State which is comprised of a single health service area shall be deemed to be a unit of general purpose local government. A member of a governing body appointed pursuant to clause (iii)(IV) shall not be considered in determining the number of members of the governing body for purposes of the numerical limit prescribed by subparagraph (A).".

(d)(1) Section 1512(b)(3)(C)(i) is amended (A) by striking out "(nor within the twelve months preceding appointment been)", and (B) by inserting "(including labor organizations and business corporations)" after "major purchasers of health care".

(2) Section 1531(3) is amended to read as follows:

"(3) The term 'provider of health care' means an individual—

"(A) who is a direct provider of health care (including a physician, dentist, nurse, podiatrist, optometrist, physician assistant, or ancillary personnel employed under the supervision of a physician) in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions (including hospitals, long-term care facilities, rehabilitation facilities, alcohol and drug abuse treatment facilities, outpatient facilities, and health maintenance organizations) in which such case is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration;

"(B) who holds a fiduciary position with, or has a fiduciary interest in, any entity described in clause (ii) or (iv) of subparagraph (C) other than an entity described in such clause which is also an entity described in section 501(c)(3) of the Internal Revenue Code of 1954 and which does not have as its primary purpose the delivery of health care, the conduct of research, the conduct of instruction for health professionals, or the production of drugs or articles described in clause (iii) of subparagraph (C);

"(C) who receives (either directly or through the individual's spouse) more than one-fifth of his gross annual income from any one or combination of—

"(i) fees or other compensation for research into or instruction in the provision of health care,

"(ii) entities engaged in the provision of health care or in research or instruction in the provision of health care,

"(iii) producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provision of health care, or

"(iv) entities engaged in producing drugs or such other articles;

"(D) who is the member of the immediate family of an individual described in subparagraph (A), (B), or (C); or

"(E) who is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

An individual shall not be considered a provider of health care solely because the individual is the member of the governing board of an entity described in clause (ii) or (iv) of subparagraph (C).".

(e) Section 1512(b)(3)(C)(iv) is amended (1) by striking out "of its members", and (2) by adding before the period at the end a comma and the following "except that appointments shall be made to such subcommittees and groups in such a manner that a majority of their members shall be consumers of health care".

GOVERNING BODY SELECTION

SEC. 109. Section 1512(b)(3) is amended by adding after subparagraph (C) the following new subparagraph:

"(D) SELECTION.—Each health systems agency shall establish a process for the selection of the members of its governing body which process is designed to assure that (i) such members are selected in accordance with the requirements of subparagraph (C), (ii) there is the opportunity for broad participation in such process by the residents of the health service area of the agency, and (iii) the participation of such residents will be encouraged and facilitated. Such process shall prohibit the selection of more than one-half of the members of such body by members of such body. Each agency shall make public such process and report it to the Secretary. The requirements of this subparagraph shall apply with respect to the selection of members of a subarea advisory council if the council is authorized to select or selects one or more members of the governing body of a health systems agency.".

RESPONSIBILITIES OF GOVERNING BODIES

SEC. 110. (a) Section 1512(b)(3)(B)(i) is amended to read as follows:

"(i) shall be responsible for—

"(I) the internal affairs of the health systems agency, including matters relating to the staff of the agency and the agency's budget, except that the governing body for health planning of an agency which is a public regional planning body or unit of general local government shall not be responsible for the establishment of personnel rules and practices for the staff of the agency or for the agency's budget unless authorized by the planning body or unit of government, and

"(II) procedures and criteria developed and published pursuant to section 1532 and applicable to its functions under subsections (e), (f), and (g) of section 1513;".

(b) Section 1512(b)(3)(A) is amended (1) by striking out "have a governing body for health planning, which is established in accordance with subparagraph (C)," and inserting in lieu thereof "appoint a governing body for health planning in accordance with subparagraph (C)", (2) by striking out "which has exclusive" and inserting in lieu thereof "which shall have exclusive", and (3) by striking out "not more than twenty-five members" and inserting in lieu thereof "not less than ten members and not more than thirty members".

(c) Section 1512(b)(3)(B)(iv) is amended by striking out "(g), and (h)" and inserting in lieu thereof "and (g)".

(d)(1) Paragraph (4) of section 1512(b) is amended to read as follows:

"(4) LIABILITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B)—

"(i) a health systems agency shall not, by reason of the performance of any duty, function, or activity, required of, or authorized to be undertaken by, the agency, be liable for the payment of damages under any law of the United States or any State (or political subdivision thereof) if the member of the governing body of the agency or employee of the agency who acted on behalf of the agency in the performance of such duty, function, or activity acted within the scope of his duty, function, or activity as such a member or employee, exercised due care, and acted without malice toward any person affected by it; and

"(ii) no individual member of the governing body of a health systems agency or employee of a health systems agency shall, by reason of his performance on behalf of the agency of any duty, function, or activity required of, or authorized to be undertaken by, the agency, be liable for the payment of damages under any law of the United States or any State (or political subdivision of a State) if he believed he was acting within the scope of his duty, function, or activity as such a member or employee, and, with respect to such performance, acted without gross negligence or malice toward any person affected it.

"(B) EXCEPTION.—Subparagraph (A) does not apply with respect to civil actions for bodily injury to individuals or physical damages to property brought against a health systems agency or any member of the governing body of or employee of such an agency.".

(2) Section 1524 is amended by adding at the end thereof the following new subsection:

"(d) No individual who as a member or employee of a SHCC shall, by reason of his performance of any duty, function, or activity required of, or authorized to be undertaken by, the SHCC, be liable for payment of damages under any law of the United States or any State (or political subdivision of a State) if he believed he was acting within the scope of his duty, function, or activity as such a member or employee, and acted, with respect to that performance, without gross negligence or malice toward any person affected by it.".

(e)(1) The first sentence of section 1512(b)(3)(A) is amended by striking out "to perform for the agency" and inserting in lieu thereof "to perform".

(2)(A) Section 1512(b)(3)(B)(ii) is amended by inserting before the semicolon the following: "and in the case of a health systems agency which is a public regional planning body or unit of general local government, the planning body or unit of government shall be given, in accordance with sections 1513(b)(2) and 1513(b)(3), a reasonable opportunity to comment on the health systems plan and annual implementation plan proposed by the governing body and to propose additions to and other revisions in it".

(B) The amendment made by subparagraph (A) shall not apply with respect to a health systems agency for which a designation under section 1515 of the Public Health Service Act was in effect on January 1, 1979, and which is a unit of general local government.

(3) Clauses (iii) and (iv) of section 1512(b)(3)(B) are each amended by striking out "approval" and inserting in lieu thereof "approval or disapproval".

(4) Section 1513(b)(2) is amended by adding at the end the following: "If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed HSP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the HSP established by the agency shall be appended to the HSP. If the goals contained in the HSP are not consistent with guidelines issued by the Secretary under section 1501, it shall provide the State health planning and development agency and the Secretary with a detailed statement of the reasons for the inconsistency between such goals and guidelines. When making such HSP available to a Statewide Health Coordinating Council under section 1524(c)(2)(A), the agency shall also report such statement to such Council.".

(f) Section 1513(a) is amended by adding after the first sentence the following: "None of the funds authorized to be appropriated under this title may be used by a health systems agency directly to pay any individual to influence the issuance, amendment, or revocation of any Executive order or regulation by any Federal, State, or local chief executive officer or agency or to influence the passage, amendment or defeat of any legislation by the Congress or by any State or local legislative body. The preceding sentence does not apply with respect to compensation paid by a health systems agency to an employee of the agency unless the primary responsibility of the employee for the agency is to influence such governmental action.".

MEETINGS AND RECORDS

SEC. 111. (a) Section 1512(b)(3)(B)(viii) is amended by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the agency (other than any part of a meeting in which it is likely, as determined by the governing body, that information respecting the performance or remuneration of an employee of the agency will be disclosed and such a disclosure would constitute a clearly unwarranted invasion of personal privacy of the employee or that information relating to the agency's participation in a judicial proceeding will be disclosed)", and (2) by striking out "its records and data" and inserting in lieu thereof "records and data of the agency (other than records or data respecting the performance or remuneration of an employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of the employee and records or data of the agency relating to its participation in a judicial proceeding)".

(b)(1) Section 1512(b)(6)(A) is amended by inserting after "such information" the following: "(other than information respecting the performance or remuneration of an employee of the agency the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of the employee or information relating the agency's participation in a judicial proceeding)".

(2) Section 1512(b)(6) is amended by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D) and by adding before subparagraph (B) (as so redesignated) the following:

"(A) provide that any executive committee of the agency and any entity appointed by the governing body or executive committee of the agency shall (i) hold in public meetings to conduct the business of the committee or entity (other than any part of a meeting in which it is likely, as determined by the executive committee or entity, that information respecting the performance or remuneration of an employee of the agency will be disclosed and such disclosure would constitute a clearly unwarranted invasion of personal privacy of the employee or that information relating the agency's participation in a judicial proceeding will be disclosed), and (ii) give adequate notice of its meetings to those persons who have requested such notice;".

(c) Section 1522(b)(6) is amended (1) by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the State Agency (other than any part of a meeting in which it is likely, as determined by the State Agency, that information respecting the performance or remuneration of an employee of the agency will be disclosed and such a disclosure would constitute a clearly unwarranted invasion of personal privacy of the employee or that information relating to the agency's participation in a judicial proceeding will be disclosed)", and (2) by striking out "its records and data" and inserting in lieu thereof "records and data of the agency (other than records or data respecting the performance or remuneration of an employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of the employee and records or data of the agency relating to its participation in a judicial proceeding)".

SUPPORT AND REIMBURSEMENT FOR MEMBERS OF GOVERNING BODIES

SEC. 112. (a) Section 1512(b)(3) is amended by adding after subparagraph (D)

(added by section 109 of this Act) the following new subparagraph:

"(E) SUPPORT.—Each health systems agency shall have an identifiable program of providing assistance to the members of its governing body, executive committee (if any), and any entity appointed by the governing body or executive committee in making decisions for the agency, and shall include in such program means to determine the support needs of the members and to provide for meeting those needs (including the provision of training and continuing education).".

(b) Section 1512(b)(3)(B)(vi) is amended (1) by striking out "reimburse" and inserting in lieu thereof "reimburse (or when appropriate make advances to)", and (2) by inserting "and performing any other duties and functions of the health systems agency" after "governing body".

(c) Section 1512(b)(2)(A) is amended by adding at the end the following: "At least one member of the staff shall be designated to have the responsibility of providing the members of the governing body of an agency (particularly the consumer members) with such information and technical assistance as they may require to effectively perform their functions.".

CONFLICTS OF INTEREST

SEC. 113. (a) Section 1512(b)(3) is amended by adding after subparagraph (E) (added by section 112 of this Act) the following new subparagraph:

"(F) CONFLICTS OF INTEREST.—No member of a governing body, executive committee, or any entity appointed by a governing body, or executive committee may, in the exercise of any function of the agency described in subsection (e), (f), or (g) of section 1513, vote on any matter before the governing body, executive committee, or any such entity respecting any individual or entity with which such member has (or, within the twelve months preceding the vote, had) any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. A governing body, executive committee, and any entity appointed by a governing body or executive committee shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the governing body, committee, or entity to make a written disclosure of such relationship before any action is taken by the body, committee, or entity with respect to such matter in the exercise of any function of the agency described in section 1513 and to make such relationship public in any meeting in which such action is to be taken.".

(b) Section 1524 is amended by adding at the end the following new subsection:

"(d) No member of any SHCC may, in the exercise of any function of the SHCC described in subsection (c)(6), vote on any matter before the SHCC respecting any individual or entity with which such member has (or, within the twelve months preceding the vote, had) any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. Each SHCC shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the SHCC to make a written disclosure of such relationship before any action is taken by the SHCC with respect to such matter in the exercise of any function under subsection (c) and to make such relationship public in any meeting in which such action is to be taken.".

STAFF EXPERTISE

SEC. 114. Section 1512(b)(2)(A) is amended (1) by striking out "health resources" in the first sentence and inserting in lieu thereof "health (including mental health) resources", (2) by striking out "and" after "health planning," in such sentence, (3) by inserting before the period in such sentence a comma and the following: "(v) financial and economic analysis, and (vi) prevention of disease and other public health matters", and (4) by striking out "health resources" in the second sentence and inserting in lieu thereof "health (including mental health) resources".

HEALTH PLAN REQUIREMENTS

SEC. 115. (a) Section 1524(c)(1) is amended by striking out "Review" and inserting in lieu thereof "Establish (in consultation with the health systems agencies in the State and the State Agency) a uniform format for HSP's and review".

(b)(1) Section 1513(b)(2)(A) is amended by inserting "(primarily with regard to health care equipment and to health services provided by health care institutions, health care facilities, and other providers of health care and to other health resources)" after "healthful environment".

(2) Section 1513 (b)(2) is amended (A) by striking out "establish" in the first sentence and inserting in lieu thereof "establish (in accordance with the format established pursuant to section 1524(c)(1))", and (B) by inserting after the first sentence the following: "The HSP of the agency shall include goals for the delivery of mental health services in its health service area which goals shall be developed under a procedure under which persons (acting as an advisory group or subcommittee appointed by the agency or, if the agency requests and is authorized by the Secretary to use an existing group, acting as part of such a group) knowledgeable about such services (including services for alcohol and drug abuse) will be consulted with respect to such goals.".

(3) Section 1522(b)(7) is amended (A) by striking out "and" at the end of clause (A), and (B) by inserting before the period the following: ", and (C) provide for consultation and coordination (in accordance with regulations of the Secretary) between the State Agency, the Statewide Health Coordinating Council, the State mental health authority, and other agencies of the State government designated by the Governor".

(c)(1)(A) Section 1523(a)(1) is amended by inserting "(A)" after "(1)" and by inserting before the period a comma and the following: "and (B) determine the statewide health needs of the State after providing reasonable opportunity for the submission of written recommendations respecting such needs by the State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor for the purpose of making such recommendations, and after consulting with the Statewide Health Coordinating Council".

(B) Section 1523(a)(2) is amended (i) by striking out "statewide health needs" and inserting in lieu thereof "statewide health needs determined under paragraph (1)(B)", and (ii) by inserting after the first sentence the following: "In carrying out its functions under this paragraph, the State Agency shall refer the HSP's to the State health authority, the State mental health authority, and other agencies of the State government (designated by the Governor to make the review prescribed by this sentence) to review the goals and related resource requirements of the HSP's and to make written recommendations to the State Agency respecting such goals and requirements.".

(C) Subsection (a) of section 1523 is amended by adding after and below the last paragraph the following: "If in determining the statewide health needs under paragraph (1)(B) or in preparing or revising a preliminary State health plan under paragraph (2) the State Agency does not take an action proposed in a recommendation submitted under the applicable paragraph, the State Agency shall when publishing such needs or health plan make available to the public a written statement of its reasons for not taking such action.".

(D) Section 1524(c)(2) is amended (i) by inserting "as determined by the State Agency of the State" after "statewide health needs" each place it occurs, and (ii) by inserting at the end of subparagraph (B) the following: "If in preparing or revising the State health plan the SHCC does not take an action proposed in a recommendation submitted under section 1523(a)(1)(B), the SHCC shall when publishing such plan make available to the public a written statement of its reasons for not taking such action.".

(2) Section 1513(b)(2) is amended (A) by striking out "and" after "resources of the area;", (B) by striking out "resources" and inserting in lieu thereof "resources (including entities described in section 1532(c)(7))", and (C) by inserting before the period at the end of the first sentence a semicolon and the following: "(D) which are responsive to statewide health needs as determined by the State health planning and development agency".

(d)(1) The first sentence of section 1513(b)(2) (as amended by subsection (c)(2)) is further amended by inserting before the period at the end a semicolon and the following: "(E) which describe the institutional health services (as defined in section 1531(5)) needed to provide for the well-being of persons receiving care within the health service area, including, at a minimum, acute inpatient (including psychiatric inpatient, obstetrical inpatient, and neonatal inpatient), rehabilitation, and long-term care services; and (F) which describe other health services needed to provide for the well-being of persons receiving care within the health services area, including, at a minimum, preventive, ambulatory, and home health services and treatment for alcohol and drug abuse".

(2) Section 1513(b)(2) is amended by adding after the sentence added by subsection (b)(2) the following: "The HSP shall describe the number and type of resources, including facilities, personnel, major medical equipment, and other resources required to meet the goals of the HSP and shall state the extent to which existing health care facilities are in need of modernization, conversion to other uses, or closure and the extent to which new health care facilities need to be constructed or acquired.".

(3) Section 1524(c)(2)(A) is amended by adding after the second sentence the following new sentences: "The plan shall also describe the institutional health services (as defined in section 1531(5)) needed to provide for the well-being of persons receiving care within the State, including, at a minimum, acute inpatient (including psychiatric inpatient, obstetrical inpatient, and neonatal inpatient), rehabilitation, and long-term care services; and also describe other health services needed to provide for the well-being of persons receiving care within the State, including, at a minimum, preventive, ambulatory, and home health services and treatment for alcohol and drug abuse. The plan shall also describe the number and type of resources, including facilities, personnel, major medical equipment, and other resources required to meet the goals of the plan and shall state the extent to which existing health care facilities are in need of modernization, conversion to other uses, or closure and the extent to which new health care facilities need to be constructed or acquired."

(e) Section 1513(b)(3) is amended (1) by inserting after "goals of the HSP" in the first sentence the following "(as stated in the HSP of the agency or, if revised under section 1524(c)(2)(A) when included in the State health plan, as so revised)", and (2) by adding at the end the following "The AIP shall include a statement of the personnel, facilities, and other resources which the agency determines are required to meet the objectives described pursuant to the first sentence. The AIP shall be established, annually reviewed, and amended in accordance with the procedures

set forth in the last two sentences of paragraph (2). If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed AIP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the AIP approved by the agency shall be appended to the AIP.".

(f) Section 1513(b)(2)(C) is amended by striking out "and is consistent with".

(g) Section 1524(c)(2) is amended by adding at the end the following:

"(C) The State health plan or any revised State health plan approved by the SHCC shall be the State health plan for the State for purposes of this title after it is approved by the Governor of the State. The State health plan for a State may be disapproved by the Governor of the State only if the Governor determines that the plan does not effectively meet the statewide health needs of the State as determined by the State Agency for the State. In disapproving a State health plan, a Governor shall make public a detailed statement of the basis for the determination that the plan does not meet such needs and shall specify the changes in the plan which the Governor determines are needed to meet such needs. Subparagraph (B) does not apply to the preparation of revisions of a State health plan disapproved by a Governor.

"(D) In carrying out its functions with respect to the goals and resource requirements for mental health services of the State health plan, the SHCC may establish a procedure under which persons (acting as or as part of an advisory group or subcommittee appointed by the SHCC) knowledgeable about mental health services (including services for alcohol and drug abuse) will have the opportunity to make recommendations to the SHCC respecting such services.

"(E) The State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor, shall carry out those parts of the State health plan which relate to the government of the State.

"(F) If a State health plan as required by this subsection is not in effect for a State, the Secretary may not make any grant under section 1525 to the State Agency for such State.".

(h) Section 1513(c)(2) is amended (1) by striking out "may" and inserting in lieu thereof "shall", and (2) by inserting "in obtaining and filling out the necessary forms and may provide other technical assistance" after "technical assistance".

(i)(1)(A) The first sentence of section 1513(b)(2) is amended by striking out "annually" and inserting in lieu thereof "triennially".

(B) The second sentence of section 1513(b)(2) is amended by striking out "Before establishing an HSP" and inserting in lieu thereof "Before establishing or amending an HSP and in its review of an HSP".

(2) The first sentence of section 1523(a)(2) and the first sentence of section 1524(c)(2)(A) are each amended by striking out "and review and revise as necessary (but at least annually)" and inserting in lieu thereof ", review at least triennially, and revise as necessary".

(3) Section 1524(c)(1) (as amended by subsection (a)) is amended by striking out "review annually and coordinate the HSP and AIP" and inserting in lieu thereof "review and coordinate at least triennially the HSP and review at least annually the AIP".

(4) The third sentence of section 1524(c)(2)(A) is amended by striking out "for each year".

(j)(1) Section 303(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding after and below paragraph (16) the following: "Such plan shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act.".

(2) Section 409(e) of the Drug Abuse Office and Treatment Act of 1972 is amended by adding after and below paragraph (13) the following: "Such plan shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act.".

(k)(1) Section 237(a) of the Community Mental Health Centers Act is amended in the matter preceding paragraph (1) by inserting "shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act and" before "shall be".

(2) Paragraph (2)(D) (iv) of section 314 of the Public Health Service Act (as so redesignated by section 126(b)) is amended by striking out "a plan" and inserting in lieu thereof "a plan which is consistent with the State health plan in effect for the State under section 1524(c) and".

CRITERIA AND PROCEDURES FOR REVIEWS

SEC. 116. (a)(1) The first sentence of section 1532(a) is amended (A) by striking out "; and in performing" and inserting in lieu thereof "; in performing", and (B) by inserting before the period a semicolon and the following: "and in performing its review functions a Statewide Health Coordinating Council shall (except to the extent approved by the Secretary) follow procedures and apply criteria developed and published by the Council in accordance with regulations of the Secretary".

(2) The second sentence of such section is amended by striking out "and State Agencies" and inserting in lieu thereof ", State Agencies, and Statewide Health Coordinating Councils"

(b)(1) Subsections (b) and (c) of section 1532 are each amended—

(A) by striking out "agency and State Agency" each place it occurs (other than in paragraph (11) of subsection (b)) and inserting in lieu thereof "agency, State agency, and Statewide Health Coordinating Council", and

(B) by striking out "agency or State Agency" each place it occurs and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(2) Subsection (b)(4) of such section is amended by striking out "agency or a State Agency" and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(3) Section 1532(c)(1) is amended by striking out "HSP and AIP" and inserting in lieu thereof "HSP, AIP, and State health plan".

(c) Section 1532(a) is amended by adding at the end the following: "Health systems agencies, the State Agency, and, if appropriate, the Statewide Health Coordinating Council within each State shall cooperate in the development of procedures and criteria under this subsection to the extent appropriate to the achievement of efficiency in their reviews and consistency in criteria for such reviews.".

(d)(1)(A) Section 1532(b)(1) is amended (i) by striking out "Written" and inserting in lieu thereof "Timely written", and (ii) by inserting before the period "and, if a person has asked the entity conducting the review to place the person's name on a mailing list maintained by the entity, such notification shall be sent to such person".

(B) Section 1532(b)(7) is amended by striking out "Notification" and inserting in lieu thereof "Timely notification".

(2) Section 1532(b)(2) is amended by adding at the end the following: "If, after a review has begun, a State Agency, health systems agency, or Statewide Health Coordinating Council requires, in accordance with paragraph (3), the person subject to the review to submit information respecting the subject of the review, such person shall be provided at least fifteen days to submit the information."

(3) Section 1532(b) is amended by adding after paragraph (11) the following new paragraph:

"(12) The following procedural requirements with respect to proceedings under a certificate of need program:

"(A) Hearings under a certificate of need program shall be held before a State Agency or a health systems agency to which the State Agency has delegated the authority to hold such a hearing. In a hearing under the program, any person shall have the right to be represented by counsel and to present oral or written arguments and evidence relevant to the matter which is the subject of the hearing, any person directly affected by the matter which is the subject of the hearing may conduct reasonable questioning of persons who make factual allegations relevant to such matter, and a record of the hearing shall be maintained. The requirements of this subparagraph do not apply to hearings held by a health systems agency in the performance of a review under section 1513(f).

"(B) Any decision of a State Agency to issue or to not issue a certificate of need or to withdraw a certificate of need shall be based solely (i) on the review of the State Agency conducted in accordance with procedures and criteria it has adopted in accordance with this section and regulations promulgated under this section, and (ii) on the record established in administrative proceedings held with respect to the application for such certificate or the Agency's proposal to withdraw the certificate, as the case may be. Any decision of a State Agency to approve or disapprove an application for an exemption under section 1527(b) shall be based solely on the record established in the administrative proceedings held with respect to the application.

"(C) (i) The State Agency shall establish the period within which approval or disapproval by the State Agency of applications for certificates of need and for exemptions under section 1527(b) shall be made. If, after a review has begun by the State Agency, the State Agency or health systems agency requires, in accordance with section 1532(b)(3), an applicant to submit information respecting the subject of the review, the period prescribed pursuant to the preceding sentence shall, at the request of the applicant, be extended fifteen days.

"(ii) If the State Agency fails to approve or disapprove an application within the applicable period under clause (i), the applicant may, within a reasonable period of time following the expiration of such period, bring an action in an appropriate State court to require the State Agency to approve or disapprove the application.

"(D) The program shall provide that each decision of the State Agency to issue, not to issue, or to withdraw a certificate of need or to approve or disapprove an application for an exemption under section 1527(b) shall, upon request of any person directly affected by such decision, be administratively reviewed under an appeals mechanism consistent with State law governing the practices and procedures of administrative agencies or, if there is no such State law, by an entity (other than the State Agency) designated by the Governor.

"(E) Any person adversely affected by a final decision of a State Agency with respect to a certificate of need or an application for an exemption under section 1527(b) and a health systems agency if the decision respecting the certificate of need is inconsistent with a recommendation made by the agency to the State Agency with re-

spect to the certificate of need may, within a reasonable period of time after such decision is made (and any administrative review of it completed), obtain judicial review of it in an appropriate State court. The decision of the State Agency shall be affirmed upon such judicial review unless it is found to be arbitrary or capricious or not made in compliance with applicable law.

"(F) There shall be no ex parte contacts—

"(i) in the case of an application for a certificate of need, between the applicant for the certificate of need, any person acting on behalf of the applicant, or any person opposed to the issuance of a certificate for the applicant and any person in the State Agency who exercises any responsibility respecting the application after the commencement of a hearing on the applicant's application and before a decision is made with respect for it; and

"(ii) in the case of a proposed withdrawal of a certificate of need, between the holder of the certificate of need, any person acting on behalf of the holder, or any person in favor of the withdrawal and any person in the State Agency who exercises responsibility respecting withdrawal of the certificate after commencement of a hearing on the Agency's proposal to withdraw the certificate of need and before a decision is made on withdrawal.

The requirements of this paragraph are in addition to the requirements of the other paragraphs of this subsection and may as appropriate, apply to other review programs.".

(e) Section 1532(b) is amended by adding after paragraph (12) (added by subsection (d)) the following new paragraph:

"(13)(A) In the case of reviews by health systems agencies under section 1513(f) and by State Agencies under paragraphs (4) and (5) of section 1523(a)—

"(i) provision for applications to be submitted in accordance with a timetable established by the reviewing agency,

"(ii) provision for such reviews to be undertaken in a timely fashion, and

"(iii) provision for all completed applications pertaining to similar types of services, facilities, or equipment affecting the same health service area to be considered in relation to each other (but no less often than twice a year).

"(B) In the case of reviews by health systems agencies under section 1513(g) and by State Agencies under paragraph (6) of section 1523(a), provision for reviews of similar types of institutional health services affecting the same health service area to be considered in relation to each other."

(f) Section 1532(c)(6) is amended to read as follows:

"(6) In the case of health services proposed to be provided—

"(A) the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services,

"(B) the effect of the means proposed for the delivery of such services on the clinical needs of health professional training programs in the area in which such services are to be provided,

"(C) if such services are to be available in a limited number of facilities, the extent to which the health professions schools in the area will have access to the services for training purposes,

"(D) the availability of alternative uses of such resources for the provision of other health services, and

"(E) the extent to which such proposed services will be accessible to all the residents of the area to be served by such services.".

(g)(1) Section 1532(c)(9)(B) is amended by inserting "and on the costs and charges to the public of providing health services by other persons" after "construction project".

(2) Section 1532(c) (as amended by section 103(c)) is amended by adding at the end the following:

"(13) In the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those proposed.".

"(14) In the case of existing services or facilities, the quality of care provided by such services or facilities in the past.".

(h) Section 1532(a) is amended by adding after the sentence added by subsection (c) the following: "The Secretary shall review at least annually regulations promulgated under this section and provide opportunity for the submission of comments by health systems agencies, State Agencies, and Statewide Health Coordinating Councils on the need for the revision of such regulations. At least forty-five days before the initial publication of a regulation proposing a revision in a regulation of the Secretary under this section, the Secretary shall, with respect to such proposed revision, consult with and solicit the recommendations from health systems agencies, State Agencies, and Statewide Health Coordinating Councils."

(i)(1) Section 1532(b)(3) is amended by adding at the end the following: "Each health systems agency, State Agency, and Statewide Health Coordinating Council shall develop procedures to assure that requests for information in connection with a review under this title are limited to only that information which is necessary for the agency, State Agency, or Statewide Health Coordinating Council to perform the review.".

(2) Section 1532(b)(10) is amended by striking out "pertinent" and inserting in lieu thereof "essential".

CERTIFICATE OF NEED PROGRAMS

SEC. 117. (a) Part C of title XV is amended by adding at the end the following:

"CERTIFICATE OF NEED PROGRAM

"SEC. 1527. (a) The certificate of need program required by section 1523(a)(4)(B) shall, in accordance with this section, provide for the following:

"(1) Review and determination of need under such program for—

"(A) major medical equipment and institutional health services, and

"(B) capital expenditures, shall be made before the time such equipment is acquired, such services are offered, substantial expenditures are undertaken in preparation for such offering, or capital expenditures are obligated.

"(2) The acquisition and offering of only such equipment and services as may be found by the State Agency to be needed; and the obligation of only those capital expenditures found to be needed by the State Agency. Except as otherwise authorized by this section, review under the program of an application for a certificate of need may not be made subject to any criterion and the issuance of a certificate of need may not be made subject to any condition unless the criterion or condition directly relates to—

"(A) criteria prescribed by section 1532(c).

"(B) criteria prescribed by regulations of the Secretary promulgated under section 1532 (a) before the date of the enactment of the Health Planning and Resources Development Amendments of 1979, or

"(C) criteria prescribed by regulation by the State Agency in accordance with an authorization prescribed by State law.

The Secretary may not require a State to include in its program any criterion in addition to criteria described in subparagraphs (A) and (B).

"(3) An application for a certificate of need for an institutional health service, medical equipment, or a capital expenditure shall specify the time the applicant will require to make such service or equipment available or to obligate such expenditure and a timetable for making such service or equipment available or obligating such expenditure. After the issuance of a certificate of need, the State Agency shall periodically review the progress of the holder of the certificate in meeting the timetable specified in the approved application for the certificate. If on the basis of such a review the State Agency determines that the holder of a certificate is not meeting such timetable and is not making a good faith effort to meet it, the State Agency may, after considering any recommendation made by the health systems agency which received a report from the State Agency on such review, withdraw the certificate.

"(4) In issuing a certificate of need, the State shall specify in the certificate the maximum amount of capital expenditures which may be obligated under such certificate. The program shall, in accordance with regulations promulgated by the Secretary, prescribe the extent to which a project authorized by a certificate of need shall be subject to further review if the amount of capital expenditures obligated or expected to be obligated for the project exceed the maximum specified in the certificate of need.

"(5) The program shall provide that (A) the requirements of section 1532 shall apply to proceedings under the program, and (B) each decision to issue a certificate of need (i) may only be issued by the State Agency, and (ii) shall, except in emergency circumstances that pose a threat to public health, be consistent with the State health plan in effect for such State under section 1524(c).

"(b)(1) Under the program a State shall not require a certificate of need for the offering of an inpatient institutional health service or the acquisition of major medical equipment or the obligation of a capital expenditure for the provision of an inpatient institutional health service by—

"(A) a health maintenance organization or a combination of health maintenance organizations if (i) the organization or combination of organizations has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least 50,000 individuals, (ii) the facility in which the service will be provided is geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least 75 percent of the patients who can reasonably be expected to receive the institutional health service will be individuals enrolled with such organization or organizations in the combination;

"(B) a health care facility which (i) primarily provides inpatient health services, (ii) is controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations which has, in the service area of the organization or service areas of the organizations in the combination, an enrollment of at least 50,000 individuals, (iii) the facility is geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iv) at least 75 percent of the patients who can reasonably be expected to receive the institutional health service will be individuals enrolled with such organization or organizations in the combination, or

"(C) a health care facility (or portion thereof) which (i) is leased by a health maintenance organization or combination of health maintenance organizations which has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least 50,000 individuals and on the date the application is submitted under paragraph (2) at least fifteen years remain in the term of the lease, (ii) the facility is geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least 75 percent of the patients who can reasonably be expected to receive the institutional health service will be individuals enrolled with such organization.

if, with respect to such offering, acquisition, or obligation, the State Agency has, upon application under paragraph (2), granted an exemption from such requirement to the organization, combination of organizations, or facility.

"(2) A health maintenance organization, combination of health maintenance organizations, or health care facility shall not be exempt under paragraph (1) from obtaining a certificate of need before offering an institutional health service, acquiring major medical equipment, or obligating capital expenditures unless—

"(A) it has submitted, at such time and in such form and manner as the State Agency shall prescribe, an application for such exemption,

"(B) the application contains such information respecting the organization, combination, or facility and the proposed offering, acquisition, or obligation as the State Agency may require to determine if the organization, combination, or facility meets the requirements of paragraph (1), and

"(C) the State Agency approves such application.

"(3) Notwithstanding subsection (d), a health care facility (or any part thereof) or medical equipment with respect to which an exemption was granted under paragraph (1) may not be sold or leased and a controlling interest in such facility or equipment or in a lease of such facility or equipment may not be acquired and a health care facility described in subparagraph (C) of paragraph (1) which was granted an exemption under paragraph (1) may not be used by any person other than the lessee described in such subparagraph unless—

"(A) the State Agency issues a certificate of need approving the sale, lease, acquisition, or use, or

"(B) the State Agency determines, upon application, that (i) the entity which the facility or equipment is proposed to be sold or leased or which intends to acquire the controlling interest is a health maintenance organization or a combination of health maintenance organizations which meets the requirements of clause (i) of subparagraph (A) of paragraph (1) and (ii) with respect to such facility or equipment, the entity meets the requirements of clauses (ii) and (iii) of such subparagraph (A).

"(4) Under the program a State may apply its certificate of need requirements to the institutional health services, major medical equipment, and capital expenditures of a health maintenance organization or of a health care facility which is controlled, directly or indirectly, by a health maintenance organization only to the extent that the organization or facility is not exempt under paragraph (1) and then only to the offering of inpatient institutional health services, the acquisition of major medical equipment, and the obligation of capital expenditures.

"(5) Notwithstanding section 1532(c), if a health maintenance organization or a health care facility which is controlled, directly or indirectly, by a health maintenance organization apply for a certificate of need, such application shall be approved by the State Agency if the State Agency finds (in accordance with criteria prescribed by the Secretary by regulation) that—

"(1) approval of such application is required to meet the needs of the members of the health maintenance organization and of the new members which such organization can reasonably be expected to enroll, and

"(2) the health maintenance organization is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its institutional health services in a reasonable

and cost-effective manner which is consistent with the basic method of operation of the organization and which makes such services available on a long-term basis through physicians and other health professionals associated with it.

Except as provided in subsection (b) and notwithstanding subsection (d), a health care facility (or any part thereof) or medical equipment with respect to which a certificate of need was issued under this subsection may not be sold or leased and a controlling interest in such facility or equipment or in a lease of such facility or equipment may not be acquired unless the State Agency issues a certificate of need approving the sale or acquisition or lease.".

"(c) Notwithstanding section 1532(c), an application for a certificate of need for a capital expenditure which is required—

"(1) to eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations,

"(2) to comply with State licensure standards, or

"(3) to comply with accreditation standards compliance with which is required to receive reimbursements under title XVIII of the Social Security Act or payments under a State plan for medical assistance approved under title XIX of such Act,

shall be approved unless the State Agency finds that the facility or service with respect to which such capital expenditure is proposed to be made is not needed or that the obligation of such capital expenditure is not consistent with the State health plan in effect under section 1524. An application for a certificate of need approved under this subsection shall be approved only to the extent that the capital expenditure is required to eliminate or prevent the hazards described in paragraph (1) or to comply with the standards described in paragraph (2) or (3).

"(d)(1) Under the program a certificate of need shall, except as provided in subsection (b), be required for the obligation of a capital expenditure to acquire (either by purchase or under lease or comparable arrangement) an existing health care facility if—

"(A) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

"(B) the State Agency finds, within thirty days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the services or bed capacity of the facility will be changed in being acquired.

"(2) Before any person enters into a contractual arrangement to acquire an existing health care facility which arrangement will require the obligation of a capital expenditure, such person shall notify the State Agency of the State in which such facility is located of such person's intent to acquire such facility and of the services to be offered in the facility and its bed capacity. Such notice shall be made in writing and shall be made at least thirty days before contractual arrangements are entered into to acquire the facility with respect to which the notice is given.

"(e)(1)(A) Except as provided in subsection (b) and subparagraph (B), under the program a certificate of need shall not be required for the acquisition of major medical equipment which will not be owned by or located in a health care facility unless—

"(i) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

"(ii) the State Agency finds, within thirty days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the equipment will be used to provide services for inpatients of a hospital

"(B) The certificate of need program of a State may include a requirement for a certificate of need for an acquisition of major medical equipment which requirement is in addition to the requirement for a certificate of need established by subparagraph (A), except that after September 30, 1982, the certificate of need program of a State may not be changed to include any such additional requirement.

"(2) Before any person enters into a contractual arrangement to acquire major medical equipment which will not be owned by or located in a health care facility, such person shall notify the State Agency of the State in which such equipment will be located of such person's intent to acquire such equipment and of the use that will be made of the equipment. Such notice shall be made in writing and shall be made at least thirty days before contractual arrangements are entered into to acquire the equipment with respect to which the notice is given.

"(3) For purposes of this subsection, donations and leases of major medical equipment shall be considered acquisitions of such equipment, and an acquisition of medical equipment through a transfer of it for less than fair market value shall be considered an acquisition of major medical equipment if its fair market value is at least $150,000.

"(f) Notwithstanding section 1532(c), when an application is made by an osteopathic or allopathic facility for a certificate of need to construct, expand, modernize, acquire major medical equipment, or add services, the need for that construction, expansion, modernization, acquisition of equipment, or addition of services shall be considered on the basis of the need for and the availability in the community of services and facilities for osteopathic and allopathic physicians and their patients. The State Agency shall consider the application in terms of its impact on existing and proposed institutional training programs for doctors of osteopathy and medicine at the student, internship, and residency training levels.

"(g) In approving or disapproving applications for certificates of need or in withdrawing certificates of need under such a program, a State Agency shall take into account recommendations made by health systems agencies within the State under section 1513(f).".

(b)(1) Section 1523(a)(4)(B) is amended (A) by striking out "new institutional health services proposed to be offered or developed within the State" and inserting in lieu thereof "the obligation of capital expenditures within the State and the offering within the State of new institutional health services and the acquisition of major medical equipment", and (B) by striking out "which is satisfactory to the Secretary" and inserting in lieu thereof "which is consistent with standards established by the Secretary by regulation".

(2) The second sentence of section 1523 (a)(4) is amended to read as follows: "A certificate of need program shall provide for procedures and penalties to enforce the requirements of the program."

(3) Section 1531 is amended (i) by striking out "For purposes of this title" and inserting in lieu thereof "Except as otherwise provided, for purposes of this title", and (ii) by adding after paragraph (5) the following new paragraphs:

"(6) For purposes of sections 1523 and 1527, the term 'capital expenditure' means an expenditure—

"(A) made by or on behalf of a health care facility (as such a facility is defined in regulations prescribed under paragraph (5)); and

"(B)(i) which (I) under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or (II) is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and

"(ii) which (I) exceeds the expenditure minimum (II) substantially changes the bed capacity of the facility with respect to which the expenditure is made, or (III) substantially changes the services of such facility. For purposes of subparagraph (B)(ii)(I), the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure described in subparagraph (B)(i) is made shall be included in determining if such expenditure exceeds the expenditure minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under section 1527 shall be considered capital expenditures for purposes of sections 1523 and 1527, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of such sections if a transfer of the equipment or facilities at fair market value would be subject to review under section 1527. For purposes of this paragraph, the term 'expenditure minimum' means $150,000 for the twelve-month period beginning with the month in which this paragraph is enacted and for each twelve-month period thereafter, $150,000 or, at the discretion of the State, the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in an index maintained or developed by the Department of Commerce and designated by the Secretary by regulation for purposes of making such adjustment.

"(7) For purposes of sections 1523 and 1527, the term 'major medical equipment' means medical equipment which is used for the provision of medical and other health services and which costs in excess of $150,000, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of section 1861(s) of such Act. In determining whether medical equipment has a value in excess of $150,000, the value of studies, surveys, designs, plans, working drawings, specifications, other activities essential to the acquisition of such equipment shall be included.

"(8) The term 'health maintenance organization' means a public or private organization, organized under the laws of any State, which—

"(A) is a qualified health maintenance organization under section 1310(d); or

"(B)(i) provides or otherwise makes available to enrolled participants health care services, including at least the following basic health care services: usual physician services, hospitalization, laboratory, X-ray, emergency and preventive services, and out of area coverage; (ii) is compensated (except for copayments) for the provision of the basic health care services listed in clause (i) to enrolled participants by a payment which is paid on a periodic basis without regard to the date the health care services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually provided; and (iii) provides physicians' services primarily (I) directly through physicians who are either employees or partners of such organization, or (II) through arrangements with individual physicians or one or more groups of physicians (organized on a group practice or individual practice basis).".

(4)(A) Section 1522(b)(13) is amended (i) by striking out "(3),", (ii) by inserting "in a timely manner" after "reviewed" in subparagraph (A), and (iii) by inserting after "agencies," in subparagraph (A) the following: "or, if there is no such State law,".

(B) Section 1522(b)(13)(B) is amended by inserting "under subparagraph (A)" after "the reviewing agency".

(5) Section 1532(c)(8) is amended by striking out "for which assistance may be provided under title XIII".

(c) The Comptroller General shall conduct an evaluation of the exemption authority provided by section 1527(b) of the Public Health Service Act. In conducting the evaluation, the Comptroller General shall determine—

(1) the health maintenance organizations, combinations of health maintenance organizations, and health care facilities which have applied to receive an exemption under that section,

(2) the services, facilities, and equipment with respect to which applications have been submitted under that section,

(3) the impact of the exemption on existing contractual arrangements between health maintenance organizations and health care facilities and on plans of such organizations respecting such arrangements, and

(4) the impact of the exemption on health care delivery systems, including its impact on the cost, availability, accessibility, and quality of health care.

The Comptroller General shall report the results of the evaluation to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than February 1, 1982.

(d) Within one hundred and eighty days of the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall promulgate such regulations as may be necessary to enable the States to establish certificate of need programs which meet the requirements of section 1527 of the Public Health Service Act.

APPROPRIATENESS REVIEW

SEC. 118. (a)(1) Section 1513(g)(1) is amended by striking out "all institutional health services offered in the health service area of the agency" and inserting in lieu thereof "at least those institutional and home health services which are offered in the health service area of the agency and with respect to which goals have been established in the State health plan".

(2) Section 1523(a)(6) is amended by striking out "all institutional health services being offered in the State" and inserting in lieu thereof "all institutional and home health services which are offered in the State and with respect to which goals have been established in the State health plan".

(b)(1) Section 1513(g) is amended by adding at the end the following:

"(3) In making the appropriateness review required by paragraph (1) of a health service, each health systems agency shall at least consider the need for the service, its accessibility and availability, financial viability, cost effectiveness, and the quality of service provided.".

(2) Section 1523(a)(6) is amended by adding at the end the following: "In making the appropriateness review required by this paragraph of a health service, the State Agency shall at least consider the need for the service, its accessibility and availability, financial viability, cost effectiveness, and the quality of service provided.

REVIEW AND APPROVAL OF PROPOSED USES OF FEDERAL FUNDS

SEC. 119. (a) Section 1524(c)(6) is amended—

(1) by striking out "approve or disapprove" in the first sentence and inserting in lieu thereof "recommend approval or disapproval of (A)",

(2) by striking out "or the Comprehensive" in the first sentence and inserting in lieu thereof "section 409 of the Drug Abuse Office and Treatment Act of 1972, or the Comprehensive",

(3) by inserting before the period at the end of the first sentence a comma and the following: "and (B) any application (and any revision of an application) submitted to the Secretary by a State for a grant or contract under any provision of law referred to in clause (A) for projects in more than one health service area of the State",

(4) by amending the third sentence to read as follows: "If a SHCC recommends disapproval of such a plan or application, the Secretary, after making a finding that such plan or application is not in conformity with the State health plan, may not make Federal funds available under such State plan or application.",

(5) by inserting after the third sentence the following new sentence: "If the Secretary makes such a finding, he shall notify the Governor of his finding and the reasons therefor and advise him that he has thirty days in which to submit a revised State plan or application that conforms with the State health plan.", and

(6) by striking out "If after such review" in the last sentence and inserting in lieu thereof the following: "If after reviewing a recommendation of a SHCC to disapprove such State plan or application,".

(b)(1) Section 1513(e)(1)(A)(i) is amended—

(A) by inserting "of 1972" after "Treatment Act", and

(B) by inserting after "health resources" the following: "by any entity other than the government of a State unless such resources are solely within the health service area of such agency".

(2) Section 1513(e)(1)(A)(ii) is amended by striking out "an allotment" and inserting in lieu thereof "an allotment, contract, or grant".

(3) The first sentence of section 1513(e)(1)(B) is amended by striking out "under title IV, VII, or VIII of this Act" and all that follows in such sentence and inserting in lieu thereof the following: "for research or training unless the grants or contracts are to be made, entered into, or used for the development, expansion, or support of health resources which, in the case of grants or contracts for training, would make a significant change in the health services available in the health service area or which, in the case of grants or contracts for research, would significantly change the delivery of health services, or the distribution or extent of health resources, available to persons in the health service area other than those who are participants in such research.".

(4) Section 1513(e)(2) is amended—

(A) by striking out "such paragraph" in the first sentence and inserting in lieu thereof "paragraph (1)(A)(i)", and

(B) by striking out "If" in the second sentence and inserting in lieu thereof "If under paragraph (1)(A)(i)".

(5) Section 1513(e) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) The Governor of a State shall allow health systems agencies sixty days to make the review required by paragraph (1)(A)(ii). If under such paragraph an agency disapproves a proposed use of Federal funds in its health service area, the Governor may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Governor shall give the State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Governor its comments on the decision. The Governor, after taking into consideration such State Agency's comments (if any), may make such Federal funds available for

such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Governor to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision.".

COORDINATION OF HEALTH PLANNING WITH RATE REVIEW

SEC. 120. (a) Section 1513(d) is amended (1) by redesignating paragraph (4) as paragraph (5); (2) by striking out "and" in paragraph (3); and (3) by adding after paragraph (3) the following new paragraph:

"(4) any entity of the State in which the agency is located which reviews the rates or budgets of health care facilities located in the agency's health service area, and".

(b) Section 1522(b)(7)(A) is amended by inserting before the comma at the end the following: "and for the coordination by the State Agency in the conduct of its activities with any entity of the State which reviews the rates or budgets of health care facilities in the State".

(c)(1) Section 1526 is amended—

(A) by striking out "(not later than six months after the date of the enactment of this title)" in the first sentence of subsection (a); and

(B) by striking out the last sentence of subsection (a).

(2) Such section is further amended—

(A) by inserting before the period in the first sentence of subsection (a) "or to any other entity of the government of a State which has so indicated an intent to regulate such rates";

(B) by striking out "A State Agency" in subsection (b)(1) and inserting in lieu thereof "An entity";

(C) by striking out "the State Agency" in subparagraphs (A) and (F) of such subsection and inserting in lieu thereof "the entity";

(D) by inserting "if it is a State Agency," after "(D)" and "(E)", respectively, in such subsection;

(E) by adding after and below subparagraph (G) of such subsection the following: "If an entity which is not a State Agency receives a grant under subsection (a), such entity shall coordinate its activities under the grant with the State Agency for the State in which such entity is located, share with the State Agency data obtained from such activities, and for purposes of such activities, develop with the State Agency criteria for the review of institutional health services, equipment, and facilities which guidelines are not in conflict with criteria adopted by the State Agency.";

(F) by striking out "a State Agency" in subsection (b)(2) and inserting in lieu thereof "an entity" and by striking out "the State Agency" in such subsection and inserting in lieu thereof "the entity"; and

(G) by striking out "State Agency" in subsection (d) and in the first sentence of subsection (c) and inserting in lieu thereof "entity".

COORDINATION WITHIN STANDARD METROPOLITAN STATISTICAL AREAS AND WITH OTHER ENTITIES

SEC. 121. (a) Section 1513(d) is amended (1) by inserting "(including area agencies on aging and local and regional alcohol abuse, drug abuse, and mental health planning agencies)" after "administrative agencies" in paragraph (3).

(b) Subsection (d) of section 1513 (as amended by section 120(a)) is amended (1) by inserting "(1)" after "(d)", (2) by redesignating paragraphs (1), (2), (3), (4), and (5) as subparagraphs (A), (B), (C), (D), and (E), respectively, and (3) by adding at the end the following:

"(2) Each health systems agency which has all or part of its health service area within a part of a standard metropolitan statistical area (as determined by the Office of Management and Budget) shall coordinate its activities with the activities of any other health systems agency which has any part of its health service area within such standard metropolitan statistical area. Such coordination shall at least provide that each health systems agency designated for a health service area within any part of a single standard metropolitan statistical area shall review (A) each HSP and AIP for each such health service area, (B) the criteria used in accordance with section 1532 for reviews affecting any such area, and (C) each decision under certificate of need programs which affect any such area.

"(3) The Secretary shall by regulation provide for the sharing by health systems agencies of health planning data with Indian tribes and Alaska Native Villages.

"(4) Health systems agencies that have an Indian tribe or intertribal Indian organization (referred to in subsection (e)(1)(B)) located within such agencies' health service areas shall carry out their functions under this section in a manner that recognizes tribal self-determination. Such agencies shall seek to enter into agreements with the Indian tribes and intertribal organizations located within their health service areas on matters of mutual concern as defined in regulations of the Secretary.".

(c) Section 1513(e) is amended by inserting "as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act)" after "Indian tribe" in paragraph (1)(B).

COLLECTION AND PUBLICATION OF HOSPITAL CHARGES

SEC. 122. (a) Subsection (h) of section 1513 is amended to read as follows:

"(h)(1) Each health systems agency shall collect annually on a form developed in consultation with the State health planning and development agency (or agencies) the rates charged for each of the twenty-five most frequently used hospital services in the State (or States) including the average semiprivate and private room rates.

"(2) Each health systems agency shall make available to the public for inspection and copying (at a reasonable expense to the public) the information supplied to the health systems agency pursuant to this subsection in readily understandable language and in a manner designed to facilitate comparisons among the hospitals in the health systems agency's health service area.".

(b) Section 1522(b)(5) is amended by adding before the semicolon the following: "and contain provisions to assure compliance with requests for information made by health systems agencies in accordance with section 1513(h)".

STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

SEC. 123. (a) Section 1521(b)(4) is amended (1) by inserting "(A)" after "(4)"; (2) by inserting "upon a review under section 1535 of the State Agency's operation and performance of its function" before "he determines"; (3) by adding at the end of paragraph (4) the following: "Before renewing an agreement under this paragraph with a State Agency for a State, the Secretary shall provide each health systems agency designated for a health service area located (in whole or in part) in such State and the Statewide Health Coordinating Council of such State an opportunity to comment on the performance of the State Agency and to provide a recommendation on whether such agreement should be renewed."; and (4) adding at the end thereof the following new subparagraph:

"(B) If upon a review under section 1535 of the State Agency's operation and performance of its functions, the Secretary determines that it has not fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed or if the applicable State administrative program does not continue to meet the requirements of section 1522, he may terminate such agreement or return the State Agency to a conditionally designated status under paragraph (2) of subsection (b) for a period not to exceed twelve months. At the end of such period, the Secretary shall either terminate its agreement with such State Agency or enter into an agreement with such State Agency under paragraph (3) of subsection (b). The Secretary may not take the action authorized by the first sentence of this subparagraph unless the Secretary has—

"(i) provided the State Agency with notice of his intent to return it to a conditional status or terminate the agreement with it and included in that notice specification of any functions which the Secretary has determined the State Agency did not satisfactorily fulfill and of any requirements which the Secretary has determined it has not met;

"(ii) provided the State Agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the action proposed to be taken by the Secretary; and

"(iii) in the case of a proposed termination, consulted with the National Council on Health Planning and Development respecting the termination.".

(b)(1)(A) Paragraphs (3) and (4) of section 1521(b) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall apply with respect to designation agreements entered into under section 1521(b)(3) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1521(b)(3) is amended—

(A) by inserting "(A)" after "(3)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the designated State Agency is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate an agreement with a designated State Agency under subparagraph (A)(ii), the Secretary shall—

"(i) consult with the Statewide Health Coordinating Council of the State for which the State Agency is designated respecting the proposed termination,

"(ii) give the State Agency notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the State Agency is not in compliance with the agreement, and (II) the actions that the State Agency should take to come into compliance with the agreement, and

"(iii) provide the State Agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.

The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination. Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the State Agency with which the agreement was made notice of the intention not to renew the agreement and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the State Agency an

opportunity for a hearing on the matter specified in the notice.".

(c)(1)(A) Section 1522(b)(13) is amended by striking out ", (g), or (h)" and inserting in lieu thereof "or (g)".

(B) Section 1513(a) is amended by striking out "through (h)" and inserting in lieu thereof "through (g)".

(2) Paragraph (3) of section 1523(a) is amended by striking out "review of the State medical facilities plan required under section 1603, and in the".

(3) Section 1523(a) is amended by adding after paragraph (6) the following new paragraph:

"(7) Prepare an inventory of the health care facilities (other than Federal health care facilities) located in the State and evaluate on an ongoing basis the physical condition of such facilities. Such inventory and evaluations shall be reported to the health systems agencies designated for health service areas located (in whole or in part) in the State for purposes of the functions of the agency under section 1513(b).".

(d) Subsection (d) of section 1521 is amended to read as follows:

"(d)(1) If an agreement under subsection (b)(3) for the designation of a State Agency for a State is not in effect upon the expiration of—

"(A) the fourth fiscal year which begins after the calendar year in which the National Health Planning and Resources Development Act of 1974 is enacted; or

"(B)(i) if the legislature of the State is in a regular session on the date of the enactment of the Health Planning and Resources Development Amendments of 1979 and the legislature will be in session for at least twelve months from such date, twelve months from such date, or

"(ii) if the legislature of the State is in session on such date of enactment but twelve months do not remain in such session after such date or if the legislature of the State is not in session on such date, twelve months after the beginning of the first regular session of the legislature beginning after such date, whichever occurs later, the Secretary shall take the action prescribed by paragraph (2).

"(2) If upon the expiration of the period applicable under paragraph (1) an agreement is not in effect for the designation of a State Agency for a State, the Secretary shall until such an agreement is in effect take the following action:

"(A) During the first twelve months after the date of the expiration of the applicable period, the Secretary shall reduce by 25 percent the amount of each allotment, grant, loan, and loan guarantee made to and each contract entered into with an individual or entity in such State during such period under this Act, the Community Mental Health Centers Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and the Drug Abuse Office and Treatment Act of 1972.

"(B) During the second twelve months after such expiration date, the Secretary shall reduce by 50 percent the amount of each such allotment, grant, loan, loan guarantee, and contract.

"(C) During the third twelve months after such expiration date, the Secretary shall reduce by 75 percent the amount of each such allotment, grant, loan, loan guarantee and contract.

"(D) After the expiration of thirty-six months after such expiration date, the Secretary may not make or enter into any such allotment, grant, loan, loan guarantee, or contract.".

(e)(1) Section 1522(c) is amended by striking out "once each year" and inserting in lieu thereof "once every three years".

(2) Section 1523(a) (as amended by subsection (c)(3)) is amended by adding the following new paragraph at the end thereof:

"(8) Provide technical assistance to individuals and public and private entities in obtaining and filling out the necessary forms for the development of projects and programs.".

(f) The first sentence of section 1521(b)(2)(B) is amended by inserting before the period a comma and the following: "except that the Secretary may extend the period for such additional time as he finds appropriate if he finds that the designated State Agency is making a good faith effort to comply with the requirements of section 1523".

(g)(1) Paragraph (5) of section 1523(a) is amended by striking out "1413(f)" and inserting in lieu thereof "1513(f)".

(2) Section 1521(b)(1) is amended by striking out "this part" and inserting in lieu thereof "this title".

STATEWIDE HEALTH COORDINATING COUNCIL COMPOSITION

SEC. 124. (a)(1) Section 1524(b)(1)(A)(ii) is amended by inserting before the period a comma and the following: "except that the number of representatives on the SHCC to which a health systems agency designated for a health service area which is not entirely within the State shall be a number which is based on the relationship of the population of the portion of such health service area within the State to the population of the largest health service area located entirely within the State, except that each such agency shall be entitled to at least one representative on the SHCC".

(2) Section 1524(b)(1)(A)(iii) is amended to read as follows:

"(iii) Except as otherwise provided in clause (ii) and this clause, each such health systems agency shall be entitled to at least two representatives on the SHCC. If there are more than ten health systems agencies within a State, each health systems agency within such State shall be entitled to at least one representative on the SHCC. Of the representatives of health systems agencies on the SHCC, not less than one-half shall be individuals who are consumers of health care and who are not providers of health care.".

(3) Section 1524(b)(1)(A)(i) is amended (A) by inserting "(or if the number of representatives on the SHCC to which health systems agencies are entitled under the second sentence of clause (iii) is less than sixteen, no fewer than the number to which they are entitled)" after "sixteen representatives", (B) by striking out "at least five", and (C) by adding at the end the following: "Each agency shall submit a number of nominees to the Governor which is at least twice the number of representatives on the SHCC to which the agency is entitled.".

(4) Section 1524(b)(1) is amended by adding at the end thereof the following new paragraph:

"(E) Members of the SHCC who are consumers of health care and who are not providers of health care shall include individuals who represent rural and urban medically underserved populations if such populations exist in the State."

(b) Section 1524(b)(2) is amended to read as follows:

"(2) The Governor may select, by and with the advice and consent of the State senate, or, in the case of a State with a unicameral legislature, of the State legislature, the chairman of the SHCC from among the members of the SHCC. If the Governor does not select the chairman, the SHCC shall select the chairman from among its members.".

(c)(1) Section 1524(b)(1)(C) is amended by striking out "one-third" and inserting in lieu thereof "one-half".

(2) Section 1524(b)(1)(D) is amended by striking out "two" and inserting in lieu thereof "one".

(d) The first sentence of section 1524(c)(2)(B) is amended by striking out "State agency" and inserting in lieu thereof "State Agency".

CENTERS FOR HEALTH PLANNING

SEC. 125. (a) Section 1534(b)(1) is amended (1) by inserting "and it will be able to provide assistance and dissemination of information to health systems agencies and State Agencies as provided in subsections (a) and (c)," after "paragraph (2)", and (2) by inserting "and is able to provide such assistance and dissemination of information" after "such requirements".

(b) Clause (2) of section 1534(c) is amended to read as follows: "(2) shall develop and use methods (satisfactory to the Secretary) to disseminate to such agencies and State Agencies planning approaches, methodologies (including methodologies to provide for education of new board members and new staff and continuing education of board members and staff of such agencies and State Agencies), policies, and standards.".

DEFINITIONS

SEC. 126. (a)(1) Section 1531(5) is amended to read as follows:

"(5) The term 'institutional health services' means health services which (A) are provided through private and public hospitals, rehabilitation facilities, nursing homes, and other health care facilities, as defined by the Secretary by regulation, and (B) entail annual operating costs of at least $75,000. For purposes of this paragraph, the term 'expenditure minimum means $75,000 for the twelve-month period beginning with the month in which this paragraph is enacted and for each twelve-month period thereafter, $75,000 or, at the discretion of the State, the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in an index maintained or developed by the Department of Commerce and designated by the Secretary by regulation for purposes of making such adjustment.".

(2) After the date of the enactment of this Act, the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives before promulgating regulations defining health care facilities for purposes of section 1531(5) of the Public Health Service Act as amended by paragraph (1).

(b) Section 1531 is amended by adding after paragraph (8) (added by section 117 of this Act) the following new paragraphs:

"(9) For purposes of sections 1523(a)(4)(B), 1527, and 1531(5), the term 'rehabilitation facility' means an inpatient facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical and other services which are provided under competent professional supervision. For purposes of the remaining provisions of this title, the term 'rehabilitation facility' means an inpatient facility described in the preceding sentence and, in addition, an outpatient facility which is operated as described in such sentence.

"(10) The term 'medically underserved population' has the same meaning as such term has under section 330(b)(3).

"(11) Any reference to the term 'health' includes physical and mental health.

"(12) The term 'physician' means a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by a State.".

AUTHORIZATIONS

SEC. 127. (a) Section 1516(d)(1) (as amended by section 106) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $150,000,000 for the fiscal year ending September 30, 1980, $165,000,000 for the fiscal year ending September 30, 1981, and $185,000,000 for the fiscal year ending September 30, 1982".

(b) Section 1525(c) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $35,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, and $45,000,000 for the fiscal year ending September 30, 1982".

(c) Section 1526(e) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $5,000,000 for the fiscal year ending September 30, 1980, $6,000,000 for the fiscal year ending September 30, 1981, and $6,000,000 for the fiscal year ending September 30, 1982".

(d) Section 1534(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $6,000,000 for the fiscal year ending September 30, 1980, $8,000,000 for the fiscal year ending September 30, 1981, and $10,000,000 for the fiscal year ending September 30, 1982".

(e) Section 1640(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $20,000,000 for the fiscal year ending September 30, 1981, and $30,000,000 for the fiscal year ending September 30, 1982".

TECHNICAL AMENDMENT

SEC. 128. Section 1903(m)(2)(C) of the Social Security Act is amended by striking out "the date the entity enters into a contract with the State under this title for the provision of health services on a prepaid risk basis" and inserting in lieu thereof "the date the entity qualifies as a health maintenance organization (as determined by the Secretary)".

EFFECTIVE DATE

SEC. 129. (a) The amendments made by this title (other than by sections 101, 102, 103, 104(c), 105(a), 106, 107, 117, 123(b), 127, and 128) shall take effect one year after the date of the enactment of this Act, except that on and after the date of the enactment of this Act—

(1) the changes in the membership of the health systems agencies and the Statewide Health Coordinating Councils required by amendments to sections 1512, 1524, and 1531 shall be implemented through selections of members to fill vacancies occurring after such date,

(2) a health systems agency, a State health planning and development agency, and a Statewide Health Coordinating Council may make the organizational and related changes required by the amendments to sections 1512, 1522, 1523, 1524, and 1531 of the Public Health Service Act, and

(3) health systems agencies, State health planning and development agencies, and Statewide Health Coordinating Councils may act in accordance with the changes in their functions made by the amendments to sections 1513, 1522, 1523, 1524, and 1532 of the Public Health Service Act.

(b)(1) Except as provided in section 1516(c)(1)(C)(i) of the Public Health Service Act as amended by section 106, the amendments made by section 106 shall apply with respect to grants made under section 1516 of the Public Health Service Act after the date of the enactment of this Act from appropriations under an appropriation Act enacted for the fiscal year ending September 30, 1980.

(2) The amendments made by section 117 shall take effect on the enactment of this Act, except that if the Secretary of Health, Education, and Welfare determines that any amendment made by such section will require a State to change its laws before the State health planning and development agency designated for such State may perform its functions under section 1523(a)(4)(B) of the Public Health Service Act, such amendment shall take effect in such State—

(A) if the legislature of the State is in a regular session on the date of the enactment of the Health Planning and Resources Development Amendments of 1979 and the legislature will be in session for at least twelve months from such date, twelve months from such date, or

(B) if the legislature of the State is in session on such date of enactment but twelve months do not remain in such session after such date or if the legislature of the State is not in session on such date, twelve months after the beginning of the first regular session of the legislature beginning after such date.

TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

REVISION AND EXTENSION OF ASSISTANCE

SEC. 201. (a) Part B of title XVI is repealed.

(b)(1) Subsections (a) and (b) of section 1620 are amended to read as follows:

"(a)(1) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, make loans from the fund established under section 1622(d) to any public or nonprofit private entity for projects for—

"(A) the discontinuance of unneeded hospital services or facilities,

"(B) the conversion of unneeded hospital services and facilities to needed health services and medical facilities, including outpatient medical facilities and facilities for long-term care;

"(C) the renovation and modernization of medical facilities, particularly projects for the prevention or elimination of safety hazards, projects to avoid noncompliance with licensure or accreditation standards, or projects to replace obsolete facilities;

"(D) the construction of new outpatient medical facilities; and

"(E) the construction of new inpatient medical facilities in areas which have experienced (as determined by the Secretary) recent rapid population growth.

"(2)(A) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to public and nonprofit private entities for medical facilities projects described in paragraph (1), and

"(ii) the Federal Financing Bank for its loans to public and nonprofit private entities for such projects, payment of principal and interest on such loans.

"(B) In the case of a guarantee of any loan to a public or nonprofit private entity under subparagraph (A)(i) which is located in an urban or rural poverty area, the Secretary may pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by not more than one half the net effective interest rate otherwise payable on such loan if the Secretary finds that without such assistance the project could not be undertaken.

"(b) The principal amount of a loan directly made or guaranteed under subsection (a) for a medical facilities project, when added to any other assistance provided such project under part B, may not exceed 90 per centum of the cost of such project unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the principal amount, when added to other assistance under part B, may cover up to 100 per centum of such costs.".

(2) Section 1622(b)(2)(D) is amended by striking out "minus 3 per centum per annum" and inserting in lieu thereof the following: "minus any interest subsidy made in accordance with section 1620(b)(2) with respect to a loan made for a project located in an urban or rural poverty area".

(3) Section 1622(e)(2) is amended (A) by striking out "and" after "1977,", and (B) by inserting before the period a comma and the following: "September 30, 1979, September 30, 1980, September 30, 1981, and September 30, 1982".

(c) Section 1625 is amended to read as follows:

"PROJECT GRANTS

"SEC. 1625. (a)(1)(A) The Secretary may make grants for construction or modernization projects designed to—

"(i) eliminate or prevent in medical facilities imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or

"(ii) avoid noncompliance by medical facilities with State or voluntary licensure or accreditation standards.

"(B) A grant under subparagraph (A) may only be made to—

"(i) a State or political subdivision of a State, including any city, town, county, borough, hospital district authority, or public or quasi-public corporation, for any medical facility owned or operated by the State or political subdivision; and

"(ii) a nonprofit private entity for any medical facility owned or operated by the entity but only if the Secretary determines—

"(I) the level of community service provided by the facility and the proportion of its patients who are unable to pay for services rendered in the facility is similar to such level and proportion in a medical facility of a State or political subdivision, and

"(II) that without a grant under subparagraph (A) there would be a disruption of the provision of health care to low-income individuals.

"(2) The amount of any grant under paragraph (1) may not exceed 75 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $40,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $5,000,000 for the fiscal year ending September 3, 1982. Funds available for obligation under this subsection (as in effect before the date of the enactment of the Health Planning and Resources Development Amendments of 1979) in the fiscal year ending September 30, 1979, shall remain available for obligation under this subsection in the succeeding fiscal year.

"(b)(1) The Secretary may make grants to public and nonprofit private entities for projects for (A) construction or modernization of outpatient medical facilities which are located apart from hospitals and which will provide services for medically underserved populations, and (B) conversion of existing facilities into outpatient medical facilities or facilities for long-term to provide services for such populations.

"(2) The amount of any grant under paragraph (1) may not exceed 90 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $15,000,000 for the fiscal year ending September 30, 1981, and $15,000,000 for the fiscal year ending September 30, 1982.".

CONFORMING AMENDMENTS

SEC. 202. (a) Part A of title XVI is repealed and parts C, D, E, and F of title XVI are re-

designated as parts A, B, C, and D, respectively.

(b) Part C (as so redesignated) of title XVI is amended by striking out section 1630, by redesignating section 1631 through 1635 as section 1622 through 1626, respectively, and by inserting before section 1622 (as so redesignated) the following:

"GENERAL REGULATIONS

"SEC. 1620. The Secretary shall by regulation—

"(1) prescribe the manner in which he shall determine the priority among projects for which assistance is available under part A or B, based on the relative need of different areas for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resources and for medical facilities serving rural communities,

"(B) in the case of projects for modernization of medical facilities, to projects for facilities serving densely populated areas,

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas,

"(D) to projects designed to (i) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (ii) avoid noncompliance with State or voluntary licensure or accreditation standards, and

"(E) to projects for medical facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including out-patient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under part A or B general standards of construction, modernization, and equipment, which standards may vary on the basis of the class of facilities and their location; and

"(3) prescribe the general manner in which each entity which receives financial assistance under part A or B or has received financial assistance under part A or B or title VI shall be required to comply with the assurances required to be made at the time such assistance was received and the means by which such entity shall be required to demonstrate compliance with such assurances.

An entity subject to the requirements prescribed pursuant to paragraph (3) respecting compliance with assurances made in connection with receipt of financial assistance shall submit periodically to the Secretary data and information which reasonably supports the entity's compliance with such assurances. The Secretary may not waive the requirement of the preceding sentence.

"APPLICATIONS

"SEC. 1621. (a) No loan, loan guarantee, or grant may be made under part A or B for a medical facilities project unless an application for such project has been submitted to and approved by the Secretary. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b)(1) An application for a medical facilities project shall be submitted in such form and manner as the Secretary shall by regulation prescribe and shall, except as provided in paragraph (2), set forth—

"(A) in the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) in the case of an application for a grant, assurances satisfactory to the Secretary that (i) the applicant making the application would not be able to complete the project for which the application is submitted without the grant applied for, and (ii) in the case of a project to construct a new medical facility, it would be inappropriate to convert an existing medical facility to provide the services to be provided through the new medical facility;

"(C) in the case of a project for the discontinuance of a service or facility or the conversion of a service or a facility, an evaluation of the impact of such discontinuance or conversion on the provision of health care in the health service area in which such service was provided or facility located;

"(D) a description of the site of such project;

"(E) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1620(2);

"(F) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(G) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed, and, for the purpose of determining if the requirements of this subparagraph are met, Federal assistance provided directly to a medical facility which is located in an area determined by the Secretary to be an urban or rural poverty area or through benefits provided individuals served at such facility shall be considered as financial support;

"(H) the type of assistance being sought under part A or B for the project;

"(I) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(J) in the case of a project for the construction or modernization of an outpatient facility, reasonable assurance that the services of a general hospital will be available to patients at such facility who are in need of hospital care; and

"(K) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed, modernized, or converted will be made available to all persons residing or employed in the area served by the facility, and (ii) there will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(2)(A) The Secretary may waive—

"(i) the requirements of subparagraph (D) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1620(2), and

"(ii) the requirement of subparagraph (E) of paragraph (1) respecting title to a project site,

in the case of an application for a project described in subparagraph (B) of this paragraph.

"(B) A project referred to in subparagraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of a hospital, and which will serve a medically underserved population as defined in section 1624 or as designated by a health systems agency, and

"(ii) for which the applicant seeks a loan under part A the principal amount of which does not exceed $20,000.".

(c) Part C (as so redesignated) of title XVI is amended by adding at the end thereof the following new section:

"ENFORCEMENT OF ASSURANCES

"SEC. 1627. The Secretary shall investigate and ascertain, on a periodic basis, with respect to each entity which is receiving financial assistance under this title or which has received financial assistance under title VI or this title, the extent of compliance by such entity with the assurance required to be made at the time such assistance was received. If the Secretary finds that such an entity has failed to comply with any such assurance, the Secretary shall report such noncompliance to the health systems agency for the health service area in which such entity is located and the State health planning and development agency of the State in which the entity is located and shall take any action authorized by law (including an action for specific performance brought by the Attorney General upon request of the Secretary) which will effect compliance by the entity with such assurances. An action to effectuate compliance with any such assurance may be brought by a person other than the Secretary only if a complaint has been filed by such person with the Secretary and the Secretary has dismissed such complaint or the Attorney General has not brought a civil action for compliance with such assurance within six months after the date on which the complaint was filed with the Secretary.".

TECHNICAL AMENDMENTS

SEC. 203. (a) Part A (as so redesignated) of title XVI is amended—

(1) by striking out section 1621 and by redesignating sections 1620 and 1622 as sections 1601 and 1602, respectively,

(2) by striking out "section 1622(d)" in subsection (a)(1) of section 1601 (as so redesignated) and inserting in lieu thereof "section 1602(d)", and

(3) by striking out "section 1620(b)(2)" each place it occurs in subsection (d) of section 1602 (as so redesignated) and inserting in lieu thereof "section 1601(a)(2)(B)".

(b) Section 1625 of part B (as so redesignated) is redesignated as section 1610.

(c) Subsection (a)(1) of section 1622 (as so redesignated) is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(d) Section 1623 (as so redesignated) is amended by striking out "STATE" in the heading for such section.

(e) Section 1624 (as so redesignated) is amended by striking out paragraphs (1) and (2) and by redesignating paragraphs (3) through (16) as paragraphs (1) through (14), respectively.

(f) Section 1626 (as so redesignated) is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(g)(1) Section 1602 (as so redesignated) is amended by adding at the end thereof the following:

"(f)(1) The Secretary may take such action as may be necessary to prevent a default on a loan made or guaranteed under this part or under title VI, including the waiver of regulatory conditions, deferral of loan payments, renegotiation of loans, and the expenditure of funds for technical and consultative assistance, for the temporary payment of the interest and principal on such a loan, and for other purposes. Any such expenditure made under the preceding sentence on behalf of a medical facility shall be made under such terms and conditions as the Secretary shall prescribe, including the implementation of such organizational, operational, and financial reforms as the Secretary determines are appropriate and the disclosure of such financial or other information as the Secretary may require to determine the extent of the implementation of such reforms.

"(2) The Secretary may take such action, consistent with State law, respecting foreclosure procedures as he deems appropriate to protect the interest of the United States in the event of a default on a loan made or guaranteed under this part or under title VI, including for a reasonable period of time taking possession of, holding, and using real property pledged as security for such a loan or loan guarantee.".

(2) Paragraph (1) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f).".

(3) Paragraph (2) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by inserting "and" at the end of subparagraph (E), and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f),".

EFFECTIVE DATE

SEC. 204. The amendments made by this title shall take effect October 1, 1979, except that the amendments made by section 201 (b) respecting the payment of an interest subsidy for a loan or loan guarantee made under part A of title XVI of the Public Health Service Act shall apply only with respect to loans and loan guarantees made after October 1, 1979, and with respect to loans and loan guarantees made under such part before such date the Secretary shall continue to pay the interest subsidy authorized for such loans and loan guarantees before such date.

TITLE III—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

AUTHORIZATION OF PROGRAM

SEC. 301. (a) Title XVI, as amended by title II of this Act, is amended by adding at the end the following new part:

"PART E—PROGRAM TO ASSIST AND ENCOURAGE THE VOLUNTARY DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES AND THE CONVERSION OF UNNEEDED HOSPITAL SERVICES TO OTHER HEALTH SERVICES NEEDED BY THE COMMUNITY

"ESTABLISHMENT OF PROGRAM

"SEC. 1641. The Secretary shall, by April 1, 1980, establish a program under which—

"(1) grants and technical assistance may be provided to hospitals in operation on the date of the enactment of this part (A) for the discontinuance of unneeded hospital services, and (B) for the conversion of unneeded hospital services to other health services needed by the community; and

"(2) grants may be provided to State Agencies designated under section 1521(b)(3) for reducing excesses in resources and facilities of hospitals.

"GRANTS FOR DISCONTINUANCE AND CONVERSION

"SEC. 1642. (a)(1) A grant to a hospital under the program shall be subject to such terms and conditions as the Secretary may by regulation prescribe to assure that the grant is used for the purpose for which it was made.

"(2) The amount of any such grant shall be determined by the Secretary. The recipient of such a grant may use the grant—

"(A) in the case of a grantee which discontinues the provision of all inpatient hospital services or an identifiable part of a hospital facility which provides inpatient hospital services, for the liquidation of the outstanding debt on the facilities of the grantee used for the provision of the services or for the liquidation of the outstanding debt of the grantee on such identifiable part;

"(B) in the case of a grantee which in discontinuing the provision of an inpatient hospital service converts or proposes to convert an identifiable part of a hospital facility used in the provision of the discontinued service to the delivery of another health service, for the planning, development (including construction and acquisition of equipment), and delivery of the health service;

"(C) to provide reasonable termination pay for personnel of the grantee who will lose employment because of the discontinuance of hospital services made by the grantee, retraining of such personnel, assisting such personnel in securing employment, and other costs of implementing arrangements described in subsection (c); and

"(D) for such other costs which the Secretary determines may need to be incurred by the grantee in discontinuing hospital services.

"(b)(1) No grant may be made to a hospital unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form and submitted in such manner as the Secretary may prescribe and shall include—

"(A) a description of each service to be discontinued and, if a part of a hospital is to be discontinued or converted to another use in connection with such discontinuance, a description of such part;

"(B) an evaluation of the impact of such discontinuance and conversion on the provision of health care in the health service area in which such service is provided;

"(C) an estimate of the change in the applicant's costs which will result from such discontinuance and conversion; and

"(D) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(E) such other information as the Secretary may require.

"(2)(A) The health systems agency for the health service area in which is located a hospital applying for a grant under the program shall (i) in making the review of the applicant's application under section 1513(e), determine the need for each service or part proposed to be discontinued by the applicant, (ii) in the case of an application for the conversion of a facility, determine the need for each service which will be provided as a result of the conversion, and (iii) make a recommendation to the State Agency for the State in which the applicant is located respecting approval by the Secretary of the applicant's application.

"(B) A State Agency which has received a recommendation from a health systems agency under subaragraph (A) respecting an application shall, after consideration of such recommendation, make a recommendation to the Secretary respecting the approval by the Secretary of the application. A State Agency's recommendation under this subparagraph respecting the approval of an application (i) shall be based upon (I) the need for each service or art proposed to be discontinued by the applicant, (II) in the case of an application for the conversion of a facility, the need for each service which will be provided as a result of the conversion, and (III) such other criteria as the Secretary may prescribe, and (ii) shall be accompanied by the health systems agency's recommendation made with respect to the approval of the application.

"(C) In determining, under subparagraphs (A) and (B), the need for the service (or services) or part proposed to be discontinued or converted by an applicant for a grant, a health system agency and State Agency shall give special consideration to the unmet needs and existing access patterns of urban or rural poverty populations.

"(3)(A) The Secretary may not approve an application of a hospital for a grant—

"(i) if a State Agency recommended that the application not be approved, or

"(ii) if the Secretary is unable to determine that the cost of providing inpatient health services in the health service area in which the applicant is located will be less than if the inpatient health services proposed to be discontinued were not discontinued.

"(B) In considering applications of hospitals for grants the Secretary shall consider the recommendations of health systems agencies and State Agencies and shall give special consideration to applications (i) which will assist health systems agencies and State Agencies to meet the goals in their health systems plans and State health plans, or (ii) which will result in the greatest reduction in hospital costs within a health service area.

"(c)(1) Except as provided in paragraph (3), the Secretary may not approve an application submitted under subsection (b) unless the Secretary of Labor has certified that fair and equitable arrangements have been made to protect the interests of employees affected by the discontinuance of services against a worsening of their positions with respect to their employment, including arrangements to preserve the rights of employees under collective-bargaining agreements, continuation of collective-bargaining rights consistent with the provisions of the National Labor Relations Act, reassignment of affected employees to other jobs, retraining programs, protecting pension, health benefits, and other fringe benefits of affected employees, and arranging adequate severance pay, if necessary.

"(2) The Secretary of Labor shall by regulation prescribe guidelines for arrangements for the protection of the interests of employees affected by the discontinuance of hospital services. The Secretary of Labor shall consult with the Secretary of Health, Education, and Welfare in the promulgation of such guidelines. Such guidelines shall first be promulgated not later than the promulgation of regulations by the Secretary for the administration of the grants authorized by section 1641.

"(3) The Secretary of Labor shall review each application submitted under subsection (b) to determine if the assurances described in paragraph (1) have been provided with the application and if they are satisfactory and shall notify the Secretary respecting his determination. Such review shall be completed within—

"(A) ninety days from the date of the receipt of the application from the Secretary of Health, Education, and Welfare, or

"(B) one hundered and twenty days from such date if the Secretary of Labor has by regulation prescribed the circumstances under which the review will require at least one hundred and twenty days.

If within the applicable period, the Secretary of Labor does not notify the Secretary of Health, Education, and Welfare respecting his determination, the Secretary of Health, Education, and Welfare shall review the application to determine if the applicant has provided the assurances described in

paragraph (1) and if such assurances are satisfactory. The Secretary may not approve the application unless he determines that such assurances have been provided and that they are satisfactory.

"(d) The records and audits requirements of section 705 shall apply with respect to grants made under subsection (a).

"(e) For purposes of this part, the term 'hospital' means, with respect to any fiscal year, an institution (including a distinct part of an institution participating in the programs established under title XVII of the Social Security Act)—

"(1) which satisfies paragraphs (1) and (7) of section 1861(e) of such Act,

"(2) imposes charges or accepts payments for services provided to patients, and

"(3) the average duration of a patient's stay in which was thirty days or less in the preceding fiscal year,

but such term does not include a Federal hospital or a psychiatric hospital (as described in section 1861(f)(1) of the Social Security Act).

"GRANTS TO STATES FOR REDUCTION OF EXCESS HOSPITAL CAPACITY

"SEC. 1643. (a) For the purpose of demonstrating the effectiveness of various means for reducing excesses in resources and facilities of hospital (referred to in this section as 'excess hospital capacity'), the Secretary may make grants to State Agencies designated under section 1521(b)(3) to assist such Agencies in—

"(1) identifying (by geographic region or by health service) excess hospital capacity,

"(2) developing programs to inform the public of the costs associated with excess hospital capacity,

"(3) developing programs to reduce excess hospital capacity in a manner which will produce the greatest savings in the cost of health care delivery,

"(4) developing means to overcome barriers to the reduction of excess hospital capacity,

"(5) in planning, evaluating, and carrying out programs to decertify health care facilities providing health services that are not appropriate, and

"(6) any other activity related to the reduction of excess hospital capacity.

"(b) Grants under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1644. To make payments under grants under sections 1642 and 1643 there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $75,000,000 for the fiscal year ending September 30, 1982, except that in any fiscal year not more than 10 percent of the amount appropriated under this section may be obligated for grants under section 1643.".

(b) Section 1624 is amended by striking out "For purposes of this title" and inserting in lieu thereof "Except as provided in section 1642(f), for purposes of this title".

STUDY

SEC. 302. The Secretary of Health, Education, and Welfare shall conduct a study of the effect on the elimination of unneeded hospital services made during the two fiscal year period ending September 30, 1981, by the program authorized by part E of title XVI of the Public Health Service Act. The Secretary shall not later than January 1, 1982, report the results of the study to Congress together with his recommendations for any revisions in the program under such part E which he determines to be appropriate, including any revision in the authorizations of appropriations for grants under such program.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

HARLEY O. STAGGERS,
HENRY A. WAXMAN,
DAVID SATTERFIELD,
RICHARDSON PREYER,
JAMES T. BROYHILL,
TIM LEE CARTER,
Managers on the Part of the House.

EDWARD KENNEDY,
HARRISON A. WILLIAMS, JR.,
GAYLORD NELSON,
ALAN CRANSTON,
CLAIBORNE PELL,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
ORRIN G. HATCH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate recedes from its disagreement to the amendment of the House to the title of the bill.

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—REVISION OF HEALTH PLANNING AUTHORITY

REVISION AND REPORTING ON NATIONAL GUIDELINES FOR HEALTH PLANNING

Reporting on health planning

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary of the Department of HEW to review on an annual basis the goals and standards established as part of the National Guidelines for Health Planning. In carrying out this review, the plans developed at the State and areawide level should be reviewed and used as a basis for revising existing or developing new goals or standards. The Secretary is also required to collect data to determine whether the health care delivery systems are changing to meet the standards and goals included in the Guidelines and the resources required to meet the goals. The Secretary shall rely on the health systems agencies, the State health planning and development agencies and other entities to assemble and report such data. The Secretary is also required periodically to make a public statement about the goals contained in the health systems plans and the State health plans and to summarize the resources required to meet them (section 101 (a) and (b)).

The conference substitute conforms to the House amendment except that the Secretary may collect data to determine whether the health care delivery systems meet or are changing to meet the goals contained in HSA and state health plans (section 101(a) and (b)).

The conferees encourage the Secretary to actively pursue the collection of data under this section so that the federal government may better benefit from the planning which takes place at the local and state levels.

CONSULTATION REQUIREMENTS

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary to consult with various groups at least 45 days prior to initial publication or revision of the National Health Planning Guidelines (section 101(a)).

The conference substitute conforms to the House amendment (section 101(a)).

UNIQUE NEEDS OF MEDICALLY UNDERSERVED POPULATIONS

The Senate bill contains a provision, not included in the House amendment, which requires the standards promulgated as part of the National Health Planning Guidelines to reflect the unique circumstances and needs of medically underserved populations including isolated rural communities (section 101(c)).

The conference substitute conforms to the Senate bill (section 101(a)).

NATIONAL HEALTH PRIORITIES; NATIONAL COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

Purpose of act

The Senate bill contains a provision, not included in the House amendment, which amends the Congressional findings established in P.L. 93-641. It states that lack of effective coordination between the mental health care system and physical health care system, their providers and planners, have promoted fragmentation, lack of continuity, and inappropriate utilization of the Nation's health care resources. It also finds that there has been a lack of attention to and emphasis on the behavioral aspects of physical health care and status (section 151).

The conference substitute conforms to the House amendment.

National health priorities

The Senate bill contains a provision which adds to the National health priorities the promotion of those health services which are provided in a manner cognisant of the emotional and psychological components of the prevention and treatment of illness and the maintenance of health (section 151).

The House amendment adds to the national health priorities the following: the discontinuance of duplicative or unneeded services and facilities, and the adoption of policies that will (a) contain rapidly rising costs of health care delivery, (b) insure more appropriate use of health care services and (c) promote greater efficiency in the health care delivery system. It also establishes priority for the development and use of cost saving technology.

The conference substitute, as a compromise, includes the priorities in the Senate bill and the House amendment (section 102(a)).

NATIONAL COUNCIL MEMBERSHIP SIZE AND REPRESENTATION

The Senate bill contains a provision, not included in the House amendment, which expands the size of the National Council on Health Planning and Development from 15 to 20 members; adds the Assistant Secretary for Rural Development of the Department of Agriculture as a non-voting ex-officio member; and provides that not less than 8 of the members shall be persons who are not providers of health services including individuals who are members of urban and rural medically underserved populations (section 101(a)).

The Conference substitute conforms to the Senate bill with a modification that the Council shall include individuals who represent urban and rural medically underserved populations (section 102(b)).

Hospital Representation on the National Council

The House amendment contains a provision, not included in the Senate bill, which requires that at least one member of the Council be an administrator of a private hospital (section 102(b)).

The Conference substitute conforms to the House amendment by requiring that at least one member of the Council be a representative of a hospital (section 102(b)).

THE ROLE OF COMPETITION IN THE ALLOCATION OF HEALTH SERVICES

Role of competition in health planning

The Senate bill amends the national priorities for health planning by adding consideration of the strengthening of competitive forces in the health services industry where competition and consumer choice can constructively serve to advance the purpose of quality assurance and cost effectiveness. It adds to the purpose of health systems agencies the preservation and improvement of competition in the health service area. Review criteria are modified by requiring consideration of less costly alternatives that are consistent with consumer preferences and that review criteria pertaining to the relationship of services reviewed to the existing health care system take into account the need to maintain and improve competitive conditions. The Senate bill also establishes additional criteria for HSA and State agency reviews pertaining to improvements or innovations in the financing and delivery of health services which foster competition and serve to promote quality assurance and cost effectiveness (section 154).

The House amendment makes congressional findings that extensive coverage by health insurance, particularly of inpatient health services, and the prevailing methods of paying for health services through health insurance have (1) resulted in decisions being made respecting the use of health services without regard to price, (2) diminished the effect of market forces on decisions respecting the supply of health services, and (3) consequently have encouraged duplication and excess supply of health resources. For health services such as institutional health services, for which market forces do not or will not appropriately allocate supply, the House bill would require HSA's and SHPDA's to take actions to allocate the supply of health services. For health services for which market forces appropriately allocate or will appropriately allocate supply, HSA's and SHPDA's would be required to give priority to actions which will strengthen the effect of market forces. The amendment adds to an HSA's purpose the strengthening of the effects of market forces in cases where they can appropriately allocate the supply of health services. It also amends review criteria by requiring that HSA's, SHPDA's and SHCC's consider the effect of market forces on supply and demand in their project review activities.

The conference substitute as a compromise includes findings which make it clear that for health services, such as inpatient health services and other institutional health services for which competition does not or will not appropriately allocate supply consistent with the plans of health planning agencies, the agencies should perform their functions to allocate the supply of those services where appropriate to advance the purposes of quality assurance, cost effectiveness, and access and the other purposes of title XV. For health services for which competition appropriately allocates supply consistent with the agency's plans, the HSA and State agency should in the performance of their functions give priority (where appropriate to advance the purposes of quality assurance, cost effectiveness, access and the other purposes of title XV) to actions which will strengthen the effect of competition on the supply of those services. The compromise adds to the HSA's purposes, preserving and improving, in accordance with new section 1502(b), competition in the health service area. Two new review criteria are also established in section 1532(c). First, in accordance with new section 1502(b), the agency should consider the factors which affect the effect of competition on the supply of the health services being reviewed. Second, the planning agency should consider improvements or innovations in the financing and delivery of health services which foster competition in accordance with new section 1502(b), and serve to promote quality assurance and cost effectiveness.

DESIGNATION OF HEALTH SERVICE AREAS

Area redesignation

Existing law provides that the Secretary shall review on a continuing basis and at the request of any Governor or designated health systems agency the appropriateness of the boundaries of established health service area, and if he determines that the boundary for a health service area no longer meets the requirements for area designation, he may revise the boundary.

The requirements provide that:

1. The area shall be a geographic region appropriate for effective planning and development of health services;

2. To the extent practical, the area shall include at least one center for the provision of highly specialized health services;

3. The area shall have a population of not less than 500,000 or more than 3,000,000 except in certain circumstances;

4. To the maximum extent feasible, the boundaries of thearea shall be appropriately coordinated with the boundaries of professional standards review organizations, existing regional planning areas and State planning and administrative areas;

5. The boundaries shall be established so that the economic or geographic barriers to receive those services in nonmetropolitan areas are taken into account;

6. Boundaries shall be established to recognize differences in health planning and health services development needs between metropolitan and nonmetropolitan areas; and

7. Each standard metropolitan statistical area shall be entirely within the boundaries of one health service area, except that if the Governor of each State in which the standard metropolitan statistical area is located determines, with the approval of the Secretary, that in order to meet the other requirements of the subsection, the health service area should contain only a part of the standard metropolitan statistical area.

The Senate bill directs the Secretary to review on his own initiative or at the request of any Governor or health system agency (HSA), the boundaries of a health service area and to redesignate those boundaries if he finds that they no longer meet the requirements of section 1511(a) or if the boundaries for the revised health service area meet the requirements of section 1511(a) in a significantly more appropriate manner in terms of the efficiency and effectiveness of health planning efforts. This bill also amends the various consultation requirements required prior to an area redesignation and requires the Secretary by January 1, 1980 to establish by regulation criteria for the revision of health service area boundaries (section 102).

The House amendment provides that the Secretary may redesignate areas if the Secretary determines the area no longer is the geographic region appropriate for effective planning and development of health services and that the proposed revision of the boundaries of the health services area would establish a region appropriate for effective planning and development and would meet at least one other of the area designation requirements (section 104(a)).

The conference substitute conforms to the Senate amendment, however, area redesignation criteria would have to be published within one year of enactment (section 104(a)).

The conferees wish to emphasize that a health service area boundary should be altered only when absolutely necessary and only after the Secretary balances the cost of redesignation (in terms of disruption to the health planning process, nonproductive changes in the governing body membership or erosion of local support for health planning) against any potential benefits from such redesignation. The conferees expect that area redesignation will occur only in those circumstances where there is no doubt that positive benefit will accrue for health planning in the area.

Entities eligible under section 1536

The House amendment contains a provision, not included in the Senate bill, which adds the Commonwealth of Puerto Rico to the States and territories that fall under the provisions of section 1536. That section that no health service area or health systems agency be established and permits the State agency to perform the functions of the HSA (section 104(c)).

The conference substitute conforms to the House amendment (section 104(c)).

Area designation for interstate standard metropolitan statistical areas

The Senate bill contains provision, not included in the House amendment, which would change existing law to permit the Governor of a State, which contains a health service area including part of an interstate standard metropolitan statistical area to recommend that the area be broken up in order to meet the other designation criteria (section 101(b)). Existing law requires that the Governor of each State in which a standard metropolitan statistical area is located determine that a split is necessary.

The conference substitute conforms to the House amendment. The conferees note that one of the most important criteria for the designation of health service areas is that a standard metropolitan statistical area not be divided. In any redesignation of health service areas the conferees expect the Secretary to give considerable weight to this criteria.

DESIGNATION OF HEALTH SYSTEM AGENCIES

Governor and SHCC involvement in agency designations

The Senate bill provides that in considering applications for HSA designations, the Secretary shall give priority to any application which has been recommended by a Governor or a SHCC for approval (section 127 (d) and (e)).

The House amendment provides that the Secretary shall give priority to any application which has been recommended for the approval by the Governor (section 105).

The conference substitute conforms to the Senate bill (section 105 (a) and (b)).

Consultation with National Council on Agency Termination

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary to consult with the National Council on Health Planning and Development prior to terminating or failing to renew an HSA or State agency designation (section 105(d) and section 122(g)).

The conference substitute conforms to the House amendment (section 105(d), section 123(b)).

Assistance to entities desiring to become HSA's

The Senate bill contains a provision, not included in the House amendment, which

requires the Secretary to provide technical assistance to entities desiring to become HSA's (section 125).

The conference substitute conforms to the Senate bill (section 105(f)).

Limits on designated agencies

The Senate bill would allow the Secretary to return an HSA to conditional designation status for one year if the agency's operation and performance of its functions has not been fulfilled in a satisfactory manner (section 127).

The House amendment provides that if the Secretary determines that an HSA does not continue to meet requirements of the Act, the Secretary may renew a designation agreement for such agencies under such conditions as the Secretary determines appropriate (section 105).

The conference substitute conforms to the Senate bill (section 105(h)).

Periodic review of performance

The Senate bill contains a provision, not included in the House amendment, which provides that the Secretary shall consider the comments submitted by any interested person when making reviews of the performance of health systems agencies and State agencies (section 150).

The conference substitute conforms to the House amendment.

PLANNING GRANTS

Minimum grants

The Senate bill increases the minimum grant which an HSA must receive to a level of $250,000 for fiscal year 1980; $270,000 for fiscal year 1981; and $290,000 in any succeeding fiscal year (section 129).

The House amendment provides that an HSA may not receive less than $200,000 for fiscal year 1980; $215,000 for fiscal year 1981; and $230,000 in any succeeding year (section 106).

The conference substitute as a compromise specifies that an HSA may not receive less than $225,000 in fiscal year 1980; $245,000 in fiscal year 1981; and $265,000 in each succeeding year (section 106).

Funding formula

The House amendment contains a provision, not included in the Senate bill, which modifies the existing HSA formula to provide that an HSA receive $.70 per capita for its first million population, $.50 per capita for its section million population or part thereof, and $.30 per capita for any population over two million. However, if the Secretary determines that the amount provided by the formula is not needed by the agency, the amount of the grant may be reduced (section 106(a)).

The conference substitute as a compromise specifies that an HSA should receive an amount equal to $.60 per capita.

If the formula yields an amount which is not needed by the Agency to adequately perform its functions, the amount of the grant may be reduced by the Secretary following a hearing (section 106).

Extraordinary expenses

The Senate bill allows the Secretary to increase the funding levels of health systems agencies to recognize any extraordinary expenses including, but not limited to, expenses resulting from the agency's health service area being located in more than one State, from the agency serving a large urban and rural medically underserved population or a large health service area and expenses due to the development of innovative planning techniques. Up to 5% of the total amount appropriated could be used for this purpose (section 129).

The House amendment provides that the Secretary may use up to 5 percent of the amount appropriated to assist an agency in meeting extraordinary expenses including extraordinary expenses resulting from the agency's service area being located in more than one State or from the agency's serving a large health service area (section 106(b)).

The conference substitute conforms to the Senate bill. (section 106(b)).

In authorizing this discretionary funding of HSA's to meet certain extraordinary expenses, conferees are cognizant that immediate or full implementation of this authority could result in some HSA's initially receiving less funds in fiscal year 1980 than they had in fiscal year 1979. Full implementation of this authority should be dependent on the availability of additional HSA funding in fiscal year 1980 which would not necessitate reductions in the per capita funding of HSA's.

MEMBERSHIP REQUIREMENTS

Labor organizations

The Senate bill clarifies provisions of existing law that major purchasers of health care include, but are not limited to, unions and corporations (section 110).

The House amendment clarifies that the requirement to include major purchasers of health care on an HSA governing body includes labor organizations (section 108(d)).

The conference substitute conforms to the Senate bill (section 108(d)).

Representation of medical schools

The House amendment contains a provision, not included in the Senate bill, which adds to the categories of providers in section 1512(b)(c)(ii) (1) the dean of at least one school of medicine in the area (section 108(a)(2)).

The conference substitute conforms to the Senate bill (section 108(a)(2)).

Mental health representation

The Senate bill strikes out health care in each place that it occurs and inserts in lieu thereof health or mental health care in both sections 1512(b)(3)(c) and 1531(3) (section 113(b)).

The House amendment modifies the HSA governing board membership to include (through consumer and provider members) individuals who are knowledgeable about mental health services (including services for substance abuse) (section 108).

The conference substitute as a compromise includes the House provision and establishes a reference to health which includes physical and mental health (section 126).

In changing the law with respect to mental health representation, the conferees expect each health systems agency to solicit the active involvement on their governing board and committees of persons knowledgeable about mental health services, including services for alcohol and drug abuse. This is particularly important given other changes in the bill which emphasize that mental health goals are to be included within the health systems plan. Because of the importance of mental health, drug abuse, and alcoholism issues, the conferees feel that it is important that at least one provider and one consumer member of the HSA board be knowledgeable about these services.

Medicine and osteopathy

The Senate bill contains a provision, not included in the House amendment, which clarifies that the term physician includes both doctors of medicine and osteopathy (section 112).

The conference substitute conforms to the House amendment although a definition of physician is added to the law (section 126).

Non-professional health worker

The Senate bill contains a provision, not included in the House amendment, which broadens requirements pertaining to an HSA governing body by adding non-professional health workers to the provider categories (section 113).

The conference substitute conforms to the House amendment.

Alcohol and drug abuse

The Senate bill contains a provision, not included in the House amendment, which strikes the word "substance" and inserts in lieu thereof "alcohol and drug" in section 1512(b)(3) and section 1531 (section 113).

The conference substitute conforms to the Senate bill (section 108).

Direct providers

The House amendment contains a provision, not included in the Senate bill, which requires that at least one half of the providers shall be direct providers and at least one of them shall be engaged in the administration of hospitals (108(a)(3)).

The conference substitute conforms to the House amendment (section 108).

Broadly represented HSA board

The House amendment contains a provision, not included in the Senate bill, that modifies existing law by requiring that the consumer members of an HSA governing body be broadly representative of the health service area and include individuals representing the principal social, economic, linguistic, handicapped, and racial populations in geographic areas of the health service area and major purchasers of health care (section 108(a)).

The conference substitute conforms to the House amendment (section 108(a)). The conferees emphasize that, the consumer member are to be "broadly representative" of the health service area. Several different approaches in insuring meaningful involvement in HSA decisions by all segments of society are permissible. However, it was not the intent of the Congress in enacting this provision to mandate a quota system requiring the selection of representatives of a particular category strictly proportionate to its representation in the population of the area or to require that representatives of a category be members of the class they represent. Instead, the Congress intended, in implementation of this requirement, that health systems agencies have the flexibility to adopt selection processes most appropriate to local needs.

The conferees note that there has been some confusion about the qualifications necessary to be a representative of a specific population. Such qualification would include membership in the population group, or selection by members of the group.

The Congress received considerable evidence, which indicated that the broadly representative requirement for the consumer members of HSA governing bodies is not being met particularly with regard to low and moderate income persons. The conferees expect that HEW will now move rapidly to issue regulations concerning this and other governing body requirements in this legislation.

Local elected official participation

The Senate bill requires that HSA's must include public elected officials and other representatives of units of general purpose local government on their governing bodies. In the latter case individuals would have to be appointed by a unit of general purpose government or a combination thereof. In a case of a single State health service area, the State government of the State would be deemed a unit of general purpose local government for the purposes of this provision (section 107(b)).

The House amendment clarifies the requirement that public elected officials and other representatives of general purpose local government are required to be included in the membership of the health systems agency governing body (section 108(b)).

The conference substitute conforms to the Senate bill (section 108(b)).

Definition of provider of health care

The Senate bill modifies the definition of provider of health care by providing that

an individual shall not be considered an indirect provider of health care solely because he is a member of a governing body of an entity engaged in the provision of health care or in research or in instruction or engaged in producing drugs or other articles. The Senate bill also strikes the word "substance" and inserts in lieu thereof "alcohol and drug" (section 141).

The House amendment revises the definition of provider of health care by deleting the notion of indirect provider. Deleted from the existing definition of provider are the following: (1) board members of voluntary health organizations who do not have as their primary purpose the delivery of health care, the conduct of research or the conduct of health professional instruction; and (2) the immediate family of a provider with the exception of the providers spouse. The income test for a provider is changed from one-tenth to one-third (section 108).

The substitute as a compromise includes the Senate and House provisions with the exception of the deletion of the immediate family of a provider from the definition of a provider, and a change in the income test for a provider from one-tenth to one-fifth (section 108(d)).

Waiting period for providers

The Senate bill contains a provision to remove the stipulation that consumers on HSA boards cannot have been providers of health care within the 12 months preceding the appointment (section 110).

The House amendment includes a similar provision although it applies only to indirect providers (section 108(d)).

The conference substitute conforms to the Senate bill (section 108(d)).

Veterans' Administration participation

The Senate bill clarifies that "ex officio" means non-voting when referring to the ex-officio members of a health systems agency governing body (section 114(b)).

The House amendment provides that the representative of the Veterans' Administration shall not be included in determining the numerical limits of an HSA, i.e., an HSA required to have a VA representative can have a 31 member governing body (section 108(b)(3)).

The conference substitute as a compromise contains both the provisions of the Senate bill and the House amendment (section 108(b)(3)).

CONSUMER MAJORITY ON COMMITTEES

The Senate bill provides that a majority of the members of any HSA subcommittee or group, must be consumers of health or mental health care (Section 115). It also deletes the requirement that all committees meet the other representational requirements and deletes the phrase "of its members".

The House amendment provides that appointments will be made to HSA subcommittees and groups in such a matter that a majority of their members shall be consumers of health care (section 108(e)).

The conference substitute as a compromise conforms to the House amendment and includes the Senate provision which makes it clear that other than governing body members can serve on the HSA's committees (section 108(e)).

GOVERNING BODY SELECTION

The Senate bill sets forth guidelines for the process to be used by the HSA in selecting members of its governing body and subarea councils. That selection process should assure that members are selected in accordance with the compositional requirements of the Act, that there is opportunity for broad participation by the residents of the health service area, that such participation will be encouraged and facilitated, and that HSA governing body members do not select other members of the governing body. The selection process is to be made public and reported to the Secretary (section 106).

The House amendment contains a similar provision except that any required change in the selection process would have to be made only to the extent permitted by the State law applicable to the incorporation of the agency and the existing members would not be prohibited from selecting new members of the governing body (section 109).

The conference substitute requires that one-half of the members of the governing body be selected by other than the existing members of the governing body. It also provides that if the subarea council is authorized to select or selects one or more members of the governing body of the health systems agency, then one-half of the members of the subarea council must be selected by other than the existing members of the subarea council (section 109).

The conferees express particular concern about testimony concerning the process through which consumer and provider representatives are selected to HSA governing bodies. The present law allows an HSA governing body to be self-selected. The conferees are concerned as a result these agencies, which are supposed to be open and accessible can become closed with a self-perpetuating board providing policy direction unsupported by the general public. The conferees view such a prospect with concern and have thus adopted this provision which will prohibit self-perpetuation.

RESPONSIBILITIES OF GOVERNING BODIES

Public HSA responsibilities

The Senate bill provides that an HSA that is a public regional planning body or a unit of local government shall not be required to delegate to the separate governing body for health planning the exclusive authority to appoint and with cause remove members of the governing body for health planning, establish personnel rules and practices for staff or approve the agency's budget or any combination of these activities (section 107(a)).

The House amendment provides that when a health systems agency is a public regional planning body or a unit of local government, the public board shall be responsible for the establishment of personnel rules and practices for the staff of the agency and for the agency's budget unless the governing body for health planning is specifically authorized to perform these functions. It also provides for the public board to appoint the members of the separate governing body for health planning. The House amendment in addition specifies that when an HSA elects to have a governing body of more than 30 members and establishes an executive committee that has authority to take action for the board, then the executive committee shall be composed of not less than 10 members, or more than 30 members. Existing law limits the committee to 25 members (section 110(a) and (b)).

The conference substitute conforms to the House amendment (section 110(a) and (b)).

Liability

The Senate bill amends existing law to revise and broaden the scope of protection against personal liability for money damages and to provide protection for consultants and agents of the HSA, as well as members and employees. The bill provides that no such individual will be considered liable if the individual believed he or she was acting within the scope of official duties and acted without gross negligence or malice toward any person affected by it. The Senate bill also extends the same protection against personal liability suits to SHCC members, employees, consultants, and agents (section 116).

The House amendment clarifies the immunity from liability for money damages for HSA board members and employees and extends the immunity to the HSA. An exception to this immunity is established for civil actions for bodily injury to individuals or physical damage to property (section 110(d)).

The conference substitute includes both the Senate bill and the House amendment although the Senate provision extending immunity to consultant or agents of HSAs or SHCCs is not included (section 110(d)).

Plan development in a public HSA

The House amendment contains a provision, not included in the Senate bill that provides that in the case of a health systems agency such as a public regional planning body or a unit of general local government, the planning body or unit of government shall only be given a reasonable opportunity to comment on the health systems plan and annual implementation plan proposed by the governing body and to propose additions to and other revisions in it. It further provides that any such proposed additions or revisions not included in the plan by the agency shall be appended to the plan. This provision would not affect the authority over the plan of the four existing HSA's which are units of local government (section 115(g)).

The conference substitute conforms to the House amendment which would allow four existing HSA's which are units of local government (those serving Montgomery County, the City of Chicago, Santa Clara County, and the Navajo Nation) to review and approve the health systems plan and the annual implementation plan. All other public HSA's would be given a reasonable opportunity to comment on the health systems plan and annual implementation plan proposed by the separate governing body for health planning and to propose additions to and other revisions in it. The separate governing body for health planning of all public health systems agencies including the four HSA's (designated above) which are units of local government, shall have exclusive authority to perform all the other functions described in section 1513 (section 110(e)).

The conferees note that the purpose of this substitute is to permit the effect of the decision in *Montgomery County, Md. v. Califano*, 449 F.Supp. 1230 (1978) to continue only with regard to review and approval of the health systems plan and annual implementation plan by the four existing HSA's (designated above) which are units of local government.

Prohibition against lobbying

The House amendment contains a provision which provides that none of the funds authorized under Titles XV and XVI shall be directly or indirectly used to pay for the personal services of individuals intended to influence executive orders or legislation (section 110).

The conference substitute as a compromise provides that no funds may be used by health systems agencies directly to pay any individual to influence executive orders or regulations or legislation. The prohibition, however, does not apply with respect to compensation paid by a health systems agency to an employee of the agency unless the primary responsibility of the employee is to influence such governmental action (section 110(f)).

This provision was adopted to prohibit an HSA from hiring or contracting with an individual to lobby. The conferees, however, recognize that HSA staff and board members have a right to represent their agency's view before both executive and legislative branches. This amendment is not intended to, in any way, to alter that right.

The conferees also wish to make it clear that the substitute does not prohibit an HSA from joining a tax-exempt organization,

such as the American Health Planning Association, which might lobby consistent with its tax-exempt status.

MEETINGS AND RECORDS

The Senate bill would amend existing law to exclude from the open meeting requirement meetings or portions of meetings called to discuss the performance or remuneration of an HSA employee which, if public, would constitute a clearly unwarranted invasion of personal privacy of such individual. The bill extends similar scope of protection to HSA and State personnel records and data including restrictions on the Secretary's access to such records and data (section 109).

The House bill amends existing law to provide that the health systems agency is not required to conduct in public those portions of business meetings that deal with information of a personal nature the disclosure of which would constitute a clearly unwarranted invasion of personal privacy or, information relating to the agency's participation in a judicial proceeding. Similar provisions would apply to the agency's data and records. The House amendment provides that the State agency is to conduct its business meetings in public and make records and data available in accordance with State law. Similar provisions to insure openness in the health planning process are added in regard to an agency's executive committee (section 111).

The conference substitute as a compromise provides that HSAs and State agencies are to hold their meetings in public, except that any part of a meeting may be closed if the governing body or State agency determines that information respecting the performance or remuneration of an employee of the agency will be disclosed and such disclosure would constitute a clearly unwarranted invasion of personal privacy of that employee, or that information relating to an agency's participation in a judicial proceeding would be disclosed. Similarly, HSAs and State agencies would be required to make available, upon request, to the public all their records and data except for personnel and medical files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, and records or data relating to their participation in a judicial proceeding (section 111).

SUPPORT AND REIMBURSEMENT FOR MEMBERS OF GOVERNING BODIES

Support for governing body members

The House amendment contains a provision, not included in the Senate bill, which requires that each health systems agency have an identifiable program to provide assistance to the members of its governing body and committees including a means to define the support needs of the members and to provide the members with the support, training, and continuing education which is needed (section 112(a)).

The conference substitute conforms to the House amendment (section 112(a)).

Reimbursement for members of governing bodies

The Senate bill modifies existing law to allow HSA's when appropriate to make advances to HSA members for their reasonable costs incurred in attending meetings and performing other needed functions of the health systems agency (section 108).

The House amendment provides that the HSA, where appropriate, can make advances to the Board members for the reasonable costs incurred in attending meetings in the governing bodies (section 112(b)).

The conference substitute conforms to the Senate bill (section 112(b)).

Governing body staff support

The Senate bill provides that at least one member of the staff should be designated as having the responsibility to provide the consumer members of the governing body with such assistance as they may require to effectively perform their functions (section 105(c)).

The House amendment has a similar provision although the designated staff member would be responsible for providing assistance to both consumer and provider members of the governing body (section 112(c)).

The conference substitute conforms to the House amendment except that it provides that the staff assistance is particularly for the consumer members (section 112(c)).

The conferees have adopted this addition to the House amendment because consumers generally have less familiarity with health care issues and medical practices than provider members of the board and thus in many instances may require special staff assistance.

CONFLICTS OF INTEREST

The Senate bill provides that each health systems agency and Statewide health coordinating council (SHCC) shall adopt procedures to insure that no member, employee, consultant or agent participates in any matter regarding any person, institution, organization or other entity with which he or she has had in the past three years substantial direct or indirect employment, fiduciary, competitive, medical staff, or ownership or financial interest (section 104 (a) and (b)).

The House amendment provides that no member of the governing body or its subunits may vote on project reviews regarding an individual or entity with which such member has any substantial ownership, employment, fiduciary, contractual, creditor, or consultative relationship. It also requires adequate disclosure of any such conflict of interest in relationship to any matter before the HSA. Similar requirements are added for members of the Statewide health coordinating council (section 113 (a) and (b)).

The conference substitute as a compromise conforms to the House amendment with the addition of medical staff relationships and a one year period during which a member may not have had a conflict of interest (section 113).

STAFF EXPERTISE

The Senate bill requires HSA staff to have expertise in financial and economic analysis, public health and disease prevention, mental health planning and development, and the use of mental health resources. It further provides that to the extent practical HSA's must have staff meeting these and other requirements. It also clarifies that the functions of planning and of development of health resources include mental health resources (section 105(a) and (b)).

The House amendment adds expertise in both financial and economic analysis and the prevention of disease and other public health matters to the list of expertise which should be present, to the extent feasible, in a health systems agency staff (section 114).

The conference substitute as a compromise adds expertise in both financial and economic analysis, the prevention of disease and other public health matters to the list of expertise that must be present on the health systems agency staff. It also clarifies that expertise in health planning includes mental health planning just as references to health resources include mental health resources (section 114).

HEALTH PLAN REQUIREMENTS

Health plan format

The Senate bill provides that the SHCC shall establish (in consultation with the HSA's within the State and the State Agency) a uniform format for health systems plan and annual implementation plans. It also requires the HSA to develop its plan in accordance with the format prescribed (section 138).

The House amendment provides that the SHCC shall establish a uniform format for health systems plans and require that the HSA develop its plan in accordance with that format (section 115 (a) and (b)).

The conference substitute conforms to the Senate bill (section 115(a)).

Planning agencies involvement in environmental health issues

Both the Senate bill and the House amendment contain a provision which provides that a health systems plan's goals relating to the description of a healthful environment are to be concerned "primarily with regard to health care equipment, and health services provided by health care institutions, health care facilities, and other providers of health care and health resources" (section 115(b)).

It is the intent in adding this provision to encourage health systems agencies to focus their energies on issues directly relating to health planning and resources development.

The conferees intend, however, that this provision not prevent an HSA from involving itself in improving the environment which impacts on health. In fact, the conferees expect that this bill will expand and enhance the role of disease prevention activities (particularly involvement in environmental, occupational, nutritional health programs) in the health planning and implementation process. It is expected that HSA's and State health planning agencies will focus greater attention, personnel, and resources on identifying and correcting preventable diseases and conditions. Too little effort has been directed at disease prevention under health planning legislation in the past.

At the same time, the conferees recognize that in many areas environmental, occupational, nutritional health programs are presently in existence. In such cases, it is not the conferees intent to require duplication of effort by health planning agencies. Health planning agencies should be actively involved in identifying problems and unmet needs in existing disease prevention programs. The planning agency should identify the consequences to the health of its areas citizens and the impact on rising costs of the failure to address adequately environmental health problems. It should serve as a catalyst for action to improve public health in such circumstances.

Mental health and the HSP

The Senate bill requires the health systems plan to include an identifiable alcohol abuse, drug abuse and mental health component and to address specifically the needs of all medically underserved populations in the health service area (section 119(c)).

The House amendment requires that the HSP include goals for the delivery of mental health services in its health service area which goals shall be developed under a procedure through which persons knowledgeable about such services will be consulted (section 115(b)).

The conference substitute conforms to the House amendment (section 115(b)).

The conferees expect that the goals and related resources requirements for mental health and drug abuse and alcoholism services will be integrated into the health systems plan by an HSA. While an HSA may desire to have separate sections of the plan dealing with these issues, it is not required to do so. The conferees realize that the manner in which the health goals are included in the plan will vary from agency to agency and will depend in large part on the taxonomy with which an HSA is viewing the health system and in turn developing its plan.

Statewide health needs

The House amendment contains a provision not included in the Senate bill, which requires the State health planning and development agency to determine the health needs of the State which are statewide and requires the health systems plan to be developed in a way which is responsive to those statewide health needs. In determining statewide health needs, recommendations are to

be sought from the State health authority, State mental health authority and other agencies in State government and the Statewide Health Coordinating Council (section 115(c)).

The conference substitute conforms to the House amendment (section 115(c)).

Coordination of health and mental health planning

The Senate bill requires that the preliminary State health plan include an indentifiable alcohol abuse, drug abuse and mental health component to be prepared by the respective alcoholism, drug abuse and mental health authorities designated by the Governor.

The alcohol abuse, drug abuse and mental health components of the HSP's submitted by the HSA's for inclusion in the State Health Plan may, if found necessary by the respective State authorities, contain revisions of such components to achieve their appropriate coordination or to deal more effectively with Statewide alcohol abuse, drug abuse, and mental health needs. The remainder of such preliminary State plan, may, if found necessary by the State Agency, also contain revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with Statewide health needs. The preliminary State plan is submitted to the SHCC for approval or disapproval and for use in developing the final State health plan (section 135(b)).

The House amendment requires the State Agency to refer the HSP's to the State health authority, the State mental health authority and other agencies of State government designated by the Governor to review the goals and related resource requirements of the HSP's and to make written recommendations to the State Agency respecting such goals and requirements. If the State Agency does not take one of the actions proposed in a recommendation submitted under this procedure, the State Agency will make available to the public a written statement of its reasons for taking such action. In reviewing these portions of the State health plan, the SHCC may establish a procedure under which persons knowledgeable about mental health services will have an opportunity to make recommendations to the SHCC. The State health authority, the State mental health authority and other agencies of State government are required to carry out those parts of the State health plan which relate to State government (section 115(c)).

The conference substitute conforms to the House amendment (section 115(c)).

The Senate bill requires the coordination of the State health plan with the State mental health plan, the State alcohol abuse plan and the State drug abuse plan (section 118 (d)).

The House amendment requires the plan required by section 303(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 and the plan required by section 409(e) of the Drug Abuse Office and Treatment Act of 1972 to be consistent with the State health plan in effect for such State. It also makes changes in the Community Mental Health Centers Act to assure consistency between the two planning processes (section 115(j) and (k)).

The conference substitute as a compromise requires that the mental health, drug abuse and alcoholism plans be consistent with the State health plan (section 115(j)).

The conferees have adopted provisions contained in both bills which seek to integrate mental health, alcohol and drug abuse planning into the general areawide and state health planning process. The act requires that State programs must provide for consultation and coordination with the appropriate responsible State agency for these health services. Moreover, the laws governing mental health, alcohol and drug abuse activities have been amended to require that each respective State plan be consistent with the State health plan under this act.

The conferees were unable to avoid the development of dual State health plans required by existing law. However, it is expected that every effort will be made by the Secretary to eliminate overlap and duplication between the State plans and to reduce the requirements imposed by regulations on those organizations seeking Federal support in these areas. The conferees expect that efforts will be undertaken to allow the mental health, alcohol and drug abuse plans to be completely incorporated into the SHP.

In the meantime it is expected that the State health plan be the policy plan for all health services in the State and that each of the categorical plans set forth programs for State health plan implementation for their respective areas of responsibility.

HEALTH SYSTEMS PLAN AND STATE HEALTH PLAN REQUIREMENTS

The Senate bill sets forth specific material to be included in health plans. In addition to the other requirements, the HSP and the State health plan must include a description of the institutional health services needed for the well being of persons receiving care within the health service area, including at a minimum, the number of type and medical facilities, rehabilitation facilities, nursing homes, beds and equipment needed to provide acute inpatient, psychiatric inpatient, obstetrical inpatient, neonatal inpatient, long-term care, and treatment for alcohol and drug abuse; the extent to which existing medical facilities, rehabilitation facilities, nursing homes, beds and equipment are in need of modernization or conversion to new uses; and, the extent to which new medical facilities, rehabilitation facilities, nursing homes, beds and equipment need to be constructed or acquired. Similar information would have to be provided on other non-institutional health services including the number and type of health maintenance organizations, outpatient facilities, rehabilitation facilities, facilities for treatment of alcohol and drug abuse and other medical facilities, and home health agencies and equipment needed to provide public health services and outpatient care (section 118 (a) and (d)).

The House amendment requires that the health systems plan include a statement of the resources—personnel, facilities, and other resources—which the agency determines are needed to meet the goals set forth in the health systems plan. The HSA may identify in such statement any health care facility which provides inpatient health services which should undertake such changes in (section 115(b)).

The conference substitute as a compromise provides that both the health systems plan and the State health plan shall describe the institutional health services needed in the area including at a minimum, acute inpatient, rehabilitation and long-term care services and other health services needed to provide for the well being of persons receiving care within the health service area including at a minimum preventive, ambulatory, and home health services. The health systems plan shall also describe the number and type of resources, including facilities, personnel, major medical equipment, and other resources required to meet the goals of the health systems plan and shall state the extent to which existing health care facilities need modernization, conversion to other uses, or closure and the extent to which new health care facilities need to be constructed or acquired (section 115(d)).

The conferees note that in adopting this provision it is their desire that plans developed at the areawide and State level become more specific in order to improve their usefulness as a regional or statewide guide for the development of new, or modification of existing, health care services. In doing so the planning agency is expected as appropriate to identify the health care facilities, organizations, or individuals, which should undertake the proposed changes set forth in the plan.

Health plan procedures

The Senate bill adds a public hearing requirement for the establishment, review, and amendment of the annual implementation plan as well as the HSP (section 119(b)).

The House amendment requires the annual implementation plan to include a statement of the resources needed to meet the objectives of the AIP. It also requires that the HSA assure that the public has adequate input into the development and revision of the AIP. It also provides that if an HSA is a public regional planning body or unit of general local government, the public board shall have an opportunity to review and comment on the AIP (section 115(e)).

The conference substitute combines the Senate and House approaches (section 115 (e)).

The conferees note that the requirement for notification and a public hearing by an HSA regarding revisions in its AIP or HSP is intended to give interested persons an opportunity to present their views on the proposed plan or proposed changes in existing plans which are substantive in nature. It is not intended that public hearings be held for every conforming, editorial, or other minor change in an existing plan.

Plan and the national guidelines

The Senate bill deletes the requirements of existing law that the goals in the health systems plan are to be consistent with the national guidelines for health planning. The HSA shall submit to the SHPDA, SHCC and the Secretary a detailed statement of the reasons for any inconsistencies between the HSP and the AIP and the national guidelines and priorities (section 119(d) and (e)).

The House amendment deletes the requirement in section 1513(b)(2) that the goals of the SHP are to be consistent with the national guidelines for health planning. This makes it clear that the HSA can establish goals that are different from the national guidelines in order to be responsive to the unique needs and resources in its area. It also requires that if the goals contained in the HSP are not consistent with the national guidelines, the HSA shall provide the SHPDA and the SHCC with a detailed statement for the reasons for the inconsistency (section 115(g)).

The conference substitute conforms to the House amendment with the Senate bill's reporting requirement (section 115(f)).

Governors' involvement in the State health plan

The Senate bill requires that the State health plan prepared by the SHCC have the concurrence of the Governor (section 118 (c)).

The House amendment provides that the State health plan approved by the SHCC shall be the State health plan for the State unless within 60 days after its approval, the Governor disapproves the plan because it does not effectively meet the established statewide health needs. In doing so, the Governor shall make a detailed statement on the basis for his determination that the plan does not meet statewide health needs and shall specify the changes in the plan which are needed (section 115(h)).

The conference substitute as a compromise specifies that the State health plan, as approved by the SHCC, shall be the State health plan only with the approval of the Governor. The State health plan may be disapproved by the Governor only if the Governor determines that the plan does not effectively meet statewide health needs. In disapproving the plan, the Governor shall make

public a detailed statement of the basis for his determination that the plan does not meet statewide health needs and shall specify the changes in the plan which are needed (section 115(g)).

Plan as a condition of a grant

The Senate bill contains a provision, not included in the House amendment, which stipulates that until a State health plan is in effect, the Secretary may not make any grants to the State health planning and development agency pursuant to section 1525 (section 118(e)).

The conference substitute conforms to the Senate bill (section 115(g)).

Technical assistance by HSA's

The Senate bill contains a provision, not included in the House amendment, which requires the HSA to provide technical assistance in obtaining and filling out necessary forms to applicants applying for projects to achieve the HSP (section 120).

The conference substitute conforms to the Senate bill (section 115(h)). The conferees note that this requirement is added so that the health systems agency will include in the technical assistance it provides guidance to applicants and others in completing the agency's forms and in meeting the necessary application requirements for a certificate of need. It should be clear that the HSA is not expected to complete the forms and applications but merely to assist the applicant in meeting the application requirements.

Planning cycle

The Senate bill requires that plans be reviewed at least every three years (sections 119(a), 120(b), 136(c)).

The House amendment provides that plans be reviewed on a biennial basis (section 115(i)).

The conference substitute conforms to the Senate bill (section 115(i)).

The conferees in accepting the Senate provision that HSA's and SHCC's be required to review the complete health systems plans every third year believe that this will reduce or eliminate paperwork and duplication of effort currently caused by annual reviews and allow more time to be spent on plan implementation. Nevertheless, it is expected that those agencies which have not fully developed their plans or those agencies whose plans do not address the full scope of covered services or institutions in their areas will continue to review and revise their plans on a more frequent basis until such time as the plans are complete. All HSA's are encouraged to update or modify their plans as necessary.

HSA's and Indian tribes and organizations

The Senate bill adds a new requirement for HSA's having an Indian tribe or intertribal Indian organization located within its health service area. The HSA is directed to carry out its functions in a manner that recognizes tribal self-determination and is to seek to enter into agreements with the tribes or organizations on matters of mutual concern as defined in the regulations of the Secretary (section 153).

The House amendment adds a new provision to clarify that the development of a health systems plan or annual implementation plan in an area that includes an area under the jurisdiction of an Indian tribe or an Alaskan Native Village does not affect the authority of the tribe or village to establish and carry out the health plan for the Indian health programs under its jurisdiction. If a health plan for Indian health programs is developed, the HSA shall include such plan in the HSP. The House amendment also provides for the sharing of data between the HSA and Indian tribes and Alaskan Native Villages (section 115(f) and section 121).

The conference substitute conforms to the Senate bill and adds a provision related to the sharing of HSA data with Indian tribes and Alaskan Native Villages (section 121(b)).

CRITERIA AND PROCEDURES FOR REVIEWS

Review of criteria and procedures

The House amendment contains a provision, not included in the Senate bill, which requires that in the conduct of reviews of plans or applications for Federal funds, the SHCC shall, to the extent appropriate, use the procedures and criteria that apply to other reviews under Title XV listed in section 1532. It also provides that in the conduct of reviews the agencies shall consider the relationship of the health services being reviewed to the applicable State health plan in addition to the relationship to the relevant HSP and AIP (section 116).

The conference substitute conforms to the House amendment (section 116(a)).

Failure to complete review

The Senate bill contains a provision which provides that the failure of a health systems agency or a State agency to complete a review within the period prescribed for the review may not be deemed by the agency to constitute a negative finding, recommendation, or decision.

The House bill provides that certificate of need review shall be completed within 90 days or such additional time on which the applicant and the agency can agree; or such additional time as prescribed in State law in cases in which a request is made to the State agency for a hearing under section 1532(b)(8) or the State batches applications; or when the applicant has been cited by the Secretary of HEW for a violation of the Civil Rights Act of 1964 (section 116(b)).

The conference substitute as a compromise requires the State agency to establish a period within which approval or disapproval of the application for a certificate of need shall be made. If a State agency fails to approve or disapprove an application within the applicable time period the applicant may bring an action in an appropriate State court to require the State agency to approve or disapprove the application (section 116(d)).

The conferees wish to point out that this provision requires each State to set a time certain for the completion of a certificate of need review. The conferees emphasize, that, while the period of review may vary according to the type of application or the relevant review procedures, it is important that the applicant know at the beginning of a review the length of such review period and have a right of action against the State agency if a decision is not made within that period of time. The conferees are particularly concerned with the practice of some States in the past in which their failure to make a decision has meant automatic disapproval of the application. The conference substitute is designed to prohibit this practice. The conferees expect each State agency to make decisions within the time period which is set forth and would expect the Secretary of HEW to carefully monitor a State's performance with regard to this requirement and take whatever actions are necessary to assure that it is met.

Judicial review

The Senate bill contains a provision, not included in the House amendment, to provide for judicial review of any final decisions rendered by a State agency in regards to a certificate of need review or appropriateness review. Any person adversely affected by such decision may within a reasonable period of time after such a decision is made and any further administrative remedies are exhausted obtain judicial review of such a decision in an appropriate State court. Upon such judicial review, the decision of the State agency shall be affirmed unless it is arbitrary or capricious or was not made in conformity with the applicable law (section 133).

The conference substitute conforms to the Senate bill except that it requires judicial review to be limited to certificate of need decisions made by a State agency, and to other reviews, where appropriate (section 116(d)).

Judicial review has not been required for appropriateness review because the Act does not authorize the use of appropriateness review to require a health care institution to terminate services or to close it's facility. However, the conferees intend that, any review of the appropriateness of services which could result in a health care institution being unable to provide a service or having to close in total or in part it's facility or the imposition of any other sanctions as a result of the review, shall be subject to the judicial review requirements agreed to by the conferees.

Administrative review

The House amendment contains a provision, not included in the Senate bill, that requires that each decision of the State agency not to issue a certificate of need shall upon request of the person who applied for the certificate be reviewed under an appeals mechanism which is consistent with the State law governing the practices and procedures of administrative agencies or, if there is no such law, by an entity designated by the Governor (section 117(a)).

The conference substitute conforms to the House amendment and provides that any person directly affected by such decision may request a review (section 116(d)).

Notification

The Senate bill contains a provision, not included in the House amendment, which requires timely written notification to all affected parties at the beginning of a review and requires that all persons who have asked to be placed on a mailing list maintained by the HSA or State Agency be notified of certain reviews by such agencies. It also provides for timely notification of providers of health services and other persons of certain information. It requires that public hearings be held prior to any decision made in the course of HSA or State Agency review as requested by persons directly affected by the review (section 145, 146, and 147).

The conference substitute conforms to the Senate bill (section 116(d)).

Procedures for review

The Senate bill contains a provision, not included in the House amendment, which establishes requirements for HSA and State Agency reviews of certificate of need applications and reviews of the appropriateness of existing institutional health services, and where appropriate, for other reviews. The requirements are that each participant may present evidence and arguments orally or by written submission, each participant may cross examine any other participant who makes a factual allegation relative to such review. A hearing record must be maintained. HSA and State Agency decisions must be based solely on the hearing record and there is a prohibition on ex parte contacts with individuals voting in the review process (section 144(c)).

The conference substitute requires a formal hearing before the State agency if requested, requires the decision to be made on the record, sets forth an administrative review mechanism, provides that any person adversely affected by a final decision of a State agency may obtain judicial review and that there shall be no ex parte contact between the applicant and any person in the State agency with responsibility respecting the application after the commencement of a hearing on the application (section 116(d)).

The conferees intend that a formal hearing be held if the State agency is requested to do so. If an HSA has been delegated this hearing responsibility by the State only one

formal hearing is required. If an HSA has not been delegated this hearing responsibility then, if requested, the HSA may also hold a hearing which may be either formal or informal at the HSA's discretion (section 116 (d)).

Criteria for review

The Senate bill provides that in reviewing construction projects the HSA and the State Agency shall consider effect of the application on the costs and charges to the public of providing health services by other persons; that in the case of existing services the quality of care provided by such facility in the past must be considered, and that in both cases consideration must be given to the extent to which such proposed services will be accessible to all residents of the area to be served by such services (section 148).

The House amendment requires that in adopting criteria the planning agency shall consider, in the case of health services proposed to be provided, the effect of their proposed services on the clinical need of health professional training programs, the extent to which such programs will have access to those services if they are to be available in a limited number of facilities and the extent to which such services will be accessible to all residents of the area to be served by the services. It also requires that in the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those provided be considered in the review process (section 116(d)).

The conference substitute as a compromise contains provisions of both the Senate bill and the House amendment (section 116 (f) and (g)).

Additional procedures

The Senate bill amends section 1532(a) to stipulate that procedures and criteria for review by HSA's and State Agencies must provide that applications be submitted in accordance with established timetables, reviews be undertaken in a timely fashion, applications of similar types of services and facilities be considered in relation to each other no less often than twice a year, and reviews of similar types of institutional health services affecting the same service area must be considered in relationship to each other. It also provides that HSA's and State Agencies must cooperate in the development of procedures and criteria to the extent appropriate to the achievement of efficiency in their review and consistency in criteria for such reviews (section 143).

The House amendment provides that reviews may be conducted in a manner that batching of applications can occur with comparisons being made among applications. It also requires the HSA, the SHPDA and the SHCC to work together in developing criteria and procedures for review (sections 116(c) and 117(a)).

The conference substitute conforms to the Senate bill (section 116(e)).

Requests for information

The House amendment contains a provision, not contained in the Senate bill, which requires health planning agencies to develop procedures that assure that requests for information are limited to only that information which is necessary to perform reviews. It also allows an applicant to designate data which he believes should not be released to the public and to submit such data separately. If the agency proposes to release such data, it shall notify the applicant at least 30 days before the release. The House amendment would also provide that the agency's procedures assure that the general public have access to all written materials "essential" rather than "pertinent" to a review (section 116(g)).

The conference substitute requires the agencies to give the applicant 15 days to provide any data requested after a review has begun.

Review of procedures

The House amendment contains a provision, not included in the Senate bill, which requires the Secretary to annually review the regulations promulgated pursuant to section 1532 relating to procedures and criteria and to allow the health planning agencies opportunity to comment on the need for the revision of the regulations. These agencies shall be consulted at least 45 days before initial publication (section 116(f)).

The conference substitute conforms to the House amendment (section 116(h)).

CERTIFICATE OF NEED PROGRAMS

State health plan and certificate of need

The Senate bill requires that certificate of need decisions be consistent with the State health plan except in emergency circumstances that pose a threat to public health (section 118(b)).

The House amendment provides that a decision to issue a certificate of need shall not be inconsistent with the State health plan (section 117(a)).

The conference substitute conforms to the Senate bill (section 117(a)).

Sanctions and withdrawal

The Senate bill contains provisions, not included in the House amendment, which require a certificate of need program to be consistent with standards established by the Secretary. It also provides that such a program shall provide for procedures and penalties to enforce the provisions of the program and that after a certificate of need is issued a periodic review (at least every 24 months) shall be conducted of the progress being made in making the service or facility for which the certificate was issued available for use. The program shall provide for withdrawal of the certificate if there has not been substantial progress (section 136).

The House amendment provides that after a certificate of need is issued an annual review shall be conducted of the progress being made and if adequate progress is not being made, the certificate shall be withdrawn (section 117(a)).

The conference substitute combines the two provisions. (Section 117 (a) and (b)).

General provisions

The House amendment contains an amendment not included in the Senate bill, which clarifies and expands required certificate of need coverage with respect to major medical equipment, institutional health services and capital expenditures. It requires that States shall specify in the certificate the maximum amount of capital expenditures which may be obligated. It requires the Secretary to prescribe the extent to which a project authorized by a certificate of need shall be subject to further review if the amount of capital expenditure exceeds the maximum specified (section 117 (a) and (b)).

The conference substitute conforms to the House amendment (section 117(a)).

Required approval of certain applications

The House amendment contains a provision not included in the Senate bill that requires the approval of an application for a certificate of need for a capital expenditure which is required to eliminate or prevent eminent hazards, to comply with State licensure standards, or to comply with accreditation standards, but only to the extent that the capital expenditure is required to eliminate or prevent such hazards or to comply with such standards (section 117(a)).

The conference substitute, as a compromise, includes the House amendment with the added requirement that approval is not required if the State agency finds that that the facility or service with respect to which such capital expenditure is proposed to be made is not needed or that the obligation of the capital expenditure is not consistent with the State health plan in effect under section 1524 (section 117(a)).

Congress recognizes that some health facilities whose continued operation is absolutely necessary and is consistent with the SHP may be required, because of licensing problems, to apply for a certificate of need for the limited purposes of coming into compliance with life safety code requirements or accreditation standards.

Congress hopes to limit the necessity for planning agencies to go through a highly formalized and time-consuming review over those projects which are clearly needed. Yet Congress is also fully aware of the burdensome costs created by excess capacity and does not intend that this provision be used to fund capital projects in facilities which are unneeded or determined, by the State agency to have excess capacity.

Limitations on criteria or conditions under a certificate of need program

The House amendment contains a provision, not included in the Senate bill, which requires that the issuance of a certificate of need may not be made subject to any criterion or condition unless the criterion or condition directly relates to (a) the ability of the applicant to provide the service for which the certificate is to be issued (b) the quality of the service and (c) the availability and accessibility of the service to patients in need of it or is otherwise directly related to a determination of the need for such service (section 117(a)).

The conference substitute as a compromise provides that the review of an application for a certificate of need shall not be made subject to any criterion and the issuance of a certificate of need may not be made subject to any condition unless the criterion or condition is directly related to the criteria prescribed by section 1532(c), the criteria prescribed by regulation promulgated under section 1532(a) before the date of enactment of this Act (See 42 C.F.R. § 123. 409–11), or criteria prescribed by regulation by the State agency in accordance with an authorization prescribed by State law. This compromise reflects the agreement of the conferees that certificate of need approval should not be subject to conditions or criteria which are not based upon Federal or State law. Furthermore, the certificate of need program may not be required to include any criterion in addition to criteria described or set forth pursuant to section 1532 (section 117(a)). This provision prohibits the Secretary from withholding approval of a State certificate of need program under section 1523(a)(4)(B) until or unless the State adopts criteria or authorizes the imposition of conditions other than those referenced by this provision.

In order to avoid semantic arguments, the conferees wish to make clear that in this section, the term criteria means a standard or rule which may be applied to certificate of need applicants during the review process; the term condition means a required action applied to a specific applicant and established as part of a certificate of need decision following review. These general definitions would apply regardless of what term is used in State Law or regulation which describes these concepts.

Coverage of major medical equipment outside a health care facility

The Senate bill requires a State certificate of need program to provide for review and determination of need prior to the acquisition of diagnostic and therapeutic equipment which will not be owned by or located in a health care facility if notice is not filed as required or the State agency finds that the equipment will be used to provide services on a regular basis for inpatients of a

hospital. Before any person enters into a contractual agreement to acquire diagnostic or therapeutic equipment that will not be owned by or located in a health care facility such person must notify the State agency of the State in which such equipment will be located of such persons intent to acquire such equipment. Such notice must be made in writing at least 30 days before the contractual arrangements are entered into to acquire the equipment with respect to which notice is given. Diagnostic or therapeutic equipment is added to the definition of institutional health service (section 136 and section 142).

The House amendment excludes from required certificate of need coverage the acquisition of major medical equipment that is not owned or located in the health care facility unless the equipment will be used to provide services for inpatients of a hospital. Any person who plans to acquire major medical equipment shall notify the SHPDA of such intent so that the agency can determine if the acquisition requires review. Major medical equipment is defined as any equipment in excess of the capital expenditure minimum, except that the term does not include medical equipment acquired by or on behalf of independent clinical laboratories to provide clinical laboratory services.

The conference substitute conforms to the House amendment by providing that all States must require a certificate of need under their certificate of need programs for the acquisition of major medical equipment that is not owned by or located in a health care facility if that equipment is to be used to provide services for inpatients of a hospital. However, as a compromise, the conference substitute allows the States to require a certificate of need for any other uses of major medical equipment not owned by or located in a health care facility if they currently provide for the additional requirements or if they provide for such additional requirements prior to September 30, 1982. After that date, a state would be prohibited from changing its certificate of need program to include requirements that are in addition to the minimum requirements set forth in title XV (section 117(a)).

The conferees note that in order for a certificate of need program to be acceptable under title XV, it must provide for the review and approval of the acquisition of major medical equipment that will be used to provide services to patients who are inpatients of a hospital at the time the service was provided. Equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services is not required to be reviewed. The conferees want to make clear that this provision is a minimum requirement of an acceptable certificate of need program, and that a State is permitted to cover medical equipment acquired for use in other than inpatient settings, which costs less than $150,000 or which is acquired by a clinical laboratory. Although States would be prohibited from changing their law to go beyond the minimum requirement after September 30, 1982, no State which had imposed additional requirements before that date would be required to alter those requirements.

The conferees also wish to make clear that the term "contractual arrangement" is not intended to prohibit normal marketing negotiations for purchase of equipment such as a notice of intent to purchase. However, such a notice of intent to purchase would have to contain a condition to the effect that the notice of intent would only become a contractual arrangement thirty days after the filing of the purchaser's required notice to the State Agency of intent to acquire such equipment.

Coverage of health maintenance organizations

The Senate bill establishes special criteria under which certificate of need applications of health maintenance organizations will be reviewed and approved. Applications of Federally qualified HMO's for new institutional health services must be approved by the State agency if it finds that (1) approval is required to meet the needs of present HMO members and new members who can reasonably be expected to enroll, and (2) that the HMO is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its institutional health services in a reasonable and cost effective manner consistent with the basic method of operation of the HMO and which makes such services available on a long term basis through physicians and other health professionals associated with the HMO. It further provides that no certificate of need program shall have provisions for the review and determination of need of the services, facilities, equipment and organization of health maintenance organizations and the entities through which their services are provided except for new institutional health services of hospitals controlled directly or indirectly by health maintenance organizations and diagnostic and therapeutic equipment of health maintenance organizations (section 148 and section 136).

The House amendment requires a State to exempt from its certificate of need program the development of new institutional health services, the acquisition of major medical equipment and the obligation of capital expenditures of (1) a health maintenance organization, (2) any other provider of health care which provides ambulatory and inpatient health services on a prepaid basis if at least 75 percent of the patients who use the service or equipment which is exempt are enrollees of the organization or provider and (3) any other provider who has entered into agreements to serve enrollees of an HMO or other providers (described in 2 above) if at least 75 percent of the annual revenues from the service, equipment, or expenditures are derived from such agreements.

If in any year an exempt HMO or provider fails to meet the 75 percent patient or revenue requirement, the State shall prohibit the HMO or provider from using the service, equipment or expenditure to provide services to individuals other than those enrolled on a prepaid basis with the HMO or provider. Notice shall be provided to the Secretary and the State Medicaid agency that the provider is prohibited from using the service, equipment or expenditure to provide services to individuals who are entitled to benefits under Titles XVIII and XIX of the Social Security Act unless the individuals are enrolled on a prepaid basis with an HMO or other exempt provider. The House amendment also provides that the certificate of need program may apply to an HMO only to the extent that it is not exempt and then only to the acquisition of major medical equipment, the offering of new institutional health services, and the obligation of capital expenditures as required in Title XV (section 117(a)).

The conference substitute, as a compromise, provides that a certificate of need program may not require a certificate of need for the offering of an inpatient institutional health service, the acquisition of major medical equipment, or the obligation of a capital expenditure for the provision of an inpatient institutional health service by: (1) a health maintenance organization or combination of health maintenance organizations; (2) a health care facility which primarily provides inpatient services and is controlled directly or indirectly by a health maintenance organization or a combination of health maintenance organizations; or (3) a health care facility or portion thereof which an HMO or combination of HMO's has leased for a period of at least 15 years at the time of approval of the application. To be eligible for an exemption under this provision, health maintenance organizations must meet the definition of a health maintenance organization set forth in this bill and must have an enrollment of at least 50,000 individuals singly or in combination, the facility in which the service will be provided must be geographically located so that the service will be reasonably accessible to such enrolled individuals and at least 75 percent of the patients who can reasonably be expected to receive the institutional health services to be exempted will be individuals enrolled with such organization or organizations in combination. The applicant must submit to the State agency an application which allows the State agency to determine if the organization, combination, or facility meets the necessary requirements. A health care facility (or any portion thereof) or medical equipment owned or controlled by an HMO or combination of HMO's with respect to which an exemption was granted under this provision may not be sold or leased or a controlling interest in such facility or equipment may not be acquired; and a health care facility (or any portion thereof) or medical equipment leased by an HMO or combination of HMO's with respect to which an exemption was granted under this provision may not be used by anyone other than the lessee HMO or combination of HMOs, unless the State agency issues a certificate of need approving the sale, lease, acquisition, or use or the State agency determines (upon application) that the entity to which the facility is proposed to be sold or leased or which intends to acquire controlling interest is a health maintenance organization or combination of organizations which meet the requirements of the section. The substitute also requires the Comptroller General to conduct an evaluation of the exemption authority established under this Act.

The substitute also provides that a State may apply its certificate of need requirements to the institutional health services, major medical equipment, and capital expenditures of a health maintenance organization or of a health care facility which is controlled, directly or indirectly, by an HMO only to the extent that the organization or facility is not exempt under this provision, and then only to the offering of inpatient institutional health services, the acquisition of major medical equipment, and the obligation of capital expenditures as required under title XV. The substitute also contains a special provision for review of applications for certificates of need for non-exempt HMO's or for facilities controlled, directly or indirectly, by an HMO. Such applications shall be approved by the State agency if the State agency finds that an approval of the application is required to meet the needs of the members of the HMO and that the HMO is unable to provide its services through services and facilities which can reasonably be expected to be available to the organization in the community.

For purposes of this section indirect control of a health care facility could include such situations in which a majority of the members of the board of the hospital corporation are employees, officers or directors of an HMO or in which members of the board of an HMO are the same as the members of the board of the hospital corporation.

The conferees have allowed a "combination of health maintenance organizations" to meet the 50,000-enrollee minimum in order to permit two or more HMOs to join together to own, or control a corporation or other entity which owns, or lease a health care facility.

In permitting an exemption for an institutional health service which is owned, controlled, or leased by a combination of HMOs, the conferees intend that each of the HMOs in the combination will use the institutional health service.

Definition of capital expenditure

The House amendment contains a provision, not included in the Senate bill,

which defines the term capital expenditure for purposes of a certificate of need program. A capital expenditure is defined as an expenditure made by or on behalf of a health care facility and which under generally accepted accounting principles is not chargeable as an expense of operations and maintenance or is made by a lease or comparable arrangement and which (1) exceeds the expenditure minimum, (2) substantially changes the bed capacity of the facility with respect to which the expenditures made, or (3) substantially changes the services of the facility (section 117(a)).

The conference substitute conforms to the House amendment with the exception of the provision relating to the exclusion from the definition of capital expenditure the acquisition of existing health care facilities (section 117(b)). The substitute provides that a certificate of need shall be required for the obligation of a capital expenditure to acquire (by purchase or under lease or comparable arrangement) an existing health care facility if (1) notice is not provided to the State agency before a contractual arrangement is entered into, or (2) if the State agency finds within 30 days after the date it receives such notice that the services or bed capacity of the facility will be changed in being acquired (section 117(a)). The conferees note that while this provision sets forth conditions under which a certificate of need will be required, it does not preclude a State from adopting broader coverage requirements or requiring that all acquisitions be reviewed under normal certificate of need procedures.

Definition of expenditure minimum

The House amendment contains a provision, not included in the Senate bill, which establishes a definition for the term expenditure minimum to mean $150,000 for the first 12 month period after enactment and for each 12 month period thereafter $150,000 adjusted to reflect changes in the composite construction cost index maintained by the Department of Commerce (section 117(b)).

The conference substitute would allow a State to increase the capital expenditure and annual operating cost threshold of their certificate of need programs to reflect the change in the preceding twelve-month period of an index maintained or developed by the Department of Commerce and designated by the Secretary of HEW for purpose of making such adjustment (section 117(f)).

Osteopathic considerations

The Senate bill contains a provision that adds to the criteria required for HSA and State agency consideration the special needs and circumstances of osteopathic facilities accredited for post graduate training (section 148).

The House amendment provides that in reviewing an application for a certificate of need the HSA and State agency shall consider the application on the basis of the need for and the availability in the community of services and facilities for osteopathic and allopathic physicians and their patients. State agencies shall also consider the impact of the approval of application on training programs for doctors of osteopathy and medicine.

The conference substitute conforms to the House amendment (section 117(a)).

APPROPRIATENESS REVIEW

Minimum issues for appropriateness review

The Senate bill contains a provision, not included in the House amendment, which requires that in carrying out appropriateness reviews, HSA's shall at a minimum address issues of need, accessibility, financial viability, cost effectiveness, costs and charges to the public and quality of service provided (section 123(a)).

The conference substitute as a compromise specifies that both HSA's and SHPDA's, in carrying out appropriateness reviews, shall at a minimum address issues of need, accessibility, financial viability, cost effectiveness, and quality of services provided (section 118 (b)).

The conferees note that appropriateness review findings can be made on either an areawide basis or institution-specific basis. The decision on how specific to make an appropriateness review recommendation or finding by the health systems agency or the State agency should be based upon the nature and the seriousness of the problem which makes the service inappropriate, its susceptibility to change, the amount of information the agency has about the problem, and judgments about how best to achieve needed changes within the agency's area. It is the conferees' intent that agencies within each State make the decision on how best to handle this issue. It is the conferees' expectation that over time agencies will be able to make detailed appropriateness review findings. Such findings should provide the consumer with better information about the health services which are available so that informed choices can be made about the institutions from which services are received. Such specific findings should also provide institutions with recommendations of the changes which should take place to make the services of the area appropriate. When an agency makes its recommendation or finding on an institution-specific basis, the committee expects that it will establish hearing procedures to ensure that each institution under review will have an adequate opportunity to present all relevant information regarding its services and facilities.

REVIEW AND APPROVAL OF PROPOSED USES OF FEDERAL FUNDS

Review of project and allotment grants

The House amendment contains a provision, not included in the Senate bill, that requires the SHCC to review any application submitted to the Secretary by a State for a grant or contract awarded under the Public Health Service Act, the Comprehensive Alcohol Abuse and Alcohol Prevention, Treatment and Rehabilitation Act, or section 409, of the Drug Abuse Office and Treatment Act for projects in more than one health service area. If the SHCC recommends disapproval, the Secretary may not make Federal funds available if he finds that the application is not in conformity with the State health plan. The amendment also provides that when a State is making grants or contracts in a health service area from funds received under the covered acts, the Governor of the State shall allow the health systems agency 60 days to review the proposed use of those funds in its area and approve or disapprove such use. The Governor, after taking into consideration the HSA's decision and any comments which the SHPDA has developed, may make such Federal funds available for use notwithstanding the disapproval of the HSA only if the decision of the Governor is made available to the appropriate HSA and SHPDA and contains a detailed statement of the reasons for the decision (section 119).

The conference substitute conforms to the House amendment (section 119(a)).

Review of research and training proposals

The Senate bill provides that grants or contracts under Titles IV, VII or VIII of the Public Health Service Act should not be reviewed by the HSA unless they are made, entered into, or used to support the development of health resources, or the delivery of health services that would make a significant change in the health services offered within the health service area (section 123(b)).

The House amendment provides that research and training under the Public Health Service Act should not be reviewed unless the grants are to be made, entered into, or used for the development, expansion or support of health resources which, in the case of grants or contracts for training, would make a significant change in the health services available in the health service area, or which, in the case of grants or contracts for research, would change the delivery of health services, or the distribution or extent of health resources available to persons in the health service area other than those who are participants in such research (section 119 (b)).

The substitute conforms to the House amendment (section 119(b)). The conferees note that research includes clinical trials. Such trials include demonstration projects designed to answer questions about the general applicability of procedures, drugs, or devices with potential usefulness that have not been tested in nonlaboratory settings. The conferees intend that such projects shall not be reviewed unless the projects are initiated with a community or institutional commitment to continue them beyond their research stage or unless the projects involve a change in the health services of the area as detailed above.

Review of Federal facilities

The Senate bill provides that when a health systems agency is requested by or on behalf of a Federal department or agency to review a proposed use of Federal funds to support the development of institutional health services intended for use in the health service area, the health systems agency shall, within 60 of receiving a request, submit its views on such a proposed use to the Federal department or agency involved and to the appropriate committees of the Congress (section 152).

The Conference substitute conforms to the House amendment. Although the conference substitute does not require, as did the Senate bill, a health systems agency, when requested, to review and comment on a proposed use of federal funds to support the development of institutional health services intended for use in a health service area, the conferees believe that when a Federal agency requests a health systems agency's views on a use of funds proposed by the agency, the HSA should respond to such request even though its response is purely advisory and in no way binding on Federal decision making.

COORDINATION OF HEALTH PLANNING WITH RATE REVIEW

Rate regulation grants

The House amendment contains a provision, not included in the Senate bill, which amends section 1526 by providing that rate regulation grants can be made to any unit in the State which regulates rates although provisions are added to assure adequate coordination with the State planning agency (section 120(a) and (b)).

The conference substitute conforms to the House amendment (section 120(c)).

COORDINATION WITHIN STANDARD METROPOLITAN STATISTICAL AREAS AND WITH OTHER ENTITIES

Coordination within standard metropolitan statistical areas

The House amendment contains a provision, not included in the Senate bill, which requires that HSA's which are part of a standard metropolitan statistical area shall develop a mechanism to coordinate their plan development and project review functions (section 121).

The conference substitute conforms to the House amendment (section 121(b)).

The conferees intend the required coordination to include the joint review of each health systems plan and annual implementation plan developed for each health service area included within the SMSP, the joint review of criteria used in making reviews affecting the region, and the joint review of each decision under certificate of need

which affects the region. Moreover, the conferees would encourage the development of a number of joint activities between or among such HSA's, including joint task forces on the establishment of planning goals for the SMSA, coordination and an integrated use of data for the SMSA, and joint planning and review task forces.

Coordination with other entities

The Senate bill contains a provision which provides that an HSA will also coordinate its activities with entities which review rates and budgets of health care facilities and with appropriate area agencies on aging, local and regional alcohol abuse, drug abuse, and mental health planning agencies. The State agency is also to coordinate its activities with any entity which reviews rates and budgets of health care facilities (section 122).

The House amendment provides that each HSA and SHCC shall coordinate its activities with any agency which reviews rates and budgets of health care facilities (section 120 (a) and (b)).

The conference substitute conforms to the Senate bill (sections 120 and 121).

COLLECTION AND PUBLICATION OF HOSPITAL CHARGES

Collection and publication

The Senate bill amends section 1513 by adding a new section requiring the States to collect annually on a form developed in consultation with the State agency, the rates charged for each of the 25 most frequently used hospital services in the State including the average semiprivate and private room rates. The HSA must make such information available to the public for inspection and copying in readily understandable language and in a manner designed to facilitate comparisons among the hospitals in the health service area.

The conference substitute conforms to the Senate bill (section 122(a)).

The conferees note that if a State has an agency which reviews hospital rates then the HSA should work closely with that agency in carrying out this function.

Penalty for not providing information on charges

The Senate bill provides that a State certificate of need program shall provide that no hospital shall be an applicant for a certificate of need unless such hospital has complied with all reasonable requests from an HSA for information needed to comply with the HSA's mandate to collect and publish hospital charges (section 136).

The conference substitute requires that the State administrative program contain provisions to assure compliance with requests for information made by an HSA in carrying out this function (section 122(b)).

STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

Redesignation or termination of State agency agreement

The Senate bill contains a provision, not included in the House amendment, which provides for the redesignation of State health planning and development agency for up to a three year period, and permits the Secretary the option of either terminating or returning a fully designated State agency to conditional status for a one year period for nonperformance of its functions. After the one year period, the Secretary must either fully designate the State agency or terminate its agreement. Before renewing the agreement, the Secretary shall provide such HSA and the SHCC an opportunity to comment on the performance of the agency. It also provides that the Secretary shall review a State administrative program for health planning not less often than once every three years (sections 131 and 134).

The conference substitute conforms to the Senate bill (sections 123 (a) and (b)). The conference substitute also provides for the Secretary to enter into agreement with the fully designated State agency for a period of up to 36 months rather than annually as currently provided. The conferees believe it is unproductive for every State agency to be subject to an annual detailed review and that necessary monitoring of the State agency's performance can be accomplished through regular reporting requirements. However, for those fully designated State agencies which are still expanding or developing their programs, the conferees expect the Secretary to use the designation period of one to two years so that HEW can effectively monitor performance; but, as these State agencies mature and reach an appropriate level of performance, the conferees expect that their designation agreement will be for three years.

Medical facility planning

The House amendment contains a provision, not included in the Senate bill, which repeals the functions required pursuant to section 1513(h) respecting the need for the HSA to make separate recommendations to the State on medical facility projects for modernization and construction. It also adds to the functions required to be performed by the State agency preparation of an inventory of medical facilities located in the State and an evaluation of the physical condition of such facilities. Such determination shall be reported to the HSA's to be used in the preparation of their HSP's (section 122).

The conference substitute conforms to the House amendment (section 123(c)). With this change in law and the requirement that the State health plan be more specific and include resource requirements, the conferees intend that the State health plan serve as the document for medical facilities planning for the State. The requirement for a separate State medical facilities plan as required by Title XVI is no longer needed and is deleted from existing law.

Failure to qualify for full designation

The Senate bill contains a provision, not included in the House amendment, that provides that a State without a designated SHPDA in effect by September 30, 1980 would be subject to a 25 percent reduction in the amount of any allotment of a grant, loan, loan guarantee, or any contract under the Public Health Service Act, Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, Rehabilitation Act of 1980. Such amounts would be reduced by 50 percent if an agreement weren't in effect by September 30, 1981, by 75 percent after September 30, 1982, and by 100 percent after September 30, 1983 (section 132).

The House amendment provides that if a State does not have a fully designated agency upon the expiration of (1) fiscal year 1980; (2) the first regular session of the legislature of the State which begins after the promulgation of regulations under section 117(e) of these amendments; or (3) the sixth month after the month in which such regulations are promulgated whichever occurs later, no grant may be made to or contract entered into with the State with funds authorized the Public Health Service Act or related Acts (section 122(d)).

The conference substitute as a compromise provides for percentage reductions in the penalty as set forth in the Senate bill which would take effect upon the expiration of (1) fiscal year 1980, or (2) if a legislature of a State is in a regular session on the date of enactment of these amendments, and the legislature will be in session for at least 12 months from such date, or (3) if the legislature of a State is in session on the date of enactment but there is not 12 months remaining in such session after such date or if the legislature of the State is not in session on such date, 12 months after the beginning of the first regular session of the legislature beginning after such date, which ever occurs later (section 123(d)).

State agency technical assistance

The Senate bill contains a provision, not included in the House amendment, which requires the State Agency to provide technical assistance in obtaining and filling out the necessary forms to individuals and public and private entities for the development of projects and programs (section 135).

The conference substitute conforms to the Senate bill. Conferees emphasize that the intent in adding this section is not to require the State Agency to prepare an application for an individual desiring a certificate of need or other agency forms, but merely to assist him in understanding the application requirements (section 123(e)).

Extension of State agency conditional designation

The Senate bill contains a provision which would allow a State health planning and development agency to be designated for up to 48 months (section 131).

The House amendment provides that the Secretary may extend the period of conditional designation (now limited to 36 months) for such additional time as he finds appropriate if he finds that the designated State agency is making a good faith effort to comply with the requirements of section 1523 (section 122(g)).

The conference substitute conforms to the House amendment (section 123(f)).

STATEWIDE HEALTH COORDINATING COUNCIL COMPOSITION

Membership

The Senate bill contains a provision, not included in the House amendment, to clarify that consumers and providers of health care include consumers and providers of mental health care for purposes of SHCC composition. It further provides for ex-officio representation of the Veterans' Administration on the SHCC when the State has at least one VA facility (section 138(c)).

The conference substitute as a compromise specifies that the VA shall have ex-officio non-voting representation on the SHCC when the State has at least one VA facility (section 124(c)).

Review of drug abuse

The Senate bill expands the mandate of SHCC review of State plans to include section 409 and 410 of the Drug Abuse Office Treatment Act (section 138(d)).

The House amendment expands SHCC review of State plans to include section 409 of the Drug Abuse Office and Treatment Amendments of 1972 (section 119(a)).

The conference substitute conforms to the House amendment (section 119(a)).

Representation of medically underserved

The Senate bill provides that members of the SHCC who are consumers of health and mental health care and who are not providers of health or mental health care must include individuals who are members of rural and urban medically underserved populations if such populations exist in the State (section 138(e)).

The conference substitute require representatives of medically underserved population on the SHCC (section 124(a)).

Representation of interstate HSA's

The House amendment contains a provision, not included in the Senate bill, which provides that while HSA's, other than interstate HSA's, are to have equal representation on the SHCC, interstate HSA's are to have proportional representational (but at least one representative). It also provides that in States with more than 10 HSA's

each may be entitled to one representative (section 123(a)).

The conference substitute conforms to the House amendment (section 124(a)).

The conferees note that this provision was adopted so that the size of the SHCC can be kept manageable in States which have a large number of HSA's. The conferees wish to point out that while HSA's in States with more than 10 HSA's would be entitled to only one representative, this would not preclude the Governor from allowing each HSA to have more than one representative and thereby establishing a larger Statewide Health Coordinating Council.

Selection of State Health Coordinating Council Chairman

The House amendment contains a provision, not included in the Senate bill, which provides that the Governor may select the Chairman of the State Health Coordinating Council with the advice and consent of the State Senate (section 123(b)).

The conference substitute conforms to the House bill (section 124(b)).

Provider representation

The House amendment contains a provision, not included in the Senate bill, which provides that (1) half of the providers represented on the SHCC shall be direct providers, (2) members of the SHCC shall represent the provider classifications listed in section 1512(b)(3)(c)(ii), and (3) of such members at least one shall be engaged in the administration of a hospital (section 123(c)).

The conference substitute as a compromise specifies that at least one half of the providers on the SHCC shall be direct providers (section 124(c)).

CENTERS FOR HEALTH PLANNING

The Senate bill contains a provision, not included in the House amendment, that requires the Secretary to enter into grants with Centers for Health Planning. In addition, it adds the requirement that centers develop and disseminate methodologies to educate new board members and staff and provide continuing education for present HSA members of the staff and State Agency staff (section 149).

The conference substitute conforms to the Senate bill although both grants or contracts can be used (section 125).

Definitions of HMO

The Senate bill contains provisions, not included in the House amendment, which add definitions of a health maintenance organization to the Act (section 153).

The conference substitute conforms to the Senate bill (section 117).

Definition of medically underserved population

The Senate bill contains a provision not included in the House amendment, which provides that the term "medically underserved population" has the same meaning as such term as under Section 330(b)(3) of the Public Health Service Act (section 153).

The conference substitute conforms to the Senate bill (section 126).

Definition of rehabilitation facilities

The Senate bill defines rehabilitation facilities as any facility which is operated for the primary purpose of providing rehabilitation services to handicapped individuals and which provides singly or in combination one or more of a list of services for handicapped individuals (section 153).

The House amendment defines rehabilitation facilities as an inpatient facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons who are in an integrated program of medical and other services which are provided under competent professional supervision (section 117(c)).

The conference substitute as a compromise adopts the definition in the House amendment for certificate of need purposes and defines rehabilitation facilities as an inpatient or outpatient facility for the other purposes of this legislation (section 126).

The compromise provides that a broad definition shall apply to HSA governing board representation, definition of "provider of health care," and inclusion of rehabilitation services in health system agency plans and State health plans. The report adopts the House definition of rehabilitation facility for purposes of certificate of need coverage. The conference committee adopts this compromise with the understanding that any proposed conversion of acute care beds or services to inpatient rehabilitation beds or services by any hospital would require review under a state certificate of need program.

The objective of this compromise is to include both inpatient and outpatient rehabilitation facilities in all phases of the health planning system other than certificate of need which shall be limited to inpatient facilities, including conversion of existing service capacity to rehabilitation usage.

AUTHORIZATIONS

Health systems agencies authorization

The Senate bill provides authorization of appropriations for HSA's at a level of $150,000,000 for fiscal year ending September 30, 1980, $175,000,000 for fiscal year ending September 30, 1981, and $200,000,000 for fiscal year ending September 30, 1982 (section 129 (c)).

The House bill provides authorizations for appropriations for HSA's at a level of $150,000,000 for fiscal year ending September 30, 1980, $160,000,000 for fiscal year ending September 30, 1981, and $170,000,000 for fiscal year ending September 30, 1982 (section 124(a)).

The conference substitute as a compromise provides for $150,000,000 for fiscal year 1980, $165,000,000 for fiscal year 1981, and $185,000,000 for fiscal year 1982 (section 127 (a)).

State health planning authorization

The Senate bill provides for authorizations of appropriations for State agencies at a level of $40,000,000 for fiscal year 1980, $45,000,000 for fiscal year 1981, and $50,000,000 for fiscal year 1982 (section 139).

The House amendment provides for authorizations of appropriations for State agencies at a level of $35,000,000 for fiscal year 1980, $37,000,000 for fiscal year 1981, and $39,000,000 for fiscal year 1982 (section 124(b)).

The conference substitute as a compromise specifies authorizations of appropriations of $35,000,000 for fiscal year 1980, $40,000,000 for fiscal year 1981, and $45,000,000 for fiscal year 1982 (section 127(b)).

Rate review authorizations

The Senate bill provides authorizations of appropriations for rate setting under section 1626(e) of $6,000,000 for fiscal year 1980, $6,000,000 for fiscal year 1981 and $6,000,000 for fiscal year 1982 (section 140).

The House bill provides authorization of appropriations for rate review of $6,000,000 for fiscal year 1980, $7,000,000 for fiscal year 1981, and $8,000,000 for fiscal year 1982 (section 126(e)).

The conference substitute conforms to the Senate bill (section 127(c)).

Centers for health planning

The Senate bill provides authorizations of appropriations for centers for health planning and technical assistance of $6,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981 and $10,000,000 for fiscal year 1982 (section 149).

The House amendment provides authorizations of appropriations for carrying out section 1534 of $10,000,000 for fiscal year 1980, $11,000,000 for fiscal year 1981, and $12,000,000 for fiscal year 1982 (section 125(d)).

The conference substitute as a compromise specifies authorizations of appropriations for the support of activities under section 1534 $6,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981, and $10,000,000 for fiscal year 1982 (section 127(d)).

Area health services development fund

The Senate bill contains no authorizations of appropriations for the area health services development funds.

The House amendment contains authorizations of appropriations for the same purpose at a level of $25,000,000 for fiscal year 1980, $40,000,000 for fiscal year 1981, and $50,000,000 for fiscal year 1982 (section 125).

The conference substitute as a compromise provides $20,000,000 for fiscal year 1981 and $30,000,000 in fiscal year 1982 (section 127(e)).

TECHNICAL AMENDMENT

Percentage of HMO enrollees

The House amendment contains a provision amending section 1903(m)(2)(c) of the Social Security Act to allow a health maintenance organization three years from the time it is qualified to meet the requirement that at least 50 percent of an HMO's enrolled population be made up of other than Medicare and Medicaid recipients (section 126).

The conference substitute conforms to the House amendment (section 128).

Miscellaneous amendments

The Senate bill contains a provision, not included in the House amendment, which repeals section 314(a)(b) and (c) and Title 9 in its entirety.

The conference substitute conforms to the Senate bill.

Report on effectiveness of planning law

The House amendment contains a provision, not included in the Senate bill, which specifies that the Secretary shall report to the Congress on the results of the review conducted pursuant to Section 1535 respecting improvements in health and health care and restraints on increases in health care costs (section 125).

The conference substitute conforms to the Senate bill.

EFFECTIVE DATES

The Senate bill provides that amendments to Title XV shall take effect on the date of enactment of this Act, except that certain amendments shall take effect one year from the date of enactment and other amendments shall take effect six months from the date of enactment except that on or after the date of enactment, the HSA's, the State Agencies, and the SHCC's, may make the organizational and related changes required and may act in accordance with the changes in their functions made by such amendments (section 157).

The House amendment provides that certain amendments shall take effect one year after the date of enactment except that on or after the date of enactment, the changes in membership of the HSA's, and the SHPDA's shall be implemented through selection of members to fill vacancies occurring after such date, except that the HSA, the State Agency and the SHCC may make the organizational and related changes required and act in accordance with the changes in their functions at any time. Changes in certificate of need requirements become effective 180 days after enactment except when a change in law is required in which case a longer period is allowed (section 127).

The conference substitute conforms to the House amendment (section 129).

The conferees note that the changes in the HSA funding provisions are not effective

until the Congress has adopted an appropriation for fiscal year 1980.

TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

REVISION AND EXTENSION OF ASSISTANCE

Approval of medical facilities plan

The Senate bill contains a provision, not included in the House amendment, which requires the Governor as well as the SHCC to approve the State Medical Facilities Plan (section 201).

The conference substitute conforms to the House amendment.

Repeal of allotment grants

The House amendment contains a provision, not included in the Senate bill, which repeals Part B of Title XVI, the Part which provides allotment grants to States for facility construction and sets forth requirements for the State medical facilities plan (section 201).

The conference substitute conforms to the House amendment (section 201(a)).

Loan fund capitalization

The Senate bill contains a provision, not included in the House amendment, which authorizes additional capitalization of the loan fund in any fiscal year through 1981 (section 203).

The conference substitute conforms to the Senate bill (section 201(b)).

Purposes of loan and loan guarantee authorization

The House amendment contains a provision, not included in the Senate bill, which restructures the loan and loan guarantee provisions of section 1620 to provide assistance for projects in the following priority areas:

1. Modernization of medical facilities;
2. Construction of new outpatient medical facilities;
3. Construction of new hospitals in (a) areas of rapid population growth or (b) areas where mergers or closure of medical facilities results in a reduction of new beds; and
4. Conversion of existing medical facilities, outpatient medical facilities, or facilities for long term care (section 201(b)).

The Senate Bill contained similar provisions.

The conference substitute as a compromise provides that the loan fund may be used to support projects for (1) the discontinuance of unneeded hospital services or facilities, (2) the conversion of unneeded hospital services and facilities to needed health services and medical facilities, including outpatient medical facilities and facilities for long term care; (3) the renovation and modernization of medical facilities, particularly projects for the prevention or elimination of safety hazards or the avoidance of noncompliance with the licensure or accreditation standards, or projects to replace obsolete facilities; (4) the construction of new outpatient medical facilities in areas which have experienced recent rapid population growth (section 201(b)).

Interest subsidies

The Senate bill provides that the Secretary may pay to the holder of a loan amounts sufficient to reduce up to one-half of the net effective interest rate otherwise payable on the loan if the Secretary finds that without such assistance the project could not be undertaken (section 207(d)).

The House amendment provides that the Secretary shall pay the holder of any loan amounts sufficient to reduce by 3 percent per annum the net effective interest rate otherwise payable on the loan if the project is located in an urban or rural poverty area (section 201(b)).

The conference substitute as a compromise provides that the Secretary may pay the holder of a loan an amount sufficient to reduce by not more than one-half the net effective interest rate if the loan is located in an urban or rural poverty area (section 201(b)).

Loan guarantee support for public entities

The Senate bill contains a provision, not included in the House amendment, which would allow the Secretary to guarantee the loans of non-federal lenders to public entities in addition to non-profit private entities (section 207(b)).

The conference substitute conforms to the Senate bill (section 201(b)).

Grant support to nonprofit private entities

The House amendment contains a provision, not included to the Senate bill, which would allow grants to be made under section 1625 to nonprofit private hospitals. This section authorizes grants for construction or modernization projects to eliminate imminent safety hazards and avoid noncompliance with licensure and accreditation standards. Existing law limits grants to public medical facilities (section 201(c)).

The conference substitute as a compromise restricts the eligibility of private non-profit medical facilities for such grants. The conferees intend to permit only those private non-profit medical facilities to be eligible for grants which can demonstrate that they serve their community in a capacity similar to that of a public hospital. The conferees adopted three criteria for this determination: the demonstrated level of community service; the proportion of patients served who are unable to pay for such services themselves or through third party reimbursement; and the impact on services to low-income individuals if the grant was denied. These eligibility criteria are to be used in addition to the other criteria currently used to determine the award of grants under section 1625.

The conferees intend that "level of community service" refer to the well-established definition of that phrase under the Hill-Burton program, and not be interpreted as simply a measure of the relative poverty level of the local population.

The conferees also intend that the lack of access to a public hospital be considered by the Secretary as part of the impact on services to low-income individuals criteria in determining eligibility for grants under this section.

Authorization for grants for modernization

The Senate bill provides authorizations of appropriations under section 1625(d) modernization of public hospitals of $40,000,000 in fiscal year 1980, $50,000,000 in fiscal year 1981, and $50,000,000 in fiscal year 1982 (section 204).

The House amendment contains authorizations of appropriations of $50,000,000 for each of those three fiscal years (section 201(c)).

The conference substitute conforms to the Senate bill (section 201(c)).

Outpatient medical facilities

The House amendment contains a provision, not included in the Senate bill, which establishes a project grant program for the construction of outpatient medical facilities in medically underserved areas and the conversion of existing facilities into outpatient medical facilities or facilities for long term care. A grant could be awarded for up to 80 percent of the cost of such projects and 100 percent of the costs of such projects located in urban or rural public areas. Fifteen million is authorized for each fiscal year from 1980, 1981 and 1982 for this purpose (section 201(c)).

The conference substitute conforms to the House amendment except that no funds are authorized for fiscal year 1980 (section 201(c)).

Continued availability of funds under section 1625

The Senate bill contains a provision, not included in the House amendment, which provides that funds appropriated in fiscal year 1976 for medical facility construction under section 1613 but not yet expanded may be available through fiscal year 1980 to carry out the purposes of 1625(d) which provide grants to public hospitals for the modernization and construction to meet life and safety code violations (section 202).

The conference substitute conforms to the Senate bill (section 201(c)).

TECHNICAL AND CONFORMING AMENDMENTS

The House amendment contains a provision, not included in the Senate bill, which adds conforming and technical amendments to Title XVI (sections 202 and 203).

The conference substitute conforms to the House amendments (sections 202 and 203).

TITLE III—PROGRAM TO ASSIST AND ENCOURAGE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

ESTABLISHMENT OF PROGRAM

The Senate bill would establish a program under which financial assistance would be provided to hospitals for the discontinuance of unneeded hospital services and the conversion of unneeded hospital services to services needed by the community. Under the program debt payments, incentive payments, and conversion payments would be provided for the discontinuance of all inpatient health services or an identifiable unit of a hospital or an identifiable part of a hospital which provides inpatient health services. Funds appropriated for this program could also be used by the Secretary of HEW to make grants to State health planning and development agencies for planning, evaluating, or carrying out programs to decertify health care facilities providing health services which are not appropriate.

The House amendment would establish a program under which grants and technical assistance would be provided to hospitals to assist and encourage them to discontinue all hospital services or of an inpatient hospital service by converting an identifiable part of a hospital facility to the provision of other health services. The House amendment would also make separate authorizations of appropriations for the Secretary to make grants to State health planning and development agencies to assist such agencies in addressing the problems of excess capacity reduction.

The conference agreement conforms to the House amendment with the following changes.

1. Grants and technical assistance may also be provided for the discontinuance of an identifiable part of a hospital facility.

2. The hospital's application to the Secretary shall include reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 and section 2 of the Act of June 13, 1934.

3. In determining the need for any service or services proposed to be discontinued or converted by an applicant, a health systems agency and State agency shall give special consideration to the unmet needs

and existing access patterns of urban or rural poverty populations.

The conferees note that there have been numerous suggestions that the health planning program deal with the problem of excess capacity by adding a mandatory decertification authority to the existing mandate for certification of the need for proposed new institutional health services. The approach envisioned in this bill however, is purely voluntary in nature and depends for its success on the cooperation of both providers and planning agencies. The conferees also note their concern that the voluntary incentives could create the situation in which some communities might be tempted to close where politically or financially vulnerable services such as those provided by a public general hospital. Similarly, during the past several years, private hospitals located in low income inter-city neighborhoods have either transferred their facilities to outlying suburban areas or established satellite facilities in suburban areas which then drain needed resources away from inter-city communities. Such closures or phase outs deny access to needed services by the poor and minorities and can be particularly devastating if the clinics or departments involved are the source of scarce emergency or outpatient services. The conferees intend that the guidelines and priorities of this program are such that they assure that the facilities and clinics needed by the poor and minorities for inpatient and outpatient care are not discontinued unless adequate provision for alternative facilities and clinics are made available. The conferees have agreed to permit grants to be used to discontinue the provision of an identifiable part of a hospital facility so that, for instance, an entire wing of a hospital may be taken out of service. This authority is not to be used to discontinue an identifiable service unit, such as one of four operating rooms.

The conferees recognize that the closing of unneeded facilities and services will affect many employees. In requiring the hospital discontinuing services to make fair and equitable arrangements to protect the interests of employees, the conferees intend for the hospital to protect employees against a worsening of their positions respecting employment. This means that the hospitals should make a reasonable effort to obtain comparable employment for affected employees and should substantially preserve the rights achieved by the employees. The Secretary of Labor should describe the issues which hospitals must address in making fair and equitable arrangements, and is expected to actively encourage and foster adequate protections for all employees affected by grants under this section.

Grants to States for reduction of excess hospital capacity

The Senate bill authorizes the Secretary to make grants to SHPDA's for planning, evaluating or carrying out programs to decertify health care facilities (section 205).

The House amendment contains a provision which authorizes grants to States for the purpose of demonstrating the effectiveness of various means of reducing excess hospital capacity. Such grants would assist SHPDA's in identifying excess capacity, informing the public of its costs, and developing a program to reduce excess capacity in a way that provides the greatest savings in the cost of health care delivery. Four million dollars is authorized for each of the next three years (section 118(b)).

The conference substitute combines the two approaches in new section 1643. Support for SHPDA's under this section would be limited to 10 percent of the amount appropriated under new section 1644 (section 301).

HARLEY O. STAGGERS,
HENRY A. WAXMAN,
DAVID SATTERFIELD,
RICHARDSON PREYER,
JAMES T. BROYHILL,
TIM LEE CARTER,
Managers on the Part of the House.

EDWARD KENNEDY,
HARRISON A. WILLIAMS, Jr.,
GAYLORD NELSON,
ALAN CRANSTON,
CLAIBORNE PELL,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
ORRIN G. HATCH,
Managers on the Part of the Senate.

SEVENTY-EIGHT-YEAR-OLD VIRGINIA MAN TOO YOUNG TO RETIRE

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, considerable debate is taking place now regarding the desirability of retirement at a given age.

One man who could no doubt contribute greatly to the debate simply does not have time for it.

Mr. Downey Murphy of Swansonville, Va., is that man. Mr. Murphy will be 78 come October and he continues to farm and operate a service station.

Mr. Murphy's life is a challenge to us young pups and I should like to, at this point, insert in the RECORD an interview with this gentleman which appeared in the July 26 issue of the Chatham, Va., Star-Tribune:

STAYING BUSY KEEPS DOCTOR AWAY SAYS 77-YEAR-OLD SWANSONVILLE MAN

Most men look forward to retirement when they reach 65.

After working hard all their young years they expect to take it easy in their old age. In fact, most men are not physically able to do any hard work after they pass 65 . . . and certainly not after going over 70.

Downey Murphy of Swansonville is an exception.

On his coming birthday, October 20, Murphy will be 78 years old . . . or to put it more correctly—78 years young.

At this ripe old age most men who are still living spend much of their waking time nodding in a rocking chair at a nursing home. Murphy, however, is busy on his farm working in his mammoth garden, tending to his hay crop and tobacco, and operating a little service station.

"I thank the Lord that every morning I can get up and have some work to do," Murphy exclaimed. His 77 years haven't been a big handicap.

He philosophizes that for anyone, young or old—having a job to work at, will breed in you temperance and self-control, diligence and strength of will, cheerfulness and contentment—and many virtues which the idle never know.

Murphy's work is growing vegetables to sell. He has four acres of garden peas, 9 acres of Silver Queen corn, an acre of butterbeans, an acre of watermelons—and in the fall an acre of turnip greens. He doesn't have any help, but does all plantings, working and picking the vegetables by himself. He operates his tractors to do the plowing and cultivating.

Murphy also has 35 acres of hay which he has baled for ready sale.

This year he felt that he didn't have enough work to keep him busy, so the 77-year-old man planted an acre of dark tobacco—"To give me a little extra job," he noted.

In the winter months, he keeps little jobs on hand—like sawing slab wood for sale.

"I've worked hard all my life. It ain't nothing new to me," Murphy explained; although he says "I get tired a little quicker than I used to, and have to pace myself now."

Why does he continue this hard, tiresome work, he was asked.

"My children and friends often tell me to slow down—don't work so hard! I've seen too many men quit working when they get up in age. But I would just waste away if I didn't have something to do—to occupy my mind. I'd not be satisfied unless I'm working, doing something," he explained.

"One of the ills of this country," Murphy says, "is too many people are trying to get out of work. Parents are not teaching their children the blessings of busy hands and the health-giving advantage of work.

"The government is promoting idleness by giving food stamps and welfare checks to people who don't work," Murphy stated.

"Food stamps are all right for the needy," he observed, "but some folks are getting them that should be working."

He pointed to the difficulty farmers are having in hiring labor. "Farmers are having to bring in migrant help. There are people living around here who don't work because they can get on government welfare programs."

Murphy emphasized he doesn't have to continue working. He pointed out at his age he receives Social Security and has income from leasing out his tobacco allotment from his 70 acre farm located on Rt. 41, near Swansonville.

Of course his good health is a contributing factor to continuing to work. His only visit to a hospital was in 1945 while plowing in a field, he struck a hornet's nest . . . and within seconds he was literally covered with an angry swarm of stinging hornets. He almost died of the stings before a doctor administered an antedote against the hornets' sting poison.

Murphy is married to the former Viola Shelton and they celebrated their 58th wedding anniversary last November—"She has been my main blessing . . . there is nothing in this world like a good wife," he exclaimed.

They are the parents of two daughters, Mrs. Virginia Owen of the Rondo community and Mrs. Arline Giles of the Weal neighborhood. There are two granddaughters, Mrs. Andrea O. Coleman of Danville and Mrs. Dixie Lee Giles of Rondo.

Mr. and Mrs. Murphy are members of the Primitive Baptist Church at Malmason, and still pack their picnic baskets for those dinners on the grounds for which the Old Baptists are famous in the Summer months.

Murphy says he isn't thinking about slowing down . . . even though his 78th birthday is coming up in October.

"I'm going to do some fencing and I'm adding some cows this fall. . . ." he says.

He operates a little service station in his spare time—"It's a place to loaf when I don't have anything else to do," he laughed.

For keeping healthy and active, Murphy offers this advice: —"hard work, and staying busy every day in the field."

CANADA PROVOKES AMERICAN RETALIATION

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, Canada's seizure of 19 American tuna vessels is deplorable and could lead to actions that would jeopardize the friendly relations enjoyed by our two nations.

It would seem that reasonable men could discuss the situation and arrive at an agreement that could meet the needs of each nation. The alternative to such an approach is an escalation that will damage the fishing industry, if not the entire economy, of each nation.

It would be interesting to speculate about the course that retaliatory actions might take as the situation escalates into an increasingly hostile one that leaves no winner.

Certainly the seizures could have an effect on the Senate's consideration of six fishing agreements with Canada that were negotiated by our State Department ambassadors, and could have an equally devastating impact when the House considers implementing legislation.

Congress could urge the administration to order a secondary embargo of all fish products in addition to the embargo of tuna products that was invoked automatically under provisions of the Fishery Conservation and Management Act. Congress could also move to amend the FCMA to provide for automatic extensive embargo in cases such as the tuna embargo where the effect is rather minimal.

Americans could mount extensive fisheries, targeting specifically species such as herring that feed in domestic waters before returning to Canadian waters to spawn. By harvesting herring in our waters we could disrupt the multimillion dollar herring roe fishery that Canada has developed. The same type of intensive fisheries could be mounted on Fraser River sockeye and pink salmon that pass through domestic waters en route to spawning beds in Canada. Or we could end Canadian access to our waters for halibut, cod, and scallops.

In short, America could take intemperate, hasty actions that would match the illogical, irrational tuna boat seizures that Canada has undertaken.

But no one wants these things to happen, nor should they. Yet, I am afraid that, absent any timely constructive progress in easing the current crisis, these types of initiatives could be pursued to everyone's detriment.

The quickness with which the administration imposed the embargo on the importation of tuna products is laudable, but may not be sufficient to warn Canada that her actions are intolerable and could provoke America to respond in kind.

I met with Ambassador Negroponte this morning to urge his consideration of some of the alternative actions that America could take if the situation continues to deteriorate. While I am confident that reason will prevail, I am prepared, if necessary, to introduce an amendment to the Fishery Conservation and Management Act to mandate the administration to impose a substantial embargo instead of a limited one of little effect. It may also be necessary to terminate all fishing agreements with Canada so we may concentrate on a comprehensive salmon agreement. In addition, I may recommend hearings in Seattle to determine why a comprehensive agreement cannot be concluded expeditiously as required by Federal law.

My optimism about our future relationship with Canada has been clouded somewhat by her disruption of American fishing for tuna. I hope the situation stabilizes before our Government is forced to act on the range of options available. If it does not, the situation will undoubtedly deteriorate to the detriment of the fishermen in both countries.

HOSPITALS VOLUNTARY EFFORTS ARE WORKING

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, as hospital cost control proposals are submitted by the administration and Congress, we are hearing a lot about how Government health planning will save Americans millions of dollars. Yet, the Federal planners rarely mention the private cost-cutting systems which hospitals are implementing to utilize their facilities more efficiently.

One excellent example of this voluntary initiative is St. Luke's Episcopal Hospital, in Houston, Tex. St. Lukes, which includes a children's hospital and a heart institute, has installed a computer system to control heat and air conditioning which has saved them $590,000 (adjusted for inflation) in the first year. According to Bob Nast, administrator of the hospital, the "JC 80 Feedback Analysis" will continue to increase savings for the hospital even as time and energy costs continue to go up.

During the first 12 months of operation, JC 80 not only saved thousands of dollars in expenditures for chilled water and steam, but the system will pay for itself in savings within 1.22 years. The following is a summary of the cost savings at St. Luke's Hospital:

ST. LUKE'S EPISCOPAL HOSPITAL, TEXAS CHILDREN'S HOSPITAL, TEXAS HEART INSTITUTE

PROJECTED PAYBACK OF JC-80

	Estimated savings [1] February 1978 to January 1979	Estimated payback [2] (years)	Actual savings [3] February 1978 to January 1979	Estimated payback [2] (years)
I. Savings based on 20 percent reduction of chilled water meter reading:				
Chilled water	$330,769		$324,484	
Steam [4]	(2,688)		624	
Subtotal	328,081		325,108	
Maintenance contract	(30,000)		(30,000)	
Subtotal	298,081	2.43	295,108	2.46
Cost adjustments	204,324		299,007	
Total	502,405	1.44	594,115	1.22
II. Savings based on 25 percent reduction of chilled water consumption:				
Chilled water	$398,215		$324,484	
Steam [4]	(2,688)		624	
Subtotal	395,527		325,108	
Maintenance contract	(30,000)		(30,000)	
Subtotal	365,527	1.98	295,108	2.46
Cost adjustment	271,770		299,007	
Total	637,297	1.14	594,115	1.22

[1] Based on 1st 3 mo (February, March, and April 1978) actuals.
[2] The cost of the JC-80 used in calculating the payback period was $724,619.
[3] Actual savings during 1st twelve mo of JC-80 operation (February 1978 through January 1979).
[4] Assumed a 5 percent reduction.

Mr. Speaker, private hospitals such as St. Luke's do not need government plans to tell them how to save money. The free enterprise system is built on individual know-how and drive. The hospital industry's voluntary effort is proving that private plans can succeed without bureaucratic interference.

In calling for a reduction in health care costs, it is also necessary to remember that medical care today is expensive due to the factors that have contributed to inflation in a–1 areas of the economy: Unstable world-wide economic conditions; energy shortages; balance of payments ups and downs; high labor costs; government deficit spending; devaluation of the dollar. In addition, the American public perceives their health care system somewhat differently than those calling for more government cost control. A 1978 Gallup Poll revealed that: 90 percent of Americans express satisfaction with their most recent visit to a physician; 69 percent feel they can pay for ordinary health care costs; 51 percent feel confident they can pay costs incurred during a major illness.

Furthermore, almost all services relating to everyday living have risen higher than medical care. For example, the 1979 Consumer Price Index (1967=100) revealed that medical care was at

237.7. The cost of housing maintenance and repairs is at 255.5. Automobile repairs have reached 242.0 and postal charges have gone up to 257.3.

It is easy for Congress and Federal officials to criticize, yet our own house is not in order. Politicians and bureaucrats point fingers at health care spending, yet the Federal budget for fiscal year 1980 has been estimated to reach $690 billion compared to a mere $10 billion in 1940. Less than 20 years ago the Federal budget was still below $100 billion; it had taken the Nation 186 years to reach that spending level. In the next 9 years, Federal spending went up another $100 billion; in 4 more years, another $100 billion; 5 years later spending exceeds half a trillion.

Since 1940, when Federal Government was collecting $77 per person, our taxes have increased 26 times over to an average of $2,013 per capita in 1979. Taxes rose by $225 or almost 13 percent from 1978. This year's increase follows tax hikes of 12 percent in 1978 and 19 percent in 1977.

In comparison to the horrendous growth of government, the increase in hospital expenditures does not seem so overwhelming. Congress should concentrate on curbing its own spending habits before passing more regulation for an industry which is actually proving it can cut costs through voluntary planning efforts. I have yet to see this trend in Congressional or Federal spending.

WHAT WE DID ON HIS VACATION

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, as we return from the August recess, I think that many of us might feel somewhat the same as young people returning to school from summer vacation. Certainly many parallels can be drawn. Among the similarities, of course, is the desire of Members to "show and tell" their vacation experiences. Since so much has happened to all of us, I take the opportunity this morning to invite the attention of the Members to Art Buchwald's column of Sunday, September 2, in the Los Angeles Times entitled, "What We Did on His Vacation," and I insert this column at this point in the RECORD.

WHAT WE DID ON HIS VACATION

WASHINGTON.—Some people read the newspaper this summer and some people didn't. Hammacher, who was in Maine, didn't, so I had to help him catch up on what went on.

"What did I miss?" he wanted to know as he unpacked his rubber raft and outdoor cooking utensils from the trunk of his car.

"It was a very quiet summer," I assured him. "President Carter came back from Vienna and Japan and announced he had a major speech on energy. Then he went to Camp David and decided to go fishing instead."

"Did he catch anything?"

"No, but a lot of people came up to Camp David to tell him he was a lousy President."

"I'll bet he didn't like that," Hammacher said.

"On the contrary, he seemed to enjoy it. When he finally came down from the mountain he went on television and told us what everyone said he was doing wrong. Then he revealed the energy crisis was real and he was going to take strong measures to do something about it."

"What did he do?"

"He fired Califano, the Secretary of Health, Education and Welfare."

"It sounds like he meant business."

"He did. The President said he was very worried about the malaise in the country so he planned to go out every week and meet with the real American people instead of those who work for him in Washington. It was a real shot in the arm for the people in Kansas City."

"What about his energy program?" Hammacher wanted to know.

"Well, Congress had to go home on vacation, so the President said there was no hurry and he'd deal with the urgent energy crisis when they came back."

"That was good of him. What did he do next?"

"He booked himself and Rosalynn and Amy on the Delta Queen, a paddle wheeler, and took a 10-day ride down the Mississippi."

"That was a good idea, especially since there wasn't anything going on in Washington."

"Right. But while he was jogging around the deck of the Delta Queen, U.N. Ambassador Andy Young met secretly with the PLO in the Kuwaiti ambassador's apartment. When the State Department found out about it, Andy didn't tell them what had happened, so State got miffed and called the President and said Young had to go. Andy resigned and all the black leaders in the United States got mad at Israel."

"You're making all this up."

"There's more. The Southern Christian Leadership Conference decided to take over the negotiations in the Middle East. The President was very upset about this because he had sent Bob Strauss to the Middle East to see if he could get Egypt and Israel to agree on a U.N. resolution.

"Strauss thought he was in charge of the Middle East, but the President passed word from the Delta Queen that Vice President Mondale was in charge. Secretary of State Vance got mad at this, so Jody Powell, the President's press secretary, said there was a mistake and Vance was in charge. Strauss then said he wanted to be an unpaid ambassador to the Middle East so he could practice law on the side. Mondale decided he wanted to visit China, and the Rev. Jesse Jackson has offered to meet with Yasser Arafat of the PLO when he comes to New York."

"Isn't there any good news that happened this summer?" Hammacher wanted to know.

"Yes, Carter told his Bible class a few weeks ago that when he went to South Korea in late June he tried to make President Park a Christian."

"Now I know you're pulling my leg," Hammacher said.

I looked at him sadly. "Believe me, I wish I were."

TOO SWEET NOW

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEDERER. Mr. Speaker, the House will probably consider the controversial sugar bill, H.R. 2172, sometime in the near future. I am pleased to report that newspapers from throughout the Nation have exposed the bill for what it is—an inflationary outrage.

Hundreds of editorials have been written in opposition to the bill. They have appeared in small and large newspapers in all parts of the Nation—even in "sugar country."

Another excellent editorial appeared in the New York Journal of Commerce last Friday. I include the editorial in the RECORD for the edification of my colleagues.

TOO SWEET NOW

What shared interest brings together such seemingly diverse groups as Common Cause, the National Restaurant Group, the Consumer Federation of America, the Independent Bakers Association, and the American Association of Retired Persons? These groups, plus such other strange bedfellows as the Community Nutrition Institute, the National Council of Senior Citizens, Public Citizen/Congress Watch, the Soft Drink Association, and the U.S. Cane Sugar Refiners Association, are united in opposition to the sugar price support bill reported out by the House Ways and Means Committee before Congress left for its August vacation.

The bill, approved earlier after weeks of agonizing by the House Agriculture Committee, would use import fees and quotas to increase the price of foreign sugar, which sells at lower prices than American, to 15.8 cents a pound for the 1979 crop year. In addition, to help small U.S. producers, it would provide direct payments of up to a half-cent a pound with a limit of $50,000 a producer. The bill would allow the sugar price objective to increase by up to 7 percent in 1980 and 1981.

The measure also would bring into force the International Sugar Agreement, under which sugar stocks would be accumulated or released in an effort to keep the world price between 11 and 21 cents a pound.

The wonder is not that sugar price support legislation should be in trouble—consumer groups and sugar users were successful in obtaining the last-minute defeat, 194–177, of a 1978 compromise House bill raising sugar subsidies—but that it should stand any chance at all. There are after all, no more than 12,000 beet sugar producers and 2,000 cane sugar producers in the United States, fewer than 1 percent of all American farmers. "More acreage in our country is devoted to sunflower seeds than to sugar," says Nicholas Kominus of the U.S. Cane Sugar Refiners Association.

Arguments against increasing sugar subsidies center in their heavy cost to consumers at a time of sharply rising prices for almost everything else. Alfred E. Kahn, the president's chief inflation fighter, has said that every 1-cent increase in the price of domestic sugar means $250 million to $300 million directly out of consumer pockets and as much as $150 million to $200 million indirectly.

By way of contrast, imported sugar which now accounts for half the American market, commands far lower prices than the U.S. product. Sugar can be produced abroad in many areas for 8 cents a pound and landed in this country for 10.5 cents. This is two-thirds the 13 to 14 cents domestic growers say it costs them to produce sugar and the 14.73 cents they have been receiving as price support, which they claim is too little.

The mystery of how such a tiny fraction of U.S. farmers could command such political clout is easily answered. Although few in number, they come from nearly half the states. Moreover, they enjoy the active support of such important figures as Sen. Frank Church, D-Idaho, who heads the Senate Foreign Relations Committee; Sen. Russell B. Long, D-La., who heads the Senate Finance Committee; and Rep. Al Ullman, D-Oreg., who heads the House Ways and Means Committee.

In addition, the sugar growers have struck an alliance with corn growers and refiners whose liquid sweeteners, particularly high fructose corn syrup, are growing in use and

benefit from rising sugar prices. This adds another block of states to the legislative lineup.

For two years President Carter used opposition to a rise in the price of sugar as a symbol of his administration's determination to wage war against higher farm and food prices. But early this year he caved in, agreeing to give the growers much, if not all, they had asked. He apparently had become convinced that he could no longer oppose the big guns of Congress who had the seniority and committee posts affecting much of the administration's legislative program.

Complicating the situation is the growth of the government-held sugar surplus acquired under grower loan programs. Some 200,000 short tons, which the Department of Agriculture is trying desperately to get rid of, were acquired by the Commodity Credit Corp. under the 1977 loan program. The figure is expected to grow to more than 1 million tons when additional sugar is surrendered under the 1978 program. With some of the stored sugar approaching the age at which it starts to deteriorate, the government is hard pressed not only to find buyers but satisfactory storage facilities.

By law, the CCC is prohibited from selling the stored sugar at less than 105 percent of the current loan level plus transportation and handling charges. That puts the floor right now at just under 14 cents a pound. The CCC is also obligated to make its sales so as not to disrupt the market. That means, in the minds of government officials, wide geographical dispersion of the sales.

The CCC could sell its sugar at less than 15 cents—if the stored product had begun to deteriorate or if it were used for a non-food or non-traditional use. That has prompted Publicker Industries Inc., a Philadelphia maker of industrial alcohol as well as whisky and other distilled spirits, to propose a deal. It would take the government's surplus sugar at 8 cents a pound convert it to fuel-grade alcohol, mix it with gasoline, and sell it as gasohol.

Sugar growers know they can't sell the $140 million cost to the Treasury as a grower subsidy. But, at a time of dwindling gasoline supplies and long lines at service stations, such an expenditure might be justified as a necessary cost of developing a substitute fuel. That, at least, appears to be the motivation of Sen. Church, who has urged speedy consideration of the offer.

But the alliance between consumer groups and sugar users seems determined to resist. When consumers already are paying $1.3 billion a year to protect U.S. sugar growers, they say, there is no justification for even more expensive protection. We agree.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Chairman, I was unavoidably detained off the floor during rollcall No. 440, the vote on the amendment offered by the gentleman from Florida (Mr. YOUNG) to prohibit indirect aid to the Central African Empire, Cambodia, Laos, and Vietnam. Had I been present, I would have voted "yes."

□ 1910

THE 40TH ANNIVERSARY COMMEMORATION OF THE INVASION OF POLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the month of September marks the 40th anniversary of the invasion of Poland and the beginning of the most tragic and destructive war in the history of the world—World War II. On September 1, 1939, the forces of Nazism invaded Poland from the West and on September 17, the forces of communism invaded Poland from the East.

Throughout history, Poland has served as a bulwark of Christian civilization in Europe, restraining the Tartars and the Turks as they plundered and pillaged across the continent.

In the fall of 1939, there was no one to protect Poland or to preserve her civilization, and this long-suffering land became a nation without a state, a tyrannized and persecuted country, deprived of half its territory and millions of its people. Alone and unaided, the 830,000 soldiers and officers of the Polish Army fought heroically against the overwhelming odds and inhuman terror unleashed by the invaders.

Thousands of Polish infantry, Navy, and Air Force troops, forced to flee the military might of the invaders, joined the allies and took up arms once more in France, Norway, North Africa, Italy, and Sicily. As the regular army slowly disintegrated with the country, an underground movement developed, directed by the Polish Government-in-exile. Stray divisions of the Polish Army together with civilian men, women, and children, intrepidly destroyed enemy planes, ammunition dumps, bridges, and other military installations.

Often forced to survive for months, or even years, in forests and mountains, members of the resistance and the Polish populace at large reacted consistently with spirit and conviction. Refusing to betray their national honor and collaborate with the enemy, 6 million Poles preferred self-respect and death to capitulation and cringing life. The nation lost close to one-quarter of her population, and the romantically beautiful city of Warsaw, the Polish Capital, was leveled to the ground.

Millions of Poles suffered deportation and imprisonment in labor camps in Siberia and Asiatic Russia, as the Communists systematically attempted to destroy Polish cultural and religious life. Even in 1945 there was no peace for Poland. Absorbed by Soviet imperialism, the Poles have continued to fight for personal liberty and national integrity.

Those who have emigrated to the United States have brought with them their love of liberty and their respect for law and order. They have contributed much socially, economically, politically, and culturally, to the advancement of our Nation, and have helped make the United States one of the greatest countries in the world.

I take this opportunity, Mr. Speaker, to give recognition to the great number of Polish Americans who reside in the 11th District of Illinois whom I am proud to represent in the Congress. They form a substantial part of the group of solid hard-working American citizens who are the backbone of our country. As we again observe this anniversary in the House of Representatives, I am honored to join Americans of Polish descent in Chicago and all over the Nation in their hopes and prayers for the reentry of Poland into the community of free nations. The long-suffering Polish people still look to a strong America for moral support in their continuing struggle to achieve their just aspirations to national liberty.

Mr. Speaker, free peoples all over the world must never weaken their vigilance against the encroachments of Communist totalitarians, and George F. Will recently wrote a thought-provoking article on this subject in the August 30, 1979, edition of the Washington Post. His article on the spiritual weakness of the Western nations on September 1, 1939 follows:

WESTERN WEAKNESS AND WAR

It is regrettable, if understandable, that Sept. 1 will pass with much less notice in the United States than in Europe. At dawn, Sept. 1, 40 years ago, German troops crashed into Poland. Seventeen million combatants and many millions of civilians would die in the next six years. But John Lukacs, the historian, writes: "The outbreak of no other great war in the modern history of Europe caused so little surprise." And unlike in 1914, Europeans went to war with resignation rather than enthusiasm.

It is arguable (and A. J. P. Taylor does argue) that the Second World War actually began in April 1932, when Mao Tse-tung declared war on Japan in the name of the Kiangsi soviet. Americans think the war began Dec. 7, 1941.

What did begin 40 years ago was (in the words of the title of Lukacs' superb history) "The Last European War: September 1939/December 1941." This war, as Lukacs says, was the decisive phase of the larger war. If Hitler had beaten Britain or Russia then, he would have won the war.

He came close in Russia. On Oct. 15, 1941, there was the first traffic jam in the history of the Soviet Union as government officials and others privileged enough to have cars fled east. Others scrambled to buy German-Russian dictionaries. Lukacs believes, "A single German parachute regiment could have taken Moscow." After 1941, with the United States in the war, Hitler could not win, and since 1941 the destiny of Europe has depended on two extra-European powers, the United States and the U.S.S.R.

In 1917, Germany sent Lenin into Russia. In 1939, Germany, with the Nazi-Soviet pact, brought Stalin into Europe. These two deeds help explain why, as Lukacs says, the rising importance of the eastern, relative to the western, half of the continent is a major theme of European history in this century.

The war in the West began slowly. Six years before Hiroshima, the British pulled 300-year-old howitzers from museums, the French sent to Finland some guns used in the Crimean war, and the Norwegian navy included a warship commissioned in 1858. King George VI practiced pistol shooting in the garden at Buckingham Palace.

British and German troops did not meet until April 20, 1940, in Norway. In the first 15 months of the war, there was only one small Allied victory on land, at Narvik, Norway. But Hitler's victory in Norway brought Churchill to power, and his invasion of Norway and Denmark helped dissipate isolationist feelings in the American Middle West, home of many people of Scandinavian extraction.

Hitler understood better than his enemies the revolution in warfare wrought by the internal combustion engine. Some of his troops even used Michelin guides in their invasion of France. But Germany's use of mechanized forces does not fully explain its devastating successes early in the war.

In 1938, Britain was, for the last time, the principal factor in world politics. In 1938, France had five allies, at least in theory, and Germany had none. But it is widely and wrongly assumed that the German army swept to early victories in the West because it had overwhelming material advantages.

It had some. But in 1939 German aircraft production was about the same as British production. German tank production was less than British production. The British and French navies were larger than the German navy, and Germany did not launch a ship larger than a destroyer during the war.

The crucial point is that in the last European war, as Lukacs says, equipment told: but never apart from the martial qualities. As Lukacs says, Hitler "was one of the most terrifying creators of national confidence."

The Second World War began because of the moral more than the material weaknesses of the democracies. The two kinds of weaknesses often go together. Forty years later there is rising anxiety about the provocative weakness of the West. Consider, for example, the swift transformation of the SALT II debate. During three weeks of hearings in July, it became a debate about how to rectify the U.S. military weaknesses that SALT II reflects and ratifies.

It is another sign of the uneasy times that on the 40th anniversary of the beginning of war in Europe, the fiction best-seller list includes a novel written as a warning by some British NATO officers and advisers. Its title is "The Third World War: August 1985." ●

THE GULF OF MEXICO DISASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, the attention of the world has been focused on the immense disaster caused by the passage of Hurricane David through the Caribbean. No one yet knows the extent of the physical damage, nor even the number of lives lost. The great storm is, beyond any doubt, as great as any natural disaster of its type, and it must call forth from us not only our sympathy but our technical, material, and financial help.

At the same time, before, during, and after the great storm, the Gulf of Mexico has been subjected to a manmade disaster, the greatest oilspill of all time. Up until June 3, the worst ocean oilspill had been the wreck of a tanker, *Amoco Cadiz*, last year. That shipwreck loosed a million and a half barrels of oil. But the oil flowing in the Gulf of Mexico today makes that disaster laughable by comparison. Since June 3, the Ixtoc I oil well in the Bay of Campeche has been blowing out something like 30,000 barrels of oil a day. No one knows when the well can be brought under control. No one knows what the final damage will be, but it is certain that this is an environmental disaster for which no one is prepared, to which no one has responded adequately, and that requires an extraordinary response from Congress.

This particular disaster has revealed the frozen indifference of the Governor of Texas, his own conflicts of interest, his attempts to deny that there is even a problem and finally his arrogant disregard for the people of Texas. Beyond that the blowout has revealed the same kind of indifference by the Government of Mexico, whose own officials have deep financial involvements in oil exploration and in this particular well, whose pride prevents them from accepting sound advice, admitting the scale of this catastrophe, or even from doing what they can do limit the damage. In their arrogance, they will not provide necessary technical information, not permit foreign experts a free hand in dealing with the situation, nor even permit their own workers the freedom of action to put forth a maximum effort.

On our side, the U.S. Government has a pitiful $4 million allocated to deal with this disaster. Because of the limited resources, no effort at all is being made to keep oil off the beaches of Texas, with the result that 150 miles of beach area have so far been fouled. The only real defense is being put up in coastal inlets, where booms and skimmers are used to try to hold the oil out of estuaries and ecologically fragile areas—the marshes and wetlands, the cradles of the rich sea life of the gulf.

This disaster originated on June 3 at a drilling platform in the Bay of Campeche. The well was being drilled for PEMEX, the Government oil monopoly of Mexico.

As it happened, the drilling platform was owned by SEDCO, a company founded by Governor Clements, and which is operated by his son. The platform was leased to Permargo, a company owned by the director general of PEMEX. Perhaps it was these financial interests of the PEMEX official, Jorge Diaz Serrano, and those of Governor Clements, impelled them both to claim that the blowout of IXTOC I was no great thing, though they both knew that in fact the well was uncontrollable and would spew into the sea the greatest amount of oil ever spilled. Even today, 3 months after the blowout, no one is certain when or how the well can be controlled. Yet PEMEX engineers complacently claim that there has been no great damage, that the well will be controlled in a day or two, and that the flow of oil has been shut back to a mere 10,000 barrels per day.

It is too much to expect that the Governor of Texas, with his immense financial interests in the offshore drilling business in general and in Mexican exploration in particular, and in the blown out Campeche Bay well specifically, could ignore his interests or subordinate them to his official duty. With this conflict of interest, it is only natural that Governor Clements would react in the same way that the Mexican officials did—to deny that there is much of a problem, to resist preparation for dealing with the disaster, to hold back on seeking disaster aid, to denounce those who recognize the responsibility of his Mexican business partners, and to react with rage when anyone reminds him of his business and financial connections.

It was only a few days ago that Governor Clements found himself compelled to admit that a disaster has occurred, and that Federal assistance should be provided to the persons who have suffered economic losses from this disaster.

It is clear, however, that the Federal programs that are now available never contemplated a catastrophe of this scope or complexity. Special circumstances like this one call for special responses.

There needs to be, in the first instance, coordination of Federal, State and local efforts to cope with the drifting oil in the Gulf of Mexico. This could be done through the establishment of a coordinating body that would at a minimum include the Coast Guard, the Commerce Department, the Small Business Administration, the Corps of Engineers, appropriate State and local government representatives, and a number of citizens from the affected areas.

There needs to be consideration of new statutes to provide financial relief to people whose businesses have suffered economic damage, just as surely as if they had been struck by some natural disaster.

There needs to be action by the U.S. Government to determine what domestic entities, if any, have some liability for this accident, and action to recover from those interests suitable redress. Those responsible ought to be held duly accountable.

There needs to be leadership from our Government to establish an international agreement to determine financial responsibility for oil accidents that damage coastal areas. An international agreement on oil accidents is needed, just as urgently as any agreement on the law of the sea.

Incredibly and unforgivingly, in the face of this great disaster governmental response has been routine. Routine treatment is not sufficient, for this is not just another oil spill; it is by far the worst accident of its kind anywhere, anytime.

Congress has a responsibility to awaken the slumbering powers of Government, so that this crisis will get the attention that is necessary. I am preparing a bill to provide the powers that are needed to respond to this situation, and to express the will and determination of Congress that the emergency be given the urgent attention it requires. The complacency of both Austin and Washington in this situation is inexplicable and unforgivable.

There is no way to measure the amount of damage that has been, and will be done by the oil spill in the Gulf of Mexico. It is certain that the most beautiful beaches in America have been despoiled, that one of its prime fisheries is severely threatened, and that the whole ecological balance of the gulf may be permanently, disastrously affected. Recovery from this accident will cer-

tainly take years, and possibly decades. There is no time to allow for complacency. The need is for action now. Let the President invoke all the powers he can command to meet this crisis; let the Congress provide such additional powers as are needed. The need is immediate, the crisis is real, and the time to respond to it, is now.

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The June 1979 list includes:

NATIONAL DEFENSE

Army's FY 1980 Programs for Procuring Conventional Ammunition, Modernization, and Expansion. Acc. No. 109703, LCD-79-416, June 15.

Army Plans to Modernize the Rock Island Arsenal May Be Inappropriate. Acc. No. 109559, LCD-79-418, June 6.

Inadequate Methods Used to Account for Personnel in DOD's Transportation Function. Acc. No. 109550, FPCD-79-38, May 25.

The Multinational F-16 Aircraft Program: Its Progress and Concerns. Acc. No. 109722, PSAD-79-63, June 25.

Efforts to Charge for Using Government-Owned Assets for Foreign Military Sales: Marked Improvement But Additional Action Needed. Acc. No. 109558, FGMSD-79-36, June 1.

Navy Shipyard Accounting System Needs Improvement. Acc. No. 109552, FGMSD-79-34, June 6.

Letter reports

Review of Army AN/APR 39 contract with E-Systems, Inc. Acc. No. 109589, PSAD-79-77, May 30.

The price of Navy's prime subcontract to Pratt & Whitney in Bridgeport, West Virginia, was overstated by about $525,000. Acc. No. 109631, PSAD-79-84, June 13.

Problems in the military's test and evaluation of six weapon systems should be resolved. Acc. No. 109720, PSAD-79-86, June 25.

Projected savings for proposed realignment of the Aerospace Defense Command have decreased. Acc. No. 109730, LCD-79-119, June 25.

Information obtained for wife of Air Force Captain reported missing over Hanoi in 1972. LCD-79-121, June 26.

INTERNATIONAL AFFAIRS

Background Information Bearing Upon Panama Canal Treaty Implementing Legislation. Acc. No. 109557, ID-79-33, June 4.

Meeting U.S. Political Objectives Through Economic Aid in the Middle East and Southern Africa. Acc. No. 109530, ID-79-23, May 31.

Examination of Financial Statements of the Inter-American Foundation for FY Ended September 30, 1978 and 1977. Acc. No. 109622, ID-79-29A, June 14.

ENERGY

Federal Facilities for Storing Spent Nuclear Fuel—Are They Needed? EMD-79-82, June 27.

Energy-saving Strategies for Federal Procurement. Acc. No. 109646, EMD-79-68, June 19.

The Nation's Nuclear Waste—Proposals for Organization and Siting. EMD-79-77, June 21.

Issues Related to Foreign Oil Supply Diversification. Acc. No. 109697, ID-79-36, May 31.

Policy Needed to Guide Natural Gas Regulation on Federal Lands. Acc. No. 109649, EMD-78-66, June 15.

Nuclear Power Costs and Subsidies. Acc. No. 109680, EMD-79-52, June 13.

Increased Productivity Can Lead to Lower Costs at Federal Hydroelectric Plants. FGMSD-79-15, May 29.

Factors Influencing Size of the U.S. Strategic Petroleum Reserve. Acc. No. 109645, ID-79-8, June 15.

Natural Gas Reserves Estimates: A Good Federal Program Emerging, but Problems and Duplications Persist. Acc. No. 109648, EMD-78-68, June 15.

Letter reports

Profile of Energy Department employees. Acc. No. 109529, EMD-79-53, May 1.

What caused the delay in the permit process for the California pipeline project sponsored by the Standard Oil Company of Ohio? Acc. No. 109699, EMD-79-75, June 5.

The Energy Department should reconsider the rationale for charging the Air Force the full cost for producing depleted uranium penetrators. Acc. No. 109729, PSAD-79-88, June 13.

The Defense Logistics Agency can improve its management of bulk petroleum products. Acc. No. 109624, LCD-79-218, June 14.

The Department of Energy should do more to foster contracting with small business. EMD-79-63, June 26.

NATURAL RESOURCES AND ENVIRONMENT

Water Supply for Urban Areas: Problems in Meeting Future Demand. Acc. No. 109630, CED-79-56, June 15.

Federal Leasing Policy—Is the Split Responsibility Working? Acc. No. 109747, EMD-79-60, June 4.

Letter reports

Allegations that Federal agencies providing disaster assistance had failed to collect monies from victims' insurance policies. Acc. No. 109739, CED-79-90, June 18.

State and local governments should retain ownership of lands within the Golden Gate, Gateway, and Cuyahoga Valley national recreation areas if they can protect and manage the lands adequately. Acc. No. 109668, CED-79-98, June 19.

AGRICULTURE

Computation of Average Market Price of Rice Questioned—Independent Evaluation and Unimpeded GAO Access to Records Needed. Acc. No. 109719, CED-79-85, June 25.

COMMERCE AND HOUSING CREDIT

Selected FCC Regulatory Policies: Their Purpose and Consequences for Commercial Radio and TV. Acc. No. 109651, CED-79-62, June 4.

Letter reports

Military exchange services should discontinue using the Military Postal System for transfers of foreign made goods. Acc. No. 109745, LCD-79-213, June 1.

The Delano Relay Station was selected to back up the Voice of America's Satellite system because of its superior antenna system. Acc. No. 109704, ID-79-42, June 20.

A more accurate inventory of commercial tankers needs to be developed. LCD-79-215, June 29.

TRANSPORTATION

Communication and Management Problems Hinder the Planning Process for Major Mass Transit. Acc. No. 109533, CED-79-82, June 5.

COMMUNITY DEVELOPMENT

Decisive Government Action Needed to Resolve Problems of Community Action Programs in Los Angeles. Acc. No. 109632, HRD-79-91, June 11.

Examination of Financial Statements of the National Flood Insurance Program December 31, 1977. CED-79-70, June 1.

Letter reports

Portland, Oregon's use of Community Development funds to match Land and Water Conservation funds is legal. Acc. No. 109590, CED-79-89, June 4.

The Interstate Commerce Act would have to be amended to allow independent carriers to haul for private fleets and maintain their independent status. Acc. No. 109698, CED-79-99, June 15.

How valid were relocation payments to tenants residing in a boatyard acquired by the Fish and Wildlife Service in Alviso, California? Acc. No. 109738, CED-79-95, June 15.

Information on the effectiveness of the Economic Development Administration's Title IX program is lacking. CED-79-104, June 28.

SOCIAL SERVICES

Rehabilitating Blind and Disabled Supplemental Security Income Recipients: Federal Role Needs Assessing. Acc. No. 109556, HRD-79-5, June 6.

Letter reports

Should preceptual and visual training be included as a CHAMPUS benefit? Acc. No. 109513, HRD-79-81, May 31.

Several problems restrict agencies' ability to meet the requirements of the Federal Equal Opportunity Recruitment Program. Acc. No. 109560, FPCD-79-62, June 19.

HEALTH

Better Regulation of Pesticide Exports and Pesticide Residues in Imported Food is Essential. Acc. No. 109731, CED-79-43, June 22.

Hospital Loan Assistance Programs: Actions Needed to Reduce Anticipated Defaults. Acc. No. 109743, HRD-79-64, June 27.

Legislative and Administrative Changes Needed in Community Mental Health Centers Program. Acc. No. 109529, HRD-79-38, May 2.

Letter reports

HEW's Smokenders Program estimate of $1.5 million in costs to the taxpayers is too high. Acc. No. 109553, HRD-79-93, June 6.

Railroad Retirement Program—How Does it Compare to Other Selected Retirement Programs? Acc. No. 109573, HRD-79-41, June 8.

Multiple Problems With 1974 Amendments to Federal Employees' Compensation Act. Acc. No. 109591, HRD-79-80, June 11.

Part-time and Other Federal Employment: Compensation and Personnel Management Reforms Needed. Acc. No. 109532, FPCD-79-19, June 5.

ADMINISTRATION OF JUSTICE

The Interstate Organized Crime Index. Acc. No. 109516, GGD-79-37, May 25.

Actions Needed to Improve Military Chain of Command and Inspectors General Grievance Procedures. Acc. No. 109592, FPCD-79-23, June 11.

Letter reports

Justice Department's handling of a complaint alleging restraints of trade on independent theaters by large motion picture companies. Acc. No. 109623, GGD-79-76, June 14.

GENERAL GOVERNMENT

Science and Engineering Manpower Forecasting: Its Use in Policymaking. Acc. No. 109742, PSAD-79-75, June 27.

Grand Auditing: A Mass of Inconsistency, Gaps, and Duplication That Needs Overhauling. Acc. No. 109700, FGMSD-79-37, June 15.

Firesafety Violations in Two Buildings Leased by GSA. Acc. No. 109549, LCD-79-312, May 22.

IRS Can Better Plan for and Control its ADP Resources. Acc. No. 109647, GGD-79-48, June 18.

Federal Seed Money: More Careful Selection and Application Needed. Acc. No. 109705, GGD-78-78, June 22.

Recommendations of the Commission on Government Procurement: A Final Assessment. Acc. No. 109521, PSAD-79-80, May 31.

Senate Barber Shops Revolving Fund for Calendar Year 1978. Acc. No. 109534, GGD-79-66, June 5.

Audit of the Financial Statement of Federal Crop Insurance Corporation, FY 1978. Acc. No. 109127, CED-79-22, May 31.

Examination of Financial Statements of Federal Home Loan Bank Board for 1978 and 1977. Acc. No. 109701, GGD-79-72, June 21.

Letter reports

Guidelines for effective management and operation of Executive Branch legislative liaison offices. Acc. No. 109643, FPCD-79-41, April 6.

Monitoring incoming telephone calls at GSA's service centers could help insure that accurate information is provided to the public. Acc. No. 109548, HRD-79-62, May 1.

VA's planned replacement of the Austin, Texas, data processing center's equipment is not warranted. Acc. No. 109644, FGMSD-79-27, May 23.

The proposed computerized National Recipient System needs further study. Acc. No. 109514, HRD-79-88, May 29.

Release of impounded funds for the Energy Department. Acc. No. 109520, OGC-79-12, May 30.

The Export-Import Bank can improve its internal accounting controls and operational efficiency. Acc. No. 109519, ID-79-34, June 1.

GAO comments on Labor's "Price Behavior of Products Under Import Relief." Acc. No. 109551, ID-79-37, June 5.

GSA should reduce its leasing rates to the Equal Employment Opportunity Commission for office space in Los Angeles. Acc. No. 109555, LCD-79-316, June 6.

Why don't small businesses use SBA's occupational safety and health loan program? Acc. No. 109746, HRD-79-82, June 6.

Space problems and lack of adequate funds and staff at the Federal Labor Relations Authority have impeded efforts in organizing the agency. Acc. No. 109599, FPCD-79-67, June 11.

The Federal Trade Commission should expedite the processing and issuance of consent orders—legally binding promises by businesses to stop or correct certain practices. Acc. No. 109613, HRD-79-94, June 13.

Repairs to the National Mall due to the American farmers' demonstration will cost the Federal Government about $220,900. Acc. No. 109646, CED-79-100, June 14.

The Director, Administrative Office of the U.S. Courts, should determine the most cost-effective method of implementing a standard fiscal operation system in all U.S. courts where automation is warranted. Acc. No. 109702, FGMSD-79-30, June 21.

Impoundment of funds for the Department of Interior's Geological Survey. Acc. No. 109741, OGC-79-13, June 26.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, room 1518, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275-6241.●

LEGISLATION TO AMEND EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing comprehensive legislation to insure that the surviving spouses are adequately protected under private pension plans. My bill amends the Employee Retirement Income Security Act of 1974 (ERISA).

Women currently fare badly under private pensions. Although ERISA significantly reformed private pensions, it was developed with an eye to the problems men traditionally faced under the system. Women are now participating in the labor force in record numbers, but their employment patterns are still different from those of men. Because of child-bearing and child-care responsibilities, women tend to work part time and to leave the labor force for long stretches of time much more frequently than men. Because of this, comparatively few women work long enough to qualify independently for pension benefits. Thus, most women are entitled to pension benefits only after their husbands die, as surviving spouses under these pension plans. It is critical, therefore, that survivor's benefits be adequate. Currently ERISA falls short on this count.

Many wives have assumed they would be entitled to receive benefits under their husbands' pension plans and are rudely surprised to find this is not so. Many husbands assume the same. But several provisions of ERISA deny this protection to hundreds of thousands of women.

First, even if an employee's benefits are fully vested, his spouse is not entitled to any survivor's benefits if he dies before reaching earliest retirement age or 10 years before the normal retirement age. And even if the employee reaches early retirement and chooses to continue working, in order for his survivor to be protected in the event that he dies before reaching normal retirement age, the employee must affirmatively elect joint and survivor coverage within a given period of time. This means that the employee must be aware of the need to elect and know how to proceed.

When an employee lives to normal retirement age, ERISA provides that his survivor is automatically entitled to survivor's benefits after his death. Even then, however, the survivor may be left unprotected because the employee has an absolute right to decide, without the knowledge or consent of his wife, to forego joint and survivor's coverage in return for higher retirement benefits.

A woman married to an employee who leaves a job where his pension is fully vested is entitled to survivors benefits only if her husband retires completely. Under ERISA, if he takes another job instead, she is entitled to no survivor's benefits.

Even those who do receive survivor's benefits often find them inadequate. Under ERISA, the payment may be as little as one-half of the payments that would have been made as a joint annuity to the employee and the survivor. For example, if an employee is entitled to $100 a month from his pension plan, and elects joint and survivor coverage, the payment to him and his spouse is then reduced to $80 a month. If the employee who is receiving the pension then dies, according to IRS interpretations, the surviving spouse may receive as little as $40 a month. If the spouse dies first, the employee continues to receive the $80 a month. The lower benefits for the survivor have proven totally inadequate.

My bill addresses these problems in several ways. First, it provides that if the employee is married, he and his spouse will be deemed to have elected the joint and survivor's option unless they submit a statement by both parties that they do not want this coverage. At any later time, this decision may be reversed in the same manner. This means that the survivor will be automatically protected as soon as benefits are fully vested unless there is a joint decision to forego this protection.

In addition, the bill requires that at full vesting, an employee must be told that his pension is vested, that he has the option of joint and survivor coverage and what the implications of such coverage is in terms of level of benefits.

The bill will also require that when pension benefits are fully vested and an employee leaves his job, his survivor is entitled to benefits whether he takes another job or completely retires.

The bill addresses the problem of inadequate survivor's benefits by providing that the survivor's benefits can be no less than three-quarters of the joint and survivor benefit.

In addition, the bill corrects two other inadequacies in the present system. Currently IRS requires that the spouse be married to the participant for 1 year prior to death and 1 year prior to retirement. This means that if an employee gets a divorce after retirement and then remarries, neither spouse gets the benefits for which the emeployee agreed to receive reduced payments. My bill requires only that the spouse be married to the employee 1 year before election of joint and survivor's benefits.

Finally, my bill removes the current forfeiture of survivor's benefits when the employee dies within 2 years of electing joint and survivor coverage.

I think this bill would go a long way toward providing adequate survivor's coverage. I urge its prompt enactment.●

EXTENSION OF FUNDS FOR MEDICAID FRAUD UNITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

○ Mr. PEPPER. Mr. Speaker, I introduce for appropriate reference a bill to

extend Federal funding of State medicaid fraud control units for 2 more years.

There are few people in Washington who would quarrel with the notion that fraud and abuse is a serious problem in medicare and medicaid. Hearings by the House Select Committee on Aging, of which I am chairman, and by the Senate Committee on Aging have provided ample evidence.

In response to these disclosures of massive fraud, the Congress created the Office of Inspector General in the Department of Health, Education, and Welfare in 1976. In 1977, the Congress passed the medicare and medicaid antifraud and abuse amendments which, among other things, authorized Federal funds to States to help establish local units to ferret out fraud. The idea to set up these units originated with Val J. Halamandaris, an expert in this field, who now serves as special counsel to our committee.

Unfortunately, only 25 States have been able to take advantage of the Federal funds so far with the deadline of October 1, 1980, fast approaching. Several States have informed our staff that they would like to establish fraud units if they can have some assurances of funding for more than 1 year. Accordingly, my bill would extend Federal funding through October 1, 1982.

I have been pleased with the success of some of these State units, notably, the New York unit headed by Deputy Attorney General Charles J. Hynes. I hope that my bill can be enacted so that the war against fraud and abuse can continue.●

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, as a result of the public financial disclosure reporting requirements of Public Law 95-521, the Ethics in Government Act of 1978, and the new House rule on financial disclosure, I had tentatively decided that it was no longer necessary to file an annual public financial disclosure of my personal finances in the CONGRESSIONAL RECORD.

However, since an interest still is being expressed in the form of disclosure which I have been reporting since 1963, and since this disclosure does differ in important respects from the report which we are required by law and by the House rules to file, I am continuing my practice of placing in the CONGRESSIONAL RECORD a report on my financial condition which covers the calendar year 1978.

My report also includes the amount of Federal, State, and real estate taxes paid in 1978:

STATEMENT OF FINANCIAL CONDITION, DECEMBER 31, 1978

Cash account with the Sergeant at Arms, House of Representatives	$455.56
Cash	$19.15
Securities	None
Residential real estate:	
Arlington house and lot (1977 assessed evaluation)	112,900.00
Less mortgage	24,462.32
Equity	88,437.68
House, Sun Prairie, Wisconsin	29,000.00
Plus improvements	1,766.00
Lot	1,200.00
Total	31,966.00
Less first mortgage	16,474.44
Less second mortgage	4,500.00
Total	20,974.44
Equity	10,991.56
Household goods and miscellaneous personalty	7,500.00
Miscellaneous assets, deposits with U.S. civil service retirement fund through December 31, 1978, available only in accordance with applicable laws and regulations	54,798.03
Additional retirement fund deposit, 1976	1,130.00
Cash surrender, value of life insurance	None
On life of Robert W. Kastenmeier	544.00
On the life of Dorothy C. Kastenmeier	400.00
Donaldson Run Deposit	----------
Automobiles:	
1976 Oldsmobile	2,500.00
1978 Mercury	5,500.00
Total assets	172,275.98
Less personal notes outstanding, National Bank of Wash	3,500.00
Net assets	168,775.98
Income for calendar year 1978:	
Gross rent, Sun Prairie Home	2,290.00
Income total	2,290.00
Taxes paid:	
1978 Federal	11,571.15
1978 State (Wisconsin)	4,174.00
1978 City of Sun Prairie real estate taxes	870.12
1978 Arlington County real estate taxes	1,877.85
Total taxes paid	18,493.12

I also am reporting on the separate estate of my wife, Dorothy C. Kastenmeier, which is not subject to my control and thus, not necessarily required to be reported. Fair values are estimated and certain interests in property are subject to life estates in others:

Unimproved land, 129 acres Chireno, Tex	$10,000.00
Unimproved land, 160.5 acres Nacogdoches, Tex	10,000.00
Frame House and lot, 413 Myrtle Street, Nacogdoches, Tex	12,000.00
Lot and Building, 106 Marilyn Street, Nacogdoches, Tex	12,000.00
158 Shares Fredonia State Bank, Nacogdoches, Tex	6,320.00
Total	50,320.00
All interest in minerals and timber subject to life estate of others:	
Rental income	675.00
Lease income	80.25
Total	755.25

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THE CONDOMINIUM CONVERSION CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 5 minutes.

● Mr. ROSENTHAL. Mr. Speaker, the United States is rapidly heading toward the worst national housing crisis since the shortage that followed the end of World War II. A leading cause of this crisis is the widespread and growing practice in our cities of converting rental housing to condominiums. The short-term consequence of this practice is the forced displacement of thousands upon thousands of elderly, low- and moderate-income families from their apartments. Condominium conversions have also severely reduced the availability of rental housing in many metropolitan areas, pushing rents in existing buildings to record highs. The long-term consequence of the condominium conversion crisis, unless national action is taken soon, will be the disappearance of private rental housing in the United States.

This future described above is not inevitable. The Federal Government can take steps to prevent the forced displacement of millions of tenants and halt the decay of the rental housing market. The Condominium-Cooperative Conversion Moratorium Act of 1979 would start us on the road to reversing the current dangerous trend. This bill would:

First: Effectively prohibit the conversion of rental housing to condominiums and cooperatives for a 3-year period—long enough to give a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions time to study the situation, recommend solutions, and get national legislation passed to deal with the problem.

Second: Ease the difficulties faced by displaced tenants by requiring developers to provide them with relocation assistance and by providing tax relief to tenants who are forced to move as a result of the conversion of their building to a condominium or a cooperative.

Third: Force localities to either regulate the conversion process or guarantee adequate housing to displaced tenants by placing restrictions on community development block grants.

Fourth: Would reduce the tax incentives that currently encourage conversion and would increase the tax advantages of owning and rehabilitating rental housing.

The Condominium-Cooperative Conversion Moratorium Act of 1979 will not solve the Nation's housing crisis. But it will be an essential first step in the direction of a solution.

THE ROOTS OF THE CRISIS

Condominiums—individually owned housing units in multiunit projects—are not a new form of housing. Documents unearthed in the Near East reveal that the owner of a two-story house in ancient Babylonia sold the first floor to another family while retaining title to the second floor. Condominiums were popular during the Middle Ages and have long been common in Europe and Latin America.

They were first introduced to the United States when Puerto Rico enacted laws permitting condominium ownership in 1951. By 1966 all 50 States had passed legislation to permit condominium ownership.

The purchaser of a condominium acquires full title to his unit plus an undivided interest in the project's common areas—such as the parking lot, hallways, recreation facilities, and the land under the building. Condominiums differ from cooperatives, which are owned by nonprofit corporations whose shareholders own an undivided portion of the entire building and who have the right to occupy individual units. Condominiums offer purchasers the tax advantages of single-family home ownership while allowing them the conveniences of apartment living, such as ease of maintenance and proximity to urban centers. In addition, condominiums are often less expensive than detached homes, making the benefits of property ownership available to a larger share of the population.

In 1970 there were only 85,000 condominium units in the United States. By 1975 this figure had climbed to 1,340,000 units. Roughly a quarter of all for-sale housing starts in 1973 and 1974 were for condominiums. HUD's most recent estimate (1975) was that close to 4 million Americans reside in condominiums. HUD estimates that within 20 years half the population of the United States will be living in condominiums.

The real problem lies not with condominium development but with condominium conversion. Conversion is the process whereby a developer takes a previously completed rental property and turns it into a condominium. Conversions are popular, according to HUD, because of the "large potential profits which can be made in a relatively short period of time * * *" Rapidly rising construction costs and a shortage of land zoned for multifamily housing have made conversion more appealing to the developer than new construction. In addition, the tax reforms of 1969 provided an incentive for conversion by reducing the tax advantages of purchasing used rental property. Provisions in the 1976 Tax Reform Act covering accelerated depreciation also made it more difficult for landlords to make a profit from rentals.

Profits from condominium conversions can be enormous—returns can run from 50 to 500 percent, and profits can usually be turned in 3 to 6 months for the developer with a proven track record. When a conversion takes place almost everyone makes money on it. Real estate agents realize new commissions, to the tune of $16 million annually in Chicago alone. Lawyers collect closing fees. Title insurance firms must conduct a title search on each unit. Banks make high-interest loans and enjoy a quick turnover of mortgage money.

With millions of dollars in easy money to be made by condominium conversions, it is no wonder that "condomania" is sweeping our Nation's cities. HUD estimated that over 100,000 units were converted to condominiums between 1970 and 1975. Housing experts say there were 50,000 conversions in 1977 and over 100,000 in 1978. Projections for 1979 range from 130,000 to 250,000. But these nationwide statistics mask the extent of conversion in specific cities. According to a recent report in Forbes magazine, "condomania" is gobbling up close to 50 percent of the for-sale markets in southern California, Chicago, and Washington, D.C., and over half in southern Florida and San Francisco. Citicorp Real Estate reports that the conversion trend is broadening and becoming significant in new markets. Cities which reported virtually no conversions last year are experiencing booms this year. The following table lists conservative estimates of conversion trends in 18 U.S. cities.

ESTIMATED CONVERSIONS BY CITY, 1977–79

City	1977	1978	1979 (projected)
Atlanta	----------	299	2,000
Boston	----------	3,000	2,000
Chicago	16,000	24,000	30,000
Dallas	1,000	1,000	1,000
Denver	1,000	4,000	8,000
Detroit	----------	1,000	2,500
Houston	13,000	5,000	1,500
Los Angeles-Orange County	1,000	3,000	7,000
Miami-Fort Lauderdale	----------	2,000	2,000
Minneapolis-St. Paul	1,500	2,000	3,000
New York [1]	10,500	20,500	34,000
Philadelphia	----------	500	2,000
Phoenix	----------	1,000	2,000
San Diego	1,000	2,000	3,000
San Francisco-Oakland	1,500	2,000	2,000
Seattle	1,000	4,000	2,000
Tampa-St. Petersburg	----------	2,500	2,500
Washington, D.C.[2]	4,000	7,500	12,000

[1] Includes cooperatives.
[2] Includes suburban area.

Sources: U.S. Housing Markets, Apr. 20, 1979, Forbes, Nov. 13, 1978.

THE CONSEQUENCES OF CONVERSION

The immediate effect of a condominium conversion is the displacement of tenants who cannot afford or do not wish to purchase their unit. Many renters, especially the elderly, cannot afford to pay for apartments that often cost more than 150 times their monthly rent. HUD in 1975 found that the monthly cost of owning a condominium unit (including mortgage interest, property tax payments, and maintenance fees) went up an average of 30 to 35 percent over the previous monthly rent. Subsequent studies in specific communities have found increases of over 50 percent. These cost increases impact most severely on the elderly and on those with low or moderate incomes. The District of Columbia's Housing Market Analysis in 1976 found that the typical D.C. tenant, who had been spending 26 percent of his income on rent, would have to spend 70 percent to own his converted apartment. Costs of converted units continue to soar. In Chicago's prime rental areas units that sold for $50 to $60 a square foot in 1977 went for $100 to $200 a square foot in 1978. For apartments whose monthly costs were $360 as recently as 1976, the mortgage and maintenance costs per month came to over $800 last year.

The higher costs of converted units adversely affect many tenants: persons without accumulated wealth, particularly those of average or lower than average income; young persons who expect to move as their family grows; persons who prefer to rent, usually through personal choice or because they are at a stage in life where mobility is important; and older persons with locational attachments and no desire or need to accumulate the equity or take advantage of the tax breaks that condominium ownership brings.

The elderly, those who can least afford to move, are the major victims of condominium conversion. A study conducted in Washington, D.C. by the Center for Urban Policy Research at Rutgers found that the typical displaced tenant was over 60, had a small household and an income under $10,000 a year (chiefly from social security and pensions), and had lived in the same apartment for more than 5 years. Purchase of the unit would have increased their housing costs to almost 53 percent of their income, and was out of the question.

The magnitude of the displacement problem is enormous. HUD found in 1975 that an average of 80 percent of rental tenants moved rather than bought their converted units. Those who move face a host of problems. First, forced moves often result in severe social and psychological disruptions. A study by the National Council of Senior Citizens of elderly low- and moderate-income tenants in Washington, D.C. found that the bulk of the displaced tenants found it harder to see their families, go to church, and visit their doctors after moving. Close to half of the respondents experienced ill health effects which were often described more particularly as depression, mental distress, and great anxiety. Second, forced moves can wipe out the savings of many lower and moderate income families. According to the American Movers Conference a typical intercity move costs several hundred dollars. This can be devastating to a low-income elderly household. Third, and perhaps most important, displaced tenants often find it difficult to find new housing, and the apartments they do find usually charge higher rents. The National Council of Senior Citizens' survey found that close to one-fourth of the respondents took 4 or more months to find substitute housing, and close to three-fourths of the displaced low- and moderate-income elderly paid at least 20 percent more for rent when they moved. Conversions can thus break up stable neighborhoods. A study in Evanston, Ill., found that the average tenant in a building undergoing conversion had lived in the town for over 20 years, yet over half of the displaced tenants expected to leave Evanston. As HUD concluded in 1975:

> In a city where rental vacancy rates are low and where rental units are occupied by elderly, who are often on fixed incomes, and by low- and moderate-income families, the displacement potential of this conversion process appears awesome.

The second major consequence of condominium conversion is the depletion of rental housing stock and subsequent rent increases in remaining apartments. HUD observed that most conversions occur in areas with already low rates of

rental vacancy. Because conversions lead to a decreased supply of rental units while not decreasing the demand for them, rents in alternative buildings tend to rise and become higher than prior to conversion. At the same time, today's reduced rate of home building and continued high prices for housing have forced more people into the rental market. The result is that condominium conversions force rental vacancy rates down to critically low levels.

According to HUD's Economic and Market Analysis Division when a rental vacancy rate (the percentage of available rental housing in a community) falls below 5 percent, "market parity is destroyed and tenants are forced to pay higher rents than they can afford, accept housing below previous standards, or uproot their family and move to different jurisdictions with higher vacancy rates." A look at Chicago and Washington, D.C. shows that condominium conversions are largely responsible for the depletion of rental housing stock in those cities. Chicago neighborhoods where conversions are rampant have rental vacancy rates varying from less than $.25 percent (Hyde Park) to nearly 1 percent. Evanston, where 13 percent of the rental property has been converted, has experienced a drop in its rental vacancy rate to 0.5 percent, and rents have risen as high as 60 percent in some buildings. In suburban Oak Park conversions of 15 percent of the rental units have reduced the rental vacancy rate to less than 1 percent. Conversions on Chicago's North Side have forced rents up nearly 50 percent, and so lucrative is the conversion boom that only four new apartment buildings have gone up in Chicago in the past 4 years.

The situation is similar in Washington, D.C. In 1970, the vacancy rate stood at 4.4 percent, or 22,300 units. Between 1970 and 1974, 20,000 rental units were converted to condominiums, and very few new buildings were constructed for rental purposes. The result: a vacancy rate of 1 percent, or 5,000 units—making the Nation's capital perhaps the Nation's tightest rental market.

Condominium conversions clearly create a vicious cycle in the rental housing market of a city. They occur where a shortage of adequate rental units already exists, thus panicking many people into buying converted units. This reduces the availability of rental housing even further, and drives up the rents in remaining apartments. The combination of lower vacancy rates and higher rents then prompts another round of "condomania." In short, the demand for many converted condominiums is partially artificial—created by shortages that have been created by developers. As a study in Hyde Park, Ill., concluded:

> If there were no such thing as condominium developers, and the only time a building was converted into condominiums was when tenants wanted them, there would be few condominiums in Hyde Park. . . . The demand for condominiums in Hyde Park does not exist apart from the insufficient supply of rental units.

The forced nature of most conversions means that a high percentage of tenant purchasers does not necessarily indicate acceptance of the conversions. While only 20 percent of the tenants purchase in an average conversion, the percentage who purchase their converted units often runs somewhat higher. Yet many of these tenants are reluctant purchasers. Faced with the choice of buying or being evicted, they buy even if they feel they cannot afford to. The Palo Alto condominium conversion study in 1974 found that approximately 75 percent of the tenants who purchased bought because they were afraid they would not find another apartment to rent in Palo Alto, which had a rental vacancy rate of close to 1 percent. They also feared that if they moved to another building, it too would soon be converted to a condominium. The Hyde Park study found a similar percentage of reluctant purchasers. The situation in Chicago—where the number of conversions climbed from 3,100 in 1974 to 24,000 in 1978—has deteriorated to the point where Forbes magazine conducted in November 1978 that "a middle-class would-be apartment tenant wishing to live in the city has little alternative to condo purchase."

THE END OF RENTAL HOUSING?

The crisis caused by condominum conversion in Chicago and Washington, D.C. are rapidly spreading to other cities. New York, Los Angeles, San Francisco, and Miami all have vacancy rates around 2 percent, and all are experiencing a boom in condominium conversions. In Manhattan the squeeze is so severe that it is forcing tenants to double and triple-up, to fight for the privilege of paying $700 a month for one-bedroom apartment, and to make illegal payoffs to agents and managers. Nationwide the rental vacancy rate has fallen to 4.8 percent, the lowest it has been since the housing shortage that followed the end of World War II.

Projections for the future are even dimmer. Many are now predicting the demise of private rental housing in the United States. Former HUD Secretary Robert Weaver wrote earlier this year that rental housing is now an "endangered species." Urban housing expert George Sternlieb told the House Subcommittee on General Oversight and Renegotiation that "we are presiding over the end of the classic rental housing industry." And Chicago real estate investor Samuel Zell predicts that within the next 10 to 15 years, thanks to condominium conversions, there will be no more rental apartment buildings in the United States:

> Today, the cheapest housing deal in Chicago is still to rent. It's a bargain. Even when you consider all the tax writeoffs when you buy, it's more expensive to buy. This will last for the next 12 to 36 months. But in 5 to 10 years, so many apartments will have gone condo that nationwide, people will start paying a premium for the privilege of renting.

Continued reductions in the supply of private rental housing would be a social and economic disaster for the country. It would drastically reduce geographic mobility, and by restricting people's freedom to move and live where they want, would diminish opportunities for upward social and economic mobility as well. An ever-increasing proportion of Americans are in transition: from one part of the country to another, from bachelorhood to marriage, from job to job. Many people in flux cannot be tied down to a mortgage and cannot take on the responsibilities of homeownership; 26 million households—1 in every 3—either must or prefer to rent today. To allow condominium conversions to continue unabated would deprive these households of a large degree of their freedom. As George Sternlieb warns,

> Ours is a society that depends on mobility and that depends upon flexibility. It is a society in which people are not going to die in the same job they started with. And more and more they are not going to spend most of their lives even in the same metropolitan area that they started out with. And the greatest facilitator of that flexibility clearly is the availability of rental housing rather than having to buy in.

The decline in rental housing stock will also mean that more and more Americans will be forced to pay a greater percentage of their income on housing. Currently, the average household spends one-fourth of its income on housing—a standard that has already priced more than half of the families in the market for new homes out of that market. As housing costs continue to outpace increases in personal income, we are going to become more like the Europeans, who pay 40 to 45 percent of their income for housing. The consequences of such a situation could be catastrophic. Millions of middle-class families will find their disposable income cut by one-fourth to one-half. This in turn will generate massive new demands on the Federal Government for goods and services traditionally provided by the private sector. The United States would increasingly come to resemble England—where two-thirds of the rental housing supply is publicly owned and taxes are soaring out of control to pay for it.

THE NEED FOR NATIONAL LEGISLATION

A number of cities and States have taken steps to deal with the problems caused by condominium conversion. Legislation to assure the quality of conversions and protect condominum purchasers from fraud and other abuses has been passed in several States. A few localities have attempted to restrict conversions. New York City and San Francisco allow conversions only when 35 percent or more of the tenants in a project agree to purchase their units. Palo Alto and Washington, D.C. restrict conversions when the rental vacancy rate falls below a specified percentage. A law just passed in New York State prohibits the eviction of elderly tenants who refuse to purchase their converted unit if they meet certain eligibility requirements. The building is allowed to go condo, but the elderly tenants are allowed to stay on as renters. Montgomery County protects tenants from early eviction. Alameda, Calif. requires developers to pay moving expenses to tenants displaced by conversions.

Yet these local regulations are the exception rather than the rule. Although they do provide some protection to tenants and some restrictions on conversions, very few of them adequately deal with the crisis at hand. Vacancy rates by and large continue to decline, rents continue to soar, and conversions continue unabated. Even though "condomania" is spreading across the country few areas have laws to deal with it. Many municipalities are just now beginning to realize the extent of the problem, and most are reluctant to act because of pressure from real estate interests and a belief that condominiums will produce more revenues from property taxes (not true in all cases). By the time our cities and States realize a crisis exists thousands more units will have been converted and thousands of tenants displaced. Once an apartment goes condo it is effectively lost to the rental market forever.

The Federal Government has a responsibility to deal with the conversion crisis. Our national housing policy commits the Government to insuring a decent home and suitable living environment for every American family. We are already spending billions of dollars to provide rental housing for the poor, and numerous Federal programs seek to increase the supply of rental housing. Federal leadership in regulating the conversion process in order to preserve and create new rental opportunities clearly has ample policy precedent. Since local and State action has been minimal and inadequate, national legislation must be passed now to halt displacement and prevent the demise of the rental housing industry.

THE CONDOMINIUM-COOPERATIVE CONVERSION MORATORIUM ACT OF 1979

The Condominium-Cooperative Conversion Moratorium Act of 1979 is an essential first step in protecting displaced tenants and preserving rental housing. The bill if enacted would cost the Government virtually nothing, yet it would go a long way toward alleviating the conversion crisis and preventing us from experiencing the kind of future that continued unregulated conversions would bring.

Title I of the legislation would effectively prohibit condominium and cooperative conversion for a 3-year period. By placing restrictions on the use of federally related loans, Federal assistance, interstate commerce, and the mails, this bill would provide the Nation with the time necessary to study the crisis in rental housing without committing us to a specific course of action. Without a moratorium, conversions will continue at such a pace that in many communities the question will become moot before legislation and regulations are enacted. It may already be too late for Chicago and Washington, D.C. To allow conversions to continue while the administration and Congress study the issue for several years would only spur developers on to convert quickly before restrictions are imposed (in the 7 months prior to enactment of the Chicago Condominium Conversion Ordinance more than 7,000 units were converted to condominiums). A moratorium is not without precedent. Over 15 cities—including Washington, D.C., San Francisco, Seattle, Palo Alto, Skokie, and San Jose—have enacted moratoria on conversions while they considered legislation. The moratorium would include cooperative housing—currently popular in relatively few cities—because restrictions on condominiums alone might cause developers to convert to co-op instead. The construction of new condominiums and cooperatives will in no way be affected.

Title II of the bill establishes a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions. The Commission is to be composed of representatives of consumer organizations, labor unions, tenant groups, builders, and urban planners. It will have 1 year to study the issue and report its findings and recommendations to the Congress. Congress and the President will then have 2 years in which to pass regulations and legislation.

The need for an independent commission becomes apparent when one examines HUD's efforts (or lack thereof) with regard to conversions. An amendment to the Housing and Community Development Act of 1974 required HUD to investigate the problems associated with condominiums and cooperatives. Although the 1975 study downplayed abuses in the condominium industry and overlooked many aspects of the conversion crisis, it did make clear that serious problems existed. Yet HUD has done virtually nothing about condominium conversions since. Department officials admit that they do not even have any idea how many conversions have occurred since 1975. Clearly, the situation must be studied by an independent group of experts who are not all tied to the same special interest groups and industries.

Title III of the Condominium-Cooperative Conversion Moratorium Act would require developers to provide relocation assistance to tenants displaced by conversions (by prohibiting a developer from receiving federally related loans or Federal assistance unless he contracts with each tenant to pay for moving expenses up to $400). Haywood, Alameda, Palo Alto, and San Francisco, Calif.—as well as Washington, D.C.—currently require that developers provide assistance to tenants they have forced out of their building. This provision will lease some of the burdens of moving, thus cutting down somewhat on the number of forced purchases of condominium units. It will also reduce the developer's profit and give him less of an incentive to convert.

Title III also prohibits community development block grants from going to localities that do not either restrict conversions or guarantee adequate rental housing to displaced low- and moderate-income tenants. A major purpose of the Housing and Community Development Act is to preserve low- and moderate-income housing. Yet condominium conversions are removing units from the low- and moderate-income housing stock faster than Federal subsidies could ever replace them. By barring CD block grants from communities unless HUD determines that the locality does not permit the conversion of low- and moderate-income rental units to condominium or cooperative units for higher income persons (unless all of the persons displaced are assured of decent rental housing at rents similar to those existing in the units from which they were forced out), the bill would give added protection to displaced tenants as well as providing an impetus for communities to control conversions.

Title IV makes three changes in the U.S. tax code with respect to conversions. First, it provides tax relief to displaced tenants by allowing low- and moderate-income housholds to deduct moving expenses paid or incurred in connection with a move if within 90 days of the move the unit is converted to a condominium or a cooperative housing unit. Second, it amends the Internal Revenue Code to make the profits from conversion treated as ordinary income, not capital gains. This should reduce developers' incentive to convert. Third, title IV improves the tax incentives for owning and rehabilitating rental property. The section of the tax code which allows for depreciation deductions for the rehabilitation of low-income housing is amended to include all forms of rental housing, and the amount of deduction that can be claimed is increased from $30,000 to $50,000. Just as present tax laws encourage conversions to condominiums, so title IV should encourage the maintenance and improvement of rental housing.

This is not a complete solution to the condominium conversion crisis. The Presidential Commission called for in the bill will have to devise long-term plans for preserving rental housing and protecting displaced tenants. But the bill will provide time for a review of the problem without allowing things to deteriorate. It will also provide some modest relief to displaced tenants and will create disincentives for conversion while strengthening the incentives for maintaining rental property.

Unless this Congress desires the forced displacement of millions of elderly and low- and moderate-income tenants from their homes, unless we wish to further restrict the mobility of Americans by allowing the rental housing supply to continue to dwindle, and unless we want to witness in our lifetimes the death of private rental housing in the United States and the onset of a costly government-owned and run rental housing industry, we must begin to control and restrict the conversion of rental property to condominiums and cooperatives. We cannot afford not to act.

The text of my bill follows:

> A bill to prohibit for three years the conversion of residential rental units to units in condominiums or cooperatives; to establish a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions; to provide relocation assistance to low- and moderate-income persons occupying rental units which are converted to condominium or cooperative units; to deny community development block grants to communities which contribute to the shortage of housing for low- and moderate-income persons by permitting condominium and cooperative conversions without appropriate restrictions; and to amend the Internal Rev-

enue Code of 1954 to treat gain from such conversions as ordinary income, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "Condominium-Cooperative Conversion Moratorium Act of 1979: For Tenant Protection and for the Preservation of Rental Housing".

TITLE I—CONDOMINIUM-COOPERATIVE CONVERSION MORATORIUM

PROHIBITION OF THE USE OF FEDERALLY RELATED MORTGAGE LOANS FOR CONDOMINIUM OR COOPERATIVE CONVERSIONS

SEC. 101. (a) During the period specified in section 104, no lender may make a federally related loan which is to be used, directly or indirectly, with respect to the—

(1) conversion of residential rental units to units in a condominium or cooperative project; or

(2) purchase of a unit in a condominium or cooperative project which has been converted, after the date of the enactment of this Act, to such a unit from a residential rental unit.

(b) Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan association or similar institutions shall inform such institutions that any Federal approval, insurance, or other form of Federal assistance made available to them is conditioned on their compliance with the provisions of subsection (a).

PROHIBITION OF THE USE OF FEDERAL ASSISTANCE FOR CONDOMINIUM OR COOPERATIVE CONVERSIONS

SEC. 102. During the period specified in section 104, no Federal grant, loan, insurance, or other form of assistance may be utilized, directly or indirectly, with respect to—

(1) the conversion of residential rental units to units in a condominium or cooperative project; or

(2) units in a condominium or cooperative project which have been converted, after the date of the enactment of this Act, to such units from residential rental units.

CRIMINAL PENALTY FOR THE USE OF THE MAILS OR INSTRUMENTS OF COMMUNICATION OR TRANSPORTATION IN INTERSTATE COMMERCE IN CONNECTION WITH CONDOMINIUM CONVERSIONS

SEC. 103. (a) During the period specified in section 104, no person may make use of any means or instruments of transportation or communication in interstate commerce or of the mails with respect to—

(1) the converting of residential rental units to units in a condominium or cooperative project; or

(2) the sale of any such units which have been so converted after the date of the enactment of this Act.

(b) Any person who violates the provisions of subsection (a) shall be fined not more than $50,000 and imprisoned not more than 5 years, or both.

TIME LIMIT

SEC. 104. The provisions of this title shall apply only during the period beginning on the date of the enactment of this Act and ending three years thereafter.

DEFINITIONS

SEC. 105. For purposes of this title—

(1) the term "cooperative project" means any real estate (and improvements thereon) owned by an organization in which the members are entitled to the use of a unit in the building as a result of owning an interest in the organization;

(2) the term "condominium project" means any real estate (and improvements thereon) which has portions designated as units for separate ownership and the remaining portions designated for common ownership solely by the owners of such units, with each owner having an undivided interest in the common elements; and

(3) the term "federally related loan" means any loan which—

(A) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is regulated by any agency of the Federal Government;

(B) is made, in whole or in part, under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency of the Federal Government;

(C) is intended to be sold by the originating lender to the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or a financial institution from which it is to be purchased by the Federal Home Loan Mortgage Corporation; or

(D) is made in whole or in part by any creditor, as defined in section 103(f) of the Consumer Credit Protection Act, who makes or invests in residential real estate loans aggregating more than $1,000,000 per year.

TITLE II—PRESIDENTIAL COMMISSION

SEC. 201. (a) The President of the United States shall establish a Commission on Problems Relating to Condominium-Cooperative Conversions (hereinafter referred to as the "Commission").

(b) The President shall, not later than 30 days after the date of the enactment of this Act appoint 11 members to the Commission. In appointing these members, the President shall provide that at least the following groups are represented:

(1) consumer organizations;

(2) labor unions, especially the construction trades;

(3) tenant organizations;

(4) builders; and

(5) urban planners.

(c) The Commission shall study the problems resulting from the conversion of residential rental units to units in condominium or cooperative projects. After completing such study, the Commission shall report, no later than 13 months after the date of the enactment of this Act, to the Congress its findings, conclusions, and recommendations concerning solutions to such problems.

(d) The Chairman of the Commission shall be elected by its members, and the Commission shall meet at times and places specified by the Chairman.

(e) The Chairman stall appoint, to the extent of funds available, staff members to assist the members in carrying out their duties.

(f) The head of each Federal instrumentality shall cooperate, to the maximum extent practicable, with the Commission in supplying information requested by the Commission.

(g) No salary shall be paid the members of the Commission, but they shall be paid per diem expenses, to the extent of funds available, while carrying out the duties of the Commission.

(h) The Commission shall terminate after it has made the report described in subsection (c).

TITLE III—ASSISTANCE FOR PERSONS DISPLACED BY CONDOMINIUM-COOPERATIVE CONVERSIONS AND RESTRICTIONS ON COMMUNITY DEVELOPMENT BLOCK GRANTS

ASSISTANCE FOR DISPLACED PERSONS

SEC. 301. (a) After the period described in section 104 of this Act, no lender may make a federally related loan, as defined in section 105 of this Act, which is to be used, directly or indirectly, with respect to the conversion of residential rental units to units in a condominium or cooperative project, as defined in such section, unless the person who is to carry out such conversion certifies (and provides sufficient supporting material for such certification) to the lender that such person has entered into, or made an offer to enter into, a contract (with each of the households lawfully in possession of and not in default with respect to the units which are to be so converted) which obligates such person to pay (prior to the beginning of the construction associated with such conversion) such household for actual and reasonable moving expenses up to $400.

(b) Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall inform such institutions that any Federal approval, insurance, or other form of Federal assistance made available to them is conditioned on their compliance with the provisions of subsection (a).

(c) After the period described in section 104 of this Act, no Federal instrumentality may make any grant, loan, insurance, or other form of assistance available with respect to the conversion of residential rental units to units in a condominium or cooperative project, as defined in section 105 of this Act, unless the person who is to carry out such conversion certifies (and provides sufficient supporting material for such certification) to the Federal instrumentality providing the assistance that such person has entered into, or made an offer to enter into, a contract (with each of the households lawfully in possession of and not in default with respect to the units which are to be so converted) which obligates such person to pay (prior to the beginning of the construction associated with such conversion) such household for actual and reasonable moving expenses up to $400.

(d) Any person who knowingly presents any false information with respect to making the certifications described in subsections (a) and (c) shall be fined not more than $50,000 or imprisoned not more than 5 years, or both.

RESTRICTION ON COMMUNITY DEVELOPMENT BLOCK GRANTS

SEC. 302. Title I of the Housing and Community Development Act of 1974 is amended by adding the following new section at the end thereof:

"RESTRICTIONS ON CONDOMINIUM AND COOPERATIVE CONVERSIONS

"SEC. 121. (a) Notwithstanding any other provision of law, no grant may be made to a unit of government under this title unless the Secretary makes a determination that the unit of government does not permit the conversion of residential rental units for low- or moderate-income households to units for higher income persons in condominium or cooperative projects unless all of the persons displaced as a result of such conversion are assured of obtaining decent, safe, and sanitary rental housing with rental charges similar to those units from which such persons were displaced.

"(b) For purposes of this section—

"(1) the term 'cooperative project' means any real estate (and improvements thereon) owned by any organization in which the members are entitled to the use of a unit in the building as a result of owning an interest in the organization;

"(2) the term 'condominium project' means any real estate (and improvements thereon) which has portions designated as units for separate ownership and the remaining portions designated for common ownership solely by the owners of such units

with each owner having an undivided interest in the common elements; and

"(3) the term 'low- or moderate-income households' means households whose incomes do not exceed 100 percent of the median income for the area as determined by the Secretary with adjustments for smaller and larger households, except that the Secretary may establish income ceilings higher or lower than 100 percent of the median for the area on the basis of findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low household incomes or other factors."

TITLE IV—AMENDMENTS OF THE INTERNAL REVENUE CODE OF 1954

SEC. 401. (a) Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for determining the capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1256. GAIN FROM CONVERSION OF RESIDENTIAL RENTAL PROPERTY INTO CONDOMINIUM OR COOPERATIVE HOUSING

"(a) GENERAL RULE.—If any property is disposed of in a disposition to which this section applies, the excess of—

"(1) the amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value of the property (in the case of any other disposition), over

"(2) the adjusted basis of such property, shall be treated as gain which is ordinary income. Such gain shall be recognized notwithstanding any other provision of this title.

"(b) DISPOSITIONS TO WHICH THIS SECTION APPLIES.—This section applies to any disposition by the taxpayer of a condominium or stock in a cooperative housing corporation if—

"(1) the condominium, or the dwelling unit to which such stock relates, is in a building which was residential rental property, and

"(2) such residential rental property was converted into a condominium project, or transferred to the cooperative housing corporation—

"(A) by the taxpayer, or

"(B) by any other person if the adjusted basis of the property in the hands of the taxpayer is determined (in whole or in part) by reference to the adjusted basis of such property in the hands of such other person.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) RESIDENTIAL RENTAL PROPERTY.—The term 'residential rental property' means any property which was residential rental property (within the meaning of section 167(j)(2)(B)) for any taxable year within the period of the 5 taxable years preceding the taxable year in which the disposition occurs.

"(2) COOPERATIVE HOUSING CORPORATION.—The term 'cooperative housing corporation' means a corporation which meets the requirements of subparagraph (B) of section 216(b)(1).

"(3) CERTAIN RULES MADE APPLICABLE.—Under regulations prescribed by the Secretary—

"(A) rules similar to the rules applicable under section 1245 (other than subsection (b)(4) thereof) shall be applied for purposes of this section, and

"(B) amounts treated as ordinary income under this section shall be treated in the same manner as amounts treated as ordinary income under section 1245."

(b) The table of sections for part IV of subchapter P of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1256. Gain from conversion of residential rental property into condominium or cooperative housing."

(c) the amendments made by this section shall apply to dispositions after the date of the enactment of this Act in taxable years ending after such date.

SEC. 402. (a) Section 217 of the Internal Revenue Code of 1954 (relating to moving expenses) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) SPECIAL RULES IN THE CASE OF CONDOMINIUM CONVERSIONS, ETC.—For purposes of this section—

"(1) IN GENERAL.—In the case of qualified condominium conversion moving expenses—

"(A) such expenses shall be treated as paid or incurred in connection with the commencement of work by the taxpayer as an employee at a new principal place of work, and

"(B) the limitations of subsection (c) shall not apply.

"(2) QUALIFIED CONDOMINIUM CONVERSION MOVING EXPENSES.—The term 'qualified condominium conversion moving expenses' means moving expenses paid or incurred in connection with a move from a dwelling unit rented by the taxpayer if—

"(A) within 90 days after the commencement of such move, such dwelling unit was converted into a condominium project or transferred to a cooperative housing cooperation (as defined in section 1256(c)(2)), and

"(B) the taxpayer's household is a low- or moderate-income household within the meaning of section 121(b)(3) of the Housing and Community Development Act of 1974."

(b) The amendment made by subsection (a) shall apply to amounts paid or incurred after the date of the enactment of this Act in taxable years ending after such date.

SEC. 403. (a) Subsection (k) of section 167 of the Internal Revenue Code of 1954 (relating to depreciation of expenditures to rehabilitate low-income rental housing) is amended—

(1) by striking out "January 1, 1982" each place it appears and inserting in lieu thereof "the termination date", and

(2) by adding at the end of paragraph (3) the following new subparagraph:

"(E) TERMINATION DATE.—The term "termination date' means the date 3 years after the date of the enactment of this subparagraph."

(b) Subparagraph (A) of section 167(k)(2) (relating to limitations) is amended by striking out "$20,000" and inserting in lieu thereof "$50,000".

(c)(1) Subparagraph (B) of section 167(k)(3) of such Code is amended to read as follows:

"(B) RENTAL HOUSING.—The term 'rental housing' means any building the dwelling units in which are held for occupancy on a rental basis."

(2) Subsection (k) of section 167 is amended—

(A) by striking out "low-income rental housing" each place it appears and inserting in lieu thereof "rental housing", and

(B) by striking out "LOW-INCOME RENTAL HOUSING" in the subsection heading and inserting in lieu thereof "Rental Housing".

(d) The amendments made by this section shall apply to expenditures made after the date of the enactment of this Act in taxable years ending after such date.●

IN SUPPORT OF THE DOE ORGANIZATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, today I am introducing a bill which will consolidate all of the solar energy research, development, demonstration, and commercialization activities in the Department of Energy under the authority of one Assistant Secretary for Renewable Energy Sources. Included also will be the conservation programs already located in the Office of the Assistant Secretary for Conservation and Solar Applications.

This legislation comes at a particularly opportune time as the Department of Energy is undergoing a change in leadership and a consequent reorganization. My proposed legislation has several significant impacts.

First, and most importantly, the chaos and disorganization caused by the present scheme of having solar energy programs scattered over the Department will have some chance of being resolved. The problems caused by the current organizational setup are staggering. One example has been the difficulty in creating and managing the Solar Energy Research Institute (SERI) and the Regional Solar Energy Centers (RSEC's). Organizationally, SERI has reported to the Assistant Secretary for Energy Technology and the RSEC's to the Assistant Secretary for Conservation and Solar Applications. This has resulted in almost no communication between SERI and the RSEC's and tremendous difficulty in developing their missions. SERI should concentrate on research and development as well as commercialization activities which require a nationwide perspective and the RSEC's should concentrate their efforts on the commercialization of solar technologies in their regions. It is critical that these two organizations work closely together on a day-to-day basis, something which has been made difficult, if not impossible, under the present arrangement.

A second impact is to remove an institutional impediment to bringing solar technologies into commercial use. The Department's present structure envisions solar technologies moving from the research stage through development and demonstration and finally to the marketplace while passing through the jurisdiction of three Assistant Secretary level officials. No bureaucrat likes to give up a project and the staff and budget that go with it. So under the present arrangement there is a built-in disincentive to move a solar technology along to next phase. There is always a little more research which can be done. My bill addresses that problem.

Further, there is the accurate public perception that with the solar energy effort spread all over the Department, that there is no one focal point for solar energy's constituency to direct its concerns. The bureaucratic shell game of sending inquiries from office to office and

denying knowledge or responsibility reigns supreme. This legislation will consolidate accountability as well as functions.

I urge your support and cosponsorship of this legislation. We cannot allow more time to slip by while we wait for the executive branch to get its bureaucratic act together.

The text of the bill follows:

H.R. 5169

A bill to amend the Department of Energy Organization Act in order to ensure that solar energy, renewable resources and energy conservation receive the highest national priority.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy Reorganization Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the Federal Government's renewable energy research, development, demonstration and commercialization programs have been managed in an ineffective and undirected manner;

(2) in order to meet the Nation's goals for the development and utilization of its renewable energy resources, such programs must be conducted in the most effective manner; and

(3) toward this end, the consolidation of all renewable energy research, development, demonstration and commercialization activities under the jurisdiction of a specified assistant secretary of energy should be undertaken.

(b) The purposes of this Act are—

(1) to achieve the more effective management of the Federal Government's renewable energy programs; and

(2) to provide increased awareness of and improved access to the Federal Government's activities in the development of the Nation's renewable energy resources.

AMENDMENTS TO THE DEPARTMENT OF ENERGY ORGANIZATION ACT

SEC. 3. (a) Section 203(a) of the Department of Energy Organization Act is amended by inserting the following new sentence immediately after the first sentence thereof:

"One of such Assistant Secretaries shall be entitled the 'Assistant Secretary for Renewable Energy Resources.' "

(b) Such subsection (a) is further amended by adding the following new sentence at the end thereof:

"The Assistant Secretary for Renewable Energy Resources shall be responsible for the functions specified under paragraphs (2)(A), (B), (C); and (9) and for all programs to make commercial use of such technologies.●

WE SALUTE PETER W. RODINO, JR., FOR HIS LONG AND CONSISTENT LEADERSHIP FOR HUMAN RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

● Mrs. COLLINS of Illinois. Mr. Speaker, members of the Congressional Black Caucus and leaders of civil rights organizations, such as the NAACP and PUSH, have identified the 1980 elections as representing a pivotal point in the struggle of blacks and other minorities for equality in the United States. To insure that the rights and protections set forth in our Constitution and laws are not diminished and are vigorously enforced, these groups must participate fully in the political process.

A massive voter registration and education drive is the method to achieve that end. The purpose of such an effort is to enable these constituencies to pierce the political rhetoric and to measure realistically an incumbent's or challenger's true commitment to equal rights.

The cardinal political rule is that one who fails to represent adequately his or her constituents' needs runs the risk of not being reelected. As Members of the national legislature, we are keenly aware of the voting records of our colleagues and of the enforcement efforts by the executive agencies on issues critical to minority communities. Furthermore, we are aware that many of our colleagues in the House represent districts with substantial numbers of blacks and other minorities; this is especially true in the South and in the major urban centers. We urge constituent organizations to share the records of Representatives with their members before the 1980 elections.

PETER W. RODINO, JR., dean of the New Jersey congressional delegation, represents a large urban area with a substantial minority population. This outstanding leader and statesman can proudly point to a distinguished career as a defender of human rights. He has consistently demonstrated his personal commitment to human rights since first being elected to the U.S. House of Representatives in 1948.

We would like to note some highlights of Mr. RODINO's record in support of human rights and to commend him for his continuing efforts.

The distinguished gentleman from New Jersey has remained steadfast in this commitment even when it was politically expedient to vote the other way. Prior to 1954 and the unanimous Supreme Court decision in Brown against Board of Education, Mr. RODINO voted against the dehumanizing doctrine of separate-but-equal. At a point in this country's history—1949—when it was socially, morally, and politically safe to support the status quo, he voted to integrate SPARS, the Women's Auxiliary of the Coast Guard. When, in 1952, Representative Rankin offered a bill to establish a Jim Crow Veterans Hospital, PETER W. RODINO voted no to such segregation.

Since 1950, Mr. RODINO has served on the House Committee on the Judiciary. This great committee has shaped the Civil Rights Acts of 1957, 1960, 1964, 1968, and the Voting Rights Act of 1965. This legislation has sought to fulfill the fundamental constitutional right of equal opportunity and protection of our laws. These laws were enacted because of: First, the contradictions between this Nation's stated principles, as set forth in the Constitution, and its practices; and second, the personal commitment and leadership of Representative RODINO and others to the principles of equal rights. Each succeeding Civil Rights Act has sought to extend the scope of protected rights, defining these rights with greater clarity and securing them for all through more effective enforcement techniques.

The Civil Rights Act of 1957 created the U.S. Commission on Civil Rights, an independent, nonpartisan, factfinding agency within the executive branch whose mandate is to report to the Congress and the President on discriminatory practices and to recommend solutions. The Commission and its 51 voluntary State Advisory Committees has become our national conscience and has made us more sensitive to discrimination on the basis of race, national origin, color, religion, sex, age, and handicap status. The 1957 act also established within the Department of Justice the Civil Rights Division to assure that civil rights violations could be effectively challenged by our chief law enforcer, the Attorney General.

Against the backdrop of freedom riders and nonviolent resistance, the 1964 Civil Rights Act prohibited discrimination in public accommodations. That and other provisions of the act are as vital today as they were in 1964: Title VI prohibits the use of Federal financial assistance to discriminatory programs and activities. Title VII, which established the Equal Employment Opportunity Commission, prohibits employment discrimination. Title X established the Community Relations Service within the Department of Justice to provide assistance to communities to resolve disputes or difficulties arising from discriminatory practices and conflicts over such issues as public school desegregation and charges of excessive use of force by the police.

The Civil Rights Act of 1968 addresses the rights and protections of native Americans. Title VIII of that act prohibits discrimination in housing. Enforcement of its provisions is the responsibility of the Department of Housing and Urban Development.

Mr. RODINO has played a critical role in guiding such legislation through the committee process and to final debate and action on the floor. At each stage in the legislative process, he has fought against amendments to gut or water down the provisions of civil rights legislation.

The right and the need for citizens to participate in the electoral process have long been advocated by the distinguished gentleman from New Jersey. As early as 1949, Mr. RODINO voted for a bill to abolish the poll tax. This tax, as well as other devices, were used to preclude blacks and Hispanics from full participation in the political process. Fortunately, the poll tax and other discriminatory practices were abolished by the Voting Rights Act of 1965, perhaps the most important civil rights bill of this century. Its coverage has been extended in 1970 and again in 1975.

In addition to a 7-year extension, the 1975 amendments broadened the act's coverage to extend the franchise to certain language minorities. These amendments were added after it became clear, in extensive hearings before the House Judiciary Committee, that language minorities, especially Hispanics, had been denied the right to full political participation.

Since 1973, Mr. RODINO has served as chairman of the House Judiciary Committee, carrying out his responsibilities thoughtfully and effectively. He has helped shape committee policy, and he has appointed a competent committee staff to address the myriad issues encompassed by the committee's jurisdiction. During Mr. RODINO's tenure as chairman, the committee has continued to generate legislation with important civil rights implications and has conducted effective oversight hearings on civil rights enforcement.

In our governmental system of checks and balances, oversight hearings enable the Congress to review the executive branch's successes or failures in carrying out and enforcing our laws. The Judiciary Committee, in meeting its oversight function, has reported to the Congress on some of the following issues: Fair employment practices of American corporations doing business in South Africa; the civil rights implications of revenue sharing; equal employment opportunities within the various bureaus of the Department of Justice, including the FBI, U.S. marshals, and Drug Enforcement Agency; and equal opportunities in housing.

During the 95th Congress, two important Judiciary Committee measures with civil rights implications were approved by the Congress—a proposed constitutional amendment granting full congressional voting representation to the District of Columbia and the Omnibus Judgeship Act.

As noted earlier, Chairman RODINO has always fought to extend the franchise to all American citizens. In most instances, obstacles have been removed through statutory enactments, such as the Voting Rights Act. For the 700,000 persons now residing in the District of Columbia, the obstacle is best removed by constitutional mandate. As approved by Congress, the District of Columbia amendment would give the District two Senators and the number of Representatives it would be entitled to if it were a State. With the leadership of the Judiciary Committee chairman, the proposed amendment was enacted by two-thirds of the House, as required by the Constitution. Efforts to diminish the amendment's purpose and intent were defeated both in committee and on the floor. Enactment in the House spurred Senate action; indeed, hearings had not even been scheduled in the Senate until final passage of the District of Columbia amendment in the House.

As dean of the New Jersey congressional delegation, Mr. RODINO has played a crucial role protecting the rights of New Jersey citizens in legislation enacted at the Federal level. His senior status has also enabled him to work cooperatively with the leadership of his State's legislature. It is this cooperation which explains, in part, why New Jersey was the first State to pass the District of Columbia voting rights amendment.

The 95th Congress also produced the Omnibus Judgeship Act. Both the House and Senate held hearings on legislation to increase the number of Federal judges to handle the escalating caseload of the Federal Courts. Thanks to the strong leadership of Mr. RODINO, the House version provided for greater civil rights protections by urging the President to appoint more minorities and women; this provision was accepted by the Senate. In addition, Mr. RODINO and other House conferees convinced the Senate to adopt compromise language to modify a provision contained in the Senate bill and supported by the then Senate Judiciary Committee chairman, James O. Eastland. That provision would have split the 5th Circuit of Appeals (Alabama, Florida, Georgia, Louisiana, and Texas) into a deep South (Alabama, Florida, and Georgia) and South (Louisiana and Texas) Circuits. Reports by civil rights groups, such as the NAACP Legal Defense Fund predicted that such a split would have had a devastating impact on civil rights litigation in that circuit. Mr. RODINO recognized the danger and firmly opposed the repugnant language.

No discussion of Chairman RODINO's commitment to civil rights would be complete without a discussion of school desegregation and the issue of "busing."

Mr. RODINO shares our understanding that equitable social change is difficult and that the resistance to desegregation efforts is manifested in various ways and degrees of intensity. As the struggle for public school desegregation expanded beyond the South to urban areas in the North and West, the resistance to school desegregation and the use of student transportation as a means of achieving desegregation intensified.

Members of the House have introduced numerous proposed "antibusing" amendments to the Constitution, which were assigned to the Judiciary Committee. Although no hearings were scheduled on these proposed amendments, the committee did hold hearings on numerous other forms of discrimination (such as those in housing and employment) which tend to foster segregated schools. The committee's findings were reported to the Congress.

Chairman RODINO has resisted the politically expedient "solutions" and worked diligently to inform his colleagues in the House on the facts and magnitude of all forms of racial discrimination. In 1975, he successfully and vehemently argued against efforts to force the Democratic Caucus to instruct the Judiciary Committee to report out a proposed "antibusing" amendment to the floor for House action.

Mr. RODINO's commitment was again clearly demonstrated in his leadership in opposing House Joint Resolution 74, another "antibusing" amendment, in July of this year. As a committee chairman and senior Member of the House, he urged the President and the Attorney General to speak out against this dangerous approach. They responded and opposed the amendment, despite arguments that this was an in-house matter to be resolved only by the Congress. Mr. RODINO's firm leadership in educating his colleagues in the House on the potential dangers of such a proposal was overwhelmingly persuasive and correct. He was so convincing that three of those Members who signed the petition to discharge his committee voted against final passage of the resolution, which was soundly defeated.

We commend Mr. RODINO, a statesman and a leader, for his continuing commitment to human rights. He stands out as a beacon to those who support equality of rights for all. It is an honor to serve with him in this august body.—PARREN MITCHELL, LOUIS STOKES, SHIRLEY CHISHOLM, CARDISS COLLINS, WALTER FAUNTROY, and WILLIAM CLAY.●

PETER RODINO AND CIVIL RIGHTS

● Mr. RANGEL. Mr. Speaker, on behalf of the Members of the Congressional Black Caucus, I rise to express tribute to PETER W. RODINO, JR. for his leadership in the continuing struggle for human rights.

We have learned, from hard experience, to recognize the differences between those who give lip service to civil rights causes when it is easy and fashionable to do so and those who remain deeply committed to the struggle even when the going is tough.

And we have learned on this long road to the fulfillment of civil rights to spot the talkers and the occasional bandwagon followers, who seem to outnumber the doers and the leaders.

None of us has any doubt about the kind of ally and leader PETER RODINO is. In the hard times as well as the good times, in the periods when our cause is ignored as well as in the periods when it is popular, he is deeply committed. He is a doer. He is a leader.

Since his first election to Congress in 1948, Mr. RODINO has written an outstanding record of achievement in the struggle for equal rights and equal opportunities.

Here are just a few of the highlights of his record.

Before 1954 and the Supreme Court decision in Brown against Board of Education, Mr. RODINO voted against the dehumanizing doctrine of "separate-but-equal." In 1949, he voted to integrate SPARS, the women's auxiliary of the Coast Guard. In 1952—another status-quo, go-slow year—he voted against a bill by Representative Rankin to build a segregated veterans' hospital.

Mr. RODINO has been a member of the House Committee on the Judiciary since 1950. That committee shaped the Civil Rights Acts of 1957, 1960, 1964 and 1968—and the Voting Rights Act of 1965. Mr. RODINO authored all the committee reports for those historic acts.

Today, we continue to benefit from the fruits of those acts. The Civil Rights Act of 1957, for example, created the U.S. Commission on Civil Rights and established the Civil Rights Division in the Department of Justice. The great Civil Rights Act of 1964 prohibited discrimination in public accommodations and established the Equal Employment Opportunities Commission. The Civil Rights Act of 1968, managed on the House floor by Mr. RODINO, prohibited discrimination in housing.

Mr. RODINO's leadership has been critical in securing voting rights for all

Americans. He voted for legislation to abolish the poll tax in 1949. He fought for the Voting Rights Act of 1965, which may be the most important, far-reaching civil rights legislation in this century. He worked to extend its coverage in 1970 and again in 1975. And his leadership was decisive in extending the Voting Rights Act coverage to other minorities, especially Hispanics.

In the recent 95th Congress, Mr. RODINO worked successfully for House passage of the proposed constitutional amendment to give District of Columbia residents full voting rights and full representation in Congress. His State of New Jersey was the first State to approve the amendment.

Mr. RODINO has led the Judiciary Committee as its chairman since 1973. Under his leadership, the committee has continued to generate legislation with impact on civil rights and has conducted extensive oversight hearings on civil rights enforcement. The committee's oversight work has focused on such issues as fair employment practices of American firms engaged in business in South Africa, the civil rights implications of revenue sharing, and equal opportunities in housing.

Chairman RODINO has never wavered from his commitment to equal educational opportunity. He has consistently worked for school desegregation and against the so-called antibusing legislation. This past July, he led the civil rights forces in the House to victory over an attempt to amend the Constitution which would have turned back the clock a quarter of a century to the pre-Brown against Board of Education days.

PETER W. RODINO, Jr., has won rare recognition from civil rights organizations for his statesmanship. His honors include the "Hubert H. Humphrey Civil Rights Award" from the Leadership Conference on Civil Rights in 1978, the A. Philip Randolph Institute Award in 1975, and the "Martin Luther King Award" from the Southern Christian Leadership Conference in 1975. He was the first recipient of both the Humphrey and the Randolph awards. In his home city of Newark, he was the 1977 winner of the Law Enforcement Award from the Bronze Shields, Inc.●

SAY SOMETHING GOOD ABOUT AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

Mr. ADDABBO. Mr. Speaker, I recently had the great pleasure of attending a performance of the world renowned singer and entertainer, Mr. Anthony Newley. Though born in England Mr. Newley has lived in the United States for a great many years. In that time he has had the opportunity to travel throughout our country meeting people from all walks of life. His life here in the United States has moved him to compose a song that stood out that evening. Entitled "Say Something Good About America," this patriotic song captures the spirit and essence of what makes America the greatest nation on the face of the Earth today. It is my belief that this song proves that patriotism is alive and well in the hearts of many and that we should be as proud of our heritage as ever before especially as we hear it from an adopted son.

Mr. Speaker, I include, by unanimous consent, the words of Anthony Newley and his song in the CONGRESSIONAL RECORD, as follows:

SAY SOMETHING GOOD ABOUT AMERICA

(Words and music by Anthony Newley)

". . . as many of you know, I'm an Englishman. But I've lived here for many years. I've watched my children grow up here and I've had a chance to travel the length and breadth of this great land. Like you, I share the concerns of this Nation and so I composed that most despised of musical forms—a patriotic song. Singing a patriotic song today could make you as popular as asking the Pope if he knows any Polish jokes. Nevertheless I'd like to sing it for you tonight—and I dedicate it to the country I have come to call home . . ."

The other day, like most of you I turned on
television
And watched as Mister Carter told us
all . . .
"Our neck is stretched across the fence—
And OPEC holds the knife . . .!"
Like you, I guess, I trembled at the thought.

The President went on to say
His voice racked with emotion
—and trying hard to show that famous
grin—
"Say something good about this land—
Whenever there's a chance!"
Whenever there's a chance!"
Well, here's our chance.
Excuse me while I sing . . .

Say something good about America
Ring out that Liberty Bell!
Whether your address
Is Main Street, or Broadway
Say it your way
"America's swell!"

Show that you care about America
Wear something red, white and blue
What good will it do
To worry and curse
Things'll get much better
(If they don't get much worse!)

Sing out your song
C'mon America!
Grey skies are goona be blue
I love you . . .
America!
I love you.

(Talk) ". . . say something good about America! She's had to swallow some bitter pills over the last few years. Pills with ugly names like Viet-Nam and Watergate . . . She's lost that sparkle in her eye. But a country is her people—and the genius of the American people is still the envy of the world. Everyone wants a piece of the American pie. And with her usual generosity America goes on giving and giving and lending and lending—and are they ever satisfied? No! Because what the world really wants is the recipe!

But the recipe only works here! That's why it's called—the American dream!

There's a purity—almost a naiveté about the dream the founding fathers had. The Declaration of Independence may have been forged in blood but the pen that wrote it was dipped in hope! It said, "—this is possible only if men are willing to work and suffer for it!"—and by God(!) it will work . . . but it takes guts and it takes more than two hundred years . . . when we English were two hundred years old we were still running around naked covered in blue paint!!!

No, my friend! If you don't believe it's lucky to have been born American, get on a plane and see the rest of the world. Visit the glories of France, the treasures of Italy, the splendor that was England. And when you had enough of castles and palaces, crowns and kings, get back on that plane and come home quick! Because they are all trying to get over here!

Say something good about America
Get all that gloom off your chest
Look around the world and
You'll understand why
From Bombay to Shanghai
America's best!!

Shout it outloud you Yankee Doodle proud
Above the old U.S. of A!
Tho' gasoline lines
May drive us apart!
The stuff that drives America
Comes straight from the heart. . . .

(Talks) ". . . let those gentlemen who by some accident of birth or geography find themselves sitting on top of the black gold that runs the machinery of the western world enjoy their stranglehold over us while they may.

It is my belief that somewhere in the heartlands of this great nation one of those damn Yanks with the genius that is uniquely American is already inventing an alternative to the oil that holds us captive—and when that day comes, my friends, those gentlemen from the East can take their oil and stick it up a camel's ass! . . . Let's see what kind of mileage they get out of that! ! !"

". . . Take me home, mister professor!"

Stand up and shout about America
Don't let them burst our balloon
I'm right here at home
With my Uncle Sam:
Who cares if everything we own
Was made in Japan!

(Gong!)
Strike up the band and sell America
Kick up a hullabaloo
I love you . . .
America!
I love you.

America!
(Band music builds.)
Say something good about America
Who knows . . . it could be contagious!

I love you . . .
America!
I love you.

VIOLATION OF NUCLEAR WEAPONS TESTING TREATIES AND AGREEMENTS

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, the United States and the Soviet Union have signed treaties and agreements on limiting nuclear weapons testing to underground shots, and on the yields that can be tested. It has been of serious concern to me and members of the House Armed Services Committee that while the United States has restricted its R. & D. weapons testing efforts to stay strictly within the agreed-to provisions, the Soviets may be violating these provisions.

On January 22, 1979, a member of the Armed Services Committee wrote the President asking if, in fact, the Soviets had and were continuing to violate the underground testing treaty and the 150-kiloton threshold test agreement. The response from the State Department was that the Soviets had not conducted an atmospheric test. No one claimed they had. With regard to violations of the underground testing provisions, the State Department stated they would provide a classified briefing on possible violations. Why should the committee receive a classified briefing when it is all of the American people who should know if the Soviets violate agreements whenever they believe there will be no recriminations for such violations?

Evans and Novak had an excellent article in the September 5, 1979, issue of the Washington Post on "Violations of the Test Ban?" I would like to see a response from the administration on that article. If such a response is made, I would hope it makes more sense than the response the committee received in February to the letter to the President.

The Evans and Novak article follows:

VIOLATIONS OF THE TEST BAN?
(By Rowland Evans and Robert Novak)

Behind the turgid drama of the SALT II debate, the Soviet Union has been engaged in intensive underground weapons testing with indications of repeated violations of two test-ban treaties, one limiting the size of weapons tested, the other prohibiting "venting" of radioactive fallout into the atmosphere.

This hyperactive Soviet testing, the most intensive in years, has been overlooked in the vigorous Carter administration effort to ratify the new strategic arms limitation treaty. But there are growing indications that the Kremlin may be systematically cheating in the rush to complete a vast "data base" for building new and better nuclear explosives before U.S.–Soviet agreement on the comprehensive test-ban treaty now being negotiated.

A key issue here is U.S. trust of its Russian negotiating partner, a trust that President Carter's administration had seemed particularly inclined to accept.

Lack of healthy suspicion was the crux of the tragic failure of the United States to talk privately to Ludmilla Vlasova, the Soviet ballerina whose husband defected and who might have done so herself if she had had the chance. Alerting Soviet diplomats here in advance to the fact that the United States wanted that private talk made it impossible. She was spirited off to an Aeroflot IL-62 by Soviet secret police.

The Soviets' record of actual and attempted cheating is unambiguous, beyond the ability of Soviet apologists to disprove. Yet such "gentlemanly" conduct as Deputy Secretary of State Warren Chistopher's telephone call alerting the Soviet embassy here to U.S. interest in the Vlasova affair persists. In the infinitely more important case of Soviet underground weapons testing, trust in Soviet declarations or intentions could lead to graver results.

During 1978, at least three underground tests (among the estimated 27 exploded in the Soviet Union) are believed to have violated the 1974 "threshold" test-ban treaty with its 150-kiloton ceiling. In addition, at least 13 of the 1978 tests almost certainly produced illegal "venting"—the escape of poisonous radioactive materials such as krypton and other fission products into the atmosphere.

The three probable violations occurred in August, November and December. Seismic instruments—not on Soviet territory because Moscow rejects on-site inspection—indicated that each of the three tests were well above the 150-kiloton limit.

This year, as the Russians continued their most active underground test program in 15 years, a June explosion is believed to have had the force of 225 kilotons and a July shot possibly as high as 400 kilotons. The United States has never announced the July test.

Soviet refusal to permit on site inspection by seismic sensor—and the imprecision of distant seismographs—make it virtually impossible to prove violations. This is true despite sensitive Swedish seismic instruments that pick up and record most Soviet tests. But Soviet violations of the 1963 treaty can be proved by the empirical evidence of dust particles collected in the atmosphere over Japan, Korea and other areas.

"It is intolerable that the United States should permit the Soviets to cheat at the margin without even raising a protest," one specialist told us privately. Yet, no violation has yet been charged under either the 1974 treaty (which sets the ceiling on explosive power) or the 1963 Limited Test-Ban Treaty (which prohibits venting).

The farthest the Carter administration has ventured is to "raise a question" with Moscow about one of the tests this summer and three of the 1978 tests. The predictable Soviet response: *nyet*, and you can't prove we did. Furthermore, Moscow is armed with a strange concession it got from the United States: two tests a year may "slightly" exceed the limit.

What makes this produce sleepless nights for some U.S. officials is its implication in the nightmarish world of atomic weaponry. The data base now being accumulated by the Soviets, with a test program perhaps three times that of the United States and rising, will probably be used to perfect warheads for the new crop of post-SALT II long-range missiles.

Thus, if the comprehensive test-ban—a near-total ban on all tests for a period of perhaps five years—is agreed on anytime soon, the Soviets could leap-frog U.S. technology by translating its test data into new types of higher-yield, lower-weight weapons with the United States powerless to catch up.

The Soviets have not pyramided their testing program to today's awesome level just for fun. The testing of warheads that violate treaties has its grim purpose: to surpass U.S. weapons technology. Refusal of the United States to challenge Moscow out loud on its presumed violations thus becomes dangerously counterproductive.

Worse, it ensures the very gains in Soviet weaponry that the president insists will be curbed by SALT II—thus undermining what he regards as his most important mission.●

THE 150TH ANNIVERSARY OF SYRACUSE, N.Y., POST-STANDARD

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, this month, the Syracuse morning newspaper, the Post-Standard, will celebrate its 150th anniversary. And, Mr. Speaker, "celebrate" is the proper word. There are not many businesses, let alone newspapers, still in existence today, who can trace their lineage back to 1829.

The Post-Standard can and will, with justifiable pride, do just that in a few days.

The enormous power and influence a daily newspaper wields today is the result of years, indeed centuries, of struggle to record and report those events which newspaper people consider significant, often against the weight of political and special interests.

The struggle continues today. That patriarch of publishing, the Times of London, which began with accounts of the French Revolution in the 18th century and rose with the Empire through the 19th, is today silenced temporarily by a dispute with printing unions over new technology.

In defending John Peter Zenger and his New York Weekly Journal from the tyranny of Gov. William Cosby in 1735, Alexander Hamilton told the jury:

. . . But every man who prefers freedom to a life of slavery will bless and honor you as men who baffled the attempt of tyranny, and, by an impartial and uncorrupt verdict, have laid a noble foundation for security to ourselves, our posterity and our neighbors, that to which nature and the laws of our country have given us a right—the liberty both of exposing and opposing arbitrary power by speaking and writing truth.

And so now, in 1979, we have come to expect much from our press. The line between and demonstrable fact, so vague in the early years of publishing, is today more clearly, if not perfectly, drawn.

The line, too, between commenting on and observing political policies, and the making of those policies, has been broached many times. The instances of journalists transformed into politicians was, perhaps, more prevalent in the past.

In fact, it was Vivus W. Smith, the founder of the Onondaga Standard (September 16, 1829), the forerunner of today's Post-Standard, who bolted his own Democratic Party to join the Whigs in 1838, and eventually became one of the founders of the Republican Party.

As the publisher of a weekly newspaper, Vivus Smith became a great and intimate friend of William H. Seward in neighboring Cayuga County.

Though begun as a weekly, the Onondago Standard (in 1829, Onondago Hill was the county seat) became a daily in 1850 as the telegraph increased flow of news.

Just before the turn of the century, another daily was started in Syracuse by Frank W. Palmer named the Post. With three dailies competing in a community of 150,000, the economics soon forced a merger of the Post with the Standard. The first edition of the combined Post-Standard appeared on Sunday, January 1, 1899.

Begun originally as a political organ in 1894, Frank Palmer's Post achieved a reasonable perspective on most issues, and, with its acquisition of the weekly

newspaper the Post Express, it assumed a major role in Central New York's journalism. When it combined with the Standard in 1899, it was a marriage of convenience for both papers, since the technological revolution in the printing industry was just getting underway. New, more complicated presses and typesetting equipment meant huge capital outlays, and these were possible only with combined resources.

The Post-Standard has counted some famous people among its staff over the years. Jerome Barnum joined the paper as a reporter in 1907, became advertising manager in 1910, and publisher and treasurer of the corporation in 1916. During his 26-year stint as publisher, he was president of the American Newspaper Publishers Association, and established the annual farm dinner during State Fair week.

Horace Bull also joined in 1907, and served as managing editor from 1923 to 1944. He had an incredible capacity for working 12 hours a day, 7 days a week.

Two other names stand out from the Post-Standard's ranks. Mike Brewster in the teens and early 1920's covered news events personally by means of a bicycle, then a motorcycle before the telephone became so functional.

Robert L. Voorhees joined in 1920. He was named associate editor in 1932, and editor in 1946. Known for his well-researched and efficiently written articles, Voorhees, for years, authored the "Rod Hunter" Sportsman's Corner.

In February 1960, J. Leonard Gorman became editor, having joined the paper in 1933. A past president of the New York Society of Newspaper Editors, Mr. Gorman, involved with many civic organizations, has given strong, definite, and fair leadership to this morning daily.

I can attest personally to the integrity of this fine newspaperman, Mr. Speaker, for he has shown a willingness and openness to listen to political and social ideas which basically are in disagreement with the views of this independent Republican newspaper. And, though I bring a naturally Democratic view to many issues, we always are able to discuss ideas on a friendly basis.

We would be naive to think that the Post-Standard, or any daily newspaper, exists solely to present happenings and issues of the day. This newspaper is a business, meant to produce a profit by being a functional means of communicating news, views and advertising messages.

It is this blending of the practical purpose with the artful purpose which we celebrate. Delivered to 100,000 homes in central and northern New York each weekday morning, since 1899, the Post-Standard has survived in the rough and tumble of the newspaper business (as stated in a recent editorial):

> . . . by growing and improving, offering greater service and more thoughtful leadership to the tens of thousands who consider the paper their daily oracle and a source of reliable information.

I know my colleagues will join me in saluting the Post-Standard in its 150th year, Mr. Stephen Rogers, its publisher, and Mr. J. Leonard Gorman, its executive editor. It is men like these who not only know the newspaper business but love it, who make the daily paper such a vital part of our lives.

TRIBUTE TO SAMUEL I. NEWHOUSE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the opportunities and promise inherent in the American economic and social structure never have been more vividly personified than in the life of Samuel I. Newhouse.

Mr. Newhouse passed away at the age of 84 on August 29, 1979. He has left behind a legacy of personal and business achievement that is a textbook study of individual determination.

In an extraordinarily perceptive review, David Jacobs of the Newhouse News Service wrote:

> He was an office boy at 12, a publisher at 16, a lawyer at 21, and, by the time of his death, he had put up more than half a billion dollars, most of his own cash, to acquire 31 newspapers, seven magazines, six television stations, five radio stations and 20 cable TV systems employing, in all, more than 15,000 people in 22 cities.
>
> Shy, seemingly diffident, unpretentious, and always courtly with strangers, he was staunchly independent, unhesitant and exacting in personally directing the vast, complex organization he had created, one of Amreica's major privately held corporations.
>
> He saw himself as a businessman whose business was news, and he recognized editorial quality as the heart of a newspaper. Almost unnoticed, he fundamentally altered the nature of editorial management of group-owned newspapers by leaving editorial decisions to the individual editors on the local scenes. This policy, which he called local autonomy, has reshaped the character of American journalism. It is followed today by most major publishers. His approach not only fostered responsible papers sensitive to local needs, but financially was far more successful than the personal hornblowing of the old-time publishing tycoons.

My own experience with S. I. Newhouse and his editorial policy stems from my association with the two leading daily papers in central New York, the Syracuse Herald-Journal and the Post-Standard. Though both are Newhouse publications, they are fiercely independent and competitive, often editorializing against one another.

An owner of many newspapers across the Nation, S. I. Newhouse met the frequent criticism of monopoly control by urging his editors to keep their reporters battling for news of their communities, and by supplying each newspaper with the best available sources for world, national, and regional news.

An unassuming man, S. I. Newhouse was born in a tenement on Manhattan's Lower East Side in 1895, the son of recent immigrants. Early deprivation, family illnesses, and basic hardships were faced in stoic family discipline and an underlying discipline of love and culture to form a man of sympathy, understanding, and fierce determination.

His father's illness prevented his attending high school after he completed public school and forced him into the responsibilities of heading a family of eight: Four sisters and three brothers.

Forsaking high school, his father was able to persuade a friend, Bayonne, N.J., lawyer Hyman Lazarus, to take S. I. on for $2 per week. It was Lazarus who inspired S. I., and showed him that it was possible for, as he put it, a Jew in America to succeed as well as anyone.

Studying at night, he qualified for law school by passing State regents exams he had missed, because he never went to high school.

His interest in the newspaper business began when his mentor Lazarus took over the Bayonne Times on default. Lazarus assigned S. I. the responsibility of "closing it out."

This was S. I. Newhouse's first contact with the newspaper business. Rather than close it out, he nursed it back to health, forsook his law career, and began on the road that has made him the most successful publishing tycoon in mid-20th century America.

The Newhouse School of Communications stands as an enduring monument to this man. His $15 million gift in the early 1960's made this complex at Syracuse University possible.

S. I. Newhouse was the embodiment of the true spirit of this Nation—a man who, through tireless hard work, tremendous foresight, and a keen business sense, built an empire out of a dream.

Even after his great successes, he never forgot his roots and never hesitated to donate his resources for the betterment of his fellow man. His dedication to the news business and to the education of those entering the communications field was unmatched. I consider it a privilege to have known this remarkable man, and we all shall be the poorer for his passing.

ROLLAND B. MARVIN

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the city of Syracuse buried one of its leaders and, indeed, one of its rescuers on August 16, 1979.

Rolland B. Marvin, 82, mayor of Syracuse for five terms between 1930 and 1941, is recognized on both sides of the political aisle as a civic giant. As naturally as the name Marvin goes with mayor—so, too, did the man go with the city. For Mayor Marvin was the right man at the right time for the Syracuse of the depression-ridden 1930's.

His first administration began just 2 months after the stock market crash of 1929, and he immediately put in force reductions and restrictions of city expenditures to keep taxes down.

He induced police, firemen, and school teachers to take a 10-percent salary cut.

He pushed for the removal of main line trains from the streets of downtown Syracuse, creating a special elevated track system requiring hundreds of badly needed jobs.

He used the former Franklin automobile plant on the city's west side as a lure to the then relatively new Carrier Air Conditioning Corp. Their move from New Jersey to Syracuse meant more jobs in the late 1930's, and resulted, ultimately, in developing one of today's industrial giants.

He was instrumental in the Federal Government's decision to build the model pioneer homes public housing project in Syracuse, one of the first in the Nation.

Mayor Rolland B. Marvin's accomplishments are many. Suffice it to say he was a tough, inspiring leader at a time when tough, inspiring leaders were needed. The depression years demanded faith and trust in our elected officials—to avert a sense of despondency that well may have resulted in a loss of unity. Mayor Marvin had that faith and that trust from the people of Syracuse. He brought the city through its darkest times, when as many as 30,000 were unemployed.

Born in 1897 on the outskirts of Syracuse, he worked his way through college and law school at Syracuse University. After establishing a law partnership with the late Horace M. Stone, Marvin, whose father had been a county sheriff, was elected a Republican committeeman. At 29, he was elected president of the Syracuse Common Council, and 4 years later ran for mayor and won in 1929.

After leaving office, Mayor Marvin devoted most of his time to his law practice. His office in the State Tower Building was a place of refuge and counsel for political leaders of both parties in recent years. And I am proud to count myself among those who sought the benefits of the Marvin perspective.

Certainly, it would be appropriate to say Mayor Marvin was to Syracuse, what Franklin Roosevelt was to the Nation in the depths of the depression—a resourceful, inspiring leader who helped a shaken people rise up in unity and strength.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LENT) is recognized for 5 minutes.

● Mr. LENT. Mr. Speaker, on rollcall vote No. 422 on August 1, 1979, I am listed as not voting. Had I been present, I would have voted "aye" on the Moffett amendment directing the President to establish and maintain a national set aside program to provide middle distillates for residential heating purposes.●

GENERAL LEAVE

Mr. RATCHFORD. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentlewoman from Illinois (Mrs. COLLINS).

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CHAPPELL (at the request of Mr. WRIGHT), for today on account of official business.

To Mr. CAMPBELL (at the request of Mr. RHODES), until 2:15 p.m. today on account of effects of Hurricane David.

To Mr. WOLFF (at the request of Mr. WRIGHT), for today on account of medical reasons.

To Mr. RODINO (at the request of Mr. WRIGHT), for today on account of illness in the family.

To Mrs. HOLT (at the request of Mr. RHODES), for today and the balance of the week, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous material:)

Mr. LENT, for 5 minutes, today.

Mr. EDWARDS of Oklahoma, for 60 minutes, September 11.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. ROSENTHAL, for 5 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. ADDABBO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. AKAKA, prior to the vote on the Long of Maryland amendment to H.R. 4473 in the Committee of the Whole today.

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. MICHEL in two instances.

Mr. ROYER.

Mr. LEWIS.

Mr. LENT in two instances.

Mr. GRADISON.

Mr. CONTE in three instances.

Mr. COLLINS of Texas in three instances.

Mr. PAUL in three instances.

Mr. ERLENBORN.

Mr. WHITEHURST.

Mr. DERWINSKI in three instances.

Mr. DORNAN in two instances.

Mr. TAUKE.

Mr. ARCHER.

Mr. DANIEL B. CRANE.

Mr. GILMAN.

Mr. WYDLER.

Mr. REGULA.

Mr. KEMP.

Mr. QUAYLE.

Mr. BROOMFIELD.

Mr. CONABLE.

Mr. ASHBROOK in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. BYRON in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. CAVANAUGH in five instances.

Mr. MCDONALD in 10 instances.

Mr. PEPPER in five instances.

Mr. NOWAK in five instances.

Mr. HOLLAND in five instances.

Mr. COELHO.

Ms. OAKAR in two instances.

Mr. SEIBERLING in 10 instances.

Mr. DRINAN in five instances.

Mr. YOUNG of Missouri.

Mr. HARRIS.

Mr. GUARINI.

Mr. ROE.

Mr. MAZZOLI.

Mr. BREAUX.

Mr. STUMP in two instances.

Mr. BRINKLEY in two instances.

Mr. LEHMAN.

Mrs. COLLINS of Illinois.

Mr. LEACH of Louisiana.

Mr. HALL of Ohio.

Mr. DELLUMS in three instances.

Mr. WAXMAN.

Mr. STARK.

Mr. BENNETT.

Mr. RANGEL.

Mr. ZABLOCKI in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 88. An act for the relief of Soerjanti Bonsoumet-Soetarto; to the Committee on the Judiciary;

S. 151. An act for the relief of Jerry W. Manandic and Ceferino W. Manandic; to the Committee on the Judiciary;

S. 216. An act for the relief of Chong Hui Schrein; to the Committee on the Judiciary;

S. 319. An act for the relief of Chan Siu Ha (also known as Linda Chan); to the Committee on the Judiciary;

S. 566. An act to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, an anti-recession fiscal assistance program, and for other purposes; to the Committee on Government Operations;

S. 707. An act for the relief of certain aliens; to the Committee on the Judiciary;

S. 885. An act to assist the electrical consumers of the Pacific Northwest through use of the Federal Columbia River Power System to achieve cost-effective energy conservation, to encourage the development of renewable energy resources, to establish a representative regional power planning process, to assure the region of an efficient and adequate power supply, and for other purposes; to the Committee on Interstate and Foreign Com-

merce and the Committee on Interior and Insular Affairs;

S. 974. An act for the relief of Tin Foo Chan (also known as Michael Chan); to the Committee on the Judiciary;

S.J. Res. 41. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on Post Office and Civil Service; and

S.J. Res. 43. Joint resolution to proclaim March 31, 1980, "National Energy Education Day," to the Committee on Post Office and Civil Service.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 896. An act for the relief of Joseph J. Andrews;

H.R. 899. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. An act for the relief of Doris Mauri Coonrad;

H.R. 1158. An act for the relief of James C. Wilkinson;

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps, and for other purposes;

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting;

H.R. 3914. An act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4616. An act to make certain technical and clerical amendments to title 5, United States Code;

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week";

H.J. Res. 209. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week"; and

H.J. Res. 244. Joint resolution to authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 41. An act to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.;

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes;

S. 1146. An act to extend for 3 fiscal years the authorizations for appropriations under the Safe Drinking Water Act; and

S. 1318. An act to amend title 13 of the United States Code to provide a limited exemption to the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 896. For the relief of Joseph J. Andrews;

H.R. 899. For the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 932. For the relief of Doris Mauri Coonrad;

HR. 1158. For the relief of James C. Wilkinson;

H.R. 2807. To amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States;

H.R. 3324. To authorize appropriations for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps, and for other purposes;

H.R. 3363. To authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting;

H.R. 3914. To amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital Region;

H.R. 4057. To increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes;

H.R. 4476. To extend certain programs under the Higher Education Act of 1965 for one year, and for other purposes;

H.R. 4616. To make certain technical and clerical amendments to title 5, United States Code;

H.R. 4811. For the relief of the city of Nenana, Alaska, and to amend the Act of January 2, 1976, as amended, and for other purposes;

H.J. Res. 19. To provide for the designation of a week as "National Lupus Week"; and

H.J. Res. 209. Designating the week of October 8 through October 14, 1979, as "National Diabetes Week."

ADJOURNMENT

Mr. ADDABBO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 22 minutes p.m.), the House adjourned until Thursday, September 6, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2192. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Tobacco Inspection Act to consolidate, and provide additional authority for the Secretary of Agriculture to establish methods for efficient and equitable marketing of tobacco; to the Committee on Agriculture.

2193. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions, to authorize U.S. marshals to serve warrants under the act, and for other purposes; to the Committee on Agriculture.

2194. A letter from the President of the United States, transmitting amendments to the requests for appropriations for fiscal year 1980 (Doc. No. 96–178); to the Committee on Appropriations and ordered to be printed.

2195. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of August 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (Doc. No. 96–179); to the Committee on Appropriations and ordered to be printed.

2196. A letter from the Secretary of Defense, transmitting three reports of violations of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the revised statutes, as amended; to the Committee on Appropriations.

2197. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement, for the quarter ended June 30, 1979, pursuant to section 820 of Public Law 95–457; to the Committee on Appropriations.

2198. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of the Defense Department's intention to obligate certain amounts in the Army stock fund and the Navy stock fund for war reserve stocks, pursuant to section 836 of Public Law 95–457; to the Committee on Appropriations.

2199. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the second quarter of fiscal year 1979 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment and material, pursuant to section 813 of Public Law 95–457; to the Committee on Appropriations.

2200. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification have been made of a 159-acre tract of lands to be included in the San Luis Water District, Central Valley Project, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means or irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2201. A letter from the Comptroller General of the United States, transmitting his review of the proposed deferral of budget authority contained in the message from the President dated July 24, 1979 (H. Doc. No. 96–165), pursuant to section 1014(b) of Public Law 93–344 (Doc. No. 96–180); to the Committee on Appropriations and ordered to be printed.

2202. A letter from the Secretary of Defense, transmitting a report on the real and personal property of the Department of Defense as of September 30, 1978, pursuant to 10 U.S.C. 2701(b); to the Committee on Armed Services.

2203. A letter from the Secretary of Defense, transmitting notice of the approval of annual compensation rates exceeding $45,000 for various officials of the Institute for Defense Analyses, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

2204. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the act of August 29, 1974 (88 Stat. 795; 10 USC 8202 note), as amended (92 Stat. 719; 10 USC 8202 note), relating to the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force and to provide continuing authority for certain existing

personnel management procedures in the armed forces, and for other purposes; to the Committee on Armed Services.

2205. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a quarterly report as of May 31, 1979, on enlistment and retention incentives for the Selected Reserve, pursuant to 10 USC 2134, 38 USC 308b(e), and 38 USC 308c(e); to the Committee on Armed Services.

2206. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Naval and Marine Corps Reserve and the Air Force Reserve, pursuant to 10 USC 2233a(1); to the Committee on Armed Services.

2207. A letter from the Director, Office of Economic Adjustment, Department of Defense, transmitting a report on the resolution of a conflict over the use of surplus naval lands in Rhode Island, pursuant to section 610 of Public Law 94–431; to the Committee on Armed Services.

2208. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain chemical agent/munitions at the Chemical Agent Munitions Disposal System, Tooele Army Depot, Utah, pursuant to section 409(b)(4) of Public Law 91–121; to the Committee on Armed Services.

2209. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of chemical agent identification sets at Rocky Mountain Arsenal, Colo., pursuant to section 409(b)(4) of Public Law 91–121; to the Committee on Armed Services.

2210. A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation to amend section 4308(a)(5) of title 10, United States Code, to eliminate the requirement that an individual must be a member of the National Rifle Association in order to be eligible to purchase arms, ammunition, targets, and other supplies and appliances necessary for target practice sold pursuant to that section; to the Committee on Armed Services.

2211. A letter from the Assistant Secretary of the Air Force for Research, Development and Logistics, transmitting a draft of proposed legislation to authorize the Secretary of Defense to enter into cooperative military airlift arrangements with the armed forces of allied governments; to the Committee on Armed Services.

2212. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting the semiannual report covering the period January 1, 1979, through June 30, 1979, on Air Force research and development procurement actions of $50,000 and more, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

2213. A letter from the Secretary of the Treasury, transmitting the annual report of the National Advisory Council on International Monetary and Financial Policies for fiscal year 1978; to the Committee on Banking, Finance and Urban Affairs.

2214. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during July 1979 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

2215. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with the Taiwan Power Co. exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2216. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with the Government of Tunisia exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2217. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving nuclear facilities with the Korea Electric Co., pursuant to section 2(b)(3)(iii) of the Export-Import Bank of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2218. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with Air Canada exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2219. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–75, "To clarify the right of tenants to purchase their homes and to extend the period of required offer in cases of the sale of multi-unit housing, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2220. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–76, "To amend the District of Columbia Health Care Facilities Regulation (Reg. 74–15) to establish certain licensing requirements for community residence facilities for mentally retarded persons, and for related purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2221. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–77, "To amend the Consumer Lay Away Plan Act of 1978 regarding service charges," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2222. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–78, "To provide for the confidentiality of and penalties for the unauthorized disclosure of records relating to abused and neglected children," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2223. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 8–80, "To establish a comprehensive program for animal population control in the District of Columbia, and for other purposes, "pursuant to section 602(c) of Public Law 93–298; to the Committee on the District of Columbia.

2224. A letter from he Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–81, "To extend the length of time within which a vehicle may remain parked in one location from 24 to 72 hours," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2225. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–83, "To amend the provisions of the Manual of the Metropolitan Police Department setting age qualifications for appointment to the Department," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2226. A letter from the Chairman, District of Columbia Armory Board, transmitting the annual reports and financial statements for the fiscal year ended December 31, 1978, of the District of Columbia National Guard Armory and the Robert F. Kennedy Memorial Stadium, pursuant to section 10 of Public Law 80–605 and section 10 of Public Law 85–300; to the Committee on the District of Columbia.

2227. A letter from the Secretary of Labor, transmitting the annual report for calendar year 1978 on the administration of the Fair Labor Standards Act of 1938, as amended, pursuant to section 4(d)(1) of the act; to the Committee on Education and Labor.

2228. A letter from the Secretary of Labor, transmitting a report on the study of exemptions from the minimum wage and/or overtime provisions applicable to domestic service employees under the Fair Labor Standards Act, pursuant to section 4(d)(2) of the act; to the Committee on Education and Labor.

2229. A letter from the Secretary of Labor, transmitting a report on the exemption from the overtime provisions of the Fair Labor Standards Act for substitute parents in nonprofit educational institutions, pursuant to section 4(d)(2) of the act; to the Committee on Education and Labor.

2230. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed final regulations governing the Emergency School Aid Act-TV (ESAA–TV), pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2231. A letter from the Chairman, National Commission for Employment Policy, transmitting a report on the impact of CETA eligibility criteria on single heads of household, pursuant to section 503(10) of the Comprehensive Employment and Training Act of 1973, as amended (92 Stat. 2003); to the Committee on Education and Labor.

2232. A letter from the Chairman, National Advisory Committee for Juvenile Justice and Delinquency Prevention, transmitting the third annual report of the Committee, covering fiscal year 1978, pursuant to section 206(b) of Public Law 93–415, as amended; to the Committee on Education and Labor.

2233. A letter from the President of the United States, transmitting a report on the investigation of statutory and regulatory provisions which discriminate against U.S. citizens living abroad, pursuant to section 611(b) of Public Law 95–426; to the Committee on Foreign Affairs.

2234. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential determination No. 79–12, finding that the financing under the Arms Export Control Act of the sale of certain sophisticated weapons systems to Thailand is important to the national security of the United States, pursuant to section 4 of the act; to the Committee on Foreign Affairs.

2235. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential determination No. 79–13, finding that the sale of certain sophisticated weapons systems to Egypt is important to the national security of the United States, pursuant to section 4 of the Arms Export Control Act; to the Committee on Foreign Affairs.

2236. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate William D. Wolle and his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2237. A letter from the Deputy Assistant Secretary of State for Budget and Finance, transmitting the quarterly report on programing and obligation of international

narcotics control funds as of June 30, 1979, pursuant to section 481 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2238. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2239. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2240. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2241. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2242. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on the status of the contingency fund for the third quarter of fiscal year 1979, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2243. A letter from the Acting Administrator, Agency for International Development, Department of State, transmitting the annual report on military expenditures by recipients of U.S. economic assistance, pursuant to section 620(s) of the Foreign Assistance Act of 1961, as amended (83 Stat. 820); to the Committee on Foreign Affairs.

2244. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in The Gambia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2245. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Tanzania, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2246. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Tunisia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2247. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Yemen, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2248. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Lebanon and the West Bank and Gaza, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2249. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Indonesia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2250. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Sri Lanka, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2251. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Thailand, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2252. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Panama, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2253. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Peru, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2254. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, Group of Controllers' evaluation reports by the Inter-American Development Bank, and post-evaluation reports by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2255. A letter from the Acting Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of March 31, 1979, pursuant to section 613(c) of the Foreign Assistant Act of 1961, as amended; to the Committee on Foreign Affairs.

2256. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting the annual report and audit of the American National Red Cross for the year ended June 30, 1978, pursuant to section 6 of the act of January 5, 1905 (36 U.S.C. 6); to the Committee on Foreign Affairs.

2257. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tenn. in 1982, and for other purposes; to the Committee on Foreign Affairs.

2258. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budget level of operation for Radio Free Europe/Radio Liberty, Inc., during the third quarter of fiscal year 1979, pursuant to section 8 of the Public Law 94–350, as amended; to the Committee on Foreign Affairs.

2259. A letter from the President of the United States, transmitting the fourth annual report listing the number of records contained in any system of records for each Federal agency which were exempted from the provisions of the Privacy Act of 1974, pursuant to 15 U.S.C. 552a(p); to the Committee on Government Operations.

2260. A letter from the General Counsel, Office of Administration, Executive Office of the President, transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2261. A letter from the Acting Administrator, Office of Federal Procurement Policy, Office of Management and Budget, Executive Office of the President, transmitting various reports of the Federal procurement data system on Federal acquisition awards, covering the first and second quarters of fiscal year 1979; to the Committee on Government Operations.

2262. A letter from the Director of Management, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2263. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2264. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Department of the Navy, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2265. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Office of the Secretary of Defense, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2266. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2267. A letter from the Deputy Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Marine Corps, pursuant to 5 U.S.C. 552 a(o); to the Committee on Government Operations.

2268. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a proposed new records systems for the Department of the Navy, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2269. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a proposed new records system for the Department of the Navy, pursuant to 5 U.S.C. 552 a(o); to the Committee on Government Operations.

2270. A letter from the Deputy Secretary of Energy, transmitting notice of various proposed new and amended records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2271. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting the quarterly report on the activities of his office covering the period April 1 to June 30, 1979; to the Committee on Government Operations.

2272. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during July 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2273. A letter from the Comptroller General of the United States, transmitting a report on the implementation by civil agencies of the Office of Management and budget circular A–109 regarding major system acquisitions (PSAD–79–89, August 14, 1979); to the Committee on Government Operations.

2274. A letter from the Comptroller General of the United States, transmitting a report analyzing the effects of indexing for inflation on Federal expenditures (PAD–79–22, August 15, 1979); to the Committee on Government Operations.

2275. A letter from the Comptroller General of the United States, transmitting a report on needed improvements by Federal civil agencies' negotiating procedures for noncompetitive contracts priced over $100,000 (PSAD–79–93, August 21, 1979); to the Committee on Government Operations.

2276. A letter from the Comptroller General of the United States, transmitting on federal agencies' accounting systems, (FGMSD–79–40, August 24, 1979); to the Committee on Government Operations.

2277. A letter from the Administrator of General Services, transmitting a report on actions taken in response to recommendations contained in the April 1978 report of the President's Commission on Military Compensation, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2278. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the study of health and welfare effects caused by suspended particulate matter, pursuant to section 403(a)(1) of Public Law 95–95; to the Committee on Interstate and Foreign Commerce.

2279. A letter from the Director of Office Administration, Nuclear Regulatory Commission, transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2280. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

2281. A letter from the Secretary of the Interior, transmitting a report that an adequate soil survey and land classification have been performed on 5,692 acres of land transferred to him from the Department of Energy for sale to the owners of farms destroyed by the flood resulting from the collapse of the Teton Dam, pursuant to section 210 of Public Law 95–283; to the Committee on Interior and Insular Affairs.

2282. A letter from the Secretary of the Interior, transmitting the annual report of the U.S. Comptroller for American Samoa on the financial condition of American Samoa as of September 30, 1978; to the Committee on Interior and Insular Affairs.

2283. A letter from the Secretary of the Interior, transmitting a report on the availability of ground water on Federal land near the Ak-Chin Indian Reservation, Ariz., pursuant to section 2(a) of Public Law 95–328; to the Committee on Interior and Insular Affairs.

2284. A letter from the Acting Secretary of the Interior, transmitting a report by the U.S. Government Comptroller for Guam and the trust territory on Federal grant management of the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

2285. A letter from the Acting Secretary of the Interior, transmitting the final report of the American Indian Religious Freedom Task Force established by the President, pursuant to section 2 of Public Law 95–341; to the Committee on Interior and Insular Affairs.

2286. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of October 21, 1976. An act to provide for increases in appropriation ceilings and boundary changes in certain units of the national park system, and for other purposes; to the Committee on Interior and Insular Affairs.

2287. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to facilitate the ability of product sellers to establish product liability risk retention groups, to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Interstate and Foreign Commerce.

2288. A letter from the Acting Secretary of Transportation, transmitting the annual report for fiscal year 1978 on progress achieved in implementing the Northeast corridor improvement project, pursuant to section 703(1)(D) of Public Law 94–210; to the Committee on Interstate and Foreign Commerce.

2289. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on model standards for community preventive health services, pursuant to section 314 of Public Law 95–83; to the Committee on Interstate and Foreign Commerce.

2290. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the present and future direction of the National Health Service Corps, pursuant to section 116(c) of Public Law 95–626; to the Committee on Interstate and Foreign Commerce.

2291. A letter from the Secretary of Health, Education and Welfare, transmitting the 1978 annual report on the National Health Service Corps, pursuant to section 329(g) of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

2292. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1977 and 1978 on the emergency medical services program, pursuant to section 1210 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

2293. A letter from the General Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program held on August 21 and 22, 1979, in New York, N.Y., and on August 29, 1979, in London, England; to the Committee on Interstate and Foreign Commerce.

2294. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products and sales of retail gasoline for May 1979, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2295. A letter from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting notice of proposed orders prohibiting the burning of petroleum as a primary energy source at certain Consolidated Edison Co. powerplants in the State of New York; to the Committee on Interstate and Foreign Commerce.

2296. A letter from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting a report on low-income energy assistance; to the Committee on Interstate and Foreign Commerce.

2297. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on sludge, prepared pursuant to section 8002(g) of the Solid Waste Disposal Act, as amended (90 Stat. 2831); to the Committee on Interstate and Foreign Commerce.

2298. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 9206, Absorption of Switching Charges, Southern Territory, within the initially specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

2299. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of April 1979, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2300. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, covering the month of April 1979, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2301. A letter from the chairman, Task Force on Environmental Cancer and Heart and Lung Disease, transmitting the task force's second annual report, pursuant to section 402 of Public Law 95–95; to the Committee on Interstate and Foreign Commerce.

2302. A letter from the Attorney General, transmitting notice of the Justice Department's intention not to defend the constitutionality of the provision of section 202 of the Social Security Act which provides certain death and disability benefits for female but not male spouses of wage earners, pursuant to section 13(a) of Public Law 95–624; to the Committee on the Judiciary.

2303. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

2304. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a report on the facts in each application for conditional entry of aliens into the United States under section 203(a)(7) of the Immigration and Nationality Act for the 6-month period ending June 30, 1979, pursuant to section 203(f) of the act; to the Committee on the Judiciary.

2305. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2306. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2307. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to sec-

tion 244(c) of the act; to the Committee on the Judiciary.

2308. A letter from the secretary, Aviation Hall of Fame, Inc., transmitting the organization's annual report and audit for calendar year 1978, pursuant to section 16 (b) of Public Law 86-372; to the Committee on the Judiciary.

2309. A letter from the treasurer general, National Society of the Daughters of the American Revolution, transmitting the audit reports of the society for the fiscal years ended February 28, 1978, and February 28, 1979, pursuant to section 3 of Public Law 86-504; to the Committee on the Judiciary.

2310. A letter from the chairman, Board of Directors, Future Farmers of America; transmitting a report on the audit of the accounts of the organization for the fiscal year ended June 30, 1979, pursuant to section 3 of Public Law 86-504; to the Committee on the Judiciary.

2311. A letter from the Secretary of Commerce, transmitting the annual report on the Department's activities under the Marine Mammal Protection Act of 1972, covering the period of April 1, 1978, through March 31, 1979, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

2312. A letter from the Secretary of Commerce, transmitting the interim report on the President's oil pollution insurance study, pursuant to section 305(d) of Public Law 95-372; to the Committee on Merchant Marine and Fisheries.

2313. A letter from the Secretary of Commerce, transmitting a report covering the year ended March 31, 1979, on research studies on salmon stocks and the problems of incidental taking of marine mammals in the Japanese high seas salmon fishery, pursuant to section 14(d) of the North Pacific Fisheries Act of 1954, as amended (92 Stat. 405); to the Committee on Merchant Marine and Fisheries.

2314. A letter from the General Counsel, Department of the Air Force, transmitting a report on the investigation of allegations of mismanagement at the commissary at Scott Air Force Base, Ill., pursuant to 5 U.S.C. 1206 (b)(5)(A); to the Committee on Post Office and Civil Service.

2315. A letter from the Acting General Counsel, Department of the Navy, transmitting a report on the investigation of allegations of theft of Government property at the Philadelphia Naval Shipyard, pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

2316. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 301, title 13, United States Code, to protect confidentiality of export data required by the Bureau of the Census for statistical purposes; to the Committee on Post Office and Civil Service.

2317. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report covering the quarter ended June 30, 1979, on the Commission's hiring and promotion of minorities and women, pursuant to section 201(h) of the Energy Reorganization Act of 1974, as amended (91 Stat. 1482); to the Committee on Post Office and Civil Service.

2318. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement on the Yellowstone and Tongue Rivers project, Miles City, Mont., pursuant to section 404(r) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

2319. A letter from the Acting Secretary of Transportation, transmitting a revised estimate of the cost of completing the National System of Interstate and Defense Highways, for use in determining apportionment factors for Interstate System funds authorized for fiscal years 1981 and 1982, pursuant to 23 U.S.C. 104(b)(5); to the Committee on Public Works and Transportation.

2320. A letter from the Acting General Counsel of the Department of Housing and Urban Development, transmitting a draft of proposed legislation to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to remove the statutory ceiling on the residential moving expense allowance, to eliminate the matching requirement for downpayment assistance payments, to simplify procedures for programs and projects carried out by State agencies with assistance from two or more Federal agencies, to authorize property owners knowingly and voluntarily to give or donate real property to acquiring agencies without prior determination of just compensation, and for other purposes; to the Committee on Public Works and Transportation.

2321. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 521 12th Street NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2322. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 1825 Connecticut Avenue NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2323. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 6001 to 6010 Executive Boulevard, Rockville, Md., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2324. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 1750 Pennsylvania Avenue NW., Washington, D.C. pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2325. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease at 320 First Street NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2326. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied in the Universal North Building, 1875 Connecticut Avenue NW., Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2327. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building-U.S. Courthouse at 4th and F Streets, Anchorage, Alaska, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2328. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus for alterations at the Courthouse, 1010 Fifth Avenue, Seattle, Wash., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2329. A letter from the Acting Deputy Administrator of General Services, transmitting a revised prospectus for alterations at the U.S. Post Office-Courthouse, Cincinnati, Ohio, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2330. A letter from the acting Federal cochairman, Appalachian Regional Commission, transmitting a report on the status of Appalachian migrants in the destinations to which they have migrated, current migration patterns and implications, and the impact of commission programs on outmigration and the welfare of Appalachian migrants; to the Committee on Public Works and Transportation.

2331. A letter from the Secretary of Commerce, transmitting the annual report for fiscal year 1978 on the implementation of the procedures of the national voluntary laboratory accreditation program; to the Committee on Science and Technology.

2332. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of certain research and development funds appropriated to NASA for fiscal year 1977 to modify two buildings at the Lewis Research Center, Cleveland, Ohio, for helicopter transmission testing under the helicopter transmission systems technology program, pursuant to section 3 of the NASA Authorization Act, 1977; to the Committee on Science and Technology.

2333. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October 1978 through February 1979, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2334. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October 1978 through January 1979, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2335. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October-December 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2336. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the Social Security Administration for fiscal year 1978, pursuant to sections 704, 1611(e)(3)(B), and 1875(b) of the Social Security Act, as amended, and section 426(b) of Public Law 91-173; to the Committee on Ways and Means.

2337. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended June 30, 1979, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means.

2338. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to modify the boundary of the Cibola National Forest in the State of New Mexico, and for other purposes; jointly, to the Committee on Agriculture, Armed Services, and Interior and Insular Affairs.

2339. A letter from the Comptroller General of the United States, transmitting a supplemental report to the Comptroller Generals report (CED-78-60, April 24, 1978) on the effect of the Department of Labor's current resource allocation formula on efforts by State employment service agencies to place food stamp recipients in jobs (CED-79-79, August 15, 1979); jointly, to the Committees on Government Operations and Agriculture.

2340. A letter from the Comptroller General of the United States, transmitting a report on difficulties in Selected Army Reserves recruiting under the All-Volunteer Force (FPCD-79-71, August 20, 1979); jointly, to the Committees on Government Operations and Armed Services.

2341. A letter from the Comptroller General of the United States, transmitting a report on the Army's need to reassess its intended procurement of 10-kilowatt, 60-hertz gas turbine generators (PSAD-79-95, August 9, 1979); jointly, to the Committees on Government Operations and Armed Services.

2342. A letter from the Comptroller General of the United Statees, transmitting a report on the status of the Roland missile program, (PSAD-79-100, August 17, 1979); jointly, to the Committees on Government Operations and Armed Services.

2343. A letter from the Comptroller General of the United States, transmitting a report on the need for the Congress to reevaluate the role and structure of the military's direct medical care system in peacetime (HRD-79-107, August 16, 1979); jointly, to the Committees on Government Operations and Armed Services.

2344. A letter from the Comptroller General of the United States, transmitting a report on weaknesses in servicing and accounting for home mortgages held by the Department of Housing and Urban Development (FGMSD-79-41, August 16, 1979); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

2345. A letter from the Mayor of the District of Columbia, transmitting a copy of his response to the Comptroller General's report on Forest Haven, pursuant to section 736(b)(3) of Public Law 93-198; jointly, to the Committees on Government Operations and the District of Columbia.

2346. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the guidelines for compensation for Federal employee injuries (HRD-79-78, August 22, 1979); jointly, to the Committees on Government Operations and Education and Labor.

2347. A letter from the Comptroller General of the United States, transmitting an updated report on U.S. participation in international organizations (ID-79-26, August 10, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

2348. A letter from the Comptroller General of the United States, transmitting a report on the vulnerability of key crude oil and products pipelines (EMD-79-63, August 27, 1979); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Public Works and Transportation.

2349. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the vocational rehabilitation program (HRD-79-84, August 23, 1979); jointly, to the Committees on Government Operations and Education and Labor.

2350. A letter from the Comptroller General of the United States, transmitting a report on the implementation of the coordination and information dissemination provisions of the Juvenile Justice and Delinquency Prevention Act (GGD-79-63, August 3, 1979); jointly, to the Committees on Government Operations, the Judiciary, and Education and Labor.

2351. A letter from the Comptroller General of the United States, transmitting a report on actions the Congress and the Secretary of Transportation can take to help reduce aircraft delays at major U.S. airports (CED-79-102, September 4, 1979); jointly, to the Committees on Government Operations and Public Works and Transportation.

2352. A letter from the Comptroller General of the United States, transmitting a report on ways for the Federal Government to improve management of scientific, technical, and other specialized information (PSAD-79-62, August 6, 1979); jointly, to the Committees on Government Operations and Science and Technology.

2353. A letter from the Comptroller General of the United States, transmitting a report on the Internal Revenue Service's selection of corporate income tax returns for audit (GGD-79-43, August 3, 1979); jointly, to the Committees on Government Operations, and Ways and Means.

2354. A letter from the Comptroller General of the United States, transmitting a report on the provision of noncontributory social security wage credits for military service performed after 1956 (FPCD-79-57, August 8, 1979); jointly, to the Committees on Government Operations and Ways and Means.

2355. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the current system of unemployment compensation (HRD-79-79, August 28, 1979); jointly, to the Committees on Government Operations and Ways and Means.

2356. A letter from the Comptroller General of the United States, transmitting a report on funding of State and local government pension plans (HRD-79-66, August 30, 1979); jointly, to the Committees on Government Operations, Ways and Means, and Education and Labor.

2357. A letter from the Comptroller General of the United States, transmitting a report reviewing the Social Security student benefit program (HRD-79-108, August 30, 1979); jointly, to the Committees on Government Operations, Ways and Means, and Education and Labor.

2358. A letter from the Secretary of the Interior, transmitting a consolidated report covering calendar year 1978 on the public disclosure of certain financial interests by officers and employees of the Department of the Interior performing functions under the Energy Policy and Conservation Act, the Mining in the Parks Act, the Federal Land Policy and Management Act of 1976, and the Outer Continental Shelf Land Act Amendments of 1978, pursuant to sections 522(b)(2), 13(b)(2), 313(b)(2), and 605(b)(2) of the respective acts; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

2359. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the 16th report on abnormal occurrences at licensed nuclear facilities, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted August 17, 1979*]

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 2759. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto; with amendment (Rept. No. 96-411, pt. 2. Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House August 2, 1979, the following conference report was filed on August 3, 1979*]

Mr. ZABLOCKI: Committee of conference. Conference report on H.R. 2774; with amendment (Rept. No. 96-412). Ordered to be printed.

[*Submitted Aug. 8, 1979*]

Mr. BROOKS: Committee on Government Operations. Report on Emergency Planning Around U.S. Nuclear Powerplants: Nuclear Regulatory Commission Oversight (Rept. No. 96-413). Referred to the Committee of the Whole House on the state of the Union.

[*Pursuant to the order of the House on July 31, 1979, the following report was filed on Aug. 31, 1979*]

Mr. ULLMAN: Committee on Ways and Means. H.R. 3712. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax; with amendment (Rept. No. 96-414). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted Sept. 5, 1979*]

Mr. PRICE: Committee on Armed Services. Report on allocation of budget authority and outlays by major program and legislation savings in the fiscal year 1980 budget resolution; (Rept. No. 96-415). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 740. A bill to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands (Rept. No. 96-416). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. House Joint Resolution 383. Joint resolution to validate the effectiveness of certain plans for the use or distribution of funds appropriated to pay judgments awarded to Indian tribes or groups (Rept. No. 96-417). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference. Conference report on S. 230 (Rept. No. 96-419). Ordered to be printed.

Mr. STAGGERS: Committee of conference. Conference report on S. 544 (Rept. No. 96-420). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 920. A bill to authorize the Secretary of the Interior to convey certain lands in Placer County, Calif., to Mrs. Edna C. Marshall, and for other purposes (Rept. No. 96-418). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 5163. A bill to authorize the sale to certain foreign nations of certain excess naval vessels; to the Committee on Armed Services.

By Mr. BIAGGI:

H.R. 5164. A bill to amend certain inspection and manning laws applicable to small vessels carrying passengers or freight for hire, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COLLINS of Texas:

H.R. 5165. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Ways and Means.

By Mr. ERDAHL (for himself and Mr. LENT):

H.R. 5166. A bill specifying the period within which contributions, equivalent to social security taxes, should be made by States having in effect agreements for social security coverage of State and local employees under section 218 of the Social Security Act; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 5167. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to provide additional information and protections with respect to joint and survivor annuities under qualified pension, profit-sharing, and stock bonus plans; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. NICHOLS:

H.R. 5168. A bill to extend certain expiring provisions of law relating to personnel management of the Armed Forces; to the Committee on Armed Services.

By Mr. OTTINGER (for himself and Mr. PISH):

H.R. 5169. A bill to amend the Department of Energy Organization Act in order to insure that solar energy, renewable resources, and energy conservation receive the highest national priority; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. PEPPER:

H.R. 5170. A bill to amend title XIX of the Social Security Act to extend the period of funding of State medicaid fraud control units; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 5171. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Ways and Means.

H.R. 5172. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Ways and Means.

H.R. 5173. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. RODINO:

H.R. 5174. A bill to amend section 209 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 5175. A bill to prohibit for 3 years the conversion of residential rental units to units in condominiums or cooperatives; to establish a Presidential Commission on Problems Relating to Condominium-Cooperative Conversions; to provide relocation assistance to low- and moderate-income persons occupying rental units which are converted to condominium or cooperative units; to deny community development block grants to communities which contribute to the shortage of housing for low- and moderate-income persons by permitting condominium and cooperative conversions without appropriate restrictions; and to amend the Internal Revenue Code of 1954 to treat gain from such conversions as ordinary income, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mrs. SCHROEDER:

H.R. 5176. A bill to establish an independent personnel system for employees of the General Accounting Office; to the Committee on Post Office and Civil Service.

By Mr. TAUKE:

H.R. 5177. A bill to amend the Emergency Petroleum Allocation Act of 1973 to establish a standby national set-aside program to provide middle distillates to meet shortages in agricultural production and agricultural transportation requirements; to the Committee on Interstate and Foreign Commerce.

H.R. 5178. A bill to amend title XVI of the Social Security Act to provide that interest on savings accounts (and other amounts similarly paid on deposits in financial institutions), if less than $60 in a calendar quarter, shall be excluded in determining an individuals' income for eligibility and benefit purposes under the SSI program; to the Committee on Ways and Means.

By Mr. TREEN (for himself and Mr. STUDDS):

H.R. 5179. A bill to amend title IV of the Outer Continental Shelf Lands Act Amendments of 1978 with respect to the fishermen's contingency fund; to the Committee on Merchant Marine and Fisheries.

Mr. UDALL:

H.R. 5180. A bill to restore a deductible status expenses incurred attending conventions in Mexico and Canada; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 5181. A bill to provide that savings banks shall not be considered to be State banks for purposes of determining whether a national bank may establish and operate any branch; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BARNES:

H.R. 5182. A bill to amend the Chesapeake and Ohio Canal Development Act to change the termination date of the Chesapeake and Ohio Canal National Historical Park Commission from the date 10 years after the effective date of such act to the date 20 years after such effective date; to the Committee on Interior and Insular Affairs.

By Mr. BOWEN:

H.R. 5183. A bill to amend the copyright law to provide that certain performances and displays of profitmaking educational institutions are not infringements of the exclusive rights of copyright owners; to the Committee on the Judiciary.

By Mr. BOWEN (for himself, Mr. BUCHANAN, Mr. GUDGER, Mr. HARRIS, and Mr. MONTGOMERY):

H.R. 5184. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 5185. A bill to amend the Internal Revenue Code of 1954 to increase the amount of certain employees' death benefits which may be excluded from gross income; to the Committee on Ways and Means.

H.R. 5186. A bill to establish an energy development and demonstration corporation, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. UDALL (for himself and Mr. SANTINI):

H.R. 5187. A bill to establish a forgivable loan program for geothermal reservoir confirmation, to amend existing geothermal leasing and permitting laws, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Science and Technology.

By Mr. FOWLER:

H.J. Res. 389. Joint resolution designating the month of September 1980, as "National Rehabilitaion Month"; to the Committee on Post Office and Civil Service.

By Mr. LOWRY (for himself and Mr. GREEN):

H.J. Res. 390. Joint resolution to authorize and request the President to issue a proclamation designating Sunday, September 30, 1979 as "National Good Neighbor Day"; to the Committee on Post Office and Civil Service.

By Mr. WALKER:

H. Res. 400. Resolution expressing the sense of the House of Representatives that the President, in the interests of national security, should immediately communicate to the Government of the Soviet Union our insistence that it remove its military troops from Cuba and, until such time as the Soviet military presence is ended, that all proceedings with regard to the ratification of the proposed Strategic Arms Limitation Treaty be suspended; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LENT:

H.R. 5188. A bill for the relief of Ana Maria Escandell; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 5189. A bill for the relief of Simon Stroh; to the Committee on the Judiciary.

By Mr. TAYLOR:

H.R. 5190. A bill for the relief of Jacobo Cosio-Franco; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

276. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to emigration of Russian Christians; to the Committee on Foreign Affairs.

277. Also, memorial of the Legislature of the State of Texas, relative to urging the Federal Republic of Germany to abolish or extend the statute of limitations relating to Nazi war crimes; to the Committee on Foreign Affairs.

278. Also, memorial of the Legislature of the State of California, relative to Federal reclamation law; to the Committee on Interior and Insular Affairs.

279. Also, memorial of the Legislature of the State of Montana, relative to further designations of wilderness areas; to the Committee on Interior and Insular Affairs.

280. Also, memorial of the Legislature of the State of Montana, relative to Federal payments to the States based upon the amount of Indian lands within the boundary of such locality; to the Committee on Interior and Insular Affairs.

281. Also, memorial of the House of Representatives of the State of Washington, relative to the proposed Yakima River Basin water enhancement project; to the Committee on Interior and Insular Affairs.

282. Also, memorial of the Legislature of the territory of Guam, relative to the Omnibus territories bill of 1979; to the Committee on Interior and Insular Affairs.

283. Also, memorial of the Legislature of the territory of Guam, relative to proposed nuclear waste storage on Guam; to the Committee on Interior and Insular Affairs.

284. Also, memorial to the Senate of the Commonwealth of Massachusetts, relative to reform of psychotropic drug usage on the mentally retarded; to the Committee on Interstate and Foreign Commerce.

285. Also, memorial to the Senate of the Commonwealth of Massachusetts, relative to assuring adequate supplies of home heating oil to Massachusetts; to the Committee on Interstate and Foreign Commerce.

286. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to requiring the television broadcast industry to caption news programing and emergency announcements; to the Committee on Interstate and Foreign Commerce.

287. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to a comprehensive heating oil allocation program; to the Committee on Interstate and Foreign Commerce.

288. Also, memorial of the Legislature of the State of Montana, relative to continuation of the rail service provided by the Milwaukee Road; to the Committee on Interstate and Foreign Commerce.

289. Also, memorial of the House of Representatives of the State of Washington, relative to continued use of the Olympia postmark; to the Committee on Post Office and Civil Service.

290. Also, memorial of the Legislature of the territory of Guam, relative to providing honorable discharges from the Armed Forces of the United States for members of the Guam Combat Patrol and the Guam Civilian Scouts; to the Committee on Veterans' Affairs.

291. Also, memorial of the Legislature of the State of California, relative to taxation of savings account interest; to the Committee on Ways and Means.

292. Also, memorial of the Legislature of the State of Texas, relative to Federal inheritance taxes; to the Committee on Ways and Means.

293. Also, memorial of the Legislature of the State of Montana, relative to the Pacific Northwest Electric Power Planning and Conservation Act; jointly, to the Committee on Interior and Insular Affairs and Interstate and Foreign Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 605: Mr. MURPHY of New York, Mr. WHITLEY, Mr. NELSON, Mr. MICA, Mr. PRITCHARD, and Mr. SABO.

H.R. 1071: Mr. PETRI.

H.R. 1102: Mr. RAILSBACK.

H.R. 1576: Mr. PRENZEL, Mr. HIGHTOWER, Mr. STENHOLM, Mr. SLACK, Mr. SPENCE, Mr. HANCE, and Mr. LEACH of Louisiana.

H.R. 1577: Mr. PRENZEL, Mr. HIGHTOWER, Mr. STENHOLM, Mr. SLACK, Mr. SPENCE, Mr. MARKEY, Mr. HANCE, and Mr. LEACH of Louisiana.

H.R. 1578: Mr. PRENZEL, Mr. HIGHTOWER, Mr. STENHOLM, Mr. SLACK, Mr. SPENCE, Mr. HANCE, Mr. LEACH, of Louisiana.

H.R. 1911: Mr. CORRADA, Mr. NEAL, Mr. MITCHELL of Maryland, Mr. DRINAN, Mr. ADDABBO, Mr. RICHMOND, Mr. RANGEL, Mr. GOODLING, Mr. GUDGER, Ms. FERRARO, Mr. HOLLENBECK, Mr. PEPPER, and Mr. STACK.

H.R. 1912: Mr. ADDABBO, Mr. ROSENTHAL, Mr. CONYERS, Mr. EDWARDS of California, Mr. DRINAN, Mr. EVANS of Georgia, Mr. VENTO, Mr. DOWNEY, Mr. LAFALCE, Mr. WEAVER, Mr. OTTINGER, Mr. WOLPE, Mr. HEFTEL, Mr. MCHUGH, Mr. KILDEE, Mr. HUGHES, Mr. NEAL, Mr. DORNAN, Mr. DOUGHERTY, Mr. BONIOR of Michigan, Mr. SCHEUER, Mr. RICHMOND, Mr. ZEFERETTI, Mr. RANGEL, Mr. MITCHELL of Maryland, Mr. MARKEY, Mr. KEMP, Mr. GILMAN, Mr. NOLAN, and Mr. HARKIN.

H.R. 1971: Mr. ALBOSTA, Mr. BEDELL, Mr. DOWNEY, Mr. ERTEL, Mr. FITHIAN, Mr. GILMAN, Mr. HUGHES, Mr. ICHORD, Mr. MINETA, Mr. PANETTA, Mr. RICHMOND, and Mr. WEAVER.

H.R. 2272: Mr. HEFTEL.

H.R. 2411: Mr. EVANS of the Virgin Islands.

H.R. 2777: Mr. COUGHLIN and Mr. STOKES.

H.R. 3105: Mr. ROBINSON and Mr. CAMPBELL.

H.R. 3106: Mr. GRAMM.

H.R. 3251: Mr. BROWN of Ohio.

H.R. 3345: Mr. LELAND, Mrs. FENWICK, and Mr. SOLARZ.

H.R. 3567: Mr. LIVINGSTON, Mr. DONNELLY, Mr. EDWARDS of Oklahoma, Mr. CARTER, Mr. BEARD of Rhode Island, Mr. STUDDS, Mr. PRITCHARD, Mr. BURLISON, Mr. UDALL, Mr. CORRADA, Mr. SIMON, Mr. SATTERFIELD, Mr. OBERSTAR, Mrs. SNOWE, Mr. LUKEN, Mr. LEWIS, and Mr. BROWN of Ohio.

H.R. 3584: Mr. HANCE.

H.R. 3676: Mr. TAUKE.

H.R. 3677: Mr. PICKLE.

H.R. 3697: Mr. BRODHEAD, Mr. ROSENTHAL, Mr. OBERSTAR, Mr. PRITCHARD, Mr. COTTER, Mr. MARKEY, Mr. ERDAHL, Ms. FERRARO, Mr. MITCHELL of New York, Mr. THOMPSON, Mr. YATRON, Mr. PATTEN, Mr. STOKES, Mr. DOUGHERTY, Mrs. SCHROEDER, Mr. MARKS, Mr. WIRTH, Mrs. SNOWE, Mr. KILDEE, Ms. MIKULSKI, and Mr. KEMP.

H.R. 3729: Mr. TAUKE.

H.R. 3852: Mr. EVANS of the Virgin Islands.

H.R. 4105: Mr. HAMILTON.

H.R. 4211: Mr. GUDGER.

H.R. 4309: Mr. LEDERER.

H.R. 4310: Mr. STACK, Mr. BONKER, Mr. BAUMAN, Mr. AKAKA, Mr. LENT, Mr. YOUNG of Alaska, Ms. MIKULSKI, Mr. BOWEN, Mr. BAFALIS, and Mr. BONIOR of Michigan.

H.R. 4313: Mr. ALBOSTA.

H.R. 4363: Mr. ROUSSELOT.

H.R. 4442: Mr. FISH.

H.R. 4504: Mr. PATTERSON, Mr. GRAY, Mr. GEPHARDT, Mr. GLICKMAN, and Mr. TAUKE.

H.R. 4526: Mr. WHITEHURST, Mr. MINETA, Mr. PEPPER, Mr. HUGHES, Mr. PANETTA, Mr. LAFALCE, Mr. FLOOD, Mr. BARNES, Mr. PREYER, Mr. ERDAHL, Mr. LAGOMARSINO, Mr. COELHO, Mr. BARNARD, Mr. VENTO, Mr. GUARINI, Mr. TAUKE, Mr. WIRTH, and Mr. GUDGER.

H.R. 4531: Mr. HOLLENBECK, Mr. RICHMOND, Mr. ADDABBO, Mr. LEHMAN, Mr. LEACH of Louisiana, Mr. HARKIN, Mr. CORMAN, and Mr. BEDELL.

H.R. 4567: Mr. MURPHY of Illinois.

H.R. 4648: Mr. D'AMOURS, Mr. DIXON, Ms. FERRARO, Mr. GEPHARDT, Mr. GRAY, and Mr. NOLAN.

H.R. 4656: Mr. ABDNOR, Mr. ARCHER, Mr. BAFALIS, Mr. BARNARD, Mr. BEARD of Tennessee, Mr. BETHUNE, Mr. BROYHILL, Mr. BUTLER, Mr. CAMPBELL, Mr. PHILIP M. CRANE, Mr. COLLINS of Texas, Mr. ROBERT W. DANIEL JR., Mr. DANNEMEYER, Mr. DICKINSON, Mr. HAMMERSCHMIDT, Mr. JEFFRIES, Mr. KRAMER, Mr. KELLY, Mr. LEATH of Texas, Mr. LOEFFLER, Mr. MARRIOTT, Mr. MCDONALD, Mr. MONTGOMERY, Mr. QUILLEN, Mr. ROBINSON, Mr. ROUSSELOT, Mr. RUDD, Mr. SATTERFIELD, Mr. SEBELIUS, Mr. SPENCE, Mr. STUMP, Mr. SYMMS, Mr. TRIBLE, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WINN, Mr. YOUNG of Florida, Mrs. HOLT, Mr. BUCHANAN, and Mr. EDWSON.

H.R. 5050: Mr. CONTE and Mr. RINALDO.

H.J. Res. 275: Mr. SHELBY, Mr. GORE, Mr RATCHFORD, Mr. MOORHEAD of Pennsylvania, Mr. BEREUTER, and Mr. BETHUNE.

H.J. Res. 336: Mr. ANTHONY, Mr. BAUMAN, Mr. BRINKLEY, Mr. BROWN of Ohio, Mrs. BYRON, Mr. FINDLEY, Mr. GILMAN, Mr. GREEN, Mr. GUARINI, Mr. GUDGER, Mr. HORTON, Mr. HOWARD, Mr. JENKINS, Mr. KOGOVSEK, Mr. LENT, Mr. LEWIS, Mr. LOWRY, Mr. MADIGAN, Mr. MCCLOSKEY, Mr. MOORHEAD of Pennsylvania, Mr. NICHOLS, Mr. PEPPER, Mr. QUILLEN, Mr. RAILSBACK, Mr. ROE, Mr. SANTINI, Mr. SATTERFIELD, Mr. SAWYER, Mr. SIMON, Mr. SLACK, Mr. STAGGERS, Mr. STENHOLM, Mr. STOCKMAN, Mr. TAYLOR, Mr. WALGREN, Mr. WILLIAMS, of Ohio, Mr. CHARLES WILSON of Texas, Mr. YOUNG of Alaska, Mr. ZABLOCKI, Mr. STEED, Mr. BENNETT, Mr. BLANCHARD, Mr. BROYHILL, Mr. FOWLER, Mr. FUQUA, Mr. HEFNER, Mr. IRELAND, Mr. JONES of North Carolina, Mr. RITTER, Mr. ROSE, and Mr. YOUNG of Florida.

H.J. Res. 338: Mr. PATTEN and Mr. KASTENMEIER.

H. Con. Res. 121: Mr. STOKES.

H. Res. 302: Mr. ROE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4760: Mr. PAUL.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

184. By the SPEAKER: Petition of the mayor of Nea Smyrne, Greece, relative to Cyprus; to the Committee on Foreign Affairs.

185. Also, petition of the Western States Land Commissioners Association, Sacramento, Calif., relative to Western States land management and welfare; to the Committee on Interior and Insular Affairs.

186. Also, petition of Donald Orand, Steilacoom, Wash., relative to redress of grievances; to the Committee on the Judiciary.

187. Also, petition of John L. Quigley, Chelsea, Mass., relative to Federal grants for renovations of veterans' homes; to the Committee on Veterans' Affairs.

188. Also, petition of the First Michigan Congress on the Arts, Detroit, Mich., relative to Federal estate tax laws; to the Committee on Ways and Means.

189. Also, petition of the City Commission, Kilgore, Tex., relative to the proposed windfall profits tax bill; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

OMB/OPM REPORT CITES IMPORTANCE OF PRODUCTIVITY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORCORAN. Mr. Speaker, a draft report to the National Productivity Council entitled "Federal Actions to Support State and Local Government Productivity Improvement" has recently been issued. This August 1979 report resulted from the efforts of a study team cochaired by the Office of Management and Budget and the Office of Personnel Management.

I am happy to note that one of the five recommendations made closely corresponds with legislation I introduced on March 8, the Intergovernmental Productivity Improvement Act of 1979—H.R. 2735 and S. 1155, introduced May 15 by Senator CHARLES PERCY.

Our legislation would amend the Intergovernmental Personnel Act of 1970 by authorizing this program to make grants in the area of productivity improvement. This expansion of authority would improve the way in which Federal grants are utilized in conjunction with State and local governments by emphasizing efforts which improve productivity. Productivity improvement offers a real opportunity for maintaining or increasing the level of services without necessarily increasing taxes.

The draft report also recognizes the importance of the Federal grant-in-aid system and states:

• • • the mechanics of the grant-in-aid system itself have a negative effect on State and local productivity.

The report concludes that these two needs—improving the grants system and rationalizing existing and future productivity support activities—should receive priority attention.

Recognizing the importance of the grant-in-aid system, especially in terms of productivity, I joined Congressman LES AUCOIN in introducing H.R. 4504 on June 18. Companion legislation, S. 878, was introduced on April 4 by Senator WILLIAM ROTH. This legislation, the Federal Assistance Paperwork and Regulation Reduction Act, would streamline and simplify Federal grant programs.

For the benefit of my colleagues, I include in the RECORD at this point the Executive Summary of the August 1979 draft report to the National Productivity Council entitled "Federal Actions to Support State and Local Government Productivity Improvement":

EXECUTIVE SUMMARY: THE FEDERAL INTEREST IN STATE AND LOCAL GOVERNMENT PRODUCTIVITY

State and local governments play a vital role in accomplishing specific national objectives and carrying out federally-mandated programs. The Federal Government helps finance these activities through grants-in-aid and loans. Grant-in-aid outlays to State and local governments in 1978 were $77.9 billion, and will rise to an estimated $82.1 billion in 1979.

It is incumbent on the Federal Government to see that these dollars are spent wisely, and that future requirements reflect the efficient and effective use of Federal tax dollars by State and local governments. There are many ways that the Federal Government can and does try to achieve this goal. This report addresses one of these ways—encouraging and supporting State and local productivity improvement so that they can make the best possible use of the available resources.

Although there have been a number of recent studies on State and local government productivity improvement, there is no consensus on the actions that the Federal Government should take to support these efforts. In order to address this issue, the National productivity Council, which serves as the focal point for Executive Branch efforts to improve private and public sector productivity, requested that a study be conducted. The objective of the study was to identify those actions that the Federal Government can and should take to support State and local government productivity improvement.

FEDERAL ACTIONS TO SUPPORT STATE AND LOCAL GOVERNMENT PRODUCTIVITY IMPROVEMENT

In examining those actions that the Federal Government can and should take to encourage and support State and local government productivity improvement, we have reached two principal conclusions. First, and somewhat ironically, the mechanics of the grant-in-aid system itself have a negative effect on State and local productivity. Improvements to the grants system are a basic element of Federal support of State and local government productivity improvement. Secondly, there currently are a number of Federal programs and projects that encourage and support State and local productivity improvement. They do not, however, constitute a rationalized or planned approach.

These two needs—improving the grants system and rationalizing existing and future productivity support activities—should receive priority attention. Beyond these comprehensive needs, there are three specific efforts that merit more attention by the Federal Government:

Increasing the capacity of State and local management to identify and implement productivity improvements;

Finding solutions to State and local service delivery problems through research and development of improved methods and technologies; and

Providing information and assistance on improved methods and technologies to help State and local governments effect productivity improvements.

THE FEDERAL GRANTS SYSTEM

One of the major ways that the Federal Government affects State and local government productivity is through the grants system itself. The impact is primarily negative because of the delays and additional costs caused by the myriad of regulations and excessive "red tape." In addition, most major Federal grant programs do not reward grantees for productivity performance either in distribution of funds or evaluation of grantee use of funds. Further, State and local governments have little incentive on their own to be concerned about productivity in using Federal grant funds.

There is a major Executive Branch effort currently under way to simplify and improve the Federal grants system. Major components of this effort include:

The Federal Grants and Cooperative Agreement Act of 1977, which requires a comprehensive review of Federal assistance management practices, and proposals for reforming the Federal assistance system.

The Eligibility Simplification Project, which is a comprehensive review of major public assistance programs to find ways of simplifying the complex and burdensome process of determining eligibility for these programs.

Planning Requirements Reform, an effort to simplify and consolidate the numerous planning requirements associated with Federal grants to insure consistency among different agencies and programs and to lessen the burden on State and local government recipients.

Compliance with OMB Circular A-95, which is an effort to assure that major grant-making agencies follow prescribed procedures for evaluation, review, and coordination of federally assisted programs, and to clarify the role of State and local areawide clearinghouses in reviewing the impact of major Federal programs on local plans and programs.

In contrast, very little work has been done on the development of productivity incentives in the Federal grants system. This is a very complex issue that was considered beyond the scope of this study.

RATIONALIZATION OF FEDERAL PRODUCTIVITY SUPPORT ACTIVITIES

Although a complete inventory of Federal activities supporting State and local government productivity improvement does not currently exist, many examples have been identified. Some are highly visible programs specifically intended to support productivity improvement efforts; many others are projects or activities that are part of other agency programs, and are often not specifically identified with productivity improvement. To a large degree more effective Federal support can be achieved by rationalizing and planning this support, hopefully precluding the need for additional resource investment. There needs to be an organizational and procedural framework in which this rationalizaton and future program development takes place. The first step in establishing this framework is the designation of a lead Federal agency.

Recommendation: Designate OPM as Lead Agency. The Office of Personnel Management should be designated as the lead Federal agency for State and local government productivity improvement. Two positions and $100 thousand should be allocated for this purpose.

As lead agency, OPM should work with other Federal agencies, State and local governments, and other interested groups to plan and develop a program for Federal support of State and local government productivity improvement. OMB now has under way an effort to inventory current Executive Branch activities that support productivity improvement in the private and public sectors. The results of this survey should be used by OPM to identify "gaps" in support for State and local governments, duplicative efforts, and opportunities for agency cooperation.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

BUILDING STATE AND LOCAL MANAGEMENT CAPACITY

A key factor in State and local government productivity improvement efforts is the capacity of management to identify productivity problems and to develop and implement solutions. This requires basic capability in a broad spectrum of management activities, including planning and evaluation, goal and priority setting, resource allocation, and the management systems that support these activities—personnel administration, budgeting, financial management, and information systems.

There are few Federal programs specifically designed to improve the capacity of State and local governments in these areas. The assistance programs that are available include: (1) the Intergovernmental Personnel Act, a $20 million grant program that finances improvements in personnel management systems; (2) the Department of Housing and Urban Development's "701" program, a comprehensive planning assistance program; (3) HUD's Governmental Capacity Strengthening Program, which focuses on improving financial practices; (4) the National Science Foundation's Intergovernmental Program, which focuses on the use of scientific and technical information in management activities; and (5) the Department of Labor's Public Employee Labor Relations Program.

These programs do not represent a comprehensive program effort. More effective Federal support would involve expanding support to other management activities. The most often mentioned method is to amend the Intergovernmental Personnel Act to authorize grants and cooperative agreements in other management areas (information systems, program evaluation, etc.). There also have been suggestions that the focus of the IPA program be redirected—at least partially—from a "seed money" program that supports improvements in individual jurisdictions to a program that emphasizes the development and testing of management systems and techniques that can be adopted or adapted by a large number of jurisdictions.

Recommendation: Change Nature of IPA Program. The Intergovernmental Personnel Act should be amended to authorize grants and cooperative agreements in any management area. Award criteria should be revised to give more emphasis to the development and testing of management systems and techniques.

Closely associated with management capacity is the area of productivity measurement. Productivity data help managers to identify problems and opportunities and measure the results of improvement efforts. Various studies have estimated the percentage of jurisdictions with productivity measurement programs to be from 10 percent to over 50 percent. This relatively limited use of productivity measurement is partly due to the lack of measurement techniques for some areas, and to the lack of information on quality and effectiveness of service.

Although several Federal agencies support State and local productivity measurement in specific program areas, the Federal Government does not have any major or comprehensive program to support productivity measurement efforts in State and local governments. The range of possible Federal initiatives to fill this void includes research on measurement techniques for State and local activities not currently measured, the development of statistics comparing the productivity of various jurisdictions, and the development of an overall State and local productivity index. These latter two efforts would be very expensive to implement.

Recommendation: Continue Limited Federal Support of Productivity Measurement. The costs and relative benefits of a Federal effort in this area compared to other forms of Federal support do not warrant a major Federal investment at this time. More analyses of the conceptual problems and approaches should be made. In the meantime, Federal agencies should be encouraged to continue their individual efforts to support State and local government productivity measurement and, where possible within their own budget priorities, expand such efforts.

IMPROVED METHODS AND TECHNOLOGIES

The performance of State and local governments can be improved through the development and application of improved methods and technologies to service delivery problems. A number of Federal agencies currently are involved in the identification of State and local service delivery problems, research and development on possible solutions, and dissemination of research findings. Most of this effort is carried out by the mission agencies within their own program operations. There are, however, a few cross-cutting or comprehensive efforts. The Intergovernmental Science, Engineering, and Technology Advisory Panel (ISETAP), in the Office of Science and Technology Policy, initiated a process this year to rank State and local research needs in priority order. In the information dissemination area, the National Science Foundation funds several information sharing networks, including the Urban Consortium. There remains, however, a need to: (1) establish the needs assessment processes on a more permanent basis; (2) test and evaluate promising technologies; and (3) improve information sharing.

Recommendation: Assign OSTP Lead Responsibility for Research Needs Assessment. The Office of Science and Technology Policy, through ISETAP, should take the lead in identifying the research needs of State and local governments. An additional two positions and $100 thousand should be dedicated to this activity.

Recommendation: OPM, Working with OSTP, Should Encourage Needed Research. The Office of Personnel Management, in its role as lead agency, should work with OSTP to encourage Federal agencies to undertake research that supports State and local government needs, particularly "breakthrough" technology that could lead to major improvements in productivity.

Improved information sharing is discussed in the next section.

INFORMATION SHARING

Although over one hundred and sixty government agencies and non-Federal groups provide productivity-related information and data to State and local governments, we have concluded there is a major gap between this information and that desired by State and local governments. To a large degree the current information is not provided in a timely manner, and does not satisfy the problem-solving needs of many State and local operations. Federal actions should focus on improving the usefulness of information from Federal programs, especially the results of research programs. Since State and local officials accord higher credibility and trust to non-Federal sources, non-Federal information networks should be utilized and supported wherever possible, especially where more cost-effective.

Recommendation: OPM Should Develop an Information Sharing Program. The Office of Personnel Management, as part of its lead agency responsibilities, should develop an information sharing program. Three positions and $400 thousand are recommended to support this activity.

RESOURCE REQUIREMENTS

Implementation of the study recommendations would involve five additional positions and $500 thousand for the Office of Personnel Management, and two positions and $100 thousand for the Office of Science and Technology Policy. We believe that the need for further resource increases can be precluded by the better utilization of resources currently devoted to productivity improvement, and by giving higher priority to State and local needs within existing program funding. Resource requests beyond those recommended in this report should be supported by fully documented cost-benefit analyses.●

TRIBUTE TO THELMA DALEY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FAUNTROY. Mr. Speaker, on behalf of the residents of Washington, D.C., I would like to take a moment to salute Mrs. Thelma Thomas Daley of Baltimore, Md., national president of Delta Sigma Theta Sorority, Inc., a predominantly black public service organization of approximately 95,000 college educated women. Mrs. Daley will be relinquishing her office in just a few days after a series of outstanding public service accomplishments both by herself and by Delta Sigma Theta.

In the years that I and other members of the Congressional Black Caucus have had the opportunity to work with Mrs. Daley and her sorority we became truly impressed at the commitment to service of the sorority under her dynamic leadership.

For more than half a century this sorority has undertaken an array of activities designed to carry out its commitment to public service in areas such as education, economic development, legislation, housing, arts and letters, et cetera. Annually, more than $500,000 is awarded to deserving students to assist them in attending colleges and universities. In 1978 alone, the national office provided assistance to 32 students totaling more than $16,000. Contributions to other groups—such as the United Negro College Fund, NAACP, YMCA, NCNW, Urban League, and numerous agencies and institutions at the local community level—total more than $750,000. Each year Delta Sigma Theta, Inc., makes a $1,000 contribution to the National Black Achievement Scholarship Committee of the Nation's merit scholarship program.

Mrs. Daley and Delta Sigma Theta, Inc., in addition to the above have just recently compiled an even more impressive list of contributions in the struggle for the preservation of human worth and dignity. Those significant contributions include: $134,000 grant from Department of Health, Education, and Welfare to develop a women's educational equity training and assessment program;

Establishment of four national "life development centers," designed to meet a variety of community needs related to its program goals of public service;

Establishment of the distinguished professor endowed chair to render perpetual support to black colleges;

Awarded in 1978 mini-grants to seven black colleges; and

Establishment of a resource center in science and engineering to increase the

number of low-income minority group students with the assistance of a $2.76 million grant from the National Science Foundation.

In my city, the District of Columbia, Delta Sigma Theta, Inc. has been just as active. Here, the District of Columbia alumnae chapter was the recipient of a $5 million grant to provide housing for senior citizens and handicapped persons. And in furtherance of full human and civil rights for all Americans, the D.C. chapter, in cooperation with the national office, continues to assist in the efforts to impact on full voting representation for the District of Columbia and ERA.

I could go on and on about the accomplishments of Mrs. Daley and Delta Sigma Theta, Inc., but suffice it to say Mrs. Daley and her sorority are an integral part of the black community and the larger community, in general.

Mrs. Daley is presently employed by the Baltimore City Board of Education and she has just completed a 2-year loan to the Maryland Department of Education as a consultant in career education and as Federal project director.

Listed in Who's Who in black America and as one of the 100 most influential black women, Mrs. Daley's and the organization's awards are numerous.

We in the congressional Black Caucus and others who knew her intimately through her generous work will miss her greatly. As she leaves office we salute her for her leadership, courage and accomplishments as president of Delta Sigma Theta, Inc. Moreover, we rejoice and do not despair because Mrs. Daley's leadership will continue to blossom in the hands of a new president, buoyed by an enduring institution in our community—Delta Sigma Theta.●

JOHN B. BRECKINRIDGE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 30, 1979

● Mr. MAZZOLI. Mr. Speaker, I join my colleagues in expressing deep sorrow on the death of the honorable John B. Breckinridge, late a U.S. Representative from Kentucky's Sixth Congressional District.

John's service in the public sector followed the distinguished heritage of his forefathers and added to its luster and accomplishment.

John Breckinridge's outstanding career in public life began in the Commonwealth of Kentucky where, after graduating from the University of Kentucky's Law School in 1939, he became special attorney for the Anti-Trust Division of the U.S. Department of Justice. He served the U.S. Army in World War II and attained the rank of colonel.

John Breckinridge was elected a member of the Kentucky House of Repesentatives in 1956 and served as attorney general of the Commonwealth of Kentucky for 8 years. He was elected to the U.S. House of Representatives in 1973 where he served with dignity and effectiveness through the end of the 95th Congress.

Concern for the betterment of his fellow man and woman, and a devotion to developing new legislative efforts to make America a better home for us all characterized John's service in the House. He worked diligently on behalf of his constituents of the Sixth District.

His service as chairman of the Executive Committee of Congressional Rural Caucus and his service on the Committee on Agriculture and the House Small Business Committee gave him the standing and the opportunity to help the people and the industries of his constituency.

John was not a celebrity Member of the House. But, he was a good man and a diligent, thoughtful Member of Congress.

The Kentucky congressional delegation has lost a friend. The House has lost an effective Member. The Commonwealth of Kentucky and the Nation has lost a patriotic citizen.

I extend condolences and sympathies to John's widow, Helen, and to all of his bereaved family.●

HON. WRIGHT PATMAN: A GREAT AMERICAN

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GONZALEZ. Mr. Speaker, one of the great privileges and happy moments I have had thus far in my life has been the opportunity to have gotten to know, serve with, and join in battle with one of—if not the—greatest Texans and Americans of this century. His birthday would have been celebrated on August 6, and I speak of Wright Patman, of Patman's Switch, as he was wont to say.

I do not use hyperbole when I describe him as great. I mean the word in its fullest sense.

Wright Patman died as the dean of the House, and was called from us while still vigorous and virile and mentally alert.

What strong and powerful opponents and banking and special interests had not succeeded in doing once every 2 even numbered years in the half century of his service, was finally accomplished by his Democratic Caucus peers. But he did not become soured and embittered. He chaired the subcommittee of his predilection and performed admirably until the very end.

Oh, that his voice were here to rail against the usurers and greedy who have managed to take over our Congress and country as he himself would say in quoting an old rhyme:

He has no enemies, you say. My friend, the boast is poor. He who hath mingled in the fray of duty that the brave endure must have foes.

If he has none, he has hit no traitor on the hip, has cast no cup from perjured lip. Has never turned the wrong to right. He's been a coward in the fight.

Chairman Patman, sire, sure wish you were here.●

MAJOR OIL COMPANIES SQUEEZE OUT INDEPENDENTS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CONYERS. Mr. Speaker, the oil crunch of recent months has taken a heavy toll on American consumers. It also has done considerable damage to small, independent domestic refiners, that number about 150 companies and account for 30 percent of domestic refining capacity, and to the businesses that purchase oil from them.

The independent refiners, who purchase most of their crude oil from the major oil companies, have been forced to cut back their refinery production because of cutbacks in supplies from the major companies. Despite Federal law that mandates the equalization of refinery utilization, small refineries have been operating at 70 to 75 percent, while the refineries of the majors have been operating at 85 to 90 percent rates.

The lack of crude oil available to the small refiners has led to a decline in their sales of gasoline and No. 2 fuel oil. Between December 1978 and March 1979 the major oil companies increased their sales of No. 2 fuel oil by 770 million gallons and of gasoline by 240 million gallons, while the independents saw a decrease of 461 million gallons in sales of No. 2 oil and 88 million gallons in gasoline. The net effect was to boost the major oil companies' market power at the expense of the independents.

The Oil Imports Act of 1979 (H.R. 3604), which Representatives BENJAMIN ROSENTHAL, CHARLES ROSE, and myself, along with 52 other Members, have sponsored provides a remedy for the independents and the industrial firms that depend on them. The legislation would create a Federal nonprofit corporation to purchase all the foreign oil brought into the United States. The corporation would resell the oil it buys to all qualified purchasers in ways that spur competition among domestic marketers, insure equitable distribution in times of shortage, and that maximizes domestic refining capacity. Among its other purposes, the legislation recognizes the national interest of maintaining an independent sector within the American oil industry and lessening its dependence on the majors.

The July 9, 1979, issue of Energy User News spells out the difficulties the independent refiners have been experiencing in recent months. I commend to my colleagues the following article, "Small Refiners Cut Supply 50 percent." I am hopeful they will share with me the urgent sense of transforming the existing oil import and distribution system.

The article follows:

SMALL REFINERS CUT SUPPLY 50 PERCENT

(By Paul Vidich)

NEW YORK.—Independent oil refiners, hard-pressed for crude oil, are being forced to impose deeper than industry-average cuts in fuel oil and gasoline sales to their commercial and industrial customers.

While the major oil companies, such as Exxon and Mobil, have been allocating their fuel oil and gasoline supplies at 70 to 90 percent for the last three months, the allocations imposed by the independent refiners are falling in the range of 50 to 80 percent.

Truck and car fleets of commercial and industrial firms served by the independent refiners are in turn being hard-pressed for supplies.

The woes of the independent refiners, who number approximately 150 companies and contribute 30 percent of the nation's refining capacity, are in part attributable to the major oil companies, a survey of independent refiners, petroleum industry consultants, trade organizations and just published Energy Department data reveals.

The evidence suggests that while the major oil companies saw significant improvements in their imports of crude oil in the first four months of 1979—Shell, for example, was up 46.1 percent over the same period of the previous year—the major oil firms also cut back or eliminated deliveries of crude oil to small refiners.

Small refiners have been unable to deliver less fuel as a result. For example, while the top 15 U.S. refiners saw their sale of No. 2 fuel oil increase by 770 million gallons from December 1978 to March 1979, over the same period in the previous year, sales by the rest of the refining industry declined by 461 million gallons.

The major oil companies have publicly defended their behavior by explaining that the shutdown of the Iranian oil fields created a world shortage, and they could not supply all their customers.

The story, as it has been pieced together over two months, follows:

Within 30 to 40 days after Iran ceased exporting crude oil on last Dec. 27, all but one of the major oil companies announced cutbacks in crude deliveries to third parties—a category into which independent refiners in this country fall.

Exxon cut back third parties 10 percent; Texaco a week later cut back 8 percent; British Petroleum 45 percent and Gulf 20 percent of its Middle Eastern crude. Shell's cutbacks varied from customer and only Mobil Oil announced no cutbacks.

Among those cut back were Delta Refining, which had been supplied by British Petroleum; National Cooperative Refinery Assoc., whose 59,400 barrel per day (B/D) refinery in McPherson, Kan., had obtained 40 to 50 percent of its crude from two international majors, and Powerine, a 44,120 b/d refinery in Santa Fe Springs, Calif., which had obtained 25 to 30 percent of its crude through an international oil firm. Powerine in May and June has been on a 50 percent allocation fraction.

At the same time that the major oil companies announced "force majeure" (inability to fulfill agreements) on their contracts to supply crude to the small refiners, the major oil firms' imports of crude into the U.S. rose significantly, and continued to do so for the first four months of 1978. That is the latest period for which information is available.

HIGHER IMPORTS

Information collected by the Department of Energy, but not publicly distributed by the agency, reveals that the major oil firms' imports of crude during the first four months of 1979 were higher than the same period of 1978 by the following amounts: Exxon up 12.8 percent; Mobil up 14.1 percent; Chevron up 12 percent; Gulf up 29.7 percent; Shell up 46.1 percent. Only Texaco was down, falling 1.4 percent.

These figures are for Petroleum Administration Districts I–IV, which essentially is the continental U.S. East of the Rockies. This distinction is meaningful because the West Coast started to receive crude from the Alaskan North Slope in 1978.

Comparison to the first four months of 1977, which might be considered a more normal year because of the historically high level of crude stocks during the beginning of 1978, indicates that the major's crude imports were still up substantially. Exxon up 30 percent; Chevron up 3.3 percent; Gulf up 6.8 percent; Mobil up 1.0 percent; Shell up 2.0 percent and Texaco up 0.7 percent.

Total crude imports for the U.S. fell, 6.7 percent when the first third of 1977 is compared to 1979, so the result has been that the majors substantially increased their share of total imports.

While small refiners have in some cases been able to make up for the lost foreign crude through a Department of Energy program—known as the buy-sell program—which forces a major to supply crude to a small refiner, the program does not include all small refiners. Powerine, for example, can not participate because it has access to a port terminal into which foreign crude can be brought, says Andy Pfass, of Powerine.

The problem suffered by United Refining in Pennsylvania, says William M. Petre, corporate secretary, is that shipment of crude under the DOE buy-sell program is often late. For a period in June Uniteds 48,000 b/d refinery was operating at 18,000 b/d. That meant that United customers in northwest Pennsylvania and western New York would not get 900,000 gallons per day of gasoline, No. 2 fuel oil and diesel fuel.

Despite the efforts of the DOE's buy-sell program to distribute crude supplies so that all refiners have the same refinery utilization rate—as the DOE is mandated to do under the terms of the Emergency Petroleum Allocation Act of 1973—small refiners are operating their refineries at 70 to 75 percent says a spokesman for the Washington-based American Petroleum Refiners Association, a group of independents.

The majors, on the other hand, have publicly stated they have been operating their refineries at approximately 85 percent for the past few months. In July, Texaco announced its refinery utilization would rise to 91.7 percent.

The lack of crude, and the resulting lower utilization of refinery capacity, has severely restricted the small and independent refiner's ability to supply gasoline and No. 2 oil to their customers.

From December 1978 to March 1979 U.S. refiners other than the top 15, saw their sales of No. 2 fuel oil decline by 461 million gallons from the same period in the previous year. In the same period, the sales of No. 2 fuel oil by the top 15 refiners increased 770 million gallons, reports the Energy Information Administration, an arm of the Energy Department.

The share of the total No. 2 fuel oil market controlled by the top 15 firms rose from 68.9 in December 1978 to 71.7 in March 1979.

The share of the national gasoline market controlled by the firms other than the top 15 refiners, also declined. It went from 30.4 percent in December to 27.8 percent. In March 1979, the small and independent refiners actually supplied 88 million gallons of gasoline less than they did in March 1978. However, the top 15 refiners supplied 240 million gallons more.

While it is dangerous to place too much emphasis on four months of data, it does appear that the major oil companies have weathered the oil crisis considerably better than the small and independent refiners.

Assessing the woes of the small refiners, Robert Kane of the American Petroleum Refiners Association said:

"I'm sure you'll find many of those guys very willing to sell their facilities right now."●

TO SLOW THE ARMS RACE—NOT EXPAND IT

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BARNES. Mr. Speaker, as a freshman Member of this House, I did not have the opportunity to serve here with Representative Charles W. Whalen, Jr., who served his Ohio district as a Republican Member of Congress for six distinguished terms. He was a leading and respected member of the Foreign Affairs Committee, and recognized as 1 of the 10 outstanding Members of the House in 1978.

I have, however, had the delightful opportunity of getting to know and to work with Chuck Whalen in two capacities during this past year. Most importantly, he remains a familiar figure in the Halls of Congress as president and chief executive of New Directions, the national citizens lobby for world security. And, not unimportantly, I am honored to have Chuck Whalen as a constituent, who is now a registered resident of my district in Montgomery County.

In his role as president of New Directions, which lists as the first of its fundamental goals "to reduce the threat of war and nuclear annihilation," the Honorable Charles W. Whalen, Jr., wrote the President of the United States to urge that the line be held against those who would "place their trust in military rather than arms control solutions."

Mr. Whalen's letter is a very thoughtful evaluation of the four factors which he contends belie the claims of many that the strategic balance has shifted and that the United States is now in danger from the Soviet Union.

Mr. Speaker, I urge my colleagues to consider the counsel of their former colleague, Charles Whalen, whose message to the President follows:

AUGUST 2, 1979.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We were pleased to learn of your assurance, given last week to out-of-town editors, that you would not seek sharply increased military spending "just to get" Senate votes for SALT II. We urge you to continue to hold the budgetary line against the pressures generated by Senator Nunn, former Secretary Kissinger and others who see a shift in the strategic balance and who seem to place their trust in military rather than arms control solutions.

The strategic balance has not shifted. Rather, what troubles some Americans is the fact that the United States has lost the monopoly on world power that it enjoyed after World War II. Today, we are still "Number One" in the world. But we live on a more complex planet, coexisting with power centers in the Soviet Union, Western Europe, China, Japan and the OPEC countries. While we no longer exercise overall strategic su-

periority over the Soviet Union, we still deploy a nuclear force so vast that there are approximately as many warheads on our submarines as there are in the entire Soviet arsenal.

Those who urge you to boost military spending above the very high levels projected for coming years assume that the Soviet Union is gradually becoming dominant on the world scene and that the United States has been standing still militarily. They ignore four factors: (1) U.S. strategic programs and strengths; (2) Soviet weaknesses; (3) the unlikelihood of translating nuclear arsenals into political advantage, and (4) the mounting difficulty of verifying some new weapons systems.

Let me comment briefly on each of these points.

1. In the past decade the United States has increased the number of its strategic warheads by 5,250, the Soviets by 3,500. As Dr. Kissinger once said when he worked in the government, it is warheads, not delivery vehicles, that kill people and destroy targets. Moreover, during the same period the United States upgraded its existing missiles by adding new guidance systems and more powerful warheads; hardened the Minuteman silos; developed the highly accurate air-launched cruise missile, which will virtually nullify the large Soviet air defense system; made major modifications in the B-52 bomber; and developed the Trident submarine and Trident I missile. We have not been standing still.

2. The Soviet Union is a military superpower but it has major economic and diplomatic weaknesses. The inefficient Russian economy requires its leadership to import grain and technology from the West. This dependence will increase as the growth rate of the Soviet economy dips below 1% in the mid-1980's, as estimated by the CIA. After six decades in power, the Soviet leadership has no big-power allies. It is surrounded by a hostile China and restive East European countries. The USSR has an ally in Vietnam and a number of client states. Some of the latter are strategically located; all are poor or impoverished.

3. Russia has been unable to use its nuclear weapons for political advantage, or even to prevent a number of developments that were inimical to Soviet power. Despite their 5,000 strategic warheads, the Soviets were unable to prevent Pope John Paul II from speaking in Poland, unable to prevent Hua Kuo-feng from visiting Eastern Europe, unable to require Romanian acceptance of a military budget increase voted by the Warsaw Pact, and unable to dissuade the Japanese from signing a peace treaty with China. In a world of two nuclear armed superpowers, there is no known way for one of them to use weapons of mass destruction for limited political gains. The one new use of military power by the USSR, the transport of Cubans to Africa, has been accomplished by conventional forces.

4. Your Administration is now struggling with methods for verifying the MX missile under the terms of SALT II. The difficulties obviously come from trying to monitor a weapon system which is specifically designed to be elusive. Yet, ground-launched cruise missiles—for which there is a growing clamor—would create, because of their small size, even more formidable problems of verification. In their pursuit of military solutions, many of those who seek to load SALT II with additional military programs ignore how difficult it could become in the 1980's and 1990's to achieve verifiable arms control.

We hope, Mr. President, that you will stand fast against the doomsayers, bring some of these arguments into the public debate, and help preserve the SALT process as a means of reducing arms.

Sincerely,

CHARLES W. WHALEN, Jr.,
President.●

THE FUTILITY OF THE GAS ALLOCATION SYSTEM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. GILMAN. Mr. Speaker, I want to draw to the attention of my colleagues what I consider to be the biggest culprit of our most recent energy crisis; the Federal gas allocation system.

The coincidence of two events in the early 1970's shook the historical economic foundations of the oil industry. First, the United States ceased to have a surplus of domestically produced oil and became a net importer of oil. Second, following the Arab oil embargo, the price of foreign produced oil quadrupled. These developments prompted Government intervention at all levels of petroleum pricing and supply, including new Federal controls over gasoline price and supply.

It was the Arab oil embargo that sparked the first congressional attempt to deal effectively with the oil industry's new disposition. Accordingly, Congress passed the Emergency Petroleum Allocation Act (EPAA) in November 1973, in an attempt to counter the petroleum product shortages and price gougings that were direct consequences of the Arab oil embargo. Congress was well aware that as a result of the oil shortage, the large oil corporations would act to protect their own interests first. Therefore the legislation maintained that a mandatory allocation program "be so structured as to prevent major oil companies from inequitably restructuring crude production for their own use or from favoring their directly owned outlets over independent marketers in the sale or distribution of refined petroleum products." The wording in this conference report make it quite clear that Congress was ready to fully accept its responsibilities to insure that the preservation of competition and equitable distribution of critically short supplies took place in the market.

In fact, Congress recognized that anticipated shortages of crude oil, home heating fuel, and gasoline would eventually "create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods * * *" 15 U.S.C. 751(a)(2).

In order to minimize the multi-adverse impacts of shortages and price gouging on the American public and the economy, Congress specifically directed the President to make an "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry * * * and among all users." 15 U.S.C. 753(b)(1)(F).

The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) was given the responsibility of carrying out this obligation. However, the regulations and allocations put forth by the ERA and DOE to do the job designated by Congress, have actually managed to cause more severe disruptions of gasoline supplies and even to encourage wasteful consumption of petroleum products. So although it is clear that the expressed national energy policy is to conserve energy resources while continuing to maintain the strength of the economy, it is not clear why the DOE has failed to carry out this mandate with regard to allocations of gas supplies.

Present policies make allocations solely a function of gas consumption, whether or not that consumption is consistent with the plan to conserve energy, and certainly irrespective of the effect that changes in supplies have on the economies of different areas. This has resulted in encouraging States to increase their gas consumption in order to obtain larger supplies of gas.

Although the long lines from the recent crisis at the pumps are fading away, it is obvious that the problem of allocation is still far from being solved. To fully understand how the DOE allocation regulations propelled a one State shortage into a national epidemic, let us examine how these regulations work. The fundamental principle underlying the allocation network is that every wholesale distributor of gasoline has an obligation to provide every business to which he sold gasoline during a certain period of time (the so-called base period) with the same of amount of gasoline each year thereafter. A simple example can illustrate this: If refinery A sold wholesale jobber B 1 million gallons during August of the base period year, then refinery A must sell 1 million gallons to jobber B in August 1979. Depending on the available supply of crude on the world market, if the refiner is unable to meet all of its obligations, it must add up the total of its obligations, figure out its ratio between obligations and supply on hand, and then provide each of its customers with the same proportion of their allotment. Therefore, if refiner A has 100 customers just like jobber B (1 million gallons per month per base period volume) but all of a sudden has only 95 million gallons available, it must sell each jobber 950,000 gallons, or 95 percent of their base period use.

It is obvious that this type of allocation system is riddled with inequities. The reason for this, of course, is that the base period is a false indicator of demand. New roads, changing weather conditions, different percentage of car sales and tourism, delayed planting or early planting by farmers, population shifts, even individual driving habits; all help change the volume of gasoline needed in any particular area at any given time.

The situation under this allocation system can only become worse, because

the further the base period from the present period, the greater the discrepancy between supply and demand. Until January of this year, the DOE was using 1972 as the base period. This is ludicrous. The country has changed so drastically since then, I find it a miracle that we did not experience this crisis any sooner. The DOE, recognizing the chaos created by their faulty allocation system, moved to give it a shot-in-the-arm by updating the base period to 1978. Yet, there have already been some major changes in driving patterns, population shifts, and other factors that determine the market situation. This has had its detrimental impact on my own district in a very bizarre manner. Those people living in larger cities, and commuting to New York City during the work week, could not obtain the gasoline they needed to get there. However, in the rural areas of my district, there was never a shortage of gasoline, in fact, some stations reported that incoming gas shipments had to be turned away on several occasions. Most recently, the commuters to New York City have been supplied with the gas needed, however, now the rural stations are being forced to close down. I am certain that this is only one example of what has been happening all across the country.

Since the allocation network and its accompanying regulations are doing little to conserve energy, we can safely assume that the past scenario is bound to be repeated, perhaps on a larger scale. Under the present rules, what is not pumped in 1 year is lost in one's allocation the following year. This "pump it-or lose it" philosophy compels the dealer to pump all he can in order to survive. So besides working against fuel conservation, the allocation system has created a quagmire of regulations that are working against the concept of free competition. The Small Business Administration's Office of Advocacy recently released a report (July 17, 1979) which concluded that the DOE regulations "are so complex they are incomprehensible" and that they most certainly discriminate against small gasoline retailers and, ultimately, the consumer. SBA spokesmen said in a cover letter to the Energy Secretary, that "major company marketing practices and DOE regulations appear to be functioning as two millstones grinding small business into a smaller and smaller share of the distribution market."

Yet despite this, New York State has done as much, if not more than any other States, to conserve fuel consumption. In a recent hearing held before the Department of Energy, Commissioner James Larocca of the New York State Energy Office commented that—

> Of critical importance here is that among large States, New York has the smallest per capita use of gasoline. United States Department of Transportation data shows that New York only uses 349.5 gallons per person while Texas uses 690.9 gallons (New York Times, May 28, 1979, p. 1). The average national usage is 531.9 gallons per person.

Therefore, New York already being the most fuel efficient State in gasoline usage, should quite obviously not have to be subjected to the same percentage cutbacks in allocations as that of those States which do not show any degree of energy conservation. Simply put, under the present regulations, it does not pay to be energy efficient. Accordingly, we should be looking toward legislation which will do more than add cosmetic changes to the conceptually failing allocation system.

It is imperative that the basic Federal allocation regulations be changed. The regulations have to be changed in such a manner that those States which display energy efficiency will be rewarded for their act of responsibility, while those States which have ignored the call for conservation, will ostensibly be alloted proportionately smaller allocations. The allocation fractions of wholesalers should be based on rolling averages, and not on a yearly fixed base period.

Further, priority users should not receive 100 percent of their base period usage, rather, receive 100 percent of their current "need." This will provide them with the needed gasoline from season to season, since it is arbitrary to assume that farmers and all other priority users will have the same needs at any given time of any given year. These two major changes will serve to, ultimately, encourage the principles of conservation, and, penultimately, keep the economy wealthy.

Mr. Speaker, at this point in the RECORD, so that we may share their views, I am inserting recent articles from the New York Times, Time magazine, and Human Events, which have analyzed both the general and specific problems mentioned above.

[From Time Magazine, July 9, 1979]

RED TAPE AND MORE RED TAPE—WHY ALLOCATIONS DON'T WORK

If a driver in New York City has to wait in line for hours to buy a few gallons of gas, why is there plenty available for a driver in, say, What Cheer, Iowa? The answer lies in some complicated federal regulations that were originally designed, oddly enough, to prevent such inequities.

Under the 1973 Emergency Petroleum Allocation Act, the Department of Energy has the power to direct the distribution of gasoline supplies to the nation's 12,000 wholesalers and 225,000 retailers whenever shortages occur.

The nation is divided into five areas known as Petroleum Administration for Defense Districts (PADDs). Late each month, the oil companies estimate just how much fuel they will have available for sale in each region in the coming month. From this total supply, they subtract 5% to be set aside and distributed at the descretion of state authorities to alleviate local crisis. They then subtract the amount they will require to supply all the needs of top priority customers like the military and farmers. The rest gets divided among retail gas stations.

It seems simple so far, but the rules require 400 pages of DOE instructions. Allocations are expressed not in gallons but as a percentage of what each individual customer, wholesaler and retailer, received in a given base period. What base period? Well, it can differ from customer to customer. The oil companies must work out not only how much they supplied each customer in the same month of last year but also how much they supplied, on average, in a five-month period from October 1978 to February 1979. If the latter is at least 10% higher than the corresponding month last year, then it becomes the base period.

DOE names the priority customers, like farmers, but makes no attempt to change the list quickly or to check that the customers really need what they ask for. Farmers, long after spring planting has been completed, can simply say that they need so many gallons, and the local distributor must supply that amount. The result is oversupply and hoarding in agricultural areas.

The program has been altered since the shortages began to get bad—the state set-aside was boosted from 3% to 5% so that spot shortages could be eased, and the five-month-average base was introduced in an effort to deal with seasonal population shifts—but the problems have not been solved. Criticisms are now mounting; last week the state of Maryland filed a lawsuit against DOE, challenging the allocation system as unfair. Says Economist Walter Heller: "I've heard it said that if God wanted us to have gasoline, he would never have created the Department of Energy."

[From the New York Times, June 2, 1979]

ALLOCATION OF GAS UNDER ATTACK

(By Steven Rattner)

WASHINGTON, June 1.—Gasoline has become a prized commodity in some parts of the country, as evidenced by the long filling station lines that have occurred in California. But in Atlanta and other places gasoline remains plentiful and stations still stay open late into the night.

These discrepancies and others largely result from the Department of Energy's complex mandatory allocation requirements, which by almost every account tend to aggravate the impact of the shortage.

"As it is being operated, allocation adds to the problem rather than subtracting from it," said Jack Blum, general counsel of the Independent Gasoline Marketers Council, a group of large dealers. "The act of forcing people into allocation slows the distribution of supply and encourages hoarding."

While some customers gain by allocation, more almost certainly lose. Take, for example, the case of Texaco Inc., which plans to deliver this month only 70 percent of the gasoline it gave its stations last June.

Texaco says that its gasoline supplies will total 84 percent of year-earlier levels. But, under Department of Energy regulations, the company must put aside sufficient gasoline for what are called "priority uses"—for agriculture, the military and the like.

Then the company must provide 5 percent of the total to state governments to distribute as they wish. Until last week, these state "set-asides" totaled only 3 percent, and Texaco said that the increase may force it to reduce further its other sales.

Next the company must make an allowance for "high growth" stations, those that showed sales increases of more than 10 percent during a five-month period last year. But many of these stations are thought to be in resort areas and the like where a sharp rise for a period does not always mean sustained growth.

Finally, Texaco and the other companies divide up what's left among their customers who do not qualify for special treatment. The result, for a typical motorist at a typical station, is less gasoline than most companies' overall supply situation would suggest.

The average company will probably deliver only about 5 percent less gasoline this month than a year ago but the base allotment for most gasoline stations will be about 20 percent less than a year ago.

"Does the allocation program make the effects worse?" asked one New York oil executive. "Absolutely," he said.

For many motorists, the shortage is made

still worse by the rigidity of the formulas, which, with the exception of the provision for "high-growth" stations, ignore local circumstances. The result is widely varying gasoline availability.

Thus, according to Federal figures, a state like Massachusetts with low growth in gasoline use was probably short only about 4.5 percent of its needs in May. But Arizona, with more rapid growth, may have been short 16.4 percent of its needs.

The Department of Energy was expected to propose abolition of the allocation system as part of its plan to decontrol gasoline prices. But that proposal was shelved when the loss of Iranian supplies late last year promised the shortage that has now arrived.

Energy officials contend that it is necessary to prevent the large refiners that control much of the gasoline supply from taking advantage of the shortage. The department's authority to allocate gasoline stems from a law passed during the 1973 Arab oil embargo, when the major companies were accused of using the shortage then to halt sales to unbranded cut-rate dealers and to withdraw from less profitable areas of the country.

"Allocation says that every dealer has rights under the program and that the refiners must supply them," said Doris Dewton, a department official. "Allocation keeps a lot of people supplied who probably wouldn't see any gasoline."

Those people are quite pleased with the system. "We're in favor of agriculture receiving an allocation priority or whatever you want to call it," said a spokesman for the Farm Bureau, a trade organization in Illinois. "And not just the farmer, but the whole food chain."

The companies maintain that they have ample internal procedures to insure equitable distribution and cite the voluntary allocation programs now in effect on other fuels, such as heating oil.

"It makes it easier for companies to manage supplies and balances if we don't have to worry about allocation regulations," said Ron Hall, general manager of oil products at the Shell Oil Company. "I don't think the regulations help even out discontinuities in supplies."

In addition to gasoline allocation, the Energy Department has allocation regulations to govern crude oil. Critics see at least equally damaging effects from those provisions.

The oil regulations, of similar origins and purposes, require the large companies with large amounts of crude oil to sell some of it to independent refiners without crude oil supplies.

In principle, that sounds like a useful provision, aimed at keeping the little guy from being squeezed out of business. But many independent refiners are so small and inefficient that they cannot produce significant quantities of gasoline or home heating oil, let alone a still more complex product like unleaded gasoline.

[From Human Events, July 7, 1979]

ALLOCATIONS PROGRAM CAUSES GAS LINES

(By M. Stanton Evans)

Americans fed up with sitting in gas lines—or doing without gasoline entirely—can thank the federal government for their frustrations.

The surest sign of federal responsibility in the matter is that certain parts of the country are groaning under shortage while others have more gasoline than they require. Absent government intervention, such a thing could never happen. In a free market, the upward push of prices in high-demand areas would immediately attract supplies from areas where demand is lower. There could never be a situation in which there is a chronic shortage in one place, a chronic surplus in another.

This movement of supply to meet demand is something that happens every day in our economy, without anyone's giving it a second thought. It can't happen in the energy sector, though, because the government prevents it. The Department of Energy, in its wisdom, is administering a bureaucratic "allocation" program which decides who gets how much gas, and when. As a result, the normal operations of the market are totally fouled up.

Virtually everything about the allocation system is haywire, beginning with the fact that it is a classic case of federal intervention feeding on itself. The reason we have such a program is that government controls on petroleum have hindered our domestic production, which in recent months has been declining at a rate of four per cent a year. The usual response when government controls create a shortage is to impose still more controls, in the form of rationing. That is what the allocation program is—a federal effort to divide up a federally-created scarcity.

Such programs always give rise to trouble, but the allocations program has some special wrinkles of its own. Until March of this year, it was based on consumption patterns that prevailed in 1972, ignoring the fact that certain areas had experienced tremendous population growth in the interim, and that other changes had occurred in gas-consuming habits. And when the feds finally got around to changing the system—moving the base period up to 1977–78—they managed to compound the error even further.

Under the system now in effect, gas dealers are permitted to increase their allocations if they experienced a surge of demand last fall and winter compared to the preceding summer. This is supposed to take account of growth, but has the obvious consequence of discriminating in favor of warm-weather regions where there is considerabile travel in winter months, and against the North and Middle West. On top of this, the system makes almost no allowance for changes in consumption created by the shortage itself.

Last summer, for example, there was heavy traffic from Washington to the resort areas on the Eastern shore of Maryland. This year, as noted by Rep. David Stockman (R.-Mich.), people are afraid of being stranded, and such travel has declined appreciably (by 20 per cent on one recent weekend). Yet because allocations reflect last year's usage, the Eastern shore and Washington have proportionately the same amount of gas as they had a year ago. Result: Plenty of gas on the Eastern shore, an agonizing shortage in D.C.

Again, given a free market, such a situation could never come about. Gas would move from the Eastern shore to Washington in response to the pressures of demand, as the pricing system emitted its constant flow of signals. But the energy planners not only refuse to let the pricing system work, they forbid the movement of gas supplies unless their seal of approval is stamped on the transaction. There is no way that they can make the proper decisions in thousands upon thousands of such cases, but in dogged bureaucratic fashion they keep trying.

The complexity of the task may be savored by examining the countless pages of energy regulations appearing in the Federal Register. These guidelines are full of verbiage about wholesalers, retailers, base periods, base period changes, end-use consumers purchasers-resellers reassignment of entitlements, adjusted supplies, purchasers without an allocation level, standing exceptions to the rules, temporary exceptions to the rules, and so on in dreary profusion. The planners are trying to substitute their judgments for the automatic workings of the market—an enterprise that always fails.

Nor is this, bad as it is, the whole of the story: The allocaton system also removes some 15 percent of the gas supply for special customers—state government set-asides, farmers, transportation companies, and other "high-priority" users.

As Stockman puts it: "Over-all, a substantial share of available supplies is being diverted out of the retail market to various categories of legally privileged and politically connected users who face absolutely no incentive to conserve, a wide-open opportunity to hoard, and an artificially low, controlled price, to boot."

In short, the colossal gas lines Americans have had to face are entirely the doing of the federal government, a typical product of controls. In the most obvious sense, this is bad—because it imposes a lot of unnecessary hardship on innocent people. But in another sense it is good, because it means the problem can be solved almost instantaneously.

All that is needed to end the gas lines, and ease the energy shortage generally, is to abolish the allocations program. Once it is gone, and the market is permitted to do its work, supply will flow to meet demand, and gas lines will be a thing of the past. Then we can get on with the real job at hand—abolishing the Department of Energy.

Mr. Speaker, I urge my colleagues to seriously consider supporting some fundamental changes in the allocation regulations, before it once again imposes further hardships on our constituents.●

REV. HERBERT GUICE: 29 YEARS WITH BETHEL MISSIONARY BAPTIST CHURCH

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. STARK. Mr. Speaker, Sunday, August 12, some of my friends and constituents from the Bethel Missionary Baptist Church will honor their spiritual leader, Rev. Herbert Guice. The Reverend Guice will be marking 29 years with the church. Reverend Guice began 29 years ago as pastor with a flock that numbered less than 50 adults. Today, Bethel Missionary Baptist Church is a major institution in Oakland and a lot of the credit belongs to Reverend Guice.

Whether it is providing leadership to build and finance a new church building, spear-heading a scholarship program for deserving students, helping find jobs for those in need or organizing a society to lower funeral costs, Reverend Guice has not been found waiting. His leadership qualities have been a resource for the community outside his church as well for he has played an active leadership role in such diverse organizations as the NAACP, the Alameda Branch of the National Red Cross, the Oakland OIC, the Oakland Unified School District just to mention a few of the many organizations that have benefitted from his counsel.

A native of Rentisville, Okla., and now a pillar of the Oakland community, Reverend Guice is indeed a mighty oak on which many lean for support and others rely upon for shelter from the cares of our difficult world. Religious leaders such as Reverend Guice provide our communities with a stability and a wisdom that is the cement which holds us together and helps make progress possible. I regret that I will be unable to join the many admirers of Rev. Herbert Guice who join on August 12 in recognizing the very great service he has provided for almost three decades in Oakland.●

THE SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. FISHER. Mr. Speaker, I wish to express my support for the Social Services and Child Welfare Amendments of 1979 just passed by the House. This bill raises the ceiling on funds for title XX social service programs from its temporary limit of $2.9 billion to $3.1 billion beginning in fiscal year 1980 and makes important improvements in child welfare, foster care, and adoption assistance programs. The major child welfare and related provisions are:

Eligibility and matching funds: To receive child welfare funds, a State would have to show it had set up foster care safeguards as set out in this bill, had reviewed all children already in foster care, and would be spending 40 percent of the new funds for services to keep children in their own homes.

States would have to put up a 25 percent matching share. Currently all States spend enough of their own funds on child welfare that this matching requirement should not require a new commitment of State money.

Limitation on spending: States will be limited to the fiscal year 1979 amounts of Federal funds for certain purposes—foster care maintenance, adoption assistance and job-related day care. In other words the increase in Federal funds is to be directed at other services such as those that will help children to stay in their homes.

Foster care protections, procedures, and services: In order to receive increased child welfare funds, a State must do the following with regard to foster care:

First, services to keep families together must be provided before a child can be removed from the home, except in emergencies;

Second, judicial determinations (court hearing) required for involuntary removal of child from his home;

Third, parents must sign an agreement before they voluntarily place a child in foster care;

Fourth, foster care homes must be family-like and near child's real home;

Fifth, reunification services must be available after child is removed;

Sixth, individual plan must be written for each foster care child, plan must be reviewed every 6 months, court must rule on a case after 18 months of foster care; and

Seventh, fair hearings must be provided for parents.

Federal matching funds for foster care placements: AFDC funds can be used to pay for foster care for children voluntarily placed in foster care and for children placed in institutions caring for 25 or fewer children.

Adoption assistance: Adoption assistance payments can be made on behalf of an AFDC-eligible child who has special needs.

Special needs are defined as specific conditions which make it difficult to place a child for adoption. The conditions are age, handicaps, member of a minority, or sibling group.

The amount of the adoption assistance will be agreed on by the State and the adopting parents, based on their economic situation and the needs of the child. The maximum would be the foster care payment. One time adoption costs could be included.

Medicaid eligibility would continue as if the child were in AFDC foster care.

Payments would continue until child reaches 18 (21 if handicapped).

The bill, as approved by the Ways and Means Committee, would have made the $266 million annual authorization for child welfare services an entitlement, to be phased in over 2 years. The House has changed this provision so that the funds will be subject to the appropriations process. I hope that the necessary funds are made available to help the States implement these vital improvements in their child welfare services.

The emphasis in H.R. 3434 is on providing stable homes for children. When children must be removed from their homes, every effort must be made to help their families so that they can be reunited. When this is not possible, services and assistance will be provided to help these children find suitable foster or adoptive homes. Few goals can be more important in a caring, humane society.

One of the major controversies in the last few years has been over abortion. If this society is going to encourage pregnant women to give birth to their babies, then it must also stand ready to provide them with services to protect and care for their children. This legislation works toward that end.

The increased ceiling in social services funds serves related goals over a broader range of services. A wide variety of services are provided with title XX funds. Many of these services assist people so that they can stay in their own homes instead of going into nursing homes, have jobs instead of sitting idle, and benefit in many other ways. Child care is one of the services assisted under title XX. To encourage the States to offer child care the bill sets aside $200 million to be spent for this purpose without the usual 25 percent matching requirement. This is a crucial service for many parents who have to work.

I am pleased the House has approved this bill and hope that the Senate will act on it expeditiously.●

IN THESE TIMES REPORT ON PLANT SHUTDOWNS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CONYERS. Mr. Speaker, the American economy is in deep trouble. Big companies like big cities are tottering on the brink of bankruptcy. Major industrial plants in the Northeast and Great Lakes regions are closing down, throwing workers out of their jobs, and creating economic chaos in many local communities. The remains of small businesses, that have gone under cover the landscape. Factories and equipment have deteriorated for lack of new capital. Productivity keeps sinking, adding to the cost of the goods and services we purchase. The inflation rate is the highest in nearly three decades, and unemployment once again is expected to reach crisis proportions.

A central question is who will assume the leadership in the major task of revitalizing the industrial and urban base of American society.

In recent issues of In These Times, the weekly independent socialist newspaper published in Chicago, a series of indepth articles have appeared exploring the dimensions of industrial disinvestment—plant shutdowns and the horrendous effects these have had on the workers and communities involved. The series, "Shuttered Factories, Shattered Communities," authored by Reporter David Moberg, is must reading for all Americans concerned about this issue, and I strongly recommend the following excerpts to my colleagues:

IN THESE TIMES REPORT ON—PLANT SHUTDOWNS

Len Balluck was discouraged, bitterly discouraged. A few months ago he had hopes that the old Campbell steel mill of Youngstown Sheet and Tube would reopen again under worker-community ownership. He and his fellow workers might have their jobs again.

From his own experience of 20 years in the mill and from the studies made by various experts, he was convinced they could make the mill an economic success and prove that their factory had been scuttled by the exploitative mismanagement of the Lykes conglomerate, not by inevitable forces of the market, nor by Japanese competitors, nor by environmental regulations.

Sitting in the Isaly's ice cream shop in Struthers, where he regularly shares the news of the community with other steelworkers and local leaders over his morning cup of Sanka, Balluck condemned the recent federal government rejection of the request by the Ecumenical Coalition of the Mahoning Valley for a $27 million grant and guarantees of $245 million in loans to reopen the mill.

"We had high hopes of getting 1,600 jobs back," he said, referring to the first phase of the reopening. "Then we get turned down by Washington. Jimmy Carter will have to bear the burden of that. The people at Isaly's say he hasn't done enough for this valley. Don't even come around here talking to me about Jimmy Carter."

Balluck had organized several hundred of the 4,100 laid-off steelworkers into Steelworkers United for Employment (SUE) after complaining last fall that the Ecumenical Coalition, which has led the fight to reopen the mill, failed to mobilize the steelworkers for the project. It hadn't been easy. Many of the former workers were skeptical about the plan and its clerical sponsors. Others were just listless and depressed. Nobody wanted to get his hopes up only to have them crushed again. Balluck knew how precarious many of their lives had been since the sudden September 19, 1977, shutdown.

"I can tell you about the drinking, the suicides, the psychiatric wards," he said. "I can tell you all these things."

One friend who was making $24,000 a year as a skilled worker now works as a laborer for $11,000 a year. He's comparatively lucky. While calling for support for SUE, Balluck heard the mother of one young worker explain that her son's benefits had run out last December. The pressure of still having no job got to him. Now he's in a mental hospital. Two people Balluck knew killed themselves. Nearly a quarter of those laid off had retired early with reduced benefits.

Few of them are willing to talk about their hardships. They're the sort of people, according to a survey taken by a team from the local university, who find it hard to ask other people for help. They're the sort of people who, despite their anger at the Lykes Corporation and at Jimmy Carter, still blame themselves somewhat for not having a job.

It's tough finding a job in the Mahoning Valley now. Over 9,000 people applied when the local General Motors assembly plant at Lordstown announced it would accept applications. As of late last summer, 80 to 90 percent of the laid-off workers were still in the Youngstown area and only 35 to 40 percent of them had found jobs. Some still have benefits coming, but by now nearly all of the financial cushion has vanished.

That financial aid—unemployment compensation, supplementary unemployment benefits and Trade Readjustment Assistance—"was a pacifier, welfare," Balluck says. Although it made life almost comfortable for a while, it also undermined the workers' sense of urgency and thus hurt the movement to reopen the mill.

But the shocks keep coming. By the end of this year, the Brier Hill steelworks, employing 1,100 people, will close, according to the directors of the LTV Corporation, the new owners. Soon the U.S. Steel Ohio and Macdonald Works may also be abandoned, throwing 4,000 more workers on what Balluck calls, "the industrial garbage pile."

Across town, in the union hall of Local 1462 of Brier Hill, William Vaughan, a 35-year-old black steelworker who had been in the mill for 15 years, talked about what he would do when his job ended. "I want to find a halfway decent job, maybe go to college and get a B.A. degree so I'll have something to fall back on. I know one thing, I'm not gonna get another job like the mill, work 15-20 years and lose my job again.

"I thought about leaving Youngstown three or four times," he said. "But I've lived here nearly all my life." In theory, Vaughan is supposed to be as mobile as capital, shifting with the opportunities. But like so many workers faced with shutdowns, Vaughan saw Youngstown as not only a place of employment but above all as a home and a community to live in.

Although his wife's part-time job will help out in supporting the three kids, Vaughan's impending loss of his job will hit his family in more than its pocketbook. "My father was just getting to the point where he could do something with his life," Kenny, a top student and athlete in high school, said. "He had some extra money to take trips, pay for college. Now it means I have to get a scholarship. I never thought things like this could happen, that management could say, 'You've got 15 years in the mill. Now we're shutting it down.'"

THE HIGH COST OF CLOSINGS

More people are discovering what Kenny Vaughan has now learned at an early age. Business shutdowns can wreak havoc with the lives of individuals and the well-being of communities. Of course, businesses have failed in the past. Or they have shifted from one region to another. Because of lack of appropriate statistics, it's hard to say definitely whether the frequency of shutdowns has increased or not.

The awareness of the consequences of factory and other business "terminations" is changing, however. The Youngstown closing and the fight to keep the mill open, unsuccessful as it now appears to be, have heightened the sense of public urgency and of the possibilities for action. Similarly, there has been a growing interest in legislation to provide advance notice of shutdowns and to compensate workers and communities for the loss, stimulated by the work of the Ohio Public Interest Campaign (OPIC).

Although "runaway shops" and "disinvestment" have been on the lips of activists in northern industrial cities for many years now, there is a greater sense of urgency now as the scope of the issue widens. Partly that is a result of the steadily worsening impact of conglomerate and major corporate investment decisions on the economic vitality of hundreds of communities. Partly it is a result of a drearier general economic prospect. No longer is there the same faith that new industries will arise to replace those that have closed up shop, since the entire economy faces a period of uncertainty and slow growth.

"The broadest, most fundamental starting point is the clear assessment that the postwar boom is really over," says Gar Alperovitz, director of the National Center for Economic Alternatives, which supervised the development of the Youngstown community-worker ownership plan. "Second, no one believes there will be a 'return to normalcy.' Therefore, you can't simply allow short-term dislocation. People begin to say, 'What can we do?' The context has changed."

With that changed context and changing perception comes the possibility of a new political thrust that could radically transform the U.S. economy. There is a growing awareness of the life-and-death power that capital has over communities and individuals, and of how there is no democratic accountability for the exercise of that power.

The new movement beginning demands greater public control over investment decisions, financial capital and choices of business location. It demands that public needs be considered alongside the private balance sheet. It points in the direction of decentralized planning in the interest of local economic vitality.

"It is very narrow to look at the issue only as plant closings," Alperovitz argues. "The issue is community economic health. It's a much broader question. It's partly plant closings; it's partly new entrances; it's partly expansion.

"In order to give us a broad enough vision and a strong enough moral posture, the issue is the health of American communities, not just one plant closing. That's also the way people see it."

Yet it is usually a factory closing that jolts people into a new awareness, partly because manufacturing is often the center of community economic life, providing the "export" income that helps to stimulate other local businesses.

The community often feels diffusely that an implicit contract has been broken. Not only the suddenly jobless workers but other businesses, their employees, local government and other public institutions have relied on the bigger businesses. They pay dearly for the closings. Then some people realize that there was no need for the sudden shutdown. Even if the business died for "natural" reasons—such as inability to compete profitably—communities could plan for the death's effects with proper notice.

But often the community loss reflects a decision that is only rational from the viewpoint of a single corporation intent on expanding its profit, size and power, even if that means unnecessarily destroying factories and communities in the process. Especially with the growth of conglomerates and their special strategies there is an increasingly stark choice: win greater democratic control of capital or accept greater domination of society by capital.

When a factory dumps wastes in a nearby stream, other people pick up the tab: loss of clean water, destruction of fish and wildlife, decline of recreation areas, illness and even death, costs of cleaning up after the corporation. Thanks to the environmental movement, there is a growing recognition in the law and public opinion that the costs of maintaining a healthy environment should be assumed by the firm and not treated as an "externality."

When a factory closes down after years of operation, there are also many costs to the workers, other local businesses and their employees, urban institutions and local government, and taxpayers throughout the state and nation. Taking all those costs into account can lead to a much different view of the economic rationality of a plant closing. Yet those costs are regarded, as environmental costs were in the past, as external to the business balance sheet.

The most immediate costs are borne by the laid-off workers. Because of their unusually high unemployment benefits—in large part a public cost—the workers at Youngstown suffered less than many workers would have. Yet especially because they were in a highly-paid, unionized industry, their long-term earning prospects for the future are grim.

Economist Louis Jacobson, in research for the Labor Department, estimates that workers in those industries with low turnover—usually those with high earnings, unions and predominantly male workforces as well, such as steel and auto—suffer most from plant closings.

On the average, workers in such industries will lose the equivalent of about two years' earnings—roughly $30-35,000—in the first five years after the shutdown. Over their working careers, they will lose 10 to 15 percent of what they might have earned. Although older workers may be severely hurt financially because they are forced to retire early, Jacobson finds that workers with three to eight years seniority lose most in the long run because their loss affects more working years.

CONGLOMERATE VERSUS COMMUNITY

When the shutdown occurs in a labor market with high unemployment, or in a small labor market—typical of Youngstown and many other older industrial cities now facing repeated plant closings, the losses are even greater. If unemployment is one-third greater than the national average, the loss can double in a given year. Seeking jobs in a small labor market again boosts the loss. The figure worsens by half again if all the men who drop out of the labor market are included. So steelworkers in a small, depressed community might suffer earnings losses of 30 to 50 percent as a result of a shutdown if these effects are compounded, not counting loss of above average benefits.

After a factory closing, many women typically drop out of the labor force. If we count their loss of earnings along with the loss of women who return to other jobs after a layoff, then women as a group suffer proportionately higher earnings losses than men. Men in high turnover industries are more likely to be out of work from time to time, to accumulate fewer seniority benefits and to work in less-skilled jobs than men in low-turnover industries. These men—in fields such as cotton weaving, television and electronic component manufacture, toys, clothes and shoemaking—lose proportionately less than men in autos, steel, meatpacking, aerospace or petroleum refining, Jacobson reports.

Workers can, of course, move at their own expense, often taking a loss on their investment in their home. Since young people are most likely to move, the community future is hurt also. But family and community ties hold many workers. A study of Youngstown Sheet and Tube workers by Policy Management Associates (PMA) indicated that only one-fifth were thinking of leaving. It's not surprising: 77 percent of them had lived in the area over 20 years and only 16 percent had been born more than 200 miles away.

When a factory shuts down, the effects quickly spread—to suppliers, to retail businesses, to wholesalers and transportation firms, and to various service agencies. The PMA study estimated that an additional 1,650 to 3,600 jobs would be lost in the Youngstown area as a result of the Campbell works shutdowns. Other studies have estimated the indirect job loss at 11,199 to 13,000. Using the PMA estimate, indirect job losses would cause a retail sales drop of $12.2 to $23 million each year, pushing the total sales lost to the range of $66 to $102 million a year.

These costs exact a collective public toll as well. The same PMA study estimated that in the first three-and-a-quarter years after the shutdown, local communities around Youngstown would lose up to $7.8 million in taxes, the county would lose $1.1 million, the state up to $8 million and the federal government up to $15.1 million—a grand total of between $26.8 and $32 million.

At the same time the cost of the various relief programs—mainly Trade Readjustment Assistance—would run between $34.2 and $37.9 million. By this accounting, the public loss from the shutdown could reach nearly $70 million in slightly over three years.

But even these sums of direct public and private expenses due to a plant closing are inadequate measures. A massive shutdown or a series of smaller closings can disrupt the fabric of the community, upsetting the network of local business transactions and precipitating failures, threatening the quality of public services such as schools, and undermining civic institutions (corporate and payroll contributions to the Youngstown United Appeal, for example, dropped by nearly half in the first year after the shutdown). Especially in a small town, a factory closing can destroy the focus and meaning of community life as a whole.

But the most tragic part of plant closings shows up in the stories traded by workers in the Isaly's of industrial America—the stories of depression and despair, of broken spirits, of broken marriages. They show up, too, as statistics in scientific studies and social work agencies. Yet even there they are understated. As Sidney Cobb and Stanislaw Kasl remarked in their conclusion of a study of physiological and psychological effects on two plant closings, "In the psychological sphere the personal anguish experienced by the men and their families does not seem adequately documented by the statistics of deprivation and change in affective state. . . . The numbers don't seem commensurate with the very real suffering that we observed."

Yet the statistics are bad enough. They found increased frequency of ulcers in the laid-off men and their wives, greater likelihood of future heart ailments and diabetes, greater hypertension and more swollen joints. Most of the men compared the experience of the factory closing with the stress of getting married (midway on a scale of life events where 10 equals a traffic ticket, 80 divorce and 100 death of a spouse), but over one-fourth found the experience as shattering as divorce or more so. It took most close to half a year to recover, but as time went on those who were still unemployed tended to blame themselves for their plight. Some became convinced that they couldn't hold a job. Others eventually turned to suicide—at a rate 30 times greater than the national norm.

Similar conclusions can be drawn by projecting the results of a study of the consequences of unemployment. Harvey Brenner, in a study for the Joint Economic Committee, concluded that a 1 percent increase in unemployment over six years has in recent decades been associated with an increase in 36,887 deaths, including 20,240 from heart ailments, 920 suicides, 648 homicides, 4,227 state mental hospital admissions and 3,340 state prison admissions. Counting only the workers in the Youngstown area directly dumped by the Lykes Corporation, Brenner's figures would suggest that the single plant closing will lead to over 130 additional deaths.

Plant shutdowns bring on more family quarrels and violence, mental health problems and alcoholism. In Youngstown, for example, the Help Hotline had twice as many calls the January after the Campbell shutdown as it had the January before, and the number continued to climb. Calls about battered women, child abuse and family or marital problems tripled in the year following the shutdown. The local Alcoholic Clinic * * * in the number of steelworkers seeking treatment. Referrals to the Eastern Mental Health Clinic doubled in the year after the shutdown.

Adding up all these costs provides one side of what economist David Smith has labeled "the public balance sheet." Benefits of any action taken should be weighed in the same balance. The results are often surprising, and quite at odds with the private accounting. For example, Smith assumes that the government should expect a 9 percent return on its money invested in an attempt to save the Youngstown economy. Even the conservative estimates of the PMA study suggest that reopening the Campbell works would bring in enough tax money to justify a $75 million equity investment, far more than the Coalition's proposal for Community Steel would have required. If we figure in all of the other costs and benefits, an even larger public equity investment would be justified.

"What is at issue is the differing perspectives, and therefore cost-benefit calculations, that will be made by an analyst charged with investing on behalf of a public account," Smith writes in *The Public Balance Sheet*, soon to be released by the National Center for Economic Alternatives. "Arguments over 'justification' miss the point that the public has a legitimate right to be concerned about the differential imposition of costs and benefits between the public and private sectors." ●

FEDERAL AID FOR LOCAL COMMUNITIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. HAMILTON. Mr. Speaker, I insert in the CONGRESSIONAL RECORD a copy of a letter I recently sent to public officials in the Ninth District of Indiana. The letter suggests ways for public officials to increase their chances of obtaining Federal aid for their communities:

LETTER OF LEE HAMILTON

1. BECOME INFORMED

The federal aid system is complicated, but it is not impossible to understand. Take the time to read and research to find the information you must have.

Don't be afraid of the Federal Catalogue of Domestic Assistance. While it is sometimes as confusing as the system it purports to explain, take time to become familiar with it. It is a good first source of information. Follow up on any programs that seem good by contacting the administering agency for more data.

Subscribe to trade association publications. There is a publication for just about every interest, and it usually gives its readers valuable program information.

Put yourself on agency mailing lists. Most agencies have them, and those on the lists are sent announcements of new programs or new information on old programs.

Attend national conferences if you can afford it. Many good ideas are exchanged at these meetings. Applying for federal grants sometimes means "thinking big," and national conferences are part of that way of thinking.

2. ASK FOR HELP

Too many officials submit applications "blind", simply on the basis of a program announcement. While some of these applications are successful, most aren't. They fail to comply with technical requirements, miss the point of the program, or are ignored by reviewing officials.

Draw on your regional development commissions. You pay tax dollars for them to provide you with technical assistance. They can suggest programs to meet your needs, help you in drafting proposals, and represent you before state and federal agencies. They have had much practice with programs you may have dealt with only once or twice.

Contact the agencies themselves for technical assistance. Many agencies routinely work with applicants to prepare a successful proposal, but others will do so only if asked. The agencies can keep you from writing a bad proposal.

Get to know a contact person in an agency with which you deal frequently. Consult with that person whenever you think that he or she can assist you.

Request feedback if an application is turned down. Comments and criticisms make for a better application next time. They also draw attention to your proposal a second time.

3. FOLLOW DIRECTIONS

It is frightening to know how many applications fail for lack of a signature on a form. Program paperwork seems immense and the required procedures overwhelming, but small slip-ups can result in delays that push applicants over a deadline to await the next funding cycle.

If something is confusing, call and ask for clarification.

Follow up the call with a written confirmation of what you understood.

Be prompt in seeing to corrections or requests for additional information.

4. HAVE A STRATEGY

There are three basic strategies a community can use to get aid. The best strategy for a given community depends on a whole host of factors.

In the first case, local leaders assess the situation, rank their needs, and look for a program that would meet the most pressing needs. While this is the most logical strategy from the community's point of view, it is not necessarily the most successful in obtaining grants. Funding mechanisms may not exist to meet the community's highest priorities, at least as the community conceives them.

In the second case, the local leaders adapt their projects slightly to accommodate the existing funding mechanisms. For example, if a community needs a center but can't take on a loan from the Farmers Home Administration, the community needs to think about using historic preservation funds to restore an old building that could be used as a center. This strategy is often more successful because it is more flexible.

In the third case, local leaders start by finding out what money is available and work up proposals to get that money. At first glance, this strategy seems inefficient since the kinds of money available may not fit the community's purposes. However, grants generate other grants. As a community becomes better known to federal officials, acquires a reputation for carrying out projects effectively, and gets better at designing imaginative proposals, it may not be as hard as it first appeared to get money for the community's greatest needs.

5. UNDERSTAND EACH APPLICATION PROCESS

Just mailing the application in before the deadline is not enough. A community should know something about the steps of the review and the timing involved.

Don't ignore the date of the agency's yearly allotment. If the money comes in October, have your application ready beforehand, by July.

Don't leave the tracking of your application to the engineer. Know your review office and check to make sure that your application is not being held up.

Don't wait through months of silence. If you hear nothing and you suspect that there may be a problem, try to find out how things are going.

On the other hand, don't pester federal officials unnecessarily. If you are sure that your application is complete and the announcement says that awards will be made on a certain date, wait for that date before making contact.

6. MAKE YOURSELF KNOWN

A major problem small communities have in obtaining federal aid is their lack of visibility. A community often finds itself in the "big time," with much larger cities whose needs have been widely publicized. Even when applications are being handled by an Indianapolis office or by a state agency on behalf of the federal government, there is no guarantee that reviewing officials will have familiarity with small communities. Fortunately, there are ways to make a small community visible.

Attend your Congressman's conferences and take advantage of the opportunity to meet with state and federal officials there. Besides just making their acquaintance, you can get up-to-date program information from them.

Ask for a site visit if you have a serious difficulty in your community. Federal officials will be more impressed with its seriousness if they see it firsthand. Also, the visit gives them a chance to meet you. They will have a much clearer idea of your proposal's potential benefit.

Participate in the state planning process. Many federal grant programs are run principally by the state. The state is required to draw up a plan before it can spend the funds. If a community takes an active role in the formulation of the plan, it can help steer money toward certain sorts of projects and make its own needs better known.

7. BE AWARE OF YOUR LIMITATIONS

A generous grant can be a heady prospect for a small community. Forethought and attention to detail are essential if the grant is to be put to work in the most beneficial way.

Don't "bite off more than you can chew." Be able to administer the project once you get the money. Part of getting more grants is the fostering of a solid reputation for using funds efficiently. For example, community development money is denied to towns that have not spent a sufficient amount of the funds given in an earlier project year.

Don't expect to get something for nothing. Most federal programs give loans, matching grants, or seed money. Be able to make good your commitment by paying back the loan, coming up with your matching funds, or finding a way to continue service once the seed money has run out. Even with a full grant, it costs money and takes time to draw up the proposal.

Don't try to do everything yourself. Be able to get others to help you. In small communities where public officials are part-time and often unpaid, it is good to find a dedicated citizen who can be a "grantsperson". Send him or her to a training seminar, pay the out-of-pocket expenses, and get the reference materials required for an adequate job.●

THE ALL-VOLUNTEER FORCE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ASPIN. Mr. Speaker, the All-Volunteer Force has ended 5 of its 6 years within one-tenth of 1 percent of its manpower goals. These figures should dispel the popular notion that the services cannot recruit enough volunteers.

Each month when the recruiting goals are missed, the news gets a lot of attention. But no one notices all the months when the goals are met.

What is more, the services frequently miss a recruiting goal but end up making their total manpower goal because fewer people leave the service than anticipated. In other words, reenlistment rates outrun expectations.

The worst year for the All-Volunteer system was 1975 when the four services combined ended up the year 41/100ths of 1 percent short of the planned goal. That is still a batting average of 0.999 and is nothing to be sniffed at in any league.

The last man was drafted in December 1972. Since then, the services have ended three of the succeeding years with slightly fewer men than desired and the other three years with slightly more men than desired. On average, the services have been short only 5/100ths of 1 percent of their year-end goals.

End of calendar year	End strength (thousands)		Goal missed by—	
	Goal	Actual	Number	Percentage
1973	2,199.5	2,200.7	+1,200	+0.05
1974	2,140.6	2,138.8	−1,800	−.08
1975	2,092.0	2,083.4	−8,600	−.41
1976	2,071.3	2,071.1	−200	−.01
1977	2,057.7	2,059.4	+1,700	+.08
1978	2,038.8	2,039.8	+1,000	+.05
Average	2,100.0	2,098.9	−1,100	−.05

Ironically, a lot of people said the all-volunteer system would only get enough volunteers when there was a recession. Yet the only year in which the services missed their goals by a measurable amount was 1975—and most of that year we were in a recession.

The services ended both of the last 2 years with slightly more personnel on board than they had budgeted for—hardly an indication that the all-volunteer system is falling.

Some people look at the numbers on the chart and notice that the totals are declining from one year to another. There is an immediate suspicion that the goals are reduced each year because of difficulty making them.

Two points should be made here.

First, the size of the services dropped by even greater amounts each year from the end of the Korean war until the Kennedy administration took office in 1961 and expanded the forces that year and the next. They then declined each year again until the Vietnam war began.

That does not indicate the draft was a failure any more than the modest drops of recent years indicate the all-volunteer system is a failure. It simply indicates that various economies are taking place. It is like flour settling in the flour bin.

For the record, the services declined on average by 156,000 men each year from 1954 to 1960, by 19,000 a year from 1962 to 1965 and by 32,000 a year from 1973 to 1978.

Second, many of these cuts have been imposed by economy-minded members of the Armed Services Committees, which are hardly hotbeds of love and support for the all-volunteer system.

The Congress first began authorizing manpower levels for each of the services in fiscal year 1974. Congress cut the President's request in the first 5 years since then by numbers ranging from 2,800 to 30,800. The end strength request was raised only in the budget for the current year, fiscal year 1979, when 6,750 slots were added.

These numbers do not definitively prove that the all-volunteer military is a great success. They do, however, definitely disprove the simplified allegations of some that the All-Volunteer Force is unable to recruit enough people to fill the assigned slots.●

THE CYPRUS TRAGEDY CONTINUES

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. BRADEMAS. Mr. Speaker, we observe this month the fifth anniversary of a tragedy. On August 14, 1974, Turkish military forces, armed with American-supplied weapons, invaded and occupied 40 percent of the sovereign nation of Cyprus.

This invasion was carried out in clear violation of American laws and bilateral agreements already in effect which prohibited the use of American weapons for offensive purposes.

Unlike Turkey's Cyprus action of the previous month, which was mounted in response to a coup instigated on the island by a Greek junta, this August invasion took place at a time when hostilities had ceased, the junta had fallen, a ceasefire was in effect, and the interested parties were engaged in peace talks at Geneva. In summary Mr. Speaker, there was no provocation, no justification whatever for the second invasion of Cyprus.

The sorry consequences of that action, in respect of American relations with the nations of the eastern Mediterranean, are too well known to bear repeating here. Suffice it to say that fundamental misjudgments wit' in the American executive branch permitted the invasion of Cyprus to take place and further misjudgments have allowed the occupation of Cyprus to continue for these many years.

But, Mr. Speaker, beyond the political and strategic consequences of severely damaged relations with the governments of the nations involved, there are human consequences which cannot be ignored. In fact, as we observe this fifth anniversary, those consequences are the most distressing:

After 5 years, 200,000 Greek Cypriots—nearly one-third of the country's population—remain driven from their homes in the northern portion of the island;

After 5 years, there are more than 2,000 missing persons unaccounted for by the Turkish occupation forces;

After 5 years, those occupation forces still number more than 25,000 armed troops, and

After 5 years, Turkey has not withdrawn from a single acre of Cypriot land.

Mr. Speaker, when Congress was persuaded last year to remove the partial embargo it had imposed in accordance with American law, it did so in the expectation that such an action would lead to moderation of Turkish intransigence on Cyprus. This expectation, as we all recall, was fostered by the Carter administration, whose officials argued that continuation of the embargo was the most significant factor preventing Turkish action on Cyprus.

Mr. Speaker, the hollowness of that argument has become evident to all of us.

Turkey has taken no positive actions whatever on Cyprus, nor is there any evidence that such actions will soon be forthcoming.

In the midst of this sorry record, Mr. Speaker, there is some small reason for optimism. The House of Representatives voted overwhelmingly this summer—303 to 107—against providing grant military assistance to Turkey. As the debate on that issue made clear, Turkey's failure to act on Cyprus was the key factor in the House's decision to put some limits on what was in other respects a most generous economic and military package for Turkey.

Although the final shape of this package is still to be worked out with the Senate, it should be clear to the Turkish Government—and to its supporters within the Carter administration—that Congress will not close its eyes to Turkey's record on Cyprus. Rather, as the sixth year of the Turkish occupation begins, we will do all we can to promote a swift and equitable end to the continuing tragedy of Cyprus.●

SAUDIS ASSAIL OIL COMPANIES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ROSENTHAL. Mr. Speaker, I wish to bring to my colleagues attention how the Saudis note the role of the multinational oil companies in the recent oil crisis. In a recent radio commentary on the Ryadh domestic radio following the ending of OPEC planning committee which was delegated the responsibility for drawing up a new strategy for OPEC, the Saudi stated:

While the conduct of the producing and consuming states is governed by the realities of this situation and the nature of current circumstances, there is a third party who is exploiting the extremely serious, tense and contradictory situation at the expense of the producing states. This party is represented by the oil companies, whose control of the means of distribution so greatly affects the international market as to create many problems.

How often we have warned that these companies are following parallel policies. They are amassing huge oil reserves, which they plan to keep in storage in order to put pressure on the market. And this is in the face of the growing urgency of the daily needs of private individuals, industries and the development of communities. And at the same time they are exerting pressure on the oil-rich regions to tempt them to increase their production with lies about growing demands and market needs for a greater quantity than that which is produced at present.

As evidence of this it may be pointed out that the American companies alone achieved in the second quarter of this year an average profit of 68.9 percent, while those participating in the oil industries secured a profit averaging 19.4 percent compared with 18.6 percent achieved by the largest 100 major oil companies.

This very briefly means:

1. World production of oil does not go directly for consumption, but passes through accounting processes determined by profit-and-loss conditions of the international companies that control the oil industry; and

2. The shortfall arising from the difference between average production and consumption is in fact kept in stockpiled reserves to insure the continuation of their ability to control world markets at the appropriate time and in the appropriate manner.

On the political side, the direct aim of this serious conduct is to insulate public opinion of the consumer states from the truth of the oil companies' blatant exploitation and to portray the oil states as arbitrarily using this wealth as a means of pressure by determining prices and controlling the world market in order to achieve strategic gains in favor of their own interests.

In some ways the Saudi viewpoint of the American multinational oil companies is not unlike the American public's. It certainly adds fuel to the fire that oil companies have had adequate crude oil stocks to refine, make unbelievable profits and blatantly exploited the existing market situation.●

FEDERAL EFFORTS TO IMPROVE PRODUCTIVITY CITED

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORCORAN. Mr. Speaker, the July issue of State Legislatures, published by the National Conference of State Legislatures, includes an article by Washington editor Andrea Kailo regarding the Federal role in productivity improvement at the State and local level. I introduced legislation on March 8 which would encourage productivity improvement in the public sector, H.R. 2735 the Intergovernmental Productivity Improvement Act of 1979—the companion bill, S. 1155, was introduced on May 15 by Senator CHARLES PERCY. I commend the article to my colleagues and insert it in the RECORD at this point:

PRODUCTIVITY: THE WASHINGTON CONNECTION

(By Andrea Kailo)

The world according to GARPS would be a place in which the federal government provided a focal point for enhancing state and local productivity.

GARPS—the Grants Assessment, Research and Productivity Section—was recently established under the Office of Personnel Management's Intergovernmental Personnel Programs (OPM/IPP) to give both technical and financial assistance to states and localities to improve public management.

As interest grows in improving productivity in the federal government, more and more federal studies are concluding, as did an OPM task force report last year, that "improvement in state and local government productivity is essential to any national program."

Addressing nearly 100 state and local government representatives at a March Workshop on State and Local Government Productivity Improvement, U.S. Comptroller General Elmer Staats noted that, "with state and local government expenditures now comprising over 15 percent of the GNP, the fiscal status and productivity of this sector has become more important for a healthy national economy. . . . Federal concern for state and local productivity has been further stimulated by realization that successful implementation of many federal social and regulatory programs is critically dependent on effective state and local management of these programs."

In a December 1978 report to Congress, Staats summarized the General Accounting Office's (GAO) recommendations on the federal role in state and local government productivity improvement:

"We concluded (Staats wrote) that the Federal Government can best promote increased levels of State and local productivity by (1) developing from existing Federal programs a general management improvement program for the benefit of State and local managers, and (2) making changes in the Federal grants system to remove hindrances to State and local productivity and to incorporate positive performance incentives in grant programs, thereby encouraging improved productivity in federally assisted services."

Though the GAO report concludes that the most significant impact—and a primarily negative one—of the federal government on state and local productivity is the federal grants system, the National Productivity Council in December authorized a study "to determine the appropriate role of the federal government in supporting the productivity improvement efforts of State and local governments" which is not intended to "provide a review of the federal grants system to identify changes to provide incentives for productivity improvement."

The report is intended to identify the kind of assistance which would be most supportive of state and local efforts to improve productivity and then to determine if and how the federal government could provide this assistance. According to study co-leader Edward Chase of the Office of Management and Budget (OMB), the focus is on four major areas: management capacity building, information sharing, productivity measurement, and new methods and technologies.

Chase now expects that the final report, originally due on April 30, will not be presented to the National Productivity Council until at least the end of July. Both Chase and Lou Phillips, who heads the IPP/GARPS program, were reluctant to discuss the study's conclusions and recommendations until the draft is approved by an interagency study team. Chase did say, however, that "most of the recommendations we're talking about could be implemented by this fall."

JUMPING THE GUN

In fact, though one objective of the study is to determine "whether it is appropriate for the federal government to provide the assistance," GARPS already has been set up in anticipation of the report's findings. Despite its location in the Office of Personnel Management, GARPS will deal with more than just the personnel aspects of productivity improvement, Phillips says. He expects about $5 million to be budgeted for the program which will concentrate on four basic areas:

Networking—IPP will coordinate the programs of public interest groups, private sector organizations, federal agencies and state and local governments to promote cooperative efforts in productivity improvement. Phillips and other IPP staff have begun meeting with public interest group representatives, including NCSL, to seek assistance in setting up the GARPS program.

Information exchange—A Productivity Resource Exchange and a bimonthly newsletter will be used to distribute information on significant productivity improvement projects in states and localities.

Training and technical assistance—Existing IPP training and technical assistance will be expanded to promote the development of productivity improvement activities. Though a number of federal programs currently provide technical and financial assistance for state and local management and productivity improvement, the GAO study found that these efforts are "varied and fragmented and are not well coordinated."

Grants—Productivity improvement projects will be supported through intergovernmental Personnel Act (IPA) grants based on a project's consistency with state and local priorities, the potential transferability of results and the degree to which management capacity will be strengthened. NCSL's Project TRAIN could be used to focus on the potential increases in productivity resulting from improved legislative procedures.

At present, Phillips said, IPA grants must be related to personnel management. Legislation introduced this session by Rep. Tom Corcoran (HR 2735) and Sen. Charles Percy (S 1155) would amend the Intergovernmental Personnel Act to permit OPM to make grants to state and local governments for up to 90 percent of the "costs of developing and carrying out programs or projects to strengthen the capability to improve productivity of state and local governments."

(In a letter to Corcoran supporting his bill, NCSL stressed that "efforts to perform the work of government more efficiently must be given a high priority." Noting the "increasing burden" placed on states in managing federal programs and responding to regulatory requirements, NCSL maintained that states" must be aided by federal assistance to efficiently and effectively carry out federal programs." It noted that the pending bill allows IPA grant funds to be directed "precisely at productivity improvement," not simply at personnel management.)

Although the current federal focus is on providing technical, financial and "clearinghouse" assistance to improve state and local productivity, the GAO report concluded that "the role of Federal technical assistance is secondary or supportive at best. . . . Generally, we found that the impact of Federal funds for productivity improvement has been to support locally originated efforts, not to initiate new productivity efforts." In fact, the GAO study noted, "state and local officials seem to accord higher credibility and trust to information and assistance received through informal and formal networks of their own counterparts and private consultants of their own choosing."

Asked to set their own priorities from among the areas on which the National Productivity Council report will focus, state and local representatives at the OPM-sponsored workshop in March introduced grant reform and grant consolidation as a key priority for federal involvement in improving state and local government productivity.

Paul Posner, who worked on the GAO report, reasoned that the National Productivity Council decided to concentrate first on the technical aspects of assistance because this would be more likely to lead to early action. (Indeed, as noted above, GARPS has been established even before being officially recommended.)

On the other hand, Posner explained, the federal grants system is seen as "an undulating monster, difficult to get your hands on." With federal grants comprising over one-quarter of state and local spending for FY 1979, the OPM task force headed by Lou Phillips last September noted that "the efficiency and effectiveness of federal assistance programs is often compromised by the policies and procedures of the system designed to manage them."

What the GAO study cites as the negative impacts of the grant system comes as no surprise to those at the state and local level who deal with the administration of federal grant funds.

"Such factors as the paperwork burden, compliance with costly federal standards, excessive delays involved in launching programs, matching and maintenance of effort requirements, federal funding formulas, and the excessive categorization of federal assistance impose excessive costs on state and local governments. As such, *the grants system retards state and local productivity levels* and poses additional barriers to public managers on launching productivity improvement efforts. (emphasis added)

In a chapter on "Federal Impacts on State and Local Productivity,"* Harold Hovey points out that federal grant requirements hinder state and local productivity to the extent that they "distort" the priorities which would otherwise have been set. Basing his conclusion on the fact that, in the absence of federal involvement, "public officials tend to select more effective instruments over less effective ones," Hovey notes that federal policies are designed to influence these decisions, shifting state and local priorities to attain national goals.

"The question is not whether grant requirements reduce productivity, which they generally do," Hovey says, "but whether the reductions in productivity are justified by whatever results the cross cutting requirements produce."

Posner views the grant problems as stemming from a lack of accountability. "States really have no incentive to be productive with federal grant monies," he said. "And you have to wonder whether the federal agencies are all that concerned."

Categorical grants "leave something to be desired' in terms of management control and resulting productivity, Posner commented. While noting that factors other than productivity levels must be taken into account, he acknowledged that "in terms of paperwork burden, General Revenue Sharing is the most productive program on the books." The greater state control encouraged by block grants and revenue sharing leads to greater state concern about program management and, Posner, concluded, likely results in improved productivity.

The GAO recommendations for major grant system changes reflect both Posner's views on accountability and Hovey's concern with excessive grant requirements. To "remove some of the negative impacts on state and local productivity," the report recommends:

Reduction of federal reporting and paperwork requests and requirements;

Standardization of "cross-cutting" requirements, such as nondiscrimination and environmental review, across all federal programs, with designation of an appropriate federal agency to certify compliance with each requirement;

Consolidation of categorical grant programs into block grants whenever feasible:

Elimination of many procedural requirements over grants administration "if accountability for program results based on quantitative performance standards is established;" and

Wider use of incentives and performance standards in the creation or reauthorization of federal grant programs.

These recommendations are similar to those which have been put forth by NCSL, calling for increased state administrative and legislative flexibility and responsibility in the management of federal grant programs. Both Chase and Posner indicated that the role of federal grant reform in improving state and local government productivity is next on the list for a National Productivity Council/OMB study. Perhaps, as with the establishment of GARPS, some of the reforms could precede completion of the final report.

FEDERAL PRODUCTIVITY

It must be remembered that the federal government's interest in state and local government productivity derives from concern about its own.

* In *Productivity Improvement Handbook for State and Local Government*, prepared by the National Academy of Public Administration; to be published by John Wiley & Sons, fall 1979.

The concern is relatively new and so are the available acts anyone embarking on a study of federal productivity and hoping to compare data from one decade to the next would run out of data after the first comparison. Though the Department of Labor's Bureau of Labor Statistics (BLS) has been measuring private-sector productivity since 1898, systematic data collection on federal productivity did not begin until FY 1972, at which time information was gathered retrospectively from FY 1967.

While public employee productivity has a significant impact on Federal expenditures, conceptual difficulties have hindered productivity measurement in the Federal Government. Much of the final output of Government is in the form of services, which cannot be measured as readily as the production and profit figures of private industry.

In 1962, however, a study by the U.S. Bureau of the Budget (now the Office of Management and Budget) concluded that valid productivity measures could be developed for many Government activities. But a shift in priorities left Federal productivity measurement on the back burner until 1970, when Senator William Proxmire, then vice chairman of the Joint Economic Committee, asked the Comptroller General to investigate the feasibility of measuring the productivity of the Federal Government.

Based on the recommendation of a joint interagency team (made up of the Civil Service Commission, the General Accounting Office and the Office of Management and Budget), a task force as established to collect the data needed to develop a Federal productivity index. In 1973, when continuation of the project was endorsed by OMB, the Bureau of Labor Statistics was given responsibility for collecting the necessary data and developing productivity measures.

Defining productivity as the ratio of the volume of goods and services produced to the staff years required to produce them, Federal productivity for the sample measured rose at an average annual rate of 1.3 percent from 1967 through 1977, about the same as the private sector productivity increase for the period. The Federal figures varied substantially from year to year, ranging from a drop of 0.6 percent from FY 1973 to FY 1974 to a gain of 2.9 percent from FY 1976 to FY 1977.

Federal productivity data for FY 1977 (FY 1978 data will be published this fall) covered 52 agencies, 64 percent of the Federal civilian work force, and measured over 1,900 output indicators in 28 functional groupings. These groupings include such items as communications, medical services and equipment maintenance.

Output indicators measure the final products of an agency activity, not the intermediate products along the way. The output indicator of a library, for example, would reflect its use (as in the number of books loaned or number of information requests), rather than its internal administrative functions (such as the number of books catalogued). Jim Urisko, director of the BLS Federal Productivity Measurement System, says that the number of indicators, which he expects to reach 3,000 for FY 1978, reflect the reliability of the data. The nature of the indicators varies substantially, including such diverse items as telegrams sent and deportable aliens located.

In a recent *Civil Service Journal* article (Jan/Mar 1979), Jerome Mark, Assistant Commissioner for Productivity and Technology at the Bureau of Labor Statistics, highlighted a number of problems encountered in determining final output indicators for the federal government. These include identifying specific units of service that "are countable, are fairly homogeneous over time, can be adjusted for quality changes, and reflect a significant proportion of the agencies workload." Difficulties also arise in measuring work which is contracted out, done over a time period longer than the fiscal year, handled by someone who is not devoting full time to one output, or done within an agency which has been reorganized.

While noting the current emphasis on refining measurement techniques, it is important to remember that adequate productivity data—measurement for measurement's sake—is itself an intermediate, not final, output of the federal government's productivity efforts. The goal is productivity improvement, and the relationship between measurement and improvement was well explained in the 1977 Annual Report of the recently disbanded National Center for Productivity and Quality of Working Life:

"Measurement is a tool which, when used as a part of any productivity improvement effort, can serve many purposes. Productivity measurement in the Federal Government is a means for providing an objective yardstick for tracking progress over time of attemtps of agencies to use their work force more effectively. Areas of lower or declining productivity can also be detected through measurement. In addition, measurement is a technique which can be used to motivate agencies to adopt productivity improvement programs."

Or, as Office of Personnel Management (OPM) Director Alan Campbell said in a recent speech, "you can't tell if you're winning if you can't keep score."

THE PLAYERS

When the Bureau of Labor Statistics in 1973 was assigned the role of collecting federal productivity data, the responsibility for other aspects of productivity improvement was divided among a number of federal agencies. Generally, the assignments specified that:

The Office of Management and Budget would provide general policy guidance;

The Civil Service Commission (CSC) would provide leadership, guidance and technical assistance in aspects of productivity involving personnel management;

The General Services Administration (GSA) would provide guidance and technical assistance regarding work measurement and productivity measurement systems development; and

The Joint Financial Management Improvement Program (JFMIP), an interagency group, would analyze the factors involved in productivity change and prepare an annual report to the President and Congress.

While these responsibilities were being sorted and carried out, the National Commission on Productivity, established in 1970 to emphasize the importance of productivity to the national economy, was undergoing a multiple metamorphosis. In 1974, it became the National Commission on Productivity and Work Quality, with a mandate to help "the morale and quality of work of the American worker." A year later, the National Center for Productivity and Quality of Working Life emerged, directed under Public Law 94–136 to "focus, coordinate, and promote efforts to improve the rate of productivity growth," to develop "a national policy for productivity growth in the public and private sectors," and to expire on September 30, 1978.

Most recently, President Carter has created the National Productivity Council (Executive Order 12089; October 23, 1978) "to provide for coordinated and effective Federal programs to improve productivity in the public and private sectors." The Council is composed of the heads of 10 federal agencies, with the Director of the Office of Management and Budget serving as chairman. Agencies are assigned specific leadership responsibilities in the federal productivity effort.

OPM has since established a Workforce Effectiveness and Development Directorate (WED) to improve the productivity of the federal workforce. Using the task force report as a base, an integrated federal productivity program has been organized within the directorate's Office of Productivity Programs.

Until initiation of this latest federal productivity improvement effort, productivity data had been reported to the Bureau of Labor Statistics on a voluntary basis. In a December 1978 memorandum, however, the Office of Management and Budget instructed the heads of all executive departments and agencies with over 200 full-time permanent employees to follow a detailed 17-page Agency Instruction Package in submitting productivity data, which will now form part of the budget process.

One area of emphasis in data collection will be measuring common services within different departments and agencies. OPM productivity analyst Allan Udler believes that the measurement of common administrative services holds a lot of promise for productivity improvement. There are a number of administrative areas, such as personnel management and procurement, which extend over most government agencies, Udler explained. By developing a method whereby all agencies can report on these common functions on the same basis, he said, comparisons can be made which will assist managers and supervisors in improving their output.

Such a measurement system was recently developed and applied in the area of federal government personnel management. After determining what activities of a personnel office could be quantified, a task force divided the office into five functional areas: staffing and employment, position classification, employee and labor relations, employee development, and general administration and support. Data is now being collected for each of these functions in 31 federal personnel offices across the country. The methodology used to develop this system will be applied in other common services, with OPM and BLS cooperating to design appropriate measurement techniques.

The personnel management component under OPP's Productivity Services Division rests in large part on recently enacted civil service reform measures, particularly the establishment of the Senior Executive Service. Experiments with positive incentives will be encouraged to improve lower-level management and motivate individual employees. Possible incentives include bonuses, shared cost-savings, job rotation, career development, reimbursement for unused sick leave and educational opportunities. In addition, the establishment of performance appraisal systems in all federal agencies will, as the task force report notes, "introduce an accountability mechanism that is crucial to productivity improvement."

The Research and Program Development Division of OPP was set up to develop and analyze techniques to improve organizational performance. Along with doing the basic research, the division will test and demonstrate productivity improvement approaches such as improved management systems and organizational change.

Finally, within the capital investment component of the program, OPM will work with other members of the Productivity Council to stimulate capital investment in the federal service. Task force findings show that 40 to 60 percent of the productivity increases in the private sector are related to capital investment which, they concluded, "could become the largest single force in increasing Federal productivity as well."

As the final report of the National Center for Productivity and Quality of Working Life pointed out, "the public sector needs spe-

cial encouragement to improve productivity."

"Without a clear-cut indicator of accomplishment, such as profits (the report continued), the incentives to improve productivity are not as strong as in the private sector; indeed, there are strong incentives to maintain the status quo. Professional pride has motivated many public managers to try to improve government productivity, but—especially at the local level—improvement requires the support and leadership of elected offices. There are few political incentives to improve productivity, however. The incentives are to use available public funds to satisfy immediate public demands, by which voters judge the performance of elected officials."

In this post-Prop 13 time of tax and spending limitations, the Administration has embarked on a productivity improvement program for both the public and private sectors in an effort to promote the more efficient use of our nation's resources. Recent surveys have shown, however, that taxpayers not only want reduced government spending, but also seek greater value for their tax dollars. They want effectiveness as well as efficiency in government.

OPM Director Campbell recently told a meeting of government accountants:

". . . what we are looking for in all of these programs is a combination of efficiency and effectiveness. To achieve one without the other will leave us short of our goals. We can say we are efficient if we find ways to turn out more forms or process more applications in a shorter time or at less cost. To be able to claim that such efficiency is also effectiveness, we must be sure that the final product is improved service to the public."

While OPM analyst Allan Udler sees productivity data as "a surrogate measure of effectiveness" in that low productivity can be an indication of worker deficiencies, Jim Urisko of the Bureau of Labor Statistics believes that "any discussion of effectiveness right now is fanciful." Efficiency can be determined through statistics, Urisko said, but effectiveness—how well an agency is discharging its mission—is subjective. "We don't have effectiveness measures yet," he acknowledged. "That's down the road." ●

SALT TREATY NOT VERIFIABLE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. KEMP. Mr. Speaker, Lt. Gen. Edward Rowny has made some excellent points concerning his assessment of the verifiability of the SALT Treaty. I believe his remarks, which follow, bear your careful consideration:

REMARKS BY LT. GEN. EDWARD ROWNY

THE TREATY IS NOT VERIFIABLE

The conclusion I reached in my assessment of 21 May 1979 to the JCS regarding verifiability was that the Treaty is not adequately verifiable. Problems in verification stem in large measure from the great advantages accruing to the closed society of the U.S.S.R. over the open society of the U.S. The U.S.S.R. playing its cards close to the chest whereas we play ours face up on the table, has little difficulty in verifying U.S. systems. The press, unclassified Congressional hearings, production reports and other U.S. publications provide the Soviet Union with all the information it needs to satisfy its verification needs. Practically no information of a similar nature is available to the U.S. I shall not discuss here in open session the recent difficulties facing the U.S. in monitoring Soviet activities which already aggravate the problem of verifiability. My assessment of verifiability rests for the most part not on monitoring but on the unsatisfactory provisions of the agreement itself to which monitoring applies. The U.S.S.R. has consistently refused to agree to provisions necessary to assure adequate verification of mobile ICBMs, MIRVed ICBMs and SLBMs, new types of ICBMs, heavy bombers and cruise missiles. Many of the provisions to which we agreed involve ambiguities and contain loopholes.

Provisions pertaining to the verifiability of mobile ICBMs are loosely drawn. The Soviets have agreed not to deploy the SS-16 mobile ICBM during the period of the Treaty. However, the U.S. did not insist that the third stages of such missiles be destroyed. Hence the U.S.S.R. could, in a break-out scenario, employ these (or clandestinely produced third stages) on any of the SS-20s it has in its inventory.

As for the verifiability of numbers of MIRVed systems, the Soviets have agreed to the "look-alike/count-alike" rule. However, there are those who agree with the Soviets that they granted us a concession and that counting launchers as MIRVed are exceptions to—rather than compliance with—agreed counting rules. Thus we cannot be certain that the Soviets will accept our interpretation of this counting rule in the future.

The provisions for the verifiability of new types of ICBMs are so loosely drawn that it is extremely unlikely that the Treaty will restrict the Soviets to one new type of ICBM. Parameters which would make effective verification more likely were not agreed to by the Soviets and therefore are not a part of this agreement.

Provisions for verifying heavy bombers are practically nonexistent, largely because the Soviets insisted that no definition of a heavy bomber be included in the Treaty. Hence, under the Treaty, an aircraft is a heavy bomber if it is specified by a side that it is one. Under this arrangement the Backfire, clearly a heavy bomber based on estimates derived from data gathered by national technical means, is not included as a heavy bomber simply because the U.S.S.R. asserts that it is not a heavy bomber. What is often forgotten is that Vladivostok resulted in the U.S. counting its large number of bombers in the total aggregate while the U.S.S.R. has fewer to include in its total and subsequently succeeded in excluding not only its Backfires but its dual purpose bombers used for anti-submarine warfare and reconnaissance. Thus the basic objective of achieving equal aggregates of central systems turned out to be a net loss rather than a gain.

Whether or not a cruise missile is nuclear-armed can be verified with some degree of confidence since storage and handling techniques for nuclear warheads are much more elaborate and specialized than for conventional warheads. This confidence could be assured if cooperative or intrusive measures were adopted. However, the Soviets, using the pretext that the type of armament of cruise misiles is non-verifiable, succeeded in getting the U.S. to count conventionally-armed cruise missiles as though they were nuclear-armed.

The JCS have repeatedly stated that access to unencrypted telemetry is essential to verification. The United States does not encrypt telemetry. However, the U.S.S.R. has encrypted telemetry on a number of its ICBM tests. Encryption of telemetry can have only one purpose—to deny or conceal information. The Treaty provision finally agreed upon has three parts: (1) the freedom of a side to encrypt, (2) a ban on encryption which deliberately impedes verification, and (3) a requirement that such deliberate interference must relate to provisions of the agreement. The most satisfactory resolution of the problem would have been an insistence on availability of information needed to verify the agreement. However, the Soviets have not agreed to provisions with respect to the new type ICBM which would establish a requirement for unencrypted telemetry. Left unclear is what is impeded or concealed, what is deliberate and not deliberate, and who is to be the judge? It begs the question to leave this critical issue to the Standing Consultative Commission. This issue should be resolved in the Treaty. Thus, the language on encryption of telemetry finally agreed upon is virtually meaningless.

Proponents of the current SALT agreement state that in the absence of a Treaty the Soviets could interfere with national technical means of verification. This is not so. Existing agreements—the ABM Treaty for example—prohibit such interference. Moreover, the absence of agreement on what constitutes national technical means makes verifiability of this Treaty tenuous. We have already heard Soviet statements that overflights of territory of our allies are not national technical means. Proponents of this Treaty also maintain that it is adequately verifiable because the United States could detect cheating which altered the strategic balance in time to take corrective action. I challenge this view. Surprises can come at any time and the lead-time for countering them is great. The history of SALT is a history replete with surprises. In 51 U.S. national intelligence estimates of predicted Soviet performance over the past ten years, 49 have underestimated the situation, some by a large margin. Early in 1979 U.S. officials publicly stated that the U.S. intelligence community had badly underestimated the speed with which the U.S.S.R. could develop and deploy its MIRVed missile systems. With this consistently poor record of predictability in the past, there is little assurance that in the future we can detect significant changes which would affect the strategic balance in time to take corrective action.

THE TREATY UNDERMINES DETERRENCE

An essential condition of the effectiveness of any SALT agreement is that the composition and size of the force of strategic arms possessed by one of the two sides is that the other side be deterred from taking actions which it might otherwise take which would lead—consciously or inadvertently, to a nuclear exchange. Measured against this standard, the Treaty signed in Vienna will undermine deterrence. The static and dynamic criteria by which strategic parity are generally measured demonstrate clearly that the U.S. will fall behind the Soviets strategically in the early 1980s. The fact that the U.S. will be strategically inferior to the U.S.S.R. from the early 1980s to at least the end of the Treaty is the primary factor undermining the potential of our strategic forces to fulfill their role of deterrence. Furthermore, our current plans call for our MX in a mobile basing mode to be deployed in 1986 and the system fully operational by 1989. Accordingly, our ICBM force will, under current plans, remain vulnerable for the next ten years. I am distressed over talk that we need not be overly concerned about our fixed ICBM vulnerability because we could launch from under attack. Adoption of the bankrupt policy which such action implies would mark the end of intelligent arms control. Aside from the technical difficulties and risks inherent in such a situation, we should simply not place the President of the United States in positions which result from an espousal of such a course of action. Indeed, we should take rigorous action to minimize chances that any U.S. President will be put in such a position.

Whether or not future Soviet leaders are deterred is a subjective judgment they will make. A situation in which the U.S. is strategically inferior and its ICBMs vulnerable can only cause future Soviet leaders to be less deterred than they would otherwise be if these two conditions did not exist. This is not to argue that Soviet leaders will deliberately risk a first-strike against the U.S.

It does argue, however, that Soviet leaders will be more adventuresome and far less inhibited from taking risks in some future crisis such as a Berlin crisis. Who knows where the next crisis could arise. It could, for example, be occasioned by Soviet interference in a possible Yugoslav leadership successorship, or perhaps denial of Middle East oil. If the Soviets feel they are strategically superior to us in such crisis it could contribute to the Soviet's announced objective of spreading their hegemony and contribute to escalation to situations in which nuclear arms might be employed.

Thus, I agree with the Joint Chiefs of Staff that essential equivalence will be lost in the early 1980s and that we should first arrest and then reverse this strategic situation as a matter of the highest national priority. A SALT Treaty which required the U.S.S.R. to accept greater reductions and to eliminate the asymmetries in ICBM warheads and throw-weight would make the achievement of the U.S. task of regaining strategic parity more rapid and less expensive. It is for this reason that I believe we should decide to renegotiate the provisions of this Treaty. There are two ways to regain strategic equality—one by building up our forces and the other by having the Soviets reduce theirs. I believe the second course of action is more conductive to arms control, is sensibie, and is possible. It should therefore not be ruled out.

I agree with the Joint Chiefs of Staff who expressed it as their most serious concern that SALT II could be allowed to become a tranquilizer to the American people and the adverse trends confronting us could be irreversible. I also applaud Senator Nunn's statement that if the Senate believes SALT II will prevent our nation from taking the necessary steps to reverse current trends it should be rejected. However, I have heard no official and authoritative voice call for urgent and major additions to the Defense budget. We are apparently prepared to live with strategic inferiority from the early '80s until the '90s when the long-range correctives will hopefully begin to have an impact. This appears to me to be a dangerous acquiescence to the threat of Soviet pressure which will be backed up by superior military might. What we need is immediate and concrete action—no promises but action—in the form of major supplements to our defense budget in both the strategic and conventional fields.

THE TREATY DOES NOT CONTRIBUTE TO STABILITY

The Treaty signed in Vienna does not contribute to stability. The fundamental fact is that the Treaty does not blunt the momentum of the massive Soviet buildup in strategic offensive arms. It has been stated that requiring the Soviets to reduce their number of strategic offensive arms and restricting them to one new ICBM will add to stability because it will enable us to know the size and composition of their strategic force structure. This hope has little chance of being realized. There is no evidence that the Soviets will reduce their current commitment of resources to strategic arms. I agree with Admiral Turner's judgment that "a SALT agreement along the lines currently being discussed is not likely to slow the growth of Soviet defense spending significantly." He estimated that "such an agreement would probably not reduce the rate of growth of (their) total defense spending by more than one-fifth of a percentage point per year." Since provisions in the Treaty limiting the qualitative improvement of systems are practically non-existent, Soviet resources can be expected to be channeled into less predictable and less verifiable qualitative fields.

Moreover, since the Soviets will soon have sufficient warheads to cover all U.S. targets, to include a 2-on-1 attack on U.S. ICBMs, the route of qualitative improvements is clearly the one Soviet planners can be expected to pursue.

What concerns me most is the growing realization at home and abroad that the U.S.S.R. will soon have a decisive advantage in the strategic field. This will allow the Soviet Union to move against nations friendly to the U.S. with greater certainty that the U.S. will not respond.

THE TREATY COULD WEAKEN NATO

The Treaty signed in Vienna could weaken NATO. The Protocol constrains, for the most part, U.S. systems. While the deployment of mobile systems for the period of the Protocol is denied both sides, the remaining portions of the Protocol deal with ground and sea-based launched cruise missiles, systems that the U.S. and NATO—but not the Soviet Union—require. Soviet spokesmen have on numerous occasions stated that they expect the provisions of the Protocol to be extended and remain in force. Indeed, the Joint Statement of Principles states that protocol issues will be resolved in SALT III. Moreover, there would be no reason for the Soviets to insist that there be a Protocol if they did not consider it would serve as a precedent. In the absence of a Protocol the U.S. would have great incentive for entering into sorely needed accelerated programs for developing long range ground and sea launched cruise missiles for early deployment in Europe.

Article XII of the Treaty states that the parties undertake not to circumvent the provisions of the Treaty "through any other state or states, or in any other manner." However, this provision is so broad that it will certainly be interpreted by the U.S.S.R. in a manner which suits their best interests. Thus, the United States can fully expect Soviet challenges to arise when it attempts to transfer systems or technology to its NATO or other allies. Accordingly, the interest of our allies, and especially our NATO ones, can be expected to be damaged by our hesitancy, that is our conceivable unwillingness, to transfer systems and technology to NATO. Such challenges of U.S. actions by the Soviets will, under their interpretation, be permissible by the Treaty.

I am of course aware that the leaders of our NATO allies have expressed support of SALT II. I suggest that this Committee carefully study General Haig's comments which explain these Allied attitudes. His views conform to my own observations resulting from the close contacts I have maintained with military leaders in NATO. Like Secretary Kissinger and General Haig, I take little comfort in the mixed views one hears from Western Europe. NATO's leaders would be unquestionably in favor of an equitable and verifiable Treaty and one which did not raise serious questions about their own security interests. In the last analysis, what is their alternative but to support the official position of the United States?

THE BASIC PROBLEM: SOVIET MOMENTUM IS NOT CURBED

As I have mentioned above, the crucial problem facing the U.S. is the large and continuing buildup of Soviet strategic forces. This momentum continued unabated while SALT was being negotiated, and there is no evidence that this Soviet momentum will slacken. As early as 1965, Secretary McNamara decided to scrap 300 B-58 bombers, which were then only three years old. Further, he decided that the U.S. would not add to its force of heavier ICBMs and would limit itself to 1000 light MM ICBMs. He said that the U.S.S.R. had neither the intention, nor the capability, of matching us strategically. He was clearly wrong. By the time the Interim Agreement was signed the Soviet Union had a greater than 50 percent lead over us in ICBMs and submarines. Thus, Secretary McNamara initiated a trend, which has continued throughout the SALT negotiating process, that puts faith in the belief that our examples of unilateral constraints will be followed by the Soviets. This helps explain the cancellation of the B-1, the shutdown of the MM production line, the delays in the Trident program, and the delays in the MX and cruise missile programs. Meanwhile, the Soviets have neither slowed down nor have they cancelled weapons programs which create a climate conducive to better bargaining in SALT negotiations. Their tactic is to develop and deploy systems and then negotiate from the higher levels achieved. Even if we were to spend 40 percent more per year for stratgic forces to restore our position of strategic equality, we would be unable to regain parity before 1986 and probably not even before the end of the decade. Thus the Treaty signed at Vienna will sanction and codify U.S. strategic inferiority. This situation, in my judgment, could have been avoided if the SALT II Treaty had been so negotiated that it did not permit gross inequalities and large asymmetries to exist. This situation can still be corrected by reopening negotiations.

MY ASSESSMENT OF THIS TREATY

In making my assessments I have not been unmindful of the plus side of the ledger. The objectives sought by many proponents of the Treaty are goals which I share. Like the proponents of this Treaty I favor the continuation of the SALT negotiating process. I am convinced that this process will continue irrespective of whatever course of action the Senate decided upon. However, the shortcomings of this Treaty and its failure to meet the important objective criteria by which it should be measured in actual fact tilts the balance heavily against the United States. This Treaty is seriously flawed. This Treaty in its present form will, in objective terms, harm rather than enhance our security. Furthermore, rather than contribute to the continuation of the SALT process, the ratification of the Treaty signed at Vienna is bound to make it virtually impossible to negotiate a good SALT III agreement.

In my more than six years of negotiating with the Soviets I have met with them more than 350 times for a total of more than 1,000 hours. My six years at the negotiating table convinces me that a Treaty meeting the criteria of acceptability set down by the Joint Chiefs of Staff was—and still is—attainable. Like the JCS, I strongly favor arms control, provided it does not undermine our security.

Most of the discussion on this Treaty in the Senate so far has focused on arguing whether an unequal Treaty might or might not be preferable to no Treaty. We should instead compare this Treaty with a fair and equal one. I also reject the view that the challenge facing us in the long run will be greater if this Treaty is not ratified.

There have also been arguments before the Senate that this Treaty does not prohibit us from pursuing any U.S. programs we wish to build. I challenge these arguments. The Treaty will undoubtedly constrain—and the Soviets can be expected to press to prohibit altogether—our deployment of the MX missile in a mobile mode. Additionally, it will certainly constrain, if not prohibit, the deployment of long-range ground and sea launched cruise missiles. The Treaty will require us to give up ICBM or SLBM launchers if we wish to deploy more than one-third of our planned development of 170 carriers of air launched cruise missiles. It will constrain us from deploying long range conven-

tionally armed cruise missiles. And I could go on. The simple fact of the matter is that the Treaty places constraints on U.S. forces and far fewer meaningful constraints on Soviet forces which will soon be superior in capabilities, as they are now in numbers, to the United States.

One point needs to be thought through most clearly. It is clear that the Soviets have been building, and are continuing to build, their strategic forces at a near war-time level of effort which is at—or near—their capacity. The Soviets cannot greatly increase their defense spending further or continue their war-like footing indefinitely. At the same time, this Treaty will not serve to blunt or to reverse their momentum. Therefore the sooner we realise our precarious position and cause the Soviets to turn their momentum around the better. Now is the time to tell the Soviets clearly and firmly that we will only ratify a Treaty which is fair and equal and that we will not ratify a treaty which codifies U.S. acceptance of Soviet unilateral rights which make the Treaty unequal. The Soviets want and need a treaty and will, in view of their own economic constraints, not wish to arouse us to develop to the utmost our full economic/financial and technological resources. If they find us resolute on renegotiating the Treaty, we stand a good chance of arriving at one which will put us on the road to true arms control, one which will contribute to deterrence and stability and will save us—and them—money.

If the Soviets are unreceptive to renegotiation, I am convinced they will not be so for long but will soon return to the negotiating table. The Soviets know that a Treaty is in their long-term interest. What they do not yet know is that we will not ratify an unequal Treaty.

We can, if we need to do so, afford to spend what it takes to regain and to maintain our national security. We cannot afford not to do so. It is imperative that we decide now to act quickly and decisively to regain parity we will soon lose. Spending a single percentage point of our GNP will maintain our position of parity, once regained, for the indefinite future.

I have been asked why I believe we can get a better deal when others have said that this is the best deal we can get. My answer is simple—I was there—intimately involved with the Soviets at various negotiating levels. I know that the Soviets want and need a Treaty. I know that we, the United States, made reaching almost any SALT Treaty an over-riding policy objective. As a result our security has suffered. Unlike the Soviets who put their security first, we have tailored our military planning to optimistic expectations of the outcome of the SALT process. Like the Joint Chiefs of Staff I believe we should pursue two tracks: arms control and our security. I believe we have pursued the first track at the expense of the second. In my professional judgment the risks to our national security under this agreement are too great for the hoped-for gains in arms control. It is my considered view that approval of this Treaty as it now stands will undermine our security and will hinder and not further the process and the likely progress of arms control.

In summary, the Treaty signed in Vienna on 18 June 1979 does not meet minimally acceptable standards. It is my considered and professional military judgment that this Treaty is not equal and not adequately verifiable. It will neither enhance deterrence nor add to stability. It could well detract from NATO security and allied coherence. It could seriously damage the prospects for significant reductions in any future SALT negotiations. This particular SALT agreement is not in the interest of the United States and should be renegotiated.●

STATE EFFORTS TO IMPROVE PRODUCTIVITY CITED

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. CORCORAN. Mr. Speaker, the July issue of State Legislatures, published by the National Conference of State Legislatures, includes an article by Associate Editor Dan Pilcher regarding State efforts to improve productivity. I introduced legislation on March 8 which would encourage productivity improvement in the public sector, H.R. 2735, the Intergovernmental Productivity Improvement Act of 1979—the companion bill, S. 1155, was introduced on May 15 by Senator CHARLES PERCY. I commend the article to my colleagues and insert some excerpts from it in the RECORD at this point:

PRODUCTIVITY

It is said that somewhere, beyond the forests of government agencies and the mountains of budget documents, lies a golden land of efficient, effective government. During the past year, seekers of that land have often proceeded under the banner of "productivity"—spurred by Proposition 13, by efforts to limit government, and by analyses and polls documenting the full extent of voter dissatisfaction.

Few would question the worth of this crusade. But the states—which embarked on it well before the federal government did—have found the path lined with political pitfalls. With a few exceptions, they have found that *formal* productivity programs may not be the best of all remedies for the perceived ills of government.

One reason, of course, is that elected public officials stressed the new concept of limiting the size of state and local government and also reducing taxes, instead of focusing on productivity as such.

Many states, moreover, had already pursued innovative policies in recent years to increase the efficiency and effectiveness of state government without necessarily placing these efforts under the rubric of productivity.

The nature of productivity programs and the history of such efforts in various states is an additional reason that such programs have yet to become a visible political issue for most state governments, despite the imprint of Howard Jarvis on national and state politics.

The complex nature of productivity improvement, the length of time required, and the need for broad political support, are often all simply incompatible with a desire for highly visible executive and legislative action with quick, demonstrable results.

Nonetheless, two organized efforts to improve productivity are taking place in North Carolina and New York. Carol Ann Meares of the Productivity Information Center of the U.S. Department of Commerce's National Technical Information Service says that North Carolina is "having some real successes because they have commitment from the top (the governor). New York is still doing some very good things."

"But, so far as the other states are going," says Meares, who monitors state productivity efforts and federal actions which affect state and local government productivity, "you're really not seeing very much."

Elsewhere, however, the author of a chapter on state government productivity in a forthcoming book assents that the "pace of state productivity improvement efforts has quickened" in the last five years, though "there is also great concern about the durability of these efforts."

"Most states that have experienced failure exhibit a deadly skepticism and cynicism," writes Edgar G. Crane, Jr., "an expectation that the next new-fangled fad will also be a dud and a conviction that new systems are strictly for public relations." *

Crane summarizes the current state of productivity efforts in four categories, each progressively requiring more effort and higher priorities:

Twelve states have selective efforts at the initiative of operating agencies.

Sixteen states have centralized management groups which identify priorities and offer technical assistance.

Seventeen states have or are developing measures of efficiency and effectiveness.

And five states have comprehensive programs seeking to muster public support and develop "total productivity monitoring information systems."

THE FIRST SURGE

The first major wave of interest in productivity improvement occurred in the early 1970s when the quantity and quality of government services were increasingly questioned. The 1973–75 recession placed the states squarely in the path of rising demands for services, increasing costs and (for some) dampened revenues.

Two states which launched highly visible productivity programs at that time were Wisconsin and Washington under the initiatives of then-Governors Patrick J. Lucey and Daniel Evans. Political dissension and subsequent changes in administrations, though, apparently took their toll of those productivity efforts.

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IS IT WORTH DOING?

Today's debate over the roles of the private sector and government now provides an additional dimension to the productivity issue. Before productivity improvement is addressed, it is necessary to answer the question of whether or not a state should continue an existing program or initiate a new program.

The traditional legislative approach, when a state faces limited revenues and competing demands of constituents, is to assign priorities to programs and cut away the dead wood. But, as always, one person's dead wood is another person's redwood.

Legislators thus need more systematic ways to supplement traditional statehouse politics to determine the "need" for, and priority of, programs. Performance indicators, when included in legislative intent statements and the budget, provide the tool for legislative appraisal of the effectiveness and efficiency of programs.

Lawmakers, of course, have n the past promoted productivity in government without anyone necessarily labeling it as such. These traditional steps have included the influence of the legislature's leadership on a governor and the budget as well as budget reductions and tax cuts.

Increasingly more common now, as legislative staff has become more professional, are the use of audits and program and fiscal evaluations, along with performance budgeting, to encourage efficiency and effectiveness. If lawmakers include productivity as a normal part of legislative oversight, then political support may be forthcoming for productivity improvements.

* Crane's comments are in *Productivity Improvement Handbook for State and Local Government*, written under the auspices of the National Academy of Public Administration, due to be published this fall by John Wiley & Sons.

Whether or not productivity improvement can be sold on the state political market will depend to a large degree on the support of the governor and the legislature. But even if a formal productivity program is not politically feasible, the host of measures to improve government efficiency and effectiveness may still go forward without the productivity label.

PRODUCTIVITY PROGRAMS

After a decision is reached on continuing or beginning a program, the subsequent question can be raised: What is the most cost-effective way to deliver a quality service? This, of course, leads into the specifics of a productivity effort.

A state considering a productivity push faces the problem of how it is to be structured. North Carolina and Washington, for example, chose productivity advisory bodies. In New York the legislature recently replaced the three-year-old temporary productivity commission with a new Commission on Economy and Efficiency in Government, composed of both senators and assemblymen.

The support of the governor is seen as a major factor for a productivity plan. "I think it is fairly crucial for the reason that most productivity recommendations are addressed to the executive branch," said Marsh. Active lobbying by the governor will help pass the necessary changes in law, he said, and a governor will also need to issue executive orders for other changes.

Another consideration is how large and centralized should be the state unit responsible for the program. Susan Clark, a productivity consultant for the National League of Cities, sees a problem with large-scale efforts because they ". . . tend to be burdened with fairly heavy administrative costs at the beginning because you have to develop a measurement system, and the kind of professionals that you need to implement such a system are high level and expensive."

"And the difficulty for policymakers," adds Clark, "is that the payoffs (for large efforts) are often longrun, and that they're not easy to sell . . . when you're talking about a big initial start-up cost."

Programs which are begun without grassroot support in state government "tend not to be successful—at least that's been my experience in the past," Clark notes. The opposite approach, then, is to concentrate on improving productivity in selected agencies where certain programs are such that favorable results are likely.

Meares, of the Productivity Information Center, points out that a state can begin "by identifying in the government the things that are already going on (which promote productivity) by other names."●

THE CONSUMER HONOR ROLL GROWS TO 236 MEMBERS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. ST GERMAIN. Mr. Speaker, when the House returns in September, your Banking Committee will be taking up legislation which would authorize the establishment of interest-bearing checking accounts for consumers all over the Nation. The Consumer Checking Account Equity Act—H.R. 4986—was reported from the Financial Institutions Subcommittee on July 26 and when the House recessed on Thursday, August 2, the bill had 236 cosponsors in the House.

The bill would provide for nationwide NOW accounts; authorize share drafts at credit unions in all 50 States; authorize remote service units; and authorize automatic transfer accounts for commercial banks. The NOW account provision in the bill will go into effect on September 30, 1980, to allow all institutions more than adequate time to make sound business judgments and to adequately prepare for the offering of the new service and to insure competitive equality among the institutions. Data drawn from the records of the supervisory agencies show graphically the benefits to consumers from NOW accounts:

For the month of November, 1978 (one month):

Commercial banks in New England paid $8,683,000 in interest on NOW accounts and imposed $323,000 in service charges—a net to consumers of $8,360,000;

Mutual savings banks paid $4,056,000 in interest and imposed $219,000 in service charges—a net to consumers of $3,837,000;

Savings and loan associations paid $1,755,000 in interest and imposed service charges of $96,000—a net to consumers of $1,659,000.

In addition, NOW accounts can be an important tool to a financial institution in attracting new depositors. The July 1979 issue of the Savings & Loan News carries an article on the New England NOW experience:

The lessons learned from the New England experience are that the costs of NOW account funds is not excessive, particularly if the service is priced properly to build average balances and generate service charge revenue. Furthermore, the service can be very effective in attracting new savings balances and generally providing new money at an attractive price.

With the clear success of the NOW's in the 6 New England States and more recently in New York State, it is a matter of simple equity to extend this privilege to the citizens of the other 43 States. The bill is backed by the Credit Union National Association, the National Association of Federal Credit Unions, the National Association of Mutual Savings Banks, the Public Interest Research Group, the Grey Panthers, the National League of Insured Savings Associations, the Consumer Federation of America, the AFL–CIO, and Congress Watch. The bill is also supported by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation and strongly supported by the Treasury Department on behalf of the administration.

In addition to the thousands of letters the subcommittee has received from credit union members in support of the bill, we have received correspondence from small savings and loan associations and commercial banks pointing out the advantages of this new option to their efforts to compete and attract new accounts.

The legislation gives us a marvelous opportunity in these times of double-digit inflation to give our constituents a chance to earn interest on their idle checking account funds and to provide new flexibility to financial institutions. The legislation is based on freedom of choice. It is not mandatory for either the financial institution or the customer. It is up to the individual institution to decide whether it wants to offer one of these interest-bearing accounts and it is up to each consumer to decide whether he or she wants to open one of the accounts or remain with the traditional checking or savings accounts currently available.

If you wish to join your colleagues in cosponsoring the bill, please call the subcommittee at 57141.●

DOES WEST GERMANY REALLY SUPPORT THE SALT II TREATY?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SYMMS. Mr. Speaker, all of us have been told that our West European allies strongly support the new SALT II Treaty. However, under close examination, I think that my colleagues will find that European support for SALT is highly qualified. On May 11, 1979, the West German publication Die Welt carried an interview with Manfred Wörner, chairman of the Armed Services Committee of the German Bundestag.

I would like to include the Wörner comments in my remarks for the benefit of my colleagues:

MAY 11, 1979.

TREATY IN NO WAY BRINGS MORE SECURITY TO EUROPE

An Interview with Manfred Wörner, Chairman, Armed Services Committee, of the German Bundestag.

DIE WELT

Welt. Does the SALT II bring more or less security for Western Europe and does this treaty influence the conventional components of defense?

Wörner. The SALT II Treaty in no way brings more security for Western Europe. European security depends on the balance of power at all levels. Of decisive importance is the credibility of the U.S. nuclear deterrent. The massive Soviet buildup in the area of intercontinental weapons will lead by the beginning of the 80s to the vulnerability of the land-based American intercontinental missiles and through it to a threatening imbalance in favor of the Soviet Union. The SALT agreements do not change anything here. It is indispensable for European security that the United States reestablish the invulnerability of its land-based strategic missiles and that thte SALT provisions not prevent it from doing this.

In the area of medium-range weapons, the protocol of the SALT II Treaty creates an imbalance at the expense of Europe, which would be unbearable in the long run. The Soviet medium-range weapons (SS–20 missiles and the Backfire Bomber) are unrestricted towards Western Europe, whereas the cruise missiles, one of the possible counter weapons of the West, are subject to limitations. Europe can live under these provisions only if it is made clear that the protocol expires after three years and will not be made a basis for the SALT III negotiations.

It is also important to European security that the non-circumvention clause be so unequivocally defined and so understood that it does not hamper the defense efforts of NATO in the nuclear and conventional area.

The establishment of nuclear parity in the strategic area increases the necessity of reducing the superiority of the USSR at the other threshold levels, including the conventional one.

Welt. Is the NATO doctrine that rests on the total system of flexible deterrence not put in jeopardy?

Wörner. The NATO doctrine of flexible deterrence grows out of the linkage between conventional, tactical-nuclear and strategic nuclear levels, and thus imposes unacceptable risks for the potential attacker. A Soviet superiority in the strategic area, or in the field of theater nuclear weapons, would cut this connection and would practically detach Europe from the United States' nuclear protection, with all of its political and military consequences. The SALT Treaties should not sanction such a situation and they should not close the road to a balancing of power.

Welt. How can SALT II constitute the basis for the negotiations intended by the West on the so-called gray area weapons?

Wörner. This question cannot be answered definitively either without the knowledge of exact treaty texts. However, it is important that for the gray area weapons the principle of parity be established. The continuing expansion of the Soviet medium-range potential undermines the strategic equilibrium and makes Europe a hostage of the Soviet Union against the United States. Counter measures by NATO are urgently needed.●

PEACE AT THE PRICE OF FREEDOM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. SYMMS. Mr. Speaker, I wish to call to the attention of my colleagues a recent article by Dr. Hans Rühle, the director of the Social Science Research Institute of the Konrad Adenauer Foundation, in the Federal Republic of Germany.

The article discusses in eloquent detail some of the major differences becoming increasingly evident on the political scene of the German Federal Republic. In particular, the article illustrates that an underlying sentiment in the Federal Republic of Germany exists that could lead to an erosion of that country's role in the NATO Alliance, and a shift in its relations with the Soviet Union.

As we face a major and ongoing Soviet buildup of military power, unimpeded by any arms control process, and a corresponding perception of a weakening United States, we are seeing the loss of U.S. prestige, a loss of Allied confidence, and we are witnessing an increasingly emboldened and adventurous Soviet foreign-military policy.

The following article, while discussing an internal political debate in the German Federal Republic, is of serious concern to me, and I recommend it to my colleagues:

[From the Deutsche Zeitung—Christ und Welt, Nov. 12, 1979]

PEACE AT THE PRICE OF FREEDOM

(By Hans Rühle*)

The Socialist-Liberal Federal Government has Turned the Priorities of Adenauer's Foreign Policy Upside Down.

Despite the many public pronouncements that come from Bonn these days, there can be little doubt, that the political consensus which existed in the German Federal Republic through most of the World War II period has eroded, and is now a thing of the past. In particular, increasing differences can be found, subtle as they might still be, concerning the future role of the Federal Republic, its position in NATO, and its relationship between East and West. Thus, Herbert Wehner's[1] disarmament proposals, and the emergency of stale (German) reunification concepts, bear witness to a fundamental ongoing reassessment of the hierarchy of values and objectives in the Federal Republic's body politics.

In recent months, when the Socialist-Liberal[2] coalition policy in general, or the political dimensions of German Ostpolitik[3] in particular, were discussed, the name of Egon Bahr,[4] and more recently that of Herbert Wehner, has been in the center of events.

Yet whatever has been brought forward—or is still about to be brought forward—against Bahr or Wehner, it will not basically change anything. Attacks on individuals are bound to miss the real target, the Socialist-Liberal coalition's foreign and security policies as such. Nor can concern with the personalities within the present Bonn Government free the CDU[5] sufficiently from its original trauma about the Government's Ostpolitik so that the party can reveal the better foreign policy alternatives which the opposition has to offer.

Freedom, peace, and unity were not only the goals of Konrad Adenauer's[6] foreign policy, formulated by the leading representatives of the CDU—and the Party Convention speech by Eugen Gerstenmaier[7] in 1954 is the best example of this—but the faithful preservation of the sequence of this triad stood for a self-evident foreign policy concept.

First and above all, Adenauer was concerned with safeguarding freedom, the most essential value of all. Territorial integrity, freedom of action in foreign policy, and freedom of domestic self-determination were necessary conditions for the existence of the country and its people and therefore were an absolute priority, which had to be defended accordingly. The consequence was the early—for many too early—entry of the Federal Republic of Germany into NATO, whereby it was expressly stipulated that in case of aggression against the Federal Republic by foreign powers—that is a threat to its freedom—the Federal Republic was determined to respond with military means.

The goal of guaranteeing freedom was clearly placed before the goal of unconditionally maintaining it. Peace serves freedom: it was its highest goal. Had the sequence of fundamental political values been the reverse, this logically would have meant reacting with surrender to an enemy attack—which would have made pointless Adenauer's policy of alliance.

Adenauer saw this problem very clearly. For him peace was an important value, but only as a peace in freedom, as a deliberately qualified peace. Adenauer did not create an arbitrary scale of priorities of the fundamental political values of freedom and peace merely because of the specific circumstances of his day; he implemented the only possible basic political orientation in a democracy facing a military superpower with pretensions of worldwide domination. Any other scale of political values would have meant and would always mean the abandonment of the essence of democracy.

With the coming of the Socialist-Liberal government this basic orientation of German foreign policy has slowly but surely changed. In the course of Ostpolitik, and an Inner-German policy which was advertised as a "peace policy", with completely demagogic intentions—anybody who was against it was characterized as a warmonger—peace was raised soon to the highest ranking fundamental political value. The pertinent quotations to this effect by responsible SPD-politicians have become legion. They stretch from Brandt[8] and Bahr to Stobbe[9] and Chancellor Helmut Schmidt, who stated on the occasion of the 30th anniversary of the end of the Second World War: "There is no higher goal in world policy than peace".

With this change in the list of priorities of fundamental political values German foreign policy was changed completely and basically. Because anyone who raised peace to the highest fundamental value could not mean peace in freedom—otherwise freedom would be higher-ranking—but must mean peace at any price. Within just a few years a policy of qualified peace had changed to a policy of unconditional peace.

Peace at any price cannot be maintained by military means, but in the last consequence and with absolute certainty only through self-disarmament, thereby depriving oneself of the possibility to act unpeacefully. In clear understanding of this context Clausewitz coined a phrase a long time ago that the guilty in war is only the defender. The attacker always prefers to make his conquest peacefully. For practical application it follows by necessity that a policy which characterizes peace as the highest fundamental value must regard armed forces as completely superfluous or has decided in advance to surrender in case of difficulties.

The explosive effect of these contexts is evident. The Socialist-Liberal coalition has, with the modification of the sequence of fundamental political priorities, not only altered the policies of Adenauer but also has adopted a concept that is irreconcilable—in principle and eventually in practice—with a democracy armed and ready to defend itself and with the active membership of the Federal Republic of Germany in the Atlantic Alliance. Here, in this fundamental analysis of possible policies for Germany the foreign policy alternative of the current opposition is clearly visible.

The bewildered or indignant objection will come at this point, claiming that all of this is pettifogging or, at best, logic which can be reduced to absurdity by the political reality. Because, after all, the Socialist-Liberal coalition emphasizes week after week its readiness for national defense, announces its loyalty to the Atlantic Alliance, and has not questioned the German contribution to NTO in terms of material and manpower since 1960. And this, in fact, is true.

This, however, does not refute the result of the preceding analysis. It would apply only if it could be said that these facts concerning security policy represent the entire policy and stand for a homogenous, accepted foreign and security policy concept. But this is not the case

Beneath the official government level of deeds and proclamations the total peace policy shows clear effects, especially in the SPD. It is not true that acceptance and wide circulation at the highest levels of the SPD of the concept that peace is the first priority is in itself the beginning of the end of national military defense? Is not this thesis—

Footnotes at end of article.

in which war does not even exist for the defense of freedom—only a less suspicious definition of a policy of peace at any price with all its consequences?

What is the meaning of this politically guided disarmament campaign? For a long time now, it has ceased to include as a condition of disarmament the goal of undiminished or increased security but instead presents disarmament—without consideration to what the potential enemy is doing—as the self-sufficient aim. It is presented as the goal "without alternatives", the comfortable and cheap solution to the problem of German security, to make it palatable to a grateful public. How should a policy be evaluated which on the one hand accepts grim analyses of the security situation in Europe at NATO-meetings and signs corresponding communiques, but on the other hand discredits realistic discussion of the present threat on the domestic level and tries to prevent it by proclaiming any such consideration to be contrary to detente.

What political consequences are sought, when the SPD parliamentary floor leader can announce without official contradiction that the Soviet Union's military might is defensive? Such qualification not only is directed against NATO's raison d'etre but, moreover, has never been claimed by the Soviet Union itself and can therefore be regarded as objectively wrong. What does it mean when, after an obscure campaign under the auspices of the highest authority, the introduction of a weapon into NATO's arsenal is being prevented, a weapon which undeniably would have reduced the decisive military deficit of NATO?

How credible and independent is a policy which, though severely—and justly—condemning human rights violations in South America, remains silent with respect to the same violations in East European countries? What use can self-determination have for a government that no longer dares to identify the enemies of freedom and prevent their influence in public affairs? Finally, what is to be thought of a political party which has never seriously endeavored to restrict the overt pacifism and anti-Americanism in its own youth-organizations?

There is no need to fear that a policy of peace at any price linked with the abolition of the Federal Armed Forces and the withdrawal from NATO will be decreed officially. The danger is that from the overall policy of the present government—independently from the development of threats—an unrealistic euphoria will arise in the course of time to which a policy of an armed defense of freedom would appear superfluous and thus possibly lose the majority of votes in its favor. What the consequences would be have been described by Kissinger in the introduction to his dissertation: "Whenever," Kissinger wrote, "the maintenance of peace—peace conceived as the avoidance of war—has been the primary goal of a state or a group of states, the fate of the international system was controlled by the most ruthless member of the international community."

To prevent the domination of the most ruthless member of the international system is our highest duty in the foreign and security policy areas. The monopolization of the peace concept by the SPD will not make this task easier in any way. The word "peace" will continue to be a club used to try to kill everything that is offered as an alternative to unconditional peace. But this and the unpopularity that is to be expected when one tries to alter the "peace policy" that endangers freedom and wants to criticise the apologists of this policy must be taken in stride. Such abuse must be tolerated at least until it is made clear to the public that there are two forms of peace policy: one which means relative peace in freedom, and another that unavoidably leads to absolute peace in fear and terror.

However, it does not suffice to make this alternative evident. It must also be shown that peace rhetoric can be a means of war in the Soviet conception of policy and that caution is called for when lip service to peace is accompanied by an arms build-up which cannot be justified by the legitimate defense interests of the Soviet Union.

Not without reason, Lenin wrote a marginal note, calling "splendid" the previously mentioned remarks by Clausewitz. In 1931 Manuilskij gave a classic formulation for his strategy of peace for the fight against capitalism. "Until the attainment of complete military superiority" Manuilskij said, "we will start the most theatrical peace movement that has ever existed. There will be electrifying proposals and extraordinary concessions, the capitalist countries, stupid and decadent, will be working with pleasure at their own destruction. They will be lured by opportunities for new friendships and as soon as we see a weak point in their defense we will smash them into pieces with our clenched fist."

That there were times when even the SPD recognized this context and the essential problems of their own peace rhetoric was proved by Schumacher's[10] statements at the SPD Party Convention of September 17, 1950. Without any "ifs" or "buts", Schumacher said not only that "the peace formula as a magic formula which removes all difficulties has its intellectual roots neither in the scientific nor humanitarian teachings of Socialism", but also pointed out that "there is a kind of guided pacifism in the service of war preparation" and—even more explicitly—that "the peace formula is an essential part of the Communist war preparation and aggression."

Meanwhile, times have changed. The SPD's "peace offensive" continues apparently unabated; or at any rate until the CDU begins to raise awareness for the background values of these problems and the medium and long term practical consequences of a policy of peace at any price—at least of the Federal elite.

The sequence of the "classical" post-war value-triad—freedom, peace, unity—is currently being rearranged by the German Social Democracy not only with regard to the first two values. Moreover, it is becoming increasingly evident that the collision of the basic values freedom and unity will be inevitable in connection with the renaissance of the ancient hopes for one Germany initiated by prominent Social Democrats.

The vehicle for this intentional collision is the current disarmanent campaign which treats only superficially the question of the theory and practice of actual disarmament, but is essentially more interested in the redefinition of the security policy situation of the Federal Republic of Germany vis-a-vis the Soviet Union. For after all, in dealing with a Soviet Union whose "military armament is defensive", and for whom political use of military superiority is unthinkable, there is no need for military balance or a corresponding alliance—at least according to Herbert Wehner in his reply to a speech by Manfred Wörner in Santa Barbara.[11]

But the reorientation of foreign policy in the Federal Republic of Germany cannot be reached by the shortest route—that much is clear even to the chief thinkers in the SPD. It calls for a circuitous route and has its price. Above all, it must be denied verbally until German policy has slackened old ties to such a degree that it is in fact without alternative. The ground for this is being prepared thoroughly at present.

On the one hand, through criticism of the leadership ability of the United States, the latent anti-Americanism—traditionally existent in the SPD—is being revived and the first seeds of doubt planted in the minds of those Germans, who up to now were pro-American. On the other hand, the Soviet Union is depicted in such a way that its limitless love for peace and ideological tolerance not only makes it appear not dangerous, but on the contrary, makes it seem a downright requirement to invest one-sided trust in this relationship. The reward for the realization of this option: the reunification of Germany.

The promoters of this development are taking it in stride that this unity is possible only in Socialism. But with this, freedom would be sacrificed for unity subsequently and finally, making the classical triad of values—freedom, peace, and unity—completely obsolete.

This policy is still in its beginning phase, but this is exactly the time to resist it. The advocates of the primacy of freedom should not fool themselves: Coupling the longing for peace and German unity can create a demolition charge which may not be highly explosive, but still able to move something. And yet, there is a good chance to preserve the goal of a qualified German unity, the "unity in freedom" without compromises. The population of the Federal Republic is familiar with the realities of Socialism in the German Democratic Republic and abhors it almost unanimously. The prospect of having even half of these "Socialist achievements" might well be unbearable in the long run and therefore unattractive in the Federal Republic, even if this half constituted the price for German reunification.

Thus, the danger does not lie with the will of the people. On the one hand it lies in the fact that the German government is creating facts one by one which, though unimportant if taken individually, are presaging sinister developments; and on the other hand, that the Federal Republic, having stripped itself militarily vis-a-vis the Soviet Union, could be forced into accepting this unity under terms set by the Soviet Union.

The precondition for the successful continuation of political discussions about this entire problem complex is that the CDU itself once again comes to grips with its own foreign policy, i.e. the sequence of priorities of fundamental political values. The statements by some prominent CDU-politicians leave some doubts in this respect.

FOOTNOTES

*Dr. Rühle is director of the Social Science Research Institute of the Konrad Adenauer Foundation in St. Augustin, Federal Republic of Germany. He also serves as advisor to Dr. Manfred Wörner, chairman of the Armed Services Committee of the German Bundestag, and is a lieutenant colonel in the Bundeswehr (Federal Armed Forces).

[1] SPD floor leader in the Bundestag.

[2] Socialist-Liberal coalition: A coalition of the Social Democratic Party (SPD) and the Free Democrats (FDP), which has constituted the German Federal Government in Bonn since 1969.

[3] Ostpolitik: The Federal Republic's policy toward the Soviet Union and the East European countries.

[4] SPD executive secretary.

[5] Christian Democratic Union, which with its Bavarian sister-party, the Christian Social Union (CSU), has constituted the parliamentary opposition in Bonn since 1969.

[6] A principal founder of the CDU and, with the founding of the Federal Republic of Germany in 1949, its first chancellor.

[7] Then a CDU member of the Bundestag; elected its president November 16, 1954.

[8] Ex-chancellor Willy Brandt, chairman of the SPD.

[9] Dietrich Stobbe, Lord Mayor of (West) Berlin.

[10] Kurt Schumacher was a founder of the post-World War II Social Democratic Party in the Federal Republic of Germany.

[11] SPD Bundestag floor leader Herbert Wehner, replying to a speech in Santa Barbara, California, by Manfred Wörner. In the Bonn parliament, Dr. Wörner frequently speaks as a CDU expert on military and security matters.●

WILLIAM MINTER DISCUSSES U.S. INVOLVEMENT IN SOUTHERN AFRICA IN CHRISTIANITY AND CRISIS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 1979

● Mr. DRINAN. Mr. Speaker, the controversy over the new Muzorewa government in Zimbabwe-Rhodesia is being influenced by a host of factors taking place in the neighboring countries of South Africa and Namibia. Southern Africa is a region of complex and intertwined relationships that have a great effect on the issues that confront it. Some pertinent observations about the nature of these conflicts and of U.S. involvement in the region is the subject of an article by Mr. William Minter which appeared in the June 25 issue of Christianity and Crisis.

I commend this piece to my colleagues. Its clarity in examining the dynamics of the current struggles in southern Africa can aid in understanding the issues before this body and provide constructive insights for further action. As the latest events in Rhodesia unfold, Mr. Minter's piece can give us a clearer view of the underlying forces at play. Major portions of the article follow:

WANDERING INTO A NEW QUAGMIRE—THE UNITED STATES IN SOUTHERN AFRICA

(By William Minter)

If there is increasing internal violence in South Africa, a Carnegie Endowment poll asked Americans early this spring, should the US support the whites, support the blacks or not get involved? Although some one-fifth expressed no opinion, 66 percent of those who did answer were opposed to US involvement. Thirteen percent spoke of possible mediation, 11 percent called for supporting the whites and 3 percent for supporting the blacks. The majority for non-involvement held up even when the pollsters asked what people would think if there were Communist (Soviet bloc) support of black insurgents, or even direct involvement of Soviet bloc troops.

These poll results reflect a healthy post-Viet Nam skepticism about overseas military involvement. But the questions themselves are also indicative of assumptions, apparently dominant among pollsters and public alike, that obscure the steps which have already taken the US some distance into a quagmire every bit as treacherous as that in Indochina. Neither increasing violence nor US involvement is just a future contingency; both are present realities:

The years since 1976 have already seen an unprecedented escalation of the conflict in southern Africa—in Namibia, still under South African colonial control, and in white-settler-dominated Rhodesia, for which South Africa has served as model and patron. Raids on the independent "front-line" African states bordering the white-minority-ruled south have become a daily affair, accentuated by occasional massive air and ground attacks. Even in the South African heartland, guerrilla infiltration is now pervasive and armed confrontation recurrent, if still on a small scale.

The United States, deeply involved on the side of southern African counterinsurgency since the independence wars began against Portugal in the early 1960's, is still a bulwark of practical support for South Africa and Rhodesia—in spite of diplomatic statements and initiatives that have projected sympathy for African aspirations. Through economic links of vital importance to the white-minority regimes, and through massive indirect and/or covert contributions to South Africa's impressive military strength, the weight of US influence has been thrown against the African liberation movements.

A strong right-wing offensive, portraying administration diplomatic efforts as biased in favor of African guerrilla movements, has build a strong momentum in Congress and is almost certain to lift US sanctions against Rhodesia this year. With the Rhodesian elections held in April being deceptively portrayed as the basis of a "free and fair" transition to "black majority rule," the groundwork is being laid for more open support for the settler regime's counterinsurgency campaign. The installation of a black prime minister in Rhodesia—and perhaps in Namibia as well before the end of the year—while making little or no change in the balance of privilege and power may provide a new pretext for Western intervention.

The war in southern Africa is not just a series of separate conflicts in Rhodesia, Namibia and South Africa. Nor is it a simplified apocalyptic vision with all whites lined up on one side and all blacks on the other, engaged in mutual slaughter. Rather it is much more complicated, a prolonged confrontation with ingrained structures of exploitation. These structures are sustained above all by the South African economic system and state, and by its more vulnerable sibling in Rhodesia, both closely linked to Western interests which share in the profits. When challenged, whether by peaceful protest or by military confrontation, southern Africa's rulers have replied with both repression and deceptive promises of reform.

RIGHT HAND, LEFT HAND

The guerrilla wars in Rhodesia and Namibia date from 1966, after it became clear that Britain would not force the Rhodesian settlers to give up power, and that United Nations resolutions would not oust South Africa from Namibia. But it was only after the final collapse of the Portuguese colonial empire (1974–1976), that the liberation forces began to pose a serious military challenge in these two countries. Simultaneously, a new political upsurge in South Africa, symbolized by Soweto, brought thousands of new recruits to the South African liberation movement.

The response has been twofold—on the one hand, expansion of military strength and harsh repression of dissent, and, at the same time, new political strategems aimed at dividing and demobilizing opposition with promises of negotiations, reforms and eventual power sharing. Thus, in South Africa, the 1976–1977 mass Black Consciousness upheaval was met with police violence, the murder of Steve Biko, banning of the Christian Institute and other organizations. Meantime, two of South Africa's reserves ("homelands") were moved to the status of "independence," blacks were recruited into the South African military and the Government promised elimination of "discrimination." In Namibia and Rhodesia, the ruling white minority planned "internal settlements" granting nominal black rule, and persisted in negotiations over Western-initiated compromises while presiding over a dramatic expansion in the scale and brutality of counterinsurgency.

In Zimbabwe in particular the toll of war has mounted; in recent months as many as 100 to 200 deaths a day have been recorded. More than 90 percent of the country has been under martial law in 1979, and in martial law areas, according to a Rhodesian Government Ministry of Information pamphlet (December 1978), the "security forces can make their own laws to help them find and kill terrorists. They will not have to follow the ordinary laws because they take too much time . . . [Their] courts have the power to sentence people to gaol and death." During the year of a "transitional government," in which African leaders Muzorewa, Sithole and Chirau theoretically held equal power with Ian Smith, the security forces continued unrestrained, and secret hangings for political offenses continued. One church source told a British parliamentary delegation observing the elections that in March alone, 28 people were hanged in Salisbury for political offenses.

The states bordering Rhodesia and Namibia have been subject to ever more unrestrained attacks. In August 1976 a Rhodesian attack on a refugee camp at Nyazonia in Mozambique took more than 600 lives, attracting minimal attention in the Western press and a mild response from Western governments. In 1977 guerrilla and refugee camps near Chimoio, Mozambique, suffered a similar fate. In May 1978 South African troops killed over 700 Namibians, mostly civilians, at camps near Cassinga, Angola. Later that year Rhodesia began a series of attacks on Zimbabwean camps in Zambia, and in early 1979 South African and Rhodesian planes reportedly joined for an air raid on a Zimbabwean camp in eastern Angola. Botswana has suffered raids and border incursions, the kidnapping of political refugees from its capital and the destruction of the Zambezi ferry linking it to Zambia. And the Mozambican border area has become a regular combat zone, from which the government has had to withdraw UN and other foreign aid personnel.

The "internal settlements" are unlikely to result in a modernization of the conflict. Neither Bishop Muzorewa's team in Salisbury nor a prospective "independent" government in Namibia will have the power to modify the basic structures of injustice that are the cause of conflict, even if one assumes the best intentions on their part. A careful reading of the Rhodesian constitution reveals that the state apparatus (civil service, military, police, judiciary) remains under white control, and that modification of these arrangements, or of others concerning the all-important distribution of land in the country, requires 78 votes in the new parliament. But 28 of 100 seats are reserved for the white four percent population minority, and are controlled by Ian Smith's Rhodesian Front.

Since the admission of blacks to the transitional government in March, 1978, the Rhodesian military has been officially independent of civilian control, the authority resting with an all-white National Military Council. From that time on, Ian Smith and his black colleagues have consistently denied foreknowledge of or responsibility for the military's actions, including attacks on neighboring countries. Any realistic effort by Bishop Muzorewa to assume real power would involve gaining control over the military. He is reported to have a "private army" of some 10,000, and the Rev. Ndabaningi Sithole, whose party won 12 seats in parliament, is said to have some 2,000. But with the exception of some trained in Libya (for Muzorewa) and in Uganda (for Sithole), they have all been trained and armed by the Rhodesian security forces, and are being integrated into their command structure. If, in some improbable coup, these were able to win power from the Rhodesian army, they would be no match for the Patriotic Front guerrillas without the mechanised ground and air capability of the present Rhodesian military.

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DOCTRINAL ASSUMPTION

Since 1901, with the formation of the Union of South Africa, the dominant assumption in the West has been that Africa south of the Zambezi River, at least, is "White Man's Country," and that the best guarantee for Western interests is cooperation with the local states dominated by white minorities. This assumption attained notoriety in the Kissinger-Nixon formulation of National Security Study Memorandum (NSSM) 39, of 1969: "The whites are here to stay, and the only way that constructive change can come about is through them." But it also prevailed during the Kennedy-Johnson era, when scores of African states further north gained independence, and lies behind the failure of the successive diplomatic initiatives of the Ford and Carter Administrations.

That theme, combined with the need to caution white regimes against intransigence and to advise them on appropriate concessions, is pervasive in recently declassified State Department documents from 1962–1963. It can also be seen in the negotiating strategies followed by Kissinger in 1976, and subsequently by the Carter Administration. U.S. officials have argued to South Africa and Rhodesia that their essential interests would best be preserved by compromise arrangements including the Namibian and Zimbabwean liberation movements. If the movements come to power under carefully controlled and agreed-upon conditions, the argument continues, their radicalism can be tempered, while an escalation of war can only promote further radicalization. The Patriotic Front (Zimbabwe's insurgent forces) and Namibia's Southwest Africa People's Organization (SWAPO) must be included or the wars will not be stopped. But while South Africa and Rhodesia have been happy to drag out highly confusing negotiations, they have been unwilling to make meaningful compromises.

Significantly, the Western governments have not used available levers of pressure against the white-minority regimes, even when African liberation movements have been willing to take chances in accepting Western plans they feel stacked against them. Western vetoes have protected South Africa from UN Security Council sanctions over the Namibian issue, and the flow of oil to Rhodesia has continued unabated, while Western governments close their eyes to the open secret of the intermediary role played by oil firms—Caltex, Mobil, Shell, BP and Total.

In May 1977, when Vice President Mondale met with then South African Prime Minister Vorster in Vienna, he said that "without evident progress toward full political participation by all citizens of South Africa," relations with the US would certainly suffer. The State Department prepared a list of possible steps toward gradual disengagement. But with the exception of a US vote for a UN arms embargo against South Africa following the death of Steve Biko later that year, almost none of that projected leverage has been employed.

Instead the U.S. has replaced Britain as South Africa's leading trade partner (with a 70.8 percent increase in South African exports to this country from 1977 to 1978), and U.S. investment is growing at over 7 percent a year. Moreover, it has become increasingly apparent that even the arms embargoes on Rhodesia and South Africa have sprung massive leaks. Not only do U.S. investments in such fields as vehicle manufacture and the computer industry have direct military application, but also, according to U.S. reports, recent arms flows have dramatically increased the striking power of the Rhodesian air force and have provided South Africa an arms inventory far in excess of that previously estimated by standard sources. Rhodesia, for example, was able to acquire recently 11 Agusta Bell 205 helicopters, and, since 1976, more than 20 Cessna Reims F 337 reconnaissance and light strike aircraft, and four Rockwell OV-10 Broncos, all containing U.S. components. South Africa has been able to acquire, since the voluntary arms embargo of 1963, and even since the mandatory embargo of 1977, vast quantities of arms, much of it of U.S. manufacture, including tanks, and armored personnel carriers, fighter aircraft, helicopters, ammunition and strategic electronics and computer technology. According to Michael Klare, a leading researcher on U.S. arms sales, the scale of the arms flow at best "suggests an *indisposition* on the Government's part to establish the kind of enforcement measures needed to curb such shipments; at worst, it suggests an unofficial policy of covertly aiding the minority regimes by failing to stop the clandestine arms trade." (A memorandum with details is available from the Institute for Policy Studies, 1901 Q St., N.W., Washington, D.C. 20009, and a collection of articles on *U.S. Military Involvement in Southern Africa* has been published by South End Press, Box 68, Astor Sta., Boston, MA 02123.)

PRESSURES FOR APPEASEMENT

South Africa and Rhodesia, in dismissing Western diplomatic compromises, seem to have calculated correctly that the Western governments, instead of responding firmly, will continue with a policy of appeasement, adjusting their compromises rightwards step by step in response to the white regimes' intransigence. South African Foreign Minister Roelof (Pik) Botha, formerly ambassador in Washington, advised Vorster in 1976 that Pretoria could turn the tables on Carter and his Africa team by appealing directly to Congress and other influential constituencies in the U.S. So far, the strategy appears to be working well for both South Africa and Rhodesia.

The U.S. Senate vote of May 15, advising President Carter, by a margin of 75 to 19, to lift U.S. sanctions on Rhodesia, is indicative of that success. The resolution, which expressed the Senate's judgment that Rhodesia's elections had been "free and fair," was taken without the benefit of hearings by the Foreign Relations Africa Subcommittee, headed by Senator McGovern. And conspicuously absent was former Senator Dick Clark, a leading liberal spokesman on Africa. He had been defeated for reelection in 1978 by a powerful right-wing drive fueled by anti-abortion single-issue voting and financed, in part, by $125,000 of laundered South African government funds.

The core of the pro-Rhodesian push has been the radical right, represented in the Senate by figures such as North Carolina Senator Jesse Helms and California Senator S. I. Hayakawa, who previously made no secret of their sympathy for Ian Smith's regime. But, most ominously, it has been joined by the heirs of cold war liberalism, many of whom seem to accept white South Africa's definition of the regional conflict as a struggle to contain "Soviet-backed Communist terrorists." The alliance is appropriately symbolized by the role of Freedom House, which sent a team of observers to the Rhodesian election and returned with a highly general report certifying it as "free and fair." Freedom House, whose board includes such figures as Senators Case, Javits and Moynihan, backed moderate civil rights efforts in the 1950's and 1960's, and even once chose South African Liberal Alan Paton for its annual Freedom Award. But it was also an enthusiastic backer of hawkish positions on U.S. involvement in Indochina, while, worldwide, right-wing regimes have usually benefited from more lenient Freedom House evaluations than their leftist counterparts receive.

Support for these positions has been expanded even further by Rhodesia's success in conveying its version of the war and of the elections to U.S. audiences. Massacres carried out by the security forces in neighboring countries have not penetrated public consciousness here, while killings of white missionaries in particular have received wide publicity, unaccompanied by the qualifying information that many independent observers believe most, if not all, such incidents to be the work of special Rhodesian army units, rather than of the guerrillas. Media coverage, especially on the TV networks and in the wire service accounts, which receive the widest distribution, has been blatantly partial, and has failed to note the limitations imposed by Rhodesian censorship.

US coverage of the elections, with the partial exception of Gary Thatcher in *The Christian Science Monitor*, consistently failed to penetrate the facade erected by the Rhodesian regime during the elections, although many British journalists and the British Parliamentary Human Rights Group documented such widespread intimidation and coercion "as to render the election results meaningless." The Freedom House report, which avoided the detail presented by Lord Chitnis' British Parliamentary team, boosted the credibility of the elections. Bayard Rustin, who lent his name to the Freedom House report, subsequently told *Africa News* and House subcommittee hearings that the elections "were not free and fair," but his prestige was nevertheless used in favor of the vote to lift sanctions. (Excerpts from the Freedom House and Chitnis reports are available in *Africa News*, June 1, 1979).

While UN Ambassador Andrew Young and other Africanists in the State Department have opposed the lifting of sanctions and endorsement of the new Rhodesian Government, well knowing that such moves would destroy whatever credibility the Administration has built up with independent Africa, they have failed to mount an effective campaign against the right wing's initiative. To do so would require leadership and significant involvement from the White House, with intensive efforts to explain to the Congress and the American people the realities of southern Africa, denouncing and exposing the intransigence of the white regimes. But just as the Administration has been unwilling to confront Rhodesia or South Africa with substantive pressures, so it has been unwilling to mount a full-scale challenge to their friends in this country.

LEADERSHIP LACKING

The Administration is so hobbled by self-imposed limitations that it is virtually reduced to appeasement as the only policy in the face of Rhodesia, South Africa or their US backers. Andrew Young has been outspoken on the moral bankruptcy of the South African system, to the point of embarrassing more staid diplomats, but publicly at least he has acquiesced in the fiction that the US is not massively involved on the side of the white regimes. The result: Diplomatic efforts that are biased, if anything, *against* the African liberation movements can be portrayed by the right wing as supportive of terrorism.

President Carter, responding to National Security Advisor Zbigniew Brzezinski's global preoccupations, raised the scare of Soviet and Cuban involvement in the second Shaba uprising in Zaire in May 1978. Through the Administration later admitted the absence of any evidence for such involvement, it had already reinforced the perception that the primary threat in Africa is Soviet intervention rather than the persistence of white-minority rule. As a result, the Administration barred itself from communicating the dominant African perception that in southern Africa, Soviet military aid to liberation movements and front-line states is still far

from adequate to counter South Africa's Western-supplied military arsenal.

The Administration now seems engaged in an elaborate dancing away from accepting responsibility for the Western rapprochement with the new Rhodesian regime, as both the Conservative British Government and the U.S. move closer and closer to recognition and the lifting of sanctions. The British wish to avoid a strong African reaction, particularly before the August Commonwealth conference in Lusaka, Zambia. And both countries want to minimize reprisals from Nigeria, a leading oil supplier. But delays, and calls for new negotiations between the Patriotic Front and the Musorewa Government, are unlikely to be convincing to either side, or to the US Congress, which seems prepared to accept the onus of lifting sanctions if President Carter fails to do so.

The American public might well be ready for disengagement from support of the white-minority regimes in southern Africa. An overwhelming 86 percent of respondents told the Carnegie pollsters that South Africa's *apartheid* system is wrong, against only 2 percent saying it is right. Pluralities in 1977 and 1979 polls have supported restrictions on US trade and investment in South Africa, and even compliance with a UN resolution calling for a full cutoff of trade. Fifty-six percent in the Carnegie poll said that whites in South Africa are not justified in using force to preserve their position. Large majorities are also opposed to actions which might lead to US military support for either side. But if these sentiments are to be translated into policy, to provide an alternative to the right wing drift, the American people must have available a more accurate portrayal of southern African realities.

Robert McAfee Brown wrote last year in *C&C* (March 13) of the "Hitler exception," referring to the international response to South Africa's internal policies. The parallel applies at another level as well. Britain's appeasers of the 1930's again and again refused to accept the evidence of Hitler's intransigence, in part from willful ignorance and the hope for peaceful solutions, and in part from the convictions of many that Nazi policies were at least to be preferred to the Bolshevik alternative. The South African military machine, potentially nuclear-equipped with the aid of US and West European technology, assumes the right of military intervention in all of sub-Saharan Africa (in the terms of a 1975 law). And the wars continue to escalate.

Meanwhile, an ambivalent US Administration, far from disengaging from the multiple ties that strengthen that military machine, is being pushed step by step, under right wing pressure, into relinquishing even token opposition to the regimes of white-minority privilege in southern Africa. President Carter may have calculated that any political capital he has must be saved for SALT II, and not expended on "peripheral" African issues. Or he may be willing to write off black American opinion, judging that a pro-African policy excites little concern among other Americans. If he is to be proved wrong, and if the trend toward an ever more overt US tilt against African liberation is to be reversed, large numbers of Americans will have to be willing to speak out strongly for enforcing and extending sanctions rather than lifting them.●

CZECHOSLOVAKIA'S SAD ANNIVERSARY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ZABLOCKI. Mr. Speaker, while the Congress was in recess this August, an important but very sad anniversary took place. August 21 marked the 11th anniversary of the Soviet invasion of Czechoslovakia. That fateful day in 1968 followed a springtime and summer of careful plans and measured hopes for political and economic reforms. It marked the rejection of Czechoslovak aspirations and the beginning of 11 years of repression. The U.S. Congress condemned the invasion on several occasions and expressed its support for the end of Soviet domination of the Czechoslovak people.

Subsequently, the Final Act of Security and Cooperation in Europe, signed by the United States and 35 European States, including Czechoslovakia, brought fresh hopes that the principles of political, civil, economic, and social freedom would be observed. The gap between principle and practice, however, appears to have grown wider. It is encouraging to learn that nearly 1,000 Czechoslovak men and women signed Charter 77 in which they petitioned their Government to adhere to the Helsinki agreements. However, it is greatly distressing to learn that the authorities have responded to this courageous effort by harassing the signatories of Charter 77 and stepping up their arbitrary arrest. The picture is bleak. August 21 marks a sad anniversary. In commemorating it, we pay just tribute to the Czechoslovak people for their spirit in seeking the freedoms of an open society.●

SAM K. SEYMOUR GENERATING PLANT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PICKLE. Mr. Speaker, it was a pleasure and honor to participate in the dedication of a new coal plant on July 27, operated jointly by the city of Austin and the Lower Colorado River Authority. The facility is located in Fayette County, near La Grange, some 60 miles southeast of Austin.

This ceremony was indeed special for two reasons. In the first place, the city of Austin and the LCRA are taking President Jimmy Carter's energy policies seriously. This new coal plant has reduced the two utilities' dependency remarkably on natural gas and oil.

In the second place, the plant was named in honor of one of central Texas' best known and most beloved humanitarians. Mr. Sam K. Seymour, Jr., is the longest serving member of the LCRA Board of Directors. He has served the LCRA community well for 34 outstanding years, an indication of Sam K.'s leadership and vigor.

Sam K. Seymour's activities belie the fact that he is well into his eighties. Besides heading the Colorado County Federal Savings & Loan Association in Columbus, Tex., he was also the owner of Sam K. Seymour Lumber & Hardware, a family institution in Columbus some 75 years. He has long been active in a variety of community affairs. Sam K. and his wife, "Muddie," are kind-hearted, generous people. Five different Texas Governors have appointed Sam K. to the LCRA Board. When Seymour was first appointed, the LCRA was generating just about 200 megawatts of electricity to serve surrounding rural communities and co-ops. Now, the LCRA generates 1,500 megawatts, much of it from the Sam K. Seymour Power Plant.

Sam K. Seymour has presided over, and has been a part of the LCRA's continuing task of providing electrical generating power to thousands of Texans. It is quite fitting that this newest facility, built by leaders in the goal of energy independence, should be named in honor of a man who has been a leader all his life.●

TRIBUTE TO LEON SANDERS, JR., OF PLAIN DEALING, LA.

HON. CLAUDE (BUDDY) LEACH

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LEACH of Louisiana. Mr. Speaker, it is traditional in the House of Representatives to recognize citizens who have made outstanding contributions to their country, and I wish to so honor Mr. Leon Sanders, Jr. of Plain Dealing, La.

The Honorable Mr. Sanders, who serves as the mayor of Plain Dealing, has just been presented the highly prized John Campanius Holm Award for outstanding accomplishments as a volunteer observer for the National Weather Service of the United States.

Mr. Sanders has taken daily readings of the high and low temperatures and has recorded the precipitation as it occurred in Plain Dealing for the past 29 years. The citation said Mr. Sanders was honored for his "years of outstanding public service in continuing a family tradition of meticulous and conscientious weather reporting that began in Plain Dealing in 1894. In addition to furnishing the information to the local news media, Mr. Sanders has kept all original climatological records and has made these available upon request."

His service is all the more remarkable because of the family tradition which began before the turn of the century. Mr. Sanders' grandfather, Mr. Leon T. Sanders, made the first weather observation on March 1, 1894 and continued until February 28, 1902. Then Mr. Sanders' father, Leon Sanders, took up the volunteer work which he continued through December 23, 1949. It was then that Mr. Leon Sanders, Jr. began his career as a third generation volunteer weather observer, a labor of love he continues to this day.

It is very appropriate that the award presented to Mr. Sanders, the John Campanius Holm Award, is named for another family that pioneered the work of the 12,000 volunteer weather observers who now take daily readings in all parts of the United States. The Reverend John Campanius, a Lutheran minister, recorded the climate in the American colonies in 1644 and 1645. This information was published by his grandson, Thomas Campanius Holm in 1702, and their names

were combined in the prestigious National Weather Service award.

I know all of you join me today in honoring Mr. Leon Sanders and his forebears of Plain Dealing, La., who have served their community and their Nation so unselfishly for more than 85 years.●

BLACK OWNERSHIP

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PAUL. Mr. Speaker, this Nation was founded upon the premise of the widest possible distribution of private property ownership. "Power follows property," said John Adams, and the Founding Fathers knew that the preservation of liberty required the dispersion of power—and this widely distributed property ownership.

Recently the National Association of Property Owners held a national conference on land use here in Washington. Among the speakers on the NAPO program was the distinguished black educator Dr. Nathan Wright, professor of urban life at the State University of New York at Albany. Dr. Wright reaffirmed the truth of the proposition that liberty can be maintained only when private property is widely owned by the people. He pointed out that over the years white America has, whether consciously or unconsciously, erected serious barriers to the extension of property ownership to black Americans and members of other minority groups. These barriers prevented black Americans from making the contribution they might have made, not only to their own well-being, but also to the strength of their country. Dr. Wright called for a renewed effort to protect private property ownership from Government invasion, and for a renewed dedication to the idea of extending property ownership to those Americans who can now dream of being owners of a share in America.

Mr. Speaker, I am honored to know Dr. Nathan Wright, Jr., and I am an admirer of his wise philosophy. I would like to bring a commentary on his NAPO address by Gov. Ronald Reagan to the attention of my colleagues by inserting it in the RECORD.

BLACK OWNERSHIP

(By Ronald Reagan)

In July, the National Association of Property Owners held its first conference on land use in Washington. It brought together many kinds of people, among them national park in-holders, farmers, ranchers, loggers, Indian chiefs from Minnesota's Boundary Waters, Alaskans fighting to keep control of their state's resources.

Conferees heard addresses from such congressional leaders as House Majority Leader Jim Wright of Texas, Senator Ted Stevens of Alaska and Senator Roger Jepson of Iowa.

But of all the addresses perhaps the most moving was that of a black educator, Dr. Nathan Wright, Jr.

Nathan Wright is now professor of urban life at the State University of New York. For many years he has been quietly influential in the movement for civil rights and economic equity for black Americans. He was chosen to chair the landmark National Conference of Black Power in 1967, and is the author of 18 books on history, theology and civil rights.

Dr. Wright took his listeners back to the early days of the republic. He recounted how our founding fathers had believed that the essential ingredient for a republican form of government, and for the preservation of individual liberty itself, was a wide distribution of genuine private property ownership.

Property ownership symbolized an investment in the life of the nation, a stake in the well-being of society. Those who owned property, he said, viewed their public duties in quite a different light than the propertyless. They saw themselves as responsible for promoting the common weal, while the property-less thought more about how the common weal could benefit and support them.

Dr. Wright told how, over two centuries of independence, black Americans were systematically denied the opportunity to become owners of property.

Instead of helping former slaves and their descendents to acquire ownership and contribute to the strength of their community and nation, all too often white people—whether deliberately or unconsciously—threw up barriers to black ownership.

This Dr. Wright labels "the law of conveniently lowered vision of human worth," as he says it is a "law" which robbed America of the contributions that millions of minority Americans could have made had they been given a reasonable opportunity.

Dr. Wright then offered his prescription for his country: constantly broaden the distribution of private property ownership; help all Americans to earn a tangible share in their nation's wealth; protect private property against the seemingly insatiable desires of government bureaucrats at all levels, who consider it a nuisance to be removed, rather than a source of the nation's economic and political strength.

He added: end low-rent public housing by selling the units to tenants and tenant cooperatives on generous terms (densely populated Singapore does this with success); help all Americans achieve the sense of dominion that goes with ownership, and which encourages free men and women to contribute to their country's good.

Bold proposals, and plenty of food for thought for all Americans, from a man who has spent a lifetime working for solutions to problems.●

BALTIC DISSIDENTS IN SOVIET URGE FREEING OF THREE REPUBLICS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DERWINSKI. Mr. Speaker, as sponsor of House Concurrent Resolution 147, expressing the sense of Congress with respect to the Baltic States, I am particularly interested in news from behind the Iron Curtain of demands for self-determination of the Baltic Republics. On August 23, according to the press, 45 citizens from Latvia, Lithuania, and Estonia demanded self-determination for their three Soviet republics. A copy of an article in the New York Times on August 25, 1979, noting the event in Moscow, is of special interest.

The article follows:

BALTIC DISSIDENTS IN SOVIET URGE FREEING OF 3 REPUBLICS

MOSCOW, August 24.—A group of 45 citizens from Latvia, Lithuania and Estonia have demanded self-determination for the three Soviet republics on the ground that they were annexed illegally under the 1939 nonagression pact between the Soviet Union and Nazi Germany.

The 45 persons issued a statement to Western reporters yesterday on the 40th anniversary of the treaty, which placed the then-independent Baltic states in Moscow's sphere of influence.

A dissident Soviet leader, Andrei D. Sakharov, along with members of the groups monitoring Soviet compliance with the 1975 East-West Helsinki accords and other prominent Moscow dissidents, issued a separate statement supporting the Baltic group, which includes four priests.

The appeal to the United Nations and the Governments of the Soviet Union and West and East Germany argued that the Soviet Army moved into the Baltic republics in 1940 as a result of secret protocols to the pact signed by the Soviet Foreign Minister, Vyacheslav M. Molotov, and the German Foreign Minister, Joachim von Ribbentrop.●

CONGRESSIONAL SALUTE TO THE HONORABLE LOUIS INFALD OF NEW JERSEY, OUTSTANDING CITIZEN, COMMUNITY LEADER, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROE. Mr. Speaker, on Friday, September 7 the residents of my congressional district and State of New Jersey will gather in testimony to the outstanding public service rendered by one of our most distinguished citizens, esteemed lawyer, community leader and good friend, the Honorable Louis Infald, whose standards of excellence on behalf of our people have truly enriched our community, State, and Nation.

Mr. Speaker, as Lou Infald retires as superintendent of recreation for the city of Paterson, I know you will want to join with me and his many, many friends in deep appreciation of all of his good works and share great pride in the success of his endeavors with his wife, Rose; their daughter, Mrs. Carol King whose husband is a member of the Paterson Fire Department; their son Kenneth, a member of the Paterson Fire Department who is married to the former Mary Weiss; and their grandchildren Michael and David King, Mark and Ann Michelle Infald.

His retirement testimonial dinner is being sponsored by longstanding friends and associates of Lou under the able direction of the following leaders of our community:

HONORARY CHAIRMAN

The Honorable:

Lawrence F. Kramer, Mayor of Paterson;

Sam Sibilio, Mayor of Haledon.

COMMITTEE

The Honorable:

Fred Nachimson, Chairman; Mac Schulman, Co-Chairman; Claire Pagano; Nathan Cohen; Lou Cuccinello; George Dimond; Larry Worth; Jacob Moskow; Jerry Okin; Dom Trouse; John Currie; William Garner; Abe J. Greene; William Pascrell; Robert King; Oscar Brown; George Gero; Claire Saviano; Frank Napier; Jack McLaughlin; Jeff Mallory; Dr. A. Harry Hewitt; Fred Burgos; Chauncey Brown; Frank X. Graves.

Mr. Speaker, we are proud to boast that Lou Infald was born in our historic city of Paterson, N.J., which is located in my congressional district where he attended elementary and secondary schools and he is a graduate of the New Jersey Law School.

Over three decades ago, in 1948, Lou first commenced his public service career with the city of Paterson as a member of the recreation department. In 1956 he served as Secretary to the late Mayor Edward O'Byrne and in 1960 was appointed city prosecutor. He returned to the recreation department in 1962 as assistant superintendent and the following year was appointed as superintendent of recreation.

Lou Infald has, by his example and lifetime of dedication to our people in the vanguard of leadership in the recreational endeavors of the city of Paterson, attained the highest of respect and esteem of our people. His personal commitment to the development of our young people is applauded by all of us.

Throughout his lifetime he has excelled in everything he has set out to do. The quality of his leadership and sincerity of purpose have been extended unselfishly with dedication and devotion in meeting the needs of our people. He has been an active participant in the following professional, social, and civic organizations:

Veritans (served as past president).

YM-YWHA of North Jersey (member, board of directors).

Old Timers A.A. of Greater Paterson.

Bergen-Passaic-Hudson Counties Parks & Recreation.

New Jersey Park & Recreation Association.

Passaic County Bar Association.

Paterson Midget Baseball League.

Temple Emanuel of Paterson.

Roosevelt Club.

Mr. Speaker, it is indeed my privilege and honor to call Lou Infald's good works to your attention and seek this national recognition of his splendid efforts and lifetime record of achievement in public service to our people which have truly contributed to the quality of life and way of life in our community, State, and Nation. We do indeed salute a good friend and great American, the Honorable Louis Infald of Paterson, N.J.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following vote on July 24, 1979. If I had been present I would have voted the following: Rollcall No. 371, "yes."●

FREE ENTERPRISE: THE AMERICAN SUCCESS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ARCHER. Mr. Speaker, I would like to share with my colleagues an outstanding essay written by Chuck Watson, a senior at Spring Woods High School in Houston, Tex. Chuck's essay earned him a $250 scholarship in an essay contest sponsored by the Memorial Exchange Club. It was my great pleasure to have Chuck visit Washington, D.C., last year as the Spring Woods High representative to my student intern program. I hope that you will enjoy his excellent work.

FREE ENTERPRISE: THE AMERICAN SUCCESS

(By Chuck Watson)

When the Mayflower sailed into Plymouth Bay in 1620, it came with a precious cargo of Pilgrims who had ventured to this new land in search of religious freedom. Over a hundred years later, our forefathers once again found themselves searching for freedom. Their quest was for political and economic freedom from their once "mother country." They wanted freedom from the tyrannical rule of Britain's King George III and won it, all because of their love and belief in this freedom and its advantages. Our progenitors wanted to secure these freedoms such as "Life, Liberty, and the Pursuit of Happiness" for their posterity and did so with the careful construction of one of the most important documents ever written, our Constitution. From the humble beginnings of our country to its rise as a world power, another type of freedom has played an equally important role in America's ascent, free enterprise. The question which must follow this statement is, "Why Free Enterprise?"

In an effort to answer this question "Why Free Enterprise?" we must consider the meaning of free enterprise. Webster's Dictionary defines free enterprise as, "the economic doctrine or practice of permitting private industry to operate with a minimum of control by the government." We must now realize the broad scope of free enterprise as an essential part of our heritage and its role in the preservation of freedom itself in America. We as free men have an obligation to defend our Constitution and free enterprise because in a sense they are the complements of each other, for only in a society of free men can an economic system of competitiveness and innovation thrive and produce national wealth in such a vast quantity, as it has in America. In allowing private industry to grow and expand within its own structure of competititon, America has become the richest country in the world agriculturally, technologically, and in the way of monetary richness. Perhaps this is "Why Free Enterprise" has been successful in building a strong America, but free enterprise is not without its critics.

An argument for "Why Free Enterprise" should be maintained and advocated ardently in America, should now be formulated because of criticism of free enterprise. In recent years many have challenged free enterprise's ability to control its own abuses; however, when Cornell C. Haier stated that free enterprise is not perfect for safeguarding against greed, corruption, and exploitation, but that it provides freedom of opportunity and the bounty of the good things in life, he justified the latter half of free enterprise's definition. There is a need for government control, but a very minimal one. Government has been of late increasing its dominance and overstepping its boundaries into the free enterprise system in America, and it has threatened our American way of life and prosperity. If free enterprise is continually being comprised by government regulation, the only foreseen result can be disaster, a disaster which has now begun to plague the British because of their quest for a utopian-like society using strict government regulations and ownership with little or no free enterprise included. It has been stifled by the British government. This is a situation we as Americans should hope to avoid and can avoid if we check government control before "Nationalization" and other governmental evils begin to flourish. In light of all the criticism of free enterprise, we need to look at free enterprise with a sense of retrospect and understand that free enterprise has not failed. President Franklin Roosevelt once said the problem "is not that the" system of free enterprise has failed, but that it has not yet been tried." If government reenters their bounds of control and allows free enterprise to work, unobstructed, perhaps then our economy will reach new heights in prosperity. This is an excellent argument for "Why Free Enterprise?" should be maintained and advocated ardently in America.

The answer to the question "Why Free Enterprise?" should now be apparent. It is the system which promotes the greatest economic growth and opportunities and has done so since the beginning of America and has provided, for the majority of the residents of America, an income of such vastness with which no other countries can compare. Columnist Ed Roberts once said, "It is not necessary to argue that the [free] market mechanism is perfect or that capitalism doesn't cut some people with its rough edges. It is necessary only to state as fact that it is the economic system that works best for the most people." These are all important reasons "Why Free Enterprise" and why it should be allowed to continue to flourish in America.●

DOE STUDY CLEARING OIL FIRMS CALLED "PROPAGANDA EXERCISE"

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROSENTHAL. Mr. Speaker, during the recent inflation and FTC hearings of the Commerce, Consumer and Monetary Affairs Subcommittee, which I chair, it became quite obvious to the members of the subcommittee that the Department of Energy and the Justice Department have been blocking attempts to investigate the gasoline crisis. The Department of Energy regards the oil industry as a client—not as an industry to be regulated in an arm's length way. The Department of Energy is callous to the consumer and public interest. The Department of Justice has refused to clear an investigation into worldwide production of crude oil. Both Departments refuse to undertake a comprehensive investigation and to use their subpena powers.

In this connection, I wish to bring to

my colleagues attention the following article which appeared in the Sunday, August 12, 1979, Washington Post, which further confirms the efforts of the Department of Energy and Justice in striving to fail in carrying out their duties in investigating the oil crisis:

ENERGY OFFICIALS IGNORED CARTER ORDER

(By Jonathan Neumann and Patrick Tyler)

On May 25, as the gasoline shortage continued to spread along the Eastern Seaboard, President Carter issued a strongly worded directive ordering the departments of Energy and Justice to begin a major investigation of the oil industry.

"You shall jointly conduct a comprehensive investigation of the apparent gas shortage situation, using all available and appropriate authority and resources at your disposal, to determine whether there is a reason to believe that the apparent shortfall is a result of concerted activity by firms at the refining and/or marketing level, or of excessive stockpiling or hoarding of supplies," the presidential order said.

Ten days later, in response to the presidential directive, Deputy Energy Secretary John O'Leary called a large group of DOE officials into his conference room in the Forrestal office building to discuss how to conduct the investigation.

But at that meeting in O'Leary's office and continuing at numerous other sessions at the department through June and July, energy officials ignored the specific orders in President Carter's directive, The Washington Post has found.

As a result, the 53-page DOE report released by the White House last week clearing the oil industry of charges of holding back fuel supplies was described by one to official who worked on it as "a propoganda exercise."

"If the report was taken to be a conclusive finding that there was no conspiracy by the oil companies to jack up prices, then I would say it was misleading," said another official, William Lane, director of the DOE Office of Comoetition.

Interviews with the officials who prepared the study also revealed:

The report's central conclusion, that there was no holding back by oil refiners, deliberately sidestepped what the officials said were more relevant allegations that the industry manipulated amounts of domestic oil production, foreign imports and reserves, thus intentionally creating a shortage.

Twenty-two of the 27 information sources cited in the appendix of the special report were not used in the report, according to Al Linden of the DOE's energy information administration. He said he did not know why the unused sources were listed in the appendix.

One data source listed the appendix but not used in the report, for example, is a Bureau of Mines report containing "data on fuel oil stocks by sulfur content."

Five of the same 22 information sources cited in the appendix were considered as unverified by DOE officials and were stamped "not valid," Linden said.

The man who wrote the report, Carlyle Hystad of the DOE's policy branch, previously had written speeches, press statements and congressional testimony for then-energy secretary James R. Schlesinger Jr. and his assistants. In those statements, Hystad had drawn conclusions about the causes of the gasoline shortage.

Parts of Hystad's draft of the special presidential report were almost verbatim versions of those earlier statements, several officials said.

DOE general counsel Lynn R. Coleman, who supervised the study, rejected suggestions to pursue key issues, such as whether the oil companies deliberately cut back on crude oil production and failed to import all of the foreign oil they could. Department officials also abandoned an early proposal to hold public hearings in which oil company executives would be subpoenaed.

The original draft of the report cleared the oil industry of all charges of wrongdoing. The wording of the report was changed after two officials argued that DOE had yet to investigate most of the serious allegations against the oil companies.

"This was not an investigation," Lane said. "It clearly has been a summary of what we already knew."

The special report was released by the White House last Monday. Coleman, who conceded that the Energy Department relied entirely on data supplied by the oil industry, strongly defended it. He called the report "an intensive effort to analyze and display facts that ordinarily show up as numbers on a computer printout."

The White House has had no comment on the report.

Interviews with Energy Department officials who prepared the report and an examination of DOE and White House records give this picture of how the special study developed:

On Friday, May 25, Carter signed a one-page memorandum to the attorney general and the secretary of energy ordering the "comprehensive investigation" of the oil industry.

He ordered that the probe should begin with an examination of the California gasoline shortage, and that an initial report of the findings should be sent to him within 30 days.

Although the directive was dated May 25, DOE officials said they did not receive the document until a week later.

"It went from the White House to the Justice Department, then back to the White House," one official said. "Then we finally got it. It was sort of kicking around the front office for a few days before anybody started focusing on it."

Ten days after the president ordered the probe, O'Leary called DOE officials into his conference room.

The session was short. Paul Bloom, the DOE's special counsel, told the group of the audits he had already begun of gasoline pricing and allocations.

Most of the remainder of the meeting was organizational, officials said. O'Leary said that DOE general counsel Coleman would supervise the investigation. Linden would supply the data from existing DOE files. Hystad would write the report.

"When we left the meeting there was a sort of feeling that what we were going to do was put together a systematic display of data which we already had, but which was never put together in any clear fashion," one official said.

Almost all meetings after that were held in Coleman's conference room. Although dozens of people were involved in the discussions, only six officials regularly attended most meetings.

And of those six, only two, Coleman and Hystad, were considered by the others as the architects of the report. The other four, Lane, Bloom, Linden and Barton House, were consulted and asked to read drafts of the report as it was being written.

Hystad wrote five drafts before the group agreed on a final version.

After he wrote each draft, copies were circulated among the six officials and others in the Energy Department.

The officials often joined in informal sessions at Coleman's office. They were usually called in the morning for an afternoon meeting. The meeting would last for 30 minutes to two hours, officials said.

Usually, four of the officials would be satisfied with the Hystad drafts, with Lane and Bloom raising most of the objections or suggestions for major changes.

Despite the urgency of Carter's May 25 directive, most of the president's specific requests were set aside. For one, the Energy Department and Justice Department decided not to conduct a joint investigation, but to conduct separate probes, with each department reviewing and commenting on the work of the other.

The Justice Department had no hand in writing the DOE report, according to Donald Kaplan, chief of the energy section of the Justice Department's Antitrust Division.

Regarding the president's order on how the probe should be conducted, "using all available and appropriate authority and resources at your disposal," both the Energy and Justice departments chose not to subpoena any oil industry data or witnesses. Both had the authority to do so.

Regarding the first area of inquiry ordered by the president, whether there was "concerted activity by firms at the refining and/or marketing level," DOE officials conducted no audits or field investigations.

Early in the probe, Lane suggested, and at one point Schlesinger reportedly agreed, that the DOE hold public hearings. Top oil officials would be subpoenaed and asked "hard questions," officials said.

"Schlesinger felt that public hearings, much like Senate hearings, would give the investigation more credibility," one official said. "But, by mid-July, as the lines began to fade, we felt the situation is cooling off. Why start things up again with hearings? So the idea just sort of faded out."

Energy officials also rejected suggestions to look into the question of whether oil companies bought all the foreign oil they could from countries with which they had contracts.

Officials said that Lane, who argued in favor of such a probe, was turned down by Coleman.

"Every time Lane raised the question, he was told, 'Well, we can't check it, we don't have any data on it'," one official said.

Two officials, who asked not to be identified, said they felt they were engaged in an exercise that would lead to foregone conclusions already publicly stated by the department. They pointed to the original drafts by Hystad, which appeared to have been taken verbtaim from the statements he had previously written for Schlesinger and O'Leary.

Two officials complained that as the study progressed it became clear the focus was on areas that would not provide answers to the most fundamental questions arising from the gasoline shortage.

One official likened the investigation to a man who dropped a dollar on a dark street "and instead of looking for it where he dropped it, he looked for it under a street light."

Officials also said that the original wording of the report, which had cleared the oil industry of any wrongdoing, was changed because Bloom was still conducting audits of the oil companies.

Bloom reportedly argued that the exoneration was "grossly premature," because his findings could lead to civil or criminal charges. In addition, he said, a blanket finding by the DOE that oil companies did nothing wrong could later be used in court as a defense by an oil firm.

Linden, who was responsible for supplying all of the data used in the report, said he was relying on the honesty of the oil companies, since his data was derived from their reports.

He also said he did not offer conclusions for the study. Coleman and Hystad took that role, he said.

In reviewing the 27 sources of data listed in the report's appendix, Linden said that only five of them were used in the report.

Five others that were not used, he said,

were considered unreliable because the information had not been verified. He said those reports were stamped with the words: "Not Valid," a label that did not appear in the appendix.

Asked why 22 sources of data that were not used in the report were included without written explanation in the report to the president, Linden said, "It's in the appendix, um . . . because the appendix was a document taken out of something else."

The content of the report was written, debated, rewritten and debated again over a period of about six weeks, energy department officials say. It was completed by mid-July.

On July 17, a summary of the findings of the report was leaked to The New York Times, which published an article on its financial page.

The report was delivered to the White House July 24, two months after Carter had ordered that he receive the report within 30 days.

On Aug. 5, the Los Angeles Times and The Washington Post published front-page articles reporting that a DOE investigation had cleared the oil industry of charges of hoarding. Both newspapers had been leaked copies of the report, which still had not been publicly released.

The following day, on Monday, at 4 p.m., the White House officially released the report. Carter made no statement that day, and he and his spokesmen refused to answer any questions about the report.●

FLORIDA'S SILVER HAIRED LEGISLATURE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LEHMAN. Mr. Speaker, I would like to draw my colleagues' attention to the August 5, 1979, Miami Herald article discussing the fine work that is being done by Florida's Silver Haired Legislature.

The senior citizens of Florida, who make up the membership in the Silver Haired Legislature, are making sure that the issues of deep concern to our senior citizens are not being ignored.

The article follows:

"SILVER HAIRED" VOTES CARRY CLOUT

(By Eleanor Hart)

Irwin and Geneva Miller, who retired to North Miami Beach from Boston five years ago, have already completed two terms in Florida's Silver Haired Legislature in Tallahassee.

The Millers were among the 38 senators and 119 representatives in this year's senior citizens' legislative group, funded by a $50,000 federal grant to give the elderly better access to state government.

Irwin, 73, formerly with the food retail industry, served as a member of the House of Representatives, and Geneva, 68, a former bank comptroller, was Senate president pro tempore. During the annual week-long session in July, Geneva Miller co-sponsored a bill requiring adequate notice for residents of apartment buildings being converted to condominiums.

Though she feels the group "accomplished more than last year," Irwin Miller regrets that his bill to encourage employment and retraining of the elderly didn't make it. "It was the last bill of the session. It passed the Senate, but . . . we ran out of time . . . had only half a minute," he says.

The Millers feel the condo bill is among the priority items the group will present when the Florida Legislature convenes next April.

Other lobbying issues include:

Prohibiting grocery stores from raising prices of food items already marked and on the shelf.

Requiring geriatric courses as part of basic medical school curricula.

Permitting trailer park residents to organize and discuss grievances.

Tuition-free admission to state universities on a space-available basis.

Labeling prescription drugs and medicine with expiration date and generic name.

Statewide volunteer escort system for the disadvantaged which would provide mileage reimbursement and insurance for volunteer escort drivers.

Establishment of public health-care clinics focusing on nutrition, physical fitness and health education under the Public Health Department.

Cutback on utility charges.

Property tax relief providing a freeze on assessments of homestead property, increasing homestead tax exemptions and providing exemption from ad valorem taxation by school districts.

Licensing denture clinics to make and sell false teeth.

Review of the state foster care program.

Granting retired state employees cost-of-living pension increases.

The outcome for these proposals is up to to the Legislature. But Needham W. Smith Jr., Jacksonville, president of the Silver Haired Senate, and Tomi Crofut, Shalimar, speaker of the House, will be there lobbying, the Millers say.

Will the Millers, also active in the National Council of Senior Citizens and the Florida Senior Citizen Council, return to Tallahassee for a third term?

"If we are able, and if the people elect us," they say. "We need leadership, but primarily we need people from the grass roots."●

WINDFALL PROFITS FOR OPEC

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. WHITEHURST. Mr. Speaker, the people of the Greater Boston area of Massachusetts, in particular those who read the Boston Herald American, are truly fortunate in having the opportunity to read the regular column written by Warren Brookes. Regrettably, Mr. Brookes is not syndicated; his cogent and intelligent comments deserve a much wider audience.

I would like to take this opportunity to share with my colleagues the August 16, 1979, column entitled "Is the Windfall Tax a Windfall for the OPEC Nations?" He raises some excellent points, which should be given careful consideration by all of us before further action is taken on any sort of windfall profits tax.

Let me commend Mr. Brookes for his research and his perceptiveness. I only wish there were more like him:

IS THE WINDFALL TAX A WINDFALL FOR THE OPEC NATIONS?

(By Warren Brookes)

The other night, ABC nightly news made a major point of telling the American people that Exxon's profits had risen by 20 percent in the second quarter (over the same quarter in 1978).

What they did not tell you is that ABC's own profits had risen a healthy 36 percent.

They also did not tell you that while Exxon's average profit as a percentage of sales was 4.7 percent, ABC's was a rather comfortable 11.4 percent.

But the most important thing ABC failed to tell you is that primary reason for Exxon's profit growth (and that of the industry) was not domestic sales and operations, but overseas.

While Exxon's first half overseas profits (See Table) rose by 76 percent, its domestic profits acutally declined by 5 percent. Precisely the same thing happened to California Standard (Chevron), whose overseas profit soared 104 percent, but whose domestic profits declined 9 percent. Or take the case of Gulf Oil, whose overseas profits boomed 136 percent—but whose domestic profits barely kept pace with inflation at 12 percent.

Now, what does this mean? And, why is it happening?

The answer is simple: the combination of overseas tax-breaks, price controls in the U.S. and the entitlements program have steadily promoted the expansion of these companies, not in the U.S., but abroad. They can make much more money exploring, developing and refining abroad, than they can here—so they are doing it, thus helping OPEC, and hurting us.

And, they are being encouraged to do this, by the policies of your Congress, and your DOE.

For example, since 1974, the major refineries of this country have paid out some $30 billion in "entitlement" taxes for refining domestic oil (price-controlled). This $30 billion, in turn, has been paid to refiners for refining imported (OPEC) oil. In other words, we have been penalizing the production of domestic oil (to the tune of about $2.50 per barrel), and subsidizing the import of OPEC oil (to the tune of $2.50 per barrel).

It is no wonder that domestic oil production (which is being "taxed") is dropping by 3 percent per year, while OPEC oil imports (which are being subsidized) have been rising about 7 percent per year.

Why are we doing this? For the simple reason that the eastern states (particularly New England) which import all their oil, are being subsidized by the Western states which produce most of their own oil, by a process that "equalizes" the price differential between domestically-controlled oil (averaging about $9.60 per barrel), and imported oil, which until this year averaged about $13.60 per barrel.

In other words we have been forcing the domestic oil industry to transfer costs from OPEC to the domestic oil industry (from consumers to producers).

As a result of this incredible mess (invented by New England congressmen) the major refiners have naturally found it much less profitable to produce and refine domestic oil—and much more profitable to produce and refine oil overseas.

This is why, among the top 20 oil companies, and particularly among the top 10, you will find that 50–70 percent of their profits are now being made, not on domestic production, but on overseas operations.

Part of this, of course is the fact that, on overseas operations, they now enjoy a significant tax break, because they can deduct royalties, paid to OPEC, as taxes. Unfortunately, Carter's much vaunted "windfall profits" tax will merely make the whole situation worse.

Why? Because it will defeat the whole purpose of de-controlling domestic oil prices—namely to encourage increased U.S. production and exploration.

How so? Because it will tax some 75–80 percent of every increased sales dollar, gained from de-controlling the prices, thus making domestic operations continue to be far less profitable than overseas operations. This is

why the American Petroleum Institute's Charles DiBona correctly warned that Carter's windfall tax will actually reduce the potential benefits of price de-control, by more than one million barrels a day.

If Mr. Carter really wants to stimulate domestic oil and gas production—and discourage overseas development and imports by the major oil companies, he should simply apply the windfall profits tax concept to overseas earnings—while turning domestic price controls (and profits) loose.

In other words, make it more profitable for energy companies to produce and invest in domestic energy development than overseas. This could be done by two simple devices:

1. As part of the de-control program, eliminate all tax credits on royalties paid overseas.

2. To force all increased domestic profits to be re-invested in energy development, simply outlaw all further horizontal mergers by energy companies with sales over $200 million, unless approved by the DOE.

The effect of these two moves would be to turn the domestic energy industry around, and focus attention on domestic production and profits. Since the government would still collect 50 cents of every dollar collected through de-control, the revenues generated (together with the elimination of the overseas tax break) would more than equal the "windfall tax."

More important the de-control process would so stimulate all forms of domestic energy production (natural and synthetic) that the government would not have to get involved in the whole "synfuels" boondoggle at all.

It is a sensible approach—but that may preclude its acceptance by Carter or Congress. Unfortunately, their plans, as presently conceived, will simply make OPEC richer, and the U.S. energy-poorer.●

INVESTIGATION OF AUGUST BEEF PRICES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROSENTHAL. Mr. Speaker, on Monday, August 27, 1979, telegrams were sent to six agencies requesting an immediate investigation into allegations of beef wholesale price and commodity futures manipulation during August 1979. Each of the agencies has responded and the Commerce, Consumer, and Monetary Affairs Subcommittee which I chair will monitor the progress of the agencies as they pursue the substantive issues and questions involved.

I now insert the press release and samples of telegrams in the RECORD:

ROSENTHAL ALLEGES BEEF PRICE MANIPULATION

Congressman Benjamin S. Rosenthal (D-NY), Chairman of the Commerce, Consumer and Monetary Affairs Subcommittee (House Government Operations Committee) today demanded an immediate investigation into charges that beef prices were manipulated at the wholesale level in mid-August by several major beef packers and commodity futures speculators and, as a result, will increase dramatically for the consumer within days. The New York legislator sent telegrams to the Federal Trade Commission, Commodity Futures Trading Commission, Departments of Justice and Agriculture, Council on Wage and Price Stability and the Securities and Exchange Commission outlining allegations that price-fixing and collusion influenced a wide market swing in wholesale beef price during the past few weeks and requesting immediate action to determine what criminal and civil laws may have been violated.

Consumer groups and sources inside the industry told Rosenthal that the "yellow sheet", a private wholesale price listing, was pushed to an artificial low in early August. This resulted in panic selling by farmers and promotion plans for beef sales by retailers (who schedule price specials in advance but contract to pay the future yellow sheet price). Then, during the next two weeks the wholesale prices climbed and the speculators who bought low could sell high. One source estimated that ten traders alone may have shared at least $5 million in turnaround profits. Analysts who have already charged that the yellow sheet pricing mechanism is based on too small a sample of sales, may now find proof that it can easily be manipulated for personal gain.

In response to inquiries by the subcommittee, the Department of Agriculture confirmed that last week the cost of hamburger for its school lunch program jumped 12.04% (from $1.0797 cents per pound to $1.2097 cents for the 1,732,500 pounds purchased the week ending August 24). We were told the increase was "unexpected and unexplainable" and as big as the Department has ever seen.

"Only immediate action to roll back the artificial prices for beef reported the last week in August will stem retailers' losses and keep prices down for consumers already struggling with inflation," said Rosenthal, who chaired hearings in eight different cities this past May on the impact of inflation on consumers.

The regulatory agencies have been requested to look specifically at trading by employees and principals of Iowa Beef Processors, Inc. (Dakota City, Nebraska) and Spencer Packing Company (Spencer, Iowa), and related activities by a number of Chicago Mercantile Exchange firms which trade in the futures market.

"We are interested in whether the agencies which have jurisdiction over these practices have failed to prevent manipulation of the marketplace," Rosenthal said, "but my concern right now is for consumers who will pay for these profits in the days to come. The cost of food is an issue which affects us directly and daily." Rosenthal added that his subcommittee will continue to monitor the situation.

Copies of the telegrams are attached.

TELEGRAM

As Chairman of the Commerce, Consumer and Monetary Affairs Subcommittee (House Government Operations Committee), I am asking the Commodity Futures Trading Commission (CFTC), as the agency charged with the regulation of futures trading and agricultural and other commodities traded on commodity exchanges, to begin an immediate investigation into charges brought to my attention by consumer groups and industry sources, that beef prices were manipulated at the wholesale level in mid-August by several major beef packers and commodity futures speculators. My subcommittee has received complaints that price fixing and collusion influenced a wide market swing in wholesale beef prices during the past few weeks and that, as a result both retailers and consumers will be paying dramatically higher prices for beef within days.

In response to a subcommittee inquiry, the Department of Agriculture confirmed that last week the cost of hamburger for its school lunch program jumped 12.04% (from $1.0797 cents per pound to $1.2097 cents for the 1,732,500 pounds purchased the week ending August 24). We were told the increase was "unexpected and unexplained" and as big as the Department has ever seen.

Consumer groups and sources inside the industry have told the subcommittee that the "yellow sheet", a private wholesale price listing, was pushed to an artificial low in early August. This resulted in panic selling by farmers and promotion plans for beef sales by retailers (who schedule price specials in advance but contract to pay the future yellow sheet price). Then, during two weeks the wholesale prices climbed and the speculators who bought low could sell high. One source estimated that ten traders alone may have shared at least $5 million in turnaround profits. Analysts from the Department of Agriculture have already charged that the yellow sheet pricing mechanism is based on too small a sample of sales and your agency may now find proof that it can easily be manipulated for personal gain by price-fixing, dissemination of false and misleading market information and other unfair and illegal market practices.

The CFTC was established as an independent agency in 1974 in order to more effectively regulate commodity futures trading yet it would seem from these allegations that the market has indeed been manipulated and prices distorted. Market users are to be protected against cheating, fraud, and abusive practices in commodity transactions yet it appears retailers and consumers have been caught by a costly scheme.

Specifically, the market may have been interferred with as follows:

1. Present and former officers and employees of certain major beef packing companies pressed the beef wholesale market down sharply on the yellow sheet with artificial packer-to-packer sales;

2. Farmers then sold cheaply to protect themselves, cattle futures were depressed, and retailers were induced to schedule beef price specials;

3. These same present and former officers and employees purchased cattle futures contracts at these depressed prices through certain commodity brokerage firms;

4. They then had their companies purchase large quantities of cattle, driving up prices on the futures exchange;

5. They sold their futures contracts for a quick and substantial profit through these same commodity brokerage firms;

6. The beef was sold by the packing companies "on a market basis", that is, at the yellow sheet price on a certain future agreed-upon dates;

7. To avoid a loss for their companies, these present and former employees manipulated the yellow sheet upward, again with artificial packer-to-packer sales;

8. The now sharply higher yellow sheet wholesale prices are causing huge losses to retailers who had scheduled price specials and contracted for future purchases;

9. Retailers must now increase their margins to recoup these losses and the combination of higher wholesale prices plus increased retailer margins will dramatically increase costs for the consumer.

Your investigation of possible civil violations and other illegal activities should begin with present and former officers and employees of Iowa Beef Processors, Inc. (Dakota City, Nebraska) and Spencer Packing Company (Spencer, Iowa) and the brokerage firms of Rufenacht, Bramagen & Hertz, Inc.; O'Connor Grain Company; Ray E. Friedman & Company; Paine, Webber, Jackson & Curtis; and Saul Stone & Company, all members of Chicago Merchantile Exchange.

Only immediate action by your agency and the other agencies which have jurisdiction over these practices to roll back the artificial prices for beef reported the last week in August will stem retailers' losses and keep prices down for consumers already strug-

ging with the rising cost of food. My immediate concern is for consumers who may have to pay the price for this manipulation in the days to come.

The results and conclusions of your investigation should be made available to the subcommittee as soon as possible. Whatever action you can take now to protect the consumer from these cost increases will aid our overall fight against inflation.●

QUESTIONNAIRE RESULTS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. MICHEL. Mr. Speaker, having just returned from the August recess, we all should have a fresh perspective on what our constituents expect their Government to be doing. It is refreshing, and sometimes reassuring, to listen to what the people have to say. We probably did our country more good talking to our constituents than we would have done by remaining in Washington. While I was back in my district, I not only received the personal opinions of those I met, but I also received the results of our annual questionnaire sent to some 189,000 households. I found the survey results of great interest and would like to share them with my colleagues.

The following is a tabulation of the results:

Question	Percent Yes	Percent No	Percent No answer
Would you vote for standby gas rationing?	47.2	49.3	3.5
Would you drive less if gas rises to $1.25 per gallon?	52.6	46.5	.9
Do you favor continued development of nuclear power for energy?	72.7	24.7	2.6
Did the Three Mile Island nuclear plant accident in Pennsylvania alter your thinking?	22.7	74.6	2.7
Would you favor relaxing the environmental protection laws to enable industries to use coal?	85.3	12.7	2.0
Do you favor mandatory wage and price controls to combat inflation?	46.6	49.8	3.6
Should the Federal Government institute a program of national health insurance?	28.0	68.2	3.8
Should the Senate ratify the SALT II treaty with the Soviet Union?	39.9	47.7	12.5
Do you think we ought to reinstitute the draft?	56.4	39.1	4.4
Do you favor registration all 18- or 19-year-olds for possible military service?	70.5	26.2	3.4

●

PEACE CORPS RESPONDS TO CONCERNS OF A VOLUNTEER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues some correspondence I had recently with Richard Celeste, the Director of the Peace Corps. This correspondence was prompted by a very thoughtful and detailed letter from a Peace Corps volunteer.

This volunteer described some serious problems and concerns regarding Peace Corps recruitment and placement, comportment of volunteers in-country, policies on medical evacuations, wasteful activities, and poor supervision of volunteers. The criticisms were presented in a constructive way and I attempted to relay them to the Peace Corps for consideration.

I am pleased with the response from the Director of the Peace Corps because he took the criticisms seriously, was aware of most of the problems, and claims some corrective actions have been undertaken. Some of Mr. Celeste's statements on Peace Corps policy regarding certain matters will be helpful in clarifying the disposition of the Peace Corps when volunteers in foreign countries find themselves in difficult situations.

I have always believed that part of the vitality of the Peace Corps depends on volunteers feeling free to share their evaluations and criticisms of their experiences and on a positive receptiveness and responsiveness by Peace Corps administrators to such feed-back from volunteers.

The correspondence with the Director of the Peace Corps follows:

PEACE CORPS,
Washington, D.C., July 30, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. HAMILTON: Thank you for your inquiry of July 9 concerning issues raised in a letter to you from a Peace Corps Volunteer. I will address these issues within the same format as you presented them in your letter.

1. *Recruitment and placement.*—All Volunteer assignments are agreed upon by the in-country Peace Corps staff and officials of the appropriate host agency. Agency officials specify the qualifications they desire for each position and only those individuals with appropriate backgrounds are recruited. I do not believe that cases of Volunteers being "mismatched" to their assignment are as frequent as your letter would imply.

However, the question of Volunteer success or failure is frequently not one of whether the Volunteer is qualified for the work she or he is assigned to do, but rather whether the Volunteer is able to meet the unique challenges presented to Peace Corps Volunteers who must live as a part of the host community at approximately the same level as the people with whom they work.

It is my firm belief that the majority of Volunteers are successful in meeting this challenge. We, however, are concerned that every Volunteer sent overseas have the greatest possible chance for successful service and we have made and continue to make significant progress toward this goal.

During the past two years, several initiatives have been implemented to improve the quality and suitability of the Volunteers which the Peace Corps attracts. Recruitment materials have been redesigned to emphasize commitment to Volunteer service and to provide more precise and complete information concerning the Volunteer experience. Careful attention is now being given to the screening of applicants through personal interviews with recruiters. We are increasing pretraining programs and providing more in-depth country and assignment specific information. A major focus of these screening procedures is motivation. A variety of administrative improvements also have been initiated within both the recruitment and placement operations, all of which are aimed at freeing recruiters and placement officers from time consuming paperwork so that they can give more time and personal attention to getting the right Volunteer into the right assignment.

An important factor in providing qualified and effective Volunteers is the training they receive. We have made significant progress in upgrading Peace Corps training during the past year and this will continue to be a priority during the coming months. The average length of training programs will increase substantially from about 8 weeks to more than 12 weeks in FY 1980.

As the Peace Corps moves to recruit from a broader spectrum of educational backgrounds, increased emphasis will be placed on technical skill training. As we place more Volunteers in rural areas, where the poorest citizens of a country are usually located, we are giving increased attention to local language training and cross-cultural orientation. In general, the amount of time devoted to language training will increase significantly.

Volunteers will also receive training in secondary skills, personal health skills and perspectives on women in development. And, once a Volunteer is placed in the field, we are providing more in-service training to ensure his or her ongoing effectiveness. We will continue to seek new ways of improving training so that all of our Volunteers will arrive at their assignments with the insights and skills necessary to their success.

I am convinced that these efforts will have a major impact in reducing the level of Volunteer attrition. In addition, I think it is important to note that Peace Corps Country Directors are reporting significant improvements in the quality of Volunteers they are receiving, especially in the areas of commitment and flexibility.

2. *Comportment of volunteers in-country.*—It has been and will continue to be the Peace Corps' policy that any Volunteer found to be involved with the use of illegal drugs will be immediately terminated from the Peace Corps and returned to the United States. Volunteers are repeatedly made aware of this policy during both recruitment and training. Overseas staff members are aware that enforcement of this policy is an important responsibility. Realistically, I am sure that there are some Volunteers who do use drugs just as many other Americans do despite all public and private efforts to discourage such activity. However, in my opinion, the vast majority of our Volunteers are aware of the potentially serious social, political and legal impact of illegal drug use and, therefore, avoid such activity.

All Peace Corps Volunteers are subject to the laws of the country in which they are serving. If a Volunteer is arrested for any reason, including on drug-related charges, the Peace Corps does not interfere with established legal procedures but does continue to provide the Volunteer with every appropriate form of support, including the provision of legal representation if necessary.

We have a professional staff in each of the countries in which Volunteers serve whose primary responsibility is to provide support to the Volunteers. This includes counseling them should difficulties arise between Volunteer and host country nationals, either on-the-job or socially, and working with the Volunteer and other individuals involved in an attempt to find a mutually agreeable solution.

From time to time, we do find it necessary to terminate a Volunteer's service due to his or her inability or unwillingness to live up to the commitments made when entering the Peace Corps. The decision to terminate a Volunteer is made by the Country Director. Following this termination, a Volunteer has the option of appealing this decision to Washington, with the final decision being made by the Director of the Peace Corps.

The appeal procedure is carefully structured to protect the rights of the Volunteer and includes reviews by our Office of Special Services, our General Counsel and various Regional staff members. If a Volunteer wishes to appeal his or her termination in person, he or she has the option of returning directly to Washington following the termination at Peace Corps expense.

3. *Policy on medical evacuation.*—Husbands and wives do not automatically accompany their spouses during medical evacuations. If it is decided by the Peace Corps Medical Officer and the Country Director that the medical situation is of a serious nature, or that the support of the spouse would be of assistance, they can authorize the spouse to travel at Peace Corps expense. In fact, in most cases the spouse does accompany the husband or wife, especially when a lengthy recuperative period may be involved.

The Peace Corps tries to provide quality medical care to its Volunteers, frequently under very difficult circumstances. In each country where Peace Corps Volunteers serve, we assign either a Peace Corps doctor or nurse, or contract with a local doctor, to serve as a Medical Officer who is responsible for the health care of the Volunteers. In addition, each training program now includes health instruction designed to familiarize Volunteers wtih the various health hazards which they might encounter and to better equip them to meet their own routine health and medical needs while serving in remote areas.

During service, the Peace Corps is responsible for providing its Volunteers with all necessary medical care. Following service, Peace Corps Volunteers are eligible for medical coverage under the Federal Employees Compensation Act (FECA) administered by the Office of Workmen's Compensation with the Department of Labor. Under the FECA, Volunteers are eligible for coverage for any service-related injury or illness. Peace Corps staff members are available in Washington to assist returned Volunteers with the processing of claims and are willing to provide follow-up services should problems develop with a claim which has been filed with the OWCP.

4. *Wasteful activities and poor supervision of volunteers.*—The Peace Corps operates under a limited budget and, in an effort to limit costs wherever possible, it is our policy to authorize travel, workshops and conferences only in those instances when they clearly contribute to the effectiveness of our program.

We do utilize staff and Volunteer workshops as a means of both program development and in-service training. We feel it is important to allow Volunteers the occasional opportunity to get together with other Volunteers and staff members so that they can share their experience and seek solutions to mutual problems. This allows staff members the opportunity to obtain group feedback concerning the quality of assignments, the effectiveness of programming, and the adequacy of pre-service training from Volunteers who have been in the field and working for a period of time. I do not know to which "workshops and conferences" the Volunteer refers in the letter to you and, therefore, cannot be more specific in my response to this question.

Each Volunteer is assigned to a project administered by a host country agency and they work under the direct supervision of the personnel of that agency. Peace Corps in-country staff have the responsibility of providing support to the Volunteers. Again, given the budget constraints, these staffs tend to be "lean." Still they make every effort to visit Volunteers in the field on a regular basis. Our staff members are also always available to assist a Volunteer should he or she be experiencing any particular problem.

During the past two years, the Peace Corps has been moving to place Volunteers in assignments which address the basic human needs of the poorest citizens of the nations in which they serve. This has included a substantial increase in the number of Volunteers assigned to rural areas and a movement away from assignments, such as university education programs, which would place Volunteers in capital or other large cities.

Volunteers are expected to live as part of their host communities and are not expected to be in the capital city, or away from their sites at all, unless they are using their annual leave time, seeking necessary medical attention, or on assignment-related business. I do not think it is accurate to state as a generalization that Volunteers "have a tendency to lay around capital cities." Once again, without knowing to which specific country this Volunteer is referring, it is difficult for me to respond more completely.

5. *Appeal and complaint process.*—Volunteers can "surface" their complaints to their Country Directors and to Washington and they can get results. This is one of the primary functions of our country staffs and to a certain extent every Peace Corps office in Washington is directly responsible for meeting the needs of our Volunteers.

A Peace Corps Volunteer has complete confidentiality, if he or she so desires, when voicing criticism of Peace Corps operations. We welcome, and indeed seek, the advice of our Volunteers. In fact, I have recently instituted the practice of personally meeting for an hour once each week with any returned Volunteer who might be in Washington and has something he or she would like to talk over with me.

I can assure you that no Volunteer is going to suffer in any way because he or she criticizes the way we do things. Frankly, with 6,000 very individualistic Peace Corps Volunteers, I receive a wide range of advice—some sound, some constructive though critical, and some just not feasible.

We are also recruiting an increased number of former Volunteers to serve as overseas staff members. One recent initiative in this area has been the re-establishment of the "Peace Corps Fellows Program." Through this program, outstanding returning Volunteers are selected for an extended training program here at our Washington headquarters and are then returned overseas as Associate Country Directors. This ensures that our in-country staffs will have an in-depth understanding of the problems with which Volunteers must deal and, therefore, will be more effective in helping them to overcome these.

No office handles Volunteers problems, complaints and suggestions exclusively. As I stated above, every office—especially our Country Desk Officers and our Office of Special Services—is meant to be as responsive as possible. A Volunteer is encouraged to contact the appropriate office in an effort to resolve any problem he or she might be experiencing.

However, it is usually more effective if they deal directly with the country staff members, including the Country Director, who are more familiar with our Washington operations and can usually expedite the resolution of a Volunteer's problem unless, of course, it involves a problem with the country staff itself.

Each year the Peace Corps conducts a "Volunteer Survey" through which Volunteers comment on many facets of Peace Corps operations. The data compiled from this survey is an essential evaluation tool for those of us with senior management responsibilities, since it allows us to secure a better perspective on what our Volunteers generally think about a variety of issues, including those which you have raised.

I hope the Volunteer who has written to you will not hesitate to contact his or her country staff concerning any specific problems he or she may be experiencing. And I would welcome any advice he or she might have for me.

I greatly appreciate your having taken such an in-depth interest in the Peace Corps on behalf of your constituent. If I can provide you with additional information concerning these or any other issues, please do not hesitate to contact me.

With best regards,

RICHARD F. CELESTE,
Director.●

OUR COUNTRY IS ALIVE AND WELL

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BRINKLEY. Mr. Speaker, most of us during the August district work period had an opportunity to touch home base and to feel the pulse of grassroots America. I am happy to report from my own perspective, that is, Georgia's Third District, that our country is alive and well.

As an example of the positive, upbeat activities which are the healthy heartbeat of a strong and progressive nation, I should like to share with you now a letter written by my constituent, Dr. M. S. Silberman, and published in the Taylor County press.

The letter follows:

EMORY UNIVERSITY SCHOOL OF MEDICINE,
Atlanta, Ga., August 15, 1979.

EDITOR,
Taylor County News/Butler Herald,
Butler, Ga.

DEAR EDITOR: This is an open letter to the people of Taylor County. During these times when uncertainty and confusion appear to be becoming a way of life, some very positive things have happened in Taylor County and after a little reflection it is obvious that they spell out a bright future for our citizens.

Just this past week Mr. Bobby Gene Swain, representing the Taylor County Shriners Club, presented a check for over $2,000.00 to the Board of Education. This money was collected by the Shriners over a period of time through various events sponsored by the club. Here is just one example of that bright future—generous, civic-minded men donating their time, money and energy to help insure a better future for the youth of the community. Their faith in our young people is obvious.

This past June Mrs. Edith Guy once again took her Debating Team to a national competition. They bested teams from all over this nation to become the national Debating Team champions. Mrs. Guy certainly didn't allow a despair to enter her life and, with her students, brought national recognition to

Taylor County and introduced many to young people, who certainly don't meet the stereotyped, myopic image portrayed by much of the media.

Most recently Mr. Shan Young, a 1979 honor graduate of Taylor County High School showed the "mettle" of our youth. He mesmerized a graduation audience with the eloquence of his presentation during a speech at graduation. Now he has placed third in the national Mr. U.S.A. Team Competition held in Minneapolis, Minnesota. To achieve this status he had to show scholastic excellence, athletic participation, maturity in personality, a record of service and achievement both in school and in the community and a team "image". His parents, teachers, relatives and friends certainly have every right to be proud of Shan. Shan has shown he has what it takes and with the support of family and friends and his personal perseverance will go all the way in whatever venture he chooses.

So: Thanks Bobby Gene Swain and the Shriners for your faith and love of the youth of this community. You have shown me that there is reason for optimism and, with civic groups such as your supporting us, education will progress in our county.

Mrs. Guy, thanks for reminding us once again of the excellent teachers we have in this county. Your dedication and love of our youth and community is infectious and as long as we have educators like you our future is insured. The young people who worked so hard have also reminded us that we need not "bemoan" the sorry state of today's youth. These young adults will straighten out the obvious problems we are leaving them as an inheritance if we give them half a chance.

To Shan Young, a very special thanks for showing this country what our youth are made of. You have given me a great pride in our school system and an assurance that the future of our county, state and country need not be questioned. You remind us all that the great majority of our young people are moral, honest human beings. Your own actions and behavior are examples to all of us and give us a goal to pursue.

So things are pretty good in Taylor County. We have the greatest civic clubs, our teachers are as good as anywhere in this nation and our greatest asset, the youth of this community, are an example to the whole country.

Sincerely,

M. S. SILBERMAN, D.V.M.,
University Veterinarian/Assistant Professor of Pathology, Chairman, Taylor County Board of Education.●

MASSACHUSETTS GROUPS DEMONSTRATE AUTO SAFETY TECHNOLOGY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. CONTE. Mr. Speaker, last week in Boston, a group of Massachusetts-based medical, insurance, consumer, highway safety and disabled persons' organizations met to emphasize the need for automatic crash protection in cars. I wish to draw to my colleagues' attention a news article about that event and a statement in support of airbags by my friend John Volpe, the distinguished former Governor of Massachusetts who also was an outstanding Secretary of Transportation.

This information will be useful to the Members as we prepare to vote next week on the Dingell amendment which would forbid the NHTSA from implementing the passive restraint standards as it pertains to airbags. I intend to oppose this amendment and I am heartened by this support from former Secretary Volpe and this disparate group of organizations concerned about highway safety.

The article and statement follow:

MASSACHUSETTS GROUPS DEMONSTRATE AUTO SAFETY TECHNOLOGY

A large group of Massachusetts-based medical, insurance, consumer, highway safety and disabled persons' organizations met today in Boston at Prudential Tower to emphasize the pressing need—and vigorous support—for automatic crash protection in automobiles.

Joan B. Claybrook, Administrator of the U.S. Department of Transportation's National Highway Traffic Safety Administration, a special guest and keynote speaker, said she was "pleased to announce that Commercial Union Assurance Companies, Liberty Mutual Insurance Company and Prudential Insurance Company will purchase fuel efficient automobiles equipped with automatic restraint systems for their corporate fleets when such vehicles are available. The three companies have over 4,000 vehicles in their fleets.

"Such a commitment is a sound business and social undertaking as air bags and automatic seat belts can prevent many deaths and serious injuries. Until such time as the systems are available, the three insurance companies will continue to promote use of the present manual seat belt equipment," she said.

The U.S. Department of Transportation has required that, beginning in 1982, automobiles start being equipped with some form of automatic crash protection. Automobile manufacturers, while considering automatic safety belts and air cushion restraint systems as ways of meeting the federal performance requirements, have already delayed introduction of these proven lifesaving devices for almost 10 years.

The diverse groups explained their individual reasons for supporting automatic crash protection in automobiles:

MEDICAL GROUPS

Head impacts in automobiles are the single largest cause of epilepsy, producing approximately 20,000 new cases of epilepsy in the U.S. each year;

Automobile crashes are the single largest killer and crippler of children, killing approximately 4,500 children between the ages of 1 and 14 each year, and seriously injuring 240,000 children from birth to age 14 each year;

Automobile crashes are the single largest cause of paraplegia and quadriplegia.

INSURANCE COMPANIES

Industry data show that policyholders will save approximately $1.9 billion annually once automatic crash protection is available in every car.

CONSUMER GROUPS

The U.S. Department of Transportation's requirement, as it now stands, will for the first time give consumers a choice of restraint systems. This freedom of choice will allow them to buy cars which use modern technology to protect people from death and serious injury in most crashes.

HIGHWAY SAFETY GROUPS

While continuing to encourage use of currently available seat belts, many years of past experience have shown that such efforts have failed to raise belt use above 14 percent. Devices that protect people automatically have proven their livesaving and injury reducing capability.

The groups demonstrated that air cushions are capable of saving lives by showing an air cushion equipped car that several years ago was involved in a serious crash in Florida. A Florida woman and her two grandchildren walked away from the crash with only minor injuries. Christopher Burns, a 20-year-old resident of Scarsdale, New York, talked to reporters about his air-bag crash experience. These cars were among the few air bag equipped cars manufactured by General Motors between 1974 and 1976. Liberty Mutual, a Boston-based insurance company, used a specially equipped car to demonstrate how air cushions deploy from the hub of the steering wheel and from under the dash panel to protect front seat occupants in a serious crash. Until a serious crash occurs, the cushions remain stowed out of sight. The groups also demonstrated automatic safety belts, already available as options on a limited number of small cars, and a display of child protection devices.

Organizations sponsoring the event include:

American Academy of Pediatrics, Massachusetts Chapter.
Association of Massachusetts Consumers.
Commercial Union Assurance Companies.
Epilepsy Foundation of America, Massachusetts Chapter.
Liberty Mutual Insurance Company.
Massachusetts Association of Emergency Medical Technicians.
Massachusetts Association of Paraplegics.
Massachusetts Department of Public Health, Division of Preventive Medicine.
Massachusetts Safety Council.
National Spinal Cord Injury Foundation.
Prudential Life Insurance Company of America.

STATEMENT OF HONORABLE JOHN A. VOLPE

I'm very sorry that I will be out of state on August 30th when you will be sponsoring the demonstration and press conference at Prudential Tower, to emphasize the need for, and effectiveness of, automotive crash protection in automobiles. Inasmuch as I cannot be present, I would like to state my views with regard to this very important subject.

It was almost 10 years ago when I instigated efforts to try to improve safety in our automobiles. It is too bad that a passive restraint system is not yet mandatory in the automobiles being manufactured today. It was our estimate then, and apparently not too different today, that passive restraint systems could save approximately 10,000 lives per year. Some people do not feel that air bags are completely safe. The regulations that Secretary Adams proposed, as well as those I proposed, do not require the air bags—it can be a passive belt restraint system such as has been used in VW's for the past three years. The regulation would provide for the utilization of either of these two systems.

Thousands of cars during the last few years have been equipped with both the air bag system and the passive belt system and in no case has there been any record of cases of the air bags not working properly (as some people have claimed).

I believe in a proper time frame, which it seems has been allowed, for the utilization of these systems to be incorporated in the cars manufactured in accordance with the law, which now provides that they will go into automobiles starting with the model year 1982, and be mandatory in all cars by 1985.

I want to add my voice to those who feel that the cost/benefit ratio involved in the use of these systems is certainly worth every dollar invested and I trust that there will be no further delay in their utilization.●

THE "DISAPPEARED" IN ARGENTINA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GILMAN. Mr. Speaker, tomorrow marks an important occasion for Agentina. It is the beginning of a 2-week visit by the Inter-American Human Rights Commission of the Organization of American States. This important visit signals, at long last, a change in attitude by the ruling junta to regain international respectability and remove some of the barriers of secrecy surrounding the tragic situation in that nation.

One of the truly motivating forces within Argentina working for just such an opening has been the Mothers of the Plaza de Mayo. This group of women consists of mothers whose children or relatives have disappeared. Their activities began as a completely spontaneous movement and continue to operate without political ties.

Having jointly endured the long vigils in various government offices seeking information on their relatives, they joined forces in 1977. After individually exhausting all legal remedies they took their case to the streets in silent vigils every Thursday afternoon in the Plaza de Mayo. Although the government has blocked their access to the plaza since the beginning of this year, they have continued their efforts in behalf of the thousands of Argentine citizens who have disappeared.

On a recent trip abroad that included a stop in Washington, the mothers expressed their hope and concern about the OAS Commission's visit. They are hopeful that this action will shed some light on the fate of the disappeared and begin the long process of healing the nation's wounds.

On the other hand, however, they are concerned about the many disappeared who are still alive in detention centers. There is alarm that these witnesses to Argentina's excesses may be eliminated in the wake of the Commission's visit. A May 29 statement by General Viola, the commander-in-chief of the army and a member of the ruling junta, acknowledged for the first time that there are "disappeared" whom he called the "absent forever."

During my most recent meeting with several of the mothers they provided me with testimony from a woman, Ms. Estrella Iglesias, who had disappeared and been held at a secret detention camp. Ms. Iglesias, who now resides in Europe, identified 18 people who are on the lists of the disappeared and who were with her in secret detention. Her testimony provides documented proof of the existence of secret detention centers and their disappeared inhabitants.

In an effort to share this important story of the efforts of the mothers of the Plaza de Mayo with my colleagues and to call attention to the visit of the OAS Commission, I am inserting Ms. Iglesias' entire testimony in the RECORD at this point:

TESTIMONY

Name: Estrella Iglesias.
Age: 31.
Date of birth: March 29, 1948.
Nationality: Spanish.
Domicile: Buenos Aires (Argentina) since May 24, 1949.
Profession: Skilled worker at Squibb laboratory in Argentina.

On August 11, 1976, I was detained by personnel of the police and joint forces at my home, 311 Malpu Street, 10th floor, Apartment 3, Partido de Vicente Lopez, in Buenos Aires province.

The search of the premises was carried out, without a warrant, by twelve persons in civilian dress and a dog. The motive for the detention was the accusation of my active participation in the Communist Party (Marxist-Leninist) of Argentina, formerly the Communist Vanguard.

After I was taken from my house and just as the above persons put me inside a Peugot 504, a patrol squad of the Buenos Aires province police passed by and waved to those involved in the detention operation. From here I was taken to General Paz Avenue, where I was blindfolded. The vehicle went along General Paz Avenue to its intersection with Ricchieri Avenue, then followed this road for about ten minutes. Upon arriving at Cintura Road, we went along a small road and entered a building to which a very strong floodlight was attached. Given my prior knowledge of the area through which they drove and the changes in light that I could capture through the blindfold, I was able to observe those details despite my being blindfolded.

The place where we stopped is in a military zone, the La Tablada Infantry Regiment. I was taken to a construction consisting of three separate houses, a patio, garage and swimming pool. The houses were similar to chalets, with red roofs.

During the entire trip from my house to this building, they socked me in the face and on my body. They also told me that I wasn't detained, nor had I disappeared, nothing like that; now I'd just been absorbed, kidnapped, "sucked up."

When they took me from the car, they led me through a series of rooms until we reached one where, hitting and pushing me, they removed my clothes and tied me to a table. At this point, they began to torture me. The torture consisted of applications of electric current to the genitals, breasts, toenails, mouth and gums; stretching my arms, mostly my right arm until they dislocated it; putting rats on my face and between my legs. All this was accompanied by questions as to my political activity, people with whom I had contact, and knowledge of other political groups and activists.

The person leading the interrogation responded to the nickname, "the Frenchman." He was about 40 years old, with black wavy hair, a moustache, approximately 1.80 meters tall, and of stout build. This torturer at one point lifted my hood and asked me to look at him since he said he wasn't afraid to have me know him. They call me the Frenchman, he said.

I don't know the actual length of time they tortured me because for three days I lost consciousness of the passage of time. The first time they tortured me, it lasted all night. When they took me from that place, they left me at another house. There they threw me onto the floor and shackled me to the wall. Several days later they gave me a blanket, because it was incredibly cold and I was half naked.

On August 17, 1976, the anniversary of the death of General San Martin, a national holiday in Argentina, I heard the sounds of a military marching band. The march was that of the Infantry Regiment. The persons who guarded us followed the orders of an officer named Chavez. The guards inside the house wore blue overalls with laced shoes. The guards outside the house were in civilian dress, working 24 hours with 48 hours rest. There were eight guards outside the house and two inside. There was also the officer in charge and the intelligence service personnel who carried out the torture. On August 22, 1976, the number of guards was increased, and that day, while being taken to the toilet, I saw a uniformed Army lieutenant entering the room.

In the house where I was, there were other people who to this day continue on the list of the disappeared. The majority were men although there were also some women. Among the women were:

Beatriz Perosio: President of the Buenos Aires Phychologists Association and member of the National Federation of Psychologists. This 31 year old women was shackled to the wall, thrown on the floor in a hut without a roof. It should be added that we were all held in those conditions.

Norma Falcone: Lawyer for Political Prisoners. 29 years old.

Ester Gerber: Metalurgical worker, 24 years old, lost a child while six months pregnant, due to torture. She had a miscarriage at a military hospital. Then they returned her to where we all were.

Alicia de la Rubia: Homemaker, 53 years old. She was held as a hostage because they were looking for her daughters.

Among the men, hooded and shackled to the wall, were:

Roberto Cristina: Teacher, 38 years old.
Jorge Montero: Mechanic, 33 years old.
Ruben Kritzkautsky: Dentist, 42 years old.
Ernesto Scerszewisz: Technician, 39 years old.
Victor Volloch: Metalurgist, 33 years old.
Elias Seman: Lawyer, 42 years old.
Abraham Hochman: Lawyer, 40 years old.
Saul Micflic: Smeltery worker, 39 years old.
Osvaldo Balbi: Writer, 33 years old.
Mauricio Poltarak: Electronics technician, 36 years old.
Martin Vazquez: Worker, 19 years old.
Luis Diaz Salazar: Worker, 26 years old, Spanish.
Hugo Waisman: Technician, 30 years old.
Guillermo Moralli: Employee, 30 years old.
Juan Miguel Tanhauser: Student, 19 years old.

Also Luis Perez, a bank employee who died under torture at 42 years old.

They stopped calling us by our respective names and gave us a code which we weren't to forget. The code used was "Empresa Vesubio," which was the name used among the intelligence services for the place at which they held us. V.25 came to replace my name in the list that was made daily before the change of guard.

The men there who'd been tortured and had disappeared as was my case had had their clothes taken away. They had been given brown jackets and slacks, as well as the traditional hood which covered the head.

In talking with various people there, I learned of the presence of Cristina Moralejo, leader of the Health Workers Union, Quilmes Sector, Buenos Aires province, and of her husband Hugo Sanchez, both of whom had been transferred from this location in May.

On several occasions I was asked if I knew her. They questioned me during the torture sessions since I too was a member of the Health Workers Union of Buenos Aires.

Cristina Moralejo and her husband Hugo Sanchez are still among the disappeared persons.

In this house the guards said that our situation was resolved and that we'd be transferred to another concentration camp.

After my 15th day as a disappeared person, I was approached by someone whom everyone

called "Sir." The guards called him by the nickname "Teco," a contraction of Lieutenant Colonel. "The Frenchman" asked me, in the presence of this other man, if I had relatives in Spain. When I replied negatively, I heard them talking between themselves and the "Frenchman" said, "Yes, this is Estrella." This person who accompanied "the Frenchman" is the same person who took Ester Gerber to the hospital when she had her miscarriage.

Two days after this questioning session, they changed me to another house. I crossed a patio and they took me to a room where there were more women. On the way, a guard said to me, "You're saved, shorty." While I was in this house, they took down my personal data, the names of my parents and other family members.

On September 14th they divided us into groups of seven each one of which I was in. They put us into a vehicle, hooded and with our hands tied from behind with plastic cord. After a short distance the small truck carrying us stopped. They told us not to scream that they could deliver seven people or seven cadavres. The people who'd been driving walked away. We heard voices and then silence. Fifteen minutes passed and someone outside said: "I think someone was calling." "Is there someone there?" "They said yes." This whole farce took place outside the truck; no one inside the truck was speaking. They opened the door and took off my hood. The first thing I saw was an Army Lieutenant who asked me my name and who I was; then he asked if I was a prostitute and what I was doing there.

Another uniformed person, also of the armed forces, came over with an envelope marked with my name and said: "It says here that she's a Communist." They took us all out of the truck, without hoods and with hands tied behind. I heard them yelling insults while they had us get into an Army truck. There was an officer and another person in civilian dress who now had the envelopes marked with our names. I found that I was in a neighborhood street. We went some 300 meters and were taken into the Third Infantry Regiment barracks. They again asked our names. We were there for 30 minutes without leaving the truck. Then they took us to the Third Commissariate of Valentin Alsina, West Lanus, Buenos Aires province. There another lieutenant and a sergeant again took down my personal data, and then they put me together with three other women from the same truck in a cell one meter wide. It was completely dark, with an iron grate in front for a wall. It was very cold and had no ventilation. It was lacking the most minimal hygiene conditions: we had to urinate and defecate while up against the door, since most of the time they wouldn't take us to the bathroom. Once a day they fed us, from the leftovers of the Commissariate staff. Most often the meal consisted of soup with some potatoes and bits of meat and vegetables. While I was there, one night a Lieutenant Colonel approached me during the guard duty of officer Rodriguez and the captain Velazques. In their presence I was informed that I was under the jurisdiction of a Court Martial.

Several days later they opened the door of our cell and allowed me to be in the hallway between the cell and the bathroom. Three boys who came in with us in the same truck were held 45 days without leaving the cell at all, with no air or light.

Until October 31, 1978, I was held incommunicado and as a disappeared person. That day my family received authorization from Colonel Basilia, President of the Special Permanent Court Martial, based in Palermo, Buenos Aires, to visit me once a week, for an hour. They were permitted to bring me clothing and food.

On November 6, 1978, I was visited by the legal counsel of the Spanish Embassy in Buenos Aires, Mr. José Luis Dicenta. This man told me that the Spanish government through the King of Spain during his next visit to Argentina on November 26, 1978, would bring a list with names of Spanish citizens imprisoned for political reasons. My name was on that list. On November 12, 1978, at the Commissariat, I signed an authorization for the Spanish Consulate in Buenos Aires to process my expatriation, or my expulsion from Argentina.

On December 22, 1978, I was transferred from this Commissariat to Prison Unit No. 2 of Villa Devoto, Buenos Aires. They put me in Cell Division No. 4 of Section 5, Cell No. 120, together with three other women.

Until January 19, 1979 I was once more held incommunicado, only then was I again allowed to see my family. That day I saw my mother through a glass pane and talked to her using a microphone. From then on, it was like that; I never had any kind of physical contact.

While in the penitentiary, I asked the legal division to state my legal status and why I was being held. They replied that I was under jurisdiction of the military, the Special Permanent Court Martial 1/1.

On the morning of March 6, 1979, they took me before this Court Martial. There, four Air Force officers interrogated me. They asked questions and I signed a statement in which for the first time after seven months detention an accusation was brought against me through a Court Martial. The accusation was presumed illegal and active participation in the Communist Party (Marxist-Leninist).

On April 7, 1979, they again took me to Palermo where I was told that the Court Martial did not have jurisdiction over my case. I continued in detention without any defense and without being able to see a lawyer. In the Penitentiary I was visited three times by the Embassy Counsellor, Mr. Dicenta. On April 24, 1979, my family received a letter from the Ministry of the Interior in which they were told that I was not being held at any State facility, that there were no charges against me, and that they would continue looking for me. The Spanish Consulate in Buenos Aires has this letter. On May 15, 1979, they took me to the Justice Department. I appeared before the court of justice presided over by Dr. Rivarola, the office of Dr. Curuchet, where they told me that I must agree to make a statement in response to the accusation of having transgressed Law 21,325 which prohibits all political, union, student, professional, etc. activity, as well as National Security Law 20,840. For the first time, they permitted me to select a defense lawyer. On May 17, 1979, they again took me to the Justice Department where, in the Office of Dr. Curuchet, they told me that I was to be released for lack of evidence, i.e., there was no proof, but that I could not leave the country because the case remained open. They took me back to the Penitentiary, Unit 2, and at 10 p.m. they again came to get me. They transferred me to the offices of the Superintendent of Federal Security.

At 5 p.m. on May 18, 1979, after again having been interrogated as to the reason for my detention, the name of my family, photographs, and fingerprints, I was released.

At the door was waiting my family, as well as the families of twelve others who were also under the same conditions as me.

On June 13, 1979, I left Argentina on a flight to Rio de Janeiro from Ezeiza International Airport, Buenos Aires, with my documents. In Rio de Janeiro, I was met by members of the United Nations Committee on Political Refugees and the Spanish Consul of that city.

On June 15, 1979, I arrived in Madrid, Spain, on Iberia flight No. 994. There, my husband Carlos Perez Gresia was waiting for me.

ESTRELLA IGLESIAS ESPASANDIN,
Argentine Federal Police Identity Card No. 5.575.221.
JULY 4, 1979.

(NOTE. The names listed in my handwriting on pages 2 and 3 belong to the list of disappeared persons; these persons were with me while I was in the situation of disappeared.)

ESTRELLA IGLESIAS ESPASANDIN.●

COLLECTIVE FARMING IN AMERICA?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to a news report that appeared in the Houston Post on August 3, 1979. Congress should know that this administration is setting up collective farms in the south. Apparently mass farming, like mass transit and mass shortages, is the wave of the future. I find it incredible that the taxpayers' money is being used in this operation to collectivize farms, and I hope that the leadership of this Congress will act to stop this attempt to destroy individual enterprise in America.

The article follows:

ISRAELI EXPERTS TO HELP START U.S. KIBBUTZIM

WASHINGTON.—The Carter administration is planning to import Israeli agricultural experts to set up kibbutz-like farms in the rural South, Agriculture Department sources said Thursday.

It is an effort to stop the growth of large corporate farms and retain land for the rural poor, the sources said. The chief beneficiaries of the experimental program would be black sharecroppers and tenant farmers in Florida, Louisiana and Alabama.

Agriculture Secretary Bob Bergland soon will call together officials from four federal agencies and two private foundations to sign the necessary contracts to launch the program, sources said. That ceremony is expected within the next few days.

Known as a "Family Farm Cooperative," the program would establish an unspecified number of farm collectives similar to the Israeli kibbutz. The Israeli government and a farm trade association plan to send experts to train the farmers in cooperative management practices, the sources said.

In addition to the federal agencies, the Ford Foundation, the Israeli Center for International Agricultural Cooperation, the Israeli Association of International Cooperation and the Southern (U.S.) Development Foundation will participate in the experimental project.

About 40 farmers will be selected to raise fruit and vegetable crops on these cooperative farms. Each farm will include about 1,200 acres of land.

A new federal corporation, the Small Farm Development Corporation, will use federal money to purchase the land in Macon and Bullock counties in Alabama, Manatee County in Florida and in St. Landry and Evangeline parishes in Louisiana.

The Farmers Home Administration will create the new corporation. It also will provide money to launch the program and offer low-interest loans to help the cooperative farmers buy their land from the corporation.●

VOLUNTEER DEVELOPMENT CORPS A FOREIGN AID SUCCESS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. COELHO. Mr. Speaker, this Nation unquestionably has a responsibility to the people of less developed countries. No one, I think, will shrink from our responsibility to aid the victims of disaster—the victims of flood, drought, hurricane, earthquake, or pestilence. Beyond that we have a responsibility to do what we can to help the people of these countries improve their agriculture, develop their commercial institutions, raise their incomes, improve their health, better their housing, increase their fund of information, and develop their communities.

Some of us, however, have been less than satisfied that our annual appropriations for foreign assistance are achieving these desired results. Therefore, I was very pleased to have a constituent of mine, Karl L. Falk of Fresno, report to me recently on his work in the Philippines—work financed in large part by the Agency for International Development.

One of AID's grantees is a small, private organization formed by U.S. cooperatives 9 years ago to provide short term, technical help to cooperatives in developing countries at their request—Volunteer Development Corps. VDC has its headquarters here in Washington.

In the Philippines, a private organization, the Cooperatives Consultative and Coordinating Committee, and a government agency, the Bureau of Cooperative Development, Ministry of Local Government and Community Development, jointly asked VDC's help in planning the development of housing cooperatives.

Filipinos have had only scattered experience with housing cooperatives. Specifically, they asked VDC to advise them on, (1) the type or types of cooperative housing most appropriate at this time; (2) housing co-op bylaws to protect and promote the interests of both present and future members; (3) general feasibility of various types of construction; (4) potential sources of financing; and (5) a federation of housing co-ops to serve both as a technical service organization for new co-ops and as spokesman for Philippine housing co-ops.

VDC invited Dr. Falk to handle this work. Of all the persons who might have been chosen, VDC felt he was best qualified. I certainly can understand why.

Dr. Falk is vice chairman of the board of trustees of Foundation for Cooperative Housing. He has served as chairman of the international development committee of U.S. Savings & Loan League, as president of National Association of Housing and Redevelopment Officials, as chairman of the Housing Authority of the city of Fresno, and as a member of California's Commission on Housing and Community Development.

Dr. Falk led in organizing First Federal Savings & Loan Association of Fresno in 1957, served 19 years as its president, and is now chairman of its directors. This association has an enviable record of pioneering new financial and construction techniques to bring decent housing within the reach of farmworkers, low-income families, and elderly persons living on fixed incomes. He taught economics at Fresno State College for 29 years, served as chairman of its social science division, and was interim president in 1969–70.

Dr. Falk had handled two previous VDC assignments—one in Malaysia in 1977, where he advised National Land Finance Cooperative Society on self-help housing for its 80,000 members throughout the country who operate the society's plantations, and one in Jordan earlier this year, where he advised Jordan Cooperative Organization on a national cooperative housing effort.

The Filipinos believe cooperative housing can serve those families with incomes of $1,000 to $5,000 a year. Forty-nine percent of the urban families are in this group. Forty-eight percent are below this level. Three percent are above.

Dr. Falk was somewhat surprised to find that opportunities for cooperative housing also exist in rural areas of the Philippines, thanks largely to an 8-year cooperative education effort among former agricultural workers who are buying their 6 or 8 acres of land from the government. Here, he advised his hosts, self-help cooperative housing is a real possibility, especially since building materials are more available than in Greater Manila.

The 30 members of one village rice growers marketing cooperative north of Manila are also making building blocks without cement, Dr. Falk explained, using locally available limestone, silica with iron and alumina, and wood for charcoal. The blocks cost half what cement blocks do and they are much more durable.

Their first decision, Dr. Falk advised his hosts, is: Who will lead? Will it be a government agency that understands cooperatives but not housing? Or a government agency that understands housing but not cooperatives? Or a half-private, half-public apex organization established for the sole purpose of promoting cooperative housing?

Their second move, he said, must be to establish a secondary market for home mortgages. This does not now exist. Generally speaking, only those who can afford to pay 18 percent to 20 percent interest can get a mortgage. Officials of Federal National Mortgage Association and Federal Home Loan Bank Board have indicated to Dr. Falk their willingness to help.

Dr. Falk was pleasantly surprised that Philippine officials were not interested in borrowing additional funds from the United States to get a cooperative housing movement underway. They are concerned about their ability to repay past borrowings, now that petroleum imports are such a drain on the islands payments balance, and they prefer to mobilize the savings of their own people. Only 5 percent of the Philippines' gross national product finds its way into savings accounts.

Through the experience of my constituent, I have become interested in the organization that sent him. Volunteer Development Corps has five professionals on its staff. This year VDC expects to complete nearly 40 projects similar to Dr. Falk's. VDC has $9,163 and 54 days of Dr. Falk's time invested in this project.

The principal ingredient in VDC's success, I am convinced, is the volunteered services of experienced, highly qualified men and women. Each is selected for particular skills that match the specific request VDC receives.

Another reason VDC seems to succeed is that nothing happens until a group of persons overseas or a government agency there asks VDC for help. No one else decides that they should receive help—not their government, not the U.S. Government, not someone trying to be helpful. They alone can initiate a VDC project.

Four national organizations of U.S. cooperatives provide leadership for VDC. These are Agricultural Cooperative Development International, American Institute of Cooperation, National Council of Farmer Cooperatives, and National Rural Electric Cooperative Association. AID provides most of VDC's funds—a $550,000 grant this year.

I like this emphasis on technical help as the basis of foreign assistance. I like the use of volunteered U.S. skills and experience. I like the emphasis on self-help. I would feel more comfortable about our foreign assistance appropriations, Mr. Speaker, if I heard more like this.●

TRIBUTE TO JULIUS F. CASTELAN, DALY CITY COMMUNITY ACTIVIST

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROYER. Mr. Speaker, on the evening of September 7, 1979, many friends will join together to recognize a resident of Daly City, Calif., who has given of himself to the community for over 40 years—Julius F. Castelan.

Julius F. Castelan was born on August 19, 1898, in Guaymas, Mexico, and came to the United States of America at the age of 2. He married Carmen in 1922, and his daughter Gloria has given him three fine grandsons.

In 1936, he became the first city engineer of Daly City. He later started his own civil engineering firm in Daly City, and remains active in the profession today.

He has a long and distinguished record of successful political involvement which reaches back to three campaigns for President Franklin D. Roosevelt. He has served as chairman of the San Mateo County Democratic Central Committee, president of the Daly City Democratic Club, and treasurer of the statewide Mexican-American Political Association in California.

What makes Julius F. Castelan a truly remarkable human being deserving of the honors bestowed upon him is his long and tireless advocacy on behalf of human needs. He continues to raise his voice for those who often do not or cannot speak for themselves—the elderly, the poor, and the Spanish-speaking residents of Daly City. In fulfillment of this role in his life, he served as the first director of the Daly City Senior Citizen Nutrition Project, and is credited with salvaging and breathing new life into the Daly City Community for Children's Services program. He also directed a Comprehensive Employment and Training Act program which enabled over 100 low-income Daly City families to have their homes painted. In addition to many other organizations, he has served as a commissioner on both the San Mateo County Economic Opportunities Commission and the Commission on Aging.

Julius F. Castelan is truly an outstanding member of the Daly City community and deserves the recognition he will gain on the 7th of September. I am proud to join his many friends in paying him tribute.●

NEW RESPONSIBILITIES FOR CAPT. JOSEPH V. WIELERT, USCGR, RETIRED

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LENT. Mr. Speaker, I would like to bring to the attention of my colleagues an important advancement for a very good friend of mine, Capt. Joseph V. Wielert, USCGR, retired, of Long Island City, N.Y. Joe has just been elected to a 2-year term as the Coast Guard Representative on the National Executive Committee of the Reserve Officers Association of the United States (ROA). He succeeds Capt. Bennett Sparks, USCGR, of Hollywood, Calif.

Mr. Speaker, this is a position of no small responsibility. As we are aware, the Congress has chartered the ROA with the mission of working for a military policy that will provide adequate national security. There is no doubt in my mind that in his influential position on the ROA's National Executive Committee, Captain Wielert will make a substantial contribution toward achieving that policy so vital to our future as a nation.

Joe Wielert has dedicated his life to the defense of our country with military service during World War II and the Korean conflict, and in work with Coast Guard Reserve organized and volunteer training unit programs. His service has won him the Coast Guard Commendation Medal.

Since his retirement from active duty in June 1977, Captain Wielert has continued to devote much of his time to Coast Guard and ROA activities, having served as president of the Department of New York, and on several national committees of the ROA. Currently Joe is vice president, public relations for Development Direction, Inc., of New York City.

Mr. Speaker, I congratulate Captain Wielert on his election to the National Executive Committee of the ROA, and I know that with his able assistance, the ROA will continue to provide the leadership our Nation needs to insure its security. Like the minutemen of two centuries ago, the ROA stands on the alert to any threat to our national security.●

CHICAGO AND SCHOOL BUSING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DERWINSKI. Mr. Speaker, columnist Mike Royko of the Chicago Sun-Times has gained a well-deserved reputation for meeting tough issues head on. In his column of September 4, he discusses the confrontation between Chicago and HEW bureaucrats on the issue of busing students to achieve racial goals in school attendance.

I concur with Mr. Royko's basic viewpoint that Federal bureaucrats will perform a disservice to the individual students and to the Chicago school system, and therefore, I wish to insert his article at this point:

INTEGRATION, WITH A VENGEANCE—A BIT OF BUSING BALONEY

(By Mike Royko)

David Tatel is a name not known to most Chicagoans. Maybe Tatel prefers it that way. He's a Washington bureaucrat, and most bureaucrats prefer to hide behind their agencies. In Tatel's case, he is head of the civil-rights office of the Department of Health, Education, and Welfare.

Yet, as little as Tatel is known, he could have almost as powerful an impact upon this city as Mrs. O'Leary's cow. The difference is that the cow didn't know what it was doing; Tatel should know, but doesn't seem to care.

He is the bureaucrat who is possessed by the idea of trying to integrate Chicago's schools, regardless of cost and chaos, and despite only 19 per cent of the students being white.

He seems determined to bus black and white students across the city until there will not be even one school that has a white majority.

Even if Tatel should achieve this goal, we will not really have an integrated school system, since there aren't enough white students to go around. And with Tatel's office unleashing proposals that look like the creation of a mad scientist, there probably will be even fewer white students available to him in the future.

It's difficult to grasp Tatel's purpose. Better education for black students? Broader education for white students? The easing of overcrowding in classrooms? Providing of special programs for troubled students?

Those used to be the arguments given for busing. And in some cases, limited busing achieved those results.

But they aren't the reasons for Tatel zeroing in on Chicago.

All he and his office seem to care about are statistics—integration purely for the sake of having neat columns of figures showing that a certain percentage of students in a school are white and a larger percentage are black.

This is what his latest proposal consists of: Let's see, if we take 62 per cent of the students from this white school, and drive them only 10 miles to this black school, and if we take 47 per cent of the students in the black school, and take them only 10 miles to the white school—ahah! We will have a 51 per cent black majority in each school. Give the HEW computer a kiss.

The computers and Washington zombies who created Tatel's plan have even worked out the travel time. They say that no bus trip will take more than 35 minutes. That's right: It never will take more than 35 minutes for a bus to go from the Far Northwest Side to the Near West Side during rush hours.

I wish Tatel's traffic experts could work that out for the rest of us, who often spend an hour—longer when it snows—inching from the Northwest Side to the Loop.

If you ask Tatel what effect his social juggling will have on the quality of education and on the lives of the children who are being shoved around to satisfy his computer, he answers: "That isn't my concern."

Just what is his concern? Your guess is as good as anybody's.

Tatel came in one day to try to sell me on his goals. He's an intense young man who obviously believes that what he's doing is good. He used to be a Chicago lawyer—idealistic and involved in civil rights issues.

But as he talked, I had the uneasy feeling that revenge could be part of his motive.

He dwelt on Chicago history, specifically the way Chicago's schools had been systematically kept segregated in the 1930s, '40s, '50s and '60s.

He was right, of course. During those decades, Chicago's racist political and real-estate power structure used timid school administrators to isolate Chicago's black. It shifted school boundaries and crammed black students into mobile classrooms.

That's when we could really have used an aggressive approach by Washington, but nothing was done.

Now comes Tatel, either trying to punish Chicago for its past or vainly trying to undo the past.

But if Tatel wants to punish Chicago, he's got the wrong defendants. The children—white and black—who will be bused aren't the villains. So why should they spend up to two hours a day in Chicago's congested traffic to receive the same education available a few blocks from their homes? Their parents aren't at fault, either. Many of them were children themselves when those past sinces were being committed.

I'm not sure who deserves punishment today. The people who set Chicago on its segregated course are gone. The current population has more pressing problems to deal with than the question of whether there is a white face in an otherwise black classroom.

But Tatel doesn't seem to recognize that. He's a man fighting battles of the 1960s, when the 1980s are almost here.

Idealistic as he may be, Tatel is a dangerous character. If the school administration doesn't offer a plan that is to his liking, he will take the city to a federal court. And he'll probably win because if there is anyone with less sense of reality than a Washington bureaucrat, it is a federal judge.

And if that happens, the main results will be tens of thousands of confused children, thousands of angry parents, a huge real-estate turnover, a shrinking city population and a multimillion-dollar busing bill.

One thing you can say for Mrs. O'Leary and her cow: We didn't have to pay them for creating a mess.●

FEDERAL EMPLOYEES RIGHT TO A JURY TRIAL UNDER ADEA

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PEPPER. Mr. Speaker, again this year the Committee on Aging is studying, and investigating, the effectiveness of enforcement mechanisms in the Age Discrimination in Employment Act. We want to make sure that the age discrimination in employment law is not a toothless lion that only places violators in danger of being gummed into compliance. Generally, we have been impressed with enforcement mechanisms of the ADEA. There is, however, a note of discord.

You may recall that the 1978 amendments added language to section 7(c) of the act (dealing generally with enforcement) that clarified the right to a jury trial. As chairman of the Select Committee on Aging, I learned recently that the courts are struggling with a question of whether Congress' election not to include this same clarifying language on a jury trial in section 15c (dealing with a Federal employee's right to bring a civil action) evidenced an intention to deny a jury trial to Federal employees.

Following is the chronology that led to the development of this controversy:

Even prior to the 1978 amendments, there was language in section 7(c) of the act (dealing generally with enforcement) that said an aggrieved person—

> May bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this act.

This provision is still a part of the Age Discrimination in Employment Act, and the language was not changed by the 1978 amendments. In 1974 Federal employees were brought under the act. Included in the enforcement mechanisms for Federal employees was language almost identical to the previously quoted language of section 7(c). More specifically the pertinent section (15c) says that an aggrieved Federal employee,

> May bring a civil action in any Federal district court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this Act.

In Lorillard against Pons, a case decided in 1978 (98 S. Ct. 866) the Supreme Court was asked whether the right to a jury trial is assured under language of section 7c of the act that says an aggrieved person may bring an action for "legal or equitable" relief. The Court held that plaintiffs have the right to demand a jury trial in ADEA suits brought against private employers. The Court reasoned that the word "legal" in the act's authorization to pursue "legal or equitable relief" has a well defined meaning in judicial circles, and carries with it the right to a jury trial. More specifically, the Court said:

> The word "legal" is a term of art: In cases in which legal relief is available and legal rights are determined, the Seventh Amendment provides a right to a jury trial.

Whether a jury trial is also authorized under section 15c of the act, dealing with a Federal employee's right to bring an action for "legal or equitable relief" was not before the Court, or considered by the Court. However, the identical entitlement to "legal or equitable relief" under the language of sections 7c and 15c leads to a very compelling conclusion that if the Court had considered whether a Federal employee's entitlement to "legal or equitable relief" included a right to a jury trial, the Court would have held that the term "legal relief" under section 15c carries with it a right to a constitutionally guaranteed jury trial.

In 1978 a paragraph was added to section 7c of the act. This paragraph says a person is

> Entitled to a trial by jury of any issue of fact in any such action for recovery of amounts owing as a result of a violation of this Act, regardless of whether equitable relief is sought by any party in such action.

The language of section 15c that talked about a Federal employee's action for legal or equitable relief was not amended to include the amplifying language of section 7c.

When the Kennedy amendment which added the amplifying language of section 7c was being considered in the Senate, Senator KENNEDY justified the amendment by saying:

> Mr. President, I would point out that three out of the four circuits which have ruled on the availability of a jury trial under this act have held that it is the right of the individual to seek a jury solution.
>
> It seems to me to be wise to insure that particular protection to those who are subject to age discrimination. (Congressional Record, Oct. 19, 1977, p. 34318.)

Since the unamended language of section 7c(1), dealing with civil actions generally for aggrieved employees, and the language of section 15c, providing a civil action for Federal employees, are virtually the same, and the Kennedy amendment was enacted to clarify the intention of Congress to authorize a jury trial under that language, it would be reasonable to suppose that the spillover from section 7c would be in the direction of assuring a jury trial under section 15c. Despite appellate decisions that hold a jury trial is authorized, and a legislative history that says the jury trial language added to section 7c is intended to clarify an already existing right, there are still those who contend that the act does not authorize a jury trial on the grievances of Federal employees.

There is nothing in the House or Senate debate that indicates there was any thought that Federal employees should be denied a jury trial. When the Kennedy amendment was discussed on the floor of the House, Mr. Quie told us:

> The third Senate amendment made explicit provisions for trial by jury in actions for monetary relief under the Act. Subsequent to passage of the Senate amendment the Supreme Court in Lorillard against Pons held that the act as originally enacted did afford a right to trial by jury for claims for recovery of lost wages under the act. However, the court expressed no view on whether the act implicitly authorized a jury trial for claims for liquidated damages under the act. In adopting a revision of the Senate amendment, the conferees make it clear that a jury trial is available for deciding those factual issues underlying claims for amounts owing as a result of a violation of the act. Liquidated damages are explicitly authorized as an amount owing under section 7(b) of the act.

Those who participated in the House and Senate debates would be surprised to learn that legislative efforts to confirm the right to a jury trial have been construed as a denial of that right. It would be indefensible to deny Federal employees the right to a jury trial. Under any legislative enactment in the field of civil rights, the Federal Government should be the leader not a grudging participant. At this juncture we do not know whether further legislative action will be needed to dispel any notion that Federal employees are entitled to a jury trial. As chairman of the Committee on Aging, I will continue to watch developments in this area, and will ask for further delineation of the right of Federal employees to a jury trial if conflicting judicial interpretations are not resolved in favor of a jury trial.●

TRIBUTE TO LOU BROCK

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, I would like to take a moment to pay tribute to one of the great athletes in St. Louis history; a man who has stolen more bases than any other player in baseball, and a man who on August 13, 1979 became the 14th player in baseball history to achieve 3,000 hits.

Lou Brock, who plans to retire at the end of this baseball season, has shown the people of St. Louis and the baseball world that a player can develop the skills of speed and finesse to the level of greatness. He has become a hero since his arrival in St. Louis in 1964, when his batting and base-stealing led the Cardinals to victory in the World Series.

In recognition of Lou Brock's achievements, I am inserting several editorials about his 3,000th hit. The first is from KMOX-Radio in St. Louis:

EDITORIAL FROM KMOX-RADIO

The magic number was 3,000. And the Cardinal's Lou Brock performed that special magic last night at Busch Stadium. He made baseball history by getting his 3,000th hit.

The baseball record books and sports commentators will analyze the special significance of Brock's achievement to the game of baseball. They will give all the facts on how only 13 other players have achieved this milestone. They will talk about the other Brock record in base stealing. These are major achievements in the special world of baseball.

However, we believe Lou Brock's 3,000th hit has even more significance. We think it is an example of how sports can unify and

electrify an entire city. It is an example of how sports can be far more than a mere game to a metropolitan area.

In the past few days, thousands of residents and visitors alike have crowded into downtown St. Louis to see the Cardinals-Cubs series and to see Lou Brock reach his 3,000th hit. Their interest and enthusiasm affected the entire atmosphere of our city. The positive impact was found in all segments of the community, from the oldest city neighborhood to the newest suburb. We are all proud of Lou and proud to be St. Louisans.

This burst of civic pride and solidarity will have constructive effects for months and years to come as our citizens work together to confront and surround civic problems.

Another sports milestone went into the record books last night with Lou Brock's 3,000th hit, but it was a very special civic milestone, too.

Next, an editorial from the St. Louis Globe-Democrat:

TRUE LOU

What else can be said of Lou Brock?

The front pages and the sports pages have had first crack at doing right by the classy Cardinal who has brought glory to himself, to St. Louis and to the uniform he wears so proudly.

Still, old editorial writers feel a need to join in the love fest saluting Lou.

Everyone may have a favorite recollection of Lou's superb performance on the diamond as he set all-time stolen base records and hit safely 3,000 times. Others admire him for being the gentleman that he is.

An editor recalls meeting Lou for the first time under unusual circumstances.

Some years ago, in the off season, Lou wanted to make a good case for himself in negotiating his next contract. So he came into The Globe-Democrat offices and borrowed the figures lovingly compiled by Harry Mitauer, famous staff statistician.

Then Lou sat down on the rim of the sports copydesk, like one of the boys, and took notes. Throughout his visit Lou was congenial, as he almost always is except when pitchers are dusting him. But more than that, he was thoroughly businesslike and every bit a professional in his approach.

Anyone who imagines Lou Brock's greatness is the product of chance or good luck doesn't know the man. Lou knows how to get facts as well as hits.

Like Stan the Man, Lou is one of a kind. And only the two of them have achieved their distinctive superiority wearing St. Louis Cardinal uniforms.

Congratulations, Lou, on joining Stan in the hearts of St. Louis fans. You're True Lou.

And an editorial in the St. Louis Post-Dispatch:

LOU'S LESSON

On Sept. 10, 1961, in Hyannis Port, Mass., President Kennedy deplored Soviet Russia's refusal to halt nuclear testing in the atmosphere; in Washington, the U.S. announced it would enlarge its forces in Europe by 40,000, to 250,000; in St. Louis, the city began considering the merger of Homer G. Phillips and City hospitals because of rising costs, and in Chicago, Lou Brock stepped to the plate for his first major league at-bat. He singled.

On Aug. 13, 1979—17 years and 11 months later—some things seemed not to have changed at all. The U.S. was still quarreling with Russia, NATO forces were still being strengthened and the two city hospitals were still being merged. Lou Brock, on the other hand, had made considerable progress. He got his 2,999th and 3,000th base hits, an achievement that may not rank with an end to the Cold War or even cost cutting at City Hall, but nevertheless provides a wholesome, entertaining and, yes, inspiring diversion pending nirvana in either municipal finance or arms control.

His achievement is testimony to more than a keen batting eye, for there are, after all, better hitters who will never joint the elite 3,000-hit club. What truly sets him apart is the self-discipline and fidelity to purpose that made possible the consistency and stamina demanded by such a sports milestone. The same attributes, of course, were the sine qua non of his standing as a base stealer. Though microscopically few of us will ever possess Lou Brock's baseball skills, all of us can aspire to the qualities that have made him such a singular player—for they are attributes that are valuable in any endeavor.

And an editorial from the St. Louis Labor Tribune:

LOU! LOU! LOU! LOU!

In an age of the anti-hero or no heroes at all, it is nice to know that Lou Brock exists. It is even nicer to know that we in the metropolitan St. Louis area are his neighbors, so to speak.

When Lou smashed that line drive last Monday night for his 3,000th hit, he did it not only for Lou Brock but for everything this nation stands for: decency, honesty, courage and just plain old-fashioned goodness. Lou Brock is all that and more.

Last Monday Lou Brock guaranteed his immortality. Thanks Lou. We don't have a heck of a lot to cheer about anymore, but you are one of them.

Thanks for the memories.

Finally, an editorial from the Washington Post:

GOING OUT ON TOP

Louis Clark Brock got two singles in a baseball game in St. Louis Monday night. There is nothing unusual about that—he has been doing it for years. But these were hits No. 2,999 and 3,000 of his major league career. That, as every sports fan knows, puts Mr. Brock in one of baseball's special categories. As important as those 3,000 hits are to the keepers of records, however, they are not what makes Mr. Brock special. There are other things.

One of them is that Lou Brock and a tiny handful of other players restored to baseball in the 1960s something it seemed to have lost. Unlike the strong men whose bats propel balls over shortened fences, he was a player whose success depended upon speed, skill and finesse. He was a terror on the base paths and reminded fans there is as much joy (and anguish) in stealing a base as there is in hitting a home run.

The other thing about Mr. Brock is this: When he got those two hits the other night, he was almost two months beyond his 40th birthday. Some of us find that one of baseball's more gratifying statistics. Folklore has it that men of his age, are, as they say, over the hill. But this year, Mr. Brock at age 40 has been tearing up the league, hitting more frequently than ever before and outplaying men 10 and 15 years his junior.

It is the last year he will do so. He announced last winter, and has stuck with it ever since, that this summer will be his last on the playing fields. That announcement, if the reports from St. Louis are correct, brought grimaces from those who pay his salary. He has had a disastrous season in 1978 and they wanted him to quit. No man, the pundits said, could come back at 40 from so bad a performance and play well in a sport demanding such good eyes and quick reflexes.

But Lou Brock said he didn't want to go out as a flop. One more year, even at 40, and perhaps, just perhaps, he could go out on top. He got the year, he is having the season he longed for, and he is going out where he wanted to be. That's class and that, more than the 3,000-plus hits and the 900-plus stolen bases, is what makes Lou Brock special.●

SEVENTY-FIFTH ANNIVERSARY OF LODGE 661, POLISH NATIONAL ALLIANCE, PITTSFIELD, MASS.

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. CONTE. Mr. Speaker, on Saturday, September 8, 1979, Lodge 661 of the Polish National Alliance of Pittsfield, Mass., will celebrate its 75th anniversary. I would like to take this time to share with my colleagues my remarks prepared to honor this occasion.

It is not often that I am afforded the opportunity to congratulate the members of a group that has such a history of dedicated service to the community, the church, and the Polish people of the Berkshire area. It is all too rare to find an organization that serves one of these purposes; but perhaps the longevity of the Pittsfield Lodge of the Polish National Alliance is due in large part to its dedication to many causes, and the spirit in which its members fully devote themselves to each.

If we go back in time to when the Polish National Alliance in Pittsfield was founded, back to the turn of the century, we will see the beautiful Berkshires, those green rolling hills, the home of many farms for raising vegetables and cattle. Already, however, communities had cropped up around centers of learning and manufacturing.

The first Polish immigrants arrived in this area at about that time. Many families came over together, or sent one family member ahead to find work. But because most of them could not speak English, employment was not easy to find. Many of the Poles who worked on farms when they first arrived saved their money to buy their own land to farm. Others took jobs in the mills, where, because of the lack of English proficiency, they were often overworked and taken advantage of.

At this point in time, the family served as the nucleus for all activity—social, religious, and economic. Those whose families remained in Poland sent what money they could to relatives still in Poland, with the hope that in the future those loved ones left behind could eventually join them in the new country.

These first emigres were solitary people—they spoke a different language, dressed a little differently, ate different foods, and did not always understand the ways of those who lived around them. As separate families became established and grew in number, they became less afraid of being "different" and found more strength in the other Polish families in the area. Because they shared the same Roman Catholic religon, it was not difficult to worship together, and in time they could help support their church, the Holy Family Church in Pittsfield.

As time went on, however, many of the Poles decided it was not enough to center their lives around only those who shared the same religious and ethnic background. Their own community had flourished from within; it was time to reach out.

When the Pittsfield Lodge of the Polish National Alliance was first founded in 1904, the group's main purpose was to bring together people of Polish descent in order to provide everyone with a sense of belonging in a new country. Soon afterward, when members of the Polish community had firmly established themselves in local businesses and government, the Polish National Alliance began to address itself to the community at large. Their reasons for involvement in community affairs can be seen in the same light as anyone elses—in trying to make the world a better place in which to live. Yet, this commitment is intensified when one considers that the Polish people also wanted to thank their community for harboring them and their families at a time when they were being turned out in other places around the world.

I am sure that we all feel a sense of obligation to our children to make life somehow easier for them. The first members of the lodge were faced with that feeling, yet the difficulties they had all endured in coming to America were difficulties they perhaps would not wish on their children, but would want their children to understand. In introducing Polish culture into the mainstream of their small area, they were educating their children, but, more importantly, educating all of those around them.

As I understand, to this day the Polish National Alliance devotes many of its activities to the church and members of the community. By visiting the elderly and shut-ins, and by sponsoring a scholarship rogram for the youth of the community, the lodge has been more than fulfilling its commitment to the quality of life in the Berkshires. This type of activity on the surface may seem small, but in judging achievement of any magnitude, it is necessary to search for the root—and that root usually lies in the community.

Throughout my years in public service, I have always taken pride in the people of the First Congressional District and in the communities they have established. Through the years each small city and town has welcomed new ethnic groups to their population and has incorporated their cultures into those values already standing in the community. Needless to say, this same process is the root of our American civilization—to respect the beliefs of others and to welcome those with different ideas to share in how we feel and what we think.

Unfortunately, this is not the case in all parts of the globe. I need not remind you that as I speak and congratulate 75 years of dedication to church and service to community, there are millions of people in Eastern Europe who are holding clandestine church meetings because those who control the government will not accept a difference of opinion or even a belief in God.

The hope of much of the Western World for religious freedom in Eastern Europe has now been placed in one man—Pope John Paul II. An able and educated man, the Pope has already made great strides in showing that he is taking a strong but well-reasoned stand in his desires to release the churches of Eastern Europe, Catholic and non-Catholic, from the bondage of the Soviets.

When the Pope visits this country in the fall, I am sure he will stir the hearts of all Polish-Americans and cause us all to reflect on the plight of our Catholic counterparts in Eastern Europe.

In closing, I would like to congratulate all the members of the Pittsfield Lodge of the Polish National Alliance—its officers and its founders. I hope that God will continue to guide its members in the pursuit of excellence in community service, church service, and everyday life.●

STOP ENCOURAGING PLO TERRORISM

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LENT. Mr. Speaker, I have viewed with the gravest concern a sudden swell of public support for the Palestine Liberation Organization (PLO) since the resignation of Andrew Young as U.S. Ambassador to the United Nations. I have been appalled that some of my colleagues in the Congress have joined in misguided efforts to push the United States into negotiations with the PLO.

Whatever one's feelings may be about Mr. Young's resignation—I personally believe it was necessary to maintain the principle of Presidential responsibility—it is a most dangerous error to use Young's departure as an excuse for advocating that the United States deal with the terrorist PLO in any official way.

The proponents of such a course are asking the United States to break a firm, written commitment to Israel not to negotiate with the PLO until the PLO accepted both the existence of Israel as a nation, and the terms of the United Nations Security Council Resolutions 242 and 338.

Furthermore, there is a moral issue of the utmost importance involved. By recognizing the PLO in any official way, the United States would be endorsing the use of terrorism, the principal tool of the PLO since its founding in 1964.

Mr. Speaker, no one recognizes this important fact more than Mr. Bayard Rustin, one of this Nation's outstanding black leaders, and a key figure in the civil rights struggle. In the New York Times of August 30, Mr. Rustin wrote a most eloquent and learned exposition of the moral issue involved in official dealings with the PLO. The clarity and force of his reasoning is most impressive. I commend Mr. Rustin's article to each of my colleagues and to the President and all members of the executive branch who deal with U.S. policies in the Middle East. As Mr. Rustin states so precisely:

Any links with the PLO, no matter how limited, would give legitimacy and tacit approval to the rule of the gun.

Exactly so.

Mr. Speaker, I insert the full text of Mr. Rustin's article at this point in the RECORD:

TO BLACKS: CONDEMN PLO TERRORISM

(By Bayard Rustin)

Amid the heated controversy following Andrew Young's resignation as the United States delegate to the United Nations, some black people have suddenly embraced the Palestine Liberation Organization.

As I see it, some black leaders have turned to the P.L.O. in an effort to act as conciliators between Israel and the Palestinians.

Other blacks, I believe, met the P.L.O. representatives in New York to demonstrate their independence from official United States policy.

And still others viewed such meetings as a way of striking back against Israel and the American Jewish community for their supposed involvement in engineering Mr. Young's ouster.

But regardless of motivation, I think black people must clearly understand the moral—yes, moral—issue involved here.

For in seriously considering links with a group like the P.L.O., the black community is moving beyond the realm of mundane "politics as usual."

We are moving into an area where we face three enormous risks.

First, we risk causing serious divisions within our own ranks; second, we risk the forfeiture of our own moral prestige, which is based on a long and noble tradition of nonviolence; and third, we risk becoming the unwitting accomplices of an organization committed to the bloody destruction of Israel—indeed of the Jewish people.

Some people have pointed to a few superficial parallels between the P.L.O. and American civil rights movement. Naturally, this talk about the P.L.O. as a "civil rights" group or a minority movement within Israel has generated sympathy for the Palestinians among black people. But this identification and even solidarity with the P.L.O. is based on a terrible perversion of the truth, not only the truth about the P.L.O. but the truth about our own movement as well.

Looking back on the history of the P.L.O., one thing has become abundantly clear: The P.L.O., from the day of its creation in 1964, has never once uttered a word in support of any form of nonviolent resistance, peaceful relations between Israelis and Palestinians, or a political solution to the complex problems in the Middle East.

By contrast, black leaders in America, especially central figures like Dr. Martin Luther King Jr. and A. Philip Randolph, never once in the long history of the civil rights struggle countenanced violence or terrorism.

American civil rights leaders, of course, chose nonviolence for many political and tactical reasons, but Dr. King once identified the key source of the movement's strategy when he noted that the black American rejected physical force "because he believed that through physical force he could lose his soul." In short, the choice of nonviolence was based on deeply-held moral principles. It was based on a desire to build community, to unleash the creative force of love, and to protect and enhance the God-given human dignity of all people, be they friend or foe.

The P.L.O., however, espouses the opposites of all these principles.

In word but more importantly in deed it espouses violence, hatred and racism. It repeatedly scorns reconciliation. While Dr. King frequently spoke of nonviolence as "the

sword that heals," the P.L.O. exalts the sword that kills.

My description of the P.L.O. here is no exaggeration. Its tactics, values and goals are candidly set forth in its national Covenant and other official documents. Its legacy of terrorism is written in innocent blood across Israel and Western Europe, and even across the Arab lands of Jordan and Lebanon.

Between 1967 and 1977, for example, the P.L.O. was directly responsible for killing over 1,100 unarmed men, women and children; its terrorists activities maimed nearly 2,500 people; and it held over 2,700 hostages. Moreover, this organization has trained and armed other terrorist groups such as the Baader-Meinhof gang in West Germany and the Red Brigades in Italy.

Considering this record, I fear that individuals who see similarities between our struggle and the terror campaign of the P.L.O. are ignoring or twisting the facts.

By harshly criticizing the P.L.O., I do not mean to suggest that black leaders have no business concerning themselves with Middle Eastern problems. Nor am I arguing that blacks should shun the P.L.O. so as to ingratiate themselves with American Jews. Rather, I am saying that if black Americans are to pay any constructive or conciliatory role in shaping American policy in the Middle East, we must do so in a manner totally consistent with the moral and spiritual tradition of nonviolence.

We must therefore reject hasty and expedient moves; we must reject any formal or organizational relationship with the P.L.O.

Any links with the P.L.O., no matter how limited, would give legitimacy and tacit approval to the rule of the gun.

Dr. King, in his letter from the Birmingham jail, included a story to illustrate the rewards of perseverance in the nonviolent tradition. He wrote about a 72-year-old black woman who walked a long distance every day during the bus boycott. Frequently she was jeered by hostile whites; she was tired and physically weak, but she refused to use the buses. Someone asked her why she continued to support the nonviolent protest. Her response, I believe, will always be precious; "My feets is tired," she said, "but my soul is at rest."

By shunning and condemning the terrorism of the P.L.O. we too can be assured that our souls will be at rest, as we preserve our tradition of nonviolence.●

THE CASE AGAINST THE OIL COMPANIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LaFALCE. Mr. Speaker, there has been a great deal of confusion and controversy about the profits of the oil companies. On the one hand, Mobil Oil repeatedly and rather sanctimoniously insists that oil companies' profits are very moderate, although that moderation did not prevent Mobil from acquiring Montgomery Ward. On the other hand, consumer groups charge the oil companies with highway robbery in broad daylight.

I do not believe that there ever will be a definitive resolution of this uncertainty, but there is a related issue which is amenable to a simple solution. The oil companies' spending on research and development, in comparison to other high technology industries, has been so minuscule that it is ludicrous or unpardonable, depending on your point of view. Faced with dwindling supplies of domestic oil and unreliable supplies from abroad, one would have expected the oil companies, which are really energy oligopolies, to try to emulate the efforts of the computer industry or aerospace community and develop new technologies. That expectation has for some inexplicable reason not been met.

The oil companies cannot legitimately argue that the field lacks sufficient opportunities, but their miserable record in research and development is one of the most powerful arguments for a stiff windfall profits tax which would fund research, development and marketing for synthetic fuels and solar enrgy.

Ms. Jessica Tuchman Mathews in an article in the August 7 edition of the Washington Post has explored this question in solid detail. I want to commend this insightful article to my colleagues' attention.

The article follows:

WHERE HAVE ALL THE DOLLARS GONE?

(By Jessica Tuchman Mathews)

The argument over oil company profits shows no sign of ending. Are they 'outrageously high, about average for all industries or (as Mobil claims) not high enough? Without getting mired in the debate, there is cause for suspicion that something's not quite right about an industry whose principal asset has recently quintupled in value and which can still claim that without every penny of the resulting revenue there will not be enough to finance further exploration and production.

What does the oil industry do with all that money? In particular, why has it spent so small a fraction of its wealth on research and development? The answers bear directly on the government's energy plans, and on the potential for adequate energy supplies in the years ahead.

	Sales (billions)	R. & D. as percent of— Sales	Profits	Profits (billions)
Aerospace	30.8	3.7	93.0	1.2
Automotive	132.2	2.8	70.2	5.2
Chemicals	68.6	2.5	41.3	4.1
Conglomerates	44.8	1.7	44.1	1.7
Drugs	32.7	4.7	48.4	3.2
Electrical	36.9	2.5	41.7	2.2
Electronics	20.9	2.6	56.1	.9
Information processing	42.3	6.0	54.8	4.6
Instruments	9.9	3.9	69.9	.5
Semiconductors	7.2	5.8	102.3	.4
Oil	228.9	.4	8.6	11.3

The accompanying table summarizes information from a recent Business Week survey of all industrial spending on R&D. It shows that spending as both a percent of sales and a percent of profits. The 10 industries covered all involve high technology and are among the country's largest. Their average R&D spending in 1978, before the recent wave of oil price increases, was 3.5 percent of sales and 62.1 percent of profits. The comparable figures of the oil industry are .4 percent and 8.6 percent—about 800 percent lower. The full survey covered 30 industrial sectors—including tires, appliances, farm machinery, building materials, leisure time, paper, apparel and tobacco. Business Week's composite for all 30 shows R&D to be 1.9 percent of sales and 34.4 percent of profits. Whether counterparts, or the entire spectrum of U.S. industry, oil company spending on R&D is so low that it practically falls off-scale.

Why? Part of the reason is that the oil industry spends vast amounts on exploration, most of which is not counted in this measure of R&D. Another part is that the oil companies are so rich that these small percentages hide large numbers of dollars. But neither explanation accounts for the huge discrepancy in a field literally bursting with vitally important research opportunities: tertiary oil recovery methods, procedures for the production of the country's huge unconventional gas resources (including geopressurized methane, gas in tight sands and deep gas), techniques for burning or recycling used lubricant and motor oil, solar technologies, magnetohydrodynamics for the clean burning of coal, synthetic fuel technologies (those now available are pre-World War II vintage), energy-efficiency improvements for furnaces and engines, etc. These are only a few examples arbitrarily chosen from a long list of possibilities.

Yet the record of the past 13 years reveals few important discoveries made by the energy conglomerates. There have been modest improvements in production and refinery techniques, and advances in seismic prospecting and offshore drilling processes. There has been progress in other areas as well, but only the invention of the zeolite catalyst (which vastly increases the yield of gasoline when crude oil is cracked or broken down), stands out as a truly fundamental advance. Other major sectors—electronics, computers, aerospace, for example—are virtually unrecognizable when compared with the state of the art 15 years ago.

Economic survival or competitive advantage is the primary motive for most R&D spending. Judging from their record, the oil companies don't feel the pressure. This is true despite the fact that domestic oil and gas reserves have fallen steeply and steadily since 1970, even though there was an even sharper increase in the number of wells drilled in the same period. The hitch is that, like it or not, the oil companies are not just oil companies: They are this country's energy companies. They own and can control the production of large portions of the country's coal, gas and uranium resources. Except for the federal government, which will spend about $3.5 billion on energy R&D this year, only they have the steady economic and technical base to undertake the large-scale and long-range research programs that are needed.

Scientific and technical excellence have long been this country's strong suit, and the energy field offers an almost unparalleled opportunity to get the good of it. The problem is how to bring the oil giants into the effort.●

WELCOMING A TORTURER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DERWINSKI. Mr. Speaker, from time to time, observers of our foreign affairs, myself included, have been disturbed at the erratic conduct of the administration's human rights policy. Although the major newspapers barely covered the event, in early August Washington was visited by Sekou Toure, President of Guinea. He was received by, among others, President Carter and Secretary of State Vance. Having one of the worst human rights records in the world, President Toure's treatment here should confuse everyone concerned

about America's position on human rights in the world. The following column by Michael Novak, appearing in the Washington Star, August 22, 1979, is an interesting commentary on President Toure's visit:

WELCOMING A TORTURER

(By Michael Novak)

Mayor Marion Barry presented a key of Washington, D.C., the city of Jefferson and Lincoln and Franklin Delano Roosevelt, to Guinea's President Sekou Toure, the world's most accomplished extinguisher of human rights. This was Barry's first venture into international politics. It does not speak well for his judgment or his moral values.

Barry has met Toure before, and should know his record well. At the beginning of his Marxist days, back in 1964, Toure invited Barry and other leaders of the Student Non-Violent Coordinating Committee to Guinea. Stokley Carmichael, the leader of SNCC, now lives in Guinea. In July of this year, Toure and Barry met again in Africa. So Barry is in a strong position to know Toure drove at least one million of his little nation's 5.5 million people from the country in the 1960s.

In 1972, Newsweek described one massive purge: "Getting confessions has proved easy. As one Guinean recently told a reporter for The New York Times. 'They put you in a little kennel where there's no room to stand, and nobody pays any attention to you for five or six days. No water, no food, nothing. Then, they take you to the interrogation room, where there's a glass of water you can have if you say what they want to hear. It's not too long before you start saying, yes, I was spying for the French, and for the Germans and for the Americans, and here's a list of the others who were doing it, too.'"

A book by Jean Paul Alata, African Prisons, reports on systematic torture and death among Toure's political prisoners. In 1977, the International League for Human Rights in a 300-page report based on eyewitness accounts, accused Toure of conducting a reign of terror. Freedom House gave Guinea a "seven" rating on political rights and liberties in 1978, as low as it is possible to score. Only 14 other nations are thoroughly repressive enough to hit "seven," but Toure did it.

Toure is only 56 years old. He was 40 when he turned his nation in Moscow's direction, and made war on the most talented individuals among his people. Although Guinea has almost one-third of the world's bauxite (necessary for aluminum), uranium deposits, potential oil fields, and rich agricultural lands, Toure's socialism has kept his population one of the poorest in the world, with an average income of $140 a year.

This great exponent of human rights was put up for the night in Blair House in early August, had a meeting with President Carter "that went beyond the usual courtesies accorded a foreign leader on a private visit" according to news reports, and also met with Secretary of State Vance. The meaning of the Carter campaign for human rights was thereby, no doubt, clarified for all the world.

One hopes Carter assured Toure, just as he assured the Shah of Iran in 1978, that all his people love him. One hopes Carter also promised to support Toure just as loyally as he supported President Somoza of Nicaragua, even though his human rights ratings fall below those of Nicaragua under Somoza. One hopes Carter practiced "evenhanded diplomacy."

To be sure, Toure has thrown out the Soviets, and desperately wants U.S. businessmen to come mine his bauxite and his uranium, find oil for him, and help his agriculture. The U.S., he believes, needs new anti-Soviet friends in Africa. Toure expressed the hope South Africa would accept "majority black rule" just as peacefully as the city of Washington has, where "we see black leaders who welcome us and a city council that reflects the will of the majority."

Perhaps out of embarrassment, the city's major papers ignored the news of Toure's visit, except in Section B of The Post and the Portfolio section of The Star. Thus, the style of the visit was covered, but not its political significance: A rhythm and blues band played on one side of the door, and the U.S. honor guard and the 3rd U.S. Infantry's Old Guard Fife and Drum Corps, in red and white Colonial army uniforms, played on the other.

A key to the city of Washington flashed gold in his blood-stained hand, and the President of Guinea smiled as he received it.●

EDUCATION RIGOR MORTIS: POLITICIZING EDUCATION, PART II

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ERLENBORN. Mr. Speaker, a paralysis has befallen Federal education policymaking. As Fred Hechinger reports in a New York Times article below, there is literally no one running HEW's education shop—the Office of Education, the National Institute of Education, and the Bureau of Student Financial Assistance.

This has jeopardized implementation of the Elementary and Secondary Education Act Amendments of 1978 and prevented OE from reaching decisions relative to reauthorization of the Higher Education Act.

The administration has been unwilling to fill these top education slots in the wake of departures by our Government's chief educrats. The administration, sobered by its near-defeat in the House of its misguided attempt to create a Cabinet Department of Education, has not wanted to appoint replacements and thereby chance alienating any additional segment of the education community, thereby endangering the bill's chances of final passage.

As Mr. Hechinger points out, it is ironic, indeed, that legislation trumpeted as sure to increase education's strength in the Federal bureaucracy has already led to a policymaking paralysis which has weakened its position. This is yet another manifestation of the unfortunate consequences attendant to a further politicizing of education.

Making education political has been a hallmark of the current administration's approach to the subject, beginning in 1976 with Candidate Carter's promise to exchange his support of a separate Department for the National Education Association's endorsement of him. Earlier this year, as I pointed out in my extension of remarks on June 29 ("Politicizing Education"), the administration floated at least five names of possible Secretaries of Education prior to the House vote in hope of picking up a vote here or there.

We read now that the administration has apparently settled on former New Mexico Governor Jerry Apodaca, who, it hopes, will cement Chicano support for the President's 1980 reelection drive. As an article reprinted with my June 29 remarks made clear, even in the selection of HEW's Assistant Secretary for Education, Mary Berry, as Acting Commissioner of OE (for a 30-day term which ended July 31) wreckage was strewn across OE's landscape, injuring the professional reputation of the individual the administration has chosen initially to head OE on an interim basis. Members of the Black Caucus, it was reported, had threatened to oppose the Department bill if the name of the administration's initial choice had not been withdrawn.

These earlier examples, reinforced by OE's inability today to formulate education policy, should convince skeptics not only that a Department of Education would further politicize education, but also that the bill in Congress has already had this effect. Worse still, establishing this Department would reward an administration which has created the present paralysis in the education bureaucracy, and has thus shown itself to be richly undeserving of any reward.

The article follows:

DISARRAY IN WASHINGTON

(By Fred M. Hechinger)

The Federal education bureaucracy is in disarray. Its top position of United States Commissioner of Education has been vacant since July 1, and there has been no Acting Commissioner since Aug. 1. The director of the National Institute of Education, the establishment's research arm, resigned two months ago. The head of the Bureau of Student Aid has just left for a job in private industry, and his deputy a week ago told his staff of his impending departure.

The Office of Education, with a staff of some 3,000, administers a $12 billion budget. Among the more than 130 programs under its supervision is the vital Elementary and Secondary Education Act, all student aid, and the new and growing support for handicapped children and youths.

Insiders who keep the wheels turning, despite the top leadership's departure, are loath to speak for quotation, but privately they express their frustration. Outsiders, such as state education officials, who depend on close cooperation with the Federal Government, are equally concerned about the uncertainties of personnel and direction.

Most observers of the Washington education scene attribute the present hiatus at least in part to President Carter's determination to make good on his campaign pledge to give education greater visibility and clout by taking it out of the Department of Health, Education and Welfare and creating a separate department of education.

The bill to accomplish this has been approved overwhelmingly by the Senate but, to everybody's surprise, squeaked through the House by only four votes. It remains in the Senate-House conference committee, encumbered by a number of controversial amendments. Its supporters, who are led by the National Education Association and coordinated by Vice President Mondale, say they are confident that the measure will be approved soon after Congress gets back to work, but opponents, including the American Federation of Teachers and much of the higher education establishment, say that there is a good chance that the bill will be rejected.

Meanwhile, there is reluctance all around to fill vacancies in the Office of Education while the department's future remains un-

certain. Thus, ironically, the move that is intended to boost education's strength has had the effect, at least for the moment, of weakening its position in Washington.

In summary, this is what has led to the present leadership impasse.

Ernest L. Boyer and Patricia A. Graham resigned, respectively, as United States Commissioner and Director of the national institute before the new conflict-of-interest legislation went into effect on July 1. Under its regulations, persons who leave Federal posts are barred for a period of two years from dealing with Federal agencies. (The rules have been softened somewhat, exempting certain academic positions, but they would still apply to Mr. Boyer, who is president-elect of the Carnegie Foundation.)

Dr. Mary P. Berry, H.E.W.'s Assistant Secretary for Education, was named Acting Commissioner July 1, but another relatively new regulation limits "acting" in top posts to 30 days, a restriction imposed in reaction to President Nixon's tendency thus to avoid confirmation showdowns in the case of controversial appointees.

The absence now of even an Acting Commissioner creates problems. For example, state plans that must be submitted for funding approval can only be signed by the Commissioner or an Acting Commissioner. John Ellis, the highest-ranking deputy, says that as many plans as possible were rushed through in time for Dr. Berry's signature, but not all plans had been received in time.

Leo L. Kornfeld, who recently left his post as Deputy Commissioner for Student Financial Assistance, has been replaced by Acting Commissioner Tom Butts, on leave from the University of Michigan. The bureau's second-in-command, Peter Voight, has resigned and will depart at the end of this month.

Meanwhile, observers point out, a political comedy of errors in H.E.W. itself, the Office of Education's parent body, has done little to shore up stability. In June, Joseph A. Califano Jr., then Secretary of Health, Education and Welfare, persuaded Barbara Newell, president of Wellesley College, to ask her trustees for a leave of absence in order to become his second-in-command as Under Secretary. According to insiders, Mr. Califano stressed at the time that he expected to do a good deal of campaigning for the President's reelection in 1980 and wanted a strong deputy to mind the store. (Mr. Califano, though discreet about the matter, was lukewarm about a separate department of education and may have turned to a noted educator as his aide as a means of underscoring H.E.W.'s interest in education.)

Within weeks after Mrs. Newell accepted the invitation, however, Mr. Califano became the first victim of Mr. Carter's Cabinet shake-up, and Mrs. Newell's invitation was rescinded. According to sources close to the original negotiations, the possibility still remains that Mrs. Newell will be asked to join the Federal education establishment, but for the moment this is merely one of the many uncertainties of education's representation in Washington.

Patricia R. Harris, who succeeded Mr. Califano, has indicated to associates that she plans, at least for the moment, to act as her own Under Secretary until other uncertainties, such as the future of H.E.W.'s education component, are resolved.

How do all these shifts and the present headless state of the education office affect education itself? Insiders say that they can readily handle routine, procedural business but admit their concern over a lack of a sense of momentum and direction.

They point out that a number of key policy decisions ought to be faced now, such as details surrounding reauthorization of the Higher Education Act of 1972, which represents most of the Federal Government's aid to colleges, universities and students and has only one more year to go.

"Higher education moves into an enormously difficult decade," said one official, underscoring that planning for it ought not to be in limbo. Others make the same point about the uncertain future of the public schools.

Yet, there are few observers who see a chance for more than a holding action until the fate of the department of education is decided. Even then, it is estimated that the leadership pieces will not be fully in place for at least six months from now, a long hiatus for education planning that is, in the view of most Washington experts, compounded by uncertainties about the Carter Administration's own future.●

TO RETHINK OUR VALUES

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. TAUKE. Mr. Speaker, recently I had the opportunity to review an exceptional address presented by Dr. George Nash at the 105th anniversary celebration of the birth of President Herbert Hoover.

Dr. Nash's remarks not only highlight the career of this distinguished public servant who was born in my home State of Iowa, but also inspire one to rethink the values which have made our country great: Equality of opportunity, hard work and initiative, and a commitment to humanitarian goals.

The values Herbert Hoover cherished are just as relevant today as they were in his time. For the review of my colleagues, I include Dr. Nash's speech in the RECORD as follows:

THE SOCIAL PHILOSOPHY OF HERBERT HOOVER

Fifty years ago last March a man born only a few hundred yards from where I stand became President of the United States. What do you think about when you hear his name, Herbert Hoover? All of you, no doubt, automatically associate Mr. Hoover with the Great Depression of the 1930's. Most of you are doubtless aware of his Quaker upbringing and of his enormous humanitarian relief work in Europe during and after World War I. Four years ago, Aleksandr Solzhenitsyn remarked that the American Relief Administration under Herbert Hoover's direction saved the lives of literally millions of Russians during the great famine of 1921–1923. Many of you know that he was the first President born west of the Mississippi River and that he was the man who appeared in the first public demonstration of television in 1927.

Just down the hill, in sight of his grave, you can see another of his important benefactions: the Herbert Hoover Presidential Library. When Mr. Hoover died only fifteen years ago, he had lived ninety extraordinarily productive years—including a full fifty in public service. I can think of few other Americans whose careers were as multifacted and remarkable as his.

What is significant for us today about the life of this man? In the case of Herbert Hoover, our concern transcends, I think, the transient particularities of "human interest." For Hoover did not simply lead a career rich in accomplishment; he reflected on the circumstances which made such a career possible. He developed and in his time came to personify a perception of America, a version of America, a political and social philosophy which could explain the greatness of the country he loved. It is in this vision and this philosophy that we can discover some of the enduring significance of Herbert Hoover.

He was born in West Branch, Iowa in 1874—the son of the village blacksmith. Before he was seven his father had died. His mother, a recorded minister in the Society of Friends, passed away a little over three years later, so that in early 1884, before he was ten, young Herbert was an orphan.

Despite these traumas, Hoover's later reminiscences of his Iowa childhood were gentle, almost idyllic. In the most famous of these recollections he began:

"I prefer to think of Iowa as I saw it through the eyes of a ten-year-old boy—and the eyes of all ten-year-old Iowa boys are or should be filled with the wonders of Iowa's streams and woods, of the mystery of growing crops."

Of his native state he declared: "The good Lord originally made it the richest stretch of agricultural land that ever blessed any one sovereign government. It was populated by the more adventurous and the more courageous, who fought their way along the ever-extending frontier."

From Iowa in 1885 young Herbert Hoover was sent west to Oregon to live with the family of an uncle. In 1891 he traveled down to California to become a member of the entering class at newly-founded Stanford University. After graduating in 1895, Hoover spent some time working in California and the southwest until, in early 1897, opportunity beckoned half a world away, in the gold mines of Western Australia.

Hoover's journey to Australia in 1897 via Europe, the Suez Canal, and India, must have been an intensely stimulating one to a young man of twenty-two. Years later, reflecting on this voyage, he remarked significantly, "History became a reality and America a contrast." It was Hoover's first exposure to the world outside the United States, and in his responses to that world we find one of the sources of his later social philosophy.

When Hoover disembarked on the coast of Australia that year, he headed inland nearly 400 miles to the mining towns of Coolgardie and Kalgoorlie, deep in the inhospitable "outback" (the region, incidentally, where, a few weeks ago, Skylab fell to earth). Hoover's description of life in this desolate land were vivid. "It's a country of red dust, black flies, and white heat," he wrote to an American friend. "I could not portray the misery of any one of them on paper. The country is an endless desert, no water, no nothing but mines." It was a land to make one think of home. Writing to a friend in 1897, Hoover declared: "Am on my way back to Coolgardie. Am glad to get back within the borders of civilization. . . . Anybody who envies me my salary can just take my next trip with me, and he will then be contented to be a bank clerk at $3 a week for the rest of his life, just to live in the United States."

In late 1898 Hoover left Australia for a new and more responsible mining position in China. Once more Herbert Hoover, not yet twenty-five years old, found himself living among strangers and encountering a foreign civilization.

At this point we can detect one of the threads of Herbert Hoover's early life. From the cornfields here in Iowa to the orchards of Oregon, to the spacious acres of Stanford University, to the rugged Sierra Nevadas, to the dusty goldfields of Australia, even to the coal mines of northern China, we discern a repeated pattern: Herbert Hoover's early days were spent on or near frontiers. His was largely an outdoor life, lived in environments which rewarded initiative, industry, resourcefulness, and merit. Since the day when Hoover's ancestor, Andreas Huber, landed in

Philadelphia from the Old World in 1738, the Hoover clan had moved gradually westward, until, with Herbert, the trek circled the globe. Benjamin Franklin is supposed to have said that America is a country where we ask of a man not "Who is he?" but "What can he do?". Hoover's was a society populated substantially by people who held this attitude and who had moved away from a constricted and stratified civilization.

In late 1901 Hoover left China for England and a partnership in an eminent firm of mining engineers. Until World War I London, England was his base of operations while he traveled continually, inspecting, financing, and developing mines from Burma to Australia, from South Africa to Siberia. For some Americans with similar careers the temptation might have been irresistible to become an expatriate. For Herbert Hoover, if anything the opposite was true. Throughout these years abroad, his thoughts turned often toward his native land. As early as 1907 he expressed to the President of Stanford University his longings to retire from his profession and to turn to a life of service in the United States.

And all the while, Hoover was observing, analyzing, and evaluating the social systems of the Old World and the New. Long voyages at sea gave him an opportunity to read about the politics, economics, and culture of countries all over the earth. On one of these ocean trips, a British lady asked him what his profession was. An engineer, he said. "Why," she exclaimed, "I thought you were a gentleman!" This anecdote, which Hoover recounts in his *Memoirs*, epitomizes, I think, his distaste for the class consciousness and social rigidities of Europe. From all of this he turned. In a revealing letter written to an American friend in 1912 Hoover observed:

"The American is always an alien abroad. He never can assimilate, nor do other peoples ever accept him otherwise than as a foreigner.

"His own heart is in his own country, and yet there is less and less of a niche for him when he returns. . . . I am disgusted with myself when I think how much better off you people are who stuck by your own country and place. When you walk down the street you meet a hundred men who have a genuine pleasure in greeting you. I am an alien who gets a grin once in nine months."

Two years later, the conflagration of World War I changed the course of Herbert Hoover's life. While huge European armies bogged down in the trenches, Herbert Hoover, working without pay, directed the Commission for Relief in Belgium, a neutral organization which procured and distributed food to the civilian population of Belgium, caught between the German army of occupation and the British naval blockade. It was a noble undertaking which ultimately brought food to 10,000,000 people a day and which catapulted Hoover to worldwide fame as a humanitarian.

But behind the uplifting routine of providing daily food to needy Belgians lay a depressing world of conspiracy, national rivalry, and festering intrigue. Many times, weary from incessant conflicts with one or another belligerent power, Hoover contemplated and even threatened resignation. Hoover, of course, did not quit, but his prolonged exposure to the emotions of war and the ancient antagonisms of Europe was a disillusioning encounter.

In 1917 Hoover sailed back to America to direct our wartime Food Administration. But within two years he returned once more, this time to feed Europe while President Woodrow Wilson strove to draft a peace treaty at Versailles. From November 1918 to September 1919 Herbert Hoover crisscrossed Europe as Director-General of the American Relief Administration, organizing the supply of food for starving millions and facilitating the emergence of stable economies. The grim alternative was chaos, famine, a new generation of embittered Europeans, and the possibility of Communist revolution over much of the continent.

But if Hoover could take comfort from his outstanding humanitarian accomplishment in postwar Europe, there was much that he saw which profoundly alarmed him and helped to determine his future political thought. The New World, he came to believe, was remote from the imperialism, fanatic ideologies, racial antipathies, dictatorships, power politics, and class stratification of Europe. As he later expressed it in his Memoirs, "the forces which lay behind the rejection of American ideas at Paris in 1919 were far deeper than the intrigues of diplomacy or the foibles of European statesmen. Here was the collision of civilizations that had grown three hundred years apart."

In 1921 Hoover became Secretary of Commerce of the United States; in 1929 he became President. Of the thirty-eight men who have occupied the Oval Office, Herbert Hoover undoubtedly enjoyed more extensive acquaintance with foreign peoples and their social systems than any of his predecessors or successors. In another respect, too, he was unusual: he attempted to distill from his unique experiences a coherent understanding of the American experiment that he cherished.

According to Hoover, the revolutionary upheavals of World War I and its aftermath had produced a world in ferment. In this cauldron, several ideologies (he called them "social philosophies") were competing for the minds of men—among them Communism, Socialism, Nazism, Syndicalism. To Hoover, who had seen the vicious results that emanate from a blending of "bestial instincts" with idealistic humanitarian jargon, the need for a definition of the American system was urgent. He called this system "American Individualism."

By this he did not mean unfettered, old-fashioned laissez-faire. Hoover was anxious that individual initiative always be stimulated and rewarded, but it must, he said, be "tempered" by "that firm and fixed ideal of American individualism—an equality of opportunity." Equality of opportunity—this, in Hoover's words, was "our most precious social ideal." Hoover insisted that equal opportunity and a "fair chance" for individuals to develop their abilities were "the sole source of progress" and the principal impulse behind American civilization.

Hoover did not believe that equality of opportunity was automatically self-sustaining in a modern, technological economy. A certain measure of governmental regulation and guidance, some governmental legislation, were necessary, he felt, to prevent inequality of opportunity and the throttling of individual initiative. But the nature and extent of this government involvement must be carefully defined and, above all, kept consistent with the broad American traditions of voluntary cooperation, local self-government, and individual initiative. While not unmindful of the faults of unchecked capitalism, Hoover was an uncompromising foe of socialism and the totalitarian state.

For the rest of his life Hoover expounded, often with eloquence, the philosophy he forged in the aftermath of World War I. Speaking before a Boy's Club in 1940, for example, he said:

"By a classless America our forefathers meant far more than a sociological expression. There were to be stratifications in life that handicapped the rise of any boy from the bottom to the top. . . . The human particles should move freely in the social solution. This idea of a fluid classless society was unique in the world. It was the point at which our social structure departed from all others."

And always he drew the contrast between the America he loved and the Old World with its pestilent ideologies. Listen to his words here in West Branch in 1948:

"I have seen the squalor of Asia, the frozen class barriers of Europe. And I was not a tourist. . . .

"My every frequent homecoming has been a reaffirmation of the glory of America. Each time my soul was washed by the relief from grinding poverty of other nations, by the greater kindliness and frankness which comes from the acceptance of equality and a belief in wide-open opportunity to all who want a chance."

How, though, could equality of opportunity be preserved? For Hoover there were many answers. One, perhaps the most crucial, was our educational system. Another mechanism, in Hoover's eyes, was the Boys Club movement; in it, he claimed, "there is a restoration of equal opportunity with all the other boys." Indeed, many of Hoover's governmental policies and charitable activities over the years, including his long concern with child welfare, acquire a kind of thematic unity if we perceive them as attempts to promote equality of opportunity for all Americans, especially the young.

It was part of Herbert Hoover's ordeal in his later years that the vision of America that he expressed came to seem abstract and anachronistic for many Americans. It was all right for Hoover to extol the social system that had produced him, many people seemed to think, but were his tributes to America's traditional values truly relevant any longer, now that the continent was settled and we lived in an industrialized society? Wasn't America's pioneer past over now, and with it the supposedly outmoded values of individualism, neighborly cooperation, and private initiative?

Herbert Hoover responded forcefully to such criticisms. It was not the mere accidental availability of abundant land and natural resources that had blessed America, he insisted. It was our social system, animated by the ideal of human freedom. To Hoover the principles of American Individualism were not anemic platitudes, to be uttered, perhaps, on the Fourth of July. And he warned against the notion, increasingly fashionable today, that America has become a closed, stagnant society in which progress has irrevocably halted. This, he said, is the concept of a static nation. It is necessarily the philosophy of decadence. No society can become static, it must go forward or back. . . . No society will function without confidence in its future opportunities.

Now some of you may believe that Hoover's viewpoint is irretrievably outmoded. Certainly it is true that America—and the very nature of our government—have altered in the half century since he was President. A half century is a very long time.

And yet I suggest that there is today an increasingly resonance to Herbert Hoover's philosophy, more than a decade after his death. The challenges we confront raise philosophical questions to which Hoover's answers deserve our attention. Consider, for instance, the increasingly pervasive, and legally countenanced, use of quotas in the hiring of men and women for jobs in business, universities, and government. In our commendable desire to eliminate past discrimination, are we not perhaps invoking an antithetic creed, which measures us by the crude and irrelevant categories of race, gender, and ethnic origin? Herbert Hoover's philosophy has much to say on this point.

Or consider the much-discussed "energy crisis." If Herbert Hoover were living today, I suspect that as a life-long champion of efficiency and the elimination of waste he would vigorously encourage efforts towards conservation of our resources. But he would also stress that a far more precious resource than oil must not be allowed to atrophy.

This is our social energy. And the source of this liberating social energy is not an overweening, coercive, stultifying, bureaucratic government but free men and women, uncommon men and women, competing and cooperating voluntarily in an open, fluid society. It is a proper function of government, I think he would say, to stimulate initiative and to foster its harmonious use. It is not the proper function of government to try to monopolize social energy like a giant parasitic sponge.

Finally, I have emphasized today the roots of Herbert Hoover's philosophy in the contrast he perceived between the Old World and the New. I ask you, in closing, to ponder anew the ghastly practical consequences of some of the alternative social philosophies which have motivated men and women in this often bloody century. Consider the tens of millions who have perished in the Gulag Archipelago. Consider the death camps at Auschwitz. Consider, today, the agony of the Vietnamese boat people who would literally rather run the risk of drowning at sea than live under the "social philosophy" called Communism.

Free societies, such as the one we today enjoy, are a rarity in human history, and they are not self-sustaining. To survive they require a cogent understanding of their fundamental, undergirding values. This Herbert Hoover realized. He spent much of his life attempting to apply these values and to teach us what he learned. If you examine the record of what he did and what he said, you will find that he speaks to us still.●

THE DRAFT AND ADDITIONAL SERVICE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PAUL. Mr. Speaker, when H.R. 4040 is taken up by this House, much of the debate will center on registration for the draft and national service. I would like all of my colleagues to read this article that Prof. Charles Fried of the Harvard Law School published in the Washington Post on March 15, 1977. What right do we have to deprive innocent persons of their liberty for 1 year, or 2 years, or any length of time? What crime have all 18-year-olds committed that requires them to be registered and to serve at hard labor? We ought to take these questions seriously, if we are not simply hyprocritical when we speak of human rights. Or does one have to be 21 before one becomes a human being?

COMPULSORY PUBLIC SERVICE: A BAD PRECEDENT

(By Charles Fried)

Proposals for a program of compulsory public service for all young people have been making the rounds in congressional and editorial circles. One major network news commentator hailed such a program as an idea "whose time has come."

I disagree. In this, the beginning of our third century of liberty, it is shocking that so many should be ready to impose in so drastic and total a way on the liberties of a whole generational slice of the American population. And it is particularly disheartening that the liberties of our young people should be casually disposed of on such ill-conceived and essentially self-serving grounds.

The proposal, which has attracted so much favorable comment, is this: All youths—say at high school-leaving age—would be required to spend a year in some form of public service activity, but his obligation could be discharged by enlistment in one of the military services. The proposal is thought to be good in principle and good in practice. In principle, it is thought to affirm the notion of an obligation of public service. And practically it would help alleviate a problem which is showing up in the volunteer army. It appears that the volunteer army is turning out to be very expensive while still failing to attract recruits of a desirable quality. It is thought that by instituting a general obligation of service, many more will find it worth their while to discharge that obligation in the military, thereby improving the quality of the army and lessening the burden on the taxpayers.

The idea is wrong in principle and would surely be a nightmare in practice.

The idea is wrong in principle because the liberty of young people is worth no less than the liberty of middle-aged politicans and editorializers who would take from them the right to determine how to live their lives during a substantial period of time. I would not wish to denigrate the principle that we all have an obligation to serve our community, but the notion that we may be compelled to do so absent manifest necessity and some clear national emergency, is foreign to our traditions. The shoddiness of the proposal, indeed, reveals itself when we see that it really boils down to a desire on the part of the middle-aged to get something—a high quality defense manpower pool—without paying for it. If the nation needs a military establishment of a particular quality, then the nation as a whole should pay for it, and not force a small segment of the population to contribute its services unwillingly for nothing.

But if the argument of principle doesn't convince, the practicalities should. All one has to do is consider the difficulties of tens of thousands of local school boards in enforcing useful activities on high school students during some five or six weekday hours, to see how unlikely we would be to be able to provide and supervise a meaningful, compulsory year-long, 24-hour-a-day experience for every 18-year-old in the nation. (And make no mistake about it, anything less total would not have the desired effect of driving large numbers of youths into the military as a preferred alternative.)

I ask those who would casually deprive their fellow citizens of their liberty for a year of their lives, who would administer these programs? Who would determine what constituted appropriate public service alternatives? Who would enforce attendance, and discipline participants who snuck away for an hour, or a day, or a week? Who would keep order in the dormitories? Or would there be dormitories? What about drinking and drugs? Would there be exemptions for students? For persons engaged in essential activities? And so on.

I would have thought the loathing the American people have displayed for multiplication of Bureaucracies and regulations would indicate that the last thing in the world the public would want at this point would be a program that turned over every 18-year-old in the nation (man and woman) to a wholly undefined, non-extent set of total institutions.●

CONGRESS SHOULD SUPPORT BICYCLING

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ANDERSON of California. Mr. Speaker, while I always like to take the time to read Roll Call, the fine weekly newspaper that is distributed up here on Capitol Hill, I was particularly pleased to note one article in the August 2 edition. That article, entitled "Bicycling," spotlighted what one of our colleagues is doing to save our Nation's energy, while gaining healthful exercise for himself.

Congressman BOB WHITTAKER, Republican of Kansas, bicycles from his home to the Capitol, 10.2 miles, at least once a week. That is quite a trip for him to make, but I think it demonstrates his personal concern for the energy crisis this Nation has found itself in.

This body will have the opportunity soon to demonstrate its collective concern. I will be offering an amendment to H.R. 4440, the Department of Transportation Appropriations bill, which will bring to $10 million the total appropriations level for the Nation's bicycle program. I am pleased to say that our Appropriations Committee has seen fit to recommend funding for this program for the first time, at a level of $4 million. The statutory authorization is $20 million, so my amendment would modestly fund the program at half of what it could—and I personally believe should—be.

Mr. Speaker, our colleague from Kansas bicycles over 10 miles into work. If just 1 percent of all trips of only half that distance, that is 5 miles or less, which are currently being made in an automobile, were made by bicycle, this Nation would save about 131 million gallons of gasoline per year.

This Government and this Congress ought to be in the business of encouraging gasoline conservation through the increased use of bicycles.

So, I hope our colleagues will take a minute to read the article which I am submitting for the RECORD, and then think about what they are doing to help save energy. If they do, I am confident that the Anderson amendment will be added to H.R. 4440.

The following is from the August 2, 1979, Capitol Hill—Roll Call:

BICYCLING

(By Myron Struck)

It was hot on the floor of the House of Representatives and Bob Whittaker could feel the sweat breaking out beneath his suitcoat. The week was nearly over and all he wanted to do was relax. No more talk about President Carter's Energy Conservation policies, SALT II or the balancing of the Federal budget . . . just a relaxing couple of days.

The freshman Republican headed back to 516 Cannon where the humidity and temperatures were stifling. He bade the staff goodbye and—glancing out the window—saw the bright white cumulous clouds softly hovering above. He headed to the garage and a bicycle rack.

Rep. Bob Whittaker (R-Kans.) had adopted a new policy—he would bicycle the 10.2 miles from his Arlington, Virginia, home to the Capitol at least once a week. More, he said, if his schedule permitted.

But alas, the ominous portent of a Friday the 13th hit the ambitious 39-year-old solon. As he headed across The Mall the clouds began to close in. By the time he reached the Kennedy Center, doubt began to replace the perspiration. The air chilled a bit. The clouds overhead were leaden. At the Whitehurst Freeway—well, the way Whittaker tells it—"It was like the great flood."

The deluge "covered the streetcar tracks with water and I kept getting the wheel stuck. It was awful."

Rep. Whittaker waited out the storm, sheltered from the pelting rain but not from the relieving breeze that it blew under the Freeway.

Undaunted, he says he'll continue wheeling to work.

"I feel that Congressmen need to set an example of conserving energy," he said. "I honestly believe that we have an energy shortage, and that it is not going to go away in the near future."

During his 1978 primary election campaign in Kansas' 5th District—an open seat—Rep. Whittaker decided he'd renew an old interest in bicycling.

"I could hit up to 300 homes a day using a bike, going door-to-door," he guessed at the time. "I never got to 300, but I easily doubled the number I could reach on foot."

Since Kansas forbids cross over voting in its primary elections, Whittaker sought only to reach Republican voters during the outings. He didn't have to go from one door to another, but from one Republican home to another.

"It wasn't meant as a campaign gimmick and I never used it that way," he says. "But I knew I had to stay in shape, physically, while I got involved in campaigning. It's easy to exhaust yourself on the campaign trail or physically while bicycling or jogging; but one helps your body and the other one wears you out."

Since he revived his bicycling interest about six weeks ago he's managed about a dozen trips aboard his two wheeler.

"Some other Representatives are talking about a conservation plan that would have everyone leave their cars at home one day a week," Rep. Whittaker said. "Congressmen might be able to do a lot more to encourage conservation if they would set an example by conserving in their own energy use."

Whittaker would like to see better security for those who bicycle to and from Capitol Hill. Currently there are racks in the Cannon garage and the Rayburn garage as well as beside the Longworth Building, on the House side, but the fear of having an expensive bicycle stolen "hasn't subsided" enough to encourage more people to take up the hobby.

"If somebody proposes it, I'd support it," he said, hedging on whether or not he should personally lead an effort to "spend just a few taxpayer dollars, not too many," to promote his cause.

In a press statement, Whittaker said: "Last year, we paid $43 billion to foreign countries for oil, and that figure may be closer to $70 billion this year. We need to conserve not only because of the energy shortage, but also to help shore up the dollar and improve our trade balance."

He says he is serious about trying to deal effectively with the nation's energy crisis in Congress, hence taking the opportunity to use a press statement about his bicycling adventures to push across a philosophical point.

"But I'm having the time of my life," he adds. "It's a relaxing 45 minutes and the towpath along the (William O. Douglas) Canal is beautiful." Currently, only two other Congressmen have taken to the cycle as a regular means of transportation. One is Rep. Bob Eckhardt (D-Tex)—a man nearly twice Whittaker's age. The other is Rep. Bob Edgar (D-Pa).

"Eckhardt's the only one I've seen on a bike," said Whittaker. "I've seen him take one from the office buildings to the Capitol for a vote."

Maybe they should get together and start a group—perhaps a Bicycling Caucus?●

THE ASIAN HOLOCAUST

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DANIEL B. CRANE. Mr. Speaker, today I want to bring to the attention of my colleagues an article from the editorial page of the Chicago Tribune of Sunday, June 17, 1979. This article compares the present situation in Southeast Asia with the holocaust during World War II. It points out that the Vietnamese regime is stripping its victims of their wealth exactly as the Nazis stripped their victims. The article asks a very important question, are we breaking the promise we made at the conclusion of World War II when we vowed that these atrocities would never be allowed to happen again? This editorial is worth consideration by my colleagues.

The editorial follows:

THE ASIAN HOLOCAUST

There is a grim familiarity about the events now transpiring in Southeast Asia. An entire ethnic group—the Chinese of Viet Nam—is being singled out for racist persecution. Their property is being confiscated, and they are being driven out of the country or imprisoned in concentration camps. The international community is ignoring their plight even as they suffer and die by the tens of thousands. Their crime is simply being of Chinese extraction, a vigorously industrious people who are despised for their success.

The historical parallel is obvious. The Vietnamese communists are carrying out a policy that differs from Hitler's "Final Solution" only in scale and detail.

In scale it does not match the six million victims of the holocaust, but an estimated 200,000 have died from drowning, exposure, or thirst upon the high seas, another quarter million or more scattered around the world as refugees, and perhaps 1.2 million are in Viet Nam waiting to be cast adrift at sea or to undergo whatever further "solution" the Vietnamese authorities may devise.

In detail, the Vietnamese regime is stripping its victims of their wealth exactly as the Nazis did [this monstrous expulsion program is Viet Nam's most lucrative export activity]. The victims are not, to our knowledge, being murdered outright, but they are being sent to sea in boats that are both overloaded and unfit for the open ocean. Western officials have estimated that about half perish, a proportion that is expected to rise soon to 70 per cent because ever smaller and less seaworthy craft are being used as the expulsions continue. Those who refuse to be driven out or who lack the reported $3,000 in gold required for exit permission are being sent to concentration camps. Their fates there are not known.

A few countries are trying to help [the U.S. is the leading one, having accepted more than 200,000 refugees on our shores, but even that is too little]. Most of the rest of the world is behaving with a venality that ranges from mere indifference to an outright refusal to rescue distressed boats or to let them land.

We would not like to live with the consciences of those [including some Americans] who opposed U.S. involvement in Viet Nam yet refuse to condemn the new horrors there.

China, the victims' cultural motherland, refuses to absorb these few hundred thousand souls into the vastness of its land and population. The Soviet Union, the most self-righteous castigator of Germany's wartime atrocities, is Viet Nam's chief international sponsor and the supplier of its arms. But not only have the Russians failed to halt this madness, they are actually accepting payment for weapons in the very gold that was taken from the doomed Chinese.

After World War II, when the full enormity of the holocaust began to sink in, virtually the entire civilized world vowed that it would never be allowed to happen again.

We are breaking that promise.●

WESTERN NEW YORK CITIZENS COMMITTEE OBSERVES CAPTIVE NATIONS WEEK

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. NOWAK. Mr. Speaker, the Western New York Citizens Committee to observe Captive Nations Week held their 20th anniversary commemoration dinner dance on Saturday, July 21, 1979, in Buffalo, N.Y. The following resolution, proposed by Mrs. Dasha Procyk, was adopted by the committee. Mrs. Procyk has asked me to bring the resolution to the attention of my colleagues in Congress to remind us of our Nation's role as an example of independence and freedom to all captive nations throughout the world throughout the year.

The resolution follows:

CAPTIVE NATIONS COMMITTEE OF WESTERN NEW YORK

Whereas, two decades ago, the legislators of our land passed Public Law 86-90 whereby requesting the President to proclaim the third week of July of each year as Captive Nations Week; and

Whereas, the intent of this law is to render moral support to all captive nations craving to regain their lost freedom and independence; and

Whereas, the past twenty years have seen a steady and disturbing erosion of national and human rights in different parts of our shrinking world; and

Whereas, political prosperity can only be guaranteed when supported by morality in all endeavours of public life; and

Whereas, true freedom and liberty cannot be established without adherence to the fundamental tenets that national and human right is a basic pre-requisite to world peace; and

Whereas, universal freedom is still not attained and the quest for same is daily challenged by subversive forces that flagrantly abuse basic national and human rights; and

Whereas, only a strong United States can be a deterrent to further encroachments of Communist Rusian expansionist designs and a bipartisan alliance of our political leaders is most urgently needed to adopt a national strategy of peace through strength; and

Whereas, a viable society is achieved by not those who talk but by those who do—the achievers and individual excellence paves the road to national prominence; and

Whereas, America has demonstrated a traditional regard for excellence and has shown in times of national crises that it can draw on this fountain for sustenance; and

Whereas, by recognizing that we are now being challenged by multiple problems at

home and abroad exacerbated by the same worldwide conspiracy that toppled the once free nations;

Now, therefore, be it resolved, that we, gathered here tonight to observe the twentieth anniversary of the Captive Nations Week will individually exercise our utmost efforts to work toward the realization of the ideals of freedom and sovereignty for all nations and shall endeavour to urge our elected officials on all levels of public office to re-dedicate their efforts to the ideals that made our country great and by doing so give a new dimension to efforts of other nations to attain freedom and sovereignty.

THE CARIBBEAN: A NEW IMPERATIVE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. LaFALCE. Mr. Speaker, the overthrow of the Somoza dynasty in Nicaragua has focused long overdue attention on the volatile situation in the whole Caribbean area. Although this area contains the Panama Canal and is in close geographic proximity to the United States, it has generally been ignored by the media and the administration.

The downfall of the unlamented Somoza regime and the chronic instability of a substantial number of other Central American and Caribbean governments illustrate why the United States should be more active in this area. Since gunboat diplomacy has been consigned to its proper oblivion, this country is faced with only two options. First, it could ignore the area, which would be foolhardiness of the first order. Second, it can significantly increase its economic and technical assistance to these poor and underdeveloped countries, through either bilateral assistance or multilateral assistance funneled through the Inter-American Development Bank.

In a compelling editorial in its August 4 edition, the Niagara Gazette states the case for the second alternative in a very persuasive manner; and I would like to share its arguments with my colleagues.

The editorial follows:

NEW RED SCARE

The fall of Nicaragua's Somosa dictatorship has spurred a number of reports that Nicaragua and other small Central American and Caribbean countries are in danger of being taken over by communists, in the fashion of Cuba.

It's not clear where these reports are coming from, but it seems reasonable to assume that many come from the people and organizations who see Red under every bed, and who believe that only dictatorships can prevent the spread of communism. Disappointment does not deter them. Though neither Portugal nor Spain, India nor Iran went communist after their dictators were overthrown, they still hope in a morbid sort of way that their predictions of catastrophe will be vindicated. In a slightly more positive vein, they hope their predictions will spur American intervention, preferably military but covert CIA action would do, to make sure the "right" people are put in control of the countries they believe are in danger.

American intervention in Central America and the Caribbean is certainly needed.

But not the kind of intervention the fear-mongers have in mind.

Many of the governments of the region are unstable. A number of countries harbor active revolutionary movements. Coups and revolts are certainly to be feared, especially after the success of the Sandinista revolt in Nicaragua. And doubtless many of the revolutionaries are Marxists of one kind or another.

But the way to combat the discontent that flowers into revolution is to combat the conditions that cause unrest. These countries are mostly poor. In most of them, what wealth there is is mostly in the hands of a few powerful families, a few dominant businesses, and a few corrupt government officials. In such conditions, ordinary people have little hope of improving their desperate lot in any ordinary way, so they are ripe for the promises of revolutionaries.

The kind of U.S. intervention that is the kind that will give some hope to these peoples—hope for more food, better homes, some control of their own destinies. And the tools of that intervention are not military forces or spies, but well-tested programs that have worked in other countries—programs to improve food production, to improve agricultural marketing, to organize producer and consumer cooperatives, to improve human and animal health, and so on.

It would help a great deal if the U.S. government put some discreet pressure on the governments of the region to undertake land reform and other measures of economic justice. But even without that kind of reform, effective people-to-people aid programs can do much to improve people's lives and give them hope of making their economic and political systems more responsive to their needs.

Next year, the U.S. is scheduled to give $155 million in aid to the countries in the Caribbean basin. That may seem like a lot, but it is not: the local governments of Niagara County, where 235,000 people live on 500 square miles of land, spend more than that in a year. The Caribbean basin includes millions of people and hundreds of thousands of square miles. $155 million can be spread pretty thin by inventive programming and administration, but after a certain amount of spreading it gets too thin to do much good.

The president and Congress should make a new assessment of Caribbean needs—an assessment, if they like, based as much on fear of communism as on a desire to help poverty-stricken people, for poverty begets communism when poverty becomes desperate enough, and it would certainly be damaging to the U.S. if other Caribbean countries besides Cuba become communist satellites.

Then the U.S. should decide to spend enough money to make Central America and the Caribbean hostile territory to communism—that is, territory where there are a quality of life and of social justice sufficient to make democracy and free enterprise more attractive than communism.

MARINE SANCTUARIES: A PROGRAM WE DO NOT NEED

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BREAUX. Mr. Speaker, on July 31, 1979, I introduced H.R. 5018, a bill to repeal the marine sanctuaries title (Title III) of the Marine Protection, Research, and Sanctuaries Act of 1972. I believe that the marine sanctuaries program, administered by the Department of Commerce, is wholly unnecessary to provide for the protection of the marine environment. The Clean Water Act, the Outer Continental Shelf Lands Act Amendments of 1978, Title I of the Ocean Dumping Act, the National Environmental Policy Act and numerous other authorities which are being very successfully implemented, render the marine sanctuaries program redundant. The way in which that program has been administered has shown very little regard to the existence and efficient implementation of other relevant programs. This has led to unnecessary and unduly expensive bureaucratic effort. Illustrative of the poor performance of the marine sanctuaries program is a critical commentary by the Interior Department on a particular sanctuary proposal.

This commentary follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 12, 1979.

MS. JOANN CHANDLER,
Director, Sanctuary Programs Office, Office of Coastal Zone Management, Washington, D.C.

DEAR MS. CHANDLER: We have reviewed the Draft Environmental Impact Statement (EIS) for the Proposed East and West Flower Gardens Marine Sanctuary. The Department of the Interior (DOI) supports this proposed sanctuary but believes that the regulatory scheme described in the Draft Environmental Impact Statement (EIS) is unsatisfactory. It is our position that the existing regulatory program administered by the Department of the Interior is adequate to protect the Flower Garden Banks from damage caused by oil and gas exploration and development activities. Additional restrictions that would be imposed on OCS lessees under the proposed designation are unnecessary, inappropriate, and inconsistent with the President's policy to eliminate unnecessary Federal regulations. The failure of the EIS to justify additional regulation of OCS oil and gas operations in the vicinity of the Flower Garden Banks is discussed in detail below.

We also find the EIS to be poorly organized and difficult to follow. Alternatives to the "Preferred" alternative are inadequately addressed. Interpretation of the scientific evidence is tenuous at best. In places the EIS seems to be more of an attack on DOI's policies and procedures than an analysis of the environmental impact of the proposed action.

Our general comments on the proposed designation described in the EIS are presented below. Immediately following this discussion is a section containing our specific page-by-page comments.

GENERAL COMMENTS

1. Necessity for further regulation of oil and gas operations within the proposed sanctuary boundary.

The Department of the Interior is statutorily mandated to regulate all OCS oil and gas development activities in such a way that the environment is protected. For years the Department has recognized the unique and fragile nature of the Flower Garden Banks and has administered the OCS leasing program in the vicinity of the Banks so that the coral reefs and associated communities are not injured by oil and gas development. All lease agreements between the Department and the lessees of tracts in the Flower Garden Banks vicinity contain stipulations which are specifically designed to protect the reefs. These stipulations are described in the EIS. They include such restrictions as a "no

activity zone" where all exploration or development operations are prohibited, a shunting requirement, a monitoring requirement, and certain prohibitions against bulk discharges of muds or use of toxic bactericides. These restrictions are included in the contractual agreement between the government and the lessee as lease stipulations. They were established after intense scientific investigation by independent scientific personnel and are continuously scrutinized.

There is a lack of justification for altering the existing regulatory scheme involving the "no activity zone" which DOI has established.[1] A justification presented in the EIS for the proposed modification of the existing zone is that the extension is necessary to avoid discharges directly into the crinoid zone on the Banks (F-33). The discussion does not acknowledge, however, that under the terms of the existing lease stipulations, BLM already has the authority to prevent discharges directly into the crinoid zone. The lease stipulation (on OCS-G-3316 for example) provides that if the shunting method is not adequate to protect the unique character of the area outside the DOI "no activity zone" (out to 3 miles from the 85 meter isobath), the Supervisor has the authority to require barging of the material. Another EIS justification for the extension of the "no activity zone" states that "Well established hard bank communities, namely crinoids, do however extend below the 85 meter isobath to 100 meters (328 ft.) or more and represent a transition zone of significance which could be impacted by a platform" (E-29). Well established hard bank communities exist wherever there is a hard bank, regardless of depth; the communities differ depending on depth and other factors. Crinoids are found throughout the Gulf of Mexico, and neither as a community nor as a species do they require special protection. Hermatypic coral communities which are unique and productive do require such protection; DOI has been affording them continued protection for over five years. Numerous studies by both BLM, industry, and independent scientific organizations have shown that oil and gas operations under DOI's current restrictions have had no adverse impact on the reefal communities.[2]

Under the proposed regulatory scheme, lessees within the sanctuary boundaries would be required to shunt drilling discharges to within 6 meters of the bottom instead of the 10 meters now required by Interior. The only justification for this change is that "shunting to 6 meters offers greater probability that the material will actually be deposited in the nepheloid layer than does the present BLM requirement of shunting to 10 meters" (F-27). However, the discussion then adds that the "Bureau of Land Management reef monitoring studies have not indicated any effects on the reefs from shunting activities that have occurred to date" (F-38). Apparently there is no evidence whatsoever that the 10 meter restriction is inadequate, yet the proposal would alter this restriction. Additionally, there is no mention of the fact that shunting to less than 10 meters may cause mechanical problems; cuttings may accumulate causing the shunt pipe to become blocked and result in surface discharges.

The regulations would also prohibit the discharge of ". . . drilling muds in bulk" (C-12). With this prohibition is tied the questionable alternative of barging these materials away from the drilling sites, which involves the need to moor large surface craft to the drilling facility over long periods of time even in adverse weather conditions. Barging could be an extremely dangerous requirement to those conducting the activity and, in the case of spills, would be more hazardous to the environment from surface disposal than shunting these materials to the bottom. In addition, the term "bulk" should be defined.

Under the proposed regulations, shunting would be required within a larger area than is now required by DOI. The four nautical miles (nmi) from the 100 m isobath for the sanctuary boundary appears arbitrary. The EIS contains no discussion of why it is necessary to extend the shunting requirement out an additional mile. BLM studies have shown repeatedly that the Banks are not being harmed under current regulations, at least with regard to oil and gas operations. The extension will not truly afford ". . . a higher level of protection to the Banks' ecosystems than currently exists under Federal authorities" (C-13). As there is no detectable damage to the Banks, an extended boundary will not afford a higher level of protection because there is no higher level than one which results in no detectable harm. Unless there is some compelling evidence that the present regulatory scheme is inadequate, there is no justification for imposing this costly requirement on the lessees within the area.

The proposal does not reflect the extensive scientific effort that has been conducted at the Flower Gardens. Statements such as "There presently is no program for long-term assessment at the Banks" (D-3) simply have no basis in reality. BLM's monitoring program over the last five years has had the objectives to map the banks, assess and monitor the health of the reefs (qualitatively and quantitatively using active and passive, in-water, visual methods), monitor drilling activities when they occur, and measure seasonal changes in hydrographic conditions, including currents. The program is given short mention in the EIS; we question how much of the information was utilized in the EIS formulation. The discussion of drilling muds and cuttings (E-17 through E-26) dwells on isolated laboratory studies in which unrealistic conditions and concentrations are encountered; these same discussions barely mention those in-situ studies conducted by and for DOI. Evidence to date clearly shows that no study yet held under conditions prevailing in the field has shown any adverse impact on reefal communities.

The proposed regulations require monitoring in the entire sanctuary, whether it be within 4 nmi of the 100 m isobath or 3 nmi of the 85 m isobath. The EIS gives no justification whatsoever for this requirement. Several monitoring studies within 1 nmi of the 85 m isobath have shown no adverse impacts from drilling. To require monitoring out to 4 nmi from the 100 m isobath (or even to 3 nmi of the 85 m isobath) is excessive. We agree that monitoring near the Banks is necessary; the evidence indicates that monitoring is necessary to no more than 1 nmi from the 85 m isobath.

Despite the consistent efforts of the Department to protect the coral banks and the lack of evidence that ongoing oil and gas operations in the area have caused any damage to the resource, the proposed regulations would alter the conditions and restrictions originally imposed on lessees at the time they contracted for oil and gas development rights in the area. This might be justifiable if a showing were made that the lease stipulation restrictions were inadequate to protect the coral or that Interior was not properly enforcing its regulatory scheme on oil and gas leases. This, however, has not been done. The reasons given in the EIS for the proposed changes in the regulation of oil and gas operations are highly speculative and totally unsubstantiated.

The Department of the Interior presently regulates each and every phase of OCS exploration and development activities, remaining consciously aware of biological requirements and environmental precautions. DOI may suspend operations if threats to the environment arise. Under the 1978 Amendments to the Outer Continental Shelf Lands Act, the Secretary has the authority to cancel leases for environmental reasons, and to compensate the lessees. In light of the strong Interior regulatory program currently being implemented and in the absence of any evidence that the reefs are being implemented and in the absence of any evidence that the reefs are being damaged by oil and gas operations, the Department of the Interior requests that NOAA reconsider the entire proposed regulatory scheme for oil and gas operations within the Sanctuary, and adopt the controls currently established by the Department of the Interior.

2. A Five-Year Moratorium on OCS oil and gas activities.

DOI believes that a moratorium is unnecessary. In view of all the studies the Department has already funded, as well as studies by others, we believe that we can confidently proceed with oil and gas operations near these Banks provided that the restrictions as currently applied by DOI are continued.

The EIS justification for a five-year moratorium is to provide time to research the effects of oil and gas activities on the Flower Garden Banks. Even if a moratorium were warranted, there is a lack of specificity on the type and extent of the research program to be carried out during the moratorium. The research efforts that will be pursued and completed during the moratorium should be identified and adequately addressed in the EIS and designation. Who would design the research? Conduct it? With what money? What would be monitored? Is there any guarantee that five years is enough time? What findings would allow a decision to resume oil and gas development? Research difficulties could extend the moratorium indefinitely. This void of research objectives is unacceptable.

This is not to say that we do not support stepped up coordinated studies at the Banks. We urge OCZM and EPA to consult with us in developing such a program. We feel the proposal by EPA and NOAA (received by letter of April 12, 1979), to set up an interagency committee which would supervise and evaluate monitoring studies on the Flower Garden Banks, is a good one.

3. Modification of Lease Terms.

Certain restrictions have been imposed by stipulation on leased tracts within the proposed sanctuary boundary. These stipulations specifically describe areas where exploration and development activities will not be allowed and impose certain conditions and restrictions on activities that are allowed. The lease agreements containing these stipulations are contractual in nature and generally define the relationship between the government-lessor and lessee. While the EIS recognizes this contractual relationship

[1] It is difficult to determine the degree of size difference in these zones because the EIS is not clear on this point and the diagrams depicting the zones are not drawn to scale (F-25 and F-36). However, it appears that in some areas there is very little difference in the DOI boundary and the proposed boundary, while in other locations it may be significant.

[2] ". . . On the basis of information gathered during 1977-78 we have found no evidence that drilling activities in the vicinity of the East Flower Garden (sic) have had deleterious effects on the reef communities through the Spring of 1978." (*Northwestern Gulf of Mexico Topographic Features Study*, Final Report, Contract No. AA550-CT7-15, Texas A&M Research Foundation and Texas A&M Department of Oceanography, December 1978; p. VII-36.)

(F-3), only cursory treatment is given to the associated issues.

If an extension of the "no activity zone" on a lease results in the lessees inability to develop the resources that could have been developed under the terms of the lease (contract), the lessee may have an action for breach. The success of such an action would depend on whether some other provision of the contract provides that additional restrictions on drilling and development may be imposed. It is clear that the Department of the Interior may, through regulation, impose additional restrictions on the lessees if necessary to protect the natural resources.[3] Thus an expansion of the "no activity zone" could probably be accomplished by Department of the Interior regulation. However, to the extent that the lessee's ability to recover resources is diminished, compensation may be necessary.

The EIS does not discuss this legal issue, does not address in any detail the issue of whether resource recovery may be affected, and does not even identify the possibility that cancellation and compensation could be involved. We suggest that these matters cannot be ignored. Even if the difference in the boundaries between the 100 m isobath and the 85 m isobath is minor, the possibility of loss of recovery must be considered since very small adjustments in platform placement can sometimes result in resource loss.

4. Use of the NPDES Permit System.

The EIS explains that EPA's authority to issue National Pollution Discharge Elimination System (NPDES) permits will be used to enforce several aspects of the proposed regulatory program including the Five-Year drilling moratorium the expanded "no activity zone", the monitoring requirements, and other requirements such as no-discharge contingency plans, spill contingency plans, and miscellaneous discharges. Concerning the Five-Year moratorium and the "no activity zone", the EIS indicates that EPA will simply refuse to grant NPDES permits for oil and gas operations in those areas.

The extent and limits of EPA's authority to condition NPDES permits should be explained in the EIS if it is, in fact, to be used as an enforcement mechanism. We do not understand why you propose that the NPDES permit system be used as the mechanism to promulgate the regulatory scheme. The Department of the Interior is the agency with the proven regulatory program in the Gulf of Mexico. EPA, on the other hand, has never controlled discharges in the Gulf, even after we terminated our controls at its request. Because EPA has not chosen to regulate discharges in the Gulf, by letter of September 22, 1978, we offered to use the Department's existing capability to reassert environmentally safe operations in the Gulf. A copy of the letter is attached for your information. In short, we question the wisdom of turning the proposed regulatory activity over to the agency which has not performed in precisely this type of effort and in this region.

We believe that the EIS should contain a better explanation of how this EPA regulatory program would be used. The EIS does not identify how present or potential lessees would be able to obtain a permit. While the EIS identifies attainment criteria, it does not identify how these criteria were obtained or how a lessee could comply. It is our understanding that NPDES permits must be considered on the merits of the application on a case-by-case basis. Thus we question how NOAA can state, in such absolute terms, that "EPA will issue no NPDES permits for discharges from operations in any lease awarded after the effective date of the marine sanctuary regulations" (C-16).

EPA has promulgated interim final effluent limitations and guidelines defining best practical control technology currently available (BPT) for oil and gas extraction point sources. (44 Fed. Reg. 22069, April 13, 1979). In addition to the authority to set these technology-based standards, EPA also has authority under Section 403 of the Clean Water Act (33 U.S.C. Section 1343) to protect the quality of receiving waters. The use of this authority as a basis for imposing conditions on NPDES permits for offshore oil and gas operations has been challenged by the industry on the grounds that no regulations which establish ocean discharge criteria under Section 403 have been promulgated and that the ocean dumping criteria cannot be used to condition ocean discharge permits. See *Tenneco Oil Co.* v. *EPA*, Nos. 78-1684, 78-1687, and 78-1688, 5th Cir., 1978. This case is important because it involves precisely the kind of NPDES conditions that would be imposed on lessees under the proposed marine sanctuary program.

Similarly, much emphasis is put on future actions and responsibilities of the Fisheries Management Council (FMC). The FMC to date has not addressed corals and coral reef management; some indication of what activities or directions the FMC will be pursuing in the Gulf of Mexico in the next year or two would be enlightening.

5. The development and analysis of the proposed sanctuary's management and enforcement plan.

A detailed management plan should be developed as part of the proposal and addressed in the EIS, rather than deferred until later. Management is the salient feature of a sanctuary designation proposal and must be spelled out in detail. Since the management scheme may have significant environmental implications of its own, it certainly should be subjected to the EIS analysis, review and comments, and public hearing procedures required by NEPA. We regard the failure to develop and analyze a management plan for the proposed sanctuary serious enough to render the EIS inadequate.

Much the same can be said about the lack of a detailed analysis of the means for enforcing the sanctuary regulations. The means for enforcing regulations for managing the Flower Garden Bank biota will be extremely difficult since the distance from shore is so great. Both management and enforcement procedures should be described in detail in the designation documents.

In summary, we consider the protection of the biota of the Flower Garden Banks to be achievable and of great importance. As far as oil and gas activities are concerned, we are providing such protection. There is a need for a change in management practices only to the extent that it would afford protection to the Banks from other uncontrolled activities, such as anchoring, tankers flushing bilges, damage from careless sport divers, etc. There is no indication in this EIS that sanctuary designation as presently presented would provide such protection. We therefore feel that the Final Environmental Impact Statement needs considerable revision especially in the areas of a management plan, enforcement scheme, research proposals, and regulations. We would be happy to work with NOAA on the preparation of the final document.

Sincerely yours,

_____,
Assistant Secretary.●

[3] Section 5(a) of the OCSLA gives the Secretary the authority to promulgate regulations which apply to leases already issued. It provides in part:

"The Secretary may at any time prescribe and amend such rules and regulations as he determines necessary and proper in order to provide for the prevention of waste and conservation of the natural resources of the Outer Continental Shelf . . . and such rules and regulations shall, as of their effective date, *apply to all operations conducted under a lease issued or maintained under the provisions of this Act.*"

The lease agreements also contain provisions which specifically subject the lessee to all existing and future conservation regulations of the Department of the Interior.

H.R. 3434—MOVING IN THE RIGHT DIRECTION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BIAGGI. Mr. Speaker, before this body recessed for the August district work period, an important and admirable piece of legislation was passed on August 1. This legislation, H.R. 3434, the Social Services and Child Welfare Amendments of 1979 was passed by a vote of 401 to 2 and addresses most directly the issue of reducing this Nation's undue reliance upon our foster care system.

Much of the credit for this bill goes to the Ways and Means Committee for their insight and timely attention to helping to make the social service programs in this country more directly attuned to the needs of our children who find themselves without permanent homes and families.

I would like to make note of a major study, released this year by the blue-ribbon commission appointed to study foster care in America, the National Commission on Children in Need of Parents. The findings of this Commission are most relevant to a discussion of this bill. More importantly, they show that we have only just begun to bind the wounds which the foster care system in this country has made upon our children.

I would like to highlight what this group has determined to be the major problems with the foster care system in America today:

First. Of the 500,000 children presently in foster care, many do not belong there by virtue of the fact that they could be adopted.

Second. The courts are often the major cause for children remaining in foster care by refusing to terminate the rights of the biological parents when there remains a mere "flicker of interest" in the child by the natural parents.

Third. Federal aid is another disincentive to placing children in permanent homes. Federal funds will support a child in foster care but will be terminated upon adoption. Many families want to adopt their foster child, but financially cannot afford another child without subsidy payments. In turn, inadequate support payments to families result in frequent turnover of homes.

Fourth. This problem of financial disincentives also adversely affects the children in foster care who are left with the stigma of being a "foster child" rather than an "adopted family member."

Fifth. The foster care system is overburdened, understaffed, and often unprepared professionally to handle many of the complex family and personal problems of children and their families.

Sixth. Taxpayers and contributors to charity are not getting their money's worth when it comes to foster care.

Seventh. Children become lost in foster care—the most tragic of the findings of this Commission. The Federal Government's mandate that data be collected and maintained is often ignored by States and local agencies. This lends credence to the conclusion that there is no "foster care" system in this country worthy of the name.

Our Nation's most precious natural resource, our children, have been squandered, ignored, and abused by this so-called foster care system. Since a procession of homes is highly destructive and often fatal to the welfare of the child, it would seem logical that some incentives are needed, in order to promote the placement of children into permanent, adoptive homes. As the study noted, "Logical, perhaps, but a far cry from reality."

Of the $2 billion spent annually on foster care in this country, 97 percent of this amount goes to support foster care services, while the remaining 3 percent is left for adoptive services. In New York City, institutions can receive up to $2,000 per month to maintain a child. If the child is adopted and leaves, the institution suffers a substantial loss until it receives another child. Interestingly enough, under AFDC/FC in 1976, this Government paid out $176.7 million to support children in foster care. Not 1 penny of this money would have been available to support any of these children if they were adopted.

The goal of permanence is the forgotten objective in our entire foster care system. This entire monolithic structure is a monument to the insensitivity of a system which we have allowed to perpetuate. Not only have we been unresponsive to this problem as it relates to the children, but we have also allowed a financial monster of a program, lacking in direction and cost-effective incentives to perpetuate unchecked for years.

This bill, H.R. 3434, establishes a comprehensive set of reforms with regard to foster care protections, procedures, and services which will guard both children and families against "unwarranted removal of children from their homes and inappropriate and unnecessary prolonged foster care placement." More specifically, these safeguards include: First, no child be placed in foster care, except in emergency situations when the parents have refused assistance and counseling; second, no child will be involuntarily removed from his or her home unless ruled by a judicial authority as such; third, no child will be placed in foster care unless the parents voluntarily agree; fourth, increase the attempt to place a child with relatives or in the "least restrictive family-type setting in which any special needs may be met"; fifth, reunification services are available to the child; sixth, each child will be individualized by case which must be reviewed at least every 6 months; seventh, there will be a disposition hearing by the court within 18 months of the child's placement in foster care; and eighth, a fair hearing will be given to any parent, child or guardian who feels that they have been aggrieved by any Federal action taken under this new law.

These procedures were some of the direct results of hearings which I held as a member of the Select Education Subcommittee in 1975 in the New York metropolitan area. The hearing examined 77 voluntary child care agencies which were responsible for over 25,000 children each and were receiving Federal moneys to support these children.

The findings were astounding. Over 26 percent of the children in these homes were there for their entire lives. For each of these children, the home received $36.90 per child per day. It was discovered that only 5 to 10 percent of this allotment was used and that the homes were investing the remaining 90 to 95 percent and making millions of dollars in profits—all at the expense of the children they were being paid to support. Estimates were that the profits of these homes ran somewhere between $300 and $500 million. These abuses by these homes were enumerated in a series of articles in the New York Daily News written by Bill Heffernan and Stuart Ain and their insights into this problem were an invaluable asset to the subcommittee's hearings and subsequent findings.

The Child Welfare and Social Service Amendments of 1979 take important initiatives to help eliminate the fiscal abuse that have become a major problem in the foster care and child care system. Title IV-B Child Welfare Services would make $226 million per year available to States on an entitlement basis for IV-B child welfare services, replacing the present IV-B authorization of $226 million which was funded at $56.5 million in fiscal year 1979. Additionally, the definition of "child welfare services" will be changed to shift the emphasis on services directed at preventing the continual removal of children from their families and to encourage, if necessary their placement in suitable adoptive homes.

I have long been aware of the problems and pitfalls of our child welfare system. We have unearthed many of them, brought them into the public eye, and have been able to correct some of them. In the passage of H.R. 3434, we have gone even further. We have reaffirmed the commitment of this Nation to the betterment of the lives of our children. We have taken a step in the right direction, and in this International Year of the Child, I am confident that we will be able to go even further to insure that each child in foster care is first and foremost, respected as a human being and treated with both dignity as well as compassion.●

WORK HABITS OF FEDERAL EMPLOYEES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HARRIS. Mr. Speaker, today I would like to direct the attention of my colleagues to a report which was recently released by the General Accounting Office concerning the work habits of Federal employees. As a result of their study, GAO investigators discovered that "the vast majority of the Nation's 2.1 million Federal employees work at least the required 40 hours a week." Moreover, it was discovered that a significant number of workers actually work more than the required 40-hour workweek, and often they are not compensated for these extra hours.

Currently a wave of anti-Federal employee sentiment is sweeping the country. It has become politically popular to fault the bureaucracy for vague transgressions such as "poor productivity" and "lack of responsiveness." Morale at the Federal worksite has suffered many adverse effects as a result of these attacks.

Certainly we should work to improve the quality and delivery of necessary services to the public. However, I feel that this report indicates that shortcomings in these areas for the most part lie with the system, and not with the dedicated work force which the Federal Government employs.

The passage which follows is the digest which accompanies the recently issued GAO report. I urge all of my colleagues to review this material, for I feel it will aid us all in appreciating the demonstrated dedication of the vast majority of Federal workers:

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS: MOST FEDERAL EMPLOYEES ON THE JOB 40 HOURS OR MORE WEEKLY: TIGHTER CONTROLS AMONG PROPOSALS FOR THOSE WHO WORK LESS

Contrary to widespread public perception, the vast majority of the Nation's 2.1 million Federal employees work at least the required 40 hours a week and adhere to lunch and coffeebreak rules. When time lost due to a small number of abusers is taken into account, taxpayers appear to be getting hundreds of millions of dollars of "free" labor each year from the many Federal employees who regularly work extra time without compensation. (See ch. 2.)

GAO reached this conclusion after analyzing questionnaire responses from about 3,000 randomly selected employees at the 7 largest Federal agencies (collectively employing 70 percent of all civilian workers). GAO also observed employee work-hour practices and interviewed 238 personnel officers, supervisors, and union representatives in the 7 agencies in various locations across the country. *GAO studied time spent at the workplace, not the productive use of that time.* (See p. 3.)

Of the questionnaire respondents:

75 to 83 percent worked at least the 40 hours per week,

18 to 27 percent worked 41 to 70 hours, and

17 to 26 percent worked 33.5 to 39.9 hours.

That some employees' extra hours are not compensated may violate the Fair Labor Standards Act. Projected to the universe of employees in these seven agencies, all uncompensated hours are worth between $660 million and $800 million per year at regular pay rates. Time lost due to work-hour abuses costs between $85 million and $120 million a year. The net gain to taxpayers may be between $500 million and $700 million. (See pp. 28 to 33.)

Work-hour and lunch/coffeebreak rules are violated for several different reasons. Some tardiness results from factors beyond the individual's control, i.e., traffic congestion and bad weather. Early departure is a

less serious problem than tardiness because most of those who leave early charge the unworked time to leave.

Extended lunchbreaks appear to be the most frequent abuse, particularly in urban locations where eating facilities are often congested. Many who reported taking extended lunches said this was permitted by unofficial agency policy or was undetected by management or that they had made up the lost time by extending their workdays. Others said they had taken long lunches because they had not taken coffeebreaks.

Coffee/restbreak abuses were not extensive. In fact, many employees did not even take authorized breaks, although, as noted, some added unused coffeebreak time to extend their lunch periods. Even though this appears common, it is contrary to existing laws that distinguish between lunch periods and coffeebreaks. (See ch. 2.)

Supervisors generally do not place high priority on monitoring work hours, because they trust employees to follow policy, believe most employees work 40 hours a week and make up any lost time, and believe deadlines are met. Supervisors give even lower priority to monitoring breaks and lunches because they are more difficult to control and because eating and break facilities are inadequate or inconvenient in many buildings. (See p. 6.)

Unofficial absences are costly to taxpayers and unfair to the vast majority of employees who follow the rules. Workplace absences can be reduced in several ways.

For example, greater use of flexible work schedules would reduce tardiness by permitting employees to vary starting times. Similarly permitting lunch periods to vary in length could also help reduce lost time if employees who took more than the prescribed time had to extend the length of their workdays accordingly. Providing employees longer breaks in their daily routines is a practice that some believe reduces the effects of today's stressful environment.

Even with existing work-hour policies, management could reduce abuses by (1) arranging more convenient eating and break facilities, where possible, (2) ensuring that employees were aware of agency workhour policies, and (3) ensuing that policies were fair and were enforced consistently and equitably. (See ch. 3.)

Work-hour policies vary depending on agency, work unit, and supervisor. On the one hand, varied policies are necessary in some cases because of different functions and work environments. For example, offices serving the public may require employees to take lunch at the same time each day to ensure continuous office coverage. Not all work environments may be conducive to flexible work and lunch schedules. And it seems prudent to vary coffee/restbreaks by the physical or mental demands of a job.

On the other hand, it is inequitable to the majority of Federal workers who abide by agency work-hour policies to allow some paid extended lunches. And it seems only fair that employees in similar positions working in similar environments have similar coffee/restbreaks.

Agencies could develop more equitable work-hour policies if they had more guidance. For example, agencies currently lack adequate information on the optimum number and length of breaks which should be given, types of employees that would most benefit, and circumstances in which breaks should be granted. GAO believes that the Office of Personnel Management should develop and provide managers such guidance and monitor and evaluate agency workhour policies and practices. (See p. 40.)

LONG-TERM POLICY ISSUES

This report raises major long-term policy issues that should be considered by the Congress and the Office of Personnel Management as they work to hold down personnel costs and increase worker output.

One issue is the length of the workweek and its effect on employment and productivity. Legislation proposed in the 95th Congress would reduce the standard private sector and Federal workweek to 35 hours by 1982 and require double pay for overtime. Some private sector employers already schedule less than 40-hour weeks; in effect, Federal employees who take extended lunches without making up the time work less than 40 hours. Proponents believe shortening the workweek would decrease unemployment or at least prevent some employees from losing their jobs.

At the Federal level, the Office of Management and Budget believes a shorter workweek might require more Federal employees. In considering reductions in the Federal workweek, attention should be given to relating the shorter workweek to equal or greater levels of output or fringe benefit tradeoffs. (See p. 48.)

Another issue is the focus of Government control. The Government's control of work hours is based on 5 U.S.C. 6101, which requires agency heads to schedule 40 hours of work per week, normally in 8-hour days, for each full-time employee. In addition, the Comptroller General, as authorized by statute, requires supervisor-approved daily records of time and attendance. To comply with these requirements, agencies use timekeepers and other means, such as timeclocks, sign-in and sign-out sheets, or most often supervisory observation. Because of the Government's unique characteristics, including the obligation to be accountable to the public, agencies will always need some controls.

As Federal programs and technology have become more complex, the Government has employed more professionals and highly trained technicians and fewer clerical and lower skilled personnel. For these higher skilled jobs the private sector typically puts greater emphasis on performance and output than on hours spent at the workplace. And the limited research available suggests that focusing control on worker output rather than on hours spent at the workplace may be desirable. More research is needed, however, before making such a change for Federal employees. (See p. 45.)

RECOMMENDATIONS

GAO recommends that the Director, Office of Personnel Management:

1. To better establish, monitor, and manage work-hour policies for the Federal work force, obtain Government-wide information on all agencies' official and unofficial policies and practices on scheduled work hours, lunch, and breaks; compare and evaluate those policies and practices; identify the need for additional guidance; and issue necessary guidance and require necessary changes. This guidance should, as a minimum, provide agencies sufficient information to determine increments for leave charges, protect against Fair Labor Standards Act overtime violations, and highlight the benefits of assessing work-hour practices through internal audits or personnel management evaluations.

With the information obtained above, assess whether the Federal Personnel Manual Bulletin 610-30 has been effective, that is, whether each agency has reviewed its lunch period practices and made necessary modifications. Where changes are needed, agencies should evaluate the alternatives discussed in this report. If flexible schedules or improved facilities are not feasible, agencies should lengthen lunch periods, for example, to 45 minutes or 1 hour, and correspondingly the workday to reflect the convenience and adequacy of existing facilities.

Provide agencies more information and guidance on coffee/restbreak policies covering the appropriate number and length of breaks and types of Federal jobs that would most benefit. Developing such guidance would require research and study.

Revise work-hour regulations to require that agencies communicate to employees, at least annually, agency work-hour policies.

While actively encouraging agencies to participate in the 3-year experiment with flexible work schedules (under the Federal Employees Flexible and Compressed Work Schedules Act of 1978), promote the use of flexible and variable lunch bands and emphasize such potential benefits as fewer unofficial absences.

2. As one of the research and demonstration projects authorized in the Civil Service Reform Act, design an experiment to test the use of performance measures rather than hours at the workplace as the basis on which personnel are paid. This experiment should also test the effects of tight versus lenient controls.

Efforts to emphasize performance rather than time at work would be in keeping with the intent of the Civil Service Reform Act of 1978. A major difficulty in implementing the act, which provides for employee incentives on the basis of performance, is lack of reliable data on performance.

GAO recommends that the Congress, in considering any bill to reduce the workweek, relate Federal work-hour decreases to changes in overall productivity or other measures of performance or fringe benefit tradeoffs. To do this, better data from work measurement, productivity, and cost systems would be needed. In addition, a total compensation comparability policy would need to be established by the Congress.

Although the past three decades have seen many changes in the work environment and the work force, the work-hour policies of title 5 of the United States Code have seen little change. The Federal Employees Flexible and Compressed Work Schedules Act of 1978 was one effort to temporarily suspend some of the rigidities in title 5. Although additional changes may not be warranted at this time, the results of the research and demonstration project recommended above should be used to evaluate the need for changes in the legislation.

The Office of Personnel Management agreed that it should become more actively involved in work-hour policies but not to the extent GAO recommends. In addition, the National Federation of Federal Employees and the Public Employee Department of the American Federation of Labor-Congress of Industrial Organizations believed that collective bargaining would best settle many work-hour issues. GAO continues to believe that information, guidance, feedback, and evaluation are necessary. The Office of Personnel Management is also considering the recommended research project and a study of work-scheduling issues.●

U.S. CAMBODIA POLICY QUESTIONS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DRINAN. Mr. Speaker, in a recent book by William Shawcross, "Sideshow: Kissinger, Nixon, and the Destruction of Cambodia," revelations about U.S. involvement in Cambodia in the early 1970's is extremely well documented. This new volume is a devastating indictment of the executive branch's efforts to withhold information from the Congress and the American people about this country's

bombing of Cambodia in 1970. The release of this book has rekindled interest in the not-so-distant events of the past, as indicated by a recent exchange of letters to the editor of the New York Times. Prof. William M. Goldsmith of Brandeis University and Martin Herz, formerly with the American Embassy in Saigon, have called for a congressional investigation into U.S. Cambodian policy—each from a decidedly different viewpoint. They claim an investigation would provide for a necessary public accounting.

There may be lessons to learn from a full disclosure of our Cambodia policy that will help us understand the difficult situation that Kampuchea faces today. We shall not be certain until this country takes the time to explore further. The texts of the letters to the editor of the New York Times follows:

[From the New York Times, July 15, 1979]

NEED FOR A CONGRESSIONAL INVESTIGATION OF U.S. CAMBODIA POLICY

To the Editor:

William Shawcross's exposé in "Sideshow: Kissinger, Nixon and the Destruction of Cambodia" clearly identifies President Nixon and his National Security Affairs adviser in a complex labyrinth of deceitful and unconstitutional actions. What is striking about this new book is not the argument, which has been heard before, but the wealth of documentation from official sources. It is not surprising that Henry Kissinger is reportedly revising the Cambodian section of his memoirs in the light of these disclosures.

But a debate between one of the chief protagonists of this country's Cambodian policy and his principal accuser is one thing. A public accounting is quite another.

What is needed in view of this evidence is a full-scale investigation of this dreadful human tragedy. Such an inquiry was under way during the impeachment of President Nixon, but was stifled by the failure of the House Judiciary Committee to support the Fourth Article of Impeachment, which dealt with Nixon's constitutional violations in Cambodia.

The tragic consequences of the role of the United States in Cambodia is currently reflected in the daily newspaper accounts of the wretched condition of that nation and the even worse plight of its former citizens. These lost souls are men, women and children without a country, bullied and persecuted, first by their own nationals and then by their Thai neighbors, whipsawed back and forth across their own border. Their countryside and rural cities and towns have been decimated, their economy destroyed, their social and political institutions dismembered. Surely in all justice, they are more than entitled to a full explanation for their difficulties, and compassion and assistance in their present situation.

The impact upon our own political institutions is equally serious. The continued status of the Cambodian question as an unexamined public issue serves as an ominous threat to the constitutional limits of Presidential power. It is no coincidence that President Ford, inspired by Nixon's example, violated newly imposed Congressional restrictions in the Mayagüez incident. As the House Judiciary Committee minority report argued: ". . . it is difficult to imagine Presidential misconduct more dangerously in violation of our constitutional form of government than Mr. Nixon's decision secretly and unilaterally to order the use of American military power against another nation, and to deceive and mislead the Congress about this action. . . . The Constitution does not permit the President to nullify the warmaking powers given to the Congress. Secrecy and deception which deny to the Congress its lawful role are destructive to the basic rights of the American people to participate in their Government's life and death decision."

The appropriate action at this time would be the appointment of a joint Senate-House committee to conduct an investigation and to prepare a full report on United States policy in Cambodia. Failing to achieve support for such an official inquiry, a public commission made up of outstanding Americans of unquestionable integrity and without consideration of party affiliation should be formed immediately to undertake this responsibility. President Nixon's resignation muted public concern over this question, but the higher court of historical record and the preservation of our constitutional system of checks and balances require nothing short of such an inquiry.

WILLIAM M. GOLDSMITH,
Associate Professor, American Studies, Brandeis University.

WALTHAM, MASS., *July 10, 1979.*

(The writer is the author of "The Growth of Presidential Power.")

[From the New York Times, July 23, 1979]

ANOTHER VIEW OF UNITED STATES POLICY ON CAMBODIA

TO THE EDITOR:

I support Professor Goldsmith's proposal for a Congressional investigation of U.S. Cambodia policy [Letters July 15], but for reasons very different from those that he adduces. He cites approvingly the book, "Sideshow" by William Shawcross, which he believes to contain proof that the U.S. caused the Communist attack on Cambodia.

This is the equivalent of saying that elephant tusks are made out of piano keys. The truth, which a Congressional hearing would surely bring out, is that Mr. Shawcross' book, and letters like that of Professor Goldsmith's, constitute a gigantic mystification of the public about the sequence of events in Cambodia in 1970.

Mr. Shawcross in his book makes much of the alleged "neutrality" of the Cambodia of Prince Sihanouk. However, the book itself contains evidence that the Prince had an agreement with the Democratic Republic of Vietnam (then North Vietnam) to run a supply line to them from the port of Sihanoukville to their sanctuaries along the South Vietnamese border. How neutral is a country that actively cooperates with a foreign belligerent on its own territory?

Mr. Shawcross tries to prove that the United States "pushed" the Communists into Cambodia by its invasion of 1970. He ignores that the North Vietnamese and Vietcong commenced hostilities against the Cambodian army in late March, 1970. The Times itself reported on the rapid advance of Vietnamese Communist troops in the direction of Phnom Penh. The U.S. "invasion," which took advantage of the preoccupation of the Communists with Cambodia, and offered limited relief to the defenders of Phnom Penh, came one month after hostilities had begun between the Vietnamese Communists and the Cambodians.

Mr. Shawcross also tries to establish that the United States was behind the coup that overthrew Prince Sihanouk in March, 1970. He fails to offer anything else than insinuations and hints about dark mysteries. In particular, he slanders Prince Sirik Matak, a Cambodian patriot, by making him out to be a tool of the Americans. Sirik Matak, like many other self-respecting Cambodians, had become tired of the hypocritical game played by Prince Sihanouk who had supported the Vietnamese Communists and complained against American "aggression" when the U.S. had taken counteraction on the ground across the border.

But the most extraordinary mystification perpetrated by Mr. Shawcross is the web he tries to weave about Prince Sihanouk's acquiescence in American B-52 bombing of the Cambodian sanctuaries. True, Mr. Nixon and Mr. Kissinger didn't trumpet to the world or to the Congress that we were bombing those sanctuaries after May, 1969. But the fact that Prince Sihanouk didn't protest those bombings is not immaterial. We were taking him at his word that he would not complain if we took counter-action against North Vietnamese Communist encroachments on his territory that he claimed to "know nothing about."

In short, while there is a major question whether Congress should have been informed or consulted about the bombing of the sanctuaries, the other major points made by Mr. Shawcross should be subjected to complete and public examination in Congressional hearings. The book reviewers, almost without exception, were either taken in by his propaganda or gleefully joined in his mystifications.

It is extraordinary how many liberals, instead of coming to the aid of Cambodians whose sufferings they deplore, seem intent on proving that the plight of those unfortunate people is the fault of those who tried to help Cambodia defend itself against Communist aggression—not the fault of those who prevented the United States from giving it effective assistance in its struggle.

Could it have something to do with some lingering feelings of doubt whether Lon Nol wasn't a lot better than Pol Pot, and whether such critics of Nixon and Kissinger saw the situation right?

MARTIN HERZ.

WASHINGTON, *July 15, 1979.*

(The writer was Minister-Counselor for Political Affairs, American Embassy Saigon, 1968–70.)

[From the New York Times, Aug. 5, 1979]

ONE ADMINISTRATION'S CAMBODIAN BURDEN

To the Editor:

I am pleased that in his July 23 letter the former Minister-Counselor for Political Affairs in the American Embassy in Vietnam, Mr. Herz, approves of my proposal for a Congressional investigation of U.S. Cambodian policy, even if the reasons for his agreement are very different from those I outlined in my July 15 letter to The Times.

His tortured defense of the Nixon-Kissinger policies in Cambodia is quite another matter, as is his misrepresentation of my argument.

Neither William Shawcross nor I ever suggested that American policy in Cambodia was responsible for Communist aggression in that country. It is an absurd notion. What Mr. Shawcross does charge and brilliantly documents is that Nixon and Kissinger's deceptive and unconstitutional bombing and invasion of that neutral country contributed substantially to its ultimate downfall. It widened the war and inflicted irreparable destruction upon the people of Cambodia, their economy, their social and religious institutions and ultimately their elected government. It encouraged the growth of the local Communist movement, the Khmer Rouge, and did very little to weaken the North Vietnamese and Vietcong efforts in Vietnam.

Moreover, Mr. Shawcross also quite effectively argues that the clumsy efforts of the Nixon Administration to aid the Lon Nol Government added to the woes of that ill-fated regime and hastened its defeat rather than protected it from Khmer Rouge takeover.

If former President Richard M. Nixon, his National Security Affairs Adviser, Henry Kissinger, or even the Minister-Counselor for Political Affairs in Saigon (who writes as if he had a vested interest in the defense of

these policies) can disprove Mr. Shawcross's well-documented case, then we will all be in debt to them for such enlightenment. It could help us regain some of the respect and integrity this country lost as a result of their policies.

If, on the other hand, they fail to make a successful and convincing defense before the public tribunal I am proposing, they will stand indicted before the entire world as being responsible for the crimes against humanity with which Mr. Shawcross charges them.

The country can only benefit and regain some of the lost respect of the rest of the world by such an impartial and objective investigation.

WILLIAM M. GOLDSMITH,
Associate Professor, American Studies, Brandeis University.

WALTHAM, MASS., *July 26, 1979.*●

PSYCHOLOGY DAY 1979

HON. JOHN WILLIAM WARNER

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, September 5, 1979

● Mr. WARNER. Mr. President, April 6 of this year marked what I believe to be two firsts of national significance for Virginia and Virginia psychologists that I would like to share with my colleagues. On that date the Honorable John Dalton, Governor of Virginia, issued the following proclamation:

Certificate of Recognition:

By virtue of the authority vested by the Constitution in the Governor of the Commonwealth of Virginia there is hereby officially recognized "Psychology Day 1979".

A century ago in Leipsig, Germany, Wilhelm Wundt opened the first laboratory for the study of psychology, initiating professional status for the men and women who observe and try to understand human behavorial problems.

In recognition of this milestone and the profession it began, the Virginia Psychological Association has set aside April as Psychology Day in Virginia, and I call the message it carries to the attention of all Virginians.

I believe this is the first such proclamation ever issued by a Governor in the United States. It was made on the same day the Virginia Psychological Association held its annual spring meeting with its program theme "Psychology in Virginia: Prospect and Retrospect." I further believe this made VPA the first body of organized psychology in the United States to officially celebrate the 100th anniversary of the founding of psychology as a science.

There follows a brief history of the association:

VIRGINIA PSYCHOLOGICAL ASSOCIATION, 1956–1973—PART I

(By Frank W. Finger, VPA Historian)

The history of the Virginia Psychological Association is meaningful only to the extent that it is reconstructed within the broad context of Psychology in the Commonwealth. Hence, this account begins with VPA's predecessor organization and intertwines with the development of legal controls of psychological practice.

PSYCHOLOGY SECTION, VIRGINIA ACADEMY OF SCIENCE

In one sense, the history of VPA passed its half-century mark in 1973, the golden anniversary of the Virginia Academy of Science. The Academy's organizing committee was informed by the American Association for the Advancement of Science that about fifty scientists with an interest in psychology or sociology resided in Virginia. Therefore the Section of Psychology and Education was established as one of the four original components of the Academy in 1923, with 18 charter members. This union of the two disciplines foreshadowed later cooperation between VPA and the Virginia Association of School Psychologists. Over the next twelve years, eight meetings of the Section were held, with a total of 64 scientific papers reported. In 1934–35 the Section of Psychology was differentiated as a separate entity within the Academy. This act of separation, it may be speculated, reflected the strivings within the psychology of that decade for independent and respected status in the scientific community; it may be noted that it was in 1934 that the first Ph.D. in psychology was awarded in Virginia. (The first several dozen doctorates were limited to the experimental and physiological areas).

The scientific tradition has continued in the Psychology Section in the years since, with more than 700 papers being presented in the four decades prior to 1975. Among the topics of roundtables and invited addresses in the early years were "The Concept of Personality" (Professor J. F. Dashiell), "Psychotechnology" (Dr. John Jenkins), "The Future of Social Psychology" (Dr. S. H. Britt), and "Motivation" (Professor Clark Hull). The Section was accepted into affiliation with the American Psychological Association in 1948.

LEGAL CONTROL OF THE PRACTICE OF PSYCHOLOGY: EARLY YEARS

Prior to and during the 1944 meeting of the Section there had been considerable discussion of the general problem of improving training of psychologists working in the applied areas. One consequence was an aborted effort to establish a masters degree in clinical psychology at the University of Virginia. The principal outcome, however was the establishment of a special committee on training and standards.

For some years prior to this time, the statutes of Virginia had recognized "Approved Mental Examiners," who were authorized to serve on commissions for the determination of feeblemindedness. The only stated qualification was the ability to administer "the Binet Simon Test or other approved mental tests." The Superintendent of Mental Hygiene and Hospitals, feeling that he was unable to judge such competence, had made overtures to the psychologists of the State for their help in such evaluation. At the same time, in view of the increasing demand for mental health services both in the military and on the home front, it seemed appropriate that some basis for additional recognition and utilization of the profession be established by law. After some informal conversations, the committee on July 9, 1945 met at the University of Virginia with several other psychologists, for a discussion of standards to be proposed and of legislative strategies to be followed. Within a month the proposals were approved by the membership of the Section and discussions were under way with the Virginia Neuropsychiatric Society and the Mental Hygiene Association. The few clinicians working in state agencies fortunately had established favorable working relations with the psychiatrists, and as a result the medical profession provided far more help than hindrance in the legislative effort. For example, the new Commissioner was the principal spokesman at the hearings before the legislative committees. Senate Bill 237 was signed by Governor Tuck on March 26, 1946, the first legislation in the United States certifying clinical psychologists. The statute provided that the five-person Examining Board be appointed by the Executive Committee of the Section of Psychology of the Virginia Academy of Science—and that point alone made the establishment of an independent psychological organization inevitable.

The first meeting of the Board (unofficial, since it preceded the effective date of the legislation by six weeks) was held on May 9, 1948 at the John Marshall Hotel in Richmond. There being until 1948 no agency in the state government to support the machinery of certification, the Board established its own operating procedures, including a $10 examination fee (later ruled by the Attorney General to be illegal, necessitating the first amendment, in 1950). The initial examinations were conducted in January 1937, and by 1950 a total of five certificates by examination, in addition to those given by grandfathering the Approved Mental Examiners, had been awarded. Against the Total income of $50, operating expenses in the amount of $22.67 were charged.

THE NEED FOR A NEW ORGANIZATION

The principal force leading to the establishment of an autonomous organization of psychologists was the restriction placed upon the Psychology Section by virtue of its position within the Virginia Academy of Science. It is true that the Section for several years was able to ignore the restrictions theoretically placed on it by the parent body. At the time of its affiliation with APA, a constitution providing restricted membership and an independent dues structure was adopted. A number of professional activities were undertaken. The Section Newsletter and Directory dated from 1943. Legislation for the licensing of clinical psychologists was prepared in 1949, and a sponsor was obtained for its presentation to the House of Delegates. While lack of coordination with the Medical Society and Neuropsychiatric Society might be blamed for this bill's withdrawal from the 1950 Legislature, it was not so much political impotence but the Legislative Committee's judgment that licensure at that time would hamper the development of psychology, which led to the legislative quiescence in the years immediately following. And yet an ultimate showdown between the Academy and the Section seemed inescapable. The complete absence of qualifications for voting membership, imposed by the Academy, seemed to be incompatible with APA affiliation and posed at least a theoretical danger to the proper choice of Examining Board members. As a last attempt at compromise, a draft constitution prepared during the winter of 1955–56 by a special committee, referring to a "Virginia Psychological Association," for consideration to the Academy officers (specifically to a committee of one, Sidney Negus), it was rejected unequivocally as contrary to the Academy's principle of open membership. Dr. Negus advised forming a completely independent organization, although he expressed the hope that the Section, by now about one hundred strong, would continue as a vigorous component of the Academy.

PART II

INCEPTION OF VPA, AND THE FIRST DECADE

Under these circumstances, those present at the May 11, 1956 business meeting of the Section could only adjourn and reconvene as individuals to found the Virginia Psychological Association and to elect the first slate of officers. Recognizing the desirability of interaction between research-oriented academicians and practitioners, reflected in the statutory emphasis on experimental and physiological psychology and statistics as basic in the training of clinicians, it was agreed that the annual meeting would be held conjointly with VAS Psychology Section's.

Appropriately enough, at the May 1957 meeting a symposium on the functions of state organizations attempted to suggest ways of dividing the scientific, educational,

and professional responsibilities between the two bodies. One decision, amicably made, transferred the affiliation with APA's Council of State Psychological Associations to VPA. A fall meeting of VPA was added, to facilitate catching-up on the backlog of professional concerns. The process of incorporation was begun, and an expanded series of Newsletters was launched. The proposals for licensing legislation were resuscitated, with the principal uncertainty relating to the desirability of two-level control.

The new organization learned, however, that independence and a changed name did not guarantee prompt success in the halls of the Capitol. While as early as the spring of 1957 the Legislative Committee agreed that general licensing was desirable, they believed that there was too little time prior to the 1958 biennial General Assembly to mount a successful campaign. Therefore postponement to 1960 was agreed upon. Through an unlucky combination of circumstances, the chairmanship of the committee changed three times in as many years, and the impetus seemed to be lost. Finally, in January 1962, Senate Bill 82 was introduced. Opposition from psychiatry, sociology, and psychology submasters—some expected and some unexpected—was sufficient to kill it in committee. Assurances were given that the constructive action of referral to the Virginia Advisory Legislative Council for study would be forthcoming, but in the last-day rush in the House the bill was overlooked, reportedly through clerical error. Hence another two-year delay.

In September 1963, a proposal which had been prepared by the Department of Professional and Occupational Regulation at the request of the Virginia Examining Board for Clinical Psychologists was discussed with the VPA Legislative Committee, and the services of the Department were offered for the final drafting. In response to queries concerning the possible reaction by the Virginia Neuropsychiatric Society, it was learned by the president of VPA in October that the Society had, six months before, resolved to ask the Virginia Board of Medical Examiners to develop methods for licensing clinical psychologists. By now the Medical Board had framed such legislation, and its Secretary notified the VPA Legislative Committee that the Medical Board could not support the VPA Legislation. As might have been expected, a stand-off resulted in the 1964 General Assembly, and the issue was assigned to the VALC for examination during 1965.

The bill reported to the 1966 General Assembly as the result of the VALC study was a compromise. A clinical psychologist was to be added to the Medical Board, the license as psychologist was to be issued by the Virginia Board of Psychologists Examiners, and the license as clinical psychologist was to be issued by the Medical Board upon recommendation by the Board of Psychologists Examiners. The last provision aroused initial VPA opposition, but with deletion of the proposed prerogative of the Medical Board to define clinical psychology, it was felt that on balance the whole package could be supported. Title 54, Chapter 5.1 of the Code of Virginia became effective July 1, 1966, the culmination of seventeen years of effort by the psychologists of the State.

Politics was not the sole preoccupation of the fledgling association, however. Stimulating meeting programs were arranged, with the emphasis upon topics of mutual interest to research psychologists and practitioners. A sampling from the early years includes "Psychological Research in Virginia, Recent and Projected" and "The Improvement of Teaching" (1958); "The Graduate Training of Psychologists" and "The Implications of the National Defense Education Act for Psychologists" (1959); "Recent Research on Gradients of Generalization" (1960); "Experimental Analysis of Behavior of Chronic Psychotics" and "Recent Developments in Physiological Psychology with Implications for Control of Behavior" (1961); "The Concept of Drive", "Implications of the Joint Commission Report for Psychology", and "Applying Psychology to Space" (1962). Financial support was given the Careers Committee of the Virginia Council on Health and Medical Care, as it had been by the VAS. The Committee on Education and Training sought ways of upgrading psychological training, especially at the graduate level. The Committee on Ethics and Welfare cooperated with APA and with the Board of Psychologists Examiners in maintaining high ethical standards in the State. And the Membership Committee engaged in the perennial task of making the Association more broadly representative of psychology in the State.

LEGISLATION IN THE SEVENTIES

The first odd-year session of the General Assembly, 1973, was marked by three pieces of legislation affecting psychology in Virginia. The first, freedom-of-choice for health insurance policy-holders, was instigated by VPA. As more and more policies were written to include mental health coverage, it is not surprising that psychologists (as well as enlightened members of the public) felt that the profession should be granted independent status in this matter. The national move was reflected in Virginia. While some insurance carriers recognized the autonomy of properly qualified psychological practitioners, the Blue Cross-Blue Shield group was resistant.

The American Psychological Association, through its Committee on Health Insurance, and the offshoot Council for the Advancement of the Psychological Professions and Sciences, led the push at the national level. In Virginia, there was briefly in 1972 reason to believe that the Blues would grant payment for the rendering of psychological services without the prescription and supervision of a physician—at least by licensed clinical psychologists and perhaps also by licensed psychologists processing the equivalent internship experience. The Examining Board, in cooperation with the VPA's ad hoc Insurance Committee collected a self-listing of various psychological specialties among the licensees, emphasizing adherence to the profession's Code of Ethics as the basic criterion and suggesting the one-year internship or equivalent as an objective criterion to guide the would-be practitioner. The cooperation of the State Blues, however, broke down at the physician-dominated governance level. It was deemed appropriate, then, to accomplish the same end by legislation. After a whirlwind campaign of lobbying (in cooperation with the opticians and optometrists), House Bill 1412 was approved on March 19, 1973, presumably giving properly licensed psychologists the independence sought.

A second piece of legislation approved, the brain-child of psychiatrists, gives to the physician the prerogative of delegating to his technical helpers the performance of those services which he is not qualified to supply. This was in response to the Examining Board's insistence that the administration of certain psychological tests required either the license or the supervision by a psychologist licensee, and that nothing in the Code of Virginia permitted a psychiatrist to void this requirement.

The third legislative effort directed at psychology, failed, but had far-reaching consequents. Its background extended to the first months of the 1966 legislation, revolving around the Examining Board's difficulty in judging degrees in education, guidance, and-or personnel counseling to fulfill the requirement for "psychological" training. A 1966 applicant for licensure, holding a Masters degree with emphasis on guidance and personnel work, was denied a grandfathered license. He most vigorously and persistently protested this action with at least one informal and two formal hearings before the Board, and petitions to the Courts for relief. Failing in those efforts, he was able in the succeeding sessions of the Legislature to have bills introduced that would in effect exempt him and those of like qualifications from the restrictions in practice.

The bill introduced in 1973 (Senate Bill 804) would have, in the view of the Examining Board and many other psychologists, greatly reduced the protection of the public from unqualified practitioners. In spite of vehement protestations by the Board and VPA, the bill passed the Senate, and failed in the lower chamber only by virtue of a tie vote in Committee. The legislators made it abundantly clear that unless a bill was forthcoming in the next session, which would increase the number of persons permitted to render regulated service to the public, such an alternative as the rejected proposal would undoubtedly be adopted. For the first time, it appeared, the burden of formulating legislation was placed on the Examining Board, in addition to its responsibility of interpreting existing legislation.

The Examining Board expressed its desire to VPA that input from the broadest segment of psychologists in the State be received. In response, an ad hoc committee was formed, including representatives of the Virginia Association of School Psychologists. The committee members met with the Board, among themselves, and with the two associations during their May 1973 meeting. Simultaneously, VPA constituted an ad hoc committee on generic licensing, in an effort to eliminate the involvement of the Medical Board in the licensing procedure. The Examining Board received the consensus of these committees during May 1973. It was made clear at all times, however, that since it was upon the Board that the Legislature had placed the responsibility, the final decision as to the details of the amendments to be forwarded to the Capitol in the Board's name would necessarily be the Board's. The Board met on July 24, 1973 with representatives of the two associations, for discussion of the various proposals.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 6, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 7

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings to examine the economic regulation of the trucking industry focusing on the effects of State and Federal regulations on fuel consumption.
235 Russell Building
Environment and Public Works
Environmental Pollution and Resource Protection Subcommittees
To continue joint hearings on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to resume mark up of S. 932 (as passed the House), to extend through September 30, 1981, provisions of the Defense Production Act, and to begin consideration of pending nominations for the Board of Directors of the National Consumer Cooperative Bank.
5302 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 1492, 1286 and 839, to provide for the maintenance through financial assistance of the Milwaukee Railroad's freight-carrying capacity.
5110 Dirksen Building
Conferees
On S. 1030, to grant authority to the President to create an emergency program to conserve energy.
S-207, Capitol
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building
Joint Economic Committee
To hold hearings on the employment-unemployment situation for August.
1202 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

SEPTEMBER 10

9:30 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 1654, to improve the Federal judicial machinery relating to international trade in the United States.
6226 Dirksen Building
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings to examine the alleged use and misuse of the drug benzodiazatine by the medical profession.
4232 Dirksen Building

10:00 a.m.
*Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building
Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
Foreign Relations
To resume hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

2:00 p.m.
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building
Select Committee on Ethics
To hold an open business meeting.
5226 Dirksen Building

SEPTEMBER 11

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building
Judiciary
Business meeting, to consider pending nominations and legislation.
2228 Dirksen Building

10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
Foreign Relations
To continue hearings, in closed session, on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-116, Capitol
Judiciary
Criminal Justice Subcommittee
To hold oversight hearings on the scope of narcotics' use and abuse in the U.S. and abroad, and the adequacy of programs of the Drug Enforcement Administration to cope with the illegal drug traffic.
5110 Dirksen Building

11:00 a.m.
Judiciary
To hold hearings on proposed revisions to the Criminal Code.
2228 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

SEPTEMBER 12

8:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold oversight hearings on rural health care programs.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1979.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to begin mark up of S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.
5302 Dirksen Building
Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings to inquire into the circumstances surrounding the issuance of noncompetitive oil and gas exploration leases by the Department of the Interior on lands belonging to the Fort Chaffee, Ark., military reservation.
5110 Dirksen Building
Environment and Public Works
Business meeting on pending calendar business.
4200 Dirksen Building
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
Foreign Relations
To continue hearings, in closed session, on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-116, Capitol
Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building
Special on Aging
To hold hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.
6226 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

SEPTEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

10:00 a.m.
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building
Judiciary
To resume hearings on proposed revisions to the Criminal Code.
2228 Dirksen Building
Judiciary
Criminal Justice Subcommittee
To resume oversight hearings on the scope of narcotics' use and abuse in the U.S. and abroad, and the adequacy of programs of the Drug Enforcement Administration to cope with the illegal drug traffic.
5110 Dirksen Building
Special on Aging
To continue hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.
6226 Dirksen Building

2:00 p.m.
To continue hearings, in closed session, on the SALT II Treaty (Exec. Y., 96th Cong., 1st sess.).
S-116, Capitol

SEPTEMBER 14

9:00 a.m.
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

10:00 a.m.
Foreign Relations
To receive testimony from Members of Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building
Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

SEPTEMBER 18

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
1202 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small business from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building
Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

2.00 p.m.
Finance
Health Subcommittee
To hold hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 19

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
5110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
6226 Dirksen Building
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting on pending calendar business.
322 Russell Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bill to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

2:00 p.m.
Finance
Health Subcommittee
To continue hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 20

9:30 a.m.
Governmental Affairs
Intergovernmental Relations
To resume oversight hearings on the scope of general revenue sharing programs.
3302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

SEPTEMBER 21

10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

SEPTEMBER 25

10:00 a.m.
Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

11:00 a.m.
Veterans' Affairs
To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.
5110 Dirksen Building

SEPTEMBER 26

10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

SEPTEMBER 27

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To resume oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
235 Russell Building

10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

SEPTEMBER 28

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
235 Russell Building

10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

OCTOBER 1

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 2

9:30 a.m.
*Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
457 Russell Building

OCTOBER 3

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 4

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

OCTOBER 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To continue hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

OCTOBER 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To resume hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

OCTOBER 10

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 17

8:00 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of older American volunteer programs by ACTION agencies.
4232 Dirksen Building

SENATE—*Thursday, September 6, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Our Father God, as we look inward at national concerns and outward at international problems give us grace and wisdom to look upward that we may discern Thy will for our Nation. Make us wise in all we ought to know, and strong in all that matters. Keep us alert in every emergency and ready for every test.

"Thy love divine hath led us in the past;
In this free land by Thee our lot is cast;
Be Thou our Ruler, Guardian, Guide and Stay.
Thy word our law, Thy paths our chosen way."

—DANIEL C. ROBERTS, 1876.

May Thy Spirit live within the President, the Vice President, the Members of Congress, and all who work with them for the welfare of our Nation, the peace of the world, and the upbuilding of Thy kingdom.

In the spirit of Christ we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 6, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished minority leader.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order this morning and I am prepared to reserve it, or yield it to the majority leader, or whatever.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

Mr. President, he may wish to reserve his time. I have a little statement I will make on a matter that is, I suppose, not very controversial.

Mr. BAKER. Mr. President, judging that there is just an outside chance it might be controversial, I will, therefore, reserve my time.

SALT II AND RUSSIANS IN CUBA

Mr. ROBERT C. BYRD. Mr. President, my statement has to do with the Chrysler Corp. matter. But anent the current and ongoing discussions with reference to the Cuban situation, I think I should state for the RECORD that the administration will have adequate time to work out a resolution of the problem of the Soviet combat personnel in Cuba before the SALT Treaty is brought to the floor for debate.

CHRYSLER AID THROUGH AN EMPLOYEE-OWNED TRUST

Mr. ROBERT C. BYRD. Mr. President, on July 31, after experiencing a second quarter loss of $207 million, Chrysler Corp. formally approached the Treasury with a proposal for a $1 billion advance of future tax benefits. The company argued that without significant financial assistance from the Federal Government, it would be unable to make the capital investment necessary to meet competition and comply with federally imposed mileage and pollution regulations. By logical extension, Chrysler has alleged that without Federal financial help or waiver of Federal regulations, the company would be forced to wind down its operations or resort to bankruptcy proceedings.

Secretary Miller turned down the company's request for a tax advance but suggested that it rework the proposal in the form of a loan guarantee ranging from $500 to $750 million. Although he made no commitment, his suggestion of an alternative approach indicates that the Congress may be asked to consider some form of governmental assistance for Chrysler. A number of questions present themselves as a framework for considering any Federal assistance to the company:

First. Has the company exhausted every conceivable form of self-help and private sector initiative so as to avoid receivership or liquidation without Federal help?

Second. If, after exhausting all self-help possibilities, bankruptcy is likely without Federal help, what would be its impact on employment, competition, credit and equity markets, and the general economy?

Third. What would bankruptcy cost the Federal Treasury in terms of lost tax revenue, increased social costs, and most significantly, obligations of the Pension Benefit Guarantee Corporation to fund the guaranteed vested benefits of Chrysler's pension funds

Fourth. What are the philosophical issues raised by asking the taxpayer to rescue a large, privately owned company? In this context, might an approach which would funnel a Government guarantee through an employee-owned trust fund resolve some of the philosophical problems inherent in public assistance to a private firm?

PRIVATE SECTOR SELF-HELP

According to press reports, Chrysler has made some substantial strides in raising capital through the sale of nonessential assets.

Its financing subsidiary has sold $730 million in receivables; it has sold its real estate subsidiary for $200 million and a $70 million reduction in debt; and it has been successful in reducing its enormous inventory of $700 million (80,000) cars to about half. Its recently announced $400 rebate plan appears to be meeting with success.

However, these successes invite further challenges. The company owns 15 percent of Peugeot-Citroen and 15 percent of Mitsubishi. Is the sale of these assets practicable? Are there other assets which the company can liquidate? Are suppliers doing everything possible to extend payment terms? Can the company engineer manufacture and market a car or a line of cars which will reverse its plummet from a 16-percent share of the domestic auto market in 1970 to its current 9 percent? These are questions for which we need answers.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

BANKRUPTCY

It is still unclear whether the company will face bankruptcy without Federal assistance. But if that case is made convincingly, Congress must then attempt to evaluate the economic impact of bankruptcy of our third largest car maker.

Bankruptcy is generally triggered when creditors refuse to continue extension of credit. It usually takes the form of reorganization of a company's obligations or liquidation of its assets under a court ordered receiver. Reorganization is a much more likely avenue than liquidation in Chrysler's case. While there is no question that reorganization would involve some paring down, it is unclear how protracted or severe the impact of reorganization under bankruptcy would be. If a formal request for aid is made, hopefully Congress will address this question in depth.

COST TO THE GOVERNMENT—PENSION PLANS OBLIGATIONS

Besides estimating the impact of a Chrysler bankruptcy on Federal tax revenues and social service costs, Congress must also face the possibility that the Government, through the Pension Benefit Guarantee Corporation—PBGC—could lose up to three-quarters of a billion dollars.

In the worst case scenario, should Chrysler's pension funds terminate, the PBGC would be required to fund the unfunded pension benefits owed to Chrysler's workers.

Created by the Employee Retirement Income Security Act, the PBGC guarantees against shortfalls between pension plan assets and their liability for guaranteed vested benefits.

According to PBGC estimates, Chrysler's major pension plans have a shortfall of approximately $940 million. The insufficiency is not a problem as long as the plans continue to be funded by Chrysler and the large majority of plan beneficiaries continue working. The problem arises if the plans are terminated—which is a possibility if the company is forced into bankruptcy.

Chrysler's funds are not now fully funded, because the company anticipates, like the social security system anticipates, that people will "retire" over time, not all at once. Termination of the plans effectively grants all the workers their retirement benefits simultaneously.

The Federal Government does have the ability to step in as a senior creditor if it is forced to fund the plans' insufficiency. However, its priority over other creditors is limited to 30 percent of the company's net worth. The company's stock is trading at such a low level that the Government could probably recover only about $200 million under this priority formula. This would leave the Pension Benefit Guarantee Corporation with a $740 million obligation.

The enormous level of the PBGC potential shortfall is largely due to a quirk in the legislative history of ERISA. If net worth were based on book value, the PBGC would enjoy a comfortable margin of the company's assets from which to recover. But the Finance Committee's report on ERISA specifically states that net worth is to be determined by market value. Because of this definition, the Federal Government, through the PBGC, in the worst of all worlds, could lose up to three-quarters of a billion dollars.

EMPLOYEE TRUST FUND APPROACH

Chrysler's request has stimulated debate over the principle of Government aid to a large private firm. But this debate cannot exist in a vacuum. It must consider the cost of not helping as well as the form which the assistance takes.

Instead of a Government guarantee which is issued to Chrysler, I suggest that consideration be given to an employee trust, which would receive the benefit of the Federal guarantee. With the guarantee, the fund could go to the private markets and borrow money with a payback schedule consistent with Chrysler's needs. The fund could then lend the money to Chrysler with repayment terms similar to its borrowing from the public, with these two exceptions.

First, it would charge Chrysler a rate of interest higher than the rate it pays, since the Federal guarantee will allow it to borrow at a subsidized interest rate. The "spread" or profit that the trust earns on the interest rates would be passed on to the Federal Government as a fee for the use of the full faith and credit of the Government.

Second, the trust would lend to Chrysler through a debt instrument which could be converted into stock at the trust's option; for example, convertible debentures. The price at which the debt could be converted to stock would be the price at which the stock is trading on the date of any formal proposal.

If the company does turn around, the stock price will climb. In that case, the trust would convert its debentures into stock at the conversion price. It would sell enough stock at the higher prevailing price to repay its debt obligations, and still end up with a handsome block of Chrysler's stock which it could then sell, hold, or distribute directly to the workers.

The incentive to the workers to moderate pay increases in order to save their jobs exists already. This plan would offer a tangible financial reward to make the sacrifices necessary to keep their company a major competitive force in the domestic auto market.

If the company fails to rebound and continues to limp along, the funds will repay its creditors overtime with the payments it receives from Chrysler. The workers do not lose or gain anything. The Government will still collect its fee.

If the company defaults, the Government will honor its guarantee. Again, this plan would cost the workers nothing and the Government would be in the same situation it would have been in if it had offered the guarantee directly to the company.

I would like to emphasize again that we have not received enough information to reach a verdict on what role, if any, the Government should play in assisting Chrysler. Until the questions which I have raised today can be addressed, I shall reserve my final judgment. With that caveat, I hope that as the debate on Chrysler unfolds, serious consideration be given to the program of worker incentive which I have outlined.

Mr. President, I am ready to yield back my time, or reserve it, whichever.

Mr. BAKER. Mr. President, I might say a word on this subject, and the majority leader, I think, probably will not find it too controversial, but he may wish to reserve his time in that event.

Mr. President, I am sure no one will be put off by the mention of politics in this Chamber. Therefore, no one will be embarrassed when I say that I spent the month of August traveling about the country on a political adventure. To be exact, I covered 25 States in 28 days talking to Republicans and mentioning from time to time the possibility of the Republican Presidential nomination in 1980.

With that by way of preface to a brief remark about the distinguished majority leader's statement on Chrysler, I admit to some surprise that in the dozens, probably hundreds of meetings I attended in which questions were put by the audience, that one of the most often-asked questions was my possible attitude on Chrysler.

I had not assumed that issue had reached such proportions in the country; but based on that experience, I judge it had.

It is a matter of extreme interest to a great number of people. I am not prepared at the moment to say what the consensus of opinion is. I am prepared to report that it has already become an issue of great importance to at least the people I talked to.

My reply, Mr. President, was, "Frankly, I haven't made up my mind about Chrysler yet."

I talked to Mr. Riccardo, the chairman of the board of Chrysler, and told him at the time I was really not greatly attracted to the idea of creating an advance tax credit just by Treasury payment of $1 billion over 2 years, but that I would hope they would proceed with other suggestions and ideas.

I applaud the statement by Secretary of the Treasury Miller. I would add to the situation only these suggestions and recommendations, for whatever they are worth.

The first thing I want to insure is whether Chrysler can be saved. I do not want to see money poured down a rat hole. I hope Chrysler can be saved, but I want to see a detailed and careful analysis of their present situation and what might result from any sort of effort, whether a loan guarantee or a provi-

sion of chapter 11 of the Bankruptcy Act, or whatever.

I want to be reassured before we take any action that Chrysler can make it.

Second, I want to make sure that everything is done within the scope of propriety within the Chrysler organization. That includes both management and the employees of Chrysler, including the employees' pension trust.

Third, I want to examine not only what effect any sort of Federal action for Chrysler might have on Chrysler but also what effect it might have on the other automobile companies that make up the industry in this country and those which import automobiles into the United States. What will it do to the competitive nature of the auto industry in the United States?

Last, Mr. President, how can we do this without doing grave injury and jeopardy to the free enterprise and free market system, if in fact we do elect to find some sort of relief for Chrysler?

So it is a complex matter, one on which I have sought advice from distinguished bankers and security analysts and representatives and dealers in New York and others around the country.

It is a subject on which I have not made up my mind. I am pleased that the majority leader has brought this subject to our attention this morning.

I might say, parenthetically, that this is the second day of the resumption of our deliberations after the August break, and the second morning on which I have responded to his statements, and I do not intend to make this a miniforum of national issues. But I think this is one issue that deserves special attention, not only because of its importance but also, as I said earlier, because I have found that it is of concern to a great number of people.

I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

DOROTHY BURNS

Mr. BAKER. Mr. President, it has been almost 30 years since Dorothy Burns first entered the service of the Republican membership of the Senate.

Since May of 1950, serving first under Minority Secretary Mark Trice and then with his successor Bill Hildenbrand, Dorothy Burns has been the calm in the midst of many a legislative storm, a steady rock amid the changing tides of political fortune.

For three decades, she has made an important contribution to keeping the Republican membership well organized, well informed, and well equipped to deal with issues as current as those on today's legislative calendar and as historical as the Korean war.

Now, having amassed more seniority here than any Republican Senator except MILTON YOUNG, having worked in 15 Congresses and under 7 Presidents, Dorothy Burns is about to retire.

It is a sad thing to see someone with so much experience, with such a sweeping view of the history of this institution, leave the place that has been her professional home for so long. Such things are inevitable, I suppose, but that does not make the prospect of losing a Dorothy Burns any more pleasant.

I have enjoyed my association with her as Republican leader, just as four of my predecessors in this office enjoyed that same association.

I know my colleagues on both sides of the aisle, and especially my fellow Republicans, will join me in thanking Dorothy for almost 40 years of loyal service to her country—including her previous service in the executive branch—and in wishing her good health and much happiness in her new life.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield the remainder of my time to Mr. BRADLEY, on my side.

Mr. BAKER. Mr. President, I yield the remainder of my time to the Senator from New York, on my side.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes, and then the Senator from New York (Mr. JAVITS) is scheduled to speak.

Mr. JAVITS. We are ready now.

Mr. ROBERT C. BYRD. Mr. President, the time that the minority leader and I have yielded to Mr. BRADLEY and Mr. JAVITS is yielded with the intention that they be recognized at this time, if the Chair so pleases.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. JAVITS. Mr. President, I ask unanimous consent that our special order for this morning be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT ON THE STUDY MISSION TO THE OECD

Mr. JAVITS. Mr. President, on behalf of Senator Bradley and myself, I present to the Senate a report on a study mission to the OECD in Paris that we undertook on July 2 and 3, 1979. We were accompanied on this trip by Representative WYCHE FOWLER of the House Ways and Means Committee.

The purpose of our trip was to have an exchange of views with Ambassador Herbert Salzman and senior members of the U.S. Mission to the OECD and OECD Secretary-General Emile van Lennep and his senior staff on the major issues facing the international economy.

The United States is indeed fortunate in having such a distinguished and highly competent diplomat as Herbert Salzman as our Ambassador to the OECD. Both he and his very knowledgeable staff not only thoroughly briefed us but also demonstrated to us their close working relationship with the OECD Secretariat which insures strong U.S. influence in this international organization.

I believe that Senators will be interested in the views of Secretary-General van Lennep and the OECD economists with whom we talked, for they are among the very best that can be found in the international economic organizations. Mr. van Lennep conducted meetings forcefully and imparted a strong understanding of the critical nature of the issues the international system faces.

I would like to draw the attention of my colleagues to the recommendations section of our report and particularly to our recommendation that Senate and House members of committees concerned with international economic and monetary problems should avail themselves of the high degree of expertise found in the OECD Secretariat through regular briefing sessions similar to the one we recently undertook. Consideration should be given by the leadership to making such briefing sessions official missions for representatives of such committees, as these sessions provide very keen insight and innovative approaches to many of the international economic issues that will continue to face us for a long time.

Mr. President, I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REPORT ON STUDY MISSION TO THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD)

I. INTRODUCTION

The purpose of the study mission to the OECD was to have an exchange of views with Ambassador Herbert Salzman and senior members of the US Mission to the OECD and OECD Secretary-General Emile van Lennep and his senior staff on the major issues facing the international economy.

The idea for such a mission arose at a meeting in March in Washington between Senators Javits and Bradley, Secretary-General van Lennep, and US Ambassador to the OECD Herbert Salzman at which Mr. van Lennep indicated the OECD's ongoing interest in having such exchanges of views with Parliamentary delegations from member governments to make the OECD more useful to the member countries. Senators Javits and Bradley welcomed the opportunity to hold such a meeting and underlined the importance such a meeting could have in improving the understanding in the Congress of the OECD and its functions.

As a result of this initial meeting, Senators Javits and Bradley, joined by Congressman Wyche Fowler from the House Ways and Means Committee, participated in two days of discussions in Paris. They were accompanied by Jacques Gorlin, Special Assistant to Senator Javits for Economic Affairs.

The OECD plays an important role in international economic organizations. It has had a long history of providing an important forum for international economic decision-making. Its membership is restricted to the industrialized democracies, and its value can be found in the organizational flexibility that permits a whole range of economic issues to be covered and analyzed in its forums.

It is especially important in serving as

the locus for economic policy coordination among the industrialized countries and provides the United States with a unique institution in which to advance and develop appropriate objectives and the means to attain them for the international economy.

The OECD is the successor of the Organization for European Economic Cooperation (OEEC), which was established in 1948 to administer Marshall Plan aid and the cooperative effort for European recovery from the economic devastation of World War II. As the 1950's drew to a close, it became increasingly obvious that changed economic conditions throughout the world called for new arrangements. The US and Canada joined with the countries of Western Europe to establish the OECD on September 30, 1961.

The Organization's objective is to promote policies designed to:

Achieve the highest sustainable economic growth and employment, while maintaining financial stability;

Contribute to sound economic expansion in member as well as non-member countries in the process of economic development; and

Contribute to the expansion of world trade on a multilateral, non-discriminatory basis.

The twenty founding members were later joined by Japan (1963), Finland (1968), Australia (1971), and New Zealand (1973) as full members of the Organization. Yugoslavia has been associated with, and the Commission of the European Communities has participated in the work of, the Organization since it was founded. (See attachment for a complete list of members and constituent groups of the OECD.)

Throughout the 1960's the principal value of the OECD to the US lay in the opportunity it provided for structured discussion among policy makers from member countries on current economic issues. The Organization was also used to address selected policy issues: qualitative and quantitative upgrading of official foreign assistance programs, the world food problem, regulatory approaches to ocean freight conferences, the liberalization of current and capital account transactions, and the avoidance of double taxation.

In the early 1970's, however, the fundamental character of the OECD and its value as an instrument of US and other industrialized nation foreign economic policy began to change. The breakdown of the Bretton Woods monetary system, the synchronized expansion and recession in the major OECD countries, unacceptably high rates of inflation, the oil embargo and the subsequent quintupling of the price of imported oil, and the increasing economic focus, political coherence, and militancy of the developing countries caused the US and others to turn to the OECD as the forum in which to seek solutions to these interrelated problems.

II. BRIEFING BY US MISSION

The two-day session began with a briefing for the delegation given by Ambassador Salzman and his senior staff at the US Mission on US interests in the OECD. Ambassador Salzman stressed that the OECD does not disburse funds, like the World Bank or other regional banks, nor does it assist in the functioning of the international monetary system, like the IMF; neither does the OECD have any sovereignty, like the European Economic Community. Rather, the OECD provides a valuable forum in which the process of international cooperation among the industrialized countries can unfold. Furthermore, the OECD provides both a place and an opportunity for the industrialized countries to caucus and work out their collective position visa-vis the developing countries on North/South developmental issues in preparation for UN meetings, such as UNCTAD. The OECD also provides a forum for the exchange of information on such diverse issues as East-West trade, developmental assistance, steel issues, environmental concerns, drug control, tourism, women's affairs and the negotiation of codes on the transfer of technology, foreign investment and on the behavior of multinational corporations.

The OECD also provides the industrialized countries with a highly skilled and motivated Secretariat which undertakes coordination and preparation for such high-level international meetings as the annual big power Economic Summits.

The annual Ministerial meeting of the OECD provides the member governments with an opportunity to review all economic issues in an interrelated context and to provide guidance to the member governments on economic policy for the coming year. Quite often, as this year's Communique, which is appended, demonstrates, the OECD Ministerial provides individual governments with the international impetus they require to take politically difficult courses of action.

In addition, Ambassador Salzman stressed the important role that the OECD and Secretary-General van Lennep have played in dealing with such adhoc issues as the recent consortium to provide increased capital transfers to Turkey. Another important function of the OECD is its relationship with the international business and labor communities through the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC).

Following Ambassador Salzman's overview presentation, the Mission staff briefed the delegation on the OECD's role in international energy cooperation. The main body within the OECD is the International Energy Agency (IEA), which is composed of all OECD members with the exception of France, Iceland, Finland, and Portugal.

The IEA was created within the OECD framework in 1974 to serve as the focal point for consumer country cooperation. As explained by the Mission staff energy specialist, the IEA has agreed upon measures for emergency sharing of supplies in case of a future embargo, has a significant and growing research and development program for alternative energy sources, and has agreed upon a collective IEA-wide oil import objective of 26 million barrels a day in 1985—a 5 percent reduction from projected oil imports for 1979—as well as principles for reduced dependence on imported oil. The IEA conducts annual reviews of members' policies and progress towards achieving reduced dependence objectives. The OECD/IEA will have a key role in the follow up to the energy commitments made at the Toyko Economic Summit.

The US joined the Nuclear Energy Agency (NEA), which is the nuclear energy entity within the OECD framework, on October 1, 1976. The NEA is principally concerned with the nuclear fuel cycle and health and safety problems. Both the IEA and NEA are participating in the International Nuclear Fuel Cycle Evaluation (INFCE).

The delegation was particularly interested in the OECD Economic Policy Committee, chaired by US Council of Economic Advisors Chairman Schultze. Three times a year, the Committee, which brings together leading economic experts from the member countries, meets to make economic projections and provide recommendations for macroeconomic demand management, that is, recommendations on how monetary and fiscal policies can be used to bring supply and demand into balance based on full employment policies.

In this regard, the delegation agreed with the OECD assessment that present international economic conditions no longer permit the resolution of economic problems solely through demand management; that is, full employment can no longer be attained solely through traditional fiscal and monetary policies. Ambassador Salzman informed the delegation that, as a result of this perception, the OECD experts in the Economic Policy Committee have turned their attention to the supply side of the economic equation with a resultant transition from policies stressing demand management to those stressing the positive adjustment of the individual economies to the new realities and structure of the world economy. To aid the individual member governments to adopt suitable economic policies, the OECD has focused its efforts in recent years on the effect of various forms of governmental intervention in impairing the flexibility to adjust to changed conditions of the free market systems that generally characterize member country economies. The OECD has begun to apply cost-benefit analyses to the various domestic economic policies in the hope of improving productivity. Ambassador Salzman indicated that the "transparency" resulting from such OECD analyses helped member governments to choose among various policies by identifying—and, in some cases, quantifying—the costs of various national subsidies and interventions in the free markets.

III. PLENARY SESSIONS WITH OECD OFFICIALS

The delegation held two lengthy sessions with OECD officials. Representing the OECD Secretariat at these sessions were: Secretary-General van Lennep; Mr. Charles Wootton, Deputy Secretary-General; Mr. Gerard Eldin, Deputy Secretary-General; Dr. Ulf Lantzke, Executive Director, International Energy Agency; Mr. J. Wallace Hopkins, Jr., Assistant Executive Director, International Energy Agency; Mr. Stephen Marris, Economic Counselor to the OECD Secretariat; Mr. Plesse, Deputy to Mr. Marris; Mr. John D. Fay, Chief, Economic and Statistics Department, OECD; Mr. John Lewis, Chairman, OECD Development Assistance Committee (DAC); Mr. Fuhrer, Member, DAC Directorate; Mr. Gian Luigi Valenza, Special Counselor to the OECD Secretariat; and Mr. Kobayashi, Special Counselor to the OECD Secretariat.

In addition, the following members of the US Mission attended: Ambassador Herbert Salzman, Permanent Representative; Mr. Ralph Korp, Minister-Counselor for Economic and Financial Affairs; and Mr. Paul Stahnke, Counselor for Economic and Social Affairs.

Turning to the question of membership, the OECD officials stressed that, while the OECD has no intention of expanding its membership beyond the industrialized countries, it was quickly developing a functional involvement with non-members. The Secretariat cited the representation of individual OPEC donor countries on the Developmental Assistance Committee, which coordinates the actions of donor countries in providing official foreign assistance to the developing countries. The OECD has also invited some of the Newly Industrialized Countries (NICs) with significant steel production capacities to sit on the OECD Steel Committee. Also, individual NICs are invited to meet with the OECD to discuss matters of mutual concern in the area of trade-in manufactured goods. The delegation was able to clarify that these contracts were for the purposes of exchanging information and were not directed at any market allocation schemes.

With respect to East-West relations, the delegation sensed a certain reluctance on the part of certain member countries to deal with the Eastern bloc multilaterally through the OECD and a continued preference to deal bilaterally with the East.

The plenary sessions focused on the impact of energy developments on the future economic performance of the member governments, the international macroeconomic situation, and North/South and other developmental issues. The discussions were particularly timely in light of both the OPEC Ministerial meeting held the week before in Geneva at which the Cartel had announced a significant increase in the price of oil and the Tokyo Summit, which concluded with an agreement on international energy cooperation.

A. General discussion

Before launching into a substantive discussion on the economic issues, Secretary-General van Lennep provided a brief description of how the OECD operates. The Secretary-General indicated that the OECD is a homogenous organization that operates under a unanimity rule, which has instilled in the member governments a sense of responsibility for arriving at collective decisions. In fact, the Secretary-General views the OECD, by institutionalizing strengthened consultative procedures, as a model for other international organizations. The delegation was struck by the critical role of the US in the OECD and that, without US leadership in undertaking policy initiatives, the OECD would not be seized with the critical issues facing the international economy.

The homogeneity of membership does provide added strength to the OECD in following through on the US initiatives. Secretary-General van Lennep indicated that, since all the countries were democracies and followed "market economy" principles, the OECD was able to gear its analytical work to those economic issues which were of mutual concern to the member governments. The delegation notes that, in those areas in which a consensus has developed among member governments on policy direction, the OECD has been able to assume a leadership role in recommending policies. This has occurred in the area of science policy, where a consensus has developed on the need for policies that support innovation and R&D. In areas such as trade, monetary policy, and North/South relations, however, a consensus has not yet emerged among member countries; and, as a result, the OECD has more of an informational and consultative role than a policy direction role.

The delegation was particularly interested in the change in the OECD's research focus away from the short-term towards increased concentration on analyses of the long-term processes in such areas as energy, macroeconomics, and developmental issues. In this regard, the OECD is particularly suited to providing analyses on the relationship among functional issues and their implications for economic policy. As one member of the Secretariat indicated, the strength of the OECD is in its ability to interrelate work in different sectors of the national economies and especially in relating sectoral (i.e. manufacturing, agriculture, services, etc.) analyses to the larger economic issues. The delegation has reviewed a number of these inter-sectoral analyses undertaken by OECD economists and recommends them highly as important contributions to broader economic understanding. The delegation expressed its concern to the OECD officials that there was too little awareness, especially in the US Congress, of the valuable contributions the OECD is making. In response, the Secretary-General indicated that the OECD seeks to avoid institutional publicity in order not to antagonize certain member countries. The delegation is concerned that the lack of institutional identification that is reflected in this "low profile" approach could lead to a loss in the support for the OECD among member Parliaments.

B. The international energy situation

Dr. Lantzke, Executive Director of the International Energy Agency, briefed the delegation on the role of the IEA in coordinating international energy policy. Dr. Lantzke, while not minimizing the short-term energy problem facing the consuming countries, indicated that the real problem facing the consuming countries was in the long-term. The IEA projection of a short-term (1979–1980) shortfall of two million barrels of oil a day can be dealth with through artificial demand constraints. In the medium-term, through 1983–1984, the IEA sees a tight balance due to a slowdown in worldwide economic activity. Dr. Lantzke warned, however, that in this period any one producing country could cause major difficulties for the system and that the consuming countries should be prepared for sudden short-term problems due to possible supply disruption.

The delegation was also briefed on the mathematical model used by the IEA to forecast the energy situation through the year 2000. Under the best of circumstances (average economic growth of 3.4 percent per year; energy/GDP ratio of .8 and with Saudi Arabia producing 15 million barrels of petroleum per day), the IEA still projects a potential shortfall of 4 million barrels per day by 1985 and 20 million barrels per day by the year 2000.

The delegation concluded from Dr. Lantzke's briefing that the real energy problem facing the member countries was not the identification of required policies to meet these projected shortfalls but rather the willingness of member governments to implement the policies on a national level.

For example, Dr. Lantzke, while stressing the medium-term need of more effort in the energy/GDP ratio and the longer term need to accelerate coal, nuclear, and gas energy utilization, stressed the immediate political problems that the IEA has had with member countries. For example, the IEA has had great difficulty in convincing the Japanese to negotiate with their utilities to plan for the use of coal; the US to move away from artificially low energy prices; and, finally, both the Germans and the US to replace imports of heavy crude oil with coal imports. The delegation supports these efforts of the IEA to develop rational energy policies among its member governments.

The delegation questioned the IEA Secretariat officials about the possible political effects the energy problem might have on Western cohesiveness and the ability of the consuming countries to present a unified front against the OPEC cartel. France's unwillingess to join the IEA was cited by the delegation as a case in point. Dr. Lantzke expressed his concern that energy differences could break up the Western alliance and stressed the analytical and informational functions of the IEA, which could be used to avoid such devisiveness. Dr. Lantzke added that, since France's overall energy policies were in harmony with those of the other IEA countries, its non-membership did not pose a problem to IEA operations.

In a later meeting with US Ambassador to France Arthur Hartman, the delegation discussed the effect of France's absence from the IEA on the collective energy decisions taken it the Tokyo Economic Summit. The delegation stressed the importance of finding some method of bringing France into closer collaboration with the other countries within the IEA context. The delegation felt the IEA, as an international institution, should not be weakened.

With respect to alternate sources of energy, IEA officials took exception to the delegation's view about the potential for commercial use of solar energy. Dr. Lantzke indicated that IEA experts do not believe that the state of solar energy technology will make solar energy commercially viable through the end of the century. Dr. Lantzke agreed that investment must be funneled into the supply side of the energy equation in replacing, for example, heavy crude with coal sources in the European refining structure and in undertaking programs for demonstration plants for synthetic fuels. The delegation emphasized, however, that conservation measures were as important as increasing energy supply.

C. International Macroeconomic Situation

John Fay, Chief of the Economic and Statistical Department, provided the delegation with the OECD assessment of the international macroeconomic situation. As background, Fay indicated that, until three years ago, the OECD economists had had an optimistic view of the macroeconomic situation, with the US economy cooling off to lower inflation and Japan and Germany consciously expanding their economies to improve the management of the international economic system. While a 4½ percent annual growth rate is generally viewed as the minimum rate of growth needed to wind down unemployment, the OECD forecasters did not believe that more than a 3½ percent annual increase in economic growth was possible until a significant drop had occurred in worldwide inflation. The OECD economists warned the delegation that even before the most recent oil price increase member countries had to face up to the reality of slow growth and increased unemployment.

Now, with the oil price increase, the situation is even darker. Rather than a 3½ percent to 4 percent economic growth, as originally forecast, real growth of GNP will be 2 percent in the immediate (1979–1980) period. The US economy is now expected to be flat while the other countries will grow at about 2–2½ percent. As a result, unemployment will rise. the OECD is most concerned, however, that, in response to the oil increase, the Japanese and Germans will undertake tighter monetary and fiscal policies, which will have a further slowing-down effect on the world economy. The OECD economists estimate that the US will have about a 12 percent inflation rate, while Germany and Japan will have rates in the range of 7–10 percent with the other OECD countries being in the 12–15 percent range.

The delegation is most struck by the instability to the international payments system that the most recent oil price increase will cause. The OECD Secretariat estimates that the OECD countries will have a current account deficit of $25–30 billion. With respect to the impact of the latest oil price increase on the non-oil importing developing countries, the OECD estimates that they will run cumulative deficits of $40 million. These deficits will once again have to be financed either through the commercial markets or through government recycling mechanisms. While the international recycling system, mostly through the commercial banks, responded adequately, in 1973–75 to the first oil price shock, the OECD Secretariat economists shared the delegation's concerns about whether the system can adequately respond this time around.

The ability of the developing countries to finance their growing debt is of special concern to the delegation, especially if consumer confidence weakens in the industrialized countries, which could lead to a major recession and increased protectionism, which would stifle the exports of the developing countries.

D. North/South issues

(1) Trade

Stephen Marris, Economic Counselor to the OECD Secretariat, briefed the delegation on the impact of the Newly Industrialized Countries (NICs) on world trade. He cited a recent OECD staff report analyzing the trading relationships in manufactured goods between the industrialized countries of the OECD and ten developing countries characterized by the staff as Newly Industrializing Countries (Brazil, Greece, Hong Kong, Korea, Mexico, Portugal, Singapore, Spain, Taiwan, and Yugoslavia). (A brief press release reviewing the study is appended.)

The results of the study show that, on balance, exports of industrialized countries to these NICs rose at a higher rate between 1963–1977 than did imports to the industrialized country markets from the NICs. This resulted in the gain of 500,000 jobs related to exports from the OECD countries to the NICs above those lost in comparison with imports from these countries. Mr. Marris indicated that, according to the OECD estimate, the US was an exception and, as a result of going into deficit in trade and manufacturing with the NICs, actually lost 200,000 jobs in the manufacturing balance. He hastily noted that this did not include the important area of US agricultural exports.

The delegation noted with interest the findings of the study and their implications for international ecomonic policy. The delegation agreed with the OECD's assessment that the preferred economic policy for these NICs should be to translate the fruits of their rising productivity into increased purchasing power for their populations by balancing their trade accounts and letting their currencies appreciate.

The delegation indicated, however, that this was not generally the economic policy that these NICs were following and recommended to the OECD Secretariat that it was in a better position that US officials to provide this policy advice to the governments of the NICs since the OECD's advice would be better received by these governments.

The delegation recognizes that, while the US has sought to encourage the Secretariat to engage in open exchanges of information on functional issues with the NICs, there has been resistance from other OECD governments. While it understands the OECD Secretariat's reluctance in this regard, the delegation urges the Secretariat to continue to undertake such consultations where possible.

The OECD Secretariat was particularly interested in the delegation's views on prospects for increased protectionism in the US. The delegation stressed the importance of finding new markets for the NICs in order to shift the focus of their exports away from sole reliance on OECD markets. While conceding the need for the development of Third World markets, the OECD Secretariat felt that the most critical factor for sustained LDC growth was a continuation of growth in the industrialized countries. The Secretariat has, in fact, discovered a correlation between the fear of rising protectionism in the industrialized countries and the level of anticipatory investment in the NICs.

The delegation notes that the importance of the NICs is in their demonstrated effect as success stories for other countries to follow in pursuing their developmental efforts. The Secretariat indicated that possible candidates for future NIC status were Chile, Argentina, Colombia, Malaya, Thailand, and the Philippines. Whether these countries actually attain such status depends on political circumstances as well as economic conditions. The delegation recommended to the OECD Secretariat that it should develop a grand design, including plans for a large capital fund, to deal with this issue of avoiding protectionism in the industrialized countries and increasing investment in Third country markets in order to foster the transition of more LDCs to NIC status.

(2) Developmental Assistance

The delegation was briefed by Mr. John Lewis, Chairman of the Developmental Assistance Committee (DAC) on how the OECD deals with the more traditional North/South issues:

1. The DAC coordinates and monitors every member country's performance in providing official assistance and provides a forum for the coordination of the industrialized countries' positions in the North/South Dialogue in preparation for meetings of such international organizations as UNCTAD.

2. The Executive Committee in Special Session permits senior economic officials at the level of US Under Secretary of State Cooper and his counterparts in other capitals to meet and discuss the broad range of macroeconomic issues that affect the developing countries.

3. The IEA has a special group on North/South relations.

Mr. Lewis described the OECD development strategy as having three broad elements:

1. better co-management of the world's interdependence with direct encouragement to the LDCs to assume new responsibilities for this co-management;

2. the need to try to maintain an open world economy and acceptance of mutually beneficial change. (The OECD estimates that, by the year 2000, the LDCs could represent 18–20 percent of the world's manufacturing capacity); and

3. the need to deal with the world's poverty through not only a "basic needs" strategy but also an industrialization strategy.

The delegation learned that, based on this three-part strategy, the OECD has sought to encourage both foreign and domestic investment in certain economic sectors of the LDCs, such as mining, energy, and food production, in order to better manage the world's resources and meet the needs of the LDC populations. Furthermore, the OECD, through the DAC, is attempting to review both the quality and quantity of official development assistance, which would improve the trading prospects of the NICs in Third country markets. The delegation especially concurs with the OECD Secretariat's recommendation that the North/South Dialogue could be improved through more contacts in diversified regional and functional forums rather than plenary sessions on a global basis.

Both the OECD developmental specialists and the delegation agreed that trade and maintenance of open markets were important to the success of the North/South Dialogue and that it was critical to move the LDCs to an open market strategy and away from their continued concern for managing the world economy. Mr. Lewis was especially concerned that, because of the OPEC price increases starting in 1973, the world, and especially the non-oil developing countries, have become dependent on large capital transfers through the commercial banking system. While this structure has propped up growth rates and put a floor under a worldwide recession in the past, all the discussants agreed that it is a very fragile basis on which to continue economic growth.

The delegation expressed its concern that, in the face of the most recent oil price increases, it will be very difficult to go beyond maintenance of present growth in the LDCs and suggested that the long-term answer was not more capital flows but the maintenance of open markets in the industrialized countries for LDC exports.

With respect to the effect of the oil price increase on the poorest countries, the delegation was informed that there was very little luxury use of energy, and, hence, one can expect very little cutback in energy use in these LDCs. Energy imports will continue to have priority claim for these LDCs, which will push aside other imports and add to the already severe strains facing these developing countries.

Recommendations

1. The Congressional delegation found the OECD Secretariat to be highly informed with a high degree of expertise. Senate and House members of committees concerned with international economic and monetary problems should avail themselves of the expertise and take part in such briefing sessions on a regular basis but no less than once a year. Consideration should be given to making this an official mission for representatives of such committees.

2. The delegation endorses the OECD's decision to focus on long-term issues. While such studies may not have an immediate impact on the policies of the member governments, the economic issues we are facing today are so complex and deal so much with the basic structure of the world economy that long-term analyses may very well uncover the only effective solutions. This will, however, put pressure on member governments of the OECD to ensure that the OECD's long-term proposals are carefully considered by policy makers.

3. The OECD Secretariat should be urged to increase its visability in providing international solutions to such pressing issues as energy; coordination of macroeconomic policy, especially in developing positive adjustment strategies; and the North/South Dialogue, including greater coordination of development assistance among donor countries.

4. The delegation is, however, concerned that some members would be reluctant to permit the OECD Secretariat greater visibility. This is a political issue within the Western alliance and should be resolved at the diplomatic level. The State Department should begin consultations—initially at the OECD Permanent Representative level—to develop a consensus behind giving the Secretariat greater freedom to analyze and provide policy prescriptions to deal with the major issues facing the present international economic system.

5. The OECD should undertake the development of a grand design which would bring together investment capital from the OECD countries and OPEC surplus countries for investment in the non-OPEC LDCs. This could involve guarantees by the OECD countries to the OPEC countries but would also involve the direct assumption by OPEC of risks in the economies of the recipient countries.

6. In developing such a "grand design for economic readjustment," the OECD Secretariat could work together with other specialists at the World Bank, the IMF, and regional development banks.

OECD, IEA AND NEA MEMBERSHIP

OECD	IEA	NEA
Full members:		
North America:		
Canada	Yes	Yes.
United States	Yes	Yes.
Western Europe:		
EC:		
Belgium	Yes	Yes.
Denmark	Yes	Yes.
France	No	Yes.
Germany	Yes	Yes.
Ireland	Yes	Yes.
Italy	Yes	Yes.
Luxembourg	Yes	Yes.
Netherlands	Yes	Yes.
United Kingdom	Yes	Yes.
Other:		
Austria	Yes	Yes.
Finland	No	Yes.
Greece	Yes	Yes.
Iceland	No	Yes.
Norway	Associate member.	Yes.
Portugal	No	Yes.
Spain	Yes	Yes.
Sweden	Yes	Yes.
Switzerland	Yes	Yes.
Turkey	Yes	Yes.
Far East:		
Australia	Yes	Yes.
Japan	Yes	Yes.
New Zealand	Yes	No.
Associated with the OECD: Yugoslavia	No	No.
Observer status, participates in the work of the OECD: Commission of the European Communities.	Yes	Yes.

MAIN BODIES OF THE OECD, WITH SELECTED SUBGROUPS

(By subject area)

GENERAL

Council. The decision-taking body of the Organization. Meets at least once a month except during August.

Executive Committee in Special Session (XCSS). Established in 1972 at U.S. initiative to consider significant interrelated economic policy issues which do not fall neatly within the scope of a single OECD body.

Ad Hoc High Level Group on Economic Relations Between Member Countries and Developing Countries (North-South Group) and High Level Group on Commodities (HLGC). Senior policy groups which backstop North-South issues. The Ad Hoc Group on the Common Fund, a subgroup of the HLGC, is the OECD caucus for the common fund negotiations.

INTERNAL OECD MATTERS

Executive Committee. Fourteen members. Act as screening body for reports, recommendations, etc. going to the Council. Other duties as instructed by the Council.

Budget Committee. Advises the Council on all questions related to the financial administration of the Organisation, including preparation of annual budget.

ECONOMIC POLICY

Economic Policy Committee (EPC). Keeps under review the economic and financial situation and policies of Member countries, paying special attention to the international aspects of national policies.

Temporary Ad Hoc Working Party (TWP). Considers the economic, monetary and financial problems that could arise in relations between Member countries and oil-producing countries (excluding investment matters). Backstopped G-8 participation in the Financial Affairs Commission of CIEC. Follows balance of payments developments in smaller OECD countries.

Working Party No. 2 on Problems Concerning Economic Growth and the Allocation of Resources (WP-2).

Working Party No. 3 on Policies for the Promotion of Better International Payments Equilibrium (WP-3).

Working Party No. 4 on Costs of Production and Prices (WP-4).

Economic and Development Review Committee (EDRC). Conducts annual reviews of the economic situation in each Member country and reviews Member countries' economic policies.

Committee for Monetary and Foreign Exchange Matters. Established in 1973, it provides a forum open to all Members to discuss problems of monetary cooperation.

ENVIRONMENT

Environment Committee. Established in 1970 at U.S. initiative, it deals with all aspects of the environment with special emphasis on pollution problems. Has numerous subgroups for specific environmental problem areas.

DEVELOPMENT AND TECHNICAL ASSISTANCE

Development Assistance Committee (DAC). Concerned with all aspects of making national resources available to developing countries. Conducts annual reviews of Member countries' foreign assistance programs. Issues comprehensive annual report.

Technical Cooperation Committee (TECO). Supervises the Organization's technical cooperation activities with developing Member countries.

TRADE

Trade Committee. A forum for the confrontation of general trade policies and the examination of specific trade problems.

Working Party of the Trade Committee (TCWP). Carries forward the work of the Trade Committee between sessions of the Committee. Considers policy issues.

Group on Preferences. Established at U.S. initiative in 1971 to consider problems relating to the system of generalized preferences.

Group on Export Credits and Guarantees. Has concentrated on harmonizing export credit policies of Member countries.

FISCAL AND FINANCIAL MATTERS

Consortium for Greece and Consortium for Turkey. Established in 1962 to assist in financing the Greek and Turkish development programs. Chaired by a distinguished person, secretarial services provided by the OECD Secretariat. The Consortium for Greece is now inactive.

Committee for Invisible Transactions. Oversees the Code of Liberalization of Current Invisible Operations and the Code of Liberalization of Capital Movements.

Group of Film Experts. Deals with national restrictions on films.

Committee on Financial Markets. Established in 1969 at U.S. initiative to study means to improve the operation of national capital markets and the international financial market.

Payments Committee. Advises the Council on activities in this area and reviews reports and proposals by the Committee for Invisible Transaction.

Committee on Fiscal Affairs. Handles taxation matters, including the OECD's model convention on the avoidance of double taxation. Numerous working parties.

INTERNATIONAL BUSINESS AND INVESTMENT AND TOURISM

Committee for International Investment and Multinational Enterprises (CIME). Established in 1975 at U.S. initiative, the CIME deals with all aspects (except short-term capital flows) of the Organization's work on multinational enterprises and enterprises engaged in international investment.

Insurance Committee. Handles all insurance-related problems.

Committee of Experts on Restrictive Business Practices. Deals with the entire area of restrictive business practices. Has several working parties.

Tourism Committee. Handles the Organization's work in the field of tourism

TRANSPORTATION

Maritime Transport Committee (MTC). Handles all aspects of the Organization's work in the field of maritime transport. Has subgroups on UNCTAC Shipping Questions, Container Transport, Flags of Convenience, and Flag Discrimination.

Program of Cooperation in the Field of Road Research. All Member countries except Australia and New Zealand participate in a cooperative research program on problems of road transport.

CONSUMER AFFAIRS

Committee on Consumer Policy. Established in 1969 at U.S. initiative, it deals with all aspects of consumer affairs. Has subgroups on Labeling, Safety, Credit, and Undesirable Marketing Practices.

SCIENCE, TECHNOLOGY AND INDUSTRY

Committee for Scientific and Technological Policy (CSTP). Established in 1972 at U.S. initiative to deal with all aspects of science and technology. Includes social sciences, technology development and transfer, computer-based telecommunications and data processing subgroups.

Industry Committee. Overall responsibility for the Organization's work in the field of industry. Sector oriented, with subgroups for Textiles and Clothing, Pulp and Paper, Iron and Steel, Aluminum, Services, Regional Development Policies, and Future Industrial Structure.

SOCIAL AFFAIRS, MANPOWER AND EDUCATION

Manpower and Social Affairs Committee (MSA). Deals with manpower questions connected with the general objectives of the Organization and those social questions closely linked with manpower problems, including youth unemployment. At U.S. initiative, a Working Party on the Role of Women in the Economy was established in 1974. The MSA has numerous subgroups.

Education Committee. Established in 1970 to evaluate prospects and policies for educational growth and development to meet social and economic objectives. Several subgroups.

Center for Educational Research and Innovation. Established in 1967 to conduct programs in educational research and innovation. Has its own Governing Board. Mandate expires at the end of 1981.

AGRICULTURE AND FISHERIES

Committee for Agriculture. Has mandate to consider, advise and make recommendations to the Organization on agricultural problems and policies. Several subgroups.

Fisheries Committee. Established to deal with all aspects of fisheries. Meets infrequently and has minimal work program.

ENERGY

Committee for Energy Policy (CEP). Established in 1975 to replace the Oil Committee and the Energy Committee. Deals with all energy resources. Provides an OECD forum for interaction between the 18 IEA Members and Norway, an Associate IEA Member, and the OECD Members (Australia, Finland, France, Iceland and Portugal) which do not participate in the IEA.

International Energy Agency (IEF). Established in 1974 (at U.S. initiative) within OECD framework, its objectives are:

Development of a common level of emergency self-sufficiency in oil supplies;

Establishment of common demand restraint measures in an emergency;

Establishment and implementation of measures for the allocation of available oil in time of emergency;

Development of a system of information on the international oil market and a framework for consultation with international oil companies;

Development and implementation of a long-term cooperation program to reduce dependency on imported oil;

Promotion of cooperative relations with oil-producing countries and with other oil consuming countries.

Nuclear Energy Agency (NEA). Established in 1956 within the OEEC framework and continued under the OECD. The NEA promotes

the "confrontation and harmonization of programs and projects of participating countries relating to the development of research and industry in the field of the production and uses of nuclear energy for peaceful purposes . . ." The U.S. shifted from associate status to membership on October 1, 1976. New Zealand is the only OECD Member not participating in the NEA.

COMMUNIQUE

1. The Council of the Organisation for Economic Co-operation and Development met at Ministerial level on 13th and 14th June, 1979, under the chairmanship of Dr. Hannes Androsch, Vice-Chancellor and Federal Minister of Finance of Austria.

2. Renewed inflation and uncertain energy supplies have become major obstacles to achieving sustained economic growth and more jobs in OECD countries. Economic and energy policies must respond if serious consequences for both developed and developing countries are to be avoided. It will be easier to take the difficult decisions required if Member countries act together.

3. Ministers therefore agreed on the need for greater solidarity among Member countries. They carried forward the concerted action programme adopted last year, revised in the light of the current economic and energy situation, and agreed on some guidelines for policies over the medium term. They reviewed the outcome of UNCTAD V and reaffirmed their commitment to constructive co-operation with the developing countries.

I. OVERCOMING THE OBSTACLES TO SUSTAINED ECONOMIC GROWTH

4. The programme of internationally concerted action adopted last year has yielded positive results in more internationally balanced economic growth, reduced payments imbalances and greater exchange rate stability. It is encouraging that:

Some countries succeeded in bringing inflation back down to the level of the 1960s;

Where capacity utilisation has risen and profitability has improved, productive investment has picked up; and,

Where demand management policies and exchange rates have been working in the right direction international payments imbalances have been sharply reduced.

5. On the other hand:

Even before the sharp rise in oil prices the underlying rate of inflation had begun to pick up again in a number of countries;

Unemployment remains unacceptably high in most Member countries;

There has been a serious turn for the worse in the shorter and medium term energy situation; and,

With slow growth and high unemployment there is an ever present threat of increased protectionism in all its many forms.

6. Inflation. Ministers agreed that the most obdurate obstacle to faster growth and more jobs is the continuing high rate of inflation in many Member countries, and the risk that it may accelerate. Inflation undermines growth directly by creating uncertainty and inhibiting investment; it may also require governments to pursue restrictive demand management policies.

7. Energy. Ministers examined the economic implications of the energy situation. They took note of the outcome of the meeting of the IEA Governing Board at Ministerial level on 21st-22nd May. There is now a real danger that, without responsible policies by oil consumers and producers alike, the energy situation will seriously damage the world economy.

8. Without effective action to restore balance in world oil markets the rise in oil prices could set off a new inflation-generated recession as in 1974–75. Many of the measures needed to reduce the growth of energy consumption quickly may be painful, but if they are not successful the inevitable consequences in terms of increased inflation leading to less growth and more unemployment will be far more costly and socially detrimental.

9. There is no escape from the reduction of real incomes caused by higher prices for imported oil; claims for compensatory increases in money incomes will only make matters worse by aggravating inflation and increasing unemployment.

10. Payments imbalances. Welcome progress has been made in reducing payments imbalances within the OECD area, but they could re-emerge due to strengths and weaknesses in countries' competitive positions, and become again a constraint on growth.

11. Higher oil import bills will inevitably worsen the current account situations of oil importing countries. While existing financial mechanisms seem capable of providing sufficient finance to meet higher current deficits in most cases, the resulting increase in indebtedness is a matter of concern to oil importing countries, especially the developing countries among them. Ministers noted that in present circumstances, countries highly dependent on the spot market may face particular difficulties.

THE POLICY RESPONSE

12. Ministers recognised that economic and energy policies have become inseparable. They are convinced that there is a combination of policies which can, over time, significantly ease the energy and inflation constraints on economic growth and permit continued economic and social progress. To this end they have agreed on the following guidelines for policy.

POLICIES FOR THE NEXT 12-18 MONTHS

13. Ministers agreed that:

(i) The demand management elements in last year's concerted action programme will be carried forward with particular emphasis on:

The need for a cooling-off period in the United States to achieve an important reduction in the rate of inflation;

The desirability of avoiding a significant slackening of the growth of domestic demand in the rest of the OECD area, taken as a whole; and the role that, to varying degrees, Germany, Japan, Switzerland, Belgium, the Netherlands and Austria can play in this respect; and,

The need for virtually all other countries to pursue cautious demand management policies in order to reduce inflation and, in some cases, external deficits which pre-date the latest oil price rise.

(ii) To this end, however, effective action to reduce energy consumption, or increase production, or both, so as to implement the commitments agreed to in different fora to reduce Member countries' demand for oil on the world market by some 2 mbd is essential. The present degree of understanding of the operation of the oil market is unsatisfactory and should be improved.

(iii) Higher oil prices should be passed on in an appropriate manner to energy users in order to encourage conservation and the development of alternative energy sources. Member countries that have not already done so should raise the price of domestically produced oil to the world level as soon as possible.

(iv) Important efforts will be made to gain acceptance of the fact that the rise in oil prices reduces, for all social groups, the scope for higher real incomes.

(v) An assessment is being made, as a matter of urgency, of the progress that countries have made towards reduction of oil demand, and, under the direction of the Economic Policy Committee, of the macro-economic consequences of the energy situation. When these have been completed the Organisation will examine the implications for demand management policy. If effective energy policies are not being implemented and substantial further oil price increases have occurred, growth objectives for 1980 will have to be reduced. Failure to limit the pass-through of higher oil prices into higher money incomes could also make more cautious demand management policies inevitable.

(vi) Close monetary co-operation, including through arrangements agreed between the United States, Germany, Japan and Switzerland, through the European Monetary System and through the IMF, will be continued.

POLICIES FOR OVERCOMING THE MEDIUM TERM CONSTRAINTS ON GROWTH—THE INFLATION CONSTRAINT

14. Although there are differences between Member countries in the success they have had in restoring the conditions needed for sustained non-inflationary growth, improved economic performance requires consistent and sustained attention to the price stabilization objective. Countries where domestic pressures on the price level have been reduced are better placed to increase economic activity and reduce unemployment. Other countries must concentrate on achieving better price stability; as they succeed in this they will create the conditions for sustained growth and policies can become more growth-orientated.

15. Better price performance requires cautious and steady monetary and fiscal policies. Budget deficits should not exceed any excess of savings in the private sector. Where rising taxes and social security charges have generated inflationary pressures the share of public expenditure in GNP will have to be restrained.

16. Better price performance also requires further efforts to seek greater consensus and where appropriate modify wage and price setting behaviour to restore the profitability of productive investment, ease inflationary pressures caused by the wage-price spiral, and facilitate necessary changes in relative prices and the structure of wages.

17. There is a risk that slow growth becomes self-perpetuating. It inhibits investment and encourages defensive attitudes on the part of Governments, business and labour such as protectionism and support for declining and inefficient activities. These reactions generally impair productivity and sharpen the inflation constraint on growth by raising costs and reducing the supply of available goods. It makes little sense to accept the need for a further period of unsatisfactory growth performance because of the inflation constraint if Governments then try to mitigate the effects on employment by measures which reduce productivity or increase costs and prices in other ways.

18. Cautious demand management policies should therefore be combined with action—or the unwinding of previous actions—to improve the supply side by benefiting from lower cost imports, encouraging investment, and facilitating necessary structural adjustments.

19. Ministers therefore stressed the importance of the special two-year programme on positive adjustment policies just adopted by the Organisation. All competent bodies of the Organisation will pay special attention to policies in their field of competence which have an impact on structural change. A special group of senior officials has been created to keep under review the macro-economic and international consequences of measures promoting or hindering necessary structural adjustments in the field of manpower, industrial, agricultral, regional, trade and other policies.

20. Positive adjustment should rely as far as possible on market forces to encourage mobility of labour and capital to their most productive uses. Measures to help sectors or

firms in difficulty should be temporary and integrally linked to the implementation of plans to phase out obsolete capacity and re-establish financially viable entities. Positive adjustment can be facilitated by the dissemination of better information on the costs and benefits of government measures, proper consultation between labour and management, vigorous action to maintain competition and curb monopoly power, policies that encourage research, innovation and investment, well designed regional policies, and efforts to avoid unnecessary regulation and reporting requirements.

21. Ministers also reaffirmed their attachment to an open world trading system and their determination to continue to fight against protections in all sectors and to work towards improvements in the system. They therefore:

(i) Welcome the completion of the Multilateral Trade Negotiations, and stressed the need for timely and effective implementation of the results.

(ii) Extended their 1974 Trade Declaration (the "Trade Pledge") for an additional year.

(iii) Agreed to make particular efforts in the work of the Organisation in the coming year to study the problems of agricultural trade.

22. Ministers agreed that better functioning of commodity markets, including improved market access and security of supplies, would benefit both consumers and producers and reduce one potential source of inflation.

23. There was broad agreement on the need, in appropriate cases, to pursue efforts to promote higher employment, particularly among the disadvantaged groups.

(i) There may be scope for modifying hiring practices in the public and private sectors to alleviate the problems of youth and disadvantaged groups and to respond to the growing demand for flexible part-time job openings. The Organisation should study the possible role of marginal employment subsidies, and of shifts away from heavy payroll taxes, as well as the impact of migration policies on employment and the efficient functioning of labour markets.

(ii) The possibility of work-sharing arrangements should be assessed; but attempts to increase the number of jobs by accelerating the tendency towards a shorter working week have to be looked at with caution since they may have inflationary consequences.

(iii) There may be scope for expanded training and retraining programmes as a vehicle for improving skills and hence future productivity, while reducing current unemployment.

Measures such as those described above should be undertaken only after consideration of their possible adverse impact on productivity and inflation.

THE ENERGY CONSTRAINT

24. Without strengthened policies energy supplies over the medium run will not be sufficient to support an adequate rate of economic growth. Taking into account the different situations in Member countries, Ministers agreed on the urgent need for:

(i) A pricing and tax policy for oil and other energy sources which recognises that the long-term trend of real energy prices is almost certainly upwards, and that this expectation should become firmly embedded in the consciousness of energy users.

(ii) Conservation programmes based on an appropriate mix of pricing policies, voluntary programmes, fiscal incentives and disincentives and mandatory controls where necessary; a major effort to increase production, trade and use of coal and gas; production of indigenous oil; continued development of nuclear power with the necessary safeguards, having due regard to legal and constitutional provisions; major R & D efforts on new energy techniques and renewable energy resources; and assistance to non-oil developing countries in the identification and development of their energy resources.

THE BALANCE OF PAYMENTS CONSTRAINT

25. To ease the balance of payments constraints on growth:

(i) Countries in a strong external position should maintain the momentum of domestic demand; deficit countries should concentrate on controlling domestic inflation; and exchange rates should play their proper role in the adjustment process.

(ii) The structural imbalances that remain call for resolute policies to improve productivity and stimulate exports in the deficit countries, and policies by the surplus countries to encourage imports and rely primarily on domestic demand for economic growth.

(iii) When current account imbalances nevertheless remain important, surplus countries should ensure offsetting capital outflows on a sustained basis. The Organisation is instructed to give further attention to these questions.

II. WORLD INTERDEPENDENCE AND RELATIONS WITH DEVELOPING COUNTRIES

26. Ministers considered the implications of global economic trends, for relations with developing countries. They reaffirmed the need for strengthened co-operation with the developing countries which is an indispensable element in achieving more sustained and stable world economic growth and which provides an improved basis for development policies. They stressed that in view of the difficult global policy challenges ahead, improved co-operation with developing countries had assumed even greater importance.

27. Ministers discussed the results of UNCTAD V. They felt that, although the overall results of the Conference had been limited, valuable progress had been made in specific areas. It is now essential to continue constructive cooperation with developing countries in the appropriate fora and in the preparations for the new International Development Strategy. In this connection, Ministers noted the importance of the participation of all countries, including the industrialised countries outside OECD, in the international development effort.

28. Ministers welcomed the convening of the United Nations Conference on Science and Technology for Development to be held in August in Vienna as a major opportunity to promote effective international scientific and technological cooperation, especially for the benefit of developing countries, and pledged to work towards its successful conclusion.

29. Ministers noted the value of pragmatic forms of consultation and co-operation with developing countries in areas of significant mutual interest. The contribution that the Organization can make in this regard should be actively examined.

Trade and adjustment

30. An expansion of world production and trade and further changes in their structures are essential means to raising living standards and promoting economic and social progress in developed and developing countries alike.

31. Ministers acknowledged the desire of developing countries to industrialise further and to contribute a larger share of world trade in accordance with their comparative advantage. They stand ready to assist in this process in such areas as trade, investment and technical co-operation.

32. Ministers stressed the importance to trade relations with developing countries of the general measures to maintain and further improve the open international trade system now being taken. In particular they:

(i) Underlined the significance of the new special two-year programme of the Organisation on positive adjustment policies to facilitate mutually beneficial structural change in production and trade.

(ii) Emphasized the significance of the renewed Trade Pledge for their trade with developing countries.

(iii) Declared their determination to implement the results of the Multilateral Trade Negotiations and to build on these results taking into account the particular concerns of developing countries.

33. While OECD countries bear a particular responsibility in the maintenance of an open international economic system, they believe that developing countries, in particular those which have reached a relatively advanced stage of industrialisation and have shown their capacity to compete effectively on international markets, should gradually take a larger part in this effort: by liberalising trade both among themselves and globally, complying more fully with international rules in this field, and more generally adopting politics contributing to satisfactory trade and payments relations.

ENERGY CO-OPERATION

34. Ministers reaffirmed their willingness to contribute to international energy co-operation among developed and developing countries and to discuss energy questions of mutual interest with oil-exporting and oil-importing developing countries. They welcomed the adoption by the World Bank of an energy programme which should serve to strengthen the domestic energy production of oil-importing developing countries and noted related activities by other international and regional institutions. They stressed the urgency of examining with interested developing countries the scope for strengthened co-operation to identify and develop these countries' energy resources. They welcomed the report of the OECD Council Working Party established last year to develop a co-ordinated effort to help developing countries to bring into use technologies related to renewable energy, especially in the light of the forthcoming United Nations Conference on New and Renewable Energy Resources.

Commodities

35. Ministers noted with satisfaction the results of the negotiations on the Common Fund. They agreed to pursue, in a positive spirit, the establishment of this mechanism as well as the current discussions and negotiations on individual commodity agreements. They emphasized their interest in examinng the scope for further action to strengthen food and commodity production and processing in developing countries, bearing in mind their development needs and priorities.

Environment

36. Stemming and reversing environmental degradation through deforestation, desertification and soil and water erosion is a matter of global concern and required international co-operation. Ministers recognised that developing countries have limited resources for such purposes and need international support.

Aid and financial resource transfers

37. Ministers underlined the importance of substantially-increased and stable flows of aid, finance and investment. Recognising the essential role of aid. Ministers called for an expanded, qualitatively-improved, and equitably shared collective effort for official development assistance. Concessional transfers should, as far as possible, be concentrated of the least-developed and other developing countries most in need. They invited the Development Assistance Committee, bearing in mind the studies on this subject in other international fora, to conduct an in-depth review of the scope for improved financial co-operation with developing countries, at adequate levels and reflecting their specific development problems, including their debt problems with a view to

contributing positively to the new International Development Strategy.

III. INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES

38. The Ministers undertook the Review foreseen in the 1976 agreements on International Investment and Multinational Enterprises.* They noted with satisfaction that the three related instruments approved in 1976, dealing respectively with guidelines for multinational enterprises, national treatment for enterprises under foreign control and with incentives and disincentives for investment, have demonstrated their effectiveness as a framework for strengthened international co-operation in matters related to international investment and multinational enterprises not only for the Member governments but also for the business community and the labour organisations.

39. Ministers affirmed and continued commitment of their governments to the 1976 Declaration. They agreed to steps designed to further strengthen the effectiveness of their co-operation in future. In this connection, as regards the guidelines for multinational enterprises, where one addition is being introduced, the follow-up procedures at national and international levels are to be strengthened and developed further through additional arrangements for consultations with business and labour and for reporting. Ministers also approved new work to be undertaken on the use of investment incentives and disincentives and the international repercussions on other countries of such measures.

THE IMPACT OF THE NEWLY INDUSTRIALISING COUNTRIES (NIC's)

Increased competition from newly industrialising countries such as Korea, Mexico and Brazil has been a cause of concern in the developed countries. For the first time, the OECD Secretariat has produced a detailed analysis of the facts, to put this phenomenon into perspective. Imports from these countries have been concentrated on a few products which have added to adjustment problems in certain sectors. But the main message of this report, which is published under the responsibility of the Secretary-General, is that, if appropriate policies are followed on both sides, considerable mutual benefits will continue to be derived from increasing trade in manufactures in both directions with the newly industrialising countries. For the advance industrialised countries these benefits take the form of cheaper goods for consumers, a spur to increased productivity and reduced inflation at home, and new and prosperous export markets abroad. For the newly industrialising countries they include higher investment, productivity and real incomes and the foreign currency needed to help finance accelerated economic development.

THE FACTS

The analysis is based on a representative sample of ten countries—Brazil, Greece, Hong Kong, Korea, Mexico, Portugal, Singapore, Spain, Taiwan and Yugoslavia—which have significantly increased their share in world production and efforts of manufacturers since the early 1960s. This is a somewhat arbitrary selection since the borderline between old and newly industrialising countries and between the NIC's and other developing counties is imprecise and moving all the time (paras. 3–4, 78–94). The countries selected for study do not by any means constitute an homogeneous group.

The NICs included in the study have together increased their share in OECD imports of manufactures from 2.6 per cent in 1963 to 8.1 per cent in 1977 (see Chart A, and for individual OECD countries, on a fob basis, Table 10). The NICs in the Far East made the biggest gains.

Despite this impressive increase, only slightly more than 1 per cent of OECD consumption of manufactures came from the NICs in 1967–77, up from ¼ per cent in the early 1960s (paras. 99–100).

OECD exports of manufacturers to the NICs have risen more than imports from them (exports by $43.6 billion, from $5.0 billion to $48.6 billion; imports by $31.6 billion, from $1.2 billion to $32.8 billion) (paras. 111–117). Thus the large OECD trade surplus in manufactures with the NICs increased from $4 billion to $18 billion (Table 10 and paras. 118–131). This trade surplus in manufactures has tended to be increasingly concentrated on Japan, Germany and Italy, while the United States and Canada have moved into deficit (see Chart A).

The relative importance of trade in manufactures with the NICs varies considerably as between OECD countries. In 1977, the share of imports from the NICs ranged from 7 percent or less in the United Kingdom, France and Italy and most smaller countries, to 18.5 per cent in Japan and 20 per cent in the United States. Export shares showed a more narrow spread around a higher average. (For further country details, see Annex Tables III and IV).

In 1963 the share of the NICs in OECD imports exceeded 10 per cent only in clothing and manufacturers of wood. By 1977 this level was surpassed in all broad groups of finished consumer manufactures (see Chart C), as well as in electrical machinery, textiles and leather goods (paras. 101–110 and Table 5). Within these broad groups there has been a heavy concentration of individual products reflecting marketing strategies and specialisation in NICs. The very high and rapidly changing market penetration by specific products which characterises NICs' exports is perhaps the main reason why they have attracted so much attention in OECD countries.

THE ANALYSIS

Among the factors explaining the emergence of the NIC's, particular importance is attached to the rapid diffusion of technology. These have accelerated the "product cycle" which determines the relocation of production, also helped by the growing reliance on offshore processing and assembly by subsidiaries of transnational enterprises or under subcontracting arrangements (paras. 15–18, 131–161).

On balance, the trade policies of advanced industrial countries have been beneficial to the new exporters of manufactures, especially to those which have avoided excessive concentration of their exports in the traditional "sensitive" sectors. But, particularly since 1973, the increasing reliance on non-tariff measures, particularly in the traditional areas of textiles, clothing and footwear, has become a matter of great concern for the NICs (paras. 163–182).

The OECD Secretariat suggests that OECD exports of manufactures to the NICs create around ½ million more jobs than are lost to imports from them; however, the estimates widely differ according to the methods used (paras. 23–24, 183–203).

While the net employment effect—positive or negative, depending on the change in the trade balance—is quite small, there can be substantial gross employment losses in some sensitive industries, concentrated on certain regions and categories of workers (e.g. women and unskilled). The gains from expanding exports are much more diffuse and less visible (part of them accrue outside the manufacturing sector and in very different locations). In times of slow or negative overall employment growth, gross employment losses can create serious frictional adjustment problems. But most calculations show that in the longer run, the cost of adjustment tends to be smaller than the benefits of trade liberalisation, including lower rates of inflation and higher consumers' welfare (paras. 203–208).

Given the extreme diversity of their economic structures and conditions, the NICs have only in common, to varying degrees, the emphasis which they place on outward-looking growth policies. These include a liberal trade and payments regime; an exchange rate policy geared to increased competivity on foreign and domestic markets; fiscal incentives and direct assistance to production for exports; fairly tight domestic fiscal and monetary policies to enhance competitiveness, increase the pressure to sell abroad and reduce the import propensity of the household sector; and, finally, a major investment drive, in some but not all cases, coupled with encouragements to the inflow of direct foreign investment (paras. 209–237).

Rapidly rising productivity in the NICs has gone hand in hand with high investment ratios and strongly rising real incomes (Tables 23 and 24). The rise in unit labour costs, adjusted for changes in effective exchange rates, has generally been faster than for the advanced industrialised countries (Table 22). Imports have risen strongly, both of manufactures and of food and primary products from both developed and developing countries (paras. 238–246).

POLICY IMPLICATIONS

The prospects of present and potential NICs will depend crucially on policies pursued by them and on the policy stance adopted by the advanced industrial countries.

In the longer run, strong forces—some economic, others social and political—are pushing towards a balanced trading relationship between countries at different levels of economic development. Moreover, as long as exports of advance industrial countries rise pari passu with—and tend for at least some time to exceed—their imports from NICs, new market opportunities will open. The bulk of manufactured exports to NICs will, no doubt, continue to consist of investment goods, an area where rapid technological progress tends to produce continually improved, if not entirely new, products. This will go together with rapidly growing exports of managerial and entrepreneurial skills and organisational talent in production, marketing and finance (paras. 33–43).

There is every reason to believe that, over time, trade with the NICs will be both balanced and mutually beneficial. Over the shorter term, however, there is no guarantee that the necessary adjustments will come about smoothly and, even within a globally satisfactory adjustment process, individual industrial countries as well as NICs are likely to get out of line. Moreover, structural change is, by definition, highly differentiated and can create serious adjustment problems for individual industries, regions and segments of the labour force within each country.

In fact the painful adjustment problems which OECD countries have run into since 1973 owe far more to inflation, slow growth and disparities in competitive positions among them, than to competition from outside. Policies which lead to improved performance in these respects are badly needed; they will also help to ease the overall problems of adjustment and structural change which can be attributed to trade with the NICs (para. 46).

Competition from NICs can make an important contribution to industrial efficiency and to the fight against inflation in advanced industrial countries and thus improve the chances of achieving sustained non-inflationary growth and higher levels of employ-

*Except the Turkish Government, which had not participated in the 1976 Declaration and abstained from the Decision.

ment. Although in the short run putting up barriers to keep out imports from developing countries may save a few jobs, in the longer run it will mean more inflation, more restrictive policies and hence more unemployment (para. 47).

It is essential to improve the cost/price relationship in the OECD area as a whole and relative real wage levels in individual advanced industrial countries, through an appropriate combination of demand management, exchange rate and price and income policies. This would help to boost productive investment, the inadequacy of which aggravates the problems of structural adjustment (paras. 51–52).

Major efforts are needed to increase the adaptability and flexibility of the economy of advanced industrial countries. In this respect, a shift to more positive adjustment policies, as endorsed by the OECD Council at Ministerial level in 1978 is of crucial importance (paras 53–63).*

Despite the fast expansion of their productive potential, the NICs have in common with other poor countries a large pentup demand for private and public consumption and infrastructural investment. With expansionary monetary and fiscal policies, this can easily lead to "over-adjustment", with accelerating inflation, balance-of-payments crises, a drop in domestic savings and investment, and a progressive loss of industrial dynamism. But there is also a risk of "under-adjustment". An under-valued exchange rate, or other policies increasing the profitability of exports, if pushed too far, may result in the build-up of an excessively export-oriented industrial structure (paras. 65–68, 247–256).

The report stresses, therefore, the need for the NICs to progressively dismantle tariff and quota protection and other administrative obstacles to imports. More generally it also emphasizes the need for demand management, exchange rate and overall development policies which ensure that rising productivity is translated into higher real wages, and accompanied by an appreciating real exchange rate (paras. 70–74).

"It is impossible to say", the report concludes, "whether the current difficulties will prove to be only a temporary interlude in the progressive integration of the world economy, or whether they will lead to a major shift towards defensive policies in the advanced industrial countries, followed by retrenchment in the NICs." . . . But "a shift to defensive policies by OECD countries would progressively undermine the open multilateral trading system which has served them so well, just when the benefits of such a system are beginning to spread out to the developing world on a significant scale" (paras. 75–77).

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*See The Case for Positive Adjustment Policies, OECD, June 1979.

"The Impact of the Newly Industrialising Countries on Production and Trade In Manufactures". 96 pages, OECD, Paris, 1979. US $12.00; £5.90; F 48. ISBN 92-64-11943-4. Available from OECD Sales Agents—see attached list.

TABLE 10.—TRADE OF OECD COUNTRIES WITH NIC'S IN MANUFACTURES

	Imports (percent)						Exports (percent)						Trade balance[1] (billions)		
	1963		1973		1977		1963		1973		1977		1963	1973	1977
	A[2]	B[3]	A	B	A	B	A	B	A	B	A	B			
Canada	3.2	1.0	3.2	3.4	3.6	4.9	1.3	3.3	1.0	4.0	1.0	3.6	$0.03	−$0.20	−$0.53
United States	36.3	5.9	42.2	17.1	42.9	20.0	26.2	9.5	22.5	16.4	21.8	14.8	.92	.06	−2.62
Japan	2.2	1.8	10.1	17.1	7.1	18.5	12.6	13.1	22.3	18.9	26.1	16.7	.62	4.94	10.63
France	3.0	1.0	4.9	3.7	7.2	6.3	9.0	8.1	7.1	8.2	7.3	7.5	.43	1.32	1.35
Germany	11.7	2.8	12.8	7.3	14.4	8.9	16.5	6.6	17.8	8.8	15.8	7.6	.71	3.23	3.30
Italy	4.4	1.6	3.2	4.2	3.6	6.1	8.1	10.6	6.6	10.4	6.2	8.2	.36	1.42	1.96
United Kingdom	22.6	7.3	9.1	8.2	8.9	7.0	11.2	6.3	6.9	9.1	7.1	8.1	.32	.64	1.34
OECD NIC's	8.3	5.2	1.8	3.3	1.6	5.2	.6	6.5	1.5	8.3	1.3	6.9	−.06	.15	.10
Other OECD	8.3	.8	12.6	3.0	12.5	3.7	14.5	5.2	14.2	6.5	13.4	6.2	.64	2.48	2.73
OECD	100.0	2.8	100.0	7.2	100.0	8.2	100.0	7.6	100.0	10.6	100.0	9.6	3.97	14.04	18.16

[1] F.o.b.-f.o.b.
[2] Percentage share of country in OECD total.
[3] Percentage share of NIC in country total.

N.B.: Shares for imports are not identical to those shown in table 4 because of adjustment to f.o.b. for countries other than the United States and Canada.

TABLE 21.—STRUCTURAL CHARACTERISTICS OF THE NIC'S (1976)

	Population (millions)	Area (thousand square kilometers)	Inhabitants (per square kilometer)	GNP per capita (U.S. dollars)	Distribution of GDP (percent)			Merchandise trade (billions of U.S. dollars)		Foreign trade turnover as percent of GNP	Share of manufactures in exports (1975)
					Agriculture	Industry	Services	Exports	Imports		
Korea	36.0	99	363	670	27	34	39	7.7	8.8	68	82
Taiwan	16.3	36	452	1,070	12	45	43	8.1	1.6	90	85
Mexico	62.0	1,973	31	1,090	10	35	55	[1] 3.3	[1] 6.0	[1] 14	[1] 52
Brazil	110.0	8,512	12	1,140	8	39	53	10.1	13.6	19	27
Yugoslavia	21.5	256	83	1,680	15	43	42	4.9	7.4	34	72
Portugal	9.7	92	105	1,690	18	43	39	1.8	4.3	37	71
Hong Kong	4.5	1	4,500	2,110	2	34	64	[2] 8.5	[2] 8.9	[2] [3] 183	[2] 97
Greece	9.1	132	68	2,590	18	31	51	2.5	6.0	36	48
Singapore	2.3	1	2,300	2,700	2	35	63	[2] 6.6	[2] 9.1	[2] [3] 252	[2] 43
Spain	35.7	505	70	2,920	9	39	52	8.7	17.5	25	70

[1] Excluding trade of the free trade border zone.
[2] Including reexports.
[3] Including imports for reexports.
Source: World Development Indicators, World Bank.

TABLE 23.—REAL OUTPUT AND DEMAND IN NIC'S

[Percentage changes at average annual rates]

	Gross domestic product		Per capita gross domestic product		Per capita private consumption		Gross domestic fixed capital formation	
	1963–73	1973–76	1963–73	1973–76	1963–73	1973–76	1963–73	1973–76
Greece	7.7	2.7	7.2	1.8	6.3	3.5	10.8	−7.4
Portugal	7.1	1.0	7.2	−3.0	6.9	.5	8.3	1.3
Spain	6.8	2.7	5.5	1.5	4.9	2.2	8.8	.9
Yugoslavia [1]	5.9	5.4	4.9	4.4	5.0	4.9	5.3	7.5
Brazil	8.2	8.2	5.3	5.3	4.1	[2] 9.4	10.3	[2] 13.8
Mexico	7.1	4.0	3.5	.5	3.5	−1.0	9.7	3.5
Hong Kong	9.0	7.1	6.8	5.2	7.2	2.8	6.2	6.3
Korea	10.3	10.8	8.1	9.0	6.5	4.4	17.6	12.8
Singapore	10.5	5.1	8.3	3.7	5.5	3.1	18.8	5.4
Taiwan	10.4	5.0	7.4	3.2	5.9	2.9	16.7	9.6
Memorandum item: OECD total	4.9	1.6	3.8	.8	3.8	1.7	5.9	−2.7

[1] National definitions.
[2] 1973–75.

Mr. JAVITS. Mr. President, I urge a deeper and more involved interest by the Senate in the work of the OECD. I hope that our mission may have started this process of greater interest by other Members. Either of us—I know that Senator BRADLEY feels as I do—will assist diligently any Members who find an interest in this subject, and I believe a great many should. Members of the Finance Committee, the Joint Economic Committee, the Appropriations Committee, the Budget Committee, the Governmental Affairs Committee, and the Banking Committee should be very deeply involved in and knowledgeable about the OECD's work. I find it hard to think of any committee which would not profit from having a good look at what the OECD does and how the OECD's extensive economic research can be adapted for use by the committees of this body.

Mr. President, I yield to Senator BRADLEY.

Mr. BRADLEY. Mr. President, I thank my distinguished colleague from New York with whom I had the opportunity on July 2 and 3 to attend meetings at the OECD and exchange ideas with senior members of the U.S. mission and the senior staff of the OECD proper on matters pertaining to world economy. I found it a most rewarding and thought-provoking experience.

I was very impressed by the high quality of the OECD experts and I was left with the strong impression that they make a rich contribution to the international discussion of economic issues. I feel that they represent a unique resource for information and analysis and that the OECD as an institution is particularly suited to act as a mechanism for coordinating the economic decisionmaking of member countries. I was left with no doubt that this role is one that will be expanded and that the United States can make for greater use of the expertise at the OECD that we have made in the past.

This is particularly important, I believe, given the condition of interdependence that exists in our world economy today and the need for coordination of economic policies so as to assure ever-growing prosperity worldwide. The world economy is totally interdependent and we have common economic problems ranging from inflation, recession, unemployment, currency instability, energy dislocations to trade imbalances. In the OECD we have an institution through which we can address those problems in a common manner.

I think that perhaps this is the most important function that the OECD can provide. It offers a framework of cooperation and coordination which over time can act as a bulwark against the kinds of counterproductive beggar-thy-neighbor economic policies which have proved so disastrous to the world in previous years.

An aspect of our visit to the OECD that I found particularly edifying was our discussion with the International Energy Agency and its most able Executive Director, Dr. Lantzke. As most Members of the Senate know, the International Energy Agency is addressing the crucial task of coordinating energy policies in an effort to promote energy security. It lists among its accomplishments a program for energy sharing in emergency situations, and agreement among members to cooperate in setting oil import objectives, and a growing research and development program on energy development and alternatives. All of these are accomplishments of which the International Energy Agency should be proud.

However, I was somewhat disappointed to learn in the course of our discussions that the IEA staff has given, in my view, inadequate recognition to the potential role for conservation and solar energy in the long-term development of member countries' energy policies.

I believe, as do a number of Members of this body, that they are sound alternatives to the fossil fuel development into which we now find ourselves locked. Further, they complement the wide-ranging coordination of economic policies necessary to preserve the prosperity of the world economy. If we emphasize conservation and solar in a coordinated manner through the IEA, we will have the opportunity to take another step toward wrestling control of our lives away from the OPEC countries. Recapturing control requires that we have a capacity to generate our own energy sources. For this reason I was disappointed that Dr. Lantzke and his distinguished staff did not recognize that the opportunity for coordination in energy conservation and the development of solar systems is as promising an opportunity for OECD coordination as is the opportunity for OECD coordination of macroeconomic policies generally.

Nevertheless, overall, I found the trip extremely encouraging and valuable. I hope that Members of the Senate will read the report. It lays out very clearly what we discovered and what our hopes are for further cooperation among member governments, and for greater interaction between our Government, including Members of the Senate, and the OECD—a valuable resource indeed that should be frequently used in the years ahead.

Mr. JAVITS. Mr. President, will the Senator yield briefly?

Mr. BRADLEY. I yield.

Mr. JAVITS. I express my pleasure at the association which we had on our mission to the OECD. It was the first such mission that I undertook with the Senator from New Jersey, and I wish to congratulate and compliment him on the fine way in which he undertook his responsibilities as a member of the mission and for his contribution to the report that we are today submitting to the Senate.

Mr. BRADLEY. I thank the Senator very much and say on my own part it was an honor to travel in company with such an august and perceptive Member of this body.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

The ACTING PRESIDENT pro tempore. The Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized under the previous order for a period not to exceed 15 minutes.

(Mr. HEFLIN assumed the chair.)

RUSSIAN COMBAT TROOPS IN CUBA

Mr. HARRY F. BYRD, JR. Mr. President, the American public has reason, I feel, for great concern about recent developments in the field of foreign affairs and national defense.

To me it is astonishing that the Secretary of State would tell a committee of the Senate in July that there were no Russian combat troops in Cuba and then in August confirm that there is a combat brigade of Russian troops in Cuba. To make it even more astonishing, after having stated last week that this was a first ascertained development, yesterday the State Department indicated that those troops may have been in Cuba for several years.

In addition, the State Department last week expressed little concern, but now professes much concern.

None of this enhances the reputation of the State Department.

There is a difference of opinion, I suppose, as to how serious it is from the point of view of the United States to have a Russian combat unit on an island just off of our shores. There is a difference of opinion, I suppose, as to whether it is undesirable from the point of view of the United States to have Russian military aircraft on this island off of our shores.

I happen to feel that it is totally contrary to the Monroe Doctrine. I think it is highly undesirable from the point of view of the Western Hemisphere and the nations of Latin America. None of us know where this might lead.

No one, apparently, neither the State Department nor our intelligence agencies, know the purpose for which those troops have been put in Cuba. No one seems to know with any certainty whether the troops have been put there just recently or whether they have been there over a period of time.

To me that is probably the most significant aspect of this whole rather bizarre development of recent days.

I say sadly that it does not reflect well on our intelligence-gathering organizations. Also it brings to mind that it took months and months for our intelligence sources to learn of the tremendous build-up of North Korean forces. Yet, as we all know, the United States has many troops in South Korea and one would think that our intelligence activities in regard to North Korea would be of the best.

When you take what happened in North Korea, a tremendous buildup of troops there, and couple that with what has happened recently just off of our shores in Cuba, I think it is cause for much concern as to just how capable our intelligence operations are. My confidence has been much shaken.

The American public, I find, are greatly confused by all of this, and I certainly do not blame them for that. The American people collectively, although not as highly educated as many in Washington, have sound commonsense.

I have heard many individuals in the

last few days say, "Well, if our intelligence-gathering organizations and if all of our military potential were not able to discern the presence of 2,300 to 3,000 Russian combat troops on this small island off our coast, how in the world will we ever be able to determine the location and the number of Russian intercontinental missiles based in their own country of 3 million square miles?"

I think what has happened in Cuba has a very definite impact on the Strategic Arms Limitation Treaty. As one Senator, I think it would be undesirable for the Senate to begin debate on the Strategic Arms Limitation Treaty until the Russian combat troops and the Russian aircraft are removed from Cuba. I might emphasize, too, that removal of the troops and aircraft would not be grounds for supporting the treaty—but only a condition for even considering the document.

It appears to me that what has happened in Cuba makes a mockery of the assertion that the United States at all times can know exactly where the Russian missiles are in Russia and how many missiles there are. Frankly, I have little confidence in such assertions—and even less so now, after what has occurred in Cuba.

Mr. President, I have found it difficult to reach a conclusion that the pending treaty is advantageous to the United States. I feel even more so as a result of continued Russian involvement throughout the world, and now a serious Russian involvement in the island just off our shores.

The SALT agreement should not be considered alone—but must be considered in the context of Soviet activity worldwide.

Mr. MOYNIHAN. Mr. President, I would wish to resume the comments in the context of the remarks of the Senator from Virginia.

The PRESIDING OFFICER. I believe we are now ready to go into morning business, if the Senator will make his remarks under morning business.

Mr. MOYNIHAN. I will.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield for a parliamentary inquiry, how much time does the Senator from Virginia have remaining?

The PRESIDING OFFICER. He has 6 minutes.

Mr. HARRY F. BYRD, JR. I yield 6 minutes to the Senator from New York or would the Senator prefer to go into morning business?

Mr. MOYNIHAN. If we may, if we went into morning business, we would not be bound.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for a period of not to exceed 15 minutes, with statements limited to 5 minutes each.

Would the Senator want 5 minutes plus the 6 minutes?

Mr. MOYNIHAN. I would if the Chair would be so gracious as to——

The PRESIDING OFFICER. The graciousness comes from the Senator from Virginia.

Mr. MOYNIHAN. That is embarrassingly so.

RUSSIAN COMBAT TROOPS IN CUBA

Mr. MOYNIHAN. Mr. President, while the distinguished Senator from Virginia is on the floor, may I simply say that I have listened with great care to what he has said.

I came here this morning for the purpose of making three observations of my own. I speak as someone who is a friend of this treaty and is disposed to its purpose. But I have not been reassured by the statements attributed to our good friend, the distinguished chairman of the Committee on Foreign Relations, as quoted on the front page of today's Washington Post in which he said:

> There is no likelihood whatever that the Senate would approve SALT II as long as the Soviet combat troops remain in Cuba.

I would like to state that I hope there is no corollary that if the Soviet troops are withdrawn, if the Soviets withdraw their troops, then conditions have been sufficiently established to accept the SALT treaty.

I see the Senator rises.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, that is the position of the Senator from Virginia. The withdrawal of the Russian troops and the withdrawal of the Russian aircraft from Cuba would not change the position of the Senator from Virginia in regard to the SALT treaty.

My view is the Senate should not even consider the merits of the treaty until those two events take place. I think that is what the Senator from New York was indicating.

Mr. MOYNIHAN. I meant simply to say that it would be extraordinary if we were, in effect, to give the Soviets a military control over our policy decisions by rewarding them for not doing, for undoing, something they ought not to have done in the first place.

We used to talk about a "code of détente." Certainly combat troops in Cuba do not comport with that code. Having posed, as it were, this threat, we ask them if they will withdraw. It is not a very big threat, we are not exactly quaking. But we are asking what kind of people are we dealing with. We are not saying that if they withdraw the threat, then, "You can have your treaty."

May I refer to the ancient practice of our friends the Danes who used to show up along the coast of northern France, England, and Ireland every springtime and say, "Well, now, you have two choices. You can pay us to go away," a payment called the Danegeld, "or we will burn down your town."

There was a great line of G. K. Chesterton:

> If once you have paid him the Danegeld
> You never get rid of the Dane.

Are we to look forward to an annual excursion of the Russian military into the Caribbean such that in return for their leaving we will perhaps give them wheat instead of selling it to them?

Mr. HARRY F. BYRD, JR. The Senator from New York phrased it so well that I think the way the Senator from New York has put the question and has answered his own question is the attitude that I would hope the Senate and the American people would take.

The withdrawal of Russian troops from Cuba should not in any way be a means of rewarding the Russians for doing, as the Senator from New York just stated, something they should not have done in the first place.

Mr. MOYNIHAN. Right.

Mr. HARRY F. BYRD, JR. But until they do that, until they do take that step, until they do get their military aircraft and combat troops out of Cuba then, it seems to me, it would be unwise for the Senate to even consider the merits of the SALT Agreement.

I realize there are differences of viewpoints within the Senate as to whether the agreement now pending should be ratified or not ratified. But that is a different issue.

Mr. SCHMITT. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. SCHMITT. I must admit to having identically the same thought when I read this morning's headline and the first few paragraphs in the Washington Post.

I was afraid that we were being, in a sense, set up for the withdrawal of these troops, and that therefore everybody can agree that the SALT treaty is a good treaty.

The two events have no direct correlation with respect to the value of the treaty. The treaty is not only of value with respect to the words written on the page, but it has to be of value in the context of the total international and other defensive environment related to this country. I know the Senator from New York and the Senator from Virginia feel this way also.

This is an additional factor that has been introduced into the debate, but it in no way changes the need for the SALT Treaty to be evaluated in the context of everything else that will affect its implementation.

Mr. MOYNIHAN. Precisely. If the SALT treaty were to be adopted as a reward for the military adventurism of the Soviet Union, then the United States would be reduced to a condition not contemplated in our time.

We can think of a number of reasons why those troops may be there. I observe in this morning's New York Times a column by Mr. William Safire which speculates they might be there to protect Soviet telecommunications intercept facilities being built on the island.

I cannot imagine our Department of State will raise much objection to those facilities being in Cuba, as they do not object to the same practice in the city of Washington, much less my city of New York, where it began. If it is all right to intercept telephone conversations from Riverdale, I cannot see why they should feel that, coming from Cienfuegos or some place, it would be less appropriate.

A similar point I would like to make, and the last one, is not unconnected. We read in the Washington Post this

morning that a unique event took place in Cuba yesterday. President Aristides Royo of Panama said something not hostile to the United States. The Washington Post reports that this is the first time in 3 days that something not hostile to us has been said at the conference of nonalined nations.

These are the nations with which the administration, from the President and the Secretary of State on down, repeatedly tell us relations have never been been better. One begins to wonder. If our relations have never been better, while their pronouncements have never been more hostile, how does the Department of State and the administration define "better"?

I have read, during our recent recess, the 70-page draft of the final acts of the nonalined conference. I have agreed with the nonalined movement at times, and have been sympathetic with its purpose.

But, Mr. President, this draft is completely Sovietized. Two-thirds of the nations of the world are about to subscribe to it, and the administration says our relations with those two-thirds of the world's nations have never been better.

This is, I suppose, a variation on Senator Aiken's famous formula for getting out of Vietnam, which was simply to declare victory and leave. But it really does raise the question, how serious should—as the French say, serieux—how serious are the men who run our foreign policy?

I thank the Chair and my always gracious and distinguished friend from Virginia, and my uniquely scientifically capable friend, the Senator from New Mexico.

Mr. SCHMITT. Mr. President, before the Senator from New York departs the floor, I would just associate myself with his remarks. His perspective on the history, not only the modern but the ancient history of the world, is as unique in the Senate as any capability I may have in the scientific profession. Having been a modest student of history myself, it is a delight to me to hear this perspective added to our deliberations and consideration of policy as well as more detailed legislative matters.

The issue that the Senator raises is one of great moment. We do see an increasing drift, if not a stampede, of the so-called nonalined nations toward the Soviet orbit. I think the people of those countries will be the losers by such a drift, for there is nothing in modern history, or any history, to indicate that a drift, for there is nothing in modern hisbenefit the people of any country, certainly not in the long term, as history has shown.

This Nation and our allies offer, through technological development, through compassion, and through many other I think very fine attributes, a hope for the nonalined countries for their future light, even though the light at the end of the tunnel no longer has to be the light of an onrushing train. If the leaders of these nonalined nations do not realize that, they are ignorant. If they do realize it, then they are subverting the interests of their people to their personal interests for power and for influence with the Soviet Union.

Mr. MOYNIHAN. Will the Senator allow me a comment on what he has just said?

Mr. SCHMITT. Be happy to.

Mr. MOYNIHAN. I am sure the Senator has heard the argument advanced that one of the most important aspects of the SALT treaty is the sorting process; that the powers in the Soviet Government are divided between those who are for more weapons and those who are for less—although SALT provides for more in either case—in a sort of hawk-dove paradigm, and we must encourage the differences. Well, this may be so.

But may I say that in the nonalined nations with which I have had some experience, there is equally a continuum, and sometimes it is bimodal, between persons known to be pro-Western and persons known to be pro-Soviet. As long as the United States feels that the ascendancy of the pro-Soviet forces is an entirely agreeable condition so far as we are concerned, then they give no leverage whatever to the pro-Western forces.

No one in the pro-Western forces states, "You see, you have got them very upset, they don't like what you have just said about them, and there will be consequences here in our world, and so you should not take that Soviet line."

But while we are perfectly willing to encourage this kind of dichotomy in our adversaries, it seems never to occur to us, for example, that India is filled with persons of the greatest ability who are fundamentally democratic, pro-Western, and anti-Soviet. The United States will never support them; it only allows their adversaries to take the position, "Look we have a simple problem; the Soviets will mind, the Americans will not."

Will the Senator permit me to take one moment for a story?

Mr. SCHMITT. Yes.

Mr. MOYNIHAN. Up in the Tigris-Euphrates Valley, where you reach the Turkish border, there are a group of people who are despised by their Islamic neighbors because they are thought to be devil worshipers. This is not fair to them, and it is not just. They are not devil worshipers; they are a residuum of the old dualism or Middle East Manichaeism; they believe there are two principles, one good and one evil. They spend their time looking after the evil one. Bernard Lewis, the eminent scholar has called this a form of "theological nonalinement." They are like people who say, "If you are against the Soviet Union, that is a problem, but if you are against the United States, relations have never been better for their affinity with the Soviet Union."

Mr. SCHMITT. The Senator's story, once again, shows his perspective of world affairs, not only the current but the past.

The situation is clearly one where this country must, as he has indicated, provide an alternative articulation of good versus evil. It is that simple, but we must not just assume that everybody knows it. We have to give the basis for these more pro-Western or pro-human, I believe, nations to be able themselves to articulate their beliefs. At the same time, as we do that, we have to provide positive alternative relationships for these people.

We are entering into an era now of international conferences. The Law of the Sea Conference and the General World Administrative Radio Conference are becoming political forums. This country is still treating them as if they were still purely technical forums and they are not.

I must say, in due respect to Ambassador Richardson, he understands that. He understands the political nature of the Law of the Sea Conference, whereas, on the other hand, many other participants in things like WARC, World Administrative Radio Conference, do not, in my mind, fully understand how absolutely political those kinds of conferences become. We must go into those conferences and other international relationships not only with good solid technical alternatives for the developing world, for the Third and Fourth Worlds, but also good political alternatives for them, and we have not done that.

Mr. MOYNIHAN. Good point.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

TREASURY-POSTAL SERVICES APPROPRIATIONS, 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 4393, which the clerk will state.

The legislative clerk read as follows:

> A bill (H.R. 4393) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 399

The PRESIDING OFFICER. The pending question is on amendment No. 399 by the Senator from Michigan, on which there shall be 10 minutes, to be equally divided and controlled.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum. I yield time on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, the purpose of this amendment is to allow for the distribution of mail between local school districts which are constituent parts of an intermediate school district. Michigan and, I believe, some other States have what are called intermediate school districts which have constituent parts, local school districts. The intermediate school district is allowed, under the regulations as they now exist, to distribute their materials directly to each constituent local disrict, but apparently, that same van is not allowed to pick up the

mail from one local school district on its own route and distribute it to that other constituent part. This seems to me to be very wasteful. The intermediate school district and the local school districts are governmental units. This is intergovernmental material which is being distributed or would be allowed to be distributed under this amendment during the course of delivery by vehicles which are on the route anyway. They are not going off their normal routes to deliver this material.

It seems wasteful, to me, not to allow this interschool district material to be distributed while the van is distributing materials from that intermediate higher level. This amendment, I believe, is acceptable to the managers of the bill, but I shall let them speak for themselves on this matter.

Mr. CHILES. Mr. President, we have looked at the amendment by the Senator from Michigan. I have a hard time, to tell the truth, understanding why the Post Office is concerned about this situation, with essentially interoffice mailing going from a school district and circulating around through that school district, just as we circulate interoffice mail between the House and the Senate. Our mail is hand-carried. We do not ever think about the fact that it should have to go by the postal system.

It seems we are dealing with the same thing. As I understand it, the intermediate school district is in charge of the overall operation. We are talking about circulating correspondence between that school district and the schools which are under the intermediate school district, and correspondence going from school to school within that.

So it just strikes me that it is so much like an interoffice mail situation.

I can see the concern, perhaps, of the post office when we start writing exceptions into the postal monopoly. I think they might well be concerned about seeing exceptions—it has been tested in court and generally upheld—and they are concerned about whether that is under attack.

I would hope that if we take the amendment, there would be a way for the Postal Service to work out the problem that the Senator from Michigan has so well portrayed here and that we could find a solution to this matter so that we would not have to actually argue this in conference.

But I cannot understand why the post office cannot work a solution. Let us take the amendment and see if there is some way of working out a solution to this.

Mr. SCHMITT. Mr. President, I would agree with the chairman on that procedure.

It does seem that this type of exception, in one way or another, already exists. I would hope the Postal Service would recognize that and work with the Senator from Michigan to make it possible for this, I think, limited addition to the exceptions that already exist to go forward.

Certainly, this should give him some leverage to discuss that with the Postal Service.

I, for one, think that if the Postal Service is not willing to work something out, some discussion in the conference will be warranted—and I suspect our colleagues in the other body may be sympathetic.

At any rate, I am certainly willing to accept the amendment and hope that the Postal Service recognizes our interest in this matter.

Mr. CHILES. Mr. President, I yield back any time we have.

Mr. LEVIN. Mr. President, I yield back the balance of my time.

I do thank my friends and colleagues from Florida and New Mexico for their cooperation and sensitivity.

Hopefully, something can be worked out so that there will be no need to press this at conference, if there is an objection in conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (No. 399) was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 524

(Purpose: To provide that no funds may be used to formulate or carry out any new rule or regulation which would cause the loss of tax exempt status of any private school)

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is recognized to call up an amendment.

Mr. HELMS. Mr. President, I thank the Chair.

Mr. President, I send to the desk an unprinted amendment on behalf of the Senator from North Carolina and the able Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS), for himself and Mr. THURMOND, proposes an unprinted amendment numbered 524.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the appropriate place in the Act add the following:

"SEC. . None of the funds made available pursuant to the provisions of this Act shall be used to formulate or carry out any rule, policy, procedure, guideline, regulation, standard, or measure which would cause the loss of tax-exempt status to private, religious, or church-operated schools under section 501(c)(3) of the Internal Revenue Code of 1954 unless in effect prior to August 22, 1978."

Mr. HELMS. Mr. President, I want to be as brief as possible in discussing this amendment because I feel we covered the subject thoroughly yesterday in debating the amendment by the distinguished Senator from New York (Mr. JAVITS).

Mr. President, the purpose of this amendment is quite simple: it places a 1-year moratorium on the ability of the Internal Revenue Service to establish new procedures—and I emphasize the word "new"—regarding the termination of the tax-exempt status of private schools. This prohibition is forward looking only. It is not retroactive. IRS would still be able to enforce all regulations which were in effect as of August 22 of last year.

Under my amendment, the IRS may still move to withdraw the tax exempt status of a school which has failed to meet the standards of Revenue Procedure 75–50.

Under Revenue Procedure 75–50, the racially nondiscriminatory policy of every private school must be stated in its governing instruments and governing body resolution, and in its brochures, catalogs, and similar publications. This policy must be publicized to all segments of the general community served by the school, either by notice in a newspaper or by use of broadcast media. All programs and facilities must be operated in a racially nondiscriminatory manner and all scholarships or comparable benefits must be offered on such a basis.

Mr. President, Revenue Procedure 75–50 states the information that every school filing an application for recognition of exempt status must provide. Also included are an assortment of recordkeeping requirements, mandating the retention for at least 3 years of records indicating the racial composition of the school's student body, faculty and administrative staff; records documenting the award of financial assistance, copies of all brochures, catalogs, and advertising dealing with student admissions, programs, and scholarships; and copies of all materials used by or on behalf of the school to solicit contributions. Failure to maintain or to produce the required reports and information creates a presumption that the school has failed to comply with the law and thus has a racially discriminatory policy as to students.

Under existing law, a private school must be able to affirmatively demonstrate, as in the case of an audit, that it has adopted a racially nondiscriminatory policy as to students and that this policy has been made known to the general public, and that since the adoption of that policy the school has operated in a good faith manner in accordance with it.

The existing law provides substantial procedures for the IRS to deny the tax exempt status of schools which discriminate.

In fact, IRS has denied the tax-exempt status of over 100 schools which it, or a court, has found to be discriminatory. My amendment today does not change the existing law contained in Revenue Procedure 75–50, and thus it preserves the ability of IRS to act against offending schools on a case-by-case basis.

My amendment is necessary to allow Congress the time to consider the numerous legislative proposals which have been introduced to deal with this problem.

For example, earlier this year I was joined by Senators FORD, SCHWEIKER, STEVENS, and ZORINSKY in introducing S. 995, the Private School Non-Discrimination and Due Process Act of 1979. This legislation would for the first time expressly authorize the IRS to move to terminate the tax-exempt status of private schools which discriminate. It also provides considered and balanced safeguards to protect the first amendment rights of the schools involved.

Congress should address this problem as the policymaking branch of the Federal Government. My amendment is necessary in order to preserve this opportunity and to allow the public debate on this issue to continue.

Mr. President, I am not going to consume the time of the Senate in reading in the RECORD all of the details of Revenue Procedure 75–50 and other existing regulations dealing with tax exempt schools which would not be affected by my amendment. Suffice it to say that this is a forwardlooking amendment. It simply provides that no new procedures regarding determination of the tax-exempt status of private schools will be funded under this legislation now pending before the Senate.

Mr. President, the testimony before the Oversight Subcommittee of the House Ways and Means Committee of Randolph W. Thrower, a former Commissioner of the Internal Revenue Service, eloquently answered a question raised yesterday by the distinguished Senator from New York and the distinguished Senator from Ohio (Mr. METZENBAUM) about the low number of black students that often is reflected in enrollment in a private school.

Mr. Thrower was attempting to explain the difficulties of private schools in this matter and he presented to the House committee a copy of an advertisement circulated by a black organization urging black students not to enroll in private schools.

I will read part of it. It says:

Our public school system is the best way to go. There are rumors that the I.R.S. (the Internal Revenue Service) is cracking down on all private schools that were established to escape from the public school system during the time of integration. It is also rumored that the private school needs 45 black students within a 60-day period to save the private school.

The Black Youth Coalition is asking black parents to please keep your children in the public schools. Don't be a backlash on your roots!

Mr. President, this documentation by Mr. Thrower suggests that there was a deliberate effort on the part of at least one black organization to prevent the enrollment of black students in private schools.

I feel this advertisement should appear in the RECORD, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, the Senator from North Carolina is aware that the drawings in the advertisement cannot be reproduced in the RECORD—I wish it could be done—but that the text of this advertisement can be.

With that, I reserve the remainder of my time.

EXHIBIT 1

OUR PUBLIC SCHOOL SYSTEM IS THE BEST WAY TO GO

There are rumors that . . . . I.R.S. (the Internal Revenue Service) is cracking down on all private schools that were established to escape from the public school system during the time of integration.

It is also rumored that . . . . the private school needs 45 black students within a 60-day period in order to save the private school.

The Black Youth Coalition is asking black parents to please keep your children in the public schools.

Don't be used up in private schools!

Don't be a backlash on your roots!

Mr. CHILES. Mr. President, this amendment also was discussed in the committee.

Contrary to the Dornan amendment, which Senator JAVITS sought to strike yesterday, the committee felt that by adopting the Dornan amendment, we had basically covered the situation. That said that the IRS revenue procedure concerning themselves with the issue of private schools could not be issued. We felt that it was a little redundant to have Dornan and Ashbrook basically saying the same things.

Ashbrook is drawn considerably broader and did not address itself solely to the present controversy. It says "under no circumstances," could anything be done and members of the committee, including myself, thought that was a little broad. Was that to say that if private schools taught the overthrow of the U.S. Government by force, the IRS could not issue some rule or regulation to say that that was improper? To carry it to its ridiculous extreme, it would be that way.

Mr. HELMS. I do not think that will happen in a Christian school.

Mr. CHILES. As the Senator knows, this amendment is not drawn just as to a Christian school.

Mr. HELMS. But the IRS has taken aim at Christian schools. I think the Senator knows that. This amendment is designed to provide relief for Christian schools.

Mr. CHILES. The other regulations were aimed at Christian schools and they were dealt with in the Dornan amendment, which the Senate upheld.

Mr. HELMS. I will not haggle with the Senator. He is my friend and I am his.

Mr. CHILES. My feeling is that we covered it yesterday. However, considering the vote we had yesterday, considering the time, with Members in committees now, and considering the vote that took place on the floor of the House on this particular amendment, I am disposed to say that the Senate has sort of spoken on this question yesterday, and that we will just take the amendment, or have a voice vote on it.

Mr. HELMS. I thank the Senator. I want him to know that I deeply appreciate his willingness to voice vote this amendment so that we can move along.

Mr. SCHMITT. Mr. President, I concur generally with the remarks of the distinguished chairman of the subcommittee, the floor manager of the bill.

I supported retention of the Ashbrook amendment in committee, although I did have the same reservations about it being drawn technically more broadly than probably necessary to address the particular problem.

I, for one, think we all must be alert if the IRS runs into some inadvertent problem on another issue because of the language of this amendment. I am sure the Senator from North Carolina also will do that. We can imagine the ridiculous extremes, as the Senator from Florida has indicated, in which the IRS might use this as an excuse not to do something they should do.

Mr. HELMS. I assure the Senator that I will cooperate with and support any effort to prevent such activity in the unlikely event that an episode of that nature should occur.

Mr. SCHMITT. Of course, this would have effect only for the appropriations year, fiscal year 1980 and can be reviewed, if a problem developed over that period, during the next appropriation cycle.

So I concur with the Senator from Florida that we should accept the amendment. The House is strongly in favor of it, and I think we will have more important things to do in conference.

Mr. HELMS. I thank the Senator from New Mexico and the Senator from Florida, who have been most cooperative.

Mr. CHILES. Mr. President, I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum. I believe the Senator from New York would like to have a chance to speak on this subject.

Mr. HELMS. Mr. President, in that case, I withdraw my offer to yield back my time, and I will reserve the remainder of my time.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum, on the committee's time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTE TO OCCUR AT 12:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, it is my understanding there will be a rollcall vote on the pending amendment. I ask unanimous consent that that rollcall vote occur at 12:30 p.m. today.

Mr. CHILES. To be immediately followed by the Metzenbaum amendment.

Mr. ROBERT C. BYRD. That is already in the order and that is the remainder of the order as entered yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SCHMITT. By the interaction of the two orders now that means that the vote on final passage, assuming we get through third reading here momentarily, will occur immediately after the vote on the Helms amendment.

Mr. ROBERT C. BYRD. Under the order that was previously entered Mr. METZENBAUM has the option of offering an amendment following the disposition of the amendment by Mr. HELMS. That was the order of yesterday.

Mr. SCHMITT. I ask the Senator from Ohio if he will offer an amendment?

Mr. METZENBAUM. I say at this moment I am not at all certain I will offer such an amendment. I do not wish to waive my rights. But I think it is fair to advise the Senator that there is good likelihood I will not offer such an amendment, but I wish to reserve my rights at this point.

Mr. ROBERT C. BYRD. In either case the bill will then advance to third reading, following Mr. METZENBAUM's amendment, or if he does not offer one, following disposition of the Helms amendment we will go to third reading immediately.

Did the order provide for any debate on third reading, may I ask the Chair?

The PRESIDING OFFICER. There is no further debate following the disposition of the amendments.

Mr. ROBERT C. BYRD. So final passage would then occur immediately.

Mr. SCHMITT. When will the Senator from Ohio know when he is going to offer his amendment? We are dragging this bill out. A lot of us have other things scheduled for the afternoon. We anticipated we would be through shortly this morning.

Mr. METZENBAUM. I say to my good friend from New Mexico I am trying to give him the best of my knowledge at this moment. I tried to say to him that I think it is doubtful that I will offer an amendment, but I do not wish at this moment to waive my right. I do wish to speak with my staff about the subject, but I think it is very doubtful that I will offer the amendment after the Helms amendment is disposed of.

Mr. SCHMITT. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, while I have the floor, if Mr. METZENBAUM intends to ask for the yeas and nays perhaps it could be done now on the amendment and then every Senator would know there will be a rollcall vote. Does the Senator intend to ask for the yeas and nays?

Mr. METZENBAUM. Yes; I am sorry, I did not hear the majority leader.

Mr. ROBERT C. BYRD. Will he ask for them now?

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays on the Helms amendment.

The PRESIDING OFFICER. Which amendment is the Senator talking about?

Mr. ROBERT C. BYRD. On the amendment by Mr. HELMS.

Mr. METZENBAUM. The pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered on the Helms amendment.

Mr. ROBERT C. BYRD. I thank the Chair, thank Mr. METZENBAUM and thank all Senators.

Mr. METZENBAUM. I thank the Senator.

Mr. SCHMITT. Mr. President, I ask for the yeas and nays on final passage of the bill.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays are ordered on final passage.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, there is some feeling that the amendment that is before us today fits hand in glove with the amendment that was passed by this body yesterday.

I would like to make the point unequivocally clear that there is a broad, broad difference between the amendment of yesterday and the amendment that is before us today. The amendment yesterday had to do with the use of IRS funds which relate to the matter of schools having appropriate policies that conform with the Constitution. It had to do with the issues of integration, segregation, and civil rights.

This amendment goes far, far beyond that. As a matter of fact, the members of the Senate Committee on Finance received a report from the Tax Committee staff dated July 24, 1979, concerning this very amendment. The memorandum states:

> Although the intent of this amendment was to prevent the IRS from implementing its guideline as it related to discrimination in private schools, the amendment is far broader.

The staff went on to report:

> Critics would point out that this amendment would prevent the IRS from implementing any of its rules and regulations relating to tax-exempt schools regardless of the basis. For example, if a particular tax-exempt school was permitting part of its net earnings to inure to the benefit of a private shareholder, the IRS would not be able to enforce its regulations and revoke the tax-exempt status of the school.

This is an unbelievable amendment in many respects. It locks in perpetuity the tax-exempt status of private, religious or church-operated schools.

How can anyone possibly argue that that makes good sense? In fact, the Appropriations Committee, when it dealt with this issue, voted to remove the provision from the legislation before us.

Can anyone say that tax-exempt status ought to remain in perpetuity regardless of whether the institution conforms with all applicable laws? Can anyone say that a school should retain tax exempt status if its funds are used to line the pockets of one of the individuals connected with the school.

Obviously, that would be grossly inappropriate. There is not any Member of the Senate who would stand on the floor and say the tax-exempt status ought to remain in effect after such an occurrence.

Let me go even beyond that point. Let us assume for the moment that Mr. Jones contributes $1 million to a tax-exempt school, and that the school thereafter uses those funds for direct lobbying purposes. The school lobbies for or against any particular kind of legislation which has nothing at all to do with the school. Would anybody then suggest that that school ought to thereafter be entitled to continue its tax-exempt status?

We have lived a long time in this country and nobody has ever claimed that you can use tax-exempt funds for lobbying purposes no matter how worthy the cause may be. Yet that is exactly what it proposed under this particular amendment.

Mr. President, I think we have to separate the wheat from the chaff in this particular situation. There are many Members of this body who saw fit to vote in the affirmative yesterday on the subject having to do with the tax-exempt status of schools which are open to question by reason of the schools' policies concerning segregation.

That issue is behind us. The Senate has spoken its mind. That was adopted by, I think, a vote of something like 54 to 31. However, this is not the same issue. This amendment does not even relate to that issue. The Senate has already determined, over the objection of some of us, that IRS funds cannot be used to inquire into that subject. But does it follow that we ought to put into law a provision that will provide continued tax-exempt status in perpetuity for certain schools and institutions? I do not believe anybody can reasonably make that point.

Mr. President, I see the distinguished Senator from New York on his feet. I know he wishes to be heard on this subject. I do have some additional remarks, but I am very happy to yield to him at this point.

Mr. JAVITS. I thank my colleague very much.

Mr. President, the thing that brought me to my feet was the Senator's assertion of yesterday's vote. I thoroughly agree with him, and that is the tradition of this body. We debate a question, no matter how diligently and how passionately, and that is the end of that.

It was my very distinct feeling that many Members had in their minds

yesterday the fact that the IRS proposed to make certain rules and regulations which affected church-operated schools, and I think that was a major element in the thinking of many Members.

The thing that strikes me about Ashbrook is its commitment forever, and also its commitment to "private schools." The categorization is very specific: "private, religious, or church-operated schools."

It seems to me really most imprudent to give what the Senator describes properly as a permanent exemption to private schools. However we may desire to have great solicitude about separation of church and state and noninterference with the traditional school function of many religions, we certainly cannot apply that to private schools.

Yet this very complete, locked-in exemption would apply to private schools. As the Senator says, whatever they may do with the money which is contributed to them, the contributor would have tax exemption; indeed, a contributor for that kind of an institution could avoid many of the restrictions which the tax laws impose upon contributors to charitable and other educational activities if it were not a private school.

So I would like to express my complete concurrence with the Senator. The question is different; of course, the result in the Appropriations Committee was different; and I hope very much the result here on the floor will be different.

I must also suggest to the Senate that we should, without any question, have a vote on the record on this matter, which I now understand we have ordered, and I am very pleased that the Senator has asked for that. I hope very much that Senators will carefully examine this amendment, and see that the completeness of it and the application to this broad, broad category of private schools makes it extremely unwise, and we should really, as the Senator says, make no such exemption for any institution in this country forever, and that therefore this amendment will be defeated and the Appropriations Committee in this case sustained.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, this matter was debated on the floor of the House. At that time some very profound words were offered by the chairman of the Oversight Subcommittee of the House Ways and Means Committee. He described the potential dangers of the amendment pending before us. What he said at that time was the following:

> What the gentleman has done in his amendment is open a field day for those who watch this Internal Revenue Code like hawks. Every time there was any potential loophole there, there was nothing new to stop them from setting up something that is described as a religious institution or school or something, and conduct a private business out of it and pocket untold amounts of tax-free money. I think the gentleman just goes too far.

That, I believe, is what this amendment is all about. It just goes too far. I am concerned that many of those who may see fit to vote for this amendment today will do so unaware of its total consequences. Some of those who will vote in the affirmative today are the same ones from whom we hear regularly about conservatism in Government, about concern for the Federal treasury, and about the question of evading and avoiding tax responsibility. Yet that is what will be made possible if the Senate votes to lock in place, in perpetuity, the tax exempt status of a private, religious, or a church-operated school.

Frankly, I am a little less concerned about the church-operated school; somewhat concerned about the religious school, but very much concerned about the private school that has a tax-exempt status. Do we really want, and does the author of this amendment truly want, to provide a means of circumventing the law, of saying that in this Nation there is such a category of schools, private schools, that can do whatever they want, however they want to do it, regardless of what the issues are, and still remain their tax-exempt status?

I have great respect for the Senator from North Carolina. He is a strong advocate. He fights for what he believes in, and I know that he is a fair man. Yet I say to him, "Do you really want—I know your views expressed with respect to the subject yesterday, but do you really want to create a special group of private schools that can lobby or enhance the pockets of their promoters without ever having their tax status questioned?"

I have difficulty believing that that is the Senator's intent, and yet I believe that is what he will achieve if he is successful in this amendment. I have difficulty in understanding why he wants to go that far.

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 44 minutes and 40 seconds remaining.

Mr. HELMS. I thank the Chair. I thought there was a 1-hour time limitation, to be equally divided.

The PRESIDING OFFICER. That was expanded.

Mr. HELMS. I see.

Mr. CHILES. Mr. President, the expansion was just for the rollcall vote, the time for the rollcall vote to occur. There was no time expansion on the limitation for either side. I do not think there was any expansion of time; we just said we would delay the rollcall.

Mr. SCHMITT. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Chair would note that the effect of extending the time for the vote is to extend the time on the amendment.

Mr. SCHMITT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHMITT. There is nothing to prevent the Senate from taking up time on another matter, is there?

Mr. CHILES. The intention of the leaders was that we were going to set the rollcall for 12:30, but we were going to finish the debate and take up another matter.

Mr. President, I suggest the absence of a quorum.

Mr. METZENBAUM. Mr. President, I object to that point.

Mr. CHILES. I do not think it is objectionable for me to suggest the absence of a quorum.

Mr. METZENBAUM. The Senator is right. I just wanted to support the Senator's position.

Mr. CHILES. I just wanted to suggest the absence of a quorum because I think we ought to confer with the majority leader. I withdraw it.

Mr. METZENBAUM. I just wanted to point out the fact that the Senator from Ohio still has time remaining—no, I guess that point would not be valid; my time would come after the rollcall vote, so that is not correct.

But I do agree to that, that it was not the understanding that we were expanding the time, and I for one have no particular desire to do so.

I do not have much more to say.

Mr. HELMS. Mr. President, I am sure that neither the Senator from Florida nor the Senator from North Carolina desires to spend that much time. In any case, I am sure the manager of the bill would afford the Senator from North Carolina such time as he needed.

Mr. President, the Senator from Ohio is my friend and has spoken very charitably of me, and I have the same regard for him.

However, I must confess a bit of puzzlement at the extent to which he has imagined a horrendous potential of this amendment. It is beyond my comprehension that the Senator could see the bogeyman that he says he sees.

At one point my friend from Ohio told the Senate that this amendment would lock in, in perpetuity, this provision. Not so. This is a 1-year bill, Mr. President.

As the Senator from Florida and the Senator from New Mexico and the Senator from North Carolina have agreed, if a problem does come up—which it will not—but if any problem does come up, the three of us and the Senator from Ohio, the Senator from New York, indeed the entire Senate will rise up and act quickly if such a horror story should present itself. The plain truth, Mr. President, is that we are talking simply about getting the Internal Revenue Service off the backs of well-intentioned, well-operated, private Christian religious schools in America.

I shed no tears over clipping the wings of the Internal Revenue Service. They have asked for it. By heavy-handedness, by arbitrariness, by harassment of Christian schools, the Internal Revenue Service has asked for precisely what Congress is doing. I say to my friend from Ohio, this Senator is not going to back up one inch, because this kind of arrogant tyranny has to stop.

That is my sole interest. I have watched these private schools. I know the people who are operating them in my State. I know what kind of citizens they are. I know what kind of character they have.

I say to the Senator from Ohio, he need

not worry about them. They are not going to engage in any un-American activities. They do not lobby. They simply operate schools conditioned upon precepts that this Senator feels made this country great.

No, sir. Have no fear about these private Christian schools. They have no ulterior motive. They simply want to offer education which, by their perception, is better and different from the kind of education available in some of the public schools of this country today.

I said yesterday that I visited one of these schools in northeastern North Carolina earlier this year, and I was taken on a tour of the facilities. I shall never forget a farmer who was proudly showing me one classroom. He stretched forth his calloused hands and said, "Senator HELMS, I laid every cinder block in this room myself, because I wanted my young'un to have a better education than I had."

This is the character, this is the dedication, this is the motive of the people who are supporting these private schools.

We hear so much obfuscation about alleged discrimination. Earlier today, I referred to a statement by the former IRS Commissioner, Randolph W. Thrower which criticized the actions by IRS at issue here. I placed in the RECORD an advertisement by the so-called Black Youth Coalition, urging—urging—black parents not to send their children to private schools so that the private schools could be destroyed by the Internal Revenue Service. That is what has been going on, Mr. President, and I do not think the Senate ought to yield to that kind of tactic.

This amendment was passed by the House of Representatives by a vote of 297 to 63. That is almost 5 to 1. Will anybody in the Senate now suggest that 297 Members of the House did not know what they were doing?

One final note on this subject of alleged discrimination. Mr. Jerome Kurtz, the IRS Commissioner, testified before the Senate Subcommittee on Taxation and Debt Management earlier this year. When he was asked about widespread discrimination in private schools, he said flatly that it is not happening.

So, Mr. President, if we do not adopt this amendment, those who favor this bill are going to shoot themselves in the foot, because this bill will surely be tied up in conference. I have no idea whatsoever that the House of Representatives will yield on this amendment and discard it. We should have gone ahead and passed it by a voice vote and get it behind us. There should have been none of these farfetched bogeyman stories. What we are talking about is the harassment, by the IRS, of good, honest citizens, who are doing the best they can to improve the quality of education for their children.

No, sir, they do not like the drug trafficking going on in public schools; they do not like the violence; and neither do the teachers who are being assaulted, and sometimes raped and killed in the public schools.

Yes, sir, they want prayer in their schools. And I think they are right on all counts. They have a right to be left alone, and that is what my amendment is all about.

I said yesterday that there were a lot of Americans who would be watching the vote on that amendment. And you can jolly well assume, Mr. President, that the same Americans are going to be watching the vote on this amendment today.

I reserve the remainder of my time.

Mr. CHILES. Mr. President, I remember when this appropriation bill would take about 20 minutes to present. I remember that I used to think that it would be good to be chairman of the Subcommittee on Treasury, Postal Service, because there was never any controversy about it. The only questions were just what to do about funding levels. What we had to do was consider funding the departments and the Post Office. After all, the Treasury Department through IRS collects the money so there cannot be anything much wrong with that.

I now find that we have become a sort of legislative committee to handle disputes from anything to do with how much oil is in tankers to Post Office matters—naming the postmasters; whether the Post Office department should be in telecommunications or not; private school matters; to all firearms legislation.

There is a Committee on Finance that is supposed to have jurisdiction over the Internal Revenue Service. There are post office and civil service committee and subcommittees that have legislative jurisdiction. There are many other committees that have legislative jurisdiction. But suddenly, we have been here 2 days now, and we have not been arguing numbers on this bill; we have not been arguing appropriations.

The chairman of the Committee on the Budget stood on the floor and thanked us for being within the budget allocation of the committee to date, questioned whether we could hold that. We assured him that that was certainly going to be our intent to do that. That deliberation took 2 or 3 minutes. But we have spent the rest of the hours on this bill, it seems, dealing with legislative subjects here that run far afield.

Our committee has held no hearings on these legislative matters. We have seen no witnesses. We have not had staff that visited the sites which we are talking about here. We are not set up to do that. That was not the purpose of our committee to start with. I do not know how we have gotten into this situation where legislation is continually attached to the appropriations bill.

But I can say one thing. It looks to me as if we can do away with the authorizing committees and just have everything come on the appropriations bills. We are going to be on the floor all the time on these appropriations matters, but maybe that is the way it should be.

With those remarks, Mr. President, I want to go back and say the way I, as chairman of the committee and, I think, the way the membership of the committee is approaching the Dornan and Ashbrook amendments. First, we have legislative amendments, and they are legislation, that came on in the House. We had a series of amendments. We had two Dornan amendments dealing with schools, then we had the Ashbrook amendment. We looked at those and saw, in the Dornan amendment, that it was addressing itself specifically to proposed Internal Revenue Service revenue procedures. Those proposed regulations dealt with some of our religious schools.

The first regulations they issued they withdrew after there was a firestorm of protest. But the first regulations that they came out with, in effect, shifted the burden of proof to the private schools, to the religious schools, and said for those schools that were organized after the Brown case, in effect had to make certain affirmative showings that they were not segregated.

That brought about a fire storm of protest from many schools, private and religious schools, that had not organized themselves for purposes of segregation. But they wondered, "Why are we changing the whole form of the law to say we are guilty and must prove ourselves innocent?"

Congress got into that. Many of us wrote the IRS. I, among others, complained about that. IRS withdrew those regulations and started holding hearings on other proposed regulations. They went so far as to issue—not final regulations—but another set of regulations for comment. The second set did not go as far as the first set, but many felt the second set of regulations went too far also. I did, and others did.

The IRS still had those in the comment period, and that is sort of where it was when the amendments were added in the House.

The Dornan amendment said that no funds under this bill, that being the way we have to legislate on the appropriations bill, should be used to implement the provisions. More specifically, they stated:

> None of the funds available under this Act may be used to carry out proposed revenue procedure 4830-01-M of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-Exempt Schools" (44 F.R. 9451 through 9455, February 13, 1979, F.R. Document 79-4801), and proposed revenue procedure 4830-01 of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-Exempt Schools" (43 F.R. 37296 through 37298, August 22, 1978, F.R. Document 78-23515), or parts thereof.

We had a debate on this in the committee. We addressed specifically the actions that the IRS was contemplating. That is, that they had issued one set of regulations, then withdrawn them, and the second set of regulations that they had proposed and were in the comment period and the committee, by a preponderant vote, felt IRS was going too far, regardless of the fact that we realized we were not the right committee to consider this. We realized that at the time we voted to include the Dornan amendment, and we did that. The Senate backed the decision of the committee yesterday when it defeated the Javits amendment that would have struck the Dornan amendment.

We also then looked at the Ashbrook amendment. The Ashbrook amendment in section 103 of the bill said that—

> None of the funds made available pursuant to the provisions of this Act shall be used to formulate or carry out any rule, policy, procedure, guideline, regulation, standard, or measure which would cause the loss of tax-exempt status to private, religious, or church-operated schools under section 501(c)(3) of the Internal Revenue Code of 1954.

It was the feeling of the committee in a close vote, 12 to 11, that the Ashbrook amendment went considerably further than was necessary. It was saying prospectively that they cannot issue any guideline, any rule, any regulation, any procedure, regarding the tax-exempt status of private and religious schools.

It did not say, "You can't shift the burden of proof." It did not say, "You can't do these things."

It, in effect, said that there is just nothing we can do to any school that is now tax exempt, no matter what action they take, no matter what they do, no matter what they teach, no matter whether they are operating and taking money and using that money for different purposes. Nothing there can be covered.

It seems to me that is awfully broad and inappropriate to say it in an appropriation bill.

I personally was opposed to what the IRS was attempting to do. In the initial regulations they issued, even in the second set, I think they went too far. But I can conceive, certainly, things private schools could do that I would result in them not being entitled to a tax-exempt status. I think my good friend from North Carolina could conceive of things that private schools could do that he would also feel would result in them not being entitled to tax-exempt status.

It is something of privilege to receive tax-exempt status. It is a foregoing of revenue.

So it would seem there certainly are items or actions they could take contrary to the national interest of the United States that we would want to say something about.

But here, under the Ashbrook amendment, we would be prohibited from doing that.

For that reason, I think the Ashbrook amendment is too broad, and I think we have covered the problem in the Dornan amendment which we have now by a substantial vote in this body kept within the bill. It is in the House bill, also.

So it appears to me that the IRS has to stop what they were doing with their regulations, at least until the next appropriation comes around.

I would still think this matter should be dealt with in the authorizing legislation and put into the tax code, because that is where it belongs. It does not belong here on the appropriations bill.

Mr. SCHMITT. Will the Senator yield?

Mr. CHILES. I am delighted to yield.

Mr. SCHMITT. Will the Senator yield for an additional comment on the two themes raised by the Senator from Florida?

Mr. HELMS. Certainly.

Mr. SCHMITT. Mr. President, first of all, as I said earlier, I agree. I think it is too broad. But I think at this point for a year, and I support the Senator from North Carolina this far, that we should tell the IRS they have gone too far in this and, hopefully, they will assume some other area in their exercise of legislative authority.

However, I am not sure how I will react to this next year, if it comes up again, because I agree completely with the Senator from Florida that we have gotten ourselves in this point in the history of this country in a very difficult situation with respect to the normal process of authorization and appropriation.

If I may discuss that for a moment, I think it is because the Congress through the years, and particularly the last couple of decades, has transferred so much legislative power to the agencies of Government that we are now searching for a way to oversee that legislative activity which, basically, is what the IRS has undertaken, and other agencies have, also, and the reason we see this proliferation of legislation on appropriations bills.

It is the only annual mechanism we have that is reasonably reliable, to say, "Agency, you shall not do that. You shall not legislate in that area, because Congress does not want you to legislate in that area."

But we have given them such broad authority to do so, this is the only way we have to try to get back some of that authority.

As the Senators know, I have been offering an alternative with my distinguished colleague in the other body, Representative LEVITAS offered that also. There is another way to do it. But I think until we are willing to give ourselves a legislative veto as another process, independent of appropriations, to oversee a regulatory; that is, the legislative activity of the bureaucracy, we will be faced with this kind of operation to legislate on appropriation bills, because we cannot do it any other way.

I am going to resist, and I am sure the Senator from Florida will, at every reasonable opportunity, legislating on appropriation. But I cannot say that there will not be circumstances in which inappropriate legislation by the bureaucracy will not have to be dealt with in this way.

So, once again, I support the Senator from North Carolina this year on this matter, but I do think the amendment to be there forever or to be renewed annually is too broad. It could cause considerable difficulties in areas beyond the specific issue of the regulation of the tax status of schools.

Mr. HELMS. Mr. President, I could not agree more with the Senator from New Mexico, and I do not really disagree with the Senator from Florida. I think that, deep down in his heart, Senator CHILES has no fear that the private schools of America will rise up and do monstrous things. He knows better. He was merely citing an extreme hypothetical possibility, which is not a possibility at all.

However, I do not have the distaste for what is called legislating on appropriations bills as some other Senators do, because the surest way this Senator knows to put an end to an arbitrary bureaucratic practice is to cut off the money to the bureaucrats. Money is what greases the wheels of these bureaucrats; and the more money they have, the more they spend and the more they heap their arrogance upon the taxpayers of this country. So I do not have any distaste for legislating on an appropriations bill, if it is essential to do so in order to get at a problem.

Mr. SCHMITT. Mr. President, will the Senator yield on that point?

Mr. HELMS. I yield.

Mr. SCHMITT. I am sympathetic to that, but I do think there is a better, more efficient way to do it, and that is through consideration of the regulation before it becomes law.

Mr. HELMS. The Senator knows that I agree with him wholeheartedly.

Mr. SCHMITT. Then we act as an appropriate legislative body, as elected representatives of the people, and say, in that period of time, "No, that shall not be a law," or, by acquiescence, "Yes, it shall." Then we do exactly what we were elected to do.

Mr. HELMS. Exactly.

Mr. SCHMITT. But we are not doing that today, and we have to go after those laws after they become law.

Mr. HELMS. Well, I say again, all this amendment will do is to give Congress this year to look at it, to deal with the problem.

I say to the Senator, as I said earlier, that if there is any reason whatsoever to remedy any improper activities, I will be right in there, in the frontline, with the Senator from New Mexico and the Senator from Florida and others. But again, I do not think it will happen.

Mr. SCHMITT. I think that, particularly because of the colloquy on this issue and the current concerns the three of us and others have expressed, the IRS would be very remiss in their understanding of the issue if they moved to do things beyond what we are directing then, in a way, to do; and if institutions that are aware of this debate move to take advantage of a loophole that may be created by this amendment, then they also should be on notice that the Senate will move swiftly, at least in the next appropriations bill, to make sure that those loopholes do not exist any longer.

Mr. HELMS. I agree with the Senator absolutely.

I think that perhaps the opposition to this amendment falls a little under the category of much ado about nothing; because, as I said earlier, under this amendment, the Internal Revenue Service still can move to withdraw the tax-exempt status of a school which has failed to meet the standards of Revenue Procedure 75-50. I urge Senators to look at the true intent of this amendment.

There is no reason to be apprehensive about the private Christian schools. These people are motivated by the highest principles.

It is time for Congress to make clear that the IRS must get off the backs of these schools. That is what this amendment is about. It may cause a little dis-

content at IRS. Good. It might clip the wings of some bureaucrats. Good. As the Prince of Denmark is said to have remarked:

That is a consummation devoutly to be wished.

It is time we clipped a lot of bureaucratic wings in Washington, D.C.

In conclusion, I go back to my earlier observation that I have no distaste for so-called legislation on an appropriation bill when it is essential. I think we should do whatever may be necessary to bring the entire Federal bureaucracy in line.

I recall that a Federal arts group used Federal funds some years ago to give about $2,900 of the taxpayers' money to some creative genius who came up with a one-word theme. It was one word—spelled wrong—L-I-G-H-G-H-T. They gave him $2,900 for that remarkable bit of creativity. Most Americans will be forgiven for regarding this as a foolish waste of the taxpayers' money.

Mr. President, I urge the Senate to approve my amendment, because it gives Congress 1 year to deal with the problem along the lines, it is hoped, suggested by the distinguished Senator from New Mexico. In the meantime, no harm will be done in this Nation by the good people who are operating the private Christian religious schools throughout America.

I reserve the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

Mr. HELMS. I yield back my time, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, the vote on the amendment by Mr. HELMS will occur at 12:30 p.m. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. And immediately following that vote, Mr. METZENBAUM has the option of calling up an amendment, if he so desires. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. If Mr. METZENBAUM does call up such an amendment, upon the disposition of that amendment, the bill will go to third reading. If Mr. METZENBAUM does not call up an amendment, then upon the disposition of the amendment by Mr. HELMS, the bill will go to third reading. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

RECESS UNTIL 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, if no Senators desire further time, I ask unanimous consent that the Senate stand in recess until 12:30 p.m., at which time the vote will begin.

There being no objection, the Senate, at 11:38 a.m., recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

On this vote, the Senator from Utah (Mr. HATCH) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from Utah would vote "yea" and the Senator from Oregon would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote and have not done so?

The result was announced—yeas 47, nays 43, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—47

Armstrong	Gravel	Roth
Baker	Heflin	Sasser
Bentsen	Helms	Schmitt
Boren	Hollings	Schweiker
Bumpers	Huddleston	Simpson
Byrd,	Humphrey	Stennis
Harry F., Jr.	Johnston	Stevens
Byrd, Robert C.	Kassebaum	Stewart
Cochran	Long	Stone
Cohen	Lugar	Talmadge
Danforth	McClure	Thurmond
DeConcini	Metzenbaum	Tower
Dole	Morgan	Wallop
Domenici	Nunn	Warner
Ford	Pryor	Young
Goldwater	Randolph	Zorinsky

NAYS—43

Baucus	Exon	Muskie
Bayh	Glenn	Nelson
Bellmon	Hart	Packwood
Biden	Hayakawa	Percy
Boschwitz	Heinz	Proxmire
Bradley	Jackson	Ribicoff
Burdick	Javits	Riegle
Cannon	Kennedy	Sarbanes
Chafee	Leahy	Stafford
Chiles	Levin	Stevenson
Church	Mathias	Tsongas
Cranston	Matsunaga	Weicker
Durenberger	McGovern	Williams
Durkin	Melcher	
Eagleton	Moynihan	

NOT VOTING—10

Culver	Inouye	Pell
Garn	Jepsen	Pressler
Hatch	Laxalt	
Hatfield	Magnuson	

So the amendment (UP No. 524) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table and ask for the yeas and nays.

Mr. METZENBAUM. I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment (UP No. 524) was agreed to.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The PRESIDING OFFICER (Mr. BAUCUS). Are there any other Senators who wish to vote?

The result was announced—yeas 45, nays 45, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—45

Armstrong	Hayakawa	Schmitt
Baker	Heflin	Schweiker
Bentsen	Helms	Simpson
Boren	Hollings	Stennis
Bumpers	Huddleston	Stevens
Byrd,	Humphrey	Stewart
Harry F., Jr.	Johnston	Stone
Cochran	Kassebaum	Talmadge
Cohen	Long	Thurmond
Danforth	Lugar	Tower
DeConcini	McClure	Wallop
Dole	Morgan	Warner
Domenici	Nunn	Young
Ford	Pryor	Zorinsky
Goldwater	Roth	
Gravel	Sasser	

NAYS—45

Baucus	Eagleton	Moynihan
Bayh	Exon	Muskie
Bellmon	Glenn	Nelson
Biden	Hart	Packwood
Boschwitz	Heinz	Percy
Bradley	Jackson	Proxmire
Burdick	Javits	Randolph
Byrd, Robert C.	Kennedy	Ribicoff
Cannon	Leahy	Riegle
Chafee	Levin	Sarbanes
Chiles	Mathias	Stafford
Church	Matsunaga	Stevenson
Cranston	McGovern	Tsongas
Durenberger	Melcher	Weicker
Durkin	Metzenbaum	Williams

NOT VOTING—10

Culver	Inouye	Pell
Garn	Jepsen	Pressler
Hatch	Laxalt	
Hatfield	Magnuson	

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the motion to reconsider.

Mr. HELMS. The yeas and nays, Mr. President. We have been going along on this thing; let us go ahead. Vote all day.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the amendment was agreed to. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), and

the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

Mr. THURMOND. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any other Senators who wish to vote?

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 259 Leg.]

YEAS—43

Baucus	Exon	Muskie
Bayh	Glenn	Nelson
Bellmon	Hart	Packwood
Biden	Heinz	Percy
Boschwitz	Jackson	Proxmire
Bradley	Javits	Randolph
Burdick	Kennedy	Ribicoff
Cannon	Leahy	Sarbanes
Chafee	Levin	Stafford
Chiles	Mathias	Stevenson
Church	Matsunaga	Tsongas
Cranston	McGovern	Weicker
Durenberger	Melcher	Williams
Durkin	Metzenbaum	
Eagleton	Moynihan	

NAYS—47

Armstrong	Gravel	Roth
Baker	Hayakawa	Sasser
Bentsen	Heflin	Schmitt
Boren	Helms	Schweiker
Bumpers	Hollings	Simpson
Byrd,	Huddleston	Stennis
Harry F., Jr.	Humphrey	Stevens
Byrd, Robert C.	Johnston	Stewart
Cochran	Kassebaum	Stone
Cohen	Long	Talmadge
Danforth	Lugar	Thurmond
DeConcini	McClure	Tower
Dole	Morgan	Wallop
Domenici	Nunn	Warner
Ford	Pryor	Young
Goldwater	Riegle	Zorinsky

NOT VOTING—10

Culver	Inouye	Pell
Garn	Jepsen	Pressler
Hatch	Laxalt	
Hatfield	Magnuson	

So the motion to reconsider was rejected.

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio (Mr. METZENBAUM) is recognized if he wishes to call up an amendment.

Mr. METZENBAUM. Mr. President, I do not wish to offer an amendment.

Mr. CHILES. Mr. President, third reading.

The PRESIDING OFFICER. Under the previous order, there will now be third reading of the bill.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

● Mr. ROTH. Mr. President I would like to commend the distinguished chairman and ranking minority member of the Treasury, Postal Service Subcommittee for the effort they have made to hold down spending in this bill. I fully support the committee's effort to reduce spending.

Last year, as leader of the bipartisan task force in the Senate, the Save-Our-Bucks—SOB's—I announced that not only would we suggest areas in which to reduce appropriations but would also applaud when serious efforts to hold spending were achieved. Mr. President, I believe that this is such an occasion.

If we compare this bill to last year's appropriation subtracting the amount of the one time payment made last year, we have a modest increase of 3.9 percent.

Mr. President, this is a time when the need for fiscal restraint requires us to take serious and responsible action. I believe this bill moves us in the direction of fiscal restraint.●

Mr. ROBERT C. BYRD. Mr. President, as the Senate gets underway after the August recess, it seems appropriate that the first order of business should be an appropriations bill—H.R. 4393, which makes appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal year 1980. The 13 appropriations bills—6 of which have been passed by the Senate—are among the most important pieces of legislation which the Congress must pass each year.

I take this opportunity to commend the distinguished chairman of the Senate Appropriations Committee (Mr. MAGNUSON) the ranking minority member (Mr. YOUNG) and committee members for the considerable time and attention they give to each and every appropriations bill. Of course, I need not remind my colleagues of the importance of completing action on all these bills in a timely fashion.

The bill we are considering today, H.R. 4393, funds programs which are both numerous and varied. Upon review of the committee report, it becomes evident that the distinguished Senator from Florida (Mr. CHILES) chairman of the Appropriations Subcommittee on the Treasury and the Postal Service, and the committee members have given close attention to every program covered in this bill.

The committee has sought savings wherever possible. While the bill as reported by the Appropriations Committee is over that amount passed by the House, it is still below fiscal year 1979 appropriations and below fiscal year 1980 estimates. It should be noted that much of the funding contained in this bill is for agencies under permanent authority which are not considered by the Congress during the annual appropriations process. Among these are payment of interest on the public debt, interest on Internal Revenue Service refunds of income tax payments, payments in connection with the Civil Service Retirement and Disability Fund, and others. Given these uncontrollable expenditures, the committee was still able to find savings which reduced overall funding levels below last year's appropriations and this year's budget estimates.

Let me cite a few areas where the committee has taken steps to reduce costs. Under title I, which includes the functions of the Department of the Treasury, the committee has approved a reduction of eight permanent positions in personnel in the Office of the Secretary. While this reduction may not appear significant, it represents thousands of dollars in savings. For the Bureau of Alcohol, Tobacco and Firearms, which also comes under title I, the committee has again reduced the number of personnel.

The Appropriations Subcommittee on the Treasury and the Postal Service has jurisdiction over 11 independent agencies, whose activities range from those performed by the General Services Administration to those of the Committee for Purchase from the Blind and Other Severely Handicapped. Here, again, the committee has given close attention to each agency's needs, making reductions where possible and increases where necessary.

Overall, Mr. President, the Appropriations Committee has reported a bill which is balanced in its funding recommendations. Again, I commend Senator CHILES, chairman of the Appropriations Subcommittee on the Treasury, Postal Service and General Government, the ranking minority member, Mr. SCHMITT, and the members of the full Appropriations Committee for the time and hard work they have put into this bill.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. SCHMITT. The Senator from New Mexico yields back his time.

Mr. CHILES. I yield back our time.

The PRESIDING OFFICER. All time is yielded back. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 88, nays 2, as follows:

[Rollcall Vote No. 260 Leg.]

YEAS—88

Armstrong	Bumpers	Cohen
Baker	Burdick	Cranston
Baucus	Byrd,	Danforth
Bayh	Harry F., Jr.	DeConcini
Bellmon	Byrd, Robert C.	Dole
Bentsen	Cannon	Domenici
Biden	Chafee	Durenberger
Boren	Chiles	Durkin
Boschwitz	Church	Eagleton
Bradley	Cochran	Exon

Ford	Lugar	Sasser
Glenn	Mathias	Schmitt
Goldwater	Matsunaga	Schweiker
Gravel	McClure	Simpson
Hart	McGovern	Stafford
Hayakawa	Melcher	Stennis
Heflin	Metzenbaum	Stevens
Heinz	Morgan	Stevenson
Helms	Moynihan	Stewart
Hollings	Muskie	Stone
Huddleston	Nunn	Talmadge
Humphrey	Packwood	Thurmond
Jackson	Percy	Tower
Javits	Proxmire	Tsongas
Johnston	Pryor	Wallop
Kassebaum	Randolph	Warner
Kennedy	Ribicoff	Williams
Leahy	Riegle	Young
Levin	Roth	Zorinsky
Long	Sarbanes	

NAYS—2

Nelson Weicker

NOT VOTING—10

Culver	Inouye	Pell
Garn	Jepsen	Pressler
Hatch	Laxalt	
Hatfield	Magnuson	

So the bill (H.R. 4393), as amended, was passed as follows:

Mr. CHILES. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate amendments to H.R. 4393.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. CHILES, Mr. BUMPERS, Mr. DECONCINI, Mr. MAGNUSON, Mr. EAGLETON, Mr. SCHMITT, Mr. LAXALT, Mr. YOUNG, and Mr. HATFIELD conferees on the part of the Senate.

JOHN F. KENNEDY CENTER AUTHORIZATIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1142, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1142) authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

The PRESIDING OFFICER. Time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Rhode Island (Mr. CHAFEE), with 30 minutes on any amendment, except an amendment by the Senator from New Mexico (Mr. DOMENICI) relating to tickets, on which there shall be 1 hour, and with 20 minutes on any debatable motion, apeal, or point of order.

Who yields time?

Mr. NELSON. I suggest the absence of a quorum.

Mr. BAKER. Mr. President, I ask unanimous consent that the time consumed by a quorum call not be charged against the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 525

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment to S. 1142.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 525:

Strike out all ater the semicolon on line 4, page 2, and change the semicolon to a period.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MOYNIHAN. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that during the consideration of and voting on S. 1142 the following members of the staff of the Committee on Environment and Public Works be granted the privilege of the floor: John Yago, Dick Harris, Robert Peck, Joe Bowman, Bailey Guard, Hal Braman, Steve Swain, and Nina McClain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Miss Mimi Feller of my staff be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, the amendment before the Senate is a technical one owing to a printer's error. Although I do not want to hold our estimable printers responsible, a final clause was included in the bill which extends it to fiscal year 1981. This was not the intention of the committee. The amendment, by striking those final words, confines this measure to fiscal year 1980. I believe this is the purpose of the committee.

Mr. CHAFEE. No objection.

Mr. MOYNIHAN. I move the amendment.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. MOYNIHAN. I yield back time on the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, this measure, S. 1142, is a quiet one which we bring to the Senate as an interim proposal with respect to the management of the affairs of the John F. Kennedy Center for the Performing Arts. It has been clear for some time that the present arrangement for the financing of the Center is not satisfactory. A loan extended by the Treasury to the Center has not been repaid; the Center has not found it possible to maintain interest payments. The magic of compound interest, of which Lord Keynes spoke, is turning out to be a very unfavorable magic for the Center which now has accumulated debt of $37 million from the original $30 million.

Arrangements with the concessionaire for the parking services have not been satisfactory, and there are a number of other matters which concern the management and the record of the Center which need to be attended to. But I should like to note at this point that the Center, in general, has been ordinary. It has quite changed the city of Washington and given it something we are all proud of.

It has been the purpose of the Committee on Environment and Public Works to draw a major reorganization and present it to the Senate as a bill in the course of this session, and that we will do.

We have held hearings. We are in the process of drafting our proposals which were outlined by our distinguished colleague Senator DOMENICI and myself in statements on the floor on July 17, 1979.

But pending the adoption of such a measure, if indeed it is to be adopted, the existing arrangements need to go forward, and this measure will make that possible.

I understand there are a number of colleagues in the Chamber who wish to speak, and my distinguished friend from Rhode Island might wish to speak at this point also.

Mr. CHAFEE. I thank the Senator.

I pay tribute, Mr. President, to the leader of our subcommittee, the junior Senator from New York, for his fine leadership in this matter and his concern for the Kennedy Center.

As has been mentioned, we held hearings on the Center. We expect to come forward with legislation trying to solve those problems that exist. We do not think this is the proper measure to undertake the solution of those problems. But as has been mentioned we will come forward with additional legislation at an appropriate time.

Mr. President, I support the passage of S. 1142. This measure provides a monetary authorization for the National Park Service for the fiscal year of 1980, of $4,287,000 which is slightly up from the $4,200,000 for the current fiscal year.

Without these additional funds the Park Service cannot continue beyond the end of this month to carry out the responsibilities it is given by law which are to provide those services necessary to the nonperforming arts functions of

the Kennedy Center. As you know, and the Members of the Senate know, the John F. Kennedy Center for the Performing Arts is one of the great tourist attractions in the city of Washington. I understand it is the second most visited attraction in Washington. And millions of people come through the Center just to view the works of art that are there and the gifts made by numerous countries throughout the world.

Consequently, much of the expense of the Center is not associated with the performing arts part of the Center. The National Park Service provides for the cost of that portion attributable to it being a tourist center and a memorial to President John F. Kennedy.

Without the money that is authorized by this legislation, of course, there cannot be the maintenance and upkeep of the building and the grounds. I think we all wish to do a first-class job to perpetuate this legacy that is really a national cultural center and at the same time a national memorial.

As our chairman mentioned, we have had hearings on the Center. In July we heard testimony from Mr. Roger Stevens who is the Chairman of the Board of Trustees of the Center. We heard testimony from Mr. John Mazola, president of the Lincoln Center in New York City, from the distinguished senior Senator from Illinois, Senator PERCY, and others on the operation of the Kennedy Center.

But it is more appropriate to postpone action in those matters until we have had a chance to come up with our recommendations.

And I believe that under the legislation that has been introduced by Senator MOYNIHAN and Senator DOMENICI, namely S. 1532, that a revolving fund of some nature can be set up and that the indebtedness problem can be solved satisfactorily so that we can go forward on an even keel for the future and we will not be bogged down by this debt which was incurred sometime ago.

I reserve the remainder of my time, Mr. President.

Mr. MOYNIHAN. Mr. President, I observe that the distinguished chairman of our committee, the incomparable senior Senator from West Virginia, is in the Chamber, and we would be honored if he who has been in so many ways the father of this great enterprise wishes to speak something of his promising offspring.

Mr. RANDOLPH. Mr. President, the Senator from New York (Mr. MOYNIHAN) is subject at times to exaggeration, but I am very grateful to be joined with the Senator who in company with the able Senator from Rhode Island manages this legislation.

The articulate and able Senator from New York recalls, as do others on our 14-member committee, that the legislation before us this afternoon was reported in May of this year. It authorizes $4.287 million to the National Park Service to carry forward in fiscal year 1980 those nonperforming arts functions to which the Federal Government has been contributing since the John F. Kennedy Center opened early in this decade.

These Government-funded activities include policing and information services, activities the Park Service routinely provides at our national memorials.

I stress, Mr. President, that the Kennedy Center is a unique national memorial, and that our committee is aware that the Center has unique obligations and responsibilities.

I think the Center is a very positive force here in the Nation's Capital across a broad range of cultural and entertainment activities.

The Center does have the problem of a debt to the U.S. Treasury in connection with the actual construction of the building. I have cosponsored the legislation, S. 1532, that was also sponsored by Senator MOYNIHAN and Senator DOMENICI. We are trying to provide a reasonable basis for settling that debt and increasing the Center's public service activities.

The committee held hearings on that bill on July 20, and we hope to report remedial legislation before this present year is concluded.

The Bible does not say to us, "Deliver us from problems." The Bible says, "Deliver us from evil." There is no evil that has been wrought, but there are problems that have arisen. We understand them and we are trying to be very positive in our approach to solving of these financial problems in connection with the Center. But we do want to recognize that the accomplishments are very substantial in connection with the founding and the efforts that have been made in the arts since that time.

There has been a stimulation wrought here in the Nation's Capital. The Nation's Capital is a catalyst, it is a focal point, and Americans everywhere, as well as nationals of other countries. They repair here, not especially to hear debate in this Chamber, although that has had, I hope, a salutary effect at times. But Washington is a vibrant Capital. It is a people's Capital. It is a Capital that, hopefully, brings out that which is best, recognizing always that there are difficulties that prevail as we push forward and upward toward our goals.

I think the Kennedy Center has not been just a place of entertainment. I think it has been a forum of great utility for both American and foreign artists.

I am a believer in the English language. I am sorry when I see it mutilated. I see that happening, and I am not appreciative of that deterioration of our language.

I often talked with my sister's son, who is no longer with us, about the dialects of India. He understood more than 20 of them, he taught them, he wrote them, and he was able to speak them. Although he was an American through and through, Senator MOYNIHAN, he, because of the understanding of languages, became a citizen of the world. There is nothing wrong with that type of citizenship. There are citizenships that can cross borders and are still very strong citizenships.

I remember I authored the legislation in earlier years to give an honorary citizenship to Winston Churchill in the United States of America, his mother being a citizen of the United States.

So, I wish to say there is a sensitivity which crosses boundaries; there is that sensitivity which comes from the understanding of one culture of another culture.

So if the Kennedy Center is distinctly American, and I commend it as such. It has remained that which would not be imitated but that which would be a cauldron, a catalyst, a center, as it were, for many, of these interests and commitments of the people to the arts and the humanities.

Having known, as Members of the Senate knew him, President John F. Kennedy, I use an illustration now which is a true one.

West Virginia was born as a State through the signature of President Lincoln in 1863. In 1963, John Kennedy was the President of the United States. He came on the 100th anniversary of our State to speak from the plaza of the State capitol.

It had rained all night on June 19, and into the morning hours of June 20, which was our official birthday. There were thousands of people who had been drenched with rain and who had continued to stand through the night and into the morning. As John Kennedy walked up to speak on our centennial, I remember well those persons who wanted to hold an umbrella over his head, and he pushed them aside, of course in the right way. The first words that he spoke as he looked over the throng were, "The Sun may not always shine in West Virginia, but the people always do."

Well, that may be just a phrase, yes, but it was an expression of something he felt. He felt it, and when I speak today, I feel that this John F. Kennedy Center is something very important. I feel it is very real, and I feel that here, on the banks of the historic Potomac, not only a building rose but there was a recognition that this was the time and this was the place to do what has been done.

We have to take action from time to time to carry out maintenance, or to consider the problems that occur with the structure of a building. It is not for me to argue those points here today, except to say that I hope that whatever the Senate does in this matter will be done with the full appreciation of the fact that we are not just thinking of another building. This is a center—a center for culture, a center for bringing out, hopefully, the best for humankind.

Mr. MOYNIHAN. Mr. President, our beloved chairman has graced this debate and added a dimension which none of us could have done. I would call attention to his remarks that he hoped the Center for the Performing Arts would not be imitative. I know there are here on the floor today other Senators who wish to speak on that point, if they will bear for a moment, and I might just introduce their remarks, if they will bear for a moment, by indicating that one of the lines, as I know the chairman will recall, that John F. Kennedy most enjoyed quoting on appropriate occasions, as in his address to the Legislature of the Commonwealth of Massachusetts just be-

fore his inauguration, was a line from Pericles, who said of the Athens of his day:

We do not copy our neighbors, but are an example to them.

I know that one of the great hopes for the Kennedy Center is that it will be such a place of creativity. On the walls of this Senate Chamber we find the motto of the United States—one of its many—"Novus Ordo Seclorum": We are a new order of the world. That has been the case, perhaps, with our Nation. It may be too soon to propose it for the Kennedy Center, but there needs must be a beginning.

I see on the floor the Senator from New Jersey (Mr. BRADLEY) who wishes to speak to this matter. I know the Senator from Wyoming does. We have had the courteous attention, as always, of the Senator from Illinois, who is a member of the Kennedy Center's board. I see the Senator from New Jersey is on his feet; I yield him such time as he may require.

Mr. BRADLEY. I thank the distinguished Senator from New York for yielding.

Mr. President, the Kennedy Center was designed and built with Government support as a showcase for the best in American theater. It saddens me, however, to note that it may well have become an exclusive artistic club which appears to have demonstrated a pattern of discrimination against plays which are not produced under its own aegis.

This exclusively appears also to have affected its management of the National Theater, where no subscription series has been permitted, apparently in an attempt to avoid competition with the highly successful series at the Eisenhower Theater.

In a quick glance at the last five seasons at the Eisenhower Theater in the Kennedy Center, it is disturbing to note that 81 percent, or 29 of the 35 subscription plays, were produced by the Kennedy Center itself. I was very much concerned to note that such notable American playwrights as Neil Simon or Sam Shepherd have consistently been refused the opportunity to produce their plays at the Eisenhower Theater.

It is implausible to me that in Washington there is no public interest in their productions. It is equally distressing to note that the subscription productions at the Eisenhower Theater have never included any minority productions, and again I seriously question whether that results from a lack of public interest. I believe a serious investigation of these matters is warranted.

While I do not want to take the time of my colleagues today to try to resolve this problem, I have noted with interest the John F. Kennedy Center Act Amendments of 1979, submitted by Senator MOYNIHAN. I know he shares my concern in this matter, as does the junior Senator from Wyoming (Mr. SIMPSON), and I do hope the opportunity will be found in the consideration of this legislation to analyze the problem I have described, and to propose possible remedies. I assure our good colleague the Senator from New York that I will do everything that I can to assist him in trying to rectify and clarify the situation that has now developed at the Eisenhower Theater.

Mr. MOYNIHAN. Mr. President, I would like to express my appreciation, and I think that of the Senator from Rhode Island (Mr. CHAFEE) as well, for the observations the Senator from New Jersey has made. They are timely, accurate, and important. They will be part of the legislative history of this interim measure, and they should be central to our concern in establishing a permanent arrangement for the Kennedy Center. It is a matter we shall take up with the Director and with the Board of Directors. The Senator has done the Center a service in what he has brought to the attention of the committee and of the Senate.

Mr. CHAFEE. Mr. President, I wonder if I might ask a question of the Senator from New Jersey.

Mr. MOYNIHAN. I yield for that purpose.

Mr. CHAFEE. I am not sure I completely understood his remarks about the Eisenhower Theater and the performances there, but as I understood him, he said that 21 out of 26 performances were given by the Kennedy Center performing group. Is that correct?

Mr. BRADLEY. No; 29 out of 35 subscription plays were produced by the Kennedy Center itself, which means that no independent producer could come into the Center and produce a play.

In the case of examples that I have given, 29 of 35 were by the Center itself.

Mr. CHAFEE. I see. I thank the Senator.

Mr. President, I should like to make one comment about the minority performances. In testimony before our committee, Mr. Stevens listed a series of activities that are taking place within the Kennedy Center outreach activities, if you want to call them that, in which they have a specially priced ticket program for students and handicapped and the elderly and enlisted personnel. He stated that nearly half a million people have attended free events there.

In addition, the Center and Office of Education cooperated in sponsoring a State network, the Alliance For Arts.

They underwrote an annual American College Theater Festival, which I have been familiar with. The Friends of the Kennedy Center has presented free weekly symposia.

Mr. STEVENS also pointed out that the National Advisory Commission has been working to expand black and other minority participation in the performing arts at the Center and across the country, both in terms of artists and audiences. More than half a million dollars in private funds has been expended and committed in a score of projects recommended by the Commission in the 3 years since its inception.

So the second point the Senator was making there is being tackled by the Center and by those associated with it.

Mr. BRADLEY. I respond to the Senator by say I am sensitive to and appreciative of the work being done by the Center to broaden theatrical opportunities for the broad range of people in our society. I think we have to look at specifics. I hope that, as a result of the work of the committee and its investigation and discussion, we shall have a much broader availability for producers to come into the Center from the outside and produce plays—in particular, plays that relate to problems of minorities in this country.

Mr. CHAFEE. I thank the Senator.

Mr. SIMPSON. Will the Senator yield for approximately 5 minutes?

Mr. MOYNIHAN. May I ask the Presiding Officer, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 7 minutes and 2 seconds.

Mr. CHAFEE. Mr. President, I shall let the Senator from Wyoming speak on my time.

Mr. MOYNIHAN. I appreciate that.

Mr. SIMPSON. I thank the Senator.

Mr. President, let me say, after hearing my fellow members of the Environment and Public Works Committee speak, I commend and respect them. That is a spirited committee in every sense. I have enjoyed my participation thoroughly. The chairman is one of the most remarkable men I have come across in my time. He is a delightful person. He has been most kind to me.

Let me briefly touch on what Senator BRADLEY was speaking of. I appreciate the opportunity to discuss very briefly a serious issue concerning the John F. Kennedy Center for the Performing Arts, which I feel is appropriate at this time, during this debate on the fiscal year 1980 funding authorization bill.

The Kennedy Center has the very special distinction of being a most remarkable and active performing arts center, as well as serving as a living national memorial to the late President Kennedy. The unique character of the Center is further confirmed by the fact that the Federal Government, through the National Park Service, appropriates substantial funding, a proposed $4.3 million in fiscal year 1980, for the purpose of maintaining the "nonperforming arts" function of the Center.

The Kennedy Center has been an ongoing subject of a great deal of public and congressional attention and debate since its completion. The Center has received well-deserved national recognition for its outstanding contribution to raising the level of the performing arts in the Nation's Capital. I commend that. I think it is a remarkable mission, and it has been effective. However, there have been persistent problems, and the chairman spoke of them.

There are others. There are issues with regard to faulty construction, resulting in expensive repairs. There have been troublesome financial concerns—the parking bond question, criticism of the Center's management policy. We shall solve these.

It is this latter point I wish to develop just a moment more. That is, the management policy of the Center, which is of particular concern to me.

The Center's performing arts schedule is under the sole direction of Roger L. Stevens, chairman of the Center's board of trustees. Mr. Stevens also serves as president of the Kennedy Center Production, Inc., the organization which also

produces many of the plays performed at the Center. Under the current management policies, the selection of plays and other cultural activities for the Center is controlled by this one person, whose dual role as a producer must inevitably lead to serious conflicts of interest.

Increasingly, I think, concern has been expressed that the Kennedy Center's management policies are discriminatory and provincial. It appears that European playwrights are afforded unwarranted favoritism over American playwrights, whose works attract financial backing as well as produce profits: Neil Simon, the dean of the class, with his deeply human warmth and humor, as well as David Mamet, Sam Shepherd, David Rabe as other examples. It disturbs me greatly that a proportionately small number of American playwrights is selected for productions at the Kennedy Center.

The allegations concerning the management policies, or perhaps the mismanagement policies, merit our thorough consideration because of the fact that the Kennedy Center, itself, is really the crown jewel in this National Center for the Performing Arts. The director of the Center does not and must not indulge himself in the luxury of pettiness or the exercising of arbitrary decisions concerning the selection of playwrights and plays. If we are to embrace a limited selection process at this national center, then its theater should be appropriately maintained primarily by corporate and private interests and contributors and patrons and not by the Federal Treasury.

It is my understanding that the concept of a resident theatrical company was originally discussed with the founding of the Center and was found to be unworkable, financially and for many other reasons. But the notion still underlies this important public perception of the Center as being a very unique national showcase of American talent. I believe that this perception should be emphasized and nurtured and developed to the fullest extent possible in all aspects of the Center's management policies and programs. I truly believe that the issue at stake in this discussion is the fact that all of America's taxpayers are funding the Center with a substantial sum each year. As long as this Federal support is required and continued, it is my deep conviction that the Center should reflect commensurate commitments to American citizens, creatively involved in the performing arts.

I share the concerns regarding this matter voiced by my colleague (Mr. BRADLEY), a person I have come to admire and respect greatly. I am most pleased that Senator MOYNIHAN has indicated a cooperativeness and willingness to chair appropriate hearings in the Environment and Public Works Committee on this issue and other issues that we shall find related to the management of the Center.

My recommendations to the committee will include, among other things, the broadening of the selection process and perhaps increasing the number of persons who determine what is to be performed at the Center. That might be achieved through the establishment of a selected group of individuals. It might be that we shall find, then, a clearer emphasis on American playwrights and American artists.

There are many other possibilities to resolve the matter. Senator BRADLEY and I shall be pursuing them with our colleagues and with the chairman and the subcommittee chairman through the hearing process. I pledge my cooperation and support, but I think it is an issue that needs to be addressed and addressed carefully.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Wyoming for a remarkably clear, forceful, and large-minded statement. I know that he would share my concern that the artistic integrity of the Center and the autonomy of its direction be preserved.

Still, there are themes to enterprises such as this, and the Senator from Wyoming and the previous speaker from New Jersey have set forth such a theme.

If it is thought we ought to have hearings, we will have hearings. We can learn from them, and we should. As part of the general legislation, we look forward to seeing our way to the end of the session with the cooperation we always have from our chairman and the ranking member.

I thank the Senator from Wyoming for his remarks.

UP AMENDMENT NO. 526

(Purpose: Amendment to define the ability of the John F. Kennedy Center to provide free or reduced price tickets)

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 526.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2 after line 5, insert the following:

SEC. 2. The John F. Kennedy Center Act (Public Law 85-874, as amended; 20 U.S.C. 761) is amended further by adding at the end thereof the following new section, to be numbered accordingly:

"SEC. . (a) No tickets for events for which a specific schedule of charges is provided to the public may be distributed without compensation in accordance with such schedule, except tickets may be distributed—

"(1) at reduced rates to persons aged sixty-five years or older;

"(2) at reduced rates to assure access to the performing arts for persons, including the handicapped, who otherwise could not afford to attend such events;

"(3) at reduced rates, or without compensation, when it is determined, no more than twenty-four hours before a particular performance, that those tickets to be distributed without compensation or at reduced rates could not reasonably be expected to be sold in accordance with the schedule of charges;

"(4) without compensation to accredited members of the press whose purpose is to review that performance; or

"(5) without compensation to the President of the United States and his family and their party when the President or members of his family attend a particular performance at the Center.

"(b) For the purpose of this section the term 'schedule of charges' shall mean any list of ticket prices contained in an advertisement or display for an event.

"(c) Any official of the Center violating this section shall be liable to a fine of no more than $100.".

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, it is my understanding that I have 1 hour on this amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I say to my colleagues who are present, and for the RECORD, that I had heretofore submitted a printed amendment, which would be known in the RECORD as printed amendment No. 331. I have sent to the desk an amended version of it, amended only in two ways.

On page 2, section (a)(2), I have added the words "including the handicapped" for those persons who cannot otherwise afford the performances.

Then, in (5) I have clarified my intention by adding "and his family and their" and "or members of his family attend."

To simplify that, what I am saying is that the thrust of the amendment is that the President, his immediate family and their guests will always be admitted free, and I wanted to expand it to include family members because in the previous amendment, strictly interpreted, it was just the President.

Mr. President, I do not intend to use the entire hour allotted to this amendment. I will proceed through as rapidly as possible.

This amendment, basically, seeks to assure that the Kennedy Center no longer gives away its product. Its only product that it has to sell is tickets, tickets that are presently being given away to staff of the White House and the Congress, to Members of the Congress, the Cabinet, and others here in Washington who can well afford such tickets, when, at the same time, the Center is coming to the taxpayers for special funds and for the underwriting of other costs to the Kennedy Center.

What I am trying to say is that in spite of all of the goodwill of the American people who have contributed, of a Board of Trustees that spends their time, of a manager that perhaps is as good as there is in the country, and a facility that has been underwritten to the tune of some $90 million, most of that $90 million is not today's dollars at all, but dollars of 8 or 10 years ago, probably in today's dollars that would be $200 or $300 million.

But, not only did we do that, and do it willingly, when we paid for it, not only

do we every year put something in their operation and maintenance, and we do that willingly, but now we have a situation where, if we assume that all of the theaters are in operation a reasonable number of times per year, that makes for about 350 performances. The number of free tickets that are given away, as I have just described, at today's rates, amounts to about $235,000 a year.

I know that does not sound like much money. For those who insist that it has a very important goodwill attribute, yes, it does. But I believe that now is the time in this country when the American people are having a difficult time. To take issues like this one, small, issues that the average American calls the freebees that float around Washington for Washington's elite, and to say "No" to most of those people who receive them either through the White House or through the man that runs the institution at the request of its trustees or for himself, when hundreds and hundreds of people get these, for whatever reason, it just appears to me that is inconsistent with coming here again and saying, "We need more money. We can't pay one cent of the parking bond debt of $37 million." Yet we have cars drive in and pay fees all the time, and not one cent of principal and interest has been retired on the parking debt.

As a matter of fact, most of that parking revenue goes into the operation of the theater and of the performances and of the other things we spend money for. I think most people thought that when that bond indebtedness was approved and then we started charging cars to park that, like most paid businesses we would apply that to the indebtedness we incurred, to partially pay for that parking facility that is there. That has not occurred.

I do not know who gets the tickets. I do not know who gets these free tickets from the White House and from the man who runs the institution, in his own name or on behalf of the trustees. I do not know. I asked him to submit them. I did not push the matter very hard. He refused to, and that is all right with me.

But I am certain that with as many tickets as they have to give away, because the President of the United States does not attend very frequently, his box accommodates, for the Opera House, 8 seats; for the concert hall, it is 12; for the Eisenhower Theater, it is 8; and then we have the 4 Stevens' seats at each performance.

When we add those up, they come to the figure I have just described. They are in the $15 to $16 range, and that is where the $235,000 comes from.

Let me say from the outset, I do not intend that the President of the United States be denied this privilege. Nor do I believe, as some would suggest, that for him to exercise this privilege judiciously and properly that we have to reserve them all year long. That has been one argument before the committee, we do not know when he is going to come and, if he decides to go, we cannot have sold the tickets. Well, they can find a way.

But, mind, my amendment provides that if they cannot, on the day of the performance they would give them away to four handicapped people who need them.

I just do not believe that is the way it has to work. I think most of the time Presidents know when they are going, or their family, and wife and children. But if they do not, obviously, patrons who have paid will be glad to accommodate and let the President have those seats and they can come another time, or find for those patrons seats that will let him attend.

Again, I want to make this point: $235,000, 8 very specially reserved seats, 12 very specially reserved seats, 10 very specially reserved seats—that is not very much. That is not a big issue. But when we come back here, year in and year out, and ask for more money of Congress, not less, and we place no restrictions on the White House or on Mr. Stevens in behalf of himself or the trustees, with respect to the use of these tickets, then it seems to me that today is an opportune time, while we are reauthorizing and providing additional resources, to say "No more of this. Provide for our President. As to the others, sell them, if you can. If you cannot, then, at the last minute, give them to people who really cannot afford to attend these kinds of performances."

We do some of that. Some deserving people who cannot afford it are provided admittance through other avenues and by other approaches. This will be an additional one, in the event the tickets could not be sold.

I repeat, most of them would be sold. I repeat, for a typical year, last year, this would yield more than $200,000, and I am convinced of that. I think it is time we ask the man who is running it, the Director, to find that additional $200,000, thus diminishing the amount the taxpayers have to pay.

I know that our trustees, some of whom are my best friends, work hard and work long hours for free. I do not think they really insist upon having these free tickets. In fact, I would be surprised if they used them very often themselves. I know they may very well, on occasion, need them for special patrons who might end up contributing.

In that regard, I do not believe we need to reserve the tickets year-round for that purpose, either. I think that can be accommodated without the kind of gratuity sitting there which ultimately, I am sure, is used by the management and by the individual trustees on a daily basis.

My amendment is very simple. It will continue to allow reduced priced seats to the handicapped. It will continue to allow press seats. It will continue to allow free seats to the President and his party when the President attends a performance at the Center. But, if adopted, my amendment will mean that 40 seats a night are no longer made available for free to the White House and the Center's Director, Roger Stevens.

The taxpayers should not be asked to underwrite such tickets when the Center dollars in the form of writing off its parking bonds and spending millions more to refurbish the threaters and for extra janitorial services.

At every performance in the Opera House, eight seats are now given free to the White House, and four more are available free in the Stevens box. For a ballet, as one example, each of those seats sells for something over $20. Box seats in the Eisenhower Theater, eight White House seats, and four Stevens seats at each performance—typically sell for $16 each. Box seats in the Concert Hall—12 White House seats and 4 Stevens seats per performance—sell in the $15 range.

Thus, assuming each theater offers 350 performances a year—probably a low number given the number of matinees that are also presented—the Stevens and White House "freebies" represent a yearly loss in revenue to the Center of about $235,000.

Granted, that is not very much cash. But it is about equal to the Center's share of the revenues from its parking garage. The Center has siphoned those parking revenues to subsidize its theater operations, not putting any funds toward its parking debts. Thus, if the Center had had revenue from the White House and Stevens seats in the past, it would have been able to begin to address the problem of its debt owed on the parking garage.

It may be argued that I do not know specifically who uses those freebie seats. That is right, I cannot give a list. I wrote Mr. Stevens last spring asking for a list of some of those persons who have used his box. He never answered that letter. And then Mr. Stevens refused to supply this information during our July hearing.

It may also be argued that the President would not be able to attend a performance at the last minute under my amendment. That is not true. I have no quarrel if the Center set aside a Presidential box, then sold the tickets to the box at the last minute, when it becomes clear that the President personally will not use them. I think such a sale would prove to be a marvelous fund raiser for the Center, as such choice seats would probably sell at well above the usual ticket price. Or I see no objection to setting aside such tickets for the use of the elderly and the poor. But I do not see why we should perpetuate this system of free tickets for a privileged few in Washington.

The issue is this: Should the taxpayers underwrite the Kennedy Center so Senators and Congressmen can attend free? Or should they underwrite it so that culture can be available to a greater number of persons who would not otherwise—for reasons of health or economic status—have an opportunity to attend? Clearly, I believe the latter is a preferable alternative.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the taxpayers' support of the Kennedy Center to date, together with my additional views, which were a part of the committee report.

I reserve the remainder of my time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SPECIAL TAXPAYER SUPPORT OF THE KENNEDY CENTER

Direct Appropriation—$23,000,000.

Parking Bond Debt—$37,000,000 in principal and interest by the end of this year (not a dime repaid to date).

Roof Repairs—$4,500,000.

Theater Renovation—Center Request—$3,500,000.

Regular National Park Service spending at the Center—including S. 1142—about $25,000,000.

Increased Federal spending for operations—center request—?

Total: Over $90,000,000.

ADDITIONAL VIEWS OF MR. DOMENICI

I am pleased that the Committee on Environment and Public Works has agreed to address the many issues relating to the financing of the Kennedy Center for the Performing Arts before the Senate considers this legislation on the floor. Resolution of the parking-bonds debt and other aspects of the Center's finances must logically be considered before additional tax dollars are authorized for the Center.

Parking Bonds.—In addition to $23,000,000 in direct appropriations provided for the Center in the 1960's, the Congress authorized $20,400,000 in parking bonds for the Center. These bonds are due to be redeemed in the years 2017–2019. According to the General Accounting Office: "The bonds state that the interest and principal are to be paid from parking-revenues. However, the Center has not set aside any funds or made any provision to pay the interest or amortize the principal of the bonds."

By the original agreement with the Treasury Department, interest on the bonds was deferred until December 31, 1978. The Kennedy Center has since had that date extended to December 31, 1979. By the end of this year, the Center will owe the Treasury Department some $17 million in back interest (not counting principal). It disturbs me that the Center has been unwilling to set aside even a dime towards the bonds or the accumulated interest. It is rather like a homeowner who spends to the limit of his paycheck, then refuses to pay anything on the mortgage of his home. Citizens can't get away with this; apparently the managers of the Kennedy Center can.

The problem goes back to the period before the Center was completed. The Center was running out of cash for construction work. So, rather than go to private contributors or to the Congress, it borrowed $3.5 million from the company that obtained the concession on the parking garage. The money was used to complete construction on the theaters. To obtain the loan, the Center pledged the use of its parking revenues, those same revenues that were to go to pay the parking bonds. Says GAO: "The (parking) company's proposal to provide this advance . . . was an important factor in its selection to manage the Kennedy Center's parking facility."

Currently, the Center charges $2.50 for every car that uses the three-level, 1,408-car parking garage in the evening, plus hourly charges during the day. This brings in some $1.5 million yearly. Of these revenues, 5 percent off the top goes to the parking company as a "management fee." Next, the parking company is paid for all its operating and maintenance costs. Next, a payment of about $400,000 is made yearly to the parking company toward the principal and interest on the $3.5 million, 15-year loan. Then, and only then, does the Kennedy Center receive any revenues from the garage—50 percent of the residue. (The split becomes 70 percent Kennedy Center, 30 percent to the parking company once the loan is paid off, with an 80–20 split on revenues exceeding $1.5 million.)

From 1972 through 1978, the parking garage received total revenues of $8,716,426. Of that sum, the concessionnaire received $7,253,939, while the Center received $1,462,487.

And those parking revenues received by the Center were used for theater operations, according to the General Accounting Office.

As early as 1975, the Committee on Environment and Public Works made the following observation:

The Committee is greatly concerned over indications from the recent General Accounting Office report and hearings on this bill that the Center may be unable to meet its accumulated debt and to make necessary repairs, both outside the memorial aspects of the Center: This question will come into focus by 1978 when unpaid debts on the parking garage bonds fall due; the interest due in 1978 is estimated at $14.6 million.

The Committee urges that the Center and the Department of the Interior recognize what might be termed the precarious financial position of the Center and report, within one year, to the Congress on what efforts are and will be made by the Center to raise the funds needed to meet this debt, as well as to meet any costs of major repairs that may be necessary. Such a report should contain a detailed analysis of the Center's efforts to raise additional capital funds to cover such debts in order that the taxpayers will not be forced to assume the burden of such added and unnecessary costs.

A year later, the committee expanded on this view:

During the 1976 hearings before the Committee, representatives of the Kennedy Center alluded to Treasury Bonds issued to finance construction of the parking garage at the Center. Payment of interest on the $20.4 million in bonds may be deferred by the Center until December 31, 1978. At that time $14.6 million in accrued interest will be due. Officials of the Center stated that existing revenue sources, because of the manner the funds are committed, are unlikely to yield sufficient funds to pay the interest. While no specific request for Federal assistance was made, the testimony indicated that the Kennedy Center would be seeking relief from its obligations in the future.

Members of the Committee, during consideration of H.R. 14360 in the last Congress, expressed opposition to granting such relief. The Committee believes there is need for better information on the Center's overall financial needs and operations, and perhaps also to establish clearer lines of responsibility for the Center's disparate functions; the center for the performing arts, and the national monument and major tourist attraction. The Committee plans to review these matters, and may propose changes in the division of responsibilities between the Kennedy Center Board and the Federal Government. The interest of the Federal Government in the Center in this legislation is limited to providing effective oversight of the building's structural integrity in order to assure that adequate maintenance and rehabilitative measures needed to maintain its functional and aesthetic qualities are carried out.

It should be noted that the amended bill and the parking bonanza are not the only on-going Federal supports provided to the Center. Because of shabby construction work, the Congress has appropriated $4.5 million to repair leaks in the roof and in the driveway. And more work is needed inside. According to the Park Service, the Opera House needs $1,000,000 in work (carpet, wall coverings), the Concert Hall needs $300,000 (carpet, broken seats), the Eisenhower Theater needs $400,000 (carpet, ceiling fabric), and there is a need to spend $700,000 to reinsulate the garage. The total: $3.5 million, including contingencies.

And the list of taxpayer supporters goes on. While the National Endowment for the Arts gives no money directly to the Kennedy Center, the Center is still the beneficiary, both directly and indirectly, of large sums provided yearly by the Endowments. One of the Endowments' programs is its dance touring program, which provided $3,886,000 nationally in fiscal year 1978 to pick up about a third of the costs of touring dance companies. Of that sum, the Kennedy Center received $253,500 to finance a total of 9 weeks of performances by the American Ballet Theater and the New York City Ballet. The Endowment provides $3,000,000 yearly to the American Film Institute, money which indirectly enables the Institute to rent its theater in the Center.

The public has a right to know exactly how much the Center receives from the taxpayers in order to make a proper analysis of future requests, such as relief of the parking bonds.

Tickets.—An issue related to the millions of taxpayer dollars provided yearly to the Center involves free tickets. I have introduced legislation (S. 558) that would limit the Center's ability to hand out free tickets to those who can easily afford to pay, while the Center continues to come to the taxpayers for this smorgasbord of financial supports. The Center provides approximately $500 daily in free tickets (the most choice of seats) to the White House and to the Center's chairman, Roger Stevens. The White House tickets are normally used by the staff of the White House and the Congress, while the Stevens tickets are used by a variety of people, including persons being lobbied on wildlife protection issues.

The annual value of these tickets is some $175,000 yearly. While this sum certainly will not retire the Center's debt, the principle of giving freebies to those who can afford to pay, while begging for more tax dollars, is simply wrong.

I applaud the Committee for its decision to confront the various issues relating to the finances of the Center, and I agree that this must be done before this legislation is considered on the floor.

Mr. MOYNIHAN. Mr. President, I would like to respond briefly, because there are persons of authority in the Chamber who will want to speak to this matter from long experience and responsible involvement.

I do not think this amendment is necessary. The Senator from New Mexico knows of my fondness for him. He joined me in proposing a new regime for the Center, and I hope he will understand my feeling that this is a matter that could best be put off to a discussion with the management of the Center and made part of the legislative history, perhaps, of a new regime, and not included here. It is not the purpose of the proposed legislation to change the regime at the Center.

Second, we heard testimony, as my friend knows, from distinguished producers, great men of the theater, such as John Mazola, who runs the Lincoln Center, with its vast complexities; Joseph Papp, who brought Shakespeare to Central Park; Joseph Golden, whose Cultural Resources Council of Syracuse has done wonders in New York State. To a man, when asked, "Are there free tickets in your enterprise," they answered, "Of course, there are."

The two oldest traditions of the theater, I suppose, are that actors may not be buried in consecrated ground and managers always have some free tickets. [Laughter.]

They do not sell these tickets. They use them to promote their enterprise.

We heard John Mazola—with whom I had the honor to graduate from high school in East Harlem many years ago—say how he gets people to perform at the Metropolitan Opera, at the Beaumont Theater—the great actresses and actors. He brings them in and shows them—"Look what we can do with La Traviata. We can do it with you." He brings in promoters. He brings in contributors. They do not make money. They raise money, and they raise money by entertainment.

The theater is an earthy place. I refer to a remark made not long ago by the chairman of the Committee on Finance, who said, "Entertainment is to business what manure is to farming." This is the way they grow audiences, grow patrons—by entertaining. Entertaining to what? To the performances they give.

I have been surprised at the Kennedy Center, at how meager the contributions from the board appear to be—not in sum indeed, but still a rather small proportion of the trustees actually make contributions. One would hope a nominal contribution would come from most. It need not be much—just a gesture.

It may be that the Center has not used its opportunities as it should, but it should have the opportunity to do so. That is my view.

I see the Senator from Illinois in the Chamber, and I wonder whether he wishes to speak to this matter, bringing the authority and concern that he so singularly has.

Mr. PERCY. I would be very happy to respond.

Mr. President, this is now the 13th year I have served on the Board of Trustees of the Kennedy Center, and the last 4 or 5 years I have served as Vice Chairman of the Board.

I express deep gratitude to all members of the Committee on Environment and Public Works for the outstanding job they have done in working with the Kennedy Center trustees and its management.

I attended a trustees' executive committee meeting at noon today, and once again I marveled as I picked up the papers in front of us. I think I mentioned to the distinguished Senator from New York at the committee's July 20 hearing that 13 years ago, Senator Dirksen called me into his office and asked me if I would mind if he sent my name to the President of the Senate to be nominated as a minority member on the Board of Trustees of the Kennedy Center.

I had presumed that it was because Everett Dirksen was aware that I had worked for years with the Lyric Opera in Chicago. I had followed closely the Chicago Symphony all those years and my mother is a concert violinist. I thought he was asking me to serve on the Board because of my knowledge of choreography. I am happy to report—or unhappy to report—that I have been buried in balance sheets ever since; that I never have been asked an artistic question since I have been on the Board.

As I went to the meeting of the trustees today, the executive meeting, the first papers presented to me, in which I was buried until I came here for a vote, were balance sheets and profit and loss statements. I am happy to report to my distinguished colleagues that we do not have the red ink that every other cultural center in the world has, there is not another national cultural center that does not present to a legislative body a big operating deficit and ask the legislators to appropriate money to operate the cultural center.

Once again, under the genius of our Chairman of the Board, Roger Stevens, who serves without even a dollar a year compensation, the budget was not only met but exceeded as well. We did not have a deficit; we had a surplus. Once again, the trustees can come to the Congress of the United State and say there is no request for operating funds. We are operating in the black.

What we did not take into account, of course, is the tremendous influx of people. I could hardly walk through the corridors at noon today since so many tourists were going through that building. We never anticipated that our performances would run to 85 percent of capacity, year in and year out. We never anticipated that this Center would be so popular, probably the second most important tourist attraction in the city of Washington.

We never anticipated the outflow that we would have from every embassy that is located in Washington—the way they have identified and associated themselves with the Kennedy Center.

The Japanese have given $3 million to the Center to finance the Terrace Theater, so that now we have a small theater where we can put on attractions that do not require the kind of production that the Eisenhower Theater and the Opera House would have.

For that reason I now turn to my distinguished colleague, Senator DOMENICI, and his amendment.

The first reaction I have is always we should not, really as a matter of principle, try to legislate on the floor the operation of the Center. We always have a tendency, and I know it is a tendency for someone who served as a chief executive officer to get into the executive branch of Government, to start running things, to have a veto for every regulation that can be issued and to get into every kind of an issue that is dealt with in the executive branch of Government.

But speaking on behalf of my fellow trustees, Senator WILLIAMS who is in the Chamber, Senator KENNEDY, who has been a devouted trustee, Members of the House of Representatives, and the other trustees of the Kennedy Center, I can assure my distinguished colleague that the very issue that he has talked about in the Chamber is an issue that does preoccupy the trustees time: What the function of the Kennedy Center should be and how it should relate to the elderly. My distinguished colleague, Senator DOMENICI, serves as ranking minority member of the Special Committee on Aging. I serve on that committee with him and selected it as my optional committee because of our joint devotion to the aging.

But, I can assure my distinguished colleague that for the 13 years that the Senator from Illinois has been on the board and all the years that the Kennedy Center has been open, the trustees have had that same sense of compassion. I do not know of a person 65 or over who has simply shown his social security card at the box office, unless it is an absolutely sold out performance, who does not get a reduced fare ticket right today under the present rules of the Kennedy Center. We have anticipated these matters, and the trustees I think have very wisely opened up the Kennedy Center to the disabled, to the handicapped, to children, to students, and to others. Through the years, hundreds of thousands of reduced price tickets have been made available.

Speaking on behalf of the trustees, I hope that the Senate and the House of Representatives will not get into running the details of the Center. This responsibility should be left to the distinguished board of trustees of 45 members approved and appointed by the President from the Senate or the House of Representatives and public members, all of whom are devoted to the same principles my distinguished colleague has.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to my good friend from Illinois and to the Senate he is absolutely correct when he refers to the poor and the handicapped. I have just codified in my amendment the policy of the board of trustees with reference to those groups of people. I was not saying that my amendment would be for the first time a policy change to help those who cannot afford it or who are handicapped.

Quite to the contrary. I am merely codifying what we have done and then added that the President also has this permission with his family. I wish to clarify that for my good friend.

Mr. PERCY. Mr. President, I appreciate that clarification, and I simply say to my colleagues that it is really redundant then to codify, to put into law, to make rigid something the board of trustees has already done and has fully taken into account. In fact, we go way beyond what has been done free for the public, the citizens of this Nation and this Nation's Capital and visitors here. We have gone way beyond what has been provided for in the pending amendment.

But I wish to clarify—yes?

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. CHAFEE. Pursuing that point, I noticed that the amendment presented in the Chamber says reduced ticket rates may be given to those who could not already afford to attend such events, including the handicapped. That is in the amendment of the Senator from New Mexico. But I also know that currently the Center provides reduced rates for students. It provides reduced rates for enlisted men in the military service. And under this amendment of the Senator from New Mexico that would no longer be permitted unless they otherwise could not afford. I do not know whether the intent of the amendment is to require means test for enlisted men and students before they get the present half-rate structure.

I wonder if the Senator from New Mexico could help us on that.

Mr. DOMENICI. I say to my good friend, that this language is language that we obtained from the Center that covers their reduced admissions policy, and we certainly did not intend that students were not covered. If it has to be clarified we assumed it was in paragraph 2, reduced rates for those persons who otherwise could not afford. We think that is how they are covered now, I say to my good friend, Senator CHAFEE.

Mr. CHAFEE. I point out that Roger Stevens gave us testimony in which he set forth some of the things that they did, and in his testimony he said:

> Fifteen percent of the tickets to regular performances are made available at half price to students, the handicapped, persons over 65, low income groups, and enlisted military personnel.

The amendment that has been presented here—the way I read it—certainly does not provide that.

Mr. DOMENICI. I say to my good friend, Senator CHAFEE, that if he wants to offer an amendment I will accept it. If he wishes to make it legislative history, it is my understanding that that which Mr. Stevens said was the case today shall continue other than as it pertains to the White House seats and the 12 Stevens seats. Other than those it is the exact same policy that we have now.

Mr. PERCY. I think that the very argument that has been made by the distinguished Senator from Rhode Island shows the weakness of trying to legislate these matters. We are going to have all kinds of interpretations on it. Does that then require the Board of Trustees to put a means test to people?

Last year under the specially priced ticket program, which has operated successfully since the doors of the Kennedy Center opened, up to 15 percent of all tickets were made available for these various groups that have been mentioned. In fiscal year 1978, 130,000 tickets were dispensed through this program, resulting in a total price reduction of $770,000, three-quarters of a million dollars.

Here is a successful program that has worked extraordinarily well. Already we are beginning to see the problems and the trouble that this action will create if we put this program into law. There has been no trouble up to now. There has been not a word of complaint ever issued that the Kennedy Center was unfair in any respect with this program.

Does it really then mean if it is in law that a person has to demonstrate need, or something like that? I mean it just gets terribly complicated.

I also wish to point out that in 1977 more than 400,000 people attended nearly 600 free events at the Center. There is no law that requires us to provide these events. The Board of Trustees has simply said anything that we can do for the public and use that Center as a national monument to enrich the quality of life of our citizens we should do. We have done that by offering 600 free events at the Center, including special performances, symposia, lecturers, and exhibitions. These numbers were only reduced by repair work last year, but they are expected to be similar next year.

The Center and HEW cooperates in an alliance for arts education program which supports exemplary arts education programs in the States, and produces a model children's program at the Center. In fiscal year 1978, 105,603 children attended free performances of music, theater, dance, poetry, and puppetry put on by groups from around the country.

Mr. President, I wish to point out factually one problem that we have with the figures presented by Senator DOMENICI. Senator DOMENICI assumed that all of the tickets that were offered were made available free and that the value of those tickets was roughly $200,000.

The Senator from Illinois knows that that is not true because from practical experience many times tickets are not requested and they are, of course, sold. We try to maximize boxoffice receipts as much as we can. In contrast with the $200,000 figure given, the actual figures for the past full year of the Center's share of additional net revenues for the President's box is $23,051.70; for the trustees box, approximately $12,000; total of $35,051.70.

Now that really then represents the facts that you have to take into account, first of all, those seats are not always used; second, the full revenue from those seats does not go to the Kennedy Center. You must share that revenue with the producer of the production. The Kennedy Center nets out only a portion of the revenues for the seats sold. The letter which I saw go out on this amendment showed a much larger figure for the annual value of these seats. I have detailed figures showing how much the seats were for every major performance in the Kennedy Center during this past year.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. PERCY. I would be happy to yield.

Mr. MOYNIHAN. Is the Senator aware that there are many occasions when persons are turned away from the Kennedy Center because there are no seats left? There are indeed rare performances where they are totally sold out.

Mr. PERCY. Absolutely.

Mr. MOYNIHAN. But many times you have empty seats when you state otherwise. You just say there are no seats left; and then there are those seats that the management body has which otherwise would be so.

Mr. PERCY. That is right. The theater is run as closely as we can do so in accordance with the standards established in the commercial world other than the discount seats that are offered.

Obviously, the trustees' seats—and I can say this because I have used them in 13 years so rarely for one very practical reason, that being that my hearing impairment makes it extraordinarily difficult for me to hear in the trustee's box, I buy seats down in the third, fourth, or fifth row. I do this because if I want to enjoy a performance, I want to be able to hear it, and I much prefer sitting down there. But on occasion I have taken the trustees' box in order to take distinguished people whom I am trying to interest in contributing to the Kennedy Center and, for the most part, trustees do that.

One other thing we should take into account is although the cost to the Kennedy Center was $12,000 for the trustees' box, I hope Senator DOMENICI will appreciate the fact that the trustees, who are not compensated for their efforts, are expected to contribute substantially to the Kennedy Center. Of 45 trustees, 43 of them contribute $1,000 a year just for the maintenance of the little lounge that is outside the Opera House. That is $43,000 against the $12,000. So already the Kennedy Center has received a very large return on its investment.

But this is minuscule compared to what the trustees really contribute to the Kennedy Center. The trustees in the last 3 years have contributed about $200,000. Since the Kennedy Center was founded the 45 trustees have contributed several million dollars.

If they want to go to a performance—and take guests who, they hope, will be interested in becoming members of the corporate fund and contributing and working on behalf of the Kennedy Center—I think that it is little enough that can be offered to have those seats available so that the trustees can have that extra added benefit from their services. Certainly they pay for it many, many times over.

So I hope that my distinguished colleagues will feel that this amendment is unnecessary. It is redundant. But, on the other hand, it does simply give us an opportunity to talk about what the Kennedy Center has done, and from that standpoint I am very grateful to my distinguished colleague from New Mexico.

Again I pay tribute to the distinguished members of the prevailing committee on the floor today in the way they have worked intimately and well with us and how they will continue to work with us to solve this nagging, difficult problem that the Senator from Illinois has raised at virtually every trustees' meeting since he has been on the board: What are we going to do about this tremendous burden we have of accrued interest that we owe and the principal amount that is owing on it? The trustees are prepared to face the principal. The problem is the interest, the accrued interest that has mounted up and mounted up. Not only is the Kennedy Center supposed to perform its functions as a national monument but also it is supposed to turn a profit and pay a profit on the money borrowed, and I just think that is stretching it too far.

I think at an appropriate time in the future the committee will grapple with this particular issue. I pledge to work in any way I can on this matter, along with Senator WILLIAMS and Senator KENNEDY, who are trustees with me on the Kennedy Center Board.

Mr. MOYNIHAN. Mr. President, when the late and beloved Everett Dirksen appointed the Senator from Illinois he may not have thought of his esthetic depth, but he did know he had been running the

Bell & Howell Co. at a considerable advantage to his stockholders and, thank goodness, he has been where he is.

Mr. President, another distinguished member of the Board of the Kennedy Center is with us on the floor today, and has been throughout the debate, and I see he has risen, our neighbor and counsel, the senior Senator from New Jersey (Mr. WILLIAMS).

The PRESIDING OFFICER (Mr. EXON). The Senator from New Jersey.

Mr. WILLIAMS. I thank the Senator from New York.

Mr. President, the John F. Kennedy Center for the Performing Arts is truly the cultural center of our Nation. To the 30 million people who have visited the Kennedy Center, it is a showcase for the finest expressions of our Nation's cultural achievements. At the same time, it is a living memorial to our great President John F. Kennedy, who did so much to advance the cultural health of our Nation through his vigorous patronage of the arts.

Under the enlightened leadership of Chairman Roger L. Stevens, the Kennedy Center has brought the best in the performing arts to our Nation's Capital. In addition, it has initiated a number of public service programs designed to educate the public and to encourage new works, new artists, and new audiences throughout the Nation. For example, the Center offers performing arts programs for school children and workshops for teachers. It commissions new works for young audiences through an annual national children's festival.

The center encourages participation in the performing arts by minorities and other disadvantaged groups through such programs as the national black music colloquiums and competition. It offers free concerts and other events at Christmas and Easter, which attract people of all ages and incomes.

As a member of the board of trustees of the Kennedy Center, I have been able to see the benefits of these public service programs and the great progress the Center has made in filling its role as a national cultural center.

The bill before us today deals only with the nonperforming arts functions of the Kennedy Center, which come under the jurisdiction of the Secretary of the Interior, through the National Park Service. The bill provides needed funds for the National Park Service to carry out its responsibility to provide maintenance, security, and other services related to the Center's nonperforming arts functions.

Mr. President, I do not believe that the amendment offered by the distinguished Senator from New Mexico is relevant to this legislation. It is a frivolous amendment, which I hope my colleagues will oppose.

The amendment would have the Federal Government usurp the Kennedy Center management's authority to issue free or reduced fare tickets. It would put the Federal Government into a management role which I feel would be extremely unwise and inappropriate.

The Kennedy Center currently reserves a Presidential box and a trustees' box in each of its three main theatres. These seats are provided free, with access to the Presidential box controlled by the White House, and access to the trustees' box controlled by the chairman of the Center. Free seats are also provided to members of the press who are reviewing a particular performance. In addition, the Center provides reduced fare tickets to the elderly, poor, handicapped, students, and enlisted military personnel.

This amendment would eliminate the Presidential box and trustees' box, allowing free tickets to be given only to the President and his entourage when the President himself attends, and to the working press. Reduced rates would be available only to the elderly, and to those who cannot afford to pay the full price.

By eliminating the 40 free seats in the Presidential and trustees' boxes, Senator DOMENICI claims that the Center could save $175,000 to $200,000. However, these figures are totally unrealistic, since they apparently assume that every seat in every box would be sold at every performance. Based on actual ticket sales, the Kennedy Center has estimated that the elimination of the Presidential box would bring additional revenues of $41,000 and the elimination of the trustees' box would bring $20,000 to $24,000. Only about $35,000 of this total would actually go to the Center, with the remainder going to presenters of attractions as their share of ticket sales. Thus, actual savings would be $35,000 rather than the projected $175,000 to $200,000. This amount would certainly not have a significant impact on the Center's financial picture.

Beyond the financial considerations, there are a number of reasons why the amendment is unsound.

First, I believe it is totally appropriate for our national cultural center to reserve a special place for the President and visiting dignitaries. This symbolizes the importance which we place on the arts in our national life, and it is consistent with the practice of other major nations.

For security reasons, it is essential that the President's box be separate and reserved. The President often does not decide to attend a performance until the last moment. If the seats were sold in advance to others, the President would lose this option.

The trustees' box is similar to the seats reserved for the management of virtually every other theater in this or any other nation. It helps to encourage the active involvement and participation of the trustees in Center activities. It is a small price to pay for the considerable time, money and expertise which many trustees devote to the Center. The trustees box may also be used to invite patrons of the arts, who are a major source of private funding for the Center's programs. In addition, it is used by producers, technical advisers, and other professionals who have a role in the development of a performance.

Besides eliminating the free box seats, the amendment as originally proposed would also have eliminated the Center's reduced fare program for the handicapped, for students, and for enlisted military personnel. Without this program many people who now benefit from it would be unable to attend Kennedy Center performances. I believe the small savings to be realized by eliminating reduced student, handicapped, and military fares would be more than offset by the loss of these special audiences. I understand that the amendment has now been revised to correct this and allow the reduced fares to continue for these groups. Nevertheless, the basic flaws in the amendment remain.

Mr. President, artistic institutions by their very nature are involved in the promotion of intangible objectives. The benefits derived from the arts clearly cannot be measured in dollars and cents. By the same token, the use of free and reduced fare tickets at the Kennedy Center provides such intangible benefits as the good will of patrons, greater visibility for performances attended by high government officials, and the enhancement of the abilities of technical personnel.

The Federal Government is in no position to assess the importance of these benefits, or to decide how the Kennedy Center management should spend such a miniscule portion of its operating budget. We are in no position to determine which individual factors and policies contribute to the Kennedy Center's great achievements. The worldwide acclaim for these achievements speaks for itself. Let us not be so petty as to tamper selectively with manifest success.

While this bill before us today deals only with the nonperforming arts functions of the Kennedy Center, which come under the jurisdiction of the Secretary of the Interior, the whole debate has been, I think, very worthwhile because it has gone to the meaning of the Kennedy Center. It has addressed itself to the contributions which the Center has made to the cultural life here in the Nation's Capital and to all the people of this country. I commend the Senator from New York, the Senator from West Virginia, who is the chairman of the Committee on Environment and Public Works, and the Senator from Illinois, for their remarks which have dealt with the true meaning of the Kennedy Center. While it is basically still in its infancy, the Center has become a great resource that has had a remarkable impact on our Nation's Capital.

Those of us who were in Washington in the fifties and early sixties, before there was a Kennedy Center for the Performing Arts, can recall so clearly that we lived then in a cultural desert.

Well, that is not the case now, thanks to this great institution.

Part of the debate, and a worthwhile part, has consisted of some reservations about the Kennedy Center, its artistic management and artistic judgment. This debate opens avenues, I am sure, for the committee to consider. The feeling has been expressed that perhaps the Center has followed exclusionary policies and that minorities and other groups have not been encouraged to perform there. Those of us who work on the board know that this is not true. There have, in fact, been many all-black productions at the Kennedy Center, including "The Wiz," "Timbuktu," "The Mighty Gents," and

the Alvin Ailey Dance Theater, to name a few. Individual black performers—Richard Pryor and Sarah Vaughn, for example—have also contributed their talents to the Center. In addition, the Kennedy Center has formed a National Black Commission to increase the involvement of the black community in the Center's activities and to sponsor programs that give greater visibility to black artists. The Commission, headed by Dr. Archie L. Buffkins, released a report on its activities last March. I believe many of my colleagues would be interested in this report, and I ask unanimous consent that a summary of it be inserted at this point in the Record.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF COMMISSION'S ROLE AND PROJECTS INITIATED

The primary concern of the Commission has been to systematically identify and analyze the various means by which the Kennedy Center can at once maintain its quality programming and increase significantly its involvement with the Black community. Roger L. Stevens obtained private funding, due to his strong personal commitment to the Commission's purpose, with which activities exemplifying the Commission's findings could be promoted and sponsored.

The Kennedy Center, by aggressively initiating progress in this vital area, has performed a great service for the Black community and for the nation as a whole, a service whose impact is already being felt in many areas. For how many major centers—performing arts or others—have purposefully and methodically set out to realize, within the parameters of their overall role and function, the goals of cultural diversity with specific emphasis on the Black community? Clearly, the Kennedy Center's initiative will cause other organizations to consider undertaking similar positive actions. However, in order for a program of this nature to be successful, its sponsor must recognize an important human need which its regular operations do not satisfy and be prepared to try a wide variety of new approaches to rectify the situation.

By establishing the Commission, the Kennedy Center recognized the existence of such a need and demonstrated its fundamental "caring commitment" toward the Black community. It is this undercurrent of concern which has served to inspire our work and, therefore, we have felt it to be of particular importance to fully inform the Black community of the Kennedy Center's commitment. The Commission has, by doing so, provided that community a measure of hope and reassurance that major institutions of the establishment, in general and, the Kennedy Center, in particular, care about the developing and culturally diverse peoples of the nation.

Ultimately, the number of Commission than the realization by the Black community that the Kennedy Center *cares about it* and has made a commitment to it and that that commitment will endure over the long term. Indeed, our final recommendations reflect the firm belief of the Commission that this realization is not ill-founded, for they suggest a variety of steps the Kennedy Center may take so as to continue the work of the Commission.

The Commission has felt from the outset of our work that the Kennedy Center commitment must be made clear to the Black community, if Black people are to fully appreciate the significance of it. Therefore, the Commission has considered it to be of the utmost importance to inform Black people throughout the nation of the existence of the Commission. To accomplish this the Commission met with a broad range of groups and individuals. Performing artists—professionals, students, amateurs, administrators and educators—were, of course, contacted. The Commission, furthermore, conferred with Black political, religious, educational, fraternal, social and business leaders to apprise them of the Kennedy Center's concerns. Also, through visits, telephone conversations and correspondence, the Commission communicated its function to a great many members of the Black general public.

Our involvement with the Black community, however, was not limited to making it aware of the Kennedy Center's commitment and of our work. Both elements necessarily involve determining that which the Black community feels the Kennedy Center should undertake in order to further its involvement with Blacks. The Commission, therefore, inquired of the Black community what it felt ought to be done and, in doing so, made apparent to that community the fact that its input is of great importance to the Kennedy Center.

In order to obtain this input, a variety of methods were employed. Direct meetings and conferences were held with Black leaders, media persons, performing artists and members of the general public. Questionnaires specifically requesting input were sent to Black performing arts educators, performing artists, Kennedy Center employees, predominantly Black higher educational institutions and the state arts councils. In addition, many Commissioners represented the Commission at various functions involving the Black performing arts. The President of the Commission was asked to and did on numerous occasions represent the Commission at performances as well as community and high-level national meetings to convey the existence, work and purpose of the Commission to the Black community. Such personal encounters facilitated the flow of deeply desired community input to the Commission. On the basis of all the input—informal and formal—received, the final recommendations, actions taken and suggestions of the Commission, discussed in detail herein, were formulated. More generally, the Commission was able to better understand the needs and desires of the Black community vis-à-vis the Kennedy Center.

THE COMMISSION INTRODUCED MANY BLACKS PERFORMING ARTS GROUPS AND ARTISTS

The community outreach activities of the Commission caused its role to expand in direct response to the aspirations and expectations expressed by those whom we contacted. Indeed, the Commission developed into a sort of "clearinghouse" for the Black performing arts. As such, the delivery of services to the Black community became a very important function of its operations. For with increasing frequency, Blacks were contacting the Commission with regard to information about and opportunities in the local and national performing arts scene. To meet their needs, Commissioners often met with and advised groups and individuals on such technical matters as the preparation of funding requests, resumes and proposals. Also, in many cases the Commission assisted Black performing artists and persons interested in arts administration and related areas to locate employment opportunities at the Kennedy Center and elsewhere. Essentially, every effort was made by the Kennedy Center to increase minority employment and particularly Black employment. Clearly, Black employment has increased significantly throughout the Kennedy Center since the Commission began its work.

The Commission also received numerous proposals from groups and individuals desirous of Commission sponsorship for their work. From the outset of our work, we recognized that the nature of the Kennedy Center could and should allow only certain kinds of expansion in its activity. For the Kennedy Center is not and certainly should not become a performing arts supermarket. Therefore, those proposals received which went beyond the parameters of the Kennedy Center's role were directed to alternate sponsors. As a result, the Commission introduced many Black performing arts groups and artists to the various federal agencies, private foundations, educational institutions, state arts councils and businesses interested in the development of such work. It also directed a number of groups and individuals to the National Endowments for the Arts and Humanities.

We emphasize here that such referrals were not a passive activity of the Commission. Rather, we met with a broad selection of administrators, staffs and beneficiaries of the organizations mentioned above, discussed our work with them and that of those we referred to them. As a result, active cooperation and communication was developed between the Commission, the organizations involved and the Black performing arts community. The majority of those who contacted us in this regard found our referral service to be most valuable as their proposals were eventually undertaken and funded. In this manner, the Commission served as a catalyst for positive change and growth in a manner that has had national ramifications. The Commission has become the lively nucleus of a national clearinghouse on Black performing arts and has well served those who involved themselves with our work. Special mention should be made here of the fact that this activity has included supplying the chairmen of the National Endowments for the Arts and Humanities with position papers and other important information as well as providing assistance in this area to the legislators and sponsors of the White House Conference on the Arts.

Many of the proposals received were in consonance with Kennedy Center activities and were given direct consideration. Action on many of them is complete or underway.

For example, the Commission underwrote "Soul of the Classics," a Washington radio program devoted to Black classical music, and also developed and implemented a Black theatre/playwright project through which six Black theatre companies and playwrights across the nation were awarded substantial funding with which to produce new Black dramatic productions.

Other projects include an upcoming jazz recital by Nathan Davis dedicated to the memory of Dr. Martin Luther King, Jr., a recently-published national directory of Black theatres, and funds for a new production by the Harlem Children's Theater.

The Commission has already carried out sponsorship of a full concert at the Kennedy Center by the Urban Philharmonic, an orchestra composed mainly of minority musicians. This concert featured works from both the classical orchestral repertoire and major Black composers.

Also of importance was the "First Graders and the Wonders of the Kennedy Center" project. The Commission brought groups of Black school children—augmenting thousands already attending regular children's programs sponsored by the Kennedy Center's Education Department—to the Center for tours, a catered luncheon, and a sneak preview of the Stuttgart Ballet's production, "The Sleeping Beauty." This particular project demonstrated the Commission's concern for involving Black youngsters in the mainstream of Kennedy Center activity in the same way as other projects were designed to involve mature members of the Black community.

A major project now underway involves

identifying the nation's finest young Black string instrumentalists and pianists through a program designed to reach all 50 states. Finalists will attend special symposia at the Kennedy Center and give recitals both in their respective regions and at the Center with particular emphasis on the works of Black composers

In addition to the above projects, we expanded Kennedy Center linkages with the Black media and invited many Blacks—individually and in groups—to Center social functions and events.

Thus, by introducing the Black community to the Commission, making it aware of our function and the Kennedy Center's commitment; extending our work to the delivery of necessary services, thereby becoming a Black performing arts clearinghouse; assisting those with projects to gain sponsorship within the Kennedy Center or elsewhere; sponsoring large and small "demonstration" projects at a cost of several hundred thousand dollars to both increase Black participation and identify Black performing arts talent; providing Blacks with the opportunity to utilize the Kennedy Center as consumers of the performing arts; performers; creators; administrators; and technicians; and by extending the Kennedy Center's welcome in tangible ways, the Commission acted to make cultural diversity a reality and significantly expanded Black participation at the Kennedy Center.

RECOMMENDATIONS

The following recommendations represent a broadly based, all encompassing approach to the short- and long-range goals and involvements of the Kennedy Center. After considerable, serious deliberation, we chose not to list the more than fifty recommendations we had originally formulated. Rather, we thought, a few major recommendations—whose effects and ramifications would be manifold—would best serve the overall purpose of the Commission. We believe these recommendations will allow the Kennedy Center to fulfill the visions and aspirations of the Commission. At the same time, we trust the recommendations will serve to strengthen and enhance the professional performing arts stature of the Kennedy Center as a national institution.

In light of the above, the Commission recommends that the Kennedy Center:

(a) continue to provide strong and aggressive national leadership in the professional performing arts with reference to bringing visibility and respectability to the concept of "cultural diversity;"

(b) establish a small, permanent committee (Committee on Cultural Diversity in the Performing Arts) to monitor development of Commission projects already funded; to advise and assist the Chairman of the Board of Trustees on present and future matters relating to cultural diversity within the context of public policy, programs, personnel, projects and practices;

(c) continue and, where appropriate, institutionalize selected activities and projects activated under the auspices of the Commission;

(d) develop and vigorously implement the most diplomatic, effective and communicative method possible to convey to the White House the importance of appointing minorities in general and Blacks specifically to the Kennedy Center Board of Trustees as vacancies occur;

(e) establish an award—"Excellence in the Performing Arts"—for outstanding contributions in the performing arts with emphasis on cultural diversity;

(f) utilize the national organizational structures of the "Friends of the Kennedy Center" and the "Alliance for Arts Education" to establish a nationwide arts-oriented network within minority communities in order to maintain and facilitate communication between the Kennedy Center and these communities;

(g) inaugurate a highly sophisticated "Executive Internship Program in Arts Administration" that would expose one extremely talented and knowledgeable person each year to the full complexities involved in the operation of a major professional performing arts institution such as the Kennedy Center;

(h) sponsor, on a yearly basis, an "International Festival on Cultural Diversity in the Performing Arts," comprised of seminars and performances, emphasizing the best the world is able to produce in this overall area;

(i) continue to use funds from the "Corporate Fund for the Performing Arts at the Kennedy Center" to sponsor and promote demonstration projects that will foster the concept of "cultural diversity and quality" in the performing arts;

(j) explore the idea of establishing an "Office of Education and Community Affairs" in order to consolidate and coordinate the present and future activities and programs of these two areas which will reinforce the publicly-announced new thrust of the Kennedy Center; and

(k) continue—in a comprehensive manner—the well thought-out affirmative action practices and understandings now in operation at the Kennedy Center.

Mr. WILLIAMS. As far as this amendment is concerned, all that I have mentioned in my statement has already been said in one way or another, with the exception of one thing. That is the regret I would feel if the President of the United States wanted to attend a performance and all the seats in the Presidential box had been sold out. When President Carter has gone to the Kennedy Center, it has generally been without announcement, at the last minute, because he had a couple of free hours to see a performance. I would hate to have the President show up and not be able to get a seat. It just does not seem quite right, all for a net return to the Kennedy Center of about $23,000 a year.

The Senator from New Mexico has made profound contributions to this body in debate after debate. However, this amendment appears to me to be frivolous, because of its de minimis nature. I certainly hope the amendment will be defeated.

Mr. MOYNIHAN. Mr. President, the Senator from New Jersey makes a serious argument ably and effectively, but he has left out the one argument that ought to concern all of us in this matter—it would be characteristic of him to have left it out—which is that when HARRISON A. WILLIAMS stands on the floor of the U.S. Senate and asks his colleagues not to do something concerning a matter in which he has been intimately involved, that resolves the question in our minds, or in mine, and I hope it will that of the Senator from Rhode Island.

Mr. DOMENICI. In that case, I withdraw my amendment.

Mr. MOYNIHAN. Third reading.

Mr. CHAFEE. Just a moment. Mr. President, the arguments have been well presented against this amendment. The amendment presents great difficulty on its face, and I think the only reason we gave it consideration was the distinction of the gentleman who has presented it.

He has argued so valiantly and effectively on this floor in behalf of innumerable important causes that when we saw it was his amendment, we gave it extra special importance.

As the Senator from Illinois has said, there is not a cultural center in the world, whether it is La Scala in Milan, the Guthrie Theater in Minneapolis, or the Trinity Square Theater in Providence, that carries its operating costs, to say nothing of its capital costs. So to have this Kennedy Center operating in the black is a remarkable achievement.

Obviously every seat cannot be sold out for every performance. The Presidential and trustee boxes do involve a small amount of cost in the neighborhood of $35,000, perhaps, but to me that is a very good investment.

Let me just note that last year funds were raised as follows: Corporate giving raised about $1.5 million for the Kennedy Center. About 200 individuals donated $1,000 or more, entitling them to membership in the "Golden Circle." In addition, small donations from 50 cents to $1,000 totaled about $100,000. Finally, foundation gifts and benefits raised significant amounts. In aggregate, the Center raised about $2.5 million to support its operations.

Let me add that we have to be awfully careful with an amendment like this. For example, let me ask whether the Senator from New Mexico meant to do this: The Vice President shows up. He has to pay for a ticket at the box office under this amendment.

If the President is away and the Vice President goes to the Center, does he have the privilege to sit in the President's box? No, no; $8.50, please, Mr. Vice President, because that is what the amendment says. And if he does not pay the $8.50, or the $12, or whatever it is——

Mr. DOMENICI. $16.

Mr. CHAFEE. If he does not pay, the manager of the Center is fined $100.

I do not think that is the kind of country we want to be running. The Vice President stands in line at the box office, and if his wife is present, he gets her a ticket, too.

So, Mr. President, despite the distinction of the man who proposed this amendment, I certainly hope it will be rejected.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. The Senator has 17 minutes and 47 seconds.

Mr. DOMENICI. And how much time does the Senator from New York have?

The PRESIDING OFFICER. Fifty-five seconds.

Mr. DOMENICI. I was going to say I would cut mine in half if he would cut his, but he does not have any time left. I yield myself 4 minutes.

Let me first say I appreciate the kind words of the Senator from Rhode Island. If we were to include the Vice President, I wonder if he would support the amendment.

Mr. CHAFEE. That is the problem. I brought up point after point. Each time he said, "Let us include them." How about the Secretary of State? The Secretary of State comes in with the Foreign Minister of France or of England. Do they pay at the door?

Mr. DOMENICI. No, no, not pay at the door.

Mr. CHAFEE. $14?

Mr. DOMENICI. No, not pay at the door at all, but buy tickets like everybody else. The State Department has plenty of money, and the Secretary makes more than we make as Senators.

Let me tell you the issue. The issue is this: My arithmetic reveals—and I am going to use 350 performing days; I am going to use 28 White House seats in all the theaters per night, and 12 for Mr. Stevens acting on behalf of the board of trustees. My arithmetic says what is at stake is 14,000 free tickets per year. That is what it is, whether he gives them away or whether, for the most part, the White House gives them away to various and sundry people as sort of the ongoing way to distribute favors around Capitol Hill and in Washington.

If we want to do that in the name of making sure our President has a White House seat when he wants to attend one of those theaters, then keep it that way. I honestly believe this amendment is being attacked as being picayune and redundant. I say it is picayune to say you are going to shut the President out of his box seat if this Domenici amendment prevails. That is insane and incredulous. And contrariwise, to assume that in order to assure him of that seat, you have to have 14,000 free tickets per year is absolute insanity.

It might be small potatoes; it might not amount to much, but that is the issue. The issue is not shall poor people continue to have gratis tickets or shall students, or shall trustees continue to have some very discreet privilege they are entitled to. They are distinguished Americans and wonderful Senators, the three that serve here. Give them certain discreet privileges; but do we have to have 14,000 availabilities for Mr. STEVENS in their behalf and his behalf to distribute, and the White House in its behalf, in order to discreetly take care of our President, Vice President, his beautiful family, and our trustees when they need some special privilege? I think not.

I do not care if all the seats are not filled all the time, or if, instead of 235,000, it is only 150,000. I do not care if it is only 90,000. The issue is the issue as presented here: Shall we continue to have that many seats available to be given out, at $16 or $20 each?

I close by saying this: It is good that the wonderful aspects of this Center have been debated here today. I hope no one misconstrues my motives in that regard. It is, indeed, a cultural wonderland, an oasis in what would have been a desert, without a doubt. But it is taxpayers' money, for the most part, paying for it, regardless of all the wonderful charity being described.

The Lincoln Center, someone says here they are not so petty about who gets free tickets; they are promoting the Center. But that Center is not owned by the people of America, and it is not paid for by taxpayers' dollars. That is a significant difference.

A significant difference. And today, it is more different than ever. The American people are tired of those who can afford it getting things free here and they not knowing about it. When they find out about it, they do not like it very much, especially with taxes what they are, inflation what it is. You cannot plan anything for your family. You make money and you go backward instead of forward. They do not like this. I kind of think they are right, and that is the issue. I am sorry I have to raise it.

I thank the Senators for their kindness. I think it is a serious issue, as serious as parking privileges, as serious as other issues that many of you who argue against this raise on your own when it comes to the subject of gratuity for Federal servants who are otherwise assumed to be paid adequately.

Mr. President, I yield back the remainder of my time.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am afraid I have only 55 seconds. I am happy to yield it to the Senator from Illinois.

Mr. PERCY. Will the Senator from New Mexico yield me 2 minutes?

Mr. DOMENICI. I am pleased to yield 2 minutes to the Senator if I have it.

Mr. PERCY. Mr. President, I would like to make one correction. In contrasting $12,000 of free tickets with the contributions of the trustees, I said the trustees had contributed $200,000, I think, over the past 3 years. It is $300,000 over the last 2 years.

Mr. President, the trustees or management box is common to every major theater in America, such as the Lincoln Center, the Milwaukee Center, and the Los Angeles Music Center. Although there are 45 trustees who can use this box, the seats are also used by producers, investers and consultants in cultural activities. They have an opportunity to view performances in order for them to potentially participate in the development of the production.

The Kennedy Center is a unique institution, it is a national cultural center which is located in the Nation's Capital. In capitals around the world, heads of states have royal or state boxes reserved for their use in attending state theaters. This is a normal, proper, and traditional procedure. The Presidential box at the Kennedy Center is also used by Cabinet members, visiting dignitaries and other major figures from around the world. To eliminate or restrict the President's use of this box would say something about our National Cultural Center. In fact, it would really detract from what the Nation had in mind in establishing it in the first instance.

As I said at the beginning, I think it would be a mistake for the Senate of the United States to try to codify or run the Kennedy Center from here rather than leave it as the responsibility that has been delegated to the board of trustees. The board of trustees is extraordinarily sensitive whenever anything is brought to their attention that can be improved. Certainly, Senator DOMENICI's statement here, the strong feelings he has expressed, will cause the trustees to take another look at this to make certain that we do not have any privileges offered that do not really inure to the full benefit of the Kennedy Center and the people of the United States of America.

With that, Mr. President, I trust the pending amendment will be defeated and that the responsibility for fulfilling and carrying out the charter of the Congress of the United States will be left to the board of trustees of the Kennedy Center.

The Kennedy Center for the Performing Arts is undoubtedly the centerpiece of Washington's cultural scene. Some people had termed Washington as "little more than a cultural sahara" before the opening of the Kennedy Center. However, since the Center opened in 1971, Washington's prominence as a cultural center has blossomed. With its Opera House, Eisenhower Theatre, Concert Hall, American Film Institute, and Terrace Theatre the Center has provided an ever-increasing number of people an opportunity to be exposed to and to participate in the performing arts.

The Kennedy Center's reputation and influence, however, extend well beyond the banks of the Potomac. David Merrick has called the Kennedy Center the "most successful cultural facility in the world." I quite agree with that comment. I suggest that for those who visit the Opera House, they will find the acoustics to be virtually the finest in the world. The Kennedy Center is far more than a facility, a structure or a building. It is a memorial to a loved president and a Nation's investment in the arts.

Millions of patrons have attended performances at the Center since its opening. This has led to an outstanding 85 percent attendance record for the Center which is testimony to the growing awareness and support of the public in the visual and the performing arts. The Kennedy Center has provided a broad range of programs of superb quality to audiences of all ages. Hundreds of thousands of half-priced tickets have been purchased by the elderly, the handicapped, students, military and people on low-fixed incomes. In addition, the Center has sponsored thousands of free events, such as children's theater, concerts in the Grand Foyer, symposia films and exhibitions. Thus, the Center has played a dynamic role in providing cultural activities for all who are interested.

In 1977, a dedicated group of business executives organized for the express purpose of raising $1 million from the corporate sector for the Kennedy Center's ongoing activities. They raised a million dollars and are continuing to work to raise another million and a half dollars for this year, so that the trustees do not have to come to the Congress of the United States, as every other national culture center in the world does to other legislative bodies and say, "Look, this is what our deficit is this year." I believe this is a sound venture. All of the funds contributed will be used to encourage the development of new theatrical and musical talents and to make available outstanding performing arts presentations.

I pay tribute to the distinguished chairman of the board of Mobil Corps, Mr. Rawleigh Warner, Jr., who serves as chairman of the board of governors, ably supported by the following board members of the Corporate Fund:

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SECRETARY

Harold Burson, Chairman of the Board, Burson-Marsteller.

The role of the Kennedy Center can not be discussed on only the local or national level. It has brought internationally acclaimed performers to the United States. Mikhail Baryshnikov, perhaps the world's most highly acclaimed dancer has said that "the Kennedy Center has given ballet new life." It is extremely important for the United States to have an outstanding cultural facility. Not only does the Kennedy Center provide American audiences with an opportunity to be exposed to international artists, but more importantly, it provides the stage on which America's cultural heritage can be explored and expanded.

Mr. DOMENICI. Mr. President, at this time, I yield myself 1 minute and, in advance, yield back the remainder of my time. I do want to vote and I know everybody here wants to.

I want to make this point, that Senator WILLIAMS and Senator PERCY are both trustees. They have both been on the floor here today. I do not truly think I have to say this, because I think they know of the great esteem in which I hold both of them.

I do want to say it has been my privilege to work on the floor with Senator WILLIAMS on a number of matters. It has been truly a joy to do that. We have had some successes, some failures, and I can say the same of Senator PERCY. It is in no way a reflection on the commitment to their responsibilities of the trustees that I brought this up. They are tremendous people. It is merely to try to establish a point that we must begin to minimize this kind of available gratuity at the national level if we intend to retain the confidence of the American people in what we are trying to do on their behalf across the board, far beyond just cutural centers and such facilities as this one.

I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I yield myself 1 minute on the bill.

I should like to take this opportunity to reciprocate the generous remarks of my colleague from New Mexico. He knows of our respect for him in this matter. He knows that he and I are together in proposing the legislation that will come later in the year with respect to the general management of the center. He knows that he has been heard.

I think he may also know that he may not prevail today, but he has been heard. This is indeed one quality he has, and it is certainly not in bit the least unattractive.

Mr. President, I believe all time has been yielded back.

The PRESIDING OFFICER. All time has been either used or yielded back. The question then is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 23, nays 66, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—23

Armstrong	Helms	Schmitt
Bellmon	Humphrey	Simpson
Burdick	Kassebaum	Stevens
Danforth	Leahy	Stone
Domenici	Packwood	Thurmond
Exon	Proxmire	Tower
Hart	Riegle	Wallop
Heflin	Roth	

NAYS—66

Baker	Ford	Muskie
Baucus	Glenn	Nelson
Bentsen	Goldwater	Nunn
Biden	Gravel	Percy
Boren	Hayakawa	Pryor
Boschwitz	Heinz	Randolph
Bradley	Hollings	Ribicoff
Bumpers	Huddleston	Sarbanes
Byrd, Harry F., Jr.	Jackson	Sasser
Byrd, Robert C.	Javits	Schweiker
Cannon	Johnston	Stafford
Chafee	Kennedy	Stennis
Chiles	Levin	Stevenson
Church	Long	Stewart
Cochran	Lugar	Tsongas
Cohen	Mathias	Talmadge
Cranston	Matsunaga	Thurmond
DeConcini	McClure	Warner
Dole	McGovern	Weicker
Durenberger	Melcher	Williams
Durkin	Metzenbaum	Young
Eagleton	Morgan	Zorinsky
	Moynihan	

NOT VOTING—11

Bayh	Hatfield	Magnuson
Culver	Inouye	Pell
Garn	Jepsen	Pressler
Hatch	Laxalt	

So Mr. DOMENICI's amendment (UP 526) was rejected.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order, so that we can continue with the business of the Senate. The Chair asks that the well be cleared. The Chair will recognize the Senator from New York as soon as the Senate is in order. Members will please take their seat. Will Senators please clear the well?

Are there further amendments?

Mr. MOYNIHAN. Mr. President, I move the third reading of the bill.

The PRESIDING OFFICER. Do the managers yield back their time?

Mr. MOYNIHAN. I yield back my time.

Mr. CHAFEE. I yield back my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 6 of the John F. Kennedy Center Act (Public Law 95-874, as amended; 20 U.S.C. 761) is amended by adding at the end thereof the following: "There is authorized to be appropriated to carry out this subsection not to exceed $4,287,000 for the fiscal year ending September 30, 1980."

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REFUGEE ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 643, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 643) to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 2, at the beginning of line 5, insert "SEC. 101. (a)";

On page 2, at the beginning of line 18, insert "(b)";

On page 3, line 13, after "opinion" insert a comma and the following: or (B) any person who has been displaced by military or

civil disturbances or uprooted because of arbitrary detention or the threat of persecution, and who is unable to return to his usual place of abode.

On page 3, beginning with line 21, strike through and including page 5, line 3, and insert in lieu thereof the following:

"SEC. 207. (a)(1) The number of refugee admissions granted in any fiscal year shall not exceed fifty thousand, unless the President determines, prior to the beginning of the fiscal year and after consultation by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees in excess of fifty thousand is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special concern to the United States who will be in need of resettlement. These refugee admissions shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President, and there shall be periodic consultations between designated representatives of the President and members of the Committees on the Judiciary regarding the progress of refugee admissions and the possible need for adjustments in the allocation of admissions among groups or classes of refugees. Prior to the start of the fiscal year, the President shall report to the Committees on the Judiciary of the Senate and the House of Representatives regarding the worldwide refugee situation and the anticipated allocation of refugee admissions during the fiscal year.

"(2) The term 'consultation' with respect to the admission of refugees under this section or section 208 means personal contact by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible United States participation therein, to discuss the reasons for believing that the proposed admission of refugees is in the national interest, and to provide such members with information that may include—

"(A) a description of the nature of the refugee situation;

"(B) a description of the refugees who may be admitted, including the proposed plans for their resettlement, the estimated cost of their resettlement, an analysis of conditions within the countries from which they originated;

"(C) an analysis of the anticipated social, economic, and demograohic impact of their admission to the United States;

"(D) a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

"(E) an analysis of the impact of the United States participation in the resettlement of such refugees on the United States foreign policy interests; and

"(F) such additional information as may be appropriate or requested by such members.

On page 7, line 7, strike "Or (2),";

On page 7, line 7, insert a comma after "General" and strike "may, in his discretion and";

On page 7, line 15, after the period, insert the following:

The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

On page 7, beginning with line 20, strike through and including page 9, line 5, and insert in lieu thereof the following:

"(b)(1) The Attorney General shall establish a uniform procedure for an alien physically present in the United States, irrespective of his status, to apply for asylum, and the alien shall be granted asylum if he is a refugee within the meaning of section 101(a)(42)(A) and his deportation or return would be prohibited under section 243(h) of this Act.

"(2) The Attorney General shall conditionally admit into the United States, pursuant to such regulations as he may prescribe, any alien granted asylum under paragraph (1). Such admission may be terminated if the Attorney General, pursuant to such regulations as he may prescribe, determines that the alien is no longer a refugee within the meaning of section 101(a)(42)(A) owing to a change in circumstances in the alien's country of nationality or the country in which he last habitually resided, as the case may be.

"(3) A spouse or child (as defined in section 101(b)(1)(A), (B), (C), (D), or (E)) of any alien who qualifies for conditional admission under paragraph (2) shall, if not otherwise entitled under such paragraph, be entitled to conditional admission if accompanying, or following to join, such alien.

"(4)(A) Not more than five thousand of the refugee admissions authorized under subsection (a) in any fiscal year may be made available by the Attorney General, in his discretion and under such regulations as he may prescribe, to adjust to lawful permanent resident the status of any alien conditionally admitted under this subsection not less than two years before the date of adjustment who—

"(i) makes application for such adjustment;

"(ii) continues to be a refugee within the meaning of section 101(a)(42)(A);

"(iii) is not firmly resettled in any foreign country; and

"(iv) is admissible as an immigrant under this Act at the time of his examination under this paragraph, except for the requirements of paragraph (14), (15), (20), (21), (25), or (32) or section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

(B) Upon approval of an application pursuant to this paragraph, the Attorney General shall record the alien's admission to the United States for lawful permanent residence as of the date two years prior to the date of approval.

"(5) The provision of section 245(c) of this Act shall not apply to refugee applicants who are physically present within the United States and have accepted unauthorized employment prior to the submission of their asylum application.

On page 12, line 19, after the period, strike through and including line 24;

On page 12, line 6, strike "conditionally admit into the United States," and insert "admit into the United States conditionally or for lawful permanent residence, in his discretion and";

On page 12, line 16, strike "207" and insert "207(a)";

On page 13, line 2, after the period, insert the following:

The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

On page 14, line 7, after the period, insert the following:

The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, and when it is otherwise in the public interest.

On page 14, line 13, strike "the words";

On page 15, line 19, strike "per centum" and insert "percent";

On page 16, line 6, strike "per centum" and insert "percent";

On page 17, line 4, strike "is authorized to withhold the deportation" and insert "shall not deport,";

On page 17, line 5, strike "of";

On page 17, line 6, strike "subject to such terms and conditions as he may prescribe,";

On page 17, line 10, after "opinion" insert a comma and the following: unless deportation or return would be permitted under the terms of the United Nations Protocol Relating to the Status of Refugees

On page 17, line 20, after "207" insert "of that Act";

On page 17, beginning with line 21, strike through and including page 18, line 10;

On page 18, line 21, after the semicolon, insert the following: for contributions to the Intergovernmental Committee for European Migration; the International Committee of the Red Cross; and to other relevant international organizations;

On page 20, line 6, after "(G)" insert "1. - interim support assistance during the period of initial adjustment, and";

On page 20, line 9, strike "is eligible for" and insert "receives";

On page 20, at the beginning of line 18, insert "(2)";

On page 20, line 18, strike "paragraph" and insert "subparagraph";

On page 20, line 19, strike ", (D), (E),";

On page 20, line 19, after "(G)" insert "of paragraph (1)";

On page 20, line 23, strike "other than a Cuban refugee who entered the United States before October 1, 1978";

On page 21, beginning with line 1, insert the following:

"(3) For special projects and programs authorized in subparagraph (D) of paragraph (1), there are authorized to be appropriated each fiscal year $40,000,000, to remain available until expended, to be administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and becoming self-reliant.

On page 21, line 8, strike "(2)" and insert "(4)";

On page 21, line 14, strike ", as amended";

On page 21, beginning with line 20, insert the following:

SEC. 303. (a) The Comptroller General of the United States shall evaluate Federal and federally assisted programs to refugees resettling within the United States to determine their effectiveness and efficiency.

(b) The Secretary of Health, Education, and Welfare shall conduct research or provide assistance for the conducting of research into the resettlement of refugees and their adaptation to life in the United States. Such research shall include all aspects of the resettlement and adaptation process, and shall examine the status of resettled refugees to assess programs in securing and retaining employment, housing, and facility in the English language, and other factors as the Secretary finds relevant.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Refugee Act of 1979".

TITLE I—PURPOSE

SEC. 101. (a) The Congress declares that it is the historic policy of the United States to respond to the urgent needs of persons subject to persecution in their homelands, including, where appropriate, humanitarian assistance for their care and maintenance in asylum areas, efforts to promote opportunities for resettlement or voluntary repatriation, aid for necessary transportation and

processing, admission to this country of refugees of special concern to the United States, and transitional assistance to refugees in the United States. The Congress further declares that it is the policy of the United States to encourage all nations to provide assistance and resettlement opportunities to refugees to the fullest extent possible.

(b) The objective of this Act is to provide a permanent and systematic procedure for the admission to this country of refugees of special concern to the United States, and to provide comprehensive and uniform provisions for temporary and transitional assistance to those refugees who are admitted.

TITLE II—ADMISSION OF REFUGEES

SEC. 201. (a) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101 (a)) is amended by adding after paragraph (41) the following new paragraph:

"(42) The term 'refugee' means (A) any person who is outside any country of his nationality or, in the case of a person having no nationality, is outside any country in which he last habitually resided, and who is unable or unwilling to return to, and is unable to or unwilling to avail himself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group, or political opinion, or (B) any person who has been displaced by military or civil disturbances or uprooted because of arbitrary detention or the threat of persecution, and who is unable to return to his usual place of abode.".

(b) Chapter I of title II of the Immigration and Nationality Act is amended by adding after section 206 (8 U.S.C. 1156) the following new sections:

"ANNUAL ADMISSION OF REFUGEES

"SEC. 207. (a)(1) The number of refugee admissions granted in any fiscal year shall not exceed fifty thousand, unless the President determines, prior to the beginning of the fiscal year and after consultation by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees in excess of fifty thousand is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special concern to the United States who will be in need of resettlement. These refugee admissions shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President, and there shall be periodic consultations between designated representatives of the President and members of the Committees on the Judiciary regarding the progress of refugee admissions and the possible need for adjustments in the allocation of admissions among groups or classes of refugees. Prior to the start of the fiscal year, the President shall report to the Committees on the Judiciary of the Senate and the House of Representatives regarding the worldwide refugee situation and the anticipated allocation of refugee admissions during the fiscal year.

"(2) The term 'consultation' with respect to the admission of refugees under this section or section 208 means personal contact by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible United States participation therein, to discuss the reasons for believing that the proposed admission of refugees is in the national interest, and to provide such members with information that may include—

"(A) a description of the nature of the refugee situation:

"(B) a description of the refugees who may be admitted, including the proposed plans for their resettlement, the estimated cost of their resettlement an analysis of conditions within the countries from which they originated;

"(C) an analysis of the anticipated social, economic, and demographic impact of their admission to the United States;

"(D) a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

"(E) an analysis of the impact of the United States participation in the resettlement of such refugees on the United States foreign policy interests; and

"(F) such additional information as may be appropriate or requested by such members.

"(3) Subject to the numerical limitation established pursuant to paragraph (1) the Attorney General, pursuant to such regulations as he may prescribe, shall admit for lawful permanent residence any refugee who is not firmly resettled in any foreign country, is within a group or class of refugees determined to be of special concern to the United States, and is admissible as an immigrant under this Act, except for the fact that he does not meet the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

"(b)(1) The Attorney General shall establish a uniform procedure for an alien physically present in the United States, irrespective of his status, to apply for asylum, and the alien shall be granted asylum if he is a refugee within the meaning of section 101(a)(42)(A) and his deportation or return would be prohibited under section 243(h) of this Act.

"(2) The Attorney General shall conditionally admit into the United States, pursuant to such regulations as he may prescribe, any alien granted asylum under paragraph (1). Such admission may be terminated if the Attorney General, pursuant to such regulations as he may prescribe, determines that the alien is no longer a refugee within the meaning of section 101(a)(42)(A) owing to a change in circumstances in the alien's country of nationality or the country in which he last habitually resided, as the case may be.

"(3) A spouse or child (as defined in section 101(b)(1) (A), (B), (C), (D), or (E)) of any alien who qualifies for conditional admission under paragraph (2) shall, if not otherwise entitled under such paragraph, be entitled to conditional admission if accompanying, or following to join, such alien.

"(4)(A) Not more than five thousand of the refugee admissions authorized under subsection (a) in any fiscal year may be made available by the Attorney General, in his discretion and under such regulations as he may prescribe, to adjust to lawful permanent resident the status of any alien conditionally admitted under this subsection not less than two years before the date of adjustment who—

"(i) makes application for such adjustment;

"(ii) continues to be a refugee within the meaning of section 101(a)(42)(A);

"(iii) is not firmly resettled in any foreign country; and

"(iv) is admissible as an immigrant under this Act at the time of his examination under this paragraph, except for the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

(B) Upon approval of an application pursuant to this paragraph, the Attorney General shall record the alien's admission to the United States for lawful permanent residence as of the date two years prior to the date of approval.

"(5) The provision of section 245(c) of this Act shall not apply to refugee applicants who are physically present within the United States and have accepted unauthorized employment prior to the submission of their asylum application.

"ADMISSION OF EMERGENCY SITUATION REFUGEES

"SEC. 208. (a) If the President determines, after consultation by the President's designated representatives with the Committees on the Judiciary of the Senate and the House of Representatives, that (1) an unforeseen emergency refugee situation exists; (2) the admission of certain refugees in response to the emergency refugee situation is justified by grave humanitarian concerns or is otherwise in the national interest; and (3) that the admission into the United States of these refugees cannot be accomplished under section 207, the President may fix a number of refugees to be admitted into the United States in response to the emergency refugee situation.

"(b) The admissions authorized by subsection (a) shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President.

"(c) Subject to the numerical limitation established pursuant to subsection (a), the Attorney General may admit into the United States conditionally or for lawful permanent residence, in his discretion and pursuant to such regulations as he may prescribe, any alien who is a refugee within a group or class designated pursuant to subsection (b) and who is not firmly resettled in any foreign country.

"SPOUSES AND CHILDREN OF REFUGEES

"SEC. 209. A spouse or child (as defined in section 101(b)(1) (A), (B), (C), (D), or (E)) of any alien who qualifies for admission under section 207(a) or 208 shall, if not otherwise entitled to admission under such section, be entitled to the same admission status as such alien if accompanying, or following to join, such alien, and upon the spouse's or child's admission into the United States, such admission shall be charged against the numerical limitation established in accordance with the section under which the alien qualifies for admission. A spouse or child who is admitted for lawful permanent residence in accordance with this section shall be required to establish admissibility to the United States as an immigrant except for the requirements of paragraph (14), (15), (20), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

"GRANTING OF IMMIGRANT STATUS TO EMERGENCY SITUATION REFUGEES

"SEC. 210. (a) Notwithstanding any numerical limitation specified in this Act, any alien who has been admitted into the United States conditionally under section 208 or 209—

"(1) whose admission has not been terminated by the Attorney General pursuant to such regulations as he may prescribe;

"(2) who has not acquired permanent resident status; and

"(3) who has been physically present in the United States for at least two years,

shall, at the end of such two years, return or

be returned to the custody of the Service for inspection and examination for admission into the United States as an immigrant in accordance with the provisions of sections 235, 236, and 237.

"(b) Any alien who, pursuant to subsection (a), is found, upon inspection by an immigration officer or after a hearing before a special inquiry officer, to be admissible as an immigrant under this Act at the time of his inspection and examination, except for the fact that the alien does not meet the requirements of paragraph (14), 15), (20), (21), (25), or (32) of section 212(a), shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival. The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, and when it is otherwise in the public interest.".

SEC. 202. Section 211 of the Immigration and Nationality Act (8 U.S.C. 1181) is amended—

(a) by inserting in subsection (a) after "Except as provided in subsection (b)" the following: "and subsection (c)"; and

(b) by adding a new subsection (c) at the end thereof to read as follows:

"(c) The provisions of subsection (a) shall not apply to an alien when the Attorney General admits to the United States for lawful permanent residence under section 207.".

SEC. 203. (a) Section 201(a) of the Immigration and Nationality Act (8 U.S.C. 1151 (a)) is amended to read as follows:

"SEC. 201. (a) Exclusive of special immigrants defined in section 101(a)(27), immediate relatives specified in subsection (b) of this section, and aliens who come within the provisions of sections 207, 208, and 209, the number of aliens born in any foreign state or dependent area who may be issued immigrant visas or who may otherwise aquire the status of an alien lawfully admitted to the United States for permanent residence, shall not in any of the first three quarters of any fiscal years exceed a total of seventy-two thousand and shall not in any fiscal year exceed two hundred and seventy thousand.".

(b) Section 202 of the Immigration and Nationality Act (8 U.S.C. 1152) is amended—

(1) by striking out "and the number of conditional entries" in subsection (a);

(2) by striking out "(8)" in subsection (a) and inserting in lieu thereof "(7)";

(3) by striking out "or conditional entries" and "and conditional entries" in subsection (e);

(4) by striking out "20 per centum" in subsection (e)(2) and inserting in lieu thereof "26 percent";

(5) by striking out paragraph (7) of subsection (e);

(6) by striking out "(7)" in paragraph (8) of subsection (e) and inserting in lieu thereof "(6)"; and

(7) by redesignating paragraph (8) of subsection (e) as paragraph (7).

(c) Section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended—

(1) by striking out "or their conditional entry authorized, as the case may be," in subsection (a);

(2) by striking out "20 per centum" in subsection (a)(2) and inserting in lieu thereof "26 percent";

(3) by striking out paragraph (7) of subsection (a);

(4) by striking out "and less the number of conditional entries and visas available pursuant to paragraph (7)" in subsection (a)(8);

(5) by striking out "or to conditional entry under paragraphs (1) through (8)" in subsection (a)(9) and inserting in lieu thereof "under paragraphs (1) through (7)";

(6) by redesignating paragraphs (8) and (9) of subsection (a) as paragraphs (7) and (8);

(7) by striking out "(7)" in subsection (d) and inserting in lieu thereof "(6)"; and

(8) by striking out subsections (f), (g), and (h).

(d) Sections 212(a)(14), 212(a)(32), and 244(d) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(14), 1182(a)(32), 1254 (d) are amended by striking out "section 203 (a)(8)" and inserting in lieu thereof "section 203(a)(7)".

(e) Subsection (h) of section 243 of the Immigration and Nationality Act (8 U.S.C. 1253) is amended to read as follows:

"(h) The Attorney General shall not deport, or return any alien (other than an alien described in section 241(a)(19)), to any country where such alien's life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group, or political opinion, unless deportation or return would be permitted under the terms of the United Nations Protocol Relating to the Status of Refugees.".

(f) Section 5 of the Act of October 5, 1978 (Public Law 95-412) is amended by striking out "September 30, 1980" and inserting in lieu thereof "the effective date of the Refugee Act of 1979".

(g) Any reference in any law to section 203 (a)(7) of the Immigration and Nationality Act shall be deemed a reference to section 207 of that Act.

TITLE III—TEMPORARY AND TRANSITIONAL ASSISTANCE TO REFUGEES

SEC. 301. (a) Section 2(b) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(b)) is amended to read as follows:

"(b)(1) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

"(A) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or persons in behalf of whom he is exercising his good offices; for contributions to the Intergovernmental Committee for European Migration; the International Committee of the Red Cross; and to other relevant international organizations;

"(B) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the foreign policy interests of the United States;

"(C) for payments to appropriate public or nonprofit private agencies to aid in the placement, resettlement, and care of refugees;

"(D) for projects and programs to assist adult refugees in gaining skills and education necessary to become employed or otherwise self-reliant, including facility in English, vocational and technical training, professional refresher training and other recertification services, and social and employment services;

"(E) for payments to State and local agencies for projects to provide special educational services (including facility in English) to refugee children in elementary and secondary schools;

"(F) for child welfare services, including foster care maintenance payments and services and health care, furnished in any of the first twenty-four months during any part of which the refugee is in the United States or, in the case of a child who enters the United States unaccompanied by a parent or other close adult relative (as defined by the President), until the month after such child attains age eighteen (or such higher age as the State's child-welfare services plan prescribes for the availability of such services to any other child in that State), if later; and

"(G) for interim support assistance during the period of initial adjustment, and for income maintenance and medical assistance, except that if a refugee receives aid or assistance under a State plan approved under part A of title IV or under title XIX of the Social Security Act, or for supplementary security income benefits (including State supplementary payments) under the program established under title XVI of that Act, funds authorized under this subsection shall only be used for the non-Federal share of such aid or assistance, or for such supplementary payments.

"(2) No payment shall be made under subparagraph (C) or (G) of paragraph (1) with respect to aid or services, furnished directly or through a project or program, to a refugee who entered the United States more than twenty-four months prior to receiving such aid or services.

"(3) For special projects and programs authorized in subparagraph (D) of paragraph (1), there are authorized to be appropriated each fiscal year $40,000,000, to remain available until expended, to be administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and becoming self-reliant.

"(4) As used in this section, the term 'refugee' has the same meaning as that prescribed by paragraph (42) of section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(42)).".

(b) Subsection (a) of this section shall not be considered a law enacted on or after February 7, 1972, for purposes of section 15 (a)(1)(A) of the Act of August 1, 1956 (22 U.S.C. 2680(a)(1)(A)).

SEC. 302. Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is further amended by striking out "$25,000,000" in paragraph (2) and inserting in lieu thereof "$50,000,000".

SEC. 303. (a) The Comptroller General of the United States shall evaluate Federal and federally assisted programs to refugees resettling within the United States to determine their effectiveness and efficiency.

(b) The Secretary of Health, Education, and Welfare shall conduct research or provide assistance for the conducting of research into the resettlement of refugees and their adaptation to life in the United States. Such research shall include all aspects of the resettlement and adaptation process, and shall examine the status of resettled refugees to assess programs in securing and retaining employment, housing, and facility in the English language, and other factors as the Secretary finds relevant.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

TITLE IV—EFFECTIVE DATE

SEC. 401. (a) Except as provided in subsection (b), this Act shall become effective on October 1, 1979.

(b) The repeal of subsections (g) and (h) of section 203 of the Immigration and Nationality Act, made by section 203(c)(8) of this Act, shall not apply with respect to any individual who before the effective date of this Act was granted a conditional entry under section 203(a)(7) of the Immigration and Nationality Act (and under section 202 (e)(7) of the Immigration and Nationality Act, if applicable), as in effect immediately before such date, nor shall it apply to any alien paroled into the United States before the effective date of this Act who is eligible for the benefits of section 5 of the Act of October 5, 1978 (Public Law 95-412).

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 214, which is the budget waiver in connection with the pending business, and this has been cleared on both sides.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 214) waiving the Congressional Budget Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 214) waiving the Congressional Budget Act with respect to the consideration of S. 643.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 643. Such waiver is necessary due to unforeseen refugee emergencies and factors that developed subsequent to the introduction of this legislation, requiring slightly revised authorizations.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent while we are waiting on certain Senators that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Kansas.

SENATE RESOLUTION 228—SUBMISSION OF A RESOLUTION ON SOVIET TROOPS IN CUBA

Mr. DOLE. Mr. President, I am deeply concerned about the presence of Soviet troops in Cuba. In the past few days the stationing of some 3,000 combat troops, 40 tanks, and 100 troop carriers 90 miles off our shores have come to light.

At a time when this Chamber is deliberating on the SALT II treaty as a possible advancement of détente, we are confronted with another test of U.S. determination to enhance stability in the Carribean.

I believe the Senate must take a firm stance on repeated Russian intransigence and doubledealing, and I am, for that reason, introducing a sense of the Senate resolution to implement such a firm stance. I feel so strongly, since increased Russian military presence in Cuba raises questions of whether we ought to continue considering a treaty touted as a step toward better superpower relations while the other side is deviously digging in deeper against our interests.

Mr. President, the idea of arms control, such as attempted in SALT II, rests upon a foundation of mutual conciliation and consideration for each other's security. Recent Soviet actions in Cuba again raise the question of whether such a foundation exists.

INTELLIGENCE MISMANAGEMENT

For the past few years, I have expressed doubts as to the competence of U.S. foreign policymaking. Why is it? I cannot help but wonder why the American national security apparatus is so consistently caught by surprise. Competent national security management is not supposed to be surprised so often. Most recently, the discovery of Soviet combat troops in Cuba was a surprise in part because of our own measures.

Based on these feelings, I am this afternoon introducing a resolution calling for the Senate to withhold deliberation of the SALT treaty on the Senate floor until final resolution of this incident—until we are better able to gage what the Russians are up to by such dangerous maneuverings, and whether the necessary foundation exists for any arms limitation agreement at all.

The latest Cuban incident raises a host of other concerns troubling the Senator from Kansas. Early in 1977, President Carter halted the flights of Blackbird reconnaissance planes over Cuba in an act of accommodation to what I do not know, given the presence of 40,000 Cuban troops in Africa. The Russians immediately snatched this opportunity to build up troop strength in the Western Hemisphere without detection.

How many times do we have to be surprised before we recognize that our enemies will move in wherever and whenever U.S. resolve or strength falters, or U.S. policy managers make bad decisions?

In January, we were surprised to learn that North Korea had accomplished a phenomenal military buildup over the years, to the point where the North Koreans now have the fifth largest ground army in the world.

Again in January we were surprised by the crumbling of the government of our close allies in Iran.

Mr. President, we have been continually surprised over the pace and magnitude of Soviet strategic buildup, now known to be far in excess of President Carter's forecast just 1 year ago. We have been surprised over the Warsaw Pact modernization program, again in excess of what President Carter anticipated 1 year ago.

These events must lead us to question the competence of U.S. national security management. National security management and intelligence operations are not supposed to be surprised by events, rather they are supposed to anticipate events and attempt to reduce their impact.

Many other officials, including the Senator from Kansas, I am pleased to say, have not been so surprised. I was concerned over possible Soviet-Cuban shenanigans throughout the continent when the Senate was debating the Panama Canal treaties.

Others expressed a view opposite that of the Senator from Kansas, as is reported in the CONGRESSIONAL RECORD of March 20, 1978.

DÉTENTE IN NAME ONLY

Détente has long been presented as a panacea for United States-Soviet relations. Thus the misconception has been spread that relaxation of tensions would include a significant slowdown of Soviet interference in other countries. On May 29, 1972, the United States and Russia signed, in the spirit of détente and at the time of SALT I, the document "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics." In that document both parties pledged to help prevent the development of situations capable of causing a dangerous exacerbation of their relations, to do their utmost to avoid military confrontations, to promote conditions in which all countries will live in peace and security and will not be subject to outside interference in their internal affairs.

Mr. President, let us hold the Soviets at their word. The resolution presented here, to halt further consideration of the SALT II treaty, would be a first step.

I only say, in conclusion, that I, of course, cannot proceed to call up this resolution at this time, but I suggest that at the earliest possible time the Senator from Kansas will offer the resolution as an amendment to the appropriate vehicle. I think it is an amendment that can be supported by nearly everyone in the Senate. The Senator from Kansas resolution would simply direct the President to notify the Senate of one or two things with regard to Cuban-based Soviet troops:

First, that Soviet combat troops have been removed from Cuba or, second, any Soviet troops remaining in Cuba pose no threat to the security or to the foreign policy interests of the United States or our treaty allies throughout Latin America.

Mr. President, I ask unanimous consent that following my statement the resolution be printed in the RECORD in full.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 228

Whereas the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979, has as its primary purpose the reduction of the risk of an outbreak of war between the two Parties to the Treaty;

Whereas the proliferation of nuclear weapons is only one of the paths which could lead to armed confrontation between such Parties:

Whereas any international arms control agreement depends for its enforcement on the good faith and peaceful intentions of the Parties to such agreement;

Whereas the introduction by the Soviet Union of combat troops and their support units into Cuba raises grave doubts as to the willingness of the Soviet Union to reduce the risk of armed conflict with the United States;

Whereas there exists the implied threat that such troops and support units may be used to intervene in the internal affairs of countries in the Western Hemisphere or otherwise to threaten freedom and democracy in the Western Hemisphere; and

Whereas the primary duty of the Senate in considering whether to advise and consent to the ratification of treaties is to protect the interests of the United States: Now, therefore, be it

Resolved, That it shall not be in order in the Senate to consider the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, or the resolution of ratification with respect thereto, until the President of the United States reports to the Senate in writing that—

(1) all Soviet combat troops have been removed from Cuba, or

(2) any Soviet troops remaining in Cuba pose no threat to the security or foreign policy interests of the United States or of our treaty allies throughout Latin America.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I appreciate the fact that the distinguished Senator from Kansas has indicated that it is his intention to call up an amendment at some point that is designed to put the Senate on record as opposing the calling up of the SALT II Treaty until certain things in connection with the presence of 2,800 Soviet combat personnel in Cuba are certified to by the President.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will the Senate please be in order?

The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, the Senator has put the Senate on notice that he intends to call this matter up as an amendment.

I must state that I will oppose that amendment when it is called up. It does not make any difference who calls it up. I will oppose it.

I am concerned about the presence of Soviet combat personnel in Cuba, but I think that we have to give diplomacy some opportunity to work. The administration has some responsibilities in this regard, and I think the administration should have an opportunity to exercise its best efforts through diplomatic channels.

I think we should go slowly in the Senate in regard to laying down any ultimatum or before taking a hardened position on this matter.

There is plenty of time. I said months ago that there is plenty of time to say "no" on the treaty. And there is plenty of time to say "yes" on it. I have not said "yes" or "no" up to this point. I do not know what the resolution to this Cuban matter will be, and I am not attempting to state what it should be. But I do feel the administration should have time to bring about a resolution of this matter before the treaty is called up.

The Senate should be fully aware of what it is doing should it specify that a treaty will not be called up until thus and so happens.

The majority leader would hope to have the confidence of his colleagues that he will do what is best, after assessing all the facts, after discussing the matter with Senators who have to manage measures and with the policy committee. The majority leader should have some flexibility as to when to bring a measure up.

So I do not want the Senate to scuttle the treaty by acting, in essence, in a way that lays down some kind of ultimatum or deadline or threshold which would make it impossible for proper diplomacy to effectively work its way. The Senate is not in the business, nor does it have the responsibility under the Constitution, of conducting the diplomatic work of this country.

Certainly we can and should influence foreign policy. But let us keep a cool head. Let us keep a steady hand.

Six weeks from now we may want to say that we will not take up the treaty until thus and so happens, if we so desire. We do not have to say it today, we do not have to say it tomorrow, we do not have to say it Monday.

But at this time I would oppose to the utmost of my strength and ability any amendment tying the timing of Senate consideration of the SALT II treaty to specific action on this issue. I will oppose any such amendment offered by any Member of the Senate on either side of the aisle.

(Mr. TSONGAS assumed the chair.)

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Just a moment and I will yield, and the Senator is entitled to have me yield.

I have a lot of respect for the Senator from Kansas. I do not think the Senator from Kansas has made up his mind on the treaty. That is the impression I get. For those who have made up their minds, that is their right; that is their business. But I have the impression that the Senator from Kansas is still studying the matter and giving it thorough consideration.

The treaty is still in committee. The committees have not completed their hearings on the treaty yet, so why all the rush? Committees will complete their hearings in due time, and after they complete their hearings and the treaty is reported, I will discuss this matter with the policy committee, the Republican leadership, with the chairmen and ranking members of the committees which have jurisdiction, and the decision as to when to call it up will be made.

I have said from the beginning that this Senator does not intend to make up his mind on this treaty on the basis of some peripheral issue, no matter how important. The central issue is whether the treaty itself is in the best security interests of this country now and for years to come and it conceivably may be.

I am not saying it is. I am not saying it is not. We are not discussing the treaty or the merits of it today, but the Senate will decide that issue when it comes up, and, hopefully, on the merits of the issue.

I believe there is time enough to resolve these other matters. I am not rushing to bring up the treaty the day it is reported out or 3 days after. I said earlier that I would like to bring it up around the first of October. This does not mean that it might not be the middle of October, the first of November, or later.

Mr. President, I ask that I may be permitted to proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I hope the Senator from Kansas will not take what I have said in a personal way. I know that there was some thought today on my side of the aisle of offering such an amendment. My remarks are not meant to be personal toward the Senator from Kansas.

I have talked with Senators on my side of the aisle, and I have urged that no such amendment be offered. Certainly, a Senator may offer a resolution, which will be referred to a committee. Let it take its proper course. But I do hope that no Senator will call up any amendment to any measure that will instruct the leadership not to proceed with the treaty until some certain guidelines or criteria that have been conceived by a Senator are met.

Let us give the administration some time. Let us allow diplomacy to have an opportunity to work, this matter may be resolved satisfactorily. I hope that it will.

But to put the Senate on record that it will not consider the treaty until thus and so happens is one way of keeping thus and so from happening. So I urge Senators to let those who have the responsibility of making diplomacy work have an opportunity to make it work. Efforts are being made, discussions are going on. Let us not rush to put diplomacy in a straitjacket. There will be plenty of time down the road.

I assure the Senator from Kansas that there is going to be adequate time. I could have waited to speak until he called his amendment up. But I want to call the attention of the Senate to the dangers of proceeding in this way. I am urging Senators to let diplomacy have a chance to work. We can always say "No." There is plenty of time to cut the chicken's head off when the water is boiling.

The day the Senate takes such a position, I think the Senate will be overreaching. The straitjacketing will be not so much of the Senate leadership, as it will of diplomacy and of the Nation's ability to bring about an adequate resolution of a problem.

Now I yield, and I thank the Senator from Kansas for his patience.

Mr. DOLE. The Senator is correct in almost every instance. Certainly my effort is not directed at the majority leader. I think the key word, which you have mentioned many times, is the word "time." That is why the Senator from Kansas introduced the resolution today, to put the Senate on notice that at some time soon I will be offering this resolution as an amendment to the appropriate legislative vehicle.

I also might add, in response to the distinguished majority leader, that the resolution provides for one of two things. First, whether or not the troops have been removed, or second, the President reports that if any Soviet troops remain in Cuba they are not a threat to our security or foreign policy interests. I am not certain of the final notice, but I agree we must let diplomacy work, and that is why the resolution was so worded.

Mr. ROBERT C. BYRD. I respect him for that, as I have stated.

Mr. DOLE. As the Senator from West Virginia knows, he was kind enough to carry a letter from me to Mr. Brezhnev several weeks ago, raising some questions concerning the treaty. As for those of us who voted for SALT I and might like to vote for SALT II, the Cuban troops pose a problem.

The PRESIDING OFFICER. The Chair would advise the Senator his time is expired.

Mr. ROBERT C. BYRD. Mr. President, I hesitate to impose further on the time and patience and the good nature of the Senator from Massachusetts and the Senator from North Carolina——

Mr. THURMOND. South Carolina.

Mr. ROBERT C. BYRD. From South Carolina. I hope the Senator will accept my apology. I was born in North Carolina.

Mr. THURMOND. The apology is accepted. They are both wonderful States.

Mr. ROBERT C. BYRD. I ask that the Senator from Kansas have 5 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator from Kansas is recognized.

Mr. DOLE. So the Senator from Kansas would state to the majority leader that this is a new dimension which we must consider. The Senator understands very well the timing. I was not suggesting calling up the resolution now. It might be on the floor this week or next week, or I assume maybe next month. But it would seem to me, as one who has said very honestly he is uncommitted, as one who has said he would like to vote for SALT II, to indicate very strongly my dissatisfaction and puzzlement at the discovery, of Soviet combat troops in Cuba. It certainly makes it much more difficult for those of us in the undecided column.

For those who are against it, it is a plus, a bonus. For those who are undecided, it is a negative or a minus, and for those who have been for the treaty, it may be moving them into a different, undecided position.

Hopefully, the resolution presented by the Senator from Kansas would do two things. First of all, it would say to the President of the United States, "Certainly I do not want to interfere with your diplomacy, if it can be resolved."

If the President of the United States makes a finding that whatever troops may be remaining pose no threat, and presents that finding to the Senate, that would satisfy my questions.

I understand the scheduling, and who determines what may be called up and the order in which it is called up, and I have never in my 11 years in the Senate tried to frustrate the efforts of the leadership to call up a matter. I hope the majority leader understands my intent. It was not to frustrate the powers of the majority and minority leadership. I understand that, and I think I have always abided by it.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. DOLE. Yes.

Mr. BAKER. Mr. President, I thank the Senator from Kansas, and would like to commend him on expressing his intention with respect to this resolution. As I understand the situation at this time, it has not been offered as a resolution for immediate consideration, and has not been offered as an amendment, but rather for referral, as a statement of the Senator from Kansas' point of view for consideration at some future time.

I would hope that by this action, by statements many of us have made, including me, in the last 24 hours, that we are withholding judgment on what ought to happen to SALT vis-a-vis the report of combat troops in Cuba, we will be of assistance to the President, that it will underscore the importance of this, and give leverage to the administration in trying to negotiate a removal of the troops from Cuba or otherwise a satisfactory resolution of the matter.

On yesterday I indicated, as did Secretary Vance in his statement, that this administration will not accept the status quo. I do not know what that means, but I assume it means they are going to have to do something about those troops. I also hope, for my part, it means that the Russians will accept some understanding of the fact that the Senate is going to give its advice before it gives its consent to this treaty, and I hope it does.

In any event, I think the Senator from Kansas has made his point clear. I think it is entirely appropriate for him to express it in this way. I hope it turns into something of value to the administration in their negotiations with the Soviet Union, and not something destructive. I do not believe, as the Senator from Kansas has expressed, that it is any effort to thwart the legitimate efforts of the majority leader in trying to arrange the schedule and activities of the Senate.

Mr. DOLE. I appreciate the minority leader's remarks. I might suggest that it could mean calling up the treaty and having it recommitted until the troops are removed. I would hope this might be avoided by expressions of the Senator from Kansas and other similar expressions by others on both sides of the aisle.

Mr. ROBERT C. BYRD. Mr. President, the thrust of what I had to say was not that anyone was directing an action against the majority leader or the majority. That is secondary and would certainly be unintentional in any event.

The main thrust of my argument is that the Senate ought to make haste slowly in venturing into the diplomatic field. In any case the Senate will not take this treaty up for a while. In the meantime, the administration should be allowed to proceed with its diplomatic efforts.

I realize that a majority of the Senate can recommit a treaty. I certainly would not want to call up the treaty if a majority here opposed considering it.

After all, it takes two-thirds to approve the ratification of a treaty. The distinguished minority leader has stated how he feels about the treaty, the distinguished Senator from Kansas has stated how he feels, and I stated to the President 2 days ago how I feel. I told the President I have not made up my mind on the treaty.

In the meantime, I urged that every action that can be taken is taken to defuse the issue of Soviet combat troops in Cuba. Regardless of whatever decision I might reach on the treaty, I do not want the treaty brought up in an atmosphere in which peripheral matters, or emotions, may discolor the judgment of the Senate and cause it to reach anything other than a considered judgment on such an important treaty.

The PRESIDING OFFICER. The Chair advises the majority leader that his time has expired.

Mr. ROBERT C. BYRD. I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. When I talked with the President 2 days ago, I indicated that it is very important that this matter of Soviet combat troops in Cuba be resolved.

I do not know how this matter might be resolved, as of now. I do not know how long the troops have been there. I understand they may have been there for 17 years. As of now, I do not know what their mission is. But these are matters we need to pursue.

I hope the Senate will not take a step it may regret, such as laying down criteria which have to be met before that treaty can be called up.

I have said that I am not going to rush to call up the treaty. It will be called up in due time, if it is called up. I would not consider calling up this treaty without discussing it with Senator BAKER, the minority leader; Senator JAVITS, ranking member on Foreign Relations; Senator GOLDWATER, ranking member on the Intelligence Committee; and Senator TOWER, the ranking member on the Armed Services Committee.

Let us not act in haste to put the Senate on record and lay down specific criteria. I do not know what criteria should be laid down. I do not know what the results would be. There might be other alternatives that will be equally satisfactory to the Senator from Kansas and that would relieve his concern, other than just the two he has set forth.

One of them, I think, may be reasonable—that the President certify certain matters to the Senate but that can be achieved without laying down that kind of stricture by the Senate, because such a constraint could make it difficult for diplomacy to achieve its end.

Again, I apologize to the Senators who have patiently waited. What I have said I have said in the best spirit with the utmost respect for the Senator from Kansas.

SENATE RESOLUTION 229—SUBMISSION OF A RESOLUTION ON SOVIET TROOPS IN CUBA

Mr. DECONCINI submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 229

Whereas intelligence sources of the United States have revealed the presence of Soviet combat troops and their support units in Cuba;

Whereas the presence of such troops and support units poses a provocation to the United States and other countries in the Western Hemisphere; and

Whereas the President has submitted to the Senate for its advice and consent to ratification the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979: Now, therefore, be it

Resolved, That it shall not be in order in the Senate to consider the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, or the resolution of ratification with respect thereto, until the President notifies the Senate that the Government of the Union of Soviet Socialist Republics has removed all its combat troops and their support units from Cuba.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. DECONCINI. Mr. President, I am offering a sense of the Senate resolution on the question of SALT II and the existence of Soviet combat troops in Cuba.

The administration has now confirmed a force of approximately 2,300 to 3,000 combat troops in Cuba. While the presence of these troops does not, per se, appear to violate any specific agreement between the United States and the Soviet Union, it is nonetheless a provocative act. In my view, Mr. President, the Soviet leadership has been engaged for some time in a process of testing American resolve and commitment. In almost every instance, the American response to these challenges has been retreat—retreat justified by countless excuses, but retreat nonetheless.

The presence of Soviet combat troops in Cuba is serious. There is every indication that the Carter administration, speaking through Secretary of State Vance, agrees that it is serious. There has been a welcome and unambivalent expression of a similar nature from the distinguished chairman of the Senate Foreign Relations Committee. All agree, however, that the seriousness of the situation is appreciably different from that which characterized the Cuban missile crisis.

Rather than being presented with an actual and immediate threat to American security—as the presence of Soviet missiles did—we are being presented with a generalized threat to the American position in the Western hemisphere and a threat to the general tranquility of the area. The Monroe Doctrine has been the most enduring and historically important principle of American foreign policy. If the United States fails to respond in a manner sufficiently commensurate with the threat, the Soviet leadership will have made a mockery of that policy. But more is at stake even than the continued viability of the Monroe Doctrine. For if the United States does not respond adequately, it will widely be interpreted that we lack the courage to stand behind our principles and our commitments. Furthermore, Soviet combat troops 90 miles from our shores must be seen as the beginning of a policy that, if left unchecked, will continue to grow. Three thousand troops can quickly become 30,000. It is the nose of the camel in the tent.

American success in the world is, ultimately, based upon American credibility. Having power—even vast power—is useless without the will to use it. And, ironically, that will to use power—and thus be credible to others—is precisely what allows a Nation to pursue its objectives peacefully. By failing to respond we might be telling the world that we have lost our nerve, lost our national will. This can only encourage our adversaries to press even further, treading over more dangerous ground. And such a course of action by them will inevitably confront us with a true crisis, a crisis that might lead to war.

By failing to respond, the United States may well send a message to allies, potential allies, and members of the uncommitted bloc who look to us for guidance and protection. They may see danger to themselves in our failure to act. If they have counted upon us to shield them from the Soviets and we fail to effectively deal with such a clear provocation, prudence might lead them to accommodate Soviet interests. And, Mr. President, what would the effect of such a message be on the turbulent politics of the Middle East?

The American people have been told repeatedly that the Soviet Union is genuinely committed to peace. Détente, we are told, which is a policy of mutual accommodation, now characterizes our relationship. The SALT process itself is often cited as proof of this view. I hope—no, I pray—they are right. But if the Soviets are truly committed to peace, let them prove it. If they are truly committed to détente, let them prove it. Let them withdraw their combat troops from Cuba.

Mr. President, the resolution I propose is simple. It expresses the sense of the Senate that the debate on SALT II should be forestalled until the President of the United States can certify to the Senate that Soviet combat troops have been withdrawn from Cuba. I believe, Mr. President, that this resolution reflects the views of a majority of my colleagues; but, more importantly, I believe it expresses the deep feelings of the majority of the American people. For the sake of America's long-term national and security interests, I urge my colleagues to support this effort, and I urge the members of the Foreign Relations Committee to give quick and favorable consideration to this proposal.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Senator's time has expired.

Morning business is closed.

REFUGEE ACT OF 1979

The PRESIDING OFFICER. The Senate will now resume consideration of S. 643. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Massachusetts and the Senator from South Carolina, with 30 minutes on any amendment and 20 minutes on any debatable motion, appeal, or point of order, if such is submitted.

Who yields time?

Mr. KENNEDY. Mr. President, I yield myself such time as I may need.

Before explaining the essential features of the bill, Mr. President, I want first of all to pay tribute to the Senators, some 14 Senators, who have cosponsored this legislation, and the members of the Committee on the Judiciary, who worked closely together in reporting this legislation out unanimously.

I especially thank those Senators who have expressed an interest in supporting efforts to reform the laws on how we help resettle refugees—especially Senator BOSCHWITZ, who has been particularly active and who, though not a member of the committee, has taken a great interest, along with other Members of the Senate, in this matter; also, I want to thank Senator CHURCH and Senator JAVITS of the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that Jerry Tinker, Antonia Hernandez, and Ben Dixon of Senator BAYH's staff be granted the privilege of the floor during debate and any votes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Roger LeMaster of my staff may be granted the privilege of the floor during debate and voting on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Dusenbury, Mr. Hultman, and Miss Rogers of the Committee on the Judiciary be granted the privilege of the floor during consideration of this legislation today and tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, the bill we are considering today—S. 643, the Refugee Act of 1979—deals with one of the oldest and most important themes in our Nation's history: Welcoming homeless refugees to our shores. It also will

give statutory meaning to our national commitment to human rights and humanitarian concerns, which are not now reflected in our immigration laws.

They relate to our country's ability to respond to the needs of refugees and homeless people around the world—which touch at the heart of America's foreign policy.

Refugees have become a worldwide phenomenon of our time—the tragedy of countless men, women, and children forced to leave their homes and lands for as many reasons as there are for the violence and conflict among people and nations.

Almost daily, we see their tired, sad, weary images on our televisions and in our newspapers. Whether they be the "boat people" fleeing the upheavals in Indochina, refugees in Southern Africa fleeing racism or guerrilla war, or Soviet Jews and Eastern Europeans seeking the promise of the Helsinki Accords, their plight is known to us.

And America has responded.

We have a proud record of accomplishment in offering a helping hand to refugees, and I believe our national policy of welcome to the homeless has served our country and our traditions well.

Today we are considering legislation that will help us to do this job better—to resettle refugees more humanely, with greater planning, and at reduced costs.

For too long, our Nation's policy toward refugee assistance and resettlement has been AD HOC with refugees being admitted in fits and starts, and after long delays and great human suffering—because our existing immigration law is inadequate, discriminatory, and totally out of touch with today's needs.

The legislation before us will update our law governing the admission and resettlement of refugees. It will help insure greater equity in our treatment of refugees. It will rationalize and put in the statute how we treat all refugees, and make our law conform to the United Nations Convention and protocol relating to the status of refugees, which we signed in 1969.

Briefly, the bill accomplishes five basic objectives:

First, it repeals the current immigration law's discriminatory treatment of refugees by providing a new definition of a refugee that recognizes the plight of homeless people all over the world, and by according refugee admissions the same immigration status given all other immigrants.

Second, it raises the annual limitation on regular refugee admissions from 17,400 to 50,000. This is accomplished without—and let me emphasize this—without really increasing overall annual immigration to the United States in recent years, since the parole authority has been used repeatedly to exceed the current 17,400 limit on refugee admissions.

Third, the bill provides an orderly but flexible procedure for meeting emergency refugee situations and any other situations of special concern to the United States, if the resettlement needs of the homeless people involved cannot be met within the regular 50,000 ceiling.

Fourth, it provides for the first time the statutory requirement that Congress be consulted before refugees are admitted, and defines and exerts congressional control over the process.

Fifth, it provides for Federal support of the refugee resettlement process and extends coverage to all refugees entering the United States for 2 years for cash and medical benefits, and for a longer period for other programs that help the refugees normalize their lives in their adopted communities.

MAJOR PROVISIONS OF THE BILL

Mr. President, for the record, let me review in more detail the major provisions of the bill and the action the Judiciary Committee took before unanimously reporting it to the Senate.

NEW REFUGEE DEFINITION

First, the bill provides a new statutory definition of a refugee which basically conforms to that used under the United Nations Convention and protocol relating to the status of refugees, which we signed in 1969. It eliminates the geographical and ideological restrictions now applicable to conditional entrant refugees under section 203(a)(7) of the Immigration and Nationality Act.

The new definition was amended by the committee to include "displaced persons" who are not technically covered by the United Nations Convention, to insure maximum flexibility in responding to the needs of the homeless who are of special concern to the United States. This flexibility is needed, for example, to handle such situations as the evacuation of Saigon. The Vietnamese refugees we evacuated in 1975 were "displaced persons" and "evacuees," and would not be covered by the U.N. definition originally in the bill.

The committee also believes that the addition of the phrase referring to a "displaced person" as a person "uprooted because of arbitrary detention" and "unable to return to his usual place of abode" will accommodate political prisoners and detainees who need resettlement opportunities outside their country.

Mr. President, we have heard some people say that this new definition of a refugee encompasses the world, and that it will open the floodgates. Let me state now, in no uncertain terms, that this change in the legal definition of a refugee will not mean that an unlimited number of refugees can or will be admitted to the United States.

What is "unlimited" is not the pending bill, but current law. Under the use of the parole authority in section 212(d)(5) of the Immigration and Nationality Act, both the numbers as well as the procedures involved in bringing groups of refugees to the United States are totally unlimited by law.

The pending bill limits the admissions of refugees, not only by establishing a "normal flow" ceiling of 50,000, but more importantly by exerting congressional control over the entire process—including emergency situations. The bill writes into law what is now governed merely by custom and ad hoc practice. It establishes specific procedures and requirements the President must follow prior to a decision to admit refugees beyond the 50,000 ceiling—not after the fact.

The definition in the bill reflects our treaty obligations to refugees under the U.N. convention and protocol. But in terms of large group admissions of refugees, it adds the important caveat that they must be "of special concern to the United States." In practice, this has been the informal rule governing our current admission policies. Under the existing definition—which reflects the 1952 view of refugees as coming only "from communism or certain areas of the Middle East"—more than a million Palestinian refugees were technically eligible for resettlement in the United States. Obviously, such numbers were not admitted—not because of the definition in the law, but because we made a policy determination that our best humanitarian response to the needs of Palestinian refugees was to assist them where they were locally settled and that resettlement in the United States was not necessary.

In short, Mr. President, simply because a group of refugees meets the refugee definition in our law does not mean automatic resettlement in the United States. That is a public policy question that must be made in each case by the American people through their elected representatives and the President. The phrase in S. 643—"of special concern"—establishes this requirement in law, rather than leaving it to vague custom or practice.

PROVISIONS FOR ADMITTING REFUGEES

In fact, Mr. President, the central feature of this bill is the establishment of a statutory framework governing the admission of refugees during "normal flow" periods as well as during emergency situations.

Sections 207 through 210 of the bill write into the Immigration and Nationality Act the role of Congress in the admission process, ending the years of ad hoc use of the parole authority. The bill provides for a normal flow of refugees, not to exceed 50,000 each year, except as provided to meet emergency situations that can be foreseen before the beginning of the fiscal year, and for which prior planning can be undertaken. Again, as I noted earlier, the admission numbers will be allocated to groups of refugees "of special concern to the United States." The President may admit more than the annual normal flow of refugees if, after consultation with the Committees on the Judiciary, he believes it is justified by urgent humanitarian concerns or is otherwise in the national interest.

For example, if the bill were law today, the President would have determined some months ago, as he has, that the national interest calls for the admission of more than 50,000 refugees of special concern to the United States in fiscal year 1980. But he would have first submitted his proposal to, and "consulted" with, the Judiciary Committees.

As the Senate knows, Mr. President, under current authorities, the President has decided to resettle some 200,000 refugees next year. Both the authorization and appropriations bills needed to implement this decision are well on their way toward enactment. And, without

this bill, parole authority would be used to respond to the emergency situation that exists today among Soviet Jewish refugees and Indochinese refugees.

What is missing, however, from the current decisionmaking process is the overall framework and efficiency the pending bill would have brought to the process if it were law.

Over the past several years, millions of dollars could have been saved through the more effective planning this bill calls for. Although it is hard to place an exact dollar figure on the savings that might have been made, some examples are readily at hand.

For instance, just this past March, a backlog of some 10,000 Soviet Jewish refugees developed at the processing center in Rome simply because immigrant numbers were temporarily oversubscribed under the 7th preference, and no parole numbers were available. The result was that, over a 3- to 4-month period, some $10 million were wasted on unnecessary care and maintenance costs for refugees clearly destined for the United States. The money should have been spent helping them resettle here, rather than keeping them waiting over there.

A second example is the fits and starts that have characterized our Indochinese refugee program since 1976. There have been five different parole actions, and five different parole programs started. They ended only to have new ones start again some months later when refugee numbers mounted. This required five different ups-and-downs in the bureaucratic structure necessary to process the refugees; five different staffing requirements of the Department of State and Immigration Service; five different leasing of buildings, and support services—all for what was, in fact, a continuing program. But because of the limitations of current law and practice, it did not function as such. The estimated costs of this fruitless exercise cannot be fully tabulated, but they run into the millions.

Another example, referred to by the voluntary agencies in their testimony in support of the bill, is the savings that could be made if the agencies were better able to plan and prepare for refugee arrivals. They are plagued by the uncertain, ad hoc character of the current program. It makes it virtually impossible for them to efficiently plan for the resettlement of refugees.

Also, the States have rightly complained that they are unable to effectively coordinate State or community services if they have no idea before the beginning of the fiscal year—or even during the fiscal year—about the number of refugees expected to be resettled in ther States and communities.

In short, if the pending bill were law, the chaotic character of our current refugee resettlement effort would give way to a process of planning and advanced programing. Before final decisions were made in the executive branch, there would have been greater congressional control and involvement. The refugees would have been treated more equitably. The voluntary agencies and others assisting in the resettlement process would have been given advanced notice. And finally, considerable taxpayers' money could have been saved.

TOTAL IMMIGRATION

For the record, Mr. President, let me emphasize that the 50,000 annual refugee numbers authorized in the bill will not really increase our annual immigration flow, since by use of the parole authority over the past several decades the United States has accepted, on an average, 45,000 refugees each year. These statistics are outlined in tables I and II on page 6 of the committee report.

However, refugees admitted under the emergency provisions in the bill, would fall outside the annual immigration ceiling—as they have been in practice over the past 30 years.

CONSULTATION PROCESS

Mr. President, in considering the bill, the Judiciary Committee was concerned that the role of Congress should be explicitly stated in the decisionmaking process governing the admission of refugees. As amended by the committee, the bill specifically defines the "consultation process" and codifies what is currently an informal, customary process. The bill establishes what "consultation" with Congress means, thereby exerting congressional control over each group of refugees admitted to the United States.

Specifically, section 207(a)(2) provides that "consultation" means "personal contact"—not just a letter or communication—by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible U.S. participation—to discuss the reasons for believing that the proposed admission of refugees is in the national interest.

Also, as you can see on pages 6 and 7, the President must provide detailed information on:

First, description of the refugee situation;

Second, a description of the refugees who may be admitted, plans for their resettlement, estimated cost of their resettlement, analysis of their resettleability, and an analysis of conditions within the countries from which they originated;

Third, an analysis of the anticipated social, economic, and demographic impact to the United States;

Fourth, a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

Fifth, an analysis of the impact of the United States participation in the resettlement of such refugees on U.S. foreign policy interests; and

Sixth, such additional information as may be appropriate.

ADMISSION PROCEDURES

Mr. President, the bill provides that "normal flow" refugees will be admitted as lawful permanent residents, rather than under the current 2-year conditional entry status. This is an important reform that ends the discriminatory practice of not granting to refugees what we grant to all other immigrants that we anticipate will come to the United States in any given year. This has all kinds of implications in terms of being able to find employment and being able to involve themselves in various community activity. All persons accepted for immigration purposes will be treated equally, and granted permanent resident status. Like other immigrants, refugees can be admitted with a visa or other immigrant document prescribed under regulations established by the attorney general.

This provision of the bill was strongly supported by the voluntary agencies who have carried the principal burden of helping refugees resettle in the United States over the past three decades.

ASYLUM PROVISION

Mr. President, another extremely important reform achieved by this bill is the establishment, for the first time, of a clearly stated asylum provision in our immigration law. Section 207(b) improves and clarifies the procedures for determining asylum claims filed by aliens who are physically present in the United States.

The bill requires the Attorney General to establish a uniform procedure for passing upon an asylum application. We believe such a uniform procedure should allow all asylum applicants an opportunity to have their claims considered outside a deportation and/or exclusion proceeding, provided the order to show cause has not been issued.

The bill provides that persons granted asylum shall be placed into a conditional admission status equivalent in most respects to that provided under current law to refugees admitted under present section 203(a)(7) or under this bill's proposed section 208. The bill also makes it clear that the Attorney General may terminate the conditional admission status if conditions change in the individual's home country so that he would no longer be subject to persecution upon return.

The bill allows the use of up to 5,000 numbers a year for adjustment of status of a refugee granted asylum to that of lawful permanent resident.

EMERGENCY ADMISSION PROCEDURES

Mr. President, an essential feature of the bill is the establishment, for the first time, of procedures governing the admission of refugees in unforeseen emergency situations. If the President determines, after consultations with the Judiciary Committees, that an emergency refugee situation exists—that the admission of refugees in response to such an emergency is justified by grave humanitarian concerns or is otherwise in the national interest—he may fix a number of refugees to be admitted. Allocation of those admissions will be in accordance with a presidential determination to be developed during his consultations with the Judiciary Committees.

Thereafter, the attorney general will admit to the U.S. emergency situation refugees who establish that they meet the refugee definition and that they are not firmly resettled in any foreign country. The attorney general may admit them as conditional entrants or as permanent resident aliens.

DOMESTIC RESETTLEMENT ASSISTANCE

Mr. President, a crucial part of this bill is title III, which authorizes Federal assistance in resettling refugees in the United States. Because the admission of refugees is the result of a national policy decision, and by Federal action, obviously the Federal Government has a responsibility to assist States and local communities in resettling the refugees—assisting them until they are self-supporting and contributing members of their adopted communities.

As the committee report notes, title III amends the Migration and Refugee Assistance Act of 1962, which has been the underlying source of authority for allover refugee programs. The bill expands these programs to cover all refugees admitted to the United States, and builds upon the experience and lessons learned from the Cuban and Indochinese programs.

Specifically, title III carries forward and expands upon the current domestic resettlement programs authorized under the Indochina refugee assistance program—which expires on September 30, 1979. This program primarily provides qualified refugees with cash assistance under a modified aid to families with dependent children program. Secondly, it provides medical assistance according to each State's medicaid program. And, finally, it provides social services of the title XX type of the Social Security Act according to the plan approved for each State by the Federal Government. These services vary from State to State and include such services as: Day care, hygiene, family planning, cultural counseling, home management, transportation, housing improvement, ethnic skills, protective service for adults, life skills, vocation services and training, English as a second language training, job referral, nutrition, driver's education.

These three types of Federal assistance are provided through a 100-percent reimbursement to the States for all refugees who do not qualify for the regular AFDC-medicaid programs. For those who do qualify for the regular programs, the funds cover the State's portion of payment for these services.

The specific assistance programs authorized in title III are outlined on pages 11 and 12 of the committee report.

Mr. President, in considering this section of the bill, the committee was mindful of the deep concern of many State and local agencies that Federal assistance authorized under these programs should be for a reasonable period of time—to assure that local communities will not be taxed for a program they did not initiate. The committee was also concerned that we must learn from the Cuban refugee program—which has continued on year after year—that we must establish some limits on Federal responsibility.

As the bill was originally submitted by the administration, there was a 2-year limitation on most programs authorized in title III. The committee felt that this 2-year, across the board limitation, was too restrictive, and was inadequate to meet the resettlement needs of refugees. Therefore, we amended the bill to place no time limitation upon assistance programs authorized by title III, except for the 100 percent reimbursement of cash and medical payments.

The bill was also amended to continue the "special project" funds currently authorized in the Indochina Migration and Refugee Assistance Act of 1975, to provide up to $40 million annually "for special projects and programs, administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and in gaining skills and education necessary to become self-reliant."

In testimony before the committee, the voluntary agencies strongly felt these provisions were adequate, and that a 2-year funding of cash and medical assistance was adequate. The administration believes that the vast majority of the refugees are self-supporting and contributing members of their communities within 2 years.

Obviously, Mr. President, there will be residual needs among some refugees beyond 2 years, but the committee believes these needs can be met through the other programs authorized in the bill—such as social service programs—when the 2-year limit on Federal support of cash and medical payments end.

It is important to remember that refugees are really not a dependent population. Most were productive, contributing members of their home countries before circumstances forced them to flee as refugees. As a report, undertaken by the new Transcentury Foundation for HEW has recently concluded:

> Generally, refugees should be viewed, not as dependent populations, but rather as persons who are temporarily unemployed who need specialized types of support systems, such as language training, cultural orientation, and the ability to transfer skills from their former socioeconomic system to that of the United States.

That is precisely the kind of assistance authorized in the bill, and we believe for an adequate period of time, at reasonable cost to the Federal Government.

BUDGET SUMMARY

Mr. President, as the report of the committee notes, the purpose of S. 643 is to establish a permanent authority in the law to admit and to assist refugees resettling in the United States. It does not authorize specified sums, since funding requirements for refugees will depend upon the number of refugees admitted each year. Annual authorizations and appropriations will obviously be necessary, and budget requests will be submitted each fiscal year to the appropriate committees.

For fiscal year 1980, budget requests are already being considered by the appropriate committees and, as I noted earlier, final action is scheduled this week in the House and shortly thereafter in the Senate. According to the revised estimate of the Congressional Budget Office, the cost estimate for 1980 under the provisions of this bill is $245,000,000.

In addition to these domestic costs authorized under this bill, there are other refugee costs overseas, as authorized each year in the Department of State authorization bill. All together, we will be spending approximately $450 million in direct support of refugees—both overseas as well as in the United States.

OTHER QUESTIONS CONCERNING THE BILL

Finally, Mr. President, since the committee filed the report on the bill, some additional questions and concerns have been raised which I would like to clarify briefly, as well as provide a brief history of this legislation. First, why is this bill nedeed now; to respond to the "boat people"?

No, this reform legislation has been pending in various forms in Congress for some years. However, the current crisis of refugees in Indochina has underscored the need for the permanent structure and framework this legislation will bring to our refugee resettlement programs.

I first introduced a similar version of this bill 10 years ago, in 1969. Reform of our immigration laws governing the admission of refugees is one of the major unresolved issues left after the major reforms were enacted in 1965. As the committee notes in the report, last year, at my request, the administration, in consultation with the commitee, renewed efforts to draft a bill reflecting a consensus on what needed to be done to bring remedial reform to our refugee laws and programs. After several months of intensive activity—with close consultations with Members of Congress, with the volunteer agencies, with State and local agencies—the bill was introduced in both the House and Senate at the joint request of the Secretary of State, the Attorney General, and the Secretary of Health, Education, and Welfare.

Hearings were held on March 14 by the full Judiciary Committee and the record kept open for over a month, to solicit additional views from concerned citizens and groups.

Again, the current refugee crisis in Indochina—and the earlier backlog of Soviet Jews in Rome—only illustrates the need for remedial reform in this important area of public policy.

WHO SUPPORTS THIS LEGISLATION?

The bill, of course, has the strong support of the administration. But it also has the support of every major religious and church group in the United States. It has the support of all of the voluntary agencies, the AFL-CIO, and many other organizations who have written to the committee in the strongest possible terms.

For example, here is what the American Council of Voluntary Agencies has written just this week to every Senator:

> The voluntary agencies since World War II have resettled over a million and a half refugees from all walks of life, with various religious convictions from all parts of the world, demonstrating a true national commitment on the part of the American people to provide a haven for the homeless. In recent years, however, the very restrictive definition of refugee has encumbered their admission to the United States. It has been demonstrated time and time again that the limited numbers contained in the present law are insufficient to meet the requirements for their admission to this country. The Congress and the administrative branches of our Government have struggled through one refugee situation after another to find a means of admitting the refugees so that we may live up to the humanitarian principles on which our Nation was founded. The solution, all too often as a last resort, has been the use of the parole authority by the Attorney General of the United States. This ad hoc approach results in problems of the funding which is required for the movement and resettlement of the refugees.
>
> For the voluntary agencies it becomes extremely difficult to plan and carry out effective resettlement programs. It is impossible for us to determine how many refugees will be admitted in a given period of time, the rate of admission and the Government funding which will be available to assist in the resettlement process. Thus inhibited, it is not always possible to martial and utilize the vast resources of the private sector which ultimately will determine the success or failure of any resettlement program.
>
> The Refugee Act is the result of many years of research, study and work and has been developed in consultation with the voluntary resettlement agencies. A well balanced approach has been developed and it is our hope that the formulas suggested will be maintained so that the objectives of the legislation can be achieved. We urge your support of this extremely vital legislation.

The AFL-CIO has submitted a strong statement in support of the bill at the time of the hearing, and renewed support for that in a letter to me today. The AFL-CIO states:

> The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and abiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hilter's holocaust, and our assistance to Hungarians, other East Europeans, Cubans, and most recently, Indochinese, testifies to this commitment.
>
> While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.
>
> The "refugee act of 1979" is long overdue.
>
> In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resettling the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

Concerned citizens, such as the distinguished black leader, Bayard Rustin, have expressed their strong support for the bill. In a personal statement read at the committee hearing, Bayard Rustin said:

> The black community has a deep and continuing interest in the fate of political refugees, whether they be victims of South Africa's apartheid, Pol Pot's perverse paranoia, Idi Amin's atrocities, Soviet inhumanity, or Vietnamese retribution.
>
> We live in constant struggle. We hunger for freedom. We understand what it means to be pushed aside and forgotten. Nearly 1 year ago, more than 90 black leaders from civil rights, labor, business, community and professional organizations signed a statement which appeared in the New York Times urging the admission of Indochinese refugees into the United States.
>
> For black Americans to allow a linkage between our continuing struggle for economic and political freedom and the struggles of political refugees to be broken can surely diminish our own chances for success.
>
> The most common objection to admitting additional political refugees into our country is that the unemployment situation is already intolerable. No group of people in the United States suffer more from unemployment than black Americans. Yet, the nine black leaders who signed the New York Times statement rejected such an argument as dehumanizing for black people and American ideals. As I am sure you are aware, so has the AFL-CIO Executive Council.
>
> I offer my unqualified support of the Refugee Act of 1979 and am confident that my views are shared by many others in the black community.

Mr. President, the committee has received many other such statements, and most are printed in the appendix of the committee's hearing on the bill—beginning on page 148.

What are other countries doing to accept refugees?

Mr. President, we sometimes hear the complaint that the United States is accepting more refugees than anyone else—and why should we do more for refugees when other countries are not.

The plain fact is, Mr. President, that other countries are acting in support of refugees. And while the United States, as a large country accepts a large number of refugees, in per capita terms we accept less than several countries. For example, even in terms of Indochinese refugees—for whom we have a special concern—the United States has taken fewer "boat people" per capita than either Australia or France. And in total numbers, China has accepted more Indochinese refugees than we have.

More importantly, following the recent Geneva meeting on the Indochinese refugee crisis, almost every nation participating in the U.N. High Commissioner for Refugees' program redoubled their efforts to resettle more refugees—as this table shows, which I will insert in the RECORD. However, without the leadership of the United States—our expressed willingness to do more—few other countries would not have responded, and thousands of "boat people" would have been left to drown at sea.

Also, we must acknowledge the special refugee burdens some countries are carrying in helping refugees. For even as we stress that we accept thousands of refugees from Indochina and Eastern Europe, especially Soviet Jews, many countries are resettling or providing safe-haven for large numbers of refugees as well—such as the 200,000 African refugees accepted in recent years by Tanzania, one of the 25 poorest countries in the world, which nonetheleses has a remarkable record of hospitality toward refugees.

Countries such as Israel, Germany, and Britain also have responded to the resettlement needs of thousands of certain ethnic refugees for whom they feel a special responsibility. So the United States is one of many countries assisting refugees.

What about the vast costs involved in resettling refugees?

As I noted earlier, Mr. President, S. 643 does not authorize specific sums. It provides a permanent authorization for admitting and assisting refugees resettling in the United States. The future costs involved will depend upon the number of refugees admitted each year, and that will be governed by annual appropriations voted by Congress.

However, it is anticipated that some $450 to $500 million will be required to fund all aspects of our refugee resettlement program in fiscal year 1980. While this is a large sum, it must be seen in comparison to other Federal expenditures that may not affect the fate of thousands of human beings, and which reaches to the core of what America is all about.

Mr. President, it is hard to place a dollar figure on what the Statue of Liberty and our humanitarian traditions are worth. I do not believe $500 million is too high.

What about the work of the Select Commission on Immigration and Refugee Policy?

Mr. President, last year I helped expedite legislation that estalished a Select Commission on Immigration and Refugee Policy to undertake a 2-year study of our Nation's immigration laws—which are a generation out-of-date. We are still living with the 1952 statute, which was enacted over President Truman's veto. It was flawed from the beginning with discriminatory and anti-alien provisions. Some of the more blatant sections were repealed by the 1965 act. But not much else has changed.

The task of the Select Commission is to recodify our immigration law, and to recommend what our total immigration policy should be for the remainder of this century. The Commission has now begun its important assignment.

But, Mr. President, the existence of the Select Commission must not mean that Congress should stand idle on pressing immigration issues. It must not be an excuse for delaying consideration of urgent, remedial immigration reforms. The Judiciary Committees should not ignore legislative proposals in the immigration field, for which there is already a broad consensus on the need to act, pending the report of the Select Commission in 1981.

Action on refugee legislation clearly fails into this category—as the Chairman of the Select Commission, former Gov. Reubin Askew, has publicly acknowledged. Similarly, the existence of the Select Commission will not deter the Judiciary Committees from considering certain other immigration reforms. For example, both houses will soon consider an immigration "efficiency package," submitted by the Immigration and Naturalization Service, to repeal several unnecessary and archaic provisions of the Immigration and Nationality Act.

Elimination of these provisions will save the taxpayers some $1.5 million each year. Surely, no one would argue

that the Congress delay passage of such legislation until the final report of the Select Commission is issued in 2 years.

Why does the bill ignore the general question of immigration flow, including undocumented aliens?

Again, Mr. President, such broad questions are beyond the scope of the pending bill. S. 643 simply provides remedial reforms to a single section of the immigration law: refugee admissions. In reporting out such refugee reforms, the Judiciary Committee was not unconcerned about other aspects of immigration policy, or other issues of immigration law. The committee has before it, for example, a number of legislative proposals and studies on the undocumented alien question: Hearings, reports, and other actions will likely follow during this Congress.

But, more importantly, these broad questions are in the province of the Select Commission's mandate—to review overall aspects of our immigration law and migration patterns to our country. The Senate Judiciary Committee has already indicated its strong support for this task. In a report I had prepared on the committee's program for the first session of the 96th Congress, we noted that:

One of the primary concerns of the committee * * * will be to assure the effective functioning and successful work of this Select Commission. The resources of the committee, and the time of its members and staff, will be made available for this purpose.

In conclusion, Mr. President, for the RECORD, I would like to submit the text of a letter I received yesterday from the AFL–CIO reaffirming their strong support for the pending refugee bill.

I would also like to include for the RECORD the important statement issued in support of the bill today by the American Council of Voluntary Agencies.

I ask that both statements be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., September 5, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Judiciary Committee, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Senate is scheduled this week to consider S. 643, the "Refugee Act of 1979." This bill is designed to improve the procedures for the admission of refugees into the United States. It has the strong support of the AFL–CIO.

The American labor movement has a deep and abiding commitment to aid refugees from discrimination and oppression. S. 643 is designed to provide such assistance and enactment of legislation along the lines provided for in this bill is long overdue.

We believe that the principal fears to which opponents of S. 643 may give voice—that it will open the country to unmanageable number of refugees and that the cost of their resettlement permanently in the United States will be prohibitive—are unwarranted.

The bill increases the number of refugees who could be admitted each year from 17,400 to 50,000, but this does not represent an actual increase in the number who have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situations.

S. 643 is humanitarian legislation of great importance. It will do much to improve procedures for admission of refugees into the United States and provide sound implementation of our international commitments in this respect. The bill has the strong support of the AFL–CIO and we urge its passage by the Senate.

Sincerely,

KENNETH YOUNG,
Director, Department of Legislation.

STATEMENT BY THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The AFL–CIO is pleased to submit its views on the "Refugee Act of 1979," a bill which, if passed, will do much to revise the procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and abiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hitler's holocaust, and our assistance to Hungarians, other East Europeans, Cubans, and most recently, Indochinese, testifies to this commitment.

While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.

The "Refugee Act of 1979" is long overdue. While the Immigration and Nationality Act of 1952 served its purposes well, the last few years have witnessed increasing tension between the Congress and the Executive branch over the process by which political refugees are admitted into the United States. It must be said that each branch of government bears its share of the blame for the lack of a consistent and coherent policy toward political refugees. This is why the process of consultation that apparently went into the drafting of this bill is so important. It demonstrates a new spirit of cooperation, an end to an unfortunate interlude which made every decision on paroling political refugees an unnecessary skirmish. President Carter, Senator Kennedy, Representatives Rodino and Holtzman, and others are to be commended for their efforts to rationalize the law. The result will greatly ease the suffering of people who have not as yet made the awesome decision to embark upon a life as a political refugee.

In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resettling the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

While the Act does increase the number of political refugees who could be admitted each year from 17,400 to 50,000, this does not represent an actual increase in the number which have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situations.

How is it that the AFL-CIO, some might ask, is willing to support the continued admission of refugees when unemployment is already intolerably high? The essential reason is our belief in the fundamental American values, values which place a premium on human life and freedom. No organization is more concerned about the problem of unemployment than the AFL-CIO. But that problem will be only marginally affected by the number of refugees the United States is likely to admit annually.

Many of those who voice concern about increasing the number of political refugees admitted into the country are the same people who are unwilling to support effective measures to stem the flow of illegal aliens across our borders. To fail to live up to our international responsibility to grant resettlement opportunities to political refugees because we have failed to prevent millions of illegals from entering is myopic at best, and perverse at worst.

The cost factor is also essentially a nonissue. The proposed legislation calls for the termination of federal assistance to refugees after they have been in the country for two years. Many will be off assistance long before that. In other words, the "Refugee Act of 1979" imposes a limit, albeit a reasonable one, where limits do not presently exist.

Certainly, resettling refugees will cost substantial tax dollars, but, in our view, this is an investment in America's future. The refugees quickly become taxpayers and consumers, thus creating jobs in the long run. Another important factor to keep in mind is that the cost of resettling refugees is not borne solely by the states and the federal government. Dozens of voluntary organizations match government funds dollar for dollar in the resettling process. Thousands of individual Americans contribute their time and money to assist the refugee and his family in making the transition into American life. We are, incidentally proud to point out that the AFL–CIO has collected thousands of dollars, from our international unions as well as our state and city labor centers, to aid in the resettlement of Indochina refugees.

There are other important aspects of the "Refugee Act of 1979" which should be addressed for the record.

The new definition of the term "refugee" in the bill is a change which is necessary if the United States is to maintain a credible human rights policy. The language conforms closely with that in the United Nations Convention and Protocol Relating to the Status of Refugees. Above all, it reflects international reality. While the Communist dictatorships continue to generate the greatest number of political refugees, it is clear that the ideologically bizarre dictatorships which abound in the world today are generating an increasing number. The Act's redefinition takes this into account.

As alluded to earlier, the provisions of the bill which clarify the use of the Attorney General's parole authority and provide a new procedure for admitting refugees in emergency situations are most welcome. It should mean better planning and smoother implementation of the law, while minimizing differences between the Legislative and Executive branches which have in the past, resulted in needless suffering by the refugees.

The United Nations High Commissioner for Refugees has pointed out that the bill lacks any provision for "granting asylum to individuals who are refugees in accordance with the definition set out in the Bill." While such a provision may not have been necessary in the past because of our relative geographic isolation, changes in modes of international

travel, make the UNHCR's suggestions on asylum procedures worthy of inclusion in the bill.

The AFL–CIO's continuing involvement in urging a more generous, open-ended U.S. policy of admitting Indochinese refugees is well-known. We believe that the "Refugee Act of 1979" provides an excellent legal and administrative mechanism for the realization of that goal. But as the attached AFL–CIO Executive Council statement on Indochinese refugees, passed last month, states: "In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing number of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. Government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of refugees."

In concert with U.S. diplomatic initiative, passage of the "Refugee Act of 1979" will provide the international community with the leadership necessary to develop a comprehensive effort to rescue and resettle hundreds of thousands of desperate political refugees each year.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON INDOCHINESE REFUGEES

During the past year the AFL–CIO has worked actively for the adoption of a more compassionate, open-minded policy for the admission of Indochinese refugees into the United States. While the administration, with congressional approval, has more than doubled the number of refugees admitted into the country, much remains to be done.

Thousands continue to flee from Vietnam, Laos and Cambodia. Many people, especially ethnic Chinese, are leaving Vietnam after paying substantial bribes to Communist officials. Repeated claims that these people are not bona fide political refugees have been made by governments in Southeast Asia. Such myopic reasoning defies international law and basic humanitarianism.

At an international consultation held in Geneva last December, under the auspices of the United Nations High Commissioner for Refugees, representatives of 35 free nations expressed sympathy for those making the dangerous exodus. Yet, no nation made firm commitments to accept a sufficient number of refugees for permanent resettlement.

In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing numbers of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of the refugees.

Meanwhile, the AFL–CIO Executive Council reaffirms its statement of February 1978. The AFL–CIO strongly urges that the administration further increase admissions of Indochinese refugees into the United States. To demonstrate our commitment, the AFL–CIO has established the Southeast Asian Refugee Fund to raise money for U.S. voluntary organizations which assist in the resettlement effort. All affiliated unions, state and local central bodies are urged to contribute generously to the fund.

AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE, INC.,
New York, N.Y., August 31, 1979.

DEAR SENATOR:

As you are aware, the last major revision of the provisions of the U.S. Immigration and Nationality Act dealing with the selection and admission of refugees into the United States was made in 1965. Since that time the number of refugees has unfortunately increased not only in total number, but also in the area of geographical location. Our present laws cannot respond to the humanitarian needs of the refugees and the international concerns of our country.

Thus, we the voluntary resettlement agencies who are charged with reception and resettlement of refugees admitted to the United States are most gratified with the action taken by the Senate Judiciary Committee in unanimous reporting out S. 643, the Refugee Act of 1979. This measure will come to the floor of the Senate for consideration immediately after the August recess.

The voluntary agencies since World War II have resettled over a million and a half refugees from all walks of life, with various religious convictions from all parts of the world, demonstrating a true national commitment on the part of the American people to provide a haven for the homeless. In recent years, however, the very restrictive definition of refugee has encumbered their admission to the United States. It has been demonstrated time and time again that the limited numbers contained in the present law are insufficient to meet the requirements for their admission to this country. The Congress and the Administrative branches of our Government have struggled through one refugee situation after another to find a means of admitting the refugees so that we may live up to the humanitarian principles on which our nation was founded. The solution, all too often as a last resort, has been the use of the parole authority by the Attorney General of the United States. This ad hoc approach results in problems of the funding which is required for the movement and resettlement of the refugees.

For the voluntary agencies it becomes extremely difficult to plan and carry out effective resettlement programs. It is impossible for us to determine how many refugees will be admitted in a given period of time, the rate of admission and the government funding which will be available to assist in the resettlement process. Thus inhibited, it is not always possible to martial and utilize the vast resources of the private sector which ultimately will determine the sucess or failure of any resettlement program.

S. 643 provides a meaningful definition of refugee, a reasonable number of visas available to accommodate the normal refugee flow and provides a mechanism whereby emergency situations can be addressed by the Administration after consultation with appropriate committees of the Congress. In addition, it provides the authorization for the funding necessary for the selection, movement and resettlement of all refugees and on an equal basis. We realize, of course, it is not possible to predict with a great degree of certitude the extent and therefore the needs of emergency situations. The procedures proposed in this legislation will obviate the necessity of invoking in the future the ad hoc approaches of the past.

The Refugee Act is the result of many years of research, study and work and has been developed in consultation with the voluntary resettlement agencies. A well balanced approach has been developed and it is our hope that the formulas suggested will be maintained so that the objectives of the legislation can be achieved. S. 643 will be considered by the full Senate immediately after the August recess. We urge your support of this extremely vital legislation.

MRS. INGRID WALTER,
Chairman, Committee on Migration and Refugee Affairs, American Council of Voluntary Agencies for Foreign Service.

Mr. KENNEDY. Mr. President, I would like to yield to my colleague and ranking member of the committee.

Mr. THURMOND. Mr. President, the Senate is considering today legislation that has been a subject of controversy in the past, yet is inherent in the fabric of American history. S. 643, the Refugee Act of 1979, establishes for the first time a comprehensive approach to the resettlement and treatment of foreign refugees who come to our country.

Historically, our refugee policy has been one of compassion tempered with enlightened self-interest. In the past, this policy has served our Nation well. But the realities of recent times have changed substantially our atitudes toward a national refugee policy. This bill, by making certain changes in our current refugee laws, alters past practices.

First, it drops the current law distinctions of ideological and geographical difference and provides a new definition of "refugee" that recognizes such persons on the same status of other immigrants. It also adds flexibility to the administration of the refugee laws by including a new definition of "displaced persons."

Second, the bill raises the annual limitation on regular refugee admissions from 17,400 to 50,000, bringing the total annual level of immigrants to 320,000. Although this is a fairly large increase in numbers, it is not that large when compared to recent annual refugee levels which came about through the exercise of the parole authority by the Attorney General and not by the provisions of the current statute.

Third, there is created an orderly flow of refugees to meet the "emergency" conditions experienced fecently with the Vietnamese "boat people." A more flexible procedure is established in the bill which allows for the resettlement needs of homeless people that cannot otherwise be met within the regular 50,000 ceiling.

The bill also provides a statutory requirement that Congress be consulted before additional refugees over the 50,000 level are admitted and more clearly defines the congressional controls over this process.

Finally, S. 643 provides for Federal assistance for a 2-year period for refugees once they have entered the country. These domestic assistance programs are provided mostly on a 100-percent reimbursement basis with the States.

Mr. President, I have not opposed this legislation in the Judiciary Committee, even though I have certain reservations

about the extent and size of America's commitment to the world's refugee problems. Although events of recent months have been encouraging to me, and I am sure to other Senators, the long-term commitments of the United States, both in this bill, S. 643, and other legislation, must be carefully weighed.

An international response to the world refugee problem has been underway under the auspices of the United Nations since December 1978. The conference officially met in Geneva, Switzerland, on July 20 and 21, 1979. The preliminary results of that meeting appeared to be a world-wide effort to deal with this problem:

Vietnam announced that it would cease its program of expelling certain people from its borders.

Five, first-site countries where refugees had been landing, indicated they would not repel further landing attempts.

Japan announced its intentions to pay for one-half the costs of relocating up to 300,000 refugees.

Canada said it would increase its refugee numbers from 8,000 a year to 50,000 a year.

The United States ordered the 7th Fleet to the South Pacific to aid in the recovery of boat people floating at sea. Only time will tell if these commitments will be fulfilled, of course, but it portends a good beginning to solving a recognized world problem.

As a result of the President's action of doubling the monthly influx of refugees to the United States, about 168,000 refugees will enter our borders this year. This creates problems of an immediate nature that are not really resolved or affected by the passage of S. 643. The immediacy of the current problem does, however, offer some insights into the long-range impact of the bill on our future refugee policy.

For example, a provision for conditional entry should be retained in our refugee laws. S. 643 does provide for a 2-year period of conditional status for those refugees beyond the yearly normal flow of 50,000. This period would allow Immigration and Naturalization Service authorities to properly identify such refugees, their backgrounds and their intentions within the United States. During the conditional period, refugees would be allowed to receive domestic assistance, such as welfare payments, health care and job training, but they would not yet receive immigration visas.

More important, however, the conditional entry period allows time for the Government to assess the impact of these excess numbers of refugees on American society. Are there regions of the country where certain refugees are more suited and can be best integrated into society? Do some refugee groups adjust to conditions in America better than others? Has the influx of refugees had an adverse impact on social services or local communities? Answers to these and other questions should be examined carefully during the 2-year conditional entry period.

Mr. President, although the number of changes in our immigration and refugee laws are few, they are significant. S. 643 makes an increased American commitment to future world refugee problems. It is almost coincidental that the refugee situation in Southeast Asia has escalated at the same time the Senate considers this legislation. For that reason, I believe it is important, as the ranking Republican member of the Judiciary Committee, to place on the record a complete background about current refugee policy and the effect of this legislation on our future policy.

According to the Congressional Research Service of the Library of Congress, in 1978 there were more than 13 million refugees worldwide. Some 37 countries are sources of refugees. This has come about primarily because of the growth in number of independent, Third World countries which are experiencing problems of governmental instability and economic unrest. The presence of unfriendly neighboring nations and political, religious, and ideological struggles internally encourage civil wars and consequently, refugees.

The sudden growth of refugee numbers in recent years has found the existing international organizations and agencies incapable of meeting the demands of resettlement and assistance. The United States supports international refugee relief efforts through contributions to the United Nations High Commissioner for Refugees (UNHCR) and the Intergovernmental Committee for European Migration (ICEM), as well as a number of other governmental and nongovernmental voluntary agencies. The financial assistance given by the United States is substantial.

Mr. President, for fiscal year 1980, the Department of State is asking for $179.9 million for refugee programs. The Department of Health, Education, and Welfare is asking for $224.5 million. Adding in other funding commitments of the United States, a total of $404.4 million will be expended in 1980 for refugee assistance. This is a major contribution by the U.S. Government in an effort to underwrite these international agencies which assist refugees worldwide. Some of these funds will be used for domestic assistance within the United States. I believe that a certain amount of financial support should be provided, but in the context of a shared effort on an international basis.

The United States should support efforts to help refugees around the world, especially those fleeing Communist-backed dictatorships of Vietnam and other Southeast Asian countries. But we should not bear this financial load alone. It must be a combined effort by all nations of the world which are committed to assisting these poor people who seek escape from tyranny and oppression.

Much good was accomplished at the United Nations Refugee Conference in Geneva, Switzerland, on July 20 and 21. The nations who are the fountainhead of the refugee problem in Southeast Asia were convicted in the court of world opinion of calculated and deliberate wrong-doing to certain ethnic groups of their population in order to force these groups to leave their homelands under conditions fraught with danger on the open seas and overland. I would hope that those nations will heed the warning given to them in no uncertain terms.

I would hope the verdict of history will tell those who come after us that we were true to our heritage as a people and a Nation and lastly, but above all, we cared.

Mr. President, as I have indicated earlier in my remarks, I have not opposed this legislation in the Judiciary Committee. I support its objectives and its reforms. But I also feel compelled to make sure the Senate has the opportunity to clearly consider S. 643 in the context of our overall refugee policy. If amendments are offered to the bill, I will consider them carefully and perhaps, if I believe they will improve the bill, I will support them.

In any event, the Senate should act on this legislation. Authorization is needed for the refugee programs to go forward and prompt action by the Senate will ensure that the United States can continue to meet its obligations in this matter.

Mr. CHURCH. Mr. President, first of all, I would like to congratulate my distinguished colleague from the State of Massachusetts for his leadership in bringing forth this bill dealing with refugee matters. He has for years demonstrated concern with the situation of the less fortunate, and S. 643, the Refugee Act of 1979, is another example of his leadership in these matters. This bill not only makes it possible for the United States to deal more effectively with the much-publicized plight of the refugees in Southeast Asia, but also to place the overall refugee policy of the United States on a sound basis.

I would like to call the attention of the distinguished Senator to the fact that title III of S. 643, entitled "Temporary and Transnational Assistance to Refugees," amends the Migration and Refugee Assistance Act of 1962, which was handled by the Committee on Foreign Relations. Similarly, the Indochina Migration and Refugee Assistance Act of 1975 and its subsequent amendments were sponsored by the Committee on Foreign Relations and the Committee on Human Resources. Since the Refugee Act of 1979 amends laws which were sponsored by the Committee on Foreign Relations and deals with matters affecting foreign policy as well as U.S. immigration policy, it falls within the jurisdiction of the Committee on Foreign Relations as well as the Judiciary Committee.

Mr. President, I know that my distinguished colleague, the ranking Republican member of the Foreign Relations Committee, would also like to comment in respect to this point.

Mr. JAVITS. I thank my colleague.

Mr. President, I would like to sustain Senator CHURCH in this matter. It is very important to consider the jurisdiction of both the Judiciary Committee and the Committee on Foreign Relations because it is very clear that this is a matter distinctly, very heavily, of foreign relations, as we are seeking the cooperation of the world, and many nations are seeking our cooperation.

We are actively engaged on the high seas right now in rescuing these refugees.

So I lay before the chairman of the Judiciary Committee, together with the chairman of the Foreign Relations Committee, my judgment supporting his position respecting the jurisdiction of the Committee on Foreign Relations, together with the Judiciary Committee.

The PRESIDING OFFICER. The Chair informs the Senator that the statements of the last two Senators have come out of the time of the Senator from Massachusetts.

Mr. KENNEDY. That is agreeable.

Mr. President, I want to make clear that we acknowledge the role and the interest and the jurisdiction of the Foreign Relations Committee in the whole area of refugees.

As the Senator from New York knows full well, the extension social service programs in the Indochina refugee assistance program were considered, I believe, 2 years ago, by the Committee on Labor and Human Resources.

Mr. JAVITS. That is correct.

Mr. KENNEDY. So far as I am concerned, we recognize the role and the jurisdiction of the Foreign Relations Committee in those areas in which they have been involved and active over a period of years. We have enjoyed working closely with the members of the Foreign Relations Committee as well as with the members of the Human Resources Committee. I believe we can look forward to acknowledging their jurisdiction in the areas which are touched by title III and to working with them in the future on these areas, as well as those that would be affected by the Human Resources Committee.

Mr. CHURCH. I say to the Senator that it is in that spirit of cooperation that I raise the point, because, as Senator JAVITS has said, we both recognize that there is a definite urgency for the Senate to act.

The Indochina Migration and Refugee Assistance Act of 1975 expires on September 30 of this year, and thus the compelling need for proceeding with this bill. In view of this need and of the heavy schedule of the Committee on Foreign Relations, involving the SALT II treaty and other matters, I am willing to waive the jurisdiction of the Committee on Foreign Relations on this particular occasion, and I do so without prejudice to the committee's jurisdictional rights.

I think the RECORD should make that point clear, so that we are not faced in the future with any precedent that might inhibit the committee's jurisdiction.

Mr. JAVITS. If the Senator will yield, that is satisfactory to me, and I hope Senator KENNEDY will expressly accept that in order to preserve our jurisdiction.

Mr. KENNEDY. I am glad to accept that interpretation.

I point out that the principal aspects of this legislation dealt with provisions of the Immigration and Nationality Act, which goes back to its passage in 1952, especially in connection with the power of the Attorney General to parole various refugees and others into this country; and it has been this instrument by which the President has used that authority of law to bring people into the United States. And that is a matter which is the sole jurisdiction of the Judiciary Committee.

I have been through enough of these jurisdictional issues myself, and I assure the chairman of the Foreign Relations Committee and the ranking minority member, as well as my other colleagues, that I believe we can work this out. I have been successful, with one exception, in being able to work out all matters of jurisdiction.

I acknowledge the title III representations which have been made by the chairman of the committee and the ranking minority member, and I look forward to working with them on any matters which affect the Foreign Relations Committee in the future.

Mr. JAVITS. I thank the Senator.

Mr. CHURCH. I thank the Senator very much.

I thank the Senator from South Carolina for his courtesy.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. KENNEDY. Mr. President, I think the Senator from Minnesota had just a general statement, and then if it is agreeable with the Senator from Kentucky, then we will begin with the Senator's amendment if that is agreeable.

Do I understand the situation correctly?

Mr. BOSCHWITZ. That is correct.

Mr. KENNEDY. I yield.

Mr. THURMOND. Mr. President, I am pleased to yield to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. Time is yielded to the Senator from Minnesota. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I wish to also add a word of commendation to the distinguished chairman of the Judiciary Committee, and the distinguished ranking minority member because, indeed, this is very important legislation that I think sets apart our country from other countries in the world.

When I was home in Minnesota during our recent recess, I spoke to a young man who is marrying a young lady from Finland. He recently went to Finland to meet his new family and during his visit had an opportunity to see the border between Russia and Finland. At the border, there was a very high tower in which a guard sat looking down over a minefield. Even at the most northern reaches of Finland and the Soviet Union there was a fence to separate these two countries. In the Soviet Union, which is perhaps our principal opponent in the world, they must build fences, they must lay minefields and build towers around their borders in order to keep their people in.

In the United States, on the other hand, the situation is entirely different. We have to adopt legislation that will limit the number of people who want to come to this great country. I think that is a great tribute to our country. Indeed, our problems will begin when that situation changes and we do not have people waiting in line who want an opportunity to live in our great country.

I would like for a moment to speak about my youth. When fleeing Europe, my family went from country to country because the United States did not have a well-defined procedure for accepting refugees. We went from country to country seeking means of admission to the United States. Finally, we found an American consul who would let us in.

My wife and her family had a similar experience. Her family went to Brazil where they met an American consul who luckily had been befriended in South Africa by my wife's uncle. So in that rather unsystematic way, my wife and her family were able to come to this country.

Certainly, a bill like S. 683, which systematizes and establishes a permanent procedure for refugees, is well in order. It really is in the best interest of the United States.

The United States is the only country that is a country of refugees. We are the only country in the world that is a genuine country of the refugees which has been energized and given substance by people who came to our country to start anew.

This act also provides for domestic assistance to refugees, assistance to help them make the necessary transition and to join the great family we call American.

When my family came to the United States there was no such assistance. This particular act limits the time period of that assistance, and I must say I approve of that. And, I imagine that the refugees who come to this country would approve of it as well. If history is any type of precedence, they will quickly adapt and become very constructive members in our society.

Mr. President, this bill provides for the immigration of about 50,000 refugees a year; 50,000 refugees would only be one-fiftieth of 1 percent of the population of the United States.

Even if you add this 50,000 to the 290,000 immigrants who are currently allowed to enter the United States each year under the immigration quota, (which makes 340,000) this is still only one-seventh of 1 percent of the population of our country. This is certainly not an influx, certainly not a horde that is going to jeopardize jobs for Americans; certainly not such a large group of people that we need to be concerned about the budgetary impact.

But, indeed, it is a group of people who are going to reenergize us once again. They are people who are going to exemplify the most noble aspects of this country. No other country on Earth has people standing in line waiting to enter their country. This sets our country apart. It makes this country something special, and that is why I am so anxious and so eager to lend my support to this bill.

Americans ought to be proud of our accomplishments—our willingness to offer a helping hand to the less fortunate of the world reflects well on Americans and serves as a noble example to other countries throughout the world.

However, we are here today to consider legislation, the Refugee Act of 1979,

that will help us to do an even better job in the future. Although our willingness to help the refugees has always been strong and sincere, our current policies are insufficient to meet today's demands.

We need a permanent and systematic procedure for the admission of refugees so as to insure all refugees that they will be treated equally and fairly. Our policy today lacks consistency and planning. We respond to crises on a case-by-case basis with no established policy or statute that guides our actions. Our response to each crisis is subject to the mood of the times rather than being guided by a set procedure that must be applied to all the refugees seeking admission to the United States.

The result is that we fail to give equal treatment to the different refugee groups and we waste valuable time and money while we decide how we should best respond. We want to avoid situations like we have faced in the last couple of months with the Indochinese boat people. When people are in need of help, we must be ready to respond quickly without long delays.

This legislation provides that organization and planning we so desperately need. It allows us to take into consideration the particular needs of the refugees as well as our own resources. It lays out an established process that the President and Congress must follow at the beginning and end of each year to determine how many refugees the United States can take that year and the resources necessary to resettle those refugees. And, for ongoing resettlement assistance, S. 643 expands these programs to cover all refugees so that the Cuban, Indochinese, Soviet Jews and all others receive equal assistance.

The domestic resettlement assistance provisions also provide moneys the States and local communities who have taken on the responsibility of resettling the refugees. A great emphasis has been placed on the important role of social service programs such as vocation services and training, home management, family planning, cultural counseling. All help speed the process of assimilation and assist the refugees in becoming self-supporting, productive members of their new communities.

It has been my experience that our Federal moneys are best spent at this early stage on these types of programs; they can be viewed as an investment for the future. In most cases, if refugees receive Federal assistance in the early years of the resettlement process, their needs for public assistance are usually limited and temporary in nature.

Another very important and central provision of this legislation is its new definition of refugees. It corrects the inadequacies of our current definition which have long been overlooked. The definition which we use today is very narrow in scope—it defines refugees as those people fleeing Communist countries and the Middle East. Human suffering is not limited to certain ideologies or geographical areas. If our commitment to help desperate, homeless people is sincere, we must be willing to help all in need of assistance despite their ideologies or countries or origin.

In closing, I think this legislation represents a great step forward for U.S. participation in the world refugee problem. The consideration of this type of legislation is a sign that the United States not only intends to continue our noble efforts, but that we are anxious to improve our ability to respond to those in need of help. The adoption of this national refugee policy will be symbolic of our age-old commitment to human rights and humanitarian concerns that has played such an important role in our Nation's history.

● Mr. HATFIELD. Mr. President, as a cosponsor of the Refugee Act of 1979, I urge my colleagues to approve this important reform of our somewhat archaic national refugee policies. Its enactment is essential to provide for the orderly admission to our country of those for whom we feel a special responsibility.

The history of modern civilization includes the certain ebb and flow of refugee migration—a phenomenon which knows no particular ideological or geographic boundary. It is incumbent upon the free nations of the world to assist in the resettlement effort according to their capabilities. To some countries, that means providing financial aid, to others, permanent homes while yet others may be able to offer only temporary domicile until permanent host countries can be found.

S. 643 contains necessary revisions in current law to insure more orderly processing of refugees by replacing the somewhat arbitrary parole authority of the Attorney General with a more uniform procedure to include both administration and congressional input. In addition, it raises the annual limitation on refugee admissions to 50,000 and redefines "refugee" to include a wider range of compelling reasons for admission.

Mr. President, the United States is recognized as the leading nation offering hope and aid to homeless refugees whether they come from Cuba, Indochina, the Soviet Union, or from any other corner of the world where they face personal danger and loss of liberty. As a result of our efforts and encouragement, other nations are following our example. At the recently held Geneva Conference on Refugees, nearly every nation in attendance pledged to increase aid and admit significantly larger numbers of refugees into their borders.

To most of the world populations, the United States continues to represent not only a nation built and enriched by immigrants, but a haven for deserving and oppressed peoples. Our laws and policies must continue to demonstrate our commitment to individual worth and provide opportunity for new beginnings.●

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield to the distinguished Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. KENNEDY. Mr. President, if the Senator will just yield for a unanimous-consent request——

Mr. HUDDLESTON. I yield.

Mr. KENNEDY. I ask unanimous consent that the committee amendments be considered and adopted en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

(Mr. BOREN assumed the chair.)

Mr. HUDDLESTON. Mr. President, S. 643 is probably the most important piece of immigration legislation to come before the Congress since 1965. I want to commend the distinguished chairman of the Judiciary Committee and the ranking minority member for the interest they have demonstrated in this legislation and the consideration they have given to me, both the Senators and the staffs, with respect to concerns I have had about this issue and about this particular piece of legislation.

To the extent that the bill would streamline the current uncoordinated ad hoc refugee program I support it, and I hope my colleagues will do likewise. However, the bill goes far beyond this streamlining and, in addition, creates an open-ended admissions program with little congressional control. It also establishes the precedent of substantially increasing total immigration quotas without determining the domestic impact of such increases prior to making them.

S. 643 would make substantial and permanent increases in the U.S. immigration quota at a time when legal immigration to America stands at the highest level since 1924. And, if we include illegal aliens the immigration level may be the highest in our history. I am deeply concerned that at a time when immigration may be at unprecedented levels we are attempting to increase quotas without adequate knowledge of the consequences. This lack of information has been fully and conclusively documented. President Carter's Interagency Task Force on Immigration found in its March 1979 staff report that:

> Little attention has been given to the collection and analysis of data on legal immigration and, as a result, there is presently a lack of data with which to evaluate immigration policy.

If it is true that as late as March the staff experts on immigration law found that there were insufficient data with which to evaluate our present immigration policy, how can we decide a few months later that it is in the best interest of the country to increase the total immigration quota?

In fact there are no supporting data for this increase. The testimony on S. 643 all centered on the need to assist more refugees and the need for more money to pay for the program. However, the record contains no rationale for increasing the worldwide ceiling on immigration into the United States. The vast majority of the witnesses were from private organizations whose primary function was assisting refugees or public agencies which administered the assistance programs. There is no testimony given from the standpoint of a general economist, sociologist, or demographer to support the need and appropriateness of substantially increasing the total immigration quota. The result is that not only do we not know if the increase is justified, we do not know at this time if the existing quota is excessive given present high levels of legal and illegal immigration.

IMPACT OF OUR POLICY ON REFUGEE POPULATION OF WORLD, MALAYSIA, HONG KONG, AND INDONESIA

At one time this administration recognized the extreme lack of information and pursued a policy of not advocating an increase, even for refugees, without a great deal more study. In 1977 the official position of both the U.S. Department of Justice and State Department was to require the deduction of any increases in refugee numbers from the total annual immigration quota. Mr. John DeWitt, Deputy Administrator for the Bureau of Security and Consular Affairs of the State Department, testified before the House Judiciary Subcommittee on Immigration in 1977. At that time he said:

> The Department (of State) believes that the 20,000 limitation on "normal flow" refugees should be deducted from the overall hemispheric totals . . . in order to preserve the existing grand total of 290,000. While we recognize that this determination is one for the Congress to make, we favor leaving the total numerical limits unchanged until there is a more solid basis for determining the optimum rate of annual immigration for the United States.

At the time this statement was made the world refugee picture was not significantly better than it is today. Further, we knew from the Cuban experience that we would face unexpected situations when the United States would be expected to admit large numbers of refugees. Even though the administration was aware of these facts, its policy rightly reflected the need to know more about immigration in this country before making permanent and substantive changes.

Last year the Congress concurred in the determination that we need more information and a comprehensive review of immigration and refugee law. This concurrence was in the form of legislation creating the Select Commission on Immigration and Refugee Policy. The general mandate to the Commission was to "study and evaluate * * * existing laws, policies, and procedures governing the admission of immigrants and refugees to the United States and to make administrative and legislative recommendations to the President and to the Congress."

However, the Commission was "particularly" instructed to "assess the social, economic, political, and demographic impact of previous refugee programs and review the criteria for, and numerical limitations on the admission of refugees to the United States." In order to accomplish this goal the Commission has been given a budget of about $2.5 million.

Although the Commission will probably issue its final report by December of 1980, the Congress is being told that it should not wait before substantially increasing our immigration quota. I would be able to understand this if the decision not to increase the quota might jeopardize our efforts to offer assistance to refugees next year. However, a decision not to increase the worldwide ceiling would have no effect on that program. In fact, if S. 643 had no quota at all for refugees the United States could still have a refugee assistance program of the same size and magnitude as that presently contemplated by the administration under other provisions of S. 643.

Mr. President, in my judgment, the most significant failing of S. 643 is that it is a repeat of the same mistake we have made in regard to immigration policy before and which the Select Commission was supposed to rectify. S. 643 is a piecemeal approach to the immigration issue. It makes no attempt to integrate the refugee program into a total comprehensive immigration policy.

There are three major components of U.S. immigration which must be considered jointly if our immigration system is to have any overall purpose and direction. These components are legal immigration which is about 400,000 per year and is the highest in the world; a de facto policy which permits millions of illegal aliens to enter the United States virtually unchecked; and an open-ended refugee assistance program which has no outer perimeters as far as I can determine.

The underlying purpose of the Select Commission was to approach the problem in a comprehensive manner. Congressman EILBERG, who floor-managed the bill on the House side stated that:

> Our immigration law has not been reviewed in over 25 years and that almost every aspect of the American community is affected by immigration. In my judgment, it is vital that every effort be made to reevaluate our immigration policy and that it be done in a comprehensive fashion.

Many have tried to obfuscate the issue by arguing that increasing the permanent yearly refugee quota to 50,000 could not possibly have any adverse impact upon the United States. If this were the only immigration number we were dealing with, their argument would be valid. However, it is not the only number and that is the vital point which must be understood. We are dealing with millions of illegal aliens, hundreds of thousands of legal immigrants and, as would be established by this bill, undetermined hundreds of thousands of refugees. I believe that we have passed the point where we can safely continue to consider these three components in an isolated manner. Other major immigrant-receiving nations also seem to have reached this conclusion. Some have recently completely revamped their immigration laws. The interagency task force found, in its comparative study of other nations:

> All the major immigrant-receiving nations have conducted recent reevaluations of their immigration policy. All have moved away from racially and ethnically discriminatory laws in favor of more universalist policies which are tied to articulated national goals. Since 1976 both Canada and Australia have enacted new immigration statutes, each of which is tied to its nation's goals in the areas of population growth and economic development.

Since 50 percent of the population growth in the United States may be attributable to immigration, I sincerely believe that we should also enact comprehensive immigration legislation as soon as possible.

Many Americans have voluntarily made the decision to have fewer children in order that they and their children may enjoy more of the benefits this country has to offer. However, this personal decision is being undermined and overshadowed by our current uncontrolled immigration policy, which is being fed by the worldwide population explosion, high unemployment and political unrest.

All the reports in this regard say the same—the outlook for the next 20 years is ominous. The Population Reference Bureau warns that the millions of unemployed and underemployed will move into the already overcrowded cities of the Third World. Of the additional 2 billion people expected worldwide by the year 2000 the Third World countries will gain about 1.2 billion, or an increase of 162 percent. According to the Bureau:

> These two aspects alone, a growing labor force and increased urbanization, pose the threat of mounting social and political tensions, massive unrest, and spreading conflicts.

The Library of Congress underscored this projection when its August 1979 report on the world refugee crisis found that:

> The Crisis shows no sign of abating. On the contrary, the findings in this report indicate that the refugee flow around the world will continue and that the number of refugees will probably rise markedly over the next few years.

This increase will be in addition to the 14 million refugees who are in the world today. And, it is this growing pool of millions of people which will fit within the new expanded definition of refugee under S. 643.

Any immigration legislation which allows our national ceilings to be breached by unlimited numbers must contain appropriate safeguards to assure that that discretion is always exercised responsibly and with full knowledge of the implications. One of the major problems with our existing refugee program is that neither the Congress nor the public have had a complete disclosure of information prior to the decision to admit more people. Unfortunately, S. 643 does not correct this.

The cost factor, both direct and indirect, has been almost impossible to determine on the existing program. The cost of the program in dollars is slowly becoming available but it is still incomplete. However, we know that the costs are escalating rapidly. For example, the Cuban refugee program cost us $1.3 billion over a period of about 20 years. The Indochinese refugee assistance program cost us $1 billion over a period of 4 years (1975–79). However, after much digging it has become evident that the cost of our total refugee assistance effort in fiscal year 1980—that is, 1 year—will be about $1 billion.

However, indications are that the cost

to the States will be in the tens of millions of dollars.

The indirect costs are even more difficult to ascertain. The impact on unemployment should be one of our considerations. We are told by agencies which assist the refugees that they have a high rate of employment. However, we are not told quite so loudly that much of this employment is underemployment and that about one-third of the refugees from Indochina are still receiving some type of welfare assistance. Further, we are not told if the jobs taken by immigrants contribute to our already high unemployment figures. Indications are that they do.

Mr. President, it is difficult for me, and I think for many American citizens, to feel that the administration is serious about restraint of Federal spending and balancing budgets when we are willing to lay out a billion dollars per year for refugee assistance, for paying the cost of bringing new citizens into this country.

This is not a firm figure, and it could be much more. HEW assures me that they cannot compute the cost to the States which under S. 643 would have to begin picking up part of the welfare expenses for refugees who have been in this country for 2 years.

The Interagency Task Force on Immigration found that if immigration occurs near the bottom of a business cycle when many U.S. workers are unemployed, it is unlikely to produce any significant benefits and it clearly will exacerbate unemployment or lower the relative wages of low-skilled workers or both. Many economists are predicting a deep recession next year with unemployment possibly exceeding 8 million people. In other words, we will experience the "bottom" of a business cycle. Unfortunately our response to this unemployment is not to attack some of the causes directly but to go on grinding out Federal job creation programs which cost the taxpayers billions of dollars. In 1978 the Federal Government spent approximately $9 billion on these types of job creation programs.

There are also social costs attached to any immigration program. Every nation has limits on the number of individuals it can effectively assimilate without experiencing severe social disruption. With regard to the large scale refugee program we are seeing increasing signs of social stress, which is certain to escalate as the numbers increase. News reports are becoming more frequent in which minorities and Vietnam veterans say that refugees "are taking needed jobs, housing, educational programs, and Government assistance."

I do not believe that any of these costs require that we stop our refugee assistance program. However, I do believe that they require that we take a close look at our total immigration policy to assure that it is in the best interest of the citizens of this country. If we find that a particular part of our immigration program is costing too much we will have to make the decision to either cut it back or to offset it in some other way. The crucial point to bear in mind is that our immigration policy must be as fair to American citizens as it is to those who wish to immigrate. As elected officials we owe our first allegiance to our citizens and their future generations.

Many people respond to the argument that we must place reasonable limitations on total immigration with the statement that we are a nation of immigrants and that to do so would be a repudiation of the inscription on the Statue of Liberty.

We, are, in fact, a nation of immigrants, just as are most other nations in the world. The only difference is that the immigration to other countries took place much earlier than our own. However, this has not stopped other nations, including those with large land masses such as Canada and Australia, from imposing reasonable immigration controls which are tied to their domestic needs.

As to the assertion that reasonable restraint would be a repudiation of the inscription on the Statue of Liberty—which, incidentally, were the words of a French poet and not a reasoned policy developed by the Congress or the people of the United States—I believe that reason must be applied here also. The statue was erected in 1884, when the population in the United States was about 50 million and we, as a nation, had what was thought to be an unlimited supply of energy, resources, and land. Today, we have a population well over 200 million, which is growing rapidly. In addition, we have an energy crisis, excessive pollution, mounting congestion, dwindling resources, high unemployment and decreasing rural land.

To fail to recognize these problems and to integrate them properly into our immigration program would be a mistake.

Mr. President, I am not advocating an isolationist policy which attempts to close our doors to all immigration. We can and should have an active immigration policy in the United States. I firmly believe that it is healthy for our country to have an infusion of new blood on a regular basis and that we have a moral duty to assist the homeless of the world in every reasonable fashion.

I am not unaware or unappreciative of the tremendous contribution that foreign-born individuals in the United States have made to the development of this great country. Certainly, we could not have populated and developed the vast areas of the United States in the manner that we did without those who came to us from foreign shores. The image of the United States as the great melting pot of the world has contributed to the strength that we have enjoyed throughout the entire world.

However, we must have a total immigration policy which is as fair to American citizens as it is to immigrants. We will never accomplish this as long as we continue deciding immigration questions in a piecemeal fashion and without adequate information on the ultimate consequences.

It seems that all of these questions arise at a time of great emotional appeal, when dire circumstances exist at some point in the world and we do not have information, we do not have real understanding of the economic, social, political, or demographic impact of our present immigration levels.

I believe that it is time that we act responsibly on this issue by discovering the facts before we continue down a road with so many potential pitfalls. Once we have traveled this road, it will be impossible to retrace our steps.

It is vitally important that we have a comprehensive immigration policy for the United States. That policy should be made by the Congress of the United States with a clear understanding of what we are doing and, with the citizens of the United States being fully aware of the policy we are developing. Furthermore, it should be a policy devised in the light of conditions which exist today and which anticipates our needs and our interests in the future.

My suggestion is simply that the time has come for a total review and reassessment of the immigration policies of the United States, including the refugee problem. This will enable us to have a better understanding of the scope of the problem that exists now and a better hope of developing the kind of policy and procedures that will be in the best interests of the citizens of this country—and, indeed, in the best interests of those who desire to immigrate and become citizens of the United States.

Another thing that it seems to me, Mr. President, has not entered into the discussion and debate and consideration of the legislation that we are considering now is what the impact of U.S. policy is on the rest of the world relating to refugees. Are we really helping solve the refugee problem by having a generous, open-ended, virtually unlimited policy or are in fact, creating more refugees? Some officials in Malaysia, Hong Kong, Indonesia, who are there every day, wrestling with this flood of refugees, have been highly critical of U.S. policy. They say that by going onto these vast programs, by announcing them, we are signaling to all those who are dissatisfied for any reason that the doors of the United States will always be open, that we will pay for their passage; we will guarantee them a job, sustenance for all their life, as a matter of fact. They say that we are, perhaps, creating more refugees than we are eliminating. I have heard very little discussion of that problem in the development of this particular legislation.

Mr. President, at the appropriate time, I shall offer some amendments that I think will improve this legislation, will lead us toward a saner refugee and immigration policy in the United States.

I thank the distinguished Senator for yielding to me at this time.

UNANIMOUS-CONSENT AGREEMENT—S. 1477

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Massachusetts let me proceed for 1 minute?

Mr. KENNEDY. Yes, Mr. President.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that, upon the disposition of the pending business, the Senate proceed to the consideration of Calendar Order No. 324, S. 1477, to provide for improvements in the structure and administration of the Federal Courts, and for other purposes, and that there be a time agreement on that bill as follows: One hour equally divided on the bill, to be controlled by Mr. DECONCINI and Mr. DOLE; 30 minutes on any amendment, to be equally divided in accordance with the usual form; 4 hours equally divided on the amendment to be offered by Mr. BUMPERS on administrative procedures; 20 minutes on any debatable motion, appeal, or point of order, if such point of order is submitted to the Senate for discussion; and that the agreement be in the usual form; provided further that, following the amending process on S. 1477 and just prior to third reading, S. 1477 be set aside until the Senate has considered and passed the original bill by Subcommittee on Improvements in Judicial Machinery on judicial tenure and that, upon passage of that bill, the language of that bill be considered as having been added to S. 1477 and that S. 1477 be considered as having been read a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, Mr. President, would the Senator from West Virginia allow us to have a short quorum call? I do not ask him to withdraw.

Mr. ROBERT C. BYRD. Mr. President, let me make one correction: The time on the minority side will be under the control of Mr. THURMOND.

Mr. STEVENS. Right.

Reserving the right to object further, Mr. President, it is my understanding that the bill that is before the Senate now will continue over until tomorrow if it is not finished this evening?

Mr. ROBERT C. BYRD. Yes, that is correct, Mr. President.

Mr. STEVENS. And we will then bring up this bill for consideration tomorrow.

Mr. ROBERT C. BYRD. After the disposition of the pending business.

Mr. STEVENS. The refugee bill, yes.

The additional provision setting aside this bill until the Senate has passed the original bill of the Subcommittee on Improvements in Judicial Machinery on judicial tenure—what will be the impact of that as far as the time agreement is concerned? Will that mean that this bill will be set aside tomorrow until this other bill is then considered?

Mr. ROBERT C. BYRD. Yes, Mr. President.

Mr. STEVENS. That was my further question. That other bill is not out of committee yet?

Mr. ROBERT C. BYRD. That is correct, Mr. President.

Just prior to third reading, the bill, S. 1477, would be set aside until such time as the original bill by the Subcommittee on Improvements in Judicial Machinery on judicial tenure is called up and passed.

Mr. STEVENS. Just so there is an understanding of that, I have no objection. I thank the majority leader for making the change. It is my understanding that the time will be under the control of the Senator from South Carolina.

Mr. ROBERT C. BYRD. That is correct, Mr. President, or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 1477 (Order No. 324), a bill to provide for improvements in the structure and administration of the Federal courts, and for other purposes, debate on any amendment (except an amendment on administrative procedures to be offered by the Senator from Arkansas (Mr. BUMPERS), on which there shall be 4 hours; shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Arizona (Mr. DeConcini) and the Senator from South Carolina (Mr. Thurmond): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

UNANIMOUS-CONSENT AGREEMENT—S. 1125

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 268, S. 1125, the Federal crop insurance bill, is called up and made the business of the Senate—and it will not be called up until Monday—it will be the pending business on Monday if the other two matters are disposed of that we have just referred to—there be a time agreement on that bill as follows: Two hours on the bill, to be equally divided between Mr. HUDDLESTON and Mr. HELMS; 1 hour on any amendment, equally divided; 30 minutes on any amendment in the second degree, equally divided; 20 minutes on any debatable motion, appeal, or point of order if the Chair entertains discussion by the Senate on a point of order; and that the agreement be in the usual form.

Mr. STEVENS. There is no objection, Mr. President. I understand that, in any event, it would not be called up until Monday.

Mr. ROBERT C. BYRD. Until Monday.

Mr. STEVENS. There is no objection.

Mr. ROBERT C. BYRD. It would be the intention of the leadership to have that up on Monday. Mr. HUDDLESTON will be the manager on this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so odered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 1125 (Order No. 268), a bill to improve and expand the Federal crop insurance program, debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from North Carolina (Mr. HELMS): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I thank Senator KENNEDY for his indulgence.

May I just simply say that there will be rollcall votes tomorrow.

REFUGEE ACT OF 1979

The Senate continued with the consideration of S. 643.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senator from Kentucky has made a very extensive statement with regard to the figures and the statistics on the numbers of people who are entering into the United States. However, we have compiled immigrations figures, in a request to the Library of Congress, with the help of the Bureau of Census as well as the Immigration and Naturalization Service, which dispute his figures.

I will, as part of the RECORD, insert a copy of their report.

So rather than taking the time and making the general response to the Senator, I will make the Library of Congress report available to the Members of the Senate, in order to expedite consideration of the bill.

Then we will welcome the opportunity to consider the amendments of the Senator from Kentucky.

I ask unanimous consent that the Library of Congress report, prepared at the Judiciary Committee's request, be printed at this point in the RECORD, with supporting documents.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

To Senate Judiciary Committee, Attention: Jerry Tinker, Counsel for Immigration and Refugee Affairs.

From Joyce Vialet, Specialist in Social Legislation, Education and Public Welfare Division.

Subject Assessment of Environmental Fund's Estimates of U.S. Population Growth.

This is in response to your request for an assessment of the National Parks and Conservation Association's assertion that "The United States has the fastest-growing population among industrialized nations in the world," based on a study by the Environmental Fund. According to documentation supplied to you by the Environmental Fund, "The largest component of U.S. growth is illegal immigration."

As discussed with you, we asked the Immigration and Naturalization Service to examine and comment on the Environmental Fund's estimate of undocumented immigration and its contribution to United States population growth. The INS analysis is attached. Summarizing briefly, the INS analysis concludes that the Environmental Fund's estimates are based on speculative assumptions about the number of illegal aliens, overstate recent rates of legal immigration, and fail to take into consideration emigration (outmigration from the United States) which has a significant negative impact on overall population growth.

The Environmental Fund publishes two U.S. population growth rate estimates in its chart entitled "World Population Estimates, 1978". Based on the INS analysis, the Environmental Fund's second or "alternative" estimate of current U.S. population growth at 1.7 percent per year, which is adjusted to include the Environmental Fund's estimate of illegal immigration, appears to be based on inadequate data and unwarranted assumptions. It is this figure which is the basis for the statement that the United States has the fastest-growing population among industrialized nations.

We also consulted with our Foreign Affairs and National Defense Division, which indicated that the population growth estimates for industrialized nations cited by the Environmental Fund appeared to be generally accurate, although they questioned the omission of Canada and several other countries from this category.

Using the Environmental Fund's first estimate of current annual U.S. population growth rate (.9%), which is higher than the Census Bureau's estimate, the following nations identified by the Environmental Fund as "industrialized" have population growth rates equal to or higher than the United States, based again on Environmental Fund figures: Japan (1%), Poland (1%), Romania (1%), Yugoslavia (1%), U.S.S.R. (.9%), and Australia (1%). In addition, the following countries categorized by the United Nations as "more developed" but not included in the Environmental Fund's category of "industrialized nations" also have equal or higher population growth rates: Canada (1.3%), Iceland (.9%), Ireland (1.1%), Albania (2.3%) Greece (.9%), Spain (1%), Argentina (1.3%), and Chile (1.5%).

Please let us know if we can be of further assistance.

ANALYSIS BY THE IMMIGRATION AND NATURALIZATION SERVICE OF THE ENVIRONMENTAL FUND'S ESTIMATE OF UNDOCUMENTED IMMIGRATION AND ITS CONTRIBUTION TO UNITED STATES POPULATION GROWTH

Accurate data on the size and characteristics of the undocumented population residing in the United States do not exist; therefore our comments on the undocumented population are directed toward the "evidence" provided by the Environmental Fund. The relative contributions of fertility, immigration and emigration to U.S. population growth are discussed briefly.

The Environmental Fund's method of estimating the growth of the undocumented population is speculative at best. The difference between the Census Bureau's estimate of 12 million persons of Hispanic origin in 1978 and the 16 million figure mentioned by the President could be the result of differences in data sources, population coverage, date of the estimates or a number of other factors not mentioned by the Environmental Fund. The conclusion that "in 1977–78 probably 850,000 illegal Hispanics were added to our population, adding .38 percent to our growth rate" is based on unverifiable assumptions about the rate of growth of an unknown population. Furthermore, no mention is made of the findings of two investigators (Korns, 1977 and Heer, 1978) that undocumented immigration appears to have increased considerably during the late 1960's but that there might have been little increase between 1970 and 1976.

We were unable to verify the Environmental Fund's figures on legal immigrants admitted during 1978 because the I&NS computer tallies of the 1978 data are still in progress. Regardless of its origin, the figure of 606,000 immigrants in 1978 is not representative of the recent annual level of immigration to the United States. During the 1970–1976 period the average number of immigrants admitted for permanent residence was slightly less than 400,000 per year. Furthermore, the Environmental Fund failed to mention emigration, which is a significant component of U.S. population change. Recent estimates by I&NS and Census Bureau demographers indicate that emigration from the United States amounts to roughly 150,000 persons each year. Thus the level of net immigration used by the Environmental Fund is approximately double the recent level of net immigration.

Fertility rather than immigration is likely to continue to be the major determinant of U.S. population growth in the future. For example, the most recent population projections of the Census Bureau (Series P–25, No. 704) indicate that the net addition of 400,000 immigrants annually for the next 25 years would increase the U.S. population by 12.6 million persons (10 million immigrants and 2.6 million descendants). During the same 25 year period, the number of births is projected to be 95.0 million, or nearly 10 times the projected number of immigrants.

In summary, the size and rate of change of the undocumented population residing in the United States is unknown. The available evidence suggests that a few million undocumented aliens could be residing in the United States but the rate of growth, if any, is unknown.

THE ENVIRONMENTAL FUND,
Washington, D.C., June 7, 1979.

Mr. JERRY TINKER,
Staff Director, Select Committee on Refugees, U.S. Senate, Washington, D.C.

DEAR MR. TINKER: Ms. Gerda Bikales of the National Parks and Conservation Association has told me of your interest in her recent testimony on refugees before the Senate Judiciary Committee and of concerns you had with some of the points therein.

I am enclosing an analysis of the statement that "the U.S. has the fastest growing population in the industrialized world." I believe it to be completely accurate.

As for the source of our material, it is all from the U.S. Bureau of the Census. Boyce Rensberger of the New York Times has written of our data:

"Its estimates, based on a variety of sources . . . are considered highly reliable because they include revisions and corrections for errors that, for a variety of reasons, are not included in the official reports of governments or international agencies." (B. Rensberger, *NY Times News Service*, November 15, 1978).

I hope that the enclosed analysis is helpful to you. Should you have any questions, please do not hesitate to contact me.

Sincerely,

PETER R. HUESSY.

ANALYSIS

Statement: The United States has the fastest-growing population among industrialized nations in the world.

Evidence: Last year, the number of births in the United States stood at 1.53 percent, deaths at .87 percent. This produced a natural increase of .66 percent.

During FY 1978, the latest period for which figures are available, the United States admitted 460,000 immigrants. 110,000 other people were granted permanent resident status. In addition, 36,000 refugee-parolees were admitted. This total of 606,000 additional people increased our population an additional .27 percent.

Natural increase, plus legal immigration, increases our population by .93 percent annually, nearly 1 percent a year.

To what extent does illegal immigration increase our population growth?

No doubt to a considerable degree. In order to be as conservative as possible, we have relied upon a statement by President Carter to answer this question.

The President recently noted that there are 16 million people of Hispanic origin in this country. The Census Bureau, on the other hand, counted only 12 million (as of March 1978). There are thus at least four million illegal Hispanics in this country, added to our country since 1970.

Annual population growth in the United States is the combination of natural increase (.66 percent) legal immigration (.27 percent) and illegal immigration (at least .38 percent). This total growth rate of 1.31 percent annually is, in fact, higher than that of any other industrialized nation in the world. A chart is attached that contains the growth rates of every nation in the world. The figures speak for themselves.

This rate of .38 percent annually assumes that illegal immigration has maintained a constant flow since 1970. Obviously, since the apprehension figures have increased more than 300 percent in that time, this is an extremely conservative assumption. Accordingly, the rate is no doubt higher than .38, and the 1.31 percent growth rate figure is also too low. In that illegal immigrants of Hispanic origin are only part of the total flow of illegal immigrants, the population growth rate of the U.S. is higher than indicated here; very much higher, if estimates of the INS officials are believed.

We know that illegal immigration has been increasing since 1970. Taking this into account, and starting with a total of 225,000 illegal residents added between 1970 and 1971, we reach a total of 4 million illegal "Hispanics" by 1978 by increasing the annual rate by 75,000 each successive year after 1971. Thus, in 1977–78 probably 850,000 illegal Hispanics were added to our population, adding .38 percent to our growth rate.

If the percentage rates sound insignificant, it must be remembered that these percentages are drawn from an enormous base number. The United States adds three million people to its population each year—a number that is exceeded only by India and China.

UP AMENDMENT NO. 527

(Purpose: To require that the President provide certain information in the consultation process to the Judiciary Committees and each House of Congress, and to require that each Judiciary Committee hold a hearing and issue a report on the President's proposal)

Mr. HUDDLESTON. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 527.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 3, insert "(A)" immediately after "(2)".

On page 6, line 11, insert ", the Speaker of the House of Representatives, and the President pro tempore of the Senate," immediately after "such members".

On page 6, line 11, strike out "may" and insert in lieu thereof "shall".

On page 6, line 12, strike out "(A)" and insert in lieu thereof "(i)".

On page 6, line 14, strike out "(B)" and insert in lieu thereof "(ii)".

On page 6, line 19, strike out "(C)" and insert in lieu thereof "(iii)".

On page 6, line 22, strike out "(D)" and insert in lieu thereof "(iv)".

On page 7, line 1, strike out "(E)" and insert in lieu thereof "(v)".

On page 7, line 4, strike out "(F)" and insert in lieu thereof "(vi)".

On page 7, between lines 5 and 6, insert the following:

"(B) Upon receipt of the information specified in subparagraph (A), the Judiciary Committee of the Senate and the Judiciary of the House shall each hold a hearing on such information and shall submit, within 30 days of continuous session of the Congress beginning on the date the consultation process concludes, a report to their respective Houses of Congress. For purposes of this subparagraph, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded.".

Mr. HUDDLESTON. Mr. President, this is the first of three amendments which I think will correct some of the problems connected with S. 643 which I have outlined in my opening statement.

The amendments which I offer were arrived at after long and protracted discussions with the administration and the Senate Judiciary Committee. I am told that these amendments are acceptable to the Judiciary Committee on both the majority and minority side. Also, these amendments have been shown to the administration and it does not oppose them.

I believe that amendments will go a long way toward establishing an effective means of establishing reasonable refugee admissions into this country. They will strengthen the consultation requirement with Congress, provide a more effective screening device for admitting refugees above the normal flow level, and assure a timely congressional review of the new quotas.

I still believe that we have a long way to go before establishing a comprehensive and rational immigration policy but, I am convinced that this is a good beginning. This bill and the amendments have generated a great deal of discussion about our immigration policy and, in the final analysis, it will be this public attention which will be determinative. S. 643 still has to undergo close scrutiny in the House and I am certain that some of the discussions which began here in the Senate will be carried on there.

The first amendment would firmly establish that the whole Congress shall have input into a decision to increase the refugee admissions before that decision is finalized. The amendment would require the President to provide detailed information on:

First, description of the refugee situation;

Second, a description of the refugees who may be admitted, plans for their resettlement, estimated cost of their resettlement, analysis of their resettleability, and an analysis of conditions within the countries from which they originated:

Third, an analysis of the anticipated social, economic and demographic impact to the United States;

Fourth, a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

Fifth, an analysis of the impact of the United States' participation in the resettlement of such refugees on U.S. foreign policy interests; and

Sixth, such additional information as may be appropriate.

Further, it would require the Judiciary Committee to hold public hearings on the proposal to admit more than the normal flow and to issue a report on the proposal within 30 days.

Members of Congress will have the opportunity to either agree or disagree with the proposal at the hearings. In the event that Members do not have a prior opinion on the proposal, they will have the benefit of receiving all the facts in the form of a committee report. This is a tremendous improvement over the present informal method of deciding to admit large numbers of refugees before the whole Congress is fully aware of the details. I believe that this amendment will firmly establish the principal that Congress, as a whole, will establish immigration policy for the country in an informed and open manner.

I believe the manager of the bill has indicated that this would be acceptable.

Mr. KENNEDY. Does this amendment, which, as I understand it, combines some of the other amendments that the Senator from Kentucky was going to offer, but does it include the sunset provisions, or not; is that included?

Mr. HUDDLESTON. The sunset provision is not in this.

Mr. KENNEDY. It is not in this amendment?

Mr HUDDLESTON. It is in a later amendment.

Mr. KENNEDY. Mr. President, the amendment that the Senator offers is entirely agreeable to me.

I would urge the Senate to accept it. It identifies the areas of special responsibility which we, as a country, would feel about those refugees.

It seems to me that makes commonsense. It has been our past tradition in terms of refugee circumstances—that is barring the other kinds of inhibitions which have existed in refugee policy.

The idea of a report and a hearing is completely acceptable, I hope the members of the committee would accept this amendment.

What we have attempted to do in the other provisions of the legislation is to require the administration to set out before the beginning of the fiscal year, what the expectation is going to be over the period of the year so that Congress would have some degree of understanding as to the numbers of refugees to be admitted. That does not exist at the present time.

Obviously, by the nature of the subject matter we are considering today, it is not always easy to do this because of the nature of the problem of refugees. Refugee movements do not rise and fall according to a Senate budget calendar or the appropriations process. But, to the best of their judgment the administration is trying to estimate the nature of future refugee needs so that the Members of the Senate will know those facts early in our budgetary process.

The Senator from Kentucky wants to insure that we have a hearing on these special requests. That seems to be entirely desirable, that the information be available to the Senate, that a report be made. I think that is advisable.

What has happened in the past is that one or two members of the Judiciary Committee would be notified one evening and arrive the next. Perhaps an appropriations subcommittee would be marking up something at a particular time, and these matters would move on through without, I think, full notice and awareness of the Senate.

We have been aware of that and we are trying to regularize the process.

I think the recommendation the Senator from Kentucky has made in these areas would be useful and helpful and carry on the spirit of the legislation.

So I would urge acceptance of them by the Senate.

Mr. HUDDLESTON. I thank the distinguished Senator.

Mr. KENNEDY. I am prepared, unless others want to speak to it, to just yield back the remainder of time on the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HUDDLESTON. I will yield back my time on this amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (UP No. 527) was agreed to.

UP AMENDMENT NO. 528

(Purpose: To amend the standard upon which the President admits refugees above the 50,000 quota under section 207(a)(1))

Mr. HUDDLESTON. Mr. President, I send to the desk another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 528.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, beginning on line 13, strike out "special concern to the United States who will be in need of resettlement" and insert in lieu thereof "special responsibility to the United States."

Mr. HUDDLESTON. Mr. President, my second amendment would address the fact that the United States cannot respond to the needs of all 14 million refugees in the world today and the many millions who will be added in the future. The bill attempts to focus our resettlement assistance for refugees above the normal flow number on those refugees of special concern to the United States who will be in need of resettlement. Unfortunately, the concept "special concern" can have virtually any meaning and does not serve as an effective focusing device.

My amendment would require that the United States have a "special responsibility" for those refugees who are admitted above the normal flow level. It means that the United States must have a special relationship with that group of refugees. This could include a close social, economic, cultural, or political association that is not shared with other groups of refugees. Even though "special responsibility" has a narrower meaning than "special concern," it is still flexible enough to allow the President, in consultation with Congress, a great deal of latitude in providing reasonable assistance for refugees.

Since the United States is establishing a normal flow of 50,000 refugees per year, I believe that it is not unreasonable to require a "special responsibility" before exceeding it. Although this would be the first criteria to be met it would not automatically assure the admission of a particular group of refugees. The President would still be required to fully consult with Congress and provide ample justification for his decision to exceed the normal flow quota.

I believe this amendment is acceptable to the manager of the bill.

Mr. KENNEDY. It is entirely acceptable for the reasons I gave earlier.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. I yield back my time.

Mr. HUDDLESTON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 529

(Purpose: To amend the purpose provisions of the Act, and to terminate the authority to admit fifty thousand refugees in any fiscal year without prior consultation with the Committees on the Judiciary)

Mr. HUDDLESTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 529.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, between lines 17 and 18, insert the following:

(b) The Congress finds that the new immigration quotas established by this Act should be subjected to a timely review and reevaluation taking into consideration recommendations which may be made by the Select Commission on Immigration and Refugee Policy.

On page 2, line 18, strike out "(b)" and insert in lieu thereof "(c)".

On page 5, line 4, insert "(A)" immediately after "(1)".

On page 6, between lines 2 and 3, insert the following:

"(B) At the end of the fiscal year ending September 30, 1982, the authority under subparagraph (A) to admit fifty thousand refugees in any fiscal year without prior consultation with the Committees on the Judiciary of the Senate and the House of Representatives under paragraph (2) of this section shall terminate. Thereafter, all refugee admissions under subparagraph (A) shall be granted in any fiscal year in accordance with a determination made by the President, prior to the beginning of the fiscal year and after consultation in accordance with paragraph (2) of this section by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special responsibility to the United States who will be in need of resettlement. Refugee admissions shall be allocated in accordance with the provisions of subparagraph (A).

Mr. HUDDLESTON. Mr. President, my third amendment would terminate the increased 50,000 per year refugee quota after 3 years leaving only the special admission procedures under the remainder of the bill.

There has been a great deal of discussion and controversy about the need and wisdom of increasing the total U.S. yearly immigration quota in this manner. I am one of those who believe that we do not have sufficient information to make this determination at this time. Further, I believe that it would undermine the responsibility of the Select Commission on Immigration and Refugee Policy in its effort to make constructive recommendations on refugee numerical limitations. However, there are others who hold strongly to the contrary view.

In an effort to deal constructively with this issue, I have decided to introduce this amendment. In essence, the amendment would "sunset" the 50,000 per year after 3 years. In effect this guarantees that Congress will come back to this issue in 3 years and reevaluate its actions at that time. In so doing we are assured that this controversial change will not be firmly implanted forever in statutory law. Also, it would assure that the select commission can carry out its mission of fully evaluating refugee policy with the knowledge that its recommendations will be seriously considered within 3 years.

The most important aspect of this "sunset" provision is that it dramatizes the fact that the increased quota is highly controversial and that both sides recognize that fact. Hopefully, this action will focus more public attention on this provision in the bill and bring about an eventual final settlement of the issue.

I believe this amendment, also, has been considered by the manager of the bill.

Mr. KENNEDY. Mr. President, the Senate has debated sunset provisions in the past. I think there are many more deserving aspects of law that are worthy of sunsetting than this particular provision. However, I have indicated to the Senator from Kentucky that the Select Commission on Immigration and Refugee Policy will be reporting to the Senate within 2 years. They will be making general recommendations in terms of immigration as well as refugee policy, and this perhaps gives some additional support and legitimacy to their efforts, at least so far as I am concerned. Although my own sense is that we really are not achieving a great deal by sunsetting just the 50,000 normal flow ceiling in the bill.

Actually, the other provisions that regularize the process will remain intact. The equal treatment of refugees from different parts of the world will remain intact. Those aspects are not being altered or changed by the amendment of the Senator from Kentucky. It is just the normal flow figure.

So I would be willing to take the amendment to conference and find out what our other colleagues feel as to that particular provision.

I feel that it probably is not necessary. I would rather leave the figure in and then adjust it, change it or abolish it, depending on the Select Commission's recommendations, rather than doing it the other way. I know the Senator from Kentucky feels strongly about it, and I am willing to recommend that we accept it and find out what the other Members feel about that provision.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the name of the Senator from South Carolina (Mr. THURMOND) be added as a cosponsor of the three amendments I have just offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I believe the amendment is meritorious. I have joined the distinguished Senator as a cosponsor of the amendment, and I am pleased to support it.

Mr. KENNEDY. I yield back the remainder of my time, Mr. President.

Mr. HUDDLESTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I understand that an amendment is to be offered by Senator CRANSTON and Senator HAYAKAWA. Also, an amendment probably will be offered by the Senator from Florida (Mr. CHILES), and another will be offered by the Senator from Utah (Mr. HATCH). Mr. SARBANES and Mr. DOLE wish to speak with respect to this measure.

I doubt we can conclude action on the measure this evening. The leader has given assurance that we will be able to bring up this matter at the earliest possible hour in the morning, and we hope to be able to conclude it at an early time in the morning.

Mr. President, I understand that Senator DOLE is on his way to the Chamber. I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. KENNEDY. How much time does the Senator from Kansas want?

Mr. DOLE. One minute, maybe two minutes.

Mr. KENNEDY. I yield to the Senator.

Mr. DOLE. Mr. President, in the last weeks the attention of the Senate, and indeed the world, has been repeatedly directed to the plight of Indochinese refugees. On June 25 I introduced a concurrent resolution along with the Representative from New York (Mr. SOLARZ). That same day, I incorporated the language of the resolution to an amendment to the appropriations bill introduced by my colleague (Senator BOSCHWITZ). That legislation called for increasing our assistance and resettlement of refugees and was passed by the Senate. Heeding to congressional initiative, the President came out in total support of our action by announcing at the Tokyo summit meetings that the number of refugees the United States would accept would be doubled, thus setting an example for other nations.

Other nations have also pledged to increase their efforts to deal with the problem. As a result of the U.N. Conference on Refugees held in Geneva on July 20 and 21, a total of 260,000 refugees have been promised asylum by the 65 nations participating in the conference. This was an increase from only 125,000 resettlement places available as of May of this year. In the recent public discussions of this problem much reference has been made to the 1938 conference held in Evian, Switzerland which produced no real assistance for the persecuted Jews of Nazi Germany and Austria. I am gratified that the international community has refused to repeat history, and is committed to taking concrete steps to aid those refugees.

Even so, Mr. President, there is no time to lose. Some 350,000 refugees are scattered around Southeast Asia. Secretary of State Vance, in testifying before the Judiciary Committee on July 26, made the rough guess that tens of thousands of boat people have died in the current exodus from Vietnam. Of course, it is impossible to quantify the outrages being inflicted on the refugees of Indochina. As Secretary Vance pointed out in his testimony, Vietnam has not indicated any intention to moderate its efforts to expel ethnic Chinese from within its borders.

The United States has by no means been negligent in its efforts to deal with the problem, having accepted the largest number of Indochinese refugees to date. Other nations, including France, the Philippines, Indonesia, Great Britain, Canada, and China have aided in the resettlement of refugees.

Now, with the bill that is before the Senate, the United States has the opportunity to step forward and provide once again the leadership in dealing with the problems of refugees on the long-term basis that is called for. Though the Judiciary Committee favorably reported out S. 643 by unanimous vote on July 17, this bill has been held from consideration by the Senate to allow the asylum nations of the world to deliberate at the U.N. conference and chart the course of further international humanitarian efforts. Indeed, the feeling was, and justly so, that the United States cannot and should not be expected to support all of the refugees without assistance from other countries.

I urge my colleagues to vote favorably on S. 643. This bill establishes a uniform and comprehensive policy toward refugees that would correct the injustices and simplify the complexity of the present maze of procedures. It creates an orderly mechanism for accepting changing numbers of refugees, all the while insuring congressional participation in refugee policy. Certainly this response to the refugee problem will not be cheap. The anticipated cost of this refugee assistance program for fiscal year 1980 is $404.4 million. Yet other nations are also investing their resources in this effort. For example, Japan has promised to underwrite up to half of the costs of the U.N. refugee program.

There are legitimate concerns about the possible impact of this bill. The United States should not shoulder the humanitarian burden of resettling refugees alone. The response of the international community at the Geneva conference suggests that other nations will meet their responsibilities in this regard, and we must encourage them to continue to do so.

In addition, Mr. President, we must never fail to remember that the whole reason for a refugee problem is that countries like Vietnam and Cambodia produce refugees. Though Vietnam has promised to regulate the flow of refugees, it has not promised to moderate its policy of expatriating ethnic Chinese. On the contrary, Vietnam has promised before that it would not adopt such discriminatory policies. In the Vietnam Peace Agreement signed in 1973, the South Vietnamese parties, including the Hanoi-backed Vietcong, promised in article 11 of the document, to ensure the liberties of all the people, including, and I quote, "Freedom of Residence." Such is the credibility of the governments which produce refugees.

We must also care that any refugee policy we embrace does not allow our humanitarian impulse to be twisted into the means by which other nations can expatriate their unwanted minorities with impunity. Such blatant violations of basic rights we cannot countenance.

I believe S. 643 allows us to offer reasonable resettlement opportunities to refugees while allowing us the flexibility to deal with the problems I have just mentioned. Furthermore, we as a people benefit from our reception of refugees. Throughout our history, repeated immigration to our land has fertilized us with the talents, hard work, and dedication of people from a variety of other lands.

Once again, I urge the Senate to support this measure.

I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOLE. On anyone's time.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 391

(Purpose: To provide continued Federal reimbursement for public assistance to Indochina refugees for two years and thereafter to limit such assistance to Indochina refugees in the United States for less than thirty-six months)

Mr. CRANSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) for himself and Mr. HAYAKAWA proposes amendment numbered 391.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, line 18, strike out "No payment" and insert in lieu thereof "Except as provided in paragraph (5), no payment".

On page 21, line 11, strike out the close quotation marks and the second period.

On page 21, between lines 11 and 12, insert the following:

"(5) Payment may be made under paragraph (G) with respect to aid or services, furnished directly or through a project or program, to any Indochina refugee who entered the United States prior to October 1, 1979, without regard to the limitation specified in paragraph (2) of subsection (b) for the fiscal years ending September 30, 1980, and September 30, 1981, and thereafter such payments may be made for aid and services furnished under paragraph (G) to any Indochina refugee who entered the United States less than thirty-six months prior to receiving such aid or assistance. For the purposes of this paragraph, the term 'Indochina ref-

ugee' means a refugee from Cambodia, Vietnam, or Laos.".

UP AMENDMENT NO. 830

(Purpose: To provide that the two-year limitation on payments under section 2(5)(2) of the Migration and Refugee Assistance Act of 1962 not apply during the period beginning on the date of enactment and ending on September 30, 1981)

Mr. CRANSTON. Mr. President, I send to the desk a substitute for the amendment.

The PRESIDING OFFICER. Has the time on the amendment been yielded back?

Mr. CRANSTON. On which amendment?

The PRESIDING OFFICER. Until the time on the amendment has been yielded back a substitute amendment will not be in order.

Mr. CRANSTON. All right. I yield back time on the original amendment.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back his time?

Mr. KENNEDY. I yield back my time on the amendment.

The PRESIDING OFFICER. All time is yielded back.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) for himself and Mr. HAYAKAWA proposes an unprinted amendment No. 830 to amendment No. 391.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, beginning on line 2, strike out "Except as provided in paragraph (5), no payment" and insert in lieu thereof "(A) Subject to the provisions of subparagraph (B) of this paragraph, no payment".

On page 2, strike out lines 1 through 16 and insert in lieu thereof the following:

On page 20, after line 24, add the following:

"(B) The period beginning on the date of enactment of this Act and ending September 30, 1980, shall not be counted for purposes of computing the twenty-four month limitation period specified in subparagraph (A) of this paragraph.".

Mr. CRANSTON. Mr. President, the original amendment was offered by Senator HAYAKAWA and myself, and we have now offered the substitute amendment.

I want to thank the two Senators handling the bill on the floor, the chairman and the ranking member of the Judiciary Committee, Senator KENNEDY and Senator THURMOND, for their thoughtful cooperation in working out an acceptable form of this amendment that deals with the very, very difficult problem concerning the refugees in our country and the expenses that are entailed in their presence here until they are able to stand on their own feet.

The amendment provides continued Federal funding for full reimbursement of cash and medical assistance provided to Indochina refugees under the Indochina refugee assistance program (IRAP) for 1 year.

The effect of the bill will be to terminate at the end of this month full Federal reimbursement for cash and medical assistance provided to Indochina refugees who entered the country prior to September 30, 1977. This constitutes the great majority of the 213,000 or so refugees from Southeast Asia currently living in the United States.

Of this number, "officially" about 59,000 live in California. The remainder live in Texas, Pennsylvania, Louisiana, Virginia, Washington, Florida, Illinois, New York and Minnesota, in that order.

The fact is no one really knows where all the Indochina refugees actually live. No Federal agency has conducted a census of refugees.

There is reason to believe that as many as 100,000 live in California and not where HEW assumes they live.

The California Department of Social Services does know that 43,000 Indochina refugees presently receive cash assistance. If my State's "official" refugee population is accurate, over 67 percent of the refugees in California are on welfare. A shocking statistic. However, I have reason to believe that the refugee population in California is much higher than generally reported by official sources.

The majority of these refugees on assistance actually work. But they work at menial jobs at minimum wages with which they attempt to support families often numbering in excess of ten persons. It cannot be done. Therefore, they receive supplemental cash assistance.

Most of these 43,000 welfare refugees arrived before September 30, 1977, according to the State. The direct result of the committee bill will be to shift a substantial portion of their cash and medical assistance subsidy onto State and local taxpayers. It will still be paid. It will just be a shift as to who pays it.

The long-term consequences of this shift can be better appreciated when we look at data from Los Angeles County which show that the average refugee case has been on the welfare rolls for more than 30 months while the average domestic welfare case has been on the rolls for only 22 months. This implies that the refugees are not becoming economical self-sufficient as originally expected.

It also implies that as new refugees enter the country we can expect a substantial percentage to go immediately onto some form of welfare assistance.

The amendment I am offering with Senator HAYAKAWA is intended to give the States 1 year to increase and strengthen their social service programs to refugees. The committee bill generously provides an open authorization without a time limit for appropriations to fund social services provided by State and local governments to refugees. Clearly, this money needs to be utilized aggressively by the States to train and educate refugees to become self-sufficient.

The California legislature under the leadership of Speaker Leo McCarthy is accepting new responsibility for legislative oversight of State social service programs to refugees. Hearings by the Health Subcommittee, chaired by Assemblyman Art Torres, will be held in Los Angeles the week of September 17. I am confident these efforts will produce good results in California.

By relieving States and local governments of extra welfare costs, my amendment assures that earlier refugees will not be discriminated against in favor of the newcomers.

The costs of our amendment will be $110 million in 1980.

Unless job and language training programs are very successful, California and the Nation will have a substantial subclass of persons with increasing social problems.

Few in Government anywhere are fully aware of the dimensions of the social problems confronting us as we undertake the humanitarian response to persons fleeing certain death. I totally support the policy of S. 643. I know that my good friend, Senator KENNEDY, knows of my support. I know that he shares this grave concern.

The task ahead of us is indeed large and it will be an expensive undertaking. There is no way to mask that fact.

I have supported limitations on Federal reimbursement for refugee costs because I feel that the States, including my State of California, should be under some constraint to seek affirmatively ways of helping the refugees to become self-supporting. But the burden must not fall on a handful of States and counties exclusively. The Federal Government needs to do its share. One reason it should do its share is that it is national policy, not local governmental policies, that has led to the presence of the refugees in this country. My amendment helps to see to it that the Federal Government does indeed do its share.

The Department of HEW has not given the refugee problem the priority attention needed if we are to avoid some very serious social problems ahead. As a member of the Committee on Labor and Human Resources, I intend to pursue this matter vigorously with the Department.

I want to express my great appreciation to my fellow Californian, Senator HAYAKAWA, for his support of my amendment and for his unwavering commitment to the well-being of refugees. We have worked together consistently on the problems of Indochina refugees for the past 3 years. His collaboration has been most welcome, very effective, and I thank him for that.

I again thank Senator KENNEDY and Senator THURMOND, and I urge the Senate to support our proposal.

The PRESIDING OFFICER (Mr. PRYOR). Who yields time?

Mr. KENNEDY. I think the Senator from California has the time. However, I will be glad to yield the time.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. I thank the Senator.

This substitute amendment which I have introduced with Senator CRANSTON to the Refugee Assistance Act of 1979 would provide continued Federal reimbursement for 1 more year to all Indochinese refugees who are still in need of assistance. Refugees who enter the

United States after the bill is passed would be provided with 2 years' assistance by the Federal Government under this legislation.

These costs are currently covered for the Indochinese refugees under the Indochina Refugee Migration and Assistance Act which will expire September 30. This authorizing statute has paid for the assistance given to Indochinese refugees since their arrival in the United States in 1975.

S. 643, as it was amended by the Judiciary Committee, will continue with the "special project" funds currently authorized in the Indochina Migration and Refugee Assistance Act to provide $40 million annually for special projects and programs. However, the bill limits the 100-percent Federal support of medical, cash, and employment programs to the first 2 years after the refugee's entry into the United States. This would place an enormous burden on those States in which the refugees have settled. Despite the fact that these remarkable people have achieved an impressive record of assimilation into our society, many of the refugees require more than 2 years to become self-sufficient. A thoroughly adequate period of time is needed to properly complete the resettlement process.

The withdrawal of Federal funds at this point, when the refugees are still in need of this assistance, would place the financial burden of this task on private agencies and State and local governments. This would mean an especially heavy burden on those States in which the refugees tend to settle. In Los Angeles County, the data shows that 88 percent of the IRAP caseload are refugees who have been in the United States for 36 months or more, demonstrating that Federal aid should be continued for a period of time longer than the amount of time proposed by the legislation.

Terminating 100 percent Federal assistance for refuges already in the United States would cost State and local governments at least $110 million by 1981. California alone would have to bear more than $60 million of this cost. Approximately 27 percent of the refugees are now in California. In Los Angeles County alone, one-third of the 16,000 Indochinese welfare recipients migrated to the county from other States. States with high concentrations of Indochinese refugees—California, Texas, Pennsylvania, Louisiana, Washington, Virginia, Illinois, Florida, New York, and Minnesota—can expect to continue receiving large numbers of refugees, as new admissions favor those with relatives in the United States, and the remigration process within the United States is further concentrating refugees. This will present problems for local communities unless Federal funds can be continued for one more year to meet the resettlement needs of the refugees.

Mr. President, I am proud of the ways in which America has responded to the Indochinese refugee crisis. I get letters every day from constituents who express their concern for the refugees in Southeast Asia. They often offer to send assistance to needy refugees, or to help them into the society when they get to the United States. But some constituents express their concerns that the refugees will become an economic drain to their local communities. I believe that it is vitally important that the Federal Government alleviate the concerns of these citizens by bearing the burden of the cost of the Indochinese refugees for a reasonable period of time.

The conflict in Southeast Asia was a burden that was borne jointly by all the States. The refugee crisis that resulted from that conflict is also a burden to be borne corporately as a nation. President Carter has responded with concern and compassion to the plight of the refugees, and Vice President MONDALE, in addressing the U.N. Conference on Indochinese refugees in Geneva outlined the immediate steps needed to be taken to deal with the refugee crisis. Special delegations of congressional leaders have been sent to the refugee camps to view the conditions there. And now, as the refugees are accepted into the United States to begin to live new lives in this free country, it is imperative that the Federal support continue.

The disproportionate burdens to local property taxpayers should Federal support be prematurely cut off has moved the National Association of Counties to urge Congress to enact legislation that would extend the Indochinese Refugee Assistance Program at 100 percent Federal funding for income and medical assistance and social services.

The American people stand ready to help the needy people of the world, and this refugee legislation is a noble effort in that regard. However, we must be prepared to follow through with that effort, and provide for the needs of the refugees for a reasonable period of time once they have entered the country. It would be counterproductive to our aims to cause the financial burden of the refugees to be borne in a few local areas. We must be prepared, as a nation, to provide the financial assistance the Indochinese refugees need to become self-sufficient members of this society.

May I also at this point thank the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from South Carolina (Mr. THURMOND) for their assistance in working out a program plan which makes sense to all of us, to Senator CRANSTON and to me, as well as to both of them.

Mr. KENNEDY. Mr. President, I urge the Senate to accept the amendment of the Senators from California (Mr. CRANSTON and Mr. HAYAKAWA). The purpose of the legislation is to try to bring our various refugee programs into some orderly fashion and procedure, to give a clear signal to the States and local communities about what they might, and might not, expect over the period of the next several years.

I think many communities have done an absolutely extraordinary job in welcoming these refugees. I can remember very powerful testimony by Governor Ray of Iowa. When I was out in Iowa I had the opportunity of talking with some of those who were involved in the excellent refugee settlement program in that State. In fact, I want to note that my distinguished colleague on the Judiciary Committee, the Senator from Iowa, (Mr. CULVER) joins in supporting this amendment.

The States and local communities in many instances have done an absolutely superb job. On the one hand, we want to make sure that they do not assume unnecessary burdens in the resettlement of these refugees, and on the other hand we have some responsibility to insure that there is not going to be an unlimited, open-endedness to these Federal programs. California has a unique situation in that it has the largest number of refugees of any particular State, and, as the Senators have pointed out, there is a great deal of secondary movement among the refugees in this country, such as probably exists in the general population, moving to California in joining families and joining with other groups as they become more familiar both with the language and with the country.

We have had communications from California legislators, including the speaker of the California Assembly, Mr. Leo McCarthy, who has indicated that a very extensive study is now under way about the California situation, trying to make recommendations to their own legislature and to make information available to us, so that they can accept their responsibility within that State, and also so that they can get greater documentation for more responsible planning in the future.

It seems to me that this amendment provides some degree of transition. It also establishes very clearly, we hope, a degree of certainty as to what expenditures can be expected over the period of these next several years. I hope that the Senate will accept the amendment, and that there will be no objection to it. I am prepared to yield back the remainder of our time.

Mr. THURMOND. Mr. President, this is a matter which I have had considerable doubt about. We have reached a compromise on it that will allow one more year for these people to be trained and integrated into society. Then any new people coming in would have just 2 years.

I am sure the American people want to help refugees all they can. The people of our country are sympathetic, and no people have been more generous than the people of the United States. But I emphasize again that the people of the United States cannot support all the refugees in the world, and when refugees have been here for a period of 2 years, it is my opinion that by then they ought to be trained and be on their own. We just cannot carry these people on, year after year after year. We are doing more for them than we do for our own people, because they are receiving grants, handouts, welfare, and other forms of aid here when our own people do not get it.

We think probably in this particular case it is warranted to do this, but it will be my policy to take the position that after refugees have been here for 2 years, they have had time enough to be trained, and ought to go on their own.

In view of the situation as it exists

now, I will agree to go along with this amendment as it has been amended, and I am ready to yield back the remainder of my time.

Mr. CRANSTON. I thank the Senator very much. I think we are prepared to yield back the remainder of our time.

Mr. KENNEDY. We yield back the remainder of our time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment in the second degree.

The amendment (UP No. 530) was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the first degree amendment, as amended.

The amendment (No. 391, as amended) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. KENNEDY. I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 531

Mr. HART. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) offers an unprinted amendment numbered 531:

On Page 7, between lines 5 and 6, insert the following:

The information provided in subparagraphs (A) through (E) of this paragraph shall also be provided to the Governors of each State, along with information regarding the number of refugees to be admitted, and a description of Federal programs available to assist in the resettlement of refugees.

Mr. HART. Mr. President, first I want to commend the distinguished Senator from Massachusetts for his leadership on the refugee problem, which I think is becoming more and more apparent to more and more Americans as a serious problem, not only for the world but for this country specifically as we attempt to shoulder a larger piece of the whole problem of the refugees, particularly from the Southeast Asian region.

One of the problems that have surfaced particularly in the State of Colorado is the fact that as more and more refugees have arrived, and a number of thousands of them have arrived from Southeast Asia in the Denver area, conflicts have arisen between those refugees and the people native to the area, many of whom are minority people. There is great conflict over housing accommodations, which are still a considerable problem in the Denver area, particular between Vietnamese refugees and the Chicano community.

There is a strong feeling, particularly on the part of the Governor of Colorado and I think many of his colleagues in other States, that it would be one measure of considerable help to the State governments in this country in planning to accommodate the increasing numbers of refugees if they had information available about the long-range plans of the Federal Government to take in refugees, the numbers, character, and size of families involved, and any other data that the State Department or any other agency of the Federal Government may have.

That information is made available to Congress. It is essentially the same information that this amendment would require be made available to the State Governors of this country, so that they can make planning arrangements and housing arrangements, working with the cities and the local communities, to accommodate the refugees that are arriving.

It is a commonsense amendment, which assures that the States will have the same information available to them that the Federal Government and Congress have. I am hopeful that the Senator from Massachusetts will accept this amendment and that it will become a part of this very important bill.

Mr. KENNEDY. Mr. President, I welcome the amendment of the Senator from Colorado. Clearly one of the important aspects of this bill is to get information out on the resettlement of refugees, both to Congress and to the American people. The Senator from Colorado has pointed out the importance of the Governors, who accept important leadership responsibilities in the development of these programs, with church groups and voluntary agencies.

Clearly, the information that comes to Congress ought to go to the Governors. I think it is a very constructive, helpful, and positive contribution to the legislation. I urge the Senate to accept it.

Mr. President, I yield back the remainder of my time.

Mr. HART. I thank the Senator.

Mr. THURMOND. Mr. President, the amendment appears to be meritorious. I do not know of any objection to it. I am willing to accept it.

I yield back my time.

Mr. HART. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, may I inquire of the Senator from Massachusetts as to whether or not there is going to be a rollcall vote on passage of the bill?

Mr. KENNEDY. I should like to, if we can get through tonight.

Mr. ROBERT C. BYRD. Mr. President, will there be a rollcall vote on passage?

Mr. KENNEDY. There will be.

Mr. ROBERT C. BYRD. May we order it now?

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, there is a possibility, as I understand it, that the bill may be finished today. That is not certain, because there is an amendment, I believe, that is under discussion at this time. It depends on how that is resolved. I suggest Senators may wish to stay around a little while yet so that the outcome may become more clear.

Mr. President, I suggest the absence of a quorum and I ask that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 532

Mr. CHILES. Mr. President, I send to the desk an amendment and ask that it be considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES), for himself and Mr. STONE, proposes an unprinted amendment numbered 532.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, line 23, insert the following: "Except that for Cuban refugees who entered the United States and received assistance prior to October 1, 1979, assistance will be reimbursed at the rate of 75 percent of non-federal costs in fiscal year 1980, 60 percent in fiscal year 1981, 45 percent in fiscal year 1982. No reimbursement will be provided for these costs after September 30, 1983, except for the costs associated with current recipients of supplemental security income, for which 100 percent funding will be provided for all years; no recipients who become eligible for supplemental security income after September 30, 1978, will receive this special treatment."

Mr. CHILES. Mr. President, this amendment brings the refugee assistance

authorization into conformity with the 6-year phaseout compromise which was adopted in the 1978 Labor-HEW appropriations bill. This compromise has passed the Senate in each of the last 3 years. Since 2 years of the phasedown have already passed, this amendment only deals with the 3 years of 1980 to 1982.

Cuban refugee assistance is currently funded on an open-ended basis under the Migration and Refugee Assistance Act of 1962. The bill reported by the Judiciary Committee provides 2 years of funding for refugees newly entering the country. Unfortunately, it would abruptly terminate the funding of the Cuban refugee program. Appropriations for the Cuban program have already been reduced from a peak of $145 million in 1973, down to $53 million in the 1980 conference report. The Appropriations Committee has worked out an orderly phase down, and I believe we ought to keep that compromise, which has been accepted by both the House and the administration. The administration bill provided a total exemption for current Cuban refugees from the 2-year limit. This amendment is therefore tighter than the administration proposal, and reduces the phase down by 1 year.

Mr. President, most people are not familiar with the important facts and figures about the Cuban refugee assistance program. Since 1959, approximately 700,000 Cubans have come to the United States. To give you an idea of what that means, that is more people than live in the city of Boston. Almost 500,000 of the Cubans have ended up in Dade County, Fla. That is a level of impact far beyond any other refugee group affected by this legislation. Most people are not aware that we airlifted Cubans to the United States as recently as 1974, when an additional 5,000 Cubans came to Florida.

While the Cuban community has been a major asset to Dade County, the large influx also has imposed many costs. Our schools must be truly bilingual for all students. A disproportionate number of the refugees were elderly and disabled, who were pushed out of Cuba. That is why we find that while only 25 percent of Dade County's population is Cuban, a full two-thirds of Dade County's SSI population is Cuban. To get SSI, you must be both poor and either elderly or disabled. It is only this most disadvantaged group which we have singled out for 100-percent funding. That will not be a permanent cost, since it only refers to the elderly and disabled currently in the rolls. They need a tremendous amount of medical and social services, and that is what we have agreed to provide in the appropriations compromise, and what I hope we will agree to in this amendment.

Mr. President, I have discussed this amendment with the chairman and the ranking minority member. I hope they will accept the amendment.

Mr. KENNEDY. Mr. President, the Senator from Florida has reviewed the long history of this program. It has been an extremely unique program. The actual scaling down of the figures would clearly indicate that the State and local communities are prepared to assume these responsibilities. I think it is a worthwhile amendment. I strongly recommend that the Senate be willing to accept it.

Mr. THURMOND. Mr. President, this has been a very tough question for me to act on, frankly. My opinion is that after people have been here 2 years, that is a long enough time to get them trained and to give them the assistance that is needed. I get deeply concerned when people feel they can stay here year after year at the taxpayers' expense. In an effort to try to work this matter out with the distinguished Senators from Florida, I have agreed to go along with it, provided that the last year there was eliminated.

I want to say now, and I want to put those on notice who are interested in these refugees, that it is fair, after a refugee has been here 2 years, to put him on his own; otherwise, we give special preference to refugees over American citizens.

I have gotten many complaints; I have had any number of Senators call me about this matter. They are tired of having to carry these people for so many years. I have gotten, I do not know how many, letters and communications on these questions. But, as I have said, in an effort to accommodate the Senators from Florida and in an effort to try to work this matter out without hardship, I have agreed to go along with this amendment as the same has been amended.

I yield back my time on the amendment.

Mr. KENNEDY. I yield back the remainder of our time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 533

(Purpose: To amend the definition of the term "refugee" to include economically oppressed emigrants from Haiti)

Mr. STONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. STONE) proposes an unprinted amendment numbered 533.

Mr. STONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 16, insert the following immediately after "abode": ", or (C) economically oppressed emigrants from Haiti".

Mr. STONE. Mr. President, this is an amendment to construe and define the economically oppressed immigrants from Haiti as refugees.

Mr. President, offshore of my State of Florida, Haitians are being pushed overboard by people trafficking in this misery when it looks like smuggling them in is about to be discovered. These Haitians, when they do arrive in Florida and on the east coast, are frequently incarcerated and they are treated so differently from the boat people in other oceans and from other immigrants of a status which is not clear that the black community in my State is under the impression that this borders on racism.

I have to say that the Haitians that are being squeezed out of the Bahamas and squeezed out of their own homes and are in fear of starvation as well as oppression, deserve better treatment than that. So, to clarify their status, I offer this amendment.

Mr. KENNEDY. Mr. President, this is a problem that I know faces the State of Florida as well as a number of other communities. But we cannot accept economic factors alone as causing someone to be defined as a refugee. We do have the Select Commission on Immigration and Refugee Policy, that is considering a wide variety of different immigration problems and also refugee problems. I am a member of that Commission, along with Senator DECONCINI and Senator SIMPSON and Senator MATHIAS from the Judiciary Committee. I would be glad to write the Chairman of the Commission and urge they give special consideration to this problem, urge that they have a hearing in Florida at the Senators' convenience, to really focus on this and to give us recommendations about ways that we might proceed. But economic motivations are not covered in the bill's definition of a refugee, or in the U.N. Convention and Protocol.

Mr. STONE. Mr. President, on that assurance, I shall withdraw this amendment at this time and join with the Senator from Massachusetts in making special efforts to take care of this situation.

Those people need help. They need direct attention. I hope and trust that the Special Commission can do that.

I withdraw the amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

The amendment was withdrawn.

● Mr. WARNER. Mr. President, on September 5, 1979, the State of Virginia made known its official position with respect to S. 643, the Refugee Act of 1979.

I ask that the official position of the State of Virginia be printed in the RECORD.

The statement follows:

REFUGEE ACT OF 1979 (S. 643): STATE OF VIRGINIA

The following constitutes the official position of the State of Virginia with respect to S. 643, as amended July 10 by the Senate Judiciary Committee. Virginia enthusiastically supports S. 643 as amended by the Senate Judiciary Committee, with the exception of the provision which limits full federal funding for cash and medical assistance, and child welfare services provided to refugees for the two-year period following entry into the United States. Two years of full federal funding is inadequate and will subject Virginia and its local political jurisdictions to an intolerable demand on limited resources to respond to an international calamity.

On August 3, Senators Cranston and Hayakawa introduced an amendment to S. 643 which, if modified, would make S. 643 totally acceptable to the State of Virginia. The Cranston/Hayakawa Amendment provides for two additional years of full federal funding for "Indochinese" refugees receiving "public assistance" as of September 30, 1979. Additionally the Cranston/Hayakawa Amendment provides for full federal funding for a period of 36 months for all new refugees from Indochina following the date of entry into the United States. An amendment to S. 643 should not limit itself to "Indochinese" refugees for a two-year transition period and 36 months thereafter while retaining a two-year limitation for all other refugees.

We would, therefore, suggest that the current refugee population be provided cash and medical assistance, and child welfare services for an additional two-year period of time and that all new refugees be provided cash and medical assistance, and child welfare services for a period of three years with full federal funding. S. 643 amended to incorporate these recommendations would be fully supported by the State of Virginia.●

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CULVER), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Washington (Mr. MAGNUSON), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from South Dakota (Mr. PRESSLER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER (Mr. RIEGLE). Are there any Senators in the Chamber who wish to vote and have not done so?

The result was announced—yeas 85, nays 0, as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—85

Armstrong	Glenn	Packwood
Baucus	Goldwater	Percy
Bellmon	Gravel	Proxmire
Bentsen	Hart	Pryor
Biden	Hayakawa	Randolph
Boren	Heflin	Ribicoff
Boschwitz	Heinz	Riegle
Bradley	Helms	Roth
Bumpers	Hollings	Sarbanes
Burdick	Huddleston	Sasser
Byrd, Harry F., Jr.	Humphrey	Schmitt
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Simpson
Chafee	Kassebaum	Stafford
Chiles	Kennedy	Stennis
Church	Leahy	Stevens
Cochran	Levin	Stevenson
Cohen	Long	Stewart
Cranston	Lugar	Stone
Danforth	Mathias	Talmadge
DeConcini	Matsunaga	Thurmond
Dole	McClure	Tower
Domenici	McGovern	Tsongas
Durenberger	Meicher	Wallop
Durkin	Metzenbaum	Warner
Eagleton	Morgan	Weicker
Exon	Moynihan	Williams
Ford	Nelson	Zorinsky
	Nunn	

NAYS—0

NOT VOTING—15

Baker	Hatfield	Magnuson
Bayh	Inouye	Muskie
Culver	Jepsen	Pell
Garn	Johnston	Pressler
Hatch	Laxalt	Young

So the bill (S. 643) was passed, as follows:

S. 643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Refugee Act of 1979".

TITLE I—PURPOSE

SEC. 101. (a) The Congress declares that it is the historic policy of the United States to respond to the urgent needs of persons subject to persecution in their homelands, including, where appropriate, humanitarian assistance for their care and maintenance in asylum areas, efforts to promote opportunities for resettlement or voluntary repatriation, aid for necessary transportation and processing, admission to this country of refugees of special concern to the United States, and transitional assistance to refugees in the United States. The Congress further declares that it is the policy of the United States to encourage all nations to provide assistance and resettlement opportunities to refugees to the fullest extent possible.

(b) The Congress finds that the new immigration quotas established by this Act should be subjected to a timely review and reevaluation taking into consideration recommendations which may be made by the Select Commission on Immigration and Refugee Policy.

(c) The objective of this Act is to provide a permanent and systematic procedure for the admission to this country of refugees of special concern to the United States, and to provide comprehensive and uniform provisions for temporary and transitional assistance to those refugees who are admitted.

TITLE II—ADMISSION OF REFUGEES

SEC. 201. (a) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by adding after paragraph (41) the following new paragraph:

"(42) The term 'refugee' means (A) any person who is outside any country of his nationality or, in the case of a person having no nationality, is outside any country in which he last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group, or political opinion, or (B) any person who has been displaced by military or civil disturbances or uprooted because of arbitrary detention or the threat of persecution, and who is unable to return to his usual place of abode.".

(b) Chapter I of title II of the Immigration and Nationality Act is amended by adding after section 206 (8 U.S.C. 1156) the following new sections:

"ANNUAL ADMISSION OF REFUGEES

"SEC. 207. (a)(1)(A) The number of refugee admissions granted in any fiscal year shall not exceed fifty thousand unless the President determines, prior to the beginning of the fiscal year and after consultation by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees in excess of fifty thousand is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special responsibility to the United States. These refugee admissions shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President, and there shall be periodic consultations between designated representatives of the President and members of the Committees on the Judiciary regarding the progress of refugee admissions and the possible need for adjustments in the allocation of admissions among groups or classes of refugees. Prior to the start of the fiscal year, the President shall report to the Committees on the Judiciary of the Senate and the House of Representatives regarding the worldwide refugee situation and the anticipated allocation of refugee admissions during the fiscal year.

"(B) At the end of the fiscal year ending September 30, 1982, the authority under subparagraph (A) to admit fifty thousand refugees in any fiscal year without prior consultation with the Committees on the Judiciary of the Senate and the House of Representatives under paragraph (2) of this section shall terminate. Thereafter, all refugee admissions under subparagraph (A) shall be granted in any fiscal year in accordance with a determination made by the President, prior to the beginning of the fiscal year and after consultation in accordance with paragraph (2) of this section by the designated representatives of the President with the Committees on the Judiciary of the Senate and the House of Representatives, that admission of a specific number of refugees is justified by humanitarian concerns or is otherwise in the national interest, based upon the foreseeable number of refugees of special responsibility to the United States who will be in need of resettlement. Refugee admissions shall be allocated in accordance with the provisions of subparagraph (A).

"(2)(A) The term 'consultation' with respect to the admission of refugees under this section or section 208 means personal contact by designated representatives of the President with members of the Committees on the Judiciary to review the refugee situation or emergency refugee situation, to project the extent of possible United States participation therein, to discuss the reasons for believing that the proposed admission of

refugees is in the national interest, and to provide such members, the Speaker of the House of Representatives, and the President pro tempore of the Senate, with information that shall include—

"(i) a description of the nature of the refugee situation;

"(ii) a description of the refugees who may be admitted, including the proposed plans for their resettlement, the estimated cost of their resettlement, an analysis of conditions within the countries from which they originated;

"(iii) an analysis of the anticipated social, economic, and demographic impact of their admission to the United States;

"(iv) a description of the extent to which other countries will admit and assist in the resettlement of such refugees;

"(v) an analysis of the impact of the United States participation in the resettlement of such refugees on the United States foreign policy interests; and

"(vi) such additional information as may be appropriate or requested by such members."

The information provided in subparagraphs (i) through (v) of this paragraph shall also be provided to the Governors of each State, along with information regarding the number of refugees to be admitted, and a description of Federal programs available to assist in the resettlement of refugees.

"(B) Upon receipt of the information specified in subparagraph (A), the Judiciary Committee of the Senate and the Judiciary of the House shall each hold a hearing on such information and shall submit, within thirty days of continuous session of the Congress beginning on the date the consultation process concludes, a report to their respective Houses of Congress. For purposes of this subparagraph, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded.

"(3) Subject to the numerical limitation established pursuant to paragraph (1) the Attorney General pursuant to such regulations as he may prescribe, shall admit for lawful permanent residence any refugee who is not firmly resettled in any foreign country, is within a group or class of refugees determined to be of special concern to the United States, and is admissible as an immigrant under this Act, except for the fact that he does not meet the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

"(b)(1) The Attorney General shall establish a uniform procedure for an alien physically present in the United States, irrespective of his status, to apply for asylum, and the alien shall be granted asylum if he is a refugee within the meaning of section 101(a)(42)(A) and his deportation or return would be prohibited under section 243(h) of this Act.

"(2) The Attorney General shall conditionally admit into the United States, pursuant to such regulations as he may prescribe, any alien granted asylum under paragraph (1). Such admission may be terminated if the Attorney General, pursuant to such regulations as he may prescribe, determines that the alien is no longer a refugee within the meaning of section 101(a)(42)(A) owing to a change in circumstances in the alien's country of nationality or the country in which he last habitually resided, as the case may be.

"(3) A spouse or child (as defined in section 101(b)(1)(A), (B), (C), (D), or (E)) of any alien who qualifies for conditional admission under paragraph (2) shall, if not otherwise entitled under such paragraph, be entitled to conditional admission if accompanying, or following to join, such alien.

"(4)(A) Not more than five thousand of the refugee admissions authorized under subsection (a) in any fiscal year may be made available by the Attorney General, in his discretion and under such regulations as he may prescribe, to adjust to lawful permanent resident the status of any alien conditionally admitted under this subsection not less than two years before the date of adjustment who—

"(i) makes application for such adjustment;

"(ii) continues to be a refugee within the meaning of section 101(a)(42)(A);

"(iii) is not firmly resettled in any foreign country; and

"(iv) is admissible as an immigrant under this Act at the time of his examination under this paragraph, except for the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

(B) Upon approval of an application pursuant to this paragraph, the Attorney General shall record the alien's admission to the United States for lawful permanent residence as of the date two years prior to the date of approval.

"(5) The provision of section 245(c) of this Act shall not apply to refugee applicants who are physically present within the United States and have accepted unauthorized employment prior to the submission of their asylum application.

"ADMISSION OF EMERGENCY SITUATION REFUGEES

"SEC. 208. (a) If the President determines, after consultation by the President's designated representatives with the Committees on the Judiciary of the Senate and the House of Representatives, that (1) an unforseen emergency refugee situation exists; (2) the admission of certain refugees in response to the emergency refugee situation is justified by grave humanitarian concerns or is otherwise in the national interest; and (3) that the admission into the United States of these refugees cannot be accomplished under section 207, the President may fix a number of refugees to be admitted into the United States in response to the emergency refugee situation.

"(b) The admissions authorized by subsection (a) shall be allocated among groups or classes of refugees of special concern to the United States in accordance with a determination made by the President.

"(c) Subject to the numerical limitation established pursuant to subsection (a), the Attorney General may admit into the United States conditionally or for lawful permanent residence, in his discretion and pursuant to such regulations as he may prescribe, any alien who is a refugee within a group or class designated pursuant to subsection (b) and who is not firmly resettled in any foreign country.

"SPOUSES AND CHILDREN OF REFUGEES

"SEC. 209. A spouse or child (as defined in section 101(b)(1)(A), (B), (C), (D), or (E)) of any alien who qualifies for admission under section 207(a) or 208 shall, if not otherwise entitled to admission under such section, be entitled to the same admission status as such alien if accompanying, or following to join, such alien, and upon the spouse's or child's admission into the United States, such admission shall be charged against the numerical limitation established in accordance with the section under which the alien qualifies for admission. A spouse or child who is admitted for lawful permanent residence in accordance with this section shall be required to establish admissibility to the United States as an immigrant except for the requirements of paragraph (14), (15), (20), (25), or (32) of section 212(a). The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, or to assure family unity, and when it is otherwise in the public interest.

"GRANTING OF IMMIGRANT STATUS TO EMERGENCY SITUATION REFUGEES

"SEC. 210. (a) Notwithstanding any numerical limitation specified in this Act, any alien who has been admitted into the United States conditionally under section 208 or 209—

"(1) whose admission has not been terminated by the Attorney General pursuant to such regulations as he may prescribe;

"(2) who has not acquired permanent-resident status; and

"(3) who has been physically present in the United States for at least two years.

shall, at the end of such two years, return or be returned to the custody of the Service for inspection and examination for admission into the United States as an immigrant in accordance with the provisions of sections 235, 236, and 237.

"(b) Any alien who, pursuant to subsection (a), is found, upon inspection by an immigration officer or after a hearing before a special inquiry officer, to be admissible as an immigrant under this Act at the time of his inspection and examination, except for the fact that the alien does not meet the requirements of paragraph (14), (15), (20), (21), (25), or (32) of section 212(a), shall be regarded as lawfully admitted to the United States for permanent residence as of the date of his arrival. The remaining provisions of section 212(a) may be waived at the discretion of the Attorney General at any time for humanitarian purposes, to assure family unity, and when it is otherwise in the public interest.".

SEC. 202. Section 211 of the Immigration and Nationality Act (8 U.S.C. 1181) is amended—

(a) by inserting in subsection (a) after "Except as provided in subsection (b)" the following: "and subsection (c)"; and

(b) by adding a new subsection (c) at the end thereof to read as follows:

"(c) The provisions of subsection (a) shall not apply to an alien whom the Attorney General admits to the United States for lawful permanent residence under section 207.".

SEC. 203. (a) Section 201(a) of the Immigration and Nationality Act (8 U.S.C. 1151(a)) is amended to read as follows:

"SEC. 201. (a) Exclusive of special immigrants defined in section 101(a)(27), immediate relatives specified in subsection (b) of this section, and aliens who come within the provisions of sections 207, 208,, and 209, the number of aliens born in any foreign state or dependent area who may be issued immigrant visas or who may otherwise acquire the status of an alien lawfully admitted to the United States for permanent residence, shall not in any of the first three quarters of any fiscal year exceed a total of seventy-two thousand and shall not in any fiscal year exceed two hundred and seventy thousand.".

(b) Section 202 of the Immigration and Nationality Act (8 U.S.C. 1152) is amended—

(1) by striking out "and the number of conditional entries" in subsection (a);

(2) by striking out "(8)" in subsection (a) and inserting in lieu thereof "(7)";

(3) by striking out "or conditional entries" and "and conditional entries" in subsection (e);

(4) by striking out "20 per centum" in subsection (e)(2) and inserting in lieu thereof "26 percent";

(5) by striking out paragraph (7) of subsection (e);

(6) by striking out "(7)" in paragraph (8) of subsection (e) and inserting in lieu thereof "(6)"; and

(7) by redesignating paragraph (8) of subsection (e) as paragraph (7).

(c) Section 203 of the Immigration and Nationality Act (8 U.S.C. 1153) is amended—

(1) by striking out "or their conditional entry authorized, as the case may be," in subsection (a);

(2) by striking out "20 per centum" in subsection (a)(2) and inserting in lieu thereof "26 percent";

(3) by striking out paragraph (7) of subsection (a);

(4) by striking out "and less the number of conditional entries and visas available pursuant to paragraph (7)" in subsection (a)(8);

(5) by striking out "or to conditional entry under paragraphs (1) through (8) in subsection (a)(9) and inserting in lieu thereof "under paragraphs (1) through (7)";

(6) by redesignating paragraphs (8) and (9) of subsection (a) as paragraphs (7) and (8);

(7) by striking out "(7)" in subsection (d) and inserting in lieu thereof "(6)"; and

(8) by striking out subsections (f), (g), and (h).

(d) Sections 212(a)(14), 212(a)(32), and 244(d) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(14), 1182(a)(32), 1254 (d)) are amended by striking out "section 203(a)(8)" and inserting in lieu thereof "section 203(a)(7)".

(e) Subsection (h) of section 243 of the Immigration and Nationality Act (8 U.S.C. 1253) is amended to read as follows:

"(h) The Attorney General shall not deport, or return any alien (other than an alien described in section 241(a)(19)), to any country where such alien's life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group, or political opinion, unless deportation or return would be permitted under the terms of the United Nations Protocol Relating to the Status of Refugees.".

(f) Section 5 of the Act of October 5, 1978 (Public Law 95-412) is amended by striking out "September 30, 1980" and inserting in lieu thereof "the effective date of the Refugee Act of 1979".

(g) Any reference in any law to section 203(a)(7) of the Immigration and Nationality Act shall be deemed a reference to section 207 of that Act.

TITLE III—TEMPORARY AND TRANSITIONAL ASSISTANCE TO REFUGEES

SEC. 301. (a) Section 2(b) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(b)) is amended to read as follows:

"(b)(1) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

"(A) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or persons in behalf of whom he is exercising his good offices; for contributions to the Intergovernmental Committee for European Migration; the International Committee of the Red Cross; and to other relevant international organizations;

"(B) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the foreign policy interests of the United States;

"(C) for payments to appropriate public or nonprofit private agencies to aid in the placement, resettlement, and care of refugees;

"(D) for projects and programs to assist adult refugees in gaining skills and education necessary to become employed or otherwise self-reliant, including facility in English, vocational and technical training, professional refresher training and other recertification services, and social and employment services;

"(E) for payments to State and local agencies for projects to provide special educational services (including facility in English) to refugee children in elementary and secondary schools;

"(F) for child welfare services, including foster care maintenance payments and services and health care, furnished in any of the first twenty-four months during any part of which the refugee is in the United States or, in the case of a child who enters the United States unaccompanied by a parent or other close adult relative (as defined by the President), until the month after such child attains age eighteen (or such higher age as the State's child-welfare services plan prescribes for the availability of such services to any other child in that State), if later; and

"(G) for interim support assistance during the period of initial adjustment, and for income maintenance and medical assistance, except that if a refugee receives aid or assistance under a State plan approved under part A of title IV or under title XIX of the Social Security Act, or for supplementary security income benefits (including State supplementary payments) under the program established under title XVI of that Act, funds authorized under this subsection shall only be used for the non-Federal share of such aid or assistance, or for such supplementary payments.

(A) Subject to the provisions of subparagraph (B) of this paragraph, no payment shall be made under subparagraph (C) or (G) of paragraph (1) with respect to aid or services, furnished directly or through a project or program, to a refugee who entered the United States more than twenty-four months prior to receiving such aid or services, except that for Cuban refugees who entered the United States and received assistance prior to October 1, 1979, assistance will be reimbursed at the rate of 75 percent of non-Federal costs in fiscal year 1980, 60 percent in fiscal year 1981, 45 percent in fiscal year 1982, no reimbursement will be provided for these costs after September 30, 1983, except for the costs associated with current recipients of supplemental security income, for which 100 percent funding will be provided for all years; no recipients who become eligible for supplemental security income after September 30, 1978, will receive this special treatment.

"(B) The period beginning on the date of enactment of this act and ending September 30, 1981, shall not be counted for purposes of computing the twenty-four month limitation period specified in subparagraph (A) of this paragraph.

"(3) For special projects and programs authorized in subparagraph (D) of paragraph (1), there are authorized to be appropriated each fiscal year $40,000,000, to remain available until expended, to be administered primarily by private, nonprofit agencies participating in refugee resettlement programs, or by State or local public agencies, to assist refugees in resettling and becoming self-reliant.

"(4) As used in this section, the term 'refugee' has the same meaning as that prescribed by paragraph (42) of section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(42)).".

(b) Subsection (a) of this section shall not be considered a law enacted on or after February 7, 1972, for purposes of section 15 (a)(1)(A) of the Act of August 1, 1956 (22 U.S.C. 2680(a)(1)(A)).

SEC. 302. Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is further amended by striking out "$25,000,000" in paragraph (2) and inserting in lieu thereof "$50,000,000".

SEC. 303. (a) The Comptroller General of the United States shall evaluate Federal and federally assisted programs to refugees resettling within the United States to determine their effectiveness and efficiency.

(b) The Secretary of Health, Education, and Welfare shall conduct research or provide assistance for the conducting of research into the resettlement of refugees and their adaptation to life in the United States. Such research shall include all aspects of the resettlement and adaptation process, and shall examine the status of resettled refugees to assess programs in securing and retaining employment, housing, and facility in the English language, and other factors as the Secretary finds relevant.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

TITLE IV—EFFECTIVE DATE

SEC. 401. (a) Except as provided in subsection (b), this Act shall become effective on October 1, 1979.

(b) The repeal of subsections (g) and (h) of section 203 of the Immigration and Nationality Act, made by section 203(c)(8) of this Act, shall not apply with respect to any individual who before the effective date of this Act was granted a conditional entry under section 203(a)(7) of the Immigration and Nationality Act (and under section 202 (e)(7) of the Immigration and Nationality Act, if applicable), as in effect immediately before such date, nor shall it apply to any alien paroled into the United States before the effective date of this Act who is eligible for the benefits of section 5 of the Act of October 5, 1978 (Public Law 95-412).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I want to express my thanks to the distinguished Senator from South Carolina, the ranking minority member of the Judiciary Committee (Mr. THURMOND), for his contributions and support of this important reform legislation.

I also want to thank Jerry Tinker, counsel to the Committee for Immigration and Refugee Issues, for his long and important work in moving this legislative proposal to its final consideration tonight by the Senate.

And I would like to acknowledge with thanks the important contributions of several staff members of the committee, including Mr. Barney Dusenbury of Senator THURMOND's staff.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 643.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, that Senators may speak therein up to 5 minutes each, and that the period not extend beyond 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOVIET COMBAT TROOPS IN CUBA

Mr. THURMOND. Mr. President, the disclosure earlier this week of the presence in Cuba of Soviet combat battalions and support forces represents a direct challenge to President Carter, greatly complicates passage of the SALT II Treaty, and clearly violates the Monroe Doctrine.

In addition, it raises serious questions as to the capability of our own intelligence forces when troops of a brigade size can be placed within 90 miles of our borders without our knowledge. Obviously, these troops were secretly moved into Cuba in a piecemeal fashion over a period of months or years while at the very same time the Soviets have been negotiating with us on SALT and other matters.

The Senate might well consider what would have been the effect of this disclosure had it come when President Carter was in Vienna meeting with Secretary Brezhnev. The embarrassment to our President would have been great and he may have been forced to break up the conference as did Khrushchev when the U-2 plane was shot down prior to the meeting with President Eisenhower.

FOOLISH TO CONSIDER SALT II

My own reaction to this news is that the U.S. Senate would be foolish to even consider any agreement with the Soviet Union under such circumstances. World leaders must certainly wonder about the will and the strength of our Nation when we cannot control events in our own hemisphere.

I do not believe we would be facing such problems if we had moved rapidly to deploy the MX missile, build the B-1 bomber, modernize our Army, and increase the size and strength of our Navy. There is no doubt in my mind this administration and its policies have been instrumental in placing us in the situation we find ourselves today. Further, the Congress itself must bear some of the blame for accepting these misguided defense policies.

The question now arises as to what is the proper U.S. response in a period of "essential equivalence." Further, what will be our response if a similar situation arises in the early 1980's when the Joint Chiefs of Staff say we will no longer enjoy "essential equivalence?"

STRONG ACTION NEEDED

In my opinion, we must take strong action or the lack of U.S. resolve will be seen as a signal throughout the Western Hemisphere that we are unable to deter Soviet expansionism through its proxy state, Cuba. World leaders would certainly admire us for defending our own turf. If we cannot do that, our ability to act in NATO and elsewhere comes into question. It is better to stand firm now because the longer we wait to act, the weaker our hand will become.

The Senate may recall that the Carter administration suspended the flights of the SR71 Blackbird spy plane over Cuba in 1977. This ill-advised action was taken despite the fact that our intelligence agencies were being seriously damaged by attacks from within the Congress and the administration itself.

In addition to these troops, the Soviets have introduced into Cuba the nuclear-capable Mig-23 aircraft. For a number of months the pilots of the Soviet Air Force have been flying these aircraft in the Caribbean area while Cuban pilots were on combat missions in Africa. Further, Soviet naval activities in Cuba have been expanding for years. Only last month a Soviet naval task force was headed for Cuba before being turned around at the last moment.

Taken all together, the Soviets are moving toward establishing a military outpost in Cuba either to protect Cuba or to strengthen Cuba's hand as it attempts to transfer communism into Latin America.

SOVIET EXPANSION THROUGH CUBA

Mr. President, there is little doubt that Cuba aided Panama during the successful promotion of the Panama Canal treaties. Furthermore, the hand of Cuba was heavily involved in the revolution in Nicaragua and in addition, Cuba sent "advisers" to Grenada to assist the revolutionary government there which recently took power in that island nation in the Caribbean.

The purpose of the Soviet troops may well be to provide security for Cuba as it steps up its activities to establish Communist governments throughout South and Central America as has been done in Africa. The timing for such a move may be triggered by the obvious weakening of U.S. defense forces as reflected in our smaller Navy, the lack of modernization of our Army and the approaching missile gap in our strategic forces.

Mr. President, regardless of the reasons for the location in Cuba of fully equipped combat units, the United States cannot turn its head as we have done in Africa. We must project a forceful policy to meet this challenge, and until such a policy is implemented, only then would the Senate be in a position to evaluate the worth of an agreement with the expansionistic leaders of the Soviet Union.

If we fail to rapidly promote such a policy, we will be inviting trouble throughout Central and South America. Our lack of response will be seen as weakness and an invitation for the Soviets to promote, through Cuba, Communist governments throughout Latin America.

SOVIET TROOPS IN CUBA: IT IS TIME TO DRAW THE LINE

Mr. WARNER. Mr. President, the matter of Soviet combat troops in Cuba has now become a national issue of great significance.

The past few days have seen repeated calls for removal of those troops and some Senators have now urged that consideration of the SALT II Treaty be suspended until such time as those troops are removed.

Clearly, it is time to respond to this latest Soviet provocation with actions, not words. Accordingly, we must take action to let the Soviets know that we are drawing the line—perhaps belatedly, but we are going to draw a line.

There seems to be a trend whereby the United States is failing to respond forcefully to the provocations of the Soviet Union and its proxy countries and, by so failing to respond, we have, in fact, encouraged further provocations.

Consider an event which took place less than a year ago. U.S. intelligence agencies detected the presence of new Soviet M16-23 jet aircraft in Cuba. For the first time the Soviet Union had placed highly capable high performance aircraft in Cuba which were capable of carrying nuclear weapons.

The United States protested the presence of these aircraft in Cuba but quickly accepted a Soviet assurance that the aircraft did not have all the equipment necessary to carry the nuclear weapons.

The nuclear capable aircraft are still in Cuba.

Now we learn that Soviet combat troops are in Cuba, and Secretary Vance is seeking Soviet assurances that those troops do not have a hostile intention or purpose.

I suggest that, if words are our only response this time, the Soviet troops, like the M16-23's, will remain in Cuba for a long time to come.

A strong response is certainly in order, but we must not act hastily and imprudently. Those who have argued that the SALT II Treaty should be held hostage until the Soviet troops are removed have put forth one alternative course of action. But this may or may not be a productive course to pursue, and its consideration must be made in the context of careful analysis of all alternatives.

This morning I requested that the chairman of the Armed Services Committee convene prompt hearings to develop facts and consider alternatives, and I am pleased that those hearings have now been set for Monday morning.

There are alternative courses of action, and I would like to suggest some of them to my colleagues for their consideration.

There are some actions that can be taken now which will send a clear message to Moscow. The United States could suspend indefinitely the granting of trade credits to the Soviet Union. Perhaps it is time that we halt the Soviets from buying tangible goods and advanced technologies with paper promises. Perhaps it is time to stop lending the Soviet Union money at rates cheaper than American home buyers can obtain.

Further, the United States might consider denying indefinitely most-favored-nation status to the Soviet Union—a status which would grant concessionary tariff rates and other advantages to the Soviet Union.

I believe that these and other potential responses should be considered carefully by the President. We can no longer afford to sit idly by and engage in polite diplomatic discourse while the Soviet Union continues to discredit the United States in the eyes of the world.

It is time for the United States to draw the line. Actions speak louder than words.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have addressed to the chairman of the Committee on Armed Services, Senator JOHN C. STENNIS, in connection with this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., September 6, 1979.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to our conversation of this morning, I would like to formally request that immediate hearings be convened by the Senate Armed Services Committee on the critical issue of the newly-confirmed presence of Soviet combat troops in Cuba.

It is my judgment that this matter clearly falls within the jurisdiction of the Senate Armed Services Committee. I believe the Committee membership should immediately bring to bear its extensive expertise on military matters and provide the Senate and the Nation with our assessment of the current situation.

This is an extremely serious matter, not only from a military and geopolitical viewpoint, but also because it raises serious questions with regard to the adequacy and the integrity of our intelligence-gathering capabilities. I need not remind you that it was only a few short weeks ago that the Senate was assured by senior Administration officials that there was no evidence of any substantial increase in the Soviet military presence in Cuba over the past several years.

Of immediate importance, the Senate is now considering the SALT II Treaty and I, and many of my Senate colleagues, believe that the SALT II Treaty cannot be considered in isolation. Soviet military activities around the world are an important backdrop to our deliberations on the SALT Treaty. Further, there is some sentiment in the Senate that consideration of the SALT Treaty should be held up until the Soviet troops are removed from Cuba. Early hearings would provide a useful forum for considering the implications of such an alternative.

The Senate and the Nation urgently need to have a credible evaluation of the facts on this matter.

With best wishes, I am
Sincerely,

JOHN W. WARNER.

ANNIVERSARY OF NEW YORK STATE WORKMEN'S COMPENSATION LAW

Mr. MOYNIHAN. Mr. President, this year, New Yorkers can be proud as we celebrate the anniversary of a pioneering event in the history of social legislation—the enactment 65 years ago of our State workers' compensation law. At its meeting in New York City on May 15, 1979, the Workers' Compensation Board of the State of New York unanimously adopted a resolution, and I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

BOARD RESOLUTION

Whereas, Workers' Compensation in New York State is entering upon its 65th year of continuous operation, having been enacted by Laws of 1913, Chapter 816, effective January 1, 1914, and

Whereas, the 1910 recommendations of the Wainwright Commission to the State Legislature urging the enactment of a Workers' Compensation Law based on the principle of liability without regard to the question of fault heralded a new era of social legislation in this country, and

Whereas, the early legislative recognition of the then novel principle of Workers' Compensation by the largest industrial State in the Union broke down the barriers of opposition and led the way for other States to enact Workers' Compensation legislation, and

Whereas, notwithstanding the declared unconstitutionality of the 1910 Act and the consequent necessity of a State constitutional amendment to make workers' compensation effective, the victory for workers' compensation in the United States was first won in New York in 1910, and

Whereas, millions of workers in this State and elsewhere throughout the country have benefited through the years since 1910, and will continue to benefit from the broad social vision demonstrated by Labor, Management and Government in New York, and

Whereas, New York has set an inspiring example to the rest of the Nation by its enlightened Workers' Compensation program based on the injured worker's free choice of physician, an effective rehabilitation program and the acceleration of workers' compensation adjudications without sacrificing any of the rights of the parties, and

Whereas, New York will host the 65th Annual Convention of the International Association of Industrial Accident Boards and Commissions from September 9th to the 13th, 1979, therefore,

Be it resolved that the New York State Workers' Compensation Board on the occasion of this 65th anniversary dedicate itself anew to the alleviation of the job hazards of accident and occupational illness in our State by achieving the Law's lofty social purposes in the interests of the working men and women of the State, industry and the public alike, and

Be it further resolved that the New York State Workers' Compensation Board celebrate the 65th Anniversary by sponsoring suitable public events designed to re-acquaint the working men and women of our State, industry and the public with the momentous accomplishments of our State in the field of Workers' Compensation, and

Be it further resolved that the New York State Workers' Compensation Board record its recognition and appreciation to those in labor, management, insurance, public service and the medical and legal professions who have labored so faithfully to make Workers' Compensation in New York an effective program.

MAY 15, 1979.

U.S. ARMS SALES TO IRAN

Mr. PROXMIRE. Mr. President, plans to resume $5 billion in arms sales to Iran are foolhardy and shortsighted. Secretary Kissinger's blank check arms policy failed miserably in Iran and now the current administration is moving down the same path.

When President Nixon and Secretary Kissinger gave the Shah of Iran a blank check on which to order any U.S. weapons, U.S. policy in that region took an inexorable course toward self-destruction. The $8 million per day in weapons ordered by the shah drained his country of financial resources needed for internal development, education, health, and the building of democratic institutions. U.S. policy failed miserably.

Now the Carter administration is starting down the same path in Iran by considering the resumption of $5 billion in standing defense orders from that country.

When the shah was overthrown, Iran had pending orders of $12.6 billion with the United States. The list of weapons read like the most sophisticated lineup in the U.S. arsenal: Spruance class destroyers, F-16 aircraft, Harpoon missiles, Standard missiles, Phoenix missiles, the AWACS, TOLL missiles, and the improved Hawk system. Initially the new Iranian Government and the United States canceled $10.6 billion of the $12.6 billion. Now, however, consideration is being given by certain Iranian spokesmen and U.S. officials to a resumption of $5 billion of prior orders including helicopters, ammunition, artillery, spare parts, and maintenance materials.

Yes, indeed, Iran may sell us three-quarters of a million barrels of oil a day—4 to 5 percent of what we use.

Sure, we get more oil to run our cars, transport our goods, operate our factories, heat and cool our homes and offices. Yes, we might get less if we fail to sell those arms to Iran.

And that means we might have to make a sacrifice if we say no more arms to Iran.

So this is what the great principle of human rights means to us. We are for it if all we have to do is to speak out for it. We are for it if we do not have to give up anything to achieve it. But if we have to risk the loss of some oil to achieve it—then forget it.

What kind of people have we become if our own comfort and ease, our own convenience is more important than human life?

For what purpose are these weapons we give the Iranian dictator to be used. The U.S. State Department says, "to maintain stability in Iran."

The stability of a murdering regime, the government of the Avatollah that has maintained its power with executions and reprisals.

U.S. arms will be used to subjugate the Kurdish minorities in Iran fighting for autonomy. The United States once encouraged the Kurds to revolt against the Iraqis. Then we pulled the rug out from

underneath them. It would be the height of duplicity if we now armed the new Iranian regime so they could further repress minorities in Iran. Surely this would make a mockery of the President's intense concern over human rights.

Mr. President, I ask unanimous consent that a copy of my letter to President Carter on this issue be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 28, 1979.

JIMMY CARTER,
President of the United States, Washington, D.C.

DEAR MR. PRESIDENT: I have noted that there is increasing speculation that the United States may be entertaining the resumption of significant arms sales to Iran. I personally oppose such sales as an instrument of U.S. policy on many grounds, but I want to bring to your attention just one factor that seems to be forcing the issue at this time.

The Iranian regime is seeking renewed arms sales in order to provide military equipment and supplies for the campaign against the Kurdish minorities in Western Iran. You may remember that the United States covertly supplied the Kurds with military assistance during the early 1970's in order to tie down Iraqi military forces in the Middle East. The Central Intelligence Agency was the vehicle for this aid. Our support was withdrawn precipitously, however, when Secretary Kissinger reached an agreement with the Shah to make the Iranian borders more secure. Thousands of Kurds were killed or displaced in the ensuing military debacle.

Now we are faced with a situation where our military assistance may be brought to bear once again against the Kurdish population—a people who for centuries have fought for independence or local autonomy. This is a clear cut case of repression against a minority population and the systematic violation of their human rights.

May I urge you to consider this factor when the arms sales proposals are brought to your attention. Arms sold to suppress people seeking their political and economic freedom do not well represent U.S. traditions.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

EXPORT-IMPORT BANK FINANCING PRENOTIFICATION

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed loan to assist the export of U.S. goods and services to be used for a gas liquefaction plant (LNG-3) in Algeria. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in an amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a loan in the amount of $313,500,000 to Sonatrach, the state-owned oil and gas monopoly of Algeria, to assist in the purchase from the United States of goods and services to be used in the construction and operation of the LNG-3 gas liquefaction plant at Arzew, Algeria for a total export value of $418 million. Eximbank has previously supported the export of U.S. goods and services for two other liquefaction plants (LNG-1 and LNG-2) and related gas field treatment facilities and a gas pipeline.

The credit proposed by Eximbank for the LNG-3 plant will cover 75 percent of the total cost of U.S. goods and services to be exported from the United States. The loan would bear interest at the rate of 8.5 percent per annum and be repayable in 20 semiannual installments beginning December 31, 1984. The loan will be guaranteed by the Banque Algeriene de Developpement, a government-owned development bank on behalf of the Democratic and Popular Republic of Algeria.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 2, 1979.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

H. K. ALLEN.

Enclosure.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 2, 1979.

Hon. WALTER F. MONDALE,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Algeria.

A. DESCRIPTION OF TRANSACTION

1. Purpose.—

Eximbank is prepared to extend a direct credit in the amount of $313,500,000 to Societe Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (SONATRACH), a state-owned enterprise of the Democratic and Popular Republic of Algeria, to assist in financing the export from the United States of U.S. goods and services for the LNG-3 gas liquefaction plant at Arzew, Algeria (LNG-3 Plant).

The total cost of the LNG-3 Plant is estimated at $2,680,900,000, with non-Algerian costs amounting to $1,864,200,000, including U.S. costs of $418,000,000. There has been strong competition for the sale of exports for the LNG-3 Plant by other countries which are providing officially supported export financing totalling $800,000,000.

The LNG-3 Plant is the third large-scale liquefied natural gas plant to be built in the industrial zone at Arzew. The three LNG plants are supported by gas field treatment facilities at Hassi R'Mel in the Sahara desert and five 315-mile gas pipelines connecting the gas field facilities with the LNG plants.

Prior Eximbank financing has been extended to SONATRACH to support the sale and export of U.S. goods and services for the LNG-1 and LNG-2 plants, related gas field treatment facilities, a portion of the gas pipelines, and other related facilities.

2. Identity of the Parties.—

SONATRACH is the state-owned monopoly of Algeria under the jurisdiction of the Ministry of Energy and Petrochemical Industry charged with the responsibility for the development of Algeria's oil and gas resources.

Banque Algerienne de Development is the government-owned development bank which will guarantee repayment of Eximbank's credit for and on behalf of the Democratic and Popular Republic of Algeria.

3. Nature and Use of Goods and Services. The principal goods and services to be exported from the United States for use in the construction and operation of the LNG-3 Plant include U.S. services for engineering, procurement, and construction supervision, and U.S. goods consisting of process vessels, heat exchangers, pumps, steam generators, bulk construction materials and equipment, and portable camp housing. The major U.S. supplier for the project is the Foster Wheeler Corporation, Livingston, New Jersey.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons. The proposed extension of a $313,500,000 credit by Eximbank will facilitate the export of $418,000,000 of U.S. goods and services. In addition to the engineering, design, and construction work that will result from this project for Foster Wheeler, many other firms throughout the United States will receive contracts to supply equipment. Export sales generated by the project will result in an estimated 16,700 man-years of employment in the United States.

There has been very active foreign competition offering official export credit support for this project from, among others, Belgium, Canada, France, Germany, Japan, the Netherlands, and the United Kingdom.

None of the goods to be exported is in short supply in the United States, and Eximbank perceives no adverse impact on the U.S. economy from the export of these goods and services.

The LNG-3 Plant and related system are major elements of Algeria's long-range plan to develop its vast reserves of natural gas. They will generate substantial amounts of foreign exchange earnings for Algeria and will help to expand the world supply of energy. Algeria does not normally dedicate the output of each LNG plant to particular sales contracts; the LNG-1 Plant, which is supplying liquefied natural gas to the U.S. is an exception. However, all of the output of the LNG-3 Plant will be needed to meet the requirements of buyers in Western Europe and the United States under existing sales contracts.

Because of present and past sales of U.S. goods and services with the support of Eximbank financing for Algeria's program for the development of its natural resources, American firms will be in a better position to compete for further export sales under Algerian plans for other projects in such development.

2. The Financing Plan. The total cost of U.S. goods and services to be exported from

the United States for the LNG-3 Plant is estimated to be $418,000,000, which will be financed as follows:

Cash payment	$104,500,000	25%
Eximbank credit	313,500,000	75%
Total	418,000,000	100%

(a) **Eximbank Charges.** The Eximbank credit will bear interest at the rate of 8.5% per annum, payable semiannually. A commitment fee of ½ of 1% per annum will be charged on the undisbursed portion of the Eximbank credit.

(b) **Repayment Terms.** The Eximbank credit will be repaid by the Borrower in twenty equal semiannual installments beginning December 31, 1984.

Sincerely,

H. K. ALLEN.

EXIMBANK PRENOTIFICATION OF PROPOSED LINE OF CREDIT TO TUNISIA

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed $100 million line of credit to be extended in favor of the Government of Tunisia to finance U.S. export sales to Tunisia. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the proposed line of credit would be utilized by means of a series of subloans to be approved jointly by Eximbank and the borrower on a case-by-case basis. The minimum value in each case would be approximately $3 million. The line of credit would cover 100 percent of the total cost of U.S. goods and services to be purchased by Tunisian entities. The first 50 percent of each subloan (tranche I) will bear interest at a blended rate of between 5 and 5.5 percent per annum and will be repayable over the term normally set by the Bank for the type of project or equipment being financed. The other 50 percent of each subloan (tranche II) will bear interest at the rate of 3.75 percent per annum and be repayable in 36 semiannual installments commencing after a 7-year grace period from the date of authorization by the Bank. The overall repayment term would be 25 years. Eximbank contends the extraordinary terms of the line of credit are necessary to meet competition from "mixed-credit" financing provided to Tunisia by the Governments of France, West Germany, and Japan. Mixed credits blended standard export credits and concessional aid credits to yield terms more concessionary than are customarily offered by export credit agencies.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., August 20, 1979.

Hon. WALTER F. MONDALE,
President of the Senate, U.S. Capitol, Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Tunisia.

A. DESCRIPTION OF TRANSACTION

1. *Purpose.*—Eximbank is prepared to authorize the establishment of a line of credit of $100,000,000 in favor of the Government of Tunisia (Borrower) to finance the sale of U.S. capital equipment and services (other than commercial jet aircraft) for the use of various Tunisian private or public entities as selected by the Ministry of Planning of the Government of Tunisia.

The purpose of the line of credit is to meet officially-supported mixed-credit financing which is being offered in Tunisia by the Governments of France, West Germany and Japan so as to provide U.S. suppliers equal access to the Tunisian market. The terms of the line of credit, as described below, are designed to match such financing as closely as possible.

Other official export credit agencies have developed the practice of offering "mixed credits" to support their exports. Mixed credits constitute a blending of standard export credits and concessional aid credits, with resulting terms which are much more concessionary than are customarily offered by export credit agencies. Eximbank is opposed to this practice and has attempted, with the assistance of other U.S. Government agencies, to reach agreement with the other major trading countries to refrain from extending mixed credits. Pursuant to Section 908 (a) of the Export-Import Bank Act Amendments of 1978 the Congress authorized and requested the President ". . . to begin negotiations at the ministerial level with other major exporting countries to end predatory export financing programs and other forms of export subsidies, including mixed credits, in third country markets as well as within the United States". As reported in the President's letter to the Congress of March 16, 1979, little progress has been made in this regard. As a result, as stated in the President's letter "Eximbank will continue its recently adopted policy of matching mixed credits on a selective basis".

Tunisia is a market which is the recipient of several mixed credit lines. It appears to Eximbank that the only way U.S. exporters can participate in any significant way in sales to such market will be if the U.S. exporters are armed with financing which neutralizes the concessionary financing terms offered by their competitors.

B. EXPLANATION OF THE EXIMBANK FINANCING

1. *General Terms.*—The line of credit will be utilized by means of a series of subloans which will be approved by both Eximbank and the Borrower on a case by case basis. It is expected that each subloan will be used to finance projects in Tunisia having a minimum U.S. export value of approximately $3,000,000 although equipment and smaller transactions may be considered. Subloans under the line of credit may be approved during the period of one year from the date of the agreement establishing the line, unless the period is extended by Eximbank.

2. *The Financing Plan.*—The total cost of the U.S. goods and services to be purchased by Tunisian entities and financed under each subloan will be financed as follows:

	Percent of U.S. cost
Eximbank Credit—Tranche 1	50
Eximbank Credit—Tranche 2	50
Total	100

(a) *Eximbank Charges.* Tranche 1 of each subloan will bear interest at a rate which when blended with the overall cost of the financing for each subloan will result in a blended rate of between 5 and 5.5%. Tranche 2 of each subloan will bear interest at the rate of 3.75% per annum. The Borrower will also pay a commitment fee of 0.5% per annum on the undisbursed portion of each subloan, accruing from the date such subloan is approved by Eximbank.

(b) *Repayments.* Tranche 1 of each subloan will be repaid over a term which Eximbank would normally set for the type of project or equipment being financed under such subloan. Repayment under Tranche 1 will commence approximately six months after completion of the project or delivery of the products being financed by the subloan. Tranche 2 of each subloan will be repaid in 36 semiannual installments commencing after a seven-year grace period from the date of authorization by Eximbank of such subloan for an overall term of 25 years.

Sincerely,

JOHN L. MOORE, Jr.,
President and Chairman.

PRENOTIFICATION OF EXIMBANK LOAN TO TAIWAN

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit of $212,500,000 to assist the export of U.S. goods and services to be used in construction of the second stage of a steel mill in Taiwan. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to cover 85 percent of the $250 million in U.S. goods and services to be used in the steel mill project. This loan follows a 1974 Eximbank credit of $80 million and financial guarantee of $40 million for stage I of the steel mill and will enable the facility to double its output to 3 million metric tons per year. The Bank contends that the net employment impact on the U.S. economy will be positive. The Eximbank credit will bear interest at the rate of 7½ per cent per annum and will be repayable in 20 semiannual installments beginning December 30, 1982.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.
August 17, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Taiwan.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to make a credit of $212,500,000 available to China Steel Corporation (CSC) to assist CSC in the purchase from United States suppliers of capital equipment, engineering services, related equipment and services for use in the construction of the second stage of an integrated steel mill located at Kaohsiung on the southern coast of Taiwan.

The total cost of the project is estimated to be $1,771,000,000, of which the total cost of U.S. procurement is presently estimated at $250,000,000. The latter figure may be increased to $300,000,000 at a later stage of construction. CSC will obtain export credits or guarantees from the official export credit agencies of Japan and Germany for financing Japanese and German goods and services for the project, estimated at $250,000,000 equivalent from each country, and will also obtain bank loans and make equity contributions to finance the local costs and working capital costs of the project.

In 1974 Eximbank authorized a direct credit of $80,000,000 and a guarantee of a $40,000,000 private loan to assist CSC in financing the U.S. procurement for Stage I of this steel mill. The proposed financing is for Stage II and is expected to increase production from 1,500,000 metric tons (MT) a year to 3,000,000 MT a year.

As of the date hereof $183,000,000 of the initial estimated U.S. costs have been contracted for with the balance to be contracted within the very near future. USS Engineers and Consultants, Inc. (UEC) of Pittsburgh, Pennsylvania, a division of U.S. Steel Corporation, prepared the feasibility study for the project and will perform the engineering, the writing of equipment specifications and the construction and management services. The contract cost for the UEC engineering services is estimated at $18,000,000. Dravo Corporation, also of Pittsburgh, has been awarded the sinter plant and material handling system contracts estimated at $32,800,000.

Combustion Engineering of Windsor, Connecticut has been awarded the steam boiler contract estimated at $5,500,000. Morgan Engineering of Alliance, Ohio and Cleveland Crane of Wickliffe, Ohio have been awarded the crane supply contracts estimated respectively at $18,500,000 and $5,100,000. Wean United of Pittsburgh, Pennsylvania has been awarded a contract having an estimated value of $83,300,000 for various types of equipment. General Electric Company of Salem, Virginia is biding on the drive systems equipment having an estimated value of $60,000,000.

2. Identity of the parties

CSC, organized in 1971 to construct and operate an integrated steel mill, is a corporation 94 percent owned by the governing authorities on Taiwan. The balance of its shares are owned by local private investors. CSC has maintained an excellent credit relationship with Eximbank. The Eximbank credit will be made through a U.S. commercial bank or, as permitted under the Taiwan Relations Act and Executive Order No. 12143, through the American Institute in Taiwan, to the Coordination Council for North American Affairs on behalf of CSC.

The Coordination Council for North American Affairs acting on behalf of the governing authorities on Taiwan will unconditionally guarantee payment of CSC's indebtedness under the direct credit.

3. Nature and use of goods and services

The goods to be exported from the United States are equipment for a sinter plant and material handling system, cranes, steam boilers, drive systems, and equipment for related ancillary facilities. The services to be exported are engineering, technical and procurement services connected with the construction and initial operation of the project, as well as ocean freight charges on U.S. flag vessels.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $212,500,000 will facilitate the export of $250,000,000 of United States goods and services. In the event the U.S. export value is increased to $300,000,000, additional financial assistance may be provided at a later date.

The market in the United States for the equipment and services to be financed by the direct credit has been well below the United States productive capacity. Foreign orders, therefore, have become a vital portion of United States equipment manufacturers' and engineers' business and enable those firms to retain specialized engineering and technical staffs and production work forces. General Electric Company reports that its Drive Systems Division in Salem, Virginia, as an example in this instance, continues to operate at a depressed level of employment due to lack of domestic and international orders. Over 700 people have been dismissed at this facility as a result of the lack of orders during the last two years. GE is thus in a position to contribute significantly to the improvement of employment in this area as a direct result of orders secured for this project.

Set forth below is a table indicating the U.S. employment estimated as a result of this project (based on a procurement from the United States of $250,000,000):

States	Number of people employed	Number of man-years
Alabama	60	120
Illinois	112	224
Indiana	57	114
Iowa	26	52
Maryland	25	50
Michigan	83	166
Mississippi	55	110
New Jersey	60	120
New York	1,006	2,012
North Carolina	87	174
Ohio	1,077	2,154
Pennsylvania	2,050	4,100
Texas	663	1,326
Virginia	169	338
West Virginia	40	80
Wisconsin	125	250
Total	5,695	11,390

The details for the major suppliers are as follows (area unemployment rates as of March 1979):

(a) UEC supplying engineering and technical services—720 man-years from Pittsburgh, Pennsylvania (6.7 percent unemployment rate);

(b) Dravo Corporation supplying equipment for a sinter plant and material handling system—1,312 man-years principally from Pittsburgh, Pennsylvania (6.7 percent unemployment rate), Newark, New Jersey (6.6 percent unemployment rate), Philadelphia, Pennsylvania (8.0 percent unemployment rate) and Baltimore, Maryland (6.8 percent unemployment rate);

(c) Combustion Engineering supplying the steam boilers—220 man-years principally from Chattanooga, Tennessee (5.1 percent unemployment rate) and Chicago, Illinois (5.5 percent unemployment rate);

(d) Morgan Engineering supplying cranes—740 man-years principally from Alliance, Ohio (6.2 percent unemployment rate);

(e) Cleveland Crane supplying cranes—100 man-years from Wickliff, Ohio (4.5 percent unemployment rate);

(f) Wean United supplying various equipment—3,332 man-years principally from the Pittsburgh, Pennsylvania, Warren and Youngsown, Ohio area (unemployment rates between 6.1 per cent and 6.9 percent); and

(g) General Electric bidding to supply drive systems equipment principally from Salem, Virginia (6.6 percent unemployment rate).

In addition to the U.S. goods and services for this project CSC states that it will purchase in the United States coal and spares to operate the project and the existing mill in the aggregate amount of $20,000,000 to $30,000,000 a year for the foreseeable future.

It should be noted that because of fierce competition regarding price and financing terms from suppliers in Japan, Germany, the United Kingdom and France, supported by their respective official export credit agencies, Eximbank was required to offer the best possible financial package. Some of the proposals offered by suppliers in those countries were cheaper in price than the similar U.S. goods and initially all of the financing costs were lower than those proposed by Eximbank.

In view of the magnitude of the transaction, the necessary repayment term for the type of project and the officially supported foreign competition, Eximbank's credit is necessary to secure this sale for United States suppliers.

2. Impact of transaction on the U.S. economy

According to information supplied to Eximbank by CSC, a portion of the steel from this project is expected to be marketed in the United States. CSC forecasts exports to the U.S. of approximately 100,000 MT of steel plate during the years 1983–1989, an average of about 16,000 MT a year. This annual volume represents about 1.5 percent of U.S. steel plate imports in 1978 and less than one percent of U.S. production of steel plate. Eximbank estimates that if all these imports displaced U.S. production (considered unlikely), this transaction would affect adversely only 560 man-years of U.S. steelworker employment during the term of the Eximbank loan. CSC expects to discontinue its exports to the United States after 1989 because local demand then is expected to consume their entire production.

The project also forecasts exports of around 12,000 MT a year to other Asian markets for the years 1983–1989. If these were to displace U.S. exports to Asia ton for ton (extremely unlikely), the project would affect adversely an additional 420 man-years of U.S. steelworker employment. Hence the potential total negative impact on the U.S. economy would be a maximum of 980 man-years of U.S. steel-worker employment.

This potential adverse impact, however, must be compared with the favorable U.S. employment impact associated with the $250,000,000 in U.S. export sales for the project. These sales will support over 11,390 man-years of U.S. employment, including directly some 5,000 man-years in various steel equipment manufacturers throughout the United States. Thus the net positive economic impact in just the steel product area is over 4,000 man-years of U.S. labor. These employment figures become even more positive when the favorable impact from the related exports of U.S. coal and spares are added.

Finally, it should be noted that CSC intends to construct this project and export the products therefrom whether or not they

are able to source their procurement in the United States supported by Eximbank financing. Therefore, the possible negative effects from the project on the U.S. economy will be felt in any event. By providing financial support for U.S. exporters, Eximbank enables these negative factors to be offset by the much larger positive benefits resulting from the export of some $250,000,000 of U.S. goods and services.

3. The financing plan

The total cost of United States goods and services to be purchased by CSC will be financed as follows:

	Amount	Percent of U.S. costs
Cash	$37,500,000	15.0
Eximbank credit	212,500,000	85.0
Total	250,000,000	100.0

(a) *Eximbank charges*

The Eximbank credit will bear interest at the rate of 7½% per annum, payable semiannually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) *Repayment terms*

The Eximbank credit will be repaid by CSC in semiannual installments beginning December 30, 1982.

Sincerely,

JOHN L. MOORE, Jr.

THE GENOCIDE CONVENTION: A NEW COMMITMENT

Mr. PROXMIRE. Mr. President, history has taught us that there are times when a dynamic leader with a fresh approach can capture the imagination of a people and guide them in a new direction. Such a leader was John F. Kennedy.

In his stirring inaugural address, President Kennedy stated that his generation of Americans was "unwilling to witness or permit the slow undoing of those human rights to which this Nation has always been committed."

Mr. President, I sincerely believe that J.F.K.'s view of our commitment to human rights still holds true in 1979. Yet there are times when the strength of that commitment is called into question. One reason is the Senate's failure to ratify the Genocide Convention.

We in the Senate have stood by while seven consecutive administrations have urged the treaty's ratification. Republican and Democratic administrations alike have urged the Senate to approve this treaty and thus bring the United States back into the mainstream of the human rights drive. And the Senate has consistently refused.

Mr. President, it is time to ask ourselves whether we are genuinely committed to furthering human rights. Were President Kennedy's eloquent words in 1961 a misperception of the values this Nation holds? I do not believe so.

I am confident that this body will not permit the "slow undoing" of human rights in any area of the world. In this light, I am also confident that the Senate will recognize the need for ratifying the Genocide Convention.

ILLINOIS BRICK LEGISLATION

Mr. PRYOR. Mr. President, in recent weeks I have given careful consideration to S. 300, the so-called Illinois Brick legislation, which would overrule the Supreme Court decision by that name. Based on a thorough evaluation of all sides of this important issue—consumers, business and legal—I have decided to oppose the enactment of S. 300 in its present form.

In the Illinois Brick case the Supreme Court held that only the first, or direct, purchaser has the right to sue a violator of the antitrust laws. Because they feel it is unfair to forbid suits by consumers and other indirect purchasers who end up bearing the cost of price-fixing violations, supporters of S. 300 would allow suits against alleged violators by everyone in the chain of distributions—direct and indirect purchasers alike. If an overcharge resulting from price-fixing is passed through the different levels of distribution, the recovery would be allocated among the people who had to pay it.

While this arrangement may sound ideal, the Supreme Court expressed grave concerns, which I share, that it asks the courts to do the impossible. In effect, courts would have to bring every potential claimant into a single lawsuit and then try to sort out who gets what. Faced with the prospect of imposing such unmanageable administrative burdens on the court system, the Supreme Court chose practicality over judicial chaos and thereby limited price-fixing suits to those brought by direct purchasers. In view of overwhelming burdens already confronting the courts, I feel that this was a wise decision.

I also think that the Court made the correct decision in Illinois Brick in terms of promoting the effective enforcement of the antitrust laws.

The main purpose of private antitrust suits for treble damages is to deter violators. Congress added the treble damage feature to induce private actions and complement Government enforcement efforts.

In Illinois Brick the Court found that the deterrent effect is greater when only direct purchasers can sue. This is because direct purchasers are in the best position to detect violations, their claims are usually large and their chances of winning significant awards is a powerful inducement to bring suit against a violator.

A study prepared for the Senate Judiciary Committee in 1978 by Francis Kirkham, examined the enforcement activity in two important antitrust districts where suits by indirect purchasers were clearly permitted. The findings sharply contradict one of the basic premises of S. 300: That direct purchasers do not sue their suppliers. The study shows that a large majority of price-fixing cases were brought by direct purchasers, while indirect purchasers brought suit in only a few instances and actually initiated the litigation in almost none. I am convinced that the treble damage feature is functioning as Congress intended it do, and price-fixing suits by direct purchasers are an effective deterrent against violators.

While the legislation which the Judiciary Committee ordered reported is somewhat different than the Illinois Brick that was originally introduced, in my view, it would still seriously undermine the effective enforcement of the antitrust laws and overburden the court system. Consumers, the intended beneficiaries, would be the ultimate losers, while lawyers would reap a bonanza. Therefore, Mr. President, I oppose S. 300 as presently drafted.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended under the same conditions for a period of not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders numbered 317, 318, 319, and 321.

The PRESIDING OFFICER. Without objection, it is so ordered.

BICENTENNIAL MEDALS

The bill (S. 1515) to authorize the striking of bicentennial medals, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the adoption of the Constitution of the United States of America and of those individuals who participated in the American Revolution, the Secretary of the Treasury shall strike and furnish to the United States Capitol Historical Society (hereinafter referred to as the "Society") not more than fifty thousand medals each year with suitable designs, emblems, and inscriptions to be determined by the Society, with the concurrence of the Commission of Fine Arts, subject to the approval of the Secretary of the Treasury. Subject to the availability of the production facilities of the Bureau of the Mint, the medals shall be struck and delivered at such time as may be required by the Society in quantities not less than two thousands medals of each alloy authorized in this Act, but no medals shall be struck after December 31, 1989. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes (31 U.S.C. 368).

SEC. 2. The medals shall be furnished by the Secretary of the Treasury to the Society at a price equal to the cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses, plus a surcharge equal to 50 per centum of such cost of manufacture. Such surcharge shall be deposited in the Treasury as miscellaneous receipts. Security satisfactory to the Director of the Mint shall be furnished by the Society to indemnify the United States for full payment of the cost of manufacture.

SEC. 3. The medals authorized to be issued pursuant to this Act shall be struck in bronze, silver, and gold and shall be of such size or sizes as is determined by the Secretary of the Treasury in consultation with the Society.

SEC. 4. Any agreement or contract entered into by the Society and an individual or corporation for the marketing of the medals authorized by this Act shall provide that at

least 75 per centum of the net profit arising from the sale of the medals shall accrue to the Society.

SEC. 5. The Comptroller General of the United States shall have the right to examine all books, records, documents, and other data of the Society as may be related to the medals authorized by this Act, including all records and documents pertaining to the marketing of the medals.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMISSIONED CORPS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The bill (S. 1454) to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and section 850(1)(B) and section 8521(a)(1) of title 5, United States Code, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Act of August 10, 1956, as amended (70A Stat. 619) (33 U.S.C. 857a(a)), is amended by adding at the end thereof the following new paragraph:

"(13) Section 716, Commissioned officers: transfers between armed forces.".

SEC. 2. Section 716 of title 10, United States Code, is amended—

(1) by inserting the words "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after the term "armed force" wherever it appears in the first sentence;

(2) in the second sentence, by striking out the word "and" after the word "Defense" and inserting in place thereof a comma, and by inserting after the word "operating" the words ", and the Secretary of Commerce"; and

(3) inserting the following sentence at the end thereof: "An officer transferred under this section shall be credited for retirement and pay purposes with the same years of service with which he had been credited on the day before his transfer.".

SEC. 3. Section 1006 of title 37, United States Code, is amended by inserting the following sentence at the end of subsection (a): "For the purpose of this section the term 'armed force' includes the Commissioned Corps of the National Oceanic and Atmospheric Administration.".

SEC. 4. Title 5, United States Code, is amended as follows:

(1) Clause (1)(B) of section 8501 is amended to read "(B) as a member of the armed forces of the Commissioned Corps of the National Oceanic and Atmospheric Administration;" and

(2) Clause (a)(1) of section 8521 is amended by inserting the phrase "or the Commissioned Corps of the National Oceanic and Atmospheric Administration" after the phrase "armed forces".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REVITALIZING THE UNITED STATES DOMESTIC CRUISE AND PASSENGER SERVICE

The Senate proceeded to consider the bill (S. 1281) to clarify that the steamship *United States* may operate in the domestic and/or foreign commerce of the United States and/or between foreign ports, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

SECTION 1. Notwithstanding the provisions of section 506 of the Merchant Marine Act, 1936 (46 U.S.C. 1156), section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), and any other provision of law, the Secretary of the department in which the United States Coast Guard is operating shall cause the vessel Oceanic Independence (official Coast Guard numbered 261147) and the vessel steamship Santa Rosa (official Coast Guard numbered 276598) to be documented as vessels of the United States entitled to engage in the coastwise trade, so long as—

(1) in the case of the Oceanic Independence—

(A) the vessel is in compliance with the usual requirements for vessels engaging in the coastwise trade,

(B) any rebuilding or repair work on the vessel shall be accomplished after documentation as a vessel of the United States, except that the vessel shall not lose its coastwise privileges if the work necessary to install a bow thruster in the vessel and to equip it with sewage holding tanks to comply with international standards is performed outside the United States, its territories (not including the trust territories) or its possessions before the vessel engages in the coastwise trade following enactment of this Act,

(C) the vessel is owned by a citizen or citizens of the United States as defined in the applicable laws prescribing the qualifications for vessels to engage in the coastwise trade, and

(D) for hire carriage in such trade is limited to passengers and their accompanying baggage.

(2) in the case of the steamship Santa Rosa—

(A) prior to such documentation the owner of the steamship Santa Rosa repays to the Secretary of Commerce, upon such terms and conditions as the Secretary may prescribe, an amount which bears the same proportion to the total construction differential subsidy paid for such vessel as the remaining economic life of the vessel bears to the total economic life of the vessel, and

(B) for hire carriage in such trade is limited to passengers and their accompanying baggage.

SEC. 2. Section 2 of Public Law 92-296 (86 Stat. 140), as amended by Public Law 94-536 (90 Stat. 2497), is further amended by inserting after the words "American flag" the following "in the domestic and/or foreign commerce of the United States and/or between foreign ports notwithstanding the provision of section 506 of the Merchant Marine Act, 1936: *Provided,* That for hire carriage in the domestic commerce of the United States is limited to passengers and their accompanying baggage,".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the vessels steamship United States, steamship Oceanic Independence, and steamship Santa Rosa into the trade.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTERNATIONAL BANKING ACT AMENDMENTS

The bill (S. 1646) to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(b) of the International Banking Act of 1978 (Public Law 95-369) is amended by the addition of the following new paragraph:

"Notwithstanding the previous paragraph, a branch of a foreign bank in operation on the date of enactment of this Act which has applied for Federal deposit insurance pursuant to section 5 of the Federal Deposit Insurance Act by September 17, 1979, and has not had such application denied, may continue to accept domestic retail deposits until January 31, 1980.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1937. A communication from the Assistant Secretary for Food and Consumer Services, Department of Agriculture, transmitting, pursuant to law, a report on "Food Consumption and Nutrition Evaluation, The National School Lunch Program; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1938. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes, as amended, for the appropriation: Emergencies in the Diplomatic and Consular Service, State, 1979, 1990532; to the Committee on Appropriations.

EC-1939. A communication from the Secretary of Defense, reporting, pursuant to law, three violations of the Anti-Deficiency Act (Section 3679, Revised Statutes), and of Department of Defense Directive 7200.1, "Administrative Control of Appropriations"; to the Committee on Appropriations.

EC-1940. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $9.5 million in the Army Stock Fund and $16.1 million in the Navy Stock Fund for reserve stocks; to the Committee on Appropriations.

EC-1941. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on the value of property, supplies and commodities provided by the Berlin Magistrate, and under German Offset Agreement for the quarter April 1, 1979 through June 30, 1979; to the Committee on Appropriations.

EC-1942. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, relating to certification as to adequacy of soil survey and land classification as required by the 1954 Appropriation Act—San Luis Water District—Central Valley Project, California; to the Committee on Appropriations.

EC-1943. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment and material for the second quarter of fiscal year 1979; to the Committee on Appropriations.

EC-1944. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Difficulties in Selected Army Recruiting Under the All-Volunteer Force," August 20, 1979; to the Committee on Armed Services.

EC-1945. A communication from the General Counsel, Department of the Air Force, transmitting, pursuant to law, a report of investigation re allegations made by Mr. Donnie G. Lee, an employee of the commissary of Scott Air Force Base, Illinois; to the Committee on Armed Services.

EC-1946. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Army Procurement of 10kw, 600Hz Gas Turbine Generators is Highly Questionable," August 9, 1979; to the Committee on Armed Services.

EC-1947. A communication from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting, pursuant to law, a report concerning the Selected Reserve recruiting and retention incentives authorized by those sections of public law; to the Committee on Armed Services.

EC-1948. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on real and personal property of the Department of Defense, as of 30 September 1978; to the Committee on Armed Services.

EC-1949. A communication from the Secretary of Defense, reporting, pursuant to law, on approvals under section 407(a) of the annual compensation of any office or employee of a Federal Contract Research Center (FCRC) in excess of $45,000 from federal funds; to the Committee on Armed Services.

EC-1950. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the Act of August 29, 1974 (88 Stat. 795; 10 U.S.C. 8202 note), as amended (92 Stat. 719; 10 U.S.C. 8202 note), relating to the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force and to provide continuing authority for certain existing personnel management procedures in the armed forces, and for other purposes; to the Committee on Armed Services.

EC-1951. A communication from the Secretary of the Army, reporting, pursuant to law, that the U.S. Army intends to initiate chemical agent/munitions disposal operations for the M55 rocket, GB filled, at the Chemical Agent Munitions Disposal System (CAMDS), Tooele Army Depot, Tooele, Utah on or about September 10, 1979; to the Committee on Armed Services.

EC-1952. A communication from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend Section 7227, title 10, United States Code, to provide for the furnishing of routine port services at no cost to visiting naval vessels of a friendly foreign country, when by agreement or custom such services are provided reciprocally to visiting naval vessels of the United States; to the Committee on Armed Services.

EC-1953. A secret communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, 52 Selected Acquisition Reports (SARs) and the SAR Summary Tables for the quarter ending June 30, 1979; to the Committee on Armed Services.

EC-1954. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Weaknesses in Servicing and Accounting for Home Mortgages Held by HUD," August 16, 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-1955. A communication from the Acting Secretary of Transportation, transmitting, pursuant to law, a report on the Northeast Corridor Improvement Project, Fiscal Year 1978: to the Committee on Commerce, Science, and Transportation.

EC-1956. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36525, Sierra Railroad Company v. Southern Pacific Transportation Company, et al., within the specified time limits; to the Committee on Commerce, Science, and Transportation.

EC-1957. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports entitled (1) "Petroleum Market Shares: Report on Sales of Refined Petroleum Products—May 1979"; and (2) "Petroleum Market Shares: Report on Sales of Retail Gasoline—May 1979"; to the Committee on Energy and Natural Resources.

EC-1958. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the Presidential Oil Pollution Insurance Study; to the Committee on Energy and Natural Resources.

EC-1959. A communication from the Acting Secretary of Transportation, transmitting, pursuant to law, a revised estimate of the cost of completing the National System of Interstate and Defense Highways prepared for the purpose of determining apportionment factors for Interstate System funds authorized for the fiscal years ending September 30, 1981, and September 30, 1982; to the Committee on Environment and Public Works.

EC-1960. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Courthouse, 1010 Fifth Avenue, Seattle, Washington, in the amount of $3,969,000; to the Committee on Environment and Public Works.

EC-1961. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Federal Building-U.S. Courthouse, 4th and F Street, Anchorage, Alaska, in the amount of $6,968,000; to the Committee on Environment and Public Works.

EC-1962. A communication from the Acting Deputy Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Universal North Building at 1875 Connecticut Avenue, N.W., Washington, D.C.; to the Committee on Environment and Public Works.

EC-1963. A communication from the Acting Deputy Administrator, General Services Administration, reporting, pursuant to law, that a prospectus submitted July 5, 1978, for the U.S. Post Office-Courthouse, Cincinnati, Ohio, in the amount of $3,784,000, presently before the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation, be removed from the list of prospectuses pending congressional approval and requesting it be returned to the General Services Administration (GSA); to the Committee on Environment and Public Works.

EC-1964. A communication from the Chairman, Task Force on Environmental Cancer and Heart and Lung Disease, transmitting, pursuant to law, the second annual report of the task force, August 7, 1979; to the Committee on Environment and Public Works.

EC-1965. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement on Yellowstone and Tongue Rivers, Miles City, Montana, project; to the Committee on Environment and Public Works.

EC-1966. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Noncontributory Social Security Wage Credits for Military Service Should be Eliminated," August 8, 1979; to the Committee on Finance.

EC-1967. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "IRS Can Improve its Process for Deciding Which Corporate Returns to Audit," August 3, 1979; to the Committee on Finance.

EC-1968. A communication from the Special Representative for Trade Negotiations, reporting, pursuant to law, on certain trade practices of foreign governments; to the Committee on Finance.

EC-1969. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report of the Social Security Administration; to the Committee on Finance.

EC-1970. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Yemen; to the Committee on Foreign Relations.

EC-1971. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Tanzania; to the Committee on Foreign Relations.

EC-1972. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (IBRD), the Group of Controllers' evaluation reports by the Inter-American Development Bank (IDB), and post-evaluation reports by the Asian Development Bank (ADB); to the Committee on Foreign Relations.

EC-1973. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-1974. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Participation in International Organizations: An Update," August 10, 1979; to the Committee on Foreign Relations.

EC-1975. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-1976. A communication from the Secretary of State, transmitting, pursuant to law, the twenty-sixth report on the extent and disposition of United States contributions to international organizations for the fiscal year 1977; to the Committee on Foreign Relations.

EC-1977. A communication from the Secretary of the Treasury as Chairman of the National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, the annual report of the Council for fiscal year 1978; to the Committee on Foreign Relations.

EC-1978. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Civil Agencies Can Do a Better Job of Negotiating Noncompetitive Contracts Priced Over $100,000"; to the Committee on Governmental Affairs.

EC-1979. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-1980. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-1981. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend sec. 301, title 13, U.S.C. to protect confidentiality of export data required by the Bureau of the Census for statistical purposes; to the Committee on Governmental Affairs.

EC-1982. A communication from the Deputy Secretary of Energy, transmitting, pursuant to law, a report on a new system of records for the Department of Energy under the Privacy Act; to the Committee on Governmental Affairs.

EC-1983. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Better Information Management Policies Needed: A Study of Scientific and Technical Bibliographic Services"; to the Committee on Governmental Affairs.

EC-1984. A communication from the General Counsel of the Office of Administration, Executive Office of the President, transmitting, pursuant to law, a report on a new system of records for the Executive Office of the President under the Privacy Act; to the Committee on Governmental Affairs.

EC-1985. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 17, 1979; to the Committee on Governmental Affairs.

EC-1985. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 17, 1979; to the Committee on Governmental Affairs.

EC-1987. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 3, 1979; to the Committee on Governmental Affairs.

EC-1988. A communication from the Inspector General, Department of Health, Education, and Welfare, transmitting, pursuant to law, the ninth quarterly report covering the activities of the Office of Inspector General for the period April 1 to June 30, 1979; to the Committee on Governmental Affairs.

EC-1989. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Analysis of the Effects of Indexing for Inflation on Federal Expenditures"; to the Committee on Governmental Affairs.

EC-1990. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for July 1979; to the Committee on Governmental Affairs.

EC-1991. A communication from the Acting Administrator of the Office of Federal Procurement Policy, Executive Office of the President, transmitting, pursuant to law, the first and second quarterly reports and selected special analyses as initial publications of the Federal Procurement Data System; to the Committee on Governmental Affairs.

EC-1992. A communication from the President of the United States, transmitting, pursuant to law, the fourth annual report of executive branch activities covered by the Privacy Act of 1974; to the Committee on Governmental Affairs.

EC-1993. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Marine Corps under the Privacy Act; to the Committee on Governmental Affairs.

EC-1994. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC-1995. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC-1996. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC-1997. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on July 31, 1979; to the Committee on Governmental Affairs.

EC-1998. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Implementation of Major System Acquisition Process—A-109—Is Inconsistent Among Civil Agencies"; to the Committee on Governmental Affairs.

EC-1999. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "Availability of Ground Water on Federal Land near the Ak-Chin Indian Reservation, Arizona—A Reconnaissance Study"; to the Select Committee on Indian Affairs.

EC-2000. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law the final report of the American Indian Religious Freedom Task Force; to the Select Committee on Indian Affairs.

EC-2001. A communication from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

EC-2002. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 1,555 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-2003. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC-2004. A communication from the Chairman, Board of Directors, Future Farmers of America, transmitting, pursuant to law, a report of audit of the Future Farmers of America for the fiscal year ended June 30, 1979; to the Committee on the Judiciary.

EC-2005. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Juvenile Delinquency-Related Activities: Coordination and Information Dissemination Are Lacking," August 3, 1979; to the Committee on the Judiciary.

EC-2006. A communication from the Director of Management, Office of the Special Representative for Trade Negotiations, transmitting, pursuant to law, a report on requests for documents under the Freedom of Information Act (FOIA); to the Committee on the Judiciary.

EC-2007. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 944 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-2008. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 3,394 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-2009. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1978 annual report on the National Health Service Corps; to the Committee on Labor and Human Resources.

EC-2010. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report for FY 1977 and 1978 on roles, resources, and responsibilities of Federal programs and activities relating to Emergency Medical Services; to the Committee on Labor and Human Resources.

EC-2011. A communication from the Chairman, National Commission for Employment Policy, transmitting, pursuant to law, a report entitled "The Impact of CETA Eligibility Criteria on Single Heads of Households," June 26, 1979; to the Committee on Labor and Human Resources.

EC-2012. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the present and future direction of the National Health Service Corps (NHSC); to the Committee on Labor and Human Resources.

EC-2013. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Rehabilitation Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

EC-2014. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Effect of the Department of Labor Re-

source Allocation Formula on Effort to Place Food Stamp Recipients in Jobs (A Supplement to Comptroller General's Report CED-78-60 April 24, 1978)," August 15, 1979; to the Committee on Labor and Human Resources.

EC-2015. A communication from the Under Secretary of Defense for Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1978 to January 1979; to the Select Committee on Small Business.

EC-2016. A communication from the Under Secretary of Defense for Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October-December 1978; to the Select Committee on Small Business.

EC-2017. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, August 1979; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, and the Select Committee on Small Business, jointly, pursuant to the order of January 1, 1975.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-416. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services:

"ASSEMBLY JOINT RESOLUTION No. 36

"Whereas, Section 301 of Title 37 of the United States Code has been amended to deny flight crew status, and thus incentive pay for flight duty, to Air Force nurses; and

"Whereas, Air Force Regulation 35-41 requires Air Force Reserve and Air Guard nurses to be actively employed in their field two days per week or pursuing a degree in nursing; and

"Whereas, Noncompliance with Air Force Regulation 35-41 results in nonactive, nonpay reserve status until the person dies or retires; and

"Whereas, No other profession in the reserves imposes such a requirement, nor do Army or Navy reserves impose such requirements; and

"Whereas, The result is a severe and disparate impact on females because a large majority of reserve nurses are female; and

"Whereas, This disparate treatment is unfair to these loyal reserve nurses who have served their country with compassion and devotion; and

"Whereas, The Air Force nurses have exhausted all available manners of redress at their disposal; and

"Whereas, The Air Force nurses are supported by the American Nurses' Association as well as the California Nurses' Association which has long espoused the rights of registered nurses to fair and equitable treatment in conditions of employment; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California memorializes the Congress of the United States to amend Section 301 of Title 37 of the United States Code and the Department of the Air Force to amend Air Force Regulation 35-41 so that they no longer produce a discriminatory impact on Air Force nurses; and be it further

"*Resolved,* That the Legislature of the State of California memorializes the Congress of the United States to establish a special investigatory committee to review other labor practices engaged in by the Air Force which might result in discrimination against Air Force nurses and to implement a program to avoid any such discriminatory practices in the future; and be it further

"*Resolved,* That the Secretary of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Secretary of Defense, the Secretary of the Air Force, the Assistant Secretary of the Air Force, the Air Force Chief of Staff, the Speaker of the House of Representatives, the Chairman of the Senate Committee on Armed Services, the Chairman of the House of Representatives Committee on Armed Services, and to each Senator and Representative from California in the Congress of the United States."

POM-417. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION No. 40

"Whereas, It is the policy of the State of California to encourage the preservation and improvement of rail passenger service as an important national resource and a necessary alternative to long-distance travel by private automobile during these times of scarcity and escalating costs of fuel; and

"Whereas, The Department of Transportation of the State of California (Caltrans) on May 14, 1979, filed a complaint in the United States District Court for the Eastern District of California to enjoin the severe reductions in rail passenger service proposed by the President and Congress for the National Railroad Passenger Corporation (Amtrak) not only within California but also across the nation; and

"Whereas, The proposed reduction in rail passenger service will, among other adverse impacts within California, eliminate approximately 300 route miles of service; terminate service to such important communities as Stockton, Riverbank, Merced, and Hanford; discourage prospective rail passengers between Los Angeles and Chicago by increasing the travel time 11½ hours; hinder the state program of underwriting certain Amtrak operating deficits instituted pursuant to Section 4 of Chapter 1130 of the Statutes of 1975; and cause increases in both air pollution and fuel consumption particularly within the San Joaquin Valley which is even presently not in compliance with federal air pollution standards; and

"Whereas, The proposed reductions in rail passenger service will, among other adverse impacts for the rest of the nation, eliminate access to intercity rail passenger service for approximately 41 million persons; displace approximately 5,800 Amtrak and operating railroad employees; terminate rail passenger service at approximately 213 stations with consequent environmental, cultural, economic, and historical impacts; result in an increase in energy consumption in 28 of the 42 states directly affected by the proposed reductions in service; cause increased air pollution in 41 of these 42 states; burden interstate trucking by causing increases in the number of cars and buses on interstate highways; and disrupt local transportation and community planning; and

"Whereas, There proposed cutbacks in Amtrak service are embodied in a controversial Final Report to Congress prepared by the United States Department of Transportation dated January 1979, and this report fails to include either a detailed environmental impact statement as required by the National Environmental Policy Act or the information required by the Amtrak Improvement Act of 1978; and

"Whereas, The proposed reductions in service will violate the Clean Air Act, the National Historic Preservation Act, and significant constitutional rights of the citizens of California, such as the right of travel and the due process guarantee of a full and fair hearing relating to the discontinuance of rail passenger service; and

"Whereas, The State of Texas has also filed a lawsuit in the United States District Court for the Southern District of Texas on May 22, 1979, to enjoin these rail passenger service reductions; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California expresses its support for the legal actions instituted by Caltrans to enjoin the proposed reductions in rail passenger service by Amtrak, respectfully memorializes the President and Congress to act swiftly to eliminate these ill-advised proposed cutbacks in Amtrak service, and urges all other states which would be adversely affected by restructured and reduced Amtrak service to institute legal actions similar to those instituted by California and Texas; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the United States Department of Transportation, and to the Governors of all the other States in the United States."

POM-418. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION No. 33

"Whereas, An important function of government is to provide safe and efficient transportation facilities and services for the people of California and the United States including a safe air transportation system; and

"Whereas, Many major airports in the State of California serve both commercial air carriers and general aviation; and

"Whereas, The collision of a commercial passenger airliner with a small private airplane over San Diego on September 25, 1978, has focused attention on the concern for air travel safety in the congested airspace near major airports; and

"Whereas, Aviation professionals across the nation have expressed concern that actions proposed by the Federal Aviation Administration as a result of the San Diego midair collision may not significantly improve air travel safety in congested airspace near major airports; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Congress of the United States is respectfully memorialized to require an impartial agency not presently responsible for air safety matters at the earliest possible date to conduct a study of congested airspace problems and to consider appropriate measures to maximize air safety for the benefit of the traveling public, including the feasibility of allowing both general and commercial aviation traffic in the same airspace above major air carrier airports and the state of current technology on collision avoidance systems; and be it further.

"*Resolved,* That copies of this resolution be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of Transportation, and to the Administrator of the Federal Aviation Administration."

POM-419. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Commerce, Science, and Transportation:

"HOUSE JOINT RESOLUTION No. 43

'Whereas, rail transportation is critically important to agriculture and the entire economy of Montana, and agriculture and industry in Montana are vitally in need of adequate and efficient rail transportation; and

"Whereas, the current bankruptcy proceeding involving the Chicago, Milwaukee, St. Paul and Pacific Railroad, commonly known as the Milwaukee Road, is of great concern to Montana; and

"Whereas, the proposed abandonment of rail lines serving Montana will work a significant hardship on the citizens of the state; and

"Whereas, the Milwaukee Road employs about 750 persons in Montana, serves 23 counties, and contributes approximately $750,000 a year in property taxes; and

"Whereas, the Milwaukee Road is a major component of the state transportation system, serving over 150 stations and providing both direct service and connections with other lines; and

"Whereas, the Milwaukee Road serves 31 public warehouse and grain dealer facilities, and these facilities have a storage capacity of 4,332,000 bushels and would be without rail service in the event the Milwaukee line is abandoned; and

"Whereas, the maintenance of a balanced transportation system is desirable to foster competition; and

"Whereas, if abandonment occurs, Montana will lose jobs, shipping capacity, local tax revenues, and the advantages of competition; and

"Whereas, numerous state agencies and officers, including the Attorney General, the Department of Agriculture, the Department of Highways, and the Public Service Commission, are actively involved in the Milwaukee Road proceedings and in developing plans to revitalize and rehabilitate rail transportation.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Legislature strongly supports those actions designed to minimize the reduction of the Milwaukee Road system and encourages private enterprise to develop and promote plans to revitalize the rail transportation system.

"Be it further resolved, that the Legislature urges the bankruptcy court in the Milwaukee Road case (Cause No. 77 B 8999, In the Matter of the Chicago, Milwaukee, St. Paul and Pacific Railroad) to direct Trustee Hillman to develop and work towards an alternative to abandonment which would allow viable and profitable operation of the Milwaukee Road.

"Be it further resolved, that the Legislature supports the expansion of markets for Montana products including but not limited to agricultural and forest products and coal resources and other minerals.

"Be it further resolved, that priority consideration for maintaining the Milwaukee Road is required to facilitate movement of such products and associated services.

Be it further resolved, that the Legislature commends and supports the efforts of private citizens and private groups such as SOFE (Save Our Railroad Employment) to maintain the Milwuakee Road.

"Be it further resolved, that the Legislature urges the Congress of the United States to continue and expand federal programs and assistance designed to revitalize and rehabilitate the nation's rail transportation system.

"Be it further resolved, That copies of this resolution be sent by the Secretary of State to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of Montana's Congressional Delegation, the Secretary of the Department of Transportation, the bankruptcy court in the Milwaukee Road case, and to the trustee of the Chicago, Milwaukee, St. Paul and Pacific Railroad attesting the adoption of this joint resolution by the 46th Legislature of the State of Montana."

POM-420. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION No. 37

"Whereas, the Pacific Northwest has a unique electrical generating system which has in the past been dependent upon private and public hydroelectric facilities; and

"Whereas, implementation of a comprehensive energy conservation program combined with generation of expensive thermal electric power will both be required to insure adequate energy in the future; and

"Whereas, the region's power facilities are linked in a delivery system administered primarily by the Bonneville Power Administration, the United States Army Corps of Engineers, and the Bureau of Reclamation; and

"Whereas, Congress has considered and will consider several bills dealing with regional energy planning in the Pacific Northwest, including the Pacific Northwest Electric Power Planning and Conservation Act, which will be introduced in the current session of Congress; and

"Whereas, some of the proposals, including the Act, would grant significant powers to the Bonneville Power Administration in the areas of regional power planning and resource acquisition; and

"Whereas, because of Montana's abundant energy resources and its inclusion in the Bonneville Power Administration marketing area, Montana will be significantly affected by any regional energy plan which is implemented; and

"Whereas, Montana has enacted numerous statutes enabling its citizens through their legislature to control energy and resource development in this state, including the Montana Major Facilities Siting Act, the Montana Strip and Underground Mine Reclamation Act, and the Strip and Underground Mine Siting Act, among others; and

"Whereas, the legislature, the citizens, and the Congressional delegation of the state of Montana desire to insure that federal legislation relating to Pacific Northwest Regional Energy Planning will not preempt the Montana Major Facility Siting Act and environmental laws relating to electric utilities or the ratemaking power of the Montana Public Service Commission; and

"Whereas, Montana reaffirmed its commitment to control energy development when its citizens overwhelmingly approved a ballot initiative requiring public approval on the siting of nuclear facilities; and

"Whereas, the Administration and the Congressional delegation of the state of Montana, as reflected in the testimony of the Governor on the Pacific Northwest Electric Power Planning and Conservation Act, are concerned that some of the proposals for Pacific Northwest regional energy planning, including the Act, may preempt those statutes and the ratemaking power of the Montana Public Service Commission; and

Whereas, Montana state government representatives and Montana citizens in testimony on this legislation have reaffirmed Montana's commitment to energy conservation and have stated their concern that those ultimately responsible for regional energy are accountable to the public; and

"Whereas, similar programs for citizen control of development or resources, of energy conservation, and of ratemaking exist in the other Pacific Northwest states; and

"Whereas, the coordination of regional energy policy is a major concern of the Pacific Northwest states and the federal government, and will require that decisions about the region's energy policy be reached collectively; and

"Whereas, the proposed legislation should permit the unique use of Bonneville Power Administration power revenues to finance cost-effective investments in energy conservation and renewable energy sources and should establish a more open planning process.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Legislature of the state of Montana call upon the United States Congress to consider the following if the Pacific Northwest Electric Power Planning and Conservation Act or any act regarding regional energy policy in the Pacific Northwest is considered or enacted:

"(1) the development of guidelines by the Bonneville Power Administration for forecasting regional needs and resources. Individual states should be allowed to determine their own needs and this will become an integral part of the regional forecast. However, should the states be incapable of providing such a forecast, the Bonneville Power Administration should offer this service.

"(2) provisions allowing states to keep their rights in power plant siting and retail ratemaking;

"(3) A reaffirmation of the priority of Montana in the allocation of power under the Hungry Horse authorization and preference act and the authorizations and appropriations for the Libby dam project;

"(4) a mechanism to allocate federal power within the Pacific Northwest that would clarify the intent of the preference clause of the Bonneville Project Act, 16 U.S.C. 832, to give preference to legitimate public utilities while minimizing the electrical price difference between consumers of the region.

"Be it further resolved, that Montana call upon the United States Congress to pass legislation regarding Pacific Northwest regional energy policy only if such proposed legislation has the support of the Governors and Congressional delegations of Montana, Washington, Oregon, and Idaho and the ad hoc committee that the Western Conference of the Council of State Governments has established.

"Be it further resolved, that the Secretary of State send copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Chairmen of the United States House and Senate Energy Committees, the Chairman of the United States House Interior and Insular Affairs Committee, the Secretary of Energy, the Congressional delegations of Washington, Idaho, Oregon, and Montana, and the legislative assemblies of Washington, Idaho, and Oregon."

POM-421. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION No. 22

"Whereas, Pine Flat Dam on the Kings River, California, was authorized by the Flood Control Act of 1944 for construction by the U.S. Army Corps of Engineers pri-

marily as a flood control project with incidental conservation storage of water for irrigation; and

"Whereas, The Kings River water users owned 100 percent of the rights to use such Kings River water for more than 80 years before such flood control dam was built; and

"Whereas, The Kings River water users have paid or contracted to pay all the costs allocable to irrigation storage behind Pine Flat Dam; and

"Whereas, For many years, representatives of the United States repeatedly stated that this project would not come under reclamation law or the restrictions thereof; and

"Whereas, By virtue of building the dam, no 'new' water was created, no 'new' lands came into cultivation, no 'arid' lands were reclaimed, and no 'public' lands were opened for settlement; and

"Whereas, No distribution facilities were built by the United States; and

"Whereas, A substantial portion of the Kings River service area lies within the Tulare Lake Basin and is not susceptible to farming in small tracts due to periodic flooding and other factors; and

"Whereas, In spite of such aforementioned facts, the Ninth Circuit Court of Appeals has reversed a judgment of the trial court and decreed that the reclamation laws of the United States apply to all waters stored behind Pine Flat Dam; and

"Whereas, Such decree will cause the larger users to forego storage of their privately owned water and use it under natural flow conditions as was done before Pine Flat Dam was built; and

"Whereas, Such natural flow use will destroy most of the recreation benefits of the reservoir and harm the smaller users of Kings River water by substantially increasing their reliance on already overdrafted and costly groundwater supplies; and

"Whereas, As a matter of fairness and equity, such aforestated facts dictate that the beneficiaries of the Pine Flat Project should be exempt from the provisions of reclamation law; and

"Whereas, Legislation has been introduced in the House of Representatives specifically to exempt such Kings River service area from such laws; and

"Whereas, Legislation has also been introduced in the House of Representatives which would modernize such reclamation laws to recognize the changes that have taken place in agriculture, this state's number one industry, over the past 76 years; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation to specifically exempt the Kings River service area from the provisions of reclamation law and also to modernize such reclamation laws to recognize the changes that have taken place in agriculture; and be it further.

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-422. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS

"Whereas, the United States is entering the forthcoming winter season with stockpiles of heating oil inadequate to assure that basic energy needs will be met; and

"Whereas, these circumstances threaten to create a severe shortage of heating oil this winter; and

"Whereas, such a shortage, in combination with anticipated substantial price increases in heating oil, will result in substantial disruptions to the economic well-being of the New England area, as well as to the public health and safety of the citizens of the Northeast; and

"Whereas, the continued lack of a comprehensive heating oil allocation program will result in long term and irretrievable economic catastrophe to the people of the Northeast in general and the people of the Commonwealth of Massachusetts in particular; therefore be it

"Resolved, that the Massachusetts House of Representatives hereby memorializes the Congress of the United States to adopt and implement a comprehensive system of heating oil allocation and price controls, and an emergency assistance program to minimize disruptions to the economic well-being, the public health and safety and the public welfare; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the presiding officer of each branch of Congress and to each Member thereof from this commonwealth."

POM-423. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS

"Whereas, out of friendship for the United States, the Republic of Cape Verde, a small undeveloped country, has purchased and is donating the Schooner Ernestina, the old wooden sailing vessel that has been called the 'Mayflower of the Cape Verdean People'; and

"Whereas, the Ernestina is historically significant because she is the only remaining class A Gloucester Schooner in the world, was the flagship of Admiral Robert Byrd's expedition to the North Pole earlier in this century and was used as a packet ship between the United States and the Cape Verde Islands when drought and starvation plagued the islands' people; and

"Whereas, a national organization dedicated to restoring the vessel and returning it to the United States from the Cape Verde Islands where she is now docked has submitted a detailed two hundred fifty thousand dollar proposal to facilitate said purposes to the United States Department of the Interior through a sponsoring agency, the National Trust in Washington, D.C.; therefore be it

"Resolved, That the Massachusetts House of Representatives hereby urges the Secretary of the Interior and the Congress of the United States to effect such action as may be necessary to provide for the restoration and return of the Schooner Ernestina to American shores; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the Secretary of the Interior, to the presiding officer of each branch of Congress, and to each Member thereof from this Commonwealth."

POM-424. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS

"Whereas, the people of Massachusetts are uniquely dependent on oil for home heating; and

"Whereas, they cannot develop adequate alternative fuels or energy sources in time for the coming winter; and

"Whereas, shortage of home heating oil will cause serious economic hardship and physical suffering; and

"Whereas, the poor and the elderly are particularly vulnerable to this suffering; and

"Whereas, all predictions are that a major shortage of heating oil will exist this winter; now therefore be it

"Resolved, that the Massachusetts Senate hereby urgently requests the President to recognize this situation as critical, to act immediately to guarantee that emergency assistance will be available according to genuine need, and to communicate his personal assurance to the people of Massachusetts; and be it further

"Resolved, That copies of these resolutions be forwarded by the clerk of the Senate to the President of the United States, the Secretary of the Department of Energy, the presiding officer of each branch of Congress, and to each member thereof from this Commonwealth."

POM-425. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 20

"Whereas, The United States has one of the lowest savings percentages among the democracies of the world; and

"Whereas, Almost every democracy in the world provides for the exemption of interest derived from savings accounts, to encourage savings; and

"Whereas, It is essential that savings be encouraged to provide funds for housing for the people of the United States; and

"Whereas, Savings accounts provide investment capital which is necessary for the advancement of the American economic system; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to exempt from federal income taxes a portion of the interest derived annually from savings accounts; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-426. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTION

"Whereas, there are many mentally retarded citizens residing in the Commonwealth's State Schools for the Retarded, in private facilities, and in alternative settings created by the Department of Mental Health, that are being administered psychotropic drugs; and

"Whereas, these drugs are being administered as chemical restraints and for the purpose of control; and

"Whereas, one of the major drug groups still being administered is known as phenothiazine, all but two of which have never received FDA approval for administration to persons with uncomplicated mental retardation; and

"Whereas, in addition to this immoral misuse of human life through drug control, that many of these psychotropic drugs institute a potentially dangerous and harmful effect to the retarded due to the drugs' adverse physical and mental side effects; and

"Whereas, it is the intent of this legislative body to offer humane and safe treatment to its retarded population in a way that will benefit their growth and well-being as citizens of this Commonwealth; and

"Whereas, this potential for drug misuse falls in the area of programs receiving both State and Federal funding; and

"Whereas, the U.S. General Accounting Office has an established record of integrity in fact-finding in previous audits of both State and federally funded programs for the retarded within this Commonwealth; now, therefore be it

"Resolved, That the Massachusetts Senate respectfully requests the President of the United States and the Congress to initiate an audit and investigation of the use of psychotropic drugs in programs for the mentally retarded by the U.S. General Accounting Office; and be it further

"Resolved, That this investigation should include a comparison of facilities reducing drug misuse, so as to benefit not only programs within the Commonwealth, but to set a standard of excellence for the retarded across our Nation; and be it further

"Resolved, That the Massachusetts Senate respectfully requests the President of the United States and the Congress to then utilize this fact-finding to give those programs reducing drug misuse additional Federal assistance in order to create an environment of greater respect for the retarded citizen in which he may gain a purpose for living with dignity and self-respect; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the Presiding Officer of each branch of the Congress, and to the Members thereof from this Commonwealth."

POM-427. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION No. 6

"Whereas, additional acreage in the Western States is being considered for inclusion in the National Wilderness Preservation System; and

"Whereas, the designation of large areas of the Western States as federal wilderness restricts or eliminates access by the great majority of Americans; prohibits the harvesting of mature and overmature timber essential for the building of America's homes and businesses; prevents the development of needed mineral resources and makes difficult the improvement of rangeland by the reseeding of grasses and the eradication of undesirable vegetation; interferes with the control of forest fires, insect damage, and diseases and the development of water resources, thereby limiting the national food supply and timber harvest and decreasing the value of wildlife habitat; and

"Whereas, the federal government has advanced a wide variety of other programs which affect land, water, and other natural resource management decisions of the several states, including, in addition to wilderness, roadless and essentially roadless study areas, primitive, wild, and scenic rivers, and other administrative and statutory designations for areas managed in a highly restrictive manner resulting in de facto wilderness; and

"Whereas, each of these programs and others create an allocation of the natural resources within the states without regard to state policy decisions, state objectives, or economic well-being; and

"Whereas, these federal program decisions, in which input by state policymakers is limited, work to reduce the ability of the states and their citizens to govern themselves and work to reduce employment opportunities in the private sector; and

"Whereas, the Roadless Area Review Evaluation II Study (RARE II) apparently has, as its purpose, the expansion of the wilderness system by the inclusion of additional large tracts of western lands, which is to be accomplished without sufficient responsiveness to or consultation, communication, or involvement with the state and local governments affected; and

"Whereas, while federal lands belong to the entire citizenry of the nation and should be managed under multiple-use concepts consistent with the Multiple-Use Sustained-Yield Act of 1960 for the benefit of all, state interests should be of the highest priority, followed by regional and national interests, except in cases of national security."

POM—428. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION No. 14

"Whereas, Public Law 94-565 provides for payments to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality; and

"Whereas, the payments offset the loss in tax revenue to local governments resulting from the exempt status of such public lands; and

"Whereas, Public Law 94-565 does not provide for payments based on lands held by or for Indians; and

"Whereas, Indian land lies within the boundaries of units of local government but is exempt from the taxing power of such governments; and

"Whereas, H.R. 13961 has been introduced in the 95th Congress to amend Public Law 94-565 to provide for similar payments to local governments based on land held by or for Indians.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Congress of the United States is urged to amend Public Law 94-565 to include lands held by or for Indians as public lands for which a federal payment will be made.

"Be it further resolved, that copies of this resolution be sent to the Secretary of State, to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and each member of the Montana Congressional Delegation."

POM-429. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 271

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, it has come to the attention of the people of Guam that the United States is proposing to locate a nuclear waste storage facility in the Western Pacific; and

"Whereas, it is the unanimous consensus of the members of the Guam Legislature and the people of Guam that location of such a facility within Guam's boundaries or in the vicinity of Guam would be hazardous to the health, safety, and well-being of the people of Guam and would also be detrimental to the flora and fauna as well as the marine resources of the territory of Guam; and

"Whereas, the people of Guam do not wish a recurrence of the Three Mile Island incident in Guam or elsewhere in Micronesia, especially in this much maligned Pacific; and

"Whereas, the people of Guam vehemently and totally oppose the selection of any island or area within one thousand miles of Guam for a nuclear waste storage facility; and

"Whereas, Pacific islanders have been abused long enough and will not tolerate continued misuse, the atomic testing in the Bikini Atoll is a perfect example of unconscionable action by the Federal Government; and

"Whereas, the members of the Guam Legislature deplore the fact that the Federal Government is making such a proposal without first consulting the Pacific island governments; and

"Whereas, the people of Guam have gone on record opposing the use of Guam as storage for nerve gas and other dangerous chemicals; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature, on behalf of the people of Guam, hereby expresses its unanimous opposition to any use of Guam or any nearby island or area as a site for a nuclear waste storage facility; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Assistant Secretary of State for Asian and Pacific Affairs; to the Chairman of the House Committee on Interior and Insular Affairs; to the Chairman, Senate Committee on Energy and Natural Resources; to the Chairman, House Subcommittee on Pacific Affairs; to the President of the United States; to the Speaker of the House of Representatives; to the President of the Senate; to the Speaker of the Northern Marianas Legislature; to the Governor of the Northern Marianas; to the President of the Federated States of Micronesia; to the Prime Minister of the Marshall Islands; to the Speaker of the Palau District Legislature; to the Governor of Hawaii; to the Governor of American Samoa; to the President of Nauru; to the Executive Director, South Pacific Commission; and to the Governor of Guam."

POM-430. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Labor and Human Resources:

"RESOLUTION

"Whereas, although benefits for working employees are currently a mandatory subject of bargaining by union and management, renegotiation of such pension benefits for already retired workers is merely a subject for permissive bargaining; and

"Whereas, though some employers bargain voluntarily on this subject, others have refused to include retirement benefits for already retired employees in talks with union negotiators; and

"Whereas, modification of the National Labor Relations Act is necessary to insure that our retirees, who have given long years of their working lives to their employers, are not squeezed between the spiraling costs of an inflation rate which fluctuates around the double-digit threshold and the limited income provided by pensions scaled to the living costs of the past; and

"Whereas, our responsibility and commitment to providing for those who have worked so hard for their retirement benefits is deep and abiding and the legal framework of our labor relations system should reflect this fact: The directive to bargain collectively on the issue of pension benefits for retired workers should be mandatory; therefore be it

"Resolved, that the Massachusetts House of Representatives hereby urges the Congress of the United States to enact legislation to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of the Congress and to the Members thereof from this Commonwealth."

POM-431. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Veterans' Affairs:

"RESOLUTION No. 235

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, during World War II and subsequent years thereafter, hundreds of our people served as members of the Guam Combat Patrol and the Guam Civilian Scouts; and

"Whereas, these people risked their lives and the lives of their loved ones and families in pursuit of energy stragglers who are still at large in the jungles of Guam; and

"Whereas, some of our people lost their lives in pursuit of capturing enemies who would not surrender to the United States military forces after the end of World War II; and

"Whereas, some of our people who became members of the Guam Combat Patrol and the Guam Civilian Scouts were maimed in line of duty during and after the end of the Japanese occupation of the Island of Guam; and

"Whereas, members of the Guam Combat Patrol and the Guam Civilian Scouts did guard duty in military prisons for captured enemies; and

"Whereas, during and after the end of World War II, members of the Guam Combat Patrol were given certain military privileges; and

"Whereas, Senator Alan Cranston, Chairman of the Committee on Veterans' Affairs, United States Senate, in his letter to Senator Antonio B. Unpingco, dated May 1, 1979, indicated that the GI Improvement Act of 1977 included provisions to "authorize the Secretary of Defense to review the historical records and other available evidence about groups, like the Guam Combat Patrol and the Guam Civilian Scouts, whose service took place, and to determine whether that service should be recognized as military service; and

"Whereas, it is the expressed desire of the Fifteenth Guam Legislature to explore all avenues of assistance to our people who were members of the Guam Combat Patrol and the Guam Civilian Scouts so that any benefits entitled them may be forthcoming; and

"Whereas, the proposed public hearing will allow the opportunity for our people to express their involvement in the Guam Combat Patrol and the Guam Civilian Scouts as well as the extent of their involvement; and

"Whereas, pursuant to Section 1, Subsection e, Rule XV of the Standing Rules of the Fifteenth Guam Legislature, the Speaker may appoint a Special Committee to assist him in the performance of his official duties; now, therefore, be it

"*Resolved*, that the Special Committee conduct a public hearing to ascertain and allow those of our people the opportunity to testify before the Legislature relative to their involvement in the Guam Combat Patrol and the Guam Civilian Scouts in line with the provisions of the GI Improvement Act of 1977; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of Defense; to the Secretary of the Navy; to the Secretary of the Air Force; to the Secretary of the Army; to the President of the United States; to the President of the Senate; to the Speaker of the House of Representatives; to Senator Alan Cranston, Chairman, Veterans' Affairs Committee, United States Senate; to Congressman Antonio B. Won Pat; to the Director of Public Safety; to the families and members of the Guam Combat Patrol and the Guam Civilian Scouts, both living and deceased; and to the Governor of Guam."

POM-432. A resolution adopted by the city commission of Kilgore, Tex., relating to the windfall profits tax bill; to the Committee on Finance.

POM-433. A resolution adopted by the Oak View Sanitary District, Oak View, Calif., regarding construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

POM-434. A petition from a private citizen, calling for an amendment to the Constitution of the United States that will cut, limit and control Federal spending and the amount of taxes which can be imposed on U.S. citizens now and in the future; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

EXTENSION AND REVISION OF NURSE TRAINING AND OTHER HEALTH PROGRAMS—CONFERENCE REPORT

Mr. KENNEDY submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes (Rept. No. 96-313).

ORDER FOR STAR PRINT OF S. 1329

Mr. MORGAN. Mr. President, I ask unanimous consent that S. 1329, a bill for the relief of Mrs. Elsie Belle Blackburn, be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY:

S. 1718. A bill to authorize and direct the Secretary of Agriculture to conduct a pilot program of loans providing for periodic disbursements to owners of nonindustrial private forest lands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. EAGLETON:

S. 1719. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1980 and 1981; to the Committee on Finance.

By Mr. KENNEDY:

S. 1720. A bill to assure provision of adequate comprehensive health-care services, including protection against catastrophic health-care expenses, to all residents of the United States at affordable prices through a system that provides for cost controls; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent jointly.

By Mr. MORGAN:

S. 1721. A bill for the relief of Erasmo Ramires Crus, Jr., M.D., and Emelito Riego de Bios Castor Crus, M.D., husband and wife; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY:

S. 1718. A bill to authorize and direct the Secretary of Agriculture to conduct a pilot program of loans providing for periodic disbursements to owners of nonindustrial private forest lands, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

WOODLOT MANAGEMENT FOR ENERGY OF 1979

Mr. LEAHY. Mr. President, it was timber from the forests that made possible America's independence and built this great Nation of ours. This forest resource heated our homes, built our cities, and was the rockbed of America's commerce.

Today, however, the picture is not so bright. America's independence is now threatened by the unholy alliance of oil companies and OPEC nations whose control of oil supplies looms ominously as a sword of Damocles across America's throat. And one of our most valuable resources, private nonindustrial forests, are underutilized and linger in a limbo of nonproductivity.

Mr. President, wood and other resources from our forests can be the saving grace to help return America to energy independence. With proper management and available credit, forest resources could once again form the foundation of America's economy.

The people of Vermont have recognized the dilemma that America's past policies of depending on oil while ignoring our forest resources has produced. Vermonters have done something about this dangerous situation by conserving fossil fuels while steadily increasing their reliance on renewable resources from our forests to meet their energy needs.

Vermont proudly boasts the first public utility in the Nation to depend on wood for the generation of electricity at a competitive cost. Also, Vermonters have always known a simple fact that many Washington bureaucrats only now begrudgingly admit. Wood burns, and in burning it gives off heat that can be used to warm homes and industries. This is just plain commonsense, although many people in Washington see it as some sort of revelation. In fact, over 63 percent of all Vermont homes depend on wood energy for their primary or secondary source of heat.

Mr. President, today I am introducing the Woodlot Management for Energy Act to foster a return to wood as a primary resource to meet America's energy needs. I realize that to rush into forest resource development to meet our energy needs is a dangerous prospect if the other valuable contributions of our forests' resources are not carefully considered and protected. In line with this, the Woodlot Management for Energy Act has been carefully tailored to insure that other nonenergy related values of our forests' resources like wilderness, construction materials, recreation areas, wildlife and water and soil resources are protected. The bill is a comprehensive approach to forest development, taking all these issues into consideration. Ironically, the demand for wood for energy purposes could be the unprecedented opportunity to enhance all the potential resources of our forests.

Mr. President, this legislation not only recognizes the wide range of assets contained in our forests, but also represents a comprehensive approach to their preservation, enhancement, and development.

One critical point to remember is that the bill is designed with flexibility so that

the needs and opportunities of each State's individual forest can be best met. Through reliance on individual State foresters to design forest management programs, the legislation guarantees that the unique needs of each State's forests will be studied, developed, and properly managed.

Mr. President, the Woodlot Management for Energy Act has three basic components. The first provides loans to private nonindustrial woodlot owners for forest management. This section is similar to H.R. 4718 as introduced in the House by Representative HUCKABY, Mr. HUCKABY is to be congratulated for developing this loan program. Its potential value to private foresters was sounded again and again at field hearings held by Mr. HUCKABY.

The second component provides grants to States to employ additional State foresters to aid in private woodlot management.

The third is designed to demonstrate and test the effectiveness of three bills which were signed into law last year but are as yet unfunded. These three acts are the Cooperative Forestry Assistance Act of 1978, the Forest and Rangeland Renewable Resources Research Act of 1978, and the Renewable Resources Extension Act of 1978.

Mr. President, this legislation would provide loans to private woodlot owners for forestry management. This loan program has been endorsed by both the Department of Agriculture and the Office of Management and Budget.

These loans will be coupled with a forest management plan to insure proper forest resource development. While a State forester must review and approve each plan, woodlot owners and State foresters are encouraged to use private foresters in the development of these management plans.

Mr. President, any legal entity owning nonindustrial private forest land can participate in this loan program, provided the ownership does not exceed 5,000 acres. Each loan has an annual ceiling of $50,000.

Our private forests are not being adequately used to meet America's timber needs. I think one major cause of this shortfall in production is the lack of financial incentives for small private, nonindustrial landowners to invest in production or reforestation. Timber investments require a substantial amount of working capital and management skills, and the return on investment is relatively long-term. With Federal loans for forestry management, these woodlot owners will have the necessary cash flow they need to make and keep their woodlots productive.

This loan program with periodic loan disbursements is a novel idea. In light of this, the legislation requires annual reports and is a pilot project sunsetted after 5 years. If it works, it is the intent of the legislation that eventually the program would move wholly to the private sector.

Mr. President, the legislation recognizes that this country must increase its forest production soon. The bill provides grants totaling $13 million in fiscal years 1980 and 1981 to States for employment of additional State foresters. Each State's forests will be assessed for their underutilization and productivity potential. Grants will be awarded to each State based upon this assessment.

Finally, the Woodlot Management for Energy Act includes a demonstration project to be carried out in 10 States to test the effectiveness of the Cooperative Forestry Assistance Act, the Forest and Rangeland Renewable Resources Research Act, and the Renewable Resources Extension Act. Ten States will be selected to participate in the demonstration program.

The demonstration will cover virtually all aspects of forestry development and management, from seed to harvest. It will aid research for seed development and multipurpose use of forests, and will fund competitive forestry research grants. Also, it will aid in timber stand management, provide technical assistance to private woodlot owners and develop 5-year management plans for the selected States' forests. Moreover, it will make effective a forestry extension program whose responsibilities and operations were authorized and outlined in the Renewable Resources Extension Act.

Mr. President, as you can see, this is truly omnibus legislation to approach forestry development in a comprehensive fashion so as to realize the full potential of our woodlands. Timber is our largest renewable resource. However, it is well documented that future timber demands will far exceed our current timber supplies. The Forest Service estimates that U.S. timber production on commercial forest lands must increase from 13.3 billion cubic feet in 1976 to 28.7 billion cubic feet in 2030 to meet the projected, rising demands. By the Federal Government's own figures, the projected increase in demand can best be met by increased production from our abundant private, nonindustrial forest lands which account for 59 percent of all commercial forests. Unfortunately, the present timber growth and production on our private forest lands fall far short of their projected potential, because public policy continues to draw solely on our national forests for supply. This policy is particularly alarming because, again by the Federal Government's own figures, the national forests are presently producing at full capacity and cannot meet projected demands.

I hope my Senate colleagues will recognize the potential our private forests represent for meeting our energy needs by supporting the Woodlot Management for Energy Act.

The experience in Vermont has been that renewable resources from our forests can replace our dangerous dependence on fossil fuels. This bill will allow and enhance the opportunities for this experience to be shared with the entire Nation.

Mr. President, I ask unanimous consent that the Woodlot Management for Energy Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Woodlot Management for Energy Act of 1979".

FINDINGS AND POLICY

SEC. 2. The Congress finds and declares that—

(1) adequate supplies of timber and other forest resources are essential to the Nation's well-being;

(2) the Nation's publicly owned forests cannot alone supply needed timber and wood products;

(3) the Nation's capacity to produce timber and wood products is significantly dependent on nonindustrial private forest lands;

(4) substantial investment is often needed to increase the productivity of forest lands;

(5) long timber rotation periods and the lack of regular periodic returns from forestry investments may discourage owners of nonindustrial private forest lands from managing their timberlands at levels of high productivity;

(6) the availability and cost of capital can be a significant determining factor in a forest landowner's decision as to whether or not to undertake a forest management program;

(7) owners of nonindustrial private forest land frequently are unable to obtain credit at rates and terms sufficiently reasonable to enable them to undertake a forest management program;

(8) it is in the national interest for the Secretary of Agriculture to conduct a pilot program to determine whether loans providing periodic disbursements to owners of nonindustrial private forest land would result in increased productivity of such land; and

(9) it is the intent of Congress that, if such pilot program is feasible, it should ultimately be placed within the private sector.

ESTABLISHMENT OF PILOT PROGRAM

SEC. 3. (a) In order to encourage owners of nonindustrial private forest land to implement and maintain forest management programs, and thereby increase the production of crops of industrial wood, the Secretary of Agriculture (hereafter in this Act referred to as the "Secretary") is authorized and directed to conduct a pilot program of financial assistance to such owners. Such program shall include but, may not be limited to—

(1) the insuring and guaranteeing of loans which will provide periodic loan disbursements to eligible landowners;

(2) consolidating for resale in private capital markets the loan obligations of individual landowners; and

(3) loaning funds to lawfully organized lending institutions for the purposes of making guaranteed loans under this Act.

(b) Such pilot program shall operate for five consecutive calendar years, beginning with the first full calendar year occurring after the date of enactment of this Act. No new loan may be insured or guaranteed under such program after the close of the fifth fiscal year during which such program has been in effect.

(c) The Secretary is authorized to defer the repayment of principal and interest under such conditions as the Secretary shall deem appropriate.

ELIGIBLE BORROWERS

SEC. 4. Any private individual, or any group, Indian tribe, or other native group, association, partnership, corporation, or other legal entity that owns forest land capable of producing crops of industrial wood shall be eligible to receive loans under this Act if the applicant certifies in writing, and the Secretary determines, that the applicant is unable to obtain sufficient credit elsewhere at rates and terms comparable to those provided under this Act.

TERMS AND CONDITIONS OF LOANS

SEC. 5. (a) The Secretary shall insure or guarantee no portion of any loan under this Act to any one landowner which involves a disbursement in excess of $50,000 annually.

(b) The total period of time permitted for a loan insured or guaranteed under this Act shall not exceed forty years.

(c) The Secretary may guarantee any Federal or State chartered bank, savings and loan association, cooperative lending agency, Federal land bank, or other lawfully organized lending institution against risk of nonpayment arising out of the financing of activities under this Act, except that not to exceed 90 per centum of that portion of the overall loan obligation which exceeds the market value of the assets securing the loan may be guaranteed.

(d) Loans provided under this Act shall be made upon the personal liability of the borrower and shall be secured by either (1) the land described in section 4, (2) the timber grown thereon, or (3) the land and such timber, and such other security as the lender may require. If such loans to landowners are secured under clause (2) of the preceding sentence, additional security may include insurance on the timber crop against natural hazards, if such insurance and performance bond insurance on the outstanding loan obligation are available.

(e) Loans guaranteed under this Act shall bear interest at rates to be agreed upon by the lender and landowner but not in excess of such rate as may be determined by the Secretary. Each loan insured under this Act shall bear interest at a rate determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the maturity of such loan, adjusted to the nearest one-eighth of 1 per centum, plus not to exceed 1 per centum, as determined by the Secretary.

(f) The landowner shall prepare, keep current, and adhere to an individual forest management plan which shall be developed in cooperation with and be approved by the State forester or equivalent State official and which shall describe the activities needed to maintain or increase the productivity of the forest land of the landowner. Such management plan shall also include estimates of the volume of timber to be harvested during the term of the loan and the value thereof. The estimated value shall serve as the basis for determining the principal amount of the loan. The landowner may use the loan proceeds in any manner he deems appropriate, as long as the provisions of the management plan and loan agreement are observed. The Secretary shall encourage landowners and State foresters or equivalent State officials to use private consulting foresters, agencies, organizations, and firms to the extent possible for the preparation of individual forest management plans.

(g) The amount of the periodic loan disbursement shall be based upon the future expected market value of the timber securing the loan, but in no case shall the total principal and interest obligation exceed 80 per centum of the future expected market value of the timber as estimated in the management plan.

(h) Individual loan agreements and forest management plans may be periodically reviewed by the lender, landowner, and the preparer of the forest management plan. Following such review, the loan period, principal amount, interest rate, and amount and interval of the periodic disbursement may be adjusted as agreed by both landowner and lender.

(i) At the discretion of the lender, loans guaranteed under this Act may, upon the application of the landowner, be transferred to, and assumed by, a new landowner who agrees to the terms and conditions of the loan, assumes any outstanding liability and obligations thereunder and who otherwise qualifies under the provisions of this Act. Further, any individual loan guaranteed under this Act, in which timber alone secures the loan, may be, upon the approval of the landowner, sold to a private organization, which will assume the obligations of the lender and which will have a lien against the timber securing the loan.

(j) The borrower shall be entitled to prepay without penalty all or any part of the outstanding loan obligation insured or guaranteed pursuant to the provisions of this Act. Income from the sale of timber covered by the loan agreement shall be applied to the outstanding loan obligation. Periodic loan disbursements may continue over the full term of the loan even if payments applied to the loan obligation are made during the loan period.

(k) Except for guaranteed loans, the landowner shall agree that if at any time it shall appear to the Secretary that the landowner may be able to obtain a loan from any Federal or State chartered bank, savings and loan association, cooperative lending agency, Federal land bank, or other lawfully organized lending institution at rates and terms comparable to such rates and terms provided for in this Act for loans for similar purposes and periods of time, the landowner shall, upon request by the Secretary, apply for and accept such loans in sufficient amount to repay the Secretaray or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

PILOT PROGRAM DEVELOPMENT AND EVALUATION COMMITTEE

SEC. 6. To advise in the development of the pilot program authorized under section 3, and to aid in preparing recommendations regarding the continuance and expansion of such program, the Secretary shall appoint a committee of not less than five persons, including, but not limited to, representatives from public agencies, private lending institutions, private forestry concerns, and individual landowners. The Secretary shall also consult with the committee in the preparation of such reports as required in section 8. Individuals who serve on the committee and who are not employed by the Federal Government, shall be paid such compensation for their services as the Secretary shall determine but such compensation shall not exceed the daily rate prescribed for grade GS-18 under section 5332 of title 5, United States Code, for each day when actually employed, and actual necessary traveling and subsistence expenses or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently, when advising in the development of such pilot program away from their homes or regular places of business.

PILOT PROGRAM AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a) The pilot program authorized by section 3 shall be funded using funds drawn from the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act and subject to the provisions governing such Fund. The Secretary is authorized to use such funds to carry out the activities described in paragraphs (1) through (3) of section 3(a).

(b) There are authorized to be appropriated such sums as may be necessary for administrative expenses incurred in carrying out sections 3 through 7, including reimbursement to State foresters or equivalent State officials, and reimbursement to the Rural Development Insurance Fund for funds withdrawn for the operation of the program. Such sums are authorized to remain available until expended.

ADDITIONAL STATE FORESTERS

SEC. 8. (a) The Secretary of Agriculture is authorized to make grants through the Forest Service to the States for the employment by the States of additional State foresters or equivalent State officials.

(b) In determining the amount of financial assistance to be provided to a State under subsection (a) the Secretary shall consider the underuse of forest growth in the State and the potential use in the State of wood as a fuel in place of oil.

(c) In addition to any sums otherwise authorized to be appropriated, there are authorized to be appropriated to the Secretary to carry out subsection (a) the sum of $6,500,000 for the fiscal year 1980, and the sum of $6,500,000 for the fiscal year 1981.

DEMONSTRATION PROGRAMS

SEC. 9. (a)(1) The Secretary of Agriculture, through the Forest Service, is authorized by contract, grant, or other arrangement to conduct 10 State-wide demonstrations of cooperative forest programs involving the exercise of authorities conferred upon the Secretary of Agriculture by the Cooperative Forestry Assistance Act of 1978, the Forest and Rangeland Renewable Resources Act of 1978, and the Renewable Resources Extension Act of 1978.

(2) In carrying out paragraph (1), the Secretary of Agriculture shall assure that each such program provides a model for comprehensive forest resource planning and development at the State level and provides for additional resource assessment and public involvement.

(3) For each program conducted under this subsection, the Secretary of Agriculture shall cooperate with appropriate agencies of the United States, State officials and agencies, and political subdivisions of States.

(b) There are authorized to be appropriated to the Secretary of Agriculture to carry out this section for the fiscal year 1980, $5,000,000, of which amount not to exceed $750,000 may be made available for any demonstration project.

RULES AND REGULATIONS

SEC. 10. The Secretary shall, not later than 120 days after the date of the enactment of this Act, and in accordance with section 553 of title 5, United States Code, promulgate such final rules and regulations as the Secretary deems appropriate to implement the provisions of this Act. The Secretary may, in accordance with such section, promulgate rules and regulations modifying the rules and regulations promulgated under the preceding sentence.

REPORTS

SEC. 11. (a) The Secretary shall report annually to the Congress on the progress of the pilot program authorized by section 3 of this Act. The first such report shall be submitted upon completion of the first calendar year of operation of such program. The final report shall be submitted before completion of the fifth calendar year of operation of such program and shall include the recommendation of the Secretary on whether additional loans shall be insured or guaranteed.

(b) The Secretary shall prepare and transmit to the Congress not later than 32 days after the close of the fiscal year 1980, a report setting forth the progress made in implementing section 9 and, not later than 30 days after the close of the fiscal year 1981, a report setting forth the progress made in implementing section 8.

By Mr. EAGLETON:

S. 1719. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1980 and 1981; to the Committee on Finance.

SOCIAL SECURITY PAYROLL CREDIT ACT OF 1979

● Mr. EAGLETON. Mr. President, when American taxpayers examined their statements of earnings last January, they found both good and bad news. The good news was that most taxpayers enjoyed a reduction in their income tax. This, of course, was the result of the $18.7 billion tax cut passed by the 95th Congress. The bad news was that most taxpayers paid far more in social security taxes than ever before. In most instances, the social security tax hike was greater than the income tax reduction, resulting in a net tax increase.

The bad news will continue in 1980 and 1981, when both the social security tax rate and the wage base will rise even higher.

In 1980 the base wage will increase to $25,900—an increase of $3,000 over the 1979 level. In 1981 the base wage will be $29,700 and the tax rate will increase to 6.65 percent—up from the 6.13 percent which will be levied in 1979 and 1980. In 1979 it is projected that the Government will collect approximately $106 billion in social security taxes. This figure is projected to increase to $140 billion by 1981. That is a $34 billion increase in 2 years, an increase which will come directly out of the pockets of almost every working man and woman in the country.

This large tax increase, coupled with inflation and the recent OPEC oil price increase, has prompted many of our country's leading economists to suggest the possibility that another tax cut in 1980 and 1981 is needed in order to mitigate a recession.

In light of continuing high inflation and in light of our commitment to balance the Federal budget, I am not yet convinced that a tax cut is in order. However, should the Congress deem a cut to be necessary, I think it should be made fairly, and I think the fairest way to cut taxes would be, in effect, a payroll tax cut.

Prior to President Carter's tax cut proposal of 1978, I introduced legislation which would have authorized an income tax credit equivalent to 15 percent of what each taxpayer contributes to the Social Security Trust Fund. I suggested this approach because the President's income tax cut was proposed, in part, to offset higher payroll taxes. My proposal would have kept the income tax cut from turning into an unearned windfall for those who do not participate in the social security system. Unfortunately, my proposal was not accepted by the 95th Congress.

Today, Mr. President, I am reintroducing my bill to give a tax credit based on the amount of social security tax paid. My bill is identical to H.R. 4990, which was introduced in the House on July 23 by my colleague from Missouri, Congressman GEPHARDT. My legislation will provide employees, self-employed persons, and employers with a refundable credit against income taxes equal to 20 percent of payroll taxes paid for tax years beginning in 1980 and 1981.

My legislation provides for a refundable tax credit. This means that even if a taxpayer owed no income tax, he still would receive the credit in the form of a refund.

The credit also would be available and refundable for employers who, under the principle called "parity" now embedded in our social security system, also are subject to the payroll tax increases. However, because employers already receive an income tax deduction for payroll taxes paid, my bill would require that their deduction be reduced by the amount of the credit taken, so that, in essence, a double-deduction would not result.

According to the Joint Committee on Taxation, this legislation would decrease Federal revenues by approximately $16 billion in fiscal year 1980 and $26 billion in fiscal year 1981. I offer this proposal as an alternative for Congress to consider if economic conditions lead us to believe that a tax cut is necessary.

Government employees and others who do not pay social security will be quick to note that there is nothing for them in my proposal. Obviously I do not offer this plan as a total tax cut package; the 8 million Americans who do not participate in social security also are entitled to share in any tax cut scheme. However, inasmuch as workers who pay social security taxes have borne a significantly larger share of the burden of recent tax increases, I feel they should also get a larger portion of the tax relief.

I hope that my plan for a social security-based credit would constitute a major portion, although possibly not all, of a comprehensive tax cut plan.

This legislation is not a rollback of the payroll tax nor does it provide direct general revenue financing for social security. It does provide 2 years of financial relief for taxpayers and a quick boost for the economy at a time when such a boost might be needed. I must again emphasize that as of today there is no consensus on the need for a tax cut, and in fact, such a consensus may not materialize. If Congress does decide on a tax cut, however, I urge my colleagues to give this plan their careful consideration.

Mr. President, I ask unanimous consent that an article by Walter H. Heller that appeared in the August 2 edition of the Wall Street Journal be placed in the RECORD at the end of my statement. In addition, I ask unanimous consent that the text of my bill be placed in the RECORD at the end of my statement.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Payroll Credit Act of 1979".

SEC. 2. CREDIT FOR SOCIAL SECURITY TAXES PAID IN 1980 AND 1981.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"SEC. 44D. CREDIT FOR SOCIAL SECURITY TAXES.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this subtitle for any taxable year beginning in the calendar year 1980 or in the calendar year 1981 an amount equal to 20 percent of the taxpayer's social security taxes for that calendar year.

"(b) SOCIAL SECURITY TAXES FOR 1980 OR 1981.—The taxpayer's social security taxes for the calendar year 1980 or the calendar year 1981 are—

"(1) the taxes imposed by section 3101 (relating to tax on employees under the Federal Insurance Contributions Act) which are paid by the taxpayer with respect to wages received by the taxpayer during that calendar year;

"(2) the taxes imposed by section 3111 (relating to tax on employers under the Federal Insurance Contributions Act) which are paid by the taxpayer with respect to having individuals in his employ during that calendar year; and

"(3) the taxes imposed by section 1401 (relating to tax on self-employment income under the Self-Employment Contributions Act of 1954) which are imposed on the self-employment income of the taxpayer for the taxpayer's taxable year beginning in that calendar year.

"(c) ONLY NET AMOUNT OF SOCIAL SECURITY TAXES INTO ACCOUNT.—The amount of the social security taxes of a taxpayer which may be taken into account for any taxable year for purposes of this section shall be the total amount of such taxes reduced by an amount equal to that portion of any refund or credit under subsection (b) or (c) of section 6413 which is attributable to such taxes.

"(d) DENIAL OF TRADE OR BUSINESS DEDUCTION.—No deduction shall be allowed a taxpayer under this chapter for that portion of the taxes imposed by section 3111 which is equal to the amount of the credit allowable under this section.

"(e) WAGES DEFENDED.—For purposes of this section, the term 'wages' has the meaning given to it by section 3121(a), except that such term also includes remuneration covered by an agreement made pursuant to section 218 of the Social Security Act.

"(f) SPECIAL RULES IN CASE OF SECTION 218 AGREEMENTS COVERING STATE AND LOCAL EMPLOYEES.—Under regulations prescribed by the Secretary, in the case of an agreement made pursuant to section 218 of the Social Security Act—

"(1) amounts deducted from the employee's remuneration as a result of the agreement (whether or not such amounts have been paid to the Secretary) shall be treated as taxes paid under section 3101, and

"(2) amounts paid by the employer as a result of the agreement which are equivalent to taxes imposed by section 3111 shall be treated as taxes imposed by such section.

"(g) PAYMENTS TO NON-TAXABLE ENTITIES.—In the case of—

"(1) a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(2) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under this subtitle for its taxable year),

no credit shall be allowable under this section for any taxable year, but (in lieu of such credit) the Secretary shall pay to such State subdivision, agency, instrumentality, or organization, without interest, an amount equal to the amount of the credit which would otherwise be determined under this section with respect to such State, subdivision, agency, instrumentality, or organization.".

(b) CREDIT TO BE REFUNDABLE.—Subsection (b) of section 6401 of such Code (relating to excessive credits) is amended—

(1) by striking out "lubricating oil), and

43" and inserting in lieu thereof "lubricating oil), 43";

(2) by striking out "earned income credit)" and inserting in lieu thereof "earned income credit), and 44D (relating to credit for social security taxes)"; and

(3) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44D".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for social security taxes."

Sec. 3. Effective date.

The amendments made by this Act shall apply only with respect to remuneration received or paid, and taxable years beginning, in the calendar years 1980 and 1981.

AN ANTI-INFLATIONARY TAX CUT

(By Walter W. Heller)

With an eye cocked on the dollar, the Federal Reserve recently tightened credit and President Carter appointed the internationally respected Paul Volcker to head the Federal Reserve System. These moves confirm the historic November 1 commitment to defend the dollar, even at some expense to the domestic economy. They confirm further that actions to keep the OPEC "oil tax" from dragging us into too deep and too long a recession will have to come primarily from the fiscal rather than the monetary side. And with the country, the Congress and Mr. Carter firmly determined to hold federal spending in check, it becomes ever clearer that tax cuts are the way to go.

But not any old tax cuts. They have to be carefully contoured to fit the shape of today's economy. The purchasing power lost to OPEC must be restored in ways that will reduce the cost and price bulges in today's economy and provide incentives to boost productivity in tomorrow's. Can it be done? Yes.

A tax cut to neutralize the $25 billion to $30 billion OPEC oil drag can be so structured that every dollar of tax relief will ease cost and price pressures and/or boost productive incentives. The centerpiece would be a $15 billion to $20 billion cut in Social Security payroll taxes on employers and employes.

Consider the advantages:

Every dollar lopped off the employers' net payroll tax would be a dollar cut in business costs. Given the prevalence of mark-up pricing, this should quickly pass through to consumer prices. It is widely agreed that through this process most of the employer-paid payroll tax eventually ends up on the backs of employes. The same process should work in reverse.

Every dollar lopped off the employes' payroll tax is an increase in take-home pay that government can offer workers as part of the price for accepting more restrained wage increases. In the face of what will be predominately a cost-push inflation in the period ahead, this potential easing of wage-push pressure has particular relevance.

Payroll tax cuts are an especially fitting response to OPEC price increases that have been pummeling lower income groups with skyrocketing gasoline and heating oil prices. The payroll tax, like the "OPEC tax," makes no concessions for small incomes or big families, a bane when the tax rises, but a boon when it drops.

INTEGRITY OF SOCIAL SECURITY

So payroll tax cuts are tailor-made to fit the needs of an economy badgered by both inflation and recession. But what of the integrity of the Social Security system? That integrity can be readily protected by shifting Medicare health insurance from payroll tax to general revenue financing. Unlike old age and survivors insurance and unemployment compensation, there is no particular link between wages and health benefits. The shift to general revenue financing would be good short-run fiscal policy, good long-run social policy, and good for the consumer price index.

What would it cost? A payroll tax cut of $21.5 billion (the projected 1980 tax revenues for the hospital insurance program) could be enacted at a net revenue cost of $17.7 billion to the overall federal budget. Because payroll taxes are a deductible business expense, the $10 billion-plus of employers' payroll tax savings would boost business income-tax liabilities by $3.7 billion.

If the health insurance transfer proves too controversial, there is an easy alternative: Simply grant a refundable credit against income taxes for a specified percentage of payroll taxes paid. Congressman Gephardt, for example, has introduced a bill pegging the cut at 20 percent for both employers and employes. This would do the trick, but since it operates through the income tax in a more roundabout way, it might blur the favorable impact of the tax cut on costs and prices.

A second, closely related component of the anti-inflationary tax cut would be a revised form of real wage insurance. This year's proposal wilted under the heat of price run-ups in oil, food and home building. In contrast, 1980 should be a year of receding inflation, a much more reassuring context in which to consider wage insurance.

Changes in the plan would have to be geared to any changes in the base line of the White House wage-price standards. Instead of calling for income-tax credits for complying wage earners if the consumer price index rises by more than 7 percent, as in this year's proposal, the benchwork might be raised to 8 percent.

At an inflation rate half a percent above the norm, the 1979 proposal would have cost $2.5 billion. If legislation for 1980 were to allow $5 billion for the wage-insurance plan, it would cover reasonable contingencies. To assure that it wouldn't bust the budget in case of a new inflationary breakout, one could apply the co-insurance principle and also put a cap on tax credits at three percentage points above the inflation base line. But such limits would correspondingly dilute the inducement to comply with the wage restraints.

Some observers consider wage insurance a first step toward income-tax indexing, a view that attracts some and repels others. But both sides are missing the point. Unlike indexing, which would try to accommodate inflation by indexing taxpayers against it, wage insurance would serve as an incentive to unions and workers to comply with the wage guidelines and thereby join the battle against inflation. The point is to fight inflation, not adjust to it.

One should note that most of the revenue impact of any wage insurance plan would be delayed until 1981. But with a scheduled payroll tax increase of $15 billion coming up in 1981, the White House and Congress need to take a two-year perspective on tax cuts in any event.

A third major piece of the anti-inflationary tax cut would be a significant easing of depreciation allowances. It is clear that the time has come for such action partly as a response to high inflation rates and partly as an incentive for the increases in business investment and productivity that can help curb inflation in the longer run.

Last year, Congress enacted a major cut in the capital gains tax, thereby improving the general atmosphere for investment. Next year, it should focus more directly on decisions to invest in plant, machinery and equipment by allowing more rapid write-offs that would cut the effective cost of every capital outlay by business. This measure could also add clout to the wage-price restraint program if, as Arthur Okun has suggested, companies would have to certify compliance with the wage-price guidelines in order to qualify for accelerated depreciation.

A first-year cut of about $5 billion in business tax liabilities would be an appropriate target for the easing of depreciation allowances. A careful appraisal of revenue impacts in future years will be essential.

Even as modest a tax cut as the one here proposed—only slightly more than 1 percent of next year's $2.5 trillion GNP—has to be tested for its impact not just on the cost and supply side of inflation but also on the demand side. In this connection, one should take into account that we are at a curious dual turning point on inflation, downward in the ovarall rate but upward in the underlying rate:

The overall rate should drop from its torrid 13.3 percent in the first six months of this year to less than 10 percent by year-end as the economy softens, beef and other food prices ease, the fuel price explosion slows down and mortgage interest rates taper off. In other words, there's a downturn in "demand-pull" and "external shock" inflation just ahead.

But at the same time, we are on the verge of an upturn in the underlying "cost-push" or "wage-push" inflation rate.

There is no reason to believe that the proposed tax cuts would reverse the easing of demand inflation. The tax cut is designed not to pump up the economy but to control the damage done by OPEC's rapacious price increases. True, tax cuts cannot restore the real income that the 1979 price explosion is leaching out of the consumers' pockets. But without tax cuts to offset the OPEC drag on purchasing power, recession will lengthen and deepen. To the insult of lost output, jobs, investment and productivity would be added the injury of lost real income. On inflation's demand side, then, an OPEC-offsetting tax cut poses no threat.

What of the cost and supply side? Thus far, thanks in large part to the much-maligned but not ineffective wage-price guidelines, zooming food, fuel and home building costs have not been built into wage increases. Contrary to widespread impressions, the rise in the average hourly earnings index actually tapered down during the 12 months ending in May and average pay increases from June 1978 to June 1979 were lower than in the preceding 12 months.

THE HONEYMOON IS OVER

But the honeymoon seems to be just about over. The game of wage catch-up is about to begin—catch-up with soaring food and fuel prices and non-union catch-up with unions. With little or no productivity gains to absorb the wage increases, the great bulk of wage boosts will pass through to price boosts. The present bedrock or basic inflation rate of around 7 percent could well be boosted to 8 percent or more, thus making the winding down of inflation vastly more difficult.

To forestall or at least minimize the imbedding of the food-fuel-home price bulge into the wage-price structure and into the hardcore inflation rate requires that the wage-price guidelines be revised, reaffirmed and revitalized. A carefully crafted tax cut could go a long way in putting new life and starch into the guidelines and slowing down the price-wage-price merry-go-round.

If the government could strike a wage-moderating bargain with labor by offering a meaningful menu of tax actions to boost take-home pay and provide real wage insurance, prospects for curbing cost-push inflation would brighten overnight. Even if a formal endorsement is out of reach, such tax actions will strengthen the appeal of the

wage-price restraint program to millions of workers and to the public in general.

While it is too early to push the panic button on a tax cut, it is none too early to push the planning button. Given the realities of the political process and in particular the budget process, Jan. 1, 1980, is probably the earliest practical effective date for a tax cut. Even that date will require prompt planning, firm proposals by fall and hearings late in the year as a prelude to rapid action after Congress convenes next January. But the earlier the tax cut is announced, the more support it can provide for the wage-price restraint program.

Recently, Vice President Mondale aptly noted that most of the tough economic problems we face involve "solutions that inevitably *front-load* pain and *back-load* pleasure." Surely, that is true of the energy problem and the use of economic slack and slowdown to cope with the inflation problem. But a tax cut, properly structured, can be *both* front-loaded and back-loaded with pleasure ●

By Mr. KENNEDY (for himself, Mr. WILLIAMS, Mr. CRANSTON, Mr. JAVITS, Mr. METZENBAUM, Mr. PELL, Mr. RIEGLE, and Mr. WEICKER):

S. 1720. A bill to assure provision of adequate, comprehensive health-care services, including protection against catastrophic health-care expenses, to all residents of the United States at affordable prices through a system that provides for cost controls; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

HEALTH CARE FOR ALL AMERICANS ACT

Mr. KENNEDY. Mr. President, I am pleased to introduce "the Health Care for All Americans Act," a proposal for universal, comprehensive national health insurance with across-the-board cost controls, along with my distinguished colleagues, Senators WILLIAMS, CRANSTON, JAVITS, METZENBAUM, PELL, RIEGLE, and WEICKER. Congressman HENRY WAXMAN is introducing an identical proposal today in the House, cosponsored by 59 colleagues.

Mr. President, the details of this proposal were made public on May 14. Those details have now been drafted into legislative form. I have discussed the details of this proposal publicly on several occasions, including a preliminary appearance before the Senate Finance Committee. I will not repeat those details now, though I do ask unanimous consent to have the text of the bill, a section-by-section analysis, a cost estimate, and other summary materials printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1, 2, 3, 4, and 5.)

Mr. KENNEDY. Mr. President, the Department of Health, Education, and Welfare has just released new data on U.S. health expenditures for 1978. They are no surprise to anyone who has followed the wild escalation of health care costs. This Nation spent a staggering $192 billion on health care in 1978, an increase of $22 billion in 1 year. We spent $863 for every man, woman and child in 1978, compared with $768 in 1977. Of the $22 billion 1-year increase, private expenditures accounted for $13 billion, public expenditures for $9 billion. We spent an unacceptable 9.1 percent of our GNP on health.

I ask my colleagues—when will it stop? When will we act? Who will assume the responsibility for allowing health care costs to bankrupt this Nation?

Mr. President, the only way to control health care costs is through a comprehensive health plan that enables across-the-board cost controls.

They will not be controlled through voluntary efforts. They will not be controlled through budgets on hospitals only. They will not be controlled if controls are placed only on the public sector. They will not be controlled without a national budget. We budget for everything else in this country—for defense, for education, for fighting crime. Families budget their expenses every week. Only health care has a blank check.

Budgeting is at the very heart of "the Health Care for All Americans Act."

Mr. President, yesterday the administration startled the Congress by acknowledging that because of the outrageous increase in home heating oil, citizens of this Nation—the wealthiest on Earth—would have to choose next year between heating oil and food. That may be new to some people. But the fact is that people in this Nation have been choosing between food and health care, between heating oil and health care, for years.

With the new increases in heating oil prices, that problem is only exacerbated. And it is intolerable. No other nation in the Western World except South Africa holds health care hostage to income.

Mr. President, the record should show that the members of the Committee for National Health Insurance, the coalition which developed this proposal, worked closely with the administration for many months in an effort to develop an accommodation on this issue. "The Health Care for All Americans Act" is itself a product of that effort. Unlike the "Health Security Act," it builds on the private sector, it minimizes on-budget expenditures and is administratively streamlined. These major compromises were an effort at accommodation. What was not compromised, and what cannot be compromised are the basic principles which must underlie any acceptable proposal: First, universal coverage; second, comprehensive benefits; third, across-the-board cost controls, including prospective budgeting; fourth, system reforms to promote HMO's, disease prevention, and so forth; and fifth, quality controls.

Any proposal meeting these principles would be worthy of enactment. Neither the President's proposal, nor the various catastrophic insurance proposals, meet these principles. Catastrophic health insurance is grossly inflationary, is devoid of cost controls, system reforms, quality controls and will accelerate the bankruptcy of this Nation. It is not a prudent first step in the right direction. It is a step away from a national health plan because it expands upon and solidifies the faults in the present system and thus makes needed reforms more difficult to obtain.

President Carter's proposal is also unacceptable. As I indicated last June, the American people will ask two questions about any national health plan:

(1) Does it control runaway costs and place a budget on health expenditures?

(2) Does it treat all Americans fairly? Do they all share equally in the benefits? Do they all bear a proportionate share of the costs? Is it a one-class system of care, regardless of age, income or any other factor?

The President's proposal, though well motivated, does not meet these two fundamental tests. By failing to set a national budget, by inadequately controlling hospital costs, by failing to control doctors' fees in the private sector, by creating two separate and unequal systems of care, the President's plan may well become the straw that breaks the back of the American health care system . . .

Mr. President, national health insurance has been talked about for many years. Now, at last, serious proposals have been introduced by Members in both Houses of Congress. Soon the President's proposal will be introduced. I hope that now the debate can begin in earnest. This can still be the national health insurance Congress. I look forward to working with the President, my colleagues in the Congress and the members of the coalition for national health insurance to achieve the goal of quality health care for all Americans at costs they can afford to pay.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

S. 1720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Health Care for All Americans Act".

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SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that, in order to promote the general welfare and health of the people of the United States and the commerce among the States in a rational and equitable manner and to avoid the cumulative adverse impact on the nation, interstate commerce, and Federal expenditures of unmet health needs and inappropriate means of financing health care, it is necessary to establish a national health insurance system which—

(1) provides for universal participation;

(2) provides for coverage of health care providers and payers acting within States, as well as among States;

(3) is progressively and equitably financed primarily through mandatory private-sector premiums;

(4) is administered primarily through qualified participating insurers and health maintenance organizations, acting in accordance with standards established by a National Health Board; and

(5) provides for incentives to promote the appropriate competition, in interstate and intrastate commerce, in the offering and sale of health insurance plans.

(b) PURPOSES.—The purposes of this Act, and of the national health insurance system established by this Act, are—

(1) to make comprehensive, high quality health-care services available to all Americans, through the expertise of private health insurers and providers and the assistance of government;

(2) to provide health-care services of the same quality to all Americans, regardless of their economic condition and without discrimination on the grounds of race, religion, or national origin;

(3) to insure that the total cost of health care for the United States and its people does not increase at a rate faster than the annual rate of growth in the gross national product;

(4) to improve the organization and delivery of health-care services;

(5) to minimize the financial burden of health care on employers by providing for assistance to impacted employers and to minimize such burden on employees and other insured persons by setting a ceiling on their contributions;

(6) to distribute equitably the total cost of the health-care services provided in the United States;

(7) to enhance the quality of health-care services and the practical availability of such services in every area of the United States;

(8) to encourage the prevention and early detection of disease and disability;

(9) to provide reasonable compensation and incentives to the providers of health-care services who choose to participate in the national health insurance system; and

(10) to assure full public accountability of all aspects of the system and guarantee consumer participation in its development, administration, and improvement.

SEC. 3. STATEMENT OF RIGHTS OF ELIGIBLE INDIVIDUALS, PROVIDERS, AND INSURERS.

(a) RIGHTS OF ELIGIBLE INDIVIDUALS.—Each eligible individual has the right—

(1) to choose the participating provider who or which provides a covered health-care service under this Act unless, by enrolling

in qualified health plans offered by certain insurers or health maintenance organizations, the individual has agreed to limit the choice of providers;

(2) to have all decisions pursuant to this Act concerning the individual made promptly and accurately;

(3) to be heard on any grievance related to health care, insurance, or benefits provided pursuant to this Act;

(4) to expect that individually identifiable health and other information collected pursuant to this Act is treated as confidential and that its use is strictly limited to the treatment of the individual or to activities essential to the effective administration of this Act; and

(5) to make the individual's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the individual, and to have those views considered.

(b) RIGHTS OF PROVIDERS.—Each provider of health-care services has the right—

(1) to decide whether or not to participate in the national health insurance system established under this Act;

(2) if a participating provider entitled to receive payment for services under this Act, to receive prompt and accurate payment for such services;

(3) in the case of a physician provider, to choose the mode and place of the physician's practice; and

(4) to make the provider's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the provider, and to have those views considered.

(c) RIGHTS OF INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.—Each insurer and health maintenance organization has the right—

(1) to decide whether or not to participate in the national health insurance system established under this Act;

(2) to carry on a health insurance business covering benefits for health care services supplemental to the benefits paid and payable under this Act; and

(3) to make the insurer's or organization's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the insurer or organization, and to have those views considered.

SEC. 4. DEFINITIONS.

(a) GENERAL TERMS.—As used in this Act:

(1) ANNUAL BUDGET.—The term "Annual Budget" means the budget prepared and adopted by the National Health Board under section 301.

(2) ANNUAL RATE OF INCREASE IN THE GROSS NATIONAL PRODUCT.—The term "annual rate of increase in the gross national product" means, for a year, the percentage by which the gross national product in current dollars (as published in February of the succeeding year by the Department of Commerce) for the last quarter of the year exceeds the gross national product (as published in February of the year by the Department of Commerce) for the last quarter of the previous year.

(3) ANNUAL STATE BUDGET.—The term "annual State budget" means the budget adopted by each State Health Board, pursuant to section 302, to implement applicable portions of the Annual Budget.

(4) EMPLOYEE, PAYROLL PERIOD, EMPLOYER, AND WAGES.—The terms "wages", "payroll period", "employee", and "employer" have the meanings given such terms in subsections (a) through (d), respectively, of section 3401 of the Internal Revenue Code of 1954, except that the term "employee" does not include (A) any Medicare-eligible individual or (B) any member of a uniformed service on active duty or any family member of such a member.

(5) GOVERNOR.—The term "Governor" means, with respect to a State, the chief executive officer of the State.

(6) FEDERAL INSTITUTION.—The term "Federal institution" means a residential institution owned and operated by the Federal Government (or any agency or instrumentality thereof) for any purpose other than education or health.

(7) FIRST EFFECTIVE YEAR.—The term "first effective year" means the third year after the year in which this Act is enacted.

(8) HEALTH RESOURCES DISTRIBUTION FUND.—The term "Health Resources Distribution Fund" means the Fund established by section 501(b).

(9) MEDICARE.—The term "Medicare" means the program of health insurance established under title XVIII of the Social Security Act.

(10) NATIONAL HEALTH INSURANCE SYSTEM.—The term "national health insurance system" means the system of health insurance established under this Act and Medicare for the financing of the provision of health-care services.

(11) STATE.—The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(12) STATE INSTITUTION.—The term "State institution" means a residential institution owned and operated by a State (or any political subdivision or instrumentality thereof) for any purpose other than education or health.

(13) UNITED STATES.—The term "United States", when the term is used in a geographical sense, means the area of all of the States.

(b) TERMS RELATING TO INDIVIDUALS.—As used in this Act:

(1) AFDC-ELIGIBLE INDIVIDUAL.—The term "AFDC-eligible individual" means an individual while the individual is receiving assistance under a State plan approved under title IV of the Social Security Act (relating to aid to families with dependent children).

(2) CONSUMER.—The term "consumer" means any enrollee who is not—

(A) a provider of health care, as described in section 1531(3) of the Public Health Service Act,

(B) a health-care provider, insurer, or health maintenance organization, or employee thereof, or

(C) an employee of the National Health Board, a State Health Board, or a Commission.

(3) DEPENDENT.—The term "dependent" means, "with respect to—

(A) who is a member of a uniformed service on active duty, a child of the individual described in subparagraph (E) of section 1072 of title 10, United States Code, or, if the individual is alive, a parent or parent-in-law (described in subparagraph (F) of such section) of the individual, or

(B) another individual, the son or daughter of the individual (or a descendant of either) or the stepson or stepdaughter of the individual, who is under the age of 22 and over half of whose support is being provided by the individual (as determined in accordance with standards established by the National Health Board).

(4) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means an individual who, under section 102, is eligible for health-care benefits under this Act.

(5) ENROLLEE.—The term "enrollee" means an eligible individual who is enrolled, or deemed to have been enrolled, in a qualified health plan, pursuant to part B of title I, or in Medicare.

(6) FAMILY, FAMILY UNIT.—The terms "family" and "family unit" mean, with respect to an eligible individual who is not a dependent of another individual—

(A) the individual,

(B) the individual's spouse (if any), if the spouse is an eligible individual, and

(C) the individual's dependents (if any), if the dependents are eligible individuals.

(7) FOREIGN VISITOR.—The term "foreign visitor" means an eligible individual described in section 101(a)(4).

(8) MEDICARE-ELIGIBLE INDIVIDUAL.—The term "Medicare-eligible individual" means an individual while the individual is entitled to health insurance benefits under Medicare.

(9) MEMBER OF A UNIFORMED SERVICE ON ACTIVE DUTY.—The term "member of a uniformed service on active duty" means a member of one of the uniformed services (as defined in section 1072(1) of title 10, United States Code) who is on active duty.

(10) SPOUSE.—The term "spouse" means, with respect to an individual, the person to whom the individual is married (as determined under section 143 of the Internal Revenue Code of 1954), except under such circumstances relating to separation of married individuals as the National Health Board may provide.

(11) SSI-ELIGIBLE INDIVIDUALS.—The term "SSI-eligible individual" means an individual with respect to whom payments are being made under title XVI of the Social Security Act (relating to supplemental security income for the aged, blind, and disabled).

(c) TERMS RELATING TO ADMINISTERED BODIES.—As used in this Act:

(1) CONSORTIUM AND CONSORTIA.—

(A) CONSORTIUM AND CONSORTIA.—The term "consortium" means a clearinghouse with respect to the financing of covered health-care services that is certified pursuant to section 412, and the term "the consortia" means all the clearinghouses certified under such section.

(B) APPLICABLE CONSORTIUM.—The term "applicable consortium" means, with respect to a participating insurer or health maintenance organization or an enrollee in a qualified health plan offered by such an insurer or organization, the consortium of which the insurer or organization is a member.

(2) COMMISSION.—The term "Commission" means one of the advisory Commissions established by the National Health Board under this Act.

(3) HEALTH MAINTENANCE ORGANIZATION, PARTICIPATING HEALTH MAINTENANCE ORGANIZATION.—

(A) HEALTH MAINTENANCE ORGANIZATION.—The term "health maintenance organization" means an organization described in section 1301 of the Public Health Service Act.

(B) PARTICIPATING HEALTH MAINTENANCE ORGANIZATION.—The term "participating health maintenance organization" means a health maintenance organization which has entered into a participation agreement under section 411.

(4) HEALTH SYSTEMS AGENCY.—The term "health systems agency" means such an agency as designated under section 1515 of the Public Health Service Act.

(5) INSURER, APPLICABLE INSURER, PARTICIPATING INSURER, SELF-INSURER.—

(A) INSURER.—The term "insurer" means an entity licensed or otherwise authorized under State law to offer for sale enrollment in health plans, and includes a self-insurer (as defined in subparagraph (D)).

(B) APPLICABLE INSURER.—The term "applicable insurer" means, with respect to an eligible individual, the participating insurer which offers the qualified health plan in which the eligible individual is enrolled or deemed to be enrolled.

(C) PARTICIPATING INSURER.—The term "participating insurer" means—

(i) the National Health Board, with respect to Medicare-eligible individuals who are not enrolled in a qualified health plan offered by a participating health maintenance organization;

(ii) the Secretary of Defense, with respect

to health plans offered to members of a uniformed service on active duty (and members of their families);

(iii) the Secretary of State (or such entity designated by such Secretary), with respect to health-care services provided to foreign visitors under this Act; and

(iv) an insurer which has entered into a participation agreement under section 411, with respect to other indivduals.

(D) SELF-INSURER.—The term "self-insurer" means an entity (other than an insurer or health maintenance organization described in paragraph (1), (2), (3), or (4) of section 412(a)), including a fund, that provides for the offering, directly or indirectly, of basic covered health-care services to members of specific groups and individuals, and includes Taft-Hartley jointly managed labor-management funds and similar entities.

(6) PROFESSIONAL STANDARDS REVIEW ORGANIZATION.—The term "professional standards review organization" means such an organization as conditionally or otherwise designated under part B of title XI of the Social Security Act.

(7) STATE HEALTH BOARD.—The term "State Health Board" means the board of directors of a corporation chartered in a State in accordance with section 407.

(8) STATE HEALTH PLANNING AND DEVELOPMENT AGENCY.—The term "State Health Planning and Development Agency" means such an agency as designated under section 1521 of the Public Health Service Act.

(d) TERMS RELATING TO HEALTH PLANS AND HEALTH CARE SERVICES.—

(1) BASIC COVERED HEALTH-CARE SERVICES.—The term "basic covered health-care services" means covered health-care services described in part A of title II.

(2) COVERED HEALTH-CARE SERVICES.—The term "covered health-care services" means, with respect to an individual, health-care services required to be provided or paid for under a qualified health plan for that individual.

(3) HEALTH PLAN.—The term "health plan" means an insurance or other plan which provides for payment with respect to the provision, or for the direct provision, or any combination thereof, of health-care services to an individual.

(4) QUALIFIED HEALTH PLAN.—The term "qualified health plan" means—

(A) with respect to a Medicare-eligible individual, either—

(i) the Medicare program, or

(ii) except for individuals eligible for Medicare benefits because of section 226A or section 1881(d) of the Social Security Act, a health plan offered by a participating health maintenance organization which provides for at least the benefits provided for under Medicare;

(B) with respect to a member of a uniformed service on active duty (and members of such member's family), a health plan provided pursuant to chapter 55 of title 10, United States Code;

(C) with respect to foreign visitors, such a health plan providing for basic covered health-care services to such visitors as the Secretary of State, in consultation with the National Health Board, decrees; and

(D) with respect to any other eligible individual, a health plan which provides for payments, on behalf of each enrollee, with respect to the provisions, or for the direct provision, or any combination thereof, subject to the provisions of this Act and without charge to the enrollee, of at least the basic covered health-care services (described in part A of title II) furnished to the individual during the period of the individual's enrollment.

(e) TERMS RELATING TO PROVIDERS.—As used in this Act, except as otherwise specifically provided:

(1) INSTITUTIONAL PROVIDER.—The term "institutional provider" means a hospital, skilled nursing facility, home health agency, community mental health center, health clinic, community health center and other organized health or mental health center, as determined by State Health Boards in accordance with regulations established by the National Health Board, and man include such another category provider, including health maintenance organization, as the National Health Board may provide.

(2) PARTICIPATING PROVIDER.—The term "participating provider" means a provider of health-care services who or which (A) qualifies, in accordance with this Act and Medicare, to provide basic covered health-care services and (B) has entered into a provider participation agreement under section 1866 of the Social Security Act.

(3) PROVIDER; PROVIDER OF HEALTH CARE.—The terms "provider" and "provider of health care" mean an individual or entity that furnishes health-care services.

TITLE I—ELIGIBILITY, ENTITLEMENT, AND ENROLLMENT

PART A—ELIGIBILITY AND ENROLLMENT

SEC. 101. ELIGIBILITY.

(a) IN GENERAL.—Each individual who is—

(1) a citizen of the United States;

(2) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act);

(3) an alien admitted to the United States as an officer or employee (or member of the immediate family of such officer or employee)—

(A) of a foreign government or an instrumenality of a foreign government, or

(B) of an international organization (as such term is defined in the International Organizations Immunities Act).

if the government or organization, respectively, has entered into an agreement described in subsection (b)(1) with the United States; or

(4) an alien admitted as a temporary visitor to or while traveling through the United States and who is a national or citizen of a nation which has entered into an agreement described in subsection (b)(2),

is eligible for health-care benefits under and in accordance with this Act.

(b) AGREEMENTS WITH FOREIGN GOVERNMENTS OF INTERNATIONAL ORGANIZATIONS.—

(1) RELATING TO EMPLOYEES OF FOREIGN GOVERNMENTS OR INTERNATIONAL ORGANIZATIONS.—The National Health Board, after consultation with the Secretary of State, shall recommend to the President that the President enter into an executive agreement with the government of a foreign nation or with an international organization under which officers and employees (and members of the immediate families of such officers and members) of the government or international organization who are employed and residing in the United States are made eligible for health care benefits under and in accordance with this Act in return for the payment, with respect to such individuals, of—

(A) the national community-rated premium, in the amount determined under section 331, and

(B) amounts, with respect to each such officer or employee, which the National Health Board estimates (after consultation with the Secretary of the Treasury) to be equivalent to the amounts which would be payable under sections 3101(b) and 3111(b) of the Internal Revenue Code of 1954 if such employment were employment for the purpose of those sections.

(2) FOREIGN VISITORS AGREEMENTS.—The National Health Board, after consultation with the Secretary of State, shall recommend to the President that the President enter into an executive agreement with the government of any foreign nation under which—

(A) the nationals or citizens of that nation who are foreign visitors in the United States would be enrolled in a qualified health plan in the United States, and

(B) citizens and permanent resident aliens (described in subsection (a)(2)) of the United States would receive comparable health care benefits while temporarily visiting in or traveling through that other nation,

but such recommendation shall only be made if the Board determines that such an agreement is in the national interest.

SEC. 102. ENTITLEMENT.

Each eligible individual is entitled—

(1) in accordance with part B, to enroll in a qualified health plan of the individual's choice offered by a participating insurer or health maintenance organization and to change such enrollment, during general open enrollment periods and at special enrollment periods, in accordance with such part;

(2) to have payment made on the individual's behalf and not to be charged any fee for the furnishing of basic covered health-care services (set forth in part A of title II) to the individual under the qualified health plan; and

(3) as an enrollee to be issued a health insurance enrollment card, in accordance with section 111(a)(2).

PART B—ENROLLMENT

SEC. 111. ENROLLMENT IN GENERAL.

(a) IN GENERAL.—

(1) RIGHT TO ENROLL.—Each eligible individual may enroll in any qualified health plan of a participating insurer or health maintenance organization in accordance with this part or be deemed enrolled in a qualified health plan offered by a participating insurer or health maintenance organization in accordance with this part.

(2) HEALTH INSURANCE ENROLLMENT CARDS.—Upon an eligible individual's enrollment, or change of enrollment, in a qualified health plan offered by a participating insurer or health maintenance organization, the insurer or organization shall issue to the individual (and to each other member of the individual's family covered under the plan with the individual) a health insurance enrollment card that identifies—

(A) the individual,

(B) the health plan in which the individual is enrolled, and

(C) the participating insurer or organization which offered the plan,

but does not otherwise identify (directly or indirectly) the category or basis for the individual's enrollment under this Act. In lieu of issuing such a card for foreign visits, the Secretary of State may provide for such other identification (in conjunction with the issuance of visas for entry or otherwise) of such foreign visits' entitlement to health-care services under this Act as such Secretary, after consultation with the National Health Board, determines to be appropriate and consistent with this Act.

(b) PROVISION OF ENROLLMENT INFORMATION.

(1) PREPARATION BY NATIONAL HEALTH BOARD.—The National Health Board shall provide for the preparation of information on enrollment and changes of enrollment under this section and for distribution of the information to, and by, employers, participating insurers and health maintenance organizations, participating providers, the Commissioner of Social Security, State Health Boards, and others. Such information shall be prepared in a manner that is clear, accurate, and easy-to-read, and shall be available in a form which is understandable by

the visually-handicapped and shall be available in such other languages (other than English), as designated by the National Health Board, as may be commonly used by any significantly-sized group of eligible individuals.

(2) DISTRIBUTION OF INFORMATION.—Information on enrollment (and change in such enrollment) under this part shall be readily available and provided—

(A) by employers, to their employees;

(B) by or through the National Health Board, to Medicare-eligible individuals;

(C) by the Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, and the Secretary of Health, Education, and Welfare, to members of a uniformed service on active duty (and members of their families) under each jurisdiction;

(D) by the Commissioner of Social Security, through district offices of the Social Security Administration, to SSI-eligible individuals;

(E) by the managers of Federal and State institutions, to residents of such institutions;

(F) by single State agencies (established or designated under section 402(a)(3) of the Social Security Act) to AFDC-eligible individuals; and

(G) by or through State Health Boards, to other individuals (including individuals who are receiving general assistance) and eligible individuals generally.

(3) NOTICE TO UNENROLLED ELIGIBLE INDIVIDUALS BY STATE HEALTH BOARDS.—The National Health Board shall notify each State Health Board of the identity of eligible individuals who, in the filing of certain information returns with the Federal Government, have failed to indicate an enrollment in a qualified health plan under this part, and participating providers shall transmit to the State Health Board (for the State in which the provider is located) requests for payment for eligible individuals who did not indicate, at the time of receiving basic covered health-care services, an enrollment in a qualified health plan under this part and such identifying information on such individuals as the National Health Board may require. The State Health Board shall make special efforts to locate such individuals to notify them of their opportunity to enroll under this part and to provide for such enrollment.

(c) GENERAL ENROLLMENT PERIODS.—For purposes of this part:

(1) FIRST GENERAL ENROLLMENT PERIOD.—The term "first general open enrollment period" means the period beginning on June 1 and ending on November 30 of the year before the first effective year.

(2) GENERAL OPEN ENROLLMENT PERIODS.—The term "general open enrollment period" means the period beginning on September 1 and ending on November 30 of each year beginning with the first effective year.

(d) SPECIAL ENROLLMENT PERIODS.—For purposes of this part, the term "special enrollment period" means, for an eligible individual and pursuant to regulations of the National Health Board, the time period (beginning in or after the first effective year) when—

(1) the individual first becomes an eligible individual (other than as a member of a family) or a Medicare-eligible individual; or

(2) the individual is no longer able to continue enrollment in the previous qualified health plan because of a change in the individual's (or a family member's) employment, marital status, family unit, area of principal residence, or other factor,

and such other time periods as the National Health Board may provide by regulation.

(e) EFFECTIVE DATES AND DURATION OF ENROLLMENT.—

(1) EFFECTIVE DATES OF ENROLLMENTS DURING GENERAL ENROLLMENT PERIODS.—Any enrollment made during the first general open enrollment period and any change of enrollment made (other than pursuant to a special enrollment period) during any general open enrollment period shall take effect with respect to health-care services furnished on or after January 1 of the year succeeding the year in which the period occurs.

(2) EFFECTIVE DATES OF ENROLLMENTS DURING SPECIAL ENROLLMENT PERIODS.—Any enrollment made during a special enrollment period because of—

(A) commencement of new employment, shall be effective for health-care services furnished on or after the date of the commencement of the employment;

(B) the individual's first becoming an eligible individual, shall be effective for health-care services furnished on or after the date with respect to which eligibility was first established;

(C) the individual's becoming a Medicare-eligible individual, shall be effective for health-care services furnished on or after the first day of the month for which such eligibility is established; or

(D) such other reasons, shall be effective for health-care services furnished on or after such date as the National Health Board shall provide.

Any eligible individual who has not enrolled or been enrolled under this part in a timely manner shall, for purposes of collection and payment of premiums and making of benefit-payments to providers under qualified health plans, be deemed to have enrolled in a timely manner in the qualified health plan in which the individual is subsequently enrolled.

(3) DURATION OF ENROLLMENT.—An enrollee in a qualified health plan remains enrolled in the plan until—

(A) the first date on which the individual is no longer an eligible individual,

(B) the date the individual (other than a Medicare-eligible individual or a member of a uniformed service or the family member of such a member) commences employment, if (i) the new employer does not offer the plan in which the individual has been enrolled, and (ii) no member of the individual's family is employed by an employer who offers the plan in which the individual has been enrolled,

(C) the date the individual's family changes its principal permanent residence, if (i) the family is enrolled in a qualified health plan offered by a participating health maintenance organization and (ii) the new residence is outside the area served by the organization, and

(D) the effective date of a change in the individual's enrollment under this part.

(f) TREATMENT OF FAMILY MEMBERS GENERALLY.—Except as otherwise provided by the National Health Board under this part, all members of a family (other than members who are Medicare-eligible individuals, SSI-eligible individuals, or residents of a Federal or State institution) are enrolled at any particular time in only one qualified health plan under this part.

SEC. 112. ENROLLMENT BY EMPLOYEES AND OFFERING OF QUALIFIED HEALTH PLANS BY EMPLOYERS.

(a) REQUIRED OFFERING OF PLANS.—Each employer shall—

(1) during the first general enrollment period (as defined in section 111(c)(1)) offer to each qualified employee (as defined in subsection (f)(1)),

(2) during each general open enrollment period, offer to each such employee, and

(3) during a special enrollment period with respect to a qualified employee, offer to such employee,

enrollment in a qualified health plan in accordance with this section.

(b) CHOICE AMONG PLANS.—In offering enrollment in a plan to a qualified employee under this section, the employer shall offer the employee the choice of enrollment under—

(1) at least one of the qualified health plans offered by a participating insurer belonging either—

(A) to the blue cross-blue shield consortium (described in section 412(a)(1)), or

(B) to the commercial insurance carrier consortium (described in section 412(a)(2)); and

(2) at least one of the qualified health plans offered by any participating health maintenance organization belonging to either of the consortia for health maintenance organizations (described in paragraph (3) or (4) of section 412(a)), if such a plan is available in the area in which qualified employees and their dependents obtain health-care services,

and may also offer (at the option of the employer) the employee the choice of enrollment in one or more qualified health plans offered by a self-insurer. If any qualified employees of the employer are represented by a collective bargaining representative or other employee representative designated or selected under law, the offer of enrollment of such employees in one or more qualified health plans from among the plans provided in paragraph (1) or (2) shall first be made to such representative and, if such offer is accepted by such representative, shall then be made to each such employee. If a qualified health plan otherwise offered under paragraph (1) or (2) does not have the capacity to enroll all qualified employees (and family members) who may desire to enroll, the employer shall provide for offers of enrollment with other qualified health plans under such paragraph.

(c) ELECTION BY EMPLOYEE; AUTOMATIC ENROLLMENT.—Each qualified employee shall, in accordance with procedures established by the National Health Board, elect the plan in which the employee (and each qualified dependent of the employee) will be enrolled. In the absence of such election, the employer shall, in accordance with such procedures as the National Health Board shall establish, enroll the employee (and each qualified dependent of the employee) in one of such plans.

(d) OFFERING OF PLANS WITH SUPPLEMENTAL BENEFITS.—If an employer offers, as part of or in conjunction with the offering of a qualified health plan under this subsection, a health plan that offers benefits for other than basic covered health-care services the employer shall provide to the employee written information (in a form meeting guidelines established by the National Health Board) regarding any additional cost to the employee of the employee's election to accept the plan.

(e) TREATMENT OF OTHER FAMILY MEMBERS.—

(1) COVERAGE OF DEPENDENTS.—Any qualified health plan or supplementary health plan offered pursuant to this section by an employer to a qualified employee shall provide for coverage of the employee and of each qualified dependent of the employee.

(2) OVERLAPPING COVERAGE.—If more than one member of a family is offered a choice of qualified health plans under this section (because more than one such member is a qualified employee), the members of that family may choose to enroll under only one health plan from all of the choices made available to members of the family.

(3) PERMITTING MULTIPLE MEMBERSHIP IN THE CASE OF DIVIDED FAMILIES.—In accordance with such regulations as the National Health Board may provide, the provisions of paragraphs (1) and (2) shall not apply to qualified dependents of an employee who do not share the same household with the qualified employee and under such other circum-

stances as the National Health Board may provide.

(f) DEFINITIONS.—For purposes of this section:

(1) QUALIFIED EMPLOYEE.—The term "qualified employee" means an employee who is an eligible individual and who is not—

(A) a Medicare-eligible individual,

(B) a member of a uniformed service on active duty or a member of such member's family, or

(C) an individual described in paragraph (3) or (4) of section 101(a) (relating to certain foreign employees and foreign visitors).

(2) QUALIFIED DEPENDENT.—The term "qualified dependent" means a member of a qualified employee's family, if the member is an eligible individual and is not—

(A) a Medicare-eligible individual or an SSI-eligible individual,

(B) a member of uniformed service on active duty or a dependent of such a member,

(C) an individual described in paragraph (3) or (4) of section 101(a) (relating to certain foreign employees and foreign visitors), or

(4) a resident of a Federal or State institution.

(g) ENFORCEMENT.—

(1) CIVIL PENALTY.—Any employer that knowingly does not comply with one or more of the requirements of this section shall be subject to a civil penalty of not more than $10,000. If such noncompliance continues, a civil penalty may be assessed and collected under this subsection for each thirty-day period such noncompliance continues. Such penalty may be assessed by the National Health Board and collected in a civil action brought by the United States in a United States district court.

(2) PROCEEDINGS.—In any proceeding by the National Health Board to assess a civil penalty under this subsection, no penalty shall be assessed until the employer charged shall have been given notice and an opportunity to present its views on such charge. In determining the amount of the penalty, or the amount agreed upon in compromise, the National Health Board shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification by the National Health Board of a noncompliance.

SEC. 113. ENROLLMENT OF MEMBERS OF A UNIFORMED SERVICE ON ACTIVE DUTY, MEDICARE-ELIGIBLE INDIVIDUALS, AND FOREIGN EMPLOYEES AND VISITORS.

(a) ENROLLMENT OF MEMBERS OF A UNIFORMED SERVICE AND THEIR FAMILIES.—

(1) IN GENERAL.—Each eligible individual who is a member of a uniformed service on active duty shall choose to enroll (and may change such enrollment during general open enrollment periods) in a qualified health plan from among such health plans, offered by or through the Department of Defense, as the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, the Secretary of Transportation, and the Secretary of Commerce, and with the National Health Board, finds consistent with chapter 55 of title 10, United States Code, and with the policy of requiring that the provision of basic and other covered health-care services to such members and members of their families be through facilities of the uniformed services.

(2) TREATMENT OF OTHER FAMILY MEMBERS.—

(A) COVERAGE OF DEPENDENTS.—Any health plan offered pursuant to this subsection to a member of a uniformed service on active duty shall provide for coverage of family members of such member who are eligible individuals but are not Medicare-eligible individuals.

(B) PERMITTING MULTIPLE MEMBERSHIP IN THE CASE OF DIVIDED FAMILIES.—In accordance with such regulation as the National Health Board may provide, subparagraph (A) shall not apply to such a spouse or dependents of a member of a uniformed service who do not share the same household with the member and under such other circumstances as the National Health Board may provide.

(b) ENROLLMENT OF MEDICARE-ELIGIBLE INDIVIDUALS.—Medicare-eligible individuals shall enroll, or be enrolled, with the National Health Board or with a participating health maintenance organization in accordance with the Medicare program.

(c) FOREIGN EMPLOYEES.—Eligible individuals described in section 101(a)(3), relating to employees of foreign governments and international organizations, are entitled to enroll (and change such enrollment) in a qualified health plan from among such qualified health plans as shall be provided under the provisions of the agreement described in section 101(b)(1).

(d) FOREIGN VISITORS.—Foreign visitors are entitled to enroll in such qualified health plan or plans as the Secretary of State provides, after consultation with the National Health Board.

SEC. 114. ENROLLMENT OF OTHER INDIVIDUALS.

(a) ENROLLMENT OF SSI-ELIGIBLE INDIVIDUALS AND RESIDENTS OF FEDERAL INSTITUTIONS.—Each individual who is an SSI-eligible individual or who is a resident of a Federal institution and who is not otherwise enrolled under section 112 or 113 may—

(1) during the first general enrollment period (as defined in section 111(c)(1)), enroll,

(2) during each general open enrollment period, change enrollment, and

(3) during each special enrollment period with respect to the individual, enroll or change enrollment, in any qualified health plan available to the individual.

(b) ENROLLMENT OF AFDC-ELIGIBLE INDIVIDUALS, RESIDENTS OF STATE INSTITUTIONS, AND OTHERS.—Each eligible individual who is an AFDC-eligible individual, resident of a State institution, or otherwise not enrolled, or eligible to enroll, under section 112 or 113 or subsection (a) of this section may—

(1) during the first general enrollment period (as defined in section 111(c)(1)), enroll,

(2) during each general open enrollment period, change enrollment, and

(3) during each special enrollment period with respect to the individual, enroll or change enrollment, in any qualified health plan available to the individual.

(c) MANDATORY ENROLLMENT—Pursuant to regulations established by the National Health Board and rules and procedures established by State Health Boards—

(A) in the case of any SSI-eligible individual described in subsection (a) who fails to enroll in a qualified health plan, the Commissioner of Social Security shall,

(B) in the case of any resident of a Federal or State institution described in subsection (a) or (b) who fails to enroll in a qualified health plan, the manager of the institution shall, and

(C) in the case of any AFDC-eligible individual or other individual (other than a resident of a State institution) described in subsection (b) who fails to enroll in a qualified health plan, the State Health Board shall,

notify the individual of the choices of enrollment available to the individual, and, in the subsequent absence of any such election and in accordance with such procedures as the National Health Board shall establish, enroll the individual in one of such plans.

(d) COVERAGE OF OTHER FAMILY MEMBERS.—Any qualified health plan offered pursuant to this section to an eligible individual (other than an SSI-eligible individual or a resident of a Federal or State institution) shall provide for coverage of the individual and of eligible individuals who are members of the individual's family (other than Medicare-eligible individuals, SSI-eligible individuals, or residents of Federal or State institutions).

TITLE II—BENEFITS AND PROVIDERS

PART A—BASIC COVERED HEALTH-CARE SERVICES

SEC. 201. INPATIENT AND OUTPATIENT HOSPITAL SERVICES.

(a) IN GENERAL.—Inpatient hospital services and outpatient hospital services, including services of hospital-based physicians, are basic covered health-care services.

(b) LIMITATION.—Inpatient mental health services are basic covered health-care services only to the extent of—

(1) 150 consecutive days of Medicare-eligible individuals, or

(2) 45 consecutive days for other eligible individuals,

during certain periods of treatments, as determined under section 1812(c) of the Social Security Act.

SEC. 202. PHYSICIANS' SERVICES.

(a) IN GENERAL.—Physicians' services are basic covered health-care services.

(b) LIMITATION.—Physicians' services primarily for the diagnosis or treatment of mental illness and outpatient mental health services (described in section 208(b)) are basic covered health-care services only to the extent that expenses for such services in a calendar year do not exceed the fee-equivalent of 20 psychiatric visits per year (as determined under section 1833(c) of the Social Security Act).

SEC. 203. HOME HEALTH SERVICES.

Home health services are basic covered health-care services for up to 100 visits during a calendar year.

SEC. 204. POST-HOSPITAL SKILLED NURSING FACILITY SERVICES.

Post-hospital extended care services are basic covered health-care services for up to 100 days during any spell of illness.

SEC. 205. PREVENTIVE HEALTH SERVICES.

(a) INITIAL SERVICES.—Basic covered health-care services include, as defined by the National Health Board—

(1) basic immunizations,

(2) pre- and post-natal maternal care,

(3) well-child care (including periodic physical examinations, hearing and vision screening, and developmental screening and examinations) for individuals up to the age of 18 years, and

(4) such other health-care services as are designed to prevent, or to minimize the effect of, illness, disease, or medical condition as the National Health Board may add under subsection (b).

(b) ADDITIONAL SERVICES.—

(1) ADDITION.—In addition to the services listed in paragraphs (1), (2), and (3) of subsection (a), the National Health Board, after consultation with such experts as it deems appropriate, may add on a year-by-year basis as preventive health services, subject to paragraph (2), such health-care services (described in subsection (a)(4)), under such conditions or limitations as may be established by the Board, as the Board determines will provide for the cost-effective delivery of health-care services under this Act and Medicare.

(2) BUDGET LIMITATION.—For the provision of preventive health services described in subsection (a)(4) in any year under this Act and under Medicare, the anticipated expenditures contained in the Annual Budget (established under section 301) for the year for such services shall not exceed—

(A) if the year is the first effective year, $500,000,000, and

(B) if the year is a subsequent year, the amount determined under this paragraph for the previous year increased by the average annual rate of increase in the gross national product for the three-year period ending with the year before such previous year.

SEC. 206. MEDICAL AND OTHER HEALTH SERVICES.

Other medical and other health services, including—

(1) services and supplies incidental to the provision of physician's services;

(2) hospital services incidental to physicians' services rendered to outpatients;

(3) diagnostic services furnished to outpatients of hospitals;

(4) outpatient physical therapy services, outpatient speech pathology services, and outpatient occupational therapy services;

(5) health clinic services, including rural health clinic services;

(6) home dialysis supplies and equipment;

(7) diagnostic X-ray tests, diagnostic laboratory tests, and other diagnostic tests;

(8) X-ray (and related) therapy;

(9) durable medical equipment used in the patient's home;

(10) ambulance service, to the extent provided in regulation;

(11) prosthetic devices (other than dental) which replace all or part of an internal body organ (including lens after cataract surgery), including replacements of such devices; and

(12) leg, arm, back, and neck braces, and artificial legs, arms, and eyes, including necessary replacements, are basic covered health-care services.

SEC. 207. INSULIN AND OUTPATIENT PRESCRIPTION DRUGS FOR CHRONIC ILLNESS FOR MEDICARE-ELIGIBLE INDIVIDUALS.

Insulin and outpatient prescription drugs for treatment of chronic conditions are covered health-care services, but only for Medicare-eligible individuals, to the extent and under such restrictions as are provided under Medicare (as amended by this Act).

SEC. 208. MENTAL HEALTH SERVICES.

(a) MENTAL HEALTH DAY CARE SERVICES.—

(1) IN GENERAL.—Mental health day care services are basic covered health-care services.

(2) LIMITATION.—Mental health day care services are basic covered health-care services only to the extent of two days for each day of inpatient mental health services permitted under section 201(b).

(b) OUTPATIENT MENTAL HEALTH SERVICES.—

(1) IN GENERAL.—Outpatient mental health services are basic covered health-care services.

(2) LIMITATION ON MENTAL HEALTH SERVICES.—Outpatient mental health services and physicians' services primarily for the diagnosis or treatment of mental illness (described in section 202(b)) are basic covered health-care services only to the extent that expenses for such services do not exceed in a calendar year the fee-equivalent of 20 psychiatric visits per year (as determined under section 1833(c) of the Social Security Act).

(3) MENTAL HEALTH SERVICES DEFINED.—For purposes of this subsection and section 202 (b), the term "mental health services" means treatment, diagnosis, evaluation, or crisis intervention of a mental illness or condition.

SEC. 209. AUDIOLOGICAL EXAMINATIONS AND HEARING AIDS.

(a) IN GENERAL.—Audiological examinations by a physician or qualified audiologist and the provision of hearing aids are basic covered health-care services.

(b) LIMITATION.—Audiological examinations are basic covered health-care services only to the extent of one examination per individual per year and hearing aids are basic covered health-care services only to the extent of provision of one hearing aid per individual for any three-year period.

SEC. 210. EXCLUSIONS.

(a) IN GENERAL.—Basic covered health-care services do not include items and services for which payment may not be made under Medicare, including expenses for items or services—

(1) other than preventive health services, not reasonable or necessary for the diagnosis or treatment of illness, injury, or condition, or to improve the functioning of a malformed body member;

(2) not provided within the United States;

(3) which constitute personal comfort items;

(4) other than preventive health services, for routine physical checkups, eye-glasses and eye examinations;

(5) for custodial care;

(6) for cosmetic surgery, except for prompt repair of accidental injury or for improvement of the functioning of malformed body member;

(7) where such expenses constitute charges imposed by immediate relatives of the individual or members of the individual's household;

(8) other than preventive health services, in connection with the care, treatment, filling removal, or replacement of teeth or structures directly supporting teeth, except for in patient hospital services in connection with treatment of underlying medical conditions; and

(9) for treatment of flat feet, subluxations of the foot, or routine foot care, unless required to prevent serious handicapping for patients with a diagnosed case of diabetes mellitus.

(b) ADDITIONAL EXCLUSIONS FOR NON-MEDICARE ELIGIBLE-INDIVIDUALS.—Basic covered health-care services do not include, for other than Medicare-eligible individuals, payment for—

(1) orthopedic shoes or other supportive devices for the feet,

(2) services of physicians described in section 1861(r)(5) of the Social Security Act, and

(3) certain inpatient hospital services furnished outside the United States (described in section 1814(f) of the Social Security Act).

(c) ADDITIONAL EXCLUSIONS.—The National Health Board, after consultation with the Commission on Health-Care Benefits and the Commission on Quality of Health Care, may provide, upon the basis of the cost and effectiveness of providing particular health-care items or services that, notwithstanding any other provision of this Act or title XVIII of the Social Security Act, payment may not be made, under a qualified health plan under this Act or under Medicare, for such an item or service.

PART B—PROVIDER STANDARDS AND CERTIFICATIONS

SEC. 211. STANDARDS FOR SERVICES, PROVIDERS, AND CERTIFICATION OF PROVIDERS.

(a) IN GENERAL.—The provisions of titles XI and XVIII of the Social Security Act with respect to—

(1) definitions of terms and descriptions of health-care services, providers of services, and other health-care providers (under section 1861 of such Act);

(2) conditions of participation for health care providers (under section 1866 of such Act) and use of State and other agencies in determining compliance with standards (under sections 1863 and 1864 of such Act);

(3) suspension and disqualification of providers (under sections 1862 and 1866 of such Act);

(4) limitations or exclusions from payment for items and services (under sections 1812, 1814, 1833, 1834, and 1862 of such Act);

(5) certifications (under sections 1814 and 1835 of such Act) with respect to the provision of items or services; and

(6) application of professional standards review (under part B of title XI of such Act) with respect to items and services furnished under Medicare,

shall apply to basic covered health-care services provided under qualified health plans to the same extent as they apply to items and services for which payment may be made under title XVIII of such Act.

(b) ADDITIONAL CONDITIONS FOR PROVISION OF CERTAIN SERVICES.—In order to encourage payment for items and services under such circumstances as are likely to improve health care, the National Health Board, after consultation with the Commission on Health-Care Benefits and the Commission on Quality of Health Care, may establish a list of high-risk, high-cost, elective, or overutilized items or services for which payment may be made under a qualified health plan under this Act or under Medicare only if one or more of the following conditions are met with respect to its provision by a provider:

(1) The provider is certified by an appropriate specialty board in the relevant medical specialty.

(2) The diagnosis and recommended provision of the service by the provider is supported by (A) a second opinion by a qualified physician which confirms the diagnosis and proposed treatment or (B) specific objective findings.

(3) The provider is an institution that is adequately equipped and staffed (in accordance with regulations of the National Health Board) to furnish the service.

(4) The provider is a specialist or an institution providing care to a patient who has been referred to that provider by a primary-care physician (as determined by the National Health Board).

(5) The provider has demonstrated, through statistical evidence, that it provides high-quality health-care services and that it properly uses appropriate methods and technologies.

(c) RESIDUAL MEDICAID PROGRAM.—For amendments to title XIX of the Social Security Act (popularly known as the Medicaid program) providing for—

(1) replacement of Federal grants-in-aid with a Federal guarantee of payments of certain additional payments for group-rated premiums of AFDC-eligible individuals in qualified health plans,

(2) establishment of maintenance of effort requirements, and

(3) requirements with respect to additional mandatory services,

see section 636.

TITLE III—FINANCING AND PLANNING

PART A—BUDGET AND PLANNING PROCESS

Subpart I—Budget Process

SEC. 300. BUDGET TIMETABLE.

The timetable with respect to the budget process for the national health insurance system for a year is as follows:

Action to be completed:

On or before January 15: Proposed annual State budgets submitted to National Health Board.

On or before March 1: Annual Budget submitted to Congress.

On or before July 1: Annual State budgets adopted.

On or before September 1–November 30: Open enrollment period.

On or before January 1 of following year: Budget year begins.

SEC. 301. ANNUAL BUDGET.

(a) PREPARATION.—

(1) SUBMITTAL OF PROPOSED ANNUAL STATE BUDGETS.—After taking into consideration the policies of the National Health Board, the Health Care Improvement Plan (most recently prepared under section 305), and recommendations of the Commissions, each State Health Board, not later than January 15 of each year, shall prepare and transmit to the National Health Board a proposed annual State budget (described in section 302) for that State for the succeeding year.

(2) FEDERAL EXPENDITURES ESTIMATE.—The National Health Board shall prepare and transmit to the President on a timely basis,

for inclusion without change in the Budget transmitted by the President under section 201(a) of the Budget and Accounting Act, 1921, an estimate of the anticipated Federal expenditures related to the appropriate Annual Budgets.

(3) PREPARATION AND ADOPTION.—The National Health Board shall prepare and adopt, not later than March 1 of each year a comprehensive Annual Budget which establishes the level of expenditures authorized for covered health-care services and for administrative costs pursuant to this Act, and the revenues needed to finance such expenditures, for the succeeding year.

(4) PRESENTATION OF ANNUAL BUDGET.—Upon adoption of an Annual Budget, the National Health Board shall transmit a report on such budget to the President, the Congress, and to the Governor and the State Health Board of each State and shall make such budget available to the public.

(5) CONGRESSIONAL BUDGET OFFICE ANALYSIS OF BUDGET.—The Congressional Budget Office shall prepare and submit to the relevant committees of the Congress, as soon as practicable after receipt of an Annual Budget, an analysis of the impact of the Annual Budget on the Federal Budget.

(b) CONTENTS.—Each Annual Budget for a year shall set forth the following:

(1) ANTICIPATED EXPENDITURES.—The amount of anticipated expenditures, consistent with subsection (c), attributable to each of the following for the year for all States and for each State:

(A) ADMINISTRATIVE COSTS.—Costs of administration for (i) the National Health Board, (ii) State Health Boards, (iii) the consortia, and (iv) participating insurers (other than the Secretary of Defense) and participating health maintenance organizations.

(B) PROVISION OF COVERED HEALTH-CARE SERVICES.—Payments to participating providers for the provision of covered health-care services to enrollees, broken down by category of health-care service provided, category of provider, or both, as determined by the National Health Board.

(C) CAPITAL, EDUCATION, AND RESEARCH BUDGET.—Costs of capital investment, education of health care providers, and research for which funds are available under this Act.

(D) MEDICAL TRUST FUND EXPENDITURES.—Expenditures from the trust funds established under title XVIII of the Social Security Act.

(E) ADJUSTMENTS FOR PREVIOUS BUDGETS.—Increases in, or decreases from, the expenditures otherwise allowable in the year because of deficits or surpluses, respectively, in the budget of the national health insurance system for the preceding year.

(F) CONTINGENCY FUND.—Amounts which will be reserved to provide for unanticipated expenditures which cannot otherwise be budgeted.

(G) MEDICAID GUARANTEE AND RESIDUAL MEDICAID.—Payments made under State plans under title XIX of the Social Security Act (relating to the residual medicaid program) and payments made to States under section 1903(a)(1) of such Act and section 636(f) of this Act (relating to federal guarantee against additional State expenditures for AFDC-eligible individuals).

(H) MISCELLANEOUS EXPENDITURES.—Such other costs incurred under this Act as the National Health Board may specify.

For purposes of this subsection, the term "expenditures" does not include expenditures by the Department of Defense or the Veterans' Administration.

(2) ANTICIPATED REVENUES.—The amount of anticipated revenues attributable to each of the following for the year:

(A) WAGE-RELATED PREMIUMS.—Payments of premiums related to wages (described in section 341).

(B) NON-WAGE-RELATED INCOME PREMIUM.—Payments of premiums related to nonwage income (described in section 342).

(C) FEDERAL GROUP-RATED PREMIUMS.—Payments by the Federal Government of group-rated premiums on behalf of SSI-eligible individuals and for individuals who are residents of Federal institutions.

(D) STATE GROUP-RATED PREMIUMS.—Payments by State governments of group-rated premiums on behalf of AFDC-eligible individuals and for individuals who are residents of State institutions.

(E) PAYMENTS BY FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS.—Payments of premiums paid by foreign governments and international organizations (under section 343) pursuant to executive agreements described in section 101(b).

(F) MEDICARE TAXES, PREMIUMS, AND INTEREST.—Tax revenues received, premiums paid, and interest earned on trust funds, with respect to medicare.

(G) RESIDUAL FEDERAL PAYMENTS.—Payments by the Federal Government (under section 343) to consortiums for defaults in the payment of required premiums and payments by the Federal Government by appropriations from general revenues of the Federal Government.

(H) MISCELLANEOUS REVENUES.—Such other revenues as the National Health Board may specify. For establishment of premium rates consistent with total anticipated revenues for a year equaling the total of anticipated expenditures for the year, see section 331.

(3) SEPARATE SCHEDULES.—

(A) MEDICARE PROGRAM.—The anticipated expenditures and revenues (broken down by source) under medicare with respect to covered health-care services furnished under medicare program.

(B) OTHER PUBLIC PROGRAMS.—The anticipated expenditures and revenues under this act with respect to (i) SSI-eligible individuals, (ii) AFDC-eligible individuals, (iii) residents of Federal institutions, and (iv) residents of State institutions.

(C) PRIVATE INSURANCE PLANS.—The anticipated expenditures and revenues under this act with respect to individuals (other than medicare-eligible individuals, foreign visitors, or individuals described in subparagraph (B)).

(D) INTRASTATE AND INTERSTATE AREAS.—Upon the request of a Governor of a State or the Governors of adjoining States, the National Health Board may provide for a separate schedule of anticipated expenditures for different areas within a State or for areas including parts of more than one State.

(F) HEALTH RESOURCES DISTRIBUTION FUND AND RELATED PROGRAMS.—The anticipated expenditures from, and appropriations to, the Health Resources Distribution Fund, including the amount to be requested from Congress for programs under such fund and for each other authorized program administered by the National Health Board.

(4) PREMIUM RATES.—The national community-rated and group-rated premium and national premium rate established (under part C) for the year.

(5) FIVE-YEAR PROJECTIONS.—A projection of the anticipated expenditures (described in paragraph (1)) and the anticipated revenues (described in paragraph (2)) for each of the succeeding five years, showing any effect on such expenditures or revenues of the expenditures from the Health Resources Distribution Fund or of cost-control efforts.

(c) LIMITATION ON EXPENDITURES.—

(1) LIMITATION ON RATE OF INCREASE IN EXPENDITURES IN RELATION TO GROWTH IN GROSS NATIONAL PRODUCT.—The total anticipated expenditures for a year in an Annual Budget may not exceed the amount of the estimated expenditures under such Budget in the previous year by more than the average annual rate of increase in the gross national product for the three-year period ending with the year before the year in which the Annual Budget is adopted.

(2) MAXIMUM EXPENDITURES IN A YEAR.—

(A) LIMIT ON SYSTEM-WIDE EXPENDITURES.—The amounts set forth in an Annual Budget as total anticipated expenditures for the United States and for any State for covered health-care services (including administrative costs of insurers, health maintenance organizations, and consortia, but excluding services and costs relating to members of a uniformed service on active duty and members of their families) for any year are the maximum amounts that may be expended for such services for all States and for the State, respectively, for that year.

(B) LIMIT ON STATE EXPENDITURES.—A State Health Board, in implementing its annual State budget and in negotiating agreements or schedules pursuant to this part, may not provide for total expenditures for items covered in the budget in excess of those contained in the Annual Budget with respect to the State.

(C) LIMIT ON EXPENDITURES BY PROVIDER OR TYPE OF SERVICE.—(1) NATIONAL LIMITS.—Within such percentage variations as the National Health Board may permit, the amounts set forth in subsection (b)(1)(B) in an Annual Budget as total anticipated expenditures for the United States and for any State for any year for the provision of basic covered health-care services within a category of services or of providers, or both, are the maximum amounts that may be expended for such basic covered health-care services pursuant to qualified health plans and for covered health-care services under Medicare for all States and for the State, respectively, for that year.

(3) ESTABLISHMENT OF STATE EXPENDITURE LIMITS.—The percentage increase in the anticipated expenditures per capital for covered health-care services in the Annual Budget for a State and in the State's annual State budget for a year over the actual expenditures for such services in the State for the previous year—

(A) shall, except as provided under subparagraph (B) or (C), inversely reflect the degree to which per capita expenditures for health-care services in the State (calculated, to the extent feasible, on a price-adjusted basis) for the previous year are less than such per capita expenditures in the United States for that year;

(B) may not be less than 80 percent or more than 120 percent of the percentage increase of such expenditures per capita in the Annual Budget for that year over such expenditures per capita for the previous year; and

(C) may provide, notwithstanding subparagraph (B), for a higher rate of increase for the State if the State has a severely medically-underserved population with respect to which a special development program has been approved in the Health Care Improvement Plan established under section 305 or to the extent to which the State has an Indian health program, migrant health program, community health center, or other health program providing services to medically underserved populations.

SEC. 302. ANNUAL STATE BUDGETS.

(a) IN GENERAL.—

(1) PROPOSED ANNUAL STATE BUDGET.—In order to assist in the preparation of the Annual Budget for each year, each State Health Board shall prepare and submit, not later than January 15 of the previous year, to the National Health Board, in accordance with regulations established by the National Health Board, a proposed annual State budget for the State for the year.

(2) ANNUAL STATE BUDGET.—In order to implement the applicable portions of each Annual Budget for a year adopted by the National Health Board with respect to expenditures for covered health-care services

to be furnished in the State, each State Health Board shall adopt, not later than July 1 of the previous year, and submit to the National Health Board an annual State budget. Each annual State budget adopted for a year shall take into consideration, within the constraints of the such budget, all pertinent conclusions, including recommended changes in resource availability, contained in the most recently revised health care improvement plan for the State, prepared under section 306.

(b) BASES FOR ANNUAL STATE BUDGETS.—Each annual State budget shall, to the extent not inconsistent with policies established by the National Health Board—

(1) be prepared after consultation with, and consideration of any comments submitted by, the State government (and political subdivisions), State advisory commissions (established by the State Health Board under section 407(b)(3)), representative of consortia, participating insurers and health maintenance organizations operating in the State, participating providers in the State, and consumers residing in the State;

(2) be based on agreements negotiated, and any schedules for maximum amounts of payments agreed to in negotiations, by the State Health Board with participating providers with respect to payments to such providers for covered health-care services; and

(3) be based on prospective budgets that have been submitted by participating institutional providers and approved by the State Health Board.

(c) CONTENTS.—Each annual State budget shall contain the information described in section 301(b), but only with respect to expenditures, premiums, and the premium rate in that State.

Subpart II—Planning Process

SEC. 305. NATIONAL HEALTH CARE IMPROVEMENT PLAN

(a) PREPARATION.—The National Health Board, in consultation with the President's Commission on the Health of Americans, shall prepare and annually revise, before the adoption of each Annual Budget, a National Health Care Improvement Plan which describes—

(1) the needs over the five-year period beginning on the date of the Plan is prepared or revised (whichever occurs later) in the United States relating to the accessibility of health care, the quality of health care, and the cost of health care,

(2) the effect to date and projected effect of the implementation of provisions of this Act in meeting such needs, and

(3) recommended additional actions that should be taken to meet such needs.

The description of needs in paragraph (1) and recommended actions in paragraph (3) shall take into account the statement of needs and recommended actions contained in the State Plans for Health Care Improvement prepared under section 306.

(b) USE IN PREPARING GUIDELINES AND STANDARDS.—The National Health Board, in establishing any guidelines or standards under this Act, shall describe how such guidelines and standards facilitate meeting the needs projected in the most recently revised Health Care Improvement Plan prepared under this section.

SEC. 306. STATE HEALTH CARE IMPROVEMENT PLANS.

The Governor of each State shall prepare and annually revise a State Health Care Improvement Plan (hereinafter in this section referred to as the "State Plan") which, in accordance with standards and guidelines promulgated by the National Health Board, describe—

(1) the needs over the five-year period beginning on the date the State Plan is prepared or revised (whichever occurs later) in the State relating to the accessibility of health care, the quality of health care, and the cost of health care; and

(2) the specific actions the State intends to take to meet those needs.

A State Plan shall take into account and, to the extent appropriate, include the objectives of the current State health plan in effect for the State under section 1524 of the Public Health Service Act, the State medical assistance plan in effect for the State under title XIX of the Social Security Act, and any current plan submitted on behalf of the State to receive financial assistance under the Public Health Service Act or the Community Mental Health Centers Act.

PART B—PAYMENTS TO PROVIDERS

Subpart I—Payments to Providers Generally

SEC. 311. WHO MAKES PAYMENTS TO PROVIDERS.

(a) PARTICIPATING INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.—Each participating insurer and health maintenance organization shall provide for making payment, in accordance with this part, to a participating provider which furnishes covered health-care services to an enrollee enrolled in a qualified health plan offered by the insurer or organization.

(b) PAYMENT FOR SERVICES TO INDIVIDUALS DEEMED ENROLLED.—Whenever a participating provider furnishes covered health-care services to an eligible individual who is not an enrollee, the provider shall be paid for such services by the participating insurer or health maintenance organization which offers the qualified health plan in which the individual later enrolls or is enrolled.

(c) PAYMENTS FOR SERVICES TO MEDICARE-ELIGIBLE INDIVIDUALS.—With respect to covered health-care services furnished to a medicare-eligible individual by a participating provider, payment for such services shall be made, if the individual is—

(1) not enrolled in a qualified health plan offered by a participating health maintenance organization, by the National Health Board from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund, in accordance with this part and medicare or

(2) enrolled in such a plan, by the organization, in accordance with this part and medicare.

(d) PAYMENTS FOR SERVICES TO MEMBERS OF UNIFORMED SERVICE ON ACTIVE DUTY.—With respect to covered health-care services furnished to a member of a uniformed service on active duty (or a member of that member's family), payment for such services shall be made by the Secretary of Defense in accordance with chapter 55 of title 10, United States Code.

SEC. 312. BASIS ON WHICH PAYMENTS MADE.

(a) ALLOCATION TO INSTITUTIONAL PROVIDERS BASED ON PROPORTIONATE SHARE OF BUDGET AND ADMINISTRATIVE SIMPLICITY.—

(1) GENERAL RULE.—Each participating insurer or health maintenance organization, which offers a qualified health plan whose enrollees receive covered health-care services from an institutional provider for which they are entitled to have payment made under this Act, shall provide for payments of such allocated portion of the approved prospective budget (established under section 321) of the provider as reflects, in accordance with regulations of the National Health Board (established in accordance with paragraph (2)), the proportion of the costs in the budget used to provide such services to such enrollees. Except as approved by the State Health Board, no payment may be made pursuant to this Act for expenditures by an institutional provider for covered health-care services it furnishes to the extent these expenditures are not included in its prospective budget approved under this section.

(2) ESTABLISHMENT OF METHODS OF APPORTIONMENT.—Such regulations of the National Health Board shall provide for such method or methods of apportionment of costs among insurers and health maintenance organizations as will allocate costs in a manner that is administratively simple and reasonable, will reflect the portion of costs for which the insurer or organization is responsible, and provide for payment to the provider of the revenues projected for the provider in its approved prospective budget with respect to covered health-care services provided to its enrollees. Such methods may include apportionment based on—

(A) the number of treatments of particular conditions or of particular diagnoses;

(B) the relative value of the health-care services furnished, as determined in accordance with indices of relative values to be established by the National Health Board;

(C) the number of admissions, number of patient days, number of diagnoses, or other such easily determinable factor that may fairly allocate costs; or

(D) any other method approved by the National Health Board.

In establishing the method or methods of apportionment of costs, the Board shall take into account the desirability of limiting billing and administrative costs by limiting the amount of data that the provider is required to furnish.

(3) SELECTION AMONG METHODS OF APPORTIONMENT.—If these regulations provide for more than one method of apportionment for any type of provider in a State, the State Health Board may select, and require the use of, one of such approved methods by that provider, and participating insurers and health maintenance organizations with respect to that provider, but only after the State Health Board has considered the relative merits of the methods approved by the National Health Board for that type of provider. The method of apportionment so selected with respect to a provider may be changed by a State Health Board at any time.

(4) EXPERIENCE REPORTS AND ADJUSTMENTS.—Each institutional provider in a State with an approved prospective budget shall transmit to the State Health Board, at the close of each year, data and a reconciliation showing differences between the actual expenditures of, and services provided by, the provider in a year with such expenditures and services allowed for in its approved prospective budget for the year. If expenditures of the provider were below those predicted because of actions taken that increased the efficiency of the provider, the State Health Board shall provide for the retention, by the provider, of one-half of the amount of such savings. The State Health Board shall provide, to the extent appropriate, for adjustments in the amounts of the payments made by different insurers and health maintenance organizations or in the prospective budget for the following year in order to properly correct unintended differences in the amount or source of payments to a provider.

(b) PAYMENTS TO INDIVIDUAL PROVIDERS BASED ON FEE SCHEDULE.—

(1) IN GENERAL.—For covered health-care services (other than drugs, hearing aids, durable medical equipment, or laboratory services) furnished by a participating provider (other than an institutional provider) the provider shall be paid for each such health-care service in accordance with the lowest of—

(A) the fee charged by the provider,

(B) the fee agreed upon between the provider and the participating insurer or health maintenance organization making payment for the service, or

(C) the applicable maximum fee schedule for the service (established under section 322).

The National Health Board may provide, upon the recommendation of a State Health

Board and on an individual-by-individual basis, for an increase in the amount of payment made for the provision of a covered health-care service service by a physician provider in order to recognize performance of unusual merit by the physician in providing the service.

(3) SALARY EQUIVALENT.—In lieu of payment under paragraph (1), payment may be made to a provider described in that paragraph, at the election of the provider, on a salary or fee-for-time basis if the total amount payable in a year to the provider by the use of such method is not greater than the total amount payable for the equivalent amount of services as computed (in accordance with regulations established by the National Health Board) on the basis of the applicable maximum fee schedule (established under section 322).

(c) PAYMENTS TO PROVIDERS FOR DURABLE MEDICAL EQUIPMENT, LABORATORY SERVICES, DRUGS, AND HEARING AIDS.—For the furnishing of covered durable medical equipment, laboratory services, drugs, and hearing aids, the provider shall be paid the sum of—

(1) lowest of—

(A) the charge for the equipment, laboratory service, drug, or hearing aid,

(B) the charge agreed upon between the provider and the participating insurer or health maintenance organization making payment for the equipment, laboratory service, drug, or hearing aid, or

(C) the maximum reasonable cost for the equipment, laboratory service, drug, or hearing aid (established under section 323); and

(2) in the case of drugs and hearings aids, the lowest of (A) the provider's fee charged for dispensing the drug or hearing aid, (B) the fee agreed upon between the provider and the participating insurer or health maintenance organization for such service, or (C) the highest fee permitted under the applicable maximum fee schedule (established under section 323).

(d) OTHER COVERED HEALTH-CARE SERVICES.—For the furnishing of other covered health-care services, the provider shall be paid the lowest of—

(1) the charge for the service,

(2) the charge for the service agreed upon between the provider and the participating insurer or health maintenance organization making payment for the service, or

(3) the maximum reasonable cost of the service, as established by the State Health Boards in accordance with guidelines and standards established by the National Health Board.

(e) EXPERIMENTS AND DEMONSTRATIONS.—Notwithstanding subsections (a) through (d), the National Health Board may permit payment to be made to institutional and other participating providers using an experimental or demonstration method of reimbursement if the Board finds that the demonstration of, or experimentation with such method will further the purposes of this Act.

(f) PERIODIC REVIEW.—Once every five years or at such more frequent intervals as the National Health Board may provide and upon the presentation of a petition signed by one-fourth of the participating providers within a category of provider, the National Health Board shall conduct a hearing concerning the methods of reimbursement (including any guidelines or standards related thereto) provided under this part for that category of provider. The Board shall invite to the hearing representatives of the providers involved. After such hearing, the Board may provide for such modifications of the guidelines and standards for reimbursement of that type of provider, and such recommendations to the Congress for changes in this Act, as it deems appropriate.

SEC. 313. APPLICATION OF BUDGET LIMITS.

(a) MONITORING, REPORTS, AND INVESTIGATIONS ON EXPENDITURES.—

(1) MONITORING.—The State Health Boards, the consortia, participating insurers and health maintenance organizations shall monitor payments made to participating providers in each year to assure that such expenditures do not exceed the applicable limits on such expenditures for the year under the annual State budget.

(2) REPORTS.—Each participating insurer and each consortium operating within a State shall report to the State Health Board whenever it determines that payments are being made with respect to a category of provider or services at rates which may result in the total of such payments being greater than the anticipated expenditures level provided for under the Annual Budget or annual State budget for that category of provider or those services.

(3) INVESTIGATION.—The State Health Board shall investigate the circumstances of payments described in paragraph (2), including utilization rates and any other pertinent factors, and shall, with the approval of the National Health Board and after consultation with consortia, participating insurers, health maintenance organizations, and providers involved, take appropriate corrective actions (described in subsection (b)) in accordance with this section.

(b) CORRECTIVE ACTION.—A State Health Board may take the following actions, after consultation with consortia, insurers, organizations, and providers involved, to correct for expenditures for health care services in excess of those provided for under the annual State budget:

(1) SHIFTING OF FUNDS AMONG CATEGORIES OF SERVICES OR PROVIDERS.—The State Health Board may transfer expenditures between categories of services or providers within percentage allowances established by the National Health Board.

(2) USE OF CONTINGENCY FUND.—To the extent such excess expenditures are determined to be due to unforeseen circumstances beyond the control of the insurers, organizations, and providers involved, the State Health Board may authorize the use of funds from contingency funds established by consortia in accordance with section 353(a)(1) or from the national contingency fund, but only in accordance with policies established by the National Health Board and only to the extent that amounts are available from such funds in the annual State budget.

(3) MODIFICATION OF REIMBURSEMENT METHODS.—With the approval of the National Health Board and after consideration of any comments submitted by organizations of providers involved, the State Health Board may provide for such modification of the methods of reimbursement of such providers by participating insurers and health maintenance organizations in the State, including pro-rated decreases in the amount of payments made to such providers, as it determines to be appropriate under the circumstances.

(4) ADDITIONAL CERTIFICATIONS.—To the extent permitted by the National Health Board, the State Health Board may provide that payment may be made with respect to the provision of particular covered health care services or covered health care services provided by particular providers only if such additional certification with respect to the need for the services or qualifications of the providers as it may establish are provided.

(5) REQUIRING RISK SHARING.—The State Health Board, in accordance with guidelines established by the National Health Board, may require that in a period participating insurers and health maintenance organizations make payments for covered health-care services in amounts in excess of the amounts of the premiums they are provided for that period under section 352 to the insurer's and organizations.

SEC. 314. TREATMENT OF PHILANTHROPIC CONTRIBUTIONS AND STATE AND LOCAL GOVERNMENT SUPPLEMENTARY PAYMENTS.

(a) IN GENERAL.—Philanthropic contributions and supplementary payments by States and political subdivisions thereof may be made to finance the provision of health-care services in addition to those reimbursed under this Act.

(b) RELATION TO CAPITAL EXPENDITURES.—A State Health Board, in its review of prospective budgets and establishment of maximum fee schedules, shall not recognize expenses associated with capital expenditures which were assisted by contributions or payments described in subsection (a), unless such expenditures have been approved under the applicable planning process under this Act.

Subpart II—Methods of Reimbursement of Providers

SEC. 321. PAYMENTS TO INSTITUTIONAL PROVIDERS ON APPROVED PROSPECTIVE BUDGETS.

(a) SUBMITTAL AND CONTENTS OF PROSPECTIVE BUDGETS.—

(1) FORM AND CONTENTS.—Each participating institutional provider in a State shall submit, not later than the deadline established by the State Health Board and in such form and manner as the State Health Board and the National Health Board may require, to the State Health Board its proposed prospective budget for the subsequent year. Each such budget shall cover all the health care services (not merely covered health-care services) provided by the provider and shall include, as provided in guidelines of the National Health Board—

(A) anticipated costs, broken down by schedules for at least costs associated with (i) operations, (ii) capital items, (iii) inpatient services, (iv) outpatient services, and (v) nursing services by or under the supervision of a registered nurse;

(B) the proportion of the total anticipated costs associated (i) with the provision of covered health-care services to eligible individuals, and (ii) with provision of other health-care services; and

(C) anticipated revenues, broken down by source with respect to each class of items of anticipated costs.

Such guidelines shall be developed in consultation with institutional providers and representatives of such providers and after considering the views of the consortia and representatives of consumers and shall vary to reflect the circumstances of different categories of institutional providers.

(2) ACCOMPANYING DOCUMENTATION.—Each such budget submitted shall be accompanied by such documentation as the National Health Board may establish in order to provide for the review of the budget, including documentation relating to—

(A) changes in services or capital expenditures during the two-year and five-year periods following the year of the budget;

(B) previous budgets of the provider;

(C) the impact on costs of anticipated changes (including additions, modifications, and terminations) in the health care services provided, in the provider's productivity, or in utilization of the provider's health care services, and the reasons for such anticipated changes;

(D) volume of health-care services provided; and

(E) relevant characteristics of the provider's patient population.

(3) TREATMENT OF CERTAIN COSTS IN PROSPECTIVE BUDGETS.—With respect to proposed expenditures contained in a prospective budget submitted by an institutional provider:

(A) INCLUSION OF SERVICES OF CONTRACT PHYSICIANS.—There shall be included as costs the services of all physicians who are under contract with the provider, of all radiologists and pathologists providing health-care services with respect to inpatients of the provider, and, in the case of psychiatric hospitals, of all physicians furnishing health-care services with respect to inpatients of the hospital. The amount budgeted for payment for such services shall be reasonable in relation to the cost of obtaining such services of physicians on a salaried or other basis, whichever is less.

(B) INCLUSION OF WAGES AND FRINGE BENEFITS OF NONSUPERVISORY EMPLOYEES.—

(i) IN GENERAL.—There shall be included in costs, subject to this subparagraph, the total cost of wages and fringe-benefit payments for (or on behalf of) nonsupervisory employees of the provider.

(ii) MINIMUM WAGES.—The rate for wages reflected in any such prospective budget for nonsupervisory employees shall in no case be less than the minimum wage rate specified and applicable under section 6(a)(1) of the Fair Labor Standards Act of 1938.

(iii) COLLECTIVE BARGAINING AND OTHER NEGOTIATED AGREEMENTS.—If any nonsupervisory employees of a provider are covered by a collective-bargaining agreement or other negotiated agreement, the amount set forth for wages and fringe-benefit payments for these employees shall be in accordance with the rates (including any prospective changes in such rates) provided for in the agreement.

(iv) REVIEW BY SECRETARY OF LABOR.—If the Secretary of Labor finds, after a hearing in accordance with regulations of such Secretary, that the rates of wages or fringe-benefits proposed in a prospective budget, for nonsupervisory employees with respect to whom there is not a collective-bargaining agreement or other negotiated agreement described in clause (iii) in effect, are above the rates of wages or fringe-benefits, respectively, which prevail with respect to comparable employees of providers of the same type in the same locality (as determined by such Secretary), the rates of wages or fringe-benefits for such employees allowable as reimbursable in the prospective budget shall not exceed such prevailing rates.

(v) NONSUPERVISORY EMPLOYEE DEFINED.—As used in this subparagraph, the term "nonsupervisory employee" means any employee other than an employee who devotes a major portion of employed time exercising authority, in the interest of the provider, (I) to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove any other employee of that provider, or (II) to adjust a grievance (other than through a merely routine or clerical action) of any other such employee or to recommend such an adjustment.

(C) INCLUSION OF UNREIMBURSED SERVICES.—There shall be included in reimbursable costs the cost of basic covered health-care services furnished to individuals who are not eligible individuals if no reimbursement or other payment for such services is obtainable by such provider.

(D) TREATMENT OF DEPRECIATION AND RELATED CAPITAL ITEMS.—

(i) IN GENERAL.—Subject to clause (ii), there shall not be included in costs under the budget the costs of depreciation.

(ii) TREATMENT OF CERTAIN ITEMS.—There may be included as costs under the budget—

(I) the cost of paying the principal amount due on any debts incurred by the provider before the date of the enactment of this Act, unless such cost is not reimbursable under Medicare;

(II) the cost of acquiring minor capital items (as defined by the National Health Board);

(III) the cost of expenditures for major capital items, in the form of a lump sum or amortization payments for debt repayment, to the extent that the acquisition of such an item is approved in accordance with subsection (c); and

(IV) the cost associated with closing of a facility or reduction in services provided by or through a facility of the provider, including the reasonable cost of easing personnel dislocations arising from any such closing or reduction in services, if the closing or reduction is approved in accordance with the planning process provided under subsection (c).

(E) INCLUSION OF RETURN ON INVESTMENT FOR PROPRIETARY PROVIDERS.—

(i) HOSPITALS AND SKILLED NURSING FACILITIES.—There shall be included, in the case of a proprietary hospital or skilled nursing facility, provision for recognition of a reasonable rate of return on equity capital, whether reflected in working capital or capital invested in the provider's facilities and used in the furnishing of covered health care services, in lieu of other allowances to the extent that they reflect similar items.

(ii) OTHER INSTITUTIONAL PROVIDERS.—There shall be included, in the case of a proprietary institutional provider other than a hospital or skilled nursing facility, to the extent (in accordance with regulations established by the National Health Board) the State Health Board finds it feasible and appropriate, provision for recognition of a reasonable rate of return on equity capital, whether reflected in working capital or capital invested in the provider's facilities and used in the furnishing of covered health care services, in lieu of other allowances to the extent that they reflect similar items.

(iii) AMOUNT OF RETURN ON INVESTMENT.—The rate of return recognized under clause (i) or (ii) for a year shall not exceed one and one-half times the average of the rates of interest, for each of the months of the year, on obligations issued for purchase by the Federal Hospital Insurance Trust Fund.

(4) WORKING CAPITAL AND RESERVES.—There shall be provided for in the budget reasonable amounts required for working capital and reserves for contingencies.

(5) TECHNICAL ASSISTANCE.—The National Health Board shall the provision of technical assistance to institutional providers which primarily provide primary ambulatory health care services in their preparation and submittal of budgets under this section.

(b) POLICIES AND PROCEDURES FOR REVIEW OF PROSPECTIVE BUDGETS.—

(1) NATIONAL HEALTH BOARD.—

(A) ESTABLISHMENT OF GENERAL POLICIES AND GUIDELINES.—The National Health Board, after consultation with institutional providers and representatives of such providers and after considering the views of the consortia and representatives of consumers, shall establish policies and guidelines, which shall vary to reflect the circumstances of different categories of institutional providers, respecting review and approval by State Health Boards of proposed prospective budgets of institutional providers.

(B) USE OF SCREENS AND RANDOM SAMPLING.—Such guidelines shall include the requirement that standards (commonly known as "screens"), which shall vary by category of institutional provider, be applied to each proposed prospective budget to determine which budgets (and which proved without the need for individual scrutiny and close examination and the requirement that a random sample of all such budgets be reviewed in detail to assure quality control and verify the validity of the screens. Such standards may include, with respect to providers of inpatient services, for review of at least the following:

(i) ANNUAL RATE OF INCREASE.—The rate of increase, from year to year, in the provider's total budget, average total cost per inpatient, and average per diem costs per inpatient.

(ii) AVERAGE COSTS.—The provider's costs, for each type of facility of the provider, by average total costs per inpatient, average per diem costs per inpatient, average cost per outpatient visit, and average educational cost per student (by type of student).

(iii) COST RATIOS.—The cost-ratios of the provider, including the ratio of administrative costs to total costs and the ratio of costs of particular services to total costs and to the costs of services daily, per admission, or on such other appropriate unit basis.

(C) UNIFORM REPORTING.—Such guidelines shall provide for the collection and reporting (and making available to the public), in such uniform manner as the National Health Board may provide, of data that is required for review and approval of prospective budgets.

(2) STATE HEALTH BOARDS.—

(A) DUTY OF REVIEW.—Each State Health Board shall, in accordance with the policies and guidelines established under paragraph (1), review each proposed prospective budget submitted to it under this section and shall make available to the public the results of its review. Each such review shall include—

(i) an assessment of the extent to which any description, contained in documentation described in subsection (a)(2)(A), of changes in services or capital expenditures during the two-year and five-year periods following the year of the budget conforms to the current approved plan of the health systems agency for the area in which the provider functions and to the most recent state health care improvement plan (established under section 306); and

(ii) a review of the quality, accessibility, and effectiveness of services furnished by the provider,

and in such review shall take into consideration any relevant findings of professional standards review organizations and of any national provider accreditation organization for that category of provider.

(B) NOTICE AND OPPORTUNITY TO COMMENT.—Before a State Health Board disapproves costs contained in a proposed prospective budget, the Board shall inform the provider of such pending disapproval and permit the provider an opportunity to comment thereon.

(C) CONSIDERATION OF CERTAIN RECOMMENDATIONS.—In performing such a review of a prospective budget proposed by a provider, the State Health Board shall take into consideration any timely recommendations submitted as a result of negotiations between groups of consumers, the provider, and representatives of any organizations representing the employees of the provider, or in the absence of such timely recommendations, such material as may be submitted by any such party. The State Health Board shall make available to such groups of consumers and organizations such technical assistance as may promote or assist in such negotiations.

(D) DELEGATION OF REVIEW FUNCTION.—A State Health Board may delegate to an appropriate independent entity, in accordance with regulations of the National Health Board, the function under this subsection of conducting reviews (but not approvals) of proposed prospective budgets submitted to it.

(c) REVIEW AND APPROVAL OF CAPITAL EXPENDITURES.—No amount may be provided for in a prospective budget of a provider for any capital acquisition or expenditure (other than minor expenditures, as determined by the National Health Board), for

any costs of operation resulting from such acquisitions and expenditures, and for costs associated with the closing or reduction of services, unless the provider participates in, or has established and maintains, a planning process in accordance with this subsection and regulations of the National Health Board, under which—

(1) the proposed budget is submitted on a timely basis to the State Health Planning and Development Agency for its review under title XV of the Public Health Service Act, and

(2) costs related to proposed acquisitions, expenditures, closings, or reductions may not be included in the approved budget unless such action is approved by such Agency.

(d) APPROVAL OF PROSPECTIVE BUDGETS.—

(1) STATE HEALTH BOARD.—Each State Health Board shall, after and in accordance with its review of each prospective budget submitted to it by a provider under this section, approve the budget, with or without any modification. In approving prospective budgets, each State Health Board shall take account of—

(A) total limits on anticipated expenditures established (or expected to be established) in the applicable Annual Budget and in the annual State budget;

(B) the plan of the health systems agency for the area in which the provider functions;

(C) pertinent demographic factors;

(D) the impact of any expected inflation during the year of the budget on the costs set forth in the budget;

(E) the effect of any approved capital expenditure or reduction and service modification plans;

(F) the effect of acceptable future wage increases granted to employees of the provider; and

(G) objectives for efficiency and cost-effectiveness for that provider established by the Board, which objectives are based upon comparison of the provider with similar providers and take into account differences in patient mix and such other factors as the Board determines to be appropriate.

Except as otherwise provided in this part, the amount approved in a prospective budget of a provider establishes the total amount that is payable pursuant to this Act to that provider for the year of the budget.

(2) MODIFICATIONS REQUIRED BY ANNUAL BUDGET.—A State Health Board shall require, as a condition of the approval of a prospective budget for a year before the National Health Board's adoption of the Annual Budget for the year, that the budget be resubmitted for approval if a modification is required because the anticipated expenditures for the State under the Annual Budget were higher than the amount of such expenditures set forth in the Annual Budget adopted.

(3) TRANSFERS WITHIN AN APPROVED BUDGET.—An approved prospective budget may establish maximum expenditure and payment levels for parts of the budget and may permit, subject to restrictions established by regulation by the National Health Board, transfers between parts of the budget.

(4) TRANSMITTAL TO APPROVED INSURERS.—Upon approval of a prospective budget of a provider, the State Health Board shall provide for the transmittal of the budget to approved insurers which are likely to be required to make payments to the provider for services provided to enrollees of plans offered by the insurers.

(5) TREATMENT OF DISAPPROVED EXPENDITURES.—Except as approved by the State Health Board, no payment may be made pursuant to this Act for expenditures by an institutional provider for covered health-care services it furnishes to the extent these expenditures are not included in its prospective budget approved under this section.

SEC. 322. MAXIMUM FEE SCHEDULES FOR PROFESSIONAL SERVICES.

(a) ESTABLISHMENT BY STATE HEALTH BOARDS.—

(1) IN GENERAL.—Each State Health Board shall provide for the development of maximum-fee schedules, applicable to covered health-care services (other than durable medical equipment and laboratory services) furnished for a year in the State by a physician or other non-institutional provider, consistent with this subsection and the guidelines for such schedules developed under this subsection.

(2) CONFORMITY WITH ANNUAL BUDGET AND ANNUAL STATE BUDGETS.—Total levels of payments expected under such schedules in a State shall be consistent with the anticipated expenditures for services of the type covered by the schedule, as set forth in the Annual Budget and annual State budget for the State in which the services are furnished, and shall be developed based upon the best available projections as to the demand for, and the utilization of, that type of provider or service during the period in which the schedule will be applied.

(3) USE OF NEGOTIATIONS.—Maximum-fee schedules shall be developed only after providing opportunity for negotiations with participating providers to occur, in accordance with section 324.

(b) NATIONAL GUIDELINES FOR ESTABLISHMENT OF SCHEDULES.—The National Health Board shall develop guidelines for the development and modification of maximum-fee schedules by State Health Boards. Such schedules applicable to services furnished in the first effective year shall be the maximum fee schedules applicable (pursuant to section 602(b)) under Medicare in the previous year as modified to reflect application of these guidelines. Such guidelines shall include the following:

(1) RELATIVE VALUE SCALE.—A guideline establishing the relative value of particular covered health-care services, which takes into consideration—

(A) the time and effort required to furnish the service;

(B) the level of skill required in performing such service;

(C) the cost (including indirect costs) to the provider of furnishing such service; and

(D) the relative cost-effectiveness of providing such service.

(2) GEOGRAPHICAL VARIATION.—A guideline providing for appropriate variations in fees with respect to services provided in different geographic areas, which takes into consideration—

(A) the relative costs of practice in the different areas;

(B) the relative earnings of non-physicians in the different areas;

(C) the relative rate of change in physicians' fees in the different areas; and

(D) the need to encourage the provision of such services in underserved areas.

(3) TREATMENT OF SIMILAR SERVICES.—A guideline which provides that where two or more categories of health personnel are qualified to provide a particular health-care service of a comparable quality, the maximum fee for that service shall be the lowest of the maximum fees authorized for that service for such categories of personnel.

(c) NATIONAL FORMULA FOR UPDATING MAXIMUM-FEE SCHEDULES.—The National Health Board shall develop a formula for establishing permissible year-to-year changes in the maximum-fee schedules established pursuant to this section. Such formula shall take into account—

(1) the increase in an index of the earning of non-physicians,

(2) the increase in an index of the cost of operation of offices of the different types of providers,

(3) limitation on increases for expenditures permitted for the service provided under the Annual Budgets,

(4) changes in the utilization of the different services, and

(5) applicable negotiations undertaken pursuant to section 324,

and shall provide that the maximum fee permitted for a service for a year under such a schedule shall not be less than the maximum fee permitted for the service under the schedule for the previous year.

SEC. 323. PAYMENT FOR DURABLE MEDICAL EQUIPMENT AND LABORATORY SERVICES ON A REASONABLE COST BASIS AND FOR DRUGS AND HEARING AIDS ON A COST-PLUS-FEE BASIS.

(a) IN GENERAL.—Payment shall be made for the provision of—

(1) durable medical equipment and laboratory services on the basis of the lower of the charge or reasonable cost of the equipment or services (as determined under subsection (b)), and

(2) drugs and hearing aids on the basis of the lower of the charge or the reasonable cost of the drug or hearing aid (as determined under subsection (b)) plus a reasonable professional fee (as determined under subsection (c)).

(b) COMPUTATION OF REASONABLE COST.—

(1) IN GENERAL.—The National Health Board shall establish guidelines for the reasonable cost of durable medical equipment, laboratory services, drugs, and hearing aids. Such guidelines shall provide that the reasonable cost for such an item shall be the lowest cost at which such item of comparable quality is (or could be made) generally available in an accessible area. In the case of drugs, the Board shall establish categories of generic equivalent drugs which will be treated as drugs of comparable quality for purposes of this subsection.

(2) LISTS.—Each State Health Board shall establish and distribute information listing the limitations that exist under this subsection with respect to the reasonable cost of different items of durable medical equipment, laboratory services, and hearing aids. The National Health Board shall establish and distribute information listing the limitations that exist under this subsection with respect to the reasonable cost of different drug items.

(c) COMPUTATION OF PROFESSIONAL FEE.—

(1) HEARING AIDS.—The amount of professional fee that is payable under this section for provision of a hearing aid is the lesser of (A) the charge for such provision, or (B) such amount as may be provided in a maximum-fee schedule established by the State Health Board in a manner consistent with section 322. In establishing such a schedule, the Board may provide for such fees as reflect reasonable salary levels for providers of hearing aids in the area in which such items are provided.

(2) DRUGS.—The amount of professional dispensing fee that is payable under this section for the dispensing of a drug is the lesser of (A) the charge for such dispensing, or (B) such amount as may be provided in a maximum-fee schedule established by the National Health Board in a manner consistent with section 322. In establishing such a schedule, the Board may provide for such fees as reflect reasonable salary levels for dispensers of drugs in the area in which the drugs are dispensed. The National Health Board may delegate to State Health Boards the function of establishing maximum-fee schedules under this paragraph.

SEC. 324. USE OF NEGOTIATIONS IN DETERMINING AMOUNTS OF PAYMENTS

(a) STATE-LEVEL NEGOTIATIONS.—

(1) IN GENERAL.—Each State Health Board shall regularly and periodically invite representatives of participating providers in the

State (selected in accordance with subsection (b)) to meet and negotiate with representatives of persons (including consortia, participating insurers and health maintenance organizations, employers, and employees) who pay, directly or indirectly, for covered health-care services furnished to enrollees in that State concerning—

(A) screens, maximum rates, and other limitations with respect to payments made (in accordance with section 321) to institutional providers on the basis of approved prospective budgets;

(B) maximum-fee schedules with respect to payments made in accordance with sections 322 or 323;

(C) reasonable cost levels with respect to payments made in accordance with section 323; and

(D) any other method for the control of costs involved in the provision of such services. Such State Health Board shall supervise such negotiations.

(2) INCORPORATION OF AGREEMENTS.—A State Health Board may incorporate within its annual State budget the provision of any agreement achieved as a result of such a negotiation under this section if the effect of it would keep expenditures within the limit on expenditures for the State under the annual State budget.

(b) STATE NEGOTIATING GROUPS.—

(1) REPRESENTATION OF VARIOUS PROVIDERS.—The National Health Board shall establish criteria for the selection of persons to be members of the provider negotiating groups in each State for each of the following groups of providers (which groups may be modified from time to time by the National Health Board):

(A) (i) Hospitals.

(ii) Skilled nursing facilities.

(iii) Home health care agencies.

(iv) Other institutional providers, including community health centers, migrant health centers, and health clinics.

(B) Physician providers.

(C) Other non-institutional providers, such as pharmacists, physical therapists, and occupational therapists.

(D) Employees of hospitals (regardless of profession or occupation).

(2) REQUIRED REPRESENTATION WITHIN GROUPS.—

(A) ALL GROUPS.—Within each such group established, representatives of providers shall be elected for each type of geographic area (including at least representatives of urban area, rural areas, and suburban areas in which the providers represented in the group furnish services in the State.

(B) INSTITUTIONAL PROVIDERS.—Within each group described in paragraph (1)(A), representatives shall be elected to represent employees of the institutional providers.

(C) PHYSICIAN GROUPS.—Within the group described in paragraph (1)(B), representatives of physicians shall be elected for—

(i) each medical and osteopathic specialty included in the group, and

(ii) each style of medical practice (including at least solo practice, group practice, and institution-based practice) engaged in by providers represented in the group.

(3) SELECTION OF REPRESENTATIVES.—The National Health Board shall, after consultation with any existing negotiating groups and other associations of health-care providers or institutions, and may revise from time to time general guidelines for the election of representatives for each provider negotiating group. Such guidelines shall provide for—

(A) differences in the sizes of the various negotiating groups;

(B) proportional representation for each type of health-care provider (as determined by the National Health Board) in the group, in terms of—

(i) the number of providers of that type in the State,

(ii) the recommended number of providers of that type in the State specified in the health care improvement plan of the State.

(iii) the percentage of total amount of payments made pursuant to this Act in that State which are for payment for services furnished by providers of that type, and

(iv) the percentage of total amount of payments recommended to be made in the State which are for payment for services furnished by providers of that type;

(C) three-year terms for each representative; and

(D) methods for the nomination and election of such representatives, each of which assures full information being made available to the providers of that type and opportunity for the nomination of candidates and the election of representatives by all of the providers of that type and, as appropriate, their employees in each group.

(4) ESTABLISHMENT OF GROUPS.—Each State Health Board, in accordance with the guidelines established by the National Health Board under paragraph (3) and after consultation with any existing negotiating groups and other associations of health-care providers in the State, shall establish (and may revise from time to time) the size, composition, and other characteristics of the provider negotiating groups within the State and the process for nomination and election of the members of those groups and shall conduct (or oversee the conduct of) these elections.

(c) ELECTION AND CONDUCT OF NEGOTIATING GROUPS.—The election of representatives to serve on providers negotiating groups under this section shall be by secret ballot. The negotiating sessions of such negotiating groups established under this section shall be open to the public, except under such circumstances as the National Health Board may provide.

PART C—DETERMINING AMOUNTS OF PREMIUMS AND INCENTIVE PAYMENTS AND BENEFITS

SEC. 331. DETERMINATION OF NATIONAL COMMUNITY-RATED PREMIUM AND RATE AND GROUP-RATED PREMIUMS.

(a) COMMUNITY-RATED PREMIUM AND RATE.—

(1) ESTABLISHMENT.—The National Health Board shall establish, in conjunction with the adoption each year of an Annual Budget and after conducting negotiations with consortia and with participating insurers and health maintenance organizations in accordance with subsection (c)—

(A) a national community-rated premium, and

(B) a national premium rate.

(2) NATIONAL COMMUNITY-RATED PREMIUM—

(A) BASIS.—The national community-rated premium for a year shall be established in such manner so that if the members of each family (other than Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals, residents of Federal or State institutions, or members of a uniformed service on active duty or members of such members' families) of which a member is enrolled under section 112 or 113(c) were to pay premiums based on such community-rated premium, the amount of the premiums paid for the year would equal the anticipated cost for the year under the Annual Budget for expenditures (including administrative costs, other than for State Health Boards, for the National Health Board, and for professional standards review organizations, and contingency funding as well as payments to participating providers for the furnishing of basic covered health-care services) under qualified health plans but excluding the portion of such cost associated with or attributable to the furnishing of covered health-care services to individuals while they are Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals, residents of Federal or State institutions, or members of a uniformed service on active duty or members of such members' families.

(B) SCHEDULES FOR DIFFERENT SIZE FAMILIES.—The national community-rated premium shall be established in three schedules, one for one-member families, another for two-member families, and a third for families with three or more members. The apportionment of the premium among such schedules shall be based on the relative actuarial costs of furnishing basic covered health-care services to families of these different sizes.

(3) BASIS FOR NATIONAL PREMIUM RATE.—The national premium rate shall be established for a year in such a manner so that—

(A) the sum of the wage-related premiums (under section 341), non-wage related premiums (under section 342), the government payment for unpaid private premiums (under section 346), and voluntary premiums under international agreements (determined under section 343 on the basis of the community-rated premium) anticipated to be paid for the year,

is equal to—

(B) all the anticipated expenditures contained in the Annual Budget for the year, other than those expenditures associated with or attributable to the furnishing of covered health-care services to individuals while they are Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals, or residents of Federal or State institutions.

(b) GROUP-RATED PREMIUM.—

(1) ESTABLISHMENT.—The National Health Board shall establish a group-rated premium for SSI-eligible individuals and for residents of Federal institutions who are enrolled in a qualified health plan.

(2) BASIS.—Such group-rated premium shall be designed, for each such group of individuals, so that the total amounts paid during each year by or on behalf of such individual's equals the anticipated expenditures contained in the Annual Budget associated with or attributable to the furnishing of covered health-care services to individuals in that group. In making such determination, the Board shall take in account—

(A) the previous cost experience associated with provision of covered health-care services to such groups of individuals, and

(B) estimates of premium and other payments, with respect to health-care services provided to such groups of individuals, that may be made by or on behalf of such individuals,

and shall prevent the disclosure to consortia or others, in the process of compiling data in order to establish such premiums, of the fact that any particular individual is a member of such a group. The Board shall provide for the adjustment of such premium at the end of a year to reflect the actual cost experience (including any dividend or rebate payment made or additional benefits made available under a qualified health plan) with respect to expenditures associated with or attributable to such groups of individuals during the year.

SEC. 332. DETERMINATION OF STATE COMMUNITY-RATED PREMIUM, PREMIUM RATE, AND GROUP-RATED PREMIUM.

(a) IN GENERAL.—

(1) APPLICATION OF NATIONAL PREMIUMS AND RATE.—Except as provided in paragraph (2) the national community-rated premium and the national premium rate established under section 331 shall apply as the State community-rated premium and premium rate for each State.

(2) STATE NEGOTIATED PREMIUM.—If a State, for a year, is able in its annual State budget to reduce its level of approved expenditures likely to be realized by an amount below the level of expenditures provided for in the

Annual Budget with respect to the State, the National Health Board, upon the request of the State Health Board, shall provide for such decrease in the community-rated premium and the premium rate for the State, below the national community-rated premium and premium rate, as will reflect a reduction of premium payments under this act no greater than the amount of such reduction in its approved expenditures.

(b) GROUP-RATED PREMIUM.—

(1) ESTABLISHMENT.—Each State Health Board shall establish a group-rated premium for AFDC-eligible individuals and for residents of State institutions who are enrolled in a qualified health plan. Such premium may vary by area within each State (in accordance with guidelines established by the National Health Board).

(2) BASIS.—Such group-rated premium shall be designed, for each such group of individuals, so that the total amount of premiums paid during each year by or on behalf of individuals in the group equals the anticipated expenditures contained in the Annual Budget with respect to the furnishing of basic covered health-care services to individuals in that group. In making such determination, each State Health Board shall take into account—

(A) the previous cost experience associated with provision of covered health-care services to such groups of individuals, and

(B) estimates of premium and other payments, with respect to health-care services provided to such groups of individuals, that may be made by or on behalf of such individuals,

and shall prevent the disclosure to consortia or others, in the process of compiling data in order to establish such premiums, of the fact that any particular individual is a member of such a group. Each State Health Board shall provide for the adjustment of such premium at the end of a year to reflect the actual cost experience (including any dividend or rebate payment made or additional benefits made available under a qualified health plan) with respect to such groups of individuals during the year.

SEC. 333. INSURER AND HEALTH MAINTENANCE ORGANIZATION BENEFITS, DIVIDENDS, AND REBATE TO PROMOTE COST-EFFECTIVENESS.

(a) PROVISION OF SUPPLEMENTAL BENEFITS, DIVIDENDS, OR REBATES.—

(1) OFFERING TO NON-MEDICARE ENROLLEES.—A participating insurer or health maintenance organization may offer eligible individuals (other than Medicare-eligible individuals) an incentive to enroll with (or to change their enrollment to) a qualified health plan offered by the insurer or organization—

(A) by providing the individuals with health insurance coverage with respect to health-care services in addition to basic covered health-care services, or

(B) by paying dividends or by making cash rebates on premiums,

or both.

(2) OFFERING TO MEDICARE-ELIGIBLE INDIVIDUALS.—A participating health maintenance organization may offer Medicare-eligible individuals an incentive to enroll in (or to change their enrollment to) a qualified health plan which is offered by the organization and which provides for all covered health-care services provided under Medicare—

(A) by providing the individuals with health insurance coverage with respect to health-care services in addition to the covered health-care services under Medicare, or

(B) by paying dividends or by making cash rebates on premiums,

or both.

(b) CONDITION FOR OFFERING ADDITIONAL BENEFITS.—A participating insurer or health maintenance organization may not offer to an individual enrolled under a qualified health plan the incentive described in subsection (a)(1)(A) or (a)(2)(A), respectively, unless—

(1) the incentive is also made available to all individuals enrolled under that plan, and

(2) the insurer or organization provides to individuals, before their enrollment under the plan, with a statement of the actuarial value of the benefits added by that incentive.

(c) DISTRIBUTION AND TREATMENT OF DIVIDENDS AND CASH REBATES.

(1) DISTRIBUTION.—

(A) IN GENERAL.—Subject to subparagraph (B), any dividend or cash rebate provided under subsection (a)(1)(B) or (a)(2)(B) shall be paid to the enrollee.

(B) PAYMENT OF PORTION TO EMPLOYER.—In the case of rebates or dividends provided with respect to an enrollee who is employed, the rebate or dividend shall be divided between the enrollee and the employer in proportions determined in accordance with procedures established by the National Health Board. Such procedures shall provide that if any of the employees of an employer are represented by a collective bargaining representative or other employee representative designated or selected under any law, the issue of the division of such rebate or dividend shall first be presented to such representative for negotiation with the employer.

(2) TAX AND OTHER TREATMENT OF REBATES AND DIVIDENDS.—Notwithstanding any other provision of law, any cash rebate or dividend received by an individual pursuant to this section—

(A) shall not be treated as income to the individual, for purposes of subtitle A of the Internal Revenue Code of 1954;

(B) shall not be treated as income or other resources, for purposes of administration of any Federal or Federally-assisted welfare program (as defined by the National Health Board), including programs under titles IV, XVI, or XIX of the Social Security Act, or the Food Stamp Act of 1977; and

(C) shall not reduce the amount of any credit due under section 334 (relating to a limit on amount of private premium payments).

SEC. 334. LIMIT ON AMOUNT OF PRIVATE PREMIUMS.

(a) IN GENERAL.—The sum of the amount of—

(1) 35 percent of the wage-related premiums paid, under section 341(a)(1), with respect to members of a family unit as employees, and

(2) the non-wage-related premiums paid, under section 342, by members of the family unit,

may not, for a year, exceed the amount of the state community-rated premium (established under section 332(a)) for a family unit of that size in that State for that year. In computing the size of a family unit, there shall not be counted individuals who, on January 1 of the year, are Medicare-eligible individuals, SSI-eligible individuals, or residents of Federal or State institutions.

(b) REQUEST FOR REFUND.—In accordance with regulations established by the National Health Board, family units for which premiums have been paid in a year in excess of the limit specified under subsection (a), may apply to the applicable consortium with respect to which the members of the unit are enrolled for a refund of the amount of such excess payments. Refunds of such amounts to members of a family unit shall, in the absence of agreement among members of the family unit, be apportioned to each such member in accordance with the amount of premiums paid with respect to the income of such member.

PART D—PAYMENT AND COLLECTION OF PREMIUMS

SEC. 341. WAGE-RELATED PRIVATE PREMIUMS.

(a) PAYMENTS BASED ON WAGE INCOME.—

(1) PAYMENT BY EMPLOYER.—Each employer is obligated to make payments, with respect to each employee for each payroll period, of an amount equal to the product of—

(A) the amount of wages paid to the employee during the period in any year, and

(B) the state premium rate (determined under section 332(a)) for the year in which the period occurs,

not later than 15 days after the last date of the payroll period.

(2) PAYMENT TO CONSORTIA.—The payment under paragraph (1) with respect to an employee enrolled (or whose family is enrolled) in a qualified health plan shall be made to the applicable consortium.

(3) EMPLOYEE CONTRIBUTION.—

(A) MANDATORY CONTRIBUTION.—An employer may, subject to section 334 and to any applicable collective bargaining agreement, require each employee, with respect to whom a payment is made under paragraph (1), pay the employer, by deduction or other reasonable method (approved by the National Health Board), an amount not to exceed 35 percent of the amount of the payment made on the employee's behalf under paragraph (1).

(B) VOLUNTARY CONTRIBUTIONS.—In order to assist in payment of premiums under section 342, if an employee requests (in a manner specified by the National Health Board) his employer to withhold or otherwise deduct from payments due the employee and to pay to the appropriate consortia specific amounts, in addition to any amounts withheld under subparagraph (A), the employer shall deduct and so make payments of such amounts to the appropriate consortia and the consortia shall apply such amounts as a credit toward payment of any non-wage-income-related premium payable, under section 342, with respect to the family unit of which the employee is a member.

(b) GRANTS AND CREDITS FOR IMPACTED EMPLOYERS.—

(1) APPLICATION AND ENTITLEMENT.—Any employer may apply to the National Health Board for certification as an impacted employer for a year. Such an application shall be submitted at such time and in such manner as the National Health Board shall provide. If the National Health Board determines, on the basis of such an application, that the employer is an impacted employer (as defined in subsection (c)(2)) for the year, the Board shall certify such fact and the employer shall be entitled, if the employer is—

(A) not a State employer or a nonprofit employer, to a credit against such taxes for the tax year in which the year ends (in accordance with section 44D of the Internal Revenue Code of 1954), or

(B) a State employer or a nonprofit employer, to a payment from the National Health Board,

in the amount determined under paragraph (2).

(2) AMOUNT OF GRANT OR CREDIT.—The amount of any credit or grant for an employer under this subsection, in the case of a credit or grant—

(A) for the first effective year, is equal to one-half,

(B) for the year after the first effective year, is equal to one-third, and

(C) for the second year after the first effective year, is equal to one-sixth,

of the lesser of (i) the incremental increase in employee health insurance costs (as defined in subsection (c)(3)) for the employer

for the year, or (ii) in case of an employer which is not a State employer or nonprofit employer, the amount by which the employer's absolute net income for the year is less than the employer's absolute net income for the base year.

(3) LIMITED APPLICATION OF SUBSECTION.—No credit or grant may be provided under this subsection for a year after the second year after the first effective year.

(4) SPECIAL RULES.—For purposes of this section, rules similar to the rules under section 44D(c) of the Internal Revenue Code of 1954 shall apply.

(5) REGULATIONS.—The National Health Board, in consultation with the Secretary of the Treasury, shall promulgate regulations to carry out this subsection, subsection (c), and section 44D of the Internal Revenue Code of 1954.

(c) DEFINITIONS.—For purposes of this section (and section 44D of the Internal Revenue Code of 1954):

(1) EMPLOYER, NONPROFIT EMPLOYER; STATE EMPLOYER.—

(A) EMPLOYER.—The term "employer" does not include an agency or instrumentality of the United States.

(B) NONPROFIT EMPLOYER.—The term "nonprofit employer" means an employer exempt from tax under subtitle A of the Internal Revenue Code of 1954.

(C) STATE EMPLOYER.—The term "State employer" means an employer which is a State or any political subdivision thereof, or any agency, instrumentality, or corporation wholly owned by such a State or subdivision thereof.

(2) IMPACTED EMPLOYER DEFINED.—The term "impacted employer" means, for a year, an employer—

(A) for which the product of—

(i) the amount by which the amount of the employer's health insurance premiums per full-time employee equivalent (as defined in paragraph (4)) for the year exceeds the amount of such premiums in the base year, and

(ii) the number of full-time employee equivalents for the employer for the year,

is greater than 3 percent of the wages paid by the employer in the year, and

(B) in the case of an employer which is not a State employer or nonprofit employer—

(i) the employer's net income as a percentage of gross income for the year is less than the employer's net income as a percentage of gross income for the base year, and

(ii) the employer's absolute net income for the tax year ending in the year is less than the employer's absolute net income for the tax year ending in the base year.

(3) INCREMENTAL INCREASE IN EMPLOYEE HEALTH INSURANCE COSTS DEFINED.—The term "incremental increase in employee health insurance costs" means, for an employer for a year, the lesser of—

(A) the product of—

(i) the amount by which the amount of the employer's health insurance premiums per full-time employee equivalent for the year exceeds the amount of such premiums in the base year, and

(ii) the number of full-time employee equivalents for the employer for the year,

less 3 percent of the wages paid by the employer in the year, or

(B) in the case of an employer which is not a State employer or a nonprofit employer—

(i) the product of (I) the percentage by which the employer's net income as a percentage of gross income for the year is less than the employer's net income as a percentage of gross income for the base year, and (II) the gross income for the year, or

(ii) the amount by which the employer's absolute net income for the year is less than the employer's absolute net income for the base year.

(4) HEALTH INSURANCE PREMIUMS PER FULL-TIME EMPLOYEE EQUIVALENT DEFINED.—The term "health insurance premiums per full-time employee equivalent" means, for a year, the amount of the health insurance premiums of the employer for the year divided by the number of full-time employee equivalents of the employer in the year.

(5) HEALTH INSURANCE PREMIUMS.—The term "health insurance premiums" means—

(A) for the base year, the amount paid by the employer to insurers or health maintenance organizations for health plans for its employees during the year, and

(B) for a year after the base year, the amount of payments made by the employer pursuant to subsection (a)(1) for the year, less the amount of employee contributions which are made (under subsection (a)(3)(A)) with respect to such payments for the year.

(6) FULL-TIME EMPLOYEE EQUIVALENTS DEFINED.—The term "full-time employee equivalents" means, for an employer for a year, the sum of—

(A) the sum of the fractions, for each salaried non-hourly employee by the employer in the year, of the year in which such employee was employed in a salaried non-hourly position by the employer; and

(B) the number of hours of employment for other employees of the employer (not counting any such hours which would be in excess of the maximum hours permitted under section 7 of Fair Labor Standards Act of 1938 (29 U.S.C. 207) without payment of excess compensation) in the year, divided by 2000.

(7) BASE YEAR.—The term "base year" means the year before the first effective year (as defined in section 4(a)(7).

SEC. 342. NON-WAGE-INCOME RELATED PRIVATE PREMIUMS.

(a) IN GENERAL.—

(1) OBLIGATION TO PAY.—Each individual (other than an exempt individual, as defined in subsection (c)(1)) is obligated to pay a premium based on non-wage-related income of the individual's family unit in accordance with this section.

(2) TO WHOM PAID.—The premium provided for under paragraph (1) shall be paid by the individual to the applicable consortium.

(3) WITHHOLDING OF PREMIUMS FROM WAGES OR PENSIONS.—

(A) WAGE WITHHOLDING. — Individuals with respect to whom premiums are payable under this section who are employees may have such premiums withheld from income and paid to the applicable consortium in accordance with section 341(a)(3)(B).

(B) PENSIONS WITHHELD.—Under such procedures as the National Health Board shall provide, individuals under the age of 65 years who receive pensions or other regular sources of income, upon which a premium is based under this section, from a previous employer, may have the entity paying the pension withhold from such payments and pay, in whole or in part, the amount of premiums due under this section.

(4) AMOUNT OF PREMIUM.—The amount of premium due under this section for a year is (subject to the limitation on total private premiums under section 334) equal to the product of—

(A) one-half of the state premium rate for the year (determined under section 332) for the State in which the family unit is enrolled, and

(B) the amount of the non-wage-related income (as defined in subsection (d)) of the family unit of which the individual is a member attributable to the individual.

(b) MANNER AND TIME OF PAYMENT.—

(1) INFORMATION RETURNS.—Each individual obligated to pay a premium under subsection (a) shall provide, in conjunction with the quarterly filing of such information returns (required to be filed under the Internal Revenue Code of 1954) as the National Health Board (after consultation with the Secretary of the Treasury) designates by regulation or as the National Health Board otherwise provides, for the filing of such information as will provide for the computation of the amount of any premium due under this section and the consortium or other entity to which such a premium is due. After appropriate verification of the information filed, the National Health Board shall forward information respecting amount of premiums due from individuals under this section to the appropriate consortia for collection.

(2) QUARTERLY AND ANNUAL PAYMENTS.—Premiums due under this section are payable quarterly on such an estimated basis as the consortia may provide, consistent with procedures established by the National Health Board, and in final settlement on an annual basis.

(3) LATE PAYMENTS.—The National Health Board may provide for the charging of a collection surcharge for an individual's failure to pay a premium required under this section on a timely basis, but such a surcharge may not exceed, for any 12-month period, 15 percent of the premium due. The Board may provide for waiver of such a surcharge under such circumstances as it deems appropriate.

(c) DEFINITIONS.—For purposes of this section:

(1) EXEMPT INDIVIDUAL.—The term "exempt individual" means a Medicare-eligible individual, a member of a uniformed service on active duty (and the member's spouse, if any), a foreign visitor, an eligible individual described in section 101(a)(3), or a dependent of another individual.

(2) NON-WAGE-RELATED INCOME.—The term "non-wage-related income" means, with respect to a family for a calendar year, the sum of the adjusted gross incomes (as defined in section 62 of the Internal Revenue Code of 1954) for each member of the family for the calendar year, less—

(A) wages paid to members of the family in the calendar year;

(B) such income as is attributable to dependents in the family or to individuals who, during the month in which the income accrues, are Medicare-eligible individuals; and

(C) (i) $4,000, in the case of a family unit consisting of an individual and the individual's spouse, with or without dependents, or

(ii) $2,000, in the case of any other family unit.

In the case of income attributable to more than one individual, the income, for purposes of this section, shall be pro-rated among the individuals in accordance to their legal interest in such income. For each year after the first effective year, the dollar amounts specified in subparagraph (C) shall be increased by the same percentage as the consumer price index for all urban consumers (as published monthly by the Bureau of Labor Statistics of the Department of Commerce) for the first month of the year exceeds the consumer price index for the first month of the first effective year.

SEC. 343. VOLUNTARY PREMIUMS UNDER EXECUTIVE AGREEMENTS.

(a) HEALTH INSURANCE PREMIUMS PAYMENTS.—Premium payments (described in section 101(b)(1)(A)) due with respect to eligible individuals described in section 101(a)(3) are payable on the basis of the national community-rated premium for the family units of the eligible individuals (or on such other basis as is otherwise provided) to the applicable consortium.

(b) PAYMENTS MADE IN LIEU OF HOSPITAL INSURANCE (MEDICARE) TAX.—Payments (described in section 101(b)(1)(B)) due with respect to eligible individuals described in section 101(a)(3) are payable to the National Health Board for deposit into the Federal Hospital Insurance Trust Fund (established

under section 1817 of the Social Security Act).

SEC. 344. HOSPITAL INSURANCE TAX AND PREMIUMS FOR MEDICARE-ELIGIBLE INDIVIDUALS.

For changes in the Medicare hospital insurance tax and premiums for Medicare-eligible individuals, see section 633.

SEC. 345. FEDERAL AND STATE PAYMENTS FOR PREMIUMS ON BEHALF OF CERTAIN RECIPIENTS OF FEDERAL AND STATE ASSISTANCE.

(a) FEDERAL PAYMENTS.—The National Health Board shall provide for the payment on a monthly basis of premiums to each consortium for qualified health plans, offered by participating insurers or health maintenance organizations under the consortium, provided to enrollees while they are SSI-eligible individuals or residents of Federal institutions on the basis of the group-related premium established under section 331(b).

(b) STATE PAYMENTS.—Each State shall provide for the payment on a monthly basis of premiums to each consortium for the qualified health plans, offered by participating insurers or health maintenance organizations under the consortium, provided to enrollees while they are residents of State institutions and to enrollees (and members of their families) while they are AFDC-eligible individuals on the basis of the group-related premium established under section 332(b).

SEC. 346. GOVERNMENT PAYMENT AND COLLECTION OF UNPAID PREMIUMS.

(a) PAYMENT BY GOVERNMENT ON BEHALF OF ENROLLEE.—If a consortium has attempted, in accordance with procedures established by the National Health Board, to collect premiums due under this part and has not been able to collect such premiums within a reasonable time period of the time they were due, the National Health Board shall pay the consortium the estimated amount of the premiums due. In any such case (except in the case of an employer which is an agency of a State or political subdivision of a State), the National Health Board shall be subrogated to the right to collect such premium and such unpaid premiums shall constitute a claim of the United States for money arising out of activities of the National Health Board (for purposes of the Federal Claims Collection Act of 1966, 31 U.S.C. 951 et. seq.).

(b) APPLICATION TO STATE AND LOCAL GOVERNMENTS.—If an employer which is an agency of a State or political subdivision of a State fails to make the payment of an amount required to be paid by the agency as an employer under section 341(a), the National Health Board shall provide for the deduction and transfer to the appropriate consortia, from any amounts otherwise owing or due to any agency of the State under any program under the jurisdiction of the Board, of an amount equal to the amount not paid and shall provide for an additional such deduction equal to 50 percent of such amount to be paid into the Health Resources Distribution Fund.

PART E—DISTRIBUTION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS

SEC. 351. COMPUTATION OF ADJUSTED CAPITATION AMOUNTS.

(a) CAPITATION AMOUNTS.—

(1) COMPUTATION.—With respect to each capitation individual (as defined in paragraph (2)) in a qualified health plan offered by a participating insurer or health maintenance organization in a State, the consortia jointly shall compute an amount (hereinafter in this section referred to as the "capitation amount") which is equal to the average anticipated expenditures contained in the approved annual State budget of the State with respect to the individual, including administrative costs of the consortium and the insurer or organization with respect to the individual and funds for the contingency fund (under section 352) but excluding administrative costs of the State Health Board. The consortia shall report capitation amounts they have computed to the National Health Board for its review and approval.

(2) DEFINITIONS.—For purposes of this part:

(A) CAPITATION INDIVIDUAL.—The term "capitation individual" means an enrollee other than a non-capitation individual.

(B) NON-CAPITATION INDIVIDUAL.—The term "non-capitation individual" means an enrollee while the enrollee is a group-rated individual (as defined in subparagraph (C)), Medicare-eligible individual, or a member of a uniformed services (or a member of such member's family).

(C) GROUP-RATED INDIVIDUAL.—The term "group-rated individual" means an enrollee while the enrollee is an AFDC-eligible individual, SSI-eligible individual, or a resident of a Federal or State institution.

(b) ADJUSTMENTS FOR AREA COSTS AND ACTUARIAL RISKS.—Each consortium shall adjust the capitation amounts in order to reflect, for a specific capitation individual—

(1) the relative actual costs of providing covered health-care services to enrollees in the area in which the individual resides, as reflected and permitted in the applicable annual State budget, and

(2) the actuarial risk associated with an enrollee with the individual's characteristics (including age, sex, institutional status, disability status, and any other relevant factors) obtaining, or incurring expenses with respect to, covered health-care services for the year. Such adjustment shall be made in such manner as would eliminate any financial incentive for insurers or health maintenance organizations to practice risk selection or experience rating of premiums to reflect the health of enrollees or otherwise to prevent attainment of the objectives of this Act.

(c) TOTAL AMOUNTS.—The total of the capitation amounts and the total of adjusted capitation amounts with respect to the capitation enrollees in a State in a year shall be equal to the total expenditures in the annual State budget relating to the provision (and administration by the consortia, insurers, and health maintenance organizations with respect to) covered health-care services to capitation individuals, other than administrative expenses of the State Health Board.

SEC. 352. ALLOCATION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS.

(a) BASIC ALLOCATION.—

(1) INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.—Each consortium shall provide for the apportionment to each of its members of an adjusted capitation amount for each capitation individual as determined under section 351 and of the group-rated premium (established under part C) for each group-rated individual. Such apportioned amount shall be paid out to members in such installations as the consortium may provide, consistent with guidelines approved by the National Health Board.

(2) ADDITIONAL PAYMENT TO NEW HEALTH MAINTENANCE ORGANIZATIONS BASED ON APPROVED PROSPECTIVE BUDGETS.—The National Health Board shall provide for payments from the Health Resources Distribution Fund of payments, supplementary to the payments provided under paragraph (1), to participating health maintenance organizations that have been in operation for less than five years. In order to be eligible to receive such a payment, the organization must submit to, and have approved by, the applicable State Health Board a prospective budget in accordance with the procedures and policies established under section 321. The amount of such a payment under this paragraph shall be equal to such proportion of the reasonable costs contained in the prospective budget, for covered health-care services provided to eligible enrollees, in excess of the payments received under paragraph (1) as the National Health Board determines to be appropriate.

(b) ALLOCATION OF PREMIUMS AMONG CONSORTIA.—In accordance with guidelines established by the National Health Board, the consortia shall provide for the redistribution of premiums collected by each of the consortia in order to assure that each consortium is provided—

(1) an adjusted capitation amount (determined under section 351) for each capitation individual enrolled in a qualified health plan offered by a member of the consortium, and

(2) a group-rated premium for each group-rated individual enrolled in a qualified health plan offered by a member of the consortium.

SEC. 353. TREATMENT OF SHORTAGES AND OVERAGES; USE OF CONTINGENCY FUNDS.

(a) USE OF CONTINGENCY FUNDS.—Each consortium shall maintain from the premiums collected and allocated to it a contingency fund to be used for expenditures associated with unforseen and unanticipated circumstances, beyond the control of insurers or organizations, relating to enrollees in plans offered by its members.

(b) LOAN GUARANTEES TO PREVENT PREMIUM SHORTFALLS.—

(1) AUTHORITY TO MAKE LOAN GUARANTEES.—If for any year the amount of the premiums collected and collectable under this Act are less than the amounts of such premiums provided for in the Annual Budget, the National Health Board is authorized to guarantee, and to make commitments to guarantee, the principal and interest (including interest accruing between the date of default and the date of the payment in full of the guarantee) of loans issued by the consortia for the purpose of assuring revenues for a year in order to provide for the furnishing of covered health care services under this Act.

(2) TERMS OF LOAN GUARANTEES.—Loan guarantees under this subsection shall be on such terms and conditions as the National Health Board determines, except that no guarantee, or commitment to make a guarantee, may be made pursuant to paragraph (1) unless the National Health Board certifies that—

(A) such a loan is required because premium revenues for a year will be below those specified in the Annual Budget for the year,

(B) the loan bears interest at a rate not to exceed such annual per centum on the principal obligation outstanding as the National Health Board, after consultation with the Secretary of the Treasury, determines to be reasonable, taking into account the range of interest rates prevailing in the private sector for similar loans and risks by the United States;

(C) the terms of such loan require full repayment over a period not to exceed three years;

(D) the total amount of loans guaranteed under this subsection for a year will not exceed the amount by which (i) the anticipated expenditures for the year contained in the Annual Budget or (ii) the actual expenditures for the year under such Budget, whichever is less, exceeds the actual revenues for the year.

(3) FEES.—The National Health Board shall not charge any fees for the investigation of an application for a guarantee or for the issuance of a commitment to make a guarantee under this subsection.

(4) DEFAULT.—In the event of any default by the consortia on a loan guaranteed under this subsection, the National Health Board is authorized to make payment in accordance with the guarantee.

(5) ADJUSTMENT OF SUBSEQUENT BUDGETS.—

In the event that loans are guaranteed in a year under this subsection, the National Health Board shall provide for appropriate adjustments in subsequent Annual Budgets and annual State budgets to provide for the recoupment of the costs of securing the loans and the prompt retirement of such loans.

(6) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this subsection with respect to both principal and interest, including interest, as may be provided for in the guarantee, accruing between the date of default under a guaranteed loan and the payment in full of the guarantee.

(c) SURPLUS PREMIUMS.—If for any year the premiums collected and collectable under this Act are greater than the amounts provided for in the Annual Budget, the National Health Board shall provide for the maintenance and distribution of such excess funds by the consortia in accordance with guidelines established by the Board. Such guidelines shall provide for appropriate adjustments in subsequent Annual Budgets and annual State budgets to take account of such surpluses and interest on such surpluses.

TITLE IV—ADMINISTRATION

PART A—NATIONAL HEALTH BOARD AND STATE HEALTH BOARDS

Subpart I—National Health Board and Commission on the Health of Americans

SEC. 401. ESTABLISHMENT OF NATIONAL HEALTH BOARD.

(a) ESTABLISHMENT.—There is established as an independent establishment (as defined in section 104 of title 5, United States Code) the National Health Board (hereinafter in this subpart referred to as the "Board").

(b) ORGANIZATION.—

(1) APPOINTMENT OF MEMBERS.—The Board shall consist of five members appointed by the President by and with the advice and consent of the Senate. The President shall first submit the nominations of individuals to serve as members of the National Health Board not later than 60 days after the date of the enactment of this Act.

(2) CHAIRMAN.—The President shall designate a member of the Board to serve as chairman of the Board at the pleasure of the President. If, because of death, retirement, expiration of term, or other reason, the chairman ceases to be a member of the Board, the member who has served as a member for the longest period of time, shall serve as acting chairman, until a new chairman is designated by the President.

(3) POLITICAL AFFILIATION, OUTSIDE EMPLOYMENT.—Not more than three members of the Board shall be of the same political party. An individual may not engage in any other business, vocation, or employment while serving as a member of the Board.

(4) TERM OF OFFICE.—

(A) BASIC TERM.—Except as provided in subparagraphs (B) and (C), the term of office of a member is five years.

(B) INITIAL STAGGERED TERMS.—Of the members first appointed to the Board—

(i) one shall be appointed for a term of one year,

(ii) one shall be appointed for a term of two years,

(iii) one shall be appointed for a term of three years, and

(iv) one shall be appointed for a term of four years,

as designated by the President at the time of appointment.

(C) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(5) COMPENSATION.—Each member of the Board shall be paid at a rate equal to the rate of basic pay payable for level II of the Executive Schedule.

(6) REMOVAL.—Any member of the Board may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office.

(c) STAFF OFFICES.—

(1) DIRECTOR.—The Board shall, without regard to section 5311(b) of title 5, United States Code, have a Director who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level III of the Executive Schedule.

(2) STAFF.—Subject to such rules as may be prescribed by the Board, the chairman of the Board may appoint such additional personnel as the chairman considers appropriate.

(d) GENERAL PROVISIONS.—

(1) QUORUM.—A quorum for the transaction of business of the Board shall consist of a majority of the members.

(2) OFFICIAL SEAL.—The Board may have an official seal, which shall be judicially recognized.

(3) OFFICE SERVICES.—The General Services Administration shall furnish the Board with such offices, equipment, supplies, and services as it is authorized to furnish to any department, agency, or independent instrumentality of the United States.

SEC. 402. AUTHORITY AND DUTIES.

(a) DUTIES OF THE BOARD.—In addition to the specific functions prescribed for it by this Act, the Board shall—

(1) establish and maintain such commissions, bureaus, divisions, offices, and other entities as are required by this Act or as it deems appropriate for the efficient and effective conduct of its responsibility and the execution of its powers and duties;

(2) perform the functions of a participating insurer or consortium with respect to any area in which, or group of insurers for which, there is no participating insurer or consortium certified under part B;

(3) perform the functions of a State Health Board with respect to any State in which a State Health Board has not been established in accordance with subpart II;

(4) establish administrative procedures for receiving and acting upon appeals from consumers and providers from decisions of State Health Boards respecting enrollment, eligibility for benefits, benefits, and certification; and

(5) be responsible for the general implementation and administration of the functions of the Federal Government under this Act.

(b) CONTINUING EVALUATION.—The Board shall, on a continuing basis after the date health-care benefits are first made available under this Act, study and evaluate the operation of this Act, including the adequacy and quality of services furnished under this Act, of the cost of each type of health-care service furnished, of the effectiveness of measures taken to restrain the costs under this Act, and of the economic impact on employers and employment of wage-related premiums charged pursuant to this Act. In addition, the Board may conduct such other studies as it considers appropriate for the evaluation or improvement of the operation of this Act.

(c) TRANSFER OF FUNCTIONS.—There are transferred to, and vested in, the National Health Board all functions of the Secretary of Health, Education, and Welfare, or other officers and components of the Department of Health, Education, and Welfare, relating to—

(1) the following provisions of the Social Security Act:

(A) title V,

(B) sections 1121, 1123, 1124, and 1126,

(C) section 1131, but only with respect to decisions relating to Medicare,

(D) part B of title XI,

(E) title XVIII, and

(F) title XIX,

and any other functions performed under any authority of law by the Administrator of Health Care Financing;

(2) all the provisions of the Public Health Service Act, except—

(i) provisions of title II (other than sections 226 and 227),

(ii) the following provisions of title III: sections 301 through 303, the biomedical research authorities of section 307, 310, through 318, and parts C (except section 330), E, F, G, H, I, and J,

(iii) title IV,

(iv) title V,

(v) title X, and

(vi) title XIV;

(3) the Community Mental Health Centers Act;

(4) such functions under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 as the Secretary determines, after consultation with the National Health Board, relate primarily to treatment of alcoholics or alcohol abusers;

(5) such functions under the Drug Abuse Office and Treatment Act of 1972 as the Secretary determines, after consultation with the National Health Board, relate primarily to treatment of drug addicts or abusers; and

(6) the provision of health-care services to American Indians, including functions of the Secretary, under the Indian Health Care Improvement Act (Public Law 94-437).

SEC. 403. OFFICES AND COMMISSIONS OF THE BOARD.

(a) OMBUDSMAN.—

(1) APPOINTMENT.—The Board shall have an Ombudsman who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule.

(2) FUNCTION.—The Ombudsman shall investigate complaints made to the Board respecting the operation of the national health insurance system, report to the Board the results of such investigations, and make recommendations to the Board respecting such administrative actions as the Ombudsman determines on the basis of such investigations should be taken.

(b) ADVOCATE.—

(1) APPOINTMENT.—The Board shall have an Advocate who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule.

(2) FUNCTION.—The Advocate shall, upon request, assist consumers in determining their rights to services and reimbursements under the national health insurance system, assist consumers in obtaining such services, and take such action as may be appropriate to protect such rights. The Advocate shall give priority to requests for assistance from the elderly, the disabled, members of minorities, and other disadvantaged groups and from women.

(C) INSPECTOR GENERAL.—

(1) APPOINTMENT.—The Board shall have an Inspector General who shall be appointed by the chairman of the Board and who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule.

(2) DUTIES.—The Inspector General shall

(A) supervise, coordinate, and provide policy direction for auditing and investigative activities of the Board relating to the national health insurance system;

(B) recommend policies for, and conduct, supervise, or coordinate other activities carried out or financed by the Board for, the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, the national health insurance system; and

(C) recommend policies for, and conduct, supervise, or coordinate, relationships be-

tween the Board and other Federal agencies, State and local government agencies, and nongovernmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, the national health insurance system, or (ii) the identification and prosecution of participants in such fraud or abuse.

(3) AUTHORITIES.—In carrying out the duties prescribed by paragraph (2), the Inspector General may—

(A) have access to all records, reports, audits, reviews, documents, papers, recommendations or other material available to the Board which relate to activities under the national health insurance system with respect to which the Inspector General has responsibilities under paragraph (2);

(B) request such information or assistance as may be necessary for carrying out such duties from any Federal, State, or local governmental agency or unit thereof; and

(C) require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of such duties, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate district court of the United States.

(4) CONTRACTS WITH STATE FRAUD AND ABUSE UNITS.—The Inspector General shall, to the extent or in such amounts as are provided in advance in appropriations Acts, contract with State medicaid fraud control units (certified under section 1903(q) of the Social Security Act) for such unit to conduct activities described in such section with respect to health care services provided under the national health insurance system.

(d) COMMISSIONS.—

(1) ESTABLISHMENT.—The Board shall establish the following Commissions:

(A) COMMISSION ON BENEFITS.—A Commission on Benefits, which will—

(i) review on a continuing basis the provision of basic covered health-care services provided under qualified health plans and determine their cost and effectiveness in improving the health of the public;

(ii) examine the cost and effectiveness of other health care services in improving the health of the public; and

(iii) recommend to the Board such changes in the coverage of such services, particularly with respect to actions that may be taken to expand the scope or type of basic covered health-care services (such as preventive health services, mental health services, drugs, vision care, long-term care, home health care, and dental care) for which coverage under this Act is limited, as it deems appropriate based on its reviews and examinations.

(B) COMMISSION ON QUALITY.—A Commission on Quality, which will—

(i) review on a continuing basis the quality of the health care services provided pursuant to this Act;

(ii) examine the standards used with respect to the qualification and certification of participating providers (including health maintenance organizations); and

(iii) recommend to the Board actions which should be taken to maintain and improve the quality of such services.

(C) COMMISSION ON ACCESS.—A Commission on Access, which will—

(i) review on a continuing basis the utilization of covered health-care services by the different categories of eligible individuals;

(ii) examine the specific problems of rural, elderly, migrant, American Indian, inner-city, disabled, imprisoned, and institutionalized eligible individuals, and other groups of disadvantaged eligible individuals, in achieving access to covered health-care services on a basis equal to that of other groups in the population; and

(iii) recommend to the Board actions which should be undertaken to maintain and improve the accessibility of covered health-care services to all eligible individuals.

(D) COMMISSION ON HEALTH CARE ORGANIZATION.—A Commission on Health Care Organization, which will—

(i) review on a continuing basis the cost and effectiveness of methods for the delivery of covered health-care services to eligible individuals;

(ii) particularly examine the relative performance of health maintenance organizations, community health centers, community mental health centers, migrant health centers, maternal and child health centers, and other innovative methods in providing cost-effective health care services; and

(iii) recommend to the Board actions which should be taken to support and encourage the creation and expansion of more cost effective organizational methods for the provision and financing of covered health care services pursuant to this Act.

A Commission may include in its recommendations to the Board recommendations for legislation, establishment of budget guidelines or requirements, changes in regulations, and use of the Health Resources Distribution Fund or other authority of the Board.

(2) MEMBERSHIP.—The Board shall determine the number of members to be appointed to each commission and their terms of office. At least one-half of the members of each Commission shall be consumers or representatives of consumers and shall also include such representatives of various participating institutional and other health care providers, their employees, and participating insurers and health maintenance organizations as the Board determines to be appropriate. The members of a Commission shall serve without pay. Members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of the duties vested in the Commission.

(3) STAFF.—The Board shall, upon request, detail to each Commission such of the Board's full-time personnel as may be necessary to enable the Commission to carry out its functions, with at least one such staff member detailed specifically to assist members who are or represent consumers.

SEC. 404. COMMISSION ON THE HEALTH OF AMERICANS.

(a) ESTABLISHMENT AND DUTIES.—There is established the Commission on the Health of Americans. The Commission shall on an ongoing basis review the health status of the population of and population groups in the United States, review a broad range of proposals (and their costs), including research, environmental programs, highway safety, public health programs, and personal health services programs, for improving such health status, and recommend to the President the proposals which the Commission determines would be effective in improving such health status, including those which could be implemented by the National Health Board.

(b) MEMBERSHIP.—The Commission shall consist of nine members appointed by the President. The chairman of the Commission shall be selected by the members of the Commission. The members of the Commission shall serve at the pleasure of the President.

(c) COMPENSATION.—Members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of the duties vested in the Commission.

(d) STAFF.—The Commission may appoint such personnel as it considers necessary for the performance of the Commission's duties. Upon request of the Commission, the head of any Federal department or agency is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties.

(e) OFFICE SERVICES.—The General Services Administration shall furnish the Commission with such offices, equipment, supplies, and services as it is authorized to furnish to any department, agency, or independent instrumentality of the United States.

SEC. 405. NATIONAL INSTITUTES OF HEALTH CARE RESEARCH.

(a) ESTABLISHMENT.—There is established, under the direction of the National Health Board, a National Institutes of Health Care Research which shall be composed of an Institute of Health Statistics, an Institute of Health Service Research, and an Institute of Health Technology Evaluation.

(b) GENERAL TRANSFER OF FUNCTIONS.—There are transferred to the—

(1) Institute of Health Statistics, all of the functions of the Secretary of Health, Education, and Welfare under section 304 of the Public Health Service Act relating to health statistics and all of the functions of the Secretary and the National Center for Health Statistics under section 306 of such Act;

(2) Institute of Health Services Research, all of the functions of the Secretary of Health, Education, and Welfare under section 304 of the Public Health Service Act relating to health services research and all of the functions of the Secretary and the National Center for Health Services Research under section 305 of such Act; and

(3) Institute of Health Technology Evaluation, all of the functions of the Secretary of Health, Education, and Welfare under section 304 of the Public Health Service Act relating to health care technology and all of the functions of the Secretary and the National Center for Health Care Technology under section 309 of such act.

(c) INSTITUTE OF HEALTH STATISTICS.—

(1) ESTABLISHMENT OF DATA SYSTEMS.—In addition to the functions transferred to the Institute under subsection (b)(2), the Institute of Health Statistics shall—

(A) propose to the National Health Board regulations, guidelines, and policies with respect to the establishment and operation by the Board of such data systems as will assure the appropriate flow of information for—

(i) management of the national health insurance system, including the budget process; and

(ii) monitoring the impact of the cost, accessibility, and quality of health-care services provided pursuant to this Act on morbidity and mortality in the United States; and

(B) assist in the analysis of data gathered from such systems in order to meet the needs of administrators, consumers, and health care providers under the national health insurance system.

(2) BASIS FOR SYSTEMS.—The Institute shall provide that the data systems described in paragraph (1)(A)—

(A) are based on such uniform minimum data sets as have been developed under section 306 of the Public Health Service Act;

(B) include the entire population of the United States and all health care services provided to residents of the United States; and

(C) are designed in such a manner as to—

(i) promote efficiency and effectiveness in the collection, processing, analysis, and dissemination of information,

(ii) minimize duplication in the data gathering activities of consortia, State and local governments, and the National Health Board, and

(iii) provide such information as will facilitate consortia, employers, participating insurers and health maintenance organizations, participating providers, and consumers in making informed decisions with respect to their involvement with the national health insurance system.

Subpart II—State Health Boards

SEC. 407. ESTABLISHMENT.

(a) STATE HEALTH INSURANCE CORPORATIONS.—In accordance with such guidelines as shall be issued by the National Health Board, each State shall charter as a public corporation a State Health Insurance Corporation.

(b) STATE HEALTH BOARDS.—

(1) MEMBERSHIP.—The board of directors of a State Health Insurance Corporation shall be a board to be known as the State Health Board. Each State Health Board shall consist of five members appointed by the Governor of the State by and with the advice and consent of the National Health Board. At least two members of a State Health Board shall be individuals who represent the interests of employers, labor unions, or other major purchasers of qualified health plans, at least one other member shall be a consumer, and not more than three members may be members of the same political party. A vacancy in a State Health Board shall be filled in the same manner as the original appointment was made.

(2) TERM OF OFFICE.—

(A) BASIC TERM.—Except as provided in subparagraphs (B) and (C), the term of office of a member is five years.

(B) INITIAL STAGGERED TERMS.—Of the members first appointed—

(i) one shall be appointed for a term of one year,

(ii) one shall be appointed for a term of two years,

(iii) one shall be appointed for a term of three years, and

(iv) one shall be appointed for a term of four years,

as designated by the Governor at the time of appointment.

(C) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(3) OFFICES AND COMMISSIONS.—In accordance with such guidelines as the National Health Board shall issue, a State Health Board shall establish an ombudsman, an advocate, and such advisory commissions as may be appropriate to carry out its functions. The functions of the ombudsman and advocate shall correspond to the functions of the Ombudsman and Advocate of the National Health Board and the memberships and functions of the commissions shall correspond to the commissions appointed by the National Health Board.

(4) FUNCTIONS.—A State Health Board shall perform the functions prescribed for it by this Act and shall also provide for the establishment of administrative procedures for receiving and acting upon appeals from consumers and providers in the State from decisions of participating insurers and health maintenance organizations and the consortia respecting enrollment, eligibility for benefits, benefits, and certification. Each State Health Board that has an Indian tribe or intertribal Indian organization located with its State shall carry out its functions under this section in a manner that recognizes tribal self-determination, and shall seek to enter into an agreement with each such tribe or organization on matters of mutual concern, as defined in regulations of the National Health Board.

PART B—PARTICIPATING INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, AND CONSORTIA

SEC. 411. PARTICIPATING INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.

(a) STANDARDS.—

(1) APPLICATION.—Each insurer and health maintenance organization may apply to the National Health Board for certification as a participating insurer or participating health maintenance organization under the national health insurance system.

(2) REQUIREMENTS.—The National Health Board may not certify an insurer as a participating insurer or a health maintenance organization as a participating health maintenance organization unless—

(A) it is satisfied that the insurer (other than a self-insurer) or organization may lawfully act as an insurer or health maintenance organization, respectively, in each State in which it intends to operate,

(B) the insurer or organization, if previously certified, has not violated the terms of any previous participation agreement under this section, and

(C) the insurer or organization enters into a participation agreement under subsection (b).

(b) PARTICIPATION AGREEMENT.—The National Health Board shall provide for a participation agreement between itself and insurers and health maintenance organizations. This agreement would include the following provisions, and such other provisions as the National Health Board determines to be appropriate to carry out this Act:

(1) CONSORTIUM MEMBERSHIP.—The insurer or organization agrees to apply to and serve as a member of the consortium for its type of insurer or organization or (with the approval of the National Health Board and of the consortium) of another consortium and comply with such rules as the consortium may establish consistent with this Act.

(2) OFFERING OF BASIC PLANS.—The insurer or organization agrees to offer enrollment in at least one qualified health plan which provides for at least all basic covered health-care services, without charging (with respect to such basic services) any fee, deductible, coinsurance, copayment, or other charge in addition to the premiums provided for under this Act.

(3) OPEN ENROLLMENT.—

(A) IN GENERAL.—The insurer or organization agrees to accept for enrollment, during enrollment periods provided in section 111, in a qualified health plan it offers all eligible individuals (with respect to the plan) in the order in which they apply for enrollment, up to the limits of its capacity and without restriction (except as may be authorized by regulation of the National Health Board).

(B) ENROLLMENT RESTRICTIONS.—The National Health Board shall provide by regulation for limitations on the number and kinds of individuals required to be enrolled under subparagraph (A) to reflect the needs for (i) capacity to develop cost-effective services, and (ii) the special characteristics of qualified health plans which are offered by self-insurers and which have been negotiated or arranged between employers and employees.

(4) ISSUANCE OF HEALTH INSURANCE ENROLLMENT CARDS.—The insurer or organization agrees to provide for the issuance of a health insurance enrollment card for each eligible individual enrolled in a qualified health plan offered by the insurer or organization.

(5) PAYMENT OF PROVIDERS.—

(A) INSURERS.—The insurer agrees to provide for the payment to participating providers (and other providers to which payments may be made under qualified health plans), in such amounts no greater than the amounts permitted under this Act and at such intervals and in such manner as is consistent with this Act, for their provision of covered health-care services to eligible individuals enrolled in a qualified health plan offered by the insurer.

(B) HEALTH MAINTENANCE ORGANIZATIONS.—The health maintenance organization agrees to—

(i) provide for the payment to participating providers (and other providers to which payments may be made under qualified health plans), in amounts no greater than the amounts permitted under this Act and in such manner as is consistent with this Act, for their provision, or

(ii) provide directly,

or a combination of both, of covered health-care services to eligible individuals enrolled in a qualified health plan offered by the organization.

(C) REPORTS ON PAYMENTS.—The insurer or organization agrees to report to the State Health Board and its consortium on payments made (and on expenses incurred) under this Act during appropriate periods of any year.

(D) NOTIFICATION OF INDIVIDUALS.—The insurer agrees, in accordance with regulations of the National Health Board, to notify enrollees of the fact and the service with respect to which a payment by the insurer has been made on the enrollees' behalf.

(6) INFORMATION AND ACCESS.—The insurer or organization will maintain such records and afford such access thereto by the applicable consortium, State Health Boards, and the National Health Board as the National Health Board finds necessary to carry out the purposes of this Act, and to provide for such confidential treatment to its individually-identifiable records as the National Health Board may provide for by regulation.

(7) EQUAL REBATE POLICY.—The insurer or organization agrees that if any rebates, cash dividends, or additional health-care benefits are offered with respect to a qualified health plan pursuant to section 333, such rebates, dividends, or benefits are made available to all eligible individuals enrolled in the plan on the same basis, subject to the provisions of section 333(c)(1)(B) (relating to payment of portion of rebate to an employer).

(8) FAIR HEARING.—The insurer or organization agrees to establish and maintain procedures pursuant to which—

(A) an individual enrolled in a qualified health plan offered by the insurer or organization who is dissatisfied by reason of his failure to receive without additional cost to the individual (or have payment made for) any health care service to which the individual believes he is entitled under the plan shall, if the amount in controversy is over such threshold amount as the National Health Board shall establish, be entitled to opportunity for a fair hearing by the insurer or organization, and

(B) a participating provider, providing covered health-care services to individuals enrolled in a qualified health plan offered by the insurer or organization, who is dissatisfied by reason of the insurer's or organization's failure to make payment properly and with reasonable promptness in accordance with this Act shall, if the amount in controversy is over such threshold amount as the National Health Board shall establish, be entitled to an opportunity for a fair hearing by the insurer or organization.

(9) PAYMENT OF INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS.—The National Health Board agrees that, in return for such services and understandings, the insurer or organization shall be provided, by the consortium of which it is a member, payment for each enrollee in a qualified health plan offered by the insurer of such amounts as are established under part E of title III.

(10) OTHER CONDITIONS.—The insurer or organization agrees to perform functions otherwise required to be performed by participating insurers or health maintenance organizations under this Act and to comply with such reasonable regulations (respecting marketing and customer service practices and other areas) as the National Health Board establishes.

(c) PERIOD OF CERTIFICATION.—Each certification under this section shall be for a term of at least one year, as determined by the National Health Board, and may be made automatically renewable from term to term in the absence of notice by either party of intention to terminate at the end of the current term; except that the National Health Board may terminate any such certification at any time (after reasonable notice and opportunity for hearing to the insurer or organization involved as it may provide in regulations), if it finds that the insurer or organization (1) has failed substantially to carry out the participation contract, (2) is carrying out the contract in a manner inconsistent with the efficient and effective administration of this Act, or (3) no longer substantially meets the applicable conditions to be an insurer or a health maintenance organization. The effective date of such a certification shall be specified in the agreement pursuant to regulations of the National Health Board.

(d) LIMITATION ON AVAILABLE PROVIDERS AS A CONDITION ON ENROLLMENT UNDER A PLAN.—A participating insurer or health maintenance organization may provide that, as a condition of an individual's enrollment under a qualified health plan offered by the insurer or organization, payments will only be made under the plan with respect to covered health-care services furnished to the individual by specified participating providers or offered by the organization.

SEC. 412. CONSORTIA.

(a) ESTABLISHMENT.—The National Health Board shall provide for the certification of corporations, lawfully established and able to operate in each of the States, to serve as consortia with respect to this Act. The Board shall certify one such consortium to carry out functions with respect to each of the following types of participating insurers or health maintenance organizations:

(1) BLUE CROSS-BLUE SHIELD CONSORTIUM.—Non-profit State-chartered medical/hospital services corporations.

(2) COMMERCIAL INSURANCE CARRIER CONSORTIUM.—Profitmaking commercial insurers which do not directly furnish health care services.

(3) PREPAID GROUP PRACTICE HMO CONSORTIUM.—Health maintenance organizations which provide basic covered health-care services through physicians or other health professionals who are members of the staff of the organization or a medical group (or groups) (as such term is defined in section 1302(4) of the Public Health Service Act).

(4) INDIVIDUAL PRACTICE ASSOCIATION HMO CONSORTIUM.—Health maintenance organizations which provides basic covered health-care services through (A) an individual practice association (or associations), as such term is defined in section 1302(5) of the Public Health Service Act, or (B) a combination of such association (or associations), medical group (or groups), staff, and individual physicians and other health professionals under contract with the organization.

(5) SELF-INSURER CONSORTIUM.—Insurers that are self-insurers (as defined in section 4(c)(5)(D)).

An insurer or health maintenance organization, with the approval of the National Health Board and of the consortium, may apply and serve as a member of a consortium other than the consortium to which it would otherwise belong under this subsection.

(b) STANDARDS FOR CERTIFICATION.—

(1) BLUE-CROSS AND COMMERCIAL INSURANCE CONSORTIA.—The National Health Board may not certify a corporation as a consortium described in paragraph (1) or (2) of subsection (a) unless the consortium has members which offer qualified health plans to such extent, in all the States and in each major area of each of the States, as will provide for such plans to be effectively available to all eligible individuals in the United States.

(2) CERTIFICATION.—The National Health Board may not certify a corporation as a consortium unless—

(A) it is satisfied that the corporation (i) may lawfully act as a consortium in each State in which it intends to operate and (ii) has sufficient resources and plans of operation to carry out the functions of a consortium under this Act,

(B) the consortium, if previously certified, has not violated the terms of any previous participation agreement under this section, and

(C) the consortium enters into a participation agreement under subsection (c).

(c) PARTICIPATION AGREEMENT.—The participation agreement referred to in subsection (b) between the National Health Board and a consortium shall include the following provisions, and such other provisions as the National Health Board determines to be appropriate to carry out this Act:

(1) CONSORTIUM MEMBERSHIP.—The consortium agrees to accept for membership each participating insurer (of the type described in subsection (a) with respect to the consortium) which applies, which has not previously violated the rules of the consortium, and which agrees to comply with such rules as the consortium may establish consistent with this Act.

(2) PREMIUM COLLECTION.—The consortium agrees to provide for the collection of premiums and the reallocation, in concert with the other consortia, of such premiums in accordance with this Act and to provide for such good faith efforts to collect wage and non-wage-related premiums (provided for under sections 341 and 342) as the National Health Board may provide.

(3) PAYMENT OF CONSORTIUM MEMBERS.—The consortium agrees to pay, from premiums collected under this Act, each member of the consortium for each enrollee in a qualified health plan offered by the member such amounts as are established under part E of title III.

(4) CONTINGENCY FUND.—The consortium agrees to maintain a contingency fund, in accordance with section 353(a).

(5) MONITORING UTILIZATION AND PAYMENTS.—The consortium agrees to monitor, and report regularly—

(A) to the National Health Board on (i) amounts of premiums collected, (ii) payments made to members in the States, (iii) number of enrollees of its members and their characteristics (as established by the consortia for risk-setting purposes), (iv) transfers of premiums between consortia, and (v) such other information as the National Health Board may require, and

(B) to each State Health Board, on (i) levels of utilization of the different covered health-care services in the State, and (ii) payments made (to institutional and other providers) from the funds of members of the consortium for such services.

(6) REPRESENTATION OF AND ASSISTANCE TO MEMBERS.—

(A) PARTICIPATING IN NEGOTIATIONS.—The consortium agrees to participate in negotiations with provider negotiation groups in the establishment of prospective budgets for institutional providers and maximum-fee schedules in the areas in which its members offer qualified health plans, except that no representative of the consortium shall participate in any negotiation concerning a State or area in which the consortium has no members or in which no member of the consortium offers a plan pursuant to this Act.

(B) FACILITATION OF ENROLLMENT.—The consortium agrees to assist members of the consortium in the enrollment of eligible individuals.

(C) FACILITATION AND ARRANGEMENT OF PAYMENT OF INSTITUTIONAL PROVIDERS.—The consortium agrees to facilitate and assist members of the consortium in the payment of institutional providers.

(7) FAIR HEARING.—The consortium agrees to establish and maintain procedures pursuant to which individuals and participating providers dissatisfied with the determination of a member of the consortium after a hearing under section 411(b)(8), shall be entitled, if the amount in controversy is over such threshold amount as the National Health Board shall establish, to opportunity for a review of such determination by the consortium.

(8) OTHER CONDITIONS.—The consortium agrees to perform functions otherwise required to be performed by a consortium under this Act and to comply with such regulations, respecting standard claims forms and procedures, rights of privacy of enrollees and participating providers, and other areas, as the National Health Board establishes.

SEC. 413. PROMOTION OF COMPETITION.

(a) APPLICATION OF ANTI-TRUST LAWS.—

(1) DEFENSE IN CERTAIN ACTIONS.—There shall be available as a defense to any civil or criminal action brought under the anti-trust laws (or any similar State law) in respect to actions taken by a participating insurer or health maintenance organization or a consortium or the consortia (if such actions were not taken for the purpose of injuring competition) that such actions were taken in the course of carrying out duties required of them as insurers, health maintenance organizations, and consortia under agreements entered into under this Act, and in a manner meeting standards and procedures established under paragraph (2). Persons interposing the defense provided by this subsection shall have the burden of proof, except that the burden shall be on the person against whom the defense is asserted with respect to whether the actions were taken for the purpose of injuring competition.

(2) REGULATIONS.—The National Health Board, after consultation with the Attorney General and the Federal Trade Commission, shall prescribe by rule standards and procedures (including those related to open meetings and maintenance of records) for the conduct of insurers, health maintenance organizations, and consortia in a manner consistent with promotion of competition and with the proper conduct of their responsibilities under this Act.

(3) ANTI-TRUST LAWS DEFINED.—For purposes of this subsection, the term "anti-trust law" means (A) the Sherman Act, (B) the Clayton Act, (C) the Federal Trade Commission Act, (D) sections 73 and 74 of the Wilson Tariff Act, and (E) sections 2, 3, and 4, of the Act of June 19, 1936, chapter 592 (15 U.S.C. 21a, 13a, and 13b).

(b) COMPLAINTS OF ANTICOMPETITIVE ACTIVITIES.—A participating insurer or health maintenance organization may file a complaint with the National Health Board that another participating insurer or organization (or the consortium of which it is a member) has engaged in an anticompetitive activity, including (1) the establishment of a formula for determining adjusted capitation amounts under section 351 which does not reflect actuarial risk or (2) a marking or enrollment practice which results in risk-selection of enrollees. The National Health Board shall provide for investigations of such complaints

and, where it determines that such activities have occurred, provide for such adjustments in participating agreements under section 411 or 412 and such other relief under this Act as it deems appropriate.

TITLE V—HEALTH CARE IMPROVEMENT PROGRAM

SEC. 501. ESTABLISHMENT OF PROGRAM AND FUND.

(a) ESTABLISHMENT.—The National Health Board shall establish a program to improve the distribution, in accordance with this part, of health care resources in the United States in order to promote the improvement in the quality, accessibility, and efficiency in the provision of health-care services under this Act.

(b) HEALTH RESOURCES DISTRIBUTION FUND.—There is established, in the Treasury of the United States, an account to be known as the "Health Resources Distribution Fund".

(c) AUTHORIZATION.—There is authorized to be appropriated, to be deposited into the Health Resources Distribution Fund for use under this title—

(1) for the fiscal year beginning before the first effective year, $500,000,000, and

(2) for each succeeding fiscal year, the amount authorized to be provided in the previous fiscal year under this section increased by the average annual rate of increase in the gross national product for the three-year period ending with the year in which the previous fiscal year begins.

SEC. 502. USE OF HEALTH RESOURCES DISTRIBUTION FUND.

(a) USE OF FUND BY NATIONAL HEALTH BOARD.—The National Health Board shall, in accordance with subsection (b), make grants to the State Health Boards from the Health Resources Distribution Fund and, from the Fund, may provide directly or by grant or contract for projects to improve the quality, accessibility, or efficiency in the provision of health care-services under this Act, including any of the following projects:

(1) CLOSURE AND CONVERSION.—For the conversion or closure of health care facilities, where such conversion or closure would improve the efficiency of use of such facilities in the area.

(2) HEALTH PERSONNEL.—For the provision of needed health-care services in health manpower shortage areas.

(3) RENOVATIONS.—For renovations of institutional health care facilities to enable institutional providers to meet specific health, safety, or other critical requirements.

(4) DELIVERY SYSTEMS.—For the stimulation and support of health maintenance organizations, community health centers, migrant health centers, and other cost-effective health care delivery systems.

(5) EDUCATION OF HEALTH PROFESSIONALS.—For educational programs for health professionals, in order to meet projected needs for health manpower in the various specialties and professions.

(6) CONTINUING PROFESSIONAL EDUCATION.—For programs, through professional standards review organizations or other private entities, of continuing educational and professional development with respect to current clinical practice and improvements in practice patterns.

(b) GRANTS TO STATE HEALTH BOARDS.—

(1) IN GENERAL.—From the Health Resources Distribution Fund, the National Health Board shall provide for an amount to be provided to each State Health Board, based on the State's needs as reflected in the national Health Care Improvement Plan and the ability of the State Health Board to use such amount to achieve the purposes of the plan. In allocating funds among the State Health Boards, the amount of any such grant to a State Health Board may not be less, with respect to the total amounts of such grants made under this subsection, than one-half of the ratio of the population of the State Health Board's State to the population of all the States.

(2) USE OF GRANT.—Grants provided to a State Health Board under this subsection may be used directly, or for grants or contracts, for any of the purposes for which the National Health Board may use the Fund.

SEC. 503. HEALTH EDUCATION PROGRAM.

Each State Health Board shall provide for the conduct of a program for the education of consumers in the State concerning health, self-care, the effective use of health care resources, and their rights and privileges under this Act. As part of such a program, each such Board shall provide for the development of material, suitable for distribution through the media, for classroom instruction at various levels, and for training of professionals, concerning—

(1) the impact on health and availability of health resources of different habits and practices relating to life style and utilization of health resources, and

(2) the appropriate participation of patients in the provision of health care services.

SEC. 504. SPECIAL STUDIES AND PROJECTS.

(a) STUDY OF RESIDUAL MEDICAID PROGRAM.—The National Health Board shall, through its Commissions or otherwise, study and evaluate—

(1) the impact of this Act on the programs of States under title XIX of the Social Security Act, including its impact on the comprehensiveness, accessibility, and quality of services (particularly long-term care services) provided under such programs; and

(2) means of improving such programs with respect to the comprehensiveness, accessibility, and quality of services (particularly long-term care services) provided under the programs.

Based on such study and evaluation, the National Health Board shall take such steps within its authority, including establishment of guidelines in the budget process, use of funds from the Health Resources Distribution Fund, the promulgation of regulations, and recommend such legislation as may be appropriate to implement improvements in such programs. The National Health Board shall report to Congress, not later than five years after the date of the enactment of this Act, on such recommendations and include in the report what means it recommends to meet the needs for long-term care in the United States.

(b) DEMONSTRATION PROJECTS.—The National Health Board may develop and demonstrate, or make grants and contracts for the development and demonstration of, methods designed to provide for improvements in—

(1) the coordination of health care services furnished by different providers,

(2) the adequacy, quality, or accessibility of health-care services or greater efficiencies in the provision of such services, and

(3) peer review and control of utilization and quality in the provision of drugs, laboratory services, and other health-care services, under this Act and Medicare. The National Health Board may waive any of the reimbursement requirements of part B of title III in the case of such a demonstration project.

(c) HOSPICE PROJECT.—The National Health Board shall provide for the conduct of demonstration projects to evaluate the feasibility of providing hospice services as part of basic covered health-care services. Such projects will be funded from funds available from the Health Resources Distribution Fund.

(d) ANALYSIS OF MALPRACTICE.—The National Health Board shall provide for an analysis (based, to the extent feasible, on existing studies) of the incidence and circumstances of provider malpractice and the provision of mapiractice insurance, and its impact on patients, providers, and health care costs. The Board, not later than two years after the date of the enactment of this Act, shall transmit to the Congress a report on such analysis, together with recommendations for such changes in the laws relating to provider malpractice and in the national health insurance system as will most effectively protect patients and providers and contain costs to the system.

SEC. 505. DEMONSTRATION PROJECT IN PERSONAL CARE SERVICES.

(a) ESTABLISHMENT.—The National Health Board (hereinafter in this section referred to as the "Board") shall provide for the conduct of a demonstration project (hereinafter in this section referred to as the "project") in the organization, delivery, and financing of personal care services (as defined in subsection (f)) to groups of individuals likely to require such services.

(b) GRANT PROGRAMS.—In conducting the project, the board shall make grants, with funds provided from the Health Resources Distribution Fund, to participating public or nonprofit providers or public or nonprofit local community agencies or organizations to assist them in establishing and maintaining programs to provide, or assist in the provision of, personal care services for a substantial population of individuals residing in their homes who, without such services and by reason of their disability or other health-related factors, would be required (or be expected to be required) to reside on a continuing basis in an institution that provides personal care services.

(c) APPLICATION AND REQUIREMENTS.—No grant may be made under this subsection unless an application therefor is submitted to, and approved by, the Board and unless the Board is satisfied that—

(1) the applicant is capable of developing and willing to develop, within a reasonable time period, a program of comprehensive personal care services for populations at risk;

(2) the applicant will provide for non-Federal financing of such proportion of the costs of the program as is appropriate in view of the resources of, and available to, the applicant and the community in which the applicant is located;

(3) the program will provide for such combination of health care and other services (including all basic covered health-care services, other than inpatient institutional services, through participating providers) as is appropriate to enable individuals, otherwise requiring inpatient services, to continue to maintain themselves outside institutions.

(4) the program will provide for coordination of services provided under the program with the health or personal care services furnished by others to individuals participating in the program;

(5) the program provides for the establishment of a committee, composed of at least one physician, one professional nurse, one professional social worker, three consumers of personal care services, and such other qualified personnel as the Board may require (A) to review and approve, in accordance with specified criteria, applications of individuals seeking assistance under the program, (B) to review utilization of services by individuals who will be provided assistance under the program, and (C) to terminate assistance to any such individual when, in accordance with specified criteria, such assistance is no longer needed; and

(6) the program provides for such methods of evaluation of the program, including evaluation of the assistance provided to individuals and of the cost of such assistance, as will enable the Board to evaluate and make recommendations with respect to the feasibility of providing for (or assisting in the provision of) some or all of personal

care services as part of basic covered health-care services under the national health insurance system.

(d) DURATION.—No grant may be made under the project for a period of longer than four years.

(e) PAYMENTS.—

(1) INSTALLMENTS.—Payments under grants under this section may be made in advance or by way of reimbursement and in such installments and on such conditions as the Board may establish. The Board may provide for such decrease over time in the proportion of costs of a program assisted under this section as it deems appropriate and the Board may provide for such increase in the funds provided for a program where it determines that the reasonable costs of the program will exceed original estimates.

(2) CONTINUATION.—The Board shall provide, to the extent of available funds, that grants which have been approved under this section will not be terminated except for such grounds, other than lack of funding, as would otherwise justify termination of such a grant.

(3) SOURCE.—The Board shall provide that, of the funds available from the Health Resources Distribution Fund in each year, not less than $100,000,000 shall be available for the purpose of making grants under this section.

(f) REPORTS.—

(1) ANNUAL REPORT.—The Board shall periodically evaluate each program assisted under under this section and shall annually report to the Congress on the results of the project.

(2) FIVE-YEAR REPORT.—The Board, not later than five years after the date of the enactment of this Act, shall transmit to Congress a comprehensive report describing and evaluating the project conducted under this section, together with such recommendations with respect to—

(A) making available to all communities which lack such programs, programs of personal care services to individuals requiring such services as an alternative to institutional services,

(B) the sources and means of continued financing of such programs, and

(C) the proper role of the national health insurance system in the provision of personal care services.

(g) PERSONAL CARE SERVICES DEFINED.—For purposes of this section, the term "personal care services" means such services, including homemaker and home help services, home maintenance services, laundry services, meals-on-wheels and other nutrition services, assistance with transportation and shopping, as may be appropriate to maintain individuals, otherwise requiring institutionalization, in a noninstitutional residential setting.

TITLE VI—EFFECTIVE DATES, TRANSITION PROVISIONS, AMENDMENTS

PART A—EFFECTIVE DATES AND TRANSITION PROVISIONS

SEC. 601. EFFECTIVE DATES.

(a) IN GENERAL.—

(1) IN GENERAL.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act, but shall only apply to health-care services furnished in or after the first effective year.

(2) BUDGET AUTHORITY.—The authority of the National Health Board to enter into contracts under this Act is effective for any fiscal year only to such extent or in such amounts as may be provided in advance in appropriations Acts.

(b) PREPARATION OF ANNUAL BUDGET AND ANNUAL STATE BUDGETS.—Except as provided in section 602, the National Health Board shall first provide for an Annual Budget, and State Health Boards shall provide for the preparation of annual State budgets, for the first effective year.

(c) ENROLLMENT AND BENEFITS.—

(1) NON-MEDICARE ELIGIBLE INDIVIDUALS.—Eligible individuals (other than Medicare-eligible individuals) shall first be enrolled in qualified health plans, offered pursuant to this Act, during the year before the first effective year and such plans shall first be effective for basic covered health-care services furnished on or after January 1 of the first effective year.

(2) MEDICARE-ELIGIBLE INDIVIDUALS.—The amendments made to section 226(a) of the Social Security Act shall apply to months beginning with January of the first effective year.

(d) PREMIUM PAYMENTS.—

(1) WAGE-RELATED PREMIUMS.—

(A) IN GENERAL.—Except as provided under subparagraph (B), premiums are first payable under section 341, relating to wage-related premiums, for wages paid on or after October 1 of the year before the first effective year.

(B) SPECIAL PREMIUM RATE.—In applying section 341 to the period from October 1 of the year before the first effective year through December 31 of such year—

(i) the National Health Board shall establish a special national premium rate (under subparagraph (C)) which will be applied in place of the state premium rate under subsection (a)(1)(B) of such section;

(ii) amounts payable with respect to wages paid in the month of October are not due until November 15; and

(iii) subsection (b) of such section shall not apply to premiums paid during such period.

(C) SPECIAL NATIONAL PREMIUM RATE.—The National Health Board shall, in consultation with the consortia, establish a special national premium rate to be applied under this paragraph. Such rate shall be computed so as to provide for sufficient payments, during the three-month period described in subparagraph (B), so as to assure prompt payment of benefits provided under this Act and the administrative expenses thereunder during the early months of the program establish by this Act and to provide an initial contingency reserve. Such rate may not exceed the national premium rate established under section 331 for the first effective year.

(2) NON-WAGE-RELATED PRIVATE PREMIUMS.—Premiums are first payable under section 342, relating to non-wage-related private premiums, for calendar years beginning with the first effective year.

(3) OTHER PREMIUMS.—Premiums are first payable under sections 343 and 345 for December of the year before the first effective year and shall be payable at the national group-rated premium established under section 331 for the first effective year.

(4) MEDICARE TAXES.—The amendments made by section 633(a), relating to changes in certain employment taxes, shall apply to wages and other income paid on or after January 1 of the first effective year.

(e) MISCELLANEOUS PROVISIONS.—

(1) HEALTH CARE IMPROVEMENT PROGRAM.—The provisions of title V of this Act shall apply to fiscal years ending in or after the first effective year.

(2) INTERNAL REVENUE CODE AMENDMENTS.—The amendments made by section 641, relating to the Internal Revenue Code of 1954, shall apply to taxable years beginning on or after January 1 of the first effective year.

(3) MEDICAID AMENDMENTS.—The amendments made by section 636, relating to the residual medicaid program, shall apply to calendar quarters beginning on or after January 1 of the first effective year.

(f) REPEAL OF SECTION 1310 REQUIREMENT.—The repeal of section 1310 of the Public Health Service Act, made by section 642 (b)(1) of this Act, shall apply to calendar years beginning with the first effective year.

SEC. 602. TRANSITION PROVISIONS.

(a) INTENT OF CONGRESS.—It is the intent of the Congress that levels of appropriations in effect on the date of the enactment of this Act for programs providing for health-care services for the needs of special populations, such as migrant health programs and programs relating to community health centers, rural health services, and Indian health services, should be continued at least at such levels after the effective date of health benefits, under section 601, in order to carry out the objectives of this Act.

(b) AREA FEE SCHEDULES.—

(1) ESTABLISHMENT.—The National Health Board shall establish for localities within each State maximum fee schedules (applicable to health-care services reimbursable under part B of Medicare) based on the average level of allowable charges for the services under Medicare in the locality during the previous year. Notwithstanding any other provision of law, effective with respect to requests for payment made on or after July 1 of each year but before January 1 of the first effective year, payment may be made under part B of Medicare for the furnishing of a service only to the extent it does not exceed the lesser of—

(A) the customary charge or actual charge for the service, or

(B) the greater of (i) the maximum fee for the service otherwise permitted under section 1842 of the Social Security Act for the year before the first year for which a maximum fee schedule is established under this subsection, or (ii) the amount provided in the maximum-fee schedule (established under this subsection) for the services, increased, for each year after the first year of such schedule, to the extent that the National Health Board determines, on the basis of appropriate economic index data, that such higher fee levels are justified by economic changes.

(2) APPLICATION TO INSURERS.—

(A) IN GENERAL.—Notwithstanding section 411, as a condition for an insurer to be a participating insurer under this Act, the insurer must not make payments for services described in paragraph (1) to the extent such payments exceed the maximum payment that may be permitted for such payment under the Medicare program under paragraph (1).

(B) EXCLUSION OF PAST CONTRACTS.—Subparagraph (A) shall not apply to services performed under contracts entered into before the date of the enactment of this Act.

(c) DEVELOPING AND TESTING OF ADMINISTRATIVE STRUCTURE.—

(1) TESTING OF ADMINISTRATIVE STRUCTURES.—As soon as possible after the date of the enactment of this Act and before the first effective year, the National Health Board shall establish such regulations, guidelines, standards, and procedures as will provide for the orderly administration of this Act and shall provide for the testing of the efficacy of such procedures and operations before such effective year.

(2) REPORT TO CONGRESS.—The National Health Board shall report to the Congress, not later than 18 months after the date of the enactment of this Act, on its progress under paragraph (1) in establishing procedures to implement this Act and on any technical or administrative changes, including authorization of additional authorities, which would facilitate the implementation of this Act.

(3) GAO STUDY.—The Comptroller General shall review, and report to Congress (not later than 18 months after the date of the enactment of this Act) on, the National Health Board's progress in establishing procedures required to implement this Act on a timely basis.

(4) TESTING OF BUDGET AND PLANNING PROCESS.—The National Health Board shall

provide, to the extent feasible, for the testing on a thorough basis of the budget and planning process established under title III as it would apply to the year before the first effective year.

SEC. 603. IMPACT ON EXISTING EMPLOYER-EMPLOYEE HEALTH PLANS.

(a) NO SHIFTING OF OBLIGATIONS.—No provision of this Act (other than this section) shall affect or alter any contractual or other nonstatutory obligation of an employer to pay for or provide health-care services to present and former employees and their dependents and survivors, or to any of such persons, or the amount of any obligation for payment (including any amount payable by an employer for insurance premiums or into a fund to provide for any such payment) toward all or any part of the costs of such services if the effect or alteration shifts the obligation in any part to such persons.

(b) CONTINUATION OF OBLIGATIONS.—Any contractual or other nonstatutory obligation of the employer to pay all or part of the cost of the health-care services described in subsection (a) shall continue, but any payment of wage-related premiums under section 341(a) shall be credited against such obligation to the extent such payments do not exceed the greater of—

(1) the per capita monthly amount of the cost to the employer of providing or paying for health care services (either through insurance premiums or into a fund) on behalf of persons described in subsection (a), for September of the year before the first effective year, or

(2) the per capita monthly amount of the cost the employer would have incurred had this Act not been enacted.

(c) CONTINUED PAYMENTS.—At least for the duration of any obligation of an employer described in subsection (a), the employer shall arrange to pay to eligible employees, former employees, and survivors described in subsection (a) such amounts by which the per capita monthly costs to the employer of providing or paying for health-care services described in subsection (a) in September of the year before the first effective year exceed the sum of (1) the per capita monthly costs to the employer of the premiums, and (2) any other employer contributions for health insurance premiums or health benefits or services provided by the employer after January 1 of the first effective year. By agreement between the employer and his employees or their representatives, an employer may provide other benefits of an equivalent monetary value in lieu of such payments.

(d) COMPUTATION OF COSTS.—For purposes of subsections (b) and (c), the per capita amounts and per capita costs for an employer shall be determined by dividing the aggregate amounts and the aggregate costs by the number of eligible employees, former employees, and survivors on the date as of which the determination is made.

SEC. 604. PROVISIONS RELATING TO TRANSFER OF FUNCTIONS.

(a) EFFECTIVE DATE.—The transfers of functions made by subpart I of part A of title IV of this Act shall take effect 120 days after the members of the National Health Board first take office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of the enactment of this Act the National Health Board may promulgate regulations pursuant to subsection (b)(5)(B)(ii). Funds available to a department or agency (or any official or component thereof) functions of which are transferred to the National Health Board under this Act may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this Act until such time as funds for that purpose are otherwise available.

(b) TRANSITIONAL AND SAVINGS PROVISIONS.—

(1) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used arising, from, available to or to be made available in connection with the functions transferred by this Act, subject to section 202 of the Budget and Accounting Procedure Act of 1950, are transferred to the National Health Board for appropriate allocation. Unexpended funds transferred pursuant to this paragraph shall only be used for the purposes for which the funds were originally authorized and appropriated.

(2) EFFECT ON PERSONNEL.—Except as otherwise provided in this subsection, the transfer pursuant to this Act of full-time personnel (except special Government employees) and part-time personnel holding permanent positions pursuant to this Act shall not cause any such employee to be separated or reduced in grade or compensation for one year after the effective date of such transfer. Any person who, on the effective date of such transfer, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed by the National Health Board to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in the new position.

(3) AGENCY TERMINATIONS.—Whenever all of the functions vested by law in any agency or any component thereof, have been transferred from that agency or component by this Act, the agency or component shall terminate. If such an agency or component terminates pursuant to this paragraph, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for an office of position at level III, IV, or V of the Executive Schedule (5 U.S.C. 5313–5316), shall terminate.

(4) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, in consultation with the National Health Board shall make such determinations as may be necessary with regard to the transfer of functions which relate to or are utilized by an agency or component affected by this Act to make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations allocations, and other funds held, used, arising from, available to or to be made available in connection with the functions transferred by this Act, as he may deem necessary to accomplish the purposes of this Act.

(5) SAVINGS PROVISIONS.—

(A) PREVIOUS RULINGS.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(i) which have been issued, made, granted, or allowed to become effective by the President, any Federal department, agency, or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the National Health Board after the date of enactment of this Act, and

(ii) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the National Health Board, or other authorized officials, a court of competent jurisdiction, or by operation of law.

(B) PREVIOUS PROCEEDINGS.—

(i) EFFECT.—The provisions of this Act shall not affect any proceedings or any application for financial assistance pending at the time this Act takes effect before any department, agency, commission, or component thereof, functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and order issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this clause shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(ii) REGULATIONS.—The National Health Board is authorized to promulgate regulations providing for the orderly transfer of such proceedings to the Board.

(C) SUITS.—Except as provided in subparagraph (E)—

(i) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(ii) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(D) NO ABATEMENT.—No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of an agency function of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any agency functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act.

(E) NAMED PARTIES.—If, before the date on which this Act take effect, any agency, or officer thereof in his official capacity, is a party of a suit, and under this Act any function of such agency or officer is transferred to the National Health Board or any official, then such suits shall be continued with the Board or other official, as the case may be, substituted.

(6) REFERENCE.—With respect to any functions transferred by his Act and exercised after the effective date of this Act, reference in any other Federal law to any department, or agency, or any officer of office the functions of which are so transferred shall be deemed to refer to the National Health Board, or other official or component of the National Health Board in which this Act vests such function.

(7) PRESIDENTIAL AUTHORITY.—Nothing contained in this Act shall be construed to limit, curtail, abolish, or terminate any function of, or authority available to, the President which he had immediately before the effective date of this Act; or to limit, curtail, abolish, or terminate his authority to delegate, redelegate, or terminate any delegation of functions.

PART B—MEDICARE-RELATED AMENDMENTS

Subpart I—General Amendments and Eligibility

SEC. 611. GENERAL AMENDMENTS.

(a) REFERENCES IN THIS PART.—Except as otherwise specifically provided in this part, whenever in this part an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision,

the reference shall be considered to be made to a section or other provision of the Social Security Act.

(b) SECTION 1801.—Section 1801 is amended by striking out "the practice of medicine" and all that follows through "compensation" and inserting in lieu thereof "the selection or tenure".

(c) HEADING.—The heading to part A of title XVIII is amended to read as follows:

"PART A—HOSPITAL AND HOSPITAL-RELATED INSURANCE BENEFITS FOR THE AGED AND DISABLED".

(d) APPLICATION OF DEFINITIONS TO HEALTH CARE FOR ALL AMERICANS ACT.—Section 1861 is amended by inserting "and of the Health Care for All Americans Act" after "For the purposes of this title" before subsection (a).

SEC. 612. MEDICARE ELIGIBILITY.

(a) AMENDMENTS TO SECTION 226.—

(1) HEADING.—The heading to section 226 is amended to read as follows:

"ENTITLEMENT TO HEALTH INSURANCE BENEFITS"

(2) SUBSECTION (a).—Subsection (a) of such section is amended to read as follows:

"(a) Every individual who—

"(1) has attained age 65, and

"(2)(A) is entitled to monthly insurance benefits under section 202 or is a qualified railroad retirement beneficiary, or

"(B) is a citizen of the United States or an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),

shall be entitled to health insurance benefits under title XVIII for each month for which the individual meets the condition specified in paragraph (1). To the extent possible, the National Health Board shall provide for the distribution of information regarding enrollment to such individuals at least 60 days before the date they become eligible for such benefits.".

(3) SUBSECTION (b).—Subsection (b) of such section is amended—

(A) by striking out ", and has for 24 consecutive months been entitled to";

(B) by striking out ", and has been for not less than 24 consecutive months";

(C) by striking out "hospital insurance benefits under part A of title XVIII" and inserting in lieu thereof "health insurance benefits under title XVIII or to enroll with a participating health maintenance organization, under the Health Care for All Americans Act, for the provision of such benefits"; and

(D) by striking out "twenty-fifth consecutive" and inserting in lieu thereof "first".

(4) SUBSECTION (c)(1).—Paragraph (1) of subsection (c) of such section is amended to read as follows:

"(1) entitlement of an individual to health insurance benefits for a month shall consist of entitlement to have payments made under, and subject to the limitations in, title XVIII for services described in such title and furnished him or to enroll with a participating health maintenance organization, under the Health Care for All Americans Act, for the provision of at least such services during such month; except that no such payment may be made for post-hospital extended care services or post-hospital home health services unless the discharge from the hospital required to qualify such services for payment under part A of title XVIII occurred (A) on or after the first day of the month in which he attains age 65, or (B) if he was entitled to health insurance benefits pursuant to subsection (b), at a time when he was so entitled; and".

(5) SUBSECTION (e).—Subsection (e) of such section is amended by striking out "hospital insurance benefits" and inserting in lieu thereof "health insurance benefits" each place it appears.

(b) AMENDMENTS TO SECTION 226A.—

(1) SUBSECTION (a).—Subsection (a) of section 226A is amended by striking out "to benefits" and all that follows through the end and inserting in lieu thereof the following: "to health insurance benefits under title XVIII."

(2) SUBSECTION (b).—Subsection (b) of such section is amended by striking out "under part A and eligibility to enroll under part B of title XVIII" and inserting in lieu thereof "described in subsection (a)".

(3) SUBSECTION (c).—Subsection (c) of such section is amended—

(A) by striking out "the requirements of section 1881(b), entitlement to benefits under part A and eligibility to enroll under part B of title XVIII" in paragraph (1) and inserting in lieu thereof "requirements established by the National Health Board, entitlement to benefits described in subsection (a)", and

(B) by striking out "under part A and eligibility to enroll under part B of title XVIII" in paragraphs (2) and (3) and inserting in lieu thereof "described in subsection (a)".

(c) PART A.—

(1) SECTION 1811.—Section 1811 is amended—

(A) by inserting "or are citizens or permanent resident aliens in the United States" before ", (2)"; and

(B) by striking out "have been entitled for not less than 24 consecutive months" and inserting in lieu thereof "are entitled".

(2) SECTION 1818.—Section 1818 is repealed.

(d) PART B.—

(1) SECTION 1831.—The text of section 1831 is amended to read as follows:

"SEC. 1831. The insurance program for which entitlement is established by sections 226 and 226A provides basic protection against the costs of physicians' services and certain other medical services in accordance with this part, to be financed from premium payments by enrollees together with contributions from funds appropriated by the Federal Government.".

(2) SECTIONS 1836 AND 1837.—Sections 1836 and 1837, relating to eligible individuals and enrollment periods, are repealed.

(3) SECTION 1838.—The text of section 1838 is amended to read as follows:

"SEC. 1838. (a) The period during which an individual is entitled to benefits under this part shall begin on the first day of the first month in which the individual first is eligible for benefits under this title.

"(b) In the case of an individual whose entitlement to benefits under this title is based on a disability, rather than on his having attained the age of 65, the period during which the individual is entitled to benefits under this part shall be terminated as of the close of the last month for which the individual is entitled to benefits under this title.".

(4) SECTION 1843.—Section 1843, relating to State agreements for coverage of certain individuals, is repealed.

(e) AMENDMENTS TO SECTION 7 OF RAILROAD RETIREMENT ACT OF 1974.—

(1) SECTION 7(d)(1).—The first sentence of paragraph (1) of section 7(d) of the Railroad Retirement Act of 1974 is amended to read as follows: "The National Health Board shall, for purposes of this subsection, have the same authority to determine that rights of individuals described in subdivision (2) to have payments made on their behalf for health insurance benefits under title XVIII of the Social Security Act (or to enroll with a participating health maintenance organization, under the Health Care for All Americans Act, for the provision of such benefits) as the National Health Board has under such title with respect to individuals to whom such title applies."

(2) SECTION 7(d)(2).—Paragraph (2) of such section is amended—

(A) by striking out "for not less than 24 consecutive months and (B) could have been entitled for 24 consecutive calendar months, and" and inserting in lieu thereof "and (B)", and

(B) by striking out "to the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "to the National Health Board".

(3) SECTION 7(d)(4).—The first sentence of paragraph (4) of such section is amended—

(A) by striking out "to have payment made on their behalf for the services referred to in subdivision (1) but provided" and inserting in lieu thereof "with respect to provision of inpatient hospital services, posthospital extended care services, posthospital home health services, and outpatient hospital diagnostic services which are provided" in the first sentence;

(B) by striking out "the Secretary of Health, Education, and Welfare" in the first sentence and inserting in lieu thereof "the National Health Board";

(C) by striking out "1867, 1868," in the first sentence; and

(D) by striking out "extended care facility" in the second sentence and inserting in lieu thereof "skilled nursing facility".

(4) SECTION 7(d)(5).—Paragraph (5) of such section is amended—

(A) by striking out "the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "the National Health Board"; and

(B) by striking out "part A of".

Subpart II—Benefits

SEC. 615. PART A BENEFITS.

(a) SCOPE OF BENEFITS.—

(1) SECTION 1812(a).—Subsection (a) of section 1812 is amended—

(A) by striking out "or, in the case of payments referred to in section 1814(d)(2) to him" in the matter before paragraph (1);

(B) by inserting "and of the Health Care for All Americans Act" after "subject to the provisions of this part" in the matter before paragraph (1);

(C) by amending paragraph (1) to read as follows:

"(1) inpatient hospital services;";

(D) by striking out "and" at the end of paragraph (2);

(E) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(F) by adding after paragraph (3) the following new paragraph:

"(4) mental health day care services (as defined in section 1861(cc)).".

(2) SECTION 1812(b).—Subsection (b) of such section is amended to read as follows:

"(b) Payment under this part for services furnished an individual during a spell of illness may not be made for post-hospital extended care services furnished to him during such spell after such services have been furnished to him for 100 days during such spell.".

(3) SECTION 1812(c).—Subsection (c) of such section is amended to read as follows:

"(c)(1) Notwithstanding any other provision of this part or of the Health Care for All Americans Act, payment may not be made under this part and basic covered health-care services under the Health Care for All Americans Act do not include inpatient psychiatric hospital services, inpatient hospital services primarily for the diagnosis or treatment of mental illness, or mental health day care services for more than—

"(A) 150 consecutive days, in the case of

an individual eligible for benefits under this title, or

"(B) 45 consecutive days, in the case of any other individual,

beginning with the first day of hospitalization or other provision of such services which occurs more than 60 days after the last date of such hospitalization or provision of such services.

"(2) In determining the period of consecutive days of inpatient mental health services described in paragraph (1)—

"(A) each day in which an individual is provided inpatient psychiatric hospital services or inpatient hospital services primarily for the diagnosis or treatment of mental illness is counted as a day, and

"(B) each day in which the individual is provided mental health day care services is counted as half a day.".

(4) SECTION 1812(e).—Section (e) of such section is amended by striking out "subsection (b), (c), and (d), inpatient hospital services, inpatient psychiatric services, post-hospital extended care services," and inserting in lieu thereof "subsections (c) and (d), post-hospital extended care services".

(5) HMO ELECTION.—Subsection (f) of such section is redesignated as subsection (g) and the following new subsection is inserted after subsection (e):

"(f) An individual eligible for benefits under this title other than because of section 226A or section 1181(d), in lieu of the entitlement provided under subsection (a), may elect, in such manner as the National Health Board provides under the Health Care for All Americans Act, for the individual to enroll in a qualified health plan offered by a participating health maintenance organization.".

(b) INCLUSION OF HOSPITAL-BASED PHYSICIAN SERVICES.—

(1) SECTION 1861(b).—Section 1861(b) is amended—

(A) by inserting "or (4)" after "paragraph (3)" in the matter before paragraph (1);

(B) by striking out "and" at the end of paragraph (2);

(C) by inserting "and" at the end of paragraph (3); and

(D) by striking out "excluding, however" and all that follows through the end and inserting in lieu thereof the following:

"(4)(A) medical or surgical services provided by a physician, resident, or intern, provided under such a resident-in-training program or teaching program as the National Health Board may approve;

"(B) medical or surgical services provided by a physician under contract with the hospital;

"(C) medical services provided by a radiologist or pathologist; and

"(D) medical services of a physician primarily for the diagnosis or treatment of mental illness,

excluding, however, medical or surgical services (other than described in paragraph (4)(D)) provided by a physician, resident, or intern or the services of a private-duty nurse or other private-duty attendant.".

(2) CONFORMING AMENDMENTS.—

(A) SECTION 1861(h).—Section 1861(h)(6) is amended by striking out "medical services" and all that follows through "subsection (b)" and inserting in lieu thereof "medical or surgical services described in subsection (b)(4) provided by a hospital with which the facility has in effect a transfer agreement (meeting the requirements of subsection (1))".

(B) SECTION 1861(m).—Section 1861(m) is amended by striking out "medical services" and all that follows through "subsection (b)" and inserting in lieu thereof "medical or surgical services described in subsection (b)(4) provided by the hospital".

(C) SECTION 1861(q).—Section 1861(q) is amended by striking out "(but not including services described in subsection (b)(6))" and inserting in lieu thereof "(but not including services described in subsection (b)(4)(D))".

SEC. 616. PART B BENEFITS.

(a) SECTION 1832.—

(1) SUBSECTION (a).—Subsection (a) of section 1832 of the Social Security Act is amended to read as follows:

"(a) The benefits provided to an individual by the insurance program established by this part shall consist of entitlement to have payment made on his behalf (subject to the provisions of this title and of the Health Care for All Americans Act) for—

"(1) medical and other health services (except such of those services as are described in section 1861b)(4)),

"(2) home health services for up to 100 visits during a calendar year; and

"(3) outpatient prescription drugs for treatment of chronic conditions.".

(2) HMO ELECTION.—Such section is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) An individual eligible for benefits under this title other than because of section 226A or section 1881(d), in lieu of the entitlement provided under subsection (a), may elect, in such manner as the National Health Board provides under the Health Care for All Americans Act, for the individual to enroll in a qualified health plan offered by a participating health maintenance organization.".

(b) APPLICATION OF CERTAIN LIMITATIONS UNDER SECTIONS 1833 AND 1835.—Section 1833 is amended—

(1) by amending subsection (c) to read as follows:

"(c) Notwithstanding any other provision of this part or of the Health Care for All Americans Act, payment may not be made under this part and basic covered health-care services under the Health Care for All Americans Act do not include expenses for physicians' services, health clinic services, or outpatient mental health center services primarily for the diagnosis or treatment of mental illness, to the extent these expenses exceed in a year the equivalent of 20 times the fee contained in the maximum fee schedule (established under section 316 of the Heatlh Care for All Americans Act) for a visit with a psychiatrist in the area in which the individual resides."; and

(2) by striking out the subsection (g) that begins "In the case" and inserting in lieu thereof the following:

"(g)(1) In the case of outpatient physical therapy services, outpatient speech pathology services, or outpatient occupational therapy services described in the second sentence of section 1861(p), payment may not be made under this title and is not provided as basic covered health-care services under the Health Care for All Americans Act for expenses incurred for such services in excess of $100 in any calendar year.

"(2) In the case of outpatient occupational therapy services, payment may not be made under this title and is not provided as basic covered health-care services under the Health Care for All Americans Act for services beyond such short-term period as the National Health Board provides.".

(c) CHANGES IN AND ADDITIONS TO DEFINITIONS OF SERVICES.—

(1) OUTPATIENT PHYSICAL THERAPY, SPEECH PATHOLOGY, AND SHORT-TERM OCCUPATIONAL THERAPY SERVICES.—Subsection (p) of section 1861 is amended—

(A) by amending the heading to read as follows: "Outpatient Physical Therapy, Speech Pathology, and Occupational Therapy Services";

(B) by striking out "The term 'outpatient physical therapy services' means physical therapy services" before paragraph (1) and inserting in lieu thereof "The terms 'outpatient physical therapy services', 'outpatient speech pathology services', and 'outpatient occupational therapy services' mean physical therapy services, speech pathology services, or occupational therapy services, respectively";

(C) by inserting ", speech pathology services, or occupational therapy services, respectively," in paragraph (2) after "physical therapy services";

(D) by striking out "by a physician (as so defined)" in paragraph (2) and inserting in lieu thereof "either by a physician (as so defined) or by a qualified physical therapist, speech pathologist, or occupational therapist, respectively";

(E) by inserting ", speech pathology services, or occupational therapy services, respectively," in paragraph (4)(A)(i) after "physical therapy services";

(F) by inserting "qualified speech pathologists, or qualified occupational therapists, respectively," in paragraph (4)(A)(ii) after "qualified physical therapists,";

(G) by striking out "The term 'outpatient physical therapy services' also includes physical therapy services" in the second sentence and inserting in lieu thereof "The terms 'outpatient physical therapy services', 'outpatient speech pathology services' and 'outpatient occupational therapy services' also include physical therapy services, speech pathology services, or occupational therapy services, respectively,";

(H) by inserting ", speech pathologist, or occupational therapist, respectively," in the second sentence after "physical therapist";

(I) by striking out "such term includes physical therapy services" in the third sentence and inserting in lieu thereof "such terms include physical therapy services, speech pathology services, and occupational therapy services, respectively,"; and

(J) by striking out the fourth sentence.

(2) MEDICAL AND OTHER HEALTH SERVICES.—Subsection (s) of such section is amended—

(A) by inserting ", outpatient speech pathology services, and outpatient occupational therapy services" before the semicolon at the end of paragraph (2)(D);

(B) by striking out "rural" in paragraph (2)(E) and the second sentence of such subsection;

(C) by striking out "and" at the end of subparagraph (E);

(D) by inserting after paragraph (2)(F) the following new subparagraphs:

"(G) hearing examinations conducted by a physician or qualified audiologist and hearing aids; and

"(H) outpatient mental health services (as defined in section 1861(cc));";

(E) by inserting "and lens after cataract surgery" in paragraph (8) after "colostomy care";

(F) by inserting "(A)" after "(8)" in paragraph (8) and striking out "and" at the end of such paragraph; and

(G) by inserting after paragraph (8)(A) the following new subparagraph:

"(B) orthopedic shoes (to the extent and as defined in regulations); and".

(3) OUTPATIENT PRESCRIPTION DRUGS FOR TREATMENT OF CHRONIC CONDITIONS DEFINED.—Subsection (t) of such section is amended by inserting "(1)" after "(t)" and by adding at the end the following new paragraph:

"(2) The term 'outpatient prescription drugs for treatment of chronic conditions' means insulin or a drug—

"(A) which is only available to an individual upon the prescription of a physician;

"(B) which is provided by a pharmacy or pharmacist to an individual who is not an inpatient of a hospital or skilled nursing facility; and

"(C) the name of which is contained on a

list, prepared by the National Health Board after consultation with appropriate experts, of drugs that are appropriate for the treatment or control of a chronic illness, disease, or other condition (as determined by the Board).".

(4) HEALTH CLINIC SERVICES.—Subsection (aa) of such section is amended—

(A) by striking out "rural health clinic" each place it appears in subsection (aa) and inserting in lieu thereof "health clinic", and

(B) by striking out the second and third sentences of paragraph (2).

(5) PREVENTIVE HEALTH SERVICES, MENTAL HEALTH DAY CARE SERVICES, AND OUTPATIENT MENTAL HEALTH SERVICES DEFINED.—Such section is amended by adding after subsection (aa) the following new subsections:

"Preventive Health Services

"(bb) The term 'preventive health services' means services, described in section 205 of the Health Care for All Americans Act, which are basic covered health-care services for purposes of that Act.

"Mental Health Day Care Services; Outpatient Mental Health Services

"(cc) The terms 'mental health day care services' and 'outpatient mental health services' mean the following items and services furnished to an individual as a day patient or as an outpatient, respectively, by a community mental health center (meeting the conditions of section 201 of the Community Mental Health Centers Act) or other qualified provider (as determined by the National Health Board)—

"(1) active diagnostic and therapeutic services furnished by qualified mental health professionals (as defined by the National Health Board in regulations), including psychologists, psychiatric social workers, and counselors;

"(2) drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered; and

"(3) such items and services (including comprehensive mental health services described in section 201(b) of the Community Mental Health Centers Act) as are ordinarily furnished to day patients or outpatients, respectively, in connection with an active mental health program of diagnosis and treatment,

excluding, however, any item or service if it would not be included under subsection (b) if furnished to an inpatient of a hospital.".

(d) CONFORMING AMENDMENTS.—Section 1861(r) is amended—

(1) by inserting "section 1862(a)(13)(C)," in clause (3) after "section 1835,", and

(2) by inserting "or to the provision of preventive health vision services (as defined by the National Health Board)" in clause (4) after "prosthetic lenses".

SEC. 617. RENAL PROGRAM BENEFITS.

(a) SECTION 1881(b).—Section 1881(b) is amended—

(1) by striking out "if payments for his other professional services" and all that follows through "paragraph (3)(A) of this subsection" in paragraph (1)(A) and inserting in lieu thereof "if there is no separable charge associated with such routine services";

(2) by striking out "to or on behalf" in pargaraph (1)(B) and inserting in lieu thereof "on behalf";

(3) by striking out paragraphs (2) and (3);

(4) by striking out "on the basis of a target reimbursement rate (as defined in paragraph (6))" in pargaraph (4) and inserting in lieu thereof "on the basis of a prospective budget, approved under section 321 of the Health Care for All Americans Act"; and

(5) by striking out paragraph (6).

(b) SECTION 1881(d).—Section 1881(d) is amended—

(1) by striking out "(without regard to the deductible, premium, and coinsurance provisions of this title)"; and

(2) by striking out "parts A and B of" each place it appears.

(c) SECTION 1881(e).—Section 1881(e)(1) is amended by striking out "(without regard to the deductible and coinsurance provisions of this title) for the reasonable cost of" and inserting in lieu thereof "for".

(d) SECTION 1881(f).—Subsection (f) of section 1881 if repealed.

SEC. 618. TREATMENT OF EXCLUSIONS.

(a) BASIC EXCLUSIONS.—Subsection (a) of section 1862 is amended—

(1) by inserting "or under the Health Care for All Americans Act" after "under this title";

(2) by inserting "(except for preventive health services)" in paragraph (1) after "which are";

(3) by striking out "illness or injury" in paragraph (1) and inserting in lieu thereof "illness, injury, or condition";

(4) by striking out paragraphs (2), (3), and (5);

(5) by inserting "(other than for preventive health services)" in paragraph (7) after "where such expenses";

(6) by inserting "(in excess of one every three years)" in paragraph (7) after "hearing aids" and by inserting "(in excess of once per individual per year)" in such paragraph after "or examinations";

(7) by striking out paragraph (8), relating to orthopedic shoes;

(8) by inserting "(other than for preventive health services)" in paragraph (12) after "for services";

(9) by striking out "or" at the end of paragraph (12);

(10) by striking out the period at the end of paragraph (13)(C) and inserting in lieu thereof ", unless prescribed by a physician as seriously handicapping or a danger to general health for a patient with a diagnosed case of diabetes mellitus; or"; and

(11) by adding at the end thereof the following new paragraph:

"(14) which are for insulin or prescriptions for outpatient prescription drugs for treatment of a chronic condition to the extent the prescription is in excess of such maximum amounts as the National Health Board may establish with respect to the drug.".

(b) APPLICATION TO HEALTH CARE FOR ALL AMERICANS ACT.—

(1) SUBSECTION (b).—Subsection (b) of such section is amended—

(A) by inserting "or under the Health Care for All Americans Act" after "under this title" the first place it appears;

(B) by inserting "or under such Act" after "under this title" the second place it appears; and

(C) by inserting "or to the appropriate consortium under such Act" after "by this title".

(2) SUBSECTION (d).—Subsection (d) of such section is amended—

(A) by inserting "or under the Health Care for All Americans Act" in paragraph (1) after "under this title" in the matter before subparagraph (A);

(B) by inserting "or under such Act" in paragraph (1)(A) after "under this title" each place it appears;

(C) by amending subparagraph (B) of paragraph (1) to read as follows:

"(B) has submitted or caused to be submitted bills or requests for payment under this title or such Act containing charges or costs for services rendered which are determined, in accordance with guidelines established by the National Health Board, to be substantially in excess of the amount permitted under part B of title III of such Act, unless the National Health Board finds there is good cause for such bills or requests containing such charges or costs; or";

(D) by inserting "or under the Health Care for All Americans Act" in paragraph (1)(C) after "the program under this title";

(E) by striking out "the Secretary", "him", and "he" in paragraph (1)(C) and inserting in lieu thereof "a State Health Board", "the Secretary", and "the Secretary" respectively;

(F) by striking out "of this Act" in paragraph (1)(C);

(G) by inserting "or under such Act" in paragraph (1)(C) after "under this title";

(H) by striking out "the Secretary" in the first sentence of paragraph (2) and inserting in lieu thereof "a State Health Board";

(I) by striking out "the Secretary" in the second sentence of paragraph (2) and inserting in lieu thereof "the State Health Board";

(J) by striking out "the Secretary" in the second sentence of paragraph (3) and inserting in lieu thereof "a State Health Board"; and

(K) by striking out "by the Secretary to the same extent" in paragraph (3) and all that follows through the end of such paragraph and inserting in lieu thereof "by the National Health Board in the manner provided in section 402(a)(4) of the Health Care for All Americans Act.".

(3) SUBSECTION (e).—Subsection (e) of such Act is amended—

(A) by inserting "or the national health insurance program under the Health Care for All Americans Act" in paragraph (1) after "under title XIX";

(B) by inserting "and under such Act" in paragraph (1) after "under this title" the second place it appears;

(C) by inserting "or under such Act" in paragraph (1) after "under this title" the third place it appears;

(D) by amending the second sentence of paragraph (1) to read as follows: "Any such practitioner who is dissatisfied with a determination made by the National Health Board under this subsection shall be entitled to reasonable notice and opportunity for a hearing thereon by the National Health Board, in such manner as the National Health Board shall provide by regulation.";

(E) by iinserting "or under such Act" in paragraph (2) after "under this title";

(F) by inserting "the consortia and" in paragraph (2)(A) after "notify"; and

(G) by striking out "the Department of Health, Education, and Welfare" in paragraph (2)(B) and inserting in lieu thereof "the National Health Board".

Subpart III—Certification of Services, Participating Providers, and Professional Standards Review

SEC. 621. CERTIFICATION STANDARDS.

(a) PART A.—Section 1814(a)(2) is amended by striking out "or" at the end of subparagraph (D) and by adding after subparagraph (E) the following new subparagraphs:

"(F) in the case of inpatient psychiatric hospital services, inpatient hospital services primarily for the diagnosis or treatment of mental illness, and mental health day care services, such services constitute an active treatment of the individual's condition and such services are or were medically required, and, in the case of mental health day care services, such services are or were medically necessary; or

"(G) in the case of electroshock therapy treatment, the patient required such services because of severe depression and such treatment was approved under standards established by a professional standards review organization;".

(b) PART B.—Section 1835(a) is amended—

(1) by inserting "or other qualified health care provider (as determined by the National Health Board)" in paragraph (2) after "(2) a physician";

(2) by striking out "physical or speech therapy" in paragraph (2)(A) and inserting in lieu thereof "physical or occupational therapy or speech pathology services";

(3) by striking out "and (D)" in paragraph (2)(B) and inserting in lieu thereof "(D), and (G)";

(4) by inserting "or in section 1861(bb)" in paragraph (2)(B) after "section 1861(s)(2)";

(5) by striking out "and" at the end of subparagraph (B) of paragraph (2);

(6) by striking out subparagraphs (C) and (D) and inserting in lieu thereof the following:

"(C) in the case of outpatient physical therapy services, outpatient speech pathology services, or outpatient occupational therapy services, (i) such services are or were required because the individual needed physical therapy services, speech pathology services, or occupational therapy services, respectively, (ii) a plan for furnishing such services has been established, and is periodically reviewed, by a physician or qualified physical therapist, speech pathologist, or occupational therapist, respectively, (iii) such services are or were furnished while the individual is or was under the care of a physician or a qualified physical therapist, speech pathologist, or occupational therapist, respectively, and (iv) in the case of occupational therapy services, there is a substantial likelihood of improvement in the individual's functioning; and

"(D) in the case of outpatient prescription drugs (other than insulin) for treatment of a chronic condition, such drugs are or were medically required because of the chronic condition of the individual and are appropriate in the dosage, quantity, and duration prescribed, and, in the case of insulin, it is or was medically required.";

(7) by striking out "subparagraph (A) or (B)" in the second sentence and inserting in lieu thereof "subparagraph (A), (B), (C), or (D)"; and

(8) by inserting ", speech pathology, or occupational therapy" in the third sentence after "outpatient physical therapy".

SEC. 622. PARTICIPATING PROVIDER AGREEMENTS.

(a) Amendments to subsection (a)(1).—Subsection (a)(1) of section 1866 is amended—

(1) by striking out "(except a fund designated for purposes" and all that follows through "Secretary an agreement" in the matter before subparagraph (A) and inserting in lieu thereof the following: "(as defined in subsection (e)) shall be qualified to serve as a participating provider under this title and under the Health Care for All Americans Act and shall be eligible for payments under this title and under such Act only if it files with the State Health Board (established under title IV of such Act) an agreement";

(2) by striking out ", except as provided in paragraph (2),"' in subparagraph (A);

(3) by inserting "or such Act" in subparagraph (A) after "under this title";

(4) by striking out "or for which such provider is paid pursuant to the provisions of section 1814(e)" in subparagraph (A);

(5) by inserting "or such Act" in subparagraph (B) after "under this title";

(6) by inserting "of section 1862(a)" in subparagraph (B) after "paragraph (7) or (9)";

(7) by inserting "and of such Act" in subparagraph (B) after "of this title";

(8) by striking out "and" at the end of subparagraph (C);

(9) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and";

(10) by adding after subparagraph (D) the following new subparagraphs:

"(E) to be paid for items and services to which individuals are entitled to have payments under this title or under the Health Care for All Americans Act in accordance with the applicable provisions of this title and of part B of title III of such Act;

"(F) not to discriminate on the ground of race, color, or national origin in the furnishing of items or services to an individual for which the individual is entitled to have payment made under this title or such Act;

"(G) to furnish such information and reports as may be required for the making of payments to the provider under this title or such Act or as may be required by a professional standards review organization or for approval of a prospective budget with respect to the provider;

"(H) to permit such examination of records as may be necessary for verification of the information upon which requests for payment (and payments) are based;

"(I) to meet the special requirements under subsection (f) with respect to prescription and filling of prescriptions for outpatient drugs; and

"(J) to comply with such other requirements as the National Health Board may reasonably establish by regulation."; and

(11) by striking out the second sentence.

(b) AMENDMENTS TO SUBSECTION (a)(2).—Subsection (a)(2) of such section is amended.—

(1) by striking out subparagraph (A);

(2) by inserting "or under the Health Care for All Americans Act" in subparagraphs (B)(i) and (B)(ii) after "under this title" the first place it appears;

(3) by inserting "or under such Act" in subparagraphs (B)(i) and (B)(ii) after "under this title" the second place it appears;

(4) by striking out "(or, if less, the customary charges for)" in subparagraph (B)(ii);

(5) by striking out subparagraph (C);

(6) by striking out "a provider of services" in subparagraph (D) and inserting in lieu thereof "an institutional provider";

(7) by inserting "or under the Health Care for All Americans Act" in subparagraph (D) after "under this title" the first place it appears; and

(8) by inserting "or under such Act" in subparagraph (D) after "under this title" the second place it appears.

(c) AMENDMENTS TO SUBSECTION (b)—Subsection (b) of such section is amended—

(1) by striking out "(and in the case of a skilled nursing facility, prior to the end of the term specified in subsection (a)(1))" before paragraph (1);

(2) by striking out "6 months" in paragraph (1) and inserting in lieu thereof "12 months";

(3) by inserting "or of the Health Care for All Americans Act" in paragraph (2)(A) after "of this title";

(4) by inserting "or under the Health Care for all Americans Act" in paragraph (2)(C)(i) after "under this title";

(5) by inserting "or under the Health Care for All Americans Act" in paragraph (2)(D) after "under this title" the first place it appears;

(6) by inserting "or under such Act" in paragraph (2)(D) after "under this title" the second place it appears; and

(7) by inserting "or under such Act" in paragraph (2)(E) after "under this title".

(d) AMENDMENTS TO SUBSECTION (c).—Subsection (c) of such section is amended—

(1) by striking out "under this title" and inserting in lieu thereof "under this section" each place it appears in paragraph (1);

(2) by striking out paragraph (2); and

(3) by striking out "(1)".

(e) SUBSECTION (d) AMENDMENT.—Subsection (d) of such section is amended by inserting "or under the Health Care for All Americans Act" after "under this title".

(f) SUBSECTION (e) AMENDMENT.—Subsection (e) of such section is amended to read as follows:

"(e) For purposes of this section, the term 'provider of services' includes a clinic, rehabilitation agency, physician, community mental health center, or any other provider of health-care services which provides health care services for which payment may be made under this title or under the Health Care for All Americans Act.".

(g) ADDITIONAL SUBSECTION.—Such section is amended by adding at the end the following new subsection:

"(f) The requirements for prescription of outpatient drugs referred to in subsection (a)(1)(J) are as follows:

"(1) A provider who prescribes outpatient drugs for chronic illness agrees to prescribe such drugs only under such generic or other names and not in smaller or larger quantities per prescription as the National Health Board may provide to insure quality of treatment and efficiency in provision of such drugs.

"(2) A provider that fills a prescription for a drug described in paragraph (1) agrees to fill such prescription in quantities not less than or greater than such quantities as the National Board may establish.".

(h) HEADING.—The heading to such section is amended to read as follows:

"PARTICIPATING PROVIDER AGREEMENTS".

SEC. 623. USE OF AGENCIES IN DETERMINING CONDITIONS OF PARTICIPATION.

(a) SECTION 1863.—Section 1863 is amended—

(1) by striking out "and (o)(6)" and inserting in lieu thereof "(o)(6), (aa)(2), and (cc)"; and

(2) by striking out "the Health Insurance Benefits Advisory Council established by section 1867, appropriate State agencies" and inserting in lieu thereof "the Commission on Quality of the National Health Board, State Health Boards".

(b) SECTION 1864(a).—Section 1864(a) is amended—

(1) by striking out "rural" each place it appears;

(2) by inserting "or whether a community mental health center or other qualified provider meets the requirements of section 1861(cc)" before the period at the end of the first sentence;

(3) by striking out "or home health agency" in the second sentence and inserting in lieu thereof "home health agency, or community mental health center or other qualified provider";

(4) by inserting "or under the Health Care for All Americans Act" in clause (1) of the fifth sentence after "under this title";

(5) by striking out ", and for the Federal" in subsection (b) and all that follows through the end of such subsection and inserting in lieu thereof a period;

(6) by inserting "or other institutional providers" in subsection (c) after "hospitals"; and

(7) by inserting "or other national provider accreditation organization for that category of provider" in subsection (c) after "Joint Commission on Accreditation of Hospitals".

(c) SECTION 1865.—Section 1865 is amended—

(1) by striking out "or (o)" in the third sentence of subsection (a) and inserting in lieu thereof "(o)(6), (aa)(2), or (cc)";

(2) by striking out "to the hospital" in subsection (b) and inserting in lieu thereof "to the institution"; and

(3) by striking out "of the numbered paragraphs of section 1861(e)" in subsection (b) and inserting in lieu thereof "within

the appropriate subsection (or paragraph of a subsection) of section 1861."

SEC. 624. AMENDMENTS RELATING TO PART B OF TITLE XI (PROFESSIONAL STANDARDS REVIEW).

(a) GENERAL APPLICATION TO HEALTH CARE FOR ALL AMERICANS ACT.—Part B of title XI is amended—

(1) by inserting "or under the Health Care for All Americans Act" in section 1151 after "under this Act";

(2) by inserting "or under such Act" in section 1151 after "under the Social Security Act";

(3) by inserting "or of the Health Care for All Americans Act" in section 1152(e) after "(other than this part)";

(4) by inserting "or of the Health Care for All Americans Act" in section 1152(e) after "any provision of this Act";

(5) by inserting "or under the Health Care for All Americans Act" in section 1153 after "under this Act";

(6) by inserting "or under the Health Care for All Americans Act" in section 1155 (a)(1) after "under this Act";

(7) by inserting "or under the Health Care for All Americans Act" in section 1156 (c)(1) after "under this Act";

(8) by inserting "and no funds used by a participating insurer under the Health Care for All Americans Act" in section 1158(a) after "(other than title V)";

(9) by inserting "or under such Act" in section 1158(a) after "program established pursuant thereto";

(10) by inserting "or under the Health Care for All Americans Act" in section 1158 (c) after "under this Act";

(11) by inserting "or under the Health Care for All Americans Act" in section 1160 (a)(1) after "under this Act" the first place it appears;

(12) by inserting "or under such Act" in section 1160(a)(1) after "under this Act" the second place it appears;

(13) by inserting "or under the Health Care for All Americans Act" in section 1160 (b)(1) after "under this Act";

(14) by inserting "or under the Health Care for All Americans Act" in section 1162 (e)(1) after "by this Act";

(15) by striking out "Department of Health, Education, and Welfare" in section 1163(c) and inserting in lieu thereof "the National Health Board";

(16) by inserting "or qualified health plans offered pursuant to the Health Care for All Americans Act" in section 1165 after under this Act"; and

(17) by inserting "or under the Health Care for All Americans Act" in section 1171 (b)(2) after "of this Act".

(b) ADDITIONAL AMENDMENTS.—

(1) SECTION 1154(g).—Section 1154(b) is amended by striking out "and, in addition" and all that follows through the end and inserting in lieu thereof "or by other health care providers.".

(2) SECTION 1155(g).—Section 1155 is amended by striking out subsection (g).

(3) SECTION 1156(b).—Section 1156(b) is amended—

(A) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and

(B) by inserting after such paragraph the following new paragraph:

"(3) that physicians, as a part of their medical practice, should closely monitor workers and other populations at special risk because of past exposure to environmental and occupational hazards.".

(4) SECTION 1157.—Section 1157 is amended by striking out "Secretary" and inserting in lieu thereof "the State Health Board (established under the Health Care for All Americans Act) for the State".

(5) SECTION 1159.—Section 1159 is repealed.

(6) SECTION 1160.—Section 1160 is amended—

(A) by striking out "to the Secretary" in subsection (b)(1) and inserting in lieu thereof "to a State Health Board";

(B) by striking out "as the Secretary may prescribe" in subsection (b)(1) and inserting in lieu thereof "as the State Health Board may provide, in accordance with guidelines established by the National Health Board";

(C) by striking out "the Secretary" in subsection (b)(2) the first place it appears and inserting in lieu thereof "a State Health Board";

(D) by striking out "the Secretary" in subsection (b)(2) the second place it appears and inserting in lieu thereof "the State Health Board";

(E) by striking out "the Secretary" in subsection (b)(3) and inserting in lieu thereof "a State Health Board";

(F) by inserting "or to the appropriate consortium under the Health Care for All Americans Act (as the case may be)" in subsection (b)(3) after "United States" the first place it appears;

(G) by inserting "or by the appropriate consortium under the Health Care for All Americans Act (as the case may be)" in subsection (b)(3) after "instrumentality thereof)";

(H) by striking out "the Secretary" in subsection (b)(4) the first place it appears and inserting in lieu thereof "a State Health Board"; and

(I) by striking out "the Secretary" the second place it appears and all that follows through the end of subsection (b)(4) and inserting in lieu thereof "the State Health Board pursuant to section 407(b)(4) of the Health Care for All Americans Act".

(7) SECTION 1168.—The text of section 1168 is amended to read as follows:

"SEC. 1168. Expenses incurred in the administration of this part shall be payable from funds appropriated to carry out the provisions of this part. The National Health Board shall make payments to Professional Standards Review Organizations (whether designated on a conditional basis or otherwise) from such funds (without any requirement for the contribution of funds by any State or political subdivision thereof) for expenses incurred in the performance of duties by such Organizations.";

(8) SECTION 1172.—Section 1172(4) is amended by striking out "incurred under" and all that follows through "by such titles" and inserting in lieu thereof "incurred under this part".

(9) SECTION 1861(w).—Section 1861(w)(2) is amended by striking out "insured under part A of this title or" and "part B of".

SEC. 625. HEALTH MAINTENANCE ORGANIZATIONS.

(a) SECTION 1876.—Subsection (a) of section 1876 is amended to read as follows:

"(a) In the case of an individual eligible (other than under section 226A or section 1881(d)) for benefits under this title who has elected, in accordance with the Health Care for All Americans Act, to enroll with a participating health maintenance organization for receipt of such benefits, the National Health Board shall provide for payment, in such proportions from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund as the Board may provide, of the amounts otherwise payable with respect to such individuals, amounts established under part B of title III of the Health Care for All Americans Act.".

(b) DEFINITION OF HMO.—Subsection (b) of such section is amended—

(1) by amending subparagraph (A) of paragraph (1) to read as follows:

"(A) provides to its enrollees—

"(i) who are insured for benefits under this title (hereinafter in this subsection referred to as 'Medicare-eligible individuals') through institutions, entities, and persons meeting the applicable requirements of section 1861, all of the services and benefits covered under this title, or

"(ii) who are not Medicare-eligible individuals and are enrolled with the organization pursuant to the Health Care for All Americans Act (hereinafter in this subsection referred to as 'non-Medicare eligible individuals') through institutions, entities, and persons meeting the applicable requirements of section 1861, all of the services and benefits treated as basic health-care services under such Act;

which are available to individuals residing in the geographic area served by the organization;";

(2) by striking out clauses (i), (ii), and (iii) of paragraph (1)(B) and inserting in lieu thereof the following:

"(i) the term 'basic health services' and references thereto shall be deemed to refer, for purposes of Medicare-eligible individuals, to services and benefits included under this title and, for purposes of non-Medicare eligible individuals, to basic covered health-care services (as described in part A of title II of the Health Care for All Americans Act), and";

(3) by inserting "and under the Health Care for All Americans Act" in paragraph (1)(B)(iv) after "by this title";

(4) by striking out clauses (i) and (ii) of paragraph (1)(C) and inserting in lieu thereof the following:

"(i) the term 'basic health services' and references thereto shall be deemed to refer, for purposes of Medicare-eligible individuals, to services and benefits included under this title and, for purposes of non-Medicare eligible individuals, to basic covered health-care services (as described in part A of title II of the Health Care for All Americans Act), and";

(5) by striking out "subsection (k) of this section" in paragraph (1)(C)(iii) and inserting in lieu thereof "the Health Care for All Americans Act"; and

(6) by amending paragraph (2) to read as follows:

"(2) The duties and functions of the National Health Board as they involve making determinations as to whether an organization is a 'health maintenance organization' within the meaning of paragraph (1) shall be integrated with the administration of subsections (a) and (b) of section 1312 of the Public Health Service Act.".

(c) SUBSECTION (c).—Subsection (c) of such section is amended to read as follows:

"(c) The benefits provided under this section or under the Health Care for All Americans Act (hereinafter in this section referred to as 'the Act') to enrollees of a health maintenance organization which has entered into a contract with the National Health Board pursuant to subsection (1)(2)(A) shall consist of—

"(1)(A) in the case of a Medicare-eligible individual, to have payment made on his behalf for all services described in section 1812 and section 1832 which are furnished to him by the organization in which he is enrolled pursuant to the Act, or

"(B) in the case of a non-Medicare eligible individual, to have payment made for basic covered health-care services as established under the Act; and

"(2) entitlement to have payment made by such organization on the individual's behalf for (A) such emergency services (as defined in regulations), (B) such urgently needed services (as defined in regulations) furnished to the individual during a period of temporary absence (as defined in regulations) from the geographic area served by the organization which enrolls the individual, and (C) such other services as may be determined, in accordance with subsection (f), to be services which the individual was entitled to have furnished by the organization, as may be furnished to the individual

by a physician, supplier, or provider of services, other than the organization.".

(d) FURTHER AMENDMENTS.—Such section is further amended by striking out subsections (d) and (e) and inserting in lieu thereof the following:

"(d) A Medicare-eligible individual and a non-Medicare eligible individual are eligible, in accordance with the Act, to enroll with a health maintenance organization that serves the geographic area in which the individual resides.".

(e) SUBSECTION (f).—Subsection (f) of such section is amended by striking out ", if the amount" and all that follows through the end and inserting in lieu thereof the following: "be entitled to a hearing as provided in the Act.".

(f) FURTHER AMENDMENTS.—Such section is further amended by striking out subsections (g) and (h) and paragraphs (1), (2) and (3) of subsection (f).

(g) SUBSECTION (l)(6).—Subsection (l)(6)(B) of such section is amended—

(1) by striking out ", in the case of" and all that follows through "paragraph (2)(A),", and

(2) by striking out ", as defined in clause (iii) of subsection (a)(3)(A),".

(h) SUBSECTION (k).—Subsection (k) of such section is amended to read as follows:

"(k) Each health maintenance organization with which the National Health Board enters into a contract under this section shall have a general open enrollment period in accordance with the Act under which it accepts up to the limits of its capacity and without restriction, except as may be authorized in regulations, Medicare-eligible individuals and non-Medicare-eligible individuals in the order in which they apply for enrollment unless to do so would result in enrollment of enrollees substantially nonrepresentative, as determined in accordance with regulations of the National Health Board, of the population in the geographic area served by such organization.".

Subpart IV—Conditions of Payments

SEC. 626. CHANGES IN CONDITIONS OF PAYMENT.

(a) REPEAL OF DEDUCTIBLES AND COINSURANCE.—Section 1813 and paragraph (3) of section 1861(y) are repealed.

(b) AMENDMENTS TO SECTION 1814.—

(1) SUBSECTION (a).—Subsection (a) of section 1814 is amended—

(A) by striking out "subsections (d) and (g) and in section 1876" in the matter before paragraph (1) and inserting in lieu thereof "subsection (f)";

(B) by striking out "eligible therefor" in the matter before paragraph (1) and by inserting in lieu thereof "participating providers of health care"; and

(C) by striking out "such individual" in paragraph (1) and inserting in lieu thereof "an authorized representative of such provider"; and

(D) by striking out "the individual" in paragraph (1) and inserting in lieu thereof "the provider".

(2) AMOUNT PAID TO PROVIDERS.—Subsection (b) of such section is amended by striking out "shall," and all that follows through the end and inserting in lieu thereof "shall be the amount determined under part B of title III of the Health Care for All Americans Act".

(3) PAYMENT TO FEDERAL PROVIDERS.—Subsection (c) of such section is amended to read as follows:

"No Payments to Certain Federal Providers of Services

"(c) Except as provided in subsection (j), no payment may be made under this part, or under a qualified health plan offered pursuant to the Health Care for All Americans Act (other than a plan described in section 4(d)(4)(B) of such Act), to any Federal provider of services administered by or under the control of the Department of Defense or the Veterans Administration or, with respect to services provided to a member of a uniformed service on active duty (or a member of the member's family), of the Public Health Service; and no such payment may be made to any provider of service for any item or service which such provider is obligated by a law of, or a contract with, the United States to render at public expense.".

(4) EMERGENCY HOSPITAL SERVICES.—Subsection (d) of such section is repealed.

(5) PAYMENT FOR CERTAIN INPATIENT SERVICES.—Subsection (e) of such section is repealed.

(6) CONFORMING AMENDMENT.—Subsection (f) of such section is amended—

(A) by striking out "hospital insurance benefits" each place it appears and inserting in lieu thereof "health insurance benefits"; and

(B) by striking out the second sentence of paragraph (4) and inserting in lieu thereof the following: "The amount payable with respect to such services shall be equal to such reasonable amount as, in accordance with regulations of the National Health Board, is consistent with part B of title III of the Health Care for All Americans Act.".

(7) PAYMENT FOR CERTAIN PHYSICIAN SERVICES IN A TEACHING HOSPITAL.—Subsection (g) of such section is repealed.

(8) CONFORMING AMENDMENT.—Subsection (j)(1) of such section is amended by striking out "hospital insurance benefits" and inserting in lieu thereof "health insurance benefits".

(c) CHANGE IN PAYMENTS TO PROVIDERS.—

(1) INSTITUTIONAL PROVIDERS.—Section 1815 is amended—

(A) by striking out "(a) The Secretary shall periodically determine" in subsection (a) and inserting in lieu thereof "The National Health Board, consistent with part B of title III of the Health Care for All Americans Act, shall determine".

(B) by striking out "(but not less often than monthly)" in subsection (a).

(C) by striking out subsection (b). and

(D) by inserting "or under the Health Care for All Americans Act" in subsection (c) after "under this title".

(2) OTHER PROVIDERS.—Section 1833 is amended—

(A) by amending subsection (a) to read as follows:

"(a) Subject to the succeeding provisions of this section, there shall be paid from the Federal Supplementary Medical Insurance Trust Fund, in the case of each individual who is covered under the insurance program established under this part and has been furnished services with respect to which benefits are payable under this part, amounts determined in accordance with part B of title III of the Health Care for All Americans Act.";

(B) by striking out subsection (b);

(C) by striking out "(or would be entitled except for section 1813)" in subsection (d);

(D) by striking out subsection (e);

(E) by striking out "(f)(1)" in subsection (f) and inserting in lieu thereof "(f)";

(F) by striking out paragraphs (2) and (3) of subsection (f);

(G) by striking out "(4)" in paragraph (4) of subsection (f) and inserting the rest of such paragraph at the end of such subsection; and

(H) by striking out the subsection (g) which begins "With respect to".

(3) SECTION 1835.—Section 1835 is amended—

(A) by amending the heading to read as follows: "PROCEDURE FOR PAYMENT OF HEALTH CARE PROVIDERS";

(B) by striking out "subsections (b), (c), and (e)" and all that follows through "under section 1866(a)" in the matter before paragraph (1) of subsection (a) and inserting in lieu thereof "subsection (b), payment for services described in section 1832(a) furnished an individual may be made only to providers of health services which are eligible therefor under section 1866(a) and under the Health Care for All Americans Act";

(C) by striking out "such individual" in paragraph (1) and inserting in lieu thereof "such provider or an authorized representative of such provider";

(D) by striking out "the individual" in paragraph (1) and inserting in lieu thereof "the provider".

(E) by striking out the third sentence of subsection (a);

(F) by striking out subsection (b);

(G) by striking out subsection (c);

(H) by amending subsection (d) to read as follows:

"(d) No payment may be made under this part to any Federal health care provider of services or other Federal agency administered by or under the control of the Department of Defense or the Veterans Administration or, with respect to services provided to a member of a uniformed service on active duty (or a member of the member's family), of the Public Health Service; and no such payment may be made to any provider of services or other person for any item or service which such provider or person is obligated by a law of, or a contract with, the United States to render at public expense."; and

(I) by striking out subsection (e).

(d) REPEAL OF REASONABLE COST.—

(1) REPEAL.—Subsection (v) of section 1861 is repealed.

(2) CONFORMING AMENDMENTS.—

(A) SECTION 1870.—Section 1870 is amended—

(i) by striking out subsections (a) through (f); and

(ii) by amending subsection (g)—

(I) by striking out "(g)"

(II) by striking out "under section 1818 (c) of the Social Security Act or under section 1837" and inserting in lieu thereof "under this title";

(III) by striking out "in the priorities specified in paragraphs (2) through (7) of subsection (e)" and inserting in lieu thereof "in such priorities as the National Health Board may establish".

(B) SECTION 505.—Paragraph (6) of section 505(a) is amended to read as follows:

"(6) provides for payment for inpatient hospital services in amounts determined in accordance with part B of title III of the Health Care for All Americans Act;".

(e) CONFORMING AMENDMENTS.—

(1) SECTIONS 2, 403, 1003, 1403, 1603.—Sections 2(a), 403(a), 1003(a), 1403(a), and 1603(a) are each amended by striking out "(including expenditures" and all that follows through "or the cost thereof" in paragraph (1) before subparagraph (A) and in paragraph (2).

(2) SECTION 1861(e).—Section 1861(e) is amended—

(A) by striking out "sections 1814(d), 1814(f) and 1835(b)" in the first sentence and inserting in lieu thereof "section 1814(f)";

(B) by striking out "section 1814(d)" and all that follows through "and subsections (1)" in the third sentence and inserting in lieu thereof "section 1814(f)(2) and subsections (1)"; and

(C) by striking out "sections 1814(d), 1814(f)(2), and 1835(b)" in the fourth sentence and inserting in lieu thereof "section 1814(f)(2)".

(3) SECTION 1861(s).—The second sentence of section 1861(s) is amended by striking out "section 1814(d)" and inserting in lieu thereof "section 1814(f)(2)".

SEC. 629. CONTRACTS FOR THE ADMINISTRATION OF BENEFITS.

(a) HEADING.—The heading to section 1842 is amended by striking out "CARRIERS" and inserting instead "PUBLIC AND PRIVATE ENTITIES".

(b) SUBSECTION (a).—

(1) STANDARDS.—The matter in subsection (a) of that section preceding paragraph (1) is amended—

(A) by striking out "under this part" the first two places it appears and inserting in lieu thereof "under this title";

(B) by striking out "and with a view to further in coordination of the administration of the benefits under part A and under this part,";

(C) by striking out "carriers, including carriers with which agreements under section 1816 are in effect," and inserting instead "public and private entities"; and

(D) by striking out the semicolon and all that follows up to the colon.

(2) FUNCTIONS.—Such section is further amended—

(A) by inserting "(subject to such review by the Secretary as may be provided for by the contract)" in paragraph (1)(A) after "determinations";

(B) by striking out "this part" each place it appears and inserting in lieu thereof "this title";

(C) by striking out "on a reasonable cost or reasonable charge basis (as may be applicable)" in paragraph (1)(A);

(D) by striking out "and" at the end of paragraph (3);

(E) by redesignating paragraph (4) as paragraph (5); and

(F) by inserting after paragraph (3) the following new paragraph:

"(4) provide consultative services to entities furnishing health services to enable them to establish and maintain fiscal records necessary for purposes of this title and otherwise to become or remain eligible for payments under this title; and".

(c) SUBSECTION (b).—

(1) COMPETITIVE BIDDING.—Subsection (b) of such section is amended by striking out paragraph (1).

(2) TERMINOLOGY.—Such subsection is amended by striking out "carrier" each place it appears and inserting in lieu thereof "entity".

(3) CARRIER CONTRACTS.—Paragraph (3) of such subsection is amended—

(A) by inserting ", as appropriate," in the matter preceding paragraph (A) after "provide";

(B) by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) will take such action as may be necessary to assure that payments will be made under this title for services in a manner consistent with the provisons of part B of title III of the Health Care for All Americans Act;

"(B) will notify each individual on whose behalf a payment has been made under this title of the fact and service or benefit with respect to which the payment was made;";

(C) by striking out "this part" in subparagraph (C) each place it appears and inserting in lieu thereof "this title";

(D) by striking out "part" in subparagraphs (D) and (E) and inserting in lieu thereof "title";

(E) by inserting "(and to its claims processing operations)" in subparagraph (E) after "thereto";

(F) by striking out the second, third, and fourth sentences and all that follows the fifth sentence;

(G) by striking out "fiscal intermediary," in the fifth sentence; and

(H) by striking out "Department of Health, Education, and Welfare" in the fifth sentence and inserting in lieu thereof "National Health Board".

(4) USE OF FACTORS.—Paragraph (5) of such subsection is amended—

(A) by inserting "or pursuant to a qualified health plan under the Health Care for All Americans Act" after "under this part";

(B) by striking out "(except as provided in section 1870)";

(C) by striking out "such individual or (pursuant to an assignment described in subparagraph (B)(ii) of paragraph (3))";

(D) by striking out "(pursuant to an assignment described in subparagraph (B)(ii) of paragraph (3))" the second place it appears;

(E) by striking out "an assignment from the individual to whom the service was provided or"; and

(F) by striking out "assignment or".

(d) SUBSECTION (c).—Subsection (c) of such section is amended to read as follows:

"(c) Any contract entered into with an entity under this section may provide for advances of funds to the entity for the making of payments by it under this title.".

(e) SUBSECTION (d).—Subsection (d) of such section is amended—

(1) by striking out "carrier" each place it appears and inserting in lieu thereof "entity", and

(2) by striking out "surety" and inserting in lieu thereof "fidelity".

(f) SUBSECTION (e).—Subsection (e)(3) of such section is amended by striking out "carrier" and inserting in lieu thereof "entity".

(g) SUBSECTION (f).—Subsection (f) of such section is repealed.

(h) SUBSECTION (g).—Subsection (g) of such section is repealed.

(i) REDESIGNATION.—Such section, as amended by this section, is redesignated as section 1868 and inserted into part C of title XVIII of the Social Security Act after section 1867.

(j) REPEAL OF FISCAL INTERMEDIARY PROVISION.—Section 1816 is repealed.

(k) CONFORMING AMENDMENTS.—

(1) SECTIONS 506(f)(1) AND 1903(i)(1).—Sections 506(f)(1) and 1903(i)(1) are each amended by striking out "under the fourth and fifth sentences of section 1842(b)(3)" and inserting in lieu thereof "under part B of title III of the Health Care for All Americans Act".

(2) SECTION 1106(d)(1).—Section 1106(d)(1) is amended by striking out "carriers, intermediaries," and inserting in lieu thereof "entities with an agreement under section 1868".

(3) SECTION 1124(a)(2)(C).—Subparagraph (C) of section 1124(a)(2) is amended to read as follows:

"(C) an entity that is acting as a fiscal intermediary with respect to one or more providers (for purposes of title XVIII or title XIX) pursuant to (i) an agreement under section 1868, or (ii) an agreement with a single State agency administering or supervising the administration of a State plan under title XIX; or".

(4) SECTION 1158(c).—Section 1158(c) is amended by striking out "agencies and organizations" and all that follows through "section 1842" and inserting in lieu thereof "entities which are parties to contracts entered into by the National Health Board pursuant to section 1868".

(5) SECTION 1165(a).—Section 1165(a) is amended by striking out "agencies and organizations and all that follows through "section 1842, and (3)" and inserting in lieu thereof "entities which are parties to contracts entered into by the National Health Board pursuant to section 1868, and (2)".

(6) SECTION 1841(i).—Section 1841(i) is amended by striking out "1842(g)" and inserting in lieu thereof "1868(g)".

(7) SECTION 1866(a)(1)(D).—Section 1866(a)(1)(D) is amended by striking out "fiscal intermediary or carrier (for purposes of part A or part B, of both, of this title)" and inserting in lieu thereof "contracting entity under section 1868".

(8) SECTION 1877(d).—Subsection (d) of section 1877 is amended to read as follows:

"(d) Whoever is a participating provider under this title or under the Health Care for All Americans Act and provides covered health-care services under this title or such Act and who knowingly, willfully, and repeatedly violates the term of the agreement of subparagraph (A), (B), or (C) of section 1866(a)(1), shall be fined not more than $2,000, imprisoned for not more than six months, or both.".

(9) SECTION 1879.—Section 1879 is amended—

(A) by striking out "pursuant to an assignment under section 1842(b)(3)(B)(ii)" in subsection (a)(1), and

(B) by striking out "1842(b)(3)(C)" in subsection (d) and inserting in lieu thereof "1868(b)(3)(C)".

(l) TRANSITIONAL PROVISION.—Contracts with entities under section 1868 of the Social Security Act may be entered into during the five-year period beginning with the date of the enactment of this Act without regard to section 3709 of the Revised Statutes or any other provision of law requiring bidding.

Subpart V—Taxes, Trust Funds, and Premiums

SEC. 633. HOSPITAL INSURANCE TAX AND PREMIUMS FOR MEDICARE-ELIGIBLE INDIVIDUALS.

(a) REVISION OF HOSPITAL INSURANCE TAX.—

(1) SECTION 3101.—Section 3101(b) of the Internal Revenue Code of 1954, relating to rate of hospital insurance tax on employers, is amended by striking "employment (as defined in section 3121(b))" and inserting in lieu thereof "medicare employment (as defined in section 3121(u))".

(2) SECTION 3111.—Section 3111(b) of such Code, relating to rate of hospital insurance tax on employees, is amended by striking out "employment (as defined in section 3121(b))" and inserting in lieu thereof "medicare employment (as defined in section 3121(u))".

(3) SECTION 3121.—Section 3121 of such Code is amended by adding after subsection (t) the following new subsection:

"(u) MEDICARE EMPLOYMENT.—For purposes of section 3101(b) and 3111(b), the term 'medicare employment' means employment, as defined in subsection (b), except that the exclusions contained in—

"(1) paragraphs (5) and (6), relating to service performed for the United States or instrumentalities,

"(2) paragraph (7), relating to service performed for States and instrumentalities,

"(3) paragraph (8), relating to service performed for charitable organizations,

"(4) paragraph (9), relating to service performed by certain employee representatives,

"(5) paragraphs (10) and (13), relating to service performed by certain students, and

"(6) paragraph (17), relating to service performed for certain organizations,

shall not be applied.".

(b) TRUST FUND CHANGES.—

(1) PART A TRUST FUND.—Section 1817 is amended—

(A) by adding at the end of subsection (a) the following new sentence: "There shall be deposited into the Trust Fund payments, described in section 101(b)(1)(B) of the Health Care for All Americans Act, made by foreign governments and international organizations.";

(B) by striking out "Secretary of Health, Education, and Welfare" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board";

(C) by striking out "Administrator of the Health Care Financing Administration" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board, or his designee"; and

(D) by striking out subsection (g).

(2) PART B TRUST FUND.—Section 1841 is amended—

(A) by striking out "Secretary of Health, Education, and Welfare" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board";

(B) by striking out "Administrator of the Health Care Financing Administration" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board, or his designee"; and

(C) by striking out subsection (f).

(c) PART B PREMIUMS AND MANDATORY ENROLLMENT.—

(1) SECTION 1839.—Section 1839 is amended by striking out subsections (d) and (f).

(2) SECTION 1840.—

(A) SUBSECTION (c).—Subsection (c) of section 1840 is amended—

(i) by inserting "(1)" after "(c)";

(ii) by striking out "may" and inserting in lieu thereof "shall";

(iii) by striking out "such portion of the monthly premiums for such period as he desires" and inserting in lieu thereof "the remaining portion of the monthly premiums for such period in such manner as the National Health Board may specify"; and

(iv) by adding at the end the following new paragraph:

"(2) In the case of an individual who is entitled to benefits under this title and is an SSI-eligible individual (as defined in the Health Care for All Americans Act), monthly premiums payable with respect to the individual shall be paid by the Secretary of the Treasury from any moneys in the Treasury not otherwise appropriated.".

(B) SUBSECTION (h).—Such section is amended by striking out subsection (h).

Subpart VI—Miscellaneous Medicare and Other Social Security Act Amendments

SEC. 635. MISCELLANEOUS MEDICARE AMENDMENTS.

(a) DEFINITION OF PROVIDER OF SERVICES.—Section 1861(u) is amended by striking out "or, for purposes of section 1814(g) and section 1835(e), a fund" and inserting in lieu thereof "health clinic, or such other institutional provider as the National Health Board may provide by regulation".

(b) REPEAL OF CERTAIN SECTIONS.—Sections 1867 and 1869 are repealed.

(c) SECTION 1872.—The text of section 1872 is amended to read as follows:

"SEC. 1872. The provisions of section 216 (j) and of subsections (a), (d), (e), and (1) of section 205, shall also apply with respect to this title and to the Health Care for All Americans Act to the same extent as they are applicable with respect to title II, except that any reference to the Secretary of Health, Education, and Welfare or to the Department of Health, Education, and Welfare shall, for such purposes, be deemed a reference to the National Health Board.".

(d) SECTION 1874.—Section 1874 is amended—

(1) by striking out "Secretary" in subsection (b) and inserting in lieu thereof "Chairman of the National Health Board", and

(2) by striking out "the Secretary" in subsection (c) and inserting in lieu thereof "each member of the National Health Board".

(e) SECTION 1875.—Section 1875 is amended—

(1) by striking out "programs under parts A and B;" in subsection (a) and inserting in lieu thereof "program under this title; and",

(2) by striking out "; and (3)" and all that follows through the end of subsection (a) and inserting in lieu thereof a period, and

(3) by striking out "programs under parts A and B" in subsection (b) and inserting in lieu thereof "program under this title".

(f) SECTION 1877.—Section 1877 is amended—

(1) by inserting "or pursuant to the Health Care for All Americans Act" after "under this title" in subsection (a)(1);

(2) by inserting "or such Act" after "under this title" in clause (i) of subsection (a);

(3) by inserting "or pursuant to the Health Care for All Americans Act" after "under this title" in subsections (b)(1)(A) and (b)(2)(A);

(4) by inserting "or such Act" after "under this title" in subsections (b)(1)(B) and (b)(2)(B);

(5) by inserting "or pursuant to the Health Care for All Americans Act" after "under this title" the first place it appears in subsection (b)(3)(A);

(6) by inserting "or such Act" after "under this title" the second place it appears in subsection (b)(3)(A); and

(7) by striking out "or home health agency" in subsection (c) and inserting in lieu thereof "home health agency, health clinic, community mental health center or other qualified provider".

(g) SECTION 1879.—Section 1879 is amended—

(1) by striking out "under part A or part B of this title" in subsection (a)(1) and inserting in lieu thereof "under this title or under a qualified health plan under the Health Care for All Americans Act";

(2) by striking out "by a provider of services or by another person" in subsection (a)(1) and inserting in lieu thereof "by a participating provider of health services";

(3) by striking out "part A or part B" in subsection (a)(2) and inserting in lieu thereof "this title or such a plan";

(4) by inserting "or under such Act" in subsection (a) after "permitted by this title";

(5) by inserting "or such Act" in subsection (a) after "objectives of this title";

(6) by striking out "the Secretary" in subsection (a) and inserting in lieu thereof "the National Health Board or, in the case of such Act, the participating insurer";

(7) by striking out "such part A or part B" in subsection (b) and inserting in lieu thereof "this title or pursuant to such Act";

(8) by striking out "then the Secretary" in subsection (b) and inserting in lieu thereof "then the National Health Board or, in the case of such Act, the participating insurer";

(9) by striking out ", subject to the deductible and coinsurance provisions of this title," in subsection (b);

(10) by striking out "by the Secretary" in subsection (b) and inserting in lieu thereof "by the National Health Board or the participating insurer";

(11) by striking out "case the Secretary" in subsection (b) and inserting in lieu thereof "case the National Health Board or such insurer";

(12) by striking out "he" in subsection (b) and inserting in lieu thereof "it";

(13) by inserting "and no payments need be made under a qualified health plan under such Act" in subsection (c) after "under this title";

(14) by striking out "under part A or part B" in subsection (c) and inserting in lieu thereof "under this title or under such Act"; and

(15) by striking out "under section 1869(b)" in subsection (d) and all that follows through "under part (b)" and inserting in lieu thereof "under section 1868(b)(3)(C)".

(h) SECTION 1880.—Section 1880 is amended—

(1) by striking out subsection (a),

(2) by striking out "Notwithstanding subsection (a), a" in subsection (b) and inserting in lieu thereof "A", and

(3) by striking out subsection (c) and redesignating subsection (d) as subsection (c).

(i) MISCELLANEOUS CONFORMING AMENDMENTS.—

(1) SECTION 202.—Subsections (t)(9), (u)(1), and (v) of section 202 are amended by striking out "part A of" each place it appears.

(2) SECTION 1131.—Section 1131(a)(1) is amended (A) by inserting "or" at the end of subparagraph (A), and (B) by striking out subparagraph (B).

(3) SECTION 1861. — Section 1861 is amended—

(A) by striking out "hospital insurance benefits under part A" in subsection (f)(3) and inserting in lieu thereof "health insurance benefits under this title", and

(B) by striking out "part A" in subsection (g)(3) and inserting in lieu thereof "this title".

SEC. 636. RESIDUAL MEDICAID PROGRAM.

(a) FEDERAL GUARANTEE AND ELIMINATION OF FEDERAL GRANTS-IN-AID.—Section 1903 is amended—

(1) by amending paragraph (1) of subsection (a) to read as follows:

"(1) subject to subsection (e), an amount equal to the excess State payments (as defined in subsection (e)(2)) made during the quarter; plus";

(2) by striking out "75 per centum" in subsection (a)(2) and inserting in lieu thereof "90 per centum";

(3) by striking out "75 per centum" in subsection (a)(3)(B) and inserting in lieu thereof "90 per centum";

(4) by striking out paragrah (5) of subsection (a);

(5) by striking out "50 per centum" in subsection (a)(7) and inserting in lieu thereof "90 per centum"; and

(6) by inserting after subsection (d) the following new subsection:

"(e)(1) For purposes of subsection (a)(1), the term 'excess payments' means, for a quarter, the amount by which—

"(A) the sum of (i) the expenditures of the State (excluding Federal expenditures) under the State plan approved under this title with respect to care and services which were available under the plan for a period of not less than two years before January 1 of the first effective year (as defined in paragraph (2)(A)) and (ii) the State's expenditures for premiums under section 346 of the Health Care for All Americans Act on behalf of AFDC-eligible individuals (as defined in paragraph (2)(B)),

for the quarter exceeds—

"(B) the product of (i) the expenditures of such State (excluding Federal expenditures and expenditures for premiums under section 636(b) of the Health Care for All Americans Act) under the State plan under this title for the quarter ending on the day before the first effective year, and (ii) a factor for growth (determined under paragraph (2)(C)).

"(2) For purposes of paragraph (1):

"(A) The term 'first effective year' means, as defined in section 4(a)(7) of the Health Care for All Americans Act, the first year in which health care benefits are provided under such Act.

"(B) The term 'AFDC-eligible individual' means an AFDC-eligible individual (as defined in section 4(b)(1) of the Health Care for All Americans Act) who is enrolled in a qualified health plan, and includes such members of the individual's family as are enrolled with the individual under such plan.

"(C) The term 'factor for growth' means, for a quarter, the ratio of the total anticipated expenditures under the Annual Budget (under the Health Care for All Americans Act) of the National Health Board with respect to that quarter over the total anticipated expenditures under such budget for the quarter beginning on January 1 of the first effective year.".

(b) TEMPORARY MEDICAL ASSISTANCE.—There shall be treated as medical assistance provided under a State plan approved under title XIX of the Social Security Act payments of the State for group-rated premiums un-

der section 345 of this Act for the month of December of the year before the first effective year.

(c) ADDITIONAL PLAN REQUIREMENTS.—Section 1902(a) is amended—

(1) by striking out "either pursuant" and all that follows through "or similar charges under part B of title XVIII for individuals eligible for benefits under such part," in clause (II) of paragraph (10) and inserting in lieu thereof "by reason of the payment of premiums under such part by the State agency on behalf of such individuals";

(2) by amending paragraph (13) to read as follows:

"(13) provide—

"(A) for the inclusion of such care and services (other than covered health-care services provided pursuant to qualified health plans under the Health Care for All Americans Act) in such amount, duration, and scope as either (i) were covered under the plan as in effect in the quarter before the first effective year (as defined in section 1903 (e)(3)(A)), or (ii) are specified in regulations established by the National Health Board,

"(B) for the payment of premiums, under section 345 of such Act, with respect to AFDC-eligible individuals and residents of State institutions who are enrolled in a qualified health plan under such Act; and

"(C) for the payment of hospitals, skilled nursing facilities and intermediate care facilities, and other institutional providers (as defined in the Health Care for All Americans Act) in such manner, consistent with the method established under section 321 of such Act, as the National Health Board may establish;";

(3) by amending paragraph (14) to read as follows:

"(14) provide that enrollment fees, premiums, deductions, cost sharing or similar charges may only be imposed under the plan in the case of such individuals and in such amounts as the National Health Board permits by regulation;";

(4) by striking out paragraph (15);

(5) by striking out "as provided for in section 1903(i)(4)" in paragraph (30);

(6) by striking out "and" at the end of paragraph (39);

(7) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and";

(8) by inserting after paragraph (40) the following new paragraph:

"(41) meet such other standards, including standards relating to quality of care and services provided pursuant to the plan and reimbursement of providers for care and services provided under the plan, as the National Health Board may establish by regulation."; and

(9) by striking out "and of section 1903 (i)(4)," in the next to last paragraph.

(d) OTHER CHANGES.—Title XIX is further amended—

(1) by striking out "hospital insurance benefits" in section 1903(b)(1) and inserting in lieu thereof "health insurance benefits";

(2) by striking out subsection (i) of section 1903;

(3) by amending subsection (m) of section 1903 to read as follows:

"(m) The term 'health maintenance organization' means a participating health maintenance organization under the Health Care for All Americans Act.";

(4) by inserting ", other than basic covered health-care services under the Health Care for All Americans Act," in section 1905(a) after "the following care and services";

(5) by striking out "rural" each place it appears in subsection (a)(2)(B) and (1) of section 1905; and

(6) by striking out "RURAL" in the heading to section 1910 and "rural" in subsection (b) of such section.

(e) STATES NOT PARTICIPATING IN MEDICAID PROGRAM.—In the case of any State that does not have a plan approved under title XIX of the Social Security Act, the National Health Board shall require that as a condition for the State's receipt of any funds from the Health Resources Distribution Fund or under title IV of the Social Security Act in the State, that the State must enter into an agreement with the National Health Board under which—

(1) the State agrees to pay premiums, under section 345 of the Health Care for All Americans Act, with respect to AFDC-eligible individuals and residents of State institutions who are enrolled in a qualified health plan under section 116(b) of such Act; and

(2) the National Health Board agrees to provide financial assistance to the State in a manner comparable to that provided under section 1903(a)(1) of the Social Security Act to States with plans approved under such title.

SEC. 637. PART A OF TITLE XI.

(a) SECTION 1121.—Section 1121 is amended by inserting "or under the Health Care for All Americans Act" in subsection (a) after "under this Act".

(b) SECTION 1122.—

(1) REPEAL.—Section 1122 is repealed.

(2) CONFORMING AMENDMENTS.—

(A) TITLE V.—Title V is amended—

(i) by striking out "section 1122" in sections 505(a)(5) and 509(a) and inserting in lieu thereof "the Health Care for All Americans Act"; and

(ii) by striking out subsection (g) of section 506.

(B) TITLE XIX.—Title XIX is amended—

(i) by striking out "section 1122" in section 1902(a)(13)(D) and inserting in lieu thereof "the Health Care for All Americans Act", and

(ii) by striking out paragraph (2) of section 1903(b).

(c) SECTION 1123.—Section 1123 is repealed.

(d) SECTION 1124.—Section 1124 is amended—

(1) by inserting "or under the Health Care for All Americans Act" in subsection (a)(1) after "XX" each place it appears;

(2) by striking out "or" at the end of subparagraph (C) of subsection (a)(2);

(3) by striking out the period at the end of subparagraph (D) of subsection (a)(2) and inserting in lieu thereof "; or"; and

(4) by inserting after subparagraph (D) of subsection (a)(2) the following new subparagraph:

"(E) a participating insurer or a consortium under the Health Care for All Americans Act.".

(e) SECTION 1126.—Section 1126(a) is amended—

(1) by inserting "or under the Health Care for All Americans Act" after "XX" each place it appears; and

(2) by striking out "in the Department of Health, Education, and Welfare" and inserting in lieu thereof "of the National Health Board".

SEC. 638. TREATMENT OF CERTAIN PREMIUM PAYMENTS UNDER SSI AND AFDC PROGRAMS.

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (12) the following new paragraph:

"(13) any health premiums paid, pursuant to the Health Care for all Americans Act, by or on behalf of the individual (or his spouse).".

(b) AFDC PROGRAM.—Section 402(a) is amended—

(1) by striking out "and" at the end of paragraph (8)(A)(i);

(2) by striking out "; and" at the end of paragraph (8)(A)(ii) and inserting in lieu thereof ", and";

(3) by inserting after clause (ii) of paragraph (8)(A) the following new clause:

"(iii) any health premiums paid, pursuant to the Health Care for All Americans Act, by or on behalf of any of the persons specified in clause (ii); and";

(4) by striking out "and" at the end of paragraph (28);

(5) by striking out the period at the end of paragraph (29) and inserting in lieu thereof "; and"; and

(6) by adding after paragraph (29) the following new paragraph:

"(30) provide for payment by the State of premiums due, under section 345 of the Health Care for All Americans Act, with respect to State enrollees in the State.".

PART C—MISCELLANEOUS AMENDMENTS TO OTHER ACTS

SEC. 641. AMENDMENTS TO INTERNAL REVENUE CODE OF 1954.

(a) MEDICAL EXPENSE DEDUCTION.—

(1) IN GENERAL.—Subsection (a) section 213 of the Internal Revenue Code of 1954 (relating to itemized deductions for medical, dental, etc., expenses) is amended to read as follows:

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction the amount, not compensated for by insurance or otherwise, by which the amount of the expenses paid during the taxable year for medical care of the taxpayer, his spouse, and dependents (as defined in section 152) exceeds 3 percent of the adjusted gross income."

(2) CONFORMING AMENDMENTS.—Paragraph (1) of section 213(c) of such Code is amended—

(A) by inserting "or" at the end of subparagraph (A);

(B) by striking out ", or" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(C) by striking out subparagraph (C).

(b) EMPLOYER CREDIT FOR EXCESS HEALTH INSURANCE EXPENSES.—

(1) CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"SEC. 44D. EXCESS HEALTH INSURANCE CREDIT.

"(a) ALLOWANCE OF CREDIT.—In the case of an impacted employer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year, an amount equal to the amount of the impacted employer credit for the calendar year ending in the taxable year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) IMPACTED EMPLOYER.—The term 'impacted employer' means any employer—

"(A) for which a certification is in effect under section 341(b) of the Health Care for All Americans Act for the calendar year which ends in the taxable year, and

"(B) which is not exempt from tax under this subtitle.

"(2) IMPACTED EMPLOYER CREDIT.—The term 'impacted employer credit' means the amount determined under section 341(b) of such Act for such calendar year.

"(c) SPECIAL RULES.—For purposes of computing the impacted employer credit under section 341(b) of the Health Care for All Americans Act—

"(1) CONTROLLED GROUP OF CORPORATIONS.—All employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case the credit (if any) allowable under subsection (a), to each such member shall be its proportionate contribution to the incremental increase in health employee costs giving rise to such credit. For purposes of this paragraph, the term 'controlled group of corporations' has the meaning given such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(2) EMPLOYERS OF PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—Under regulations established by the National Health Board—

"(A) all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

"(B) the credit (if any) allowable by subsection (a) with respect to each trade or business shall be its proportionate contribution to the health insurance premiums giving rise to such credit.

The regulations prescribed under this paragraph shall be based on principles similar to the principles which apply in the case of paragraph (1).

"(3) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the National Health Board—

"(A) ACQUISITIONS.—If, after the base year, an employer acquires the major portion of a trade or business of another person (hereinafter in this subparagraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying subsection (a) for any calendar year ending after such acquisition, the amount of the health insurance premiums deemed paid and the number of full-time equivalent employees employed by the employer during periods before such acquisition shall be increased by so much of such premiums paid and full-time equivalent employees employed by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the employer.

"(B) DISPOSITIONS.—If, after the base year—

"(i) an employer disposes of the major portion of any trade or business of the employer or the major portion of a separate unit of a trade or business of the employer in a transaction to which subparagraph (A) applies, and

"(ii) the employer furnishes the acquiring person such information as is necessary for the application of subparagraph (A),

then, for purposes of applying subsection (a) for any calendar year ending after such disposition, the amount of the health insurance premiums deemed paid and the number of full-time equivalent employees employed by the employer during periods before such disposition shall be decreased by so much of such premiums paid and full-time equivalent employees employed as is attributable to such trade or business or separate unit.

"(4) CHANGE IN STATUS FROM SELF-EMPLOYED TO EMPLOYEE.—If—

"(A) during the base year an individual has net earning from self-employment (as defined in section 1402(a)) which are attributable to a trade or business, and

"(B) for any portion of a succeeding calendar year the individual is an employee of such trade or business,

then, for purposes of determining the credit allowable for a taxable year ending in such succeeding year, the employer's aggregate health care premiums and the number of full-time employee equivalents shall be increased by the amount of such premiums and such employees in such base year.

"(5) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation (as defined in section 1371)—

"(A) the amount of the credit determined under this section for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of such taxable year, and

"(B) any person to whom an amount is apportioned under subparagraph (A) shall be allowed a credit under subsection (a) for such amount.

"(6) ESTATES AND TRUSTS.—In the case of an estate or trust—

"(A) the amount of the credit determined under this section for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

"(B) any beneficiary to whom an amount is apportioned under subparagraph (A) shall be allowed a credit under subsection (a) for such amount.

"(d) APPLICATION OF SECTION.—This section shall apply to taxable years which begin during the period of 3 calendar years beginning with the first calendar year in which health-care benefits are provided under the Health Care for All Americans Act."

(2) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 44C the following:

"Sec. 44D. Excess health insurance credit.".

(3) REFUNDABLE CREDIT AMENDMENT.—

(A) SECTION 6401.—Subsection (b) of section 6401 of such Code (relating to excessive credits treated as overpayments) is amended—

(i) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to excess health insurance credit)", and

(ii) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44D".

(B) SECTION 55.—Paragraph (2) of section 55(a) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof", 43, and 44D".

(C) SECTION 56.—Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(D) SECTION 6201.—Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended by striking out "or section 43 (relating to earned income)" and inserting in lieu thereof ", section 43 (relating to earned income), or 44D (relating to excess health insurance credit)".

(E) SECTION 882.—Paragraph (2) of section 882(c) of such Code (relating to tax on income of foreign corporations connected with United States business) is amended by striking out "or the credit" and inserting in lieu thereof ", the credit" and by inserting before the period ", or the credit provided by section 44D for excess health insurance expenses".

SEC. 642. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.

(a) SERVICE REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS.—Section 1301 (b)(1) of the Public Health Service Act is amended—

(1) by inserting "and" before "(C)" in the first sentence,

(2) by inserting a period after "community rating system" in the first sentence and striking out the remainder of that sentence, and

(3) by striking out the second sentence.

(b) ORGANIZATIONAL REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS.—Section 1301 of the Public Health Service Act is amended—

(1) by striking out "the provisions of subsection (d)" in paragraph (4) of subsection (c) and inserting in lieu thereof "title I of the Health Care for All Americans Act";

(2) by amending paragraph (6) of subsection (c) to read as follows:

"(6) have an advisory board—

"(A) to the policymaking body of the health maintenance organization, or

"(B) in the case of a public health maintenance organization, to the policymaking body of the public entity operating the organization,

which advisory board is organized in such a manner that at least one-third of the membership of the board will be members of the health maintenance organization and that there will be equitable representation on the board of members from medically underserved populations served by organization, and to which advisory board may be delegated policymaking authority for the organization;";

(3) by striking out paragraph (9) of subsection (c) and

(4) by striking out subsection (d).

(c) DEFINITION OF BASIC AND SUPPLEMENTAL HEALTH SERVICES.—Section 1302 of the Public Health Service Act is amended—

(1) by striking out the first five sentences of paragraph (1) and inserting in lieu thereof the following: "The term 'basic health services' means basic covered health-care services, as described in part A of title II of the Health Care for All Americans Act.";

(2) by inserting before the semicolon in paragraph (2)(A) the following: "not included as a basic health service";

(3) by striking out "under paragraph (1)(D)" in paragraph (2)(D); and

(4) by striking out "and" at the end of subparagraph (F) of paragraph (2), by redesignating subparagraph (G) of such paragraph as subparagraph (J), and by inserting after subparagraph (F) of such subparagraph the following new subparagraphs:

"(G) treatment and referral services (including referral services to appropriate ancillary services) for the abuse of or addiction to alcohol or other drugs, not included as a basic health service;

"(H) home health services not included as a basic health service;

"(I) preventive health services not included as a basic health service; and".

(d) EMPLOYERS' HEALTH BENEFITS PLANS.—

(1) REPEAL OF SECTION 1310.—Section 1310 of the Public Health Service Act is repealed.

(2) CONFORMING AMENDMENTS.—

(A) SECTION 1302.—Section 1302 of such Act is amended by adding after paragraph (9) the following new paragraph:

"(10) The 'qualified health maintenance organization' means (A) a health maintenance organization which has provided assurances satisfactory to the Secretary that it provides basic and supplemental health services to its members in the manner prescribed by section 1301(b) and that it is organized in the manner prescribed by section 1301(c), and (B) an entity which proposes to become a health maintenance organization and which the Secretary determines will when it becomes operational provide basic and supplemental health services to its members in the manner prescribed by section 1301(b) and will be organized and

operated in the manner prescribed by section 1301(c).".

(B) SECTION 1311.—Subsections (a)(2) and (b) of section 1311 of such Act are each amended by striking out "for purposes of section 1310 (relating to employees' health benefits plans)".

(C) SECTION 1312.—Section 1312 of such Act is amended (i) by striking out "or which was included in a health benefits plan offered to employees pursuant to section 1310" in subsection (a), (ii) by striking out subsection (b)(1), and (iii) by striking out "(2)" in subsection (b) and inserting in lieu thereof "(b)".

(D) SECTION 1315.—Paragraph (1) of section 1315(a) of such Act is amended by striking out "and a list of the health maintenance organizations which during such period became qualified health maintenance organizations for purposes of section 1310".

(E) SECTION 1316.—Section 1316 of such Act is amended by striking out "sections 1310 and 1312" and inserting in lieu thereof "section 1312".

EXHIBIT 2

SUMMARY OF HEALTH CARE FOR ALL AMERICANS ACT

INTRODUCTION

This proposed new national law has been developed using the social insurance principles that were embodied in the Health Security Act and supported by a broad coalition of institutions, including labor unions, health providers, religious organizations, social agencies, and others. The Health Care for All Americans Act proposes to implement these social insurance principles through private insurers, rather than government. This new act proposes, indeed, a progressively financed comprehensive health insurance program for all Americans using government-regulated private insurance.

Major features of this program include:

Income-related premiums.

Maximum on premium payments of individuals equal to the value of the protection received (most individuals will pay considerably less).

Limits on the rise in health costs through budget controls and reimbursement reforms.

Fair, negotiated, reimbursement rates.

Incentives to individuals, insurers, States, and providers to keep down rates.

The redress, over time, of the maldistribution of resources.

Reform of Medicaid, eliminating the means tests as a condition of eligibility for covered benefits.

Retention and improvement of Medicare.

The Health Care for All Americans Act would rely heavily on private health insurers, health care providers, employers, unions, and the American consumer. Most of the costs of the improved insurance coverage and most of the administrative responsibility is left with these private institutions and individuals, and outside of government.

The government's role is to guarantee that every American is provided comprehensive health insurance coverage, and to assure that private institutions work to make good health care available to every American at costs that the individual, employers, the taxpayer, and the Nation can afford to pay. The government performs these roles by presiding over negotiations on private insurance premiums and doctor and hospital payments, by regulating private insurers and setting budgetary limits on total health care costs, and by encouraging competition. Finally, the Federal Government would operate an improved Medicare program covering all elderly and disabled Americans, and States would operate a residual, reformed Medicaid program.

This proposed new law, in short, proposes to implement Health Security principles by building on the best in both private institutions and government. The new Federal costs for this broad program, with no deductibles and coinsurance, would approximate $30 billion when implemented in 1983.

SUMMARY

This national health insurance plan is designed to assure every American choices among the best health plans our Nation has to offer and free choice of provider of health care at a cost that employers, individuals, and government can afford to pay.

1. The plan preserves and builds on the best in private health insurance and health care.

Private health insurance carriers and HMOs would be a mainstay of the program. They would be called on to provide insurance plans which meet or surpass Federal standards and to administer the insurance according to insuring practices now in use. The benefit standards for the insurance program would be modeled after the best private plans now available through employers and labor unions, without deductibles and coinsurance. Under this plan insurers and HMOs would be able to compete for business, both on the basis of their efficiency and service to customers and on the basis of the range of benefits they offer above the standard benefits or the actual price of their program for the employee or individual. Employers and unions would continue as at present to negotiate with insurers and HMOs for the best possible plan and pay premiums to these insurers. Individuals who are not employed, including those currently on Medicaid programs, would also be provided choices among the same insurers.

The program depends on private doctors, hospitals, health centers, and other health care practitioners to provide the care it covers. In return for caring for the program's beneficiaries, providers would be guaranteed fair payment from the participating private insurers, HMO's, or Medicare. Doctors, hospitals, and other providers would be parties to negotiations to establish fair budgets and fees in every State or area. Negotiations would also relate to improvement in the accessibility, efficiency, and quality of care.

2. The plan preserves and strengthens the medicare program for the elderly and disabled—and reforms Medicaid.

Medicare would be extended to all Americans over 65 or disabled and would be improved to include the same broad coverages as the standard private insurance plan, with no deductibles and coinsurance. In addition, Medicare and private insurance plans would operate identically in how they pay doctors, hospitals, and other providers, and how they administer their activities. Medicare eligibles would receive additional benefits beyond those covered for the general population.

The private health insurance plan of their choice would be provided to people formerly on Medicaid, including all people who receive Supplemental Security Income. No means test would have to be met any longer by any American to receive these private insurance benefits. The Medicaid program would be reduced to residual State programs to provide service not covered by the private insurance plan.

3. The plan assures freedom of choice.

Employers, unions, and individuals would have the freedom to choose their private insurer or HMO, and to choose their physicians. Medicare eligibles also would enjoy a broadened choice of HMOs or other health care arrangements. Most Americans could choose the same insurer, HMO, or physician they have today, but would find other options open to them—if they want to change—as the program develops.

Likewise, insurers and health care providers would be free to participate in the program or not, and to choose their styles and place of practice or business. Through four national consortia, insurers and HMOs would regulate their own affairs within broad Federal regulations. Through elected representatives, doctors and hospitals would negotiate fees, budgets, and other provider concerns under the plan.

The basic rules of the plan, such as requiring everyone not eligible for Medicare to choose insurance coverage, requiring payment of income-related premiums, requiring participating physicians to accept plan fee payments as payment in full for all patients, and requiring open enrollment and community rating by insurers, are necessary to assure that all Americans are provided full insurance coverage and quality health care. Most restrictions in the plan, such as those resulting from yearly limits on national, state, and area expenditures for health care, maximum doctor fees and hospital budgets, and community insurance rates would be based on good faith negotiations among providers, insurers, employers/unions, consumers, and government aimed at assuring good health care for all, at reasonable costs with fair payment to providers.

4. Every American could choose the best in private insurance or HMO plans, privately or through Medicare in the case of the aged and disabled, regardless of whether he is employed, whether he is part-time or full-time what his health status may be, or any other factor.

All employers must contribute toward a plan meeting at least the Federal standard for all of their employees. Self-employed and non-employed individuals would enroll in these same plans and pay a premium related to their incomes. Individuals would enroll or change enrollment with the insurer or HMO of their choice during an annual open enrollment season. No one could be turned away or charged more than the premium set by law. People who change jobs or are unemployed might stay with their same insurer or elect a new one, but their coverage would never stop.

Government agencies would help small employees and individuals shop for insurance and enroll in the plan of their choice.

Finally, no one can ever be deprived of their right to insurance. Even if individuals default on their premiums, the insurance continues, with bad debts paid to insurers by government and collected through the existing government system for collecting amounts owed to it.

5. All Americans would be guaranteed that their doctors or hospitals would be paid in full by insurance for covered health services—from birth to death—with no gaps between jobs or waiting periods.

Under the plan, the government would guarantee doctors, hospitals, and other providers that they would be paid at negotiated rates. For patients who have forgotten to enroll, lost their health care, or do not know who their insurers are, the doctor or hospital would bill a public agency, which would identify the appropriate insurer or enroll the individual with an insurer and require that the provider be paid.

Neither the doctor, hospital, nor insuring organization would need to know whether the patient is rich or poor, employed or unemployed, self-sufficient or on welfare. The

health insurance card indicates only with whom they are enrolled—and even without the card, payment is guaranteed.

6. All employers and individuals are assured they will pay a fair and affordable premium for health insurance.

Traditional insurance premiums are set on the basis of an individual or group of health care experience, and the same flat premium is charged to employers and individuals for everyone in the same group or with the same experience. Individuals with low incomes and employers with less profitable businesses find it hard to pay such a flat premium per person and usually buy minimal insurance or none at all.

Under this new national health insurance plan, employers and employees pay premiums related to wages—and individuals with non-wage income over $2,000 per year pay an income-related premium. The maximum paid by an individual would be the negotiated community rated premium, which would not exceed the actual value to the individual of the health insurance coverage.

This approach allows all employers and individuals to afford to buy the best in health insurance or HMO coverage, paying a premium based on wages or income, without regard to past health care experience or any other factor. It also means that virtually every person with income makes a contribution toward the cost of the plan—proportional to their income.

As is the case at present with the best insurance plans in the Nation, the employer would pay most of the total premium, with the employee sharing up to 35 percent, or less based on labor/management agreements. In order to be fair to higher income individuals, a limit is set such that the employee or other individual's premium share never exceeds the actual community insurance rate for their insurance coverage.

In order to be fair to employers, if the premiums for this new insurance exceed their current premium as a percentage of wages by more than three percent and if their profits are adversely affected by it—the government will credit their taxes for part of the excess.

The burden of health costs of people on welfare would not be placed on employers or individual premium payers. Instead, the premiums for insurance for people who are on welfare (including those receiving Supplemental Secretary Income) would be paid by the State and Federal Government based on the actual costs of health care provided to these individuals. The States' costs for these premiums and residual Medicaid would be limited to no more than would have been the Medicaid cost in the absence of the plan. The States would overall, experience lower costs under the plan, especially if the costs of State-owned facilities are taken into account.

All wage-related and income-related premiums are paid to the insurers' consortia. The premiums would then be allocated by the consortia to individual insurers on an experience-rated premium basis for each insurer's enrollees. In most cases, the insurers would be the same ones people deal with now. The government would guarantee that the wage-related and income-related premiums raise enough revenue to pay for all health care covered by the plan except for those persons eligible for Medicare, SSI, AFDC.

Financing for the separate and improved Medicare program would be as now, except that participation in the full program would be mandatory, and Medicare taxes would apply to all wage earners.

7. All Americans would be assured they can afford the health care they need.

The plan would cover everyone for a broad array of unlimited health services, with provisions for developing expanded long-term care, home health care, and other benefits over time. These services would be paid for by the insurer or HMO at no additional cost to the individual beyond the income-related premium.

Doctor, hospital, and other health care bills would be sent directly to the insurer based on the patient's health card, and the insurer would pay them directly at negotiated rates. The patient would never have to pay the bill and then be reimbursed nor would there be any additional charge to the patient over and above what the insurance pays. The payment system itself would be easier and less costly for both providers and insurers.

These provisions virtually eliminate the fear of unaffordable health care costs from Americans' lives.

8. The plan would work to make the best in American health care more accessible in every community.

The plan aims, over time, at getting adequate numbers of physicians, health centers, and other needed services actually available in every community—while discouraging still more services where there is already an excess. The plan would encourage a redistribution of health services by slowing growth in hospital budgets and total expenditures in oversupplied areas and encouraging more rapid growth in shortage areas. Consistent with State plans for health care, health care providers, employers, unions, and consumers would develop State and national health budgets that allocate available resources to the communities where need is greatest, and they would negotiate fee schedules and budgets for individual physicians, hospitals, health centers, and other providers consistent with these budgets.

The plan would also establish a Health Resources Distribution Fund to make grants to start up needed services and would establish programs of data collection, research, and demonstration to identify problems and find ways to furnish good health care to everyone in the country over time. Special studies would focus early on the needs of special populations, such as the elderly, disabled, migrant workers, American Indians, the poor, and women.

9. The plan would work to slow down the rise in costs of health care and insurance premiums in the Nation for employers, for government, and for individuals.

The plan aims at slowing rising costs through competition, through negotiations, and through budgeted limits.

Competitive Incentives for Insurers and HMOs: Insurers and HMOs are given competitive incentives to operate efficiently, to assure provider fee schedules and budgets are complied with, and to offer health care in more cost-effective ways. First, they are free to market their plans to everyone in the Nation, and the more people who enroll because of the advantages of their plan, the more the insurer stands to benefit. This creates an incentive to control costs in order to offer broader benefits at the negotiated community rates, or the standard benefits at a reduced rate. The plan allows insurers to do both by permitting "rebates" or "dividends" to be paid to enrollees when the plan's costs are lower than the community rate.

Second, insurers and HMOs would have to absorb any financial losses incurred if their negotiated community rate fails to cover the costs of health care services to their enrollees—i.e., they are "at risk." This creates further incentive for efficiency and careful monitoring of claims, fee schedules and budgets.

Third, insurers and HMOs would be permitted to make special arrangements with doctors, hospitals, or other providers to pay amounts less than the amounts that would result from following the negotiated fee schedules or budgeted rates. They would then offer such special arrangements to everyone who enrolls with them, with any savings from the community-rated premiums converted into more benefits or premium rebates.

Finally, incentives for insurers to compete by experience rating or risk selection—which aggravate the overall costs of care problem by increasing costs to the ill—are eliminated by careful government regulation of open enrollment, how plans are priced and advertised, and other marketing practices, and by the insurers and HMOs self-regulating efforts within consortia.

Incentives for Providers of Health Care and Payment Negotiations:

Providers of health care would be given incentives to assure fair billing and good medical practice in order to keep health care costs to the levels they helped budget for the State, and for which they negotiated fee schedules and budgets. This is accomplished by putting providers "at risk" for any cost overrun. That is, doctors would have to renegotiate or "pro rate" fees for the remainder of the year if, based on reports to the government by the insurers, fee payments were being made at rates that would exceed the budget (except for epidemics and other explainable causes). Hospitals also would be required to absorb any such overruns. In addition, providers would be encouraged to form HMOs and would be free to make desirable arrangements with insurers or HOMs for new forms of care at payment rates at or below the costs that would result from following the negotiated fee schedules and budgets in order to compete for patients.

Negotiation of fee schedules, hospital and other provider budgets, and national and state community-rated premiums are critical to the plan's approach to cost control. Under the plan, providers of health care negotiate with those who ultimately pay for health care—namely, employers, unions, individual consumers, and government—to agree on what payment rates and budgets are fair and reasonable. In turn, based on these fee schedules and budgets, the government negotiates with insurers and HMOs to establish fair and reasonable community-rated premiums to cover services in every State, and to set national wage-related and income-related premiums adequate to pay these community-rated premiums.

Incentives for Employers, Employees, and State Governments:

Employers, unions, government, and individuals are given incentives to negotiate to keep costs down by a provision that allows the actual wage-related premiums for a State to be reduced below the national rate if the State spends less on health care than its budget limit allows. The State's premium for AFDC beneficiaries would also be reduced by lower health costs.

All of the negotiations, both those with providers of care and those with insurers, are based on a joint effort to plan needed services in each State, project their realistic

costs, and make necessary choices under the budget limits set for the Nation and each State by formulas in the law.

Budget limits:

The overall national and state budget limits in the plan are designed to slow cost increases to the rate of overall increase in the rest of the economy, and to encourage some services and areas of the country to increase faster than others. They are not designed to stop increases in health care costs, and are generous enough to allow improvements in the quality and accessibility of care. These budget limits would be firm and stated specifically in the law. They could not be exceeded by the wage-related or income-related premiums set under the plan, or by the community-rated premiums negotiated with insurers and HMOs.

The combined effect of these incentives, negotiations, and budget limits would result in providing more and better health care, which after just a few years would be provided at lower costs than if our health system were left unchanged.

10. American citizens would be assured that private insurance and health care institutions would retain most of the responsibility for this plan—and would be required to meet higher standards set by government to assure every American obtains the best in insurance and health care.

Under this plan, government at the Federal and State levels would act as a convenor of private institutions to plan, budget, and negotiate, and as a regulator to assure all parties participate by agreed upon rules designed to assure fairness, competition, and individual and institutional rights. In addition, the elderly and disabled would be served by a government-run Medicare program responsive to their special needs—and as a standard for other insurance.

The plan would result in more responsibility being placed with insurers and providers than ever before in the history of the Nation, and would define a new government role in health care, putting government at a considerable distance from the actual day-to-day provision of health care.

EXHIBIT 3

SUMMARY OF COST ESTIMATES FISCAL YEAR 1983 [1]

[In billions of 1980 dollars]

	Present law	Kennedy plan	Difference
I. Total spending for services covered by the plan	−$171.4	$211.4	$40.0
II. Total on-budget Federal cost	51.0	79.6	+28.6
III. Total non-Federal cost	120.4	131.8	+11.4

[1] All estimates prepared by Gordon Trapnell of Actuaria Research Corp.

Note: Actuary estimates an employer/employee premium of 7 to 8 percent, depending upon the success of cost containment programs.

CROSSOVER POINT [1]

The crossover point is the year in which, under this plan, the Nation spends less on health care than if it enacts no legislation.

Crossover—4 years after passage.

In 1988, for example, the Nation would spend $38,000,000,000 less than if no law is enacted.

[1] Figures prepared by Prof. Isidore Falk, professor emeritus Yale School of Medicine.

NATIONAL SPENDING UNDER PRESENT LAW IN FISCAL YEAR 1983 FOR SERVICES THAT WILL BE COVERED BY KENNEDY PLAN [1]—TOTAL POPULATION

[In billions of 1980 dollars]

	Part A [2]	Part B [3]	Mental [4]	Prevention [5]	Drugs [6]	Administration	Total
Total	81.2	86.5	5.2	0.7	5.0	12.8	171.4
Private payments	40.9	45.2	2.5	.6	4.1	9.7	103.0
Paid out of pocket	7.0	21.6	1.1	.4	3.7		33.8
Private insurance	33.0	22.7	1.2	.2	.4	9.2	66.7
Other private payments	.9	.9	.2	(1)	(1)	.5	2.5
Government required insurance	1.7	4.6	(1)	0	(1)	1.3	7.6
Medicare		2.5				.2	2.7
National health plan							
Workmen's compensation	1.7	2.1	(1)		(1)	1.1	4.9
Federal taxpayers	34.5	13.3	1.0	.1	.6	1.5	51.0
Medicare	26.3	7.6	.2			1.0	35.1
Medicaid/SSI beneficiary costs	4.2	3.3	.4	.1	.4	.4	8.8
Employment subsidies							
Federal facilities and grants	4.0	2.4	.4	(1)	.2	.1	7.1
State and local taxpayers	4.1	3.4	1.7	(1)	.3	.3	9.8
Medicaid/AFDC recipient costs	3.3	2.6	.3	(1)	.3	.3	6.8
State or local facilities and grants	.8	.8	1.4	(1)	(1)	(1)	3.0
Bad debts and unbilled services [7]	2.9	5.9	.3	(1)	.1		9.2

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL [1]—TOTAL POPULATION

Total	85.2	95.5	6.9	2.2	6.8	14.8	211.4
Private payments							
Paid out of pocket							
Private insurance							
Other private payments							
Government required insurance	39.7	65.9	4.2	1.9	2.2	11.1	125.0
Medicare		2.6				.2	2.8
National health plan	38.0	61.3	4.2	1.9	2.2	9.8	117.4
Workmen's compensation	1.7	2.0	(1)		(1)	1.1	4.8
Federal taxpayers	42.2	27.0	2.4	.3	4.3	3.4	79.6
Medicare	36.8	21.5	1.8		3.8	2.0	65.9
Medicaid/SSI beneficiary costs	.6	1.1	.2	.2	.4	.2	2.7
Employment subsidies [8]	2.5	3.8	.3	.1	.1	.7	7.5
Federal facilities and grants	2.3	.6	.1			.5	3.5
State and local taxpayers	3.3	2.6	.3	(1)	.3	.3	6.8
Medicaid/AFDC recipient costs	3.3	2.6	.3	(1)	.3	.3	6.8
State or local facilities and grants							

NATIONAL SPENDING UNDER PRESENT LAW IN FISCAL YEAR 1983 FOR SERVICES THAT WILL BE COVERED BY KENNEDY PLAN [1]—AGED AND DISABILITY INSURANCE BENEFICIARIES

Total	36.1	19.1	1.2	0	2.8	4.1	63.3
Private payments	5.9	6.9	.5		2.3	2.5	18.1
Paid out of pocket	2.2	3.7	.3		2.0		8.2
Private insurance	3.4	3.0	.2		.3	2.4	9.3
Other private payments	.3	.2			(1)	.1	.6

Footnotes at end of table.

Government required insurance	.4	2.7	(1)	(1)	.4	3.5
Medicare	(1)	2.5			.2	2.7
National health plan						
Workmen's compensation	.4	.2	(1)	(1)	.2	.8
Federal taxpayers	28.6	8.7	.3	.3	1.1	39.0
Medicare	26.3	7.6	.2		1.0	35.1
Medicaid/SSI beneficiary costs	1.3	.9	.1	.3	.1	2.7
Employment subsidies						
Federal facilities and grants	1.0	.2		(1)	(1)	1.2
State and local taxpayers	1.2	.8	.4	.2	.1	2.7
Medicaid/AFDC recipient costs	1.0	.7	.1	.2	.1	2.1
State or local facilities and grants	.2	.1	.3	(1)	(1)	.6
Bad debts and unbilled services [7]	1.7	1.3	.1	.1		3.2

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL [1]—AGED AND DISABILITY INSURANCE BENEFICIARIES

Total	37.5	24.4	1.8	3.8	2.4	69.9
Private payments						
Paid out of pocket						
Private insurance						
Other private payments						
Government required insurance	.4	2.8			.4	3.6
Medicare		2.6			.2	2.8
National health plan						
Workmen's compensation	.4	.2	(1)	(1)	.2	.8
Federal taxpayers	37.1	21.6	1.8	3.8	2.0	66.3
Medicare	36.8	21.5	1.8	3.8	2.0	65.9
Medicaid/SSI beneficiary costs						
Employment subsidies						
Federal facilities and grants	.3	.1				.4
State and local taxpayers						
Medicaid/AFDC recipient costs						
State or local facilities and grants						

NATIONAL SPENDING UNDER PRESENT LAW IN FISCAL YEAR 1983 FOR SERVICES THAT WILL BE COVERED BY KENNEDY PLAN [1]—AFDC/SSI BENEFICIARIES

Total	3.6	2.8	0.3	0.1	0.5	0.5	7.8
Private payments	.5	.3	(1)	(1)	.3	.2	1.3
Paid out of pocket	.2	.2	(1)	(1)	.3		.7
Private insurance	.3	.1	(1)			.2	.6
Other private payments	(1)	(1)				(1)	(1)
Government required insurance	(1)	.1				(1)	.1
Medicare							
National health plan							
Workmen's compensation	(1)	.1				(1)	.1
Federal taxpayers	1.7	1.3	.1	.1	.1	.2	3.5
Medicare	1.7	1.3	.1	.1	.1	.2	3.5
Medicaid/SSI beneficiary costs							
Employment subsidies	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Federal facilities and grants							
State and local taxpayers	1.4	1.1	.2	.1	.1		2.9
Medicaid/AFDC recipient costs	1.4	1.1	.1	.1	.1		2.8
State or local facilities and grants	(1)	(1)	.1		(1)		.1
Bad debts and unbilled services [7]	.1	.1	(1)	(1)	(1)		.2

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL [1]—OTHER POPULATION

Total	43.8	67.4	4.6	2.0	2.3	11.8	131.9
Private payments							
Paid out of pocket							
Private insurance							
Other private payments							
Government required insurance	39.3	63.1	4.2	1.9	2.2	10.7	121.4
Medicare	38.0	61.3	4.2	1.9	2.2	9.8	117.4
National health plan	1.3	1.8	(1)			.9	4.0
Workmen's compensation							
Federal taxpayers	4.5	4.3	.4	.1	.1	1.1	10.5
Medicare							
Medicaid/SSI beneficiary costs							
Employment subsidies [8]	2.5	3.8	.3	.1	.1	.7	7.5
Federal facilities and grants	2.0	.5	.1			.4	3.0

Footnotes at end of table.

NATIONAL SPENDING UNDER KENNEDY PLAN IN FISCAL YEAR 1983 FOR SERVICES COVERED BY BILL [1]—OTHER POPULATION—Continued

State and local taxpayers	
Medicaid/AFDC recipient costs	
State or local facilities and grants	

[1] Assumes passage during 1979 of Administration hospital cost control proposal.
[2] Includes services covered by part A of medicare and hospital based physician services, except those provided by psychiatric facilities.
[3] Includes services covered by part B of medicare, except hospital based physician and psychiatric facility services.
[4] Includes services in psychiatric facilities that are covered by proposal.
[5] Services for children only.
[6] Limited to a formulary for chronic conditions.
[7] Bad debts are services for which a valid bill is presented to a patient but is not paid, unbilled services are those for which a provider normally charges but are not billed for some patients.
[8] Assumes larger employment subsidy than specified in bill.

EXHIBIT 4

COALITION OF NATIONAL HEALTH INSURANCE ORGANIZATIONS

Amalgamated Clothing and Textile Workers.
Amalgamated Meat Cutters.
American Association of Retired Persons.
American Council of the Blind.
American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).
American Federation of Teachers.
American Nurses Association.
American Psychological Association.
American Public Health Association.
Americans for Democratic Action.
Association of Federal, State, County and Municipal Employees (AFSCME).
Bakery and Confectioner Workers.
Baptist Joint Committee.
Bridge and Construction Workers.
Building and Construction Trades Department.
Center for Community Change.
Chemical Workers Union.
Citizens Against High Blood Pressure, Inc.
Coalition of American Public Employees.
Coalition of Labor Union Women.
Consumer Federation of America.
Food and Beverage Trades.
Group Health Association of America.
International Association of Machinists.
International Brotherhood of Electrical Workers.
International Brotherhood of Teamsters.
International Ladies Garment Workers.
International Longshoremens Association.
International Printing and Graphics Communications Union.
International Union of Bricklayers and Allied Craftsmen.
International Union of Operating Engineers.
League of Women Voters.
Mexican-American Legal Defense Fund.
National Association for the Advancement of Colored People.
National Association of Counties.
National Association of Farmworker Organizations.
National Association of Neighborhood Health Centers.
National Association of Social Workers.
National Coalition for Children and Youth.
National Coalition of Hispanic Mental Health and Human Services Organizations.
National Conference of Catholic Charities.
National Congress of American Indians.
National Consumers League.
National Council of Jewish Women.
National Council of Senior Citizens.
National Education Association.
National Farmers Union.
National Urban League.
National Women's Political Caucus.
Newspaper Guild.
Oil, Chemical and Atomic Workers Union.
Physicians National Housestaff Association.
Pipefitters Union.
Population Resource Center.
Retail Clerks International Union.
Service Employees International Union.
United Auto Workers (UAW).
United Church of Christ.
United Methodist Church.
United Presbyterian Church.
United Steelworkers.
U.S. Catholic Conference.
Women's Lobby.
Workmen's Circle.

EXHIBIT 5

SECTION-BY-SECTION ANALYSIS

The "Health Care For All Americans Act" assures the provision of adequate comprehensive health care services, including protection against catastrophic health care expenses, to all residents of the United States at affordable prices through a system that provides for cost control.

Section 1 includes a Table of Contents, as follows:

TABLE OF CONTENTS

Sec. 1. Short Title; table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Statement of rights of eligible individuals, providers, and insurers.
Sec. 4. Definitions.

TITLE I—ELIGIBILITY, ENTITLEMENT, AND ENROLLMENT

PART A—ELIGIBILITY AND ENTITLEMENT

Sec. 101. Eligibility.
Sec. 102. Entitlement.

PART B—ENROLLMENT

Sec. 111. Enrollment in general.
Sec. 112. Enrollment of employees and offering of qualified health plans by employers.
Sec. 113. Enrollment of members of a uniformed service on active duty, medicare-eligible individuals, foreign employees and visitors.
Sec. 114. Enrollment of other individuals.

TITLE II—BENEFITS AND PROVIDERS

PART A—BASIC COVERED HEALTH-CARE SERVICES

Sec. 201. Inpatient and outpatient hospital services.
Sec. 202. Physicians' services.
Sec. 203. Home health services.
Sec. 204. Post-hospital skilled nursing facility services.
Sec. 205. Preventive health services.
Sec. 206. Medical and other health services.
Sec. 207. Insulin and outpatient prescription drugs for chronic illness for medicare-eligible individuals.
Sec. 208. Mental health services.
Sec. 209. Audiological examinations and hearing aids.
Sec. 210. Exclusions.

PART B—PROVIDER STANDARDS AND CERTIFICATION

Sec. 211. Standards for services, providers, and certification of providers.

TITLE III—FINANCING AND PLANNING

PART A—BUDGET AND PLANNING PROCESS

SUBPART I—BUDGET PROCESS

Sec. 300. Budget timetable.
Sec. 301. Annual budget.
Sec. 302. Annual state budgets.

SUBPART II—PLANNING PROCESS

Sec. 305. National health care improvement plan.
Sec. 306. State health care improvement plans.

PART B—PAYMENTS TO PROVIDERS

SUBPART I—PAYMENTS TO PROVIDERS GENERALLY

Sec. 311. Who makes payments to providers.
Sec. 312. Bases on which payments made.
Sec. 313. Application of budget limits.
Sec. 314. Treatment of philanthropic contributions and State and local government supplementary payments.

SUBPART II—METHODS OF REIMBURSEMENT OF PROVIDERS

Sec. 321. Payments to institutional providers based on approved prospective budgets.
Sec. 322. Maximum fee schedules for professional services.
Sec. 323. Payment for durable medical equipment and laboratory services on a reasonable cost basis and for drugs and hearing aids on a cost-plus-fee basis.
Sec. 324. Use of negotiations in determining amounts of payments.

PART C—DETERMINING AMOUNTS OF PREMIUMS AND INCENTIVE PAYMENTS AND BENEFITS

Sec. 331. Determination of national community-rated premium and rate and group-rated premiums.
Sec. 332. Determination of state community-rated premium, premium rate, and group-rated premiums.
Sec. 333. Insurer and health maintenance organization benefits, dividends, and rebates to promote cost-effectiveness.
Sec. 334. Limit on amount of private premiums.

PART D—PAYMENTS AND COLLECTION OF PREMIUMS

Sec. 341. Wage-related private premiums.
Sec. 342. Non-wage-income related private premiums.
Sec. 343. Voluntary premiums under executive agreements.
Sec. 344. Hospital insurance tax and premiums for medicare-eligible individuals.
Sec. 345. Federal and State payments for premiums on behalf of certain recipients of federal and State assistance.
Sec. 346. Government payment and collection of unpaid premiums.

PART E—DISTRIBUTION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS

Sec. 351. Computation of adjusted capitation amounts.

Sec. 352. Allocation of premiums among, consortia, insurers, and health maintenance organizations.
Sec. 353. Treatment of shortages and overages; use of contingency funds.

TITLE IV—ADMINISTRATION

PART A—NATIONAL HEALTH BOARD AND STATE HEALTH BOARDS

SUBPART I—NATIONAL HEALTH BOARD AND COMMISSION ON THE HEALTH OF AMERICANS

Sec. 401. Establishment of National Health Board.
Sec. 402. Authority and duties.
Sec. 403. Offices and Commissions of the Board.
Sec. 404. Commission on the Health of Americans.
Sec. 405. National Institutes of Health Care Research.

SUBPART II—STATE HEALTH BOARDS

Sec. 407. Establishment.

PART B—PARTICIPATING INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, AND CONSORTIA

Sec. 411. Participating insurers and health maintenance organizations.
Sec. 412. Consortia.
Sec. 413. Promotion of competition.

TITLE V—HEALTH CARE IMPROVEMENT PROGRAM

Sec. 501. Establishment of program and fund.
Sec. 502. Use of Health Resources Distribution Fund.
Sec. 503. Health education program.
Sec. 504. Special studies and projects.
Sec. 505. Demonstration project in personal care services.

TITLE VI—EFFECTIVE DATES, TRANSITION PROVISIONS, AMENDMENTS

PART A—EFFECTIVE DATES AND TRANSITION PROVISIONS

Sec. 601. Effective dates.
Sec. 602. Transition provisions.
Sec. 603. Impact on existing employer-employee health plans.
Sec. 604. Provisions relating to transfer of functions.

PART B—MEDICARE-RELATED AMENDMENTS

SUBPART I—GENERAL AMENDMENTS AND ELIGIBILITY

Sec. 611. General amendments.
Sec. 612. Medicare eligibility.

SUBPART II—BENEFITS

Sec. 615. Part A benefits.
Sec. 616. Part B benefits.
Sec. 617. Renal program benefits.
Sec. 618. Treatment of exclusions.

SUBPART III—CERTIFICATION OF SERVICES, PARTICIPATING PROVIDERS, AND PROFESSIONAL STANDARDS REVIEW

Sec. 621. Certification standards.
Sec. 622. Participating provider agreements.
Sec. 623. Use of agencies in determining conditions of participation.
Sec. 624. Amendments relating to Part B of title XI (professional standards review).
Sec. 625. Health maintenance organizations.

SUBPART IV—CONDITIONS OF PAYMENTS

Sec. 628. Changes in conditions of payment.
Sec. 629. Contracts for the administration of benefits.

SUBPART V—TAXES, TRUST FUNDS, AND PREMIUMS

Sec. 633. Hospital insurance tax and premiums for medicare-eligible individuals.

SUBPART VI—MISCELLANEOUS MEDICARE AND OTHER SOCIAL SECURITY ACT AMENDMENTS

Sec. 635. Miscellaneous medicare amendments.
Sec. 636. Residual medicaid program.
Sec. 637. Part A of title XI.
Sec. 638. Treatment of certain premium payments under SSI and AFDC programs.

PART C—MISCELLANEOUS AMENDMENTS TO OTHER ACTS

Sec. 641. Amendments to Internal Revenue Code of 1954.
Sec. 642. Amendments to the Public Health Service Act.

SECTIONS 2, 3, AND 4—FINDINGS, RIGHTS, AND DEFINITIONS

Section 2 declares that Congress finds that in order to promote the general welfare and health of the people of the United States and the commerce among the States in a rational and equitable manner and to avoid the cumulative adverse impact on the nation, interstate commerce, and Federal expenditures of unmet health needs and inappropriate means of financing health care, it is necessary to establish a national health insurance system which—(1) provides for universal participation; (2) provides for coverage of health care providers and payers acting within States, as well as among States; (3) is progressively and equitably financed primarily through mandatory private-sector premiums; (4) is administered primarily through qualified participating insurers and health maintenance organizations, acting in accordance with standards established by a National Health Board; and (5) provides for incentives to promote the appropriate competition, in interstate and intrastate commerce, in the offering and sale of health insurance plans.

The purpose of the Act and of the health insurance system established by the Act, are: (1) to make comprehensive and high-quality health-care services; (2) to provide health-care services of the same quality to all Americans, regardless of their economic condition and without discrimination on the grounds of race, religion, or national origin; (3) to insure that the total cost of health care for the United States and its people does not increase at a rate faster than the annual rate of growth in the gross national product; (4) to improve the organization and delivery of health-care services; (5) to minimize the financial burden of health care on employers by providing for assistance to impacted employers and to minimize such burden on employees and other insured persons by setting a ceiling on their contributions; (6) to distribute equitably the total cost of the health-care services provided in the United States; (7) to enhance the quality of health-care services and the practical availability of such services in every area of the United States; (8) to encourage the prevention and early detection of disease and disability; (9) to provide reasonable compensation and incentives to the providers of health-care services who choose to participate in the national health insurance system; and (10) to assure full public accountability of all aspects of the system and guarantee consumer participation in its development, administration, and improvement.

Section 3 provides statements of rights for eligible individuals, providers, and insurers. Each eligible individual has the right (1) to choose the participating provider who or which provides a covered health-care service under this Act unless, by enrolling in qualified health plans offered by certain insurers or health maintenance organizations, the individual has agreed to limit the choice of providers; (2) to have all the decisions pursuant to this Act concerning the individual made promptly and accurately; (3) to be heard on any grievance related to health care, insurance, or benefits provided pursuant to this Act; and (5) to make the individual's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the individual, and to have those views considered.

Providers have the right (1) to decide whether or not to participate in the national health insurance system established under this Act; (2) if a participating provider entitled to receive payment for services under this Act, to receive prompt and accurate payment for such services; (3) in the case of a physician provider, to choose the mode and place of the physician's practice; and (4) to make the provider's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the provider, and to have those views considered.

Insurers and health maintenance organizations have the right (1) to decide whether or not to participate in the national health insurance system established under this Act; (2) to carry on a health insurance business covering benefits for health care services supplemental to the benefits paid and payable under this Act; and (3) to make the insurer's or organization's views known, alone or in concert with other persons, on all actions under this Act which are likely to affect the insurer or organization, and to have those views considered.

Section 4 defines the following terms for purposes as used in the Act: (1) annual budget, (2) annual rate of increase in the gross national product, (3) annual state budget, (4) employee, payroll period, employer and wages, (5) grovernor, (6) federal institution, (7) first effective year, (8) health resources distribution fund, (9) Medicare, (10) national health insurance system, (11) state, (12) state institution, (13) United States, (14) AFDC-eligible individuals, (15) consumer, (16) dependent, (17) eligible individual, (18) enrollee, (19) family and family unit, (20) foreign visitor, (21) Medicare-eligible individual, (22) member of a uniform service on active duty, (23) spouse, (24) SSI-eligible individuals (25) consortium and consortia, (26) applicable consortium, (27) commission, (28) health maintenance organization and participating health maintenance organization, (29) health systems agency, (30) insurer, applicable insurer, participating insurer and self-insurer (31) professional standards review organization (32) state health board (33) State Health Planning and Development Agency (34) basic covered health-care services, (35) covered health-care services, (36) health plan, (37) qualified health plan, (38) institutional provider, (39) participating provider, and (40) provider and provider of health care.

TITLE I—ELIGIBILITY, ENTITLEMENT, AND ENROLLMENT

PART A—ELIGIBILITY AND ENTITLEMENT ELIGIBILITY

Section 101(a) declares that the following persons are eligible for health care benefits under this Act: (1) U.S. citizens; (2) aliens admitted as immigrants or otherwise permanently residing in the U.S. under color of law, including refugees; (3) aliens employed in this country by a foreign government or international organization which has entered into an agreement with the U.S.; or (4) aliens admitted as temporary visitors from a nation which has entered into an agreement with the U.S.

Section 101(b)(1) directs the National Health Board (hereinafter referred to as the

Board), after consulting with the Secretary of State, to recommend to the President that the President enter into executive agreements with foreign governments or international organizations to make officers and employees of such governments of organizations who are employed and residing in the U.S. eligible for health care benefits under this Act. Requires payment for such individuals of the national community-rated premiums plus amounts equal to what would otherwise be payable as the Medicare hospital insurance payroll tax if such individuals were subject to such tax.

Section 101(b)(2) directs the Board to recommend similar executive agreements between the President and foreign governments to allow foreign visitors to enroll in qualified health plans in the U.S. and U.S. citizens and permanent resident aliens to receive comparable health care benefits while temporarily in such foreign nations, but only if such agreements are in the national interest.

ENTITLEMENT

Section 102 states that each eligible individual is entitled to: (1) enroll in a qualified health plan of the individual's choice offered by a participating insurer or HMO, and to change enrollment at specified times; (2) have payment made on the individual's behalf and not be charged any fee for basic covered healthcare services; and (3) be issued a health insurance enrollment card.

PART B—ENROLLMENT

ENROLLMENT IN GENERAL

Section 111(a)(1) provides that each eligible individual has the right to enroll in any qualified health plan or be deemed enrolled with a participating insurer or HMO.

Section 111(a)(2) provides for issuance, by a participating insurer or HMO, of a health insurance enrollment card to each enrollee and covered family member upon enrollment in or change of enrollment to a qualified health plan. Requires that the card identify: (1) the individual; (2) the health plan; and (3) the participating insurer or organization, but not identify the category or basis for the individual's enrollment. In lieu of enrollment cards for foreign visitors, the Secretary of State may provide for other identification of entitlement to services under this Act, after consultation with the Board.

Section 111(b)(1) directs the Board to provide for the preparation and distribution of enrollment information which is clear, accurate, easy-to-read, accessible to the visually handicapped, and in foreign languages commonly used by any significantly sized group of eligible persons.

Section 111(b)(2) requires enrollment information to be readily available and provided: (1) by employers to employees; (2) by or through the Board to Medicare-eligible individuals; (3) by the Secretaries of Defense, Transportation, and HEW to active-duty uniformed service personnel under their jurisdiction; (4) by the Social Security Commissioner to SSI (Supplemental Security Income)—eligible individuals; (5) by managers of Federal and State institutions to the residents of such institutions; (6) by State welfare agencies to AFDC (Aid to Families with Dependent Children)—eligible individuals; and (7) by or through State health boards to other individuals (including individuals who are receiving general assistance) and eligible individuals generally.

Section 111(b)(3) directs the Board to notify State health boards of the identity of eligible individuals who, in certain Federal information returns, have failed to indicate enrollment under a qualified plan. Requires participating providers to transmit to their respective health boards requests for payment for eligible individuals who did not indicate enrollment in a plan at the time of receiving services. Directs State health boards to make special efforts to locate such persons and provide for their enrollment.

Section 111(c)(d) defines the terms "first general open enrollment period"; "general open enrollment period"; and "special enrollment period" for purposes of the program.

Section 111(e)(1) specifies effective dates of enrollment during the first general open enrollment period and any change during a general open enrollment period.

Section 111(e)(2) specifies effective dates of enrollment during special enrollment periods. Provides that any eligible individual not enrolled will, for purposes of collection and payment of premiums and making of benefit payments to providers under qualified plans, be deemed to have enrolled in the qualified plan in which the individual is subsequently enrolled.

Section 111(f) states that, except as otherwise provided by the Board, all members of a family (other than those who are Medicare-eligible or SSI-eligible) are enrolled at any time in only one qualified plan.

Section 112(a) requires each employer to offer qualified employees enrollment in a qualified health plan during specified enrollment periods.

Section 112(b) requires employers to offer qualified employees the choice of enrollment under—(1) at least one of the qualified plans offered by a participating insurer belonging either to the Blue Cross-Blue Shield consortium or the commercial insurance carriers consortium and (2) at least one of the qualified plans offered by a participating HMO belonging to either of the HMO consortia, if such a plan is available in the area in which qualified employees and their dependents obtain health care services. The employer may also offer enrollment in one or more qualified plans offered by a self-insurer. For qualified employees represented by a collective bargaining representative or other representative designated or selected under law, the offer of enrollment in any qualified plan must first be made to such representative, and if accepted, then be made to each employee. If a qualified plan does not have the capacity to enroll all qualified employees (and family members) who desire to enroll, the employer must provide for enrollment with other qualified health plans.

Section 112(c) provides that each qualified employee will, in accordance with established procedures, elect the plan in which the employee (and qualified dependents) will be enrolled. In the absence of such election, requires the employer, in accordance with established procedures, to enroll the employee (and qualified dependents) in a plan.

Section 112(d) requires any employer offering, as part of or in conjunction with a qualified plan, a health plan with benefits supplemental to basic covered health-care services, to provide employees with written information (in accordance with guidelines) regarding any additional employee cost for the supplemental plan.

Section 112(e)(1) requires any qualified plan or supplemental plan offered by an employer to provide coverage of the employee and each qualified dependent.

Section 112(e)(2) provides that a family which is offered a choice of qualified plans (because more than one family member is a qualified employee) may enroll under only one plan.

Section 112(e)(3) provides that, in accordance with regulations, the requirements of paragraphs (1) and (2) above do not apply to qualified dependents who do not share the same household with the qualified employee and under such other circumstances as the Board may provide.

Section 112(f) defines the term "qualified employee" to be an employee who is an eligible individual and not (1) Medicare-eligible, (2) an active-duty member of a uniformed service or a member of such member's family, or (3) a foreign employee or foreign tourist covered under special agreements. Defines the term "qualified dependent" to be a member of a qualified employee's family, if the member is an eligible individual and is not Medicare-eligible or a member of a uniformed service on active duty or a dependent of such a member.

Section 112(g)(1) provides for a civil penalty of not more than $10,000 for any employer who knowingly fails to comply with requirements of this section. Continued noncompliance may result in the penalty being assessed and collected for each 30-day period the noncompliance continues. The penalty may be assessed by the Board and collected in a civil action brought in a U.S. district court.

Section 112(g)(2) provides that, in any penalty assessment proceeding, no penalty will be assessed until the employer so charged has been given notice and opportunity to present its views. Requires the Board, in determining the amount of the penalty, to consider the gravity of the noncompliance and the demonstrated good faith of the employer in trying to achieve rapid compliance after notification of noncompliance.

ENROLLMENT OF MEMBERS OF UNIFORMED SERVICES ON ACTIVE DUTY, MEDICARE-ELIGIBLE INDIVIDUALS, AND FOREIGN EMPLOYEES AND VISITORS

Section 113(a)(1) requires each eligible individual who is an active-duty member of a uniformed service to enroll (and change such enrollment) in a health plan from among such health plans, offered by or through the Department of Defense, as the Secretary of Defense, after consulting with the Secretary of HEW and the Board, finds consistent both with chapter 55 of title 10 of the U.S. Code and with policy requiring provision of basic and other covered health care services to such members and members' families through facilities of the uniformed services.

Section 113(a)(2) requires any health plan offered to an active-duty member of a uniformed service to cover family members who are eligible individuals but not Medicare-eligible. Stipulates that this provision does not apply to the member's spouse or dependents who do not share the same household and under such other circumstances as the Board may provide.

Section 113(b) requires Medicare-eligible individuals to enroll, or be enrolled, with the Board or with a participating HMO in accordance with the Medicare program.

Section 113(c) provides that eligible employees of foreign governments and international organizations are entitled to enroll (and change enrollment) in a qualified plan in accordance with provisions of special executive agreements.

Section 113(d) provides that foreign visitors are entitled to enroll in any qualified plan the Secretary provides to them after consultation with the Board.

ENRGY OF OTHER INDIVIDUALS

Section 114(a) provides that SSI-eligible individuals or residents of Federal institutions not otherwise enrolled may enroll or change enrollment during specified periods in any qualified health plan available to such individuals.

Section 114(b) provides that each AFDC-eligible individual, resident of a State institution, or other individual not otherwise enrolled may enroll (or change enrollment during specified periods) in any qualified health plan available to the individual.

Section 114(c) provides that, in accordance with regulations of the Board and rules and procedures of State health boards for

an SSI-eligible individual who fails to enroll in a qualified health plan, the Social Security Commissioner is to notify the individual of the available choices of enrollment, and, in the subsequent absence of any election of plan and in accordance with procedures established by the Board, enroll the individual in a plan.

Provides that the manager of a Federal or State institution is to perform such functions for any resident of those institutions who fails to enroll. Provides that the State health board is to perform such functions for AFDC-eligible individuals or others who fail to enroll.

Section 114(d) requires any qualified plan offered pursuant to this section to an eligible individual (other than SSI-eligible individual) to provide for coverage of both the individual and family members (other than individuals who are Medicare-eligible or SSI-eligible).

PART A—BASIC COVERED HEALTH-CARE SERVICES

INPATIENT AND OUTPATIENT HOSPITAL SERVICES

Section 201(a)-(b) provides that inpatient and outpatient hospital services, including hospital-based physicians' services, are basic covered health-care services. Limits inpatient mental health services to 45 consecutive days (150 consecutive days for Medicare-eligible individuals).

PHYSICIANS' SERVICES

Section 202 (a)-(b) provides that physicians' services are basic covered health-care services. Limits coverage of mental health outpatient services and physician diagnosis or treatment of mental illness to expenses not exceeding the fee-equivalent of 20 psychiatric visits per year.

HOME HEALTH SERVICES

Section 203 provides that home health services for 100 visits per calendar year are basic covered health-care services.

POST-HOSPITAL SKILLED NURSING FACILITY SERVICES

Section 204 provides that post-hospital extended care services for 100 days per spell of illness are basic covered health-care services.

PREVENTIVE HEALTH SERVICES

Section 205(a) provides that preventive health services which initially are basic covered health-care services include the following (as defined by the Board): basic immunizations, pre-natal and post-natal maternal care, well-child care (including physical exams, hearing and vision screening, developmental screening and exams) for children up to age 18, and other preventive health care services which the Board may add.

Section 205(b)(1) permits the Board to add such additional preventive services on a year-by-year basis as it determines will provide for cost-effective delivery of health-care services.

Section 205(b)(2) limits expenditures for preventive health services to $500 million in the first year in which benefits are provided and, in any subsequent year, to the previous year's amount increased by the average annual rate of increase in the gross national product for the three-year period ending with the year before such previous year.

MEDICAL AND OTHER SERVICES

Section 206 provides that the following medical and other health services are basic covered health-care services: services and supplies incidental to physicians' services; hospital services incidental to physicians' services to outpatients; outpatient diagnostic services; outpatient physical, speech, and occupational therapy services; health clinic services, including rural health clinics; home dialysis equipment and supplies; diagnostic x-ray, laboratory, and other diagnostic tests; x-ray therapy; durable medical equipment for home use; ambulance services; prosthetic devices; and braces and artificial limbs.

INSULIN AND OUTPATIENT PRESCRIPTION DRUGS FOR CHRONIC ILLNESS FOR MEDICARE-ELIGIBLE INDIVIDUALS

Section 207 provides that insulin and outpatient prescription drugs for chronic conditions are covered services but only for Medicare-eligible individuals, to the extent provided under Medicare as amended by this Act.

MENTAL HEALTH SERVICES

Section 208(a)-(b) provides that mental health day care and outpatient mental health services are basic covered health-care services. Limits coverage for mental health day care services to 2 days for each day of covered inpatient mental health services. Limits coverage for outpatient mental health services and physicians' services primarily for diagnosis or treatment of mental illness to expenses not exceeding the fee-equivalent of 20 psychiatric visits.

AUDIOLOGICAL EXAMINATIONS AND HEARING AIDS

Section 209(a)-(b) provides that basic covered health-care services include one hearing exam per individual per year and one hearing aid per individual every 3 years.

EXCLUSIONS

Section 210(a) states that basic covered health-care services do not include items or services excluded under Medicare, including the following items or services: those not reasonable or necessary for diagnosis or treatment of illness, injury, or condition (other than preventive health services and hearing exams); those provided outside the United States; personal comfort items; routine physical check-ups; eyeglasses and eye exams (other than preventive health services); custodial care; cosmetic surgery except for prompt repair of accidental injury or for functional improvement of malformed body members; expenses which are charges imposed by the patient's relatives or household; routine dental care; routine foot care except for diabetic patients.

Section 210(b) excludes (except for Medicare-eligibles) coverage of orthopedic shoes, services of chiropractors, and certain inpatient hospital services furnished outside the United States.

Section 210(c) permits the Board, after consultation with the Commissions on Health-Care Benefits and Quality of Health Care, to prescribe, upon the basis of the cost and effectiveness of providing particular health care service, health care for which payment may not be made under a qualified health plan or Medicare.

PART B—PROVIDER STANDARDS AND CERTIFICATION

STANDARDS FOR SERVICES, PROVIDERS, AND CERTIFICATION OF PROVIDERS

Section 211(a) makes the following provisions of title XI and XVIII of the Social Security Act applicable to basic health-care services provided under qualified health care plans to the same extent as they are applicable under Medicare: definitions under section 1861; conditions of participation under section 1866 and use of State and other agencies for determining compliance under section 1863 and 1864; suspension and disqualification of providers under section 1862 and 1866; limitations or exclusions from payment for items and services under sections 1812, 1814, 1833, 1834, and 1862; certifications under section 1814 and 1835; professional standards review under Part B of title XI.

Section 211(b) permits the Board, after consulting with the Commissions on Health-Care Benefits and Quality of Health Care, to establish a list of high-risk, high-cost, elective, or overutilized items or services for which payment may be made only if one or more of the following conditions are met: (1) the provider is board-certified in the relevant specialty; (2) the diagnosis and recommended service are supported by a second qualified opinion or specific objective findings; (3) the provider-institution is adequately equipped and staffed; (4) the specialist or institution is providing care upon referral by a primary-care physician; (5) the provider has demonstrated through statistical evidence that it provides high-quality services and properly uses appropriate methods and technologies.

Section 211(c) states that certain amendments to Medicaid providing for a residual program and requirements for maintenance of effort and additional mandatory services are found in section 636 of this Act.

TITLE III—FINANCING AND PLANNING

PART A—BUDGET AND PLANNING PROCESS

SUBPART I—BUDGET PROCESS

BUDGET TIMETABLE

Section 300 sets forth the annual timetable for the budget process for the national health insurance system as follows: by January 15th, proposed annual State Budgets are to be submitted to the Board; by March 1st, the annual budget for the national program is to be submitted to Congress; by July 1st, the annual State budgets are to be adopted; from September 1 through November 30, there is to be an open enrollment period; and the following January 1st, the budget year begins.

ANNUAL BUDGET

Section 301(a)(1) directs each State health board, after considering policies of the Board, the most recent Health Care Improvement Plan, and recommendations of the Commissions, to prepare and transmit to the Board, not later than January 15 of each year, a proposed annual State budget for the succeeding year.

Section 301(a)(2) directs the Board to prepare and submit to the President an estimate of Federal expenditures to be included in the President's annual budget message.

Section 301(a)(3) directs the Board to prepare and adopt, not later than March 1 of each year, a comprehensive annual budget establishing the expenditure level authorized for covered health care services and administrative costs, and the necessary revenues for the succeeding year.

Section 301(a)(4) directs the Board to transmit a budget report to the President, Congress, each Governor and State health board, and to make the budget available to the public:

Section 301(a)(5) directs the Congressional Budget Office to prepare and submit to relevance Congressional committees an analysis of all aspects of the budget as soon as practicable after its receipt.

Section 301(b)(1) requires the annual budget to stipulate the anticipated expenditures for the nation and each State attributable to the following:

Administrative costs for the Board, State health boards, consortia, and participating insurers;

Payments to providers for provision of covered health-care services categorized by type of service, provider, or both;

Costs of capital investment, health provider education, and research;

Medicare trust fund expenditures;

Adjustments for previous budgets;

A contingency fund for unanticipated expenditures;

Payments for the residual Medicaid program and for the Federal guarantee against additional State expenditures for AFDC-eligible individuals.

Miscellaneous expenditures.

Section 301(b)(2) requires the annual budget to set forth the anticipated revenues attributable to the following:

Wage-related premiums;

Non-wage related income premiums;

Federal group-rated premiums for SSI-eligible individuals and residents of Federal institutions;

State group-rated premiums for AFDC-eligible individuals and residents of State institutions;

Premium payments paid by foreign governments and international organizations for their employees and officers;

Medicare taxes, premiums, and interest;

Residual Federal payments to consortia for defaults in premium payments and appropriations from general Federal revenues.

Miscellaneous revenues as the Board may specify.

Section 301(b)(3) requires the budget to also set forth separate schedules for expenditures and revenues under the Medicare program and certain other public programs and also for individuals enrolled in qualified private health insurance plans. Permits the Board, upon a Governor's request, to provide for a separate schedule of anticipated expenditures for different intrastate or adjoining interstate areas. Further requires the budget to show the anticipated expenditures from and appropriations to the Health Resources Distribution Fund.

Section 301(b)(4)–(5) requires the budget to include the national community-rated and group-rated premium amounts and national premium rate for the year. Further requires the budget to project anticipated expenditures and revenues for the succeeding five years showing any effects from the Health Resources Distribution Fund or cost-control efforts.

Section 301(c)(1) stipulates that the total anticipated expenditures for a year may not exceed the previous year's expenditures by more than the average annual rate of increase in the gross national product for the three-year period ending with the year before the year in which the annual budget is adopted.

Section 301(c)(2) states that the amounts set forth as total anticipated expenditures nationally and for each State for covered health-care services (including administrative costs of insurers, HMOs, and consortia, but excluding services and costs for active-duty members of the uniformed services and their families) are the maximum amounts that may be expended for that year. Prohibits a State board, in implementing its annual State budget and negotiating various agreements or schedules, from providing for total expenditures in excess of those contained in the Board's annual national budget with regard to that State. Within percentage variations permitted by the Board, sets similar maximum limits on expenditures nationally and for each State by category of provider or type of service.

Section 301(c)(3) provides that the annual percentage increase in anticipated expenditures per capita for covered services for a State and in the annual State budget over the actual expenditures for such services for the previous year is to inversely reflect the degree to which such actual expenditures in the State (calculated to the extent feasible on a price-adjusted basis) for the previous year are less than such per capita expenditures nationally for that year. Limits the State's allowable percentage increase for anticipated per capita expenditures to not less than 80 percent or more than 120 percent of the percentage increase for such expenditures nationally for that year over such expenditures for the previous year.

Further provides that the State's allowable percentage increase may provide for a higher rate of increase than calculated above if the State has a severely medically-underserved population for which a special development program has been approved in the Health Care Improvement Plan, or if the State has an Indian health, migrant health, or other health program for medically underserved populations.

ANNUAL STATE BUDGETS

Section 302(a) requires each State health board to prepare and submit, not later than January 15 of the previous year, a proposed annual State budget to the Board, in accordance with regulations. Requires each State health board to adopt, not later than July 1 of the previous year, and submit to the Board an annual State budget. Requires the State budget to take into consideration all pertinent conclusions, including recommended changes in resource availability, in the most recently revised State health care improvement plan.

Section 302(b) requires each annual State budget to be prepared after consultation with, and consideration of any comments submitted by the State government (and political subdivisions), State advisory commission, representatives of consortia, insurers, and HMOs, participating providers and consumers in the State. Requires the budget to be based on agreements negotiated (and any maximum payment schedules agreed to in negotiations) by the State health board with providers with respect to payments for covered services. Further requires the budget to be based on prospective budgets submitted by participating institutional providers and approved by the State health board.

Section 302(c) requires the State budget to contain the same types of information required for the national budget but only with respect to expenditures, revenues, premiums, and premium rates in that State.

Subpart II—PLANNING PROCESS

NATIONAL HEALTH CARE IMPROVEMENT PLAN

Section 305(a)(1) requires the Board, in consultation with the President's Commission on the Health of Americans, to prepare and annually revise, before adoption of each annual budget, a five-year national Health Care Improvement Plan describing the needs in the United States relating to accessibility, quality, and cost of health care.

Section 305(a)(2) requires the Plan to describe the current and projected effect of this Act in meeting such needs.

Section 305(a)(3) further requires the Plan to recommend additional actions that should be taken. Provides that the description of needs and recommended actions is to take into account the needs and actions contained in the State plans for health care improvement.

Section 305(b) requires the Board, in establishing any guidelines or standards under this Act, to describe how such guidelines and standards facilitate meeting the needs projected in the most recently revised Health Care Improvement Plan.

STATE HEALTH CARE IMPROVEMENT PLANS

Section 306 requires each State governor to prepare and annually revise a State health care improvement plan describing the State's five-year needs relating to accessibility, quality, and cost of health care and the specific actions the State intends to take to meet those needs. Requires the State plan to take into account and, to the extent appropriate, include the objectives of applicable State plans in effect under section 1524 of the Public Health Service Act and title XIX of the Social Security Act, and any current State plan submitted for financial assistance under the Public Health Service Act or the Community Mental Health Centers Act.

TITLE III, PART B—PAYMENTS TO PROVIDERS GENERALLY

PART B—PAYMENTS TO PROVIDERS

Subpart I—PAYMENTS TO PROVIDERS GENERALLY

WHO MAKES PAYMENTS TO PROVIDERS

Section 311(a) requires participating insurers and HMOs to make payments to participating providers furnishing covered health-care services to their respective enrollees.

Section 311(b) requires an insurer or HMO to pay providers for covered services rendered to an individual who is not an enrollee at the time of services but subsequently enrolls or is enrolled with the insurer or HMO.

Section 311(c) requires the Board to pay providers for covered services furnished to Medicare-eligible individuals.

Section 311(d) requires the Secretary of Defense to pay for services furnished to an active-duty member of the uniformed services (or the member's family) in accordance with chapter 55 of title 10 U.S.C.

BASIS ON WHICH PAYMENTS MADE

Section 312(a)(1) requires an insurer or HMO to pay an institutional provider an allocated portion of the institution's approved prospective budget which reflects the costs of providing services to the insurer's or HMO's enrollees. Prohibits payment for expenditures not included in the institutional provider's approved prospective budget, except as approved by the State health board.

Section 312(a)(2) requires regulations of the Board to provide for a method or methods of cost apportionment among insurers and HMOs that will allocate costs in an administratively simple and reasonable way, will reflect the portion of costs for which the insurer or HMO is responsible, and will provide for payment to the provider of revenues projected in its approved prospective budget. Provides that such methods may include apportionment based on the number of treatment of particular conditions or diagnosis; the relative value of the services furnished, in accordance with indices or relative values established by the Board; the number of admissions, patient days, diagnoses, or other such easily determinable factor that may fairly allocate costs; and any other method approved by the Board. Requires the Board in establishing the cost apportionment method to take into account the desirability of limiting billing and administrative costs by limiting the amount of data the provider must furnish.

Section 312(a)(3) permits a State health board (when regulations provide for more than one apportionment method for any type of provider in the State) to select and require the use of one of such approved methods, but only after it has considered the relative merits of the various approved methods. Permits the State health board to change its selected method at any time.

Section 312(a)(4) requires each institutional provider with an approved prospective budget to transmit to the State health board, at the close of each year, data and a reconciliation showing differences between the actual expenditures and services provided by the provider with the expenditures and services allowed in its approved prospective budget. If expenditures are below those predicted because of efficiency, the State health board is required to provide for the retention by the provider of one-half the savings. Requires the State health board to provide, to the extent appropriate, for adjustments in the amount of payments made by different insurers and HMOs or in the prospective institutional budget for the following year in order to correct unintended differences in the amount or source of payments to a provider.

Section 312(b)(1) provides that, in general, non-institutional providers are to be paid for furnishing covered health care services (other than drugs, hearing aids, medical equipment or laboratory services) in accordance with the lower of (A) the fee charged by the provider; (B) the fee agreed upon between the provider and the insurer or HMO; or (C) the applicable maximum fee schedule for the service as established by the State health board. Permits the Board, upon recommendation of a State health board and on an individual basis, to provide for an increase in the payment to a physician for performance of unusual merit.

Section 312(b)(2) permits payment in lieu of the above to be made to a provider at the provider's election, on a salary or fee-for-time basis if the total amount payable in a year to the provider through such method is not greater than the total amount payable for the equivalent amount of service as computed on the basis of the applicable maximum fee schedule in that State.

Section 312(c) provides that payments to providers for durable medical equipment, laboratory services, drugs, and hearing aids are to be the sum of (1) the lower of (A) the charge for the item or service or (B) the maximum reasonable cost of the service or item, plus (2) for drugs and hearing aids, the lowest of (A) the provider's dispensing fee, (B) the fee agreed upon between the provider and the insurer or HMO, or (C) the highest fee permitted under the applicable maximum fee schedule.

Section 312(d) provides that for other covered health-care services, the provider is to be paid the lower of the fee charged by the provider, the fee agreed upon between the provider and participants, insurer or HMO, or the maximum reasonable cost of the service, as established by the State health board in accordance with national guidelines and standards.

Section 312(e) permits the Board to allow payment to be made to institutional and other providers using an experimental or demonstration method of reimbursement if it furthers the purposes of the Act.

Section 312(f) requires the Board to conduct a hearing on reimbursement methods (including related guidelines and standards) at least once every five years or more frequently as the Board may provide and upon presentation of a petition signed by one-fourth of the participating providers within a particular provider category. Requires the Board to invite representatives of the providers involved. Permits the Board, after such hearing, to modify reimbursement guidelines and standards for that type of provider and to recommend to Congress appropriate changes in the Act.

APPLICATION OF BUDGET LIMITS

Section 313(a)(1) requires the State health boards, the consortia, insurers and HMOs to monitor payments to providers to assure that expenditures do not exceed the applicable limits under the annual State budget.

Section 313(a)(2) requires each insurer and consortium in a State to report to the State health board whenever it determines that payments are being made for a category of provider or service at rates that may result in total payments exceeding the anticipated expenditure level provided for under the national or State budget for that category of provider or service.

Section 313(a)(3) requires the State health board to investigate such excessive payment rates, including utilization rates and other pertinent factors, and to take corrective actions, after approval of the Board and consultation with consortia, insurers, HMOs, and providers involved.

Section 313(b)(1) permits a State health board to correct for expenditures for services in excess of those provided for under the annual State budget by transferring expenditures between categories of services or providers within percentage allowances established by the Board.

Section 313(b)(2) permits a State health board to take other corrective action by authorizing the use of funds from contingency funds established by consortia or from the national contingency fund when excess expenditures are due to unforseen circumstances beyond the control of the insurers, HMOs, and providers involved.

Section 313(b)(3) permits the State health board, with the approval of the Board and after consideration of comments from organizations of providers, to modify reimbursement methods, including pro-rated decreases in the amount of payments made to such providers as determined appropriate.

Section 313(b)(4) permits the State health board, to the extent permitted by the Board, to provide that payment be made for particular covered services or to particular providers only if additional certification of the need or qualifications of the provider are met.

Section 313(b)(5) permits the State health board, in accordance with national guidelines, to require insurers and HMOs to make payment for covered services in a particular period in amounts exceeding the premium amounts provided for in that period.

TREATMENT OF PHILANTHROPIC CONTRIBUTIONS AND STATE AND LOCAL GOVERNMENT SUPPLEMENTARY PAYMENTS

Section 314(a) permits philanthropic contributions and supplementary payments by State and political subdivisions to be made to supplement provision of covered services under this Act.

Section 314(b) prohibits a State health board, in reviewing prospective budgets and establishing maximum fee schedules, from recognizing expenses associated with capital expenditures assisted by such philanthropic contributions or government supplementary payments unless such expenditures have been approved under the applicable planning process under this Act.

TITLE III—PART B

Subpart II—METHODS OF REIMBURSEMENT OF PROVIDERS

PAYMENTS TO INSTITUTIONAL PROVIDERS BASED ON APPROVED PROSPECTIVE BUDGETS

Section 321(a)(1) requires each participating institutional provider to submit to the State health board (in accordance with established deadlines and in the required form and manner) its proposed prospective budget for the subsequent year. Requires the budget to cover all health services (not merely covered health-care services) provided by the provider and to include the following:

Anticipated costs, broken down by schedules for costs associated with operations, capital items, inpatient services, outpatient services, and nursing services;

The proportion of anticipated costs associated with provision of covered services to eligible individuals and with provision of other services; and

Anticipated revenues broken down by source.

Section 321(a)(2) requires the budget to be accompanied by documentation (as established by the Board for review purposes) including that related to:

Changes in services or capital expenditures during the two-year and five-year periods following the budget year;

Previous budgets of the provider;

Impact on costs of any anticipated changes in services, the provider's productivity, or utilization of services, and reasons for changes;

Volume of services; and

Relevant characteristics of the patient population.

Section 321(a)(3)(A) requires the budget to include as costs the services of all physicians under contract with the provider, all radiologists and pathologists providing services to inpatients, and, in the case of psychiatric hospitals, all physicians furnishing services to inpatients. Requires the amount budgeted for payment for such services to be reasonable in comparison to the cost of obtaining such services on a salaried or other basis, whichever is less.

Section 321(a)(3)(B) requires the budget to include the total cost of wages and fringe-benefit payments for or on behalf of nonsupervisory employees. Requires that the rate budgeted for nonsupervisory wages be at least the minimum wage rate applicable under section 6(a)(1) of the Fair Labor Standards Act of 1938. Requires that, if any nonsupervisory employees are covered by a collective-bargaining or other negotiated agreement, wages and fringe-benefits (and any prospective changes) are to be in accordance with the agreement. Requires the rates for wages or fringe benefits for nonsupervisory employees not covered by a collective-bargaining agreement not to exceed the prevailing rates for comparable employees of providers of the same type in the same locality. Defines the term nonsupervisory employee.

Section 321(a)(3)(C) requires that reimbursable costs must include the cost of basic covered health-care services furnished to non-eligible individuals if no other payment for such services is obtainable by the provider.

Section 321(a)(3)(D) excludes depreciation costs from the budget except for payment of debt principal incurred before enactment of the Act; cost of acquiring minor capital items as defined by the Board; cost of major capital items if approved through the planning process; and costs associated with closure or reduction in services, including reasonable costs of easing personnel dislocations.

Section 321(a)(3)(E) provides that the budget will include, for a proprietary hospital or skilled nursing facility, a reasonable rate of return on equity capital in lieu of other allowances, to the extent they reflect similar items. Requires that, for other proprietary institutional providers, the budget also include provision for a reasonable rate of return on equity capital in lieu of other allowances to the extent (and in accordance with regulations) the State health board finds feasible and appropriate. Provides that the rate of return recognized for proprietary providers must not exceed one and one-half times the average of the rates of interest, for each month of the year, on the obligations issued for purchase by the Federal Hospital Insurance Trust Fund.

Section 321(a)(4) requires that the budget include an amount for working capital and reasonable reserves for contingencies.

Section 321(a)(5) ensures technical assistance to primary care institutional providers in the preparation and submission of their budgets.

Section 321(b)(1)(A) requires the Board, after consulting with institutional providers and their representatives and after considering views of the consortia and consumer representatives, to establish policies and guidelines (with variations for different categories of institutional providers) for review and approval by State health boards of proposed prospective budgets.

Section 321(b)(1)(B) requires the guidelines to include standards (commonly known as screens), varied by category of institutional provider, to be applied to each proposed budget to determine which budgets (and elements within) may be approved without individual scrutiny and close examination. Also requires the guidelines to provide for detailed review of a random sample of all such budgets to assure quality control and to verify the validity of the screens. Provides that standards may include review of at least the following: the annual rate of increase in the provider's total budget and average total and per diem costs per inpatient; the provider's costs, for each type of facility of the provider, by average total and per diem costs per outpatient visit, and average educational cost per student by type of student; and the cost-ratios of the provider, including the ratio of

administrative costs to total costs and the ratio of costs of particular services to total costs and to the costs of services on a daily, per admission, or other appropriate basis.

Section 321(b)(1)(C) requires the guidelines to provide for uniform collection and reporting (and making available to the public) of data required for review and approval of budgets.

Section 321(b)(2)(A) requires each State health board to review, in accordance with established policies and guidelines, each proposed prospective budget and to make the results of its review available to the public. Requires each review to assess the extent to which any described changes in services or capital expenditures conform to the current approved plan of the health systems agency in the area and the most recent State health care improvement plan. Also provides for review of the quality, accessibility, and effectiveness of services furnished by the provider. Requires the review to consider any relevant findings of the professional standards review organizations and any national provider accreditation organizations for that category of provider.

Section 321(b)(2)(B) requires the State health board, before it disapproves costs contained in a proposed prospective budget, to inform the provider of the pending disapproval and permit the provider an opportunity for comment.

Section 321(b)(2)(C) requires the State health board to consider any timely recommendations submitted as a result of negotiations between consumer groups, the provider, and representatives of employee organizations, or in the absence of such recommendations, material submitted by any such party. Requires the State health board to make available to consumer groups and employee organizations technical assistance to promote or assist in negotiations.

Section 321(b)(2)(D) permits the State health board to delegate the prospective budget review function (but not approvals) to an appropriate independent entity, in accordance with regulations.

Section 321(c)(1)–(2) disallows any amounts in a prospective budget for capital acquisitions or expenditures (other than minor expenditures, as determined by the Board) and any related operating costs unless the provider participates in, or has established and maintains, a planning process in accordance with regulations. Requires such process to provide for submission of the proposed budget on a timely basis to the State health planning and development agency (under title XV of the Public Health Service Act) for its review and approval of any such acquisitions or expenditures.

Section 321(d)(1) requires each State health board, after and in accordance with its review, to approve the budget with or without any modification. Requires each State health board to take account of the following:

Total limits of anticipated expenditures in the applicable national and State budget;

The plan of the health systems agency for the area in which the provider functions;

Pertinent demographic factors;

Impact on costs of any expected inflation;

Effect of any approved capital expenditures and service modification plan;

Effect of acceptable future wage increases; and

Objectives for efficiency and cost-effectiveness for that provider as established by the Board, based on comparisons with similar providers with consideration for differences in patient mix and other factors. Provides that the amount approved in a prospective budget is the total amount payable pursuant to this Act for that provider for the budget year.

Section 321(d)(2) requires that, as a condition of approval, a prospective budget be resubmitted if modification is required because expenditures allocated to the State under the national budget as adopted are lower than the amount which had been anticipated for the State under the national budget as proposed.

Section 321(d)(3) permits a budget to establish maximum expenditure and payment levels for its various parts and, subject to regulations, to provide for transfers between parts.

Section 321(d)(4) requires the State health board to provide for transmittal of an approved prospective budget to approved insurers likely to pay the provider for services furnished their enrollees.

Section 321(d)(5) disallows any payment pusuant to this Act for expenditures by an institutional provider for covered health-care services not included in its approved prospective budget.

MAXIMUM FEE SCHEDULES FOR PROFESSIONAL SERVICES

Section 322(a)(1) requires each State health board to provide for the development of maximum fee schedules, applicable to covered health-care services (other than durable medical equipment and laboratory services) furnished by a physician or other non-institutional provider.

Section 322(a)(2) requires total payments under such fee schedules to be consistent with expenditures anticipated in the national and State budgets for services of the type covered by the schedule. Requires the level of payments to be based on the best available projections as to demand for and utilization of that type of provider or service.

Section 322(a)(3) provides that maximum fee schedules be developed only after opportunity for negotiations with participating providers.

Section 322(b)(1) requires the Board to develop guidelines for the development and modification of maximum fee schedules by State health boards. Requires that the schedules applicable to services furnished in the first effective year will be the maximum fee schedules applicable under the Medicare program in the previous year with certain modifications. Requires the guidelines to include the relative value of particular covered health-care services taking into consideration the time and effort required to furnish the service; the level of skill required; the cost (including indirect costs) to the provider of furnishing the service; and the relative cost-effectiveness of providing such services.

Section 322(b)(2) requires the guidelines to include appropriate variation in fees for different geographic areas, taking into consideration the relative costs of practice in different areas; relative earnings of non-physicians in different areas; relative rate of change in physicians' fees in different areas, and the need to encourage provision of services in underserved areas.

Section 322(b)(3) requires the guidelines to provide that, where two or more categories of health personnel are qualified to provide a particular health-care service of comparable quality, the maximum fee for that service will be the lowest of the maximum fees authorized for that service for such categories of personnel.

Section 322(c) requires the Board to develop a formula for establishing permissible year-to-year changes in fee schedules, taking into account the following:

The increase in an index of the earnings of non-physicians;

The increase in an index of the cost of operation of offices of the different types of providers;

Budget limits on expenditure increases permitted for the service;

Changes in utilization;

Applicable negotiations by the State health board with providers. Further requires that the maximum fee permitted for a particular year cannot be less than the maximum fee for that service in the previous year.

PAYMENT FOR DURABLE MEDICAL EQUIPMENT AND LABORATORY SERVICES ON A COST BASIS AND FOR DRUGS AND HEARING AIDS ON A COST-PLUS FEE BASIS

Section 323(a)(1)–(2) provides payment to be made for provision of durable medical equipment and laboratory services based on the lower of the charge, or the reasonable cost of the equipment or services, and for drugs and hearing aids based on the lower of the charge, or the reasonable cost plus a reasonable professional fee.

Section 323(b)(1) requires the Board to establish guidelines for the reasonable cost of durable medical equipment, laboratory services, drugs, and hearing aids. Requires the reasonable cost for such an item to be the lowest cost at which such item of comparable quality is widely available in an accessible area. Requires the Board to establish categories of generic equivalent drugs to be treated as drugs of comparable quality.

Section 323(b)(2) requires each State health board to establish and distribute information listing the limitations pertaining to the reasonable cost of different items of durable medical equipment, laboratory services, and hearing aids. Requires the Board to establish and distribute information listing the limitations pertaining to the reasonable cost of different drug items.

Section 323(c)(1) provides that the amount of professional fee payable for provision of a hearing aid is the lesser of the charge, or the amount provided in a maximum fee schedule established by the State health board. Permits the State health board to provide for fees which reflect reasonable salary levels for providers of hearing aids in the area in which such items are provided.

Section 323(c)(2) provides that the amount of professional dispensing fee payable for dispensing of a drug is the lesser of the charge, or the amount provided in the maximum-fee schedule established by the Board. Permits the Board to provide for fees which reflect reasonable salary levels for dispensers of drugs in the given area. Permits the Board to delegate the establishing of such maximum fee schedules to the State health boards.

USE OF NEGOTIATIONS IN DETERMINING AMOUNTS OF PAYMENTS

Section 324(a)(1) requires each State health board to regularly and periodically invite representatives of participating providers in the State to meet and negotiate with representatives of persons (including consortia, participating insurers, HMOs, and employers) who pay, directly and indirectly, for covered health-care services. Provides that the negotiations will concern the following:

Screens, maximum rates, and other limitations on payments to institutional providers on the basis of approved prospective budgets;

Maximum fee schedules for professional services;

Reasonable cost levels for certain other items and services; and

Any other method for control of costs. Requires the State health board to supervise such negotiations.

Section 324(a)(2) permits a State health board to incorporate within its annual State budget the provision of any agreement achieved through such negotiations if it keeps expenditures within the budgeted State limit.

Section 324(b)(1) requires the Board to establish criteria for the selection of members of the provider negotiating groups in each State for each of the following groups (which may be modified by the Board):

Hospitals; skilled nursing facilities; home health-care agencies—other institutional providers, including community health centers, migrant health centers, and health clinics; physicians providers; other non-institutional providers, such as pharmacists, physician therapists, and occupational therapists; hospital employees (regardless of profession or occupation).

Section 324(b)(2) requires provider representatives to be elected for each type of geographic area (including at least urban, rural, and suburban areas). Requires election of employee representatives for each type of institutional provider. Requires election of physician representatives for each medical and osteopathic specialty and style of practice (including at least solo practice, group practice, and institution-based practice).

Section 324(b)(3) requires the Board to develop, after consulting with any existing negotiating groups and other associations of health care providers or institutions, general guidelines for the election of representatives for each provider negotiating group. Requires guidelines to provide for differences in the size of various negotiating groups; proportional representation for each type of provider; three-year terms for each representative; and nomination and election methods which assure full information and opportunity for participation being made available to all providers of that type and, as appropriate, their employees.

Section 324(b)(4) requires each State health board, in accordance with national guidelines and after consulting with any existing negotiating groups and other associations of health care providers in the State, to establish the size, composition, and other characteristics of the provider negotiating groups within the State; the process of nomination; and the election of members. Further requires such boards to conduct (or oversee the conduct of) these elections.

Section 324(c) requires the election of provider representatives to negotiating groups to be by secret ballot. Requires negotiating sessions to be open to the public, except as the Board may provide.

TITLE III, PART C—AMOUNTS OF PREMIUMS

PART C—DETERMINING AMOUNTS OF PREMIUMS AND INCENTIVE PAYMENTS AND BENEFITS

DETERMINATION OF NATIONAL COMMUNITY-RATED PREMIUMS AND RATE AND GROUP-RATED PREMIUMS

Section 331(a)(1) requires the Board to establish each year a national community-rated premium and a national premium rate.

Section 331(a)(2) requires that the national community-rated premium be established in such manner that if all enrollees (excluding certain individuals) paid the same amount, the sum of such premiums (including certain administrative costs) equals the expenditures associated with the furnishing of basic covered services to all persons (excluding certain individuals) enrolled in qualified plans. Excluded from the expenditures are costs associated with or attributable to the furnishing of care to Medicare-eligible individuals, SSI-eligible individuals, AFDC-eligible individuals and residents of Federal and State institutions. Excluded from the divisor in determining the premium amount are all Medicare-eligible individuals and members of a uniformed service on active duty, and their dependents. Requires that the national community-rated premium be established in three schedules: one for one-member families; one for two-member families; and a third for families with three or more members. Requires that the apportionment of the premium among such schedules be based on the relative actuarial costs of furnishing basic services to each size family.

Section 331(a)(3) requires that the national premium rate be established in such manner that the sum of all wage-related premiums, non-wage related premiums, the government payment for unpaid private premiums, and the voluntary premiums under international agreements equals the anticipated expenditures for covered services furnished Medicare-eligible individuals, SSI-eligible individuals, AFC-eligible individuals and residents of Federal and State institutions.

Section 331(b)(1) requires the Board to establish a group-related premium for SSI-eligible individuals and for residents of Federal and State institutions who are enrolled in a qualified plan.

Section 331(b)(2) requires that the group-related premium be designed so that the total amounts paid by or on behalf of the individuals in the group equal the expenditures attributable to the furnishing of care to the individuals of such group. Requires the Board to take into account previous cost experience and other estimates in making such determinations, and requires that the Board prevent disclosure to consortia and others that any particular individual is a member of such group. Requires the Board to make premium adjustments annually to reflect actual cost experience with respect to expenditures for such groups of individuals.

DETERMINATION OF STATE COMMUNITY-RATED PREMIUM RATE, AND GROUP-RATED PREMIUM

Section 332(a)(1) provides, except for subsection (a)(2), that the national community-rated premium and the national premium rate are to apply as the State community-rated premium and the premium rate for each State.

Section 332(a)(2) provides for a decreased community-rated premium and premuim rate for a State, if that State is able to negotiate a lower level of approved expenditures than would otherwise be provided for in the national budget.

Section 332(b) requires each State to establish a group-rated premium for AFDC-eligible individuals and for residents of State institutions who are enrolled in a qualified plan. Such premium may vary by area within a State. Requires that such premium be designed so that the total amounts paid by or on behalf of the individuals in the group are equal to the expenditures attributable to the furnishing of care to the individuals of such group. Requires the State to take into account previous cost experience and other estimates in making such determinations, and requires that the State prevent disclosure to consortia and others that any particular individual is a member of such group. Requires the State to make premium adjustments annually to reflect actual cost experience with respect to expenditures for such groups of individuals.

INSURER AND HEALTH MAINTENANCE ORGANIZATION BENEFITS, DIVIDENDS AND REBATES TO PROMOTE COST-EFFECTIVENESS

Section 333(a)(1) permits a participating insurer or HMO to offer eligible individuals (other than Medicare-eligible persons) an incentive to enroll in a qualified plan by providing services in addition to basic covered services or by paying dividends or cash rebates on premiums.

Section 333(a)(2) permits participating HMOs to offer the same kinds of incentives to Medicare eligibles.

Section 333(b) requires that such incentives may be offered only if the incentives are available to all individuals enrolled under a plan, and only if individuals receive a statement of the actuarial value of the benefits added by such incentives.

Section 333(c)(1) requires that such dividends or cash rebates be paid to enrollees. Requires, in the case of enrollees who are employed, that dividends or rebates be divided between the employees and the employer in proportions determined in accordance with procedures established by the Board. Requires that such arrangements be presented to the collective bargaining representative of employees or other employee representatives where appropriate.

Section 333(c)(2) provides that dividends and cash rebates are not to be treated as taxable income to individuals nor as income or other resources under Federally-assisted welfare programs, or reduce any tax credit due under Section 334.

LIMIT ON AMOUNT OF PRIVATE PREMIUMS

Section 334(a) provides that the sum of 35 percent of wage-related premiums, any non-wage-related premiums, and any premiums paid for members of uniformed service may not, in any year, exceed the amount of the State community-related premium established for a family unit of that size in that State for that year.

Section 334(b) provides for a refund to families of amounts in excess of the limits established under subsection (a). Requires further that, in the absence of an agreement among the members of a family, such refund is to be apportioned in accordance with the amount of premiums paid with respect to the income of each family member.

TITLE III, PART D—PAYMENT AND COLLECTION OF PREMIUMS

PART D—PAYMENT AND COLLECTION

WAGE-RELATED PRIVATE PREMIUM

Section 341(a)(1) requires each employer to pay on behalf of each employee for each payroll period an amount equal to the product of the wages paid during such period and the State premium rate applicable for such period. Such payments must be made by employers not later than 15 days following the last date of the payroll period.

Section 341(a)(2) provides that employer payments be made to an applicable consortium.

Section 341(a)(3) permits an employer (subject to any applicable collective-bargaining agreement) to require employees, by deduction or other reasonable method, to pay an amount not exceeding 35 percent of the amount paid on an employee's behalf under subsection (a)(1). Also requires employers to pay any voluntary contributions an employee may wish to have made on his behalf. Such contributions are to be credited toward non-wage income-related premiums payable, if any, provided for under Section 342.

Section 341(b)(1) permits an employer to obtain certification from the Board as an impacted employer. If so determined, an employer which is not a State employer or a non-profit employer is to be entitled to a tax credit as provided in subsection (b)(2). A State employer or non-profit employer is to be entitled to a payment from the Board as provided for in (b)(2).

Section 341(b)(2) provides for tax credits or payments equal to one-half of the lesser of the incremental costs of health insurance for the employer for the first effective year, or in the case of an employer which is not a State employer or non-profit employer, the amount by which the employer's absolute net income for the year is less than the employer's net income for the base year. Credits or payments are to be reduced to one-third of such amounts for the year after the first effective year and to one-sixth of such amounts for the second year after the first effective year.

Section 341(b)(3) provides that no credits or payments may be made for such purpose for any year after the second year after the first effective year.

Section 341(b)(4) provides that rules similar to those under Section 44D of the IRS Code of 1954 will apply under this section.

Section 341(b)(5) authorizes the Board, in consultation with the Secretary of Treasury, to promulgate regulations to carry out this subsection, subsection (c), and section 44D of the IRS Code of 1954.

Section 341(c)(1) defines, for purposes of this section and section 44D of the IRS Code of 1954, the terms: employer, non-profit employer and State employer. "Employer" does not include an agency or instrumentality of the United States. "Non-profit employer" means an employer exempt from tax under subtitle A of the IRS Code of 1954. "State employer" means an employer which is a State, or any political subdivision thereof, or any agency, instrumentality or corporation wholly owned by such State or subdivision thereof.

Section 341(c)(2) defines "impacted employer" as one for which the product of (A) the amount by which the employer's premium per full-time employee equivalent for a year exceeds the amount of such premiums in the base year, and (B) the number of full-time employee equivalents, is greater than 3 percent of the wages paid by the employer. In addition, employers that are neither state or non-profit employers must satisfy two other requirements—(A) that net income, expressed as a percentage of gross income, for any year is less than such income, for the base year, and (B) that the employer's absolute net income, for the tax year ending in a year is less than such income for the tax year ending in the base year.

Section 341(c)(3) defines "incremental increase in employee health insurance costs" to mean the product of (A) the amount by which an employer's premium per full-time employee equivalent in a year exceeds such amount in the base year and (B) the number of full-time employee equivalents minus, 3 percent of the wages paid by the employer. However, in the case of an employer that is neither State or non-profit employer, the "incremental increase" is the lesser of that calculation; or the product of the percentage by which (A) net income (expressed as a percentage of gross income) for a year is less than such income for the base year, and (B) the gross income for the year; or the amount by which the employer's absolute net income for a year is less than the employer's absolute net income for the base year.

Section 341(c)(4) defines "health insurance premiums per full-time equivalent" to mean the amount of employer premiums for a year divided by the number of full-time employee equivalents of that employer during that year.

Section 341(c)(5) defines "health insurance premiums" to mean (A) for the base year, the amount paid by an employer to insurers or HMOs for its employees during the year, and (B) for any year thereafter, the employer's share of the payments required by this section.

Section 341(c)(6) defines "full-time employee equivalents" to mean (A) the sum of fractions for each salaried, non-hourly employee, plus (B) the number of hours of employment for other employees (not counting hours in excess of the maximum permitted under section 7 of the Fair Labor Standards Act); divided by 40.

Section 341(c)(7) defines "base year" to mean the year before the first effective year (as defined in section 601(a)).

NON-WAGE INCOME-RELATED PRIVATE PREMIUMS

Section 342(a)(1) requires all persons (except certain exempted individuals) to pay a premium based on non-wage-related income of such persons' family units. In the absence of an agreement among family members, such premiums are to be in proportion to an individual member's contribution to such income in the family.

Section 342(a)(2) requires that such premiums be paid to the applicable consortium.

Section 342(a)(3) authorizes employees to have non-wage-related premium amounts withheld from wage income, as provided for in section 342(a)(3). Also authorizes such withholding from pensions or other regular sources of non-wage-related income.

Section 342(a)(4) establishes the amount of such premiums as equal to the product of (A) one-half the State premium rate for the State in which the family is enrolled, and (B) the amount of non-wage-related income of the family units of which an individual is a member.

Section 342(b) requires individuals to file quarterly information returns relating to computation of the amount of premiums due, in accordance with regulations prescribed by the Board. Requires that premiums be paid quarterly, with final settlement on an annual basis. Authorizes the Board to impose a collection surcharge (not to exceed 15 percent of the amounts due) for failure to pay on a timely basis.

Section 342(c)(1) defines an "exempt individual," for purposes of this section, as Medicare-eligible individuals, members of a uniformed service on active duty, alien employees of foreign governments and organizations, and dependents of another individual.

Section 342(c)(2) defines "non-wage-related income" to mean family adjusted gross income minus the sum of: wages paid family members; income attributable to family dependents and Medicare-eligible individuals; and $4,000 in the case of family units consisting of an individual and spouse (with or without dependents), or $2,000 in the case of any other family unit. Income attributable to more than one individual is to be prorated among individuals according to their legal interest in such income. The dollar amounts ($4,000 and $2,000) are to be increased annually according to changes in the consumer price index.

VOLUNTARY PREMIUMS UNDER EXECUTIVE AGREEMENTS

Section 343(a) requires that payments due with respect to alien workers of a foreign government or organization be paid on the basis of the national community-rated premium for the family units of such individuals to the consortium in which such individuals are enrolled.

Section 343(b) requires that payments made in lieu of the Medicare hospital insurance tax be paid to the Board for deposit in the Hospital Insurance Trust Fund.

HOSPITAL INSURANCE TAX AND PREMIUMS FOR MEDICARE-ELIGIBLE INDIVIDUALS

(See Section 633).

FEDERAL AND STATE PAYMENTS FOR PREMIUMS ON BEHALF OF CERTAIN RECIPIENTS OF FEDERAL AND STATE ASSISTANCE

Section 345(a) requires the Board to make monthly premium payments to consortia on behalf of SSI-eligible individuals and residents of Federal institutions.

Section 345(b) requires each State to make monthly premium payments to consortia on behalf of AFDC-eligible individuals and residents of State institutions.

GOVERNMENT PAYMENT AND COLLECTION OF UNPAID PREMIUMS

Section 346(a) requires the Board to pay a consortium any premiums due, after such consortium has made a reasonable effort to collect such premiums, but has not received payment. Except in the case of States (or political subdivisions), the Board is to be subrogated the right of collection, and the unpaid amounts are to constitute a claim of the United States.

Section 346(b) provides that, if a State or political subdivision fails to make a required employer payment, the Board may deduct such permium amounts from any amounts otherwise owing to the State or subdivision under any program under the jurisdiction of the Board. An additional assessment, equal to 50 percent of the amount due, is to be paid into the Health Resources Distribution Fund.

TITLE III, PART E—DISTRIBUTION OF PREMIUMS

PART E—DISTRIBUTION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS

COMPUTATION OF ADJUSTED CAPITATION AMOUNTS

Section 351(a)(1) requires the consortia to compute for each capitation individual in a qualified plan offered by a participating insurer or HMO in a State an amount equal to the average anticipated expenditure in the State budget for the individual, including certain administrative costs and funds for the contingency fund, but excluding State health board administrative costs. Requires the consortia to report capitation amounts so computed to the Board for review and approval.

Section 351(a)(2) defines the term "capitation individual", "non-capitation individual", and "group-rated individual" as used in this part.

Section 351(b) requires each consortium to adjust capitation amounts to reflect, for a specific individual, the relative actual costs of providing covered services in the area where the individual lives, and the actuarial risk for someone with the individual's characteristics obtaining or incurring expenses for covered services for the year. Provides for adjustment to be made to eliminate financial incentives for insurers or HMOs to practice risk selection or experience rating.

Section 351(c) requires that the total of capitation amounts and adjusted capitation amounts for capitation enrollees in a State in a year be equal to the total expenditures in the State budget for provision and administration (excluding State health board administrative expenses) of covered services to capitation individuals.

ALLOCATION OF PREMIUMS AMONG CONSORTIA, INSURERS, AND HEALTH MAINTENANCE ORGANIZATIONS

Section 352(a)(1) requires each consortium to apportion to its members an adjusted capitation amount for each captation individual and a group-rated premium for each group-rated individual. Requires these apportioned amounts to be paid to members in installments consistent with Board guidelines.

Section 352(a)(2) directs the Board to provide supplementary payments from the Health Resources Distribution Fund to participating HMOs in operation for less than five years. Requires eligible HMOs to submit a prospective budget to the State health board for approval. Provides for the supplementary payment to be equal to that proportion of reasonable costs in the prospective budget, for covered services provided to enrollees, in excess of regular payments received, as the Board finds appropriate.

Section 352(b) requires consortia to provide, in accordance with Board guidelines, for redistribution of collected premiums to assure that each consortium is provided an adjusted capitation amount for each capitation individual enrolled, and a group-rated premium for each group-rated individual enrolled.

TREATMENT OF SHORTAGES AND OVERAGES; USE OF CONTINGENCY FUNDS

Section 353(a) requires each consortium to maintain a contingency fund for expenditures for unforeseen and unanticipated circumstances, beyond the insurers' or HMOs' control.

Section 353(b)(1) authorizes the Board, in any year when premiums collected are less than amounts provided for in the annual budget, to guarantee the principal and interest of loans issued by the consortia to

assure revenues for a year to furnish covered services.

Section 353(b)(2) provides for loan guarantees to be made under Board terms and conditions. Provides that none may be made unless the Board certifies that: (A) the guarantee is required because premium revenues are below those specified in the budget; (B) the loan bears a reasonable interest as determined by the Board; (C) the terms of the loan require full payment within three years; and (D) the total amount of loans guaranteed for a year will not exceed the amount by which the lesser of anticipated expenditures or actual expenditures exceed actual revenues.

Section 353(b)(3) directs the Board to charge no fees to investigate an application for or to issue a commitment to make a loan guarantee.

Section 353(b)(4) authorizes the Board to make payment under the guarantee if the consortia default.

Section 353(b)(5) directs the Board, when loans are guaranteed, to make appropriate adjustments in annual budgets and State budgets to provide for the recoupment of the costs of securing the loans and for the prompt retirement of the loans.

Section 353(b)(6) pledges the full faith and credit of the U.S. to the payment of all guarantees made for both principal and interest.

Section 353(c) requires the Board, in any year when premiums collected are greater than provided for in the annual budget, to provide for the consortia to maintain and distribute such excess funds in accordance with Board guidelines, including appropriate adjustments in subsequent national and State budgets to account for surpluses and interest on them.

TITLE IV—ADMINISTRATION

PART A—NATIONAL HEALTH BOARD AND STATE HEALTH BOARDS

Subpart I—NATIONAL HEALTH BOARD AND COMMISSION ON THE HEALTH OF AMERICANS

ESTABLISHMENT OF NATIONAL HEALTH BOARD

Section 401(a) provides for the establishment of the National Health Board as an independent establishment (as defined in Section 104 of title 5, U.S.C.).

Section 401(b) requires the Board to have five members appointed by the President with the advice and consent of the Senate, the nominations to be submitted within 60 days after enactment of the Act. Requires the President to designate a member of the Board to serve as chairman. Provides that not more than three Board members may be of the same political party and none may engage in any outside employment while serving on the Board. Provides for the term of office and compensation of Board members. Permits the President to remove a Board member only for inefficiency, neglect of duty, or malfeasance in office.

Section 401(c) requires the Board to have a Director, appointed by the chairman, and, subject to Board rules, permits additional personnel, to be appointed by the chairman.

Section 401(d) describes general provisions for the Board, including provisions for a quorum, an official seal, and office services.

AUTHORITY AND DUTIES

Section 402(a) requires the Board, in addition to other specific functions prescribed for it by the Act, to: (1) establish and maintain commissions, bureaus, divisions, offices, and other entities required by the Act or deemed appropriate; (2) perform the functions of a participating insurer, HMO, or consortium for any area in which, or group of insurers for which, there is no certified participating insurer or consortium; (3) perform the duties of a State health board for any State in which one has not been established; (4) establish administrative procedures for handling consumer and provider appeals of various decisions of State health boards; and (5) be responsible for general implementation and administration of the functions of the Federal Government under the Act.

Section 402(b) directs the Board to study and evaluate, on a continuing basis, the operation of the Act, including the adequacy and quality of services, the cost of each type of service, the effectiveness of cost control measures, and the economic impact of wage-related premiums on employers and employment. Permits the Board to conduct other appropriate studies.

Section 402(c) transfers to, and vests in, the Board all functions of the Secretary of HEW, or other officers and components of the Department of HEW, relating to—

(1) the following provisions of the Social Security Act:

(A) title V (Maternal and Child Health and Crippled Children's Services);

(B) sections 1121 (uniform reporting system for health service facilities and organizations), 1123 (program for determining qualifications for certain health care personnel), 1124 (disclosure of ownership and related information), and 1126 (disclosure of certain individuals who have been convicted of certain offenses);

(C) portions of Section 1131 (notification of social security claimant with respect to deferred vested benefits) relating to the Medicare program;

(D) part B of Title XI (PSROs);

(E) title VIII (Medicare);

(F) title XIX (Medicaid);

and any other functions performed under law by the Administrator of Health Care Financing;

(2) all provisions of the Public Health Service Act, except the following:

(A) provisions of title II (administration) other than sections 226 (administration of grants in certain multigrant projects) and 227 (annual report);

(B) certain provisions of title III (general powers and duties of the Public Health Service)—sections 301 (general), 302 (narcotics), 303 (mental health), the biomedical research authorities of section 307 (international cooperation), 310 (health conferences and health education information), 311 through 318 (Federal-State cooperation), part C (hospitals, medical examinations, and medical care), part D (primary health care) except for section 330 (community health centers), part E (narcotic addicts and other drug abusers), part F (licensing—biological products and clinical laboratories and control of radiation), part G (quarantine and inspection), part H (grants to Alaska for mental health, part I (National Library of Medicine), and part J (assistance to medical libraries);

(C) title IV (National Research Institutes);

(D) title V (Miscellaneous)

(E) title X (population research and voluntary family planning programs); and

(F) title XIV (safety of public water systems);

(3) the Community Mental Health Centers Act;

(4) such functions under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, as the Secretary determines, after consultation with the Board, relate to the treatment of alcoholics or alcohol abusers;

(5) functions under the Drug Abuse Office and Treatment Act of 1972 as the Secretary determines, upon consultation with the Board, relate to the treatment of drug addicts or abusers; and

(6) the provision of health care services to American Indians. (Public Law 94-437.)

OFFICES AND COMMISSIONS OF THE BOARD

Section 403(a) requires the Board to have an Ombudsman, appointed by the chairman, who is assigned to investigate complaints about program operation.

Section 403(b) requires the Board to have an Advocate, (appointed by the chairman) assigned to assist consumers in determining their rights to services and reimbursements under the program, to assist consumers in obtaining such services, and to take appropriate action to protect these rights. Requires the Advocate to give priority to requests for aid from the elderly, disabled, members of minority groups, other disadvantaged groups, and women.

Section 403(c)(1)-(2) requires the Board to have an Inspector General, appointed by the chairman. Requires the Inspector General to direct the auditing and investigative activities of the Board; to recommend policies for, and conduct other activities carried out or financed by the Board to promote administrative economy and efficiency or to prevent and detect fraud and abuse; and to recommend policies for, and handle relationships between, the Board and other Federal agencies, State and local governmental agencies, and nongovernmental entities concerning the promotion of administrative economy and efficiency, the prevention of fraud and abuse, or the identification and prosecution of participants in fraud and abuse.

Section 403(c)(3) permits the Inspector General to have access to all materials available to the Board relating to the Inspector General's responsibilities; to request necessary information or assistance from any Federal, State, or local governmental agency; and to require by subpoena, enforceable by a U.S. District Court, any information or evidence necessary.

Section 403(c)(4) requires the Inspector General to contract (to the extent or in amounts provided in advance in appropriations Acts) with State Medicaid fraud control units to conduct these activities concerning health care services under the program.

Section 403(d)(1)(A) requires the Board to establish a Commission on Benefits to review the provision of basic and other services and determine their cost and effectiveness in improving health and to recommend appropriate changes in covered services, particularly to expand the scope or type of services for which coverage is limited.

Section 403(d)(1)(B) requires the Board to establish a Commission on Quality to review the quality of health services, examine standards concerning qualifications and certification of providers (including HMOs), and recommend actions to maintain and improve the quality of services.

Section 403(d)(1)(C) requires the Board to establish a Commission on Access to review the utilization of services by different types of eligible individuals, examine the problems of the disadvantaged in achieving equal access to services, and recommend ways to maintain and improve accessibility for all eligible individuals.

Section 403(d)(1)(D) requires the Board to establish a Commission on Health Care Organization to review the cost and effectiveness of methods for delivery of services, examine the relative performances of HMOs and other types of ambulatory facilities in providing cost-effective health care services, and recommend ways to support and encourage more cost-effective organizational methods to provide and finance services.

Section 403(d)(2) requires the Board to determine commission memberships and terms of office. Requires at least one-half the members to be or represent consumers and requires inclusion of representatives of various types of providers. Provides for compensation of commission members.

Section 403(d)(3) requires the Board to provide staff for the commissions.

COMMISSION ON THE HEALTH OF AMERICANS

Section 404(a)-(b) establishes a nine-member Commission on the Health of Americans to be appointed by the President. Requires the Commission to review the health status of the U.S. population (and subgroups within) and to recommend proposals (and their costs) for improving this health status, including those which could be implemented by the Board.

Section 404(c)-(e) provides for compensation of commission members and for staff and office services.

NATIONAL INSTITUTES OF HEALTH CARE RESEARCH

Section 405(a) establishes under the direction of the Board the National Institutes of Health Care Research to be composed of Institutes of Health Statistics, Health Services Research, and Health Technology Evaluation.

Section 405(b) transfers functions from the Public Health Service Act to these various Institutes, as follows: (1) to the Institute of Health Statistics, all of the functions of the Secretary of HEW under section 304 of the Public Health Service Act relating to health statistics and all of the functions of the Secretary and the National Center for Health Statistics under section 306; (2) to the Institute of Health Services Research, all of the functions of the Secretary under section 304 relating to health services research and all of the functions of the Secretary and the National Center for Health Services under section 305; and (3) to the Institute of Health Technology Evaluation, all of the functions of the Secretary under section 304 relating to health care technology and all of the functions of the Secretary and the National Center for Health Care Technology under section 309.

Section 405(c)(1) requires the Institute of Health Statistics to also (A) propose to the Board ways to establish and operate data systems to assure information to manage the national system and monitor the impact of the cost, accessibility, and quality of health care on morbidity and mortality; and (B) help analyze data gathered from the data systems to meet the needs of administrators, consumers, and providers.

Section 405(c)(2) requires these data systems to be based on uniform minimum data sets developed under section 306 of the Public Health Service Act; to include the entire U.S. population and all health services provided to residents; and to be designed to (1) promote efficiency and effectiveness in collecting, processing, analyzing, and disseminating information; (2) minimize duplication in data gathering; and (3) provide information to facilitate informed decision-making by consortia, employers, insurers and HMOs, providers, and consumers.

Subpart II—STATE HEALTH BOARDS

ESTABLISHMENT

Section 407(a) requires each State, in accordance with the Board's guidelines, to charter as a public corporation a State Health Insurance Corporation.

Section 407(b)(1) provides that the board of directors of a State Health Insurance Corporation is to be known as the State health board, and consist of five members appointed by the Governor with the advice and consent of the Board. Requires: (A) the members of each State health board to be representatives of employers, labor unions, or other major purchasers of qualified health plans, (B) at least one member to be a consumer, and (C) not more than three members to be members of the same political party.

Section 407(b)(2) provides for the term of office of State health board members.

Section 407(b)(3) requires each State health board, in accordance with the Board's guidelines, to establish an ombudsman and an advocate, with functions corresponding to those of the Board's ombudsman and advocate, and advisory commissions corresponding to those of the Board.

Section 407(b)(4) requires each State health board to perform functions prescribed by this Act and also to establish procedures for handling consumer and provider appeals from various decisions of insurers, HMOs, and the consortia.

TITLE VI, PART B—CERTIFIED INSURERS AND CONSORTIA

PART B—PARTICIPATING INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, AND CONSORTIA

PARTICIPATING INSURERS AND HEALTH MAINTENANCE ORGANIZATION

Section 411(a)(1) permits each insurer and HMO to apply to the Board for certification as a participating insurer or HMO.

Section 411(a)(2) directs the Board not to certify an insurer or HMO unless—(A) the insurer or HMO may lawfully operate in each State in which it intends to operate; (B) the insurer or HMO has not violated the terms of any previous participation agreement; and (C) the insurer or HMO enters into a participation agreement.

Section 411(b) requires the Board to provide for a participation agreement between itself and insurers and HMOs containing certain specified provisions.

Section 411(b)(1) requires the insurer or HMO to become a member of the appropriate consortium for its type or (with the approval of the Board and the consortium) of another consortium and comply with the consortium's rules.

Section 411(b)(2) requires the insurer or HMO to offer enrollment in at least one qualified health plan which provides at least all basic covered health care services without any charge other than the premium.

Section 411(b)(3)(A) requires the insurer or HMO to accept during open enrollment all eligible individuals in the order they apply, up to the limits of its capacity, and without restriction (except as authorized by the Board).

Section 411(b)(3)(B) permits the Board to provide for limitations on enrollment to reflect needs for the capacity to develop cost-effective services and for the special characteristics of plans offered by self-insurers which have been arranged between employers and employees.

Section 411(b)(4) requires the insurer or HMO to issue a health insurance enrollment card for each eligible enrolled individual.

Section 411(b)(5)(A) requires the insurer to pay participating providers (and other providers to which payments may be made under qualified plans), in amounts no greater than permitted under the Act, at intervals, and in a manner consistent with the Act, for provision of covered services.

Section 411(b)(5)(B) requires HMOs to pay participating providers (and other providers to which payments may be made), in amounts no greater than permitted under the Act and in a manner consistent with the Act for covered services, or to provide services directly (or a combination of both).

Section 411(b)(5)(C) requires the insurer or HMO to report to the State health board and to its consortium on payments made (and expenses incurred).

Section 411(b)(5)(D) requires the insurer to notify enrollees of the fact and the service for which a payment has been made on the enrollee's behalf.

Section 411(b)(6) requires the insurer or HMO to maintain and afford access to records by the consortium, State health boards and the Board and to provide for confidential treatment of individually-identifiable records.

Section 411(b)(7) requires the insurer or HMO, if a qualified plan offers any rebates, cash dividends, or additional benefits, to offer such to all eligible enrollees on the same basis.

Section 411(b)(8) requires the insurer or HMO to establish and maintain procedures to provide for a fair hearing for either: (A) an individual enrolled in a plan who is dissatisfied by his failure to receive without additional cost any service to which he believes he is entitled, if the amount exceeds the threshold amount established by the Board; or (B) a participating provider who is dissatisfied by the insurer's or HMO's failure to make payment promptly, if the amount exceeds the threshold amount established by the Board.

Section 411(b)(9) requires the Board to agree that, in return for agreed-upon services and understandings, the insurer or HMO is to be paid by its consortium for each enrollee in a qualified plan.

Section 411(b)(10) requires the insurer or HMO to perform other functions required under the Act and to comply with reasonable regulations established by the Board concerning marketing and customer service practices and other areas.

Section 411(c) requires each certification to be for at least one year, as determined by the Board, and permits automatic renewal in the absence of notice by either party to terminate. Provides, however, that the Board may terminate certification at any time (after reasonable notice and opportunity for hearing to the insurer or HMO involved) if it finds that the insurer or HMO (1) has failed to carry out the contract; (2) is carrying out the contract inefficiently or ineffectively; or (3) no longer substantially meets the applicable conditions. Requires the effective date of certification to be specified in the contract.

Section 411(d) permits an insurer or HMO to provide that, as a condition of an individual's enrollment, payments are to be made only for covered services furnished by specified participating providers or by the organization.

CONSORTIA

Section 412(a) requires the Board to certify corporations lawfully operating in each State, to serve as consortia. Requires the Board to certify one consortium to carry out functions for each of the following types of insurers or HMOs:

(1) a Blue Cross-Blue Shield consortium, representing nonprofit State-chartered medical/hospital services corporations;

(2) a commercial insurance carrier consortium, representing profit-making commercial insurers not directly furnishing health care services;

(3) a prepaid group practice HMO consortium, representing HMOs which provide basic services through member physicians or other member health professionals or a medical group (or groups);

(4) an individual practice association HMO consortium, representing HMOs which provide basic services through an individual practice association or a combination of such an association, medical group, staff, and individual physician and other health professionals under contract;

(5) a self-insurer consortium, representing insurers that are self-insurers. Permits an insurer or HMO, with the Board's and consortium's approval, to apply and serve as a member of a consortium other than that to which it would otherwise belong.

Section 412(b)(1) states that the Board may not certify a corporation as either a blue cross-blue shield consortium or a commercial insurance consortium unless it has members offering qualified plans to such an extent in all States and in each major area of each State that plans are effectively available to all eligible individuals in the U.S.

Section 412(b)(2) states that the Board may not certify a corporation as a consortium unless the corporation may lawfully act in each State and has sufficient resources and plans of operation to carry out the functions; the consortiums has not violated the terms of any previous agreement; and the consortium enters into a participation agreement.

Section 412(c) requires the participation agreement between the Board and a consortium to include certain specified provisions.

Section 412(c)(1) requires the consortium to accept for membership each participating insurer of the appropriate type which applies, has not previously violated consortium rules, and agrees to comply with consortium rules.

Section 412(c)(2) requires the consortium to provide for premium collection and reallocation, in concert with other consortia, and to provide for good faith efforts to collect wage and non-wage-related premiums as the Board may provide.

Section 412(c)(3) requires the consortium to pay to consortium members from premiums collected, for each enrollee in a qualified plan.

Section 412(c)(4) requires the consortium to maintain a contingency fund.

Section 412(c)(5) requires the consortium to monitor and report regularly to the Board on premiums collected, payments made to members, number of enrollees and their characteristics, transfers of premiums between consortia, and other information required by the Board; and to each State health board on utilization of services in the State and payments made to providers from consortium member funds.

Section 412(c)(6)(A) requires the consortium to negotiate with provider groups in establishing prospective budgets and maximum fee schedules in areas where its members offer plans, except that no consortium representative is to participate in a negotiation concerning a State or area where the consortium has no member, or where no member offers a plan pursuant to the Act.

Section 412(c)(6)(B) requires the consortium to assist members in enrolling eligible individuals.

Section 412(c)(7) requires the consortium to establish review procedures for individuals and providers dissatisfied with a member's determination, after a hearing, if the amount in question exceeds the threshold amount set by the Board.

Section 412(c)(8) requires the consortium to perform certain other functions and to comply with regulations concerning standard claims forms and procedures, privacy rights of enrollees and providers, and other areas.

PROMOTION OF COMPETITION

Section 413(a)(1) requires that with respect to civil or criminal actions brought under Federal or State anti-trust laws regarding actions taken by a participating insurer, HMO, consortium, or consortia (if such actions were not taken to injure competition) that there be available as a defense that such actions were taken in carrying out duties required under agreements under this Act and in accord with regulations established by section 413(a)(2) below. Requires that persons interposing this defense are to have the burden of proof, except that the burden is to be on the person against whom the defense is asserted with respect to whether the actions were taken to injure competition.

Section 413(a)(2) requires the Board, after consulting with the Attorney General and the Federal Trade Commission, to prescribe standards and procedures (including those related to open meetings and maintenance of records) for the conduct of insurers, HMOs, and consortia in a manner consistent with promotion of competition and the proper conduct of their responsibilities.

Section 413(a)(3) defines the term "anti-trust laws" as used in this subsection.

Section 413(b) permits an insurer or HMO to file a complaint with the Board that another insurer or HMO (or its consortium) has engaged in anti-competitive activity, including the establishment of a formula for determining adjusted capitation amounts under section 351 which does not reflect actuarial risk, or a marketing or enrollment practice resulting in enrollee risk-selection. Requires the Board to provide for investigations of such complaints, and, where such activities have occurred, to provide for appropriate adjustments in contracts and for other appropriate relief.

TITLE V—HEALTH CARE IMPROVEMENT PROGRAM; HEALTH RESOURCES DISTRIBUTION FUND

TITLE V—HEALTH CARE IMPROVEMENT PLAN

ESTABLISHMENT OF PROGRAM AND FUND

Section 501(a) requires the Board to establish a program to improve the distribution of health care resources in the U.S. in order to promote improvement in the quality, accessibility, and efficiency of health-care services.

Section 501(b) establishes in the U.S. Treasury an account known as the Health Resources Distribution Fund.

Section 501(c)(1)-(2) authorizes appropriations of $500 million to be deposited in the Health Resources Distribution Fund for the fiscal year beginning before the first year health care benefits are available under this Act. Authorizes for each succeeding fiscal year, the amount authorized for the previous fiscal year increased by the percentage increase in total expenditures contained in the annual budget over the annual budget for the preceding year.

USE OF HEALTH RESOURCES DISTRIBUTION FUND

Section 502(a)(1)-(2) requires the Board to make grants to State health boards from the Health Resources Distribution Fund and permits the Board to provide directly, or by grant or contract, for projects to improve health care services, including any of the following projects:

For closure or conversion of under-utilized health care facilities;

For provision of needed health services in health manpower shortage areas;

For renovation of institutional health facilities to meet specific health, safety, or other critical requirements;

For stimulation and support of HMOs and other cost-effective health delivery systems;

For education of health professionals to meet projected needs in various specialties and professions;

For programs of continuing professional education.

Section 502(b)(1)-(2) requires the Board to allocate amounts from the Health Resources Distribution Fund to each State health board, based on State needs. Provides that the grant to a State may not be less than one-half of the ratio of the population of the State to the population of all the States. Permits State grants to be used directly, or for grants or contracts, for any purposes for which the Board may use the Fund.

HEALTH EDUCATION PROGRAM

Section 503 requires each State health board to provide for a program of consumer education concerning health, self-care, effective use of health resources, and consumer rights and privileges under the Act. Requires the State health board to develop material for classroom instructions and for training of professionals about the impact on health and availability of health resources of different personal life styles.

SPECIAL STUDIES AND PROJECTS

Section 504(a)(1)-(2) requires the Board to study and evaluate the impact of this Act on State Medicaid programs and the means of improving such programs with respect to comprehensiveness, accessibility, and quality of services (particularly long-term care). Requires the Board to take steps appropriate to implement improvements in State Medicaid programs, including establishment of guidelines in the budget process, use of Health Resources Distribution Funds, promulgation of regulations and recommendations for legislation. Requires the Board to report its recommendations to Congress within five years after enactment and to include recommendations for long-term care.

Section 504(b) permits the Board directly or by contract to develop and demonstrate methods to improve (A) the coordination of health services furnished by different providers; (B) the adequacy, quality, accessibility of services or greater efficiencies in the provision of services; and (C) peer review and control of utilization and quality in the provision of drugs, laboratory services, and other health services. Permits the Board to waive certain reimbursement requirements for such demonstration projects.

Section 504(c) requires the Board to provide, from funds available from the Health Resources Distribution Fund, for demonstration projects to evaluate the feasibility of hospice services as part of basic covered health-care services.

Section 504(d) requires the Board to provide for a study (based, to the extent feasible, on existing studies) of provider malpractice and malpractice insurance and its impact on patients, providers, and health costs. Requires the Board to transmit to Congress within two years after enactment a report on such study together with recommendations for any statutory changes.

DEMONSTRATION PROJECT IN PERSONAL CARE SERVICES

Section 505(a) requires the Board to provide for a demonstration project on the organization, delivery, and financing of personal care services to groups of individuals likely to require such services.

Section 505(b) requires the Board to make grants, from the Health Resources Distribution Fund, to participating public or nonprofit providers or public or nonprofit local community agencies or organizations for programs to provide personal care services for a substantial population of individuals in their homes, who without such services would require (or be expected to require) continuing inpatient services.

Section 505(c) makes project grant approval contingent upon submission to the Board of a satisfactory application showing the following:

The applicant can and will develop within a reasonable time period a program of comprehensive personal care services for populations at risk;

The applicant will provide for partial non-Federal financing of program costs, as appropriate to the community's and applicant's resources;

The program will provide for such combination of services (including all basic covered health-care services, other than inpatient services) which enable individuals to remain outside institutions.

The program will provide for coordination with other health or personal care services furnished to individuals participating in the program;

The program provides for a committee of health personnel and consumers to review and approve applications for assistance; to review utilization of services by individuals assisted under the program; and to terminate assistance to any individual when no longer needed; and

The program provides for program evaluation, including evaluation of the feasibility of providing for some or all of personal care services as basic covered health-care services.

Section 505(d) limits project grant duration to a maximum of four years.

Section 505(e)(1) provides that grant payments may be made in advance or by way of reimbursement and in installments and on conditions established by the Board. Permits the Board to decrease over time the proportion of program costs assisted under this section and to increase funds where the reasonable costs of the program exceed original estimates.

Section 505(e)(2) requires the Board not to terminate approved grants except for such grounds (other than lack of available funds) as would otherwise justify termination.

Section 505(e)(3) requires the Board to provide that at least $100 million from the Health Resources Distribution Fund be available for such project grants.

Section 505(f) requires the Board to report annually to Congress on the program and to transmit to Congress within five years after enactment a comprehensive report on demonstration projects for personal care services. Requires the report to include recommendations with respect to making such programs available to all communities; the continued financing of such programs; and the proper role of the national health insurance system in the provision of personal care services.

Section 505(g) defines the term personal care services as services, including homemaker and home help services, home maintenance services, laundry services, meals-on-wheels and other nutrition services, assistance with transportation and shopping, as may be appropriate to maintain individuals otherwise requiring institutionalization in a noninstitutional resident setting.

TITLE VI—EFFECTIVE DATES, TRANSITION PROVISIONS, AND AMENDMENTS

PART A—EFFECTIVE DATES AND TRANSITION PROVISIONS

EFFECTIVE DATES

Section 601(a) provides that this Act and its amendments are to take effect upon enactment, except otherwise provided, but only for health care services furnished in or after the first effective year. Provides that the authority of the Board to enter into contracts is effective for any fiscal year only to such extent or in such amount as provided in advance in appropriations Acts.

Section 601(b) requires the Board and State health boards, except for transitional provisions, to first provide for annual budgets for the first effective year.

Section 601(c) provides that non-Medicare-eligible individuals are first to be enrolled in qualified health plans during the year before the first effective year and that such plans are first to be effective for covered services furnished on or after January 1 of the first effective year. Provides that amendments to section 226(a) of the Social Security Act are to apply to months beginning with January of the first effective year.

Section 601(d)(1) provides that wage-related premiums are first payable for wages paid on or after October 1 of the year before the first effective year. Provides for a special national premium rate, established by the Board, for the period between October 1 and December 31 of the year before the first effective year. Provides that the rate will be computed to assure prompt payment of benefits and administrative expenses during the early months of the program and to provide an initial contingency reserve.

Section 601(d)(2) provides that non-wage-related private premiums are first payable for calendar years beginning with the first effective year.

Section 601(d)(3) provides that certain other premiums are first payable for December of the year before the first effective year and are to be payable at the national group-rated premium for the first effective year.

Section 601(d)(4) provides that amendments to Medicare relating to changes in certain employment taxes are to apply to wages and other income paid on or after January 1 of the first effective year.

Section 601(e) provides effective dates for certain miscellaneous provisions pertaining to the Health Care Improvement Program, and amendments to the Internal Revenue Code and Medicaid.

Section 601(f) provides that the repeal of section 1310 of the Public Health Service Act applies to calendar years beginning with the first effective year.

TRANSITION PROVISIONS

Section 602(a) declares it to be the intent of Congress that appropriations levels in effect on the date of enactment of this Act for programs providing for health services to special populations such as those served by community health centers, rural health services, and Indian health services, are to be continued at such levels after the effective date of this Act's health benefits.

Section 602(b)(1) requires the Board to establish, for localities within each State, maximum fee schedules (applicable to services reimbursed under Medicare Part B) based on the average level of allowable charges for services under the Medicare program in the locality in the previous year. Provides that, for payment made on or after July 1 of each year but before January 1 of the first effective year, payments may be made under Medicare part B only for the lesser of (A) the customary charge or actual charge for the service, or (B) the greater of the maximum fee otherwise permitted under section 1842 of the Social Security Act for the year before the first year for which a maximum fee schedule is established, or the amount provided in the maximum fee schedule, increased for each year after the first year of such schedule to the extent the Board determines, on the basis of appropriate economic index data, that is economically justified.

Section 602(b)(2) prohibits participating insurers from making payments for services described above to the extent such payments exceed the maximum payment permitted under the Medicare program under paragraph (1). Excludes from this requirement services performed under contracts entered into before the date of enactment.

Section 602(c)(1) requires the Board to (A) establish (as soon as possible after enactment and before the first effective year) regulations, guidelines, standards, and procedures providing for the orderly administration of the Act; and to (B) provide for testing the efficacy of such procedures and operations before such effective year.

Section 602(c)(2) requires the Board to report to Congress not later than 18 months after enactment on its progress in establishing implementation procedures, along with recommendations for any technical or administrative changes to facilitate implementation.

Section 602(c)(3) requires the General Accounting Office to review and report to Congress not later than 18 months after enactment on the Board's progress in establishing implementation of procedures on a timely basis.

Section 602(c)(4) requires the Board to provide, to the extent feasible, for the thorough testing of the budget and planning process as it would apply to the year before the first effective year.

IMPACT ON EXISTING EMPLOYER-EMPLOYEE HEALTH PLANS

Section 603(a) provides that no provision of this Act affects or alters any contractual or other nonstatutory obligation of an employer to pay for or provide health services to present and former employees if the effect or alteration shifts the obligation in any part to such persons.

Section 603(b) provides that any payment of wage-related premiums is to be credited against any contractual or other obligation of an employer for employee health services to the extent such payments do not exceed the greater of (A) the per capita monthly cost to the employer of providing or paying for health services for September of the year before the first effective year, or (B) the per capita monthly cost the employer would have incurred had this Act not been enacted.

Section 603(c) requires employers (at least for the duration of any contractual or other obligation) to arrange for payments to employees, former employees, and spouses, of amounts equivalent to that by which the total per capita monthly cost in the preceding September exceeds the sum of: (A) the per capita premium cost; (B) the cost of the contractual or other obligation; and (C) any other contributions for premiums or benefits or costs of services provided after January 1 of the first effective year. Permits an employer to provide other benefits of an equivalent monetary value in lieu of such payments.

Section 603(d) provides for determination of the per capita amounts and costs for an employer for purposes of subsections (b) and (c).

PROVISIONS RELATING TO TRANSFER OF FUNCTIONS

Section 604(a) provides that transfers of functions made by subpart I of part A of title IV of this act will take effect 120 days after Board members first take office, or on such earlier date as the President may prescribe.

Section 604(b)(1) provides for transfer and allocation to the Board of appropriations and personnel associated with functions transferred by the Act to the Board. Provides that unexpended funds be used only for the originally authorized and appropriated purposes.

Section 604(b)(2) provides that such transfers of personnel are not to result in employee separations or reductions in grade or compensation for one year after the effective date of transfer. Provides for certain protection of compensation rates for employees compensated in accordance with the Executive Schedule.

Section 604(b)(3) provides for termination of agencies, or their components, for which all functions have been transferred elsewhere.

Section 604(b)(4) requires the Director of the Office of Management and Budget, in consultation with the Board, to make necessary determinations regarding incidental transfers of personnel, appropriations, etc.

Section 604(b)(5) provides for continuation in effect of certain previous Government rulings, proceedings, and suits where the functions of the departments, agencies, or components or officials thereof have been transferred to the Board.

Section 604(b)(6) provides that references in any other Federal law to departments, agencies, or officials whose functions are transferred by the Act are to be considered as referring to the Board.

Section 604(b)(7) provides that nothing in this Act is to be construed to limit, curtail, abolish, or terminate any function of, or the delegation of any function of, or any authority available to, the President which he had before the Act's effective date.

TITLE VI

PART B—MEDICARE-RELATED AMENDMENTS

Subpart I—GENERAL AMENDMENTS AND ELIGIBILITY

GENERAL AMENDMENTS

Section 611 amends section 1801 of the Social Security Act to delete the prohibition against Federal supervision or control over the practice of medicine and the compensation of employees and officers of health care providers.

MEDICARE ELIGIBILITY

Section 612(a) amends section 226 of the Social Security Act by (1) specifying that all references to "hospital insurance" be changed to "health insurance"; (2) broadening Medicare entitlement to include citizens of the United States, persons legally admitted for permanent residence, and certain other persons who are age 65 and over; (3) deleting the 24 month waiting period for Medicare eligibility for the disabled; and (4) providing that all individuals entitled to Medicare benefits are entitled to enroll in a participating health maintenance organization.

Section 612(b) makes conforming and technical amendments to Medicare entitlement and eligibility provisions related to end-stage renal disease.

Section 612(c) conforms the description of Medicare Part A with the new eligibility amendments specified in section 612(a), and repeals the provision which permits certain uninsured individuals to enroll for Part A benefits.

Section 612(d) changes Medicare Part B from a voluntary insurance program to an entitlement program financed by premium payments and Federal funds.

Section 612(e) specifies conforming technical amendments to section 7 of the Railroad Retirement Act of 1974.

Subpart II—BENEFITS

PART A BENEFITS

Section 615(a) makes conforming technical amendments and modifies the scope of benefits under Medicare Part A by (1) deleting the limitation on inpatient hospital days; (2) adding mental health day care services; (3) replacing the existing limitation on inpatient psychiatric hospital services with a 150 consecutive day limit for Medicare purposes and a 45 consecutive day limit for purposes of the Health Care for All Americans Act; and (4) specifying that each day of mental health day care services counts as half a day of inpatient psychiatric hospital services.

Section 615(b) amends the definition of inpatient hospital services to include services by certain hospital-based physicians.

PART B BENEFITS

Section 616(a) makes conforming technical amendments and modifies the scope of benefits under Medicare Part B by (1) specifying that Part B benefits are payable only on behalf of beneficiaries; (2) including insulin and outpatient prescription drugs for treatment of chronic conditions; and (3) permitting beneficiaries to enroll in a participating HMO for Part B benefits.

Section 616(b) amends the provision relating to payment of Part B benefits to establish new limitations also applying to the Health Care for All Americans Act. Payment for outpatient psychiatric services and services related to the diagnosis or treatment of mental illness is limited annually to an amount equal to 20 times the maximum fee under the Health Care for All Americans Act for a psychiatrist's visit. Payment for certain outpatient therapy services in the therapist's office or in the beneficiary's home is limited to $100 annually.

Section 616(c) modifies certain definitions under Medicare to include outpatient speech and occupational therapy on the same basis as outpatient physical therapy; to include health clinic services, hearing examinations conducted by a physician or qualified audiologist, hearing aids, outpatient mental health services, and lens after cataract surgery in the definition of medical and other health services. Defines the term "outpatient prescription drugs for treatment of chronic conditions" and changes the term "rural health clinic" to "health clinic". Also defines preventive health services, mental health day care services, and outpatient mental health center services.

Section 616(d) specific technical conforming amendments to the Medicare definition of the term "physician".

RENAL PROGRAM BENEFITS

Section 617 amends Medicare coverage for end-stage renal disease to conform reimbursement and various technical provisions to the provisions of the Health Care for All Americans Act.

TREATMENT OF EXCLUSIONS

Section 618(a) modifies Medicare's exclusions from coverage to (1) extend the applicability of exclusions to the Health Care for All Americans Act; (2) delete certain technical exclusions; (3) specify that preventive health services are not excluded from coverage; (4) exclude hearing aids and related examinations only if they exceed one every three years, and one per individual per year, respectively; (5) delete the exclusion relating to orthopedic shoes; (6) permit the waiver, under certain conditions, of the foot care exclusions for persons with diabetes mellitus; and (7) add a new exclusion for insulin or outpatient prescription drugs for chronic conditions exceeding maximum amounts established by the Board.

Section 618(b) conforms certain other exclusions relating to services covered under a workmen's compensation law and Medicare's program abuse to the appropriate provisions of the Health Care for All Americans Act.

TITLE VI, PART B

Subpart III—MEDICARE AMENDMENTS RELATING TO CERTIFICATION AND PROVIDERS

CERTIFICATION STANDARDS

Section 621 makes various conforming and technical amendments to Medicare Parts A and B relating to requirements for certification and requests for payment.

PARTICIPATING PROVIDER AGREEMENTS

Section 622 specifies conforming and technical amendments to section 1866 of the Social Security Act relating to agreements with participating providers. Requires agreements to be filed with the State health board and to apply to both Medicare and the Health Care for All Americans Act. Requires payments to be made in accordance with the applicable Medicare and Health Care for All Americans Act provisions, and providers to comply with certain specified criteria, including requirements established by the Board. Requires providers who prescribe outpatient prescription drugs to use only generic or other names and specify only such amount as the Board may provide to insure quality and efficiency. Requires providers filling prescriptions to provide only the amount specified by the Board.

USE OF AGENCIES IN DETERMINING CONDITIONS OF PARTICIPATION

Section 623 makes various conforming and technical amendments to Medicare relating to the use of State agencies to develop and determine compliance with conditions of participation for providers of services. Requires the Secretary, in determining conditions of participation, to consult with the Commission on Quality and the State health boards.

AMENDMENTS RELATING TO PART B OF TITLE XI

Section 624(a) specifies various technical and conforming amendments to Part B of title XI of the Social Security Act relating to professional standards review organizations (PSROs). Requires professional standards review to apply to the provision of health care services under the Social Security Act and the Health Care for All Americans Act.

Section 624(b) requires PSROs to assume review responsibility during the conditional period for services provided both in institutions or by other health care providers. Deletes special reference to shared health facilities. Requires in conjunction with development of norms for health care services, that physicians closely monitor workers and other populations at risk because of past exposure to environmental or other hazards. Provides that payments to PSROs are to be made by the Board from appropriated funds.

HEALTH MAINTENANCE ORGANIZATIONS (HMO'S)

Section 625 makes certain conforming changes in Medicare relating to payments to HMO's. Directs the Board to provide for payment to HMO's on behalf of eligible individuals under Medicare and the Health Care for All Americans Act. Modifies Medicare's definition of an HMO to conform to the benefits provided under the amended Medicare program for Medicare-eligibles and the Health Care for All Americans Act for other persons. Requires participating HMO's to have a general open enrollment period in accordance with regulations.

TITLE VI, PART B, SUBPARTS IV AND V—MEDICARE AMENDMENTS RELATING TO CONDITIONS OF PAYMENT, TAXES AND PREMIUMS

Subpart IV—CONDITIONS OF PAYMENTS

CHANGES IN CONDITIONS OF PAYMENTS

Section 628(a) repeals the deductible and coinsurance provisions of the Medicare Part A program.

Section 628(b) makes certain conforming changes in Medicare relating to payments to participating providers. Payments are to be the amounts determined under the provisions of the Health Care for All Americans Act. Also makes explicit (with certain minor exceptions) that no Medicare payments may be made to any Federal provider of services administered by or under the control of the Department of Defense, the Veterans Administration or for services provided to members of uniformed services on active duty.

Section 628(c) makes various changes in Medicare relating to payments to institutional and other providers. Requires the Board to determine, consistent with the provisions of the Health Care for All Americans Act, the amounts to be paid various providers of services. Authorizes payments into the Supplementary Medical Insurance Trust Fund of certain amounts needed to pay for services under Part B, in accord with the provisions of the Health Care for All Americans Act. Repeals the deductible, coinsurance and other patient cost-sharing requirements of Medicare.

Section 628(d) repeals the existing definition of "reasonable cost." Deletes provisions relating to overpayments and the settlement of claims filed on behalf of deceased individuals. Provides that refunds of premiums in the case of deceased individuals be made according to priorities prescribed by the Board.

CONTRACTS FOR THE ADMINISTRATION OF BENEFITS

Section 629 makes various amendments to Medicare relating to the administration of benefits. Deletes most of the existing provisions relating to intermediaries and carriers. Provides that public and private entities are to bid competitively to administer the benefits provided under the revised Medicare program. Requires such entities to make payments for services in a manner consistent with the provisions of the Health Care for All Americans Act, and to notify individuals on whose behalf such payments are made. Permits contracts with entities to provide for advances of funds for payment of claims. Contains a transitional provision permitting contracts with entities without regard to competitive bidding requirements for a period of five years following enactment of the legislation.

HOSPITAL INSURANCE TAX AND PREMIUMS FOR MEDICARE—ELIGIBLE INDIVIDUALS

Section 633(a) expands the definition of employment now subject to the Medicare

hospital insurance tax to include employment with Federal, State and local governments, service performed for charitable organizations, service performed by certain employee representatives, certain students and for certain organizations.

Section 633(b) authorizes deposit into the Hospital Insurance Trust Fund of certain payments made on behalf of certain employees of foreign governments and international organizations. Designates the Chairman of the Board as a member of the Board of Trustees of the HI and SMI trust funds, in lieu of the Secretary of HEW.

Section 633(c) deletes the Medicare Part B premium surcharges for late enrollment and the definition of "continuous period of eligibility." Also requires individuals who receive cash benefits under the Social Security program to pay any balance due, if such cash payments are less than premium payments for health insurance. Authorizes payments from general revenues for the premiums of Medicare beneficiaries who are also SSI-eligible indivduals.

TITLE VI—PART B

Subpart VI—Miscellaneous Medicare and Social Security Act Amendments

Subpart VI—Miscellaneous Medicare and Other Social Security Act Amendments

MISCELLANEOUS MEDICARE AMENDMENTS

Section 635(a) repeals Medicare provisions relating to the establishment of the Health Insurance Benefits Advisory Council (HIBAC) and determinations of entitlement of individuals to the Medicare program, and to appeals thereof.

Section 635(b) applies various provisions of title II of the Social Security Act relating to such matters as evidence, procedure, etc., to Medicare and to the Health Care for All Americans Act. Designates, where appropriate, responsibilities for certain actions to the Board in lieu of the Secretary of HEW.

Section 635(c) designates the Chairman of the Board as the administrator of the Medicare program, in lieu of the Secretary of HEW.

Section 635(d) deletes certain studies from the list of studies pertaining to the Medicare program.

Section 635(e) amends Medicare provisions relating to penalties for certain acts to extend such provisions to the Health Care for All Americans Act.

Section 635(f) extends Medicare provisions relating to limited beneficiary liability under certain circumstances to the qualified health plans under the Health Care for All Americans Act, and makes various other conforming changes.

RESIDUAL MEDICAID PROGRAM

Section 636(a) replaces the present Federal Medicaid-matching arrangement with a new temporary arrangement to remain in effect following the first date on which benefits become available under the Health Care for All Americans Act.

Under the new arrangement, the Federal Medicaid payment is to be equal to "excess State payments." "Excess Payments" are to be calculated in the following manner: for any calendar quarter, expenditures (excluding Federal expenditures) made by a State for Medicaid services provided for a period of at least two years prior to January 1st of the "first effective year" are to be added to a State's expenditures for premiums paid under the Health Care for All Americans Act on behalf of certain AFDC-eligible individuals. From such sums is to be subtracted the product of the expenditures (excluding Federal expenditures and the expenditures for one month for the premiums on behalf of certain AFDC, SSI and certain other recipients) of the State for the quarter prior to the "first effective year" and calculation of the "factor for growth."

Specifies that the term "first effective year" is the first year in which benefits are provided under the Health Care for All Americans Act. The term "factor for growth" is the ratio of total anticipated expenditures under the annual budget of the Board for any quarter to the total anticipated expenditures under such budget for the first quarter of the "first effective year."

Increases the Federal share of certain other State Medicaid expenditures: (A) for the training and compensation of skilled professional personnel, from 75 to 90 percent; (B) for operation of management information systems, from 75 to 90 percent; and (C) for general administration, from 50 to 90 percent. Deletes increased matching rate for family planning services.

Section 636(b) counts as medical assistance under present Medicaid-matching arrangements premium payments of a State on behalf of certain recipients for the month of December of the year before the first effective year.

Section 636(c) establishes certain additional State Medicaid plan requirements. Requires States to continue to provide such care and services (other than those covered under the Health Care for All Americans Act), in the amount, duration and scope, as were covered by the States in the quarter before the first effective year of the program (or those which are specified in regulation by the Board). Requires States to pay premiums on behalf of AFDC-eligible recipients. Requires States to reimburse providers in a manner consistent with the methods established by the Board. Permits imposition of enrollment fees, premiums, deductions, and other cost-sharing only in amounts permitted by the Board. Permits the Board to prescribe other standards, relating to quality of services and reimbursement.

Section 636(d) makes various technical and conforming changes in the Medicaid program.

Section 636(e) requires any State that does not have a Medicaid program to enter into an agreement with the Board under which the State agrees to pay premiums on behalf of AFDC-eligible recipients and certain other persons, and receives financial assistance from the Board in a manner comparable to the methods described above. Provides that failure to enter into such an agreement results in loss of funds from the Health Resources Distribution Fund and under title VI of the Social Security Act.

PART A OF TITLE XI

Section 637(a) amends Section 1121 of the Social Security Act to extend the provisions for uniform reporting to the Health Care for All Americans Act.

Section 637(b) repeals Section 1122 of the Social Security Act relating to limitations of Federal participation for capital expenditures.

Section 637(c) repeals Section 1123 of the Social Security Act relating to programs for determining the qualifications of certain health care personnel.

Section 637(d) amends Section 1124 of the Social Security Act to extend the provisions for disclosure of ownership and related information to the Health Care for All Americans Act.

Section 637(e) amends Section 1126 of the Social Security Act to extend disclosure requirements of certain persons who have been convicted of certain offenses to the Health Care for All Americans Act.

TREATMENT OF CERTAIN PREMIUM PAYMENTS UNDER SSI AND AFDC PROGRAMS

Section 638(a) excludes from the definition of income of SSI recipients any health premiums paid pursuant to the Health Care for All Americans Act by or on behalf of such persons.

Section 638(b) excludes from the definition of income of AFDC recipients any health premiums paid pursuant to the Health Care for All Americans Act by or on behalf of such persons. Requires State AFDC plans to provide for payment of such premiums for State enrollees.

TITLE VI, PART C—MISCELLANEOUS AMENDMENTS TO OTHER ACTS

PART C—MISCELLANEOUS AMENDMENTS TO OTHER ACTS

Section 641(a) amends Section 213(a) of the IRS Code of 1954 by eliminating the present deduction for amounts paid during a taxable year for health insurance. Permits deduction for amounts of medical expense, not compensated for by insurance or otherwise, in excess of 3 percent of adjusted gross income.

Section 641(b) amends Section 44 of the IRS Code adding a new excess health insurance credit for impacted employers, equal to the amount determined under Section 341(b) of the Health Care for All Americans Act.

Section 641(c) amends the IRS Code to establish special rules for computing the impacted employer credit for controlled groups of corporations; employees of partnerships, proprietorships; etc.; in the case of acquisitions or dispositions; in the case of changes in status from self-employed to employee-status; for subchapter S corporations; and for estates and trusts.

Section 641(d) amends the IRS Code to apply the provisions of Section 641 to the taxable years which begin during the period of 3 calendar years beginning with the first calendar year in which benefits are provided under the Health Care for All Americans Act.

AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

Section 642(a) amends certain provisions of title XIII of the Public Health Service Act relating to health maintenance organizations (HMOs) by eliminating the authority to impose nominal payments for the provision of specific services.

Section 642(b) amends organizational requirements for HMOs, by requiring an open enrollment period in accordance with the provisions of the Health Care for All Americans Act. Requires both private and public HMOs to have advisory boards composed of at least one-third HMO members and equitable representation from medically underserved populations served by the HMO. Deletes requirements that HMOs provide medical social and health education services.

Section 642(c) amends definitions of basic and supplemental services of HMOs, by defining basic services as those services described in Part A of title II of the Health Care for All Americans Act. Adds to the definition of supplemental health services: medical treatment and referral for alcohol abuse or addiction, and home health services and preventive services not included as basic services.

Section 642(d) deletes existing requirements for employers to provide an HMO option in their health benefit plans. Makes various other conforming and technical amendments.

● Mr. WILLIAMS. Mr. President, I am pleased to join today with Senator KENNEDY and others in introducing the Health Care for All Americans Act.

The bill represents over a decade of hard work by Senator KENNEDY and the Committee for National Health Insurance. Over the years, a variety of proposals have been developed by the committee and debated in the public forum. This new legislation reflects the collective wisdom and expertise of the committee's experiences. Perhaps most important, the bill confronts today's fiscal realities without compromising the committee's principles of comprehensive

benefits, universal coverage, strong cost controls, system reforms and quality assurance.

As a nation we are only beginning to understand the relationship of quality health care to the stability of our economy and the well-being of our society. Quality health care is not a luxury. It is a right, just as basic education is the right of every American.

The need for the Health Care for All Americans Act is clearly reflected in the achievements and failures of the present health care system in improving the health of Americans.

Our achievements are many. In the past 15 years, the difference in infant mortality rates for nonwhites and whites has been cut in half. In the past 10 years, deaths from heart disease have decreased by 22 percent and the life span of Americans increased by 2.7 years.

Yet much remains to be done as illustrated through comparisons of the health status of Americans with other industrial nations.

Twelve other countries are more successful in preventing death from cancer. Eleven countries have lower rates of infant mortality. Life expectancy is higher for men in 14 countries and higher for women in 6.

In addition, basic health benefits are unavailable or inadequate for over 20 percent of the American people, particularly the elderly, the disabled, and the working poor. They cannot afford to be ill.

Today's bill confronts these and other failures of our complex American health care delivery system. It responds to our needs for a national health policy; a policy which treats all Americans equally. No distinctions are made between benefits or quality of care received by the poor, the elderly, the middle class, or the rich. The Health Care for All Americans Act utilizes the private insurance companies, rather than Government, to administer the program. Consumers are given freedom of provider and health plan choice. It gives providers freedom of choice of practice mode. It controls health expenditures while minimizing Federal interference in the day-to-day operations of providers through a prospective budgeting system.

The provisions of this bill will come under intense scrutiny by the Senate and will be compared with alternatives offered by Senator Long, President Carter, and others. In examining the issues, the crucial question will be how much the current economic situation will permit us to spend on health care.

If the Health Care for All Americans Act was enacted in fiscal 1980, it would cost $28 billion. But under the act, the total cost of health care will be less within a few years than it would be under current programs because of the immediate and long-range cost control requirements of the bill. Despite this important fact, we will probably be unable to afford to provide all proposed benefits to all Americans now. Benefits for other than the most seriously ill, the elderly, and children may need to be delayed until our economy is less inflationary and we can demonstrate that health care costs can be stabilized. This is no reason to delay enactment of the cost controls and other structural reforms of the health care delivery system. Without these reforms no national health insurance plan can succeed. Among the current legislative proposals, only the Health Care for All Americans Act includes the necessary controls.

As chairman of the Senate Committee on Labor and Human Resources, I look forward to committee debate on the national health insurance. I am eager for the challenges and opportunities it will present the Senate.●

● Mr. JAVITS. Mr. President, I am pleased to cosponsor the Health Care for All Americans Act. It is designed to effect necessary structural reforms in how we pay for medical treatment and in how health care delivery is distributed across the country. In this way, in my judgment, we can be on the way to insuring to every American the right of access to adequate health care at reasonable cost.

Mr. President, now is the time to choose sides on the issue of a national health plan. The introduction of this bill will crystalize the great debate that has come to focus now on but two alternatives—enactment of a national health plan that addresses the needed reforms and establishes the necessary administrative structure, or enactment of a narrow bill for catastrophic health insurance that will not deal with the problems and only will further aggravate the impediments that now exist in health care delivery and financing. Let there be no mistake about the consequences of this choice; we are now paying a heavy price for our earlier inability to act in order to address runaway costs, maldistribution of health care services, and the tragedy facing millions of Americans who have no health insurance at all or clearly inadequate coverage. We cannot afford to continue to ignore the extent and persistence of these problems.

Catastrophic health insurance alone will not control health care costs, it will aggravate them. Catastrophic health insurance alone will not solve the problems faced by thousands of communities with inadequate health care services—it will perpetuate them. Catastrophic health insurance alone will not benefit the millions of Americans without adequate health insurance—it will benefit only a miniscule percentage of those urgently needing medical care.

The comprehensive bill introduced by Senator KENNEDY, myself, and six other Senators today is a realistic and pragmatic response to the need for action. It is far remove from earlier proposals which advocated a unitary Government-run national health system.

The Health Care for All Americans Act is based upon the need for a strong private sector role, minimizes the additional costs to the Federal budget, reduces the regulatory burden on health care providers, and is easily adapted to being phased-in over time in order to smooth implementation and cushion its fiscal and economic impact.

These features are consistent with my long-held position on the need for national health legislation. I have always believed that adequate health care should be a right to be enjoyed by all Americans regardless of economic means, location, age, race or religion. I have vigorously advocated the adoption of broader health insurance benefits by the Congress since 1949, when I introduced my first national health insurance bill as a Member of the House of Representatives. Since that time, as a member of the Senate Labor and Human Resources Committee, I have introduced 14 major bills designed to provide comprehensive health insurance protection to the people who most need it.

Today, the need for a comprehensive national health plan is greater than ever. An estimated 18 million Americans have no health insurance whatsoever, and another 18 million have only inadequate coverage. We should no longer accept a health care system that leaves 36 million citizens without access to its benefits at a reasonable cost. There is no need to permit almost one person in six to continue to live without this most basic of human rights—the right to adequate health care when needed.

Mr. President, public opinion poll after public opinion poll has demonstrated wide support for a comprehensive national health plan. In a recent poll conducted by the New York Daily News, nearly 8 of 10 New Yorkers surveyed favored adoption of a national health insurance plan. In fact, half of those polled said that they would support a plan even if it meant higher taxes.

The American people have put the need for a national health plan high on the agenda of the 96th Congress. The President has proposed a first-stage plan and many Senators and Representatives have announced their own versions of a national health bill. In my judgment, the issue is no longer whether or not we need a national health plan. We simply cannot responsibly afford to go without one. The financial crisis that runaway medical costs have generated has combined with this Nation's long-nurtured goal of universal health insurance in this Congress to produce a mandate for action.

The real issue today is, therefore, one of implementation: How to structure a national health plan in such a way as to build upon the strengths of our existing health care providers, yet encourage needed innovation and cost-efficiencies, while fairly allocating the costs of expanded services in a noninflationary manner. These are complex and difficult issues which cannot be addressed in isolation from every other facet of health insurance, organization and delivery.

I have earlier introduced Senate Joint Resolution 21, which would overcome the fragmentation that currently exists in both House and Senate committee jurisdiction in the health policy area and would permit a truly comprehensive resolution of the difficult issue of implementation of a national health plan.

The bill we introduce today is based upon the emerging national consensus with regard to three of these implementation issues: First, that the plan should utilize the strengths of the private insurance industry in administration, claims management, and handling of

premiums, and also to minimize the Federal budgetary impact of broader health insurance protection; Second, that the plan should establish incentives favoring cost-efficiencies; and Third, that the plan should address the need for reforms in the organization and delivery of health care services.

The administrative and budgetary impact can be further minimized through a gradual phasing-in of the full plan. The Health Care for All Americans Act can easily be phased to accomplish this objective by both population and cost-sharing mechanisms. Thus the bill is firmly within the practical realities of today's fiscal and economic concerns.

Mr. President, I would like to discuss the three major characteristics of the Health Care for All Americans Act which are based upon these themes.

First, the bill is premised upon and strengthens the established pattern of employment based private health insurance coverage. This approach both reduces costs to the Government and builds upon the strength of the private sector. Employers already provide some type of health coverage for over 69 million employees, over 80 percent of our work force; 85 million more are insured as dependents of these employees. This insurance is financed by some $41 billion in annual premiums. I see no need for the Government to attempt to administer this sum.

The bill builds upon the established system by requiring employers to offer insurance covering a minimum benefit package, and by requiring coverage to be continued for employees whose employment status changes during the year. Employers who already meet these standards will be, in effect, exempt from the bill.

The bill would also strengthen the private sector insurance role by adding provisions designed to encourage active competition. The bill would give most employees a choice among at least two different insurance or HMO providers. The insurers will be encouraged to compete in offering extra benefits or cash rebates in order to attract subscribers. Insurers and HMO's will enjoy an expanded market in addition to the right to invest prepaid premiums. In sum, the bill would strengthen the role of the private sector by expanding the market for insurers, introducing increased competition among insurers, and maintaining administration of premiums and payment of claims within the private insurance industry.

Second, the bill would introduce the necessary systemic measures to control costs. Today, the third party reimbursement system is the primary reason costs are expanding beyond our ability to pay. Consumers on average pay only 6 percent of hospital bills and 39 percent of physicians' fees. Providers are reimbursed for whatever services they themselves decide to provide. It is not surprising under these circumstances to find that health expenditures nationally rose from $127.7 billion in 1975 to an estimated $206 billion in 1979, or that health care as a percentage of GNP grew from 8.6 percent in 1975 to 9.1 percent in 1979.

Forceful action is needed to change this pattern. The bill incorporates two principal tools that are absolutely vital to better management of our health budget—prospective budgeting for hospitals; and negotiated fee schedules for fee-for-service providers.

I believe that the consequences of continuing our present course in runaway health spending are both well known and disastrous. Only prospective budgeting and negotiated fee schedules are likely to bring costs under effective management without impairing the quality of service.

Finally, the Health Care for All Americans Act is designed to encourage needed reforms in the organization and delivery of health care services. The bill will help remove the barriers, other than insurance, which continue to impede access to health care for millions of Americans. Approximately 50 million—almost one-quarter of our population—live in areas of the country which suffer from a serious shortage of health care services.

The bill would help States reduce many of the disparities in fee schedules which now induce physicians to concentrate in wealthier areas. It would also establish a health resources and development fund to support new services in previously underserved areas.

Efficiency in health care delivery can be dramatically improved. Many medical services are today delivered in inappropriate and high-cost settings—simple procedures and routine tests are performed in hospitals because insurance coverage is limited to inpatient services. Cost-effective preventive care is neglected for lack of adequate reimbursement. When the average cost for 1 day of hospitalization has grown to $203, as it has today, we must encourage alternatives to keep unnecessary hospitalization to a minimum.

The bill provides for unlimited routine and preventative care in appropriate settings. Physicians' visits, diagnostic tests, and immunizations will be fully covered.

A major area of prevention that must be quickly implemented under a national health plan is comprehensive health care for mothers and children. Nothing is more precious to our children than their health. I have long advocated greater support of maternal and child health programs, but major deficiencies persist. The Health Care for All Americans Act would provide for all basic immunizations, pre- and post-natal care, and well-baby care. Children up to age 18 would have unlimited physician visits. These benefits would go a long way toward protecting the health of our children. Child health benefits are cost effective. These benefits are the soundest investment we can make in the future of our Nation.

The Health Care for All Americans Act would greatly benefit those most in need of better health care services—our poor and our elderly. The "dual-class" system that has inhibited the services available under medicaid would be eliminated by shielding the source of payment information from the provider. States and localities would enjoy substantial fiscal relief as many persons now eligible for medicaid would be covered under either private sector or federally paid premiums.

Perhaps the largest beneficiaries of the bill's provisions are this Nation's medicare recipients. Their cost sharing would be eliminated and their benefits broadened.

The bill has been designed to spread the cost of adequate health protection as broadly as possible, in order to minimize the short-term economic effects of higher premium payments in the private sector. We must remember, however, that in the long term only a program such as the one in this bill is capable of controlling health care expenditures while at the same time insuring adequate levels of services.

Mr. President, the themes incorporated in this measure that I have elaborated are based both on an emerging consensus as to what threatens the future of health care in this country and what must be done by way of a cure. They are not radical or impractical. This is no time for rhetoric—it is a time for action. Either we face up to the need to look at health care as a complete system in legislation such as this, or we default the chance to better manage this critical service by considering only narrow "catastrophic" insurance programs. The needs of the American people require no less than enactment of a comprehensive national health plan and I submit that the bill we introduce today is worthy of the earnest consideration of every Senator concerned about health care.●

● Mr. METZENBAUM. Mr. President, I am pleased to join the Senator from Massachusetts in introducing the Health Care for All Americans Act of 1979.

I believe that quality medical care should be a fundamental right for all Americans, and I believe that a comprehensive national health insurance program is the first essential step toward securing that right.

For many years now, the American people have heard from Presidents of both parties that the Nation cannot afford national health insurance. But the fact is, Mr. President, that we cannot afford to be without national health insurance.

Health care is now the third largest industry in this country. In fiscal year 1978, Americans spent $138 billion—8.8 percent of the GNP—on health care.

In that same fiscal year, more than 12½ cents of every Federal tax dollar—a total of nearly $60 billion—went for health care. And spending in the health care industry continues to rise at an annual rate of 12 percent.

Yet, despite increased costs, despite the most advanced health technology in the world, despite very competent practitioners, and despite the new and important research findings occurring every day, our Nation still does not rank in the upper 50 percent among developed nations with respect either to infant mortality or adult mortality.

These statistics are shameful and to make matters worse, there are persistent inequities in health among the subgroups of our population. Racial minorities in the United States still have a life expectancy that is 6 years less than the majority population. And the mortality rate among minorities is 40 percent higher than it is for whites.

I believe that it is scandalous that our system distributes quality medical care on the basis of ability to pay. The system provides the well-to-do with the world's best in services and care, and it leaves the less privileged to cope as best they can.

Too many people in this country—poor people, people living in rural areas—do not have access to the medical services they require. Too many people in this country, too many of our average working people, do not qualify for existing Government programs and do not have comprehensive and expensive medical insurance. These Americans go without medical care because they simply cannot afford it.

At least 20 million Americans have no health insurance coverage at all; of these, about 13 million have incomes above the poverty line.

More than 18 million Americans have inadequate insurance that fails to cover basic hospital bills, doctors' bills, or medical tests.

About 85 million Americans—40 percent of the population—do not have insurance against very large medical bills.

Private health insurance often does not cover preventive and ambulatory services—those which are among the most beneficial and cost effective.

Some people argue that medicare and medicaid provide health insurance coverage for the elderly and poor. But the fact is that these Americans can be denied care if the doctor refuses to accept assignment. Moreover, the elderly and disabled, who live on fixed incomes, are not completely compensated by medicare. They must still cover the deductible and coinsurance portions of their medical expenses. If the fee is substantially above the medicare-allowed rate, and the doctor refuses to accept assignment, the elderly patient can often be held liable up to an amount equal to or even greater than that paid by medicare.

Catastrophic health insurance proposals alone will not help these Americans. In fact, any program that is not comprehensive in nature will become a disaster over the long term. It will add to the inflationary spiral of health care costs by encouraging expensive care services where they are not required; it will further skew the inequitable distribution of practitioners away from the rural areas; and it will fail to deal with problems of access to care by leaving the present delivery system intact.

I believe the time has come to modify that system and create a link between our country's medical resources and those Americans they are designed to serve. This Nation needs a new, better, and more equitable way to meet the health needs of its people.

It is my conviction that the best way to create that link and to meet those needs is a comprehensive national health insurance program as detailed in this bill.

The President has told us that we cannot afford a comprehensive national health program at this time. He says that the money is not there.

However, if this Nation can find $125 billion a year to protect us from hostile foreign powers, we can also find $28 billion to protect our people from sickness, suffering, and financial ruin; if we can find $4 billion a year to explore the vast reaches of space, we can also find the money to improve health here on Earth; and if our national economy can tolerate a decontrol giveaway to the oil companies of $100 billion between now and 1985, we can surely find the resources to meet the pressing health care needs of this Nation.

I believe that the time has come to decide what is truly important for this Nation's future; the time has come to translate talk about national priorities into concrete action; the time has come to guarantee affordable and quality medical care as a fundamental right for every American; the time has come to enact comprehensive national health insurance.

For the sake of the health and welfare of our people, I am proud to stand up as a firm supporter of the Health Care for All Americans Act. And once again, I would like to commend Senator KENNEDY, Congressman WAXMAN and the other members of the Coalition for National Health Insurance for their diligence in this admirable effort.●

● Mr. RIEGLE. Mr. President, I am pleased to join Senator KENNEDY today in introducing the Health Care for All Americans Act.

Although our Nation can boast of one of the most sophisticated health care systems in the world, too many of our citizens are denied the health care they need because of inadequate health insurance protection. Eighteen million Americans have no health insurance protection at all. Another 19 million Americans have health insurance which fails to cover them against basic hospital costs, doctor bills and medical tests. And a staggering 43 million Americans have no protection against the oftentimes ruinous medical bills which can accompany chronic or catastrophic illness and injury.

These statistics measure social injustice, as much as they reflect the failures of our present patchwork system of public and private insurance. The time is long overdue when every American—regardless of his or her income or age, where he or she lives or where he or she works—can count on access to basic medical care.

The Health Care for All Americans Act would extend protection against the costs of illness and chronic disease to all Americans. Every citizen would be covered for the basic costs of hospital care, physician services, laboratory tests, X-rays, ambulance services and medical equipment. Certain preventive services are included, as are limited benefits for home health care, nursing home care and mental health services.

As chairman of the Senate Subcommittee on Alcoholism and Drug Abuse, I feel a special responsibility to describe the bill's impact on the 10 million Americans who are directely affected by alcoholism and alcohol abuse, the third greatest cause of death in the United States.

Because the Health Care for All Americans Act is designed to provide health care for individuals rather than for a limited list of diseases, benefits are defined in terms of covered services, not covered conditions. Individuals suffering from alcoholism and alcohol-related health and mental health conditions are covered on an equal footing with those suffering from other illnesses, within the context of covered inpatient, outpatient, and mental health care where each is appropriate.

The act covers unlimited inpatient hospital services provided in general acute care hospitals and qualified residential alcoholism treatment centers which meet licensing and certification standards for the hospital services they provide. All hospital services provided by State-licensed, accredited residential alcoholism treatment centers would be covered under this provision.

Similarly, outpatient physicians' services and laboratory tests provided by outpatient alcoholism clinics attached to hospitals or eligible residential centers would be covered without limitation. These services would also be covered when provided to alcoholics or those suffering from alcohol abuse in traditional outpatient settings and physicians' offices.

Alcoholics requiring mental health-related care will be eligible for inpatient care up to 45 consecutive days of active psychiatric treatment, provided no such care has been utilized in the previous 60 days, in either psychiatric hospitals or residential alcoholism treatment centers which are licensed to provide inpatient psychiatric care. For each day of this inpatient psychiatric benefit not used, an individual would be eligible for 2 days of outpatient mental health day care services in a community mental health center, an alcoholism treatment center qualified to provide outpatient mental health care, or a similar setting.

Counseling, group therapy, and related mental health treatment for alcoholism provided in outpatient settings would be covered up to a cost set at an amount equivalent to 20 psychiatric visits, which are generally among the most expensive forms of treatment. These services are covered if provided in a psychiatrist's office, in a community mental health center, in an alcoholism treatment center qualified to provide such mental health care, or in a similar outpatient facility, including an outpatient alcoholism program attached to an inpatient hospital or alcoholism facility. This mental health benefit would also be available to "significant others"—spouses, children, and family members who are affected by an alcoholic's illness, for example—who require mental health treatment on this basis.

For individuals eligible for medicare, the National Health Board established under the act will establish a list of diseases and conditions found to be chronic and the drugs to be covered for each such disease and condition. Antabuse is an

example of the kind of drug which could be made available without cost under this provision for alcoholics who qualify for medicare coverage. The Board is also authorized, upon the advice of a panel of experts, to authorize preventive services which are deemed likely to be effective, if the first-year cost would not exceed $500 million.

Americans suffering from drug abuse or addiction or from drug-related health and mental health conditions will be eligible for the same kinds of services. The act will thus help reduce the Nation's annual economic loss of more than $50 billion from alcoholism and drug abuse. Experience in the insurance industry indicates that providing such alcoholism and drug abuse coverage will also decrease inappropriate utilization of other health services.

The Federal Government must, of course, maintain its commitment to the battle against alcoholism and other addictions. In the long run, we need much more extensive educational and preventive campaigns, such as those conducted by the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse, and the Office of Education's Alcohol and Drug Abuse Education Program. Passage of the Health Care for All Americans Act will not mean that we have solved the Nation's alcoholism and drug abuse problems. It will mean, however, that the millions of Americans suffering from these diseases, like Americans suffering from other diseases, will have access to quality health care without regard to their income.

Equally important, the Health Care for All Americans Act offers important new tools for restraining the growth in health care costs and encouraging badly needed competition in the health care market place.

Over the last decade, increases in health expenditures have outpaced virtually all other price increases in the national economy. Health care costs are roughly doubling every 5 years. The proportion of our gross national product allocated to health care has risen from 5.2 percent in 1960 to an estimated 9.1 percent in 1979. Unless something is done, this figure will increase to 10.2 percent of GNP by fiscal year 1984. In 1968, the average cost of a hospital stay was $56 a day. By 1977, it had climbed to $183 a day. By 1984—unless we take action—it will reach $400 a day.

This alarming inflation in health care costs—and the staggering increase in Federal spending for health services which it triggers—must be turned around. It has reduced the purchasing power of our citizens, particularly the poor and the elderly. It has strained the national economy. It is rapidly eating away at the Federal budget.

The Health Care for All Americans Act, by instituting strong cost controls and incentives for cost efficiency across the board, will give us the tools we need to bring this costly escalation in health care costs under control. Prospective budgeting for hospitals, negotiated fee schedules for physicians, and incentives for enrollees to join health maintenance organizations and other cost-effective arrangements—all of which are incorporated in this legislation—hold the promise of significantly altering the inflationary forces which are inherent in our present health care system. Insurers who are able to reduce costs could either rebate savings to their enrollees or expand covered services at no additional cost—a provision designed to foster competition among insurers for enrollees and to stimulate negotiation between providers and insurers for reduced rates. Because of these and related provisions, within 4 years after passage of the Health Care for All Americans Act it is estimated that the Nation will actually be spending less for health care than it would if no bill were enacted.

The Health Care for All Americans Act builds on existing programs and relies heavily on the private sector. Private insurers would underwrite and market policies and administer claims processing. Beneficiaries would be eligible to choose between a private insurer and a qualified health maintenance organization. The medicare program would remain in place, but would be expanded to offer more adequate protection to seniors and disabled citizens. States would continue to play a major role in rate setting, planning, qualifying providers and managing a residual medicaid program.

In short, Mr. President, the Health Care for All Americans Act would finally assure that no citizen is turned away from the door of our health care system because he or she cannot afford basic medical care. It would establish strong and effective cost controls and encourage a more competitive health care market place. It would build on existing private and public systems and thereby avoid the need for a massive new bureaucratic structure.

This bill that I and others submit today is a reflection of our thinking at this time. It has been modified and improved from our earlier drafts of national health insurance legislation. Further modifications, refinements, and improvements will be made as we move through the legislative process. I stand ready to work cooperatively and constructively during that process with all the parties at interest: consumers, doctors, insurers, health service institutions, and all others. We must work together in a spirit of openness and good will to develop public law that truly serves the public interest and which is balanced and fair in its final construction.

The American people have waited too long for a national health insurance program which meets these goals. I urge my colleagues to join with me in working for the enactment of the Health Care for All Americans Act.●

● Mr. WEICKER. Mr. President, today, I am pleased to join with Senator KENNEDY and others in introducing the "Health Care for All Americans Act of 1979." I rise to offer my full and bipartisan support for legislation that will shape a new policy of quality and affordable health care for all Americans.

I support a national health program which is based on the principle that all Americans, regardless of age or income, are entitled to the best health care available. The participation of private sector insurers must be included in a health insurance scheme. I believe that the private institutions in this country should work with the Federal Government to make good health care accessible to every American at costs the individual, employer, taxpayer and the Nation can afford to pay.

The citizens of this country do not need economic advisors or the Consumer Price Index to tell them that health care costs are going up. In 1978, Americans spent an estimated $183 billion on health care services—about $750 for each person, or more than $3,000 for a family of four. Besides health care, the present inflationary state of the economy affects other necessities of life; this includes housing, food, and education. The future of an individual or family is maimed with the prospect of financial bankruptcy.

In addition, according to the Department of Health, Education, and Welfare, in fiscal year 1979, Federal outlays for health care are estimated to be $62 billion. In 1966, a year before medicare and medicaid, the Government shared 26 percent of the Nation's health bill; today it is 42 percent. In nearly three decades, the share of our gross national product accounted for by health care expenditures has risen steadily from 4.5 percent to over 9 percent.

Mr. President, whatever the reason is for this leap in health care expenses—waste, the growth and aging of the population, income and general inflation trends or changes in consumer preferences which may demand more and better health care—I believe it is incumbent upon this Congress to enact legislation that would protect Americans from skyrocketing medical bills while providing the needed quality care.

The legislation being introduced today by Senator KENNEDY, the Health Care for All Americans Act, offers a proper and measured response to this health care dilemma.

The health care industry in this country includes: the individuals, groups and hospitals that provide the care, including HMO's; the organizations through which consumers pay for it, like Blue Cross and commercial insurers; and finally, the Federal Government which guarantees adequate health care for the aged and poor through medicare and medicaid. The focus of the Kennedy health care program is on the entire health care industry. In doing so, this plan provides universal and comprehensive coverage, cost and quality controls system.

Mr. President, this legislation is designed to assure every American choices among the best health plans our Nation's private sector insurers have to offer and free choice of provider of health care at an affordable cost. An individual can freely choose those health services he or she desires from a member of any of the four national consortiums: a commercial insurance company; Blue Cross-Blue Shield; a qualified health maintenance organization; or a prepaid,

independent practice association. A special consortium will be available for those health plans which are directly or jointly administered by unions and employers. With these choices, competition is built into the health program; competition means efficiency. And, by better administration or agreements with doctors or hospitals to give care for lower rates, efficient insurers could offer subscribers cash rebates or added benefits. Profit would be the incentive and reward for efficient operation.

The Government's role, then, is to guarantee comprehensive health care coverage to every American. There will be full coverage of inpatient hospital services, X-rays, and lab tests. Costs of catastrophic illness will be covered since there will be no arbitrary nonmedical limits on the number of hospital days or physician visits. To the private sector insurers, this will not mean that they cannot continue to market insurance, including supplemental coverage not mandated under the plan.

In addition, they can continue to collect income-related premiums under the rules of their consortium, adjust those premiums to area cast and enrollee risk, and pay health care providers the maximum fee allowable under the area's prospective budget. Mr. President, there is no proposal before this Congress that will offer a more competitive role for the private insurers and allow growth and development than this bill.

For the poor and near poor, this legislation would replace medicaid with a uniform national health plan of all mandated benefits. Medicaid will cover only those services such as long-term nursing care which are not incorporated in the national health insurance plan. The States will contribute only what they are presently spending for medicaid, and no more. Therefore, this program will insure adequate coverage for those who need our special care and will insulate the States from burgeoning medical costs.

For the elderly and eligible disabled, this legislation will extend and improve medicare in the first year of implementation of the act by injecting over $20 billion in new benefits to the disabled and all persons 65 years of age or over. Some of the new benefits include prescription drugs, hearing aids and examinations, and eye examinations. Under this act, senior citizens will no longer have to pay 38 percent of their medical bills; no deductibles or coinsurance. In this way, they will be insured from being financially wiped out. Finally, physicians will no longer bill medicare beneficiaries but will be paid directly by the insurance company.

Mr. President, a unique aspect of the Kennedy health plan is that because of the immediate and long range cost control application, total costs of health care within 4 years of passage will be less than they would be under current programs. The budgetary impact in the first year is estimated to be $40 billion. But, over $20 billion would be for coverage of the poor and for improving medicare.

Mr. President, I must stress that a piecemeal approach of building upon the existing system is not the way to guarantee quality and affordable health care to every American in this country. What is needed is embodied in the Kennedy Health Care for All Americans Act: comprehensive benefits; universal coverage; the strongest possible quality and cost controls; system reforms to encourage preventive medicine and prepaid group practice. In addition, it gives a meaningful role to the private sector insurers. If we build on the best in both the private sector and the Government, we will attain that goal.

The Health Care for All Americans Act of 1979 makes sense. To me, this is what a national health insurance plan should include; what the Congress should pass; and most importantly, what the people of this country deserve. Again, I am pleased to lend my support to this legislation and will push actively for its adoption during this Congress.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced today by Senator KENNEDY for himself and others dealing with health care be referred jointly to the Committee on Finance and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. MORGAN:

S. 1721. A bill for the relief of Erasmo Ramitrez Cruz, Jr., M.D., and Emelito Riego de Bios Castor Cruz, M.D., husband and wife; to the Committee on the Judiciary.

● Mr. MORGAN. Mr. President, today, I am introducing a private bill for the relief of Drs. Erasmo and Emelito Castor Cruz, who now reside in Brooklyn, N.Y.

These two doctors, husband and wife, came from the Philippines in 1974 to do their internship and residency. They passed the Federal licensing examination, and have been licensed in New York and Maryland. They have concluded their studies this summer and they plan to settle in Norwood, N.C. The major obstacle to their appearing before the North Carolina Board of Medical Examiners and being licensed in the State is an emigration point.

Norwood, Mr. President, is like many rural communities in this country—it has no, I repeat—no doctors. Yet, here we have two doctors, trained in the United States, not overseas, ready to come to this small town and provide it with needed medical attention. This is not the case of some doctors who attempt to come to our country directly from overseas, without any familiarity with our medical procedures and practice.

These two doctors offer this small community the opportunity for nearly complete medical coverage, as one is a pediatrician and the other is a general practitioner. Facilities are available for their use and the community has expressed interest in their coming to live in Norwood.

Norwood has been designated to be a medically depressed area by the Department of Health, Education, and Welfare. It appears that private legislation is the proper course in this case to manage the immigration question and to move quickly to provide this community with adequate medical attention.●

ADDITIONAL COSPONSORS

S. 93

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 93, a bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

S. 110

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 110, a bill to amend the Internal Revenue Code of 1954 to provide accelerated and simplification depreciation for small business.

S. 111

At the request of Mr. BUMPERS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 111, a bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress.

S. 252

At the request of Mr. GLENN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 252, the Anti-Arson Act of 1979.

S. 259

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 259, a bill to establish the goal of reducing Federal paperwork costs by 225 percent, to prescribe the procedures for the reduction of such costs, to provide for the development of strategies and methods for determining such costs and effecting such reductions, and for other purposes.

S. 326

At the request of Mr. BUMPERS, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 326, a bill entitled the "Taxpayers' Bill of Rights Act."

S. 414

At the request of Mr. BAYH, the Senator from South Carolina, (Mr. HOLLINGS), and the Senator from New Hampshire, (Mr. DURKIN), were added as cosponsors of S. 414, the University and Small Business Patent Procedures Act.

S. 487

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 487, a bill to amend the Internal Revenue Code of 1954 to provide a credit for investment in original issue stock of small businesses.

S. 506

At the request of Mr. BAYH, the Senator from Vermont, (Mr. LEAHY), and the Senator from Massachusetts, (Mr. TSON-

GAS), were added as cosponsors of S. 506, the Fair Housing Amendments.

S. 653

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 653, a bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain in the proceeds from the sale of incentive stock if those proceeds are reinvested in such stock, and for an incentive in basis for incentive stock held for certain periods.

S. 793

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 793, a bill to amend the Small Business Act.

S. 1090, S. 1091, AND S. 1092

At the request of Mr. TALMADGE, the Senator from Texas (Mr. TOWER), the Senator from Montana (Mr. MELCHER), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 1090, S. 1091, and S. 1092, bills to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 relating to church plans.

S. 1096

At the request of Mr. STEVENS, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 1096, a bill to amend title 39, United States Code, to provide for an extension of the provisions of section 3626(a) relating to reduced rates.

S. 1179

At the request of Mr. BAYH, the Senator from Mississippi (Mr. COCHRAN), was added as a cosponsor of S. 1179, a bill to incorporate the Gold Star Wives of America.

S. 1268

At the request of Mr. BAYH, the Senator from South Carolina (Mr. HOLLINGS), and the Senator from New York (Mr. MOYNIHAN), were added as cosponsors of S. 1268, the Gasohol Marketing Freedom Act.

S. 1364

At the request of Mr. TALMADGE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 1364, a bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station to obtain excess property from the United States.

S. 1424

At the request of Mr. JAVITS, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1424, the International Health Act of 1979.

S. 1465

At the request of Mr. TALMADGE, the Senator from Louisiana (Mr. JOHNSTON) and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

S. 1486

At the request of Mr. CHURCH, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1486, a bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

S. 1592

At the request of Mr. DOLE, the Senator from Mississippi (Mr. COCHRAN) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 1592, the Financial Regulation Simplification Act of 1979.

S. 1608

At the request of Mr. RIEGLE, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1608, the National Employment Priorities Act of 1979.

S. 1711

At the request of Mr. CRANSTON, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 1711, a bill to amend the authorization for the Santa Ana River flood control project in the State of California.

SENATE RESOLUTION 216

At the request of Mr. PROXMIRE, the Senator from North Dakota (Mr. BURDICK) and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Resolution 216, a resolution relating to the construction of office buildings for the Senate.

AMENDMENT NO. 363

At the request of Mr. MCCLURE, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of amendment No. 363 intended to be proposed to S. 1020, a bill to authorize appropriations for the Federal Trade Commission.

AMENDMENTS SUBMITTED FOR PRINTING

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENTS NOS. 400 THROUGH 402

(Ordered to be printed and to lie on the table.)

Mr. STEVENS (for Mr. HATFIELD) submitted three amendments intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal Reclamation LAW, as amended and supplemented, and for other purposes.

Mr. STEVENS. Mr. President, on behalf of the Senator from Oregon (Mr. HATFIELD), I submit three amendments to S. 14, the Reclamation Reform Act of 1979.

I ask unanimous consent that a statement by Senator HATFIELD relating to these amendments be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HATFIELD

A great deal of controversy and criticism has surrounded S. 14, the Reclamation Reform Act of 1979. Before the Senate immerses itself in debate over conflicting facts and scenarios, I would like to take this opportunity to discuss briefly the history of reclamation in the West and explain my view of how S. 14 stands in the one-hundred year development of this issue.

During the middle of the 19th century the West was being settled by ambitious miners, cattlemen, and traders. The development of agriculture in the arid westlands was very much in question until the 1850's when members of the Mormon Church demonstrated that through proper irrigation these desert lands could be cultivated.

Expansion on this beginning was limited to several small locations because of the inadequate supply of water. Reclamationists at that time had not developed adequate techniques for water storage and delivery. In addition, agricultural developers found that farm practices in the humid areas of the Midwest and South did not apply to the arid region of the West. Congress, as well, found that the Homestead Act of 1862 established public lands policy but did little for growing farm interests in the West. Nevertheless, the passion for land heightened as men and women desired homesteads, and railroad companies and speculators envisioned profit from land investment.

With the passage of the Desert Lands Act in 1877, Congress encouraged agricultural development in the West by authorizing the sale of public lands to any person who could successfully cultivate the desert soil. The statute provided for a twenty-five cent per acre filing fee and an additional dollar per acre sale upon proof of compliance. This, the Federal Government's first major reclamation policy, was to be changed four years later after speculators and large economic interests exploited the law by buying promising parcels and selling the undeveloped land for profit.

During the 1880's and 1890's farmers and reform advocates banded together to form the Farmers Alliance which later became the Populist Party. With strong political support from the West and South, the Populist Party sought to reform federal reclamation policy and rid the country of special interest domination.

Behind the Populist Movement in 1891, Congress passed the General Revision Act which attempted to eliminate abuses and encourage private development of western lands. Farmers of public lands were required to submit plans and had to be residents of the state in which they were filing. Maximum acreage was lowered to 320 acres and title could not be transferred unless an eighth of the land was cultivated within three years.

The next major reform was the Carey Act of 1894, introduced by Wyoming Senator Joseph M. Carey. The Carey Act granted public lands to states which would in turn contract with private construction companies to build irrigation works. By 1902 barely 11,000 acres had been reclaimed of the one million acres which had been turned over by the Federal Government.

After thirty years it was becoming increasingly apparent that if agricultural development of the West was to succeed in the near-term, the Federal Government was going to have to become directly involved in the construction of reclamation facilities.

After 1900, federal reclamation policy became an explosive issue on the national political scene. The 56th Congress began with a number of reclamation proposals and nearly every party and interest group expressed a position on the future of reclamation policy.

Southern and midwestern Congressmen opposed reclamation on the grounds that development of large agricultural interests in the West would compete with existing farm operations in their states. Aid to western irrigators, they argued, would be unfair to farmers in other parts of the country. Supporters brought forward social and financial arguments promising the legislation would relieve population pressures, stabilize the national farm economy, assist the drought-stricken Midwest and, above all, restrict the federal reclamation benefits to families, not corporations, who wanted to reclaim desert lands.

Both supporters and opponents of reclamation legislation were keenly aware of the primacy of water to the development of the West and understood the need to manage the valuable benefits which would be created by federal reclamation projects. Previous reclamation policy did not address these important concerns.

Representative Francis G. Newlands of Nevada introduced the bill which, after several modifications, passed both Houses by a wide margin and which was signed into law by President Roosevelt on June 17, 1902. The Reclamation Act of 1902 represented the culmination of efforts to conform public lands policy to the social and agricultural needs of the nation. While the benefits of reclamation water would flow primarily to western farmers, southern and midwestern representatives played an influential role in seeing that reclamation law was for the benefit of the nation as a whole and not just the seventeen western states.

As we look at the debate surrounding reclamation reform today, these same concerns are expressed. How is Congress to manage the benefits of reclamation water? How is Congress to protect the public's interest from being exploited by land speculators and abused by large agribusinesses? How is Congress to update the 1902 law to meet the agricultural, economic and social needs of today?

The period between 1902 and 1926 was marked by extreme devotion of the Bureau of Reclamation to the engineering aspects of reclamation projects. Many of the economic and social purposes of the 1902 Reclamation Law were put aside to solve the technical problems involved with delivering water. An attempt was made in 1926 to strengthen the economic and social elements when Congress passed the Omnibus Adjustment Act. Further restrictions were placed on speculators and would-be monopolists while the economic burden for small farmers was lifted by suspending $14 million worth of construction costs.

Throughout the '40's, '50's and '60's, development of the West took on a new look. Industry, as well as agriculture, put further demands on the scarce water supply. Multi-use projects were built to meet the growing need for power, irrigation and industrial water supply, transportation, and flood control in western states. Farmers, developers and conservationists clashed over the management and use of natural resources.

The '60's and '70's saw the executive branch and the courts attempt to untangle reclamation policy from the battles of these interest groups of the previous decades. Still, a vague impression of the agricultural and social purposes of the program remained despite the confusion created by various decisions. In 1961 the Department of Interior reversed itself on the question of exempting the Kings River project in California from the provisions of Reclamation Law, deciding finally that acreage limits should apply. The Ninth Circuit Court of Appeals ruled in 1969 to abrogate acreage limits in the Imperial Valley Irrigation District, but nearly contradicted itself by upholding residency requirements.

While the Congress has struggled over the issue of reclamation policy for the past 100 years, it has maintained the agrarian values upon which the reclamation program was founded. Congress has continually recognized the public's interest in reclamation law by upholding safeguards against the program's exploitation by other than the family farmers it was meant to assist. There is grave concern at this time, however, that S. 14 does not adequately protect the public's interest in seeing that the federal subsidy continues to encourage viable family owned farms.

Specifically, I believe the program is vulnerable to abuse in the short-term lease exemption of Sec. 7 of S. 14 and in the payout provision of Section 6. Through the loose language contained in these sections a large agribusiness could simply avoid acreage limitations by signing one-year leases or by satisfying repayment obligations before the end of the contract periods.

In addition, I believe that because landholders have been able to sell excess land to business associates and distant relatives to maintain their effective control and benefit, a limited lottery provision should be adopted to allow a farmer to sell only 1280 acres of his excess land at his discretion, or up to 3840 acres to his lineal descendents with the remainder to be sold to other qualified recipients through an impartial lottery.

I believe that these three changes in S. 14 are necessary to preserve the basic intent of reclamation policy in the West. I say this as a member of the Senate from a reclamation state and as a former governor of such a state. Without these amendments S. 14 will effectively allow landholders to benefit from unlimited reclamation water service and will greatly reduce opportunities to expand family farm opportunities in the West. Congress has been conscious of such abuses in the past and should maintain its vigilence in seeing that a meaningful reclamation policy continues.

NOTICES OF HEARINGS

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, has scheduled hearings on S. 506, a bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing. The hearings are presently scheduled for Monday, September 17, 1979, in room 6226, Dirksen Senate Office Building at 9:30 a.m.

Any persons wishing to submit written statements for the hearing record should send them to Ben Dixon, 102-B Russell Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, has scheduled a markup session on S. 506, a bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing.

The markup will be held in room 457, Russell Senate Office Building on Wednesday, September 19, 1979 at 9:30 a.m.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. DANFORTH. Mr. President, on September 21 at 10 a.m., in room 3302, of the Dirksen Senate Office Building, the Subcommittee on Federal Spending Practices and Open Government will hold hearings on S. 691, a bill to prohibit the use of appropriated funds to lobby members of state legislatures and legislative bodies of political subdivisions. Interested persons should call Christopher Brewster of my office at: 224-6154.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate beginning at 2 p.m. today, September 6; Tuesday, September 11; and Wednesday, September 12, 1979, to hold markup sessions on synthetic fuel measures.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold an oversight hearing on economic regulation of the trucking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. ROBERT C. BYRD. I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the sessions of the Senate on Wednesday, September 12; Thursday, September 13; and Friday, September 14, 1979, to hold hearings on the capabilities of the reconnaissance system of the intelligence agencies of the United States to monitor the provisions of the SALT II treaty.

Mr. STEVENS. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER SUBCOMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the sessions of the Senate on September 18, 19, 27, and 28, 1979, to hold oversight hearings on the Federal Trade Commission.

Mr. STEVENS. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE BRAZILIAN EXPERIMENT IN ALCOHOL FUELS

● Mr. BAYH. Mr. President, to my great satisfaction, interest in the potential of alcohol as an energy source is gathering steam all over this country and, indeed, all over the world.

Last year, the Congress authorized formation of a National Alcohol Fuels Commission, of which I am privileged to be chairman, to help speed commercialization of this new liquid energy supplement. Commission staff recently met in Washington, with one of the leading alcohol experts in Brazil, which has embarked on a major ethanol to energy pro-

gram. As many of my colleagues are aware, the Government of Brazil is counting on alcohol as a key tool in decreasing that nation's heavy dependence on imported oil—to the point that some predict Brazil will decrease its oil imports by 50 percent by 1985. This would solve several national problems at once: The energy shortage, the world glut in sugar and uneven income distribution and overly rapid urban migration. I hope the Senate will take note of this as we consider energy legislation this fall.

Mr. President, the June and July 1979 editions of Brazil magazine have informative articles on Brazil's efforts. I ask that they be printed in the RECORD for the information of my colleagues.

The articles follow:

THEY ARE RUNNING WELL ON PURE ALCOHOL

The world may be losing its sweet tooth, but as far as Brazil's sugar industry is concerned there are many other uses for the product. One of these uses is of vital importance—energy. Sugar can be transformed into energy in the form of ethanol. And the source of that energy—the sun—is renewable, unlike oil and coal (or uranium, for that matter) which are extracted from diminishing fossil and mineral reserves.

Four years ago sugar prices reached the all-time high on the London commodities exchange of more than US $1,200 per metric ton. In September, 1978, sugar was selling for one-sixth that amount. But sugar producers in the world's largest sugar producing country are not particularly worried. Brazil has not joined any of the commodities cartels springing up. Nor has there been a retraction in planting, despite the disorder in the world's commodity markets. Instead, sugar is being used in novel ways.

One of the most striking new sugar projects—Brazil's Proalcool Plan—involves a technology about 2,000 years old when alcohol was first distilled from fermenting vegetable matter. But in Brazil alcohol is being produced on a rapidly increasing scale with up-to-date nationally developed technology: if all the ethyl alcohol distilled in Brazil this year were converted into gin, there would be five cases for each person living in this country. Of course, alcohol is not being used for a massive binge.

A small part of it is exported, the chemical industry uses about 17 percent of the production and the remaining 82 percent is mixed with gasoline to propel Brazil's more than 6.5 million passenger cars. A small but significant number of vehicles already run, in fact, on pure alcohol.

C_2H_5O is the stuff that gives Grandfather's martini its kick, but in increasing amounts, it is being used to move Mom's sedan as she makes her weekly purchases at the supermarket, especially if she lives in Brazil. The Proalcool Plan, proponents claim, will solve two perplexing problems: the energy shortage and the world glut in sugar.

Liquid fuel—Energy shortages have become a part of daily life, and not just in Brazil. In 1973, when the petroleum cartel quadrupled the price of crude oil, Brazil was reaching an annual vehicle production of nearly one million cars, trucks, buses and tractors, all propelled by a fuel that, suddenly, was no longer inexpensive. Because Brazil imports about 80 percent of the more than 900,000 barrels of crude petroleum consumer daily, in one year's time the nation's trade balance went way out of control. An almost US $5 billion deficit was recorded in 1974. Draconian import measures were just one of the immediate results.

Another result was a widening search for new energy sources. A number of factors account for the rapid emergence of alcohol as a high-priority element in Brazil's energy strategy. The country has practical experience dating back to the 1920's in using alcohol as a fuel for automobiles.

Fairly large-scale use only occurred immediately after World War II, but with the oil crisis, the Federal Government shifted gears and started encouraging the production of even more alcohol. An important factor in the growing use of alcohol in motor fuels is the experimental evidence that ethyl alcohol, despite its low caloric heat content compared to gasoline, is a competitive fuel when burned in a properly designed engine, delivering liter for liter as much power with less pollution. Yet another factor in alcohol's emergence was the realization that the manufacture of alcohol can employ raw materials other than sugarcane, which requires relatively good soils. For instance, alcohol is now being commercially produced from *manioc* (cassava), a root crop that grows in all parts of the country, and of which Brazil is the world's largest producer.

Don't think sugar—The cyclical world sugar glut is also an important factor. Possibly representing a long term trend, the demand for sucrose has been steadily declining. There appear to be shifts in social attitudes towards sugar, among these a dramatic dietary switch away from sugar in the industrialized nations. Several British and North American commodities experts predicted that, by 1985, consumption of one sugar substitute alone, high fructose corn syrup, will be displacing about 2 to 3 million tons of sugar a year in the United States. In addition, there has been a major effort by traditionally sugar-importing nations to become self-sufficient in the product. Some make sugar from beets, others are planting sugarcane. The United Nations Food and Agriculture Organization predicts world output should grow at an annual rate of 2%—3% by 1985, and that 70% of that increase will be in countries which formerly imported sugar. Demand is expected to grow at a lower rate in the same period.

And for this reason, sugar producers have been looking to other end-uses for relief from lower demand patterns. In Brazil, the search is centering on chemicals and petrochemicals. With oil reserves generally declining and prices on the upswing, sugar is becoming more attractive as the building block for other vital basic inputs. Ethylene, methylene, and butadiene—the raw materials used in the manufacture of plastic and synthetic rubber—are being produced from alcohols with increasing efficiency.

A steady growth—Low world sugar prices probably were the most decisive factor in the Brazilian Government's decision to re-allocate the sugarcane equivalent of 2.1 million metric tons of sugar to the alcohol program between June 1, 1978 and May 31, 1979.

The trend line for Brazilian alcohol production shows a steady growth pattern for more than two decades followed by a drastic jump with the 1977–1978 sugarcane harvest (see table). The 23-year average annual alcohol production between the 1954–1955 harvest and the 1976–1977 harvest is about 475 million liters (126 million gallons) with a deviation of around 100 million liters (29 million gallons). The 1977/1978 harvest yielded about 1.5 billion liters (396 million gallons). For the current crop year, the expected volume is 2.5 billion liters (660 million gallons), which will raise the annual average to 600 million liters (158 million gallons) for the 25-year period with a deviation of about 480 million liters (127 million gallons), or in non-statistical terms—a big jump.

Facing the nation, however, is an even bigger increase in alcohol production. Extensive tests have demonstrated that with alcohol mixtures up to 20 percent, no major adjustments in car motors are required. Diesel engines can run on a 50 percent mixture with the only major design change being a dual carburetion system. If just the 20 percent mixture in passenger car fuel is attained by 1980 (as called for in the Proalcool Plan), the nation will be able to reduce its petroleum imports about 10 percent, thus allowing trade savings of about US$ 500 million annually.

From 8 percent to 20 percent—Brazilian cars are presently burning gasoline containing 8 percent alcohol (national average), and the mixture of gasoline and alcohol reaches 20 percent in some states—particularly the bigger industrial states like Sao Paulo. Annual alcohol production is now reported around 2.5 billion liters (661 million gallons), a more than 300 percent increase in only two years.

Proponents of the alcohol program would like to see an even bigger jump—to an output of 30 billion–35 billion liters (7.94 billion to 9.26 billion gallons) by 1985. This would theoretically permit a 50 percent reduction in Brazil's expensive oil imports, currently running at more than US $4 billion annually. An increase of such magnitude (more than ten-fold) would require structural industrial changes. For instance, the electrical generating plants now burning fuel oil could be switched to cleaner-burning alcohol. Car and truck motors would require some design modifications. Additional storage capacity would be needed, particularly in the Northeast, where sugar-mills are still selling residual molasses on the international commodities markets—at a relative loss.

Brazilian alcohol has traditionally been produced from the residual molasses left over from crystal sugar productions. But in 1979 the Government decision to convert the entire sugarcane equivalent of 2.1 million tons of sugar directly into alcohol resulted in the sharply increased production described above.

Overall view—At the opening session of last year's National Sugar Producers' Conference at Campos, in the state of Rio de Janeiro, one of the opening session's panelists, Antonio Delfim Netto, provided an overall assessment of the Proalcool Plan's possibilities.

The former Ambassador to France, peripatetic economist and Minister of Finance during the preceding Federal Administration (and now Minister of Agriculture) regretted the alcohol program had not received Governmental impetus even earlier.

Delfim Netto noted that going to a 30 billion–35 billion liter annual alcohol production will involve yet another notable modification of enormous strategic importance. Planting, cultivating, irrigating, transporting and processing sufficient sugarcane to meet an increased demand for alcohol-based fuel will require a larger agricultural labor force.

To attract a bigger labor force, Delfim Netto observed, a mechanism could be established that would greatly help alleviate two serious economic problems: unevenly distributed income and structural urban difficulties. The Brazilian Government would like to make the uptrending gross domestic product more accessible but at the same time somehow slow the migration overloading Brazil's major urban areas.

In Delfim Netto's words: "Proalcool has extraordinary possibilities. There will be an increased demand in Brazil for sugarcane and wheat and other primary alcohol-yielding products which would bring about a great improvement in the agricultural sector. It should lead to improved wages for agricultural labor. What would the social costs be? I feel we could expand production of alcohol-yielding products with very low social costs. At any rate, the social costs of producing these products would certainly be much less than what is now involved in obtaining the dollars to buy petroleum." A tenfold jump to a 30 billion–35 billion liter annual alcohol production will require serious study. Such factors as production costs—alcohol is still about twice as expensive to produce as gasoline—and the lead time needed to establish additional alcohol producing infrastructures will be carefully examined as Brazil charts its strategy for the upcoming years.

ENERGY

A reduction of dependence on oil imports, through efforts to expand domestic production (presently about 20 percent of consumption needs), and the development of alternative energy sources will continue defining the strategy of the energy policy of the new Administration.

A new and redoubled effort will be exerted in the area of alternative energy sources, endeavoring to accelerate the achievement of targets set by the National Alcohol Program (Proalcool). For example, the production of 2.6 billion liters of ethanol predicted for 1980 will already be achieved in 1979. Added to gasoline in a proportion of up to 15 percent, production of alcohol should make possible substantial savings in gasoline. The main aim of Proalcool, which will be achieved in the short-run, is ethanol-gasoline mixture, with 20 percent of ethanol (see Brazil Trade and Industry, June, 1979 issue).

In addition, Brazilian technicians and scientists are presently working on the manufacture of engines exclusively fueled by alcohol, and the auto industry has already proposed the production of up to 100,000 ethanol-powered cars annually, about 10 percent of Brazilian annual production. The use of fleets of 100 percent alcohol-run vehicles is scheduled for the second phase of Proalcool.●

EARL MOUNTBATTEN OF BURMA

● Mr. MATHIAS. Mr. President, Louis Mountbatten died at sea, yet the sea had not claimed him. Neither had any bold, declared enemy stalked him to his death. Nor had a demented assassin struck at him while he held a great office of state and was a visible target for acts of public discontent.

Although any one of these deaths was possible for him, Louis Mountbatten's death at the hands of terrorists came improbably in a pleasure boat while setting out for an afternoon fishing expedition with his family.

It was almost as though even death did not dare to tackle him when his guard was up. This dashing figure who had survived shipwreck in the Aegean Sea, presided with dignity over the wrenching events that preceded India's independence and helped bring the Royal Navy from the age of Jutland to the age of Hiroshima, was apparently immune to most mortal dangers. And so Louis Mountbatten had to be taken off guard.

He had outlived his enemies or made peace with them. He had long since discharged his last duties as Viceroy of India and First Sea Lord. His last battle had long since been fought. He was a man at peace.

And yet he still had a weak spot, a curious vulnerability. It was, in fact, the luck of being born a great grandson of Queen Victoria. He was famous and his violent death would be notorious. That was what made him a target for terrorists when he was no longer a rational target in a classic contest that accorded him the right of self defense.

The way in which death came to Earl Mountbatten does not dishonor him; on the contrary, it illuminates the honors that he won for himself and for his country. It does dishonor his murderers and all who give them comfort or shelter. Finally, his death cries out again for a total condemnation of terrorism by all of us in the civilized world in whatever posture we may stand in respect to any existing controversy.

I ask that the account of Lord Mountbatten's life that appeared in the New York Times on August 28, 1979, be included in the RECORD.

The material follows:

[From the New York Times, Aug. 28, 1979]

EARL MOUNTBATTEN OF BURMA, 79, MILITARY STRATEGIST AND STATESMAN

(By Albin Krebs)

One night in 1955, a campaign worker for Britain's Conservative Party called at Broadlands, the country home of Earl Mountbatten of Burma, to plead for money.

Turning the man down, Lord Mountbatten said: "We're on the other side, you know. You'll have better luck in the servants' wing. They're all Tories."

It should not have surprised the Tory canvasser that Lord Mountbatten, born into the royal establishment and proud of his kinship with Europe's dynasties since Charlemagne, always voted Labor. Unorthodoxy, with Lord Mountbatten, was commonplace.

Few people of royal lineage played a more versatile and colorful role than Lord Mountbatten, who refused to live the idle life of the royal and the rich.

Instead, he became a daring sailor and military strategist, a suave political negotiator, a trusted adviser to prime ministers. He was a major planner for the invasion of occupied Europe in World War II, later the Supreme Allied Commander for Southeast Asia, the Viceroy to India who ended British rule there. First Sea Lord of the Royal Navy, Admiral of the Fleet and chief architect of the overhaul of Britain's defense system.

He was sometimes ruthless. He was also bold, courageous, imaginative and intelligent. Knowing all this, he acknowledged his vanity. He welcomed occasions on which he could wear full uniform and display the 10 rows of medals and decorations, including Knight Companion of the Most Noble Order of the Garter, that emblazoned his chest. The biography he supplied the British "Who's Who" runs to more than a thousand words and is the longest in the volume.

"I am," Lord Mountbatten once said, "the most conceited man I have ever known."

Although he dearly loved the pomp and circumstance of royal ceremonies, Lord Mountbatten detested the spit-and-polish traditions of some of his fellow navy officers, many of whom disliked him. "Admirals are a lot of damned snobs," he said after becoming Admiral of the Fleet.

It was that sort of frankness that led to criticism of Lord Mountbatten from officialdom but made him popular among the public.

GREAT-GRANDSON OF VICTORIA

He was born Louis Francis Albert Victor Nicholas Battenberg on June 25, 1900, at Frogmore House on the grounds of Windsor Castle. His father was the Austrian-born Prince Louis of Battenberg, who was to become First Sea Lord, and his mother was Princess Victoria, granddaughter of Queen Victoria.

Even in infancy he displayed what was to become one of his trademarks, a lack of awe in the presence of the great. At his christening, Queen Victoria bent down to have a look at him, and the infant knocked off her spectacles. The Queen immediately handed him over to be baptised.

At first, his parents, his brother, George, and his sisters, Alice and Louisa, called him Nicky. But when their royal relative, Czar Nicholas and his family, came to visit, it was decided that there were too many Nickys around, so he became Dickie. The nickname stuck for the rest of his life.

When he was 13 years old, he entered the Royal Naval College at Osborne, on the Isle of Wight. At graduation, he was 35th in a class of 79. It was at Osborne that he experienced an emotional shock that became the turning point in his life.

FATHER FORCED TO QUIT

This was in 1914, just after the outbreak of World War I, and his father, Prince Louis, was First Sea Lord of the Royal Navy. After two German cruisers eluded British naval forces in the Mediterranean, Prince Louis became a victim of anti-German hysteria sweeping Britain.

Although he was enormously popular in the Navy, the penny press and its militant readers put relentless pressure on the Government to dismiss him because of his German ancestry. Although reluctant, Winston Churchill, then First Lord of the Admiralty, was forced to ask Prince Louis for his resignation, which was promptly given.

In 1917, the family name, as another result of anti-German feeling, was changed from Battenberg to Mountbatten and Prince Louis became the first Marquess of Milford Haven.

His father's humiliation was said to have had a lasting effect on Lord Louis Mountbatten, whose driving ambition it became to one day be First Sea Lord.

From Osborne he went to Dartmouth Naval College for a war course and finished near the top of his class. Aboard the H.M.S. Lion, to which he was posted as a midshipman at the age of 16, he attracted notice for his tenacity at learning the sailor's trade, devoting even his free hours to studying gunnery, navigation and seamanship. The Admiralty sent him to Christ's College, Cambridge, after the war.

While cultivating the trust and friendship of such men as Churchill, who were to be enormously helpful in his career, the handsome and always charming young naval lieutenant also quickly became a debutantes' delight. In addition, he became the favorite cousin of the fun-loving Prince of Wales, who became King Edward VIII and, ultimately, the Duke of Windsor. The Prince took Lord Mountbatten alone on a world tour in 1920 and on a state visit to India the following year.

The Prince was Lord Mountbatten's best man when, on July 18, 1922, he married Edwina Cynthia Annette Ashley, the beautiful daughter of Baron Mount Temple. She was the heir to a $100 million fortune left by her grandfather, Sir Ernest Cassell, King Edward VII's private banker and confidant. Lord Mountbatten, although not poor, was far from wealthy, and his wife's money allowed them to live handsomely.

After a five-month honeymoon abroad, the couple became the much-photographed, much-written-about leaders of London's bright young set of the 1920's. Their tireless socializing, however, did not divert Lord Mountbatten from his naval career.

He served with the Mediterranean fleet, attended the Signal School at Portsmouth and later taught there from manuals he wrote himself. Operating from Malta, he was signal officer for the Second Destroyer Flotilla. During that tour, he invented an electric stationkeeping device that became standard equipment in the Royal Navy. Known as a "mountbatten," it enabled ships steaming in line to remain a safe distance from each other.

On Malta, he became obsessed with the idea of becoming a fine polo player and, although he was not a born sportsman, learned the game so determinedly that he wrote a

book about it. Calling the treatise "Introduction to Polo," he published it under the whimsical pseudonym of "Marco."

On duty at the Admiralty in 1937, Lord Mountbatten, against much opposition from officers long entrenched in power, began to push a plan to arm British warships with the Oerlikon-Gauda 20-millimeter machine gun, which could fire a thousand shells a minute. The gun, which was not put in service until 1939, proved during World War II to be the Navy's most effective defense weapon against aerial attack.

HERD FELLOW OFFICERS

In this cause as in others in which he believed, Lord Mountbatten did not hesitate to use his royal connections to get what he wanted. Consequently, he incurred the wrath and dislike of many fellow officers.

In the early months of the war, Captain Mountbatten was in command of a destroyer flotilla, operating from the decks of a trim new destroyer, the H.M.S. Kelly. Years later he called it "the thing I loved best in all my life."

Shortly after he took command, the Kelly was damaged by a mine in the North Sea. After repairs, she took part in the evacuation of Allied forces from Norway and was hit by a torpedo. Repaired again, she was torpedoed in another action. Finally, in the Battle of Crete, a German dive bomber made a direct hit with a 1,000-pound bomb, and the Kelly went down with the loss of half of her crew of 240. Lord Mountbatten and the other survivors spent nearly four hours clinging to wreckage while being strafed by German planes before they were rescued.

In the public eye, Lord Mountbatten was a dashing hero, but in some quarters at the Admiralty he was considered a bit too intrepid for his own good—not to mention the good of his ship and crew. When his friend Noel Coward made a film of the Kelly epic called "In Which We Serve," Lord Mountbatten's critics dubbed it "In Which We Stink."

APPOINTED BY CHURCHILL

However, Lord Mountbatten had the confidence and affection of the man who really counted, Prime Minister Churchill, who in 1941 made him Chief of Combined Operations, the secret task force charged with planning the invasion of Europe.

With his zest for action and armed with the temporary ranks of vice admiral, air marshal and army lieutenant general to allow him to deal with high officers with ease, Lord Mountbatten called in scientific and technological experts from the universities and industry to help devise new weapons and tactics. Several of his own ideas, such as the basic concept of the LST (landing ship tank), were used with great success on D-Day.

Lord Mountbatten was also charged with training commando troops whose mission was to make quick "butcher and bolt" raids on strategic targets in occupied Europe. He directed raids on Vagsoy, Norway, and on St.-Nazaire, Bruneval and Dieppe, France. They resulted in heavy loss of life and questionable gains, and he was severely criticized for them after the war.

A particular disaster was the raid on Dieppe. Not a single main objective was taken, yet casualties among the 6,000 soldiers and commandos were 60 percent. Lord Mountbatten had to assume major responsibility for the debacle.

CHIEF IN SOUTHEAST ASIA

In 1943, Churchill and Roosevelt met at Hyde Park, N.Y., and made a deal; an American would be in command of Operation Overlord, the invasion of northern Europe, and a Briton would be Supreme Allied Commander for Southeast Asia. Roosevelt had met and come to like Lord Mountbatten and was delighted to concur in Churchill's choice of him for the Southeast Asia post.

While the Allies had been concentrating on taking North Africa and Europe, the Japanese had overrun almost all of Southeast Asia and in 1943 were poised to sweep across India to New Delhi. In the spring of 1944, Japan opened the New Delhi offensive, but within a year Lord Mountbatten had halted the drive and struck back with tremendous gains of his own. About 100,000 Japanese were killed, Mandalay was liberated, the Burma Road reopened and Rangoon captured to open Burma to seaborne supplies.

Even while setting the foundations for his title, Lord Mountbatten of Burma, he continued to create friction. Generals and admirals under his command resented the fact that even in wartime he maintained, in New Delhi, a lavish headquarters and a staff of 3,000, including a personal band of 30 musicians. At the same time his detractors noted, Lord Mountbatten made forays into the jungles to give pep talks to his weary troops, a practice the critics found hypocritical.

STILWELL'S COMMENTS

One of his chief antagonists was the American who served as his deputy commander, Lieut. Gen. Joseph W. Stilwell, widely known as Vinegar Joe, a sobriquet richly earned and maintained. To his face he called Lord Mountbatten "Limey Louis," while behind his back he was "Glamour Boy," "a welcher," "a loathsome limey" and "Curly Lashes." Toward the end of the war, however, Stilwell warmed somewhat toward Lord Mountbatten.

Throughout the war, Lord Mountbatten's wife worked tirelessly for the welfare of the wounded, repatriated prisoners of war and the families of servicemen. She joined her husband in Southeast Asia as the war ended to direct aid to former prisoners and civilians who had been interned by the Japanese.

"The fabulous Mountbattens," as the popular press called them, were seen in action to their greatest advantage in the closing phases of British rule on the subcontinent.

Acclaimed as a hero on his return to England in 1946, Lord Mountbatten was persuaded by Clement Attlee, the Labor Prime Minister, to become the last Viceroy to India and to preside over the liquidation of British rule there, bringing political independence and self-determination to the 450 million people of the subcontinent.

Britain, spent by war and no longer able to rule India, was sitting on a powderkeg. The Hindus were striving for sovereignty and the Moslems were bitterly demanding a separate state. Lord Mountbatten arrived in New Delhi on March 22, 1947, determined that the British Raj would end within a year and without religious and communal war.

Lord Mountbattan proved to be a nimble negotiator, extracting agreements from Hindus and Moslems to form an interim joint government pending partition of the subcontinent into the states of Moslem Pakistan and Hindu India. Both Lord and Lady Mountbatten cultivated the friendship of Moslems and Hindus, a new pattern of social behavior for a viceroy and his wife. Indians who had once languished in the viceroy's jails were invited to parties at Government House.

Independence for India and Pakistan came on Aug. 15, 1947, only 145 days after Lord Mountbatten's arrival. Immediately afterward, many thousands died in rioting. By November, Lady Mountbatten was directing relief work for more than a million Moslems, Hindus and Sikhs who had fled their homes after the new boundaries had been set.

It was chaotic, but the Labor Government in London expressed its full confidence in Lord Mountbatten, maintaining that had he not acted as he did to relinquish British power quickly, the consequences would have been even bloodier.

As for the Conservatives back home, many considered Lord Mountbatten a traitor to his class and country for having "presided over the dissolution of the British Empire." Among his critics was his old friend and mentor, Churchill.

FIRST GOVERNOR GENERAL

Lord Mountbatten became India's first Governor General, and he served in that post until June 1948, when he returned to Britain determined to resume his naval career.

As Earl Mountbatten of Burma, a title created in 1947 to supersede that of Viscount Mountbatten of Burma, created a year earlier, he went back to sea a rear admiral in October 1948. A year later he became a vice admiral and served successively as Fourth Sea Lord, commander of the Mediterranean fleet and Commander in Chief, Allied Forces, or NATO, in the Mediterranean.

Churchill, whose Conservative Party regained power in 1951, apparently forgave Lord Mountbatten for his role in India's independence because in 1955 he decided that it was time Lord Mountbatten achieved his lifelong ambition. He appointed him First Sea Lord, the position Lord Mountbatten's father had had to give up 41 years earlier.

As head of the Royal Navy, Admiral of the Fleet Mountbatten pushed ahead its modernization, introducing guided-missile ships, aircraft carrier task forces and nuclear submarines.

CHIEF OF DEFENSE STAFF

In 1959 he became the first Chief of the Defense Staff, fostering the plan for a unified defense system and administration similar to the United States Department of Defense. In unifying command of the British defense forces, he met opposition from admirals and generals who resisted change, but he won.

Countess Mountbatten died in 1960 during a welfare tour in North Borneo. In accordance with her will, she was buried at sea off Portsmouth as a gesture of affection for her seafaring husband.

Lord Mountbatten, who retired in 1965 but from time to time served his Government as a good-will ambassador and chairman of various commissions, continued to live at their London home, at Broadlands in Hampshire and at Castle Classiebawn in Ireland, one of the Countess's inherited residences. He liked to romp at Classiebawn with his grandchildren, the offspring of the Mountbattens' two daughters, Patricia, who was married to the seventh Baron Brabourne, and Pamela, wife of David Hicks, an interior decorator. Lord and Lady Brabourne and their twin sons, Timothy and Nicholas, were aboard the boat on which Lord Mountbatten was killed. Nicholas and a friend, also aboard, were killed in the explosion and the others and Lord Brabourne's mother were injured.

He remained a close confidant of his nephew, Philip, son of his sister Alice and Prince Andrew of Greece. In 1947 Philip married Princess Elizabeth, who became Queen Elizabeth II in 1952. Lord Mountbatten was a naval aide de camp to the Queen, as he had been to her father, King George VI, and to her uncle, the former King Edward VIII.●

WILL SALT II BRING ARMS CONTROL?

● Mr. McGOVERN. Mr. President, the second phase of the SALT hearings opens today in the Committee on Foreign Relations. A recent article in the F.A.S. Public Interest Report, a publication of the Federation of American Scientists, examines the outcome of the first phase of hearings from July and finds that the SALT II Agreement is being denuded of arms control benefits. I share many of the concerns raised in this article. Since it will help us focus

attention on some of the major problems of arms control ratification, I submit the article for my colleagues.

The text of the article follows:

SALT II AGREEMENT BEING DENUDED OF ARMS CONTROL BENEFITS

As the first three weeks of SALT hearings ended, traditional arms control supporters were being whiplashed beyond any anticipation.

We had, of course, anticipated that the treaty would be only a shell of high limitations under which forces would continue to increase in destructiveness and effectiveness. Under less embattled circumstances, arms controllers would have been virtually unanimous in denouncing it as wholly inadequate, if not simply a sham, and, at the very least, would have demanded the firmest commitments as to follow-on progress. Under the circumstances, many put on, instead, what *Bulletin of the Atomic Scientists* Editor Bernard Feld called a "brave front."

PREMATURE DECISION ON MX

The next price to be exacted was the pressure to make a technologically premature decision on MX. This multibillion dollar missile system has arms race implications and costs that, in strategic terms, clearly exceed those of the treaty itself. Testimony by Secretary Brown revealed that the President himself reassured the Secretary of Defense not to worry, that some suitable basing scheme would be found, and hence that it would be all right for the President to announce MX would go forward in advance of the June SALT summit. The Department of Defense is scrambling now to confirm the President's projection, with a design scheme due for August. Never has a major weapon system been so tangibly encouraged by a SALT treaty.

Nevertheless, dismay in the arms control community, used as it is to losing, was muted by two disparate perceptions. In the first place, it was generally assumed that, in the absence of the treaty, MX authorization might be quite as inevitable. Further, it was widely believed that MX might well fall of its own weight, notwithstanding what commitments were made early when its basing problems became clear in subsequent years.

CONVENTIONAL FORCES ENCOURAGED

Once MX commitments seemed assured, however, Senate attention turned to the beefing up of conventional forces. Senator Sam Nunn, followed by General Alexander Haig, made a commitment to the treaty contingent on major increases in NATO spending on NATO theater weapons. The four or five percent real growth in our defense budget desired by Senator Nunn could cost several billion dollars in real dollars and more than 15 percent increases in current dollars at current rates of inflation.

The week after this revelation, Henry Kissinger not only reinforced these complaints but argued, among other things, for, direct—and even periodic renewal of—linkage of the world political situation to SALT. Under his scheme, the Senate would review every two years whether it believed that the Soviets were acting in a fashion consistent with SALT. And this process of linkage would be begun in an initial Senate resolution explaining what the Senate would, and would not, tolerate. Thus was the link between SALT and detente—a traditional concern of disarmament supporters—also held ransom.

The only silver lining in this matter was a development looked on with great suspicion by the disarmament community—the rising proclivity of its traditional Senate opponents to adopt a rhetoric supporting an end to the arms race, and deep reductions. Senators Helms and Garn, following in the footsteps of Senator Henry Jackson, who had for some years been putting forward disarmament proposals, were arguing that the treaty should be recommitted with a view to urging reductions.

While most saw in this maneuver simple hypocrisy, a few saw in it the emergence of a national consensus in favor of arms reductions. Discontinued sincerity as of limited relevance in political affairs, they seized upon this development to urge consensual support for a resolution shaping the future of SALT toward sharp reductions. Without such consensus, no reductions would occur in any case. Senator George McGovern championed this approach. SALT was being made safe for MX, for NATO, for linkage; would it be made safe for SALT?

SOVIET UNEASE PROJECTED

There were some straws in the wind to be reflected upon. The Soviet Union's Politburo, seeing the shift in tide in U.S. thinking, must be concerned. The U.S. hare was about to bolt ahead of the tortoise again, as after Sputnik in the arms race and in the space race. Would the post-Brezhnev Politburo take an approach more forthcoming than heretofore? One could hope for a discontinuity in Soviet practices.

On the Carter Administration side of the equation, one could expect renewed determination to try to get sharp reductions. There were indications that the President himself was strongly in favor of them and sympathetic to the method of percentage reductions. (See January *PIR*.)

And there was, of course, the fact that, ratified or not, the SALT II structure of definitions and limits existed, to which one could apply percentages to try to secure reductions.

But there was not much more to point to. It seems evident that the SALT ratification process will always be, as Kissinger put it, "an opportunity to address problems which should be addressed anyway." Unfortunately, it provides the opportunity in a context in which one third of the Senate can hold the treaty hostage. The gimlet-eyed scrutiny by the Senate of a treaty so easy to veto will always make treaties expensive.●

SEVEN-PERCENT SOLUTION

● Mr. STEVENS. Mr. President, I am pleased to learn of the President's decision to recommend to Congress that Federal employees be given a 7 percent pay raise beginning October 1. I am especially pleased to note that the President did provide a 7 percent increase rather than the 5.5 percent increase which was believed would be the President's recommendation. However, it is widely known that in order for Federal employees' salaries to be comparable to private industry, they should receive a 10.4 percent increase. A 10.4 percent increase would be consistent with the Federal Pay Comparability Act of 1970. I hope that we can get back to the concept embodied in that act and start paying Federal employees comparable wages to that paid in private industry. Mr. President, recently the Washington Post editorialized on this subject. I believe the editorial makes a couple of cogent points which I hope my colleagues will consider when we debate proposals dealing with Federal employees' salaries and fringe benefits. Mr. President, I ask to print at the end of my remarks the editorial from the Washington Post of September 4, 1979, entitled "Seven-Percent Solution."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SEVEN-PERCENT SOLUTION

There is a large acknowledgment of failure in President Carter's decision to raise Federal pay 7 percent instead of 5.5 percent next month. The failure is, of course, the administration's inability to bring inflation down. When 7 percent was still a reasonable guideline for wage and price hikes in the private sector, holding federal raises to 5.5 percent made sense as a good example and a slightly deflationary step. Now, with inflation rocketing ahead, keeping pace with the private sector—as measured by comparability formulas—would require raises of about 10.4 percent. Thus Mr. Carter has been pushed to a higher middle ground between that form of indexing and stinginess.

Assuming that Congress goes along, which seems likely, this will be the second straight year that general federal increases have been held down. The cumulative loss of buying power is going to cause some pain, especially for workers in lower brackets. Yes, federal employment does offer special compensations, such as job security and excellent fringe benefits. But those are not much solace at the grocery store. Unfortunately, the current pay-adjustment law makes it hard to give larger increases to those in lower-paid jobs or higher-cost areas. This is one more reason for overhauling the salary system, as the administration has proposed.

Congress is apparently not about to tackle the whole federal pay system this year. But there is one aspect that the lawmakers will have to take up, however reluctantly, this month. That is the always-prickly problem of their own pay and the top-level executive salaries that are tied to it. Those salaries have been frozen since February 1977. If Congress does nothing, the annual-adjustment system will provide two raises in October—this year's 7 percent, plus the 5.5 percent increase that was deferred a year ago. That would be too much. So far, though, the legislators have been unable to agree on a more seemly figure. When the House tried in June, it wound up in a general snarl and the subject was shelved.

How much should Congress give itself? There is no magic point at which fairness and political comfort balance out. The more important question is whether Congress will be able to look beyond its own pay problems and grant some relief for the thousands of federal executives whose salaries are being held down. Many of them have had no increase for 2½ years. Moreover, each general raise in the federal scales pushes more people against the ceiling, causing more inequities. At a time of so much emphasis on improving federal management, Congress should treat the top federal managers more reasonably.●

DEATH OF JOHN L. McMILLAN

● Mr. HOLLINGS. Mr. President, on Labor Day one of South Carolina's greatest public servants passed away. John L. McMillan served both his district and his Nation well during a career spanning 34 years.

An all-Southern Conference football star in college, John McMillan had politics in his blood. After attending the University of South Carolina Law School, he came to Washington as secretary to Congressman Allard Gasque, beginning a public life that saw him become one of the most influential men in Washington.

Upon Gasque's death in 1938, "Johnny Mac" entered and won the Democratic primary and the general election for the Sixth Congressional District seat. For the next 34 years, John McMillan represented the people of the district, holding the seat longer than any other person in history.

No one knew the problems of the farmers better than John McMillan. And no one worked harder in Washington to bring about some solutions. As a ranking member of the House Agriculture Committee and its Tobacco Subcommittee, he took the hearings out of Washington and brought them down to the district so his constituents could add their voice to the decisionmaking process. His door was always open and his word was good.

During the years, he rose to the chairmanship of the House District of Columbia Committee, a position that earned him the title of "unofficial mayor of Washington."

He oversaw the rapid growth of Washington during the years following World War II and guided the day-to-day operations of the Nation's Capital. In that capacity, he was one of the most influential men in Washington for over two decades.

I was most proud to be a participant in the groundbreaking ceremonies 5 years ago for the John L. McMillan Federal Building in Florence, S.C. No finer tribute could be paid my friend. It will stand as an everlasting reminder of his service and dedication to the people of the Sixth District.

South Carolina has lost a dedicated and able public servant. I have lost a dear and old friend.●

CHARITABLE CONTRIBUTIONS BILL ENDORSED BY COMMUNICATIONS WORKERS OF AMERICA

● Mr. PACKWOOD. Mr. President, today I am delighted to announce the endorsement of the Communications Workers of America for S. 219, the Packwood-Moynihan charitable contributions bill. This bill would permit all taxpayers making charitable contributions to deduct those contributions on their Federal income tax returns, whether or not they "itemize" their other deductions.

This bill is vital to nonprofit organizations to assist the important accomplishments and advances that have been made and will be made in many areas of endeavor, including education, the arts, health, civil rights, womens' rights, and a wide variety of other community needs. Encouragement of charitable giving will help encourage support for these organizations that give us so many services.

I appreciate the endorsement of S. 219 by the Communications Workers of America. This is an important step forward in encouraging the passage of this legislation.

I ask that the endorsement letter and policy resolution by the Communications Workers of America be printed in the RECORD.

The material follows:

COMMUNICATIONS WORKERS OF AMERICA,
Washington, D.C., August 29, 1979.

Hon. BOB PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: The 41st Annual Convention of this Union, on July 18, 1979, adopted a policy resolution, "Deductions for Charitable Contributions," supporting an income tax treatment proposal of which you are a key sponsor.

For your information and use, I am enclosing a copy of the resolution.

With all good wishes, I am,

Sincerely yours,

GLENN E. WATTS,
President.

DEDUCTIONS FOR CHARITABLE CONTRIBUTIONS

More than any other nation, the United States always has relied heavily on voluntary organizations to help meet community needs. The non-profit segment of the private sector reaches into almost every field of human interest supporting a wide variety of institutions, including symphonies, museums, libraries, religious organizations, health clinics and hospitals, colleges and universities, civic and social service organizations such as United Way, Salvation Army, 4-H Clubs, day care centers, half-way houses and cooperatives. Taken together, these groups constitute an indispensable part of American life.

Today, as Federal, State and local governments are being pressed to cut back on public dollars for social services, education and the arts, Americans are being pressed to turn more to the private sector for assistance.

Unfortunately, philanthropy—the private giving of time, money and effort—has declined in recent years. Voluntary organizations of all kinds are experiencing difficulties in keeping up with inflation and maintaining their services. A major reason cited for the decline in charitable giving has been the drive toward tax simplification. During the last nine years, this trend has provided welcome relief for low-income Americans and easier tax return filing, in the "short form" 1040A. However, these tax code changes inadvertently created some disincentives to charitable giving by low- and moderate-income families. Increases in the standard deduction have had the effect of reducing the number of taxpayers electing to itemize deductions. Since the charitable contributions deduction is only available to itemizers, these changes eliminate the tax incentive to give from an estimated 80 percent of taxpayers.

In order to help the voluntary-giving sector, four Members of Congress are sponsoring legislation to allow all taxpayers to deduct charitable gifts from their taxable incomes whether or not other deductions are itemized. This legislation, offered in the 95th Congress and reintroduced in the 96th, is sponsored by Representatives Joseph L. Fisher of Virginia and Barber B. Conable of New York and Senators Daniel P. Moynihan of New York and Bob Packwood of Oregon. Their bipartisan effort received considerable support in committee in the last Congress, with help from the voluntary sector. However, the proposed charitable giving provisions were struck from the 1978 Revenue Act, in part due to the Congressional budget process. These members are continuing their efforts in the 96th Congress, with a new emphasis on tax relief for Americans of moderate incomes.

Resolved: That this 41st Annual Convention of the Communications Workers of America support the Fisher-Conable-Moynihan-Packwood proposal to allow itemization of charitable deductions for all taxpayers, whether they use the short or long form tax return.●

CONGRESSMAN JOHN BRADEMAS AWARDED HONORARY DEGREE BY INDIANA STATE UNIVERSITY

● Mr. BAYH. Mr. President, the distinguished majority whip of the House of Representatives, my friend and colleague from Indiana, the Honorable JOHN BRADEMAS, was recently awarded the honorary degree of doctor of civil law by Indiana State University in Terre Haute.

Mr. BRADEMAS also delivered the commencement address on this occasion.

Mr. President, Congressman BRADEMAS was presented for the honorary degree by a constituent of his and mine, a distinguished attorney from Goshen, Ind., and president of the board of trustees of Indiana State University, Charles W. Ainlay.

The degree was conferred by Richard G. Landini, president of Indiana State University.

Mr. President, I submit for the RECORD the statements of Mr. Ainlay and President Landini.

JOHN BRADEMAS

Mr. President, it is an honor to present John Brademas, the distinguished Representative of the Third District of Indiana, and Majority Whip of the United States House of Representatives.

A native of Mishawaka, Indiana, also my hometown, he is a 1945 graduate of South Bend Central High School. After service in the Navy, he was a Veterans National Scholar at Harvard University, where he earned the Bachelor of Arts degree, magna cum laude, and was elected to Phi Beta Kappa. He was awarded a Rhodes Scholarship for study at Oxford University, where he earned the Doctor of Philosophy degree in Social Studies, in 1954.

He served as an Executive Assistant to Adlai Stevenson from 1955 until 1956 and was in charge of research issues for the first months of Mr. Stevenson's 1956 Presidential campaign. Prior to his election to Congress in 1958, he was an assistant professor of political science at Saint Mary's College, South Bend, Indiana.

Mr. Brademas was Chief-Deputy-Majority Whip for four years before being appointed Whip for the 95th Congress. He was reappointed for a second term at the beginning of the 96th Congress. As third-ranking member of the Majority Leadership, he serves as assistant Majority floor leader.

He is a member of the Education and Labor Committee and its Subcommittees on Post Secondary Education and Select Education. He is a member of the House Administration Committee and is Chairman of its Subcommittee on Accounts. He is a member of the Joint Committee on the Library of Congress.

During his 20 years of service on the Education and Labor Committee, he has had a principal role in writing major legislation on elementary and secondary education, higher education, vocational education, services for the elderly and handicapped, and Federal support for libraries, museums, and the arts and humanities.

He is chief architect of the National Institute of Education, the principal Federal Agency supporting research in education. He was a major sponsor of the Omnibus Education Act of 1972 and the Higher Education Amendments of 1976.

Mr. Brademas was principal author of major provisions of the 1974 and 1976 Federal Election Campaign Act and was cited by Common Cause for his role in reestablishing the Federal Election Commission in 1976. He is also a skillful political campaigner, as I can attest to from personal experience.

A former member of the Board of Overseers of Harvard, Mr. Brademas serves on the Overseers' Committee to visit the Graduate School of Education. He is a member of the

Advisory Council to the College of Arts and Letters at the University of Notre Dame, and he serves on the boards of the Church Society for College Work and the Woodrow Wilson International Center for Scholars. He is also a member of the Central Committee of the World Council of Churches, and he was a delegate from the United Methodist Church to the Fifth Assembly of the World Council in Nairobi, in 1975.

He has been elected a Fellow of the American Academy of Arts and Sciences. In 1978, he received the annual Award for Distinguished Service of the Arts of the American Academy and Institute of Arts and Letters.

In 1975, he was cited as one of the nation's most influential leaders in higher education. The New York Times described him in 1977 as "Congress' most articulate and effective spokesman for aid to culture."

Mr. President, I am pleased to present John Brademas for the honorary degree, Doctor of Civil Law, honoris causa.

JOHN BRADEMAS

(Conferral statement by Richard G. Landini, President, Indiana State University, May 13, 1979)

John Brademas, distinguished statesman, scholar, and friend of education, and ardent advocate of the arts and humanities, in recognition of your long and successful support for education, the arts and humanities, and the common good of our great nation, by the authority vested in me by the Board of Trustees, I hereby confer upon you the degree, Doctor of Civil Law, honoris causa, with all the rights and privileges thereto appertaining, hand you this diploma in testimony thereof, and present to you the academic hood appropriate to that degree.●

SALT II TREATY

● Mr. JAVITS. Mr. President, as we begin our postrecess consideration of the SALT II Treaty, I commend to your attention a recent analysis of the issues involved written by Arthur B. Krim, a member of the General Advisory Committee on Arms Control and Disarmament and a leading New York lawyer. The article appeared recently in the New York Times.

The beauty of the analysis is in its simplicity—its willingness, in the author's words, to "cut through" the fog and the maze to "the bottom line"—the layman's view of SALT II. In the author's view, and in my mind, our decision turns on essentially two issues:

One, is ratification of the SALT II Treaty in our national interest or not. As Mr. Krim puts it, "Which of (our) objections to the terms of SALT II would be satisfied or alleviated by repudiation of the treaty?"; and

Two, what can we propose to do "to enhance our security that cannot be done under SALT II?"

On the first issue Mr. Krim concludes that the "principal arguments against the treaty would actually in most instances be exacerbated if the treaty were not to be ratified."

As to the second, Mr. Krim argues that—

Whatever is being credibly proposed to improve our security or the security of our allies involves questions for broad national debate that are not inhibited by SALT II.

Mr. Krim has made a valuable contribution to the national debate on SALT II by providing in terms simply understood the pivotal issues for consideration.

I recommend highly the reading of Mr. Krim's article to my colleagues and I ask that it be printed in the RECORD at the conclusion of my remarks.

The article follows:

[From the New York Times, Aug. 21, 1979]

TWO QUESTIONS ON SALT

(By Arthur B. Krim)

To those millions of Americans to whom evaluation of the strategic-arms treaty has become lost in technicalities and conflicting generalities, I suggest that you ask your Senators two basic questions. You will be amazed by the extent to which the answers will cut through to the bottom line, not only for yourself, but also for your Senators as they approach their own moment of truth in making one of the most crucial decisions in our country's life.

1: *Which of your objections to the terms of SALT II would be satisfied or alleviated by a repudiation of the treaty?*

The fact is that the principal arguments against the treaty would actually in most instances be exacerbated if the treaty were not to be ratified.

As an example, take the argument that the treaty allows the Soviet Union the unfair advantage of the 308 heavy missiles now in place. If there were no treaty, this limit would be lifted; even more, the Soviet Union could then arm each of these missiles with up to 30 warheads, instead of the limit of 10 provided by the treaty, an overall potential increase of 6,000 warheads or more, which would otherwise be prohibited under SALT II.

Or take the argument that the Soviet Backfire bomber is not counted within the treaty ceiling. If there were no treaty, the Soviet Union could increase the range of the Backfire and its production rate without limits. Instead, in assurances that are integral to the treaty, the Soviet Union has specifically agreed to restrict the capacity of the Backfire to less than intercontinental range and to limit its production to no more than 30 a year.

Or, take the argument that compliance with the terms of the treaty is not adequately verifiable. If there were no treaty, we would be required to rely entirely on our ability to penetrate what is happening in a closed society in order to know what missiles the Russians were testing or deploying. Instead, under the treaty the Soviet Union is required to take affirmative steps to aid us in monitoring these same developments.

Or, take the argument that our Minutemen missiles will be vulnerable in the early 1980's. No one can argue that this is in any way due to, or caused by, the terms of SALT II. However, any steps to counteract this vulnerability are made much simpler by knowledge under SALT II that the threat to be counteracted comes from a limited and known number of Soviet missiles.

You may be surprised to find that your Senator, if he is opposed to the treaty, may not be able to point to a single substantive objection that would be remedied to any extent by a defeat of ratification.

2: *What do you propose be done to enhance our security that cannot be done under SALT II?*

The fact is that whatever is being credibly proposed to improve our security or the security of our allies involves questions for broad national debate that are not inhibited by SALT II. Should we deploy the MX missile and, if so, how? Should we enlarge our nuclear forces in the European theater?

You may again be surprised to find that our choices on these and the other important issues of security remain the same, SALT II or not. The difference is that under SALT II we can make these choices with greater certainty of the extent of the strategic forces deployed against us.

The argument that SALT II should not be ratified unless and until these choices are made, even though they are unrelated to any SALT II restrictions, in effect says that one-third instead of a majority of our Senators should control our defense decisions.

These two questions recognize that your Senator's decision cannot turn on what an ideal treaty might be but on whether we are better off under the terms of this treaty or by opting for the foreseeable future to go our own way without restraints on either side. If you insist on satisfactory answers, the bottom line becomes clear.●

LAURENCE STERN, PRIZE-WINNING POST EDITOR, DIES AT 50

○ Mr. McGOVERN. Mr. President, I was saddened to learn of the death of Larry Stern. Larry was a man of uncommon ability and sensitivity. His perceptive anal ses will be sorely missed by all of us who sought an intelligent, insightful view of an issue, whether domestic or international. But those of us who were privileged to know him will most of all miss his unique presence. Mr. President, I ask that an article by Richard Harwood that appeared in the Washington Post of August 12, 1979, be printed in the RECORD.

The article follows:

LAURENCE STERN, PRIZE-WINNING POST EDITOR, DIES AT 50

(By Richard Harwood)

Laurence Marcus Stern, reporter, editor and author, died of a probable heart attack yesterday while jogging at Martha's Vineyard, Mass.

He was 50 years old.

Stern, an assistant managing editor of The Washington Post, was vacationing with old friends—Ward Just, John Newhouse, Jonathan Randal and Jim Hoagland. They played tennis yesterday and then Stern and Newhouse went jogging.

As they were running, Stern bent over, grabbed his ankle and said he had been stung by a bee. He collapsed. Newhouse gave mouth-to-mouth resuscitation. It didn't work. Stern was taken to Martha's Vineyard Hospital, but he was dead when he arrived.

Stern had been a writer and editor for The Post since 1952, winning awards and cutting a wide swath in both American and international journalism.

Benjamin Bradlee, executive editor of The Post, issued this statement:

"His paper and his friends will be a long time getting over the loss of Larry Stern. He was a world class journalist. He wrote like a dream, with grace and precision. His commitment to excellence, to his staff, to his friends and to The Washington Post will be an example for all of us."

Stern was a newspaper child. His father, Augustus (Gus) Stern, worked in Washington for many years as a copy editor for various local newspapers, the last being The Post.

Larry Stern followed his father. He served in the Army after World War II and got a taste of journalism working for the military newspaper, The Stars and Stripes.

Thereafter he was educated at the University of Missouri and the New School for Social Research in New York. He worked briefly for the former United States Information Agency and joined The Post in 1952 as a reporter on the metropolitan staff.

He took off in that business like a great running back—national reporter, national editor, foreign correspondent, editor of Style

and, finally, assistant managing editor for national news.

He wrote a much-admired book, "The Wrong Horse," which dealt with the tragedy of Cyprus, and he contributed to several other books. He wrote magazine articles and, even as an editor responsible for a large staff, constantly, looked for opportunities to write. He found them frequently.

Stern had another, informal, function at The Post. He was a bridge between this country and journalists from around the world. They sought him out always—Vietnamese, Englishmen, Frenchmen, Turks, Greeks. That was a tribute to his international understanding and to his personality.

His career had an interesting progression. He won many awards writing about politics and corruption in the Washington metropolitan area. He moved then into the national arena and was singularly successful in dealing with the social and political issues of American life. But in the last years of his life, it was really international questions that absorbed his interest and energies.

He became early in the '70s, The Post's first "Dulles Airport correspondent," available day or night to fly anywhere in the world for the big story. The job took him to Vietnam, Cambodia, and Laos for almost two years, where he observed in combat the collapse of the American effort. He covered the war in Cyprus, reported from the Middle East, from Italy, from London, from Paris, from Greece.

British journalists intrigued him most of all. Among them, his friends were legion. He admired, especially, the Insight team of the Sunday Times of London and set up his own Insight unit at The Post in the late 1960s. There was an "Insight" project at the top of his list when he died yesterday.

Stern, one of his subordinate editors said yesterday, was "something of an enigma. It became something of a newsroom conceit, after Larry had had a dialogue with a colleague, to say, 'I don't know what he said. I don't speak Zen.' This never detracted from the fact that Larry knew exactly what a news article should say and how it should be said."

One reporter on the national staff of The Post who had worked for Stern for several years volunteered this observation:

"When Larry Stern was working on the national staff as a reporter, you could feel the whole atmosphere change. He was a reporter who made a difference—not only because of what he contributed to the paper under his own byline but because of the standard he set for everyone around him. Other reporters found themselves writing with more life and crispness because he was there doing it—pushing the rest of us."

There was a certain disorganization about his life. He made too many luncheon dates on the same day. He loved many women. Budgets never enthralled him. His checkbook was not often tidy. It was a legend at The Post that Stern mumbled ambiguous instructions, might or might not show up for this meeting or that and probably would forget where he had parked his car.

But when it came to the job, to getting things done, he had no superior. He could produce instant and rather profound work—books, newspaper series, essays.

The honors his own profession gave him were impressive—the George Polk Memorial Award, the American Political Science Association Award, the Headliners Club Award, the Newspaper Guild Award, the fellowship of the Carnegie Endowment for International Peace. He was proud, for reasons his friends never knew, of having been one of the inventors of a game called "Influence," a political version of Monopoly.

His children, Catherine O'Brien, Marcus Gunther, and Christopher, shared that pride.

One of Stern's friends responded to his death with a fragment from a poem:

Oh, I have slipped the surly bonds of earth.
And danced the skies on laughter's silvered wings.
Sunward I've climbed and joined the tumbling mirth
Of sunsplit clouds, and done a hundred things you've not dreamed of . . . .
And while with silent, lifting mind I've trod,
The high untrespassed sanctity of space,
Put out my hand and touched the face of God.●

WORLD ADMINISTRATIVE RADIO CONFERENCE

● Mr. GOLDWATER. Mr. President, on several occasions I have addressed the Senate on the World Administrative Radio Conference (WARC) to be convened in Geneva, Switzerland, on September 24, 1979. The decision made at WARC must be ratified by the Senate.

In addition to the study done by the Congressional Research Service, which was included in the RECORD on July 12, 1979, the Committee on Commerce, Science and Transportation contracted with Arthur D. Little, Inc. (ADL) for further assistance in analyzing the prospects for U.S. proposals at WARC.

That report is now available and I request that it be printed in the RECORD following my remarks. Unfortunately, it confirms my fears that the United States is going to have a difficult time at the conference and our future national telecommunications needs may suffer as a result.

I am hopeful that the U.S. delegation at WARC is fully prepared for the opposition that some of our proposals will encounter.

The report follows:

AN ANALYSIS OF PROBABLE WORLDWIDE REACTIONS TO UNITED STATES PROPOSALS TO THE 1979 WORLD ADMINISTRATIVE RADIO CONFERENCE

I. BACKGROUND

During early July of 1979 the Minority Staff of the Subcommittee on Communications of the Senate Committee on Commerce, Science and Transportation contacted Arthur D. Little, Inc. (ADL) expressing concerns regarding United States preparations for the World Administrative Radio Conference to be convened at ITU Headquarters in Geneva, Switzerland for a period of ten weeks commencing on September 24, 1979.

In these early discussions, it was indicated to ADL that there is a need to identify those key WARC-79 issues where U.S. proposals for international radio frequency reallocation may encounter difficulty at the Conference and where it may be desirable for the U.S. delegation to prepare alternate proposals or back-up negotiating positions.

ADL assistance was requested in identifying those U.S. proposals for frequency reassignment where significant opposition to the U.S. position might be expected from other areas of the world so that the Senate could recommend additional preparatory work by the U.S. delegation and its advisors prior to the delegation's departure for WARC and the commencement of technical working group sessions. To this end, the Committee entered into a contract with ADL on July 15, 1979. This report represents the results of our analysis on the matter.

It should be pointed out that ADL's assignment on this task was merely to identify the likely positions to be taken by other countries, or regions, on these key issues and to indicate the reasons for which those positions might be taken. It was considered beyond the scope of the project for ADL to evaluate on a technical basis the U.S. proposals or to recommend alternate proposals and possible back-up negotiating strategies. However, in the course of our deliberations, a few alternate approaches on some of the individual issues were developed and, where appropriate, they will be suggested in our report for consideration by the Committee.

II. APPROACH

Due to the limited budget and time available to perform this analysis it was decided, in concurrence with the Sub-committee staff, to limit the evaluation to ten major issue "areas," specifically those which are generally regarded as the most controversial and those which could have significant impact—favorable or unfavorable—on the U.S. radio communication industry and on users of radio communications services in the U.S. Although we actually considered 14 issues, four of these are highly related in that they deal with the proposed allocation of HF channels to Amateur Radio services.

To assist in our selection of the key issues to be evaluated, the ADL study team reviewed four pieces of government-furnished documentation:

1. The Final Report and Order on FCC Docket 20271 in the matter of "An Inquiry relative to preparation for a General World Administrative Radio Conference of the International Telecommunications Union to consider revision of the International Radio Regulations" adopted December 5, 1978 and released December 28, 1978.

2. Official U.S. Proposals to the ITU World Administrative Radio Conference (Geneva, 1979) dated 31 January 1979, Documents No. 40-E through 50-E.

3. Congressional Research Service Study "The World Administrative Radio Conference of 1979: U.S. Preparations and Prospects" forwarded to Senators Barry Goldwater and Harrison Schmitt by Library of Congress CRS letter of June 29, 1979.

4. U.S. State Department Correspondence and Enclosure forwarded to Senator Barry Goldwater on February 13, 1979 by Douglas J. Bennett, Jr. Assistant Secretary for Congressional Relations.

Following this review and the selection of ten (10) key issue areas, they were reviewed with the Sub-Committee staff for concurrence.

Thereafter, we drew upon the personal experience of four key ADL industry experts, who have carried out recent in-country interview research in the leading telecommunications countries of the world, to portray the likely positions that would be taken by these nations on the selected issues and to identify the principal reasons why such positions would be taken. We also carried out a program of literature research to obtain position statements on WARC-79 that had been presented publicly by telecommunications officials of some of the leading countries that will be most active in WARC-79 negotiations. At the outset of this evaluation, it was decided that the ADL study team would not interview conference delegates or other parties involved in preparations for WARC—except to raise questions of a clarifying or procedural nature—in order to provide a completely objective, detached analysis.

In our joint working sessions within ADL, we then drew conclusions as to which issues were likely to be approved by WARC and which were likely to be disapproved by WARC and for which other alternate proposals would be offered by opposing, sponsoring nations.

The selection of individual countries for this evaluation was based on direct prior knowledge by members of the ADL team and our perception of those countries as leaders or "chief influencers" at the Conference. The remaining nations of the world were considered in groups on a regional basis. Table 1 presents a list of the countries and regional areas evaluated by ADL in this analysis.

TABLE 1.—Countries, regions evaluated by ADL for WARC-79 analysis

Canada, Brazil, Andean countries, other Latin America, United Kingdom, Germany, France, other Western Europe, USSR and Eastern Bloc countries, Africa, Saudi Arabia, Egypt, other Middle Eastern countries, India, PRC, South Asia (inc. Australia, Micronesia), Japan.

III. KEY ISSUES ON U.S. PROPOSALS TO WARC-79

From our review of the documentation provided to us by the Sub-Committee Staff and our evaluation of the U.S. proposals to WARC, the ADL study team has concluded that the following fourteen (14) issues will be the more controversial and the outcome of these will have significant impact on the U.S. radio communications industry and U.S. radio operations of all kinds.

1. The proposed sharing of HF Shortwave Broadcast services with Fixed HF services at frequencies that are presently assigned exclusively to Fixed HF service.

2. A proposed increase in exclusive Amateur Radio service allocations at frequencies currently shared with Fixed Mobile and Radionavigation HF services.

3. A proposed increase in the exclusive Amateur Radio Service allocation between 3.5–3.9 MHz (the so-called 80-meter band) in Region 2, contrasted to the current situation wherein the 3.5–4.0 MHz band is shared with Fixed Radio services.

4. A proposed reassignment of 100 KHz of spectrum each in the 10, 18, and 25 MHz bands to Amateur Radio service from Fixed and Mobile services.

5. The proposed exclusive assignment to Amateur Radio services in Regions 1 and 3 from 7.1–7.25 MHz to bring those regions into alignment with Region 2.

6. The proposed reassignment of various frequencies in the 3–27.5 MHz band from HF Fixed services to HF International Broadcast services.

7. The proposed splitting of the 4.438–4.650 MHz band between HF Maritime services (4.38–4.5 MHz) and HF Fixed and Mobile services (4.5–4.65 MHz) contrasted to the current situation wherein the lower half of this band is shared among the three services.

8. The proposed sharing of the VHF–UHF spectrum between 470–890 MHz in Region 2 among Broadcast and Land Mobile services compared to the current situation wherein this frequency range (with the exception of 608–614 MHz assigned to Radio Astronomy) is assigned to Broadcasting on a primary basis.

9. The proposed reallocation to Fixed Satellite services on a primary basis from Fixed Point-to-Point services of selected frequencies in the 2, 3 and 6 GHz bands as follows:

1.850–2.250 GHz Satellite Down-Links.
3.400–3.700 GHz Satellite Down-Links.
6.425–7.115 GHz Satellite Up-Links.

10. The proposed splitting in Region 3 of the 12.5–13.25 GHz band between Fixed Satellite and Broadcast Satellite services, contrasted to the current allocation wherein this band is shared by Fixed Satellite and Mobile services.

11. The proposed new allocation to Mobile Satellite services of frequencies in the 7–8 GHz, 20.2–21.2 GHz and 30–31 GHz bands.

12. The proposed assignment of selected SHF–EHF channels for use in earth-sensing and space research applications.

13. The proposed assignment of frequencies above 30 GHz to advanced and experimental radio services.

14. The proposed assignment of a channel in the 2.45 GHz band for future Solar Power Satellite applications.

IV. DISCUSSION OF 14 KEY WARC-79 ISSUES

On the following pages each of the fourteen (14) key issues identified earlier in this report will be discussed individually. In each case, we briefly describe the U.S. proposal, comment on the major technical or political forces that are likely to affect the outcome of the proposal, indicate the probable outcome on a country-by-country or region-by-region basis giving the reasons for the expected positions to be taken by each, and estimate the probable outcome of each in the WARC-79 technical working groups, in the technical committees or in the plenary sessions where final votes on each matter will be cast.

While this analysis does not predict hard-and-fast results, it does attempt to make reasonable estimates of the positions to be taken by other members of ITU on these matters, based on our experience with those countries and regions and our understanding of their attitudes, priorities and uses of radio services.

In the Appendix to this report, a summary table is prepared indicating our expectations of the voting outcome on each of the fourteen issues in question.

In summary, it appears that the U.S. will see favorable action on five of the issues:

The split of HF frequencies between Fixed HF service and HF Maritime service,

The sharing of the VHF–UHF spectrum between 470–890 MHz by Broadcast and Land Mobile service,

The allocation for mobile satellite services,

The allocation of SHF–EHF channels for passive earth-sensing and space research, and

The allocation of channels above 30 GHz for advanced and experimental services.

Issue No. 1

Description

The sharing of HF channels by Fixed HF Services and HF Shortwave Broadcast services contrasted to the current exclusive assignment to Fixed HF at the following frequencies: 5900–5950 KHz, 7300–7350 KHz, 9375–9500 KHz, and 9775–9825 KHz.

Comment

It is likely that this proposal will be supported only by nations using extensive HF broadcast service or countries having manufacturers of HF broadcast equipment.

This proposal will receive opposition from both developed and developing countries wanting to protect in-country fixed HF services.

Some third world countries may oppose this proposal on "political" grounds, viewing it as a frequency-grab by the U.S.

Probable Outcome

It appears likely that both Eastern and Western Europe countries will oppose this proposal with the possible exception of the U.K.

Most Latin America countries will probably oppose this proposal on the grounds that there are an adequate number of HF broadcast channels presently available and because they will want to protect fixed HF allocations.

All African countries will very likely oppose this item to protect fixed HF service allocations due to their heavy commitment to these services.

Middle Eastern Countries may not see a need for additional HF broadcast channels and could remain neutral on this issue.

All South Asia countries (including India) will not see a need for additional HF broadcast channels and will very likely join others in opposing this proposal on these grounds.

Canada will probably support this proposal on the grounds that it will obviate the need for out-of-band operation. They will also support the proposed power limitations and recommendations for conversion to single sideband (SSB).

The P.R.C. would probably view this proposal as a "frequency grab" by the U.S. and, on the grounds that they have relatively modest HF broadcast requirements, and have extensive Fixed HF networks, will undoubtedly oppose this proposal.

Conclusion

It appears that this proposal will receive very little support from within Region 2 or other parts of the world and will very likely not prevail at WARC-79.

Issue No. 2

Description

Increase in exclusive allocations for Amateur Service as opposed to the current situation wherein Amateur Service shares spectrum with Fixed HF, Mobile HF and Radio navigation services.

This particularly applies in the 1860–1900 KHz region where Amateur service now shares 1860–2000 KHz with Fixed service, Mobile and Radionavigation.

Comment

We should recognize that Amateur Service is not allowed in many authoritarian countries, many of which also have strong vested interests in HF fixed service.

The 1800–2000 KHz band is not currently congested with Amateur requirements outside the U.S.

Opponents will argue that Amateurs are receiving adequate uncontested spectrum above 30 MHz.

This proposal may be viewed as buttressing the MF AM broadcast proposal by the U.S. as a means to develop support from countries sympathetic to that requirement.

Probable Outcome

Support can be expected from Canada, Japan, U.K., Brazil and India.

Opposition can be expected from the rest of the world except Western Europe.

Western European countries will very likely be neutral on this issue.

Conclusion

This proposal will very likely be defeated because of insufficient demand for Amateur service outside the U.S. and because a very large majority of the ITU member countries will want to protect Fixed HF/MF service allocations. The sheer number of opposition votes will affect the outcome of this matter.

Issue No. 3

Description

Increase in the exclusive HF Amateur allocation between 3.5–3.9 MHz (the so-called 80 meter band) in Region 2 contrasted to the present situation wherein the 3.5–4.0 MHz band is shared by Amateur, Fixed and Mobile services.

Comment

Although this is only a Region 2 issue, other regions will be concerned due to the precedence aspects of this matter.

Amateur service is not allowed in some authoritarian, Region 2 countries.

Demand for Amateur Service in this spectrum area is not heavy in Region 2 outside of North America.

Many developing Latin America countries will want to protect allocations for Fixed and Mobile services at this frequency.

Probable Outcome

In Region 2, there will probably be support from Canada and Brazil.

Mexico will probably oppose this proposal due to its heavy commitment to Fixed HF service in its infrastructure.

The Andean countries and remainder of Latin America will very likely oppose this proposal.

The remainder of the developed free-world countries will probably remain neutral on this issue.

The communist countries and developing countries of Africa and South Asia will very likely register opposition to this proposal.

Conclusion

Because of the sheer number of opposition votes in Region 3 and in the remainder of the world and because of our inability to muster strong support from otherwise neutral countries, it appears that this proposal will be defeated at WARC.

Issue No. 4

Description

Reassignment of 100 KHz in spectrum from Fixed and Mobile Services in the 10, 18 and 25 MHz bands to Amateur Services.

Comment

This assignment of spectrum to Amateur Radio services will very likely be opposed by both developed and developing nations of the world that have very little amateur service demand and who will wish to protect allocations to Fixed and Mobile HF services for which they have significant demand.

Probable Outcome

Support for this proposal may be expected from Japan, Australia, and New Zealand.

Opposition will very likely be evidenced by all the remaining areas of the world.

Conclusion

The U.S. proposal in this area will very likely be defeated at WARC–70 by the sheer number of opposing "votes."

Issue No. 5

Description

Assign spectrum currently allocated to Broadcast service in Region 1 and 3 to exclusive Amateur use in order to realign those regions with the current Region 2 assignment at 7.1–7.25 MHz, leaving Broadcast service the adjoining space at 7.25–7.3 MHz.

Comment

This rationalization of the 40-meter band is one area where the entire Amateur radio community could benefit.

Such realignment could eliminate the considerable interference problems that currently exist on a worldwide basis between Amateurs and HF Broadcasters.

This proposal could be viewed as "politically desirable" to put the entire world on a consistent, non-interfering basis between the two services.

Probable Outcome

Support for this proposal could be obtained among the majority of Free World and uncommitted developing countries with the exception of Western Europe countries and some of their traditional "friends."

Opposition to this proposal will very likely come from the USSR, Eastern Bloc countries and their "friends," from Western European countries and their traditional allies, as well as from P.R.C.

Conclusion

The outcome of this proposal is still in doubt and will very likely be decided on a close vote and will depend on the U.S. ability to sell the worldwide standardization, non-interference argument. A U.S. "win" on this issue is quite possible.

Issue No. 6

Description

Reassignment of a number of channels in the 3–27.5 MHz from HF Fixed Service to HF International Broadcast Service.

Comment

Specific areas where this proposal will be most controversial:

1. At 6 MHz, where 50 KHz is proposed as Exclusive International Broadcast as opposed to the current Fixed HF service assignment and where 50 KHz is proposed to be shared between International Broadcast and Fixed service, contrasted to the current exclusive assignment to Fixed service.

2. Between 7.3–7.5 MHz where it is proposed that these channels be reassigned to exclusive International Broadcast from its current Fixed Service assignment.

3. Between 7.5–7.56 MHz where it is proposed that International Broadcast and Fixed Service share this spectrum, contrasted to the current assignment to Fixed HF service.

4. Between 9.375–9.5 MHz and between 9.775–9.825 MHz where it is proposed that spectrum be reassigned exclusively to International Broadcast from its current Fixed HF service assignment.

This proposal also includes provisions for transmitter power limitation and for conversion to single sideband (SSB) operation by 1995.

Probable Outcome

This proposal will very likely be supported by NATO countries including the U.K. and Canada and, similarly, may be supported by Japan.

Opposition to this proposal can be expected by countries ruled by authoritarian governments who wish to limit international broadcast activity and by developing countries that have a heavy commitment to Fixed HF service. This constitutes the majority of the countries participating in ITU.

Conclusion

We can foresee support for this proposal from a maximum of 15 countries, therefore, it will very likely be defeated at WARC–79.

Issue No. 7

Description

Splitting of the current Fixed HF service assignment between HF Fixed and HF Maritime service as follows:

4.438–4.5 MHz to Maritime Service.
4.5–4.65 MHz to Fixed Service.

Comment

This proposal will very likely be supported by OPEC countries and by nations who are heavily dependent on maritime shipping and defense operations.

Opponents who favor fixed HF services may argue that this requirement will be diminished somewhat by the prospective emergence of INMARSAT as an operational system.

Probable Outcome

Support for this proposal will undoubtedly come from the U.K. and most other Western European countries; from Brazil, Venezuela, Mexico, Canada and possibly Argentina in Region 2; from Egypt and other North African and Middle Eastern OPEC countries; from Japan, the P.R.C. and the USSR. It should be noted that the USSR generally tends to favor shared allocations, particularly between mobile and fixed services for reasons of flexibility.

It is expected that Eastern Bloc European countries will remain neutral on this issue to establish a negotiating position on other issues.

Opposition to this proposal will very likely come from Central and Southern African countries with the possible exception of Nigeria; from South Asian countries, including India and all Micronesia and from the other Latin American countries not mentioned above as supporters.

Conclusion

It is likely that the world maritime leaders may succeed in swinging a favorable vote on this issue but only after considerable debate and negotiation. It is observed that the U.S. delegation may want to trade off other less popular, controversial HF issues to gain acceptance on this matter.

Issue No. 8

Description

Sharing of the UHF spectrum in the 470–890 MHz area in Region 2 between Land Mobile and Broadcast services, compared to the current situation wherein this is assigned on a primary basis to Broadcast Services.

Comment

Although this is basically a Region 2 issue, nations in other regions can be expected to vote on the matter due to the precedence setting aspects of the issue.

The proposal permits regional coordination such as is being carried out, at present, between the U.S. and Canada and Mexico.

Power restrictions on land mobile and broadcast operations in this band can be used to offset arguments raised by nations who are concerned about across-the-border propaganda broadcasting.

If an unfavorable outcome is experienced in this area, the U.S. could "footnote" the regulations and continue to operate on a regional-coordination basis.

Probable Outcome

Within Region 2 the only strong support will probably come from Brazil where land mobile operations are increasing congestion and where UHF broadcast frequencies are not as crucial.

The remaining Latin American countries will undoubtedly remain neutral since they have less congestion and demand among land mobile services.

Mexico and Canada will undoubtedly support the proposal in principle but may have counter-proposals for specific frequency assignments for the two services.

In Western Europe much of this band is unavailable for mobile services due to NATO assignments. That region also has heavy demand for broadcast channels as well as for land mobile service where considerable congestion exists. Therefore, counterproposals from European countries may be expected in this general area.

Australia and Japan will probably support this area.

The remaining countries of the world will either remain neutral to this proposal or will oppose it on "political grounds."

Conclusion

It appears that a plenary session vote on this issue could be favorable to U.S. interests, although specific splitting proposals of other nations could prevail. If, however, the conference vote turns out to be adverse to U.S. interests, footnoting of the regulations can be employed by the U.S. to accommodate regional coordination.

Issue No. 9

Description

The provision of fixed satellite services on a primary basis at 2, 3 and 6 GHz together with Fixed point-to-point and Mobile services currently assigned to operate in the same area, with these services to operate here on a secondary basis. The specific frequencies where this fixed satellite proposal applies are:

1.850–2.200 GHz Space-to-earth down links.
3.4–3.7 GHz Space-to-earth down links.
6.425–7.115 GHz Ground-to-space up links.

Comment

This proposal is technically very complicated and will be confusing to WARC attendees, as presently written. A more detailed (proposed) channel allocation plan is needed to identify corresponding up and down-link channels.

The 2 GHz down-link aspects of the proposal will result in considerable interference with existing terrestrial microwave systems.

Terrestrial microwave systems can co-exist with up-links at 6.427–7.115 GHz.

Coordination between fixed terrestrial systems and satellite down links will be very difficult.

This proposal is most important only to the U.S. because of heavy usage and congestion among domestic systems.

The two-octave frequency range of earth station antennas implied by this proposal appears to violate the interests of low-cost earth station proponents in the U.S. and of U.S. space communications policy on this matter as well as to the interests of other nations who have interest in relatively simple, low-cost earth stations.

Most opposition to this proposal will come from nations with heavy investment in fixed terrestrial point-to-point microwave systems and from nations desiring low-cost earth stations.

Probable Outcome

Support for this proposal could possibly come from such countries as India, Australia, Japan, Indonesia, and Malaysia. We expect that there will probably be fewer than 10 supporting votes for the present proposal.

Canada will probably remain neutral on this issue.

Opposition to this proposal will undoubtedly come from all African nations, from Latin American countries, from both Eastern and Western European countries, from Middle Eastern countries who fail to see the need for additional frequencies for satellite services, and from the P.R.C. who prefer to operate fixed satellite service in the 10–11 GHz region.

Conclusion

The U.S. will probably experience an unfavorable reaction to this proposal and may alternatively want to propose this allocation on a secondary basis in Region 2 only, where coordination with other countries on a case-by-case basis is possible.

Issue No. 10

Description

The split of the 11.7–12.75 GHz spectrum in Region 2 between Fixed Satellite and Broadcast Satellite services as follows:

11.7–12.2 GHz Fixed Satellite, space-to-earth.
12.2–12.5 GHz Broadcasting Satellite.
12.5–12.7 GHz Broadcasting Satellite.
12.7–12.75 GHz Fixed Satellite earth-to-space.
12.75–13.25 GHz Fixed Satellite earth-to-space (all Regions).

Comment

This proposal will have support from broadcast satellite proponents who are relatively few in number throughout the world and will be opposed by authoritarian countries who may be concerned about the flow of propaganda information into their countries.

Some support from "marginal" countries, who tend to favor broadcast satellites for education purposes, can probably be obtained by stressing the fact that the importation of information can be controlled at earth stations or distribution points.

The proposal has the favorable technological argument of bringing Region 2 into alignment with the rest of the world in this area.

Probable Outcome

Within Region 2, the proposal will probably be opposed by Latin American countries for emotional propaganda reasons and by Canada because the down-link proposals will interfere with a planned terrestrial microwave network.

Elsewhere in the world, support can be expected from the more "democratic" nations such as Western Europe (except Holland), Japan, India and Australia.

Otherwise, opposition can probably be expected from the USSR and Eastern Bloc countries, from Africa, from Middle Eastern countries and from South Asia.

Conclusion

This proposal will undoubtedly be defeated within Region 2 as political reasoning overcomes sound, rational, technical argument. The rest of the world can therefore be expected to follow the pattern of Region 2, since the matter is moot to them—i.e., they already have broadcasting and fixed satellite service either sharing or splitting these frequencies.

Issue No. 11

Description

The addition of Mobile Satellite service on a primary basis in the bands 7.25–7.75 GHz and 7.9–8.4 GHz and deletion of terrestrial fixed and mobile services from the 7.9–7.975 GHz band. Also the provision of mobile satellite services in the 20.2–21.2 GHz and 30–31 GHz bands.

Comment

The principal applications for mobile satellite services will be in the highly sophisticated countries where advanced mobile communications services are likely to develop.

Within the U.S., the DOD has allocations for its military satellite communications programs at 7–8 GHz.

It will be difficult to defend these allocations on technical or system economic grounds and the lesser developed countries may argue that such an allocation is premature for this reason.

There appears to be less controversy at the higher frequencies because there is little likelihood that operational systems will be implemented in those bands during the next 20 years.

Probable Outcome

Canada will probably oppose the 7–8 GHz portion of the U.S. proposal (except for the military portion of the allocation) because of its conflict with terrestrial microwave, however it will probably support the proposals at the higher frequencies.

Western European countries will probably not oppose these proposals and NATO countries will very likely support them.

Japan will undoubtedly support the proposals and it is likely that the USSR and Eastern Bloc countries will also support it.

Third World and developing countries and P.R.C. will very likely remain neutral on this issue and argue that making such allocations at this time is premature.

Conclusion

Because of the lack of strong, organized opposition to these proposals, we can expect that they will probably be approved by WARC with some modifications by working committees en route.

Issue No. 12

Description

The addition of passive earth exploration and space research services to the SHF–EHF bands as follows:

4.2–4.4 GHz—adding to aeronautical radionavigation services.

10.6–10.7 GHz—adding to Fixed, Radiolocation, Mobile (except.

18.6–18.8 GHz—Aeronautical Mobile) and Radio Astronomy services.

In all of these proposals, power limits for terrestrial stations of other services are proposed to protect passive services.

Comment

Although there appears to be little opposition to "progress" in this area, recognition must be given to concerns over the control of data collected by passive satellite sensors on the part of authoritarian countries.

Probable Outcome

Support for this proposal can be expected from Western European countries, from the USSR and PRC, from India and from Canada and Brazil in Region 2.

Other nations will undoubtedly remain neutral or give lukewarm support to the proposal.

Conclusion

This proposal will very likely to be approved by WARC because of the strong support of world leaders. However this outcome will only occur if the confidence of other nations is established and they are assured that cooperation in the control of collected data will occur.

Issue No. 13

Description

Proposed allocation of spectrum between 30–40 GHz for advanced and experimental services in the following areas:

Fixed Satellite.
Mobile Satellite.
Standard Frequency Satellite.
Space Research.
Earth Exploration Satellite (Passive).
Radio Astronomy.
Mobile Service.
Radionavigation.
Radiolocation.
Fixed Radio Service.

Comment

Although it may be premature to make allocations for such services in this frequency region at this time, current allocations do exist so that the concept of allocating this portion of the spectrum has been accepted.

Probable Outcome

Very little opposition to this proposal can be expected because most nations do not believe that there is a likelihood that requirements will develop for specific services in this area during the next 20 years. It is possible that certain nations could unexpectedly voice opposition to this U.S. proposal as a "bargaining" tool to win support for other proposals. However, it appears that such opposition would be spotty and disorganized.

Conclusion

U.S. proposals for the region above 30 GHz are very likely to prevail at WARC.

Issue No. 14

Description

The allocation of 2.45 GHz for the wireless transmission of energy from space to earth for the Solar Power Satellite (SPS) program, provided that such use does not cause harmful interference in adjoining bands for Radiolocation, Amateur, Fixed and Mobile services.

Comment

The outcome of this issue is likely to be decided on emotional, rather than technical, grounds.

Very little supporting argument on technical grounds can be developed that will offset emotional concerns.

Probable Outcome

This appears to be strictly a U.S. proposal with no strong support likely from any other nation at the conference.

Opponents will effectively argue that worldwide allocation for this service is premature at this time.

Conclusion

This issue will very likely see results at WARC that are unfavorable to the U.S. proposal.

APPENDIX A

SUMMARY OF PROBABLE REACTIONS TO U.S. PROPOSALS TO WARC 1979

[Legend: O—Oppose—S—Support—N—Neutral]

	Share fixed HF with shortwave broadcast	Increased exclusive HF amateur vs. share fixed	Increased region 2 exclusive HF amateur 3.5–3.9 MHz	Reassign to amateur at 10, 18.25 MHz from fixed/mobile	Region 1 and 3 exclusive amateur 7.1–7.25 GHz	Reassign fixed HF to international broadcast	Split HF fixed with maritime	Region 2 share 470–890 MHz broadcast/mobile	Reassign to fixed satellite 2.3.6 GHz from fixed point-to-point	Split 12.5–13.25 GHz fixed/broadcast	Mobile satellite allocation	Earth-sensing space res. SHF–EHF	Advanced and exper. services >36 GHz	Solar power satellite 2.45 GHz
Canada	S	S	S	O	S	S	S	S	S	O	O	S	S	O
Brazil	O	S	S	O	S	O	S	S	O	O	N	S	N	O
Andean countries	O	O	O	O	S	O	O	S	O	O	N	N	N	O
Other Latin America	O	O	O	O	S	O	S	N–O	O	S–O	N	N	N	O
United Kingdom	O	S	S	O	S	S	S	O	O	S	S	S	S	O
Germany	O	N	N	O	O	S	S	S	O	S	S	S	S	O
France	S	N	N	O	O	S	S	O	O	S	S	S	S	O
Other Western Europe	O	N	N	O	O	S	S–N	O	O	S	N–S	S	N–S	O
U.S.S.R. and Eastern bloc	O	O	O	O	O	O	S–N	N–O	O	O	S	S–N	N–S	O
Africa	O	O	O	O	N–S	O	O	N–O	O	O	N	N	N	O
Saudi Arabia	N	O	N	O	N–S	O	S	N	O	O	N	N–S	N	O
Egypt	N	O	N	O	N–S	O	S	N	O	O	N	N–S	N	O
Other Middle Eastern countries	N	O	N	O	N–S	O	S–N	N	O	O	N	N	N	O
India	O	S	S	O	S	N	O	S	N–S	S	N	N–S	N	O
PRC	O	O	O	O	O	O	S	N	N–O	O	N	S	N	O
South Asia (Microwave Australia	O	O	O	O	N	O	S	S	N–S	N–O	N	N	N	O
Japan	S	S	S	S	S	S	S	S	S	S	S	S	S	O

Source: Arthur D. Little, Inc., estimates.

FTC FRANCHISE DISCLOSURE RULE

● Mr. NELSON. Mr. President, recently, the Select Committee on Small Business conducted a hearing to review the Federal Trade Commission's proposed "franchise disclosure rule." That rule, now scheduled to take effect on October 21, 1979, will require "franchisors," as defined in the rule, to disclose to prospective franchisees certain basic business information.

In the July issue of Photo Marketing, Sheldon London, the director of Government Relations for the Photo Marketing Association, provided an excellent summary of the rule's requirements. There has been a great deal of confusion concerning what types of businesses may be covered, and what disclosures would be required if coverage exists. The committee found Mr. London's overview very useful.

As a result of the committee's efforts, the FTC announced on July 24 that it had narrowed the scope of coverage to exclude the typical wholesale/retail distribution system.

I ask that the article be printed in the RECORD.

The article follows:

UNCLE SAM WON'T DO IT ALL FOR YOU

(By Sheldon London)

Eight years after initiating a rule-making proceeding, the Federal Trade Commission has published the Franchise Rule which will become effective on July 21, 1979.

The popularity of franchising over the last two decades is a well documented phenomenon. A recent U.S. Department of Commerce study indicates that franchising sales of goods and services of nearly a half-million outlets will exceed $300 billion in 1979.

The Federal Trade Commission issued the Rule in response to widespread evidence of deception and unfair practices in connection with the sale of franchises. The agency concluded that prospective franchisees lack essential and reliable information about businesses in which they are asked to invest their resources. The Rule is designed to deal with this deficiency by requiring franchisors to furnish prospective franchisees with information about the franchisor, the franchised business, and the terms of the franchise agreement.

These disclosures, which are detailed below, together with additional information if claims have been made about actual or potential earnings, must be provided to the prospective franchisee at the first meeting with the franchisor or not less than 10 days prior to the execution of a contract or payment of consideration on a franchise. The Rule is only applicable to franchise relationships established after July 21, 1979.

There are two categories of franchise relationships: (1) "Package" or "Business Format" franchises, and (2) "Product" franchises, which will be subject to disclosure requirements. Let us look at the elements that are required for each of these two different types of franchises.

PACKAGE FORMAT

The three elements which must be met under this category are that:

The franchisee "operates under" the trademark or trade name of the franchisor and meets the franchisor's quality standards:

The franchisor exerts or has authority to exert a "significant degree of control" over the franchisee's "method of operation" or in the alternative, that the franchisor gives "significant assistance" to the franchisee in the latter's method of operation; and

The franchisee must pay to the franchisor or an affiliated person at least $500 over the first six months of the operating franchise.

PRODUCT FRANCHISES

This second type of franchise under the Rule also has three elements. These are:

The franchisee sells goods or services identified by the franchisors' trademark;

The franchisor has a significant degree of control over the franchisee's method of operation or in the alternative, gives the franchisee significant assistance in the method of operation; and

The franchisee is required to pay the franchisor or his affiliate at least $500 within the first six months of the franchise.

EXEMPTIONS

These are some significant exemptions under the Rule, and they include:

"Fractional franchises," where the franchisee has been in the business for more than two years and the franchise represents no more than 20 percent of his sales;

Leased departments, in which an independent retailer leases space in the store of a large retailer;

Purely verbal agreements;

Relationships where less than $500 is paid by the franchisee.

Membership in retailer-owned cooperatives which wholesale goods or furnish services primarily to their member retailers.

DISCLOSURE DOCUMENT

The major innovation of this Rule is the required disclosures. The Rule specifies that the disclosure document contain information on the following 20 subjects:

Identifying information about the franchisor; business experience of the franchisor's directors and key executives; the franchisor's business experience; litigation history of the franchisor and its directors and key executives; bankruptcy history of the franchisor and its directors and key executives; description of the franchise; money required to be paid by the franchisee to obtain or commence the franchise operation; continuing expenses to the franchisee in operating the franchise business that are payable in whole or in part to the franchisor; a list of persons who are either the franchisor or any of its affiliates, with whom the franchisee is required or advised to do business; realty, personality, services, etc. which the franchisee is required to purchase, lease or rent, and a list of any persons from whom such transactions must be made; description of consideration paid (such as royalties, commissions, etc.) by third parties to the franchisor or any of its affiliates as a result of a franchisee's purchase from such third parties; description of any franchisor assistance in financing the purchase of a franchise; restrictions placed on a franchisee's conduct of its business; required personal participation by the franchisee; termination, cancellation and renewal of the franchise; statistical information about the number of franchises and their rate of terminations; franchisor's right to select or approve a site for franchise; training programs for the franchisee; celebrity involvement with the franchise; financial information about the franchisor.

SUBSTANTIATING EARNINGS

As indicated earlier, there are strict rules requiring substantiation by the franchisor of earnings, representations about actual or potential sales, income, or profits of existing or prospective franchisees if this information is given. Where it is provided, this information must meet three criteria:

There is a reasonable basis for the representation;

The representation has been prepared in accordance with generally accepted accounting principles; and

The franchisor has evidence to substantiate every representation and such evidence is available to the prospective franchisee or to the Federal Trade Commission upon reasonable demand.

STATE LAWS

The FTC is seeking to create a minimum federal standard of disclosure which would be applicable to all franchise offerings. Thus, the FTC Rule will preempt state and local laws to the extent that these laws are in conflict, but the Commission has determined that state or local laws which either are consistent with the Rule or, even if inconsistent, which would provide protection to prospective franchisees equal to or greater than that imposed by the Rule, would be permissible.

Fifteen states have enacted legislation requiring presale disclosure. Another 11 states have developed substantive rules for the regulation of franchising and four states have enacted laws specifically designed to regulate non-franchise business opportunities.

THE UFOC

The Uniform Franchise Offering Circular (UFOC) was created by the Midwest Securities Commissioners Association, Inc., and is in use by all states with franchise disclosure requirements. The FTC will permit franchisors to use the UFOC format in lieu of the disclosure document which was described above, containing the 20 subject areas.

A model UFOC Circular is available from Photo Marketing Association's Washington Office.

SANCTIONS

When the Rule becomes effective, it will be considered an unfair or deceptive act or practice within the meaning of Section 5 of the Federal Trade Commission Act for any franchiser to:

Fail to furnish prospective franchisees, within time frames established by the Rule, with a disclosure document containing information on 20 different subjects relating to the franchisor, the franchise business and the terms of the franchise agreement.

Make any representations about the actual or potential sales, income, or profits of existing or prospective franchises except in the manner set forth in the Rule.

Make any claim or representation (such as in advertising or oral statements by salespersons) which is inconsistent with the information required to be disclosed by the Rule.

Fails to furnish prospective franchisees, within the time frames established by the Rule, with copies of the franchisor's standard forms of franchise agreements and copies of the final agreements to be signed by the parties.

Fail to return to prospective franchisees any funds or deposits (such as down-payments) identified as refundable in the disclosure document.

Violators are subject to civil penalty actions brought by the commission of up to $10,000 per violation. ●

TV AND SALT II DEBATE

● Mr. JAVITS. Mr. President, a corollary issue that has arisen respecting Senate debate on the question of SALT II is whether or not the Senate floor debate should be televised live. A number of Senators already have expressed themselves on this question, and the Foreign Relations Committee has considered the arguments for and against live television coverage of the SALT debate.

In the interest of keeping our colleagues informed on this issue, I wish to print in the RECORD a resolution adopted at the recent annual meeting of the American Federation of Television and Radio Artists, which has its headquarters in New York City. AFTRA, like so many elements of the media, supports in its resolution live television broadcasts of the debate.

A text of the AFTRA resolution follows.

LIVE COVERAGE OF SALT II DEBATE

Be it resolved, that this 1979 AFTRA Convention believe that since the Senate's debates of the Salt II treaty are vital to the lives of the American people, and that the people are thus entitled to the fullest possible information about the treaty and the debates, it follows that Americans are entitled to observe the course of those debates in live broadcast form; and

Be it further resolved, that the National Executive Secretary be directed to call upon officers of the United States Senate to authorize such live coverage so the American people will not be denied their just participation in these historic debates.

Approved July 15, 1979.

HOMER CAPEHART

● Mr. BAYH. Mr. President, from time to time, each of us is touched in some way by truly unique individuals; people who leave a lasting impression that we carry with us throughout our careers.

Homer E. Capehart, the distinguished former Senator from my home State of Indiana was such a person. He was what I would call a self-made man who possessed a keen business sense as well as being highly skilled in the fine art of politics.

Mr. President, I was deeply saddened yesterday to learn that Homer Capehart passed away in Indianapolis at the age of 82. For 18 years, from 1945 until 1963, Senator Capehart served the people of Indiana in this august body with dedication and distinction. His hard work enabled him to eventually rise to the position of chairman of the Banking and Currency Committee where he had a significant influence on legislation pending in the Senate and the issues of the day.

Senator Capehart was the son of a tenant farmer, and remained active in farming throughout his retirement, having managed farms in Daviess and Hendricks Counties, Ind. Indeed, he learned about business the hard way by going into business with little more than his dreams and wits. In 1928, he founded the Capehart Corp. which was the first of a number of successful business ventures Mr. Capehart was to engage himself in over the years. In later life, he attended to his varied investments with a careful eye.

Homer Capehart was a true patriot, and was the first volunteer for World War I from Daviess County, Ind. It was at this early time when he began to develop his keen political sense, which eventually carried him through three statewide elections. I know first hand of Senator Capehart's skill because he was my opponent when I was a young State legislator seeking to come to Washington in 1962. It was a tough campaign, and although we strongly disagreed on some issues and the solutions to some problems, we maintained a mutual respect for each other.

I know all of my colleagues will join me in extending our deepest sympathy to Senator Capehart's wife, Irma, and to his son and daughter, Earl and Patricia.●

SALT II RATIFICATION: THE MEASURE OF THE SENATE

● Mr. CRANSTON. Mr. President, at the time we adjourned for the August recess, hearings had been actively under way for several weeks before the Foreign Relations Committee, the Armed Services Committee, and the Intelligence Committee with respect to SALT. Those hearings, I believe, demonstrate that the opponents and critics of the SALT II Treaty have been unable to establish that there are any basic flaws in the treaty.

For example, the issue of verification—which a few months ago appeared to be the key issue upon which the critics of SALT II would focus—has, for all practical purposes, vanished. An adamant opponent of the treaty, who is one of the most astute and knowledgeable members of the Intelligence Committee—Senator BARRY GOLDWATER—has announced publicly that he is satisfied that SALT II presents no significant verification problem.

Faced with this inability to find any serious flaws in the SALT II Treaty, opponents have shifted their attack.

The major new issue now being linked to ratification is the amount of our defense spending on both strategic and conventional forces. Senators NUNN, JACKSON, and others have called for a real increase in defense spending of 5 percent a year for each of the next 5 years. Former Secretary of State Kissinger has called for an "obligatory commitment" to an increase in the defense budget, as well as a commitment to proceed with the M–X missile and multiple point basing system.

I welcome a responsible and thorough examination of our defense spending with respect both to conventional and strategic forces. But I question the wisdom of, and oppose the effort to, condition an affirmative vote on the SALT II Treaty upon any "obligatory commitment" or arbitrary 5 percent yearly real increase in defense spending. Both the SALT II Treaty and the issue of defense spending must be examined on their separate, individual merits. To an extent, the two are linked—just as conventional and strategic spending are linked, or defense and nondefense spending are linked. But arbitrary linkage of arms expenditures with arms control serves neither the cause of national security through arms control nor the cause of national defense through arms expenditures.

A second issue critics of SALT II now are focusing on is the theoretical vulnerability of one leg of our triad of strategic forces—our ICBM's. Current strategy

holds that even if one or two legs of the triad is destroyed, our surviving nuclear forces would be more than adequate to inflict unacceptable death and destruction upon the Soviet Union. Our retaliatory capability, therefore, acts as deterrent to a nuclear offensive by the Soviet Union. The opponents of SALT argue, however, that even the appearance of a Soviet threat to any part of our Triad is unacceptable. Perception of vulnerability, they contend, is as important as actual vulnerability. They argue that if the Soviets perceive vulnerability, they will try to exploit it in various theater encounters with the United States. Therefore, they conclude, the United States must make all legs of the Triad—and, in particular, our ICBM's—invulnerable to any possible Soviet first-strike, or the so-called surgical strike, even a theoretical one.

Leading proponents of this theory—particularly the theory that perception of vulnerability is important—are Mr. Nitze and Mr. Kissinger. Mr. Kissinger, it should be noted, supports SALT provided we increase defense spending and take steps to eliminate this perceived ICBM vulnerability. The Pentagon, the State Department, and the President appear to believe that by the early to mid-1980's the United States will be vulnerable to a Soviet surprise attack that could wipe out at least 90 percent of our ICBM's. They seem to have concluded that this perceived vulnerability must be corrected or it will be "exploited" by the Soviet Union.

Mr. President, during the August recess, a provocative and informative article entitled "The Doomsday Debate—'Shall We Attack America?'," sought to address the fundamental issue that is involved here. That article is a substantive analysis of the so-called surgical or first-strike doctrine. The authors point out that nothing in Soviet military literature or military doctrine envisions a possible Soviet first strike against U.S. ICBM's. The possibility of such a theoretical strike has been raised—and promoted—only by Americans, not by Russians. Even our NATO allies do not share this view.

Mr. President, because of its import and the fact that it was published during the August recess, I ask that the full text of the article, "The Doomsday Debate—'Shall We Attack America?'," written by Robert G. Kaiser and Walter Pincus in the Washington Post for Sunday, August 12, 1979, be printed in the RECORD.

The article follows:

THE DOOMSDAY DEBATE: "SHALL WE ATTACK AMERICA?"

(By Robert G. Kaiser and Walter Pincus)

Will the United States soon be vulnerable to a sudden thermonuclear attack by the Soviet Union that could wipe out America's land-based missile force in a single blow? Yes, reply most of the experts—even the president of the United States. The 1980s will be perilous for America because of this "vulnerability," according to Henry A. Kissinger and many others.

A seemingly simple mathematical fact leads to this gloomy forecast. By the early 1980s the Soviets will have enough accurate warheads on their land-based rockets to target two bombs on every American missile silo while still holding in reserve most of their offensive forces. Theoretically, this would give the Soviets high confidence of "killing" 90 percent of the American silos.

In the past, America has relied on its "triad" of strategic forces—the combination of land-based missiles, submarine-based missiles and bombers—to insure survival of an adequate strategic force. If two or even one of those systems survived, that would be adequate to destroy the Soviet Union, according to the theory.

In a time of steadily increasing Soviet forces, however, the original "triad" theory has fallen victim to a new argument. Simply stated, the new theory is that even the *appearance* of a Soviet strategic advantage over one of the three elements of the "triad" would be dangerous. "Perceptions" about vulnerability are just as important as reality, according to this theory; the Soviets or other nations could misinterpret this perception as a genuine sign of American weakness. This is a theory devised and promoted entirely by Americans.

However, the most important question about vulnerability has not been asked: How would the Russians see it? The Soviet military literature contains no analysis of a possible Soviet first strike against U.S. land missiles. Then how might Soviet military planners exploit "vulnerability" five years from now, when their theoretical advantage will be greatest?

It is Aug. 10, 1984. The new Soviet leadership is finally in place in the Kremlin. The long bickering that followed Leonoid Breshnev's death in his sleep in late 1983 produced a showdown between the so-called *Mir* ("Peace") and *Cil* ("Strength") factions in the Politburo. This longstanding split has never been publicly revealed, but it has been the crucial division in Soviet politics since the early 1970s. Brezhnev led the "Peace" faction, and it has now been beaten. The new general secretary of the Communist Party is Vladimir Ivanov, 63, a resourceful politician who ran the Ukraine for several years. The outside world knows nothing of Ivanov's plans or policies.

In fact they are ominous. His secret platform in the just-completed leadership struggle was simple: The time has come for the ultimate showdown with the imperialists. The Soviet economy is slipping badly, Ivanov argued; oil is running out; the people are restless and hungry for consumer goods; the non-Russian nationalities are threatening rebellion. Most serious, the comrades who run the Red Army are upset by the latest developments in the imperialist camp—the new American MX missile, the stationing in Europe of new ballistic and cruise missiles aimed at the Motherland of socialism, and much more. This may be the last chance to win the ultimate showdown, so we must move now. That is what Ivanov and his colleagues argued, and they won.

Soon after taking power Ivanov had called together the seven-man team under Col. Lev Perishtein that had long been responsible for the Soviet Union's most sophisticated strategic thinking. Ivanov asked Perishtein and his group to produce a crash study on how the Soviet Union could initiate and win a nuclear showdown with the capitalist camp. Ivanov told Perishtein he was especially interested in the concept of the "window of vulnerability" that he had read about in the Politburo's private translations of American publications.

On this sticky August afternoon Perishtein assembled his group in the Kremlin's wood-paneled situation room, four stories below the ground. He brought with him all six of his team, including Vladimir Kuznetsov, an apparatchik who had worked for almost two decades on strategic issues on the secretariat of the Central Committee. Perishtein was particularly proud of Kuznetsov, who was his own devil's advocate, a man steeped in strategic lore whose job it was to argue against whatever course of action the colonel himself chose to argue.

Ivanov was both excited and a little nervous about this encounter. Excited because he really did hope Perishtein could produce a workable plan. Nervous because although he had won the power struggle, the "Peace" faction was still well represented on the Politburo, and he wasn't sure he could command a majority for an aggressive policy. On this day he had invited only four colleagues to the situation room—four men who were utterly loyal to him, though only one, Marshal Nikolai Antonov, his new minister of defense, had expert knowledge of strategic matters.

The other three were former regional party secretaries like Ivanov, all of whom he had brought to Moscow in the last few months: Fyodr Trepotkin from Leningrad, Alexei Stepanov from Minsk, Archil Shevshadze from Tbilisi. All were smart; all were tough; all had helped Ivanov to power.

The room was cool, unlike Red Square that sunny afternoon. Perishtein and his group sat on one side of the long meeting table covered with green felt and dotted with bottles of Narzan mineral water. Ivanov and his four colleagues sat across from the experts. Ivanov nodded to Perishtein to begin the briefing. This is what he said:

"First, comrades, a warning. You have put before us an unprecedented task. No power has ever used thermonuclear weapons. (I skip over the imperialists' atomic bombing of Japan, with which you are all familiar.) Also, the attack suggested by the general secretary will require launching 350 of our rockets almost simultaneously, an unprecedented feat.

"Nevertheless," Perishtein went on, "Comrade Ivanov has indicated he hopes to pursue this course. I intend to present our best thinking on how it could be done. We are encouraged by the extensive American literature on this subject, particularly analyses by the most determined imperialist warmongers, who are obviously convinced that we could succeed with a surprise attack.

"Let me add at the outset," Perishtein said, "that, as usual, Comrade Kuznetsov disagrees with the thrust of my briefing. He will offer his dissent when I have finished.

"Let me outline our analysis of how a surprise attack could be launched against the imperialist camp. First, we must strike without provocation, when the imperialists believe our relations are on a sound, peaceful footing. It might be advisable to pick a moment when the Bolshoi Ballet or the Moscow Circus is touring the United States.

"There can be no hint of what we plan. They are watching us intensely by satellite, and they are listening in on our communications. Need I recall the embarrassing revelations in the imperialist press some years ago of conversations picked up from Comrade Brezhnev's limousine telephone as he drove to his dacha? We must assume capitalist agents are well placed in our country, though we are confident they are not in our strategic rocket forces' chain of command.

"Our first aim must be to prevent America from going on any alert. With no alert we have a good chance of destroying all of their Minuteman and Titan missiles, at least half of their missile-carrying submarines and more than half of their bombers, which we would catch in port or on airfields.

"No matter what we do, you should keep in mind that the Americans' aggressive policies lead them to maintain much larger submarine missile and long-range bomber forces on alert, even in peaceful times, than we do. For example, we believe that more than 100 of their bombers can be put in the air, aimed at our homeland, within 15–30 minutes of an order to do so.

"Even without an order from the president, the notoriously reckless commanders of the U.S. Strategic Air Command can more than double this number by raising the level of alert. And American naval commanders can quickly add to the number of missile-carrying submarines at sea. In peaceful times, we calculate that the Americans usually have 350 submarine missiles at sea, carrying about 3,000 warheads. With an alert these numbers would rise."

At this point Kuznetsov, the devil's advocate, quietly interrupted his boss. "One point of information," he said. "To prevent the Americans from going on alert, we cannot go on alert. We must leave 80 percent or more of our submarines in port, where they usually are. We cannot move any bombers, including our Backfires, from their normal bases or otherwise change their behavior. We cannot evacuate any civilians. It may even be impossible for all of our leadership cadre to take advantage of the shelters that have been built for us."

"Quite right," Col. Perishtein agreed. "But we do retain the element of surprise. To continue: The objective of this attack would be to eliminate the American land-based missiles and all of the missile-carrying submarines and bombers that would remain unalerted at the time of the strike.

"To do this we would propose firing 350 to 400 of our best long-range rockets, 200 RS20s (the one the Americans call the SS18) and 150 to 200 RS18s (the SS19). These would carry 2,450 to 2,800 warheads, each with explosive power of more than 500,000 tons of TNT. This would enable us to aim two warheads from two different rockets at each of America's 1,054 missile silos, and would give us a healthy margin to compensate for possible misfirings and to attack submarine and bomber bases."

Ivanov perked up as Perishtein completed his description of the attack. "What was that about misfirings?" he asked. His question prompted a remark from Marshal Antonov.

"Comrade Perishtein," Antonov said, "I think you should describe some of the technical challenges involved here."

"I was just coming to that," Perishtein replied briskly. "As I said at the outset, we have been asked to describe an attack that no one has ever attempted. By its nature it is not something we can practice. Thus we will face a number of unique 'technical challenges,' to use Marshal Antonov's expression. Let me outline the principal ones.

"To be successful, this attack must be timed with a precision that neither we nor the Americans have ever attempted. Our warheads must land within seconds of each other—to be precise, within 20 to 40 seconds of each other—on each target, each of which is at least 10,000 kilometers (6,000 miles) from our missile silos. To guarantee the destruction of each silo we attack, we will want to achieve two explosions: one at ground level, one several hundred meters in the air. If the warheads arrive at their target more than about 20 seconds apart, the effects of the explosion of the first will probably disable the second as it arrives.

"To achieve this precision at the targets, each of our rockets will have its own, precise instant of launch. Each rocket will travel a unique flight path, each over a precise and unique distance, as will each of our warheads. As you know, our missiles are based in silos that stretch across about 1,600 kilometers [1,000 miles] across our country. Naturally, our command communications to launch the hundreds of rockets in this maneuver will have to be perfected."

Ivanov perked up again. "What has happened in the past when our people have tried something of this kind?" he asked.

"We have never tried anything of this kind," Perishtein responded crisply. "But we do have an advantage over the Americans in these matters. We have tested our missiles from operational silos, so we know how they will work in a real attack."

"How many have we tested at one time?" Ivanov asked.

"Usually one at a time," Perishtein replied. "Never more than 10."

"But what about the misfirings you mentioned?" Ivanov asked.

"That is another matter," Perishtein said. "We know from experience that some rockets will fail to ignite, fail to stick to their course, or fail to go off on time. For this reason we will fire more rockets than we think we need—a margin of safety, if you will."

"Another point of information," Kuznetsov interjected. "Col. Perishtein has told you that some rockets—we estimate 10 percent, by the way—will misfire. Unfortunately, we cannot predict which rockets these will be. But all our rockets must be targeted in advance. This means the targets of those rockets that misfire will not be hit, or will be hit with only one warhead. But we will not know which targets these might be, so we will not know where to target the extra missiles we plan to fire to provide the 'margin of safety.' In summary, we have to acknowledge that we will miss some targets."

"Thank you, comrade," Perishtein remarked. "Let me continue.

"Obviously, our attack must be based on the assumption that our rockets and warheads are now as accurate as even the Americans' best. We believe they are. Also, because our warheads are bigger than the Americans', we can be more confident they will actually destroy the U.S. silos, because they will have such enormous explosive power. As you know, we now believe we can hit any target in America within a margin of error of 300 meters [about 1,000 feet].

"Before Comrade Kuznetsov offers another point of information, let me explain one small problem regarding accuracy. This is a matter that has never been discussed by even the Americans in public, but our intelligence has discovered that the Americans refer to the problem as 'bias.'

"As some of you may know, during our rocket tests we have always had some difficulty hitting the planned target, particularly in early phases of testing. Our mathematicians tell us there are geodetic anomalies that can distort the flight path of a missile or a warhead. That means a flight path over the ocean will not be the same as a flight path over mountain ranges with high iron-ore content, to give an example. Of course you all remember that the earth is not a perfect sphere but a slightly distorted one. This too can influence flight paths.

"We have compensated for this by adjusting our targeting mechanisms. Now, when we fire our rocket systems from west to east, we can hit targets with the anticipated accuracy. Some pessimists among our scientists believe that when we fire missiles over the North Pole at the United States, we will discover that our computations no longer apply, that new factors we have never experienced will distort our flight paths. Obviously we cannot test this hypothesis."

"What do the optimists say?" Ivanov asked.

"They don't think these factors could take us far off target, and that the large explosive power of our warheads should compensate for whatever error occurs," Perishtein said.

"A point of information," Kuznetsov interjected. "I think the Americans use the word 'bias' precisely because it is an irrational, unpredictable factor. In the end our mathematicians could not explain the constant and consistent error in our targeting systems that our test flights revealed. We have just made an arbitrary compensation in our aiming. We don't know why we always went off target before."

This exchange elicited the first comment from Trepotkin, the former party boss from Leningrad. Had he the gift of candor, Trepotkin would already have admitted that this entire meeting was quite astounding. Instead he asked Perishtein a question:

"I'm not sure I understand," he said. "Is Comrade Kuznetsov saying that we won't be able to hit the targets?"

"No, no," Perishtein replied. "Comrade Kuznetsov is saying there is some possibility—some unmeasurable possibility—that we won't hit the target with each warhead."

"We might miss the targets," Kuznetsov said in a low voice. Perishtein ignored him.

"While we're talking about targets," Marshal Antonov commented, "perhaps you should discuss what the Amercians have been doing to protect their missile silos."

"I was just coming to that," Perishtein replied. "The Americans have recently completed what they call the 'hardening' of their Minuteman silos. This involves building thick barriers of concrete and steel around each silo. The Americans claim these silos can withstand pressures of 2,000 pounds per square inch. If true, this would mean they have good protection against anything but an almost perfect direct hit. Unfortunately, the atmospheric test ban treaty prevents us—and the Americans—from knowing exactly how strong these hardened silos might be. We can't test a real silo with a real bomb in normal conditions. It seems possible the silos are only half as strong as we think."

"Or twice as strong," Kuznetsov observed.

"Let me continue," Perishtein said. "Of course this attack will not occur in a vacuum. We have also studied the political environment. Specifically, we have considered how the American president might react.

"We conclude that American satellites will detect our first barrage of 100 or more rockets as soon as they have taken off. Infrared detectors on satellites that hover in space 25,000 miles above our territory provide that information, and it is impossible for us to eliminate those satellites. That information will go through military channels to the White House, and it is supposed to reach the president almost instantly. But, as Dr. Kissinger and others have noted, it may not be easy to find the president at once.

"But we must assume he would get word of the attack within minutes. At first he will probably question the report, since he will see no provocation for an attack. Indeed, for the same reason the American military might withhold the information for further checking before passing it to the president. But this initial confusion could not last more than five minutes or so, because the Americans will soon detect our second and third barrages, and their radar will begin confirming what their satellites have told them already.

"As you know, the American system is poorly designed. The president alone can order a nuclear attack. But we assume he would inevitably consult with his ministers and perhaps some members of Congress. He would also have to flee at once to the airplane set aside for his use as a command post during an attack. We assume the president would also try at once to contact you, Comrade Ivanov, on the hot line. All these things take time. We have high confidence that the southernmost missile silos would be destroyed by the time the president could satisfy himself that he knew what was going on. I am talking of a period about 30 minutes after the initial launches.

"This is the crucial moment. By our calculation it will take another 30 minutes to complete our attack. The president will realize what we are doing. He will also realize that we have avoided attacking any major city, even Washington. The Americans have done studies on this kind of attack and they know that it will cause minor losses—perhaps 10 million people, perhaps 20 million."

Ivanov started at this last observation. He recalled the Great Patriotic War [World War

II], when the Soviet Union was largely laid waste and 20 million people were killed. "Are you saying that 20 million dead is a minor loss?" he asked.

"Only by standards of nuclear war," Perlshtein replied. "We calculate that by targeting the American population, we could easily kill 150 million. The president knows this too. He will see it is a minor attack.

"To continue. The president will have to realize that if he retaliates with his remaining forces—the bombers that have escaped our attack and the missiles on submarines—he will use up most of his remaining weapons and can only strike at our cities and industry. Without land-based rockets, he won't have weapons of sufficient accuracy to fire at our remaining land-based force.

"But this is a horrible option for the president. If he exercises it, he knows that we will retaliate, and both our countries will be destroyed. But if he holds back and tries to negotiate, he can save his country—maybe even save the world. American presidents are romantics. We assume he will opt for negotiation, which of course will amount to surrender. And I might add, this is just what many American experts have predicted.

"We assume he will opt for negotiations," Kuznetsov interjected, "because we have to assume so. Otherwise our attack will fail. We would lose our country if the president decided to retaliate instead."

"Yes, yes," Perlshtein replied. "That is a hypothetical possibility."

Perlshtein put down his notebook and opened a bottle of Narzan. The bubbly water spilled into his tumbler. While he took a drink Marshal Antonov scribbled a note and passed it to Ivanov. The general secretary read it and turned to Perlshtein:

"I would like Marshal Antonov to ask a few questions. Marshal?"

"First let me say that Col. Perlshtein has done his usual fine job. Then let me ask some questions. First, colonel, as you know, if we saw an American attack coming at our missile silos, we would immediately launch our rockets, so they would not be in their holes when the American warheads arrived. Why wouldn't the Americans do the same thing? I know they have written about this idea as something called 'Launch Under Attack.' I remember my friend Harold Brown threatening to do just that."

"I am grateful you raised that point," Perlshtein replied. "Our people are dubious that the Americans are well-enough organized to launch under attack. Remember, they will be caught completely by surprise. And although I grant they have written and talked about this possibility, we have seen no sign that they have adopted it as a strategy."

"But what if they only began to launch their missiles after the first of ours had landed?" Antonov asked. "Couldn't they still fire off more than half of their land-based rockets before we could destroy them?"

"That is a hypothetical possibility," Perlshtein replied.

"On another matter," Antonov said, "during this attack, what happens to America's bombers in Europe and on their aircraft carriers—what we call the forward-based systems in SALT talks? Don't we know that at least 200 of them are on 15-minute alert, and can carry their nuclear weapons to our homeland in less than an hour?"

"We have two options," Perlshtein replied. "We could target those bombers with our medium-range missiles, wiping them out simultaneously with our attack on the American missiles. But this would mean destroying much of Western Europe, so we rejected that idea. No, we must assume that the president would be as reluctant to use these weapons as any of his others."

"Let me ask about the number of American missiles that might survive our attack," Antonov went on. "I gathered earlier that we assume that even if our attack goes very well indeed, we would miss 10 percent—about 100 missiles. Is that right?"

"Right," Perlshtein replied.

"And how did we arrive at that figure?"

"It's a mathematical probability, marshal. Our people say it is the sort of failure rate we could expect."

"Could it be 20 percent, or 30?"

"I don't know how to answer that, marshal. Ten percent is a hunch. Twenty percent could be another hunch."

"You mentioned that some American bombers would take off before we could destroy them on the ground. Wouldn't some of these bombers be the newly fitted type that can carry 20 of the most accurate cruise missiles? Wouldn't all of them at least carry potent bombs? What would happen to them?"

"Again, marshal, we have to assume that the president would decide not to use those weapons," Perlshtein replied.

"You'd also have to assume that there are no Dr. Strangeloves—wasn't that the name?" Kuznetsov interjected. "I mean, you have to assume that none of those American pilots would take it upon themselves to retaliate against the Soviet Union."

"Americans usually obey orders," Perlshtein replied.

"I should ask the same question about the Americans' submarines. You said, I believe, that there would be more than 20 of them hidden at sea during and after our attack, with more than 3,000 warheads?"

"Again," Perlshtein said, "we have to assume the president won't try to use them."

Perlshtein sat down and opened another bottle of Narzan, nodding toward Kuznetsov as he did so. The man from the Central Committee took the cue. He shuffled his notes and began to speak.

"My assignment, comrades, is to argue the weaknesses in the briefing you have just heard. Speaking frankly, I'm not certain that you need to hear any more arguments against this idea, but please permit me to add one or two new points, and then to summarize what Marshal Antonov has referred to as the technical challenges.

"All of us are familiar with the consequences of conventional warfare on a nation. The general secretary has already recalled the sufferings of our Motherland 40 years ago, from which we are still recovering. I would remind the group that we are talking about something quite different. Perhaps this is something I am especially well placed to discuss. On Comrade Khrushchev's instructions, I was present in July 1962 when we detonated the largest hydrogen bomb ever exploded—about 50 megatons.

Mr. CRANSTON. Mr. President, this month the final hearings on SALT will be held and, in all probability, the SALT II treaty will be reported by October 1 to the full Senate. I hope that during the remainder of these hearings attention is directed to several essential issues raised in the foregoing article by Messrs. Pincus and Kaiser. Some of these issues are:

First. The wisdom of tying defense expenditures to arms control: SALT II and defense spending are both important parts of our national security policy. Thus, each should be evaluated on the contribution it makes to our national defense independent of the other. After all, none of the defense challenges we face will be easier to solve without SALT; in fact, they will be harder to solve without SALT.

Second. The actual need for the MX and its effect on arms stability inasmuch as such a counter-force weapon will make the Russian ICBM force totally vulnerable: (Soviet ICBM's constitute 70 percent of their strategic forces; our ICBM's constitute only 30 percent of American strategic forces.)

Third. The need for a multiple aim point system or mobile missiles—whether it be the new MX "racetrack" basing mode, making the Minuteman III missiles mobile, or otherwise: If the United States makes its ICBM's mobile, what choice do the Soviets have other than to make their ICBM's mobile? And what will that do to verification?

Fourth. What is the real risk to the United States of the appearance or perception of a Soviet strategic force advantage or a Soviet capacity to engage in a strategic "surgical" strike or first strike? In fact, does perception of Soviet or U.S. strategic power affect the outcome of conflicts between Soviet and U.S. interests in other areas? Was this true in Iran? Or Angola? Or Afghanistan? Or in the Chinese-Vietnamese war? The list could go on. But I question the validity of this perception argument, both from a review of past United States-Soviet encounters and from a consideration of possible future encounters.

Fifth. Is the ICBM vulnerability a real or a mythical possibility? What are the realistic possibilities of the Soviets ever either conducting such a surgical first strike or being able to use the capacity to conduct such a first strike to their advantage in other areas of United States-Soviet conflicting interests?

The entire SALT debate to date, it seems to me, has tended to ignore the nature of these things called "strategic weapons." The fact is they are nuclear weapons of unprecedented and unimaginable power for death and destruction. The fact is that the human race has never possessed such means of self-destruction and nuclear contamination of all life on Earth. The application of conventional theories of war and defense to nuclear weapons appears to be an absurdity at worst, and highly dangerous and questionable at best.

As I listened to the low-keyed testimony of Mr. Nitze, Dr. Kissinger, and others about the prospects of limited nuclear war and the exchange of a first-strike by the Russians and a counter-strike by the United States, I noticed the lack of attention given to the scope of destruction and the magnitude of death involved. Nuclear weapons are new and unprecedented scientific creations, yet we continue to apply traditional and shopworn concepts of geo-politics and diplomacy in an effort to solve this unique problem: The actual capacity of two antagonistic nations to destroy each other as functioning societies. How, then, can anyone subscribe to a doctrine of "limited" nuclear war? Once the first nuclear warhead is launched, how likely is it, really, that there will be some stopping point short of holocaust? I believe the only sound doctrine is one of preventing any nuclear exchange.

This fundamental weakness in the "limited" war or surgical strike doctrine of the opponents and critics of SALT II

was the subject of an editorial in the New York Times for August 15, 1979, entitled "Arms Control Out of Control." Because this editorial also was published during the August recess, and because of the substantive import of the editorial, I ask that it be printed in full in the RECORD.

The editorial follows:

ARMS CONTROL OUT OF CONTROL

Whatever becomes of the second arms limitation treaty with the Soviet Union, one thing is now clear: it will not significantly limit arms.

It is better than nothing. The pressure for new weapons would be even greater without the treaty. But a decade of so-called arms control has contained neither the costs nor the risks of the nuclear arms race.

It has become fashionable to blame this on the Russians. While the United States has supposedly practiced weapons restraint, they are said to have built bigger and better nuclear arms—not violating past agreements but corrupting their spirit. That, however, is a debatable proposition. More obviously to blame for the buildup are the rapid changes in strategic technology and theory. Both have outrun diplomacy.

SALT I, for example, prescribed a limit on the number of missile launchers at the very time that both powers were making that number irrelevant by packing ever greater numbers of warheads into each one. Limiting the vehicles, because they were easily counted, turned out to be a crude and ultimately ineffective way of limiting their cargo.

More usefully, SALT I seemed at least to prohibit any effective defense. By outlawing antimissile missiles, it tried to guarantee that war would destroy both nations, no matter which fired first. The desired effect was to keep tens of millions of Russians and Americans hostage, a grander version of the primitive idea a generation ago that they send each other several thousand of their most respected citizens to discourage attack. But there has now appeared a new theory that even well-buried missiles might soon be vulnerable to a surprise attack that deprives the victim of the power to retaliate massively. A possibly overwhelming offense has thus been redefined as a useful defense.

And that doctrine, called counterforce, is fast eroding the fundamental concept of arms control—that weapons could be safely limited so long as nuclear war means certain suicide. In theory, at least, it seemed pointless to keep adding or perfecting weapons if there was no profit in ever using them. If war means the end of civilization, why waste money to make the end more luxurious? This concept no longer applies, many strategists contend, because Moscow rejected it. The Russians are said to be preparing not for suicide but for a war they could win. They don't even need such a war, it is said; the mere capacity to wage it would make them politically supreme.

But that, too, may be unfair to the Russians. There are in fact many Americans who hanker after precisely such a limited-war capacity. They think it is immoral to hold 100 million civilians hostage, and in any case dangerous to leave a President with no choice of waging war except at the price of national destruction. They want to be able to fight, or at least threaten, some nuclear war, more or less confined to so-called military targets. If this ambition prevails, there will be no end to the ambition for ever-better weapons and defenses. Any doctrine of limited nuclear war will have to mean virtually unlimited preparation for it.

And that is where SALT II, if ratified, and its attendant weapons build-up would lead—unless SALT III finally arrests the trend. It won't arrest the trend unless Moscow and Washington first recognize their failures and recommit themselves to the goal of genuine arms control. They need to prohibit weapons systems that keep alive the possibility of limited nuclear war. They need to reaffirm that they will leave their populations forever hostage to any nuclear exchange. There is no more morality—and much less practicality—in the idea that half a population might be saved, if the other half is regarded as expendable.

Mr. President, I submit that the foregoing article on Russian consideration of a nuclear first strike against our ICBM's, and the foregoing editorial concerning the present status of the SALT process, demonstrate that in the SALT debate to date we have yet to focus upon and appreciate the magnitude of the problem created by the capacity of nuclear arms for death and destruction. It may be too late to achieve any sort of meaningful nuclear arms limitation in SALT II, but it is not too late for this Senate to insist that SALT III result in a meaningful nuclear arms reduction agreement. To me, that is now the essential issue—not whether this Senate ratifies SALT II, but whether in the process of ratifying SALT II we can establish the essential foundation for SALT III. That foundation must be built on a doctrine of preventing any nuclear war. The doctrine of limited nuclear war espoused by the critics and opponents of SALT II must be rejected: any such doctrine means virtually unlimited preparation for such an impossible and unacceptable event.

The treatymaking power—and responsibility—is vested both in the President and the Senate. I submit that in negotiating and signing SALT II the executive branch of Government may not have achieved any genuine arms control but it has taken a modest and essential step toward that goal. It is now up to this Senate, and each Member of this Senate, to ratify that modest but essential step and to require the executive branch to proceed to genuine arms control in SALT III.

That is the task remaining before us. I believe that the merit of the Senate as an institution will be measured by whether the Senate meets that task. And I believe that the merit of each of us as Senators will be so measured.●

PROPOSED LONDON CONFERENCE ON ZIMBABWE

○ Mr. BAUCUS. Mr. President, I wish to applaud the diplomatic efforts which have led to the proposed London Conference on Zimbabwe. As all the world is painfully aware, Zimbabwe has been wrenched apart by civil turmoil for many years. There have been times when the prospect for a fair and permanent end to that country's upheaval have looked grim indeed. There have been times of bitter disappointment and hostile accusation. There have been times when an escalation of the bloody and divisive civil war seemed the only gloomy outcome possible. It is an unfortunate truth that the steady deteriorating situation in Zimbabwe has led much of the world to nearly despair of a peaceful situation.

But now there is reason to hope. Mr. President, today a solution is possible. The recent Commonwealth Conference held in Lusaka, Zambia, resulted in a dramatic and encouraging about-face. All the disputing parties are understandably weary of the bitter civil war and have agreed to meet in London on September 10 to try to resolve some very profound differences. While there is no guarantee they will be completely successful, it is encouraging that all the participants are eager and willing to accept the challenge of negotiating in the spirit of compromise.

The London Conference will bring together the three crucial negotiating parties: the Patriotic Front; Bishop Muzorewa's Internal Settlement Government; and Great Britain. Bringing these three together represents a unification which can bear forth the fruit of peace so long hoped for.

But make no mistake about it, participants have a difficult task ahead of them. Among the many crucial areas confronting the negotiators is the fundamental necessity of bringing about genuine black majority rule in Zimbabwe. This rule involves drafting a new constitution which allows for free and democratic elections. At the same time, the participants know that it is essential that the safety of the minority in Zimbabwe be protected as well.

Accordingly, I believe the U.S. Government, as well as other nations, should not interfere in the proceedings of the London Conference. Truly, this is a matter of world concern, but it is a problem these parties must resolve within themselves. At present, they are best able to find the means for black and white to live together. Still, I think I speak for my colleagues in expressing my enthusiastic support of the Conference.

Zimbabwe is on a new and promising road to peace. Without a new constitution and subsequent election of a black majority government however, Zimbabwe is sure to suffer economic chaos and increasing isolation from the rest of the global community. There is reason for concern, and there is reason to encourage and expect a fruitful and positive conference in London on September 10.●

THERE'S NO SUCH THING AS WAGE STABILITY

● Mr. DOLE. Mr. President, next month the Council on Wage and Price Stability is expected to raise the percentage pay increase that it deems consistent with the administration's wage-price guidelines. Since the Council now has a standard of 7 percent and inflation is pushing past 13 percent for this year, it is admirable that the Government should consider allowing American workers to make up a bit of what they will lose to inflation this year. If the administration had an effective anti-inflation program, perhaps they would be so generous as to allow wage earners to break even with inflation.

Of course, many salaries are going up more than the wage guidelines suggest, and many taxpayers will keep pace with inflation this year. At least they will

believe that they have. But these taxpayers will not have reckoned with the U.S. Treasury which is going to make certain that they will not maintain their earning power. Many citizens were dismayed that last year Congress voted an income-tax cut but at the same time raised social security taxes. They should be more dismayed to know that every year they keep pace with inflation, they pay more taxes.

This is so because the tax brackets, the zero bracket amount, and the personal exemption are set in fixed dollar terms. Every year the real value of those dollar terms declines, and individuals with modest earning power end up paying taxes at rates originally designed for upper incomes. In periods of inflation, our progressive tax structure automatically increases the tax burden through "bracket creep." That is why the concept of wage stability has little meaning for our citizens. Wage increases which match inflation cannot protect the taxpayer's purchasing power because his tax burden will automatically increase.

Mr. President, this is unfair and unnecessary. It is deceptive for the Government to encourage the belief that wages can really keep up with inflation when there is a tax penalty for doing so. There is a simple cure for this injustice. The Senator from Kansas has introduced legislation which would adjust the tax brackets, zero bracket, and personal exemption to reflect the increase in the consumer price index for the previous year. These adjustments, which are easy to make, would guarantee that tax rates correspond to real income, not to the nominal dollar value of inflated income. It would not stop the Government from raising or lowering taxes, but it would compel the Government to tell the people exactly what it is doing.

Mr. President, our rate of inflation is unacceptable, and the Senator from Kansas will do everything in his power to return the Nation to the path of economic stability. But so long as our Government fails to get a grip on inflation, it is unjust for that same Government to benefit from its failure and receive automatic increases in revenues. Indexing the income tax for inflation would keep the Government honest and would be the most meaningful tax reform that Congress could undertake. The Senator from Kansas urges that Congress and the administration adopt indexing of the income tax in recognition of the Government's obligation to play fair with our citizens. It may even restore some meaning to the concept of wage stability.●

OVERSIGHT HEARINGS OF THE SMALL BUSINESS ADMINISTRATION

● Mr. NELSON. Mr. President, the Senate Select Committee on Small Business has planned an extensive series of oversight hearings on the Small Business Administration and its programs. Various Senators have agreed to chair these hearings.

Mr. President, I ask that a table showing the date, place, time, subject matter, and chairing Senator be printed in the RECORD.

Mr. President, it should be noted that these hearings are subject to change. More detailed information may be obtained by calling the committee offices at 224-5179.

The schedule follows:

Date, time, Senator, issue, and place:

September 7, 9:30, Huddleston, Energy, 424 Russell.

September 11, 9:00, Huddleston, Energy, 424 Russell.

September 12, Sasser, 501, 502 Local Development Company Program, 424 Russell.

September 18, Baucus, SBA Loan Oversight, 424 Russell.

September 19, 9:00-11:00, Baucus, SBA Loan Oversight (Losses in 7(a) program), 5302 Dirksen.

September 20 or week of September 24? Culver?, SBA Mgt. Assistance, 424 Russell.

September 25, Stewart, Export Assistance, 424 Russell.

September 26, Huddleston, Energy, 424 Russell.

September 27, Stewart, Health Care, 424 Russell.

September 28, Levin, Export Assistance.

October 2, 9:30-11:30, Huddleston, Mission SBA Advocacy, 424 Russell.

October 3, Huddleston, Mission SBA Advocacy, 424 Russell.

October 3, Morgan, Export, 457 Russell.

October 4, Morgan, Procurement.

October 4, Stewart, SBA Mission, 424 Russell.

October 5, Morgan, Procurement, 424 Russell.

October 16, Morgan/Pressler, Media concentration, 424 Russell.

October 17, Morgan/Pressler, Media concentration, 424 Russell.

October 18, Levin/Weicker, Privacy, 424 Russell.

October 19, Levin/Weicker, Privacy, 424 Russell.

October 23, Stewart, Economic Policy, 424 Russell.

October 24, Stewart, Economic Policy, 424 Russell.

October 25, Stewart, Economic Policy, 424 Russell.

October 26, 8:30-10:30, Baucus, Economic Policy Capital Formation.

October 27, 9:30, Huddleston, Energy, 424 Russell.

Week of November 12, 9:30, Nelson, SBA Surety Bond GAO Analysis, 424 Russell.●

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. The Chair will advise the Senator none at this time.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FEDERAL COURTS IMPROVEMENT ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senate now proceed to the consideration of Calendar Order 324, S. 1477.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

Calendar Order No. 324, S. 1477, a bill to provide for improvements in the structure and administration of the Federal courts, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with amendments.

ORDER TO RESUME CONSIDERATION OF S. 1477 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of the orders for the recognition of the two leaders or their designees tomorrow the Senate then resume consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in tomorrow at 9:30 a.m. The two leaders will be recognized under the standing order, and then the Senate will proceed to the consideration of S. 1477, Calendar 324.

There will be rollcall votes in connection with that measure. The bill is under a time agreement. Mr. BUMPERS has an amendment which I believe will consume 4 hours. How much of those 4 hours will be required remains to be seen. But rollcall votes will undoubtedly occur on tomorrow.

I would hope that the Senate could complete action by 3:30 p.m. tomorrow.

RECESS UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 tomorrow morning.

The motion was agreed to; and at 7:04 p.m., the Senate recessed until Friday, September 7, 1979, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, September 6, 1979*

The House met at 10 a.m.

Rev. Paul Lewis Brooks, First Baptist Church, Marianna, Fla., offered the following prayer:

Almighty God, our heavenly Father, I thank You that I am an American. I thank You for our democratic form of Government so splendidly expressed on this Hill and in this Chamber. For these men and women who pilot our Nation, I ask three things: Grant them wisdom to lead us, character to inspire us, and courage to govern us. In Jesus' name I pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REV. PAUL LEWIS BROOKS

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, I am honored to have as my guest today the Reverend Paul Lewis Brooks, pastor of the First Baptist Church of Marianna, Fla., his lovely wife Becky, and their children Sean, Mark, and Rachel.

The Reverend Brooks has previously served in churches in Vicksburg and Greenville, Miss. In delivering our opening prayer today, I wish to commend his inspirational words to my colleagues as a guidance not only for our deliberations but for the conduct of our daily lives.

We are proud of the great work that Reverend Brooks is doing. I am pleased that my parents are members of his church.

THE LATE HONORABLE JOHN L. McMILLAN

(Mr. DAVIS of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of South Carolina. Mr. Speaker, it is my sad duty to announce to this House the death of our former colleague, the late Honorable John L. McMillan, who died on Monday, September 3, in Florence, S.C.

John McMillan was elected to Congress in 1938 and served the people of the Sixth District of South Carolina in this body until 1972, a period of 34 years. For 22 of those years, he served as chairman of the House District Committee. In that period before the enactment of home rule for the District of Columbia, he was often regarded by friend and foe alike as the unofficial "Mayor" of Washington.

John McMillan served the people of his district and his Nation with honor, with ability, and with distinction. I am proud to have known him and I am proud that my time in this body coincided, however, briefly, with part of his own term of office.

The funeral services will be held at Central United Methodist Church in Florence on Friday, September 7. I know that my colleagues join with me in expressing profound sorrow to his widow, Margaret, and his son, Johnny.

GENERAL LEAVE

Mr. DAVIS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable John L. McMillan.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

MAYBE WE SHOULD SUSPEND SALT II UNTIL THE RUSSIANS ADOPT THE ENGLISH LANGUAGE, TOO

(Mr. CARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARR. Mr. Speaker, linking SALT II to the presence of Russian combat troops in Cuba has to win the Dumb Award for 1979.

What is the danger posed by these troops? Nobody can say. Whom do they threaten? Nobody can say that either. Could it be we are afraid they will create a Communist government in Cuba?

And if this nonidentifiable danger is of such cosmic significance, how can it be that its effect is, to this very day, imperceptible? Apparently we have chugged along for some years—perhaps for a decade—in complete ignorance of the presence of these troops, and what we did not know did not hurt us. Now that we know about them, it appears they have considerable power to hurt us by somehow provoking us into statements of higher stupidity.

Mr. Speaker, yesterday Henry Cabot Lodge said of this nonissue:

> I don't think it has a direct bearing on SALT II. All we have to do is look at the alternative of no SALT II. That's a convincing enough argument.

Apparently, Ambassador Lodge is more rational than the entire other body combined.

CIVIL DEFENSE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, the devastation of Hurricane David along the eastern coast is a grim reminder for the need of upgrading the multipurpose civil defense program in our Nation. The purpose of civil defense is to protect our population, to protect it from hurricanes, tornadoes, floods, nuclear accidents like the one at Three Mile Island and, of course, the protection in the event of an enemy attack.

Soon we will have an opportunity to adopt a stronger civil defense program at a reasonable funding level with an amendment that I will offer to the defense authorization bill. In addition, this amendment will make civil defense a part of our Nation's strategic defensive planning. I urge the adoption of this measure to give our country a much-needed strong civil defense.

OFFICIAL PICTURES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I send to the desk a resolution (H. Res. 401) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 401

Resolved, That at a time designated by the Speaker, the United States Capitol Historical Society shall be permitted to take official pictures of the House while in actual session for inclusion in the new editions of "We the People" and "The Capitol". The pictures shall also be available for legitimate nonprofit news and educational purposes.

The SPEAKER pro tempore. (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. WRIGHT. Mr. Speaker, I do not think it is necessary to take any time. This is a routine authorization that the House normally gives, permitting the Capitol Historical Society to take pictures of the House in actual session for inclusion in these publications.

It is tentatively planned, subject to the Speaker's change, that this picture would be taken on Wednesday, September 19.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, the gentleman implies, by the offering of the resolution, that permission of the House is required to take still photographs of our session and proceedings.

The House has previously granted permission for the televising of our proceedings by directing the Speaker to make those available. Do I infer from this resolution that any change in the televised proceedings of the House will also require the concurrence of the House?

Mr. WRIGHT. Mr. Speaker, I am not sure that I can respond to that. Any major change, I feel, would require the concurrence of the House. I believe the Speaker has made comments to that effect. This immediate resolution, as the gentleman is aware, does not affect televising of the House but, rather, lets the Members be on notice that they might expect an official photograph at the appropriate time.

Mr. BAUMAN. Certainly the gentleman from Texas will show up nicely in the picture, based on his past appearances.

Mr. WRIGHT. The gentleman would certainly hope so.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 11, answered "present" 1, not voting 62, as follows:

[Roll No. 441]

YEAS—360

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—11

Bauman
Edwards, Calif.
Jenrette
Lloyd
McDonald
Mitchell, Md.
Myers, Ind.
Paul
Snyder
Symms
Wilson, Bob

ANSWERED "PRESENT" 1

Mikulski

NOT VOTING—62

Ambro
Andrews, N.C.
Applegate
AuCoin
Beard, Tenn.
Bellenson
Boggs
Bonker
Burton, John
Carter
Chisholm
Collins, Ill.
Diggs
Dingell
Dixon
Dodd
Dougherty
Duncan, Oreg.
Eckhardt
Findley
Flood
Ford, Mich.
Giaimo
Goldwater
Hagedorn
Hansen
Heckler
Hinson
Hollenbeck
Holt
Hughes
Hutto
Ireland
Jeffries
Johnson, Colo.
McDade
McEwen
Madigan
Mathis
Miller, Calif.
Moffett
Pepper
Peyser
Ritter
Rodino
Rosenthal
Rousselot
Roybal
Santini
Seiberling
Simon
Smith, Iowa
Spellman
Stark
Swift
Treen
Vander Jagt
Waxman
Weaver
Wilson, C. H.
Wolff
Young, Alaska

□ 1020

Mr. ALBOSTA changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4473, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, September 5, 1979, the Clerk had read through line 12 on page 23.

Mr. BEDELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the bill, H.R. 4473, the fiscal year 1980 Foreign Assistance Act. As with nearly every piece of legislation, there are certain provisions of this measure which are disturbing. Particular aspects of the bilateral assistance contained in this bill greatly concern me, especially that assistance provided to the Philippines.

H.R. 4473 would appropriate $25 million for grant military assistance funding (MAP), $700,000 in international education and training, and $50 million in military credit sales for the Philippines. As such, it is a clear statement of support for the current Marcos government in the Philippines, an act which effectively legitimizes Mr. Marcos' rule.

The justification given for U.S. bilateral assistance of this type to the Philippines is that it is in the best national interests of the United States to preserve its presence in that country in order to

maintain the geopolitical balance in Southeast Asia. The recent renegotiation of the base agreement between the United States and the Philippines paved the way for this assistance, and it is now claimed that the United States must honor its obligations to a faithful ally.

I would be the first to admit that the United States and Filipino peoples have a bond of friendship that goes back many years and that is deserving of extra consideration. That is all the more reason for the concern that I have about the present government in the Philippines and the implications for its continued support.

Stated very simply, it does not appear to me that the Marcos regime is moving toward democratic rule. The elections of a year ago destroyed any hope of the people that such a change might occur. In a trip to the Philippines after that election I found almost everyone agreeing that these elections were not free elections. For that, reason, there is great unrest in the country.

During my stay in the Philippines this year, I also visited with people who were in prison. Some of these people had been in prison anywhere from 7 to 9 years, never having been accused, much less convicted, of any crime. These people were being tried under military courts rather than civilian courts, in which it was plain they should be tried. This situation needs to be rectified.

Because it is not in the long-term national interest of the United States to associate itself with a government which refuses to meet the fundamental needs of its people I would hope that Congress not approve the funds to the Philippines called for in this legislation. I believe such an action should be taken in order to signal American disapproval of the human rights violations taking place under the repressive Marcos regime and will help to end any legitimacy the United States has lent this regime through our bilateral assistance.

In saying this, it is important to note a critical difference between multilateral and bilateral aid. Bilateral aid may be cut to specific countries without affecting U.S. aid programs to any other country. However, this is not the case with multilateral aid. It is imperative that the United States not restrict the banks' use of funds to any particular country because in effect it would take the United States out of the banks totally. This is very simply due to the provision in the charter of the banks that prevents them from accepting funds that are restricted in such a manner.

In conclusion, then, Mr. Chairman, I continue to have severe reservations about the advisability of bilateral U.S. military assistance to the Philippines, as well as to any other government that consistently violates its citizens' basic rights. I believe that H.R. 4473 would be greatly improved if the funding for such assistance was deleted.

Thank you.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 23, after line 12, insert the following section:

SEC. 527. Of the total budget authority provided in this Act, for payments not required by law, 5 per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed 10 per centum, and *Provided further*, That this reduction shall not apply to the appropriation in this Act for Israel and Egypt.

□ 1030

Mr. MILLER of Ohio. Mr. Chairman, this is the standard reduction amendment that I have offered on so many of the appropriation bills. In this case we are facing reality. First of all, it is a 5-percent reduction that would reduce the bill $265 million, with no line item being reduced more than 10 percent. This means, of course, that the high-priority items would not need be reduced at all. It does one other thing. It exempts Israel and Egypt, because the forces within the Congress are not going to let any amendment be approved that will reduce funds for Israel and Egypt. Therefore, we would have a $265 million reduction if the 5-percent reduction is made with exemptions.

The bill at the present time is approximately $30 million over the committee recommendation because of the increases that have taken place here on the House floor, primarily the refugee assistance increase from $249 to $456 million.

If the 5-percent reduction is made, the bill will still be $204 million higher than it was when it first came to the House floor. When we have this $532 billion fiscal year 1980 budget and a $887 billion debt, and we are paying about $144 million a day interest on that debt, it is time for us to take a look at where we can cut back, and we certainly can cut back at this point.

We have people around the world who are loaning us money. I have given this on the floor before, and I think it is important enough that we convey the message as to where we stand now. West Germany has received $4.9 billion from us in aid, and they are today loaning us $41 billion for our national debt. Forty-one billion dollars of their money we borrow from them, and in addition to that, last year we paid them $2.2 billion interest on that money we borrowed. Denmark, Finland, Italy loan us money. Here is one. There is no doubt about it. The gentleman from Maryland (Mr. LONG) and the gentleman from Florida (Mr. YOUNG) have worked hard on this bill attempting to do what is right. Some of the rest of us not on that particular subcommittee should also have an opportunity to have input.

We have heard how we must help India. To some degree we need to help India. But let us take a look at what is going on there. Would you believe that we have assisted India to the tune of $9.9 billion? Would you believe that we have borrowed and we now have $682 million of India's money that we are using to pay our national debt?

We have given, under the Foreign Assistance Act, $3.9 billion to Japan. We have now $28 billion of their dollars paying our national debt. In other words, we owe it to them. They have purchased our Government Treasury securities, $28 billion worth, and last year we sent them $1.7 billion interest on that $28 billion. I will insert this material in the RECORD at this point:

Public debt

[In billions of dollars]

1958	279.7
1959	287.8
1960	290.9
1961	292.8
1962	303.3
1963	310.8
1964	316.8
1965	323.2
1966	329.5
1967	341.3
1968	369.8
1969	367.1
1970	382.6
1971	409.5
1972	437.3
1973	468.4
1974	485.2
1975	544.1
1976	631.9
1977	709.1
1978	780.4
1979 estimate	839.3
1980 estimate	899.0
1981 estimate	940.3
1982 estimate	951.9

ESTIMATED TOTAL FOREIGN HOLDINGS OF MARKETABLE AND NONMARKETABLE TREASURY BILLS, NOTES, AND BONDS REPORTED BY BANKS AND BROKERS AS OF SELECTED YEARENDS 1976, 1977, AND 1978

[In millions of dollars]

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 [1]
Europe:			
Austria	157.1	130.3	52.2
Belgium-Luxembourg	1,137.5	1,211.4	742.1
Denmark	215.5	590.0	1,474.1
Finland	36.4	74.6	49.8
France	3,044.0	3,345.1	6,490.1
Germany	22,275.5	26,001.0	41,086.6
Greece	60.1	75.3	95.1
Italy	1,640.2	4,796.9	3,965.0
Netherlands	2,256.4	2,503.3	2,164.3
Norway	532.9	632.7	791.2
Poland		.6	.7
Portugal	2.4	.2	.3
Spain	1.5	2.2	2.2
Sweden	1,343.1	2,208.6	2,600.3
Switzerland	5,082.3	7,352.9	14,474.1

Footnotes at end of table.

ESTIMATED TOTAL FOREIGN HOLDINGS OF MARKETABLE AND NONMARKETABLE TREASURY BILLS, NOTES, AND BONDS REPORTED BY BANKS AND BROKERS AS OF SELECTED YEARENDS 1976, 1977, AND 1978—Continued

[In millions of dollars]

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 [1]
EUROPE—Continued			
Turkey	(2)	(2)	(2)
United Kingdom	1,125.1	12,070.6	6,344.3
U.S.S.R.			
Yougoslavia	13.1	9.0	27.1
Other Europe	448.8	489.9	283.5
Total, Europe	39,381.9	61,584.6	81,043.0
Canada	3,446.7	2,334.8	2,510.0
Latin America and Caribbean:			
Argentina	57.1	15.6	.9
Bahamas	13.5	13.4	4.0
Bermuda	14.1	(2)	19.1
Brazil	5.1	2.4	.3
British West Indies	4.0	6.2	12.6
Chile	.2	.3	2.2
Colombia	231.3	483.1	333.6
Cuba			(2)
Ecuador	5.1	18.6	8.5
Mexico	27.9	25.8	27.4
Netherlands Antilles	125.2	176.6	180.0
Panama	22.7	13.7	15.8
Peru	(2)	2.1	(2)
Trinidad and Tobago		17.1	
Uruguay	.1	(2)	(2)
Venezuela	545.5	490.7	153.0
Other Latin America and Caribbean	146.5	157.2	83.0
Total, Latin America and Caribbean	1,198.3	1,422.9	841.0
Asia:			
China:			
Mainland	(2)	(2)	(2)
Taiwan	258.2	211.6	24.8
Hong Kong	152.9	201.3	221.4
India	451.5	774.5	682.7
Indonesia	96.1	128.4	69.0
Israel	3.6	9.1	(2)
Japan	12,397.3	18,633.1	28,864.0
Korea	30.7	436.7	450.1
Lebanon	(2)	(2)	.2
Malaysia		244.9	190.8
Pakistan		41.9	12.4
Philippines	10.2	30.3	12.0
Singapore	594.2	696.7	622.4
Syria			
Thailand	233.5	234.7	356.4
Middle East oil-exporting countries	9,765.8	13,483.9	10,837.7
Other Asia	418.8	75.1	71.2
Total, Asia	24,452.8	35,202.2	42,415.1
Africa:			
Egypt	1.4	75.4	36.9
Ghana		(2)	12.8
Liberia			1.2
Morocco			
South Africa	18.8	46.8	53.6
Zaire	6.2	7.8	10.1
African oil-exporting countries	1,246.8	1,005.7	1,585.2
Other Africa	108.1	101.8	45.3
Total, Africa	1,381.3	1,237.5	1,745.1
Other countries:			
Australia	1,566.7	734.0	447.2
All other	27.0	21.6	8.0
Total	1,593.7	755.6	455.2
Total, foreign countries	71,454.7	102,537.6	129,009.4
International and regional:			
International	5,570.2	5,319.6	5,251.0
European regional			2.7
Latin American regional	135.6	103.3	51.7
Asian regional	5.4	8.9	.2
African regional	23.1	20.0	17.2
Total, international and regional	5,734.3	5,451.8	5,322.8
Grand total	77,189.0	107,989.4	134,332.2

[1] Preliminary.
[2] Less than $500,000.

Source: Department of the Treasury, OASEP/EI/EIS.

ESTIMATED INTEREST PAYMENTS ON FOREIGN HOLDINGS OF PUBLIC DEBT SECURITIES, CALENDAR YEARS 1975–78

[In millions of dollars]

	1975 interest	1976 interest	1977 interest	1978 interest
Argentina	1.5	5.5	5.5	12.0
Australia	158.5	85.5	64.5	39.0
Austria	12.0	8.5	8.0	9.0
Belgium	115.5	59.5	71.5	71.0
Canada	238.0	228.0	171.0	144.5
Denmark	15.5	18.5	40.0	77.5
France	270.0	207.5	174.0	346.0
West Germany	1,391.5	1,329.5	1,435.5	2,214.5
Italy	69.5	32.0	144.5	288.0
Japan	604.0	659.5	779.5	1,739.5
Mexico	2.0	3.0	1.5	2.0
Netherlands	174.0	121.0	131.0	188.5
Norway	20.0	27.5	36.0	61.0
Spain	(1)	(1)	(1)	(1)
Sweden	108.5	109.0	92.0	183.5
Switzerland	237.5	263.5	274.0	607.0
Thailand	8.5	6.5	14.0	18.5
United Kingdom	108.0	71.0	387.5	624.5
Oil producing countries	300.0	600.0	791.5	874.0
International	136.0	241.0	288.5	332.5
All other	279.0	182.0	295.5	364.5
Total [2]	4,250.5	4,258.5	5,205.5	8,198.5

[1] Less than $500,000.

[2] Totals may not add due to rounding.

FOREIGN HOLDINGS OF U.S. DEBT SECURITIES

[In billions of dollars]

Type of instrument	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 [1]
Nonmarketable:			
Bills and certificates of indebtedness:			
Dollar	1.7	1.7	7.0
Foreign currency			
Total	1.7	1.7	7.0
Bonds and notes:			
Dollar	19.1	19.3	20.6
Foreign currency	1.5	1.2	1.9
Total	20.6	20.5	22.5
Marketable:			
Bonds and notes [2]	15.8	38.0	43.3
Bills	39.1	47.2	61.5
Total	54.9	85.8	104.8
Total	77.2	108.0	134.3

Type of instrument	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 [1]
Official holdings	70.2	108.5	126.1
Banks and other foreigners	1.3	1.8	2.9
International and regional organizations	5.7	5.7	5.3
Total	77.2	108.0	134.3

[1] Preliminary.
[2] Data represents estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 yr. Data are based on a benchmark survey as of Jan. 31, 1977, and on monthly transactions reports submitted by banks and brokers in the United States.

Source: Department of the Treasury.

FOREIGN HOLDINGS OF FEDERAL DEBT

[In billions of dollars]

Fiscal year	Interest on debt held by public: Total	Interest on debt held by public: Foreign
1965	9.8	0.5
1966	10.4	.5
1967	11.6	.6
1968	12.6	.7
1969	14.1	.7
1970	15.6	.8
1971	16.3	1.3
1972	16.6	2.4
1973	18.5	3.2
1974	22.4	4.1
1975	24.7	4.5
1976	28.7	4.4
Transition quarter	7.6	1.2
1977	33.0	5.0
1978	38.2	7.9

INTEREST

[In millions of dollars]

Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget authority:					
Interest on the public debt	48,695	50,800	65,700	68,000	67,000
Other interest:					
Interest on refunds of tax collections	317	321	326	332	337
Interest on loans to the Federal Financing Bank	−2,748	−4,101	−5,504	−5,653	−5,673
Other	−2,297	−3,255	−3,500	−3,552	−3,521
Subtotal, other interest	−4,728	−7,035	−8,679	−8,873	−8,857
Total, budget authority	43,967	52,765	57,021	59,127	59,143

Mr. Chairman, I would request an "aye" vote on the amendment.

AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. OBEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio: On page 23, after line 12, insert the following:

"SEC. 527. Of the total budget authority provided in this Act, except for payments required for law two percentum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, except for payments required by law, the amount withheld shall not exceed five per centum."

Mr. OBEY. Mr. Chairman, there are two distinct differences between this amendment and the amendment offered by the gentleman from Ohio. His amendment cuts 5 percent except it exempts Israel and Egypt, which means in fact that the cuts for all countries except Israel and Egypt would have to be significantly larger than the 5-percent cut, which on the surface appears to be the amount by which most items would be cut under the gentleman's amendment. My amendment simply substitutes for that a 2-percent cut across the board, period, and it makes no exemption for Israel and Egypt. I do so for two reasons.

No. 1, I do not think it makes much sense, frankly, for our foreign aid bill to become a captive of one region of the world. I do not believe that it is justifiable to provide an exemption, for instance, for Israel when Israel is receiving under this bill a per capita aid of $500 per person—in other words, in this bill there is contained enough money for $500 for every man, woman, and child in the State of Israel—while, the gentleman's amendment is trying to carve out way over 5 percent in cuts for countries whose per capita income is less than half of the amount on a per capita basis which this bill is providing in aid alone to Israel.

Most of the countries who will receive aid under this bill have a per capita income of less than $200 a year—a year. That is less than 1 week's check of a United Auto worker in this country—$200 per year.

This bill has already been cut $17.7 million in the IDB, $145 million in the IBRD, $5.8 million in the IDA IV, $4 million in the ADB, $4 million for UNDP, and $12.2 million for Panama—which, ironically, is the only country which defended us yesterday at the conference in Cuba.

I would just suggest to the Members that this bill is now $1.4 billion, 15 percent, below the President's budget.

□ 1040

You have had your chance to cut, you have had your pound of flesh and you have had it again and again, but do not seriously ask us, do not seriously ask us to further gouge the aid for the poorest countries in the world while you exempt the richest countries in the bill from sharing that shortage.

This is typical of what happens in this Congress. Time and time again we ask for belt tightening, but the belts that get tightened are not usually the belts around the fattest bellies. That happens domestically and it happens internationally as well. It is not moral. It is not moral for the Congress to proceed in this kind of direction.

This bill, despite all the misapprehensions about it, costs the average person in this country about the cost of a martini a week and I would suggest to you that we can afford it. Morally we cannot afford not to meet that obligation. In the interest of offending our own American national needs we cannot afford not to meet that obligation.

I would urge you to adopt the substitute I have offered to the gentleman's amendment.

Mr. LONG of Maryland. Mr. Chairman, I make a point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate the proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1050

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the Obey substitute.

Mr. Chairman, I rise in opposition to the Obey substitute, as well as to the Miller of Ohio amendment.

The purpose of the Obey amendment is to try to head off the 5-percent cut and to try to get some additional support by making this apply to the Middle East. That would be a great mistake. We should fund the treaty, provide the kind of money that Israel and Egypt are going to need to defend themselves. They both have more powerful enemies in that part of the world with troops and weaponry that far exceed what Israel has. To start cutting down on the Middle East situation undermines our treaty and opens the door to future cuts.

I would hope very much we could stop this now. I am asking you to put a finger in the dike. I hope you will vote down the Obey amendment then after that please vote down also the Miller of Ohio amendment.

□ 1100

AMENDMENT OFFERED BY MR. MILLER OF OHIO TO THE AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio to the amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio: In line 2, in lieu of "two per centum" insert "five per centum".

In line 6, in lieu of "five per centum" insert "ten per centum".

The CHAIRMAN. The gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Chairman, I will not take the 5 minutes.

We are very much aware of what took place a few minutes ago and what we have before us. We have the first amendment that was offered, my original amendment, which is a 5-percent reduction, but exempting Israel and Egypt. That would amount to approximately $265 million.

The gentleman from Wisconsin (Mr. OBEY) offered a substitute for the amendment for 2 percent and would not exempt Israel and Egypt. That would amount to approximately $165 million.

The amendment that I have offered now to the substitute is the 5-percent amendment as originally drafted, giving us the amount in the original amendment, but it does not exempt Israel and Egypt because the gentleman from Wisconsin conveys the message that we are

allowing Israel and Egypt to be home free without a reduction.

So this gives the House an opportunity to reduce by 5 percent overall or at least on those items that are of low priority.

That is where we stand at the present time. That would include about $104 million additionally over and above the amount that was reduced in the original 5-percent amendment that I offered. So that $265 million plus the $104 million now would total $369 million. That is the reduction in the amendment that is before us at the present time.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the chairman of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, I would like to get an understanding of the gentleman's position because I could not quite hear it.

As I understand it, the gentleman's amendment really basically modifies the gentleman's original amendment to make the cut apply to Israel and Egypt?

Mr. MILLER of Ohio. That is correct.

Mr. LONG of Maryland. Is that correct?

Mr. MILLER of Ohio. That is absolutely correct.

Mr. LONG of Maryland. Mr. Chairman, of course, I oppose that amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I know the gentleman has already given us the information, but I would like to get it again so I may be sure I understand it correctly.

The amount by which the gentleman's amendment reduces aid to Israel is what?

Mr. MILLER of Ohio. About $104 million.

Mr. OBEY. $104 million?

Mr. MILLER of Ohio. Yes, for Israel and Egypt.

Mr. OBEY. Israel and Egypt?

Mr. MILLER of Ohio. That is correct.

Mr. OBEY. What would be the figures for each country?

Mr. MILLER of Ohio. It is $104 million in total, with $37.5 million for Egypt and $66.7 million for Israel.

Mr. OBEY. Mr. Chairman, I thank the gentleman.

Mr. MILLER of Ohio. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. M'HUGH TO THE AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. McHUGH. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. McHUGH to the amendment offered by Mr. MILLER of Ohio:

Strike out "five" appearing in the first sentence and insert in lieu thereof "two".

Strike out "ten" appearing in the second sentence and insert in lieu thereof "five".

After the word "Act," appearing in the first sentence, insert the following: "except for the appropriation for Israel and Egypt, and the appropriations entitled 'Agriculture, rural development, and nutrition, Development Assistance', 'Health, Development Assistance', 'Migration and refugee assistance', 'United States emergency refugee and migration assistance fund', 'Assistance to African refugees', and 'International disaster assistance',".

Delete the last proviso in the amendment dealing with the exception for Israel and Egypt.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman. I reserve a point of order on the amendment, and I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, as read, the amendment did not indicate to which Miller amendment now pending this amendment is being offered.

The CHAIRMAN. The Chair will state that it would only be in order to one amendment.

Mr. BAUMAN. I will ask the Chair as to whether the amendment is properly drafted.

The CHAIRMAN. The amendment is properly drafted. It is an amendment to the original Miller amendment.

Mr. BAUMAN. The original amendment?

The CHAIRMAN. The gentleman is correct.

Mr. BAUMAN. I thank the Chair.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) reserve a point of order on the amendment?

Mr. BAUMAN. No, Mr. Chairman.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) withdraws his reservation.

The gentleman from New York (Mr. McHUGH) is recognized for 5 minutes.

Mr. McHUGH. Mr. Chairman, let me say at the outset that I am opposed to any across-the-board cut, whether it is on a foreign operations appropriation bill or any other bill, because I think an across-the-board cut adopted on the floor is generally irresponsible.

We have now cut this bill about $1.4 billion, a substantial reduction in the administration's budget request. We have done that after considerable hearings in committee, we have done it in the markup process, we have done it in the full Committee on Appropriations, and we have done it here on the floor. In each case we have done it by considering a specific cut to a specific account and for reasons which were well stated.

An across-the-board cut makes no distinction whatsoever between the good programs and the bad programs. It makes no distinction between priorities which are important to this country and its foreign policy and matters which are less critical. Such an amendment is a blunderbuss approach, and I have heard Members on both sides of the aisle speak eloquently against across-the-board cuts offered to other bills. I think especially of the gentleman from Illinois (Mr. MICHEL), the distinguished minority whip, who on other occasions has spoken against these amendments, and I think his opposition to them has been well stated.

Accordingly, I hope the Members will reject both the 5-percent and the 2-percent cut. However, if the Members for whatever reason, political or otherwise, think it is necessary to adopt an across-the-board cut, I certainly think it should be a 2-percent cut. That is less irresponsible, in my judgment, than the original Miller amendment providing for a 5-percent cut.

If we adopt an amendment for a 2-percent cut, it seems to me important that we try to make some distinctions on priorities, that we exempt those things which are absolutely critical to our foreign policy.

Mr. Chairman, that is what my amendment to the Miller amendment would do. In addition to reducing the cut to 2 percent, my amendment would exempt those programs which we believe are most important. Specifically, my amendment would exempt from an across-the-board cut the appropriations for the Middle East, a region of extreme sensitivity in which we have vital interests.

□ 1110

It would also exempt health and nutrition accounts which attempt to deal with the most pressing problems of the poorest people in the world.

My amendment would also exempt refugee assistance. None of the across-the-board cuts in their present form, either MILLER of Ohio or OBEY, would exempt refugee assistance.

If there is anything that presents this country, and indeed the entire world, with a challenge, it is the horrendous situation in Indochina with regard to refugees. For us to adopt an across-the-board cut which reduces the funds we have previously provided in this bill for refugee assistance would be the height of irresponsibility, and I think that this refugee example points up very well the problem of an across-the-board cut. It does not distinguish between the most important and the least important things. In this case the amendments presently before us would cut refugee assistance, and for that reason alone they should be rejected. But, as I say, if the membership believes it necessary to adopt some additional cut, let us exempt refugee assistance. That is what my amendment would do.

Finally, my amendment would exempt international disaster assistance, which in my judgment falls into the same category as refugee assistance.

Mr. Chairman, I sincerely hope that the membership, if it sees the need to adopt a cut, will also adopt my amendment exempting these absolutely vital matters to our foreign policy.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the McHugh amendment.

Mr. Chairman, the McHugh amendment removes my objection to the Obey amendment. It keeps the power in the hands of Congress to decide where the money is going to get spent. These across-the-board cuts simply turn congressional power over to the administration to decide where the cuts take place. I think that is wrong. We have a treaty, creating a policy in the Middle East, which can be eroded by this first opening

in the dike. I want us to put a finger in the dike right now and make sure that it does not break open.

We all know, of course, about disaster assistance, migration and refugee assistance, assistance to African refugees, international disaster assistance. These are important programs. Every nickel is going to be needed. In fact, we are going to have to come back with a supplemental for more refugee and disaster assistance. We know that. Why should we grandstand here with a cut when we know we are going to have to ask for more money for these programs in the future.

So I hope very much that the McHugh amendment to the amendment can be supported, and with that amendment I think I can support the attempts to make this a 2-percent cut.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, since we now have, I believe, four amendments before us, could the gentleman from Maryland explain the situation of just where we are at this moment on these four amendments?

Mr. LONG of Maryland. As I understand it, the original Miller of Ohio amendment would cut 5 percent but exempt the Middle East from the cut. The Obey amendment undertook to change this to a 2 percent, which would include the Middle East in the cut. The gentleman from Ohio (Mr. MILLER) came back with another amendment to make it a 5-percent cut, which would also include the Middle East in the cut. Now the gentleman from New York (Mr. McHUGH) wants to make it a 2-percent cut excluding not only the Middle East, but disaster refugee assistance and health care problems from the cut. The McHugh amendment is excellent and I support it wholeheartedly.

Mr. GILMAN. I thank the gentleman, and I want to join the gentleman in his comments. I believe that the gentleman's arguments are certainly worthy of our consideration as we review this proposed broad across-the-board cut in a measure of this nature. Such an across-the-board cut gives up the authority that the Congress has so zealously guarded over the years of deciding where and how appropriations should be expended.

Mr. LONG of Maryland. I am glad to have the gentleman's help. Would the gentleman agree that this 2-percent sum, which may not be a large sum, is the opening in the dike that could very well lead to much more? As a matter of fact, one of the strong supporters of this Obey amendment—I do not want to mention his name—said to me: "Of course, that is what I want. I want to break it open."

Mr. GILMAN. I believe the gentleman's warning is certainly well taken. I appreciate his comments and urge my colleagues to oppose the broad unrestricted cuts suggested by the Obey amendment and I urge support of the McHugh amendment.

Mr. LONG of Maryland. I thank the gentleman from New York very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHUGH) to the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the Miller amendment to the Obey substitute. For what purpose does the gentleman from Ohio (Mr. MILLER) rise?

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. The Chair will state to the gentleman that his request comes too late. The Chair held back as long as he could on the announcement, and the gentleman was not on his feet before the Chair put the question on the next amendment.

The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER) to the amendment offered by the gentleman from Wisconsin (Mr. OBEY) as a substitute for the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and on a division (demanded by Mr. MILLER of Ohio) there were—ayes 18, noes 24.

Mr. MILLER of Ohio. Mr. Chairman, I object to the vote on the ground that a quorum is not present.

The CHAIRMAN. The Chair will advise the gentleman that is not in order in the Committee of the Whole.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

PARLIAMENTARY INQUIRY

Mr. GILMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GILMAN. Mr. Chairman, I believe that there is some confusion on the floor as to whether the Miller of Ohio amendment that we are not voting on does or does not include an exemption to the Middle East.

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry. There is a point of order pending.

Mr. GILMAN. Mr. Chairman, would it be a proper parliamentary inquiry to ask the Chair to read the amendment?

The CHAIRMAN. At this time it would be out of order, a quorum not being present.

Mr. LONG of Maryland. Mr. Chairman, it is my understanding that the Miller of Ohio amendment does not include exemptions for Israel and Egypt; is that correct?

The CHAIRMAN. The Chair is not in a position at this point to entertain any statements from members of the Committee, since it has been established that there is no quorum present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1130

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. GILMAN. Mr. Chairman, could I ask that the Clerk reread the amendment that is before us at this time?

The CHAIRMAN. Without objection, the Clerk will rereport the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio to the amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio: In line 2, in lieu of "two per centum" insert "five per centum".

In line 6, in lieu of "five per centum" insert "ten per centum".

PARLIAMENTARY INQUIRY

Mr. LONG of Maryland. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. LONG of Maryland. Mr. Chairman, it is my understanding that the Miller amendment would cut 5 percent all across the board, including the Middle East. Is that correct?

The CHAIRMAN. The Chair will advise the gentleman that is not a proper parliamentary inquiry.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand by the gentleman from Ohio (Mr. MILLER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 228, not voting 28, as follows:

[Roll No. 442]

AYES—178

Abdnor	Collins, Tex.	Goldwater
Albosta	Conable	Goodling
Andrews, N.C.	Corcoran	Gramm
Andrews, N. Dak.	Coughlin	Grassley
Applegate	Crane, Daniel	Grisham
Archer	Crane, Philip	Gudger
Ashbrook	Daniel, Dan	Guyer
Atkinson	Daniel, R. W.	Hagedorn
Badham	Dannemeyer	Hall, Tex.
Bafalis	Daschle	Hammer-schmidt
Barnard	Davis, Mich.	Hance
Bauman	Davis, S.C.	Harsha
Benjamin	de la Garza	Hefner
Bennett	Deckard	Heftel
Bereuter	Derrick	Hillis
Bethune	Devine	Hinson
Bevill	Dickinson	Holland
Bowen	Duncan, Tenn.	Hopkins
Brinkley	Edwards, Ala.	Hubbard
Brooks	Edwards, Okla.	Huckaby
Brown, Ohio	Emery	Ichord
Broyhill	English	Jacobs
Burgener	Erlenborn	Jeffords
Butler	Findley	Jeffries
Byron	Flippo	Jenkins
Campbell	Forsythe	Johnson, Colo.
Carney	Fountain	Jones, N.C.
Cheney	Gaydos	Jones, Okla.
Clausen	Gibbons	Jones, Tenn.
Cleveland	Gingrich	Kazen
	Ginn	

Kelly
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nichols
Pashayan
Patterson
Paul
Perkins
Petri
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Royer
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Steed
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Treible
Udall
Vander Jagt
Waigren
Walker
Watkins
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wyatt
Wydler
Wylie
Yatron
Young, Fla.

NOES—228

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Bellenson
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Coleman
Conte
Conyers
Corman
Cotter
Courter
D'Amours
Danielson
Dellums
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hightower
Holtzman
Horton
Howard
Hughes
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Kastenmeier
Kemp
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Rudd
Sabo
Scheuer
Seiberling
Shannon
Sharp
Skelton
Slack
Snowe
Solarz
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waxman
Weiss
White
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—20

Beard, Tenn.
Carter
Collins, Ill.
Diggs
Dornan
Flood
Giaimo
Hansen
Hollenbeck
Holt
Lundine
McEwen
Miller, Calif.
Nolan
Pepper
Peyser
Pursell
Rodino
Rousselot
Roybal
Simon
Smith, Iowa
Spellman
Treen
Wampler
Weaver
Wilson, C. H.
Young, Alaska

□ 1150

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Tennessee for, with Mr. Pepper against.

Mr. Wampler for, with Mrs. Collins of Illinois against.

Mr. Young of Alaska for, with Mr. Rodino against.

Mrs. Holt for, with Mr. Diggs against.

Messrs. SCHEUER, AuCOIN, DONNELLY, CHARLES WILSON of Texas, and HUGHES changed their votes from "aye" to "no."

So the amendment to the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CONTE TO THE AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO, AS AMENDED

Mr. CONTE. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. CONTE to the amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. MILLER of Ohio, as amended: After the word "Act," appearing in the first sentence, insert the following: "except for the appropriation for Israel and Egypt, and the appropriations entitled 'Agriculture, rural development, and nutrition, Development Assistance', 'Health, Development Assistance', 'Migration and refugee assistance', 'United States emergency refugee and migration assistance fund', and 'Assistance to African refugees',".

Mr. CONTE. Mr. Chairman, I do not intend to take the 5 minutes. We have labored over this bill now for a good many days. I think everyone understands my amendment.

Mr. Chairman, this amendment is to a 2-percent cut across the board exempting Israel and Egypt and appropriations for agriculture, rural development, and nutrition development assistance, health, development assistance, migration and refugee assistance, U.S. emergency refugee and migration assistance.

Mr. Chairman, I hope the amendment will pass.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Wisconsin.

Mr. OBEY. I would simply like to say I certainly accept this as an amendment to my amendment and urge everyone to support it.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from New York (Mr. McHUGH).

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding and congratulate him on his amendment to the Obey substitute because it is essentially the same as the amendment I offered earlier and if the House adopts this particular amendment, it will be faced essentially with a choice between my amendment and his, either of which is acceptable.

Mr. CONTE. I thank my good friend, the gentleman from New York, and I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would hope the gentleman from Massachusetts would clarify his proposal for the House. Does the gentleman's amendment provide a 2-percent cut with these exceptions that were set forth by the gentleman from New York (Mr. McHUGH) in his earlier amendment of those areas set forth including Israel and Egypt Agriculture Development, Health Development Assistance, and Migration and Refugee Assistance.

Mr. CONTE. Mr. Chairman, the gentleman is exactly correct. They are totally excepted for the 2-percent across-the-board cut. It exempts from the 2-percent across-the-board cut Israel, Egypt and the other agencies I have mentioned.

Mr. GILMAN. Mr. Chairman, I want to thank the gentleman from Massachusetts for helping to clarify this complicated procedural situation.

Mr. Chairman, I urge my colleagues to support the gentleman's amendment which advocates a judicious selective reduction of expenditures rather than an across-the-board meat-ax approach.

□ 1200

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I merely rise in support of the gentleman's amendment.

We have all heard so many contradictory explanations as to the causes of our Nation's energy problems that it is easy to lose perspective. Today, I want to focus our attention on a mistake the House is about to make that could have serious consequences for U.S. energy supplies in the 1980's.

Consider the following recent developments:

On June 26, the House passed by a 368-to-25 margin a bill (H.R. 3930) which authorizes $3 billion to be spent on subsidizing a synthetic fuels industry in the United States. Specifically, a goal was set to produce the equivalent of 500,000 barrels of oil per day by 1985.

On July 15, President Carter announced plans to ask Congress to approve legislation to create an energy security corporation that would use up to $88 billion worth of Federal financial incentives to facilitate the production of at least 2.5 million barrels of oil substitutes per day by 1990.

Then on July 18, the House by a narrow 216-to-196 margin approved an amendment offered by our colleague, Congressman TRENT LOTT, to the fiscal year 1980 foreign assistance appropriation bill which cuts the U.S. contribution to the World Bank for fiscal year 1980 from $318 to $163 million, thereby crippling a new Bank program for oil and gas development which was expected to add 2.65 million barrels of oil per day to the world's supply from non-OPEC developing countries by 1985.

That simply does not make sense. Now, I strongly agree with the emphasis that President Carter and this House have placed upon expanding our efforts to create a synthetic fuels industry. But this does not mean we should ignore good opportunities to add to the world's oil and gas supplies from non-OPEC countries. Yet that is exactly what the effect will be of the recently approved Lott amendment and further across-the-board cuts proposed to this bill.

If the House ultimately goes along with the Lott amendment which reduces the World Bank appropriation for fiscal year 1980 from $318 million to $163 million and then compounds this mistake by approving percentage across-the-board cuts, it is highly unlikely that any significant results will flow from the World Bank's program to accelerate oil and gas production in non-OPEC developing countries. Given our current willingness to support massive outlays of money and manpower in advanced but not-yet economic technologies and energy resources, it makes no sense to neglect a source that is so potentially significant in its benefits. Keep in mind that the recent shortfall in the world's supplies which helped produce our gas lines this spring and summer was less than 1 million barrels per day, whereas the World Bank program is expected to bring on line 2½ times that much oil from non-OPEC developing countries within the next 5 years.

I opposed the Lott amendment and I strongly oppose any amendments designed to provide further across-the-board cuts in this bill. I do so for two overriding reasons which are of great significance to America's energy future.

First, it serves the economic and national security interests of the United States to facilitate the diversification and proliferation of sources of oil and gas in non-OPEC developing countries through such means as the World Bank program.

Second, the most immediate and effective blow we can strike against the OPEC cartel is to do all we can to add to the world's oil supply from non-OPEC sources. In this way, increased pressure will be brought to bear on OPEC members to reduce prices or impose production limits which are certain to create friction within their own ranks.

It is vitally important for this House to support and encourage the World Bank's energy lending program in its early stages. It is one instance where the administration's endorsement of world oil and gas exploration is being fulfilled with concrete action. I urge you to give this promising new initiative a chance by opposing arbitrary across-the-board cuts in the foreign aid appropriations bill.

Mr. CONTE. Mr. Chairman, I may say before yielding back the balance of my time that I want to take this opportunity to compliment the ranking minority Member, the gentleman from Florida (Mr. YOUNG), for a very, very difficult task in bringing this bill to the floor of the House. No one in this House of Representatives has worked harder on a more vexing bill, the foreign aid bill, than the gentleman from Florida (Mr. YOUNG). I want to take this opportunity to compliment the gentleman.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the Conte amendment.

Mr. Chairman, the Conte amendment is basically the same as the McHugh amendment. I support it. It is a responsible amendment for several reasons. First, it cuts 2 percent, in addition to cuts made by the committee of $1.4 billion below the appropriation request.

Second, this amendment takes away from the administration really the power to decide where the cuts are going to be made and keeps it in the control of Congress and that is what we want to do. We have been giving too much power to the administration and what the Conte amendment does is to exempt from the cut the Middle East, agricultural rural development and nutrition, development assistance, health development assistance, migration and refugee assistance, emergency refugee and migration assistance, and assistance to African refugees. These are important items to keep under our control, so I urge you to support the Conte amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE) to the amendment offered by the gentleman from Wisconsin (Mr. OBEY) as a substitute for the amendment, offered by the gentleman from Ohio (Mr. MILLER), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 395, noes 12, not voting 27, as follows:

[Roll No. 443]

AYES—395

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Royer
Rudd
Runnels
Russo

Sabo	Stangeland	Wampler
Santini	Stanton	Watkins
Satterfield	Steed	Waxman
Sawyer	Stenholm	Weiss
Scheuer	Stockman	White
Schroeder	Stokes	Whitehurst
Schulze	Stratton	Whitley
Sebelius	Studds	Whittaker
Seiberling	Stump	Whitten
Sensenbrenner	Swift	Williams, Mont.
Shannon	Symms	Williams, Ohio
Sharp	Synar	Wilson, Bob
Shelby	Tauke	Wilson, Tex.
Shumway	Taylor	Winn
Shuster	Thomas	Wirth
Skelton	Traxler	Wolpe
Slack	Trible	Wright
Smith, Nebr.	Udall	Wyatt
Snowe	Ullman	Wydler
Snyder	Van Deerlin	Wylie
Solarz	Vander Jagt	Yates
Solomon	Vanik	Yatron
Spence	Vento	Young, Fla.
St Germain	Volkmer	Young, Mo.
Stack	Walgren	Zablocki
Staggers	Walker	Zeferetti

NOES—12

Bingham	Findley	Kahall
Carr	Kastenmeier	Rangel
Conyers	Mitchell, Md.	Stark
Corcoran	Oakar	Stewart

NOT VOTING—27

Applegate	Holt	Simon
Beard, Tenn.	McKwen	Smith, Iowa
Carter	Miller, Calif.	Spellman
Collins, Ill.	Pepper	Thompson
Diggs	Peyser	Treen
Flood	Pursell	Weaver
Giaimo	Rodino	Wilson, C. H
Hansen	Rousselot	Wolff
Hollenbeck	Roybal	Young, Alaska

□ 1210

Messrs. DELLUMS, SEIBERLING, and GRAY changed their votes from "no" to "aye."

Mr. FINDLEY changed his vote from "aye" to "no."

So the amendment to the amendment offered as a substitute for the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY), as amended, as a substitute for the amendment, offered by the gentleman from Ohio (Mr. MILLER), as amended.

Mr. MILLER of Ohio. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Chair will inquire, is the gentleman's amendment to the Obey substitute?

Mr. MILLER of Ohio. It is to the Obey substitute, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

□ 1220

PARLIAMENTARY INQUIRY

Mr. OBEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. OBEY. Mr. Chairman, is a further amendment in order?

The CHAIRMAN. It certainly is. Certainly amendments are in order.

The Chair is not advised as to what the amendment contains.

The Clerk will report the amendment.

AMENDMENT OFFERED BY MR. MILLER OF OHIO TO THE AMENDMENT OFFERED BY MR. OBEY, AS AMENDED, AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MILLER OF OHIO, AS AMENDED

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment to the amendment, as amended offered as a substitute for the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio to the amendment offered by Mr. OBEY, as amended, as a substitute for the amendment offered by Mr. MILLER of Ohio, as amended: In line 2, in lieu of "two per centum" insert "four per centum".

In line 6, in lieu of "five per centum" insert "eight per centum".

Mr. OBEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MILLER of Ohio. Mr. Chairman, I will not take the 5 minutes. We had an overwhelming vote a few minutes ago on the Conte amendment to the Obey amendment. This amendment will do only one thing. It has all the exemptions that were in the Conte amendment to the Obey amendment. I will list those exemptions.

Exemptions for Israel and Egypt, agriculture, rural development, and nutrition, development assistance; health, development assistance; migration and refugee assistance; U.S. emergency refugee and migration assistance fund; and assistance to African refugees.

When the Members voted on the last amendment, they voted on the exemptions that I just read. The amendment that we have before us now has in it the same exemptions. The difference is that it increases the dollar reduction.

Instead of a 2-percent reduction, it is 4 percent. Instead of a $90 million reduction at 2 percent, it is a $180 million reduction at 4 percent.

I would request a yes vote on the amendment.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. In this amendment, is Egypt and Israel specifically exempted?

Mr. MILLER of Ohio. They are exempted exactly the same as in the Conte amendment that we just voted on. It is not only Egypt and Israel, but all of the other exemptions that were in the Conte amendment are in this amendment. It only increases the dollar amount that would be reduced. That would be 2 to 4 percent.

Mr. CHARLES WILSON of Texas. I thank the gentleman.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. MILLER).

The CHAIRMAN. The gentleman from Maryland (Mr. LONG) will be recognized for 5 minutes, but the Chair will first inquire of the gentleman from Wisconsin (Mr. OBEY) if he insists on his reservation of a point of order.

Mr. OBEY. Mr. Chairman, I withdraw my reservation of a point of order.

Mr. LONG of Maryland. Mr. Chairman, the committee made the biggest cut in this bill below the budget request that any committee has ever made in the history of foreign aid. We have cut this bill, together with the cuts made on the floor, by $1,400,000,000 below the budget request. I think we have done our job. If you adopt this 4 percent, you are making further cuts in many valuable development programs, which I think would be ill considered. Furthermore, we are turning over power to the administration to decide where the cuts should be made. I believe the Congress should keep the power in its own hands, instead of turning it over to the administration.

I ask that the amendment offered by the gentleman from Ohio (Mr. MILLER) be voted down.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes. I simply want to echo the words of our chairman and urge the Members to vote against this amendment.

As the chairman indicates, we have already cut this bill $1,400,000,000, and we will cut it by $100,000,000 more in the next amendment, in the Conte amendment, and in the McHugh amendment. We have voted to cut this bill six times on the floor already. I think that is quite sufficient. You will have an opportunity to cut it again on the next vote by another $90 million. I urge the Members to vote against this amendment. I do not think that we want to take a further cut in disaster assistance, I do not think we want to take a further cut in the Peace Corps, I do not think we want to take a further cut in American schools and hospitals abroad or in population control programs, or in UNICEF.

I urge the Members to vote against the amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to join the chairman of the subcommittee and the gentleman from Wisconsin (Mr. OBEY) in opposing the amendment. We just had a rollcall vote on the amendment that I offered to the Obey substitute which carried overwhelmingly in the House, and I am sure that everyone felt that they were voting for the 2-percent cut across the board. I had many, many Members come to me, and they felt that that was the vote that they were voting on. We will definitely get a vote on the Obey amendment with the exemptions that I have put in of the 2-percent cut across the board. I hope that this amendment is defeated. As the gentleman from Wisconsin and as the chairman of the subcommittee said, this committee has done an excellent job. There is a $1,400,000,000 cut, one of the largest cuts, I think, in recent history by a subcommittee and by the House of Representatives. Therefore, I think the responsible thing would be the 2-percent cut.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Ohio (Mr. MILLER) to the substitute.

Mr. Chairman, I think it is time we take stock of where we are now. It has been said that we have reduced the bill

by over $1 billion, and there have been a number of cuts that have been made on the floor, as well as in committee, as well as in subcommittee. But the truth is, Mr. Chairman, the bill is still larger than it was last year for comparable programs. We have added over $200 million for Indochinese refugee assistance over and above what the bill originally provided. We are probably going to add another $25 million for disaster relief in the Caribbean area when we finish with this. So you see the bill is not as small as you might be led to believe.

All the Miller of Ohio amendment would do to the Obey substitute for the original Miller amendment is to make another 2-percent reduction. Do not tell me that these agencies handling foreign aid funds cannot absorb that extra 2 percent. I believe they can, just like any other agency of the Government. We are not talking about a lot of money. As far as the independent agencies are concerned, they can absorb it. They are not going to miss it that much, especially the World Bank and some of the others.

The point is that, with the Miller amendment to the substitute, you do have a reasonable cut. If you want to tell your voters that you voted to make an across-the-board reduction in foreign aid, do it with the 4 percent that the Miller of Ohio amendment would have you do. The 2 percent that the gentleman from Wisconsin (Mr. OBEY) is allowing us to vote on is a drop in the bucket. It is better than nothing, but not much.

Let us go with the Miller of Ohio amendment. It has all of the exemptions. It exempts Israel, it exempts Egypt, it exempts all of these food and nutrition programs. Let us vote for the Miller of Ohio amendment so that we can tell our voters that we really tried to do a job in cutting down the size of this foreign aid bill.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman for his statement. He is a very helpful Member. I thought I heard the gentleman say a short while ago that this 2 percent was quite a satisfactory cut and the statement really helped in the passage of the previous amendment. Now the gentleman, it seems to me, having gotten the 2 percent, is moving on to something more.

Can the gentleman clear up my bafflement?

Mr. YOUNG of Florida. I will be happy to clear up your bafflement. Because of the noise in the Chamber it is very likely that the gentleman did not hear what I said. When I was willing to accept the Conte amendment and I said that, to the Obey amendment, it would be about a $90 million cut, which is not bad; but a $180 million cut is a whole lot better. That is why I say that 4 percent is a reasonable across-the-board cut.

Mr. LONG of Maryland. Could I ask the gentleman, having gotten the 2 percent and then moving for 4 percent, is the gentleman intending to move on for another 6 percent or more?

□ 1230

Mr. YOUNG of Florida. Mr. Chairman, the answer to that is "No." If we can adopt the Miller amendment now, that makes a 4-percent, across-the-board cut with the exception provided for Israel and Egypt, and these others, I am satisfied I am not going to offer any further amendments to reduce this bill.

Mr. LONG of Maryland. In a motion to recommit, will the gentleman vote against a further cut?

Mr. YOUNG of Florida. I would say to the gentleman if this Miller amendment is adopted, that I will not offer a motion to recommit with a further reduction.

Mr. LONG of Maryland. Would the gentleman vote for a motion to recommit or against it? I am trying to find out where the gentleman wants to stop.

Mr. YOUNG of Florida. Mr. Chairman, I think, to make that deal with the gentleman, I would have to get 6 percent on the Miller amendment.

Mr. LONG of Maryland. I think the gentleman has established his position.

Mr. SOLOMON. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, the gentleman from Ohio (Mr. MILLER), stood up here before, and I was appalled, as are the American people, to find out that we have given foreign aid to countries—I think he mentioned West Germany and Japan—and these countries are turning around and buying U.S. Treasury notes with the money we have given to them—this is how we built up a $900 billion deficit in this country that is costing us $60 billion interest a year.

Here these counties that we are giving foreign aid to, such as India who now holds $600 million in U.S. Treasury securities, are buying these notes, and we are having to pay them interest on this money. That is outrageous.

Let me tell my colleagues something more outrageous than that. These same countries we are giving foreign aid to are subsidizing the manufactured goods that are being imported into this country building up a $30 billion trade deficit, which is bankrupting the private sector in this country. Here we are giving foreign aid to subsidize their industries to ship goods in, where our own industries cannot be competitive. It is causing mass unemployment in this country. It is disgraceful. We ought to cut this foreign aid bill 30 percent. I strongly urge we support this amendment.

Mr. McHUGH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, during the course of this debate, which has gone on much too long, there have been many misstatements and many misunderstandings. I think my colleague from New York exemplifies that problem.

The gentleman from New York has just indicated that we are giving foreign assistance to West Germany and Japan. Nothing could be further from the truth. There is no aid in this bill for either country. Unfortunately, that is a reflection, I am afraid, of why he has voted the wrong way consistently on this bill.

I would hope that when the Members vote, not only on this amendment but on final passage of this bill, they will do so with some thoughtfulness and with some understanding and appreciation for the need for a responsible American foreign policy.

The gentleman's remarks and the amendment before us are certainly not consistent with that.

I yield back the balance of my time.

Mr. PEASE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will be very brief also, but I think we are missing a point when we talk about these cuts. The point is energy—a very important one to the American people as each one of us heard in August when we were back in our districts.

The Conte amendment does not exempt from these cuts the World Bank, and in a previous amendment adopted before the recess, an amendment submitted by our colleague, the gentleman from Mississippi (Mr. LOTT), the House cut the World Bank down from $308 million to $153 million.

This amendment, if it is adopted, would provide an additional 4-percent cut for the World Bank. The World Bank had hoped to embark on a major new initiative to develop oil and gas resources in non-OPEC countries.

The World Bank estimated that its program, if it could get funding for that program, would produce by 1985, 2.58 million barrels additional of oil every day from non-OPEC countries.

Also before the recess, we in the House pushed billions of dollars into a synthetic fuels program, which we hope may produce 500,000 barrels of oil per day by 1985.

It seems to me that if we are really concerned about increasing the world energy supplies and reducing the impact of OPEC on the United States, one of the best ways we can do it is to support the World Bank's program of developing oil in non-OPEC countries.

What this amendment would do would further cripple the World Bank's ability to do that.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding and I would just like to point out that the administration would not necessarily be obligated to take 4 percent from the World Bank appropriation. The administration has considerable leeway on how they would apply this 4-percent cut. There are some items that maybe they would not cut anything from. So the World Bank would not necessarily be mandated a reduction.

Mr. PEASE. I thank the gentleman. That is true, but considering the cuts that have already been made through the whole process, it seems to me that most items are going to be rock bottom for the administration and they may be reluctant to cut others 10 or 12 percent in order to protect an item like the World Bank.

It is important that we fund the World Bank and that we not cut this program any more.

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. No line item under the amendment could be reduced more than 8 percent, so we could not go into the 10 or the 12.

Mr. PEASE. I would hate to see even an 8-percent cut in a program that could help make the United States free from the domination of OPEC.

Mr. MILLER of Ohio. If the gentleman would yield further, all those line items that are high priority would be stacked up at the top, and they would not need be touched, so the low-priority items could be and should be reduced, but a maximum of 8 percent.

Mr. PEASE. I appreciate the gentleman's comment. I am just saying at this point in the game, after all of the cuts, nearly everything is going to be high priority.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

I just want to say we have now cut this bill over $1.4 billion. We have a responsible job, and I want to keep this bill in the hands of the Congress instead of turning discretion over to the administration.

I urge the committee to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER) to the amendment offered by the gentleman from Wisconsin (Mr. OBEY), as amended, as a substitute for the amendment offered by the gentleman from Ohio (Mr. MILLER), as amended.

The question was taken; and on a division (demanded by Mr. MILLER of Ohio) there were—ayes 44; noes 62.

RECORDED VOTE

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 254, noes 144, not voting 36, as follows:

[Roll No. 444]

AYES—254

Abdnor
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Devine
Dickinson
Dicks
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flippo
Forsythe
Frenzel
Frost
Gaydos
Gephardt
Gibbons
Ginn
Glickman
Goldwater
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Michel
Mikulski
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patterson
Paul
Perkins
Petri
Pickle
Preyer
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Staggers
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walgren
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—144

Addabbo
Alexander
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Conable
Conte
Cornuan
Danielson
Dellums
Derwinski
Dingell
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn
Fowler
Garcia
Gilman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Harris
Hawkins
Holtzman
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lehman
Leland
Lloyd
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mica
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Peyser
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rosenthal
Rostenkowski
Sabo
Scheuer
Seiberling
Shannon
Solarz
St Germain
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Zablocki

NOT VOTING—36

Bafalis
Beard, Tenn.
Brown, Calif.
Carter
Collins, Ill.
Conyers
Derrick
Diggs
Flood
Fountain
Fuqua
Giaimo
Gingrich
Goodling
Hansen
Hollenbeck
Holt
McEwen
Mathis
Mikva
Miller, Calif.
Pepper
Pritchard
Rodino
Rousselot
Roybal
Royer
Simon
Smith, Iowa
Spellman
Thompson
Treen
Walker
Weaver
Wilson, C. H.
Young, Alaska

□ 1250

The Clerk announced the following pairs:

On this vote:

Mr. Fountain for, with Mr. Pepper against.

Mr. Gingrich for, with Mr. Rodino against.

Mr. Hollenbeck for, with Mr. Conyers against.

Mr. Beard of Tennessee for, with Mrs. Collins of Illinois against.

Mr. Bafalis for, with Mr. Diggs against.

Mr. FORD of Michigan and Mr. CHARLES WILSON of Texas changed their votes from "aye" to "no."

Mr. PURSELL changed his vote from "no" to "aye."

So the amendment to the amendment, as amended, offered as a substitute for the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY), as amended, as a substitute for the amendment, offered by the gentleman from Ohio (Mr. MILLER), as amended.

The amendment, as amended, offered as a substitute for the amendment, as amended, was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 23, after line 12, insert the following new section:

"SEC. 527. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Nicaragua without prior approval of Congress."

POINT OF ORDER

Mr. LONG of Maryland. Mr. Chairman, I make a point of order on the ground that this is legislation in an appropriation bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LONG of Maryland. Since it requires prior approval of the Congress to maintain this legislation on an appropriation bill, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) wish to be heard on the point of order?

Mr. BAUMAN. Mr. Chairman, this

does not constitute under the precedents of the House a limitation which is in fact legislation on an appropriation bill. I would refer the chairman to chapter 25, section 11, of Deschler's Procedure, in which it has been held:

It is in order, by way of a limitation on an appropriation bill, to make an appropriation contingent upon a future event, such contingency is germane to the appropriation and the restriction does not change existing law.

This was held on June 11, 1968, where an amendment providing that no part of the appropriations therein shall be available, without the express authorization of Congress, for maintenance of more than 525,000 troops in Vietnam or for an invasion of North Vietnam. That was held by the Chair to be a proper limitation.

The language before the Members does not in any way change existing law. There is no existing law that says we shall either give or not give aid to Nicaragua. The bill does contain in excess of $2 billion for Nicaragua as requested by that if any aid is to go to that nation, it must be done after approval of this Congress.

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) wish to state anything further?

Mr. LONG of Maryland. Mr. Chairman, this undertakes to enact a law, something which is not in existing law, and I maintain that this is legislation in an appropriation bill and insist on my point of order.

The CHAIRMAN (Mr. KAZEN). The Chair is ready to rule.

The gentleman from Maryland (Mr. BAUMAN) cites a fairly recent precedent and in the absence of any argument convincing the Chair to distinguish, to explain, or to contradict that precedent, the Chair overrules the point of order.

□ 1300

Mr. BAUMAN. This amendment simply says that if the U.S. Government is going to make a major policy decision allowing financial assistnce to the new Government of Nicaragua, which has been in existence for only a few weeks, that Congress should make that decision, together with the President of the United States. There should be no unilateral decision on the part of the State Department and the President.

Mr. Chairman, I need not cite the recent history of the policy of the Carter administration regarding the current Government of Nicaragua. The liberals in the State Department were adamantly opposed to the Somoza government for reasons which they found justified. They applied considerable pressure over a period of months to President Somoza including the cutoff of financial assistance such as we are proposing in this bill, and they did so to the detriment of the existence of that government. As they wished, the duly elected and constitutional Government of Nicaragua finally fell.

Whatever we think of the Somoza government it is gone, the issue is settled and there is a new government in its place.

Mr. Chairman, I do not pretend to have the ability to judge what the full political composition of that new government is, but I do think that the Congress of the United States must examine this question at length in full and appropriate hearings before we would authorize any aid at all, just as we would if we were being asked to authorize aid for Castro's Cuba.

This particular bill already forbids aid to Cuba and I think we should at least add a somewhat less stringent restriction, no aid to Nicaragua unless the Congress approves of it.

What would the amendment require? That the administration come to the appropriate committees of the House and Senate, both authorizing and Appropriation Committees I would assume, make their case and bring it to the floor of the House where debate can be had.

Mr. Chairman, I know that it is rather hard to find out in the public media in this country, precisely what is going on in other countries, particularly when some in the press seems to support those leftist governments. It is no secret the media in this Nation opposed Somoza and have generally dealt very kindly with his Sandinista successors.

Mr. Chairman, it is not too much to say that some of the officials of the new government are Communists. If you have not been reading the press, I suggest some of you might want to get from the State Department as I do each day the Daily Report of Latin American News and read the truth of what is happening there to the extent that local papers and radio report what has been happening.

The Somoza property has been confiscated, yes, but almost all other private property of any wealth has been confiscated.

There is no free press in this new nation. There is one paper, La Prensa, which is being permitted to publish but under government restrictions. Every radio station in operation is required to carry the Sandinista propaganda.

Mr. Chairman, the Cubans have already sent a number of advisers into Nicaraugua. Three thousand combat ready Soviet troops in Cuba we already know have become an issue in the last few days and they are only a matter of a few minutes flying time from Nicaragua.

How many of us know that 3,000 Nicaraguan children and students in colleges and grade schools are already scheduled to go to Cuba for training? That is a program now under way. Cuban teachers have already arrived in Nicaragua.

How many of you know that the new government has endorsed the PLO at the expense of Israel?

How many of you have read the violently anti-American statements coming from the nonalined conference in Havana made by the various members of the Nicaraguan junta now ruling that nation, attacking the United States for imperialism and alleged control over other nations?

Mr. Chairman, the history of this new government is plain. It came to power with Communist backing, and overt Cuban backing. They may well offer a threat to other nations in the Latin American region. They have already requested U.S. military aid. One of their officials was here in Washington last week negotiating for military aid if you can believe that. While we were away in our districts or wherever else, the Washington Post and other papers ran a series of articles, one of which said the State Department was planning a long-range, $100 million aid program to Nicaragua.

Mr. Chairman, all I am saying is, let us step back, take time, examine the facts and let the Congress make the decision. Potentially, this nation could be a danger to this hemisphere as is Cuba.

So that you need not vote blindly on my amendment I refer you to an article by the noted columnist and author, M. Stanton Evans:

AT HOME

Despite the bland denials of our government and a stream of glowing press reports, Communism is fastening its grip on Nicaragua.

President Carter, for one, hastened to assert that the rise to power of the Sandinista had nothing to do with Communism in general, Fidel Castro's Cuba in particular. "I do not attribute at all the change in Nicaragua to Cuba," Mr. Carter told a press conference. Reporters in Managua, meantime, have been staging a daily competition to see who can write the most breathless prose in admiration of the Sandinista.

An Associated Press account in the Washington Star, for instance, informs us that the Sandinista government is taking "methodical steps to establish democracy . . . while avoiding any suggestion it has Communist designs for the future." The government is credited with having moved "to re-establish civilian control . . . taken down roadblocks, created an atmosphere of public safety, and restored press freedom." Interior Minister Tomás Borge is quoted as saying: "We are not planning a socialist revolution here, we are planning the reconstruction of Nicaragua."

Despite which, the evidence is overwhelming that Nicaragua is well on its way to becoming another Cuba. Clearest indication of this fact is the dominant role being played by the self-same Tomás Borge. Borge is a member of the nine-man directorate that presently runs the country and of the three-man group that will control the Nicaraguan "people's army." In addition, as Minister of the Interior, he will control the nation's police force.

What makes these developments particularly ominous is that Borge is a hard-core Communist revolutionary, and scarcely troubles to conceal that fact. Although AP neglects to mention it, Borge was trained in Cuba, is a close ally and confidant of Castro, and openly espouses Marxist revolutionary doctrine. His Communist background is so flagrant that Agence France Press refers to him as "the Nicaraguan Castro."

In 1977, Borge was one of a group of Nicaraguan revolutionaries captured and tried by the Somoza government and sentenced to a thirty-year prison term for terrorist activities. In the course of his trial, he acknowledged the extensive guerrilla training he and his confederates had received in Cuba. Last year, he was freed from prison as part of a ransom deal when the Sandinista invaded the Nicaraguan legislature. He flew to Cuba via Panama for further discussions with Castro—a meeting that was featured in the Cuban press.

The Cuban connection has been vividly underscored since the Sandinista came to power. In late July, Castro spokesman Ramón Sanches told a group of reporters in

Washington that Cuba had given aid to the Sandinista, including "arms and things like that," and that "our support for Nicaragua has intensified as the struggle has intensified." That same week, two high-ranking Sandinista flew to Havana to pay their respects to the Castro regime. And in mid-August, Borge himself made yet another sojourn to Havana.

Nor is Borge the only Marxist in the new regime. A recent issue of *Newsweek* ticks off the background of some others: Humberto Ortage, a former Communist youth leader trained in Havana; Victor Manuel Tirado, a Mexican-born Communist; Carlos Nuñez, "one of the Sandinista's most committed radicals." Add to these Father Ernesto Cardenal, a noted devotee of Castro (he made the Havana pilgrimage in July). And, it should be recalled, the unified Sandinista operation was put together with the guidance of Castro himself.

The performance of the new regime—contrary to the euphoric AP report—is entirely in keeping with these data. As noted by *Human Events*, the actions of the Sandinista government point directly toward a Castro-style dictatorship: abolition of the elected legislature, indefinite postponement of next year's scheduled elections, projected nationalization of some private property, and a crackdown on the press.

One of the first acts of the new government was to shut down the paper *El Pueblo* and arrest its editor; through early August, only one newspaper, radio station, and TV channel, all officially controlled, were being allowed to operate.

How does this square with the AP report that the Sandinista had "restored press freedom"? The answer apparently lies in the explanation of Sandinista official Bayárdo Arce: "We support freedom of the press. But, of course, the freedom of the press we support will be a freedom of the press that supports the revolution."

Add to all of this reports of summary executions of Somoza supporters, members of the National Guard, and other enemies of "the people." Representatives John Murphy (D., N.Y.) and George Hansen (R., Idaho) report a veritable reign of terror in the country. The Costa Rican newspaper *La Nacion* discloses that in some parts of Nicaragua "hatred and vengeance have teamed up against the military forces of the deposed Anastasio Somoza regime or its sympathizers and hundreds of them have been publicly executed or pursued in house-to-house searches or in the hills."

What is Happening in Nicaragua, in sum, is what has happened in nearly every country that has been captured by the Communists, which explains why Castro and Panama's Omar Torrijos were so eager to assist the Sandinista. It does not explain why the U.S. Government and media have covered up—and continue to cover up—the extent of Communist involvement in the Nicaraguan revolution.—M. STANTON EVANS.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. I am somewhat ambivalent about this particular amendment, but I would like to ask the gentleman in the well if he is aware that there has been press speculation that the Soviet soldiers in Cuba are there to replace the Cuban soldiers that are in Nicaragua.

Mr. BAUMAN. Or in Africa or in a number of other places around the world.

Mr. CHARLES WILSON of Texas. Is the gentleman aware that the Sandinista government has nationalized all of the banks in Nicaragua?

Mr. BAUMAN. Among other things nationalized that is correct.

Mr. CHARLES WILSON of Texas. Is the gentleman aware that all cotton, sugar, meat, and corn must be sold to the government, that farmers are not allowed to sell their products?

Mr. BAUMAN. That is one of the stipulations they have already imposed by decree.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. CHARLES WILSON of Texas, and by unanimous consent, Mr. BAUMAN was allowed to proceed for 3 additional minutes.)

Mr. BAUMAN. I yield to the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. Is the gentleman aware of the difficulty to the degree that it is practically impossible to acquire a visa to leave the country in Nicaragua, a circumstance which it took Castro 2 years to arrive at in Cuba?

Mr. BAUMAN. Not only are many of the decrees being issued following the pattern of the Castro takeover in Cuba but I can refer to a press report within the last 6 days in which the Sandinista government announces there will be revolutionary trials held for thousands of people now being detained in jails there, none of which has been reported in the United States, and there has been the threat by one of the top junta officials that perhaps 5,000 will be expelled at an appropriate time if they are not imprisoned or taken care of by other means.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. MURPHY of New York. The gentleman from Texas has brought up a number of interesting points, but I might say the previous government had a $35 million U.S. aid line which had been stopped by the United States. The previous government had paid the contractors in Nicaragua 100 percent of the money due them out of their government funds, feeling that at some future point the aid money would be released to the government.

The United States has now released these aid funds to the new government, even though the contractors have been paid by the previous government so I would think there would be quite a substantial amount of money in the aid pipeline and that the amendment of the gentleman from Maryland certainly deserves the support of the House.

In line with some of the statements the gentleman was making earlier, I might make the statement that the most powerful personality in Nicaragua at the present time is a man named Tomás Borges who is the Minister of the Interior. The Ministry of the Interior controls the police and the military. He is a Marxist trained in Cuba and makes no bones about his allegiance to Cuba and not to his own state, incidentally.

The Minister of Education is a Marxist.

The Foreign Minister is a Marxist.

There is one thing about Nicaragua prior to the present takeover, there was an excess of teachers in Nicaragua. At the present time there are 1,000 Cubans, most of them teachers, moving into the educational system in that country and I think we also can analyze the fact that a 30-day mandatory indoctrination period has just been ordered for all students from the grammar school grades right up through higher education in a special course designed to show them the benefits of the Sandinista revolution.

Mr. Chairman, I would think if we are going to look below the mask that some people are attempting to put on Nicaragua, the amendment of the gentleman from Maryland would be very easy to support because it would bring to the Congress the opportunity to investigate, to study and to see just what direction this government, such as it is, what direction it is taking and what type of face is on it.

□ 1310

So we could take the mask off right here in the Congress when we came back.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. LONG of Maryland. Mr. Chairman, reserving the right to object, I think this procedure is somewhat irregular. Each person who is asking to speak on this question could have perfect freedom to ask for his own time instead of extending time under unanimous consent.

I would hope that we could have a chance for the Chair and others to speak on this without further extensions.

Mr. Chairman, I withdraw my reservation of objection on this, but any further requests for time under this procedure, I will have to object to.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. MURPHY)?

There was no objection.

Mr. BAUMAN. Mr. Chairman, I thank my colleague from Maryland for his sufferance.

I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I thought I would expedite the debate by just taking a few moments of the time of the gentleman from Maryland.

One of the things the United States insisted upon in the previous regime was free and open elections in Nicaragua; yet, when I asked the State Department when will this new regime have free and open elections, the answer was, "Well, we don't expect it within 2 years."

Well, the normal elections were supposed to take place in 1981, as was pointed out in House debate on a number of times. Now we have a government that is in effect dodging and sideslipping free

and open elections, a government that has not offered an amnesty, a government whose human rights record was clearly laid out in congressional testimony before the Committee on the Panama Canal as to wholesale violations in those areas; so I think the Congress could well support the amendment of the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, if I could make one last point. The reason we need some sort of restriction allowing congressional approval of any more Nicaraguan aid is that the administration has already tipped its hand. Within hours after we left last month for the in-district work period, they sent down a request to the subcommittee now presenting this legislation here on the floor and asked for a reprograming of something in excess of $7 million, perhaps $8 million to go to the Sandinista government.

To the credit of the chairman, the ranking member and others, they said no, not without further hearings, which I understand will be scheduled; but we already know that the administration wants to give foreign aid, military assistance, economic assistance, to this nation, perhaps as much as $100 million.

What I am saying with this amendment is that we should reserve that fundamental decision about a nation that is a new beachhead for communism in the Americas. That decision ought to be made as a partnership between the President and the Congress. Without this amendment, it will not be. And may I add if you oppose this amendment you do so with the full knowledge of the type of regime you are endorsing with your vote.

Mr. LONG of Maryland. Mr. Chairman I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I opposed the Somoza regime, not because I thought it was the worst regime in Latin America, because that is stiff competition, but because I thought it was an undesirable crowd and American money should not be going there. However, when the State Department came through with a reprograming request after Congress had adjourned, I objected to the reprogramming for the new regime. I received a great deal of pressure, including what must have been a hundred dollars worth of cables from the various Members, including the Secretary of State, asking me to withdraw my objection.

I pointed out that they had 2 weeks in which to notify us that reprograming would be forthcoming if during which we could have held hearings. Hearings could have been held if we would have been in a position to make an informal decision. If the State Department took 2 weeks to do this, why should Congress be asked to make a decision on reprograming, when we were all scattered, not able to consult our staffs, not able to find out the facts and so on. Anyone can see I became hardly a stooge of the administration on this point. I said that I would hold hearings of the subcommittee as soon as we could get the subcommittee members together, possibly early next week.

Nicaragua is right next to Panama. We certainly do not want a Communist government in Nicaragua in a position to imperil the Panama Canal. We want as many friends there as we can get.

Is the present government of Nicaragua a Communist government? I understand the current government of Nicaragua contains a broad spectrum of ideological tendencies, with the moderates so far seeming to predominate. However, the country's economic situation is desperate and without help the Nicaraguans may feel that they have to try some extreme solutions.

We are simply saying to the Nicaraguans, through this amendment: "You are not going to get anything from the United States. So go ahead and be as extreme as you want to."

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. Mr. Chairman, if the gentleman would let me proceed.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield at that point?

Mr. LONG of Maryland. I will be glad to let the gentleman proceed after my statement. The gentleman took about 9 or 10 minutes, and if the gentleman would let me give my summary I would appreciate it.

Mr. BAUMAN. Mr. Chairman, did the gentleman say he would not yield? I thank the gentleman.

Mr. LONG of Maryland. Mr. Chairman, before I was so charmingly interrupted, let me go back to my original train of thought.

We have a delicate situation there. I do not know what the facts are but I do not think we are going to find the facts on the floor of Congress. I hope the Members will trust the subcommittee to hold hearings on this and to come forth with a real decision.

I can tell you this, if I think there is any attempt there by the Communists to use American aid to take over Nicaragua, I am going to do everything I can to prevent any future reprograming.

There is only $1.8 million for Nicaragua in this bill so far asked for, so that anything that might be asked for in the future would have to be another reprograming. They are going to have to come to the Congress and notify us and at that point we can make our objections and I certainly shall if warranted. The gentleman from Florida (Mr. YOUNG), who as we know is also no stooge for the State Department, and I will cooperate on this and I think we can come through with a decision which will be satisfactory to the House.

I will hope you will trust the committee to do this, instead of trying to do the job of the committee here on the House floor without hearings.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding.

My position is not that there should be eventually no aid to Nicaragua, but that if, indeed, the character of the government is such as I have described it from published reports, and I disagree with the gentleman's description of what that government is like, I think it is decidedly pro-Marxist; but if, indeed, we are to give aid, it should not be a decision only for the gentleman's subcommittee, or even for the full Appropriations Committee; if we are going to give aid to a newly controlled Communist government in this hemisphere at the same time we are trying to drive 3,000 Russian troops out of Cuba, we are being totally inconsistent. This Congress should make the decision.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this is a very difficult stand for me to take. I joined my friend, the gentleman from Texas (Mr. CHARLES WILSON), in the past in opposing a similar amendment when Somoza was the head of the Government in Nicaragua. That was here on the floor, and as the gentleman from Texas knows very strongly in the committee, I voiced my objection to the State Department actions.

I think what we are doing today here is as the chairman said delicate. It is a very delicate and sensitive situation. I hope that the amendment does not pass.

Numerous times in the past I have spoken of the trade-off between risk and opportunity inherent in many of our foreign policy decisions. I think that the decision we face today with respect to foreign assistance to Nicaragua is fraught with the same realities.

What are the opportunities? What are the risks? I think that for this year alone we ought to leave it alone and then next year if things are moving in the direction that the gentleman from Maryland says that they are, and maybe they are, then maybe that is the time to put the brakes on.

□ 1320

But to slam the door now and burn the bridge now is, I think, a very, very dangerous thing to do.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding.

I am not saying we should close the door. I am saying this fundamental question ought to be addressed by both Houses of Congress, and we can decide it next month or at some time in the future if a supplemental appropriation is requested. But we should not trust to luck. We know what is happening down there.

I think the gentleman is right; it is a delicate situation. But it is also rather plain as to the Communist character of the new government. Now is the time to let us have our say rather than after the

fact, after the crash landing has occurred. For the gentleman's education I include an accurate account of the new Nicaraguan Government from the current issue of the National Review Bulletin:

ON THE LEFT

The new government of Nicaragua has a breathtaking assortment of friends. "Our relations are as cordial and as easy as I've ever witnessed with any government," says U.S. Ambassador to Nicaragua Lawrence Pezzullo. "There is no great policy agony on our part as far as I know, and I'm Ambassador here." To show how sincere the cordiality is, the U.S. is shipping more than 150 tons of food a day to Nicaragua, and Pezzullo says the Administration plans to activate loans totaling over $35 million that were approved by Congress before the fall of Somoza but never issued. Come October, when the new fiscal year begins, the Administration is expected to seek a sizable sum for reconstruction. U.S. military aid is just a little further down the road. "We're prepared to be thoughtful and understanding about it," says Pezzullo.

The editors of the *Militant* have been equally thoughtful and understanding; they devoted the entire August 24 issue of the Trotskyist newspaper to the Nicaraguan revolution. Somoza's ouster was only partly responsible for the lavish attention. What most delighted the *Militant* was the rulers that succeeded Somoza, the Sandinista. In a lengthy lead article from Managua, the paper warned its readers that the new rulers would have to make some concessions for tactical reasons: to get as much international aid as possible. One concession, for example, is the announcement that they don't plan to execute any of the captured National Guard. Another concession is the composition of the official government, the Government of National Reconstruction. Three of its five members are from the pro-capitalist forces that opposed Somoza; only one is a leading Sandinista. To the innocent observer, then, it appears that Nicaragua is safely in the hands of a coalition government tilted in favor of the capitalists. "The reality," says the *Militant*, "is different." Nicaragua, the paper states bluntly, "is being run by the Joint National Directorate of the FSLN [Sandinista National Liberation Front], made up of nine Sandinista commanders. All nine are Fidelistas. All have lived in exile in Cuba." Real power, the paper continues, "is in the hands of the FSLN. With each capitalist minister in the government they have put a Sandinista commander. And the ministers do not act unless the Sandinista approve their actions."

Prior to Somoza's ouster, an article appeared in the Soviet journal *Latinskaya Amerika* explaining the significance of the battle for Nicaragua. "The outcome of the struggle in Nicaragua," the article said, "will evidently tip the scales to one or the other side in the correlation of forces in the neighboring countries. To a certain degree, it can change the political climate of the whole continent."

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will yield if I have sufficient time, and I will ask for more time.

(By unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. CONTE. I yield to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. The gentleman from Massachusetts (Mr. CONTE), I think, would agree that we do not do anything in this House without a subcommittee action; is that not correct?

Mr. CONTE. That is right.

Mr. LONG of Maryland. The subcommittee is pleading for an opportunity to hold hearings on the whole matter. We want to hold hearings and then come forth with a recommendation. Then, of course, anything we do can always be acted on on the floor.

So I would hope the House would give the subcommittee an opportunity to hold hearings on this matter, and I assure the Members these hearings will not be slanted in any way. We are going to come forth with an objective finding on the facts.

Mr. Chairman, I thank the gentleman for yielding.

Mr. CONTE. Mr. Chairman, I thank the gentleman from Maryland (Mr. LONG).

Mr. Chairman, I would like to read from a letter I received from Lawrence A. Pezzullo, the Ambassador to Nicaragua. This is what he said:

The passage of such an amendment would be extremely unfortunate, and I hope that you will oppose it. Nicaragua is emerging from the trauma of a revolution in which a dynasty of a half century's duration was overthrown. The Nicaraguans who overthrew that dynasty hold a variety of political ideologies; but on balance the new Government has been remarkably moderate so far when one considers the depth of emotions engendered by the just-concluded civil war.

The new Government has been friendly in its relations with the United States and has indicated that it wants the cooperation and assistance of the United States. I am firmly convinced that we should offer a neighborly hand to Nicaragua.

The new Government in Nicaragua desperately needs help to relieve human suffering and to rebuild the country's economy. By assisting in that rebuilding we will also be in a position to help in the rebuilding of a free enterprise system and to encourage the development of democracy in Nicaragua. If we fail to play a role, the situation in Nicaragua could deteriorate and radicalize.

It is clear to me that any amendment to tie our hands in our relations with Nicaragua would be contrary to U.S. interests.

Mr. Chairman, I plead with the Members of the House to be responsible on this issue. It is a tough vote. I plead with the Members to be stateesmanlike on this amendment and vote against this amendment.

Let us give it 1 year. Let us have the hearings before our committee, before the authorizing committee, but let us not burn the barn down, let us not tear the bridge down.

The political and economic circumstance of much of Latin America is in a precarious state. The majority of nations, although middle-income developing countries, are marked by the problems facing much of the developing world—uneven income distribution, continuing inflation, high unemployment, rapidly expanding populations, and high debt burdens. Economic development has proceeded, but at times not fast enough to offset the so-called revolution of rising expectations.

Subsequently the political situation of much of that continent is marked by uncertainty. Historically, the government has wavered between populism and autocratic forms of power. While the legitimacy of the government has rested upon its ability to satisfy the demands of the majority, when this has failed, dictatorships rapidly emerge. In numerous governments the people are now demanding more representative government. Revolutions are beginning. The situation is ripe for Communist infiltration in numerous spots. Nicaragua is a prime example of such.

Yet such infiltration can be halted. The United States and Western Powers are afforded the opportunity to begin a new relationship with Latin America—one of cooperation and friendship. And there is no better time than now to do so.

Latin America is becoming more and more important to U.S. interests. Since 1965, the region has tripled its exports to the United States, while their imports of U.S. products has increased to almost $20 billion. By the year 2000 this will be the single largest market for U.S. goods.

In addition, Latin America and the Caribbean provide 26 percent of our petroleum, 23 percent of our iron ore, 88 percent of bauxite and 40 percent of the copper we use. And these are just the most obvious examples. U.S. direct foreign investment in that continent now exceeds $20 billion, a figure which is growing. These numbers only serve to show that Latin America has assumed an important position in U.S. economic affairs, a place which will expand in the future.

We can now demonstrate to the developing world our interest in representative governments. Our help is desperately needed. An estimated 90 percent of Nicaragua's industry and commerce has been damaged or destroyed. Reconstruction could run between $4 and $5 billion. And if Western aid is not forthcoming, they may be forced to turn to the East. The United States has too much at stake in Latin America and in Nicaragua, economically, politically, and strategically. When all arguments are considered, the opportunities at hand greatly outweigh the risks. I therefore strongly urge that this amendment be defeated.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, about the only thing that I have agreed with the gentleman from Maryland (Mr. BAUMAN) on over the course of the last 2 days' debate is his statement that whether we like it or not, the Nicaraguan revolution is over and we ought to proceed from here. I agree with that.

What I want the Members to do is simply to analyze what in fact is in this bill for Nicaragua and then ask themselves whether they think it is in the national interests of the United States to eliminate that funding or not.

Primarily what we have in this bill is a tiny amount of money essentially for reconstruction aid. The money will go primarily for hospitals, schools, and things like that.

As far as what the new government will be, we have no idea. Some of us may think we are prophets, but we have no idea unless we have a direct line to God what course that government is in fact going to follow over the next 4 or 5 years.

The leftists in that government have discovered a rather strange thing. They have discovered that a lot of the countries that were so very noisy in supporting the revolution before it occurred are now sitting on their duffs and providing very little in the way of human and material assistance to Nicaragua. And the very gentleman that the gentleman from New York referred to, the Minister of the Interior, said this:

Nicaraguans should be grateful for the United States aid which has come at a moment of real need. All the Latin American countries supported us before, but now we have not gotten any aid from them.

I think it is to our benefit to have people like that making observations like that at this time. Aid can play a crucial role in determining which faction in that government eventually winds up on top and in determining what the policy of that government is eventually going to be.

As the gentleman from Massachusetts (Mr. CONTE) said, a year from now, after we have had time to discern in which direction that government is moving, we will be able to have a clear view of whether we ought to cut off aid to that country or not. But at the present time I ask the Members not to try to play Secretary of State.

This country cannot afford to have 435 Secretaries of State on every issue facing the country. We have one Secretary of State at a time. We ought to give him the responsibility for doing what is sensible and what is in the national interest and then raise Cain with him if he does not do the sensible thing after the evidence is in. But if we pass this amendment we preclude not only any money in this bill being used for rudimentary human assistance, we also preclude any reprograming that the committee might think is wise.

Mr. Chairman, I do not know what the gentleman means by his amendment when he says that no funds can be expended without prior approval of Congress. Does that mean we would have to withhold all aid to Nicaragua until the Congress passes a resolution? Does it mean we would have to withhold all the money from Nicaragua until we pass a new foreign aid bill? What does it mean? Nobody really knows. I do not think the gentleman from Maryland knows either.

I want to say one other thing—and I hope no one is offended by this—I have observed that some people who asserted before the revolution that the only alternative to Somoza was communism are now behaving in a way which, at least in my judgment, guarantees that they will be prophets. I think the best friends Castro has and I think the best friends the Communists and the Marxists in Nicaragua have are the people in this country who are trying to systematically dismantle the President's ability to deal with that issue in a rational and an effective way. The more we deny the opportunity for the President to use all the tools at his command, the more we guarantee that that prophecy will in fact be fulfilled.

Mr. Chairman, if that happens, I do not think we will have served the interests of the United States.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from Wisconsin (Mr. OBEY) has, as usual, eloquently stated the case in opposition to the amendment, and I associate myself with everything he has said.

I think what we decide here today will have a great deal to do with the direction that Nicaragua takes, certainly in the short term over the next few years. It will determine not only the relationship that the Government of Nicaragua has with the United States, but the attitude that the people in Nicaragua will have toward the United States.

I think it is important to emphasize that Nicaragua should not be seen in black and white terms. As in most other countries, there are different elements in that society. Even the coalition which rules in Nicaragua today is a blend of different ideologies. There certainly are leftists, and some of those leftists have made statements which have been offensive to us, but there are others in that coalition as well. There are more moderate elements, including a number of civic leaders. Beyond the Government coalition, there are moderate elements in that society which have been there for years, and which continue to be there. There are moderate elements in the private sector, there are moderate elements in the media, and there are moderate elements in the church. We should try to put ourselves in the position of those moderate elements in Nicaragua, a country which has been devastated by a civil war, a country which does not have sufficient food or medicine, a country which does not have a private enterprise which can operate because the facilities of private enterprise, like the facilities of Government itself, have been destroyed.

□ 1330

Those people are desperate now. Those people need food, medicine, and modest support now, not only from the United States but from other people of good will now. They cannot wait until Congress in its deliberations over the next year or two decides whether it is going to provide food and medicine to people who are desperate now. I think that is the issue. If we were in the position of the Nicaraguan people, if we were in the position of those moderates in and out of government, and the United States at this critical juncture turned its back on us in our desperate need, how would we feel? I submit that we would not be well disposed to America.

I might point out, Mr. Chairman, that others are helping now. The Western Europeans are helping. Other Latin American countries are helping, moderate ones included. And, of course, Cuba is helping. Just yesterday there was an article in the Wall Street Journal which was entitled "Cuba's Drive To Help Grenada, Other Isles, Worries U.S. Officials."

Cuba is beginning, wisely, in my judgment, to extend help to many countries through cultural exchange, through the building of hospitals, through efforts to meet the needs of other peoples in the hemisphere and beyond the hemisphere.

Certainly we do not approve of Cuba's policies in other areas. Its Government has been irresponsible in many ways. But if we were in the position of the Nicaraguans and the Cubans responded to our needs with food and medicine and hospitals and cultural and trade exchanges, and the United States at a critical juncture turned its back, where would we go? We can predict with certainty here today that Nicaragua will turn leftist, will become less moderate, will associate with the Cubans, if it is Cuba that responds to its basic needs and we turn our back. That is what this amendment is all about.

On its face, the amendment offered by the gentleman from Maryland (Mr. BAUMAN) would seem reasonable. Congress should study the issues, Congress should deliberate and decide, and there is nothing wrong with that. The chairman has indicated he will do it. As a member of that subcommittee, I will too. But that will take time, and the time of critical need in Nicaragua is now, not a year from now. That is the problem with this amendment. I hope that we will exercise our responsibility, will do what we can to promote a meaningful relationship with Nicaragua, by rejecting this amendment.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, I suppose, in support of the amendment, although, as I said before, I am ambivalent.

I do think that there are some things that should be pointed out. I might say at the outset that I do not like to disagree wih my friend, the gentleman from New York (Mr. McHUGH), and my friend, the gentleman from Wisconsin (Mr. OBEY), on a matter about which they feel deeply. We have disagreed before, but, especially in the case of the gentleman from Wisconsin (Mr. OBEY), he has never questioned my motives; and I appreciate that.

I would just like to point out to the House some things that I think should be considered. I think if we look back in the House Journals in the 2 years following Castro's success in Cuba, we would find many of the same things said. I shall put in the RECORD the New York Times articles by Mr. Matthews in the 2 years following Castro's success in Cuba, which outline all of the reasons why the United States should extend a friendly hand to that government, which we largely did.

I think, though, that there are some other things that are important. I think that it is imporant to point out that the State Department was unconcerned about the poor, about the hungry, about the needy in the countryside of Nicaragua, as long as there was a government there of which they disapproved, because the aid that was withheld was not military aid but it was basic human needs aid. My friend, the gentleman from Iowa (Mr. HARKIN) and myself, have talked about that on one or two occasions. It was aid for rural nutrition and aid for rural education, which were the two symbolic loans.

But essentially there is something else. This debate is going to go on and on, not just today. Today, this bill will, believe it or not, be finished. But the debate

over Nicaragua will go on and on for the next couple of years, and I think we should be careful to keep the record as straight as we can.

The things that I have read indicate a very strong anti-American sentiment in Nicaragua. That does not necessarily mean that we should forbid this aid. But we should not paint a picture that does not exist. The Washington Post of August 7, 1979, said that Barricada, which is the Sandinista newspaper, the only one that is published without censorship, has "shown an increasing tendency to portray the success of the Nicaraguan revolution as a defeat for 'U.S. imperialism'."

The article goes on to say:

Junta member Alfonso Robello blamed the Carter administration for a shortfall in international food aid to Nicaragua, despite the fact that the United States has provided more emergency relief than any other nation.

This newspaper, which has promptly reported the shipments of food and medical teams from Cuba, Mexico, Chile, West Germany, and other countries, waited a week before mentioning that our own Ambassador had returned to Nicaragua with a planeload of emergency supplies sent as a gift from President Carter. The revolutionary government failed to mention the United States among the donors of emergency aid.

The Interior Minister, Mr. Borge, said at the beginning of August that the junta "probably would not stop volunteer Nicaraguans from fighting with guerrilla groups active in Guatemala and El Salvador."

Later, when he asked for American arms, he contradicted this statement.

I merely bring these points to the attention of the House because I think they are very important. I think that they will be discussed in the hearings that our subcommittee will conduct over the next couple of weeks. I think it is possible that we could resolve the entire issue at that time with the possibility of a supplemental appropriation bill, which I understand is going to be forthcoming from the administration. But the basic point that I want to make is the duplicity of the State Department. They care about the hungry and the poor when they approve of the government or when they hope there will be a government that they approve of. They care nothing about the hungry and the poor if they want to make an example. They do not care if people are starving to death in the jungles of Nicaragua if they do not approve of the government that is in place at that time. If it is a government that they approve of, then, of course, there is great wailing.

I find this very upsetting and I find it very difficult to appropriate my taxpayers' money for our foreign policy as it is being conducted by this administration.

Mr. WRIGHT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I find myself in sympathy with many of the things said by my friend, the gentleman from Texas (Mr. CHARLES WILSON). I find myself very much in sympathy with many of the things that were said by the gentleman from New York (Mr. MURPHY). I have no particular brief for the Sandinistas. But I oppose this amendment because I think it is quite possible that by gratuitously and publicly slapping the Nicaraguans in the face, we might inadvertently drive them into the orbit of world communism.

There are times in the history of the world when the future of a nation will hang in the balance, teetering like a seesaw. That may be occurring in Nicaragua today.

Can you imagine what an enormous difference it might have made in the history of mankind about 60 years ago if the Alexander Kerensky regime had been successful in Russia? There might have been a parliamentary system in the Soviet Union, respecting human rights, electing its public officials, participating cooperatively and amicably in the councils of free peoples.

There are some who believe that 20 years ago a slightly different attitude on the part of those in the administration of the U.S. Government might have made a difference with the turn of events in Cuba. I do not know that. I am not sure that Castro was or was not a congenital Communist. But there was a time when Castro, right after his successful seizure of the government of Cuba, came to the United States in search of friendship. Those then in the White House 20 years ago refused to see him. They would not grant him an audience.

Is it possible that, by refusing to open our minds, not necessarily to the likelihood, but just to the possibility that he might have been swayed toward a democratic form of government, we may have driven him in the other direction? I do not know. I suggest the possibility.

I agree with the gentleman from Texas that the State Department has not always played an evenhanded game in Nicaragua. I was present in my office when representatives of the State Department made commitments to the gentleman from Texas (Mr. CHARLES WILSON) which were not fulfilled with respect to the aid program in Nicaragua. I do not blame him for being angry.

The gentleman from New York (Mr. MURPHY) sought at one point to be an intermediary to establish a personal line of communication between President Somoza, who, whether we liked him or not, was the elected president of Nicaragua under a constitutional system, and the President of the United States, Mr. Carter. President Somoza sought to speak personally and directly with our President. Our State Department did not grant that privilege, although I was led to believe that the privilege would be granted. It might have made a difference at a critical juncture, but that possibility was frozen out.

□ 1340

So I can understand that a certain amount of bitterness exists. But our judgment should not be influenced by anger over things that have occurred in the past. What we must deal with is the present.

I do not know the color or the shape or the exact direction of the present Government of Nicaragua. I do know that whatever direction it takes, we and Latin America and all of the hemisphere are going to be affected by it. For that reason, I plead with you not to take this gratuitous slap at the people of Nicaragua. There are needs there that are genuine, needs for humanitarian help. It is a very poor nation. Many of its people are hungry. Let us not drive them, as Cuba was allowed to be driven, into the quicksand of the Soviet orbit.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. The Soviet Union is supporting Cuba, which has become a pebble in our national shoe, to the tune of $8 million a day. Approximately $3 billion of Soviet aid goes indirectly to Cuba each year.

The Soviet Union buys Cuban sugar at five times the world market price. The Soviet Union is providing all of the petroleum used by the Cuban nation at 40 percent below the OPEC stated market price.

In these and other ways, it is buttressing and holding up the Communist government of Cuba, which is a surrogate of the Soviet Union.

Do we dare encourage by an act of open hostility the creation of yet another such situation in our hemisphere? I think not.

There is no guarantee that we can win the friendship of the Nicaraguan Government, but there is no certainty that we cannot. I believe that we have the friendship of the Nicaraguan people, because I have been there. I have talked with those people. I know that their three great heroes are Abraham Lincoln, Franklin D. Roosevelt, and John F. Kennedy. There are memorials to those three Americans in that country.

Let us not abandon the possibility that we may retain and build upon an historic friendship with the Nicaraguan people.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think even my good friend from Maryland, the maker of the amendment, would probably agree that if this amendments passes, you guarantee the radical Marxist element that may or may not be in total control an excuse to seek and go only one way, toward the Soviet Union, and that may not be something that we want.

I do not think that because the government happens to be Marxist that they have to be an enemy of ours.

What was the most moderate government and the most moderate spokesman in the Havana conference that was going on? The oldest leader of a revolution, of a Marxist revolution in his country and the only leader of a revolution of the old days that is still alive and ruling—Tito. He is a Marxist. He is a Communist. He causes the Soviet Union more trouble than the Americans cause him, because he is, "One of their own."

You might have a government that may tilt Marxist, but still can be an independent force and still can be friendly with the United States.

You might be able to have a government become non-Marxist, if that is our whole hope in life.

I hope that our hope in life is to have a government that responds to its people, that does not go around the world killing other people, involving itself in other people's internal affairs, as does Cuba on many occasions, and unfortunately as has our own country on many occasions.

I could talk about $1.7 million. I think good General Somoza left with 10 times that much in his own pocket which he could have left behind for his people. I do not know that our State Department turned their back on him until it was obvious he was going down the tube.

I do not remember their supporting any of the amendments that we had over the years trying to cut off aid to Nicaragua until it was obvious that Samoza was going, and then they played the usual gutsy role and kind of backed off and wanted to leave an opening for the new government that was taking over.

I think we just guarantee ammunition for those who want to make us the bad guys. I think that the amount of money involved, $1.7 million, is a lot of money out of the taxpayers' dole, although we vote that in a second in our own weapons budget and things.

I think this debate in and of itself would be congressional approval if the amendment is defeated. I hope it is, because really, if it does not guarantee they are going to go toward Russia, if they are not already there, it gives the ammunition and the rationalization to do it.

I would say this. What would the difference have been had we been in a different posture toward Castro? They might have been Marxist still, but they still would rather trade, I think, with a country 90 miles away than have to do business with the Russians who are so much farther that you cannot even count.

I would just like to say I really think the amendment should be defeated, because it guarantees if there is any chance of stopping this Nation from becoming a puppet of Cuba or hegemonists, as our good friends in China used to say, it can happen with this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I only asked him to yield to make the record clear that the gentleman from Maryland does not share his view that this amendment will in fact drive the current government or any successor governments of Nicaragua into the hands of either the Soviet or Cuban Communists. This amendment simply says, and all it says, is that if indeed the Carter administration adopts a policy of aid to this government, that Congress must be allowed as a coequal branch to have a say in that decision.

Mr. JOHN L. BURTON. It is the effect of the gentleman's amendment. The amendment does not say that.

Mr. BAUMAN. It does say just that. If I may elaborate further, already in this debate it has been admitted 38 millions of dollars held up for the previous Somoza government are now flowing into Nicaragua from our Treasury, and a request for $8 million more is pending before this subcommittee and it can be approved within a matter of a week. It is not as though we are cutting off that aid. It will still be there. What I am saying is with all of that money flowing already to a Communist government, we should have some say as the taxpayers' representatives about the future policies in what could be another Cuba. That is all I am asking.

Mr. JOHN L. BURTON. I think we would guarantee it would be another Cuba with the adoption of this amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I would simply remind the House we may be in somewhat a similar situation to that in which we found ourselves in the revolution in Portugal. At that time no one thought we had a chance to keep that government from going totally anti-West. The previous administration under the leadership of Ambassador Carlucci brilliantly executed a plan which wound up against all of the wise predictions of the newspapers and even the initial skepticism of Mr. Kissinger, pulling that Portuguese Government into a far more moderate position than anyone thought possible.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, which way is Nicaragua going is the prevalent question that keeps coming up all of the time. It seems to me that there are those who by their words and by their actions want Nicaragua to only go one way. That is the way of being a totally Marxist state, a totally Marxist country under the domination and influence of the Soviet Union.

□ 1350

Why? I do not know. Perhaps it is because they want to satisfy if not their own minds and justify in their own minds, perhaps they wish to justify to their contemporaries their past support for the government of Anastasio Somoza.

I believe what we have to do is correct some of the remarks that have been stated here in the well and on the floor surrounding this debate on this amendment. Concerning the banks, some have said that they have nationalized the banks. Well, Somoza owned almost all of the banks anyway. Plus, in the year before Somoza finally left the country over $550 million left Nicaragua. In the last few days of the Somoza regime, Somoza ordered to be printed over $35 million in 50- and 100-cordoba notes, which they packed in suitcases and took out of the country with them. When Somoza finally left there was $3,000 left in the National Bank of Nicaragua.

That is what prompted the Government to have the people come in and bring in their 50- and 100-cordoba notes and turn them in to the Government. The Government then turned around and issued them money in different denominations so that this $35 million that was printed in the last few days would not come back to flood the country.

Farm products. We have been told the Government is now going to control the buying and selling of all of the farm products. Absolutely not true. The Government has taken over the distribution of those farm products they have in the country right now to relieve some of the famine in that country. It is true that the Government has taken over the exporting and the importing of farm products, but not the total farm products within the country itself.

It has been said that the Foreign Minister of Nicaragua is a Marxist. Absolutely untrue. The Foreign Minister of Nicaragua, Michel Discoto is a Catholic priest, an acquaintance of mine, and absolutely not Marxist.

It has been said they are going to teach the revolution in all of the grade schools, it is going to be required teaching. I can remember when I was in grade school in a small country school in Iowa, one of the first things I remember being taught was our own American revolution and why we fought that revolution and why we have the kind of country we have today. Plus the fact that in Nicaragua today there are over 40,000 children below the age of 12 who are orphans, 40,000 children that are going to be asking the question: "Why is my father dead? Why don't I have a family? Why am I an orphan?" They have to understand what the revolution was all about.

Which way is Nicaragua going? If we adopt this amendment it is only going to go one way.

I listened to the remarks of our distinguished majority leader. They were very good remarks with good reasoning behind them. But I want to approach this amendment from a different aspect, one of human needs, of the suffering that is going on in that country and what we are going to do in terms of alleviating it.

I would like to read to my colleagues from a letter from Kurt Waldheim of the United Nations dated August 21, 1979:

The first and most critical task is to deal with the humanitarian problems. The Government has estimated that 45,000 people have been killed and around 160,000 wounded. Thousands of families have been dispersed, and almost 40,000 children under the age of 12 have been orphaned. Many houses were totally or partially destroyed, basic utilities and services were disrupted, and many roads and bridges damaged. The whole productive structure of the country has been brought to a halt by the conflict

and by the massive exodus of senior managerial and professional personnel.

One of the most urgent requirements is for food as the country is facing widespread famine. More than 1 million people are without food. In addition, 40,000 pregnant or lactant mothers and 160,000 children under the age of six will require supplementary and rehabilitative food during the next six months."

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 5 additional minutes.)

Mr. HARKIN. The letter continues:

Taking into account the food donations presently being received, there is still a daily food deficit of about 150 tonnes.

Equally urgent is assistance to deal with the serious health problems. Gastro-enteritis, diarrhoea and malnutrition are all widespread, affecting young children particularly. One of the major hospitals has reported that 80 per cent of the patients require re-hydration treatment. Vaccines are also urgently required. Hospitals have reported shortages of staff, equipment, supplies and medicines. Serious concern is being felt as a result of the disruption of the anti-malaria campaign. The Government, therefore, urgently requires malaria-related drugs, equipment and technical assistance to rehabilitate the malaria eradication programme.

Very few basic food grains have been sowed in Nicaragua during the 1979 season and it is estimated that 50 per cent of the commercial crop production has been destroyed.

Among the major seed requirements are cotton, maize, rice and beans. There is also a critical need for fertilizer and agricultural tools and equipment.

Nicaragua is also faced with the need to resettle refugees. A UNHCR mission, which has just returned from Nicaragua, was informed by the authorities there that, of the some 100,000 Nicaraguan refugees abroad, some 40,000 have so far returned.

Another urgent requirement is quick-disbursing financial assistance to meet the immediate needs of the country until longer-term financial arrangements can be worked out.

Mr. Chairman, what we are dealing with is a nation that has been totally ravaged by war, a nation that has been laid waste, a nation that is starving, a people that need some help to get back on their feet. Which way is Nicaragua going? Adopt this amendment and there is only one way they are going to go. If we defeat this amendment we will once again reiterate to our friends in Nicaragua that we understand their revolution and we remember our own revolutionary heritage in this country. We will tell them that we know from whence we came, that our forefathers fought the same kind of revolution that they did against tyrants to build their own freedom, and justice, and social system in this country, and that we are going to say to the people of Nicaragua that we here in the House of Representatives do not sit out here blindly, that we look down here and we read these three words: "justice, tolerance and liberty." Let us tell the Nicaraguan people we are going to act on those words and befriend the people of Nicaragua.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I will yield to the gentleman.

Mr. BINGHAM. I thank the gentleman for yielding.

He has made a very eloquent statement and I would like to associate myself with it and commend him for it. I think it would be a tragedy if at this stage in our history we were to say no to the suffering people in Nicaragua. We have a chance to save Nicaragua from some further totalitarianism.

The adopting of this amendment and this legislation would destroy that chance.

Mr. HARKIN. I thank the gentleman.

I would only close by saying let us not be mean spirited, let us not be vindictive. Again, let us read these words of justice, of tolerance and of liberty, and let us defeat this amendment.

Mr. RUDD. Mr. Chairman, I move to strike the last word.

I rise in support of the amendment. I would like to point out that at the end of World War II statistics provided to me indicate that at that time nearly half of the world's population was able to decide what kind of a government they were going to have, to decide who their governors would be. Today that percentage has fallen to about 17 percent of the world who are able to choose their own governors. That is because of international communism and Communist inroads.

You bet the people of Nicaragua are friends of the United States, but the people of Nicaragua do not have any choice as to who their governors will be. I do not know either whether the government or the junta or whatever one wants to call it in Nicaragua is Communist, but I will say this, Fidel Castro, who is a self-admitted Communist, has stated that three out of every four of the people in that government are Communist, are Marxist. The Marxists and the Communists are not our friends, they are our enemies. The reason the inroads have been made by international communism is because we are willing to compromise. Communism will never be our friend under any circumstances, and will destroy us unless we oppose this force wherever encountered. I urge this amendment be adopted.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

□ 1400

Mr. Chairman, I rise in opposition to this amendment. I will try not to reiterate arguments that have already been made, but I think that we do have to agree that what was, ain't and is never going to come back. It does not make any difference what kind of label you put on it. The fact is that a change has taken place in Nicaragua. That is the bottom line, and I do not think anybody here thinks that there is going to be a resurgence to a personalized government in that country.

This is not a new fight in Latin America. Those Members who are personally acquainted with and have been following the area know that this fight has been going on for a long time and has had many leaders and many names. Some were called Communists. But the Caribbean League for Freedom and many other similar groups and individuals who fought for freedom and peace in Latin America, and to bring something to their people, fought simply to bring 80 to 90 percent of those people into their societies, because theretofore they had been totally excluded. Give this fight whatever name you want. For many Latin Americans capitalism has had a horrible reputation, for all it meant for them was the needs of no more than 5 percent of the people were satisfied, and that 5 percent stayed in power through repression. That is not a very good example for capitalism. One does not have to be very smart if one is on the short end of the stick in Latin America to say, "Don't give me any more of that." As the old story goes, I can only stand about two bits of that.

We can sit here and put labels on people, and we can put labels on movements, but we cannot change the facts of life in Nicaragua. Whatever went on there for 30 years has now changed, and some way, somehow, the Nicaraguan people are going to try to establish a new way of life and a new government.

As a people on the outside we have very limited options. One of them is to do absolutely nothing, or to turn our back on Nicaragua. That would be very easy, but in my judgment not the sensible way to approach it. To the limited extent that we can demonstrate our concern and our interest and our willingness to help the people—and I am not talking about a government with a label—to help the people find themselves economically, socially, politically, and whatnot, I think we ought to take that step. I think it is in the best interests of the United States to take that step. It is in the best interests of our own people to have a form of government in Nicaragua by which the majority of the people will have an opportunity to establish the kind of society they want. Mark you, I am not saying that it will be in the image of our participatory democracy or republican constitutional form of government. I am not saying that. They can, maybe, get close to it. They do have capitalists in Nicaragua. Those who stayed there and fought, those who are willing to make an effort in a new government, those capitalists will fight. There are moderates in this Government and among the people themselves who are not going to stand for a different kind of repression.

We ought not to turn our backs on those people. We ought to tell those people with consciences and who are moderates politically that we, the United States, recognize they are an ally, that they are part of that country, and that we are going to help them. And if some elements of the Sandinistas who are Marxist decide, because they have the guns or they have the political power that they are going to run this revolution and distort it for themselves, rather than for the benefit of the people of Nicaragua, then we ought to let them know that that would be a mistake. That is what we will do if we try to aid this Government right now, which has remarkably agreed to honor all of its international debts, although they know that Nicaragua was taken for a ride in incurring some of those debts by the last ruler of that country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FASCELL was allowed to proceed for 2 additional minutes.)

Mr. FASCELL. They have promised to honor those debts. They have asked for assistance, and we ought to honor that request for assistance as rapidly as possible. We ought not to be shy about it. If they have educational problems and medical problems, instead of crying in our beer and saying, "they sent 600 students to Cuba," we ought to say, "we will take 6,000 in the United States." If we are going to fight the Marxists on a philosophical basis, a political basis, on an ideological basis, let us get in the fight. You do not win a fight by walking away from it.

One other thing, a personal observation, if you will permit me. Many of us have been in Nicaragua. I have been one of those fortunate people. I went down there some years ago as part of a U.S. delegation for the inauguration of a family member of the former rulers. We waited all day to be called for the ceremonies in the main stadium. We waited all day from 9 o'clock in the morning to 10 o'clock in the evening with everybody else, as they called the roll. We finally came up slowly through the crowds and through the audience, and as Americans are wont to, we got out of our car and shook hands with everybody. Finally we were close enough where we could hear the announcements, and as the announcer announced the delegations that were coming in, there would be applause and cheers and whatnot. Of course, we as Americans had our own applause meter, and we were down at the end of the line. I do not mind telling you we were extremely nervous about the kind of reception we were going to get, because all the others, Communists and otherwise, had already been through. We could measure the waves of the applause and the response of this tremendous crowd.

Finally came our turn. It was dark, about 10 o'clock at night by the time we got there, and they announced us. The U.S. delegation went in with flags flying and the windows down, and everybody was waving. That place was absolute pandemonium. People stood up and cheered and wept and threw pillows and hats in the air, and broke out of the stands. I will never forget that.

We hear so many times of the wellspring, the background of friendship and understanding we have with the majority of the peoples of Latin America. It is there. It is for us to cultivate and nurture and gather and work with.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LONG of Maryland, and by unanimous consent, Mr. FASCELL was allowed to proceed for 2 additional minutes.)

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman. I must admit, though, I thought I had said it all.

Mr. LONG of Maryland. I hope the gentleman will give me an opportunity to make a couple of points. The gentleman I think would agree that we in opposition to and the supporters of this amendment, are in substantial agreement on one thing: we do not want the Communists in Nicaragua. We want a regime which is friendly to the United States, which would end up with a reasonable, moderate, democratic procedure. The whole difference is on the question of how best we do it.

Mr. FASCELL. The gentleman is absolutely right. Our motives, our views on both sides are the same. The opponents and the proponents of the amendments desire the same thing. The question is the best way to approach it.

Mr. LONG of Maryland. Is the best way to do this by helping the moderates and our friends, because I do not know anybody who would deny there are some moderates in Nicaragua, somebody who does not want the Communist regime?

Mr. FASCELL. Mr. Chairman, I would rather take the chance.

Mr. LONG of Maryland. Or is the way to do this to kick them in the face? Let me say if we vote for this amendment, it is going to be heard all over Nicaragua as a kick in the teeth for the present Nicaraguan regime and a kick in the teeth for moderate government in Nicaragua. Will the gentleman from Florida agree with that?

Mr. FASCELL. I will say this: A great deal more attention is paid to what we say and do in this Congress than we believe. Everything is read with some kind of sign. We have plenty of time to cut off assistance or take some other action if it is necessary. At this time it seems in the best interests of the U.S. Government to extend a helping hand to this government.

Mr. LONG of Maryland. Will the gentleman agree the way to handle this thing is to hold some hearings and follow the regular proceedings of Congress, or to do what we have to do here, make a decision on what we read in the newspaper? I would hope the gentleman would agree we should have some hearings on this. In fact, I have already scheduled hearings for Monday or Tuesday on this whole question. We will give a full hearing to both sides.

□ 1410

Mr. HYDE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am going to oppose the amendment of my good friend from Maryland (Mr. BAUMAN) for none of the reasons so beautifully expressed by the homilies we have heard from the well today on behalf of the poor and the hungry, the sick, lame, or disordered. I am going to oppose the amendment because I think as long as there is the remotest chance we can divert Nicaragua away from becoming another client state of the Soviet Union we ought to take that chance, in our own national interest, notwithstanding our feeling of unhappiness about the events in Nicaragua and our feeling of dismay and disapproval at that hall of fame of hypocrisy, the State Department. However, I cannot let this moment pass without commenting that some future student of abnormal psychology will doubtless thumb through the pages of the CONGRESSIONAL RECORD in amazement at how we concern ourselves with some sick, some poor, some lame, and some halt but we ignore others in the same condition.

Mr. Chairman, I am speaking of Rhodesia, I am speaking of Chile, I am speaking of South Korea, I am speaking of those countries whose regimes we do not like and where our directors at the international banks vote "no" on projects to help the poor people of those countries whose rulers are on bad paper at State. We are only concerned about the poor of leftist countries and I find that double standard insupportable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 29, noes 50.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and nineteen Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 189, noes 221, not voting 24, as follows:

[Roll No. 445]

AYES—189

Abdnor	Campbell	Evans, Del.
Ambro	Carney	Evans, Ind.
Andrews, N. Dak.	Cheney	Fish
Applegate	Clausen	Fuqua
Archer	Cleveland	Fountain
Ashbrook	Clinger	Frost
Atkinson	Coleman	Gaydos
Badham	Collins, Tex.	Gilman
Bafalis	Corcoran	Gingrich
Bailey	Cotter	Glickman
Bauman	Courter	Goldwater
Beard, R.I.	Crane, Daniel	Gradison
Bennett	Crane, Philip	Gramm
Bereuter	Daniel, Dan	Grassley
Bethune	Daniel, R. W.	Grisham
Bevill	Dannemeyer	Gudger
Biaggi	Davis, Mich.	Guyer
Boner	Davis, S.C.	Hagedorn
Bouquard	Deckard	Hall, Tex.
Breaux	Derwinski	Hammer-schmidt
Brinkley	Devine	Hance
Broomfield	Dickinson	Harsha
Brown, Ohio	Dornan	Heckler
Broyhill	Duncan, Tenn.	Hillis
Burgener	Early	Holland
Byron	Edwards, Okla.	Hopkins
	English	

Horton	Michel	Shuster
Hubbard	Miller, Ohio	Slack
Huckaby	Minish	Smith, Nebr.
Hutto	Mitchell, N.Y.	Snyder
Ichord	Montgomery	Solomon
Jacobs	Moore	Spence
Jeffries	Moorhead, Calif.	Staggers
Jenrette	Mottl	Stangeland
Jones, N.C.	Murphy, N.Y.	Stenholm
Jones, Okla.	Murphy, Pa.	Stockman
Kelly	Murtha	Stratton
Kemp	Myers, Ind.	Stump
Kindness	Nelson	Symms
Kramer	Nichols	Synar
Lagomarsino	O'Brien	Taylor
Latta	Pashayan	Thomas
Leach, La.	Paul	Trible
Leath, Tex.	Quayle	Vander Jagt
Lee	Quillen	Walker
Lent	Regula	Wampler
Levitas	Rhodes	Watkins
Lewis	Rinaldo	White
Livingston	Ritter	Whitehurst
Loeffler	Roberts	Whitley
Long, La.	Robinson	Whittaker
Lott	Rose	Whitten
Lujan	Roth	Williams, Ohio
Lungren	Rudd	Wilson, Bob
McClory	Runnels	Wilson, Tex.
McDade	Santini	Winn
McDonald	Satterfield	Wolff
Madigan	Sawyer	Wyatt
Marks	Schulze	Wydler
Marlenee	Sensenbrenner	Wylie
Marriott	Shelby	Yatron
Mavroules	Shumway	Young, Fla.
Mica		Zeferetti

NOES—221

Addabbo	Edwards, Ala.	Lowry
Akaka	Edwards, Calif.	Luken
Albosta	Emery	McCloskey
Alexander	Erdahl	McCormack
Anderson, Calif.	Erlenborn	McHugh
Anderson, Ill.	Ertel	McKay
Andrews, N.C.	Evans, Ga.	McKinney
Annunzio	Fary	Maguire
Anthony	Fascell	Markey
Ashley	Fazio	Martin
Aspin	Fenwick	Mathis
AuCoin	Ferraro	Matsui
Baldus	Findley	Mattox
Barnard	Fisher	Mazzoli
Barnes	Fithian	Mikulski
Bedell	Florio	Mikva
Bellenson	Foley	Mineta
Benjamin	Ford, Mich.	Mitchell, Md.
Bingham	Ford, Tenn.	Moakley
Blanchard	Forsythe	Moffett
Boggs	Fowler	Mollohan
Boland	Frenzel	Moorhead, Pa.
Bolling	Garcia	Murphy, Ill.
Bonior	Gephardt	Myers, Pa.
Bonker	Giaimo	Natcher
Bowen	Gibbons	Neal
Brademas	Ginn	Nedzi
Brodhead	Gonzalez	Nolan
Brooks	Goodling	Nowak
Brown, Calif.	Gore	Oakar
Buchanan	Gray	Oberstar
Burlison	Green	Obey
Burton, John	Guarini	Ottinger
Burton, Phillip	Hall, Ohio	Panetta
Butler	Hamilton	Patten
Carr	Hanley	Pease
Cavanaugh	Harkin	Perkins
Chappell	Harris	Petri
Chisholm	Hawkins	Peyser
Clay	Hefner	Pickle
Coelho	Heftel	Preyer
Collins, Ill.	Hightower	Price
Conable	Holtzman	Pritchard
Conte	Howard	Pursell
Corman	Hughes	Rahall
Coughlin	Hyde	Railsback
D'Amours	Ireland	Rangel
Danielson	Jeffords	Ratchford
Daschle	Jenkins	Reuss
de la Garza	Johnson, Calif.	Richmond
Dellums	Johnson, Colo.	Rodino
Dicks	Jones, Tenn.	Roe
Diggs	Kastenmeier	Rosenthal
Dingell	Kazen	Rostenkowski
Dixon	Kildee	Royer
Dodd	Kogovsek	Russo
Donnelly	Kostmayer	Sabo
Dougherty	LaFalce	Scheuer
Downey	Leach, Iowa	Schroeder
Drinan	Lederer	Sebelius
Duncan, Oreg.	Lehman	Seiberling
Eckhardt	Leland	Shannon
Edgar	Lloyd	Sharp
	Long, Md.	Skelton
Snowe	Swift	Walgren
Solarz	Tauke	Waxman
St Germain	Thompson	Weiss
Stack	Traxler	Williams, Mont.
Stanton	Udall	Wirth
Stark	Ullman	Wolpe
Steed	Van Deerlin	Wright
Stewart	Vanik	Yates
Stokes	Volkmer	Young, Mo.
Studds	Vento	Zablocki

NOT VOTING—24

Beard, Tenn.	Hollenbeck	Roybal
Carter	Holt	Simon
Conyers	Lundine	Smith, Iowa
Derrick	McEwen	Spellman
Flood	Miller, Calif.	Treen
Fuqua	Patterson	Weaver
Hansen	Pepper	Wilson, C. H.
Hinson	Rousselot	Young, Alaska

□ 1430

Messrs. LOTT, HORTON, GLICKMAN, GRISHAM, and Mrs. HECKLER changed their votes from "no" to "aye."

Mrs. BOGGS changed her vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. EVANS of Delaware. Mr. Chairman, I ask unanimous consent to return to page 9, title II, of the bill for purposes of introducing an amendment at that point, an amendment which I have discussed with the chairman of the subcommittee and the ranking minority member. It is my understanding that they have no objection to this unanimous-consent request, and I think we can easily dispose of the matter, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Delaware?

There was no objection.

AMENDMENT OFFERED BY MR. EVANS OF DELAWARE

Mr. EVANS of Delaware. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EVANS of Delaware: Page 9, line 10. Strike out "$1,917,000,000" and insert in lieu thereof the following: "$1,927,000,000".

Mr. BINGHAM. Will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from New York.

PERSONAL EXPLANATION

Mr. BINGHAM. Mr. Chairman, on rollcall No. 443, on the Conte amendment to the Obey substitute for the Miller of Ohio amendment, I was wrongly advised as to the purport of the amendment. I voted "no." I would like the record to show that I would be in favor of the amendment.

Mr. EVANS of Delaware. Mr. Chairman, I had a long dissertation prepared, and I have cut that back in the interest of time and in the interest of, I think, all the Members.

Mr. Chairman, this is a very simple but important amendment. It adds $10 million to the economic support fund for assistance to a country that is a friend of ours, a country that has demonstrated that friendship at great peril. I am speaking of the largest country in Africa, Sudan.

Sudan is a country which has a tremendous potential from an agricultural standpoint. There are 200 million potentially arable acres in the Sudan and of those 200 million acres, only 2 million are under cultivation today.

In addition, the Chevron Oil Co. has recently discovered an undetermined amount of oil in the southern part of Sudan which could be a significant help to the free world's oil supply problem.

Sudan has consistently supported the peace process in the Middle East. They have suported the efforts of the United States, and they still do.

What have they received for that support? What have been the consequences? Well, first of all, Iraq cut off their oil supply and, secondly, a desperately needed loan from the Saudis has not been forthcoming. President Nimeiri, who is the leader of Sudan and the immediate past chairman of the Organization of African Unity, along with his country, has been castigated rather violently throughout that region of the world. But he and his country have stuck by the treaty, and by the United States.

I believe now that our friends as well as foes are looking to the United States for our response. Those countries want to know if the United States will back up its allies, especially an ally like the Sudan which is suffering economically and which is supporting us in a courageous manner.

Let me add that the Soviet Union, Cuba, Libya, and other client states of the Soviet Union would dearly love to see the Nimeiri government fall.

I commend the committee, the subcommittee chairman, the gentleman from Maryland (Mr. LONG), and the ranking minority member, the gentleman from Florida (Mr. YOUNG), for their work in this area, and I think that given the Sudan's serious economic crisis, we should lend our support wholeheartedly to that country. Let me very briefly speak for just a moment about some of the difficulties that face Sudan.

□ 1440

They have a balance of payments problem that is approaching a $500 million deficit for 1979. They received as much rain in 2 days in 1978 as they were projected to receive for the next 3 years. That damaged, as you can imagine, the very fragile infrastructure there and their wheat production has been decreased. It is all compounded by a refugee problem. Close to 1 million men, women and children have come into Sudan recently from Uganda, from Chad, from Ethiopia. Let me remind you that Sudan is a country that has a per capita income of $236 per year. The refugee problem is a drastic drain on already scarce resources there and we need to help them. The needs of the Sudan are tremendous and an additional $10 million will only solve a small part of the problem. But it is absolutely critical for the United States to clearly demonstrate its commitment to Sudan.

We must demonstrate to the countries who want Sudan to fail that we are

going to stand behind her as she seeks to pull herself up by the bootstraps.

Mr. Chairman, Sudan also sits astride one of the most strategically important areas of the world. The Soviet Union recognizes the importance of the Horn of Africa, and is working vigorously, particularly through its Cuban proxies, to overthrow governments and gain a toehold in the Horn of Africa, we are fortunate to have a friend in Sudan. A friend who has stood beside us when it was very easy to cut and run.

I urge this House to clearly recognize that friend by increasing economic support funds by $10 million.

The CHAIRMAN. The time of the gentleman from Delaware (Mr. EVANS) has expired.

(On request of Mr. LONG of Maryland and by unanimous consent, Mr. EVANS of Delaware was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, let me say that I congratulate the gentleman on his amendment. The majority side of the committee has examined it, and I have no objection to it. We hope it passes.

Mr. EVANS of Delaware. I thank the gentleman.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I ask this question not in any contentious way to be against the amendment, but because I am generally concerned.

Is not the Sudan where our American Ambassador was assassinated?

Mr. EVANS of Delaware. In answer to the gentleman from Texas (Mr. GONZALEZ), yes, our American Ambassador was assassinated there, but that happened over 6 years ago, by the Black September group despite the efforts by the Sudanese Government to obtain our Ambassador's release. Since that time there has been a turn-around.

That was at a time when the Russians were there. The Russians have been kicked out of the Sudan. President Nimeiri has been very pro-West. He has been very pro-United States and he has been very pro for the peace process for the entire Middle East. I think he deserves our support.

Mr. BONKER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to commend the gentleman from Delaware for offering this amendment. It is timely and it is necessary.

I think the New York Times, in a recent article entitled "Economic Troubles in the Sudan Threaten Sadat's Neighboring Friend" says it all. The President of the Sudan has been a foremost friend of the United States. He has consistently supported the Middle East peace accord, which has resulted in economic sanctions from Arab countries, the result of which has left his country in economic chaos.

I might add that President Nimeiri guided his government to a model of human rights policies. He has placed a great emphasis on local government. He has been very progressive in economic policies. The Sudan is strategically located in the Horn of Africa, as the gentleman pointed out. We have observed what happened to Ethopia. On the other side is Libya. There is insecurity all over the Horn of Africa. Throughout that region, the Sudan stands as a model of U.S. support and progressive policies.

If we do not provide the kind of support that was promised in the authorization bill to increase aid and let President Nimeiri and the people of that country know that the United States stands fully behind them, I am afraid that it will precipitate his downfall. One can only guess that his successor would be another Marxist-type ruler, as we have seen in Ethiopia.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

Mr. Chairman, I believe the Members of the House will ponder the words of the gentleman from Washington, who very accurately and very properly analyzed the situation. I urge support of the amendment.

I would also note that I understand the chairman of the subcommittee and the ranking minority member both support the amendment. So any amendment which has the support of those two normally debatable gentlemen must have great merit.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Washington.

Mr. PRITCHARD. Mr Chairman, I want to say that I wholeheartedly support the amendment which the gentleman from Delaware (Mr. EVANS) has brought forth. I think the facts are clear. I think we are overdue in sending a message to President Nimeiri that we support him and that we are going to continue to support him.

Mr. BONKER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. EVANS).

The amendment was agreed to.

Ms. OAKAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in listening to the debate concerning this bill, I have been somewhat amazed that no word has been uttered about the unwarranted and, apparently, illegal use of American weapons in the country of Lebanon that are contributing to the devastation of that poor country.

Now, is there no conscience for a country that has always been our ally? And since April we are told that more than 200 men, women, and children have been killed, and we are told that more than 400 have been wounded.

Ambassador Young, in his eloquent remarks before the U.N. Security Council on August 29, 1979, concerning U.S. policy in Lebanon, indicated that the people of Lebanon and, indeed, the entire Middle East, look to the United States to point the way. We in Congress can do no less, it seems to me.

Mr. RAHALL. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentlewoman for yielding.

Mr. Chairman, I would like to associate myself with the gentlewoman's remarks and not only express concern that no mention has been made of the atrocities that are occurring at the present time in Lebanon, but the fact that that has not been mentioned during the consideration of this bill is something that should concern every Member of this House. Not only that fact, but the fact that there are other, in my opinion, reverse priorities in this foreign aid bill that we are considering today.

The question that we ought to consider in Lebanon is certainly whether the Israelis have violated provisions of the Arms Export Control Act. The administration appears to have acknowledged that this has occurred in a letter from the Secretary of State to Chairman ZABLOCKI of August 6.

I would like to direct a question, if I might, to the distinguished chairman of the Subcommittee on Appropriations, the gentleman from Maryland (Mr. LONG), and ask him if his committee has received any communications from the administration or from the Secretary of State indicating any violations of the AECA by the Israelis?

Mr. LONG of Maryland. If the gentleman will yield. No, we have not received any such communication. Of course, we are aware of the situation; that PLO-based raids have been made repeatedly on Israel, and that Israel has suffered casualties as a result of these raids. Any raids by Israel on Lebanon would undoubtedly stop, if there were a cessation in the PLO-based atrocities visited on Israel.

Mr. MOFFETT. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I appreciate the responses of the distinguished subcommittee chairman.

This is, obviously, a very difficult situation. The attacks on Israel by the PLO are certainly condemned by all of us. They are sickening. They are reprehensible. They are disgraceful. I have sent wires to the PLO representative at the U.N. condemning them.

But I cannot see where the Israeli retaliatory raids are accomplishing anything other than the killing of yet more innocent people. I think a lot of people in this country, not only Lebanese-Americans, but many Jewish-Americans, agree.

I think we should be as familiar with the damage that is being done to civilians in Lebanon as we are with the damage that is being done to civilians in Israel.

In a July 27 letter I received from the very competent U.S. representative in Lebanon, Ambassador Dean, he notes the progress that Lebanon is making. This is the only Arab country in the Middle East that, in the last 30 years, has not engaged in attacks on Israel.

Now, one can argue that the central government should control the PLO; we only wish that they had the ability to do that. But Ambassador Dean points out that the Lebanese Army is being strengthened with our help. We support that effort. They are doing their best. But the fact is that the army, as well as the United Nations forces, are being interfered with by a number of different groups: the Palestinians, the Christian militia and the Israelis. I think our concern here today is that we be cognizant of this country that is caught in the midst of this explosive situation—obviously hurt by and unhappy with the PLO bases on its soil, obviously hurt by fights within its own populace and obviously hurt by the repeated air raids.

The CHAIRMAN. The time of the gentlewoman from Ohio (Ms. OAKAR) has expired.

(On request of Mr. MOFFETT and by unanimous consent, Ms. OAKAR was allowed to proceed for 5 additional minutes.)

□ 1450

Mr. MOFFETT. The Ambassador points out the heavy civilian toll, the Lebanese women and children included in the casualties from the air raids. I would hope that we would be cognizant of the facts. I am not sure these air raids are accomplishing anything. It is one thing to say that Israel is defending itself; but a public relations firm trying to devise the worst possible P.R. campaign for Israel would include these air raids as a major component of it. It is just simply not in Israel's interest. I think many Israelis share this feeling.

There is a debate in Israel on this very question. It is only fitting to ask there be a debate in the U.S. Congress, then, over whether the raids are worthwhile. As my friend from West Virginia points out, there may well be violations of U.S. law involved here.

I thank the gentlewoman for yielding.

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. If there are violations of law, it seems the administrative branch has ample machinery for discovering them and either to take administrative action or to recommend appropriate action to Congress.

This question of whether the raids are doing any good from Israel's point of view is a matter of judgment. I doubt if Israel is going to do anything consciously that would be damaging to its own cause. You will have to convince the Israelis that it is not in their interest to respond. They feel very strongly they have been patsies long enough. They have been hit and hit and hit and hit. What other way is there to respond?

If Israel is going to be hit continually by these guerrillas based in Lebanon, what else can it do?

Mr. MOFFETT. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I would be happy to yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentlewoman for yielding. I do not have an answer, and the gentleman does not have an answer. What we are saying here, first of all, is that the United Nations Force deserves to be supported. The United Nations Forces, made up of different people from different nations, go into a region under attack by both Israeli and Palestinian crossfire. This is not easy for these troops. This is not easy for Israel. The question of Israel's security, as we know, is not an easy issue. We try to understand the frustrations these attacks cause Israel. It is terrible that a nation should be subjected to this murderous terrorism.

We condemn it. We are not offering an amendment here to cut Israeli aid, as the gentleman knows. That is not our goal. We think the appropriate committees should be informed about what is happening to the civilian population. It is, basically, an innocent population. Is the price worthwhile for Israel, particularly when it directly involves U.S. weaponry?

I thank the gentlewoman.

Mr. ABDNOR. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from South Dakota.

Mr. ABDNOR. I thank the gentlewoman for yielding.

Mr. Chairman, I would just like to point out that no country has received the destruction and the consequences of damages from our military assistance to other countries than Lebanon. I am just curious, and I would like to ask the chairman, if I might, the gentleman from Maryland, are there any specific moneys earmarked in this $8 million-plus that will help these poor people out, very specific moneys earmarked? I see here in the committee report that says Lebanon is scheduled to receive assistance under the international military education and training and the military credit sales. That is not worth a darn to them. Is there anything to help the poor people out?

Mr. LONG of Maryland. There is money in the bill which is given on an illustrative basis for Lebanon, but not earmarked.

Mr. ABDNOR. There is money going to help these people?

Mr. LONG of Maryland. Yes, for recovery.

Mr. ABDNOR. Are we talking about a few thousand dollars?

Mr. LONG of Maryland. To repair the devastation, reconstruction and that kind of thing, military aid, and so forth.

Mr. ABDNOR. Does the gentleman have any idea how much it will come to? We are not talking about a few thousand dollars, I hope.

Mr. LONG of Maryland. The figure that I have here from the table is $33 million, which is a fair sum of money.

Mr. ABDNOR. That is for everybody, $33 million. I hope that——

Mr. LONG of Maryland. That is for Lebanon.

Mr. ABDNOR. I certainly hope that everybody realizes the damage and destruction that has taken place.

Mr. LONG of Maryland. We deplore the situation, naturally.

Mr. ABDNOR. That is all military. I am talking about assistance and aid.

Mr. LONG of Maryland. This is economic, in response to the gentleman, economic and military assistance.

Mr. ABDNOR. It is mostly military. What they need is some assistance and aid and disaster relief.

The CHAIRMAN. The time of the gentlewoman from Ohio (Ms. OAKAR) has expired.

(By unanimous consent, Ms. OAKAR was allowed to proceed for 5 additional minutes.)

Mr. LONG of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. If I could make a correction, I was wrong. The table I read from said total economic/military assistance, but I understand that for 1980 this is entirely military assistance. But in the past, we have been giving economic assistance, also, and we also, of course, give moneys, as the gentleman knows, to the University of Beirut, as well as through the United Nations.

Mr. ABDNOR. That is all great, but I am thinking of starving people and the destruction of their homes and businesses through no fault of their own, who have no part in this, and because of the generosity of America to give money away to other countries who do, I think we have some responsibility there.

Mr. LONG of Maryland. We have wanted to give money for reconstruction aid to Lebanon, but we do not want to build installations there that are going to be promptly knocked down. We wanted some assurance that the war would stop before we started rebuilding permanent installations.

Mr. GREEN. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentlewoman.

Mr. Chairman, I wanted to say to the gentlewoman that I think her concern for the civilian population of Lebanon is, of course, an entirely proper and humanitarian one. I do want to report to the House, however, that when I had a chance to speak to some Lebanese Christians who had come through the good fence into Israel last year, when I was visiting there—they had come for medical help—their complaint was essentially that the United Nations Force was unable to protect them from the PLO, and that they were in fact suffering shelling by the PLO because of the inadequacy or unwillingness of the U.N. Force in protecting them.

Ms. OAKAR. Let me just respond to the gentleman, my friend from New York, that the purpose of my bringing this to the attention of the House is to deplore violence of any kind. I do not think we can say that violence on the part of the PLO certainly is justified.

By the same token, irrespective of who the Israeli aircraft and forces are attempting to hit, violence to the refugees or to native Lebanese is also irresponsible.

I know in this foreign aid bill that so much money is given to military aid. I certainly would have no objection to any country getting economic help, but when you militarize the world in this fashion and then you see how weapons are used, I think it is deplorable.

I would hope, if what the gentleman is saying is true, and I have no doubt that the gentleman is sincere in what he is saying, and I have no reason to doubt what the gentleman is saying, why does not this Congress have a comprehensive congressional hearing on this issue of violence in Lebanon and other related Middle Eastern issues?

I think this is what we are trying to see so that we can put an end to violence everywhere in the Middle East and in all parts of the world.

Mr. RAHALL. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentlewomen for yielding.

I would like to emphasize the comment that the gentlewoman expressed about violence occurring not only in Lebanon but the PLO attacks in Israel, whether it be terrorist attacks anywhere in the world, is what we are talking about here, violence wherever it might occur is our main concern.

Of course, I would hope that the committee will continue to press the administration for a definite determination of whether Israel has violated any provisions of the Arms Export Control Act. Just a determination one way or another, I think, would assure not only a lot of innocent Lebanese civilians and children who are suffering, but a lot of Israelis who are also concerned about this question. I would hope that the committee will pursue that and secure from the administration in writing a definite determination of violations of this act.

I might also draw the attention of my colleagues to an editorial that appeared in the Washington Post this past Sunday on the situation in Lebanon, and it addresses itself to the Israeli image in the international community and the effects that the present terrorist attacks are having upon the image.

I thank the gentlewoman for yielding.

Ms. OAKAR. I thank the gentleman for his comments and I just want to conclude by saying that I do not think Americans want their tax dollars used for violence. That is the principle.

□ 1500

I will never condone any type of violence on the part of any people. I think that is the spirit in which this Congress ought to prevail and that is the spirit that I would hope will get some consideration in the appropriate committees. I believe since this issue has been brought forward we have not had the kind of hearings that this kind of activity has warranted.

Mr. SEIBERLING. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I am happy to yield.

Mr. SEIBERLING. I thank the gentlewoman for yielding.

I want to associate myself with her remarks and commend the gentlewoman from Ohio for having raised this issue. It seems to me that her last remark that we do not want American dollars and weapons to be used for violence, regardless of the auspices, is absolutely the guts of the whole issue. I think we should do what she recommends and air this whole thing in an orderly and responsible way.

Ms. OAKAR. I thank the gentleman.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 23, immediately after line 12, insert the following:

TITLE VI—SPECIAL CARIBBEAN HURRICANE RELIEF

FUNDS APPROPRIATED TO THE PRESIDENT

SUPPLEMENTAL INTERNATIONAL DISASTER ASSISTANCE

For additional expenses necessary to enable the President to carry out the provisions of section 491 of the Foreign Assistance Act of 1961, there is appropriated for the fiscal year ending September 30, 1980, out of any money in the Treasury not otherwise appropriated, $25,000,000 for disaster relief and reconstruction in the Caribbean to assist in alleviating the human suffering caused by recent hurricanes in that region. Funds appropriated by this title shall remain available until expended and shall be available for obligation and expenditure notwithstanding section 10 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2412).

POINT OF ORDER

Mr. CARNEY. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CARNEY. I make a point of order against the amendment on the following grounds:

One, the appropriation provided for is unauthorized by law.

Two, the language "remain available until expended" is in violation of clause 2, rule XXI. I would cite Deschler's Procedures, chapter 26, paragraph 7.1, where it says:

Language in a paragraph of a general appropriation bill providing that funds provided in that paragraph shall remain available until expended is generally conceded to be legislation in violation of clause 2, rule XXI unless the authorizing legislation permits such availability.

The third ground is that language "notwithstanding section 10 of the act entitled 'An act to amend the Foreign Military Sales Act, and for other purposes' " is legislation on an appropriation bill in that it changes existing law and, therefore, is in violation of clause 2, rule XXI, prohibiting legislation on an appropriation bill.

The CHAIRMAN. The gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I must commend my distinguished colleague from New York for being so thoroughly prepared on the rules as to have the point of order so well and thoroughly briefed spontaneously, on the spur of the moment.

Without going into all the ramifications of what the gentleman has alluded to, I certainly concede that the first citation he has quoted is absolutely correct, because otherwise the amendment would not have been before us if it had not been an emergency and necessary to waive all of the rules.

The CHAIRMAN. Does the gentleman from Florida concede the point of order?

Mr. FASCELL. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wanted to say that had the amendment been ruled in order it would have been my purpose to have offered the amendment because of the fact that the disaster relief money in this appropriation bill is $21.8 million. So what is happening is we are drawing down now on whatever is left in the 1979 programing and 1980 will be used up very, very shortly, which will leave no money in the fund. Obviously we could come back with a supplemental and do all the other things that are necessary, but this appropriation bill is here. The facts are apparent to everyone—there is a disaster in the Caribbean which is far greater than most of us had anticipated. David was no baby. The damage in the Dominican Republic alone is estimated at $1 billion. I know from personal conversations that I have had recently that the people are without potable water, food, transportation, communication. Over 100,000 people are displaced, and some people, indeed, have not yet been found.

We have sent in assistance; other countries have sent in assistance. Suffice it to say that with the damage to the Dominican Republic and Martins and the other islands and with Frederick coming right along behind it, the chances are that in cooperation with other governments we in the United States will probably quickly use up for emergency assistance—that is, sending out helicopters, assessment teams, and what not—$25 million.

The idea was to avoid the necessity—based on the facts which are already available to us—of coming through again with another supplemental on this bill. That is the only reason the amendment was offered in this way. I know of no way to write the amendment that would not be subject to a point of order. If the gentleman is insistent, it is unfortunate.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I will yield to the chairman of the full committee.

Mr. ZABLOCKI. I thank the gentleman for yielding. I want to commend the gentleman from Florida for offering this amendment which is so vitally necessary at this time. I agree with the gentleman from Florida that this is our one chance to deal with this problem quickly and expeditiously by providing the funds necessary to help the victims of this unfortunate disaster, particularly those in the Dominican Republic. As the gentleman from Florida has stated, the devastation there is terrible, almost beyond the imagination. At least 1,000 people have lost their lives and the count is continuing.

For these reasons I would hope that the gentleman from New York would change his mind about raising a point of order. Yes, this matter can be taken care of under a supplemental or some other legislative process, but the need is now. Already our Government has provided $2.5 million on an emergency basis. More is needed, however, and other countries are looking to the United States to take the lead in providing additional assistance to alleviate the suffering that has been caused as a result of Hurricane David. I would hope there would be a change of heart with respect to the point of order. We have always been recognized as a humanitarian nation. How can we be so heartless at this time?

Mr. FASCELL. Not only that, and I thank the gentleman for his comments, but let me just add I think there is ample protection here if we take this unusual route and provide the additional $25 million, because obviously it would come within the disaster relief funding for the Caribbean and both the Appropriation Committee and the authorizing committees would have the opportunity to follow it very carefully. Obviously this bill is not going to get through for some time and we have $21.8 million already in it. That might be sufficient and you could hold the $25 million for other purposes. It just seemed like a lot easier than doing a lot of reprograming and all of that kind of thing.

Mr. Chairman, that was the whole purpose. The Appropriations Committee is here now and there is $21.8 million for disaster relief for fiscal 1980, so it is quite clear that it will not be sufficient for normal purposes because this is already an abnormal year with David and Frederick already in the Caribbean. We thought it would be prudent, and wise at this point, expeditious at this point and good business management to put another $25 million in the disaster relief account now, even though it is not authorized, in order to have that money available in case we need it immediately. Then, if necessary, we could take up whatever corrective action needed to be taken by way of a supplemental authorization or otherwise.

Mr. YOUNG of Florida. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, since we are debating the amendment, although it has been determined to be out of order, I thought I would make a point. I would not have objected and was not going to raise a point of order on this, but I did intend to reserve a point of order for the purpose of engaging in this very debate. I have no problem with adding this money.

□ 1510

The other body will probably add the money anyway, and in conference the money would be kept in and it would be there. But I wanted to use this opportunity to raise a point that is one of the disagreements that I have with our whole approach to foreign aid, and that is we are willing to do things for people in other parts of the world that we refuse to do for our own people here in America. This matter may appear to be somewhat parochial, and that is exactly what it is.

In May of this year my part of Florida and other parts of Florida were seriously damaged by storms and floods. Whether it is 100 people, 1,000 people, or 10,000 people, the injury to that one party is just as serious no matter how many others are involved. The damage to Florida was serious enough that the Governor in a very short period of time determined an emergency and requested the President to declare a disaster. The President responded almost immediately with a declaration of disaster. The people of Florida were given a lot of hope that their immediate problem was going to be solved, or at least temporarily solved by the Federal Government but, Mr. Chairman, those poor people in Florida wanting disaster relief had to wait for a supplemental.

The Members recall the argument that we had about that as the supplemental moved through the process. There was a large delay, and the people of Florida had to wait for a supplemental.

Mr. Chairman, even after the supplemental was approved the people of Florida still had to wait. As a matter of fact, the last people who needed help from their government back in May finally got it 2 weeks ago. There is something wrong with that when the American people who got this aid are going to have to pay it back. While the people in the Dominican Republic are not going to pay it back. The Dominican Republic itself is not going to pay it back. I just use this as an opportunity to point out how, through our foreign aid programs, we are willing to do for other people what we refuse to do for our own people.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. CARNEY. I thank the gentleman for yielding.

It certainly was not my intention to debate the merits of the amendment. I made the point of order because the amendment was faultily written and it violates the rules of the House. But since there has been debate on it, I would just like to add to that on the floor of this House just a couple of months ago there was an amendment offered to the small business appropriations by my colleague, the gentleman from Mississippi (Mr. HINSON), to reduce the rate from 3 to 1 percent on disaster loans for the people of America. This Congress thought that it would be improper, that it would be too expensive for us to do that to help our own people and reduce the rate. That bill which now has a 3-percent rate is still in the Senate waiting to be passed. It has been there for 2½ months. We do not respond to the people of America, but we are ready to put a contingency fund of $25 million in effect and have it readily available for the people of the Caribbean.

There are people in my district whose basements have been flooded for the last year and a half, and they are offered a 7⅝-percent rate on a small business loan. We corrected it half way in the House to 3 percent.We refused to correct it to 1 percent, and yet we can have this $25 million hanging around for foreign nations.

It was not my intention to debate the merits of the amendment. I offered the objection on the ground that it was a violation of our rules, and I do not think we should pass anything in violation of our rules. As long as we did debate the merits of this, as I said, I wanted to bring up the points that my colleague, the gentleman from Florida (Mr. YOUNG) brings out. Let us help the people in America first before we help people in other areas. If we have excess moneys, we can then help the people around the world.

Mr. FASCELL. Mr. Chairman, will the gentleman from Florida yield?

Mr. YOUNG of Florida. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding. I just want to say that I am very sorry the gentleman has had the trouble he has had with programs in his area. In my area, when we have had a disaster, we have had the finest cooperation from the Small Business Administration and the Farmers Home Administration. We have run into the normal bureaucratic snafus but nothing else.

We are talking about humanitarian assistance, so I think you can make the case between helping your own constituents and helping some poor unfortunate in another country who is your next door neighbor, but I do not think you ought to equate your constituents with the plight of those people because the two are not equatable.

Mr. YOUNG of Florida. I will respond to the gentleman, in the opinion of my constituents the plight is equal if not more on their side. They had serious problems with water up to their ceilings, they were not satisfied with their treatment, and I do not blame them.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I would be happy to yield to the gentleman.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

If the gentleman thinks he has got trouble, the people in my district suffered from a drought, and the disaster relief people, who do not know how to deal with a drought, said, "Give us a fire; give us an earthquake; give us a flood. We can deal with that. We do not know how to deal with a drought." It took a whole lot of kicks in the tail and if took a whole lot of effort, such as screaming which only the junior member of the Burton family can do at times, to get them to pay the slightest bit of attention to the plight of dairy farmers. And they were developing health problems because they did not have enough water to wash dishes in their restaurant businesses.

I strongly agree with the gentleman's point of view that the bureaucrats do not respond. I do not know how they respond to a disaster in the area that the gentleman is talking about. I would hope that they would respond on a humanitarian basis fairly fast, but the way they responded to the people in Marin County during a drought was they kept praying for rain because they did not know how to deal with it.

We have to shake up the bureaucracies, and I think our people should get 3-percent loan money instead of having to pay 7 or 8 or 9 percent. They told my farmers to go to the bank and get a loan at 10 percent. My guy said, "I will be bankrupt."

Finally we forced them to do something, and through the Small Business Committee we got Agriculture to get through small business loans because FHA did not want to give them the help and did not want the Small Business Administration to do it.

So I think the gentleman and I agree on this, besides the fact that we both know the Russian revolution was a Communist plot.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before we vote on this bill I would like to recapitulate where we are. The committee cut the Presidents' budget for this program by $1.2 billion before we came to the floor. That bill meant a cost to each American of about 57 cents per week which, as I indicated, is less than the cost of any good martini in this town. In fact, It is less than the cost of any bad martini. I think that is a cost which we must be willing to pay if we are serious about defending the national interest.

This bill is part of a strategy. That strategy is to use a balanced use of military and economic power within this country to defend the U.S. interests in a deteriorating world. It is also, I hope, not of secondary interest to the people on this floor that it is also meant to help some 50 to 70 million people who will starve to death in the world this year. There are 50 to 70 million people alive today who will not be alive a year from now because they will have starved to death in the countries we are trying to help in this legislation. There are 500 million people whose diets are so inadequate that they suffer from retarded brain development.

Faced with these facts, in my judgment, the House has shown us a classic case of its refusal to defend the national interest. What I think it has done is take the easy way out.

I think that by a series of votes we have ducked our responsibilities to be public educators. We know that our constituents do not support and often do not understand the necessity to become involved in the world, both militarily and economically, so what we have done is to cut the World Bank by 70 percent. We have exempted some of the richest countries from across the board cuts and then gouged the rest of them with additional cuts.

□ 1520

That leaves us with this result: For weapons of war in the defense appropriation bill we will have 11-percent real growth. For nuclear weapons appropriations we will have a 12-percent real growth. For NASA we will have a 14-percent real growth. But for the tools of peace found in this bill we will have less growth than is necessary to meet increased inflation that means that we will lose ground in using one of the tools available to us to both preserve economic and social order in the world and to promote the national interests of the United States. We have behaved as 435 Secretaries of State and the result is potentially devastating on the country.

As a result of action taken by this House, we have in the case of Panama, for instance, now not only managed to give away the canal but we have managed to do it in a way which is least advantageous to the United States. Through a series of actions we have taken on amendments cutting off aid to Panama, we have reduced to a great degree the public relations benefit we could have achieved throughout Latin America. The result is that we give away the canal but we gain very few of the benefits we had hoped would come along with that.

Mr. Chairman, we have devastated the ability of the World Bank to function at sensible levels and we have adopted amendments to cut off funding to countries who were not receiving any funding anyway and in the process weakened our leadership position in the banks.

Mr. Chairman, what offends me more than the product which has been produced through this action is the process by which we have gotten here.

Mr. Chairman, it is obvious to me that no matter what level of funding this committee had suggested to the House, the majority of Members of this House found it politically necessary, without attention being paid to the specific matters involved, to provide further cuts. That means that regardless of all of the work that went into the committee process—and regardless of how much the committee has cut, without regard to merit, the House found it necessary politically to go even further.

Mr. Chairman, I can even accept that but what I cannot accept is when Member after Member after Member comes up to me, having voted for these amendments and says to me on a personal basis, "Oh, you have done a good job, the committee has done a great job. I know I should not have voted for that amendment but you guys can fix it up in conference." That is a lousy way for the House to approach foreign policy. It is dangerous, irresponsible meddling.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. That kind of thinking demeans the legislative process in this House, it reduces the respect the American public has a right to have for its institutions of government, and it produces lousy public policy. Our constituents do not want us voting in opposition to their wishes but even more than that, I believe, they want us to be honest in the way we cast our votes. And I submit there has been very little honesty on a number of amendments which have been voted on today.

Mr. Chairman, I want to submit to the Members that this process exemplifies one reason why the Presidency is being systematically weakened in its ability to defend the national interest in international affairs. It erodes the willingness of the committees of the Congress and especially the appropriations committees to deal with issues objectively. It makes it more and more likely that the Appropriations Subcommittees and the Budget Committee will simply add a little money to each of their bills in the form of "Cut Insurance," taking for granted that the House will be irrational in the way it approaches any appropriations bill.

Mr. Chairman, I do not think this House can afford that, I do not think we can afford it individually in terms of the lack of self-respect that results and I certainly think it distorts the balanced sense of priorities which this House ought to bring to a sensitive issue of this nature.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been in a minority legislative position for some 20 years now and I have lost a lot more than I have won but I have never accused any of my colleagues of voting without honesty.

I am a little surprised to hear the gentleman from Wisconsin make the comment that there was very little honesty in some of the votes cast by the Members.

I just want to say to all the Members of this House whether they supported my efforts in this bill this year, last year or the year before, whether they supported me or opposed me, that I believe they did it with integrity and I believe they did it with honesty and I would never question the motivation of another Member's vote, why he voted yes or no or did not vote.

Mr. Chairman, I feel a little hurt that our colleague from Wisconsin would take the position that some of the votes that were cast here today and yesterday were cast, in his words, with very little honesty. I would hope the gentleman would offer an apology to the Members of the House because I do not believe anyone has cast a dishonest vote.

Mr. OBEY. Mr. Chairman, will the gentleman yield since the gentleman mentioned my name.

Mr. YOUNG of Florida. Yes, I will be happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Let me simply say I felt since people in the House would be surprised if one day went by during which I did not make somebody in the House mad, that I ought to make the previous speech.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to my chairman.

Mr. LONG of Maryland. Let me say I have a great admiration for the gentleman from Florida. The people in his district who sent him to Congress knew what they were doing. Mr. YOUNG has made a very valuable contribution. While I have fought him on many, many of his cuts, I know every one of them has been offered in good faith. We have come now at long last after 5 or 6 days to a bill that is lean and responsible and I hope all the Members here can vote for it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I cannot help but respond also to the statement of my friend and colleague from Wisconsin. There have been 10 times in the last 2 years and 4 times this year that the Members have voted one way in the committee and either 5 minutes or 1 hour later, under pressure, reversed their votes when the measure was taken from the Committee of the Whole House back into the House.

Mr. Chairman, what kind of voting is that? That is where you are enlightened, evidently. That is where leadership pressures you.

Mr. Chairman, we have had 10 votes in the last 2 years where, either 5 minutes or 1 hour later a vote in this Committee was later reversed.

Mr. Chairman, once in a while I am sure enlightenment comes that way but I think we know that is pressure. I think the American people know what an honest vote is. We have had honest votes in the last few days. I think we ought to examine some of those votes of the last 2 years and look at the Members who switched. Then we can see where the honest votes are.

I thank the gentleman for yielding.

Mr. YOUNG of Florida. Mr. Chairman, I just want to say whether my colleagues go with me or against me on this or any other issue, I believe their votes were cast honestly and with good motivation.

● Mr. WEISS. Mr. Chairman, I am pleased to support the Long amendment to H.R. 4473, the foreign assistance appropriations bill for fiscal year 1980. This amendment will add $207.3 million to aid Indochinese refugees. It will finance the added costs of bringing an extra 7,000 refugees per month—up to 14,000—into the United States, the air-sea rescue program for refugees recently ordered by President Carter, the U.S. contribution for an international refugee processing center, and increased contributions to the U.N. High Commission on Refugees.

The human tragedy occurring in Southeast Asia cries out for action by the United States. Hundreds of thousands of people are being exiled; many are being sent to a certain death. The State Department has estimated that 60,000 persons will be forced from their homes in Southeast Asia this month. Perhaps one-third of these people—20,000 individuals—will die at sea.

The United States has, so far, responded quickly and courageously to this tragedy. In addition to agreeing to accept 14,000 refugees per month, our Government has engaged in negotiations with other nations to provide refugee processing centers in Southeast Asia. Recently, President Carter ordered the U.S. 7th Fleet to initiate an air-sea rescue program in the South China Sea. Thus far, several boatloads of refugees have been saved.

These actions are consistent with our country's long tradition of aiding those persons fleeing from persecution in other countries. Our country's actions have done much to alleviate the agony of these refugees, but there is more that must be done.

When confronted with reprehensible policies and repression, all people have an obligation to raise their voices in protest. Let us continue to speak out and to work for those who have no voice, no home, no secure future. The Long amendment is a necessary step in this direction. I urge my colleagues not to turn their backs on those who most need our Nation's help and to support this amendment.●

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

□ 1530

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4733) making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that ayes appeared to have it.

Mr. YOUNG of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 183, not voting 27, as follows:

[Roll No. 446]

YEAS—224

Addabbo	Fascell	McHugh
Akaka	Fazio	McKay
Alexander	Fenwick	McKinney
Ambro	Ferraro	Madigan
Annunzio	Findley	Maguire
Ashley	Fish	Markey
Aspin	Fisher	Marks
Atkinson	Fithian	Matsui
AuCoin	Florio	Mavroules
Baldus	Foley	Mazzoli
Barnes	Ford, Mich.	Mica
Bedell	Ford, Tenn.	Mikulski
Bellenson	Forsythe	Mikva
Bereuter	Fowler	Mineta
Biaggi	Frenzel	Minish
Bingham	Frost	Mitchell, N.Y.
Blanchard	Garcia	Moakley
Boggs	Gephardt	Moffett
Boland	Giaimo	Mollohan
Bolling	Gilman	Moorhead, Pa.
Bonior	Glickman	Murphy, Ill.
Bonker	Gonzalez	Murphy, N.Y.
Brademas	Gore	Myers, Pa.
Breaux	Gradison	Nedzi
Brodhead	Gray	Nelson
Broomfield	Green	Nolan
Brown, Calif.	Guarini	Nowak
Buchanan	Hall, Ohio	O'Brien
Burlison	Hamilton	Oberstar
Burton, Phillip	Hanley	Ottinger
Carr	Harkin	Patten
Cavanaugh	Harris	Pease
Chisholm	Hawkins	Peyser
Clay	Heckler	Preyer
Clinger	Heftel	Price
Collins, Ill.	Hollenbeck	Pritchard
Conable	Holtzman	Pursell
Conte	Horton	Rallsback
Corman	Howard	Rangel
Cotter	Hutto	Ratchford
Coughlin	Hyde	Reuss
Courter	Ireland	Rhodes
D'Amours	Jeffords	Richmond
Danielson	Johnson, Calif.	Rinaldo
Dellums	Johnson, Colo.	Rodino
Derwinski	Kemp	Roe
Dicks	Kildee	Rosenthal
Diggs	Kogovsek	Rostenkowski
Dingell	Kostmayer	Royer
Dixon	LaFalce	Sabo
Dodd	Leach, Iowa	Santini
Donnelly	Lederer	Sawyer
Dornan	Lehman	Scheuer
Dougherty	Leland	Seiberling
Downey	Lent	Shannon
Drinan	Levitas	Sharp
Duncan, Oreg.	Lewis	Skelton
Early	Lloyd	Snowe
Eckhardt	Long, La.	Solarz
Edgar	Long, Md.	Stack
Edwards, Calif.	Lowry	Stanton
Erdahl	Luken	Stark
Erlenborn	Lundine	Stockman
Evans, Del.	McCloskey	Stokes
Evans, Ga.	McCormack	Stratton
Fary	McDade	Studds

Swift	Walgren	Wolpe
Tauke	Waxman	Wright
Thompson	Weiss	Wydler
Traxler	Williams, Mont.	Yates
Ulman	Wilson, Bob	Yatron
Van Deerlin	Wilson, C. H.	Young, Mo.
Vander Jagt	Wilson, Tex.	Zablocki
Vanik	Winn	Zeferetti
Vento	Wolff	

NAYS—183

Abdnor	Fountain	Myers, Ind.
Albosta	Gaydos	Natcher
Anderson, Calif.	Gibbons	Neal
Andrews, N.C.	Gingrich	Nichols
Andrews, N. Dak.	Ginn	Oakar
Anthony	Goldwater	Obey
Applegate	Goodling	Panetta
Archer	Grassley	Pashayan
Ashbrook	Grisham	Paul
Badham	Gudger	Perkins
Bafalis	Guyer	Petri
Bailey	Hagedorn	Pickle
Barnard	Hall, Tex.	Quayle
Bauman	Hammer-schmidt	Quillen
Beard, R.I.	Hance	Rahall
Beard, Tenn.	Harsha	Regula
Benjamin	Hefner	Ritter
Bennett	Hightower	Robinson
Bethune	Hillis	Rose
Bevill	Hinson	Roth
Boner	Hopkins	Rudd
Bouquard	Hubbard	Runnels
Bowen	Huckaby	Russo
Brinkley	Hughes	Satterfield
Brooks	Ichord	Schroeder
Brown, Ohio	Jacobs	Schulze
Broyhill	Jeffries	Sebelius
Burgener	Jenkins	Sensenbrenner
Burton, John	Jenrette	Shelby
Butler	Jones, N.C.	Shumway
Byron	Jones, Okla.	Shuster
Campbell	Jones, Tenn.	Slack
Carney	Kastenmeier	Smith, Nebr.
Chappell	Kazen	Snyder
Cheney	Kelly	Solomon
Cleveland	Kindness	Spence
Coelho	Kramer	St Germain
Coleman	Lagomarsino	Staggers
Collins, Tex.	Latta	Stangeland
Corcoran	Leach, La.	Steed
Crane, Daniel	Leath, Tex.	Stenholm
Crane, Philip	Lee	Stump
Daniel, Dan	Loeffler	Symms
Daniel, R. W.	Lott	Synar
Dannemeyer	Lujan	Taylor
Daschle	Lungren	Thomas
Davis, Mich.	McClory	Tauke
Davis, S.C.	McDonald	Walker
de la Garza	Marlenee	Wampler
Deckard	Marriott	Watkins
Derrick	Martin	White
Devine	Mathis	Whitehurst
Dickinson	Mattox	Whitley
Duncan, Tenn.	Miller, Ohio	Whittaker
Edwards, Ala.	Montgomery	Whitten
Edwards, Okla.	Moore	Wirth
Emery	Moorhead, Calif.	Wyatt
English	Mottl	Wylie
Ertel	Murphy, Pa.	Young, Fla.
Evans, Ind.	Murtha	
Flippo		

NOT VOTING—27

Anderson, Ill.	Livingston	Roybal
Carter	McEwen	Simon
Clausen	Michel	Smith, Iowa
Conyers	Miller, Calif.	Spellman
Flood	Mitchell, Md.	Stewart
Fuqua	Patterson	Treen
Hansen	Pepper	Weaver
Holland	Roberts	Williams, Ohio
Holt	Rousselot	Young, Alaska

□ 1550

The Clerk announced the following pairs:

On this vote:

Mr. Mitchell of Maryland for, with Mr. Roberts against.

Mr. Pepper for, with Mr. Carter against.

Mr. Conyers for, with Mr. Hansen against.

Mr. Anderson of Illinois for, with Mrs. Holt against.

Until further notice:

Mrs. Spellman with Mr. Williams of Ohio.

Mr. Weaver with Mr. Livingston.

Mr. Roybal with Mr. Young of Alaska.

Mr. Simon with Mr. Patterson.

Mr. Holland with Mr. Smith of Iowa.

Mr. Fuqua with Mr. Rousselot.

Mr. Miller of California with Mr. McEwen.

Mr. Stewart with Mr. Clausen.

Mr. PASHAYAN and Mr. RITTER changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed and that in revising my remarks I may include certain extraneous and tabular material.

The SPEAKER pro tempore (Mr. SHANNON). Is there objection to the request of the gentleman from Maryland?

There was no objection.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION AND CROSS-REFERENCES IN ENGROSSMENT OF H.R. 4473

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, H.R. 4473, the Clerk be authorized to correct section numbers, punctuation, cross-references, and make other necessary and technical adjustments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

DISABILITY INSURANCE AMENDMENTS OF 1979

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 310 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 310

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(l)(5)(B) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against sections 4 and 13 of the bill for failure to comply with the provisions of clause 5, rule XX are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendments to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment, and an amendment printed in the Congressional Record of June 5 by, and is offered by, Representative Simon of Illinois, which shall not be subject to amendment. At the conclusion of consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this rule brings up an intensely controversial bill out of the Committee on Ways and Means. As chairman of the Committee on Rules, I found the bill so controversial, in the first instance, that I delayed its consideration for some time so that the opponents of certain provisions of the bill would have an opportunity to express their opposition. Having done that, and having been fair to those opponents, I then turned around and saw to it, as best I could, that the bill came out, because I believed that the Committee on Ways and Means and, particularly, its subcommittee, chaired by the distinguished gentleman from Texas (Mr. PICKLE), deserved their day in court, at least to the extent that they would be granted a rule, and by a very narrow vote the rule was granted.

The matter is intensely controversial, and the controversy is limited, as I understand it, to the question of certain caps on certain kinds of disability provisions.

I think the Members will be well-advised to listen to the debate on the rule, because it is going to go into the substance of the bill.

My impression is that the people who oppose certain provisions strongly support other provisions. So you have an extraordinarily difficult decision to make. I had people whom I trusted on both sides of the issue tell me very intensely that they were 100-percent right, and since I trusted both sides, I was very confused. Frankly, I am still confused. But since the committee, by a very substantial majority, reported the bill out, I think it deserves to be heard; and I propose to yield most of the time on the rule to members of the Committee on Ways and Means who are proponents of the bill. Pending that, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset let me say that it is good to have our friend, the gentleman from Missouri (Mr. BOLLING), back with us today.

Mr. Speaker, this rule provides for 1 hour of general debate on H.R. 3236, the Disability Insurance Amendments of 1979. No amendments will be in order

except for committee amendments which are not amendable and an amendment to be offered by the gentleman from Illinois (Mr. SIMON) which also is not amendable.

The Simon amendment delays the implementation of section 13 of the bill by 1 year. That section would reimburse state vocational rehabilitation agencies for having rehabilitated a disabled recipient only if that recipient has successfully returned to work. This provision would become effective in fiscal year 1981 under the reported bill.

The rule does not provide for pro forma amendments, so on the Simon amendment, there will be only 5 minutes of debate in favor and 5 minutes of debate in opposition. Under this rule, it is not going to take long to complete action on this bill.

The rule also waives points of order for failure to comply with two requirements of the House rules. First, points of order are waived for failure to comply with the requirement in rule XI that the committee report bear upon its cover an indication that a cost estimate prepared by the Congressional Budget Office is included. In this case the committee report includes a Budget Office cost estimate. The problem is the failure to indicate this on the cover of the report.

Second, points of order are waived against sections 4 and 13 of the bill for failure to comply with the rule prohibiting appropriations on a legislative bill. These sections transfer existing funds to new purposes, and technically this constitutes appropriations for new purposes.

Mr. Speaker, the purpose of the bill made in order by this rule is to provide better work incentives and improved accountability in the disability insurance program. For fiscal year 1980, the Congressional Budget Office estimates that this bill will reduce outlays from the disability insurance trust fund by $17 million. Unfortunately, the first budget resolution assumed savings of $62 million for fiscal year 1980. Therefore this bill saves $45 million less in fiscal year 1980 than the first budget resolution projected.

By 1984, savings under this bill could be in access of $1 billion.

□ 1600

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, very briefly, I do want to rise in support of the adoption of this rule and of this legislation.

I usually have a lot of reservations about modified closed rules, if that is what we call them, but this is the standard way we do consider legislation that deals with social security-type amendments, so there is nothing new about that. I think it is the only way to get this legislation up and get it considered reasonably and quickly. The subcommittee and the committee have done an outstanding job on this bill, particularly the gentlemen from TEXAS (Mr. PICKLE and Mr. ARCHER). There are many good features in this legislation. It doubles the trial work period that is now allowed.

It eliminates the second waiting period for medicare coverage. It allows the deduction of all work expenses related to the disability before computing continued eligibility for benefits.

There are a lot of good features in this legislation. While we had some difficulty getting it out of the Rules Committee, I think we finally did take the right action. It was passed by voice vote by the Committee on Ways and Means.

I hope we will act quickly on the rule and adopt this good legislation.

I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I thank the gentleman. I will not take the 5 minutes.

Let me talk to the Members of this House. This bill culminates 5 years of very intensive review of the disability program by the Committee on Ways and Means.

The bill was passed out of the committee unanimously, a rare event. It seldom happens. We bring to the Members a rule. It is the normal kind of rule that we have when we bring up a social security bill.

Now, there are some who want to defeat this rule because they have been told the bill hurts old people and those already receiving disability benefits. That is absolutely not true.

This bill does not affect anyone receiving survivor or retirement benefits. Anyone under the program now is not affected. The bill does not affect anyone now on the disability roll.

Now, some want to defeat the rule because they want to remove the cap on benefits.

Let me make a plea. Social security was never meant to cover 100 percent of a worker's pay before disability. It was never meant to do that. How can we justify not having some kind of a cap? This is an eminently fair and reasonable cap approved by all of the members of the Committee on Ways and Means when we passed it out of the committee.

Now, Mr. Speaker, disability benefits are designed to help workers get through a period of disability, along with savings, private pensions and insurance, and it is in line with that basic objective of the social security system that we bring the Members this bill.

Nobody benefits from poor social security policies. It is bad economic policy in the face of climbing inflation and climbing deficits. This is an eminently fair and reasonable bill.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for yielding.

I would like to support the position taken by the distinguished chairman of the committee. I think this is a good bill. It is a good rule. The bill constitutes very modest reform of a portion of the social security system that has needed reform for a long time. There is nothing punitive about it. It has the effect, in my view, of rationalizing the rules relative to disability to a substantial degree. I think it should have the strong support of the House, and I want to urge all my colleagues, as the chairman has done, to support the rule and the bill itself.

We will have more to say during the debate in support of the reasonableness of this proposal. If we cannot accept this degree of reform in an area of social security that has needed reform for some time, then I will tell my colleagues the future of the social security system itself is in serious doubt.

Mr. ULLMAN. I thank the distinguished ranking minority member.

I urge the Members of this House to support a fair and reasonable and sound proposal to do a little tightening where it is very much needed in the disability social security program.

I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I rise to provide a budgetary perspective on the Disability Insurance Amendments of 1979 (H.R. 3236).

This bill was assumed in the first budget resolution for fiscal year 1980. The budgetary impact of the bill in fiscal year 1980 is modest, because the benefits of current recipients would not be affected. Over time, however, the budgetary impact of this bill would be substantial: by fiscal year 1984, annual outlay savings would be $1.1 billion.

I personally believe that the members of the Committee on Ways and Means who unanimously reported this bill are to be congratulated for addressing in a fair and responsible manner the problems created by an overly complicated benefit structure which appears to discourage work. I will defer to the experts on the Ways and Means Committee to explain the specific provisions of this bill. Instead, I would like to provide some budgetary perspective on the legislative savings assumed in the bill.

In January of this year, the President proposed a number of benefit changes to the social security program which would have reduced spending and the deficit by $609 million in fiscal year 1980. Because the specific proposals in the President's package were highly controversial, most of us rejected the proposals out of hand.

The Committee on Ways and Means recommended in its March 15 report that we assume outlay savings of $62 million, which was the cost estimate at that time

of the bill before us today. This target savings was included in the first budget resolution. Responsible reviews of the benefit structure are an indispensible component of the issue of social security financing because the social security trust funds can be kept solvent not only by increasing income but also by decreasing outgo.

Next year, we will be debating the financing of the social security system. There is a general consensus emerging that the social security tax rates which we approved just 2 years ago are too high. As a result, many people are proposing general fund subsidies to the social security trust funds. Unfortunately, because of the current economic situation, the social security trust funds would be in serious trouble within a few years even if these tax rates were to remain in effect. On July 31, 1979, Dr. Rivlin wrote me indicating that CBO projects the combined balances of the old-age and survivors and disability insurance funds may decline by fiscal year 1984 to 12.4 percent of outlays. In contrast the combined balances in the trust funds are currently about one-third of outlays. I ask unanimous consent that the letter from Dr. Rivlin to me on this subject be inserted in the RECORD following this statement.

I would caution my colleagues that general fund financing is not a panacea. While general fund revenues may well be a way to reduce the burden of the payroll tax, we will only be substituting deficit financing for payroll tax financing unless there are enough general fund revenues to pay the subsidy without borrowing. If we rely exclusively on general fund subsidies to keep the trust funds solvent because we are not willing to examine the benefit structure to insure that it remains relevant to the needs of American society, we will be passing onto our children and grandchildren an increasing burden as the "greying" of America continues.

This bill is the product of a nonpartisan effort over the past several years by the Committee on Ways and Means. If we reject the bill, I am concerned that we will be sending a signal to the American people and the White House that the Congress is unwilling to make sure that the social security program remains equitable not only to the elderly and the disabled who receive benefits but also to the American workers who finance these benefits.

This bill should be supported. We have got to try to tie benefits to income better than we do. There is great concern in the land, when you go home and talk to people about the social security system, particularly the younger working people.

I have had any number of them say to me, "There won't be any social security system for me 20 or 30 years from when I retire," and there is great concern over this. We have got to remove this concern, and the way to do it is to tighten up via the reform route and not to hurt people in any way. This bill does not hurt anyone. It brings this disability insurance program into a better sense of reality and equity for all of the working men and women of America.

The letter referred to follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., July 31, 1979.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR BOB: As part of its updated budget projections prepared for the House Budget Committee, CBO has reestimated the revenues and outlays of the Social Security Trust Funds for fiscal years 1979 to 1984. These reestimates indicate that there could be a significant deterioration in the financial soundness of the Social Security System during the next five years. While the wage base and tax rate increases called for in the 1977 amendments to the Social Security Act were expected to be sufficient to fund the Old Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs over the next 40 years, the recent inflation and anticipated economic slowdown have brought the short run financial soundness of the Social Security System into question again.

The specific problem lies in the OASI program. Using the five year economic assumptions developed for the House Budget Committee markup of the Second Budget Resolution for fiscal year 1980, balances in the OASI fund are projected to fall from 34 percent of outlays in fiscal year 1979 to 8.0 percent of outlays in fiscal year 1983 and 5.4 percent in 1984 (see Table 1). These levels would be insufficient to maintain the cash flow of the program.

Balances in the DI fund are projected to grow from 31 percent of outlays in fiscal year 1979 to 56 percent in fiscal year 1984. Over the same period, balances in the Hospital Insurance (HI) fund are projected to rise from 57 percent to 92 percent of outlays (see Table 2). The strength of the DI fund is partially attributable to tightened administration over the past two years which has resulted in a sharp decline in the rate of increase of disabled beneficiaries. The strength of the HI fund is, in part, related to the moderation in the growth of real hospital expenditures over the past 12 months, some of which has been attributed to the voluntary effort of hospitals to control costs.

Because the OASI program is so much larger than the DI and HI programs, the combined balances of the social security funds also decline considerably. Between fiscal years 1979 and 1984, the combined OASI and DI trust fund balance falls from 34 percent of combined outlays to 12 percent; and the combined balance of all three programs—OASI, DI and HI—falls from 38 percent of combined outlays to 27 percent.

These estimates, of course, depend critically on future economic conditions. Under the more optimistic economic assumptions used by CBO last January, the OASDI funds combined did not deteriorate significantly by 1984 (see Tables 3 and 4). However, the current outlook for high inflation and rising unemployment will have adverse effects on the financial status of social security. Outlays will rise rapidly because benefits will rise automatically with inflation, and the rising benefits and weak labor market conditions will induce more people to retire. At the same time, revenues will lag as employment and wage rates fall or grow less rapidly.

The economic assumptions prepared for the Senate Budget Committee's markup of the Second Budget Resolution do not show a markedly different outlook for the social security system from those outlined here (see Tables 3 and 4). The projections recently made by the Administration also indicate a decline in OASDI balances as a percent of outlays, but the decline is not as great as estimated by CBO (see Tables 3 and 4). The Administration's projections differ from CBO's because of differences in methodology as well as in economic assumptions.

If the situation develops as the CBO reestimates suggest, steps may have to be taken to ensure the solvency of the OASI trust fund. Among the available options are:

1. Funds could be borrowed or transferred from the HI and/or DI programs to the OASI program. This could still leave the system vulnerable should the economy go into a deeper recession than is now expected.

2. The OASI tax could be raised. This would, however, have the effect of increasing unemployment and adding inflationary pressure during a period when we will be trying to reduce both.

3. The OASI Trust Fund could be permitted to borrow from general revenues. This would be feasible if changes were simultaneously made that would lower future benefits (or raise future taxes) enough to allow a repayment.

4. The rate of benefit increase for OASDI could be cut in a way that could be quickly implemented. For example, the June benefit increase could be limited to the rate of increase allowed for wages under the President's wage guidelines if the cost of living increase exceeds the wage rise. (The June, 1979 increase was 9.9 percent while the wage guidelines called for 7 percent and actual money wages increased by 8.2 percent. CBO is projecting a 10.3 percent benefit increase for June, 1980 under the automatic indexing system.) This would share the difficulties caused by the recession more evenly between workers and retirees although it could cause hardship for some OASDI beneficiaries.

5. General revenues could be used to finance part of the OASI system. It has been suggested that general revenue finance the so called "welfare" portion of OASI and DI benefits, although such a change may involve too many issues to be implemented in the short run. Another suggestion is to finance the revenue shortfall and outlay over-run attributable to economic downturns by a general fund transfer.

6. The HI program could be financed from general revenues and the HI trust fund balances and tax receipts transferred to the OASI program. Although HI is generally received only by families with social security contributions, the amount of HI benefits received by an individual is not related to the amount of past payroll tax contributions. Thus, the case for using general revenues to finance the HI program may be stronger than that for the OASI or DI programs. Because the HI receipts would be more than sufficient to maintain a reasonable OASI fund balance relative to outlays, the total payroll tax rate could be cut if it was determined that a non-inflationary form of fiscal stimulus was called for.

I will be happy to provide your Committee with any additional detail on the reestimates or options if it is of interest.

Sincerely,

ALICE M. RIVLIN,
Director.

TABLE 1.—OLD AGE AND SURVIVORS INSURANCE, DISABILITY INSURANCE, AND COMBINED OASDI OUTLAYS, BUDGET AUTHORITY, TRUST FUND REVENUES, AND TRUST FUND BALANCES[1]

[By fiscal year, in billions of dollars]

	1979	1980	1981	1982	1983	1984
Old age and survivors insurance (OASI):						
Outlays	90.5	104.0	119.8	135.7	150.4	165.3
Budget authority	86.7	99.4	113.1	131.7	147.3	163.8
Trust fund balance at end of year	27.2	22.7	16.0	12.0	8.9	7.4
Trust fund balance at beginning of year as a percent of outlays	34.3	26.2	18.9	11.8	8.0	5.4
Disability insurance (DI):						
Outlays	14.0	16.1	18.5	21.9	24.0	26.7
Budget authority	15.3	17.4	20.7	24.3	27.4	30.7
Trust fund balance at end of year	5.7	7.0	9.1	11.5	14.9	18.8
Trust fund balance at beginning of year as a percent of outlays	31.4	35.4	37.8	41.6	47.9	56.8
Combined OASDI:						
Outlays	104.5	120.1	138.3	157.6	174.4	192.0
Budget authority	102.0	116.8	133.8	156.0	174.7	194.5
Trust fund balance at end of year	32.9	29.7	25.1	23.5	23.8	26.2
Trust fund balance at beginning of outlays	33.9	27.4	21.5	15.9	13.5	12.4

[1] Based on the House Budget Committee, July 1979 economic assumptions.

TABLE 2.—COMBINED OLD AGE AND SURVIVORS INSURANCE AND DISABILITY INSURANCE HOSPITAL INSURANCE AND COMBINED OASDI OUTLAYS, BUDGET AUTHORITY, AND TRUST FUND BALANCES[1]

[By fiscal year, in billions of dollars]

	1979	1980	1981	1982	1983	1984
Combined OASDI:						
Outlays	104.5	120.1	138.3	157.6	174.4	192.0
Budget authority	102.0	116.8	133.8	156.0	174.7	194.5
Trust fund balance at end of year	32.9	29.7	25.1	23.5	23.8	26.2
Trust fund balance at beginning of year as a percent of outlays	33.9	27.4	21.5	15.9	13.5	12.4
Hospital insurance (HI):						
Outlays	20.6	23.6	27.1	31.3	36.0	41.2
Budget authority	22.0	25.4	32.8	39.6	44.7	50.0
Trust fund balance at end of year	13.2	15.0	20.7	28.9	37.7	46.5
Trust fund balance beginning of year as a percent of outlays	57.3	55.9	55.4	66.1	80.3	91.5
Combined OASDHI:						
Outlays	125.1	143.7	165.4	188.9	210.4	233.2
Budget authority	124.0	142.2	166.6	195.6	219.4	244.5
Trust fund balance at end of year	46.1	44.7	45.8	52.4	61.5	72.7
Trust fund balance at beginning of year as a percent of outlays	37.7	31.1	27.0	24.2	24.9	26.8

[1] Based on the House Budget Committee, July 1979 economic assumptions.

□ 1610

Mr. GIAIMO. This is a very worthwhile reform which this committee, this great Committee on Ways and Means is reporting out and reported out unanimously. It deserves to be supported.

I know there has been a lot of propagandizing and a lot of lobbying against this bill. Do not listen to it. It is that kind of attitude that says we will not reform anything, we will not cut back in any way, we will not reevaluate any existing program of the Government.

If we go down that road, if we go down that road we are going to destroy the whole program because we will quickly get to the point where we will not have the money to pay the benefits which we so easily and so frequently vote in this Congress. I urge support of this legislation.

Mr. BOLLING. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Texas, the chairman of the subcommittee (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, first I want to express my appreciation to the Chairman of my committee, Mr. ULLMAN, and to Mr. CONABLE, the ranking minority member, for their endorsement and assistance on this measure. I particularly want to thank Mr. GIAIMO for his endorsement and for his very strong enunciation of what we are trying to accomplish in this bill.

I rise in support of the rule. Let me take just a brief moment to tell my colleagues first that there are two controversial sections: one with respect to the cap, and one with respect to the dropout year.

I would ask my colleagues to keep in mind that those amendments, that cap, does not affect the aged, will not affect veterans' benefits, and not affect anybody on the rolls today because those now on the rolls are grandfathered in under this bill. It will not even affect the great majority of the future disability beneficiaries. The corrections that we make will affect less than 2 percent of the outlays under this program.

But they are important, because I will tell my colleagues that either now or later these recommendations, or something more severe, are going to be passed because the American people are going to demand we not give benefits larger than they were receiving predisability.

The second part of the bill contains many liberal benefits. This is what I hope the Members will listen to. We considered this for 5 years. Last year the subcommittee, under the then-Chairman James Burke of Massachusetts, passed an almost identical bill to this. We did it for the purpose of giving to those disabled people liberal benefits so that there would be work incentives to get off the disability rolls and go back to work. Now that is the purpose of the bill.

It has been embroiled now in a propaganda proposition that we want to "cut benefits." That is not the objective. It is primarily to give work incentives, and we do it in this way: We say to a person you do not just have 1 year work trial period in which you can work and retain eligibility for benefits, we give you 1 extra year.

We will say to you, you do not have just 1 year of medicare coverage, we will give you 3 additional years, 36 extra months. And we will say to you that if you did get a job and you went just beyond the SGA, the substantial gainful activity level, and you then got off the disability roll, you would not be drawing benefits, but you would not lose your eligibility.

As it is now, a person only gets, really 9 months, a 1-year work trial period, and he only gets 12 months medicare, and after that he has to reestablish medicare eligibility and endure a 2-year waiting period.

What happens is that the great majority of the people on disability will say I would rather keep my medicare than go back to work. As a consequence, they do not make the effort to go out and get a job. I rather imagine if my colleagues were in their position they would do the same thing.

What this bill attempts to do is to give these liberalizations and say to the worker, go back to work, and you will not lose your eligibilities, and that heavy hammer will not hang over your head. That is really what this bill is trying to do, and that is what it can accomplish, but the debate gets hung up on the caps, and it is unfortunate.

One other thing, it gives a lot of benefits in speeding up procedures. We used to have 60 percent or 70 percent of preadjudicative reviews. Now it has dropped down to about 5 percent sample, postadjudicative. We do not have any review of the individual, and an individual can get on disability now, and he can ride it through, 5, 10, 15 years, and he stays on the rolls and he does not have to say he is either able or not able to go to work. We are trying to say to the recipient that we believe the average person wants to go to work, and we are giving him the incentive to do it, and that is really what the bill does.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the chairman.

Mr. ULLMAN. I want to commend the distinguished chairman of the Social Security Subcommittee, who has done a most responsible job with his subcommittee in looking at this whole problem, has held extensive hearings going back over what we have done the last 5 years, and come up with a bill that is eminently fair and eminently responsible.

Is it not true, I would say to the gentleman, is it not true that the vast majority of people who are under this program have been in the work force many years and do not have dependents? Is it not also true they would not be affected in any way adversely by this bill?

Mr. PICKLE. That is correct, 70 to 80 percent of the people would not be affected because the cap applies only to family benefits.

We have come to the Members with a modified rule. Originally the committee passed this unanimously, both the subcommittee and the full committee. In the full committee two amendments were offered, one by Mr. GEPHARDT of Missouri and the other by Mr. HEFTEL of Hawaii. Mr. GEPHARDT's amendment would have made a much more severe cap under the family benefits. The other amendment would have said we had to rely solely on medical factors rather than medical and vocational factors. Those amendments were defeated by only one or two votes, by very narrow votes.

We then went to the Rules Committee and said this bill passed unanimously, but we would like to have the right to have a vote on these two amendments. Some members of the Rules Committee felt that it would not be fair because the

amendments were just going to make the bill tougher instead of more liberal, and they did not think that it was a fair choice. So we got the two Members to withdraw their request to offer amendments, and that is why we have come to you with this rule.

The only amendment is the one affecting vocational rehabilitation.

I will conclude by saying that we are trying to reach a balance between what is proper benefits and what is proper incentive. That is the key to this whole problem, and we think we have it.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Speaker, I believe among his other eloquent utterances, Hubert Humphrey once said he deemed it his duty to see to it that the Government did something to comfort the afflicted, and in some cases to afflict the comfortable. I do not claim that the bill we reported from the Ways and Means Committee is precisely in line with that philosophy, but it is not far off.

Most of the propaganda, including full-page advertisements that I have seen in opposition to this legislation, speak in terms of the severely disabled workers. The severely disabled workers are helped by this bill. This bill addresses itself to a problem which is understandable, it seems to me, by any citizen in this country.

The proposition is very simple: Should a person on disability payments from the social security system get more than they got when they were working, particularly in view of the fact that the people who are paying them that income are their fellow workers, not on a progressive income tax, but on the regressive social security tax, who still runs the lathes and are working in the offices? That is the fundamental issue, not the severely disabled, but those who are going to receive more than they got when they were working.

I hear it said that the way to reduce social security taxes is not to cut the benefits.

□ 1620

What kind of crazy, upside-down, sideways logic is that? How else in the world can you cut the cost of anything except to cut the thing itself? The disability program began in in the mid-1950's as nothing more than insurance that when you reached old age you would receive social security benefits, and it has grown humongous since then. And I applaud much of the growth. It has done a good thing for our country and the people in our country. But, for heaven's sake, we ought to know by now that one of the reasons we are in such dire trouble with the social security system generally, and the tax on those working people in this country who must continue to work to pay these benefits, is that the benefits in some cases have allowed those who are not severely disabled to hit the jackpot on the nickel of those who are.

This bill seeks to do more than ever for those who are severely disabled, those who have lost the use of their legs and their arms, and that kind of seriousness, but at the same time it seeks commonsense. I appeal to the House to respond to that and then we will be doing equity both to the severely disabled and to the mildly disabled, as well as doing equity to the people who pay the bills.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Speaker, the difficulty with this bill is not what is in it, but what is perceived to be in it by people who are opposed to any change, and that is a problem that comes up not only on the bill, but comes up on the rule. There is no way that the bill could have achieved the kind of unanimous support that it did in the subcommittee and the full committee if it did not take into account the needs, the concerns, and the responsibilities of all the citizenry who are going to be affected by it. Most of what has been written about this bill just is not there, most of the problems that have been claimed from this bill just are not to be heard, and the rule reflects that in that it tells the Members of the House that we have a chance to either make the changes that have been agreed upon or there is nothing that can be done at this point except wait for a worse situation to develop later on down the pike. I doubt that there is a single issue that comes before the Congress on which we get more mail and less understanding than social security. That is true whether we are talking about disability or whether we are talking about the tax rate, or whether we are talking about administrative procedures. All of it comes up in a context of much heat and very little light. I can only say that this bill was given, as our distinguished chairman, the gentleman from Texas (Mr. PICKLE) has said, 5 years of conscientious attention. We reviewed everything that could be done. What is in this bill are the only changes that are consensual. Anything other than that that is in this bill at this point is something that cannot be achieved. It would be great if we could take the cap off and give everybody everything that conceivably they would be entitled to or that they might think they were entitled to. There is not that kind of money in the fund; there never will be. It would be great if we could find a painless way of financing social security. This bill is all there is.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Speaker, I also rise to support this rule and, of course, the bill itself. As somebody has already said, this is a testing moment, whether this House, this Congress, can make some changes, some reforms, some improvements, some tightening, some savings in a social security program and retain the essential purpose and benefits of the program. This is a test. It is not the biggest test on this subject in this Congress, but it is the first one, and I hope we can pass this test and put ourselves in a position later on to consider improvements in larger reaches of social security that will at the same time preserve essential benefits that people deserve and have been promised, and at the same time tighten the administration and save a little money that need not be spent.

The critical point here is the cap. The savings come, because the cap will be lowered. Expenses under this program have grown very rapidly in the 1970's. It is well known that there are problems with the administration of the program. There are equity problems. It is not reaching fully some of the people it should reach, and it is providing funds to some people who really with incentive would get back to work, and at the same time those who do take the incentive and get a job are protected. They can get back under the coverage of disability insurance more readily under this bill than they can at the present time. This is a testing moment in a small way, and I hope very much my colleagues would approve this rule, go on to debate the bill and approve the bill.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, as one who urged an amendment in the subcommittee and in the committee to in some people's view make this bill tougher, and as someone who almost carried that amendment, short by two votes I think in the subcommittee and I think two votes in the committee, I rise in favor of this rule which does not make in order my amendment which I said was offered in the subcommittee, in the committee.

As has been eloquently stated, this is the work product of over 3 years in the subcommittee of the Committee on Ways and Means. The last time that many of us talked about social security was in 1977 when we passed the historic new taxes that people are now paying across America, and today we are going back on the part of social security that really caused those tax increases, the disability portion. There has been a lot of talk about the cap and, indeed, there should be. In 1967 the disability program cost in benefits in outgo from social security $1.9 billion. This year the outgo for disability for social security will be $15 billion, to give the Members some idea of what has happened with this program.

We are asking for a modest cap, in my view a very modest cap, but remember one other thing, this bill is much more than a cap on benefits. That is probably the least thing the bill does. Much more importantly, it greatly improved the administration of the social security program, the disability program. More than that, it protects the rights in many important ways of people who receive benefits under the disability program, and it gives positive incentives to people who decide they want to try to work when they are not sure whether they can work, who are disabled, to go into the marketplace to try to work and yet not lose their disability benefits while they are finding out whether they can work or not.

I urge the Members to support the rule.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding.

Does this bill alter in any manner substantially those who are 47 years of age or younger who receive disability payments?

Mr. GEPHARDT. I do not know at what age one could say there is a difference made with regard to this bill.

Mr. SKELTON. What concerns me is what I have been told as to someone who is a younger disabled person who comes out on the short end of the stick as opposed to someone who is older and is disabled. Would the gentleman explain that as to whether that is true?

Mr. GEPHARDT. I do not believe that is true in the way we look at what one made in the past in determining his disability benefit. We change the way one views past earnings. It is my understanding that that change will probably help the younger worker as opposed to the older worker.

Perhaps the chairman of the subcommittee could be more specific.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Texas.

□ 1630

Mr. PICKLE. The bill would have an effect on those between the ages of 47 and 27. Under the present law everyone gets 5 years dropout. We have found those who are younger get the 5 years, because they have been at work for a shorter period, can get a much higher benefit compared to the person who has been in the work force for 20, 30, or 40 years.

Mr. Speaker, the committee attempted to close the disparity between the younger and the older period. We hoped we had done it. There is now some controversy that we could have just added more years. One could go at it in any way, but it is a minor part of the measure. Everybody gets the 5 years of the dropout under the present law.

Mr. CONABLE. Mr. Speaker, will the gentleman yield to me?

Mr. GEPHARDT. I do yield to the gentleman from New York.

Mr. CONABLE. This has no effect on those drawing disability benefits now. What happens will have some impact on the formula for people drawing disability benefits in the future, who become eligible at some time in the future.

Mr. Speaker, one of the problems has been that young people, frequently, because of the manner in which the formula is set up, are drawing very substantially more disability pay than older disabled people.

Mr. GEPHARDT. Mr. Speaker, I would just respond to the gentleman from Missouri (Mr. VENTO). The attempt was made in the subcommittee to make better parity between the older worker and the younger worker, because of the affect of inflation upon younger workers' wages when you look at a composite of year's wages in determining the disability benefits. That is the reason we changed the dropout-year formula between the two. I do not think it is a major matter and I do not think it is a great disincentive for the younger worker.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I will yield.

Mr. VENTO. The gentleman points out the cap does not change for existing workers. That is to say there is no new cap for existing workers who are receiving benefits. You do not eliminate any cost-of-living increases to them?

Mr. GEPHARDT. That is correct.

Mr. VENTO. Are there cost-of-living increases included or anticipated in the cap that will be in effect for workers that will fall under this new law?

Mr. GEPHARDT. Yes, the same law applies.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3236, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from Texas (Mr. ARCHER) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it will be the intention of the chairman of the Committee on Ways and Means to turn over the debate to the chairman of the subcommittee, the distinguished gentleman from Texas (Mr. PICKLE).

Mr. Chairman, I would like to open the debate by reasserting some of the arguments and some of the information presented in the debate on the rule.

Mr. Chairman, this bill culminates 5 years of intensive review of the disability program by the committee. It was unanimously passed by the committee and has the active support of liberals and conservatives, Democrats and Republicans. It is a modest bill that reduces benefits slightly for future beneficiaries and dramatically improves administration and assistance to people attempting to return to the work force.

These provisions include allowing deductions of work-related expenses before computing eligibility for benefits, extending medicare coverage for 3 years beyond current law and eliminating the second waiting period for medicare coverage if a person returns to work but is unable to hold a job because of his disability. This bill eliminates the risk, especially the loss of medical benefits, to a disabled person returning to work. Under current law, the decision to return to work is not easy. If an individual works for 1 year and then the impairment worsens or he is laid off because his boss claims he cannot handle the job, the disabled person must go through the whole application process again. He must wait another 24 months for medicare benefits and several months for cash benefits. This bill would eliminate these barriers to returning to work.

This bill improves the equity between younger and older workers by reducing the number of dropout years and by slightly reducing dependent benefits. These provisions have been controversial but several facts should be made clear: First, it does not affect anyone now on the rolls; second, it does not affect anyone in the social security retirement and survivors program; third, it does not affect the typical disabled worker who is 50 years or older and whose physical ability has been diminished by hard labor.

Under current law, workers of all ages are allowed to exclude 5 years of low earnings in determining average earnings which then determine the level of benefits. For a 29-year-old, who has worked 7 years, this represents a 71-percent exclusion, 5 years out of 7 are eliminated. For a person age 50, who has worked 28 years, this exclusion represents only 18 percent of his or her earnings' history. This bill relates the number of dropout years allowed to a worker's age. No dropout years would be allowed for workers under age 27, but the number of dropout years allowed would gradually rise to 5, like existing law, for workers aged 47 and over.

One provision that has proved particularly controversial is the cap placed on benefits. Benefits are limited to 80 percent of average indexed monthly earnings, or 150 percent of the worker's primary insurance amount. Some argue that this is unfair, that this will not increase a person's incentive to return to work and that this provision was enacted because the fund was in a crisis situation. We must keep a few facts firmly in mind. First, wages earned in 1965, for example, are today fully indexed to account not only for the growth in prices since 1965 but also for the growth in wages over that period. The cap in this bill is 80 percent of this average gross income which results in 100-percent replacement rates of net income for the typical case. After accounting for the fact that the disabled worker no longer has to pay the payroll tax, State, and Federal income taxes, or work expenses, 80 percent of gross income can easily exceed the amount of predisability take-home pay. Work expenses alone in our high price energy world can be from 6 to 15 percent of income. This is especially true for two-earner families. Data from the Congressional Budget Office indicates that over 60 percent of these families have more disposable income after the disability than before the disability.

Let me give you a specific example. Before his disability, a husband was earning $12,000 and his wife was earning $6,000 and they had two children. Their net income, after work expenses and

taxes, would be $13,400. After the husband becomes disabled, and his wife continues to work, their income would increase to $14,200. The economic incentive for the husband to return to his former job is actually negative, —$800. Benefit limits in the committee bill would reduce net family income in that situation to $12,800. So returning to work would yield a small but positive rise in family income.

It does not make sense in our society when we place a great emphasis on work, that workers who become rehabilitated should experience a reduction in income as a result. This bill would eliminate that inequity.

I think the evidence is becoming increasingly clear that higher benefits do reduce the probability of becoming rehabilitated. A CBO analysis indicates that economic considerations do influence the DI caseload. When benefits rise relative to wages, so does the number of beneficiaries. A study by the Social Security Administration reveals similar results. Another study in the most recent issue by the Social Security Bulletin indicates that higher benefits produce lower recovery rates.

Finally, this bill improves the administration of the DI program. It insures that decisions are made more equally between the States. Current law studies have shown that there is wide disparity in how determinations are made from State to State. The bill contains a mechanism for reducing these differences. This bill also reinstitutes the comprehensive review of disability cases each 3 years.

I conclude by urging passage of this bill. Jake Pickle and other members of the subcommittee have studied this program in great depth for more than a year. Opponents of this bill say that we should wait until independent commissions have studied this in more depth. I question the adjective "independent" when several of their members organize lobby groups to oppose this bill. Furthermore, there are always studies in progress. If we waited for the last study to come in, we could wait forever. These independent commissions cannot determine the relationship between taxes and benefits. Only elected officials can make this determination. Our staff has been studying this for some time; HEW has been studying this for some time. Nothing significant will be learned that we do not already know. This bill was not passed in haste or in a climate of crisis, but was approved after careful consideration. I urge your full support.

□ 1640

Mr. Chairman, I yield the balance of my time to the gentleman from Texas (Mr. PICKLE), who will handle that time.

Mr. PICKLE. Mr. Chairman, I thank the gentleman.

Mr. Chairman, this bill was passed in essence last year by the Subcommittee on Social Security. Earlier we were concerned then that there was a "run" on the disability program. It looked like the disability program was going to go broke, so in 1977 we passed a social security bill, and we raised taxes so that we would be certain that the American people would have the guarantee that there would be money there for their monthly checks.

Now, that was what we should have done. It took a lot of courage. I think we corrected four-fifths of the problem on social security when we passed that bill.

Some people will say, "Well, you don't really need now to do anything about the disability program, because we have money in the disability program."

Yes, the disability fund is in much better shape today. We should all know that and be glad about it; but we should also remember that in the last 3 years we have transferred some $3 billion per year from the other trust funds over to the disability fund, so that the disability fund would not go broke; so when you look at the fund you say, "Well, we don't really need to do anything. We don't need to cut back." That is not true, because we have actually reallocated some $9 billion over the last 3 years.

Second, we know that if there is a recession or a depression and if unemployment goes up, and that is the omen we have facing us now, then we know what is going to happen under the disability program. Applications are going to go up as they have in the past; so we have to be careful in what we do and not just say, well, there is plenty of money.

May I repeat that the objective of this bill was to give work incentive to these people to go back to work; things I mentioned a while ago such as giving them an additional year in the work trial period where they would not lose eligibility; such as giving them at least 3 additional years under medicare, and that is a great protection. We need to give that to the disabled people.

One other matter that I did not mention that I should have is that before you count your SGA, the level of earnings that determines substantial gainful activity, you can deduct all extraordinary work expenses. If you had to pay out extra money for a wheelchair or for medicine or expenses of that sort, you deduct that before determining whether or not you go off the rolls. Now, those are real incentives.

In addition, we have tried to speed up the judicial process so that these cases would not just go on and on and on. The court could remand this back down to the ALJ without cause or other reason which was weakening the appeal process at that level. We found that they were not having reviews of State decisions. It had degenerated to less than 5 percent of the review by the Federal Government of these cases.

Now this bill says that there would be review; in 1980 there would be a 15-percent review; in 1981, 35 percent, and 1982, 65 percent.

We also closed the record at the administrative law judge level.

More importantly, we put a provision in there that says that every 3 years each person not determined permanently disabled will be reviewed again to see whether they are disabled and should they be continued.

Now, we are taking nobody off the disabled rolls now. Everybody has been grandfathered, so those people who say we are going to "cut benefits," they are not correct, because we are not actually taking away any funds. We are simply making basic corrections.

We did not set about in this bill to "save money."

Some seem to think, well, we were trying to balance the Federal Government by virtue of savings under the disability program. Well, this would actually affect less than 2 percent of the outlays in this whole program. We would make a savings, perhaps, by virtue of these corrections of, oh, upward of a billion dollars in the next 5 years; but the fifth year from now we will be paying out $175 billion; so obviously, we are not trying to correct the Federal budget by this bill.

This is a good solid bill and deserves our support. If we do not pass the bill today, these thousands, some 2 million people who deserve protection under these work incentives will not get them this year or next year and we do not know when. That would be grossly unfair if we did not pass a bill which we think has good balance. I recognize there has been some opposition, some under the cap, some under the dropout.

The intent was good. We had no idea that we would run into this kind of opposition, because some groups say you simply cannot cut any kind of benefit. We think we can do it and show the public that they can have confidence in the social security program and that is the purpose of this bill.

Now let me go into a little more detail.

I have found time and time again that what has been heard about this bill and what is actually in this bill do not often bear much resemblance.

First, H.R. 3236 recognizes that the present system makes it very hard—sometimes makes it almost impossible—for a disabled person ever to go back to work. I find this particularly tragic in the case of younger disabled workers, who are thereby encouraged to remain on the disability rolls for a long time. It is no less tragic in the case of a middle-aged person who finds himself or herself rendered useless to society during the prime of the working years.

As one representative of the disabled aptly put it: "Disability may be permanent, but unemployability is not."

Unfortunately, the current system does not recognize this and insists on adding the tragedy of uselessness to the tragedy of ill health. These are people who have been in the work force and who have been leading useful lives, pursuing a career, trying to make ends meet. In about a third of the cases they have been raising a family. Suddenly before they are old, severe ill health strikes. Or, these are people who have struggled with handicaps for many years—sometimes for all of their lives. To take these people and offer them the choice of being a ward of society or else striking out entirely on their own is not a defensible policy for this Congress to assume. It is bad for these disabled people. It is bad for the taxpayers asked to support them. And, in the long run, it can only be bad for each of us in this room.

This small bill cannot do everything to correct the inhuman ways we shut off our disabled citizens and render them useless wards of public programs. But

within the context of the social security disability program, it does a lot. It takes steps to allow them to have the health coverage disabled people continue to need and to allow them to earn more money while still maintaining the right to benefits when they need them. It makes more room for the person whose work performance may be erratic.

H.R. 3236 removes several barriers currently thrown up against a disabled person who would like to become a productive citizen. Again, it does not do everything, but it is a critical and humane first step.

1. DEDUCTION OF WORK EXPENSES

First it allows the deduction of all work expenses related to the disability before computing continued eligibility for benefits. This means that if a person needs a special wheelchair, other special equipment, or special medicines and care in order to work, that will all be subtracted from his or her earnings before deciding if this person has indeed moved successfully back into the workforce. This puts the disabled person's earnings on a par with a normal person's earnings because the government would only take into account wages clear and free of the disability.

2. MEDICARE IMPROVEMENTS

Second, it provides medicare coverage for 4 years after a disabled person returns to work. Currently, a disabled person trying to move back into the workforce has only 1 year of medicare coverage. Medicare is often the most important benefit for a disabled person, who is more likely to have high medical expenses. So, this change is vital and humane and something the disabled people have asked for time and time again.

Moreover, under the current law, a person must wait 24 months for medicare coverage. Then, if that person leaves the disability rolls and returns to them later, he or she is faced with a second 24-month waiting period for medicare coverage. H.R. 3236 would remove this onerous second waiting period. And it is very unlikely that this group of people would have acquired sufficient resources or sufficient private coverage to carry them through a second 2-year wait. This, again, is something which disabled persons have brought to our attention time and again.

3. DOUBLE TRIAL WORK PERIOD

The third major provision of this bill to remove barriers for disabled workers is to double the trial work period—the time in which a person can work without losing eligibility for benefits. Currently that period lasts 1 year. This bill would allow it to go for 2 full years. If at any time during this period the person's earnings dropped below the limits set by regulation then benefits would resume immediately.

4. TRIAL WORK FOR WIDOWS AND WIDOWERS

The bill also extends trial work period privileges to widows and widowers.

5. STUDY FOR "SGA"

And it authorizes experiments and studies to be made on the effect of raising the amounts disabled persons can earn before losing benefits, to see if that will also help.

Many disabled groups are quite excited about the prospects of this new study authority. There is still very much to be learned about how truly to help disabled persons, and they have many plans and ideas they are anxious to try out.

These benefit liberalizations may cost as much as half a billion dollars over the next 5 years. That is no small change, and it stands as testimony against those who would claim the purpose of this bill is nothing more than an attempt to cut back on the social security program.

Now, let me talk about the cap. The cap changes the current family maximum so that a worker will not receive benefits which can actually exceed his after-tax earnings. This is a problem which arose out of the old benefit formula and was not entirely corrected by the decoupling actions of the 1977 amendments.

There are still some areas where benefits can exceed prior earnings. By carefully studying a large sample of recent beneficiaries, HEW has determined that some 6 percent of newly disabled persons coming on the rolls actually receive more in disability benefits than they did in the highest 5 years of their earnings, and another large segment receive replacements of over 80 percent of their wages. In the disability program, which has a duty to balance benefit adequacy with work incentive, having a significant number of beneficiaries with extremely high replacements is a particular problem, especially when one remembers the benefits are tax free. Not only is it unfair to the taxpayers who must support the program, it is out of line with most benefits accorded in this program.

As recently as 1967, a worker with median earnings and a family could expect only 60 percent of his prior earnings to be replaced by his social security disability benefit. By 1976 that had climbed to 90 percent—and, meanwhile, recovery rates from disability dropped to one-half of what it had been earlier. Also, workers without dependents have always received much lower replacements—averaging only about 45 to 50 percent of prior earnings.

You have to keep in mind that social security disability benefits are tax free. So when you take someone who has been making about $11,000 and give him almost $9,000 in tax free benefits—which is sometimes the case when family benefits are awarded under current law—I think you can see we have a definite problem. That person likely will never return to the work force.

This holds, too, at the lowest income brackets, because there is rightfully some concern about the lower incomes. Someone with earnings of about $6,000 would receive under current law well over $5,000 in tax free family benefits.

I noted that the median replacement rate for family benefits in 1967 was some 60 percent. But this bill does not bring anyone down to a 60-percent level. It does not bring them anywhere near a 60-percent level. It sets an 80-percent level, which is a generous, replacement, especially in a program such as social security.

What the bill does is slightly modify the existing maximum on family benefits. Under existing law, a disabled worker does not receive unlimited amounts of dependents benefits. The worker's family is limited to 150 percent of the worker's benefit at the low income levels now—and to slightly higher levels at middle and upper incomes. H.R. 3236 simply extends the 150-percent limit across the board. It also limits the replacement of prior wages to an 80-percent level.

These overly high replacements do not occur in the case of workers without dependents—and these cases constitute over 70 percent of all disabled beneficiaries, and they are not affected by this provision. High replacements also do not occur in about an additional 10 percent of beneficiaries who do have dependents, but are already limited by the 150-percent level in the current family maximum. But in about 20 percent of the new awards being made, the benefits are exceeding—or nearly exceeding—the average of the highest 5 years of prior income, and this must be corrected.

This is not right in an insurance program. And it is not fair to ask the taxpayers to support these benefit levels. If we do not correct this situation now, while this is still a relatively new problem, then we will only sharpen the debate between the taxpayers and the beneficiaries down the road. The piper will be paid but his tune is likely to get more shrill as we go.

Let me review quickly what this means:

No current beneficiary would be affected;

About 75 percent of future beneficiaries would not be affected;

The worker's own benefit is totally guaranteed;

Only benefits out of line with the history and purposes of the program would be affected; and

This correction would affect only about $38 million out of some $2 billion new benefits that will be awarded in the last 9 months of fiscal 1980.

Now, let me turn to the second corrective measure. This, too, addresses a relatively new situation—a situation whereby a worker who has been supporting this system with his labor and his taxes for years and years can receive a much smaller disability benefit than his younger counterpart. This, too, is a fact which cannot be tolerated in an insurance program, and indeed is being challenged at this moment in a court in California under old age discrimination laws fathered here by the esteemed gentleman from Florida, Congressman PEPPER.

To explain the problem in the simplest terms: A young worker, age 27, who received maximum benefits under current law would get $568 a month. A 50-year-old worker with maximum benefits would get only $496. He has been supporting the system 23 years longer than the younger man and yet he receives a benefit 12 percent lower.

Some groups have charged this bill is cruel to young workers because the young worker is more likely to need the higher benefit. That point alone, is entirely debatable. However, the bill takes no drastic step. Even in the worst case, it only reduces a 12-percent discrimination against the elderly to a 9-percent discrimination.

Actually, the dropout years was not created to ease the situation whereby a person might have low earnings in a few years. The dropout years was placed in the law in 1954 and 1956 when several new groups were brought into the retirement program. Benefits are calculated based on earnings beginning in 1951; thus, the dropout provision in existing law allows 5 dropout years. It was noted in 1954 that dropout years would also help people who had a few years of sickness or unemployment, but this was not the primary purpose—and the disability program was not even in existence at that time.

The problem with this provision has come about only in recent years as the wage base has risen far more quickly and dramatically than anyone in 1956 imagined. Thus, the young worker can calculate benefits based on only a few years, possibly at very high earnings.

This, too, is a problem which we must correct now—or it will only become more difficult to correct in the future. But this, too, is not a drastic proposal at this time. It will affect only $14 million in benefits out of the some $2 billion new benefits expected to be awarded in the last 9 months of fiscal 1980. Once again, it does not affect anyone on the rolls today.

This bill also takes steps to increase accountability in the social security disability program. An accountable program is not just a smooth running program. The award and denial of benefits must be reasonably uniform throughout the United States. The program must also be responsive to the disabled. It must accord them the courtesy of a correct and early response. It must make that response understandable. And it must make the right decision the first time so that applicants and taxpayers alike will be freed from the costly and lengthy appeals processes.

These, too, are the objectives of H.R. 3236.

Accordingly, this bill would:

Require that applicants be given an individual statement of the reason for the decision in their case;

Increase payments for medical evidence;

Reinstitute a comprehensive review of cases;

Give the Secretary of HEW regulatory authority to establish and enforce standards of operation;

Transfer full authority for the rehabilitation program for social security beneficiaries to the regular VR program and institute instead a bonus system of awards from the trust fund based on successful returns to work;

Require an HEW study of how State employees would be protected if a State agency ever relinquished operation of the program; and

Institute a review of all disability cases at least once every 3 years so that a person would not be left on the rolls long after he or she may have recovered.

Let me make one final note. Some State agency employees had expressed concern about the bill as it emerged from subcommittee because there was no provision in it to protect their rights should the Federal Government ever have to assume the responsibility of running the program in any State.

This was corrected in the full committee by an amendment I offered to order the Secretary of HEW to report to us by January—and report in great detail—exactly how he would handle the assumption of the functions of a State disability agency. How would he process the State employees for Federal hire? How would he protect their pensions? How would he insure that service to disabled persons was not disrupted?

Because of this amendment, the national organization for these State employees—the National Association of Disability Examiners—has strongly endorsed this bill. This amendment affords these employees a protection they do not enjoy under present law.

This is a wide-ranging and balanced bill. It will help us to maintain public confidence in the social security program, and I strongly urge its passage.

Now, Mr. Chairman, I would yield 3 minutes to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Chairman, I will not even take the 3 minutes. I do not think it is necessary. This legislation before the House now, as I said a few moments ago, is not really complicated at all. If you want to do commonsense, if you want to help the people who are severely disabled and you want to make sure that nobody is doing better on disability than he or she did on the job financially, then this is the right bill for you.

I might add that if you sat on that committee through the years and listened to the testimony and examined the data, you would conclude that on the reform side this is a very, very mild, very weak cup of tea. There are other reforms that can be argued logically in the social security disability system that were not brought to the floor because they were perceived by some in the Committee on Ways and Means to be too controversial. What was brought here, apart from the propaganda, and I must say knee-jerk propaganda against this bill, is a very weak reform. If the House of Representatives and this committee cannot even achieve that weak reform, then I think that we have no cause for pride in the work we have done this day.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want at the outset to compliment the chairman of the subcommittee, the gentleman from Texas (Mr. PICKLE) for the outstanding work that the gentleman has done on this bill and all the members of the subcommittee, the chairman of the full committee and the ranking Republican on the full committee and all the members of the committee because as was mentioned earlier, this bill was unanimously approved by the subcommittee which represents, I believe, a cross-section of the philosophies in this entire House. It came out, as has been mentioned earlier, by a voice vote out of the full committee.

Mr. Chairman, H.R. 3236 is not a perfect bill. It does not solve all of the problems, as I see them, in the disability insurance program. If the legislation had been written to my own specifications, it would be different from the measure before us.

But if the bill had been tailored to my taste only—or to that of any other Member—it might not have progressed so far. H.R. 3236 has survived. It has passed all the tests: Unanimous approval by subcommittee, and voice vote endorsement by the parent committee.

The bill has succeeded, Mr. Chairman, because it represents a workable compromise, an appropriate blending of shared objectives. H.R. 3236 does not make as many changes as some of us would like; it makes more than others want. But, it is realistic, it is feasible, and it does include a number of significant and long-needed improvements in one of the two programs comprising our Nation's basic social insurance system.

First, the bill provides for disability benefit levels that are more reasonable and more equitable. Second, and equally as important, H.R. 3236 makes it easier and more attractive for a disabled beneficiary to return to work, if at all possible.

Actuaries have estimated that the bill would reduce outgo from the social security trust funds by $184 million in 1981. The "savings" would escalate annually, reaching a yearly level of more than $1 billion by 1984. The long-range deficit in the combined old age survivors and disability insurance trust funds would be cut 14 percent, from 1.4 to 1.2 of taxable payroll.

Although these "savings" are significant, I think they will be further enhanced if the added work incentives which the bill provides are fully taken into account. I believe that H.R. 3236 will help more people return to the labor force, thus producing more income for both the Treasury and the social security trust funds.

I also am convinced that these same provisions will bring about an even more important "savings" in human terms. Too many persons who are deemed to be disabled wind up on the shelves of our society. Through its improved work incentives and related provisions, H.R. 3236 should help many of these people to get back into productive pursuits, to rejoin the mainstream, and to enhance their own personal self-respect, a major key to happiness.

One of these provisions stems from my own long-held concern that some severely disabled persons have been discouraged from returning to full-time jobs because of the high cost of special equipment they need just to get around. Although they may be able to earn good wages, when they subtract from their earnings the special expenditures which allow them to function at work, they find they would be better off financially if they stayed home and continued receiving maximum benefits.

Section 5 of this bill would eliminate that disincentive to work. It provides that extraordinary expenses incurred by the severely disabled to keep them functioning will not be counted as earnings that will cause them to lose benefit status.

Other work incentives provided by H.R. 3236 would: Expand the trial work period from 9 to 24 months; extend medicare coverage for 3 years to the disabled who return to work; and elminate the second 2-year waiting period for those who try to work, but find they

cannot continue and are forced to return to the benefit rolls.

The bill also toughens review procedures in the disability determination process. It requires Federal review of an increasing number of initial decisions by stage agencies (up to 65 percent by 1982), and demands that each disabled beneficiary be reviewed at least once every 3 years as long as there is a possibility of recovery and a return to work.

Perhaps the two most controversial provisions of H.R. 3236 have the net effect of lowering total benefits paid to, and on behalf of future disabled beneficiaries. One provision reduces the number of "dropout" years for benefit computation purposes. Under current law, all beneficiaries may exclude the 5 years of lowest earnings when their benefits are computed. For younger workers who become disabled, this can create disproportionately higher benefit payments. Because maximum covered earnings have risen dramatically in relatively recent years, younger workers who become disabled can have their benefits computed on a much higher average earnings base than older workers, who have to take into account more years of lower covered earnings. H.R. 3236 cuts this benefit disparity between older and younger workers by phasing out the so-called dropout years for workers aged 47 and younger. Those aged 42 through 46 would be given 4 such years; those 37 through 41 would have 3 years; those 32 through 36, 2 years; 27 years through 31, 1 year, and under 27, no dropout year.

Another controversial provision would place a new limit on the dollar benefits that could be paid to a disabled beneficiary and family. Studies by the administration, committee staff, and actuarial experts, have shown that many disabled beneficiaries and their dependents are receiving benefits which, when combined, make them better off financially than they were before the primary workers became disabled. This obviously has constituted a serious disincentive to return to work, and the Committee on Ways and Means' Subcommittee on Social Security has endeavored, on a bipartisan basis, to find an equitable way to alleviate this problem.

I think it is clear that a substantial majority of members, at both committee and subcommittee levels, have favored limiting benefits so that the disabled are not better off financially than they would be if they were working. There has been some disagreement, however, as to what the limit should be.

After months of deliberation, the Subcommittee on Social Security produced a formula which limits total disability "family" benefits to the lower of: either 80 percent of the worker's average indexed monthly earnings (career earnings, averaged-out) or 150 percent of the worker's primary insurance amount (basic benefit). Subcommittee members obviously thought this was reasonable and equitable, because they approved it unanimously.

Although the formula, like the bill itself, may not be perfect, it does represent a practical, nonpunitive compromise.

It is important to bear in mind that the primary benefit, paid to the disabled worker, would not be reduced by the new family maximum, and that no reduction would apply to beneficiaries now on the rolls.

It is also important to note that the limit on benefits is just one element among many in the bill before us. Taken as a whole, H.R. 3236 offers major improvements, without radical restructuring.

If we are to have any reform of the social security disability program. On balance, it is a good bill, Mr. Chairman, and I urge my colleagues to support it.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Chairman, I thank the gentleman for yielding. I want to join with the ranking member in complimenting the chairman for the outstanding job the gentleman has done in bringing us to this point.

Mr. Chairman, the principal opposition to this bill centers around the provision for removing certain family benefits by imposing a cap. In this connection, I would like to just indicate a few basic facts to put this in what I feel is proper perspective.

First of all, the cap on family benefits is only imposed on a prospective basis. No one currently disabled will have their benefits reduced. The cap applies only to those who become disabled after 1979.

Furthermore, the cap has no effect on disabled workers benefits. These payments will not be lowered.

Furthermore, the cap will not lower payments to disabled widows, widowers, or disabled children.

The cap on benefits, according to the estimates provided to the subcommittee, would affect only 30 percent of newly entitled disabled workers; in other words, 70 percent of people coming on the rolls in the future would not be affected by the new cap which this bill would impose.

Finally, the cap is hardly severe. Private disability insurance generally does not replace more than two-thirds of prior income.

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The cap provided under this legislation would be at a replacement rate of up to 80 percent, which is substantially above the level which prevails in the private sector today.

Mr. Chairman, what we face is the question of whether reform is a one-way street. I would hope that the reforms in this bill would be viewed in their total perspective, and that the pluses as well as the minuses from the point of view of the public reaction would be taken into account. In my judgment, this bill is not only important for what it includes, but is important as far as its implications for the future are concerned.

Let me point out that in the 1977 social security amendments this House did adjust the basic social security benefits that would be received in the future, and it adjusted them downward in a substantial manner, taking into account the fact that the formula provided under our earlier legislation for indexing of benefits against inflation was a faulty formula. I think much the same principle is involved here, Mr. Chairman, and that is that with the changes proposed by the subcommittee and approved unanimously by the Committee on Ways and Means, in my judgment we are going to end up with a more realistic total pattern of benefits under disability insurance, just as with the 1977 amendments we ended up with a better overall package of benefits for the basic social security program.

Mr. Chairman, I join with those Members who have spoken so far in support of this legislation.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 3236, Disability Insurance Amendments of 1979. I am particularly supportive of the provisions in the bill that remove disincentives from those who want to go back to work, those disabled persons who want to get back into the active work force.

I would like to tell the Members about an experience I had a short time ago when visiting a training center in Santa Barbara where mentally retarded youngsters were being trained to go to work. They were all young people on disability, they were all receiving their checks, and yet they were working hard in school so they might go out and engage in gainful employment. I was really quite moved when one of the young men there asked me a question. It was hard to understand him because he was severely retarded and had a speech defect.

He asked me this question: "How come when I work so much money is taken out of my paycheck to pay for people who won't go to work?"

The passage of this bill will make it easier for those and other dedicated young people to obtain employment, and it will take away the disincentive from those who fear that they might fail when they go to work and lose their security.

Mr. Chairman, I urge the passage of this bill.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the ranking minority member of the full committee, the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I support H.R. 3236, because I believe it would make long-needed improvements in the social security system's disability insurance program.

It is a balanced bill, carefully developed over a long period of time. During its formative stages, including extensive public hearings, it received a great deal of praise and little adverse criticism. In recent months, however, it has been the target of vigorous—and in some cases, misleading—lobbying efforts, and I would like to address myself briefly to this 13th-hour assault.

Opponents of the measure seem to be concerned primarily with one provision, section 2 of the bill. Total social security benefits to any one family already are limited by law, and section 2 would lower this existing family maximum, prospectively only, with respect to benefits for the disabled and their dependents. Contrary to some of the criticism, the new

ceiling would not be punitive, would not affect persons already drawing benefits, and would not reduce primary benefits in the future.

Studies by our committee staff and others have shown that, despite the present law ceiling on total family benefits, some disability insurance beneficiaries and their dependents are better off financially than they were before the onset of disability, when the insured breadwinner was a full-time worker. The program simply was not designed to achieve that result. From the outset, our social security system has offered insured workers and their dependents a "floor of protection" against a loss of earnings due to certain contingencies, one of which is disability. The idea has been to provide basic protection, not more spendable income.

Against that background, H.R. 3236 would limit total benefit payments to a disabled beneficiary, plus dependents, to the lower of: 80 percent of the beneficiary's average predisability earnings, or 150 percent of the primary insurance amount. Considering the tax-exempt status of social security benefits and based on a preponderance of evidence presented to the committee, this limitation appears reasonable and equitable.

Second, some adverse criticism has been directed at section 3 of the bill, which reduces so-called dropout years for younger workers. Under the present law, younger disabled workers receive benefits which are disproportionately higher than those paid to older disabled workers. This happens, because benefits are based on average covered earnings, which have risen dramatically in recent years. The younger the worker, the fewer years of lower earnings. The older the worker, the more years of lower earnings which have to be taken into account. H.R. 3236 would cut this benefit disparity by phasing down the earnings years which younger workers may exclude for benefit computation purposes.

To those who feel that H.R. 3236 goes too far in modifying future benefit levels or in making program changes, I would say that it is really a rather modest effort. It certainly does not go as far in any direction as some observers would like. During the 4 years in which the measure was being developed, the Subcommittee on Social Security heard a wide variety of proposals, including these:

To lower family benefits to levels far below those now in the bill;

To completely federalize the program, taking away from the States the task of making initial disability determinations;

To all but eliminate judicial review of appealed cases; and

To shorten the hearings and appeals process by abolishing the jobs of more than 600 administrative law judges.

These were just a few of the suggestions which the subcommittee entertained, but did not pursue, on the main ground that they were too controversial. What emerged from the subcommittee's lengthy deliberations was a series of amendments which were considered reasonable and enactable.

In essentially the same form it is in today, this legislation sailed through the subcommittee unanimously. The full committee made some minor alterations, then reported the bill, by voice vote.

Only after the bill had cleared the committee did the lobbying against any of its provisions develop in earnest. During public hearings on the measure, few voices were raised in protest. Praise, however, was effusive—and it came from scores of groups with diverse interests.

No wonder. Even the most strident opponent of sections 2 and 3 will concede that most of the bill contains sorely needed program improvements.

It would provide greater incentives for those beneficiaries who potentially are able to return to employment by lengthening the trial work period, by extending medicare coverage to those who do get back into the labor force, by eliminating any waiting period for medicare coverage for those who become disabled a second time, and by substantially liberalizing the impairment-related work expense deductions.

H.R. 3236 also would require the Government: First, to give claimants better explanations of disability determinations; second, to pay for existing medical evidence to support disability claims; third, to pay for a claimant's travel costs to obtain medical examinations; and fourth, to review periodically every nonpermanent case on the disability rolls.

These are all good provisions. The changes they would make in the disability insurance program are long overdue.

I submit, Mr. Chairman, that the sum of this bill is greater than any of its parts. And I suggest that if we cannot accept a modest set of proposals such as these, it is doubtful we ever can come to grips with some of the tougher social security issues that lie ahead.

Mr. PICKLE. Mr. Chairman, I yield 4 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Chairman, I rise in opposition to this legislation. Rather than being a "reform" of the social security system, as its proponents claim, H.R. 3236 will have a devastating effect on those Americans who find themselves disabled and unable to find employment in a labor market already contracting under the pressures of our economy. Some of the proponents of this legislation have gone so far as to term these proposed changes "rather mild" in their impact on the disability insurance program. The fact is that this bill, if not defeated by the House today, will have a devastating impact on the disabled and their families.

H.R. 3236 would limit total benefits for future disabled workers to 80 percent of their average monthly earnings or 150 percent of the primary social security benefit they would have received upon normal retirement, whichever is less. This provision could reduce current benefit levels by up to 20 percent. Given that the average monthly benefit is only $340, a 20-percent reduction would place many beneficiaries below subsistence levels. Disabled workers usually lose valuable benefits, such as health care provided by their previous employer and, in addition, they often need to pay others to provide services they can no longer perform for themselves, such as home maintenance, transportation, and additional medical expenses caused by the disability. These increased costs dictate that more income than disabled workers now receive would be far more appropriate than the reducton which would occur under this bill.

While the negative effects of this legislation would apply to all disabled persons, I would like to turn for a moment to the effects that the two most damaging provisions of this bill will have on particular segments of the disabled population. The "cap" on the family benefit level in section 2 of the bill and the reduction in the number of "dropout years" for disabled beneficiaries under the age of 47 in section 3 will work the greatest hardship on younger disabled persons and their families.

Earnings, for most people, tend to rise in the early years of employment and reach a peak in the middle years. Thus, young disabled workers and their families are denied higher real earnings in the future. The ability to exclude low-earning years in computing benefits compensates in part for this loss. Since workers aged 26 or less "would not be allowed to exclude any years," under this legislation, these workers would be particularly penalized, because of the irregular work pattern of many young people.

The American Council of the Blind has indicated to me that the impact of this bill on blind Americans will be particularly startling. According to Social Security Administration statistics, one-third of the total 2.8 million disabled beneficiaries are under the age of 50. However, within the total number of blind beneficiaries, some 116,000, fully 71 percent are under 50 years of age. Thus, the detrimental impact upon the blind would be more than twice as great as upon disabled persons generally.

Blacks and other minorities would also be disproportionately harmed by the provisions in H.R. 3236. A recent review by the study group on social security indicates that "more blacks than whites become disabled and are more apt to have dependents." The 150-percent limitation of earnings on family benefits would be particularly hard on black and other minority workers with greater numbers of young children in their families. The alternative benefit limitation of 80 percent of a worker's average indexed monthly earnings would bear heavily on blacks because of their relatively low earnings records, especially during their younger years. The likelihood of low earnings records in the early years of a minority person's employment makes the current dropout years allowance an important compensation measure for minorities as well as younger workers. Black and other minorities also tend to have greater representation amongst younger disabled workers. Coupled with the high unemployment rate in minority communities, these workers would not only suffer the greatest cuts in benefits, as proposed by H.R. 3236, but they would also have the least hope of finding employment to replace their loss in benefit support.

Another group hit especially hard by these amendments is the Vietnam era

veterans who are also in this younger age bracket. We have yet to deal compassionately and effectively with the legacy of our involvement in Southeast Asia, the plight of the Vietnam veteran. Now we are asking that they share a disproportionate burden in the name of "reforming" the social security system.

Public concern for fiscal responsibility cannot be misinterpreted as a license to assault social security benefits. If your constituents were faced with a choice between the type of "reforms" contained in this legislation and continuing to protect those Americans who find themselves disabled and without employment, I cannot believe that they would prefer to strip disabled Americans of what little support they currently receive. I strongly urge you to defeat this legislation.

Mr. PICKLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, I rise in support of H.R. 3236 and its goal of bringing much needed reform to the social security disability program. As you know, Mr. Chairman, during the 4½ years that I have served as a Member of this House, I have consistently advocated improvements in the operation of the disability program specifically, and the entire social security system in general. I believe that we must make changes if this system is to continue to receive public support. In 1977 and again this year, I introduced legislation aimed, generally, at reforming the disability insurance program, and particularly seeking to eliminate some of the work disincentives which exist in the present system. Portions of my bill, H.R. 536, have been incorporated into the legislation we have before us today.

The disability program as it operates today exemplifies many of the problems facing the entire social security system. It is a program which has a vital purpose: to provide for the needs of disabled workers and their families on a permanent basis or until the worker can resume gainful employment. No one should seriously question that this goal is proper as well as necessary.

Unfortunately, over the years the disability program has acquired features which serve to discourage beneficiaries from attempting vocational rehabilitation and then returning to the labor market. For example, Congress has frequently increased benefit levels in the interest of providing adequately for disabled persons and their dependents. However, testimony given to the Committee on Ways and Means indicated that the higher the level of income replacement ratio provided by a disability insurance program, the greater the deterrent to reemployment. Under our present program, income replacement ratios for the average disabled worker with dependents increased by about 50 percent between the years 1967 and 1976. Over the same period disability recovery rates decreased by about one-half. We now spend over $13 billion annually in benefit payments to disabled workers and their families. Judging from the level of our present replacement ratios, I must conclude that a significant portion of this money goes to create a major reemployment deterrent.

However, it is important to note that benefit levels alone are not the sole employment deterrent contained in the program. As it operates today, the disability program does not provide the type of positive support which I feel we need to encourage disabled people to return to work. For example, the present system allows only a 9-month trial work period during which time benefits can continue to be paid. If the individual works beyond this period and then finds that he cannot remain gainfully employed, he is required to initiate a complete new application in order to reestablish eligibility for benefits. He also loses his medicare coverage and must wait an additional 2 years to regain entitlement to the program.

As I mentioned a moment ago, I have introduced legislation aimed at reforming the disability program. My bill recognized that the disincentives in this program go beyond the level of benefit payments. I testified about this problem before the Committee on Ways and Means and pointed out that my legislation would establish a longer 24-month trial work period and eliminate the waiting period for renewing medicare benefits. I am pleased that the committee chose to incorporate these proposals in the bill which is now before us.

Another serious problem in the present disability program lies in the administration and review of the disability determination process. Under the present program, we have found that the Department of Health, Education, and Welfare has not developed a reasonable standard of performance to guide the State-operated disability determination agencies in their handling of disability claims. Worse still, we have found that the Department is reviewing only about 5 percent of all disability determinations. This lack of performance guidelines and low rate of decision review means that we cannot insure the level of accuracy and uniformity that we should have in a program of this size.

The legislation I originally proposed, H.R. 536, recognized the lack of adequate administrative review, and I stressed this problem in my testimony before the committee. I am pleased that H.R. 3236 mandates a phased increase in the review process to a point where 65 percent of all decisions will be reviewed each year starting in 1982. Furthermore, the bill addresses the problem of uniformity in the determination process by requiring the Secretary to develop a set of performance standards and guidelines to provide better direction for the State agencies in making disability determinations. This approach will allow us to implement criteria which should improve the accuracy and uniformity of disability determinations, while at the same time allowing us to maintain the present contractual arrangement with the State agencies.

Continuing this arrangement is fiscally sound as well as practical. The disability determination process does not have to be federalized to operate properly, and this bill does not seek that end. State employees will continue to make disability determinations. With this bill, we are merely seeking to obtain the highest level of uniformity possible in the determination process. We have a responsibility to do whatever we can to reasonably insure that a person claiming a disability in Georgia will receive the same determination as someone filing with a similar disability in any other State.

I am convinced that we should make these fundamental improvements in the disability program. The reforms are humane and, at the same time, fiscally responsible. This is an obligation we have to the people who support the program with their tax dollars. In 1977 the Congress raised social security taxes to insure the financial integrity of the disability program and the other social security trust funds. Had we not taken this action, the disability trust fund would likely have gone bankrupt sometime this year. We had an obligation to the disabled people of this country. They had contributed to social security in good faith and with the promise that benefits would be paid if they became unable to work. The Congress had to act to insure that those benefits would continue to be paid when they are needed.

Now that we have assured the funding of the system, I believe we have an obligation to those taxpayers who continue to contribute to the program. We must objectively evaluate the performance of this and other social security programs and make the changes we find necessary.

The need for fundamental reform was the reason that Congress created the National Commission on Social Security at the same time that contribution levels were increased. As you know, Mr. Chairman, I originated the idea for this Commission, and it is now pursuing its mandate to make a thorough review of the system and make recommendations for possible changes no matter how radical. The existence of this Commission gives me reason to be optimistic about the chances for creating a system which will serve us well for the remainder of this century and on into the next.

However, because of my strong support for the activities of the National Commission, some people have asked why I support changes in this or any other social security program before the Commission has had the opportunity to complete its work? The committee acknowledged in its report that these changes may themselves be changed when Congress undertakes a comprehensive review of the system. It is important to understand, however, that Congress is not going to incorporate the findings of the National Commission on Social Security into legislation on the day the final report is issued. That final report is over 1 year away and we all know that Congress will have to give it thorough consideration before taking any action.

On the other hand, the problems of the disability program have been clearly documented. They are continuing even as the National Commission goes about its work, and we cannot ignore that fact. I believe that we would be irresponsible to use our long-range reform plans as an excuse for inaction on specific and documented problems of this or any other

social security program when we are presented with constructive solutions.

H.R. 3236 is a reasonable first stage approach to the problems of the disability program. Frankly, there are some features which trouble me. Most notably, I am concerned that the benefit reductions included in the bill will fall with equal weight on those families whose disabled member is totally incapable of ever returning to work as on those with temporary disabilities. I would have hoped that this could have been handled differently, or that we might at least have been given the opportunity to correct the situation on the floor. Unfortunately, the rule prohibits any amendment to this portion of the bill.

On balance, however, I believe the bill addresses the problems of the disability program by offering positive and humane incentives to encourage disabled people to try to return to work. The bill also seeks to insure a better administered program, and one that will, over the long run, curb the program's continually escalating costs. For all of these reasons, I have chosen to support H.R. 3236. I encourage my colleagues to do likewise.

Mr. PICKLE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I rise to make some comments on the legislative savings which would be achieved through the Disability Insurance Amendments of 1979 (H.R. 3236).

Most of the time I stand before you as chairman of the Budget Committee's Task Force on Legislative Savings, I discuss legislative savings proposals which have been developed by the executive branch and proposed in the President's budget. This bill is different, however, in that most of the proposed reforms come from a comprehensive examination of the social security disability program which has been conducted over the past several years by the Social Security Subcommittee.

Primarily because the administrative costs of this bill are higher than the estimates available to the Budget Committee and the Committee on Ways and Means in March of this year, the legislative savings in fiscal year 1980 will be less than the target of $62 million recommended by the Committee on Ways and Means in its March 15 report to the Budget Committee and assumed in the first budget resolution. The savings in the disability trust fund will be $17 million and there will be a small net cost of $24 million in the overall budget for the first year of operation under this bill.

The significance of legislative savings in a benefit program such as this, however, is not in the first year of implementation but in succeeding years. This occurs because the basic entitlement of current beneficiaries is normally not affected so that savings occur when people first become eligible for benefits. Typically with entitlement legislation, as the proportion of the beneficiaries who enter the program after enactment of reforms increases over time, the savings from reforms also increases. The Disability Insurance Amendments of 1979 are not an exception to the pattern. By fiscal year 1984, the legislative savings from this bill will be $1.1 billion in outlays. Total savings over the next 5 years will be $2.7 billion.

I think that the Committee on Ways and Means should be complimented for their political courage in bringing this bill before us. The appearance of reducing benefits for the needy is always a proposal that is not likely to capture the public's enthusiasm. Therefore, it is vital for the debate to focus on whose benefits will be affected by these reforms. The report accompanying this bill cites testimony by former HEW Secretary Joseph Califano that benefits in about 6 percent of the cases are actually higher than the disabled person's previous net earnings, and in 16 percent of cases, the benefits are more than 80 percent of net earnings before disability. Because of the impact of taxes and work expenses, a replacement rate of 80 percent of net earnings before disability is generally considered adequate to replace predisability income.

The major benefit changes in the bill would be a limit on the total family benefit at 80 percent of average earnings adjusted for inflation or 150 percent of a worker's primary benefit, whichever is lower. The bill would also reduce the benefit advantage which younger disabled persons receive compared with older persons who become disabled.

While achieving outlay savings of $2.7 billion over the next 5 years, the benefit reforms included in this bill will not jeopardize the benefits available to the needy.

The Congressional Budget Office has estimated that disability benefits allow families with one wage earner who becomes disabled to have on the average 95 percent of disposable family income before disability. This bill would reduce this percentage to an average of 89 percent.

For families with two wage earners, the Congressional Budget Office estimates that if one of the wage earners becomes disabled, disability benefits and other family income enable these families on the average to have disposable family income which is 5 percent above the income before disability. This bill would reduce this percentage to an average of 95 percent.

I would further note that protection against an income loss is provided to the low-income disabled. To the extent that disability benefits decline, low-income individuals will automatically be eligible for higher benefits under food stamps, the supplemental security income program, and in some cases aid to families with dependent children. These benefits from other programs will, at a minimum, replace dollar for dollar any income loss from changes in the disability benefit.

Thus, under this bill, we are not relegating disabled Americans to poverty but are avoiding the payment of benefits which in some cases will make people better off financially than when they were working.

It is not desirable public policy to provide financial incentives for people not to work. The Social Security Administration has found that as the percentage of previous income, which is replaced by disability benefits has increased over the past decade, the recovery rate has decreased dramatically. Between 1967 and 1976, the average replacement of previous wages increased by 50 percent. Over the same period, the recovery rate decreased by 50 percent.

In considering this bill, we should be aware that the most important budget problem which we will face over the next half century is the financing and benefit structure of programs which replace the earnings of retired and disabled Americans. The largest program in this category is social security with estimated outlays of $116.8 billion in fiscal year 1980. Other retirement and disability programs will have additional outlays of $49.7 billion in fiscal year 1980.

Ultimately, these programs will be financed through the taxes of workers. Whether the social security tax continues to be the primary way social security will be financed is an issue which involves the incidence of the tax, or in layman's terms from which pocket it will be paid and how the tax burden will be distributed among workers with different incomes. Thus, our major budgetary dilemma will be how to finance retirement and disability programs in a way which is fair to both recipients and to workers whose taxes finance the benefits.

The bill before us today is equitable for recipients and is fiscally responsible. I urge you to vote in favor of this bill.

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Mr. ARCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I would like to have a colloquy, if I may, with the chairman of the committee. I will just ask a couple of questions. I received a whole list of people who are now against the bill, and I think the gentleman answered partially why they are so up-tight about this; but I would like to ask a couple of questions, if I may, to get a few things clear.

Under the bill, if a person becomes disabled and then decides to go back to work and try it for a while and it does not work, and he then comes back under the disability benefits, does he come back on under less benefits than he had when he went off?

Mr. PICKLE. If the gentleman will yield, the answer is "no," he does not. He comes back at the same level.

Let me point this out to the gentleman: It is for that very purpose that we have made this change. We say to the man, "You may go back to work, and if you cannot make it, you come back on the rolls at the same level. You forego your benefits; you do not lose your eligibility. You just do not draw benefits during that time, but your eligibility is protected."

Mr. MARRIOTT. Now you have extended the trial work period from 9 months to 24 months; is that correct?

Mr. PICKLE. Yes; it was 1 year. We just extended it 1 additional year.

Mr. MARRIOTT. You are saying a person who is disabled and goes to work af-

ter 20 months, comes back under the program, he gets the same level of benefits he would have received under the old schedule?

Mr. PICKLE. That is correct. But with any increase that might have been added in the meantime. So that man is not adversely affected. As a matter of fact, it gives him a greater incentive to go out and make an attempt at a meaningful job.

Mr. MARRIOTT. There is one other thing that puzzles me, and that is that it is very difficult, first of all, to get on these benefits, to begin with. You have a 5-month waiting period. The definition of "disability" is about the worst definition you could ever find. It is any occupation disability definition. I do not understand, with that type of scenario, why we are cutting benefits at all.

Is it true that 84 percent of new people coming under the program will in fact come under with lower benefits? And we are not counting benefits, are we, which try to keep people from staying on the program? Let me just ask that question. Why are we cutting benefits here under this new program? We are not cutting taxes on our social security payers, are we?

Mr. PICKLE. No. The reason we are making this change is that statistics show us that over 6 percent of the people drawing maximum family disability benefits draw more benefits under disability than they were earning in predisability income. Up to 16 percent of them draw more than 80 percent of their average predisability earnings.

In that scenario, we say to you that it is difficult to explain to the American people why a person should receive more money tax-free on a disability than he earned before. That is why we put it in. We did not set out for the purpose of cutting taxes, cutting benefits, or trying to save money. We tried to correct a situation that was untenable and that must be corrected at some point.

Mr. MARRIOTT. The gentleman is not suggesting that the level of benefits has anything to do with how long people stay under a program, is he?

Mr. PICKLE. No. The secret, the key, to this whole program is that we are trying to get a proper balance of what is adequate benefits compared to work incentives—how much do you pay a man, how much does he have to earn—or not earn—before he gets off disability. It is a very difficult level to establish. We followed the leadership of HEW in that respect. Let me say to the gentleman in this connection, with respect to the cap and the drop-out rate and the bill as a whole, it was endorsed by former Secretary Joseph A. Califano, who strongly supported this bill, by Stanford Ross, Commissioner, Social Security Administration, and by the present HEW Secretary, Mrs. Harris. We know there are difficult decisions in these areas, but we think they are the right decisions.

Mr. MARRIOTT. I thank the gentleman.

Mr. PICKLE. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I rise in strong opposition to H.R. 3236 which some have referred to as the disability insurance reform amendments of 1979. To consider this bill as a "reform" measure is a hoax when in fact its real impact would be to drive millions of disabled Americans deeper into the perils of poverty.

Let me say at the outset that I am joined in my opposition to this legislation by the distinguished chairman of the House Select Committee on Aging, Mr. CLAUDE PEPPER. I serve as chairman of the Aging Committee's Subcommittee on Human Services and CLAUDE PEPPER and I are especially concerned with the negative features of H.R. 3236 which impact on the sizable number of disability recipients over the age of 60. Older Americans and especially those on fixed incomes are already the most economically vulnerable segment of our population. Our legislative efforts should be directed at providing older Americans with greater—not less protection against inflation.

The bill's faults are many and can be traced in large measure to two false premises which proponents base this legislation on. The first is that the disability insurance program trust fund is in serious trouble and therefore benefits must be reduced: The 1979 report by the trustees of the social security trust fund predict a surplus in the disability program for the next 75 years. The second premise is that by reducing benefits you will be somehow providing a work incentive for those on disability. The facts are that many of those on disability are not capable of rehabilitation and in fact more than 70 percent of disability recipients are over age 50 and have chronic disabilities which make rehabilitation impossible. Work incentives are important but to apply them to this program in this broad a fashion is at best misguided intent.

Much of my objection to this bill stems from section 2 of which imposes a ceiling on family benefits calculated at 80 percent of averaged indexed monthly earnings or 50 percent of the benefit amount, whichever is lower. The impact of this provision is best illustrated by the following chart prepared by the AFL-CIO, a strong opponent of this legislation.

TYPICAL EXAMPLE

In order to demonstrate the actual effect of benefit reductions under H.R. 3236 for a typical family, a comparison is made below between current benefit levels with those provided by the bill for workers at different ages earning $15,000 at the time of disability. The example is for a worker with a wife and two children.

Workers age	Current family benefit (monthly)	Proposed benefit (monthly)	Percent reduction in benefits
30	$858	$730	15
40	843	714	15
50	819	702	14

The percentage reduction will vary according to age and income. For example, for incomes of $10,000 and $11,500 at the above ages, the cuts will be approximately 20 and 18 percent. On an average, the bill will result in a 15-percent benefit reduction for disabled workers with families.

Another especially punitive provision of the bill is contained in section 3. Presently all disability recipients are able to "drop off" 5 years where they received low or no earnings when calculating their disability benefit levels. Section 3 proposes to do away with this dropoff provision for those under 27 and not apply the 5-year dropoff until a person reaches age 47. This serves as an unnecessarily cruel penalty on younger workers who, under the rules of the program, have to prove higher degrees of disability simply to become eligible. Further, younger workers are frozen at average earnings levels at the time they became disabled. Finally, statistics have shown that over the past decade, the rate of unemployment among younger people, especially the minority young, has run far in excess of the national average, meaning that by age 27 some disabled may have just begun to work.

Perhaps the most fundamental objection I have to this bill is that it is premature. Here we are expected to vote on legislation making major changes in the disability insurance fund before even evaluating major reports which we mandated in 1977 legislation. These include reports by the National Commission on Social Security and the Advisory Council on Social Security.

The list of those opposing this legislation is impressive and should be persuasive. As mentioned earlier, the AFL-CIO is strongly opposed. The leading senior citizen organizations—the American Association of Retired Persons, the National Council of Senior Citizens, the National Council on Aging are all opposed. The Disabled Veterans of America and the Multiple Sclerosis Society and the National Organization of Women are opposed. Perhaps the most germane of all opponents are those who make up the SOS Coalition to protect social security. This group is led by former HEW Secretary Wilbur Cohen who has spoken out repeatedly in opposition to this legislation. Also on the SOS Coalition is Robert Ball, former Social Security Administrator under President Kennedy, Johnson, and Nixon. His two predecessors in that job, Mr. Charles Schottland and William Mitchell, are also part of the SOS Coalition opposed to the bill. These are men who administered the programs who feel these so-called reforms are not good for the program and the disabled of this Nation.

One other note about a distinguished opponent of this legislation. Our revered colleague, Wilbur Mills, who as chairman of the House Ways and Means Committee, had a truly outstanding knowledge of the workings of the social security system. In a letter dated June 18, indicated his opposition to H.R. 3236 until Congress may have an opportunity to further examine the situation.

Let me close with one observation. The social security system, since its inception more than 40 years ago, has been a source of great confidence to the American people. They had the confidence which comes when one enters into a contract which has a performance guarantee. The social security system has honored its contractual arrangements throughout its history by never missing a payday. Yet constant news of shortages in the social security trust fund coupled with attempts at legislative "reforms" such as H.R. 3236 begin to undermine the American people's confidence in the system. As the National Council on the Aging said:

> The social security system is an intergenerational compact which has served America well for three generations. Hastily construed adjustments to the system . . . constitute a precipitous and unnecessary challenge to the soundness of the system.

In conclusion I implore my colleagues to defeat this bill. It is premature—it is punitive and provides the most damage to those least able to afford it.

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Mr. PICKLE. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Chairman, I thank the able gentleman and my devoted friend for allowing me that much time.

Mr. Chairman, as chairman of the Committee on Aging, I join several million individuals in over 100 organizations across the Nation in expressing my strong opposition to H.R. 3236, the Disability Insurance Amendments of 1979.

Mr. Chairman, I have the figures here from HEW, that 30 percent of the people who are affected by this legislation are 60 years of age and over, and the average age of the people who are covered by this disability insurance, the amount of which is attempted to be reduced, is 55-6/10ths. So this affects elderly workers as well as the average workers.

Of particular concern to the tens of millions of elderly and disabled persons are the so-called benefits cap and dropout provisions. Under section 2 of the bill as reported, beneficiaries would be limited to a maximum amount of total benefits: 80 percent of the worker's average monthly earnings, prior to his disability or 150 percent of the worker's primary insurance amount, whichever is lower. Section 3 of the bill would eliminate or reduce the number of low earnings or no earnings years that a disabled worker could "drop out," or disregard for the purposes of computing benefits.

As a member of the Committee on Rules, I urged that closed rule be denied H.R. 3236 so that these odious provisions could receive the scrutiny of this entire body. To my profound disappointment, the Rules Committee did not provide for discussion of this bill with a rule that would make amendments to strike these provisions in order.

As it is presented on the floor today, H.R. 3236 represent an alarming lack of mature and intelligent deliberation. The intent of the bill appears to be quite clear. The committee report defends the benefits cap and dropout provisions in terms of "the need for work incentives." It would seem that the supporters of these two provisions do not believe that recipients are in fact disabled. Mr. Chairman, nothing could be further from the truth.

Congress wrote strict eligibility requirements in 1956 when the disability program was initially added to social security; and 11 years later Congress rewrote the eligibility criteria to tighten them further still. Currently, to qualify for disability benefits, individuals must be severely impaired. No consideration is given to social or vocational limitations. Moreover, an applicant must wait 5 months before becoming eligible for benefits. Because unemployment compensation is payable only to employees able to work, the waiting period usually means almost half a year without income. I would add that the Social Security Administration has historically pursued a notoriously rigorous policy of implementing regulations to the extent that large numbers of people who should qualify by any humane standard, do not.

The authors of the report language, with their continual references to work disincentives, would have us believe that beneficiaries are living off the fat of the land at the expense of the American taxpayer. H.R. 3236, they claim, will end this alleged extravagance by lowering benefit levels to the point where these "freeloaders" will have an incentive to return to work.

But disability benefits are not glamorous—the average monthly payment is only $327.66. It is to take leave of commonsense to suggest that a sum of $80 per week will discourage individuals from returning to work. The fact is, Mr. Chairman, that most disability beneficiaries cannot return to work. In almost all cases the disability is chronic and progressive in nature, and in many the ailment is expected to terminate in death.

We are told, nevertheless, that these cutbacks are necessary to keep the trust fund intact. Very few of us in this Congress have failed to affirm our sense of fiscal responsibility to the American taxpayer. All too often, however, the fiscal knife has been wielded most enthusiastically on those tied to the stake of poverty and misfortune. H.R. 3236 is a tragic example of moral irresponsibility in the name of fiscal austerity.

The bitter irony is that the trust fund is in no danger of bankruptcy at all. The growth rate of the number of beneficiaries on the rolls is the lowest since the beginning of the program. Furthermore, the Social Security Amendments of 1977 rectified the error in indexing benefits that initiated the trust fund crisis. Mr. Chairman, that crisis has passed. But today we are in danger of creating a much greater one among the disabled population in America.

Whatever the intent of the bill, its effects cannot be mistaken. I quote from the language of the committee report:

> The 80-percent limitation is designed to affect wage earners at lower earnings levels.

The bill in fact will slash the benefits of the very individuals that need them the most—the low-income disabled. This attempt to goad the disabled and elderly back into the work force by reducing their benefits would serve only to punish those in desperate and legitimate need of Government support.

Mr. Chairman, to those of us who were around almost 45 years ago when the social security system was in its infancy and have seen it evolve into an ironclad intergenerational compact that has served America well for three generations, this bill is an abomination. This legislation would create a precedent which would fundamentally undermine that social compact. For the first time, concurrent beneficiaries in the same statutory categories would be treated differently depending upon when they first started receiving benefits. I cannot help but believe that the sharp reduction in the level of social security protection will make the over 110 million current contributors to the program and the 35 million current beneficiaries alarmed about the Government's intention to honor its commitments to them.

Finally, Mr. Chairman, I have the figures here from the report on page 34, showing the total amount proposed to be saved in the next 5 years from 1980 through 1984, which is $1,700 million.

Now, Mr. Chairman, from whom is that $1,700 million to be saved? From the crippled people of this country. A cap is to be put on the amount of income under the legislation that is now current that may be received by a family. That includes the children of disabled people who might be the head of a family.

Are we so destitute in America, are we so hard pressed that we have to turn to the cripple as the course of the purchase saving of revenue for the next 5 years?

Is this the leakage that is causing concern to our fiscal structure, the amount we are paying the handicapped of America?

I just hope that I will not be associated in an endeavor that has that purpose. It is regrettable, I think—I know it is commendable that my distinguished friend and those with him want to save money, but goodness knows, are there not other places where we could save a comparable amount without taking it from these people?

They say that they are getting too much money under the present law. How much are they getting? It is $320 a month on the average. That is about the poverty level.

They say, "Well, if we will cut the amount they are getting, we will push them back into regular employment." How do they know we can do that?

Most of them are seriously handicapped, seriously disabled. They are not able in many cases to go back. So if they are not able to go back, all your attempted coercion does is to reduce their standard of living, not only for the disabled person, but also for the children and the spouse of that disabled person, who may still have the honor and the responsibility of being the head of the family.

Mr. Chairman, with all my heart, I oppose this legislation and hope my colleagues will not adopt it.

Mr. PICKLE. I yield myself the remaining time. Mr. Chairman, I thank the gentleman.

I want to say to the gentleman from Florida that all of us on the committee, subcommittee, and the full committee have the highest respect for him as an individual, and we know that the points he has made are made in complete sincerity.

I hope he would give to us the same benefit of good intent when we bring to this floor a bill to give work incentives so people could come back to work.

I say to the gentleman that the amount of money that people get under the social security disability program is based on their earnings. They get so much based on what they have earned during their worktime. This is a social insurance program. It is not a welfare program. We cannot give everybody everything and all the amounts that they want. We must keep it somewhere on the insurance principle.

The replacement ratio has gone in 1967 from 60 percent up to over 90 percent in 1975. No private company would give anyone that kind of insurance.

Now, if there is extra money needed, then it ought to come from welfare, from AFDC, and I might say to my colleagues, SSI. Plenty of people are doing that. Those people who the gentleman says would be impoverished would be getting these moneys from other sources.

I say to the gentleman that we are trying to keep this program on an insurance basis, and we cannot defend the fact that we are going to give them more than they would have gotten before they became disabled.

May I make one other point to the gentleman? I love him as an individual, but if we keep on the same levels that we are, the individual then will not have any desire, or very little, to go back. A great many of them are handicapped. can never work, and they will never be affected.

In the first place, as the gentleman knows, we grandfather everybody in so that nobody is hurt, but if we do not give them the incentive, you know what we are doing, in my opinion? We are relegating those people to the closet. We are going to say to them, "You are going to become wards of the Government."

We ought to say to them instead, "Go out and work, and we will give you the protection of the work incentive so that you can find your rightful place in society, and if you can't make it, you have your benefits, and you come back." That is what we are saying.

We are not trying to cut them. We are trying to maintain the integrity of our program.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I am pleased to yield to my colleague from Florida.

Mr. PEPPER. My distinguished and beloved friend knows I have the most profound respect for him, and I am sure he is conscientious in his belief that maybe we should make some cuts in this program, but I have to resort to the logic of the situation and what I see is the fact,

Now, is what my honorable friend is saying that the crippled, the disabled people of the country are to be castigated as chiselers? They are not going back to work, because they are getting more under this law than they would get if they were working? That is a severe castigation of the disabled people of this country.

I believe that the incentive to better life for his family burns just as brightly in the heart of a disabled person as it does anybody else, including the Members of this House.

Mr. PICKLE. Does the gentleman from Florida realise that the amount of people who go off the disability rolls each year amounts to approximately 1.3 percent? That is an astounding figure, to me. At one time we did get 3 percent. At this point, the people who recover are so small that the program is not working.

This bill loses money the first year. That is why we are spending millions of dollars, though, in an effort to try to get people to go back to work.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I reluctantly yield to my distinguished colleague.

Mr. CORMAN. I thank the chairman, but I am fascinated by the gentleman's concern that only 1.3 percent of these people go back, because the law says that they have to be totally and permanently disabled before they go on.

Does it shock the gentleman that we administer this program so tightly that they really do have to be permanently and totally disabled before they go on, and of course they do not go back?

Mr. PICKLE. No; the gentleman knows better than that. There is a presumption that if a man is at a prescribed level of medical impairment he is disabled unless he is actually working and earning more than the substantial gainful activity level. That is the intent of the whole bill.

It is not that he is permanently disabled. If he is permanently disabled, he would not be subject to the rule.

Mr. CORMAN. My point is that the gentleman is concerned about the fact that those going back are such a small percentage, I say that that is proof that the program is being administered very tightly in the first place.

● Mr. STARK. Mr. Chairman, I rise in opposition to H.R. 3236, the Disability Insurance Amendments of 1979.

Mr. Chairman, the guts of H.R. 3236 is an average 15 percent reduction in benefits for the families of workers who became disabled after 1978. The question before the House today is not whether social security benefits can ever be cut. It is whether or not the cuts in this bill are fair and necessary.

According to the committee report the cut in family benefits is designed "primarily to strengthen work incentives for disabled beneficiaries." Is cutting family benefits a fair and effective way to get individuals who would otherwise meet the eligibility requirements of the disability program to stay off the program?

Current law states that an applicant for disability insurance must be unable, because of his or her impairment, to do any work that exists in the national economy, regardless of whether or not: First, such work exists in the immediate area in which he lives; second, a specific job vacancy exists; or third, the person would be hired if he applied for work.

Mr. Chairman, if the law is not being enforced—if there are people on the disability rolls who are able to "do any work that exists in the national economy" then does it not make more sense to improve on the eligibility determination process than to cut benefits across the board? The benefit cuts in this bill will hit 84 percent of newly disabled workers with dependents receiving benefits. That is reneging on promises we have made to U.S. workers over the years who have paid taxes year after year.

Mr. Chairman, in a letter to all Members dated July 17, 1979, the distinguished chairman and ranking minority member of the Ways and Means Committee observed that this bill is the result of 5 years of work. Yet in the committee report one justification advanced for an average 15 percent cut in benefits is the fact that it is "temporary and transition in the sense that when the social security benefit structure and formula are examined later in this Congress in a comprehensive way, other approaches might be found preferable for the long term."

With all due respects to my colleagues on the committee—would it not have made more sense to wait a few months until this comprehensive review is completed before we start placing a greater financial burden on the disabled? Frankly, I think disabled Americans have the right to have us get it straight the first time. If we have waited 5 years for a bill to make the disability program more "responsive to today's work force" then we can wait a little longer to see what a comprehensive look at the system teaches us.

Mr. Chairman, the disability insurance trust fund is in good shape financially. The committee report states that the 1977 amendments assured the solvency of the trust fund well into the 21st century.

It has been alleged that "special interest groups" have mounted an intensive campaign to defeat this bill. The allegation is correct. Organizations of the disabled, labor, women and church groups, civil rights groups, and senior citizens' organizations, and veterans organizations have banded together to protect the public—and I believe, to protect us, from a mistake—a grave mistake.

I would like to quote from just one of the dozens of letters that I have received asking me to vote against H.R. 3236. This one is on July 11 from Billy O. Hightower, national commander of the Disabled American Veterans. He wrote:

> . . . in a message to Congress on welfare reform the President stated that "even in a period of austerity and fiscal stringency" the Nation "cannot afford to ignore its most needy citizens." This plan he stated is guided by two principles, "those who can work should, and there should be adequate support for those who cannot." We must ask: Is H.R. 3236 the "adequate support" for those who are physically unable to work? We think not.

I urge defeat of the bill.●

● Mr. WEISS. Mr. Chairman, I oppose H.R. 3236. I regret that I cannot support this bill, for it contains much-needed reforms in the areas of work disincentives and administration. However, it also contains a clause restricting disability benefits to 80 percent of the recipient's previous average indexed monthly earnings (AIME), and I believe that this provision is destructive enough to outweigh the bill's positive features.

The proponents of this provision claim that under present law disabled workers can receive more in disability benefits than they ever received in pay, and that the 80-percent AIME cap will remove a substantial work disincentive by insuring that this does not occur. However, the cap is far more restrictive than it appears. The AIME is calculated by averaging all of a worker's earnings, including extremely low, and even part-time, wages, from the very beginning of the recipient's earnings history. In effect, this condemns disabled workers to benefit levels that are usually far below their earnings at the time that they were injured.

The destructive impact of this provision can be fully grasped only in light of the fact that at no point during the existence of the disability program have more than 3 percent of its recipients returned to work. This figure includes periods in which average disability benefits replaced only 60 percent of the recipient's prior earnings, so that incentives to return to work were extremely strong. The fact is that most disability recipients are simply incapable of supporting themselves and their families. It seems grossly unfair to make the existence of the great majority of disabled workers more difficult in order to force the few recipients, who could potentially be reemployed, off the disability rolls.

Mr. Chairman, it is unfortunate that a bill that contains so many constructive work incentives also contains provisions penalizing those who cannot support themselves under any circumstances. However strongly I support the concept of work incentives within disability programs, I cannot, in good conscience, support legislation that reduces benefits for the families of the totally disabled. In a period of inflation such as this one, there is no excuse for cutting the few resources they have.●

● Mr. MAGUIRE. Mr. Chairman, I urge my colleagues to oppose H.R. 3236, the Disability Insurance Amendments of 1979. H.R. 3236 has been publicized as a bill to improve the social security disability insurance program, yet it has been opposed by virtually every disability organization in the country and by numerous organizations representing women, minorities, children, and senior citizens.

The reason for this widespread opposition is clear. H.R. 3236 would drastically reduce benefits to families and to young, severely disabled workers.

Supporters of the bill have claimed that such cuts are necessary to reduce the "high" replacement ratio of benefits to previous earnings. However, social security disability insurance benefits are based upon average lifetime earnings, not earnings immediately prior to disability. Thus, a replacement ratio of 87 percent means that the disabled person and his family are receiving only 87 percent of average lifetime earnings, not 87 percent of actual previous earnings.

What does this mean to a disabled worker and his family? Under current law, a severely disabled person with average lifetime wages of $700 per month receives $328.40 per month in benefits if he had no dependents. The maximum family benefit that the worker with a family could receive would be $612.60, regardless of the size of his family or his salary before he became disabled. If H.R. 3236 is passed, the maximum family benefit allowed for a lifetime average of $700 per month would be $492.60, or $120 less than the current amount.

A young disabled worker would be penalized even more severely than would a disabled worker with a family. At the present time, all social security recipients are allowed to exclude their five lowest earnings years when averaging their lifetime earnings. If H.R. 3236 is passed, disabled persons under the age of 47 would not be allowed the full 5-year exclusions. This reduction in dropout years will lower their average wages upon which benefit levels are based. If they have families to support, the combination of a "cap" on family benefits and the reduction in dropout years can be substantial.

It is estimated that the reduction in dropout years and the "cap" on family benefits will reduce the cost of the DI program by $1.8 billion over a 5-year period. Every cent of that $1.8 billion, however, will be "saved" by reducing benefits to severely disabled workers and their families.

During the early 1970's, the disability insurance program faced increasing costs, increasing numbers of new recipients, and a serious financing problem for the future. Since that time, however, the number of new recipients has decreased, the benefit formula has been revised, and the trust fund has been pronounced sound by its trustees.

I urge my colleagues to delay action on the disability insurance program so that beneficiaries who are most dependent upon the system are not penalized needlessly by injudicious congressional action. The benefit cuts that have been proposed in H.R. 3236 are not minor, and the effect of those changes will be to undermine the very purpose of the disability insurance program.●

● Mr. GREEN. Mr. Chairman, I rise in support of H.R. 3236, the Disability Amendments of 1979. The decision to cast my vote in favor of these amendments was not an easy one for me. I have heard arguments for and against this bill from a number of distinguished and reputable individuals and organizations in the 18th Congressional District. After careful review and consideration of this bill, I have come to conclude that it embodies reasonable reform, representing 5 years of work by the Committee on Ways and Means, and that it deserves passage by this House.

There are several problems inherent in the present disability program which are addressed by this piece of legislation. Primarily, the present program makes stepping back into the working world—which is difficult anyway—even more arduous for the disabled individual by posing the threat of discontinuance of his or her current medicare coverage and social security benefits after only 1 year of successful employment. The present law forces the disabled person to forecast his or her medical needs a year in advance. H.R. 3236 removes this threat, by allowing for the continuance of coverage under medicare for 4 years after reentry into the work force and by providing for disability benefits for 2, instead of only 1 year. Moreover, should the work attempt prove unsuccessful, present law requires the individual to reapply for medicare coverage. The Disability Amendments of 1979 will eliminate the second waiting period for medicare coverage in the event of an unsuccessful work attempt. Most importantly, should a disabled individual be unable to continue working, H.R. 3236 would allow that person to receive precisely the same benefits to which he or she was entitled prior to the work attempt. Additionally, H.R. 3236 provides for the deduction of significant expenses, such as wheelchairs, which may be necessary to enable the person to work and also provides the spouse of a disabled person an extension of the trial work period. These necessary reforms are long overdue.

When considering the merits of H.R. 3236 I think it is important to keep in mind how beneficiaries may or may not be affected by this legislation. A great deal of the controversy surrounding this bill has centered on the 80-percent cap on the average monthly indexed earnings (AIME). One must remember that this cap will represent a lowering of benefits for a maximum of 30 percent of the individuals who will become enrolled in the social security disability insurance program subsequent to the passage of this bill; H.R. 3236 does not affect any individual enrolled in the disability program today. Under no circumstances will passage of H.R. 3236 eliminate cost-of-living increases due an individual enrolled in this or any other social security program.

When compared with the replacement rate in the old age and survivors insurance (OASI) program, the basic social security program for the elderly, a cap of 80 percent hardly seems severe. Since disability benefits are tax free, replacement of 80 percent of predisability income after taxes for the average recipment of 100 percent of predisability income after taxes for the average recipient. Under the OASI program the maximum replacement rate is 60 percent of preretirement income or roughly 80 percent of after-tax income. Moreover, private disability programs do not typically replace more than two-thirds of an individual's predisability income.

Further interest has focused upon the reduction in the number of dropout years permitted younger workers. A "dropout" year is a year of lower earnings for purposes of benefit calculation. Under present law, a worker age 27 entitled to the maximum benefit receives

$568 per month, while a worker age 50 with a maximum benefit receives only $496. Although the older worker has contributed to the system 23 years longer than the younger worker, he receives a benefit 12 percent lower. This situation is clearly inequitable and H.R. 3236 rectifies this situation by reducing the number of dropout years permitted younger workers.

The New York Times rcently addressed these issues in an editorial entitled "Don't Disable Social Security," which I should like to call to the attention of my colleagues:

DON'T DISABLE SOCIAL SECURITY

Some months ago, President Carter asked Congress for modest, sensible changes in Social Security to reduce the need for raising the payroll tax again. The Administration proposed, for example, curtailing some burial benefits and stopping subsidies to affluent student survivors. But Congress is so wary of offending beneficiaries that the House refused to touch even these generous benefits. The Ways and Means Committee did, however, approve the least controversial proposal—a reform of the disability program. But Congressional sensitivity remains; now even that bill seems to be in trouble. For it to fail would be a blow to good sense in the short term—and to Social Security recipients in the long run.

Disability payments have risen fivefold in ten years. Much of the increase is wholly justified, since those unable to work are being offered greater protection. But the increase also reflects the perverse financial incentives built into the system. Many people are eligible for larger payments than their wages. Once on disability, there are barriers to ever getting off. To work again means losing Medicare coverage even if continuing care is needed. And workers believe it may be difficult, once off the disability roll, ever to get back on. So for safety's sake they stay.

The House bill would, reasonably, limit benefits to a person's maximum take-home pay prior to becoming disabled. It would ease the transition from disability back to work by extending Medicare coverage for three years. And it would allow automatic reinstatement for those who try to return to work and find they can't. Stanford Ross, the Commissioner of Social Security, estimates the reforms would save about $1 billion a year by 1984—without costing beneficiaries a cent.

Then why the opposition? Some claim there is no need to limit cash benefits to a person's previous take-home pay. But surely there is no reason to invite fraud by making life more attractive on disability than off. The more plausible explanation is that traditional supporters of Social Security view any reduction in payments, no matter how justifiable, as the thin edge of a wedge that would eventually pry out other reductions.

There is some logic to this belief, but it's short-sighted. To defend wasteful aspects of the Social Security System is to invite criticism of the very idea of broad social insurance. The rapid growth in retirees and benefits has greatly increased the system's cost. Today's grumbling over the payroll tax is certain to become louder as already scheduled tax increases go into effect in the 1980's. Those who would protect Social Security have an obligation to help keep its house clean, lest others wield the broom.

The Disability Insurance Amendments of 1979 also contain a number of administrative improvements in the program. It is presently common procedure for an individual denied a benefit to receive merely a computerized notice stating that it has been determined that he or she is ineligible for coverage under the disability program. H.R. 3236 will require that an individual refused a disability benefit be given a detailed explanation of the reason he or she has been denied the benefit. The bill requires that this explanation be made promptly and that it be made understandable. Additionally, the Disability Amendments of 1979 establish uniform procedures for the award and denial of benefits in all 50 States.

Opponents of the Disability Amendments of 1979 frequently point to the fact that the disability insurance trust fund is at the moment financially sound, and therefore that it has been unfair to single out this program for legislative action. Clearly, the disability insurance fund should be made sound on a basis that does not jeopardize the old age and survivors insurance fund, on which the elderly depend for their social security. But this has been a case of "borrowing from Peter to pay Paul". Only 2 years ago, the disability insurance trust fund was on the verge of bankruptcy. The amount of money in the fund was not sufficient to cover its payments. This situation necessitated the legislative action in the Social Security Amendments of 1977, which transferred funds from the old age and survivors insurance fund to the disability insurance fund to make the former solvent. These 1977 amendments have resulted in the transfer of $3 billion each year from other social security funds to the disability trust fund. Old age and survivors insurance is the program which provides social security benefits to the elderly. It has been projected by the Congressional Budget Office that the balance-to-outlays ratio in the OASI program will fall from 34 percent in fiscal year 1979 to the dangerously low level of 5.4 percent in fiscal year 1984. Moreover, in the event of a recession the demand upon the disability insurance fund will increase.

In conclusion, Mr. Chairman, I would like to emphasize the positive accomplishments of the legislation before us today. The disability program as currently structured has strong disincentives for recipients to enter the work force and, thereby, gain their own self-respect and make a significant social and economic contribution to our Nation. The reforms embodied in H.R. 3236 which remove these disincentives are long overdue. The bill also rectifies glaring inequities in the treatment of beneficiaries which presently exist. Finally, this measure puts the disability insurance trust fund on a fiscally and independently sound footing. For all these reasons, Mr. Chairman, I hope the Members of the House will act responsibly and will approve this bill.●

Mr. PICKLE. Mr. Chairman, I have no further requests for time.

Mr. ARCHER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment. No amendments are in order except for the amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment, and an amendment printed in the CONGRESSIONAL RECORD of June 5, offered by the gentleman from Illinois (Mr. SIMON), which shall not be subject to amendment.

(The bill is as follows:)

H.R. 3236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Disability Insurance Amendments of 1979".

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LIMITATION ON TOTAL FAMILY BENEFITS IN DISABILITY CASES

SEC. 2. (a) Section 203(a) of the Social Security Act is amended—

(1) by striking out "except as provided by paragraph (3)" in paragraph (1) (in the matter preceding subparagraph (A)) and inserting in lieu thereof "except as provided by paragraphs (3) and (6)";

(2) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively; and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) Notwithstanding any of the preceding provisions of this subsection (but subject to section 215(i)(2)(A)(ii)), the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for any month on the basis of the wages and self-employment income of an individual entitled to disability insurance benefits (whether or not such total benefits are otherwise subject to reduction under this subsection but in lieu of any reduction under this subsection which would otherwise be applicable) shall be reduced (before the application of section 224) to the smaller of—

"(A) 80 percent of such individual's average indexed monthly earnings (or 100 percent of his primary insurance amount, if larger), or

"(B) 150 percent of such individual's primary insurance amount.".

(b)(1) Section 203(a)(2)(D) of such Act is amended by striking out "paragraph (7)" and inserting in lieu thereof "paragraph (8)".

(2) Section 203(a)(8) of such Act, as redesignated by subsection (a)(2) of this section, is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (7)".

(3) Section 215(i)(2)(A)(ii)(III) of such Act is amended by striking out "section 203 (a) (6) and (7)" and inserting in lieu thereof "section 203(a) (7) and (8)".

(c) The amendments made by this section shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of an individual whose initial eligibility for benefits (determined under sections 215(a)(3)(B) and 215 (a)(2)(A) of the Social Security Act, as applied for this purpose) begins after 1978, and whose initial entitlement to disability insurance benefits (with respect to the period of disability involved) begins after 1979.

REDUCTION IN NUMBER OF DROPOUT YEARS FOR YOUNGER DISABLED WORKERS

SEC. 3. (a) Section 215(b)(2)(A) of the Social Security Act is amended to read as follows:

"(2)(A) The number of an individual's benefit computation years equals the number of elapsed years reduced—

"(i) in the case of an individual who is entitled to old-age insurance benefits or who has died (except as provided in the second sentence of this subparagraph), by 5 years, and

"(ii) in the case of an individual who is entitled to disability insurance benefits, by the number of years equal to one-fifth of such individual's elapsed years (disregarding any resulting fractional part of a year), but not by more than 5 years.

Clause (ii), once applicable with respect to any individual, shall continue to apply for purposes of determining such individual's primary insurance amount after his death or attainment of age 65 or an subsequent eligibility for disability insurance benefits unless prior to the month in which he dies, attains such age, or becomes so eligible there occurs a period of at least 12 consecutive months for which he was not entitled to a disability insurance benefit. If an individual described in clause (ii) is determined in accordance with regulations of the Secretary to have been responsible for providing (and to have provided) the principal care of a child (of such individual or his or her spouse) under the age of 6 throughout more than 6 full months in any calendar year which is included in such individual's elapsed years, but which is not disregarded pursuant to clause (ii) or to subparagraph (B) (in determining such individual's benefit computation years) by reason of the reduction in the number of such individual's elapsed years under clause (ii), the number by which such elapsed years are reduced under this subparagraph pursuant to clause (ii) shall be increased by one (up to a combined total not exceeding 5) for each such calendar year; except that (I) no calendar year shall be disregarded by reason of this sentence (in determining such individual's benefit computation years) unless the individual provided such care throughout more than 6 full months in such year, (II) the particular calendar years to be disregarded under this sentence (in determining such benefit computation years) shall be those years (not otherwise disregarded under clause (ii)) for which the total of such individual's wages and self-employment income, after adjustment under paragraph (3), is the smallest, and (III) this sentence shall apply only to the extent that its application would result in a higher primary insurance amount. The number of an individual's benefit computation years as determined under this subparagraph shall in no case be less than 2.".

(b) Section 223(a)(2) of such Act is amended by inserting "and section 215(b)(2)(A)(ii)" after "section 202(q)" in the first sentence.

(c) The amendments made by this section shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of an individual whose initial entitlement to disability insurance benefits (with respect to the period of disability involved) begins on or after January 1, 1980; except that the third sentence of section 215(b)(2)(A) of the Social Security Act (as added by such amendments) shall apply only with respect to monthly benefits payable for months after December 1980.

WORK INCENTIVE—SGA DEMONSTRATION PROJECT

SEC. 4. (a) The Commissioner of Social Security shall develop and carry out experiments and demonstration projects designed to determine the relative advantages and disadvantages of various alternative methods of treating the work activity of disabled beneficiaries under the old-age, survivors, and disability insurance program, including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of disabled beneficiaries to the end that savings will accrue to the Trust Funds.

(b) The experiments and demonstration projects developed under subsection (a) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration while giving assurance that the results derived from the experiments and projects will obtain generally in the operation of the disability insurance program without committing such program to the adoption of any prospective system either locally or nationally.

(c) In the case of any experiment or demonstration project under subsection (a), the Secretary may waive compliance with the benefit requirements of titles II and XVIII of the Social Security Act insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least ninety days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner of Social Security to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a).

(d) The Commissioner of Social Security shall submit to the Congress no later than January 1, 1983, a final report on the experiments and demonstration projects carried out under this section together with any related data and materials which he may consider appropriate.

(e) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j) Expenditures made for experiments and demonstration projects under section 4 of the Disability Insurance Amendments of 1979 shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Secretary.".

EXTRAORDINARY WORK EXPENSES DUE TO SEVERE DISABILITY

SEC. 5. Section 223(d)(4) of the Social Security Act is amended by inserting after the third sentence the following new sentence: "In determining whether an individual is able to engage in substantial gainful activity by reason of his earnings, where his disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, there shall be excluded from such earnings an amount equal to the cost (to the individual) of any attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or services are necessary for the control of the disabling condition) which are necessary for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions.".

PROVISION OF TRIAL WORK PERIOD FOR DISABLED WIDOWS AND WIDOWERS; EXTENSION OF ENTITLEMENT TO DISABILITY INSURANCE AND RELATED BENEFITS

SEC. 6 (a)(1) Section 222(c)(1) of the Social Security Act is amended by striking out "section 223 or 202(d)" and inserting in lieu thereof "section 223, 202(d), 202(e), or 202 (f),".

(2) Section 222(c)(3) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof ", or, in the case of an individual entitled to widow's or widower's insurance benefits under section 202 (e) or (f) who became entitled to such benefits prior to attaining age 60, with the month in which such individual becomes so entitled.".

(3) The amendments made by this subsection shall apply with respect to individuals whose disability has not been determined to have ceased prior to the date of the enactment of this Act.

(b)(1)(A) Section 223(a)(1) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof "or, if later (and subject to subsection (e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A).".

(B) Section 202(d)(1)(G) of such Act is amended by—

(i) by redesignating clauses (i) and (ii) as clauses (I) and (II), respectively,

(ii) by inserting "the later of (i)" immediately before "the third month", and

(iii) by striking out "or (if later)" and inserting in lieu thereof the following: "(or, if later, and subject to section 223(e), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A)), or (ii)".

(C) Section 202(e)(1) of such Act is amended by striking out the period at the end inserting in lieu thereof the following: "or, if later (and subject to section 223(e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A).".

(D) Section 202(f)(1) of such Act is amended by striking out the period at the end and inserting in lieu thereof the following: "or, if later (and subject to section 223(e)), the fifteenth month following the end of such individual's trial work period determined by application of section 222(c)(4)(A).".

(2) Section 223 of such Act is amended by adding at the end thereof the following new subsection:

"(e) No benefit shall be payable under subsection (d), (e), or (f) of section 202 or under subsection (a)(1) to an individual for any month after the third month in which he engages in substantial gainful activity during the 15-month period following the end of his trial work period determined by application of secton 222(c)(4)(A).".

(3) Section 226(b) of such Act is amended—

(A) by striking out "ending with the month" in the matter following paragraph (2) and inserting in lieu thereof "ending (subject to the last sentence of this subsection) with the month" and

(B) by adding at the end thereof the following new sentence: "For purposes of this subsection, an individual who has had a period of trial work which ended as provided in section 222(c)(4)(A), and whose entitlement to benefits or status as a qualified railroad retirement beneficiary as de-

scribed in paragraph (2) has subsequently terminated, shall be deemed to be entitled to such benefits or to occupy such status (notwithstanding the termination of such entitlement or status) for the period of consecutive months throughout all of which the physical or mental impairment, on which such entitlement or status was based, continues, but not in excess of 24 such months."

(4) The amendments made by this subsection shall apply with respect to individuals whose disability or blindness (whichever may be applicable) has not been determined to have ceased prior to the date of the enactment of this Act.

ELIMINATION OF REQUIREMENT THAT MONTHS IN MEDICARE WAITING PERIOD BE CONSECUTIVE

SEC. 7. (a)(1)(A) Section 226(b)(2) of the Social Security Act is amended by striking out "consecutive" in clauses (A) and (B).

(B) Section 226(b) of such Act is further amended by striking out "consecutive" in the matter following paragraph (2).

(2) Section 1811 of such Act is amended by striking out "consecutive".

(3) Section 1837(g)(1) of such Act is amended by striking out "consecutive".

(4) Section 7(d)(2)(ii) of the Railroad Retirement Act of 1974 is amended by striking out "consecutive" each place it appears.

(b) Section 226 of the Social Security Act is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) For purposes of subsection (b) (and for purposes of section 1837(g)(1) of this Act and section 7(d)(2)(ii) of the Railroad Retirement Act of 1974), the 24 months for which an individual has to have been entitled to specified monthly benefits on the basis of disability in order to become entitled to hospital insurance benefits on such basis effective with any particular month (or to be deemed to have enrolled in the supplementary medical insurance program, on the basis of such entitlement, by reason of section 1837(f)), where such individual had been entitled to specified monthly benefits of the same type during a previous period which terminated—

"(1) more than 60 months before that particular month in any case where such monthly benefits were of the type specified in clause (A)(i) or (B) of subsection (b)(2), or

"(2) more than 84 months before that particular month in any case where such monthly benefits were of the type specified in clause (A)(ii) or (A)(iii) of such subsection, shall not include any month which occurred during such previous period.".

(c) The amendments made by this section shall apply with respect to hospital insurance or supplemental medical insurance benefits for months after the month in which this Act is enacted.

DISABILITY DETERMINATIONS; FEDERAL REVIEW OF STATE AGENCY ALLOWANCES

SEC. 8. (a) Section 221(a) of the Social Security Act is amended to read as follows:

"(a)(1) In the case of any individual, the determination of whether or not he is under a disability (as defined in section 216(i) or 223(d)) and of the day such disability began, and the determination of the day on which such disability ceases, shall be made by a State agency in any State that notifies the Secretary in writing that it wishes to make such disability determinations commencing with such month as the Secretary and the State agree upon, but only if (A) the Secretary has not found, under subsection (b)(1), that the State agency has substantially failed to make disability determinations in accordance with the applicable provisions of this section or rules issued thereunder, and (B) the State has not notified the Secretary, under subsection (b)(2), that it does not wish to make such determinations. If the Secretary once makes the finding described in clause (A) of the preceding sentence, or the State gives the notice referred to in clause (B) of such sentence, the Secretary may thereafter determine whether (and, if so, beginning with which month and under what conditions) the State may make again disability determinations under this paragraph.

"(2) The disability determinations described in paragraph (1) made by a State agency shall be made in accordance with the pertinent provisions of this title and the standards and criteria contained in regulations or other written guidelines of the Secretary pertaining to matters such as disability determinations, the class or classes of individuals with respect to which a State may make disability determinations (if it does not wish to do so with respect to all individuals in the State), and the conditions under which it may choose not to make all such determinations. In addition, the Secretary shall promulgate regulations specifying, in such detail as he deems appropriate, performance standards and administrative requirements and procedures to be followed in performing the disability determination function in order to assure effective and uniform administration of the disability insurance program throughout the United States. The regulations may, for example, specify matters such as—

"(A) the administrative structure and the relationship between various units of the State agency responsible for disability determinations,

"(B) the physical location of and relationship among agency staff units, and other individuals or organizations performing tasks for the State agency, and standards for the availability to applicants and beneficiaries of facilities for making disability determinations,

"(C) State agency performance criteria, including the rate of accuracy of decisions, the time periods within which determinations must be made, the procedures for and the scope of review by the Secretary, and, as he finds appropriate, by the State, of its performance in individual cases and in classes of cases, and rules governing access of appropriate Federal officials to State offices and to State records relating to its administration of the disability determination function,

"(D) fiscal control procedures that the State agency may be required to adopt,

"(E) the submission of reports and other data, in such form and at such time as the Secretary may require, concerning the State agency's activities relating to the disability determination process, and

"(F) any other rules designed to facilitate, or control, or assure the equity and uniformity of the State's disability determinations.".

(b) Section 221(b) of such Act is amended to read as follows:

"(b)(1) If the Secretary finds, after notice and opportunity for a hearing, that a State agency is substantially failing to make disability determinations in a manner consistent with his regulations and other written guidelines, the Secretary shall, not earlier than 180 days following his finding, make the disability determinations referred to in subsection (a)(1).

"(2) If a State, having notified the Secretary of its intent to make disability determinations under subsection (a)(1), no longer wishes to make such determinations, it shall notify the Secretary in writing of that fact, and, if an agency of the State is making disability determinations at the time such notice is given, it shall continue to do so for not less than 180 days. Thereafter, the Secretary shall make the disability determinations referred to in subsection (a)(1).".

(c) Section 221(c) of such Act is amended to read as follows:

"(c)(1) The Secretary (in accordance with paragraph (2)) shall review determinations, made by State agencies pursuant to this section, that individuals are under disabilities (as defined in section 216(i) or 223(d)). As a result of any such review, the Secretary may determine that an individual is not under a disability (as so defined) or that such individual's disability began on a day later than that determined by such agency, or that such disability ceased on a day earlier than that determined by such agency. Any review by the Secretary of a State agency determination under the preceding provisions of this paragraph shall be made before any action is taken to implement such determination and before any benefits are paid on the basis thereof.

"(2) In carrying out the provisions of paragraph (1) with respect to the review of determinations, made by State agencies pursuant to this section, that individuals are under disabilities (as defined in section 216(i) or 223(d)), the Secretary shall review—

"(A) at least 30 percent of all such determinations made by State agencies in the fiscal year 1980,

"(B) at least 60 percent of all such determinations made by State agencies in the fiscal year 1981, and

"(C) at least 80 percent of all such determinations made by State agencies in any fiscal year after the fiscal year 1981.".

(d) Section 221(d) of such Act is amended by striking out "(a)" and inserting in lieu thereof "(a), (b)".

(e) The first sentence of section 221(e) of such Act is amended—

(1) by striking out "which has an agreement with the Secretary" and inserting in lieu thereof "which is making disability determinations under subsection (a)(1)",

(2) by striking out "as may be mutually agreed upon" and inserting in lieu thereof "as determined by the Secretary", and

(3) by striking out "carrying out the agreement under this section" and inserting in lieu thereof "making disability determinations under subsection (a)(1)".

(f) Section 221(g) of such Act is amended—

(1) by striking out "has no agreement under subsection (b)" and inserting in lieu thereof "does not undertake to perform disability determinations under subsection (a)(1), or which has been found by the Secretary to have substantially failed to make disability determinations in a manner consistent with his regulations and guidelines", and

(2) by striking out "not included in an agreement under subsection (b)" and inserting in lieu thereof "for whom no State undertakes to make disability determinations".

(g) The amendments made by this section shall be effective beginning with the twelfth month following the month in which this Act is enacted. Any State that, on the effective date of the amendments made by this section, has in effect an agreement with the Secretary of Health, Education, and Welfare under section 221(a) of the Social Security Act (as in effect prior to such amendments) will be deemed to have given to the Secretary the notice specified in section 221(a)(1) of such Act as amended by this section, in lieu of continuing such agreement in effect after the effective date of such amendments. Therefore, a State may notify the Secretary in writing that it no longer wishes to make disability determinations, effective not less than 180 days after it is given.

INFORMATION TO ACCOMPANY SECRETARY'S DECISIONS AS TO CLAIMANT'S RIGHTS

SEC. 9. (a) Section 205(b) of the Social Security Act is amended by inserting after the first sentence the following new sentences: "Any such decision by the Secretary

shall contain a statement of the case setting forth (1) a citation and discussion of the pertinent law and regulation, (2) a list of the evidence of record and a summary of the evidence, and (3) the Secretary's determination and the reason or reasons upon which it is based. The statement of the case shall not include matters the disclosure of which (as indicated by the source of the information involved) would be harmful to the claimant, but if there is any such matter the claimant shall be informed of its existence, and it may be disclosed to the claimant's representative unless the latter's relationship with the claimant is such that disclosure would be as harmful as if made to the claimant.".

(b) The amendment made by subsection (a) shall apply with respect to decisions made on and after the first day of the second month following the month in which this Act is enacted.

LIMITATION ON PROSPECTIVE EFFECT OF APPLICATION

SEC. 10. (a) Section 202(j)(2) of the Social Security Act is amended to read as follows:

"(2) An application for any monthly benefits under this section filed before the first month in which the applicant satisfies the requirements for such benefits shall be deemed a valid application (and shall be deemed to have been filed in such first month) only if the applicant satisfies the requirements for such benefits before the Secretary makes a final decision on the application and no request under section 205(b) for notice and opportunity for a hearing thereon is made or, if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).".

(b) Section 216(i)(2)(G) of such Act is amended—

(1) by inserting "(and shall be deemed to have been filed on such first day)" immediately after "shall be deemed a valid application" in the first sentence,

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof "and no request under section 205(b) for notice and opportunity for a hearing thereon is made or, if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).", and

(3) by striking out the second sentence.

(c) Section 223(b) of such Act is amended—

(1) by inserting "(and shall be deemed to have been filed in such first month)" immediately after "shall be deemed a valid application" in the first sentence,

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof "and no request under section 205(b) for notice and opportunity for a hearing thereon is made, or if such a request is made, before a decision based upon the evidence adduced at the hearing is made (regardless of whether such decision becomes the final decision of the Secretary).", and

(3) by striking out the second sentence.

(d) The amendments made by this section shall apply to applications filed after the month in which this Act is enacted.

LIMITATION ON COURT REMANDS

SEC. 11. The sixth sentence of section 205(g) of the Social Security Act is amended by striking out all that precedes "and the Secretary shall" and inserting in lieu thereof the following: "The court may, on motion of the Secretary made for good cause shown before he files his answer, remand the case to the Secretary for further action by the Secretary, and it may at any time order additional evidence to be taken before the Secretary, but only upon a showing that there is new evidence which is material and that there is good cause for the failure to incorporate such evidence into the record in a prior proceeding;".

TIME LIMITATIONS FOR DECISIONS ON BENEFIT CLAIMS

SEC. 12. The Secretary of Health, Education, and Welfare shall submit to the Congress, no later than January 1, 1980, a report recommending the establishing of appropriate time limitations governing decisions on claims for benefits under title II of the Social Security Act. Such report shall specifically recommend—

(1) the maximum period of time (after application for a payment under such title is filed) within which the initial decision of the Secretary as to the rights of the applicant should be made;

(2) the maximum period of time (after application for reconsideration of any decision described in paragraph (1) is filed) within which a decision of the Secretary on such reconsideration should be made;

(3) the maximum period of time (after a request for a hearing with respect to any decision described in paragraph (1) is filed) within which a decision of the Secretary upon such hearing (whether affirming, modifying, or reversing such decision) should be made; and

(4) the maximum period of time (after a request for review by the Appeals Council with respect to any decision described in paragraph (1) is made) within which the decision of the Secretary upon such review (whether affirming, modifying, or reversing such decision) should be made.

In determining the time limitations to be recommended, the Secretary shall take into account both the need for expeditious processing of claims for benefits and the need to assure that all such claims will be thoroughly considered and accurately determined.

"Cost of Rehabilitation Services From Trust Funds

SEC. 13. (a) Section 222(d) of the Social Security Act is amended to read as follows:

"COST OF REHABILITATION SERVICES FROM TRUST FUNDS

"(d)(1) For the purpose of making vocational rehabilitation services more readily available to disabled individuals who are—

"(A) entitled to disability insurance benefits under section 223,

"(B) entitled to child's insurance benefits under section 202(d) after having attained age 18 (and are under a disability),

"(C) entitled to widow's insurance benefits under section 202(e) prior to attaining age 60, or

"(D) entitled to widower's insurance benefits under section 202(f) prior to attaining age 60,

to the end that savings will accrue to the Trust Funds as a result of rehabilitating such individuals into substantial gainful activity, there are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund each fiscal year such sums as may be necessary to enable the Secretary to reimburse—

"(i) the general fund in the Treasury of the United States for the Federal share, and

"(ii) the State for twice the State share,

of the reasonable and necessary costs of vocational rehabilitation services furnished such individuals (including services during their waiting periods), under a State plan for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), which result in their performance of substantial gainful activity which lasts for a continuous period of 12 months, or which result in their employment for a continuous period of 12 months in a sheltered workshop meeting the requirements applicable to a nonprofit rehabilitation facility under paragraphs (8) and (10)(L) of section 7 of such Act (29 U.S.C. 706 (8) and (10)(L)). The determination that the vocational rehabilitation services contributed to the successful return of such individuals to substantial gainful activity or their employment in sheltered workshops, and the determination of the amount of costs to be reimbursed under this subsection, shall be made by the Commissioner of Social Security in accordance with criteria formulated by him.

"(2) Payments under this subsection shall be made in advance or by way of reimbursement, with necessary adjustments for overpayments and underpayments.

"(3) Money paid from the Trust Funds under this subsection for the reimbursement of the costs of providing services to individuals who are entitled to benefits under section 223 (including services during their waiting periods), or who are entitled to benefits under section 202(d) on the basis of the wages and self-employment income of such individuals, shall be charged to the Federal Disability Insurance Trust Fund, and all other money paid from the Trust Funds under this subsection shall be charged to the Federal Old-Age and Survivors Insurance Trust Fund. The Secretary shall determine according to such methods and procedures as he may deem appropriate—

"(A) the total amount to be reimbursed for the cost of services under this subsection, and

"(B) subject to the provisions of the preceding sentence, the amount which should be charged to each of the Trust Funds.

"(4) For the purposes of this subsection the term 'vocational rehabilitation services' shall have the meaning assigned it in title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), except that such services may be limited in type, scope, or amount in accordance with regulations of the Secretary designed to achieve the purpose of this subsection.

"(5) The Secretary is authorized and directed to study alternative methods of providing and financing the costs of vocational rehabilitation services to disabled beneficiaries under this title to the end that maximum savings will result to the Trust Funds. On or before January 1, 1980, the Secretary shall transmit to the President and the Congress a report which shall contain his findings and any conclusions and recommendations he may have.".

(b) The amendment made by subsection (a) shall apply with respect to fiscal years beginning after September 30, 1980.

CONTINUED PAYMENT OF BENEFITS TO INDIVIDUALS UNDER VOCATIONAL REHABILITATION PLANS

SEC. 14. (a) Section 225 of the Social Security Act is amended by inserting "(a)" after "SEC. 225.", and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of this title, payment to an individual of benefits based on disability (as described in the first sentence of subsection (a)) shall not be terminated or suspended because the physical or mental impairment on which the individual's entitlement to such benefits is based has or may have ceased if—

"(1) such individual is participating in an approved vocational rehabilitation program under a State plan approved under title I of the Rehabilitation Act of 1973, and

"(2) the Commissioner of Social Security determines that the completion of such program, or its continuation for a specified period of time, will increase the likelihood that such individual may (following his participation in such program) be permanently removed from the disability benefit rolls.".

(b) Section 225(a) of such Act (as designated under subsection (a) of this section) is amended by striking out "this sec-

tion" each place it appears and inserting in lieu thereof "this subsection".

PAYMENT FOR EXISTING MEDICAL EVIDENCE

SEC. 15. (a) Section 223(d)(5) of the Social Security Act is amended by adding at the end thereof the following new sentence: "Any non-Federal hospital, clinic, laboratory, or other provider of medical services, or physician not in the employ of the Federal Government, which supplies medical evidence required by the Secretary under this paragraph shall be entitled to payment from the Secretary for the reasonable cost of providing such evidence.".

(b) The amendment made by subsection (a) shall apply with respect to evidence supplied on or after the date of the enactment of this Act.

PAYMENT OF CERTAIN TRAVEL EXPENSES

SEC. 16. Section 201 of the Social Security Act (as amended by section 4(e) of this Act) is amended by adding at the end thereof the following new subsection:

"(k) There are authorized to be made available for expenditure, out of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (as determined appropriate by the Secretary), such amounts as are required to pay travel expenses, either on an actual cost or commuted basis, to individuals for travel incident to medical examinations requested by the Secretary in connection with disability determinations under section 221, and to parties, their representatives, and all reasonably necessary witnesses for travel within the United States (as defined in section 210(i)) to attend reconsideration interviews and proceedings before administrative law judges with respect to such determinations. The amount available under the preceding sentence for payment for air travel by any person shall not exceed the coach fare for air travel between the points involved unless the use of first-class accommodations is required (as determined under regulations of the Secretary) because of such person's health condition or the unavailability of alternative accommodations; and the amount available for payment for other travel by any person shall not exceed the cost of travel (between the points involved) by the most economical and expeditious means of transportation appropriate to such person's health condition, as specified in such regulations.".

PERIODIC REVIEW OF DISABILITY DETERMINATIONS

SEC. 17. Section 221 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h) In any case where an individual is or has been determined to be under a disability, unless a finding is or has been made that such disability is permanent, the case shall be reviewed by the applicable State agency or the Secretary (as may be appropriate), for purposes of continuing eligibility, at least once every 3 years. Reviews of cases under the preceding sentence shall be in addition to, and shall not be considered as a substitute for, any other reviews which are required or provided for under or in the administation of this title.".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

Mr. PICKLE. Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read, considered en bloc, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The committee amendments are as follows:

Page 3, line 2, after "subsection" insert "other than paragraphs (3)(A), (3)(C), and (5)".

Page 4, after line 3, insert the following new paragraph:

(4) Section 215(i)(2)(D) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, such revision of maximum family benefits shall be subject to paragraph (6) of section 203(a) (as added by section 2(a)(3) of the Disability Insurance Amendments of 1979).".

Page 4, line 25, strike out "or who has died".

Page 5, lines 12 and 13, strike out "he dies, after "subparagraph),".

Page 5, line 10, strike out "death or".

Page 5, lines 12 and 13, strike out "he dies, attains such age, or" and insert in lieu thereof "he attains such age or".

Page 9, line 15, strike out the comma.

Page 19, line 6, strike out "30 percent" and insert in lieu thereof "15 percent".

Page 19, line 9, strike out "60 percent" and insert in lieu thereof "35 percent".

Page 19, line 12, strike out "80 percent" and insert in lieu thereof "65 percent".

Page 21, after line 6, insert the following new subsection:

(h) The Secretary of Health, Education, and Welfare shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate by January 1, 1980, a detailed plan on how he expects to assume the functions and operations of a State disability determination unit when this becomes necessary under the amendments made by this section. Such plan should assume the uninterrupted operation of the disability determination function and the utilization of the best qualified personnel to carry out such function. If any amendment of Federal law or regulation is required to carry out such plan, recommendations for such amendment should be included in the plan for action by such committees, or for submittal by such committees with appropriate recommendations to the committees having jurisdiction over the Federal civil service and retirement laws.

Page 22, strike out the sentence beginning on line 6.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

□ 1720

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: Page 29, line 15, strike out "1980" and insert in lieu thereof "1981".

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, I thank the gentleman from Illinois for yielding. I rise in opposition to H.R. 3236. I would like to associate myself with the remarks of my distinguished colleague, the gentleman from Florida.

Mr. Chairman, I rise in opposition to H.R. 3236, the Social Security Disability Insurance Amendments of 1979. Certainly, nobody can argue with the goal of returning the disabled to useful employment. When H.R. 3236 was in the process of being drafted and considered in the Ways and Means Committee, we held high hopes that the legislation would provide appropriate incentives to get the disabled back to work.

Unfortunately, in the form in which H.R. 3236 comes before us, it will punish all recipients of social security disability benefits—those who can be rehabilitated and those who can never be rehabilitated, either under this bill or any other set of incentives we might propose.

With H.R. 3236 we are confronted with a piece of legislation which clearly contains valuable work incentive provisions, but, at the same time, it seriously undercuts the confidence that workers and their families have every right to place in the social security system.

All of the constituents who have contacted me regarding this legislation have urged me to oppose H.R. 3236, and I have heard from dozens of organizations and coalitions representing the elderly, the disabled, workers and retirees, and all of them vigorously and adamantly oppose H.R. 3236. Among these groups are: S.O.S. (Save Our Security) a Coalition to Protect Social Security; the National Organization for Women; the Community Service Society; the American Coalition of Citizens with Disabilities; the AFL-CIO; the National Council of Senior Citizens the National Association for Retarded Citizens; the Paralyzed Veterans of America; the Eastern Paralyzed Veterans Association; the Grey Panthers of New York City and the Brooklyn Grey Panthers.

Many of these groups see this legislation as a dangerous precedent for future assaults on the social security system. If reductions in disability benefits can be made today in H.R. 3236, perhaps reductions will be made tomorrow in benefits for widows, orphans, dependent children, or the poorest of our Nation's elderly.

Mr. Chairman, there are better ways to get at abuses of the system than to punish all recipients. Even more importantly, if we were to approve this legislation before us, we would be sending a shock wave throughout our Nation affecting all men and women who have contributed to social security all their working lives. If we were to approve H.R. 3236 we would be sending a message that the promises we have made—in law—over the more than 40 years since the social security system was initiated are not to be relied upon. I therefore urge the defeat of H.R. 3236.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague the gentleman from Virginia.

Mr. FISHER. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I would like to express my support for H.R. 3236, the Social Security Disability Insurance Amendments of 1979.

The social security disability insurance program replaces earnings lost by workers who are unable to continue working because of a disability. Disabled workers with dependents receive additional benefits. The disability insurance amendments make a number of changes and improvements in the program. The bill provides incentives for disabled people to return to work and improvements in the administration of the program.

Disabled people may want to attempt to return to work, but may fear the loss of the cushion provided by disability insurance and medical benefits. Several provisions in this bill will encourage disabled people to take the difficult step of attempting to work. If the work effort does not succeed, the disabled person will know that his eligibility for benefits will not be jeopardized. Among the work incentive provisions are the following: A longer trial work period during which a disabled worker can test his ability to work without losing either benefits or eligibility for benefits, an extended period during which disabled beneficiaries who return to work are eligible for medical benefits, and a deduction of extraordinary work expenses from a beneficiary's earnings in order to determine continued eligibility.

Although the provisions for work incentives and the ones improving administration of the program are not controversial, two other sections dealing with benefit levels are. One section makes a change in the limitation on family benefits. Currently the law limits the total amount that can be paid to a disabled worker and his dependents. The worker receives his full benefit—100 percent. With one dependent, the worker can also receive a dependent's benefit which is 50 percent of the worker's basic benefit. In some cases, an additional dependent increases the worker's benefit, but by less than another 50 percent of the basic benefit; the amount allowed for an additional dependent is based on the level of the worker's benefit. The maximum benefit that can be paid to a disabled worker with a family varies from 150 percent of the basic benefit to 188 percent, with the lower limit applying to those with lower benefits. The disability insurance amendments make all families subject to the 150-percent limit, or to a limit of 80 percent of the worker's predisability earnings, whichever is lower. This change affects only future beneficiaries.

Over the last decade, average benefits for disabled workers with families have increased substantially. In 1967, these beneficiaries had 60 percent of their predisability earnings replaced by disability benefits. Ten years later the replacement rate had increased to 90 percent. Many analysts consider such high replacement rates undesirable. Because disability benefits are nontaxable, it is even possible for a disabled worker to have more disposable income than he had while he was working. Disabled beneficiaries who could return to work are discouraged from rehabilitation efforts when benefits are so high. Even in the case of beneficiaries who can never be expected to work again, sound public policy should not provide benefit rates at such a high level. People who do not work should not be better off financially than those who do.

The second feature of the bill that has aroused controversy is the reduction in the number of dropout years for younger workers. Benefits are calculated on the basis of lifetime earnings. Presently all disabled workers are allowed to drop out their lowest 5 years of earnings before their benefits are calculated. This 5-year drop-out provision is more advantageous to younger workers than older ones because 5 years is a bigger proportion of their careers. The bill varies the number of drop-out years by age. The full 5 years would be allowed only to workers over age 47.

This variable drop-out years provision will improve the relationship between older and younger disabled workers' benefits. A young worker should not be able to receive higher benefits than an older worker who was employed for many years when wages were lower than they have been recently. The new provision will correct the disparity between the two groups and be more equitable.

The 1979 Disability Insurance Amendments contain a number of provisions to encourage work efforts among the disabled and improve the administration of the disability insurance program. It assures the active workers who pay the taxes to support this program that equitable benefits will be provided to individuals and families who suffer the misfortune of a disability that takes them out of the workforce.

I urge my colleagues to support this bill.

Mr. SIMON. Mr. Chairman, this amendment I believe is noncontroversial and I hope will be accepted by this body.

Under this bill as it was originally adopted by the Ways and Means Committee, the effective date would be fiscal year 1981. This bill would impose on State rehabilitation services, vocational rehabilitation services some appreciable additional burdens. This was recognized in the Ways and Means Committee report where it says "under the committee bill," and I am quoting the Ways and Means report now, "the effective date is fiscal year 1981 to provide for an orderly transition and for adjustment of the authorization of appropriation for the regular vocational rehabilitation program which is within the jurisdiction of the Education and Labor Committee."

"This is very important if the level of support for VR services to SSDI beneficiaries is to be maintained."

This is a complicated area. I think everyone recognizes that. I talked to the chief sponsor, my colleague from Texas, and requested that we postpone the date 1 fiscal year so that we can take a good look and make sure we know what we are doing in the way of providing assistance to State vocational rehabilitation services.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman.

Mr. PICKLE. The gentleman, I know, understands that the committee has looked at the dates and is perfectly agreeable to extending it from 1981 to 1982. We think it is in line. It is a split jurisdiction matter and it properly is resting in the gentleman's committee. We will go the extra year and we accept the gentleman's amendment on this side.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague from Utah.

Mr. MARRIOTT. Mr. Chairman, I just want to get one thing straight. If we are going to extend this for a year, why do we not go back to committee and work on it for a year and come back? I do not understand what we are doing by the gentleman's amendment. Why not just vote this down and go back to committee, and then come back with a bill that solves the problem the gentleman has raised?

Mr. SIMON. If I could respond to my colleague from Utah, frankly this is an area that is exceedingly complicated. We are talking about, No. 1, the kind of support levels that the States can provide the State of Utah, and the State of Texas and the other States. We are talking about the level of support the Federal Government ought to provide. These are things one just cannot overnight go into. I think we would be wise in adopting this amendment at this time.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, this side accepts the amendment.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Chairman, we have no objections to the amendment and are completely pleased to accept it.

Mr. SIMON. Mr. Chairman, I yield back the balance of my time.

Mr. PERKINS. Mr. Chairman, it is with a feeling of regret that I must announce that I must vote against enactment of H.R. 3236.

My regret is occasioned by two reasons:

First, there are provisions in the bill which I certainly believe are desirable.

Secondly, I am aware of the hard work that the bill's sponsor, the gentleman from Texas (Mr. PICKLE) has put into bringing this bill to the floor. I have great respect for his dedication and his legislative skill.

Although undoubtedly the legislation is well intentioned, what is being advanced here today as a reform of disability administrative determinations in fact will reduce benefits that can be expected by workers who in the future will be confronted by the tragedy of disabling work injuries.

As I have indicated, I have reluctance in opposing the legislation because I do believe that disabled persons who want to go back to work should not lose their medicare coverage when they do so, nor should they be financially penalized by a decision to return to work when they can safely do so.

Features of the bill—

Which extend medicare protection for an additional 3 years after a disabled person returns to work;

Which permit automatic reinstatement for disabled persons who try to work but are not successful; and

Provisions which allow disabled persons to deduct impairment-related work expenses in determining whether they meet the disability earnings test.

All are desirable reforms of the social security disability program contained in H.R. 3236.

However, my view of section 2 and section 3 of the bill, which have the effect of reducing benefits, constitute regressive legislation of the worst sort and the evil these sections produce far overshadow any good feature the bill might have.

Let me cite an example of what this bill is trying to do under the guise of creating an economic incentive to return to work:

Assume that a worker would become disabled in 1980 with two dependents, and before disabled his earnings were $5,750. The current law would allow him $5,039 in disability benefits.

Understand, this is a big deal. The poverty level for a family of 3 is $5,000—but the committee bill would reduce this disability benefit to $4,600.

The fact is, you cannot force a disabled worker back to work—particularly where the disability sharply reduces the opportunity for any employment.

No, Mr. Chairman, this bill will not return the disabled to work.

But what we are doing by H.R. 3236 is budget cutting at the expense of thousands of the most needy American families.

It has been my experience that most disabled persons who can find and who can perform work are most anxious to do so.

This experience stems from frequent visits to the homes of individuals throughout the 27 Kentucky counties that it is my privilege to represent.

In 15 of the counties that I represent, 41 percent to 57 percent of the families are below the poverty level according to the most recent census data.

In 5, families below the poverty level were 30 percent to 37.5 percent.

Five more had in excess of 22.8 percent below the poverty level.

In 2 other counties, the comparable figures are 14.2 percent and 18.5 percent.

Being a rural district, the economic well-being of the residents has risen and fallen with what has happened generally with respect to the farmers' income. But in most of the counties the nature of the farming enterprise is marginal and provides at best a subsistence level of living for the families.

The economy of many of the rural areas depends upon the production of coal. Most of the coal operations are from very small operators whose annual tonnages are insignificant, but in the total, supply the Nation with a significant portion of its coal needs.

Thus, these scattered communities in the coal counties suffer even more severely than other coal-producing areas of the Nation because of the ups and downs of the coal situation.

Because of the isolation and remoteness of most of the communities in these 27 counties, health, medical, and nutritional services have been inadequate or nonexistent for decades.

Translated into human terms, this means that household, farm and mining injuries often project aggravated and lifelong disabilities.

One of the great social breakthroughs in my experience in Congress was when we were successful in enacting the disability provisions of the Social Security Act in 1956.

As I recall, it only passed the Senate by one vote.

This achievement was followed by a great disappointment on my part because, as a representative of the area that I have described, I saw harsh and restrictive bureaucratic regulations impede the just benefits that were due many disabled persons who could engage in no gainful employment.

For this reason, I have taken heart over the years in the liberalizing provisions of the disability provisions of the Social Security Act.

While it would serve no purpose to my colleagues, who are familiar with them, I want to stress that I regard as important the revision in the disability definition initiated in 1965, the reduction in quarters of coverage requirement in 1967, the liberalizing provisions of 1972 and the other additions enacted subsequent to 1965 which illustrate that our Government is, indeed, humanitarian.

I know that today, more than any other period in our history, we may be inclined to stress, out of some feeling of fiscal urgency, a tightening of the rules and regulations which determine a person's eligibility for disability benefits. But I want to stress a point that I know to be true—and that is that we have become too regimented and too bureaucratic in the determination of disability benefits.

I think this is particularly true in the case of congressional districts of the nature I am privileged to represent.

I hope that the Congress will look very carefully into what is happening in the rural areas of America with respect to benefit programs and reject legislation that could be disastrous for many needy families.

In initiating a claim for assistance, a rural inhabitant is at a great disadvantage, and with the new documentation that is being required for applicants for assistance, I feel that an unreasonable burden is being placed upon the inhabitants of rural areas.

It has always been disturbing to me that the executive and bureaucratic portion of our Government could be less compassionate than the legislative branch, but I feel that this is so, and I hope that all Members of Congress will be vigilant against the exercise of arbitrary administrative regulations in denying people benefits which their government intends them to receive.

Here, again, I want to stress that our goal is to help people in need.

Too often in devising neat administrative ways to do this we deny benefits to the very persons we as Members of Congress have in mind to help when we enact legislation.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Texas.

Mr. PICKLE. I realize the gentleman appeared before the committee and has some reservations about this particular bill.

Let me say to the gentleman the amendment before us is an amendment that was requested by the Education and Labor Committee, by Mr. SIMON, in order that the vocational rehabilitation program could more properly rest with the Education and Labor Committee and maintain a regular State-Federal relationship. It has nothing to do with the overall bill other than it was the gentleman's committee's request that we just extend it 1 full year before that committee takes over the program under its jurisdiction.

Mr. PERKINS. After the year expires the gentleman's modification of the disability provision as presently in the law takes effect, am I correct in that assessment?

Mr. PICKLE. This is 1979 and the gentleman has 3 years in order to make the adjustment in his committee and the Appropriations Committee. We do not take away money from the trust fund, we give an extra bonus, a double amount of money to the States.

Mr. PERKINS. Does not the gentleman from Texas think it would be in order to go back before his committee and to have further hearings, further study and see if we cannot come up with some justifiable amendments in addition to this amendment? I think we go overboard with only this amendment and leave the rest unchanged.

Mr. PICKLE. If the gentleman will yield further, I must say I am somewhat confused and almost startled that there would be a note of opposition. We had no requests for this in the committee. It was not considered. We thought in the committee we were doing exactly what the gentleman's committee wanted, and that is why we have agreed to it and asked the Rules Committee for the rule.

Mr. PERKINS. Let me say to the distinguished gentleman from Texas he certainly did not do what I had in mind. I came before the gentleman's committee and opposed the amendment as vigorously as I knew how to oppose it because I knew that the Social Security Administration had always been very tough insofar as these people are concerned.

□ 1730

Mr. PICKLE. Mr. Chairman, I remember the gentleman opposed the bill, but not this amendment. I think the gentleman should understand that this is an amendment that delays the transfer of routine expenditures from the trust fund for the vocational rehabilitation program over to the jurisdiction of the gentleman's committee. I do not remember the gentleman opposing that amendment.

Mr. PERKINS. I did not oppose that amendment, but I opposed the modification.

Mr. PICKLE. Yes. If we could get that vote through, we are in agreement on that amendment.

Mr. PERKINS. I opposed the modification to the disability provision. It is my opposition to the disability provision and not to the amendment of the gentleman from Illinois.

Mr. PICKLE. I thank the gentleman from Kentucky.

Mr. JOHN L. BURTON. Mr. Chairman, in order not to make a preferential motion, I ask unanimous consent to speak for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHN L. BURTON. I ask the Chairman, what is the amount of money these people are getting now that is more than they got when they were working? Fifteen hundred dollars? Two thousand dollars a month on disability for being crippled?

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding. We have got a scale that goes all the way from $1,750 up to $16,000.

Mr. JOHN L. BURTON. Sixteen thousand dollars a month?

Mr. PICKLE. Annually. It is based on earnings.

Mr. JOHN L. BURTON. The point I am making is the gentleman is making a big point that people who are totally crippled are getting more money than they were making while they were working. I do not know anybody who would trade life or limb for more money.

Mr. PICKLE. I will say to the gentleman that is only with respect to family benefits. We do not take away any benefits they have earned and are entitled to.

Mr. JOHN L. BURTON. The gentleman is making a big point, my friend, the gentleman from Indiana, saying that there are people who are not working. In other words, there are people who are crippled who are getting more money because they happen to be in this program, with the cost of living getting more money than while they were working. I wonder if there is anybody in this Chamber who would become totally disabled in order to get a little bit more for being totally crippled for life than they would if they were still working.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

I will point out to the gentleman that 80 percent of the average monthly wage means the gross monthly wage.

Mr. JOHN L. BURTON. If the gentleman will give me 1 more minute, I will let him go on.

Mr. JACOBS. I just want to say to the gentleman that that takes into account all of that, and the question still remains, who is going to pay the bill?

Mr. JOHN L. BURTON. I hear that the fund is in surplus. The gentleman from New York said that this fund is in surplus.

Mr. JACOBS. So was the social security fund a few years ago.

Mr. JOHN L. BURTON. But this fund was in surplus 75 years, and I do not think claiming people who are totally crippled because they are getting more money now maybe because of the cost-of-living index than they got when they were working is somehow ripping off the system.

Mr. JACOBS. Will the gentleman yield to make one point?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. JACOBS. This is only scratching the surface. On top of that there are college scholarships that go to that disabled person's children that other people cannot afford for their children.

Mr. JOHN L. BURTON. That is fantastic. That is fantastic. I do not know what good health is worth, but I think it is worth more than a scholarship for my kid. We are talking about totally crippled people.

This is my time, and I am taking it back. We are talking about totally crippled children. We are talking about a trust fund that is secure for 75 years, and I think it is some kind of a red herring that the committee is using. You are not going to save all that much money when it is terrific reform telling somebody who is crippled for life the day after the bill passes, "Tough eggs, buddy. You are only going to get so much money."

Mr. PICKLE. If the gentleman will yield, I must say to the gentleman we are not saying that to the individual at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON).

The amendment was agreed to.

The CHAIRMAN. Under the rule, no further amendments are in order, and under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes pursuant to House Resolution 310, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. QUILLEN

Mr. QUILLEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. QUILLEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. QUILLEN moves to recommit the bill, H.R. 3236, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BIAGGI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 235, nays 162, not voting 37, as follows:

[Roll No. 447]

YEAS—235

Abdnor
Albosta
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Bauman
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Boland
Bolling
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burlison
Butler
Byron
Carney
Chappell
Cheney
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derrick
Devine
Dicks
Dingell
Donnelly
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Fenwick
Findley
Fisher
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frenzel
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hanley
Hefner
Heftel
Hightower
Hillis
Hinson
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Lott
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDonald
McHugh
Madigan
Martin
Mathis
Mattox
Mazzoli
Michel
Mikva
Miller, Ohio
Montgomery
Moore
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Neal
Nelson
Nichols
O'Brien
Panetta
Paul
Pease
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Railsback
Regula
Rhodes

Ritter	Shuster	Trible
Robinson	Simon	Ullman
Rose	Skelton	Vander Jagt
Rostenkowski	Snowe	Volkmer
Roth	Solomon	Walgren
Royer	Spence	Watkins
Rudd	Stangeland	White
Runnels	Stanton	Whitehurst
Russo	Steed	Whitley
Sabo	Stenholm	Whittaker
Satterfield	Stockman	Williams, Mont.
Sawyer	Stratton	Wilson, Bob
Schulze	Stump	Wilson, Tex.
Sebelius	Swift	Winn
Sensenbrenner	Synar	Wirth
Shannon	Tauke	Wright
Sharp	Taylor	Wyatt
Shelby	Thomas	Wydler
Shumway	Thompson	

NAYS—162

Addabbo	Garcia	Natcher
Akaka	Gaydos	Nedzi
Ambro	Gilman	Nolan
Anderson, Calif.	Gonzalez	Nowak
Annunzio	Gramm	Oakar
Applegate	Gray	Oberstar
Atkinson	Guarini	Obey
Badham	Hall, Ohio	Ottinger
Bailey	Hammer-schmidt	Pashayan
Barnes	Harkin	Patten
Beard, R.I.	Harris	Pepper
Bethune	Harsha	Perkins
Biaggi	Hawkins	Peyser
Bingham	Heckler	Quillen
Blanchard	Hollenbeck	Rahall
Boggs	Holtzman	Rangel
Boner	Hopkins	Ratchford
Bonior	Horton	Reuss
Brademas	Howard	Richmond
Brodhead	Hutto	Rinaldo
Buchanan	Jeffords	Rodino
Burgener	Johnson, Calif.	Roe
Burton, John	Kildee	Rosenthal
Burton, Phillip	Kogovsek	Santini
Carr	Kostmayer	Scheuer
Cavanaugh	Lederer	Schroeder
Chisholm	Lehman	Seiberling
Clay	Leland	Slack
Collins, Ill.	Long, La.	Smith, Nebr.
Conte	Long, Md.	Snyder
Corman	Lowry	Solarz
D'Amours	Lujan	Stack
Danielson	McDade	Staggers
Daschle	McKay	Stewart
Davis, S.C.	McKinney	Stokes
Deckard	Maguire	Studds
Dellums	Markey	Traxler
Derwinski	Marks	Udall
Diggs	Marlenee	Van Deerlin
Dixon	Marriott	Vanik
Dodd	Matsui	Vento
Dornan	Mavroules	Walker
Dougherty	Mica	Wampler
Drinan	Mikulski	Waxman
Eckhardt	Mineta	Weiss
Edgar	Minish	Whitten
Edwards, Calif.	Mitchell, N.Y.	Wilson, C. H.
Fary	Moakley	Wolff
Ferraro	Mollohan	Wolpe
Fish	Moorhead, Calif.	Wylie
Fithian	Mottl	Yates
Ford, Mich.	Myers, Ind.	Yatron
Ford, Tenn.	Myers, Pa.	Young, Fla.
Frost		Zablocki
		Zeferetti

NOT VOTING—37

Barnard	Holland	Roybal
Brown, Calif.	Holt	Smith, Iowa
Campbell	Kastenmeier	Spellman
Carter	Livingston	St Germain
Clausen	McEwen	Stark
Cleveland	Miller, Calif.	Symms
Clinger	Mitchell, Md.	Treen
Conyers	Moffett	Weaver
Cotter	Murphy, Ill.	Williams, Ohio
Dickinson	Murtha	Young, Alaska
Flood	Patterson	Young, Mo.
Fuqua	Roberts	
Hansen	Rousselot	

□ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of Illinois for, with Mr. Mitchell of Maryland against.

Mr. Livingston for, with Mr. Carter against.

Mr. Williams of Ohio for, with Mr. Clinger against.

Until further notice:

Mr. Murtha with Mr. Conyers.
Mr. Roberts with Mr. Stark.
Mr. Fuqua with Mr. Young of Missouri.
Mr. Cotter with Mr. Moffett.
Mr. Barnard with Mr. Smith of Iowa.
Mr. Brown of California with Mr. Symms.
Mr. Miller of California with Mr. Young of Alaska.
Mr. Patterson with Mr. Hansen.
Mr. St Germain with Mr. Dickinson.
Mrs. Spellman with Mr. Rousselot.
Mr. Holland with Mr. Cleveland.
Mr. Kastenmeier with Mr. Clausen.
Mr. Roybal with Mr. Campbell.
Mr. Weaver with Mr. McEwan.
Mr. Flood with Mrs. Holt.

Messrs. DANNEMEYER, McHUGH, RITTER, CARNEY, and BLANCHARD changed their votes from "nay" to "yea."

Messrs. GUARINI, STAGGERS, DECKARD, McDADE, D'AMOURS, FORD of Michigan, NEDZI, BLANCHARD, RITTER, and HARKIN changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PICKLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUPPLEMENTAL SECURITY INCOME BENEFITS REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, during the last session of the 95th Congress, I introduced H.R. 14215, a bill which, if enacted, would have substantially reformed the eligibility requirements for aliens seeking supplemental security income benefits in the United States. Unfortunately, due to the heavy legislative agenda at the close of the 95th Congress, no action was taken on the bill, and American taxpayers are still being forced to pay enormous sums each year in welfare payments to newly arrived aliens.

Now, in an effort to focus more specifically on this pressing problem, I am introducing legislation similar to that which I sponsored last year; however, this new bill has one extra feature which further insures that aliens arriving with permanent residence status will not become a drain for our hard-earned tax dollars. This legislation will not only amend title XVI of the Social Security Act to provide a 3-year residency requirement for aliens receiving supplemental security income benefits, but it will also amend the Immigration and Nationality Act to require every alien admitted for permanent residence to have a proven means of support or to have a sponsor who will contract to support him for 3 years at a level comparable to the benefits he would receive if he were eligible for supplemental security income. This bill is identical to S. 1070, which was introduced on May 3 of this year by the Honorable CHARLES H. PERCY, of Illinois, and I am especially pleased to sponsor a companion bill to the one introduced by Senator PERCY.

Under our present laws, aliens arriving in this country with permanent residence status are supposed to be supported by sponsors who agree to be financially responsible for their well-being. Unfortunately, there are no provisions in our current social security laws which legally commit sponsors to support these aliens, and many of them become eligible for supplemental security income payments within 30 days after their arrival in this country. The bill which I am introducing today will close this loophole in our social security laws by providing a legally binding contract which places financial responsibility for these aliens precisely where it belongs—on the sponsors who pledged to assist them.●

WHY THE STATE DEPARTMENT POSITION ON THE MIDDLE EAST IS NOT IN AMERICA'S NATIONAL INTERESTS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

● Mr. KEMP. Mr. Speaker, I am troubled by the recent direction of Middle East policy. It sometimes seems that the administration is more attentive to Palestinian concerns and Saudi demands than to our own national interests. It sometimes seems that the administration is apologetic for the Camp David accords, and embarrassed by the success of the Israeli-Egyptian negotiations. And on the issues of the PLO and southern Lebanon, it sometimes seems as if the administration and the State Department are waging a diplomatic guerrilla war against Israel.

The logic behind this policy escapes me. Most illogical is the Carter administration's 2-year flirtation with the Palestine Liberation Organization. Since 1977, the administration has engaged in an on-again, off-again effort to elicit a hint of moderation from this terrorist organization. With recognition and legitimacy dangled as bait, with inclusion in the peace negotiations proffered, the PLO has been encouraged to make a pro forma acknowledgment of Israel's right to exist. The PLO has chosen to remain committed to terrorism. It has stayed adamant in its opposition to any conciliation with Israel. In a sense, this ideological rigidity has saved American policy. It has done so because the PLO remains a violent, uncompromising, and destabilizing force. Had the PLO's leadership shown the pragmatism—or cynicism—to accept the ambiguous and weak demands made upon it by the United States, the PLO would certainly have been brought into the negotiations. Just as certainly, this would have doomed the

peace process and sabotaged American efforts to build a genuine peace.

It is undeniable: The PLO cannot make peace with Israel. Israel's very existence is taken throughout the PLO as casus belli. In this situation, the United States must be willing to make the hard choice of excluding the PLO from the peace process. We must make that choice, and stick by it.

Mr. Speaker, the Carter administration seems unwilling to confront that reality. What we see emerging from the State Department and the National Security Council is all too often an uninspired and sometimes fearful pastiche of realpolitik and appeasement. We have been told that the Saudis back the PLO, and that accommodation must be sought in order to assure a steady flow of oil. We have been told that elements of the PLO are in fact moderate, but must maintain face under attack from the "radicals." We have been told that the PLO does not reject U.N. Security Council Resolution 242 per se, but requires revised wording to assure its "rights."

There is a Palestinian problem. No one denies that, least of all Prime Minister Begin and President Sadat. These two leaders are committed to a solution to Palestinian aspirations. Through the Camp David accords, so is the United States. But a resolution of Palestinian aspirations does not inevitably mean legitimization of the PLO. One does not follow from the other, despite Saudi threats and pressure, despite the glib arguments from State, and the NSC, and from some European allies.

American policy toward the Palestinian problem must establish a principled refusal to deal with the PLO. The PLO offers nothing to the United States. Those who talk of international realities and power politics should consider this. The PLO is avowedly anti-American, sworn to the diminution of American influence in the Middle East. The PLO is closely allied with the Soviet Union. Does anyone seriously believe that a PLO state would be anything but another Cuba or Angola, another base of Soviet-backed violence in an area crucial to the West?

Those who argue that American recognition of the PLO would moderate its stance should consider this: Over the last 6 years, dozens of states throughout the world have opened ties to the PLO. States of the Communist bloc; states of the Third World; states of Latin America; even some NATO countries. During that time, the PLO has not abandoned its terrorism against Israeli civilians. During that time, the PLO has not changed its national covenant, which calls Israel's existence null and void. On the contrary, in 1974 and again in 1977, the PLO reaffirmed its commitment to the covenant.

Since the first Carter administration signals to the PLO in 1977, the PLO has, if anything, become more antipeace, and more anti-American. This points up the most damaging aspect of the administration's flirtation with the PLO: This policy has undermined Egyptian and Israeli confidence in us, while bolstering Arab rejectionists, including the PLO, who cannot bring themselves to make peace with Israel. Seeking a formula for PLO inclusion in the peace talks has mortgaged the peace process to those who opopse it.

In early 1977, Secretary of State Vance outlined the conditions under which the United States would open dealings with the PLO. These were: An explicit recognition of Israel's right to exist; a renunciation of certain inflammatory sections of the national covenant; and acceptance of resolutions 242 and 338. Since that time, the United States has dropped its first two demands. It is clear from the recent maneuvers at the U.N. that were the PLO to accept 242 with reservations, this would be taken as evidence of PLO moderation, and ties would be established.

It is self-delusion. It also is profoundly destabilizing, for it would cast aside a solemn pledge made to Israel during the Ford administration not to recognize or negotiate with the PLO so long as it refused to recognize Israel's right to exist and resolutions 242 and 338. This pledge was made in 1975 because it was understood then that it was based on a confluence of interests between the United States and Israel. Certain members of the State Department and the NSC have let it be known that they no longer consider this convergence of interest to be in effect.

They are wrong. Wrong on two counts. Israel and the United States still share a powerful strategic interest. Moreover, the American mediation role in the Middle East depends on the trust which all parties have in our fairness and in our word. What influence will the United States have if we cast aside a solemn commitment before the specific conditions for ending that commitment are met? What respect will the United States be able to command if our word and oath is shown to be malleable to oil threats and political strongarm?

Mr. Speaker, I would like to see an American Middle East policy which puts aside clever ambiguity and makes unambivalently clear our support for whatever peace that can be achieved; for those who are willing to make peace; for a bilateral peace if that is all that can be achieved; for a principled rejection of threat and terrorism; for an unwillingness to bow to "international realities" which are in fact nothing more than unconfronted fears. Mr. Speaker, I think that I have some time to wait until this comes about.

American policy toward Lebanon provides ample evidence. For years, Lebanon has been the base of PLO aggression against Israeli citizens. In recent months, Israel has moved to prevent the murder of its citizens. This has elicited constant sniping from the State Department, and growing threats about the alleged misuse of American equipment in what is no less a legitimate exercise in self-defense than was our war with the Barbary Pirates. The United States looks past the bloody, repressive occupation of Lebanon by Syrian "peacekeepers." It chooses not to focus on the primary cause of the fighting in southern Lebanon: PLO terrorism against Israel. Instead, in what is an apparent effort to mollify radical Arab opponents of the Egyptian-Israeli peace treaty, the administration has chosen to pillory Israel.

On the question of what constitutes legitimate self-defense for Israel I call my colleagues' attention to the words of the late Senator Hubert H. Humphrey in a Senate address on October 1, 1974. Senator Humphrey put in perspective the situation in which Israel finds itself, neighbor to a country which harbors terrorists, provides a base for guerrilla attacks on Israeli citizens, and flaunts international law and the U.N. Declaration of Friendly Relations. In his remarks, which follow, Senator Humphrey pointed out that: "It has been made abundantly clear by eminent international legal scholars that Israel's retaliatory raids into Lebanon and Jordan are countenanced by international law, and constitute 'legitimate self-defense' as cited in the Foreign Assistance Act of 1961." He reaffirms the right of Israel to defend itself by taking steps which will put an end to these terrorist attacks, thereby protecting its national security.

Mr. Speaker, during my recent trip to Israel it became abundantly clear to me that the people of Israel live their lives in terror thanks to the constant threat of the PLO to destroy them. While Israel has acted in self-defense, the PLO is vigorously pursuing its admitted purpose to eliminate Israel, and the administration must not in any action or inuendo support that effort.

Let us understand that the very instability in southern Lebanon is much of the administration's own doing. It did not challenge the Syrian occupation and de facto annexation of Lebanon, an occupation which has stultified chances of Lebanese national reconciliation. Worse, the administration violated a pledge (also made in 1975) to consult closely with Israel at the U.N. and acceded last year in the establishment of a U.N. force in Lebanon (UNIFIL) which was constitutionally incapable of controlling Palestinian guerrillas. UNIFIL was chartered to oversee an Israel pullout from southern Lebanon. The United States, despite Israel pleas, refused to support a wider, necessary role for the UNIFIL force. Such cunning diplomacy has hardly won over Arab radicals; it has, however, been responsible for the unresolved tumult which still wracks Lebanon.

Mr. Speaker, it is apparent that what has been lacking all through recent American policy has been a forthright articulation of our own interests and energetic alinement with those nations which have proven by their actions their moderation and friendship. The successes at Camp David and in the Carter shuttle were remarkable and praiseworthy, then and now. But I fear that they are emerging as islands of principle and pragmatism in an ocean of fear and rigidity. Our Nation, and our friends deserve better. The appropriate alternatives are not shrouded in mystery. I hope the administration recognizes America's strengths as a superpower, and employs long-established American principle in order to vouchsafe our interests and promote our ideals.

[From the Near East Report, July 4, 1979]

THE LATE SENATOR HUBERT H. HUMPHREY'S STATEMENT ON ISRAELI SELF-DEFENSE

(After the Israeli-Syrian air battle over southern Lebanon last week, critics of Israel raised anew the question of what constitutes legitimate self-defense. This time they questioned not only whether raids on terrorist bases qualified as self-defense but also whether the use of F-15s—which the Carter administration says Israel can only use for defensive purposes—was legitimate.

(The late Hubert H. Humphrey addressed these questions on the Senate floor five years ago. Following are excerpts from his statement of Oct. 1, 1974.)

I have always felt that the State of Israel, in using military equipment that was supplied by us, in its efforts to do away with the terrorists and the guerrilla activities that have been harbored in other countries, was acting in self-defense. In other words, from time to time the Israeli Air Force has found it necessary to attack installations that were placed within villages beyond the border of its own country. It has done this because these installations have provided a launching pad, so to speak, for guerrilla activities within the State of Israel. . . .

For example, if there were guerrilla activities based in the nation of Lebanon, the state of Lebanon, that were crossing over the border, that were blowing up villages in Israel, and if the Israeli Air Force operates with American-made planes, some of them obtained under military sales or military credits, the State of Israel in no way is limited by this language in obtaining the supplies it needs for what it believes is its security.

It has been made abundantly clear by eminent international legal scholars that Israel's retaliatory raids into Lebanon and Jordan are countenanced by international law, and constitute "legitimate self-defense" as cited in the Foreign Assistance Act of 1961.

In accordance with the principles of international law, and the declaration on principles concerning friendly relations and cooperation among states adopted by the U.N. General Assembly on October 24, 1970, all member nations are duty bound not to tolerate any subversive or armed activities against other sovereign states. This declaration states:

International law imposes the duty upon every state as far as possible to prevent its own subjects, and such foreign subjects as live within its territory, from committing injurious acts against other states.

From the Declaration on Friendly Relations, official records of the General Assembly 25th session, supplement No. 18 (A/8018) we have:

Every state has the duty to refrain from organizing or encouraging the organization of irregular forces or armed bands, including mercenaries, for incursion into the territory of another state.

Israeli actions on Lebanese territory are also based on the inherent right of Israel to self-defense in accordance with Article 51 of the U.N. Charter.

And the U.N. General Assembly document A/AC.134/L.46 of April 12, 1974, of the Special Committee on the Question of Defining Aggression, Article 3 states:

Any of the following acts, regardless of the declaration of war, shall, subject to and in accordance with the provisions of Article 2, qualify as an act of aggression:

The sending by or on behalf of a state of armed bands, groups, irregulars or mercenaries, which carry out acts of armed force against another state of such gravity as to amount to the acts listed above or its substantial involvement therein.

Surely Israel's exercise of self-defense against these acts of aggression would be actions taken in "legitimate self-defense."●

TIME FOR NEW MONETARY POLICY

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, whether we like it or not, the gold markets serve as a rough barometer of monetary confidence. If there is a high level of confidence in official currencies, then the price of gold remains low and stable. If there is a lack of confidence, or shifting sentiments, the price of gold jumps up or down. Assuredly the gold market is fairly thin and subject to manipulation by governments, by large private interests, and perhaps even by the concerted action of individuals. Even so, it is not a market that can be dismissed or ignored.

The price of gold in the past few weeks has soared, and almost daily it posts new all-time highs. We are getting a signal, and the signal is that there is not much confidence in money generally, nor the dollar particularly. It is a signal that the so-called monetary float has little or no effect in keeping currencies within reasonable bounds of value.

The time has come for the United States to launch a new monetary policy—a new policy for our own domestic needs, and a new policy toward basic monetary arrangements on the international scale.

It has been just over 9 years since the fixed-par-value system set up by the Bretton Woods agreement collapsed. Since that time the world has been on a so-called floating system, by which monetary values are supposedly set by market forces. But we know all too well that the market forces are flawed, because no government is willing to let the value of its currency ride with the unrestrained forces of the speculative marketplace. The failure is proved by the fact that the United States and other governments intervene in the currency markets on a far more massive scale today than they did when fixed rates were in effect. Floating has not worked to redress trade balances; it has not worked to govern monetary values; and as the gold market is telling us, it has not worked to maintain confidence.

Here on the domestic side, the Federal Reserve has raised interest rates to record levels, and the prime interest rate is today 12¼ percent, and likely to go higher. Why was this done? For one thing, it was done to meet high interest levels offered abroad, so as to check some of the flow of hot money. But for another, it was done to produce greater recessionary forces, so as to theoretically moderate inflation. In the parlance of a half century ago, this kind of policy is supposed to build business confidence. What the Fed seems not to have known 50 years ago, nor understand today, is that what the business community fondly regards as confidence building policies are also the policies that impoverish individual citizens first, and business itself eventually. Freedom for the pike means death for the minnow.

The policies the Federal Reserve enforces today have been tried again and again in the past decade. Each time those policies have failed to moderate inflation; each time those policies have created new unemployment; each time those policies have led to higher budget deficits; and each time we have ended up worse off than before.

I believe that we and the world need new monetary arrangements, and that this needs to be done through the convening of a new monetary conference. We have in Paul Volcker a central banker of the experience, understanding, capacity and world stature the kind of person who could undertake such a task of leadership, and who could achieve the kind of monetary reform that is needed.

We need to devise new policies for the domestic economy, too—policies that do not rely on the continual and fruitless fiddling with money supply aggregates that is the mark of today's policy. We do not need to beggar our people; it has not worked in the past and will not work today.

Genuine economic leadership is needed today. I believe that the Federal Reserve has a responsibility to provide that leadership. I have written Chairman Volcker calling upon him to use all his powers to help us, and the world, emerge from the slough of despair. Mr. Speaker, I offer my letter to Chairman Volcker as part of the RECORD:

WASHINGTON, D.C.,
August 31, 1979.

Hon. PAUL VOLCKER,
Chairman, Federal Reserve Board,
Washington, D.C.

DEAR PAUL: I am genuinely pleased that you have become Chairman of the Federal Reserve Board. No one in the country has the depth of experience that you have acquired at the Treasury, and as President of the Federal Reserve Bank of New York. No one is better equipped than you are to perceive the economic and monetary problems of this country and of the industrial world at large.

Given the fact that the Federal Reserve Board conducts its business as a collegial body, and given that you have not selected your colleagues, I realize that some time must elapse before you could exercise strong leadership, at least in matters of fundamental policy change. Yet I believe that fundamental policy change is in order, and that the need for it is urgent.

The money supply, as measured by M1, is showing no growth. This, of course, is reflected in the level of interest rates, with the prime now being at 12¼ percent. At the same time there is no sign that inflation is moderating, even though the economy is weakening steadily. Current policy is leading simply to a repetition of economic stagnation accompanied by immense inflation; it is a condition that the British dubbed stagflation, and that others have called the English Disease. But regardless of its name, the condition is neither sound nor tolerable.

Rising interest rates signal a decline in employment; they signal a fall in housing production; they signal an increased Federal deficit, as countercyclical budget forces come into play. None of these things will result in a stronger or better economy, or a better off people. None will do anything except further impoverish people who are already struggling to keep jobs, to keep a roof over their heads, to pay an immense burden of debt, to stay off welfare.

What is needed is a new direction in policy.

On the fundamental level, what is needed is new monetary arrangements. The system of floating currencies that has been in effect for the past seven years has not arrested inflation, has not redressed trade balances, and

has not controlled disorder in the world monetary markets. On the contrary, it has been part and parcel of the whole dismal scene, a contributor to world problems.

On the domestic level what is needed is a new understanding of economic reality. The tight money, high interest policies currently in effect are not part of any solution; they are part of the problem. High interest rates do nothing for anybody except for the bankers who profit by them. To make usury legal, to encourage its growth, to make it universal, is not an economic policy at all, but the mere abandonment of responsibility.

We have seen time and time again in the past decade that strangling the economy does not arrest inflation. We have seen time and again that throwing people out of work does not produce sound growth in the months and years ahead. We have seen time and again that the kind of policies that the Fed has resorted to this year, and in the past decade, has only multiplied and exacerbated social problems of every description.

There is an opportunity now for new direction, for new leadership, for new prosperity. You are in a unique position to provide the leadership that the nation and, indeed, the world needs. You have an opportunity to lead the Federal Reserve away from the ruinous policies it now follows. I hope that you will use it.

With best wishes, I am,
Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

THE HEALTH CARE FOR ALL AMERICANS ACT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

● Mr. WAXMAN. Mr. Speaker, I take great pride in introducing in the House of Representatives today the Health Care for All Americans Act, a new national health insurance proposal which I am sponsoring with Senator EDWARD M. KENNEDY.

This is a significant step for those of us who have always supported the concept of universal, comprehensive national health insurance. Senator KENNEDY and I are engaged in a mutual endeavor to get both Houses of Congress moving simultaneously on enactment of a new health insurance system—a promise first held out to Americans over a generation ago.

The Health and Environment Subcommittee will begin hearings on this bill before this session of Congress adjourns. The hearings could not be more timely. We are in the midst of a national debate on spiraling hospital costs, and their ripple effect on inflation in our national economy. Our bill, which would provide a national health care budget ceiling, provides a mechanism for streamlining our present chaotic health care delivery system, eliminating unnecessary and duplicative services, and bringing under control runaway health care costs. No other national health insurance proposal in Congress this year offers this cost-saving feature.

I made my decision to work on enactment of the Kennedy-Waxman bill in the House only after a long and careful analysis of the most probable alternative. The most probable alternative is to let our present health care delivery system drift aimlessly into costs far beyond the current high rate of inflation in the rest of the economy. I concluded that this alternative made no sense.

Some say we cannot afford national health insurance. I contend we cannot afford to be without it. Under our present chaotic approach to health care, costs soar, while health dollars buy less and less. Though difficult to calculate precisely, the costs of our runaway nonsystem are staggering. Last year we spent about $185 billion on health services—that is nearly $1,000 for every man, woman, and child in the United States. Without cost controls, present benefits will be eroded and health coverage will shrink rather than expand.

Unfortunately, there are many inaccurate preconceived notions about what kind of health care bill Senator KENNEDY and I would sponsor. I want to emphasize the fact that this bill varies sharply from earlier efforts—in its financing, in its administration, in its use of the private system, in its use of market incentives to bring competition and efficiency.

The thrust of this bill is to reform our present system, make it more efficient, and save dollars now wasted on unnecessary surgery, unnecessary hospitalization, and underused facilities. This proposal retains what works best in our present system.

For any national health insurance plan to succeed, we need the enthusiastic participation of American doctors, nurses, technicians, and other health professionals. It is not often said, but it needs saying, that the quality of American health care provided by our doctors and hospitals is the finest in the world. The education and training and expertise of American physicians is without parallel. Government and business leaders from all over the world travel to our medical centers for the most advanced diagnostic and lifesaving techniques.

I pledge to our health professionals that this bill will not interfere with the free exercise of their best medical judgment. Our bill will benefit the doctor and consumer by assuring that medical treatment is based entirely on sound medical practice, not on one's ability to pay for needed treatment.

How can a nation that spends each year $11 billion on cosmetics, $24 billion on jewelry, $16 billion on tobacco products—how can such a nation say it can not afford to meet the basic health needs of its people? How can a country be so rich and so poor at the same time?

I do not want the current crazy quilt of private insurance, medicaid, medicare, employer plans and straight cash payments to leave tens of millions of Americans perpetually anxious as to whether they or their loved ones will get the best care and all the care they need when illness strikes.

All over the United States, a private hospital can turn away the seriously ill and "dump" them in the emergency room of public hospitals, or simply turn them out in the street—if they have insufficient funds, no insurance or inadequate insurance.

Health care is a human need. We cannot, as the generous and good people I believe us to be forever defer serving this need. We can never know the suffering, pain or fear that might have been alleviated had this legislation been acted on sooner.

S. I. NEWHOUSE

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I would like to take this opportunity to pay tribute to Samuel Newhouse who died last week at age 84. It was a great privilege for me to know him.

The eldest son of immigrant parents, S. I. Newhouse had a deep sense of responsibility to his poverty-stricken family and to his community. He was raised in Bayonne, N.J., not far from my hometown of Newark. Next month the Rutgers School of Law in Newark will dedicate the S. I. Newhouse Center for Law and Justice because of the generous contributions he made to the school.

Samuel Newhouse's widespread philanthropy was carried on without fanfare because he was an unpretentious gentleman who shunned personal publicity. He built one of the Nation's largest communications enterprises from hard work, intelligence, and a commitment to a free press.

Mr. Speaker, reporters, editors, and others in the communications field know and appreciate the great contributions S. I. Newhouse made to the local control of news organizations. During a time when Americans fear a monolithic news media, lacking choice or diversity, S. I. Newhouse was committed to following a policy of editorial autonomy in his many local newspapers. His belief that the individual editors of the Newhouse newspapers should be left alone to decide the editorial content of their newspapers has resulted in a higher quality of journalism and a greater responsiveness to the needs of local communities.

I am proud that Newark is the home of New Jersey's leading newspaper, the Star-Ledger, which is a Newhouse publication. The Star-Ledger continues to make contributions to the community by providing a wide range of coverage of State, national, and international news, in-depth studies on issues, and a variety of editorial opinions.

Mr. Speaker, the communications industry can look with pride on the legacy left by S. I. Newhouse, and the readers and citizens of our country can be grateful for all his contributions.

Mr. Speaker, at this time I would like to insert into the RECORD a copy of the Star-Ledger editorial of August 31 on its publisher, S. I. Newhouse.

[From the Star-Ledger, Aug. 31, 1979]

S. I. NEWHOUSE: 1895–1979

Samuel I. Newhouse had a profound and enduring awareness of his humble beginnings. The eldest member of an immigrant family, he was deeply moved by the meanness of poverty. It was a searing experience for a youngster, but, fortunately, not in a psychic sense.

Rather, it was a formative stage that had a compelling influence in a long and extraordinarily successful and productive lifetime. At age 13, he was thrust into a responsible

familial role—the male head of a family that included four girls and three other boys, along with a hard-working mother who, with the aid of her oldest son, kept the family together.

Responsibility, in varying degrees, was an obligation he assumed matter of factly all his life. It became a propulsive force in the business career of S. I. Newhouse, a career that spanned six decades and was to culminate in the building and operation of one of the nation's largest publishing enterprises.

It was a vaulted plateau that no doubt appeared to be beyond the realm of possibility for young Newhouse, who earned $2 a week as an office boy, became a fledgling publisher at 16 and an attorney at 21.

The law profession was a momentary way station for Mr. Newhouse after he realized the potential of a foundering newspaper in his hometown—the Bayonne Times—that he was directed to dissolve by an attorney who was his mentor.

His decision to attempt to revive the ailing paper was probably the most crucial choice he was called on to make . . . it became an invaluable training experience that was to be a practical foundation for the vast, complex communications organizations he forged, piece by piece.

An undertaking of this magnitude and complexity obviously required a keen and enterprising business acumen. S. I. Newhouse realistically envisioned himself as essentially a businessman whose business was news, but he was a firm believer in the corollary importance of the editorial quality of his newspapers.

It was in this pivotal compartmentalizing of business management and news gathering that Mr. Newhouse became a major innovative force in the newspaper publishing industry. He tended the financial end in a scrupulous manner and insisted on editorial autonomy for the individual editors of his group-owned newspapers.

It was a division of authority from which he never deviated. He stoutly insisted that the family-owned newspapers should never be characterized as a chain operation. It was an eminently rewarding formula, providing a wide diversity of editorial opinion and an intimate responsiveness to the communities served by the individual newspapers.

Overall, the Newhouse newspaper career had a distinct two-phase formulation: In the early, starting-up stage, Mr. Newhouse and his brothers carefully nurtured ailing newspaper properties, transforming them by painstaking diligence and hardwork into successful operations.

The Star-Ledger epitomized this process: It was taken from insolvency and, over the years, developed into New Jersey's leading newspaper.

As his publications prospered, Newhouse opted for established newspaper properties. Time and again he set records for purchase prices; in 1977, he paid over $300 million for the Booth papers in Michigan and Parade magazine.

In a career that covered three-quarters of a century, Mr. Newhouse shunned the flamboyance that marked the professional and personal lives of earlier press titans. He maintained a low visibility, a low-keyed reflective style; he was devoid of pretensions, and considerate in his relations with others.

But there was a steely toughness of character in his business activities; he was a hard bargainer but respected for his fairness and probity.

He had a clearly defined philosophy of wealth and its uses. S. I. Newhouse viewed money in a perspective of enormous responsibility that demanded great discipline. It was evident in his liberal philanthropies, the millions of dollars vested in a family foundation to be used for a myriad of causes, the diverse personal interests of himself and his wife, Mitzi.

Typically, his principal philanthropy was concerned with his lifelong association with the media: The S. I. Newhouse School of Public Communications at Syracuse University received more than $20 million. Nor did he forget his brief association with the legal profession; he made a generous contribution to the Rutgers Law School to establish the S. I. Newhouse Center for Law and Justice, which will be dedicated next month in Newark.

Mrs. Newhouse was a similarly generous patron of the arts; she provided substantial funding for the Mitzi Newhouse Theater in Lincoln Center.

Samuel I. Newhouse, who died this week at age 84, has left an indelible imprint on the American newspaper publishing field, an unrelenting, vigorous advocacy of editorial independence. His legacy is as rich in personal accomplishments as in his vast holdings.●

EDUCATION AMENDMENTS OF 1980

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, I am today introducing the Education Amendments of 1980 with the cosponsorship of Mr. BUCHANAN, Mr. PERKINS, Mr. ASHBROOK, Mr. BRADEMAS, Mr. THOMPSON, Mr. BIAGGI, Mr. SIMON, Mr. PEYSER, Mr. GAYDOS, Mr. MURPHY of Pennsylvania, Mr. WEISS, Mr. RATCHFORD, Mr. BAILEY, Mr. JEFFORDS, Mr. EDWARDS of Oklahoma, Mr. TAUKE, and Mr. PETRI. This bill provides for a comprehensive reauthorization of the Higher Education Act including many important improvements in the programs. This bill will serve as the basis for markup by the Subcommittee on Postsecondary Education which I expect will begin in the near future. While this bill will, of course, be subject to the will of the committee and the House, it is very important to note that it is the product of a thorough and systematic legislative process.

In September 1978, I invited 61 organizations, associations and governmental bodies to submit to me their legislative recommendations for the reauthorization of the Higher Education Act. I requested that the recommendations be prepared in specific legislative language and in a format providing for a comparison of the suggested changes to current law and explaining the suggested changes. I was extremely pleased by the response of the higher education community. I received recommendations from 59 respondents, some additional people whom I overlooked in September having heard of my invitation and some whom I invited having chosen not to respond. A list of all of those responding to my invitation is included at the conclusion of this statement.

All of the recommendations which I received by the end of February were grouped according to the higher education program to which they referred and printed in a four-volume committee print. This print was made available to all of those who were invited or who submitted recommendations as well as to other interested parties. In addition, the print was distributed to the members of the Subcommittee on Postsecondary Education and their staff. Almost all of the recommendations were submitted in the format I requested and were received in time to be included in the committee print.

Hearings began on March 20 and were conducted to focus on individual programs or specific problems. The recommendations provided to the subcommittee by the higher education community as well as the bills amending the Higher Education Act which were referred to the subcommittee served as the basis for the discussion of each program authorized by the Higher Education Act. A total of 33 hearings were held including six field hearings outside of Washington. Two hundred forty-four witnesses appeared at the hearings representing a broad cross section of experts and professionals as well as the consumers of education, students. Twenty-seven student witnesses participated in the hearings, and they made thoughtful and effective contributions in the consideration of every program and particularly in the student assistance programs. The administration submitted its recommendations for reauthorization on July 19, and 5 days of hearings were held specifically on the administration's proposal.

This bill improves and builds on existing successful and popular programs by incorporating a large number of the thoughtful recommendations which were before us. An important centerpiece of the bill is the recognition of and increased financial assistance for today's increasingly adult, self-supporting student body. Student aid programs have been restructured to liberalize the assistance for these students while protecting and improving assistance to the "traditional" postsecondary education student. Access and supportive services for all students are improved by this proposal.

A major improvement in the student loan programs incorporates several ideas presented to us, makes loan capital more readily available and decreases the likelihood of loan defaults.

We propose to make the guaranteed student loan program available for parents to meet the high cost of postsecondary education for their children. Guaranteed loans will continue to be available to students, but the overall debt incurred by students should be reduced thereby reducing the temptation to default. A mechanism which will permit consolidation of student loans, and extended income-sensitive repayment will further decrease defaults.

The bill also consolidates a number of State programs and improves institutional assistance.

Title I of the Higher Education Act, Community Service and Continuing Education, is revised in the bill to become education outreach programs. It puts in a single place federally supported State activities in planning, education information services and continuing education with a clear focus on serving the needs of adults, particularly those adults who have lacked access and been underserved by educational programs. H.R. 4531, the Lifelong Learning Act of 1979, is the foundation upon which title I of the bill is built. This bill was introduced

by Mr. RATCHFORD of Connecticut with 14 cosponsors. Title I incorporates the longstanding interest of Mr. BIAGGI of New York in student data banks as embodied in this Congress in H.R. 3513. A significant contribution to the title, with respect to State planning, was drawn from H.R. 5051 which was introduced by Mr. JEFFORDS of Vermont with the cosponsorship of Mr. RATCHFORD. Title I also includes the initiative of Mr. PEPPER of Florida and Mr. WAMPLER of Virginia from H.R. 3640, the Preretirement Education Act of 1979.

Title II, college library assistance and library training and research, is reorganized and its maintenance of effort provisions are strengthened. The maximum level of the basic grants for college library resources is increased to $10,000. A new part D, has been added to establish a National Periodicals Center, to serve as a national depository for periodicals, professional documents and journals to be made available to public and private libraries.

Title III, Strengthening Developing Institutions, is revised primarily in light of the recommendations of the administration. The purposes of the program are clarified to focus on strengthening institutions which enroll large numbers of students from low-income families, lack resources and are taking steps to improve their chances for survival. An emphasis is placed on having applicants prepare a comprehensive development plan, and options are provided for developing institutions to receive grant awards of longer duration.

The student assistance programs in title IV of the Higher Education Act are strengthened and improved without making any fundamental changes in the basic structure of the programs. One of the most nettlesome issues in student aid has been the requirement in current law that a student's basic grant may not exceed one-half of the cost of attendance. This limitation serves primarily to reduce the basic grants of low-income students attending low-cost institutions. I was delighted that representatives of the major sectors of higher education were able to reach a consensus of a proposal to modify the half-cost limitation in combination with increasing the amount of the maximum basic grant award in steps over the term of the bill. This proposal is included in the bill. I have also received additional proposals from the higher education community to assure that students in all sectors are treated equitably in the distribution of Federal student assistance. These ideas will, I am sure, be seriously considered during the subcommittee markup.

The supplemental educational opportunity grant program is simplified to make it a flexible campus-based grant program to more effectively serve the diverse needs of students. The very successful college work-study program is continued and additional flexibility is provided for institutions to be able to match the available funds with the needs of students and to develop off-campus jobs in the nonprofit sector.

A great deal of the subcommittee's attention was devoted to the subject of student loans, including 7 days of hearings on this subject. These deliberations identified four major areas of concern: The need to enhance the ability of parents to obtain the liquidity to pay their reasonable share of the costs of educating their children, the lack of capital availability in some areas of the Nation, the need to provide a mechanism for the consolidation of multiple student loans and the need to provide for extended and income sensitive repayment terms for borrowers with a large student loan debt.

The first of these concerns is addressed by the creation of a parent loan program. This program is modeled on the initiative of Senators KENNEDY and BELLMON who introduced the National Student Loan Reform Act of 1979 (S. 1600), which was the subject of hearings before the subcommittee. Under the parent loan program, parents could borrow up to $3,000 per year and $15,000 total for any one student. Parents could borrow for up to three students at any one time. The interest rate would be 7 percent but there would be no in-school interest subsidy as there is for loans to students. Parents would begin repaying a loan no later than 4 years after taking it out.

The Student Loan Marketing Association (Sallie Mae) is given the authority to become a direct lender for three specific purposes in addition to continuing its current role as a secondary market. Sallie Mae could make loans directly to students and parents in areas where there is a severe shortage of student loan capital, much as they are in effect doing currently in the District of Columbia. In addition, Sallie Mae could make a single consolidation loan to borrowers with multiple student loans or make loans with graduated or income sensitive repayment terms of up to twenty years length to those with large student loan debts. The concern to provide greater flexibility in repayment and the opportunity for loan consolidation was eloquently expressed to the subcommittee by Mr. MAGUIRE of New Jersey who sponsored H.R. 3769, the Fair Access to Higher Education Act of 1979 and by Mr. SMITH of Iowa, who sponsored H.R. 750.

The bill also phases out the dependency of Sallie Mae on Federal sources of capital and enhances its ability to raise capital in the private sector.

It became evident through the hearings that a great many questions concerning student loans remain unanswered, such as capital availability, the appropriate level of public subsidy of student loans, and the impact of student loans on student career choices, educational prices and the availability of other forms of student financial assistance. The lack of answers to these and many other related questions indicated that radical departures in the Federal student loan programs are not appropriate at this time. However, the bill establishes a National Commission on Student Loans to undertake a comprehensive study of these issues so that, when the Congress considers these programs in the future, we will be able to make an informed judgment on whether fundamental changes in the student loan programs are warranted.

It is my expectation that by providing parent loans and the opportunity for loan consolidation and more flexible loan repayment terms the likelihood of student loan defaults will be substantially reduced. In addition, the bill includes the provisions of H.R. 4507, introduced by Mrs. FENWICK of New Jersey and other Members of the New Jersey delegation. These provisions establish a system for the Commissioner of Education to share information on borrowers whose loans are in default with credit bureaus.

For both the national direct student loan program and the guaranteed student loan program the bill defines several new circumstances under which students can defer repayment of their loans. These circumstances include periods of up to 3 years for temporary total disability as proposed by Mr. BINGHAM of New York in H.R. 1646, periods of service in the commissioned Corps of the Public Health Services as suggested by Mr. STAGGERS of West Virginia and periods of service as a full-time volunteer with a nonprofit agency that engages in activities like the Peace Corps or Vista as suggested by Mr. MURPHY and Mr. LEDERER of Pennsylvania. The bill also incorporates a recommendation of Mr. BAUMAN of Maryland that for purposes of the cancellation of national direct student loans for teachers of the handicapped that the definition of handicapped students used in the Higher Education Act be made identical to the definition used in the Education of the Handicapped Act.

The bill proposes a dramatic simplification in the process of applying for Federal student aid. It requires that there be a single form for the collection of information from students to determine their eligibility. It also creates a mechanism to establish a single system of needs analysis for students. No longer will a student be determined to have one level of need under one program but a different level of need under another program even though we are dealing with a single student attending one institution who has a set amount of resources. The new system for establishing a single needs analysis will include the participation of the higher education community in the formulation of the new needs analysis and will preserve the right of the Congress to review the needs analysis.

The bill also specifies the major criteria to be used in assessing the financial strength of a student and the student's family in determining what they can be expected to contribute toward paying for educational costs. Included in these criteria is the requirement that the equity in a family's principal place of residence will not be considered as an asset. This approach was suggested by Mr. DRINAN of Massachusetts in H.R. 272. Other criteria are specified to provide for more equitable treatment of independent students, commuting students, the expenses of child care, and budget used for the family subsistence allowance and the costs of books and supplies.

The TRIO programs provide academic and career counseling, tutoring, remedial

instruction, and information, to students to complement the student financial assistance programs. These programs are extended and the target populations and services to be provided are more clearly specified. The population to be served is broadened to include not only low-income persons but also those who are first generation in college, having neither of their parents a college graduate.

As recommended by the administration, the veterans cost of instruction program is expanded to enable institutions to serve veterans who are handicapped or incarcerated. Consortia arrangements among institutions serving veterans are encouraged.

Title V, Teacher Corps and Teacher Training Programs' is extended. More emphasis is placed on updating teachers in the use of technology and telecommunications and on utilizing the expertise of institutions of higher education. Educational service agencies are included as sites eligible for funding, and there is clear direction that grant awards be based on equitable geographic distribution.

Title VI of current law, Undergraduate Instructional Equipment, is repealed and replaced by a new title VI, Foreign Studies and Language Development, as recommended by the administration. The new title VI incorporates title VI of the National Defense Education Act, Language and Area Studies, as well as some provisions from the International Education Act to stimulate and support international and foreign language studies.

Title VII, Construction, Reconstruction and Renovation of Academic Facilities, is extended and simplified. New authority recommended by the administration, to support improvement of research facilities and compliance with section 504 is also included.

Title VIII, Cooperative Education, is extended and revised to permit greater flexibility in the types of institutional cooperative education programs eligible for support.

Title IX, Graduate Programs, is extended and clarified. The Commissioner is required to undertake a special study of graduate student financing. The $1 million limitation on the funding for training students from disadvantaged backgrounds in the legal profession is removed and this program is provided with a specific authorization of $5 million in fiscal year 1981 increasing to $10 million in fiscal year 1985. These changes were suggested by Mrs. CHISHOLM of New York.

Title X, Establishment and Expansion of Community Colleges, is repealed. This title has not been funded since its enactment in 1972. The Community College Unit is retained and the basic purpose of title X, expanding educational opportunities for persons whose educational needs have been inadequately served, is now reflected in the new title I, Educational Outreach Programs. The fund for the improvement of postsecondary education currently authorized under the General Education Provisions Act is transferred to the Higher Education Act as a new title X.

Title XI, Law School Clinical Experience, is extended and broadened to encourage the preparation of students through practical experience in all legal skills, not only courtroom practice. Title XI is also transferred to title IX, Graduate Programs, as a separate part of that title.

The Urban Grant University Act, H.R. 3181, is included in the bill as a new title XI. This new program will enable urban universities to forge a more effective partnership with urban governments to more effectively work toward the solution of urban problems. This legislation was introduced by me in the last Congress with 57 cosponsors. Five days of hearings were held on the bill in 1978. I reintroduced the legislation in this Congress, simplifying and clarifying it on the basis of what was learned through the hearings. H.R. 3181 has 72 cosponsors, and it has enjoyed broad support during the hearings on the reauthorization of the Higher Education Act.

Title XII, General Provisions, is modified to simplify the mechanism through which States provide assurances to the Federal Government for their participation in programs authorized under the Higher Education Act.

This bill, as introduced, may not be perfect, and I am sure that some improvements will be suggested during committee and floor consideration. However, I do believe that this bill represents a broad consensus of the most effective ways to strengthen and improve the programs authorized by the Higher Education Act. It incorporates the recommendations and best thinking of the higher education community as well as many members of this body.

The list of respondents follows:

RESPONDENTS SUBMITTING RECOMMENDATIONS FOR REAUTHORIZATION OF THE HIGHER EDUCATION ACT

Adult Education Association.
American Association of Colleges for Teacher Education.
American Association of Community and Junior Colleges.
American Association of State Colleges and Universities.
American Association of University Professors.
American Council on Education.
American Library Association.
American Personnel and Guidance Association.
American Vocational Association.
Association of American Law Schools.
Association of American Universities.
Association of Catholic Colleges and Universities.
Association of Colleges and Schools of Education in State Universities and Land Grant Colleges and Affiliated Private Universities.
Association of Independent Colleges and Schools.
Association of Independent Colleges and Universities of Michigan.
Association of Jesuit Colleges and Universities.
Clearinghouse for Community Based Free Standing Educational Institutions.
Coalition for Alternatives in Postsecondary Education.
Coalition of Independent College and University Students.
The College Board.
Ad Hoc Committee on Student Consumer Information.
Committee of the Urban Program Universities.
Consortium on Financing Higher Education.
Council of Chief State School Officers.
Council on Postsecondary Accreditation.
Department of Education of Michigan.
Department of Education of Pennsylvania.
Department of Education of Rhode Island.
Great Plains National Instructional Television Library.
International Liaison—U.S. Catholic Coordinating Center for Lay Volunteer Ministries.
I.T.T. Educational Services.
Joint Council on Educational Telecommunications.
Law School Admission Council.
Maryland State Board of Higher Education.
National Advisory Council on Extension and Continuing Education.
National Association for Equal Opportunity in Higher Education.
National Association of HEP/CAMP Directors.
National Association of Independent Colleges and Universities.
National Association of Schools and Colleges of the United Methodist Church.
National Association of State Scholarship and Grant Programs.
National Association of State Universities and Land-Grant Colleges.
National Association of Student Financial Aid Administrators.
National Association of Student Personnel Administrators.
National Association of Trade and Technical Schools.
National Coordinating Council of Educational Opportunity Associations.
National Council of Higher Education Loan Programs.
National Education Association.
National Hispanic Higher Education Coalition.
National University Extension Association.
Ohio Student Loan Commission.
Pennsylvania Higher Education Assistance Agency.
Presidents Council State Colleges and Universities (Michigan).
State Education Department of New York.
State Higher Education Executive Officers.
State of New Jersey Department of Higher Education.
State University System of Florida.
United States Student Association.
University of Mid-America.
Washington State Superintendent of Public Instruction.●

EQUAL ACCESS TO JUSTICE ACT

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am pleased to have today become one of the cosponsors of H.R. 2846, the Equal Access to Justice Act, sponsored by my distinguished colleague from Pennsylvania (Mr. ERTEL). A large number of Members, from both parties and of all political persuasions, have joined forces to promote passage of this legislation.

H.R. 2846 would allow the award of attorney fees and of other reasonable expenses to the prevailing party in any of several types of actions against the U.S. Government. Awards would not be possible if the courts found that the actions of the Government were "substantially justified," or if the award of expenses would be "unjust." H.R. 2846 is similar to S. 265, which passed the U.S. Senate on July 31, 1979, by a vote of 96 to 3.

We all recognize that our society has grown from a simple agrarian culture into an incredibly complex post-industrial Nation. Accompanying that growth has been an increase in the size of government and in the number of Government rules and regulations. And as this regulatory maze increases in complexity the costs of dealing with it and with the Government have increases as well. I am concerned about this problem, so earlier this year I introduced legislation which trys to deal with one facet of it. H.R. 4729, the Small Business Promotion Act, has as one of its goals the reduction of Government redtape and especially of those regulations which hamper small businesses. Small firms are the backbone of this country's business community, yet they are least able to deal with sometimes burdensome Government requirements and in fact must deal with the same regulations as billion-dollar multinational corporations.

H.R. 2846 provides a companion bill to H.R. 4729, for just as the Small Business Promotion Act attempts to reduce Government regulation, the Equal Access to Justice Act insures that when that regulation is onerous, perhaps unjust or unnecessary, small firms will be able to go to court for an objective, unbiased hearing.

Simple justice requires that in any dispute the facts of the case, and the opinions of the parties involved, should be placed before an impartial judge. Yet because of the high and increasing costs of legal actions, businessmen may simply decide not to fight what may be a just battle. It is plain economics to see that if the cost of fighting a Government decision in administrative or legal courts exceeds the amount of any possible fine, most businessmen will pay the fine. Even if they believe themselves to be in the right, commonsense dictates acquiescense. And this is true not only for businessmen, but for private organizations and groups of all kinds, and for private citizens.

This is not justice. The outcomes of disputes should be determined by the facts, on the carefully considered merits of each party's case, not according to their financial status. And when one of the parties is the U.S. Government it is fairly clear that one side has a tremendous advantage over the other. This is why we wish to alter the normal American rule, which requires each party to bear the cost of his own suit.

Since H.R. 2846 would amend what has been a standard rule in American procedure, the bill contains a 3-year sunset provision. The entire process can be reviewed and reevaluated, and we can take a careful look at the effects of the legislation to see if it has really solved the problems it is directed toward.

I think H.R. 2846 provides us with a reasonable, effective means to deal with this situation, and I hope we can move rapidly to consider this legislation.●

INTERNS: LIFE-OR-DEATH DECISIONS ON NO SLEEP

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, I rise to offer for the RECORD an article which appeared in last Sunday's edition of the Washington Post. The article tells of the plight of our Nation's hospital interns and residents. It speaks of the long hours worked by medical interns, and the life and death decisions interns and residents must make.

The article demonstrates the need of enacting H.R. 2222 cosponsored by Mr. ASHBROOK and myself. It reiterates what I believe anyone who has spent time in a hospital knows, that the intern and resident doctors play a critical role in the delivery of health care, exercising a substantial degree of independent judgment and responsibility.

While the article speaks mainly of interns, I should point out that the NLRB has said that not only interns but also the more experienced residents are students without standing under the labor laws as employees. It makes little sense to say that these young doctors are mere students and therefore have no right to collectively bargain, a right enjoyed by other doctors. Aside from the absurdity of the notion that the intern-resident is not an employee, it is my belief that bringing them within the coverage of the National Labor Relations Act by enacting H.R. 2222 would ultimately help solve many of the serious problems raised in the article.

[From the Washington Post, Sept. 3, 1979]

INTERNS: LIFE-OR-DEATH DECISIONS ON NO SLEEP

(By Susan Okie)

They work up to 140 hours a week day and night, often in hectic 36-hour shifts with little or no sleep. Their patients' lives sometimes depend on their being able to pinch themselves awake enough to make critical, complex decisions.

They are the nation's doctors in training, living through the year-long initiation rite called internship.

Each July, in hospitals here and across the country, the fresh interns arrive to make their first life-or-death decisions as doctors.

Internship is a requirement, but it is more than that. It is part of price of admission to the medical fraternity. Senior physicians say it hones character, builds endurance and tests dedication.

But there is evidence that the exhaustion of internship can cause fatal medical mistakes, produce at least temporary psychiatric problems for the interns themselves and drive young physicians out of the front-line medical jobs the nation needs into specialties with more humane hours.

Despite a variety of educational and financial justifications offered for the system over the years, the medical internship system is coming under increasing criticism, and some physicians are saying it makes no sense to make people work when they are too tired to function effectively in a crisis.

Experienced physicians argue that the system, which originated a century ago as the result of an architectural quirk at Johns Hopkins Hospital in Baltimore, is ideal for training new doctors and staffing hospitals. But many of the same physicians tell their families and friends, "Don't get sick in July," when the interns are raw and even more exhausted than usual.

Dr. James Ramey, who teaches at George Washington University Medical School, says interns just do not work as well after a night without sleep.

He compared a sleep-deprived intern walking into an intensive-care unit to "an airline pilot who's been working 36 hours, coming in for a landing in his DC10." Confronted with a series of important, medical decisions that have to be made at once, Ramey said, exhausted interns are unlikely to call for help.

"If it's a snap decision, they make it," he said. "They can't recognize that they can't make it well."

Ramey said he always double-checks his hospitalized patients' test results because the interns who care for them tend to forget important details after being up all night.

Internship is the first and toughest year of residency, when medical school graduates work in hospitals under the supervision of established physicians before going out on their own. Residency often lasts three to five years, depending on the specialty, but doctors can be licensed to practice independently after completing their internships.

The typical intern works every weekday and spends every third night on duty in the hospital, admitting new patients and handling emergencies. This means the intern works a 36-hour shift at least twice a week, and although he or she may get some sleep during that period, it is common in busy hospitals or on bad nights to grab two hours of sleep or less.

"At four or five o'clock in the morning you ache," said Dr. James McAnally, the chief resident at Georgetown University Hospital, as he recalled his internship. "You're hungry, and there's no place to eat anything. You're irritated, and you want sleep.

None of the many interns and residents interviewed said they could recall making serious medical errors because of fatigue. But all admitted there were many times when they were insensitive to their patients' emotional needs, or even exploded in anger.

But researchers at the respected Columbia Presbyterian Hospital in New York have suggested the consequences of practicing medicine without sleep may be more ominous.

In a study of 14 interns, the researchers examined the effect of sleep deprivation on one's ability to perform a crucial medical task: reading electrocardiograms.

They found that after 32 hours without sleep interns made twice as many errors in spotting abnormal rhythms in the heartbeat than when they were rested. That is a potentially life-threatening mistake.

One intern's errors in the 1971 study increased from seven to 23.

Almost all the subjects in that study said they experienced difficulty in concentrating, depression and extreme irritability when they were exhausted. Several had loss of memory and a tendency to laugh at patients' problems.

One said he constantly wrote notes in the wrong patients' charts.

At Georgetown, where the schedule was recently modified to try to give interns more sleep, the program director has been known to order a resident off the ward for a night if he noticed unusual irritability or other signs of severe fatigue.

Although he believes working nights is essential training, Dr. Milton Corn, Georgetown's associate chief of medicine, said he worries about a tired intern's ability to weigh decisions, such as whether to aggressively treat a critically ill patient.

"The fatigued physician is more likely to make an error in compassion or in ethics than he is in actual clinical care," Corn said. But his concern is unusual among program administrators.

Corn and his colleagues trained at a time when residency demanded even longer hours, and many physicians who went through it a decade or more ago consider the lives of present-day interns easy compared to their own training.

Dr. Ramey of George Washington cited two psychological defenses that keep older physicians from recognizing flaws in the training system: One is that the stress of internship is so great that most doctors suppress the memory of it once they finish.

The other is that interns immediately assume a supervisory role over the group that follows them. He said they then "identify with the aggressor," viewing stress as necessary initiation.

"It's a self-perpetuating system," agreed a resident at Walter Reed Hospital. "I got beaten to death as an intern, and now I'm beating my interns to death."

The system originated at Johns Hopkins Hospital in the late 19th century.

According to Dr. Thomas B. Turner, archivist and former dean of Hopkins Medical School, it was something of an accident. Dr. John Shaw Billings, who designed the hospital in the 1870s, was intrigued by the Hopkins concept of a medical school where students would learn by working with patients. He added a few sleeping rooms for students to his hospital plan.

But when the hospital opened in 1889, four years before the medical school, graduates of other medical schools asked to come to the new hospital for additional training and lived in the rooms for a year.

That, said Turner, was the beginning of the internship system.

When Turner was at Hopkins after World War I, he recalled the requirements of residency were similar to those of the priesthood.

Residents were given only a small allowance, no salary, and they lived in the hospital or in row houses connected to the hospital by a switchboard so they could be responsible for patients day and night.

Residents were not permitted to marry, he said, until 1920, when "the chief resident on one service wanted to marry the professor's daughter.

"That was the first break in the dam."

But easing of the rules has been a slow, evolutionary process.

When Corn trained at Hopkins in the 1950s, residents were on duty every other night. And although he said he remembers his internship "with a great deal of pleasure, I also resent it.

"I feel it took an important year out of my life. I was married and had a child. No one will ever persuade me a fatigued physician is a better physician."

Since 1969, there have been sporadic efforts to unionize residents, the hospitals' so-called "house staff," and there have been a few strikes for better hours, pay and working conditions.

Interns generally make between $12,000 and $15,000 a year, which works out to about $2 or $3 an hour.

Eric Silfen, who did his internship at Washington Hospital Center last year, said it was "the worst year of my life."

Silfen said he compulsively stayed late at the hospital to make sure his patients were all right, and by February he had lapsed into a deep depression.

"I was in the intensive-care unit," he said. "It was the middle of winter. Patients were dying, and I couldn't help anybody. I felt like quitting."

By the end of the year, after being assigned to a clinic, Silfen said he was scheduling healthy patients for his clinic because he knew they would not show up and was transferring any patient who "looked the least bit sick" to the intensive-care unit rather than caring for them himself.

His interest in medicine had succumbed to exhaustion and cynicism.

Silfen has since been revitalized by a residency in emergency medicine, a field that combines exciting medical problems with regular hours.

Residents generally called internships an important learning experience, but several of those interviewed said it had driven them or their colleagues into "9-to-5" specialties like radiology or dermatology.

Silfen and his friends dreamed up what they called a "dough-to-work ratio" to define the good life.

One student charted all the branches of medicine on a graph to compare the money earned with the hours worked. The chart showed that some specialties, such as surgery, paid well but required many hours, whereas others—dermatology, cardiology, emergency medicine—paid almost as well but allowed more free time.

At the bottom of the scale, lowest in pay and highest in hours, were the specialties that health planners agree are most needed in the United States: internal medicine, pediatrics and family practice.

The inventor of the "dough-to-work ratio," Silfen said, is now practicing dermatology.

Some hospitals have tried to humanize interns' schedules in the interest of patient care and physician morale.

Under the "night float" system in effect at Strong Memorial Hospital in Rochester, N.Y., a fresh intern comes on duty at 10 p.m. to handle many of the crises that keeps interns awake at other hospitals.

Other doctors still work late, but the system does cut down on fatigue, said Dr. Donald Bordley, chief resident at Strong Memorial.

Providing technicians to draw blood and insert intravenous needles is another way to insure some sleep for doctors on duty, although it doesn't eliminate spending every third night in the hospital.

A physician familiar with Georgetown University Hospital, George Washington University Hospital and Washington Hospital Center said the hospital center residents get the most rest because technicians' services are available.

But hospital administrators balk at increasing technical support because of the cost, saying that hiring residents is cheaper than hiring nurses or physicians' assistants, because the residents can work so many hours.

The trend, however, is against adding any medical personnel to hospital staffs at a time when there is considerable pressure to hold down skyrocketing health costs and perform as much work as possible in outpatient facilities.

Dr. Robert J. Van Houten, associate dean at George Washington University Medical School, characterized the prevailing view:

"Everybody says everybody else ought to pay, not us (the hospitals, the schools, the patients, the insurance companies or the government). And there is nobody else."

But while the system persists, the practice of medicine will continue to be affected for those who can't forget the year they lived on little sleep.

Dr. Silfen, whose residency still requires some long hours, has made himself a promise.

"When I finish this," he vows, "I will never work a night again in my life."

[From the Washington Post, Sept. 2, 1979]

A DAY IN THE HECTIC LIFE OF AN INTERN

8 a.m.—"Mike" and his team started rounds, bustling down the halls with the jocular efficiency that marks the beginning of the long day "on call." Mike was cocky, rested, eager to make a good impression. "You should have been here last week," he boasted. "The team was really busy."

Now the load was light: only 22 patients split between two interns, with a resident supervising. "But we could get killed tonight," he added. It was Monday, always a heavy day. He ducked in and out of rooms, listening to chests and checking each patient's lab results and treatment plan. It was 9:30 a.m. before he had seen them all.

As rounds ended, Mike was summoned to deal with the day's first crisis: a malaria patient had walked out of the hospital before finishing treatment.

10:45 a.m.—At teaching rounds, an intern who had worked the preceding day and night presented his new patient to the teaching physician. The woman had a complicated lung problem. The other interns were quizzed on the patient's X-ray (Mike missed a large pneumonia) and the specialist embarked on a lecture. Within a few minutes, the intern responsible for the patient was fast asleep—too exhausted from his 28 hours on duty to benefit.

1:30 p.m.—The lunch conference over, Mike ran to the lab to check morning blood results on his current patients. The critical blood counts on the diabetic with the urine infection were missing; the technician had missed the vein, and no one had told him. Cursing, he rushed upstairs to draw the blood himself.

2:30 p.m.—The team had four admissions, and two of the new patients were Mike's. He went to collect his medical bag from the residents' lounge and swore again: his instruments were gone. He settled down to a furious half hour of paging other interns before he found the one who had borrowed his equipment. At 3, he began the careful questioning of his first patient, a 57-year-old woman with a stroke and dangerously high blood pressure.

4 p.m.—As Mike finished examining the stroke patient, his resident summoned him upstairs. The medical student with Mike's other admission had called about the patient, a young man with chest pain.

The patient was lying on a table, breathing fast and burning with fever.

The medical student had wondered about a collapsed lung, but Mike's resident had been more worried about a blood clot.

A lung scan showed that half of the man's right lung was neither inflating nor receiving blood. This went against a blod clot and in favor either a collapsed lung or pneumonia, so the medical student called for a repeat X-ray. A blood test showed the man's blood had become low in oxygen, and he was given a high-flow oxygen mask.

As Mike's resident hurried downstairs to check the new X-ray, Mike and the medical student drew more blood tests. The patient's blood pressure was dropping alarmingly: They ordered new intravenous solution, ran fluid into the vein full tilt, and began collecting specimens to check for infection. Downstairs, the resident called the intensive care unit. The patient's X-ray showed a pneumonia that had filled half the lung within six hours.

10 p.m.—As the man with pneumonia was wheeled off to the intensive care unit, Mike wolfed down a roast beef sandwich. The cultures were sent, the antibiotics in the bloodstream. The intensive care intern would take over, but Mike had two new admissions yet to see, and his stroke patient's blood pressure had not yet come down. He ordered a new drug for her, then ran some blood samples down to the lab. In the cafeteria, he pocketed one of the snacks set out for the doctors on duty. He was still wide awake, the adrenaline flowing, but he had hours of paper work ahead.

1 a.m.—Mike was fading. His third patient had had a rare disease called lupus, but it was too late at night for him to spend as much time talking to her as he would have liked. Luckily, she was only in for a biopsy—the write-up would be short. He dropped into a chair to read the chart of what he hoped would be his last admission—a man who needed rehabilitation following surgery for

a brain tumor. It was a depressing case: the man now had speech difficulties. But he would require little medical care, and Mike might get an hour or two of sleep tonight.

6 a.m.—Mike stumbled into the on-call room and collapsed into bed. His three charts had taken almost four hours to complete. The stroke patient had been difficult: sorting out her medicines, reconstructing her symptoms from his sketchy, 12-hour-old notes, trying to remember which cerebral artery supplies the cortex that moves the leg and which cranial nerves come off the brain stem. He had meant to schedule a scan of her head for the morning. Now it would have to wait.

6:15 a.m.—His beeper jolted him awake. He dialed the nurses' station and was told that a patient with alcoholic liver disease had developed a fever.

Three minutes later, the beeper went off again. Another patient was having chest pain and trouble breathing—the nurse said it had been going on "for a couple of hours."

Mike said he would be down "in a little while." He rolled over and, in spite of himself, dropped back to sleep. The beeper squawked again. His stroke patient was vomiting.

He dragged himself out of bed and, bleary-eyed went to see the stroke patient. A reaction to her medicine, he told himself. It was almost 7 a.m. when he got to the man with chest pain, and he spent 45 minutes examining him and studying his chart before he decided the pain was probably not a heart attack. He ached all over. It was 7:45 a.m.—time for a quick shower, rounds, and another 10 hours of work ahead before he could go home.—SUSAN OKIE.●

FEDERAL TRADE COMMISSION INTERFERENCE

The SPEAKER. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, in a classic case of Government interference the Federal Trade Commission is contemplating action that could lead to the loss of 800 jobs at the Kellogg's Omaha plant and have a devastating effect on the entire Nebraska economy. The FTC is attempting to break up Kellogg's, General Mills, and General Foods for conducting an alleged shared monopoly of the cereal market.

Representatives of the American Federation of Grain Millers came to Washington today to protest the FTC's proposed remedy, the creation of spin-off companies that could lead to a nationwide job loss of 2,700 workers. This "remedy" would have grave consequences for Nebraska. Last year, the Omaha plant purchased over 60 million pounds of corn grits, 31.3 million pounds of rice, 33.1 million pounds of wheat, 65.4 million pounds of sugar, and 26 million pounds of bran. Many of these commodities, especally corn and sugar, are purchased from Nebraska farmers.

Additionally, all of these products are transported in railway cars. If the FTC does succeed in creating regional spin-off companies it is doubtful that cereal prices will decrease and the economic dislocation created by assigning each plant a specific product may actually increase cereal cost. The FTC is showing callous disregard for the potential hardship and suffering their actions may cause. The FTC refuses to allow the union to become a participant in the legal proceedings before the administrative law judge. Moreover, the hearings have been marred by procedural irregularities that threaten the reputation of the Federal regulatory processes.●

PERSONAL STATEMENT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was absent for two rollcall votes regarding S. 1030 (Emergency Energy Conservation Act) on July 31 and August 1, 1979, and for six rollcall votes regarding H.R. 4473 (foreign assistance appropriations for fiscal year 1980) on September 5, 1979.

Had I been present, I would have voted as follows:

Rollcall No. 412, amendment to S. 1030 by Mr. KRAMER which would have set the expiration date for all authority granted in the bill at September 30, 1980—vote, "no";

Rollcall No. 418, amendment to S. 1030 by Mr. LOEFFLER which sought to prohibit any Federal conservation plan from including measures that would regulate the operation of any energy production, exploration, processing or transportation facility unless such plan permitted any affected establishment to achieve an equivalent reduction in energy consumption by other means—vote, "no";

Rollcall No. 435, to resolve into the Committee of the Whole for further consideration of H.R. 4473—vote, "yes";

Rollcall No. 436, amendment to H.R. 4473 by Mr. YOUNG of Florida which reduced contributions to international organizations and programs by $3.9 million—vote, "no";

Rollcall No. 437, amendment to H.R. 4473 by Mr. BAUMAN which prohibited any aid to Panama except for food and medical assistance—vote, "no";

Rollcall No. 438, amendment to H.R. 4473 by Mr. LOTT which sought to delete all funds for the Institute for Scientific and Technological Cooperation—vote, "no";

Rollcall No. 439, Mr. MCHUGH's substitute to amendment to H.R. 4473 by Mr. YOUNG of Florida which sought to insure that the prohibition of aid to countries specified in Mr. YOUNG's amendment would not be construed to prevent the obligation or expenditure of funds for assistance to Israel, Egypt, Mexico, the Dominican Republic, Indonesia, Malaysia, Thailand, or any other country not specifically mentioned—vote, "yes"; and

Rollcall No. 440, amendment to H.R. 4473 by Mr. YOUNG of Florida which prohibited indirect as well as direct aid to Angola, the Central African Empire, Cambodia, Laos, or Vietnam—vote, "no."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. WRIGHT), for September 6 and 7, on account of official business.

Mr. CLINGER (at the request of Mr. RHODES), after 3 p.m. today, on account of official business.

Mr. WILLIAMS of Ohio (at the request of Mr. RHODES), from 3 p.m. today, to adjournment on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRISHAM) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 5 minutes, today.
Mr. SAWYER, for 5 minutes, today.
Mr. KEMP, for 20 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. WAXMAN, for 5 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. FORD of Michigan, for 10 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mr. THOMPSON, for 5 minutes, today.
Mr. CAVANAUGH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GRISHAM) and to include extraneous matter:)

Mr. RHODES.
Mr. PAUL.
Mr. GOODLING in three instances.
Mr. COUGHLIN.
Mr. EMERY.
Mr. MICHEL in three instances.
Mr. ERLENBORN.
Mr. GREEN in three instances.
Mr. SYMMS.
Mr. DANNEMEYER.
Mr. DERWINSKI in two instances.
Mr. MCCLOSKEY.
Mr. WYDLER.
Mr. CONABLE.
Mr. LEWIS.
Mr. LAGOMARSINO.
Mr. COURTER in two instances.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. CARR in two instances.
Mr. RUSSO.
Mr. FORD of Michigan.
Mr. DODD in two instances.
Mr. NICHOLS.
Mr. VENTO.
Mr. STOKES in two instances.
Mr. BEDELL.
Mr. UDALL.
Mr. GAYDOS.
Mr. KILDEE.
Mr. ROSTENKOWSKI.
Mr. RAHALL.

Mr. HARRIS.
Mr. LONG of Maryland.
Mr. WAXMAN.
Mr. FOUNTAIN.
Mr. STARK.
Mr. GORE.
Mr. SCHEUER.
Mr. MURPHY of New York.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p.m.), the House adjourned until tomorrow, Friday, September 7, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2360. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a violation of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2361. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend section 7227, title 10, United States Code, to provide for the furnishing of routine port services at no cost to naval vessels of a friendly foreign country, when, by agreement or custom, such services are provided reciprocally to visiting naval vessels of the United States; to the Committee on Armed Services.

2362. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended June 30, 1979, pursuant to section 811(a) of Public Law 94-106; to the Committee on Armed Services.

2363. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting updated test sections for the XM-1 tank, UH-60A Blackhawk, and the U.S. Roland programs, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2364. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of five construction projects proposed to be undertaken by the Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2365. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Israel (transmittal No. 79-64), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2366. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to the United Kingdom (Transmittal No. 79-67), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2367. A letter from the Director, Defense Security Assistance Agency, transmitting a report on U.S. readiness of the Army's proposed sale of certain defense equipment to Kuwait (transmittal No. 79-68), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2368. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Spain (transmittal No. 79-69), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2369. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Saudi Arabia (transmittal No. 79-72), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2370. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Israel (transmittal No. 79-75), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2371. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sales as of June 30, 1979, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2372. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of June 30, 1979, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2373. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Israel (transmittal No. 79-64), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2374. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to the United Kingdom (transmittal No. 79-67), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2375. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and service to Kuwait (transmittal No. 79-68), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2376. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Spain (transmittal No. 79-69), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2377. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Lebanon (transmittal No. 79-70), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2378. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Malaysia (transmittal No. 79-71), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2379. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Saudi Arabia (transmittal No. 79-72), pursuant to section 26(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2380. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Israel (transmittal No. 79-75), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2381. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting the third semiannual report on the status of action on the recommendations of the Commission on Federal Paperwork; pursuant to section 3(d) of Public Law 93-556; to the Committee on Government Operations.

2382. A letter from the Assistant Secretary of the Treasury for Administration, transmitting notice of various proposed changes in existing records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2383. A letter from the Administrator, Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

2384. A letter from the Administrator, Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

2385. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting notice of a delay in the submission of the report on the relevance of the second law of thermodynamics to energy conservation programs, required by section 683 of Public Law 95-619; to the Committee on Interstate and Foreign Commerce.

2386. A letter from the General Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program to be held on September 11 and 12, 1979 in New York, N.Y., and on September 13, 1979 in White Plains, N.Y.; to the Committee on Interstate and Foreign Commerce.

2387. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 37135, *Increased Rates on Coal, BN, Montana to Superior, Wisconsin*, and six other related proceedings, within the specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

2388. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(5) of the act; to the Committee on the Judiciary.

2389. A letter from the Chairman, President's Commission on White House Fellowships, transmitting a statement in support of proposed legislation to amend section 209 of title 18, United States Code, to permit private employers to pay the relocation expenses of their employees who take unsalaried leave of absence to participate in the President's exchange program and the White House fellowships program; to the Committee on the Judiciary.

2390. A letter from the Comptroller General of the United States, transmitting a report on the legal and administrative obstacles to extracting other minerals from oil shale (EMD-79-65, September 5, 1979); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions

were introduced and severally referred as follows:

By Mr. WAXMAN (for himself, Mr. PEPPER, Mr. MAGUIRE, Mr. LELAND, Mr. ADDABBO, Mr. ANNUNZIO, Mr. BEARD of Rhode Island, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Ms. CHISHOLM, Mr. CLAY, Mr. CORRADA, Mr. DIXON, Mr. DRINAN, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Mr. FLOOD, Mr. FORD of Michigan, Mr. FORD of Tennessee, Mr. GRAY, Ms. HOLTZMAN, Mr. HOWARD, Mr. KILDEE, Mr. LEHMAN, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NEDZI, Mr. NOLAN, Mr. NOWAK, Mr. OBERSTAR, Mr. OTTINGER, Mr. PRICE, Mr. REUSS, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SCHEUER, Mr. SEIBERLING, Mr. ST GERMAIN, Mr. SHANNON, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. THOMPSON, Mr. VENTO, Mr. WEAVER, Mr. WEISS, Mr. WON PAT, and Mr. WOLFF):

H.R. 5191. A bill to assure provision of adequate comprehensive health-care services, including protection against catastrophic health-care expenses, to all residents of the United States at affordable prices through a system that provides for cost controls; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. FORD of Michigan (for himself, Mr. BUCHANAN, Mr. PERKINS, Mr. ASHBROOK, Mr. BRADEMAS, Mr. THOMPSON, Mr. BIAGGI, Mr. SIMON, Mr. GAYDOS, Mr. MURPHY of Pennsylvania, Mr. WEISS, Mr. BAILEY, Mr. JEFFORDS, Mr. EDWARDS of Oklahoma, Mr. TAUKE, Mr. PETRI, and Mr. RATCHFORD):

H.R. 5192. A bill to amend and extend the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. McDADE:

H.R. 5193. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 5194. A bill to amend the Internal Revenue Code of 1954 to provide that the residential energy credit shall apply to qualified energy conservation expenditures made by certain landlords of energy savings attributable to such experiences are passed through to tenants; to the Committee on Ways and Means.

By Mr NICHOLS (for himself, Mr. MITCHELL of New York, Mr. MOLLOHAN, Mr. LEACH of Louisiana, and Mr. WYATT):

H.R. 5195. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. PATTERSON:

H.R. 5196. A bill to authorize the Secretary of the Interior to engage in feasibility studies of a water supply for domestic, recreational, and municipal water users along the Colorado River in California; to the Committee on Interior and Insular Affairs.

By Mr. CORCORAN:

H.R. 5197. A bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residence to have a sponsor who will contract to support him for 3 years, or to have other means of support; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. GAYDOS:

H.R. 5198. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado (for himself and Mr. KOGOVSEK):

H.R. 5199. A bill to authorize certain additional measures to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act, and to increase the authorized expenditures ceiling for the Paradox Valley Salinity Control Unit, Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California (for himself and Mr. DRINAN):

H.R. 5200. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. LEDERER:

H.R. 5201. A bill to extend for 3 years the provisions of law relating to the business expenses of State legislators; to the Committee on Ways and Means.

By Mr. MINETA (for himself, Mr. BLANCHARD, Mr. ALBOSTA, and Mr. JEFFORDS):

H.R. 5202. A bill to require the use of solar energy systems to provide a certain percentage of the energy used in new Federal buildings and federally leased building space for heating water and for heating and cooling; to the Committee on Public Works and Transportation.

By Mr. MINISH:

H.R. 5203. A bill to correct inequities in the relationship between sales representatives and their principals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SLACK:

H.R. 5204. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

By Mr. MARTIN:

H.R. 5205. A bill to amend the Internal Revenue Code of 1954 with respect to the number of individuals who may be shareholders in subchapter S corporations; to the Committee on Ways and Means.

By Mr. CAMPBELL:

H.J. Res. 391. Joint resolution proclaiming the week of December 3-9, 1979, as "The Boy Scouts Calendar Distribution Week"; to the Committee on Post Office and Civil Service.

By Mr. McKINNEY:

H.J. Res. 392. Joint resolution authorizing and requesting the President to issue a proclamaton designating the week of January 21 through January 27, 1979, as "Junior Achievement Week"; to the Committee on Post Office and Civil Service.

By Mr. HOWARD (for himself, Mr. JOHNSON of California, Mr. HARSHA, and Mr. SHUSTER):

H. Con. Res. 162. Concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways; to the Committee on Public Works and Transportation.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

294. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to granting all servicemen enlisting in Guam overseas pay while serving Guam; to the Committee on Armed Services.

295. Also, memorial of the Legislature of the State of California, relative to discrimination against Air Force nurses; to the Committee on Armed Services.

296. Also, memorial of the Legislature of the State of California, relative to Amtrak; to the Committee on Interstate and Foreign Commerce.

297. Also, memorial of the Legislature of the State of California, relative to air travel safety; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. CORCORAN.

H.R. 811: Mr. JEFFORDS.

H.R. 1115: Mr. BERKLEY, Mr. CHAPPELL, Mr. CONABLE, Mr. ICHORD, Mr. LEATH of Texas, Mr. LEE, Mr. LENT, Mr. LOTT, and Mr. RAILSBACK.

H.R. 1789: Ms. FERRARO, Mr. WEISS, Mr. ZEFERETTI, Mr. PEPPER, Ms. HOLTZMAN, and Mr. MURPHY of New York.

H.R. 1977: Mr. CORCORAN and Mr. GLICKMAN.

H.R. 2118: Mr. SEIBERLING.

H.R. 2246: Mr. BLANCHARD.

H.R. 2279: Mr. GOLDWATER, Mr. LAFALCE, Mr. NOWAK, Mr. LUNGREN, Mr. LUNDINE, Mr. WINN, Mrs. SCHROEDER, Mr. SYMMS, Mr. PASHAYAN, Mr. COURTER, and Mr. WOLFF.

H.R. 2846: Mr. UDALL, Mr. RAHALL, and Mr. COELHO.

H.R. 3335: Mr. COTTER, Mr. DODD, Mr. McKINNEY, Mr. MOFFETT, Mr. RATCHFORD, Mr. EMERY, Mrs. SNOWE, Mr. DRINAN, Mrs. HECKLER, Mr. MARKEY, Mr. MAVROULES, Mr. STUDDS, and Mr. BEARD of Rhode Island.

H.R. 3558: Mr. YOUNG of Missouri.

H.R. 3677: Mr. WYATT.

H.R. 3750: Mr. SABO.

H.R. 3795: Mr. QUILLEN.

H.R. 3833: Mr. MITCHELL of Maryland, Mr. BEDELL, Mr. GUARINI, Mr. HOLLENBECK, and Mr. STOKES.

H.R. 4056: Mr. DASCHLE and Mr. GOODLING.

H.R. 4096: Mr. LOTT.

H.R. 4377: Mr. VENTO, Mr. EDGAR, Mr. STOKES, and Mr. FAZIO.

H.R. 4464: Mr. BEARD of Rhode Island.

H.R. 4647: Mr. DORNAN.

H.R. 4762: Mr. WEAVER.

H.R. 4986: Mr. BONER of Tennessee, Mr. SABO, Mr. ERTEL, Mr. HOPKINS, Mr. KRAMER, Mr. GOLDWATER, Mr. FLOOD, Mr. ANDERSON of Illinois, Mr. DINGELL, Mr. ECKHARDT, Mr. DECKARD, Mr. DAN DANIEL, Mr. STEWART, Mr. SOLOMON, and Mr. EDGAR.

H.R. 5080: Mr. EDWARDS of Oklahoma.

H.R. 5117: Mr. WHITEHURST, Mr. BUTLER, Mr. KOGOVSEK, Mr. NICHOLS, Mr. MADIGAN, Mr. GIBBONS, Mr. SAWYER, Mr. CLEVELAND, Mr. GOODLING, and Mr. McCLORY.

H.J. Res. 69: Mr. GILMAN, Mr. ROYER, Mr. SANTINI, Mr. GORE, and Mr. HAMMERSCHMIDT.

H.J. Res. 145: Mr. GEPHARDT and Mr. BEDELL.

H.J. Res. 321: Mr. RUSSO, Mr. DODD, and Mr. TRAXLER.

H. Con. Res. 124: Mr. JEFFORDS, Mr. ROTH, Mr. DECKARD, Mr. FITHIAN, Mr. LOEFFLER, Mr. STOKES, Mr. FASIO, Mr. ROSENTHAL, Mr. MICHEL, Mr. VANDER JAGT, and Mrs. HECKLER.

H. Con. Res. 133: Mr. LAGOMARSINO, Mr. FRENZEL, Mr. DEVINE, Mr. SOLOMON, Mr. WINN, Mr. FLOOD, and Mr. STOKES.

H. Con. Res. 149: Mr. GRAY.

PETITIONS, ETC.

Under clause 1 of rule XXII,

190. The SPEAKER presented a petition of the Board of Regents, College of Micronesia, Ponape, East Caroline Islands, relative to the appropriation of authorized funds

for the College of Micronesia, which was referred to the Committee on Appropriations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 51

By Mr. MURPHY of New York:

—Page 66, after line 8, insert the following new paragraph and renumber succeeding paragraphs accordingly:

"(3) Notwithstanding any other provision of this section, the Secretary shall determine whether the siting and construction of any LNG facility are in compliance with standards prescribed under paragraph (1) of this subsection if such facility is one for which initial construction was completed at least four years prior to the date of enactment of this Act but which has not been placed in operation by such date. With respect to any such facility, the standards relating to location established under subparagraph (1)(A) of this subsection shall require such location to be in a remote area in order to minimize the dangers to persons and property from discharge, explosion, or other malfunction. If the Secretary determines that the facility is not in compliance with such standards, no application for the operation of such facility shall be approved by the Department of Energy."

EXTENSIONS OF REMARKS

A REPORTER'S VISIT TO VIETNAM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ROSENTHAL. Mr. Speaker, during the recent congressional recess the New York Times ran a series of articles on present-day Vietnam by the noted investigative reporter Seymour Hersh. Having visited Vietnam last month, I applaud the tone of these articles and request unanimous consent to insert them in the RECORD.

Mr. Hersh, who spent 10 days in Vietnam speaking with top government officials, United Nations and other relief officials, and Vietnamese citizens he had known as a war correspondent, depicts a Vietnam in severe economic need, and a political leadership angered by the U.S. commitment to the "China card" of international politics—which apparently precluded normalization of relations between our two countries last fall. He also reports that over 2 million Cambodians are threatened in the immediate future with massive starvation.

While our visit was not as long as that of Mr. Hersh, my observation is that the Hersh articles and vignettes portray the country well—its politics, its economy, its security concerns, and the flavor of the daily life. I commend the articles to my colleagues.

As a member of Members of Congress for Peace through Law, I think the series will be of special interest to MCPL members.

[From the New York Times, Aug. 7, 1979]

HANOI SAYS U.S. DIDN'T FOLLOW THROUGH AFTER REACHING ACCORD ON TIES

(By Seymour M. Hersh)

HANOI, VIETNAM, August 3.—Vietnam's Acting Foreign Minister said in an interview this week that his Government and the United States reached full agreement on normalizing their relations during secret talks in New York last fall, but that the Carter Administration did not follow through on the agreement.

Nguyen Co Thach, who holds the title of Secretary of State for Foreign Affairs, said that the breakthrough in the negotiations came last Sept. 28 when Vietnam dropped its demand that the United States agree to a major aid commitment before normalization.

[In Washington, Richard C. Holbrooke, an Assistant Secretary of State who led the American team, confirmed subsequently that the United States and Vietnam had settled the aid issue in meetings last fall. Washington's subsequent decision to slow normalization, Mr. Holbrooke added, was solely in response to questions involving Cambodia, the refugee exodus and a Soviet-Vietnamese economic accord, and had nothing to do with Washington decision to recognize Peking, as Mr. Thach charged.]

Once the Vietnamese demand for an American aid commitment was dropped, Mr. Thach said, "everything was agreed upon, except for the writing down." He and the American side had settled such matters as the size of the diplomatic missions in Washington and Hanoi and had even begun discussions over who would be assigned as heads of mission, he said.

The Vietnamese official said, however, that he left New York after waiting in vain for a final meeting to conclude and sign the agreement.

"THE CHINA CARD PREVAILED"

Instead, he said, the United States extended diplomatic recognition to China and later accused Vietnam of making normalization impossible because of its position on the outflow of refugees, its pending military involvement in Cambodia and its signing of a long-term economic aid agreement with the Soviet Union.

"I think they would like to arrange normalization with China and normalization with Vietnam," Mr. Thach said, "and the China card prevailed above the normalization of Vietnam. This is my assessment."

Mr. Thach has emerged in the last six months as one of his nation's leading spokesmen to the outside world, and Western and nonaligned diplomats here believe that he exerts great influence on Vietnam's foreign policies. Handsome and self-assured, the 56-year-old official made himself available for more than six hours of interviewing over two days in what seemed to be a major attempt to explain his country's policies directly to the American people. Mr. Thach speaks excellent English.

Among the other key points stressed by the Secretary of State during the interview were these:

Vietnam "has stopped and will continue to stop" the unauthorized flow of refugees from its shores.

Hanoi "categorically" rejects any assertion that the central Government has profited, directly or indirectly, from the illegal exodus of refugees, many of whom paid enormous amounts to be allowed to flee.

Vietnam is opposed to any international conference on the neutrality of Cambodia because the new Cambodian government headed by Heng Samrin "has its own destiny in its hand." No role for Prince Norodom Sihanouk, the former Cambodian head of state, is possible.

Cambodia is now facing a desperate famine that threatens the life of its four million people.

Thailand has been permitting troops of the former regime headed by Pol Pot to operate within its borders and to maintain the "sanctuaries" needed to sustain their guerrilla operations against the Heng Samrin government. Vietnam does not consider the action of the Thai Government to be "wise."

Vietnam's economy has suffered severe setbacks because of the border wars with China and the fighting with the Pol Pot forces in Cambodia, and the Government needs to import three million tons of food this year, a figure it does not expect to achieve.

As for renewed warfare with China, Vietnam is "prepared for the worst" and the Chinese "must think it over before they launch another invasion."

CARTER POLICIES CRITICIZED

The extended interviews with Mr. Thach took place in a simply furnished living room in the Government's guest house in the center of Hanoi. Throughout the interview Mr. Thach, dressed casually, as everyone is in hot and humid Hanoi in midsummer, repeatedly criticized the foreign policies of the Carter Administration, but he distinguished between what he called the Government and the American people.

"It is very bitter for the Government to swallow the defeat" in the Vietnam War, he said, "but for the American people it is another thing. They are proud of their support of Vietnam during an unjust war."

He accused China and the United States of conspiring to manipulate the refugee issue for international political reasons. "They would like, through the bias of the refugees, to solve the question of Cambodia," he asserted. "That is the biggest reason behind the noise about refugees."

"Who is criticizing Vietnam?" Mr. Thach asked. "First it is China and secondly the U.S.A. They are the most critical. The other nations are honestly very emotional about the refugees, but it is a realistic emotion. But, you see, the United States and China have encouraged these emotions."

The non-Communist countries in Southeast Asia—principally Thailand, Singapore, Indonesia and Malaysia—"have a right to be sensitive" about the refugee issue, Mr. Thach said. "It is a very great burden for them," he acknowledged. "But you see, nobody is excited about the fate of the four million Cambodian people who are starving and the three million Cambodians who were killed by Pol Pot with the help of China."

"DOUBLE STANDARD" ON REFUGEES

The Vietnamese minister repeatedly complained during the interviews about what he termed the double standard applied by the United States against his Government. "We have stopped the exit of refugees since 1975," he said, "but we were criticized because we had not given the people freedom to go away. Then we decided to let them go freely and we are criticized by the West for exporting refugees.

"And now we have agreed to channel them through legal exits in part through the United Nations High Commissioner on Refugees and to stop all illegal exits. But now the Seventh Fleet is coming in and encouraging the people to go illegally."

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Repeatedly turning to the refugee issue, he said there were two broad categories of people fleeing the country. The first group, he said, consists of "the 1.5 million people who cooperated with the U.S. Army." He went on: "There was no bloodbath. We have shown our humanity to them, our clemency. But they could not stay. Why? Because they have guilty consciences and, secondly, they were used to the easy life under American aid. They cannot work hard, so they would like to go with the Seventh Fleet and so on."

After the Communist victory in the spring of 1975, many inhabitants of the former South Vietnam were sent to so-called reeducation camps, where an attempt was made to instill Communist principles. The austere life represented a sharp change for many.

"The second group of refugees," Mr. Thach said, "are the Chinese. There are two reasons they left. First, you should know that I have been in New York and I have talked with the Japanese. They told me that after Pearl Harbor the Japanese were all concentrated into camps and all their property confiscated.

"Here the Chinese are free. You can see them in the streets. But they have the difficulty of being caught in a crossfire. If they support the Vietnamese against the Chinese, the Chinese are suspicious. If they support the Chinese against the Vietnamese, the same. If they are neutral, they are doubted by both sides. So it's very difficult for them to stay. Secondly, they are mostly big businessmen and they don't like the socialist reformation of South Vietnam. They would like to go away."

Regarding the question of forced payments from the refugees, Mr. Thach again complained of a double standard. "Some people say that we have taken money from these refugees, and at the same time they say that they are forced to go," he said. "So it is contradictory: If they are forced to go, why must they pay money? If they must pay money to go, so they are not forced to go."

The minister, emphatically denying allegations that the central Government collected refugee funds, said: "There is no such policy. I can reject it categorically."

EMIGRES RESTRICTED ON VALUABLES

Mr. Thach said that Government policy called for punishment of those who took bribes but that illegal departures had an obvious advantage, because those who left could carry all their valuables with them, in contrast to the sharp restrictions on the valuables that those emigrating legally were permitted to take.

Discussing Vienam's economy, Mr. Thach acknowledged that most of the agricultural and industrial goals had not been met because of the wars with China and the fighting in Cambodia. "But this is not the most difficult time for Vietnam," he said. "The most difficult time for Vietnam is over. And if during the American war we can stand and we can produce, why can't we now produce and stand?"

The failure to meet industrial and agricultural quotas has been far more damaging to the former South Vietnam and especially to Ho Chi Minh City, formerly Saigon, than to the north, Mr. Thach said. He acknowledged that many people were out of work in Ho Chi Minh City and still slept and begged on the streets.

"They are having trouble, yes," he said, "but it is because they don't want to work hard. They would like to have an easy life."

[From the New York Times, Aug. 8, 1979]

2.25 MILLION CAMBODIANS ARE SAID TO FACE STARVATION

(By Seymour M. Hersh)

HANOI, VIETNAM, August 3.—United Nations and Red Cross officials said in interviews here and in Ho Chi Minh City this week that 2.25 million Cambodians were facing starvation.

The officials, who agreed to discuss their recent fact-finding trip to Cambodia after being promised anonymity, also described the widescale starvation, shocking as it was, as only one element of what seemed to be the near destruction of Cambodian society under the regime of the ousted Prime Minister Pol Pot.

"I have seen quite a few ravaged countries in my career, but nothing like this," one official said. He added that as much as $100 million in food and medical aid was urgently needed.

FLIGHT HELD WORSE THAN REFUGEES'

The officials, representing the International Committee of the Red Cross in Geneva and the United Nations Children's Fund in New York, expressed dismay that the concern of many Western nations over the plight of the Vietnam refugees had overshadowed what they said would be a far greater tragedy in Cambodia.

Relief efforts in Cambodia have been slowed in part because of suspicion over the authenticity of the new Cambodian Government headed by Heng Samrin, which was installed by Vietnam after the invasion of Cambodia early this year.

The relief officials also said that during their visit to Cambodia they had seen evidence of systematic torture in chambers operated by the Pol Pot Government at a prison near Phnom Penh, the capital. Members of the Pol Pot regime, they said, carefully logged the names and titles of their victims and the types of torture each suffered. The officials said they knew of one large burial site where the remains of perhaps hundreds of the torture victims had been found after the Vietnamese invasion.

The relief experts said that the former regime had not only forced citizens to evacuate Phnom Penh, and other cities to work in the fields, as had been earlier reported, but also had destroyed all vestiges of intellectual life and whatever they could find of 20th-century civilization in the country.

The Pol Pot Government took over Cambodia on April 17, 1975, after the defeat of the United States-backed Government of Marshal Lon Nol. Mr. Pol Pot believed that the salvation of Cambodia was possible only through the expulsion of all foreigners and foreign influence and through "purification," or evacuation, of the cities in an attempt to reconstruct Cambodia's war-damaged agricultural system.

SOME FOOD SUPPLIED BY VIETNAM

Since the fall of his Government and its replacement by the Vietnamese-backed regime of Mr. Heng Samrin early this year, Vietnam, itself faced with a deficit in food, has diverted some of its supplies to Cambodia.

Cambodia's social welfare apparatus has been left in shambles, the relief officials said, citing demolition of hospitals, schools, water supply facilities and sanitary systems. The destruction of such facilities has been on a scale far wider than previously believed, they asserted.

Intellectuals were systematically purged, the officials said. Survivors reported that all people who were known to speak foreign languages were hunted down, imprisoned and, in some cases, beaten to death with sticks. One doctor told the relief officials he had decided to hide his eyeglasses during the four years of Mr. Pol Pot's rule for fear of being revealed as an intellectual, and punished.

Of more than 500 doctors known to have been practicing medicine in Cambodia before the defeat of the Lon Nol regime by the Communist forces in 1975, the relief officials said, only 40 have been found. The rest are presumed to have been slain or to have died while working in the fields in the last four years.

OFFICIALS BESIEGED ON ARRIVAL

The relief officials told of having been besieged by Cambodians on their arrival in Phnom Penh • • • with many of them asking the visitors to mail letters to family members and friends abroad.

In one such letter, dated June 20, and written to a doctor in Australia, a Cambodian nurse, after explaining that only 6 of the 14 persons in her family had survived, pleaded: "Please, doctor, would be sure taking my family to work in your country?"

The woman added: "Sorry of my poor English, because I never read for four years ago. My life always upset, no ideas, darkness in mind."

The officials said they had read many of the public accounts of the isolation of Phnom Penh under the former regime, but they still had been unprepared for the extreme destruction they saw during their visit there.

"It cannot be understood," one experienced official said. "It's a dead city. I saw only one pipe with running water."

EVERY HOUSE HAS BEEN DESTROYED

"Honestly, we could not believe it," he went on. "Every house has been destroyed and there are piles of garbage and furniture on the sidewalks."

Under the Pol Pot administration, the officials said, foreign journalists and other visitors were permitted to walk down one main thoroughfare that had been cleared of debris. Seen from the street, buildings seemed to be empty but in relatively good condition.

In fact, the relief officials said, every home had been ransacked. "It was not looting," one official declared, "because the soldiers did not take anything for themselves." But, he said, all signs of modern civilization—typewriters, radios, television sets, phonographs, books—were destroyed. In the shuttered hospitals of the capital, all the medical equipment, textbooks and reference journals were found, broken and scattered, on the floor.

A Roman Catholic cathedral in the center of Phnom Penh had been razed, with not a sign of its existence remaining, the officials said. Similarly, the city's central market had been destroyed.

All the automobiles in the city, the officials said, were driven by soldiers to an empty field and abandoned, left to rust as further symbols of modern decadence.

OUTBREAKS OF PLAGUE REPORTED

The increase in rats and other vermin has caused outbreaks of plague and other diseases, the relief officials said. The treatment of the sick is complicated, they said, by a lack of medical equipment, since the former Government was scrupulously methodical in its destruction of hospitals.

For example, in a hospital at Kompong Speu, about 30 miles west of Phnom Penh, the relief team found 30 patients who had developed hepatitis in recent weeks because of a lack of sterilizers for surgical instruments. The hospital had 500 patients when the group visited it last month, with one Vietnamese doctor who shuttled between it and other facilities.

The relief officials reported that there were believed to be 10,000 orphans in Cambodia, none of whom had been provided with the most basic immunizations.

NEW EQUIPMENT URGENTLY NEEDED

Some medical supplies were provided earlier this year by Vietnam, the officials said, and an emergency shipment of $10,000 worth of drugs and syringes was sent in this week.

Still urgently needed, they said, are new surgical and medical supplies, such as X-ray machines and sterilizers, for the ransacked hospitals, most of which were in towns and therefore were shut down.

Complicating the medical supply efforts is the food crisis, the relief officials said. They

were permitted to visit some outlying towns. One of them, Kompong Speu, had been completely destroyed, they said. Everywhere they saw hundreds of children with the blank looks and distended bellies of the starving.

The officials said that the fragile government of Mr. Heng Samrin had set the daily intake of rice per person at 130 grams, roughly 4.5 ounces. That is less than one-third the average quota for other Southeast Asian nations, they said.

The officials said that Cambodia's fall harvest was expected to yield almost nothing, since many of the rice fields had been devastated in guerrilla warfare between Vietnamese troops backing the Heng Samrin regime and the surviving Pol Pot forces. In addition, the growing famine has forced many peasants to eat rice seedlings to stay alive, the officials said.

EASTERN AREA CALLED A 'DESERT'

Yet another factor in the famine, the officials said, is the apparent absence of any significant population in the fertile rice-growing areas east of the Mekong River, the area between Phnom Penh and the Vietnamese border. "My first impression after passing the border is that at present no more than 5 percent of the fields are cultivated," one relief official explained. "The eastern half of the country is a desert—no boats, no one on the roads," he said.

The people who had lived in that area, the official said, were viewed with special suspicion by troops of the Pol Pot regime because of its proximity to Vietnam, and thus they were forced to move out.

One relief official recalled his sharing some canned litchi nuts with a group of Cambodian officials last month in the Government's guest house in Phnom Penh. He was astonished when the Cambodians told him it was the first fruit they had tasted in two years.

COUNTRY KNOWN AS "LAND OF FRUIT"

"You have to understand," the official explained, "Cambodia has always been known as the land of the fruit."

The first-hand evidence of torture was found at a former French high school in Phnom Penh that had been converted to a political prison, the officials said. They recalled having seen a prison file on a Cambodian doctor who was tortured to death there. "The file indicated that he was tortured at least 20 times," one official said with an expression of horror, "and there were 5,000 files in the prison."

"You just cannot find anybody alive in Cambodia who has not lost somebody in his family," the official added.

He told of one couple who were overheard speaking to each other in French shortly after the Pol Pot Government came to power. "They were accused of being intellectuals and arrested," the official said. "She was killed the next morning by sticks, but he escaped."

[From the New York Times, Aug. 9, 1979]

EXODUS OF SKILLED ETHNIC CHINESE WORSENS HANOI'S PLIGHT

(By Seymour M. Hersh)

WASHINGTON, August 8.—A crew of skilled Soviet longshoremen are now hard at work in Vietnam's busy harbor at Haiphong, unraveling a huge tie-up caused by a lack of skilled workers.

There are precious few factories in underindustrialized Vietnam, but some of them had to be closed down recently because of a lack of skilled workers.

The missing workers were ethnic Chinese, and Vietnam's leaders acknowledged in interviews in Hanoi last week that their nation is facing a major "brain drain" in part because of the exodus of Chinese residents over the last year.

PROBLEMS ARE SEVERE

The drain, however, is only one of Vietnam's current difficulties. Other critical problems include the following:

The economy is stagnant, with little manufacturing and little foreign-trade revenue.

Inflation, difficult for an outsider to assess, has created 100 percent price increases over the last 18 months for some basic consumer goods.

Millions of tons of food have had to be imported to meet minimum food needs with much of that now being diverted to aid famine-stricken Cambodia.

Most Western nations, shocked by the recent flood of "boat people," have cut off aid programs in retaliation.

War with China and the ousted Pol Pot Government in Cambodia have thrown all of Vietnam's planning programs and quotas into disarray.

The one million residents of Hanoi, having gone through 30 years of war, still suffer from antiquated transportation facilities. The only automobiles in use are those owned by the Government and by diplomats.

Housing is still dilapidated and shockingly inadequate. One diplomat said he counted 80 residents living in the house next to his embassy.

IMPACT OF EXODUS

Vietnamese officials have found it impossible to calculate fully the extent of the nation's loss stemming from the exodus of ethnic Chinese in the last year. The Chinese population, which once totaled 1.2 million, traditionally has been concentrated in government offices, hospitals, schools and research institutes, Vietnamese officials said. They noted that 3,000 of the 13,000 Chinese living in Hanoi at the beginning of last year worked in central Government offices. Many of those have left, causing serious setbacks in the day-to-day operations of the bureaucracy.

One senior Vietnamese official acknowledged that because of the outflow of Chinese medical doctors, "Now you can find parts of Vietnam where there are none." He added: "We don't like to let the skilled people go away."

The loss has been felt not only in the upper reaches of Government and in medical clinics. More than 15 percent of Vietnam's coal miners were Chinese, and mining operations were said to have been hampered by the exodus of key workers.

Given all these problems, Hanoi's leaders remain firmly entrenched in power and seem serene and optimistic about the future.

THE PEOPLE SEEM HAPPY

During a weeklong visit to Hanoi, a correspondent could only describe the attitude of the people as happy. There were far more individual styles of dress, and boy-and-girl relationships were much more in evidence than during a visit to Hanoi in 1972, at the height of the Vietnam War.

Western values, manifested by blue jeans, T-shirts and rock music, have begun to take hold, albeit tenuously. One young Vietnamese interpreter, a dedicated Communist assigned to the Foreign Office, conceded that he had a hankering for Rod Stewart recordings.

In many interviews, Western and nonaligned diplomats in Hanoi confirmed that, despite the continuing hardships, individual loyalty to the Government was the cornerstone of Vietnam's viability.

Asked about the Government's seemingly strong support at home, Nguyen Co Thach, Vietnam's Acting Foreign Minister, raised the issue of foreign criticism over the refugee exodus.

"You see," Mr. Thach said in an interview, "there are some people from the West who say there is a lack of human rights and that lack is why people want to go from Vietnam. So I must tell you that if there are no human rights, Vietnam could not stand these 30 years through these unthinkable difficulties, these unthinkable tests, if we do not have the support of the people."

"There is no gap in Vietnam between the life of the people and the life of the officials," Mr. Thach added. "I share in the poverty of my people. That's the way we can overcome all the difficulties—even 50 million tons of bombs on our heads."

The Vietnamese certitude and self-assuredness is a source of constant annoyance to western diplomats, who repeatedly used the term "arrogant" to describe some Government views.

For example, Australia, New Zealand, Britain and the European Common Market recently cut back food aid and other programs in an attempt to influence Vietnam's refugees policies.

EMPTY BARRELS ARE VERY NOISY

Mr. Thach, however, when asked about those cutbacks, attributed them to those nations' support for China. "Their aid is very small, so it's not too bad," he said.

"You see," he added with a laugh, empty barrels are always very noisy."

If Vietnam's attitude toward the West sometimes seems high-handed, a correspondent encountered a touch of the same imperiousness toward the Soviet Union and its huge aid programs. While grateful for the Soviet aid, Vietnamese officials made it pointedly clear that the aid would never turn Vietnam into a Soviet satellite, as some American analysts seem to fear.

A senior American official who deals with Southeast Asian affairs, interviewed in Washington, expressed the view that the Soviet Union for political reasons stemming from a reluctance to anger the United States, had not sought bases or received bases in Vietnam. "They're laying low until after the SALT treaty passes," he said.

Mr. Thach and other Vietnamese officials said, however, that they would not let the Soviet Union or any other country maintain a base on their soil.

The Vietnamese officials also said that the Soviet Union had not interfered or applied pressure to induce Vietnam not to seek normalization with the United States. If such pressure was brought, they said, it would be dismissed out of hand.

A nonaligned ambassador in Hanoi said that the leadership of Vietnam had been impressed by the many social programs undertaken by the United States during the years of America's support for the South Vietnamese Government, and was anticipating large-scale aid to provide some needed development programs in the North.

Even more important, the ambassador said, choosing his words carefully, is "that with the United States, they don't have to cringe to accept aid; with the Soviets, they do."

Surprisingly, the long years of war have left Hanoi free of signs of damage, but even a casual traveler can see the cost in terms of social progress. The roads are few, narrow and hopelessly jammed. Hanoi is still a city of bicycles and freshly slaughtered pigs being slowly brought to market could be seen on the backs of the cycles.●

MARY JANE JOHNSON TRIBUTE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DELLUMS. Mr. Speaker, for many years people from throughout the United States have looked to the city of Berkeley, Calif., for innovative leadership and ideas in the field of education.

Its programs of school desegregation, compensatory education, and special education for minority and underachieving youths have been instrumental in providing the entire country with important guidelines to what is possible in elementary and secondary education programs. Berkeley is proud of its leadership role, and through its successes and failures have come a recognition of its distinguished position in American education.

One citizen of Berkeley, perhaps more than any other, has been both a symbol and an instrument in Berkeley education achievement. That person, Ms. Mary Jane Johnson, has recently retired from the board of education, after having served two terms as its president, and two as its vice president.

Mary Jane Johnson was active in education in Berkeley long before she served in her official capacities. She was a community leader who pioneered the desegregation program, and who fought for its retention and success. Throughout her career, her performances have been marked by an extraordinary combination of keen intelligence, inexhaustible energy, and a magnificent humility.

Those of us who have worked closely with her admire her without measure; we plan soon to pause, as a community, and communicate to her our sincere thanks and appreciation for her many years of service. Because that service has been a service to her State and her Nation, I felt it appropriate to enter these comments of commendation into the CONGRESSIONAL RECORD.●

THE 75TH ANNIVERSARY OF SOUTHWEST TEXAS STATE UNIVERSITY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. PICKLE. Mr. Speaker, on August 18, I had the honor of addressing the summer graduating class of Southwest Texas State University in San Marcos, Tex. Over 900 students sacrificed what could have been carefree summer vacations to complete their school work and become graduates of the same excellent institution as President Lyndon B. Johnson.

This graduating class helped celebrate the 75th anniversary of Southwest Texas State. During that time, the school has produced many national leaders, including President Johnson. I thought it would be appropriate to consider the concept of leadership in my remarks, to question why Americans seem not to want to be led, while sometimes craving for more benefits and stronger leaders.

Mr. Speaker, I would like to submit these statements for the RECORD, along with a resolution of congratulations from the leaders of San Marcos to these future leaders of tomorrow.

ADDRESS BY CONGRESSMAN J. J. PICKLE

To these critics who say that America has gone to heck in a handbasket, I say we have not—at least not yet. We are becoming a "softer Nation," and as such more independent. You have the same opportunities as graduates before you.

This morning, one thing we can all nod in agreement with—you deserve a healthy pat on the back for your achievements. Gaining a college education is one of the strongest vehicles you can have for entering the society. You are better equipped to enjoy our freedoms and economic system, while contributing something in return.

Every commencement speaker probably reminds his or her audience they are entering the most critical stage in our history. But like a successful play with different scenes and turns, opening in many cities, there are many stages. And the next few years will prove as critical. Perhaps in a different way, than any other time.

You are entering a job market, or the graduate school routine. At a time when people are questioning the strength of our institutions and the people who are supposed to lead.

A national publication recently addresses the problem quite well, in almost an agonizing fashion. We are experiencing a lack of leadership. Commentators and politics complain that President Carter is a nice guy, but he just cannot lead the country. Some of the same people who rejected the decisive leadership of a Lyndon B. Johnson today almost yearn for such a distinctive figure.

But the malaise in our country goes beyond the person who sits in the Oval Office, or who bangs the legislative gavel, or who directs a corporation. Americans have questioned the need for strong leadership and the willingness to be followers. As TIME puts it, "Americans in the '70s have developed almost a psychological aversion to leading and to being led, even while they complain that no one seems in charge anymore."

This curious contradiction arises during the time when the 1960's impetus to expand, to improve and make a better society has been substituted with the so-called "medecade" of the 70s where we've lowered our expectations. The striving of the 60s, to go out and save the world, has been replaced by the self-improvement movements and fads of the 70s.

People don't seem to have time or the desire to follow a leader, because past leaders have not delivered on pledges, have not addressed the real issues, or have not avoided being convicted. We also worry about our own personal, economic concerns. Alexis de Tocqueville predicted in 1835, that the American Dream always ran the risk of degenerating into anxiety-ridden materialism . . . that Americans would be perenially unsatisfied, always wanting more, turning the land of plenty into the land of excess. Was Mr. de Tocqueville right? Are we becoming that materialistic?

This struggle for abundance is quite understandable. Traditional economics and personal finances don't seem to work anymore. As graduates, expecting to enter the housing market, you'll be shocked. Your college diploma salary will have trouble financing the average cost of a home, which is over $70,000. The Washington Post recently wrote that a house cannot be found for much under $100,000 in the nation's capital. In Washington, real estate wheeling, dealing and talking takes up almost as much time as running the government—and we are not far behind here in Texas—and elsewhere.

Instead of hopes for the future, young people are feverishly attaining goods, which may be cheaper today than they will be tomorrow. All the while, people run the risk of overextending themselves. Contrary to our country's early days of abundance, when we could always keep going West and conquer virgin areas, we have settled the frontiers. Our resources are finite. Americans are fighting for their turf instead of finding visionary leadership.

Because of past excesses, we have seen new government regulation, which, unchecked, could invade personal freedom. We have made progress in correcting those excesses, but we have paid a price. With less economic independence, it is every person or business for himself. Which has led to the politicization of business. Many corporations new resemble quasi-governmental enterprises. Leadership initiatives are easily stymied by courtroom challenges. Individuals feel they have little role to play in the continuing tug-of-war between big business and big government.

The emerging distinctions which mark our institutions are cloudy. Where do you fit in? This dilemma is sure to touch your lives. Are we willing to be lead?

Hedley Donovan, President Carter's Senior Advisor and new Economic consultant, put it succinctly, "One secret of America's strength is that two strains—rebelliousness and willingness to accept orders—run strongly through our national life."

The Imperial Presidency is gone. And has been for the past ten years. Americans elect—and then devour a President. Apparently, we concluded that the Presidency is not infallible and that we don't have to do what the President says. We want to protect our own interests and privileges more than we are willing to balance national interests. We want more income, less taxes, less regulation and more retirement than ever before.

This does not make us "bad people"—but rather that we have been accustomed to lead the good life and leave the accounting to others. We do not want to be controlled or regulated—or led—or, are we? Do you want strong leadership? Are you willing to accept it? I think we are. I think Americans, in this time of excesses and problem of energy shortages, are willing to do whatever is necessary—and follow a leader—if they believe it is necessary. Rebelliousness on our part today is not against a man or a single institution. It is an attitude that the individual should be let alone. That cannot be done—quickly, at least.

We should try to take a lot of government out of our individual and business life, but we must accept the fact that, in doing so, we must largely give up federal assistance. We can't have it both ways. We, the older generation, are trying to turn the corner now. As young leaders coming onto the scene, how do you vote?

Out of our materialistic desires and our lack of desire to be led, there is room to turn the tide. This country still possesses personal freedom and traditions to insure great personal opportunities. Your right to seize the opportunity is one of our strengths. We can and we must participate in the continuing evolution of excellence that marks our country's history and can characterise our future.

The most famous graduate of this University, who learned many principles of life in "Old Main" was President Lyndon B. Johnson. President Johnson excelled in his personal life and made an almost unmeasurable leadership contribution. He recognized that change is healthy, that constant improvements and reassessments constitute progress. Speaking to the 1965 commencement class at Howard University in Washington, the President said . . . "Our earth is the the home of revolution. In every corner of every continent, men charged with hope contend with ancient ways in the pursuit of justice. They reach for the newest of weapons to realize the oldest of dreams, that each may walk in freedom and pride, stretching his talents, enjoying the fruits of the earth."

Despite new problems and current crisis, the words of Lyndon Johnson apply today as they did 14 years ago. In ten years from now, your generation will have its name,

just as the 60s was known as the activist generation and the 70s marked the "me-generation." You have the unique chance to seize the opportunity, to improve the human condition, promote freedom and liberty and to contribute to the strength of our country.

RESOLUTION FOR SOUTHWEST TEXAS STATE UNIVERSITY

Whereas, Southwest Texas State University commemorates 75 years of service as a state-supported institution of higher education during the 1978–1979 school year; and

Whereas, The official university slogan, "the progressive university with a proud past," also serves as the 75th anniversary celebration theme, one which encourages the university community and residents of the San Marcos area to reflect on the rich history and tradition that have helped to make Southwest Texas one of the state's truly outstanding colleges; and

Whereas, Chartered in 1899 by the State Legislature as a two-year normal school Southwest Texas State Normal School opened its doors to 303 students who were taught by 17 instructors; and

Whereas, After 75 years and three name changes, Southwest Texas State University had an enrollment of more than 15,000 students and a faculty of more than 600 members; and

Whereas, With its original red-steepeled building, Old Main, still in full academic use, the school blends its progressive educational programs with cultural enrichment and recreational opportunities that provide students with a well-rounded atmosphere for learning and maturing; and

Whereas, Known throughout the state for its teacher education program, Southwest Texas gained national attention when one of is most famous graduates, Lyndon B. Johnson, became president of the United States; and

Whereas, All university divisions have contributed to the anniversary observance, which culminates with the summer academic commencement; and

Whereas, Since its opening in 1903, Southwest Texas State University has grown into a first-class regional, state, and national institution of higher learning, and students, alumni, and all the people of Texas can be proud of its progress and its dedication to excellence; now, therefore, be it

Resolved by the Commissioners Court of Hays County, the City Council of the city of San Marcos, and the Board of Directors of the San Marcos Chamber of Commerce that these bodies commemorate the 75th anniversary of Southwest Texas State University and offer best wishes for continued growth and academic excellence; and, be it further

Resolved, That official copies of this resolution be prepared for Southwest Texas State University and for its president, Dr. Lee H. Smith, as an expression of highest regard from the citizens of the community.●

TRIBUTE TO THURMAN MUNSON

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. REGULA. Mr. Speaker, many people of our Nation were saddened August 2, by the tragic airplane crash which took the life of one of baseball's greatest catchers, the New York Yankee's Thurman Munson.

Thurman was a resident of the Stark County community in Ohio, and one of its best-known citizens. He was a devoted family man who also loved the city in which he learned to play baseball. He was a sports hero who won respect in the Horatio Alger manner of hard work and personal sacrifice.

Thurman was a rugged individualist, admired for the way he played the game. His teammates showed their respect for his abilities by recognizing him as the team leader and field general. Only the great Lou Gehrig before him had held that position.

He was an All-American while a student at Kent State University, the American League's Rookie of the Year in 1970, the league's Most Valuable Player in 1976 and an All-Star Team choice seven times.

Thurman Munson was admired for his brusque frankness and complete honesty, his extraordinary athletic talents and competitive spirit, and his unstinting loyalty to his team and his friends.

A teammate and friend, Lou Piniella, said of the Yankee captain: "He exemplified a leader, he played hard, he played tough, he played hurt."

He had a burning desire to excel and he did.

As the baseball season draws to its close, sports fans throughout the Nation are missing the exceptional play of one of the great baseball players of our time. Those who live in and near the community he loved so much miss his achievements even more.●

STATUS OF NATO AWACS PROGRAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues correspondence I have had with the Department of State concerning the status of the NATO AWACS program.

Early in August, it was reported that the Federal Republic of Germany, which, along with the United States, is the major participant in this project, might block funds allocated to it, because of the alleged slowness with which the United States had purchased certain West German communications and transportation equipment.

An August 21, 1979, letter from Mrs. Lucy Wilson Benson, Under Secretary of State for Security Assistance, Science and Technology, should help to clarify the situation regarding West German participation in this important program of NATO standardization and improvement.

The correspondence follows:

AUGUST 7, 1979.

HON. LUCY WILSON BENSON,
Under Secretary of State for Security Assistance, Science and Technology, Department of State, Washington, D.C.

DEAR MRS. BENSON: On August 3, 1979, The Washington Post reported that a leading member of the West German parliament had threatened to block West Germany's participation in the procurement of the AWACS aircraft for NATO because of what he considered a failure on the part of the United States to purchase in a timely fashion certain West German equipment.

In addition to a status report on the NATO AWACS deal and delineation of current bottlenecks, I would like answers to the following questions: To what extent has the United States lived up to any arms sales agreements made in conjunction with the NATO AWACS project; Have we, in fact, been slow in our procurement from West Germany; What concerns has the West Germany government raised on this subject; What is the exact nature and extent of the "compensatory deals" we have made with West Germany in connection with its participation in the NATO AWACS project; Would a determination by the West German government that the United States had not fulfilled commitments associated with the project be appropriate grounds for reconsideration, or even cancellation, of the West German role in that project; What do we plan to do in the near future to meet West German doubts on this count; and What similar arrangements have been made for U.S. purchases of military equipment from the other European participants in the NATO AWACS project and what is their status?

I appreciate the information you have provided me in the past on this NATO AWACS project and look forward to your response to these questions.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe, and the Middle East.

[From the Washington Post, Aug. 3, 1979]

BONN POLITICIAN CRITICIZES U.S. SLOWNESS IN NATO ARMS DEAL

(By Michael Getler)

BONN, August 2—A leading defense specialist in West Germany's opposition party has threatened to block Bonn's participation in the $1.8 billion NATO project to buy U.S.-built early-warning radar planes unless the United States speeds up its promised compensatory purchases of German products.

The threat came in a letter from Christian Democrat Carl Damm to Bonn Defense Minister Hans Apel. Damm called on Apel to warn U.S. Secretary of Defense Harold Brown of the seriousness of the situation, and to urge that the United States "fulfill its responsibilities."

Damm is an influential member of the defense committee of parliament, and it is generally felt here that he has enough support to carry out his threat.

The letter reflects growing impatience in some quarters over getting the United States to live up to its commitment to a "two-way street" in international military hardware purchases. This frustration arises from a perception that the U.S. military, Congress or industrial lobbies can slow or derail foreign purchases to which the U.S. administration has agreed.

"As a parliament, we have to deal with the United States of America as a whole," said Damm in an interview, and not with the U.S. Army, trucking lobbies or the Congress.

After years of controversy and debate, NATO last year agreed to buy 18 of the big Boeing radar planes—known as AWACS, for airborne warning and control system—with West Germany picking up 30 percent of the cost, the United States paying 42 percent, and the other NATO nations sharing the remainder. In return for its major support, however, Bonn was promised a number of compensatory deals, including the U.S. military purchase of some 9,000 German vehicles worth $111 million and a German telephone system to replace the antiquated U.S. military network, for about $105 million.

Damm complained that rather than some 1,500 vehicles a year, the United States thus far has purchased only 282 vehicles and has not let the contract for the phone system.

In Damm's view, that is not nearly enough to give parliamentary committees here confidence that the United States will live up to its pledge, given its historical lack of interest in foreign purchases.

"I'm in favor of AWACS and don't want to kill it," Damm said. "What I'm trying to do is send a warning signal to the U.S. government—three or four months before the defense committee here meets—that if nothing happens before then, it is my feeling that we will not release the next $55 million in our 1980 budget for AWACS."

Another cause of German frustration, Damm said, is that purchase of the French-German Roland air defense missile is still stalled in congressional disagreement and the U.S. Army, rather than buying 10-ton trucks already in service with the German army, is going out for bids on another, similar vehicle.

Andreas von Buelow, the number-two man in Bonn's Defense Ministry, said in a radio interview, "If we should come to the conclusion that the American attitude is developing along the lines suspected by Damm, we would consider this a basis for destroying the contract." He added, "But for the time being this is not so."

Damm acknowledged that he has no hard evidence that the United States will eventually fulfill these projects. U.S. officials in Europe admit the truck program is going more slowly than it should, but they also say there is no intention to back out.

UNDER SECRETARY OF STATE,
FOR SECURITY ASSISTANCE,
SCIENCE AND TECHNOLOGY,
Washington, D.C., August 21, 1979.

HON. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives.

DEAR LEE: Thank you for your letter of August 7, 1979, concerning a report in The *Washington Post* of August 3, 1979, dealing with the procurement of AWACS and compensating United States purchases.

The US offered each government participating in the NATO AWACS program a Memorandum of Understanding that would permit its industries to compete on an equitable basis for US defense procurements until its share of AWACS acquisition costs (minus any economic benefits it received from AWACS acquisition expenditures) were offset. The MOU offered no guarantees, expressed or implied, to NATO governments. Only the FRG requested such an MOU, and it was signed on November 14, 1978.

The US government did not agree to procurements in Germany as compensation for its participation in the NATO AWACS program. On the other hand it seems clear that Carl Damm and a number of members of the Bundestag view the European Telephone System and administrative vehicle procurements as "compensation" for German participation in the NATO AWACS program.

To clarify this apparent discrepancy, we have reviewed the record and believe it demonstrates clearly that the United States proceeded with procurement of a European Telephone System (ETS) upgrade and with purchase of administrative use vehicles because, after long consideration, both were considered on their own merits to be cost-effective. In fact DOD evaluation of German administrative use vehicles began before initiation of discussions with our Allies concerning NATO AWACS.

However, the Bundestag Defense Committee linked both procurements to the NATO AWACS program by formally noting that its agreement to AWACS was based on the assumption that the US would go ahead with those procurements as well as concluding a license agreement for the 120 mm tank gun. The Defense Committee further requested the Ministry of Defense to submit relevant contracts at the beginning of deliberations on its 1980 budget request. It is in this context that some German officials have recently expressed displeasure with the pace of activity in the telephone system and administrative vehicle programs.

Progress on the telephone system has been on schedule. However, in a closed mark-up, the Defense Subcommittee of the HAC apparently cut ETS FY 80 from $17.5 million to $9 million. DOD hopes that the Congress will restore this reduction. Still, in the worst case, the program should be approved and started in October, but with fewer switches. Regarding administrative vehicles, the Air Force buy should be completed on schedule in FY 83 (3,032 vehicles valued at about $45 million). The Army program has not been as successful as originally anticipated, inasmuch as its FY 80–85 program is not firm at this time, but we expect that it will reach levels which, when coupled with the Air Force program, will total $100 million which was anticipated by both the FMOD and DOD for the Administrative Use Vehicles (AUV) buy.

I might add that the 120 mm tank gun program is proceeding on schedule and that both our governments are satisfied with its progress.

On balance, we believe that German Defense Minister Apel and his colleagues in the German government are convinced of the firmness of our commitment to arms cooperation and to improving NATO standardization and interoperability in order to increase the effectiveness of the Alliances' military forces.

I believe that the above answers all the questions raised in your letter. I would be pleased to discuss this matter further with you if you believe that might be useful.

With best regards.

Sincerely,

LUCY WILSON BENSON.●

STUMP CALLS COLORADO RIVER ENVIRONMENTAL IMPACT STATEMENT DISCRIMINATORY

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. STUMP. Mr. Speaker, on August 3, 1979, in the Federal Register, the National Park Services released a sham called the final Environmental Impact Statement for the proposed Colorado River management plan for the Grand Canyon. The final EIS calls for the ban of motorized trips down the Colorado River in the Grand Canyon within 5 years. This action will at the same time restrict the number of people wishing to take a trip through the Grand Canyon in the summer by a third.

The entire public participation and comment process has been a sham. Letters and cards written to the National Park Service opposing the removal of motors on the river were not included in the public response by the Park Service. Last August, during the public comment process, the Director of the National Park Service and the Secretary of Interior publicly announced in a newspaper interview that the National Park Service "will be cutting down on the number of popular motorized rafts allowed down the River." The comment was made before the plan had been completed and the public participation had concluded.

In March of last year, I called a meeting with National Park Service officials concerning the lack of any evidence that motorized rafts were harming the canyon, the Colorado River, or animal and plantlife in the canyon. In that meeting, Park Service officials admitted (and many times since) that the motors did not harm anything but "their own aesthetic values." A letter was sent to the Secretary of Interior by the Arizona delegation requesting empirical evidence of harm and answers to nine questions concerning the EIS. The Secretary responded to the requested information after 7 weeks; however, the information could not be sent to the public for inclusion in the RECORD, because it was received 1 day before the end of the public comment period.

Subsequently, on May 1, 1978, I asked the Secretary for a time line as to when the Environmental Impact Statement would be published. I did not receive a reply from the Secretary until October 23, 1978, almost 6 months later, and then with no specific details as to when the EIS would be announced. As you know, people make plans months, even years in advance to go on these river trips, and suspension of the motors would be disasterous to thousands making plans.

On January 31, 1979, the Park Service announced in a briefing that publication of the final EIS would be tentatively set for April 1979. This was later confirmed by lettter from the Park Service. April, May, June came and went. Public assurances were given that July 1, 1979, deadline would be met or the present system would be continued into the 1980 season.

On August 3, 1979, the final EIS was published.

Aside from the public participation sham under which the EIS was supposedly written, I have several major objections to this EIS.

Mr. Bill Whalen, Director of the National Park Service, on October 25, 1977, said at Estes Park, Colo., "we must work to remove all barriers that keep people out of the parks, for parks must not continue to be exclusive." I agree with Director Whalen that we must open up our national parks to the public and quit being exclusive. But the Colorado River-Grand Canyon EIS does just the opposite.

My chief objection is that the EIS would ban forever the use of motors on the river, and thus preclude the public of the option of going on the river through the canyon on a motorized craft. Approximately 80 percent of the public usage on the river is on motorized craft. The average motorized trip takes 7 days to complete, while most oar trips average 12 to 16 days. The average person with a 2-week vacation will be precluded from taking the trip, because of time constraints and the higher cost of the longer oar trips. As these trips are already expensive, increase in cost for the longer trips would place them financially out of reach of many people.

This discrimination would be further extended by safety factors in which the young and the very old are excluded. A 35-foot, 3-ton motorized raft is safer than a 16- to 20-foot, 400-pound boat

going down the Colorado River in "the greatest white water in North America."

One further point—it looks as though, at first appearances, the Park Service has expanded the season and enlarged the user days. Just the opposite is true. Traveling the Colorado River in early spring or late fall when temperatures are around freezing during the day and below freezing at night is not feasible, and thus the park goes unused. The Park Service takes away the summer user day and puts it in the winter when no one wants to use it. Usage during prime time on the river will, in fact, decrease.

As I have said numerous times before, the Park Service should keep the use of motors, as there is no evidence anywhere that suggests harm to the canyon, the waters, plant, or wildlife. The perceived esthetic views of the Park Service should not be the dictates by which the American people can see their parks, especially the grandest of them all, the Grand Canyon.

I will be introducing legislation Friday to statutorily mandate the continued option for the American public of continued motorized trips on the Colorado River in the Grand Canyon.

Any Member wishing to join me in this legislation, please contact my office.●

THE LIFE AND DEATH OF ELLIOTT PODOLL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. MAZZOLI. Mr. Speaker, Elliott Podoll was my friend. He was an outstanding physician, specializing in pediatrics. He practiced in Louisville until 1971 when he joined the faculty of the University of Miami Medical School.

Elliott fought a valiant battle against cancer. He lost the battle on July 1 of this year.

But, before he died, he recorded his thoughts, impressions—and, yes, his fears—on videotape so that future generations of doctors might learn how better to treat those who fall victim to the relentless scourge of cancer.

The following article about Elliott first appeared in the Miami Herald and was reprinted in the Louisville, Ky., Courier-Journal on August 5, 1979.

It is poignant. It is heart-rending. But, it is the stuff of life. And, life was what Elliott Podoll was all about.

In commending this article to my colleagues attention, I also commend it to oncologists and all physicians who deal with cancer patients.

As Elliott said:

I don't want to be derogatory to the medical profession . . . but they need to soften their approach, establish a way of communication, build up a relationship with their patients . . .

Young doctors can be taught respect of the human body, respect of the human mind ahead of medicines (and) respect of mechanical gadgets.

All of us who knew Elliott Podoll will miss him as a person, as a physician. But, he leaves with us a rich legacy which could—and I hope will—lead medicine to a new and more compassionate method of treating those who have contacted the most dread of diseases.

The article follows:

THE LIFE AND DEATH OF ELLIOTT PODOLL—A PERSONAL ACCOUNT OF DYING

(By Beth Dunlop)

Thousands of Louisville children learned to say "Dr. Podoll" about the same time they learned to say "Mommy" and "Daddy."

Dr. Elliott Podoll, 59, a pediatrician who practiced in Louisville for nearly 25 years, died July 1 in Key Biscayne, Fla., of lymphoma, a cancer that kills about 18,000 Americans a year. He had moved to Miami in 1971 and became associate professor of family medicine and pediatrics at the University of Miami.

Podoll was more than a doctor, as his six-page curriculum vitae shows. He was active in a variety of community projects both in Louisville and in Miami. He was also internationally known.

As a captain in the Army Medical Corps, he was assistant chief of medicine at the 49th General Hospital in Tokyo from 1945 to 1947. In 1976 he was director of the Summit School for Disturbed Adolescents in Jerusalem. He lectured at medical meetings in Venice, London and Jerusalem and was a consultant on family and community medicine in Bogota and Cartagena.

He was a 1939 graduate of the University of Louisville School of Medicine. His interests included hypnosis, psychiatry, psychotherapy, sex education, unwed mothers, mental health, drug addiction and adolescent diabetes. He had been president of the Louisville Children's Hospital staff and the Louisville Pediatric Society and was medical director at the Kentucky School for the Blind for 22 years.

Two and a half years ago, Podoll learned he had cancer. He fought the good fight and during his illness tried to persuade his colleagues to be less clinical, to treat people as people and not just patients. Podoll also found some humor in the process of dying.

He put his thoughts on videotape for the University of Miami Medical School, to be used as a teaching tool. The tapes are not universally popular with physicians. But Podoll's son, Dr. Ronald Podoll of Louisville, said, "The medical community knew him well. Some of his views were different but he was well respected."

The younger Podoll has 13 partners in the practice of emergency medicine at Suburban and Sts. Mary & Elizabeth Hospital. He said his father's example "is hard to live up to." Before his father's death, he visited him in Florida every other week for two months.

The following story originally appeared in The Miami Herald on July 8, a week after Podoll's death.

Elliott Podoll didn't want to be immortalized with bronze plaques on walls in hospitals. His legacy to life is captured on thin strips of mylar videotape.

In a 30-month struggle with cancer, Podoll—pediatrician, teacher, psychiatry student, counselor, husband, father—made videotapes analyzing the debilitation of his body, sharing his most personal thoughts, invading his own privacy to leave behind a teaching tool for generations of future doctors, looking at cancer as both a physician and a human being. He fought a weary battle, persuading his own colleagues to be less clinical and more empathetic as they tried to fend off the fast-multiplying cancer cells.

He was 57 when cancer struck.

It started simply, ironically. The doctor did a self-diagnosis. He thought he had a hernia. He went to a colleague for an operation.

When the anesthesia wore away, the colleague was there with abrupt and bad news. Podoll had a hernia, yes, but he also had cancer. The doctor told him matter-of-factly, succinctly.

That was 2½ years ago. He had two prolonged chemotherapy treatments, two bouts of radiation therapy. As the cancer spread finally and voraciously, he refused a third treatment of chemotherapy.

Throughout the videotapes—filmed for the University of Miami Medical School where Podoll taught in the department of family medicine—the doctor tells a story of anger and humanity suspended in time.

The first begins in January 1977. It captures Podoll three months into chemotherapy, both bitter and hopeful. Bitter about how medicine is practiced—"We're doing things the wrong way around: we find the disease, treat the disease, treat the person." Hopeful because the process was just beginning—"My personal belief is that illness can be controlled by the individual. If I had a poor attitude, I would start dying today. I'm feeling mentally and emotionally stronger than I ever was before."

The videotapes are informal interviews conducted by Thomas Crowder, a minister who teaches at the medical school. They are for use in classes on treating the terminally ill patient and for seminars for doctors and nurses throughout the community. Podoll made numerous other teaching tapes—most of them dealing with pediatrics, his specialty.

Podoll's first cancer film opens with a description of his self-diagnosis and the discovery of the lymphoma. He talks about his early dealings with his doctors.

His treatment was flatly outlined for him. "The oncologist said, 'You're going to get chemotherapy. We're going to give you the latest things. They're only five months old.' That's it. It wasn't reassuring.

"They separated my body from me as an individual. I felt schizoid. Your body is taken away from you. It belongs to the National Cancer Institute. It's like you're being invaded with a process.

"They gave me three drugs. The oncologist said they're going to make you sick as the devil. Then he took out three large syringes—which really frightened me. I'm a human being as well as a physician."

He wanted to read about the chemicals. He was told that anything in print would be out of date. He wanted to know everything he could about his body, his mind, his emotions.

"The oncologist said there's a 75 to 80 percent chance that I will get a remission. They talk about the quantity of life but not the quality of life. There's a feeling of split—the chemotherapy is working on this invader to my body."

The first night he had weird dreams—that he was choking to death, that he was skiing down an endless white mountain never reaching the bottom.

The next day, he went to work. "My immediate thought was, gosh, if 57 is my magic number, then that's it. If I'm going to live, then I want to be effective. I have a place in the world and I want to continue it."

The predominant emotion wasn't fear. "Gee, I'm lucky. Other people don't know they're going to be run over by an auto or murdered in this terrible world we live in. I'm lucky. I have a time span."

He threw himself into that time span—playing tennis, working, becoming a better teacher, a more empathetic doctor.

Once, he had lunch with a friend, who asked him why he was doing so much for other people and less for himself. It depressed him because "my self was out of my hands. It was in the hands of three large syringes—prednisone and these exotic antibiotics they're giving me."

Two months passed. Podoll did a short interview for a Miami television program. He talked more about his feelings, about his own

treatment. His bitterness was more institutionalized, his optimism stronger.

"There was no informed consent," he said. "Just you have this, and this is what we're going to do."

He would have preferred a choice—even though the choice was chemotherapy or nothing.

"The key, the awful key, to medicine is two things: giving the patients the utmost education about the disease, plus giving them options about therapy. This puts the patients in the position where they are part of the treatment."

The camera panned from the interview set to Podoll swimming, to him and his wife, Rosalie, walking at the edge of the ocean. He talked about the new medical possibility of a cure for lymphoma. "I'm looking forward to that. I'm looking forward to a cure."

July 1977. He is making the second teaching film for the department of family medicine—a program for physicians who will work in pediatrics or general medicine. Later, Podoll confided that his teaching tapes were not universally popular with the doctors who saw them. They are too radical, too tough on doctors.

Yet cancer is tough. Cancer reduces the strongest, most analytical, most detached, to sheer humanity. It melds together the victims—who, in search of survival, surrender their bodies to the best of scientific knowledge. Cancer can even separate doctors from their colleagues.

By this time, Podoll has finished his initial, six-month chemotherapy. He has "an empty, hollow feeling." He hated the chemotherapy, hated his loss of control. But it was "sort of a protection—I still had a feeling I was getting treatment."

The distance of six months let him describe his feelings: "I was angry, depressed. Suddenly this magical figure that I thought was healthy, suddenly it went to pieces. My destiny was in those syringes in my veins."

It hurt. His veins ached. He lost hair. He was nauseated. His vision blurred. His skin had a "peculiar odor." His mouth had "a peculiar taste."

"Many times I thought I'd rather leave my life in God's hands. I persisted because I knew this was the only treatment."

But there was a distinct lack of psychological support from the professionals. "People with malignancies look for some hope, with some chance. They're looking for another human being saying, 'Hold on, old fella, we're going to give you some help.' The professionals thought they had to be objective. But objective is knowing there's a human being with feelings. You can't just treat a human being with medication.

"I was not able to communicate. I'd say, 'I'm hurting.' They'd say, 'We expect you to.'"

In 1978 there was a remission. Then the lymphoma recurred. It invaded his lungs, his respiratory tract, his throat. At the end, Podoll sat in a Mount Sinai hospital room, an oxygen tube his last lifeline.

It is June 18, 1979. He is filming the third—and final—teaching videotape.

This one is unedited. It begins with Podoll primping, worrying whether the oxygen tube will look bad.

He is dying. "The issue is," he is saying, "how long you want to stretch out the period when you're dying. The mind is well. Your body is being eaten by termites. You wonder if it would be better if you were in a coma."

The termites are very real to him—and very painful. They are his imagery for the cancer cells. He is using a positive-image method to fight off the pain.

"I'm alert, aware of the outside world. There is a detachment I have. I have a feeling of a hollow body with many termites inside. But they haven't gotten to my brain. Mentally, I'm trying to stamp out the termites. I have a feeling mentally I'm making progress."

He doesn't mind dying. "I'm prepared for death. I'm also prepared to fight death with a positive approach."

The decisions are easy at this point. No more chemotherapy. He has persuaded his doctors not to give him the cardiopulmonary resuscitation should his heart stop. He doesn't want to die with someone thumping on his chest.

"All I want is peace. That may be heroics. But I'm a person, and my body belongs to me. I fight for my ability to make decisions, to be part of my own therapy."

Too often, he says, patients aren't. "I call them victims of the PDR—the Physicians Desk Reference. The patient is always a page in the PDR. The physician can always find something in that book to control the patient."

Podoll chose to take Brompton's Cocktail—a mixture of cocaine, morphine and alcohol—a painkiller mixture often used with terminal cancer patients. The alternative would have left him simply coping with the pain of the now-enveloping cancer.

June 25—eight days after the final videotape and six days before his death—Podoll recorded his thoughts about dying, his feelings of the Brompton's mixture: "With the Brompton's mixture, medical science has found a way to dissect your head from your body. I'm very alert. I feel able to do anything. (But) physically, I walk from here to the john and I'm worn out."

He talked about the humor in dying—a virtually untouched topic, one that most shy away from—and about how people react to the dying patient, a dying friend. It is a blunt, loose, honest tape.

"Once everyone knows the diagnosis and the prognosis, their treatment of you changes. They don't come in to see you. They become uncomfortable. They become solicitous."

A dying patient, he said, loses his privacy. The hospital starts to own the temporal body.

"And yet I have the feeling that if I took off my pants and streaked down the hall, I'm sure the nurse would be severely critized because she's allowing her patient to expose himself. I'd love to do that. I'd love to run up and down the hall naked, be a streaker. The only reason not to do this is that you lose your creditability."

His friends, he said, didn't know what to expect. They would "come into the room expecting me to look much worse than I do. They say, 'You look good.' There's humor in this, in how people expect someone who's dying to look. They expect you to be in agony. They expect you to be in a position where they can look at you and say 'God, he looks horrible. When you come up quote, unquote, looking good, that upsets them."

He told his friends and his physicians that he found humor in the fact that he could no longer sleep in a bed, that he had to get in a bathtub and run warm water to sleep or lie on the floor or in a hammock on the balcony of his Key Biscayne apartment. "You can say it was sad. I say it was humorous. I was preparing for death. As if someone was saying you can't live your life in a 12-hour day, so we have to make you uncomfortable at night. Although I suffered, I enjoyed thinking of ingenious ways to sleep."

June 28. He sat in a lounge chair—the only comfortable position for him—and talked about his message.

"I don't want to be derogatory to the medical profession," he said. "They do as well as they can. But they need to soften their approach, establish a way of communicating, build up a relationship with their patients. I often felt things were out of my control."

Control was very important to him. Keeping that control, that sense of dignity, of humanity, that sense of being a person—being respected and cared about—would stay with him until the last moments of life.

"Young doctors can be taught respect of the human body, respect of the human mind ahead of medicines, respect of mechanical gadgets."

And then he talked of why he—a person who so safeguarded his privacy, who strove to control even his ultimate decisions—decided to share his emotions, his private thoughts.

"When you die, you leave part of yourself in a way in the feelings you express. I guess that's your big privilege. That's why I made the tapes. That's my way of leaving a piece behind—not just a plaque on a hospital wall. This is my philosophy. And it's a philosophy of life, as well as a philosophy of death."

July 1. Elliott Podoll died in his sleep at 10:30 a.m. His widow, Rosalie, said death came peacefully. He did not suffer excruciating pain.●

ANOTHER UNKEPT CARTER PROMISE, OH-HUM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. MICHEL. Mr. Speaker, instead of using space by giving a long preface to the article I will insert, let me simply state that Don Lambro, United Press International reporter, has examined the Jimmy Carter promise of cutting back on the bureaucracy and has found—how best to put this?—certain discrepancies between the Carter promises and the Carter performance.

So what else is new?

At this point I wish to insert in the RECORD, "Carter Has Not Fulfilled Pledge To Cut Bureaucracy" as published in Human Events, August 17, 1979:

CARTER HAS NOT FULFILLED PLEDGE TO CUT BUREAUCRACY

(By Donald Lambro)

Despite President Carter's campaign pledge to "cut the bureaucracy down to size" and throw out wasteful programs, few government agencies have actually been abolished.

One of Carter's major campaign promises in 1976 was to consolidate the bureaucracy's 2000-plus federal agencies and programs down to about 200 tightly organized units of government.

While much of this reduction, Carter said, would be achieved through general reorganization, he also vowed that through zero-based budgeting—under which each program must justify its existence—"unneeded or obsolescent programs" would be abolished.

"The challenge before the nation is to cut the bureaucracy down to size," he said in Columbus, Ohio, on Sept. 9, 1976. If elected, he promised he would "shut down out-dated agencies and programs once and for all."

How has the President succeeded two and a half years later?

Despite ambitious plans to reduce the size and cost of the bureaucracy, only a very tiny number of actual agencies have been actually abolished at a very small saving. On the contrary, by virtually every other measurable criteria the government has grown by leaps and bounds.

By this fall yearly spending will have increased by $70 billion since President Ford left office—up to $532 billion. Since January 1977 the total civilian payroll has risen by over 34,000 workers to more than 2.8 mil-

lion, excluding 2 million military men and women.

But this is only part of the story. Other growth areas are hidden. The budget does not include about $9 billion in off-budget agencies. Also excluded from employee rolls are about one million workers in quasi-government agencies and four million contractors, researchers, consultants and local and state employes whose salaries are paid by the government.

As for Carter's campaign pledge to shrink government down to 200 consolidated units, White House officials would rather forget that he made it.

"I don't know where that figure actually came from," reorganization chief Harrison Wellford said in an interview. "Frankly, I wish it had never been used." A White House inventory—the first ever undertaken—found there were 1,846 departments, agencies, boards, commissions, administrations and advisory committees, which alone numbered over 1,000. (Excluded from this count are hundreds of interagency committees spread throughout the government which the White House says would be impossible to tabulate.)

From this master list, the Administration says it has trimmed a total of 760 units of government and added another 348, for a net reduction of 412 committees and agencies.

The cuts, however, are not as substantive as they may appear. This is because 677 of them are carved from the plethora of informal advisory committees which meet only occasionally, rarely involve any permanent staff, and represent little if any cost to a budget that spends $1.5 billion a day.

Yet even with the reduction of 677 through terminations and mergers, the cost of advisory committees is still up—from $64.9 million last year to an estimated $74.1 million this year. This is because both Congress and the White House continue to create new ones each year. In 1978, 204 new panels were added.

Excluding, then, these 677, that leaves 83 actual Cabinet or non-Cabinet agencies which the White House says it has abolished.

Closer examination, however, reveals that most of the 83 were merged into other, larger programs—with their missions and payroll still intact, and often enlarged.

In fact, only about a dozen functioning governmental units or agencies have actually been terminated in the last two years as a result of Carter's efforts, most of them being tiny advisory offices or councils, some with little or no staffing. And in most instances the employees of these agencies remain, taking other government jobs.

For example, one of the agencies the White House "abolished" was the White House Office of Telecommunications Policy (OTP), which was created by President Nixon to research and coordinate communications policies and technology.

In truth, the OTP was transferred to the Commerce Department and merged with its research arm, the Office of Telecommunications. The merged agency, which includes some related programs from HEW, was then renamed the National Telecommunications and Information Administration.

Did the merger result in a net savings? Before consolidation, the two agencies cost less than $10 million a year. Their cost for this fiscal year is nearly $12 million.

"It certainly cannot be considered a termination," a Commerce official said. "The program was simply lifted out of the White House and moved over here." Thus, while the White House unit was eliminated on paper, its costs, employes and functions continue to exist.

Similarly, while the Domestic Council, created under President Nixon, is considered abolished by the White House, its functions and job slots remain alive and well in Carter's now-named Domestic Policy Staff.

Other White House offices abolished by Carter, like the Energy Resources Council, the Federal Property Council and the Economic Opportunity Council were nothing but "shadow agencies," according to one White House official who said "they were pretty much moribund by the time we got to them."

More important, several independent agencies listed on the Administration's abolished list were killed because Congress chose not to extend their authority despite support for them by the Administration.

One was the Renegotiation Board, which died March 31 despite Carter's support, after Congress failed to reauthorize it. The President's fiscal 1980 budget asked for $7.3 million for the agency, an increase of $1 million over the previous year.

What happened to the board's 180 employes? Some sought early retirement or got jobs elsewhere, but many went to work for the White House Council on Wage and Price Stability, among other federal agencies.

Other agencies like the Commission on Federal Paperwork and the American Revolution Bicentennial Administration appear on the White House kill list. But both went out of business because Congress enacted "sunset" expiration deadlines for them, not because the White House sought their demise.

This was also the case with the Indian Claims Commission which went out of business last September, not because the Administration sought its termination, but because Congress in 1976 set a deadline for it to cease operations.

The National Center for Productivity and Quality of Working Life, for which Carter provided $3 million in his fiscal 1979 budget, closed its doors last September 30—again, because Congress had placed a termination date in its authorization law.

Yet the Center hasn't totally disappeared. Two employes continue part of its work at the Commerce Department's National Technical Information Service. And last October Carter created a "National Productivity Board."

More important, however, is the fact that many others the White House places in its "loss" column were just renamed and moved into larger agencies.

The National Fire Prevention and Control Administration was moved from Commerce, renamed the U.S. Fire Administration, and placed in a new agency called the Federal Emergency Management Agency (FEMA).

FEMA will in fact be the repository for many small agencies, including the Federal Disaster Assistance Administration, the Federal Insurance Administration, the Federal Preparedness Agency and the Defense Civil Preparedness Agency.

The Agriculture Department's 1,000-Employee Economic research Service, which does marketing reports for big agricultural industries, was merged with the Statistical Reporting Service and renamed the Economic Research and Statistics Service. A spokeswoman at ERS said that no one lost their job as a result of the merger.

Likewise, many of the old energy programs, like the Energy Research and Development Administration and the Federal Power Commission, now called the Federal Energy Regulation Commission, were moved lock, stock and barrel into the new Department of Energy.

Similar transfers of agencies occurred when the Civil Service Commission was abolished and renamed the Office of Personnel Management. The new agency inherited at least seven sub-agencies from the old Commission.

"I don't see too much evidence of programs being knocked out," said Senate Appropriations Committee staffer Tom Van Der Voort. "Instead of getting rid of old programs, they are starting new ones."

One of the new programs is the Department of Housing and Urban Development's $5 million "Livable Cities Program" for grants to local governments to support architectural and art programs. The city of Lewiston, Maine, for example, is seeking a grant under this program to finance its annual winter carnival.

In the past two years, at least 68 separate grant programs have been abolished, but in those two years Congress and the Administration put an additional 62 in their place.

Essentially, Carter is applying the same approach to organization that he did as governor of Georgia when he consolidated 300 state offices, boards and commissions into 22 super agencies. This effort, however, resulted in the state payroll going up from 34,322 employees to 42,400 and the state budget rising by 58.5 per cent.

The White House is sensitive about keeping its list of 760 abolished agencies and committees intact, believing it represents the truest picture of what the Administration's reorganization efforts have accomplished.

When asked to provide a distilled list of those agencies that were actually terminated—deleting the advisory committees and any agencies whose functions have been transferred elsewhere—a reorganization task force official said that such a list would be "impossible to compile."

White House reorganization officials speak bluntly about the obstacles they have had to combat in their two-year bureaucracy-cutting exercise.

"The reality is that there is no office so humble or useless that it doesn't have some passionate defender," Wellford said in an interview. "You don't have anyone lobbying for the elimination of unnecessary agencies. You never feel any pressure on that. But there is always someone pushing for one of these limp-along, useless groups.

"The zeal for pruning the bureaucracy in general never matches the resistance against cutting the specific," he continued. "That's just the way it is. This is a bad season for reformers. Interest groups are flourishing. It's very difficult to marshall grass-roots support and opinion on Congress. Look at them: Common Cause, Ralph Nader's Citizens Lobby, the Fortune 500. There's an extraordinary imbalance here. They are all protecting some program or privilege."

That is why, Wellford said, the Administration's focus moved from program termination, which Carter emphasized in the campaign, to one of program consolidation.

"The focus has widened," he said. "The emphasis is on improving efficiency—on consolidation. Having been in office for over two years, we feel this is the emphasis that is the wisest and best approach."

Why the change? "Obviously we are influenced by what the market will bear on the Hill," he said.

Wellford fervently believes there are still many more "programs and agencies we could get rid of," but he also is acutely aware that "the amount of political capital required to eliminate a government agency that has a Congressional subcommittee chairman as its protector, is very, very large."

By that he means that any fight to abolish some obscure program or agency inevitably leads to opposition in Congress, sometimes making permanent enemies of lawmakers whose votes the Administration needs for major legislative battles.

Carter, he explained, is better off conserving his "political capital" for major congressional battles, rather than waste it by alienating lawmakers in an attempt to erase some obscure $25-million agency.

"It doesn't make sense to alienate them," he added. "Carter came here with high ideals and came up against a wall of congressional resistance."

Has the President fulfilled his campaign promise to cut back the bureaucracy?

"Within the realm of the political climate and the political realities, I think he has," Wellford said. While conceding that overall "growth is up," the pace of that growth has been slowed.

Nonetheless, like its predecessors, the Administration's chief hurdle to cutting unnecessary programs and agencies remains the same: Congress.

As he did last year, Carter proposed that 80 existing programs or agencies—totaling $4.5 billion—simply be deleted from the fiscal 1980 budget. They run the gamut from $3.6 million in Beekeeper indemnities (payments for dead bees) to $1 billion in unnecessary or low priority public works projects.

White House sources say the list was itself pruned from an original proposal more than twice as long, but was whittled down, according to one White House official, "because it just would have created more enemies on the Hill than we can afford."

The consensus of opinion among congressional Appropriations Committee aides is that relatively few items on the list will be cut in this year's budget process.●

HANDGUN VIOLENCE CLAIMS 696 LIVES IN JULY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DRINAN. Mr. Speaker, the unnecessary misuse of handguns resulted in the death of 696 lives during the month of July—the largest number during any month yet this year. The continuing increase in the number of people who needlessly perish each month is a mandate to take strong measures to curb the misuse of these weapons. For the first 7 months of this year, a total of 4,512 media-reported handgun related deaths have been compiled by Handgun Control, Inc.

Legislation has been introduced in the House that will effectively combat this dangerous problem. I urge my colleagues to seriously consider such measures in a concerted effort to save lives, and protect innocent citizens from handgun misuse.

The Handgun Control, Inc., list follows:

ROLL OF HANDGUN DEAD

ALABAMA (14)

Walter Beasley, Salem; Ramsey Randolph, Mobile; Johnny Blackburn, Birmingham; Austen Couch Sr., Huntsville; Bonnie Couch, Huntsville; Alice Howard, Mobile; John Nadeau, Huntsville; Larry Parsons, Birmingham; Clince Phillips, Anniston; Clement Stewart, Mobile; Coines Walker, Tuscumbia; John Whisenant, Ider; Meredith Whisenant, Ider; Sharon Williams, Tuscaloosa.

ARIZONA (7)

Stanley Edberg, Phoenix; Albert Hert, Phoenix; Jennifer Hopkins, Phoenix; Will Peel, Wenden; Sherri Perez, Eloy; Joseph Tomberello, Phoenix; Debbie Vaughn, Phoenix.

ARKANSAS (4)

Carl Adams, Corning; Donald Frederick, Harrison; Leon King, Pine Bluff; Mildred Rogers, Arkadelphia.

CALIFORNIA (119)

Jamie Aponte, San Bernardino; Ali Badja, Los Angeles; John Barnes, Hollywood; Barbara Bennett, Lenwood; Ted Berman, Soledad; Ronald Bowles, San Diego; Joseph Cabiera, Riverside, Edward Calleros, San Bernardino; Jo Ella Champion, Torrance; Barbara Chase, Azusa; Alfred Clark, Los Angeles; Bruce Colemn, Compton; Larry Columbe, Modesto; Lynn Congaon, Azusa; Brad Conner, Sunnyvale; George Crocker, Marin Co.; Jesus Cruz, Moorpark; Roland De Armond, Los Angeles; Antonio Del Rio, Stockton; Felipe Espino, Watsonville.

Ada Ezes, Yucca Valley; Clarence Ezes, Yucca Valley; Evelyn Fischer, Vallejo; Policapio Flores, Oxnard; Juan Gaitan, Oxnard; Theresa Glass, Monterey; Ernesto Gomez, San Fernando; Michael Gonzales, Fresno; Ramon Gonzales, Modesto; James Graft, Lancaster; Vertis Hallman, San Diego; Helen Henry, San Diego; Segisfredo Herrera, Long Beach; George Hill, Torrance; Willie Hoefke, San Pedro; Robert Hope, San Rafael; Stephen Hopkins, Modesto; Ada Ives, Joshua Tree; Clarence Ives, Joshua Tree; Olin Jenkins, Riverside.

Kieron Kittle, Claremont; Douglas Krumpe, Central Valley; Carol Kumagai, Apple Valley; Rubin Levrette, San Bernardino; David Lewis, Oroville; Cornelio Llamas-Montes, Fallbrook; Michael Lynn, Fresno; Velma Lyons, Oakland; Manuel Magallanez, Bell Gardens; Juan Martinez, Torrance; Martha Maza, Lennox; Howard McDaniel, Pacifica; Michael Mejia, La Puente; Terrance Meyer, Lincoln; Eddy Montgomery, Hawthorne; Darlene Morford, Palo Alto; James Jorford, Palo Alto; Ronald Morrison, Inglewood; Roy Moulton, Wrightwood; David Myers, Woodland Hills.

Karl Neuenschwander, Buena Park; Philip Niles, Los Angeles; Alfonso Olivares, Santa Ana; Carl Olson, San Jose; Brian O'Neil, Huntington Beach; Robert Opel, San Francisco; Adolfo Partida, Los Angeles; Javier Pedrosa, El Rio; Antonio Perez, Dixon; Thomas Phillips, San Diego; Janette Pinental, San Francisco; Suwanna Quadro, Sunnyvale; Louis Ramirez, Torrance; Robert Reynoso, San Fernando; Adam Romero, San Bernardino; Reginald Scoby, Compton; Serena Savino, Indio; Perry Shuck, Roseville; Matilda Simental, Corona; David Simmons, Auburn; Jim Yi Simmons, Suisun City.

Otis Simmons, Suisun City; Rubin Solis, La Puente; Denim Suenram, Lake Sun; Ross Swift, Hollywood; John Treadway, Sunnyvale; Robert Vargo, Argus-Courier; Juan Vega, Santa Paula; Guido Viera, Anaheim; Virgil Vizina, San Diego; Anthony Volz, Indio; Heinrich Vorum, Daly City; Ronald Waddel, Hawthorne; Harold Ward, Riverside; Ronald Warner, Oxnard; Robert Weisswasser, Los Angeles; Lynn Whinnery, Fremont; Darryl William, Los Angeles; Billy Williams, Stockton; Joyce Williams, Petaluma; Raymond Wong, San Francisco; Joseph Yarbrough, Whitethorn; Clarence Young, Los Angeles.

Unidentified female, Sanger; unidentified female, Laguna Hills; unidentified male, San Francisco, 7–1; unidentified male, 23, San Bernardino, 7–8; unidentified male, 30, San Bernardino, 7–8; unidentified male, Los Angeles, 7–11; unidentified male, Madera, 7–16; unidentified male, Los Angeles, 7–17; unidentified female, Lenwood; unidentified male, Linda Vista, 7–30; unidentified male, Perris, 7–25; unidentified male, San Bernardino, 7–25; unidentified male, Simi Valley, 7–26; unidentified male, Los Angeles, 7–27; unidentified male, San Bernardino, 7–27; unidentified male, Lytle Creek, 7–27.

COLORADO (14)

James Cotter, Denver; Raymond Cuevas, Vail; Phyllis Elcess; Alvin Ephriam, Denver; Reginald Henry, Boulder; Steven Lambert, Denver; John Lilly, Jefferson Co.; Thomas MacDonald, Loveland; Kenneth Maughan, Westminster; Stella Patrick, Denver; Oscar Pugh, Pueblo; Oval Silvrants, Denver; Steven Tackett, Lakewood; Mary Westbrook, Denver.

CONNECTICUT (5)

Mattie Hooten, Stamford; Paul Ikso, West Haven; Alonzo Reed, Hartford; Melvin Rulnick, New Britain; Janice Walker, New Britain.

DELAWARE (1)

Anna Watson, Wilmington.

DISTRICT OF COLUMBIA (2)

Alexander Lecount and Loring Topp.

FLORIDA (22)

Solomon Anderson, Key West; Steve Aycock, West Dade; Dorothy Bell, Jacksonville; Willie Clark, Chiefland; Elva Dotson, Pensacola; James Filion Jr., Miami; Fannie Hand, Bainbridge; Freda Kelly, Pensacola; Daniel Laverne, Boynton Beach; Charles McField, Opa-Locka; Robert Nichols, Fort Lauderdale.

Beverly Novak, Miami; Ignacilio Nunez, Hillsborough Co.; Buelah Player, Jacksonville; Paul Salamida, Miami; Edward Singleton, Deerfield Beach; Iris Woolcock, Venice; Thomas Young, Sarasota; undentified male, Broward; unidentified male, Orlando; unidentified male, Apopka; unidentified male, Miami.

GEORGIA (29)

Gen. Grant Banks, Atlanta; Franklin Batts, Rome; Clarence Beard, Augusta; Dorothy Cooper, Ashburn; Grover Cooper Jr., Ashburn; Willie Cooper, Atlanta; Richard Ewins, Atlanta; Fulton Faniel, Atlanta; Porche Franklin, Atlanta; Madison Gordon, Ludowici; Charles Green, Savannah; Barbara Harris, Perry; Robert Harris, Perry; Charles Landers, Atlanta; Benjamin Langford, Atlanta.

Barbara Lanier, Atlanta; Chancey Lawson, Colquitt County; Elaine Lowery, Villa Rica; Willie Milsap, Atlanta; Julio Roscorocco, Atlanta; Johnny Ruff, Atlanta; David Sinkfeld, Villa Rica; H. W. Smith, Decatur; Barry Spakowsky, Smyrna; Jobie Thomas, Atlanta; Alan Williams, Stephens County; Unidentified female, Macon; Unidentified male, Atlanta; Unidentified male, Doraville.

HAWAII (1)

Raymond Wolcott, Honolulu.

IDAHO (3)

Gail Bock, Naples; Deborah Rayfield, Lewiston; and Cecil Snapp, Weiser.

ILLINOIS (28)

Freddy Bell, Chicago; Leona Brantley, Chicago; Cheryl Dawkins, Chicago; John Dawkins, Chicago; Cleophus Fisher, Chicago; Boguslaw Grabski, Chicago; Jesus Gutierres, Chicago; Melvin Horton, Arlington Heights; Alexander Jackson, Chicago; Van Jackson, Chicago; William Jenkins, Peoria; Kit Johnson, Chicago; Donald Lawson, Chicago.

Ronald Lee, Chicago; Michael Matusiak, Chicago; Patrick McAndrew, Chicago; Sylvester Norris, Chicago; Frank Parrilli, Evanston; Herve Ricourt, Chicago; Antonio Rodriguez, Chicago; Angel Roman, Chicago; Esther Sepmeyer, Edwardsville; Emily Thomas, Bolingbrook; Jonathan Thompson, Chicago; Donald Trier, Skokie; Oscar Williams, Chicago; Kathy Young, Chicago; Unidentified female, Harvey.

INDIANA (14)

Ned Brooks, Gary; Robert Brown, Gary; Warren Buel, Michigan City; Luther Collins, Indianapolis; Mae Collins, Indianapolis; Donald Cross, Anderson; Arnell Glass, Jr., Gary; Denise Glass, Gary; Kathy Jones, Indianapolis; Larry Marshall, Indianapolis; James Pounds, Indianapolis; Brett Rodgers, Starke County; Frederick Walker, Gary; George Williams, Indianapolis.

IOWA (4)

Brent Gullion, Des Moines; Robert Joelyn, Cedar Rapids; Tony Millard, Ottumwa; Jeffery Reisinger, Des Moines.

KANSAS (9)

Grant Avery, Peabody; Frank Foley, Lansing; William George, Wichita; Carol Meeker, Kansas City; Tito Mejia, Kansas City; Martha Schultse, Olathe; Amelia Skala, Belleville; Baron Slutter, Pittsburgh; Dorothy Tate, Leavenworth.

KENTUCKY (13)

Wesley Adams, Winchester; Gilbert Allen, Crab Orchard; Jesse Bowling, Confluence; Chester Grimes, Frankfort; Roger Hymer, Stamping Ground; Marsha Ingram, Flemingsburg; Robert Ingram, Flemingsburg; Robert Ingram, 9, Flemingsburg; Sam Jones, Carter County; Billy Martin, Lexington; Herbert Taylor, Jamestown; Neal Turner, Harlan; Marshall Witherspoon, Paducah.

LOUISIANA (24)

Jimmie Allen, Mansfield; John Bonnell, New Orleans; Darrell Brown, Monroe; Baldomero Cuarisha, New Orleans; Walter Dacks, Covington; Ronald Dean, Shreveport; Leonard Doucet, Jennings; Clinton Fuller, New Orleans; Edwin Goodwin, New Orleans; Anthony Holmes, New Orleans; Leon Jones, Port Barre; Vanessa Latson, Shreveport; Jessie Lewis, Shreveport.

Edith Marshall, New Orleans; Emile Maurice, New Orleans; Sandra Miro, New Orleans; James Pinkney, New Orleans; Dorothy Poland, Shreveport; Rosita Savoie, New Orleans; Lucita Ward, New Orleans; Thomas Watson, New Orleans; Leslie Webb Jr., Denham Springs; Charles Winn, West Monroe; unidentified male, Lake Charles.

MARYLAND (20)

R. D. Clark, Odenton; Bernard Clemons, Baltimore; Arthur Contee, Baltimore; Robert Dixon Sr., Baltimore; Horace Forney, Baltimore; John Frick, Baltimore; Melvin Glass, Elkton; Harold Jenkins, Baltimore; Henry Jones, Bowie; James Joshua, Baltimore; William Lawrence, Baltimore; Eric Rada, Ridgely; Leo Shapiro, Baltimore; Rully Sims, Baltimore; Harry Spalding, Hillcest Heights; James Vass, Baltimore; Steven Witherspoon, Baltimore; unidentified male, New Carrollton; unidentified male, Baltimore.

MASSACHUSETTS (5)

Sonny Alicea, Dorchester; Anthony Corlito, Boston; Roy Coull, Gloucester; Joseph Damelio, Boston; Faical Mouhaidly, Boston.

MICHIGAN (18)

Diane Benward, Bay City; Elethea Benware, Bay City; Jason Benware, Bay City; Jeffrey Benware, Bay City; Thomas Benware Bay City; Weldon Benware, Bay City; Verdia Billings, Pontiac; Theresa Coryell, Durand; Lenel Flemming Jr., Flint; Larry Jones, Flint; Robert Ledford, Flint; Pauline Murry, Flint; Theresa Onvell, Durand; Randy Pititti, Durand; Arthur Quentmeyer, Harrison; unidentified female, Detroit; unidentified male, Detroit; unidentified male, Detroit.

MINNESOTA (3)

Alonzo Bridges, Minneapolis; Victor Mercado, St. Paul; and Heidi White, Beardsley.

MISSISSIPPI (4)

David Bailey, Ackerman; Michael Mayer, Biloxi; Teresa Mayer, Biloxi; Alvin Seely, Biloxi.

MISSOURI (18)

Carl Adams, Corning; Jerry Bernat, Houston; Donald Brinkley, St. Louis; Osborne Campbell, Kansas City; Sheldon Collins, Springfield; Reubin Cruise, Kansas City; Kathryn Farnsworth, Kansas; Walter Hagan, St. Louis; Michael Johnson, St. Louis; Thomas Miller, Linn Creek; Charles Polatty, Springfield; Clarence Sampson, St. Louis; Ralph Sharick. Geene County; Ralph Smith, St. Louis; James Ward, Kansas City.

MONTANA (1)

Caroline Wylie, Columbia Falls.

NEBRASKA (4)

Leroy Dorman, Lincoln; James Goslee, Council Bluffs; Judy Ott, York; Sylvester Windhols, Omaha.

NEW HAMPSHIRE (2)

Joseph Demet, Hanover and Alaric Gustavson, Jefferson County.

NEW JERSEY (4)

Vincent Ferguson, New Brunswick; Cynthia Gold, Newark; Eileen Gold, Newark; Donald Leotta, Bellmawr.

NEW MEXICO (5)

Don Doucette, Albuquerque; Juan Garcia, Albuquerque; Chester Jones, Clovis; Epitacio Lucero, Albuquerque; Marybelle McCoy, Flora Vista.

NEW YORK (25)

Robert Borwn, Harlem; Scott Cantrell, South Salem; Michael Christmas, Roosevelt; Jocelyn Fermin, New York; Jose Fermin, New York; Nancy Gage, Queens; Robert Gage, Queens; Damon Gustavson, Long Island; Deborah Gustavson, Long Island; Lascelle Hines, Bronx; George Hollaway, Brooklyn; Warren Lewis, Buffalo.

Eliezer Lopes, Brooklyn; Earl Martin, New York; Mario Pinagas, Queens; Maurice Reid, Brooklyn; Victor Roudakoff, Rockland County; Fernando Santiago, Brooklyn; David Southard; Sally Stroup, Mattydale; Oscar Sussman, New York; Gerald Tillem, Staten Island; Robert Weisswasser, New York; Unidentified person, Salina; Unidentified male, New York.

NORTH CAROLINA (18)

Bobby Atkinson, Raleigh; Luther Davis, Greensboro; George Decher, Fayetteville; Arthur Hayes, Apex; Carolyn Hicks, Winston-Salem; Donald Howard, Kannapolis; Juanita Lamance, Sanford; Bert Lindsey, Jr., Bessemer City.

Robert McCauley, Mebane; Theodore McCray, Dunn; Charles McDonald, Dunn; Bradley Miles, Greensboro; Floyd Nichols, Durham; Pansy Nichols, Durham; April Radford, Mars Hill; Jane Richard, Reidsville; Charles Simpson, Atlantic Beach; Nathan Smith, Kenansville.

OHIO (36)

Frank Bly, Akron; Alfred Braxton, Cleveland; Walter Carter, Cincinnati; Stanley Cetner, Cleveland; Charles Clark, Cleveland; Antonio Conte, Brook Park; Alfred Davis, Columbus; James Davis, Cincinnati; Frank Dillard, Cincinnati; Duane Dixon, Cleveland; Lessie Ellison, Springfield Township; Violet Ellison, Springfield Township.

Richard Flowers, Lorain; John Frye, Rutland; Carl Greer, Columbus; William Guido, Brook Park; Sophie Hartman, Columbus; Clifford Hartwig, Norwalk; Darnell Jeffries, Columbus; James Kennedy, Columbus; James Lewis Jr., Canton; Thomas Liddy, Eastlake; Robert Maidlow, Toledo; Frank Morse, Columbus.

Leonard Ramseur, Cleveland; Jan Reiser, Cleveland; Ralph Schrader, Mimishillen Township; Charles Sedar, Cleveland; Mark Sipcich, Brilliant; Kenneth Smith-Burnett, Columbus; Timothy Talley, Aberdeen; Kenneth Tomasswski, Lorain; Ronnie Wall, Cleveland; Joseph Wente, Cleveland; Deanna Wolgamott, Tuscarawas Township; Unidentified male, Springdale.

OKLAHOMA (11)

Elmo Gandy, Anadarko; Opal Gandy, Anadarko; Henderson Harris Jr., Oklahoma City; Jerry Husted, Oklahoma City; Dolly Joice, Wagoner; James Leach, Oklahoma City; John Malone, Muskogee; Sandra Malone, Tulsa; Kathryn Stelle, Broken Arrow; Steven Wisdom, Oklahoma City; Ray York, Oklahoma City.

OREGON (11)

John Arias, Beverton; Jasper Belle, Portland; Alan Blattman, Portland; Jerald Campion, Portland; Lawrence Ebbs, Dayton; Kym Fearrien, Redmond; Orville, Hakanson, Grants Pass; Donald Ryks, Eugene; Arthur Schroeder, Medford; George Sweitzer, Brookings; John Talbott, Bend.

PENNSYLVANIA (18)

Joel Bockol, Philadelphia; Michael Branch, Philadelphia; Theodore Cintron, Philadelphia; Juan Colon, Philadelphia; Robert Harts, Philadelphia; Ollie Helem, Overbrook; Johnny Jennings, Philadelphia; Kinford Krauss Sr., Spinnerstory; Mrs. L. Krauss, Spinnerstory; James Lewis, Germantown; Janice Lewis, Germantown; John Pizzo, Philadelphia; Wiley Rogers, Philadelphia; Robert Sheppard, Germantown; Tom Singleton, Philadelphia; David Stanley, Philadelphia; Deborah Watkins, Philadelphia; Hilda Young, Philadelphia.

RHODE ISLAND (1)

John Simpson Jr., Providence.

SOUTH CAROLINA (9)

Ronnie Allen, Sr., Mount Pleasant; Elijah Belin, Sr., Florence; Belin, 1st name not given, Florence; Archie Craft, Columbia; John Gainey, Charleston; Sandra Gainey, Charleston; R. A. Mobley, Florence; Jerry Sieben, Summerville; George Skipper, Myrtle Beach.

SOUTH DAKOTA (1)

Brian Bundy, Rapid City.

TENNESSEE (36)

Phillip Adams, Nashville; Bob Beecham, Nashville; Peggy Beecham, Nashville; Joseph Berry, Nashville; Dana Boone, Memphis; Novella Bowling, Johnson City; Charley Boxley, Memphis; Norvin Brown, Memphis; Leonard Broyles, Memphis; Vance Crawford, Jr., Memphis; James Delones, Huntsville; Janet Durham, Whitehaven; Timothy Durham, Whitehaven; Monroe Frank, Memphis; Florine Gaines, Knoxville; Rachel Gibson, Cedar Grove; Norvell Hightower, Memphis.

Jerry Hord, Kingsport; Larry Jamerson, Athens; Lula Jones, Columbia; Fred Keyes, Jr., Rutherford County; Michael Knalla, Nashville; Robert Lynn, Winchester; Charles Maynard, Sevierville; Patricia Moss, Memphis; Andrew Owens, Memphis; John Purdy, Nashville; Tammy Ragsdale, Knoxville, Elizabeth Richardson, Johnson City; Robert Steele, Columbia; Walter Stewart, Gleason; Lon Tucker, Franklin County; Barbara Utt, Sullivan County; Ella Watson, Gallatin; Terry Watson, Nashville; Joe Wolfe, Rogersville.

TEXAS (102)

Corey Aiello, Richmond; Louise Allen, Houston; Lupe Araiza, Houston; Ed Attaway, Odessa; Pedro Avila, Santa Maria; Jimmy Bacon, San Antonio; Ernest Barrera, Houston; Felix Bermea, Midland; Lester Bernat, Houston; Lela Bradic, Plainview; Robert Brem, Odessa; Edward Burchell, Denton.

Clyde Burns Jr., Abilene; John Butler, Fort Worth; Kathy Carroll, Del Rio; Lonnie Carter, Dallas; Fred Casares, Dallas; Daniel Constancio, Lubbock; Richard Corona, Houston; Landa Davis, Dallas; James Eggert, Houston; Rosendo Elizando, Houston; J. P. England, Midland; Freddy Fletcher, Texas City.

Lindy Fonsera, Houston; Robert Ford, Harris County; L. B. Gamble, Mexia; Margaret Gamble, Mexia; Jesse Gaona, Galveston; Santiago Garcia, Houston; Ubaldo Garcia, Brownsville; Alfredo Garza, San Antonio; Leroy Gloger, Houston; Buck Gordon, Arlington; Allan Graham, San Antonio; Jacquelin Hancock, Woodway.

Martha Hart, San Antonio; Margaret Hawkins, Hurst; Robert Haynie, Fort Worth; June Heffner, Everman; Robert Heffner, Everman; Maurice Herrera, Fort Worth; Rodolfo Hinojosa, Brownsville; Gerald Hunt, Houston; Adolphus Irabor, Houston; Anthony Jackson, Houston; George Jasso, San Antonio; Jack Kennedy, Dallas; Rebecca Kennedy, Houston; Randall Kingston, Beeville.

Jose Lara, Houston; Raymond Lawrence, Lone Star; Robert Leigh, Pecos; Aaron Lewis, Houston; Carl Livingston, Houston; Eddie Martin Jr., Houston; Marion McGee, Beaumont; Marcus McGuinn, Fort Worth; Richard Meadows, San Antonio; Terry Milton, Waco; Manuel Montoya, Giddings; Tommy Morlock, Fort Worth; Joaquin Nevares, San Antonio.

Merle Newbauer, Wills Point; Norma Newbauer, Wills Point; Larry Padgett, Amarillo; Sandra Palmer, Fort Worth; Humberto Pecina, Houston; Marion Peppers, Dallas; Virginia Philen, Athens; Joel Pomeroy, Dallas; Margaret Pomeroy, Dallas; John Pool, Dallas; Pedro Portillo, Hart; Juanita Powell, Rosharon; Hans-Gerd Promper, Houston.

Enrique Ramires, San Antonio; Jose Reyes, Baytown; Richard Reynolds, Crosby; Pablo Rios, Jr., Houston; Alejandro Rivera, Galveston; Obie Robinson, Marion County; David Rocha, San Antonio; Olivia Rodriguez, Lubbock; Melvin Roland, Fort Worth; Melvin Savoy, Beaumont; Ernest Simone, Houston; Mary Sproles, Fort Worth; Kevin Swain, Arlington.

Joyce Sypert, Haltom City; Felix Trinidad, Houston; Tran Minh Tung, Houston; Maria Vasquez, San Antonio; Rosendo Villarreal, Houston; Diana Wanstrath, Houston; John Wanstrath, Houston; Kevin Wanstrath, Houston; Elton Williams, Dallas; unidentified male, Houston; unidentified male, Houston; unidentified male, El Paso.

UTAH (2)

Donald Mitchell, Salt Lake City and Louise Valdez, Kearns.

VERMONT (1)

Howard Gould, Montpelier.

VIRGINIA (14)

Howard Allen, Portamouth; Leroy Booker, Richmond; Shirley Booker, Richmond; Robert Deutsch, Evergreen; Bruce Draper, Evergreen; Renna Franklin, South Boston; Eileen Fulcher, Roanoke; Robert Keating, McLean; Michael Mayo, Richmond; Lucille Net, Annandale; Todd Net, Annandale; Stephen Pilgreen, Evergreen; Eunice Sowers, Floyd Joyce Terry, Danville.

WASHINGTON (8)

Michael Braun, Tacoma; Ronald Estabrook, Seattle; Seigfried Harmon, Lakewood; Florence Mansfield, Ronald Nowicki, Tacoma; Ricky Wheeler, Tacoma; Patricia Wilcox, Prosser; Robert Wilson, Sumner.

WISCONSIN (6)

Marjorie Brunn, Fox Lake; Oliver Brunn, Fox Lake; John Denn, Ellsworth; Esteban Ledesman, Milwaukee; John Maertz, Menomonee Falls; Jose Renovato, Milwaukee.

WYOMING (3)

Susan Bradley, Point of Rocks; Martha Hopkins, Cheyenne; and Robert Middaugh, Douglas.

HOMER E. CAPEHART OF INDIANA

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. QUAYLE. Mr. Speaker, one of Indiana's distinguished and outspoken political leaders, former Senator Homer E. Capehart, passed away on Labor Day. Homer Capehart, a successful businessman, served the people of Indiana with distinction and fairness for three terms in the U.S. Senate from 1944 through 1962.

While I did not have the opportunity of working with Senator Capehart, or knowing him well, he did leave a legacy of accomplishment in the private and public sectors.

During his years in the Senate he left his imprint on business and housing legislation, and he was a staunch advocate of a strong defense and forceful foreign policy. As we view with alarm the growing presence of Soviet military forces in Cuba in 1979, we recall that it was Senator Capehart of Indiana who urged the blockading of Cuba and the forcing out of Soviet missiles and bases 90 miles from our shores in 1962.

Homer Capehart was the son of a tenant farmer whose love for his State and Nation enabled him to succeed as a salesman, advertising agency head, to manufacturing executive and to a lengthy and successful tenure in the U.S. Senate. In 1962 he returned to Indiana and remained active in the Republican Party.

Mr. Speaker, we extend our heartfelt sympathy to the Capehart family—his wife, Irma; his son Earl; and daughter, Patricia Pearson; and his 12 grandchildren. We pray that God will comfort them in their sorrow.●

TWO QUESTIONS ON SALT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BINGHAM. Mr. Speaker, a compelling short article on SALT by Arthur B. Krim appeared in the New York Times for August 21. Mr. Krim, a distinguished lawyer and motion picture executive, is a member of the President's General Advisory Committee on Arms Control and Disarmament. The article follows:

[From the New York Times, Aug. 21, 1979]

2 QUESTIONS ON SALT

(By Arthur B. Krim)

To those millions of Americans to whom evaluation of the strategic-arms treaty has become lost in technicalities and conflicting generalities, I suggest that you ask your Senators two basic questions. You will be amazed by the extent to which the answers will cut through to the bottom line, not only for yourself, but also for your Senators as they approach their own moment of truth in making one of the most crucial decisions in our country's life.

1: Which of your objections to the terms of SALT II would be satisfied or alleviated by a repudiation of the treaty?

The fact is that the principal arguments against the treaty would actually in most instances be exacerbated if the treaty were not to be ratified.

As an example, take the argument that the treaty allows the Soviet Union the unfair advantage of the 308 heavy missiles now in place. If there were no treaty, this limit would be lifted; even more, the Soviet Union could then arm each of these missiles with up to 30 warheads, instead of the limit of 10 provided by the treaty, an overall potential increase of 6,000 warheads or more, which would otherwise be prohibited under SALT II.

Or take the argument that the Soviet Backfire bomber is not counted within the treaty ceiling. If there were no treaty, the Soviet Union could increase the range of the Backfire and its production rate without limits. Instead, in assurances that are integral to the treaty, the Soviet Union has specifically agreed to restrict the capacity of the Backfire to less than intercontinental range and to limit its production to no more than 30 a year.

Or, take the argument that compliance with the terms of the treaty is not adequately verifiable. If there were no treaty, we would be required to rely entirely on our ability to penetrate what is happening in a closed society in order to know what missiles the Russians were testing or deploying. Instead, under the treaty the Soviet Union is required to take affirmative steps to aid us in monitoring these same developments.

Or, take the argument that our Minuteman missiles will be vulnerable in the early 1980's. No one can argue that this is in any way due to, or caused by, the terms of SALT II. However, any steps to counteract this vulnerability are made much simpler by knowledge under SALT II that the threat to be counteracted comes from a limited and known number of Soviet missiles.

You may be surprised to find that your Senator, if he is opposed to the treaty, may not be able to point to a single substantive objection that would be remedied to any extent by a defeat of ratification.

2. What do you propose be done to enhance our security that cannot be done under SALT II?

The fact is that whatever is being credibly proposed to improve our security or the security of our allies involves questions for broad national debate that are not inhibited by SALT II. Should we deploy the MX missile and, if so, how? Should we enlarge our nuclear forces in the European theater?

You may again be surprised to find that our choices on these and the other important issues of security remain the same, SALT II or not. The difference is that under SALT II we can make these choices with greater certainty of the extent of the strategic forces deployed against us.

The argument that SALT II should not be ratified unless and until these choices are made, even though they are unrelated to any SALT II restrictions, in effect says that one-third instead of a majority of our Senators should control our defense decisions.

These two questions recognize that your Senator's decision cannot turn on what an ideal treaty might be but on whether we are better off under the terms of this treaty or by opting for the foreseeable future to go our own way without restraints on either side. If you insist on satisfactory answers, the bottom line becomes clear.●

REDTAPE SYNDROME

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. STUMP. Mr. Speaker, one of the major concerns voiced to me during the district work period was the excess amount of Government regulation and high taxes. The following poem, written by my friend Bobbie Broumley, clearly expresses the concern and feelings of

many. I am sure you will find the "Red-tape Syndrome" of interest.

"REDTAPE SYNDROME"

A Crisis of Confidence the President said,
But he didn't hit the nail on the head.
The folks are just tired of all being bled,
And the nation is sorta "seeing all red . . ."
The President can see folks begin to relax,
When they get out of our pockets and off of our backs . . .

We've so much red tape and such regulations,
Enough to choke the entire world of nations;
Now, add to all that the rate of inflation;
And how Proposition 13 created sensation. . . .
If Washington wants the folks to relax
They can get out of our pockets and off of our backs. . . .
Long years ago when folks were discreet,
It often was mentioned those who work shall eat;
But with such give-aways and our own tax receipt,
Our Zero Bank Account's complete . . .
The Natives are restless but we could learn to relax,
If they'd get out of our pockets and off of our backs. . . .

Every expert has an instant solution,
For energy, inflation and horrendous pollution,
It seems there may be an expert's collusion,
That could bring about a New TAX Revolution. . . .
I believe, Mr. President the people would relax.
If Washington got out of our pockets and off of our backs. . . .

—Bobbie Russell Broumley, July 25, 1979.●

FORT SAM HOUSTON, TEXAS ARMY HEALTH SERVICES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GONZALEZ. Mr. Speaker, the most prestigious and historical defense installation of our country is Fort Sam Houston. Images and memories of great soldiers who served at Fort Sam are evoked: General John J. "Blackjack" Pershing, Foulois, Eisenhower—just to mention a few.

Here now at this memorable and much desired as a duty post is headquarters for the U.S. Army Health Services Command.

Despite great odds, such as perennial budgetary shortfalls, much needed modern physical facilities (I am continuing my 18-year-old fight to obtain the long overdue modern new hospital building for the Brooke General Hospital), the administrators and personnel have done and are continuing to do an outstanding job.

During the Vietnam war I saw miraculous and heroic performances by Army orthopedic surgeons, who seemed guided by Divine Providence, repair and restore fragmented bodies and spirits.

I wish to share with my colleagues a very fine article about the command which appeared in the San Antonio Light on Sunday, August 5.

[From the San Antonio Light, Aug. 5, 1979]

CARE OF MILLIONS ROUTINE AT HSC

(By Donna Jones)

(It is hard to imagine an organization seeing 45,000 patients, dispensing 81,000 prescriptions or conducting 40,000 dental checkups—all in a single day.

(But that's part of the routine for the Army's Health Services Command, which is headquartered at Fort Sam Houston.

(Light medical writer Donna Jones examines the worldwide operations of the health service and what it means to San Antonio.)

The U.S. Army Health Services Command at Fort Sam Houston is housed in an innocuous building that belies its power.

Operating with an annual budget that tops $1 billion, the Army's physician-administrators at Fort Sam direct health services that cover 3 million beneficiaries and more than 3 million square miles.

Six years ago, when the Army was searching for a home for this impressive command, Fort Sam Houston was vying with posts in Washington, D.C., and Denver.

HSC chief of staff Col. R. E. Neimes speculates that San Antonio may have been chosen because since 1946, the city has been home to the Academy of Health Sciences, a clearinghouse for all Army medical personnel. Approximately 40,000 enlisted men and officers pass through the academy, the world's largest military training activity, annually, Neimes said.

And, he added, San Antonio is "a nice place to be."

Besides the Academy of Health Sciences, where students can earn college credits toward associate, bachelor and master degrees, Fort Sam is home to Brooke Army Medical Center and a Regional Dental Activity.

With 10,000 staff members, the HSC employs approximately 76 percent of the military personnel at Fort Sam Houston.

The command also employs 500 civilians from the San Antonio area.

Having a major command at Fort Sam Houston has obvious economic benefits for San Antonio merchants who serve the military population, Neimes said.

But, perhaps more importantly, the HSC enhances San Antonio's scientific community, he added.

The command often hosts scientific meetings, and the military's medical experts take time to share their knowledge with civilian researchers and physicians, he explained.

As a community service, the HSC operates one of the nation's five programs called Military Assistance to Safety and Traffic. This service makes available to civilian authorities military personnel and helicopters to quickly transport traffic accident victims and other medical emergency patients to local hospitals.

But, San Antonio is only a fraction of the HSC's service area. The command provides health care, throughout the continental United States, Alaska, Hawaii, Puerto Rico, Johnston Islands, Guam, the Pacific Islands and to other government departments, agencies and organizations.

In October, the command will assume responsibility for the Panama Canal health system.

On an average day, HSC facilities see 48,000 clinic patients, fill 81,000 prescriptions and perform 40,000 dental procedures and 25,000 veterinary procedures.

They also offer education programs and conduct research.

The far-reaching HSC, predictably, is not without problems, most of which imitate those faced by medicine in the private sector.

Manpower and escalating costs are two major problems, Neimes said.

"That's not to say that giving us money will solve all the problems," he added.

The military admittedly has problems in attracting and keeping competent physicians, Neimes said.

Relatively low salaries deter some physicians from going the military route.

An emergency room physician in the private sector might earn $75,000 annually, while the top salary for an Army physician in the same specialty is $46,000, Neimes said.

But, Neimes said, "What attracts a physician is job satisfaction."

And, the Army is striving to increase job satisfaction while making only "modest improvements" in salaries.

Part of what makes a job satisfying is working in a modern facility with modern equipment, Neimes said.

Plans for modernization at Fort Sam will add health and dental clinics and expand Brooke Army Medical Center during the next seven years. The improvements are expected to run up a bill approaching $160 million.

By training physicians' assistants at the academy, administrators seek to assure that physicians will devote their time to the challenging aspects of medicine while assistants take histories and do routine tests.

HSC stays in contact with congressmen and local leaders and keeps them up-to-date on the Army's medical needs and assets, Neimes said.

The Army is improving its health services not only because it wants to attract more physicians, but also because "It's an asset to the nation," Neimes concluded.

THE "MYTHS" OF VIETNAM

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BRINKLEY. Mr. Speaker, for the benefit of my colleagues, I wish to place into the CONGRESSIONAL RECORD an article which appeared in the Columbus Ledger-Enquirer on August 19, 1979, entitled "The 'Myths' of Vietnam." The author, Mr. Millard Grimes, draws some profoundly accurate conclusions regarding our Government's involvement in, and withdrawal from, South Vietnam.

This excellent analysis of the Vietnam situation sets the record straight, and I commend this superb commentary to my colleagues:

THE "MYTHS" OF VIETNAM

(By Millard Grimes)

As the 1970s draw toward an end, several myths from the 1960s have become virtually accepted as truth and dogma, and they are dangerous myths that should not pass into the history books unchallenged.

First, there is the broadly-accepted myth that the U.S. leaders who made the decisions that led to this nation's mission in Vietnam were wrong in both vision and morality.

Secondly, there is the corresponding myth that the protesters, demonstrators and other vociferous critics of U.S. policy in Vietnam were right.

And thirdly there is the oft-repeated claim that the United States "lost" its first war in Vietnam.

The decision by the Kennedy and Johnson administrations to send U.S. military advisors and aid, and then troops and massive air support, to South Vietnam was based on a belief that it was in the best interests of the people of South Vietnam and of the United States for that country to maintain a non-communist, pro-western government, and that military aggression by North Vietnam should be discouraged and turned back.

Further, the policy-makers believed that if North Vietnam's aggression was successful in South Vietnam that it could lead to further aggression in Southeast Asia.

Today, some 16 years after the decisive moves toward implementing the U.S. policy, we know that the leaders at that time were right in their main conclusions:

South Vietnam was threatened by a Communist takeover from North Vietnam. The people of South Vietnam—and of Cambodia and other neighboring nations—were unquestionably better off under non-communist, pro-western regimes; and the best interests of the United States were better served by such regimes.

The leaders were also correct about the much-maligned "domino theory," as North Vietnam now controls not only South Vietnam, but also Cambodia and Laos, and poses a threat to Thailand, Malaysia and other Southeast Asian countries.

On one other important point the U.S. leaders were right and their critics wrong. The war in South Vietnam was not a "civil war." North Vietnam's armies completed the conquest and North Vietnam's government controls South Vietnam today, even to the point of changing the name of its capital city from Saigon to Ho Chi Minh City.

Whatever else might be said of the outcome, it is difficult to argue that the South Vietnamese or the Cambodians are better off than they were under the regimes which the U.S. attempted to bolster and sustain during the 1960s.

And it is on that point that the protesters, demonstrators and critics of U.S. policy in Vietnam stand clearly branded as having been wrong.

They contended that it did not matter what kind of regime governed South Vietnam.

Let them ask the "boat people" if it matters.

And then there is the oft-heard lamentation that the U.S. "lost" the Vietnam War.

The clear and indisputable record shows that the U.S. withdrew its troops from Vietnam—mainly because of domestic pressure from the demonstrators and the anti-Vietnam movement—in 1973, leaving the South Vietnamese government in control of most of the land area below the North-South border.

It was nearly two years after U.S. troops left Vietnam that North Vietnam launched an all-out military offensive—in violation of the treaty signed in 1973, which it had violated in lesser ways throughout the previous two years—and this offensive succeeded in routing the South Vietnam army.

The U.S. mission succeeded up to the point when its troops withdrew. The war was lost two years later, in 1975, when the U.S. government declined to again become involved militarily.

South Asia is a place of tragedy today, but it is a tragedy that U.S. policies of the 1960s sought to prevent, and which failed in large measure because of opposition from Americans who were wrong both factually and morally.

The U.S. mission in Vietnam was noble, and its warriors were brave and deserving of honor.

The "losers" were the people of Vietnam, both north and south, and the people of Cambodia, and eventually perhaps the people of Thailand, Malaysia and Burma.●

NATIONAL CENTER FOR LAW AND THE HANDICAPPED

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GRADISON. Mr. Speaker, a recent article by Bill Steif, a reporter for the Scripps-Howard News Service, attracted my attention and I wanted to share it with my colleagues. The column addresses the very important and vital work of the National Center for Law and the Handicapped which is housed at the University of Notre Dame Law School in South Bend, Ind. The center was conceived in 1972 and has received the endorsement of the American Bar Association and the President's Committee on Mental Retardation. As I know my colleagues are aware, few if any other federally funded projects have ever produced or fostered the development of young men and women directly in the field of handicapped law nor are there any other national resources providing help to the legal community, social workers, and parents of retarded and physically handicapped youngsters as is NCLH.

Clearly, the contributions of this organization extend far beyond the boundaries of my own congressional district and in that regard I believe Bill Steif's article focuses important and most needed attention on the center and its struggle for survival:

U.S. AND YOU

(By William Steif)

Three lawyers talk around a table in a small room. They're successful, urbane, middle-class professionals.

They are also loving fathers.

Each has a retarded child.

Lawrence A. Kane Jr., of Cincinnati has six children. The last is retarded, a boy now 12. Kane says his son is "almost a rare person."

He's had an impact on the rest of the family. Another son is "establishing a group home for juvenile delinquents." A daughter has graduated from George Peabody College in order to teach "special education," the dreadful American euphemism for teaching disabled children how to cope with their problems.

Dennis E. Haggerty of Philadelphia says, "My boy is 20. He has an IQ of 25, a vocabulary of about 20 words. He has given us purpose; my two elder daughters are in a special education. My 17-year-old daughter understands that not all citizens have 20-20 eyes," this is, they're not all "normal."

David M. Barrett's son was his first-born. The boy is "profoundly retarded, but this has been an enriching experience."

Kane says: "I think many people still have latent fears of disability. . . . But my perception of this new generation, people from 18 to 40, is that it is very humane, sensitive, even compassionate."

Retardation is only one of many handicaps, mental and physical, Americans suffer. There are about 30 million handicapped Americans, a third of them severely handicapped. About 6 million of the handicapped are 3 to 21.

All these children have rights to public education, appropriate to them, under federal law. But often those rights are infringed upon or ignored because parents don't know what's coming to their children, or sometimes because school authorities flout those rights.

Kane, Haggerty and Barrett want to ensure those rights.

They are, respectively, president, vice president and a director of the National Center for Law and the Handicapped, founded in 1972 at South Bend, Ind., and jointly sponsored by the American Bar Association, the Notre Dame law school and the Council for the Retarded of St. Joseph County, Ind.

"The law (for handicapped children) is on the books," says Haggerty. "Now it's a matter of implementing and supporting it."

That's what the center does. It has taken part in more than 100 court cases. It gets over 3,000 inquiries a year. Kane says: "The most important thing is for our consumers—parents of children—to know they can call (219-288-4751) or write us, and we can direct them to help in their communities."

The center has three fulltime lawyers and eight legal interns, Notre Dame law school students. It publishes a magazine, Amicus, that contains reports about law and the handicapped. It disseminates legal briefs and advice.

The center has published a valuable tool if you're the parent of a handicapped child. It is a 20-page booklet, "Parent's Guide to Ensuring the Educational Rights of Children." It's a straight-from-the-shoulder discussion of rights and remedies to which your child is entitled. It tells you what your schools are obligated to do and how to get them to fulfill their responsibilities. The booklet is available for $3 from the center, 211 West Washington St., Suite 1900, South Bend, Ind. 46601.

Right now the center's having a tough time financially. It's been funded yearly by the Health, Education and Welfare Department's Rehabilitation Services Administration. It asked for $286,000 in the coming fiscal year, starting Oct. 1. HEW's new Secretary, Patricia Roberts Harris, has given no indication on funding. Without it, says Barrett, "Our momentum will be dissipated. All we want is equal treatment of American citizens."

You can write Mrs. Harris, c/o HEW, 330 Independence Ave., SW., Washington, D.C. 20201, to urge her to continue the center's funding. An equally important person to write is Rep. John Brademas, Ind., the House Democratic whip, who represents South Bend—and was instrumental in starting the center. His address is Room 1236, Longworth House Office Building, Washington, D.C. 20515.

Another publication just off the presses can help you if you're seeking aid for children. It's entitled, "National Directory of Children and Youth Services '79," and it is a 540-page compilation of the name, address and phone number of every social service, health, mental health and youth service agency in the nation, broken down by states, counties, cities and towns.

Juvenile courts are included. Officials in charge are named. There's never been anything like this; it took a veteran newsman, Bill Howard, to organize and do the job. The directory is aimed at professionals, but you don't have to be a pro if you want to spend $39—reasonable, considering the work entailed—for this. Copies are available c/o CPR Directory Services Co., 1301 20th St., NW., Washington, D.C. 20036.●

ENERGY LEGISLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 5, 1979, into the CONGRESSIONAL RECORD:

ENERGY LEGISLATION

She stopped me on the main street of a small Indiana town and asked her question almost belligerently. I could not have missed her deep frustration over high fuel prices and the uncertainty and confusion of a hundred gloomy news reports. "What," she wanted to know, "have you and the Congress done about the energy crisis?" It is a fair question, one in fact that comes to me virtually every day from Ninth District residents. The short answer is, "Quite a lot, but certainly not enough." Let me explain.

Much has been accomplished in our effort to achieve our energy goals of increased conservation, greater domestic production, and rapid development of alternative sources.

There are many examples of progress. The number of car pools has risen sharply, the automobile industry is turning out more fuel-efficient vehicles, and the push to weatherize homes has been so strong that there has been a shortage of insulation. More natural gas is available, new exploration for oil has increased to record-breaking levels, and the utilities have helped to reduce oil imports by switching from oil back to coal. Finally, energy research is picking up, with solar power coming along faster than anticipated. The ultimate result of these and other trends is important: while the nation's economy grew by 3.9% last year, the demand for energy grew at about half that pace.

Some of the trends I have just mentioned are due to the operation of the free market, and others have been encouraged by legislation. The effect of legislation should not be underestimated. In the past three Congresses more than 100 bills relating to energy have been enacted. Congress has increased assistance to mass transit systems, set a fuel-saving and life-saving 55 mile-per-hour speed limit, required all cars made in 1985 and subsequent years to get 27.5 miles per gallon, mandated standards for greater efficiency in home appliances, demanded that federal agencies work up energy conservation programs and assisted the states in doing the same, decontrolled the price of oil and natural gas, accelerated the development of a variety of alternative sources of energy, created a national strategic petroleum reserve, fostered the exploration of oil shale deposits, raised oil production on federal lands, provided for the careful exploitation of offshore reserves, and brought Alaskan oil into production. The private sector has played a major role in most, if not all, of these initiatives.

This is by no means a complete list, but it should be sufficient to show that neither Congress nor the private sector has been "sitting on its hands" with respect to the energy problem. The initiatives have been taken with my full support. Everyone would agree, however, that much more needs to be done. The following are some initiatives that I am continuing to push:

Gasohol: I support a bill to provide loan guarantees for the construction of facilities to produce alcohol, with priority given to farmers. The bill would also expand research grants and provide tax incentives for the marketing of gasohol.

Synthetic fuel: I support a bill that within ten years could replace two million barrels of oil per day with synthetic fuel. The bill would offer financial incentives for the production of "synfuel" through any acceptable technology, whether coal gasification or liquifaction, extraction of oil from shale or tar sands, or conversion of garbage or crops into alcohol.

Wind energy: I support a bill to step up the development of wind energy. If the bill is passed and wind energy proves to be commercial, it could replace 1.5 million barrels of oil per day by the end of the century. Wind energy looks especially promising in rural areas.

Solar energy: I support a bill to create a solar energy development bank to make long-term, low-interest loans through private lending institutions. Homeowners and businesses would use the loans for the purchase of solar energy equipment. It has been estimated that solar energy could meet 20 percent of our needs by the year 2000.

Conservation: I support a bill to encourage additional energy conservation in residences, transportation, industry, and commerce. Under the bill, the government would seek private capital through the sale of bonds or notes and then use the capital to subsidize low-interest energy conservation loans of all sizes. Private lending institutions would make the loans.

Energy procedures: I support a package of bills to improve the way the government handles energy matters. One item in the package, a "fast track" bill, would expedite federal decisionmaking on a limited number of key energy projects each year without exempting the projects from current laws. A second item in the package would establish a permanent Energy Committee in the House to speed up action on energy legislation.

No single step can solve the energy problem, but these pending bills would help us reduce our dependence on imported oil, meet our energy needs through conservation, and develop a large number of alternative sources of energy. I will work hard to ensure the passage of as many of the bills as possible.●

KISSINGER LOOKS AT FUTURE OF NATO

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BROOMFIELD. Mr. Speaker, since its creation in 1949, the North Atlantic Treaty Organization has been of enormous value to both the United States and the European community. That the West has remained free and protected is in no small part attributable to the alliance. Most importantly, NATO has denied the Soviet Union the opportunity to dominate Western Europe and has provided the West with a sense of security and confidence. However, if the military imbalance in Europe is exacerbated, the next several decades will be most challenging to us all.

While attending the recent Brussels conference on the future of NATO as part of a study mission to Europe led by CLEMENT J. ZABLOCKI, my distinguished colleague and chairman of the Foreign Affairs Committee, I had the pleasure of meeting with Dr. Henry Kissinger, the keynote speaker. I believe that his opening statement at the conference, which examines the alliance's future strategic and conventional concerns, merits the attention of all my colleagues:

NATO—THE NEXT 30 YEARS

(By Henry A. Kissinger)

It is a somewhat strange phenomenon for me to talk to a NATO conference in Brussels in the presence of so many old friends that will consider my words an unnecessary interruption in the thoughts they are getting ready to launch at the conference sessions. When I see my old colleague Ambassador de Staercke sitting here it is almost like the old days—he functions as my conscience as he always has.

I think I speak for all of you if I thank the Foreign Minister for the extraordinary arrangements that have been made to make us all so comfortable.

I thought at the beginning of the conference the most useful thing I could do is to outline the concerns that I have about the future of NATO, the problems that in my estimation require supervision, if we are to retain our vitality and if we are to remain relevant to the challenges before us. Since the early 1960s every new American administration that has come into office promises a new look at Europe, a reappraisal and a reassessment. Each of these efforts has found us more or less confirming what already existed and what had been created in the late 40s and early 50s, with just enough Alliance adaptation to please the endlessly restless Americans who can never restrain themselves from new attempts at architecture.

Without going into which of these proposals were right or if any of these specific proposals were necessary, I think the fact that in the late 1970s we are operating an Alliance machinery and a force structure under a concept more or less unchanged from the 1950s should indicate that we have been depleting capital. Living off capital may be a pleasant prospect for a substantial period of time, but inevitably a point will be reached where reality dominates. And my proposition to this group is that NATO is reaching a point where the strategic assumptions on which it has been operating, the force structures that it has been generating, and the joint policies it has been developing, will be inadequate for the 80s.

I have said in the United States that if present trends continue, the 80s will be a period of massive crisis for all of us. We have reached this point not through the mistakes of any single administration. Just as the commitment to NATO is a bipartisan American effort, the dilemmas that I would like to put before this group—admittedly in a perhaps exaggerated form—have been growing up over an extended period, partly as the result of American perceptions, partly as a result of European perceptions.

Nor is this to deny that NATO, by all of the standards of traditional alliances, has been an enormous success; to maintain an alliance in peacetime without conflict for a generation is extremely rare in history. And it is inherent in a process in which an alliance has been successful, in which deterrence has operated, that no one will be able to prove why it has operated. Was it because we conducted the correct policy? Was it because the Soviet Union never had any intention to attack us in the first place? Was it because of the policies of strength of some countries or the policies of accommodations of other countries? So, what I say should not be taken as a criticism either of any particular American administration (even granting that there was one period of eight years in the past in which no mistakes were made) nor of any specific policies of European nations but rather as an assessment of where we are today.

Let me first turn to the strategic situation. The dominant fact of the current military situation is that the NATO countries are falling behind in every significant military category with the possible exception of naval forces where the gap in our favor is closing. Never in history has it happened that a nation achieved superiority in all significant weapons' categories without seeking to translate it at some point into some foreign policy benefit. It is, therefore, almost irrelevant to debate whether there exists a Soviet master plan for world domination or whether there is some magic date at which Soviet armies will head in some direction or another. I am willing to grant that there is no particular master plan nor that there is any specific deadline; I do not even consider that the present Soviet leaders are super-adventurous. That is fundamentally irrelevant.

In a world of upheaval and rapid changes, enough opportunities will arise in which the relative capacity and the relative willingness of the two sides to understand their interests and to defend their interests will be the key element. I do not believe the Soviet Union planned Angola or created the conditions for intervention in Ethiopia or necessarily had a deadline for the revolution in Afghanistan. But, all of these events happened to the detriment of general relationships. I would consider it a rash western policy that did not take into account that in the decade ahead we will face simultaneously an unfavorable balance of power, a world in turmoil, a potential economic crisis and a massive energy problem. To conduct business as usual is to entrust one's destiny

to the will of others and to the self restraint of those whose ideology espouses the crucial role of the objective balance of forces.

This is my fundamental theme. And I would now like to discuss this in relation to specific issues.

First, at the risk of repeating myself, let me state once again what I take to be the fundamental change in the strategic situation as far as the United States is concerned and then examine the implications for NATO. When NATO was created, the United States possessed an overwhelming strategic nuclear superiority. That is to say, for a long period of time we were likely to prevail in a nuclear war, certainly if we struck first and for a decade perhaps even if we struck second; we were in a position to wipe out the Soviet strategic forces and to reduce the counterblow to us to an acceptable level. And that situation must have looked more ominous to the Soviet Union even than it looked favorable to us.

If we think back to the Cuban missile crisis of 1962 which all the policymakers of the time were viewing with a consciousness of an approaching Armageddon, one is almost seized with nostalgia for the ease of their decisions. At that time the Soviet Union had about seventy long-range missiles that took ten hours to fuel, which was a longer period of time than it would take our airplanes to get to the Soviet Union from forward bases.

Today, or even in the Middle East crisis of 1973, when we had a superiority of about eight to one in missile warheads, if one compares this with the current and foreseeable situation, we are approaching a point where it is difficult to assign a clear military objective to American strategic forces in a strategic nuclear exchange. In the 1950s and for much of the 1960s NATO was protected by a preponderance in American strategic striking power which was capable of disarming the Soviet Union, and by a vast American superiority in theater nuclear forces, although, as I will discuss, we never had a comprehensive theory for using theater nuclear forces. Since all intelligence services congenitally overestimate the rationality of the decision-making process which they are analyzing, it is probable that the Soviet Union made more sense out of our nuclear deployment in Europe than we were able to make ourselves. In any event, it was numerically superior. And it was in that strategic framework that the allied ground forces on the continent were deployed.

No one disputes any longer that in the 1980s and perhaps even today, but surely in the 1980s—the United States will no longer be in a strategic position to reduce a Soviet counterblow against the United States to tolerable levels. Indeed, one can argue that the United States will not be in a position in which attacking the Soviet strategic forces makes any military sense, because it may represent a marginal expenditure of our own strategic striking force without helping greatly in ensuring the safety of our forces.

Since the middle 1960s the growth of the Soviet strategic force has been massive. It grew from 220 intercontinental ballistic missiles in 1965 to 1600 around 1972–1973. The Soviet submarine-launched missiles grew from negligible numbers to over 900 in the 1970s. And the amazing phenomenon about which historians will ponder is that all of this has happened without the United States attempting to make a significant effort to rectify that state of affairs. One reason was that it was not easy to rectify. But another reason was the growth of a school of thought to which I, myself, contributed, and many around this conference table also contributed, which considered that strategic stability was a military asset and in which the amazing theory developed, i.e., historically amazing, that vulnerability contributed to peace and invulnerability contributed to the risks of war.

Such a theory could develop and be widely accepted only in a country that had never addressed the problem of the balance of power as a historical phenomenon. And, if I may say so, only in a continent that was looking for any excuse to avoid the analogies of the perils it was facing and that was looking for an easy way out. When the administration with which I was connected sought to implement an antiballistic missile program inherited from our predecessors, it became the subject of the most violent attacks from the theory that it was destabilizing, provocative, and an obstacle to arms control; initially the ABM could be sold only by being applied as a protection against the Chinese and not against the Soviet threat. In any case, the ABM was systematically reduced by the Congress in every succeeding session to a point where we wound up with a curious coalition of the Pentagon and the arms controllers, both finally opposed to it: the Pentagon because it no longer made any military sense to put resources into a program that was being systematically deprived of military utility and the arms control community because they saw in the strategic vulnerability of the United States a positive asset. It cannot have occurred often in history that it was considered an advantageous military doctrine to make your own country deliberately vulnerable.

I repeat, I contributed myself to some of the theories and thus I am not casting blame here on any particular group (because everyone here who knows me knows that the acceptance of blame is not the attribute for which I will go down in history). But I would like to stress it as a fundamental fact.

Now we have reached that situation so devoutly worked for by the arms control community: we are indeed vulnerable. Moreover our weapons had been deliberately designed, starting in the 60s, so as to not threaten the weapons of the other side. Under the doctrine of assured destruction, nuclear war became not a military problem but one of engineering. It depended on the theoretical calculations of the amount of economic and industrial damage that one needed to inflict on the other side; it was therefore essentially independent of the forces the other side was creating. It was a general theory that suffered two drawbacks.

One was that the Soviets did not believe it, and the other is that we have not yet bred a race of supermen that can implement it. While we were building assured destruction capabilities, the Soviet Union was building forces for traditional military missions capable of destroying the military forces of the United States. So that in the 1980s we will be in a position where (1) many of our own strategic forces, including all of our land based ICBMs, will be vulnerable and (2) such an insignificant percentage of Soviet strategic forces will be vulnerable as not to represent a meaningful strategic attack option for the United States. Whether that means that the Soviet Union intends to attack the United States or not is certainly not my point. I am making two points. First, that the change in the strategic situation that is produced by our limited vulnerability is more fundamental for the United States than even the total vulnerability would be for the Soviet Union because our strategic doctrine has relied extraordinarily, perhaps exclusively on our superior strategic power. The Soviet Union has never relied on its superior strategic power. It has always depended more on its local and regional superiority. Therefore, even an equivalence in destructive power, even assured destruction for both sides is a revolution in NATO doctrine as we have known it. It is a fact that must be faced.

I have recently urged that the United States build a counterforce capability of its own for two reasons. One, the answer of our NATO friends to the situation that I have described has invariably been to demand additional reassurances of an undiminished American military commitment. And I have sat around the NATO Council table in Brussels and elsewhere and have uttered the magic words which had a profoundly reassuring effect, and which permitted the Ministers to return home with a rationale for not increasing defense expenditures. And my successors have uttered the same reassurances and yet if my analysis is correct these words cannot be true, and if my analysis is correct we must face the fact that it is absurd to base the strategy of the West on the credibility of the threat of mutual suicide.

One cannot ask a nation to design forces that have no military significance, whose primary purpose is the extermination of civilians and to expect that these factors will not affect a nation's resoluteness in crisis. We live in the paradoxical world that it is precisely the liberal, humane, progressive community that is advocating the most bloodthirsty strategies and insisting that there is nothing to worry about as long as the capacity exists to kill one hundred million people. It is this approach that argues that we should not be concerned about the vulnerability of our missile forces when, after all, we can always launch them on warning of an attack. Any military man at this conference will tell you that launching strategic forces on warning can be accomplished only by delegating the authority to the proverbially "insane Colonel" about whom so many movies have been made. Nobody who knows anything about how our Government operates will believe that it is possible for our President to get the Secretary of State, Secretary of Defense, Chairman of the Joint Chiefs of Staff and Director of the CIA to a conference called in the fifteen minutes that may be available to make a decision, much less issue an order that then travels down the line of command in the fifteen minutes.

So the only way you can accomplish that situation is by delegating the authority down to some field commander who must be given the discretion that when he thinks a nuclear war has started, he can retaliate. Is that the world we want to live in? Is that where assured destruction will finally take us? And therefore I would say, which I might not say in office, the European allies should not keep asking us to multiply strategic assurances that we cannot possibly mean or if we do mean, we should not want to execute because if we execute, we risk the destruction of civilization. Our strategic dilemma isn't solved with reassurances. There is no point in complaining about declining American will or criticizing this or that American administration for we are facing an objective crisis and it must be remedied.

The second part of this problem is the imbalance that has grown up in theater nuclear forces. In the fifties and sixties we put several thousand nuclear weapons into Europe. To be sure we had no very precise idea of what to do with them but I am sure the Soviet intelligence figured out some purpose for these forces. And in any event it was a matter for disquiet. Now one reason we did not have a rational analysis for the use of these forces was for the very reason that led to the strategic theory of assured destruction. Let us face it: the intellectually predominant position in the United States was that we had to retain full control of the conduct of nuclear war and we therefore had a vested interest in avoiding any firebreak between tactical nuclear weapon and strategic nuclear weapon. The very reasoning that operated against getting a rational purpose to strategic forces also operated against giving a military role to tactical nuclear forces and this was compounded by the fact that—to be tactless—the secret dream of every European was, of course, to avoid a nuclear war but, secondly, if there had to be a nuclear war, to have it conducted over their

heads by the strategic forces of the United States and the Soviet Union. But be that as it may, the fact is that the strategic imbalance that I have predicted for the 80s will also be accompanied by a theater imbalance in the 80s. How is it possible to survive with these imbalances in the face of the already demonstrated inferiority in conventional forces?

If there is no theater nuclear establishment on the continent of Europe we are writing the script for selective blackmail in which our allies will be threatened, and we will be forced into a decision where we can respond only with a strategy that has no military purpose, but only a population destruction purpose.

I ask any of you around this conference table if you were Secretary of State or Security Adviser what would you recommend to the President of the United States to do in such circumstances. How would he improve his relative military position? Of course he could threaten a full-scale strategic response, but is it a realistic course? It is senseless to say that dilemma shows that Americans are weak and irresolute. This is not the problem of any particular administration, but it is a problem of a doctrine that has developed. Therefore, I believe that it is urgently necessary either that the Soviets be deprived of their counterforce capability in strategic forces or that a U.S. counterforce capability in strategic forces will be rapidly built; it is also necessary that either the Soviet nuclear threat in theater nuclear forces against Europe be eliminated (which I do not see is possible) or an immediate effort be made to build up theater nuclear forces. Just as I believe it is necessary that we develop a military purpose for our strategic forces and move away from the senseless and demoralizing strategy of massive civilian extermination for our strategic forces, so it is imperative that we finally try to develop some credible military purposes for the tactical and theater nuclear forces, for the theater nuclear forces that we are building.

And third, it is time that we decide what role exactly we want for our ground forces on the continent. These forces were deployed in the 1950s when American strategic superiority was so great that we could defend Europe by the threat of general nuclear war. And they were deployed in Europe as I have often said as a means of ensuring the automaticity of our response if our forces were in Europe as hostage and everybody had a vested interest not to make the forces too large; so we wound up with a paradox that they were much too large for what was needed in the 80s. I tried for the years that I was in office to get some assessment of just what was meant by the ninety-day stockpile that we were supposed to have, and what the minimum critical categories were. I know that my friend whom I admire enormously, General Haig, has done enormous work in improving the situation; nevertheless I would be amazed if even he would believe that we can now say that our ground forces by themselves can offer a sustained defense without massive, rapid improvements.

If the Chairman will permit, I will move to a few political considerations.

Everything that I have said about the military situation would be difficult enough to remedy, but the situation is compounded by theories to which, again, I myself have no doubt contributed. In 1968, at Rekjavik, NATO developed the theory, which I believe is totally wrong, that the Alliance is as much an instrument of detente as it is of defense. I think that that is simply not correct. NATO is not equipped to be an instrument of detente; for example, every time we attempted to designate the General Secretary of NATO as one of the negotiating partners with the Warsaw Pact it was rejected. But this is a minor problem and detente is important. It is important because as the United States learned during Vietnam in a democracy you cannot sustain the risk of war unless your public is convinced that you are committed to peace. Detente is important because we cannot hold the Alliance together unless our Allies are convinced that we are not seeking confrontation for its own sake. Detente is important because I cannot accept the proposition that it is the democracies that must concede the peace issue to their opponents and detente is important so that if a confrontation proves unavoidable we will have elaborated the reasons in a manner that permits us to sustain a confrontation.

So I have always been restless with those who define the issue as "detente" or "no detente". All Western governments must demonstrate and must conduct a serious effort to relax tensions and to negotiate outstanding differences. But there is something deeper involved in the West. There is in the West a tendency to treat detente quite theatrically; that is to say, not as a balancing of national interests and negotiations on the basis of strategic realities but rather as an exercise in strenuous goodwill in which one removes by understanding the suspiciousness of a nation that otherwise would have no motive to attack. This tendency to treat detente as an exercise in psychotherapy, or as an attempt in good personal relations, or as an effort in which individual leaders try to gain domestic support by proving that they have a special way in Moscow—this is disastrous for the West. And it is the corollary to the assured destruction theory in the sense that it always provides an alibi for not doing what must be done.

Against all evidence we were told that ABM would ruin the chances of arms control. The fact was that Kosygin in 1967 told President Johnson that the idea of not engaging in defense was one of the most ridiculous propositions that he had ever heard. By 1970, when we had an ABM program, however inadequate, it was the only subject the Soviet Union was willing to discuss with us in SALT. When we gave up the B-1 we asked the Soviets to make a reciprocal gesture. We have yet to see it. When we gave up the neutron weapon, we were told that this position was correlation to the deployment of our SS-20. (If so it was an inverse correlation to the SS-20.) And now we are told that of course we are all for theater nuclear forces. But first let us have another effort at negotiation. I saw a report about a distinguished American Senator returning from Moscow the other day who said: "It is virtually certain that cruise missiles will be deployed and that NATO will undertake a build-up of its own unless negotiations to a new Treaty are begun soon." If this is our position, all the Soviets have to do is to begin a negotiation to keep us from doing what they are already doing, negotiation or no negotiation.

Such a version of detente leads to unilateral disarmament for the West. I favor negotiation on theater nuclear forces, but the talks will accelerate the more rapidly as we build such theater nuclear forces. Then we can consider some numerical balance or some deployment pattern, but we cannot defer the strategic decisions we must make for the sake of initiating a negotiation. We must have a detente, but the detente must be on a broad front in the sense that all of the NATO nations must pursue comparable policies. The illusion that some countries can achieve a preferential position with the USSR is theoretically correct, but it is the best means of dividing the Alliance. The illusion that some subjects can be separated for individual treatment of detente, while conflict goes on in all other areas, that turns detente into a safety valve for aggression.

My fundamental point is that we need a credible strategy; we need an agreed strategy, and we need to build urgently the required forces. We cannot wait two or three more years. We cannot conduct a foreign policy, even though each of our political systems encourage a policy in which we ease the domestic positions of the individual countries, by pretending that single forays to Moscow can solve our problems.

Unfortunately, the time frame of the evolution of programs that I have described is longer than the electoral period of most of our leaders. Therefore our leaders in all of our countries have an enormous temptation to celebrate the very successes that lead to a differential detente either as to subject or as to region. How is it possible that the states that have 70% of the world's gross national product will not conduct a common energy policy. This is not just because it has become a shibboleth that we must not have a confrontation.

When have nations been confronted by a massive decline of their economies without being willing to confront those who are contributing significantly to the decline. And after all it takes two to make a confrontation.

How is it possible that in the Middle East, two totally conflicting theories on how to proceed are being carried out simultaneously? How can it be that both Egypt and the PLO must simultaneously be encouraged, sometimes I confess, by our own government? But fundamentally the Europeans are playing one card and we playing another, so that both the radical and the moderate elements are being strengthened simultaneously. One of us has got to be wrong and it is just an evasion to pretend that we work one side of the street and the Europeans work another side of the street because what is really involved is an attempt to gain special advantages in a situation in which the market conditions do not permit special advantages but where once it is accepted that oil is a political weapon, the moderates have no excuse for not using it as a political weapon.

I'm not trying to suggest what the correct answer is, but I am saying that the nations represented around this table ought to ask themselves whether the two years of special advantages that either of them might gain is worth the ten years' disaster that could easily befall them.

I know we have many alibis. We have the alibi that none of the things I said are inevitable because there is China. And we have the alibi that after all the Soviets have never stayed anywhere and they're in deep trouble themselves. And we have the alibi that we can make such great progress in the Third World that all of this is irrelevant. In my view the Chinese have survived for 3,000 years by being the most unsentimental practitioners of the balance of power, the most sophisticated and the ones free of illusion. China will be an alibi for us only if we do what is necessary. China will not be on the barricades that we refuse to man as the victim of the forces which we have unleashed; so certainly we can have cooperation with China only if we create a balance of power.

Now the theory that the Soviets can never stay where they have been is amazingly widely held and supported by exactly one example, Egypt. I don't count Somalia-Ethiopia because I consider Somalia as a voluntary Soviet switch from one country to a larger country. And in Egypt the fact of the matter is that the balance of power was in favor of those that we supported and those who learned in three wars, of which two approached a U.S.-Soviet confrontation, that they could not achieve their aims by Soviet military arms. And only after that demonstration was there an Egyptian switch so we are right back to our original problem.

And the final nostalgia—that for the noble savage—the Third World. That we're going to sweep them over to our side; I have to confess I cannot give this an operational definition, or even what it actually means. As for the Third World nations, now meeting in Cuba, when I was in office I never read their resolutions, I regret to tell you which is just as well because I might have said something rather nasty. But I would think it is statistically impossible that over the period that these Third World nations have been meeting, the United States has never once done anything right despite the statistical improbability of that fact. Even by accident we're bound to do something right. I defy anybody to read through these documents to find one phrase on even the most minor thing that the United States has ever done. What are the prospects of progress in a world in which the Cubans can host the non-aligned conference.

It seems to me a nostalgia, not a policy; to appeal to radical elements in the Third World to change their operational politics: they can not because of the radical elements required for its bargaining position, a position between us and the Soviets and because its ideology is hostile to us and therefore, paradoxically, the more we approach them the more they are likely to pull away from us.

I'm not saying we should not deal with the radical elements of the Third World or that we should not do the best we can in the Third World. All I'm saying is the Third World is not our alibi, it is not our escape route, we may not lose there but we are not likely to win there by repeating their slogans. Now what am I saying? This is not intended to be a depressing account of difficulties. It is not to say that we have no favorable prospects. It is simply to point out that problems neglected are crises invited.

In the thirtieth year of NATO we have come far and have achieved our principal purpose. If we do not address ourselves immediately to at least some of the problems I have mentioned we will face the potentialities of debacles. And the weird aspect of it is that there is absolutely no necessity for it. The weird aspect is that the nations assembled in this room have three times the gross national product of the Soviet Union and four times the population. The Soviet Union has leadership problems, social problems, minority problems, all they have in their favor is the ability to accumulate military powers and perhaps that only for a transitory period.

So if one looks ahead for ten years and if we do what is necessary, all the odds are in our favor. The challenges I have put before this group do not indicate that we are bound to be in difficulties but only that we can defeat ourselves and by contrast, one can say we have an extraordinary opportunity to rally our people, to define new positive programs even for negotiations with the East if we do what is necessary. Or to put it another way, our adversaries are really not in control of their own future. Their system and their conditions in many ways make them victims of their past. We around this table are in the extraordinary position that we can decide a positive future for ourselves if we are willing to make the effort

We are in the position to say that the kind of world in which we want to live is largely up to us.

Thank you very much.●

UNITED STATES AID TO THE PHILIPPINES

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. DELLUMS. Mr. Speaker, as we discuss the foreign assistance appropriations bill this afternoon, I would like to bring to the attention of my colleagues the amount of money being requested by the Marcos regime to permit the United States to continue using its Philippine military bases—$500 million.

I would like to share with my colleagues a statement signed by many well known Americans opposed to this commitment of U.S. tax dollars.

UNITED STATES AID TO THE PHILIPPINES

SHOULD WE PAY $500 MILLION FOR USELESS MILITARY BASES IN THE PHILIPPINES?

In early January, the U.S. and Philippine Governments concluded negotiations on U.S. military bases in the Philippines. President Carter pledged to the repressive Marcos regime his "best efforts" to secure congressional approval of $500 million in security assistance over the next five years. Yearly operating expenses total $200 million more. All this for bases experts dismiss as nonessential.

ARE PHILIPPINE BASES VITAL TO OUR NATIONAL SECURITY?

The Carter administration consistently opposes human rights inspired cuts in aid to the Marcos regime claiming that: "Continued security assistance to the Philippines is a critical factor in assuring continued U.S. access to the important facilities at Clark Air Base and the Naval base at Subic Bay." Experts, however, dispute the alleged importance of the bases:

"U.S. bases in the Philippines are not essential to the national defense of the United States." Rear Admiral Gene R. LaRocque, U.S. Navy (Ret.)

"The bases are at best of limited utility . . . the effort and cost associated with maintaining the bases are not necessarily commensurate with their potential military benefits." Francis T. Underhill, former political counselor U.S. Embassy, Philippines; ex-Ambassador to Malaysia.

"Southeast Asia is not in fact of much importance to American security and nothing vital to the United States is dependent on the outcome of political struggles within any country there. Nor is any major American interest served by maintaining bases in or defense pacts with any of them." George McT. Kahin, Professor of International Studies, Cornell University.

THE DOMESTIC CONSEQUENCES: SOCIAL PROGRAM CUTBACKS

At a time of high unemployment and proposals of drastic cutbacks in social programs, lavishing huge sums of money on a dictator for military bases of doubtful utility is tragically immoral and the height of fiscal irresponsibility. Could we not better spend $500 million for basic human needs—like jobs, housing, education, health care, and care for the elderly and disabled?

. . . . . AND RUNAWAY SHOPS

The American taxpayer should not subsidize a dictatorship that exacerbates the runaway shops problems by luring foreign corporations with strike bans and union-busting (resulting in a $1.50 per day minimum wage), and special tax breaks detrimental to the average Filipino.

MUST WE ESCALATE AID TO A DICTATOR?

International organizations, including Amnesty International, have extensively documented torture and repression in the Philippines. Even the State Department concurs. Marcos' atrocious human rights record has so moved the Congress that for the past two years it has voted to reduce military aid to the Philippines. In the face of such Congressional disapproval, Pres. Carter has overstated our interests in the Philippines—justifying increased support to an old customer.

MARCOS' OPPOSITION DEMANDS DISMANTLING OF THE BASES

With unprecedented unanimity, a broad coalition of the democratic opposition in the Philippines recently demanded the dismantling of the bases (see accompanying statement). But we have unwisely chosen to align ourselves once again with a shaky, unpopular regime. Can we not learn from our past mistakes and at this time heed the aspirations of the nationalist opposition for genuine sovereignty?

THE BASES: SPRINGBOARDS FOR INTERVENTION

Perhaps worst of all, the bases could serve to entangle us in future interventionist wars. They have been proposed for use in Korea, the Middle East and Africa. Our close ties to Marcos could also involve our 13,000 troops stationed there in his territorial disputes with neighboring countries, or directly involve us in defense of his regime from the widespread rural and urban unrest that has developed in response to his failure to effectively address the social and economic ills of his country.

AN APPEAL TO PRESIDENT CARTER AND THE U.S. CONGRESS

To reduce wasteful military spending and release funds that could meet human needs; to abide by our concern for human rights; to avoid another senseless interventionist war; and out of respect for genuine Philippine sovereignty: We urge the Congress and President Carter to immediately begin the removal of U.S. military bases from the Philippines, and to refrain from appropriating any of our tax monies to the Marcos dictatorship.

SIGNATORIES FOR STATEMENT "NO TAX DOLLARS"

Eqbal Ahmad, Institute for Policy Studies.*
Hugh Aitken, Wm. Paterson College.*
Dr. William G. Alberts, Minister, The Community Church of Boston.*
Harald Bakken, University of Lowell.*
Marjorie Bakken, Wheelock College.*
Richard Barnet, Institute for Policy Studies.*
Helen M. Bearsley, Women Int'l. League for Peace & Freedom.*
Norma Becker, Chairwoman, War Resisters League.
Piers Beirne, Asst. Professor of Sociolcgy, University of Connecticut.
Jacqueline de Sieyes Bernard.
Daniel Berrigan, Jesuit Order.*
Philip Berrigan, Jonah House.*
Betsy Beyler.
James Bethune.
Karl Bissinger, War Resisters League.
Ann Blyberg, U.S. Coalition for Development Action.*
Louise Bruyn, Mobilization for Survival.*
Kenneth Neill Cameron.
Charles Cell, University of Wisconsin.*
Prof. Norman Chance, Dept. of Anthropology, University of Conn.
Frank Shaffer Corona, D.C. Board of Education.*
David Cortwright.
Margery W. Davies.
Chandler Davis, University of Toronto.
Shelton H. Davis, Director, Anthropology Resource Center.
Richard L. Deats, Fellowship of Reconciliation.*
Ralph Digia, War Resisters League.
Peter Dreier, Asst. Professor of Sociology, Tufts University.
Joanna Fabris, West Main Books.
Fr. Carl Fell, U S. Catholic Mission Council.*
Prof. Philip S. Foner, Lincoln University, Pa.*
Ann Froines, University of Massachusetts.*
Joseph Carl Gerson, New England American Friends Service Committee.*
Harvey Goldberg, Dept. of History, University of Wisconsin.*

*For identification only.

David Goldway, Science and Society.
Paul R. Gregory, United Church Board for World Ministries.*
Dr. George Gregoriou, Dept. of Political Science, William College, N.J.*
Rev. Hope Douglas Harle, Baltimore Clergy and Laity Concerned.
Burton Hatlen, Dept. of English, University of Maine.*
W. James Halfaker, Wash.-N. Idaho Conference, United Church of Christ.*
Travis Hedrick, Middletown College.*
Rev. Eugene A. Hessel, Minister, United Presbyterian Church in the U.S.A.*
Saddie Hughley, V.P., WILPF, Durham-Chapel Hill.
Rita J. Immerman, Asst. Professor, Wm. Peterson College.*
Robert Jay, Brown University.*
George Mct. Kahin, Aaron L. Binencorb Professor of International Studies, Cornell University.
Rev. A. D. Kirkpatrick, Black Theology Project of America.
Prof. Len Krimerman, Federation for Economic Democracy—Conn. Chapter.*
Stanley Kyriatides, Professor of Political Science, Wm. Paterson College.
Frances Moore Lappe, Institute for Food and Development Policy.*
Prof. Bruce D. Larkin, University of California, Santa Cruz.*
Jane Leiper, Associate Director, Washington Office, National Council of Churches.*
Ed Luidens, Director, East Asia & Pacific Ocean, Division of Overseas Ministry, National Council of Churches.*
S. E. Luria.
Florence H. Luscomb.
Arthur MacEwan, Dept. of Economics, University of Massachusetts.*
Dr. Evelyn Mattern, Director, Peace & Justice Center, Catholic Diocese Raleigh, North Carolina.*
Fr. Jerome McKenna, Director, Social Concerns Office, Passionist Fathers Church Coalition for Human Rights in the Philippines.
David McReynolds, War Resisters League.
Belinda Adriano McAnn, Natl. Board, Women's International League for Peace & Freedom.*
Rev. Joyce L. Manson, Human Rights for Asia.*
Rev. Thomas J. Marti, Coordinator, Justice & Peace Office, Maryknoll Fathers.*
Michael Moffit, Institute for Policy Studies.*
Eugene Moore, Unity on the Left, Middletown, Ct.
Philip Morrison, Massachusetts Institute of Technology.*
Rev. H. C. Mulholland, Pastor, Mother of Mercy Church, NC.
Sis. Annette Mulry, Office of Social Concern, Maryknoll Sisters.*
Steve Nelson.
Kenneth J. Neubeck, Asso. Professor of Sociology, University of Connecticut.
Joan H. Nicholson.
Weldon Nisly, Coordinator, Discipleship Workshops.*
Lila Garner Noble, San Jose State University.
Richard Ohrmann, Wesleyan University.
Susan Gushee O'Malley, City University of New York.
Norman G. Owen, Dept. of History, University of Michigan.
Joseph V. Owens, Unity on the Left.
Sidney Peck, Clark University.
Penelope M. Poor, United Methodist Clergy.*
Joan Press, WILPF.*
Rev. Tom Peyton, MM, N.F.P.C. Justice and Peace Office, Chicago.
Jovelino Ramos, Brazilian Committee for Human Rights.

*For identification only.

Bill Ramsey, American Friends Service Committee, SE.*
Earl Ravenal, Institute for Policy Studies.*
Howard A. Reed, Prof. of History, University of Connecticut.
Edwin O. Reischauer, Harvard University.
Terence Ripmaster, Asso. Professor, Wm. Paterson College, NJ.
Jack L. Roach, University of Connecticut.
Bruce D. Rubenstein.
John Russell, Local 525 Amalgamated Meat Cutters Union, NC.*
Dr. Stuart A. Schlegel, Chairman, Anthropology, University of California, Santa Cruz.
D. Boone Schirmer, National Coordinator, Friends of the Filipino People.
Harry M. Scoble, Human Rights Internet.*
Stephen R. Shalom, Wm. Paterson College.
Prof. Carole Sheffield, Wm. Paterson College.
Josephine Simon.
Mitch Snyder, Community for Creative Non-Violence.*
Mark Solomon, Professor of History, Simons College, Boston.
Prof. Robert B. Stauffer, University of Hawaii.
Burton Stern, Dept. of History, University of Hawaii.
Dirk J. Struik, MIT Emeritus Professor.
Paul M. Sweezy, Editor, Monthly Review.*
May Alice Theiler, National Lawyers Guild.*
Leonard Vogt, Wm. Paterson College.
Jean Linde Wagner, WILPF, North Carolina.*
George Wald, Nobel Laureate, Physiology, Medicine, 1967.
Peter Weiss, Center for Constitutional Rights.*
Donald Wesling, University of California, San Diego.
Rev. Chester L. Wickwire, Chaplain, Johns Hopkins University.
Rev. Paul Wilson, Intl. Human Rights Program, Christian Church (Disciples of Christ); Chairman, Church Coalition For Human Rights in the Philippines.
Laurie S. Wiseberg, Human Rights Internet.*
Prof. Howard Zinn, Boston University.●

MCPL NUCLEAR ALERT SERIES: V

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. STARK. Mr. Speaker, despite all the negotiations and all the debate, the dangers of nuclear proliferation are growing, not lessening.

As one of the Members of Congress for Peace Through Law, and as one who visited Pakistan last month to witness the latest country to be discovered to be nearing atomic capability, I question whether any of our present initiatives for peace—ranging from SALT to bilateral negotiations or talks with other countries—will lead us away from the nuclear threat we now face.

The Pakistanis say they fear India's nuclear power. India, in turn, fears that of China. China fears the Soviets. And the Soviets, of course, fear us.

Obviously the danger of Pakistan developing a bomb reaches far beyond South Asia. Obviously, also, we cannot be part of the solution if we do not recognize that we are part of the problem.

I submit that our present policies—those which we have been following for the past 35 years—will never succeed in reducing the threat of nuclear proliferation. Neither will bilateral efforts made on a country-by-country basis. Rather, we must recognize that we, as the perpetrators of nuclear power, have little credibility as peace-seekers when we exclude ourselves from the limitations we seek to impose on others. If we are sincere about reducing the dangers, we end up, finally, with only one serious option: That is to renounce the use of nuclear weapons. And clearly, it is the superpowers who must lead the way: only then will the Pakistanis, the Israelis, the South Africans, or the numerous other potential atomic powers, ever be convinced by the legitimacy, equity and security of our arguments.

During the recent recess, Don Oberdorfer of the Washington Post wrote an excellent article which traces the legal and political loopholes which allowed Pakistan to acquire the components and technology necessary to make a bomb; it discusses Pakistan's fears and decision to go ahead with production; and it discusses the lack of power, and the resultant feeling of frustration, of the "nuclear club," including the United States, Britain, France and China, to stop Pakistan's "march toward the bomb."

The article, from the August 27 edition of the Washington Post, is an excellent summary of events outrunning diplomacy. I ask unanimous consent to insert it in the RECORD:

PAKISTAN: THE QUEST FOR ATOMIC BOMB
PROBLEM DISCUSSED BY WEST, MOSCOW, PEKING

(By Don Oberdorfer)

Behind an eight-foot-high stone wall near the sleepy town of Kahuta, 25 miles from Pakistan's capital of Islamabad, a clock is ticking for mankind.

Within three to five years by official United States estimate, and sooner in the reckoning of some, the heavily guarded industrial plant under construction there will produce enough highly enriched uranium for Pakistan to explode an atomic bomb.

A mushroom cloud rising from a test site in that undeveloped and unstable nation would have powerful repercussions on the world of the 1980s. It would be nearly certain to bring about a nuclear arms race between Pakistan and neighboring India and would pose a constant threat that, for the first time since Hiroshima and Nagasaki in 1945, nuclear weapons actually would be exploded to kill.

A Pakistani nuclear bomb also would be a grave setback to the international effort to stop or slow down the spread of atomic weapons. In the view of several experts, it would be an important milestone on the way to a world of "the nuclear armed crowd," where a long list of nations and possibly even subnational terrorist groups could threaten their enemies and everyone else with nuclear weapons.

In view of the momentous consequences, it is not surprising that the United States and several other governments recently have placed Pakistan high on their agenda of problems. President Carter and Soviet President Leonid Breshnev inconclusively discussed Pakistan's nuclear activity at last June's summit meeting, and Carter has initiated secret correspondence on the question with the leaders of Britain, France, West Germany and Japan, among others. Washington also has taken up the matter at high levels with Peking.

In April, the United States announced the termination of economic and military aid to Pakistan because of its nuclear weapons program, as required by a U.S. antiproliferation law, and the United States, as well as other nations, has expressed concern in private diplomatic talks with Pakistani leaders. So far the action and talk have been to no avail.

Pakistan continues to deny publicly that it is seeking atomic bomb capability. Privately the Pakistani diplomatic response reportedly ranges from flat denial to "none of your business" to tacit acknowledgment of the uranium enrichment program, together with statements that its importance is exaggerated.

Inside the U.S. government, a task force of diplomatic energy, intelligence and military officials was quietly formed the third week in June to devise a clearer strategy for dealing with the issue. Headed by Ambassador Gerard C. Smith, the top U.S. antiproliferation official, the "Gerry Smith South Asian study group" is expected to produce a set of policy alternatives for high-level consideration next month.

Few promising avenues have been discovered, to date. The more officials have learned about the physical and political aspects of the problem, the greater is their pessimism about halting Pakistan's march toward the bomb. Among the underlying reasons for the outlook, often summed up as "grim," are:

First, it is the judgment of U.S. technical experts that Pakistan has gone too far to be headed off by the denial of sensitive technology or key parts essential to the uranium enrichment plant it is constructing. Through a combination of clever tactics and good fortune, Pakistan is believed to have stolen the technology and deviously purchased the crucial components for its plant before the sluggish watchmen of the international nuclear establishment woke up to what was happening.

Officials of the British-Dutch-German uranium enrichment plant at Almelo, Holland, should have been alerted to Pakistan's potential, if not its intent, when a Pakistani physicist employed there in 1974 was caught reading secret documents he had not been authorized to see.

Abdul Qadar Khan, the scientist involved, left Holland without fuss in 1975 with lists of subcontractors and probably blueprints for the plant, according to intelligence reports. Khan reportedly is the director of Pakistan's Kahuta project, based on the Almelo model.

Pakistan's elaborate international purchasing efforts, which began in 1977, were detected long before anybody acted to cut them off. The British government expressed concern to Washington about the suspicious purchases in March 1978, but it took London seven months after that to impose effective export control on key items, and it took Washington a full year. In the meantime important equipment was exported to Pakistan by firms in Britain, the United States and western Europe.

Second, it is increasingly clear to American officials that Pakistan's military leadership has made a firm national decision to proceed with "the nuclear option," as it is politely called. The program is reported to have the solid backing of Pakistani ruler Mohammed Zia al Haq, who inherited it from the man he overthrew and later hanged, Zulfikar Ali Bhutto, the father of the Pakistani bomb.

The Pakistani high command is believed to support the program both as a matter of prestige and as a deterrent against India, which exploded a nuclear device in 1974. The more it is obvious that Pakistan is going ahead, the more pressure is on Indian leaders to respond with an active weapons program of their own. The prospect of this, in turn, spurs new fears and new determination in Pakistan.

Third, the Pakistani nuclear problem, seen in its full dimensions, is at the heart of overlapping circles of complexity involving nearly every alignment on the world scene.

It is a North-South issue because the United States, Europe and the developed world are seeking to turn around a developing country that recently joined the Conference of Non-Aligned States. Pakistani officials already have charged that the refusal of the United States and other donor nations to grant debt payment relief at a Paris meeting two months ago was nuclear pressure. The U.S. aid cutoff and talk of future economic pressures are seen in the same light by Islamabad.

Pakistan is an East-West problem because of its strategic location and increasing conflict with the Soviet Union. Moscow recently delivered several stiff warnings to Islamabad regarding alleged help to rebel forces fighting the ruling regime in Afganistan, Moscow's ally and Pakistan's neighbor.

The problem even has an East-West dimension, because the People's Republic of China is Pakistan's closest ally, while India is aligned more closely to Moscow.

China has supplied much military equipment but no known nuclear technology or help to Pakistan. Chinese leaders are reported to be privately cool to a Pakistani nuclear capability although much less resistant than Moscow, a strong foe of proliferation everywhere.

And it is a Mideast problem because of rumors that Libya and perhaps other Islamic nations support Pakistan's "Islamic bomb" capability, a concept coined by Bhutto, and fears that weapons material might be shared with Islamic nations for use against Israel. The Jewish state, which is believed to have its own nuclear weapons stockpile, is particularly vulnerable to atomic threats because of its size. Israeli operatives are believed to have been involved in the sabotage last April of a nuclear reactor being built in France for delivery to Iraq.

Both India and Israel have the military ability to take out the Kahuta plant through bombing or commando action. American officials said such action by either of those states seems unlikely at present, though it cannot be ruled out. U.S. officials tacitly acknowledge that American covert action to disable the plant was among the many ideas talked about early in the options-gathering process, but they said it was dismissed without serious consideration.

The Pakistani nuclear weapons problem is a classic case in the chain reaction that threatens to spread possession of the bomb throughout much of the world. The first U.S. atomic explosions (1945) led to acquisition of atomic weapons by its adversary, the Soviet Union (1949), which spurred on that nation's adversary, China (1964), whose weapons program stimulated its adversary, India, to explode an atomic device in 1974. Pakistan is reacting in large part to its adversary, India.

This chain of fear and tension is another complicating factor in nuclear weapons diplomacy. Pakistan insists that any self-imposed restrictions also apply to India, which insists that they also apply to China, which refuses to restrict itself because of its nuclear weapons disparity with the Soviets. And the two superpowers, the United States and the Soviet Union, which are far ahead of everyone else, continue adding to their already vast weapon stockpiles.

As early as 1965, in the wake of the Chinese weapons test the year before, Pakistan's Bhutto made it clear that if India developed atomic weapons, so would Pakistan. Later Bhutto declared that his country would match India "even if we have to eat grass."

Bhutto began late in 1973, before India's test but after certain knowledge of India's program, to negotiate with France for a nuclear fuel "reprocessing" plant capable of producing weapons-grade plutonium. The contract was signed in March 1976, to the alarm of the United States and other countries concerned about nuclear proliferation. Bhutto insisted in public that the plant was for peaceful use only, but virtually admitted the opposite in his final testament, smuggled from his prison cell last year.

Some of the circumstances of the French arrangement have given rise to speculation of a Libyan connection in Pakistan's nuclear program. Pakistani officials recently confirmed that Libya's Muammar Qaddafi had offered to finance the French reprocessing plant in return for access to the plutonium it produced. The officials said Pakistan rejected the offer and that Libya, in turn, canceled a plan to finance a Pakistani-French submarine production arrangement. The implication is that the submarine production was another part of the proposed deal.

Pakistan's links with Libya were cemented by a 10-year agreement of cooperation signed in 1974, and they have continued to be close. Pakistan supplies military advisers and training personnel to Libya, as well as to several other Arab countries. American officials said that, despite rumors and allegations to the contrary, they have no evidence of a Libyan-Pakistani deal involving Islamabad's current nuclear effort. But they concede they cannot be certain there is no such arrangement.

Pakistan's effort to obtain weapons-grade plutonium via the French plant generated a major diplomatic counterdrive by the United States in both the Ford and Carter administrations. A gradual turnabout in French policy brought about cancellation of the deal in August 1978, after most of the designs but very little sensitive equipment had been supplied.

Publicly, U.S. officials concerned with proliferation breathed a sigh of relief at the termination of the French arrangement last August. The decision was made in mid-September to restore Pakistan to eligibility for new U.S. economic and arms aid, which had been quietly suspended a year earlier because of antiproliferation laws and policies. A few American officials, however, were aware even as aid was restored that Pakistan still was seeking nuclear weapons capability through another, more secret route.

While openly negotiating to buy a plutonium plant from France in 1973–76, Pakistan also was working secretly to obtain a plant to make highly enriched uranium, an alternative weapons material, as early as 1975, American officials now believe. Washington sources suggest that the A. Q. Khan, the Pakistani physicist who was trained in Europe and worked at the Almelo gas centrifuge enrichment plant, persuaded Bhutto that this was a viable alternative that should be pursued. Funds for his purpose are believed to have been diverted from the French-related project.

By early 1977, before Bhutto's fall from power that July, orders from Pakistan are reported to have been placed with European firms for component parts of a centrifuge enrichment plant. Pakistan was shrewedly exploiting a loophole in the antiproliferation arrangements of "suppliers club" industrial nations, which banned the export of major weapons material facilities but did not address the purchase of components piece by piece.

Late in March 1978, a British embassy official in Washington called at the State Department to discuss U.S. plans to give greater attention to the enriched uranium route to nuclear weapons. The British official, according to informed sources, passed on "some disturbing information" that Pakistan had placed a suspicious order with a British firm for inverters, sophisticated voltage control mechanisms that could be used either for conventional industry or a nuclear enrichment plant.

"We didn't even know what an inverter was," said a State Department official later.

But a series of diplomatic and intelligence exchanges in the summer and fall of last year heightened the knowledge and interest in several capitals.

In July last year a British parliamentarian, Frank Allaun of the Labor Party, tabled a question in the House of Commons suggesting that equipment being exported would contribute to a Pakistani nuclear weapons program Allaun said later he acted, on a tip from "a friend who had a friend."

The British government responded to Allaun's question by saying the equipment was not subject to existing controls. Before London slapped on tighter controls last October, Emerson Electric Industrial Controls (a subsidiary of the U.S. firm Emerson Electric) had shipped 31 complete inverter systems capable of regulating a large number of centrifuge machines, which are the essential part of an uranium enrichment plant of this type. Emerson was working on 100 more inverters for Pakistan when the export controls were tightened to stop the shipments.

An elaborate purchasing system operated by a Pakistani ordnance official from an embassy office near Bonn placed large orders for industrial components in Switzerland, West Germany and other European countries as well as Britain. The number two man in the Pakistani embassy in Bonn, Abdul Waheed, is the first cousin of Pakistani President Zia. A career diplomat, Waheed denied any involvement in a nuclear purchase program and said reports of a weapons program are "nonsense and false."

Pakistan ordered from a California firm, which U.S. officials will not identify, about a half-dozen inverters evidently intended for the uranium enrichment plant. These were shipped from the United States last fall, after Washington had heard about Pakistan's efforts but before export controls were tightened this March 23, specifically to list inverters and other key components. State Department officials said there was no indication that other essential components for the Pakistani plant originated in the United States.

The decision to restore Pakistan to eligibility for U.S. aid last September, amid growing indications of a drive to obtain a secret uranium enrichment plant, was a ticklish one. Some officials suggest that U.S. intelligence was still uncertain at the time that Pakistan was going for a nuclear weapons capability via a new route (Members of Congress have been told by the Central Intelligence Agency that a "preponderance of evidence" to support this conclusion was available early last fall). Others involved in the decision said the U.S. sought to "plant some carrots" by promising new economic and military programs to create bargaining leverage with Pakistan.

By last January, the evidence of Pakistan's program was unmistakable and the United States began diplomatic talks with Islamabad on the subject. After Deputy Secretary of State Warren Christopher failed in a special mission March 1-2 to persuade Zia to call off his effort, the United States ordered a new cutoff of economic and military aid under the anti-proliferation law. This was made public April 6, after inquiries from the press.

Pakistan's repeated public denials of a nuclear weapons program are given no credence by American officials. Photographs of the heavily guarded and elaborate Kahuta plant as construction proceeds make it clear that its purpose is uranium enrichment, according to U.S. intelligence. And Pakistan has no civilian requirement for large amounts of enriched uranium.

The official U.S. estimate is that three to five years of construction and operation will be needed for the plant to turn out enough highly enriched uranium to make a bomb. This assumes, as officials do, that the Pakistanis will be able to procure enough natural uranium, from one source or another, as raw material. Some officials have said a bomb might be ready as soon as two years hence; others believe that unforeseeable construction and operating problems might consume much more time and might even prove insurmountable.

Pakistan's uranium enrichment effort has cost somewhat less than $100 million in the past four years, according to a U.S. estimate. The final cost is likely to be several hundred million dollars, a serious economic drain but well within the ability of a nation wth a military budget of about $1 billion annually. One major worry is that to capitalize on its investment, Pakistan might some day export highly enriched uranium.

Pakistan also is believed to be continuing work on the French plant, without French help. This would take six to 10 years, according to informed estimates, to produce bomb material. And Pakistan also is believed to have a pilot "hot cell" reprocessing capability at its Institute of Nuclear Science and Technology at Islamabad, where a small amount of bomb material could be produced relatively quickly if the right ingredients were available.

How much time is available is a crucial question for American officials. They do not believe rumors, evidently originating in India, that a Pakstani explosion could take place this fall, but they have been surprised before and are wary of being surprised again.

It is highly uncertain how the time will be used, whether it is three to five years or a shorter period. The U.S. task force in search of a policy has yet to find an acceptable answer to Pakistan's nuclear quest.

Also contributing to this article were Bonn Correspondent Michael Getler and staff researcher Maralee Schwartz.●

COSTS OF PROTECTIONISM

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. CONABLE. Mr. Speaker, a new consumer group, Consumers for World Trade, recently sponsored a study of the impact on consumers of protectionism in international trade. The study, "Costs of Protectionism," was prepared by David Hartman of the department of economics at Harvard University. It is a tough analysis of the results of protectionist measures throughout our economy. We are all aware of the impact of imports upon jobs, but we rarely see any effort to determine the costs involved in saving jobs by Government intervention to reduce competition.

As we look forward to implementation of the recently approved Trade Agreements Act of 1979, I believe this study can be instructive for all those interested in our trade policies. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

COSTS OF PROTECTIONISM

What is "Protectionism"?

Government has many ways of interfering with trade in order to "protect" domestic industries from import competition. The best known types of protection are:

Tariffs and other fees, which add directly to the costs of imported goods.

Quotas, which put absolute limits on the physical quantity of certain goods that may be imported. Quotas often add indirectly to the cost of imports by creating an artificial scarcity, and by creating an equally artificial (but profitable) market for the sale of quotas by one foreign producer to another. As we learned under the old U.S. Sugar Act, quotas also invite governmental corruption.

"Voluntary" quotas, under which foreign governments agree to impose limits on what their own producers may export to the United States, currently apply to textiles, apparel, television sets, and footwear, among other products. These agreements, which are not really voluntary, are known as voluntary export restraints, and as Orderly Marketing Agreements (OMAs).

"Buy American" state and federal regulations, which exclude or limit foreign bids on government procurement, or impose a price differential favoring domestic producers, add significantly to the costs born by American taxpayers. These practices apply to all U.S. government purchases, including the Defense Department, Corps of Engineers, Amtrak and Conrail, and the General Services Administration (the largest nonmilitary procurement agency in the United States) and to many state and local purchases.

What does Protectionism cost?

Whatever form it takes, protectionism is a subsidy to a particular industry paid for by the consumer in higher prices.

During the past eight years, the U.S. Government has provided some form of protection from import competition to more than 70 domestic industries, from ball-bearings to horseshoes, from radial tires and nuts and bolts to instant potatoes.

The American consumer pays the cost of all these subsidies, in inflated prices.

It is impossible to calculate exactly the total out-of-pocket cost, to consumers, of protectionist subsidies. Too many products are involved. Too many variables affect prices—including the fact that, when protection forces import prices up, the prices for similar domestic goods usually increase too.

Nevertheless, responsible government and private organizations have conducted careful studies (and have come up with remarkably similar conclusions) on both the benefits of import competition, and the costs to consumers of restricting imports.

Here are some of the findings:

Consumer imports, on the average, are cheaper than comparable domestic goods.

In a four-city survey of retail prices (excluding food and automobiles), William R. Cline of The Brookings Institution of Washington, D.C., found (on weighted average basis) that imported goods cost 10.8% less than comparable domestic goods in the same categories. This means, according to Dr. Cline's analysis, an annual saving to American consumers of about $2 billion, thanks to the availability of lower-priced imports. There are further, incalculable consumer savings simply because import competition helps keep the prices of domestic goods down.

But if American consumers are saving $2 billion a year because of the imports that are available, how much are they losing because of protectionist measures which discourage, limit, or force up the costs of imports—and therefore make it easier for domestic producers to raise their prices?

Estimates vary, because the problem is so complex. Responsible estimates range from 8 percent to 12 percent of our total imports, or about $15 billion a year.

Following are some of the specific industry-by-industry costs which contribute to this enormous inflationary burden on the consumer.

The U.S. public is paying over $3 billion a year to protect textiles and apparel.

Textiles and apparel are the most heavily protected U.S. industries. The Council on

Wage and Price Stability (COWPS), which is the Government's inflation-monitoring agency, has studied the costs of this protection and finds that the 29.3 percent average tariff on apparel imports is costing American consumers $2.7 billion a year.

These inflated consumer costs break down this way:

$261 million goes to the government in customs duties;

$2.2 billion goes to U.S. apparel manufacturers who, because of tariff protection, can charge that much more for their own products;

Another $207 million is lost to the U.S. economy as a whole because tariff protection encourages domestic manufacturers to go on making uncompetitive products inefficiently, and because U.S. consumers (forced to pay higher prices for both domestic and imported apparel) end up buying fewer garments. This is what economists call a "deadweight loss" to the economy—lost production and lost consumption.

In addition to tariffs, textile and apparel imports are also subject to quotas which set rigid limits on the quantity of goods which 18 foreign countries are permitted to sell to the United States. According to COWPS, these quotas cost the American consumer $369.4 million a year, including $67.5 million in deadweight loss.

COWPS calculates that it is costing the American public $81,000 per year for each textile job protected by these tariffs and quotas. This cost is unreasonable since the U.S. textile industry has been expanding employment since 1975. In fact, the United States has for a number of years exported more textiles than it imports. It is true, however, that jobs are declining in certain sectors of the domestic apparel industry notably low-cost apparel, employing low-skill, low-wage labor.

Steel protection is costing consumers over $62,000 a year for each protected job.

The American steel industry has won several forms of government protection from foreign competition, including an orderly marketing agreement (OMA) for specialty steel from Japan, quotas on specialty steel from other countries, and the "trigger-price" mechanism (TPM) introduced last year. The full impact of the TPM is still uncertain but it has unquestionably led to higher steel prices for American consumers. Partly because of the continuing U.S. economic boom, steel imports did not begin to decline until November 1978, when imports began to fall sharply. Trigger prices (based on Japanese production costs, which are considered the world's most efficient) have served as a "floor," insuring against any lowering of steel prices, domestic or foreign. In fact, domestic steel producers raised their prices 9.5% during 1978.

Some private economists estimate that, because of the TPM alone, products containing steel (domestic or imported) will ultimately cost American consumers an additional $6-8 billion this year.

A recent study published by The Brookings Institution estimates that all other forms of steel protection (OMAs and quotas) are costing the American consumer $1.25 billion annually in inflated prices. If the intent is to protect jobs in the American steel industry, this means the American public is paying $62,700 a year for each protected steel job!

Sugar protection could cost $1.4 billion this year, and much more in the future.

Legislation before Congress in 1979 would artificially raise the wholesale price of sugar to 15.8¢ per pound, compared to the current world price of 9.46¢ landed in New York! The inflated cost to American consumers would be $1.4 billion annually, or 68% protection over current world price. Moreover, the bill would build in an annual increase in beet and cane sugar prices of 7 percent, costing consumers an additional $300 million every year.

And, if domestic corn sweeteners (25 percent of the domestic market) follow this legislated inflation, the costs to consumers next year could be boosted by an extra $330 million annually.

High beef costs are also, in part, the result of import protection.

Beef is protected by both quotas and orderly marketing agreements (OMAs) which limit imports to less than 6 pounds per capita (7 percent of total U.S. consumption). Because our imports of beef are used primarily for hamburger and relatively low-cost manufactured meat products, low-income consumers are hardest hit. The President's Council on Wage and Price Stability estimates that, in 1976, beef quotas cost American consumers between $350 million and $1 billion in inflated prices. The dead-weight loss to the economy was estimated at $22 million to $46 million.

In 1978, as domestic beef prices soared, President Carter temporarily relaxed beef-import restrictions slightly, but the increased imports (amounting to about one extra pound per person) are a drop in the bucket compared to the 16 pound-per capita decline in U.S. beef production since 1976. Strong opposition from the domestic cattle industry has prevented any further relaxation of import quotas, while beef prices continue to escalate.

Protecting U.S. TV-makers costs consumers $221 million a year.

Imports of color television sets from Japan have been limited by an Orderly Marketing Agreement since 1977. When South Korea and Taiwan moved into the gap with highly competitive products, OMAs were negotiated with them as well. Now that all three countries are covered by OMAs, total imports are expected to shrink to originally targeted levels. Earlier estimates by the Council on Wage and Price Stability probably still apply: protection of the domestic TV industry is costing the public $221 million a year.

Although some U.S. TV-makers are having trouble competing with foreign producers, the U.S. electronics industry continues to lead the world in high-technology products, and is a major exporter of electronic components, semiconductors, scientific measuring devices, computers and office machines. These are high-skill, high-wage, high-profit industries which need no protection.

Footwear protection costs $114,000 a year for each job protected.

Since the beginning of 1978, footwear imports are being protected through OMAs with two major exporting countries, Taiwan, and South Korea. Although no estimates are available on total consumer costs of this protection, the President's Council on Wage and Price Stability estimates that the consumer pays about $114,000 a year for each job protected in the U.S. footwear industry.

The OMA's have clearly resulted in higher retail prices for the consumer. The restrictions are aimed specifically at reducing imports in the low-price range. As a result, the unit value of imported footwear rose 17 percent in the year ending June 1978. At the same time, U.S. footwear manufacturers—taking advantage of reduced overseas competition—raised the unit of their nonrubber footwear products 14 percent in the third quarter of 1978, compared with a year earlier. (Prices were fairly stable in 1976–77.)

Costs of protection: more inflation, a less competitive U.S. economy.

Just these selected examples add up to $6 billion in inflated consumer prices paid to "protect" these few industries.

At least another $9 billion in consumer price inflation can be attributed to the literally hundreds of other forms of import protection that are already in force—not to mention new protectionist proposals now being pushed in Congress. Congress is now considering a new trade package which includes new forms of protection for a number of U.S. industries. If enacted, the bill will for example extend quotas on imported cheese to cover fully 85 percent of all U.S. cheese imports, and will probably freeze imports at present levels.

More protection can only mean more inflation. If inflation is now our No. 1 national concern, it makes no sense to go on protecting uncompetitive industries at rising consumer costs.

Besides, by restricting foreign competition we are undermining the market incentive for our least efficient industries (or our least competitive companies) to invest, modernize, improve worker skills (and earnings)—and to become competitive again in international trade.

The jobs we are protecting (at enormous cost per job) are usually low-skill, low-wage jobs in industries that failed to keep up with changes in technology or market demand. Keeping these companies afloat by protecting them from competition is a disservice to American workers. It makes the U.S. economy weaker and less competitive. It lowers American living standards in relation to the rest of the industrialized world.

Part of the answer is to plow more industrial profits into better technology, more efficient plant, higher productivity, improved U.S. competitiveness in world trade. At the same time, we should expand government "adjustment assistance" to industries and workers adversely affected by foreign competition—including retraining workers for better jobs in growth industries.

Protection against import competition is not an effective remedy. Our most efficient and competitive industries are exporting profitably, all over the world, and are more than holding their own in the domestic market. To expand U.S. exports, we have to keep our own markets open to imports—or risk protectionist retaliation from our trading partners.

The challenge to America is not to protect our weaknesses, by perpetuating our yesterday's industries, but to build up our strengths, by shifting capital and labor into tomorrow's industries. That's what our European and Japanese competitors are doing in many industrial areas where the United States was once supreme.

The historical American response is to welcome international competition head-on.●

MICHAEL BLANKFORT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. WAXMAN. Mr. Speaker, on November 18, 1979, the distinguished novelist and screenwriter, Michael Blankfort, will receive the Shlomo Bardin Award of the Brandeis-Bardin Institute.

Born in New York City, Michael Blankfort migrated to Los Angeles in 1937 and since that time has achieved considerable success in his work. His impressive career spans more than 40 years. His novels include "Behold the Fire," "Goodby, I Guess," "I Didn't Know I Would Live So Long" and "Take the A Train." In 1952 his novel, "The Juggler" was awarded the Samuel Daroff Prize for the best novel on a Jewish subject and later won acclaim

as a major film. In 1965 he won the Gold Medal of the Commonwealth Club of San Francisco for the best novel of the year by a Californian. Recently the Hebrew University of Jerusalem honored Michael Blankfort with its S. Y. Agnon Award for literature. His screenplay credits include "Halls of Montezuma," "My Six Convicts," and "The Caine Mutiny," to mention only a few.

For the last 27 years the focal point of Michael Blankfort's life has been his close association with and deep commitment to the concepts and ideals of the Brandeis Institute. Much of his work has been influenced by the root ideas of the institute. Founded in 1941 by the late Dr. Schlomo Bardin at the urging of the late Supreme Court Justice Louis D. Brandeis, the institute conducts programs for college age youth, adults, and children in the ethics and culture of the Jewish tradition—its participants are Jews and non-Jews alike.

Michael Blankfort's first meeting with Shlomo Bardin lasted only half an hour but altered the course of the rest of his life. His play about Maimonides, written for Brandeis-Bardin, has been performed hundreds of times at the institute. Calling himself a "student of students," Michael Blankfort, for many years, attended almost every introductory institute where he shared with people coming there for the first time his thoughts and experiences as a Jew. His lectures were largely autobiographical, using his life as an example of the evolution of the American Jewish experience. He spent several summers at the institute teaching and lecturing in writing and literature. It was at Brandeis that he wrote his book, "The Strong Hand," a tale of spiritual crisis. His wife, Dorothy and daughters, Susan and Ellen, share his dedication to the work of the institute.

Michael Blankfort is a unique example of a complete individual. He enlightens as he himself learns, he enriches and endows others with his special enthusiasm and, above all, he always strives to achieve himself that which he encourages others to seek—the highest standards in human values and behavior.

I ask the Members to join me on this occasion in congratulating Michael Blankfort on his achievements and to wish him well for the future.●

KATHY L. WEINER

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. BENNETT. Mr. Speaker, as dean of the Florida delegation in Congress it is my sad responsibility to report to you that our good colleague WILLIAM LEHMAN lost his beloved daughter Kathy last Wednesday after a long and painful bout with cancer. All of us have the Lehman and Weiner families in our prayers and hope that their knowledge of the fine deeds of this young lady may give them some comfort in their grief.

I include two news accounts of this sad event:

[From the Washington Post, Aug. 31, 1979]

KATHY L. WEINER, DAUGHTER OF FLORIDA CONGRESSMAN

Kathy L. Weiner, 34, a former high school English teacher in Miami, and the daughter of Rep. William Lehman (D-Fla.) and his wife, Joan, died of cancer Wednesday at her home in Coral Gables, Fla.

Mrs. Weiner was born in Sao Paulo, Brazil, where her father was an instructor in aircraft maintenance for the Brazilian Air Force while serving in the Army Air Corps.

She attended the University of Wisconsin and earned a bachelor's degree in English from the University of Miami.

Mrs. Weiner frequently stayed with her parents here during the last three years while undergoing treatment at the National Institutes of Health and George Washington University Hospital.

Besides her parents, survivors include her husband, Donald, and two sons, Sean and Matthew, all of the home in Coral Gables and two brothers William Lehman Jr. and Tom Lehman, both of Miami.

[From the Miami Herald, Aug. 31, 1979]

KATHRYN LEHMAN WEINER, 34, TEACHER, DAUGHTER OF U.S. REPRESENTATIVE WILLIAM LEHMAN

Kathryn Lehman Weiner, 34, daughter of U.S. Rep. William Lehman, died of a brain tumor late Wednesday night at her home.

Mrs. Weiner was born in Sao Paulo, Brazil, where her father was serving as a civilian with the old U.S. Army Air Forces serving in Brazil.

Six months later, the family returned to Miami, where she graduated from Edison High School. She attended the University of Wisconsin and graduated from the University of Miami.

After graduation, she taught English briefly at Coral Gables Senior High School and later became a part-time teacher there, until she became ill.

When Carver and Coral Gables elementary schools were ordered integrated in the early 1970s, she became a part of a group of parents who worked to make the plan succeed.

Whispering Pines Principal Phyllis Tannen, former principal at Carver, said, "She was part of a group of parents that tried to establish a climate of acceptance among the parents—to make them feel comfortable—and to ease the transition.

"She was a unique person with a unique group who met with parents at their homes to make things work for all the children.

"She was terrific," Miss Tannen said.

Mrs. Weiner had worked for the Democratic Party as a precinct leader in the Coral Gables area.●

A TRIBUTE TO SAMUEL I. NEWHOUSE

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. GUARINI. Mr. Speaker, on Wednesday, August 29, 1979, Samuel I. Newhouse, publisher, died at the age of 84. Today, I ask my colleagues to join in this salute to Mr. Newhouse, a modern Horatio Alger in the truest and finest sense of the word.

Mr. Newhouse, at the time of his death, had interests in the Jersey Journal of Jersey City, the Newark Star-Ledger, as well as newspapers in New Orleans, Portland, Oregon, Birmingham, St. Louis, Cleveland, and Springfield, Mass. Recently he purchased Parade magazine and eight papers from the Booth chain in Michigan.

This remarkable American began his career in Bayonne, N.J., where he worked as an office boy to help support his family. He began working for a lawyer at a salary of $2 per week. By studying at night, he qualified for law school by passing the State regent's examination for those courses which he missed by never attending high school.

At the age of 16, Mr. Newhouse began his newspaper career at the faltering Bayonne Times daily newspaper. He developed such effective merchandising and sales campaigns to revive the paper financially that within 1 year, the Times was operating in the black.

After passing the bar at age 21 and practicing law for a short period, he devoted all his energy to newspaper publications, eventually becoming one of the leaders in his field.

Much of the profits derived from his publishing empire went to philanthropic causes. Through his generosity, the Mitzi Newhouse Theater at Lincoln Center was built. He also gave substantial sums to the S. I. Newhouse School of Publications at Syracuse University.

Thousands of journalists across the Nation developed and honed their skills with Mr. Newhouse as their publisher. His hard work and confidence in the American system resulted in the development of a communications conglomerate which included 31 newspapers, 7 magazines, 6 television stations, 20 cable television stations, and 5 radio stations. Administratively, S. I. Newhouse always had his finger on the pulse of his organization "to maintain control without dictating policy, to oversee without overwhelming."

Although Mr. Newhouse took care not to overwhelm his colleagues, his achievements were nothing less than astonishing by any standard. To his wife, Mitzi Newhouse, and his sons, Samuel I., Jr., and Donald, we extend our deepest sympathies. We know they will be consoled and gratified by the great accomplishments of this outstanding American. His exemplary life, love for his fellow man and high professionalism greatly merit the respect and admiration of the Members of the U.S. Congress.●

A SYMBOL OF CHAOS: THE GAS PUMP

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. McDONALD. Mr. Speaker, the rush to blame the OPEC countries for our energy woes is incorrect. Nations which import virtually 100 percent of their oil are surviving nicely, such as Japan and West Germany. The OPEC nations, most of whom depend upon earning dollars with which to purchase

imports are also feeling the effects of inflation and the weakening of the dollar on the international scene. Thus, to a great degree they need increased oil revenues. The answer to the energy problem is not conservation of decreasing amounts of fuel, but increased production. We should be working to get inflation under control and decontrol of the energy industry in general. Once both steps are achieved, the energy problem will solve itself. Prof. Hans Sennholz, who heads the economics department of Grove City College in Pennsylvania recently wrote a very perceptive article on this problem. It appeared in the Freeman for August 1979 and I commend it to the attention of my colleagues.

The article follows:

A SYMBOL OF CHAOS: THE GAS PUMP

(By Hans F. Sennholz)

Until just a few years ago most people were indifferent to all questions of energy. They were as heedless of the very industry that produces heat and power as of many other industries meeting their daily needs. Surely they were aware of basic materials such as wood, coal, gas or oil burned to produce heat and kinetic energy. But the term "energy industry" was yet unknown. Even the dictionaries of economics designed to include the terms commonly used in college courses listed neither energy nor the energy industry. It was left to the 1970s to call attention to the industry and bring us the energy crises.

In retrospect there were earlier indications of things to come. By 1970 there was a United States Department of Transportation, a Federal Power Commission, and an Atomic Energy Commission. In 1973 Congress added the Federal Energy Administration to centralize all regulatory functions relating to oil. The Energy Research and Development Administration came into existence in 1974. In October 1977, the Department of Energy brought all these governmental functions together into a single organization under the direction of a Secretary of Energy.

This observation of demonstrable facts raises a fundamental question: was the growth of government intervention in all matters of energy the cause or effect of the painful crisis that developed during the 1970s? If it can be proven that government intervention brought about the dilemma in which we find ourselves today, the solution can be no other than early reduction and ultimate abolition of this harmful intervention. But if the causes are found to be elsewhere, and the growth of government was merely a reaction to a new situation, we need to search for other solutions.

SURPLUSES AND SHORTAGES

Our search for an objective answer calls to mind a basic principle of political economy that may be applicable also to energy problems: whenever unhampered enterprise provides products and services, it tends to create surpluses that clear the market only through major sales campaigns. Its advertising message to the consuming public is to buy ever more and better products. Wherever government provides products and services, it invariably creates shortages that inconvenience the public and sometimes bring economic crises. Wherever government is in charge, its advertising message is always the same: consume less, eat less, drive less, let there be austerity! This has not changed from the wheat and bread shortages of 1916 to the gasoline shortages of 1979.

Where government is in charge and shortages inconvenience the public, we can observe yet another regularity. Through intensive publicity campaigns government officials and politicians point the finger of blame at one or several culprits who are bitterly denounced for selfishly causing the shortages. In televised press conferences the President of the United States himself may make ugly charges against oil producers, or any other producers whose regulated services are in short supply. Or he may point at some foreigners e.g., the Arabs, as the culprits who sinisterly inflicted the evil on us.

When unhampered individual enterprise generates surpluses, there are no press conferences, no headlines and no charges. The public looks at them with indifference in a mood of affluence that comes from choice and selection. The press ignores them although it prospers from the paid advertisements that seek to market the products. Radio and television thrive on advertisement campaigns that pay for the amusement and entertainment of the public.

But all such reflections may reveal mere coincidences that have no bearing on the energy crisis. Perhaps the politicians are correct in pointing at the OPEC countries for charging too much, at the oil companies for seeking ever higher profits, and at the public for consuming too much.

In that direction of deliberation lies a wide open sea of arbitrary judgments. What is "too much"? Millions of people are giving different answers to this very question throughout their busy days. They are making their choices as they are consuming oil and gas for heat, refrigeration and air conditioning, turning on electric lights, operating power tools, or driving up to the service station to tank up on gasoline. They are giving vivid answers to the question in long lines waiting to buy more fuel. We must not blithely ignore or reject their answers, nor those given by the oil companies or OPEC spokesmen.

If millions of people are said to be wrong wanting too much, is it not likely that the critic who is censuring them is judging too much? Is he proposing to change human nature by his criticism? Or, is he a would-be tyrant who is longing to impose his judgment and will on others? To explain the energy crisis in terms of value judgments or culprit condemnations is to open the gates for arbitrary judgment and political power.

IS OPEC CAUSING THE FUEL CRUNCH?

Such an explanation also leads to puzzling conclusions that seem to contradict human nature. If the Arab oil producers are causing our dilemma, why are they not accomplishing identical, or at least similar, effects on other nations? It is an established fact that they are treating their customers equally, charging identical prices and surcharges. But we know of no energy crisis other than ours. There are no reports of empty gasoline pumps in Europe, Africa, Asia, or Latin America, no empty oil tanks anywhere, except in these United States of America.

This observation is all the more startling as most of the oil we consume comes from wells within our national borders, while most foreign countries, such as Germany and Japan, lack any domestic production. And yet, they are prospering although the price of Arab oil has soared in those countries too. Surely, they too feel the pinch of rising energy costs, which reduces their productivity and income by corresponding amounts. Rising oil costs necessitate many changes in goods prices and readjustments of production patterns. But they do not breed an energy crisis that threatens to disrupt economic production and reduces standards of living severely.

Our energy crisis is all the more mysterious inasmuch as OPEC is accepting the United States dollar as its primary medium of exchange. Other buyers of Arab oil must scramble to earn dollars first before they can place oil purchase orders. But Americans can use their own currency for any quantity of Arab oil they may wish to acquire. Our monetary authorities may create any amount without cost, and thus facilitate the payment of Arabs with newly created money. That is, they can avail themselves of inflation as a tool of international finance, which partially shifts the burden of rising oil costs from the energy users to inflation victims. Thus the United States can victimize the Arabs themselves, who own large dollar balances, by exporting inflation in exchange for Arab oil.

It is obvious that such objectionable devices of international finance do not make for international peace and harmony. Since the United States was exporting inflation long before the oil producers combined to form an international oil cartel, we may understand the Arab reaction that led to OPEC. To them, joint action afforded the only way to adjust the price of oil to the ever-rising demand for oil payable in depreciating dollars. After all, there was no free and open Arab oil market on which the daily demand and supply determined the price.

UNDER GOVERNMENT MANAGEMENT AND CONTROL

The OPEC oil industry is a nationalized industry owned and managed by the member governments. They legislate every aspect of the industry from the allowable quota of production to the price of the product, and determine who may buy under what conditions, and so forth. Theirs is a political process that is very slow to adjust. When compared with the market process that facilitates adjustments from day to day, yes, minute to minute, the political process of managing an industry and marketing its products may appear irrational although its political planners are deliberate in devising their plans and adopting their policies.

In such a world of politics that seeks to manage nationalized industries, there is confusion and chaos—unless the governments as owners agree on a common plan and act jointly to restore some semblance of order. The international cartel arrangement is a natural manifestation of a world economy in which export industries are government owned and operated. It also points up the growing danger of international conflict through world-wide socialism.

It is idle speculation to deliberate on the world market of oil if market forces were unhampered and free to determine prices. If there were no OPEC, no nationalized oil industry, and no Department of Energy regulating and fixing United States production—just unhampered markets and unrestrained competition—the energy world would be quite different. Surely, the price of oil would be much lower without the staggering costs of politics. And there would be no energy crisis.

ARE THE OIL COMPANIES GOUGING THE PUBLIC?

To many critics, Arab behavior alone does not explain the energy crisis. They are pointing at the oil companies whose profits have been rising in recent years. Most politicians and even the President of the United States are openly denouncing the "disgraceful" and "exorbitant" profits and are demanding a tough "windfall profits" tax. Some politicians even are clamoring for a speedy expropriation and nationalization of the companies.

It is difficult to ignore this crescendo of cheap demagoguery, which, when left unanswered, may lead to most harmful and regrettable legislation. Every effort must be made to refute and explode the political propaganda and repeal the politicians who are anxious to extend their influence and power. Their attacks on the profits of one industry actually are attacks on the profits of all industries and on the profit system itself. Just listen to their charges against the energy industry. You will search in vain for a

difference between those charges and those leveled against the private property order by the professional socialists and communists around the world.

It is rather inconsistent and therefore most puzzling that American politicians should be the most vocal critics of an industry that has been under their careful supervision and control. After all, the Nixon price control edict of August 15, 1971, was never lifted from the energy industry. Even today the ceiling prices as set by the Department of Energy are posted on every gasoline pump in the country.

The political attacks on the very industry that, under a heavy barrage of regulations and denunciations, continues to provide us with energy remind us of some gruesome tales of human behavior during the Dark Ages. When the black death was stalking Europe, public sentiment was often aroused against those people who bravely sought to alleviate the suffering, comforting the dying and healing the sick. Thousands of aging women who survived the disaster were accused of precipitating the disease through witchcraft and were put to a cruel death. Similar forces of darkness now accuse the American oil industry, which provided the people with an abundance of cheap energy for most of this century, of creating the shortage in order to reap ever higher profits in a moment of national crisis. Surely, no person will be put to death, merely our economic order.

At the trial of the private property order the defense is pointing out that the Government of the United States is enforcing energy prices that are arbitrary and confiscatory. They are fixed below those prices free people would choose to pay if there were no mandated ceilings. That is to say, the Government is forcing energy producers to sell their products and services below their objective exchange values and thereby causes the producers to be gouged on a massive scale. If a company tires of this legislated plunder and for a moment should ignore the price edict, it is hauled into court and charged with consumer gouging. That is, the political gougers are taking the victims to court and accusing them of the very crime that is perpetrated against them. If there were justice in the court of public opinion, the charges would be promptly dismissed and the persecutors would be arrested for expropriating private property without due process.

GROUNDLESS CHARGES

The charges against the energy companies are based on the crude assumption that their profits are the evil fruits of worker exploitation and consumer gouging. Profits are the scourge of greed and egotism, which is the charge all socialists and communists are making against the private property order. A mere glance at the living and working conditions of the people in capitalistic countries vividly disproves the charges. When compared with the conditions in the socialistic countries, the American people are living in a land of milk and honey, enjoying far greater material comforts and cultural opportunities. The steady stream of refugees and immigrants to American shores is illustrating the point.

Blinded by socialistic propaganda, the critics of the profit system fail to see its inherent benefits and justice. What is a profit, after all? It is the remainder of proceeds after all factors of production have been fully compensated. Businessmen may earn it through efficient management of their resources in the service of their customers. The most efficient producer earns the highest profits which give him the means to expand his production and render even more services. Surely, the profits thus earned benefit the people through more and better production. Similarly, the workers employed by profitable enterprises enjoy higher wages and more benefits than others less fortunate who happen to work for employers suffering losses.

Exceptionally high profits can only be reaped through the correct anticipation of changes. When a change in market conditions, e.g., in demand, supply, technology, institutional restrictions, international situations, and the like, necessitates quick readjustments in production, the most alert producer who correctly anticipates the changes and makes prompt preparations, may reap high entrepreneurial profits. His alertness and prompt action redound to the benefit of the public. In short, he who addresses himself to the most urgent needs of the public tends to earn the greatest rewards, which, as an economic principle of the market order, meets our criterion of justice. In an energy crisis, we expect the most efficient energy producer to earn the highest profits, as we would expect physicians and nurses to earn highest incomes in a public health crisis. To burn them at the stake of political demagoguery is preposterous.

IT IS SO EASY TO CREATE A SHORTAGE

The public hostility against business profits has brought chaos to the fuel pump. It has given rise to ever more government regulation, which is the root cause of the energy crisis. Politics has become hopelessly entangled in the production and distribution of energy.

In 1954 the Supreme Court set the tone by giving the Federal Power Commission control over natural gas prices in interstate commerce. These controls at first did not hamper production because they did not deviate by much from prices established by the demand and supply forces of the market. But during the 1960s, the United States Government legislated significant increases in demand and boosts in production costs. Environmental restrictions and pollution regulations that discourage the burning of coal, favoring the use of gas and low-sulfur fuel oil, mandated increases in consumption and made production much more expensive. In addition, the inflationary policies of the Government eroded the purchasing power of the dollars received by energy producers.

In 1971, President Nixon placed domestic crude oil under price control as part of his overall price-stop edict. While many other harmful controls were subsequently lifted, the price fixing of domestic oil and gas was continued. His successors continued to fix with vigor and force.

It is always much easier to prevent production and create shortages than to engage in productive activity. Every freshman economist knows how to create an energy shortage: impose rigid price ceilings, reduce the real price through monetary depreciation, legislate an increase in demand and raise the costs of supply. To make matters worse, he would impose substantially higher taxes on crude oil production, on the use of natural gas by industry and utilities, and boost the Federal gasoline tax. To intensify the pain of shortage and compound the confusion, he would entrust government officials with administering a ration coupon system that would allocate the scarce supply according to their rules of "fairness." And finally, to prolong the chaos he would create an economic incentive for hoarding the given supplies. For instance, on every first day of the month he would permit gasoline producers to raise their prices by less than they anticipate earning through storing their supplies until the controls are lifted. He would openly announce his program and pursue it for 28 months in order to assure maximum hoarding for 26 months. If it were not for the limitations of storage facilities he would cause all production to be withheld from the market.

Unfortunately, this is not just a theoretical exercise for freshman economists. This is the official policy of the United States Government, or at least the loudly touted program of the present administration. It touches 200 million Americans and threatens their way of life. It is an efficient policy in creating shortages, as our experience at the gasoline pumps so clearly demonstrates. As a policy designed to improve economic conditions it is counterproductive. The resultant chaos and damage is just as real, whether the policy is the poisonous fruit of socialistic thinking, or just a relic of the Dark Ages.●

THE ENERGY FOLLIES OF 1979

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Mr. ASHBROOK. Mr. Speaker, it seems like there is no end to the incredible tales of incompetence that spew forth from the Carter White House. The month of August supposed to be a time when nothing happens in Washington, yet this administration managed two major energy bloopers with most of its first and second string incompetents out of town. It goes to show that Mr. Carter has all but cornered the market on some of America's finest examples of the Peter Principle in operation.

The two examples of how Mr. Carter and company are assuring our energy dependence range from Iran to just across our southern border. In both situations the United States managed to squander valuable bargaining chips at the negotiating table, and in one case, throw away valuable energy resources as well. The facts are still surfacing in both cases, but there is enough information at hand to begin to shape the parameters of August's antics.

MEXICO DOWN THE DRAIN

In 1972 the Petroleos Mexicanos (PEMEX) brought in two gushers in central Mexico. Additional offshore finds in the Bay of Campeche ushered in a new energy age for Mexico. In the last 7 years the proven reserves for oil and gas found within the borders of our southern neighbor have skyrocketed from 5.4 billion barrels to 40.2 billion. Some estimates put possible reserves at close to 100 billion barrels placing Mexico second only to Saudi Arabia in world oil resources.

By 1976 Mexico had decided to rely on an oil-based domestic development plan and to sell the excess gas associated with the oil fields to the United States. On August 3, 1977, six U.S. gas pipeline companies, Tenneco, Texas Eastern Transmission, El Paso, Southern Natural Gas, Florida Gas Transmission, and Transcontinental Gas Pipeline, agreed with PEMEX officials to a letter of intent on a project to have Mexico build an 847-mile, 48-inch pipeline from Cactus to Reynose, which is about 100 miles from McAllen, Tex.; 800 million cubic

feet of gas a day would be shipped, increasing to 2 billion cubic feet per day after additional facilities were constructed.

One would think that such an agreement would have met with rejoicing among energy officials in Washington, D.C. However, this was not the case. It seems that the price to be paid for Mexican gas ($2.60/1,000 cubic ft.) was 44 cents higher than that being paid for imported Canadian gas. Government officials proclaimed the private arrangement inflationary and forced the letter of intent to lapse in December 1977.

At this point our crack negotiators from the Departments of State and Energy took over the helm. Their first offer was $2.30/1,000 cubic ft. The Mexicans withdrew from active negotiations. It was not until Mr. Carter's embarrassing trip to Mexico in 1979 did talks resume to any extent. At that time the Mexican price had risen to $3.40 (or $1.24 more than was being paid for Canadian gas). The U.S. counter offered with a $3.00/1,000 cubic feet position that has just been rejected.

The missed opportunity of cheap (in retrospect) Mexican gas being ready for U.S. consumers is compounded by the indications that other factors have entered the negotiations, including possible policy concessions on the illegal immigrant problem. Only a government so blind and so prejudiced against market solutions could have grabbed defeat from the jaws of victory under these circumstances. The failure of the Mexican venture is eclipsed in its idiocy only by the bizarre turn of events with Iranian heating oil.

IRAN FIRST, AMERICA LAST

After months of pleading with the American people to conserve energy use Mr. Carter put everything in perspective early one morning on the Mississippi River. We were going to ship 1.5 million gallons of No. 2 heating oil to Iran, at a subsidized price because, in Mr. Carter's words:

> Most of their families were very poor, like I was when I was growing up.

It seems that the President has more compassion for the Iranians than the Ayatollah Khomeini whose firing squads and raids on the Kurds have become daily events in that nation. Who cares that the Ayatollah kicked the United States out of the country, that he shutdown our monitoring sites, that he imprisoned American workers. Who cares that New England and other regions of the United States may face severe fuel oil shortages this winter. Obviously Mr. Carter's nostalgic view of revolutionary Iran takes precedence over the realities of the situation.

The United States still has not come to grips with the situation in Iran. We still do not have any set policy as to whether it is in our interest to bolster the Ayatollah, or to let his bloodstained regime fall in the hopes that something better would emerge from the chaos that inevitably would ensue. Certainly Mr. Carter is not ready to take a firm stand on Iran, especially now that his alter ego, Andrew Young, is no longer in the foreign policy driver's seat. Yet what is Carter up to? Is he rewarding the Ayatollah for not killing more people than he has as a token of restraint in the name of human rights? Is Carter secretly against the Kurds and want to give up our oil resources as a pat on the back for suppressing a rebellion?

If it were only this simple. As of this writing there are no explicit quid pro quo arrangements with Iran on future oil shipments. Even if there were there are no guarantees that the present government could deliver. If Iran cannot keep its refineries in operation what is there to prevent its pipelines, pumping stations, or fuel docks from falling into similar states of disrepair? With no set policy regarding future relations with the Ayatollah how can any gesture be defined, especially one using our oil from our refineries?

The emotional outburst by Mr. Carter at 5 a.m. on the Mississippi might make good press, but Iran itself says it does not need the oil. In fact, it plans to resell the oil at a handsome profit. In a nation that is energy starved with an administration that screams oil company profits are obscene, what is so humanitarian about shipping off our oil so that Iranians can make obscene profits? This is carrying foreign aid a bit far.

The energy fiascos of August provide a new set of examples of why this Nation is facing such an energy crisis. It is no wonder that the President's ratings have declined far below those of Mr. Nixon.

America deserves better than what it is getting. Jimmy has to reach deeper and deeper into his bag of Rafshoon tricks in order to just keep his head above the rising tide of outrage over how he has driven this Nation into the ground. It is obvious that we did not need a Cabinet reshuffle in July, we needed a new dealer.●

TRIBUTE TO LEONA BEVIS, ACSW

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 5, 1979

● Ms. OAKAR. Mr. Speaker, today I rise in tribute to an outstanding woman and citizen. Leona Bevis, since 1972 the executive director of the Federation for Community Planning in Cleveland, is a person who has devoted her entire professional career to helping those less fortunate than she. After graduating from the University of Cincinnati and obtaining a masters degree in social work from Western Reserve University, Leona spent 20 fruitful years serving with the Welfare Federation in Cleveland. She was appointed associate director of the Federation in 1959. From 1971–72 Leona also served as associate executive director of the United Torch Services of Greater Cleveland.

Miss Bevis also gives a great deal of her free time in service to the community. She is a member of the board of trustees of Blue Cross of Northeast Ohio; chairman of the State Social Services Advisory Committee, a member of the Legal Aid Committee of the Bar Association of Greater Cleveland; and a member of the Visiting Committee School of Applied Social Sciences of Case Western Reserve University.

Leona's service has repeatedly been awarded by public and private agencies in the public welfare field. It is a great privilege for me to have this committed, self-sacrificing woman as a friend. She truly deserves the commendation of all the citizens of Cleveland as well as the Members of this House.●

WHAT'S RIGHT ABOUT SOCIAL SECURITY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ANDERSON of California. Mr. Speaker, I want to share with our colleagues an article that appeared in the Washington Post on August 9, 1979. The article, by Robert M. Ball, Commissioner of Social Security from 1962 to 1973, defends the much-maligned social security program, asserting that, on the whole, the program is one of which the United States can be proud.

WHAT'S RIGHT ABOUT SOCIAL SECURITY?

(By Robert M. Ball)

In recent years, various provisions of the Social Security program have come under attack—but little has been said about its overall effectiveness. What's right about Social Security?

In 1935, when the Social Security Act was passed, less than 15 percent of the jobs in the United States were covered by any sort of retirement system, and only a tiny proportion of those over 65 were drawing retirement benefits. Many people ended their lives in a now almost forgotten institution, the "county poor house." This year nearly 95 percent of the people reaching age 65 will be eligible for Social Security payments and most of those who are not will be eligible for retirement pay from some other government system, such as railroad retirement, federal civil service, or a state or local plan. Perhaps a third of those getting Social Security payments will also be eligible for a private pension supplementing their Social Security, although even for this fortunate one-third, Social Security is usually the larger payment and is inflation-proof and tax free.

According to a study by the Congressional Budget Office, without Social Security 60 percent of the families headed by people 65 and over would be below the government's rock-bottom definition of poverty. In fact, nearly half would have incomes less than 50 percent of the poverty level. Social Security lifts all but about one-fifth of elderly families above poverty, and when other government programs are taken into account, the proportion of elderly families who remain poor is reduced to about 14 percent. This is very substantial progress. As recently as 20 years ago, nearly 40 percent of those over 65 were below a comparable government definition of poverty.

But Social Security is much more than a program designed to reduce poverty. It is the base on which just about everyone now builds retirement income. The worker who has earned average wages throughout his life (this year $11,500) will receive about $400 a

month in a Social Security benefit if he retired this year at 65. When a spouse's benefit is included, the amount is $600 a month. For such a couple, the amount paid is 62 percent of recent earnings. For the worker who has been earning the federal minimum wage, the proportion of recent earnings replaced by Social Security benefits is higher—78 percent for a couple. For the worker earning at the maximum amount, the proportion is less—47 percent for a couple.

Not only are these benefits tax free and inflation-proof once they are awarded, but prior to retirement the protection is automatically kept up to date with rising wages. Thus when a worker now in his early 40s retires at 65 after regularly earning the average wage, his benefit (assuming a continuing increase in wages comparable to the past) will be about $15,000 a year. The $15,000 reflects not only increases in prices but also the increase in the level of living arising from productivity increases. Because of the automatic provisions now in the law, if wages rise less than they have in the past, Social Security benefits will be lower, and if they rise more, benefits will be higher.

And Social Security is not just a retirement system. It is also life insurance, paying monthly benefits to widows, widowers and orphans to partly make up for income that is lost when a wage earner in the family dies. And it is disability insurance, providing protection for workers and their families against the loss of income due to long-continued total disabilities. It is well known that just about all older people get Social Security benefits but not so well known that every month the Social Security system pays monthly benefits to 5 million children. For many young families the life insurance and disability insurance protection—frequently with a face value of from $150,000 to $200,000—is the most important "asset" they have. And the survivors' and disability insurance, too, is automatically kept up to date with increases in the level of living before benefits are paid, and again the benefits are tax free and inflation-proof.

For the cash benefits I have described—and not taking into account the Medicare protection against the cost of hospital care—the worker today pays 5.08 percent of earnings up to maximum earnings of $22,900 a year. This amount is matched by the employer. According to the latest estimates of the Board of Trustees of the Social Security trust funds, the benefits and administrative costs of the system can be met for the rest of this century by a contribution rate of 5.5 percent of earnings. (The maximum on the earnings counted rises to $29,700 in 1981 and then rises automatically in proportion to the general increase in the wage level.)

In the next century, according to the trustees, if the proportion of retirees to earners increases as much as they expect, the contribution rate would have to be higher. Some 50 years from now the rate might need to be as high as 8 percent for an entirely self-financed system. Even this 8 percent rate in the distant future, however, would not seem to justify the kind of concern about Social Security financing now being expressed in various magazine and newspaper articles. For example, German workers and their employers each pay 8 percent currently for old-age, survivors' and disability insurance even though the cost of about one-fifth of the German system is borne by other revenue sources.

Certainly there are changes to be made in our Social Security system. I, among others, have proposed certain improvements in benefit protection and changes in the method of financing, but the point to be stressed is that the system works just as it is, and it works well. There is no crisis. Thirty-five million beneficiaries—one in seven Americans—get a check every month, on time, and in the right amount, and those who are working today can count on getting their Social Security benefits when they in turn become eligible.●

COUGHLIN CONSTITUENTS CITE GOVERNMENT, OIL COMPANIES IN GASOLINE CRUNCH

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. COUGHLIN. Mr. Speaker, the intense national concern over this summer's gasoline problems is reflected in my annual mail poll in which 17,609 individual responses from constituents in Pennsylvania's 13th Congressional District were received before the July 31, 1979, deadline. This is an increase of 35 percent over last year's responses.

I am sure it comes as no surprise that the Federal Government and the oil companies are blamed for our gasoline woes. Forty-three percent of those answering cite the most significant cause of the shortage as "Government regulation and mismanagement," followed by 35 percent who perceive the situation as "A rip-off by the oil companies." Of the three specified choices listed, only 10 percent attribute the shortage to "lack of investment incentive to produce."

A space was provided for those who believe there is another reason that is the most significant cause. Of the 12 percent writing in their reasons, most were split between blaming the oil-producing countries and consumer waste, particularly in the United States.

Almost half of the questions pertained to our energy dilemma in the questionnaire poll mailed to every household and boxholder in my congressional district. In addition to sharing the results with colleagues, I also will mail them to constituents and to the White House.

A plurality of constituents—48 percent—oppose President Carter's proposal to decontrol domestic oil prices and impose a windfall profits tax. Forty percent favor the plan and 12 percent are undecided.

Of the 48 percent opposing the Carter proposal, 43 percent want to maintain controls. Thirty-one percent favor decontrol without a windfall profits tax. Of the three specified choices, 14 percent want to impose an excise tax on imported oil.

In the space provided for other recommendations, most of the 12 percent who wrote in their choices favor nationalization of the domestic oil industry.

A majority of constituents—52 percent—say they are cutting their driving "somewhat" in response to a question in which it was noted that gasoline prices are rising to $1 or more a gallon. One-third of those answering aver that they have reduced their driving "substantially." Ten percent say their driving will be affected "not at all."

Of the 5 percent specifying other reasons, most cite their businesses or occupations as reasons for not reducing their driving or the fact they already have cut personal motoring.

Fifty-eight percent of those responding to a question on U.S. nuclear generation want our present policy continued, but safety standards tightened. Almost one in four—24 percent—favor an immediate moratorium on building new nuclear plants. Thirteen percent opt for accelerating construction and cutting licensing time.

Five percent list other courses with many of them calling for a combination of accelerating construction and tightening safety standards. Much of the comment favors development of solar energy.

Three out of four answering want more coal used to power utilities and industrial plants even if air pollution standards must be lowered. Seventeen percent are opposed while 8 percent are undecided.

In a question on inflation, which pointed out that the rate has been running at double-digit figures in the first half of 1979, 48 percent of those answering say "no" to mandatory wage and price controls as a workable method of controlling inflation.

Forty-one percent—a steady percentage from last year's poll—respond "yes" to the question. In 1978, 42 percent of those responding favored mandatory controls in the fight against inflation. Eleven percent are undecided in this year's poll.

Across-the-board cuts in all expenditures are the most favored single step advocated to help stem inflation by reducing Federal spending. The 53 percent favoring this approach contrast to 17 percent who prefer reduced spending for domestic programs. Thirteen percent support decreased defense spending.

Of the 17 percent who wrote in other choices, the single program most cited for spending cutbacks is foreign aid. Many also want spending reduced for welfare programs and bureaucratic operations.

A majority of those answering support registration and a standby draft to be used in time of crisis. These 68 percent are opposed by 26 percent who do not want the system. Six percent register undecided.

Of the 26 percent who are opposed, 62 percent of these approve an alternative—a peacetime universal service proposal giving 18-year-olds a choice of active service, reserve military training or civilian service in the Peach or Job Corps. Thirty-two percent do not favor this alternative. Six percent are undecided.

A disparity of views is evidenced by a question on which type of health program—considering the cost—is preferred. Thirty-seven percent want national health insurance limited to catastrophic coverage while 27 percent favor compehensive national health insurance. One-third oppose any new national health insurance.

Of the 3 percent listing other options, most believe that the Government should regulate medical and hospital costs.

A majority of constituents responding consider limits on Federal funding of abortions—based on language enacted in the last Congress—to be "about right." Contrasted to this 53 percent are

35 percent who consider the law "too strict." Twelve percent believe the legislation is "too lenient."

Those answering a question on whether the Egypt-Israel peace settlement is worth the cost to the United States in providing more aid to the countries were divided. Forty-six percent respond "no" and 42 percent answer "yes." Twelve percent indicate they are undecided.

An even greater range of opinion was recorded on a question which asked whether the U.S. Senate should ratify the strategic arms limitation treaty (SALT II). Thirty-nine percent favor ratification, 33 percent oppose it, and 28 percent are undecided.

Results were compiled by my staff and no computer was used. To insure the greatest accuracy, answers were compiled by ZIP code. Final results compared with preliminary results; they did not vary by more than 2 percentage points either way.

QUESTIONNAIRE RESULTS

1. Energy costs and shortages are continuing problems.

A. What do you believe is the most significant cause for the gasoline shortage? (one only)

[In percent]

Government regulation and mismanagement	43
Lack of investment incentive to produce	10
A rip-off by the oil companies	35
Other (specify)	12

B. Do you approve of President Carter's proposal to decontrol domestic oil prices and impose a windfall profits tax?

[In percent]

Yes	40
No	48
Undecided	12

C. If your answer was "no," what would you recommend? (one only)

[In percent]

Decontrol but no windfall profits tax	31
Maintain controls	43
Impose an excise tax on imported oil	14
Other (specify)	12

D. With gasoline prices rising to $1 or more a gallon, will you reduce your driving?

[In percent]

Substantially	33
Somewhat	52
Not at all	10
Other (specify)	5

E. What course should the U.S. take on nuclear power generation? (one only)

[In percent]

Declare an immediate moratorium on building new plants	24
Continue present policy, but tighten safety standards	58
Accelerate new construction and cut licensing time	13
Other (specify)	5

F. Do you favor using more coal to power utilities and industrial plants even if air pollution standards must be lowered?

[In percent]

Yes	75
No	17
Undecided	8

2. Inflation in the first half of 1979 has been running at a double-digit rate.

A. Do you believe mandatory wage and price controls are a workable method of controlling inflation?

[In percent]

Yes	41
No	48
Undecided	11

B. What single step do you advocate to help stem inflation by cutting Federal spending? (one only)

[In percent]

Across-the-board cut in all expenditures	53
Reduce spending for domestic programs	17
Decrease defense spending	13
Other (specify)	17

3. The question of providing military manpower in an emergency has arisen as a result of deficiencies in the all-volunteer services.

A. Do you favor registration and a standby draft to be used in time of crisis?

[In percent]

Yes	68
No	26
Undecided	6

B. If your answer was "no," would you approve—as an alternative—a peacetime universal service proposal giving 18-year-olds a choice of active service, reserve military training or civilian service in the Peace or Job Corps?

[In percent]

Yes	62
No	32
Undecided	6

4. Considering the cost, which would you prefer? (one only)

[In percent]

National health insurance limited to catastrophic coverage	37
Comprehensive national health insurance	27
No new national health insurance	33
Other (specify)	3

5. Current law limits Federal funding of abortions to those necessary to preserve the life of the mother, in cases of rape or incest, and where severe and long-lasting physical health damage to the mother would result, as determined by two physicians. Is this limitation of funding abortions:

[In percent]

Too strict	35
Too leninent	12
About right	53

6. Do you believe the Egypt-Israel peace settlement is worth the cost to the U.S. in providing more aid to the two countries?

[In percent]

Yes	42
No	46
Undecided	12

7. Should the U.S. Senate ratify the Strategic Arms Limitation Treaty (SALT II)?

[In percent]

Yes	39
No	33
Undecided	28

Party preference of those responding:

[In percent]

Republican	62
Democrat	22
Non-partisan	16
Other	

Ages of those responding:

[In percent]

18 to 21	1
21 to 35	21
35 to 50	25
50 to 65	32
65 and over	21

SHATTER THE SILENCE, VIGIL 1979

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DODD. Mr. Speaker, over the past 4 years I have been involved in numerous efforts to facilitate the emigration of Soviet refuseniks who have been denied exit visas because of their political and religious beliefs. The recent release and subsequent emigration of Alexander Ginzburg, Valentin Moroz, Georgi Vins, Mark Dymshits, and Eduard Kuznetsov, and the pardons of Anatoly Altman, Hillel Butman, Leib Khnokh, Boris Penson, and Vulf Zalmanson are testimony to the effectiveness of public officials' and private citizens' declarations against Soviet repression of the rights of refuseniks as guaranteed by the Helsinki agreements.

But for every Soviet Jew who is given an exit visa, hundreds remain behind against their will. Dissidents like Anatoly Shcharansky, Ida Nudel, and Yosip Mendelevich are still incarcerated, despite repeated requests to Soviet authorities that they be released.

I would like to bring to your attention the cases of two refuseniks, Vladimir Slepak and Isaac Zlotver, who have been separated from their families by the prejudicial and arbitrary decision of the Soviet Government. Vladimir Slepak first applied for an exit visa in April 1970 and was refused permission to emigrate in June 1970.

After his application to emigrate, Vladimir was harassed and threatened and finally imprisoned. In June 1976, he became a Helsinki monitor, and his activism as a proponent of the rights of his people resulted in a sentence of 5 years in exile in the summer of 1978.

Vladimir Slepak now lives in exile in a remote area of Siberia with his wife. His two sons and their families were granted visas and now live in Israel. As an outspoken critic of Soviet discrimination against refuseniks, Slepak has sacrificed his health and well-being to champion the cause of religious and human rights in his country. We must, as legislators, continue to work for his release and the freedom for which he has struggled.

Isaac Zlotver is not a dissident. He is a man alone, with no living relatives left in the Soviet Union. Isaac first applied to emigrate in 1974 and permission to leave the country has been repeatedly refused, allegedly because of his army service 13 years ago.

Isaac's wife, Dina, died of cancer in 1977, and his daughter Lubo emigrated to Israel in 1971. Isaac himself has been seriously ill. It was Dina's last wish that her husband be reunited with his family. Perhaps, with our help, Isaac Zlotver may one day see his grandchildren in Israel.

I would urge my colleagues to join in this vigil for freedom and speak out against the continued violation of the 1975 Helsinki agreements by the Soviet Union. As a signatory of the United

Nations Declaration of Human Rights, the Soviet Union made a commitment that cannot be denied. For the sake of people like Isaac Zlotver and Vladimir Slepak, we must not allow that commitment to be so easily forgotten and shatter the silence that surrounds their oppression.●

ENERGY: THE NEED TO ACT

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. EMERY. Mr. Speaker, adopting a coherent, long-term energy policy for our Nation is the most urgent task facing this Congress. Continued indecision on energy will only lead to more inflation, greater personal hardship, higher oil imports, and diminished national security.

In a recent speech to the Brunswick, Maine, Chamber of Commerce, my distinguished colleague, Senator BILL COHEN, outlined several actions that are urgently required if we are to solve our worsening energy problem.

I hope that each of my colleagues will have an opportunity to review Senator COHEN's comments on energy, which I insert in the RECORD at this point:

SPEECH BY SENATOR WILLIAM S. COHEN

AUGUST 17, 1979.

An ominous cloud of frustration, anger, and, to some degree, hopelessness hovers over America. Our nation, accustomed to national prosperity and pre-eminence in world affairs, is now confronted with an uncertain economic future and a growing threat to our way of life.

As the turbulent decade of the Seventies draws to a close, we are a divided people, unsure about our goals, and increasingly distrustful of government leadership and institutions. Indecision on energy and other pressing national concerns has turned us into a nation of disbelievers and cynics. Somehow we feel better if we can assign blame for our problems, exonerating ourselves in the process.

To a great extent, the American mood is understandable. Our prolonged debate on energy has seemingly been marked by endless controversy, criticism, and outright confusion. Diverse interests, all pulling in opposite directions, have frustrated every attempt to adopt a coherent, long-term energy policy for our nation.

We cannot afford to be paralyzed by that frustration. The bleak history of energy mismanagement in this nation since the first shock waves of the 1973 oil crisis cannot be allowed to interfere with our decision-making and problem-solving processes today. We must move forward on energy, and we must do so immediately.

As we debate the energy challenge facing America, there are at least two questions that must be answered. Is there really an energy crisis and, if so, how do we respond to it?

I have no doubt that the crisis is real. Fifteen years ago, we imported almost no oil at all. Today, we import one-half of the oil we use—more than eight million barrels a day—at a cost of over $1 billion a week. Equally alarming is the fact that our dependence is concentrated in a handful of producing countries, many of which are openly hostile to U.S. interests and objectives. Our traditional allies in Western Europe and Japan are even worse off than we are.

Two factors make this dependence especially serious for us and for our allies in Western Europe and Japan. First, whether we like it or not, oil is indispensable to the functioning of our economies. Developing substitutes will take years. Secondly, world consumption of oil is increasing at a rate which suggests that we will need the equivalent of a new Saudi Arabia every three years just to keep up with projected demand. Attaining that objective is not a possibility a prudent man would bet heavily on.

We should not be lulled into complacency by the disappearance of gas lines, or the return of tourists to Maine, or assurances of adequate heating oil supplies for the coming winter. We remain, as the President has noted, dangerously dependent on the thin line of oil tankers stretching halfway around the world. Crisis is as near as the next political revolt in the Middle East.

Our choice is a simple one. We can make the maximum effort to reduce oil consumption and shift to alternatives, or we can simply wring our hands in exasperation, do nothing, and insure that we will face an even greater crisis down the road. In the end, this choice will not be made by the President and the Congress, but by people around the country such as you.

Few nations are blessed with the energy resources we enjoy. No nation on earth possesses the technological expertise we have developed. Putting these considerable assets to work is the challenge confronting America.

It will not be an easy task. Decades of cheap, abundant energy have left us ill-prepared to deal with the energy turbulence of the 1970's. What is required are fundamental changes in the way we use and think about energy.

As we contemplate the shift from an oil-driven economy, we can perhaps take some solace from the fact that major course corrections in energy supplies have been navigated in the past. Energy from wood burning was replaced by energy from coal. Coal was eventually replaced in large part by oil. We have now come full cycle, and are actively seeking to enhance the role of wood and coal as replacement fuels for oil.

Our current situation bears truth to H. G. Wells' observation that "human history becomes more and more a race between education and catastrophe."

How can we reverse the deteriorating energy situation we have been facing since early in this decade? What steps are necessary to restore rationality to the energy debate and set the nation on an orderly course leading to energy security at a reasonable cost? In my view, several actions are urgently required.

First, we must end the frantic and futile search for scapegoats. Each of us must be mature enough to accept part of the blame, and concerned enough to shoulder part of the solution. Blaming OPEC, the oil industry, the President, the Congress, the environmental movement, or the Department of Energy may make us feel better, but it only distracts us from the more immediate task at hand.

We must accept the uncomfortable fact that there is no cheap, quick fix. It will take years to bring our energy budget back into balance, and the job will be enormously expensive. It is imperative that we rid ourselves of the misguided notion that energy prices will ever again return to pre-OPEC levels.

Second, we must begin to view conservation as an absolute necessity, not a passing fad. It is the single most important step we can take to reduce oil imports, lower energy costs, preserve jobs, and lessen the environmental, health, and safety problems associated with energy use.

While it is true that Americans have become increasingly energy conscious as a result of rising prices and supply shortages, we have not begun to approach our potential in this critical area. We must build a vocal, national constituency for energy conservation. To do this, we must greatly expand existing incentives for individuals and businesses, and remove regulatory roadblocks that discourage conservation.

Use of energy is involved in almost every human decision. Whenever we turn on a light, heat an unused room, or live in an unnecessarily large house, we are making an energy decision. Whenever we join a car pool, buy an automobile, or choose a manufacturing process, it has energy consequences.

A policy that legislates energy conservation while maintaining powerful incentives to consume excessive amounts of oil and gas is self-defeating. By transmitting the wrong signals, our overly regulated energy markets encourage too much energy use, and too little conservation.

Third, we must forge a constructive relationship between the energy industry and the government. We need to recognize that the economic, environmental, social, and foreign policy implications of oil transactions make it necessary for government to remain an active partner with private industry in energy decisions.

Government efforts should supplement, not supplant those of private industry. The system that built this nation and made it great should be allowed to make America's energy choices for the future. We need to spur competition and innovation, not install an army of bureaucrats in the Department of Energy.

If we have learned anything over the past six years, it is that we must rely more heavily on our free enterprise system, and not less.

Four, we need to vastly overhaul our existing mechanisms for assessing the economic, environmental, and social impacts of major public and private energy projects. The way the administrative procedure works now, we waste too much time, spend too much money on litigation, and end up with too few decisions.

I respect the right of every citizen to participate in good faith in the process for judging major energy projects. But efforts to use the process simply to obstruct or endlessly delay a final decision are unacceptable.

In his most recent energy address, the President called for the creation of an energy mobilization board to coordinate and expedite decisions on major energy projects. That an energy mobilization board has become necessary is an admission by government that its own regulations and policies have only frustrated attempts to address the energy problem.

Five, we should seek to develop a long-term hemispheric energy policy through improved relations with Mexico and Canada. This Common Market approach on energy can be expanded to include joint efforts aimed at resolving other pressing, unresolved problems facing the North American community of nations.

We should also use our membership in international lending institutions such as the World Bank and the International Development Association to aggressively promote development of energy supplies in non-OPEC nations. Such an effort will not only diversify world oil sources, but enhance orderly economic development in less fortunate nations.

Six, any comprehensive set of recommendations for addressing our nation's energy problems must include policies and programs designed to stimulate the development of alternatives to oil and gas. But let's make sure we understand the consequences of our actions.

The President has suggested that we pour $88 billion into a crash program to develop synthetic fuels. How much research and development of automobile efficiency and mass transit could we buy with that kind of money? How many solar collectors could we build for that sum? How many homes could we properly insulate for a similar investment?

These are the kinds of questions we should be asking. When we make our choices, we should be guided by common sense, not by a utopian vision of energy abundance unsupported by solid scientific evidence.

Seven, we must continue to address the legitimate public concerns over nuclear power—specifically, the management and disposal of nuclear wastes, the safety of reactor operations, health and environmental risks, and proliferation of nuclear weapons through the use of reactor by-products. No thoughtful person can reflect on the Three Mile Island accident without wanting to reexamine the future role of nuclear power.

In my judgment, we should not view nuclear fission energy as the long-term answer to America's energy problems, but as a necessary and important transitional resource that will buy our nation time until alternative sources are fully developed.

Eight, Congress must recognize that state and local governments can and must play an expanded role in alleviating our nation's energy problems. We should immediately approve a broad range of economic incentives that will assist state and local governments in their efforts to conserve energy or promote greater use of renewable resources that would include small hydroelectric projects.

Nine, we need to gradually free domestic oil prices from federal regulations, subject to the following conditions:

Presentation of credible evidence that decontrol will stimulate significant additional production;

Demonstration that decontrol will not significantly worsen our nation's already serious inflationary problems;

Enactment of a workable windfall profits tax that will recapture, for the public benefit, a percentage of the vast new revenues that will result from decontrol;

Presentation of conclusive evidence that world prices reflect true U.S. marginal replacement costs;

Assurances that additional profits resulting from decontrol will be reinvested in exploration, development, and production of new energy supplies;

Approval of a broad range of economic assistance programs that will help consumers adjust to higher prices and convert to alternative sources of energy; and

Demonstration by the oil industry that it is willing to cooperate fully with government in such areas as verifying petroleum inventories and true production costs.

Ten, we should strictly adhere to the ceiling on oil imports agreed to at the recent Tokyo energy summit. We should turn to a stand-by gas rationing plan only as a last resort. Such a plan should have as few exceptions as possible.

For the years immediately ahead, we must recognize that our choices are limited. Rapid and effective implementation of an energy conservation policy seems to be the only real prescription for at least partial relief of our national energy headache. Energy conservation alone cannot close the energy gap. It will, however, reduce the magnitude of the problem by bringing supply and demand into closer correspondence while allowing us to stretch our nonrenewable fossil fuel resources.

The critical consideration is that we seek solutions that are politically acceptable, while at the same time making significant contributions to resolving our energy problems. As Robert Stobaugh and Daniel Yergin wrote in a recent edition of "Foreign Affairs," such a solution is better than one that might theoretically solve our problems altogether, but which has no chance of being adopted.

"It is time," Stobaugh and Yergin wrote, "for the United States to come to terms with the realities of the energy problem, not with romanticism, but in a pragmatic and reasonable way—and not out of altruism, but for the most pressing reasons of self-interest."

We are past the point where we can afford to discuss the energy issue from a detached or ideal perspective. The reality is that our own supply of conventional fuels has peaked, while our demand has not. Our sources of oil in the international market are charging what the the market will bear—a price considerably higher than we expected to pay at this point in our Nation's history.

The crisis in energy has only magnified the crisis in leadership that has paralyzed our nation in recent years. We are paying an extremely high price for that indecision, and will pay an even greater price if action is not taken immediately.

Clearly, the time is at hand to enact a comprehensive energy policy for the United States that looks beyond the next election and into the next generation. This task will require an immense amount of leadership, will, imagination, sacrifice, and courage. It will also require that we lay aside the philosophical and regional differences which have, to date, resulted in energy deadlock.

Checking inflation and solving the energy problem are not conflicting goals, but opposite sides of the same coin. Our citizens want decisive and effective action on energy, and they want it now.

As former Secretary of State Henry Kissinger said in a 1975 speech on energy, "History has given us a great opportunity disguised as a crisis."

Our challenge is to seize the opportunity while it is still available, and mold a comprehensive, farsighted energy policy for the United States. With your continued support and assistance, we can and will get the job done.●

THE DECREASING DOLLAR

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. PAUL. Mr. Speaker, when the Treasury engineered devaluations of the dollar in terms of gold—8 percent and 10 percent respectively—it was big news.

Since those days, the dollar has been devalued an incredible 87 percent, but there are no more headlines.

We hear about the rising price of gold, but that puts the monetary cart before the horse. Gold is not increasing in value, the dollar is decreasing, as the Federal Government prints more and more paper money, and balloons the supply of credit.

Now we get rumors that the U.S. Treasury plans to increase drastically its sale of gold, to try to lower the price. The planners are shamed by this barometer of their mistreatment of the people's money. And some are even suggesting that artificially and temporarily lowering the gold price would slow inflation, which makes as much sense as putting a piece of ice on a fever thermometer.

If Treasury is determined to get rid of our gold, let us, at least, sell it to Americans in the form of medallions, and not in 100 ounce bars to Arabs and international bankers. The average American deserves a chance to protect his savings from Government devaluation, just as much as the plutocrat or the sheik.●

ROCK ISLAND RAILROAD DISPUTE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. BEDELL. Mr. Speaker, I would like to take this opportunity to express my grave concern with regard to the immediate harmful impact of the Rock Island railroad labor dispute. The seriousness of this problem is clearly understood by my fellow Representatives from the hard hit areas in the Midwest, but because this problem also threatens to have a negative effect on the entire Nation's economy, I would like to share my views with my colleagues in Congress.

The Rock Island railroad is a vital link in the transportation network of Midwest grain. A record grain harvest is predicted this year, but if already full grain elevators are not emptied soon to make room for the new harvest, Midwest farmers will lose millions of dollars. That is why, each day that the Rock Island does not operate at full capacity means substantial losses to the Nation's rural economy.

In addition, a significant and growing part of the grain harvested in Iowa and the Midwest is exported, and the continued disruption of grain transportation will affect our Nation's economy through the potential loss of overseas markets with a resulting negative impact on our country's balance of payments. This would be a serious loss as grain exports for 1979 are projected to exceed $30 billion in foreign trade earnings, which are critically needed to offset our growing oil import bill. Agricultural exports have been one of the few bright spots in the U.S. trade picture, and it would be pure folly not to do everything possible to see that their flow is uninterrupted.

The Rock Island line also transports a significant amount of low sulfur coal from the western coal region to midwestern power installations. Curtailment of these coal supplies will have an adverse effect on energy production as the fall harvest and winter heating seasons approach.

Mr. Speaker, it is no secret that our national rail transportation is far from optimum in its current state. This fact makes it all the more imperative that the service that does exist is not impaired further.

Obviously, the current Rock Island labor dispute, if allowed to continue, would seriously deprive Iowa and the other Midwest States of essential transportation service, and would have a negative impact on the entire Nation's economy. Therefore, I have asked Mr. Robert O. Harris, Chairman of the National Mediation Board, to review the Rock Island situation and to recommend the

establishment of an emergency board with a 60-day cooling-off period, so that critical transportation services can be restored pending review of the Rock Island dispute.

I have also strongly urged President Carter to take immediate steps to prepare for the establishment of an emergency board, and to take whatever other action is necessary to end this potential crisis. I encourage all of my colleagues to join me and the rest of us from the Midwest, in calling for an early resolution to this dispute.●

EFFECT OF SALT AGREEMENT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the Members of this House will not have an opportunity to participate directly in the consideration of the strategic arms limitation treaty. We must, however, consider carefully the effect any such SALT agreement would have on American security. We must look carefully at our defense posture and determine whether, with or without SALT, our security position is adequately protected. It is a determination that cannot be made in isolation from Soviet actions.

I wish to call to the attention of my colleagues a recent editorial in the Los Angeles Times which clearly describes the importance of preventing a serious shift in the military power balance toward the Soviet Union.

The article, "The Shadow of Soviet Might," follows:

THE SHADOW OF SOVIET MIGHT

Although the fate of the strategic arms limitation treaty will not be decided for some weeks yet, it appears probable that the agreement will be ratified by the Senate—but only after adequate assurances by President Carter that he will carry through with increases in the defense budget.

We sympathize with those who are disappointed that an arms control treaty should become a mile stone toward higher rather than lower military spending. To the American mind, it is obvious that both the United States and the Soviet Union would benefit if the military balance could be stabilized at a lower, less expensive level and that money put to more productive use.

Carter has made plain his own hope that the next stage of SALT negotiations will open the way to actual reductions in the strategic nuclear forces on both sides. Soviet leader Leonid I. Brezhnev has, at times, suggested that he shares this aspiration.

Unfortunately, there is no reason to believe that the Russians have any intention of reducing the most threatening portions of their strategic forces in order to satisfy American desires for a strategic balance.

In these circumstances, this country has no prudent choice but to take those steps that will prevent the power balance from sliding dangerously in favor of the Soviet Union. And that, regrettably, means that modestly higher spending is necessary, SALT II notwithstanding.

Those who believe that the United States should unilaterally cut defense spending, on the theory that the Soviet Union would follow suit, should understand that this country has, in effect, already tried that gambit. And it didn't work.

At the time of the Cuban missile crisis, the United States enjoyed overwhelming nuclear superiority. Under pressure of Vietnam war costs, the strategic budget and other non-Vietnam defense expenditures declined markedly in inflation-adjusted dollars.

When the Soviet Union was thereupon seen to be pursuing a massive missile-building program, Washington took the hopeful view that, once the Russians caught up, they would stop and settle for approximate strategic equality.

But they didn't. The Soviet Union continued to outspend the United States across the whole spectrum of military power, from conventional forces to military research and development.

As a result, the Soviets have long since surpassed the United States in most numerical measures of military power and are moving as rapidly as possible to close the qualitative gap.

Carter, since taking office, has made two unilateral gestures. He halted the B-1 bomber and indefinitely postponed deployment of the neutron warhead with U.S. forces in Europe. The Soviet response has been to move toward a new, B-1-type bomber and to deploy more short- and medium-range missiles targeted on Western Europe.

The reality is that this country's land-based Minuteman missile force will become vulnerable to a Soviet saturation attack by 1982, the aging B-52 fleet will lose its ability to penetrate Soviet air defenses by 1985 and missile-firing U.S. submarines are expected to become vulnerable in 1990 and beyond.

Nothing in the SALT II treaty will change this disturbing prospect.

Thus U.S. defense plans call for prolonging the survivability of the American nuclear deterrent—and therefore enhancing its credibility in a crisis—by putting some land-based ICBMs on wheels, mounting cruise missiles on bombers and building submarine-fired missiles with a longer range.

Even with these programs cranked into the military budget, U.S. defense spending will still be far less than the Soviet outlay. And in the framework of U.S. spending priorities, the strategic weapons budget will still be less, in inflation-adjusted dollars, than it was in the 1960s.

The fact remains, of course, that both the United States and Russians should be spending less for arms. But support of the second half of that proposition is notably lacking in the Soviet Union.

Soviet power and influence in the world have grown markedly in the last few years. This has not happened because the Russian version of communism is attractive to anybody, nor is it a tribute to the brilliance of Soviet diplomacy. It has happened because of the shadow cast by growing Soviet military power.

The day may come when economic strains will force the Soviet leadership to reconsider its spending priorities—especially if it becomes convinced that the United States will match whatever level of competition is necessary.

But as long as the military balance is shifting in their direction, and paying political dividends in the process, the Soviets will not willingly cash in what they see as a winning hand in order to satisfy the American longing to beat swords into plowshares.●

TAMA COUNTY FAIR CELEBRATED

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GREEN. Mr. Speaker, on Sunday, September 9, the Third Avenue Merchants Association (TAMA) will sponsor the fourth annual TAMA County Fair along Manhattan's Third Avenue from 14th to 34th Streets to showcase the unique and diverse attractions of this historic and colorful avenue.

Hundreds of thousands of visitors from the tri-State area are expected to attend this "urban county fair" and acquaint or reacquaint themselves with one of New York's most vital commercial and residential communities.

The Third Avenue Merchants Association, an organization of small businessmen and women on Manhattan's East Side, has contributed greatly to the financial well-being and to the overall neighborly ambience of New York City with its many community projects.

As a Member of Congress from the 18th Congressional District, which encompasses "TAMA County," I commend the members of the Third Avenue Merchants Association not only for their sponsorship of this community event—the TAMA County Fair—but for their tireless efforts to promote a spirit of comaraderie on Third Avenue throughout the year.

I wish the association the greatest of all successes at the fourth annual TAMA County Fair on September 9.●

WILL DOPE BE RUN BY DOPES?

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ERLENBORN. Mr. Speaker, as a leading opponent of S. 210, the bill to create Federal Department of Education, I read with great interest school teacher Charles M. Frye's impressive essay in the September 3 issue of Newsweek magazine.

Those of us in the House who do not want a new department have been making two major arguments against it: that an Education Department would inevitably lead to further Federal control over our schools, and that it makes no sense in terms of management policy. To these, Mr. Frye adds a third, equally valid proposition:

On the evidence, it would almost certainly tend to institutionalise the erosion of standards and calcify the inanities of the last ten to twenty years.

Mr. Frye's thesis reinforces my belief that the House acted unwisely when it rejected my amendment to name the proposed agency the "Department of Public Education" (DOPE).

I urge my colleagues, before they vote on the conference report on S. 210, to reflect on Mr. Frye's essay, which appears below:

WHO RUNS THE SCHOOLS?

(By Charles M. Frye)

The quality of public-school education in the United States has been declining for the last decade and a half. This almost universal decline has been marked by plummeting Scholastic Aptitude Test scores, functionally illiterate high-school graduates and the general alienation of many students. It has been paralleled by an explosive growth in the non-teaching school bureaucracy, over-all cost

increases vastly exceeding inflation, declining enrollment and a radical redefinition of school objectives. Educators flail their arms and point their fingers in self-defense at the home, the television sets and the shattered marriages. Or they cite the "expanded opportunities for the disadvantaged" and the development of "life-coping skills." They sound like a car dealer receiving a car for its tenth recall.

If a business or government agency had been experiencing a fifteen-year decline, somebody surely would have subjected the management to intense scrutiny at least. But various studies of the school problem have very carefully avoided dealing with the paramount question: Who runs the schools?

Credentials: The school Establishment consists of four major interlocking groups: the many and various graduate schools of education which train and certify teachers, administrators and the other bureaucrats; the Federal education complex; the various state departments of education, and the local school-administration corps.

The personnel of these groups are largely interchangeable and indistinguishable because they have all—from the professors of education, the HEW functionaries, the superintendents and principals to the most humble child-care directors—taken lots and lots of graduate courses while accumulating lots and lots of credentials in education. The capabilities of the people who take and teach these courses, and the almost total lack of content therein, create finally a remarkably homogeneous population.

Many, but certainly by no means all, of the graduate schools of education require the submission of a Graduate Record Examination. It can be safely assumed, given the education Establishment's commitment to seniority, that its more influential members began their graduate work some years ago, and hence data circa 1963–64 are most relevant indeed.

During that period, 77,000 candidates took the GRE. Of the 4,365 who were applying to graduate schools of education, 81 percent were below average in the verbal section (why Johnny can't read) and 84 percent below average in the quantitative. Only home-economics and physical-education candidates did worse. (Interestingly enough, of the nineteen principals under whom I have worked, at least six had a physical-education background.) Fewer than 100 compiled scores that would be considered distinguished. Bluntly, this is the number of academically highly qualified candidates available to all the "selective" graduate schools of education in the country.

By 1977, the entire graduate-school situation had changed—the number of GRE's administered each year had increased by approximately 120 percent, while the number of graduate-school-of-education candidates increased by about 300 percent. Only two-thirds of the education scores were below average during this period (an improvement!), exceeding only home economics, physical education and speech. If NASA had been staffed as selectively as the education Establishment, it would have been lucky to hit Tallahassee.

During the last ten to fifteen years, this Establishment has managed to keep its graduate schols employed and growing despite a steady drop in the school population and an embarrassing surplus of teachers and administrators. The schools of education of the California State University system, for example, have accomplished this by offering 28 different master's degrees, among them some virtually indistinguishable specialties, such as "communication handicapped," "learning handicapped," "physically handicapped" and "severely handicapped"; or, "special education" and "special-education supervision."

The California state department of education now requires a special-education credential or M.A. for the teaching of "gifted" children. Considering the dismal performance of GRE candidates for education, it is obvious that these requirements will effectively exclude most intellectually able adults from the "gifted" programs.

There is currently a concerted drive by the graduate schools of education to treat "black English" as a second language. This, of course, will require special educational programs and credentials, and the infusion of Federal "English as a Second Language" funds to support programs in the schools. (Had English as a Second Language existed when I was in high school, it would have meant extensive curricula in Italian, Bohemian, Slovakian, Moravian, Polish, Estonian, Lithuanian and Latvia—the mother tongue of the valedictorian of my class.)

Objective tests: The explosive growth in the education Establishment has been, and is being, drawn from among the weakest of our college graduates. It is, therefore, entirely consistent that they should attack or drop IQ testing, ability grouping and objective tests for teachers and administrators, while using their energies to develop myriad elective subjects and remedial programs. This type of growth has cost us all—in more ways than one.

The establishment of a Federal department of education would be a veritable bonanza for the Establishment, a potentially limitless source of jobs, funds and authority. On the evidence, it would almost certainly tend to institutionalise the erosion of standards and calcify the inanities of the last ten to twenty years.

The ultimate irony is that the fundamental responsibility for this state of affairs lies precisely with those institutions now most vociferously bemoaning the education product of schools; that is, with the colleges and universities that have permitted their graduate schools of education to grant valid master's degrees and doctorates in education in ever-increasing numbers to people they would not have deigned to consider for admission to any of their academic or professional schools. Clearly, the various components of this Establishment should be dismantled with all deliberate speed. But, in the meantime, it wouldn't hurt if school boards required the submission of employees' GRE scores, the better thereby to understand "who runs the schools" and how they have come to be conducted as they are.●

CONGRATULATIONS TO NEW CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 24 residents of Maryland's Second Congressional District who have chosen to become American citizens, with all of the responsibilities that freedom and citizenship entail. I hope you will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are:

Mr. Dilip Dunjbehari Derooka, Mr. David Pottash, Mr. Kyung Sun Noh, Mrs. Hiew Joyce Noh, Miss Yuet Ngor Lew, Mr. Jose Luis Pino Y Torres, Mr. Sergio A. Acle, Mr. Chia'i-Wen Hsiao, Mrs. Dana Hsu Hsiao, Mr. Charles Lin, Miss Mei Mei Lin, Mrs. Eun Jum Jo.

Mrs. Helena Moran, Mr. Franklin W. Knight, Mrs. Jeong S. Lee, Mr. Sung Lee, Mrs. Deepa Sharma, Mr. Giovanni G. Di Patta, Mr. Nirmal Kumar in behalf of Vaswati Sinha, Mrs. Maria Beleces, Mrs. Purita Te de Guzman, Mrs. Mary T. Homan, Miss Maria Patricia Albornos, Mrs. Kaliss G. Amin.●

RETIREMENT OF CHIEF JUSTICE SUSIE SHARP OF THE NORTH CAROLINA SUPREME COURT

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. FOUNTAIN. Mr. Speaker, it is with a great deal of personal regret that I note the recent retirement of Chief Justice Susie Marshall Sharp of the Supreme Court of North Carolina.

Chief Justice Sharp, better known to her many friends, colleagues, and associates as "Miss Susie," compiled an outstanding record of public service and distinction during her long career. She was born in Rocky Mount, which is within my congressional district, and graduated from the North Carolina College for Women, now the University of North Carolina at Greensboro. She received her law degree from the University of North Carolina at Chapel Hill.

Her career in the law included 20 years in private practice, 10 of which she also served as city attorney for her hometown of Reidsville. She spent 13 years as special judge of the superior court of North Carolina before being appointed associate justice of the North Carolina Supreme Court in 1962 by Gov. Terry Sanford.

In 1974, Miss Susie was elected chief justice. A footnote to history will be that she was the first woman popularly elected in her own right to the position of chief justice of a State supreme court. More than that, to her fellow citizens of North Carolina, she was the right person for the job.

Mr. Speaker, I know that I speak for the other Members of the North Carolina delegation to Congress in wishing for Miss Susie a long and happy and successful retirement. Her presence in the legal affairs of our State—particularly at the appellate level—will be missed. But I know she will use her extra time to continue her service on behalf of her fellowman.

I commend to my colleagues' attention the following August 16 editorial from the Raleigh News and Observer which pays just tribute to Miss Susie's public service:

[From the Raleigh (N.C.) News and Observer, Aug. 16, 1979]

SUSIE M. SHARP: JURIST

"I broke the ice. I hope I made it a little easier for women who want to be lawyers and judges. But no one else can have the fun, the pleasure and the shock of being first."

Susie Marshall Sharp once used those words to explain how she felt about being the first woman Superior Court judge in North Caro-

lina, the third woman in the country to sit on a state appellate court, the first woman to become chief justice of a state Supreme Court.

Her explanation typified the lucidity of thought and expression that marked her 30 years on the bench. Chief Justice Sharp refused to deny the thrill of being a pioneer for members of her sex. She could not fail to be conscious of the great responsibility she carried for all women in those 17 years at the Supreme Court.

But Susie Sharp earned esteem for more than breaking new ground in the judicial system for women. When she retired officially Aug. 1, the chief justice retained the respect and devotion of North Carolinians because she had done a good job as judge.

From the time Gov. W. Kerr Scott named her a special Superior Court judge in 1949 until she stepped down this month, she carried out her duties with diligence and dignity. Her competence never emerged more clearly than in the four and a half years she presided as chief justice.

Court historians will note her insistence on high judicial standards. Six district court judges were censured and one removed during her term as chief justice. She counseled and corrected in private others she felt were inviting disrespect for the courts. She remains convinced today that too many judges in the state don't come up to standard.

The chief justice's strong belief in the separation of powers and her emphasis on the duty of judges to interpret and not make laws built her conservative reputation. But she also spoke out and worked for reforms in the treatment of alcoholics and juvenile offenders, reform of the prisons and the justice-of-the-peace system and for assurance of quality legal representation for indigent defendants. The state listened and responded when she spoke from the heart.●

STATE DEPARTMENT COMMENTS ON VIEWS OF A PALESTINIAN MAYOR

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. HAMILTON. Mr. Speaker, in the July 9, 1979, issue of Newsweek, Muhammad Milhem, the mayor of Halhul, a town of 13,000 Palestinians in the Israeli occupied West Bank, stated his reservations about the Camp David peace process and the Israeli-Egyptian peace treaty and why he feels the Palestinians are entitled to self-government and national independence.

I wrote the Department of State asking for their comments on Mayor Milhem's article and a specific critique of Mayor Milhem's reasons for rejecting the Camp David formula.

I would commend to my colleagues and all interested observers of the important Middle East peace process both Mayor Milhem's article and the Department of State's reply to it which follow:

A PALESTINIAN VIEW

If there is a single people in the Middle East more anxious than any other to seek peace, it is the Palestinian people. We have suffered enormously during the last 60 years—30 years of British occupation, followed by 30 years of fragmentation, exile and Israeli occupation.

I am the mayor of Halhul, a Palestinian town, which has itself seen the mass arrests, deportation, torture, house demolition, land expropriation and harassment of people at checkpoints and on the streets of their towns and villages that have characterized twelve years of Israeli military rule.

We who have suffered this also deserve peace, but instead, the Camp David accords have borne us bitter fruit. Two of our Halhul youngsters were shot dead by Israeli soldiers, and a sixteen-day curfew was imposed on our town while the Egyptian-Israeli treaty was being signed in Washington. During the curfew there were scores of arbitrary arrests. Farmers could not spray their vineyards, so that 30 per cent of this year's grapes were spoiled. Israeli soldiers smashed the windows of at least twenty homes to punish families where a child had strayed outside during the curfew. The authorities did not allow relief supplies to come, and prevented other West Bank mayors from publicly expressing concern for our plight. For us, these were the fruits of the "peace" treaty. We ask: what lies ahead?

RIGHTS

More than half a century ago, the international community, through the League of Nations, determined that the Palestinian people were entitled to selfgovernment and national independence. Today, we are offered "autonomy" for one-third of our people in one-fifth of our country. We know of no convincing justification for this severe diminishment of our national rights. We owe it to ourselves, the peoples of our region and the cause of lasting peace to strive for an equitable peace that can be willingly embraced, rather than for an oppressive settlement that must be grudgingly endured, divorced from our aspirations for nationhood. We are alarmed and angered by the present mutation of our hope for a comprehensive regional peace into a partial, bilateral settlement.

In recent years, an international consensus has taken shape regarding the nature of a just and lasting Middle East peace. This consensus, to which all but a few states subscribe, and which we Palestinians find to be an acceptable basis for a just and lasting peace, calls for a comprehensive settlement that includes the realisation of the Palestinian people's right to self-determination, including their right to political independence in a national state on their native soil.

A settlement that is not comprehensive and omits Palestinian self-determination will produce a temporary truce, not a state of peace. The Camp David "Framework for Peace in the Middle East" and subsequent negotiations and agreements have given lip service to the "urgent necessity" for a just, comprehensive and lasting peace, but they have been unfaithful to this commitment by promoting formulas that blatantly ignore and circumvent the basic and essential prerequisites of such a peace.

The Palestinians and all the peoples of our region have a right to a genuine peace. Equally, we share the obligation and responsibility to resist and reject tranquilizing substitutes. We believe that Israel sought and obtained at Camp David a formula that can only lead to the dead end of a separate treaty with Egypt.

Camp David provoked Palestinian rejection for several reasons:

1. It spoke of "the inhabitants of the West Bank and the Gaza Strip" instead of the Palestinian people, thus ignoring the majority of our people who have suffered the most, and asking us, the minority, to represent the whole. While we live under occupation, we at least live in our homeland. Our brothers and sisters are the victims of forced exile. We cannot forget them or act without them.

2. Camp David accepted the principles that the other peoples concerned are free to designate their spokesmen and representatives, but denied this right to the Palestinians. The Palestine Liberation Organization is accepted by the Palestinian people and by the overwhelming majority of the nations of the world as the legitimate representative of the Palestinian people. Camp David requires the Palestinians to seek a substitute leadership as a condition of participation.

3. The agreements envision only "autonomy" for the inhabitants of one-fifth of Palestine. Autonomy is less than independence, and an autonomous region is a part of a larger state. The agreements, therefore, rule out the possibility of independence. We see no reason why we should negotiate a settlement that prohibits the option of independence for the Palestinian people. We have no interest in legitimizing Israeli occupation by consenting to a thinly camouflaged version of it.

4. Jerusalem, the heart of Palestinian history and heritage, was not mentioned. Jerusalem is also the geographic link between the northern and southern halves of the West Bank. We are neither willing nor able to envision the future without it.

5. The agreements did not require an internationally supervised cessation to Israeli settlement in the West Bank and Gaza, thus betraying a lack of good faith and a cruel disregard for the future of our people. A halt to the settlement is a sine qua non of the conference-building process that is alleged to be the principal achievement and merit of the ongoing diplomacy.

6. The agreements represent a regression from earlier international commitments to the Palestinian refugees. They make no mention of their internationally recognized right to choose repatriation or compensation. Before Camp David, there were agreed-upon solutions needing implementation. Now there is simply a "problem" that will someday be considered, without principles agreed upon in advance upon which negotiations can be based.

The Palestinian people are aware of the complexity of the issues. They certainly do not expect that the accumulated injustices will vanish overnight, and they do not daydream of easy and sudden freedom. But they are equally aware of the sterility of negotiating a settlement that in advance rules out the essence of their national identity, rights and aspirations.

The Palestinian people would be prepared to discuss how and when they are to achieve independence in their homeland. But they are not prepared, and no one has the right to expect them to be prepared, to discuss the modalities of denying them their freedom.

MOHAMMED MILHEM.

COMMITTEE ON FOREIGN AFFAIRS,
July 10, 1979.

HON. CYRUS R. VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Attached is an editorial from the July 9, 1979 issue of Newsweek written by Mohammed Milhem, the Mayor of the town of Halhul on the Occupied West Bank.

I would appreciate a detailed commentary by the State Department on the statements made by Mayor Milhem about the Camp David process in general and the specific reasons for rejecting the Camp David process, which he cites. Naturally, citation of actions taken, rather than rhetoric, provide a better basis for countering the Mayor's critique.

I appreciate your consideration of this matter,

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
August 27, 1979.

HON. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your letter of July 10 concerning the Newsweek article by Mayor Milhem.

Mayor Milhem has articulated in a coherent and effective way the case of the Palestinians in the West Bank and Gaza who distrust or find inadequate the negotiating process envisaged in the Camp David accords. It is not an unfamiliar position, nor is it one to which we are unsympathetic. It reflects, however, what in our opinion has been an unfortunate reluctance among Arabs and Palestinians to take advantage of an opportunity to end thirty years of hostility and to lay the foundation for peace and prosperity in the Middle East. While not achieving everything the Palestinian people want at a single stroke, the Camp David Agreements set in motion a political process that can significantly advance legitimate Palestinian objectives.

The following comments are keyed to the numbered points in Mayor Milhem's article:

1. The United States has consistently taken the position that resolution not just of the issue of the West Bank and Gaza, but of "the Palestinian problem in all its aspects" is central to achieving peace in the Middle East. This is called for in The Framework for Peace agreed to by President Sadat and Prime Minister Begin at Camp David last year, and reaffirmed in the Peace Treaty signed on March 26, 1979. The first stage of these negotiations began on May 25, 1979, with the objective of bringing into being a self-governing authority for the West Bank and Gaza. There are provisions for Palestinians not now in the West Bank and Gaza to have their representatives, as mutually agreed, join the negotiations on establishing the Self-Governing Authority. Throughout the transitional period in all the negotiations, responsive Palestinians in this area and outside almost certainly will reflect each other's views and concerns.

2. The United States would very much like to have Palestinian participation in the current negotiations. The foundation of these negotiations, as of all diplomatic efforts for peace since 1967, has been United Nations Security Council Resolution 242. Until the PLO explicitly accepts 242 and Israel's right to exist behind secure and recognized borders, it is hard to see how the PLO as an organization could be accepted into the negotiation process. On the other hand, the Camp David agreements do not prevent the involvement of PLO sympathizers and supporters from among the Palestinians in the West Bank and Gaza.

3. The Peace Framework provides that within three years of inaugurating an elected self-governing authority in the West Bank and Gaza, "negotiations will take place to determine the final status of the West Bank and Gaza and its relationship with its neighbors." Palestinians will participate in these negotiations, and they will have a clear voice in determining their own future. While it is too soon to predict what that final status might be, no possible outcome is precluded. In the meantime, the self-governing authority is to replace the Israeli military government and its civilian administration which will be withdrawn, and a withdrawal of Israeli military forces is to take place. For the first time in history, a Palestinian self-governing body is to be established. We believe this will be a major step toward fulfilling the legitimate rights of the Palestinian people.

4. It is generally agreed that Jerusalem is the most difficult problem in the entire range of Arab/Israeli issues. The United States believes that determination of the ultimate status of Jerusalem must be sought in the context of a just and lasting settlement of the conflict as a whole and must be based upon agreement among the parties concerned. The Camp David Agreements have established a framework for an eventual comprehensive settlement. The United States is committed to help the parties make progress toward that goal. We believe that a process has been set in motion offering hope for the permanent solution to the problem of the status of Jerusalem that people of all faiths and of all nations have so long sought.

5. The United States Government has repeatedly deplored new Israeli settlements in the West Bank and Gaza. Our belief is that the settlements are contrary to international law and an obstacle to peace. The question of the Israeli settlements in the West Bank and Gaza, and their relationship with the Self-Governing Authority (SGA) during the transitional period will have to be dealt with in the course of negotiations on the powers and responsibilities of the GSA. The question of the settlements and their status after the transitional period would be a matter for discussion during the negotiations regarding the final status of the West Bank and Gaza provided for in the Camp David Agreements.

6. At Camp David, Egypt and Israel committed themselves to work with other interested parties to establish agreed procedures for a prompt, just and permanent resolution of the refugee problem. The Agreement also provides for the creation of a mechanism which could permit the early readmission of persons displaced from the West Bank and Gaza in 1967. These people would be able to reestablish themselves in their homes and pursue their livelihoods for themselves and their families in dignity and justice.

Sincerely,

NELSON C. LEDSKY,
Acting Assistant Secretary for Congressional Relations.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GAYDOS. Mr. Speaker, in order to demonstrate the need for effective safety regulations, I would like to provide for my colleagues the following examples of tragedies in the workplace:

On November 3, 1976, an explosion and fire occurred at a chemical plant in Houston, Texas, killing one employee. The company involved was given two citations for violation of the OSH Act with a proposed penalty of $4,280.

On July 24, 1978, two employees of an offshore drilling company were killed when an explosion occurred at the drill site—120 miles southeast of Cameron, Louisiana. OSHA was refused entry to investigate the fatalities. A warrant was obtained by OSHA and served; entry was again refused.

On October 2, 1978, two employees were killed when a steel beam crashed during construction of an overpass on an expressway in Miami, Florida. The company involved was issued a citation by OSHA for violations of standards regarding construction. A penalty of $640 was paid by the company.

Tragedies such as the above continue to occur on a widespread basis, thus pointing out the need for extensive and comprehensive safety measures.●

THE GOOD NEWS ABOUT ENERGY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from August 6, 1979, into the CONGRESSIONAL RECORD:

THE GOOD NEWS ABOUT ENERGY

Not all the news about energy these days is bad. Despite lines at service stations and rumors of shortages in home heating oil this winter, progress against the energy problem is being made on several fronts.

Our effort to conserve energy is beginning to make headway. Industrial use of energy has dropped 6 percent since 1973 in spite of a 12 percent rise in industrial output. Energy efficiency in homes is up 5 percent to 10 percent over the 1973 level, a gain due primarily to the fact that half of all homeowners have added insulation since that year. The energy efficiency of home appliances has increased 5 percent over the 1973 level, and the annual growth in the home use of electricity has been halved. The average rate of fuel consumption for a new car will be 20 miles per gallon in 1980, compared to 14.4 in 1974. The federal government cut its energy use by about 6.8 percent between 1975 and 1978.

These statistics reflect a very encouraging trend in the economy: the rate of economic growth is outpacing the rate of increase in energy consumption. The economy expanded at an annual rate of 3.9 percent last year, yet Americans consumed only 1.9 percent more energy in 1978 than they did the year before. Energy consumption is now growing less than half as fast as the economy. In addition, from 1975 to 1977 energy consumption grew only two-thirds as fast as the economy. The amount of energy needed for each dollar of the gross national product is going steadily down.

We are making slow but constant progress against the energy problem by exploiting alternative sources of energy. Gasohol, a mixture of gasoline and alcohol, was an experimental fuel only a few years ago, but its use in 1979 could approach 75–100 million gallons by the end of the year. There was practically no solar energy industry prior to 1974, but sales in that industry reached $325 million in 1977 and there are now more than 40,000 solar heating and cooling installations in place. President Carter has stated that we could get 20 percent of our energy from solar sources by the end of the century. Production of energy from municipal waste has risen dramatically in the past decade, with more than 25 special conversion plants completed or under construction across the nation. Recent action in Congress provides strong evidence that other alternative sources of energy are also being taken seriously. Just a few weeks ago, the House of Representatives overwhelmingly approved a comprehensive program to create synthetic fuels from coal and other materials.

Over and above these novel developments, research is moving ahead in the promising technologies of nuclear fusion, hydrogen production, small-scale hydropower, wind power, ocean thermal energy conversion, and geothermal steam. Behind the research is a ninefold increase in federal funding since 1970.

We have a mixed record on domestic production of energy from traditional sources, but here too, there is reason for cautious optimism. Coal production is going up again, from 553 million tons in 1971 to an estimated 715 million this year, and as much as 100,000 barrels of oil could be saved every day by

consumers who switch from oil to coal. Natural gas production has fallen from a high of 22.6 trillion cubic feet in 1973 to 19.7 trillion last year, but new legislation enacted by Congress and the exploitation of reserves in Alaska could reverse the decline. Oil production was 8.7 million barrels a day in 1978, down from a peak of 9.6 million eight years before, but increased production in Alaska, accelerated leasing of offshore tracts, and President Carter's gradual decontrol of domestic oil prices could halt the downward drift.

One of the most disturbing aspects of the energy problem is our dependence on foreign oil. Although we have pulled out of a steep increase in imports that began over ten years ago, we are still importing about 8 million barrels of oil a day on the average, only 9 percent below the record we set in 1977. The overall level of imports is not the only cause for concern. A sizeable portion of our imports comes from nations in the volatile Middle East, and oil produced in that region cannot be regarded as secure even when it is readily available.

Conservation, alternative sources, and domestic production all tend to diminish our dependence on oil from abroad, but a more direct solution is being tried. Acting in concert with the leaders of the other industrialized nations, President Carter has agreed to hold our oil imports to 8.5 million barrels a day. His decision ensures that we will not become more dependent on foreign oil than we already are. The recent discovery of huge oil reserves in Mexico (estimated to contain as much as 100 billion barrels) and our rising imports from that country (they will grow fourfold from 1977 to 1980) mean that the foreign oil we must have will be more secure. We now buy about 80 percent of all Mexican oil exports, a total of 550,000 barrels each day.

Solving the energy problem will be one of our greatest challenges in the 1980s. However, we should realize that we have the will and the means to meet the challenge head-on. The progress we have made so far is significant, but it is only a small part of what we can and must do in the years to come.●

FORCE TO SOLVE ENERGY VULNERABILITY?

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CARR. Mr. Speaker, every once in awhile I receive a letter which stands out both in style and in substance. On July 25, I received one such notable letter from Scott McKell of Lansing, Mich. Last night as I watched the thoughtful NBC white paper "No More Viet Nams, But" I was reminded of Mr. McKell's letter in which he cautions against the temptation to use military force as a means of solving our energy vulnerability. I insert his letter at this point in the RECORD for the benefit of my colleagues:

LANSING, MICH.,
July 21, 1979.

Representative BOB CARR,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE CARR: The newsmedia tells me that some people in government are seriously in favor of attempting to enforce the flow of oil from the Middle East, if it is determined to be feasible. I believe that attitude demonstrates an essential misunderstanding of the energy crisis; and I disagree with the idea of coercing foreign nations to meet domestic needs.

The issue of what constitutes "excessive" U.S. influence in other parts of the world is of great interest to me. U.S. governmental and business groups—ostensibly in my behalf, as citizen, consumer and stockholder—have taken varying degrees of control of governmental and economic policy decisions in many areas of the world, through covert and overt military actions, bribery, manipulation of public opinion—what have you. Official and unofficial documentation of this steadily builds up with little effective refutation.

Please allow me to express to you that these actions are not representative of my desires or best interests. I do not choose this manner of assuring that I and my kin have a comfortable standard of living. My opinion is that while we Americans may choose in our wisdom to maintain a standard of living that is excessively consumptive and wasteful of finite natural resources, to use force—military or economic—to coerce other nations to invest their resources or self-determination to our prosperity is simply immoral. I could no sooner support that than I could condone the robbery or extortion of a neighbor.

The lesson to be learned from our vulnerability to OPEC is not that OPEC is our enemy, but that our addiction to high energy usage is not without its own consequences; and so our solution to the energy crisis must focus on reconsidering our habitual energy consumption in light of the real cost of energy. All energy is going to remain almost prohibitively expensive until the day that solar power is well established. Shifting emphasis to coal is only a stop-gap measure, and nuclear energy is no longer even economically attractive.

I question what we will do when the resources actually run out—the oil and nickel and other minerals we depend on—and I wonder if the currently undeveloped nations will not eventually have the power to force us to stop exporting their varied resources. I would rather we work toward adapting to these inevitable changes than assume a posture of having the power to forever shape the world as is most convenient or profitable to us.

It would appear that the orientation of our society is such that we automatically reach for our guns or money to solve our problems. I believe that we must reach for wide alternatives now, including the morality to allow all the earth's people the whole power to govern their own lives, and a willingness to peacefully relinquish some of our material and psychological comforts to the end of allowing decent levels of security in all the world.

I thank you for your time and consideration.

Sincerely,

SCOTT MCKELL.●

NO GROWTH PEOPLE ATTACK MAGNETIC FUSION

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. WYDLER. Mr. Speaker, over the last several years of our deliberations in the Congress on the question of the breeder reactor, one aspect of the no-growth opposition to technology has become apparent to me. The environmental zealots who are really interested in slowing industrial progress and its associated benefits only demonstrate concerns about energy options when it becomes clear that an option such as breeder technology is about to be demonstrated in a way that will convince people it is, in fact, sound.

The magnetic fusion option in the long run promises the most benign nuclear approach to generating electricity while at the same time we tap a virtually inexhaustible resource. I have warned the fusion community over the past 2 years that, once magnetic fusion energy reaches the threshold of becoming a reality for generating electrical power, the no-growth zealots will attack it.

I refer my colleagues to the recent Wall Street Journal on the progress of magnetic fusion for the first tangible evidence that this attack has begun. The no-growth faction through the Union of Concerned Scientists has raised questions about the initial use of tritium as a fuel in fusion reactors. It is clear that their strategy is to stretch out the demonstration for this relatively benign nuclear option by calling for an emphasis on advanced fuels which do not involve tritium handling. Although tritium has a much shorter half life than the isotopes of concern in nuclear fission, the environmental zealots have shown their hand by raising concerns about its use.

I hope the Congress and the citizenry have better sense than to allow these people to play on unreasoned fear about this attractive energy option and thus slow its critical progress.

The article outlines the promising evidence of recent progress in the magnetic fusion program and surfaces environmental concerns in the concluding paragraphs.

[From the Wall Street Journal, Aug. 28, 1979]

GETTING IT TOGETHER—PROSPECTS FOR ENERGY FROM NUCLEAR FUSION ARE IMPROVING AGAIN

(By Arlen J. Large)

PRINCETON, N.J.—For 28 years scientists have been struggling to re-create on earth the same source of sustained energy that powers the sun. After an initial glow of optimism, researchers on nuclear fusion went through a gloomy period of disappointment and frustration as experiments kept failing. Now, however, their mood is upbeat again.

So optimistic are fusion workers about recent scientific progress that they're getting impatient with the government's stately timetable stretching out research for another 40 years. Not until the year 2020, according to Energy Department plans, will fusion's tremendous heat be making electricity on a commercial basis.

One who would like to go faster is Melvin Gottlieb, director of the Princeton University Plasma Physics Laboratory here. "This is comparable to the effort to produce a bomb in the war," he says, "except that we aren't going at it on the same urgent basis." The pace "absolutely" could be speeded up, he says.

In fusion work, "plasma" is hydrogen gas so hot that its individual nuclei fuse together to produce helium and release energy. What's eye-catching for the layman is that the hydrogen can be obtained from a limitless supply of sea water, though the fuel source actually is more complicated than that. Fusion of the nuclei of hydrogen, the lightest natural element, releases more energy than the splitting (or fusion) of uranium, the heaviest, which has been producing commercial electricity for years amid growing controversy.

FEW ENEMIES

Fusion fans say their method doesn't have fission's safety problems. While there are doubters among environmentalists, fusion probably won't attract many committed enemies until actual electricity producing reactors are closer to reality. What's generally undisputed at this point is that fusion is ready to make the leap from the scientific laboratory to the engineering drawing boards.

"This is the year in which we can finally say that man can make and control a plasma of burning fusion fuel on earth with reasonably sized and reasonably simple equipment," says Edwin Kintner, director of the Energy Department's office of fusion energy. "This is a thought which is shared worldwide by people working in the fusion field."

And world-wide the field is, reflecting the willingness of rich governments to spend money on what they see as a promising future source of energy. Outside the U.S., aggressive research programs are moving ahead in Western Europe, Japan and the Soviet Union. Indeed, the annual U.S. fusion-research budget of $510 million accounts for just one-third of the world-wide effort.

GOVERNMENT MONEY

Because most of the work has no military application, there is a free and easy exchange of research data. Japan this year is putting up $12.5 million for fusion work in California.

In this country and abroad, fusion research depends almost entirely on government bankrolls. Energy Department officials estimate that the U.S. government will have spent $18 billion on this technology by the time it's ready to produce commercial electricity in the next century. But in the coming decades fusion will have to compete hard for research dollars with other potential sources of energy for central electricity-generating stations; fission-breeder reactors, electrified coal gas, solar-power satellites.

So far the expensive machines needed for fusion research have been built at government laboratories or at university campuses like Princeton. John Deutch, research director at the Energy Department in Washington, would like to see contracts awarded to private companies to build and operate future fusion-research machines. The companies wouldn't, however, be required to put up their own money, and the government has no plan to try to recapture its fusion-development costs from electric utilities that eventually may use the technology. Early-stage development of these new energy sources, says Mr. Deutch, "is a national responsibility."

HOW THEY WORK

Researchers think a fusion reactor could make commercial electricity along these lines:

A hollow metal doughnut is filled with a special mixture of hydrogen gas and heated to more than 100 million degrees Celsius, four times hotter than the center of the sun. Magnets surrounding the doughnut keep the electrified plasma from burning the walls. Nuclei of the hydrogen atoms fuse together to make new helium atoms, while releasing a shower of the atomic particles called neutrons. The neutrons, carrying 80% of the energy of the fusion reactions, bank into an outside blanket of lithium metal, making it hot. The heat is turned into steam, which drives the generator that turns on your light bulb.

That's one of many different conceptions, none of which has actually been tried. Princeton scientists using test doughnut devices called tokamaks have been fusing hydrogen and making neutrons at temperatures of up to 75 million degrees, but they're putting more start-up energy into the machines than comes back out.

Under construction here is the biggest tokamak yet, scheduled for completion in 1982. The scientists here are increasingly confident that by 1984 the machine will pass the break-even point, producing more energy than goes in, and by a significant amount.

The tokamak doughnuts, invented in the Soviet Union, have seemed to solve the problem of keeping the hot hydrogen plasma inside a stable magnetic "bottle," safely away from the metal walls. A famous experiment here last summer, though put down by Science magazine as a "media event" because of excited reports of a "breakthrough," nevertheless was important because it showed that plasma in the doughnut wouldn't break up at high temperatures.

While tokamak technology is the furthest advanced, the Energy Department continues to put chips on other potential fusion methods. Its long-term plan for picking the winning techniques for commercial development looks for all the world like the elimination brackets of a basketball tournament.

An alternative to the doughnut is a cylinder in which hydrogen plasma also is confined magnetically. To keep the plasma from seeping out the ends of the cylinder, magnetic fields or other devices serve as "mirrors" at each end. One such machine is being tested at the government-financed Lawrence Livermore Laboratory in California.

The first elimination is scheduled to come in 1984, when the Energy Department chooses between tokamaks and mirrors. The winning concept will be incorporated into a new machine called an engineering test facility scheduled to start operating in 1992. Princeton's Mr. Gottlieb and others rooting for a faster pace think work could start right away on certain parts of this machine that will be needed either for tokamaks or mirrors, no matter how the decision goes.

In 1997, according to the current schedule, officials will decide the fate of an entirely different way of fusing hydrogen to make energy. Work is under way at Lawrence Livermore Laboratory, the Los Alamos Scientific Laboratory and elsewhere on zapping a hydrogen-filled pellet with high-energy beams, either of laser light or atomic particles. The temperature in the pellet gets so high that fusion occurs, releasing the telltale shower of neutrons. To produce commercial electricity, a way must be found to shoot new pellets continuously into a chamber to be zapped by the high-energy beams.

Some researchers complain that work on this technique is hampered because some of it is classified as secret. The exact design of the pellet is related to what makes a hydrogen bomb go off.

The Energy Department's Mr. Deutch says pellet fusion "isn't in the same state of maturity" as plasmas confined in tokamaks or mirrors, which are being engineered specifically for commercial electrical production someday. Whatever technique looks most promising in 1997, however, will become the basis for a $1 billion engineering prototype reactor that will start operating in 2004.

The government's final effort, a scaled-up "demonstration" reactor using the winning technology, is scheduled for operation in 2015. Thereafter, private utilities would be expected to start building their own fusion plants, using all the scientific and engineering data the government has developed.

This is too long a wait for fusion's go-faster faction. Democratic Rep. Mike McCormack of Washington, a leading fusion fan in Congress, wants to have "the first commercial demonstration fusion plant on line by the year 2000." Energy research boss Deutch tries to placate such proponents by saying the timetable for those distant years is "flexible" and could be stepped up if future Congresses and future energy bureaucracies choose.

Fusion also has, however, a go-slower faction that wants to make sure that technical and environmental problems are solved before the government commits itself to a final design. The problems most often mentioned deal with the hydrogen fuel of a tokamak or mirror rector.

The reaction that can occur at the most easily reached temperature requires two special forms of hydrogen: isotopes called deuterium and tritium. Deuterium can be obtained from sea water. Tritium doesn't occur in nature, but it can be produced artifically from lithium when those neutrons hit the metal during a fusion reaction. So most of the contemplated machines will breed their own tritium.

Tritium, however, is radioactive and will require special handling techniques and disposal methods. This disturbs the go-slow faction.

For example, the Union of Concerned Scientists, which wants no more of the current fission reactors built until disposal sites for the nuclear waste are found, thinks the government should investigate fusion technologies other than the deuterium-tritium approach. Steven Nadis, a research analyst for the union in Cambridge, Mass., says that at higher temperatures than those currently planned some particles will fuse to produce direct electric current without any neutron bombardment or radioactivity. However, he concedes that use of these so-called "advanced" fuels at higher temperatures "admittedly will be more difficult to achieve."●

JOURNALISM AT ITS FINEST

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MICHEL. Mr. Speaker, if you were to ask me what I believe to be the most important virtues in a newspaper I would give two answers: The courage to print the truth even though it may make the newspaper unpopular; and the honesty to take a second look at what you have printed and, if necessary, revise your original opinion in the light of later evidence. Good newspapers all have the first virtue of courage; truly great newspapers have both virtues.

With this in mind I want to insert "Anti-Nukes 'Use' Media" and "You Were Used in ICC Fight," both published in the Peoria Journal Star, August 15, 1979:

ANTI-NUKES "USE" MEDIA

Last Sunday Steve Strahler reported his findings in talking with the neighbors of several new nuclear power plants around this state, and the results were rather surprising in the wake of all the noise made over "The China Syndrome" and Three Mile Island and all.

Folks had various normal neighborhood complaints such as one might have over a coal-fired plant or any major industrial installation. "It adds traffic" or it "uses up good farm land"—but it was a rare neighbor who expressed any concern about the circumstance that these plants were nuclear much less any fear of nuclear "threat."

There was very little paranoia among the "real people" around these places, including the one Commonwealth is building in the La Salle area and the one Illinois Power is building in the Clinton area.

The anti-nuclear organizations, meanwhile, make noises out of all proportion to their role and representation.

The neighbors may not be concerned but Illinois Power is having its problems with the "professional" anti-nuclear movement, and to some extent the media—including us—has been "used" by the anti-nuclear zealots in their effort to stop, delay, hamstring or mess up that operation any way they can.

The "Prairie Alliance" for example is admittedly against nuclear power. It appears to us that in that pursuit, as seems to be fashionable these days, folks tend to abandon the old concept of "conscience" as a sense of honor—a guide to personal conduct—and now seek "honor" and "morality" by selecting a "cause," setting personal conduct free to bang away any old way at the supposed evil.

The Prairie Alliance has waged a propaganda campaign against the Clinton plant, using any device available, including the Illinois Commerce Commission rate-making process. This obviously seems to be merely a device for doing any injury they can to the builder of a nuclear plant—and not a sincere concern about costs or rates, as such. It also seems that in this pursuit they do not really care if their charges and claims and figures and quotes are accurate and reliable or not—just so it inflicts a wound.

But even with zealots there are tricks you don't expect—such as releasing documents identified as "evidence" presented or to be presented to the Commerce Commission in these formal hearings . . . never presented in fact.

Never subjected to standard of evidence, to examination, cross-examination and testing for validity.

That is hoodwinking the media. That is assuming a false identity with a formal process for other purposes altogether—in order to piggy-back on the ICC's serious business and mis-use it as a mere propaganda prop; to mislead and "use" the media as to what you are really doing; and to steal "authority" for your claims that they do not possess.

That is part and parcel of a series of press conferences or releases designed to exploit the ICC hearings for propaganda, but not designed as bona fide procedures or evidence in the actual proceedings, in fact. (Also, probably not qualified to meet responsible standards for evidential matters which such bodies require in order to get responsible and reliable results.)

And by and large, much of the media fell for these devices, and we, next door, fell for some of the news "reports" arising from these mixed proceedings.

One result is the letter elsewhere on this page taking violent issue with one of our editorials on that subject. While the letter says things we would not interpret quite the same, its facts are facts and its criticism is valid.

Commonwealth Edison is the most experienced builder of more nuclear plants of any institution in the world and their cost "overruns" at La Salle, which is a comparable project, are almost identical to those being experienced by Illinois Power at Clinton—in IP's first experience building a nuclear plant. That's a fact.

Much broader comparison in the nuclear field also demonstrates that in this period of inflation together with changes and improvements in nuclear plant technology, the Clinton development is well within the standard range of everybody's experience.

Please read their letter. It's only fair—and they've been subjected to enough unfairness in recent weeks.—C. L. Dancey.

You Were "Used" in ICC Fight

Dear sir: Your editorial entitled "No Way To Run A Nuclear Plant," published July 28 in the Journal Star is inaccurate, misleading and unfair.

It is inaccurate because Illinois Power is not constructing the same nuclear plant at Clinton that Commonwealth Edison is building "35 miles northeast of Peoria." Commonwealth Edison is building four larger units of different design while Illinois Power is building one unit. Even though Commonwealth Edison is benefiting from the economies of scale resulting from large orders for materials and equipment on that project, it is still experiencing cost increases of about 100 percent. More important, however, is that Commonwealth Edison is experiencing a cost increase of approximately 200 percent (as we are at Clinton) at the two-unit LaSalle County Station which is much more similar to Clinton.

The editorial is misleading because of the inferences and implied conclusions. For example, the statement: "The Illinois Commerce Commission detected a slight flaw in the costs of one of the new nuclear plants in the state," is incorrect. A member of the ICC Staff has alleged such "flaws," but was unable to prove his contentions when cross-examined in the pending IP rate case before the ICC. Nevertheless, the editorial proceeds to accept these "contentions" by making unsubstantiated references to "shoddy management," "loose management," "poor management," and "questionable management practices."

Although the editorial gives much attention to the "contentions" of the ICC staff member, it totally neglects the positive, favorable findings of this staff member. He testified that he authored a study of performance of electric generating units in Illinois which concluded in part, "In terms of power plant productivity, one Illinois investor-owned utility, Illinois Power Company, is among the best in the nation, and in terms of productivity from large coal units, it ranks in the top five nationally." It is disturbing that the editorial would exhibit such obvious selective bias as to emphasize negative contentions and omit positive findings.

Your readers may be aware of similar allegations made in a "white paper" by the Prairie Alliance. I would hope that the frequent references in the editorial to a "report" do not refer to this document, which is even more distorted, biased, and without foundation. The Prairie Alliance is simply working to fulfill the goal printed on its masthead, "Stop the Clinton Nuclear Power plant."

More importantly, this editorial is unfair to your readers and to the Illinois Power Company and its employees because it gives credence to unsubstantiated allegations and contentions and makes it difficult to differentiate between fact and opinion. It is then a small step to real or implied personal attack. Our management and board of directors should not be smeared by innuendo and implications. As serious as these abuses are, however, they are overshadowed by the consequences of the Journal Star being "used" by those whose purposes are to thwart and obstruct legally authorized power plant programs. Although they profess concern for the cost of energy, they work to delay projects, which will further increase their cost and the cost of alternate generative capacity required while they are delayed. The Journal Star is playing into their hands when you imply concurrence with their position (and therefore, their objective).

The editorial closes with the "hope that the Illinois Commerce Commission will stand fast on this recommendation." This statement could be interpreted as an expression of editorial policy of the paper. We "hope" that this is not the case and that you will re-evaluate the facts, the conclusions, and your editorial position. This could be very important to the people of downstate Illinois.—L. J. Koch, Vice President, Illinois Power Company.●

THE REGULATING STANDARDIZED TESTS: A RUSH TO JUDGMENT?

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GOODLING. Mr. Speaker, during the August recess, the Washington Post published an editorial which I feel every Member should read and consider. Proposed legislation to regulate standardized admissions tests is under consideration by the Elementary, Secondary, and Vocational Education Subcommittee. The Post writes that—

At first glance, it's a terribly appealing idea.

However, the editorial continues with a well reasoned and balanced analysis of the dangers of hasty Federal action in this area. Similar legislation was recently enacted in New York State and is scheduled for implementation in January 1980. It would certainly be prudent to evaluate the results in New York before embarking on a grand scheme for the Nation.

We are not in a "testing emergency." There is no crisis. Therefore, we do have time for a careful analysis of the pros and cons on this issue. We must not be stampeded by rhetoric but rather pursuaded by the honest deliberation of the committee process before considering action on this issue.

I recommend to each of my colleagues the following Washington Post editorial of August 27, 1979:

Scoring the Admissions Tests

At first glance, it's a terribly appealing idea. A House subcommittee is now briskly proceeding with a bill giving students a legal right to see their college entrance examinations, with the questions and the corrected answers. For good measure, the bill would also establish broad federal supervision over all admissions testing. On a second and closer look, this legislation becomes less appealing.

Some of the support for it comes from people who simply think that students ought to be able to review their exams and see where they fell short. But some comes from people who want to change the nature of the tests, and the whole admissions process, on grounds that these are tilted against the poor and the minorities. Rep. Ted Weiss (D-N.Y.), the author of the principal bill under consideration, says that he doesn't want to regulate the tests. But his bill clearly lays the foundation for a regulatory system.

Young Americans take these tests by the millions every year for admission to college or professional school. The most widely used, the College Board's Scholastic Aptitude Test, is given more than 20 times a year throughout the country and abroad. Each new edition picks up a good many questions from the previous one, to ensure that the scores on a test given on one date will be comparable to those of another.

But Mr. Weiss' bill would require the College Board, after each test is scored, to give the student both the questions and the answers. Since the questions would immediately be passed around to other students, they could hardly be used again. The cost of the tests would go up, and the reliability of the scores would probably go down. If you think that competitive admissions tests are wrong in principle, fine. Certainly test scores aren't the only criterion for admissions. But to diminish their usefulness would force colleges to depend on the other and more subjective measures—not necessarily an advantage to the youngster who doesn't fit the usual pattern.

Mr. Weiss wants the scores reported to Congress by students' family income, race, sex and ethnic origin. What, precisely, do you suppose he has in mind? It's obvious that the children of educated middle-class parents tend to make higher scores than the children of poor and uneducated parents. But the increasing use of these tests has demonstrably been accompanied, even at the most rigorously selective colleges, by increased enrollments of children from disadvantaged families.

But not everybody likes the idea of an independent testing board run by the colleges that use it. The National Education Association, the country's largest teachers' organization, warmly supports the Weiss bill. Under it, the oversight of testing would reside in the new Department of Education, if Congress is unwise enough to create one. The strongest political influence within that new department would be the NEA. That's another reason for concluding that the Weiss bill has dangerous implications that go far beyond its author's stated intentions.●

BRYCE N. HARLOW

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. RHODES. Mr. Speaker, it is with great pleasure that I share with my colleagues the contents of an editorial which appeared in the Baltimore Sun on Monday, August 13, 1979. The author is Stephen Hess, a senior fellow at the Brookings Institution and a former White House staff member in the Nixon administration.

The subject of the editorial is one of the most worthwhile persons I have ever known. Bryce N. Harlow served as chief clerk of the House Armed Services Committee under chairmen of both parties. He left Capitol Hill to become one of the most valuable staff members in the Eisenhower administration.

I first met Bryce Harlow shortly after the beginning of my congressional service in 1953. He was extremely patient in enduring the foibles of all Members of Congress, particularly the members of that rowdy Republican freshman class in the 83d Congress. Our friendship has always been one of my prized possessions. After becoming minority leader of the House of Representatives, I frequently called Bryce and asked to meet him for breakfast to talk over matters which I found particularly puzzling. His broad knowledge of the Government and the people involved therein, his insight into the workings of the business community, and his good commonsense helped me over many rough spots.

Perhaps the greatest and most unselfish contribution made to our Government by Bryce Harlow came about as a result of a dinner at a private home in Washington in the spring of 1973. Robert Haldeman and John Ehrlichman had resigned from the White House staff, and the course of the Nixon administration was indeterminate, to say the least. President Nixon obviously needed persons around him whom he could trust, and also who could be trusted by the people of the country and the Republican Party. The depth of the difficulties of the Nixon administration had not yet been plumbed, and it was felt by most of the Republican leadership, both in and out of Government, that the Nixon administration could and should survive.

This nice private dinner party turned into a real donnybrook with the result that at the end of the evening those of us present had drafted Bryce Harlow and Melvin Laird to go on to the White House staff to try to set a course which would preserve the effectiveness of the Presidency. Bryce Harlow served from July 1, 1973, to April of 1974. He and Mel Laird worked hard and effectively, and if it had been possible to save the Nixon Presidency, these two extremely capable men would have done so.

Only after the disclosures from the Nixon tapes did it become apparent to all of us that even Harlow and Laird could not restore the place of the Nixon Presidency in the eyes of the American people, which was a necessary prerequisite to the continuation of an effective executive department under that President.

It is my belief that of all the accomplishments of Bryce Harlow, his finest hour was this unselfish attempt to keep the country from suffering the wrenching pangs of Watergate. As it turns out, nobody could have succeeded in this endeavor, but nobody could possibly have tried harder than did Bryce Harlow. The editorial follows:

Eisenhower on Hold—The Power Broker

(By Stephen Hess)

Washington.—The time is November, 1968. The place is New York city, the Hotel Pierre, transition headquarters of President-elect Richard Nixon. Bryce N. Harlow has been called in to help plan the Republican administration that will take office in January. Mr. Harlow tells the story:

"I'm there in this room, phones ringing, jumping off the walls. Suddenly over runs a little twinkle-eyed secretary. She says, 'Mr. Harlow, President Johnson's calling.' I cut off who I was talking to and I said, 'Yes, Mr. President . . . yuppi yup, yuppity yup, yes sir . . .' And over runs the little twinkle-eyed secretary. I put my hand over the receiver. 'Yes, what do you want?' 'President Eisenhower is calling.' 'Tell him I'm talking to the President and I'll call him right back, or if he prefers, we'll put him on 'hold.' Believe me, we put President Eisenhower on hold. Now I've got the President [on the line], got the former President waiting. In runs Larry Higby, and he says, 'Mr. Harlow, Mr. Harlow,' very imperiously. 'The President-elect wants you in his office immediately.' "

Who is this Harlow whose counsel was once demanded simultaneously by a former president, a present president, and a future president?

Bryce Harlow has retired in the past year from business and public life, and it seems like an appropriate time to recall a remarkable person. But my purpose is not merely to pay tribute. There is instruction here on how government ought to operate. For Mr. Harlow's career is a reminder that government can only function well if the relations between those who have been given power are based on integrity and trust. No agenda of procedural reforms can ever be a substitute for what Mr. Harlow brought to public service.

Quickly the outlines of a life: Bryce Harlow was born in Oklahoma City, August 11, 1916, received his B.A. and M.A. at Oklahoma University, and came to Washington as the secretary to his district's congressman. During World War II he was a Pentagon liaison officer to Congress; after the war he was chief clerk of the Armed Services Committee in the House of Representatives.

He made one effort to return to Oklahoma, but was lured back to Washington in 1953 when Mr. Eisenhower became president. He served in the White House during Ike's two terms, as a presidential speechwriter, and eventually as head of the congressional relations staff, a job he also held at the beginning of the Nixon administration. President Ford made him a member of his informal "kitchen cabinet." Between periods of White House service, Mr. Harlow directed the governmental relations office of Procter & Gamble.

There is no law that bears his name, no grand design for restructuring social services or national defense that history will credit to him. Yet he was the "insider's insider" in Washington, who by virtue of his personality, knowledge, skill and tireless effort formed a bridge between executive and legislature.

What were the traits that made Mr. Harlow the quintessential broker of power?

First, he was an incredibly skillful negotiator. As go-between, he had an uncanny knack for discerning what was most crucial to each "player." He knew on what point a legislator could afford to give in, and where the legislator would have to stand firm. He understood that the trick was to insure, if possible, that everyone would be able to claim some victory.

Second, he was always a giver of credit. It was Robert Taft, I think, who once said that it's remarkable how much can be accomplished if you let the other fellow take the credit. In a city of great egos, Mr. Harlow's effectiveness was partly based on an unassuming nature. To those who aspire to see themselves on the network news, Mr. Harlow never posed a threat.

Third, he was imminently practical. There was a sign in his office at the Eisenhower White House: "Have you come with the solution, or are you part of the problem?" Mr. Harlow had firm views on public issues. But, basically, he was a solver of problems. Washington's job, I'm sure he felt, was to defend the nation and improve the lot of the citizenry rather than to turn legislation into moral imperatives.

Yet others have been skilled in negotiations, practical persons of modest mien. Ultimately, what made him the greatest power broker of his era—at least in the Republican party—was that he was worthy of trust. He reported each side accurately to the other. He did not promise what he could not deliver. He delivered what he promised. He made no cutting comments in drawing rooms or gossip columns. No opponent's motives were ever called into question. Surely there are lessons here for those who are now asking why government doesn't work.●

CONGRESSMAN GREEN CITES PUBLIC SUPPORT FOR GUN CONTROL

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GREEN. Mr. Speaker, last year at this time I shared with our colleagues

the results of a public opinion poll showing widespread support for Federal gun control legislation. This year during our recent August district work period, the results of a new ABC News-Harris survey were released and they show that most Americans continue to support handgun control by a wide margin. As one who feels strongly about this issue and as a cosponsor of legislation to impose mandatory minimum sentences for felonies committed with a handgun and to require registration of all firearms, I would like to draw attention to the results of this latest poll.

By a 78 to 20 percent majority, Americans favor "a Federal law requiring that all handguns people own be registered by Federal authorities." The massive majority backing of gun control continues at the same high level it has maintained over the past several years, despite the fact that effective gun control legislation has been thwarted in Congress.

In fact, Americans would like to go further than simply registering handguns. By 72 to 26 percent, a solid majority favors "Federal laws which control the sale of guns, such as making all persons register all gun purchases, no matter where the purchases are made." This level of backing for comprehensive gun control legislation has remained about the same throughout the 1970's. But according to the ABC News-Harris survey of 1,496 adults nationwide, it is higher than the 66 to 28 percent who felt the same way about registration of gun purchases in 1967.

In addition, this sample was asked:

If a candidate for Congress in your district took a stand opposed to Federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not? (Base: Favor Federal law requiring registration of handguns.)

[In percent]

	Vote against	Not vote against	Not sure
June 1979	29	63	8
July 1978	33	57	10

If a candidate for Congress in your district took a stand in favor of Federal registration of handguns, would you vote against that candidate mainly because of his stand on gun control, or not? (Base: Oppose Federal law requiring registration of handguns.)

[In percent]

	Vote against	Not vote against	Not sure
June 1979	37	54	9
July 1978	45	50	5

Thus, as pollster Louis Harris concluded:

If Congress were to pass legislation controlling handguns, and those who voted for it were willing to make their vote a major issue in their campaigns, it is likely that the issue would help rather than hinder such candidates.

The need for such legislation is great and congressional action is long overdue. I am hopeful that the Members of the House will respond to the sentiments of the people, as reflected in this poll, and will give serious attention to substantive gun control legislation in this Congress.●

TRIBUTE TO EDGAR HARDEN

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CARR. Mr. Speaker, Edgar Harden, retiring president of Michigan State University, served his university community with uncommon distinction for 2 years. Called unexpectedly to lead the university, he responded with energy and commitment and led Michigan State University out of a period of lethargy into an era bright with promise. In an editorial comment telecast over WJIM-TV, Lansing, Mich., on July 25, Walter Adams, a past president of Michigan State University, singled out for praise the accomplishment of Edgar Harden, citing particularly his leadership capacity. I would like to share with my colleagues Professor Adams' remarks:

SALUTE TO A LEADER

(Guest editorial by Dr. Walter Adams, telecast over WJIM-TV, Lansing, Mich., July 25, 1979 (6 p.m. and 11 p.m. news)

I'm Walter Adams, and this is a guest editorial.

Ours is a time remarkably devoid of leadership—a period in which plastic personalities with pedestrian minds and opaque hearts are in charge of giant organizations—in government and politics, in industry and in education. Ours is the age of the bureaucrat—the administrator rather than the leader, the paper shuffler rather than the innovator, the manager rather than the thinker and doer.

A notable exception is Dr. Edgar L. Harden, MSU's 15th President, whose stellar performance these last two years will leave an indelible mark on Michigan's largest university.

His obvious achievements are familiar enough: He restored morale and enthusiasm to a megaversity seemingly adrift in uncertainty, lethargy, and purposelessness. . . . He was magically successful in stimulating the financial generosity of the legislature. . . . He brought the triple crown to East Lansing—in football, basketball, and baseball—a feat unprecedented in MSU athletics.

More important, however, he displayed a talent for tapping the better instincts and nobler ideals of people—a talent for making them transcend narrow self-interest and jurisdictional jealousies—to work for a common goal. He articulated a vision of MSU's purpose and mission, and inspired divergent groups to help him move that vision closer to realization. Approachable and accessible—with perennial bonhomie—he was open to the ideas of friends and critics alike, but never sought the shelter of committees to avoid decisions or to shrink from action. Big Ed was a leader because—no matter where the battle raged—he stood tall in the front ranks of his battalions, and never can it be said of him that "palsied hands were fumbling with the reins of empire."

At least, that's the way I see it.●

HUBBARD STREET FIRE FUND

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. RUSSO. Mr. Speaker, there are some people back in my town of Chicago that deserve to be congratulated on a job well done. The story of what they have accomplished deserves to be studied as an example of what can happen when you combine compassion and generous hearts with specific goals and a practical approach to providing assistance to those in need.

"Kup's Column" speaks for itself. I know my colleagues join with me in commending all those involved with the Firemen's Fund.

The article follows:

[From the Chicago Sun Times, July 30, 1979]

KUP'S COLUMN

This is the story of a tragedy that cast a pall of gloom over Our Town 18 years ago. It's a story with a happy ending, if there can be any happiness in a fire that took the lives of nine Chicago firemen. That was the Hubbard St. fire on Jan. 28, 1961, in which the nine deaths were the most in modern Fire Department history. No sooner had the news of the devastating fire reached the public than Bill Veeck was on the phone to this reporter with a suggestion that "something must be done for the families of those firemen."

Let me refresh your memories by recalling the names of the firemen who died that night. Requiescat in pace Hillard F. Augustine, Robert E. Burns, William F. Hillstad, George E. Kuhn, Charles P. Rauch, George R. Rees, Lt. Louis Repkin, Stanley M. Sliwinski and Cyril Zuccarello. . . . Veeck's phone call started a chain reaction. The next day, the Firemen's Fund was established by this column. And in no time, we had offers to assist from Fire Comr. Bob Quinn, Pat Hoy, Joe Meegan, Arthur Morse and, of course, Veeck. They, along with this reporter, constituted the committee to administer the fund. Death has taken its toll here, too, and Quinn, Hoy and Morse have gone to their reward.

Chicagoans, stricken by the enormity of the firemen's death toll, responded with contributions that totaled $90,000. The committee asked the First National Bank to handle the money, and the bank replied that it not only would heed our request "pro bono publico" ("for the good of the public," which means no charge), but also would assign a top executive, George B. Rogers, as its representative on the committee. He, too, has since passed on. . . . Many suggestions on how to disburse the money were studied. One was to divide the funds equally among the nine widows. Another was to allocate the money according to need. Still another was to apportion the money according to the number of survivors.

The final decision was the best one—to use the funds solely for the education of the children of the dead firemen. This, the committee decided, would be the most pressing demand on the families down through the years. Other funds, like insurance and Fire Department provisions, would take care of the families' immediate financial problems. Education is costly and a long process.

Thirteen children were the beneficiaries of the fund. The Augustines had three—Gary, Gail and Sandra. The Burns family had three—Robert, Debra, and Dawn. The Hillstads also had three—William, Daniel and Ralph. The Zuccarellos had two—Cathi and Paul. There was one Reese child, Carol Ann, and one Repkin, Allan. There were other children of the dead firemen, but they either were beyond school age or had no need for financial help.

This is where Meegan, executive secretary of the Back of the Yards Council, became the stalwart of the fund. He and one of his staff assistants, Helen Dinucce, had the experience of dealing with bereaved families. They spent untold hours visiting the widows and their children to guide and encourage them in their educational pursuits. Thanks to Joe and Helen, all 13 children now have completed whatever educational desires they had, all paid for by the fund. In some instances, this meant from grammar school (public and parochial) through college, and in a few cases, even beyond to graduate school.

The cost of educating one family's children came to $19,571. Another family spent only $848. The total amount expended by the Firemen's Fund for education came to $68,255. The original amount raised, as we pointed out, was $90,000. But thanks to the adroit investing of the money by the First National, now represented by John Kloss, the fund still has an estimated $100,000 in the bank. That posed a problem for the surviving members of the original committee, now down to three—Meegan, Veeck and myself.

The decision was that it was time for the three of us to step aside. Our original purpose practically is finished. Only three of the children still are drawing on the fund for the completion of their college educations. The others have had their schooling fully paid for. The original intent of the Firemen's Fund now will be continued, but under the guidance of Fire Comr. Richard Albrecht. Therefore, we are turning over $100,000 to him, to be used for the education of the children of firemen killed in the line of duty. And in respect to the late Comr. Quinn, who helped make Chicago's Fire Department one of the best in the nation, the fund will bear his name.

To the young people whose education was made possible, we ask only that they make the most of their schooling and to remember how the big heart of Chicago responded to their tragedy. And to the committee, especially Meegan and Dinucce, who devoted so many hours in the intervening 18 years to make sure the job would get done, we express gratitude for an effort beyond the call of duty. It was, as the First National said, "pro bono publico."●

ANOTHER ATOMIC ACCIDENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. STARK. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I am today introducing the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

[Excerpt]

EXPLOSION, CHALK RIVER, CANADA, DECEMBER 13, 1950

(Source: TID-8206 ("A Compendium of Information for Use in Controlling Radiation Emergencies"), February 1960.)

At Chalk River, Canada, on December 13, 1950, there was an explosion involving a relatively small amount of material, killing one man and injuring and contaminating five others. Only through good luck, 45,000 pounds of the same material in a room adjacent to the room in which the explosion occurred did not detonate. This accident is not widely known because there was much stricter security at the time the incident occurred. It is possible now to relate more about this accident and a few significant lessons that were learned from it. In fact, it may interest some of you to know that this accident helped initiate action on the part of the National Committee on Radiation Protection to produce Handbook 56, "Safe Handling of Cadavers Containing Radioactive Isotopes."

Many lessons were learned from this accident, and it should be of interest to quote the following from AEC 49/345, dated February 9, 1951:

"The relative urgency of different kinds of medical treatment became immediately complicated by radiation, since, in cases where shock would normally have been given priority, the doctors hesitated to make hypodermic injections through contaminated skin. The decontamination of wounds was complicated by the lack of a probe sufficiently directional to tell from what part of the wound the radiation was coming. The volume of contaminated materials became a sizeable problem. As a result of the explosion, four truckloads of materials required decontamination, while two more truckloads had to be scrapped. For two days after the accident, most of the medical facilities were tied up as a result of contamination. After preliminary treatment at the plant hospital at Chalk River, a new kind of decision had to be made concerning the extent to which the patient should be decontaminated before transfer to the townsite hospital could be allowed.

"Identification of the personnel was difficult because badges had been blown off or destroyed. One of the casualties had about 200 mr per hour over the face and chest, and this further inhibited work. Unprecedented problems arose in connection with transferring the contaminated body to an undertaker.

"The medical group at Chalk River had been planning for some time to rebuild the medical set-up at the plant, and, until this accident, their thinking had been almost entirely concerned with facilitating routine decontamination. The accident exposed shortcomings in the present set-up, and the experience of handling the contaminated and wounded patients dictated revision of their plans for rebuilding."●

GEORGE BUSH PROPOSES A STRONG COURSE

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CONABLE. Mr. Speaker one of our former colleagues, George Bush of Texas, yesterday outlined at the National Press Club the serious dangers facing our Nation and offered his prescription for the course the national Government must follow to avoid a confluence of unhappy events which could transform the world. He urged a strongly integrated approach to shaping national policies with full recognition that every major policy decision affects a wide range of Government responsibilities. Ambassador Bush called for policy unity, coordination and continuity in dealing with the threats and problems we face in economics, in national security, in energy. Certainly an integrated approach has been terribly lacking in the present administration which gives the impression its decisions are made in a vacuum.

Mr. Bush is a serious and attractive candidate for our highest office and his views comprise a significant contribution to the dialog the people deserve to hear as we approach another Presidential election. To further that dialog, I request unanimous consent to print George Bush's remarks in the CONGRESSIONAL RECORD.

The remarks follow:

REMARKS OF GEORGE BUSH

Understandably, much of the public attention so far has been devoted to the personalities and the early polls. I'm as interested in them as the next fellow, and lately, I've been enjoying them more than I used to. But I would urge that the campaign soon move into a new phase—a more serious consideration of the issues at stake as we head into the 1980s.

Personally, I think those issues are terribly serious—deadly serious, in fact—and it is that vein that I would like to address you today.

We must soon face up to the fact that the United States in the 1980s will enter the most dangerous decade in the past 40 years. On three fronts—the economy, energy, and international affairs—dark clouds are now pushing over the horizon and promise to join together during the early years of the decade. This confluence of events—this "gathering storm" as Churchill might have called it—may be less visible than the threat hanging over the democracies in the late 1930s, but it is no less ominous and certainly it demands no less of a struggle.

To a striking degree, the issues that confront us are also inextricably bound together. Progress in one area requires progress in another, just as a setback on one front will ripple through other areas. Our economic progress, for example, will be closely tied to our ability to sustain the value of the dollar abroad and to ensure a steady flow of energy. By the same token, our ability to obtain crude oil from the Persian Gulf will hinge upon our willingness to bolster our defenses and strengthen our alliances. Yet it is equally true that our success in foreign policy will rest upon the vitality of our domestic economy and those of our allies.

So, the issues are closely tied together.

The engineering approach that we have applied to public policy in recent years, trying to separate out each issue and treat it in isolation, is totally inadequate for the 80s; what we need, and need desperately, is a strategy that deals with our domestic and international problems within an integrated, coherent and predictable framework.

Personally, I remain an optimist, guided by a powerful belief that, having come this far, this country will never surrender to the forces of adversity. We haven't been a nation of quitters, and we aren't going to start being one now. This past month, a number of distinguished men and women were kind enough to meet with me in Maine to talk about the 1980s. While many of them thought the immediate outlook was bleak, I was encouraged that all of them agreed with me that we could ultimately prevail. Indeed, there is good reason to believe that the late 1980s could usher in a new era of prosperity and hope for America.

But the point I must emphasize is this: The dangers that lie just ahead are real and they are serious. To minimize them, to ensure that they do not extend any further, to realize the bright promise of the future, it is crucial that we adopt an integrated strategy

for the 1980s, and begin immediately to make the hard decisions that strategy demands. To err may be human; but to delay, to duck and dodge as we have—all of that would leave an inexcusable legacy for the next generation.

Let me be more specific about the nature of our challenges. Our economy today is in the worst mess since the Great Depression. Beyond Washington, where people aren't insulated from the ups and downs of the economic cycle, they are reeling from 13 percent inflation and many are now fearful of losing their jobs.

And the trends are nearly all pointing in the wrong direction. The growth in the productivity of our work force has fallen from the 3 percent range in the 1950s to 2 percent in the 60s, to minus 2.4 percent in the second quarter of 1979, annualized.

Our savings rate is the lowest of the major Democracies—consumer debt is now six times what it was only 20 years ago—the proportion of U.S. patents awarded to U.S. firms has dwindled—and our producers have dropped behind our international competitors in one field after another—cars, steel, television sets, and on and on.

Here in Washington, the Federal government—the driving force behind so much of our economic life today—has abandoned all sense of self-displine. We have piled up nearly three times as much debt in the past 15 years as we did during the first 188 years of our history combined, and the money supply has been expanding at rates more than double those of earlier years.

The fact that we're not in more trouble than we are is only a testament to the remarkable underlying strength of the American economy.

But the central problem now is that the steady, deteriorating trends in our economy almost surely guarantee a rough passage ahead. Among economists, there is now widespread agreement that the current recession could be shallow. But a shallow recession also means that inflation is likely to continue at runaway rates, so over the next few years, our economy may either begin a roller-coaster ride—with recession soon followed by inflation, followed by another recession, and so on—or we may have a short period of peace before the economy plunges into a severe, painful decline that may slow the inflation rate but also cause enormous social suffering. In either case, the first half of the 80s could be very difficult economically.

In the energy field, despite our best efforts on energy conservation, the downward trends may be even more perilous. By most reasonable estimates, in order to achieve even modest economic growth over the coming decade, we must expand our available supplies by some 20 percent—or the equivalent in oil of about 7 to 9 million barrels a day. But no one yet has figured out where we are going to find all that additional energy.

Under new quotas, for example, we can obtain precious little new oil from abroad. At home, most oil producers believe—and honestly so—that we will be doing well to hold production at present levels over the next decade—and that's with immediate decontrol. Similarly, authorities believe that we will be fortunate during the 80s to hold production levels steady in natural gas—and once again, that's with much greater decontrol.

So what's left to fill the gap? As attractive as they are, exotic fuels are years away from major development—and solar power is unlikely to make a major contribution to new supplies in the near term. Inevitably, then, one is driven to three major alternatives: nuclear power, coal, and greater conservation.

But I needn't tell you, as veterans of the Washington scene, how stubborn the resistance is in each of those areas. One of the greatest political challenges of the 80s, I believe, is to overcome that resistance, for unless we do, we will condemn ourselves to a long era of sluggish growth and social tension.

All that I have said so far about controlling inflation and bridging the energy gap is subject, of course, to the question of whether we can also navigate through the troubled waters abroad. As one surveys the unraveling of international order—the overthrow of regimes in countries like Iran, Afghanistan, and Nicaragua, the civil strife spreading from one continent to the next, the growing impunity with which nations like Vietnam and Ethiopia now attack their neighbors—even an incurable optimist must recognize that the 80s could bring convulsive changes in sensitive regions of the world.

Unfortunately, this threat of regional instability is greatly heightened—and this is a point I would underscore—by the shocking vulnerability of America's strategic forces. A day of reckoning—a day brought on by the massive increase in Soviet armaments and a persistent disregard for the state of our own force structures—is swiftly closing in upon us. In nearly all quarters, it is now agreed that in the early 1980s, the United States will enter a period of maximum and unprecedented vulnerability to a Soviet first strike. This "open window", as it is called, could last from the early 80s until the middle of the decade, and even then, we won't be able to shut it unless we move aggressively and immediately to bolster our forces.

The nightmare that troubles me about the 1980s is not that of a nuclear exchange with the Soviets. They continue to shrink from that possibility. No, what concerns me far more is that all of the troubles I have outlined to you—in the economic, energy and foreign fields—will come rushing together in a great thunderclap that will transform the world.

It is not inconceivable, for example, that sometime in the 80s, the U.S. could be in a precarious economic state, heavily dependent on foreign oil, and then a crisis could erupt in one of the important nations of the Middle East. At that point, assuming present trends go unchecked, the Soviets who will have an energy shortfall in the 80s, could move in quickly and present us with an impossible choice—either we yield a critical source of oil to their control, or we risk nuclear catastrophe.

In short, the Persian Gulf could become the scene of a second Cuban missile crisis—only this time, we might be the first to blink. I am not predicting such a crisis; I only point it out to illustrate how far we have drifted into dangerous waters over the past 15 years.

What is to be done? Our most pressing requirement is to stop kidding ourselves that by continuing on our present course—a temporary patch here, a bit more rhetoric there—we can somehow muddle through. The British once believed that, and they lost both an empire and their own prosperity before they pulled themselves together. Now we, too, must seize the opportunity for a change of direction.

At the same time, however, let us beware of politicians who promise quick, easy answers. President Carter captured the White House in 1976 by making more than 600 promises to the electorate. Now he claims that he can't fulfill them because people's confidence has failed; the truth is that the country has lost confidence because he has failed.

That same temptation to overpromise exists in this election campaign. From all sides, candidates are under pressure to promise they will significantly increase spending on defense, increase spending on energy, make deep cuts in taxes, and still balance the budget—and all in a flash. Over time, through discipline and steady policies, those goals can be achieved, but any candidate who promises instant relief is a fraud—and I don't mind saying so.

I propose to all Republican candidates today that in this campaign, we add a new commandment to our party's creed. The 11th commandment, as all of you know, says this: Speak no evil of a fellow Republican. Now let us adopt a 12th commandment for 1980: No phony promises to the American people. Not one.

The voters of this country don't want any more of the old baloney; they want a new vision—a new candor—and that is what we must deliver.

I have spoken to you about the critical problems that lie ahead. Let me now outline in greater detail some of the solutions that I favor.

The first goal of a new administration should be perfectly obvious: to put a firm leash on inflation. I am frankly dismayed that there is so little serious discussion in Washington today about slashing inflation to one percent or less—a goal that I think achievable. It would almost appear to be a conspiracy of silence between some of the politicians on the Hill and the White House, and for very clear reasons.

On the Hill, they know that Washington created this inflation and that every year the IRS reaps windfall profits as middle-income taxpayers are pushed into higher and higher tax brackets.

In the meantime, the President and his staff have little inclination to address the issue because they've run out of ideas. They have no policy to fight inflation—none whatsoever. Yet, the economy is visibly deteriorating. Three years ago, candidate Carter added together the nation's inflation rate and its unemployment rate and called it the "economic misery index." The misery index, he charged, was scandalously high, so Ford had to go. Today, that same misery index is more than a third higher than when Jimmy Carter was elected—indeed, it's at the highest rate since 1935—and yet the White House, incredibly enough, doesn't even have a fig leaf for a policy.

My plan to break the back of inflation involves some very simple elements:

In my first 100 days in office, I will submit a plan for a balanced budget into the Congress and will campaign hard for its acceptance. As a former member of the House Ways and Means Committee, I believe I can work with the Congress toward that end, but if not, I will not hesitate to take the veto club out of the closet again.

The Budget must not only be balanced, it must be balanced through limitations on the growth of federal spending that do not allow increased taxation.

Only through tight fiscal policy will it be possible for the Federal Reserve Board to pursue more moderate monetary policies.

At the same time, we must accelerate efforts to cut back the jungle of conflicting and redundant regulations, laws, and judicial procedures that are smothering economic growth—and giving few social benefits in return.

All of these steps may sound fundamental, and they are. But our problem is not that we have tried the fundamentals and they have failed; our problem is that for too long we have failed to try them.

As a second major goal of my Administration, I will seek to lighten the tax burden now crushing so many American families and discouraging productive investment in our economy.

One of the worst sins of the Carter Administration is that it has permitted federal taxes to rise from 18 percent to 21 percent of the GNP. After reviewing the most recent budget estimates of the Administration and taking into account the need for increased defense spending, I have concluded that we can—and should—cut taxes immediately, effective this January 1980, by $20 billion.

Such a tax cut should be divided into two parts:

Roughly one half should be directed to individual taxpayers, encouraging greater personal savings, encouraging greater energy efficiency, and providing tax incentives for home purchases through IRA type accounts. I would also cut payroll taxes in a way that would not jeopardize the integrity of the Social Security trust fund.

The other half of the tax cuts should be used to increase productivity and investments in the business sector. This would include more rapid depreciation, investment tax credits, tax incentives to hire and train young workers and to create jobs—especially in areas of high unemployment. So that investments can be planned ahead, I also propose a 1 percent per year cut in the corporate tax rate for each of the next five years.

All of these tax changes are aimed specifically at increasing the productive wealth of our nation—a step I believe is vital in overcoming inflation and in returning us to a stable, productive economy.

In the energy field, I believe it is urgent that we adopt a two-track system to attack both our near-term and long-term problems simultaneously. On one track, in order to fill the energy gap of the 1980s, we should immediately decontrol the price of oil; we should remove controls on natural gas in ways that are real, not phony, utilizing our awesome ability in science and technology to guarantee safety; we should expand nuclear power; we should also significantly step up our production and use of coal, even though that may mean temporary relaxation of some environmental standards; and we should find new methods of conservation.

On the second track, we must bring on line as quickly as possible, both synthetic fuels from our domestic resource base and the next generation of renewable fuel sources for the longer term. While I welcome the Administration's new found interest in synthetic fuels, I believe this program to spend $88 billion in tax money on 50 different plants—long before all of the technological problems have been addressed, much less solved—is needlessly wasteful and injects the government far more deeply into the energy field than is either desirable or necessary. We have a shortage of energy, but we already have a surplus of government.

As President, I would move immediately in cooperation with private industry, to build a limited number of synthetic fuel plants to perfect the technology. Then I would leave it to the private sector to choose which of those technologies make the most sense for full scale development. If the economics require government assistance to compete with fossil fuels, we can turn to guaranteed markets, loans, or price supports, so that we can move ahead as rapidly as possible.

For the longer term, let us also recognize that the development of energy sources such as solar, hydrogen, and nuclear fusion, require the best scientific minds in the free world—not the best bureaucrats in Washington, Paris or anywhere else. As President, I would bring together the best minds and talents that the free world can offer—from both consuming and producing nations—to work together so that we can realize the dream of renewable energy resources by the end of this century.

And let's tell our friends plainly: Join with us in projects to overcome our energy shortages; join with us in programs to expand our economics; and as we do that, let us join in expanding and invigorating our alliances.

This last point brings me to another fundamental position: To promote regional stability and counter the Soviets, we must build a new alliance system that girdles the globe, an alliance system that unites the seafaring nations of the world who share our values and interests. These alliances would not be just military in nature; they would also address our economic and energy interests, so that each nation shall have the strength of ten.

Such alliances, I should add, will not diminish in the slightest the need for us to repair our own defenses. In recent weeks, it has been suggested that the Senate might buy off on the SALT Treaty if the Administration promises to increase defense spending by 3–5 percent a year in real terms. I cannot accept that point of view. The SALT Treaty is seriously defective and should be corrected before it leaves Capitol Hill. As the debate proceeds, I think it will become clearer than ever that after correcting the Treaty, the Congress also ought to move ahead with several new weapons systems that have been cancelled or delayed by the Carter Administration—including a new manned bomber, the cruise missile, the MX, and a greatly strengthened Navy. Progress on those fronts will not immediately close the "open window" of the early 80s, but it will send a signal to Moscow that we are serious about our security and that in turn may promote world stability.

Ladies and Gentlemen: By now, my deep-seated concerns about the 1980s should be clear. Over the past 20 years, through indulgence, through neglect, through short-sightedness, this nation has drifted into fearful straits. The problems are not all of Jimmy Carter's making, but he has made them so much worse that there is no longer reason to ask whether he should stay or leave.

The critical question now before us is whether we as a people have the wisdom and the fortitude to face up to the challenges of the 80s and overcome them.

Forty years ago, peering into the gathering darkness, Winston Churchill wrote that he had watched his nation "descending incontinently, recklessly, the stairway at the beginning, but the carpet soon ends—a little further, there are only flagstones, and a little further still, these break beneath your feet."

Only by heroic efforts were the allies rescued before they reached the end of the path. Now, as we enter the 1980s, we must summon that same spirit of self-discipline, of unfailing determination, and of common purpose. The 1980s will be a dangerous decade for America; but it can also be a decade of decision—a decade when we finally put our nation on a new course and go forward together again, united, strong and confident. That will be my great resolve as your President.

Thank you very much.●

SELLING APARTHEID

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. McCLOSKEY. Mr. Speaker, those of us who are concerned about U.S. policy in Africa—including many of us who are Members of Congress for Peace Through Law—have spent a great deal of time this past year studying the complicated issues involving Zimbabwe-Rhodesia. After considerable negotiation, we were able to reach a compromise on the issue of lifting sanctions, delaying consideration pending the all-parties conference soon to convene under Britain's leadership. We may soon see a second election, this time internationally supervised, and we anticipate that we will be faced with a crucial decision in review of the sanction question later this fall. Similar crucial decisions relating to Zimbabwe-Rhodesia's neighbor—South Africa—will face us in the months ahead.

Many of us at MCPL believe that Congress should increase its policymaking review with regard to South Africa. We are anxious to help in this endeavor. We believe that apartheid is immoral as well as an open invitation to increased Communist influence in Africa. We think the United States must act decisively to encourage and assist the ending of the apartheid system in South Africa through whatever means may be available to us.

There are many areas of United States-South African policy in which Congress has a major role. We should inquire, for instance, whether the U.N.-imposed arms embargo against South Africa is effective—or whether South Africa's massive military establishment has been developed with the covert aid of elements in the United States; we should determine whether U.S. companies are truly in compliance with the embargo, or if they have violated it with or without the knowledge of our Government officials; we must consider whether "civilian"—nonmilitary—trade with South Africa tacitly endorses the principle of apartheid or, in the alternative, represents the best means we have of ending apartheid; we should consider and determine whether U.S. corporate investment in South Africa strengthens our bargaining power or weakens it; whether new U.S. corporate investment is helpful or harmful; whether economic equality pressures by U.S. corporations can help to reform not only the economic structure, but also the political structure; whether strict penalties for noncompliance with employment opportunity codes by U.S. corporations can be imposed, and if so, whether compliance with such codes is or can be effectively monitored by private groups such as the Sullivan organization or the U.S. Chamber of Commerce.

In conjunction with all of these questions, an excellent article by Mr. Aryeh Neier appeared in the August 11-18 edition of the Nation magazine, which I wish to bring to the attention of my colleagues.

Mr. Neier addresses the question of "the death of apartheid" as argued by South African Minister Piet Koornhof, known in the West as one of the more "forward-looking" of the South African government officials. While Mr. Neier points out some steps Mr. Koornhof has taken to moderate apartheid, he concludes that the replacement policy of "denationalization" is indeed as unfair, and as sinister as was, or is, apartheid, and that its replacement, while representing a short-term public relations gain, will in fact be as harmful and exclusive of the majority black population as is the present policy.

The article follows:

SELLING APARTHEID

(By Aryeh Neier)

JOHANNESBURG.—"I and my Government," Dr. Piet Koornhof, South Africa's Minister of Cooperation and Development, told the National Press Club in Washington a few weeks ago, "are seeking to create a happy and meaningful life, therefore a new blueprint, for all in South Africa. We are en-

tering a period of complete reformation. We are presently in a new era. We have reached a turning point in our history. Apartheid, as you came to know it in the United States, is dying and dead. We are in a period of reform."

Exciting news. Koornhof, who even professed his Government's belief in full citizenship for people of all races, was greeted by a standing ovation, and with cheers in many American newspaper editorials. The Washington Post called South Africa "the most lively and ambitious social laboratory in the world" (June 17). Back home, Prime Minister P.W. Botha endorsed Koornhof's statement and shielded his itinerant Minister from the backlash of Andries Treurnicht, leader of the verkrampte—or rigid (more literally, constipated)—wing of the ruling National Party. The dispute among the Nationalists gave heightened significance to Koornhof's statement, for the Prime Minister appeared to ally himself with the verligte—or enlightened—faction's expressed intention to mitigate the humiliation of 80 percent of South Africa's people that has been Government policy since the National Party came to power in 1948. All in all, it was a great publicity coup for South Africa. As To the Point, a journal noted for its support of Government policy, exulted, Koornhof had "take[n] American news media by storm on his Washington visit."

After traveling around South Africa during the three weeks subsequent to Koornhof's National Press Club speech, I found his report of the death of apartheid not merely exaggerated but ludicrous. Nonwhites must still use separate toilets, ride on separate buses, purchase tickets for trains at separate counters and ride in separate rail cars. They must continue to live in separate townships—almost always miserable slums lacking electricity and indoor plumbing, far removed from the gleaming white cities and suburbs to which they commute daily at great expense to serve those whom they are expected to address as "master" or *baas*. Despite a housing surplus in areas reserved for whites, any nonwhites who attempt to move into them in order to escape from quarters where they are required to live three or four to a cubicle are vigorously prosecuted under the Group Areas Act. A black child is still required to attend a separate school, where the expenditure per child is only one-tenth of the amount allocated to educate a white child. Every day, a thousand or so nonwhites are prosecuted for violations of the pass laws in "trials" that lack any semblance of due process and that rarely last as long as two minutes. These help to preserve South Africa's distinction of having by far the largest portion of its population in prison of any country in the world. Although Dr. Koornhof said in his Washington speech that he hated the pass laws and was in the process of doing away with them, penalties for violations are going up. Most important of all, no nonwhite may vote in any election for officials of South Africa. Disenfranchised, nonwhites are politically powerless against the intricate web of laws, regulations, proclamations and bureaucratic decisions that oppress them.

There is another sense, however, in which Koornhof's speech to the National Press Club was not so much a lie as a deceptive half-truth. Apartheid, as Americans know it, no longer adequately describes South Africa's approach to race relations. But what is replacing it? Something mort sinister: denationalization of all South Africa's blacks. In place of their South African nationality, they are becoming nationals of new mini-states that the South African Government is busy creating. As Koornhof acknowledged a few weeks after his Washington speech, when he repeated his remarks about "full citizenship" before a black group in Johannesburg he had in mind a "plural setup," pressed by a member of his audience, he said, "I don't believe it can be achieved in a unitary setup. As a student of political and constitutional development, I say again it cannot be achieved in a unitary setup. I say again."

The policy of creating mini-states—known as "homelands"—granting them independence and, thereby, denationalizing black South Africans, has been developing for a long time, though the grand design is only now becoming clear. Seeds of the policy of denationalization were planted when South Africa adopted the Promotion of Bantu Self-Government Act of 1959 and the Bantu Homelands Citizenship Act of 1970. These laws require that blacks ("Bantus") must become citizens of the autonomous homelands to which the South African Government says they are attached by birth, residence or linguistic, ethnic or cultural affiliation. Two homelands have been granted independence by South Africa, Transkei in 1976 and Bophuthatswana in 1977, though their sovereignty is recognized only by South Africa. Ciskei, Lebowa, Venda, Gazankulu, Qwaqua and KwaZulu are now considered self-governing and South Africa plans to grant them independence in due course. In all, 13 percent of the land of South Africa, most of it the poorest soil, has been set aside for the creation of these mini-states.

The use of linguistic, ethnic and cultural affiliation to determine citizenship in the homelands is the key to the policy. A black born in Soweto—the giant black township that serves Johannesburg—whose parents were born in Soweto, whose grandparents were born in Johannesburg before the blacks were all forced out, who has never visited Transkei, may be designated a citizen of Transkei if the South African Government determines that he has cultural affiliations with that independent homeland's Xhosa- or Sotho-speaking people. South Africa does not expect him to settle in Transkei. The homelands could not sustain the 70 percent of the South African population who are to comprise their nationals, and the South African economy needs them. No one expects the black living in Sowetto to establish ties to the political processes of Transkei. For him, citizenship in a homeland is a legal fiction that leaves him worse off than he was under apartheid as we used to know it.

John Dugard, a South African legal authority and widely respected human rights activist, summarized the effects of his legal fiction in his presidential address to the 50th Anniversary Conference of the South African Institute of Race Relations in Johannesburg in July. "At present," said Dugard, "all South Africans, irrespective of their race, are South African nationals. Only whites, however, are full citizens as they alone have political rights within the central political process. According to Government policy, all homelands will ultimately become independent and there will no longer be any black nationals in South Africa with claims to political rights. This will allow the South African Government to argue that there are no black South Africans." Blacks who were born in the 87 percent of the land that is to remain as South Africa and whose families have lived there for generations are to be regarded by the law as temporary sojourners, aliens in the land of their birth and the land of their ancestors. Pass-law prosecutions would be transformed into passport-law prosecutions.

An important advantage of denationalization from the South African Government's standpoint is that it will allow it to identify its treatment of blacks with the treatment Western countries accord foreign nationals. Blacks designated as citizens of independent homelands could be stripped of any legal right to reside in South Africa by the stroke of a pen and, thereby, their status would be comparable to that of the Mexican, Caribbean and Oriental illegal aliens in the United States. Alternatively, South Africa can grant them permits like those given to "guest workers" in Europe. Blacks have been treated this way all along under apartheid, but by denationalizing them, South Africa will try to cover over the practice Koornhof says is dying or dead with a veneer of Western legality.

How far can South Africa delude its own people and the rest of the world into believing that denationalization is less repressive than apartheid? Piet Koornhof, who has taken on the task, is an adroit publicist who chose his title as Minister of Cooperation and Development because it sounded better than the previous names for the same post: Minister of Bantu Areas Development and Minister of Plural Relations. Koornhof won over much of the English-language press by calling off the bulldozers that were set to level Crossroads, a squatters' camp outside Cape Town where 20,000 blacks live. The planned destruction of its 3,000 corrugated tin shanties put up by people with no place else to live was becoming an international symbol of the Government's heartlessness. Elsewhere, in places to which the world is not paying attention, Koornhof's department regularly razes squatter residences. If Koornhof has his way, what the South Africans call "petty apartheid" will diminish and signs will come down like those that now provide separate entrances to liquor stores for whites, or blankes, and for nonwhites, or nieblankes. Koornhof has played an important part in South Africa's sports diplomacy that is to be capped on October 20 by a world heavyweight championship boxing match in Pretoria between a black American and a white South African before a desegregated audience.

These moves by Koornhof are far from universally acceptable within the National Party. The idea of blacks and whites sitting next to one another in a sports stadium is still anathema to the verkramptes. If Andries Treurnicht has his way, a "homeland" would even be created for "colored" South Africans—racially mixed people whose ethnic and linguistic ties are as strong to Afrikaners as to any black tribe. Koornhof's wing of the National Party, on the other hand, has suggested that colored and Indian South Africans would be accommodated in a "new political dispensation" giving them some right to participate in South African Government—though certainly not proportionate to their numbers—once all the blacks become nationals of homelands and no longer have to be taken into account.

Though the differences between Koornhof and Treurnicht are real, they do not run very deep. As Koornhof put it on his return to Johannesburg after his Washington speech: "Dr. Treurnicht and I understand each other very well. There were one or two things reported in a certain way and he reacted to that." *The Financial Mail*, the best journal that still survives censorship in South Africa, said of the Koornhof-Treurnicht argument that "the difference between fiendish *verkramptes* and lily-white *verligtes* is small indeed. Apart from the ambitions of the individuals, the difference between the two camps is mainly one of strategy about how apartheid is to be made to work, not whether it should be made to work." Koornhof, the better publicist, believes that the way to make it work is to tell the world that it is dying or dead.

Criticism of the denationalization policy by South African blacks and white opponents of apartheid is muted by Government persecution of those who decry its policies. Even so, virtually all black leaders outside the homelands who have not been forcibly silenced have denounced the policy. It is also criticized by white liberals, though many only find fault with details such as the amount of land allocated for homelands and the failure to allow urban blacks any opportunity to participate in self-government. They speak of "racial accommodation" rather than of racial equality and use terms like "consociationalism" and "confederalism" to describe schemes of government in which representatives of all races, elected racially, would share in government while whites would retain the power to veto decisions that might threaten their hegemony. Advocates of majority rule in a single state are a small minority even among those who may fairly be described as South Africa's white liberals.

As for international acceptance, the refusal to recognize Transkei and Bophuthatswana and condemnation of their creation by the United Nations have been setbacks for denationalization. Yet National Party strategists are far from giving up hope. Koornhof's public relations triumph encourages them, as does pressure in England and the United States for the lifting of sanctions against Zimbabwe Rhodesia. The West may well accept a black majority parliament that pretends to govern while 800,000 whites continue to control all the machinery of power. Surely then, the reasoning goes, the West will accept South Africa's plan to establish superficial legal equality—blacks and whites each exercising full citizenship in their own lands—while safeguarding the interests of fifteen times as many whites in a territory of infinitely greater economic significance.

Germany denationalized its Jews in 1941 but, having passed the point of caring about international opinion, did not bother with subterfuges. White South Africans care deeply about what Americans and West Europeans think of their racial policies and, therefore, are applying a gloss of legality. Their economy, their security and their national sense of pride are at stake in their struggle for the affections of the West. If they fail to deceive the West and incur its condemnation, they will not be able to sustain the denationalization plan. Perhaps, then, apartheid would really die.●

BOISE LEADS THE FIELD IN GEOTHERMAL

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. SYMMS. Mr. Speaker, today I am submitting a copy of an article from the September 4 New York Times concerning geothermal energy development, utilization, and potential in Boise, Idaho.

The article illustrates the leadership and farsightedness that caused Boise to look into this very viable alternative energy source long before it was fashionable or necessary to do so.

In following Boise's lead in recognizing the potential of geothermal energy, I recently introduced H.R. 4471 with my colleague Congressman HANSEN as a counterpart to Senator MCCLURE's S. 1330.

Although others have followed that lead, and I commend their efforts, H.R. 4471 is the first legislation of its kind. It is a complete approach to the development and extraction of geothermal energy, a package which opens incentives to development of geothermal steam and requires the Federal Government to act promptly in granting licenses and permits to turn that incentive into badly needed energy. It further rewards that initiative with tax credits for such investments.

The United States is sitting on a veritable cache of geothermal steam that can be extracted to operate turbines and produce power. There is no question that it will not be the panacea to our energy problems, yet the contribution it can make is very significant. It is but one of the many means by which we can encourage our great country to again become energy independent. To date, development of this vital energy contributor has faced shuns from the Federal Government, disincentives to the development of its technology, and highly restrictive Federal leasing policies.

H.R. 4471 recognizes a commitment to follow in the footsteps of Boise to see this potential energy source become a reality. I commend this article to my colleagues' interest:

BOISE LOOKING TO ITS HOT SPRINGS AS A HEAT SOURCE FOR DOWNTOWN

BOISE, IDAHO, September 3.—The Glenns of Boise pay only $10 a month to heat their two-story, Tudor-style home with natural steam and hot water.

Marcia Glenn said that she has lived in geothermally heated homes for 43 years. The Glenns have no need for a hot water heater, and several neighbors use the naturally warm water to heat large swimming pools for $75 a year.

Now, with a new $5 million Federal grant, city officials want to heat the whole downtown area the way the Glenns heat their home: by tapping the heat produced by hot springs that run under the town. The city plans to take a heating system started in 1892 and pipe natural hot water to buildings in that area. It needs $10 million to complete the project.

BIG FUEL SAVING EXPECTED

When the job is done, Phil Hanson, the manager of the Boise Geothermal Project estimates, the saving in fuel may be the equivalent of 25,000 barrels of oil a day.

He said that an average family saved from one-half to two-thirds of its heating bill by using natural steam and hot water, and that as many as 2,000 additional houses could be heated by the natural energy source from

Robert Chappell of the Department of Energy's Idaho Falls office that the agency's four planned wells.

$4.9 million contract with Boise was the largest of 22 projects in Western states designed to gather scientific data on the potential for geothermal energy. Such energy is widely used to heat homes in Iceland.

Some state office buildings here are already partly heated by a geothermal well. Along Warm Springs Street and nearby streets in this city of 100,000 more than 200 houses have been heated by hot water for decades. A recently constructed city building and a proposed county building are designed for conversion to hot water heat.

John Griffith, a research engineer, said that the techniques used by Boise Geothermal "may well set the trend for future geothermal progress in the United States."

At present, geothermal heat used in Boise generally radiates directly from water pipes in the rooms being heated. Mr. Hanson said that the method was inefficient but that there was now a newer technology involving central systems with heat exchangers.

Several major office buildings are considering switching to geothermal heating, he said, but no contracts have been signed yet.●

SENATE—*Friday, September 7, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend L. R. Elson, D.D., offered the following prayer:

Almighty and most merciful Father; from whom cometh every good and perfect gift; we give Thee praise and hearty thanks for all Thy mercies; for Thy goodness that hath created us; Thy bounty that hath sustained us; Thy fatherly discipline that hath corrected us; Thy patience that hath borne with us; and Thy love that hath redeemed us. Grant unto us, with Thy gifts a heart to love Thee; and enable us to show our thankfulness for all Thy benefits; by giving up ourselves to Thy service; and delighting in all things to do Thy blessed will; through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 7, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF THE SALT II TREATY

Mr. ROBERT C. BYRD. Mr. President, certain press reports have indicated, in error, that with reference to the consideration by the Senate of the SALT II treaty:

> Byrd indicated that the delay could be until late this year or early next.

I quote from a press report, the headline of which reads:

> SALT May Be Stuck Till '80.

Mr. President, I think the record should be set straight. At no time have I indicated that Senate consideration of the SALT treaty might be delayed until next year. As a matter of fact, I have indicated all along the contrary. Very early on, there was considerable talk, some of it emanating from downtown, that the SALT treaty should perhaps be put over until next year. Just as early on, I stated that in my judgment it ought not be put over until next year; that it should not be a campaign issue.

After consultations with the committee chairmen who are involved—first of all with Mr. CHURCH, because the Foreign Relations Committee has jurisdiction over the treaty, but also with Mr. STENNIS, Mr. BAYH, and the ranking members of their committees, it was determined that every effort would be made to complete the hearings on the treaty and complete markup, so that the treaty could be available for debate by October 1.

Since then, matters have occurred which would naturally bring about a natural slippage of that date. For example, I have been informed that the Intelligence Committee is going to require a longer period before it would be ready to submit its presentation to the Foreign Relations Committee. Therefore, there would be a slippage of some several days, perhaps a week or 10 days. I was informed of this before the Cuban situation arose. So there was going to be some slippage in any case.

It has always been my intention to have the energy legislation brought up before SALT II. There are at least two energy bills, the omnibus bill, which will come out of Senator JACKSON's committee, and the tax bill, which will come out of Senator LONG's Finance Committee, and I have had numerous consultations with the committee chairmen in respect to these two energy measures. I think it may be possible to complete action on the two energy bills by the middle of October. It will not be possible to complete action on those bills in the Senate by the end of September.

So in any event the SALT treaty could not, then, be brought up by October 1. But I think it is entirely reasonable to contemplate that action on the energy bills—and perhaps the tax bill first, before the omnibus energy bill—will be completed by mid-October or the latter part of October—which would still be in consonance with my planned scheduling of the treaty as the last major item to be considered by the Senate before adjournment sine die for this session.

I still have expectations of calling up this treaty before the Senate adjourns sine die for this year. I have at no time contemplated putting it over until next year. The precise language which I used in yesterday's RECORD is as follows. At the very beginning of the day, I stated:

> . . . anent the current and ongoing discussions with reference to the Cuban situation, I think I should state for the RECORD that the administration will have adequate time to work out a resolution of the problem of the Soviet combat personnel in Cuba before the SALT treaty is brought to the floor for debate.

I do not now know what "adequate time" will mean. But at no time have I thought that the action on the treaty by the Senate was imminent, because the treaty first has to be reported by the Foreign Relations Committee.

Later in the day, I made reference to suggested amendments or resolutions that would, by order of the Senate, prevent the treaty from being called up until such time as certain conditions had been met in respect to the Cuban situation. This is what I then said:

> I believe there is time enough to resolve these other matters. I am not rushing to bring up the treaty the day it is reported out or 3 days after. I said earlier that I would like to bring it up around the first of October. This does not mean that it might not be the middle of October, the first of November, or later.

By saying "or later," I had nothing precisely in mind. I certainly was not thinking in terms of 1980.

So I think the RECORD should be clear that there was no indication on my part that SALT II be put over until next year. Quite to the contrary, it is still my expectation that this treaty will be called up this year.

I think we ought to keep cool heads in this situation and avoid a panic reaction. I see no necessity for doing otherwise.

I think we need to give the committees the time to get all the relevant facts. The Foreign Relations Committee is continuing its hearings. The Armed Services Committee is going to conduct further hearings. The Intelligence Committee is going to conduct further hearings. There is plenty of time for the committees to get the facts.

Certainly, we should not rush to a hasty judgment before all the facts are clear. I want to be more fully informed about the actual situation. Let us find out what the facts are in this matter before we rush to a judgment, before we create an atmosphere that hamstrings diplomacy, or before we take hard positions on a matter so important as the SALT II treaty. I have not reached a decision on the treaty. I want to be in a position to support the treaty if, after I complete my consideration of all the facts and information, I believe that it is in the best interests of this country of ours. It is entirely conceivable to me, as I said yesterday, that that treaty can be valuable and important to this country, to its security interests, now and for years to come, entirely aside from peripheral matters regardless of their importance.

So let us get the information. Let us be fully informed before we rush off with our judgments, before we set ourselves in concrete, get ourselves boxed in to the point that we find it difficult to reach a considered judgment on a matter as important as the SALT II treaty.

As I say, I arrived at the October date months ago, after consulting with the committee chairmen, because it was felt that all hearings would be completed and all relevant information would be known by October 1. If this new matter requires more time for a full investigation, then scheduling of the treaty can be adjusted.

I want to repeat that I have not reached any judgment to delay Senate consideration of SALT II until next year. I was very much surprised to see the newspaper headline and the reports that it might be so delayed, and that it was inferred from what I said yesterday that such was the case. Contrary to that, it is still my expectation that there is ample time for the Senate to take up and complete action on the treaty this year.

LEGISLATIVE SCHEDULE

Mr. ROBERT C. BYRD. If I may turn to another subject briefly, Mr. President, I think it appropriate that I say a little something about the schedule for the rest of the year. I anticipate that there will be Saturday sessions. I was asked recently as to what the legislative holiday schedule would be the rest of the year, and I said there would not be any legislative holidays scheduled. We will naturally be out Thanksgiving weekend, if the session has not ended by that time. I would hope that the Senate could complete action on all of its business, the energy legislation, the treaty, and other matters, by Thanksgiving, or before Thanksgiving. I would hope that certainly by Thanksgiving the Senate would be able to adjourn sine die. But that means we will have a lot of work to do in the meantime. I do not think there is any question but that this will involve some Saturday sessions.

There are still several conference reports on appropriations bills that are awaiting action. There are still appropriations bills which have not been taken up by the Senate.

There are expiring authorizations such as the Department of Energy authorization, International Trade Commission, Customs Service, Water Resources Planning Act, railroad assistance and railroad retirement. There are other measures such as the debt ceiling, and the second concurrent resolution—which will be up next week; hopefully, hospital cost containment can be acted upon. I have already mentioned windfall profits legislation. And then there is energy legislation, which is under the jurisdiction of Senator JACKSON's committee, plus surface mining legislation, I have

already referred to the SALT II treaty, of course.

With this kind of schedule, I am hopeful the Senate will be prepared to have Saturday sessions if need be, only if need be, and I would contemplate that there will be times when there will need to be some Saturday sessions. We have a busy schedule ahead of us.

As I say, there will be no legislative holidays scheduled because our purpose should be that we do our remaining work, that we do it well, and that we then adjourn sine die. We ought to be able to complete this legislative load by no later than Thanksgiving and then go out until sometime in January, hopefully the middle part or latter part of January.

Mr. President, I believe that is about all I have to say at this point. I yield the floor.

RECOGNITION OF ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

RUSSIAN TROOPS IN CUBA

Mr. STEVENS. Mr. President, as I begin my remarks, I want to say, and with absolute sincerity, that I believe it is unfortunate that my good friend from West Virginia, the majority leader, is not downtown right now because I view the Cuban-Russian troop situation as a complete faux pas. It is a situation that has occurred because of the inability on the part of the administration to exercise the patience, judgment, and restraint necessary to facilitate a speedy and successful resolution of this most critical diplomatic problem.

The extensive background and knowledge that the distinguished majority leader would have brought to this particular concern would have set us on a course that would have expeditiously avoided any possible international confrontation with the Soviet Union.

When I first read about the Cuban Russian troops, I immediately thought of a situation that occurred last year. You'll remember that in order to prove the SALT II treaty was verifiable despite the loss of the United States apparatus for intelligence we had in Iran, the administration leaked the fact that we were going to use the U-2's to substitute for the loss of our ability to monitor SALT II compliance. They did so without having contacted the Turkish Government, without careful thought about the possible consequences. The result, I am sure everyone knows: We lost our ability to use the U-2's in a very critical period of our history.

Yesterday, I read Secretary Vance's statement and heard about the President's similar comments—that the combat brigade of Russian troops has been in Cuba since the early 1970's. It appeared to me at first that this was an attempt to shift the burden of the responsibility for this buildup to the prior Republican administration. I certainly hope that is not the case.

Upon reflection I decided that it was either that, or a veiled attempt to indict the intelligence community during that period for failure to let the American people know about this buildup. Whether it is either of those or still another reason, it is apparent that the administration has failed to see the real impact of these Russian troops in Cuba. The rerelease of the intelligence information at the time of the Havana summit meeting was an obvious attempt to embarrass Castro, and the administration again revealed secret information that, if properly used, could have avoided the problems that the country and the administration now face with regard to ratification of the SALT treaty. That is what the red telephone hot line is for. That is why we established this direct line of communication between the President of the United States and the head of the Russian Government.

I am compelled to ask, why was it not used? Instead of going public with the information, why did the United States not ask Russia what it was doing with a combat brigade in Cuba?

I was not there, but it is my understanding that the Foreign Relations Committee received testimony yesterday asserting that the combat brigade was not in Cuba prior to 1976 and it was not there during the early 1970's when intensive intelligence surveillance of Cuba was taking place.

President Carter is missing the fact that the Russians have challenged every President of the United States through the years, and just as President Kennedy was tested in the 1962 Cuban missile crisis, this incident serves as the Russians' attempt to challenge Carter's leadership capability.

An interesting comment was made in the Washington Star with respect to this issue. Mr. President, I ask unanimous consent that a series of editorials from the national papers be printed at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. The editorial concerns the question of salami-slicing. Last November it was discovered that the Russians had placed a number of Mig-23's in Cuba, and the Carter administration chose to minimize the ramifications of their presence at that time. As the Star points out, that is just another slice. The Russians got away with that, so now, apparently, they think they can get away with an added buildup of their military brigade in Cuba.

The Star asks:

> The question, always, is where prudently to draw a line. If a brigade of combat troops is acceptable, or at least difficult to make a clear issue over, what happens if the brigade begins to swell? What if 3,000 becomes 10,000 or 30,000?

President Carter's crisis could be his failure to recognize the test that this administration is facing from the Russians in the field of foreign policy.

As with the case of the U-2's in Turkey, the real catastrophe for the country is that the administration used intelligence information to achieve a political end. It was used to influence the meeting of nonaligned nations and now it has blown up in our faces, literally. We have Members of the Senate saying, as the distinguished majority leader has indicated, that we will not consider SALT II until these combat troops are withdrawn. That is a crisis that the administration could have avoided.

Maybe we ought to find out if we paid the bill on that red telephone line hookup, because it apparently has not been used effectively in recent months to protect the security interests of the United States.

I, for one, still oppose the SALT II Treaty as it was presented to the Senate. But I also believe that if the administration is right in saying that the ratification of a treaty is necessary for our national security, then they have done more than anyone in the Nation to jeopardize the ratification of that treaty by mishandling the Soviet combat brigade issue.

Mr. President, I yield the floor.

EXHIBIT 1

MISCHIEF IN CUBA

> Of the Soviet Union's provocative dispatch of several thousand combat troops to Cuba, the secretary of state says in his temperate way that he will not be "satisfied with the status quo."
>
> Others speak of the matter less temperately. Sen. Frank Church, chairman of the Foreign Relations Committee, has rediscovered the Monroe Doctrine (this being an election year) and insists that "the U.S. cannot permit the island to become a Soviet military base 90 miles from our shores." Sen. Richard Stone of Florida, whose private intelligence seems rather better than the official brand, says that the combat presence is "of the same gravity" as Mr. Khrushchev's stealthy introduction of ballistics missiles to the island in 1962.
>
> Setting aside Senator Stone's considerable exaggeration, we like the senatorial rhetoric. But senators, like editorial writers, do not have to devise and justify practical responses to Soviet mischief. In this they are lucky, since there is no obvious legal formula under which to demand that the Russians call their combat troops home. The Kennedy-Khrushchev accord of 1962, the basis of settlement in the missile crisis, included a Soviet pledge not to introduce "offensive weapons," presumably of a long-range sort, into Cuba.
>
> But the problem posed by the Russian combat brigade is neither legal nor technical; it is in the broadest sense political. And it is especially disturbing because it is the second serious military provocation in Cuba of recent memory. Last November, the Russians were discovered to have sent a number of advance model Mig-23s to Cuba. These are ordinarily designated "supersonic fighters"; but in one configuration the Mig-23 delivers a small nuclear missile over a 1,200-mile one-way range.
>
> The shipment of Mig-23s to Cuba was

thought by some to trifle with the letter of the 1962 rules on Cuba, as it did. But the aircraft issue never came to a boil, because President Carter refused to get into a swivet about it. And now, truth to tell, probably very few here in Washington—including some who probably should—know today whether the planes are still there, or whether they're potentially of the missile-carrying variety.

A pattern seems to be emerging—a familiar pattern which in the bad old days used to be known as "salami-slicing": the business of following one minor provocation, once gotten away with, with another slightly greater—a silly millimeter of aggressiveness with a half inch of it, and after that a full inch.

The State Department is quite right: A few thousand Russian combat troops on Castro's island are, it has pronounced, "not a direct threat" to this country. That is militarily obvious; it is less obvious politically and strategically. The worry is that the effort to minimize what is of more political than military consequence (even if one confines the consideration only to the stability of the Caribbean area) is nearly 180 degrees off the point.

The question, always, is where prudently to draw a line. If a brigade of combat troops is acceptable, or at least difficult to make a clear issue over, what happens if the brigade begins to swell? What if 3,000 becomes 10,000 or 30,000?

Well might temperate leaders reason that a few thousand Russian combat soldiers make no difference. But this could be only the beginning if the administration makes no effort to induce their withdrawal. After all, Castro has a 40,000-man expeditionary force in Africa; and his Moscow paymasters might conceivably have promised to take up the slack in the Western Hemisphere, depending on the U.S. reaction. If so, there could be plenty of trouble—indeed, a major and dangerous crisis—within a year or two.

Had a sufficient issue been made of the Mig-23s a year ago, there might not be the combat troops to deal with today. And if the combat troops were not dealt with firmly today, who would venture to predict what maneuver will come next, or what incremental provocation will come with it? That is the difficult question the administration must answer. And it probably should be thinking of the stitch in time that saves nine.

EXPLODING CIGAR

The thorn of Fidel Castro's Cuba, stuck in the U.S. paw for nearly 20 years now, has been twisting a little bit this week. For one thing, Cuba is playing host to the sixth annual summit meeting of the nonaligned nations, and Castro is using the Havana gathering to try to strengthen the movement's explicit ties to the Soviet Union. Then, right in the middle of the proceedings, we get word that Cuba is also playing host to a Soviet combat force of two to three thousand men, who have been there for several years. The timing of the news has been no small embarrassment to the Carter administration and its plans for a SALT treaty. But none of this should have been the least bit unexpected.

The nonaligned movement began in 1961 as an attempt by some smaller nations to extricate themselves from the hazards and constraints of big power Cold War politics. But it has been years since the group has exercised anything like a neutral influence in the world. Its summits and plenary meetings regularly condemn the "imperialism, colonialism, neocolonialism, racism, apartheid and any other form of foreign domination" which have become code words for Western liberalism. At this year's Havana meeting, the Cubans are trying to take things one step farther and have the movement declare a "natural alliance" between the nonaligned and the Communist bloc because of this common opposition to colonialism and imperialism.

The Cubans are meeting some resistance to their ploy. Yugoslav President Tito, a founder of the nonaligned movement and a venerable 87 years old, has journeyed all the way to Havana to warn the delegates not to go too far in expressing solidarity with the Russians. The U.S. is getting no discernible benefit from the falling-out. But we will doubtless be told that the resistance to Cuba's plan for an overt alliance with the Soviets should be treated as a species of U.S. victory.

That line will be a little harder to push now that the news is out about Cuba's Soviet combat troops. They don't pose any immediate military threat to us; they're just sitting there, whether to guard facilities for Soviet tapping of U.S. phone lines or to protect the person of Fidel Castro or to demonstrate socialist solidarity with the Cuban freedom fighters, in an ugly little act of provocation.

You'd think the Soviets would be worried about the inflammatory effects of having their troops so close to our shores, what with SALT coming up and Latin America in a somewhat unstable condition; but they obviously figured that they could get away with it, and it is not in the least puzzling that they should do so.

They're dealing, after all, with an administration desperately committed to SALT and determined to find reasons for not building new weapons systems, an administration whose idea of a show of force is carriers that turn around in the middle of the ocean and F15s that fly over Saudi Arabia unarmed, an administration willing to co-operate in saving Soviet face by devices like agreeing to a Russian veto of UN peacekeeping forces in the Sinai and putting a damper on news of extensive Soviet wiretaps within the U.S.

In keeping with this pattern, the administration's first plan for responding to the news of the Soviet troops was to ask for "assurances" that the Russians wouldn't use them for offensive purposes. The Soviets would no doubt be happy to comply, sewing medic patches over their soldiers' artillery insigna and getting credit for their peace loving behavior in the process. It would also be easy enough for them to let us count the outbound leg of a troop rotation.

But whether the Soviets are in a mood to save the administration's face and whether mere face-saving will do are both in doubt. Senate Foreign Relations Committee Chairman Frank Church is leading the effort to link the Cuban-based troops to SALT; he is running for re-election back in Idaho. The democratic system is at work.

The Soviets couldn't have been expected, of course, to foresee such American electoral idiosyncrasies. They, the Cubans and the nonaligned have all been conditioned to expect an administration studiously devoted to avoiding any possibility of conflict. This kind of U.S. behavior provokes not just continuing insult but dangerous crisis, and these latest Cuban happenings are just another example of that monotonous fact.

[From the New York Times, Sept. 7, 1979]

THE CUBAN LINE FOR THE NONALIGNED

Probably by accident, reports of the Soviet military buildup in Cuba surfaced just as 90-odd nonaligned nations were about to meet in Havana. But it was surely no accident that Fidel Castro chose to open the Havana summit with a call to arms against "American imperialism." Mr. Castro apparently aspires to be doctrinal pontiff as well as titular chairman of the nonaligned bloc. And he might succeed.

Most Americans find it absurd that Cuba can be regarded as "nonaligned." The island is an economic vassal of Moscow and a staging base for Soviet forces in the Caribbean. In every essential respect, Mr. Castro is an orthodox Communist whose soldiers, moreover, are furthering Russian purposes in Africa. How can he claim the mantle of a Tito, a Nehru or a Nasser, founders of the nonaligned group in 1961?

The answer is that the Cuban cause is seen very differently in much of the third world. Fidel Castro is regarded as his own man in Havana, a revolutionary who has successfully defied the Yankee colossus—to be sure, with Soviet help, but on Cuban terms. Mr. Castro is thus the most effective advocate for the view that the Soviet Union is the "natural" ally of the nonaligned nations.

He is a superb tactician, too worldly to believe that the old simplicities about imperialism carry their old conviction. As he is well aware, it isn't Wall Street but the OPEC cartel that raised oil prices to levels near ruinous for many third world countries. It wasn't the capitalist West that was to blame for Vietnam's invasion of Cambodia, or for China's invasion of Vietnam. Only in southern Africa does the third world face anything like the classic confrontation between rich and poor. These are realities that Mr. Castro ignored in his fantasy idyll.

But that fantasy suited many in his audience—certainly the radical Arab states, whose leaders prefer an attack on President Sadat to a discussion of the economic consequences of OPEC. In Havana, it was left to Marshall Tito to restate the traditional doctrine of nonalignment: the avoidance of any binding ties to superpowers, and opposition to all forms of political and economic domination. Yet the Yugoslav President, the only other delegate of unquestioned world prominence, was applauded just once.

Possibly the conferees in Havana don't care much, or were bemused by the weather. Yet to the extent that the Castro view prevails, the movement will cease to be truly nonaligned and lose whatever moral claims it once boasted. Purely in terms of self-interest, the nonaligned nations would be throwing their weight to Moscow on the cheap, jeopardizing their ties with the West, and with China, and without any assurance of reward. This seems to be what Mr. Castro is asking. It would speak poorly for the acumen of the Havana summiteers if they squandered their birthright to join a Cuban ideological offensive.

[From the Washington Post, Sept. 7, 1979]

THE SOVIET BRIGADE

The administration has got itself into a nice mess over the Soviet combat brigade now reported to be in Cuba. The brigade does not seem the product of a recent "build-up," and in a way that is unfortunate. For the administration could then have insisted—indeed, against what might have been some of its instincts to the contrary, it would have been compelled to insist—that Moscow had done something provocative, sly and unacceptable. It could have rallied virtually the whole country behind a demand that the Russians back down, no matter the danger to SALT.

But, the administration asserts, the brigade is not newly emplaced, only newly discovered. The secretary of state says it is mostly a case of the United States having assembled a new intelligence jigsaw puzzle of a force that has been around since the early 1970s, if not the early 1960s. This raises some disturbing questions about American intelligence. It leaves Jimmy Carter in a fix. Any demand to Moscow to remove the brigade will surely be met by a not unreasonable rejoinder: why are you so excited about soldiers whose presence you have not even noticed, let alone protested, for what your own intelligence says is years and years? But if Mr. Carter does not press such a demand, he invites escalating attacks on his political standing and on his diplomacy (SALT) alike. For this he has chiefly his own record of uncertain international purpose to blame.

Mr. Carter, however, must deal with the situation as it actually exists, and the first element of the situation is concern about the brigade. In and out of the Senate, some extreme and transparently political things are being said but, discounting them, there remains strong and sensible reason for Americans to object to this increment of Soviet adventurism and power. Fortunately, the State Department now recognizes this, too. A few days ago, even while saying it didn't know what the purpose of the force was, it said the force posed "no threat to the United States," but now it agrees that the matter is "very serious" and it asserts that "the presence of this unit runs counter to long-held American policies." On this more satisfactory showing of urgency, the administration is entitled to a certain discretion as it plans what to do.

It was never possible or desirable for the Senate to take a precious lawyerly approach to arms control and to pretend SALT could be judged and put into effect in a context excluding the foreign and defense policies of the Soviet Union. That is not to say SALT is a reward that should be withheld from the Kremlin to spank it for its policy in Cuba. The treaty, if it is ratified, will have to be safe in circumstances like those now prevailing; the people who put those troops in Cuba are the same ones we are making the treaty with. If SALT has any value, it should be to reduce the mutual costs and risks of the sort of superpower elbow-wrestling going on now. The question has only been sharpened by the revelations concerning the Soviet brigade.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I do yield.

Mr. ROBERT C. BYRD. In connection with intelligence gathering as it applies to the current matter involving Cuba, I do not know how much utility there would be in resuming the photo reconnaissance flights over Cuba by the SR-71 aircraft. Regular flights by the SR-71 were canceled in January 1977. But I think this is a matter that should be considered by the administration. If there is some utility in renewing those flights, keeping in mind the other intelligence-gathering sources and methods that may or may not be available to us, I think that consideration should be given to resuming the flights. If there is utility in resuming them, I think they should be resumed.

I hope that, with the passage of a little time and with cool heads in the meanwhile, the Senate will be presented with full information on the Cuban situation and can then reach a clear and cool judgment with respect to what is actually going on in Cuba—whether or not the Soviet personnel have been there since 1971 or since 1962, for that matter, at which time, there were 20,000 Soviet personnel in Cuba.

I think it has been generally known that since 1962 there have been Soviet advisory personnel in Cuba. I would assume they have been there to advise and train the Cubans in the use of Soviet tanks and other Soviet equipment.

What I say is not to indicate a lack of concern on my part. But it may very well be that we will find that the Soviet personnel have been there all along.

In any event, I hope we will not overreach ourselves in our preliminary judgments and that we will wait until all the information is available as to how many Soviets are in Cuba, how long they have been there, and what their mission is.

Finally, let me repeat that we should not rush to judgment on the merits of the SALT treaty without carefully studying those merits; and that we not allow ourselves to make hasty judgments with respect to the treaty based on the Cuban situation, about which we have not yet been fully informed. I am certain that the Senate will be better informed as the committees continue their hearings and have an opportunity to get the facts.

I thank the distinguished Senator.

FEDERAL COURTS IMPROVEMENT ACT OF 1979

The PRESIDING OFFICER (Mr. LEVIN). Under the previous order, the Senate will now resume consideration of the pending business, S. 1477, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1477) to provide for improvements in the structure and administration of the Federal courts, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from Arizona (Mr. DECONCINI) and the Senator from South Carolina (Mr. THURMOND), with 30 minutes on any amendment, except an amendment by the Senator from Arkansas (Mr. BUMPERS) relative to administrative procedures on which there shall be 4 hours, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum momentarily without the time being charged to either side.

Mr. STEVENS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that suggestion.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I ask unanimous consent that Ken Feinberg, of Senator Kennedy's staff; Stephen Bayer, Tom Susman, and Robert Fiedler, of the staff of the Committee on the Judiciary, be accorded the privilege of the floor during debate on S. 1477 and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President. S. 1477, "The Federal Courts Improvement Act of 1979," is a comprehensive Federal judicial reform package designed to improve the structure and administration of our Federal courts system. It has been developed by the Senate Judiciary Committee in close cooperation with the Department of Justice.

S. 1477 is the cumulation of many decades of debate over the nature and structure of our Federal courts. This legislation enjoys the unanimous support of the Senate Judiciary Committee; I wish to thank in particular the distinguished chairman of the Subcommittee for Improvements in Judicial Machinery, Senator DECONCINI, and the ranking minority member of the subcommittee, Senator DOLE, for their cooperation and commitment toward this legislation. Both of them have been of enormous assistance in the development of this bill and they have my thanks and appreciation. The bill should be viewed as an important step in improving the quality of justice in our Federal courts by assuring that our judicial system will function more effectively and efficiently.

The bill consists of various provisions, each designed to deal with a different problem confronting the Federal courts. Some of the provisions have long been under discussion; others are new. Some are major reforms; others are of lesser significance. But quite apart from the merits of individual sections, S. 1477 serves the important purpose of focusing attention in the vital area of court reform.

What are the key features of S. 1477 as unanimously reported from the Senate Judiciary Committee:

The bill places limitations on the tenure of a chief judge of a Federal district court or court of appeals by providing for a maximum term of 7 years and mandates that no judge shall be designated a chief judge who reaches the age of 65. These provisions assure an adequate turnover in administrative responsibility while guaranteeing administrative continuity.

The bill requires that Federal appellate panels be composed of at least three judges, at least a majority of whom

shall be judges of the circuit court, and that the presiding judge be a judge of that court in regular active service. The bill thus discourages any unnecessary borrowing of judges and promotes stability and predictability by requiring a majority of each panel to be composed of judges of the circuit court.

The bill changes the membership and structure of circuit judicial councils by requiring for the first time membership of district court judges. The bill also requires that the Judicial Conference of the United States develop procedures limiting the size of the councils and the method of selecting council members. The goal is to give the councils a more effective role in court administration and management within the various circuits.

The bill addresses the issues of judicial resignation and retirement and also creates for the first time a pension right for a Government employee who leaves judicial office to serve in other Government service.

The bill authorizes a Federal judge to be assigned temporarily to the position of administrative assistant to the Chief Justice, Director of the Administrative Office of the U.S. Courts, or Director of the Federal Judicial Center. This provision makes available to the judiciary the talents of administratively able judges and thereby strengthens the administration of the Federal judiciary.

The bill calls for the publication of court rules and requires each court of appeals to create an advisory committee to make recommendations to the judges in formulating rules of practice and of internal operating procedures. This would provide valuable assistance to the judges in developing sound rules and would provide practitioners with useful information and a better understanding concerning the court's business.

The bill facilitates the transfer of any case inadvertently commenced in the wrong Federal court to the proper court without loss of a litigant's rights. The goal is to eliminate unfairness in a situation where a litigant mistakenly files a complaint in the wrong court.

The bill provides modern new rules for the judicial award of equitable interest on claims and judgments. The bill provides that interest rates will no longer be left to inconsistent State law, but would be based on a uniform national rate. It also provides that where a defendant knew—or should have known—of his potential liability, interest may be awarded for the prejudgment period. These provisions encourage litigants to settle cases and avoid needless additional expense at the appellate level.

Finally, the bill would also create a new appellate court—the United States Court of Appeals for the Federal Circuit—with exclusive jurisdiction over all patent appeals. This court would be created by merging the existing Court of Claims and Court of Customs and Patent Appeals. The justification for consolidating these courts and giving the new court exclusive patent jurisdiction is to assure consistency in the interpretation of Federal patent law, while relieving the Federal courts of the time-consuming burden of deciding such cases. But this court of appeals for the Federal circuit has an additional virtue—it consolidates two existing courts which are not working at full potential, thus making valuable administrative changes in the existing Federal appellate system.

Mr. President, S. 1477, as reported by the Senate Judiciary Committee, also creates a new U.S. Court of Tax Appeals with exclusive appellate jurisdiction overall civil tax appeals. For more than 40 years the inadequacies of the present civil tax appellate system have been criticized and debated. Yet, until now, little has been done to deal with these inadequacies. S. 1477 would create a new appellate tribunal at the same level as the existing Federal Circuit Courts of Appeals which would be staffed by existing Federal circuit judges who would serve for 3 years on the new tax court before returning to their home circuits. The proposal has the strong support of the Federal Judiciary, the practicing tax bar, the Internal Revenue Service and Treasury Department and various tax experts including Dean Griswald. This proposal would guarantee that future tax law would be developed by "generalist" Federal judges, sitting throughout the Nation. The advantages of consistency and an end to forum-shopping would be assured. Title IV of S. 1477—creating this new court of tax appeals—has, however, been sequentially referred to the Senate Finance Committee as S. 1691 for a period not to exceed December 31, 1979. Accordingly, title IV should be struck from S. 1477 and will be considered separately when S. 1691 is reported by the Senate Finance Committee. I was very pleased to hear of Senator DOLE's support concerning the need for reform of the administration of our tax laws. And I look forward to working with him as we process S. 1691.

S. 1477 also contains a provision allowing immediate appeals of interlocutory orders in cases of "extraordinary importance." In such rare cases the court of appeals would decide—even in the absence of district court approval—whether or not to entertain such an appeal before the completion of the case. Various experts on Federal civil procedure, however, have joined with the Justice Department in asking that this provision be struck from S. 1477 in order to be considered in connection with new legislation dealing with the whole subject of interlocutory appeals. Accordingly, I have agreed to strike the section in the hope that the Senate Judiciary Committee, working with the Justice Department will promptly develop comprehensive legislation establishing new rules for the taking of intermediate or interlocutory appeals.

Mr. President, S. 1477 constitutes an important step in our effort to make the Federal courts function more effectively. As Woodrow Wilson said: "So far as the individual is concerned, a constitutional government is as good as its courts. No better, no worse." The goal of S. 1477 is to assure that in matters of administration, structure and governance, our Federal Courts meet this test.

Mr. DECONCINI. Mr. President, I am pleased today to bring to the floor, together with the distinguished chairman of the Committee on the Judiciary and the ranking member on the subcommittee, the Senator from Kansas, S. 1477, the "Federal Court Improvements Act of 1979." The predecessors of this bill were S. 677 and S. 678, both introduced on March 15, 1979. Those bills were referred to the Subcommittee on Improvements in Judicial Machinery which I am privileged to chair, and 6 days of hearings were held on the bills through May and June of this year. The result is S. 1477, a combination of what the subcommittee felt were the most meritorious provisions that had been presented. The bill was reported from the subcommittee in early July and received final approval from the full committee on July 31 of this year.

The "Federal Court Improvements Act" represents a tremendous step forward in assisting our Federal appellate forums perform their duties. New provisions governing the makeup of judicial councils, membership on circuit panels, tenure of chief judges and transfer of cases should be a boon to the system and are ideas that enjoy widespread support. The creation of the new Court of the Federal Circuit through combining the Court of Claims and Court of Customs and Patent Appeals will add significantly to the flexibility of the Federal court and will create for the first time a national forum where appeals from patent cases can be taken directly. This provision has the strong support of the Department of Justice, many noted legal scholars and the business community as a whole.

It is a reflection of high esteem which Congress has for the sitting judges of the Court of Claims and Court of Customs and Patent Appeals that these judges will become the first judges of the new Court of the Federal Circuit.

Finally, I want to praise and thank Senator Kennedy for his tremendous efforts in developing the initial ideas contained in the bill and for his continued support and assistance in processing the legislation. Many significant bills including the magistrate bill, the Supreme Court jurisdiction bill, and several bankruptcy reform bills have been processed by the Committee on the Judiciary this year and Senator KENNEDY was a strong supporter of all these efforts to aid the Federal court system.

As we know in this body, it takes a chairman who is determined that legislation will indeed move through a committee and will support the chairman of the subcommittees, and Senator Kennedy has certainly articulated his support and thrown his entire effort and staff to see that these legislative matters

be brought before this body for full deliberation.

I thank former assistant attorney general Daniel Meador and Frank Cihler of his staff, Ken Feinberg of Senator KENNEDY's staff, and Romano Romani and Robert Feidler of the Subcommittee Staff for their efforts in assisting the committee to develop this legislation.

As we also know, Mr. President, without staff people, and particularly Ken Feinberg, Bob Feidler, and Romano Romani these things just do not happen. It takes a great amount of time to deal with the particular Senators and their interests as well as the professional groups and the special interests, businesses and attorneys groups that practice before the courts, and these staff people deserve a great deal of credit and commendation.

I ask unanimous consent that the committee amendments to S. 1477 be considered and agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments are as follows:

On page 5, line 18, strike "or" and insert "and after expiration of such term,";

On page 7, line 14, strike "or" and insert "and after expiration of such term,";

On page 9, line 13, after "court" insert "unless such judges cannot sit because recused or disqualified";

On page 12, line 4, strike "subpoenas" and insert "subpenas";

On page 12, line 5, strike "subpoenas and insert "subpenas";

On page 12, line 6, strike "Subpoenas" and insert "Subpenas";

On page 12, line 10, strike "subpoenas" and insert "subpenas";

On page 12, line 22, after "section" insert "and section 333 of this title";

On page 13, beginning with line 18, insert the following:

(c) The amendment made by subsection (a) of this section shall not affect the terms of existing appointments.

On page 15, line 10, strike "territorial";

On page 15, line 10, after "Congress" insert "in a territory";

On page 19, line 23, after the period, insert "Members of the committee shall serve without compensation, but the Director may pay travel and transportation expenses in accordance with section 5703 of title 5.;

On page 22, beginning with line 4, strike through and including line 12, and insert in lieu thereof the following:

"(b)(1) Except as provided in paragraph (2) or unless otherwise required by law, in awarding damages to a party the court may add to the sum of actual damages awarded a sum of interest computed over a period before the time of judgment where the facts of the controversy and the manner in which the case was litigated indicate that an award of such prejudgment interest is appropriate to afford the prevailing party complete relief. This prejudgment interest shall be computed at the rate fixed under subsection (a) at the time of judgment and measured from the time that the party against whom damages have been awarded became aware of his potential liability or from the time that he should have become aware of such liability but, in any case, not to exceed a period of five years.

On page 23, line 6, strike "awarded."." and insert "awarded.";

On page 23, beginning with line 7, insert the following:

"(c)(1) In any judgment of any court rendered (whether against the United States, a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death) for any overpayment in respect of any internal revenue tax, interest shall be allowed at an annual rate established under section 6621 of the Internal Revenue Code of 1954 upon the amount of overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than thirty days, such date to be determined by the Comissioner of Internal Revenue. The Commissioner is authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor.

"(2) Except as otherwise provided in paragraph (1) of this subsection, interest shall be allowed on all final judgments against the United States as provided in subsections (a) and (b).".

On page 24, beginning with line 3, strike through and including line 6, and insert in lieu thereof the following:

(b) Sections 2411 and 2516 of title 28, United States Code, and the items relating to sections 2411 and 2516 in the section analyses of chapter 161 and chapter 165 of such title, respectively, are repealed.

On page 25, line 5, strike "to read as follows" and insert "by striking the first two sentences and inserting in lieu thereof the following";

On page 25, line 11, strike "(as amended by paragraph 1)";

On page 25, line 14, strike "(as amended by paragraphs 1 and 2)";

On page 30, line 17, beginning with "the date" strike through and including page 31, the word "seventy" in line 2, and insert "September 30, 1985";

On page 31, beginning with line 3, insert the following:

(c) Notwithstanding the provisions of section 172(b) of title 28, United States Code, as amended by section 311 of this Act, until such time as a change in the salary rate of a judge of the United States Claims Court occurs in accordance with such section 172(b), the salary of such judge shall be equal to the salary of the Commissioner of the Court of Claims.

On page 32, line 6, strike "by striking out the subsection designation "(b)" and";

On page 38, line 3, strike "Courts" and insert "Court";

On page 40, line 14, strike "in regular active service within" and insert "authorized for such circuit in section 44 of this title";

On page 40, line 19, strike "each court of appeals" and insert "the Court of Appeals for the Federal Circuit";

On page 41, line 3, strike "any circuit" and insert "the Court of Appeals for the Federal Circuit";

On page 43, line 6, after the comma, insert "in such numbers as the Judicial Conference of the United States may approve";

On page 49, line 10, after "title" insert "or under section 1346(b) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue";

On page 50, line 22, strike "and";

On page 50, line 25, strike "5."." and insert "5; and";

On page 51, beginning with line 1, insert the following:

"(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section 8(g)(1) of the Contract Disputes Act of 1978.

"The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United States awarded by that department or agency which such head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contract Disputes Act of 1978 (41 U.S.C. 609(b)). The head of each executive department or agency shall make any referral under this section within one hundred and twenty days of the receipt of a copy of the final appeal decision.

"The Court of Appeals for the Federal Circuit shall review the matter referred in accordance with the standards specified in section 10(b) of the Contract Disputes Act of 1978. The Court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter pursuant to the authority specified in section 1491 of this title.".

On page 53, line 1, after "liquidated" insert "or unliquidated";

On page 55, line 9, beginning with "by" strike through and including the quotation mark in line 13, and insert "to read as follows:";

"§ 1491. Claims against United States generally; actions involving Tennessee Valley Authority

"(a)(1) The United States Claims Court shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, except an Act of Congress or a regulation of an executive department providing for internal revenue, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) To afford complete relief in controversies within its jurisdiction, the court may grant declaratory judgments and such equitable and extraordinary relief as it deems proper, including, but not limited to, injunctive relief; and the court may, to complete the relief afforded by a judgment, issue orders directing restoration to office or position, placement in appropriate duty or retirement status, and correction of applicable records; and any such orders issued pursuant to a grant of equitable or extraordinary relief or issued to complete relief may be issued to

any appropriate official of the United States. In any case within its jurisdiction, the court shall have the power to remand appropriate matters to any administrative or executive body or official with such direction as it may deem proper and just. The Claims Court shall have jurisdiction to render judgment upon any claim by a contractor arising under section 10(a)(1) of the Contract Disputes Act of 1978.

"(b) Nothing in this section shall be construed to give the United States Claims Court jurisdiction in actions against, or founded on conduct of, the Tennessee Valley Authority, nor to amend or modify the provisions of the Tennessee Valley Authority Act of 1933 with respect to actions by or against the Authority.".

On page 59, beginning with line 17, strike through and including line 20;

On page 59, line 22, strike "346" and insert "345";

On page 62, beginning with line 22, strike through and including page 63, line 2, and insert in lieu thereof the following:

(1)(1) Section 2510 of title 28, United States Code, is amended to read as follows:

"§ 2510. Referral of cases by Comptroller General

"The Comptroller General may transmit to the United States Claims Court for trial and adjudication any claim or matter of which the Claims Court might take jurisdiction on the voluntary action of the claimant, together with all vouchers, papers, documents, and proofs pertaining thereto.

"The Claims Court shall proceed with the claims or matters so referred as in other cases pending in such court and shall render judgment thereon.".

(2) The item relating to section 2510 in the table of sections for chapter 165 of title 28, United States Code, is amended to read as follows:

"2510. Referral of cases by the Comptroller General.".

On page 63, beginning with line 20, strike through and including page 64, line 12;

On page 64, line 13, strike "(l)" and insert "(k)";

On page 64, line 20, strike "(m)" and insert "(l)";

On page 65, line 4, strike "(n)" and insert "(m)";

On page 65, line 7, strike "(o)" and insert "(n)";

On page 65, line 14, strike "(p)" and insert "(o)";

On page 67, line 16, strike "chief judge of each circuit" and insert "Chief Justice";

On page 67, line 17, strike "that circuit court" and insert "each court of appeals";

On page 67, line 18, strike "Such designation shall be approved by the circuit council of the circuit.";

On page 67, line 20, strike "chief judge of the circuit" and insert "Chief Justice";

On page 67, line 23, strike "Such designation shall be approved by the circuit council";

On page 68, line 2, strike "two years" and insert "one year";

On page 68, line 3, strike "four" and insert "two";

On page 68, line 4, strike "six" and insert "three";

On page 68, line 6, strike "chief justice of the circuit which is no longer represented on the Court of Tax Appeals" and insert "Chief Justice";

On page 68, line 8, strike "circuit";

On page 68, line 9, after "court" insert "of appeals no longer represented on the Court of Tax Appeals";

On page 68, line 11, strike "Such designation shall be approved by the circuit council of that circuit.";

On page 69, line 16, strike "new sentence";

On page 69, line 17, strike "first" and insert "second";

On page 70, line 10, strike "subsection" and insert "subsections";

On page 70, line 11, strike "(c)" and insert "court.";

On page 70, line 15, strike "court."." and insert "court.";

On page 70, beginning with line 16, insert the following:

"(g) On or about January 1, 1985, the Director of the Administrative Office of the United States Courts shall report to the President and the Committees on the Judiciary of the Senate and House of Representatives concerning the implementation and effectiveness of the United States Court of Tax Appeals. Such report shall include—

(1) a description of the progress made in accomplishing the objectives of this title; and

(2) the extent to which litigants in each Federal circuit have had their cases resolved promptly and efficiently within their own circuits.".

On page 78, line 24, strike "", the Court of Claims,"" and insert ""the Court of Claims each place that it appears";

On page 78, line 25, strike "striking out", chief judge of the Court of Claims,"." and insert "inserting in lieu thereof "the United States Claims Court".";

On page 80, line 10, strike "Section (8)(g)(1)" and insert "Sections 10(a)(1) and (d)";

On page 83, beginning with line 11, insert the following:

SEC. 515. Section 8(g)(1) of the Contract Disputes Act of 1978 is amended—

(1) in subpargraph (A), by striking out "Court of Claims" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subpargraph (B), by striking out "United States Court of Claims for judicial review, under section 2510 of title 28, United States Code, as amended herein," and inserting in lieu thereof "Court of Appeals for the Federal Circuit for judicial review under section 1295 of title 28, United States Code.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Federal Courts Improvement Act of 1979".

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TITLE I—GOVERNANCE AND ADMINISTRATION OF THE FEDERAL COURTS

PART A—CHIEF JUDGE TENURE

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE COURTS OF APPEALS

SEC. 101. (a) Section 45(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) The chief judge of the circuit shall be the circuit judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as circuit judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no circuit judge meets the qualifications of paragraph (1), the youngest circuit judge in regular active service who is sixty-five years of age or over and who has served as circuit judge for one year shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no circuit judge in regular active service who has served as a circuit judge for more than one year, the circuit judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the circuit appointed under paragraph (1) shall serve for a term of seven years *and after expiration of such term,* until another judge is eligible under paragraph (1) to serve as chief judge of the circuit.

"(B) Except as provided in subparagraph (C), a circuit judge acting as chief judge under subparagraph (A) or (B) of paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No circuit judge may serve or act as chief judge of the circuit after attaining the age of seventy years unless no other circuit judge is qualified to serve as chief judge of the circuit under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 45(c) of title 28, United States Code, is amended to read as follows:

"(c) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as circuit judge, he may so certify to the Chief Justice of the United States, and thereafter the chief judge of the circuit shall be such other circuit judge who is qualified to serve or act as chief judge under subsection (a).".

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE DISTRICT COURTS

SEC. 102. (a) Section 136(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) In any district having more than one district judge, the chief judge of the district shall be the district judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as district judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no district judge meets the qualifications of paragraph (1), the youngest district judge in regular active service who is sixty-five years of age or over and who has served as district judge for one year shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no district judge in regular active service who has served as a district judge for more than one year, the district judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the district appointed under paragraph (1) shall serve for a term of seven years and after expiration of such term, until another judge is eligible under paragraph (1) to serve as chief judge of the district.

"(B) Except as provided in subparagraph (C), a district judge acting as chief judge under subparagraph (A) or (B) of paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No district judge may serve or act as chief judge of the district after attaining the age of seventy years unless no other district judge is qualified to serve as chief judge of the district under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 136(d) of title 28, United States Code, is amended to read as follows:

"(d) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as district judge, he may so certify to the Chief Justice of the United States, and thereafter, the chief judge of the district shall be such other district judge who is qualified to serve or act as chief judge under subsection (a).".

EFFECTIVE DATE; APPLICABILITY

SEC. 103. (a) The amendments to section 45 of title 28, United States Code, and to section 136 of such title, made by sections 101 and 102 of this part, shall take effect one year from the date of enactment of this Act and shall not apply to or affect any person serving as chief judge on that effective date.

(b) The provisions of section 45(a) of title 28, United States Code, in effect on the day before the effective date of this part shall apply to the chief judge of a circuit serving on the effective date. The provisions of section 136(a) of title 28, United States Code, in effect on the day before the effective date of this part shall apply to the chief judge of a district court serving on the effective date.

PART B—PRECEDENCE AND COMPOSITION OF PANEL

PRECEDENCE ON PANEL

SEC. 111. Section 45(b) of title 28, United States Code, is amended by inserting "of the court in regular active service" immediately after "circuit judges" in the second sentence.

COMPOSITION OF PANEL; REQUIREMENTS AND SIZE

SEC. 112. (a) Section 46(b) of title 28, United States Code, is amended (1) by inserting "at least" before "three judges" in the first sentence; and (2) by striking the period at the end of the first sentence and inserting at the end thereof a comma and the following: "at least a majority of whom shall be judges of that court unless such judges cannot sit because recused or disqualified.".

(b) Section 46(c) of title 28, United States Code, is amended by striking out "not more than" in the first sentence and inserting in lieu thereof "at least".

PART C—JUDICIAL COUNCILS

SEC. 121. (a) Section 332 of title 28, United States Code, is amended by striking out subsections (a) through (d) and inserting in lieu thereof the following:

"(a) The chief judge of each court of appeals of a judicial circuit shall call, at least twice in each year, and at such places as he may designate, a meeting of the judicial council of the circuit, consisting of:

"(1) the chief judge of the court of appeals for the circuit, who shall preside; plus

"(2) that number of court of appeals judges of the circuit fixed by majority vote of all such judges in regular active service; plus

"(3) that number of district court judges of the circuit fixed by majority vote of all court of appeals judges of the circuit in regular active service: *Provided,* That—

"(A) if the number of court of appeals judges fixed in accordance with paragraph (2) of this subsection is less than six, the number of district court judges fixed in accordance with this paragraph shall be no less than two; and

"(B) if the number of court of appeals judges fixed in accordance with paragraph (2) of this subsection is six or more, the number of district court judges fixed in accordance with this paragraph shall be no less than three.

"Members of the council shall serve for terms established by a majority vote of all judges of the circuit in regular active status.

"The number of court of appeals and district court judges fixed in accordance with paragraphs (2) and (3) of this subsection shall be set by order of the court of appeals for the circuit no less than six months prior to a scheduled meeting of the council so constituted.

"Only court of appeals and district court judges in regular active service shall serve as members of the council.

"No more than one district court judge from any one district shall serve simultaneously on the council, unless at least one district court judge from each district within the judicial circuit is already serving as a member of the council.

"In the event of the death, resignation, retirement or disability of a member of the council, a replacement member shall be designated to serve the remainder of the unexpired term by the chief judge of the court of appeals of the circuit.

"Each member of the council shall attend each council meeting unless excused by the chief judge of the court of appeals of the circuit.

"(b) The council shall be known as the Judicial Council of the circuit.

"(c) The chief judge of the court of appeals of the circuit shall submit to the council the semiannual reports of the Director of the Administrative Office of the United States Courts, and the council may take such action on matters contained therein of concern to the courts of the circuit as may be necessary.

"(d) Each judicial council shall make all necessary and appropriate orders for the effective and expeditious administration of justice within its circuit. Unless an impediment to justice is involved, regular business of the courts need not be referred to the council. Each council is authorized to hold hearings, to take sworn testimony, and to issue subpenas and subpenas duces tecum therefore. Subpenas shall be issued by the clerk of the court of appeals, at the direction of the chief judge of the court of appeals or his designee, under the seal of the court, and served in the manner provided in rule 45(c) of the Federal Rules of Civil Procedure for subpenas issued on behalf of the United States or an office or agency thereof.

"All judicial officers and employees of the circuit shall promptly carry into effect all orders of the judicial council."

(b) Section 332 of the United States Code is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding subsection (a), the judicial council of the Federal Judicial Circuit shall consist of all judges of the court of appeals for the Federal Judicial Circuit in regular active service and the chief judges of the United States Customs Court and the United States Claims Court. Subsections (e) and (f) shall not apply to the Court of Appeals for the Federal Circuit. This section and section 333 of this title shall not apply to the United States Court of Tax Appeals.".

(c) The section heading for section 332 of title 28, United States Code, is amended to read as follows:

"§ 332. Judicial councils of circuits".

(d) The item relating to section 332 in the table of sections for chapter 15 of title 28, United States Code, is amended to read as follows:

"332. Judicial councils of circuits.".

SEC. 122. TECHNICAL AND CONFORMING AMENDMENTS.—

(a) Section 3006A(h)(2)(A) of title 18, United States Code is amended—

(i) by striking "judicial council" wherever it appears and inserting in lieu thereof "court of appeals" in each instance; and

(ii) by striking "Judicial Council of the circuit" and inserting in lieu thereof "court of appeals of the circuit".

(b) Section 3006A(i) of title 18, United States Code, is amended by striking "judicial council" and inserting in lieu thereof "court of appeals".

(c) The amendment made by subsection (a) of this section shall not affect the terms of existing appointments.

PART D—RETIREMENT AND PENSIONS

JUDICIAL RESIGNATION AND RETIREMENT

SEC. 131. (a) Section 371 of title 28, United States Code, is amended to read as follows:

"§ 371. Resignation or retirement for age

"(a) Any justice or judge of the United States appointed to hold office during good behavior who resigns after attaining the age and meeting the service requirements, whether continuous or otherwise, of subsection (c) of this section shall, during the remainder of his lifetime, receive an annuity equal to the salary which he was receiving when he resigned.

"(b) Any justice or judge of the United States appointed to hold office during good behavior may retain his office but retire from regular active service after attaining the age and meeting the service requirements, whether continuous or otherwise, of subsection (c) of this section. He shall, during the remainder of his lifetime, continue to receive the salary of the office. The President shall appoint, by and with the advice and consent of the Senate, a successor to a justice or judge who retires.

"(c) The age and service requirements for resignation or retirement of a justice or judge of the United States under this section are as follows:

"Attained age:	Years service
65	15
70	10."

(b) The amendments made by subsection (a) shall apply with respect to any justice or judge of the United States who retires on or after the date of enactment of this Act.

PENSIONS OF JUDGES WHO RESIGN TO ACCEPT EXECUTIVE POSITIONS

SEC. 132. (a) Section 8332(b) of title 5, United States Code, is amended by striking the word "and" at the end of paragraph 8, by striking the period at the end of paragraph 9 and inserting in lieu thereof "; and", and by inserting the following new paragraph at the end of the subsection:

"(10) service as a justice or judge of the United States as defined by section 451 of title 28 and service as a judge of a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, but no credit shall be allowed for such service if the employee is entitled to a salary or an annuity under section 371, 372, or 373 of title 28."

(b) Section 8334 of title 5, United States Code, is amended by inserting the following new subsection at the end of the section:

"(i)(1) The Director of the Administrative Office of the United States Courts shall pay to the Fund the amount which an employee may deposit under subsection (c) of this section for service creditable under section 8332(b)(10) of this title if such creditable service immediately precedes service as an employee subject to this subchapter with a break in service of no more than ninety working days. The Director shall pay such amount from any appropriation available to him as a necessary expense of the appropriation concerned.

"(2) The amount the Director pays in accordance with paragraph (1) of this subsection shall be reduced by the amount of any refund to the employee under section 376 of title 28. Except to the extent of such reduction, the amount the Director pays to the Fund shall satisfy the deposit requirement of subsection (c) of this section.

"(3) Notwithstanding any other law, the amount the Director pays under this subsection shall constitute an employer contribution to the Fund, excludable under section 402 of the Internal Revenue Code of 1954, as amended, from the employee's gross income until such time as the contribution is distributed or made available to the employee, and shall not be subject to refund or to lump-sum payment to the employee."

PART E—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES

ASSIGNMENT TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

SEC. 141. (a) Title 28, United States Code, is amended by inserting the following new chapter after chapter 13:

"CHAPTER 14—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

"Sec.
"301. Temporary assignment.
"302. Appointment of successor.
"303. Official duty station.
"304. Return to active service; seniority and precedence.

"§ 301. Temporary assignment

"Any retired justice of the United States, or any judge of the United States in active, senior, or retired status may be temporarily assigned to the position of Administrative Assistant to the Chief Justice, Director of the Administrative Office of the United States Courts, or Director of the Federal Judicial Center. Such service shall be without additional compensation.

"§ 302. Appointment of successor

"Upon the appointment of any judge in active status pursuant to section 301 of this title, the President shall, by and with the advice and consent of the Senate, appoint a successor to fill the vacancy resulting from the temporary assignment. Whenever such a successor is appointed, any vacancy created by the death, resignation, or retirement of the judge who is temporarily assigned pursuant to section 301 shall not be filled. If the judge temporarily assigned resumes active service pursuant to section 304(a)(1) of this title, the first vacancy created on that court shall not be filled.

"§ 303. Official duty station

"Notwithstanding the provisions of sections 374 and 456 of this title, the official duty station of the Administrative Assistant to the Chief Justice, the Director of the Administrative Office of the United States Courts, and the Director of the Federal Judicial Center is the District of Columbia.

"§ 304. Return to active service; seniority and precedence

"(a) Any judge who was in active service at the time of his temporary assignment made pursuant to section 301 of this title may—

"(1) resume such active service upon vacating his office; or

"(2) assume active service as a judge in the circuit of the District of Columbia.

"(b) For the purposes of seniority and precedence, a judge who resumes active service under paragraph (1) of subsection (a) shall be considered to have been in continuous active service as a judge of that court.".

(b) The table of chapters for part I of title 28, United States Code, is amended by inserting the following new item immediately after the item relating to chapter 13:

"14. Temporary Assignment of Justices and Judges to Other Offices within the Judicial Branch ..... 301".

PART F—RULES OF PRACTICE

PUBLICATION OF RULES

SEC. 151. (a) Chapter 131 of title 28 of the United States Code is amended by adding the following section:

"§ 2077. Publication of rules; advisory committees

"(a) The rules for the conduct of the business of each court of appeals, including the operating procedures of such court, shall be published. In accordance with the request of each court of appeals, the Director of the Administrative Office of the United States Courts, subject to the supervision and direction of the Judicial Conference of the United States, shall print or cause to be printed necessary copies of the rules. The Judicial Conference shall prescribe the fees for sales of copies under section 1913 of this title, but the Judicial Conference may provide for free distribution of copies to members of the bar of each court and to other interested persons.

"(b) Each court of appeals shall appoint an advisory committee for the study of the rules of practice and internal operating procedures of the court of appeals. The advisory committee shall serve as a means for the making of recommendations to the court concerning such rules and procedures. Members of the committee shall serve without compensation, but the Director may pay travel and transportation expenses in accordance with section 5703 of title 5.".

(b) The table of sections for such chapter is amended by adding at the end thereof the following new item:

"2077. Publication of rules; advisory committees.".

TITLE II—JURISDICTION AND PROCEDURE

PART A—INTERLOCUTORY APPEALS

COURT OF APPEALS CERTIFICATIONS

SEC. 201. Section 1292(b) of title 28, United States Code, is amended by deleting ": *Provided, however,* That application" and inserting in lieu thereof a period and the following: "The court of appeals may permit an appeal from a decision of a district court, not otherwise appealable under this section, after a refusal by a district court judge to make such a statement in writing, if the court of appeals determines in its discretion that an appeal is required in the interests of justice and because of the extraordinary importance of the case. Application".

PART B—TRANSFER OF CASES

TRANSFER TO CURE WANT OF JURISDICTION

SEC. 211. (a) Title 28, United States Code, is amended by adding the following new chapter after chapter 97:

"CHAPTER 99.—GENERAL PROVISIONS

"Sec.
"1631. Transfer to cure want of jurisdiction.

"§ 1631. Transfer to cure want of jurisdiction

"Whenever a civil action is filed in a court of the United States, the United States Claims Court, a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, or a United States bankruptcy court, and that court finds that there is a want of jurisdiction, the court shall, if it is in the interests of justice, transfer such action to any other such court in which the action could have been brought at the time such action was filed, and the action shall proceed as if it had been filed in the transferee court on the date upon which it was actually filed in the transferor court.".

(b) The table of chapters for title 28, United States Code, and for Part IV of such title, are each amended by adding at the end thereof the following:

"99. General Provisions ..... 1631".

PART C—INTEREST

INTEREST ON JUDGEMENTS AND PREJUDGEMENT INTEREST

SEC. 221. (a) Section 1961 of title 28, United States Code, is amended—

(1) by striking out "at the rate allowed by State law" in the last sentence and inserting in lieu thereof the following: "at the rate established pursuant to section 6621 of the Internal Revenue Code of 1954 (26 U.S.C. 6621) as of that date. The Director of the Administrative Office of the United States Courts shall distribute notice of that rate and any changes in it to all Federal judges."; and

(2) by inserting "(a)" at the beginning of the section and by adding the following new subsection at the end:

"(b)(1) Except as provided in paragraph (2) or unless otherwise required by law, in awarding damages to a party the court may add to the sum of actual damages awarded a sum of interest computed over a period before the time of judgment where the facts of the controversy and the manner in which the case was litigated indicate that an award of such prejudgment interest is appropriate to afford the prevailing party complete relief. This prejudgment interest shall be computed at the rate fixed under subsection (a) at the time of judgment and measured from the time that the party against whom damages have been awarded became aware of his potential liability or from the time that he should have become aware of such liability but, in any case, not to exceed a period of five years.

"(2) Interests under paragraph (1) shall not be awarded on losses which will not be incurred until after judgment, nor shall such interest be awarded where such an award would be duplicative of some other sum awarded.

"(c)(1) In any judgment of any court rendered (whether against the United States, a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death) for any overpayment in respect of any internal revenue tax, interest shall be allowed at an annual rate established under section 6621 of the Internal Revenue Code of 1954 upon the amount of overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than thirty days, such date to be determined by the Commissioner of Internal Revenue. The Commissioner is authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor.

"(2) Except as otherwise provided in paragraph (1) of this subsection, interest shall be allowed on all final judgments against the United States as provided in subsections (a) and (b).".

(b) Sections 2411 and 2516 of title 28, United States Code, and the items relating to sections 2411 and 2516 in the section analyses of chapter 161 and chapter 165 of such title, respectively, are repealed.

TITLE III—APPELLATE STRUCTURE FOR PATENT, TRADEMARK, CUSTOMS, AND TRADE APPEALS

PART A—COURT OF APPEALS FOR THE FEDERAL CIRCUIT

COMPOSITION AND PLACEMENT OF CIRCUIT

SEC. 301. (a) Section 41 of title 28, United States Code, is amended by striking "eleven" from the first sentence and by adding at the end of the section the following:

"Federal ..... All Federal judicial districts".

(b)(1) Section 44(a) of title 28, United States Code, is amended by adding at the end of the subsection the following:

"Federal ..... 12."

(2) Section 44(c) of title 28, United States Code, is amended by adding the following sentence at the end thereof: "While in active service, each circuit judge of the Federal judicial circuit shall reside within fifty miles of the District of Columbia.".

(c)(1) The first paragraph of section 48 of title 28, United States Code, is amended by striking the first two sentences and inserting in lieu thereof the following:

"(a) The courts of appeals shall hold regular sessions at the places listed below, and at such other places within the respective circuit as each court may designate by rule:".

(2) Section 48(a) of title 28, United States Code, is amended further by inserting at the end of the table of circuits and places the following:

"Federal ..... District of Columbia."

(3) Section 48(a) of title 28, United States Code, is amended further by striking the final paragraph and inserting in lieu thereof the following:

"(b) Each court of appeals may hold special sessions at any place within its circuit as the nature of the business may require, and upon such notice as the court orders. The court may transact any business at a special session which it might transact at a regular session.

"(c) Any court of appeals may pretermit, with the consent of the Judicial Conference of the United States, any regular session of court at any place for insufficient business or other good cause.".

ASSIGNMENT AND APPOINTMENT OF JUDGES

SEC. 302. (a) Notwithstanding the provisions of section 44 of title 28, United States Code, the judges of the United States Court of Claims and of the United States Court of Customs and Patent Appeals shall, on the effective date of this Act, be assigned to the United States Court of Appeals for the Federal Circuit. Thereafter, a vacancy on the court shall be filled in accordance with the provisions of section 44 of title 28, United States Code.

(b) Notwithstanding the provisions of section 45(a) and (b) of title 28, United States Code, as amended by sections 101 and 111 of this Act, the first chief judge of the United States Court of Claims or the chief judge of the United States Court of Customs and Patent Appeals who has served longer as chief judge of his court. When the person who first serves as chief judge of the United States Court of Appeals for the Federal Circuit vacates that position, the position shall be filled in accordance with the provisions of section 45 of title 28, United States Code.

(c) Section 46(a) of title 28, United States Code, is amended by striking out "divisions" and inserting in lieu thereof "panels".

(d) Section 46(b) of title 28, United States Code, is amended by striking out "divisions" each place it appears and inserting in lieu thereof "panels".

(e) Section 46(d) of title 28, United States Code, is amended by striking out "division" and inserting in lieu thereof "panel".

PART B—ESTABLISHING OF UNITED STATES CLAIMS COURT

ORGANIZATION OF COURT

SEC. 311. (a) Chapter 7 of title 28, United States Code, is amended to read as follows:

"CHAPTER 7—UNITED STATES CLAIMS COURT

"Sec.
"171. Appointment of number of judges; character of court; designation of chief judge.
"172. Tenure and salaries of judges.
"173. Times and places of holding court.
"174. Assignment of judges; decisions.
"175. Official duty station; residence.
"176. Removal from office.
"177. Disbarment of removed judges.

"§ 171. Appointment and number of judges; character of court; designation of chief judge

"(a) The President shall appoint, by and with the advice and consent of the Senate, sixteen judges who shall constitute a court of record known as the United States Claims Court. The court is declared to be a court established under article I of the Constitution of the United States.

"(b) The Claims Court shall be at least biennially designate a judge to act as chief judge.

"§ 172. Tenure and salaries of judges

"(a) Each judge of the United States Claims Court shall be appointed for a term of fifteen years.

"(b) Each judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.

"§ 173. Times and places of holding court

"The United States Claims Court shall hold regular sessions in the District of Columbia, but the Claims Court may hold special sessions at such times and in such places as it may fix by rule of court. The times and places of the sessions of the Claims Court shall be prescribed with a view to securing reasonable opportunity to citizens to appear before the Claims Court with as little inconvenience and expense to citizens as is practicable.

"§ 174. Assignment of judges; decisions

"(a) The judicial power of the United States Claims Court with respect to any action, suit, or proceeding, except congressional reference cases, shall be exercised by a single judge, who may preside alone and hold a regular or special session of court at the same time other sessions are held by other judges.

"(b) All decisions of the Claims Court shall be preserved and open to inspection.

"§ 175. Official duty station; residence

"(a) The official duty station of each judge of the United States Claims Court is the District of Columbia.

"(b) After appointment and while in active service, each judge shall reside within fifty miles of the District of Columbia.

"§ 176. Removal from office

"Removal of a judge of the United States Claims Court during the term for which he is appointed shall be only for incompetency, misconduct, neglect of duty, engaging in the practice of law, or physical or mental disability. Removal shall be by the judicial council of the Federal judicial circuit, but removal may not occur unless a majority of all the judges of such circuit council concur in the order of removal. Before any order of removal may be entered, a full specification of the charges shall be furnished to the judge, and he shall be accorded an opportunity to be heard on the charges. Any cause for removal of any judge coming to the knowledge of the Director of the Administrative Office of the United States Courts shall be reported by him to the chief judge of the circuit, and a copy of the report shall at the same time be transmitted to the circuit council and to the judge.

"§ 177. Disbarment of removed judges

"A judge of the United States Claims Court removed from office in accordance with section 176 of this title shall not be permitted at any time to practice before the Claims Court.".

(b) The item relating to chapter 7 in the analysis of part I of title 28, United States Code, is amended to read as follows:

"7. United States Claims Court..... 171.".

COURT OF CLAIMS COMMISSIONERS

SEC. 312. (a) Notwithstanding the provisions of section 171(a) of title 28, United States Code, as amended by section 311 of this Act, a commissioner of the United States Court of Claims serving immediately prior to the effective date of this Act shall become a judge of the United States Claims Court on the effective date of this Act.

(b) Notwithstanding the provisions of section 172(a) of title 28, United States Code, as amended by section 311 of this Act, the initial term of office of a person who becomes a judge of the United States Claims Court under subsection (a) of this section shall expire on September 30, 1985.

(c) Notwithstanding the provisions of section 172(b) of title 28, United States Code, as amended by section 311 of this Act, until such time as a change in the salary rate of a judge of the United States Claims Court occurs in accordance with such section 172 (b), the salary of such judge shall be equal to the salary of the Commissioner of the Court of Claims.

ABOLISHMENT OF COURT OF CUSTOMS AND PATENT APPEALS

SEC. 313. Chapter 9 of title 28, United States Code, and the item relating to chapter 9 in the chapter analysis of part I of such title, are repealed.

INTERLOCUTORY APPEALS FROM CERTAIN ORDERS

SEC. 314. (a) Section 256(b) of title 28, United States Code, is amended by striking out "section 1541(b)" and all that follows through "in that section." and inserting in lieu thereof the following: "section 1292 (c)(3) of this title, and the United States Court of Appeals for the Federal Circuit may, in its discretion, consider the appeal.".

(b) Section 291 of title 28, United States Code, is amended by repealing subsection (b).

(c) Section 292(e) of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals or" and by striking out "in which the need arises".

(d) Section 293 of title 28, United States Code, is amended by repeated subsections (a), (c), and (d).

(e) Section 331 of title 28, United States Code, is amended—

(1) in the first paragraph, by striking out ", the Chief Judge of the Court of Claims, the Chief Judge of the Court of Customs and Patent Appeals,"; and

(2) in the third paragraph by striking out the second sentence.

(f) Section 372 of title 28, United States Code, is amended—

(1) in the third paragraph of subsection (a), by striking out "Court of Claims, Court of Customs and Patent Appeals, or";

(2) in the fifth paragraph of subsection (a), by striking out "Court of Claims, Court of Customs and Patent Appeals, or"; and

(3) in subsection (b), by striking out "Court of Claims, Court of Customs and Patent Appeals," each time it appears.

(g) Section 415 of title 28, United States Code, and the item relating to section 415 in the section analysis of chapter 19 of such title, are repealed.

(h) Section 451 of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals," in the first paragraph and "Court of Claims, Court of Customs and Patent Appeals;" in the third paragraph.

(i) Section 456 of title 28, United States Code, is amended to read as follows:

"§ 456. Traveling expenses of justices and judges; official duty stations

"(a) The Director of the Administrative Office of the United States Courts shall pay each justice or judge of the United States and each retired justice or judge recalled or designated and assigned to active duty, while attending court or transacting official business at a place other than his official duty station, upon his certificate all necessary transportation expenses and also a per diem allowance for travel at the rate which the Director establishes not to exceed the maximum per diem allowance fixed by section 5702(a) of title 5, United States Code, or in accordance with regulations which the Director shall prescribe with the approval of the Judicial Conference of the United States, reimbursement for his actual and necessary expenses of subsistence not in excess of the maximum amount fixed by section 5702 of title 5, United States Code.

"(b) The official duty station of the Chief Justice of the United States, the Justices of the Supreme Court of the United States and the judges of the United States Court of Appeals for the District of Columbia Circuit, the United States Court of Appeals for the Federal Circuit, and the United States District Court for the District of Columbia shall be the District of Columbia.

"(c) The official duty station of the judges of the United States Customs Court shall be New York City.

"(d) The official duty station of each district judge shall be that place where a district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(e) The official duty station of a circuit judge shall be that place where a circuit or district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, or that place where the Director provides chambers to the judge where he performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(f) The official duty station of a retired judge shall be established in accordance with section 374 of this title.

"(g) Each circuit or district judge whose official duty station is not fixed expressly by this section shall notify the Director of the Administrative Office of the United States Courts in writing of his actual abode and official duty station upon his appointment and from time to time thereafter as his official duty station may change."

(j)(1) Section 460 of title 28, United States Code, is amended to read as follows:

"§ 460. Application to other courts

"(a) Sections 452 through 459 and section 462 of this chapter shall also apply to the United States Claims Court, to each court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, and to the judges thereof.

"(b) The official duty station of each judge referred to in subsection (a) which is not otherwise established by law shall be that place where the court holds regular sessions

at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives."

(2) The entry in the table of sections at the beginning of chapter 21 of title 28, United States Code, for section 460 is amended to read as follows:

"460. Application to other courts."

(k)(1) Chapter 21 of title 28, United States Code, is amended by adding the following at the end thereof:

"§ 462. Court accommodations

"(a) Sessions of courts of the United States (except the Supreme Court) shall be held only at places where the Director of the Administrative Office of the United States Courts provides accommodations, or where suitable accommodations are furnished without cost to the judicial branch.

"(b) The Director of the Administrative Office of the United States Courts shall provide accommodations, including chambers and courtrooms, only at places where regular sessions of court are authorized by law to be held, but only if the judicial council of the appropriate circuit has approved the accommodations as necessary.

"(c) The limitations and restrictions contained in subsection (b) of this section shall not prevent the Director from furnishing chambers to circuit judges at places where Federal facilities are available when the judicial council of the circuit approves.

"(d) The Director of the Administrative Office of the United States Courts shall provide permanent accommodations for the United States Court of Appeals for the Federal Circuit and for the United States Claims Court only at the District of Columbia. However, each such court may hold regular and special sessions at other places utilizing the accommodations which the Director provides to other courts.

"(e) The Director of the Administrative Office of the United States Courts shall provide accommodations for probation officers, pretrial service officers, and Federal Public Defender Organizations at such places as may be approved by the judicial council of the appropriate circuit.

"(f) Upon the request of the Director, the Administrator of General Services is authorized and instructed to provide the accommodations the Director requests.".

(k)(2) The table of sections at the beginning of chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following:

"462. Court accommodations."

(k)(3) Section 142 of title 28, United States Code, and the item relating to section 142 in the section analysis of chapter 5 of title 28, United States Code, are repealed.

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO THE DEPARTMENT OF JUSTICE

SEC. 315. (a) Section 518(a) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit."

(b)(1) Section 520 of title 28, United States Code, is amended—

(A) in subsection (a) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit"; and

(B) by striking out "Court of Claims" in the section heading and inserting in lieu thereof "United States Claims Court or in United States Court of Appeals for the Federal Circuit".

(2) The item relating to section 520 in the section analysis of chapter 31 of title 28, United States Code, is amended to read as follows:

"520. Transmission of petitions in United States Claims Court or in United States Court of Appeals for the Federal Circuit; statement furnished by departments.".

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO COURT OFFICERS AND EMPLOYEES

SEC. 316. (a) Section 610 of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals," and inserting in lieu thereof "the United States Claims Court".

(b)(1) Section 713 of title 28, United States Code, is amended to read as follows:

"§ 713. Librarians

"(a) Each court of appeals may appoint a librarian who shall be subject to removal by the court.

"(b) The librarian, with the approval of the court, may appoint necessary library assistants in such numbers as the Director of the Administrative Office of the United States Courts may approve. The librarian may remove such library assistants with the approval of the court.".

(2) The item in the table of sections for chapter 47 for section 713 is amended to read as follows:

"713. Librarians."

(c)(1) Chapter 47 of title 28 is amended by adding at the end thereof the following new sections:

"§ 714. Criers, messengers, and bailiffs

"(a) Each court of appeals may appoint a crier who shall be subject to removal by the court.

"(b) The crier, with the approval of the court, may appoint necessary messengers in such number as the Director of the Administrative Office of the United States Courts may approve. The crier may remove such messengers with the approval of the court. The crier shall also perform the duties of bailiff and messenger.

"(c) The United States Marshal of the district in which a court of appeals is sitting or in which a circuit judge is present in chambers, may, with the approval of the court or judge, employ necessary bailiffs in such number as the Director of the Administrative Office of the United States Courts may approve. Such bailiffs shall attend the court, preserve order, and perform such other necessary duties as the court, judge, or marshal may direct. They shall receive the same compensation as bailiffs employed for the district courts.

"§ 715. Staff attorneys and technical assistants

"(a) The chief judge of each court of appeals, with the approval of the court, may appoint a senior staff attorney, who shall be subject to removal by the chief judge with the approval of the court.

"(b) The senior staff attorney, with the approval of the court, may appoint necessary staff attorneys and secretarial and clerical employees in such numbers as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of staff attorneys in any circuit exceed the number of circuit judges authorized for such circuit in section 44 of this title. The senior staff attorney may remove such staff attorneys and secretarial and clerical employees with the approval of the court.

"(c) The chief judge of the Court of Appeals for the Federal Circuit with the approval of the court, may appoint a senior technical assistant who shall be subject to removal by the chief judge with the approval of the court.

"(d) The senior technical assistant, with the approval of the court, may appoint necessary technical assistants in such number as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of technical assistants in the Court of Appeals for the Federal Circuit exceed the number of circuit judges in regular active serivce within such circuit. The senior technical assistant may remove such technical assistants with the approval of the court.".

(c)(2) The table of sections for such chapter is amended by adding at the end thereof the following new items:

"714. Criers, messengers, and bailiffs.

"715. Staff attorneys and technical assistants.".

RETIREMENT SYSTEM OF JUDGES OF UNITED STATES CLAIMS COURT

SEC. 317. (a) Section 8339(c) of title 5, United States Code, is amended—

(1) by inserting "(1)" before "The annuity"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The annuity of a judge of the United States Claims Court retiring under this subchapter is computed under subsection (a) of this section, except that his annuity is computed with respect to his service as a judge of the United States Claims Court, and his military service not exceeding five years, by multiplying 2½ per centum of his average pay by the years of that service.".

(b) Section 8331 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (21);

(2) by striking out the period at the end of paragraph (22) and inserting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(23) 'judge of the United States Claims Court' means an individual appointed as a judge of the United States Claims Court under section 171 of title 28.".

PART C—COURT OFFICERS AND EMPLOYEES OF THE UNITED STATES CLAIMS COURT

APPOINTMENT, REMOVAL, AND CONTRACT AUTHORITY

SEC. 321. (a) Section 791(a) of title 28, United States Code, is amended to read as follows:

"(a) The United States Claims Court may appoint a clerk, who shall be subject to removal by the court. The clerk, with the approval of the court, may appoint necessary deputies and employees in such numbers as may be approved by the Director of the Administrative Office of the United States Courts. Such deputies and employees shall be subject to removal by the clerk with the approval of the court.".

(b) Section 792 of title 28, United States Code, and the item relating to section 792 in the section analysis of chapter 51 of such title, are repealed.

(c)(1) Section 794 of title 28, United States Code, is amended to read as follows:

"§ 794. Law clerks and secretaries

"The judges of the United States Claims Court may appoint necessary law clerks and secretaries, in such numbers as the Judicial Conference of the United States may approve subject to any limitation of the aggregate salaries of such employees which may be imposed by law.".

(2) The item relating to section 794 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"794. Law clerks and secretaries.".

(d)(1) Section 795 of title 28, United States Code, is amended to read as follows:

"§ 795. Bailiffs and messengers

"The chief judge of United States Claims Court may appoint, with the approval of the court, necessary bailiffs and messengers, in such numbers as the Director of the Administrative Office of the United States Courts may approve, each of whom shall be subject

to removal by the Chief Judge, with the approval of the court.".

(2) The item relating to section 795 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"795. Bailiffs and messengers.".

(e) Section 796 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "Director of the Administrative Office of the United States Courts."

(f) Section 797 of title 28, United States Code, and the item relating to section 797 in the section analysis of chapter 51 of such title, are repealed.

(g)(1) The item relating to chapter 51 in the chapter analysis of part III of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 51 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

ABOLISHMENT OF UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

SEC. 322. (a) Chapter 53 of title 28, United States Code, and the item relating to chapter 53 in the chapter analysis of part III of such title are repealed.

(b) Section 957 of title 28, United States Code, is amended by striking the subsection designation "(a)" and repealing subsection (b).

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO REPEAL OF COURT OF CUSTOMS AND PATENT APPEALS

SEC. 323. (a) Sections 1255 and 1256 of title 28, United States Code, and the items relating to sections 1255 and 1256 in the section analysis of chapter 81 of such title, are repealed.

(b) Subsection (b) of section 1336 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

JURISDICTION OF THE UNITED STATES COURTS OF APPEALS

SEC. 324. (a) Section 1291 of title 28, United States Code, is amended by striking out "The courts of appeals" and inserting in lieu thereof "Except as specifically provided in sections 1295 and 1296, the courts of appeals".

(b) Section 1294 of title 28, United States Code, is amended by striking out "Appeals" and inserting in lieu thereof: "Except as specifically provided in sections 1295 and 1296, appeals".

INTERLOCUTORY DECISIONS

SEC. 325. (a) Section 1292(a) of title 28, United States Code, is amended—

(1) by striking out "The courts" and inserting in lieu thereof "Except as provided in subsection (c) of this section, the courts";

(2) by striking out the semicolon at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) by striking out paragraph (4).

(b) Section 1292 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from an interlocutory order or decree described in subsection (a) of this section in any case over which the court would have jurisdiction of an appeal under section 1295 of this title;

"(2) of an appeal from a judgment in a civil action for patent infringement which would otherwise be appealable to the United States Court of Appeals for the Federal Circuit and is final except for an accounting;

"(3) when the chief judge of the United States Customs Court issues an order under the provisions of section 256(b) of this title; or when any judge of the Customs Court, in issuing any other interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order. Neither the application for nor the granting of an appeal under this paragraph shall stay proceedings in the Customs Court unless a stay is ordered by a judge of the Customs Court or by the United States Court of Appeals for the Federal Circuit or a judge of that court; and

"(4) when any judge of the United States Claims Court, in issuing an interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order. Neither the application for nor the granting of an appeal under this paragraph shall stay proceedings in the Claims Court unless a stay is ordered by a judge of the Claims Court or by the United States Court of Appeals for the Federal Circuit or a judge of that court.".

JURISDICTION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SEC. 326. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit.

"The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a copyright or trademark and no other claim under section 1338 shall be governed by sections 1291, 1292, and 1294 of this title;

"(2) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1346 of this title, except that jurisdiction of an appeal in a case brought in a district court under section 1346(a), 1346(c), or 1346(f) of this title or under section 1346(b) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by sections 1291, 1292, 1294, and 1296 of this title;

"(3) of an appeal from a final decision of the United States Claims Court;

"(4) of an appeal from a decision of—

"(A) the Board of Appeals or the Board of Patent Interferences of the Patent and Trademark Office with respect to patent applications and interferences, at the instance of an applicant for a patent or any party to a patent interference, and any such appeal shall waive the right of such applicant or party to proceed under section 145 or 146 of title 35;

"(B) the Commissioner of Patents and Trademarks or the Trademark Trial and Appeal Board with respect to applications for registration of marks and other proceedings as provided in section 21 of the Trademark Act of 1946 (15 U.S.C. 1071); or

"(C) a district court to which a case was directed pursuant to section 145 or 146 of title 35;

"(5) of an appeal from a final decision or order of the United States Customs Court;

"(6) to review, by appeal on questions of law only, the findings of the United States International Trade Commission as to unfair practices in import trade, made under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337);

"(7) to review, by appeal on questions of law only, findings of the Secretary of Commerce under headnote 6 to schedule 8, part 4, of the Tariff Schedules of the United States (relating to importation of instruments or apparatus);

"(8) of an appeal under section 71 of the Plant Variety Protection Act (7 U.S.C. 2461);

"(9) of an appeal from a final order or final decision of the Merit Systems Protection Board, pursuant to sections 7703(b)(1) and 7703(d) of title 5; and

"(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section 8(g)(1) of the Contract Disputes Act of 1978.

"The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United Sates awarded by that department or agency which such head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contract Disputes Act of 1978 (41 U.S.C. 609(b)). The head of each executive department or agency shall make any referral under this section within one hundred and twenty days of the receipt of a copy of the final appeal decision.

"The Court of Appeals for the Federal Circuit shall review the matter referred in accordance with the standards specified in section 10(b) of the Contract Disputes Act of 1978. The Court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter pursuant to the authority specified in section 1491 of this title.".

(b) The section analysis of chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit.".

PART D—UNITED STATES AS DEFENDANT

JURISDICTION OF THE DISTRICT COURTS

SEC. 331. Section 1346 of title 28, United States Code, is amended to read as follows:

"§ 1346. United States as defendant.

"(a) The district courts shall have original jurisdiction of any civil action against the United States for the recovery of any internal revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority or any sum alleged to to have been excessive or in any manner wrongfully collected under the internal revenue laws.

"(b)(1) Except as provided in paragraph (2), the district courts shall have original jurisdiction, concurrent with the United States Claims Court, of any other civil action or claim against the United States, not exceeding $10,000 in amount, founded either upon the Constitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort, except that the district courts shall not have jurisdiction of any civil action or claim against the United States founded upon any express or implied contract with the United States or for liquidated or unliquidated damages in cases not sounding in tort which are subject to sections 8(g)(1) and 10(a)(1) of the Contract Disputes Act of 1978. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) The Claims Court shall not have jurisdiction of any civil action or claim against the United States founded upon any Act of Congress or regulation of an executive department providing for internal revenue.

"(c) Subject to the provisions of chapter 171 of this title, the district court, together with the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court for the Northern Mariana Islands, and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States, for money damages, accruing on and after January 1, 1945, for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

"(d) The jurisdiction conferred by this section includes jurisdiction of any setoff, counterclaim, or other claim or demand whatever on the part of the United States against any plaintiff commencing an action under this section.

"(e) The district courts shall not have jurisdiction under this section of any civil action or claim for a pension.

"(f) The district courts shall have original jurisdiction of any civil action against the United States provided in section 7426 or section 7428 (in the case of the United States District Court for the District of Columbia) or section 7429 of the Internal Revenue Code of 1954.

"(g) The district courts shall have exclusive original jurisdiction of civil actions under section 2409a of this title to quiet title to an estate or interest in real property in which an interest is claimed by the United States.".

RELATED TECHNICAL AND CONFORMING AMENDMENTS

SEC. 332. (a) Section 1396 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(b) Subsection (c) of section 1406 of title 28, United States Code, is amended by striking out "Court of Claims" wherever it appears and inserting in lieu thereof "Claims Court".

PART E.—UNITED STATES CLAIMS COURT; JURISDICTION AND VENUE

SEC. 341. (a) Section 1491 of title 28, United States Code, is amended to read as follows:

"§ 1491. Claims against United States generally; actions involving Tennessee Valley Authority

"(a)(1) The United States Claims Court shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, except an Act of Congress or a regulation of an executive department providing for internal revenue, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) To afford complete relief in controversies within its jurisdiction, the court may grant declaratory judgments and such equitable and extraordinary relief as it deems proper, including, but not limited to, injunctive relief; and the court may, to complete the relief afforded by a judgment, issue orders directing restoration to office or position, placement in appropriate duty or retirement status, and correction of applicable records; and any such orders issued pursuant to a grant of equitable or extraordinary relief or issued to complete relief may be issued to any appropriate official of the United States. In any case within its jurisdiction, the court shall have the power to remand appropriate matters to any administrative or executive body or official with such direction as it may deem proper and just. The Claims Court shall have jurisdiction to render judgment upon any claim by a contractor arising under section 10(a)(1) of the Contract Disputes Act of 1978.

"(b) Nothing in this section shall be construed to give the United States Claims Court jurisdiction in actions against, or founded on conduct of, the Tennessee Valley Authority, nor to amend or modify the provisions of the Tennessee Valley Authority Act of 1933 with respect to actions by or against the Authority.".

(b) Section 1492 of title 28, United States Code, is amended by striking out "chief commissioner of the Court of Claims" and inserting in lieu thereof "chief judge of the United States Claims Court".

(c)(1) Sections 1494, 1495, 1496, and 1497 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The section heading of section 1497 of title 28, United States Code, is amended by striking out "growers," and inserting in lieu thereof "growers'".

(d) Section 1498 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court";

(2) in subsections (b) and (d), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(e) Sections 1499, 1500, 1501, 1502, and 1503 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 1504 of title 28, United States Code, and the item relating to section 1504 in the section analysis of chapter 91 of such title, are repealed.

(g) Section 1505 of title 28, United States Code, is amended by striking out "Court of Claims" the first place it appears and inserting in lieu thereof "United States Claims Court" and by striking out "Court of Claims" the second place it appears and inserting in lieu thereof "Claims Court".

(h) Section 1506 of title 28, United States Code, is amended by striking out "Court of Claims" the first place it appears and inserting in lieu therof "United States Claims Court" and by striking out "Court of Claims" the second place it appears and inserting in lieu thereof "Claims Court".

(i) Section 1507 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(j)(1) The item relating to chapter 91 in the chapter analysis of part IV of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 91 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(3) The item relating to section 1499 in the section analysis of chapter 91, United States Code, is amended to read as follows:

"1499. Liquidated damages withheld from contractors under Contract Work Hours Standards Act.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 342. Chapter 93 of title 28, United States Code, and the item relating to chapter 93 in the chapter analysis of part IV of such title, are repealed.

REPEAL; FEES AND COSTS

SEC. 343. Section 1926 of title 28, United States Code, and the item relating to section 1926 in the section analysis of chapter 123 of such title, are repealed.

REPEAL; TIME FOR APPEAL

SEC. 344. Section 2110 of title 28, United States Code, and the item relating to section 2110 in the section analysis of chapter 133 of such title, are repealed.

PLANT VARIETY PROTECTION OFFICE DECISIONS

SEC. 345. Section 2353 of title 28, United States Code, and the item relating to section 2353 in the section analysis of chapter 158 of such title, are repealed.

PART F—UNITED STATES CLAIMS COURT PROCEDURE

AMENDMENT TO TITLE 28

SEC. 351. (a) Sections 2501 and 2502(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(b)(1) Section 2503 of title 28, United States Code, is amended to read as follows:

"§ 2503. Proceedings generally

"Parties to any suit in the United States Claims Court may appear before a judge of that court in person or by attorney, produce evidence, and examine witnesses. The proceedings of the Claims Court shall be in accordance with the Rules of Evidence for United States Courts and Magistrates. The judges shall fix times for trials, administer oaths or affirmations, examine witnesses, receive evidence, and enter dispositive judgments.".

(2) The item relating to section 2503 in the section analysis of chapter 165 of title 28, United States Code, is amended by striking out "before commissioners".

(c) Section 2504 of title 28, United States Code, and the item relating to section 2504

in the section analysis of chapter 165 of such title, are repealed.

(d) Section 2505 of title 28, United States Code, is amended—

(1) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) by striking out "report findings" and inserting in lieu thereof "enter judgment".

(e) Section 2506 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 2507 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (c), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(g) Section 2508 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(h)(1) Section 2509(a) of title 28, United States Code, is amended to read as follows:

"(a) Whenever a bill, except a bill for a pension, is referred by either House of Congress to the chief judge of the United States Claims Court pursuant to section 1492 of this title, the chief judge shall designate a judge as hearing officer for the case and a panel of three judges of the court to serve as a reviewing body. One member of the review panel shall be designated as presiding officer of the panel.".

(2) Section 2509 of title 28, United States Code, is amended—

(A) in subsections (b), (c), (d), and (f), by striking out "trial commissioner" and inserting in lieu thereof "hearing officer";

(B) in subsections (b), (c), and (e), by striking out "chief commissioner" and inserting in lieu thereof "chief judge";

(C) in subsections (b), (f), and (g), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court";

(D) in subsection (d), by striking out "of commissioners";

(E) in subsection (g), by striking out "commissioners" the first place it appears and inserting in lieu thereof "judges"; and

(F) in subsection (g), by striking out "trial commissioners" and inserting in lieu thereof "hearing officers".

(i)(1) Section 2510 of title 28, United States Code, is amended to read as follows:

"§ 2510. Referral of cases by Comptroller General

"The Comptroller General may transmit to the United States Claims Court for trial and adjudication any claim or matter of which the Claims Court might take jurisdiction on the voluntary action of the claimant, together with all vouchers, papers, documents, and proofs pertaining thereto.

"The Claims Court shall proceed with the claims or matters so referred as in other cases pending in such court and shall render judgment thereon."

(2) The item relating to section 2510 in the table of sections for chapter 165 of title 28, United States Code, is amended to read as follows:

"2510. Referral of cases by the Comptroller General.".

(j) Sections 2511, 2512, 2513(c), 2514, and 2515(a) are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(k) Section 2517 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (b), by striking out the comma at the end thereof and inserting in lieu thereof a period.

(l) Section 2518 of title 28, United States Code, is amended—

(1) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) by inserting immediately before the period at the end thereof the following: "or of the United States Court of Appeals for the Federal Circuit".

(m) Sections 2519 and 2520(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(n)(1) The item relating to chapter 165 in the chapter analysis of part VI of title 28, United States Code, is amended to read as follows:

"165. United States Claims Court Procedure ..... 2501".

(2) The chapter heading of chapter 165 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(o)(1) Section 1926 of title 28, United States Code, (having been repealed by section 343 of this Act) is added to read as follows:

"§ 1926. Claims Court

"(a) The Judicial Conference of the United States shall prescribe from time to time the fees and costs to be charged and collected in the United States Claims Court.

"(b) The court and its officers shall collect only such fees and costs as the Judicial Conference prescribes. The court may require advance payment of fees by rule.".

(2) The item relating to section 1926 in the table of sections of chapters 123 is amended to read as follows:

"1926. Claims Court.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 352. Chapter 167 of title 28, United States Code, and the item relating to chapter 167 in the chapter analysis of part VI of such title, are repealed.

FINALITY OF DECISIONS

SEC. 353. Section 2638(b) of title 28, United States Code, is amended to read as follows:

"(b) The decision of the judge is final and conclusive, unless a retrial or rehearing is granted pursuant to section 2639 of this title or an appeal is made to the United States Court of Appeals for the Federal Circuit within sixty days after entry of the judgment or order.".

FEDERAL RULES OF EVIDENCE

SEC. 354. Rule 1101(a) of the Federal Rules of Evidence is amended by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

TITLE IV—TAX APPELLATE STRUCTURE

CREATION OF COURT OF TAX APPEALS; COMPOSITION AND PLACEMENT OF CIRCUIT

SEC. 401. (a) Section 41 of title 28, United States Code, is amended—

(1) by inserting "(a)" immediately before the introductory sentence; and

(2) by adding at the end of the section the following new subsection:

"(b) The United States Court of Tax Appeals is composed of all the Federal judicial circuits.".

(b) Section 44(a) of title 28, United States Code, is amended—

(1) by striking out "(a) The President" and inserting in lieu thereof "(a)(1) The President"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(a) The United States Court of Tax Appeals shall be comprised of eleven judges of the United States circuit courts of appeals other than the Court of Appeals for the Federal Circuit. The Chief Justice shall designate one judge of each court of appeals to serve on the Court of Tax Appeals. In the event that the Chief Justice is unable to designate a judge of the circuit court to serve on the Court of Tax Appeals, a district judge of that circuit shall be designated to serve on the court.

"(b) The first eleven judges designated shall serve on the court as follows: four for a term of one year from the date of designation, four for a term of two years from the date of designation, and three for a term of three years from the date of designation. Thereafter, whenever a vacancy occurs on such court, the Chief Justice shall designate an additional judge of the court of appeals no longer represented on the Court of Tax Appeals to serve on the court for a term of three years from the date of designation. A circuit judge who serves on the Court of Tax Appeals shall remain a judge of the circuit court from which he was designated.".

(c) Section 48 of title 28, United States Code (as amended by section 301 of this Act), is amended further by adding the following new subsection at the end thereof:

"(d) Sessions of the United States Court of Tax Appeals shall be held at least once per year in each of the circuits, and at such other times and places as the court may by order select, except that such appeals shall be heard in the judicial circuit where the taxpayer is domiciled, or, in the case of a corporation, in the judicial circuit where said corporation or association has its principal place of business, or, in the case of a cooperative or organization claiming a tax exemption, in the judicial circuit which constitutes its principal place of activity."

APPOINTMENT OF CHIEF JUDGE AND ASSIGNMENT OF JUDGES

SEC. 402. (a) Notwithstanding the provisions of section 45 (a) and (b) of title 28, United States Code, the first chief judge of the United States Court of Tax Appeals shall be appointed by the Chief Justice of the United States from those judges appointed under section 44(a)(2) of title 28, United States Code, as added by section 401(b) of this title. When the person who first serves as chief judge of the United States Court of Tax Appeals vacates that position, the position shall be filled in accordance with the provisions of section 45 of title 28, United States Code.

(b) Section 46(c) of title 28, United States Code, is amended by inserting the following after the second sentence: "The United States Court of Tax Appeals may sit in panels of more than three judges. Whenever six of the judges of the court determine that it is in the interests of justice no less than nine judges shall hear the case en banc. In deciding whether to hear a case en banc, the judges shall consider, but shall not limit their consideration to—

"(1) whether the question presented in the case was thought to be novel and unlikely to recur or was likely to apply to many taxpayers;

"(2) whether there was unanimity in the panel which decided the case;

"(3) whether any of the judges who composed the panel which heard the case suggested that it be reheard; and

"(4) whether the case presented issues of first impression.".

(c) Section 292 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(f) The Chief Justice of the United States may, whenever the need arises and in the interests of justice, designate and assign temporarily any district judge to serve as a judge of the United States Court of Tax Appeals for the consideration of any matter before such court.

"(g) On or about January 1, 1985, the Director of the Administrative Office of the United States Courts shall report to the

President and the Committees on the Judiciary of the Senate and House of Representatives concerning the implementation and effectiveness of the United States Court of Tax Appeals. Such report shall include—

(1) a description of the progress made in accomplishing the objectives of this title; and

(2) the extent to which litigants in each Federal circuit have had their cases resolved promptly and efficiently within their own circuits.".

CONFORMING AMENDMENTS RELATING TO APPEAL TO THE SUPREME COURT

SEC. 403. Section 1254 of title 28, United States Code, is amended—

(1) by striking out "Cases in the courts of appeals" and inserting in lieu thereof "(a) Except as provided in subsection (b), cases in the courts of appeals"; and

(2) by adding at the end thereof the following new subsection:

"(b) Cases in the Court of Tax Appeals may be reviewed by the Supreme Court by writ of certiorari.".

JURISDICTION OF THE UNITED STATES COURT OF TAX APPEALS

SEC. 404. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1296. Jurisdiction of the United States Court of Tax Appeals

"The Court of Tax Appeals shall have exclusive jurisdiction—

"(1) in any appeal from a district court in which the jurisdiction of the district court was based, in whole or in part, on section 1340 of this title;

"(2) in any appeal from a district court in which the jurisdiction of the district court was based, in whole or in part, on section 1346(a), or 1346(b) in any claim founded upon an Act of Congress or a regulation of an executive department providing for internal revenue, or on 1346(f); and

"(3) in any appeal from the United States Tax Court.".

(b) The table of sections for chapter 83 of such title is amended by adding at the end thereof the following new item:

"1296. Jurisdiction of the United States Court of Tax Appeals.".

CONFORMING AMENDMENTS RELATING TO REVIEW OF ORDERS OF FEDERAL AGENCIES

SEC. 405. Section 2342 of title 28, United States Code, is amended by striking out "The court of appeals" and inserting in lieu thereof "Except for the Court of Appeals for the Federal Circuit and the Court of Tax Appeals, the courts of appeals".

OFFICERS AND EMPLOYEES OF THE COURT OF TAX APPEALS

SEC. 406. (a) Chapter 47 of title 28, United States Code, is amended by adding the following new section at the end thereof:

"§ 716. United States Court of Tax Appeals

"(a) Sections 711 through 715 of this chapter shall not apply to the United States Court of Tax Appeals and the judges thereof.

"(b) Notwithstanding subsection (a), each judge assigned to the United States Court of Tax Appeals shall be entitled to appoint the regular number of law clerks and secretaries in accordance with section 712 or section 752 as a consequence of his appointment as a judge of a circuit court of appeals or a district court.

"(c) The clerk of the United States Court of Appeals for the Federal Circuit shall be, by virtue of that office, the clerk of the United States Court of Tax Appeals.".

(b) The table of sections of chapter 47 of title 28, United States Code, is amended by adding the following new item at the end thereof:

"716. United States Court of Tax Appeals.".

ACCOMMODATIONS FOR THE COURT OF TAX APPEALS

SEC. 407. Section 462 of title 28, United States Code, as added by section 314(k) of this Act, is amended by adding the following new subsection at the end thereof:

"(g) The Director of the Administrative Office of the United States Courts shall provide permanent accommodations for the United States Court of Tax Appeals only at the District of Columbia. However, the court may hold regular and special sessions at other places utilizing the accommodations which the District provides to other courts. Insofar as possible, the United States Court of Tax Appeals shall utilize the courtrooms of the United States Claims Court and the United States Court of Appeals for the Federal Circuit at the District of Columbia.".

TITLE V—TECHNICAL AND CONFORMING AMENDMENTS OUTSIDE OF TITLE 28 RELATING TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT AND THE UNITED STATES COURT OF TAX APPEALS

TITLE 2

SEC. 501. Section 225(f)(C) of the Federal Salary Act of 1967 (2 U.S.C. 356(C)), is amended by inserting "and the judges of the United States Claims Court" immediately before the semicolon at the end thereof.

TITLE 5

SEC. 502. Section 7703 of title 5, United States Code, is amended—

(1) in subsection (b)(1), by striking out "Court of Claims or a United States Court of Appeals as provided in chapter 91 and 158, respectively, of title 28" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subsection (c), by striking out "Court of Claims or a United States court of appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit"; and

(3) in subsection (d), by striking out "District of Columbia" and inserting in lieu thereof "Federal Circuit".

PLANT VARIETY PROTECTION ACT

SEC. 503. The second sentence of section 71 of the Plant Variety Protetction Act (7 U.S.C. 2461) is amended to read as follows: "The United States Court of Appeals for the Federal Circuit shall have jurisdiction.".

FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1974

SEC. 504. Section 11(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2210(d)) is amended by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court".

TITLE 18

SEC. 505. Section 204 of title 18, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court, the United States Court of Appeals for the Federal Circuit, or the United States Court of Tax Appeals".

INDIAN CLAIMS COMMISSION

SEC. 506. (a) Section 29 of the Act entitled "An Act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes", approved August 13, 1946 (25 U.S.C. 70v-3), is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

(b) Subsection (c) of section 29 of such Act is repealed.

INDIAN LANDS

SEC. 507. Section 2 of the Act of May 18, 1928 (25 U.S.C. 652) is amended by striking out, "Court of Claims" and inserting in lieu thereof "United States Claims Court" and by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court".

INTERNAL REVENUE CODE OF 1954

SEC. 508. (a) Section 7422(e) of the Internal Revenue Code of 1954 (26 U.S.C. 7422(e)), is amended by striking out "or the Court of Claims" wherever it appears.

(b) Section 7428 of the Internal Revenue Code of 1954 (26 U.S.C. 7428), is amended—

(1) by striking out ", the United States Court of Claims," and "or the Court of Claims" in subsection (a);

(2) by striking out ", the Court of Claims," in subsection (b)(2);

(3) by striking out "or" at the end of subsection (c)(1)(C)(ii) and inserting in lieu thereof a period; and

(4) by repealing subsection (c)(1)(C)(iii).

(c) The second sentence of section 7456(c) of the Internal Revenue Code of 1954 is amended to read as follows: "Each commmissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of title 28, United States Code, and also necessary travel and subsistence expenses in accordance with chapter 57 of title 5, United States Code, while traveling on official business and away from Washington, District of Columbia.".

(d) Section 6110(i)(1) of the Internal Revenue Code of 1954 is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Tax Court".

(e) Section 7481 of the Internal Revenue Code of 1954 (26 U.S.C. 7481) is amended by inserting "Tax" after "United States Court of" each time it appears.

(f) Section 7482 of the Internal Revenue Code of 1954 (26 U.S.C. 7482), is amended—

(1) in subsection (a) by striking out "Courts of Appeals" and inserting in lieu thereof "Court of Tax Appeals" and by striking out "any such court" and inserting in lieu thereof "the Court of Tax Appeals";

(2) by repealing subsection (b);

(3) in subsection (c)(1) by striking out "such courts" and inserting in lieu thereof "the United States Court of Tax Appeals"; and

(4) in subsection (c)(4) by inserting "Tax" after "United States Court of".

TITLE 44

SEC. 509. (a) Section 713 of title 44, United States Code, is amended—

(1) by striking out "eight hundred and twenty-two" and inserting in lieu thereof "eight hundred and twenty"; and

(2) by inserting "and" after "Superintendent of Documents"; and

(3) by striking out "to the Court of Claims, two copies; and".

(b) Section 1103 of title 44, United States Code, is amended by striking out "the Court of Claims" each place that it appears and by inserting in lieu thereof "the United States Claims Court".

MISCELLANEOUS AMENDMENTS

SEC. 510. (a) The following provisions of law are amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "United States Claims Court":

(1) Sections 1 and 2 of the Act of October 19, 1973 (87 Stat. 466).

(2) Section 6715 of title 5, United States Code.

(3) Section 8912 of title 5, United States Code.

(4) Section 2273(b) of title 10, United States Code.

(5) Section 337(i) of the Tariff Act of 1930 (19 U.S.C. 1337(i)).

(6) Section 606(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2356(a)).

(7) Section 1 of the Act entitled "An Act

providing for the allotment and distribution of Indian tribal funds", approved March 3, 1907 (25 U.S.C. 119).

(8) Section 2 of the Act of August 12, 1935 (25 U.S.C. 475a).

(9) Section 2 of the Act of May 28, 1908 (30 U.S.C. 193a).

(10) Section 7 of the Act of July 31, 1894 (31 U.S.C. 72).

(11) Section 1302 of the Act of July 27, 1956 (31 U.S.C. 724a).

(12) Section 183 of title 35, United States Code.

(13) Section 104(c) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 330(c)).

(14) Sections 13(b)(2) and 14 of the Contract Settlement Act of 1944 (41 U.S.C. 113 (b) and 114).

(15) Sections 10 (a)(1) and (d) of the Contract Disputes Act of 1978.

(16) Sections 171 and 173 of the Atomic Energy Act of 1954 (42 U.S.C. 2221 and 2223).

(17) Section 10(1) of the Trading with the Enemy Act (50 U.S.C. App. 10(1)).

(18) Sections 103(f), 103(i), 105, 106(a) (6), 108, 108A, and 114(5) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(f), 1213(i), 1215, 1216(a)(6), 1218, 1218a, and 1224(5)).

(19) Section 4 of the Act of July 2, 1948 (50 U.S.C. App. 1984).

(b) The section heading of section 108A of the Renegotiation Act of 1951 (50 U.S.C. App. 1218a) is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

SEC. 511. The following provisions of law are amended by striking out "Court of Claims" each place is appears and inserting in lieu thereof "Claims Court":

(1) Section 4(c) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(c)).

(2) Section 20 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831s).

(3) Section 403 of the International Claims Settlement Act of 1949 (22 U.S.C. 1642b).

(4) Section 2(a) of the Act of May 15, 1978 (92 Stat. 244).

(5) Section 311(1) of the Federal Water Pollution Control Act (33 U.S.C. 1321(1)).

(6) Section 10(b) of the Intervention on the High Seas Act (33 U.S.C. 1479(b)).

(7) Section 282 of title 35, United States Code.

(8) Section 5261 of the Revised Statutes (45 U.S.C. 87).

(9) Section 41(a) of the Trading with the Enemy Act (50 U.S.C. App. 42(a)).

SEC. 512. The following provisions of law are amended by striking out "United States Court of Customs and Patent Appeals" and "Court of Customs and Patent Appeals" each place they appear and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit":

(1) Section 21 of the Trademark Act of 1946 (15 U.S.C. 1071).

(2) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182).

(3) Section 305(d) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(d)).

SEC. 513. (a) The following provisions of law are amended by striking out "Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "Court of Appeals for the Federal Circuit":

(1) Subsections (e) and (g) of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516(e) and (g)).

(2) Section 528 of the Tariff Act of 1930 (19 U.S.C. 1528).

(3) Section 337(c) of the Tariff Act of 1930 (19 U.S.C. 1337(c)).

(4) Sections 141 through 146 of title 35, United States Code.

(b)(1) The item relating to section 141 in the section analysis of chapter 13 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

(2) The section heading for section 141 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

SEC. 514. The following provisions of law are amended by striking out "the United States Court of Claims, the United States Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "the United States Claims Court":

(1) Section 6001(4) of title 18, United States Code.

(2) Section 906 of title 44, United States Code.

SEC. 515. Section 8(g)(1) of the Contract Disputes Act of 1978 is amended—

(1) in subparagraph (A), by striking out "Court of Claims" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subparagraph (B), by striking out "United States Court of Claims for judicial review, under section 2510 of title 28, United States Code, as amended herein," and inserting in lieu thereof "Court of Appeals for the Federal Circuit for judicial review under section 1295 of title 28, United States Code.".

TITLE VI—MISCELLANEOUS PROVISIONS

EFFECTIVE DATE

SEC. 601. The provisions of this Act, other than the provisions of title I, parts A and D, shall take effect two years after the date of enactment of this Act.

EFFECT ON PENDING CASES

SEC. 602. Any matter pending before a commissioner of the United States Court of Claims on the effective date of this Act shall be transferred to the United States Claims Court. Any appeal which has been taken from a district court of the United States prior to the effective date shall be decided by the court of appeals in which it has been filed. Any matter pending before the United States Court of Customs and Patent Appeals or awaiting disposition by the United States Court of Claims on the effective date shall be transferred to the United States Court of Appeals for the Federal Circuit.

UP AMENDMENT NO. 534

Mr. DECONCINI. Mr. President, I send to the desk a series of unprinted amendments and ask that they be considered en bloc.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes certain amendments en bloc numbered unprinted amendment No. 534.

The amendment is as follows:

On page 2, in the Table of Contents, under the heading "TITLE II—JURISDICTION AND PROCEDURE," strike the following:

"PART A—INTERLOCUTORY APPEALS

"Sec. 201. Court of appeals certifications.

"PART B—TRANSFER OF CASES

"Sec. 211. Transfer to cure want of jurisdiction.

"PART C—INTEREST

"Sec. 221. Interest on judgments and prejudgment interest."

and insert in lieu thereof:

"PART A—TRANSFER OF CASES

"Sec. 201. Transfer to cure want of jurisdiction.

"PART B—INTEREST

"Sec. 211. Interest on judgments and prejudgment interest."

On page 3, in the Table of Contents, strike "TITLE III—APPELLATE STRUCTURE FOR PATENT, TRADEMARK, CUSTOMS, AND TRADE APPEALS" and insert in lieu thereof "TITLE III—TRIAL AND APPELLATE STRUCTURE FOR GOVERNMENT CLAIMS, PATENTS, AND OTHER MATTERS".

On page 3, in the Table of Contents, strike "Courts" in the heading for Sdc. 326 and insert in lieu thereof "Court".

On page 3, in the Table of Contents, insert "Sec. 327. Review of tax decisions of United States Claims Court." before the heading "PART D—UNITED STATES AS DEFENDANT".

On page 3, in the Table of Contents, after the heading "PART D—UNITED STATES AS DEFENDANT," add the following:

"Sec. 330. Interstate Commerce Commission Orders; Jurisdiction.".

On page 3, in the Table of Contents, Sec. 331, strike "Jurisdiction of the district courts." and insert in lieu thereof "United States as defendant; jurisdiction.".

On page 4, in the Table of Contents, strike the following:

"TITLE IV—TAX APPELLATE STRUCTURE

"Sec. 401. Creation of Court of Tax Appeals; composition and placement of circuit.

Sec. 402. Appointment of chief judge and assignment of judges.

Sec. 403. Conforming amendments relating to appeal to the Supreme Court.

Sec. 404. Jurisdiction of the United States Court of Tax Appeals.

Sec. 405. Conforming amendments relating to review of orders of Federal agencies.

Sec. 406. Officers and employees of the United States Court of Tax Appeals.

Sec. 407. Accommodations for the United States Court of Tax Appeals."

On page 4, in the Table of Contents, the second heading is amended by striking "V" and inserting in lieu thereof "IV" and by striking "AND THE UNITED STATES COURT OF TAX APPEALS".

On page 4, in the Table of Contents, the third heading is amended by striking "VI" and inserting in lieu thereof "V".

On page 12, lines 22 and 23, strike "This section and section 333 of this title shall not apply to the United States Court of Tax Appeals.".

On page 17, line 7 insert "by the Chief Justice" after "assigned".

On page 20, strike lines 4 through 15.

On page 20, line 16, strike "B" and insert in lieu thereof "A".

On page 20, line 18, strike "211" and insert in lieu thereof "201".

On page 21, line 13, strike "C" and insert in lieu thereof "B".

On page 21, line 15, strike "221" and insert in lieu thereof "211".

On page 23, line 7, strike "(whether".

On page 23, lines 8 through 10, strike ", a collector or deputy collector of internal revenue, a former collector or deputy collector, or the personal representative in case of death)".

On page 24, line 1, insert "(including judgments of the United States Claims Court)", after "United States".

On page 24, strike lines 11 through 13 and insert in lieu thereof "TITLE III—TRIAL AND APPELLATE STRUCTURE FOR GOVERNMENT CLAIMS, PATENTS, AND OTHER MATTERS".

On page 48, line 23, strike "1338" and insert in lieu thereof "1338(a)".

On page 49, lines 9 and 10, strike "1346(a), 1346(c), or 1346(f) of this title or under section 1346(b)" and insert in lieu thereof "1346(a)(1), 1346(b), or 1346(e) of this title or under section 1346(a)(2)".

On page 49, lines 13 and 14, strike "1294, and 1296" and insert in lieu thereof "and 1294".

On page 49, line 16, before the semicolon, insert "except that jurisdiction of an appeal involving an action founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by section 1296 of this title".

On page 52, lines 1 and 2, strike "pursuant to the authority specified in section 1491 of this title" and insert in lieu thereof "to any administrative or executive body or official with such direction as it may deem proper and just".

On page 52, after the material beginning at line 5 and before line 6, insert the following:

"REVIEW OF TAX DECISIONS OF UNITED STATES CLAIMS COURT

"SEC. 327. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new section:

'§ 1296. Review of tax decisions of United States Claims Court

'(a) Jurisdiction.—The courts of appeals (other than the United Ctates Court of Appeals for the Federal Circuit) shall have exclusive jurisdiction to review the decisions of the United States Claims Court involving an action founded upon an Act of Congress or a regulation of an executive department providing for internal revenue, in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury.

'(b) Venue.—Such decisions may be reviewed by the court of appeals for the circuit in which is located—

(1) in the case of a petitioner other than a corporation seeking recovery of any amount under an Act of Congress providing for internal revenue, the legal residence of the petitioner,

(2) in the case of a corooration seeking recovery of any amount under an Act of Congress providing for internal revenue, the principal place of business or principal office or agency of the corporation, or, if it has no principal place of business or principal office or agency in any judicial circuit, then the office to which was made the return of the tax in respect of which the liability arises,

(3) in the case of a person bringing an action under section 6110 of the Internal Revenue Code of 1954, the legal residence of such person if such person is not a corporation, or the principal place of business or principal office or agency of such person if such person is a corporation or,

(4) in the case of an organization seeking a declaratory decision under section 7428 of the Internal Revenue Code of 1954, the principal office or agency of the organization.

If for any reason no subparagraph of the preceding sentence applies, then such decisions may be reviewed by the Court of Appeals for the District of Columbia. For purposes of this paragraph, the legal residence, principal place of business, or principal office or agency referred to herein shall be determined as of the time the petition was filed with the United States Claims Court.'

"(b) The section analysis of chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new item:

'1296. Review of tax decisions of United States Claims Court.' ".

On page 52, after line 6 and before line 7, insert the following:

"INTERSTATE COMMERCE COMMISSION ORDERS; JURISDICTION

"SEC. 330. Section 1336(b) of title 28, United States Code, is amended by striking out 'Court of Claims' and inserting in lieu thereof 'United States Claims Court' ".

On page 52, strike lines 7 through 24 and insert in lieu thereof the following:

"UNITED STATES AS DEFENDANT; JURISDICTION

"SEC. 331. Section 1346(a) of title 28, United States Code, is amended by striking out 'Court of Claims' and inserting in lieu thereof 'United States Claims Court' ".

On page 53, strike lines 1 through 25.

On page 54, strike lines 1 through 21.

On page 55, strike lines 1 through 4 and insert in lieu thereof the following:

"(b) Section 1402(a) of title 28, United States Code, is amended by inserting 'in a district court' after 'civil action'.

"(c) Section 1406(c) of title 28, United States Code, is amended by striking out 'Court of Claims' each place it appears and inserting in lieu thereof 'Claims Court' ".

On page 55, lines 20 and 21, strike "except an Act of Congress or a regulation of an executive department providing for internal revenue,".

On page 59, lines 17 through 20, insert:

"COURT OF APPEALS JURISDICTION

"SEC. 345. Section 2342 of title 28, United States Code, is amended by inserting '(other than the United States Court of Appeals for the Federal Circuit)' after 'court of appeals' and by striking '; and (6) all final orders of the Merit Systems Protection Board except as provided for in section 7703(b) of title 5.' and inserting a period at the end of clause (5).".

On page 59, line 22, strike "345." and insert in lieu thereof "346.".

On page 66, after the material beginning on line 2 and before line 3, insert the following:

"(p)(1) Chapter 165 of title 28, United States Code is amended by adding at the end thereof the following new section:

'§ 2522. Notice of Appeal.

'Review of a decision of the United States Claims Court shall be obtained by filing a notice of appeal with the clerk of the Claims Court within the time and in the manner prescribed for appeals to United States courts of appeals from the United States district courts.'

"(2) The section analysis of chapter 165 of title 28, United States Code, is amended by adding at the end thereof the following new item:

'2522. Notice of Appeal.' ".

On page 66, strike lines 20 through 24.

On page 67, strike lines 1 through 24.

On page 68, strike lines 1 through 25.

On page 69, strike lines 1 through 25.

On page 70, strike lines 1 through 23.

On page 71, strike lines 1 through 24.

On page 72, strike lines 1 through 21.

On page 73, strike lines 1 through 22.

On page 74, strike lines 1 through 14.

On page 74, line 15, strike "V" and insert in lieu thereof "IV".

On page 74, lines 18 through 20, strike "AND THE UNITED STATES COURT OF TAX APPEALS".

On page 76, line 4, insert "or" after "Court,".

On page 76, lines 5 and 6, strike ", or the United States Court of Tax Appeals".

On page 76, line 23, strike "(26 U.S.C. 7422 (e)).".

On page 76, strike line 24 and insert in lieu thereof "out 'Court of Claims' each place it appears and inserting in lieu thereof 'Claims Court' ".

On page 77, strike lines 2 through 10 and insert in lieu thereof "is amended by striking out 'Court of Claims' each place it appears and inserting in lieu thereof 'Claims Court' ".

On page 77, line 22, strike "United States Tax Court" and insert in lieu thereof "United States Claims Court".

On page 77, strike lines 23 through 25.

On page 78, strike lines 1 through 12 and insert in lieu thereof "(e) Section 7482(a) of the Internal Revenue Code of 1954 is amended by inserting '(other than the United States Court of Appeals for the Federal Circuit)' after 'United States Court of Appeals' ".

On page 84, line 1, strike "VI" and insert in lieu thereof "V".

Mr. DECONCINI. Mr. President, these amendments make technical and conforming amendments to the bill. The amendments are necessitated by the fact that title IV of the legislation must be struck since it has been sequentially referred to the Senate Finance Committee as S. 1691 for a period not to exceed December 31, 1979. With the elimination of the tax court from S. 1477, changes are made in the remainder of the bill to assure the continuation of court of claims tax jurisdiction, with appeals from the court of claims to be taken to the various Federal circuit courts. In addition, these conforming amendments strike section 201 of S. 1477—dealing with interlocutory appeals. Other drafting errors and technical changes are also made.

Mr. President, I ask unanimous consent that Becky Newman and Ark Monroe of Senator BUMPERS' staff be granted the privilege of the floor during the consideration of the amendment that will be forthcoming from the Senator from Arkansas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I yield the floor for the time being.

The PRESIDING OFFICER. Do Senators wish to yield back the remainder of their time on the pending floor amendment?

Mr. DECONCINI. Mr. President, I am prepared to yield back the remainder of my time on the pending floor amendment.

Mr. DOLE. The Senator from Kansas is prepared to yield back his time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. I thank the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, today as we consider the Federal Courts Improvement Act, I would like to acknowledge the outstanding work of the Senator from Arizona on this important piece of legislation. It is largely the result of his efforts, and the efforts of the distinguished chairman of the Judiciary Committee that we are able to review this bill, today.

The Senator from Kansas supports this bill because it would rectify many of the structural administrative and procedural problems that have impaired the ability of our Federal courts to adequately remedy the vast range of controversies that exist among our citizens. The enactment of this legislation will offer an answer to many questions that have nationwide legal significance.

GOVERNANCE AND ADMINISTRATION

For our judicial system to operate fairly and efficiently, our courts must be properly governed and administered. Title I acknowledges this basic requirement.

CHIEF JUDGE TENURE

Under present law, the chief judge of each Federal court of appeals or district court is the judge who is most senior in commission and under age 70. S. 1477 retains the great step forward that Congress took to insure better and more active administration of the Federal courts when Congress amended the law in 1958 so that chief judges of the courts of appeals and chief judges in districts of more than two judges could no longer serve as long as they pleased. Before that amendment took effect there were numerous instances when the senile conditions of the chief judges had, for several years before their retirement, been well known to their colleagues and members of the bar and to anyone appearing in their courtrooms.

The 70-year limit will not only provide younger and more vigorous chief judges but it will also continue to stimulate earlier retirements by other judges who stay on the bench hoping to become chief judge.

The length of terms that chief judges serve are often too long or too short. Part A of Title I fixes 7 years as the maximum term of service. Furthermore Part A precludes the appointment of a chief judge who is 65 or older at the time of his appointment. This provision establishes a balance between continuity and rotation among the judges.

PRECEDENCE AND COMPOSITION OF PANEL

To insure that order is maintained in our Federal system, the appearance and the reality of justice must be preserved. In keeping with this concept, part B of title I requires that Federal appellate panels be composed of at least three judges, at least a majority of whom shall be judges of the circuit court, and that the presiding judge be a judge of that court in regular active service.

Under existing law appellate courts often sit in panels of less than three judges, and some courts have used panels of two judges for motions and for disposition of cases in which no oral argument is permitted because the case is classified as insubstantial. Frequently when Federal appellate panels are composed of judges from other circuits, inconsistencies in the law of the circuit are created when court and court of appeals judges from outside the circuit who may not know or who may not feel bound by the law of that particular circuit. S. 1477 effectively fosters predictability and stability in the law of the circuits by requiring a majority of each panel to be composed of judges of the circuit court. Furthermore this legislation discourages the unnecessary borrowing of judges from other circuits to serve on the panels.

JUDICIAL COUNCILS

Judicial councils were established to help, administer and manage the court within each circuit. These responsibilities include: assigning judges to congested districts and to particular types of cases, directing judges to assist infirm judges, ordering judges to decide cases long held under advisement, urging judges to clear congested court dockets and setting standards of judicial ethics and behavior.

S. 1477 makes the councils more effective and efficient by changing their membership and structure. This legislation limits the size of such councils to a maximum of seven appellate judges and provides membership of up to four district court judges. The councils are given a more important role in court administration and management because S. 1477 reduces the size of councils, increases the administrative responsibilities and mandates district court representation.

REPRESENTATION BY CIRCUIT JUDGES AND DISTRICT JUDGES

The representation of district courts is the most significant amendment that part B of title I makes in existing law. As the committee on Federal courts of the association of the bar of the city of New York noted in their testimony before the Senate Judiciary Committee:

> In recent years, the second circuit as well as other circuits have encouraged judges to sit by designation on their panels. Such invitations are frequently viewed by "guest" judges as both an honor and an opportunity to diversify their activities, and by the inviting circuits as a means of introducing broader collegiality and expediting disposition of their case load.

The Judicial Conference of the United States also recognized the soundness of official representation by district judges on the judicial councils of the circuit.

S. 1477 does not state the nature and scope of membership of the district judges on the council. Rather it leaves the issue to the councils themselves.

THE SIZE OF COUNCILS

Under current practice the circuit councils include all circuit judges as members of the council. In light of the unprecedented growth in the numbers of district court judges this practice could result in the creation of an ungovernable, unwieldy council body. S. 1477 leaves to the judges the ultimate responsibility for deciding whether all of the circuit judges should continue to serve on the councils. The bill requires the number of district court judges of the circuit to be fixed by majority vote of all court of appeals judges of the circuit who are in regular active service.

As to the number of district judges, John R. Brown, chief judge, U.S. Court of Appeals for the Fifth Circuit, testified that—

> It would, however, in my judgement, be a gross mistake to adopt the approach of the court administration committee on representation by the number of district judges which would equal the number of circuit judges to serve. The objective is not to outvote. The objective is to have an official, ordained status that gives the representatives of the district judges an absolute legal right to be there and actively participate . . .

METHOD OF SELECTION

S. 1477 allows the judges to determine membership on the circuit councils. Many of the witnesses that testified were of the opinion that election of members was to be preferred over the basis of seniority of the Commission. Concern was expressed over the possibility that election of members would interject politicking into the selection of council members, the witnesses concluded that this danger is outweighed by the need to place the most concerned, informed and dedicated judge on the councils. The administration of the circuit workload is a time-consuming, important task better left to those eager to bear the responsibility. Clearly the judges of the circuit are in the best position to know those most qualified to serve in an administrative capacity. As Chief Judge John Brown stated,

> . . . I seriously question the wisdom of making the selection of the district judges to serve in this new and important role solely on (the) basis of seniority. After all, the basic concept of the judicial council is a body to continuously monitor the administration of justice within the circuit and to know what really is going on and to head off problems before they become a crisis. Court administration, as nearly all now recognize, can frequently be a talent not shared by all . . .

The district judges know those of their brothers and sisters who are best suited and most skilled in these matters. Sometimes they might conclude that the best possible choices are those most senior in commission, in others, younger but still experienced judges and possibly a mixture of both.

RETIREMENT AND PENSIONS

The issue of judicial resignation and retirement and also the pension of a Government employee who leaves judicial office to serve in other Government service is addressed in part D of title I.

Under existing law a judge must now meet the criteria of having attained age 65 with 15 years of service, or age 70 with 10 years of service, to be entitled to retire or resign at the salary of the office. Consequently article III judges who resign or retire before the time limitations described in current 28 U.S.C. 371 give up a lifetime salary mandated by the Constitution, even though they had not been able to accrue funded pension benefits for these years of Federal service under the civil service program.

In recent years many Federal judges have left the bench to serve in positions in the executive branch. Since these former Federal judges give up the lifetime salary mandated by the Constitution and they have not been able to accrue funded pension benefits for their years of Federal service under the civil service program, the Federal judges often experience financial difficulty by accepting an executive branch position.

S. 1477 remedies this situation by permitting years of service on the Federal bench to be counted in computing civil service retirement benefits and amends 5 U.S.C. 8334 to allow the administrative office of the U.S. courts to pay a deposit into the civil service retirement fund for Federal judges who resign to accept executive branch positions. These deposits will insure that these employees receive civil service pensions that take account of the years that such persons had served as Federal judges.

JURISDICTION AND PROCEDURE

Title II of the bill covers several technical jurisdictional and procedural matters. This part of S. 1477 allows a court lacking jurisdiction over a case to transfer that case in the interests of justice to a court having jurisdiction. One result of the expansion of Federal law has been the statutory creation of new causes of action, complicating the already intricate area of Federal subject matter jurisdiction. This provision will, in my opinion, significantly lessen the attractiveness of certain jurisdictional arguments as a litigation tactic and therefore decrease the court time required to dispose of them. In short, this provision of S. 1477 helps to decrease the amount of pointless and costly legal acrobatics which plagues our court system.

Title II makes important modifications in the Federal statutes dealing with interest awarded on judgments in the Federal courts. For the first time, this bill sets a uniform national rate of interest on judgments by keying the calculation of such interest to the prime interest rate as determined by the Internal Revenue Service. No longer will interest on judgments in the Federal courts be subject to various State laws. No longer will various local provisions for interest on judgments be another element in Federal forum shopping.

In addition to this important step forward, S. 1477 sets out a new statutory provision for the award of prejudgment interest where justice requires to afford a litigant complete relief. Presently, the award of prejudgment interest in the Federal courts is determined by principles enunciated only in case law. This statutory provision, then, serves to clarify these rules and make them uniform.

Though the bill creates a statutory mechanism for the award of prejudgment interest, the drafters do not anticipate that such interest will become a regular part of a damage award. To make this understanding clear from the face of the statute, an amendment I offered was incorporated into the bill which limits a judge's discretion to award such interest only to those situations where the facts of the controversy and the manner in which the case was litigated indicate that prejudgment interest is appropriate to afford complete relief.

This qualification on the judge's discretion is phrased broadly to allow a judge sufficient flexibility to evaluate a range of factors while actually imposing some limits on him. For example, a judge might consider that unnecessary delaying tactics employed by a litigant or the frivolousness of a legal position advocated by a party militate against the award of prejudgment interest to that party. By the same token, the extension of the proceedings due to the peculiar ambiguity of the legal rules in contention or the circumstances of a particular prevailing litigant whose damages increased during the litigation at an unusually rapid pace might favor the award of such interest. Yet at no time can such an award be supported by vague arguments that it is part of some appropriate damage award.

Lastly, I took this opportunity to recommend to the Judiciary Committee that the three provisions in title 28 of the United States Code dealing with the award of interest on judgments be consolidated into one. My amendment to that effect was unanimously accepted by the committee. Thus, the provisions of this bill for prejudgment interest and a new interest rate on judgments will apply uniformly to suits between private litigants and to suits against the Government. In addition, this consolidation serves to simplify the complex statutes in this area.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Title III of the bill would accomplish two salutary purposes. It would consolidate in a new article III United States Court of Appeals for the Federal Circuit the appeals business currently handled by the Court of Claims and the Court of Customs and Patent Appeals, and it would create a new article I court to handle the current trial business of the Court of Claims.

The new consolidated appellate court would capture certain economies of judicial administration, but more importantly would create a greater predictability in the specialized areas of the law over which the new court would have jurisdiction. Predictability is especially important in these areas because they are at the heart of business decision-making. Uncertainty about the law creates an economic risk that can dampen innovation and other economic activities. In addition, consolidation will reduce the unfairness and cost of forum shopping, which is a particular problem in the patent area. Forum shopping undermines the predictability of the law and imposes an unnecessary cost that makes justice less accessible.

The new article I court for the trial business of the old court of claims would give a greater dignity to this kind of work and should provide for a more efficient administration. I offered an amendment that would cure a defect in past law. Previously, a plaintiff before the court of claims seeking both legal and equitable or extraordinary relief could only get the former from the court of claims and would have to apply to a district court for an injunction or extraordinary relief in support of the court of claims' legal determination. This process was wasteful both of the litigants' resources and those of the courts. My amendment, which the committee has accepted, would permit the new U.S. claims court to provide equitable and extraordinary relief, either in support of a judgment for damages or without such judgment if only equitable or extraordinary relief is needed, so long as the subject matter falls within the jurisdiction of the court.

TAX APPELLATE STRUCTURE

The amendment just adopted strikes title IV of S. 1477 which would provide for the creation of a new court of tax appeals which would have exclusive intermediate appellate jurisdiction over all civil tax appeals. It would be a tribunal on the same level as the current Federal circuit court of appeals.

I would just say as a member of the Committee on Finance that I appreciate that consideration. I hope the Committee on Finance will move quickly in this area because I do believe that today's tax litigation system is inadequate because of the long-term period of uncertainty caused by delay in getting a final decision on a tax issue. So I think and believe, as a member of the Judiciary Committee and of the Committee on Finance, that this is a giant step in the right direction.

Moreover, as witnesses before the Improvements Subcommittee brought out in their testimony, lower courts hearing tax cases defer to the law of the particular court of appeal for the circuit in which they are located. With 11 circuit courts of appeal in existence, there is considerable difference and contradiction among the tax law enunciated by the various circuit courts of appeal. Hence, it is hard to engage in tax planning, there is unequal treatment of taxpayers, and "forum shopping."

In order to solve these problems concerning the resolution of civil tax issues, S. 1477 proposes the following changes in law:

First. It creates a U.S. Court of Tax Appeals, which would have exclusive jurisdiction over civil tax appeals cases from the district courts and the tax courts; and

Second. It abolishes jurisdiction over tax cases from the Court of Claims.

All civil tax cases would be initiated in either the U.S. Tax Court or district courts, and all civil tax appeals would be heard by the Court of Tax Appeals.

The following advantages would result from S. 1477:

First. Speedier and more definitive resolution of complicated tax issues;

Second. A small reduction in the existing caseload of Federal appeals courts;

(C) Less burden on the Supreme Court to resolve tax conflicts among the circuits;

(D) Reduction in trial level litigation and IRS administrative proceedings; and

(E) A new court well versed in the tax law technicalities.

In the Improvements Subcommittee hearings, several witnesses testified about the strengths and weaknesses of the new Tax Court of Appeals. Wide ranging support for the new court was voiced throughout the hearings.

Former Solicitor General Ervin Griswold, as well as several Federal judges, Treasury and IRS representatives, and private tax lawyers, supported the proposed new Court of Tax Appeals. Because of the organization and structure of the proposed court, it enjoys broad, bipartisan support which prior Tax Court proposals lacked.

The proposal was further modified after hearings suggestions from a panel of former IRS Commissioners, and members of the tax section of the New York Bar Association and the Bar Association of the City of New York.

During the hearings, the major issues raised concerned the structure and com-

position of the Court of Tax Appeals and selection of its judges.

The following modifications were made to the original proposal:

First. The committee adopted the recommendation of the tax section of the New York State Bar Association urging that the bill be amended to reduce the number of judges from 12 to 11, and providing that at least 1 of the 11 judges be a member of the Court of Tax Appeals at all times. This amendment assured that the new court will be national in scope.

Second. The bill was amended to provide that a judge appointed to the Court of Tax Appeals will remain a judge of the circuit from which he was appointed.

Third. S. 1477 was also amended to provide that any appeal from a lower court decision in a civil tax case will be heard by the Court of Tax Appeals in the circuit in which the taxpayer is domiciled or has its principal place of business—if it is a corporation or other association—or where it has its principal place of activity—if it is a cooperative or organization claims tax exemption.

Fourth. S. 678, as introduced, originally provided that the Chief Justice of the United States appoint the circuit judges to sit on the Court of Tax Appeals. The subcommittee felt that a more pluralistic court would result if the chief judge of each circuit chose a circuit judge for the Tax Court. However, the full committee chose the original proposal of allowing the Chief Justice to select the members of the Court of Tax Appeals.

Fifth. The committee struck out the provision in S. 1477 which permitted Tax Court judges to sit by designation on the new Court of Tax Appeals.

Sixth. The bill has been written to provide some factors which should be taken into account in considering whether to endorse a petition for en banc rehearing in a case. These factors include:

Whether the question is unique or applicable to many taxpayers;

Whether there has been unanimity in the panel which decided the case;

Whether any of the judges on the panel which heard the case advocate that it be reheard; and

Whether the case contains issues of first impression.

The most frequent criticism directed against the proposed new court during the hearings was that a central Court of Tax Appeals might stifle the benefits flowing from successive consideration of the same tax issue by different circuit courts of appeal.

While this view must be respected, it is outweighed by needs of certainty and finality.

Title IV of S. 1477 was reported out of the Judiciary Committee and sequentially referred to the Senate Finance Committee on July 31, 1979, as S. 1691, with the understanding that if S. 1477 is taken up on the Senate floor before December 31 or before the Finance Committee reports S. 1691 to the Senate, title IV of S. 1477 will be deleted.

Title V of the bill makes technical and conforming amendments outside of title 28 relating to the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Tax Appeals.

Title VI contains two sections. The first sets the effective date of the bill to be 2 years after the enactment date, while the second considers the issue of the effect of this bill on pending cases.

In conclusion, Mr. President, I want to again express my appreciation to Senators KENNEDY and DECONCINI for their leadership roles in fashioning and processing this legislation. The Federal Courts have been accused of being unwilling to change and to improve their management and administrative practices. The legislation we act on today should make a major contribution to improving the efficiency and effectiveness of the Federal Judiciary. I have been pleased to play a small role in this worthwhile process.

EXTENSION AND REVISION OF NURSE TRAINING AND OTHER HEALTH PROGRAMS—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on S. 230 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. LEVIN). The report will be stated.

The clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 5, 1979.)

Mr. KENNEDY. Mr. President, the Committee of Conference has resolved the disagreement of the two Houses on the Nurse Training Amendments of 1979, S. 230. The provisions of the conference agreement conform very closely to the provisions of the Senate bill.

Nursing is an integral and major part of our health care system. Nurses are responsible for much primary care and have, in many instances, the most direct patient contact. We have also seen in recent years an expanded role for nurses as nurse practitioners, nurse midwives, nurse anesthetists, to name a few. These nurses are making great strides in the care of the elderly and children. They are working diligently in many underserved areas. S. 230 authorizes vitally needed funds in fiscal year 1980 to support the training of these essential health practitioners.

The conference agreement on S. 230 authorizes $103 million for the support of nursing education in fiscal year 1980. As my colleagues know, although we do not agree with the administration's position that there is an adequate supply of nurses, we have been responsive to some of their fiscal concerns. Therefore, this conference report authorizes literally one-half the amount authorized in S. 2416, the Nurse Training Amendments of 1978, which was pocket-vetoed by the President.

S. 230 also contains important amendments to other portions of the Public Health Service Act. It authorizes an additional $12 million for the National Health Service Corps in fiscal year 1980. It increases the ceiling on critically needed funds for the health professions schools which are in financial distress. It also amends certain provisions of title II of the Public Health Service Act which will modernize the management of the Public Health Services Commissioned Corps.

Mr. President, I urge my colleagues to vote favorably on this conference report, which is the strongest possible compromise to the House position.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

FEDERAL COURTS IMPROVEMENTS ACT OF 1979

The Senate continued with the consideration of S. 1477.

UP AMENDMENT NO. 535

(Purpose: An amendment to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS), for himself, Mr. DOMENICI, Mr. LUGAR, Mr. MELCHER, Mr. PRYOR, Mr. GOLDWATER, Mr. DECONCINI, Mr. TOWER, Mr. EXON, Mr. WALLOP, Mr. HATCH, and Mr. HELMS, proposes an unprinted amendment numbered 535.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

That the portion of Public Law 89-554, (80 Stat. 393), now codified as Section 706 of Title 5, United States Code, is amended by striking out the first sentence thereof and substituting therefor the following:

"To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action. There shall be no presumption that any rule or regulation of any agency is valid, and whenever the validity of any such rule or regulation is drawn in question in any court of the United States or of any State, the court shall not uphold the validity of such challenged rule or regulation unless such validity is established by a preponderance of the evidence shown. *Provided, however*, That if any rule or regulation is set up as a defense to any criminal prosecution or action for civil penalty, such rule or regulation shall be presumed valid until the party initiating the criminal prosecution action for civil penalty shall have sustained the burden of proof normally applicable in such actions."

Mr. BUMPERS. Mr. President, this amendment is similar to a bill I introduced in the 94th Congress, the 95th Congress, and again in the 96th Congress, a bill, now numbered S. 111. I offer it now as an amendment to this measure.

When I was in law school the course on administrative law was an elective, and few chose to take it. It was not an exotic course on a par with criminal law or torts, but in truth few students had any perception of how such a course could enhance their livelihood once they left law school. Few of us knew that the body of administrative law, based on regulations, was already burgeoning at a rate five times as great as Congress legislative output even then, in 1950. We were unaware that the regulators had already alarmed F.D.R. as early as 1940 when he wrote:

> The practice of creating independent regulatory commissions, which perform administrative work, in addition to judicial work, threatens to develop a "fourth branch" of the government for which there is no sanction in the Constitution.

Today, students who do not study administrative law are excluding themselves from about 50 percent of the legal services being performed in this country, and the body of administrative law grows almost exponentially.

Thoughtful people know that Congress must necessarily delegate certain functions necessary to implement its intent and I do not today propose to dismantle the machinery for administering those functions. But the regulations have developed a life of their own, and despite the cries for help from our constituents, little or no relief has been forthcoming from either the administration or the Congress.

Mr. President, this amendment is not a panacea for the problems of regulatory abuse and excess, but it is a significant and, I believe rational, approach to a problem we all acknowledge.

The amendment would accomplish two ends: It would direct the courts to decide for themselves, without deference to so-called administrative expertise, all issues of law, and it would reverse the traditional presumption that agency regulations are valid.

Mr. President, present doctrines of administrative law virtually guarantee every rule or regulation adopted by a Federal agency will be upheld in the courts. There is a presumption by the courts that such rules or regulations are within the authority granted by Congress, or by Executive order, to the particular agency involved. But there should be no such presumption, and we have reached the point where the traditional doctrine should be reversed. The burden of proving the validity of a regulation ought to be upon the Federal agency, which has at its command the resources of the sovereign, to establish the validity of its own action, instead of being placed upon the citizen to prove the reverse.

This amendment would do that. First of all, it would restore the courts to their normal law-interpreting and law-applying role in our system of government. Courts could still defer to administrative expertise, if there is in fact such a thing, when deciding issues of fact, and the traditional substantial evidence rule applied to such issues would be undisturbed.

As to questions of law, however, the supremacy of the courts would be restored. A decision by an agency on an issue of law would no longer be upheld simply upon a finding that there is "warrant in the record" for it. The court would actually use its own judgment. Of equal importance, the presumption in favor of the validity or regularity of agency rules and regulations would be eliminated, and the burden of establishing this validity would be shifted to the agency, a party much better able to bear it. Only if a court were persuaded by a preponderance of evidence that a given rule or regulation was within the power delegated by Congress, would the rule or regulation be upheld.

Congress would then be confirmed as the true and only source of legislative power in our society. Only those agency rules and regulations clearly within the congressional mandate would remain intact.

Finally, a proviso in the bill would make clear that the traditional heavy burden of proof borne by the prosecution in criminal cases and, to a lesser extent, by the United States when seeking to enforce a civil penalty, would not be altered. In these instances, if a defendant asserted an agency rule or regulation in bar of a criminal prosecution or action for civil penalties, the opposing party, usually the United States, would still have to sustain the burden of proof usually associated with these kinds of enforcement proceedings.

Mr. President, Elihu Root was quoted on this floor by the Senator from New Mexico (Mr. DOMENICI) on July 31 this year, and the quotation is especially applicable here. He said:

> If we are to continue a government of limited power, these agencies of regulation must themselves be regulated. The rights of the citizen against them must be made plain.

Mr. President, Congress has demonstrated a remarkable ineptness in dealing with the bureaucracy either through the appropriation process or by oversight.

I am not sure that the President or Congress will ever deal with the problem in a meaningful way. However, this amendment will achieve at least two very important and legitimate purposes:

First, if the regulation writers know that they must assume the burden of proving that a regulation is within its scope of authority, that is, within the intent of Congress, they will be much more careful and circumspect in writing it. Second, the citizen who feels the regulation is abusive or excessive will feel more inclined to resist abuse, knowing that he does not have to rebut presumptions which have no authority in law, and should never have been placed in the law in the first place.

The principal objections to the amendment can be found in my own floor statement when I introduced this amendment as a bill, S. 111, where I charitably inserted letters from administrative law professors Nathanson of Northwestern and Byse of Harvard.

In summary they say the amendment is misguided because:

First, Professor Nathanson believes that "the Federal courts have not been giving blind obeisance to administrative determinations of law in recent years, and second, Professor Byse has the "impression that the courts have shifted or is in the process of shifting from the view that regulations are presumptively valid."

That is a very happy thought and is exactly what I am trying to do. All I want to do is hasten the process.

There may be a ruling in one circumstance where one court has said, episodically, that they ought to examine these cases more closely, but the truth of the matter is from the Supreme Court on down this has not been the case.

Let me cite some cases to you, Mr. President, that I just had the CRS study for me in the last few days to show you what has been happening since 1973.

The Supreme Court in the *Atchison, Topeka & Santa Fe Railway Co.* v. *Wichita Board of Trade* (412 U.S. 800), case said:

> Judicial review of decisions by the Interstate Commerce Commission in rate cases necessarily has a limited scope. Such decisions are not to be disturbed by the courts except without a showing that they are unsupported by evidence, were made without a hearing, exceed constitutional limits, or for some other reason amount to an abuse of power.

They do not say that the agency may have just been wrong, marginally or excessively wrong. They say that the agencies have to abuse their power. That ruling was in 1973.

In the *Vermont Yankee Nuclear Power Corporation* v. *National Resources Defense Council* (435 U.S. 519, 1978), the Supreme Court said:

> We have made it abundantly clear before that when there is a contemporaneous explanation of the agency decision, the validity of that action must "stand or fall on the propriety of that finding, judged, of course, by the appropriate standard of review."

In 1975 the court of appeals for the district said in the case of *Maryland-National Capital Park and Planning Commission* v. *Lynn* (514 F. 2d 829):

> There is a judicial presumption of the validity of administrative action and the burden was on the Commission to overcome that presumption.

Another court of appeals decision from the district in 1977:

> Administrative actions are presumed to be valid. The burden is on the party challenging to overcome that presumption. *Masaleski* v. *Treusdell* (562 F. 2d 701).

In 1976, the court of appeals for the district:

> It is well recognized that this standard of review is a narrow one which presumes agency action to be valid. It requires that a court not substitute its judgment for that of the agency, so long as a rational basis exists, or may be reasonably discerned, for the agency determination. *Certified Color*

Manufacturers Association v. *Mathews* (543 F. 2d 284).

In 1976 the court of appeals for the district:

This standard of review is a highly deferential one. It presumes agency action to be valid . . . Moreover, it forbids the court's substituting its judgment for that of the agency . . . and requires affirmance if a rational basis exists for the agency's decision. *Ethyl Corp.* v. *Environmental Protection Agency* (541 F. 2d 1).

Mr. President, I can give you case after case that have been rendered in the past 8 or 9 years since 1970, all of which say the very same thing.

Here is one from the court of appeals for the fourth circuit:

This presumption is rebuttable, but only upon a showing that the challenged regulation is an unreasonable exercise of the delegated power—i.e., inconsistent with the statute. *United States* v. *Eureka Pipeline Company* (401 F. Supp. 934).

Think about that one for a moment, Mr. President. It cannot be a marginal decision; it cannot be that the court thinks the agency was wrong. They had to have been unreasonable in reaching a wrong decision.

In the case of *Giles Lowery Inc.* v. *Dept. of Agriculture* (565 F. 2d 321), the fifth circuit said:

A presumption of validity is accorded to administrative bodies acting within their sphere of expertise . . . and agency has considerable discretion in determining just and reasonable rates . . . We cannot substitute our judgment for that of the agency . . .

Even though they would disagree with it.

I can go on. I want to cite one more case from the eighth circuit because I am most familiar with it. Mr. President, the U.S. Department of Agriculture undertook to regulate sale barn auctions in this country and set their rates like those of a public utility which is chartered and franchised as a certified monopoly.

We have 82 sale barns in my State, and you can imagine the mail I received when the USDA undertook this action. A sale barn can be built by anybody. It can be built next door to one that exists. You can build five in a row, if you want to. This is one place where competition and the free enterprise system work beautifully. If you do not like the way one sale barn treats you, you can go to another one. If you do not like their rates, find another one. They are all over the State. The Department of Agriculture moves in and says, "We are going to start setting your rates and limiting the amount of money you can make." Who in the Congress ever thought they gave them the power to do it. Do you know how they got the power? They discovered an old 1921 act and they decided that bill gave them the right to regulate auction barns.

Do you want to know something, Mr. President? Even though the eighth circuit upheld the lower court's ruling and the agency, the Department of Agriculture became embarrassed about its decision, and decided it was wrong. The Department withdrew, even after they won the case in the eighth circuit. I had introduced a bill in the Senate and Congressman Thornton introduced an identical bill in the House to reverse the court's decision. But the eighth circuit, in spite of that, said:

Agency officials are assumed to be capable of judging a particular controversy fairly on the basis of its own circumstances. *Central Arkansas Auction Sale Inc.* v. *Bergland*, 570 F.2d 724.

The cases go on and on, Mr. President.

The leading case, of course, was the *National Labor Relations Board* v. *Hearst Publishing Company*, 322 U.S. (1944). The Supreme Court held that even though a court may have reached a different conclusion, "if it is reasonable and has warrant in the record, then the agency must be upheld," and the Supreme Court said as follows:

Undoubtedly questions of statutory interpretation, especially when arising in the first instance in judicial proceedings, are for the courts to resolve, giving appropriate weight to the judgment of those whose special duty is to administer the questioned statute . . . But where the question is one of specific application of a broad statutory term in a proceeding which the agency administering the statute must determine it initially, the reviewing court's function is limited. (322 U.S. 130–131)

That was a question, incidentally, dealing with the definition of an "employee." The National Labor Relations Board, as both a matter of fact and law, determined that the newsboys throwing papers in your front yard were employees. Well, happily, even back then, Justice Roberts went against what was the popular notion at that time and he dissented in that case and said:

Congress did not delegate to the National Labor Relations Board the function of defining the relationship (of employment) so as to promote what the Board understood to be the underlying purpose of the statute. The question who is an employee, so as to make the statute applicable to him is a question of the meaning of the Act and, therefore, is a judicial and not an administrative question. (322 U.S. 125–26)

Mr. President, the doctrine of presumed validity cedes to a branch of Government unknown in the Constitution a share of judicial power. We have, over the years, abdicated our responsibility in favor of the regulatory agencies and we have given them almost carte blanche authority to make judicial decisions and forced the courts, by precedent, to rubber stamp them.

Every law school freshman in the country knows that Congress cannot legally delegate the legislative power to anyone; yet we have been doing it.

What the agencies are actually doing is both interpreting and executing the law—a traditional and proper role of the judiciary. So when a court affirms the interpretation of a statute which it would not have adopted as an original matter, it abdicates one of its most important functions.

On the second question, whether rules or regulations issued by Federal agencies are entitled to a presumption of validity, my differences with Professors Byse and Nathanson are even, sharper. In particular, Professor Byse has the "impression * * * that the courts have shifted, or are in the process of shifting, from the view that regulations are presumptively valid." As I said in the opening of my statement, if they are shifting in that direction, all this amendment does is hasten it along. But the truth of the matter is that I just finished reading quotations from about 10 cases which show conclusively that they are not shifting in that direction. If anything, they are giving even more deferential treatment to the regulation writers.

He cites the *City of Chicago* v. *The Federal Power Commission*, 458 F.2d 731 (D.C. Cir. 1971), cert. denied 405 U.S. 1074 (1972). There is nothing in that case to indicate that the courts are moving toward the position I am championing in this amendment. Justice Brandeis wrote a unanimous opinion in *Pacific Box & Basket Co.* v. *White*, 296 U.S. 176 (1935), in which he stated:

There is a rebuttable presumption of the existence of a state of facts to justify the exertion of the police power.

The city of Chicago case affirmed the Supreme Court, citing that very decision.

The basic question, Mr. President, is, Is there a need for change in the law? Put another way, have the agencies become so powerful that they ought to be checked?

This is not a question of law, strictly speaking, at all, but a question of government, or politics. If there is an issue of public policy on which there is a broader consensus in this country, I do not know what it is. A glance at just a small portion of the mail coming into every Senator's office every day is justification enough for this amendment.

When I went home during August, I found that people want us to do something about inflation and energy; they want the budget balanced; and they want regulatory abuse curbed.

I heard it from small business people. I heard it from people doing a $50,000-a-year gross in a small clothing store in Fordyce, Ark.

The theme of overregulation has been made ever since I have been in Congress and we have not made a dent in redressing it. Citizens' groups of all kinds, environmentalists, consumers, unions, and others, are unanimous in complaining that Government, most often manifested in regulations issued by executive or administrative agencies, has become too intrusive.

Did Congress intend for the regulation writers to determine how close a toilet ought to be to a farmworker, or whether a school's "dress code" can allow girls to have longer hair than boys? That is silly and ridiculous, and we know it. Nobody here intended any such thing.

But what are we going to do about it? Most of the opponents of this proposal suggest that Congress created the problem and it ought to be responsible for solving it. But in pointing the finger of blame at the legislative branch, they are absolutely correct. I do not dispute that. Here is a chance for Congress to do something about it.

(Mr. NUNN assumed the chair.)

Mr. BUMPERS. Beginning at least as early as the creation of the Interstate Commerce Commission in 1887 and continuing with ever greater intensity since the coming of the New Deal, Congress has created this monster by evading the hard choices and by delegating those tough decisions to the independent or executive agencies. Then Congress screams like a banshee when they carry it out.

Most of this delegation has escaped constitutional censure because it was accompanied by some standards of action however vague. The fact remains that Congress, by giving the agencies this kind of discretion and latitude, is responsible, at least vicariously, for most of this abuse. We cannot duck that responsibility and today we have a chance to make at least an embryonic start to do something about it.

Congress should correct its own errors, at least to the extent of being stingy about creating new agencies or delegating new powers to existing ones. Congress ought to rest from creation for a while, and I believe such a respite would meet with universal public approval. As to those laws and agencies that already exist, the matter is not so simple. Congress could, in theory, review all the existing statutes and repass them, this time making more particular and specific the mandate of each agency.

The difficulty is that each of the broad legislative grants of power to agencies has already been particularized by the agencies themselves. These surrogates for Congress have spun out whole codes of regulations and interpretations, most of which have the force of law. Each of these specifications has acquired its own constituency of support, and it is not realistic to expect an elected Congress to tackle the massive task of reviewing the whole complex of administrative edicts now on the books.

I do not want, Mr. President, to get into the question of legislative veto that has been discussed in the Senate, but I would like to make just this one point: Congress has not been exercising its oversight responsibilities and that is why we are in this mess and why everyone of us is working 15 and 16 hours a day trying to keep up with what is going on in committee and on the floor. How in the name of all that is good and holy can we expect, on top of that, to start reviewing every rule and regulation made by the agencies, when we cannot exercise even 10 percent of our oversight responsibilities now?

Griffin Bell was in my office the other day, and I discussed this legislation with him. He said, "That is the greatest idea since night baseball. I have always agreed that was the only way to approach it. If you are waiting for the President and the Congress to do this, they are not going to do it."

The President made a firm commitment when he ran in 1976 that he was going to bring regulatory abuse to bay in this country. He has not done it. I do not know how many speeches I have heard on the floor in the Senate about the abuse of regulations and what we are going to do about it. We have tried everything from sunset legislation and equal access to justice, to paperwork—reduction, and the cry from my constituents gets louder and louder. The cry from your constituents does, too.

Mr. President, I am simply trying, with this amendment, to bring about a balance where regulations are seriously challenged. Why should not the American citizen, the person who is regulated at least be on an equal footing with the agency? The cards have been hopelessly stacked against the regulated people in this country.

Nobody intended for the sale of barns to be regulated like a utility. Nobody intended for PMSHA to regulate kitty litter operations in Tennessee. Nobody expected some arrogant inspector to walk into your plant and fine you $200 because your fire extinguisher was 4 inches too close to the floor.

Finally, why do we have a judiciary? The judiciary says that even if this is wrong, we will not disturb that ruling because of the presumption of the expertise of the regulation writers—the expertise of knowing more about the industry they are regulating than does the court.

They say, only if the power is abused, only if it is unreasonable—not that it is wrong. They do not say "If there is a simple error and we disagree with their conclusion, we are going to reverse it." They say it has to be unreasonable. The power has to be excessive; the power has to be abused before they will do anything about it.

Under this amendment, the judiciary will simply be required to carry out exactly what their duty is; that is, where they would have reached a different conclusion, it is their duty to reach a different conclusion.

Mr. President, I went to Dallas 3 weeks ago to speak to the general practice section of the American Bar Association. I did not go down there for the purpose of promoting this bill. This bill was already on the agenda of the House of Delegates and I am happy to say that, after a very lengthy debate in the House of Delegates, they approved this amendment by a vote of 146 to 111.

Mr. President, I hope that this body will approve this amendment by an even wider margin and tell the American people we will put a little fairness back into their fight with the people who regulate them.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield such time as I may use.

Mr. President, over 30 years ago Congress enacted the Administrative Procedure Act to provide an expansive set of fair and uniform procedures to govern the operation of our Federal agencies and to insure appropriate review of their decisions by the Federal courts. Section 7 of the APA provides that reviewing courts should set aside agency actions "found to be arbitrary, capricious, and abuse of discretion, or otherwise not in accordance with law." In interpreting this mandate, the courts have long accorded some deference to an agency's determination of questions of law, particularly when those questions relate to the scope or meaning of the agency's governing statute. The rationale for such deference is that the agency's experience and expertise can aid the courts in deciding questions of law, and in setting uniform policies. The Bumpers amendment would eliminate any presumption of validity or regularity attaching to agency action at least on legal questions. The thrust of this amendment, as explained by its sponsor, would be to provide for de novo review of agency decisions on questions of law.

I am not unsympathetic with the objective of this amendment: to make sure that agencies adhere to the laws as they were written by Congress. There is no question that each of us has heard horror stories of how one agency or the other misconstrued a statute, or ignored congressional intent, or acted irresponsibly. Right now both the Judiciary Committee and the Governmental Affairs Committee are hard at work on major legislation to bring about significant regulatory reform, including reform of some of the provisions of the APA.

But how many cases have we heard of where the courts have been faced with an arbitrary or capricious agency rule or decision and have failed to overturn it? That is precisely what the law presently requires. In truth, agency decisions should be reversed by courts where they are not in accordance with law. But that is what courts are doing each day.

There is simply no demonstrable need for this amendment. In letters placed in the RECORD by the Senator from Arkansas when he first introduced S. 111, from which this amendment was formulated, two distinguished law professors both objected to the bill on this ground:

Professor Nathaniel Nathanson wrote: "I am not at all impressed with the desirability of such an amendment to the APA . . . so far as I am aware the Federal courts have not been giving blind obeisance to administrative determinations of law in recent years."

Professor Clark Byse put it this way: "There is reason to believe that the proponents of the measure are proceeding on the basis of mistaken perceptions . . . although undoubtedly there are judges or panels of judges or courts which at times fail to discharge their reviewing responsibilities, I do not think this is a general weakness which needs the corrective action proposed by S. 2408."

It is difficult, if not impossible, without having a full record on this proposal, to determine what the impact of this legislation would be. Questions of law are not always that easy to separate from those of fact; many are mixed, raising the spectre of retrial in the district courts and courts of appeals of numerous issues properly determined in the agencies. Moreover, the amendment may eliminate the needed flexibility of current practice; while courts may be fully capable of determining some questions of law without any reference to agency expertise of experience, others necessarily require such resort. The current practice is geared to this—deference is accorded when and where it makes most sense.

One case, NLRB against Hearst Publications, which Senator BUMPERS has emphasized in the past, involved the question whether full-time newsboys were "employees" within the meaning of the National Labor Relations Act. The Labor Board concluded that they were, and the Supreme Court affirmed, emphasizing the Board's practical expertise and experience in evaluating the circumstances of the newsboys' employment and how it fit within the overall statutory scheme. This is something different than a mere rubberstamp. And as the subject matter of agency regulation has become more complex in the succeeding 30 years, so too has the need for this type of deference. Yet the Bumpers amendment might well prohibit this in the future.

Judge Carl McGowan, writing in the Columbia Law Review just 2 years ago, concluded that the Bumpers amendment could have the effect of overruling Hearst and all other cases like it. Judge McGowan, an outstanding member of the District of Columbia Circuit Court of Appeals which spends much of its time reviewing actions of Federal agencies, characterized this amendment's approach as calling for a "gross allocation of duties to the courts." It would, according to the judge, "undo a relatively finely tuned system of shared judicial and administrative responsibility for interpreting and enforcing broadly delegative legislation."

Enactment of this amendment might also impose a serious burden on courts which are already suffering from the legal explosion. Thus the Judicial Conference of the United States opposes such legislation. In a September 27, 1976 letter to me, Chief Justice Burger stated:

> At the session of the Judicial Conference just concluded, the Committee on Court Administration expressed the view that the legislation, if enacted, would have a serious impact upon the workload of the Federal Courts and accordingly recommended that the Conference oppose enactment of S. 2406. The Conference agreed with the recommendation of its committee.

This burden would not only come from increases in cases in which courts spend their energies in de novo consideration of matters of law, but also from the confusion likely to ensue in any attempt to draw a fine, clear line in many cases between law and fact. It was this concern that brought a spokesperson for the environmental defense fund, in hearings a few years ago, to observe that the Bumpers approach "is going to bring evidentiary proceedings into the court where they don't really belong." This could well be a special problem in health and safety and environmental cases, according to that witness.

Surely, Mr. President, delay is already a serious problem in judicial review of complex agency regulations. De novo review, to the extent it requires courts to duplicate agency efforts, may lead to greater—and unnecessary—delay.

Mr. President, I certainly am not defending agency decisionmaking as a panacea. It is not. I spent 8 years as chairman of the subcommittee on administrative practice and procedure, and we spent a great deal of time looking at agency decisions and decisionmaking processes. And I have chaired intensive inquiries into specific agency activities and decisions, including those of the CAB, FTC, FDA, EPA, and ICC. I am also author or cosponsor of a number of regulatory reform measures, and a strong proponent of expanded judicial review of agency actions.

The underlying concern of this amendment—whether agencies are doing their jobs properly—is one which I share with the Senator from Arkansas. I am sure it is shared by each of us in the Senate. But I am equally convinced that we should not address this concern by eliminating all deference to agency experience or expertise. Courts should not ignore the judgment of the agency on matters of law—whether it involves the Defense Department, USDA, the EPA, the Labor Board, the Department of Energy, or any other Federal agency. Thus I cannot support the Bumpers amendment, and I intend to vote against it this morning.

Mr. President, I think the critical issue we must consider today is the test which should be used by the courts in reviewing an agency's actions. The current tests which are used now vary, depending on the importance of the decision and the impact of the decision; the relevancy of the agency's expertise, the confidence of the court in the agency itself; and whether the matter is highly controversial.

This flexible approach makes sense. The Bumpers approach, however, would straitjacket a court, and require it to take a single approach to analyzing all questions of law determined by an agency.

The Senator from Arkansas have given examples of why his amendment is necessary. He believes that the problems of Government regulation illustrated by these examples would be remedied by the legislative measure he is suggesting. But one can go on ad infinitum, offering counter examples which show that his amendment would have the opposite effect.

One that comes to mind is an instance of a John Valik, off duty, at a beach, who jumped into the water to save a swimmer. Valik drowns. Was his action in the scope of employment? If so, compensation is awarded. Should not the decision of the agency which constantly deals with these kinds of questions carry a special weight? Do we want the courts second-guessing judgments in which the agency has the type of expertise and the type of knowledge and understanding that can make the most responsible recommendation? Of course, the court should review that agency's judgment; but the court should also be entitled to rely on the daily expertise of the agency to help it come to an equitable decision.

Furthermore, we have examples where judicial refusal to defer to agency expertise has not had good results. In one situation the Federal Power Commission recommended that it did not want to promulgate rules for regulating prices of natural gas. When the time came for judicial review, the courts overruled the Federal Power Commission; and as a result of this court's decision, we now have an extraordinarily detailed and complex system of natural gas price regulation.

The Senator from Arkansas would have us believe, that, if the courts look at everything de novo, we are going to encourage more agency deregulation. But if we look at the actual impact of court decisions—for example, on the Federal Power Commission and the Federal Communications Commission—our experience runs completely contrary to this conclusion.

Mr. President, we have a letter from the Department of Justice on this matter. I will include the letter in its entirety in the RECORD, but I will just refer to the relevant language which expresses the strong opposition of the Justice Department to this amendment. The Department points out the following:

> The Department of Justice strongly opposes this bill. It would undermine one of the historical bases of the system of administrative law in this country, namely, the assumption that the expert judgment of agencies charged by Congress with making decisions in areas of frequently complex interaction of law, fact and policy should be generally respected by reviewing courts.
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> These policies of deference rest, in the final analysis, both on a desire for consistency in administrative decisionmaking, which is needed for individuals to plan their behavior in accordance with federal law and regulations, and on a sense that principles of the separation of powers caution against an over-ambitious program of judicial review.
>
> These policies would be seriously undermined by the proposed legislation. Moreover, the bill, by granting sweeping powers of review to courts, would predictably frustrate—not promote—the realization of its avowed aim of making agencies more responsive to the will of the people as expressed by Congress. In fact, the bill would make agencies more responsive to the will of unelected judges.

I believe that the present standard of judicial review which gives the courts great flexibility in examining agency actions, should be retained.

Those of us who oppose the Bumpers amendment do not do so with the idea that all the decisions by various agencies have necessarily been correct or wise or that court interpretations or judgments on them have necessarily been incorrect or unwise.

Nonetheless, if we want to increase the accountability of agencies, Congress itself should take a more active role through the oversight process. That should not be the responsibility of the courts. That is what our responsibility should be.

For these reasons—plus the complexity of the amendment, and its harmful impact on the workload of the courts—it seems to me unwise to accept this amendment.

Mr. President, I ask unanimous consent to have the letter from the Justice Department printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., September 7, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the comments of the Department of Justice concerning S. 111, a bill "To improve the administrative process by making Federal agencies more responsive to the will of the people." This bill would substantially alter existing law governing the scope of judicial review of agency action by eliminating the presumption that an agency's interpretation of statutes it administers is presumptively correct. Also, any court presiding over proceedings in which the validity of an agency rule is questioned would be unable to uphold the rule "unless such validity is clearly and convincingly shown . . ."[1]

The Department of Justice strongly opposes this bill. It would undermine one of the historical bases of the system of administrative law in this country, namely, the assumption that the expert judgment of agencies charged by Congress with making decisions in areas of frequently complex interaction of law, fact and policy should be generally respected by reviewing courts.

For instance, the Supreme Court has referred to a "presumption of regularity" accorded agency decisions, and has announced that a court is "not empowered to substitute its judgment for that of the agency." *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402, 415, 416 (1971). Moreover, the Supreme Court has traditionally spoken of the judicial deference that should be accorded an agency's interpretation of its organic statutes, for it is axiomatic that Congress authorizes an agency, not the judiciary, to implement the law delegating power to the agency. *See Udall* v. *Tallman*, 380 U.S. 1, 16 (1965). These policies of deference rest, in the final analysis, both on a desire for consistency in administrative decisionmaking, which is needed for individuals to plan their behavior in accordance with federal law and regulations, and on a sense that principles of the separation of powers caution against an over-ambitious program of judicial review.

These policies would be seriously undermined by the proposed legislation. Moreover, the bill, by granting sweeping powers of review to courts, would predictably frustrate—not promote—the realization of its avowed aim of making agencies more responsive to the will of the people as expressed by Congress. In fact, the bill would make agencies more responsive to the will of unelected judges.

Also, by shifting the burden of persuasion to the government in all cases in which the validity of administrative rules or regulations is challenged, the bill would needlessly reverse the normal understanding in judicial proceedings that the complaining party carries the burden of proving the case. It would place an enormous responsibility on agencies to demonstrate repeatedly the legitimacy of their regulations. Further, it would impose a significant burden on federal courts, which are already strained by the need to deal with the large numbers of cases before them.[2]

In addition, if the concern underlying the bill is the need to guarantee that agency actions are able to be reviewed vigorously by courts, that end would appear to be met to a substantial degree by existing law. Under present standards of review, agency action shall be set aside if it is "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." Also, courts are to reverse agency decisions if they fail to meet statutory, procedural or constitutional requirements, or if they are unwarranted to the extent that underlying facts are subject to trial *de novo*. See 5 U.S.C. § 706(2).[3] As the Supreme Court has noted, the fact that there is a presumption of regularity in agency decisionmaking does not mean that agency actions are immune from "a thorough, probing, in-depth review." *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402 (1971).

For all of these reasons, the Department recommends against enactment of S. 111.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

ALAN A. PARKER,
Assistant Attorney General.

[1] However, in cases involving criminal prosecutions or actions for civil penalties, the agency regulation would be presumed valid until the party initiating the action had sustained the applicable burden of proof.

[2] See McGowan, *Congress, Court, and Control of Delegated Power*, 77 *Colum. L. Rev.* 1119, 1168 (1977). Judge McGowan points to a further danger of the bill: "[I]ncreasing their responsibility for other-than-interstitial policy-making may deprive the courts of the very attributes—the self- and statutorily-imposed boundaries on their functions—that probably contribute most of their current attractiveness to the public *vis-a-vis* the other branches of government." *Id.*

[3] The language of S. 111 providing that a court "shall decide de novo all relvant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action," is not entirely clear, and we could expect much litigation on the subject of the meaning of the *de novo* review provision. Normally, *de novo* review incorporates review of the underlying factual record. Present law provides for such *de novo* review only in carefully circumscribed situations in which there is reason not to rely on the factfinding process of the administrative agency. See *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402, 415 (1971). If S. 111 is intended to require *de novo* factual review as a general matter, its disruptive effects would be particularly great. In any event, as we have discussed, S. 111 should be opposed for broadly expanding the scope of judicial review of legal issues by eliminating the presumption of the validity of an agency rule, and for shifting the burden of providing the validity of a challenged rule to the government.

Mr. DOMENICI. Mr. President, I ask the Senator from Arkansas if he will yield 5 minutes to the Senator from New Mexico.

Mr. BUMPERS. I will yield in a moment. I want to make this observation.

In fairness to the Senator from Massachusetts (Mr. KENNEDY), I point out, that we have changed the amendment. The argument of the Senator from Massachusetts is based almost exclusively on the words "de novo," which were in S. 111. The words "de novo" have been removed from this amendment I have offered today.

I know the Senator will want to make another argument in a moment.

The Senator from New York may have whatever time he wishes.

Mr. KENNEDY. In striking "de novo," how does it change the intent? It seems to me to be just the same. In listening to the Senator's argument, what he hopes to achieve from that, it does not seem to make much difference.

Mr. BUMPERS. The term "de novo" could mean that the appellate court would have to try the whole thing again.

It is my thought that if the court needed additional evidence, it could remand the case to the agency or the administrative law judge, for the taking of additional testimony, if it were necessary, to reach a decision.

Second, they may not presume anything under this amendment, or, so far as review of the law is concerned, they will not presume anything. The substantial evidence rule would remain. They would be forced to look at the evidence and would be forced to look at the application of the law based on that evidence, but such actions would not constitute, literally, a trial de novo.

Mr. DOMENICI. Mr. President, I am pleased to be a cosponsor of this amendment and am delighted that my good friend the Senator from Arkansas saw fit to raise it today.

In this age of overregulation, the question often asked by the people is, "Who regulates the regulators?" The standard answer is, "Why, the Congress!" In fact the bureaucracy has consistently thwarted the will of Congress by drafting regulations that go far beyond congressional intent. But in our system of checks and balances it is the duty of the courts to decide whether or not the executive branch has exceeded the authority delegated by the legislative branch.

However, the courts have developed a presumption of "expertise" on the part of regulation writers, and that if there is "warrant in the record," then a regulation is deemed valid.

As Justice Cardozo stated:

> The practice has peculiar weight when it involves a contemporary construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new" (288 U.S. at 315).

The formulation of this presumption has paralleled the development of administrative law in the country. There have been three stages of development. The first focus was on the constitutional underpinnings of the administrative process, with a good deal of emphasis on separation and delegation of powers. The next focus was on judicial review and the relationship between the agencies and the judicial branch of Government.

The last major stage was the formalization of procedures for adjudication and rulemaking. This process was necessary to establish the system of administrative law—a system by which modern government may reasonably exercise discretionary power and the need for speedy, inexpensive and procedurally simple adjudication. The Courts, recognizing the need for such a system, helped nurture it by deferring to the judgment of those, as Cardozo said, who are responsible for setting the machinery in motion and working efficiently and smoothly.

We have now, however, entered an age of pervasive Federal regulation. It is time for a new stage of development. We must insure that the "regulators are regulated."

Mr. President, prior to the recess the Senate acted favorably on legislation which I originally introduced in a prior Congress which would encourage individuals and small businessmen to fight overregulation. This legislation would require that when in litigation the agency would bear the burden of proving that its regulations are within the congressional mandate rather than the individual proving they are not.

In this way we can readjust the relationship between the Government and its citizens without hindering the duties of the agencies.

This is another significant step in bringing overregulation under control.

Mr. President, I am not the least bit surprised that every major Department of Government, from Commerce to HUD to the Department of Labor to EPA—all of them—have sent a letter to the manager of this bill, saying that they oppose the Bumpers-Domenici measure. They must oppose it, because it strikes at the heart of bureaucratic regulatory power.

When the presumptions—the presumption of expertise, the presumption of validity of a regulation—evolved as part of the law of this country, half of these Departments did not exist. The so-called fourth branch of Government, the independent agencies and the system of administrative law, was in its infancy in America, when the illustrious judge Cardozo and other members of the Bench declared that these presumptions were necessary for the orderly carrying out of administrative rules and regulations by those agencies created and charged by Congress for so doing.

However, Mr. President, we have had a dramatic, drastic change. Administrative law is being implemented through rules and regulations written by men and women who are not part of Congress, and not part of the judiciary. Consequently, these presumptions developed by the courts no longer are working to the benefit of the people of this country.

If they do not work for the benefit of the people of this country, then dramatic change requires some drastic remedies. This bill would turn around some of these presumptions and say to the courts that when a citizen or an entity challenges its government then you do not assume that anyone with expertise drew these regulations. They have to prove that. We do not place the presumption of validity on the pedestal on which it was placed early in the development of our administrative law by some of our judges because it does not work any more.

There are those who say take a more orderly knife to this preposterous overregulation—do it another way. I come here saying if there is another way let us do it. But we have been talking about another way for 10 years. While we are talking about it things get worse. Citizens begin to feel their Government does not care any more, and I agree with those who are convinced that a compelling number of Americans have given up on their national Government. They feel they can have no impact and that it is unresponsive and does not care about them.

Most of those conclusions come about because of regulations promulgated by people charged with carrying out what Congress authorized as they interpret their charge.

I believe it is in this day and age almost preposterous to assume that these presumptions appropriately effect our intentions and adequately benefit the people of our country.

So I support changing it now. Coupled with my Equal Access to the Justice. The statute, which we passed the other day compensating citizens who are burdened financially in challenging their Government when it is wrong, this legislation will cause a dramatic turnaround in the regulatory process in this country. It will cause those who have to propose regulations to be more careful and less arbitrary. It will cause those agencies that are affecting our lives, the lives of our people more than Congress, more than the President and more than the courts, to prove their actions were authorized by the Congress. No matter how you couch this in terms of legal niceties, they are going to have a more significant burden of proving that they are right in the method and manner that they are regulating our citizens and carrying out the mandate of Congress, and that is good.

There may be those in the legal profession—that is my profession also—and judges who may quibble with this measure as being too drastic, too dramatic, that there are better and easier ways, that more oversight should be carried on by Congress. But the truth of the matter is that those kinds of analyses have been taking place for years and years while our citizens grow frustrated and regulators grow fat on their authority. Arbitrariness abounds and remedies are minimal. When you have that situation it requires that you go to the heart of the problem. Make it more difficult for regulators, make it more difficult for them to be arbitrary or, put it the other way, they better be more careful in construing congressional intent in carrying out the purposes of the laws that we adopt.

I hope the Senate will go on record today. This amendment is a long way from becoming law. But I hope the Senate will go on record today favoring it for the reasons I have stated and the reasons that the eminent Senator from Arkansas stated.

It will indeed send a strong message. It will indeed force legislators and executive members to move in the direction of less rather than more regulation, more carefully drawn regulations rather than negligently and sloppily drawn regulations. And that is what has to happen today, as I see it.

So I support it. I hope the Senate will go on record supporting it also.

Mr. KENNEDY. Mr. President, I wish to reply to the statements of the Senator from Arkansas and the Senator from New Mexico. They have asked why deference should be granted by a court to an agency which has expertise in certain areas of law.

Let me answer by way of an example. Say a business is interested in putting in a modem, which is the interface between a computer and telephones, and the FCC has to figure out what the rate should be. Say also that once the FCC makes a judgment on this particular ratemaking issue, it is appealed to the courts.

If we accept the amendment of the Senator from Arkansas and the Senator from New Mexico, and the others, a Federal judge has to make his own judgment on the extremely complex legal issues raised in the ratemaking proceeding without the authority to give any special weight to the technical, relevant expertise of the FCC or the information which had been developed within the FCC to justify that rate.

What we are urging here today, and what does in effect exist in our present standards of review is the need for flexibility in judicial review of agency regulations. That flexibility should remain there. That flexibility does exist at the current time. But the Bumpers amendment would effectively straitjacket all of these courts, whether he uses the word "de novo" in his amendment or whether he uses the words:

> To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action.

It seems to me, Mr. President, that the court should have maximum flexibility when deciding questions of law in being able to defer to whatever degree of expertise has been developed in the agencies.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. RIBICOFF. Mr. President, I oppose this amendment, which would change the way courts review administrative agency decisions. Under this amendment, courts would effectively be required to review agency decisions on a de novo basis.

I think this amendment is unnecessary. While it may have been true at one time that courts gave excessive deference to administrative agency expertise, that certainly has not been true for the last few years. Appellate courts have not been hesitant to closely review and then overturn agency actions using the present standard for review.

This amendment would change the regulatory process substantially. Yet, to my knowledge, hearings have not been held on this issue in any committee. The Governmental Affairs Committee has completed 12 days of hearings and heard from 68 witnesses on the subject of regulatory reform. As far as I know, no witness raised this issue as a worthwhile reform of the regulatory process. Thus, without adequate hearings or other consideration, and based on what I know of the amendment today, I must urge my colleagues to reject it.

Has any committee, to the Senator's knowledge, held a hearing on this particular phase of regulatory reform?

Mr. KENNEDY. Three years ago the Judiciary Committee held a hearing on this particular issue.

Mr. RIBICOFF. I know the Government Affairs Committee has completed 12 days of hearings and heard from 68 witnesses on the whole question of regulatory reform. To my knowledge, not a single witness raised this as something worthwhile that should be considered. It is our hope that our committee soon

will sit down to mark up a series of regulatory reform proposals and then refer it on to the Judiciary Committee. But to our knowledge, no one has raised this, and it would seem that today courts do not hesitate to overturn decisions of regulatory agencies. They have done so with great consistency and great frequency.

I agree with the distinguished chairman of the Judiciary Committee that this amendment is not necessary or needed in our judicial system at all at the present time.

Mr. KENNEDY. I welcome the comments of the Senator from Connecticut. We have worked very closely with him on the bills to amend the Administrative Procedures Act in our Administrative Procedures Subcommittee which is chaired by the distinguished Senator from Iowa. I welcome his comments. It seems to me that, as I have mentioned earlier, maintaining flexibility for the courts in reviewing agency actions is wise. They do have the flexibility today to reject an agency's expertise. That degree of flexibility, of course, would be straitjacketed if we were to accept the Bumpers amendment. I welcome the statement and comment of the Senator.

Mr. RIBICOFF. I think it was true in an earlier period that the courts did give excessive consideration to the whole regulatory process of regulatory and administrative agencies, but that has gone by the boards.

It has been our hope that we would address this entire subject of regulatory reform in depth, across the board, and we would have a greater opportunity to then take up all the problems involved with regulatory reform.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE addressed the Chair.

Mr. BUMPERS. Does the Senator from Kansas wish to speak on this amendment?

Mr. DOLE. In opposition.

Mr. KENNEDY. Then I yield such time as the Senator may need.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I would certainly say, first of all, that I appreciate the efforts of the distinguished Senator from Arkansas and I understand the frustration he has expressed in his statement, and many people have expressed those same feelings who have to deal with administrative agencies.

Congress is looking at legislative vetoes that would make Congress sort of a super regulatory agency, and I assume we would be doing that to some extent as far as the courts are concerned. But whether or not the words "de novo" are still in the amendment or not, I think essentially we are going to impose de novo judicial review on administrative regulations without the slightest deference to the expertise of the agency involved. As such, this amendment deliberately flies in the face of sound principles of administrative law that have guided our courts for almost half a century.

I say sound because the doctrines of judicial review of administrative regulations have been wisely developed to afford citizens reasonable relief from arbitrary administrative actions while preventing the courts from becoming administrative agencies themselves. I can see no good reason for upsetting this delicate balance.

As the distinguished Senator from Arkansas knows, we have a number of so-called reform bills now before the Subcommittee on Administrative Practice and Procedure, of which the Senator from Kansas is a member, and we are going to be marking up in the very near future a series of regulatory reform bills which address many of the problems and, in fact, one of those we are looking at is S. 111, the bill introduced by Senator BUMPERS which, for the most part, is similar to the amendment now before us.

I am not certain that the courts need any more work. I think there are some who believe they are not overworked in any event, and I may be one of those, but Congress recently created 152 new Federal judgeships to help handle the heavy workload of the Federal courts. Completely opening regulations to judicial scrutiny without any burden of proof imposed on the party challenging the actions of an agency and without substantial weight given to the expertise of an agency will undoubtedly serve as an added inducement to challenge Federal regulations in the courts, dramatically increasing an already heavy caseload.

And once a regulation is before a court, what would this amendment have a court do? The court, according to the amendment, must evaluate whether the validity of a rule is established by a preponderance of the evidence. But this is a deceptively simple way of saying that a judge must duplicate the efforts of the agency in judging whether a particular rule is both wise and lawful.

Certainly, requiring our judges to engage in such repetitive labors is a pointless waste of judicial resources. But also this amendment would undermine the basic value of administrative agencies. What ultimate benefit do we reap as a society from expert agencies if their actions can be completely second-guessed by nonexpert judges? And indeed this amendment throws judges in the thick of the substance of complex regulations with little to guide them except some vague concept of validity.

If this amendment is intended to somehow help the ordinary citizen against some monolithic bureaucracy, I still feel it is misguided. I feel it may do just the opposite. This amendment will become merely another device in the hands of large corporations to block or slow the promulgation of regulations which affect their interests. The administrative procedure act now gives citizens the right to be heard in administrative rulemaking. If an agency then promulgates a rule which is unsupported by the evidence, including the comments of the public, that rule can be challenged in court. Such a procedure is completely consistent with all our traditional notions of justice. But this amendment would go much further, requiring in effect that the whole rulemaking process be repeated in Federal court.

I am especially concerned with the amendment as the ranking member of the Committee on Finance. The IRS promulgates literally hundreds and hundreds, and thousands of regulations each year, each of which could be open to a sweeping judicial review by this amendment, and I just do not know what impact the promise of such extensive litigation would have on the functioning of our tax system. I would suggest it is anyone's guess.

I would say, again as I conclude as I started, that certainly I have no quarrel with the arguments of the distinguished Senator from Arkansas as to the frustration of those who are overburdened by regulation. But it seems to me that without further hearings, without consideration by the appropriate subcommittee, the Administrative Practice and Procedure Subcommittee, and without consideration by the full Committee on the Judiciary, and without some input from the committee chaired by the distinguished Senator from Connecticut (Mr. RIBICOFF), who has just spoken on the floor, I hope the Senator from Arkansas would be willing to let the Administrative Practice and Procedure Subcommittee and the full committee finish their work on the various regulatory reform measures, and present all of the proposals to the Senate at one time for their logical disposition.

Knowing this is probably good politics but bad policy, I would guess everyone would understand the politics of it, and the politics are to strike down regulation or review or whatever at every opportunity.

But it seems to me it flies in the face of sound policy and, therefore, I urge the amendment be defeated.

Mr. BUMPERS. Mr. President, I yield to the Senator from North Carolina (Mr. MORGAN) such time as he may desire.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I thank my distinguished colleague for yielding.

I want to say a few words in support of the amendment of my good friend, the distinguished Senator from Arkansas, and express my appreciation to him for his willingness to offer this amendment and to do the difficult and laborious work that he has done in trying to bring it to the floor of the Senate.

Mr. President, I spent the month of August traveling back and forth across my State, talking with people from every walk of life. I had expected to find the people terribly upset and frightened by inflation and by the high cost of energy and, to be sure, these two problems were of great concern to the people.

But the people were really enraged about three things, as I could see them: One, the free enterprise system. They firmly believe the Federal Government is eroding and contributing to the erosion of our free enterprise system by the long list of burdensome regulations we continue to impose day after day after day.

During the 4½ years I have been in

this Senate there has been more conversation and more talk about deregulating, eliminating burdensome regulations than, perhaps, any other subject.

I would suspect that on the Committee on Banking, Housing, and Urban Affairs, a committee on which I serve, we have passed and sent to the floor of the Senate more new legislation creating more and more burdensome regulations than in any similar period in the history of our country.

I went by a local financial institution, a savings and loan association, and asked them to pull out and show to me all of the new forms and regulations that they have to use in taking applications for a loan and in closing a loan. That has nothing to do, specifically, with this amendment. But I want to go now to the Federal Trade Commission.

There is no Member of the Senate who is more concerned about the consumer than I am. I served as attorney general of my State, and I was in on the beginning of the consumer movement in this country. I established, in that office, a consumer protection division, an advocacy division to represent the public before utility commissions and public bodies, seeking to protect the public; and I established an antitrust division. All of these areas are important.

One of the things we did there was work an entire 2-year period to get a piece of legislation passed that would protect an innocent purchaser from fraud and deception with regard to the assignment of consumer contracts. We passed a law that was acceptable to the industry and acceptable to the consumer group. But what happened? We came up here, and the Federal Trade Commission, in one fell swoop, legislated for the entire country on this single issue.

But what is more important, they not only legislate by virtue of some assumed authority given to them by this Congress, but they interpret the rules themselves, and they enforce the rules. In other words, they have just about eliminated all pretense or semblance of separation of powers in Government.

Now, when an individual goes to court to try to question the validity of rules and regulations adopted by the Federal Trade Commission or the hundreds of other Federal agencies, that individual citizen is put to the cost and expense of having to carry the burden of showing that the rules exceed the statutory authority.

That would be all right if every consumer and every citizen who questions the authority of every rulemaking body in Government had all the necessary resources at his disposal, if finances were not a problem and the courts were more convenient. But Federal litigation now has become so expensive that many of the practicing lawyers in my State refuse to even take a case in the Federal courts, and it is so burdensome that many people just fail to receive a fair hearing because of it.

I believe that this amendment presents the Senate with a unique opportunity to recapture for the American people the fundamental separation of powers contemplated in our Constitution.

Simply put, this amendment would transfer the burden of proof concerning the legality of administrative rulemaking to the Executive agencies from which the rules originated.

THE PROBLEM

At present when a party comes to a court as the subject of an agency proceeding, the citizen must demonstrate that the regulation is an improper expansion of the authority given to the agency by the Congress. In other words, it is the citizen who must demonstrate, at great expense, that the agency has acted beyond its statutory competence.

More than this, many courts have required that the individual or corporation demonstrate that the agency rules were achieved in an arbitrary and capricious manner, which only tends to increase the burden of proof that the citizen has to carry.

In brief, the Congress has relinquished legislative rulemaking to the agencies and the courts have relinquished legislative interpretation to the agencies, so that in effect now the executive branch of the Government exercises many of the prerogatives of the legislative branch, as well as the judicial branch, completely obliterating, in many cases, the distinction that lies between the executive, legislative, and judicial branches.

The result has been the dramatic increase in the power and scope of the regulatory agencies.

The Federal Trade Commission as I mentioned is a prime example of the expansion of rulemaking without legislative or judicial check. I am not adverse to the work of the FTC. The agency has been important to the maintenance of competition in the marketplace.

But the plain fact is that the FTC has moved beyond rulemaking to a position of policymaking. The rules, based on vague congressional directives, have created whole new areas of FTC activity, not contemplated by the Congress. To the end of reclaiming the policy role for the Congress, I am a sponsor of the Federal Trade Commission Regulatory Review Act, which creates the potential for congressional disapproval of FTC rules.

Mr. President, just yesterday, the Congress recognized the need to pull back on an improper expansion of power by the Internal Revenue Service. Again, the point which swayed the Senate was the fact that the IRS intended to act in areas where the legislature had given no power and where the courts had not directed in any certain fashion the creation of new rules.

BUMPERS AMENDMENT

Senator BUMPER's amendment offers another approach to this problem, which I support. I believe that this amendment states what the Congress has always desired—that agencies, attempting to regulate society's behavior, must demonstrate that regulations are within the mandate given by the people's representatives.

No longer would the courts defer to agency determinations on questions of laws, requiring the citizen to overcome a high burden of proof.

The impact of this amendment would be threefold:

First, the Congress would demonstrate that it means business when it creates statutory powers for the agencies. Along with the action taken yesterday, and the legislation under consideration in various committees, I believe that the Senate is beginning to recapture policymaking and is sending a message to the agencies to enforce the law—the law as passed by the Congress.

We have an obligation to be more specific in our legislative language and more narrow in our delegation of power. We must send a message to the agencies to be more circumspect in their rulemaking.

Second, the courts would reclaim their responsibility under our system of Government—interpreting the law. As it now stands, neither the executive, legislative nor judicial branches interprets, but rather, in many instances, the ultimate arbiter of legislative meaning is the agency. The courts only look to the reasonableness of the agency determination of its authority.

The language coming from the courts is almost embarrassing. One court stated:

> Judicial review of an agency's interpretation of a statute and regulations promulgated pursuant thereto is a limited one. [*Amtel, Inc.* v. *Federal Energy Administration*, 536 F. 2d 1378 (5th Cir. 1976)]

Clearly the courts have overturned agency regulations. But it has been at the insistence of the individual battling with his own Government. Surely we owe our people a good deal more responsibility than that. The Congress must control administrative agencies and the agencies must be more circumspect in their rulemaking. It is plainly irresponsible for the Congress and the courts to allow the executive agencies to do what they will, leaving the public with the burden of cleaning up the mess.

Finally, this amendment should enhance the operation of the agencies and courts. Although there is criticism that this amendment is going to overburden the courts, let me suggest a different scenario.

With agencies more cautious in their creation of rules, the courts will be presented with agency rules more clearly in line with statutory law. Court determinations of the validity of these rules would give certainty to the agency and to the citizen. The court's load would be reduced. Certainly the courts will be burdened by a "startup" process, but the benefit to the public far outweighs any temporary judicial cost.

The agencies are in a better position to prove that their rulemaking power was within the statutory authorization than is the citizen. The citizen does not have all of the resources of the Federal Government at his disposal.

SUMMARY

In sum, Mr. President, I support the amendment by my distinguished colleague from Arkansas as it rounds out the effort to control aberrant rulemaking.

The Congress is now asserting its control by disapproving improper rules or denying funds for their implementation. This amendment will require that the courts exact the same standard from the

agencies that is demanded from a civil plaintiff—that their action is based in law.

Personally, I foresee benefits for the administrative process and for our political system. I repeat, it is irresponsible for us to require that the people police their Government, because the constitutional branches of Government will not do so.

As I mentioned, I support the legislative veto with regard to the Federal Trade Commission's rulemaking power. I am not so naive as to think that we in the Congress are going to review every rule and regulation that might be submitted if the law is passed, but I submit that the Federal Trade Commission and other agencies will be much more circumspect in the rules and regulations they adopt if they know that the Congress is going to be looking at them. By the same token, I submit that if the agencies know they are going to have to carry the burden of proving that they acted well within statutory authority if the question is raised in court, they will be a lot more reluctant to adopt rules and regulations that skirt the edges of statutory authority.

So, Mr. President, as we talk about limiting Federal regulation and removing the burdensome regulations, I submit that there is no better way than putting the burden upon the agencies themselves. This is done in State courts all the time. In North Carolina, when a State agency brings a lawsuit to enforce a rule or regulation, it has to allege and show that the regulation was within the statutory authority granted to them by the legislature. It is much more important that we do it in the Federal courts.

In western North Carolina there are places where, if a citizen needs to confer with a Federal judge in chamber, he had to drive 160 miles. Imagine the necessity and the burden placed upon a litigant by having to go that far, carrying his witnesses and also carrying additional burdens. I think this is a reasonable rule and I hope the Senate will adopt it. I thank my colleague for yielding me time.

(Mr. BRADLEY assumed the chair.)

Mr. BUMPERS. I thank the Senator from North Carolina.

Mr. President, I yield to the Senator from Florida.

Mr. CHILES. I appreciate the Senator yielding to me. I wanted to engage in a little colloquy with him, if I might.

My understanding is that the amendment as first proposed would have required a trial de novo or sort of a new trial to take place on these matters when they went to the Federal District Court.

Mr. BUMPERS. That is correct.

Mr. CHILES. But that is not in there now. Is that correct?

Mr. BUMPERS. The Senator is correct. De novo has been removed from the amendment.

Mr. CHILES. I believe that is important in making up my mind on the amendment, because of the burden we now have on the Federal District Courts, especially in civil litigation. Now, with the increased new Federal judges, maybe for the first time the Federal District Courts are going to be able to engage in clearing some of the dockets in regard to some of the civil litigation. I was concerned that they had to completely try these matters de novo. But now that is gone.

I would say to the Senator from Arkansas that while I think his remedy is drastic, I think at the same time perhaps we have arrived at the time at which we have to take some drastic surgery if we are going to accomplish anything.

When I started campaigning for the Senate in 1970, one of the strongest things I heard at that time was the feeling that not only businessmen had but school teachers had, State government had, local governments had, that the regulation-making process, about the paperwork and the redtape that they were continually under on the basis of that process. I felt like I was going to come up here and do something about that. I took that as one of my tasks that I was going to do something about.

I have seen it grow, and it is growing at a geometric rate now, not on any kind of level rate. The paperwork, the rules, and the redtape have grown greatly.

During the last vacation period that we had I vacationed in each of 30 of my counties, and in each one I would have some kind of a Dutch treat, breakfast, dinner, or supper. I can tell you, Mr. President, that every school principal, every businessman, everyone else, wanted to know when they became the enemy of the Federal Government, because of what is cranked out.

With everything that we talked about on the Paperwork Commission, every time we seem to take one little step forward, we go behind 10 more steps by some additional rules and regulations which are issued.

I looked at the problem. As I understand, one of the points made in the amendment is that we will not have a presumption, no longer will there be a legal presumption, that whoever wrote these regulations had an expertise in knowing exactly what they were writing. Is that correct?

Mr. BUMPERS. The Senator is absolutely correct. There will be no presumption on either side as to the validity or invalidity of the regulation. It just gives the citizen a fighting chance.

Mr. CHILES. I think one of the things really driving people crazy is when they get some regulation that has no sense to it, that is obviously drawn by someone who never had to run a filling station. DOE. I hear, is the greatest sort of offender of everything I heard about, hearing people literally relate cases to me that made my hair stand on end, and I could not believe what happened to people with some of the paperwork or transfers. A lot of the regulations do not make any sense. When they call somebody to try to find out what is the meaning of it they cannot get a valid answer. I do not think we have people writing these regulations that have any expertise. When we have many people writing those regulations who do not know anything about the industry, the school system, or whatever it is that they are attempting to regulate, who do not have any concept of the cost, time, inconvenience, and what it does to everything else in trying to run a business or run a school system by virtue of those regulations, I think we have to knock out that presumption and have them at least come to the court and show that they knew what they were talking about.

The other thing is it sort of offends my sense of a legal education. I understand that all the administrative law professors think this is the wrong way to go, what the Senator is doing now.

Mr. BUMPERS. Just two are all I know about. I have inserted their letters into the RECORD.

Mr. CHILES. One of their main objections was on de novo.

Mr. BUMPERS. Precisely. Professor Byse also objects, because he feels the courts have been moving toward the very position I am championing here, and therefore there is no need for the amendment. First of all, the cases do not support Professor Byse. The courts are not moving in that direction.

Second, there are one or two circuits which have demonstrated a willingness to look at the record very carefully and not rubberstamp it, but only one or two circuits. If Professor Byse is correct, that would cetainly be a very good argument for our going ahead and doing now what the courts are moving toward.

Mr. CHILES. It just seems to me that if we are really going to try to do something about this, we have to do some drastic pruning.

I have worked on the Department of Education budget. I have tried to put in some paperwork requirement amendments, to require them to have to do certain things before they can ask for all their reports. They came up and told me as a result of the amendments I had put on they had saved 45,000 manhours of reporting time on one report, and it was even higher than that on another report.

I go back to my local school superintendents and I say, "Look what we did for you. Here is this report."

What they did on one was to take a nine-page report and make a four-page report out of it, but they did not cut any of the requests. They just printed it on both sides and asked for more under the columns.

What I am saying is I cannot find anything that I have ever done that anyone has any appreciation for or feels that any burden was taken from them, because four more are added if we take off one.

So I think, under the circumstances and from what I see out there in the real world—and that is the real world when you go home, it is not up here—I think the people are demanding that we do something to bear down on this bureaucracy that we have now that is an octopus. It is literally alive. I think that a lot of what we see in our lost productivity—and we have negative productivity now—and the tremendous inflation we have, stems

from the excess paperwork and overregulation that we have.

I am going to support the Senator from Arkansas and I hope that he is successful.

Mr. BUMPERS. I thank the Senator very much.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. CULVER. I yield to the distinguished Senator from Maine.

Mr. MUSKIE. Mr. President, I find myself in a position of opposing the position of three colleagues for whom I have the highest respect, to whom I have been listening for the last few moments—Senator BUMPERS, Senator MORGAN, and Senator CHILES. I regard them as thoughtful, constructive, and responsible. When, therefore, they support a proposition, I always assume that they are dealing with real concern and that they are doing their best to respond to the problem they perceive in a responsible manner.

From my point of view, I was informed of this amendment at 10 o'clock this morning. At that point, I had scheduled a meeting of the Senate Committee on the Budget to take a last look, have a last hearing on this second budget resolution that is to be presented to the Senate next week. Suddenly I am confronted with this, which I regard as a serious proposition, with serious implications for the future, with complexities that I had not been in a position to fully unearth and form a position on.

Whatever merit there is to the proposition at this point, from my point of view, is overwhelmed by the serious questions which I think it raises. I am asked to answer these questions between 10 o'clock this morning and whatever time we vote today. I understand the concern with overregulation, which has been the subject of Senator CHILES' response to this question. I understand that concern. He said, "We have to do something." But does doing something mean just doing anything, whatever it is, whatever questions it raises, whatever problems it may pose? Or is there another way to evaluate the means sought to be used so that we do not find ourselves caught in a policy that creates more problems than it solves? That is the position I find myself in.

It may be that if I had the time to deliberate, analyze, and weigh the arguments and implications of this proposition, I might be persuaded to support it or some modification of it.

Second, I make the point that no matter how perfect a proposition may seem to Senators that sponsor it, I have never seen a proposition that could not be refined by deliberation and consideration in the Senate.

Third, I make the point that overregulation is the subject of serious committee consideration at this time. The Committee on Governmental Affairs, of which I have been a member, and the Committee on the Judiciary—this proposition, if it has sufficient merit to be supported by these distinguished Senators, certainly would get a serious hearing in those committees, be weighed and subjected to the crossfire of debate, subjected to the Senators' responsibility to respond to questions, so that the reservations of Senators like myself—and I regard myself as thoughtful and responsible and constructive—so that we could be reassured that what we are being asked to accept does not create more problems than it solves.

So I am going to raise some of the questions, Mr. President—not because I think, on such short notice, that I have raised unanswerable questions, but because, on short notice, the immediate questions that occur to me raise such serious questions about this proposition that I think the RECORD ought to include them.

Before I get to them, Mr. President, I ask unanimous consent that William Donovan, Phil Cummings, Karl Braithwaite, and Curtis Moore of the Environmental and Public Works Committee may have the privilege of the floor during consideration and votes on the Bumpers amendment. I include in that request Jim Davidson and Mr. Podesta.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. At this point, Mr. President, I rise in opposition to the Bumpers amendment. I reemphasize that I am asking these questions, because these are questions of first impression that occur to me on a first and sketchy reading, that could not be anything but sketchy, of the amendment. My opposition is a practical one.

In my judgment, the amendment, if adopted, could stop the Federal Government in its tracks.

The amendment is overwhelming in its sweep. It says that Federal regulations are not worth the paper they are written on. Regulations promulgated by the Department of Agriculture, the Internal Revenue Service, and the Small Business Administration will not be accorded legal respect at all until a court of law says they are worthy.

The Environmental Protection Agency will not be able to protect the public health; the Occupational Safety and Health Administration will not be able to safeguard the workplace; and the Social Security Administration will not be able to help pensioners.

The language of the amendment is deceptive. It sounds like only abusive regulations would be stopped. But this is not the case. Read carefully:

> There shall be no presumption that *any* rule or regulation of *any* agency is valid. . . .

Good regulations and bad regulations, promulgated to further noble laws and ignoble laws, will be powerless unless a Federal judge gives the OK.

This amendment would sweep aside longstanding administrative practices. This amendment would sweep aside over 30 years of carefully crafted case precedents in administrative law. This amendment is possibly the most significant procedural change to be suggested in administrative law this session.

Yet, this amendment has not even been raised in a hearing, to the best of my judgment. Administrative law experts have not had a chance to present opinions and be examined in congressional process.

Administrative agencies have only learned of this proposal within the last 24 hours. The impact on rulemaking, Federal program development and implementation could be devastating. So why should the Senate rush to enact it?

Two committees of the Senate are now deliberating on regulatory reform bills. Both the Judiciary and Governmental Affairs Committees have called numerous witnesses over a number of days of hearings to discuss the intricacies of this type of proposal. These committees are now moving to markup. It is critical that this process be deliberate and careful. Amendments, such as the one before us, belong in that committee process.

The sponsor of this amendment would have us believe that the Federal courts have been merely a rubberstamp for administrative agency regulations. I doubt it, although I can believe that some of them have been. This is not consistent with my observation—that generalize the courts have always been a rubberstamp for all agencies. We do have statements by two noted administrative law experts, statements rebutting the need for the amendment. I would like to read excerpts of their statements:

> Professor Nathaniel Nathanson: "I am not at all impressed with the desirability of such an amendment to the APA . . . So far as I am aware the federal courts have not been giving blind obeisance to administrative determinations of law in recent years."
>
> Professor Clark Byse: "There is reason to believe that the proponents of the measure are proceeding on the basis of mistaken perceptions. . . . Although undoubtedly there are judges or panels of judges or courts which at times fail to discharge their review responsibilities, I do not think this is a general weakness which needs the corrective action proposed by S. 2408."

In short, this is an idea whose merits—and I do not doubt it has merits—need serious examination. I believe the Bumpers amendment would hamstring effective execution of Federal law by various Federal agencies. I believe it would muddy the waters of administrative case law, leading to confusion not clarity. And, I believe it would only invite Federal courts to usurp the legitimate rulemaking functions of administrative agencies. This amendment deserves a more careful look. I urge my colleagues to reject it.

On a quick contact with those in the Federal branch in a position to respond to this, Jim Moorman, Assistant Attorney General, Lands and Natural Resources, advised that the hazardous waste program, which has been dead since the Congress enacted it, would be dead if this amendment goes through.

Here is a problem that is escalating in public concern all over the country, from northern New York State in the Love Canal disaster to other similar disasters all over the country.

The country is crying for the Congress to deal with the hazardous waste problem, which becomes more horrendous the more the incidents occur and the more we come to understand the massive extent to which the hazardous materials have been unleashed in the environment over the period of our industrial revolution.

So, with this amendment, we would kill the hazardous waste program, dead

in its tracks, according to the Assistant Attorney General who has responsibility in that field.

Also, the IRS regulations problem, the water projects problem, because court action would stay regulations. This type action could take 4 to 5 years.

Mr. President, it seems to me, briefly, that there are three major problems raised by the amendment.

First, it would give Federal district judges the power to review de novo Federal agency regulations. In essence, the Federal judges who have been limited thus far to substituting their own judgments on the wisdom of regulations to questions of law, could be authorized herein to substitute their judgment on questions of fact as well. Environmental regulations now are being modified in the agency promulgation process by the participation of economic advisers. This provision provides industry with yet another opportunity to delay the process, if not water down strong provisions. No deference would be accorded the expertise and judgment of any Federal agencies. In effect, this provision puts Federal judges in the position of writing agency regulations.

Over the 20 years of my involvement in the Senate, I have heard rising concern about the growing power of the judiciary to make public policy. Here, in effect, we would give them the enormous power to write agency regulations.

Second, the amendment states (line 3, page 2) that:

> There shall be no presumption that any rule or regulation of an agency is valid . . .

No presumption that any rule or regulation of an agency is valid. Consider the impact of that statement, not on the courts, but on those who are regulating.

This completely undercuts an agency's ability to enforce the law through ordinary regulatory channels. It gives recalcitrant parties yet another excuse to avoid the law. They will litigate instead.

Whatever disposition there might have been to accept the judgment of the agency would be wiped away as they see the opportunity, yet another litigation opportunity, to defeat legitimate regulation in the public interest.

Third, Mr. President, the burden of proof to support agency regulations would be shifted back to the agency which must bear a very heavy burden. The agency must prove the regulation is supportable with clear and convincing evidence (line 8, page 2). At present, Federal agency regulations are upheld unless the opponent of the regulation can show there was no substantial evidence on the whole record to support the decision. This establishes a further unnecessary hurdle.

May I say to those concerned about the time-consuming nature of overregulation, this would add to the time consumed before the issue is finally resolved in the courts, and the courts of last resort.

So, anybody who sees this amendment as a way of shortcutting the regulatory process may find themselves overwhelmed by the actual fact, if it becomes the effective policy in this field.

Mr. President, I repeat that it may be that I have not had enough exposure to the arguments for this amendment. It may be I have not had enough opportunity to fully understand its implications. It may be that if I had such opportunity and time for reflection, the time to examine its assumptions and its implications, that I might be persuaded to support some modification of this amendment. But I am being asked to make that judgment now, on the basis of less than 2 hours of consideration, and part of that consideration has been listening to my own voice—and I am never thoroughly educated by my own voice.

But this is not the way to deal with an issue of this complexity, this magnitude, and this importance.

I do not think voting against it means that I label myself as being against overregulation. That is an oversimplistic approach that is taken by many people in offering amendments on this floor to one piece of legislation or another, to force Senators to face oversimplified interpretations of their vote.

I am against overregulation, but I am against oversimplification of the legislative process which could produce, in my judgment, the horrendous results which I foresee at this point.

I am willing to be educated, willing to consider the propositions, but not under these time constraints and under these pressures of time and insufficient and inadecuate consideration and examination.

Mr. CULVER. Mr. President, I oppose the amendment offered by the Senator from Arkansas. The amendment offered by Senator BUMPERS is a modification of S. 111 which would amend section 10(e) of the Administrative Procedure Act of 1946. As I understand the amendment, it would remove the presumption of validity which Federal courts give to any agency rule or regulation and would direct the courts to strike down any challenged rules or regulations unless the agency could support their validity by a preponderance of the evidence.

This amendment would do nothing less than repeal more than 30 years of experience in the area of administrative law and nearly 200 years of common law practice.

I am sympathetic with the goals which I believe the distinguished Senator from Arkansas is trying to achieve. I believe he is concerned that agencies often issue unnecessary and burdensome regulations which may even be outside the intent of the Congress. I am certain he is concerned with the delay in the administrative process which prevents ultimate resolution of the interpretation of congressional mandates; and I am certain that the distinguished Senator would like to see major overall changes in the Federal administrative process.

However, the amendment before us today, as the distingushed Senator from Maine has so eloquently stated, represents a classic case of throwing the baby out with the bath water.

I want the Senator from Arkansas to know that I share his concern that the administrative process is not working as well as it should, and I believe that it is the responsibility of the Congress to enact major changes in its operation.

Moreover, the Subcommittee on Administrative Practice and Procedure, on which I serve as chairman, has been doing exactly that for several years. In the 94th and 95th Congresses, extensive hearings were held on improving the Federal administrative process.

And now in the 96th Congress, we are on the verge of enacting one of the most important administrative reforms ever proposed. This year, our subcommittee and the Committee on Governmental Affairs have conducted weeks of hearings on a range of legislative proposals designed to improve the Federal regulatory process.

Among the proposals before our subcommittee are measures to improve the overall management of Federal regulatory agency activities—this is essential to reduce overlap and duplication in agency regulations.

We have been working on proposals to reduce delay in the administrative process.

We have heard proposals to reform the administrative law judge system which is central to factual decisionmaking in the agencies' adimnistrative process.

We have sought different ways of increasing public participation in the regulatory decisionmaking.

Finally, and perhaps most importantly, we are looking for ways to require that the agenices consider the cost and burden their decisions will impose on small businesses and local governments.

If we were to adopt the amendment before us today, we might just as well turn our back on the efforts of the past several years because this proposal would do away with the administrative process as we know it.

As we all know, under the Administrative Procedure Act, Federal courts cannot strike down a Federal rule or regulation unless the challenger can demonstrate that the agency was arbitrary or capricious in its interpretation of the statute or in its application of the facts to the statutory requirements.

Mr. President, we do not lightly accord such deference to agency decisionmaking. It is a core concept underlying the allocation of power between courts and agencies that judges are generalists while administrators are specialists.

Nothing could be more wasteful and more deleterious to the coherent administration of a regulatory program than having courts duplicate the efforts of agencies in applying legal concepts to every individual situation that comes along.

The consistency of those legal concepts with the mandates of Congress should be, and is, scrutinized by the courts with the deference to the agency's construction as the circumstances warrant.

But when that task is completed, I believe it is appropriate to leave the implementation of those judicially declared guidelines primarily to the specialists. This implementation process can still be reviewed under the abuse of discretion test and, in certain cir-

cumstances, the substantial evidence standard.

As the Supreme Court so aptly observed in *Gray* v. *Powell*, 314 U.S. 402 (1949):

> It is not the province of a court to absorb the administrative function to such an extent that the executive or legislative agencies become mere fact-finding bodies deprived of the advantages of prompt and definite action.

Mr. President, the current procedure under present law represents a fine tuning of the responsibilities of the courts and the Federal agencies. It assures that the courts are not burdened with the responsibilities of reviewing every agency interpretation of a statute.

Nevertheless, when an agency has acted arbitrarily or capriciously in interpreting a law passed by Congress, the courts repeatedly have struck down such actions.

We can cite example after example of agency decisionmaking with which we may disagree. In some instances, their decisions can be traced to honest and dedicated efforts by agencies to interpret vague and undefined mandates from the Congress.

However, where the mandate is clear and the agency has ignored that mandate, the courts have shown no reluctance to strike down the agency interpretation.

In fact—and I think it is an interesting point—where the objective of the amendment is to work toward a relaxation of excessive Government regulation by delegating, in effect, the responsibility to the courts, as distinguished from the agencies involved, I think it is constructive to observe who, in many instances in the past, has been responsible for requiring stricter regulations—the Federal agency involved in implementing a congressionally enacted statute or the courts, which are charged with interpreting the fairness of that agency decision and its fidelity to the statutory mandate of Congress at the time of its enactment.

For example, who required a stricter regulation, the courts or the agency, in the area of natural gas production? In this instance, the courts, themselves, said the law required regulation where the agency in the first instance had interpreted the statute to say that no regulation in fact was required.

Another example: In the area of television license renewals, the FCC vigorously attempted to have less regulations under their interpretation of the congressionally-imposed statute that they were legally required to implement. But here, again, the courts overruled the agency, saying that more regulation, in fact, was required by law.

Once again, in the area of airlines, Mr. Fred Kahn has asked for a new law. He came to Congress and petitioned that a new law be enacted because he feared the courts would require stricter regulation than the CAB favored under a correct interpretation of the statute and its application.

Mr. President, the proposal before us today unnecessarily would involve the courts in second-guessing every decision made by Federal agencies.

The burden on the courts would be inestimable. The disruption to the administrative process is almost impossible to foresee.

We have been reminded in the course of this debate that the Chief Justice of the United States recognizes this. In a letter to the chairman of the Judiciary Committee, he said:

> At the session of the Judicial Conference just concluded, the Committee on Court Administration expressed the view that the legislation, if enacted, would have a serious impact upon the workload of the federal courts and accordingly recommended that the Conference oppose enactment of S. 2408. The Conference agreed with the recommendation of its committee.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES,
Washington, D.C., September 27, 1976.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: As I advised you in my letter of August 17, 1976, I referred the proposals contained in Senator Bumpers' bill (S. 2408) to the appropriate committee of the Judicial Conference for study and report to the Conference.

At the session of the Judicial Conference just concluded, the Committee on Court Administration expressed the view that the legislation, if enacted, would have a serious impact upon the workload of the federal courts and accordingly recommended that the Conference oppose enactment of S. 2408. The Conference agreed with the recommendation of its committee.

The Judicial Conference appreciates the opportunity you have afforded it to study and report on this pending legislation.

Cordially,

WARREN BURGER.

Mr. CULVER. Mr. President, I also am somewhat startled because I have listened for many years in Congress to those who have expressed understandable concern about those instances in which courts, in fact, have become an extra legislative power unto themselves, or have exceeded their traditional areas of authority in influencing the public policy course of this Nation. It seems ironic, indeed, that many of those who, over the years, have expressed the gravest concern—and perhaps, on the merits, with considerable justification in a particular case—now would delegate not only an authority that is unprecedented to those courts but also seriously compromise not only the Federal agencies' role in our carefully balanced system under which we now operate but also pose a very substantial threat to the traditional role of Congress as the primary legislative authority.

So while our committee and the Committee on Governmental Affairs have been working carefully to improve the machinery of the administrative process and make it more responsive to the will of Congress and of those being regulated, this amendment, in my judgment, would radically change the administrative process in ways we cannot yet anticipate.

For these reasons, I am strongly opposed to its adoption and I think it would represent a very serious folly if Congress were to enact it.

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. Who yields time.

Mr. BUMPERS. I yield time to the Senator from New Mexico.

Mr. SCHMITT. I thank the Senator, although he might after listening to the comments of the Senator—

Mr. BUMPERS. I am not asking the Senator to support the amendment. I wish he could make his remarks brief enough so we will vote by quarter to 1.

Mr. SCHMITT. I thank the Senator.

Mr. President, I have listened to the comments of the distinguished Senator from Iowa who chaired the beginning of the hearings on this issue this year relative to regulatory reform.

I must admit that my initial reaction to the amendment proposed by the Senator from Arkansas and to the list of distinguished cosponsors of that amendment was that this was a quick and relatively simple way in which the business, community, and individual citizens affected by arbitrary and unnecessary regulation could have recourse in the courts.

However, over the last hour of considering the problem and thinking about many of the issues that the Senator from Iowa has discussed, I am afraid I reluctantly will have to oppose the amendment.

The courts have usurped legislative power and in an indirect way this would provide them with further opportunity for such usurpation.

The real issue of regulatory reform must be here in Congress. The Senator from Iowa and I disagree, I believe, on how to do that. Hopefully we will gradually reach an accommodation.

I believe Congress must assume legislative responsibility for regulations one way or another. In a broad sense it can be argued and correctly that we do have that. We create the laws under which regulations are formulated. However, we have, I believe, abrogated the responsibility for the detailed creation of law that comes through regulation.

There are approximately 18 laws created by regulation for every one law that is created by Congress. That is an unacceptable alteration of a concept of representative government.

The issue here before this Congress and before other Congresses will be: How do we respond as a representative democracy to the growing threat of an ever larger, ever more powerful legislative bureaucracy?

As I said, we must assume legislative responsibility for the regulations, and I do believe after 2½ years of detailed consideration, after hearings before the Judiciary Committee, that the concept commonly known as the legislative veto, with safeguards not only for the regulators and for the public but for Congress, the two Houses of Congress, is the appropriate way to go.

I have proposed such a concept embodied in S. 104, also embodied in amendment 212 to S. 1020, S. 1020 being the authorization for the Federal Trade Commission.

There is increasing support for this concept, and I think that gradually the merit of the kind of procedure that S. 104, of legislative veto and a balanced constitutional way, represents is gaining sufficient support to eventually become law.

Mr. President, I ask unanimous consent at this time that an editorial on this subject, by James Kilpatrick, who has since changed his mind about it, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BUREAUCRATIC ESTATE

Our government, as every schoolboy knows, theoretically embraces three branches—the executive, the legislative and the judicial. Recent years have produced a fourth branch: the bureaucracy. One of the most troublesome political questions of our time goes to the problem of restraining bureaucratic power.

Sen. Harrison Schmitt has an idea. He wants to provide for a legislative veto over the formal Trade Rule Regulations imposed by the Federal Trade Commission. He makes a convincing case in support of his plan.

Most persons—and certainly most businessmen—are familiar with the general problem. Over the past 15 or 20 years we have witnessed in Washington an explosion of federal regulations. The powers of old agencies, such as the FTC, have been greatly expanded. A dozen new agencies have been created. Upward of 200,000 civil servants now are engaged in regulatory activities.

Some of the agencies, such as the Occupational Safety and Health Administration (OSHA), function as complete little governments. OSHA effectively makes laws, a legislative function; OSHA administers its own laws, an executive function; and OSHA prosecutes, tries and fines those who violate its laws, a judicial function. An aggrieved victim of OSHA's power has but one avenue of relief—the murderously expensive and time-consuming process of appeal to the federal courts.

In the old days, a regulatory agency typically had a limited field of authority. The Maritime Commission dealt with ships, the Federal Communications Commission with radio and television, the Civil Aeronautics Board with air transportation, and so on. The new breed of agency is different. The writ of the FTC, for example, runs clean across the board. Any activity that even remotely "affects commerce" is fair game for the commission.

At the FTC, 1,700 bureaucrats, including 600 lawyers, are actively, eagerly, obsessively engaged in the promulgation of rules and regulations. By Schmitt's count, the FTC is working on 40 public investigations, 120 private investigations, 30 active litigations and 15 proposed Trade Rule Regulations. The TRR's cover funeral homes, health spas, used cars, hearing aids, mobile homes, children's television advertising and a mind-boggling assortment of other matters.

"The Federal Trade Commission," Schmitt contends, "may be the second most powerful legislature in the country. The FTC claims the power to declare any commercial act to be 'unfair,' regardless of state law, and thereby to amend all state statutes and reverse all state cases that may be inconsistent with its declaration."

Schmitt's concern goes beyond particular TRR's. The basic question is a question of power: "Who writes the laws in this country—unelected administrators or the elected representatives of the people?" His disturbing answer is that the regulatory agencies are spinning out 18 laws for every one law enacted by the Congress. For all practical purposes, the agencies are untouchable. They are headed by boards or commissions whose members are named for fixed terms, and they are served by bureaucratic staffs with what amounts to life tenure.

Under an amendment proposed by Schmitt to the FTC authorization bill, Congress would have 60 days in which either house could impose a legislative veto upon a TRR. There is nothing especially novel in a legislative veto as such. Since 1932, Schmitt says, Congress has reserved such a power nearly 300 times. At least 34 states have some form of legislative veto over state agencies. The authority appears to be rarely used.

Schmitt's resort amounts to a last resort, and last resorts ought to be seldom invoked. The device troubles some observers who regard the veto as a intrusion upon executive responsibilities, but there seems to be nothing unconstitutional in the approach. My own inclination would be to try the Schmitt plan for a few years and to see how it works with the FTC. If a veto would restrain that power-hungry outfit, the same kind of emergency brakes could be provided for all the rest.

Mr. SCHMITT. Mr. President, I shall also ask that the RECORD include a summary of the feelings of the National Conference on State Legislatures entitled "Restoring the Balance." I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHMITT. The reason I include that document is that the State governments represent the crucible of experimentation in regulatory reform. It is there that 34 of the 50 States have experimented with various kinds of legislative review of the regulatory process, ranging from just a voluntary submission by the agencies to appropriate legislative committees, to a legislative veto, and their experience has been uniformly beneficial. They are, to my knowledge, unanimous in the support of this concept of activity.

The reason I bring this up at this point is because I think it is the appropriate legislative mechanism for us to establish regulatory reform.

The concept proposed by the Senator from Arkansas is simplistic in its formulation. It is attractive in that regard. It may well be something that we would want to include in one form or another in a comprehensive bill, and I will guarantee the Senator from Arkansas that I will begin to include consideration of this concept as part of the legislative veto concept that I have proposed and has been proposed also and supported in the House of Representatives.

Mr. President, this is a fundamental issue of our time. It is an issue that once resolved will determine the direction of our future concepts of representative government, of representative democracy.

I am sorry to say that I do not think that there has been sufficient deliberation by this body or by myself on the concept of court review of regulations for me to support the amendment at this time.

I wish we had had that study. I wish I had the time to do that so that if possible I could support it, but I cannot, and I urge my colleagues to reserve that consideration to some future time.

EXHIBIT 1

RESTORING THE BALANCE: LEGISLATIVE REVIEW OF ADMINISTRATIVE REGULATIONS

THE NEED FOR LEGISLATIVE REVIEW OF REGULATIONS

The past 50 years have seen the growth of government at all levels. The prevailing philosophy behind this growth was that those problems which could not be solved by individual initiative and private action should be solved by the federal, state and local governments.

This philosophy has resulted in a dramatic growth in the executive branch of government as the branch which must implement the programs designed to solve the problems of society. There are numerous reasons for this growth. However, the main reason is that as legislatures passed laws to solve specific problems, a means of enforcing and implementing these laws was necessary.

Legislatures increasingly granted the power to promulgate regulations to the agencies that were created to enforce and implement new programs. Consequently, the expanding number and size of these agencies began to have an effect on the balance of power between the executive and legislative branches of government. The initial question, whether the agencies had the power to promulgate regulations which had the force of law, has been answered in the affirmative by the courts. Judicial decisions have affirmed the legislature's right to delegate a portion of its legislative power to the agencies for the implementation of complex problems.

As more agencies were created or expanded, the number of regulations promulgated to implement laws increased dramatically. In most states today, the body of law created by the rule-making process matches or exceeds the statutory laws of those states. While it was recognized that agency rule-making was necessary for the implementation of laws passed by the legislature, one major concern was the increasing number of regulations that either exceeded the statutory authority of the promulgating agencies or violated the legislative intent of the laws.

Legislatures began to respond to these concerns by establishing formal legislative regulation review procedures. These procedures usually provided, at the very least, that proposed regulations be submitted to a designated legislative committee for review to insure that they were technically correct and within the scope of the statutory authority and legislative intent as stated in the legislation. Most of the laws were part of the states' administrative procedures act, which set up procedures for the promulgation of regulations.

Thirty-four states currently have formal legislative regulation review authority. The powers of the legislatures under these laws range from review of certian agencies' rules to repeal of rules by the legislature or a legislative committee.

The 1977 legislative sessions were active in providing legislatures with a role in the review of agency rules and regulations. Nine additional states (Georgia, Illinois, Maine, Nevada, New York, North Carolina, Ohio, Texas and Wyoming) established procedures for legislative regulation review. In three other states (New Mexico, North Dakota and Rhode Island), similar bills were vetoed by the governor. Seven states (Alaska, Connecticut, Kansas, Michigan, Missouri, Montana and South Carolina) amended their laws either to clarify existing review procedures

or to provide a greater role for the legislature in the review process. Three state legislatures (Colorado, Louisiana and New York) were unable to override the governor's veto of bills amending the regulation review law, while in Michigan and Alaska, the legislature enacted amendments over the governor's veto.

Since in most instances, agency authority stems directly from the legislature, legislative review of regulations can be used to help insure agency compliance with both statutory authority and legislative intent. There have been cases of agencies deliberately attempting to circumvent statutory authority or legislative intent, and in a number of states basic provisions of bills defeated by the legislature have subsequently appeared almost verbatim in agency regulations.

The legislative regulation review process allows the legislature to monitor agency action throughout the year. While the legislature already oversees each agency through the appropriations process, the regulation review process gives it another and more continuous monitoring mechanism. As agency regulations are promulgated, they must pass through a formal review procedure, which includes a legislative review. The legislative review may be advisory in nature or it may allow for disapproval or delay of approval of a regulation.

SUMMARY OF RECOMMENDATIONS

In recognition of the need for a legislative regulation review process in each state, the committee makes the following recommendations:

Recommendation No. 1:

Because of the proliferation of agency regulations and the possibility of promulgation of regulations which violate legislative intent or exceed statutory authority, the committee strongly recommends that legislatures establish procedures for reviewing all agency rules and regulations promulgated with the force of law under authority granted by the legislature, whether or not they are covered by the administrative procedures act. These review procedures should be as strong as the constitution of each state allows. In establishing these procedures, legislatures will be reasserting their legislative prerogatives and regaining the basic lawmaking authority granted to them under state constitutions.

Legislatures should also enact comprehensive administrative procedures acts for their states, or review existing laws, to insure a thorough review of all regulations. These procedures, of which the legislative review process should be a key part, should include 1) a clear definition of an agency regulations; 2) a requirement that agencies' regulations clearly show additions to and deletions from existing regulations; 3) a requirement that all proposed regulations be published in advance of their effectiveness; and 4) a requirement that all regulations be filed with the legislature as provided by the legislative regulation review procedures. The procedures should allow maximum opportunity for public comment both in the promulgation and adoption of regulations as well as in the legislative review process.

To assist legislatures in establishing effective procedures for the legislative review of regulations, the committee makes the following additional recommendations:

Recommendation No. 2:

After considering the alternative regulation review structures, the committee recommends that a single joint committee, empowered to meet year-round, be designated or established to perform the regulation review function. The committee should include members representing both houses. Legislatures may also wish to consider including representation from the major substantive standing committees on the review committee.

Recommendation No. 3:

Recognizing the difference in state constitutions and judicial interpretations, the committee recommends that the strongest possible review structure be created in each state, consistent with the state's constitution.

Recommendation No. 4:

The committee recommends that the committee on committees designated to perform regulation review be adequately staffed by permanent legislative staff, so that review of regulations is effectively accomplished.

Recommendation No. 5:

The committee recommends that the review committee in each state have the authority to review all proposed and preexisting regulations.

Recommendation No. 6:

The committee recommends that reasonable time constraints be imposed on all levels of the regulation review process to provide for adequate review and for expeditious final disposition of regulations by both the committee and the legislature.

Recommendation No. 7:

The committee recommends that procedures be established for the promulgation of emergency regulations, with reasonable time limitations on committee review and on the effectiveness of those regulations to prevent agency circumvention of the legislative review process.

Recommendation No. 8:

The committee recommends that the review committee meet often enough to provide adequate review of proposed regulations which agencies file.

Recommendation No. 9:

The committee recommends that legislative bill drafting and counseling agencies adopt specific guidelines to assure that all bills granting rule-making authority to administrative agencies be reviewed before introduction to assure that (1) legislative intent is clearly spelled out in the bill, and (2) adequate standards are included to guide agencies in rule promulgation pursuant to the bill.

REGULATION REVIEW STRUCTURES

Because of the size of state legislatures, the most effective method of regulation review is through the committee process. The review can generally be divided into three categories: (1) review by substantive standing committees; (2) review by a single joint committee, whether created for that purpose or designated as part of other functions (such as a legislative council); or (3) review by both, with standing committees reviewing during the session and a single joint committee reviewing during the interim.

Standing committee review

Regulation review by standing committees is usually initiated in one of two ways. In some states, the agency submits the proposed regulations to the presiding officers of each house for reference to the appropriate standing committee. In other states, the agency submits the regulations directly to a predesignated committee for each agency. Idaho, South Carolina and Louisiana conduct regulation review through the standing committee structure.

In some states, the standing committees perform a second review of regulations after initial review by a joint review committee. Iowa and Minnesota, for example, use this procedure. In Kentucky, a three-tiered system is used. If the review body, a special joint subcommittee of the Legislative Research Commission, objects to a regulation, the agency then submits it to the appropriate standing committee. If that committee objects, the agency submits it to the full legislature.

The standing committee review procedure allows the committee which reported the bill authorizing the promulgation of regulations to review those regulations for compliance with statutory authority and legislative intent. Since committee members and staff usually have the expertise to deal with complex regulations in their substantive areas, their involvement in the review procedure may be advantageous. This system also allows the workload of review to be spread among all the committees.

One disadvantage of this procedure, however, is the possibility of disagreement between house and senate committees reviewing the same rules. Also, while standing committee members are most familiar with the law authorizing the regulations, they may be too subjective in what they feel is the legislative intent, especially if that intent is not clear in the law. A more serious drawback is the fact that most standing committees have a heavy workload during the session and may not be able to handle a high volume of regulations requiring review. Also, standing committees usually meet much less frequently during the interim, when many new regulations are being promulgated.

Joint committee review

The majority of the states with formal regulation review procedures use the single joint committee mechanism. Most of these committees are bipartisan, with either proportional or equal minority representation. Some committees have an equal number of house and senate members while others have more house than senate members.

In some states, the review function is performed by the Legislative Council, the agency which provides all services to the legislature. In Kentucky, the Legislative Research Commission (a joint management body) appoints a three-member regulation review subcommittee composed of at least one member from each house and at least one member of the minority.

One advantage of the joint committee structure is that in nearly all states the committee's primary function is regulation review. It meets fairly regularly, both during the session and during the interim. Another advantage is that the committee acts for the full legislature, not just one house, and makes its recommendations to the full legislature. Unlike the standing committees of each house, the joint committee may be more objective in determining legislative intent from the language of a law.

One disadvantage of this structure is that committee members may have limited knowledge of the substantive areas for which the regulations are promulgated and they may not be familiar with the development of the language of the enabling law which determines legislative intent. Also, there may be the additional cost of staffing the committee, whether with its own full-time staff or with staff from a central staff agency.

Standing committee/Joint committee review

In a number of states the standing committees review regulations while the legislature is in session and a designated joint interim committee performs the review during the interim: Kansas and Nevada both use this system to some extent. In Kansas, all proposed regulations must be submitted by December 31 of each year to the revisor of statutes. During the session, he refers them to both the Joint Committee on Administrative Rules and Regulations and to the appropriate standing committee. The Colorado legislature recently passed legislation to change from a standing committee/joint committee system to a joint committee review structure, but the bill was vetoed by the Governor.

This system combines the advantages of standing committee review with the advantages of interim review by a joint committee.

The major disadvantage is that the review function is split. This may cause a lack of cohesive legislative action and lead to a situation where agencies may wait to promulgate regulations so they can be submitted to the review body which will give the most favorable consideration.

Recommendation No. 2:

After considering the alternative regulation review structures, the committee recommends that a single joint committee, empowered to meet year-round, be designated or established to perform the regulation review function. The committee should include representation from both houses. Legislatures may also wish to consider including representation from the major substantive standing committees on the review committee.

REGULATION REVIEW POWERS

The powers of the legislative committees charged with the responsibility of reviewing regulations generally fall into four categories: 1) advisory; 2) repeal of a regulation by the legislature; 3) committee suspension for a specified period of time; and 4) committee suspension without required legislative affirmation.

Advisory

In general, legislatures which cannot nullify, suspend, amend or modify a regulation are considered to have only advisory review powers. In most advisory states, the review committee may return regulations to the promulgating agency with recommended changes which the agency is not bound to accept. These advisory committees may recommend to the full legislature that the law authorizing the promulgation of rules be amended, requiring passage of a bill. Arkansas, Missouri and Nebraska are states with advisory review powers only.

Iowa has a regulation review process which is advisory, but which places the burden of proof on the agency once objections to a regulation are raised by the committee. The burden of proof shifts to the agency in any future court action and it must prove it did not violate legislative intent or statutory authority in adopting the regulation over the committee's objection.

Regulation review committees with advisory powers only are less likely to be challenged on constitutional separation of power grounds. This procedure does involve review for compliance with statutory authority and legislative intent and offers a basis for passage of a bill that changes the enabling statute. Also, agencies are usually responsive to committee recommendations and grateful when the committee points out errors in the regulations. The Iowa system, while only advisory, does give the legislature an advantage in a subsequent court action, whether that action is brought by the legislature or by a citizen adversely affected by the regulation. The constitutional separation of powers question is not likely to be raised because the legislature has no power to suspend or nullify.

One disadvantage of the advisory review system is that in most cases the committee has no recourse (except recommending a change in the enabling statute) if an unresponsive agency refuses to accept the committee recommendations. The only other recourse for the legislature is through the judicial system, and in that case, the legislature would have to assume the costs of litigation in challenging agency regulations in court.

Repeal of a regulation by the legislature

In some states, the legislature has the authority to repeal or nullify regulations through the passage of either a bill or resolution. This is usually done upon the recommendation of the reviewing committee. In Georgia, if a repealing resolution is passed by a two-thirds majority of each House, the regulation is nullified. If it is passed by less than a two-thirds majority, the resolution must be submitted to the governor for his signature. In Maine, all new regulations automatically expire in five years unless they are repromulgated.

Regulation repeal procedures give the legislature the power to take affirmative action in the face of agency unwillingness to modify objectionable rules. The primary disadvantage may be the constitutional question of whether the legislature has the authority to nullify a regulation promulgated by an executive branch agency.

Committee suspension for a specified period of time

A third means of reviewing agency regulations is for the committee to have the power to suspend regulations for a specified time, thus delaying or temporarily repealing their effectiveness. Before the specified time has expired, however, the full legislature must affirm the committee's suspension by prescribed means or the regulation goes into effect. Legislative affirmation would permanently nullify the regulations. Minnesota, South Dakota and Wisconsin are states where the committee has the power to suspend regulations subject to the approval of that action by the full legislature within a certain time.

The principal advantage of giving the committee suspension power is that the legislature is able to take immediate action when faced with an agency which refuses to modify objectionable regulations. Also, agencies are more likely to write regulations which are technically correct and in compliance with both statutory authority and legislative intent. And since legislative affirmation is required, arbitrary action by the committee is not possible.

There may be constitutional questions with this structure in two respects. First, there is the issue of whether the legislature even has the authority to suspend or nullify a regulation promulgated by an executive branch agency. Secondly, there may be a question of the legislature's authority to delegate suspension power to a legislative committee, even though the committee cannot permanently suspend a regulation without a vote of the full legislature.

Another possible disadvantage is the cost to the agency and the public caused by the delay of effectiveness of a regulation. However, most states have procedures for the implementation of emergency regulations on a temporary basis, with legislative review taking place after regulation is in effect.

Committee suspension without required legislative affirmation

The fourth method of review is similar to the third. The committee has the power to suspend or delay the effective date of a regulation for a specified time, but unless the legislature overturns the committee's suspension through positive action, the suspension becomes permanent. Connecticut, Michigan, Tennessee and West Virginia are the only states where this structure exists. Connecticut's law says that the legislature "may" vote to sustain or reverse the committee's suspension, but the lack of positive action sustains the suspension. In Tennessee, the suspension is in effect until rescinded by a joint resolution of the legislature. The Tennessee attorney general, however, has advised the governor that this procedure is unconstitutional.

Again this structure allows the legislature to take action when faced with an unresponsive agency and may encourage agencies to write better regulations which are more likely to conform with statutory authority and legislative intent.

The main disadvantage to this structure is the serious constitutional question of whether the committee can, in effect, nullify a regulation without a vote of the full legislature to sustain that action.

Recommendation No. 3:

Recognizing the difference in state constitutions and judicial interpretations, the committee recommends that the strongest possible review structure be created in each state, consistent with the state's constitution.

Among the particular considerations which should be reviewed are questions such as the following:

1. How strictly has your state's supreme court interpreted the "separation of powers" clause of your state constitution?

2. How strictly has the court enforced the prohibition against delegating legislative power to the executive? What guidelines have been set forth? How "complete" must a bill be when it leaves the legislature? Excluding local acts and constitutional amendments, can the effectiveness or implementation of a bill be conditioned upon future events after enactment by both houses and approval by the Governor? Do laws delegating rule-making power have to have adequate standards spelled out in the act?

3. Does your constitution specifically detail the "bicameral" principles? Does bicameralism mean that both houses have to agree on all actions (other than internal rules) taken by that body, or that either house can negate the actions of the other?

4. Is there a constitutional provision in your constitution requiring the approval or veto (or at least presentation to the Governor) of every resolution or order to which the concurrence of both houses may be necessary? If so, how has the court interpreted it? Does your state make a distinction between a concurrent and joint resolution, and for what may each be used?

5. How have your courts ruled on "legislative intent"? Is determination of legislative intent solely a judicial function? Can legislators testify as to legislative intent? In court decisions on statutory construction, are courts bound by statements of legislative purpose, intent, and preambles sometimes found within legislative enactments?

6. Have the courts ruled on the power of a current legislature to determine the legislative intent of a previous body?

7. Do legislative committees have a statutorily-recognized standing? How have courts looked at standing committees—as official entities empowered to take authoritative actions, or as simply internal subunits of a legislative house, with advisory functions only to the full house? Can they be delegated powers of a full house?

8. Do agencies have to have a specific grant of rule-making power before adopting rules, or is it only necessary that such rules pertain to the implementation of a statutory or constitutional grant of power or responsibility? Additionally, can agencies have inherent rule-making power? (For example, many state supreme courts have established that they—the court—have certain inherent powers—as the power to prescribe rules and regulations for the state bar and rules of procedure within courts. Additionally, governors and the President cite as an inherent power their authority to issue executive orders and take a number of other actions.)

METHOD OF LEGISLATIVE ACTION

The states which require legislative affirmation of a review committee action or recommendation use one of three methods of legislative action: 1) by simple resolution of either house; 2) by joint or concurrent resolution; and 3) by bill or statute.

Simple resolution

The simple resolution method allows either house to sustain the committee action or recommendation by a simple resolution.

Oklahoma, which uses this system, required a concurrent resolution of both houses to sustain the committee recommendation prior to 1975.

The advantage of this method is speedy affirmation of the committee's action or recommendation.

The disadvantages center around the constitutional weakness of the method, since the full legislature is not required to act. Also, this method could cause division between the two houses of the legislature.

Joint or concurrent resolution

Another method of affirming a committee action or recommendation is through a joint or concurrent resolution. Under this system, in most states no action by the governor is required. Idaho, Montana and Vermont are among those states which utilize this method.

There are two primary advantages to this method. First, it provides that the full legislature take action, assuring a unified decision. Secondly, in most cases, it does not require gubernatorial action, so the legislature is making the final determination as to legislative intent and compliance with statutory authority.

There may be, however, constitutional problems in some states because in order to change a regulation which has the force of law, a statute has to be passed and signed by the governor.

Statute

The third method of legislative action on a review committee's action or recommendation is by bill. This may be done in the form of a bill either to repeal the regulation or to amend the statute under which the regulation was promulgated. In Arkansas, Florida and Nebraska, all of which have advisory powers, the legislature can enact a law amending the statute granting the promulgation authority. In Colorado, Minnesota and Wisconsin, the legislatures can nullify a regulation by statute. Kansas provides that a statute be enacted to repeal an existing regulation, but that a concurrent resolution is sufficient to prevent the implementation of a proposed regulation.

The statute method is the most constitutionally sound, since it adheres to the regular lawmaking process. The main disadvantage is that it involves the executive branch in determining whether a regulation was promulgated within the authority granted by the legislature.

STAFFING

There are two means of providing staff for the legislative review of regulations: 1) through a full-time staff devoted to the review of regulations; or 2) through a part-time staff provided by a central staff agency or individual committees.

Full-time staff

The number of full-time staff devoted to regulation review varies greatly among the states that use this structure. Florida's Joint Administrative Procedures Committee has a staff of six full-time attorneys and four administrative personnel. Most states with full-time staff usually have one or two full-time professional staff.

Full-time staff is utilized only by states which have a single joint committee structure. States with standing committees use either committee staff to perform review on a part-time basis or staff from a central agency.

Full-time professional staff are able to handle the volume of proposed regulations and perform a thorough review of all regulations. However, the primary disadvantage of this staffing structure is, of course, the cost of maintaining a full-time staff. Florida has a budget of $310,000 for its regulation review committee. Michigan, with two full-time attorneys, has a budget of $74,000.

Staff by central service agency or committee

The staff structure used most frequently for reviewing regulations is the assignment of staff on a part-time basis from a central staff agency. Usually, one or more attorneys or research analysts are assigned from the legal services or bill drafting agency, the code revisor's office, or the research agency. Alaska, Connecticut and Maryland all use this type of staff structure. Idaho and Nevada, which use the standing committee review process, provide staff through the central research agency.

The use of staff from the central staff agency allows for staffing of the regulation review function without the higher costs of full-time staff. Also, many research agencies divide their staff by areas of expertise so the staff is familiar with the subjects of the regulations under review. In addition, since the staff may have helped to draft the enabling legislation, they are familiar with the legislative intent.

However, the disadvantage of this structure is that the staff has other functions to perform and may not be able to devote enough time to the regulation review function.

Recommendation No. 4:

The committee recommends that the committee or committee designated to perform regulation review be adequately staffed by permanent legislative staff, so that review of regulations is effectively accomplished.

PROCEDURES

Review of proposed regulations

Effective legislative regulation review can be accomplished either through a review of all proposed regulations or through selective review. In addition, some states have given the reviewing body the power to review all or selected pre-existing regulations.

The process of total review usually requires that all proposed regulations be submitted to the legislative body handling review. The committee, either by law or by tradition, may have the option of reviewing only selectively. In at least one state, Colorado, the staff reviews all proposed regulations and recommends consideration by the committee of selected regulations which may have technical errors or be in violation of either statutory authority of legislative intent. Some states review proposed regulations only upon the complaint of a legislator or citizen, even though the committee has the authority to review all regulations.

Review of all proposed regulations by the committee is designed to assure that no regulations are promulgated which may be in violation of legislative intent or statutory authority. Total review, however, requires much more staff and legislator time, and may not be necessary for a majority of proposed regulations. With selective review, complex and controversial regulations can be given careful scrutiny.

Review of pre-existing regulations

The majority of states with regulation review structures has the power to review regulations which are already in effect. In Florida, the review committee is currently examining all pre-existing and proposed regulations. The process of reviewing all pre-existing regulations is expected to take from three to five years. In some other states, review of pre-existing regulations is done on a selective or complaint basis.

This type of review assures that older regulations are brought up to date or repealed if no longer needed. But, it can tie up valuable staff time if not performed on a selective basis. Also, this procedure may raise constitutional questions regarding a legislature's right to determine the legislative intent of a previous legislature.

Recommendation No. 5:

The committee recommends that the review committee in each state have the authority to review all proposed and preexisting regulations.

Time constraints

To insure an orderly and expeditious review process, most states have time constraints on the various phases of the process. The agency usually has a certain number of days to file a regulation with the legislature before it can take effect. In some states there is no time limit, but the proposed regulation cannot go into effect without being filed with the legislative review body.

After the proposed regulation is filed by the agency, the committee usually has a certain time period within which to conduct its review. If the committee does not object to the regulation within the time period, it is deemed approved.

Some of the committees which have the power to suspend or recommend nullification of regulations must have the affirmation of the legislature within a certain time period or the regulation goes into effect. In Minnesota and Wisconsin, the legislature must sustain the committee action before the end of the next regular session. In South Dakota, suspension of a regulation during the interim is only valid until 30 days after the beginning of the session without legislative affirmation.

Time constraints on the regulation review process are necessary for three reasons: 1) to prevent agency circumvention of legislative review of regulations; 2) to insure adequate review time for the committee; and 3) to provide expeditious final disposition of regulations by the legislature.

Recommendation No. 6:

The Committee recommends that reasonable time constraints be imposed on all levels of the regulation review process to provide for adequate review and expeditious final disposition of regulations by both the committee and the legislature.

Emergency procedures

Most states with regulation review procedures have means by which emergency regulations can be promulgated. These procedures may include a limitation on the life of the emergency regulation and a provision for review by the legislature. Michigan's law allows emergency regulations to remain in effect only up to one year without formal legislative approval. This restriction prevents circumvention of the review process by the agency. In Connecticut, under a law passed in 1977, the agency must submit all emergency regulations to the review committee five days prior to their effectiveness. The committee has the authority to suspend those regulations within the five-day period. In Minnesota, emergency regulations are effective for only 90 days, unless they are repromulgated through the normal process which includes legislative review. Kansas law provides that "temporary" regulations may be implemented by agencies during the interim after they have been approved by the Temporary Rules and Regulations Board, which is composed of the chairman of the Joint Committee on Administrative Rules and Regulations, the Secretary of State and the Attorney General. All temporary regulations expire on the following April 30.

Recommendation No. 7:

The committee recommends that procedures be established for the promulgation of emergency regulations, with reasonable time limitations on committee review and on the effectiveness of those regulations to prevent agency circumvention of the legislative review process.

Frequency of review committee meetings

The review committees in many states which have legislative regulation review procedures usually meet once a month. Others

meet only on call when there are regulations pending review. Some states' committees meet more often during the session than during the interim.

The actual volume of regulations reviewed is difficult to determine because a regulation can be defined as anything from a one-word amendment to an entire volume of new procedures. Many states review about 20 to 25 regulations per meeting.

Recommendation No. 8:

The committee recommends that the review committee meet often enough to provide adequate review of proposed regulations which agencies file.

Bills authorizing promulgation of rules

One reason why agencies might promulgate rules which do not conform with legislative intent is that the law authorizing such promulgation may not specifically state the legislature intent. Also, the law may be too broad or general and may not provide agencies with specific guidelines for the promulgation of rules. For example, a law may simply state that "reasonable rules be promulgated to prevent unfair banking competition."

Recommendation No. 9:

The committee recommends that legislative bill drafting and counseling agencies adopt specific guidelines to assure that all bills granting rule-making authority to administrative agencies be reviewed before introduction to assure that (1) legislative intent is clearly spelled out in the bill, and (2) adequate standards are included to guide agencies in rule promulgation pursuant to the bill.

Fiscal notes on regulations

South Dakota requires that each proposed regulation have a fiscal note stating the effect the regulation will have on state revenue and/or expenditures. This fiscal note, which is prepared by the agency and reviewed by the state Bureau of Finance and Management, must include information on the fiscal impact for the first year and the continuing fiscal impact, the assumptions made in preparing the statement and the source of statistics used. The fiscal note is furnished to both the Interim Rules Review Committee and the Joint Appropriations Committee, either of which may refer it to the relevant standing committee for review. While objections can be made to a regulation because of the fiscal note, it is unclear if a regulation can be suspended on that basis.

The LIM Committee discussed the issue of fiscal notes on regulations and decided that since it is a relatively new procedure, there was insufficient information on state experiences to warrant a committee recommendation at this time.

CONSTITUTIONAL QUESTIONS

The legislative review of administrative regulations process has raised a number of constitutional questions which can only be answered by an examination of each state's constitution and relevant court decisions. The eight questions following Recommendation No. 3 (under "Regulation Review Powers") provide guidelines for this examination. The four major questions being raised relate to 1) the legislative review process itself; 2) the delegation of legislative authority to a legislative committee; 3) the committee's and the legislature's power to suspend a regulation; and 4) the use of a bill or resolution to sustain committee action.

Legislative regulation review process

Legislative regulation review has frequently been questioned as a violation of the constitutional separation of powers concept. Opponents of legislative review claim that rule-making is an administrative function and that legislative review (and in some states, repeal) of rules is a usurpation of executive authority. The U.S. Supreme Court has ruled in the case of *Buckley vs. Valeo* (No. 74-736, 424 U.S. 2, January 30, 1976) that Congress, in creating the Federal Election Commission with a number of congressionally-appointed members, violated the U.S. Constitution's provision that only the President can appoint administrative officers. This case is significant because it is the first time since 1928 that the Supreme Court has addressed the question of separation of powers. The Buckley case may be cited in challenges to legislative review powers because legislatures, after passing enabling legislation, are retaining some control over what is seen as a wholly administrative function.

Supporters of legislative review contend that since the courts have upheld the legislature's right to delegate rule-making authority to executive branch agencies, it is consistent for legislatures to condition that authority with a legislative review process. Also, agency rule-making is more quasi-legislative than executive, so legislatures should be able to retain control over what is essentially a policy-making function.

Another separation of powers question arises with respect to the legislature usurping the role of the judiciary to interpret the laws. However, it has been argued that regulation review is actually the final step in the legislative process, and that if regulations are reviewed prior to effectiveness, that review is distinguishable from an after-the-fact judicial determination.

In Wisconsin, all legislation authorizing promulgation of regulations also includes a section requiring that those regulations be reviewed by the legislature. This standardized language, as part of the bill signed by the governor, puts the legislature in a stronger constitutional position since the governor has approved the condition placed upon agency rule-making.

Delegation of legislative review authority

The delegation of review authority to a legislative committee may raise constitutional questions, depending on the committee's powers, especially if those powers include suspension of regulations. But, as mentioned above, court decisions have upheld the legislature's right to delegate its power. Since the review power is delegated to an entirely legislative unit, that delegation is proper as long as the full legislature retains control over the committee's actions. The most serious constitutional question arises when a committee is empowered to suspend regulations without affirmation by the legislature.

Suspension powers

Opponents of legislative review also argue that neither the committee nor the full legislature has the authority to suspend a regulation. The arguments for this position relate to the authority to conduct review in the first place. At the very most, it is argued, the legislature can only have advisory review powers, since once a law is passed, it is solely the executive branch's function to implement that law.

Defenders of legislative regulation review claim that only the legislature can determine legislative intent, and suspension power insures that that intent will not be violated. A State Supreme Court case in Wisconsin challenged the committee's right to suspend a regulation. But the bill upholding the committee's suspension was not passed before the end of the session and the court dismissed the challenge without a definitive decision.

Suspension of a regulation by a committee may pose serious constitutional questions if, as in Connecticut, the legislature is not required to uphold the committee's suspension. In Connecticut, a case is now pending which directly challenges that state's regulation review powers. Connecticut is among the strongest of all states with such powers. The case will be argued on separation of powers grounds and if finally decided by the court either for or against that state's legislative review law, it will provide a basis for court action in other states.

Method of legislative action

Another constitutional question revolves around the method by which the legislature repeals or upholds a committee suspension of a regulation. It has been argued that since a regulation has the force of law, only the passage of a statute can repeal it. Attorney General opinions in Michigan and Tennessee ruled that repeal of a regulation should be in the form of a bill.

On the opposite side, it has been argued that since a bill requires a gubernatorial signature to become law, the use of a bill brings the governor into the process of determining legislative intent, a violation of separation of powers.

The use of a joint or concurrent resolution to repeal a regulation has been argued as proper because approval of regulations is one of the contingencies specified in the enabling legislation giving the agencies rulemaking authority.

The use of a simple resolution of either house to disapprove a regulation may be constitutionally the weakest method, since only one house is exercising the power of the legislative branch.

Constitutional regulation review powers

While most states with regulation review authority have acquired that power by statute, Michigan has a constitutional provision giving a joint legislative committee, the power to suspend regulations during the interim. The Florida legislature, which has only advisory review powers, attempted to acquire repeal powers through a constitutional amendment, but the proposal was defeated in a statewide referendum in 1976, as was a similar proposal in Missouri.

Other states may try to put the regulation review powers in their constitutions to prevent future challenges to legislative authority in this area.

SUMMARY OF STATE LAWS

Legislative review of administrative regulations

Alaska—(AS § 24.20.400 & § 44.62.320) The Alaska Legislature in 1975 created the Administrative Regulation Review Committee as a permanent interim committee of the legislature composed of three members each from the house and senate. The committee is empowered to examine all administrative regulations to determine if they properly implement legislative intent. Prior to 1978, the committee could recommend annulment of a regulation to the legislature, which in turn, had to adopt a concurrent resolution to do so. A 1978 law passed over the governor's veto empowered the committee to suspend objectionable regulations until 30 days after the next session begins. During the 30-day period, the legislature must annul the regulation through the passage of a concurrent resolution or it goes into effect.

Arizona—(Ariz. Rev. St. 41-511.05). Rules and regulations promulgated by the State Parks Board are the only ones which require legislative review and approval. All other agencies file regulations with the Attorney General and Secretary of State to put them into effect. State Parks Board regulations may be disapproved by concurrent resolution of the legislature for up to one year after they take effect.

Arkansas—(Ark. St. 6-608 et seq). All proposed, revised, or amended rules and regulations must be filed with the Legislative Council. Rules are reviewed to determine whether they are consistent with legislative intent or if they exceed statutory authority. The function of the Legislative Council review is advisory. If a proposed rule is determined to be improper, the Legislative Council files a statement with the agency concerned and submits recommendations to

the legislature. This review procedure was adopted in 1973.

Colorado—(Colo. Rev. St. 24-4-103, Subsec. 8, para. d). Under a law passed in 1976, the Committee on Legal Services, a bipartisan joint committee of four members from each house, reviews all new rules during the interim for "legality and constitutionality." During the session, the standing committees of each house review all new rules. After hearing staff recommendations and agency testimony, the committee can vote to amend or repeal the rule and then submit a bill to the full legislature. There are no time constraints for any stage of the procedures. The governor vetoed a bill passed in the 1977 session which would have made the Committee on Legal Services the review committee for all proposed regulations, during both the session and the interim. It also provided for time constraints for agency filing of regulations with the committee fiscal notes for regulations with a fiscal impact and review of pre-existing regulations over five years. On April 10 1978 the veto was overturned by the Colorado Supreme Court on a technicality, and the bill became law.

Connecticut—(Conn. Gen. St. 4-170 et seq.) The Legislative Regulations Review Committee is bipartisan and composed of eight representatives and six senators. It reviews all proposed regulations of state departments and agencies and may hold public hearings thereon. The committee may give notice of approval or disapproval within 60 days (failure to act within 60 days constitutes approval). If the committee gives notice of disapproval, no agency may take action to implement the disapproval regulation. The committee reports annually to the general assembly on all disapproved regulations which after study by an appropriate committee, may vote to sustain or reverse the disapproval. Any committee disapproval of a regulation implementing a federally subsidized or assisted program must be sustained by the general assembly or it is deemed reversed. The committee attempts to resolve questioned regulations with the agency responsible, but has disapproved several regulations each year. A 1977 law provides for a five-day period for prior review of proposed emergency regulations by the committee.

Florida—(Fla. Stat. Sec. 11.60) Florida's Administrative Procedures Act was rewritten in 1975 and a Joint Administrative Procedures Committee created. This committee has three specific functions: to review proposed rules as they are adopted; to maintain a continuous review of statutory authority underlying each rule and note when that authority is changed by either the legislature or the courts; to review administrative matters in general as they relate to the APA. The committee makes a legislative observation on each rule but does not have the power to suspend a rule. If an objection is made by the committee to a rule, the agency is requested to withdraw or modify it. In most cases, agencies have been found willing to respond affirmatively to legislative objections. Of the first 840 rules reviewed in 1976, 79 percent were found to contain some error and 6.3 percent of these were found to exceed statutory authority. A 1975 amendment to the APA requires an "economic impact statement" to accompany each proposed rule estimating the costs of the rule to those affected by it. The committee has a staff of 13. A constitutional amendment giving the legislature power to suspend rules was rejected in a 1976 referendum.

Georgia—(Ga. Stat. 3A-104(e), (f)) A 1977 law provides for legislative review of regulations by standing committees predesignated by the speaker and senate president for each agency. Regulations must be submitted by the agencies 20 days prior to their effectiveness. If the committee objects to a regulation, it may introduce a resolution repealing or modifying the regulation at the next session. The resolution must be acted upon within 30 days after the beginning of the session in the house of origin and within five days in the other house. Constitutional two-thirds majority approval in both houses is necessary for the rule to be repealed or modified. If the resolution passes by less than a ⅔ constitutional majority, it must go to the governor, who may sign or veto the resolution. The legislature cannot override a veto of such a resolution.

Idaho—(Idaho Code Sec. 67-5217, 67-5218) All rules authorized or promulgated by any state agency are to be submitted to the legislature in regular session for reference to the appropriate standing committees. Any committee or member of the legislature may propose a concurrent resolution rejecting, amending, or modifying any rule thought to be in violation of the statutory authority or legislative intent of the statute under which the rule was made.

Illinois—(Ill. Rev. Stat., Chap. 127, §1001 es seq.) The bipartisan Joint Committee on Administrative Rules reviews all proposed regulations and makes recommendations to the agency to modify or withdraw the rule. While the agency is not bound to accept the committee's recommendations, it must respond to them. Failure to respond constitutes withdrawal. The committee can introduce a bill to modify or nullify a rule to which it has objected.

Iowa—(Iowa Code Ann. Sec. 17A.8) A new Administrative Rules Review Committee was created in 1975, although authority for regulation review had previously existed. The new committee is composed of three members from each house and meets monthly. It is authorized to selectively review promulgated rules, but is currently reviewing all promulgated rules. The review committee may file objections to rules based on the fact they are unreasonable, arbitrary, capricious or beyond the scope of agency authority. Such objections transfer the burden of proof to the issuing agency in any legal challenge to the rule. An agency unable to sustain this burden of proof in a legal challenge may be liable for all court costs of the challenge. The Rules Review Committee may also refer a rule for consideration to the appropriate legislative standing committee at the next regular session.

Kansas—(K.S.A. 1978 Supplement 77-415 et seq.) The revisor of statutes submits a copy of all rules and regulations filed during the previous year to the Joint Committee on Administrative Rules and Regulations (JCARR) at the beginning of each legislative session. The legislature may pass a bill modifying or rejecting an existing regulation or it may pass a resolution rejecting a proposed regulation or a proposed amendment to a regulation. During the interim, agencies may adopt temporary regulations after obtaining the approval of the Temporary Rules and Regulations Board, which is composed of the Chairman of the JCARR, the Secretary of State and the Attorney General, or their designees.

Kentucky—(K.R.S. 13.087) The Administrative Regulations Review Subcommittee (three members) reviews all proposed regulations as to whether they conform to statutory authority and to the legislative intent of the statutes. If nonconforming, a regulation is returned to the agency with the legislative objections. If an agency does not revise the regulation, it is then presented to the appropriate legislative standing committee or joint interim committee for a second review as to statutory authority and legislative intent. If this committee raises objections, it is again returned to the agency for reconsideration, but the legislature does not have power to suspend a rule and the agency is only required to give "affirmative consideration" to legislative objections and is not bound to modify the rule. A 1974 act provided that all existing regulations be rescinded unless repromulgated by the agencies within one year.

Louisiana—(LRS 49-968 et seq.) The legislature in 1976 passed a law providing that all rules proposed by agencies be submitted to a specified house and senate committee simultaneously upon their filing with the Department of the State Register. The committee may then hold a public hearing and issue a report to the agency expressing approval or disapproval of the rule. Although the committee report is printed in the State Register, the agency is not bound to accept it. A 1977 bill vetoed by the governor would have given the committees the power to stop a rule from going into effect by raising objections within 15 days after it is filed with the committee. The legislature would not have been required to act, but could have overridden the committee's objection by passage of a concurrent resolution. A 1978 law provides that if a committee finds a rule unacceptable, the committee will submit a report to the Governor. The Governor has five days to disapprove the committee report; if he does not, the agency must change or modify the rule.

Maine—(5 MRSA c. 308 § 2501 et seq.) A law enacted by the 1977 session provides that agencies submit all current rules to the legislature by January 15, 1978 for review by the appropriate standing committees. These committees must hold public hearings and recommend to the legislature an expiration schedule for all rules. A committee may recommend immediate expiration of a current rule. The legislature must then pass bills to implement these expiration schedules. All new rules which go into effect after January 1, 1978 automatically expire five years after their effectiveness unless the legislature passes a bill terminating their effectiveness in less than five years.

Maryland—(Md. Ann. Code 1977, Art 40, § 40A.) The Standing Committee on Administrative, Executive, and Legislative Review (five senators, five delegates) reviews regulations as they are published in the Maryland Register. The committee has no power to suspend or veto proposed regulations, but its views are often persuasive with agencies when it raises questions about proposed regulations.

Michigan—(Mich. St. Ann. 24.201-24.315, Act No. 106, Public Acts of 1977.) The Joint Committee on Administrative Rules (three senators, five representatives) has a 60-day period in which to approve or disapprove all proposed rules. Under a 1977 law passed over the governor's veto and effective on January 1, 1978, if the committee disapproves a rule or fails to approve it within 60 days, the rule cannot be adopted by the agency unless the legislature overrules the committee action within 60 days. The state supreme court has refused to consider a request by the governor for an advisory opinion on the constitutionality of this law. In addition, opinions of the attorney general have questioned the constitutionality of legislative disapproval of rules by concurrent resolution, rather than by bill. Legislative power to review and suspend regulation during the interim is authorized in Article IV, section 37 of the state constitution. Michigan has more than 30 years experience with some type of legislative oversight of administrative regulations.

Minnesota—(Minn. St. 3.965) The Legislative Commission to Review Administrative Rules, composed of five members of each house, may hold public hearings to investigate complaints concerning rules and, on the basis of testimony received, suspend any rule. In practice, however, the committee reviews all proposed rules. If a rule is

suspended by the committee, such action must be sustained by the legislature at its next session. Before the committee suspends any rule, it shall submit it to the appropriate standing committees for their review and recommendation. Emergency rules are effective for only 90 days, during which time they must be repromulgated under the regular procedure in order to remain in effect beyond that time.

Missouri—(Sec 536.037, RSMo) Under a 1976 law, the legislature created the Joint Committee on Administrative Rules. The committee reviews all proposed rules published in the Missouri Register, but its review is advisory only. A proposed constitutional amendment authorizing legislative rejection of agency rules was submitted to the electorate by the legislature and was defeated in August 1976. During the 1977 session, the legislature attached to many bills a provision that all agency rules promulgated under the respective bills expired in two years unless approved by a concurrent resolution of the legislature. An additional provision attached to many bills mandated either the expiration of the rules promulgated under the authority of the respective bills, the repeal of the promulgating power, or both, on November 30, 1981.

Montana—(Sec. 2-4-401 et seq, MCA 1978) An Administrative Code Committee was established in 1975 to review all proposed rules. This committee makes recommendations for action by the agencies to the legislature which, by joint resolution, can repeal or compel the amendment or adoption of a rule. Legislation enacted in 1977 mandates that all bills authorizing agencies to promulgate rules include a statement of legislative intent. The new law (SB 37) also shifts the burden of proof to the agency in any subsequent legal action challenging the rule as having been adopted in an "arbitrary and capricious disregard" of the purpose of the authorizing statute. Another 1977 law (SB 120) allows the committee to poll the members of the legislature by mail during the interim to determine whether a proposed rule is consistent with legislative intent.

Nebraska—(Neb. Rev. St. Section 84-901 et seq) The Administrative Rules and Regulations Review Committee reviews proposed rules and recommends to the legislatures appropriate action. The legislature may repeal, change, alter, amend, or modify the original law granting the authority to promulgate rules or general program authority. Under a new law, effective January 3, 1979, the committee has the authority to suspend rules if they do not reflect legislative intent or are contrary to the state's Administrative Procedure Act.

Nevada—(Chap. 233B. 101 et seq NRS) Under a 1977 law, all proposed regulations are submitted to the Nevada Legislative Commission, which must review them at its next monthly meeting. If the commission objects to a regulation, it is returned to the agency, which must resubmit either the same regulation or an amended version to the commission. The regulation is forwarded to the speaker and the senate president for referral to the appropriate standing committee. The legislature can enact legislation amending the statute under which the objectionable regulation was promulgated.

New Hampshire—(NHRSA Sec. 541 A) In 1977, the legislature enacted a law creating a Joint Committee on Review of Agencies and Programs. The committee will have the power to sunset agencies and review their existing rules. In addition, the law provides the standing committees the power to review rules prior to their effective date and may send the rules back to the agency if the rules are not in the proper format.

New York—(NYSA, Legislative Law, Art. 5-2, Secs. 86-88) A 1978 law formally created the Administrative Regulations Review Commission. The Commission, originally created by joint resolution in 1977, is composed of three senate and three assembly members. Agencies must file their proposed rules with the commission at least 21 days prior to effectiveness. The commission has the power to examine agency rules as to their statutory authority, their compliance with legislative intent, their impact on the economy and government operations, their impact on affected parties. In addition, the commission may hold hearings and has been granted subpoena power.

North Carolina—(G.S. 120-30.19 et seq) A 1977 law created the Administrative Rules Review Committee as a permanent committee of the Legislative Research Commission (LRC). All rules adopted by agencies are filed with the director of the LRC, who refers them to the review committee. The committee has up to 60 days to review these rules and may file objections. The agency must respond within 60 days of receipt of the committee's report. Agencies are not bound to comply with the committee's objection, and if they don't, the rule goes to the full LRC for review. The LRC can make recommendations for legislative action to the General Assembly if the agency fails to comply with any commission objections. The law also provides for selective review of all preexisting regulations. It is effective on October 1, 1977 and expires June 30, 1979.

Ohio—(Sec. 101.35, 111.15, 119.01, & 119.03 of Rev. Code) A 1977 law created the Joint Committee on Agency Rules Review with seven members from each house. All proposed rules must be submitted to the committee 60 days prior to adoption. If during that time, the committee disapproves a rule, a concurrent resolution to the effect is introduced. The legislature must adopt the resolution within 60 days to nullify the rule any promulgated during the interim may go into effect, but the committee and the legislature may disapprove the rule by concurrent resolution within the first 60 days of the next regular session. The committee may meet during the interim and may suspend objectionable rules by a two-thirds vote of its members. The suspension must be sustained by the legislature by concurrent resolution within 60 days of the convening of the next regular session.

Oklahoma—(75 O.S. Supp. 1977 Sec. 308) Prior to 1976 the law provided that any administrative rule or regulation could be disapproved by the legislature by joint resolution. In 1976, this was amended providing for disapproval by either house by simple resolution, rather than requiring the consent of both. Review of proposed rules and regulations is conducted by the Division of Legal Services under the direction of the Legislative Council.

Oregon—(ORS 171.705 to 171.713) The Legislative Counsel Committee reviews all proposed rules and reports to the legislature. There is no formal procedure for further legislative action beyond this informational review. Rules are reviewed to determine whether they conform with the intent and scope of enabling legislation, have been adopted in accordance with all legal procedures, and are consistent with constitutional provisions. The committee may recommend changes in the statute authorizing the rulemaking powers.

South Carolina—(Act No. 176 of 1977) The legislature in 1977 passed legislation amending and clarifying a 1976 law creating the state register and providing for legislative review and approval of agency rules. Under the new law, the Legislative Council supervises the printing of the state register, in which are printed all proposed and promulgated rules. Proposed agency rules are reviewed by the appropriate standing committee in each house. These rules cannot go into effect until 90 days after receipt by the legislature. The legislature may adopt a joint resolution during that time either approving or disapproving the rule. The 90-day review period continues to run as long as the legislature is in session. After sine die adjournment, the 90-day period ceases to run until the convening of the next regular session. Emergency rules can be promulgated for 90-day periods only when the legislature is not in session.

South Dakota—(SDCL 1-26-1.1, 1.2) The Interim Rules Review Committee reviews all proposed rules and makes recommendations to agencies and to the legislature on any suggested amendments to the Administrative Procedures Act. By a 5/6 vote of the six-member committee, a proposed rule can be suspended until 30 days after the next legislative session convenes. Unless the committee suspension is sustained by the legislature through passage of a bill within this 30-day period, the rule may take effect. All proposed rules submitted to the committee must have attached to it a fiscal note, prepared by the agency and reviewed by the Bureau of Finance and Management. The fiscal note must include the fiscal impact on state government, the assumptions made in preparing the statement and the source of statistics used.

Tennessee—(Tenn. Code Ann. 4-535) Agency rules are referred in the House to the Government Operations Committee and in the Senate to the appropriate standing committee for review. The reviewing committee of either house may suspend the effectiveness of any agency rule or the amendment or repeal of an agency rule. Such suspension is effective until rescinded by the committee or by joint resolution of the General Assembly. Any suspension must be preceded by 15 days notice to the agency of any contemplated action. Suspension is effective upon written notice from the committee chairman to the Secretary of State. (The Attorney General of Tennessee has advised the Governor that this procedure is unconstitutional and that any suspension of a rule can only be accomplished by passage of a bill by a majority of both houses and approval by the Governor.)

Texas—(Chap. 321, Acts of 65th Legislature, 1977). Under a 1977 law enacted by the legislature, agencies must forward to the presiding officers of each house copies of all proposed rules at the same time they are filed with the secretary of state. The proposed rules are then referred to the appropriate standing committees for review. The legislature has a minimum of 30 days to review prior to the rules taking effect. The committees can send statements supporting or objecting to proposed rules to the agency during that time, but its powers are advisory. Standing committees don't meet very often, if at all, during the 19-month interim between biennial sessions.

Vermont—(3 V.S.A. 817-820). The General Assembly of Vermont in 1976 created an eight-member joint committee on administrative rules. This committee reviews any proposed rule and may recommend its amendment or withdrawal upon a finding that the proposed rule is arbitrary, beyond the authority delegated to the agency, or contrary to legislative intent. Committee recommendations are submitted to the next session of the General Assembly. Objectionable rules may be repealed by joint resolution of the General Assembly.

West Virginia—(Code of W. Va. Art. 3, Chap. 29a). The 1976 session created the Legislative Rule-making Review committee composed of six members from each house. All proposed rules must be submitted to the committee, which has six months to review them. If the committee disapproves a rule, the agency cannot take any "action to implement such disapproved rule or regulation." The legislature may, by resolution, reverse the committee's disapproval, but the rule remains sus-

pended unless the legislature acts. Regulations implementing federally-subsidized programs may be disapproved by the committee, but unless the legislature sustains the disapproval by the end of the regular session, the rule goes into effect.

Wisconsin—(W.S.A. 13.56). The Joint Committee for Review of Administrative Rules (five senators, five representatives) reviews rules and may suspend them until the next session. Any suspension must be ratified by the legislature by passing a bill at the next session. The committee also reports biennially to the legislature and has the authority to direct any agency to promulgate a statement of policy or an interpretation of a rule under the Administrative Procedures Act.

Wyoming—(Wyo. Stat. Sec. 28-82 to 28-89). Under this 1977 law, all existing rules and all future proposed rules must be filed with the Legislative Service Office (LSO). The LSO reviews the rules and reports to the Legislative Management Council. If the LSO has found a rule objectionable and the council agrees, the disapproved rule goes to the governor, who may agree to repeal the rule. If the governor disagrees with the council's recommendation, the council can only recommend that the full legislature act through what is called a "legislative order" (presumably a statute). Legislative action must take place before the end of the legislative session in order to nullify a rule.

LEGISLATIVE STAFF OFFICES

Legislative staff offices providing staff assistance for legislative review of administrative regulations

Alaska. Legislative Affairs Agency, Division of Legal Services, Pouch Y, Juneau, AK 99811, 907—465-3867.

Arizona. (Not specified.)

Arkansas. Arkansas Legislative Council, 315 State Capitol, Little Rock, AR 72201, 501—371-1937.

Colorado. Legislative Drafting Office, Rule-Review Section, Room 30, State Capitol, Denver, CO 80203, 303—839-2045.

Connecticut. Legislative Commissioner's Office, Legislative Legal Services, Room 113, State Capitol, Hartford, CT 06115, 203—566-5030.

Florida. Joint Administrative Procedures Committee, 120 Holland Building, Tallahassee, FL 32304, 904—488-9110.

Georgia. (Review by standing committees; no central staff assistance.)

Idaho. Idaho Legislative Council, State House, Boise, ID 83702, 208—384-2475.

Illinois. Joint Committee on Administrative Rules, 520 South 2d Street, Suite 100, Springfield, IL 62706, 217—785-2254.

Iowa. Administrative Rules Review Committee, State House, Des Moines, IA 50319, 515—281-3064.

Kansas. Legislative Research Department, Room 545—North, State House, Topeka, KS 66612, 913—296-3181.

Kentucky. Legislative Research Commission, Capitol Building, Frankfort, KY 40601, 502—564-3136.

Louisiana. Louisiana Legislative Council, Committee Staff Division, State Capitol, P.O. Box 44012, Baton Rouge, LA 70804, 504—389-6141.

Maine. Legislative Research Office, State House, Augusta, ME 04333, 207—289-3101.

Maryland. Department of Legislative Reference, 90 State Circle, Annapolis, MD 21401, 301—269-2261.

Michigan. Joint Committee on Administrative Rules, 735 Washington Square Building, Lansing MI 48901, 517—373-6476.

Minnesota. Legislative Commission to Review Administrative Rules, Room 3, State Capitol, St. Paul, MN 55155, 612—296-1143.

Missouri. Thomas Graham, Committee on Administrtaive Rules, 301B East High Street, Jefferson City, MO 65101, 314—635-9191.

Montana. Office of the Legislative Auditor, Room 135, State Capitol, Helena MT 59601, 406—449-3122.

Nebraska. Revisor of Regulations, State House, Room 1012, Lincoln, NE 65809, 402—471-2567.

Nevada. Legislative Counsel Bureau, Legal Division, Legislative Building, Carson City, NV 89710, 702—885-5627.

New Hampshire. Office of Legislative Services, Division of Administrative Procedures, Room 107, State House, Concord, NH 03301, 603—271-3680.

New York. Administrative Regulations Review Commission, Senate Section, 23rd Floor, Alfred E. Smith Office Building, Albany, NY 12247, 518—455-3731. Assembly Section, 13th Floor, Agency Building No. 4, Empire State Plaza, Albany, NY 12247, 518—455-3416.

North Carolina. Administrative Rules Review Committee, Legislative Research Commission, 2129 State Legislative Building, Raleigh, NC 27611, 919—733-7044.

Ohio. Legislative Service Commission, State House, Fifth Floor, Columbus, OH 43215, 614—466-7977.

Oklahoma. Oklahoma Legislative Council, 305 State Capitol, Oklahoma City, OK 73105, 405—521-3201.

Oregon. Office of Legislative Counsel, S101 State Capitol, Salem, OR 97310, 503—378-8146.

South Carolina. Legislative Council, P.O. Box 11417, Columbia, SC 29211. 803—759-2334 (committee staff also assists standing committees)

South Dakota. Legislative Research Council, Code Counsel, State Capitol, Pierre, SD 57501, 605—224-3251.

Tennessee. Joint Legislative Services Committee, State Capitol, Nashville, TN 37219, 615—741-3511 (provides staff to standing committees)

Texas (standing committee staff)

Vermont. Legislative Council, State House, Montpelier, VT 05602, 802—828-2231.

West Virginia. Legislative Rulemaking Review Committee, State Capitol, Charleston, WV 25305 (no phone listed)

Wisconsin. David Stute, Legislative Council, State Capitol, Madison, WI 53702, 608—266-1304.

Wyoming. Legislative Service Office, 213 Capitol Building, Cheyenne, WY 82002. 307—777-7881.

Mr. BUMPERS. Mr. President, I yield myself 1 minute.

If Senators are for regulatory reform, vote for the amendment; if they are not for regulatory reform, vote against it.

The way the law now stands we are giving a presumption of expertise where there is none. If there is an expertise, it will be reflected in the record, and the court will so find. If there is not any expertise, then the citizen should have a fighting equal chance.

This bill does not presume the invalidity of the regulation. It does not presume that it is valid. I am not for a knee-jerk approach to regulation, and I am not for throwing the baby out with the bath water.

On the Energy Committee I have zealously guarded the environmental laws of this country when dealing with the Energy Mobilization Board because the air is getting cleaner and the water is getting purer.

All I want to do is give people a fighting chance. The law now presumes that the citizen is guilty until proved innocent.

This is no Johnny-come-lately, as the Senator from Maine indicated. I have introduced this bill every session since I have been in Congress. We held hearings in the Judiciary Committee on it. This year I could not testify and I submitted the very same statement I made during hearings on the bill in the 94th Congress.

I have put a 30-page brief in the RECORD in the 94th, 95th, and 96th sessions of Congress.

Everybody has had an opportunity to review this bill.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BUMPERS. Just a moment.

The American Bar Association debated this matter all day 3 weeks ago in Dallas, and by an overwhelming majority they endorsed it.

Mr. EXON. Mr. President, I am sure that a day does not go by when each Member of this body is confronted with an example of some agency of the Federal Government taking action contrary to commonsense and outside of reasonable interpretation of the expressed will of the Congress.

The people of this Nation are demanding that the Congress take action to make the Federal bureaucracy accountable to both the Congress and the people. The Bumpers amendment is, I submit, a reasonable and long overdue step in the direction of fulfilling this wish of the American people.

The Bumpers amendment is simple. It takes away the now court-recognized principle that a Federal agency's interpretation of Federal law is presumed to be correct. Mr. President, there should be no such presumption .

A citizen who challenges an agency is faced with a serious obstacle in overcoming this presumption. It is entirely appropriate and fair that the Federal agency should be given the burden of proving the legality of its action. At least, the American citizen seeking to challenge an agency action would be placed on an even level with the bureaucracy.

For the simple reason of fairness, Mr. President, I am pleased to support and cosponsor the Bumpers amendment.

ADDITIONAL COSPONSORS OF UP AMENDMENT NO. 535 TO S. 1477

Mr. BUMPERS. Mr. President, I ask unanimous consent that Senator DURKIN and Senator SIMPSON be made cosponsors of the Bumpers amendment (UP No. 535) to the Federal Courts Improvement Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I yield back the remainder of my time.

Mr. CULVER. I yield back my time. I move to table the amendment and I ask for the yeas and nays.

Mr. BUMPERS. I ask for the yeas and nays.

Mr. CULVER. I move to table.

Mr. STEVENS. Mr. President, parliamentary inquiry. Are the yeas and nays on both the motion to table and on the amendment?

Mr. CULVER. That is right. We are just moving to table.

Mr. STEVENS. Are the yeas and nays only ordered on the motion to table?

Mr. CHILES. On the amendment.

Mr. BUMPERS. If the motion to table is not agreed to.

Mr. CULVER. I want to make clear that under the understanding there will not be a vote on final passage until after 2 o'clock.

Mr. President, can we have a vote on the motion to table?

Mr. STEVENS. Mr. President, parliamentary inquiry again.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. It is my understanding there will be no vote on final passage. There might be a vote on the adoption of the amendment. This bill will be set aside once we get to third reading.

The PRESIDING OFFICER. The Senator from Alaska is correct. The question is on agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

Is there a sufficient second? There is a sufficient second.

The question is on the motion to table.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays on the motion to table, and I thought the Chair said there was a sufficient second.

I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second, There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa to lay on the table the amendment of the Senator from Arkansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. YOUNG (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from South Carolina (Mr. THURMOND).

If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Rhode Island (Mr. PELL), the Senator from Maryland (Mr. SARBANES), the Senator from Mississippi (Mr. STENNIS), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Idaho (Mr. CHURCH), and the Senator from West Virginia (Mr. RANDOLPH) are absent on official business.

I further announce that if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The PRESIDING OFFICER (Mr. BAUCUS). Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 27, nays 51, as follows:

[Rollcall Vote No. 263 Leg.]

YEAS—27

Baucus	Glenn	Percy
Bradley	Hart	Proxmire
Chafee	Levin	Ribicoff
Cochran	Magnuson	Riegle
Cohen	Mathias	Roth
Culver	Metzenbaum	Stafford
Danforth	Moynihan	Stevenson
Dole	Muskie	Tsongas
Durenberger	Nelson	Williams

NAYS—51

Armstrong	Garn	Morgan
Bellmon	Hatch	Nunn
Bentsen	Hayakawa	Packwood
Boren	Heflin	Pressler
Boschwitz	Heinz	Pryor
Bumpers	Helms	Sasser
Burdick	Huddleston	Schmitt
Byrd, Harry F., Jr.	Humphrey	Schweiker
Byrd, Robert C.	Jackson	Simpson
Cannon	Johnston	Stevens
Chiles	Kassebaum	Stewart
DeConcini	Leahy	Stone
Domenici	Long	Tower
Durkin	Lugar	Wallop
Eagleton	Matsunaga	Warner
Exon	McClure	Zorinsky
Ford	McGovern	
	Melcher	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Young, for.

NOT VOTING—21

Baker	Hatfield	Pell
Bayh	Hollings	Randolph
Biden	Inouye	Sarbanes
Church	Javits	Stennis
Cranston	Jepsen	Talmadge
Goldwater	Kennedy	Thurmond
Gravel	Laxalt	Weicker

So the motion to lay on the table was rejected.

Mr. CULVER. Mr. President, at the appropriate time, on behalf of the majority leader I will make the unanimous request that the Senate go in recess until 2 o'clock, following the vote on the tabling motion.

Mr. NUNN. Will the Senator withhold that? I had the assurance of the leadership to present a statement I wanted to make. I would not mind any unanimous consent request, provided it gave me 15 minutes before the recess. I spoke to the majority leader and as far as I know he has no objection.

Mr. CULVER. Mr. President, could we have order?

The PRESIDING OFFICER. The Senator will suspend.

The Senate is not in order.

Mr. CULVER. Perhaps the Senator from Georgia would be kind enough, upon the completion of his remarks, to make the request that the Senate stand in recess from that point until 2 o'clock.

Mr. NUNN. The Senator could propound the unanimous consent request. The Senator from Georgia would request to be allowed 15 minutes prior to the Senate going into recess, following which time the Senate would go into recess until 2 o'clock.

Mr. BUMPERS. Would the Senator be willing to present a unanimous consent request including that we vote on the amendment at 2:15?

Mr. CULVER. I do not think we can resolve that right now. I think it is appropriate and necessary to speak to the chairman of the full committee as to what his wishes are. He is not available right now.

Mr. BUMPERS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. How much time remains on both sides?

The PRESIDING OFFICER. There is no time remaining on the amendment.

Mr. PERCY. Reserving the right to object, may I make an inquiry of the floor manager?

Mr. CULVER. Yes.

Mr. PERCY. It was my understanding that we would be finishing our business today between 3 and 4 o'clock. What is the present thinking?

Mr. CULVER. I am not in a position to advise the Senator from Illinois on that.

The PRESIDING OFFICER. The question now recurs on the amendment. The yeas and nays——

Mr. CULVER. No one has moved for a vote on the amendment. A point of order, Mr. President. It is my understanding, after speaking to the sponsor of the amendment, that he understood that the members of the Senate Judiciary Committee who were asked to come in here and speak on the amendment, be given an opportunity to speak to the chairman of our committee as to whether or not, in fact, a vote is even necessary for final passage. But we did request the courtesy of that.

Second, we went ahead and agreed to vote on the motion to table prior to 1 o'clock to accommodate eight Senators who are now at the White House. We made that effort. It seems to me on both those grounds it would be highly inappropriate to move for a rollcall vote at this time, because this was the understanding with the majority leader as well as that of the acting minority leader and that of the Senate when they left.

I respectfully request that any call for a vote on the amendment be deferred until 2 o'clock or after 2 o'clock as agreed upon. That was the understanding of the Senator from Iowa.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BUMPERS. Mr. President, reserving the right to object, the yeas and nays have been ordered on the amendment, have they not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Mr. President, a lot of Members this afternoon are going to be leaving and certainly I want to accommodate the distinguished floor manager and members of the Judiciary Committee, especially the chairman. However, I cannot agree to a unanimous-consent request unless we can get some kind of a time certain. For example, would the

floor manager agree to a time certain, we will say 2:15? If that turns out to be unsatisfactory with the chairman of the committee, I might be willing to postpone it a few minutes. I know a lot of people are going to be leaving this afternoon around 2 o'clock and I do not want to carry this thing over. I have to insist that we get a time certain on the vote.

Mr. CULVER. I am in no position to authorize a time certain on a vote. I was asked to make this request by the chairman of the committee. He intends to come from another meeting to speak on the amendent.

Second, it was understood, and I thought the Senator from Arkansas was privy to the negotiations and discussions that went on between the majority leader and the acting minority leader, that we would try to have one vote on the motion to table prior to 1 o'clock to accommodate the eight Senators who otherwise would miss that vote, and then following that, we would go into recess until 2 o'clock. If, in fact, a subsequent vote on the amendment were even requested, I understood there would be an opportunity to speak to the chairman of the full Judiciary Committee before reaching that point. I am certainly not intentionally trying to delay the Senate's consideration, but I do not see how we can be faithful to the understanding of the leadership as to what we are going to do between now and 2 o'clock.

I certainly am in no position to agree on a time certain for a vote or whether or not a vote will even be requested—I am not requesting it—until we have had the courtesy of an opportunity to speak to the chairman of the full committee. That will not be possible until after 2 o'clock.

Mr. DECONCINI. Will the Senator from Iowa yield for a question.

Mr. CULVER. Yes.

Mr. DECONCINI. Mr. President, can the Senator from Arizona be advised by the Chair how much time is left on the amendment of the Senator from Arkansas?

The PRESIDING OFFICER. There is no time remaining on the amendment.

Mr. CULVER. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. How much time is left on the bill?

The PRESIDING OFFICER. The Senator from Arizona has 20 minutes.

The Senator from South Carolina has 22 minutes remaining on the bill.

Mr. DECONCINI. That is on the bill and there is no time remaining on the amendment of the Senator from Arkansas?

The PRESIDING OFFICER. That is correct.

Mr. DECONCINI. Which means there is no further debate allowed?

The PRESIDING OFFICER. That is correct, unless time is yielded on the bill.

Mr. CULVER. Mr. President, I do not know if the chairman wishes to speak. The distinguished Senator from South Carolina, who has 20 minutes may speak on that if he wishes.

There may well be a desire on the part of either the ranking minority member of the Judiciary Committee (Mr. THURMOND) or the distinguished chairman of the Judiciary Committee (Mr. KENNEDY) to speak. Neither one of them is here. I think that, as a minimum, we should protect that interest.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I have 22 minutes. I would be happy to yield 15 minutes to the Senator from Georgia on an unrelated matter.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I do not intend to interject myself into this debate.

Mr. President, before I begin, I might say that if the Senator from Arkansas and the Senator from Iowa could get together on some agreement, I would be glad to yield such time as necessary for them to propound a unanimous-consent request, because my remarks have nothing to do with this bill. I shall proceed, however, with that understanding.

SALT II AND DEFENSE SPENDING

Mr. NUNN. Mr. President, for the past several months, our Nation and the Senate have been grappling with the complexities of the SALT II treaty in a fashion that hopefully can produce a consensus on America's requirements for national security ad our future approach to arms control.

As Congress returns from its August recess, we enter a crucial stage in this process.

In my opinion, when the Armed Services Committee began its hearings on the SALT II treaty in late July, the Carter administration apparently had no intention of requesting a supplemental 1980 budget for military programs. Nor did the administration appear, in late July, to be serious about fulfilling its 2-year-old commitment to NATO annually to increase real defense spending by 3 percent over a 5-year period. Voltaire once said of the Holy Roman Empire that it was neither holy, Roman, nor an empire. As of July 1979, the administration's 3 percent real growth was neither 3 percent, nor real, nor growth.

When the Joint Chiefs of Staff, former Secretary Kissinger, General Haig and I, as well as others, made an unrebutted case that this Nation had failed to meet this commitment to our allies, the administration restated its pledge and appointed a task force to review our defense spending needs.

In late July, I was pleased to hear Mr. Lloyd Cutler, the President's special representative on SALT II and newly designated legal counsel, state on public television that the commitments I postulated as necessary to begin to reverse the adverse defense trends probably would be met by the Carter administration.

Mr. Cutler's statements, as well as other administration statements, evidently convinced a large segment of the national news media that approval of the SALT II treaty is "in the bag" because the administration is prepared to meet the "Nunn-Kissinger" conditions. While this tune was being hummed by several administration spokesmen, a different melody was being played almost simultaneously by other unnamed administration officials.

Shortly after Congress went into recess, George Wilson of the Washington Post wrote an article that has since been parroted by other media throughout the country. In this article, Mr. Wilson quotes several high-placed administration sources as saying that no one can figure out how to spend the money requested by Nunn and Kissinger. "I don't know what they'd buy," said one. A White House budget official was quoted as saying that he would be hard pressed to come up with projects to match the money being proposed. These sources remain unidentified.

This view was publicly challenged by Gen. David Jones, Chairman of the Joint Chiefs of Staff. General Jones addressed this issue with on-the-record facts and figures rather than shooting from the shadows with phantom statements and unsupported allegations.

An unnamed White House official is quoted in the New York Times of August 31, 1979, as contending that "the Pentagon has failed so far to make a convincing case for an increase in spending." In the same article, the officials indicate that "unless the Pentagon comes up with a better rationale for increasing military spending, the administration's chance for clearing the way for Senate passage of the arms treaty by meeting the Nunn-Kissinger concerns over the military balance will be slim."

The Washington Post carried a story on August 28, 1979, stating:

> But Carter, Brown and other administration executives have concluded it will be hard enough to get the majority of Congress to go along with a 3 percent increase, once the extra billions required are toted up, far less for 5 percent.

Mr. CULVER. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. CULVER. Mr. President, I asked the Senator to yield for a question. How long does he think he will proceed?

Mr. NUNN. About 10 minutes, Mr. President.

Mr. CULVER. Would it be all right to have a unanimous-consent agreement that, following the completion of the Senator's remarks, the Senate stand in recess from 1:40 until 2 p.m.?

Mr. NUNN. That will be fine.

Mr. TOWER. Reserving the right to object, would that include any questions that we might want to address to the Senator from Georgia?

Mr. CULVER. I withdraw the unanimous-consent request, Mr. President.

Mr. NUNN. Mr. President, let me say to the Senator from Iowa, could we propose a unanimous-consent request that, following my remarks and any questions on this subject, the Senate stand in recess until the hour of 2 o'clock?

Mr. CULVER. Mr. President, whatever the Senators want to work out is all right with me.

Mr. NUNN. Would the Senator have any objection to that?

Mr. CULVER. I would not have any objection. I have been trying to fulfill my obligation to other Senators.

I think the Senator from Georgia is making a very important statement. I sense that maybe the Senator from Texas and maybe the Senator from Utah would like to add to that colloquy.

So I think, perhaps, under the circumstances, it is virtually impossible to carry out the desire of the majority leader to afford the Senate a brief recess.

Therefore, Mr. President, I ask unanimous consent to withdraw my request for any recess.

Mr. NUNN. Mr. President, I thank the Senator from Iowa.

I might say, if he is in such an area, he could listen to the squawk box and hear all that. It is a subject with which he is enthralled, very much, and thinks very important.

Mr. CULVER. I cannot tell the Senator the difficulty I have pulling myself away.

Mr. NUNN. I can see that.

Mr. CULVER. The only thing that comforts me is that tomorrow when it is hot off the press I can read it in the report.

Mr. NUNN. That is right.

Mr. CULVER. But, under those circumstances, I have to go to another meeting.

Mr. NUNN. The Senator will be missed.

Mr. TOWER. I simply say that I suggest the Senator from Iowa go to lunch and we will zealously defend his interests while he is absent.

Mr. NUNN. Mr. President, I will continue my remarks.

These leaks and background comments by unidentified sources, interspersed by occasional comments attributable to unnamed high administration officials, have taken place during a period of time when some of us had been told the administration was objectively reassessing our Nation's security needs.

While publicly the administration is gently criticizing the Budget Committee defense cuts, those on the committee like Senator HOLLINGS leading the fight for increases are under the impression that the administration is opposing their efforts.

Senator HOLLINGS conveyed these thoughts directly to President Carter by letter on August 3, 1979, and I quote that letter:

> DEAR MR. PRESIDENT: I write as a member of the NATO delegation, as a member of the Budget Committee and as a member of the Defense Subcommittee of Appropriations, trying my dead level best to keep your commitment to the NATO alliance for 3 percent real growth in defense. My understanding is that the alliance has adhered well, the figures for 1980 showing an increase in growth of 4.8 percent for Canada, Italy with 3 percent, France with 6.1 percent, the United Kingdom with 3.2 percent.
>
> A coalition attempted on the House side earlier this year to provide for the commitment and the White House Liaison team worked against the move. We have one more chance now in the Second Concurrent Resolution before the Congress in September. At that time, I will submit an amendment for a $2.6 billion increase. I am enclosing a copy of the material I used on yesterday when the amendment was defeated in the Budget Committee by a vote of 6–8. I am greatly disturbed by the morning headline that "SALT May Bring Pentagon Embarrassment of Riches." We are not enriching, we are playing catch-up ball. We are way behind in our defense effort. Representations by you for increases in the defense budget in the future will mean little if we cannot fulfill the minimal commitment to NATO now. I beg of you to instruct the White House Liaison team to help us in obtaining the votes for this amendment. I will be in touch with Frank Moore and will appreciate very much your help and his help.
>
> With kindest regards, I am
>
> Sincerely,
>
> ERNEST F. HOLLINGS.

The administration apparently now has the following gameplan: first, to send up to the Congress a supplemental appropriation request portrayed as a fulfillment of its 3-percent pledge to NATO for fiscal year 1980; second, to protest mildly from the sidelines as the House Defense Appropriations Subcommittee carves up the fiscal year 1980 funding request; third, to continue to fake to the "right" while winking to the "left" as the budget committees arrive at their final recommendations for 1980 and subsequent years without an all-out administration fight for desperately needed adjustments; fourth, to continue to spread the notion from unnamed administration sources that the Defense Department cannot wisely spend the funds it already has, much less any additional money; and finally, to imply that the burden is now on those who advocate a stronger defense effort to prove that they can persuade a majority of the House and Senate to increase spending while, at the same time, this effort is being undermined by unnamed administration sources.

Mr. President, I hope that these impressions are ill-founded. Those of us who believe—and continue to believe—we are entering a period of vulnerability—with adverse defense trends and inadequate budgets—will continue to do our best to sound the trumpets to alert the American people to the need to change the pace and direction of our national security policies.

I had hoped, and continue to hope, that the SALT II debate would produce what Senator GARY HART described as "a consensus on our national security needs."

Mr. President, I can furnish a long list of areas where greater defense expenditures are needed. It is not some Pentagon "wish list" of fancy new weapons. I am talking primarily about adequately funding the current force levels to which the administration is, theoretically, committed.

Let me cite one example—the Navy. For fiscal 1980, the administration requested a total of 15 ships and 39 combat aircraft for that service. These aircraft represent slightly more than one-third of the approximately 100 planes the Navy annually loses in accidents. For fiscal 1981, I understand that the administration will request 50 aircraft, still only one-half the number that will be lost in crashes, to say nothing of those phased out of the inventory due to obsolescence.

With respect to ships, it would take the authorization of at least 17 new vessels per year just to keep our current fleet of 458 active ships from continuing to decline in size. If we were to set as our objective a 600-ship Navy by the year 2000, which many analysts regard as essential to maintaining naval superiority over the Soviet Union, we would have to procure at least 24 ships per year. Yet, having requested 15 vessels for fiscal 1980, the administration apparently intends to request a total of 12 or 13 vessels for 1981, including 5 noncombatant tugboats.

That means that we really have seven ships that are of a combatant nature.

The other services are in no better condition with respect to essentials—tanks, ammunition, spares, and missiles. As I stated on July 25, 1979, it is vital as we try to regain essential equivalence in the late 1980's in strategic nuclear forces that we not finance that effort by diminishing our already insufficient investment in general purpose forces.

I have never claimed, and in fact have always denied, that I command any votes on SALT II other than my own. I have never taken a vote count in the Senate on Salt II, and I do not know whether my vote is needed for ratification.

I do know that:

First. The military trends across the board are adverse to the United States of America.

Second. The 5-year budget projections proposed by the Carter administration will not provide sufficient funding to enable our military forces to meet the obligations of the President's own national security policies—not Sam Nunn's policies, or John Tower's policies, or the Senate Armed Services Committee policies, or Jake Garn's policies, or Harry F. Byrd's policies, or John Warner's policies, but President Carter's policies.

Third. The President's defense budgets for fiscal year 1980 through fiscal year 1984 would underfund the President's own 5-year defense plan by over $60 billion.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I have been yielded time by Senator DOLE in the amount of 7 minutes. I yield whatever is required to the Senator from Georgia.

Mr. NUNN. I thank the Senator from Texas.

Mr. President, I might add that the $60 billion figure is based on the OMB level. If you use the OMB level, the number is much higher. The much higher number would be somewhere nearer $80 billion in underfunding of the President's own program, not my program.

Fourth. The President's current national security policies will not be met by 1985 under the current 5-year defense program—even if it is fully funded with a 3-percent additional real growth each year for the next 5 years.

These conclusions are not solely mine, nor those in Congress and the Nation who support a strong national defense. They are also the conclusions of the Carter administration's Department of Defense.

I agree with those who state that the President should not increase defense spending solely to gain SALT votes, whether it is my vote or someone else's vote. The President should recommend increased defense spending only for purposes and programs he believes are necessary for our national security. Our defense problems and the adverse trends did not develop in 1 or 2 years. They will not be cured in 1 or 2 years. Only a determined, well planned, long-term commitment can reverse these trends over a 5- to 10-year period. Only the President of the United States is capable of making this case to the American people.

Even more important than precise budget levels is the fundamental question as to whether the Carter administration comprehends the magnitude of the military challenge confronting us and, if so, whether it is prepared to arouse the Nation to meet the challenge.

The failure to provide adequate funding for military forces capable of meeting these Presidential policies for contingencies in NATO, in Korea, and in the Persian Gulf—as well as our own naval and strategic forces—in my view, will be unacceptable to a majority of American citizens when they are exposed to the true facts, as inevitably they will be at some point.

In summary, I believe that President Carter has an obligation to our own military forces and to our Nation to either accept these conclusions and explain to our Nation why we must significantly increase our defense resources; or, if the President believes that I am not correct and that his own Joint Chiefs are not correct and that the Department of Justice is not correct, he has an obligation to refute factually the conclusions of his own Defense Department and the Joint Chiefs; or, if neither of these options is acceptable to the President, he has an obligation to reduce our Nation's national security objectives to make them consistent with our current capabilities and the capabilities we will have in the early and mid-1980's, and then he has a corresponding obligation to explain the attendant risks of that course of action to the American people.

With or without SALT II, no other responsible alternatives are available.

Mr. President, I thank Senator DOLE and Senator TOWER for making this time available to me. If there are any questions—since I understand we have more time—I will be glad to answer them.

Mr. TOWER. I was interested to note that the Senator said we should consider the matter to increase defense spending as simply a price for ratification of SALT II.

Is it not true that witnesses testifying in favor of the SALT II treaty, including the Joint Chiefs, including the President's own Secretary of Defense, have stated, that, aside from whatever flaws there may be in the treaty, one of the principal problems associated with ratification might be that it would create a climate of euphoria in which the general citizenry might be lulled into believing that it was not necessary to spend more money on defense or to spend even at current defense level?

That being the case, would it not be obligatory on the administration, even if it were assured, absent any other consideration, of enough votes to ratify the treaty, to try to dispel that euphoria immediately, which its own witnesses have testified is a clear and present hazard, by raising our defense spending at least in the amount necessary to cover the administration's own projections of what we require?

Mr. NUNN. I agree with the Senator completely. I think it is abundantly clear that the witnesses before our committee, before we had anybody testify against the treaty—the people who were testifying for the treaty, Secretary Brown and the Joint Chiefs and other administration witnesses—made the exact case that the treaty itself did not do the job, that we were going to have to increase our defense efforts.

The Joint Chiefs went so far as to say, in answer to questions by me and others, that the treaty itself would not be a plus for this Nation unless we increased our own defense spending together with the treaty. Not because arms control is hopeless, but because we are losing every day our leverage; and the SALT II treaty is more or less a photograph of where we now stand vis-a-vis the Soviets. I am afraid that SALT III, if we reach SALT III, also will be a photograph, and that photograph is becoming less and less favorable to the United States of America.

Mr. TOWER. Was not the thrust of the testimony by General Jones and other members of the Joint Chiefs that the primary reason they supported the treaty was that it did impose limitations on the Soviets but that it would not make any difference whether we had a treaty or not, if we did not develop and deploy the programs necessary to maintain an adequate defense posture?

Mr. NUNN. That is exactly right.

The Chief of Staff, as I recall his testimony, without trying to quote it directly, basically said that the reason he was able to endorse SALT is that he felt confident that the American people, led by the President of the United States, joined by Congress, would adequately fund our defense budgets in the coming years. Then, in answer to other questions, he said that the budgets were not being funded adequately now.

The Joint Chiefs also testified that what is happening right now is that as the administration increases the strategic end of the defense budget, which they are doing to fund the MX and other programs, they are taking that right out of the general purpose forces.

I cited an example of the Navy. We literally are seeing our Navy deteriorate in front of our eyes. What we are talking about now is the Navy of the 1980's and early 1990's. Decisions are being right now, as we stand in the Senate, that basically are determining our 1980's and 1990's Navy. That Navy, where we still have some advantage, in my opinion is disappearing before our eyes, although we will not feel it and we will not be held completely accountable for it until the late 1980's.

Mr. TOWER. Therefore, if this administration is to sustain and reinforce the arguments pursued by its own surrogates in trying to convince the American people that SALT is right, is it not incumbent upon the administration to increase spending to cover the programs necessary, to cover the critical deficiencies in our defense capability now?

Mr. NUNN. I agree a hundred percent with the Senator.

Mr. TOWER. In other words, it becomes a matter of intellectual honesty on the part of the administration.

Mr. NUNN. That is right.

Mr. TOWER. Because its own surrogates said we do need to maintain our defense strength to produce and deploy new systems. Therefore, the administration would be breaking faith, in fact, with its own arguments if it failed to do this.

Mr. NUNN. I agree with the Senator from Texas—unless the administration has some advisers on national security about whom we do not know.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. TOWER. Mr. President, I ask unanimous consent that the Senator from Georgia may be allowed to proceed for 10 minutes, without the time being charged to anyone.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NUNN. Unless some of these people, who are unidentified and faceless in the administration, who are quoted and have been quoted for the last 30 days in the New York Times, the Washington Post, the Baltimore Sun, and other publications, are the true national security advisers to the President, and unless the President does not get his national security advice from the Department of Defense and the Joint Chiefs of Staff, the Senator is correct.

If these people are the true national security advisers, then we should have a chance to get them before the committee and see what evidence they have that contradicts all the testimony and the witnesses and everything I have seen from the Department of Defense.

Mr. TOWER. If the Senator will yield for a comment, I will appreciate it if he will then yield to Senator Garn.

I might note that I think it is becoming apparent to some that the prospects of easy ratification of the treaty are not what they have been made to appear by the press. It is amazing to me that sophisticated journalists in the city of Washington who should know better have been convinced by the very skillful and persuasive comments and arguments of Mr. Lloyd Cutler that, in fact, everything is going smoothly, in the administration's terms, for ratification of SALT II.

I hope that at some time the press will become disabused of that notion. They apparent have not yet.

I wish to sav at this point that certainly on this side of the aisle there are a substantial number of Senators who have considerable reservations about this treaty and I do not think that the treaty in its present form with no alteration, with no amendment, with no commitment to increase defense spending could get the requisite votes necessary to assure its ratification from the standpoint of Senators on this side of the aisle. I think that message should go out to the American people because I think they are getting a distorted notion of just what the prospects for ratification are and the degree of acceptance here.

I at this time express my admiration for Mr. Lloyd Cutler because he has certainly been able to do a job on a very sophisticated press corps here in Washington, and I do not know of anyone else who was able to do a comparable job in the 18 years I have been here.

Mr. NUNN. I might say to the Senator from Texas that it is apparent the President found an adequate replacement for Rafshoon. The question is who is going to replace Mr. Lipshitz.

Mr. GARN. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. GARN. Mr. President, first of all, let me say how much I appreciate the Senator's statement today. Having had the opportunity of serving with the distinguished Senator from Georgia for 2 years on the Armed Services Committee, I know his expertise in the area of NATO.

Just last weekend I spent 3 days in Brussels on the future of NATO, the first 30 years, and the next 30 years. Henry Kissinger was chairing. It was fascinating to me to sit for 3 days in those meetings, and the very thing that came out over and over again from our 14 nation or 15 nation allies was: "What is going to be your commitment, Senator?" They were continually saying: "We are meeting our 3 percent. Your country committed to do that and you have not."

I read the Nunn-Bartlett report again on the airplane going over to refresh my mind, but it was very disturbing to me to sit in that conference and hear allies question our credibility and talk about the operational and maintenance problems, the equipment that we have there is inadequate in number to begin with, but then, second, much of it not in operating condition because of lack of spare parts and cannibalization and the things the Senator from Georgia knows more about than almost anyone else in the Senate in respect to NATO.

So I think we absolutely have to consider this. Forgetting SALT for the moment, pushing that aside, the need is there in this one area alone in conventional weapons systems and theater nuclear weapons in NATO and beyond the actual needs for those expenditures our credibility is at stake with those allies. They have severe questions and that disturbs me, that they were so concerned about whether we would keep our word as announced by this administration because, as the Senator said, we have not. We have not had a 3-percent real increase in our NATO commitment. The conditions are worsening from what the Senator from Georgia and Senator Bartlett reported a couple years ago.

So I thought it might just be of interest to include that along with the Senator's remarks that our NATO allies are sincerely concerned apart from SALT about what we will do in our commitment to defend Western Europe.

Mr. NUNN. I thank the Senator and I certainly agree with that assessment.

Mr. President, I think our allies have every right to be concerned, since we took the leadership in making the proposal for a 3-percent increase. That was done by the President. Until July of this year, as I pointed out in my remarks, it seemed that that pledge, even though it was an international pledge publicly made, had been completely forgotten. Now I am happy it is being restored, but it makes one wonder about future pledges.

Mr. WARNER. Mr. President, will the Senator yield?

Mr. NUNN. I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I consider it a privilege to associate myself with the remarks of the Senator from Georgia here today and to provide what I believe is an assurance that his message is not falling upon deaf ears. The American people have never in the history of this great Nation failed to respond in terms of strengthening our national defense. Irrespective of the actions that our leaders may take, I am confident that those of us who aline ourselves with what the Senator from Georgia is trying to do will receive the support of the American people and in due course we will see a reversal of the trend in the United States.

I thank the Senator from Georgia.

Mr. NUNN. I thank my colleague, one of our stalwarts of national security, my friend from Virginia, for his kind remarks.

Mr. EXON. Mr. President, will the Senator yield for a question?

Mr. NUNN. I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, the question that I have may be answered by Senator NUNN or Senator GARN who was recently in Europe.

I do not know whether some of the things I am hearing are accurate or not. While I generally agree with the statements that have been made by several of my colleagues in the Chamber this afternoon—all of us here present I think serve on the Armed Services Committee—my question has to do with the statement that Senator MUSKIE made in the Budget Committee this morning. I was wondering if the Senator from Georgia heard about this in NATO. He made the statement that the West German Government, I believe, has just announced that there is only going to be a 1½-percent increase in real budget terms in the budget of West Germany in support of NATO.

Is the Senator familiar with that?

Mr. NUNN. I have not heard that. I do know that West German military forces have been growing in real dollar terms at a rate greatly exceeding ours for the last 7 or 8 years. Our rate has been going down.

As the Senator knows it was about 5 percent of our gross national product. Now we are at a lower level than since before the Korean war.

I have not heard exactly the West German defense budget commitment. That would not be good news. That would not change my views in any way about America's obligation but it would be a very disappointing bit of news as far as our key ally in NATO.

They have always taken our lead in our defense effort. The Germans have been in the forefront of increasing defense along with the United States, and I would hope that that report would prove to be inaccurate. But I certainly have no information to the contrary.

Mr. EXON. Mr. President, is it out of order if I ask the Senator to yield to Senator GARN?

Mr. NUNN. I am glad to yield to Senator GARN.

Mr. GARN. Mr. President, I say as of last Saturday when all of these questions were coming up in Brussels the commitment was there that Germany would meet the 3 percent. In fact, it was a German representative who said: "We will. Will you, Senator?"

I said: "I cannot speak for my administration. I can speak as a member of the Defense Appropriations Subcommittee that I certainly will cast my vote in favor of doing that."

But the German representative made that commitment on Saturday. I, too, have not seen any report today. But that commitment was made last Saturday.

Mr. NUNN. Mr. President, unfortunately the Germans are well aware that we did not meet our commitment the first year as to the first year pledge of the United States. Even though, we led the way in making the overall pledge, we did not meet our commitment. We have not grown in fiscal year 1979 3 percent, particularly if you count budget authority. If you look strictly at outlays which allows someone to accelerate spending from past years commitments, simply on an expenditure basis, and if you count that you get one answer, but if you count budget authority we clearly have not met our 3 percent in 1979 and will not in 1980 unless there is a supplemental. I am hoping there will be a supplemental.

Mr. EXON. Mr. President, will my good friend from Georgia yield for one additional question?

Mr. NUNN. I yield.

Mr. EXON. To try to put this matter in proper perspective, and correct me, please, if the Senator thinks I am wrong, the information that we have reviewed in the Budget Committee on defense, the total defense appropriations and spending as far as NATO is concerned, would indicate that at least the figures that we debated and rely upon would indicate that the United States for a number of years has been spending a higher percentage of its gross national product on defense than all of the European countries. I believe the figures, if I remember them correctly, were that the United States was spending something around 6 percent of our gross national product on defense. The next country I believe in the NATO alliance nearest was West Germany at about 5 percent. It went on

down to, I think, 2 or 3 percent for some of the other countries there and, of course, if we include Japan we found that Japan was spending less than 1 percent of its gross national product.

I ask this question merely to clarify the record to see whether you agree that for the last period of years we still, while we may have been going down, have been spending a higher percentage of our gross national product on defense than have our NATO allies.

Mr. NUNN. There is no doubt about that in general.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. NUNN. Mr. President, I ask unanimous consent that I may be permitted to speak for 5 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. There is no doubt that the United States has been the principal partner making the most sacrifice for NATO since its inception going back to the 1940's.

Neither is there any doubt in my mind that our allies have not done their part. They never have. They have not in the 1950's, they have not in the 1960's, and not in the 1970's. Relatively speaking they are doing better than in the past. But that does not cure the problem.

I would not in any way pin laurels on our allies and say they are the good guys, they have been doing their part, and we have not. That is not my intention at all. We have always been the leader and, of course, the Senator has to realize part of our overall commitment to our NATO allies, and really to our allies around the world, is that we will furnish the nuclear might. We will furnish all of the intelligence-gathering or most of the intelligence-gathering apparatus and they will furnish about 80 percent of the conventional forces.

One of the things that most concerns me is the deterioration of the nuclear strength in Europe, the detachment of nuclear strength. Our allies have historically relied on us to take the initiative there. We are not doing it now. The neutron bomb debate is really one of our problems in that regard. But, nevertheless, the allies, in my view, are not doing their part.

Now, the question is though when you lump overall U.S. military spending, and you bring Japan into the picture, that is a relationship that is different from that of NATO.

Mr. EXON. I realize that.

Mr. NUNN. The Japanese have had for a long number of years, imposed by the United States, a provision saying that they will not have any defense forces or armed forces. The 1-percent figure has grown up over a period of years. We have written a report on that, and I am sure the Senator probably has a copy of it.

The Japanese are beginning to turn that around. The Senator is correct in saying that the Japanese are spending 1 percent of their gross national product while we are spending 5 percent. I think it has to be turned from a partnership atmosphere. I think it is beginning to be happening in Japan, and I am more optimistic about that than I have been for a long time.

Yes, our allies have to do more than they are doing. The question is how do we handle that with our own defense budget? Do we lead the way toward progress or lead in the opposite direction? We are the leaders, whether we realize it or not.

Mr. EXON. I would suggest, in general agreement, that while we are the leaders we should ask our partners to do likewise, and, therefore, I guess I am not too much taken by the fact of the criticism now being directed at us by some of our NATO allies that we are not doing enough in spending.

I just wanted to make the record clear that in the immediate past history we have been spending much more on defense than have our NATO allies.

Mr. NUNN. I would say that criticism coming from people in this country that we are not doing enough is valid. Coming from some of our allies who have not done their part I think is somewhat tainted.

I must add though in defense of our allies that to some degree they do not have what is known as a volunteer force in those countries, with the exception of Great Britain. If they tell you they are spending x number of dollars on their national defense and you are not spending as much as they are they point out where their money is going, that 60 percent is going for manpower. They say that "60 percent is going for our manpower and that you are spending less than that on manpower. We still have the will in our country to believe that our young people should serve. We have registration and compulsory military service, and just because of that we are spending more and more on manpower and the United States is not spending as much as NATO."

So these figures have to indicate what we are getting as well as what we are giving.

Mr. EXON. I thank the Senator.

Mr. GARN. There was a big controversial discussion in these 3 days of discussion, they saying, "You Americans are not spending enough," and we saying, "You are not spending enough."

What Senator NUNN says is absolutely true. I do not think they have done what they should, and they should do more as to their burden. But when you start comparing dollars as a percentage of gross national product, you have to look at many of our systems such as our entire strategic deterrent system which we would have even if Western Europe did not exist or had already been taken over. We would have to have that for our own protection. So when you start comparing gross figures, it shows much more disparity than really exists because there are certain defense items that we would have in any event that do provide help and deterrence for Western Europe, but we would have in any event and we would have to have.

Mr. NUNN. I will just close this by saying that anything we can do through stimulating our allies I think we should do because they have not done enough and are not doing enough, and unless we take a firm lead not only in respect to our own action and in respect to leadership in the alliance, there will be a leadership vacuum.

We certainly should check out the West German effort because I think that is extremely important.

Mr. President, I thank my colleagues for yielding, and I will yield back any time I have remaining under the unanimous-consent agreement.

The PRESIDING OFFICER. The Senator's time has expired.

FEDERAL COURTS IMPROVEMENT ACT OF 1979

The Senate continued with the consideration of S. 1477.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Arkansas.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, this amendment states that the validity of a challenged rule or regulation must be established by a "preponderance of the evidence." As you know the courts are currently wrestling with the problem of what sort of record the agencies must compile when they engage in informal rulemaking. They also must often decide whether a statute requires formal or informal rulemaking. And, they must decide when certain rules are "interpretive" and what sort of record is required in the creation of such rules. Sometimes the "standard or review" affects the way they decide these matters. Although you propose a certain standard for review, I take it that you do not intend to affect decisions as to what sort of rulemaking is required and what type of record is necessary. You have no particular desire to change existing law on these issues, do you?

Mr. BUMPERS. I do not, and I believe that my amendment does not change the state of the law on these issues in any way.

Mr. KENNEDY. Mr. President, we are prepared to acept the amendment of the Senator from Arkansas. Have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the request for the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered. The order for yeas and nays is vitiated.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, it is my understanding that, under a previous consent agreement, this legislation would be set aside.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I know of no further amendments.

I move that the Senate stand in recess subject to the call of the Chair.

Mr. DECONCINI. Mr. President, before going into recess, may I propose a parliamentary inquiry, a clarification? S. 1477 is being set aside in accordance with the unanimous-consent agreement of yesterday?

The PRESIDING OFFICER. The Senator is correct.

Mr. DECONCINI. Is it my understanding that, in accordance with that unanimous-consent agreement, it can no longer be amended, except for one judicial tenure bill that is part of the unanimous-consent agreement?

The PRESIDING OFFICER. The Senator is correct.

Mr. DECONCINI. I thank the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts renew his request?

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. KENNEDY. Mr. President, I renew my request that we stand in recess subject to the call of the Chair.

The motion was agreed to, and at 2:24 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 2:47 p.m., when called to order by the Presiding Officer (Mr. BUMPERS).

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, there will be no further rollcall votes today.

AUTHORIZATION FOR RECORD TO BE KEPT OPEN UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the RECORD be kept open until 5 p.m. today for Senators to file statements, introduce bills, resolutions, and that committees may report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TECHNICAL AMENDMENTS TO BANKRUPTCY REFORM ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 325.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I reserve only for the purpose of advising the majority leader that this item has been cleared on our calendar and we have no objection to its consideration and passage.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 658) to correct technical errors, clarify and make minor substantive changes to Public Law 95-598.

The PRESIDING OFFICER. Is there objection of the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

TITLE I—AMENDMENTS TO TITLE 11 OF THE UNITED STATES CODE

SEC. 101. Section 101(2)(D) of title 11 of the United States Code is amended by striking out "or all" immediately after "business".

SEC. 102. (a) Section 101(8)(B) of title 11 of the United States Code is amended by striking out the colon at the end thereof and inserting a semicolon in lieu thereof.

(b) Section 101(9)(B) of title 11 of the United States Code is amended by inserting "348(d)" after "section", and by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(c) Section 101(14) of title 11 of the United States Code is amended by inserting "or" immediately after "trust,".

(d) Section 101(24) of title 11 of the United States Code is amended by striking out "stock broker" and inserting "stockbroker" in lieu thereof.

(e) Section 102(26)(B)(ii) of title 11 of the United States Code is amended—

(1) by striking out "separate" each place it appears and inserting "nonpartnership" in lieu thereof; and

(2) by striking out "the kind specified in subparagraph" and inserting "a kind specified in subparagraph (A)(i) or" in lieu thereof.

(f) Section 101(35)(B)(vi) of title 11 of the United States Code is amended by striking out "specified in clause (xii) of subparagraph (A)" and inserting "of a kind specified in subparagraph (A)(xii)" in lieu thereof.

(g) Section 101 is amended by adding the following immediately after paragraph (37):

"(37A) 'State' includes the Commonwealth of Puerto Rico, the Panama Canal Zone, the District of Columbia, and any territory or possession of the United States;".

(h) Section 101 is amended by adding the following immediately after paragraph (34):

"(34A) 'securities clearing agency' means person registered as a clearing agency under section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1), or whose business is confined to the performance of the functions of a clearing agency with respect to 'exempted securities,' as defined in section 3 of said Act (15 U.S.C. 78c) for the purposes of said section 17A;"

SEC. 103. Section 102 of title 11 of the United States Code is amended—

(a) by striking out "and" at the end of paragraph (7);

(b) by striking out "continued" and inserting in lieu thereof "contained" in paragraph (8);

(c) by striking out the period at the end of paragraph (8) and inserting "; and" in lieu thereof; and

(d) by adding at the end thereof the following:

"(9) 'United States', when used in a geographical sense, includes the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, and the territories and possessions of the United States.".

SEC. 104. (a) Section 103(c) of title 11 of the United States Code is amended—

(1) by striking out "stockholder" and inserting "stockbroker" in lieu thereof; and

(2) by striking out the period at the end thereof and inserting ", except with respect to section 753 which shall apply in any case under chapter 7, 11, or 13 of this title." in lieu thereof.

(b) Section 103(d) of title 11 of the United States Code is amended by striking out "746(c) which applies to margin payments made by any debtor to a commodity broker or forward contract merchant" and inserting "767 which shall apply in any case under chapter 7, 11, or 13 of this title" in lieu thereof.

SEC. 105. Section 108(c) of title 11 of the United States Code is amended by—

(a) Inserting after "bankruptcy court" the following: "or for taking other collection action, including levy,".

(b) Adding a new subsection (d) to read as follows:

"(d) If applicable law or an agreement suspends the period of limitation for assessing a tax liability of the debtor as of the commencement of a case under this title, such suspension shall not expire before 90 days following the earlier of—

"(1) termination or expiration of the stay under section 362 of this title, or

"(2) the date, determined under sections 362(b)(9) and 505(c) of this title, after which assessment of such tax liability is permitted.".

(c) Adding a new subsection (e) to read as follows:

"(e) If applicable law fixes a period for filing a petition or otherwise commencing an action in the United States Tax Court, or in a similar judicial or administrative forum under State or local law, and if any such act is stayed under section 362 of this title, such period shall not expire before 60 days after termination or expiration of the stay with respect to any such petition or action."

SEC. 106. (a) Section 109(c)(5)(D) of title 11 of the United States Code is amended by striking out "preference" and inserting "transfer that is avoidable under section 547 of this title" in lieu thereof.

(b) Section 109(d) of title 11 of the United States Code is amended by striking out "stockholder" and inserting "stockbroker" in lieu thereof.

SEC. 107. (a) Section 303(b) of title 11 of the United States Code is amended by inserting "against a person" immediately after "involuntary case".

(b) Section 303(j)(2) of title 11 of the United States Code is amended by striking out "debtors" and inserting "debtor" in lieu thereof.

SEC. 108. Section 321(b) of title 11 of the United States Code is amended by striking out "a case" and inserting "the case" in lieu thereof.

SEC. 109. (a) Section 326(a) of title 11 of the United States Code is amended by inserting "of this title" immediately after "7 or 11".

(b) Section 326(d) of title 11 of the United

States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 110. (a) Section 330(a) of title 11 of the United States Code is amended by striking out "and to the United States trustee".

(b) Section 330(a)(1) of title 11 of the United States Code is amended to read as follows:

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and".

(c) Section 330(b) of title 11 of the United States Code is amended by deleting "from the filing fee" and substituting "from appropriated funds" in lieu thereof.

(d) Section 330 of title 11 of the United States Code is amended by adding the following at the end:

"(c) When a trustee performs substantial service in a case in which there are no funds to pay an adequate commission, the Director shall pay the trustee a special service fee not to exceed $80 from appropriated funds, if ordered by the bankruptcy judge. Such order shall be the exception and not the rule.".

SEC. 111. (a) Section 341(a) of title 11 of the United States Code is amended by deleting "there shall be a meeting of creditors" and inserting "the court shall call a meeting of creditors" in lieu thereof.

(b) Section 341(c) of title 11 of the United States Code is amended by adding "except that the court shall preside at any election of the trustee" after "section".

SEC. 112. Section 345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

SEC. 113. (a) Section 346(c)(2) of title 11 of the United States Code is amended by striking out "operation" and inserting "corporation" in lieu thereof.

(b) Section 346(f) of title 11 of the United States Code is amended by deleting "State or local".

(c) Section 346(j)(7) of title 11 of the United States Code is amended by striking out "owned" and inserting "owed" in lieu thereof.

SEC. 113A. Section 347(a) of title 11 of the United States Code is amended by deleting the words "under chapter 129 of title 28" and inserting in lieu thereof "under chapter 11, subchapter IV, section 725 of title 31".

SEC. 114. Section 350(b) of title 11 of the United States Code is amended by striking out "a" and inserting "A" in lieu thereof.

SEC. 115. Section 361(1) of title 11 of the United States Code is amended by inserting "a cash payment or" immediately after "make".

SEC. 116. (a) Section 362(a)(1) of title 11 of the United States Code is amended by inserting "action or" immediately after "other".

(b) Section 362(a)(8) of title 11 of the United States Code is amended by striking "Court concerning the debtor" and inserting in lieu thereof "Court, or a similar administrative or judicial forum under State or local law, concerning the debtor".

(c) Section 362(b)(6) of title 11 of the United States Code is amended by inserting immediately before the semicolon the following: ", or, under subsection (a) of this section, of the setoff of any claim of a commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency against the debtor for a margin payment, as defined in section 761(15) or section 741(4A) of this title, or settlement payment arising out of a commodity contract, as defined in section 761(4) of this title, forward commodity contract, or securities contract, as defined in section 741(5A) of this title, against cash, a security, or other property held by such commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency to margin, guarantee, or secure such commodity contract, forward commodity contract, or securities contract".

(d) Section 362(b)(7) of title 11 of the United States Code is amended by striking out "said" and inserting "such" in lieu thereof.

(e) Section 362(c) of title 11 of the United States Code is amended by deleting "section—" and substitute "section and subsection (c) of section 505—".

(f) Section 362(d)(2) of title 11 of the United States Code is amended—

(1) by inserting "under subsection (a) of this section" immediately after "stay"; and

(2) by adding "or is not necessary to an effective plan for an individual with regular income, as the case may be" immediately after "reorganization".

(g) Section 362(f) of title 11 of the United States Code is amended by inserting "with or" immediately after "court,".

SEC. 117. Section 363(a) of title 11 of the United States Code is amended by adding "and includes the proceeds, products, offspring, rents or profits of property subject of a security interest as provided in section 552(b) of this title whether existing prior to or after the commencement of a case under this title" immediately after "interest".

SEC. 118. (a) Section 363(e) of title 11 of the United States Code is amended by striking out "section" the second time it appears, and inserting "subsection" in lieu thereof.

(b) Section 363(h) of title 11 of the United States Code is amended by inserting "tenant in partnership" immediately after "as a".

(c) Section 363(j) of title 11 of the United States Code is amended by striking out "compenation" and inserting "compensation" in lieu thereof.

(d) Section 363(i) of title 11 of the United States Code is amended—

(1) by striking out "conditions" and inserting "condition" in lieu thereof;

(2) by striking out "a taking" and inserting "or taking" in lieu thereof; and

(3) by striking out "interests" and inserting "interest" in lieu thereof.

SEC. 119. Section 364(f) of title 11 of the United States Code is amended by inserting "or convertible to an equity security" immediately before the period at the end thereof.

SEC. 120. (a) Section 365(b)(3) of title 11 of the United States Code is amended by striking out "purposes" and inserting "purpose" in lieu thereof.

(b) Section 365(c)(1)(A) of title 11 of the United States Code is amended by inserting "by virtue of the nature of such contract or lease" immediately before ", whether".

(c) Section 365(f)(3) of title 11 of the United States Code is amended by inserting a comma immediately after "applicable law".

(d) Section 365(h)(1) of title 11 of the United States Code is amended—

(1) by striking out "treat the least" and inserting "treat such lease" in lieu thereof; and

(2) by inserting "provided no interest created out of the leasehold estate would be adversely affected thereby" immediately after "rejection".

(e) Section 365(h)(2) of title 11 of the United States Code is amended by inserting "under such lease" immediately after "debtor".

(f) Section 365(i)(2)(A) of title 11 of the United States Code is amended—

(1) by striking out the comma after "may"; and

(2) by inserting "under such contract" immediately after "debtor".

(g) Section 365(j) of title 11 of the United States Code is amended by inserting "to or for the benefit of the debtor" immediately before the period at the end thereof.

SEC. 121. (a) Section 501(d) of title 11 of the United States Code is amended by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(b) Section 501 of title 11 of the United States Code is amended by adding a new subsection (e) reading as follows:

"(e) A government unit shall not be required to file a proof of claim for either—

"(1) a tax liability entitled to priority under section 507(a)(6) of this title but which arises from payment of a claim entitled to priority under section 507(a)(3) of this title, or

"(2) a tax liability arising from payment of a claim for wages, salaries or commissions, including vacation, severance, and sick leave pay, payable without priority from the estate.".

SEC. 122. (a) Section 502(a) of title 11 of the United States Code is amended by inserting "general" immediately before "partner".

(b) Section 502(b) of title 11 of the United States Code is amended—

(1) by inserting "(e)(2)," immediately after "subsections"; and

(2) by inserting "in lawful currency of the United States" immediately after "petition" where it first appears;

(3) by striking "(h) and (i)" and inserting "and (h)" in lieu thereof.

(c) Section 502(b)(1) of title 11 of the United States Code is amended by striking out ", and unenforceable against" and inserting "and" in lieu thereof.

(d) Section 502(b)(2) of title 11 of the United States Code is amended by inserting "other than unmatured interest due to an original issue discount of less than one-half of one percent of the stated redemption price at maturity multiplied by the number of full years from the date of original issue to maturity" immediately after "interest".

(e) Section 502(b)(3) of title 11 of the United States Code is repealed.

(f) Section 502(b)(4) of title 11 of the United States Code is amended by inserting "the" immediately after "exceeds".

(g) Section 502(b)(6) of title 11 of the United States Code is amended—

(1) by striking out "the claim" and inserting "such claim" in lieu thereof; and

(2) by striking out the comma.

(h) Section 502(b)(7)(A)(ii) of title 11 of the United States Code is amended by striking out "repossessed" and inserting "repossessed" in lieu thereof.

(i) Section 502(c)(2) of title 11 of the United States Code is amended by inserting "right to payment arising from a" immediately after "any".

(j) Section 502(e)(1)(B) of title 11 of the United States Code is amended by inserting "or disallowance" immediately after "allowance".

(k) Section 502 of title 11 of the United States Code is amended by deleting subsection (i) thereof.

(l) Section 502(j) of title 11 of the United States Code is amended by striking out "Before a case is closed, a" and inserting "A" in lieu thereof and by inserting "or disallowed" immediately after "allowed".

(m) The rights of creditors who have received dividends or in whose favor final dividends have been declared shall not be affected by the proof and allowance of claims subsequent to the date of such payment or declarations of dividends; but the creditors proving and securing the allowance of such claims shall be paid dividends equal in

amount to those already received by the other creditors, if the estate equals so much, before such other creditors are paid any further dividends.

SEC. 123. Section 503(b) of title 11 of the United States Code is amended—

(1) by striking out the comma immediately after "there shall be allowed";

(2) in paragraph (1)(B)(i) to read as follows:

"(i) incurred by the estate or required to be collected or withheld from others with respect to any payment by or to the estate, other than a tax liability referred to in section 501(e) of this title; or";

(3) in paragraph 503(b)(1)(C) to read as follows:

"(C) any fine, penalty, or reduction in credit, incurred by the estate;";

(4) in paragraph (3), by inserting a comma immediately after "paragraph (4) of this subsection";

(5) in paragraph (3)(C), by striking out the comma;

(6) in paragraph (4) by striking out "the time," and "and" immediately before "the value", and inserting "the time spent thereon," before "and the cost of comparable services";

(7) by adding a new paragraph (7) as follows:

"(7) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection incurred by a committee appointed under section 1102 of this title.";

(8) by striking out "and" at the end of paragraph (5); and

(9) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof.

SEC. 124. (a) Section 505(a)(1) of title 11 of the United States Code is amended by striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(b) Section 505(a)(2)(A) of title 11 of the United States Code is amended by—

(1) Striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(2) Striking "legality" and inserting "liability" in lieu thereof.

(c) Section 505(a)(1) of title 11 of the United States Code is amended by striking "assessed, whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction." and inserting in lieu thereof "assessed or paid, and whether or not a proof of claim has been filed.".

(d) Section 505(a) of title 11 of the United States Code is amended by adding a new paragraph (3) to read as follows:

"(3) Notwithstanding subparagraph (B) of this paragraph, the court may offset against a claim for, or request of payment of, a tax liability any counterclaim with respect to such tax liability for the same taxable period, event, act (or failure to act) to which the claim or request for payment relates, and may, where appropriate, order a net credit or refund to be made to the estate. The preceding sentence shall not apply if, at the commencement of the case under this title, the debtor had filed suit for refund relating to such taxable period, event, act (or failure to act), and if the stay on continuation of such suit is terminated under section 362 of this title.".

(e) Section 505(c) of title 11 of the United States Code is amended to read as follows:

"(c) After allowance of a claim or administrative expense relating to a tax liability by the court in a case under this title, or a final determination of such tax liability by another court, the governmental unit charged with responsibility for collecting such tax may assess such tax, if not permitted to do so previously, against the estate, the debtor, or a successor to the debtor, as the case may be, subject to any otherwise applicable law.".

SEC. 125. (a) Section 506(a) of title 11 of the United States Code is amended by inserting ", except to the extent that such creditor does not have recourse, under any agreement or applicable law, against the debtor on account of such claim," immediately before "is an unsecured claim".

(b) Section 506(d) of title 11 of the United States Code is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by inserting in paragraph (2) "502(b)(6) or" immediately after "section", and striking out the period at the end of the paragraph and inserting "; or" in lieu thereof; and

(3) by adding a new paragraph (3) to read as follows:

"(3) such claim is not an allowed secured claim due only to the failure to file a proof of claim under section 501 of this title.".

SEC. 126. (a) Section 507(a)(3) of title 11 of the United States Code is amended by inserting a comma after "severance".

(b) Section 507(a)(4)(B)(ii) of title 11 of the United States Code is amended by striking out the comma.

(c) Section 507(a)(6)(A) of title 11 of the United States Code is amended by striking out clause (ii) thereof and inserting in lieu thereof the following:

"(ii) assessed within 240 days before the date of the filing of the petition;".

(d) Section 507(a)(6)(A)(iii) of title 11 of the United States Code is amended to read as follows:

"(iii) not assessed before commencement of the case but not prohibited, at the commencement of the case, from being assessed under the applicable statute of limitations, other than a tax or customs duty of a kind excepted from discharge under section 523(a)(1)(B) or (C) of this title;".

(e) Section 507(a)(6)(D) of title 11 of the United States Code is amended to read as follows:

"(D) an employment tax on a wage, salary, or commission—

"(i) of a kind specified in paragraph (3) of this subsection; or

"(ii) paid before the date of the filing of the petition for which a return is last due, under applicable law or under any extension, after three years before the date of the filing of the petition;".

(f) Section 507(a)(6)(F) of title 11 of the United States Code is amended by deleting everything after "fraud," and inserting in lieu thereof "fraud."

(g) Section 507(a)(6) of title 11 of the United States Code is amended by deleting subparagraph (G) thereof.

(h) Section 507(b) of title 11 of the United States Code is amended—

(1) by striking out "If" and inserting "Notwithstanding section 726(b) of this title, if" in lieu thereof;

(2) by inserting "or the court finds that such interest is adequately protected by such lien" immediately after "debtor"; and

(3) by striking out "creditor" each place it appears and inserting "holder" in lieu thereof; and

(4) by striking out "subsection (a)(1) of this subsection shall" and inserting "section 503(b) of this title shall" in lieu thereof; and

(5) by striking out "subsection" where it last appears and inserting "this section" in lieu thereof.

(i) Section 507(c) of title 11 of the United States Code is amended by striking out "shall be treated the same" and inserting "has the same priority" in lieu thereof.

(j) Section 507 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) For purposes of subsection (a)(6) of this section—

"(1) a penalty that represents compensation for actual pecuniary loss of a governmental unit with respect to a tax liability shall be treated as a tax liability;

"(2) a child support obligation governed by section 6305 of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) shall not be treated as a tax liability; and

"(3) if an offer in compromise with respect to a tax liability is submitted during the 240-day period referred to in subsection (a)(6)(A)(ii) of this section, the balance of such period remaining at the date on which the offer is submitted shall be suspended until final resolution of the offer, but in any event such period shall not expire before 30 days after the offer is withdrawn by the debtor or finally rejected by the governmental unit.".

SEC. 127. Section 509(c) of title 11 of the United States Code is amended by striking out "section 509 of this title" and inserting "this section" in lieu thereof.

SEC. 128. Section 510(b) of title 11 of the United States Code is amended—

(1) by striking out "recission" and inserting "rescission" in lieu thereof; and

(2) by striking out "and interests that are" and inserting "to all interests that are senior to the" immediately before "interest represented".

SEC. 129. (a) Section 522(b)(1) of title 11 of the United States Code is amended by striking out "does not so authorize" and inserting "prohibits application of such subsection (d)" in lieu thereof.

(b) Section 522(c) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "arisen";

(2) in paragraph (1), to read as follows:

"(1) a tax liability excepted from discharge under section 523(a)(1) or (7) of this title; or";

(3) in paragraph (2)—

(A) by inserting "a debt secured by" immediately before "a lien";

(B) by redesignating subparagraph (A) as subparagraph (A)(i);

(C) by inserting "and" immediately after subparagraph (A)(i);

(D) by redesignating subparagraph (B) as clause (ii);

(E) by inserting a new paragraph (3) in subsection (c) as follows:

"(3) a debt of a kind specified in section 523(a)(5) of this title.";

(F) by amending subsection (c)(2)(B) to read as follows:

"(B) a tax lien, notice of which is properly filed, notwithstanding that such lien is avoided under section 545(2) of this title.".

(c) Section 522(f)(2)(A) of title 11 of the United States Code is amended by inserting "jewelry or" between "crops," and "musical instruments", and striking out ", or jewelry" following "musical instruments".

(d) Section 522(h)(1) of title 11 of the United States Code is amended by striking out "tittle" and inserting "title" in lieu thereof.

(e) Section 522(i)(2) of title 11 of the United States Code is amended by striking out "his" and inserting "this" in lieu thereof.

SEC. 130. (a) Section 523(a)(2) of title 11 of the United States Code is amended by striking out "refinance" and inserting "refinancing" in lieu thereof.

(b) Section 523(a)(5)(A) of title 11 of the United States Code is amended by inserting after "otherwise" the following: ", except as provided in section 656(b) of title 42 of the United States Code".

SEC. 131. (a) Section 524(a) of title 11 of the United States Code is amended—

(1) by striking out "any act" each place it appears, and inserting "an act" in lieu thereof; and

(2) in paragraph (2)—

(A) by inserting "except as to enforcement of a lien that is not voided by section 506(d) of this title and except as provided in section 522(c) of this title," immediately before "operates"; and

(B) by inserting a comma immediately after "recover".

(b) Section 524(d) of title 11 of the United States Code is amended—

(1) by inserting "and" immediately after paragraph (1) thereof; and

(2) in paragraph (2), by striking out "subsection" the second time it appears and inserting "section" in lieu thereof.

SEC. 132. Section 525 of title 11 of the United States Code is amended by inserting "the" immediately before "Perishable".

SEC. 133. (a) Section 541(a)(3) of title 11 of the United States Code is amended by inserting "363(n)," immediately after "section".

(b) Section 541(a)(5) of title 11 of the United States Code is amended by striking out "An" and inserting "Any" in lieu thereof.

(c) Section 541(c)(1) of title 11 of the United States Code is amended—

(1) by inserting "in an agreement or applicable law" immediately after "provision"; and

(2) in subparagraph (B)—

(A) by striking out "the taking" and inserting "taking" in lieu thereof; and

(B) by inserting "before such commencement" immediately after "custodian".

SEC. 134. Section 542(a) of title 11 of the United States Code is amended by striking out "value or benefit" and inserting "value and benefit" in lieu thereof.

SEC. 135. (a) Section 543(c)(3) of title 11 of the United States Code is amended by striking out "appointed or" and inserting "appointed and" in lieu thereof.

(b) Section 543 is amended by adding a new section (e) as follows:

"(e) For the purposes of a case under chapter 7 of this title, custodian shall not include an assignee under a general assignment for the benefit of the debtor's creditors that was appointed or took possession more than 120 days before the date of the filing of the petition; but, the trustee or the court may nevertheless, and at any time, require such an assignee to file an accounting as set forth in subsection (b)(2) hereinabove.".

SEC. 135A. Section 544(a)(2) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

SEC. 135B. (a) Section 545(1)(A) of title 11 of the United States Code is amended by striking out "is" immediately after "debtor".

(b) Section 545(1)(C) of title 11 of the United States Code is amended by striking out "apponted" and inserting "appointed" in lieu thereof.

SEC. 136. (a) Section 546(a) of title 11 of the United States Code is amended by striking out "or 553" and inserting "553, or 724(a)" in lieu thereof.

(b) Section 546(c) of title 11 of the United States Code is amended by striking out "the trustee under section 544, 545, or" and inserting "a trustee under sections 544, 545, and" in lieu thereof.

(c) Section 546(c) of title 11 of the United States Code is amended—

(1) by striking out "the trustee" and inserting "a trustee" in lieu thereof; and

(2) in paragraph (2), by inserting "the" immediately after "if"; and

(3) by deleting "sections 544(a), 545, 547, and 549 of".

(d) Section 546 of title 11 of the United States Code is amended by inserting at the end thereof the following:

"(d) Notwithstanding section 544, 545, 547, and 548 of this title, the trustee may not avoid a transfer that is a margin payment, as defined in section 761(15) or section 741(4A) of this title, deposit, or settlement payment, made by or to a commodity broker, forward contract merchant, stockbroker, or securities clearing agency, and that occurs before the commencement of the case, except under section 548(a)(1) of this title.".

SEC. 137. (a) Section 547(c)(5) of tile 11 of the United States Code is amended by striking out "all security interest" and inserting "all security interests" in lieu thereof.

(b) Section 547(e) of title 11 of the United States Code is amended by adding a new paragraph (4) at the end thereof as follows:

"(4) For the purposes of this section, a transfer of an equitable lien is deemed to be made immediately before the commencement of the case on account of an antecedent debt."

SEC. 138. (a) Section 548(a)(1) of title 11 of the United States Code is amended by striking out "occurred" and inserting "was made" in lieu thereof.

(b) Section 548(a)(2)(B)(ii) of title 11 of the United States Code is amended by inserting "or a transaction" immediately after "engaged in business".

(c) Section 548(c) of title 11 of the United States Code is amended—

(1) by inserting "or may retain" immediately after "lien on"; and

(2) by striking out ", may retain any lien transferred,".

(d) Section 548(d)(1) of title 11 of the United States Code is amended by striking out "occurs" and inserting "is made" in lieu thereof.

(e) Section 548(d)(2)(B) of title 11 of the United States Code is amended—

(1) by striking out "or" immediately after "broker" and inserting a comma in lieu thereof;

(2) by inserting "stockbroker, or securities clearing agency" immediately after "merchant"; and

(3) by inserting "or section 741(4A)" immediately after "761(15)".

SEC. 139. Section 549(a) of title 11 of the United States Code is amended by striking out "subsection" and inserting "subsections" in lieu thereof.

SEC. 140. Section 550(d)(2) of title 11 of the United States Code is amended—

(1) by striking out "such property; (E) discharge of any lien against"; and

(2) by redesignating subparagraph (F) as subparagraph (E).

SEC. 141. Section 551 of title 11 of the United States Code is amended by striking out "but only with respect to property of the estate".

SEC. 142.(a) Section 553(a)(1) of title 11 of the United States Code is amended by striking out "other than under section 502(b)(3) of this title".

(b) Section 553(b)(1) of title 11 of the United States Code is amended by striking out "or 365(h)(1)" and inserting ", 365(h)(2), or 365(i)(2)" in lieu thereof.

SEC. 143. Section 554(d) of title 11 of the United States Code is amended by striking out "section (a) or (b) of".

SEC. 144. (a) Section 702(b) of title 11 of the United States Code is amended by inserting "(a)" immediately after "341".

(b) Section 702(c)(2) of title 11 of the United States Code is amended by inserting "a" immediately before "trustee".

SEC. 145. Section 704(8) of title 11 of the United States Code is amended by deleting "make a final report and file a final account of the administration of the estate with the court" and inserting "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court".

SEC. 146. Section 705(a) of title 11 of the United States Code is amended by inserting "of creditors" immediately after "meeting".

SEC. 147. (a) Section 707(1) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

(b) Section 707(2) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 148. (a) Section 723(a) of title 11 of the United States Code is amended by striking out "title" and inserting "chapter" in lieu thereof.

(b) Section 723(c) of title 11 of the United States Code is amended—

(1) by striking out "such case" each place it appears and inserting "such partner's case" in lieu thereof;

(2) by striking out "be property" and inserting "by property" in lieu thereof;

(3) by striking out "(a)"; and

(4) by striking out "the kind" and inserting "a kind" in lieu thereof.

SEC. 149. (a) Section 724(b) of title 11 of the United States Code is amended—

(1) in paragraph (2), by inserting "the holders of" immediately after "second, to";

(2) by inserting immediately after paragraph (4) the following:

"(5) fifth, to the holders of claims specified in sections 507(a)(1), 507(a)(2), 507(a)(3), 507(a)(4), and 507(a)(5) of this title, to the extent that such claims are not paid under paragraph (2) of this subsection;";

(3) by striking out "(5) fifth" and inserting "(6) sixth" in lieu thereof; and

(4) by striking out "(6) sixth" and inserting "(7) seventh" in lieu thereof.

(b) Section 724(c) of title 11 of the United States Code is amended—

(1) by striking out "creditor" and inserting "holder of a claim" in lieu thereof; and

(2) by striking out "creditors" each place it appears and inserting "holders" in lieu thereof.

SEC. 150. (a) Section 726(b) of title 11 of the United States Code is amended by striking out "administrative expenses" each place it appears and inserting "claims allowed under section 503 of this title" in lieu thereof.

(b) Section 726(c)(1) of title 11 of the United States Code is amended by striking out "Administrative expenses" and inserting "Claims allowed under section 503 of this title" in lieu thereof.

(c) Section 726(c)(2) of title 11 of the United States Code is amended—

(1) by striking out "for administrative expenses" and inserting "those allowed under section 503 of this title" in lieu thereof;

(2) by inserting "(a)" immediately after "507";

(3) in subparagraph (C), by inserting a comma immediately before "including", "are", and "such"; and

(4) by adding at the end thereof the following:

"(E) Fifth, to the extent claims against the debtor are not paid under paragraph (C) of this paragraph such claims shall be paid from all remaining property of the estate.

"(F) Sixth, any remaining property of the estate shall be returned to the debtor.".

SEC. 151. (a) Section 727(a)(6)(C) of title 11 of the United States Code is amended by striking out "property" and inserting "properly" in lieu thereof.

(b) Section 727(a)(7) of title 11 of the United States Code is amended by inserting "under this title or under the Bankruptcy Act" immediately after "another case".

(c) Section 727(a)(8) of title 11 of the United States Code is amended by inserting a comma immediately after "371".

SEC. 152. Section 728(c) of title 11 of the United States Code is amended by striking out the comma immediately after "taxable income".

SEC. 153. (a) Section 741(5)(A)(i) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "petition"; and

(2) by striking out "customer name securities" and inserting "any customer name security" in lieu thereof.

(b) Section 741 of title 11 of the United States Code is amended—

(1) by adding the following immediately after paragraph (4):

"(4A) 'margin payment' means payment or deposit of cash, a security, or other property, that is commonly known to the securities trade as original margin, initial margin, maintenance margin, or variation margin, or as a mark-to-market payment, or that secures an obligation of a participant to a securities clearing agency;" and

(2) by adding the following immediately after paragraph (5):

"(5A) 'securities contract' means contract for the purchase, sale, or loan of a security, including an option for the purchase or sale of a security, or the guarantee of any settlement of cash or securities by a seceurities clearing agency.".

SEC. 154. Section 743 of title 11 of the United States Code is amended by striking out "(a)".

SEC. 155. Section 749 of title 11 of the United States Code is amended—

(1) by striking out "Any" at the beginning thereof and inserting "(a) Except as otherwise provided in this section, any" in lieu thereof; and

(2) by inserting at the end thereof the following:

"(b) Notwithstanding sections 544, 545, 547, 548, 549, and 724(a) of this title, the trustee may not avoid a transfer made before five days after the date of the filing of the petition, if such transfer is approved by the Commission by rule or order, either before or after such transfer, and if such transfer is—

"(1) a transfer of a securities contract entered into or carried by or through the debtor on behalf of a customer, and of any cash, securities or other property margining or securing such securities contract; or

"(2) the liquidation of a securities contract entered into or carried by or through the debtor on behalf of a customer.".

SEC. 156. (a) Section 752(a) of title 11 of the United States Code is amended by striking out "customers allowed" and inserting "customers' allowed" in lieu thereof.

(b) Section 752(b)(2) of title 11 of the United States Code is amended by striking out "(a)".

SEC. 157. (a) Subchapter III of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 753. Contractual right to liquidate a securities contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a stockholder or securities clearing agency from exercising a contractual right to liquidate a securities contract or to cause the liquidation of a securities contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is authorized under the provisions of the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) or is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or by-law of a national securities exchange, a national securities association, or a securities clearing agency.".

(b) The table of sections for such chapter and for such subchapter are each amended by adding at the end thereof the following new item:

"753. Contractual right to liquidate a securities contract.".

SEC. 158. (a) Section 761(2) of title 11 of the United States Code is amended by inserting "made" immediately before "on".

(b) Section 761(4) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof; and

(2) in subparagraph (D), by inserting ", or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by the debtor" immediately before the semicolon.

(b) Section 761(4) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof;

(2) in subparagraph (A)—

(A) by striking out "the debtor" each place it appears and inserting "such futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such futures commission merchant's in lieu thereof;

(3) in subparagraph (B)—

(A) by striking out "the debtor" each place it appears and inserting "such foreign futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such foreign futures commission merchant's" in lieu thereof;

(4) in subparagraph (C)—

(A) by striking out "the debtor" each place it appears and inserting "such leverage transaction merchant" in lieu thereof;

(B) by striking out "the debtor's" and inserting "such leverage transaction merchant's" in lieu thereof;

(C) by inserting "or" after the semicolon at the end of clause (i); and

(D) in clause (ii), by striking out "hold" and inserting "holds" in lieu thereof;

(5) in subparagraph (D), by striking out "the debtor" each place it appears and inserting "such clearing organization" in lieu thereof; and

(6) in subparagraph (E)—

(A) by striking out "the debtor" each place it appears and inserting "such commodity options dealer" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such commodity options dealer's" in lieu thereof.

(d) Section 761(12) of title 11 of the United States Code is amended by inserting a comma immediately after "property".

(e) Section 761(13) of title 11 of the United States Code is amended by striking out "217 of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a)" and inserting "19 of the Commodity Exchange Act (7 U.S.C. 23)" in lieu thereof.

SEC. 159. Section 764 of title 11 of the United States Code is amended by striking out subsection (c) thereof.

SEC. 160. Section 765(b) of title 11 of the United States Code is amended by striking out "commitment" and inserting "commodity contract" in lieu thereof.

SEC. 161. (a) Section 766(b) of title 11 of the United States Code is amended by inserting "the" immediately after "rules of".

(b) Section 766(j)(2) of title 11 of the United States Code is amended by striking out "(a)".

SEC. 162. Subchapter IV of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 767. Contractual right to liquidate a commodity contract or forward contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a commodity broker or forward contract merchant from exercising a contractual right to liquidate a commodity contract, as defined in section 761(4), or forward contract, or to cause the liquidation of a commodity contract or forward contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or bylaw of a clearing organization or a contract market or in a resolution of the governing board thereof.".

SEC. 163. Section 901(a) of title 11 of the United States Code is amended by—

(1) striking out "552"; and

(2) inserting a comma immediately after "1111(b)".

SEC. 164. Section 903(2) of title 11 of the United States Code is amended by striking out "to" the first time it appears.

SEC. 165. (a) Section 921 of title 11 of the United States Code is amended by redesignating subsections "(e)" and "(f)" as "(d)" and "(e)" respectively.

(b) Section 921(c) of title 11 of the United States Code is amended by striking out "an" and inserting "any" in lieu thereof.

(c) Section 921(d) of title 11 of the United States Code as redesignated in paragraph (a) of this section is amended by striking out "(d)" and inserting in lieu thereof "(c)".

SEC. 166. Section 922(a)(1) of title 11 of the United States Code is amended by inserting "a" immediately before "judicial", and inserting "action or" immediately before "proceeding".

SEC. 167. Chapter 9 is amended by the addition of a section 928 as follows:

"SEC. 928. (a) Except as provided in subsections (b) and (c) of this section, property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case.

"(b) Except as provided in sections 506(c), 544, 545, 547, and 548 of this title and subsection (c) of this section if the debtor and a secured party enter into a security agreement before the commencement of the case and if the security interest created by such security agreement extends to property of the debtor acquired before the commencement of the case and to proceeds, product, offspring, rents, or profits of such property, then such security interest extends to such proceeds, product, offspring, rents, or profits acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law, except to the extent that the court, after notice and a hearing and based on the equities of the case, orders otherwise.

"(c) If the debtor and a secured party enter into a security agreement before the commencement of the case and the obligation of the debtor is secured by a security interest in and is payable solely from specifically identified revenues including tax revenues, proceeds, rents, profits, or other similar moneys of the debtor, then such security interest shall extend to such revenues including specified tax revenues, proceeds, rents, profits, or other similar moneys acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law.".

SEC. 168. Section 943(b)(5) of title 11 of the United States Code is amended to read as follows:

"(5) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that on the effective date of the plan each holder of a claim of a kind specified in section 507(a)(1) of this title will receive on account of such claim cash equal to the allowed amount of such claim; and".

SEC. 168A. Section 1103(b) of title 11 of the United States Code is amended by striking out "A person" and inserting in lieu thereof "An attorney or accountant".

SEC. 169. (a) Section 1103(c)(1) of title 11 of the United States Code is amended by striking out "or debtor in possession".

(b) Section 1103(c)(3) of title 11 of the United States Code is amended by striking out "recommendations" and inserting "determinations" in lieu thereof and inserting "or rejections" immediately after "acceptances".

(c) Section 1103(c)(4) of title 11 of the United States Code is amended by striking out ", if a trustee or examiner, as the case may be, has not previously been appointed under this chapter in the case".

SEC. 170. Section 1105 of title 11 of the United States Code is amended by striking out "estate, and" and inserting "estate and of the" in lieu thereof.

SEC. 171. (a) Section 1106(b) of title 11 of the United States Code is amended by inserting ", except to the extent that the court orders otherwise," immediately before "any other".

(b) Section 1107(a) of title 11 of the United States Code is amended by inserting "serving in a case" immediately after "on a trustee".

SEC. 172. Section 1108 of title 11 of the United States Code is amended by inserting ", on request of a party in interest and after notice and a hearing," immediately after "court".

SEC. 173. (a) Section 1111(b)(1)(A)(ii) of title 11 of the United States Code is amended—

(1) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(2) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to such holder, or is to be sold, abandoned, or surrendered" in lieu thereof.

(b) Section 1111(b)(1)(B) of title 11 of the United States Code is amended—

(1) by striking out "A class of claims may not elect application of paragraph (2) of this subsection" and inserting "An election of application of paragraph (2) of this subsection by a class of claims is ineffective" in lieu thereof; and

(2) in clause (ii)—

(A) by striking out "the holder of a claim of such class has recourse against the debtor on account of such claim and";

(B) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(C) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to the holders of such claims, or is to be sold, abandoned, or surrendered" in lieu thereof.

(c) Section 1111(b)(2) of title 11 of the United States Code is amended by inserting "full" immediately before "extent".

SEC. 174. Section 1112(b)(8) of title 11 of the United States Code is amended by striking out and" at the end thereof and inserting "or" in lieu thereof.

SEC. 175. Section 1121(c)(3) of title 11 of the United States Code is amended by striking out "the claims or interests of which are" and inserting "of claims or interests that is" in lieu thereof.

SEC. 176. Section 1123(a)(3) of title of the United States Code is amended by striking out "shall".

SEC. 177. Section 1123(a)(6) of title 11 of the United States Code is amended by striking out "equity securities" the first time it appears and inserting "common stock" in lieu thereof.

SEC. 178. (a) Section 1125(a)(2)(C) of title 11 of the United States Code is amended by inserting "of" immediately after "holders".

(b) Section 1125(d) of title 11 of the United States Code is amended by inserting "or otherwise seek review of" immediately after 'appeal from".

(c) Section 1125(e) of title 11 of the United States Code is amended by—

(1) inserting "acceptance or rejection of a plan" immediately after "solicite"; and

(2) inserting "solicitation of acceptance or rejection of a plan or" immediately after "governing".

SEC. 179. (a) Section 1126(b)(2) of title 11 of the United States Code is amended by striking out "(1)".

(b) Section 1126(f) of title 11 of the United States Code is amended by—

(1) striking out "solicititation" and inserting "solicitation" in lieu thereof; and

(2) striking out "interest" and inserting "interests" in lieu thereof.

(c) Section 1126(g) of title 11 of the United States Code is amended by striking out "any payment or compensation" and inserting "receive or retain any property" in lieu thereof.

SEC. 180. (a) Section 1129(a)(1) of title 11 of the United States Code is amended by inserting "and with other applicable provisions of this title" immediately after "chapter".

(b) Section 1129(a)(4) of title 11 of the United States Code is amended—

(1) in subsection (A) by striking out "promised" and inserting "to be made" in lieu thereof; and

(2) in subsection (B)(ii) by striking out "fixed" and inserting "made" in lieu thereof.

(c) Section 1129(a)(5) of title 11 of the United States Code is amended—

(1) by striking out the period at the end of subparagraph (A) and inserting "; and" in lieu thereof; and

(2) in subparagraph (B), by striking out "The" and inserting "the" in lieu thereof.

(d) Section 1129(a)(7)(B) of title 11 of the United States Code is amended by striking out "creditor's" and inserting "holder's" in lieu thereof.

(e) Section 1129(a)(9)(A) is amended by inserting at the beginning of the subparagraph "except as provided in subsection (C) of this section,".

(f) Section 1129(a)(9)(C) of title 11 of the United States Code is amended to read as follows:

"(C) with respect to a claim specified in section 507(a)(6) of this title or of a claim specified in section 507(a)(1) of this title that results from the sale of a capital asset, recapture of an investment tax credit, recapture of depreciation or similar event, the governmental unit will receive on account of such claim deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim, and which shall be—

"(i) payable over a period not exceeding six years after the later of the date of confirmation of the plan or the date on which the tax liability is assessed;

"(ii) payable in equal amounts on specified dates unless the governmental unit agrees to a different schedule of payments; and

"(iii) payable as a tax liability the unpaid balance of which shall, on default, become immediately due.".

(g) Section 1129(a)(10) of title 11 of the United States Code is amended by adding "excluding any class deemed to have accepted the plan under section 1126(f) of this title and a class of claims described in section 1122(b)," immediately after "plan" where it first appears.

(h) Section 1129(b)(1) is amended by striking out "Notwithstanding section 510(a) of this title,".

(i) Section 1129(b)(2)(B) of title 11 of the United States Code is amended by inserting "other than claims of a kind specified in section 507(a)(3), 507(a)(4), or 507(a)(5) of this title" immediately after "unsecured claims".

(j) Section 1129(b)(2)(C)(i) of title 11 of the United States Code is amended by striking out "claim" and inserting "interest" in lieu thereof.

SEC. 181. (a) Section 1141(a) of title 11 of the United States Code is amended—

(1) by striking out "Except" and inserting "Notwithstanding section 510(a) of this title and except" in lieu thereof; and

(2) by striking out "any creditor or equity security holder of, or general partner in," and inserting "any creditor, equity security holder, or general partner in" in lieu thereof.

(b) Section 1141 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

SEC. 182. (a) Section 1142(a) of title 11 of the United States Code is amended by striking out the comma after "plan" the second time it appears.

(b) Section 1142(b) of title 11 of the United States Code is amended—

(1) by striking out "debtor and" inserting "debtor" in lieu thereof; and

(2) by inserting "a" immediately after "by".

SEC. 183. (a) Section 1145(a) of title 11 of the United States Code is amended by deleting the words "Except with respect to an entity that is an underwriter as defined in subsection (b) of this section, section", and inserting in lieu thereof "Section".

(b) Section 1145(a)(3) is amended by deleting the words "or an affiliate".

(c) Section 1145(a)(3)(B)(i) and (ii) of title 11 of the United States Code is amended by inserting after the words "section 13" appearing in (i) the words "or section 15(d)", and striking out all the words after "in compliance with" appearing in (ii) and inserting in lieu thereof the words "such reporting provisions".

(d) Section 1145(a)(3)(C)(i) and (ii) of title 11 of the United States Code is amended by striking out the word "two" each time it appears before the word "year" in (i) and (ii) and inserting in lieu thereof "one" and by striking out the number "180" each time it appears in (ii) therein and inserting "90" in lieu thereof.

(e) Section 1145(a)(4) of title 11 of the United States Code is amended by striking out "stockholder" each place it appears and inserting "stockbroker" in lieu thereof.

(f) Section 1145(b)(1)(C) of title 11 of the United States Code is amended by striking out "for" in the introductory language and inserting "from" in lieu thereof.

(g) Section 1145(d) of title 11 of the United States Code is amended by deleting the word "commercial" included therein.

SEC. 184. Section 1301(c)(3) of title 11 of the United States Code is amended by inserting "continuation of" immediately after "by".

SEC. 185. (a) Section 1307(b) of title 11 of the United States Code is amended by inserting a comma immediately after "time".

(b) Section 1307(c)(6) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

SEC. 186. (a) Section 1322(a)(2) of title 11 of the United States Code is amended by inserting a comma immediately after "payments" and by inserting after "title," the following: "and all secured claims for tax liabilities of the debtor,".

(b) Section 1322(b)(8) of title 11 of the United States Code is amended by striking out "any".

SEC. 187. Section 1324 of title 11 of the United States Code is amended by striking out "the" the second place it appears.

SEC. 188. Section 1325(a)(3) of title 11 of the United States Code is amended by the addition of ", is the debtor's best effort and" after the word "plan".

SEC. 189. Section 1326(a)(2) of title 11 of the United States Code is amended by inserting "of this title" immediately after "1302(d)".

SEC. 190. Section 1327 of title 11 of the United States Code is amended by adding a new subsection (d) to read as follows:

"(d) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

SEC. 191. (a) Section 1328(a)(2) of title 11 of the United States Code is amended by striking out "(5)".

(b) Section 1328(c)(2) of title 11 of the United States Code is amended by striking out "(a)".

(c) Section 1328(d) of title 11 of the United States Code is amended to read as follows:

"(d) Notwithstanding any other provision of this section, a discharge granted under this section does not discharge the debtor from any debt—

"(1) based on an allowed claim filed under section 1305(a)(2) of this title prior approval by the trustee of the debtor's incurring such debt was practicable and was not obtained; or

"(2) for a tax or customs duty excepted from discharge by section 523(a) of this title.".

(d) Section 1328(e)(1) of title 11 of the United States Code is amended by inserting "of the debtor" immediately after "fraud".

(e) Section 1328(e)(2) of title 11 of the United States Code is amended—

(1) by striking out "knowledge of such fraud came to"; and

(2) by inserting "did not know of such fraud until" immediately after "party".

SEC. 192. Section 15102 of title 11 of the United States Code is amended—

(1) by deleting "In this title, a reference" and inserting in lieu thereof "A reference in this title"; and

(2) by striking out "chapter" the first time it appears and inserting "title" in lieu thereof.

SEC. 193. Section 15103(f) of title 11 of the United States Code is amended—

(1) by inserting "330(a)," immediately after "326(b),"; and

(2) by striking out "under this title" and inserting "to which this chapter applies" in lieu thereof.

SEC. 194. Section 15322(b)(1) of title 11 of the United States Code is amended by striking out "(2)".

SEC. 195. Section 15326 of title 11 of the United States Code is amended by striking out ", but may allow reasonable compensation under section 330 of this title of a trustee appointed under section 1302(a) of this title for the trustee's services, payable after the trustee renders such services, not to exceed five percent upon all payments under the plan".

SEC. 196. Section 15330 of title 11 of the United States Code is amended to read as follows:

"§ 15330. Compensation of officers

"(a) After notice to any parties in interest and to the United States trustee and a hearing, and subject to sections 326, 328, 329, and 15326 of this title, the court may award to a trustee, to an examiner, to a professional person employed under section 327 or 1103 of this title, or to the debtor's attorney—

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and

"(2) reimbursement for actual, necessary expenses.

"(b) In a case in which the United States trustee serves as trustee, the compensation of the trustee under subsection (a) of this section shall be paid to the clerk of the bankruptcy court, and by the clerk, into the Treasury. The United States trustee shall not in any case be entitled to the compensation authorized under section 330(b) of title 11 of the United States Code.".

SEC. 197. Section 15345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

SEC. 198. Section 15704 is amended by deleting "make a final report and file a final account of the administration of the estate with the court and with the United States trustee." and insert in lieu thereof "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court and with the United States trustee.".

SEC. 199. Section 151102(b) of title 11 of the United States Code is amended by striking out "interest of" and inserting "interest," in lieu thereof.

TITLE II—AMENDMENTS TO TITLES II, III, AND IV OF PUBLIC LAW 95-598

SEC. 201. Section 151(c) of title 28, United States Code, is amended by inserting a comma after "suit".

SEC. 202. Section 160(a) of title 28, United States Code, is amended by striking out "each circuit" and inserting "such circuit" in lieu thereof.

SEC. 203. (a) Section 206(1) of Public Law 95-598 is amended by striking out "district or bankruptcy judge" and inserting in lieu thereof "district, or bankruptcy judge".

(b) Section 206(2) of Public Law 95-598 is amended by striking out ", district judge or bankruptcy judge" and inserting ", district, or bankruptcy judge" in lieu thereof.

SEC. 204. Section 216 of Public Law 95-598 is amended by deleting "record" and inserting "records" in lieu thereof.

SEC. 205. Section 221 of Public Law 95-598 is amended by inserting "court" after "bankruptcy".

SEC. 206. Section 222 of Public Law 95-598 is amended by deleting "assistance" and inserting "assistants" in lieu thereof.

SEC. 207. Section 223 of Public Law 95-598 is amended by inserting "(a)" immediately after "SEC. 223." and by adding at the end thereof the following new subsection:

"(b) Section 571(b) of such title is further amended by striking out 'United States marshals under regulations prescribed by the'.".

SEC. 208. Section 586(b) of title 28, United States Code, is amended by striking out "United States trustee" the second time it appears and inserting "United States trustees to serve as standing trustee" in lieu thereof.

SEC. 209. (a) Section 771(c) of title 28 of the United States Code is amended by inserting "with the approval of the Director" after "court" in the second sentence.

(b) Section 773(c) of title 28 of the United States Code is amended by deleting the parentheses around "but presenting a substantial question".

(c) Section 773 of title 28 of the United States Code is amended by adding at the end the following:

"(d) Court reporters appointed under this section shall be appointed in accordance with all of the standards and procedures applicable to appointments under section 753 of this title and shall be governed by the rules and regulations applicable to court reporters appointed under section 753 of this title.".

SEC. 210. Section 236(a) of Public Law 95-598 is amended in the paragraph relating to section 1293(b) of title 28 of the United States Code by striking out "District court of the United States" and inserting "district court of the United States," in lieu thereof.

SEC. 211. (a) Section 1334(b) of title 28, United States Code, is amended by striking out "interlocutory orders and decrees" and inserting "interlocutory judgments, orders, and decrees" in lieu thereof.

(b) Section 1334(c) of title 28, United States Code, is amended by striking out "that section" and inserting "this section" in lieu thereof.

SEC. 212. (a) Section 1471(a) of title 28, United States Code, is amended by striking out "subsection" and inserting "subsection" in lieu thereof.

(b) Sections 1471(c) and 1471(e) of title 28, United States Code, are each amended by striking out "commenced" and inserting "pending" in lieu thereof.

(c) Section 1471(e) of title 28, United States Code, is amended by inserting "and of all property, wherever located, of the estate in such case" immediately before the period at the end thereof.

(d) Section 1472(1) of title 28, United States Code, is amended by striking out "principle" and inserting "principal" in lieu thereof.

(e) Section 1473(a) of title 28, United States Code is amended by striking out "Except" and inserting in lieu thereof the following: Notwithstanding any Act of Congress that confers venue in a specific district and except".

(f) Section 1473(c) of title 28, United States Code is amended by striking out "section" the first time it appears and inserting "subsection" in lieu thereof.

SEC. 213. Public Law 95-598 is amended by striking out section 245 and inserting in lieu thereof the following:

"SEC. 245. Section 1923(b) of title 28, United States Code, is amended to read as follows:

"'(b) The docket fees of United States attorneys shall be paid to the clerk of court, the docket fees of United States trustees shall be paid to the clerk of the bankruptcy court, and all such fees shall then be paid by the clerks into the Treasury'.".

SEC. 214. Section 2075 of title 28 is amended by striking out "in cases under title 11" and inserting "in cases under title 11 and civil proceedings arising under title 11 or arising in or related to cases under title 11" in lieu thereof.

SEC. 215. Section 248 of Public Law 95-598 is repealed.

SEC. 216. Section 19 of the Commodity Ex-

change Act (7 U.S.C. 24) added by section 302 of Public Law 95–598 is redesignated as section 20 of the Commodity Exchange Act.

SEC. 217. (a) Section 308(f)(3) of Public Law 95–598 is amended by striking out "C" and inserting "(C)" in lieu thereof.

(b) Section 306 of Public Law 95–598 is amended by—

(1) redesignating subsections (h) through (m) as subsections (i) through (n), respectively; and by redesignating subsections (n) and (o) as subsections (p) and (q), respectively.

(2) adding a new subsection (h) as follows:

"(h) Section 6(d) of such Act (15 U.S.C. 78fff(d)) is amended by striking 'section 16(5)(A)' and inserting 'section 16(4)(A)' in lieu thereof."

(3) adding a new subsection (o) as follows:

"(o) Section 8(e)(4)(C) of such Act (15 U.S.C. 78fff–2(e)(4)(C)) is amended by striking 'section 9(a)(5)' and inserting 'section 9(a)(4)' in lieu thereof."

SEC. 218. Section 312(b) of Public Law 95–598 is amended by inserting "except cases under chapter 13," after "Code" and inserting "except cases under chapter XIII," after "Act".

SEC. 219. Section 151 of title 18, United States Code, is amended by striking out "mean" and inserting "means" in lieu thereof.

SEC. 220. Section 322 of Public Law 95–598 is amended by inserting a new subsection to read as follows:

"(h) Section 3468 of the Revised Statutes of the United States (31 U.S.C. 193) is amended by inserting at the end thereof the following: 'This section does not apply, however, in a case under title 11 of the United States Code'.".

SEC. 221. Section 328 of Public Law 95–598 is repealed.

SEC. 222. Section 8334(c) of title 5 is amended by striking out "After" and inserting "On and after" in lieu thereof.

SEC. 223. A new section 339 is added to title II of Public Law 95–598 as follows:

"SEC. 339. Section 1827(1) of title 28, United States Code, is amended by striking out 'referee in bankruptcy' and inserting 'bankruptcy judge' in lieu thereof."

SEC. 224. A new section 340 is added to title III of Public Law 95–598 as follows:

"SEC. 340. Section 6301(2)(xiii) of title 5, United States Code, is amended by striking out the period at the end of clause (xiii) and inserting ', and a United States magistrate' in lieu thereof."

SEC. 225. A new section 341 is added to title III of Public Law 95–598 as follows:

"SEC. 341. Section 7A(c) of the Clayton Act (15 U.S.C. 18a(c)) is amended—

"(a) by striking out 'and' at the end of paragraph (11) thereof;

"(b) by striking out the period at the end of paragraph (12) thereof and inserting in lieu thereof '; and; and

"(c) by adding the following new paragraph at the end thereof:

"'(13) transactions arising under title 11 or arising in or relating to cases under title 11 of the United States Code'.".

SEC. 226. Section 402(d) of Public Law 95–598 is amended by inserting "232," immediately after "230".

SEC. 227. Section 403(e) of Public Law 95–598 is amended to read as follows:

"(e) Notwithstanding subsection (a) of this section—

"(1) a fee may not be charged under section 40c(2)(b) of the Bankruptcy Act in a case in which the plan is confirmed after September 30, 1978, to the extent that such fee exceeds $100,000;

"(2) after September 30, 1979, all moneys collected for payment into the referees' salary and expense fund in cases filed under the Bankruptcy Act shall be collected and paid into the general fund of the Treasury; and

"(3) any balance in the referees' salary and expense fund in the Treasury on October 1, 1979, shall be transferred to the general fund of the Treasury and the referees' salary and expense fund account shall be closed.".

SEC. 228.(a) Section 404(b) of Public Law 95–598 is amended—

(1) by deleting "upon the expiration of his appointed term as referee"; and

(2) by adding at the end the following new sentence:

"During the transition period, United States bankruptcy judges shall be exempt from annual and sick leave laws and regulations.".

(b) Section 404(c) of Public Law 95–598 is amended by deleting the first sentence and inserting in lieu thereof "There shall be established for each judicial district a merit screening committee composed of the president or the designee of the president of the State bar association, the president or designee of the president of a local bar association for the area wherein a referee in bankruptcy maintains his official headquarters within the judicial district, and the dean or designee of the dean of an accredited law school, if any, located within the judicial district or State, and if no law school exists, then a lay member selected by the chief judge of the United States district court for the judicial district wherein the referee in bankruptcy maintains his official headquarters.".

(c) Section 404(e) of Public Law 95–598 is amended by inserting after the first sentence the following new sentence: "Bankruptcy judges for the district shall decide where the headquarters office of the clerk of the bankruptcy court shall be located and, if they are unable to agree, the chief United States district judges for the district shall make the decision.".

SEC. 229. (a) Section 405(c)(2) of Public Law 95–598 is amended by inserting "240," immediately after "238,".

(b) Section 405(d) of Public Law 95–598 is amended by striking out "248" and inserting "247" in lieu thereof.

SEC. 230. Section 406(b) of Public Law 95–598 is amended by adding after the first sentence thereof the following new sentence: "The recommendations may provide for a bankruptcy judge to serve in more than one judicial district or circuit.".

SEC. 231. Section 407(c) of Public Law 95–598 is amended by striking out "332" and inserting "333" in lieu thereof.

SEC. 232. Section 408 of Public Law 95–598 is amended by adding at the end thereof the following:

"(d) During the transition period, section 604(h) of title 28, United States Code, does not apply to bankruptcy courts for districts listed in section 581(a) of such title.".

SEC. 233. Section 409(a)(1) of Public Law 95–598 is amended by striking out "September 30, 1983" and inserting "March 31, 1984" in lieu thereof.

SEC. 234. The official title of Public Law 95–598 is amended by striking out "Subject" and inserting in lieu thereof "subject".

TITLE III—EFFECTIVE DATES

SEC. 301. The amendments made by this Act shall take effect on October 1, 1979.

UP AMENDMENT NO. 536

(Purpose: To make certain technical amendments in the definition of "security")

Mr. ROBERT C. BYRD. Mr. President, I have been asked by Mr. DECONCINI to submit four amendments to this bill, which I send to the desk and which I will explain.

Senator DECONCINI's amendments would clarify the definition of "security" as used in the Bankruptcy Refrom Act to include unregistered investment contracts; clarify the lanugage used in the technical amendments bill as it affects the Social Security Act; provide that nonrecourse creditors may not reach beyond the assets of the debtor and attracts; clarify the language used in the rupts who have relied in their commercial dealings on the effectiveness of nonrecourses clauses; and would delay for 1 year the implementation of section 244 of the Bankruptcy Reform Act that adjusted the filing fees in court cases filed in the Federal Court.

I understand that Mr. THURMOND, who is Senator DECONCINI's counterpart on the committee, is aware of these amendments and approves of them.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for the Senator from Arizona (Mr. DECONCINI), proposes an amendment numbered 536.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 48, between lines 12 and 13, insert the following:

(i) Section 101(35)(A)(xii) is amended by striking out "is the subject of a registration statement" and inserting in lieu thereof "should be the subject of a registration statement".

(j) Section 101(35)(B)(vi) is amended by striking out "the subject of such a registration statement" and inserting in lieu thereof "required to be the subject of a registration statement".

On page 107, strike out lines 1 and 2 and insert in lieu thereof the following:

SEC. 221. At the end of section 456(a) of the Social Security Act, add the following:

"(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Act.".

On page 69, beginning on line 6, strike out everything after the quotation mark and insert in lieu thereof the following: "except as provided in section 456(b) of the Social Security Act.".

On page 111, between lines 3 and 4, insert the following:

SEC. 235. Section 402 of Public Law 95–598 is amended—

(1) by striking out "244,"; and

(2) by adding at the end thereof the following new subsection:

"(f) The amendment made by section 244 of this Act shall take effect on October 1, 1980.".

On page 90, between lines 6 and 7, insert the following:

(d) Section 1111(b)(1) is amended by adding at the end thereof the following:

"(C) Allowing or disallowing a nonrecourse claim under this subsection as if the holder had recourse against the debtor on account of such claim shall not affect the rights of any person other than the debtor and the holder of such claim, and the elimination of, or limitation on, recourse shall remain fully effective as to any other person.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered and adopted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO TITLE 11 OF THE UNITED STATES CODE

SEC. 101. Section 101(2)(D) of title 11 of the United States Code is amended by striking out "or all" immediately after "business".

SEC. 102. (a) Section 101(8)(B) of title 11 of the United States Code is amended by striking out the colon at the end thereof and inserting a semicolon in lieu thereof.

(b) Section 101(9)(B) of title 11 of the United States Code is amended by inserting "348(d)" after "section", and by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(c) Section 101(14) of title 11 of the United States Code is amended by inserting "or" immediately after "trust,".

(d) Section 101(24) of title 11 of the United States Code is amended by striking out "stock broker" and inserting "stockbroker" in lieu thereof.

(e) Section 101(26)(B)(ii) of title 11 of the United States Code is amended—

(1) by striking out "separate" each place it appears and inserting "nonpartnership" in lieu thereof; and

(2) by striking out "the kind specified in subparagraph" and inserting "a kind specified in subparagraph (A)(i) or" in lieu thereof.

(f) Section 101(35)(B)(vi) of title 11 of the United States Code is amended by striking out "specified in clause (xii) of subparagraph (A)" and inserting "of a kind specified in subparagraph (A)(xii)" in lieu thereof.

(g) Section 101 is amended by adding the following immediately after paragraph (37):

"(37A) 'State' includes the Commonwealth of Puerto Rico, the Panama Canal Zone, the District of Columbia, and any territory or possession of the United States;".

(h) Section 101 is amended by adding the following immediately after paragraph (34):

"(34A) 'securities clearing agency' means person registered as a clearing agency under section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q–1), or whose business is confined to the performance of the functions of a clearing agency with respect to 'exempted securities,' as defined in section 3 of said Act (15 U.S.C. 78c) for the purposes of said section 17A;"

(i) Section 101(35(A)(xii) is amended by striking out "is the subject of a registration statement" and inserting in lieu thereof "should be the subject of a registration statement".

(j) Section 101(35)(B)(vi) is amended by striking out "the subject of such a registration statement" and inserting in lieu thereof "required to be the subject of a registration statement".

SEC. 103. Section 102 of title 11 of the United States Code is amended—

(a) by striking out "and" at the end of paragraph (7);

(b) by striking out "continued" and inserting in lieu thereof "contained" in paragraph (8);

(c) by striking out the period at the end of paragraph (8) and inserting "; and" in lieu thereof; and

(d) by adding at the end thereof the following:

"(9) 'United States', when used in a geographical sense, includes the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, and the territories and possessions of the United States.".

SEC. 104. (a) Section 103(c) of title 11 of the United States Code is amended—

(1) by striking out "stockholder" and inserting "stockbroker" in lieu thereof; and

(2) by striking out the period at the end thereof and inserting ", except with respect to section 753 which shall apply in any case under chapter 7, 11, or 13 of this title." in lieu thereof.

(b) Section 103(d) of title 11 of the United States Code is amended by striking out "746 (c) which applies to margin payments made by any debtor to a commodity broker or forward contract merchant" and inserting "767 which shall apply in any case under chapter 7, 11, or 13 of this title" in lieu thereof.

SEC. 105. Section 108(c) of title 11 of the United States Code is amended by—

(a) Inserting after "bankruptcy court" the following: "or for taking other collection action, including levy,".

(b) Adding a new subsection (d) to read as follows:

"(d) If applicable law or an agreement suspends the period of limitation for assessing a tax liability of the debtor as of the commencement of a case under this title, such suspension shall not expire before 90 days following the earlier of—

"(1) termination or expiration of the stay under section 362 of this title, or

"(2) the date, determined under sections 362(b)(9) and 505(c) of this title, after which assessment of such tax liability is permitted.".

(c) Adding a new subsection (e) to read as follows:

"(e) If applicable law fixes a period for filing a petition or otherwise commencing an action in the United States Tax Court, or in a similar judicial or administrative forum under State or local law, and if any such act is stayed under section 362 of this title, such period shall not expire before 60 days after termination or expiration of the stay with respect to any such petition or action.".

SEC. 106. (a) Section 109(c)(5)(D) of title 11 of the United States Code is amended by striking out "preference" and inserting "transfer that is avoidable under section 547 of this title" in lieu thereof.

(b) Section 109(d) of title 11 of the United States Code is amended by striking out "stockholder" and inserting "stockbroker" in lieu thereof.

SEC. 107. (a) Section 303(b) of title 11 of the United States Code is amended by inserting "against a person" immediately after "involuntary case".

(b) Section 303(j)(2) of title 11 of the United States Code is amended by striking out "debtors" and inserting "debtor" in lieu thereof.

SEC. 108. Section 321(b) of title 11 of the United States Code is amended by striking out "a case" and inserting "the case" in lieu thereof.

SEC. 109. (a) Section 326(a) of title 11 of the United States Code is amended by inserting "of this title" immediately after "7 or 11".

(b) Section 326(d) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 110. (a) Section 330(a) of title 11 of the United States Code is amended by striking out "and to the United States trustee".

(b) Section 330(a)(1) of title 11 of the United States Code is amended to read as follows:

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and".

(c) Section 330(b) of title 11 of the United States Code is amended by deleting "from the filing fee" and substituting "from appropriated funds" in lieu thereof.

(d) Section 330 of title 11 of the United States Code is amended by adding the following at the end:

"(c) When a trustee performs substantial service in a case in which there are no funds to pay an adequate commission, the Director shall pay the trustee a special service fee not to exceed $60 from appropriated funds, if ordered by the bankruptcy judge. Such order shall be the exception and not the rule.".

SEC. 111. (a) Section 341(a) of title 11 of the United States Code is amended by deleting "there shall be a meeting of creditors" and inserting "the court shall call a meeting of creditors" in lieu thereof.

(b) Section 341(c) of title 11 of the United States Code is amended by adding "except that the court shall preside at any election of the trustee" after "section".

SEC. 112. Section 345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

SEC. 113. (a) Section 346(c)(2) of title 11 of the United States Code is amended by striking out "operation" and inserting "corporation" in lieu thereof.

(b) Section 346(f) of title 11 of the United States Code is amended by deleting "State or local".

(c) Section 346(j)(7) of title 11 of the United States Code is amended by striking out "owned" and inserting "owed" in lieu thereof.

SEC. 113A. Section 347(a) of title II of the United States Code is amended by deleting the words "under chapter 129 of title 28" and inserting in lieu thereof "under chapter 11, subchapter IV, section 725 of title 31".

SEC. 114. Section 350(b) of title 11 of the United States Code is amended by striking out "a" and inserting "A" in lieu thereof.

SEC. 115. Section 361(1) of title 11 of the United States Code is amended by inserting "a cash payment or" immediately after "make".

SEC. 116. (a) Section 362(a)(1) of title 11 of the United States Code is amended by inserting "action or" immediately after "other".

(b) Section 362(a)(8) of title 11 of the United States Code is amended by striking "Court concerning the debtor" and inserting in lieu thereof "Court, or a similar administrative or judicial forum under State or local law, concerning the debtor".

(c) Section 362(b)(6) of title 11 of the United States Code is amended by inserting immediately before the semicolon the following: ", or, under subsection (a) of this section, of the setoff of any claim of a commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency against the debtor for a margin payment, as defined in section 761(15) or section 741(4A) of this title, or settlement payment arising out of a commodity contract, as defined in section 761(4) of this title, forward commodity contract, or securities contract, as defined in section 741(5A) of this title, against cash, a security, or other property held by such commodity broker, forward commodity contract merchant, stockbroker, or securities clearing agency to margin, guarantee, or secure such commodity contract, forward commodity contract, or securities contract".

(d) Section 362(b)(7) of title 11 of the

United States Code is amended by striking out "said" and inserting "such" in lieu thereof.

(e) Section 362(c) of title 11 of the United States Code is amended by deleting "section —" and substitute "section and subsection (c) of section 505 —".

(f) Section 362(d)(2) of title 11 of the United States Code is amended—

(1) by inserting "under subsection (a) of this section" immediately after "stay"; and

(2) by adding "or is not necessary to an effective plan for an individual with regular income, as the case may be" immediately after "reorganization".

(g) Section 362(f) of title 11 of the United States Code is amended by inserting "with or" immediately after "court,".

SEC. 117. Section 363(a) of title 11 of the United States Code is amended by adding "and includes the proceeds, products, offspring, rents or profits of property subject of a security interest as provided in section 552(b) of this title whether existing prior to or after the commencement of a case under this title" immediately after "interest".

SEC. 118. (a) Section 363(e) of title 11 of the United States Code is amended by striking out "section" the second time it apears, and inserting "subsection" in lieu thereof.

"(b) Section 363(h) of title 11 of the United States Code is amended by inserting "tenant in partnership" immediately after "as a".

(c) Section 363(j) of title 11 of the United States Code is amended by striking out "compenation" and inserting "compensation" in lieu thereof.

(d) Section 363(l) of title 11 of the United States Code is amended—

(1) by striking out "conditions" and inserting "condition" in lieu thereof;

(2) by striking out "a taking" and inserting "or taking" in lieu thereof; and

(3) by striking out "interests" and inserting "interest" in lieu thereof.

SEC. 119. Section 364(f) of title 11 of the United States Code is amended by inserting "or convertible to an equity security" immediately before the period at the end thereof.

SEC. 120. (a) Section 365(b)(3) of title 11 of the United States Code is amended by striking out "purposes" and inserting "purpose" in lieu thereof.

(b) Section 365(c)(1)(A) of title 11 of the United States Code is amended by inserting "by virtue of the nature of such contract or lease" immediately before ", whether".

(c) Section 365(f)(3) of title 11 of the United States Code is amended by inserting a comma immediately after "applicable law".

(d) Section 365(h)(1) of title 11 of the United States Code is amended—

(1) by striking out "treat the lease" and inserting "treat such lease" in lieu thereof; and

(2) by inserting "provided no interest created out of the leasehold estate would be adversely affected thereby" immediately after "rejection".

(e) Section 365(h)(2) of title 11 of the United States Code is amended by inserting "under such lease" immediately after "debtor".

(f) Section 365(i)(2)(A) of title 11 of the United States Code is amended—

(1) by striking out the comma after "may"; and

(2) by inserting "under such contract" immediately after "debtor".

(g) Section 365(j) of title 11 of the United States Code is amended by inserting "to or for the benefit of the debtor" immediately before the period at the end thereof.

SEC. 121. (a) Section 501(d) of title 11 of the United States Code is amended by striking "502(h) or 502(i)" and inserting "or 502(h)" in lieu thereof.

(b) Section 501 of title 11 of the United States Code is amended by adding a new subsection (e) reading as follows:

"(e) A government unit shall not be required to file a proof of claim for either—

"(1) a tax liability entitled to priority under section 507(a)(6) of this title but which arises from payment of a claim entitled to priority under section 507(a)(3) of this title, or

"(2) a tax liability arising from payment of a claim for wages, salaries or commissions, including vacation, severance, and sick leave pay, payable without priority from the estate.".

SEC. 122. (a) Section 502(a) of title 11 of the United States Code is amended by inserting "general" immediately before "partner".

(b) Section 502(b) of title 11 of the United States Code is amended—

(1) by inserting "(e)(2)," immediately after "subsections"; and

(2) by inserting "in lawful currency of the United States" immediately after "petition" where it first appears;

(3) by striking "(h) and (i)" and inserting "and (h)" in lieu thereof.

(c) Section 502(b)(1) of title 11 of the United States Code is amendded by striking out ", and unenforceable against" and inserting "and" in lieu thereof.

(d) Section 502(b)(2) of title 11 of the United States Code is amended by inserting "other than unmatured interest due to an original issue discount of less than one-half of one percent of the stated redemption price at maturity multiplied by the number of full years from the date of original issue to maturity" immediately after "interest".

(e) Section 502(b)(3) of title 11 of the United States Code is repealed.

(f) Section 502(b)(4) of title 11 of the United States Code is amended by inserting "the" immediately after "exceeds".

(g) Section 502(b)(6) of title 11 of the United States Code is amended—

(1) by striking out "the claim" and inserting "such claim" in lieu thereof; and

(2) by striking out the comma.

(h) Section 502(b)(7)(A)(ii) of title 11 of the United States Code is amended by striking out "repossessed" and inserting "repossessed" in lieu thereof.

(i) Section 502(c)(2) of title 11 of the United States Code is amended by inserting "right to payment arising from a" immediately after "any".

(j) Section 502(e)(1)(B) of title 11 of the United States Code is amended by inserting "or disallowance" immediately after "allowance".

(k) Section 502 of title 11 of the United States Code is amended by deleting subsection (i) thereof.

(l) Section 502(j) of title 11 of the United States Code is amended by striking out "Before a case is closed, a" and inserting "A" in lieu thereof and by inserting "or disallowed" immediately after "allowed".

(m) The rights of creditors who have received dividends or in whose favor final dividends have been declared shall not be affected by the proof and allowance of claims subsequent to the date of such payment or declarations of dividends; but the creditors proving and securing the allowance of such claims shall be paid dividends equal in amount to those already received by the other creditors, if the estate equals so much, before such other creditors are paid any further dividends.

SEC. 123. Section 503(b) of title 11 of the United States Code is amended—

(1) by striking out the comma immediately after "there shall be allowed";

(2) in paragraph (1)(B)(i) to read as follows:

"(i) incurred by the estate or required to be collected or withheld from others with respect to any payment by or to the estate, other than a tax liability referred to in section 501(e) of this title; or";

(3) in paragraph 503(b)(1)(C) to read as follows:

"(C) any fine, penalty, or reduction in credit, incurred by the estate;";

(4) in paragraph (3) by inserting a comma immediately after "paragraph (4) of this subsection";

(5) in paragraph (3)(C), by striking out the comma;

(6) in paragraph (4) by striking out "the time," and "and" immediately before "the value", and inserting "the time spent thereon," before "and the cost of comparable services";

(7) by adding a new paragraph (7) as follows:

"(7) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (4) of this subsection incurred by a committee appointed under section 1102 of this title.";

(8) by striking out "and" at the end of paragraph (5); and

(9) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof.

SEC. 124. (a) Section 505(a)(1) of title 11 of the United States Code is amended by striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(b) Section 505(a)(2)(A) of title 11 of the United States Code is amended by—

(1) Striking "amount or legality of" and inserting "amount of or liability for" in lieu thereof.

(2) Striking "legality" and inserting "liability" in lieu thereof.

(c) Section 505(a)(1) of title 11 of the United States Code is amended by striking "assessed, whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction." and inserting in lieu thereof "assessed or paid, and whether or not a proof of claim has been filed.".

(d) Section 505(a) of title 11 of the United States Code is amended by adding a new paragraph (3) to read as follows:

"(3) Notwithstanding subparagraph (B) of this paragraph, the court may offset against a claim for, or request for payment of, a tax liability any counterclaim with respect to such tax liability for the same taxable period, event, act (or failure to act) to which the claim or request for payment relates, and may, where appropriate, order a net credit or refund to be made to the estate. The preceding sentence shall not apply if, at the commencement of the case under this title, the debtor had filed suit for refund relating to such taxable period, event, act (or failure to act), and if the stay on continuation of such suit is terminated under section 362 of this title.".

(e) Section 505(c) of title 11 of the United States Code is amended to read as follows:

"(c) After allowance of a claim or administrative expense relating to a tax liability by the court in a case under this title, or a final determination of such tax liability by another court, the governmental unit charged with responsibility for collecting such tax may assess such tax, if not permitted to do so previously, against the estate, the debtor, or a successor to the debtor, as the case may be, subject to any otherwise applicable law.".

SEC. 125. (a) Section 506(a) of title 11 of the United States Code is amended by inserting ", except to the extent that such creditor does not have recourse, under any agreement or applicable law, against the debtor on account of such claim," immediately before "is an unsecured claim".

(b) Section 506(d) of title 11 of the United States Code is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by inserting in paragraph (2) "502(b)(6) or" immediately after "section", and striking out the period at the end of the paragraph and inserting "; or" in lieu thereof; and

(3) by adding a new paragraph (3) to read as follows:

"(3) such claim is not an allowed secured claim due only to the failure to file a proof of claim under section 501 of this title.".

SEC. 126. (a) Section 507(a)(3) of title 11 of the United States Code is amended by inserting a comma after "severance".

(b) Section 507(a)(B)(ii) of title 11 of the United States Code is amended by striking out the comma.

(b) Section 507(a)(6)(A) of title 11 of the United States Code is amended by striking out clause (ii) thereof and inserting in lieu thereof the following:

"(ii) assessed within 240 days before the date of the filing of the petition;".

(d) Section 507(a)(6)(A)(iii) of title 11 of the United States Code is amended to read as follows:

"(iii) not assessed before commencement of the case but not prohibited, at the commencement of the case, from being assessed under the applicable statute of limitations, other than a tax or customs duty of a kind excepted from discharge under section 523(a)(1)(B) or (C) of this title;".

(e) Section 507(a)(6)(D) of title 11 of the United States Code is amended to read as follows:

"(D) an employment tax on a wage, salary, or commission—

"(i) of a kind specified in paragraph (3) of this subsection; or

(ii) paid before the date of the filing of the petition for which a return is last due, under applicable law or under any extension, after three years before the date of the filing of the petition;".

(f) Section 507(a)(6)(F) of title 11 of the United States Code is amended by deleting everything after "fraud," and inserting in lieu thereof "fraud."

(g) Section 507(a)(6) of title 11 of the United States Code is amended by deleting subparagraph (G) thereof.

(h) Section 507(b) of title 11 of the United States Code is amended—

(1) by striking out "If" and inserting "Notwithstanding section 726(b) of this title, if" in lieu thereof;

(2) by inserting "or the court finds that such interest is adequately protected by such lien" immediately after "debtor"; and

(3) by striking out "creditor" each place it appears and inserting "holder" in lieu thereof; and

(4) by striking out "subsection (a)(1) of this subsection shall" and inserting "section 503(b) of this title shall" in lieu thereof; and

(5) by striking out "subsection" where it last appears and inserting "this section" in lieu thereof.

(i) Section 507(c) of title 11 of the United States Code is amended by striking out "shall be treated the same" and inserting "has the same priority" in lieu thereof.

(j) Section 507 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) For purposes of subsection (a)(6) of this section—

"(1) a penalty that represents compensation for actual pecuniary loss of a governmental unit with respect to a tax liability shall be treated as a tax liability;

"(2) a child support obligation governed by section 6305 of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) shall not be treated as a tax liability; and

"(3) if an offer in compromise with respect to a tax liability is submitted during the 240-day period referred to in subsection (a)(6)(A)(ii) of this section, the balance of such period remaining at the date on which the offer is submitted shall be suspended until final resolution of the offer, but in any event such period shall not expire before 30 days after the offer is withdrawn by the debtor or finally rejected by the governmental unit.".

SEC. 127. Section 509(c) of title 11 of the United States Code is amended by striking out "section 509 of this title" and inserting "this section" in lieu thereof.

SEC. 128. Section 510(b) of title 11 of the United States Code is amended—

(1) by striking out "recission" and inserting "rescission" in lieu thereof; and

(2) by striking out "and interests that are" and inserting "to all interests that are senior to the" immediately before "interest represented".

SEC. 129. (a) Section 522(b)(1) of title 11 of the United States Code is amended by striking out "does not so authorize" and inserting "prohibits application of such subsection (d)" in lieu thereof.

(b) Section 522(c) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "arisen";

(2) in paragraph (1), to read as follows:

"(1) a tax liability excepted from discharge under section 523(a) (1) or (7) of this title; or";

(3) in paragraph (2)—

(A) by inserting "a debt secured by" immediately before "a lien";

(B) by redesignating subparagraph (A) as subparagraph (A)(i);

(C) by inserting "and" immediately after subparagraph (A)(i);

(D) by redesignating subparagraph (B) as clause (ii);

(E) by inserting a new paragraph (3) in subsection (c) as follows:

"(3) a debt of a kind specified in section 523(a)(5) of this title.";

(F) by amending subsection (c)(2)(B) to read as follows:

"(B) a tax lien, notice of which is properly filed, notwithstanding that such lien is avoided under section 545(2) of this title.".

(c) Section 522(f)(2)(A) of title 11 of the United States Code is amended by inserting "jewelry or" between "crops," and "musical instruments", and striking out ", or jewelry" following "musical instruments".

(d) Section 522(h)(1) of title 11 of the United States Code is amended by striking out "tittle" and inserting "title" in lieu thereof.

(e) Section 522(i)(2) of title 11 of the United States Code is amended by striking out "his" and inserting "this" in lieu thereof.

SEC. 130. (a) Section 523(a)(2) of title 11 of the United States Code is amended by striking out "refinance" and inserting "refinancing" in lieu thereof.

(b) Section 523(a)(5)(A) of title 11 of the United States Code is amended by inserting after "otherwise" the following: "except as provided in section 456(b) of the Social Security Act".

SEC. 131. (a) Section 524(a) of title 11 of the United States Code is amended—

(1) by striking out "any act" each place it appears, and inserting "an act" in lieu thereof; and

(2) in paragraph (2)—

(A) by inserting "except as to enforcement of a lien that is not voided by section 506(d) of this title and except as provided in section 522(c) of this title," immediately before "operates"; and

(B) by inserting a comma immediately after "recover".

(b) Section 524(d) of title 11 of the United States Code is amended—

(1) by inserting "and" immediately after paragraph (1) thereof; and

(2) in paragraph (2), by striking out "subsection" the second time it appears and inserting "section" in lieu thereof.

SEC. 132. Section 525 of title 11 of the United States Code is amended by inserting "the" immediately before "Perishable".

SEC. 133. (a) Section 541(a)(3) of title 11 of the United States Code is amended by inserting "363(n)," immediately after "section".

(b) Section 541(a)(5) of title 11 of the United States Code is amended by striking out "An" and inserting "Any" in lieu thereof.

(c) Section 541(c)(1) of title 11 of the United States Code is amended—

(1) by inserting "in an agreement or applicable law" immediately after "provision"; and

(2) in subparagraph (B)—

(A) by striking out "the taking" and inserting "taking" in lieu thereof; and

(B) by inserting "before such commencement" immediately after "custodian".

SEC. 134. Section 542(a) of title 11 of the United States Code is amended by striking out "value or benefit" and inserting "value and benefit" in lieu thereof.

SEC. 135. (a) Section 543(c)(3) of title 11 of the United States Code is amended by striking out "appointed or" and inserting "appointed and" in lieu thereof.

(b) Section 543 is amended by adding a new section (e) as follows:

"(e) For the purposes of a case under chapter 7 of this title, custodian shall not include an assignee under a general assignment for the benefit of the debtor's creditors that was appointed or took possession more than 120 days before the date of the filing of the petition; but, the trustee or the court may nevertheless, and at any time, require such an assignee to file an accounting as set forth in subsection (b)(2) hereinabove.".

SEC. 135A. Section 544(a)(2) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

SEC. 135B. (a) Section 545(1)(A) of title 11 of the United States Code is amended by striking out "is" imediately after "debtor".

(b) Section 545(1)(C) of title 11 of the United States Code is amended by striking out "appointed" and inserting "appointed" in lieu thereof.

SEC. 136. (a) Section 546(a) of title 11 of the United States Code is amended by striking out "or 553" and inserting "553, or 724 (a)" in lieu thereof.

(b) Section 546(b) of title 11 of the United States Code is amended by striking out "the trustee under section 544, 545, or" and inserting "a trustee under sections 544, 545, and" in lieu thereof.

(c) Section 546(c) of title 11 of the United States Code is amended—

(1) by striking out "the trustee" and inserting "a trustee" in lieu thereof; and

(2) in paragraph (2), by inserting "the" immediately after "if"; and

(3) by deleting "sections 544(a), 545, 547, and 549 of".

(d) Section 546 of title 11 of the United States Code is amended by inserting at the end thereof the following:

"(d) Notwithstanding sections 544, 545, 547, and 548 of this title, the trustees may not avoid a transfer that is a margin payment, as defined in section 761(15) or section 741 (4A) of this title, deposit, or settlement payment, made by or to a commodity broker, forward contract merchant, stockbroker, or securities clearing agency, and that occurs before the commencement of the case, except under section 548(a)(1) of this title.".

SEC. 137. (a) Section 547(c)(5) of title 11 of the United States Code is amended by striking out "all security interest" and inserting "all security interests" in lieu thereof.

(b) Section 547(e) of title 11 of the United States Code is amended by adding a new paragraph (4) at the end thereof as follows:

"(4) For the purposes of this section, a transfer of an equitable lien is deemed to be made immediately before the commencement of the case on account of an antecedent debt."

SEC. 138. (a) Section 548(a)(1) of title 11 of the United States Code is amended by striking out "occurred" and inserting "was made" in lieu thereof.

(b) Section 548(a)(2)(B)(ii) of title 11 of the United States Code is amended by inserting "or a transaction" immediately after "engaged in business".

(c) Section 548(c) of title 11 of the United States Code is amended—

(1) by inserting "or may retain" immediately after "lien on"; and

(2) by striking out ", may retain any lien transferred,".

(d) Section 548(d)(1) of title 11 of the United States Code is amended by striking out "occurs" and inserting "is made" in lieu thereof.

(e) Section 548(d)(2)(B) of title 11 of the United States Code is amended—

(1) by striking out "or" immediately after "broker" and inserting a comma in lieu thereof;

(2) by inserting "stockbroker, or securities clearing agency" immediately after "merchant"; and

(3) by inserting "or section 741(4A)" immediately after "761(15)".

SEC. 139. Section 549(a) of title 11 of the United States Code is amended by striking out "subsection" and inserting "subsections" in lieu thereof.

SEC. 140. Section 550(d)(2) of title 11 of the United States Code is amended—

(1) by striking out "such property; (E) discharge of any lien against"; and

(2) by redesignating subparagraph (F) as subparagraph (E).

SEC. 141. Section 551 of title 11 of the United States Code is amended by striking out "but only with respect to property of the estate".

SEC. 142. (a) Section 553(a)(1) of title 11 of the United States Code is amended by striking out "other than under section 502 (b)(3) of this title".

(b) Section 553(b)(1) of title 11 of the United States Code is amended by striking out "or 365(h)(1)" and inserting ", 365(h)(2), or 365(i)(2)" in lieu thereof.

SEC. 143. Section 554(d) of title 11 of the United States Code is amended by striking out "section (a) or (b) of".

SEC. 144. (a) Section 702(b) of title 11 of the United States Code is amended by inserting "(a)" immediately after "341".

(b) Section 702(c)(2) of title 11 of the United States Code is amended by inserting "a" immediately before "trustee".

SEC. 145. Section 704(8) of title 11 of the United States Code is amended by deleting "make a final report and file a final account of the administration of the estate with the court" and inserting "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court".

SEC. 146. Section 705(a) of title 11 of the United States Code is amended by inserting "of creditors" immediately after "meeting".

SEC. 147. (a) Section 707(1) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

(b) Section 707(2) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 148. (a) Section 723(a) of title 11 of the United States Code is amended by striking out "title" and inserting "chapter" in lieu thereof.

(b) Section 723(c) of title 11 of the United States Code is amended—

(1) by striking out "such case" each place it appears and inserting "such partner's case" in lieu thereof;

(2) by striking out "be property" and inserting "by property" in lieu thereof;

(3) by striking out "(a)"; and

(4) by striking out "the kind" and inserting "a kind" in lieu thereof.

SEC. 149. (a) Section 724(b) of title 11 of the United States Code is amended—

(1) in paragraph (2), by inserting "the holders of" immediately after "second, to";

(2) by inserting immediately after paragraph (4) the following:

"(5) fifth, to the holders of claims specified in sections 507(a)(1), 507(a)(2), 507(a)(3), 507(a)(4), and 507(a)(5) of this title, to the extent that such claims are not paid under paragraph (2) of this subsection;";

(3) by striking out "(5) fifth" and inserting "(6) sixth" in lieu thereof; and

(4) by striking out "(6) sixth" and inserting "(7) seventh" in lieu thereof.

(b) Section 724(c) of title 11 of the United States Code is amended—

(1) by striking out "creditor" and inserting "holder of a claim" in lieu thereof; and

(2) by striking out "creditors" each place it appears and inserting "holders" in lieu thereof.

SEC. 150. (a) Section 726(b) of title 11 of the United States Code is amended by striking out "administrative expenses" each place it appears and inserting "claims allowed under section 503 of this title" in lieu thereof.

(b) Section 726(c)(1) of title 11 of the United States Code is amended by striking out "Administrative expenses" and inserting "Claims allowed under section 503 of this title" in lieu thereof.

(c) Section 726(c)(2) of title 11 of the United States Code is amended—

(1) by striking out "for administrative expenses" and inserting "those allowed under section 503 of this title" in lieu thereof;

(2) by inserting "(a)" immediately after "507";

(3) in subparagraph (C), by inserting a comma immediately before "including", "are", and "such"; and

(4) by adding at the end thereof the following:

"(E) Fifth, to the extent claims against the debtor are not paid under paragraph (C) of this paragraph such claims shall be paid from all remaining property of the estate.

"(F) Sixth, any remaining property of the estate shall be returned to the debtor.".

SEC. 151. (a) Section 727(a)(6)(C) of title 11 of the United States Code is amended by striking out "property" and inserting "properly" in lieu thereof.

(b) Section 727(a)(7) of title 11 of the United States Code is amended by inserting "under this title or under the Bankruptcy Act" immediately after "another case".

(c) Section 727(a)(8) of title 11 of the United States Code is amended by inserting a comma immediately after "371".

SEC. 152. Section 728(c) of title 11 of the United States Code is amended by striking out the comma immediately after "taxable income".

SEC. 153. (a) Section 741(5)(A)(i) of title 11 of the United States Code is amended—

(1) by inserting a comma immediately after "petition"; and

(2) by striking out "customer name securities" and inserting "any customer name security" in lieu thereof.

(b) Section 741 of title 11 of the United States Code is amended—

(1) by adding the following immediately after paragraph (4):

"(4A) 'margin payment' means payment or deposit of cash, a security, or other property, that is commonly known to the securities trade as original margin, initial margin, maintenance margin, or variation margin, or as a mark-to-market payment, or that secures an obligation of a participant to a securities clearing agency;" and

(2) by adding the following immediately after paragraph (5):

"(5A) 'securities contract' means contract for the purchase, sale, or loan of a security, including an option for the purchase or sale of a security, or the guarantee of any settlement of cash or securities by a securities clearing agency.".

SEC. 154. Section 743 of title 11 of the United States Code is amended by striking out "(a)".

SEC. 155. Section 749 of title 11 of the United States Code is amended—

(1) by striking out "Any" at the beginning thereof and inserting "(a) Except as otherwise provided in this section, any" in lieu thereof; and

(2) by inserting at the end thereof the following:

"(b) Notwithstanding sections 544, 545, 547, 548, 549, and 724(a) of this title, the trustee may not avoid a transfer made before five days after the date of the filing of the petition, if such transfer is approved by the Commission by rule or order, either before or after such transfer, and if such transfer is—

"(1) a transfer of a securities contract entered into or carried by or through the debtor on behalf of a customer, and of any cash, securities or other property margining or securing such securities contract; or

"(2) the liquidation of a securities contract entered into or carried by or through the debtor on behalf of a customer.".

SEC. 156. (a) Section 752(a) of title 11 of the United States Code is amended by striking out "customers allowed" and inserting "customers' allowed" in thereof.

(b) Section 752(b)(2) of title 11 of the United States Code is amended by striking out "(a)".

SEC. 157. (a) Subchapter III of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 753. Contractual right to liquidate a securities contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a stockbroker or securities clearing agency from exercising a contractual right to liquidate a securities contract or to cause the liquidation of a securities contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is authorized under the provisions of the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) or is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or by-law of a national securities exchange, a national securities association, or a securities clearing agency.".

(b) The table of sections for such chapter and for such subchapter are each amended by adding at the end thereof the following new items:

"753. Contractual right to liquidate a securities contract.".

SEC. 158. (a) Section 761(2) of title 11 of the United States Code is amended by inserting "made" immediately before "on".

(b) Section 761(4) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof; and

(2) in subparagraph (D), by inserting ", or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by the debtor" immediately before the semicolon.

(c) Section 761(9) of title 11 of the United States Code is amended—

(1) by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof;

(2) in subparagraph (A)—

(A) by striking out "the debtor" each place it appears and inserting "such futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such futures commission merchant's" in lieu thereof;

(3) in subparagraph (B)—

(A) by striking out "the debtor" each place it appears and inserting "such foreign futures commission merchant" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such foreign futures commission merchant's" in lieu thereof;

(4) in subparagraph (C)—

(A) by striking out "the debtor" each place it appears and inserting "such leverage transaction merchant" in lieu thereof;

(B) by striking out "the debtor's" and inserting "such leverage transaction merchant's" in lieu thereof;

(C) by inserting "or" after the semicolon at the end of clause (i); and

(D) in clause (ii), by striking out "hold" and inserting "holds" in lieu thereof;

(5) in subparagraph (D), by striking out "the debtor" each place it appears and inserting "such clearing organization" in lieu thereof; and

(6) in subparagraph (E)—

(A) by striking out "the debtor" each place it appears and inserting "such commodity options dealer" in lieu thereof; and

(B) by striking out "the debtor's" and inserting "such commodity options dealer's" in lieu thereof.

(d) Section 761(12) of title 11 of the United States Code is amended by inserting a comma immediately after "property".

(e) Section 761(13) of title 11 of the United States Code is amended by striking out "217 of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a)" and inserting "19 of the Commodity Exchange Act (7 U.S.C. 23)" in lieu thereof.

SEC. 159. Section 764 of title 11 of the United States Code is amended by striking out subsection (c) thereof.

SEC. 160. Section 765(b) of title 11 of the United States Code is amended by striking out "commitment" and inserting "commodity contract" in lieu thereof.

SEC. 161. (a) Section 766(b) of title 11 of the United States Code is amended by inserting "the" immediately after "rules of".

(b) Section 766(j)(2) of title 11 of the United States Code is amended by striking out "(a)".

SEC. 162. Subchapter IV of chapter 7 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 767. Contractual right to liquidate a commodity contract or forward contract

"Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a commodity broker or forward contract merchant from exercising a contractual right to liquidate a commodity contract, as defined in section 761(4), or forward contract, or to cause the liquidation of a commodity contract or forward contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is required because of a threat to the national security. As used in this section, the term 'contractual right' includes, but is not limited to, a right set forth in a rule or bylaw of a clearing organization or a contract market or in a resolution of the governing board thereof.".

SEC. 163. Section 901(a) of title 11 of the United States Code is amended by—

(1) striking out "552"; and

(2) inserting a comma immediately after "1111(b)".

SEC. 164. Section 903(2) of title 11 of the United States Code is amended by striking out "to" the first time it appears.

SEC. 165. (a) Section 921 of title 11 of the United States Code is amended by redesignating subsections "(e)" and "(f)" as "(d)" and "(e)" respectively.

(b) Section 921(c) of title 11 of the United States Code is amended by striking out "an" and inserting "any" in lieu thereof.

(c) Section 921(d) of title 11 of the United States Code as redesignated in paragraph (a) of this section is amended by striking out "(d)" and inserting in lieu thereof "(c)".

SEC. 166. Section 922(a)(1) of title 11 of the United States Code is amended by inserting "a" immediately before "judicial", and inserting "action or" immediately before "proceeding".

SEC. 167. Chapter 9 is amended by the addition of a section 928 as follows:

"SEC. 928. (a) Except as provided in subsections (b) and (c) of this section, property acquired by the estate or by the debtor after the commencement of the case is not subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case.

"(b) Except as provided in sections 506(c), 544, 545, 547, and 548 of this title and subsection (c) of this section if the debtor and a secured party enter into a security agreement before the commencement of the case and if the security interest created by such security agreement extends to property of the debtor acquired before the commencement of the case and to proceeds, product, offspring, rents, or profits of such property, then such security interest extends to such proceeds, product, offspring, rents, or profits acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law, except to the extent that the court, after notice and a hearing and based on the equities of the case, orders otherwise.

"(c) If the debtor and a secured party enter into a security agreement before the commencement of the case and the obligation of the debtor is secured by a security interest in and is payable solely from specifically identified revenues including tax revenues, proceeds, rents, profits, or other similar moneys of the debtor, then such security interest shall extend to such revenues including specified tax revenues, proceeds, rents, profits, or other similar moneys acquired by the estate after the commencement of the case to the extent provided by such security agreement and by applicable nonbankruptcy law.".

SEC. 168. Section 943(b)(5) of title 11 of the United States Code is amended to read as follows:

"(5) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that on the effective date of the plan each holder of a claim of a kind specified in section 507(a)(1) of this title will receive on account of such claim cash equal to the allowed amount of such claim; and".

SEC. 168A. Section 1103(b) of title 11 of the United States Code is amended by striking out "A person" and inserting in lieu thereof "An attorney or accountant".

SEC. 169. (a) Section 1103(c)(1) of title 11 of the United States Code is amended by striking out "or debtor in possession".

(b) Section 103(c)(3) of title 11 of the United States Code is amended by striking out "recommendations" and inserting "determinations" in lieu thereof and inserting "or rejections" immediately after "acceptances".

(c) Section 103(c)(4) of title 11 of the United States Code is amended by striking out ", if a trustee or examiner, as the case may be, has not previously been appointed under this chapter in the case".

SEC. 170. Section 105 of title 11 of the United States Code is amended by striking out "estate, and" and inserting "estate and of the" in lieu thereof.

SEC. 171. (a) Section 1106(b) of title 11 of the United States Code is amended by inserting ", except to the extent that the court orders otherwise," immediately before "any other".

(b) Section 1107(a) of title 11 of the United States Code is amended by inserting "serving in a case" immediately after "on a trustee".

SEC. 172. Section 1108 of title 11 of the United States Code is amended by inserting ", on request of a party in interest and after notice and a hearing," immediately after "court".

SEC. 173. (a) Section 1111(b)(1)(A)(ii) of title 11 of the United States Code is amended—

(1) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(2) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to such holder, or is to be sold, abandoned, or surrendered" in lieu thereof.

(b) Section 1111(b)(1)(B) of title 11 of the United States Code is amended—

(1) by striking out "A class of claims may not elect application of paragraph (2) of this subsection" and inserting "An election of application of paragraph (2) of this subsection by a class of claims is ineffective" in lieu thereof; and

(2) in clause (ii)—

(A) by striking out "the holder of a claim of such class has recourse against the debtor on account of such claim and";

(B) by striking out "is sold under section 363" and inserting "is sold subject to section 363(k)" in lieu thereof; and

(C) by striking out "or is to be sold" and inserting ", abandoned under section 554 of this title, or surrendered to the holders of such claims, or is to be sold, abandoned, or surrendered" in lieu thereof.

(c) Section 1111(b)(2) of title 11 of the United States Code is amended by inserting "full" immediately before "extent".

(d) Section 1111(b)(1) is amended by adding at the end thereof the following:

"(C) Allowing or disallowing a nonrecourse claim under this subsection as if the holder had recourse against the debtor on account of such claim shall not affect the rights of any person other than the debtor and the holder of such claim, and the elimination of, or limitation on, recourse shall remain fully effective as to any other person.".

SEC. 174. Section 1112(b)(8) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

SEC. 175. Section 1121(c)(3) of title 11 of the United States Code is amended by striking out "the claims or interests of which are" and inserting "of claims or interests that is" in lieu thereof.

SEC. 176. Section 1123(a)(3) of title 11 of the United States Code is amended by striking out "shall".

SEC. 177. Section 1123(a)(6) of title 11 of the United States Code is amended by striking out "equity securities" the first time it appears and inserting "common stock" in lieu thereof.

SEC. 178. (a) Section 1125(a)(2)(C) of title 11 of the United States Code is amend-

ed by inserting "of" immediately after "holders".

(b) Section 1125(d) of title 11 of the United States Code is amended by inserting "or otherwise seek review of" immediately after "appeal from".

(c) Section 1125(e) of title 11 of the United States Code is amended by—

(1) inserting "acceptance or rejection of a plan" immediately after "solicits"; and

(2) inserting "solicitation of acceptance or rejection of a plan or" immediately after "governing".

SEC. 179. (a) Section 1126(b)(2) of title 11 of the United States Code is amended by striking out "(1)".

(b) Section 1126(f) of title 11 of the United States Code is amended by—

(1) striking out "solicitation" and inserting "solicitation" in lieu thereof; and

(2) striking out "interest" and inserting "interests" in lieu thereof.

(c) Section 1126(g) of title 11 of the United States Code is amended by striking out "any payment or compensation" and inserting "receive or retain any property" in lieu thereof.

SEC. 180. (a) Section 1129(a)(1) of title 11 of the United States Code is amended by inserting "and with other applicable provisions of this title" immediately after "chapter".

(b) Section 1129(a)(4) of title 11 of the United States Code is amended—

(1) in subsection (A) by striking out "promised" and inserting "to be made" in lieu thereof; and

(2) in subsection (B)(ii) by striking out "fixed" and inserting "made" in lieu thereof.

(c) Section 1129(a)(5) of title 11 of the United States Code is amended—

(1) by striking out the period at the end of subparagraph (A) and inserting "; and" in lieu thereof; and

(2) in subparagraph (B), by striking out "The" and inserting "the" in lieu thereof.

(d) Section 1129(a)(7)(B) of title 11 of the United States Code is amended by striking out "creditor's" and inserting "holder's" in lieu thereof.

(e) Section 1129 (a)(9)(A) is amended by inserting at the beginning of the subparagraph "except as provided in subsection (C) of this section.".

(f) Section 1129(a)(9)(C) of title 11 of the United States Code is amended to read as follows:

"(C) with respect to a claim specified in section 507(a)(6) of this title or of a claim specified in section 507(a)(1) of this title that results from the sale of a capital asset, recapture of an investment tax credit, recapture of depreciation or similar event, the governmental unit will receive on account of such claim deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim, and which shall be—

"(i) payable over a period not exceeding six years after the later of the date of confirmation of the plan or the date on which the tax liability is assessed;

"(ii) payable in equal amounts on specified dates unless the governmental unit agrees to a different schedule of payments; and

"(iii) payable as a tax liability the unpaid balance of which shall, on default, become immediately due.".

(g) Section 1129(a)(10) of title 11 of the United States Code is amended by adding "excluding any class deemed to have accepted the plan under section 1126(f) of this title and a class of claims described in section 1122(b)," immediately after "plan" where it first appears.

(h) Section 1129(b)(1) is amended by striking out "Notwithstanding section 510 (a) of this title,".

(i) Section 1129(b)(2)(B) of title 11 of the United States Code is amended by inserting "other than claims of a kind specified in section 507(a)(3), 507(a)(4), or 507 (a)(5) of this title" immediately after "unsecured claims".

(j) Section 1129(b)(2)(C)(i) of title 11 of the United States Code is amended by striking out "claim" and inserting "interest" in lieu thereof.

SEC. 181. (a) Section 1141(a) of title 11 of the United States Code is amended—

(1) by striking out "Except" and inserting "Notwithstanding section 510(a) of this title and except" in lieu thereof; and

(2) by striking out "any creditor or equity security holder of, or general partner in," and inserting "any creditor, equity security holder, or general partner in" in lieu thereof.

(b) Section 1141 of title 11 of the United States Code is amended by adding a new subsection (e) to read as follows:

"(e) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

SEC. 182. (a) Section 1142(a) of title 11 of the United States Code is amended by striking out the comma after "plan" the second time it appears.

(b) Section 1142(b) of title 11 of the United States Code is amended—

(1) by striking out "debtor and" and inserting "debtor" in lieu thereof; and

(2) by inserting "a" immediately after "by".

SEC. 183. (a) Section 1145(a) of title 11 of the United States Code is amended by deleting the words "Except with respect to an entity that is an underwriter as defined in subsection (b) of this section, section", and inserting in lieu thereof "Section".

(b) Section 1145(a)(3) is amended by deleing the words "or an affiliate".

(c) Section 1145(a)(3)(B)(i) and (ii) of title 11 of the United States Code is amended by inserting after the words "section 13" appearing in (i) the words "or section 15(d)", and striking out all the words after "in compliance with" appearing in (ii) and inserting in lieu thereof the words "such reporting provisions".

(d) Section 1145(a)(3)(C) (i) and (ii) of title 11 of the United States Code is amended by striking out the word "two" each time it appears before the word "year" in (i) and (ii) and inserting in lieu thereof "one" and by striking out the number "180" each time it appears in (ii) therein and inserting "90" in lieu thereof.

(e) Section 1145(a)(4) of title 11 of the United States Code is amended by striking out "stockholder" each place it appears and inserting "stockbroker" in lieu thereof.

(f) Section 1145(b)(1)(C) of title 11 of the United States Code is amended by striking out "for" in the introductory language and inserting "from" in lieu thereof.

(g) Section 1145(d) of title 11 of the United States Code is amended by deleting the word "commercial" included therein.

SEC. 184. Section 1301(c)(3) of title 11 of the United States Code is amended by inserting "continuation of" immediately after "by".

SEC. 185. (a) Section 1307(b) of title 11 of the United States Code is amended by inserting a comma immediately after "time".

(b) Section 1307(c)(6) of title 11 of the United States Code is amended by striking out "and" at the end thereof and inserting "or" in lieu thereof.

SEC. 186. (a) Section 1322(a)(2) of title 11 of the United States Code is amended by inserting a comma immediately after "payments" and by inserting after "title," the following: "and all secured claims for tax liabilities of the debtor,".

(b) Section 1322(b)(8) of title 11 of the United States Code is amended by striking out "any".

SEC. 187. Section 1324 of title 11 of the United States Code is amended by striking out "the" the second place it appears.

SEC. 188. Section 1325(a)(3) of title 11 of the United States Code is amended by the addition of ", is the debtor's best effort and" after the word "plan".

SEC. 189. Section 1326(a)(2) of title 11 of the United States Code is amended by inserting "of this title" immediately after "1302(d)".

SEC. 190. Section 1327 of title 11 of the United States Code is amended by adding a new subsection (d) to read as follows:

"(d) A period of limitations on collection after assessment under applicable law of a secured or unsecured tax liability, payment of which is provided for by the plan, shall be suspended until the earlier of—

"(1) the end of the period during which the plan provides for deferred payment of such taxes, and for six months thereafter; or

"(2) a declaration of default and demand for payment made by the governmental unit responsible for collecting such taxes, and for six months thereafter.".

SEC. 191. (a) Section 1328(a)(2) of title 11 of the United States Code is amended by striking out "(5)".

(b) Section 1328(c)(2) of title 11 of the United States Code is amended by striking out "(a)".

(c) Section 1328(d) of title 11 of the United States Code is amended to read as follows:

"(d) Notwithstanding any other provision of this section, a discharge granted under this section does not discharge from any debt—

"(1) based on an allowed claim filed under section 1305(a)(2) of this title if prior approval by the trustee of the debtor's incurring such debt was practicable and was not obtained; or

"(2) for a tax or customs duty excepted from discharge by section 523(a) of this title.".

(d) Section 1328(e)(1) of title 11 of the United States Code is amended by inserting "of the debtor" immediately after "fraud".

(e) Section 1328(e)(2) of title 11 of the United States Code is amended—

(1) by striking out "knowledge of such fraud came to"; and

(2) by inserting "did not know of such fraud until" immediately after "party".

SEC. 192. Section 15102 of title 11 of the United States Code is amended—

(1) by deleting "In this title, a reference" and inserting in lieu thereof "A reference in this title"; and

(2) by striking out "chapter" the first time it appears and inserting "title" in lieu thereof.

SEC. 193. Section 15103(f) of title 11 of the United States Code is amended—

(1) by inserting "330(a)," immediately after "326(b),"; and

(2) by striking out "under this title" and inserting "to which this chapter applies" in lieu thereof.

SEC. 194. Section 15322(b)(1) of title 11 of the United States Code is amended by striking out "(2)".

SEC. 195. Section 15326 of title 11 of the United States Code is amended by striking out ", but may allow reasonable compensation under section 330 of this title of a trustee appointed under section 1302(a) of this title for the trustee's services, payable after the trustee renders such services, not to exceed five percent upon all payments under the plan".

SEC. 196. Section 15330 of title 11 of the United States Code is amended to read as follows:

"§ 15330. Compensation of officers

"(a) After notice to any parties in interest and to the United States trustee and a hearing, and subject to sections 326, 328, 329, and 15326 of this title, the court may award to a trustee, to an examiner, to a professional person employed under section 327 or 1103 of this title, or to the debtor's attorney—

"(1) reasonable compensation for actual, necessary services rendered by such trustee, examiner, professional person, or attorney, as the case may be, and by any paraprofessional persons employed by such trustee, professional person, or attorney, as the case may be, based on the nature, the extent, the value of such services to the debtor or estate, the time spent thereon, and the cost of comparable services other than in a case under this title; and

"(2) reimbursement for actual, necessary expenses.

"(b) In a case in which the United States trustee serves as trustee, the compensation of the trustee under subsection (a) of this section shall be paid to the clerk of the bankruptcy court, and by the clerk, into the Treasury. The United States trustee shall not in any case be entitled to the compensation authorized under section 330(b) of title 11 of the United States Code.".

SEC. 197. Sections 15345 of title 11 of the United States Code is amended by adding a new subsection (c) as follows:

"(c) All depositories are authorized to give such security as may be required by this section.".

SEC. 198. Section 15704 is amended by deleting "make a final report and file a final account of the administration of the estate with the court and with the United States trustee." and insert in lieu thereof "file interim reports on the condition of the estate and make a final report and account of the administration of the estate with the court and with the United States trustee.".

SEC. 199. Section 151102(b) of title 11 of the United States Code is amended by striking out "interest of" and inserting "interest," in lieu thereof.

TITLE II—AMENDMENTS TO TITLES II, III, AND IV OF PUBLIC LAW 95-598

SEC. 201. Section 151(c) of title 28, United States Code, is amended by inserting a comma after "suit".

SEC. 202. Section 160(a) of title 28, United States Code, is amended by striking out "each circuit" and inserting "such circuit" in lieu thereof.

SEC. 203. (a) Section 206(1) of Public Law 95-598 is amended by striking out "district or bankruptcy judge" and inserting in lieu thereof "district, or bankruptcy judge".

(b) Section 206(2) of Public Law 95-598 is amended by striking out ", district judge or bankruptcy judge" and inserting ", district, or bankruptcy judge" in lieu thereof.

SEC. 204. Section 216 of Public Law 95-598 is amended by deleting "record" and inserting "records" in lieu thereof.

SEC. 205. Section 221 of Public Law 95-598 is amened by inserting "court" after "bankruptcy".

SEC. 206. Section 222 of Public Law 95-598 is amended by deleting "assistance" and inserting "assistants" in lieu thereof.

SEC. 207. Section 223 of Public Law 95-598 is amended by inserting "(a)" immediately after "SEC. 223." and by adding at the end thereof the following new subsection:

"(b) Section 571(b) of such title is further amended by striking out 'United States marshals under regulations prescribed by the'.".

SEC. 208. Section 586(b) of title 28, United States Code, is amended by striking out "United States trustee" the second time it appears and inserting "United States trustees to serve as standing trustee" in lieu thereof.

SEC. 209. (a) Section 771(c) of title 28 of the United States Code is amended by inserting "with the approval of the Director" after "court" in the second sentence.

(b) Section 773(c) of title 28 of the United States Code is amended by deleting the parentheses around "but presenting a substantial question"

(c) Section 773 of title 28 of the United States Code is amended by adding at the end the following:

"(d) Court reporters appointed under this section shall be appointed in accordance with all of the standards and procedures applicable to appointments under section 753 of this title and shall be governed by the rules and regulations applicable to court reporters appointed under section 753 of this title.".

SEC. 210. Section 236(a) of Public Law 95-598 is amended in the paragraph relating to section 1293(b) of title 28 of the United States Code by striking out "District court of the United States" and inserting "district court of the United States," in lieu thereof.

SEC. 211. (a) Section 1334(b) of title 28, United States Code, is amended by striking out "interlocutory orders and decrees" and inserting "interlocutory judgments, orders, and decrees" in lieu thereof.

(b) Section 1334(c) of title 28, United States Code, is amended by striking out "that section" and inserting "this section" in lieu thereof.

SEC. 212. (a) Section 1471(a) of title 28, United States Code, is amended by striking out "subsection" and inserting "subsection" in lieu thereof.

(b) Section 1471(c) and 1471(e) of title 28, United States Code, are each amended by striking out "commenced" and inserting "pending" in lieu thereof.

(c) Section 1471(e) of title 28, United States Code, is amended by inserting "and of all property, wherever located, of the estate in such case" immediately before the period at the end thereof.

(d) Section 1472(1) of title 28, United States Code, is amended by striking out "principle" and inserting "principal" in lieu thereof.

(e) Section 1473(a) of title 28, United States Code is amended by striking out "Except" and inserting in lieu thereof the following: "Notwithstanding any Act of Congress that confers venue in a specific district and except".

(f) Section 1473(c) of title 28, United States Code, is amended by striking out "section" the first time it appears and inserting "subsection" in lieu thereof.

SEC. 213. Public Law 95-598 is amended by striking out section 245 and inserting in lieu thereof the following:

"SEC. 245. Section 1923(b) of title 28, United States Code, is amended to read as follows:

"'(b) The docket fees of United States attorneys shall be paid to the clerk of court, the docket fees of United States trustees shall be paid to the clerk of the bankruptcy court, and all such fees shall then be paid by the clerks into the Treasury.' ".

SEC. 214. Section 2075 of title 28 is amended by striking out "in cases under title 11" and inserting "in cases under title 11 and civil proceedings arising under title 11 or arising in or related to cases under title 11" in lieu thereof.

SEC. 215. Section 248 of Public Law 85-598 is repealed.

SEC. 216. Section 19 of the Commodity Exchange Act (7 U.S.C. 24) added by section 302 of Public Law 95-598 is redesignated as section 20 of the Commodity Exchange Act.

SEC. 217. (a) Section 308(f)(3) of Public Law 95-598 is amended by striking out "C" and inserting "(C)" in lieu thereof.

(b) Section 308 of Public Law 95-598 is amended by—

(1) redesignating subsections (h) through (m) as subsections (i) through (n), respectively; and by redesignating subsections (n) and (o) as subsections (p) an (q), respectively.

(2) adding a new subsection (h) as follows:

"(h) Section 6(d) of such Act (15 U.S.C. 78fff(d)) is amended by striking 'section 16(5)(A)' and inserting 'section 16(4)(A)' in lieu thereof."

(3) adding a new subsection (o) as follows:

"(o) Section 8(e)(4)(C) of such Act (15 U.S.C. 78fff-2(e)(4)(C)) is amended by striking 'section 9(a)(5)' and inserting 'section 9(a)(4)' in lieu thereof."

SEC. 218. Section 312(b) of Public Law 95-598 is amended by inserting "except cases under chapter 13," after "Code" and inserting "except cases under chapter XIII," after "Act".

SEC. 219. Section 151 of title 18, United States Code, is amended by striking out "mean" and inserting "means" in lieu thereof.

SEC. 220. Section 322 of Public Law 95-598 is amended by inserting a new subsection to read as follows:

"(h) Section 3468 of the Revised Statutes of the United States (31 U.S.C. 193) is amended by inserting at the end thereof the following: "This section does not apply, however, in a case under title 11 of the United States Code.' ".

SEC. 221. At the end of section 456(a) of the Social Security Act, add the following:

"(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Act.".

SEC. 222. Section 8334(c) of title 5 is amended by striking out "After" and inserting "On and after" in lieu thereof.

SEC. 223. A new section 339 is added to title 11 of Public Law 95-598 as follows:

"SEC. 339. Section 1827(1) of title 28, United States Code, is amended by striking out 'referee in bankruptcy' and inserting 'bankruptcy judge' in lieu thereof.".

SEC. 224. A new section 340 is added to title III of Public Law 95-598 as follows:

"SEC. 340. Section 6301(2)(xiii) of title 5, United States Code, is amended by striking out the period at the end of clause (xiii) and inserting ', and a United States magistrate' in lieu thereof.".

SEC. 225. A new section 341 is added to title III of Public Law 95-598 as follows:

"SEC. 341. Section 7A(c) of the Clayton Act (15 U.S.C. 18a(c)) is amended—

"(a) by striking out 'and' at the end of paragraph (11) thereof;

"(b) by striking out the period at the end of paragraph (12) thereof and inserting in lieu thereof '; and'; and

"(c) by adding the following new paragraph at the end thereof:

"'(13) transactions arising under title 11 or arising in or relating to cases under title 11 of the United States Code.' ".

SEC. 226. Section 402(d) of Public Law 95-598 is amended by inserting "232," immediately after "230".

SEC. 227. Section 403(e) of Public Law 95-598 is amended to read as follows:

"(e) Notwithstanding subsection (a) of this section—

"(1) a fee may not be charged under section 40c(2)(b) of the Bankruptcy Act in a case in which the plan is confirmed after September 30, 1978, to the extent that such fee exceeds $100,000;

"(2) after September 30, 1979, all moneys collected for payment into the referees' salary and expense fund in cases filed under the Bankruptcy Act shall be collected and paid into the general fund of the Treasury; and

"(3) any balance in the referees' salary and expense fund in the Treasury on October 1, 1979, shall be transferred to the general fund of the Treasury and the referees' salary and expense fund account shall be closed.".

SEC. 228. (a) Section 404(b) of Public Law 95-598 is amended—

(1) by deleting "upon the expiration of his appointed term as referee"; and

(2) by adding at the end the following new sentence:

"During the transition period, United States bankruptcy judges shall be exempt from annual and sick leave laws and regulations.".

(b) Section 404(c) of Public Law 95-598 is amended by deleting the first sentence and inserting in lieu thereof "There shall be established for each judicial district a merit screening committee composed of the president or the designee of the president of the State bar association, the president or designee of the president of a local bar association for the area wherein a referee in bankruptcy maintains his official headquarters within the judicial district, and the dean or designee of the dean of an accredited law school, if any, located within the judicial district or State, and if no law school exists, then a lay member selected by the chief judge of the United States district court for the judicial district wherein the referee in bankruptcy maintains his official headquarters.".

(c) Section 404(e) of Public Law 95-598 is amended by inserting after the first sentence the following new sentence: "Bankruptcy judges for the district shall decide where the headquarters office of the clerk of the bankruptcy court shall be located and, if they are unable to agree, the chief United States district judges for the district shall make the decision.".

SEC. 229. (a) Section 405(c)(2) of Public Law 95-598 is amended by inserting "240," immediately after "238,".

(b) Section 405(d) of Public Law 95-598 is amended by striking out "248" and inserting "247" in lieu thereof.

SEC. 230. Section 406(b) of Public Law 95-598 is amended by adding after the first sentence thereof the following new sentence: "The recommendations may provide for a bankruptcy judge to serve in more than one judicial district or circuit.".

SEC. 231. Section 407(c) of Public Law 95-598 is amended by striking out "332" and inserting "333" in lieu thereof.

SEC. 232. Section 408 of Public Law 95-598 is amended by adding at the end thereof the following:

"(d) During the transition period, section 604(h) of title 28, United States Code, does not apply to bankruptcy courts for districts listed in section 581(a) of such title.".

SEC. 233. Section 409(a)(1) of Public Law 95-598 is amended by striking out "September 30, 1983" and inserting "March 31, 1984" in lieu thereof.

SEC. 234. The official title of Public Law 95-598 is amended by striking out "Subject" and inserting in lieu thereof "subject".

SEC. 235. Section 402 of Public Law 95-598 is amended—

(1) by striking out "244."; and

(2) by adding at the end thereof the following new subsection:

"(f) The amendment made by section 244 of this Act shall take effect on October 1, 1980.".

TITLE III—EFFECTIVE DATES

SEC. 301. The amendments made by this Act shall take effect on October 1, 1979.

ORDER FOR RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION ON MONDAY OF S. 1125, FEDERAL CROP INSURANCE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday, the Senate will consider Calendar No. 268, S. 1125, a bill to improve and expand the Federal crop insurance program. A time agreement has been entered into in regard to the bill.

ORDER FOR ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS REPORTED BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs has considered the nominations of two very distinguished Commissioners of the Securities and Exchange Commission and unanimously reports both. They are men who have a distinguished record of fighting for the public interest.

John Evans, who is one of the nominees, has been highly controversial, has been opposed by some people in the industry, but I think primarily because he has been such a champion of full disclosure for the SEC and in supporting the very powerful prosecution arm of the SEC, which is exactly what he should do.

I send to the desk the nominations of John Evans and Philip Loomis, Jr., reported favorably by the Banking Committee.

Also, the President nominated Jay Janis, a former Under Secretary of HUD, to be chairman of the Home Loan Bank Board. Mr. Janis has devoted his life to the building, construction, and financing of housing. I think he will do an outstanding job as chairman of the Home Loan Bank Board, as he did in the Department of HUD, where he became known as one of the best administrators, one of the most competent and thoughtful administrators, in our Government.

The President also nominated Robert Russell to be Director of the Council on Wage and Price Stability, to succeed Barry Bosworth. This is the most embattled position, in many ways, in Government. Barry Bosworth retired. This is the one agency which has the responsibility of fighting against inflation, and I am proud and happy to send that nomination to the desk.

Also, we have the nomination of Mr. William Clement, Jr., Associate Administrator for Minority Small Business and Capital Ownership Development, Small Business Administration, and Graciela Olivarez, Director of the Community Services Administration, to be members of the Board of Directors of the National Consumer Cooperative Bank.

We also have the nominations of a number of other distinguished Americans, including Roger Altman, Carol Tucker Foreman, Sam Brown, Lawrence Connell, and others.

I commend the President on the caliber of these nominations. I think they are outstanding. He deserves great credit. I think few Members of the Senate have voted against as many nominees as I have. So I can speak with feeling when I say that I believe the President has done a fine job with respect to the character, quality, and caliber of these nominees.

The PRESIDING OFFICER. Without objection, as in executive session, the reports on the nominations will be received.

AID FOR THE CHRYSLER CORPORATION

Mr. PROXMIRE. Mr. President, this body is about to consider aid for the Chrysler Corp., and I warn this body that it will be subjected to a tremendous amount of lobbying for that aid.

On the basis of everything I have seen in the 22 years I have been in the Senate, I would estimate that the Senate probably is going to provide that aid, regardless of the merits, because the competence of those working for it is so great.

The Chrysler Corp. has hired four lobbyists—two of the most competent Democratic lobbyists and two of the most competent Republican lobbyists we have in Washington. They also have rallied the banks. They are into the banks, of course, for literally billions of dollars.

The United Automobile Workers Union, which is one of the most creditable and effective unions in the country, is highly respected by Members of the Senate and the House, and it is going to be a real juggernaut.

Who is going to oppose this bailout? As far as I know, no one. Some Members of Congress intend to and a few others may. But it is the kind of unfair or at least unbalanced contest which I think can result in most unfortunate decisions by Congress.

We have never really bailed out a big independent company which is not primarily a defense contractor. We bailed out the Lockheed Corp. We bailed out New York City, of course. We did not bail out Arkansas, incidentally, when Arkansas went bankrupt in the 1930's. We did not bail out Cleveland. We did not bail out a number of cases of that kind.

I think this is going to be a most unfortunate precedent.

I do hope somehow Congress will find an independence here and a willingness to stand up to the terrific pressure which Congress is going to be under to provide these billions of dollars, either in the form of a guarantee or some other form, to the Chrysler Corp.

As some thoughtful observers pointed out, there is just no end to this.

Last year there were over 6,000 bankruptcies in the country. The year before there were about 7,000 bankruptcies. If we go the route of bailing out big corporations which are in difficulty, how do we say no to small corporations? How do we draw the line?

It means that we will be maintaining incompetent, inefficient businesses in operation, producing products in some cases that are not needed, that are obsolete, because we feel we have to preserve the jobs.

Jobs are important. We have an unemployment compensation system to allow for that. We have many other ways which I think we can use to assist the very substantial number of Americans who would be thrown out of work if Chrysler went bankrupt.

I think we also have to recognize that bankruptcy does not mean the firm will close down. It has not in other instances and would not in this instance. It would mean that the referee would tell the creditors to stand back; meanwhile the efficient operations of the corporation would continue. Chrysler has a number of operations which are very efficient. Their tank division would undoubtedly, unquestionably, continue. It is very profitable. It would continue to operate.

In Mexico Chrysler is the most competent firm, the most successful firm. They beat General Motors and Ford and other foreign firms as the No. 1 car seller. Their Omni and Horizon cars are produced in Illinois. That is such a popular car they could sell twice as many as they produce.

So there are elements of the Chrysler empire which are very successful that would continue undoubtedly. I think we should find some way of persuading Chrysler and the private sector to try to save that great corporation or continue that great corporation without having the Federal Government get involved.

Mr. President, I ask unanimous consent that an article on this subject in the Wall Street Journal entitled "Bailout Lobby—How Chrysler Corp. Orchestrates Support of Bid for Federal Aid—It Mobilizes Capital Lawyers, Home-State Politicians, Dealers—Even Directors—Mr. Riccardo Goes Calling" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BAILOUT LOBBY'S HOW CHRYSLER CORP. ORCHESTRATES SUPPORT OF BID FOR FEDERAL AID; IT MOBILIZES CAPITAL LAWYERS, HOME-STATE POLITICIANS, DEALER—EVEN DIRECTORS; MR. RICCARDO GOES CALLING

(By Andy Pasztor)

DETROIT.—Two weeks before Chrysler Corp. surprised the world with its public plea for a government rescue, Michigan's two Senators personally took the word to President Carter. Riding with him to the airport after a speech Mr. Carter gave here, Democrats Donald Riegle and Carl Levin bluntly outlined Chrysler's financial crisis and urged speedy federal help.

"We talked about our fears for the company's situation," and in particular about the potential loss of jobs if the No. 3 auto maker were to collapse, Sen. Levin recalls. A few minutes after seeing the President, the legislators repeated their bleak message aboard Air Force One for his domestic-affairs adviser, Stuart Eizenstat.

The Senators' involvement, at that level and at that early stage, was characteristic of Chrysler's handling of its financial crisis. The mid-July meeting with the President was part of a long, carefully choreographed campaign to build advance political backing before asking the government for radical relief.

Now, with the company's plea out in the open, the administration involved and Congress likely to take up the issue in the next few weeks, that campaign is in high gear.

LINING UP SUPPORTERS

In addition to certain key Congressmen from Michigan and elsewhere, Chrysler has a phalanx of expensive, high-powered lobbyists primed to plead its case on Capitol Hill. The company's chairman, John J. Riccardo, is spending much of his time flying around the country trying to line up more friends in high places. And behind the front lines, Chrysler is quietly mobilizing a small army of dealers, suppliers, elected local officials and even some sympathetic federal bureaucrats to help get its message across.

There's no assurance all this frantic activity will work, of course. The administration rejected Chrysler's opening pitch for a direct $1 billion cash bail out, and it is awaiting a detailed company survival plan, which may be submitted today; before deciding what kind of aid it might support. Also, there's enough congressional skepticism about federal help for a $13 billion corporation to make passage of any aid bill a sporting proposition at best.

But some of those caught up in the auto maker's campaign to influence Washington say they're impressed by its intensity and scope. "It's clearly the broadest, smartest, most serious lobbying drive in the company's history," and it may be "one of the best-organized campaigns" by any such special interest in recent years, says an aide to one sympathetic Michigan Congressman.

PERSUADING POLITICIANS

Another congressional aide adds, "Chrysler is being very shrewd by touching all the important bases and asking everybody" it can think of for support.

Chrysler early on made sure it had most of Michigan's lawmakers solidly on its side. Sen. Riegle, for instance, has been spending as much as half of his time on Chrysler—meeting with Mr. Riccardo as often as once a week, arranging sessions with Cabinet members and sounding out White House and budget advisers on possible aid schemes, says his administrative assistant, Carl Blake. Moreover, the Senator's pace will "increase sharply" in the fall, Mr. Blake says.

Yesterday, Mr. Riccardo met in Washington with Sens. Riegle, Levin and Thomas Eagleton (of Missouri, a state with many Chrysler employes) to sketch in broad strokes the survival plan the company will submit to the government.

Rep. William Blanchard, another Michigan Democrat, spent dozens of hours on the phone over the past few weeks, tracking down colleagues on the House Banking Committee during their August recess to ask them "to refrain from taking a public stance against Chrysler" while in their home districts. At the company's request, he says, Chrysler supporters will soon be "scaling up their activity."

RICCARDO'S EFFORTS

The sparkplug for the effort, however, is clearly Chrysler's tenacious chairman, Mr. Riccardo. "John has just the right combination of humility and pride when he goes to talk to people," says Thomas H. Boggs, a well-known Washington lobbyist recently hired by Chrysler. Mr. Riccardo "is willing to drop everything and come down here on a moment's notice if we ask," Mr. Boggs says.

Not that Mr. Riccardo necessarily waits to be asked. He and other Chrysler executives decline to be interviewed about their campaign, but other sources say the 55-year-old chairman has been spending as many as four to five days a week in Washington or elsewhere trying to drum up support from federal officials and legislators. This despite having been hospitalized in May for what doctors described as a "cardiac insufficiency."

Among those receiving visits from Mr. Riccardo in the past couple of weeks, sources say, has been Treasury Secretary G. William Miller, who has indicated he might support federal loan guarantees for Chrysler. Another target was Rep. Henry Reuss of Wisconsin, chairman of the House Banking Committee, which would have to hold hearings on any such guarantees. Mr. Riccardo flew to Milwaukee especially to buttonhole the vacationing Mr. Reuss, who has been less than enthusiastic about government help for the auto maker.

Nor has Mr. Riccardo ignored some traditional auto-industry adversaries. Sources say he personally interested Michael Pertschuk, chairman of the Federal Trade Commission, in Chrysler's plight. While the FTC has crossed swords with Detroit car makers in the past, Chrysler insiders hope Mr. Pertschuk's concern for maintaining competition in the industry will turn him into at least a temporary ally.

Part of Mr. Riccardo's determination may stem from his previous success in cruising government offices for help. Four years ago, in a situation with striking parallels to the present, the Chrysler chairman personally handled negotiations with United Kingdom officials that ultimately produced more than $329 million in government cash and loan guarantees for Chrysler's sick British subsidiary.

There as here, the final rescue effort was mounted when Mr. Riccardo bluntly declared a crisis—the unit in Britain was to be folded, eliminating 25,000 jobs and disrupting the economy there. (Ironically, a year ago, despite the government aid, the subsidiary and the rest of Chrysler's European operations were sold to raise cash for the troubled U.S. parent.)

Chrysler's current efforts, however, dwarf what it has done before. For one thing, the company is making heavy use of professional lobbyists. By the end of September, Mr. Boggs says "at least a dozen" of the 60 or so attorneys in his law firm will be working full time, to "sell the company on a one-to-one basis" to every member of Congress. Mr. Boggs is best connected to Democrats, so to work the Republican side of the aisle Chrysler has retained William Timmons, another prominent Washington lobbyist and former Nixon and Ford White House aide.

Mr. Boggs's firm has sifted through and handed over to high-level federal officials enough Chrysler documents to fill more than two rooms at the Treasury Department. "They now have literally everything produced by the company" in the past few years dealing with product development, financing and federal regulation, he says.

In addition, Chrysler is enlisting help from politicians at every level. For example, last week the tireless Mr. Riccardo went to Missouri for a private meeting with governors of several Midwestern states where Chrysler has major plants. It's understood that Mr. Riccardo asked the governors to talk to their own state congressional delegations, arguing that Chrysler aid could mean more jobs for their states.

Detroit Mayor Coleman Young, an ally of President Carter with blacks, is also stumping on behalf of Chrysler, which is his city's

largest private employer. Sources say the night before the administration announced it would consider backing some kind of Chrysler aid plan, Mr. Young made a lengthy phone plea on the company's behalf to Mr. Eizenstat, the White House adviser. "That wasn't the only thing working in our favor," says one source, "but I'm convinced it was a crucial factor."

Meanwhile, Chrysler has been working overtime behind the scenes to foster what it hopes will appear to Congressmen to be a groundswell of public support for its rescue bid. A few weeks ago, for example, Chrysler's directors, who include some big names in American business, learned that they, too, were expected to assume lobbying chores. And recently, Paul Bergmoser, Chrysler's purchasing executive vice president, sent letters to at least some of the company's 19,000 suppliers requesting an "all-out effort" to get in touch with Senators and Representatives to "let them know how important Chrysler's business" is to local economies.

Chrysler is also counting on many of its 4,700 dealers around the country for help. For example, only a few days after the auto maker publicly described its troubles, a delegation of Wisconsin dealers arranged a meeting with Rep. Reuss, the banking-committee chairman.

The auto company's public-relations and advertising operations are also busy. Recently, Chrysler bought full-page ads in 50 newspapers and many leading magazines, outlining its situation under the headline "Would America be better off without Chrysler?" And the company sought wide publicity for last week's decision by Mr. Riccardo and company president Lee A. Iacocca to cut their salaries to $1 a year from $360,000 at least temporarily. Chrysler followed that up with the announcement of 2 percent to 10 percent salary cuts for its 1,700 top managers.

Such moves are largely symbolic, of course. The pay cuts will save Chrysler less than $3 million a year. But the government has demanded that Chrysler make "sacrifices" as a prerequisite to any aid. In a letter informing the top managers of their pay cuts, Mr. Riccardo and Mr. Iacocca stated that the main purpose of the move was to "demonstrate to the federal government and to the country at large that we are serious about our plans to revitalize Chrysler Corp."

Although Chrysler won't disclose the cost or describe the extent of its lobbying campaign, it apparently isn't sparing any effort that might help. Recently when Mr. Iacocca was on the West Coast for business, he met with Robert Strauss, a friend and now President Carter's special envoy to the Middle East. "Lee thought there was a strong personal relationship there," says Mr. Boggs. "Whenever that's the case, he has offered to help out."

Some of Chrysler's efforts, though, proved fruitless. In the early stages of its campaign the company spent some hectic weeks trying to convince Brock Adams at the Transportation Department and Michael Blumenthal at the Treasury of the need for aid. Then one day, Chrysler suddenly found both men out of office.

Also, because the auto maker was originally aiming for $1 billion in special tax credits, it spent a lot of time softening up members of congressional committees that deal with tax issues, only to have the administration switch attention to the idea of loan guarantees, which would be the concern of different committees.

Moreover, despite all of Chrysler's finely honed arguments, some important politicians apparently remain skeptical. After a private chat with Chrysler officials last month, Rep. Reuss told reporters he was worried about "exposing taxpayers to such a risk (of federal aid) merely to enable Chrysler to keep on building gas guzzlers as fast as it can"—a claim Chrysler has been specifically trying to refute in its campaign.

Still, Chrysler has at least one thing going for it: There doesn't seem to be any organized opposition. While major newspapers and national magazines have received scores of letters from readers criticizing Chrysler management for the company's problems and opposing a federal rescue, congressional staffers say relatively few people are bothering to send such letters to their representatives in Washington.

LET US NOT THROW IN THE SPONGE IN FIGHTING INFLATION

Mr. PROXMIRE. Mr. President, interest rates have been rising to new highs lately. The prime rate is 12 percent, and that, of course, is the best interest rate banks offer to their top corporate customers. For others interest rates are even higher.

This is very bad news for the home buyer. Interest has always been the main cost to most persons buying a home. What you have to pay on that mortgage is something you live with for 10, 20, or 30 years, and you continue as long as you continue to live in the house.

And interest rates for the small businessman, for the farmer and the other tens of millions of borrowers in our Nation are a crueler burden than they have ever been in our history.

What can we do about it? There is one simple, direct effective way in which we could reduce interest rates. The Federal Reserve Board could simply increase the supply of credit. Interest is simply the price of credit. If the supply goes up, the price or interest goes down. Why not do it?

Some of the brightest Members of the House of Representatives and Senate are calling for exactly this action by the Federal Reserve. Are they right in doing so? I think they are wrong. Dead wrong. They could not be more wrong.

Here is why: An increase in the supply of credit means a single thing. It means people have more money. It means you and I and millions of our fellow Americans can now borrow the money we need to buy more houses and more cars, that farms can borrow money to expand their operations and businesses the same. It means a stepped up demand for everything. The key word is "demand." Demand increases. So what happens to price? That goes up, too. It has to go up. There can be no doubt it will go up if there is more money available bidding prices up.

So Mr. Volker, who has just been approved as Chairman of the Federal Reserve Board only a few weeks ago and who is recognized by many as probably the best trained Chairman of the Federal Reserve Board we ever had, in my view is doing the right thing. There is nothing else he can do.

Mr. President, if we want to call on someone to act it is Congress that should act. We have control of the Federal Reserve Board. It is independent by the Constitution of the executive branch. It is up to us to act.

The Federal Reserve Board is indeed holding down the availability of credit. They are indeed causing the price of credit or interest rates to go up. This is painful, very painful. But in the kind of inflation we are in, they really have no alternative. To ease credit now, make it cheaper, encourage Americans to spend more would be aggravating the inflation. It might ease interest rates a point or two for a few months. But in the long run there is no question the inflation would worsen and unemployment and recession would become even more serious in the long run.

This morning's bad news on the employment front and the price front with unemployment climbing to 6 percent and producer prices rising by 1.2 percent, the sharpest rise since January and an annual rate of more than 14 percent is dismal news. This means higher consumer prices. This is producer prices. That means high consumer prices within a few months. But an easy money policy is no answer. The inflation is a major element in causing the recession we now seem to be stumbling into. It is not time to throw in the towel in fighting our No. 1 enemy—inflation—by easing up on credit.

THE LEGACY OF RAPHAEL LEMKIN

Mr. PROXMIRE. Mr. President, August 28 marked the 20th anniversary of the death of Raphael Lemkin. Mr. Lemkin was the author of the phrase "genocide" and was responsible, in large part, for its inclusion in international law.

Upon Lemkin's death, more than 80 countries had ratified the Genocide Convention. He died a bitter man, however; disappointed and disillusioned with the failure of the United States to ratify the Convention. The United States, Lemkin believed, was the one nation which possessed the moral courage and vision necessary to lead the fight against genocide and other crimes against humanity. Lemkin looked to the United States for that leadership and was sorely disappointed.

Lemkin grew up in Poland and there became a renowned jurist before fleeing from the Nazi persecution during World War II. It was his experience during the holocaust which made him dedicate his life to the prevention of genocide and crimes against humanity. After the war, at the request of the United Nations Social and Economic Council, Lemkin prepared a draft of the Convention which was, with several revisions, passed by the United Nations. It was his persistence and enthusiasm, offered in behalf of all of humanity rather than any one government, which helped bring about the adoption of the Convention.

Since the end of World War II, the world has not seen any end to the wanton destruction of national and religious groups.

In Uganda, for example, whole segments of the population were eliminated at the whim of an unbalanced ruler. It does not appear as if atrocities such as this will disappear on their own. The nations of the world must make a strong and active stand, even if only a symbolic one, against crimes committed against humanity. It will be only with the worldwide condemnation and opposition of genocide that we will stand any chance of eradicating it. And it is only with the leadership of the United States, the world's greatest advocate of human rights and liberties, that this kind of movement can succeed.

Yet we are the only major country in the world that has not ratified the Convention in spite of the fact that seven successive Presidents called on us to do it. Only the U.S. Senate has to act.

Mr. President, I strongly urge that the Senate vote to ratify the Genocide Convention as soon as possible.

I yield the floor.

SENATOR PROXMIRE FEATURED IN CHICAGO TRIBUNE MAGAZINE

Mr. PERCY. Mr. President, I have greatly admired our colleague, BILL PROXMIRE, ever since I came to the Senate and I have enjoyed very much the many opportunities we have had to work together since then. When I was in my first term, I served with him on the Banking Committee for several years and we produced what I feel is some significant housing legislation. Together we fought—and won—a memorable battle against the SST. Most recently, I have supported his efforts to bring under control the massive and rapidly growing amount of money spent on Federal housing programs.

He is intelligent, diligent, persistent, capable, and a pleasure to work with, and I have to believe that these outstanding qualities stem in part from his solid upbringing in the State of Illinois. I admit also that the good feeling I already had for him was considerably enhanced when I learned that he continues, along with me, to be a Chicago Cubs fan even though he no longer resides in our State.

Because of our high regard for BILL PROXMIRE, several of us in the Senate were delighted to be interviewed for a Chicago Tribune magazine feature story on him and his distinguished career which appeared in the August 19 issue. In order to share this fascinating article with our colleagues, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROXMIRE THE BATTLER

(By Raymond Coffey)

Here is a quick quiz you might try out on your know-it-all friends, maybe even win a beer or a couple of bucks from them in a neighborly bet:

Which member of the United States Senate. . . .

Cast the only "nay" vote against President Carter's appointment of Bert Lance, the Georgia banker who ended up embarrassing the White House and being indicted for violating federal banking laws?

Accepted not a dime in political contributions and spent only a total of $177 in his last election campaign but still won an astounding 73 per cent of the vote?

Has never in 22 years in Washington taken a foreign junket at taxpayers' expense?

Has been at every rollcall vote, well over 6,000 of them, more than double the previous record, going back to 1966?

Opposed the building of a $50 million dam in his own state, on grounds that it was a waste of money, before Carter ever came up with, and then compromised on, his own "hit list" of dam projects to be dropped?

Has a hair transplant and a facelift, and was running five miles to the office every morning long years before Addidas, jogging suits, and James Fixx ushered in the age of athletic chic?

Once dropped 10 consecutive passes from Yale's All-American football hero Clint Frank and is now (it figures) a dedicated fan of Chicago's hope-lives-eternal Cubs.

The answer to all of the above is, of course, Democrat William Proxmire of Wisconsin, who is not only in the Senate but seems, as the years roll by, to belong almost as well in the "Guinness Book of World Records" and "Ripley's Believe It Or Not."

Proxmire, who will be 64 in November but looks at least 10 years younger, is the Senate's premier independent, and some would say also its premier eccentric. Even his friends speak of his idiosyncracies, though they find them "captivating" or "charming."

He is a maverick, they say in the Senate, a loner; he doesn't belong to the "Club." "He doesn't wear anyone's collar," said a veteran Senate committee staffer who admires Proxmire's independence but wonders how he gets away with it. Yet regularly, routinely, Proxmire does get away with, even thrives on, a performance that other members of the Senate would consider politically reckless if not fatal.

Proxmire was there hardly long enough, in tradition-bound Senate terms, to get his seat warm when, after the ceremonial Washington's Birthday reading of the first President's "Farewell Address" in February, 1959, he stood up and attacked Lyndon B. Johnson's dictatorship as Democrat majority leader.

Washington wiseguys immediately decided there had been two Farewell Addresses that day, Washington's and that of the bumptious newcomer from Wisconsin. But Proxmire survived, and Johnson's near-limitless powers did not.

Proxmire has played no favorites among his own party's leaders. For example, he later voted against President Kennedy's appointment of John B. Connally as navy secretary on grounds that the former Texas governor was too cozy with the country's oil barons. In addition to opposing the Lance appointment, Proxmire this summer also was opposing Carter's appointment of Florida multimillionaire Frederick H. Schultz to the Federal Reserve Board.

"The guy has absolutely no qualifications at all," Proxmire said in an interview. "He has no experience of bank regulation of any kind. But he's very rich, he owns a bank, and he contributed to Carter's campaign. He is a real threat to the independence of the Federal Reserve."

Proxmire himself sees independence as a considerable political asset. Wisconsin, he notes, has a long tradition of admiring and rewarding independence, going back to the "Progressive" movement and its leader, Sen. Robert M. "Fighting Bob" LaFollette, who "left a tremendous mark on the state." LaFollette's unswerving opposition to U.S. involvement in World War I so infuriated the state legislature that it asked the Senate to expel LaFollette for sedition. The Senate refused, LaFollette stuck to his guns, and a generation later he was chosen as one of the five greatest senators in U.S. history.

Proxmire seems to have been born with his now-celebrated streak of independence. His parents christened him Edward William Proxmire. But he got hooked early on the heroic exploits of Hollywood cowboy William S. Hart, and at age 6 he decided unilaterally to drop the Edward and be known, like his silver screen idol, as William.

But the independent streak is only one of several characteristics that define Proxmire as a personality and a politician. When he arrived in the Senate he was generally considered to be a liberal Democrat, possibly because he had succeeded to the seat of the late Republican witchhunter Joseph R. McCarthy, alongside whom almost anyone would have been considered liberal in the Washington of 1957.

Proxmire says he considers political labels to be mostly confusing and useless. "I don't think ideological approaches are useful," he said.

But hardly anyone in Washington these days would call him a liberal. He has, among other things, opposed abortion, as well as school busing for racial balance purposes. He also came to oppose Viet Nam War only in the very late innings.

Originally Proxmire says, liberals were those who wanted less government and more individual liberty. "Now liberals means kind of the opposite—more government involvement" in people's lives, he says, and that is something Proxmire is heartily against.

"Government has gotten too big too fast, particularly with the inflation we suffer. The burden of proof ought always to be on those who try to extend government."

In line with this attitude, Proxmire has become the Senate's leading scourge of big spending and government waste, especially in Pentagon defense budgets. The title of one of the several books he has written is "Uncle Sam—The Last of the Bigtime Spenders."

He also takes pride in the fact that he ranked as the Senate's leading "tightwad" on government spending in the annual rankings this year by the National Taxpayers Union, an organization that does not often look kindly on Democrats, especially liberal Democrats.

Proxmire's political frugality and scrupulous honesty have also become trademarks of his personal lifestyle. He was making his income tax returns public years before it became politically chic and before Congress, panicked by Koreagate, Wayne Hays, and Elizabeth Ray, and other recent scandals, began requiring members to disclose their financial standing.

Proxmire estimates his net worth at $364,000, $200,000 of which is the value of his home in Washington's Cleveland Park section. He drives a 1972 Vega, Blue-Book valued at $200.

He is not without vanity, witness the facelift and hair transplant he underwent some years ago that subjected him to the embarrassment of appearing on the Senate floor with two black eyes and his head swathed in bandages. But in a political age when television has put a premium on peacockery, Proxmire is anything but a fashion plate. He used to buy his suits for $55 off the racks at Robert Hall, and looking at him today one would never know that Robert Hall went out of business.

Last year his Senate allowance—taxpayers' money—for running his office totaled about $51,000. He returned more than $30,000 of it to the Treasury.

Another Proxmire characteristic, noted in political Washington with a combination of awe and amusement, is his seeming need always to "compete against himself," as one aide put it. Beating everyone else is not good enough. Proxmire has to beat himself.

"You Can Do It," is the title of a book he wrote in 1973 about his own exercise-diet regiment. Persistence seems to be his only strategy, and, like his independence, that goes back a long way too.

At the prep school he attended in Pottstown, Pa., Proxmire was voted the class "grind" for his unwearying study habits. And at Yale he was too light for football and not much good, anyway. It was there, where he played end and where Gerald Ford was an assistant coach, that Proxmire in practice once dropped 10 straight passes from All-

American Clint Frank. But he persisted, tried so hard, that he was put into the Princeton game just long enough to win his "Y".

In the Senate Proxmire has now answered more than 6,100 straight rollcall votes. That is more than double the old-record of about 2,900 established by former Sen. Margaret Chase Smith of Maine and is almost surely a mark that will stand for eternity.

"I was elected to vote," Proxmire says, "I wasn't elected to come down here and miss votes. The least I can do is do my best to be here all the time, to stand up and be counted. People want to know where you stand."

Proxmire's athletic, keep-fit efforts, are also the kind in which he is competing against himself. He doesn't play tennis or racquetball. He runs to the office, as he has been doing since 1964. (He has been mugged twice while running. Once he grappled a young mugger into the street and hailed a police car. The other time, when the muggers were older and pulled a gun on him, Proxmire told them to go ahead and shoot because he had terminal cancer and was going to die shortly anyway. They ran off.)

Even before he sets off on his run to the office, Proxmire pushes himself through a 30-minute calisthenics session at home that includes 200 pushups. And he often interrupts the run to stop off for a swim in the Washington Hilton Hotel pool. Sen. Charles Percy (R., Ill.), who plays tennis on the hotel courts, says, "I look over and there is Bill Proxmire swimming up and down by himself. It's like his (voting) attendance record. He's competing against himself. He's a tiger."

Proxmire has never smoked. He used to, he says, take an "occasional drink" but became a teetotaler about 10 years ago. Actually, according to an associate who knows him well, Proxmire, never one to take chances with his political career, "quit drinking the day after (Sen.) Teddy Kennedy went off the bridge" at Chappaquiddick.

William Proxmire has a reputation on Capitol Hill as a kind of workaholic who is totally dedicated to and obsessed with his personal political career and who never relaxes, indeed, cannot relax. His wife Ellen, 57, dismisses that as myth.

She sees his lifestyle as simply the consequence of an admirable but now unfortunately "old-fashioned view" that people should always be striving for "self improvement." Even after years of giving speeches and writing books and newsletters and press releases, she says her husband is still "always trying to improve his vocabulary."

At home he "doesn't watch TV at all anymore," Mrs. Proxmire says. And unlike a true workaholic, he usually does not bring work home with him from the office. Instead, she says they usually spend their evenings reading and talking. Proxmire, who almost never read fiction, prefers biography.

He also often reads books together with their 17-year-old son, Douglas Clark, who is named for two of Proxmire's political heroes, the late Sen. Paul Douglas of Illinois and former Sen. Joe Clark of Pennsylvania. Father and son most recently read together a biography of the late Harry S Truman.

Proxmire is always in bed by 11 p.m., his wife says, even when they go out at night. He gets up at 6:30—except on Sundays, when he indulges himself by staying abed until 8.

Ellen Proxmire laughs off as fiction the notion that the senator never relaxes. "His personality changes when he is home," especially with their son, Douglas, she says. Douglas is a sports nut in general and a Chicago Cubs fan in particular. He even went out to the Cubs' spring training in Arizona this year.

Proxmire, who recalls going to Cubs games back in the happy era of Hack Wilson, says that one summer he and Douglas followed the team on a West Coast road trip to San Francisco, Los Angeles, and San Diego.

That Proxmire would be a Cubs fan figures. It figures a lot more than that he would ever be a Democratic U.S. senator from Wisconsin.

He was born in rich and Republican Lake Forest, Ill. His father was a prosperous physician who once remarked that "I didn't raise my boy to be a Democrat," and whose son once observed that his father's "window on the world," was the Chicago Tribune.

After Yale ('38) Proxmire went to the Harvard School of Business, worked briefly for J. P. Morgan and Co. on Wall Street, and gave speeches in 1940 for Republican Presidential candidate Wendell Willkie.

Then in March, 1941—months before Pearl Harbor—Proxmire joined the army as a private and was assigned to intelligence. He was discharged as a first lieutenant in 1946 without ever having been sent overseas.

He went back to Harvard, in the Graduate School of Public Administration, and met and married Elsie Rockefeller, a great-grandniece of old John D.

Proxmire stayed on at Harvard briefly as a teaching fellow, but he had decided to become, as his foes would soon be saying, a carpetbagger. "I decided to look around for a newspaper job that might give me political options," Proxmire said in an interview in his corner suite at the Dirksen Senate Office Building. He applied to medium-sized newspaper in Indiana, Missouri, Washington, Wisconsin, and other states. He decided finally on a $40-a-week job with Madison's Capital Times, which was run then by William T. Evjue and which had a reputation for supporting a radical, maverick, "progressive" brand of politics.

More important to Proxmire, Wisconsin had no political "legacies" standing in his way. "The Democrats were entirely out of" state office then, and there was only one Democratic congressman, from Milwaukee. But there were plenty of Republicans around to run against, Proxmire recalls, and no solidly organized Democratic Party to keep an outsider on the outside. "The situation seemed ripe for changing."

Proxmire moved to Wisconsin in 1949, speedily got himself fired from the Capital Times for being a less-than-careful an objective reporter, and wound up hosting a uninsponsored radio program, "Labor Sounds Off," on a Madison station. In 1950, after only a year in the state, Proxmire pulled off a major upset and got himself elected to the Wisconsin legislature.

He generally made a pest of himself, and a noisy pest, talking ceaselessly and introducing a flood of bills, none of which passed. But in 1952—and it seems as astonishing now as it did then—the recent arrival from Lake Forest, Yale, Harvard, and Wall Street was running for governor against Republican incumbent Walter Kohler, whose family had been around long enough to have a town named for it.

Recalling the brashness of all that, Proxmire says he decided to run against Kohler knowing full well he would lose—he did, by a whopping 400,000 votes—but that "it would be a good way to get established."

He ran for governor in 1954 and lost again, and he ran in 1956 and lost for a third time. By then he was marked as a surefire loser, and even close friends were telling him to look for another line of work.

Also by this time Proxmire's marriage had broken up, a "casualty of politics," he once said. His wife divorced him in 1955 and six months later married Miles McMillan, who had hired Proxmire at the Capital Times and was one of his strongest political supporters.

What is most remarkable about the 1976 showing is that in an era when North Carolina conservative Republican Jesse Helms raised $6 million for his last election and Republican John Heinz, the catsup heir from Pennsylvania, parted with $2.5 million of his own money to get elected, Proxmire accepted no contributions and spent a niggardly total of $177 on his campaign.

He had no television, no radio commercials, no billboards or bumper stickers. He simply drove from town to town, shopping center to center, shaking hands and talking to people. He has always been a great believer in the personal touch in campaigning.

"I think the unique thing is that I've met so many people personally" at factory gates and along main streets throughout Wisconsin, he says. It has become a ritual with him to appear at the Wisconsin state fair each year, station himself "just outside the flower show," prepare himself by plastering his fingers with bandages, and "shake 2,000 hands an hour."

Characteristically Proxmire has the whole process timed and counted. Over the years, he says, "I figure I've shaken hands with over three million people in the state, about 150,000 a year."

He is already working at his 1982 campaign, returning to Wisconsin at least every other weekend and during every congressional recess. "If you're going to maintain your support, you're going to have to work at it. I hope I can run again in 1982 without spending any money.

"But you're always insecure in this job," he adds. "You might be running against a strong opponent in a bad year."

While most Wisconsin voters may be wild about Proxmire, not everyone in Washington is. Early on in his Senate career he acquired a reputation as a pest, an erratic and ineffective gadfly, a showboater of little substance, a headline hunter who played for easy—and in the end meaningless—publicity and the approval of the Archie Bunkers of the nation by doing things like being the only senator to vote against a major public works (read pork barrel) bill.

The most persistent criticism is still that Proxmire is a publicity seeker, that he is afflicted with an undying lust to get his name in the paper. He and his staff pour out a flood of "news releases," no fewer than 36 in a single recent month, according to a columnist who kept count.

Proxmire's passion for publicity—and his spectacular success in achieving it—is also what has now got him in a spot of trouble with the courts in the form of an $8 million libel suit. Since 1975 Proxmire has been making what he calls his monthly "Golden Fleece" (as in fleecing the taxpayers) awards, which are a sustained attack on government waste and bureaucratic simplemindedness. The method is to focus on a relatively inconsequential expenditure of government money, as little as $2,500, for a purpose that almost anyone other than a bureaucrat would find either ludicrous or lunatic.

Then in press releases and newsletters, and on the Senate floor, Proxmire lampoons the project with cornball oneliners. Of a $27,000 study to look into why inmates want to escape from prison, for example, Proxmire said "This study is a crime." Of a $2,500 grant to study why people are rude on tennis courts, Proxmire cracked, "I am calling double fault" on the National Endowment for the Humanities, which financed the project.

This all goes over big beyond Washington, and Proxmire reaps a rich and regular harvest of publicity. But in 1975 one of the "Golden Fleece" awards went to a federal research project in which Dr. Ronald Hutchinson was studying the physical signs of aggression in monkeys, such as clenching their jaws or gritting their teeth.

Proxmire ridiculed the project as making "a monkey out of the American taxpayer." Hutchinson responded with an $8 million libel suit. Lower courts rejected the case on grounds that Proxmire enjoyed constitutional immunity from lawsuits involving his legislative activity, including his press releases and newsletters. They also held that Hutchinson, because he had solicited and received substantial federal research grants, was a "public figure" and therefore could win a libel case only by proving "actual malice."

However, the Supreme Court this summer ruled both that Hutchinson was not a "public figure" and that Proxmire's immunity did not extend to press releases and newsletters. Hence Hutchinson can now pursue his libel suit.

Proxmire is undaunted, however. "The Golden Fleece will go on . . . I will strive to be just as emphatic, vivid, and if possible humorous in my denunciation of waste as I can be."

Of the general complaint that he is a publicity hound, Proxmire says that "I think it is necessary to mobilize public support for a position" and that such support can't be mobilized until people are paying attention.

Critics of Proxmire generally agree that he has become more effective—and less an iconoclastic gadfly who opposes for the sake of opposing—as he has advanced in seniority and to the chairmanship of the Senate Banking Committee.

He started out, for example, opposing the federal bailout of New York City when it was threatened with bankruptcy, but then changed course and became an important supporter of the city's cause. However, critics still say that overall Proxmire's record is mainly one of "negative" successes—opposing and obstructing bad ideas and bad legislation—rather than of constructive achievement.

Proxmire himself lists his stunning success in forcing a halt to the SST supersonic jet airliner as probably his greatest achievement. He takes pride, too, in his ceaseless attacks on Pentagon wastefulness and particularly his success in trimming back the C-5A military jet transport boondoggle, which involved $2 billion in cost overruns.

Proxmire also does not duck out when it gets hot in his own kitchen. In 1975 he went to LaFarge, Wis., and told his constituents that he was opposing the Kickapoo Dam the federal government was proposing to build there. The project included an 1,800-acre recreational lake, and the folks around LaFarge very much wanted their dam.

But, Proxmire told them, the estimated cost of the project had soared from $15.6 million to $51.5 million, and he "would not be a bit surprised if it cost $100 million before we are through."

"That was the toughest thing I've ever done," Proxmire says. "Some of those people were in tears, they were enraged. But I think it was the right decision."

While most of Proxmire's larger successes have come in an oppositionist role, he feels he has also had some "positive" accomplishments, most particularly the "truth in lending" law to protect borrowers. He took this over from its original sponsor, Douglas, and pushed it to passage. He also has some legislation pending now that he hopes will add to his record of accomplishment.

He is pushing a bill that would require a balanced budget in any year when the nation's economic growth is 3 percent or higher. "The problem," he says, "is that everyone is always for balancing the budget, but they always want to do it manana."

Proxmire also feels strongly that, along with the work ethic, the old American habits of thrift must be reestablished if the country is to regain economic health. But presently, he said, the government actively discourages saving, for instance by limiting banks to paying 5¼ percent interest on passbook accounts in a time when inflation eats up twice that much, and he is pushing to remove such limits on savings account interest.

Asked what he would still like to accomplish as a senator, Proxmire said that "eventually I think I am going to get my colleagues to go along with budget balancing" and to realize that "you don't solve problems by throwing money at them."

He would also like to get a much firmer grip on military spending. In that connection, he said he is still non-committal about how he will vote on Carter's new strategic arms limitation (SALT-II) treaty with the Soviet Union.

He is for arms control but is concerned that instead of limiting arms the treaty will lead to massive new weapons procurement programs, like the $30 billion MX missile program that Carter is already proposing.

One thing Proxmire does not share with many of his colleagues is delusions about moving into the White House. After his huge victory in 1970 some supporters launched a "Proxmire for President" boomlet that he enjoyed, even savored, briefly but quickly put an end to in 1971. Now, he says, "I just feel that it is unrealistic to think that I could be nominated by the Democratic Party. My record on fiscal matters is too conservative."

Also, he said, to campaign effectively for President "you'd just about have to forget about your work in the Senate and go out and run full time for a year and a half."

"I love the Senate," he says, "and I think a number of senators (he mentions LaFollette, Robert A. Taft, Henry Clay, Daniel Webster, Daniel C. Calhoun) at times have had a more profound influence on the country than Presidents."

One is left with the impression, unexpressed but unmistakable, that they are the members of the only club to whose membership Proxmire of Wisconsin aspires.

REFUGEE ACT OF 1979—CORRECTION OF AMENDMENT NO. 530

Mr. KENNEDY. Mr. President, because of a clerical error of the Legislative Counsel's Office, an amendment adopted yesterday to S. 643, the Refugee Act of 1979, is incorrect, as the debate preceding it will indicate.

Therefore, I ask unanimous consent that in the engrossment of S. 643, the Secretary of the Senate be authorized to change unprinted amendment No. 530, on line 3, to read "1980" in lieu of "1981."

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NEED FOR FAIR SURFACE MINING REGULATION

Mr. ROBERT C. BYRD. Mr. President, during the recent break I returned to my home State of West Virginia to talk with its citizens and reflect on the serious issues facing the Congress. A constant threat which ran through many of these talks was a great dissatisfaction and disappointment with the role of the Federal Government in coal development.

This Nation has coal reserves large enough to supply our energy needs for hundreds of years to come. Yet these vast resources are not being developed in the most sensible way. A careful balance must exist between environmental and energy concerns, and that balance is difficult to achieve.

On July 27, the Energy and Natural Resources Committee reported S. 1403—a bill which will attempt to bring the Surface Mining Act of 1977 back to equilibrium. Over the past 2 years, the Surface Mining Act has been interpreted in ways Congress did not intend. Particularly troublesome has been the apparent loss of meaningful participation in the regulatory process by the States. S. 1403 addresses this problem directly by giving each State the opportunity to assess its own unique problems associated with coal mining, and write its own regulations to deal with the special problems. That is precisely what the Surface Mining Act of 1977 is intended to do. Unfortunately, it has not been interpreted that way by the executive agencies responsible for administering the act. S. 1403 leaves no doubt as to congressional intent.

It is essential that the Federal Government and the governments of the States cooperate in this crucial area. The States have not been given the fair shake they deserve in order to protect the environment without ruining their economies. S. 1403 makes a positive contribution to resolving that difficulty.

Therefore, Mr. President, I ask unanimous consent that I be made a cosponsor of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I do not anticipate any action further today by way of transaction of any business. I do wish to recess the Senate subject to the call of the Chair so as to give Senators a chance to make statements if they wish.

Shortly, rather than keep the Chair around, an occupant of the chair around, not knowing whether a Senator will appear, I will ask unanimous consent that the Senate stand in recess until 4:30, but I withhold that request for the time being.

Mr. NELSON. Mr. President, just momentarily I wish to introduce a piece of legislation, but I do not have it as of yet. You might put in a quorum call.

Mr. CRANSTON. Did the Senator propose to put in a quorum call? If he did I want to do something first.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The Chair recognizes the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. I am delighted to be recognized by this particular President.

AMERICAN LEGION SUPPORTS SALT II

Mr. CRANSTON. Mr. President, Mr. Jack Carey, who has just finished his year of service as commander of the American Legion, appeared this morning before the Senate Foreign Relations Committee to testify in support of the SALT II treaty.

As chairman of the Veterans' Affairs Committee, I have had the pleasure of working with Mr. Carey this year that he has served as commander. And, I look forward to working with Mr. Frank Hamilton who was chosen as his successor by the convention delegates last month.

That convention of 3,000 delegates—representing the 16,000 American Legion Posts in the United States—took another

important action. It unanimously adopted a resolution regarding SALT in which it reaffirmed its historical support for strategic arms limitation agreements. And notably, the convention chose not to condition its support on specific levels of increased defense spending as have some others. This support is particularly important, as Mr. Carey noted, because

All members of the American Legion • • • are veterans of wartime service, and many of us have personally experienced the horror of war. As veterans, we realize full well that if conventional wars are horrendous, nuclear war would be an unspeakable catastrophe for mankind. Thus, it should not be surprising that we have long supported the concept of strategic arms limitation.

When I addressed the Senate yesterday on SALT, I noted the lack of attention given in our consideration of SALT to the awesome destructiveness of nuclear weapons. The membership of the American Legion perhaps best recognizes the reasons we must prevent any nuclear exchange through arms control and an effective nuclear deterrent force.

Mr. President, I ask unanimous consent that the American Legion's resolution supporting SALT be placed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 555

Whereas, The American Legion recognizes the desirability of limiting the development and deployment of strategic nuclear arms, providing the limitations do not bring the security of the United States; and

Whereas, U.S. prestige as a world power is made even less credible by recent actions taken which compromise mutual security commitments made with our allies; and

Whereas, Soviet behavior has included modernization and expansion of its strategic arsenal as well as expansion of its conventional and theater forces in Europe; and

Whereas, the President of the United States and the General Secretary of the Communist Party of the Soviet Union (CPSU), signed the Treaty on the Limitation of Strategic Offensive Arms on June 18, 1979 in Vienna, Austria; and

Whereas, this treaty, also known as SALT II, is now under active discussion and analysis in the U.S. Senate; and

Whereas, SALT II failed to count or include mention of the Soviet Union's new Backfire bombers which, with refueling, have intercontinental range; and

Whereas, SALT II failed to reduce in number the Soviet Union's approximately 308 heavy missile launchers capable of launching megatonnage-type nuclear warheads; and

Whereas, the restrictions placed on SALT II mobile missile launchers and cruise missiles are subject to extension beyond 1981 by Executive Agreement and without Senate approval; and

Whereas, the U.S. surveillance capabilities of Soviet missile launchers were severely handicapped by the loss of radar detection facilities in Iran, making verification of Soviet compliance with SALT II all the more difficult and uncertain; and

Whereas, Secretary Breshnev and other Soviet officials have repeatedly warned the U.S. Senate to make no changes in the documents signed in Vienna; and

Whereas, unilateral disarmament decisions by the U.S. in recent years have demonstrated to the Soviets a weakening of our national will to survive in this world of highly sophisticated weaponry; and

Whereas, the lack of a coherent and consistent policy of detente by the United States Government encourages the Soviets to go on pressing their global challenge with even greater vigor as the Administration's policy in dealing with Russia remains vacillating and confused; and

Whereas, in approving the SALT I agreement, the Senate adopted an amendment calling upon the President in any future treaty on offensive nuclear weapons not to limit the United States "to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union;" now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Houston, Texas, August 21–23, 1979, that we support any SALT agreement which is genuinely equitable, one which actually halts the nuclear arms race, reduces tensions and guarantees full compliance by both sides; and, be it further

Resolved, that we urge the U.S. Government to develop and maintain the TRIAD of nuclear strategic power from U.S. land, sea and air bases sufficient to deter nuclear war, and failing that, we embrace the concept of a Launch-On-Warning (LOW); and, be it further

Resolved, that the United States Government adopt a clear and convincing policy that it will not agree to any Strategic Arms Limitations Agreement which makes the United States inferior in (a) quantitative factors of nuclear weapons systems such as numbers of launchers, amounts of megatonnage, and number of deliverable warheads; (b) qualitative factors such as reliability, accuracy, reload capability, survivability, maneuverability of warheads and range; and (c) geographical factors bearing on the effectiveness of nuclear weapons systems; and, be it further

Resolved, that the U.S. Senate be urged to demand ratification privileges for any executive agreement extending the date beyond 1981 as called for in the Protocol of SALT II regarding mobile missile launchers and cruise missiles; and, be it finally

Resolved, that the United States actively continue its exchange of nucelar weapons technology with its NATO allies to include cruise missile production and deployment information.

Mr. CRANSTON. In his testimony before the Foreign Relations Committee today, Past Commander Carey expanded on this resolution and outlined a number of actions he recommends the Senate take with respect to the treaty itself and to our overall national defense posture. While I do not concur with all the views expressed, I want to make available to my colleagues the full American Legion testimony. Thus, I ask unanimous consent that the testimony be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. CAREY

Thank you, Mr. Chairman:

I am Jack Carey, immediate Past National Commander of The American Legion. I appreciate the opportunity to present the views of the American Legion on a matter of vital interest to our organization and to the Nation.

We are well aware of the situation in Cuba where the Soviets have deployed a combat brigade, including armor, infantry and artillery units together with combat support units. We believe this constitutes a violation of the Monroe Doctrine. We also believe that the presence of this brigade constitutes a military base prohibited in the 1962 agreement with the Soviets.

The American Legion, three weeks ago, at its National Convention, urged Congress to take whatever actions necessary to oppose spread of communism within the Western Hemisphere. This flagrant stationing of Soviet troops in nearby Cuba certainly violates the unanimous position taken by our delegates. Accordingly, we urge this committee to postpone any further action on the Strategic Arms Limitations agreement, currently pending, until such time as all Soviet combat troops have been withdrawn from the Island of Cuba.

All members of the American Legion, Mr. Chairman, are veterans of wartime service, and many of us have personally experienced the horror of war. As veterans, we realize full well that if conventional wars are horrendous, nuclear war would be an unspeakable catastrophy for mankind. Thus, it should not be surprising that we have long supported the concept of strategic arms limitation.

Our fundamental position has been that a strategic arms limitations treaty should be equitable, should actually halt the arms race, should reduce tensions and the likelihood of war, and should be fully verifiable. We have insisted, however, that such a treaty should not place the United States in an inferior strategic position.

The Strategic Arms Limitation Treaty now before the Senate does not fully meet those criteria. But before we enumerate the treaty's shortcomings, let us acknowledge that it does make certain positive contributions.

Although both sides, especially the Soviet Union, will continue to add considerably to their nuclear arsenals. Upper limits are established on the total number of strategic launchers, the number of ICBMs and SLBMs and MIRVed warheads, and so on.

The Treaty restricts the number of reentry vehicles either country can install on the various types of ICBMs and SLBM missiles.

The Treaty prohibits certain basing modes for strategic launchers.

The treaty prohibits the placing in orbit nuclear weapons of any kind including fractional orbital missiles.

The treaty establishes maximum parameters for the development, testing, and deployment of new missile types.

We realize that each of the contributions made by the treaty is subject to violations and that many experts have expressed concern over what they consider to be our Nation's limited ability to detect violations. Our organization, although likewise concerned, feels that it can contribute very little to any serious debate on verification since we have no information on the highly classified intelligence-gathering techniques which would be the focal points of any such debate.

Perhaps the most serious flaw in the pending treaty is that it covers not the total number of missiles and warheads possessed by each side. The Soviet Union could legally stockpile an unlimited number of missiles. Although the treaty pledges both sides to a rather vague commitment not to develop a "rapid reload" system, the Soviets can launch most of their missiles from a "cold launch" mode. Even without improving existing technology, they could launch a second, or perhaps third, salvo from their silos in a matter of hours. Furthermore, many of the reserve missiles could be stored in such a way that they could be fired in place within a short period of time. Then, of course, there is the possibility of outright cheating, of concealing full-fledged launchers in violation of the treaty. In the event of a war or a major crisis, the existence of such a "ready reserve" could give the USSR an enormous strategic advantage.

We are aware that it was determined at an early stage of the SALT negotiations that

the total number of missiles and warheads could not be limited because of verification problems, and that, therefore, the criterion became the number of "launchers." But we strongly recommend that the United States not abandon the principle of counting all nuclear arms during the SALT III negotiations, even if that means demanding on-site inspections.

Another glaring deficiency of the treaty is that the Soviet Union is allowed a monopoly on heavy missiles—the SS–18. As has been pointed out numerous times in the course of these hearings, those missiles will be sufficiently accurate by the early 1980's to pose a significant threat to our land-based ICBM's. While we realize that equivalence does not necessarily require our nuclear arsenal be a mirror image of the Soviet Union's, we strongly recommend that the United States urgently proceed with the development, production and deployment of the MX missile, which will give us roughly the same hard-target capabilities as the Soviet Union and a highly survivable backup system to our increasingly vulnerable land-based ICBM's.

The treaty's prohibition on the production of any heavy missiles is tantamount to legitimizing the Soviet throw-weight advantage in its land-based ICBM's as gained through deployment of the SS–18. There are those who would argue that the U.S. advantages in SLBM and cruise missile technology provides an over-all strategic balance. However, we view the heavy missile prohibition under SALT II as an inequitable provision and one which must be addressed. We believe that there should be a counting rule adopted under the treaty as an adjustment for the awesome power of the SS–18. Each SS–18 should be counted as more than one launcher. This provision would not require dismantling any of the heavy missiles but would necessitate some changes in the makeup of other components of the Soviet arsenal.

The American Legion is fully aware of how firm the Soviet negotiators have been in demanding a full compliment of SS–18's. It, therefore, might be advisable for this committee to consider the adoption of a new heavy missile counting rule with an effective date, perhaps 1981, to allow the Soviets ample time to make the necessary adjustments in their arsenal.

The value of the SS–18 is fully realized when evaluating the most often cited nuclear exchange scenario—one in which the United States accepts a Soviet first strike from its land-based ICBM force. With continuing improvements in Soviet missile accuracy, we would expect to lose more than half of our retaliatory capability during such an attack while the Soviets would retain as much as 75–80% of their strike potential. This indeed is a rather shocking possibility and one which should encourage our war planners to reconsider the wisdom of accepting a Soviet first strike.

It should be pointed out that the first half of the 1980s, during which time the Soviets will be capable of launching a perhaps decisive counterforce strike, will precede the scheduled deployment phase of the MX missile system (1986–1989). It will also coincide with the period during which about half of the Polaris-Poseidon fleet may have to be retired but before the full Trident fleet has been put into service.

Our next major concern over the pending treaty deals with the failure of including the Soviet "backfire" bomber as a strategic nuclear delivery vehicle under terms of the agreement. There is general agreement that the "backfire" can reach targets in the continental United States by aerial refueling or by making one way flights.

We have two recommendations to make relevant to the "backfire" bomber. The first is that the Soviet Union be required to sign and officially acknowledge the letter presented by Secretary General Brezhnev to President Carter which promised that the bomber would not be deployed in an intercontinental mode and that its production would not exceed 30 per year. Our second recommendation is that the United States develop and deploy a similar number of comparable aircraft.

Another aspect of the treaty that especially disturbs us is the provision regarding the encryption of the telemetry data. The treaty prohibits the encoding of radioed missile test data that would be needed to verify compliance with the treaty. Each side, however, is allowed to determine whether or not such data would be needed to "verify compliance." Our recommendation is that both sides formally agree not to encrypt any missile test data.

We know the United States does not engage in the practice of encrypting telemetry and that the Soviets have promised not to encrypt any telemetry which would impede verification. It seems only logical that both sides should agree to ban all encryption. Such a ban would be a demonstration of Soviet good faith as well as a commitment by them to the maintenance of a verifiable treaty.

We are also concerned that the treaty's protocol, which bans the development or flight testing of ICBMs from mobile launchers and the deployment of cruise missiles with ranges of more than 600 kilometers until the end of 1931 will "assume a life of its own," and that the United States will give into Soviet demands that the protocol remain in force during the course of Salt III negotiations. We recommend that the Senate approve an understanding or reservation stating that the protocol will expire on schedule unless its extension is specifically approved by the Senate.

There are those who argue that the Senate already has the power to veto an extension of this or any other treaty protocol. However, our reasons for seeking such an expression by the Senate is to put you and your colleagues firmly on record and to put the Soviets on notice that there will be no tampering with the protocol termination date.

We agree with critics of Salt II who express concern that the treaty may prevent us from transferring cruise missile and other technology to our NATO allies. We believe it necessary that the Senate clarify U.S. intentions regarding technology transfer by adopting a reservation or understanding. It is very clear to anyone who considers himself a student of arms limitation talks that our NATO allies in Western Europe have more than a passing interest in the pending agreement.

Since the Soviets would rather the United States *not* assist NATO in improving its defenses, especially in the area of nuclear weaponry, they have disputed the U.S. right to continue to exchange nuclear weapons technology with Western Europe. A Senate understanding that nothing in the treaty precludes a continuation of U.S. technology transfer with NATO would reaffirm our commitment to the alliance and would create Soviet uneasiness over having a formidable opposing nuclear strike force on the same continent.

Mr. Chairman, the American Legion also seeks an adjustment in the procedure for reporting treaty violations. The treaty now provides that all actual or suspected violations be reported to a standing commission for consideration. We propose a reservation or understanding that would require a simultaneous reporting of all such actual or suspected violations to the Senate for referral to the appropriate committee. Such reporting of violations would strengthen the U.S. commitment to force Soviet compliance with the agreement.

Our final recommendation to correct what we consider to be a flaw in the treaty, deals with the agreed statements and common understandings. It appears as though these explanations of treaty provisions have been presented as separate documents and, therefore, not subject to the ratification process. If this is the case, then we demand formal Soviet agreement that these statements and understandings be made part of the treaty text. The treaty would be simply unmanageable without such an agreement.

Mr. Chairman, we have called for several modifications to the treaty some of which seek amendments to the language and others which seek unilateral declarations by you and your colleagues. And there is little doubt in my mind that the American Legion will be accused by some of proposing so-called "Killer Amendments" and accused of trying to sabotage the treaty.

I began my statement by saying that our organization has historically endorsed the concept of limiting strategic arms. I came here today with that attitude and presented these recommended modifications in that spirit. In fact, our organization would have been happy if both sides were forced to reduce their strategic arsenals by 50% or more. But, of course, we realize that such reductions ignore the realities of negotiating an arms agreement in an environment of uprecedented weapons production.

I have asked you to consider three amendments—to address the overwhelming Soviet advantage in heavy missiles; to prohibit the encryption of telemetry; and to insure that agreed statement and common understandings are legally binding. The first of these creates obvious negotiating difficulties but the existing treaty provisions simply guarantee the Soviets a superior hard target kill capability which must be addressed in one of the ways we've recommended. The issue of heavy missiles will continue to be a problem during SALT III and beyond unless we stand firm. The second and third recommended amendments do not seek any significant changes in the terms of the Treaty. They are honest attempts at (1) making the agreement more verifiable, and (2) insuring that its provisions are precise enough to be manageable.

Up to this point, we have recommended certain amendments to the treaty, reservations by the Senate, or weapons programs, to help compensate for Soviet strategic advantages. These measures alone, however, are insufficient to assure "essential equivalance" and effective deterrence. As I mentioned earlier, our organization believes that the time has come to reconsider our fundamental nuclear strategy.

Our present strategy essentially dates back to the early 1960s, when Defense Secretary McNamara ordered a study to, for the first time, determine the specific criteria of effective deterrence to serve as a guide for U.S. nuclear war planners. We wanted to determine how much capability the United States would need, after absorbing a Russian first strike, to retaliate and inflict "unacceptable damage" on the Soviet Union. His planners concluded that the "unacceptable damage" threshold was the destruction of 20–25% of Russia's population and at least 50% of its industrial capacity. Any capability beyond that would be "over-kill" and could only "rearrange the rubble."

McNamara's "assured destruction" led to the concept of "MAD"—Mutual Assured Destruction—toward the end of the 1960s, by which time the Soviet Union had developed a roughly equivalent strategic posture. The "MAD" concept denies any significance to superiority in force levels, makes "sufficiency" the standard of deterrent capability, and requires that deterrence be mutual. Professor Richard Pipes summed up the "MAD" concept with the ironic comment that "to feel secure, the United States actually requires the Soviet Union to have the

capacity to destroy it." To avoid upsetting mutual deterrence, the "MAD" concept requires that neither side should threaten the survivability of the other's retaliatory forces.

The only problem with the Mutual Assured Destruction this is that it is not mutual. Western experts on Soviet military thought agree almost unanimously that Soviet strategists have never regarded nuclear war as unthinkable or unwinnable. In the words of one American Analyst, "the only Soviet 'Doctrine' is found in its concept of fighting and winning nuclear wars."

In our view, the most effective way of countering the vulnerability of our ICBMs to a Soviet first strike, assuring the maintenance of essential equivalence and effective deterrence, and lessening the temptation for the Soviet Union to launch a counterforce or nation-paralyzing first strike, would be to adopt a "launch on warning" posture. The adoption of such a policy would also help nullify any strategic advantages the Soviet Union might obtain by violating the SALT II Treaty, by concealing more than the stipulated number of launchers, by increasing the number of re-entry vehicles in MIRVed warheads, and so forth. In other words, no matter what the Soviet Union did, we would be assured of an effective deterrent.

Those who oppose the "launch on warning" policy, cite two principal objections. One is the danger of accidental war, that our radar and monitoring systems are not sufficiently reliable. We believe that there is virtually no chance of such an "accident." General James C. Hill, commander of NORAD/ADCOM, recently remarked that, "We do have the capability now to detect and assess a large-scale ICBM attack on the U.S.—and so notify the President;" although he warned that there are deficiencies if the objective is to extend launch warning to flexible response and similar kinds of graduated retaliatory actions.

We should give the highest priority to further improving our monitoring and communications systems, with the goal of eliminating, to the extent that it is humanly possible, the chance of accidental war.

The second major objection to a "launch on warning" policy is that it would restrict the President's ability to employ limited nuclear options. In the words of Secretary Brown, "While I have serious doubts about whether a nuclear war, once started, could be kept limited, it would be imprudent to place the United States in a position in which uncontrolled escalation would be the only course we could follow. Massive retaliation may not be appropriate, nor will its prospect be sufficiently credible in all circumstances to deter the full range of actions we seek to prevent."

We take issue with the views that a launch on warning policy is destabilizing or may prevent uncontrolled escalation. In the first place, the Soviet Union now has, and has long had, such a policy. Second, if there is a destabilizing factor in the nuclear deterrence equation, it is that Soviet war planners may be at least 90% certain that, according to our present policy, we would absorb a first strike no matter what its magnitude. That could tempt the Soviet Union to try for a "knock out" blow. The possibility of their opting for such a course would be greatly diminished if they knew that their missiles would impact on empty silos.

Furthermore, we believe that there is little likelihood that the Soviet Union would play our game of "limited nuclear options." They would in all likelihood atempt to inflict maximum military-economic damage on the first strike, although perhaps leaving certain leaving certain population centers "hostage" to a second strike. We would be left with shattered military forces, a shattered economy and a bag full of limited nuclear options.

In sum, we believe that the United States can no longer afford to pursue a strategic policy that would oblige us to absorb a first strike. We must make it clear to the Soviet Union, and while we will not be the first to start a nuclear war, we are prepared to retaliate immediately. This would decrease the likelihood of nuclear war, not increase it.

Although the adoption of a "launch on warning" posture would go a long way toward assuring that we could maintain an effective deterrent, we realize that at the crucial moment the President may fail to act or that there may be some breakdown in the communication link. We, therefore, believe that the MX program would be a good investment. It would provide the United States with a highly survivable back-up system and with an accurate, powerful, hard-target system similar to that of the Soviet Union. But deployment of the MX system alone is not enough. We must recommit ourselves to the modernization of our strategic triad—the concept developed as the basis for providing the President certain options during a crisis. The survivability and strike capability of our submarine fleet are matters of debate as the aging Polaris and Poseidon ships quickly approach their scheduled retirement dates. The schedule for full deployment of the Trident system, therefore, must be accelerated.

A manned penetrating bomber capable of delivering cruise missiles close to Soviet targets is especially critical since B-52 vulnerability to Soviet air defense is almost a certainty. Our Nation's war planners should also examine the feasibility and cost effectiveness of deploying a portion of our current land-based ICBM force in a mobile mode during the early 1980s since it will be a decade before the MX system is fully deployed.

We are aware that these recommended actions to modernize the strategic triad are expensive and there are many people in this country who have expressed concern that the SALT II hearings have provided a marketplace in which defense-minded groups and individuals have presented military hardware shopping lists with the totals being the costs of their support of the agreement. We present our recommendations as necessary expenditures, whether SALT II be approved or rejected.

The Soviet Union is a formidable opponent but the greatest potential danger facing our Nation today in terms of its security is not the threat of any foreign power but the unwillingness of our citizenry to pay the price of pursuing peace through a position of strength. Regardless of the disposition of this treaty, we will be required to step up defense spending in order to counter improvements in the Soviet strategic arsenal.

Our final recommendation is that the United States should make a much greater effort in civil defense preparedness. The Soviet Union has long realized that civil defense is an integral part of strategic policy. It has devoted a good deal of effort to "hardening" key economic and military installations and in developing evacuation capabilities, with special emphasis on evacuating essential industrial and political personnel. An effective civil defense system would also give the Soviets a strategic advantage in that in the event of a developing crisis, they could evacuate their major population centers, perhaps on the pretext that they fear a U.S. pre-emptive strike, thus presenting U.S. war planners with empty cities while ours are filled with people and panic.

In sum, Mr. Chairman, we believe that although the SALT II treaty, if it is adhered fully and in good faith, has certain positive features, it also has a number of serious deficiencies. An even greater danger than the deficiencies of the treaty, however, is the prospect that the people of the United States will be lulled into a false-sense of security and assume that the treaty will eliminate the likelihood of nuclear war. We must realize that we can have peace only through strength.

The Soviet Union is already ahead of the United States in a number of strategic areas, and by all projections we have seen, that gap will grow in the years ahead. But if such a disparity is allowed to exist, that will be not so much the fault of the treaty as the lack of national will, as the result of our own deliberate policies. We are willing to support the SALT II treaty only if we are assured that the United States will strengthen its defenses along the lines we have outlined and the treaty is amended and modified in the areas that we've mentioned.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

RUSSIAN COMBAT TROOPS IN CUBA

Mr. GOLDWATER. Mr. President, a rather natural question arises from the disclosure that there are 3,000 Russian troops now stationed on the island of Cuba, 90 miles off our southern shore: Why did not our intelligence services know of this since the State Department claims that they have been there for some time?

Let me say at the outset that of all the countries where we attempt to get intelligence, Cuba is one of the most difficult areas to cover through eyeball or eyewitness proof of suspicious activity. This difficulty has been created by repeated and constant attacks on our intelligence community and through unauthorized disclosures of highly classified material by some of the Nation's leading newspapers and electronic media. When there is illegal disclosure of intelligence operation, and in some cases the naming of names, it becomes virtually impossible for the United States to obtain the kind of volunteers that we need. For example, if we had been able to get volunteers for on-the-ground work in Cuba, we would have known much earlier about the existence of the so-called Russian brigade.

And, Mr. President, I believe the Senate and the House must also take a share of the blame for our intelligence difficulties. In many instances, committees other than the proper intelligence committees of both Houses have been flagrant in their use of classification privileges. Of course, we have known for some time that there were some Russians in Cuba, and it will be recalled that at the time of the missile crisis in 1962, there were over 20,000 Russians in Cuba. Some of them did start to leave immediately thereafter, but we have known for years that some remained or were replaced. What we have lacked until now was an accurate picture of exact numbers and their formation. And this, of course, was because "eyeball" information was not available.

Mr. President, each member must decide for himself why the Russians are maintaining a brigade of combat troops in Cuba. My personal feeling is that they are there to test the courage of President Carter—to see what he will do relative to the threat of our southern border.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTAL APPROVAL

A message from the President of the United States reported that on September 6, 1979, he had approved and signed the following act:

S. 1146. An act to extend for 3 fiscal years the authorizations for appropriations under the Safe Drinking Water Act.

MESSAGE FROM THE HOUSE

At 3:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2018. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Tobacco Inspection Act to consolidate, and provide additional authority for the Secretary of Agriculture to establish methods for efficient and equitable marketing of tobacco; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2019. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions, to authorize U.S. Marshals to serve warrants under the Act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2020. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 5 construction projects to be undertaken by the Naval and Marine Corps Reserve and 1 project for the Air Force Reserve; to the Committee on Armed Services.

EC-2021. A communication from the Acting General Counsel, Department of the Navy, reporting, pursuant to law, concerning allegations that civilian employees at the Philadelphia Naval Shipyard were stealing government property; to the Committee on Armed Services.

EC-2022. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Military Medicine is in Trouble: Complete Reassessment Needed," August 16, 1979; to the Committee on Armed Services.

EC-2023. A communication from the Acting Secretary of the Army, transmitting a draft of proposed legislation to amend section 4308(a)(5) of title 10, United States Code, to eliminate the requirement that an individual must be a member of the National Rifle Association in order to be eligible to purchase arms, ammunition, targets and other supplies and appliances necessary for target practice sold pursuant to that section; to the Committee on Armed Services.

EC-2024. A confidential communication from the Acting Assistant Secretary of Defense, transmitting, pursuant to law, updated test sections for the XM-1 tank, Uh-60A Blackhawk, and the Roland programs; to the Committee on Armed Services.

EC-2025. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Evaluation of the Decision to Begin Production of the Roland Missile System," September 24, 1979; to the Committee on Armed Services.

EC-2026. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting a draft of proposed legislation to authorize the Secretary of Defense to enter into cooperative military airlift arrangements with the armed forces of allied governments; to the Committee on Armed Services.

EC-2027. A communication from the Secretary of the Army, reporting, pursuant to law, that the U.S. Army intends to initiate the disposal of Chemical Agent Identification Sets under Phase I, Pilot Test at Rocky Mountain Arsenal, Colorado, on or about September 24, 1979; to the Committee on Armed Services.

EC-2028. A communication from the Director, Office of Economic Adjustment, Department of Defense, transmitting, pursuant to law, a report on the resolution of a conflict over use of surplus naval lands in Rhode Island; to the Committee on Armed Services.

EC-2029. A communication from the Associate Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on experimental, developmental and research contracts of $50,000 or more, by company, for the period January 1, 1979 through June 30, 1979; to the Committee on Armed Services.

EC-2030. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Taiwan; to the Committee on Banking, Housing, and Urban Affairs.

EC-2031. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Tunisia; to the Committee on Banking, Housing, and Urban Affairs.

EC-2032. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Taiwan; to the Committee on Banking, Housing, and Urban Affairs.

EC-2033. A communication from the First Vice President and Vice Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Canada; to the Committee on Banking, Housing, and Urban Affairs.

EC-2034. A communication from the Acting Deputy Secretary of Transportation, transmitting, pursuant to law, the third Urban Mass Transportation Administration Quarterly Report for FY 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-2035. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to the Republic of Korea (ROK); to the Committee on Banking, Housing, and Urban Affairs.

EC-2036. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to the Republic of Korea (ROK); to the Committee on Banking, Housing, and Urban Affairs.

EC-2037. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Taiwan; to the Committee on Banking, Housing, and Urban Affairs.

EC-2038. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Investigation and Suspension Docket No. 9206, Absorption of Switching Chases, Southern Territory, within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-2039. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Key Crude Oil and Products Pipelines Are Vulnerable to Disruptions," August 27, 1979; to the Committee on Commerce, Science, and Transportation.

EC-2040. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the Department, prepared in consultation with the Department of State, describing research studies on salmon stocks and the problems of incidental take of marine mammals in the Japanese High Seas salmon fishery; to the Committee on Commerce, Science, and Transportation.

EC-2041. A communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to facilitate the ability of product sellers to establish product liability risk retention groups, to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-2042. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of April 1979, on (1) the average number of passengers per day on board each train op-

erated, and (2) the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-2043. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of April 1979, on (1) total itemized revenues and expenses, (2) revenues and expenses of each train operated, and (3) revenues and total expenses attributed to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-2044. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report on the administration of the Marine Mammal Protection Act of 1972 for the period of April 1, 1978 through March 31, 1979; to the Committee on Commerce, Science, and Transportation.

EC-2045. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the proposed use of $680,000 of "Research and Development" funds appropriated to NASA for fiscal year 1977, to modify two buildings at the Lewis Research Center (LeRC), Cleveland, Ohio, for helicopter transmission testing under the Helicopter Transmission Systems Technology program; to the Committee on Commerce, Science, and Transportation.

EC-2046. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report for fiscal year 1978 in implementing the procedures of the National Voluntary Laboratory Accreditation Program established under Part 7, title 15 of the Code of Federal Regulations; to the Committee on Commerce, Science, and Transportation.

EC-2047. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a report from the U.S. Government Comptroller for Guam and the Trust Territory on Federal Grant Management of the Trust Territory of the Pacific Islands (TT); to the Committee on Energy and Natural Resources.

EC-2048. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend Public Law 94-578 (90 Stat. 2732) to authorize the addition and deletion of land at Padre Islands National Seashore, Texas; to the Committee on Energy and Natural Resources.

EC-2049. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-2050. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Legal and Administrative Obstacles to Extracting Other Minerals from Oil Shale," September 5, 1979; to the Committee on Energy and Natural Resources.

EC-2051. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the United States Comptroller for American Samoa on the financial condition of American Samoa as of September 30, 1978; to the Committee on Energy and Natural Resources.

EC-2052. A communication from the Secretary of the Interior, reporting, pursuant to law, on certification as to adequacy of soil survey and land classification as required by Public Law 95-230—Replacement Land Program, Teton Project, Idaho; to the Committee on Energy and Natural Resources.

EC-2053. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report relating to public disclosure of certain financial interests by officers and employees of the Department of the Interior; to the Committee on Energy and Natural Resources.

EC-2054. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

EC-2055. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to modify the boundary of the Cibola National Forest in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

EC-2056. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, the sixteenth report on abnormal occurrences at licensed nuclear facilities; to the Committee on Environment and Public Works.

EC-2057. A communication from the Acting Federal Cochairman, Appalachian Regional Commission, transmitting, pursuant to law, the Commission's report on migration; to the Committee on Environment and Public Works.

EC-2058. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the acquisition of space by lease in the Washington metropolitan area; to the Committee on Environment and Public Works.

EC-2059. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at 1750 Pennsylvania Avenue NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC-2060. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Safeway Building, 521 12th Street NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC-2061. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC—2062. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes continued occupancy under a succeeding lease for space at the Washington Science Center, 6001 to 6010 Executive Boulevard, Rockville, Md.; to the Committee on Environment and Public Works.

EC-2063. A communication from the Administrator, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report on suspended particulate matter; to the Committee on Environment and Public Works.

EC-2064. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Unemployment Insurance Inequities and Work Disincentives in the Current System," August 28, 1979; to the Committee on Finance.

EC-2065. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Social Security Student Benefits for Postsecondary Students Should Be Discontinued," August 30, 1979; to the Committee on Finance.

EC-2066. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that, in order to maintain in the third quarter of fiscal year 1979 the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., $1,586,627 is needed because of the downward fluctuations in foreign currency exchange rates; to the Committee on Foreign Relations.

EC-2067. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Peru; to the Committee on Foreign Relations.

EC-2068. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Panama; to the Committee on Foreign Relations.

EC-2069. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-2070. A communication from the Acting Fiscal Assistant Secretary, Department of the Treasury, transmitting, pursuant to law, a report on inventory of nonpurchased foreign currencies as of March 31, 1979; to the Committee on Foreign Relations.

EC-2071. A communication from the Acting Secretary of State, transmitting, pursuant to law, a report on developments related to Zimbabwe—Rhodesia; to the Committee on Foreign Relations.

EC-2072. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Thailand; to the Committee on Foreign Relations.

EC-2073. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Sri Lanka; to the Committee on Foreign Relations.

EC-2074. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Indonesia; to the Committee on Foreign Relations.

EC-2075. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 programs in Lebanon and the West Bank and Gaza; to the Committee on Foreign Relations.

EC-2076. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee in 1982, and for other purposes; to the Committee on Foreign Relations.

EC-2077. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Tunisia; to the Committee on Foreign Relations.

EC-2078. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-2079. A communication from the Acting Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on a new system of records for the Department of Justice under the Privacy Act; to the Committee on Governmental Affairs.

EC-2080. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-2081. A communication from the Mayor of the District of Columbia, transmitting, pursuant to law, the response of the Government of the District of Columbia to the report of the Comptroller General of the United States regarding Forest Haven; to the Committee on Governmental Affairs.

EC-2082. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-2083. A communication from the Administrator of the Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records for the Department of Health, Education, and Welfare; to the Committee on Governmental Affairs.

EC-2084. A communication from the Administrator of the Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records for the Department of Health, Education, and Welfare under the Privacy Act; to the Committee on Governmental Affairs.

EC-2085. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a follow-up report on the recommendations of the National Advisory Council on Extension and Continuing Education made in their annual report for 1977; to the Committee on Governmental Affairs.

EC-2086. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Compensation for Federal Employee Injuries: It's Time to Rethink the Rules"; to the Committee on Governmental Affairs.

EC-2087. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status, Progress, and Problems in Federal Agency Accounting During Fiscal Year 1978"; to the Committee on Governmental Affairs.

EC-2088. A communication from the Acting General Counsel of Housing and Urban Development, transmitting a draft of proposed legislation to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to remove the statutory ceiling on the residential moving expense allowance, to eliminate the matching requirement for downpayment assistance payments, to simplify procedures for programs and projects carried out by State agencies with assistance from two or more Federal agencies, to authorize property owners knowingly and voluntarily to give or donate real property to acquiring agencies without prior determination of just compensation, and for other purposes; to the Committee on Governmental Affairs.

EC-2089. A communication from the Mayor of the District of Columbia as Chairman of the District of Columbia Armory Board, transmitting, pursuant to law, the thirty-first annual report and financial statements of the Boards' operation of the District of Columbia National Guard Armory and the twenty-first annual report and financial statements of the Boards' operation of the Robert F. Kennedy Memorial Stadium for calendar year 1978; to the Committee on Governmental Affairs.

EC-2090. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense under the Privacy Act; to the Committee on Governmental Affairs.

EC-2091. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a follow-up report of the President's Commission on Military Compensation relative to its recommendations to the President in its report to the President of April, 1978 entitled "Report of the President's Commission on Military Compensation"; to the Committee on Governmental Affairs.

EC-2092. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the Commission's quarterly report on the number of full-time permanent employees hired and promoted between April 1 and June 30, 1979; to the Committee on Governmental Affairs.

EC-2093. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Aircraft Delays at Major U.S. Airports Can be Reduced"; to the Committee on Governmental Affairs.

EC-2094. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Progress in Improving Program and Budget Information for Congressional Use"; to the Committee on Governmental Affairs.

EC-2095. A communication from the Secretary of the Aviation Hall of Fame, Inc., transmitting, pursuant to law, the organization's audit report for the calendar year 1978, the identification of its statutory agent, and its current list of officers and trustees; to the Committee on the Judiciary.

EC-2096. A communication from the Commissioner of the U.S. Immigration and Naturalization Service, transmitting, pursuant to law, a report on conditional entry activities for the period January 1 through June 30, 1979; to the Committee on the Judiciary.

EC-2097. A communication from the Corporation Agent of the Legion of Valor of the United States of America, Inc., transmitting, pursuant to law, the organization's financial statement for the fiscal year ending April 30, 1979; to the Committee on the Judiciary.

EC-2098. A communication from the Executive Director of the National Advisory Council on Vocational Education, transmitting, pursuant to law, the Council's study of the Bureau of Occupational and Adult Education in the U.S. Office of Education; to the Committee on Labor and Human Resources.

EC-2099. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on model standards for community preventive health services; to the Committee on Labor and Human Resources.

EC-2100. A communication from the Acting Assistant Secretary of Defense (MRA&L), transmitting, pursuant to law, an audit of the American National Red Cross for the year ending June 30, 1978; to the Committee on Labor and Human Resources.

EC-2101. A communication from the Chairman of the National Arthritis Advisory Board, transmitting, pursuant to law, the proceedings of the organization's Forum on Public Policy & Chronic Disease; to the Committee on Labor and Human Resources.

EC-2102. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the employment of substitute parents in nonprofit educational institutions; to the Committee on Labor and Human Resources.

EC-2103. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, the Department's final regulations for emergency school aid act-tv (essa-tv); to the Committee on Labor and Human Resources.

EC-2104. A communication from the Secretary of Labor, transmitting, pursuant to law, a report entitled the "Domestic Service Employees Study"; to the Committee on Labor and Human Resources.

EC-2105. A communication from the Secretary of Labor transmitting, pursuant to law, a report relating to fair labor standards in employment in and affecting interstate commerce; to the Committee on Labor and Human Resources.

EC-2106. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A Single Federal Authority is Needed for Establishing or Constructing Rehabilitation Facilities"; to the Committee on Labor and Human Resources.

EC-2107. A communication from the Under Secretary of Defense for Research and Engineering, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for the period October 1978 through February 1979; to the Select Committee on Small Business.

EC-2108. A communication from the Acting Assistant Attorney General (Civil Division), transmitting, pursuant to law, a copy of a summons, complaint, and request for production of documents filed in Parartists Blow Manuscript v. Administrator, Veterans Administration and Alan Cranston, Senator; to the Committee on Veterans' Affairs.

EC-2109. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's tenth special message for fiscal year 1979, which was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, and the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

EC-2110. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Funding of State and Local Government Pension Plans: A National Problem," August 30, 1979; to the Committee on Labor and Human Resources and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Comptroller General of the United States, transmitting a report entitled "Funding of State and Local Government Pension Plans: A National Problem," be jointly referred to the Committee on Labor and Human Resources and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-435. A resolution adopted by the House of Representatives of the State of Massachusetts; from the Committee on Commerce, Science, and Transportation:

"RESOLUTION

"Whereas, most citizens of the United States receive news and emergency information from television broadcasts; and

"Whereas, television is both a visual and auditory medium; and

"Whereas, it is the auditory portion of television news and emergency broadcasts which for the deaf and the hearing impaired is hardest to understand;

"Resolved, that the Massachusetts House of Representatives requests the Congress of the United States to enact the appropriate legislation requiring that television news programming and emergency announcements, whether originated by a national television network organization or by a local television broadcaster operating under a license granted by the Federal Communications Commission, be captioned in written language; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the clerk of the House of Representatives to the presiding officer of each branch of Congress, the members thereof from this Commonwealth and to the general managers of all corporate entities of this Commonwealth licensed to operate as a television broadcaster."

POM-436. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 164

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Representatives Phillip Burton and Antonio B. Won Pat have proposed the inclusion in the Omnibus Territories Bill of 1979 of a provision which would require the Internal Revenue Service of the United States Government to be responsible for tax collection within the territory; and

"Whereas, since 1950, tax collection has been entirely the province of the territorial government; and

"Whereas, to now allow a Federal incursion into the power of the people of the territory of Guam to rule themselves would be a gigantic step backwards; and

"Whereas, Guam already suffers tremendously from inflexible Federal regulation of interests vital to it, e.g. the Federal Department of Labor and Federal Bureau of Immigration and Naturalization Service's heartless handling of immigration matters pertinent to the territory; and

"Whereas, the people of the territory desire more rather than less home rule; now, therefore, be it

"Resolved, that the people of the territory of Guam, through their elected representatives, respectfully requests the U.S. Senate to amend H.R. 3756 as follows:

"On page 7 of said bill, delete lines 21 through 25;

"On line 1, page 8, change the number '(2)' to '(b)(1)';

"On line 4, page 8, delete the following words: '(other than customs';

"Delete all of line 5;

"On line 6, delete the words: 'graph (1) applies)';

On line 14, change the word 'paragraphs' to 'paragraph' and delete the word 'and';

"Delete line 16;

"Renumber the subsections as appropriate;

"Section 301. (b) will thus read:

"'The Secretary of the Treasury shall, upon the request of the Governor of Guam, administer and enforce the collection of any tax, the proceeds of which are covered into the treasury of Guam under this section, and any tax imposed by local law, without cost to the government of Guam. The administration and enforcement of any such tax shall continue until such time as the Governor of Guam, acting pursuant to legislation enacted by the Legislature of Guam, requests the Secretary to discontinue the administration and enforcement of such tax.'

"and be it further

"Resolved, that rather than consider such regressive measures as contained in certain provisions of H.R. 3756, it is respectfully requested that the Congress turn its attention to provisions which would be salutary from Guam such as those listed hereinafter:

"1. Exempt Guam from the provisions of the Jones Act.

"2. Appropriate $25,000,000 for the relocation of the ammunition wharf at Apra Harbor.

"3. Release federal properties at Cabras Island so that the area can be economically developed.

"4. Prohibit the recruitment of alien workers to replace local workers at the Navy Public Works Center.

"5. Designate central avenue at NAS Agana road as a public thoroughfare.

"6. Require the Department of Defense to patronize local building contractors—at least as subcontractors on multi-million dollar projects.

"7. Release federally-held properties which are not now being utilized—and have not been for at least the past 20 years.

"8. Liberalize provisions of Headnote (3A) so that goods manufactured in Guam may be exported to the Continental United States without so much red tape. If the National Government can be liberal to foreign countries—some of them not so friendly—then the least it can do is to be fair to an American territory.

"9. Permit the people of Guam to vote in presidential elections and have voting power in the Congress;

"and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the Secretary of the United States Department of the Treasury; to all member of the United States Congress; and to the Governor of Guam."

POM-437. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Energy and Natural Resources:

"HOUSE FLOOR RESOLUTION No. 79-95

"Whereas, The Yakima River System has long suffered from a lack of water as well as water of poor quality; and

"Whereas, This shortage has not only caused many disputes but also numerous costly lawsuits over the rights to the use of water of the river system, all of which are detrimental to the social and economic well-being of the Yakima Valley; and

"Whereas, The Department of Ecology of the State of Washington, working with the Yakima Indian Nation and others, has developed a proposal for resolving the conflicts and suffering arising from water shortages by providing more water for agricultural uses as well as fishery, recreational, and other instream uses; and

"Whereas, A proposal, known as the Yakima River Basin Water Enhancement Project, embodies a combined physical and legal solution consisting of the construction of five water storage and distribution projects and the termination of several major water rights' cases pending in federal and state courts; and

"Whereas, Legislation directing the Secretary of the Department of the Interior to study the feasibility of the Yakima River Basin Water Enhancement Project has been introduced by Senators Henry M. Jackson and Warren G. Magnuson (S. 585) and Representative Mike McCormack (H.R. 2757), and the Washington state legislature has provided financial assistance not exceeding $500,000 for the study by the Secretary of the Interior, through enactment of Substitute Senate Bill No. 2504 earlier this session:

"Now, therefore, be it resolved, By the House of Representatives of the State of Washington, That:

"(1) The House members encourage President Jimmy Carter to support the enactment of S. 585 and H.R. 2757; and

"(2) Congress is encouraged to enact S. 585 and H.R. 2757.

"Be it further resolved, That copies of this resolution be immediately transmitted by the chief clerks of the House to the Honorable Jimmy Carter, President of the United States; to the President of the United States Senate; to the Speaker of the House of Representatives; to the Secretary of the Interior; and to each member of Congress from the State of Washington."

POM-438. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 193

"Whereas, Under Section 1023 of the Internal Revenue Code which was added by the Tax Reform Act of 1976, the tax basis for reporting and paying income taxes on gains derived from the sale of property acquired from a decedent is the adjusted basis of the property prior to death of the decedent while inheritance taxes are levied on the value of the property at death; and

"Whereas, The use of entirely different values for determining income tax liability and inheritance tax liability places a serious burden on taxpayers; and

"Whereas, The provisions of Section 1023 make it necessary for a taxpayer who has acquired property from a decedent to determine the adjusted basis of the property before the death of the decedent which may involve determining the initial cost of the property and improvements thereto over a period of many years; and

"Whereas, Any advantages which may accrue from the provisions of Section 1023 are far outweighed by the difficulty of compliance, inconvenience to taxpayers, and possible unfair taxation in some cases; now, therefore, be it

"Resolved by the House of Representatives of the 66th Legislature of the State of Texas, the Senate concurring, That the legislature hereby respectfully urge the U.S. Congress to repeal Section 1023 of the Internal Revenue Code which was added by the Tax Reform Act of 1976; and, be it further

"Resolved, That upon adoption of the resolution, a copy hereof shall be transmitted to the presiding officer of the U.S. Senate and House of Representatives and to each member of the Texas Congressional Delegation."

POM-439. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION

"*Whereas*, Soviet law, article fifty-nine and sixty-four on the family and marriage, nineteen hundred and sixty-eight code, authorizes the State to take a child from its family if the family teaches the child religion or takes the child to Church before the child is eighteen years of age; and

"*Whereas*, under said statutes, the teaching of religion to children has, in fact, been held by the Soviet Government to be an immoral and antisocial activity, providing the legal basis for separating children from their families; and

"*Whereas*, approximately twenty thousand Russian Christians have, therefore, submitted their names to the Supreme Soviet requesting permission to emigrate; and

"*Whereas*, not one request to emigrate, made by a Russian Christian, has been approved by the Soviet Government as of this date; and

"*Whereas*, it is the express policy of the United States Government to assist victims of religious persecution who seek to emigrate from the Soviet Union; Now Therefore Be It

"*Resolved*, that the Massachusetts Senate urgently requests the President of the United States to take immediate action to secure the release of Russian Christians who are seeking to emigrate from the Soviet Union because of religious persecution; and be it further

"*Resolved*, that the Members of the Congress from the Commonwealth be urged to present legislation immediately to provide sanctuary in the United States of America for Russian Christians seeking to emigrate from the Soviet Union because of religious persecution; and be it further

"*Resolved*, that copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States and to the Members of Congress from this Commonwealth."

POM-440. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Foreign Relations:

"HOUSE CONCURRENT RESOLUTION No. 39

"Whereas, It is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11 million innocent victims of the "Holocaust" can be eliminated by the passage of time; and

"Whereas, The statute of limitations of the Federal Republic of Germany relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas If this statute of limitations does expire, no investigation of murder, including genocide, committed by Nazi war criminals can be initiated after that date; and

"Whereas If this statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas, In Texas, as well as in a number of other states, no time limitation for prosecution is imposed on the offenses of murder and manslaughter; and

'Whereas, It is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

"Whereas, An international campaign to convince the Federal Republic of Germany to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals; now, therefore, be it

"Resolved by the House of Representatives of the State of Texas, the Senate concurring, That the 66th Legislature hereby memorialize the government of the United States to urge the Federal Republic of Germany and the legislators of that nation to abolish or extend the statute of limitations relating to Nazi war crimes; and, be it further

"Resolved, That the Texas Legislature hereby request the president and secretary of state of the United States to communicate the contents of this resolution on behalf of the people of Texas to the following officials of the Federal Republic of Germany: the president, the chancellor, the ambassador to the United States, chief justice of the Supreme Court, and the national legislators; and, be it further

"Resolved, That official copies of this resolution be prepared and forwarded to the president and the secretary of state of the United States, to the speaker of the house and the majority leader of the Senate of the United States Congress, to the members of the National Security Council, and to each member of the Texas delegation to the Congress of the United States."

POM-441. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Governmental Affairs:

"HOUSE FLOOR RESOLUTION No. 79-73

"Whereas, The postmark for the City of Olympia has great historical significance since Olympia is the capitol and the focal point of state government of the State of Washington; and

"Whereas, In an attempt to increase efficiency, the United States postal service is considering terminating the use of the Olympia postmark; and

"Whereas, Under the guise of increased efficiency, mail currently processed in Olympia would be transported from Olympia to Tacoma for processing, then back to Olympia for delivery, resulting in greatly increased energy consumption in an era of spiraling energy costs and dwindling energy supplies; and

"Whereas, The praiseworthy goal of increased efficiency conflicts with the less tangible but more important goals of strengthening citizens' ties with their local communities, citizens' pride in their past, and our children's sense of stability and continuity;

"Now, therefore, be it resolved, By the House of Representatives of the State of Washington, That the House of Representatives shares and supports the concern and interest of the present and future citizens of the State of Washington in the continued use of the Olympia postmark; and

"Be it further resolved, That the Chief Clerks of the House of Representatives of the State of Washington immediately transmit copies of this resolution to the Mayor of the City of Olympia, Washington, the postmaster general, the President of the United States Senate, the Speaker of the United States House of Representatives, and each member of Congress from the State of Washington."

POM-442. A concurrent resolution adopted by the Legislature of American Samoa; ordered to lie on the table:

"SENATE CONCURRENT RESOLUTION No. 39

"Whereas, during 1959, Senator Daniel K. Inouye was presented with the title of "Fofoga O Samoa" by the 1959 Legislature, no record of that notable event survives; and

"Whereas, American Samoa would have to look long and hard to find a Congressional friend like Senator Daniel K. Inouye; and

"Whereas, the Senator is available during this celebration of American Samoa's Flag Day, in Hawaii in August of 1979; and

"Whereas, it would appear altogether fitting, proper and just to honor our good friend Senator Daniel K. Inouye with a token of love and affection that the People of American Samoa feel for him as exhibited by and through their elected representatives the Fono of American Samoa and the Governor of American Samoa.

"Now, therefore, be it resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring:

"That, the 16th Legislature of American Samoa, by and with the concurrence of the Governor of American Samoa does hereby certify, declare and proudly proclaim that Senator Daniel K. Inouye of Hawaii, is fully and properly invested with the High Talking Chief's title of "Fofoga O Samoa" from 1959 to the present and by the Grace of God, for as long as he shall live and serve in the future; and

"Be it further resolved, that the Secretary of the Senate is directed to certify by an appropriate document to the fact that the Senator was in fact invested by the 1959 Legislature with the Tulafale's title of "Fofoga O Samoa" and that fact was reiterated and confirmed by the Governor of American Samoa and the President of the Senate and the Speaker of the House at an appropriate ceremony honoring the Senator at the State of Hawaii's celebration of American Samoa Flag Day in Hawaii in August of 1979; and

"Be it further resolved, that the Secretary of the Senate is directed to send copies of this resolution to: the Honorable Senator Daniel K. Inouye, Hawaii, the Honorable Walter F. Mondale, President of the Senate of the United States of America; J. S. Kimmitt, Secretary of the U.S. Senate; and Fofo I. F. Sunia, Delegate-at-Large to the U.S. Government; and A. U. Fuimaono, Secretary of Samoan Affairs."

POM-443. A resolution adopted by the legislature of the Federated States of Micronesia; to the Committee on Energy and Natural Resources:

"CONGRESSIONAL RESOLUTION No. 1-9

"Whereas, the Honorable Phillip Burton, for himself and other members of the United States Congress, introduced H.R. 3756 in the House of Representatives on April 26, 1979; and

"Whereas, H.R. 3756 has been introduced to authorize appropriations for certain insular areas of the United States, including the Trust Territory of the Pacific Islands, as well as for other purposes; and

"Whereas, H.R. 3756 would authorize such sums as may be necessary for the Trust Territory beginning with Fiscal Year 1981 and thereafter; and

"Whereas, H.R. 3756 also authorizes the appropriations of an amount equal to fifty percent of such sums as may be necessary to satisfy all adjudicated claims and fiscal awards made by the Micronesian Claims Commission pursuant to Title 1 of the Micronesian Claims Act of 1971; and

"Whereas, H.R. 3756 has been passed by the House of Representatives of the United States Congress and transmitted to the Senate; and

"Whereas, it is the sense of the Congress that H.R. 3756 will allow greater flexibility in budgeting for the crucial remaining years of the Trusteeship Agreement as well as authorizing funds needed to settle 50 percent of the outstanding claims adjudicated by the Micronesian Claims Commission, such claims arising out of events occurring 35 or more years ago; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979 that the United States Congress, particularly the Senate, be respectfully urged to favorably consider H.R. 3756, as introduced; and

"Be is further resolved that certified copies of this Resolution be transmitted to the President of the Federated States of Micronesia; the following members of the United States Congress: the Honorable Phillip Burton; the Honorable Henry Jackson; the Honorable Jamie Witten; the Honorable Warren G. Magnuson; the Honorable Ted Stevens; and the Honorable Sidney Yates; the Secretary of the Interior; the Director of the Office of Territorial Affairs; and the High

Commissioner of the Trust Territory of the Pacific Islands."

POM-444. A resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Finance:

"CONGRESSIONAL RESOLUTION No. 1-25, CD 1, CD 2

"Whereas, a letter dated February 16, 1968 from the Director of the Income Tax Division of the Internal Revenue Service informed the Director of the Office of Territories a previous ruling, holding that the Congress of Micronesia was not an agency of the United States Government and that U.S. citizens performing services for the Congress would be entitled to the benefits of section 911(a), had been revoked; and

"Whereas, Revenue Ruling 68-608, 1968-2 Com. Bull. 309, consequently held that any U.S. citizen employee of a government of the Trust Territory of the Pacific Islands was not entitled to exclude his income from U.S. income tax laws because the Trust Territory was considered to be an agency or instrumentality of the U.S. Government for the purposes of the Internal Revenue Code; and

"Whereas, this ruling has worked hardship on many U.S. citizen employees of the Trust Territory Executive and Legislative branches over the years, who filed under the assumption that their income was excludable, who have been consistently audited by the IRS, and who have paid fines and penalties because of their disallowed filing status; and

"Whereas, while U.S. citizen employees are able to receive a deduction or credit for Trust Territory income taxes against their U.S. income tax after filing returns, the immediate deductions of both taxes for payroll purposes works an additional hardship on this class of employee; and

"Whereas, while Congress of the Federated States of Micronesia and many Executive Branch employees are paid from locally-generated revenues, ironically, U.S. employees of Global Associates which operates the Kwajalein Missile Range in the Marshalls under a direct contract and funding from the U.S. Army are exempt from U.S. taxation after meeting the residency requirements because the question has never been source of income, or whether the Trust Territory is a foreign country, but rather the 'agency' test; and

"Whereas, the U.S. Fifth District Circuit Court on November 11, 1974 supported this contention and ruled that plaintiffs Kenneth R. and Peggy L. Groves, former Trust Territory contract employees, were not entitled to the exclusion under 911 (a); and

"Whereas, U.S. Ninth District Circuit Court in 1978 reversed a 1975 decision by the Tax Court on a separate but identical case (McComish v. Commissioner, 64 T.C. 909 (1975)), ruling that the Trust Territory is not a United States agency for the purposes of 911 (a); and

"Whereas, despite this later, conflicting ruling by a court of equal jurisdiction, the Internal Revenue Service failed to file an appeal within the time permitted; and

"Whereas, while the IRS took no legal action to contest the ruling, it has also neither withdrawn Revenue Ruling 68-608 nor issued a new ruling to take its place; and

"Whereas, this inaction by the Internal Revenue Service not only causes inconvenience to U.S. citizen contract employees of the Congress and Executive Branch of the Federated States of Micronesia who are uncertain of their filing status, but also inconveniences the Congress of the Federated States of Micronesia in determining proper wage and salary scales for U.S. citizen employees; and

"Whereas, withdrawal of said ruling would be beneficial to the Federated States of Micronesia Government in that it would be able to recruit, when necessary, U.S. citizen employees who would not be subject to income tax from their country; and

"Whereas, the Congress of the Federated States of Micronesia finds the notion that the former Congress of Micronesia and its successors were or are agencies or instrumentalities of the United States Government for any legal purpose to be without any justifiable basis; and

"Whereas, the Constitution of the Federated States of Micronesia, a sovereign entity, began to be effective on May 10, 1979, on which date the First Congress of the Federated States of Micronesia was installed which in turn elected the first President and Vice President of the Federated States of Micronesia, who were inaugurated on May 15, 1979; and

"Whereas, the Eight Principles of Hilo provide for a government-to-government Compact of Free Association, which is not in consonance with the findings of Revenue Ruling 68-608 on the 'agency' test; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979 that the Commissioner of the Internal Revenue Service of the U.S. Department of the Treasury is hereby urged to immediately withdraw Revenue Ruling 68-608, and issue a new ruling to affirm that U.S. citizen employees of the government of the Federated States of Micronesia and its states, are not employees of agencies or instrumentalities of the United States Government; and

"Be it further resolved that certified copies of this Resolution be transmitted to Supreme Court Justice William Rehnquist; to Chief Judge of the Ninth District Circuit Court James Browning; to Secretary of the Treasury W. Michael Blumenthal; to the Commissioner of the Internal Revenue Service Jerome Kurtz; to the Chairman and Ranking Minority members of the Senate Committee on Appropriations and its Subcommittees on Foreign Operations, Interior, Treasury-Postal Service-General Government; to the Committee on Energy and Natural Resources; to the Committee on Finance and its Subcommittees on Taxation and Debt Management, Oversight of the Internal Revenue Service, and Revenue Sharing, Intergovernmental Revenue Impact, and Economic Problems; to the Committee on Foreign Relations and its Subcommittee on East Asian and Pacific Affairs; to the Committee on Governmental Affairs; to the Chairmen and Ranking Minority Members of the U.S. House Committee on Appropriations and its Subcommittees on Interior, and Treasury, Postal Service, General Government; to the Committee on Foreign Affairs and its Subcommittees on Asian and Pacific Affairs, and International Operations; to the Committee on Government Operations and its Subcommittee on Commerce, Consumer, and Monetary Affairs; to the Committee on Interior and Insular Affairs and its Subcommittee on National Park and Insular Affairs, and Pacific Affairs; to the Committee on Ways and Means; to the President of the Federated States of Micronesia; to the Speaker of the Nitijela of the Marshall Islands Government; to the Speaker of the Palau District Legislature; to the Director of Territorial Affairs, Department of the Interior; and to the High Commissioner of the Trust Territory."

POM-445. A resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Energy and Natural Resources:

"CONGRESSIONAL RESOLUTION No. 1-12, CD 1

"Whereas, on November 9, 1978 the Interim Congress of the Federated States of Micronesia adopted Senate Joint Resolution No. 2, House Draft 1, creating a new Joint Committee on Program and Budget Planning composed of members of both houses of the Congress representing the Central Districts and excluding members from the Marshall Islands and Palau who no longer served in the said Congress by virtue of Secretarial Order No. 3027 which separated their districts fiscally and administratively; and

"Whereas, the said Joint Committee assumed all the duties and responsibilities of its predecessor Joint Committee in all phases of the formulation and development of the annual U.S. Grant for the Federated States of Micronesia; and

"Whereas, on November 10, 1978 the Interim Congress of the Federated States of Micronesia July adopted House Joint Resolution No. IC-3. Senate Draft 1, authorizing the said newly created Joint Committee on Program and Budget Planning to also undertake the responsibility over war claims and other related matters; and

"Whereas, with the inauguration of the First Congress of the Federated States of Micronesia, the old bicameral national legislature in the form of the Senate and the House of Representatives of the Congress of Micronesia and the Interim Congress of the Federated States of Micronesia went out of existence, and at the same time the Joint Committee on Program and Budget Planning also became extinct; and

"Whereas, under Section 1, rule 7 of the official rules of procedure of the Congress of the Federated States of Micronesia, the Committee on Ways and Means as a Standing Committee has within its jurisdiction the broad area of fiscal matters including budgeting, funding arrangements and requirements, government expenditures, appropriation measures, audits and accounting, etc.; and

"Whereas, there is a definite need to inform government agencies within both the Trust Territory Government as well as the United States Congress and the departments and agencies of the United States federal government with which the defunct Joint Committee on Program and Budget Planning had official contacts or dealings that the Standing Committee on Ways and Means is assuming the duties formerly assigned to the Joint Committee on Program and Budget Planning; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979, that the Standing Committee on Ways and Means of the Congress of the Federated States of Micronesia is hereby authorized and directed to assume all the duties and responsibilities formerly assigned to the former Joint Committee on Program and Budget Planning including war claims and other related matters; and

"Be it further resolved that certified copies of this Resolution be transmitted to the following governmental entities and officials advising them of this change of assignment: United States Senators Warren Magnuson, Milton Young, Robert C. Byrd, Thadeus Stevens, Henry Jackson, Mark Hatfield, J. Bennett Johnston, Daniel K. Inouye, and Spark Matsunaga; members of the U.S. House of Representatives Jamie Whitten, Silvio Conte, Sidney Yates, Joseph McDade, Morris Udall, Phillip Burton, Robert Duncan,

Daniel Akaka, Cecil Heftel, and Antonio B. Won Pat; officials in the Office of Management and Budget Rodney Weiher and Ronald Cogswell; Secretary of the Department of the Interior Cecil D. Andrus; Under-Secretary of the Department of the Interior James A. Joseph; Mrs. Ruth G. Van Cleve, Director of Territorial Affairs; other officials of the Department of Interior Matthew Novick, Gordon Law, Hugh Gallagher, and Larry Meierotto; Ambassador Peter R. Rosenblatt; Captain Weis, Officer-in-Charge of Construction, Guam; Trust Territory High Commissioner Adrian P. Winkel; Trust Territory Budget Officer Haruo N. Willter; the President of the Federated States of Micronesia; and Chairman Raymond Setik, Ways and Means Committee, Congress of the Federated States of Micronesia."

POM-446. A resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Appropriations:

"CONGRESSIONAL RESOLUTION No. 1-7, CD1

"Whereas, the individual States of the Federated States of Micronesia develop their respective annual budget requests for review by the High Commissioner, prior to the preparation of the annual budget request for the Trust Territory of the Pacific Islands; and

"Whereas, such budget requests are carefully prepared and reviewed within each State to ensure that the annual budget request fairly and accurately reflects the needs of the people of the State; and

"Whereas, the budget requests of the States have been the subject of extensive cuts and revisions resulting in severe restrictions on providing essential services in the States; and

"Whereas, it is the sense of the Congress of the Federated States of Micronesia that supplemental appropriations should be sought from the United States Congress to alleviate operating funding deficiencies which the States have experienced; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, First Regular Session, 1979, that the Secretary of the Interior, the Office of Management and Budget, and the High Commissioner be respectfully requested to give favorable consideration to the budget requests from the States of the Federated States of Micronesia prior to the submission of the budget request for the Trust Territory of the Pacific Islands to the United States Congress; and

"Be it further resolved that the Secretary of Interior be respectfully requested to seek supplemental appropriations from the United States Congress to restore operations funding to provide basic services in the States for Fiscal Years 1979 and 1980; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Secretary of the Department of the Interior, the Director of the Office of Management and Budget, the President of the Federated States of Micronesia, the High Commissioner of the Trust Territory of the Pacific Islands, the Honorable Phillip Burton, the Honorable Robert Duncan, the Honorable Henry M. Jackson, the Honorable Warren G. Magnuson, the Honorable Jamie Whitten, the Honorable Ted Stevens, the Honorable Sidney R. Yates, the Governors of the States of the Federated States of Micronesia, and the Speakers of the State Legislatures."

POM-447. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Armed Services:

"RESOLUTION No. 249

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, in 1977, the United States Navy conducted engineering studies for the construction of a new Ammunition Wharf at Orote Point; and

"Whereas, the schedule for completion of this new Wharf calls for funding requests to be made for fiscal year 1979, awarding of bids in early 1979 and a completion of construction in mid 1981; and

"Whereas, Overseas Bechtel Incorporated has identified long range land needs, specific economic potentials, major improvements needed and a development schedule in its recently completed 'Program for Development of Apra Harbor' prepared for the Guam Economic Development Authority; and

"Whereas, many of the development steps and improvements identified by Overseas Bechtel as necessary for the realization of the full economic potential of Apra Harbor can be initiated prior to the completion of the Ammunition Wharf at Orote Point; and

"Whereas, a coordinated development program carried out at the same time, the Orote Point Wharf, if constructed, would permit the territory to realize its full growth potential in the marine industrial area several years earlier than otherwise; and

"Whereas, planning and development of oil storage facilities, storage warehouses, a commercial fishing and canning industry a public marina and related facilities, a ship repair yard and expansion of the Commercial Port facilities may be accomplished during the construction of the United States Navy Ammunition Wharf at Orote Point; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature, on behalf of the people of Guam, respectfully requests the United States Congress to include such sum as is necessary to commence work on the relocation of the Ammunition Wharf at Apra Harbor in the 1980 Fiscal Year Budget of the United States Department of Defense; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President Pro Tempore of the Senate; to the Speaker of the House of Representatives; to the Secretary of Defense; to the Secretary of the Navy; to the Chairmen of the Senate and House Committees on Defense and Interior and Insular Affairs; to Guam's Delegate to Congress; to the President of the Guam Chamber of Commerce; to the Chairman of the Board of Directors of the Guam Economic Development Authority; to the Director of the Department of Commerce; to the Director of the Bureau of Planning; and to the Governor of Guam."

POM-448. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Armed Services:

"RESOLUTION No. 296

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, servicemen who enlist in the continental United States are granted overseas pay while serving on Guam; and

"Whereas, servicemen enlisting in Guam and assigned duties on Guam are not granted overseas pay; and

"Whereas, Guam enlisted personnel are not granted overseas pay when they serve in the continental United States; and

"Whereas, an inequity is created because of the residence of those persons enlisting in Guam; and

"Whereas, a serviceman from the mainland United States and one from Guam are both not entitled to overseas pay when serving the United States mainland, but only the mainland serviceman is entitled to overseas pay when they both serve on Guam; and

"Whereas, this discriminatory practice occurs in the Air Force and Army but Navy personnel receive overseas pay while on Guam; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature strongly requests the United States Congress to take such action as is necessary to end this discriminatory practice against the people of Guam; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President Pro Tempore of the United States Senate; to the Speaker of the United States House of Representatives; to the Secretary of the Department of Defense; to the Chairman of the Joint Chiefs of Staff; to Congressman Antonio B. Won Pat; and to the Governor of Guam."

POM-449. A resolution adopted by the City Council of the City of Aurora, Minnesota, supporting the proposal to up-grade Highway No. 33 and No. 53 to a four-lane highway; to the Committee on Environment and Public Works.

POM-450. A resolution adopted by the City Council of the City of Brook Park, Ohio, opposing the passage of S. 413 by the United States Senate, and declaring an emergency; to the Committee on Commerce, Science, and Transportation.

POM-451. A joint resolution adopted by the Douglas County Board of Commissioners and the Carson City Board of Supervisors, Carson City, Nevada, requesting for immediate withdrawal from the Tahoe Regional Planning Agency by the Governor of the State of Nevada; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment and an amendment to the title:

S. 870. A bill to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50 per centum employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85-15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurements of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes (together with additional views) (Rept. No. 96-314).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Emily Rauh Pulitzer, of Missouri, to be a Member of the National Museum Services Board.

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

R. Robert Russell, of California, to be Director of the Council on Wage and Price Stability.

The following-named persons to be Members of the Board of Directors of the National Consumer Cooperative Bank:

William A. Clement, Jr., Associate Administrator for Minority Small Business and Capital Ownership Development, Small Business Administration; and

Graciela (Grace) Olivarez, Director, Community Services Administration.

The following-named persons to be Members of the Securities and Exchange Commission:

Philip A. Loomis, Jr., of Maryland; and

John R. Evans, of Utah.

Jay Janis, of Florida, to be a Member of the Federal Home Loan Bank Board.

The following-named persons to be Members of the Board of Directors of the National Consumer Cooperative Bank:

Ronald Grzywinski, of Illinois;

Joseph L. Hanaknecht, Jr., of Michigan;

Frances Levenson, of New York;

Albert Joseph McKnight, of Louisiana;

Juan J. Patlan, of Texas;

Derek N. Shearer, of California;

Roger C. Altman, Assistant Secretary of the Treasury;

Carol Tucker Foreman, Assistant Secretary of Agriculture;

Geno Charles Baroni, Assistant Secretary of Housing and Urban Development;

Sam W. Brown, Jr., Director of the ACTION Agency; and

Lawrence Connell, Jr., Chairman, National Credit Union Administration Board.

(The above nominations from the Committee on Banking, Housing, and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS, FROM NOV. 29, TO DEC. 7, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Stuart M. Statler:									
Peru	Sol	54.600	262.50					54.600	262.50
Colombia	Peso	9.126	225.00					9.126	225.00
Panama									
Jamaica	Jamaican and U.S. dollars	125.67	75.00		225.00			125.67	75.00
									225.00
Owen J. Malone:									
Peru	Sol	54.600	262.50					54.600	262.50
Colombia	Peso	9.126	225.00					9.126	225.00
Total			1,275.00						1,275.00

Feb. 12, 1979.

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS FROM MAR. 11 TO MAR. 21, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
F. Keith Adkisson:									
Philippines	Peso	1,107	150.00		1,849.00				1,999.00
Thailand	Baht	4,367.25	225.00						225.00
Hong Kong	H. K. dollars	1,086.75	225.00						225.00
Total			600.00		1,849.00				2,449.00

Aug. 3, 1979

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS FROM MAY 11 TO MAY 18, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Leonard Weiss:									
Germany	Deutsche mark	635.04	336.00		68.00			635.04	404.00
Austria	Schilling	2,565.12	192.00					2,565.12	192.00
Total			528.00		68.00				596.00

Aug. 21, 1979.

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, SENATE MAJORITY LEADER ROBERT C. BYRD VISIT TO THE SUPREME SOVIET OF THE U.S.S.R. AND WESTERN EUROPE, JUNE 28 TO JULY 7, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Robert C. Byrd:									
Italy	Italian lira	136,425	163.78						
Russia	Ruble	147.56	224.09						
France	Franc	756.00	180.00						
Barbara Videnieks:									
Italy	Italian lira	136,800	164.23						
Russia	Ruble	115.05	174.74						
France	Franc	486.40	115.81						
Dr. Freeman H. Cary:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	121.56	184.61						
France	Franc	546.00	130.00						
Walter J. Stewart:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	197.56	300.02						
France	Franc	756.00	180.00						
Joanne Drysdale:									
Italy	Italian lira	183,260	220.00						
Russia	Ruble	117.56	178.53						
France	Franc	588.00	140.00						
J. Michael Willard:									
Italy	Italian lira	146,475	175.84						
Russia	Ruble	128.25	194.77						
France	Franc	546.00	130.00						
Hoyt H. Purvis:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	106.80	162.19						
France	Franc	756.00	180.00						
Gina Sengster:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	121.82	185.00						
France	Franc	756.00	180.00						
Mary Jane Checchi:									
Italy	Italian lira	187,425	225.00						
Russia	Ruble	126.80	192.56						
France	Franc	756.00	180.00						
Delegation expenses including direct payments and/or reimbursements to the Embassies and Department of Defense under sec. 502B of the Mutual Security Act of 1954, as amended by sec. 22 of Public Law 95-384, and Senate Resolution 179, agreed to May 25, 1977, for transportation and in-flight expenses on aircraft, overtime for Embassy employees, clerical supplies and control room expenses, communications, baggage handling, and other necessary expenses of the delegation:									
Italy							2,401.96		
Russia							2,449.86		
France							2,779.59		
Transportation and in-flight expenses					2,690.46				
Total			5,061.17		2,690.46		7,631.41		15,383.04

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$15,383.04
Total	15,383.04

Aug. 6, 1979.

ROBERT C. BYRD, Chairman,
Senate Majority Leader Robert C. Byrd Visit to Supreme Soviet of U.S.S.R. and Western Europe.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KENNEDY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. HATCH, and Mr. SIMPSON):

S. 1722. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1723. A bill to revise title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. KENNEDY, Mr. JAVITS, Mr. METZENBAUM, and Mr. DURKIN):

S. 1724. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. NELSON (for himself, Mr. KENNEDY and Mr. RIEGLE):

S. 1725. A bill to amend the Economic Opportunity Act of 1964 to establish a Comprehensive Energy Conservation Services Program designed to enable low-income and near-poor individuals and families to participate in energy assistance programs; to the Committee on Labor and Human Resources.

By Mr. HEINZ:

S. 1726. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on certain mortgage revenue bonds will not be exempt from Federal income tax; to the Committee on Finance.

By Mr. BURDICK:

S. 1727. A bill to authorize the Secretary of the Interior to obtain adequate law enforcement services at water resources development projects under his jurisdiction; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. HATCH, and Mr. SIMPSON):

S. 1722. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1723. A bill to revise title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

CRIMINAL CODE REFORM ACT OF 1979 AND THE CRIMINAL CODE REVISION ACT OF 1979

Mr. KENNEDY. Mr. President, almost 15 years ago a decision was made by the Congress and the Johnson administration to study the feasibility and desirability of reforming and modernizing our Federal criminal laws. Close to a decade has passed since the Congress first con-

sidered comprehensive legislation to recodify the existing Federal criminal code. Today I introduce comprehensive legislation which is designed to bring an end to this ongoing debate over the reform of the criminal code.

The two bills introduced today are perfect examples of the type of bipartisan cooperation so essential to a successful codification effort. Both the Senate and House have exhibited the understanding, flexibility, commitment, and dedication necessary for a legislative undertaking of this magnitude. In addition, the codification effort has the complete support of the Department of Justice and Attorney General Benjamin Civiletti, who joins a long list of previous Attorney Generals of both parties in supporting the criminal codification effort. Attorney General Civiletti—and his immediate predecessor, Attorney General Bell—has been especially helpful and cooperative in the drafting of this legislation.

Mr. President, these two bills—when considered as a package—constitute the most important attempt in the history of our Nation to reorganize and streamline the administration of Federal criminal justice. These bills are of critical importance to our Nation. They stand together as the cornerstone of the Federal Government's commitment to the serious problem of crime in America. They follow in the wake of various State code codifications. Since 1960 a majority of the States have either reformed their criminal laws or are in the process of doing so. For example, Montana, Delaware, Mississippi, Iowa, Arizona, Utah, Alabama, South Carolina, Texas, and New Jersey have all enacted and implemented modern State codes within the last 5 years. The Federal Government has a similar responsibility to act and, in so doing, offer a statutory model for the States to consider.

The two bills introduced today are not a hastily conceived idea. The House bill, which I am pleased to introduce, is the most recent product of an intensive ongoing study being conducted by the House Subcommittee on Criminal Justice chaired by Congressman ROBERT DRINAN. Chairman DRINAN, with the impressive bipartisan cooperation of Congressman THOMAS KINDNESS and the other members of the subcommittee has developed a draft criminal code reform bill which constitutes a giant step toward the modernization of our Federal criminal laws. The main impetus for this draft bill has been the dedicated, impressive work of Congressman DRINAN and his subcommittee. They have labored in over 100 markup sessions in an effort to develop the draft bill I introduce today. The bill is not yet complete but will serve as a valuable focal point for hearings in both the House and Senate Judiciary Committees during the next several weeks.

The second bill introduced today is the culmination of an ongoing 13-year effort by the Senate to develop a just, workable, modern criminal code. The bill has bipartisan support and has been drafted in close cooperation with Senators THURMOND and HATCH. In introducing this legislation Mr. President, I am once again reminded of the dedicated and energetic leadership of the late Senator McClellan and former Senator Hruska in the entire codification effort. This bill—like all the previous Senate bills—builds on their work as members of the National Commission on Reform of Criminal laws, chaired by the former distinguished Governor of California, Edmund G. Brown. The Brown Commission concluded, after close to 5 years of hearings and research, that a completely new comprehensive codification of the Federal criminal law was necessary. Piecemeal change was ruled out as inconsistent with the goal of genuine reform. Both bills introduced today reflect the conclusion that a true reform effort requires a thorough and complete rewrite of all major Federal criminal laws. They are comprehensive bills, a recognition that piecemeal reform is neither possible nor wise.

Why do we need a new criminal code? The plain fact is that the current Federal criminal law is a disgrace. Judges, academicians, law enforcement personnel, and civil libertarians alike have all agreed on the need for prompt development of a comprehensive, logically organized and internally consistent Federal criminal law. The approximately 3,000 criminal laws on the books today have no standardized definitions or logical consistency. Offenses are scattered throughout all 50 titles of the United States Code. There are some 80 separate theft offenses and 70 counterfeiting and forgery offenses all with their own conflicting language and definitions. The interpretation and application of such multiple statutes inevitably results in inconsistencies, loopholes, and hypertechnicalities.

In addition, there are almost 80 different culpability terms used to describe the state of mind required for various offenses. These terms range from "wantonly" and "lasciviously" to "maliciously" and "corruptly". Such terminology helps breed uncertainty and disparity in interpretation and application of the law.

The current code is archaic. Many existing provisions should have been repealed years ago. For example, the Logan Act—enacted during the administration of President John Adams—prohibits certain private communications to a foreign government. It is still a crime to "impair military effectiveness by a false statement" even though this provision was historically used to harass war protestors and has not been invoked since World War I. In a lighter vein it remains a Federal crime to detain a government carrier pigeon. Such provisions are embarrassing to the very idea of an enlightened and respected Federal criminal code.

Nor is the current problem limited to the flaws and confusion of existing law. The omissions are also significant. The Federal criminal law currently lacks effective criminal provisions aimed at contemporary problems—consumer fraud, environmental pollution and, especially, white collar and organized crime.

Most importantly, existing Federal criminal sentencing procedures are in desperate need of reform. Every day Federal judges mete out an unjustifiably wide range of sentences to offenders convicted of similar crimes. One offender may receive a sentence of probation, while another—convicted of the very same crime and possessing a comparable criminal history—may be sentenced to a lengthy term of imprisonment. Even two such offenders who are sentenced to similar terms of imprisonment may become subject to widely differing prison release dates; one may be paroled after serving only a small portion of his sentence while the other may be denied parole indefinitely. These glaring disparities, whether they occur at the time of the initial sentencing or at the parole stage, can be traced directly to the unfettered discretion the law confers on those judges and correctional authorities responsible for imposing and implementing the sentence. This sweeping discretion flows from the lack of any meaningful statutory guidelines or review procedures to which courts and parole boards might look for guidance. For example, a bank robber may receive a judicially mandated sentence ranging from probation to a 25-year prison term, but it is the U.S. Parole Commission, not the court, that typically decides the point at which the convicted offender should be released.

The impact of such disparity on the general population is both real and immediate. The implication to be derived from the inequality in post-conviction treatment of similar offenders, as indicated by the State by State variances from the national average, is that our national criminal justice system is arbitrary and unjust. Indeed, the unexplained nationwide disparity in punishment of similar offenses can only nurture an already growing public cynicism about our penal system. Moreover, the disparity in actual punishment combined with the uncertainty in receiving punishment not only fails to deter criminal behavior—a goal that is basic to any effective crime-fighting program—but may in fact stimulate criminal activity and inhibit corrective action. The potential offender who finds himself in a jurisdiction where the probability of actual incarceration is low may decide that crime is worth the risk. In practical terms, then, our criminal justice system becomes a game of chance in which potential offenders may gamble on receiving a lenient term of imprisonment or probation.

The judges are not to blame. The problem cannot be traced to "weak" judges who "coddle" criminals. The great majority of our Federal judges try to perform their sentencing duties in a responsible, diligent manner. But they must act without guidelines or review, because there are no standards or review procedures in our current criminal code. The law invites injustice by conferring unlimited discretion on judges and parole authorities to impose sentences within vast statutory limits.

This use of broad discretion has backfired; there has been a notorious increase

in arbitrariness and injustice. In the last few years study after study has been published documenting the nature and scope of sentencing disparity.

Nor is sentencing disparity and uncertainty the only problem. Sentencing maximums are inconsistent and irrational; if one robs a federally insured bank today a 25-year term of imprisonment is possible; but it one robs a post office, the maximum term is only 10 years. If one commits a minor mail fraud of $200 by sending three letters through the mail 15 years can be imposed; but if a major $25,000 mail fraud is committed by sending only one letter through the mail, the maximum penalty is just 5 years.

And only occasionally, as if by accident, are the criminal fines imposed today related to the amount of actual injury inflicted or gain realized by the offender.

In plain terms, the present penalty structure of the Federal criminal law must be completely revised.

Mr. President, the criminal code reform bills I introduce today are designed to deal with these and many other injustices found in current law. The bills completely reorganize the code in a logical and consistent manner. The numerous statutes relating to such crimes as arson and property destruction are consolidated. The new theft sections in the bills replace over 70 inconsistent theft and fraud statutes, with the penalty for the offense varying depending on the nature and value of the property stolen. Similarly, new forgery and counterfeiting offenses replace the numerous conflicting offenses found in current law, while 50 statutes involving perjury and false statements have similarly been consolidated.

In place of the 80 current culpable mental states—all undefined—the House and Senate bills define just four: Intentional, knowing, reckless, and negligent. This simplification will permit far greater clarity and uniformity.

Every effort has been made to draft offenses simply, uniformly, and precisely. Verbose and technical language—such as that which appears in the current mail fraud statute—has been avoided. Instead, a conscious effort has been made to speak in common English.

Mr. President, although these new features in the bills basically result from House and Senate efforts to modernize existing law, the proposed bills go well beyond mere modernization. They are reform efforts as well.

First and foremost, the bills overhaul the entire sentencing process. They articulate, for the first time, the philosophical purposes to be served by a sentence—deterrence, incapacitation, punishment, and, to a more limited extent, rehabilitation—and set out the factors that a court should consider in exercising its sentencing discretion. The bills would create a Sentencing Committee to develop a system of guidelines and policy statements designed to reduce sentencing disparity and uncertainty and provide more rational and determinate sentencing practices.

Necessary flexibility would be retained, however, by permitting a sentence to be imposed outside of the guidelines in an appropriate case. The bills would, however, encourage adherence to the guidelines by requiring that all sentences imposed outside the guidelines be accompanied by judicial statements specifically justifying the deviations. In addition, sentences would be subject to appellate review, providing a further check against unreasonable punishment.

The bills also provide for determinate prison sentences and abolish the existing parole system. Judges would be instructed to sentence defendants to terms that represent their best judgment, in light of the applicable guidelines, as to how long the offenders should actually spend in prison. The bills would, therefore, eliminate the current judicial practice of imposing inordinately long sentences designed to insure that the defendants remain incarcerated for at least one-third of their sentences, until they are paroled. Under the bills introduced today, the sentence imposed will be the sentence served (subject to time off for good behavior.) The bills, therefore, preserve flexibility in sentencing while simultaneously proposing a procedure for the reduction of disparity through the development of more standardized procedures. In most cases, the offender, the victim, and society all will know at the time of the initial sentencing decision what the prison release date will be. This increased fairness, and, just as importantly, the appearance of fairness, likely will reduce the widespread cynicism concerning our penal system.

In addition, each offense in the bill is described as a certain grade of felony, misdemeanor or infraction, as is common under most modern State codes. This provides a shorthand method of referring to the penalties and other sanctions or consequences that apply to the offense.

But the bills go well beyond current law in a number of other important respects. There are new provisions designed to further protect civil liberties and civil rights; provisions drafted to meet social, political, and economic problems; provisions designed to improve the administration of criminal justice; and important new provisions which will improve the Federal Government's law enforcement capabilites. For example:

The Logan Act is repealed. This law (18 U.S.C. 951) has been on the books since 1799 and prohibits private communications with a foreign government with intent to influence foreign policy. No case has ever been prosecuted under this statute. It has long outlived its usefulness and is looked upon today as little more than a relic. Nevertheless, on occasion it is dusted off and used to raise the specter of prosecution against those who may disagree with official Government policy. In the late 1960's those American citizens who communicated directly with the North Vietnamese Government in an effort to achieve a breakthrough for peace were threatened with prosecution under this section. It is time to repeal it.

New defenses are added to protect the press from "gag orders," a major improvement over the current law of contempt (18 U.S.C. 401). Under current law the invalidity of a judicial order is not a defense to the crime of contempt for disobedience of the order. Under both of these bills some amelioration of this harsh rule is made by providing a defense to contempt for certain invalid orders.

The coverage of the present civil rights laws is expanded. Current law (18 U.S.C. 241) deals only with conspiracies to violate civil rights. Under these bills there need be only one offender, that is, no conspiracy need be found for civil rights violations.

The bills change the Supreme Court decision of *Screws* v. *United States* (325 U.S.C. 91 (1945)). Current law requires a finding that a defendant had a specific intent to deprive the victim of his federally protected civil rights, an almost impossible standard to prove. It is not enough, for example, to show that the defendant intended to assault or maim the victim; the Government must also prove to the jury's satisfaction that the assault was done with a specific intent to intimidate the victim from exercising a civil right. The bills ameliorate this requirement so as to lessen the proof problems imposed on the Government under current law.

The Civil Rights Act of 1968 (18 U.S.C. 245; 42 U.S.C. 3631) is expanded to prohibit discrimination based on sex as well as race, color, religion, or national origin.

The offense of rape is completely modernized. Special corroboration of the victim's testimony is no longer required. In this way, the law will treat rape victims like any other victim of a criminal assault. Violent sexual assaults against both men and women are also covered. It is hoped that these new provisions will serve as a model for States to incorporate into their own criminal codes.

A new election offense is included to prohibit sabotage of political campaigns. Currently, the only principal statute for prosecuting election fraud is an 1870 statute (18 U.S.C. 241) which is broadly designed to prohibit any interference with a Federal right—including but not limited to voting. In light of the events of recent years a new election offense is needed.

The bills create a new offense prohibiting the possession of eavesdropping devices with intent to use them illegally.

The legislation separates out for aggravated penalties the crime of trafficking in stolen property. This new section is directed at the professional fence who deals in stolen goods for a living.

The legislation creates a new offense of operating a racketeering syndicate which is aimed at leaders of organized crime. In addition, the legislation makes it an offense to "launder" the proceeds of organized crime by investing the gains of illegal operations in other legitimate businesses. By making the laundering of these proceeds a crime, these bills help to strip away the financial machinations of organized crime.

The bills create a lesser included offense of loansharking involving grossly usurious rates of interest.

The bills substantially increase the maximum amount of criminal fines that can be imposed by the court.

Mr. President, these are just a few of the major provisions that help to highlight the need for prompt enactment of this legislation.

During the last Congress the Senate passed a comprehensive Criminal Code reform bill by the overwhelming margin of 72 to 15. That bill was a tribute to bipartisan cooperation. Nevertheless, despite overwhelming support for the legislation, serious, constructive criticism was leveled at the bill from various sources. The votes recorded against the bill, although relatively few, signaled the need to reconsider certain aspects of the Senate-passed legislation. Both bills introduced today reflect an effort to deal with that criticism. During the past months, Congressman DRINAN and I have worked with House and Senate Members in an effort to develop alternatives to previous legislation, alternatives which will be viewed as improvements over previous legislative efforts. These bills introduced today are the product of that reevaluation effort. They reflect the careful thought of a large number of distinguished and concerned people; House and Senate Members have labored tirelessly in an effort to perfect new bills worthy of even broader based support.

For example, sharp criticism was directed last year at the size of the Senate-passed bill. The concern was voiced that a bill of close to 700 pages could not be given the careful page-by-page consideration needed. This year's legislation will be closer to 400 pages in length and is based on the fact that technical, conforming amendments made last year to nontitle 18 criminal offenses will be minimized this year. Last year's bill attempted to conform all misdemeanors found in the other 49 titles of the United States Code to the language and style of the new Criminal Code reform bill. Although such changes were overwhelmingly technical in nature, these changes nonetheless doubled the size of the legislation. Neither of the bills introduced today attempts to conform nontitle 18 offenses except in those rare cases where such offenses have been repealed or transferred to title 18. The important task of conforming the nontitle 18 offenses will be left to a subsequent Congress.

Perhaps the strongest criticism leveled at the bill last year—a criticism I find to be vastly overstated—concerned the charge that Federal Criminal Code reform substantially expanded Federal jurisdiction. According to this argument, last year's Senate-passed bill would have resulted in the Federal Government's interfering with purely State and local law-enforcement efforts. This concern over the nature and scope of Federal jurisdiction has been met head on in this year's legislation. A new section has been added limiting the exercise of Federal concurrent jurisdiction; this section instructs the U.S. Government not to exercise jurisdiction in situations where State and local governments have jurisdiction over the offense unless certain detailed prerequisites are met. In addition, no effort is made in this year's bills to deal with the thorny question of jurisdiction of nontitle 18 offenses. Current law will continue to prevail. Also, concern voiced last year over the subject of ancillary or "piggyback" jurisdiction has resulted in significant cuts being made in the scope of such jurisdiction with respect to designated offenses (for example, rape and arson). Finally, the jurisdiction of certain specific offenses has been narrowed (for example, consumer fraud).

A third major concern articulated last year pertained to sections deemed to pose a threat to civil liberties. Here, numerous changes have been made in an effort to assure that the civil liberties of the American people will not be threatened or sacrificed by any comprehensive criminal code reform bill. Thus, for example, the bills eliminate the section making it an offense to fail to obey a public safety order; the crime of solicitation is dropped from one bill and narrowly circumscribed in the other; the crime of making a false oral statement is eliminated in one bill while in the other a new standard requiring knowledge as to falsity is adopted. The bill drafted by the House Subcommittee on Criminal Justice would also make other numerous, valuable changes designed to protect the civil liberties of the American people. These changes must be given careful consideration and attention by the Senate Judiciary Committee.

Mr. President, Judiciary Committee consideration of these two bills will give the Senate the opportunity to enact a final product that reflects the very best of both bills. The two bills are, for the most part, similar in scope and substance. There are certain substantive differences. The House bill, for example, attempts to codify for the first time a series of common law defenses. I would urge my Senate colleagues to accept this effort at codification and to include certain defenses in any bill reported out of the Judiciary Committee. On the other hand, the House bill—while providing for appellate review of sentences by the defendant—fails to provide for such appellate review by the Government. I am convinced that limiting appellate review to the defendant alone will undermine the entire concept of sentencing guidelines and would pose a threat to the new sentencing system codified in this legislation. In addition, I view such appellate review by the Government as an important vehicle for assuring that those convicted of white collar crime or Government corruption receive appropriate punishment. In recent years, there have been too many cases where the poor, the young and the minority defendant receive excessive punishment while the white collar offender or defendant convicted of Government corruption or using excessive force receives a lenient sentence.

Mr. President, I believe that this legislation is a major forward step in the ongoing effort to reform our Federal criminal laws and streamline the administration of criminal justice. The bills can still be improved, and I look forward with anticipation to the upcoming hearings and markup sessions, because I am convinced that we can do an even better job. For example, both bills lack effective provisions to deal with the growing problem of fraud committed against the Federal Government. Each year billions of tax dollars are spent in support of Federal programs, yet little or no consideration has been given to dealing with fraud, bribery, and corruption committed in the course of administering and distributing moneys pursuant to these programs. In numerous investigations, prosecutors have established that individuals or organizations have stolen from or otherwise defrauded a federally sponsored program, but because the Federal funds contributed to the program have either been paid over to a public or private agency or have been comingled with funds from other sources, there is no basis for prosecution under 18 U.S.C. 641—theft of public funds or property—since the Federal Government no longer was deemed to have "title" to or "possession" of the property. Yet, in many cases, State prosecutors have declined to take up such cases either, because the Federal and not the State government is the injured party or because of the lack of available resources. Responding to these problems, I plan to offer a series of amendments to the criminal code legislation permitting Federal prosecution in connection with these frauds and other corrupt activities committed in the course of conducting federally supported programs.

In addition, steps must be taken during the consideration of criminal code reform legislation to deal directly with the growing problem of crimes committed by offenders while on bail. The public is rightly concerned about current bail practices. With increasing frequency persons on bail are being arrested and charged with serious felonies. The challenge is to develop a bail policy that takes into account the legitimate concern of the public about community safety. In my view judges should have the power to set bail release conditions based on the fact that a defendant poses a risk to the safety of the community. Once a defendant has been released, I believe that the community's safety can and should be legitimately considered, and that reasonable restrictions can be designed that fairly meet the requirements of the Constitution. In addition, if a defendant is charged with an offense on bail, the courts should make better use of the power to hold him in contempt. Finally, conviction for a crime committed on bail should result in a sentence consecutive to any other sentence that might be imposed. Mr. President, these and other amendments will be considered during the course of Judiciary Committee hearings scheduled to begin next week.

I am convinced that a point has now been reached where effective criminal code reform is nearing reality after more than a decade of waiting. I agree with the distinguished chairman of the House Judiciary Committee, Mr. RODINO, that the Congress is now "in the last lap" down the road toward a criminal code reform bill. It is up to the Congress—working in close conjunction with the Department of Justice and interested public interest groups—to make criminal

code reform a reality. I will continue to work closely with my colleagues in the Senate and the House in an effort to develop a bill that strikes the proper balance between effective law enforcement and the protection of the civil liberties of the American people.

Mr. President, 25 years ago one of our Nation's most distinguished legal scholars, Herbert Wechsler, aptly expressed the profound impact that the criminal law has on our daily lives; in so doing he gave the Congress the mandate which should guide us in the months ahead:

> Whatever view one holds about the penal law, no one will question its importance in society. This is the law on which men place their ultimate reliance for protection against all the deepest injuries that human conduct can conflict on individuals and institutions. By the same token, penal law governs the strongest force that we permit official agencies to bring to bear on individuals. Its promise as an instrument of safety is matched only by its power to destroy.
>
> If penal law is weak or ineffective, basic human interests are in jeopardy. If it is harsh or arbitrary in its impact, it works a gross injustice on those caught within its coils. The law that carries such responsibilities should surely be as rational and just as law can be. Nowhere in the entire legal field is more at stake for the community, for the individual.

Mr. President, I ask unanimous consent to include in the RECORD an outline of the House Criminal Justice Subcommittee's draft recodification bill that I am introducing here today for consideration by the Senate, as well as a summary of the companion bill introduced today by myself and Senators THURMOND, DECONCINI, HATCH, and SIMPSON.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRIMINAL CODE REFORM ACT OF 1979

OUTLINE OF SIGNIFICANT PROVISIONS

The bill provides for the first time in the history of the Federal Government an integrated Criminal Code. It would replace existing Title 18 of the United States Code in its entirety.

The bill contains hundreds of improvements. A brief overview of the bill containing most of the important matters proposed is set out below.

FORMAT OF THE CODE

The bill is divided into seven titles. Title I would replace title 18 of the United States Code. It consists of five interlocking Parts.

Part I embodies the general provisions and principles of the Code. Included in this part are chapters on jurisdiction, culpability, complicity, and defenses.

Part II consists of all the offenses defined in such a way that the reader knows: (1) the elements of the offense; (2) the requisite state of mind (culpability); (3) the circumstances under which the Federal government can prosecute the offender (jurisdiction); and (4) the authorized sentence for violation of the offense (grading).

In order to determine whether criminal liability is to be imposed in a given situation, a reader must engage in the following analysis:

Are the objective elements of some offense in the Code satisfied?

Is the necessary state of mind (i.e., *mens rea*) present with respect to each element? To determine this, one must consider the definition of the offense in light of the culpability principles of Chapter 3.

Does the accused have a defense to the charge, or is the prosecution barred for any reason? General defenses and bars applying to all offenses are named or described in Chapter 5. Others are stated with the definition of the offense itself if peculiarly applicable to a specific offense or type of offense.

Does the Federal government have jurisdiction to prosecute? Determining the extent of Federal jurisdiction of an offense requires reference to the general provisions of jurisdiction in Chapter 2 and the jurisdictional subsection, if any, included in the section defining the offense.

What is the authorized sentence upon conviction for the offense? Each section defining an offense contains a subsection which describes the grade of the offense or, in some cases, the diffent grades which might apply depending on the circumstances. The sentences available for a given grade are set out in Part III of the Code.

Part III embodies all the sentencing provisions. Among other things, it defines the classes of grading, states what types of sanctions may be imposed and mandates the use of sentencing guidelines.

Part IV contains the procedural sections of existing Title 18:

Part V contains provisions on ancillary private civil remedies, such as civil actions against racketeering offenders.

Titles II and III of the bill consist of amendments to the Federal Rules of Criminal Procedure and to Title 28 of the United States Code, respectively. Title IV of the bill contains general provisions including those dealing with severability and the effective date of the legislation. Title V consists of technical and conforming amendments that are cross-referenced in the Code itself. Title VI transfers certain regulatory offenses in current title 18 to a new title 19 Appendix. Title VII contains other technical and conforming amendments to the other 49 titles of the United States Code.

TITLE I. CODIFICATION, REVISION, AND REFORM OF 18 U.S.C.

PART I. GENERAL PROVISIONS AND PRINCIPLES

Chapter 1. General provisions

This chapter sets forth the general purposes of the Code, provides general principles of construction, and defines over one hundred terms that are commonly used in the Code and in the Federal Rules of Criminal Procedure.

Chapter 2. Jurisdiction

The general Code treatment of federal jurisdiction is introduced in this chapter. The Code defines offenses in terms of the underlying misconduct (e.g., kidnapping) just as a state penal code does, and in a separate subsection of each offense it specifies the particular circumstances under which the federal government may exercise jurisdiction over the criminal conduct (e.g., transportation of the victim across a state line). The basis for federal jurisdiction is not an element of the offense, but it will still have to be proved on motion of the defendant to the jury beyond a reasonable doubt. This approach to federal jurisdiction permits far clearer definitions of offenses, and allows consolidation of numerous existing offenses into a single offense with several jurisdictional bases (e.g., the Code contains only one theft offense, with a listing of various specified circumstances permitting the federal government to prosecute for theft). It also allows simplified instructions for juries.

The jurisdictional bases in the Code have been tailored to avoid unnecessary expansion of existing federal jurisdiction.

The Code contains provisions for ancillary federal jurisdiction over certain offenses—primarily violent offenses—committed in the course of other federal offenses. For example, if the federal government prosecutes for a civil rights violation the Code will also permit it to prosecute for an assault or a murder committed in the course of the civil rights violation.

The chapter also sets forth principles of extraterritorial jurisdiction. In doing so it fills several gaps in current law (e.g., it permits a criminal trial of a former serviceman for a murder he committed overseas prior to being discharged).

Chapter 3. Culpable states of mind

This chapter defines the specific mental states (the "*mens rea*" elements) that are used throughout the Code in defining an offense. The current Title 18 uses 79 different terms to define the requisite mental state. Like the Model Penal Code and most modern state codes, this chapter reduces the number of terms used to describe the state of mind to four: intentional, knowing, reckless or negligent. The simplification should permit far more clarity and uniformity of interpretation.

Chapter 4. Complicity

This chapter sets forth those circumstances under which a person may be criminally liable for the acts of another individual or for the acts of an organization. The accomplice liability section includes a codification of the doctrine of *Pinkerton* v. *United States*, making a co-conspirator guilty of each specific offense committed in furtherance of the criminal conspiracy if it was reasonably foreseeable that the specific acts would be performed in furtherance of the unlawful agreement.

One significant section in this chapter is the organizational liability provision. It codifies current case law by making an organization liable for the acts of its agent committed within his express, implied or apparent authority and intended to benefit the organization.

Chapter 5. Bars and defenses to prosecution

A general statute of limitations and a bar to prosecution on grounds of immaturity are set out in this chapter. The generally recognized common law defenses, including mistake of fact or law, insanity, intoxication, duress, exercise of public authority, protection of persons, protection of property, unlawful entrapment, and official misstatement of law, are all left uncodified for further development by the courts through case law.

PART II. OFFENSES

Chapter 10. Offenses of general applicability

This chapter codifies the attempt, conspiracy and solicitation offenses. There is under current law no Federal attempt statute of general applicability, although many of the individual offenses contain attempt provisions. This section makes it an offense to attempt to commit any Federal crime. The attempted offense in most instances carries the same penalty as the completed offense on the theory that a defendant who begins to commit an offense should not benefit from the happenstance causing its interruption. In order to encourage the abandonment of a criminal enterprise, a voluntary, complete, and effective avoidance of the offense constitutes an affirmative defense.

The conspiracy section reflects current law, as developed through judicial interpretations of the present general conspiracy statute.

With the exception of subornation of perjury, there is no solicitation offense in current Federal law. The National Commission on Reform of Federal Criminal Laws recommended a general offense covering the solicitation of another to commit any federal offense. Except for a list of offenses, such as demonstrating to influence a judicial pro-

ceeding, exempted from application of solicitation, this approach is adopted in this bill.

Chapter 11. Offenses involving national defense

Three series of offenses relating to treason, sabotage, and espionage are set out in this chapter.

The treason series generally codifies current law. It adds a new section, however, penalizing use of dangerous weapons by para-military groups that intend to take over a function of government by force. Such an offense was recommended by the National Commission on Reform of Federal Criminal Laws.

The Smith Act is repealed in its entirety.

The sabotage series of offenses generally codifies the current law statutes, except that a current law provision dealing with the spreading of false military information in wartime with intent to aid the enemy has been deleted.

The current law offenses relating to espionage and release of classified information have not been revised. Because of the controversy surrounding this area, the existing statutes are moved, unchanged, to title 50 of the United States Code, with the Code simply cross-referencing to those provisions.

Chapter 12. Offenses involving international affairs

This chapter is divided into two subchapters. The first subchapter encompasses those offenses that pertain to foreign relations, such as disclosing a foreign code or engaging in an unlawful international transaction. The second subchapter covers offenses involving immigration, naturalization, and passports, such as unlawful entry into the United States or improper use of a passport. The offenses covered here are basically a codification of present law. One major change, however, would make it an offense to conspire within the United States to assassinate a foreign official (Section 1202).

The Logan Act, prohibiting private communication with a foreign government with intent to influence its actions in a dispute with the United States, is repealed. This was recommended by the National Commission on Reform of Federal Criminal Laws and has been repealed in all prior versions of this bill.

Chapter 13. Offenses involving government processes

The offenses encompassed by this chapter are those that constitute obstructions of Government functions, whether they be obstructions of justice, contempt offenses, offenses involving false statements, or offenses involving official corruption. For the most part, the chapter reflects current law. However, certain reforms are introduced.

Current law contains an offense of conspiracy to defraud the Government but no substantive offense of defrauding the Government. The current offense has therefore been subject to criticism for punishing a conspiracy to commit an act that is not in itself punishable. Section 1301 establishes the substantive offense of defrauding the Government.

Section 1312 gears the punishment for bail jumping to the nature of the underlying offense. Thus, it will be punished as a felony if the defendant is awaiting trial for a felony, but as a misdemeanor if the underlying offense is a misdemeanor. This reduces the incentive to jump bail in the hope of facing a reduced penalty after sufficient time has passed during which the Government's case has grown stale. The section also makes it an offense to fail to surrender for service of sentence, a possible loophole in current law.

Current law covers tampering with witnesses and informants by means of force or threats only in a general obstruction of justice statute. Section 1323 spells out the prohibited conduct in detail, at the same time including a catchall clause to insure that the coverage of current law is maintained.

The contempt offenses are defined more clearly, the general criminal contempt statute is limited to a six-month penalty, and certain defenses are added to cover impossibility of compliance with court orders and non-compliance with invalid court orders.

The perjury series adds a new offense, false swearing, as a lesser-included perjury offense where the false statement is not material. Like the perjury offense now appearing in 18 U.S.C. 1623, the "two witness" rule is abolished and a defense of retraction is provided. A single false statement offense consolidates over 50 false statement statutes appearing in current law; an oral false statement to a government official is an offense only if an investigator first advises the declarant that making such a false statement is an offense or if it is volunteered to an investigator. A new defense of retraction is added to the false statement offense.

Finally, under Section 1356 public servants are prohibited from using their own official actions or information gained because of their position for private gain while they remain public servants or for one year after they leave public service. As a statute of general applicability, this offense is new to Federal law.

Chapter 14. Offenses involving taxation

This chapter would incorporate Federal criminal tax offenses currently in the Internal Revenue Code of 1954 (Title 26, United States Code). This approach was suggested by the National Commission on Reform of Federal Criminal Laws. This is consistent with a fundamental precept of codification requiring that all felony offenses be included in Title 18.

The chapter is divided into two subchapters. The first subchapter would cover internal revenue offenses and the second subchapter would contain customs offenses.

Chapter 14 generally recodifies existing law. However, one particularly significant change is introduced with respect to prosecutions for tax evasion (section 1401). Under existing law, a successful tax evasion prosecution requires a "net" tax deficiency. Thus, if one were to intentionally understate his income with the intent to evade taxes but, due to oversight or neglect, failed to take available deductions adequate to offset the undeclared income, the case against him would fail under existing law. Section 1401, read together with Section 1001 (Attempts), eliminates the "net" tax deficiency requirement. Thus a taxpayer could be prosecuted for understating his income with a criminal intent, despite the fact that no tax was actually due and owing because of overlooked deductions.

It should be noted that an offense where there is no "net" deficiency is a Class E felony (2 years). However, if there exists a "net" deficiency of $100,000 or less, the penalty is a Class D felony (5 years). Where a "net" deficiency in excess of $100,000 exists, the sanction is upgraded to a Class C felony (10 years).

Chapter 15. Offenses involving individual rights

This chapter covers offenses involving civil rights, political rights and privacy.

Civil Rights. Basic coverage of present civil rights statutes is retained, but language has been added to broaden the coverage with respect to sex discrimination. In addition, the coverage is extended to protect all persons, not just citizens. The current statute covering conspiracy to deprive a person of his civil rights under color of law is modified to cover an offense by a single individual or organization. Also the statute is modified to make it clear that the criminal state of mind required for the offense applies to the conduct which deprives a person of a right under the Constitution and laws of the United States and does not impose a further requirement that the defendant specifically intend to infringe a federally guaranteed right. Other sections carry forward the coverage of the Civil Rights Act of 1968.

The civil rights provisions also represent an excellent example of use of ancillary Federal jurisdiction as a grading mechanism. The basic offenses are generally graded as Class A misdemeanors (1 year); however, Federal jurisdiction also exists for serious crimes against persons and property committed in the course of such offenses. Thus, a civil rights offense involving a murder would permit Federal prosecution for murder. This treatment is similar in concept to the grading provided in present 18 U.S.C. 245.

Election Offenses. Section 1511 for the first time in Federal law provides a specific series of statutes covering election fraud. Heretofore, frauds in connection with a Federal election could be reached only under the general civil rights conspiracy statute. In addition, the bill prohibits engaging in any criminal conduct for the purpose of influencing an election, thereby reaching serious "dirty tricks" conduct such as the Watergate burglary.

The basic offenses applicable to obstructing or influencing elections are primarily directed at elections of Federal officers. However, the bill would for the first time in Federal law permit Federal prosecution for such conduct ostensibly directed at the election of a State or local official if it is a mixed election, that is, an election involving candidates for both Federal and State or local offices.

Privacy. Section 1524 protects from disclosure certain information required to be furnished to the government by private citizens or to obtain a Federal benefit.

Wiretapping. Due to the recent vintage of the wiretap and surveillance warrant provisions and the controversy that surrounds the subject, the bill carries present law provisions forward without substantive change. There is added an offense for possession of an eavesdropping device with intent that it be used unlawfully. It might be noted that due to consolidation and standardization of offenses flowing from codification, there may be some contraction or expansion of the criminal conduct in different areas for which a warrant could issue.

In addition, the offense of mail interception is broadened to protect all forms of non-oral communications.

Chapter 16. Offenses against the person

This chapter contains all of the offenses which protect the person as an individual. Included here are such offenses as murder, manslaughter, maiming, reckless endangerment, kidnapping, aircraft hijacking, and rape. For the most part, while the chapter clarifies and simplifies the basic offenses, no substantive changes are made.

The offense of rape, and the other sexual offenses in the sections that follow, apply without distinction as to the sex of the offender or of the victim; forcible sodomy is included in the definition of the offense. It might be noted that the statutory rape provision (Section 1643) can be committed by females but eliminates consensual acts between peers from the offense. Existing law is changed to the extent that, under the Code, rape by means of force, threats of imminent serious injury or kidnapping, or drugs will be punishable even where the victim is married to the offender. No particularized evidentiary requirements or instruction requirements are included. Corroboration requirements are expressly eliminated. No defense or grading distinction is based upon the promiscuity of the victim.

The offense of kidnapping is expanded to

include a case in which one holds his own child for ransom, as a hostage, or with similar criminal intent.

The reckless endangerment provision is new to Federal law. It was suggested by the National Commission on Reform of Federal Criminal Laws and a similar statute has been enacted in New York. It provides for a penalty for engaging in any criminal conduct which recklessly endangers the life of another.

Chapter 17. Offenses against property

Chapter 17 incorporates and consolidates the many varied property offenses found throughout the United States Code into some 31 sections. It is in this chapter that the provisions relating to arson, burglary, securities violations and their related offenses are found. It is also in this chapter, perhaps more than in any other, that the consolidation and reduction of unnecessarily repetitious offenses, one of the significant benefits of codification, can be found. By separating the jurisdictional element from the definition of the substantive offense, for example, Section 1731 is able to incorporate the 70-odd theft provisions under current law in the area of property offenses. But some reforms are also accomplished.

Section 1722, defining the offense of extortion, is designed to correct a "loophole" arising out of the recent Supreme Court decision, *United States* v. *Emmons*. In that case, the court held that the Hobbs Act, which prohibits the obstruction of interstate commerce by extortion, was not applicable to otherwise extortionate conduct when that conduct was used to extort property to which the defendant purported to have a legitimate claim. Such an interpretation is inconsistent with the construction under other Federal extortion provisions (See *United States* v. *Pignatelli*, 125 F.2d 643 (2d Cir. 1942) and essentially creates a Federal "claim of right" defense. Section 1722 focuses on the means used rather than the ends sought and would bring such conduct within the definition of extortion. Recognizing the serious nature of extortion, a new proof provision is included to make it clear that the mere fact that violence occurs during a legitimate labor dispute does not constitute extortion.

Section 1734 makes it an offense to execute a scheme to defraud, which in large measure carries forward the existing law on mail and wire frauds. One of the significant features of these sections lies in their relationship to the procedural part of the Code, where a new statutory injunction remedy is provided to restrain violations, a remedy that should be of considerable importance in protecting potential victims of "white collar" crime. Such a remedy would parallel the effective injunctive relief that has long been available for violations of the fraud provisions of the Securities and Exchange Act. Section 1734 also prohibits fraud involving pyramid sales schemes.

Chapter 18. Offenses involving public order, safety, health and welfare

This chapter is divided into seven subchapters.

Subchapter A incorporates a series of organized crime offenses which generally mirror current law under the Organized Crime Control Act of 1970. However, certain innovations are worthy of note.

A new offense entitled "Washing Racketeering Proceeds" (§ 1803) is created to proscribe the takeover of legitimate businesses with the proceeds of a racketeering enterprise. Also, Federal loansharking laws are strengthened to reach grossly usurious credit transactions, which in present 18 U.S.C. 892 are stated in terms of a prima facie case for proving an extortionate extension of credit.

Subchapter B contains the various Federal drug offenses. The drug offenses are primarily a codification of the 1970 statutes except that simple possession of more than 100 grams of an opiate (which would carry a retail value of at least $4,000) is made a more serious offense than a simple possession of other drugs, and except that the offense of simple possession of a small amount of marihuana is made subject to prosecution by summons rather than arrest, has reduced penalties, and has liberal provisions for expungement of the record of conviction. The several provisions of current law providing for a doubling of the penalty for repeat offenders are eliminated. There is added, however, a two-year mandatory minimum sentence for trafficking in an opiate unless the offense was committed under one of four specified mitigating circumstances.

Subchapter C codifies existing penal provisions involving firearms and explosives. The offense of using a firearm in the course of committing a federal crime is made subject to a mandatory minimum penalty of two years' imprisonment, to be served consecutively within the sentence for the underlying offense, unless one of five specified mitigating circumstances is present.

Subchapter D contains the riot offenses. The riot offenses of existing law are substantially narrowed, both in terms of the definitions of the substantive offenses and in terms of the federal ability to prosecute. An incitement to riot may not be prosecuted unless a riot actually occurs. A riot is defined to require at least ten participants instead of three as in current law.

Subchapter E covers gambling, obscenity, and prostitution offenses. Section 1842 contains a definition of obscene material consistent with recent Supreme Court decisions respecting obscenity. The section proscribes any dissemination of obscene material to a minor or to any person in a manner affording no opportunity to avoid exposure to such material. In addition, it proscribes the commercial distribution of obscene material as defined in the section. It creates, however, a defense in the case of dissemination to adults in a political subdivision or locality in which such dissemination is legal. In general, Federal jurisidiction applies to the offense when the mail or interstate commerce is involved.

With respect to gambling and prostitution, the Code seeks to reach the operators of a gambling or prostitution ring but leaves lesser offenses in this area to State law.

The balance of Chapter 18 covers public health offenses and certain other relatively minor miscellaneous offenses, such as the assimilated crimes act applicable in Federal enclaves. The assimilated crimes act is continued in order to reach minor, uncodified offenses committed in federal enclaves, but because of the existence of a complete federal Code there will be less occasion for its use than has existed in the past. Accordingly, the penalty for assimilated crimes is limited to a one-year maximum.

PART III. SENTENCES

It is in Part III that the sentencing scheme for the entire United States Code, and not merely Title 18, is set out. The sentencing provisions are significantly different from current law. Uniform grading categories are provided to facilitate a penalty structure of consistent penalties for conduct of a similar nature or seriousness. Maximum fines are substantially increased. A provision is added to require notice to fraud victims. For the first time in Federal law, a judge can include an order of restitution to the victim as part of any sentence. The special dangerous offender criteria in current law are incorporated in a different form in sentencing guidelines provisions. The Code sets forth four generally recognized purposes of sentencing—deterrence, protection of the public, assurance of just punishment, and rehabilitation.

These specific provisions are important but are overshadowed by the structural and procedural changes in sentencing. A sentencing commission is created and directed to establish guidelines to govern the imposition of sentences for all federal offenses, taking into consideration factors relating to the purposes of sentencing, the characteristics of the offender, and the aggravating and mitigating circumstances of the offense. In sentencing offenders, a judge will be expected to sentence within the range specified in the applicable guideline, although if he considers the guideline range inappropriate for a particular case he is free to sentence above or below the guideline range as long as he explains his reasons for doing so. If an offender is sentenced above the range specified in the guideline he may obtain appellate review of his sentence; if he is sentenced below the range specified in the guideline the government may obtain appellate review of the sentence. If a party contends that the wrong guideline has been applied, the matter can be brought to the attention of the district court by motion, and of the court of appeals by petition for leave to appeal. The system is designed to promote greater uniformity and fairness, while retaining necessary flexibility. A determinate sentencing system is adopted and early release on parole is eliminated. A system of post-release supervision is retained under the administration of the Probation System. A prisoner earns entitlement to be released 36 days early for every year of satisfactory behavior. He can be made eligible for still earlier release under extraordinary circumstances. Every prisoner serves a term of post-release supervision upon his release after a term of over one year.

PART IV. ADMINISTRATION AND PROCEDURE

The chapters appearing in this part consolidate, clarify, and codify existing procedural sections of title 18. Except for the provisions noted below, the codification is accomplished without substantial change in the existing law.

The provisions concerning court-authorized wiretapping have been modified slightly. The statute permitting wiretapping without court order in emergencies is limited specifically to offenses involving treason, sabotage, or espionage, or to offenses involving a risk of death.

The authority of the Attorney General to take steps for the protection of government witnesses and their families from retaliation is clarified.

The extradition statutes are materially modernized and simplified.

The jurisdiction of United States Magistrates is expanded to encompass all misdemeanors, and to permit trial of offenses carrying six months or less without the necessity of obtaining a waiver of jury trial.

An intake screening procedure is created for juveniles, through which a probation officer reviews each major case at its inception and recommends to the attorney for the government a disposition of, or mode of proceeding with, the case.

An entirely revised series of provisions dealing with mental competency is included in order to overcome the inadequacies of the current law. Included is a provision for the civil commitment, if justified, of an individual who is acquitted by reason of insanity. Although state commitment proceedings may be preferred, federal commitment proceedings are provided to ensure that a genuinely dangerous individual will not be released prematurely.

The ability of the federal government to collect fines that have been imposed by the courts is substantially increased as a result of permitting recourse to the Internal Revenue Service lien procedures.

PART V. ANCILLARY CIVIL PROCEEDINGS

Chapter 40 covers public civil remedies. It expands the civil forfeiture proceedings of

existing law, carries forward existing provisions involving civil restraints of racketeering, and provides the Department of Justice with authority to seek injunctions against general fraud schemes activities. It forbids the federal imposition on a federal offender of any civil disability based on his conviction, unless there is a specified connection between the offense and the disability.

Chapter 41 covers private civil remedies. It carries forward civil actions against racketeers and eavesdropping offenders.

More important is the chapter's creation of a system to compensate the victims of violent federal crimes; funding for such compensation will be derived from collected fines.

TITLE II. AMENDMENTS TO THE FEDERAL RULES OF CRIMINAL PROCEDURE

Title II of the bill contains amendments to the Federal Rules of Criminal Procedure. Most of the amendments leave the Rules unchanged in substance from their latest version as amended by Public Law 95–78 effective October 1, 1977, and are designed only to conform the Rules to the terminology and provisions of the revised Code, and to transfer certain provisions of existing law from title 18 to the United States Code into the Rules.

However, in some areas present law is changed or clarified. The existing power of a court to extend the life of a special grand jury is made applicable to regular grand juries, but to a more restricted extent. The reporting powers of a special grand jury are broadened. Federal case law on burdens of proof is for the first time codified and clarified. A procedure for revocation of probation conforming to recent Supreme Court decisions is prescribed. The existing power of a District Court to correct or reduce a sentence is modified to comport with the Code's provisions on imposition and appellate review of sentences.

TITLE III. AMENDMENTS TO 28 U.S.C.

Title III of the bill makes necessary substantive changes in title 28 of the United States Code, including the addition of three new chapters dealing with the organization and responsibilities of the Federal Bureau of Prisons, Victim Compensation Board, and Sentencing Commission, to implement various aspects of the new Code.

TITLE IV. GENERAL PROVISIONS

Title IV contains general provisions, including a provision for severability in case a provision of the Code is invalidated, and a two-year delay in the effective date of the Code.

TITLE V. TECHNICAL AND CONFORMING AMENDMENTS CROSS-REFERENCED IN TITLE 18

Title V of the bill sets forth those technical and conforming amendments which are cross-referenced in the new title 18.

TITLE VI. CODIFICATION AND REVISION OF TITLE 18 APPENDIX

Title VI transfers a number of regulatory offenses contained in current title 18 to a new title 18 Appendix and conforms them as necessary. This is considered a temporary "parking place" of these offenses pending further study by the Congress on minor regulatory offenses scattered throughout the United States Code.

TITLE VII. TECHNICAL AND CONFORMING AMENDMENTS

Title VII consists of other technical and conforming amendments to the other 49 titles of the United States Code.

OUTLINE OF THE CRIMINAL JUSTICE SUBCOMMITTEE'S DRAFT RECODIFICATION BILL

I. BACKGROUND

Over a decade ago President Lyndon B. Johnson sent a message to Congress urging action on a comprehensive revision of the federal criminal law. In that message he stated:

"A number of our criminal laws are obsolete. Many are inconsistent in their efforts to make the penalty fit the crime. . . . We are a nation dedicated to the precepts of justice, the rule of law and the dignity of man. Our criminal code should be worthy of those ideals."

Congress in response established the National Commission on Reform of Federal Criminal Laws, better known as the Brown Commission, "to make recommendations for revision and recodification of the criminal laws of the United States."

The Brown Commission submitted its Final Report in early 1971, and the present recodification effort is a direct outgrowth of the Brown Commission's fine work begun over 12 years ago.

While many states have rewritten their criminal law in recent years, none have faced as difficult a task as that confronting those seeking recodification on the federal level. Current federal criminal law is spread throughout various titles of the United States Code, and its complexity is much greater than that of state criminal regulations. Moreover, the wide range of diverse interests at work at the federal level has necessarily made legislating in this area a delicate and complicated chore.

The difficult task of balancing competing and often conflicting interests has led some to urge that a comprehensive recodification effort is ill-advised. Admittedly, the reconciliation of the concern for individual rights with the need for an orderly society frequently produces results which cause qualms in one or more interest groups. It is a mistake however, to conclude that a comprehensive bill protecting both the contitutional liberties of the individual and the integrity of the community cannot be developed.

The Subcommittee on Criminal Justice has now completed the vast majority of its work on a draft bill that recodifies federal criminal laws. I believe that we have developed legislation which is comprehensive and which has the clarity and conciseness essential to a modern criminal code. The benefits of such a comprehensive criminal code are significant.

Consolidation and clarification

The Subcommittee's proposed criminal code assembles all felony offenses in one title of the United States Code, making the job of prosecutors, defense attorneys and judges easier. More significantly, the proposed code makes federal criminal law more readily understandable by consolidating and updating overlapping and inconsistent provisions. For example, the proposed code consolidates the more than 100 present theft and fraud provisions into just 7 basic offenses. Current theft, embezzlement, and fraud statutes have maximum prison terms ranking from 1 to 10 years. Frequently the differences in penalty levels are based on accidents of drafting. The Subcommittee's proposed code grades theft according to the importance and value of the property.

States of mind

A second benefit from the Subcommittee's comprehensive recodification is the use of uniform and clearly-defined standards of culpability. Present federal law contains more than 60 different terms to define the state of mind with which a person must have acted before criminal liability attaches. Following the lead of the American Law Institute's Model Penal Code, the various new state criminal codes, and the Brown Commission, the Subcommittee has brought some order to the area. The proposed code has defined four culpable states of mind, and those four states of mind are used exclusively in defining all of the offenses in the proposed code. Using standard terms with clearly understood meanings will assist the criminal justice system to obtain the type of uniformity which benefits both the community and the defendant.

Federal jurisdiction

By accepting the concept of a comprehensive recodification, the Subcommittee has forced itself to focus on the problems which exist under present federal statutes. Among the most important changes resulting from this scrutiny of current problems are improvements in the treatment of federal jurisdiction to prosecute criminal cases and the development of a clear delineation of the appropriate roles for federal, state and local law enforcement.

In dealing with the matter of federal jurisdiction, the Subcommittee has carefully examined the substantiality of the federal interest involved before recommending any intrusion into the affairs of state and local governments. Thus, under the Subcommittee's approach there is almost no "piggyback" federal jurisdiction for which the Brown Commission was so severely criticized. Further, all crimes which would be of federal interest are included, but the Subcommittee has consciously avoided adding new jurisdiction to federal law enforcement except where a strong showing of need has been made.

Finally, the Subcommittee has codified a long standing policy of the Justice Department to limit to appropriate situations the prosecution of persons in federal court for conduct for which they have previously been tried in state courts.

II. OFFENSES AND DEFENSES

Organized crime

The Subcommittee's proposed criminal code, through the addition of 2 new offenses, has expanded the coverage of the statutes dealing with organized crime. The offense of "Operating a Racketeering Syndicate" will enable prosecutors to obtain convictions of persons who direct large criminal syndicates. The proposed code's expanded coverage of the current loansharking statute will make felonious the loaning of funds at totally exorbitant interest rates under circumstances indicative of illegal activity. Finally, the laundering of money made from organized crime activities is addressed in a more complete fashion.

Civil rights

The proposed code amends the present civil rights offenses to encompass discrimination on the basis of sex. The proposed code also amends them in order to eliminate inconsistencies in coverage and to define with greater specificity the proscribed conduct. As a result, the federal government will be able to vindicate the civil rights of its citizens more effectively.

Pirating records and movies

The proposed code contains a new offense to deal with the pervasive and serious problem of pirated records and tapes. In addition, the proposed code contains new provisions that will help ease the way for prosecution of the commercial theft of copies of movies.

Sexual offenses

The Subcommittee, recognizing the importance of protecting both men and women from serious sexual assaults, has made some significant changes in the area of sexual crimes. For example, spousal immunity, long a defense to a charge of rape, has been restricted. Under the Subcommittee's approach, which is consistent with recent state enactments, a sexually battered wife will be better able to obtain redress.

Official corruption

The Subcommittee's proposed code contains several new provisions for dealing with official corruption. The offense of "Trading in Special Influence" prohibits the sale of influence over public policy by someone who is not a public official. Thus, the husband of an elected official who, with an evil motive, takes money from a foreign government in exchange for attempting to influence his wife's vote as an elected official, would be punished under this offense.

The Subcommittee has also eased the way for convictions of persons who lie before an official proceeding. The offense of "False Swearing", which does not require that the statement in question be material to the official proceeding, gives prosecutors a greater tool than they currently have in this area.

Conspiracy

In accord with the recommendations of leading legal scholars and the American Bar Association, the Subcommittee has concluded that persons who are part of a conspiracy should not be held responsible for the acts of others when they had no knowledge of the plan of the others—and might even have disapproved of such plans if they had known of them. The Subcommittee has also provided for a defense or renunciation. This defense will give an incentive to repentant conspirators to prevent the accomplishment of the goal of the conspiracy, an incentive that does not presently exist.

Generalized offenses

The proposed code severely limits the use of overly-broad generic offenses, which cover much conduct that should not be punished. The Subcommittee's basic approach has been to recodify existing provisions in such a way as to reach criminal wrongdoing by means of specific offenses which speak directly to the nature of the harm.

Contempt of court

The Subcommittee's proposed code contains several provisions that prohibit specific contempts of court. For example, failing to testify when called to the witness stand is, under the appropriate standards, as specified, the Subcommittee has limited the application of the general contempt provision to situations where the other provisions cannot meet the necessary purposes of the court's contempt power. The nonserious nature of contumacious behavior which cannot be dealt with through the specific offenses has led the Subcommittee to limit the general contempt power of the court to a maximum penalty of 5 days in jail.

Defenses to criminal charges

The Subcommittee's proposed code codifies existing case defenses, such as insanity. It delineates the scope of many defenses about which case law is unclear. This codification and delineation will allow greater precision in the practice of criminal law and will add speed and certainty to the criminal process.

III. SENTENCING

The punishment of criminal wrongdoers has frequently been the target of criticism of the criminal process. The practices, procedures, and statutes which govern the sentencing of offenders in federal courts have been criticized for their inconsistency and redundancy. Critics correctly point to the existence of unwarranted sentence disparity. Similarly situated offenders who have committed similar crimes often receive widely dissimilar sentences.

Unfortunately, much of the blame for these difficulties must be on the Congress. Congress has failed to give to the judiciary the policy guidance necessary to create a rational and systematic set of sentencing principles. Whenever Congress has enacted new criminal provisions, it has tended to make ad hoc determinations about the appropriate penalty level. This has produced a federal criminal law with over 20 different maximum prison terms and an almost equal number of fine levels. Moreover, Congress has from time to time enacted specialized sentencing statutes which are either outdated or rarely, if ever, used.

Most importantly, Congress has not given sufficient attention to the important concepts of certainty and clarity of sentencing practices and results. The present federal sentencing structure can best be described as a modified determinant system. If a prison term is imposed upon a convicted defendant, the length of time that that person will actually serve in prison is affected by the "good time" and parole provisions of present law. Through the earning of good time, the person can reduce the maximum term by ⅓. For most people sentenced to prison, the amount of time actually served is materially affected by parole provisions. These factors, coupled with the absence of a requirement that the sentencing judge articulate the reasons for the sentence they imposed, leave the public and the victim of the crime in the dark about the practical effect of a sentence.

The Subcommittee determined to resolve the tough issues of sentencing by taking a straightforward and honest approach to sentencing. Sentences should mean what they say—there should be "truth in sentencing". Sentencing judges are required to state the reasons for the sentence at the time it is imposed. Sentencing guidelines developed by the Judicial Conference of the United States will assist judges to impose the proper sentence. These guidelines will create categories of offenses and offenders and provide judges with detailed and relevant information about the suggested sentence range for offenders convicted of particular crimes when those offenders have similar criminal histories. Finally, any prison term imposed by the judge will be the actual time served.

The Subcommittee's proposed code grants jurisdiction to the United States Circuit Courts of Appeals to hear appeals from allegedly excessive sentences. This should enable the development of a common law of sentencing as well as the development of some limitations upon the inappropriate use of prison terms. This appellate review provision in the proposed code will bring this country into line with the jurisprudence of many other countries.

In structuring its sentencing system, the Subcommittee has attempted to avoid any aggregate increase—or decrease—in the numbers of people sent to prison or in the length of time actually served in prison. Thus, it is the Subcommittee's goal that, while some individual offenders, or types of offenders, may receive longer prison terms, on balance the size of the prison population should not increase.

The Subcommittee concluded that despite dedicated efforts to provide rehabilitation in the prison environment, rehabilitation programs do not sufficiently benefit society or the offender to justify the imposition of a prison term for the purpose of rehabilitation of the individual being sentenced. The uncertain state of the knowledge about how to rehabilitate, and about determining when someone is rehabilitated, makes it patently unfair to deprive someone of liberty based upon the notion that prison will "reform" the person. Under the Subcommittee's proposed code, a prison term may not be imposed solely for the purpose of rehabilitation. This does not mean, however, that educational, vocational, and other such programs in prison will be eliminated. It does mean that, for reasons of honesty, and fairness, we should admit that prison sentences are to be imposed for reasons other than rehabilitation.

The sentencing system proposed by the Subcommittee makes, in addition to the changes already mentioned, several other important changes in current law:

(1) Offenses are classified into 5 grades of felonies, 3 grades of misdemeanors, and an infraction. Each grade has a uniform maximum prison term and fine level. This will replace the multiplicity of maximum prison terms and fine levels in present law.

(2) Outdated specialized sentencing provisions are repealed because the factors they involve can better be dealt with in the context of uniform sentencing guidelines.

(3) Additional information, including a statement from the victim of the offense, will be included in the presentence report which the judge uses in sentencing. A sentencing hearing will be required whenever it is necessary to resolve factual disputes concerning a sentence.

(4) Probation is explicitly recognized as a form of sentence and its utility is highlighted. Procedures for the imposition of probation, and for the modification or revocation of the terms and conditions of a sentence of probation, are set forth.

(5) The availability of restitution to the victims of crime is expanded by requiring that such restitution be a mandatory condition of probation, unless such payments are necessarily impractical.

(6) A new sentence of conditional discharge has been developed by the Subcommittee. A sentence of conditional discharge will be impossible on corporation and other organizations. Such entities cannot be sent to prison. In addition, the sentence will be appropriate for individuals with no need for rehabilitative services.

The Subcommittee's proposed sentencing system draws upon the best thinking of the past decade. It recognizes the current problems with sentence disparity, but acknowledges that there is no magic solution. It takes a cautious approach by giving judges guidance without unnecessarily hampering their discretion to impose a sentence appropriate to the particular offender.

Finally, the modernization of sentencing practices and procedures will bring into the open sentencing decision-making. Both the public and the convicted defendant have a right to know how and why the defendant is being sentenced. Under the Subcommittee's sentencing system, they will.

By Mr. WILLIAMS (for himself, Mr. KENNEDY, Mr. JAVITS, Mr. METZENBAUM, and Mr. DURKIN):

S. 1724. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes; to the Committee on Labor and Human Resources.

HOME ENERGY ASSISTANCE ACT

● Mr. WILLIAMS. Mr. President, today I am introducing legislation that is of major importance to millions of American households. The Home Energy Assistance Act is designed to provide assistance to low and lower middle income, and fixed-income households to meet the skyrocketing cost of home energy.

Over the past 5 years, and most particularly in the last year, the price of fuel has risen dramatically. The OPEC price increases, the accompanying double digit inflation, and the costs of oil decontrol have made all Americans pay a dear price for the purchase of energy to meet their basic household needs. Unfortunately, the projections for the future look no better. The relative energy price stability experienced until the early 1970's is a thing of the past, and energy

costs are expected to continue to climb at excessive rates.

While the burden has been experienced by all, the poor, the elderly on fixed incomes, and the lower middle income people are particularly hard hit. In 1978, the average household spent approximately 5 percent of its annual income on household energy while the average low income household spent close to 20 percent of its income on household fuel and utilities. By the time the winter heating season begins, the price of home heating fuel will have risen as much as 100 percent for some fuels. In other words, many lower income households will be paying in excess of 40 to 50 percent or more of their income for the purpose of heating their homes. In some regions of the country, lower fixed-income individuals may be faced with energy bills that exceed their total monthly income.

The dramatic increases in the price of household energy have thrust millions of American households into a frightening dilemma. No one should be forced to choose between heating their homes or eating. But that is exactly the choice which could face many Americans this winter if some assistance program is not in place. At a time when the tragic economics of energy might conceivably produce wintertime death, Congress has no real choice but to provide the right kind of financial assistance to men, women, and children who are in danger of either freezing, starving, or both.

In its report to the U.S. Department of Energy, on low income energy assistance, the Fuel Oil Marketing Advisory Committee (FOMAC) examined the scope of the problem and stated that "if a major low income energy assistance program is not established by next winter (1979–80), the health and safety of thousands of low income people and elderly will be jeopardized."

The bill I am introducing today has been designed first to provide some immediate relief to people this winter. Second, and most importantly, it has been designed to build a long-term program of grants to the States so that in future years there will be an adequate assistance program in existence. The bill provides Federal funds on a formula basis to States which would be responsible for administering the program, and for developing a plan geared to their individual needs.

The actual heating assistance to individuals would be determined by a sliding scale based on income, type of dwelling, and the price of fuel. Those people with the lowest incomes, who spend the greater percentage of their incomes on energy, would receive a proportionately higher level of assistance.

Wherever possible, these funds would be paid directly to the companies supplying the oil, gas, or electricity for heating. Community action programs, and area agencies on aging will be responsible for outreach programs to make residents aware of the assistance program, and for helping to determine eligibility. In addition, participating households will be referred to existing weatherization programs to promote energy conservation.

The bill has been drafted to achieve a maximum of consensus from those who will administer the assistance programs, from those who will pay, and those who will benefit. I believe the measure I am introducing today can form a sound basis for committee deliberations.

The Congress must provide immediate relief, and protection for the future. That is what we are proposing here today.

Because this legislation carries such import for so many people of this Nation, I will do everything I can, with the assistance of the bill's cosponsors, Senator KENNEDY, Senator JAVITS, Senator METZENBAUM, and others on the Labor and Human Resources Committee, to bring this measure to a vote as rapidly as possible. I am confident that my colleagues in the Senate will agree that this issue deserves our immediate and constant attention.

Mr. President, I ask unanimous consent that the text of the Home Energy Assistance Act be printed in the RECORD along with a detailed description of the bill.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 1724

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Home Energy Assistance Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) recent dramatic increases in the cost of energy have caused corresponding sharp increases in the cost of home energy;

(2) reliable data projections show that the cost of home energy will continue to climb at excessive rates;

(3) the cost of essential home energy imposes a disproportionate larger burden on fixed-income, lower-income, and lower-middle-income households and the rising cost of such energy is beyond the control of such households;

(4) adequate home heating is a necessary aspect of shelter and the lack of home heating poses a threat to life, health, and safety;

(5) assistance to households in meeting the burden of rising energy costs is insufficient from existing State and Federal sources; and

(6) access to adequate home energy is necessary to avoid impairment of health and loss of life.

(b) It is the purpose of this Act to make grants to States to provide assistance to eligible households to offset the rising costs of home energy that are excessive in relation to household income.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "eligible household" means any household with an income equal to or less than 125 percent of the lower living standard income level;

(2) "household" means any individual or group of individuals who are living together as one economic unit for whom residential fuel is customarily purchased in common;

(3) "home energy" means fuel and other utilities obtained from any energy source for use in residential dwellings;

(4) "lower living standard income level" means the income level (adjusted for regional, metropolitan, nonmetropolitan differences and family size) determined annually by the Secretary of Labor based upon the most recent "lower living family budget" issued by the Secretary of Labor;

(5) "Secretary" means the Secretary of Health, Education, and Welfare; and

(6) "State" means each of the several States and the District of Columbia.

HOME ENERGY GRANTS AUTHORIZED

SEC. 4. (a) The Secretary is authorized to make grants, in accordance with the provisions of this Act, to States on behalf of eligible households to assist such households to meet the rising costs of home energy.

(b) There are authorized to be appropriated $1,600,000,000 for the fiscal year 1980 and $5,000,000,000 for each of the succeeding fiscal years ending prior to October 1, 1984, to carry out the provisions of this Act.

(c) For the purpose of affording adequate notice of assistance available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

ALLOTMENTS

SEC. 5. (a) From 90 percent of the sums appropriated pursuant to section 4(b) for each fiscal year the Secretary shall—

(1) allot to each State an amount which bears the same ratio to one-half of such 90 percent as the aggregate residential energy expenditure in such State multiplied by the number of eligible households in such State bears to the aggregate residential energy expenditures in all States multiplied by the number of eligible households in all States; and

(2) allot to each State an amount which bears the same ratio to one-half of such 90 percent as the total number of United States degree days in such State, multiplied by the population of such State bears to the total number of United States degree days of all States multiplied by the population of all States.

(b)(1) From the remainder of the sums appropriated pursuant to section 4(b) for each fiscal year, the Secretary shall—

(A) transfer to the Director of the Community Services Administration $100,000,000 for carrying out energy crisis related activities under section 222(a)(5) of the Economic Opportunity Act of 1964, and

(B) reserve $500,000 to be apportioned on the basis of need between the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which subparagraph (1)(B) applies may receive grants under this Act upon an application submitted to the Secretary containing provisions which describe the programs for which assistance is sought under this Act, and which are similar, whenever possible, to the requirements of section 7(b) of this Act.

(3) The remainder of the sums appropriated pursuant to section 4(b) shall be distributed for emergency energy disaster assistance among the States in accordance with such criteria as the Secretary may prescribe. Such criteria shall be based upon the need for and the rising cost of heating fuel.

(c) The portion of any State's allotment under subsection (a) for a fiscal year, which the Secretary determines will not be required for the period such allotment is available for carrying out the purposes of this Act, shall be available for reallotment from time to time, on such dates during such period as the Secretary may fix, to other States based on need and ability to expand the funds and taking into account the proportion of the original allotments made available to such states under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum

which the Secretary estimates such State needs and will be able to use for such period for carrying out such portion of its State application approved under this Act, and the total reduction shall be similarly reallotted among the States whose proportionate amounts are not so reduced. In carrying out the requirement of this subsection, the Secretary shall establish procedures for prompt reallotment of funds under this Act so as to assure the use of assistance during the winter months. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d) The aggregate residential energy expenditure for each State and for all States shall be determined by the Secretary after consulting with the Secretary of Energy.

USES OF HOME ENERGY GRANTS

SEC. 6. Grants made under this Act for home energy may be used in accordance with applications approved under section 7 for making payments to home energy suppliers on behalf of eligible households in each State, and to make payments directly to such households whenever payments to home energy suppliers are not feasible or fail to carry out the purpose of this Act, to assist such households to meet rising home energy costs.

APPLICATIONS

SEC. 7. (a) Each State may receive a home energy grant under this Act only upon application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

(b) Each such application shall—

(1) designate an agency of the State to be determined by the chief executive to administer the program authorized by this Act;

(2) provide for a State program for furnishing home energy assistance to eligible households through payments made in accordance with the provisions of the application, to—

(A) home energy suppliers, and

(B) eligible households whenever the chief executive determines that payments to the home energy supplier is not feasible or the eligible household is making undesignated payments for rising energy costs in the form of rent increases;

(3) describe with particularity (A) the procedures by which eligible households in the State are identified and certified as participants and (B) the average cost of home energy in the State identified by the type of fuel and the size and type of residential dwelling;

(4) describe the amount of assistance to be provided to or on behalf of participating households assuring that priority is given to households with lowest incomes and that the highest level of assistance is provided to households with lowest incomes and the highest energy costs in relation to income, taking into account—

(A) the average home energy expenditure by type of fuel and type of residential dwelling,

(B) the income level and fuel costs in excess of a specific or variable percentage of income, and

(C) any other relevant consideration selected by the State including variation in degree days in regions of the State, where appropriate and separate determinations for households making undesignated payments in the form of rent;

(5) provide for agreements with home energy suppliers under which—

(A) the State will pay on a timely basis by way of regular installments, as reimbursements or a line of credit, to the supplier designated by each participating household the amount of assistance determined in accordance with clause (4), and

(B) the home energy supplier will charge the household specified in subclause (A) in regular installments the difference between the actual cost of the home energy and the amount of the payment made by the State under this Act;

(6) provide for the direct payment to households to which subclause (B) of clause (2) applies;

(7) provide assurances that any agreement entered into with a regulated utility company under clause (5) will contain provisions to assure that no household receiving assistance under this Act will have utility service terminated during the heating season;

(8) provide assurance that any agreement entered into with a home energy supplier under clause (5) not subject to clause (7) will contain provisions to assure that no household receiving assistance under this Act will have fuel delivery terminated unless—

(A) the household has failed to pay the amount charged to such household in accordance with clause (5)(B) for at least two months,

(B) the household receives a written termination notice not less than 20 days prior to the termination, and

(C) the household has an opportunity for a hearing;

(9) provide for public participation in the development of the application;

(10) provide assurances that the State will treat owners and renters equitably under the program assisted under this Act;

(11) provides that, of the funds the State receives for each fiscal year, the State may use for administration of the application not to exceed 15 percent of the cost of carrying out the application and for the purpose of this clause—

(A) the Federal share of the cost of administration for the fiscal year 1980 shall be 100 percent,

(B) the Federal share of the cost of administration for the fiscal year 1981 shall not exceed 66⅔ percent, and

(C) the Federal share of the cost of administration for the fiscal year 1982 and thereafter shall not exceed 50 percent;

(12) provide assurances that the State will pay from non-Federal sources the remaining costs of administration with respect to carrying out the application required by the preceding clause and will not use Federal funds to carry out the provisions of this clause;

(13) describe the administrative procedures to be used in carrying out the application, including general program administration, outreach activities, determination of eligibility and certification of participating households, and coordination with related agencies, and identify the arrangements and funding for local administration, outreach, and certification;

(14) provide that, of the funds the State receives for each fiscal year, the State may reserve 3 percent of the funds to be available for weather related and supply shortage emergencies, and identify—

(A) the procedures for planning for such emergencies,

(B) the administrative arrangements for the emergency,

(C) the procedures for determining the assistance to be provided in such emergencies, and

(D) the procedures for the transfer of the funds used under this clause in the event that there are no emergencies;

(15) provide assurance that there will be, whenever resources are available, to the extent possible coordination and referral of individuals to existing weatherization and energy conservation efforts;

(16) provide for outreach activities to assure that all eligible households including the elderly and handicapped, households in remote areas, and individuals who are unable to leave their residences, are aware of the assistance available by this Act by using community action agencies, area agencies on aging, State welfare agencies, and other appropriate agencies within the State together with provisions for the reimbursement of such agencies, from administrative funds, for outreach and certification activities;

(17) establish procedures for monitoring the assistance provided under the application including monitoring and auditing the agreements entered into under clause (5) of the application;

(18) provide assurances the State will maintain current benefit levels in existing income transfer programs;

(19) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper dispersal of and accounting for Federal funds paid to the State under this Act; and

(20) provide that reports will be furnished in such form and containing such information as the Secretary may reasonably require, particularly for the carrying out of provisions of section 8, and such reports shall be kept and access furnished thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

(c) The State is authorized to make grants to eligible households located in any State for meeting the excessive costs of cooling whenever the household establishes that such cooling is the result of an urgent medical need pursuant to standards established by the Secretary.

(d) The Secretary shall approve any application that meets the requirements of subsection (b) and shall not finally disapprove, in whole or in part, any application for assistance under this Act without first affording the State reasonable notice and opportunity for a hearing. Whenever the Secretary disapproves an application he shall, on a timely basis, assist the State to overcome the deficiencies in the application.

(e) Any State which makes funds available for activities that are in substantial compliance with an approved State application may be reimbursed for such advances from the allocation made to that State under section 5(a) when funds are appropriated to carry out the provisions of this Act.

UNIFORM DATA COLLECTION

SEC. 8. (a) The Secretary shall establish uniform standards for data collection which shall be used by States in all reports required under this Act.

(b)(1) The standards established by the Secretary under this section shall apply to (A) information concerning home energy consumption, (B) the cost and type of fuels used, (C) the type of fuel used by various income groups, (D) the number and income levels of households assisted by this Act, and (E) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this Act.

(2) In carrying out this section, the Secretary shall gather and analyze information on the price structure of various types of fuel, particularly the increases in such price structure if any, attributable to the financial assistance provided under this Act.

(c) The secretary shall report annually to Congress concerning data collected under subsection (b).

PAYMENTS

SEC. 9. (a) From the amount allotted to each State pursuant to section 5, the Secretary shall pay to the State which has an application approved under section 7 an amount equal to the amount needed for the purposes set forth in the application.

(b) Payments under this Act may be made in installments in advance or by way of reimbursement, with necessary adjustments on

account of overpayments and underpayments.

WITHHOLDING

Sec. 10. Whenever the Secretary, after reasonable notice and opportunity for hearing to any State, finds that there has been a failure to comply substantially with any provision set forth in the application of that State approved under section 7, the Secretary shall notify the State that further payments will not be made under this Act until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this Act.

ADMINISTRATION

Sec. 11. (a)(1) The Secretary may delegate any functions under this Act, except the making of regulations, to any officer or employee of the Department of Health, Education, and Welfare.

(2) The Secretary shall issue regulations under this Act, within 60 days after the date of enactment of this Act.

(3) The Secretary in order to implement the program established under this Act in the fiscal year 1980 heating season, may waive any requirement under section 7(b) that the Secretary deems necessary.

(b) In administering the provisions of this Act, the Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(c) No payment or benefit received by a member of a participating household under this Act may be considered income for determining eligibility for any other federally assisted program.

(d) The Secretary shall establish procedures for Federal monitoring of the State administration of the program described in the State application.

(e) The Secretary shall coordinate the administration of the program established under this Act with appropriate programs authorized by the Economic Opportunity Act of 1964 and any other existing Federal energy emergency assistance programs.

QUESTIONS AND ANSWERS ABOUT THE HOME ENERGY ASSISTANCE ACT

Who is eligible?

Low and lower middle income households. (Those at or below 125 percent of the Bureau of Labor Statistics lower living standard income level.)

What assistance will be offered?

Payment on an installment basis will be made to the energy supplier designated by a participating household. If payment to the energy supplier is not feasible, and when households rent and do not make energy payments directly, direct cash assistance will be provided to the household.

How will the program be run?

Funds will go by formula to States. Each State will be required to:

1. Designate the state agency responsible for administration

2. Develop a plan which describes:

A. How households are certified as participants

B. The amount of assistance available to each household based on income level, fuel type and dwelling type. States will be required to give priority to households with lowest incomes; the highest level of assistance must be provided to households with lowest incomes and highest energy costs in relation to income.

C. State arrangements for payments to suppliers.

D. All administrative procedures including monitoring and auditing arrangements;

3. Involve community ACTION agencies and area agencies on aging and other appropriate agencies in outreach and certification activities.

How much assistance will be available?

The amount authorized nationally is $1.6 billion for fiscal year 1980 and $5 billion for fiscal year 1981 and each year thereafter.

Each State will receive an allotment based on the size of the eligible population, the number of degree days in the State, and the aggregate fuel expenditure in the State compared to other States.

Individual households will receive an amount determined on a sliding scale by the State, taking into account income, energy type, and dwelling type (see 2a under previous question).

How many households will be eligible nationally?

There are 25 million households in the nation that are at or below 125 percent of the BLS lower living standard. This represents approximately ⅓ of all households in the country.

How much is 125% of BLS?

The BLS lower living standard income varies by region, by family size, and from urban to rural areas. The national average income at 125% of BLS is $11,875 for an urban family of our (1975 S.I.E.).

Who will monitor the States?

The Secretary of HEW will be responsible for administering the program from the national level and will be required to approve or disapprove State plans.

How do we know this assistance won't cause energy prices to increase?

We don't. The bill does contain a requirement that the Secretary will gather and analyze information on the price structure of fuels and any change in prices which are attributable to financial assistance under this act. The Secretary must report this information annually to Congress. This requirement will not only assist the Congress and appropriate Federal agencies in being alerted to the pricing patterns on home energy but it will also improve the States ability to assess the situation within the State.

Are costs for cooling allowable?

This program is primarily designed to offset heating costs. The State is authorized to make grants to eligible households for meeting the excessive costs of cooling only when the cooling is the result of an urgent medical need.

Will the current crisis intervention program administered by the Community Services Administration continue?

The Secretary of HEW is directed to transfer $100 million of the amount appropriated under this act to the CSA to continue a crisis intervention program.

Can this program be implemented in the 1980 heating season?

This bill provides a long term solution through the establishment of a mechanism that can meet the needs of the people while maintaining program accountability. It will be impossible, however, for States to meet all the requirements under the Act within a short time frame. The Secretary is therefore authorized to waive the State plan requirements in fiscal year 1980. The Secretary is also authorized to utilize other Federal agencies to administer the act. This provision would allow the Secretary to transfer funds to the existing CSA program to expedite assistance to eligible households this year.

Why vendor line of credit and not direct cash assistance?

1. The income which low income persons have is clearly not adequate and the recommended payments will not remove the very real daily budget problems of inadequate income.

2. When income is inadequate, there are severe pressures on the low income family to expend their income for other necessities. Therefore, there is a real possibility that it will not help with the payment of energy bills.

3. Lessons learned from previous emergency energy assistance programs have taught us that prepayment on energy bills or line of credit is much preferred by the elderly on fixed incomes and others that have many demands on their very limited income.●

Mr. DURKIN. Mr. President, winter is fast approaching. I am here today to join Senator WILLIAMS and Senator JAVITS in cosponsoring the Home Energy Assistance Act of 1979, for soon the cold facts of our perilously low levels of home heating fuels and our prohibitively high fuel prices will hit us with the full force of a mid-winter Northeaster. In many areas of New Hampshire, especially in the North Country, our heating season has already begun.

In New Hampshire and, in fact, in all of New England, the oil companies are holding back home heating oil supplies from local dealers and the hardworking homeowners. The oil industry is fully aware that November's escalated prices will reap substantially higher profits. Already the price for home heating oil is approaching 90 cents per gallon. And that cost is still climbing up and out of the reach of the low- and moderate-income consumer. Even Deputy Energy Secretary John O'Leary has conceded that for our elderly, our handicapped, and those on fixed incomes, the unthinkable possibility of choosing between food or fuel, will soon be a reality.

Immediate action is needed to provide relief to those who would otherwise be left out in the cold this winter. The Home Energy Assistance Act would provide direct financial assistance to both the energy consumer and the energy supplier. The bill will go a long way in helping to prevent the collapse of the home heating oil distribution system in New Hampshire and across the Nation. Much of the assistance will go directly to the small business supplier who is on the edge of bankruptcy; caught between the oil companies' demands for payment and the consumers' inability to pay.

The bill is specifically designed to help low- and moderate-income consumers pay for skyrocketing energy expenses. It will provide $1.6 billion in Federal aid to States this winter.

In my State of New Hampshire, over three-fourths of the homes and businesses are heated by oil. We bear a disproportionately high cost for energy, due to our dependence on imported oil. This bill will mean direct and immediate relief this winter of $8.4 million in fuel assistance.

While I have my doubts that we will be able to enact adequate legislation in time to ease the suffering, the elderly, handicapped, and low- and moderate-income families are bound to face this winter, I feel we must take every measure to provide as much assistance as possible.

I fought hard with Senator EAGLETON to increase the community services administration's crisis intervention assistance program to $250 million. I will continue my fight to see that figure raised to $400 million. I am also cosponsoring legislation which would amend the food stamp program to allow eligible people to use food stamps to purchase energy to heat their homes. This bill would permit the purchase of home heating oil, kerosene, wood, propane gas, and natural gas. And I have introduced legislation which would provide a refundable tax credit of up to $200 to oil heat users.

This bill that I am cosponsoring today is one more in a series of vitally needed pieces of emergency energy legislation which is designed to prevent my people from having to choose between heating and eating. I urge my Senate colleagues to join with me in obtaining prompt passage of this bill.

By Mr. NELSON (for himself, Mr. KENNEDY, and Mr. RIEGLE):

S. 1725. A bill to amend the Economic Opportunity Act of 1964 to establish a comprehensive energy conservation services program designed to enable low-income and near-poor individuals and families to participate in energy assistance programs; to the Committee on Labor and Human Resources.

ECONOMIC OPPORTUNITY AMENDMENTS OF 1979

Mr. NELSON. Mr. President, today Senators KENNEDY, RIEGLE and I are introducing legislation to establish a comprehensive energy conservation services program for low-income and older Americans as a new title to the Economic Opportunity Act.

This legislation would put the Community Services Administration (CSA), the Federal agency with the most experience in dealing with the low-income population and with energy assistance programs, in charge of the various weatherization and energy assistance programs now being administered by several Federal agencies, and expand and improve upon these existing programs.

There are four major program components under this bill:

A weatherization program putting unemployed and in-school youths to work insulating and weatherizing homes of low-income and older families;

An energy assistance program and a crisis intervention program to provide financial assistance and emergency aid assistance to respond to increasing energy costs and energy-related crises experienced by low-income persons;

An energy conservation education, program coordination, and outreach effort to bring about energy savings in low-income households and to inform such households of the various programs available to serve them; and

An energy conservation research, demonstration, and pilot project component to revise and expand upon current authority within the Economic Opportunity Act to conduct research and to experiment and demonstrate technological innovations to produce energy savings.

Mr. President, this bill has been developed after extensive consultations with the administration, consumer and antipoverty organizations, representatives of State, county, and municipal government, and older Americans groups.

At this time, the Carter administration has sent to Congress specifications for a low-income energy assistance program to provide for a special energy allowance and energy crisis assistance to low-income individuals and families, which is similar in many respects to one of the components of this bill. In the next few weeks, the administration will be sending to Congress specifications for a weatherization program to insulate and weatherize America's housing stock. Other members of the Senate—Senators JACKSON, JAVITS, BIDEN, MATHIAS, WILLIAMS, and WEICKER—also have introduced legislation to assist America's low-income population.

This legislation addresses in a comprehensive approach the energy crisis faced by poor and near-poor Americans. While all American families have had to reexamine and readjust their budgets to pay the additional cost of utility and fuel bills created by the dramatic increases in the various nonrenewable sources of energy, low-income Americans—especially older persons on fixed incomes—now confront an intolerable situation. They do not have budgets to meet their basic living needs, and cannot reallocate resources to pay for energy without taking money away from some other basic need.

The result is that many poor families are forced to make choices no one should have to contemplate: food or fuel, health needs or heating.

The increasing cost of energy has compounded the fundamental problem of the poor in our society: the lack of sufficient income to pay for all of life's essentials. It is in this context that the increase in energy prices has begun and will continue to devastate America's poor population.

In order to respond to this crisis situation, this legislation proposes six critical elements in a comprehensive approach to the problem:

First. An expanded and improved weatherization services program for both low-income renters and owners. This component of the program would utilize primarily both in-school and unemployed youth to accomplish this work.

Second. Establishment of an energy financial assistance program to help low-income Americans pay for the increased cost of energy.

Third. Maintenance of a crisis intervention effort to meet emergency situations created by the lack of energy supplies or by severe weather conditions.

Fourth. Implementation of a nationwide system of energy audits for low-income people.

Fifth. Expanded energy conservation education activities to improve energy conservation in the low-income community.

Sixth. Encouragement of the development and application of technological improvements, especially those which utilize renewable resources such as solar power.

Mr. President, each element of this comprehensive program has been tried and tested at the local level through several State and Federal programs. This legislation is unique in that it attempts to bring together the various efforts that have been carried on in the different departments and agencies and give to them a special emphasis and focus that heretofore has not been developed. Moreover, this legislation places primary responsibility for the administration of a comprehensive energy services program for the low-income population in each of the States, rather than placing that responsibility in Washington. In my judgment, each State can and should adjust and design their own energy programs based upon their unique weather conditions and other factors such as the condition of their housing stock, the size of their elderly and low-income population, and their energy usage and cost.

For each of the programs prescribed in this legislation, there is an open-ended authorization of appropriations. So far, the Carter administration has endorsed spending some $2.4 billion for cash assistance and crisis intervention programs and will recommend a substantial amount of spending as well for a weatherization program. Various consumer and antipoverty groups led by the Fuel Oil Marketing-Advisory Committee, a group established to counsel the Department of Energy, support spending a higher amount of money on these very programs, somewhere in the range of $6 or $7 billion a year. The energy assistance legislation proposed by Senators JACKSON and JAVITS is projected to cost $4.5 billion a year.

A this time, the cost of this comprehensive program cannot be accurately projected. It will, no doubt, be substantial. In my judgment, the cost associated with this package only can be estimated after the Congressional Budget Office and other Federal agencies assemble solid factual information on the universe of need within the low-income population and the projected energy costs for this segment of the population taking into account the tremendous increases in the cost of energy sources since 1973.

The impact on low-income households of high fuel oil prices has been studied by the Community Services Administration. In an August 1978 report by the Grier Partnership, the following conclusions were developed:

The average low-income household (125 percent of the federal poverty limit) which heated with fuel oil and paid its own oil bills spent an estimated $530 for that fuel alone during the 1977–1978 heating season. This was 41 percent more than it paid in 1974–1975.

This estimated expenditure takes into account not only increased prices for oil, but also general climatic changes between the two winters. It also makes an allowance for conservation and for savings in fuel costs through weatherization.

Rising oil prices are the largest single factor in the increase, contributing twice as much as the colder weather. The five coldest months of 1977–1978 were 14.3 percent colder than in 1974–1975, but oil prices were 29.6 percent higher.

Total energy costs for oil-using households are considerably higher than their expendi-

tures for oil alone. We estimate that the average household heating with oil, and using gas and electricity in addition, paid a combined total of $1,003 for the three fuels in 1977–1978. The average low-income household paid $631.

Energy expenses now consume sizable proportions of the financial resources of low-income households. While total money incomes (if not real purchasing power) have been rising rapidly for most U.S. households, nearly 14 million households are still at the low-income level. Based on the latest available Census Bureau data (for 1976), we estimated that the mean income of these households was less than $3,500 at that time. By the 1977–1978 heating season, the average low-income household received an estimated income of $3,850 or less.

For this average household heating with oil, the $631 total cost of home fuels was more than one-fifth of its before-tax income. Of course, many low-income households, especially among the elderly, receive less than the average. For many of these households, the burden was even greater.

These are national figures, and households in the cold northern sections of the nation face much higher costs. In Milwaukee, an analysis of the 1977–78 winter season's applicants for emergency energy assistance showed that those between 101 and 125 percent of poverty income levels who heated with oil paid 32.4 percent of their incomes for all home fuels. Those at or under poverty levels paid almost half, or 48.7 percent. If we add to these percentages mortgage payments and taxes or rent, it is easy to see how total shelter costs can add up to 80 or 90 percent of some households' annual income.

Heating fuel expenses, unlike most other living costs, peak sharply during certain months of the year. Hence the annual expenditure figures, large as they are, do not fully reflect the impact on low-income families with their very limited budget flexibility. During 1977–1978, nearly three-fifths of the total heating degree days (and hence heating costs) nationally were accumulated during only three months—December, January, and February.

"Budget" plans are designed to smooth these peaks. But many low-income households cannot meet the credit requirements for these plans. In our field interviews, we were told that many had recently lost their budget plan eligibility because they had been unable to maintain regular payments in the face of sharply higher prices.

More than one-third of all low-income fuel oil users are elderly, most of them on fixed incomes. For these people, the rapid rise in fuel oil prices has been especially terrifying. Poverty field workers have told us of elderly householders who had sold their furniture to meet oil bills.

To some extent the problems which low-income households encounter today with rising fuel oil prices are in the social and economic arenas. But to a considerable degree they are physical in origin. About half of low-income fuel oil users pay a premium simply for living in the Northeast. A majority of them nationally—and about three-fifths in the Northeast—are penalized because they live in old buildings.

The Grier Report is now nearly two winter seasons old. Since that report, the cost of fuel oil has surged upward to record high levels. It is now estimated that the cost of home heating fuel will be up over 50 percent since last winter, the cost of all other utilities such as natural gas and electricity will increase substantially, and as everyone is painfully aware, gasoline prices are averaging more than a dollar a gallon.

This legislation addresses itself to this situation by seeking to reduce the dependence of low-income and near-poor individuals and families on increasingly scarce and expensive nonrenewable sources of energy. This result is to be achieved by undertaking a major initiative to make energy conserving improvements to low-income dwellings that will reduce heat loss and improve thermal efficiency. In this manner, home energy consumption can be reduced and alternative and renewable energy sources for space heating and cooling can be installed.

Recognizing that it will be some time before substantial numbers of low-income households will be weatherized, that regional energy crisis develop in various parts of the country, and that energy costs have increased dramatically in the past few months and will continue to increase, this legislation also provides for energy assistance payments and crisis intervention assistance. This aspect of the program is designed after an existing CSA program. It is intended to offset enormous increases in the cost of utility bills for heating low-income homes and to alleviate the threat to the health and safety of low-income persons created whenever there is a shortage of energy supplies or by severe weather conditions.

WEATHERIZATION PROGRAM

Federal financial assistance would be made available under part A of this bill for a weatherization program. A Federal categorical grant would be made to the States, who in turn would be responsible for operating a program in accordance with federally established minimum requirements.

Funds provided under the weatherization program could be used for materials, labor, and program support. Weatherization material costs and labor costs would be limited to 80 percent, and program costs could not exceed 20 percent. The Director of CSA, however, could waive these requirements for program start-up purposes. Administrative costs, which are to come out of program support, could not exceed 10 percent of a State's grant.

Under the current Department of Energy program, community action agencies are given a presumptive role for carrying out local weatherization projects. This role for the community action agencies would be continued under this program. Other nonprofit agencies and governmental units also are eligible to perform weatherization activities and would play a major role in the implementation of the weatherization program.

The labor for weatherizing homes would utilize, to the extent feasible, individuals who are employed under the Comprehensive Employment and Training Act (CETA). Weatherization funds also could be used for labor costs. A maximum wage limitation similar to those established under the CETA amendments of 1978—$10,000 a year indexed upward in high wage areas to $12,000 a year—would be enforced. But the CETA average wage limitation would not apply.

Both unemployed and in-school youth whose family incomes are below 100 percent of the Bureau of Labor Statistics lower living standard budget—a national average of $11,546 for a family of four—would be given preference for weatherization jobs that become available under the CSA program.

Mr. President, youth unemployment continues to be one of our Nation's most critical problems. Over 2 million 16- to 21-year-olds have been looking for, but have been unable to find, work in 1979. The problem is particularly acute among minority youth where the rate of unemployment remains at a catastrophic 34.3 percent down less than 3 percent from the 1976 level. Looming in the background is the possibility of a serious economic downturn which will, as always, mean depression-level unemployment for youth, particularly minority youth who are the last hired and first fired.

Energy conservation programs, particularly the weatherization of low-income housing present a unique opportunity for unemployed youth to help solve our energy problems.

According to Energy Department figures, less than 10 percent of the homes needing and qualifying for such services have received them. In great part, this has been due to limited coordination between energy conservation activities and the employment and training programs funded by the Department of Labor and operated through the CETA prime sponsors.

Specifically, coordination has been ineffective due to the following factors:

The CETA prime sponsors operate autonomously in assigning jobs to enrollees. This has made it very difficult to match employment and training programs with weatherization program finds;

The requirement that prime sponsors coordinate their employment and training efforts with weatherization programs conflicts with other Department of Labor (DOL) regulations emphasizing a mix of activities which are determined by local policies and priorities;

CETA public employment programs are not available uniformly throughout the Nation, but are, instead, targeted to areas of high unemployment. Many energy dependent States that experience a cold season have low unemployment rates and therefore fewer available public service employment slots;

Program slots in CETA projects have been limited to one year and are typically not renewable, thereby increasing training costs and decreasing the quality of work produced;

While many of the community action agency programs have outstanding performance records in implementing the weatherization program, for a variety of reasons, CETA prime sponsors have been restrictive in allotting CETA slots to weatherization programs.

Therefore, weatherization programs have had difficulty in matching their weatherization resources with labor which is essential to complete local program implementation; and

Average wage levels prescribed in the CETA legislation are too low, in many

instances, to pay for weatherization workers and supervisors.

HISTORY OF WEATHERIZATION PROGRAMS

Federal efforts to support weatherization of low-income dwellings began in 1974 through initial funding of "project fuel" in the State of Maine by CSA, and through local efforts in northern Wisconsin.

The total amount of funds appropriated by Congress for fiscal years 1975 through 1979 is approximately $510.4 million. Of that amount, CSA was appropriated $219 million dollars and the Department of Energy (DOE) was appropriated $291.4 million. A chart showing the legislative and appropriation history follows:

WEATHERIZATION, LEGISLATIVE AND APPROPRIATION HISTORY

Fiscal year	Federal agency	Authorization	Appropriation (millions)
1975	CSA	222(a)(12)–EOA [1]	16.5
1976	CSA	222(a)(12)–EOA	27.5
1977	CSA [2]	222(a)(12)–EOA, including supplemental.	110.0
1977	DOE [3]	ECPA [4]	27.5
1978	CSA	222(a)(12)–EOA	65.0
1978	DOE	ECPA	65.0
1979	DOE	ECPA	198.9

[1] Economic Opportunity Act.
[2] Community Services Administration.
[3] Department of Energy.
[4] Energy Conservation and Production Act.

The weatherization program for low-income households is currently administered by the Department of Energy (DOE). There have been numerous problems experienced by the program while under DOE administration including: less than 25 percent of the national goal to weatherize low-income homes have been completed; there is a lack of adequate labor for home weatherization; DOE regulations have been overly restrictive creating programmatic complexity and administrative problems; and there has been a lack of integration of program services at the Federal level with other federally sponsored energy assistance and conservation programs.

In March 1979, a report entitled "Home Weatherization Program of the Community Services Administration" was issued by the staff of the House Appropriations Committee. Three months later, a report entitled "Report on Conditions Adversely Affecting the Weatherization Program for the Low-Income Persons" was issued by the Office of Inspector General, U.S. Department of Energy.

Both of these reports identify problems with the weatherization programs operated by DOE and CSA. Although management problems were experienced by both agencies, DOE administration of the program has resulted in the most extensive problems in the history of the weatherization program. In my home State of Wisconsin, for example, nearly $2 million in weatherization materials remains stockpiled in warehouses because of the inflexibility of DOE regulations.

This particular legislation being introduced today is an attempt to eliminate the documented program problems. In view of the operation and performance of the weatherization program, this bill provides for CSA administration of the weatherization program. CSA has proven that CSA administration results in more homes being weatherized in less time with fewer financial resources than DOE.

Moreover, it is my judgment that weatherization of low-income homes should be centralized in an agency whose primary purpose is service to the poor. Only if energy problems confronting poor people are seen and understood by those administering the program as problems of poverty as well as problems of energy can they be dealt with effectively. DOE is not a poverty agency. CSA, by virtue of its legislative mandate, offers the best opportunity available to integrate energy and social service programs to assist the poor. National efforts to save energy cannot be implemented separately from other national efforts to eliminate poverty.

The Community Services Administration and its local administering agencies, Community Action Agencies (CAA's) are already very involved with social programing in the areas of employment, housing, and community economic development, as well as energy conservation. Together, they are uniquely qualified to carry out a comprehensive program of energy conservation which will both address the problems and enhance the opportunities created by the energy crisis for the poor and the near-poor of our Nation.

In addition, CSA, through the CAA's, have in place an extensive outreach and follow-through mechanism to reach and serve those families and individuals most in need of such services. CSA has consistent and regular contact with such agencies assessing their performance in implementing programs and utilizing Federal dollars. It is administratively cost-efficient and program effective to have local administering agencies relate, where possible, to one Federal agency (CSA) rather than two or three Federal agencies.

Mr. President, weatherization of low-income homes can result in substantial energy savings. Current estimates indicate that homeowners may save 20 to 60 percent in energy consumed and cost as a result of home weatherization. The percentage of energy saved is dependent on the type and condition of the home, nature and kind of weatherization activities performed in the home, and the efficiency or lack thereof of the heating unit.

In September 1976 a study was published entitled "Energy Conservation Evaluation" by Neil Prochnow (University of Wisconsin, River Falls). This study indicated that in low-income homes where attic insulation was installed and air infiltration problems were fixed, a 20 to 23 percent energy savings was experienced. Other later studies have substantiated these findings and also projected additional energy savings occur in homes where additional weatherization is needed and was performed.

ENERGY ASSISTANCE PAYMENTS AND CRISIS INTERVENTION PROGRAMS

Part B of this legislation establishes authority for a Federal categorical grant to the States to conduct an energy assistance payments and crisis intervention program. The purpose of this aspect of the legislation is to offset the increases in the cost of energy resources since 1973, and to provide emergency aid to low-income persons whenever there is a shortage of energy supplies or severe weather conditions.

States would be given broad authority for establishing and maintaining an energy assistance program, which would simply have to meet federally established minimum requirements. Much latitude is given to the States for operating this program in recognition of the varying conditions not only between the States, but also within any given State as well.

A State, for example, may wish to emphasize its services to the elderly poor, or determining payment benefit levels based on the varying climate within the State. Eighty-two percent of a State's grant would be required to be spent on energy assistance payments to provide financial assistance to help the low-income population with high energy costs.

The remainder of a State's grant would be spent on a year-round crisis intervention program to respond to severe energy-related crises experienced by low-income persons. It would serve persons experiencing either special hardships which required additional financial assistance or an energy-related crisis, as well as persons who for one reason or another fail to receive assistance under the energy assistance payments component. An emergency or disaster reserve would also have to be established by the State.

Benefit levels would be established based on energy need and usage including factors such as weather severity and size of dwelling, energy costs, and income. But each of the States would have the authority to determine benefit levels, and could make interstate distinctions based, for example, on population or climatic conditions, if they so desired.

Eligibility for these programs, however, would be restricted to low-income and near-poor individuals and families whose income did not exceed 85 percent of the Bureau of Labor Statistics lower living stanard. This amounts to a national average of $9,814 for a family of four.

To account for the various methods by which energy assistance payments are made under current CSA programs, States would have the option of using a delivery mechanism or mechanisms of their choice. States could use a line of credit to vendors mechanism, direct payments to individuals, or a combination of each. The State would designate the agency to administer the programs, and could, at its discretion, contract to use an existing delivery mechanism such as the supplemental security income program, aid to families with dependent children, or the food stamp program.

The administrative costs associated with the State administration of these programs would be limited to 10 percent of a State's categorical grant. This ad-

ministrative cost would be jointly shared by the State and Federal Government with each contributing half the administrative cost. This cost sharing is intended to help insure the integrity of the cash assistance programs in the various States.

Finally, the Director of CSA will be mandated to delegate authority for operating this program to the Department of Health, Education, and Welfare.

Mr. President, the current programs to assist the low-income population pay for its energy bills and to alleviate life-threatening energy-related situations have been subject to sporadic appropriations and to gearing up in the midst of an energy crisis. The legislation we are introducing today will give some assurance to States of a permanent energy assistance program—one that has some predictability and that can be carefully planned and implemented.

Ideally, the cash assistance aspect of this program would not be necessary. And, in my judgment, its importance will diminish as low-income households are weatherized and energy costs level off. The payment of money to low-income individuals is not the most desirable alternative, but it is necessary at this time to insure that their health and safety are not jeopardized by utility shutoffs.

ALLOCATION OF FUNDS TO STATES

Mr. President, the allocation of Federal dollars to the States under the weatherization, energy assistance payments, and crisis intervention programs will be based on heating degree days, energy usage and cost, and a combination of eligible population measures.

Thirty-five percent of the money made available would be distributed based upon the relative number of U.S. heating degree days in each State weighted by the amount of total population in each State as compared to the number of heating degree days in all States weighted by the amount of total population in all States.

Thirty-five percent of the money made available would be distributed based upon the relative aggregate residential energy expenditure in each State as compared to the aggretate residential energy expenditure in all States;

Ten percent of the money made available would be distributed based on the relative number of persons who are at or below 100 percent of the Bureau of Labor Statistics lower living standard income level;

Ten percent of the money made available would be distributed based upon the relative expenditures under the SSI program in each State compared to SSI expenditures in all States; and

Ten percent of the money available would be distributed based upon the relative expenditures under the AFDC program in each State compared to all AFDC expenditures in all States.

ENERGY CONSERVATION EDUCATION AND ENERGY CONSERVATION RESEARCH, DEMONSTRATION AND PILOT PROJECTS

Mr. President, parts C and D of this legislation provide Federal financial support for projects and activities which will educate and counsel low-income and near-poor energy consumers in energy conservation practices and management, self-help activities in energy conservation and alternative energy application, and the care and maintenance of weatherization and alternative energy improvements. These parts of the comprehensive program also provide a continuation of CSA's existing authority to carry out energy conservation, research, demonstration, and pilot projects.

One of the most important aspects of helping to conserve energy is to assess the heat loss of a building and provide consumers with an explanation not only of how a building loses heat, but also of how the resident's life-style is wasting or conserving energy. Energy auditors are an important link to the conservation of energy, and this kind of activity is contemplated by part C of this legislation. Education materials and information for homeowners, renters, community groups, and public agencies also could be funded from this part of the program.

During the past few years, CSA has carried out many experiments on alternative energy sources such as using solar power to heat and cool low-income housing. These activities are now authorized under the Economic Opportunity Act, and would be continued under part D of this legislation.

CONCLUSION

Mr. President, low-income households face a very serious crisis this winter and for the forseeable future, so long as energy costs remain critically high. The legislation we are introducing today addresses itself in a comprehensive manner to this crisis.

No doubt, there will be many people who will read this legislation and have constructive comments to improve upon the way it is now drafted. I invite and will be pleased to receive comments on this bill from interested parties, and will do whatever I can to secure passage of this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Amendments of 1979".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to establish a Comprehensive Energy Conservation Services Program designed to enable low-income and near-poor individuals and families, particularly the elderly, to participate in energy assistance programs which will lessen the impact of high energy costs on such individuals and families and reduce individuals and family energy consumption.

COMPREHENSIVE ENERGY CONSERVATION SERVICES PROGRAM

SEC. 3. The Economic Opportunity Act of 1964 (hereinafter referred to as "the Act") (42 U.S.C. 2711 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XI—COMPREHENSIVE ENERGY CONSERVATION SERVICES

"SHORT TITLE

"SEC. 1101. This title may be cited as the 'Comprehensive Energy Conservation Services Act of 1979'.

"FINDINGS AND DECLARATION OF POLICY

"SEC. 1102. (a) The Congress finds and declares that—

"(1) rising energy costs have significantly reduced the real purchasing power of low-income and near-poor individuals and families, particularly the elderly, in the United States to levels at which the necessities of life cannot be acquired by them;

"(2) the real incomes of households receiving government assistance payments as a primary income source have diminished in proportion to the real incomes of other households in the United States;

"(3) throughout the country the cost of essential home energy supplies imposes a disporportionately larger burden on the incomes of low-income and near-poor individuals and families than on the incomes of other individuals and families, and in some parts of the United States this differential among energy expenditures of income groups is extreme;

"(4) low-income Americans generally use less energy per capita than other Americans and have reduced their energy usage to the extent the conditions of their dwellings and equipment will allow, and further energy savings can be made primarily through improvements to their dwellings;

"(5) the housing stock occupied by the low-income and near-poor is generally not energy efficient, is usually older, and frequently in need of home repair;

"(6) low-income and near-poor individuals and families lack access to energy supplies because of the structure of home energy distribution systems and prevailing credit practices;

"(7) low-income and near-poor individuals and families dependent upon heating oil as a fuel to heat their residences are particularly hard hit by the doubling in heating oil costs which has occurred since the winter of 1978;

"(8) high energy costs contribute to landlord abandonment and the deterioration of housing in low-income and near-poor neighborhoods; and

"(9) low-income households need a variety of forms of assistance to reduce energy costs including financial support, energy conservation counseling, weatherization services and access to alterate energy sources.

"(b) It is, therefore, the policy of the United States that the low-income and near-poor should be insulated from disproportionately adverse effects on their income resulting from high energy costs and that minimum quantities of energy supplies are as essential to living as food and shelter, and the lack thereof poses a serious threat to life, health, and safety.

"STATEMENT OF PURPOSE

"SEC. 1103. (a) This title establishes a Comprehensive Energy Conservation Services Program to provide low-income and near-poor individuals and families with weatherization services, energy assistance payments and crisis intervention assistance, energy conservation education, and outreach services; and prescribes the functions and structure of the administrative mechanisms responsible for administering the various components of the Comprehensive Energy Conservation Services Program. The title also requires the coordination of all energy programs throughout the Federal Government which serve the low-income and near-poor and authorizes comprehensive energy-related research, demonstration and pilot projects designed to enhance the ability of the Federal Government to respond to the energy needs of the low-income and near-poor.

"(b) It is the basic purpose of this title to stimulate and encourage the development and implementation of programs for the low-income and near-poor that will lessen the impact of high energy costs, reduce individual and family energy consumption, and focus all available local, State and Federal resources in such a way as to maximize the potential for achieving the objectives of this title. The specific purposes of this title are to—

"(1) bring together a partnership of Federal, State, and local resources to reduce the dependence of low-income and near-poor individuals and families on increasingly scarce non-renewable sources of energy and thereby lessen American dependence on scarce resources, especially resources which are derived from the importation of foreign energy supplies;

"(2) lessen the consumption of foreign and domestic energy supplies by undertaking a 10-year initiative to weatherize and make energy efficient the dwellings of the low-income and near-poor by improving the thermal efficiency of their dwelling places and providing access to low-cost, dispersed alternative energy sources;

"(3) assure the health and well-being of low-income and near-poor individuals and families through the provision of energy assistance payments including crisis intervention assistance, to offset enormous increases in the price to consumers of home heating oil and fuel supplies and to alleviate the threat to such individuals and families created by a shortage of energy supplies or by severe weather conditions;

"(4) promote and encourage employment and enterprise development opportunities for low-income and near-poor individuals and families and communities in the fields of energy conservation and alternative energy development; and

"(5) carry out education programs that will assist the low-income and near-poor in adopting sound conservation practices that will maximize the benefits achieved through conservation and the use of alternative energy.

"DEFINITIONS

"SEC. 1104. As used in this title—

"(1) the term 'Council' means each State Policy Council established pursuant to section 1111;

"(2) the term 'lower living standard income level' means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based upon the most recent 'lower living family budget' issued by the Secretary of Labor; and

"(3) the term 'State' means each of the several States and the District of Columbia.

"PART A—WEATHERIZATION PROGRAM

"ESTABLISHMENT OF WEATHERIZATION PROGRAM

"SEC. 1105. (a) The Director shall develop and conduct, in accordance with the purposes and provisions of this part, a weatherization program. In developing and conducting such program the Director is authorized to make grants to States and to Indian tribal organizations to serve Native Americans. Such grants shall be made for the purpose of furnishing financial assistance to projects designed to provide for the weatherization of dwellings occupied by low-income or near-poor individuals or families, particularly families and groups of individuals in which the elderly or handicapped reside.

"(b)(1) The Director, after consultation with the Secretary of Labor, the Secretary of Energy, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, and the heads of such other Federal departments and agencies as the Director deems appropriate, shall develop and publish in the Federal Register for public comment, not later than 45 days after the date of enactment of this part, proposed regulations to carry out the provisions of this part. The Director shall take into consideration the public comments submitted regarding such proposed regulations and shall promulgate and publish final regulations for such purposes not later than 75 days after the date of enactment of this part.

"(2) The regulations promulgated pursuant to this part shall include provisions—

"(A) prescribing for use in various climatic, structural, and human need settings, standards for weatherization materials energy conservation techniques, and balanced combinations thereof, which are designed to achieve a healthful living environment and maximum practicable energy conservation;

"(B) prescribing, after consultation with the Secretary of Labor, wages and allowances in accordance with section 124 of the Comprehensive Employment and Training Act and maximum wage limitations in accordance with the provisions of section 122 (1)(1) of the Comprehensive Employment and Training Act; and

"(C) establish procedures, after consultation with the Secretary of Labor, that, in order to secure individuals to perform work (other than supervisory work) on local weatherization projects, under which such projects grantees shall (i) utilize, to the extent feasible, individuals in employment and training programs assisted under the Comprehensive Employment and Training Act, (ii) give priority to youths aged 16 to 24, and (iii) make arrangements for obtaining referrals of individuals whose wages will be paid under this part and who meet the eligibility requirements of section 435 or section 607 of the Comprehensive Employment and Training Act from prime sponsors designated under such Act;

"(D) establishing procedures designed to assure that (i) the benefits of weatherization assistance in connection with leased dwelling units will accrue primarily to low-income and near-poor tenants, (ii) the rents on such dwellings will not be raised because of any increase in the value thereof due solely to weatherization assistance provided under this part, and (iii) no undue or excessive enhancement will occur to the value of such dwellings; and

"(E) prescribing the maximum financial assistance available under this part for specific categories of dwellings.

"(c) If a State does not, within 90 days after the date on which final regulations are promulgated under this section, submit an application to the Director which meets the requirements set forth in section 1109, any community action agency carrying out programs under title II of this Act or any political subdivision of a State or combination of such political subdivisions may, in lieu of such State, submit a master plan and annual plans for carrying out projects under this part within the geographical area which is served by such agency or is subject to the jurisdiction of such political subdivision or combination of such subdivisions. If any such political subdivision or combination of political subdivisions submits an application which proposes that the priority requirement with respect to community action agencies set forth under section 1109(c) be determined to be no longer applicable, the Director, as part of the notice and public hearing procedure carried out under section 1109(b)(1) with respect to such application, shall be responsible for making the necessary determination under section 1109(c).

"FINANCIAL ASSISTANCE FOR WEATHERIZATION PROGRAMS

"SEC. 1106. The Director shall provide financial assistance to each State or area which has met the requirements of section 1110 for the purpose of carrying out the activities authorized under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1107. There are authorized to be appropriated for carrying out the purposes of this part such sums as may be necessary for fiscal year 1980 and each succeeding fiscal year ending prior to October 1, 1989. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

"ALLOTMENTS TO STATES

"SEC. 1108. (a) The Director shall allot the sums appropriated pursuant to section 1107 for any fiscal year in accordance with subsections (b) through (e) of this section.

"(b)(1) Ninety per centum of the funds appropriated pursuant to section 1107 for each fiscal year shall be allotted in accordance with the provisions of this subsection.

"(2) Thirty-five per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of the United States heating degree days in each State multiplied by the population for each State as compared to the number of United States heating degree days in all States multiplied by the number in all States.

"(3) Thirty-five per centum of the sums allotted under this subsection shall be allotted on the basis of the relative aggregate residential energy expenditure in each State as compared to the aggregate residential energy expenditure in all States.

"(4) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of individuals having an income equal to or lower than the lower living standard income level as compared to the number of such individuals in all States.

"(5) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative expenditure for aid to families with dependent children under title IV of the Social Security Act in that State as compared to such expenditure for all States.

"(6) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the expenditure for supplemental security income under title XVI of the Social Security Act in that State as compared to such expenditure for all States.

"(7) The allotments under this subsection shall be made on the basis of the latest satisfactory data available to the Director.

"(c) Of the remainder the Director may reserve all or part of the sums so appropriated for each fiscal year for use for—

"(1) training and technical assistance activities pursuant to section 1118 which, at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities;

"(2) evaluation activities carried out pursuant to section 1119;

"(3) activities of the State policy councils carried out pursuant to section 1111; and

"(4) demonstration, research, and pilot projects carried out pursuant to section 1151.

"(d) Any portion of a State's allotment under subsection (b) for a fiscal year which the Director determines will not be expended for the period such allotment is available for carrying out the provisions of this part, shall be made available for reallotment from time to time, on such dates during such period as the Director determines necessary, to other States based on relative need and ability to expend such funds. Such reallotments shall be made according to the provisions of subsection (b).

"(e)(1) Notwithstanding any other provision of this part, in any State in which the Director determines (after having taken into

account the amount of funds made available to the State to carry out the provisions of this part) that (i) the low-income and near-poor migrant and seasonal farm workers are not receiving benefits under this part that are equivalent to the assistance provided in other low-income and near-poor individuals and families in such State under this part, and (ii) if the Director further determines that the members of such tribe or such migrant and seasonal farm workers would be better served by means of a grant made directly to provide such assistance, the Director may reserve such sums as may be necessary to provide assistance to Indians and migrants and seasonal farm workers.

"(3) The sums reserved by the Director on the basis of his determination under this subsection shall be granted to the tribal organization serving the individuals for whom such a determination has been made, or entity as the Director determines has the capacity to provide services pursuant to this part.

"(3) In order for a tribal organization or other entity to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Director plans meeting the requirements set forth in section 1110.

"LIMITATIONS

"SEC. 1109. (a) No grant made under this part may exceed (1) 80 percent for the purchase of weatherization materials and for labor costs, and (2) 20 percent for program support, including not more than 10 percent for administrative costs. During an initial period for each program, the limitations of this subsection shall not apply if the Director determines a waiver of any of the limitations is necessary to insure the success of the program.

"(b) The Director shall insure that financial assistance provided under this part will—

"(1) be allocated within the State or area in accordance with a published State or area plan, which is adopted by such State or area after notice and a public hearing, describing the proposed funding distributions and recipients;

"(2) be allocated, pursuant to such State or area plan, to community action agencies carrying out programs under title II of this Act, Indian tribal governments, or to other public or private nonprofit agencies or organizations that have demonstrated effectiveness in supervising or carrying out weatherization services so that funds will be allocated on the basis of the relative need for weatherization assistance among the low-income and near-poor individuals within such State or area, taking into account—

"(A) the climatic conditions,

"(B) the condition with respect to the energy efficiency of dwelling places,

"(C) energy usage and cost,

"(D) the type of weatherization work to be performed, and

"(E) such other factors as the Director may determine;

"(3) be terminated or discontinued during the application period only in accordance with policies and procedures consistent with the policies and procedures set forth in section 1116.

"(c) In allocating funds for carrying out weatherization projects within the State under subsection (b) the Director shall give priority to community action agencies within each State for so much of the geographical area as is served by each such agency; except that the requirement of this subsection shall not apply if the State Policy Council established under section 1111, in cooperation with the chief executive officer of the State determines, on the basis of the public hearing required by subsection (b)(1), or if the Director determines that—

"(1) a community action agency has been ineffective in meeting the purposes of this part or the purposes of a weatherization program carried out under part A, title IV of the Energy Conservation and Production Act, or

"(2) a community action agency is not of sufficient size and cannot in timely fashion develop the capacity to support the scope of the project to be carried out in such area with financial assistance under this part.

In carrying out the provisions of this subsection the Director shall give due consideration to the results of periodic evaluations of the projects carried out under this part in light of available information regarding the current and anticipated energy and weatherization needs of the low-income and near-poor individuals within the State.

"STATE PLANS AND REQUIREMENTS

"SEC. 1110. (a)(1) In order to receive financial assistance under this part, a State, or if the conditions of section 1105(c) are met, an area applicant shall submit to the Director a weatherization plan. Such plan shall consist of a master plan and an annual plan. The master plan shall serve as the long-term weatherization program to be carried out under this part. Such plan shall be sufficiently detailed to provide the Director and the applicant with a thorough understanding of the conditions with regard to climate, energy usage and cost, human need, and energy efficiency of dwelling places in the area proposed to be served by the applicant and of the programmatic and administrative arrangements of the applicant to ensure that each project is designed and implemented in a manner consistent with the requirements and purposes of this part.

"(2) The State Policy Council established pursuant to section 111 shall, in consultation with the chief executive officer of the State, develop the State master plan and the annual plan.

"(b) The master plan shall—

"(1) include a detailed analysis of the area to be served, including climate, energy usage and cost, energy efficiency of dwellings, the number of dwellings in need of weatherization services, the estimated number and characteristics of dwellings to be assisted, and the type of weatherization services to be performed;

"(2) include a statement of the long-term goals of the plan for the improvement of the energy efficiency of the dwellings in the area to be served;

"(3) describe in detail—

"(A) administrative arrangements for carrying out the plan, including the procedures to be used to select local projects and criteria for determining that a local project applicant has demonstrated effectiveness, to select and place individuals on the State or area administrative staff, to evaluate and audit the operation of the local projects, and to process complaints and grievances;

"(B) the methods to be used to identify and the criteria to be used for selecting dwellings to receive weatherization services, the arrangements made with respect to providing occupants of dwellings to be weatherized and other eligible individuals with energy conservation education and counseling, energy assistance payments if necessary, other services under this title, and other services; and

"(C) the priorities to govern the provision of weatherization assistance to low-income and near-poor individuals and families, including methods to provide priority to elderly and handicapped low-income and near-poor individuals, and the priority as the State or area determines is appropriate for single-family or other high-energy-consuming dwellings;

"(D) the procedures for consultation with the local project policy advisory councils;

"(E) the procedures to be followed in approving and funding of local projects;

"(F) the procedures to be used for the recruitment and referral of labor, to the extent practicable, from prime sponsors under the Comprehensive Employment and Training Act; and

"(G) the policies and procedures designed to assure that financial assistance provided under this part will be used to supplement, and not to supplant State or local funds, and to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out the purposes of this part, including plans and procedures (i) for securing, to the maximum extent practicable, the services of volunteers and training participants and public service employment workers under title II and title VI of the Comprehensive Employment and Training Act to work under the supervision of qualified supervisors and forepersons, and (ii) for complying with the limitations set forth in section 1109;

"(4) include a description of arrangements to insure that—

"(A) nondiscrimination and equal employment opportunities are provided; and

"(B) procedures are developed which will lead to skill development and job opportunities for the population to be served under this part in occupations traditionally limited to individuals of the opposite sex;

"(5) include a detailed description of the procedures to be used to distribute funds within areas of the State or area to be served which take into account—

"(A) the climatic conditions;

"(B) the condition with respect to energy efficiency of dwellings;

"(C) energy usage and cost;

"(D) the number of individuals and dwellings eligible for weatherization assistance;

"(E) the type of weatherization work to be performed; and

"(F) such other factors as the Director may determine necessary in order to carry out the provisions of this part;

"(6) include a description of the procedures for the consideration of any changes in the plans required under this section, including review of such changes by the State Policy Council;

"(7) include a detailed description of recordkeeping procedures for the expenditure of funds received under this part which will enable the Director to audit and monitor the local projects, and will assure adequate supervision and monitoring of such local projects by the State or area applicant, particularly with respect to the eligibility of participants and the propriety of participant selection procedures and practices;

"(8) include a description of plans and activities to coordinate, strengthen, and expand employment and training activities under this part with economic development activities in the private sector; and

"(9) include adequate assurances of compliance with all provisions of this part and regulations promulgated pursuant to this part.

"(c) To receive funds for any fiscal year, a State or area applicant shall submit an annual plan. Each annual plan shall include—

"(1) a description of any significant changes in the information provided in the master plan;

"(2) a detailed description of the estimated number and characteristics of the dwellings to be assisted and the criteria and methods to be used by the State or area applicant in providing weatherization assistance under this part;

"(3) the proposed budget for the program

year, including a detailed summary of the expenditures made during the preceding year, results achieved, and changes made in the annual plan for the program year;

"(4) a description of the relationship between job development and placement under this part and other employment and training programs in the area served, and efforts made or which will be made to coordinate programs under this part with such other programs;

"(5) a description of the activities to be undertaken to inform and refer potentially eligible low-income and near-poor individuals and families of the availability of weatherization assistance and other energy assistance programs which may be available to provide energy-related services;

"(6) a description of efforts to be undertaken to involve the private sector in activities assisted under this part; and

"(7) such other information provided in the master plan as the Director determines is necessary for the program year for which the annual plan is made.

"(d) A State or area applicant may, in accordance with regulations promulgated under this part, submit an amended annual plan.

"(e) The Director shall establish procedures for submittal, approval, and implementation of changes in the master and annual weatherization plans, together with any reports required under this part.

"STATE POLICY COUNCIL

"SEC. 1111. (a)(1) Any State which desires to receive financial assistance under this part shall establish a State weatherization policy council.

"(2) The council shall be appointed by the chief executive officer of the State. The chief executive officer of the State shall furnish staff to provide professional, technical, and clerical assistance to the council.

"(3) The council shall be composed of—

"(A) individuals eligible to receive weatherization assistance under this part (including significant segments thereof) and their representatives, who together shall comprise one-third of the membership of the council;

"(B) representatives of the political subdivisions of combinations of the political subdivisions of the State, including local elected officials currently holding office, and members of the general public who together shall comprise one-third of the membership of the council;

"(C) representatives of organized labor, business, agricultural employers and workers, and energy providers; and

"(D) in addition to the council membership requirements set forth in subparagraphs (A) through (C) of this paragraph, a representative of the area agencies on aging within the State under the Older Americans Act of 1965, a representative of the State agency responsible for energy matters, a representative of the State ACTION office, and a representative of the State office of economic opportunity established under section 231 of this Act.

"(4) The council shall meet at such times, but at least five times per year and in such places as it deems necessary. The meetings shall be publicly announced and, to the extent appropriate, open and accessible to the general public.

"(b) The council shall—

"(1) elect a chairperson from among the council membership;

"(2) review continuously the operation of weatherization programs conducted by each local project, and the availability, responsiveness, and adequacy of the State program, and make recommendations to the local projects, to the chief executive officer of the State, and to the general public with respect to ways to improve the effectiveness of such programs;

"(3) make an annual report to the chief executive officer of the State which shall be a public document, and issue other studies, reports, or documents as it deems advisable to assist local projects or to otherwise help carry out the purposes of this part;

"(4) review the plans of local projects, especially with respect to the progress and success of the local projects, and nonutilization or duplication of the assistance available under this part; and

"(5) prepare, in cooperation with the chief executive officer of the State, the master and annual plans required by section 1110, after reasonable notice and a public hearing has been held.

"(c) Whenever the conditions of section 1105(c) are met and the plans required by section 1110 are submitted by an area applicant the area applicant shall, to the maximum extent practicable consistent with regulations prescribed by the Director, comply with the provisions of this section.

"DESIGNATION OF LOCAL WEATHERIZATION PROJECTS

"SEC. 1112. (a) Upon approval of financial assistance under this part, a State is authorized to designate as a local weatherization project, subject to the limitations set forth in section 1109, a community action agency carrying out programs under title II of this Act or a political subdivision or combination of political subdivisions of a State which (1) has the authority to carry out the provisions of this part and perform the functions set forth in section 1114 within the area to be served, and (2) is determined by the State to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a weatherization program.

"(b) For the purposes of this part, an area to be served may be a city, county, or multicity or multicounty unit within a State, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed to operate a weatherization program.

"(c) The State shall give priority in the designation of local weatherization projects to any local public or private nonprofit agency which is receiving funds under any weatherization program on the date of the enactment of this title, except that the State shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the State and the Director.

"FINANCIAL ASSISTANCE FOR LOCAL WEATHERIZATION PROJECTS

"SEC. 1113. Upon approval of financial assistance under this part, a State may, upon application by an agency which is eligible for designation as a local weatherization project pursuant to section 1112, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a weatherization program to provide low-income and near-poor individuals and families in the area with weatherization assistance which will (1) result in the reduction of energy usage and cost, and (2) provide for direct participation of the low-income and near-poor population of the area to be served in the development, conduct, and overall program direction at the local level.

"FUNCTIONS OF LOCAL WEATHERIZATION PROJECTS

"SEC 1114. (a) In order to be designated as a local weatherization project under this part, a community action agency or a political subdivision or combinations of political subdivisions of a State must have authority under its charter or applicable law to (1) receive and administer funds under this part, funds and contributions from private or local public sources which may be used in support of a weatherization program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency organized in accordance with this part, may act as a grantee, contractor, or sponsor of projects appropriate for inclusion within a weatherization program, (2) transfer funds so received, and (3) delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. The power to transfer funds and delegate powers must include the power to make transfers and delegations covering component parts in any case in which the transfer or delegation would contribute to efficiency and effectiveness of carrying out a weatherization program.

"(b) In order to be so designated, a local weatherization project shall—

"(1) establish a local project advisory committee which shall consist of not more than fifty-one memebrs and shall be so constituted that—

"(A) one-third of the members of the board are elected public officials currently holding office or their representatives, except that if the number of elected public officials reasonably available and willing to serve is less than one-third of membership of the board, membership on the board of appointive public officials may be counted in meeting such one-third requirement;

"(B) at least one-third of the members are individuals chosen in accordance with democratic selection procedures adequate to assure that they are representative of low-income and near-poor individuals eligible to receive weatherization assistance in the area served, including significant segments of the individuals so served, or their representatives; and

"(C) the remainder of the members are representatives of organized labor, business, agricultural employees and workers, energy-related providers, religious, welfare, or other major groups and interests in the area to be served;

"(2) provide for the regular participation of the population to be served or their representatives in the implementation of such weatherization assistance; and

"(3) provide technical and other support needed to enable low-income and near-poor individuals and families in the area to secure on their own behalf available assistance from public and private sources.

"ELIGIBILITY FOR PARTICIPATION IN WEATHERIZATION PROGRAMS

"SEC. 1115. Low-income and near-poor individuals and families shall be eligible for participation in programs assisted under this part if such individuals or families have incomes equal to or less than 85 percent of the lower living standard income level.

"ADMINISTRATIVE PROVISIONS

"SEC 1116. (a) The agency carrying out each weatherization program shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal family favoritism. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulatory or agency policy. Each such agency shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate area groups and reasonable public access to books and records of the program. Each such agency shall adopt rules designed to establish specific standards governing employee benefits; to assure that only personnel capable of discharging their duties

with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency efficiency, performance, and effectiveness; to guard against personal or financial conflicts of interest; and to define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

"(b) No financial assistance shall be extended under this part in any case in which the Director determines that the costs of administering a program assisted under this part exceed 10 percent of the total costs of such program. The Director shall establish by regulation, criteria for determining the costs of administering such program, and the total costs of such program.

"(c) The Director, by general or special orders, may require any recipient of financial assistance under this part to provide, in such form as the Director may prescribe, such reports or answers in writing to specific questions, surveys, or questionnaires as may be necessary to enable the Director to carry out the Director's functions under this part.

"(d) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, information, and records of any project receiving financial assistance under this part that are pertinent to the financial assistance received under this part.

"(e) Each agency receiving financial assistance under this part shall keep such records as the Director may prescribe in order to assure an effective financial audit and performance evaluation of such program.

"(f) Payments under this part may be made in installments and in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"APPEALS, NOTICE AND HEARINGS

"SEC. 1117. (a) The Director shall prescribe procedures to assure that special notice of and an opportunity for a timely and expeditious appeal to the Director will be provided to any applicant to the State or area agency, as the case may be, whose application has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Director, in accordance with regulations which the Director shall prescribe. Whenever the Director, after notice and an opportunity for appeal, finds that there is a failure to comply substantially with the provisions of this part, the Director shall notify the State or agency involved and other interested parties that such State or agency is not or will not longer be eligible to participate in the program under this part until the Director is satisfied that there is no longer any such failure to comply.

"(b) Reasonable notice under this section shall include a written notice of intention to act adversely, including a statement of the reasons therefor, and an opportunity to show cause why such action should not be taken or to propose corrective action.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 1118. The Director may, directly or through grants or other arrangements, provide (1) technical assistance to States areas and local projects in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with weatherization programs. Pursuant to the provisions of section 1108 (c), the Director may reserve funds to carry out activities under this section.

"MONITORING AND EVALUATION

"SEC. 1119. (a) The Director shall, directly or through grants or contracts, provide for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of assistance under this part, in order to determine its effectiveness in achieving stated goals, its impact on related programs and their structure and mechanism for delivering services, including where appropriate, comparisons with appropriate control groups composed of dwellings which did not receive weatherization assistance and analyses of the period over which reduced energy consumption repays the cost of weatherization assistance.

"(b) In carrying out evaluations under this part, the Director shall, whenever feasible, arrange to obtain the specific views of individuals and families participating in and served by programs and projects assisted under this part about such programs and projects.

"(c) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"ANNUAL REPORT

SEC. 1120. The Director shall submit within one hundred twenty days of the close of each fiscal year, a report to the Congress and the President describing the weatherization assistance program carried out under this part, including the progress which has been made in weatherizing dwellings and the effectiveness of the program in achieving its stated goals, or any other appropriate provision or law, and including the results of the periodic evaluations and montoring activities required by section 1119.

"PART B—ENERGY ASSISTANCE PAYMENTS AND CRISIS INTERVENTION

"ESTABLISHMENT OF ENERGY ASSISTANCE PAYMENTS PROGRAM AND CRISIS INTERVENTION PROGRAM

"SEC. 1131. (a)(1) The Director shall develop and conduct, in accordance with the provisions of this part, an energy assistance payments program and a crisis intervention program. In developing and conducting such programs, the Director is authorized to make grants to States. Such grants shall be made for the purpose of (A) providing financial assistance to low-income and near-poor individuals and families, under the energy assistance payment program, for help in paying the rising cost of home energy, and (B) supporting an on-going year-round crisis intervention program to provide short term assistance and counselling to low-income and near-poor individuals and families threatened with severe hardship or danger to health or life from lack of fuel, utility shut-off, or other energy-related crisis.

"(2) Crisis intervention activities may include, but are not limited to, provision of blankets or warm clothing, temporary loan of space blankets, emergency repairs of heating systems, emergency delivery of fuel or firewood, provision of temporary shelter, temporary emergency repairs to housing, mediation with utility companies or fuel suppliers, financial counselling, and other similar services which will assist in removing low-income individuals and families from an immediate crisis situation, including all necessary outreach and program support activities.

"(b) The Director, after consultation with the Secretary of Health, Education, and Welfare and the heads of such other Federal departments and agencies as the Director deems appropriate, shall develop and publish in the Federal Register for public comment, not later than 45 days after the enactment of this part, proposed regulations to carry out the provisions of this part. The Director shall take into consideration the public comments submitted regarding such proposed regulations and shall promulgate and publish final regulations for such purposes not later than 75 days after the date of the enactment of this part.

"(c) If a State does not, within 90 days after the date on which final regulations are promulgated under this section, submit a plan to the Director which meets the requirements set forth in section 1136, any community action agency carrying out programs under title II of this Act or any political subdivision of a State or combination of such political subdivisions may, in lieu of such State submit a plan for carrying out programs assisted under this part within the geographical area which is served or covered by such agency or is subject to the jurisdiction of such political subdivision or combination of such subdivisions.

"FINANCIAL ASSISTANCE FOR ENERGY ASSISTANCE PAYMENTS PROGRAMS

"SEC. 1132. The Director shall provide financial assistance to the States which have met the requirements of section 1136 for the purpose of carrying out the activities authorized under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1133. (a) There are authorized to be appropriated for carrying out the provisions of this part such sums as may be necessary for fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1983.

"(b) For the purpose of affording adequate notice of assistance available under this part, appropriations under this part are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"ALLOTMENT TO STATES

"SEC. 1134. (a) Of the sums appropriated pursuant to section 1133 for any fiscal year the Secretary shall allot such sums in accordance with subsections (b) and (c).

"(b)(1) Ninety per centum of the funds appropriated pursuant to section 1133 for each fiscal year shall be allotted in accordance with the provisions of this subsection.

"(2) Thirty-five per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of the United States heating degree days in each State multiplied by the population for each State as compared to the number of United States heating degree days in all States multiplied by the number in all States.

"(3) Thirty-five per centum of the sums allotted under his subsection shall be allotted on the basis of the relative aggregate residential energy expenditure in each State as compared to the aggregate residential energy expenditure in all States.

"(4) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative number of individuals having an income equal to or lower than the lower living standard income level as compared to the number of such individuals in all States.

"(5) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the relative expenditure for aid to families with dependent children under title IV of the Social Security Act in that State as compared to such expenditure for all States.

"(6) Ten per centum of the amount allotted under this subsection shall be allotted on the basis of the expenditure for supplemental security income under title XVI of the Social Security Act in that State as compared to such expenditure for all States.

"(7) The allotments under this subsection shall be made on the basis of the latest satisfactory data available to the Director.

"(c) The Director shall reserve the remainder of the sums so appropriated for each fiscal year for use in accordance with section 1142 and for such special crisis intervention activities described in section 1131(a)(2) as the Director determines will best carry out the purposes of this title.

"LIMITATIONS

"SEC. 1135. (a) (1) From each grant made under this part (A) at least 82 percent shall be expended for the energy assistance payments program; and (B) the remainder shall be expended under the crisis intervention program.

"(2) The total administrative costs for the energy assistance payments program and the crisis intervention program combined shall not exceed 10 percent of the grant.

"(b) The Director shall insure that financial assistance provided under this part will—

"(1) be allocated within the State or area in accordance with a published State or area plan, which is adopted by such State or area after notice and a public hearing, describing the proposed benefits, recipients, and delivery mechanism associated with the energy assistance payments program and the design of and services to be provided under a crisis intervention program;

"(2) be administered by a State, or local agency or area agencies as experienced in administering cash assistance programs of significant scope and size;

"(3) insure that the provision of assistance under this part will not result in the reduction of State or area income transfer program benefits; and

"(4) be terminated or discontinued only in accordance with policies and procedures set forth in section 1142.

"STATE PLAN AND REQUIREMENTS

"SEC. 1136. (a) In order to receive financial assistance under this part, a State, or if the conditions of section 1131 (c) are met, an area applicant shall submit to the Director an energy assistance and crisis intervention plan. Such plan shall be sufficiently detailed to provide the Director and the State or area applicant with a thorough understanding of the conditions with regard to climate energy usage and cost, human need, and energy efficiency of dwelling places in the area proposed to be served by the programmatic and administrative arrangements of the plan to insure that each project is designed and implemented in a manner consistent with the provisions of this part. The chief executive officer of a State, after reasonable notice and a public hearing, shall submit a State plan to the Director at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

"(b) Each such plan shall—

"(1) include a detailed analysis of the area to be served, including climate, energy usage and cost, the number of individuals to be assisted, and the energy efficiency of dwellings in the area;

"(2) designate the agency of the State, pursuant to the requirements of section 1137, to administer the energy assistance payments program and the crisis intervention program assisted under this part;

"(3) provide for a State or area energy assistance payments program to furnish financial assistance to eligible low-income and near-poor individuals and families to assist in paying residential energy costs through payments to—

"(A) residential energy suppliers,

"(B) eligible individuals and families, or

"(C) some combination of residential energy suppliers and eligible individuals or families;

"(4) provide for a State or area crisis intervention program on an ongoing year-round basis to furnish short-term assistance and counseling to low-income and near-poor individuals and families threatened with severe hardship or danger to health or life from lack of fuel, utility shutoff, extreme weather conditions, or other individual energy-related crisis;

"(5) provide that, of the funds the State receives for each fiscal year, the State reserves percent of the funds to be available to furnish emergency or disaster crisis intervention assistance in situations in which extreme weather conditions or energy supply shortages make such assistance warranted, and identify—

"(A) the procedures for planning for such emergencies,

"(B) the administrative arrangements for such emergencies,

"(C) the procedures for determining the assistance to be provided in such emergencies, and

"(D) the procedures for the transfer of funds reserved under this clause in the event there are no emergencies;

"(6) describe in detail—

"(A) the methods to be used to identify and certify low-income and near-poor individuals and families as eligible to participate in the programs authorized under this part;

"(B) the amount of assistance to be provided to or on behalf of participating low-income and near-poor individuals and families in accordance with the requirements of section 1138; and

"(C) the estimated number and characteristics of the individual and families to be provided assistance under the program authorized by this part;

"(7) describe—

"(A) the criteria for determining that the State and local agencies to administer the program have demonstrated effectiveness in administering a cash assistance program that is similar in scope and size to the programs authorized under this part;

"(B) the administrative procedures to be used in carrying out the State or area plan, including general program administration, outreach activities, determination of eligibility and certification of participating persons, and coordination with related agencies, and identify the arrangements and funding for local administration, outreach, and certification;

"(C) the policies and procedures designed to assure that financial assistance provided under this part will be used to supplement, and not to supplant State or local funds, and to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out the purposes of this part;

"(D) the administrative arrangements to evaluate and audit local administration of the funds provided under this part and to process complaints and grievances; and

"(E) recordkeeping procedures for the expenditure of funds received under this part which will enable the Director to audit and monitor the applicant's local programs, and will assure adequate supervision and monitoring of such local programs by the applicant, particularly with respect to the eligibility of participants and the method used to determine benefit levels;

"(F) the activities to be undertaken to inform and refer potentially eligible low-income and near-poor individuals and families of the availability of energy assistance payments and crisis intervention, weatherization and other energy assistance programs which may be available to provide energy-related services; and

"(G) the procedures for the consideration of any proposed changes in the plan required under this section, including a public hearing to review such proposed changes;

"(8) provide for agreements with residential energy suppliers, if subclause (A) or (C) of clause (3) applies as a mechanism chosen by the applicant for the delivery of assistance under this part, under which—

"(A) the State will pay on a timely basis by way of regular installments, reimbursements or a line of credit, to the supplier designated by each participating low-income or near-poor individual or family the amount of assistance determined in accordance with clause (6); and

"(B) the residential energy supplier will charge the individual or family specified in subclause (A) in regular installments the difference between the actual cost of the residential energy and the amount of the payment made by the State under this Act;

"(9) provide for the direct payment to low-income and near-poor individuals and families if subclause (B) of clause (3) applies;

"(10) provides assurances that any agreement entered into with a regulated utility company under clause (8) will contain provisions to assure that no individual or family receiving assistance under this part will have utility service terminated during the heating season;

"(11) provide assurances that any agreement entered into with an energy supplier under clause (8) not subject to clause (10) will contain provisions to assure that no individual or family receiving assistance under this part will have energy delivery terminated unless—

"(A) the individual or family has failed to pay for charges under clause (8) for at least two months,

"(B) the individual or family receives a written termination notice not less than 30 days prior to the termination, and

"(C) the individual or family has an opportunity for a hearing;

"(12) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for assistance under the energy assistance payments program or crisis intervention program is denied or is not acted upon with reasonable promptness;

"(13) provide assurances that the State will treat owners and renters equitably under the program assisted under this Act;

"(14) provide for outreach activities to assure that all eligible individuals and families, particularly the elderly and handicapped, individuals in remote areas, and individuals who are unable to leave their residences, are aware of the programs of assistance authorized by this part by using community action agencies, area agencies on aging, State welfare agencies, and other appropriate agencies within the State together with provisions for the reimbursement of such agencies, from administrative funds, for outreach and certification activities;

"(15)(A) provide that, of the funds the State receives for each fiscal year, the State may use for administration of the State plan not to exceed 10 percent of the cost of carrying out the plan, and for the purpose of this clause the Federal share of the cost of administration for any fiscal year shall be 50 percent; and

"(B) provide assurances that the State will pay from non-Federal sources the remaining costs of administration with respect to carrying out the application required by the preceding clause; and

"(16) include adequate assurances of compliance with all provisions of this part and regulations promulgated pursuant to this part.

"(c) The Director shall establish procedures for submittal, approval, and implementation of changes in the State or area annual plan, together with any reports required under this part.

"ELIGIBILITY FOR ENERGY ASSISTANCE PAYMENTS AND CRISIS INTERVENTION

"SEC. 1137. Low-income and near-poor individuals and families shall be eligible for participation in programs assisted under this part if such individuals or families have incomes equal to or less than 85 percent of the lower living standard income level.

"PAYMENT AND SCOPE OF BENEFITS

"SEC. 1138. (a) Payments under this part shall be made by the States on behalf of low-income and near-poor individuals and families eligible for participation in the programs established under this part. Such payments shall be made to (1) residential energy suppliers, (2) eligible individuals and families, or (3) some combination of residential energy suppliers and eligible individuals and families.

"(b) Each State shall establish benefit levels. The benefit levels established shall take into account—

"(1) the average residential energy expenditure by type of fuel and type and size of dwelling place;

"(2) the income level and energy costs in excess of a specific or variable percentage of income, which shall approximate, to the extent feasible, the percentage of income which an average residence of similar size using the same type of residential energy in that State would pay for primary residential energy during the same period;

"(3) variation in degree days in regions of the State, where appropriate; and

"(4) for households making undesignated payments in the form of rent, the State may make a separate determination of the amount of assistance taking into account the requirements of this subsection.

"DELIVERY MECHANISM

"SEC. 1139. A State or area eligible to receive financial assistance under this part shall designate a State or area agency and local agencies to administer the energy assistance payments programs and the crisis intervention program. Such agencies shall have experience in administering programs of significant scope and size similar to programs authorized by this part.

"ADMINISTRATION REQUIREMENTS AND STANDARDS

"SEC. 1140. (a) In administering programs under this part, the State agency or area agency and the local agencies shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively and efficiently. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulatory or agency policy. Each such agency shall also adopt rules to assure that only personnel capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency efficiency, performance, and effectiveness; to guard against personal or financial conflicts of interest; and to define employee duties.

"(b) The Director, by general or special orders, may require any administering agency that is a recipient of financial assistance to carry out programs under this part to provide, in such form as the Director may prescribe, such reports or answers in writing to specific questions, surveys, or questionnaires as may be necessary to enable the Director to carry out the Director's functions under this part.

"(c) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, information, and records of any program receiving financial assistance to carry out programs under this part that are pertinent to the financial assistance received under this part.

"(d) Each administering agency receiving financial assistance to carry out programs under this part shall keep such records as the Director may prescribe in order to assure an effective financial audit and performance evaluation of such program.

"(e) Payments under this part may be made in installments and in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"APPEALS, NOTICE AND HEARINGS

"SEC. 1141. (a) The Director shall prescribe procedures to assure that special notice of and an opportunity for a timely and expeditious appeal to the Director will be provided to any applicant whose application has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Director, in accordance with regulations which the Director shall prescribe. Whenever the Director, after notice and an opportunity for appeal, finds that there is a failure to comply substantially with the provisions of this part, the Director shall notify the State or area agency involved and other interested parties that such State or area agency is not or will no longer be eligible to participate in the programs under this part until the Director is satisfied that there is no longer any such failure to comply.

"(b) Reasonable notice under this section shall include a written notice of intention to act adversely, including a statement of the reasons therefor, and an opportunity to show cause why such action should not be taken or to propose corrective action.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 1142. The Director may directly or through grants or other arrangements, provide (1) technical assistance to States or areas in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with energy assistance payments and crisis intervention programs. Pursuant to the provisions of section 1134(c) the Director may reserve funds to carry out activities under this section.

"MONITORING AND EVALUATION

"SEC. 1143. (a) The Director shall directly or through grants or contracts, provide for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of assistance under this part, in order to determine its effectiveness in achieving stated goals, its impact on related programs and their structure and mechanism for delivering services.

"(b) In carrying out evaluations under this part, the Director shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this part about such programs and projects.

"(c) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"ANNUAL REPORT

"SEC. 1144. The Director shall submit, within ninety days of the close of each fiscal year, a report to the Congress and the President describing the energy assistance payments program and the crisis intervention program carried out under this part, including the results of the periodic evaluations and monitoring activities required by section 1142.

"PART C—ENERGY CONSERVATION EDUCATION, PROGRAM COORDINATION, AND OUTREACH

"ENERGY CONSERVATION EDUCATION

"SEC. 1151. The Director is authorized to provide financial assistance to projects and activities which will educate and counsel low-income and near-poor energy consumers in energy-conserving practices and sound residential energy management, self-help activities in energy conservation and alternative energy applications, and the care and maintenance of weatherization and alternative energy improvements to assure maximum efficiency and long life, as well as projects which support the carrying out of such care and maintenance activities.

"PROGRAM COORDINATION

"SEC. 1152. The President shall establish procedures to assure the coordination of all energy assistance programs that affect low-income and near-poor individuals and families carried out by any department or agency of the Government with programs assisted under this title.

"OUTREACH ACTIVITIES

"SEC. 1153. (a) The Director shall conduct outreach activities to inform and enroll all eligible low-income and near-poor individuals and families in (1) programs providing energy-related assistance authorized under this title, and (2) other Federal, State or local energy or energy-related assistance for which they qualify including, but not limited to, energy audits, counseling, educational services, energy assistance for help in paying high energy costs, alternate energy technologies, consumer information and legal assistance, and weatherization. Such outreach activities shall focus particularly on the elderly and handicapped, those residing in remote areas, and the homebound.

"(b) In carrying out outreach activities under this part, the Director shall utilize community action agencies carrying out programs authorized by title II of this Act, area agencies on aging, community based organizations, State welfare agencies, agencies receiving financial assistance under part A and part B of this title, and other appropriate agencies as determined by the Director.

"AUTHORIZATION OF APPROPRIATION

"SEC. 1154. There are authorized to be appropriated for carrying out the provisions of this part such sums as may be necessary for the fiscal year 1980 and for each succeeding fiscal year ending prior to October 1, 198 .

"PART D—RESEARCH, DEMONSTRATION AND PILOT PROJECTS

"FINANCIAL ASSISTANCE FOR ENERGY CONSERVATION RESEARCH, DEMONSTRATION AND PILOT PROJECTS

"SEC. 1161. The Director may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will enable low-income and near-poor individuals and families to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption. The Director is authorized to provide financial and other assistance for projects and activities, including, but no limited to—

"(1) energy conservation and education;

"(2) weatherization of old or substandard dwellings, improved space conditioning, and insulation;

"(3) emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis;

"(4) alternative fuel supplies;

"(5) special fuel voucher or stamp programs;

"(6) alternative transportation activities designed to save fuel and assure continued access to training, education, and employment;

"(7) appropriate outreach efforts;

"(8) furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis;

"(9) nutrition, health, and other supportive services in emergency cases; and

"(10) evaluation of programs and activities under this title.

Such assistance may be provided as a supplement to any other assistance extended under the provisions of this title or under other provisions of Federal law.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS CONTRACTS

"SEC. 1162. (a) The Secretary shall make a public announcement concerning—

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this title; and

"(2) the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a)(1) of this section shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (a)(2) of this section shall be made within thirty days of the receipt of such results.

"(c) The Director shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this title shall become the property of the United States.

"(d) The Director shall publish summaries of the results of activities carried out pursuant to this title not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such summaries.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 163. There are authorized to be appropriated for carrying out the purposes of this part such sums as may be necessary for fiscal years 1980, 1981, and 1982.

PART E—GENERAL PROVISIONS

"INCOME DISREGARD

"SEC. 1171. The value of any assistance provided to any eligible individual or family under this title shall not be considered income or resources for any purpose, including but not limited to, the determination of eligibility or benefit levels, under any Federal, State, or local law, including any law relating to taxation, public assistance or welfare program.

"NONDISCRIMINATION PROVISIONS

"SEC. 1172. (a) The Director shall not provide financial assistance for any program, project, or activity under this title unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this title. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this title.".

SEC. 4. Section 222(a)(5) of the Economic Opportunity Act of 1964 (42 U.S.C. 2809(a)(5)) is repealed.

By Mr. HEINZ:

S. 1726. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on certain mortgage revenue bonds will not be exempt from Federal income tax; to the Committee on Finance.

TAX EXEMPT MORTGAGE REVENUE BOND BILL

● Mr. HEINZ. Mr. President, I am today introducing a bill which provides an alternative approach to the complex question of tax exempt mortgage revenue bonds. The bill produced by the House Ways and Means Committee represents one approach to this. I appreciate the concerns which were expressed during that committee's deliberations of this issue. However, I am also sympathetic to the aspirations of those Americans who seek to own their own homes. I believe it is the responsibility of those of us in elected office to facilitate the realization of this goal.

The thrust of my bill is to provide for the continued issuance of these tax exempt bonds, while requiring the issuing authority to contribute 5 percent of the amount of the bond issue from sources other than tax exempt financing. In my judgment, this feature will compel the issuers to closely monitor the use of these funds and encourage the utilization in targeted areas. The bill would also allow money already spent for rehabilitation in a neighborhood revitalization program authorized by the State to count toward the 5 percent cash requirement.

I endorse the concept of tax exempt mortgage revenue bonds because they efficiently make use of private investment and do not require the creation or enlargement of bureaucracy. In addition, control of the program remains in the hands of those who are most familiar with local needs.

This proposal may not be the final answer to the tax exempt mortgage bond controversy. But I believe it represents a good alternative and a starting point for the consideration of new approaches. I would encourage my colleagues to consider this concept and to join in its cosponsorship.●

ADDITIONAL COSPONSORS

S. 262

At the request of Mr. RIBICOFF, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 262, the Reform of Federal Regulation Act of 1979.

S. 533

At the request of Mr. HEINZ, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 533, the Buy American Act of 1979.

S. 870

At the request of Mr. CRANSTON, the Senator from Wyoming (Mr. SIMPSON), the Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Carolina (Mr. THURMOND), and the Senator from Vermont (Mr. STAFFORD), were added as cosponsors of S. 870, the proposed "GI Bill Amendments Act of 1979".

S. 1403

At the request of Mr. ROBERT C. BYRD, his name was added as a cosponsor of S. 1403, to amend sections 502(d), 503 (a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), and to provide 7-month extension for the submission and approval of State programs or the implementation of a Federal progam.

SENATE JOINT RESOLUTION 85

At the request of Mr. SCHWEIKER, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of Senate Joint Resolution 85, to authorize and request the President to proclaim the week of September 16-22, 1979 as "National Meals on Wheels Week."

SENATE JOINT RESOLUTION 101

At the request of Mr. CANNON (for Mr. INOUYE), the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Joint Resolution 101 to authorize and request the President to issue a proclamation designating the 7 calendar days beginning October 7, 1979, as "National Port Week".

SENATE RESOLUTION 219

At the request of Mr. HEINZ, the Senator from Rhode Island (Mr. PELL) and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of Senate Resolution 219, expressing the sense of the Senate that low-income elderly and handicapped individuals be appointed to, or serve as advisers to, State commissions regulating public utilities.

AMENDMENTS SUBMITTED FOR PRINTING

SYNTHETIC FUELS PRODUCTION ACT OF 1979—S. 1377

AMENDMENT NO. 403

(Ordered to be printed and referred jointly to the Committee on Banking, Housing, and Urban Affairs, the Committee on Energy and Natural Resources, and the Committee on Governmental Affairs.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to S. 1377, a bill to establish the Synthetic Fuels and Alternate Fuels Production Authority, a Government corporation with the authority to provide financing and economic assistance for those sectors

of the national economy which are important to the development of domestic sources and the conservation of energy and the attainment of energy independence for the United States in a manner consistent with the protection of the environment; to improve Federal Government operations so as to assist in the expediting of regulatory procedures which affect energy development, and for other purposes.

● Mr. PRESSLER. Mr. President, the recent energy shortage made us all realize that our energy supplies, at current consumption levels, will be short lived. It is time to shift the emphasis from the importation of oil to the research and development of alternate sources of energy.

One of the most promising of these new sources is gasohol. Unfortunately, aside from a lot of talk, not much has been done to further the prospective use of gasohol.

The Department of Energy, in its Alcohol Fuels Policy Review report recently endorsed the long-term use of gasohol. The Department determined that 9 percent of U.S. gasoline consumption could be replaced by gasohol, that gasohol could help alleviate shortages of unleaded gasoline, and that increased gasohol consumption could reduce our dependency on foreign oil.

Although Congress is currently studying several energy proposals, including the President's $88 billion 10-year project to develop synthetic fuels, little attention is being given to gasohol. Gasohol and ethanol are hardly mentioned in the preliminary budget reports and in the President's plan. Coal-producing States want coal liquification or coal gasification; States such as Colorado want shale oil production; and so forth. But if such a small amount were aimed at research and development for gasohol, we could resolve much of our energy problem.

Mr. President, I send to the desk today an amendment to S. 1377, the synthetic fuels bill, which seeks to insure that gasohol is included in the definition of synthetic fuels. It is my hope that the committee will give this amendment consideration as it marks up this legislation.●

FEDERAL CROP INSURANCE PROGRAM—S. 1125

AMENDMENTS NOS. 404 AND 405

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to S. 1125, a bill to improve and expand the Federal crop insurance program, and for other purposes.

WINDFALL PROFITS TAX—H.R. 3919

AMENDMENT NO. 406

(Ordered to be printed and referred to the Committee on Finance.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to H.R. 3919, an act to impose a windfall profits tax on domestic crude oil.

Mr. CHAFEE. Mr. President, I am pleased to introduce a windfall profits tax proposal which, I believe, will make a significant contribution to increasing our energy security today and in the future.

Today, 6 years after the Arab oil embargo and more than 2 years since President Carter's first energy address to the Nation, we continue to struggle with our energy needs. We remain heavily dependent on the use of oil—for heating, cooling, transportation, and manufacturing. Yet we produce only half the oil we consume and must import half our supplies. Sixty-five percent of our imports come from OPEC nations. We cannot go on forever consuming millions of barrels of oil a day: the world supply of oil is finite.

As the price of imported oil has increased and the certainty of supplies has diminished, we are coming to realize we must make the most of our own resources for future energy needs.

And we have started using those resources. Use of solar energy, for residential space and water heating, for example, has increased from less than 5,000 houses in 1973 to 100,000 houses by the end of this year. The number of installed wood stoves has increased from approximately 1 million in 1974 to 5 million in 1978. Conservation of energy is also on the rise, as shown by the recent boom in the insulation and gasohol industries.

But this is just the beginning. In order to meet our future energy needs, without sacrificing our standard of living or goal to reduce unemployment, we must make a solid commitment to developing all our domestic energy resources. Those resources are coal, solar and wind power; methane, geothermal and geopressurized energy; and synthetic fuels, as well as conventional oil and natural gas.

This commitment is a tremendous undertaking, probably greater than our successful space program which put the first man on the Moon. It will take more money, more know-how and more cooperation from more Americans to become energy secure than was needed to land on the Moon.

In June, we took a significant step toward our national goal of energy security: Decontrol of oil prices. According to the President's proposal for phased oil decontrol, the price of domestic oil, now under price controls, will gradually increase until October 1981. At that time, all domestic oil will receive the world price.

This move away from price controls will have significant effects. First, it will promote development of alternative sources of energy which were not competitive while the price of oil was kept artificially low. Witness the increase in the use and availability of gasohol as the price of gasoline rose. This would not have been possible if gasoline remained at a significantly lower price than gasohol.

Second, decontrol will encourage conservation of oil because the price of oil and petroleum products will increase. Third, it will provide additional capital to American industries for oil exploration and development.

That capital is indeed being used to find new oil supplies. There were 10,677 exploratory wells drilled in 1978, an increase of 7.2 percent from the previous year. Companies are looking for oil deeper in the ground and at riskier locations illustrated by the wells being drilled on the Outer Continental Shelf.

Moreover, investment in oil exploration is also on the rise. The latest figures available indicate that $17 billion was invested in 1977 by American oil companies for oil exploration and development, compared to $15 billion spent in 1976.

If increased production of oil were sufficient to insure our energy security, a windfall profits tax would not be necessary. But more oil is not the only solution. Diversity of energy sources is not only necessary—it is inevitable.

A carefully crafted windfall profits tax will help us achieve our national goal of energy security with increased oil production and greater use of alternative energy sources. This tax should be placed on currently flowing oil, from which producers derive true "windfall" revenues. The varying costs of getting different types of oil out of the ground should be recognized by adjusting this tax. And exploration for new sources of oil should be encouraged in every way possible, starting with an exemption for newly discovered oil.

Mr. President, the windfall profits tax proposal I am introducing today meets these requirements. It is designed to increase oil production and development of alternative sources of energy. It provides strong incentives for new exploration and for pumping "hard to get at" oil. At the same time, it will generate approximately $39 billion during the first 5 years to be used for other energy development projects.* My proposal addresses the future needs of our country more directly and accurately than those proposals advocating no new tax on oil producers or allocation of all decontrol revenues to the Federal Government.

Under my bill, a 75-percent windfall profits tax would be imposed on currently flowing oil, that is, oil categorized for pricing purposes as lower tier, upper tier, and Alaskan. This is where there are true "windfall" revenues being generated to producers from decontrol.

For example, an oil producer who drilled a well in 1972 today is receiving $6 a barrel for his oil. After decontrol, he will receive the world price—$23—for a barrel of the same oil. This increase of $17 a barrel is what I consider to be a true "windfall."

My bill imposes a 75-percent tax on the difference between the world price and the price the oil would have been if controls were continued, adjusted for inflation. In the case of Alaskan oil, the tax is not levied until wellhead revenues to producers equals the controlled price for upper tier oil.

On oil produced from stripper and marginal properties, a 60-percent tax would be levied on the difference between $16 and the world price, currently $23. Stripper oil is oil produced from a property on which the average daily production per well has been 10 barrels a day or less for a year. Marginal oil is

*According to August 1, 1979, estimates.

oil from wells with limited production, defined according to the depth of the well.

Stripper oil, at the present time, receives the world price. Marginal oil will be entirely decontrolled in January 1980. Both categories of oil require additional capital to keep the wells operating because each well produces a few barrels a day. We must encourage, not discourage, continued production from these older wells; hence, the higher base price of $16 and the lower tax rate of 60 percent.

Critics of placing any tax on stripper wells will contend that my proposed tax represents a revenue cut for those producers. This is true, but let us take a look at the revenues producers have received from stripper wells this year. In January, stripper oil sold for $9 a barrel. In June, the price rose to $16 and is currently $23—the world price. In 9 months, producers have received an extra $14 a barrel for their oil. This is an increase of 150 percent during this year alone. Under my bill, producers would receive about $19 a barrel for stripper oil after the windfall profits tax, an increase of 110 percent since January. Which is hardly condemning stripper owners to destitution.

My proposed windfall tax would not apply to newly discovered oil, which is oil from a well that was not producing in 1978. I do not believe we should levy a windfall tax on oil that has not been discovered yet. Producers should be given incentives to take the risks of exploring for oil in new, uncharted areas, such as offshore in the Georges Bank.

Incremental tertiary oil, or hard to get at oil, is also exempt from my proposed tax. Tertiary oil requires high-cost procedures—such as injecting the well with chemicals—in order to increase or continue production. This bill recognizes the extraordinary costs associated with tertiary recovery procedures by exempting oil produces by these methods, over a base level, from the tax.

The entire tax would phase out by January 1, 1990, through the use of 1⅔ percent decline curve. This would reduce the taxable quantity of oil produced from each property in equal monthly increments beginning in January 1985, and ending in December 1989.

It would be a costly mistake to tax oil revenues indefinitely. We need the tax now to generate revenues to spur alternative energy source development. We must also work toward extricating the Government from the business of price regulation—whether it be by price controls or taxes. The 1⅔ percent per month phase-out is a gradual one, long enough so that producers will not be encouraged to delay increased production until 1990, when the tax is lifted.

My tax will raise billions of much needed dollars for development of alternative sources of energy. According to preliminary estimates prepared by the Joint Tax Committee, in August, this bill raises $3.1 billion in 1980, $7.8 billion in 1981, $9.9 billion in 1982, $9.4 billion in 1983, $8.8 billion in 1984, 5 years.

I propose placing these revenues in an energy trust fund, to be used to strengthen and expand our energy supplies. Money from the fund would be used in the following ways:

First. Support for a massive conservation effort in homes, commercial buildings, and industries.

Second. Incentives for the private sector to develop alternate energy sources, such as solar and wind power, hydroelectric power, and fuels from biomass.

Third. Assistance to low-income people, to help them meet higher energy costs.

Fourth. Incentives for the private sector to experiment with several synthetic fuel technologies, and to establish the cost and environmental consequences of full-scale synthetic fuel development.

Fifth. Increased funding for fusion power, yet another hope for the future.

Mr. President, the bill I am introducing today is, I believe, a sound, sensible approach to one of the most difficult dilemmas we face today. I urge my colleagues to join me as cosponsors in the first step in a decade-long commitment to achieve energy security.

I request that the technical explanation of my amendment, prepared by the Joint Tax Committee be printed in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

TECHNICAL EXPLANATION OF AMENDMENT NO. 406

OVERVIEW

Under this amendment, a 75-percent windfall profit tax would be imposed on crude oil price increases resulting from either price deregulation or from excessive increases in world oil prices. The tax would apply to price increases in excess of the amount to which producers would have been entitled if the price control regulations had remained in effect with adjustments for inflation. The tax would reduce the profits of oil producers and royalty owners. Revenues from the tax would be placed in an energy trust fund.

The tax would apply to the first sale of domestically produced crude oil, and would be measured by the difference between the actual selling price of the oil and the adjusted base price of that oil. To provide an incentive for new exploration and for the development of, or increased production from, existing oil properties, the amendment would exempt several specific categories of oil production from the tax and would impose a lower tax rate on other categories.

The tax would phase out between January 1985 and the end of 1989.

Taxable oil

The tax generally would be imposed upon all holders of an economic interest in the producing property and would apply to the first sale of domestically produced crude oil.

Taxable crude oil would be classified in one of four categories, or tiers. The first category essentially would consist of oil that now is priced as lower tier, or old, oil but which will be released to the upper tier of price controls and eventually will be deregulated under the phaseout of price controls. The second category essentially would consist of oil that now is upper tier oil under price controls. The third category of oil would include production from stripper properties and from marginal properties.

A fourth category of oil would be exempt from the tax entirely. This category would include newly discovered oil, incremental tertiary production, heavy crude oil and after 1984 oil produced in excess of statutory decline curve.

This decline curve would phase the tax out between January 1985 and the end of 1989.

Tier one tax

For oil in tier one, the tax would be 75 percent of the difference between the actual selling price of the oil and the May 1979 lower tier, or old oil, ceiling price (which averaged just under $6 per barrel), adjusted for inflation.

The tier one tax would apply to oil which would have been controlled as lower tier oil if the pre-June 1979 price controls had been continued but which receives a higher price as a result of phased decontrol. This tier would not include oil from "marginal" properties which was given special treatment under the Administration's decontrol program (see tier three tax). In addition, this tier would exclude incremental tertiary production and lower tier oil released to the upper tier to provide front-end financing for tertiary recovery projects.

The amount of oil on a property taxed in tier one would be all production up to an amount represented by a linear decline curve. The tier one decline curve would initially equal the average daily production of lower tier oil on the property in the six months ending March 31, 1979, and would be reduced by 1½ percent per month. Tier one would phase out when the 1½ percent decline curve reaches zero after June 1984.

If total production on the property is less than the amount represented by the 1½ percent monthly decline curve, all production on the property would be taxed in tier one. If production exceeds the amount represented by the decline curve, then an amount equal to that level would be taxed in tier one, and then excess production would be taxed in tier two.

Tier two tax

The tier two tax would be 75 percent of the difference between the actual selling price and the May 1979 upper tier; or new oil, ceiling price (which averaged just under $13 per barrel), adjusted for inflation.

The tier two tax base would include most oil which had been controlled as upper tier oil prior to the decontrol program (generally, oil discovered between 1972 and 1979). This tier also would include oil released from the lower tier to the upper tier of price controls to provide front-end financing and tertiary recovery projects, production from the Sadlerochit reservoir on the Alaskan North Slope, and oil produced on a property in excess of the amount represented by the tier one decline curve. This tier, however, would not include incremental production from qualified tertiary recovery projects or production from newly discovered, marginal, or stripper properties.

After June 1984, the tier two tax base would include all production which previously had been taxed in tier one.

Tier three tax

The tier three tax would be 60 percent of the difference between the actual selling price and the base price for the oil. The base price, which would be adjusted for inflation, would be the estimated price, to be prescribed by Treasury regulations, at which uncontrolled crude oil of the same grade, quality, and location would have sold in December 1979, if the average landed price for imported crude were $16.00 a barrel.

The tier three tax base would include oil produced from stripper and marginal properties. The definition of stripper oil would be the Congressionally-mandated definition of

that term for price control purposes, i.e., oil produced from a property on which the average daily production per well has been 10 barrels or less for any consecutive 12-month period after 1972. A property would qualify as marginal if, for calendar year 1978, the average completion depth of all the property's producing wells and the average daily per well production from the property met the following limits:

Average depth (in feet)	Average daily production (in barrels)
2,000 but less than 4,000	20 or less
4,000 but less than 6,000	25 or less
6,000 but less than 8,000	30 or less
8,000 or more	35 or less

Exemptions

The tax would not apply to newly discovered oil. For purposes of the tax, the term "newly discovered oil" would be any production from a property from which there was no production during 1978.

The tax would not apply to heavy crude oil. For purposes of the tax, the definition of "heavy crude oil" is crude oil produced from a property from which the total production during the last month prior to July 1979 in which crude oil was produced and sold from the property had a weighted average of 16.0 degrees API or less.

In addition, production in excess of a 1½ percent statutory decline curve would be exempt during the tax's phaseout period (see below).

The tax also would exempt incremental tertiary oil. For this purpose, incremental tertiary oil would be the amount of production from a property in excess of a base level amount for the property. The base level would be the average daily amount of oil removed from the property during the six-month period ending March 31, 1979, reduced by the sum of (1) 1 percent of that average for each month beginning after 1978 and before the beginning date of the tertiary recovery project, and (2) 2½ percent for each month thereafter.

Other rules

The windfall profit subject to tax would be reduced by State severance taxes on the windfall profit.

The amendment would provide a special net income limitation on the windfall profit subject to tax to prevent the tax from burdening high-cost properties.

For purposes of determining percentage depletion, gross income from the property would be reduced by the amount of the windfall profit. The windfall profit tax would be a deductible business expense under the income tax.

To aid producers and the Internal Revenue Service in the administration and enforcement of the tax, the amendment would provide a number of provisions relating to the administration of its provisions.

Phaseout

The tax would be phased out by 1990 through the use of a 1½-percent statutory decline curve. This would reduce the taxable quantity of oil produced from each property in equal increments over the 60-month period beginning in January 1985 and ending in December 1989. For phaseout purposes, the base level for each property would be the average monthly production of all categories of oil from that property for the six-month period ending March 31, 1979. This base would be reduced by 1½-percent per month, starting in January 1985. Oil production on a property in excess of the amount represented by this decline curve would be exempt from the tax. Thus, when the adjusted ban level reaches zero after December 1989, the tax would be phased out entirely. For production from properties which are covered by the tier two tax, this phaseout base would include the aggregate of lower and upper tier production from the property.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION, AND FORESTRY

● Mr. MELCHER. Mr. President, I wish to announce that the Subcommittee on Environment, Soil Conservation and Forestry of the Agriculture Committee has scheduled a meeting to mark up S. 795, the Farmland Protection Act, and H.R. 2043 which amends the Water Bank Act. The subcommittee will meet September 13 at 10 a.m. in room 324 Russell. The markup is open to the public. Anyone wishing further information should contact the committee staff, at 224-2035.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Monday, September 17, 1979, the Subcommittee on Energy Regulation, of the Committee on Energy and Natural Resources, will hold a hearing on S. 1337, to amend title 23 of the United States Code to provide greater compliance with the national maximum speed limit. The hearing will begin at 9:30 a.m., in room 3110, of the Dirksen Senate Office Building. Questions about this hearing should be directed to James T. Bruce and Benjamin S. Cooper, of the subcommittee staff, at 224-9894.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. JACKSON. Mr. President, on Friday, September 21, the Subcommittee on Energy Research and Development, of the Committee on Energy and Natural Resources, will hold a hearing on S. 1420 and S. 475, measures authorizing the Secretary of the Interior to construct and maintain hydroelectric powerplants at various existing water projects.

The hearing on September 21 will begin at 9:30 a.m., in room 3110, of the Dirksen Senate Office Building. Questions concerning this hearing should be directed to Russell Brown, of the committee staff, at 224-5726.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLLIAMS. Mr. President, today I introduced S. 1724, the Home Energy Assistance Act. The Committee on Labor and Human Resources has scheduled hearings on this bill and also S. 771, the Energy Stamp Act; S. 1270, the Basic Fuel Assistance Act; S. 1331, the Emergency Fuel Assistance Act; and S. 1603, the Home Heating Stamp Act. The hearings are scheduled for Tuesday, September 25, and Wednesday, September 26, in room 4232, Dirksen Senate Office Building at 9 a.m.

Interested persons should call Letitia Chambers, at 224-9285, or Pat Markey, at 224-0324.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Monday, October 1, and Tuesday, October 2, 1979, the Subcommittee on Energy Regulation, of the Committee on Energy and Natural Resources, will hold hearings on S. 1684, the Domestic Refinery Development and Improvement Act of 1979. These hearings will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce, of the subcommittee staff, at 224-9894.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SPACE TRANSPORTATION

Mr. CULVER. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to consider legislation relating to the Milwaukee Railroad problems.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CULVER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold an oversight hearing on economic regulation of the trucking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the sessions of the Senate on Monday, September 10, and Wednesday, September 12, 1979, beginning at 2 p.m. to hold hearings on pending judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate on Tuesday, September 11, 1979, beginning at 11 a.m. to hold a hearing on the proposed revision to the criminal code.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CRIMINAL JUSTICE

Mr. CRANSTON. Mr. President, I ask consent that the Criminal Justice Subcommittee of the Committee on Judiciary be authorized to meet during the session of the Senate on Tuesday, September 11, 1979, to hold an oversight hearing on the drug enforcement administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

INVITATION TO POPE JOHN PAUL II TO ADDRESS JOINT SESSION OF CONGRESS

● Mr. HEINZ. Mr. President, as we all know, Pope John Paul II will soon make a historic visit to the United States. Especially since this will be the first time a Pope has ever visited our Nation's Capital, it would be entirely appropriate that he be invited to address a joint session of Congress. To that end, I, along with a number of my Senate colleagues, have addressed a letter to the distinguished Speaker of the House of Representatives requesting that he extend an invitation to the Pope.

Mr. President, the text of the letter and the names of the signers follows:

WASHINGTON, D.C.,
September 5, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: His Holiness Pope John Paul II will be visiting the United States in October with a stop in Washington. This stop marks the first time in history a Pope has visited this country's capital. As the Pope is a world leader, a head of State, and has labored on the behalf of world peace and human dignity, I urge you to extend to him an invitation to address a joint session of Congress.

I hope you will give this request your prompt consideration.

Sincerely,

John Heinz, Daniel P. Moynihan, John C. Danforth, Malcolm Wallop, Richard G. Lugar, Ted Stevens, Rudy Boschwitz, John W. Warner, Jacob K. Javits, William Proxmire, Patrick J. Leahy, Harrison Williams, Bob Packwood, Spark M. Matsunaga, Richard S. Schweiker, Donald W. Riegle, Jr., Alan K. Simpson, J. Bennett Johnston, Nancy Landon Kassebaum, S. I. Hayakawa, Jennings Randolph, John Glenn, Jim Sasser, Max Baucus, Bill Bradley, William S. Cohen, Strom Thurmond, Charles H. Percy, Pete V. Domenici, David F. Durenberger, Walter D. Huddleston, William V. Roth, Jr., Thad Cochran, Howard H. Baker, Jr., Jesse Helms, Lowell P. Weicker, Jr., Robert J. Dole, John H. Chafee, Lawton Chiles, Edmund S. Muskie, Howard M. Metzenbaum, Paul S. Sarbanes, Wendell H. Ford, Russell B. Long, James A. McClure, Carl Levin, Sam Nunn, Quentin N. Burdick, Mark O. Hatfield, Edward Zorinsky, David L. Boren, Thomas F. Eagleton, Richard (Dick) Stone, Dale Bumpers, Lloyd Bentsen, John Culver, Paul E. Tsongas, Gordon Humphrey, Robert T. Stafford, Herman E. Talmadge, Paul Laxalt, Harrison Schmitt, Alan Cranston, John C. Stennis, Abraham Ribicoff, Frank Church, John A. Durkin, John Tower, Harry F. Byrd, Jr., Claiborne Pell, David H. Pryor, Birch Bayh, Henry M. Jackson, George McGovern, Dennis DeConcini, Edward M. Kennedy, Larry Pressler, Roger W. Jepsen, Warren G. Magnuson, Howell Heflin.●

ALF LANDON'S BIRTHDAY

● Mr. DOLE. Mr. President, this Sunday, September 9, marks the 92d birthday of a great American, and certainly the most beloved and respected citizen of my native Kansas. He long ago overcame the stigma of a historic electoral defeat, and has gone on to provide enlightened and visionary leadership to Republicans who recognized his special qualities 43 years ago. He has also provided this Chamber with one of its most promising Members in years.

I speak, of course, of Alfred M. Landon. I was a junior high student in Russell, Kans., when Governor Landon sought the Presidency in 1936. My admiration for him has never lost its youthful ardor. History records the names of losers with a certain irony, but Alf Landon went on from 1936, turning his energies to rebuilding his party, unleashing his prodigious talents in business and public affairs. When another Kansan, Dwight Eisenhower, was elected President in 1952, it represented more than a personal triumph for a great war hero: It was also a victory for Alf Landon's compassionate republicanism, his belief that profits served people, and America's greatest strength lay not in her weapons but in her ideals.

He has never forsaken those convictions, nor hesitated to work for their enactment. If the world ever reaches the plateau of true peace, of international justice and ingrained brotherhood, then it will be said that one of the greatest battlers for that day was my fellow Kansan, Alf Landon.

He is loved in Kansas, warmly admired by millions of Americans, and respected as a shrewd and insightful leader by members of both parties. He has given us a lifetime of dedication, and we are grateful. Elizabeth and I are pleased to join with Alf's countless friends and admirers in extending our warmest best wishes on this latest in a life filled with milestones—and our hopes for many, many more.●

NATIONAL ENDOWMENT FOR CHILDREN'S TELEVISION

Mr. HEINZ. Mr. President, later this month I will reintroduce my bill to create a National Endowment for Children's Television. The endowment, whose purpose would be to improve the quality of children's programing, would establish a program of grants and contracts to assist children's programs of outstanding artistic or educational merit; innovative and experimental ideas; or research, publications, workshops, and training programs concerned with children's television.

The endowment, which will be modeled after the National Endowment for the Arts, would be administered by a 27-member council headed by one chairperson. Drawn from outstanding citizens from every walk of life and every part of the country, the council would assure that all children's programing assisted by the endowment reflects the rich diversity of American life, values, and creativity.

Recently, Win Fanning of the Pittsburgh Post Gazette reviewed the draft bill to create the Endowment for Children's Television. His resultant article is both straightforward and objective. I am extremely gratified that so highly regarded a critic as Mr. Fanning would agree with me that an Endowment for Children's Television is a "worthwhile use of Federal moneys."

Mr. President, I ask that the full text of Mr. Fanning's article be printed in the RECORD.

The article follows:

HEINZ BILL SEEKS BETTER TV SHOWS FOR CHILDREN

(By Win Fanning)

Citing the fact that children's broadcasting has been a low priority item when it comes to network and public funding, Sen. John Heinz is planning to do something about the problem in a big way.

I should say he is going to try again. Within the next two weeks he will reintroduce a bill "to improve the quality of children's lives through the creation of a National Endowment for Children's Television." The bill was first introduced exactly two years ago.

The proposed budget for this endowment is $40 million, to come from within the existing Department of Health, Education, and Welfare budget—now at $200 billion.

Heinz describes this endowment as being similar to those for the arts and humanities. Its purpose would be to provide funds to educators and artists engaged in improving TV programing for young people. Commercial broadcasters are not eligible for aid under the bill.

The Senator points out that there is "at present no national entity through which our society can focus its efforts to help promote excellence in the development of television programing for children."

In the bill he acknowledges the fact that while such programing "is primarily a matter for private initiatives," it is, he states, also "an appropriate subject of concern for the Federal Government."

Specifically, the bill calls for a chairman to be appointed by the president for a term of four years. It also requires the establishment of a National Council on Children's Television, to be composed of the chairman and 26 other members. The latter are to be selected by the president and serve staggered six-year terms.

Persons named to the council, Heinz states, should be "widely recognized for their broad knowledge of, or expertise in, or for their profound interest in the education, development and maturation of children—or development of television programming for children."

The chairman, charged with correlating the endowment programs with existing federal, public and private undertakings, will be authorized to carry out a program of contracts or grants-in-aid to groups or individuals engaged in the production of TV shows for young people.

The total of any such aid is not to exceed 50 percent of the total project or production cost and appropriate safeguards must be taken to prevent unreasonable profits on the part of the producers or grantees.

On the other hand, those getting the grants must pay their employees "not less than the minimum compensation for persons employed in similar activities," as determined by the Secretary of Labor.

Reading through the bill, it would appear that Heinz has set forth all of the necessary elements of a workable, intelligent and enlightened plan to do something about genuinely improving children's programming, without endangering the artistic freedom necessary to achieve this goal.

It would provide funding on a broad enough plane to encourage experimentation in an area so far largely unexplored. It would also fund workshops and training programs that could lead to continuing improvement on both the network and local levels without regard to commercial considerations or the special interests of private endowments.

It would also give the independent producers a chance to establish themselves—and, perhaps, go a long way toward opening the whole field to new innovative proj-

ects that have been effectively stifled for lack of funds.

Heaven knows, it's hard to think of a more worthwhile use of federal monies—when one considers that by the time he has reached 18, the average American has devoted more time to TV than to any other activity except sleep.

More Briefly: Bobby Vinton has formed his own record company, Tapestry, and the first release on the new label will be an update of the "Pennsylvania Polka," titled "Disco Polka" . . . Beverly Byer, formerly of Channel 11 here, is now anchoring the news on KOMO-TV in her native Seattle.

WPGH-TV (Channel 53) takes a look at Mahoning Valley's economic problems—related to steel production—on its "Pittsburgh Tomorrow" show this Sunday at 10:30 p.m. Andrea Wood is the reporter-hostess.

Carol Burnett will star in four variety shows on ABC next month. "Carol & Company" will also feature Vicki Lawrence, with Tim Conway expected to make a couple of guest appearances. The min-series is not a pilot for a regular season series, the comedienne emphasizes.

Pet Peeve: That mealy-mouthed, phony, pseudo-sophisticated accent employed by the pitchman of those California wine commercials. Bah, humbug.

LITERACY DAY

● Mr. DOLE. Mr. President, tomorrow, September 8, this Nation along with nations of the entire world, will be celebrating world literacy day. This day will serve as the launching of the 50th year celebration of "each one teach one" programs carried out by Laubach Literacy International and the National Affiliation for Literacy Advance. During this past week, thousands of people in communities throughout this Nation have been taking part in bringing the fight to eliminate illiteracy worldwide to the attention of all of us and to ask for any help we may have to offer. Projects involving television, radio, newspapers, seminars, films, exhibits, walk-a-thons, and speaking events have all been carried out in this worldwide effort so that the increasing number of illiterate people may be diminished and in the near future eliminated.

WORLDWIDE ILLITERACY

Twenty-five years ago Laubach Literacy International was established and now sponsors programs throughout the world, in addition to the National Affiliation for Literacy Advance. In the NALA, more than 21,000 volunteers are providing their time and efforts by teaching literacy and English as a second language to over 30,000 persons.

Worldwide illiteracy has increased in the last 25 years from 700 million to 800 million. In the United States alone over 23 million adult Americans are functionally illiterate, while yet another 39 million are unable to read simple communications of everyday living, such as food labels, employment forms, or newspapers. A decade ago, the U.S. right to read program vowed to eliminate illiteracy as a national problem by 1980, unfortunately for thousands we have not achieved that goal.

ILLITERACY IN THE UNITED STATES

In May of this year, I was pleased to join with the Senator from South Dakota, Mr. MCGOVERN, in introducing a Senate joint resolution to establish an independent national commission on literacy. As I stated in May, I am seriously concerned that the incidence of illiteracy in our Nation has now reached epidemic proportions, and believe that the establishment of this commission would succeed in addressing this declining level among our Nation's citizens.

While once it was simply presumed that each successive generation of Americans would surpass its parents in educational accomplishment, we are now discovering that this trend has been broken. For the first time, we are seeing signs that today's generation will neither surpass nor even attain the level of education which its parents reached. The Senate Subcommittee on Education recently received testimony indicating that of those students graduating from high school this June, only 25 percent will function as well as those who graduated in 1963. Educational performance in our schools today have slipped to that of levels recorded back in the 1940's and 1950's. This problem does not just exist in the school-aged American—for thousands of adults today the ability to shop efficiently, prepare income tax returns, compute checkbooks, or read newspapers does not exist.

THE PAIN OF BEING ILLITERATE

The pain that one suffers from being illiterate cannot be calculated. Our entire country, in fact the entire world, suffers when its citizens are not capable to take a meaningful part in their society. Illiteracy is several times higher in the unemployed, it is higher among minority adults, and those of low income.

It is impossible to calculate the embarrassment that these individuals must go through day by day in not being able to fill out employment forms or read food labels. What is more frightening is the fear that many may have in being illiterate, such as the mother who could not help her child who has swallowed poison because she cannot read a phone book to get emergency help.

In addition, to the pain, embarrassment, and fear, the economic implications of this high rate of illiteracy is startling. Families of low incomes, families who are unemployed and must depend on assistance, all of these people must depend on the economy for assistance of health and nutritional care which in turn drains our productivity.

More money is not necessarily the answer to this problem and as the national literacy affiliation for advance has shown, there are thousands of people who want to help, want to volunteer their time and skills to fight this problem.

As I stated in May during the introduction of the Senate resolution, each day's mail reminds me that many Americans cannot write. Simple words are misspelled, sentences are not complete, and many letters are so incoherent that I have no idea of what they are trying to say.

I urge the entire Nation to join with me in recognizing World Literacy Day by thanking those who have spent their time and skills in helping the illiterate and view this day as a symbol to continue, while increasing the work that is being done worldwide. It is my hope that my colleagues will support this day and also the Senate joint resolution because I believe these combined efforts will in the near future remedy this global crisis.●

AUSTERITY FOR WHOM?

● Mr. DOLE. Mr. President, yesterday, Treasury Secretary Miller forecast a period of national austerity to slow inflation. We should welcome this sign from the administration that it will resist pressures to inflate the economy as a remedy for the problems caused by a recession. However, Mr. Miller's statements raise some question as to where the burden of this period of austerity will fall. The Treasury Secretary mentioned reduced real income for workers and declining corporate profits. Yet while the administration continues to promise a balanced Federal budget, Mr. Miller made no mention of the Federal Government undertaking austerity measures of its own. The best way to start wringing out inflation would be for the Government to reduce its excessive share of the economy. Steps to reduce the size of Government would not be inflationary if taxing and spending policies are carefully coordinated.

The Senator from Kansas regrets that Mr. Miller appears to have adopted a stance which is all too familiar. The Government says to the people, "Let's you make sacrifices" so that the Government can avoid the consequences of its failure to run a sound economy. Certainly some dislocations in the economy are beyond our power to prevent, and Mr. Miller is right to point to oil price increases as a contributor to our problems. But in the long run, it is the financial excesses of Government which keeps inflation rolling.

Mr. President, if the Nation is entering a period of economic austerity, the Government should take the lead and set an example for the people who are expected to make sacrifices. The best way to do this would be for the Government to announce that it has agreed to forgo revenue increases caused by inflation. The administration and Congress can implement this proposal very easily by indexing the Federal income tax to changes in the Consumer Price Index. As the cost of living rises, the rate brackets, zero bracket amount, and personal exemption are adjusted by the same percentage increase. This adjustment would protect taxpayers whose incomes are inflated from moving into higher tax brackets even though their real purchasing power stays the same.

Mr. President, the Senator from Kansas has introduced legislation which would achieve this very objective. The legislation is the Tax Equalization Act, which would index the income tax for inflation. Not only would indexing demonstrate the Government's good faith in the fight against inflation, it would set an example for the Nation and restore a measure of equity to our taxpayers.

The Government could find no better way of demonstrating its determination to beat inflation than to adopt indexing. By forgoing automatic, unlegislated revenue increases caused by inflation, the Government can demonstrate that it is willing to tighten its own belt. Then it can look to what sacrifices it expects of our citizens in the battle against inflation. The Senator from Kansas would welcome the support of the administration for the Tax Equalization Act, which would be a major first step in the Government's program of austerity.●

NATIONAL HISPANIC HERITAGE WEEK

● Mr. DOLE. Mr. President, I am proud to note that the week of September 10 through 15 will mark the 11th anniversary of National Hispanic Heritage Week. In addition to this important occasion a large segment of our Hispanic population will celebrate September 16, Mexican Independence Day. On both of these occasions, I take great pride in paying tribute to all of this Nation's Hispanic citizens.

HISPANIC AMERICANS IN KANSAS

As a Senator from the great State of Kansas, I am particularly proud to say that my Hispanic constituency, while not as numerous as in other States, has indeed been a significant contributor in addressing and developing important issues facing Hispanic Americans throughout the entire country. An example of Kansas participation in national Hispanic issues is the selection of Wichita, Kans., for the site of the first annual Amigos De Ser meeting as well as the annual meeting of the national executive board of directors for Ser Jobs for Progress. In addition to these two important events, the first annual Amigos De Ser golf tournament and celebrity banquet will be held on September 17 and 18. SER/Jobs for Progress, Inc., was created by the diligent efforts of two of the Nation's largest Spanish speaking service organizations, the American G.I. Forum and the League of United Latin Americans. These organizations, I might add, are well represented in the State of Kansas.

SER receives Federal funds to train and place this segment of Americans into better paying and meaningful employment. The SER Jobs for Progress in Wichita, Kans., the host of these national meetings, is a nonprofit agency contracted to the city of Wichita and funded under the Comprehensive Employment Training Act (CETA) to provide training and employment services to Wichitans. SER's services are available to all sectors in the community, with emphasis on aiding minorities, especially Spanish-speaking people.

AN EMERGING AMERICAN

Mr. President, even though we have cause to join in celebration to honor Hispanic Americans, we must not forget the pain and suffering they have endured to overcome discrimination and obstacles enabling them to become meaningful participants in systems of economics, education, government, labor, politics. Although some progress has been made in these areas, we must continue to provide increased opportunities for these Americans.

This is a time of critical importance to all Hispanic Americans. Due to increasing numbers, as well as ever-growing political strength, citizens of Hispanic origin can no longer be ignored. Of all minority groups in this country, the Hispanic population is currently experiencing the greatest rate of growth. It is anticipated that at the end of the next decade, Hispanic Americans will constitute the largest ethnic minority group in this country.

But numbers alone are not significant. Now, to obtain the equality of opportunity previously denied them, Hispanics throughout the country are working to transform their strength in numbers into real political power.

In terms of recent history, the Hispanic political influence was first felt critically in the 1976 Presidential election, when significant numbers of Hispanics provided the critical margins for Candidate Carter in Texas and California in particular and the Southwest in general. More recently, the 1978 senatorial and gubernatorial elections in Texas clearly demonstrate that neither JOHN TOWER nor Bill Clements would have been successful in the absence of the Hispanic votes cast for their respective candidacies.

Mr. President, despite the increased numbers and political awareness, many obstacles still remain. To this day, many Hispanic people still face the serious burdens of poverty, illiteracy, and discrimination. Such facts can be illustrated by the staggering unemployment rate that Hispanics have. I am confident, however, that by working together we can overcome these difficulties.

Mr. President, once again, I want to express my pride in paying special tribute to this Nation's Hispanic citizens during National Hispanic Heritage Week as well as Mexican Independence Day—the 16th of September—which commemorates the day in 1810 when Martin Hidalgo, a parish priest, issued a ringing declaration of Mexico's freedom from Spanish rule.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. CRANSTON. Mr. President, I move that the Senate now stand in recess subject to the call of the Chair.

The motion was agreed to; and at 3:21 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 4:44 p.m., when called to order by the Presiding Officer (Mr. LONG).

CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL CROP INSURANCE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate the next order of business, S. 1125, the Federal crop insurance bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1125) to improve and expand the Federal Crop Insurance Program, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Crop Insurance Act of 1979".

TITLE I—FEDERAL CROP INSURANCE PROGRAM

CAPITAL STOCK

SEC. 101. (a) Effective October 1, 1980, section 504(a) of the Federal Crop Insurance Act is amended by striking out "$300,000,000" and inserting in lieu thereof $500,000,000".

(b) Within thirty days after the effective date of subsection (a) of this section, the Secretary of the Treasury shall cancel, without consideration, receipts for payments for or on account of the stock of the Federal Crop Insurance Corporation outstanding on the effective date of that subsection.

BOARD OF DIRECTORS: MEMBERSHIP AND COMPENSATION

SEC. 102. (a) Section 505(a) of the Federal Crop Insurance Act is amended by—

(1) amending the second sentence to read as follows: "The Board shall consist of the manager of the Corporation, the Under Secretary or Assistant Secretary of Agriculture responsible for the Federal Crop Insurance program, the Under Secretary or Assistant Secretary of Agriculture responsible for the farm credit programs of the Department of Agriculture, one person experienced in the crop insurance business who is not otherwise employed by the Federal Government, and three farmers who are not otherwise employed by the Federal Government."; and

(2) adding at the end thereof a new sentence as follows: "The Secretary, in appointing the three farmers who are not otherwise employed by the Federal Government, shall ensure that such members are from different gographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board.".

(b) Section 505(b) of the Federal Crop Insurance Act is amended by striking out "three" wherever that word appears therein and inserting in lieu thereof "four".

(c) The second sentence of section 505(c) of the Federal Crop Insurance Act is amended to read as follows: "The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS-18 under section 5332 of title 5 of the United States Code when actually employed, and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 of the United States Code for persons in Government service employed intermittently, when on the business of the Cor-

poration away from their homes or regular places of business.".

AMENDMENTS TO THE PROVISIONS ESTABLISHING GENERAL POWERS FOR THE CORPORATION

SEC. 103. Section 506 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (d) to read as follows:

"(d) subject to the provisions of section 508(c), may sue and be sued in its corporate name, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any territory or possession, shall have exclusive original jurisdiction, without regard to the amount in controversy, of all suits brought by or against the Corporation. The Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business;"; and

(2) in subsection (f), striking out "free".

USE OF PRIVATE INSURANCE COMPANIES IN THE FEDERAL CROP INSURANCE PROGRAM; CONFORMING AMENDMENT

SEC. 104. Section 507 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (c) to read as follows:

"(c) The Board may establish or use committees or associations of producers, and contract with private insurance companies, in the administration of this title and make payments to such committees, associations, or companies to cover the administrative and program expenses incurred by them in cooperating in carrying out this title, as determined by the Board."; and

(2) in subsection (d), inserting "or 516A" immediately after "section 516".

REMOVAL OF LIMITS ON EXPANSION OF THE FEDERAL CROP INSURANCE AND REINSURANCE PROGRAMS

SEC. 105. Effective with respect to the 1980 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is amended by—

(1) striking out all that follows the subsection designation down through the end of the fifth complete sentence, which begins, "Reinsurance for private insurance companies . . .", and inserting in lieu thereof the following: "If sufficient actuarial data are available, as determined by the Board, to insure producers of crops grown commercially in the United States under any plan or plans of insurance determined by the Board to be adapted to the agricultural commodity involved. Such insurance shall be against loss of the insured commodity due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. Except in the case of tobacco, insurance shall not extend beyond the period the insured commodity is in the field."; and

(2) striking out the eighth complete sentence, which begins "Counties selected by the Board . . .".

FEDERAL CROP INSURANCE: EXTENT OF COVERAGE

SEC. 106. Effective with respect to the 1981 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is further amended by—

(1) striking out the sixth complete sentence, which begins, "Any insurance offered against loss in yield . . .", and inserting in lieu thereof the following: "Any insurance offered against loss in yield shall make available to producers protection against loss in yield that covers 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period (subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just). In addition, the Corporation shall make available to producers lesser levels of yield coverage. Any insurance offered under this subsection shall make available to producers coverage (per unit of production insured) equal to the highest of (1) the established price for the commodity and crop year involved, if any, (2) the loan rate for the commodity and crop year involved under a Federal price support program, if any, or (3) the projected market price for the commodity and crop year involved, as determined by the Board. In addition, the Corporation shall make available to producers lesser price selections per unit of production insured."; and

(2) in the seventh complete sentence, which begins, "Insurance provided under this subsection . . .", inserting "or an approved substitute crop" immediately after "the same crop".

PREMIUM SUBSIDY; TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 107. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (b) to read as follows:

"(b) To fix adequate premiums for insurance at such rates as the Board deems actuarially sufficient to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. For the purpose of encouraging the broadest possible participation in the crop insurance program, the Corporation shall pay a portion, not less than 20 per centum nor more than 40 per centum, as determined by the Board, of each producer's premium: *Provided*, That with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer elects to make the acreage of the commodity eligible for payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further*, That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's election to make the acreage of the commodity involved eligible for disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium. Federal premium payments for a commodity shall be applied uniformly among producers. The remaining portion of each premium to be paid by the producer shall be collected at such time or times, and shall be secured in such matter, as the Board may determine.";

(2) amending subsection (c) to read as follows:

"(c) To adjust and pay claims for losses under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court for the district in which the insured farm is located: *Provided*, That no suit on such claim may be allowed under this section unless it shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant."; and

(3) striking out subsection (d), and redesignating subsection (e) as subsection (d).

REINSURANCE OF PRIVATE INSURANCE COMPANIES; EXTENSION OF THE PROGRAM TO COMMONWEALTHS AND TERRITORIES OF THE UNITED STATES; SPECIFIC RISK PROTECTION PROGRAMS

SEC. 108. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by striking out subsection (f) and inserting immediately after subsection (d), as redesignated by section 107(3) of this Act, new subsections (e), (f), (g), and (h) as follows:

"(e) To provide, upon such terms and conditions as the Board may determine to be consistent with subsection (a) of this section and sound reinsurance principles, reinsurance to private insurance companies, groups or pools of such companies, and government entities that insure producers of any agricultural commodity under contracts acceptable to the Corporation. In order to provide equity among producers purchasing crop insurance, whenever the Corporation provides reinsurance to private insurance companies, groups or pools of companies, or government entities insuring producers under this subsection, the Corporation shall pay a portion of each producer's premium for such insurance so reinsured. Each such payment shall cover the same per centum of the premium, and be subject to the same restrictions regarding payments of premiums for crop insurance on 1981 crops, as provided in subsection (b) of this section for Federal partial payments of Federal crop insurance premiums.

"(f) To provide insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands in the same manner as provided in this section for provision of insurance or reinsurance for production of agricultural commodities in the United States.

"(g) To offer specific risk protection programs including, but not limit to, prevented planting, wildlife depredation, tree damage and disease, and insect infestation programs under such terms and conditions as the Board may determine: *Provided*, That no program may be undertaken if insurance for the specific risk involved is generally available from private companies.

"(h) To include appreciation (including interest charges) as an insurable cost of production in calculating premiums and indemnities in connection with insurance of yields of timber and forests.".

DELETION OF AUTHORITY FOR ADVISORY COMMITTEES

SEC. 109. Section 515 of the Federal Crop Insurance Act is repealed.

PROGRAM FUNDING

SEC. 110. Effective October 1, 1980, section 516(a) of the Federal Crop Insurance Act is amended to read as follows:

"SEC. 516. (a) There are hereby authorized to be appropriated such sums for each fiscal year as may be necessary to cover the operating and administrative costs of the Corporation, agents' commissions, partial premium payments by the Corporation, and direct costs of loss adjusters for crop inspections and loss adjustments, which shall be allotted to the Corporation in such amounts and at such times as the Secretary of Agriculture may determine. Expenses in connection with agents' commissions and the direct cost of loss adjusters for crop inspections and loss adjustments may be paid from insurance premium funds, and any such payments from premium funds may be restored by appropriations in subsequent years.".

COMMODITY CREDIT CORPORATION FUNDING

SEC. 111. (a) The Federal Crop Insurance Act is amended by inserting immediately after section 516 a new section 516A as follows:

"COMMODITY CREDIT CORPORATION FUNDING

"SEC. 516A. The Secretary of Agriculture is authorized to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under this title whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable that Corporation to cover program expenses or otherwise meet its obligations to indemnify producers for losses.".

(b) The authority to make commitments under section 516A of the Federal Crop Insurance Act, as added by subsection (a) of this section, in excess of funds available to the Commodity Credit Corporation under section 4 of the Commodity Credit Corporation Charter Act and the Act of October 11, 1978 (92 Stat. 1073), shall be effective for any fiscal year only to the extent provided by appropriation acts. Appropriations under the preceding sentence are authorized beginning October 1, 1980.

EFFECTIVE DATE

SEC. 112. Except as otherwise provided in this title, the provisions of this title shall become effective October 1, 1979.

TITLE II—DISASTER PAYMENTS

PREVENTED PLANTING DISASTER AND FARM DISASTER PAYMENTS FOR THE 1980 AND 1981 CROP YEARS

SEC. 201. (a) (1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is amended by—

(A) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,";

(B) in subparagraph (C), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,"; and

(C) redesignating subparagraph (D) as subparagraph (F) and inserting immediately after subparagraph (C) a new subparagraph (D) as follows:

"(D) With respect to the 1981 crop of rice, cooperators on a farm shall not be eligible for disaster payments under this paragraph if the cooperators elect to cover the rice acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"; and

(c) adding at the end thereof a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the upland cotton acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the feed grain acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,";

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C), as follows:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the wheat acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(b) The Secretary of Agriculture, after consultation with the Board of Directors of the Federal Crop Insurance Corporation, shall, at least sixty days prior to the beginning of the 1981 crop years for wheat, feed grains, upland cotton, and rice, notify producers of those commodities of their right to elect, with respect to the 1981 crop, between (1) declaring the farm acreage of the respective commodity eligible for disaster payments under the Agricultural Act of 1949, or (2) covering such farm acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act. Such notice shall include a statement of the percent of crop insurance premium that will be paid by the Corporation.

SPECIAL DISASTER PAYMENTS FOR THE 1979 CROP YEAR

SEC. 202. (a)(1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is further amended by—

(A) striking out "subparagraphs (B) and (C)" in subparagraph (F), as redesignated by section 201(a)(1)(C) of this Act, and inserting in lieu thereof "subparagraphs (B), (C), and (E)"; and

(B) inserting after new paragraph (D), as added by section 201(a)(1)(C) of this Act, a new subparagraph (E) to read as follows:

"(E) Effective only with respect to the 1979 crop of rice, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), persons involved in producing rice on a farm (i) are prevented from planting any portion of the acreage allotment of producers on the farm or the farm acreage allotment to rice and (ii) plant a nonconserving crop in lieu of rice, the Secretary shall make a special disaster payment to cooperators on the farm in an amount determined by multiplying (I) the number of acres so affected, by (II) 75 per centum of the yield established for the farm, by (III) 15 per centum of the established price for rice, except that the Secretary shall make no payment under this sentence on a farm from which acres were transferred under section 353(d) of the Agricultural Adjustment Act of 1938, as amended, with respect to the transferred acreage.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is further amended by adding at the end thereof a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of upland cotton, if the Secretary determines that, as a result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for cotton to cotton and (ii) plant a nonconserving crop in lieu of cotton, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to cotton for harvest (including any acreage that the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for cotton established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(3) Section 105A(b)(3) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is further amended by inserting immediately after new subparagraph (C), as added by section 201(a)(3)(C) of this Act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of feed grains, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for feed grains to feed grains and (ii) plant a nonconserving crop in lieu of feed grains, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to feed grains for harvest (in-

cluding any acreage that the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for feed grains established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is further amended by inserting immediately after new subparagraph (C), as added by section 201 (a)(4)(C) of this Act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of wheat, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for wheat to wheat and (ii) plant a nonconserving crop in lieu of wheat, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for wheat established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(b) This section shall become effective October 1, 1979, and the provisions hereof shall be retroactive to cover special disaster payments to producers for the 1979 crops of rice, upland cotton, feed grains, and wheat.

PROGRAM FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, following the completion of routine morning business on Monday, automatically the Senate would resume consideration of Calendar No. 268, S. 1125. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, it is hoped that the Senate may be in a position to take up two conference reports on appropriations bills on Monday—one dealing with the energy water appropriation bill, H.R. 4388; the other dealing with State, Justice, and Commerce appropriations, H.R. 4392.

In addition, if the Senate completes action on these measures and conference reports on Monday, the Senate would then be prepared, I think, to go to the consideration of the second concurrent budget resolution. I perceive this as being late in the afternoon, if at all. In any event, I should think that the Senate would be ready to proceed with the second concurrent budget resolution by Tuesday.

So there will be rollcall votes on Monday and there will be rollcall votes on Tuesday and daily. As I indicated this morning, Senators should be prepared for Saturday sessions, depending upon the amount of work that is to be done and the rapidity with which the work is consummated.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, as I understand the order that has been entered, the Senate will stand in recess, when we recess today, until 12 o'clock noon on Monday.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. There are some Members on my side who will have difficulty returning before early afternoon, and I wonder whether we can have an informal agreement—or, for that matter, a formal agreement—to defer record votes until, say, 3 or 3:30 in the afternoon.

Mr. ROBERT C. BYRD. Mr. President, without consulting Mr. HUDDLESTON, who is the manager of the bill on this side of the aisle, I am not prepared to enter into an agreement at this time to that effect.

I think it would be safe to enter into a formal agreement now that there will be no votes prior to 2 p.m., with the possible exception of a procedural vote dealing with instructions to the Sergeant at Arms, which I would not anticipate.

Mr. BAKER. I would appreciate that. That would be helpful, if the majority leader would see fit to make that request.

Mr. ROBERT C. BYRD. Mr. President, I would make that request and I do make it.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, SEPTEMBER 10, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 noon on Monday next.

The motion was agreed to; and, at 4:45 p.m., the Senate recessed until Monday, September 10, 1979, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate, September 7, 1979:

FEDERAL EMERGENCY MANAGEMENT AGENCY

Gloria Cusumano Jimenez, of North Carolina, to be an Associate Director of the Federal Emergency Management Agency (new position).

SELECTIVE SERVICE SYSTEM

Bernard Daniel Rostker, of Virginia, to be Director of Selective Service, vice Byron V. Pepitone, resigned.

HOUSE OF REPRESENTATIVES—*Friday, September 7, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O give thanks to the Lord, for He is good; His steadfast love endures forever.—Psalms 118: 1.

We give thanks, O Lord, for all those people who surround us with their love and affection, whose encouragement and faithfulness enables us to live each new day. With all the necessary duties before us and tasks to accomplish, help us to live in appreciation for those who give joy and peace to our lives.

Above all, cause us not to forget the perfect love that You have given to each person, available to sustain and give strength, to heal, and to reconcile us with others. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE FEDERAL ARTIST ON PBS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I take this occasion to inform my colleagues of an important television program that will be broadcast on the Public Broadcasting System, channel 26, this Sunday, September 9 at 6 p.m.

Entitled "The Federal Artist," the program explores the largest federally funded jobs program for artists in the Nation, the New York City CETA artists project. In addition to creating a composite portrait of the Federal artist, it examines the effects the CETA program has had on artists and the people who share their art with them.

The program shows many of these artists teaching or performing for the poor, the sick, the institutionalized—people for whom art is usually inaccessible. One artist is seen redesigning an aging subway system, another reads her poetry in the south Bronx, a CETA-funded orchestra performs at a hospital in Brooklyn. When an 86-year-old member of a painting class given by one of the artists is asked whether this project is worthwhile, he says, "If it weren't for art, I wouldn't be here."

I urge my colleagues to watch this program as an inspiring example of how Government programs can and do work effectively. Support of artists can benefit and enrich the lives of countless people in addition to assisting the artists, who are, finally, the most important cultural resources our country has to offer.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

INTRODUCTION OF H.R. 5169 HOLDS OUT PROMISE OF SOLAR ENERGY DEVELOPMENT

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, this week I introduced a bill with the distinguished gentleman from New York (Mr. OTTINGER) that will help our Nation develop its solar energy sources in the most timely manner possible. This bill H.R. 5169 will place all solar energy activities, together with conservation and geothermal research, development, and demonstration programs, under one Assistant Secretary in the Department of Energy. This legislation will help overcome the bureaucratic roadblocks that have continued to plague the Department of Energy's solar programs, and allow these programs to be more effectively managed.

Our Nation can no longer afford to suffer from the present, inefficient management of our solar programs. In his recent energy message, the President set a goal of deriving 20 percent of our needs from the Sun by the year 2000. If the Nation is to reach this goal, and to tap the immense benefits offered by solar energy, we believe that we must now strive to remedy the management problems currently plaguing the Department. I believe that this legislation takes one important step in that direction.

I believe that consideration of H.R. 5169 is particularly appropriate now, as the Department begins to receive guidance from the new Secretary of Energy. I urge my colleagues to support this legislation and help our Nation to accelerate the development of our renewable energy resources, and invite cosponsorships.

PROVIDING FOR CONSIDERATION OF H.R. 79, POSTAL SERVICE ACT OF 1979

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 386 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 386

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding that the House resolve itself into Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 79) to amend title 39, United States Code, to provide that the chairman of the Board of Governors of the United States Postal Service be appointed by the President, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. BRADEMAS). The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 386 is the rule providing for the consideration of the bill H.R. 79 on Postal Service reorganization. It is an open rule, providing 1 hour of general debate, and it makes the committee amendment in the nature of a substitute in order as an original bill for the purpose of amendment.

In addition, there is one Budget Act waiver. It is a waiver of section 402(a) of the Budget Act, which prohibits the consideration of any bill authorizing new budget authority for a fiscal year, unless the bill was reported out of committee by May 15 of the preceding year.

There are several sections of this bill that would authorize new budget authority for this fiscal year, so the waiver was necessary to allow consideration of the bill. It is a technical waiver, however, because the Committee on Post Office and Civil Service has agreed to offer a floor amendment to cure the Budget Act violations.

Mr. Speaker, H.R. 79 is a bill that will make several needed changes in the structure and the functioning of the Postal Service. In an effort to make the Postal Service more accountable to the executive and the legislative branches of Government, this bill provides that the Postmaster General will in the future be appointed by the President and confirmed by the Senate. In addition, there are provisions in the bill to establish better congressional oversight and budgetary control over the Postal Service.

Along with the changes in the structure of the Postal Service, Mr. Speaker, there are sections affecting the money the Postal Service has to spend, and the rates that may be set for various classes of mail.

This is important legislation, Mr. Speaker, and I urge the adoption of this resolution in order that the bill might be considered.

□ 1010

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 386 makes in order the consideration of the bill, H.R. 79, the Postal Service Act of 1979. This is an open rule granting 1 hour of general debate which is to be divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service.

The rule provides for consideration of the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. The rule provides for one motion to recommit with or without instructions.

The rule further waives a point of order that might be brought against H.R. 79 for failure to comply with section 402(a) of the Congressional Budget Act, which provides the May 15 deadline for reporting authorizing legislation. Section 4 of the bill extends rate-increase phasing for certain mail. Since this has the effect of authorizing appropriations for the last 3 months of fiscal year 1979, it would violate section 402(a) of the Budget Act. I understand that an amendment to eliminate the authorization for fiscal year 1979 will be offered, thus curing this violation. However, a waiver is necessary to allow consideration of the bill.

H.R. 79 provides for the appointment of the Postmaster General by the President and abolition of the Postal Service Board of Governors. It increases the authorization for public service appropriations and extends the period of adjustment for mailers to pay the increased postal rates which would otherwise rise this year. The bill was ordered reported, with amendments, from the Committee on Post Office and Civil Service on April 25 by a voice vote.

Mr. Speaker, I urge adoption of this rule so that we may proceed to consideration of the bill H.R. 79.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 343, nays 2, not voting 89, as follows:

[Roll No. 448]

YEAS—343

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bevill
Blanchard
Boggs
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Cheney
Clay
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roth
Roybal
Runnels
Russo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—2

Marlenee
Wilson, Bob

NOT VOTING—39

Anderson, Ill.
Barnard
Bellenson
Bethune
Biaggi
Bingham
Bolling
Bonker
Brodhead
Burton, John
Carter
Cavanaugh
Chisholm
Clausen
Cleveland
Clinger
Conyers
Corman
Cotter
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Diggs
Dixon
Donnelly
Early
Edwards, Okla.
Erdahl
Ertel
Evans, Ga.
Fenwick
Flood
Fountain
Fuqua
Gibbons
Goldwater
Heckler
Hinson
Holland
Holt
Hopkins
Ireland
Jenrette
Leach, La.
Levitas
Lewis
Livingston
McCloskey
McDonald
McEwen
Mathis
Mikva
Miller, Calif.
Murphy, Ill.
Murphy, N.Y.
Neal
Nelson
O'Brien
Patterson
Pritchard
Pursell
Richmond
Roberts
Rose
Rousselot
Roybal
Rudd
Sabo
Santini
Slack
Smith, Iowa
Spellman
Stark
Symms
Treen
Udall
Ullman
Vander Jagt
Wampler
Waxman
Weaver
White
Williams, Ohio
Wolff
Wright
Young, Alaska
Young, Mo.

□ 1020

The Clerk announced the following pairs:

Mr. Wright with Mr. Vander Jagt.

Mr. John L. Burton with Mr. Anderson of Illinois.

Mrs. Chisholm with Mr. Bethune.

Mr. Jenrette with Mrs. Fenwick.

Mr. Murphy of Illinois with Mr. Lewis.

Mrs. Spellman with Mr. McCloskey.

Mr. Cotter with Mr. McEwen.

Mr. Murphy of New York with Mr. Livingston.

Mr. Biaggi with Mr. O'Brien.

Mr. Fountain with Mr. Cleveland.

Mr. Gibbons with Mr. Edwards of Oklahoma.

Mr. Fuqua with Mr. Deckard.

Mr. McDonald with Mr. Philip M. Crane.

Mr. Nelson with Mr. Erdahl.

Mr. Bingham with Mr. Hopkins.

Mr. Dellums with Mr. Rudd.

Mr. Wolff with Mr. Young of Alaska.

Mr. Levitas with Mr. Pritchard.

Mr. Dixon with Mr. Rousselot.

Mr. Early with Mr. Symms.

Mr. Barnard with Mr. Pursell.

Mr. Holland with Mr. Wampler.

Mr. Ertel with Mr. Goldwater.

Mr. Evans of Georgia with Mr. Williams of Ohio.

Mr. Bellenson with Mrs. Holt.

Mr. Brodhead with Mrs. Heckler.

Mr. Bonker with Mr. Carter.

Mr. Conyers with Mr. Daniel B. Crane.

Mr. Mikva with Mr. Clinger.

Mr. Miller of California with Mr. Hinson.

Mr. Neal with Mr. Davis of South Carolina.

Mr. Corman with Mr. Donnelly.

Mr. Roberts with Mr. Ireland.

Mr. Richmond with Mr. Leach of Louisiana.

Mr. Patterson with Mr. Rose.

Mr. Santini with Mr. Sabo.

Mr. White with Mr. Young of Missouri.

Mr. Ullman with Mr. Waxman.

Mr. Slack with Mr. Udall.

Mr. Mathis with Mr. Roybal.

Mr. Cavanaugh with Mr. Smith of Iowa.

Mr. Stark with Mr. Clausen.

Mr. Weaver with Mr. Diggs.

Mr. YATES changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMERICA HAS NO POLITICAL PRISONERS

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, the commutation of sentence to time served, by President Carter, of Lolita Lebron, Irving Flores, Rafael Cancel (for shooting Members of Congress) and Oscar Collazo (Truman attempt) for humanitarian reasons dispels any doubt that these individuals were kept in jail for political reasons. These people were convicted for their criminal conduct and not for their political beliefs and by serving over 25 years in prison they have been sufficiently punished. Their release in spite of their political beliefs, is the best evidence that in the United States of America we do not have political prisoners. President Carter has acted for humanitarian reasons and this is another clear indication of his commitment to the cause of human rights. I trust that the four prisoners will exercise their regained freedom in a manner consistent with peace and order in a democratic society and I wish them well when they rejoin their families. I had urged President Carter to take this action in a meeting on March 1, 1977. The President's action deserves my support and admiration. There is a time to punish and a time to forgive.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. CORRADA. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from Puerto Rico for his statement and for his support of this initiative. I join in commending the President for undertaking this humanitarian gesture.

In like manner, I hope that President Fidel Castro will honor the promises he made to our congressional delegation which visited with him in January of this year, at which time he stated that when the United States undertakes a humanitarian gesture releasing Puerto Rican prisoners, that he would entertain a reciprocal humanitarian gesture and release the American prisoners presently being held in the Cuban jails, some of whom have been imprisoned for as long as 15 years.

I thank the gentleman for yielding.

□ 1030

COMMUTATION OF SENTENCE BY PRESIDENT CARTER OF LOLITA LEBRON, IRVING FLORES, RAFAEL CANCEL, OSCAR COLLAZO

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, the action of the President in releasing the prisoners meets with my approval. I was one of the few Members of the House who are now sitting who was here at the time that this very unfortunate incident occurred. I remember it very vividly. I remember the Members of the House who were wounded at the time.

Nevertheless, I do think that enough time has elapsed, sufficient imprisonment has occurred that if these people are ever to be rehabilitated they have been rehabilitated. I would hope when they go back to Puerto Rico they will behave as citizens of the United States should behave and that they will recognize the fact that our Government has treated them with great leniency and clemency.

Believe me, they were not political prisoners. I was here. I heard the bullets ricochet. There were bullets fired, there were people wounded. In any other country these people would have been executed as terrorists.

COMMUTATION OF SENTENCE BY PRESIDENT CARTER OF LOLITA LEBRON, IRVING FLORES, RAFAEL CANCEL, OSCAR COLLAZO

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, I would like to praise President Carter for his courageous decision yesterday regarding the release of the Puerto Rican Nationalist prisoners. He had the humanity to conclude that no purpose would be served by continuing the sentences of the four remaining prisoners.

While the release of the prisoners was not conditioned on the release of several Americans who are being held in Cuba, I hope that Fidel Castro will acknowledge the significance of the President's act by releasing the American prisoners.

I also would like to take this opportunity to commend Attorney General Benjamin Civiletti for his efforts. It was Mr. Civiletti's efforts as Assistant Attorney General that made possible an honest review of all the data. I appreciate his careful analysis of the circumstances, and his decision to make a favorable recommendation to the President.

Many people have worked for a great number of years, and for a variety of reasons, toward the goal of seeing the Nationalists freed. Among those who deserve mention, and there are a great many, are their attorneys and the American Civil Liberties Union's National Prison Project. My primary motivation in pressing for the release of these Puerto Ricans for well over a year now, was that they be able to join their families. None of us can really imagine what it would be like to be separated from our loved ones for over 25 years.

Many Members of Congress joined my efforts to persuade President Carter to grant Lolita Lebron, Rafael Cancel Miranda, Oscar Collazo, and Irving Flores Rodriguez a commutation of sentence. I would like to express my sincere appreciation to them. They have helped make possible this historic moment.

Oscar Collazo, a man now in his sixties, lived in my building when I was a young boy. It is particularly rewarding to me to have been able to participate in the process of securing his release, because of the memory I have of those days.

It is my own personal wish that the balance of the lives of these four Puerto Ricans be spent in peace and happiness.

POSTAL SERVICE ACT OF 1979

Mr. CHARLES H. WILSON of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 79) to amend title 39, United States Code, to provide that the Chairman of the Board of Governors of the United States Postal Service be appointed by the President, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CHARLES H. WILSON).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 341, nays 3, answered "present" 2, not voting 88, as follows:

[Roll No. 449]

YEAS—341

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Cheney
Clay
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roth
Roybal
Runnels
Russo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vanik
Volkmer
Walgren
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—3

Lloyd
Mitchell, Md.
Wilson, Bob

ANSWERED "PRESENT"—2

Conable
Duncan, Oreg.

NOT VOTING—88

Alexander
Anderson, Ill.
Barnard
Bellenson
Biaggi
Bingham
Boggs
Bolling
Burton, John
Carter
Cavanaugh
Chisholm
Clausen
Cleveland
Clinger
Conyers
Corman
Cotter
Crane, Daniel
Crane, Philip
Davis, S.C.
Deckard
Dellums
Diggs
Dixon
Dodd
Donnelly
Early
Eckhardt
Edwards, Okla.
Erdahl
Ertel
Fenwick
Flood
Ford, Mich.
Forsythe
Fuqua
Gibbons
Hall, Ohio

Heckler	Nelson	Symms
Hinson	Patterson	Treen
Holland	Purnell	Ullman
Holt	Richmond	Vander Jagt
Ireland	Roberts	Vento
Jeanette	Rodino	Walker
Leach, La.	Rosenthal	Wampler
Levitas	Rousselot	Weaver
Lewis	Roybal	Williams, Mont.
Livingston	Rudd	Williams, Ohio
McCloskey	Sabo	Wolff
McEwen	Santini	Wright
Mathis	Simon	Wylie
Mikva	Slack	Young, Alaska
Miller, Calif.	Smith, Iowa	Young, Mo.
Murphy, Ill.	Spellman	
Murphy, N.Y.	Stark	

□ 1040

Mr. LLOYD changed his vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 79, with Mr. DE LA GARZA in the chair.

□ 1050

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. CHARLES H. WILSON) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am going to yield at this time to the gentleman from Illinois (Mr. DERWINSKI) and then I will yield myself time as soon as that is completed.

Mr. DERWINSKI. I thank the gentleman, and I appreciate the courtesy of the gentleman from California.

Mr. Chairman, it is with great honor, pleasure, and privilege that I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

(By unanimous consent, Mr. RHODES was allowed to speak out of order.)

RUSSIAN FORCES IN CUBA

Mr. RHODES. Mr. Chairman, I first want to thank my good friend, the gentleman from California (Mr. CHARLES H. WILSON) for his courtesy which I deeply appreciate, and I want to thank my good friend, the gentleman from Illinois (Mr. DERWINSKI) whom I also appreciate.

Mr. Chairman, the administration's handling of the Cuban affair raises serious national security questions that demand honest answers.

If the CIA took 2 years to verify guns, tanks, and troops in Cuba, 90 miles off our shores, how can we ever hope to verify SALT II provisions half a world away?

Why was the Cuban information released now? And why through a Senator who happens to be in reelection trouble, instead of by the Commander in Chief? Is the State Department now providing classified information to beleagured Democrat officeholders for their survival?

This is reminiscent of the Cuban missile crisis of the sixties, when the Spanish newspapers in New York had carried stories of missiles in Cuba for months before the Government conveniently discovered them, 2 weeks before the November elections. Are we seeing a rerun?

If, as some sources claim, the Government knew about Russian forces in Cuba 2 years ago, why was this information withheld from the public? Why have these Russian soldiers suddenly been upgraded to combat troops?

Where are they stationed? How long will they stay?

In other words, we have either a monstrous manipulation, gross negligence, or a coverup of dangerous incompetence. The American people have a right to know the truth about this crisis.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I have all kinds of requests from Democrats who want to respond, but I think we had better proceed with the legislation.

Mr. Chairman, I yield such time as he may require to the chairman of the Committee on Post Office and Civil Service, the distinguished gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I want to commend the Chairman, the gentleman from California (Mr. CHARLES H. WILSON) and the members of his subcommittee for their excellent efforts and association with H.R. 79.

Mr. Chairman, for the fourth time since the enactment of the Postal Reorganization Act just nine summers ago, the Committee on Post Office and Civil Service has reported legislation designed to improve upon the system for operating the U.S. Postal Service which was established by that organic law. In the summer of 1970, advocates from both sides of the aisle rallied around the concept of reforming the Postal Service in order to improve its performance, reduce its costs, and remove partisan political factors from its personnel system. Since that time, the Postal Service has managed to operate with a great deal of political and administrative flexibility and independence. Congress approved Public Law 94-421 in 1976 to shore up the financial condition of the Postal Service by appropriating $1 billion to pay off a portion of its accumulated debt, but no other fundamental changes have been approved by Congress.

That is remarkable, particularly because there is general agreement that certain basic changes should be made. Yet, although postal experts from all over the Nation have supported some or all of these changes, the Postal Service itself and the presidential administrations in power have turned a deaf ear.

Perhaps the best example is in the appointment of the Postmaster General. When Jimmy Carter was a candidate in 1976, he advocated that the Board of Governors of the Postal Service be abolished and that the President appoint the Postmaster General. But when Jimmy Carter became President Carter, however, he reversed his position to urge that the Board of Governors be retained but that the Postmaster General be appointed for a fixed term of years. Since then, the President has again changed his position to oppose any change whatsoever.

This issue exemplifies the basic problem we face, and that is that no one outside the Postal Service is willing to accept the responsibility. That is not true of any other executive agency of the U.S. Government. The President is ultimately responsible for American foreign policy and all of the executive functions of all of the departments and agencies in the executive branch. But in the case of the Postal Service, the President has never designated anyone in the White House and said,

> Here is my man on postal policies; he speaks in my behalf and what he says is the position of Jimmy Carter on postal issues.

Instead, the President has sent two or three different members of his staff to testify before our committee and they have arrived, after lengthy delay and limited preparation to say, generally, that they think things are going along all right and they do not see any need for change right now.

Even the administration's energy policy is clearer than that.

Our committee has attempted to establish policy by revising some of the most significant provisions of the Postal Reorganization Act. Last year, after extensive deliberations, based in part on the recommendations of the National Commission on Postal Service which Congress created in 1976, the House approved several significant changes. We voted overwhelmingly to increase the public funds available to the Postal Service to guarantee the preservation of door delivery, Saturday delivery, and the continuation of small post offices. We voted to abolish the Board of Governors and vest in the President the authority to appoint the Postmaster General, with the advice and consent of the Senate. We voted to revise the method of assigning costs for ratemaking purposes. President Carter, through his Domestic Policy Staff Director, Stuart Eizenstat, agreed to the increase in the public service appropriations. But this year, just a year later, the President no longer sees the need for increased public service appropriations.

The fact is, this administration does not have a postal policy, and the only way to get the President—and I do not mean to single out President Carter, because I think that the independence of the Postal Service from the Chief Executive creates the problem—to accept the responsibility to have a postal policy and lend the power, prestige, and responsibility of his office to the postal system, is to give him the legislative responsibility as the political leader of the Nation, for the Postal Service's operations, successes, and failures.

So long as the President can stand aside and say I am not responsible for the Postal Service, he will do so. He has the perfect excuse. He does not appoint

the Postmaster General and he is not responsible for the Postal Service. Experience has demonstrated that we made a mistake in 1970 when we divorced the leadership of the Postal Service from direct responsibility to the Chief Executive. Because that independence fostered indifference. The Postal Service is not a very sexy political subject. Few votes one way or another result from its success or failure; nevertheless, it is a lifeline in American commerce, industry, and society without equal.

But in 1970, we erred to set the Postal Service outside the political system. In our desire to respond to public criticism of political appointments dominating the old postal system, we failed to take into account that any government institution is a political system and that the best way to respond effectively in a republican form of government is to insure that the elected representatives of the people have some control over these institutions.

The Postal Service, over the next few years, will face many problems. The impact of electronic communications and the transmission of financial data by means other than mail is unknown. The decline of paper as a principal means of communicating ideas is unknown. The development of television as a medium of household communication and commercial advertising is in the elementary stages of experiment.

All of these developments could have an enormous impact upon the volume of mail. If volume, particularly first class volume, fails to grow as the economy expands and the population increases, the inevitable result will be the necessity for substantial rate increases, service reductions, increased subsidies, or combinations of these. Unless the impact of these changes are considered by the Congress, the people will have no opportunity to determine how these challenges will be met. It may be that an astute and foresighted Postmaster General, such as Bill Bolger, can anticipate and resolve many of these problems. But regardless of his ability, or any Postmaster General's ability, the system is not functioning as it should if the voice of the people is not predominant in determining public policy.

Electronic communications is a good example. Recently, Postmaster General Bolger announced a bold and foresighted program with which I generally agree, for the development of an electronic communication system operated by the Postal Service. I commend him and President Carter for that proposal, but it just as easily could have gone the other way. Postmaster General Ben Ballar, for instance, gave every indication during his tenure in office that he was opposed to the Postal Service playing a role in electronic communications, even though he had the facts before him that the Postal Service as a means of communication will undoubtedly decline in the years ahead. Such policy decisions should not be left to individuals who are not required to respond directly to the people.

In developing H.R. 79, the committee has taken a middle ground. We recommend an extremely modest increase in public service appropriations, a change in the method of appointing the Postmaster General and a handful of smaller changes which will not have a significant impact on postal operations.

The more controversial provisions of H.R. 7700, which failed to pass the Senate last year, have not been included in this bill, but H.R. 79 is a major step in the right direction. It will put responsibility back in the White House, and it will vest in the President the political responsibility which the Founding Fathers thought appropriate for all executive functions. Once that step is taken, other issues, how postal costs are distributed, the role of electronic communications, the maintenance of small post offices where they are not self-sustaining and other significant issues can be reexamined. But this legislation should be approved first so that those developments can take place under conditions where the White House can no longer avoid principal responsibility for postal policies.

In last Sunday's New York Times, Ernie Holsendolph wrote a front page article on the projected $400 million surplus of the U.S. Postal Service for fiscal year 1979. No one is more pleased by this announcement than I. As chairman of the committee and as a member of the committee ever since postal reorganization, I have looked forward to the day when the deficits of the early years of postal reorganization would finally be a memory of the past. I offer my wholehearted congratulations to Postmaster General Bolger for this great success. He has my respect and my admiration.

But I must allude to my skepticism, that is, how timely that the Times published an article on Sunday, a few days before the bill to authorize additional appropriations for public service is is scheduled to come up on the floor of the House.

And so, in an effort to clarify for my colleagues exactly what this $400 million surplus really is, which may add a perspective to the news, I would like to provide some ground rules for defining a surplus. Unfortunately, a more careful analysis removes some of the glitter from this otherwise shining financial report.

First of all, as the Postmaster General himself pointed out to the Times reporter, the Postal Service already receives $1.8 billion in appropriated funds as part of its total revenue of about $18 billion. Second, regardless of this year's financial picture, the Postmaster General predicts a "deficit of at least $475 million" for fiscal year 1980. So, the surplus, if it exists at all, is the result of congressional appropriations and will have a lifespan about equal to the surplus most of us experience between the time we get a pay check and the time we pay our bills.

There are some deeper-to-reach factors which should be taken into account. Let me mention a few. In the total revenues of the Postal Service, a little more than $60 million for fiscal year 1979 is a result of the necessity to accumulate reserves in order to pay off in the future the costs of worker's compensation claims. The Postal Service charges ratepayers today for the accrued costs of worker's compensation claims which exist today and which will continue for the indefinite future. So, even though the actual outlay in fiscal year 1979 for injury compensation is only about $100 million, the revenues derived to pay claims now and in the future is more than $600 million. The $500 million difference is collected and used to pay other expenses. No fund or segregated account is maintained to preserve that money for future payments. It is spent now. That is $500 million. Without that revenue, the $400 million "surplus" would be a $100 million loss.

Let me go on. The Postal Service also collects $334 million in order to amortize the operating debt which has accumulated since 1971. Now that money is also always used to pay current operating expenses, because since the Postal Service does not receive as much money as it spends, it would be futile—or at least the Postal Service claims it would be futile—to amortize past losses when income is not sufficient to pay current expenses. If that revenue were not available, then the projected "surplus" would be about $65 million instead of $400 million.

Finally, the Postal Service charges, on top of everything else, extra postage in order to provide a "contingency" equal to 4 percent of projected expenditures. In the last postal rate case, the "contingency" was approved at a level of $664 million. That means that if the Postal Service gets and spends as much money as it plans, it will have $664 million left over. But the Postal Service never figures correctly for a variety of reasons, and as a result, the contingency has always been gobbled up. So when the Postmaster General says he will have a surplus of $400 million, he is in fact saying that his costs are only $264 million greater than all revenue, including the worker's compensation fund and accumulated past losses.

In other words, if he spends about $1.1 billion more than operating expenditures are actually projected to be, and if he gets about $1.5 billion more than operating revenues are required to be, then he will have a surplus of about $400 million. The only method of accounting which really explains all this would be one developed by Lewis Carroll.

Claiming a surplus to help fight off legislation which reasserts the constitutional authority of the President and Congress over postal operations is a reasonably legitimate political tactic, and I have no complaint about the Postmaster General's politicking in the Times. But I believe the principle is wrong. I believe that the Congress and the President should exercise a greater role in the affairs of the postal system than the present law has established. I urge the House to support the enactment of this legislation to accomplish that objective.

□ 1100

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding. I want to compliment the distinguished chairman of our committee, the gentleman from New York (Mr. HANLEY), as well as the gentleman from California (Mr. CHARLES H. WILSON) and the ranking minority member, the gentleman from Illinois (Mr. DERWINSKI) for bringing this measure to the floor at this time. I hope that our efforts in the House are not futile and that the Senate will display the same amount of diligence in trying to improve our postal system.

Mr. Chairman, I rise in support of H.R. 79. However, as the ranking minority member of the Subcommittee on Postal Personnel and Modernization, one of the two postal subcommittees to which H.R. 79 was referred, I wish to stress my concern for the manner in which the Postal Service handles certain financial aspects of its operations and to indeed note my understanding of what constitutes the major thrust of H.R. 79.

By increasing the Postal Service's public service appropriation by $272 million in fiscal year 1980, $464 million in fiscal year 1981, and $656 million in fiscal year 1982 and thereafter, we are committing to the Postal Service a considerable chunk of scarce taxpayers' dollars. It is not without some trepidation and questions that I view this stepped-up flow of funds to the Postal Service.

A recent front page article of the New York Times hailed the Postal Service's first revenue surplus, anticipated at $400 million, since 1945. While the Postal Service is to be complimented for this year's fiscal prowess, it was considerably dismaying to read further in this article the Postmaster General's prediction that the Postal Service would incur a defecit next year "ranging anywhere from $475 million to a billion dollars."

This surplus-deficit seesaw is just one disturbing aspect of the Postal Service's financial picture. Oversight hearings held by our committee on the Postal Service's budget continued to reveal an enigmatic system of financial and budgetary guidelines, criteria, and postures which can variably show the Postal Service to be either financially landing on all fours or lying flat on its back.

The existence of a cash balance account, in essence a slush fund, which can range in amount from slightly over $1 to $3.9 billion, and an investment account of almost $1 billion are further dubious facets of the Postal Service's financial posture.

In light of these findings, it becomes unmistakably clear that the increased public service subsidy to the Postal Service which H.R. 79 provides, must be better tailored to stabilize our Nation's postal system, to provide a cost-effective rate structure and should be closely monitored by our House Postal Service Committee. These findings demonstrate the need for a vigilant congressional oversight to assure that the Postal Service's financial framework is capable of supporting an efficient postal system that our Nation deserves and demands.

Concerning a related matter, I would urge my colleagues to support the amendment offered by the gentleman from Missouri (Mr. TAYLOR), also a member of the committee, concerning appointment of hometown postmasters. Passage of this amendment also would bring us a considerable step closer toward achieving the efficient postal system we are seeking.

Accordingly, Mr. Chairman, with these points in mind, I urge my colleagues to support H.R. 79.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Chairman, I rise in support of H.R. 79, the postal reform bill. As chairman of the Subcommittee on Postal Personnel and Modernization we share jurisdiction of this legislation with the Subcommittee on Postal Operations and Services, chaired by my colleague, CHARLES H. WILSON of California.

Our subcommittees together considered the merits of H.R. 79 and the need for postal reorganization. I wholeheartedly support this bill. I would however like to direct my remarks to the two sections of H.R. 79 over which my subcommittee has direct jurisdiction—section 2, the executive structure of the Postal Service, and section 9, which keeps intact the collective bargaining agreements.

Section 2 abolishes the Board of Governors, provides for appointment of the Postmaster General by the President—subject to Senate confirmation, and gives the postal rate commission the authority to make final decisions on rates, fees, mail classification, and other quasi-judicial matters now decided by the Board.

The concensus of witnesses testifying before our subcommittees was that the Board of Governors—created by the Postal Reorganization Act of 1970 to set postal policies, to direct and control the Postal Service's expenditures, and to review the practices and policies of the Postal Service—is a part-time, ineffective, rubberstamp for the Postmaster General. It is not accountable to the public or to the Congress.

Criticism also centered around the fact that the Postmaster General, who is appointd by the Board and sits as one of its members, is insulated from public accountability.

Past and present administrations have taken little interest in postal policy. The present administration has permitted several vacancies to exist on the Board of Governors.

One way to insure that the Postal Service receives proper attention is to provide that the Postmaster General be appointed by the President, subject to Senate confirmation. By taking this important step—while abolishing the virtually useless Board of Governors—Postal Service management will be brought back into Presidential administration. For the past several years the Post Office and Civil Service Committee has recommended—and the House has approved—legislation to abolish the Board and to require that the President appoint the Postmaster General with the advice and consent of the Senate.

Section 9, which had unanimous approval from all witnesses appearing before the subcommittees, merely provides that nothing in this act affects any collective bargaining agreement in effect on the date of enactment, impairs the Postal Service's authority to bargain collectively, or impinges upon any future collective bargaining agreement.

I support the increased authorization for public service appropriations contained in H.R. 79. The break-even concept envisioned by Congrss in 1970 is unrealistic as many of us realise. Increased public service funding is necessary to keep the Postal Service a viable agency. While the present Postmaster General says that the Postal Service is in good financial state, pointing to a projected surplus in revenues this year, one only needs to see that he forecasts a sizable deficit next year.

In order to insure that the present level of services is maintained, an increase in authorization for public service appropriations is necessary. H.R. 79 insures that these appropriations must be used to keep first class rates as low as possible.

In addition, H.R. 79 provides for increased congressional scrutiny of the Postal Service by requiring the Postal Service to submit an annual report on its research and development efforts to the appropriate congressional committees. H.R. 79 also requires the Postmaster General to submit an annual report to the President and the Congress by February 15 of each year which includes the expenditure of the public service appropriation for the preceding fiscal year and the projected expenditure for the current fiscal year.

Our committee intends to do our part in insuring a national postal system which emphasizes quality service as its priority. I urge my colleagues to help us in this endeavor by supporting passage of H.R. 79 as reported to the House by the committee.

□ 1110

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. CORCORAN) who has contributed greatly to this legislation.

Mr. CORCORAN. Mr. Chairman, first of all, I would like to thank the ranking minority member of the full committee for yielding time and suggest that what I would like to do with my time, in addition to indicating my wholehearted support for H.R. 79, is to put the legislation in some perspective.

Several years ago Congress attempted to remove itself and the President of the United States from mail problems. After a debate that continued through two administrations, both Democratic and Republican, Congress passed the Postal Reorganization Act of 1970. This was signed into law and was designed to make the new U.S. Postal Service independent. The idea was that by removing the postal system from political influence and running it "like a business," mail costs would go down and services would improve. The intent was excellent and I would have voted for the bill. Unfortunately, as is usually the case, the reality has not quite met our dreams.

It is not that the reorganization has been a failure. It has not. The labor force has been reduced and productivity has increased. In addition, every postmaster selection is no longer a political grabbag—the Postal Service has, to a great extent, been professionalized.

However, costs have also risen and services have been reduced. Since 1971, first-class rates have risen 150 percent, compared with an 87.5-percent rise in the Consumer Price Index. The Postal "Service" no longer offers door-to-door delivery to new neighborhoods; most cities and towns receive only one delivery a day; the Postal Service has been toying with the idea of eliminating the 6-day delivery. We all know the tales.

No, not all of our dreams have been met. The Postal Service has not proven to be the supercorporation in which all services are superb and prices happily low. Indeed, with the law's mandate that the Postal Service come near to breaking even financially by 1984, the Postal Service, just like the rest of us a victim of inflation and increasing energy costs, has been raising rates and reducing services. Thus, the real significance of H.R. 79 is that it raises the basic question, "What kind of postal service do we want next year, and the year after, and after that?"

What about rates, first of all? Do our constituents want to continue to pay the higher rates necessitated by inflation? Under existing law, the subsidy drops 10 percent a year beginning in fiscal year 1980. Unless changed, this would accelerate the rate increases beyond even the 150 percent increases in 1970.

And what will happen to service? 85 percent of all postal costs are labor costs. Face it, the Postal Service is a labor intensive industry. I do not think that there is much room left for reducing personnel without cutting into services, and my constituents are already mad about poor service and high rates.

What we really have here is a question of philosophy. We can insist on pressing for a self-sufficient Postal Service at any price—or we can decide that there are times when the investment is worth the result. In this case, the result is the maintenance of the best universal postal system in the world, a postal system that enables any American to communicate with whomever they wish—family, friends, Members of Congress—and at a price that is affordable.

I believe that we, as a nation, should have an inexpensive comprehensive system of communication available to everyone, and I feel that the investment asked by this bill is well worth the benefit to be gained.

The price for this universal mail system is a small increase in subsidy, and I offered an amendment that was adopted in committee that would target that increase toward keeping first-class mail rates as low as possible. In addition, I offered another amendment that was accepted that would for the first time require the Postal Service to delineate by function the projected expenditure of the public service subsidy for the coming fiscal year and to account for the actual expenditure of the previous fiscal year's public service funds.

Finally, an amendment that I offered in committee was adopted that would eliminate one of the biggest barriers to a publicly responsive postal service that the Postal Service faces at this time. It would eliminate the Board of Governors and save us taxpayers more than $100,000 annually. The Board of Governors is an exclusive, expensive, and unqualified rubberstamp body. It provides the President with a few more political appointments and its sole real responsibility is the appointment of the Postmaster General. This bill would eliminate the Board and make the President directly responsible for the appointment of the Postmaster General. This does not insert politics where there was none. It makes the existing politics responsible to the public.

H.R. 79 is a much-needed perfecting measure. It retains the best of the Postal Reorganization Act of 1970, but it incorporates the wisdom of the last 9 years. I would strongly urge my colleagues to vote in favor of this bill without major amendments and in favor of better postal service for the people of this country.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Chairman, I rise in support of H.R. 79.

I would like to join my colleagues in saying that this legislation has been a long time in reaching the floor, not only in this Congress, but in previous Congresses, during which under the leadership of the chairman, the gentleman from California (Mr. CHARLES H. WILSON) and the gentleman from New York (Mr. HANLEY), a great deal of time and effort has been put into the fashioning of this legislation. Anyone who suggests that it has anything unnecessary in it or that it is in any way fat or wasteful is being, indeed, extremely unfair, if not reacting from bad information.

□ 1150

The chairman has worked on this legislation for several years. Every interest that could possibly be heard has been heard, and the committee has worked its will.

As nearly everyone knows, the Postal Service—despite its recent successes during the term of Postmaster General Bill Bolger—is a troubled agency. It is troubled financially, in terms of employee morale, and in the quality of the service it provides—and sometimes fails to provide.

As Chairman HANLEY so effectively demonstrated, the much heralded $400 million surplus the USPS expects this year is a mirage. The Postal Service has an accumulated debt of $4.6 billion, a debt that grows larger by the hour. Next year, the "surplus" announced in the pages of the New York Times will vanish, replaced by a deficit of $500 million. And in case anyone fails to understand the real life effects of these debts and deficits, Postmaster General Bolger guarantees that the USPS will ask for new rate increases to take effect in 1981.

Despite these figures, postal rates have increased phenomenally since the enactment of the Postal Reorganization Act of 1970. For example, the book rate has increased 450 percent, and if H.R. 79 is not passed in its present form, will increase even further. Moreover, the traditional services provided by the Postal Service have deteriorated steadily. Thousands of street letter boxes have been eliminated, collection schedules have been vastly restricted, delivery to residential communities has been cut in half. And as we all know, the Postal Service has campaigned relentlessly to reduce the number of post offices serving rural areas.

H.R. 79 will not solve all of the Postal Service's problems, but it will go a long way toward restoring the public's confidence in and control over the post office, reviving the notion that the postal function is a public service first and foremost, and returning the Postal Service's financing to a system that reflects its public service function.

I would like to express my special support for three particular provisions of H.R. 79. Section 2, which provides for the appointment by the President of the Postmaster General and Deputy Postmaster General, abolishes the Postal Board of Governors, and transfers their functions to the Postmaster General, is critical for the health of the Postal Service. The present structure of the postal hierarchy serves, as Postmaster General Bolger testified, to insulate the Postal Service from the political process. Mr. Bolger sees this insulation as a positive thing. I see this insulation as a negative thing.

Why should the Postal Service be insulated from public input? Why should the Postal Service not be responsive to the criticisms, demands and needs of the people? Why should the elected officials of this country, and especially the President of the United States, not be accountable for the successes and failures of this vital public agency?

It has been a source of continual frustration to many of us for the last 9 years that, in fact, the Postal Service has been accountable to no one and that no elected official would take responsibility for its functions or financial health. At last, with the passage of this bill, we will return control of the Postal Service to the people and the democratic political processes which apply to every other important public agency.

The financial aspects of this bill are equally important. Section 5, which extends the phasing of rate increases, will protect the publishing industry from the sudden shock of massive rate increases ordered since 1970. Without this phasing, the viability of many of our Nation's newspapers, libraries, and book publishers would be in jeopardy.

The moderate increase in the public service appropriations called for in H.R. 79 are far less than the $2½ billion in outlays which the Postal Service actually makes each year for functions which are purely public services and not attributable to any group of mailers. Among these services are 6-day delivery, the maintenance of rural post offices, and delivery to the door of most households.

While the increased appropriations in

H.R. 79 is inadequate, it is a first symbolic step away from the wrongheaded break-even approach to postal financing which has prevailed since 1970.

Finally, I would like to call attention to my own amendment to title 39, contained in section 8 of H.R. 79. Section 8 would do several things to help the libraries and educational institutions of our country. First, it would correct the absurd misinterpretation of present law perpetrated by the Postal Rate Commission and extend the library rate to books sent from libraries and educational institutions, as well as books sent to them. Second, it would make clear that all libraries and not just public libraries, are eligible for this library rate. Finally, it would enable these institutions to send and receive additional materials, including book catalogs, teaching aids and science kits under the special reduced rate.

Plainly, all of these changes in the law as presently misinterpreted by the USPS would serve to strengthen our educational institutions and further the literacy and knowledge of our people.

Once again, I commend Chairman WILSON and Chairman HANLEY for all their efforts on behalf of this worthy legislation. I hope the House will support this bill.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I rise in support of H.R. 79 less because of the problems it solves than because of the problems it does not create. Those Members of Congress who have had the pleasure of serving more than one term might remember a bill in the last Congress numbered H.R. 7700. The bill before us today is like a bicycle while H.R. 7700 was like a Lincoln limousine, with power windows, seats, and cruise control. A lot of interest groups would have ridden in better style in H.R. 7700, but H.R. 79 will get us there all the same.

H.R. 79 makes one very important reform: it makes somebody accountable for the efficiency and effectiveness of the U.S. Postal Service. The bill provides for Presidential appointment of the Postmaster General. Just as Jimmy Carter was appropriately held accountable for the actions or inactions of Secretary Schlesinger, this bill would provide that President Carter or whoever would be accountable for the actions of his or her Postmaster General. This possibility of political liability should, by itself, raise the consciousness of the administration about the problems of the Postal Service. Ultimately, it could result in the solving of some of those problems.

The big problem H.R. 79, unlike its predecessor, does avoid is in the area of ratemaking. The managers of the U.S. Postal Service have a peculiar lapse when it comes to allocating costs to the class of service which incurred the cost. Now, some say that this is because the managers of the Postal Service have only scant knowledge of how to run a business. Others charge that the big mailers, like Reader's Digest and Time, Inc., profit handsomely from a low level of attributable costs and that the Postal Service is serving its best customers. H.R. 7700, last Congress, would have ratified this form of creative accounting. H.R. 79, before us today, is mercifully silent on the issue.

H.R. 79 will keep the U.S. Postal Service operating for the next 3 years with a somewhat slower increase in postage rates than would have been the case without the increased subsidy. The Post Office is a constitutionally mandated Government function which I believe should be preserved and strengthened. H.R. 79 will keep the patient alive for another few years. Open heart surgery is still needed to allow the U.S. Postal Service to lead a healthy and useful life.

So, Mr. Chairman, I think this is a real beginning. I hope the other body and the White House will not ignore this legislation. I hope the legislation is passed. Nobody can say it is too complex or too difficult. It is a beginning to try to get someone who really has some responsibility to look at the Postal Service and hopefully get it back doing what it is supposed to be doing, which is delivering the mail.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Colorado (Mrs. SCHROEDER) so that I may engage in a short dialog with her.

Will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I would like to assure my good friend, the gentlewoman from Colorado (Mrs. SCHROEDER), that the Senate has shown great interest in postal legislation this year. They have already had votes in committee and on the floor affecting items that are in this particular bill. I think this is the year when we are going to see action from the Senate.

Mr. Chairman, I am happy that the gentlewoman is pleased with the bill, and that we are going to get the type of support that I think we need from the Senate at this time.

Mrs. SCHROEDER. Mr. Chairman, I think we do have the other body's support because the gentleman from California has been staying on the job and biting at their ankles or whatever he has been doing. It has been hard to get anyone to focus on these problems. I think everyone wanted to kind of stay away from the Postal Service because they did not want to get blamed for what might transpire.

So I thank the gentleman for staying on the job, and I am delighted to hear that we may finally get something out of both bodies this year and get this situation back under control.

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. COURTER).

Mr. COURTER. Mr. Chairman, I would also like to go on record as congratulating the ranking minority member of the committee, who has done an excellent job, and I also would like to thank the members on the majority side, the gentleman from New York (Mr. HANLEY) and the gentleman from California (Mr. CHARLES H. WILSON). I know they have worked very hard to bring this legislation to the floor. I understand they had great success on the House side last year, but unfortunately the Senate did not concur in their thinking as there was no postal reform bill passed in the 95th Congress.

I would like to join, too, in supporting much or most of this particular bill. I think it talks to or speaks to individual problems that need change and need some concern with regard to the Postal Service. There are many Members who have a great interest in this bill, and we will be hearing from them, I think, during the next half hour and also, I am sure, during the amendment process.

Likewise, I would like to add my statement with regard to the fact that the Postmaster General should be made responsive to Congress. I think he should be placed under the umbrella of the President because otherwise there would be no control.

I also feel that the freezing of the postal rates, particularly on nonprofit organizations, has to be extended and expanded, and I also give my wholehearted support with regard to that issue as well.

As the Members probably know, I have an amendment that is pending. As a matter of fact, I had two amendments that are pending. Both of them have to do with the Postal Service appropriation for public service funding. I have deliberated very seriously about these amendments. I have done some serious thinking in the past 48 hours with regard to these two amendments.

I think one of those amendments is still vital and definitely appropriate. I am going to go forward with the second of my two amendments.

Basically, the first of my two amendments referred to that particular section, section 3, that speaks in terms of increasing the subsidization from the present $920 million to $1.2 billion in fiscal year 1981. H.R. 79, as we know, says that in fiscal 1980 it targets the subsidization of $1.1 billion and then goes on in fiscal year 1981 to $1.2 and $1.3 billion and keeps it at $1.3 billion up to and including the year 1984.

The present law, after reform laws were passed—and that was, I believe, in 1970—actually does the reverse of that and reduces the subsidization to $828 million in 1980 and then it becomes $736 million and $644 million, and so on, until the year 1984, 5 fiscal years from today. With the subsidization under the present law, not H.R. 79 which we will be discussing today, it reduces it to $460 million.

My original amendment really rolled the situation back to the status quo, indicating that with that Postal Service subsidization, they can live with it under that kind of decreased subsidization.

During the past 48 hours I have concluded after talking to many Members, to the majority and minority side, as well as people who are probably more informed than I am when it comes to postal matters, that that severe reduction is not realistic under today's situation and under today's inflation rate.

However, it is my understanding that the Postmaster General is not at this

particular time requesting a subsidy increase, the OMB is not requesting a subsidy increase, and the administration is not requesting a subsidy increase. This bill, in fact, contains a subsidy increase, and these entities, these bodies, these organizations are not in fact requesting one.

So, therefore, I am going to go forward, when I have an opportunity, with my second amendment. That second amendment simply says that the subsidy today of $920 million is a significant subsidy, more in fact than the Postmaster General is requesting, and that that subsidy should stay $920 million for the foreseeable future, in fact during the next 4 to 5 years.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I am not going to argue the merits of the amendment at this time, but I would hope that the gentleman will use some expression other than "rate increase."

Mr. COURTER. I am sorry.

Mr. CHARLES H. WILSON of California. I would hope the gentleman would use some other term for the increased subsidy that we hope to have included in the legislation.

Mr. COURTER. Mr. Chairman, I thank the subcommittee chairman, the gentleman from California (Mr. CHARLES H. WILSON), and when I revise and extend my remarks, perhaps I can correct that oversight. Obviously I am talking in terms of a subsidization increase, a postal appropriation increase, or a public service rate increase. I thank the gentleman for his suggestion.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in support of this bill.

I am particularly concerned with and encouraged by language which appears on page 6 of the committee report which relates to section 5 of the bill having to do with rates charged to small newspapers and rural newspapers. As I understand this section of the bill, local distribution of second-class newspapers and magazines and second- and third-class mailings of nonprofit organizations would be given an additional 4-year period of adjustment, and other newspapers and periodicals of larger circulation may be given an additional 2-year period of adjustment.

I understand that some of the main beneficiaries of this amendment are the hundreds and even thousands of small town and rural newspapers which have small circulations, which are being eaten alive by higher postal rates, and which are losing subscribers in great numbers because their subscription rates are having to go up. In many parts of the country many people have no other access to public information except through these small town and small community newspapers.

□ 1130

I would like to ask the distinguished gentleman from California (Mr. CHARLES H. WILSON) as to just some clarification.

For the additional 4-year period of adjustment for some of these small town and local newspapers, I understand that that is the criteria utilized, the "local distribution."

As I understand "local distribution," generally it means newspapers that have a circulation of less than 5,000 outside the county in which they are located.

As a general proposition, those are most of the newspapers in most of the small counties in the country, and they should be entitled to an additional 4-year period of adjustment to increased postal rates.

Is that a fair and accurate statement of this provision, section 5?

Mr. CHARLES H. WILSON of California. If the gentleman will yield, the gentleman is correct. It has reference to small newspapers that are generally distributed locally within a county. That is the purpose; and those are the types of newspapers that are included in this.

Mr. GLICKMAN. So the kind of paper that might have 2,000 subscribers in a county and may have, at the most, 5,000 outside the county, that typically would be the kind of newspaper that would be entitled to this additional 4-year period of adjustment.

Mr. CHARLES H. WILSON of California. The principal distribution is in the county.

Mr. GLICKMAN. The principal distribution is in the county?

Mr. CHARLES H. WILSON of California. That is correct.

Mr. GLICKMAN. I appreciate the chairman's remarks. I applaud this section of the bill. I wish the periods of adjustment were longer, because citizens in rural America and small communities need these small newspapers very badly.

In many parts of the country, as I said before, this is the only way people have information as to what is happening in the world, is through these small town newspapers, and I hope that they are preserved. I think that this section of the bill goes part way.

Mr. DERWINSKI. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, a funny thing happened to Postmaster General William Bolger this year on his way to guiding the U.S. Postal Service into the black for the first time since postal reorganization. Instead of being asked to tighten his belt like the rest of the Nation's inflationary-harried taxpayers, the Postmaster General was asked to accept additional increased Federal subsidies.

The Postmaster General even took the unusual step of publicly claiming there was no justification for increasing the amount of the subsidy. Unfortunately, his would-be benefactors were unimpressed. Apparently they were sold by that beer commercial which tells us that "more means less." They insisted that the Postal Service take more despite rather firm assurances there would be a $180 million surplus when the books are closed on the current fiscal year. With less than a month remaining, I can tell you that the Postmaster General was overly conservative. From all indications, the surplus will be considerably higher than anticipated.

From a dollars standpoint, what this bill does is increase the amount available for the public service function from $828 million to $1.1 billion for fiscal year 1980; to $1.2 billion for fiscal year 1981; and to $1.3 billion for fiscal year 1982 and beyond.

It also will involve additional expenditures for extended rate phasing for commercial and nonprofit publications. The extended rate phasing proposal is not without complications since the existing subsidy for commercial users terminated last July 6. To suddenly change a rate already in place would pose administrative problems for the Postal Service.

In opposing the key features of this bill, the Postal Service was not without support. The President's budget did not contain funds for the increases programed in H.R. 79. It also drew opposition from the Office of Management and Budget, and the House Budget Committee. The chairman of the Budget Committee is on record that he intends to support efforts to continue funding for the Postal Service at authorized existing levels rather than the prospective increases proposed in H.R. 79.

Personally, I find nothing in H.R. 79 which will improve delivery of the mail and postal efficiency. This is a view also shared by the OMB which said H.R. 79 is "neither an answer to the underlying problems of rising postal costs nor the necessary incentive to the Postal Service to become more efficient."

Mr. Chairman, in the interest of Christian charity and also in the interest of time, I am not going to make many negative comments about this bill.

There are a number of amendments that have been alluded to, the amendment of the gentleman from New Jersey (Mr. COURTER), which I am pleased to support, and the gentleman from Missouri (Mr. TAYLOR) has an amendment which I will be pleased to support. I have an amendment dealing with the policy position on electronic mail, which I will offer, which I think will help the bill.

Having said that, I would like to direct my remarks to the broad question of postal service. I do not want to shock the hundreds of Members present on the floor at this time to point out that, in my opinion, we have an excellent Postal Service.

That is not the normal attitude that Members have and that is not the attitude that many people have toward the Postal Service. But in my opinion, we have a very fine Postal Service. It has improved since the passage of the postal reform legislation, and I think it is a credit to the people of the United States and a great service for the people of the United States.

The present Postal Service is operating at a surplus. It is also handling a record volume of mail and, over the years, it has managed to decrease personnel. That is a great achievement.

I would also like to point out that, in my opinion, postal reform has worked,

not to perfection, because nothing ever works to perfection, but it has basically accomplished its goals, giving us a more modern, more effective Postal Service. It has given us a Postal Service which now has its monetary problems under control. Politics have been removed from the Postal Service. If there is any abuse in the personnel area, it is cronyism. Cronyism is something that is almost impossible to eliminate. But politics, as such, the fix for promotions and appointments, is gone. I personally do not approve of any effort to reinstitute a return to politics. If one remembers how bad the Postal Service was politically before reform that one should resist any effort to restore political considerations.

I would just like to mention one more item, that is the sheer volume in the Postal Service. The Postal Service, hopefully, will be carrying 100 billion pieces of mail in the next fiscal year. That would average out to about 285 million pieces a day. If a few hundred thousand go astray, you have a few hundred thousand complaints. As a result, you do get a certain amount of public muttering about postal service. But the public forgets the millions and millions of pieces of mail that are delivered efficiently and promptly. That, of course, is taken for granted.

One of the reasons for the negative image of the Postal Service has been the behavior of postal union leaders who have been spending too much time telling their members they work for a lousy outfit, when they should be telling their members they never had it so good.

The postal employees are very well compensated. Through their contract negotiations they do better than the average Federal employee. I would hope that they would at this point show enough diplomacy not to kill the goose that lays the golden egg. It now behooves the postal organizations to have a positive attitude toward the Postal Service, to cooperate with the challenges, the responsibilities, the competition, to cooperate in developing a positive image so that the Service will continue to be an effective entity serving the public and a good employer for the 600,000 postal employees.

I would hope that the people who head the postal organizations would spend more time telling their members the good aspects of their service and not use their publications to damn and damn again the management of the Postal Service. This is neither intellectually honest nor a good investment in the future of the postal employees.

Having made these statements, Mr. Chairman, I wish to conclude by commending the gentleman from California (Mr. CHARLES H. WILSON). The gentleman from California has many fine qualities. One of them is that he is a very tenacious gentleman and he struggles year after year to produce monumental legislation of this nature. He faces a few obstacles. There are a few of us who do not always agree with him but, nevertheless, we respect him for the very determined and effective manner in which he prepares for the floor and which he brings to the floor, even when some of my dear friends in the White House are not too enthused about this particular bill. I commend the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 79 represents an attempt to resolve some of the most basic problems facing the United States Postal Service.

It calls for significantly greater accountability for the Service's policies to the President and Congress, and it reaffirms through modestly increased public service appropriations what the American people want and are entitled to, a national postal system which places quality service as its top priority.

Last year the House of Representatives clearly demonstrated its position on this matter of public policy when it voted by 334 to 11 to adopt H.R. 7700, legislation calling for much more extensive and costly changes in postal operations. Unfortunately that bill never reached the Senate floor for a vote, and thus the need to bring this important issue to a vote again.

H.R. 79 represents a very fundamental statement of congressional policy on the Postal Service. Through increased public funding the Service will be able to maintain many services and hold down to some degree the unacceptable upward spiral of rate increases.

Basically, H.R. 79 represents a commitment to maintain a national postal system with convenient local post offices, 6-day home mail delivery, and reasonable rates with emphasis on controlling first-class rates. It will also keep many other mailers in the system rather than having those patrons seek other modes of service. While the modest additional funding will not in itself be enough to solve all the problems of the Postal Service, it will be a clear abandonment of the "break even regardless of the consequences" mandate as interpreted by the Postal Service in the present law, which had the ill-founded assumption that the USPS would pay for itself by 1984.

In the euphoria surrounding the development of the new "businesslike" Postal Service in 1970, the Congress accepted the lofty predictions of postal reorganization proponents and targeted 1984 as the year when the Postal Service would, like magic, "break even"—pay for itself.

Unfortunately the new U.S. Postal Service created by the Postal Reorganization Act of 1970 has not performed the string of monetary miracles which its backers had naively hoped for, quite the contrary.

What we have is a debt-ridden organization which will begin to lose the already inadequate level of public service financing it has received since 1970—$920 million annually—under a formula which will cut that level in half in 5 years.

Despite the rather weak attempts by postal managers to assert that the USPS financial picture is sound, Congress must act promptly if we are to prevent serious deterioration in the Service which the public will find totally unacceptable.

Mr. Chairman, one of the most frustrating aspects of the new Postal Service since its inception resulting from the Postal Reorganization Act of 1970 has been the failure of its top management to understand that while it was given a semi-independent status, the Postal Service was still very much a Federal agency with the responsibility of conducting itself in a manner consistent with general public policy. Among the nightmares of the first years of the new system was the now famous edict by Postmaster General Blount that the postal employees were forbidden to talk to their Congressmen and other elected officials.

While we do have a Postmaster General now who does better understand the proper responsibilities of his position, it is clear that there is, with good reason, a fundamental feeling in the Congress and certainly the Post Office and Civil Service Committee that the USPS must be more accountable. Thus, the Postmaster General has been made a direct Presidential appointee under the provisions of H.R. 79 and the Board of Governors, which ostensibly was designed to set policy but rather has become little more than a rubberstamp for the Postmaster General, is eliminated.

● Mr. ALBOSTA. Mr. Chairman, I rise in support of H.R. 79, the Postal Act of 1979. As a member of the Subcommittee on Postal Operations and Services I participated in all of the discussions of the legislation. I am thoroughly convinced that the passage of H.R. 79 would be a move to insure complete and quality postal service nationwide in the future.

I would also like to particularly compliment the chairman of the subcommittee, CHARLES H. WILSON of California, and the chairman of the full committee, JIM HANLEY of New York. It was only with their hard work and support that this bill has gotten to the floor. They should be commended for their devotion to the continuation of a viable U.S. Postal Service.

H.R. 79 would protect all areas of the country, but in particular, the rural communities that are currently experiencing harsh cutbacks in service. Recently, Chairman WILSON and I held a hearing of the Subcommittee on Postal Operations and Services in my district in Houghton Lake, Mich. The purpose of that hearing was to study rural postal operations. The view expressed in that hearing is that rural services are certainly one of the most important responsibilities of the U.S. Postal Service. These services allow people in small towns and communities across the Nation to be reached where without the USPS, they would not be able to receive normal deliveries.

H.R. 79 would show the American public in both rural and urban areas that the Post Office will remain intact and deliveries will continue regardless of where they live.

I urge my colleagues to support this legislation without any damaging amendments.●

● Mr. HARRIS. Mr. Chairman, I welcome this opportunity to voice my support for H.R. 79, the Postal Service Act

of 1979. First, however, I wish to commend my colleagues, Mr. WILSON and Mr. CLAY, for their hard work and perseverence in moving this important legislation to the floor.

The basic question before this Chamber today is whether or not to maintain a nationwide system for the regular and effective delivery of mail. The Postal Reorganization Act of 1970 was a sincere, but in some ways naive, attempt to address this issue. The time has now come to commit ourselves to a course of action based on what we have learned since the enactment of that law.

Since 1970, two issues of paramount importance have surfaced. The first of these is the degree of public accountability for the chief officer of the Postal Service.

Under the current system, the ruling Board of Governors is substantially insulated from the political process. The intent of section 2 of H.R. 79 is to provide the important "policy link" between citizens and the Postal Service. This would be accomplished by abolishing the Board of Governors which has never proved its cost effectiveness and providing for the appointment of the Postmaster General by the President, subject to Senate confirmation. Rather than serving for an established period of time, the Postmaster General would serve at the pleasure of the President.

The second major issue is the level of public support which is required if the Postal Service is to maintain the current level of services. The increased appropriation in H.R. 79 provides a significant move from the false "break-even" concept of the 1970 reorganization. We have come to realize that significant postage increases would be required to maintain the National Postal System without increased public aid. It has been clearly demonstrated that the increased funding is necessary in order to guarantee the current level of services for all citizens. If we are to continue to provide Saturday mail delivery to our homes, protect our rural post offices and provide the system of postal communication which has been recognized as essential since our Constitution was drafted, we must address the problems which we have encountered in our current system.

I feel that H.R. 79 provides a sound approach to addressing the problems faced by the U.S. Postal Service, and I urge my colleagues to support this proposal.●

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield back the balance of my time.

Mr. DERWINSKI. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 79

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postal Service Act of 1979".

POSTMASTER GENERAL

SEC. 2. (a)(1) Section 202 of title 39, United States Code, is amended to read as follows:

"§ 202. Postmaster General

"The chief executive officer of the Postal Service is the Postmaster General, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President. The pay of the Postmaster General shall be fixed by the President at an annual rate not to exceed the annual rate of basic pay payable for level I of the Executive Schedule under section 5312 of title 5.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 202 and inserting in lieu thereof the following new item:

"202. Postmaster General.".

(b)(1) Section 203 of title 39, United States Code, is amended to read as follows:

"§ 203. Deputy Postmaster General

"The deputy chief executive officer of the Postal Service is the Deputy Postmaster General, who shall be appointed by and serve at the pleasure of, the Postmaster General. The pay of the Deputy Postmaster General shall be fixed by the President at an annual rate not to exceed the annual rate of basic pay payable for level I of the Executive Schedule under section 5312 of title 5.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 203 and inserting in lieu thereof the following new item:

"203. Deputy Postmaster General." .

(c)(1) Section 205 of title 39, United States Code, is amended to read as follows:

"§ 205. General authority of Postmaster General

"The Postmaster General shall direct and control the expenditures and review the practices and policies of the Postal Service and perform other functions and duties prescribed by this title.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 205 and inserting in lieu thereof the following new item:

"205. General authority of Postmaster General.".

(d)(1)(A) Section 102 of title 39, United States Code, is amended to read as follows:

"§ 102. Definition

"As used in this title, 'Postal Service' means the United States Postal Service established by section 201 of this title.".

(B) The table of sections for chapter 1 of title 39, United States Code, is amended by striking out the item relating to section 102 and inserting in lieu thereof the following new item:

"102. Definition.".

(2) Section 204 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(3) Section 207 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(4)(A) Section 402 of title 39, United States Code, is hereby repealed.

(B) The table of sections for chapter 4 of title 39, United States Code, is amended by striking out the item relating to section 402.

(5) Section 409(a) of title 39, United States Code, is amended by striking out "3628" and inserting in lieu thereof "3627".

(6)(A) Section 1001(b) of title 39, United States Code, is amended by inserting "203," after "202,".

(B) Section 1001(d) of title 39, United States Code, is amended by striking out "of the Board or".

(7) Section 1002(a) of title 39, United States Code, is amended by striking out "Governor or".

(8)(A) Section 1005(a)(3) of title 39, United States Code, is amended by inserting "203," after "202,".

(B) Section 1005(d) of title 39, United States Code, is amended by striking out "(other than the Governors)."

(9) Section 1011 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(10) Section 3621 of title 39, United States Code, is amended by striking out "Governors" and inserting in lieu thereof "Postmaster General".

(11)(A) Section 3623(a) of title 39, United States Code, is amended by striking out "make a recommended" and inserting in lieu thereof "render a".

(B) Section 3623(b) of title 39, United States Code, is amended—

(i) by striking out "submit" the first place it appears therein and inserting in lieu thereof "render";

(ii) by striking out "submit to the Governors" and inserting in lieu thereof "render" and

(iii) by striking out "recommended".

(C) Section 3623(c) of title 39, United States Code, is amended by striking out "make a recommended" and inserting in lieu thereof "render a".

(12)(A) The heading for section 3624 of title 39, United States Code, is amended to read as follows:

"§ 3624. Decisions of Commission".

(B) Section 3624(a) of title 39, United States Code, is amended by striking out "recommend" and inserting in lieu thereof "render".

(C) Section 3624(c)(1) of title 39, United States Code, is amended—

(i) by striking out "recommended" the first place it appears therein;

(ii) by striking out "transmit its recommended" and inserting in lieu thereof "render its"; and

(iii) by striking out "to the Governors under subsection (d) of this section".

(D) Section 3624(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission shall determine the date or dates on which the new rates, fees, mail classification schedule, and changes in the schedule shall become effective. The decisions of the Commission shall be final, subject to the provisions of section 3627 of this title, and shall not be subject to approval, allowance under protest, modification, or rejection by the Postal Service.".

(13)(A) Title 39, United States Code, is amended by striking out section 3625 and by redesignating sections 3626 through 3628 (and all references thereto) as sections 3625 through 3627, respectively.

(B) Section 3626 of title 39, United States Code, as redesignated by subparagraph (A) of this paragraph, is amended by striking out "3626 of this title" and inserting in lieu thereof "3625 of this title".

(C) The table of sections for subchapter II of chapter 36 of title 39, United States Code, is amended by striking out the items relating to sections 3624 through 3628 and

inserting in lieu thereof the following new items:

"3624. Decisions of Commission.

"3625. Reduced rates.

"3626. Adjusting free and reduced rates.

"3627. Appellate review.".

(14)(A) The first sentence of section 3627 of title 39, United States Code, as redesignated by paragraph (12)(A) of this subsection, is amended—

(i) by striking out "decision of the Governors to approve, allow under protest, or modify the recommended"; and

(ii) by inserting "under section 3624 of this title" after "Postal Rate Commission".

(B) The second sentence of section 3627 of title 39, United States Code, as redesignated by paragraph (12)(A) of this subsection, is amended by striking out "and the Governors".

(C) The last sentence of section 3627 of title 39, United States Code, as redesignated by paragraph (12)(A) of this subsection, is amended by striking out "or Governors".

(15)(A) Section 3641(a) of title 39, United States Code, is amended—

(i) by striking out "transmit a recommended' and inserting in lieu thereof "render a"; and

(ii) by striking out "to the Governors".

(B) Section 3641(d) of title 39, United States Code, is amended—

(i) by striking out "transmits its recommended" and inserting in lieu thereof "renders its";

(ii) by striking out "to the Governors under section 3624(d) of this title"; and

(iii) by striking out "by the Governors" and inserting in lieu thereof "by the Commission".

(C) The first sentence of section 3641(e) of title 39, United States Code, is amended—

(i) by striking out "transmit to the Governors" and inserting in lieu thereof "render a decision"; and

(ii) by striking out "recommended".

(D) The second sentence of section 3641 (e) of title 39, United States Code, is amended by striking out "transmitted its recommended decision to the Governors" and inserting in lieu thereof "rendered its decision".

(E) Section 3641(f) of title 39, United States Code, is amended by striking out "3628" and inserting in lieu thereof "3627".

(16) The third sentence of section 3662 of title 39, United States Code, is amended—

(A) by striking out "recommended decision which shall be acted upon in accordance with the provisions of section 3625 of this title and" and inserting in lieu thereof "decisions"; and

(B) by striking out "3628" and inserting in lieu thereof "3627".

(17) Section 3681 of title 39, United States Code, is amended by striking out "3628" and inserting in lieu thereof "3627".

(18) Section 3684 of title 39, United States Code, is amended—

(A) by striking out "3627" and inserting in lieu thereof "3626"; and

(B) by striking out "Governors" and inserting in lieu thereof "Postmaster General".

(19) Section 5206(c) of title 39, United States Code, is amended—

(A) by striking out "Board" each place it appears therein and inserting in lieu thereof "Postmaster General"; and

(B) by striking out "it" and inserting in lieu thereof "the Postmaster General".

(20) The first sentence of section 225(f) of the Federal Salary Act of 1967 (2 U.S.C. 358) is amended—

(A) by inserting "and" at the end of subparagraph (C); and

(B) by striking out "; and" at the end of subparagraph (D) and all that follows through the period at the end of such sentence and inserting in lieu thereof a period.

(21) Section 3344 of title 5, United States Code, is amended by striking out subsection (e).

(22) Section 3061(a) of title 18, United States Code, is amended by striking out "Board of Governors" and inserting in lieu thereof "Postmaster General".

(c) The amendments made by this section shall become effective on the date of the enactment of this Act, except that the amendments made by subsection (a)(1) of this section, relating to appointment of the Postmaster General by the President, shall become effective January 20, 1981, or at the time of the first vacancy occurring in the office of the Postmaster General after the date of the enactment of this Act, whichever occurs first.

APPROPRIATIONS AND ANNUAL REPORT

SEC. 3. (a) Section 2401 of title 39, United States Code, is amended to read as follows:

"§ 2401. Appropriations

"(a) There are appropriated to the Postal Service all revenues received by the Postal Service.

"(b) There is authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403–3405, and 3625 of this title, the Overseas Citizens Voting Rights Act of 1975, and the Federal Voting Assistance Act of 1955 had not been enacted and the estimated revenues to be received on mail carried under such sections and Acts.

"(c) As reimbursement to the Postal Service for costs incurred by it in the establishment and maintenance as a public service of a comprehensive nationwide system for the regular and effective delivery of mail matter in communities where post offices may not be deemed self-sustaining, as elsewhere, and in recognition of the value of the system to the Nation and the public, there is authorized to be appropriated to the Postal Service $1,100,000,000 for the fiscal year ending September 30, 1980, $1,200,000,000 for the fiscal year ending September 3, 1981, and $1,300,000,000 for each fiscal year thereafter.

"(d) In any case in which there is appropriated pursuant to subsection (c) of this section for any fiscal year an amount greater than $920,000,000, the funds appropriated in excess of $920,000,000 shall be used to maintain the lowest possible rate of postage for letter mail and to maintain the public service described in subsection (c) of this section.

"(e) The Postal Service shall after the close of each fiscal year for which funds are expended by the Postal Service to carry out research and development submit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a report on the activities conducted through such expenditures during such year.

"(f) The Postal Service shall present to the Committe on Post Office and Civil Service of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate, at the same time it submits its annual budget under section 2009 of this title, sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be approoriated, and a comprehensive statement relating to the following matters:

"(1) the plans, policies, and procedures of the Postal Service designed to comply with all of the provisions of section 101 of this title;

"(2) postal operations generally, including data on the speed and reliability of service provided for the various classes of mail and types of mail service, mail volume, productivity, trends in postal operations, and analyses of the impact of internal and external factors upon the Postal Service;

"(3) a listing of the total expenditures and obligations incurred by the Postal Service for the most recent fiscal year for which information is available, an estimate of the total expenditures and obligations to be incurred by the Postal Service during the fiscal year for which funds are requested to be appropriated, and the means by which these estimated expenses will be financed; and

"(4) such other matters as the committees may determine necessary to ensure that the Congress is fully and currently consulted and informed on postal operations, plans, and policies.

Not later than March 15 of each year, the Postal Service shall appear before the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate to submit information which any such committee considers necessary to determine the amount of funds to be appropriated for the operation of the Postal Service, and to present testimony and respond to questions with respect to such budget and statement. Each such committee shall take such action as it considers appropriate and shall advise the Postal Service of such action.

"(g) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed to be a failure of appropriations under section 3626 of this title.

"(h) The rates established under chapter 36 of this title for zone-rated parcels formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates for such mail would be if the funds authorized under subsection (c) of this section were not appropriated.".

(b) Section 2003 of title 39, United States Code, is amended by striking out subsection (f).

(c) Section 3626 of title 39, United States Code, as redesignated by section 2(d)(12)(A) of this Act, is amended by striking out "2401(c)" and inserting in lieu thereof "2401(b)".

ANNUAL REPORT

SEC. 4. Section 2402 of title 39, United States Code, is amended to read as follows:

"§ 2402. Annual Report

"By February 15 of each year, the Postmaster General shall submit an annual report to the President and the Congress concerning the operations of the Postal Service under this title. Such report shall contain a section detailing by function the expenditure of sums appropriated for the preceding fiscal year pursuant to section 2401(c) of this title and the projected expenditure of funds for each such function during the fiscal year in which such report is required to be submitted under this section.".

PHASING

SEC. 5. (a) Section 3625(a) of title 39, United States Code, as redesignated by section 2(d)(12)(A) of this Act, is amended—

(1) in paragraph (1), by striking out "sixteenth" and inserting in lieu thereof "twentieth"; and

(2) in paragraph (2), by striking out "eighth" and inserting in lieu thereof "tenth".

(b) The amendments made by subsection (a) of this section shall not be construed to authorize a reduction in any rate of postage in effect and being paid on the date of the enactment of this Act.

POSTAL RATE COMMISSION BUDGETS

SEC. 6. (a) Section 3604(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission annually shall prepare and submit to the President a budget of the expenses of the Commission, including expenses for facilities, supplies, compensation, and employee benefits. The President shall include the budget of the Commission,

with his recommendations but without revision, as a separate item in the budget required by section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11) to be transmitted to the Congress.".

(b) The first budget of the expenses of the Postal Rate Commission shall be prepared under section 3604(d) of title 39, United States Code, as amended by subsection (a) of this section, for the fiscal year ending on September 30, 1981.

SIZE AND WEIGHT LIMITS

SEC. 7. Section 3632 of title 39, United States Code, is amended to read as follows:

"§ 3632. Size and weight limits

"The Postal Service may establish size and weight limitations for mail matter in the same manner as prescribed for changes in classification under subchapter II of this chapter.".

RATES FOR BOOKS, FILMS, AND OTHER MATERIALS

SEC. 8. (a) Section 3683(b) of title 39, United States Code, is amended to read as follows:

"(b) Notwithstanding any other provision of this title—

"(1) any book (including any book published or otherwise issued as a supplement to any other book) which—

"(A) consists exclusively of reading matter, scholarly bibliography, or reading matter with incidental blank spaces for notations; and

"(B) contains no advertising, other than incidental announcements of books;

"(2) any 16-millimeter film, narrow-width film, film strips, transparencies for projection, slides, or microfilm,

"(3) any sound recording;

"(4) any museum materials, specimens, or collections;

"(5) any scientific or mathematical kit, instrument, or other device;

"(6) any teaching aid, guide, map, or other interpretative materials for use in conjunction with any item specified in one or more of paragraphs (1) through (5); and

"(7) any catalog or similar publication which contains a listing of any item specified in one or more of paragraphs (1) through (6);

may be mailed at the rates currently in effect for mail matter specified in former section 4554(b)(1) of this title in any case in which any such item is mailed to or from any institution, organization, or association specified in subparagraph (A) or subparagraph (B) of such former section or to or from any school, college, university, or library.".

(b) The heading for section 3683 of chapter 36 of title 39, United States Code, is amended to read as follows:

"§ 3683. Uniform rates for publications, films, and other materials".

(c) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by striking out the item relating to section 3683 and inserting in lieu thereof the following new item:

"§ 3683. Uniform rates for publications, films, and other materials.".

EFFECT ON COLLECTIVE BARGAINING AGREEMENTS

SEC. 9. The amendments made by this Act shall not be construed to affect—

(1) any collective bargaining agreement entered into by the United States Postal Service which is in effect on the date of the enactment of this Act;

(2) the authority of the United States Postal Service under chapter 12 of title 39, United States Code, to engage in collective bargaining with respect to any collective bargaining agreement into which the United States Postal Service may enter; or

(3) any obligations entered into by the Postal Service in any future collective bargaining agreement.

Mr. CHARLES H. WILSON of California (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. GONZALEZ was allowed to speak out of order.)

RUSSIAN MILITARY PERSONNEL IN CUBA

Mr. GONZALEZ. Mr. Chairman, I do not think it will take anywhere near 5 minutes. But the distinguished minority leader spoke out of turn a few minutes ago and raised some questions. I think they are legitimate questions. But I think that in all of the uproar that has been reported in the last 3 or 4 days concerning the Cuban detachment, supposedly military detachment, in that country, I am fascinated and at the same time puzzled, because in 1970, exactly 9 years ago next month, I took the floor and reported that just between the months of September, the latter part of August and October of that year, 1970, the number of Russian military personnel had increased from 15,000 to nearly 30,000 in Cuba at the time.

□ 1140

I also pointed out that the newly appointed Ambassador from Russia to Cuba at that time happened coincidentally to be the most distinguished and outstanding rocket and rocket base expert of Russia.

I reported further that there was no question that a formidable docking facility for submarines, nuclear-equipped, was unquestionably the thing that the Russians and Cubans were about, that this would give them unprecedented military capability in the sense that they could have a submarine that while submerged could fire one-half, one and maybe a little better than one megaton, with uncanny accuracy right into the heartland of America.

The only thing that little speech did was to attract the attention of the then distinguished chairman of the Committee on Armed Services, Mendel Rivers, who called me aside and said, "Where did you get the information of 30,000?" He said, "You know, we have information but it is only 15,000."

I explained to him that my sources were and would have to remain undisclosed, because these were people who were vulnerable in Florida, because Castro has, always has had, tremendous infiltration in America, particularly in Florida.

The Cubans have probably the best intelligence workers, in other words, the best spies, of any country in the world. They were expertly trained by the KGB and especially the Czechoslovakian KGB, and they have tremendous capability. They have had agents galore throughout our country.

I reported earlier in 1970 the work of the Cuban agents at the U.N., which had given quite a bit of money to some elements in California and Texas, who were then agitating what we called the Mexican-American sector. I was denounced because of that. I was accused of being a McCarthyite and all.

Coincidentally, it was a few days after I revealed that that our Government asked the Cuban delegate to return to his country, which he did.

When I spoke in 1970, Mendel Rivers then got up and made a speech and voiced his concern. Unfortunately, that same night, he flew to Alabama for an operation, which cost him his life. He died shortly after that.

However, he did manage to get the then administration's attention, and about a week later, there was a cryptic little newspaper note that said that the Russian Ambassador Dobrynin had had a secret meeting with Secretary of State Rogers and that some kind of a secret understanding had been arrived at.

As far as I know, the content or the dimensions of that agreement have never been revealed.

As far as I know, none of the troops that I can positively state reached that proportion, well over 25,000, and closer to 30,000 than 25,000. The whole thing was buried.

So I am intrigued by all of this report that suddenly they have discovered there are 2,000 or 3,000. When were the near 30,000 ever removed from Cuba? They were not. They have not.

What kind of an agreement was entered into in 1970?

So these are the questions that just rush through my mind when I see all of this talk now. I do not know what is behind it. I do not know what kind of intelligence suddenly discovered that there were just 2,000 or 3,000 Russian troops.

All I know is that in my mind, and as far as I am concerned, you had considerably many more than that all along in Cuba. So that I thought it was imperative that I speak out on the subject matter because of the questions raised by the distinguished minority leader.

I yield back the balance of my time.

AMENDMENTS OFFERED BY MR. CHARLES H. WILSON OF CALIFORNIA

Mr. CHARLES H. WILSON of California. Mr. Chairman, I offer a series of amendments which are strictly technical in nature. I ask unanimous consent that the technical amendments be considered as read, considered en bloc, and printed in the RECORD.

The amendments are as follows:

Amendments offered by Mr. CHARLES H. WILSON of California: Page 15, line 12, insert "(A)" after (10)".

Page 15, line 13, insert "are" after "Governors" and, on line 14, insert "is" after "Postmaster General".

Page 15, after line 14, insert the following new subparagraph:

(B) Section 3622 of title 39, United States Code, is amended—

(i) in subsection (a) by striking out "submit a recommended" and inserting in lieu thereof "render a"; and

(ii) in subsection (b) by striking out "make a recommended" and inserting in lieu thereof "render a".

Page 17, line 16, strike out "(12)(A)" and insert in lieu thereof "(13)(A)".

Page 18, lines 2 and 6, strike out "(12)(A)" and insert in lieu thereof "(13)(A)".

Page 24, line 19, strike out "(2)(d)(12)(A)" and insert in lieu thereof "(2)(d)(13)(A)".

Page 25, line 12, strike out "(2)(d)(12)(A)" and insert in lieu thereof "(2)(d)(13)(A)".

On page 25, line 19, strike out all down through line 22 and insert in lieu thereof the following: "The amendments made by subsection (a) of this section shall become effective on October 1, 1979.".

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CHARLES H. WILSON of California. Mr. Chairman, the amendments, as I said, are purely technical. They were discovered by staff. The only amendment of any significance is the one that we agreed to in the Committee on Rules that we would put in in order to eliminate any additional funding for fiscal year 1979. This was caused because of the Budget Act, and is something that was required in order to bring the bill before the House in its present form.

I would urge adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. CHARLES H. WILSON).

The amendments were agreed to.

PARLIAMENTARY INQUIRY

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GONZALEZ. Mr. Chairman, I have an amendment I intend to offer and what I want to know is, I do not want to lose the proper and prompt time in which I should offer my amendment. Will the Chair advise me if it is in order to offer my amendment at this point.

The CHAIRMAN. The Chair will advise the gentleman from Texas that the bill is open to amendment at any point. The gentleman can be recognized for that purpose.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 26, immediately before line 13, insert the following new section:

RATES FOR POSTAL CARDS AND POST CARDS

SEC. 9. (a) Subchapter V of Chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3666. Rates for postal cards and post cards

"(a) Notwithstanding any other provision of this title or any other provision of law, the rate of postage shall be 1 cent for—

"(1) each postal card and each portion of a double postal card (other than a postal card or double post card mailed by any person in connection with the trade or business of such person); and

"(2) each post card and the initial portion of each double post card.

"(b) The rate of postage established in subsection (a) shall apply to any equivalent of, or substitute for, postal cards which is supplied by the Postal Service.

"(c) For purposes of this section—

"(1) the term 'postal card' means any card which is supplied by the Postal Service, with a postage stamp printed or impressed upon it for the transmission of any message, order, notice, or other communication by printing or by writing in pencil or ink;

"(2) the term 'post card' means any privately printed mailing card which is (A) for the transmission of any message, order, notice, or other communication by printing or by writing in pencil or ink; (B) not larger than the size established, from time to time, by the Convention of the Postal Union; and (C) approximately the same form, quality, and weight as a postal card; and

"(3) the term 'trade or business' means any occupation or other activity engaged in for profit, compensation, or hire.".

(b) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3666. Rates for postal cards and post cards."

(c) The amendments made by the foregoing provisions of this section shall take effect at the beginning of the sixth calendar month beginning after the date of the enactment of this Act, or on such earlier date (published in the Federal Register by the Postmaster General) as the Postmaster General may determine.

And redesignate the following section accordingly.

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, I make that request because the amendment really has a lot of words, but it is very simple.

Its intent is to provide the penny post card for the American people. Let us give the franking privilege to the people.

Mr. Chairman, many Members know that I have been trying for a number of years to bring back the penny post card. My objective is to make it possible for even the poorest people in the land to communicate as often as they wish with their families, friends, and especially their Congressmen.

The Postal Service enters our lives in so many different ways as it makes deliveries to every office, and residence in the United States, 6 days a week, through rain, sleet, or hail. All of us depend on it and I believe that it should be run to serve everyone, regardless of their income. This is what our Founding Fathers intended when they established the post office system back in 1785 and I strongly believe that one of Government's top priorities should be to run an efficient postal system to serve all the people.

The first post card was sent in the United States in May of 1873. It was sent by a gentleman from Springfield, Mass., to another friend in Springfield. In the first 2 days when post cards were available in 1873, 5 million were issued which came to one for every eight persons in the country. And when the Postmaster made his annual report for 1873 he announced that there was a public desire for the post card and because the Postal Service responded to it they had made a new and profitable business for the department. I believe that the same could be said today if we could bring back the penny post card.

The penny post card disappeared temporarily from the American scene in November of 1917 when the rate went up to 2 cents. But, believe it or not, the rate returned to 1 cent in July of 1919 and remained a penny for 33 years. In 1952 it jumped to 3 cents and then in the 1960's the rate went up to 5 cents. The early 1970's brought us a 9 cent post card and as we head toward 1980 we must pay 10 cents for a post card which is roughly 100 percent more than a decade ago.

Since I have offered this proposal in the past, I know the arguments against it by heart—the cost and the fact that it would be used predominantly by business.

I find these arguments unconvincing as I believe that it would be possible for the Postal Service to handle a post card for a penny in a modern and innovative way. And if there would be no way to bring back the penny post card without a subsidy then I would certainly be willing to support that to insure that every citizen's voice can be heard. In fact, I doubt if this subsidy would cost as much as has been spent on other largesses—and would certainly provide far greater benefit to many. Also, in view of the recent announcement that the Postal Service should end up in the black this year this is even more reason to give my proposal serious consideration.

With regard to preventing businesses and bulk mailers from using the penny post card, the remedy is simple. Provisions could be added to limit the use of the penny post card to personal communications between individuals.

Our great Nation owes a lot to the post office system. If it had not been for the post roads the pioneer would not have settled beyond the Appalachian Valley and we can credit the Pony Express for the settlements beyond the Mississippi and into the West. And now that we are a united nation stretching from ocean to ocean I encourage my colleagues to join with me in providing for a penny post card to allow everyone in the Nation to be heard.

□ 1150

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise in opposition to the amendment.

Earlier Mr. DERWINSKI referred to the tenacity of the gentleman from California. I would like to pay a compliment and tribute to the tenacity of the gentleman from Texas. Each time the postal bill comes up the gentleman introduces the same amendment.

May I say we are spending hundreds of millions of dollars, possibly as much as a billion. There is no way of estimating what the cost would be if we were to implement such an amendment. There is no way of knowing how many people would switch from letter mail to the postcard.

I would like to get the 5-cent beer back, I would like to get a lot of things back that cost so much less in the years past, but I do not think we can realistically consider this any more than we can

realistically consider many of the other things that we would like to have back at a lower cost.

I would hope the Committee would reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The amendment was rejected.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUGHES: Page 26, before line 13, insert the following new section:

PURCHASE OF ALCOHOL FOR USE IN POSTAL VEHICLES

SEC. 9. (a) Chapter 50 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 5008. Purchase of alcohol for use in postal vehicles

"To the maximum extent feasible and consistent with the policies established under section 101 of this title and sound vehicle management practices as determined by the Postmaster General, the Postal Service shall enter into contracts by competitive bid for the purchase of domestically produced alcohol, or alcohol-gasoline blends containing at least 10 percent domestically produced alcohol, for use in motor vehicles owned or operated by the Postal Service.".

(b) The table of sections for chapter 50 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"5008. Purchase of alcohol for use in postal vehicles.".

Redesignate the subsequent section accordingly.

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, as my colleagues know, the Federal Government is among the largest purchasers of fuel in the country, buying approximately 17 million barrels of gasoline each year. About 9 million of those barrels are procured in the form of bulk purchases by the Postal Service, the General Services Administration, and the Department of Defense.

And of those amounts, the Postal Services accounts for about 1 million barrels annually.

The amendment I am offering would require the Postal Service to purchase alcohol or alcohol-gasoline blends as a motor fuel instead of ordinary gasoline wherever practical and feasible.

The purpose of this amendment, simply stated, is to promote the national interest by encouraging the use of a domestically produced and renewable energy resource to take the place of a fossil fuel that has become increasingly scarce and expensive.

Mr. Chairman, our Nation has been grappling with the energy problem ever since the OPEC cartel first tightened the oil valve back in 1973. Despite that clear early warning, and the subsequent gaslines of this summer, our country has still not made much of a dent in our petroleum consumption, about half of which must be supplied by foreign nations.

In the course of this great debate which has raged from 6 years, a number of alternatives have been mentioned prominently. Of all those alternatives, however, only one has really stood out from the others as an immediately available fuel source which is acceptable from both an environmental and economic standpoint. That alternative is gasohol.

It is not an exotic or unproven technology.

The Model T Ford, for example, was designed to run on either straight alcohol, straight gasoline, or any mixture in-between.

Almost 60 years ago, in 1922, Alexander Graham Bell called alcohol a "beautifully clean and efficient fuel which can be produced from vegetable matter * * * waste products of our farms, and even the garbage of our cities."

During World War II, both Germany and the United States extended fuel supplies through the manufacture of alcohol. In the 1973 OPEC embargo, Sun Oil Co. used methyl alcohol as a gasoline extender.

Today, our neighbor in South America, Brazil, is implementing a program to use its vast agricultural resources to support a 100-percent alcohol fuel economy. Last week, two Australian companies announced plans to produce 4 million tons of alcohol fuels a year from that country's wheat crop, enough to replace 15 percent of Australia's oil imports.

In our country, Nebraska has been promoting gasohol since 1971, and recently approved a 1-cent tax on gasoline to subsidize the construction of alcohol fuel production facilities.

In California, a committee of the State assembly has just unanimously approved a bill to require all gasoline in that State to contain 1 percent alcohol by 1982, and 5 percent by 1985.

In South Carolina, when a department of energy facility was faced with the problem of cutting back gasoline consumption by 10 percent, it decided to accomplish this goal by switching to gasohol.

In the private sector, Amoco, Texaco, Citgo, Phillips Petroleum, as well as a number of smaller companies, already have programs to market gasohol in various regions of our country. In fact there are now over 800 stations marketing gasohol in 28 different States.

In other words, Mr. Chairman, alcohol fuel is not some futuristic and untested concept that needs years of further research and development. Rather, it is an energy source that has already achieved wide use and acceptance both in our country and throughout the world.

The only reason that alcohol has not survived as a major fuel is that our access to cheap and abundant petroleum made alcohol noncompetitive. Today, with world prices for oil exceeding the $20 mark in many instances, alcohol is now once again competitive and will become more so as oil prices continue to rise.

To take advantage of this resource, however, we must create the type of business climate and dependable market for alcohol fuel that will be needed to encourage investment in facilities to manufacture alcohol.

By creating such a dependable market through Federal fuel purchasing activities, I believe we can stimulate investment and create the type of infrastructure that is needed to bring alcohol fuel into widespread commercial production.

With new and modern facilities producing alcohol on a large scale, moreover, I am confident that alcohol prices will come down. Just as importantly, we can place the Federal Government in the vanguard of the effort to reduce petroleum consumption and lessen our debilitating reliance on OPEC.

I wish to stress that my amendment will not create a strict and inflexible mandate that would require the Postal Service to use alcohol fuel all the time, everywhere, without regard to the circumstances or availability.

Rather, my amendment makes clear that the requirement to purchase gasohol applies only to the maximum extent feasible in line with the overall activities of the Postal Service and sound vehicle management practices.

If it is unavailable, or incompatible with the operating design or overall climate of the vehicles in question, my amendment would not apply.

Mr. Chairman, I believe the amendment I am proposing is a reasonable and well-balanced approach to stimulating the growth of an important but neglected alternative energy source. It is the first of a series of amendments I plan to offer that will, if approved, ultimately switch all Federal agencies to gasohol wherever the circumstances permit.

I urge my colleagues to support this important effort to lessen our Nation's reliance on the world's dwindling oil supplies.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I will be happy to yield.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I think the gentleman has a worthwhile amendment. The only question in my mind is where the words "the Postal Service shall enter into contracts." Prior to that the gentleman says "to the maximum extent feasible and consistent with the policies established," and so forth. Is it the gentleman's intention that this would depend upon feasibility and upon the fact that the Postmaster General would find it worthwhile and not that he would be forced to enter into contracts on this?

Mr. HUGHES. If the gentleman would permit me, it is my intention to give the Postmaster General that flexibility. I do not think it would really make sense to mandate such use in each instance because in certain situations it may not be economically feasible. But I would like to

see developed a national policy that would encourage the use of gasohol by all Government vehicles. It seems to me that this is a major step in that direction. At the same time it does give the Postmaster General enough flexibility to determine where it is just not feasible to require the use of alcohol-gasoline blends.

Mr. CHARLES H. WILSON of California. If the gentleman will continue to yield, we have no objection to the amendment on this side. It seems to me that anything that will help the energy crisis with the Postal Service as well as anyone else is worth while.

Mr. HUGHES. I thank the gentleman for his support.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am happy to yield to my colleague from Illinois.

Mr. DERWINSKI. I recognize the potential value in establishing such a policy as long as there is enough administrative flexibility here to provide for practical research and development and utilization by the Postal Service so they do have the proper administrative flexibility. I think the gentleman's amendment is very helpful; as long as it is acceptable to the sponsor of the bill—obviously he considers it an asset to his noble piece of legislation—we will accept it on this side as well.

Mr. HUGHES. I thank the gentleman for his support.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I am glad to yield to the gentleman.

Mr. VOLKMER. I would like to commend the gentleman for this amendment. I think it is something that needs to be done throughout the Government, as the gentleman does. I would like to ask the gentleman does he know at the present time whether the Postal Service is using any gasohol?

Mr. HUGHES. To my knowledge, they are not.

Mr. VOLKMER. Are they not one of the major users of petroleum products, gasoline especially, in the United States?

Mr. HUGHES. That is an excellent point. The Postal Service accounts for about a million barrels of gasoline annually. It is a very significant amount. As a matter of fact, combined the Postal Service, the General Services Administration and the Department of Defense, account for about 9 million barrels of oil annually. We are talking about a very substantial amount of gasoline being consumed by the Government for transportation.

I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. HUGHES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TAYLOR

Mr. TAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR: Page 21, after line 3, insert the following new section:

LOCAL RESIDENT PREFERENCE FOR APPOINTMENTS OF POSTMASTERS IN SMALL COMMUNITIES

SEC. 3. Section 1001(b) of title 39, United States Code, is amended—

(1) by striking out "Officers" and inserting in lieu thereof the following: "(1) Subject to the provisions of paragraphs (2), (3), (4), and (5) of this subsection, officers"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) In making any appointment to the position of postmaster at any post office serving a delivery area which has a population of 25,000 or less, the Postal Service shall appoint to such position—

"(A) an individual who—

"(i) for the one-year period ending on the date on which such appointment is made, has been an employee of the Postal Service in such post office and resided within the delivery area of such post office or the city or town in which such post office is located; and

"(ii) otherwise qualifies for appointment to such position; or

"(B) in any case in which, at the close of the period during which applications for such position are accepted, no individual described in subparagraph (A) of this paragraph has applied for such position, an individual who—

"(i) for the one-year period ending on the date on which such appointment is made, has resided within the delivery area of such post office or the city or town in which such post office is located; and

"(ii) otherwise qualifies for appointment to such position;

unless, at the close of the period during which such applications are accepted, no individual described in subparagraph (A) or (B) of this paragraph has applied for such position.

"(3) The Postal Service shall publish in the Federal Register its list of qualifications for appointment of an individual to a position of postmaster. Such qualifications may not limit consideration to an individual who is already a postal employee.

"(4) In any case in which the position of postmaster becomes available at any post office described in paragraph (2) of this subsection, the Postal Service shall provide to postal patrons of such post office adequate notice that such position is available and that any individual may apply for such position. At a minimum, such notice shall—

"(A) be displayed in a conspicuous place in such post office for the thirty-day period ending on the last date on which applications will be accepted for such position; and

"(B) include a list of the qualifications for appointment of an individual to such position, a description of the duties and responsibilities of the individual appointed to such position, and an explanation of the procedures which will be followed in making the appointment.

"(5) The determination of the population referred to in paragraph (2) of this subsection shall be based on the most recent census taken by the Secretary of Commerce under section 141 of title 13, United States Code.".

Redesignate the subsequent sections accordingly.

Mr. TAYLOR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TAYLOR. Mr. Chairman, I believe it has become evident that many Members share the committee's concern over the issue of whether the U.S. Postal Service has been sufficiently responsible and accountable to the American public for service and performance. There has been significant improvement in the Postal Service in terms of both fiscal soundness and service under the capable direction of Postmaster General Bolger.

However, the need to resolve the two basic problems facing the Postal Service—the lack of accountability to the President and the Congress, and the uncertain financial future of a national postal system which should emphasize quality of service at all times to all parts of our Nation—has been underscored by the committee.

The delivery of quality service to all areas of our Nation can be improved, in my view, with the adoption of my amendment dealing with the appointment eligibility for postmasters in towns of 25,000 population or less. My amendment, which is supported on a bipartisan basis by other members of the committee, is cosponsored by our colleague from Illinois (Mr. SIMON).

The language of the amendment would open up the appointment process for postmasters in these largely rural areas of the country to qualified local citizens who are not current career employees of the Postal Service and would provide an avenue for advancement of career employees who want to become Postmaster in their home towns.

The 1970 Postal Reorganization Act, which H.R. 79 changes in several respects, repealed a long-standing legal requirement that Postmasters be residents of the city where they were appointed for at least 1 year before their appointment. Following repeal of this provision, the Postal Service has sought to carry out the mandate of having a "career service" by going further than necessary. This is happening because the Postal Service now excludes anyone except a career employee from even applying for possible appointment as a postmaster.

Because current Postal Service regulations preclude a local business or professional person from applying for the position of postmaster, regardless of how well qualified that person may be or how well he or she may know the local community, I believe we have a "closed shop" situation that is too restrictive and does not serve the American public—particularly in rural towns and small cities.

It seems to me that because the position of postmaster in a great many of these towns and cities is one of prestige and community leadership, and often represents the only Federal Government official around on a daily basis, that we could improve the image of the Postal Service—as well as government in general—if we allow local citizens the opportunity to be considered for appointment.

My own experience, as well as comments I have heard from other Members, indicates to me that people very

often resent the fact that the Postal Service will bring in someone from outside the local community to be postmaster who knows very little about the community, and who, because he is not required to live there, seems not to care very much about getting to know the people he serves.

The amendment, Mr. Chairman, adopts the concept of a bill authored by our colleague from Illinois (Mr. SIMON) in the 95th Congress and cosponsored then by several dozen Members, and it is virtually identical to a provision of H.R. 7700, which this body approved by an overwhelming vote last session.

The language used in the amendment is clear and simple. It directs the Postal Service to open up the competition for appointment as postmaster to people who are not postal employees and give an employment preference based on residency when filling postmaster vacancies.

Residency, as defined in the amendment, means residing within the delivery area of the post office or the city or town where the post office is located for at least 1 year before the appointment is made. This is merely a restatement of the law as it was prior to 1970.

The employment preference would be accorded in the first instance to any qualified employee working in the post office where the vacancy occurs who applies for consideration. If no eligible post office employee applies for the vacancy, then the employment preference would be accorded to any qualified local citizen who applies.

The Postal Service will be required to publish in the Federal Register the qualifications for appointment as postmaster, and those qualifications shall not limit consideration solely to postal employees.

The amendment also requires the Postal Service to provide notice of at least 30 days to postal patrons where a vacancy occurs that anyone may apply for the position. That notice must include the basic requirements, qualification standards, and an explanation of the selection procedures.

When the Congress changed our postal laws in 1970, it called for a majority of the officers and employees to be in the "career postal service," but the Postal Service has gone further than necessary and has interpreted the 1970 law in its regulations to say that no one can be appointed as a postmaster unless he or she has served for at least 1 year as an employee.

This 1 year prior service requirement, Mr. Chairman, acts to bar otherwise well-qualified local business and professional people from even being considered for the job of postmaster.

As far as I am concerned, Mr. Chairman, one of the main reasons it takes so long for the Postal Service to fill these vacancies is that it gives no thought to local attitudes and the "hometown" atmosphere required of these positions.

This "hometown postmaster" section lifts the current restriction the Postal Service places on its appointment of postmasters by saying that anyone—whether he or she is a post office employee or not—will be able to apply for and compete for appointment as a postmaster in the town, city, or delivery area in which he or she lives.

□ 1200

Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from Missouri, if I may, one or two questions.

As I tried to read his amendment as he was explaining it and as I was discussing other matters at the same time, it appears that the gentleman's amendment is restricted to cities of 25,000 population or less.

Mr. TAYLOR. That is true.

Mr. CHARLES H. WILSON of California. And the amendment does give first priority to postal employees?

Mr. TAYLOR. Yes, it does.

Mr. CHARLES H. WILSON of California. Within that area that we are talking about?

Mr. TAYLOR. Yes, sir.

Mr. CHARLES H. WILSON of California. The only time that anyone other than a postal employee who was qualified by the Postmaster would be appointed would be in the event that there was no one who applied for it from the Postal Service, or who was found qualified for the job after the first year was up and examinations were taken?

Mr. TAYLOR. That is true. In other words, the employees within that post office would have the first priority. If there was any employee within that post office who desired to be Postmaster and who had the qualifications, he would receive priority. Beyond that, it would be opened up to other members of the community.

Mr. CHARLES H. WILSON of California. I will say to the gentleman that I am realistic about what will happen to this amendment. I am sure it will be adopted by a large vote, and in order to save the time of the committee I will not oppose the amendment on this side.

Mr. TAYLOR. I thank my chairman very much for his support of this amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased to support the amendment offered by our colleague from Missouri (Mr. TAYLOR), because I believe it is right for use to open up the selection process for postmasters and allow citizens the chance to apply for and be considered for these appointments.

As a result of the 1970 changes in our postal laws, we now have a situation where only postal employees may apply and be considered for postmaster positions, and this does not serve the smaller towns and cities well because we very often see postmasters coming in who know nothing about the local community.

I agree with the gentleman from Missouri that we will improve the image of the Postal Service, as well as government in general, by allowing local citizens the opportunity to compete for and be considered for postmaster vacancies in their hometowns.

I am persuaded by the figures our colleague cited about the number of current postmaster vacancies around the Nation, and the lengthy time-consuming procedures the Washington bureaucracy of the Postal Service has created, that we need to open up the selection process.

This amendment would not damage the Postal Service's merit system, if indeed it can be called that, nor would it bring partisan politics back to postmaster selection. The amendment would not force the Postal Service to appoint someone from outside as a postmaster, but it would require them to give an outside candidate a chance to compete for the appointment.

It is clear to me that a qualified career employee who satisfies the residence requirement will be given preference in these appointments, and if no resident employee applies or is qualified, then any local citizen who satisfies the residence requirement would be given preference over some postal employee from outside the area.

With that, Mr. Chairman, I urge my colleagues to support the amendment offered by the gentleman from Missouri.

● Mr. LOTT. Mr. Chairman, the amendment offered by our colleague from Missouri (Mr. TAYLOR) is very worthwhile and deserving of support from the Members because it will allow individual citizens who are not postal employees the right to compete for appointment as postmaster and will open up the selection process for the first time in 9 years.

Due to the overzealous Postal Service bureaucracy here in Washington, we now have a situation where only Postal Service employees may apply for consideration as a postmaster. The Taylor amendment would correct this inequity by reenacting the 1-year residency requirement for postmasters in towns of 25,000 or less. It also would require that the Postal Service give preference in appointment to local postal employees who apply and are qualified, and then to qualified local residents.

The language of the amendment would open up the appointment process for postmasters in these largely rural areas of the country to qualified local citizens who are not currently Postal Service employees and would provide an avenue for advancement for career employees who want to become postmaster in their hometowns.

The amendment is simple, straightforward and deserving our support.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. TAYLOR).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COURTER

Mr. COURTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COURTER: Page 21, strike out line 5 and all that follows through line 21 on page 24 and insert in lieu thereof the following new section:

SEC. 3. (a) Section 2401(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) As reimbursement to the Postal Service for costs incurred by it in the establishment and maintenance as a public service of a comprehensive nationwide system for the regular and effective delivery of mail matter, and in recognition of the value of the system to the Nation and the public, there is authorized to be appropriated to the Postal Service $920,000,000 per fiscal year for the fiscal year ending September 30, 1980, and for each fiscal year thereafter.

"(2) After the fiscal year ending September 30, 1984, the Postal Service may reduce the figure in paragraph (1) of this subsection, including a reduction to 0, if the Postal Service finds that such amount is no longer required to operate the Postal Service in accordance with the policies of this title.".

(b) Section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(j) The Postal Service shall after the close of each fiscal year for which funds are expended by the Postal Service to carry out research and development submit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a report on the activities conducted through such expenditures during such year.".

Mr. COURTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COURTER. Mr. Chairman, this amendment will continue until fiscal year 1984 the $920 million allocation for public service functions, or public service subsidy, exactly the same amount provided for in the 1979 budget for the Postal Service.

Increasing postal subsidies provides neither the answer to the underlying problems of rising postal costs nor any incentive for the U.S. Postal Service to increase efficiency. Subsidies also tend to obscure the true costs of postal operations as well as place unfair burdens on the American taxpayers.

The Postal Service has made substantial progress since the 1970 reorganization in finding ways to cut costs and improve productivity. The U.S. Postal Service estimates that at the end of fiscal year 1979, revenues, including Government subsidies, are expected to be $180 million in excess of expenses. This basically is an older statistic where the Postmaster General is saying that for the first time in years we are looking toward a surplus, a surplus estimated during testimony to be $180 million. As a matter of fact, subsequent to the testimony we heard from the Post Office, and as we heard during the statements of other people who spoke, the surplus will be a good deal more than the $180 million. I think the projected surplus is a ray of light in view of the past deficit situations. I do not see this as a complete turning point for the Postal Service, but it does show that their economic situation is improving.

I also find it very difficult to support an increasing subsidy when the Postal Service has not requested the subsidy and does not feel the need for the extra money. It is beyond my comprehension, Mr. Chairman, why this body would appropriate additional funds.

Under the Postal Reorganization Act of 1970, the public service subsidy to the Postal Service through fiscal year 1979 is $920 million, or 10 percent of the sum appropriated to the former Post Office Department for its use in fiscal year 1971. Under that act, the prior act, the public service subsidies will be reduced to 9 percent, a reduction of $92 million, for fiscal year 1980. In each succeeding fiscal year there will be a corresponding 1-percent reduction until the public service subsidy hits $460 million for fiscal year 1984.

This amendment will leave the $920 million public service subsidy in place for the next 5 years. At the end of that period, the Postal Service will determine whether or not it needs a continuation of special funds.

Mr. Chairman, basically my amendment leaves the subsidy at the high figure of $920 million. H.R. 79 is, as I said before, a good bill. It contains many good provisions, and I will support the bill upon final passage. But, I think it is extremely important not to thrust money down the throat of a Government agency that is not asking for it; not to give dollars to an organization that says it does not need it. As a matter of fact, during testimony Postmaster General Bolger said that if he received the additional money, he would not have to use it today, and in fact he would put it in the bank to collect interest.

My amendment leaves the subsidy as it is now, $920 million for fiscal years 1980, 1981, and 1982. It leaves it at that level. The existing law reduces it, as I indicated, by 1 percent, approximately $80 million a year.

My amendment leaves it at $920 million.

□ 1210

I have come to the conclusion that in today's world the Postal Service does need a public service subsidy. My amendment, of course, freezes the subsidy at the present $920 million level.

Basically, Mr. Chairman, in a day and age of fiscal restraint, when taxpayers are being burdened more every single day, it seems preposterous to me to give the Postal Service additional funding, a significant sum of money, in the very year that they for the first time in years have a surplus. Their testimony indicates that surplus is approximately $180 million.

Mr. Chairman, in addition to that, it seems the height of folly to give the Postal Service or any agency money when it is not asking for money. The Postal Service is saying it does not need the money, and does not want the money. The administration is saying it does not need the money and it does not want the money, and it was not in their proposed budget. OMB said the same thing. It is not requesting this additional subsidization. So I urge to all of my colleagues on both sides of the aisle to support my amendment which keeps the public service subsidy at $920 million, a level that the administration is seeking, a level that the Postmaster General feels is totally adequate.

I thank the Chairman.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the work that the gentleman from New Jersey has done in our committee and the sincerity with which he has approached this legislation. I recognize that it seems difficult to ask for additional funding for the Postal Service when the Postmaster General says that he has a surplus for this year and when OMB does not ask for and opposes the additional funding also. Obviously, OMB will oppose it if the Postal Service does not ask for it. Their entire testimony in opposition was received from the Postal Service itself.

But the important thing is that in spite of the rosy predictions of the Postmaster General about the surplus that he may have this year, he uses the figure $180 million at one time, and then we have the figure $400 million that was quoted from some interview the New York Times had of some member of the Postal Service. I think the Members should be aware that the Postmaster General's projection of the surplus may not take into account all accrued costs accrued in fiscal year 1979 which must be paid for in later years. If such costs were charged off against fiscal year 1979 as is normally required under sound accounting practice, and is required in official budget submissions to Congress, it might show that rather than having a surplus for fiscal year 1979 the Postal Service is once again operating at a deficit.

As a matter of fact, in the same story in the New York Times article as to the testimony of $400 million surplus that may take place this year, they speak of an extremely large deficit that will follow up next year. We know from the hearings that have been held in our committee and from going over the fiscal situation of the Postal Service—and only the Postal Service can interpret their own books—it is extremely difficult to try and find any rhyme or reason to the way their bookkeeping is maintained, but I would say that very frankly they are in just as bad financial condition as is the Chrysler Corp.

The Postal Service will not have a real surplus this year. The purpose of the extra funding that we ask for in H.R. 79 is so we can maintain the services that the post office has guaranteed to the public, that we can guarantee that the small post offices will be kept open, that we can guarantee the 6-day delivery service, and that we can give to the American people the type of postal service that they need. There are a lot easier things for me to do as a Member of Congress than to try to help the Postal Service out the way I have been trying to do for the past several years, particularly when the Postal Service themselves are

not trying to help themselves. I do not understand the philosophy behind an organization that is bankrupt, that is running continual deficits, when we have a Congress that wants to try and help them and is willing to try and help them and they turn their back completely upon us and say, no, we do not need that money; we would just have to put it in the bank. That is just a bunch of baloney. They would not normally put it in the bank. The first thing they ought to do is pay up some of the debts owed over the previous years. The next thing they ought to do is establish the Workmen's Compensation Fund, which they have been delinquent in doing.

The Postal Service needs this money, and I would hope that we would defeat the amendment. I appreciate the gentleman's efforts but I do feel in all sincerity that the amendment should be defeated, that the funding we have in this bill is bare to the bone, and that the Postal Service needs every penny of it, and that they will be able to use every penny of it.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the amendment.

First I would like to emphasize the fact that the Postal Service does not feel it needs additional subsidies at this time. Yet H.R. 79, section 3, as reported by the Post Office and Civil Service Committee would give the Postal Service an additional $272 million for fiscal year 1980 and even larger increases in fiscal year 1981 through fiscal year 1984.

The amendment offered by the gentleman from New Jersey, I feel, is a fair compromise in that it increases the present subsidy of $828 million for fiscal year 1980 to the fiscal year 1979 subsidy of $920 million annually until 1984.

The Postal Service itself believes that the outlook for self-sufficiency is more encouraging today than ever before.

I feel increasing the public service subsidies above the $920 million which this amendment allows evades the basic principle embodied in the Postal Reorganization Act of 1970. That principle was eventual self-sufficiency pursuant to which mail users—rather than taxpayers—would support the revenue needs of the Postal Service.

While I recognize this Postal Service is faced with some problems, increasing the public service subsidies above $920 million, in my opinion, provides an unacceptable solution to ever getting the Postal Service in a position of operating as a self-sufficient organization.

The present Postmaster General—a career postal employee—accepts the challenge of the 1970 Postal Reorganization Act. He has not requested the additional money and has estimated the Postal Service will show a profit of $180 million for fiscal year 1979.

To increase the public service subsidies is to shift the burden to the general taxpayer. Such an approach is not fair and by itself would do nothing to encourage fiscal restraints in the Postal Service.

Mr. Chairman, this is probably the major amendment facing us in the processing of this legislation. I would just like to sum up the positive impact of the Courter amendment. First may I point out that there are not any funds in the President's budget nor in the first budget resolution adopted by Congress to allow for the additional subsidy called for in H.R. 79. We are speaking about $272 million for fiscal year 1980, larger sums in subsequent years running through 1984.

The point was well made by the gentleman from New Jersey that it is quite ironic to insist that a unit of government take money that it does not want to spend. The Postmaster General's figures are correct. They have double checked them. They will have a profit for this fiscal year in the vicinity of $180 million. Their cash position, their financial position, has been substantially strengthened.

The issue here boils down to this. Do you increase the subsidies—and these are unrequested subsidies—for the Postal Service and impose that burden on the general taxpayer? That is the gut issue. I believe that the Courter amendment is a practical amendment. It holds the present $920 million figure, which is realistic. It protects the Postal Service from unwanted generosity of the Congress. It protects the taxpayer, who will be spared $272 million for this year, more for subsequent years, if this amendment is adopted.

So I urge the adoption of the amendment, and I yield back the remainder of my time.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I find it difficult to oppose my friend, the gentleman from New Jersey, because I readily recognize what he is attempting to do. Like all of us, he is deeply concerned about the budget, and we are all concerned about every dollar in the way of Federal expenditures. But for what it is worth, a great deal of time and effort has been put into the fiscal formula that we are discussing here this morning. It was not put together hastily. As I mentioned in the well of the House earlier today, I would venture that we have spent 6 years on this particular aspect of this legislation in an effort to develop a way whereby the Postal Service will not be confronted with management by crisis. We have tried hard to make this point with our President. Unfortunately, up to this point we have failed to do that.

I think back to the 94th Congress. Under the administration of President Ford and by virtue of the very exact fiscal arrangement and procedure utilized by the Postal Service, the Congress was called upon in emergency fashion to provide that agency with $1 billion—a billion dollars—that really sent it off into space, and one could not put his hand on what this accomplished at all.

□ 1220

We had to do that to assure that payrolls would be met in that particular year. This is what this is all about. We are trying to avoid a crisis situation which a good number of us look upon as a likely possibility within the course of a couple of years. If that does not occur, the Congress can always amend, but we say let us be prepared and let us provide the institution with what is needed to keep it alive and well.

Mr. Chairman, most of us know what Bill Bolger is doing. As I say, he is a fine fellow and a very great Postmaster General. However, Mr. Chairman, he continues to work under the mandate of the Postal Reorganization Act of 1970. That was a condition upon which he accepted his position. He is wired into that, so to speak.

Mr. Chairman, it is ourselves, the Congress, who have the responsibility to protect the interests of the taxpayers and, for that matter, the national interests in general. That is the effort here today by the gentleman from California (Mr. CHARLES H. WILSON) and the gentleman from Missouri (Mr. CLAY) and others.

Again, Mr. Chairman, I appreciate very much what the gentleman from New Jersey (Mr. COURTER) is attempting, but for what it is worth, what the gentleman from California (Mr. CHARLES H. WILSON) has put together here, is highly responsible.

Mr. Chairman, over the course of these few years this will provide the opportunity to avert that crisis management dilemma a good number of us prophesied.

Mr. Chairman, I would hope very much we would vote against the Courter amendment.

I yield back the balance of my time.

Mr. CORCORAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is not a pleasant chore to oppose the gentleman from New Jersey and the gentleman from Illinois, the ranking member of our committee, and others, who feel strongly that the additional subsidy contained in H.R. 79 is unnecessary, wasteful, and should be eliminated. If that were true, however, I would be speaking in support of the amendment.

Mr. Chairman, we have heard a lot today about the fact that the Postal Service is going to have a surplus of approximately $180 million this year. I think that is true, but the point of this amendment and the value of the subsidy provisions of H.R. 79 are directed not at the current fiscal year. We do not touch the current fiscal year funding of the public service function. We address fiscal years 1980, 1981, and so on through 1984.

Mr. Chairman, the argument that the surplus obviates the need for additional money is absurd on its face.

Second, Mr. Chairman, in the testimony before our committee the Postmaster General, Bill Bolger, made it abundantly clear that there are but three ways to deal with costs: First, increase the subsidy; second, increase postal rates; and third, cut back on personnel expenses.

Mr. Chairman, I say personnel expenses because 80 percent of the U.S. postal budget is personnel. It is a very labor intensive industry.

Now, Mr. Chairman, what has happened recently with respect to person-

nel? In the years since the Postal Reorganization Act of 1970 was enacted the number of employees has decreased. Try to find other governmental agencies, quasi-governmental agencies, or private organizations where there has been a decrease in personnel and an increase in productivity as in the case of the U.S. Postal Service. The figures show that when we began reorganization there were 710,286 postal employees. At the end of last year, the period for which we have figures, there were 649,692 employees, a decrease in the number of employees of about 61,000 people.

Therefore, Mr. Chairman, the gut question of the bill and the gut question of the Courter amendment is, Do we want to increase postal rates beyond 15 cents or do we want to, as the bill would provide, modestly increase the subsidy?

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I will be happy to yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding, Mr. Chairman. I asked the gentleman to yield because he mentioned the fact my amendment is calling for the increase in postal rates and nothing could be further from the truth.

Mr. CORCORAN. Mr. Chairman, I want to reclaim my time.

Mr. Chairman, the point is, if we decrease the subsidy and if we want to maintain current postal services, we will have to finance the organization in some way. I am not saying the gentleman's amendment directly calls for an increase in the rates. I am saying that will be the unwitting result of his amendment. I would suggest, Mr. Chairman, what we have here is a very basic, philosophical choice: Do we want to see the rates go from 15 cents to 18 cents to 20 cents and beyond or do we want to recognize that there is a place for the subsidy? I believe there is a place for the subsidy.

Mr. Chairman, let us look at the projections for fiscal year 1980. In my discussions with the Postal Service and in the testimony before our committee and in the budget that was submitted to this Congress, they plan a deficit of more than $1.237 billion. Part of that is what I would describe as a paper contingency, but the other part of it is an actual $494 million loss in fiscal year 1980 and that is what H.R. 79 addresses.

Second, Mr. Chairman, if we look at the real world, we will see that inflation is far beyond the 7-percent inflation figure which is the basis of the Postal Service budget.

Third, we will see, as everybody knows, the cost of gasoline has gone up dramatically. Therefore, the projected loss for fiscal year 1980 of about $500 million will be probably a good deal higher. That is why it seems to me to be so important that we recognize that an adequate subsidy is desirable.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. CORCORAN was allowed to proceed for 2 additional minutes.)

Mr. CORCORAN. Mr. Chairman, there is one additional point I would like to make. In the course of the committee deliberations on the bill, I offered an amendment which provided that any increase in the subsidy over the current authorized level would be dedicated to holding down first class rates. Now, Mr. Chairman, one result of H.R. 79, if enacted and if approved by the President as it presently stands, would be directed toward holding down first class rates.

Mr. Chairman, the alternative is much higher postal rates, because with costs going up, with inflation going up, with energy costs going up—each 1 cent increase in gasoline costs USPS $3.5 million—and with the built-in impact of employee cost of living adjustments which result in an increase in costs for the Postal Service of $55 million for every 1 percent increase in inflation that is how the Postal Service will have to finance its budget.

For those reasons, Mr. Chairman, I think it is very clear that Congress should make the policy choice. We can either take the approach recommended by my good friend from New Jersey which is to cut the subsidy and have the result that the rates are going up, or we can take the prudent course, the wise course and recognize that there is a relationship between the subsidy and the postal rates and that we want to stabilize rates at affordable levels for the people of this country.

□ 1230

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding.

Toward the end of the gentleman's remarks, the gentleman indicated that my amendment cuts the subsidy. It does not. The present law cuts the subsidy. The present law, as we know, diminishes the subsidy each and every year in the future in the fiscal years 1980, 1981, 1982, and 1983.

My amendment maintains the subsidization at the present level of $920 million.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CORCORAN) has expired.

(At the request of Mr. COURTER, and by unanimous consent, Mr. CORCORAN was allowed to proceed for 1 additional minute.)

Mr. COURTER. Mr. Chairman, will the gentleman yield further?

Mr. CORCORAN. I yield.

Mr. COURTER. Mr. Chairman, second, with regard to postal rate increases, I would like to refresh the memory of those people who heard the testimony of Postmaster General Bolger and other individuals, who responded to my question, and the questions of other members on that committee: The question was, "Would a reduction in postal subsidies as the present law requires, mandate a postal rate increase?"

His response was no. His response was: "Even with the increased money that you gentlemen want me to have and that I am not asking for and the administration does not think is necessary, postal rates are going to rise. It is only going to mean, with the increased subsidy, that the rise will be either 1, 2, or 3 months later than otherwise."

So I do not think a good argument can be made against my amendment that it will increase postal rates, when in fact they are designated to increase for certain and the increased subsidization will at best defer an increase for a scant few days.

Mr. CORCORAN. Mr. Chairman, I would just say in conclusion that we have a choice. That is, we can influence the amount of increase in the rates. If we adopt the amendment offered by my good friend, the gentleman from New Jersey, the rates are going to be significant, especially in that 4 or 5 year period of time addressed by H.R. 79.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CORCORAN) has again expired.

(By unanimous consent, Mr. CORCORAN was allowed to proceed for 1 additional minute.)

Mr. CORCORAN. Mr. Chairman, it seems to me, therefore, that we ought to take the prudent course over the next 4-, 5-, or 10-year period, especially in view of the fact that the legislation we are amending has set the policy for the Postal Service for roughly the last 10 years, and recognize that is what we are doing for the next 5 years with this measure. I would hope that we could keep postal rates down and do so by maintaining this modest increase in the subsidy and for these reasons, I urge the defeat of the gentleman's amendment.

Mr. COLLINS of Texas. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, the amendment by the gentleman from New Jersey is so moderate and so reasonable that I trust the House will accept it. I certainly think that we should have gone much, much further than the gentleman has recommended. There are so many opportunities for us to see the post office reduce their personnel expenses.

Now, the gentleman mentioned, and it is true, the gentleman from Illinois said that 80 percent of the cost of running the post office is in the salary schedule.

I want to just bring up one way, probably the most vital way and certainly the most essential way, and that is to do away with these post offices with postmasters in these little towns that do not do any business.

Now, my figures are not current, but we have a lot of post offices around this country where the salary of the postmaster is more than the total amount of stamps that their post office sells. That does not seem possible, but it happens. In other words, they have these little

rural post offices where they do not sell enough stamps to cover the cost of the postmaster's salary, much less the cost of the office rent, the telephone, the lights, the utilities, and any extra help that they might have. They do not even receive enough stamp sales to do it.

Now, what the Department could do, and we all know if it were a private business this is what they would be doing, they would simply consolidate any small post offices with the area that was close to it; in other words, maybe 20 miles away that postmaster would handle an eliminated small office; but as a result of the political process, these postmasters have been appointed and they are there for life.

Now, my figures are not current. I have some figures that are 2 years old, but I am sure the situation today is still the same. I took the neighboring State of West Virginia. Apparently they seem to have more small post offices because some type of rule made it possible for every coal mine over there to have its own post office. I never understood how that had anything to do with Postal Service; but anyhow, they seem to be in coal mines, because I cannot figure why they have so many in West Virginia.

In the state of West Virginia there are 1,026 post offices. Out of these that are losers—by losers I mean they do not sell enough stamps to pay the postmaster's salary—796; winners, 202, which means that for every post office that sells enough stamps to pay the postmaster's salary, there are four that are losing money, that is just the beginning, as all the other overhead must also be paid.

Let me get into Virginia. I want to commend the State of Virginia, because over in that State I got an old newspaper story 2 years old from the News Leader, the Richmond newspaper, that was aware of this problem. The News Leader could not understand why it was in Virginia, that they had so many of these deadhead post offices. Now, in Virginia they do not do as bad as West Virginia. They have 531 losers, while 337 winners sold enough stamps to pay the postmaster's salary; but even there, there are nearly twice as many post offices that should be abolished.

Take the Richmond, Va., situation. In Richmond, that postmaster gets $36,842 and yet the area provides a total amount of revenue in Richmond of $42,463,435. In any event, I will tell you what it was. They are selling more than a thousand times as many stamps as the Postmaster's salary.

If I could, and this was such an interesting study that they made, I wish every State in the country had some leading newspaper that would make this post office study to show what is happening in their State. Let me take a few post offices at random over in Virginia.

There is a city called Aroda which pays the postmaster $4,126—no, that is the revenue that is $4,126. I could not believe it. Total revenue is $4,126. The postmaster makes $14,935.

Here is one called Broadford. I have never been to Broadford. Maybe some of you have. The salary is $11,200, the postmaster makes, and he sells $3,000 in stamps a year. That is $250 worth of stamps a month that he is covering.

There is a little town called Caret. They sold in a year $2,353 in stamps. They sell less than $200 a month in stamps, but that gentleman who is postmaster makes $10,548.

Diggs Post Office takes in $1,721. That is less than $150 a month the postmaster sells in stamps, yet he draws $8,519 in salary.

There is a city called Graves Mills. It must not be a very big city because they sold $899 in stamps in the entire year, but that postmaster over there made $4,459.

Now, one thing I want to bring out regarding these postmasters. What we are suggesting is that they be transferred. We do not want these fine people to lose their jobs, but just transfer them; transfer them into Richmond, transfer them into Newport News. Transfer them to some city that needs them, but let us go for this very modest and substantive amendment and save the American taxpayers by reducing the subsidy.

● Mr. LOTT. Mr. Chairman, the primary objectives of the Postal Reorganization Act were to improve the conditions under which employees work, to provide adequate services at reasonable rates, and most importantly to create a self-sufficient postal system. The Postal Reorganization Act of 1970 created the mold from which countless other public service institutions have been cast. To do away with the "break even" concept at this point in time would totally erode the incentive mandated by this body when the Postal Service was reorganized. I am encouraged that today's Postal Service is slowly moving toward accomplishing these goals. The Postmaster General has publicly stated many times recently that the Postal Service will show a profit in excess of $180 million for fiscal year 1979.

Perhaps no Federal agency has been more maligned than the Postal Service, and no subject has caused more frustration and consternation. Over the years, the process has been like the weather. Everyone complains about it, but no one seems to do anything.

I feel that we should do all in our power to make the Postal Service not so much profitmaking, but cost efficient and working to reduce waste. I am convinced that the Postal Service is now definitely moving in this direction.

In essence, what I am saying is that the subsidy requested in H.R. 79 is unrealistic and that the amendment offered by the gentleman from New Jersey is a fair compromise, which gives the Postal Service in fiscal year 1980 an increase of $272 million.

I ask my colleagues to join me in supporting this amendment.●

● Mr. O'BRIEN. Mr. Chairman, I would like to express my support for the Taylor amendment that stipulates that in communities of fewer than 25,000 inhabitants, preference in postmaster selection will be given to qualified local post office employees or qualified local citizens rather than nonlocal candidates. One of the most glaring inequities of the 1970 Postal Reorganization Act of 1970 is the requirement that this position be filled arbitrarily by regional selection boards.

It used to be said, in many years gone by before we had the bureaucracy that we are now saddled with, that the only government official most citizens ever dealt with were the local postmasters and mailmen. While this is not true today, the office of postmaster is still an integral part of the structure of many small communities. The gentleman from Missouri makes the very valid point that the postmaster is more than the mere manager of the mails in these small towns. Quite often, this person is also a civic leader as well as a governmental representative. Yet, the system adopted in 1970 prohibits qualified businessmen, professional leaders and other capable citizens from even being considered. Many people consider this to be unfair and counterproductive to the communities where they are selected to serve. I would like to tell you about one community in my district that is making a concerted effort to do something about it.

Milford, Ill., is a town of about 1,600 residents. When the position of postmaster became vacant late last year, I was deluged with letters and petitions from hundreds of citizens in this small town to do something about the Postal Service's intent to find a replacement through the regional selection board. The townspeople felt, quite justifiably I believe, that they had several local candidates who were well qualified for the position, and who had served the city well in other capacities in the Postal Service. Yet, according to the law, this was not a consideration in the selection by the regional board.

While the thrust of the original legislation was to take politics and patronage out of the postal service, it has succeeded in incorporating another level of the faceless bureaucracy. Like the citizens of Milford, I resent this arbitrary system that depersonalizes one of the most important leadership positions in many small communities.

I hope that this body will adopt the Taylor amendment that restores a residency requirement for postmasters and requires preferential appointment to local postal employees as well as other qualified local residents.●

● Mr. GOLDWATER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey (Mr. COURTER) which would continue the $920 million allocation for public service until fiscal year 1984.

H.R. 79 authorizes increased public service appropriations for the U.S. Postal Service from the current $920 million level, to $1.1 billion for fiscal year 1980, $1.2 billion for fiscal year 1981, and $1.3 billion for fiscal year 1982.

Is this the incentive we are giving our Postal Service to become more efficient? How will this increased appropriation

induce the Postal Service to minimize costs and eventually end its dependency on Government subsidies.

Because the Postal Service operates on a nonprofit basis, it has no real incentive to operate efficiently. It would therefore be in its interest to squander any additional revenues it receives, for fear of lowered subsidies in the future.

Moreover, the U.S. Postal Service did not request an increased subsidy for fiscal year 1980. In fact, the Postal Service expects to finish the current fiscal year with a $180 million surplus, with the Postmaster General stating that there is no justification for an increase in subsidies at this time.

Since there is absolutely no necessity for this significant increase that will only result in additional tax burdens for our beleaguered taxpayers, I urge your support for this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. COURTER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COURTER. Mr. Chairman, I demand a recorded vote, and pending that, I make a point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1240

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

Therefore, the Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 450]

Abdnor	Atkinson	Blanchard
Addabbo	AuCoin	Boggs
Akaka	Badham	Boland
Alboste	Bafalis	Boner
Alexander	Bailey	Bonior
Ambro	Baldus	Bonker
Anderson, Calif.	Barnes	Bouquard
Andrews, N.C.	Beuman	Bowen
Andrews, N. Dak.	Beard, R.I.	Breaux
Annunzio	Beard, Tenn.	Brinkley
Anthony	Bedell	Brodhead
Applegate	Bellenson	Brooks
Ashbrook	Benjamin	Brown, Ohio
Ashley	Bennett	Broyhill
Aspin	Bereuter	Burgener
	Bethune	Burlison
	Bevill	Burton, John
Burton, Phillip	Hefner	Ottinger
Butler	Heftel	Panetta
Byron	Hightower	Pashayan
Campbell	Hillis	Patten
Carney	Hinson	Paul
Carr	Hollenbeck	Pease
Cheney	Holtzman	Pepper
Chisholm	Hopkins	Perkins
Clinger	Horton	Petri
Coelho	Howard	Peyser
Coleman	Hubbard	Pickle
Collins, Ill.	Huckaby	Preyer
Collins, Tex.	Hughes	Pritchard
Conable	Hutto	Pursell
Conte	Hyde	Quayle
Corcoran	Ichord	Quillen
Coughlin	Jacobs	Rahall
Courter	Jeffords	Railsback
Daniel, Dan	Jeffries	Rangel
Daniel, R. W.	Jenkins	Ratchford
Danielson	Johnson, Calif.	Regula
Dannemeyer	Johnson, Colo.	Rinaldo
Daschle	Jones, N.C.	Ritter
Davis, Mich.	Jones, Okla.	Robinson
de la Garza	Jones, Tenn.	Rodino
Deckard	Kastenmeier	Roe
Dellums	Kazen	Rose
Derrick	Kelly	Rosenthal
Derwinski	Kildee	Rostenkowski
Devine	Kindness	Roth
Dickinson	Kogovsek	Royer
Dicks	Kostmayer	Runnels
Dingell	Kramer	Russo
Dixon	LaFalce	Sabo
Dodd	Lagomarsino	Santini
Donnelly	Latta	Satterfield
Dorman	Leach, Iowa	Sawyer
Dougherty	Leath, Tex.	Schroeder
Downey	Lederer	Schulze
Drinan	Lee	Sebelius
Duncan, Oreg.	Lehman	Sensenbrenner
Duncan, Tenn.	Lent	Shannon
Eckhardt	Lewis	Sharp
Edgar	Lloyd	Shelby
Edwards, Ala.	Loeffler	Shumway
Edwards, Okla.	Long, La.	Shuster
Emery	Long, Md.	Skelton
English	Lott	Smith, Nebr.
Erlenborn	Lowry	Snowe
Evans, Ga.	Lujan	Snyder
Evans, Ind.	Luken	Solars
Fary	Lungren	Solomon
Fascell	McClory	Spence
Ferraro	McCloskey	St Germain
Findley	McCormack	Stack
Fisher	McDade	Staggers
Fithian	McDonald	Stangeland
Flippo	McHugh	Stanton
Florio	McKay	Steed
Foley	McKinney	Stenholm
Ford, Mich.	Madigan	Stewart
Ford, Tenn.	Maguire	Stokes
Forsythe	Markey	Stratton
Fountain	Marks	Studds
Fowler	Marlenee	Stump
Frenzel	Marriott	Swift
Frost	Martin	Synar
Garcia	Matsui	Taylor
Gaydos	Mattox	Thomas
Gephardt	Mavroules	Thompson
Giaimo	Mazzoli	Traxler
Gilman	Mica	Trible
Gingrich	Michel	Udall
Ginn	Mikulski	Van Deerlin
Glickman	Mikva	Vander Jagt
Goldwater	Miller, Ohio	Vanik
Gonzalez	Mineta	Vento
Goodling	Minish	Volkmer
Gore	Mitchell, Md.	Walgren
Gradison	Mitchell, N.Y.	Walker
Gramm	Moffett	Waxman
Grassley	Mollohan	Weiss
Gray	Montgomery	White
Green	Moore	Whitehurst
Grisham	Moorhead, Calif.	Whitley
Guarini	Mottl	Whittaker
Gudger	Murphy, N.Y.	Whitten
Guyer	Murphy, Pa.	Williams, Mont.
Hall, Ohio	Murtha	Williams, Ohio
Hall, Tex.	Myers, Ind.	Wilson, C. H.
Hamilton	Myers, Pa.	Wilson, Tex.
Hammer-schmidt	Natcher	Winn
Hance	Nedzi	Wirth
Hanley	Nichols	Wolpe
Hansen	Nolan	Wyatt
Harkin	Nowak	Wydler
Harris	O'Brien	Wylie
Harsha	Oakar	Yates
Hawkins	Oberstar	Yatron
Heckler	Obey	Young, Fla.
		Zeferetti

□ 1300

The CHAIRMAN. Three hundred and fifty Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The pending business is the demand of the gentleman from New Jersey (Mr. COURTER) for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 125, noes 242, not voting 67, as follows:

[Roll No. 451]

AYES—125

Alexander	Goldwater	Montgomery
Applegate	Gradison	Moorhead, Calif.
Archer	Grisham	Mottl
Ashbrook	Guyer	Myers, Ind.
Atkinson	Hagedorn	O'Brien
Badham	Hammer-schmidt	Obey
Baldus	Hansen	Pashayan
Bauman	Harsha	Paul
Beard, Tenn.	Hillis	Petri
Bennett	Hinson	Pritchard
Bereuter	Hopkins	Quayle
Bethune	Hughes	Railsback
Brooks	Hyde	Regula
Brown, Ohio	Ichord	Ritter
Broyhill	Jacobs	Robinson
Buchanan	Jeffords	Roth
Burgener	Jeffries	Royer
Butler	Jones, Okla.	Runnels
Campbell	Kastenmeier	Russo
Carney	Kelly	Santini
Cheney	Kemp	Satterfield
Coleman	Kindness	Sawyer
Collins, Tex.	Kramer	Schulze
Courter	Lagomarsino	Sensenbrenner
Daniel, Dan	Latta	Shumway
Daniel, R. W.	Leach, Iowa	Shuster
Dannemeyer	Lee	Smith, Nebr.
Davis, Mich.	Lewis	Snyder
de la Garza	Lloyd	Solomon
Derwinski	Loeffler	Spence
Devine	Lott	Stangeland
Dickinson	Lujan	Stanton
Donnelly	Lungren	Stockman
Dornan	McClory	Stump
Edwards, Ala.	McCloskey	Taylor
Edwards, Okla.	McDade	Thomas
Erlenborn	McDonald	Trible
Evans, Del.	McKay	Walker
Findley	Marriott	Whitehurst
Forsythe	Martin	Wylie
Gialmo	Michel	
Gilman	Miller, Ohio	
Gingrich		

NOES—242

Abdnor	Brown, Calif.	English
Addabbo	Burlison	Evans, Ga.
Akaka	Burton, John	Evans, Ind.
Alboste	Burton, Phillip	Fary
Ambro	Byron	Fascell
Anderson, Calif.	Carr	Fazio
Andrews, N.C.	Chappell	Ferraro
Andrews, N. Dak.	Chisholm	Fish
Annunzio	Clinger	Fithian
Anthony	Coelho	Flippo
Ashley	Collins, Ill.	Florio
Aspin	Conable	Foley
AuCoin	Conte	Ford, Mich.
Bafalis	Corcoran	Ford, Tenn.
Bailey	Coughlin	Fountain
Barnes	D'Amours	Fowler
Beard, R.I.	Danielson	Frenzel
Bedell	Daschle	Frost
Bellenson	Deckard	Garcia
Benjamin	Dellums	Gaydos
Bevill	Derrick	Gephardt
Blanchard	Dicks	Ginn
Boggs	Dingell	Glickman
Boland	Dixon	Gonzalez
Boner	Dodd	Goodling
Bonior	Dougherty	Gore
Bonker	Downey	Gramm
Bouquard	Drinan	Grassley
Bowen	Duncan, Oreg.	Gray
Breaux	Duncan, Tenn.	Green
Brinkley	Eckhardt	Guarini
Brodhead	Edgar	Gudger
	Edwards, Calif.	Hall, Ohio
	Emery	Hall, Tex.
Hamilton	Mica	Seiberling
Hance	Mikulski	Shannon
Hanley	Mikva	Sharp
Harkin	Mineta	Shelby
Harris	Minish	Skelton
Hawkins	Mitchell, Md.	Snowe
Heckler	Mitchell, N.Y.	Solars
Hefner	Moakley	St Germain
Heftel	Moffett	Stack
Hightower	Mollohan	Staggers
Hollenbeck	Moore	Steed
Holtzman	Murphy, N.Y.	Stenholm
Horton	Murphy, Pa.	Stewart
Howard	Murtha	Stokes
Hubbard	Myers, Pa.	Stratton
Huckaby	Natcher	Studds
Hutto	Neal	Swift
Jenkins	Nedzi	Synar
Johnson, Calif.	Nichols	Thompson
Johnson, Colo.	Nolan	Traxler
Jones, N.C.	Nowak	Udall
Jones, Tenn.	Oakar	Van Deerlin
Kazen	Oberstar	Vander Jagt
Kildee	Ottinger	Vanik
Kogovsek	Panetta	Vento
Kostmayer	Patten	Volkmer
LaFalce	Pease	Walgren
Leath, Tex.	Pepper	Waxman
Lederer	Perkins	Weiss
Lehman	Peyser	White
Lent	Pickle	Whitley
Long, La.	Preyer	Whittaker
Long, Md.	Pursell	Whitten
Lowry	Quillen	Williams, Mont.
Luken	Rahall	Williams, Ohio
Lundine	Rangel	Wilson, C. H.
McCormack	Ratchford	Wilson, Tex.
McHugh	Reuss	Winn
McKinney	Rinaldo	Wirth
Madigan	Rodino	Wolpe
Maguire	Roe	Wyatt
Markey	Rose	Wydler
Marks	Rosenthal	Yates
Marlenee	Rostenkowski	Yatron
Matsui	Sabo	Young, Fla.
Mattox	Scheuer	Zeferetti
Mavroules	Schroeder	
Mazzoli	Sebelius	

NOT VOTING—67

Anderson, Ill.	Fisher	Rousselot
Barnard	Flood	Roybal
Biaggi	Fuqua	Rudd
Bingham	Gibbons	Simon
Bolling	Holland	Slack
Brademas	Holt	Smith, Iowa
Broomfield	Ireland	Spellman
Carter	Jenrette	Stark
Cavanaugh	Leach, La.	Symms
Clausen	Leland	Tauke
Clay	Levitas	Treen
Cleveland	Livingston	Ullman
Conyers	McEwen	Wampler
Corman	Mathis	Watkins
Cotter	Miller, Calif.	Weaver
Crane, Daniel	Moorhead, Pa.	Wilson, Bob
Crane, Philip	Murphy, Ill.	Wolff
Davis, S.C.	Nelson	Wright
Diggs	Patterson	Young, Alaska
Early	Price	Young, Mo.
Erdahl	Rhodes	Zablocki
Ertel	Richmond	
Fenwick	Roberts	

The clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mr. Brademas against.

Mr. Daniel B. Crane for, with Mr. Murphy of Illinois against.

Mrs. Holt for, with Mr. Corman against.

Mr. Philip M. Crane for, with Mr. Wolff against.

Mr. Livingston for, with Mr. Stark against.

Mr. Rudd for, with Mr. Conyers against.

Mr. Symms for, with Mr. Jenrette against.

Mr. BOWEN and Mr. KOSTMAYER changed their votes from "aye" to "no."

Mr. KEMP changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1310

AMENDMENT OFFERED BY MR. COELHO

Mr. COELHO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COELHO: Page 28, insert before line 13 the following:

USE OF TRAINS OPERATED BY THE NATIONAL RAILROAD PASSENGER CORPORATION

SEC. 9. (a)(1) Chapter 52 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 5216. Use of trains operated by the National Railroad Passenger Corporation

"(a) Before the end of the 90-day period beginning on the date of the enactment of this section, the Postal Service shall—

"(1) conduct a study, in consultation with the National Railroad Passenger Corporation, to determine the extent to which trains operated by the Corporation may be utilized to transport mail without—

"(A) causing substantial deterioration in postal services; and

"(B) reducing substantially the revenues of the Postal Service or the Corporation; and

"(2) report the results of that study to each House of the Congress.

The Corporation shall cooperate with the Postal Service in carrying out the study required by this subsection.

"(b) In establishing mail routes and determining carriers upon which mail shall be transported, the Postal Service shall utilize, in accordance with this chapter, trains operated by the Corporation to transport mail to the extent determined under subsection (a)(1) of this section.".

(2) The table of sections for chapter 52 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"5216. Use of trains operated by the National Railroad Passenger Corporation.".

(b) Section 5203(c) of title 39, United States Code, is amended by inserting after "baggage" the following: "unless compelled to do so under section 5216(b) of this title".

(c) Before the end of the 90-day period beginning on the date of the report made pursuant to section 5216(a)(2) of title 39, United States Code (as added by this section), the Postal Service shall report to each House of the Congress on the progress of the implementation, during the 60-day period beginning on the date of the report made pursuant to that section, of the requirements of section 5216(b) of that title (as added by this section). The report shall include specific information concerning the reasons for the extent to which mail transportation service had not been in effect immediately before the date of the enactment of this Act on trains operated by the National Railroad Passenger Corporation.

Page 28, line 14, strike out "SEC. 9." and insert in lieu thereof "SEC. 10.".

Mr. COELHO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COELHO. Mr. Chairman, we have become increasingly aware of the problems that Amtrak, the National Railroad Passenger Corporation, has faced in recent years. Both the House and the Senate have passed bills providing more guidance and support for Amtrak, which is good.

Another practical approach, in my opinion, would be to increase Amtrak's revenues through other means. My amendment to the Postal Service Act would, in large part, contribute to these revenues by requiring the U.S. Postal Service to increase their use of Amtrak trains for transportation of mail. What better way to help one Government-sponsored entity than through the needs of another?

The amendment directs the Postal Service, together with Amtrak, to study and determine which trains could be used by the Postal Service without "substantial deterioration of mail services or substantially reduced revenues to the Postal Service or to Amtrak." Following the study, the Postal Service is directed to begin implementation according to the recommendations of the study.

Mr. Chairman, I urge adoption of the amendment.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. COELHO. I will yield to the gentleman.

Mr. CHARLES H. WILSON of California. As I understand, this is an amendment which would call for a study by the Postal Service to determine the feasibility of using Amtrak and trains again for the delivery of mail on the short hops and the milk stops and so forth.

Mr. COELHO. That is right, Mr. Chairman.

Mr. CHARLES H. WILSON of California. If the gentleman will yield further, we are happy to accept this amendment on this side. I think it is a good amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. COELHO. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I think it is obvious if the sponsor of the bill accepts the amendment, naturally we appreciate the value he attaches to it and, therefore, to his bill, and since I think the Congress does want to take the necessary steps to revitalize Amtrak, and maybe a return to some historic use of the rails by the Post Office would be helpful, I commend the gentleman for his imaginative and timely amendment and, therefore, will accept it, too.

Mr. COELHO. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. COELHO).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: On page 13, line 13, insert "(a)" before "The".

On page 13, line 16, strike out the quotation marks and final period.

On page 13, after line 16, insert the following new subsection:

"(b) The Postmaster General, in reviewing such practices and policies in his annual report submitted under section 2403, shall give particular attention to postal research and development in electronic transfers and communications.".

Mr. DERWINSKI. Mr. Chairman, there is considerable justification for referring to this as the "consensus amendment" to the Postal Service Act of 1970. Quite simply, this amendment makes it clear that the U.S. Postal Service will be involved in electronic communications.

This is a position supported by the White House, the Postal Service, postal employees, and the postal craft unions. H.R. 79 as now drafted is silent on postal electronics. My amendment will bring the bill in closer conformity with the administration's new communications policy which gives the Postal Service an important and vital role to play in electronic communications.

Under my amendment, the Postmaster General in his annual report to Congress will be required to include a report on Postal Service progress in electronic transfers and communications. If he is overstepping the role prescribed for the Postal Service under the White House communications policy, we will be in a position to act promptly. Similarly, we will be able to immediately call the Postmaster General and his top executives to task for a lack of technological progress.

In announcing the new communications policy, the administration took the logical position that electronic technology is a natural evolution of the national postal system which always has taken advantage of new ways of moving the mail as they become available. The Postal Service must be innovative if it is to be in a position to meet the changing demands of the mail-using public.

Postmaster General Bolger has made it clear he wants no subsidies for any electronic mail services. Furthermore, the Postal Service is making no claims to any monopoly on the electronic transmission of any services. What the Postal Service will do is purchase electronic transmission from private carriers while making available the services of its delivery network to those same private carriers.

My amendment makes it clear the Postal Service will be involved in electronic communications. In the process, it guarantees the continuation of a viable postal delivery system which will offer new career opportunities for postal employees.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. This is the electronic transfer amendment, as I understand, and we are happy to accept the amendment on this side.

Mr. DERWINSKI. All the amendment does is to comply and say that the Post Office should be involved in that phase. And in that case, Mr. Chairman, I appreciate the support of the gentleman from California and I indicated that this amendment was at page 13, line 13, which just proves that unlucky numbers are not unlucky.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The amendment was agreed to.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, last month I, along with many, many Americans, received a mailing from Mr. Howard Jarvis. It encouraged us to support legislation to reduce Government spending and to do other things.

When I looked at the envelope, I saw Mr. Jarvis paid only 3.1 cents per letter to mail to, I assume, millions of Americans, which meant that he got a postal subsidy of nearly 7 cents a letter to ask all Americans to write to us to tell us to reduce Government spending; which mailing, in my judgment, probably cost the taxpayers of this Nation somewhere between $2 million and $3 million. I have asked the Postal Service for exact figures.

Last month, during the Treasury-Postal Service appropriation bill, I tried to eliminate a provision in existing law which gives a preferred postal rate to political parties of that same 3 cents per letter. Of course, that 3 cents per item is what is granted to most nonprofit organizations.

My question to the distinguished chairman of the subcommittee, Mr. WILSON, is will the committee be doing some oversight to try to determine who should be eligible for these nonprofit, religious, charitable rates so that this Government and the taxpayers do not get ripped off by people who, in fact, are using that subsidy for noncharitable purposes?

Mr. CHARLES H. WILSON of California. Will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman.

Mr. CHARLES H. WILSON of California. I would say to the gentleman we certainly will include this in some very extensive hearings that we are holding which get into the financial stability of the Postal Service. We are involved in extensive hearings on the private express statutes. This certainly is something, this and lower rates for political mail, something that all comes under the same type of category, and I can assure the gentleman it is a subject that we will take very seriously and will give serious consideration to.

Mr. GLICKMAN. I appreciate that. I know a lot of us use the frank for purposes which many people think may not be legitimate, so none of us are pure on these issues. But it just struck me as strange that Mr. Jarvis, the great defender of a balanced budget, should be using this 3-cent postal rate.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: Page 25, after line 22, insert the following new section:

REDUCED RATES

SEC. 6. Section 3625(d) of title 39, United States Code, as redesignated by section 2(d)(13)(A) of this Act, is amended by adding at the end thereof the following new paragraph:

"(3) In the administration of this section, and for purposes of former sections 4358(j)(2), 4452(d), and 4554(b)(1)(B) of this title, educational organizations or associations shall include any agency of a State which collects taxes solely for the furtherance of elementary or secondary education. For purposes of this paragraph, the term "State" means the several States and the District of Columbia.".

Redesignate the subsequent sections accordingly.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, this amendment is admittedly of a very specialized nature, and I would hope that the House would indulge me a moment as I try to explain what it is this amendment seeks to do.

This amendment is aimed at a select group of nonprofit tax-collection agencies which are being formed around the country to collect school taxes. It is aimed only at this very narrow category of collection agencies that are now being formed, as I say, on a nonprofit basis in order to allow school districts to collect taxes themselves, but without using school district personnel.

As many of my colleagues know, for the purposes of collecting income taxes and property taxes these school districts have resorted to one of two ways of doing it, either they collect the tax themselves, acting as their own tax collector, or they hire out to a private tax collection kind of service.

In the first case it has put an unduly harsh administrative burden on the district and the efficiency quotient has been less than desirable due to the inability to verify taxpayers' income and the burden of collecting delinquents. The second method, as I say, is to employ a private tax-collection agency.

□ 1320

The same problems I just described apply here, too. The private agencies collect interest on the money they collect as well, and then turn the funds over to the school district at a later time. The solution to all of this, particularly in my State of Pennsylvania, is for the school district to organize into a nonprofit tax collection agency and incorporate that agency.

The plusses for such an agency are that it has access to State income tax records, thus allowing verification of income data and verification of addresses of delinquent returns, so the tax dollars are turned directly over to the school districts through this kind of mechanism. The result has been an increased revenue to the individual school districts.

The one real problem they are having is that they do not qualify for the lower rate, the lower mailing rate, that would normally apply to them, the library rate. This has caused considerable overhead expense for them.

What this amendment seeks to do is

to give these nonprofit agencies the opportunity to use that library rate.

There is a real and legitimate question to be asked. Are these really educational institutions or agencies? In a very real sense, they are. In most cases the agencies I am talking about consist of school board members from that particular school district. They are the ones who form the agencies to make certain that it is directly related to the school district. There would be no postal rate problem if the school district itself were collecting the taxes. The only reason for nonprofit tax agencies to exist is for local government efficiency. The rate should, therefore, be applied to them as well.

The other question that has to arise is, what kind of money are we talking about? At the present time the cost is absolutely negligible because there are only a few dozen of these agencies in the country. If we project it out and every tax were collected by this means, and every taxpayer were assessed through this means, the cost, according to the figures we have developed—and this is the highest maximum cost that there could ever be given present rates—would be about $5.6 million. But, that is an extremely high estimated figure. But it is the highest possible figure to be figured, because if we divide the cost out on local school districts and use the same kind of rate, it would bring that figure down substantially. So, this is an attempt to give the school districts an option to collect taxes through a nonprofit mechanism of their own, and to do so with the same kind of mechanism the school districts are presently permitted to use.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, what the gentleman is saying in a nutshell is that the Federal Government is going to pay for the collection of local taxes. Is that not it?

Mr. WALKER. What I am saying is that we ought to treat these nonprofit agencies exactly the same as we now treat the school districts.

Mr. KAZEN. Correct, so the Federal Government will pay a subsidy to collect local taxes.

Mr. WALKER. The reason we have to decide it right now is that there is a considerable advantage to the local school districts in order to encourage good education. We have decided that to allow them to use this library rate is a good thing. What my amendment does is extend that same philosophy to these nonprofit agencies.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry that I cannot accept the amendment of the gentleman from Pennsylvania, as we have done in the past two cases. However, we have a situation here where there has been no testimony on this particular subject. In the lengthy hearings we held on this legislation we had no one from any school boards or school districts that came in and asked for consideration of this particular problem.

We have been trying to find out from the Postal Service if they can estimate a cost per million pieces of mail that might be involved in this, and they are unable to give us a figure. They give us 8 to 8,000 per million pieces, but they say it is a bottomless figure now, and it can be higher than that.

I think this is a case where there is too much at stake without having sufficient information for us to consider. It has not been, as I said before, considered in the committee. There has been no testimony whatsoever on it. I can assure the gentleman that if he would be willing to withdraw his amendment, we will make this a matter of importance at the earliest possible time. I would hope that he will do that.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman. Yes, I will be very glad, on that basis, to withdraw the amendment, and we will try to help provide the information the gentleman may need for that consideration. I would appreciate the committee moving into it.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there other amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NATCHER) having assumed the chair, Mr. DE LA GARZA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 79) to amend title 39, United States Code, to provide that the Chairman of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes, pursuant to House Resolution 386, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 14, not voting 70, as follows:

[Roll No. 452]

YEAS—350

Abdnor
Addabbo
Akaka
Alboeta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Chisholm
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.

Murphy, N.Y.	Rose	Stratton
Murphy, Pa.	Rosenthal	Studds
Murtha	Rostenkowski	Swift
Myers, Ind.	Roth	Synar
Myers, Pa.	Royer	Tauke
Natcher	Runnels	Taylor
Neal	Russo	Thomas
Nedzi	Sabo	Thompson
Nichols	Santini	Traxler
Nolan	Satterfield	Trible
Nowak	Sawyer	Udall
Oakar	Scheuer	Van Deerlin
Oberstar	Schroeder	Vander Jagt
Obey	Schulze	Vanik
Ottinger	Sebelius	Vento
Panetta	Seiberling	Volkmer
Pashayan	Sensenbrenner	Walgren
Patten	Shannon	Walker
Pease	Sharp	Wa-man
Pepper	Shelby	Weiss
Perkins	Shumway	White
Petri	Shuster	Whitehurst
Peyser	Skelton	Whitley
Pickle	Smith, Nebr.	Whittaker
Preyer	Snowe	Whitten
Pritchard	Snyder	Williams, Mont.
Pursell	Solarz	Williams, Ohio
Quayle	Solomon	Wilson, C. H.
Quillen	Spence	Wilson, Tex.
Rahall	St Germain	Winn
Rangel	Stack	Wirth
Ratchford	Staggers	Wolpe
Regula	Stanceland	Wyatt
Reuss	Stanton	Wydler
Rinaldo	Steed	Wylie
Ritter	Stenholm	Yates
Robinson	Stewart	Yatron
Rodino	Stockman	Young, Fla.
Roe	Stokes	Zeferetti

NAYS—14

Cheney	Gradison	Mottl
Collins, Tex.	Hansen	O'Brien
Dannemeyer	Jeffries	Paul
Derwinski	Kelly	Stump
Gingrich	McDonald	

NOT VOTING—70

Anderson, Ill.	Fisher	Richmond
Barnard	Flood	Roberts
Biaggi	Fuqua	Rousselot
Bingham	Gephardt	Roybal
Bolling	Gibbons	Rudd
Brademas	Holland	Simon
Broomfield	Holt	Slack
Carter	Hughes	Smith, Iowa
Cavanaugh	Ireland	Spellman
Clausen	Jenrette	Stark
Clay	Lench, La.	Symms
Cleveland	Leland	Treen
Conyers	Levitas	Ullman
Corman	Livingston	Wampler
Cotter	McEwen	Watkins
Courter	Mathis	Weaver
Crane, Daniel	Miller, Calif.	Wilson, Bob
Crane, Philip	Moorhead, Pa.	Wolff
Davis, S.C.	Murphy, Ill.	Wright
Diggs	Nelson	Young, Alaska
Early	Patterson	Young, Mo.
Erdahl	Price	Zablocki
Ertel	Railsback	
Fenwick	Rhodes	

□ 1330

The Clerk announced the following pairs:

Mr. Brademas with Mr. Anderson of Illinois.
Mr. Fuqua with Mrs. Fenwick.
Mr. Early with Mr. Courter.
Mr. Biaggi with Mr. Young of Alaska.
Mr. Levitas with Mr. Bob Wilson.
Mr. Zablocki with Mr. Railsback.
Mr. Leland with Mr. Erdahl.
Mr. Young of Missouri with Mr. Daniel B. Crane.
Mr. Wright with Mr. McEwen.
Mr. Nelson with Mr. Rudd.
Mr. Murphy of Illinois with Mrs. Holt.
Mr. Wolff with Mr. Smith of Iowa.
Mrs. Spellman with Mr. Philip M. Crane.
Mr. Roberts with Mr. Symms.
Mr. Simon with Mr. Wampler.
Mr. Jenrette with Mr. Rousselot.
Mr. Bingham with Mr. Livingston.
Mr. Moorhead of Pennsylvania with Mr. Cleveland.
Mr. Patterson with Mr. Broomfield.
Mr. Price with Mr. Weaver.
Mr. Stark with Mr. Fisher.
Mr. Richmond with Mr. Gephardt.
Mr. Hughes with Mr. Gibbons.
Mr. Leach of Louisiana with Mr. Watkins.
Mr. Slack with Mr. Roybal.
Mr. Ireland with Mr. Holland.
Mr. Barnard with Mr. Ullman.
Mr. Corman with Mr. Carter.
Mr. Cavanaugh with Mr. Davis of South Carolina.
Mr. Conyers with Mr. Diggs.
Mr. Clay with Mr. Ertel.
Mr. Cotter with Mr. Mathis.
Mr. Miller of California with Mr. Clausen.

Mr. BUTLER changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes.".

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE TECHNICAL AND CONFORMING CORRECTIONS IN THE ENGROSSMENT OF H.R. 79

Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask unanimous consent that the Clerk, in the engrossment of the bill, H.R. 79, be authorized and directed to make such changes in section numbers, cross-references, and other technical and conforming corrections as may be required.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. CHARLES H. WILSON)?

There was no objection.

GENERAL LEAVE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include extraneous matter on the bill, H.R. 79.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. CHARLES H. WILSON)?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORT ON H.R. 5010

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a report on the bill, H.R. 5010.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan (Mr. NEDZI)?

There was no objection.

AMENDING INTERNATIONAL BANKING ACT OF 1978 TO EXTEND TIME FOR DEPOSIT INSURANCE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill, S. 1646, to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island (Mr. ST GERMAIN)?

Mr. WYLIE. Mr. Speaker, reserving the right to object, I would ask the distinguished gentleman from Rhode Island to explain for the record why this procedure is necessary.

Mr. ST GERMAIN. Will the gentleman yield?

Mr. WYLIE. I will be glad to yield.

Mr. ST GERMAIN. Mr. Speaker, the International Banking Act was passed in 1978 and among other features it provides for Federal deposit insurance on deposits in foreign banks.

Unfortunately, Mr. Speaker, the regulations were not adopted until July of 1979. The FDIC has communicated to the Congress, to the respective committees on banking of the House and Senate the fact that in order for them to examine the branches of foreign banks, they are in need of additional time. Otherwise they would have to close down as of September 17, 1979.

Mr. Speaker, the bill was passed by the Senate last night and is before us now. It would extend the time to allow the FDIC to perform its examinations of these branches and yet allow them to continue functioning until January 31, 1980.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island (Mr. ST GERMAIN)?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(b) of the International Banking Act of 1978 (Public Law 95-369) is amended by the addition of the following new paragraph:

"Notwithstanding the previous paragraph, a branch of a foreign bank in operation on the date of enactment of this Act which has applied for Federal deposit insurance pursuant to section 5 of the Federal Deposit Insurance Act by September 17, 1979, and has not had such application denied, may continue to accept domestic retail deposits until January 31, 1980.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1350

CONFERENCE REPORT ON S. 1019, REMOVING PROHIBITIONS RELATING TO UGANDA

Mr. SOLARZ. Mr. Speaker, I call up the conference report on the Senate bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 27, 1979.)

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLARZ) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. GOODLING) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in view of the lateness of the hour I will be relatively brief in my remarks on this legislation, which I do not believe in any case is a matter of great controversy.

After the downfall of the Amin regime in Uganda, both the House and the Senate passed legislation concerning a prohibition which we had placed on our foreign aid program in Uganda during the course of the fiscal year 1979 when Idi Amin was still in power. The Senate in the legislation which it adopted repealed all of the existing restrictions on aid against Uganda relating not only to economic assistance, but also to our military assistance and security assistance programs as well.

The House in the legislation which it adopted repealed the prohibition on economic aid to Uganda, but maintained the prohibition on military assistance to Uganda and security supporting assistance to Uganda.

When the conference committee met, it reached a compromise in which we agreed to repeal the prohibition on economic assistance, as well as security supporting assistance to Uganda, but to maintain our prohibition on military assistance to Uganda and the IMET program in Uganda as well.

At the same time, the House also receded to a Senate provision repealing the existing embargo on trade with Uganda.

During the years when Idi Amin was in power, the Congress adopted these restrictions on the grounds it would be inappropriate for us to provide any kind of assistance to one of the most tyrannical regimes in the history of the human race. Now that Idi Amin has been removed and the people of Uganda are in a position to enjoy their human rights, it is appropriate for us to remove the existing prohibitions on our aid to that country.

I think it is probably fair to say that as a result of the reign of Idi Amin, the economy of Uganda has been completely devastated. A special mission which was sent to Kampala by the State Department reported to us that the economy was at a total standstill. Manufacturing had come to an almost complete halt. Outside of the subsistence sector of the agricultural part of the economy, virtually nothing was being grown. Commercial activity had come to a virtual halt.

Consequently, there is a real need on a humanitarian basis to make some limited economic assistance available to Uganda.

I want to stress the fact that this legislation will in no way result in an increase in foreign aid. All it will do is make it possible for the administration to reprogram assistance that would have been available for other programs in order to make no more than $3 million available to Uganda for the remainder of the fiscal year. We want to provide some commodity import assistance for trucks, for spare parts, for some medical supplies and other essential equipment which the people of Uganda so desperately need.

I simply want to say in conclusion that we are very quick to adopt prohibitions on aid to countries that we feel are engaged in egregious violations of fundamental human rights. I think that is all to the good, because this country does stand for a positive human rights policy. But when a country against which these restrictions have been applied undertakes to remove the tyrannical regime which has imposed these depredations on them, I think we have a consequent obligation to remove those restrictions in order to facilitate the flow of humanitarian assistance which a country under those circumstances desperately needs. Uganda is such a case. The people of that country have suffered more than the people of any other country in the world, with the possible exception of the people of Cambodia, over the course of the last several years.

Not only the people of Uganda, but people all over the world can take comfort in the overthrow of the Amin regime. Now that that terrible tyrant is gone, this legislation will make it possible for us to provide some limited humanitarian and economic aid to the people of that beleaguered country.

Mr. Speaker, I urge my colleagues to adopt this conference report.

Mr. Speaker, I have no further requests for time, but I yield at this point to the distinguished ranking minority member.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as my chairman has indicated, as 8 years of a very horrendous regime under the leadership of Idi Amin has passed, there is no longer a necessity to have the restrictions that we placed on his regime.

I would call to the attention of my colleagues that whether we can or cannot make this aid available and make it meaningful is probably very questionable at this time. There appears to be a great deal of chaos in Uganda; but, nevertheless, should we have that opportunity and should it become safe for AID and others to get in and do the kind of things that have to be done after the devastating experience that the Ugandans have been under. We should make every effort to do just that. So although this does not guarantee that we will be able to do anything, it does give the administration the money and opportunity for the Ugandans to help themselves if, in fact, it would be possible because of security reasons. So I would certainly urge all my colleagues to support this report and, in fact, it is in the best interests of the United States to do just that.

● Mr. DERWINSKI. I rise in support of this measure just as I supported the earlier legislation calling for an end to U.S. support of Idi Amin. There was a reluctance on the part of the administration to act as early as it should have in taking steps against Amin's tyranny, even though the enormity of his crimes was undeniable. The administration should have reacted sooner to Amin's monstrous regime despite the unwillingness of African States themselves to apply the same standards to one of their own as they have applied to the rest of the world.

The administration was unduly reticent, even when it became clear that the Soviet Union was training and equipping Amin's butchers. At last, fortunately, Tanzania intervened and rid Uganda of its scourge. Therefore, I endorse this measure. Obviously, there is no longer any need to prohibit our aid program to Uganda now that Amin is gone.●

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

Mr. SOLARZ. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 280, nays 69, not voting 85, as follows:

[Roll No. 453]

YEAS—280

Addabbo	Bellenson	Campbell
Akaka	Benjamin	Carr
Albosta	Bennett	Chisholm
Alexander	Bereuter	Clinger
Ambro	Blanchard	Coelho
Anderson, Calif.	Boggs	Coleman
Andrews, N.C.	Boner	Collins, Ill.
Andrews, N. Dak.	Bonior	Conable
Annunzio	Bonker	Conte
Anthony	Bowen	Corcoran
Ashley	Breaux	Coughlin
Aspin	Brinkley	D'Amours
AuCoin	Brodhead	Danielson
Bailey	Brooks	Dannemeyer
Baldus	Brown, Ohio	Daschle
Barnes	Buchanan	de la Garza
Beard, R.I.	Burlison	Deckard
Bedell	Burton, John	Dellums
	Burton, Phillip	Derwinski
	Butler	Dickinson

Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Garcia
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Lederer
Lee
Lehman
Leland
Lent
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Rahall
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Rodino
Roe
Rosenthal
Roth
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Skelton
Smith, Nebr.
Snowe
Solarz
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Swift
Synar
Tauke
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zeferetti

NAYS—69

Abdnor
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bethune
Bevill
Bouquard
Broyhill
Burgener
Byron
Carney
Cheney
Collins, Tex.
Daniel, Dan
Daniel, R. W.
Davis, Mich.
Devine
Duncan, Tenn.
Edwards, Okla.
Fountain
Gaydos
Grassley
Hall, Tex.
Hammer-schmidt
Hansen
Harsha
Hinson
Hopkins
Hubbard
Ichord
Jeffries
Kazen
Kelly
Kemp
Kindness
Kramer
Latta
Leath, Tex.
Lewis
Loeffler
Lujan
Lungren
McDonald
Marriott
Montgomery
Murphy, Pa.
Myers, Ind.
Paul
Quayle
Quillen
Robinson
Runnels
Santini
Satterfield
Shumway
Shuster
Snyder
Solomon
Spence
Stump
Taylor
Whitten
Williams, Ohio
Wyatt

NOT VOTING—85

Anderson, Ill.
Barnard
Biaggi
Bingham
Boland
Bolling
Brademas
Broomfield
Brown, Calif.
Carter
Cavanaugh
Chappell
Clausen
Clay
Cleveland
Conyers
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
Davis, S.C.
Derrick
Diggs
Early
Erdahl
Ertel
Evans, Ind.
Fenwick
Fisher
Fithian
Flood
Fuqua
Giaimo
Gibbons
Hillis
Holland
Holt
Ireland
Jenrette
Leach, La.
Levitas
Livingston
Lott
McDade
McEwen
Mathis
Miller, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Nelson
Panetta
Patterson
Price
Railsback
Rhodes
Richmond
Roberts
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Simon
Slack
Smith, Iowa
Spellman
Stark
Stokes
Symms
Thompson
Treen
Ullman
Wampler
Watkins
Waxman
Weaver
Wilson, Bob
Wilson, C. H.
Wolff
Wright
Young, Alaska
Young, Mo.
Zablocki

□ 1410

The Clerk announced the following pairs:

Mr. Cotter with Mr. Mathis.
Mr. Fithian with Mr. Roybal.
Mr. Brademas with Mr. Anderson of Illinois.
Mr. Nelson with Mrs. Fenwick.
Mr. Murphy of Illinois with Mr. Courter.
Mr. Miller of California with Mr. Livingston.
Mr. Mottl with Mr. Lott.
Mr. Panetta with Mr. Young of Alaska.
Mr. Biaggi with Mr. Cleveland.
Mr. Conyers with Mr. Carter.
Mr. Evans of Indiana with Mr. Erdahl.
Mr. Corman with Mrs. Holt.
Mr. Early with Mr. Bob Wilson.
Mr. Brown of California with Mr. Broomfield.
Mr. Boland with Mr. Clausen.
Mr. Thompson with Mr. Rousselot.
Mr. Wright with Mr. Daniel B. Crane.
Mr. Bingham with Mr. McDade.
Mr. Zablocki with Mr. Railsback.
Mr. Young of Missouri with Mr. Philip M. Crane.
Mr. Barnard with Mr. Davis of South Carolina.
Mr. Charles H. Wilson of California with Mr. McEwen.
Mr. Ullman with Mr. Derrick.
Mrs. Spellman with Mr. Patterson.
Mr. Rostenkowski with Mr. Moorhead of Pennsylvania.
Mr. Jenrette with Mr. Levitas.
Mr. Roberts with Mr. Richmond.
Mr. Clay with Mr. Ireland.
Mr. Ertel with Mr. Hollis.
Mr. Cavanaugh with Mr. Leach of Louisiana.
Mr. Price with Mr. Gibbons.
Mr. Chappell with Mr. Rudd.
Mr. Slack with Mr. Wampler.
Mr. Stokes with Mr. Symms.
Mr. Watkins with Mr. Rose.
Mr. Weaver with Mr. Simon.
Mr. Wolff with Mr. Waxman.
Mr. Fisher with Mr. Stark.
Mr. Fuqua with Mr. Giaimo.
Mr. Diggs with Mr. Smith of Iowa.

Mr. HINSON changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SOLARZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 2774, ARMS CONTROL AND DISARMAMENT ACT AUTHORIZATIONS

Mr. FASCELL. Mr. Speaker, I call up the conference report on the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of August 3, 1979.)

The SPEAKER pro tempore. The gentleman from Florida (Mr. FASCELL) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. WINN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 2774, a bill authorizing appropriations for the Arms Control and Disarmament Agency for fiscal years 1980 and 1981. The conference report before the members represents a good and fair compromise between the two bills passed by the House and Senate respectively.

The conference report provides an authorization of $18,876,000 for fiscal year 1980 as originally passed by the Senate. This is $400,000 below the House passed version. The conference report also provides $20,645,000 in authorization for fiscal year 1981 as originally passed by the House instead of such sums as may be necessary as passed by the Senate's bill.

The conferees deleted a provision in the Senate bill which would have prohibited the appointment of retired military officers to serve in the positions of Director or Deputy Director. However, the conferees did accept the Senate provision prohibiting the appointment of active duty military officers to the position of Director or Deputy Director. The net effect of these changes tends to reinforce the longstanding tradition of civilian leadership of ACDA. This has been, with one exception, the case in ACDA since its inception in 1962.

The conferees did not accept a Senate provision requiring a comprehensive economic impact study of U.S. military expenditures on national defense and arms control policies. The conferees concluded that the comprehensive nature of the proposed study exceeded ACDA's limited personnel and financial resources.

Finally, due to present budgetary constraints, the conferees did not adopt the House amendment conferring discretionary authority for the Director of ACDA to make selective grants in support of arms control education and training programs. The conferees recognized the many desirable and long-range benefits of the House provision and urged ACDA to request such authority in future budget submissions to Congress.

Mr. Speaker, the conference report on H.R. 2774 authorizing appropriations for ACDA for fiscal years 1980 and 1981 reaffirms the vital role this small but important agency must continue to play in contributing to our Nation's national security. Accordingly, I urge favorable adoption of this conference report by our colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. WINN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to support the conference report concerning Arms Control and Disarmament Act authorizations for fiscal years 1980 and 1981.

The conference report we have before us today will allow the Arms Control and Disarmament Agency to participate in a wide variety of activities concerning international security. Among those activities are the conduct of numerous arms control negotiations, research in nuclear nonproliferation, and participation in the review of U.S. technology exports which have arms control implications.

The results of the conference reflect a particular concern for reducing the amount of the initial House authorization by $400,000. For fiscal year 1980, the committee of conference adopted a figure which was the same as the Senate figure and the executive branch request and $400,000 below the figure recommended by the House. This $400,000, which was struck by the conferees, could have been used by the Arms Control and Disarmament Agency to make grants to institutions of higher education, nonprofit organizations, and public agencies for the purpose of supporting programs in arms control education and training. The authority to make those grants, which was contained in the initial House bill, was also struck by the conferees.

The initial Senate bill also mandated a costly and comprehensive study concerning the impact of military expenditures upon the American economy. This Senate provision was also rejected by the committee of conference due to present budgetary constraints on the Arms Control Agency.

In conclusion, I believe that the conference report authorizes—in a fiscally responsible fashion—ACDA programs which are important to our national and international security. As a result, I urge my colleagues to support the conference report we have before us today.

Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I support the ACDA conference report, but wish to remind the Members that the question of verification of SALT II—and SALT I, for that matter—should not be forgotten.

ACDA itself has neglected to place the necessary emphasis on verification. My personal belief is that "unilateral restraint" in armaments—the avowed policy of the former Director of ACDA, who presided over the SALT II negotiations team—is an unwise guide in dealing with the Soviets. We must see a demonstrated, verifiable restraint on the other side. Verification is one of the foremost—if not the foremost—points in the SALT II issue. As we authorize funding for ACDA, we must remind ACDA of our concern for this major issue. Verification, the administration has advised us more than once, is a political question.

The House must play its rightful role in the political process which considers that question.

● Mr. ZABLOCKI. Mr. Speaker, I rise in support of the conference report on H.R. 2774, a bill authorizing appropriations for the Arms Control and Disarmament Agency for the fiscal years 1980 and 1981.

In my opinion, the conference report represents a fair and equitable compromise between the bills which were passed by the House and Senate and it upholds the position of the House in all important respects. It deserves our full approval.

The conference report authorizes appropriations of $18,876,000 for fiscal year 1980, as proposed by the Senate, and $20,645,000 for fiscal year 1981, as originally passed by the House. We did not accept the Senate's open-ended authorization for fiscal 1981 of "such sums as may be necessary."

The conferees agreed to a provision passed by the Senate barring the appointment of active duty military officers to the positions of Director or Deputy Director of ACDA. The intent of the conferees was to reinforce the longstanding tradition of civilian leadership of ACDA.

We sought to hold expenditures to the minimum possible. One result was that we did not include in the conference report a study, proposed by the Senate, of the economic impact of U.S. military expenditures. We also did not include discretionary authority for ACDA to make educational grants, which had been proposed by the House. However the conferees believed that these two proposals had many desirable features, and we encouraged ACDA to request the discretionary grantmaking authority passed by the House in future budget submissions to the Congress.

Mr. Speaker, the conference report on H.R. 2774 authorizing appropriations for ACDA for fiscal years 1980 and 1981 represents a small but important sum to be spent to enhance our national security. The funds authorized in this report are used to study fundamental questions of international security and to support international negotiations which can play a major role in safeguarding our country's security.

I urge favorable action on this report.●

Mr. FASCELL. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 230) entitled "An act to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1142. An act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes;

S. 1454. An act to amend the Act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code;

S. 1515. An act to authorize the striking of Bicentennial medals; and

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

PROVIDING FOR CONSIDERATION OF H.R. 51, FUELS TRANSPORTATION SAFETY AMENDMENTS ACT OF 1979

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call

up House Resolution 381 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 381

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 51) to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce and thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be read for amendment by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1420

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself much time as I may consume.

Mr. Speaker, this resolution provides for the consideration of H.R. 51, the Fuels Transportation Safety Act amendments. The resolution grants one half hour of general debate to each of the committees with jurisdiction over the bill, the Committee on Interstate and Foreign Commerce and the Committee on Public Works and Transportation. The time will be equally divided and controlled by the chairmen and ranking minority members of the two committees.

This is an open rule, allowing any germane amendment to be offered when the bill is considered for amendment under the 5-minute rule. The amendment in the nature of a substitute adopted by the Committee on Interstate and Foreign Commerce is to be considered as an original text for purposes of amendment.

The rule also waives points of order against the bill for failure to comply with section 402(a) of the Congressional Budget Act. That section of the Budget Act prohibits consideration of an authorization that has not been reported by May 15 preceding the fiscal year during which it becomes effective. Section 205 of H.R. 51's original text would authorize certain sums effective upon enactment, since the bill was not reported by May 15, 1978, a point of order would lie against it under the Budget Act. However, the committee amendment in the nature of a substitute corrects this violation by making the authorization effective at the beginning of fiscal year 1980. The waiver is thus purely technical.

Upon completion of consideration of the bill and prior to final passage the rule would allow one motion to recommit with or without instructions.

Mr. Speaker, liquid natural gas and liquid petroleum gas are important components of our Nation's energy supply. But they are also fuels whose storage and transportation involve very serious hazards, as the recent disaster in Waverly, Tenn., and in Spain and Mexico amply testify. H.R. 51 authorizes $41.5 million over the next 3 fiscal years for the activities of the Secretary of Transportation under the Pipeline Safety Act. It also strengthens the authority of the Secretary to regulate all LNG and LPG facilities, to identify and eliminate hazardous situations before catastrophes occur, and to study the issue of liability for financial loss due to catastrophic failure at liquified gas facilities.

Mr. Speaker, I urge my colleagues to begin consideration of this important legislation by adopting House Resolution 381.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from California (Mr. BEILENSON) has explained the provisions of the resolution. This act deserves the attention of the House, because safety is so important, and the welfare of the people and the industry should be looked at this time.

Mr. Speaker, I have no requests for time. I support the rule, and I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader the program for the balance of this week and next week.

Mr. LELAND. Mr. Speaker, if the gentleman will yield, I will be glad to respond.

Mr. Speaker, this completes the program for this week.

The program for the House of Representatives for the week of September 10, 1979, is as follows:

On Monday, September 10, the House will meet at 12 o'clock noon.

Votes on suspensions will be postponed until Tuesday, September 11, 1979.

The House will consider the following bills under suspension of the rules:

H.R. 3763, Office of Federal Procurement Policy Act Amendments of 1979;

H.R. 740, increase acreage for geothermal research sites;

H.R. 4732, pay of Capitol Architect;

H.R. 5010, Federal Election Campaign Act amendments;

H.R. 1212, relief for University of Florida, Gainesville;

H.R. 1319, extend duty-free entry period for certain telescopes for Mauna Kea telescope project;

H.R. 2297, extend synthetic rutile duty suspension period;

H.R. 3122, tariff treatment of certain dyeing and tanning articles; and

H.R. 4986, Consumer Checking Account Equity Act of 1979.

On Tuesday, September 11, the House will meet at 12 o'clock noon and recorded votes on suspensions debated Monday, September 10, 1979, will be taken.

We will also consider H.R. 4034, Export Administration Act Amendments of 1979, with votes on amendments and the bill.

Also, H.R. 51, Fuels Transportation Safety Amendments of 1979, under an open rule with 1 hour of debate. The rule already has been adopted.

On Wednesday, September 12, 1979, the House will meet at 10 a.m. and we will consider H.R. 4040, DOD fiscal year 1980 authorizations, under an open rule with 4 hours of debate. The rule has already been adopted.

Thursday and Friday, September 13 and September 14, the House will meet at 10 a.m.

We will take up the following legislation:

Conference report on S. 544, Public Health Service Planning Amendments of 1979;

Conference report on S. 230, Nurse Training Act Amendments of 1979;

H.R. 4440. Transportation appropriations, fiscal year 1980, on which we will complete consideration;

H.R. 3000, DOE authorizations, fiscal year 1980, on which we will complete consideration;

H.R. 3180, DOE authorizations, fiscal year 1979, under an open rule with 1 hour of debate;

H.R. 3303, Justice Department authorizations, fiscal year 1980, under an open rule, with 1½ hours of debate.

The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time.

Any further program will be announced later.

Mr. MICHEL. I thank the gentleman.

If I might inquire, is it the intention of the leadership to have a Friday session all during the month of September?

Mr. LELAND. As of now, up until the 29th of this month.

Mr. MICHEL. On Mondays, since we are going to be carrying over all the votes on the suspensions from Monday to Tuesday, would that be more or less a rule for the month of September? Is that just confined to this week?

Mr. LELAND. No; it would not be.

Mr. MICHEL. I thank the gentleman.

ADJOURNMENT TO MONDAY, SEPTEMBER 10, 1979

Mr. LELAND. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1430

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. LELAND. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

501 AND COUNTING

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, it is truly a sad sight to watch the death throes of the remnants of the Carter administration. The events that took place during the August recess show, beyond a reasonable doubt, that there is no leadership in existence within the Oval Office. About the only successful effort of the administration during August was the fending off of a scared rabbit, and even that had to be apologized for.

It is almost agonizing to review last month's events. Mr. Carter has passed through the bounds of embarrassing and beyond the threshold of bizarre. His sorry record for the last few weeks is nothing short of pathetic. He has pushed incompetence and irresponsibility to new heights. I hope the Guiness Book of Records is watching Mr. Carter so he will at least have something to show for how he spent his summer of 1979.

The major event in foreign affairs during recess was the removal of Andrew Young as guru of the Carter White House. It can only be hoped that America's credibility with those outside of the Kremlin and the African dictatorships can be restored in the wake of Young's perverted world view. His last ultimate act of circumventing a major bilateral agreement with Israel was a monument to Young's contempt toward America's commitments in the world. The question in my mind is not why he left, but why he was ever allowed to hold such a position of authority.

Typical of the Young mentality of appeasement of our enemies and neglect of our friends were a number of other events during August. Soviet troops were found in Cuba. The reaction of our State Department was to cover for the Kremlin and to express more concerns over SALT than over the stability of the Caribbean. Meanwhile the lovefest over the Sandinistas continued with all indications showing that the United States will once again ignore all danger signs and plow ahead in aiding one more Soviet outpost in the Western Hemisphere. Half-way around the world the Vice President was linking Communist Chinese policy with the well-being of the United States. Closer to home, the State Department showed its ineptitude by bungling the defection of Ludmilla Vlasova.

Questions need to be asked about all of these incidents. Why was the Soviets allowed to have custody of Vlasova for 72 hours before perfunctory questioning? How come the negotiators did not grasp the possibility that there was a threat on Vlasova's mother in order to keep her in line? Why did Mondale avoid a visit to our ally, Taiwan? Why are major facts about the suppression of dissent in Nicaragua being withheld from the American people or glossed over by Vance and company? Why was there such a weak American response to the Soviet moves in Cuba? These are disturbing questions because they show a pattern of near disinterest on the part of this administration for the well-being of the United States. It is mindboggling to think that those who won the votes of the American people and then took the oath to uphold the U.S. Constitution would neglect their responsibilities in such a wholesale manner.

The domestic policy front hardly brightens this picture. All the while America sank deeper into inferiority abroad and deeper into inflation and recession at home Mr. Carter played the calliope on a river boat. Like a modern Nero, Mr. Carter showed total detachment from the realities of the plights his Nation faced. In a sweeping disregard for policy he signed off on a shipment of oil to Iran. His only explanation being some vague emotional affinity with the poor of Iran who will never see that oil anyway. In this one action he removed any sense of integrity from his campaign trip billed as a pro-energy conservation crusade.

The integrity of Mr. Carter's collapsing administration was called into question by a number of other events in August. Hamilton Jordan was under an FBI investigation for cocaine use at Studio 54. While the charges are already being considered dubious, it is upsetting that an administration that rode into the White House on a platform of piety would open itself to such charges. It makes me wonder if the piety was just another of the shams perpetrated by Mr. Rafshoon to dupe a gullible electorate. A more serious allegation was the signs of a possible cover-up of links between White House staffers to an obstruction of justice case regarding financier Robert Vesco. It is amazing that the pillar of moral outrage, the Washington Post, has seen fit to bury these charges deep inside its pages instead of giving it the coverage it once gave to similar antics by another administration regarding the very same personage.

In summing up August it is indeed a sorry state of affairs for this Nation to have to be put through one embarrassment after another as the Carter White House sinks deeper into the quicksand of public revulsion. Mr. Carter has now become more unpopular than President Nixon ever was. His ability to rule is dubious at best. All that is left for America to do is to count down these last 501 days in this misbegotten administration and hope that the country will not be in a total shambles when a new President takes the helm.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, due to foggy weather in Grand Rapids and Chicago, I was unavoidably absent during part of the session on Wednesday, September 5.

I take this time to explain how I would have voted had I been present: Rollcall No. 435, on resolving into the Committee of the Whole for consideration of H.R. 4473, "yes";

Rollcall No. 436, an amendment to H.R. 4473 to reduce the appropriation for international organizations and programs by $3.75 million, "yes";

Rollcall No. 437, an amendment to H.R. 4473 to prohibit use of funds for economic or military assistance to Panama, "yes";

Rollcall No. 438, an amendment to H.R. 4473 to strike the appropriation for the Institute for Scientific and Technological Cooperation, 'no." ●

THE RABBIT—AN ANSWER TO INFLATIONARY PRESSURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 5 minutes.

● Mr. SEBELIUS. Mr. Speaker, today I introduced legislation designed to encourage the production of high-protein, low-fat rabbit meat. Consumers of domesticated rabbit meat should have the

assurance that it is wholesome, unadulterated, and properly labeled; just as they do for other meat and poultry products.

At a time when consumers are complaining about rising food costs, a steady and dependable supply of top-quality rabbit meat would help reduce some of the inflationary pressures. At the present time, inspection is available for rabbit processing under a voluntary program in which processors pay for the service.

I think that rabbit consumption, to date, has been limited, because consumers have no guarantees of wholesomeness. Where inspection is provided, the retail price of rabbit is inflated by the cost of inspection. The competitive disadvantage of the absence of quality guarantees has overshadowed the dietary and economic benefits of rabbit consumption.

The need for high-quality protein in the human diet is well-documented. Rabbit meat is similiar to the white meat, or breast, of chicken. That this meat is high in protein and low in fat underscores its dietary importance to our health-conscious society.

The rabbit has a feed conversion of about 4 to 1—4 pounds of feed per 1 pound gain. The meat has a high meat-to-bone dressing percentage, and the meat is about 85 percent digestible.

The domestic rabbit has the genetic capacity to produce about 25 times its weight in fryer offspring each year.

Rabbit byproducts are important in the production of certain pharmaceuticals. For example, rabbit blood is reduced to plasma for diagnostic purposes, while rabbit brains are used to produce thermo plastin for testing and coagulation of human blood in the laboratory.

A stable rabbit-processing industry could create economic opportunities for many unemployed or underemployed citizens in rural and small-town areas. Rabbit production as a supplemental income source appeals to hobbyists, senior citizens, young people, handicapped, the disadvantaged and various ethnic and minority groups.

Raising rabbits requires a limited investment and operating capital, as well as minimum labor requirements. This makes rabbit production a promising source of income and meat production in the future.

More important, the consumer would be guaranteed wholesomeness and an increasing supply of a most nutritious and healthful food which is high in protein and low in fat.

Thank you.●

ANDREW YOUNG: WORLD HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, our former colleague and Ambassador to the United Nations, Andrew Young, is a man of rare courage and conviction. He has always spoken out honestly and forthrightly on the issues he believes to be important to our country. Unfortunately, such candor has not always been appreciated by President Carter and others.

Recently, Ambassador Young did the job he was hired to do—talk to another diplomat at the United Nations about the business of the United Nations. Because the diplomat was a representative of the Palestine Liberation Organization, Andrew Young was immediately rebuked by the Secretary of State and his own President.

Rather than repent, Andy resigned. It is "ridiculous" for the United States not to talk to one of the primary parties to the continuing conflict and bloodshed in the Middle East, he said. To avert bloodshed and help build a lasting peace was his only goal in communicating with the PLO, yet all he received from his own Government was harassment and criticism.

. In an act of great statesmanship, he resigned. As he told me a few days later, he did so because he wanted to focus public attention upon our misbegotten policy. Had he stayed in office, the furor over his activities would have continued. He, not our "ridiculous" policy, would have been the subject of the controversy. Realizing that, Ambassador Young resigned his prestigious position at the United Nations, because the principle involved was more important than the job. He concluded he could not carry out orders which he believed were contrary to the interests of the United States. His devotion to his country and to world peace was the overriding concern.

In the tradition of Elliot Richardson and Anthony Eden, Ambassador Young decided he should resign on a matter of high principle. Such is really the ultimate test of any public official, and unfortunately, all too few pass it as did Andy Young. He paid the ultimate price that any public official can for his beliefs. But by focusing public attention upon the U.S. head-in-the-sand attitude toward the PLO, Andy Young performed a greater service to peace in the Mideast than any public official has since President Sadat undertook his historic journey to Jerusalem. Andy advanced his stature as a world figure—indeed a world hero—moving and shaping the course of history in ways which Presidents and other heads of government dream of but seldom achieve.

The United States, Israel, Palestinians, other Arab States, and the world owe a great deal to Andrew Young for the giant stride toward peace which he produced. As a private citizen, I know he will continue the work he so nobly began.●

RESERVATION ON H.R. 3236 VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, I voted for H.R. 3236, but I must say that I did so with one reservation. The bill, as a whole, is on target. It is designed to encourage pepole who can work to do so. That is a logical first step in the important task of closing the loopholes in Federal programs which have proven costly and which drain needed financial resources away from work.

But, as I read it, this legislation would, in some instances, mean lower disability benefits for individuals who are so severely disabled that they will never be able to go back to work. In such circumstances, this legislation could mean that some individuals with a legitimate need for assistance would be forced to live on lower incomes even though there would be no incentive effect. I regret that, under the rule, the bill could not be amended in the House to correct this flaw. I would hope that a change could be made to address this problem in the Senate, and, if not, that the committee will give early attention to the need for legislative remedy.

I also, of course, hope the committee will continue its efforts to eliminate waste and abuse in the programs within its jurisdiction. The American taxpayers deserve no less.●

KING CRIME

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, the assassination of District Federal Judge John H. Wood remains unsolved. As a matter of fact, even the beginning of the solution of the case is far from even being successfully initiated.

I have spoken consistently and on a sustained basis on this floor since that fateful and unacceptable, abominable crime, and particularly because the assassination of this Federal district judge is unprecedented. This has not happened in more than 100 years in the history of the American judiciary, and was so preventable. As a matter of fact, as I have said before, I almost predicted it and was fearful and had sent word to the judge 4 days before he was gunned down to recall the Federal marshals to provide custodial care which he had had until he ordered it terminated some time in the spring of this year.

The reason why he and other officials had been under protective custody of the marshals, was that last year in November a murderous attack was perpetrated on the assistant Federal district attorney by the name of James W. Kerr. That one also was of great concern, in fact, equal, if not greater concern because again locally in my district I had spoken out beginning exactly a year ago this month of September about the increased activity as a sort of a way station in my area of the international organized crime cartel specializing, and particularly in the last 3 years, in the stolen vehicle and automobile parts racket from the United States to Mexico and other parts of Latin America, which in the last 2½ years has grown into a billion dollar racket. I am not talking

about the Mafia but the more sophisticated elements of organized crime. There is such a myth about the Mafia and that was all started under the regime of J. Edgar Hoover, who never wanted to admit the reality of the presence of the syndicate, the real corporate, organized crime structure in the country. The Mafia is just small potatoes, it is a branch of the syndicate. So when that moved into that racket it grew into a billion dollar enterprise which continues to flourish to this date.

My contention is that Judge Wood and the attempt on James Kerr and several other deaths that have occurred in my area and other areas are directly attributable to this incursion.

It further implements a series of addresses that I made to the House in 1970 in which I first spoke out about the uncontrolled magnitude of organized crime, the extent of its activities, its ability to have penetrated our Government on all levels to the highest level, and more insidiously into the otherwise honorable fronts of business, and professions and institutions such as banks, savings and loans, shopping centers, name it, organized crime is in it.

The Nation has an involvement in this case, and this is the only reason that I have importuned the House and taken the time of this forum. It is shockingly disappointing to see that nothing more has been done either to resolve the cases completely and fully than at the time that I expressed my concern before the attack on James Kerr, but after the hit of two lesser citizens, if we can call them that, in the district. It seems I could get very little or appreciably little action after the attempt on James Kerr. I took this forum as soon as I could after the attack on James Kerr and I had communicated in the months of November and December with the Justice Department, the Attorney General, the President, and finally it was not until after the beginning of the 96th Congress and my addressing myself on the House floor that I had a reaction from both the Attorney General as well as from the Presidential office in the person of the special assistant to the President for domestic affairs, who visited my office. At least I was given a little audience. I expressed my concern, insisted that this should be given national priority. I said then you are going to have to have further attacks on officials. The targets are higher placed officials; that is, the district attorney himself and the Federal district judges. This is where the real target is and I can think of nothing that should arouse a concentrated attack and a coordinated effort of all law enforcement agencies from the Federal to the State to the local, than this.

□ 1440

Because, as I pointed out, it involved the four main currents or streams of organized crime; what I call the Washington or the eastern seaboard down to Florida; New Orleans, Texas, and Mexico connection; the central line, New York, Chicago, Dallas, Austin, San Antonio, the border and into Mexico, and the Las Vegas connection—Las Vegas, El Paso, Juarez in Mexico, and Far West connection—four streams. Every one of them is beyond the control or even the complete measurement as to dimensions on the part of our law enforcement agencies in our country. But, it seems to me that after an attack has been perpetrated on the men that we in the Congress and that the country hires to protect society and to enforce its laws, and then suffer with somewhat complacency, I should think, the assassination of a Federal district judge, that something very, very wrong and amiss is the case in our society and our country.

Now, I have therefore sworn that I will not permit the assassination of John Wood to fade into the dust of history like the unsolved disappearance of Jimmy Hoffa, and the other national crimes that cry out for solution, because these are aimed at the heart of the structure of society itself. If we do not address ourselves now and here to the complete solution of the murder of John Wood and the attempted murder of James Kerr, then we must admit that King Crime reigns supreme, and that our Government is only a shadow government.

As we all know, the fundamental purpose of a government is to safeguard the physical well-being and protection of the citizens. If it cannot do that minimal, basic function, then the government serves no real purpose.

I, therefore, in this pledge to unremittingly work toward this solution, have enlisted the aid of local law enforcement agencies that in the past have revealed greater efficiency than even that which I have seen reflected in the Federal agencies. I will have more to report in this endeavor, because I think that we will be in the near future in a position to start unraveling these cases and find the complete solution—not only the hit man, but the forces and the insidious people beyond the hit men.

"SMALL IS BEAUTIFUL" FAIRS HELP SPREAD MESSAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, Members will be interested in an event I was privileged to be associated with during the recent district work period. In Milwaukee, I was cosponsor, along with other elected officials on all levels, of Small Is Beautiful Days on September 1–3, a 3-day celebration of the spirit of the late, great E. F. Schumacher, whose book gave our days their name, and of some of the "appropriate technology" that exemplifies the small-is-beautiful idea.

Schumacher, a German-English economist and philosopher, said that for our present age, he asked of science and technology, "Methods and equipment which are cheap enough so that they are accessible to everyone; suitable for small-scale application; and compatible with man's need for creativity."

Milwaukee's Small Is Beautiful Days brought precisely such methods and equipment, in working order and in great profusion, to the Milwaukeeans and others who attended the festival at 27th Street and North Avenue on Saturday, Sunday, and Monday of the Labor Day weekend.

Schumacher's original concern was with underdeveloped countries. For instance, he invented a new type of nonmechanical plow that moved much of Third World farming centuries forward in efficiency and yield without the need for the vast industrial intrastructure that supports our own American agri-industry.

But Mr. Speaker, it is evident now that there are large areas of America itself that may reasonably be called underdeveloped. It is also evident that the fossil fuel base that put so much of the bigness in our big business is on the way to running out, no matter what OPEC or Big Oil do or do not do. Hence, for all of us, there is some small in our future. It can be beautiful.

It was beautiful in Milwaukee over the holiday weekend.

Our celebration was divided into six principal parts: Transportation, economic development, renewable energy resources, land use, ecology, and gardening.

All were equally important, but two had a certain glamor in the nature of things. Renewable energy resources included a swift and silent modern electric windmill, lighting bulbs, and generating electricity measured on meters below; three separate and different solar cooking devices—all of them, I am ethnically proud to say, cooking bratwurst; several systems of heating water and producing energy from the Sun. The ARCO folks had a mobile home entirely powered by photovoltaic cells mounted on the roof. Totem, by Fiat of Italy, demonstrated the cogeneration of electricity and hot-water heat.

Transportation included not only homemade and university-made electric cars, but also bikes, mopeds, and a 1919 Model T, billed as possibly the last sensible car ever built.

The economic development section ranged from the Government assistance offered by the Small Business Administration through its Service Corps of Retired Executives (SCORE) to highly individual craftspeople weaving, spinning, and making baskets in ways that go back to prehistory.

The high points of the land use exhibit were systems for saving and using rainwater, the Ice Age Trail, a fine feature of Wisconsin topography, a diorama of existing plans for the renewal of the area in which the celebration was held, and, of all things, an urban nature trail set out by the local Audubon Society and full of unexpected wild flowers growing in the heart of town.

The ecology section demonstrated the uses and reuses of sewage and water itself, and the advantages of a composting toilet.

Urban gardens were laid out and

grown by a Milwaukee group attractively named Shoots 'n' Roots. Other gardeners showed the how and the why of earthworm technology and organic composting.

There were health foods galore, as well as such ethnic savories as roasted corn, barbecued ribs, the ubiquitous bratwurst, and natural cider.

A large and varied entertainment program catered to every taste and, I hope and believe, did a lot of cross-cultural cross-fertilization of taste among the Afro-Americans, Norwegian-Americans, Bulgarian-Americans, Bohemian-Americans, Scottish-Americans, and others who represented the rich cultural mix of Milwaukee in song and dance.

Mr. Speaker, I wish also to express my gratitude and that of my cosponsors of Small Is Beautiful Days to the several Government agencies which made the event possible by their wise advice and generous assistance: The Economic Development Administration, the Department of Housing and Urban Development, the Community Services Administration, the National Endowments for the Arts and Humanities, the National Center for Appropriate Technology, the Department of Energy, and finally ACTION, the Director of which, Mr. Sam Brown, came to Milwaukee to deliver the opening address and inspire all who heard him.

Mr. Speaker, our Small Is Beautiful Days offered information and food for thought to all who came. I urge Members to consider whether a similar manifestation might not be of similar use to the people in their own districts. Any Member inspired to go and do likewise has but to call my office to have made available the fruits of our experience in what was indeed a fruitful experience for all concerned.●

SOCIAL SECURITY DISABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, yesterday the House passed H.R. 3236, the Social Security Disability Insurance Amendments of 1979. Although I regret having had to do so, I opposed that bill. Certainly, there are good provisions in it—provisions that will make it much easier for some disabled people to return to the work force. Unfortunately, along with the provisions that would be an improvement in the present law, there are others—benefit reductions—that will be most detrimental to the future well-being and financial security of disabled workers. I am convinced that the seriousness of the benefit reductions in this bill far outweigh the improvements.

Those who will be hardest hit by this legislation are young disabled workers with families. They are the people whose annual incomes at the time of disability were the lowest of all workers, who must be the most seriously disabled in order to qualify for disability benefits in the first place, and who often have families with young children. Many of them are not covered by insurance programs other than social security. For the vast majority, their disability benefits are significantly lower than what they could earn if they were working, yet their costs are often higher. Many of the disabled must pay others to provide services they can no longer perform for themselves, such as home maintenance, transportation and marketing. Without an adequate level of disability insurance benefits, they face a lifetime of poverty and need.

The fallacy in this bill, it seems to me, is the evident assumption that most people on social security disability could return to work if they had enough incentive to do so. That is just not true. People on disability—particularly the younger people—must be severely disabled to qualify for benefits to begin with. Approximately 70 percent of those who apply are turned down. Among those who do qualify for benefits, only a small number could return to work no matter what the incentive. And yet, the benefit cuts in H.R. 3236 will affect all new disability insurance beneficiaries with dependents and all newly disabled workers who are so unfortunate as to become severely disabled before the age of 47. Clearly, for most of those people, the benefit reductions in H.R. 3236 will not change anything except that they will have less to live on. Their already uncertain finances will be strained even further.

The benefit-reduction proposals in this bill first appeared in the early 1970's, at a time when the number of beneficiaries had increased dramatically and the financial stability of the trust fund was being threatened. Since then, however, the rate of growth of the disability program has been declining, benefit levels have been reduced as a result of changes in the law in 1977, and the trust fund is no longer in jeopardy.

Yet with H.R. 3236 we are ignoring the impact of those changes and insisting on further undermining the financial well-being of the severely disabled and their families. We are achieving budget reductions—modest ones—but we are doing so at the cost of those most in need and least able to pay. That is hardly a goal worthy of this Congress.●

OPPOSITION TO H.R. 2653

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, State Representative Michael Griffin from the 50th District of Michigan wrote to me voicing his opposition to H.R. 2653, a bill to establish reapportionment procedures for congressional districts nationwide. I, too, oppose this bill. The elected representatives of the people of Michigan should have the responsibility for reapportionment and not a five-member redistricting commission. I would like to take this opportunity to share Representative Griffin's letter with my colleagues:

JULY 31, 1979.

Hon. BOB CARR,
Member of Congress, Cannon Building, Washington, D.C.

DEAR CONGRESSMAN CARR: As chairman of the Committee on Elections of the Michigan House of Representatives, I am writing to you to express my deep opposition to H.R. 2653 and S. 596.

The results of congressional elections during the last decade provide ample evidence that Michigan's congressional districts were not drawn to partisan advantage following our last census. Approximately one-third of the districts (the 3rd, 5th, 6th, 7th, 8th, and 10th) have been represented by congressmen from both political parties since the 1971 reapportionment. However, none of the changes in representation took place in the first election (1972) following the adoption of the new apportionment plan. In addition, the 2nd Congressional District has such an even partisan composition that there was virtually a tie vote in that district in 1976. Since seven of the state's nineteen congressional seats appear to be within the grasp of both major political parties, it is clear that the plan which resulted from the last reapportionment of Michigan's congressional seats was not designed to give one of the parties an advantage over the other, but rather was based on population and other non-partisan considerations.

Michigan's Constitution of 1963 provided for a commission, similar to the one proposed in H.R. 2653 and S. 596, which is charged with reapportioning the State Legislature. This commission failed to agree on a plan on the two occasions that it had the opportunity, and subsequently the Michigan Supreme Court had to make decision about the apportionment of the Michigan Legislature. This situation has resulted in the politicalization of the highest court of Michigan, which both the justices and the people of Michigan resent very deeply.

At first glance, it appears that the potential for a tie vote on a reapportionment plan would be avoided by the odd-numbered commission which is proposed by the two bills before Congress. However, the solution which is suggested would likely result in a deadlock in commission proceedings at an even earlier stage, the selection of the chairperson. I believe that it is extremely unlikely that the four members of the commission would be able to agree on an acceptable fifth person who the commission believes would not pose a threat to the electoral self-interest of either political party. Both bills would effectively grant the power to reapportion the Congressional districts of a whole state to one person. Even if we assume that it would be possible for the initial members of the commission to agree on the fifth person, I have some very serious questions about giving such unparalleled power to one unelected, and therefore unaccountable individual.

At the present time, the 148 elected representatives of the people of Michigan have the responsibility for reapportioning our state's congressional districts. It is my opinion that this responsibility ought to remain with the legislature because its members are directly accountable to the people who will be so greatly affected by the outcome of the reapportionment process. Therefore, I urge you to oppose the adoption of H.R. 2653 and S. 596 and to support the present system by which Michigan's congressional districts are redrawn every ten years.

Sincerely yours,

MICHAEL J. GRIFFIN,
State Representative.●

ENVIRONMENTAL PERSPECTIVE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, a person with probably more experience in actually dealing with energy and environmental problems than anyone else in

our Nation recently gave us his views on these matters. This person is Adm. H. G. Rickover. He stated his views on the occasion of his receipt of the Winston Churchill Award by the International Platform Association on August 1, 1979. Since he has had so much actual experience in dealing with energy and environmental matters and since this experience has been in an area where environmental considerations are more demanding and severe than in any other—nuclear propulsion of submarines and surface ships—all of us should give a great deal of attention to what he has to say.

For this reason I am including at the close of my remarks the complete statement Admiral Rickover made on August 1. I am sorry to add that Admiral Rickover covered many of the points he made in this statement at a public hearing before my Armed Services Committee on March 1 but no media notice was given to the important factual data he presented. In my view this failure to provide the public with accurate data which is based on actual experience is the reason why we are in this present dilemma on energy. Admiral Rickover covers the matters in an excellent manner.

My experience with energy and environmental matters, which spans more than three decades, causes me to make some comments on confusing misconceptions which have developed. Nuclear power for example is viewed by some in our society as having safety, environmental, and reliability shortcomings. On the other hand, nuclear power has specifically been chosen for the propulsion of nuclear submarines because of its superior safety, environmental and reliability characteristics.

Let us first consider safety. The safety of an energy source which must be hermetically sealed with its human operators, as in a submarine, is more important than in any other application. As Admiral Rickover reports, this characteristic of nuclear power has been proven in hundreds of cases involving thousands of people.

Going next to environmental effects—there is no application of an energy source in which such effects must be held lower than in submarines. Detection of any environmental impact, utilizing the most sensitive methods of detection available by any nation, would be devastatingly detrimental to this application. Again, as demonstrated by actual operating experience in the naval reactor program, nuclear power meets these unequaled environmental stringency.

Of course, reliability has no equal to that demanded in submarines. No alternates to this prime source of energy are available to a submarine operating in hostile environment of the sea. Again this characteristic of reliability of nuclear power has been demonstrated in hundreds of instances involving many years of operation in the naval reactor program.

I am sure you will all greatly value the factual information Admiral Rickover presents in his statement on environmental effects and safety.

ENVIRONMENTAL PERSPECTIVE

(By Adm. H. G. Rickover, U.S. Navy, at the 1979 Annual Convention of the International Platform Association, Washington, D.C., Aug. 1, 1979)

I am greatly honored to be the recipient of the Winston Churchill Award. I had the privilege of meeting this great statesman when I visited the House of Commons in the early 1960's. I admired him greatly for his achievements and because he was a singularly warm-hearted human being.

I want to thank the members of the International Platform Association for this award and for inviting me to speak here this morning.

Long before the term environmentalist became a household word, I was concerned about our environment. Early in my career I became concerned that our natural resources were being consumed too rapidly; that the world's finite supply of petroleum would eventually be depleted; that the hydrocarbons we were burning for energy would be desperately needed by future generations as raw materials. Back in 1936, I had computed that the oil used in all history was one cubic mile in volume. By 1979, the total oil consumption had reached 17 cubic miles (463 billion barrels), a cube about 2.6 miles on a side. These figures show how small this precious resource is.

For too many years every new highway or invention was welcomed as an indicator of progress without taking into account the long range consequences. Mankind has been profligate—as if we were owners rather than trustees of this planet.

Today, there is a greater awareness of these problems, but not the recognition of the limits that nature imposes. From many quarters there are pressures to come up with a "safe" source of abundant energy. But each alternative has its limitations. Some, such as nuclear power, are opposed by single interest groups that often vie to be the loudest to cry doom. As more aspects of everyday life are being characterized by one group or another, as involving high risk, ordinary citizens are finding it increasingly difficult—perhaps impossible—to get the issues into perspective.

Within some special interest groups are those who favor returning to the simpler style of 100 years ago. Their objective is clear; they tend to be against most forms of energy.

The great majority of people, however, want to sustain today's advanced life style. For them the problem is one of evaluating alternatives—of comparing risks and weighing them against benefits.

The media, in search of exciting news, and special interest groups, encourage embellishing facts. Since tough facts are often bland and hard to market as "news," the public gets a distorted picture of environmental matters. We face a danger that public policies in technology will be determined, in effect, by the media and by single interest groups.

While the problems we face today are immense, the increased public interest in energy and environmental matters offers an opportunity for progress toward solving these difficult, long range problems. But these will have to be dealt with intelligently, not on an emotional basis. Scientists, engineers, businessmen, medical people, lawyers, and others with professional knowledge and training are being called upon for facts and advice. It is essential that all involved take to heart their professional responsibilities; that they feel duty bound to convey what they know and what they do not know, with balance and perspective. That is not the case in many areas of society and is why, as the President recently said, America is suffering a crisis of confidence. The American people simply do not know what or whom to believe.

Our society now abounds with so-called experts who deal in half-truths and play on human fears or suspicions to further their own special interests. And a half-truth is like a half-brick—it will go farther. In so doing, they abrogate their professional responsibility to the public and cloud important issues. Those knowledgeable in the various disciplines have an obligation to see that these issues are kept in perspective, so they can be addressed intelligently by our leaders and understood by ordinary citizens. Consistency is needed in evaluating risks, and in providing proper perspective.

ENVIRONMENTAL RISKS

Nothing we do is without risk. Risk is an inherent and accepted part of daily life. The problem lies in determining how great are the risks and what should we truly be afraid of. For this, it is important to acquire a sense of perspective. Should the falling of Skylab have been a major concern? It was estimated that there was only one chance in 150 that Skylab debris would hit one person in the entire world. Nevertheless, in some areas emergency preparedness centers were activated and airplanes grounded. A more meaningful risk to me was that I had one chance in six hundred billion of being hit. This risk was worth worrying about for about one billionth of my life, which translates to about one second.

The risk from skylab was inconsequential. The environmental risk having the greatest effect in the United States today is smoking. Smoking causes us about 325,000 deaths each year, half these are from heart disease, and about one-quarter from lung cancer. Sixty years ago we had little lung cancer. Today more are dying from it than from automobile accidents.

Each cigarette has been estimated to shorten life expectancy by five minutes. Another method of estimating the risk shows that of a group of 10,000 who continue smoking, 1600 die from the effects.

Another major health problem in the United States is caused by overweight. Our affluence and use of television contribute to this. Each ounce above normal weight is estimated to reduce life expectancy by two days.

We accept the inevitability of automobile accidents. Chances are that ten people in this room will be seriously injured this year from automobiles. By building safer cars or further reducing speed the risk could be reduced. But even a parked car is not risk free. You could choose not to drive, yet pedestrians and bicyclists also are injured by cars. Reducing the risk of injury from automobiles to zero requires moving to a place where there are none.

These comparisons should give some idea of the risk involved in things you are familiar with. They give a basis for judging what smoking, or eating, or watching Skylab fall, could mean to your health and safety. This is the kind of perspective to which people can relate. Everyone knows life is risky. If he has the basis for judgment, he can decide what to do or not do.

RADIATION RISK

While accepting the many daily risks of living, many seem to be getting the idea that their demands for energy should be met on essentially a risk-free basis. Since this is impossible, attention should be focused on taking reasonable steps to safeguard the public, on developing realistic assessment of the risks, and on placing them in perspective. One of the most widely distorted risks is radiation.

At the start of the Navy's Nuclear Propulsion Program in 1946, I realized the need for careful attention to radiation. It was clear to me that if nuclear ships were to be viable, there would have to be assurance that workers and crews not be subjected to excessive radiation. To emphasize this, I designed the

shielding for our Naval nuclear plants to be many times more stringent than required by the standards then in effect. As a result, the shielding built into the first nuclear submarine, the *Nautilus*, was so conservative that it continues to be far more than adequate to meet the considerably lower radiation levels permitted today.

My approach to radiation shielding design was not agreed to in some places. For example, in 1957, the Chief of the Bureau of Ships—my boss—asked me to reduce the shielding in our submarines in order to save weight. Likewise, in 1965, a Congressional Committee launched an investigation to determine whether my conservative approach to shielding was unnecessarily increasing the cost of submarines. In both cases I held to my determination to keep radiation levels as low as I could reasonably get.

Insofar as the environment is concerned Naval plants have been so designed and operated that in each of the last eight years the total gamma radioactivity discharged to all harbors of the world has been less than two thousands of a curie. This quantity is for the operation of over 100 ships and of all their support facilities. To give you an idea what this means, if one person were able to drink the entire amount of this radioactivity discharged into any harbor in all of 1978, he would not exceed the annual radiation exposure permitted by the Nuclear Regulatory Commission for an individual worker.

The word "radiation" has come to connote danger. It is often described as so dangerous that any amount is unsafe—as if the only question worth addressing is "how fast will radiation harm you?" Because you cannot see, feel, taste, hear, or smell radiation, it has an aura of mystery. But this same mystery appears to be absent from other potentially hazardous things for which we have a lack of sensory perception, such as radio waves, carbon monoxide, and small concentrations of numerous cancer-causing substances. These do not generate the same degree of fear as radiation.

The fear instilled by radioactivity today is akin to the fear of electricity following the invention of the electric light bulb one hundred years ago by Thomas Edison. Public fear of electricity was inflamed. Wall plaques had to be installed in rooms with electric lights, assuring people that "the use of electricity for lighting is in no way harmful to health, nor does it affect the soundness of sleep." Yet electricity has helped to transform man's life from a short one of drudgery to one where long life and higher aspiration can be realized.

Scientists have stated for decades that radiation can cause harm. However, all of us have been subjected to radiation throughout our lives from time of conception and, in fact, even prior to conception. The entire human race has been subjected to radiation, as has every living thing, throughout the entire evolution of our earth. The average person in the United States receives each year about one-tenth rem from natural radioactivity in the earth, in his body, and from cosmic radiation.

The unit of radiation, rem, ought to be required knowledge in all technical societies. It is defined in terms of energy absorbed in body tissues. Receiving one rem of gamma radiation is equivalent to absorbing 100 ergs of radiation energy for each gram of body tissue. There are 454 grams in a pound. An erg is the amount of energy required to lift a mosquito weighing one thousandth of a gram about one centimeter. In terms of energy the rem is a small unit. A dose of one rem would raise body temperature only two millionths of a degree centigrade.

We are not accustomed to fear background radiation; after all it is part of our natural environment. Yet in scientific terms it can be shown that its risk is not zero. More is known about radiation than almost any substance that can affect humans. More money has been spent to learn the effects of radiation on humans than for any other hazard in our modern society. The main effect is cancer. Effects other than cancer have not been found for low-level radiation exposure to adults. While genetic effects from radiation can occur, they are so small that none have been found in 35,000 children conceived after the nuclear explosions, by parents irradiated in Hiroshima or Nagasaki in 1945.

The combination of one-tenth rem per year background radiation, together with nearly the same average amount from medical diagnostic radiation, is estimated to cause almost one percent of cancer deaths in the United States. In an average group of 10,000 people, 1600 will die of cancer. Sixteen of these deaths will be from background and medical radiation. If the lifetime radiation exposure of 10,000 people is increased by an average of one rem per person—a total of 10,000 rem—it is estimated that one additional fatal cancer may occur.[1]

This estimate of risk gives perspective on what radiation exposure means in the following ways:

Of all industrial and medical radiation workers in the United States, about 15,000 die each year from cancer. The total radiation exposure from their work adds an estimated 25 cancer deaths per year.

Radiation from the nuclear accident at Three Mile Island may add one fatal cancer death to the public within fifty miles. Of the two million people living within this fifty mile radius, 325,000 are expected to die of cancer from causes other than the radioactivity released from this accident.

The perspective on radiation can be improved by comparison. For example, I know an apparently healthy person who forty years ago received more radiation from medical chest X-rays more than the total exposure all 15,000 radiation workers at nine shipyards received in 1978 from Naval nuclear power plant work. Others have had similar radiation exposure, and years later are alive and well.

Another example: for years rumors have persisted that radiation-induced cancer has killed the crew of the first nuclear-powered ship, the Nautilus. In 1978 the Navy traced each of the 96 officers and enlisted men of this first crew. Despite the rumors, all the men associated with operating the nuclear propulsion plant were alive and well.

With this perspective you are in a position to better answer the question, "Is radiation safe?" If safe means zero effect, then you have to conclude radiation is unsafe. But to be consistent, you should also conclude that background radiation and medical radiation are unsafe. Or more simply, that being alive is unsafe.

"Safe" is a relative term. Comparisons are necessary for actual meaning. For a worker, safe means the risk is small compared to other risks accepted in normal work activities. Aside from work, safe means the risk is small compared to other risks routinely accepted in life. From what I have said, it should be clear that the radiation encountered in our daily activities should not be the scary subject it is proclaimed to be.

EXTRAPOLATIONS

In radiation, as in other areas, a most effective way to frighten people is to proclaim that no one knows what the effects are. This has been repeated so often it has become an article of faith that no one knows the effects of low-level radiation on humans.

One could well state, "No one knows the risks of smoking a few cigarettes," but the risks of smoking a large number of cigarettes are well known. If 10,000 people smoke an average of four cigarettes a day, about 100 deaths will result; data are not available for lower smoking rates. For radiation, doses of 100 rem to each of 10,000 people would be required to cause an equal number of deaths. The effects of radiation on humans at doses of 100 rem are well known. The major controversy over radiation risks today is how to extend the risks estimates to even lower levels. As we get to lower levels, it becomes more and more difficult to detect the effects, and this becomes a problem. Would it be possible to determine the effect on the death rate of doing one situp or one pushup a day?

Using the figures I just presented you can extend the numbers to show that one rem has about the same risk of death as smoking one cigarette per month. I make this comparison only to show that finding out the effect on the death rate of one rem of exposure is about the same as trying to find out the effect of smoking one cigarette a month.

The point is that the effect of one rem is extremely small. There are physical limits to how far we can go to ascertain precisely the size of this risk, but we do know it is small. Those who sing the refrain of how little we know about low-level radiation do a disservice. Instead, they should explain how much we do know about the small actual effects.

STUDIES

Today, the universal answer to a claimed lack of knowledge of environmental effects is to conduct a study—nearly always at Government expense. I am not against studying environmental or health effects per se. But studies must be high quality; they have to cover tens of hundreds of thousands of people, and they must extend for many years, to have any chance of validly detecting effects as small as those from low-level radiation. One wonders whether this is a proper expenditure of taxpayer money. Are there not other areas more deserving of this kind of attention?

The compulsion to study is often used to quell public fears. It is also a way to show that something is being done. At Three Mile Island, epidemiological studies are being launched. One study has been commissioned to investigate the radiation effects on all pregnant women in the area—there were only a few hundred. These pregnant women received less extra exposure to radiation as a result of the Three Mile Island accident than they would have received had they moved to Denver, Colorado for a few months. If we must have a new study, it would make more sense to study radiation effects in Denver, with its higher background radiation due to the high altitude. Or members and staffs of the U.S. Congress could be studied because there are places on Capitol Hill with radiation levels above normal background due to natural elements in the building stone. If the idea of conducting studies on Congressional groups strikes you as strange, you may understand why I have reservations about the real need for some of the studies underway.

A study is often the way to forestall taking meaningful action or making a decision. Doing a study is usually doing nothing. De-Montaigne said "Too much study suffocates the active part of understanding." Studies are frequently used to quiet an outcry. The study takes time. During this period the clamor dies down. The study is issued, filed and forgotten. Meanwhile a new issue has aroused the public. Another study is authorised. The report is filed in the archives, and so on, and so on.

[1] This risk estimate was made in 1977 by the United Nations Scientific Committee on the Effects of Atomic Radiation and by the International Commission on Radiological Protection. It is within the range of estimates in the 1979 draft report of the U.S. National Academy of Sicences Committee on Biological Effects of Ionizing Radiations, and in the 1972 report of this committee.

INJURY CLAIMS

Another aspect of radiation where scare stories are contributing to the problem is in the realm of radiation injury claims. Here, as in other areas, our approach to life is to turn from self-sufficiency to excessive reliance on Government. Many have come to presume that any risk, no matter how small, warrants indemnification by the Government. I am not against the payment of legitimate claims where the cause can be substantiated and it can be clearly shown that the Government was at fault. But when the risks are minimal, common sense should prevail.

In 1978, a worker in New Mexico was awarded $75,000 in worker's compensation because he feared radiation. No physical injury was claimed. No excessive exposure to radiation was claimed. In 1979, the Connecticut State Supreme Court awarded compensation to a municipal employee for injuring his ankle playing ping pong before his work shift started. A compensation claim was approved for a Navy worker for headaches allegedly caused by sitting at a desk with his head down. Such abuses are becoming common. The implications of these awards are far-reaching—not simply for the money involved but in the attitudes being inculcated into large numbers of Americans.

There are about 65,000 employees in Government-owned Naval shipyards. About 22,000 past and present employees have filed claims for damage to their ears from noise. These Government workers are being paid an average of $12,000 per claim. No distinction is made for normal loss of hearing with age. No effort is made to differentiate hearing damage caused on the job from that caused by modern music played at deafening volume. Secretaries whose only exposure to noise was a typewriter or copy machine are receiving awards. Workers apparently feel it is their right to receive these awards for normal work. In the last ten years, over $75,000,000 has been awarded to Naval shipyard employees for alleged hearing loss. The General Accounting Office has studied this area and found it riddled with fraud and abuse.

Since risk from radiation cannot be proven to be zero, suggestions have been made that the Government should pay all shipyard workers who get cancer just to be sure that none which might be related to radiation are missed. At a typical shipyard, about 10,000 workers have received radiation exposure from Naval Nuclear Propulsion work since the beginning of the program. Their radiation exposure from such work may add one or two cancer deaths to the 1600 normally expected in a group this size. To pay compensation to 1600 individuals so that one or two possibly deserving ones are not denied is absurd and unaffordable.

Demands have been made that all veterans who develop cancer be compensated because the cancer might have been caused by radiation from nuclear weapons tests. This would result in the Government making payment to almost 100,000 men who, according to normal incidence, will die of cancer, so that an estimated twelve possibly valid claims are not missed. Many claims have already been filed by these veterans.

The Navy's experience with hearing loss claims demonstrates that as long as there is money in the U.S. Treasury and Government agencies are willing to hand it out, there will be plenty of claimants. Many are urged on by unscrupulous lawyers who promote frivolous claims for a fee or a percentage of the award. Ordinary citizens, if they knew what was going on in some of these programs would demand a halt to such generosity with their taxes.

To those who get paid, this kind of cancer payment program may seem like getting something for nothing—like chain letters, the Pyramid Club, or the Circle of Gold confidence games. But the taxpayer foots the bill. In my view, environmental issues are badly out of perspective when we end up with a system that pays tax money to all who get cancer, merely to take care of a few for whom the real cause was radiation.

NEWS MEDIA

The news media have contributed substantially to getting environmental issues out of perspective. In their efforts to generate interesting stories that help sell newspapers, many members of the press have distorted the facts and the issues. In complex areas like energy and environment, bare facts are unexciting. To spice up otherwise dull articles, there is at times a tendency to be selective in the facts used or in the topics covered. At times conclusions are shown as facts. I understand that in some publications, the advertising department has a say in what gets printed as news.

Too often, facts have lost their proper separation from opinions. Merely by choosing what sories are reported, the media express opinions. Publishing a statement without reservations lends authority to that statement. Serious articles are often written by those who lack the technical background to understand even the available facts. And sometimes news is contrived. Let me give you examples:

During the Three Mile Island emergency, residents and local officials commented how useful the local news reports were, but that the national news reports were distorted. For example, one national television crew requested that an entire street be cleared so that their film could show, by the empty street, how frightened the people were.

A so-called documentary television report on radiation was strongly anti-nuclear. It led to a conclusion in which the reporter was said to have been killed by radiation. However, nowhere in the report of his death from lung cancer was it mentioned that he was a long-term heavy smoker.

In areas such as nuclear power, even innocuous events are frequently blown into issues by a zealous reporter or editor. Not long ago, a hose broke, spilling a few gallons of pure water into one of our most polluted rivers. Because this happened on a nuclear-powered submarine, the story appeared the next morning in the newspaper.

The failures of the media—its preoccupation with the sensational and its lack of balance and perspective—are understandable to some extent. News is like fish—it must be sold quickly. But these stories can have a harmful effect on the public. Doctors report that following a series of news stories which fan the fear of radiation, the risk of death increases for people who will not take x-rays they should take.

Our country's growth has been fueled by technology. The bulk of the information on this subject is in the news media. It, therefore, has a special obligation to educate, through responsible reporting. Given the facts in proper perspective, the public can understand environmental issues. The tendency of the press to omit facts interferes with understanding these issues. For proper perspective, the news media must exercise self restraint, and make available enough information so the public can understand the significance of the events reported.

I have no simple solution for this problem. The media are not really accountable to anyone. Freedom of the press belongs to the person who owns the press. The only way I can see a change is for the public to demand more enlightened and factual reporting; perhaps the media will respond. Loss of sales or viewer interest is something a newspaper or TV network understands immediately.

GOVERNMENT

In environmental matters, there is a tendency to view Government officials as if working for the Government were in itself evidence of incompetence and bad intentions, therefore guilty of the charges leveled at them.

Some self-proclaimed public interest groups tend to focus on a single issue, demanding an immediate solution regardless of cost. But when Government agencies are pressured into solving one problem in a narrow fashion, this often leads to exacerbation of other problems. In some cases companies have been forced to switch from coal to gas for environmental reasons only to have to switch back a few years later because of energy considerations.

The Government agencies involved in these issues have an almost impossible job. Faced with problems that would challenge the wisdom of Solomon, Government agencies are increasingly plagued with other demands on their limited resources. The flood of injury claims is but a small part of the problem. Today we in Government can be tied in knots by frivolous law suits, Freedom of Information Act requests, investigations, and studies. These demands, individually, seem reasonable and necessary safeguards over the activities of Government officials. But faced with limited resources, the cumulative effect of these demands diverts attention and effort from their primary functions. It is analogous to the case of Cyrano de Bergerac who had to compose a sonnet while fighting a duel.

To be sure, we do have problems in Government. Some Government agencies themselves have become a sort of special-interest group. In this way the Government itself has been unable to provide the perspective to balance the problems inherent in new technologies. Those who criticize Government's inability to respond effectively to the challenges it confronts, should work equally hard to promote within the Government an atmosphere in which it is possible for us to devote our attention to important issues.

"EXPERTS" IN SCARE STORIES

Many have come to realise they can make names for themselves by scaring the public on radiation and other environmental risks. This approach creates reputations because the news media play them up. It creates research grants—with the Government, of course, paying—to explore the newly discovered problems. Time and again a so-called "expert" makes a startling "discovery" followed by a not-so-startling conclusion that he is the one who should conduct further research at Government expense.

To illustrate the trouble one self-proclaimed expert can cause, I will recount a situation I have followed closely. Two years ago a young medical doctor with little if any experience in radiation or epidemiology research started investigating the effects of radiation on workers at the Portsmouth, New Hampshire Naval Shipyard. Studies in this field are complex, and require considerable talent and effort to find answers and avoid mistakes. In conducting the study he enlisted the help of an investigative reporting team from the Boston Globe.

In February 1978 the front page of this paper carried results of the investigation. This was not the case of a newspaper reporting something out of a technical journal; it was a report by the paper itself. No technical reviews were printed with this story. Reservations were stated in the story, but in a manner that made the reservations appear doubtful or readily dismissed. In the name of investigative reporting the newspaper itself had become an advocate for a highly questionable study, thereby dropping any vestige of objectivity. This was a classic case of limited information being blown into sensational news.

The story was printed in many newspapers here and abroad. The summary featured in many papers was that cancer deaths were six

times higher for radiation workers at Portsmouth than for other workers. The news accounts spread fear among the workers, their families, and neighbors. Others here and abroad wondered if being near a nuclear-powered ship was dangerous.

The articles and concerns of constituents generated immediate Congressional interest. Within a week, a Congressional hearing took place. But little was done at this hearing to explore the validity of the study's conclusions.

White House officials used the results of this private study to order a Government-wide investigation of radiation. Millions of dollars will be spent carrying out these investigations.

For the past year and one-half I and key people in my organization and at the shipyards have been tied up with this issue. It has consumed our time and interfered with our proper work. Ironically, it has diverted attention from an important technical aspect of our job, which is to ensure safety of workers.

Throughout the controversy, the news media headline writers found it difficult to resist inserting the word "deadly" in front of "radiation." They rarely reported the Navy's achievements in radiation control, and the careful attention paid in this area. Those promoting the stories did not bother to explain that, despite a doubling in the number of nuclear-powered ships, radiation exposure had been reduced to one quarter what it had been fifteen years previously; that no one involved in the program had exceeded the Federal radiation exposure limits in a dozen years; that no one in the program had received more than one-tenth the radiation exposure allowed for radioactivity inside the body.

Official risk estimates indicate that about 1,600 cancer deaths are expected for every 10,000 people. Among the 10,000 radiation workers who have worked at the Portsmouth Naval Shipyard, exposure received on the job might add two cancer deaths. Many scientists believe the true effects of radiation will be much smaller.[2] These facts are in sharp contrast to the exaggerated statements made in the Boston Globe.

Eventually the facts began to come out. In a Congressional hearing one and a half years after his report was published. The investigating doctor entirely changed his results. He repudiated his earlier conclusion that the cancer death rate for radiation workers at Portsmouth was double the death rate of their co-workers. He testified he could no longer support his earlier conclusion that the leukemia rate was six times higher for Portsmouth radiation workers than for non-radiation workers.

I do not intend to denigrate those who are addressing valid public health issues in a responsible fashion. But a true professional does not publish until he knows the facts and acknowledges the significance of potential errors. Those who do not follow this path of credible scientific inquiry are acting irresponsibly. Not everyone who proclaims himself an expert, is an expert. Not everyone with the title of "doctor" merits public esteem. Not everyone who claims to be acting in the public interest, is actually doing so. We must guard against those who in the name of public interest pursue fame through exaggeration. It is easy to use statistics improperly to predict large problems or to emphasize risk, out of context. Those who do so cause great harm by preventing a balanced assessment of the risks, thereby distorting proper preventive and remedial actions.

[2] The National Academy of Sciences 1979 Report of the Advisory Committee on the Biological Effects of Ionizing Radiation is in contention over the views of a majority of the committee members on *how much smaller* the true effects will be.

Since the doctor's new testimony, the Boston Globe has been comparatively silent. To my knowledge, the publishers have made no move to return the award they received for their earlier investigative reporting. There has been no apology to the workers and families they scared. The publishers have sold newspapers and have now moved on to other issues. I doubt if this experience will have any impact on their future reporting.

When a newspaper teams up with a doctor and then rushes preliminary, unsubstantiated results into print, it develops a vested interest to show that its reports are correct. Thus, it discounts or does not report information which conflicts with its own stand. That is the apogee of irresponsibility.

Such irresponsibility is a failure of newspaper management—not of the reporter. Much of the blame for other problems in the media also lie with management, who set the standards, style, and tone, and create the pressure for instant sensational reporting.

NUCLEAR POWER

I have spent considerable time discussing how public understanding of the risks of radiation has been distorted in the name of protecting the environment. I have concentrated on radiation, although the problems I have mentioned are common to other environmental issues as well. The public perception of radiation has a direct bearing on the use of nuclear power in this country.

Nuclear power is not easy to deal with in this country because it has become a highly polarized issue. It involves individuals' concerns for themselves and their families, and it is a highly technical, sophisticated technology. Ultimately, the decision whether we should have nuclear power is a political one—in the true sense of the word—that is, one made by the people through their elected representatives. It is essential that the decision be made on the basis of fact, not rhetoric, nor conjecture, or hope; nor as a result of the widespread tendency to sensationalize or ignore the true limits and risks of the alternatives.

According to the estimates I have already stated, the actual radiation exposure to workers and to the public from today's use of nuclear power can be estimated to result in about eleven extra cancer deaths per year out of a total of 360,000. On this basis, to eliminate nuclear power here would then potentially save an estimated eleven lives per year, but reduce the energy available. This loss of energy itself, might well result in loss of life.

If the saving of eleven human lives were the sole objective, better results could be obtained from the following, than by eliminating nuclear power:

Reduce cigarette consumption for each smoker by one cigarette per year.

Reduce medical radiation exposure by one percent.

Move the population of the Denver region to coastal areas which have lower background radiation levels.

Eliminate stock car racing.

Reduce the overweight condition of those in this room by an average of three pounds.

Some analysts have reported there may be greater radiation exposure from operation of a coal-fired central power station than from a nuclear power station. Whether this assertion on radiation is or is not true, accidents in mining and transporting coal, and the effects on the public from sulphur and other pollutants, result in a demonstrably higher death rate from use of coal than from nuclear power.

Concern over a nuclear accident is often cited as a reason for prohibiting nuclear power. Obviously, a repeat of the Three Mile Island accident cannot be lightly accepted and corrective actions are called for to prevent recurrence. I have provided my views to Congress and to others responsible for assessing what might be done in the commercial nuclear power program. The record and risks of this source of energy should be put into perspective, as compared with other risks we face.

Here are some examples of accidents far worse than anything resulting from Three Mile Island, yet without comparable repercussions on public policies:

In 1947, a ship loading ammonium nitrate fertilizer exploded, killing 561 people and leveling much of Texas City, Texas.

Many fires, explosions and wrecks have occurred in which more people than this were killed.

Forty-eight earthquakes, floods, tidal waves, and storms have been recorded in each of which 10,000 or more people were killed.

The DC-10 airplane which recently crashed, killed several hundred people. No one is considering abolishing aviation—it is too important to our way of life.

I am not aware of anyone advocating relocating cities such as Los Angeles or San Francisco away from geological faults which might cause earthquakes or away from risk of flood or storm damage.

As another example, there are approximately one hundred million shipments of hazardous material annually in this country. Hundreds of people each year are killed or seriously injured by hazardous materials in accidents. More scrutiny is being given to the approximately two million radioactive shipments than to the others, yet not a single death or injury has occurred from radiation or radioactivity in the material being transported.

I am not an expert or particularly knowledgeable in the areas of environmental effects of other forms of power generation. However, I am aware that many knowledgeable people conclude that the total risk involved in the use of nuclear power is no greater than that of any alternate source which can meet our needs in the next few decades.

Today many are optimistic about the possibility of widespread use of solar and other so-called "natural sources of energy." However, in their enthusiasm they often disregard the limitations and environmental effects of these sources. Others advocate exploitation of shale oil deposits without mentioning the vast amounts of water and earth removal required.

Any large-scale generation of energy—whether nuclear or from other sources—involves major engineering difficulties and potential environmental impacts. It is incorrect to assume that technology and increased Government spending can overcome limits nature imposes.

I remember the optimistic projections made for nuclear power when it was first developed. It was predicted that electricity from nuclear power would be too cheap to meter. These perdictions sprang from hope, from ignorance of the engineering problems that would be encountered in using nuclear power.

In similar vein, many advocates exaggerate the benefits and ignore the problems of the energy sources they are promoting. The solution to our energy needs is not just over the hill at the end of the rainbow. Nature always demands its price; providing adequate amounts of energy will exact its proper price.

CONCLUSION

The technical problems involved in developing additional sources of energy are great, and will require our best talent.

I am not a proponent of nuclear power or of any other energy source. All alternatives have their own limitations; none are without risk.

In addition to the technical problems of generating the energy, environmental concerns must be factored into the equation. Whether these can be solved on a scale enabling us to sustain our present standard of living is not clear at this time.

One thing is clear. These problems cannot be dealt with effectively—from a technical or political standpoint—if those responsible are not set free to work on the problems. We cannot make progress unless those truly interested in solving these problems act responsibly.

Too many so-called technical, medical, and scientific people have been abrogating their professional responsibility to present facts accurately and objectively and in a context which enables others to evaluate them.

Too many in the media are sensationalizing the news in an attempt to attract readers, generate controversy, and make a name for themselves.

Too many self-proclaimed public interest advocates are pushing single interest ideas in ways that make it increasingly difficult to place the issues in true perspective.

Too many, in exercising their so-called rights, are exploiting environmental issues to obtain grants from the Government; through study contracts, improper injury claims and other methods.

These conflicting pressures have left the public uncertain, distrustful, confused, and in need of help. I consider this audience can provide a signal service by answering this call for help. Environmental issues must be put into proper perspective. Balancing risks and benefits must become a standard approach to evaluating environmental matters. The significance of environmental data must be explained to the public, so it can reach its own conclusions.

The present crisis in confidence over energy requires this approach to environmental issues. The Chinese word for crisis combines two ideographs, wei chi (pronounced weight gee) literally, dangerous opportunity. A time of crisis is also a time of opportunity. We should take advantage of this opportunity to achieve a proper perspective in environmental matters.●

THE SAGA OF I-66

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ASHBROOK. Mr. Speaker, there has been much discussion over the pros and cons of the Davis-Bacon Act. There have been a number of votes already taken on the House floor, preceded by additional discussion on this issue. However, it takes a person outside of Washington who has had to live with this faulty law to put the problems of Davis-Bacon into perspective.

Just across the Potomac River from Washington a new highway is being constructed. The highway, I-66, has been subjected to a gauntlet of conflicting rulings as to how the Davis-Bacon regulations are to be met. The Honorable Marshall Coleman, Attorney General of Virginia, has been trying to sort out the maze of trivia relating to this highway. Just before recess he related the saga of I-66 to the Labor Standards Subcommittee of the House Education and Labor Committee. His testimony eloquently states the costs and the confusion resulting from this outdated law. I recommend that my colleagues review Mr. Coleman's remarks as a constructive addition to the Davis-Bacon debate:

TESTIMONY ON DAVIS-BACON ACT BY MARSHALL COLEMAN

The Virginia Department of Highways and Transportation is in the process of constructing Interstate 66 just outside of Washington, D.C. Because federal monies are being used in the construction, it is necessary that the "prevailing wage" under the Davis-Bacon Act be paid on all construction contracts. The construction, of course, is divided into a number of projects, two of which I propose to discuss here. On one of the projects the Department had agreed to build its highway in close cooperation with the Washington Area Metropolitan Transit Authority (WAMTA) and construction included a median strip which was ultimately to be used as a bed for rapid rail transit. The Secretary of Labor thus advised the Department that all rail work would have to be done at heavy construction rates while the adjoining highway lanes, involving nearly identical, and in fact less complex, construction could be done at the lower highway rates. The heavy construction rates increased the wage rates from 50% to 125% on individual crafts and classes of labor.

The Department objected to the issuance of split rates, noting that the median strip work required similar construction, similar working skills and that the same workmen would probably be employed on both the highway lanes and the median strip. It was further pointed out that the administration of the project with split rates would be impossible since one workman would hardly tolerate seeing his fellow worker, performing the same work on the same project, receive double his own wage. When the Wage and Hour Division refused to reverse its position, the Highway Department appealed to the Wage Appeals Board, which subsequently sustained the Department's position by finding that it was a highway project and not a rail project.

Shortly thereafter, the Department submitted suggested wage rates on another I-66 project where contemplated Metro rail tracks were to cross under the highway portion, thus requiring the building of a box tunnel structure to carry the tracks and support the highway. Once again, the Secretary of Labor split the project into "highway" and "heavy" rates, issuing "heavy" rates for the construction portion that will accommodate Metro on the theory that the work was being accomplished to accommodate a rail project. This portion of the project amounted to 17.8 percent of the entire project.

The issuance of these heavy rates greatly increased and in some instances doubled the wage rates of workers. Faced with a similar set of facts the Department again appealed.

It is noteworthy that the Wage Appeals Board agreed with the Department and Federal Highway Administration that the structure in question was "identical to or very similar to structures which are frequently built on highway projects."

As the Department of Labor well knows, it is impossible for a contractor to "split wages" on a project and maintain a harmonious work force. He cannot, that is, pay one group of workers at the highway rate and another group of workers, performing the identical tasks, a rate nearly, or in fact, double, that paid the first group of workers. For this reason the successful bidder on the project would inevitably have been forced to pay all project workers the higher, "heavy" rates. The Federal Highway Administration concurred with Virginia and argued this point in a formal statement to the Wage Appeals Board on the occasion of the Department's appeal in which it pointed out that the "application of dual wages rates . . . would be extremely difficult to administer and impractical to enforce" and concluded that since "the work covered by the heavy rates is identical to that covered by the lower highway rates, the successful contractor will, as a practical matter, be forced to pay all employees at the higher heavy rates." These higher heavy rates, once paid on a highway project, would then become "fair game" for survey by the Wage and Hour Division as the wage basis for federally-funded highway projects in the locality. Again, FHWA made this same point to the Board, claiming that allowing the determination to stand could then ". . . set a precedent for future Davis-Bacon wage determinations that would send highway rates spiralling and result in millions of dollars excessive cost to Federal and State governments—and ultimately the taxpayer."

The response of the Board to this argument came as something of a shock to those of us who had hitherto believed that the Davis-Bacon Act was designed to "prevent disturbance of the local economy." House Report No. 306, 86th Cong., 1st Sess. (1963). When the Commonwealth sought to place this argument in testimony before the Board, Chairman Ganna ruled it inadmissible stating, "[T]he fact that you may have to pay higher rates throughout the entire project is not a factor that should be considered in determining whether the rates that have been determined for the so-called heavy type of work are the correct rates." In effect, the Board Chairman claimed that the fact that wages for a mere 17.8 percent of the project would inevitably and artificially inflate wages for the remaining 82.2 percent of the project and thereafter inflate future highway rates in the locality was irrevelant to the purposes of the Act. It is as though the Board were saying that the dog may not wag his tail but his tail may wag the dog. To mitigate the inflationary effect of the heavy wage rates, the Commonwealth "split" the project and let bids for the "highway" portion of the work so that it could then challenge judicially the application of heavy rates to the so-called heavy or "rail" portion of the project.

At the hearing before the Wage Appeals Board, the Wage and Hour Division had claimed that the basis for the heavy rates was those wages paid on two water and sewage treatment plants and a tunnel, which projects were then said to be located in Fairfax County (though just before this hearing we were informed the tunnel was located outside that civil subdivision). Ironically, the Board itself had theretofore roundly criticized the survey of water and sewage treatment plant contracts as the basis for heavy rates on rail projects because of the marked dissimilarity of the two types of projects. *MARTA*, Case No. 75-6 (August 25, 1976), pp. 15 and 31. Here, however, it chose to make no comment.

Subsequent to the Wage Appeals Board hearing, the Commonwealth began its lengthy and nearly unprecedented judicial appeal. Only through a judicial challenge to the procedures employed by the Department of Labor was the Commonwealth able to ascertain the actual basis for the wage determination. She learned through judicial discovery procedures that the water and sewage treatment plants alleged to have been used as the wage survey basis were not the actual basis for the wage rates in question but rather sixteen collective bargaining agreements were used. So far as the record shows, these agreements were never the basis for any wages paid in Fairfax County, much less wages on rail projects. Further, these sixteen collective bargaining agreements did not even include all of the work classifications applicable to the project in question.

Significantly, at no point did the ESA inquire as to the actual wage rates then paid in Fairfax County for "rail" projects. It

merely assumed, in line with its so-called "historical" practice that "heavy" rates were applicable. This was done even though the Board had itself previously said [in *MARTA*, Case No. 75-5 (August 25, 1975)], "It is not sufficient, in the face of a serious challenge for the administrative and legal offices within the Department of Labor to simply open the book of the Standard Industrial Classification Manual . . . to where it says 'heavy construction' includes bridges, tunnels, and elevated highway construction, subways, etc., and let it go at that." *Id.* at 14. Had the ESA at the time in question actually surveyed the industry practice in Fairfax County, the Commonwealth is confident that it would have found that rail projects in that locality, as elsewhere in Virginia, were then constructed at highway rates. The Board itself had previously demanded just such a procedure, stating that "[a]s a rule under mass production methods ESA has justification for producing the [sic] three schedules, building, heavy and highway in normal operations. But in the case of a challenge the test has always been an examination of the project characteristics, project by project, within the structure of the construction industry in the locality. In Davis-Bacon Act Administration, substance, not labels, must in the end be the test." Case No. 75-5, p. 24, fn. 6 (October 16, 1975).

Some may question why the Commonwealth, which supplied only 10 percent of the funds for the project in question, claims such a vital interest in this case and in the administration of the Act generally. To begin with, the Federal Aid Highway Act, 23 U.S.C. § 145, declares that the project in question is not a federal project but a "federally-assisted State program." Secondly, the State's contribution is far larger proportionately when one takes into account the political realities of a State's taxing capabilities. Lastly, the Commonwealth has the same legitimate concern that, coincidentally, served as motivation for the initial passage of the Davis-Bacon Act, namely, that her local economy not be disturbed, as it could have been here, by the insertion of artificially inflated wage rates.

The Committee is in a far better position than myself to determine whether the absurdities the Commonwealth encountered in this situation are typical of the manner in which the Act is administered. It is clear, however, that while many of the practices encountered here were theretofore roundly condemned in past decisions of the Wage Appeals Board, the entire Department of Labor, when challenged judicially on its practices, closed ranks, denied any error whatsoever and claimed throughout the trial stage its practices were not even subject to judicial review.

Our judicial challenge to the practices and procedures of the Secretary of Labor has not been without success. For the first time in the history of the Act a court, squarely faced with the issue of judicial reviewability, has ruled that limited judicial review is available to challenge constitutional, statutory and procedural requirements. *Commonwealth* v. *Marshall*, —— F 2d —— (4th Cir. 8/30/79) (No. 78-1868). Previously, courts, when addressing the issue of judicial review, had unanimously declared that judicial review was barred by *United States* v. *Binghamton*, 347 U.S. 171, 176-177 (1954). Furthermore, the Department of Labor argued unsuccessfully before the Fourth Circuit that the case was moot since all wage determinations are effective for only 120 days and because it claimed that the Department's actions in splitting off the highway portion from the rail portion of the project had altered the original controversy. Our decision, however, directly affects the availability of judicial review only within the five States served by the United States Court of Appeals for the Fourth Circuit. Moreover, I am informed that the Justice Department's Appellate Division has as yet made no decision as to whether it will appeal this decision to the Supreme Court.

I am extremely doubtful, however, that judicial review, even if available throughout the nation, could prove a panacea for the ills that beset the Davis-Bacon Act. The Wage Appeals Board itself has taken note of the fact that its own decisions are subject to being ignored by the Wage and Hour Division. See, *e.g.*, WAB Case No. 76-19 (November 19, 1976) pp. 3-4, where the Board noted that the mandate of an earlier decision requiring that a wage survey be limited where possible to the smallest civil subdivision was "with few exceptions not being followed anywhere [in the nation] but [in] the five county area around Atlanta." Courts, which are even further removed from the practical administration of the Act, are not likely to prove more effective.

The Virginia Department of Highways and Transportation has vast experience as a contracting agency dealing with the Wage and Hour Division. The Department informs me that, though only 22 percent of construction under way in the United States is covered by the Davis-Bacon Act, the Department of Labor has always shown a marked predelection for surveying a grossly disproportionate number of projects which were themselves subject to the Davis-Bacon Act's wage provisions. The inevitable effect of this practice is to constantly reflect and require a higher wage than that which actually prevails in the locality. Since the case law establishes that "the substantive correctness of the wage determination is not subject to judicial review" (*Commonwealth* v. *Marshall, supra*), the review that is available will likely have little effect on the Department of Labor's inflationary predelection for surveying a disproportionate number of Davis-Bacon Act covered projects.

Moreover, there are as many as 46,000 wage determinations issued by the Department of Labor each year. Expecting the Courts to effectively oversee such a vast enterprise is asking too much.

I have concluded that the best cure for the Davis-Bacon Act is its repeal. It was written for, and belongs to, a different era beset with different problems. It is ironic that the nation which guarantees a minimum wage to nearly every worker, has a strong and competitive union-oriented construction industry with a demonstrated capacity to compete with its non-union counterpart on an equal footing, and whose federal government has proceeded with alacrity and great success to de-regulate the complex, and inherently national, airline industry should still be attempting to set wages in the construction industry of every locality in the nation.

I know that this subcommittee is well aware that Congress' own watchdog agency, the General Accounting Office, endorses repeal of Davis-Bacon. Its estimate is that the cost of construction affected by Davis-Bacon is inflated by $715 million a year.

Repeal of this act is especially timely in view of the recession the United States is entering. It would be a small but significant signal that Congress is serious in its efforts to reduce inflation during the coming months.

The problems which Davis-Bacon was enacted to solve were eliminated decades ago. It is time that this Depression-era solution—which has itself become a serious economic problem—also be eliminated.●

A BILL TO REAUTHORIZE THE HIGHER EDUCATION ACT

(Mr. BUCHANAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BUCHANAN. Mr. Speaker, I rise in strong support of the remarks made by the distinguished chairman of the Subcommittee on Postsecondary Education, Mr. FORD, on yesterday regarding the introduction of a bill to reauthorize the Higher Education Act of 1965, as amended. As ranking Republican on the subcommittee and a cosponsor of the bill, I can truly say that the bill results from a bipartisan effort, which will continue, I am sure, through the markup period. All Republicans on the subcommittee are cosponsors of the bill as the working draft for subcommittee action.

Chairman FORD's leadership during the reauthorization process was superb. I can honestly say that I have never been a participant in the reauthorization of major legislation where views were so widely solicited and considered. Over a year ago he requested all interested groups to submit their legislative recommendations by February 15, 1979. These recommendations provided an excellent basis for over 35 days of hearings the subcommittee has held on the Higher Education Act. I want to compliment Chairman FORD and his staff for having such foresight. I believe that the resulting legislation will be a much better product because of the manner in which it was prepared.

The bill introduced today is a consensus document which represents the thinking of many of the best minds in higher education both here in Congress and in the higher education community. There are still some issues to be resolved, but what is in today's bill is likely to remain basically intact.

The approach taken in the bill is a balanced one and serves the needs of the nonprofit and proprietary sectors and the public and independent sectors. Consensus was reached on several issues by requesting that the higher education community sit down and resolve the issues in disagreement prior to presenting the subcommittee with their final recommendations. For example, one of the most difficult issues dealt with during reauthorization was whether Congress ought to remove the current half-cost limitation on the amount of basic grant a student could receive.

Several weeks ago the subcommittee received a letter from the major higher education associations which would increase the percentage of a student's educational cost which could be covered by BEOG's as the maximum BEOG was increased. Yesterday, in a follow-up letter, these same associations suggested several other changes in the law which would insure that both the public and independent sectors would be treated fairly during this reauthorization. I am proud of these groups for working together and assure them that we will look with great interest to their recommendations.

It is my hope that this bill will move swiftly through subcommittee and full committee and that the House of Representatives will be given the opportunity to amend and vote on a newly reauthorized Higher Education Act before the Congress adjourns this year. In my judgment, the Members will find that this balanced piece of legislation is something that they all can support.●

EDUCATION AMENDMENTS OF 1980

(Mr. FORD of Michigan asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FORD of Michigan. Mr. Speaker, I have introduced the Education Amendments of 1980, legislation which will serve as the basis for reauthorization of the Higher Education Act. Joining me in cosponsoring this bill were all the members of the Subcommittee on Postsecondary Education.

The subcommittee, which I chair, has held 33 hearings in preparation for this reauthorization, and there is widespread interest in this proposal.

There is reason to believe that the demand for the text of this proposal will be great since it will impact on every student enrolled in postsecondary education, their parents and the institutions which they attend. Therefore, Mr. Speaker, I include in the RECORD following my remarks the text of this bill so that it can reach the widest possible audience in a short period of time:

H.R. 5192

A bill to amend and extend the Higher Education Act of 1965, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Amendments of 1980".

TITLE I—ESTABLISHMENT OF A NEW TITLE I OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENTS

SEC. 101. (a) Title I of the Higher Education Act of 1965 (hereinafter in this Act referred to as "the Act") is amended to read as follows:

"TITLE I—EDUCATION OUTREACH PROGRAMS

"APPROPRIATIONS AUTHORIZED

"SEC. 101. (a) For the purpose of assisting States in comprehensive statewide planning for postsecondary education opportunities and to encourage States to develop plans for the coordination of educational and occupational information services to traditional and nontraditional students, and to address the continuing education needs of all learners, there is authorized to be appropriated $100,000,000 for fiscal year 1981; $125,000,000 for fiscal year 1982; $150,000,000 for fiscal year 1983; $175,000,000 for fiscal year 1984; and $200,000,000 for fiscal year 1985.

"(b) Of the sums appropriated under this section, 85 per centum shall be designated to carry out part A, and 15 per centum to carry out part B.

"PART A—STATE PROGRAMS

"COMPREHENSIVE STATEMENT PLANNING

"SEC. 110. (a) From the sums appropriated under section 101 for this part, the Secretary shall make grants pursuant to section 115(a) to States with an agreement pursuant to section 1203 of this Act for the purpose of conducting comprehensive statewide planning for improving access within the State to postsecondary educational programs for traditional and nontraditional learners, coordinating educational and occupational information services to youth and adults throughout the State, and coordinating all continuing education programs to ensure effective and efficient use of all available resources.

"(b) a State with an agreement pursuant to section 1203 shall submit to the Secretary at the end of each fiscal year for which sums have been received, a list of those programs funded pursuant to section 111, a brief description of the programs' purposes and an analysis of the relationship between the funded activities and the comprehensive statewide planning for postsecondary education.

"STATE DISCRETIONARY GRANTS

"SEC. 111. (a) From the sums appropriated under section 101, the Secretary shall make grants pursuant to section 115(b) to States with agreements pursuant to section 1203 to fund programs, except that from such funds, not more than 6 per centum may be expended for special studies described in section 112, not less than 10 per centum shall be expended to provide for the programs described in section 113, and not less than 50 per centum shall be expended for programs described in section 114.

"(b) In order to carry out the provisions of this part, a State is authorized to make grants to public and private institutions and organizations, institutions of higher education, business, industry, and labor.

"STATEWIDE STUDIES

"SEC. 112. States may use the funds available for this section to conduct studies of student financial assistance needs and resources, information coordination, continuing education, and other topics consistent with the purposes of this title.

"INFORMATION SERVICES

"SEC. 113. (a) States shall use funds available for this section to conduct programs to develop and coordinate new and existing educational and occupational information programs to eliminate duplication and to provide a more comprehensive delivery of services to both traditional and nontraditional learners seeking educational information and to youth and adults seeking occupational information.

"(b) Such educational and occupational information programs should include those authorized by subpart 4 of part A and part B of title IV and section 485 of this Act; the Vocational Education Act; the Comprehensive Employment and Training Act; the Older Americans Act; the Vocational Rehabilitation Act; the Career Education Incentive Act; the Adult Education Act; the Veterans Readjustment Assistance Act; and other Federal, State, and local activities intended to provide outreach, guidance, counseling, and educational and occupational information to persons within the State.

"CONTINUING EDUCATION

"SEC. 114. (a) States shall use funds available under this section to develop, continue, or coordinate programs of continuing education to ensure effective use of available resources and to improve access for traditional and nontraditional learners to postsecondary education.

"(b) Such programs may address, but are not limited to, the following needs—

"(1) education programs which help persons develop their occupational potential and prepare for transitions between education and work;

"(2) elimination of barriers posed by previous education or training, age, sex, race, handicap, national origin, limited English proficiency, or economic circumstance which may place adults at a disadvantage in seeking educational opportunities;

"(3) educational programs suited to those persons whose educational needs have been inadequately served, especially the handicapped, older persons, migrant and seasonal farmworkers, persons who can attend only part time, and persons who otherwise would be unlikely to continue their education beyond high school;

"(4) assistance to communities to remove barriers to continuing education caused by rural isolation or other rural-related factors;

"(5) assistance to older persons through legal, vocational, health, and information services which use preretirement education as a means to adjust to retirement;

"(6) promote resource sharing for innovative uses of technology, including telecommunications, either on an interstate or intrastate basis, to overcome barriers to postsecondary education opportunities;

"(7) increased financial self-sufficiency of continuing education programs based on non-Federal sources of support;

"(8) collection and dissemination of information, including data banks, regarding sources of student financial assistance and information designed to assist persons to make choices among postsecondary institutions, programs, and other educational opportunities;

"(9) community education service activities consistent with the purpose of this section for adults in rural areas;

"(10) labor education, training, and technical assistance programs and the development of cooperative relationships between State and local level labor organizations and institutions and agencies which provide opportunities for continuing education; and

"(11) education programs to meet the special needs of adult women, particularly homemakers, through educational and career counseling services designed to assist their entry or reentry into postsecondary education and the labor force.

"ALLOTMENT OF FUNDS

"SEC. 115. (a)(1) From the sums appropriated pursuant to section 101 to carry out the purposes of this part the Secretary shall allot to each State for comprehensive planning pursuant to section 110, $50,000 or an amount which bears the same ratio to 15 per centum of such sums as the adult population of such State bears to the population of all States, whichever is greater.

"(2) From the remaining sums appropriated pursuant to section 101 to carry out the purposes of this part, the Secretary shall allot to each State an amount which bears the same ratio to such remaining sums as the adult population of such State bears to the population of all States.

"(3) If the sums appropriated for any fiscal year are not sufficient to make payments to each State, then the amount of each State's allotment shall be ratably reduced. If additional sums become available for any fiscal year for which allotments have been so reduced, then such allotments shall be increased on the same bases as they were reduced.

"(4) For the purposes of this subsection, 'adult population' means the population eighteen years old and older of a State and of all the States, which shall be determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

"(b) If in any fiscal year, a State does not have such an agreement pursuant to section 1203, the Secretary shall reallot the funds that would have been allotted to such State to all other States with such agreements. Such reallotments shall be made in propor-

tion to their allotments pursuant to subsection (a).

"(c)(1) States shall expend in any fiscal year in which assistance is received under this section an amount from non-Federal sources for the purposes of section 110 not less than the amount so received in excess of $50,000.

"(2) States are authorized to use not more than 50 per centum of funds provided under section 115(a) for the purposes of carrying out programs under section 111.

"(d) Payments with respect to the allotment of funds under this section shall be made to the State agency designated pursuant to section 1203 and shall not exceed two-thirds of the cost of activities funded under this part. The non-Federal share may be in cash or in kind, but may not include payments received under any other Federal program.

"PART B—FEDERAL DISCRETIONARY GRANTS

"PURPOSES

"SEC. 121. (a) From the sums appropriated under section 101 for the purpose of carrying out this part, the Secretary is authorized to make grants to fund activities that—

"(1) promote greater coordination and more effective delivery of postsecondary education among States or at the regional level;

"(2) develop and evaluate innovative delivery systems to increase access to education for underserved adults;

"(3) expand the range of educational and community resources used to meet the needs of adults for continuing education;

"(4) promote the development of interstate educational delivery systems, cooperative arrangements, and programs (including telecommunications) which more effectively address regional needs for continuing education;

"(5) develop regional or national programs to coordinate educational and occupational information, including information on student financial assistance, to traditional and nontraditional learners and to youth and adults, including through creation and expansion of data banks for the more effective coordination and dissemination of such information;

"(6) assist States to effectively perform their function of authorizing institutions of higher education; and

"(7) improve national access and choice through student financial assistance to postsecondary education.

"(b) No grant or contract may be awarded under this section to any institution or consortia of institutions within the State unless the Secretary has provided the State agency designated pursuant to section 1203 an opportunity to comment on the relationship of the proposed grant or contract to the planning pursuant to section 110.

"ELIGIBLE GRANTEES

"SEC. 122. Grantees under this part may be States, institutions of higher education, organizations, or any combination thereof.".

(b) Subpart 5 of part A of title IV of the Act is repealed.

TITLE II—AMENDMENT AND EXTENSION OF THE HIGHER EDUCATION ACT OF 1965

SEC. 201. Title II of the Act is amended to read as follows:

"TITLE II—COLLEGE AND RESEARCH LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

"PURPOSE

"SEC. 201. (a) The Secretary shall carry out a program to assist—

"(1) institutions of higher education in the acquisition of library resources, including law library resources, and in the establishment and maintenance of networks for sharing library resources in accordance with part A;

"(2) in the training of persons in librarianship and encourage research and development relating to the improvement of libraries (including the promotion of economical and efficient information delivery, cooperative efforts, and developmental projects) in accordance with part B; and

"(3) the Nation's major research libraries to maintain and strengthen their collections, and in making their holdings available to other libraries whose users have need for research materials, in accordance with part C.

"(b)(1) For fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1985, there are authorized to be appropriated $60,000,000 for carrying out part A, $60,000,000 for carrying out part B, $20,000,000 for carrying out part C, and $15,000,000 for carrying out part D.

"(2) Notwithstanding paragraph (1), no funds are authorized to be appropriated for part D unless the appropriation for each of parts A, B, and C equals or exceeds the amount appropriated for such part for fiscal year 1979.

"(c) For the purposes of this title—

"(1) the term 'library resources' means books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials, including necessary binding; and

"(2) the term 'librarianship' means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and information resources.

"(d) No grant may be made under this title for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity.

"NOTIFICATION OF STATE AGENCY

"SEC. 22. Each institution of higher education which receives a grant under this title shall annually inform the State agency designated pursuant to section 1203 of its activities under this title.

"PART A—COLLEGE LIBRARY RESOURCES

"RESOURCE DEVELOPMENT GRANTS

"SEC. 211. (a) From the amount appropriated for this part, the Secretary shall make grants to institutions of higher education or combinations thereof (and to each branch of an institution which is located in a community different from that in which its parent institution is located), and to other public and private nonprofit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal, cooperative basis. The amount of a resource development grant under this section shall not exceed $10,000.

"(b) A grant under this part may be made only if the application provides—

"(1) information about the institution and its library resources as prescribed by the Secretary in regulations;

"(2) satisfactory assurance that the applicant will expand during the fiscal year for which the grant is sought, from funds other than funds received under this part for all library material expenditures (exclusive of construction), an amount not less than the average annual aggregate amount or the amount per full-time equivalent student it expended for such purposes during the two fiscal years preceding the fiscal year for which assistance is sought under this part;

"(3) for such fiscal control and fund accounting procedures as are necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(4) for making such reports as the Secretary may require and for keeping such records and for affording such access thereto as the Secretary deems necessary to assure the correctness and verification of such reports.

"(c) If the Secretary determines, in accordance with regulations, that there are very unusual circumstances which prevent the applicant from making the assurance required by subsection (a)(2), the requirement for such assurance may be waived. For purposes of this subsection, the term 'very unusual circumstances' means theft, vandalism, fire, flood, earthquake, or other occurrence which may temporarily reduce the level of expenditures for library materials and total library purposes, or where such an occurrence resulted in unusually high expenditures for library materials and total library purposes.

"(d) Grants under this part may be used only for books, periodicals, documents, magnetic tapes, phonographic records, audiovisual materials, and other related library materials (including necessary binding).

"PART B—LIBRARY TRAINING, RESEARCH, AND DEVELOPMENT

"GRANTS AUTHORIZED

"SEC. 221. From the amount appropriated for this part, the Secretary shall make grants in accordance with sections 222, 223, and 224. Of such amount, one-third shall be available for the purposes of section 222, one-third for the purposes of section 223, and one-third for the purposes of section 224.

"LIBRARY CAREER TRAINING

"SEC. 222. (a) The Secretary shall make grants to, and contracts with, institutions of higher education and library organizations or agencies to assist them in training persons in librarianship. Such grants or contracts may be used by such institutions, library organizations, or agencies (1) to assist in covering the cost of courses of training or study (including short term or regular session institutes), (2) for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents, not in excess of such maximum amounts as may be determined by the Secretary, and (3) for establishing, developing, or expanding programs of library and information science, including new techniques of information transfer and communication technology.

"(b) Not less than 50 per centum of the grants made under this section shall be for the purpose of establishing and maintaining fellowships or traineeships under subsection (a)(2).

"RESEARCH AND DEMONSTRATIONS

"SEC. 223. The Secretary is authorized to make grants to, and contracts with, institutions of higher education and other public or private agencies, institutions, and organizations for research and demonstration projects related to the improvement of libraries, training in librarianship, information technology, and for the dissemination of information derived from such projects.

"SPECIAL PURPOSE GRANTS

"SEC. 224. (a) The Secretary is authorized to make special purpose grants to (1) institutions of higher education to meet national or regional needs in the library or information sciences, (2) combinations of institutions of higher education which demonstrate a need for special assistance in establishing and strengthening joint-use library facilities, resources, or equipment, and (3) other public and private nonprofit library institutions which provide library and information services to institutions of higher education on a formal, cooperative basis for the purpose of establishing, developing, or expanding programs or projects that improve their services.

"(b) A grant under this section may be made only if the application therefor (whether by an individual institution or a combination of institutions) is approved by the Secretary on the basis of criteria described in regulations and provides satisfactory assurance that (1) the applicant will expend during the fiscal year for which the grant is sought (from funds other than funds received under this title) for the same purpose as such grant an amount from such other sources equal to not less than one-third of such grant, and (2) each such applicant will expend during such fiscal year from such other sources for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two fiscal years preceding the fiscal year for which the grant is sought under this section.

"PART C—STRENGTHENING RESEARCH LIBRARY RESOURCES

"ELIGIBILITY FOR ASSISTANCE

"SEC. 231. (a)(1) From the amount appropriated for this part, the Secretary shall make grants to institutions with major resource libraries.

"(2) For the purposes of this part, the term 'major research library' means a public or private nonprofit institution, including the library resources of an institution of higher education, an independent research library, or a State or other public library, having library collections which are available to qualified users and which—

"(A) make a significant contribution to higher education and research;

"(B) are broadly based and are recognized as having national or international significance for scholarly research;

"(C) are of a unique nature, and contain material not widely available; and

"(D) are in substantial demand by researchers and scholars not connected with that institution.

"(b) No institution receiving a grant under this part for any fiscal year may receive a grant under section 211, 223, or 224 for that year.

"GEOGRAPHICAL DISTRIBUTION OF GRANTS

"SEC. 232. In making grants under this part, the Secretary shall endeavor to achieve broad and equitable geographical distributions throughout the Nation.

"PART D—NATIONAL PERIODICAL CENTER

"PURPOSE

"SEC. 241. From funds appropriated to carry out this part, there shall be established a National Periodical Center to serve as a national periodical resource by contributing to the preservation of periodical materials and by providing access to a comprehensive collection of periodical literature to public and private libraries throughout the United States.

"ESTABLISHMENT

"SEC. 242. There is established a nonprofit corporation, to be known as the National Periodical Center Corporation (hereinafter in this part referred to as the 'Corporation'), which shall not be considered an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this part, and to the extent consistent with this Act, to the laws of the jurisdiction where incorporated.

"FUNCTIONS OF THE CORPORATION

"SEC. 243. (a) The Corporation shall seek to establish a national system to provide reliable and timely document delivery from a comprehensive collection of periodical literature.

"(b) For the purposes of establishing the system described in subsection (a) the Corporation shall, in addition to the authority provided by section 247, have the authority—

"(1) to acquire current and retrospective periodicals, and to preserve and maintain a dedicated collection of such documents;

"(2) to provide information on periodicals to which the corporation can insure access, including those circulated from private sector sources, and cooperate in efforts to improve bibliographic and physical access to periodicals;

"(3) to make such periodicals available, on a cost reimbursable or other basis as determined by the Board, through libraries by loan or by photoreproduction or other means; and when required by the copy-right owner, reasonable and appropriate reimbursement shall be made to copyright owners for the copying of material under copyright;

"(4) to cooperate with and participate in international borrowing and leading activities as may be appropriate for such purposes;

"(5) to enter into cooperative agreements with the Library of Congress, the National Library of Medicine, the National Agricultural Library, other Federal agencies, State and local agencies and instrumentalities, and private libraries and other organizations for such purposes;

"(6) to establish regional offices of the Corporation to the extent necessary and appropriate; and

"(7) to coordinate the training of librarians and other users in the use of the Corporation's services.

"BOARD OF DIRECTORS

"SEC. 244. (a) The Corporation shall have a Board of Directors (hereinafter in this part referred to as the 'Board'), consisting of fifteen members, including fourteen members appointed by the President, by and with the advice and consent of the Senate, and the Executive Director of the Corporation.

"(b) The members of the Board appointed by the President shall be representative of the needs and interests of the Government, academic and research communities, libraries, publishers, the information community, authors, and the public. Except for the initial Board of Directors, the members shall be appointed after consultation with the Board.

"(c) The members of the initial Board of Directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the laws of the jurisdiction in which it is incorporated.

"(d) The term of office for each member of the Board shall be six years except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of members first taking office shall begin on the date of incorporation and shall expire as designated at the time of their appointment, four at the end of two years, five at the end of four years, and five at the end of six years. No appointed member shall be eligible to serve for more than two consecutive terms of six years each. Notwithstanding the preceding provisions of this paragraph, a member whose term has expired may serve until his successor has taken office.

"(e)(1) The members of the Board shall not, by reason of membership, be deemed employees of the United States. Except as provided in paragraph (2), members shall, while engaged in activities of the Board, be entitled to receive compensation at the rate equal to the daily equivalent of the maximum annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day and, while away from their homes or regular place of business, may be allowed travel expenses.

"(2) Members of the Corporation who are full-time officers and employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Corporation.

"(f) Eight members of the Board shall constitute a quorum.

"(g) The Board shall elect annually one of its members to serve as the Chairman.

"(h) The Board shall meet annually or at the call of the Chairman or a majority of its members.

"DIRECTOR AND STAFF OF CORPORATION

"SEC. 245. (a) The Corporation shall have a Director, and such other officers as may be named and appointed by the Board for the terms and at rates of compensation fixed by the Board. The Director shall have authority with respect to the management of the operations of the Corporation, subject to such rules as may be prescribed by the Board.

"(b) Subject to such rules as may be prescribed by the Board, the Director may appoint and fix the pay of such personnel and may procure temporary and intermittent services.

"NONPROFIT NATURE OF CORPORATION

"SEC. 246. (a) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(b) No part of the incomes or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

"(c) The Corporation shall be exempt from taxation now or hereafter imposed by the United States, or any territory, or possession thereof, or by any State, county, municipality, or local taxing authority.

"AUTHORITY OF CORPORATION

"SEC. 247. (a) The Corporation shall have power—

"(1) to obtain grants from and to make contracts with individuals and with private, State, and Federal agencies, organizations, and institutions;

"(2) to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;

"(3) to lease, purchase, or otherwise acquire, own, hold, improve, use or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherein situated;

"(4) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets; and

"(5) to enter into contracts to execute instruments, to incur liabilities, and do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"(b) To carry out its functions and to engage in the foregoing activities, the Corporation shall have the usual powers conferred upon a nonprofit corporation by the jurisdiction in which the Corporation is incorporated.

"(c) The Corporation may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States. The Administrator of General Services shall provide to the Corporation on a reimbursable basis such administrative support services as the Corporation may request.

"(d) The Corporation is authorized to accept, hold, administer, and use gifts, bequests, and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Corporation. For the purpose of Federal income, estate, and gift taxes, property accepted under this subsection shall be gift, bequest, or devise to the United States.

"REPORT

"SEC. 248. The Corporation shall transmit to the President and each House of the Congress a report not later than March 1 of each year. The report shall contain a detailed statement of the Corporation's operations, activities, financial condition, and accomplishments for the preceding calendar year and may include such recommendations as the Corporation deems appropriate.

"COPYRIGHT ACT

"SEC. 249. Nothing in this Act shall be considered to amend, affect, or define the provisions of title 17, United States Code, relating to copyrights.".

TITLE III—AMENDMENT TO TITLE III OF THE HIGHER EDUCATION ACT OF 1965

STRENGTHENING DEVELOPING INSTITUTIONS PROGRAM

SEC. 301. Title III of the Higher Education Act of 1965 is amended to read as follows:

"TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

"PROGRAM AUTHORIZATION

"SEC. 301. (a) The Secretary shall carry out a program, in accordance with this title, to improve the academic quality, institutional management, and fiscal stability of developing institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.

"(b) For purposes of this title, the term 'developing institution' means an institution of higher education—

"(1) the enrollment of which includes a substantial percentage of students from low-income families, and

"(2) the average expenditures of which are low, per full-time equivalent student, in comparison with the average expenditures of institutions that offer similar instruction.

"(c) For purposes of this title, the number of full-time equivalent students of an institution is the sum of the number of students enrolled full time, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by twelve), in such institution.

"APPROPRIATIONS AUTHORIZED

"SEC. 302. (a) For the purpose of carrying out this title there are authorized to be appropriated $140,000,000 for fiscal year 1981; $160,000,000 for fiscal year 1982; $180,000,000 for fiscal year 1983; and $200,000,000 for each of the fiscal years 1984 and 1985.

"(b) Of the sums appropriated under subsection (a) for any fiscal year, the Secretary shall make available to use for the purposes of this title—

"(1) not less than 24 per centum to developing institutions that are junior or community colleges, as defined by section 303 (b), and

"(2) the remainder to developing institutions that plan to award a bachelor's degree during that year.

"(c) Of the sums appropriated under subsection (a) for any fiscal year, the Secretary shall make available not less than 26 per centum for grants under section 304(b)(1)(B).

"ELIGIBILITY FOR ASSISTANCE

"SEC. 303. (a)(1) A developing institution is eligible to apply for a grant from sums appropriated therefor under section 302(a)(1) if it—

"(A) is legally authorized to provide and provides within the State, an educational program for which it awards a bachelor's degree, or is a junior or community college as defined by subsection (b);

"(B) except as provided in paragraph (2), has met the requirement of subparagraph (A) during the five academic years preceding the academic year for which it seeks assistance under this title; and

"(C) meets such other requirements as the Secretary may prescribe.

"(2) The Secretary may waive the requirements set forth in paragraph (1)(B) in the case of an institution—

"(A) located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians; or

"(B) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Spanish-speaking people.

"(b) For the purposes of this title, the term 'junior or community college' means an institution of higher education—

"(1) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(2) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(3) that—

"(A) provides an educational program of not less than two years that is acceptable for full credit toward such a degree, or

"(B) offers a two-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"PURPOSE AND DURATION OF GRANT

"SEC. 304. (a) From the sums appropriated under section 302(a)(1), the Secretary may award grants to any developing institution with an application approved under section 305 in order to assist such an institution to plan, develop, or implement activities that promise to strengthen the institution. Special consideration shall be given to applications which propose to engage in the following activities pursuant to the institution's plan:

"(1) faculty development;

"(2) funds management;

"(3) development and improvement of academic programs;

"(4) acquisition of equipment for use in strengthening funds management and academic programs; and

"(5) joint use of facilities such as libraries and laboratories.

"(b)(1) The Secretary may award a grant to a developing institution under this section for—

"(A) not to exceed three years, or

"(B) not less than four nor more than seven years, subject for each fiscal year to the availability of appropriations therefor. The Secretary shall not accept the application of a developing institution for a grant under both subparagraphs (A) and (B) for a fiscal year.

"(2) The Secretary shall not award a grant under this title to a developing institution that has, for any prior fiscal year, received a grant under paragraph (1)(B).

"APPLICATIONS FOR ASSISTANCE

"SEC. 305. (a) An institution desiring assistance under this title shall apply to the Secretary at such time, in such form, and shall provide such information, as may be necessary to enable the Secretary to evaluate its need for assistance and to determine its eligibility as a developing institution for the purposes of this title. Subject to the availability of appropriations under this title, the Secretary may approve an application under this subsection that meets the requirements of subsection (b) and shows that the applicant is a developing institution which is eligible, under section 303, to apply for a grant.

"(b) A developing institution, in its application for a grant, shall—

"(1) set forth, or describe how it will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

"(2) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 304(a), and in no case supplant those funds;

"(3) set forth policies and procedures for evaluating the effectiveness in accomplishing their purpose of the activities for which a grant is sought under this title;

"(4) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available under this title to the applicant;

"(5) provide for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this title (including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded), and for keeping such records and affording such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports;

"(6) provide that the institution will comply with the limitations set forth in section 306; and

"(7) include such other information as the Secretary may prescribe.

"LIMITATIONS

"SEC. 306. The funds appropriated under section 302 may not be used—

"(1) for a school or department of divinity or any religious worship or sectarian activity;

"(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to such institution;

"(3) for an activity that is inconsistent with a State plan of higher education applicable to such institution; or

"(4) for purposes other than those set forth in the approved application under section 305.".

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

STATEMENT OF PURPOSE

SEC. 401. Section 401(a) of the Act is amended—

(1) by inserting "(as defined in section 488)" immediately after "qualified students"; and

(2) by striking out "of exceptional need who, for lack of such a grant, would be unable to obtain the benefits of a postsecondary education;" in paragraph (2) and inserting in lieu thereof "who demonstrate financial need;".

BASIC EDUCATIONAL OPPORTUNITY GRANTS

SEC. 402. (a) Section 411(a) of the Act is amended to read as follows:

"SEC. 411. (a)(1) The Commissioner shall, during the period beginning July 1, 1972, and ending September 30, 1986, pay to each

eligible student (as defined in section 488) for each academic year during which that student is in attendance at that institution, as an undergraduate, a basic grant in the amount for which that student is eligible, as determined pursuant to paragraph (2).

"(2)(A)(i) The amount of the basic grant for a student eligible under this subpart shall be—

"(I) $1,800 for academic year 1980–1981,

"(II) $2,160 for academic years 1981–1982 and 1982–1983,

"(III) $2,400 for academic years 1983–1984 and 1984–1985, and

"(IV) $2,700 for academic year 1985–1986, less an amount equal to the amount determined under section 487 to be the expected family contribution with respect to that student for that year, subject to the limitations established in subparagraph (B)(i)

"(ii) In any case where a student attends an institution of higher education on less than a full-time basis during any academic year, the amount of the basic grant to which that student is entitled shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis in accordance with a schedule of reductions established by the Commissioner for the purposes of this division. Such schedule of reductions shall be established by regulation and published in the Federal Register not later than February 1 of each year

"(B)(i) The amount of a basic grant to which a student is entitled under this subpart for any academic year shall not exceed—

"(I) 50 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is less than $2,160;

"(II) 60 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is at least $2,160 but is less than $2,400; and

"(III) 67 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is at least $2,400 but is less than $2,700; and

"(IV) 75 per centum of the cost of attendance at the institution at which the student is in attendance for that year, when the basic grant is $2,700.

"(ii) No basic grant under this subpart shall exceed the difference between the expected family contribution for a student and the cost of attendance at the institution at which the student is in attendance. If with respect to any student, it is determined that the amount of a basic grant plus the amount of the expected family contribution for that student exceeds the cost of attendance for that year, the amount of the basic grant shall be reduced until the combination of expected family contribution and the amount of the basic grant does not exceed the cost of attendance at such institution

"(iii) No basic grant shall be awarded to a student under this subpart if the amount of grant for that student as determined under this paragraph for any academic year is less than $200. Pursuant to criteria established by the Commissioner by regulation, the institution of higher education at which a student is in attendance may award a basic grant of less than $200 upon a determination that the amount of the basic grant for that student is less than $200 because of the requirement of division (i) and that, due to exceptional circumstances, this reduced grant should be made in order to enable the student to benefit from postsecondary education.

"(3)(A) Payments under this section shall be made, in accordance with regulations promulgated by the Secretary for such purpose, in such matter as will best accomplish the purposes of this section.

"(B) If, during any period of any fiscal year, the funds available for payments under this subpart are insufficient to satisfy fully all entitlements under this subpart, the amount paid with respect to any entitlement that exceeds $1,600 shall be the full amount of that entitlement. The amount paid with respect to any other entitlements shall be a percentage of that entitlement, as determined in accordance with a schedule of reductions established by the Secretary. Any schedule established by the Secretary shall contain a single reduction formula in which the percentage reduction increases uniformly as the entitlement decreases, and shall provide that no payment of less than $50 shall be made on account of any entitlement.

"(4)(A) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by 15 per centum or less, then all of such excess funds shall remain available for making payments under this subpart during the next succeeding fiscal year.

"(B) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by more than 15 per centum, then all of such funds shall remain available for making such payments but payments may be made under this division only with respect to entitlements for that fiscal year.

"(C) Any institution of higher education which enters into an agreement with the Secretary to disburse to students attending that institution the amounts those students are eligible to receive under this subpart shall not be deemed, by virtue of such agreement, a contractor maintaining a system of records to accomplish a function of the Secretary.

"(5)(A) The period during which a student may receive basic grants shall be the period required for the completion of the first undergraduate course of study being pursued by that student at the institution at which he is in attendance, except that such period may not exceed the equivalent of five academic years as a full-time student, unless the student is or will be unable to complete a course of study within five academic years because of a requirement of the institution that the student enroll in a noncredit remedial course of study, in which case such period may be extended for not more than one additional academic year.

"(B) For purposes of subparagraph (A), a 'noncredit remedial course of study' is a course of study for which no credit is given toward an academic degree, and which is designed to increase the ability of the student to engage in an undergraduate course of study leading to such a degree.".

(b) Section 411(b) of the Act is amended—

(1) by striking out paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively;

(2) by striking out subparagraph (B) of paragraph (3) (as so redesignated) and by striking out "(A)" in such paragraph;

(3) by striking out "any fiscal year ending September 30, 1980, if for such fiscal year—" in paragraph (4) (as so redesignated) and inserting in lieu thereof "any fiscal year ending prior to October 1, 1985, in which—"; and

(4) by striking out "$500,000,000" in paragraph (4)(B) (as so redesignated) and inserting in lieu thereof "$550,000,000".

(c) Section 411 of the Act is further amended by striking out subsections (d) and (e).

SUPPLEMENTARY EDUCATIONAL OPPORTUNITY GRANTS

SEC. 403. (a)(1) Section 413A(a) of the Act is amended to read as follows:

"SEC. 413A. (a) It is the purpose of this subpart to provide, through eligible institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who demonstrate financial need in accordance with the provisions of section 487.".

(2) Section 413A(b) of the Act is amended to read as follows:

"(b)(1) For the purpose of enabling the Secretary to make payments to eligible institutions of higher education which have made agreements with the Secretary in accordance with section 482, for use by such institutions for payments to undergraduate students of a supplemental grant awarded to them under this subpart, there are authorized to be appropriated $500,000,000 for each of the fiscal years 1981 and 1982, $600,000,000 for fiscal year 1983, $700,000,000 for fiscal year 1984, and $800,000,000, for fiscal year 1985.

"(2) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the second fiscal year succeeding the fiscal year for which they were appropriated.".

(b)(1) Section 413B(a)(2)(A) of the Act is amended to read as follows:

"(2)(A) The amount of the payment to any student pursuant to paragraph (1) shall be equal to the amount determined by the institution, in accordance with the provisions of section 487, to be needed by that student to enable him to pursue a course of study at the institution, except that such amount shall not exceed $2,000.".

(2) Section 413B(a)(2)(B) of the Act is amended by adding at the end thereof the following new sentence: "For a student enrolled for less than a full academic year, the minimum payment required may be reduced proportionately.".

(3) Section 413B(a)(2) of the Act is further amended by striking out subparagraph (C).

(4) Section 413B(b) of the Act is amended to read as follows:

"(b)(1) The period during which a student may receive supplemental grants shall be the period required for the completion of the first undergraduate course of study being pursued by that student at the institution at which he is in attendance, except that such period may not exceed the equivalent of five academic years as a full-time student, unless the student is or will be unable to complete a course of study within five academic years because of a requirement of the institution that the student enroll in a noncredit remedial course of study, in which case such period may be extended for not more than one additional academic year.

"(2) A supplemental grant awarded under this subpart shall entitle the student to whom it is awarded to payments pursuant to such grant only if the student meets the requirements of section 488.".

(c) Section 413C of the Act is amended to read as follows:

"SELECTION OF RECIPIENTS; AGREEMENTS WITH INSTITUTIONS

"SEC. 413C. (a) An individual shall be eligible for the award of a supplemental grant under this subpart by an institution of higher education which, in accordance with section 482, has an agreement with the Secretary applicable to this subpart, if the individual makes application at a time and in a manner consistent with the requirements of the Secretary and that institution.

"(b) From among those who are eligible for supplemental grants for each fiscal year, the institution shall, in accordance with the agreement under section 482, and within the amount allocated to the institution for that purpose for that year under section 413D(b), select individuals who are to be awarded such grants and determine, in accordance

with section 413B, the amounts to be paid to them. An institution shall not award a supplemental grant to an individual unless it determines that he—

"(1) has been accepted for enrollment, or is enrolled, as an undergraduate student at such institution;

"(2) meets the requirements of section 428; and

"(3) demonstrates financial need in accordance with the provisions of section 487.".

(d) Section 413D of the Act is amended to read as follows:

"APPORTIONMENT AND ALLOCATION OF FUNDS

"SEC. 413D. (a)(1) From 90 per centum of the sums appropriated pursuant to section 413A(b) for any fiscal year, the Secretary shall apportion to each State an amount which bears the same ratio to such sums as the number of undergraduates enrolled full-time and the full-time equivalent of the number of undergraduates enrolled part time in institutions of higher education in such State bears to the total number of such undergraduates in all States. The remainder of the sums so appropriated shall be apportioned among the States by the Secretary in accordance with equitable criteria which he shall establish and which shall be designed to achieve a distribution of the sums so appropriated among the States which will most effectively carry out the purpose of this subpart, except that where any State's apportionment under the first sentence for a fiscal year is less than its allotment under the first sentence of section 401(b) of this Act for the fiscal year ending June 30, 1972, before he makes any other apportionments under this sentence, the Secretary shall apportion sufficient additional sums to such State under this sentence to make the State's apportionment for that year under this paragraph equal to its allotment for the fiscal year ending June 30, 1972, under such first sentence. Sums apportioned to a State under the preceding sentence shall be consolidated with, and become a part of it, its apportionment from the same apportionment under the first sentence of this paragraph.

"(2) If the Secretary determines that the sums apportioned to any State under paragraph (1) for any fiscal year exceed the aggregate of the amounts that he determines to be required under subsection (b) for that fiscal year for institutions of higher education in that State, the Secretary shall reapportion such excess, from time to time, on such date or dates as he shall fix, to other States in such manner as the Secretary determines will best assist in achieving purposes of this subpart.

"(b)(1) The Secretary shall, from time to time, set dates before which institutions in any State must file applications for allocation, to such institutions, of supplemental grant funds from the apportionment to that State (including any reapportionment thereto) for any fiscal year pursuant to subsection (a)(2).

"(2)(A) From the sums apportioned (or reapportioned) to any State, the Secretary shall allocate amounts to eligible institutions which have submitted applications pursuant to paragraph (1).

"(B) Allocations under subparagraph (A) by the Secretary to such institutions shall be made in accordance with equitable criteria established by the Secretary by regulation. Such criteria shall be designed to achieve such distribution of supplemental grant funds among such institutions within a State as will most effectively carry out the purposes of this subpart.

"(3) Payments shall be made from allocations under this subsection as needed.".

GRANTS TO STATES FOR STATE STUDENT INCENTIVES

SEC. 404. (a) Section 415A of the Act is amended to read as follows:

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 415A. (a) It is the purpose of this subpart to make incentive grants available to the States to assist them in providing grants to eligible students attending institutions of higher education.

"(b)(1) There are hereby authorized to be appropriated $100,000,000 for each of the fiscal years 1981 and 1982, $150,000,000 for fiscal year 1983, $200,000,000 for fiscal year 1984, and $250,000,000 for fiscal year 1985, for payments to the States for grants to eligible students under this subpart.

"(2) Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for payments to States for the award of student grants under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.".

(b) Section 415B of the Act is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) Whenever the sum appropriated pursuant to this subpart for any fiscal year exceeds $77,000,000 the Commissioner shall allot, from 60 per centum of such excess sums, to each State to which the provisions of section 415C(b)(5)(B) apply, an amount which bears the same ratio to such sum as the number of students in attendance at institutions of higher education in such State bears to the total number of students in attendance in all States. The remaining excess funds shall be allotted to all other States.".

(c) Section 415C of the Act is amended—

(1) in subsection (a), by striking out "shall submit" and inserting in lieu thereof "shall have a State agreement pursuant to section 1203 and shall submit";

(2) in subsection (b)(1), by inserting "designated under section 1203" immediately after "agency";

(3) in subsection (b)(2), by striking out "$1,500" and inserting in lieu thereof "$2,000", and by striking out "as an undergraduate";

(4) in subsection (b)(4), by inserting immediately before the semicolon at the end thereof the following: "or in any State in which participation of nonprofit institutions of higher education is in violation of a statute of the State which was enacted prior to October 1, 1978";

(5) in subsection (b), by striking out paragraph (5) and inserting in lieu thereof the following:

"(5) provides that—

"(A) in any fiscal year for which the total appropriation for this program does not exceed $77,000,000, the payment of the non-Federal portion of such grants from funds supplied by such State shall represent an additional expenditure for such year by such State for grants for students attending institutions of higher education over the amount expended by such State for such grants, if any, during the second fiscal year preceding the fiscal year in which such State initially received funds under this subpart, whichever such amount expended is greater;

"(B) in any fiscal year in which the total appropriation for this program exceeds $77,000,000, the amount of funds expended by each State for the non-Federal portion of awards made from allotments based on funds appropriated in excess of $77,000,000 shall represent an additional expenditure for that year by such State over the amounts, if any, expended by such State for student grants during the second fiscal year preceding that year, whichever such amount expended is greater, except that this subsection shall not apply to any State which expends in the preceding fiscal year amounts greater than 25 per centum of the amount of grants received in such year by students in such State pursuant to section 411;"; and

(6) in subsection (b), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by inserting after such paragraph the following new paragraph:

"(7) provides for State expenditures under such program of an amount not less than the average annual aggregate expenditures for the preceding three fiscal years or the average annual expenditure per full-time equivalent student for such years.".

(d) Section 415E of the Act is repealed.

SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

SEC. 405. Subpart 4 of part A of title IV of the Act is amended to read as follows:

"Subpart 4—Special Programs for Students From Disadvantaged Backgrounds

APPROPRIATIONS

"SEC. 417A. (a) The Commissioner shall, in accordance with the provisions of this subpart, carry out a program of making grants and contracts designed to identify qualified students from the disadvantaged backgrounds, to prepare them for a program of postsecondary education, to provide special services for such students who are pursuing programs of postsecondary education, and to train persons serving or preparing for service in programs and projects so designed.

"(b) For the purposes described in subsection (a), the Commissioner is authorized, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), to make grants to, and contracts with, institutions of higher education, private agencies and organizations, and, in exceptional circumstances secondary schools for planning, developing, or carrying out one or more of the services assisted under this subpart.

"(c) For the purpose of making grants and contracts under this subpart there are authorized to be appropriated $400,000,000 for fiscal year 1981 and such sums as may be necessary for each of succeeding fiscal years ending prior to October 1, 1985.

"(d) For the purposes of this subpart—

"(1) the term 'first generation college student' means a person neither of whose parents completed a baccalaureate degree; and

"(2) the term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percentum of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of Census.

"(e) No individual who is an eligible veteran, as that term is defined by section 1652(a) of title 38, United States Code, shall be deemed ineligible to participate in any program under this part by reason of such individual's age.

"TALENT SEARCH

"SEC. 417B. (a) The Commissioner shall carry out a program to be known as 'Talent Search' which shall be designed—

"(1) to identify qualified youths with potential for education at the postsecondary level and to encourage such youth to complete secondary school and to undertake a program of postsecondary education;

"(2) to publicize the availability of student financial assistance available to persons who pursue a program of postsecondary education; and

"(3) to encourage persons who have not completed programs of education at the secondary or postsecondary level, but who have the ability to complete such programs, to reenter such programs.

"(b) A Talent Search project assisted under this subpart may include, in addition to the services described in paragraphs (1), (2), and (3) of subsection (a), tutorial services for youths being encouraged to undertake or reenter programs of postsecondary

education if such tutorial services are not otherwise available to such youths through a project assisted under this subpart.

"(c) In approving applications for Talent Search projects under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the youth participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require that there be determination, with respect to each participant in such project, that the participant has a need for academic support in order to successfully pursue a program of education beyond high school;

"(3) require that such participants be persons who either have completed six years of elementary education or are at least twelve years of age but not more than twenty-seven years of age, unless the imposition of any such limitation with respect to any person would defeat the purposes of this section or the purposes of section 417E; and

"(4) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 417E.

"(d) In approving applications for Talent Search projects under this subpart for any fiscal year, the Commissioner shall require assurances that the project will be located in a setting accessible to the youths proposed to be served by the project.

"UPWARD BOUND

"SEC. 417C. (a) The Commissioner shall carry out a program to be known as 'Upward Bound' which shall be designed to generate skills and motivation necessary for success in education beyond high school.

"(b) Any Upward Bound project assisted under the subpart may provide services such as—

"(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond high school;

"(2) personal counseling;

"(3) academic advice and assistance in high school course selection;

"(4) tutorial services;

"(5) exposure to cultural events, academic programs, and other activities not usually available to disadvantaged youth;

"(6) activities designed to acquaint youths participating in the project with the range of career options available to them;

"(7) instruction designed to prepare youths participating in the project for careers in which persons from disadvantaged backgrounds are particularly underrepresented; and

"(8) on-campus residential programs.

"(c) In approving applications for Upward Bound projects under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the youths participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require an assurance that the remaining youths participating in the project proposed to be carried out under any application be either low-income individuals or be first generation college students;

"(3) require that there be determination, with respect to each participant in such project, that the participant has a need for academic support in order to successfully pursue a program of education beyond high school; and

"(4) requires that such participants be persons who have completed eight years of elementary education and are at least thirteen years of age but not more than nineteen years of age, unless the imposition of any such limitation would defeat the purposes of this section.

"(d) Youths participating in a project proposed to be carried out under any application may be paid stipends not in excess of $60 per month during June, July, and August, and not in excess of $40 per month during the remaining period of the year.

"SPECIAL SERVICES FOR DISADVANTAGED STUDENTS

"SEC. 417D. (a) The Commissioner shall carry out a program to be known as 'Special Services for Disadvantaged Students' (hereinafter referred to as 'Special Services') which shall be designed to provide supportive services to persons participating in the projects.

"(b) A Special Services project assisted under this subpart may provide services such as—

"(1) instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond high school;

"(2) personal counseling;

"(3) academic advice and assistance in course selection;

"(4) tutorials;

"(5) exposure to cultural events and academic programs not usually available to disadvantaged students;

"(6) activities designed to acquaint students participating in the project with the range of career options available to them; and

"(7) activities designed to assist students participating in the project in securing admission and financial assistance for enrollment in graduate and professional programs.

"(c) In approving applications for Special Services projects under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application—

"(A) be physically handicapped, or

"(B) be low-income individuals who are first generation college students;

"(2) require an assurance that the remaining students participating in the project proposed to be carried out under any application either be low-income individuals, first generation college students, or physically handicapped;

"(3) require that there be a determination, with respect to each participant in such project, that the participant has a need for academic support in order to successfully pursue a program of education beyond high school; and

"(4) require that such participants be enrolled or accepted for enrollment at the institution which is the recipient of the grant or contract.

"(d) In approving applications for Special Services projects under this subpart for any fiscal year, the Commissioner shall require an assurance from the institution which is the recipient of the grant or contract that each student enrolled in the project will receive sufficient financial assistance to meet that student's full financial need.

"EDUCATIONAL OPPORTUNITY CENTERS

"SEC. 417E. (a) The Commissioner shall carry out a program of paying up to 75 per centum of the cost of establishing and operating programs to be known as 'Educational Opportunity Centers' which shall be designed—

"(1) to provide information with respect to financial and academic assistance available for individuals desiring to pursue a program of postsecondary education; and

"(2) to provide assistance to such persons in applying for admission to institutions at which a program of postsecondary education is offered, including preparing necessary applications for use by admissions and financial aid officers.

"(b) An Educational Opportunity Center assisted under this subpart may provide, in addition to the services described in clauses (1) and (2) of subsection (a), tutorial and counseling services for persons participating in the project if such tutorial and counseling services are not otherwise available through a project assisted under this subpart.

"(c) In approving applications for Educational Opportunity Centers under this subpart for any fiscal year the Commissioner shall—

"(1) require an assurance that not less than two-thirds of the persons participating in the project proposed to be carried out under any application be low-income individuals who are first generation college students;

"(2) require that there be determination, with respect to each participant in such project, that the participant has a need for academic support in order to successfully pursue a program of education beyond high school;

"(3) require that such participants be persons who are at least nineteen years of age, unless the imposition of such limitation with respect to any person would defeat the purposes of this section or the purposes of section 417B.

"(4) require an assurance that individuals participating in the project proposed in the application do not have access to services from another project funded under this section or under section 417B.

"STAFF DEVELOPMENT ACTIVITIES

"SEC. 417F. For the purpose of improving the operation of the programs and projects authorized by this subpart, the Commissioner is authorized to make grants to institutions of higher education and other public and private nonprofit institutions and organizations to provide training for staff and leadership personnel employed in, or preparing for employment in, such programs and projects. Such training shall include conferences, internships, seminars, and workshops designed to improve the operation of such programs and projects and shall be carried out in the various regions of the Nation in order to ensure that the training opportunities are appropriate to meet the needs in the local areas being served by such programs and projects. Grants for the purposes of this section shall be made only after consultation with regional and State professional associations of persons having special knowledge with respect to the needs and problems of such programs and projects.".

VETERANS' COST-OF-INSTRUCTION PAYMENTS

SEC. 407. Section 420 of the Act is amended to read as follows:

"VETERANS' COST-OF-INSTRUCTION PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

"SEC. 420. (a)(1) During the period beginning July 1, 1972, and ending September 30, 1985, each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year if—

"(A) the number of persons who are veterans receiving vocational rehabilitation under chapter 31 and title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least—

"(i) 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year, or

"(ii) 10 per centum of the total number of undergraduate students in attendance at such institution during such academic year

and if such number does not constitute a per centum of such undergraduate students which is less than such per centum for the preceding academic year; and

"(B) the number of such persons is at least twenty-five.

"(2) During the period specified in paragraph (1), each institution which has qualified for a payment under this section for any year shall be entitled during the succeeding year, notwithstanding paragraph (1), to a payment under and in accordance with this section, if the number of persons referred to in such paragraph (1) equals at least the number of such persons who were in attendance at such institution during the preceding academic year or equals at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year, whichever is less. Each institution which is entitled to a payment for any fiscal year by reason of the preceding sentence shall be deemed, for the purposes of any such year succeeding the year for which it is so entitled, to have been entitled to a payment under paragraph (1) during the preceding fiscal year.

"(3) With respect to any academic year ending on or before September 30, 1986, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding the provisions of paragraph (1)(A), to a payment under this section if—

"(A) the number of persons referred to in paragraph (1) equals at least the number which bears the same ratio to the number of such recipients who were in attendance at such institution during the first academic year in which the institution was entitled to payments under this section as the number of such recipients in all institutions of higher education during the academic year for which the determination is made bears to the number of such recipients in all insitutions of higher education for the first such academic year; or

"(B) in the event that subparagraph (A) of this paragraph is not satisfied, the Secretary determines, on the basis of evidence presented by such institution, that such institution is making reasonable efforts, taking into consideration the extent to which the number of persons referred to in such paragraph (1) falls short of meeting the ratio criterion set forth in such subparagraph (A), to continue to recruit, enroll, and provide necessary services to veterans.

"(b)(1) The amount of the payment to which any institution shall be entitled under this section for any fiscal year shall be—

"(A) $300 for each person who is a veteran receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or a veteran receiving educational assistance under chapter 34 of title 38, and who is in attendance at such institutions as an undergraduate student during such year; and

"(B) in addition, $150 for each person who is in attendance at such institution as an undergraduate student during such year and who has been the recipient of educational assistance under subchapter V or subchapter VI of chapter 34 of such title 38, or who is disabled or incarcerated, as determined in accordance with regulations promulgated by the Secretary after consultation with the Administrator of Veterans' Affairs.

"(2) In any case where a person on behalf of whom a payment is made under this section attends an institution on less than a full-time basis, the amount of the payment on behalf of that person shall be reduced in proportion to the degree to which that person is not attending on a full-time basis. In no case shall a payment be made on behalf of a person who attends an institution on less than a half-time basis.

"(c)(1) An institution of higher education shall be eligible to receive the payment to which it is entitled under this section only if it makes application therefor to the Secretary. An application under this section shall be submitted at such time or times, in such manner, in such form and containing such information as the Secretary determines necessary to carry out his functions under this title, and shall—

"(A) set forth such policies, assurances, and procedures as will insure that—

"(i) the funds received by the institution under this section and available to it after the requirements of subsection (e) have been met will be used solely to defray instructional expenses in academically related programs of the applicant;

"(ii) the funds received by the institution under this section will not be used for a school or department or divinity or for any religious worship or sectarian activity;

"(iii) the applicant will expend, during the academic year for which a payment is sought, for all academically related programs of the institution, an amount equal to at least the average amount so expended during the three years preceding the year for which the grant is sought; and

"(iv) the applicant will submit to the Secretary such reports as the Secretary may require by regulation;

"(B) contain such other statement of policies, assurances, and procedures as the Secretary may require by regulation in order to protect the financial interests of the United States; and

"(C) set forth such plans, policies, assurances, and procedures as will insure that the applicant will make an adequate effort—

"(i) to maintain a full-time office of veterans' affairs which has responsibility for veterans' outreach, recruitment, and special education programs, including the provisions of educational, vocational, and personal counseling for veterans,

"(ii) to carry out programs designed to prepare educationally disadvantaged veterans for postsecondary education (I) under subchapter V of chapter 34 of title 38, United States Code, and (II) in the case of any institution located near a military installation, under subchapter VI of such chapter 34,

"(iii) to carry out active outreach (with special emphasis on handicapped, incarcerated, and educationally disadvantaged veterans), recruiting, and counseling activities through the use of funds available under federally assisted work-study programs (with special emphasis on the veteran-student services progam under section 1685 of such title 38), and

"(iv) to carry out an active tutorial assistance program (including dissemination of information regarding such program) in order to make maximum use of the benefits available under section 1692 of such title 38, except that an institution which the Secretary determines, in accordance with regulations jointly prescribed by the Secretary and the Administrator of Veterans' Affairs (hereinafter referred to as the 'Administrator'), cannot feasibly itself carry out any or all of the programs set forth in divisions (i) through (iv) of this subparagraph, may carry out such program or programs through a consortium agreement with one or more other institutions of higher education and shall be required to carry out such programs only to the extent that the Secretary determines, in accordance with regulations jointly prescribed by the Secretary and the Administrator, is appropriate in terms of the number of veterans in attendance at such institution.

The adequacy of efforts to meet the requirements of subparagraph (C) of this paragraph shall be determined by the Secretary, based upon the recommendation of the Administrator, in accordance with criteria established in regulations jointly prescribed by the Secretary and the Administrator.

"(2) The Secretary shall not approve an application under this subsection unless he determines that the applicant will implement the requirements of paragraph (1)(C) within the first academic year during which it receives a payment under this section.

"(d)(1) The Secretary shall pay to each institution of higher education which has had an application approved under subsection (c) the amount to which it is entitled under this section.

"(2) The maximum amount of payments to any institution of higher education, or any branch thereof which is located in a community which is different from that in which the parent institution thereof is located, in any fiscal year, shall be $100,000. In making payments under this section for any fiscal year, the Secretary shall apportion the appropriation for making such payments, from funds which become available as a result of the limitation on payment set forth in the preceding sentence, in such manner as will result in the receipt by each institution which is eligible for a payment under this section of first $9,000 (or the amount of its entitlement for that fiscal year, whichever is less) and then additional amounts up to the limitation set forth in the preceding sentence.

"(e) Not less than 90 per centum of the amounts paid to any institution under subsection (d) in any fiscal year shall be used to implement the requirements of subsection (c)(1)(C)(i), and, to the extent that such funds remain after implementing such requirements, funds limited by such 90 per centum requirement shall be used for implementing the requirements of divisions (ii), (iii), and (iv) of subsection (c)(1)(C), except that the Secretary may, in accordance with criteria established in regulations jointly prescribed by the Secretary with the Administrator, waive the requirement of this subsection to the extent that he finds that such institution is adequately carrying out all such requirements without the necessity for such application of such amount of the payments received under this subsection.

"(f) The Secretary, in carrying out the provisions of this section, shall seek to assure that coordination of programs assisted under this section with programs carried out by the Veterans' Administration pursuant to title 38 of the United States Code, and the Administrator of Veterans' Affairs shall provide all assistance, technical consultation, and information otherwise authorised by law as necessary to promote the maximum effectiveness of the activities and programs assisted under this section.".

PART B—GUARANTEED AND INSURED STUDENT LOANS

EXTENSION OF PROGRAMS

SEC. 411. (a) Section 424(a) of the Act is amended—

(1) by striking out "1981" and inserting in lieu thereof "1986"; and

(2) by striking out "1985" and inserting in lieu thereof "1990".

(b) Section 428(a)(5) of the Act is amended—

(1) by striking out "1981" and inserting in lieu thereof "1986"; and

(2) by striking out "1985" and inserting in lieu thereof "1990".

LOAN LIMITATIONS

SEC. 412. (a) Section 425(a)(1) of the Act is amended—

(1) by redesignating clauses (A), (B), and (C), as clauses (B), and (C), and (D), respectively;

(2) by inserting immediately before clause (B) (as so redesignated) the following new clause:

"(A) that in the case of an independent student (as defined in section 487(c)(2)) who has not successfully completed a program of undergraduate education, the total of such loans may not exceed $3,000,"; and

(3) by striking out "clause (B)" in the last sentence of such section and inserting in lieu thereof "clause (C)".

(b) Section 425(a)(2) of the Act is amended by striking out "$7,500, in the case of any student who has not successfully completed a program of undergraduate education, and $15,000 in the case of a graduate or professional student" and inserting in lieu thereof "$12,500 in the case of any student (other than an independent student) who has not successfully completed a program of undergraduate education, $15,000 in the case of any independent student who has not successfully completed a program of undergraduate education, and $25,000 in the case of any graduate or professional student".

(c) Section 428(b)(1)(A) of the Act is amended—

(1) by redesignating divisions (i), (ii), and (iii) as divisions (ii), (iii), and (iv), respectively;

(2) by inserting immediately before division (ii) (as so redesignated) the following new division:

"(i) that the program may not authorize the insurance of loans in excess of $3,000 in the case of a student who has not successfully completed a program of undergraduate education but who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such student),"; and

(3) by striking out "division (ii)" in the last sentence of such section and inserting in lieu thereof "division (iii)".

(d) Section 428A of the Act is amended—

(1) by striking out "$2,500 (in the case of a student who has not successfully completed a program of undergraduate education) or $5,000 (in the case of a graduate or professional student)" in subsection (a)(1)(A) and in subsection (a)(2)(A) and inserting in lieu thereof in each such place the following: "$2,500 (in the case of a student, other than an independent student, who has not successfully completed a program of undergraduate education), $3,000 (in the case of an independent student (as defined in section 487(c)(2))) who has not successfully completed a program of undergraduate education, or $5,000 (in the case of a graduate or professional student)"; and

(2) by striking out "$7,500 in the case of any student who has not successfully completed a program of undergraduate education, and $15,000 in the case of any graduate or professional student" in subsection (a)(1)(A) and in subsection (a)(2)(A) and inserting in lieu thereof in each such place the following: "$12,500 in the case of any student (other than an independent student) who has not successfully completed a program of undergraduate education, $15,000 in the case of any independent student who has not successfully completed a program of undergraduate education, and $25,000 in the case of any graduate or professional student".

(e) Part B of title IV of the Act is further amended by inserting immediately before the period at the end of section 425(a)(2) and immediately before the semicolon at the end of sections 428(b)(1)(B), 428A(a)(1)(A), and 428A(a)(2)(A) the following: ", except that the Commissioner may increase the limit applicable to graduate and professional students that are pursuing programs which the Commissioner determines are exceptionally expensive".

DEFERRAL OF REPAYMENT

SEC. 413. (a) Section 427(a)(2)(C) is amended—

(1) by inserting "or is an officer in the Commissioned Corps of the Public Health Service" immediately after "Armed Forces of the United States" in clause (ii); and

(2) by striking out "or (v)" and inserting in lieu thereof the following: "(v) not in excess of three years during which the borrower is in service, comparable to the service referred to in clauses (iii) and (iv), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954; (vi) during a period, at the request of the borrower, during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service; (vii) not in excess of three years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled or (viii)".

(b) Section 428(b)(1)(M) of the Act is amended—

(1) by inserting "or is an officer in the Commissioned Corps of the Public Health Service" immediately after "Armed Forces of the United States" in clause (ii); and

(2) by striking out "or (v)" and inserting in lieu thereof the following: "(v) not in excess of three years during which the borrower is in service, comparable to the service referred to in clauses (iii) and (iv), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954; (vi) during a period, at the request of the borrower, during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service; (vii) not in excess of three years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled, or (viii)".

(c) Section 435 of the Act is amended by adding at the end thereof the following new subsection:

"(j) The term 'temporarily totally disabled' when used with respect to a borrower means a borrower who, by reason of injury or illness, cannot be expected to be able to attend an institution of higher education or to be gainfully employed during a reasonable period of recovery from such injury or illness not to exceed three years. Such term when used with respect to the spouse of a borrower means a spouse who, by reason of injury or illness, cannot be expected to be gainfully employed during a reasonable period of recovery from such injury or illness not to exceed three years and who during such period required continuous nursing or other similar services.".

COLLECTION PRACTICES

SEC. 414. (a)(1) Section 430(b) of the Higher Education Act of 1965 is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2)(A) For the purpose of promoting responsible repayment of loans covered by Federal loan insurance or guarantees pursuant to this part, the Commissioner shall enter into cooperative agreements with credit bureau organizations providing for the exchange of information concerning student borrowers in accordance with the requirements of this paragraph. For the purpose of assisting such organizations to comply with the Fair Credit Reporting Act, such agreements may provide for timely response by the Commissioner to requests from such organizations for responses to objections raised by such borrowers. Subject to the requirements of subparagraph (C), such agreements shall provide for the disclosure by the Commissioner to such organizations with respect to any loan for which the Commissioner has received a notice of default under subsection (a) of this section of—

"(i) the date of disbursement and the amount of any such loan;

"(ii) information concerning collection of any such loan, including information concerning the status of any defaulted loan on which the Commissioner has made a payment pursuant to subsection (a) of this section;

"(iii) the date of cancellation of the note upon completion of repayment by the borrower of any such loan.

"(B) Such agreements may also provide for the disclosure by such organizations to the Commissioner, upon receipt from the Commissioner of a notice under subparagraph (A)(ii) that such a loan is in default, of information concerning the borrower's location or other information which may assist the Commissioner in proceeding to collection of the defaulted amount.

"(C) Agreements entered into pursuant to this paragraph shall contain such provisions as may be necessary to ensure that—

"(i) no information is disclosed by the Commissioner unless its accuracy and completeness have been verified, and no information stating that a loan is in default is disclosed until the Commissioner has made a reasonable effort to collect the debt;

"(ii) as to any information so disclosed, such organizations will be promptly notified of, and will promptly record, any change submitted by the Commissioner with respect to such information, or any objections by the borrower with respect to any such information, as required by section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i);

"(iii) no use will be made of any such information which would result in the use of collection practices with respect to such a borrower that are not fair and reasonable or that involve harassment, intimidation, false or misleading representations, or unnecessary communication concerning the existence of such loan or concerning any such information.

"(D) The Commissioner shall, within ninety days after the date of enactment of this paragraph, take such steps as may be necessary to establish the disclosure of information described in subparagraph (A)(i), (ii), and (iii) as a routine use in accordance with section 552a(b)(3) of title 5, United States Code, and to establish a system for the prompt notification of any borrower of any disclosure made pursuant to this paragraph.".

(2)(A) Section 427(a)(2) of the Higher Education Act of 1965 is amended by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (G) the following new subparagraph:

"(H)(i) contains a notice of the system of disclosure of information concerning such loan to credit bureau organizations under section 430(b)(2), and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations,".

(B) Section 428(b)(1) of such Act is amended by redesignating subparagraphs (O) and (P) as subparagraphs (P) and (Q), respectively, and by inserting after subparagraph (N) the following new subparagraph:

"(O)(i) provides that the note or other written agreement evidencing the loan contains a notice of the system of disclosure of information concerning such loan to credit bureau organizations under section 430(b)(2), and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations,".

(b) Section 430(c) of the Act is amended

by adding at the end thereof the following new sentence: "Any forbearance which is approved by the Commissioner under this subsection with respect to the repayment of a loan shall not be considered as indicating that a holder of a federally insured loan has failed to exercise reasonable care and diligence in the collection of the loan.".

(c) Section 423 of the Act is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, the Commission may provide to eligible lenders, and to any State or any nonprofit private institution or organization having a guaranty agreement under section 428(c)(1), any information with respect to the names and addresses of borrowers or other relevant information which is available to him, from whatever source such information may be derived.".

LOANS TO PARENTS

SEC. 415. Part B of title IV of the Act is amended by inserting immediately after section 428A the following new section:

"LOANS TO PARENTS OF DEPENDENT UNDERGRADUATE STUDENTS

"SEC. 428B. (a) Parents of a dependent undergraduate student (as defined by regulations by the Secretary) shall be eligible to borrow funds under this part in amounts specified in subsection (b), and unless otherwise specified in subsections (c) and (d), such loans shall have the same terms, conditions, and benefits as all other loans made under this part.

"(b)(1) Subject to paragraphs (2), (3), and (4), the maximum amount parents may borrow for one student in any academic year or its equivalent (as defined by regulation by the Secretary) is $3,000.

"(2) The aggregate insured principal amount for insured loans made to parents on account of an undergraduate dependent student shall not exceed $15,000.

"(3) Parents may not borrow under this section for the expenses of more than three students in any academic year.

"(4) No loan may be made to any parents or student under this part which would cause their combined loans for any academic year to exceed the student's estimated cost of attendance minus such students' estimated financial assistance as certified by the eligible institution under section 428(a)(2)(A) of this part. The annual insurable limit on account of any student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.

"(c)(1) Repayment of principal on loans made under this section may be deferred until the earliest of—

"(A) four years from the disbursement date of the first loan made for the educational expenses of the dependent student named in the parent's loan application;

"(B) the student's anticipated date of graduation or completion of studies estimated at the time of the application for a loan;

"(C) the date on which the student ceases to be at least a half time student at an eligible institution; or

"(D) such other date as the parent may request.

Such repayment obligation shall not be further delayed because of any current status of the student, but nothing in this section shall be construed to prohibit a lender from exercising forbearance for the benefit of the borrower.

"(2) No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this section.

"(3) If a borrower under this section elects to begin making regular monthly payments of principal and interest at a date later than sixty days after the date such loan is disbursed by a lender, then the interest which would accrue between the date of disbursement and a date thirty days prior to the due date of the first payment shall be calculated and subtracted from the proceeds of the loan before the balance is disbursed. If such repayment begins on a date earlier than thirty days prior to the due date of the first payment, any such interest so retained by the lender which has not been earned shall be used to reduce the principal owing on the loan.

"(4) If a borrower under this section elects to begin making regular monthly payments of principal and interest at a date not later than sixty days after the date such loan is disbursed by a lender, then the interest shall be 7 per centum per annum on the unpaid principal balance of the loan.

"(d) Loans made under this section shall be insured by the Secretary in a State only if—

"(1) the State does not have an agency having an agreement with the Secretary pursuant to section 428(b), or

"(2) a State having such an agreement does not authorize loans under this section (A) within one hundred and twenty days after the effective date of this amendment, or (B) if a State is prohibited from authorizing loans under this section because of existing State law, one hundred and twenty days after the adjournment of the next regular session of the State legislature which convenes after the effective date of this amendment.".

LIMITATION ON ALLOWANCES

SEC. 416. Section 438 of the Act is amended by striking out subsections (e), (f), and (g) and inserting in lieu thereof the following:

"(e)(1) Except as provided in paragraph (2), no special allowance shall be paid on loans—

"(A) which were made or purchased substantially with funds obtained from the issuance of securities the income from which is exempt from taxation under the Internal Revenue Code of 1954, if such issuance occurred after the date of enactment of the Education Amendments of 1980;

"(B) which were made or purchased with funds which were obtained from collections or default reimbursements on, or interest of other income pertaining to, loans made or purchased with funds described in subparagraph (A) or from income on the investment of such funds; or

"(C) which are pledged as security to obtain funds described in this paragraph.

"(2) A special allowance shall be paid to an agency which issues securities described in paragraph (1)(A) if—

"(A) such agency is either (i) a single agency of a State which makes or holds student loans under this part, or (ii) a single nonprofit agency which has been designated in lieu of an agency of such State to make or purchase loans under this part, and such designation was made through an act or resolution of that State's legislature with the concurrence of the State's chief executive officer;

"(B) such agency makes, purchases, or holds a security interest in loans made under this part only to students who are residents of such State or who were accepted for enrollment in or were attending an eligible institution in such State at the time such loans were made;

"(C) such agency, if acting as a State secondary market, purchases loans only from lenders who meet the requirements of section 439(e)(A), unless the considerable majority of the loans purchased by the agency are purchased only after the borrowers have ceased to be enrolled in at least a half-time course of study at an eligible institution;

"(D) such agency does not contract any portion of the servicing of loans it holds under this part with any person, firm, or other entity in which an employee, board, or commission member, or substantial client of such agency has any financial interest;

"(E) such agency issues all securities described in paragraph (1)(A) by a process which requires competitive bidding among prospective purchasers; and

"(F) such agency uses any funds obtained through sources described in paragraph (1) only for making or purchasing (or both making and purchasing) students loans under this part and other reasonable costs associated with a program created to make or purchase (or to both make and purchase) such loans, and such agency further agrees that when such program is discontinued and all outstanding obligations of the program are fully repaid, any remaining assets of the program will be liquidated and paid into the student loan insurance fund established by section 431.

"(3) If an agency qualifying to receive a special allowance under paragraph (2) should later fail to meet any of the requirements of such paragraph, a special allowance shall be paid on all loans made or purchased by such agency prior to the date such requirement ceased to be met."

MISCELLANEOUS AMENDMENTS

SEC. 417. (a)(1) Section 427 (a)(1) of the Act is amended to read as follows:

"(1) made to a student who (A) is an eligible student as required by section 488, and (B) has agreed to notify promptly the holder of the loan concerning any change of address; and".

(2) Section 428(a)(2)(B)(i) of the Act is amended to read as follows:

"(i) a student's estimated cost of attendance means the cost of attendance for such student determined in accordance with section 487(d);".

(b) Section 428(c)(1)(A) of the Act is amended by striking out everything after "of any insured loan" in the first sentence thereof and inserting in lieu thereof a period.

(c) Section 428(e) of the Act is amended to read as follows:

"(e) From funds appropriated to carry out this part in any fiscal year, the Commissioner shall pay to each eligible institution the amount of $10 per academic year for each student enrolled in that institution who is in receipt of a loan described in paragraph (1) of subsection (a) of this section, for that year. Payments received by an institution under this subsection shall be used for the sole purpose of offsetting the institution's costs for the program under this part.".

(d) Section 428(f)(1) of the Act is amended by striking out "(f)(1)(A)" and inserting in lieu thereof "(f)(1)" and by striking out subparagraphs (B) and (C).

STUDENT LOAN MARKETING ASSOCIATION

SEC. 418. (a)(1) Section 439(d) of the Act is amended—

(A) in paragraph (1), by inserting "or repurchase," after "purchase" and by inserting "or resell, offer participations, or pooled interests," after "sell,";

(B) by amending paragraph (2) to read as follows:

"(2) Any warehousing advance made under paragraph (1) of this subsection shall be made on the security of (i) insured loans, (ii) marketable obligations and securities issued, guaranteed or insured by, the United States, or for which the full faith and credit of the United States is pledged for the repayment of principal and interest thereof, or (iii) marketable obligations issued, guaranteed, or insured by any agency, instrumentality or corporation of the United States

for which the credit of such agency, instrumentality or corporation is pledged for the repayment of principal or interest thereof, in an amount equal to the amount of such advance. The proceeds of any such advance secured by insured loans shall either be invested in additional insured loans or the lender shall provide assurances to the Association that during the period of the borrowing it will maintain a level of insured loans in its portfolio not less than the aggregate outstanding balance of such loans held at the time of the borrowing. The proceeds from any such advance secured by collateral described in clauses (ii) and (iii) shall be invested in additional insured student loans."; and

(C) by adding at the end thereof the following new paragraph:

"(4) Securities issued pursuant to the offering of participations or pooled interests under paragraph (1) of this subsection may be in the form of debt obligations, or trust certificates of beneficial ownership, or both. Student loans set aside pursuant to the offering of participations or pooled interests shall at all times be adequate to ensure the timely principal and interest payments on such securities.".

(2) Section 439(i) of the Act is amended by inserting "including those made under subsection (d)(3)" immediately after "All obligations issued by the Association".

(b) Section 439(e)(A) of the Act is amended by striking out "$50,000,000" and inserting in lieu thereof "$100,000,000".

(c)(1) Section 439(f) of the Act is amended—

(A) in paragraph (1), by striking out "having a par value of $100 per share" and inserting in lieu thereof "having such par value as may be fixed by its Board of Directors from time to time";

(B) in paragraph (3), by striking out the last sentence thereof;

(C) in paragraph (4), by inserting "and nonvoting common stock" after "dividends may be declared on common stock" and after "outstanding shares of common stock"; and

(D) by adding at the end thereof the following new paragraph:

"(5) The Association is authorized to issue nonvoting common stock having such par value as may be fixed by its Board of Directors from time to time. Any nonvoting common stock shall be freely transferable, except that, as to the Association, it shall be transferable only on the books of the Association.".

(2) Section 439(g)(1) of the Act is amended by striking out the first sentence and inserting in lieu thereof the following: "The Association is authorized to issue nonvoting preferred stock having such par value as may be fixed by its Board of Directors from time to time.".

(d) Section 439(h) of the Act is amended—

(1) by adding the following new sentence at the end of paragraph (1): "The Secretary of the Treasury may not direct as a condition of his approval that any such issuance of obligations by the Association be made or sold to the Federal Financing Bank.";

(2) in paragraph (2), by striking out "July 1, 1982" and inserting in lieu thereof "October 1, 1984";

(3) by adding at the end thereof the following new paragraphs:

"(4) Upon receipt of a request from the Association under this subsection requiring approvals by the Secretary of Health, Education, and Welfare or the Secretary of the Treasury, the Secretary of Health, Education, and Welfare or the Secretary of the Treasury shall act promptly either to grant approval or to advise the Association of the reasons for withholding approval. In no case shall such an approval be withheld for a period longer than sixty days unless, prior to the end of such period, the Secretary of Health, Education, and Welfare or the Secretary of the Treasury, as the case may be, submit to the Congress a detailed explanation of reasons for doing so.

"(5) The Secretary of the Treasury is authorized in his discretion to purchase any obligations issued by the Association pursuant to this subsection as now or hereafter in force, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than $1,000,000,000. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase. The Secretary of the Treasury may, at any time, sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

"(6) Notwithstanding any other provision of law, the Association is authorized to sell or issue obligations on the security of student loans, the payment of interest or principal of which has at any time been guaranteed under section 428 or 429 of this part, to the Federal Financing Bank.".

(e)(1) Section 439 of the Act is amended by adding at the end thereof the following new subsections:

"(o)(1) The Association or its designated agent may, upon request of a borrower who has received loans under title IV of this Act from two or more programs or lenders and where the borrower's aggregate outstanding indebtedness is in excess of $5,000, or where the borrower's aggregate outstanding indebtedness is in excess of $7,500 from a single lender under this part, make a new loan to the borrower in an amount equal to the unpaid principal and accrued unpaid interest on the old loans. The proceeds of the new loan shall be used to discharge the liability on such old loans.

"(2) Loans made pursuant to this subsection shall be insurable either by the Commissioner under section 429 with a certificate of comprehensive insurance coverage provided for under section 429(b)(1) or by a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b), except that such State or nonprofit private institution or organization shall provide the Association with a certificate of comprehensive insurance coverage. The terms of loans made under this subsection shall be such as may be agreed upon by the borrower and the Association and meet the requirements of section 427, except that (A) the ten-year maximum period referred to in section 427(a)(2)(B) may be extended to no more than twenty years, and (B) clause (ii) of section 427(a)(2)(B) shall not be applicable.

"(3) Notwithstanding any other provision of this part, the Association, with the agreement of the borrower, may establish such repayment terms as it determines will promote the objectives of this subsection including, but not limited to, the establishment of graduated, income sensitive repayment schedules.

"(p)(1) Whenever the Secretary, after consultation with and the agreement of the appropriate representatives of a State (including representatives of any agency in such State having an agreement pursuant to section 428(b) of this part), determines that a substantial portion of all eligible borrowers in such State or within an area of substantial population of such State are seeking and are unable to obtain loans under this part, the Association or its designated agent may begin making loans in accordance with this subsection at the request of the Secretary.

"(2) Loans made pursuant to this subsection shall be insurable by either (A) the Commissioner under section 429 with a certificate of comprehensive insurance coverage provided for under section 429(b)(1) or (B) by the agency identified in paragraph (1) having an agreement pursuant to section 428(b). For loans insured by such agency, the agency shall provide the Association with a certificate of comprehensive insurance coverage, if the Association and the agency have mutually agreed upon a means to determine that the agency has not already guaranteed a loan under this part to a student which would cause a subsequent loan made by the Association to be in violation of any provision under this part.

"(3) The Association or its designated agent shall cease making loans under this part at such time that it is determined by any party to the agreement required by paragraph (1) that—

"(A) the conditions which caused the implementation of this subsection have ceased to exist; or

"(B) the implementation of this subsection has either (i) further reduced the availability of loans from other sources in the applicable geographical area, or (ii) inhibited the formation in a State of an agency which would have an agreement pursuant to section 428(b) of this part which would have the responsibility of developing local sources of funds for student loans.

"(q) The Association in carrying out its activities under subsections (o) and (p) of this section shall not be deemed to be a creditor for any purposes of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.).".

(2) Section 435(g)(1) of the Act is amended by striking out "and" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(G) for purposes of making loans under section 439 (o) and (p) the Student Loan Marketing Association.".

(f) Part B of title IV of the Act is amended by adding at the end thereof the following new section:

"SEC. 439C. (a) The Truth in Lending Act (15 U.S.C. 1601 et. seq.) shall not apply to any loans made under the authority of this title.

"(b) Subsection (a) of this section shall be effective upon its enactment and shall apply to all loans outstanding whether originated prior to or after the date of such enactment.".

NATIONAL COMMISSION ON STUDENT LOANS

SEC. 419. Part B of title IV of the Act is further amended by adding at the end thereof the following new section:

"NATIONAL COMMISSION ON STUDENT LOANS

SEC. 439D. (a) There is hereby established, as an independent agency within the executive branch, a National Commission on Student Loans (referred to in this section as the 'Commission').

"(b)(1) The Commission shall be composed of twelve members. Four of the members shall be appointed by the President. Four of the members shall be appointed by

the Speaker of the House, including two Members of the House, one from each political party. Four of the members shall be appointed by the President pro tempore of the Senate, including two Members of the Senate, one from each political party.

"(2) The Chairman shall be designated by the President from among the members appointed by him. If the President has not appointed four members of the Commission and designated a Chairman within sixty days of the enactment of this Act, the members of the Commission appointed by the Speaker of the House and the President pro tempore of the Senate shall elect a Chairman who shall continue to serve for the duration of the Commission.

"(3) Any vacancy in the Commission shall be filled by appointment of the same person who appointed the person who has left the Commission.

"(c)(1) It shall be the duty of the Commission to make a report and recommendations to the President and the Congress. The report and recommendations of the Commission shall consider the following issues:

"(A) more effective means to reduce default and delinquency in the loan programs authorized by this part and by part E;

"(B) the appropriate balance between loans and other sources of financing postsecondary education from the point of view of the needs and welfare of students and their parents;

"(C) the adequacy of capital to serve the postsecondary educational needs of students or their parents for credit; if adequate credit is available, the likelihood it will continue to remain available; if adequate credit is not available, the likelihood it will become available and the steps that can be taken to provide adequate credit for the postsecondary educational needs of students;

"(D) the impact of various levels of student borrowing on the educational performance, future career choices, and future educational choices, of students;

"(E) the impact of various levels of parent borrowing for postsecondary education on parents;

"(F) the appropriate annual and aggregate loan limits for parents, dependent students, independent students, and various types of graduate students;

"(G) the most appropriate mechanism for the effective and efficient origination, servicing, and collection of student loans;

"(H) the most appropriate source or sources of student loan capital considering both the cost and the reliability of adequate capital availability;

"(I) the appropriate level of public subsidy to students and parents for the cost of capital for student loans;

"(J) the impact of student loan availability on the availability of other forms of student financial assistance from all sources;

"(K) the impact of student loan availability on the level of postsecondary education costs;

"(L) the most appropriate mechanism to provide students and parents with the flexible repayment options and opportunities for consolidation of student loan indebtedness; and

"(M) means to remove barriers to capital availability caused by patterns of lender discrimination.

"(2) The Commission shall report to the President and the Congress its findings and recommendations as soon as practicable and in no event later than July 1, 1983. Any recommendations that contemplate changes in Federal legislation shall include draft legislation to accomplish the recommendations. The Commission shall cease to exist ninety days following the submission of its final report.

"(d)(1) Members of the Commission who are officers or full-time employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States; but they shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(2) Members of the Commission who are not officers or full-time employees of the United States shall each receive $150 per diem when engaged in the actual performance of duties vested in the Commission. In addition, they shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) Such personnel as the Commission deems necessary may be appointed by the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subtitle III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS-18 of the General Schedule.

"(f)(1) The Commission or, on the authorization of the Commission, any committee thereof, may, for the purpose of carrying out the provisions of the Act, hold such hearings and sit and act at such times and such places within the United States as the Commission or such committee may deem advisable.

"(2) In carrying out its duties under the Act, the Commission shall consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible.

"(3) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this section, and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed, to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman.

"(4) For the purpose of securing the necessary data and information the Commission may make contracts with universities, research institutions, foundations, and other competent public or private agencies. For such purpose, the Commission is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(5) The heads of all Federal agencies are, to the extent not prohibited by law, directed to cooperate with the Commission in carrying out this section.

"(6) The Commission is authorized to utilize, with their consent, the services, personnel, information and facilities of other Federal, State, local and private agencies with or without reimbursement.

"(7) The Commission shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Commission. Such grants, gifts, or bequests, after acceptance by the Commission, shall be paid by the donor or his representative to the Treasurer of the United States whose receipts shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Commission for the purposes in each case specified.

"(8) Six members of the Commission shall constitute a quorum, but a lesser number of two or more may conduct hearings.

"(9) There is hereby authorized to be appropriated the sum of $10,000,000 to carry out the provisions of this section, which shall remain available until expended or until the termination of the Commission, whichever occurs first.

PART C—WORK-STUDY PROGRAMS

PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 421. Section 441 of the Act is amended to read as follows:

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 441. (a) The purpose of this part is to stimulate and promote the part-time employment of students, particularly students who are in need of earnings from such employment to pursue courses of study at eligible institutions.

"(b) There are authorized to be appropriated for carrying out this part $670,000,000 for fiscal year 1981, $745,000,000 for fiscal year 1982, $825,000,000 for fiscal year 1983, $910,000,000 for fiscal year 1984, and $990,000,000 for fiscal year 1985.".

ALLOTMENT TO STATES

SEC. 422. Section 442 of the Act is amended—

(1) by striking out "2 per centum" in subsection (a)(1) and inserting in lieu thereof "1 per centum";

(2) by striking out "Puerto Rico," in subsection (a)(1);

(3) by inserting "second" immediately after "until the close of the" in subsection (d); and

(4) by striking out "Puerto Rico," in subsection (e).

GRANTS FOR WORK-STUDY PROGRAMS

SEC. 423. Part C of title IV of the Act is amended by striking out sections 443 and 444 and inserting in lieu thereof the following:

"GRANTS FOR WORK-STUDY PROGRAMS

"SEC. 443. (a) The Secretary is authorized to enter into agreements with eligible institutions under which the Secretary will make grants to such institution to assist in the operation of work-study programs as hereinafter provided.

"(b) An agreement entered into pursuant to this section shall—

"(1) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself (except in the case of a proprietary institution of higher education) or work in the public interest for a Federal, State, or local public agency or private nonprofit organization under an arrangement between the institution and such agency or organization, and such work—

"(A) will not result in the displacement of employed workers or impair existing contracts for services;

"(B) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee;

"(C) does not involve the construction, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship; and

"(D) will not pay any wage to students employed under this subpart that is less than the current Federal minimum wage as mandated by the Fair Labor Standards Act;

"(2) provide that funds granted an institution of higher education, pursuant to section 443, may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section 484 of this Act, may use a portion of the sums granted to it to meet the cost of a job location and development program in accordance with section 447 of this part, and

may transfer funds in accordance with the provisions of section 483 of this Act;

"(3) provide that in the selection of students for employment under such work-study program, only students who demonstrate financial need in accordance with the provisions of section 487, and who meet the requirements of section 488 will be assisted;

"(4) provide that no student in a work-study program under this part shall be required to terminate that employment during a semester (or other regular enrollment period) at the time income derived from any employment (including work-study or non-work-study or both) is in excess of the determination of the amount of such student's need for that semester under clause (3) of this subsection, but when such excess income equals $200 or more, continued employment under a work-study program shall not be subsidized with funds appropriated under this part;

"(5) provide that the institution will meet the requirements of section 483(2) of this Act (relating to maintenance of effort);

"(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation; except that the Federal share may exceed 80 per centum of such compensation if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of 80 per centum is required in furtherance of the purposes of this part;

"(7) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this part.

"(c) For purposes of subsection (b)(4) in computing average hours of employment of a student over a semester or other term, there shall be excluded any period during which the student is on vacation and any period of nonregular enrollment. Employment under a work-study program during any such period of nonregular enrollment during which classes in which the student is enrolled are in session shall be only to the extent and in accordance with criteria established by or pursuant to regulations of the Commissioner.".

DISTRIBUTION OF ASSISTANCE

SEC. 424. Section 446 of the Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections:

"(b) Of the sums granted to an eligible institution under this part for any fiscal year, 10 per centum shall remain available for expenditure during the succeeding fiscal year to carry out programs under this part. Any of the sums so granted to an institution for a fiscal year which are not needed by that institution to operate work-study programs during that fiscal year, and which it does not wish to use during the next fiscal year as authorized in the preceding sentence, shall remain available to the Commissioner for making grants under section 443 to other institutions in the same State until the close of the second fiscal year next succeeding the fiscal year for which such funds were appropriated.

"(c) Up to 10 per centum of the sums the Commissioner determines an eligible institution may receive from funds which have been appropriated for a fiscal year may be used by him to make grants under this part to such institution for expenditure during the fiscal year preceding the fiscal year for which the sums were appropriated.".

JOB LOCATION AND DEVELOPMENT

SEC. 426. Section 447 of the Act is amended by striking out "$15,000" and inserting in lieu thereof "$25,000".

EFFECTIVE DATE

SEC. 426. The amendments made by section 6 of the Middle Income Student Assistance Act shall take effect on July 1, 1972.

PART E—NATIONAL DIRECT STUDENT LOANS

EXTENSION OF PROGRAM

SEC. 431. (a) Section 461(b)(1) of the Act is amended to read as follows:

"(b)(1) For the purpose of enabling the Commissioner to make contributions to student loan funds established under this part, there are authorized to be appropriated $400,000,000 for each of the fiscal years 1981 and 1982, $475,000,000 for fiscal years 1983, $550,000,000 for fiscal year 1984, and $625,000,000 for fiscal year 1985.".

(b) Section 461(b)(2) of the Act is amended—

(1) by striking out "for the fiscal year ending September 30, 1979, and each of the three succeeding fiscal years" and inserting in lieu thereof "for each of the fiscal years 1981, 1982, 1983, 1984, and 1985"; and

(2) by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1985".

(c) Section 466 of the Act is amended—

(1) by striking out "September 30, 1985" each place it appears in subsection (a) and inserting in lieu thereof "September 30, 1990";

(2) by striking out "March 31, 1985" each place it appears in subsections (a) and (b) and inserting in lieu thereof "March 31, 1991"; and

(3) by striking out "October 1, 1984" in subsection (c) and inserting in lieu thereof "October 1, 1990".

LOAN LIMITATIONS

SEC. 432. Section 464(a)(2) of the Act is amended—

(1) by striking out "$10,000" in clause (A) and inserting in lieu thereof "$12,000";

(2) by striking out "$5,000" in clause (B) and inserting in lieu thereof "$6,000"; and

(3) by striking out "$2,500" in clause (C) and inserting in lieu thereof "$3,000".

DEFERRAL OF REPAYMENT

SEC. 433. Section 464(c)(2)(A) of the Act is amended—

(1) by inserting "or is an officer in the Commissioned Corps of the Public Health Service" immediately after "Armed Forces of the United States" in clause (ii); and

(2) by striking out "or" at the end of clause (iii), by striking out the period at the end of clause (iv) and inserting in lieu thereof a semicolon, and by inserting after clause (iv) the following new clauses:

"(v) not in excess of three years during which the borrower is in service, comparable to the service referred to in clauses (iii) and (iv), as a full-time volunteer for an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954;

"(vi) during a period, at the request of the borrower, during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition required to begin professional practice or service; or

"(vii) not in excess of three years during which the borrower is temporarily totally disabled (as defined in section 435(j)), as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled.".

COLLECTION PRACTICES

SEC. 434. (a) Section 463(a) of the Act is amended by striking out "and" at the end of paragraph (5), by redesignating paragraph (6) as paragraph (7), and by inserting after paragraph (5) the following new paragraph:

"(6) provide that, notwithstanding any other provision of law, the Commissioner will provide to the institution any information with respect to the names and addresses of borrowers or other relevant information which is available to him, from whatever source such information may be derived, and".

(b)(1) Section 463 of the Higher Education Act of 1965 is amended by adding at the end thereof the following new subsection:

"(c) For the purpose of promoting responsible repayment of loans made pursuant to this part, the Commissioner shall enter into cooperative agreements, in accordance with the requirements of section 430(b)(2), with credit bureau organizations to provide for the exchange of information concerning student borrowers concerning whom the Commissioner has received notice pursuant to subsection (a)(4).".

(2) Section 464(c)(1) of such Act is amended by striking out "and" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof "; and", and by adding at the end thereof the following new subparagraph:

"(I) contains a notice of the system of disclosure of information concerning default on such loan to credit bureau organizations under section 463(c).".

MISCELLANEOUS AMENDMENTS

SEC. 435. (a) Section 452 of the Act is amended by striking out subsection (d).

(b) Section 465(a)(2) of the Act is amended by striking out the last sentence and inserting in lieu thereof the following: "For purposes of this paragraph, the term 'handicapped children' has the meaning set forth in section 602(1) of the Education of the Handicapped Act.".

(c) Section 465(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) The amount of a loan, and interest on a loan, which is canceled under this section shall not be considered income for purposes of the Internal Revenue Code of 1954.".

PART F—GENERAL PROVISIONS

AMENDMENT

SEC. 441. Part F of title IV of the Act is amended to read as follows:

"DEFINITIONS

"SEC. 481. (a)(1) For the purpose of this title, except subpart 6 of part A and B, the term 'institution of higher education' includes, in addition to the institution covered by the definition contained in section 1201 (a)—

(A) a proprietary institution of higher education;

(B) a postsecondary vocational institution;

"(C) a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing; and

"(D) a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in profesional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

"(2) The term 'acredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.

"(b) For the purposes of this section, the term 'proprietary institution of higher education' means a school (A) which provides not less than a six-month program of training to prepare students for gainful employ-

ment in a recognized occupation, (B) which meets the requirements of clauses (1) and (2) of section 1201(a), (C) which does not meet the requirement of clause (4) of section 1201(a), (D) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (E) which has been in existence for at least two years. Such term also includes a proprietary educational institution in any State which, in lieu of the requirement in clause (1) of section 1201(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(c) For the purposes of this section, the term 'postsecondary vocational institution' means a school (A) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (B) which meets the requirements of clauses (1), (2), (4), and (5) of section 1201(a), and (C) which has been in existence for at least two years.

"(d) For the purposes of any program under this title, the term 'academic year' shall be defined by the Secretary by regulation.

"INSTITUTIONAL ELIGIBILITY

"SEC. 482. In order to be an eligible institution for the purposes of any program authorized under this title, except the programs contained in subparts 3, 4, and 5 of part A, an institution must be an institution of higher education (as that term is defined in section 491(a)) and must enter into a program participation agreement with the Secretary. The agreement shall condition an institution's initial and continuing eligibility to participate in a program upon compliance with the following requirements:

"(1) The institution shall use funds received by it for any program under this title solely for the purposes specified in, and in accordance with, the provisions of that program.

"(2) In the case of an institution participating in any program authorized under part A or part C of this title for any fiscal year, the institution shall continue to spend in its own scholarship and student aid program, from sources other than funds received under such parts, not less than the average expenditures per year made for that purpose during the most recent period of three fiscal years preceding such fiscal year, except that, under special and unusual circumstances prescribed by regulation, the Secretary is authorized to waive the requirements of this paragraph.

"(3) The institution shall establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under this title.

"(4) The institution shall submit reports to the Secretary and, in the case of an institution participating in a program under part B or part E, to holders of loans made to the institution's students under such parts at such times and containing such information as the Secretary may reasonably require to carry out the purposes of this title.

"(5) The institution shall comply with the requirements of section 485.

"TRANSFER OF ALLOTMENTS

"SEC. 483. (a) Up to 10 per centum of the allotment of an eligible institution for a fiscal year under section 413D or 442 of this Act, may be transferred to, and used for the purposes of, the institution's allotment under the other section within the discretion of such institution in order to offer an arrangement of types of aid, including institutional and State aid, which best fits the needs of each individual student. The Secretary shall have no control over such transfer, except as specifically authorized, except for the collection and dissemination of information.

"ADMINISTRATIVE EXPENSES

"SEC. 484. (a) From the sums appropriated for any fiscal year for purposes of the program authorized under subpart 1 of part A, the Secretary shall reserve such sums as may be necessary to pay to each institution with which he has an agreement under section 482, an amount equal to $10 for each student at that institution who receives assistance under subpart 1 of part A. In addition, an institution which has entered into an agreement with the Secretary under subpart 2 of part A, part C, or part E of this title shall be entitled for each fiscal year for which it receives an allotment under any such part to a payment for the purposes set forth in subsection (b). The payment for a fiscal year shall be payable from each such allotment in accordance with regulations of the Secretary, and shall be equal to 5 per centum of the institution's first $2,750,000 of expenditures plus 4 per centum of the institution's expenditures greater than $2,750,000 and less than $5,500,000, plus 3 per centum of the institution's expenditures in excess of $5,500,000 during the fiscal year from the sum of its allotment under part A, its expenditures during such fiscal year under part C for compensation of students, and the principal amount of loans made during such fiscal year from its student loan fund established under part E.

"(b) The sums paid to institutions under this part are for the sole purpose of offsetting the administrative costs of the programs described in subsection (a).

"INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS

"SEC. 485. (a)(1) Each eligible institution participating in any program under this title shall carry out information dissemination activities for prospective and enrolled students regarding the institution and financial assistance under this title. The information required by this section shall be produced and be made readily available, through appropriate publications and mailings, to all current students and to any prospective student upon request. The information required by this section shall accurately describe—

"(A) the student financial assistance programs available to students who enroll at such institution;

"(B) the methods by which such assistance is distributed among student recipients who enroll at such institution;

"(C) any means, including forms, by which application for student financial assistance is made and requirements for accurately preparing such application;

"(D) the rights and responsibilities of students receiving financial assistance under this title;

"(E) the cost of attending the institution, including (i) tuition and fees, (ii) books and supplies, (iii) estimates of typical student room and board costs or typical commuting costs, and (iv) any additional cost of the program in which the student is enrolled or expresses a specific interest;

"(F) a statement of the refund policy of the institution for the return of unearned tuition and fees or other refundable portion of cost, as described in clause (E) of this paragraph;

"(G) the academic program of the institution, including (i) the current degree programs and other educational and training programs, (ii) the instructional, laboratory, and other physical plant facilities which relate to the academic program, and (iii) the faculty and other instructional personnel;

"(H) each person designated under subsection (b) of this section, and the methods by which and locations in which any person so designated may be contacted by students and prospective students who are seeking information required by this subsection;

"(I) special facilities and services available to handicapped students; and

"(J) the names of associations, agencies, or governmental bodies which accredit, approve, or license the institution and its programs; and any current or prospective student may obtain or review upon request a copy of the documents describing the institution's accreditation, approval, or licensing.

"(2) For purposes of this section, the term 'prospective student' means any individual who has contacted an eligible institution requesting information concerning admission to that institution.

"(b) Each eligible institution shall designate an employee or group of employees who shall be available on a full-time basis to assist students or potential students in obtaining information as specified in subsection (a). The Secretary may, by regulation, waive the requirement that an employee or employees be available on a full-time basis for carrying out responsibilities required under this section whenever an institution in which the total enrollment, or the portion of the enrollment participating in programs under this title at that institution, is too small to necessitate such employee or employees being available on a full-time basis. No such waiver may include permission to exempt any such institution from designating a specific individual or a group of individuals to carry out the provisions of this section.

"(c) The Secretary shall make available to eligible institutions descriptions of Federal student assistance programs including the rights and responsibilities of student and institutional participants, in order to (1) assist students in gaining information through institutional sources, and (2) assist institutions in carrying out the provisions of this section, so that individual and institutional participants will be fully aware of their rights and responsibilities under such programs.

"STUDENT FINANCIAL ASSISTANCE TRAINING PROGRAM

"SEC. 486. (a) It is the purpose of this section to make incentive grants available to the States to be administered in partnership with statewide financial aid administrator organizations, for the purpose of developing materials and conducting programs to increase the proficiency of the individuals within the States who are involved or have a responsibility in the delivery of student financial aid.

"(b) There are hereby authorized to be appropriated $250,000 annually, for equal division among the States.

"(c) To receive a grant under this section a State must provide appropriate assurance to the Commissioner that the grant will be matched from State funds by an amount at least equal to the amount of the grant.

"(d) From the funds otherwise allotted to the States for subpart 2 of part A, and part C and part E of this title for States which have obtained a grant under this section, the Commissioner shall transfer to such State an amount equal to .05 per centum of such funds or $10,000, whichever is less, and shall reduce such State allotment by that amount.

"(e) A State which desires to obtain a grant under this section for any fiscal year shall submit an application therefor through

or by the State agency administering its program of student grants, or if such agency does not exist, through or by any agency or organization designated for such purpose by the State, at such time or times, and containing such information as may be required by such regulations as the Commissioner may prescribe for the purpose of enabling the Commissioner to disburse the funds and to coordinate this activity with similar activities conducted under the auspices of the Office of Education.

"(f) All authority of this section shall terminate at the close of September 30, 1986.

"NEED ANALYSIS

"SEC. 487. (a)(1) For the purpose of determining a student's need for financial assistance under this title, the Secretary shall publish in the Federal Register, no later than July 1 of each calendar year, a proposed schedule of expected family contributions for the academic year which begins after July 1 of the calendar year which succeeds such calendar year for various levels of family income, which, except as is otherwise provided in paragraph (2), together with any amendments thereto, shall become effective July 1 of the calendar year which succeeds such calendar year. During the thirty day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule. Such schedule shall be adjusted annually. The first such schedule shall be presented to the Congress on July 1, 1981.

"(2) The schedule of expected family contributions required for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than the time of its publication in the Federal Register. If either the Senate or the House of Representatives adopts, prior to the first day of October next following the submission of such schedule as required by this paragraph, a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in either House in connection with such resolution. If within fifteen days following the submission of the revised schedule either the Senate or the House of Representatives again adopts a resolution of disapproval of such revised schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. This procedure shall be repeated until neither the Senate nor the House of Representatives adopts a resolution of disapproval. The Commissioner shall publish together with each new schedule a statement identifying the recommendations made in either House in connection with such resolution of disapproval and explaining his reasons for the new schedule.

"(3) In developing a proposed schedule of expected family contributions for publication in the Federal Register, the Secretary shall consult with representatives of agencies and organizations involved in student financial assistance.

"(b)(1) For the purposes of this section, the term 'family contribution' with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in paragraph (2) of this subsection.

"(2) The basic criteria to be followed in promulgating regulations with respect to expected family contributions are as follows:

"(A) The amount of the effective income of the student or the effective family income of the student's family, which shall utilize the Bureau of Labor Statistics low standard budget in calculating the family subsistence allowance.

"(B) The number of dependents of the family of the student.

"(C) The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

"(D) The amount of the assets of the student and those of the student's family.

"(E) Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.

"(F) Any educational expenses of other dependent children in the family.

"(G) Reasonable expenses associated with child care for dependent children.

"(3) For purposes of subparagraph (A) of paragraph (2), the term 'effective family income' with respect to a student, means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student) minus Federal income tax paid or payable with respect to such income, and includes any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code.

"(4) For the purposes of paragraph (2)(D), the parental assets shall be determined by—

"(A) excluding all equity in a single principal place of residence from the computation of assets;

"(B) deducting an asset reserve of not less than $10,000 from the net value of all assets; and

"(C) if net assets include farm or business assets, deducting an additional asset reserve of not less than $50,000 from the net assets.

"(c)(1) The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of an independent student. Such special regulations shall be consistent with the basic criteria set forth in paragraph (2) of subsection (b). In addition, such regulations shall—

"(A) provide that the portion of assets which shall be exempt from assessment for contribution for an independent student who has one or more dependents shall be the same as the portion so exempt for the family of a dependent student;

"(B) provide that the rate of assessment for contribution on that portion of assets of such an independent student which is not exempt under paragraph (1) shall be the same as the rate applied to the comparable portion of assets of the family of a dependent student;

"(C) in establishing a portion of effective family income which shall be exempt from assessment for contribution by reason of subsistence requirements of independent students who have no dependents, use the same method for computation of such portion for such students as is used for dependent students and for independent students who have dependents; and

"(D) in determining the family contribution for an independent student who has one or more dependents, the assessment rate which is to be applied to the student's discretionary income shall be the same as the assessment rate applied to parental discretionary income.

"(2) For purposes of this title, the term 'independent student' means a student who is determined, pursuant to regulations of the Commissioner, to be independent of his parents or guardians, or the person or persons having an equivalent relationship to such student.

"(d) For the purposes of this title, the term 'cost of attendance' means—

"(1) tuition and fees normally assessed a full-time student at the institution at which the student is in attendance;

"(2) beginning in academic year 1981–1982, an allowance of not less than $600 for books, supplies, and miscellaneous personal expenses;

"(3) an allowance for room and board costs incurred by the student which—

"(A) beginning in academic year 1981–1982 shall be an allowance of not less than $1,150 for a student residing at home with his or her parents;

"(B) for students residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board; and

"(C) for all other students, shall be a standard allowance determined by the institution based on the expenses reasonably incurred by such students for room and board;

"(4) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, and travel and room and board costs incurred specifically in fulfilling a required period of residential training; and

"(5) for a student enrolled in an academic program which normally includes a formal program of study abroad, reasonable costs associated with such study.

"STUDENT ELIGIBILITY

"SEC. 488. In order to receive any grant, loan, or work assistance under this title, a student must—

"(1) be enrolled or accepted for enrollment at an institution of higher education that is an eligible institution in accordance with the provisions of section 482;

"(2) be carrying or planning to carry at least one-half the normal full-time workload for the course of study the student is pursuing, as determined by the institution;

"(3) be maintaining satisfactory progress in the course of study the student is pursuing, according to the standards and practices of the institution at which the student is in attendance;

"(4) not owe a refund on grants previously received at such institution under this title, or be in default on any loan from a student loan fund at such institution provided for in part E, or a loan made, insured, or guaranteed by the Commissioner under this title for attendance at such institution; and

"(5) file with the institution of higher education which the student intends to attend, or is attending (or in the case of a loan or loan guarantee with the lender), a statement of educational purpose (which need not be notarized) stating that the money attributable to such grant, loan, or loan guarantee will be used solely for expenses related to attendance or continued attendance at such institution.

"ELIGIBILITY OF RESIDENTS OF TRUST TERRITORY OF PACIFIC ISLANDS

"SEC. 489. Permanent residents of the Trust Territory of the Pacific Islands shall be eligible for assistance under title II of the National Defense Education Act of 1958 and

under this title to the same extent that citizens of the United States are eligible for such assistance.

"FORMS AND REGULATIONS

"SEC. 490. (a) Copies of all rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this title shall be provided to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives at least thirty days prior to their effective date.

"(b) The Secretary is authorized to prescribe such regulations as may be necessary to carry out the purposes of this title, including regulations for the limitation, suspension, or termination of the eligibility for any program under this title of any otherwise eligible institution, whenever the Secretary has determined, after reasonable notice and opportunity for hearing on the record, that such institution has violated or failed to carry out any provision of this title or an agreement entered into under section 482, or any regulation prescribed under this title, except that no period of suspension under this section shall exceed sixty days unless the institution and the Secretary agree to an extension or unless limitation or termination proceedings are initiated by the Secretary within that period of time.

"(c) The Secretary shall prescribe a single application form for determining a student's need and eligibility for financial assistance under this title (other than under subpart 3 of part A and under part B). A student (or his parents) shall not be charged a fee for processing an application for assistance under this title. The Secretary shall, to the extent practicable, contract with States, institutions of higher education, and private organizations for the purpose of processing the application required under this subsection.

"CRIMINAL PENALTIES

"SEC. 491. (a) Any person who knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any funds, assets, or property provided or insured under this title shall be fined not more than $10,000 or imprisoned for not more than five years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud, false statement, or forgery does not exceed $200, the fine shall not be more than $1,000 and imprisonment shall not exceed one year, or both.

"(b) Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection with the assignment of a loan which is made or insured under this title shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both.

"(c) Any person who knowingly and willfully makes an unlawful payment to an eligible lender under part B as an inducement to make, or to acquire by assignment, a loan insured under that part shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both.

"(d) Any person who knowingly and willfully destroys or conceals any record relating to the provision of assistance under this title with intent to defraud the United States or to prevent the United States from enforcing any right obtained by subrogation under this part, shall upon conviction thereof, be fined not more than $10,000 or imprisoned not more than five years, or both.".

TITLE V—AMENDMENT AND EXTENSION OF TITLE V OF THE HIGHER EDUCATION ACT OF 1965

EXTENSION OF PROGRAMS

SEC. 501. (a) Section 511(b) of the Act is amended by striking out "and for the succeeding fiscal year" and inserting in lieu thereof the following: "and for each of the succeeding fiscal years ending prior to October 1, 1985".

(b) Section 531 of the Act is amended by striking out "and for the succeeding fiscal year" and inserting in lieu thereof the following: "and for each succeeding fiscal year ending prior to October 1, 1985".

TEACHER CORPS AMENDMENTS

SEC. 502. (a) Section 513(d) of the Act is amended by striking out "section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended," and inserting in lieu thereof "section 120 of the Elementary and Secondary Education Act of 1965".

(b) Section 513(f) of the Act is amended by striking out "goal" and inserting in lieu thereof "the goal".

(c) Section 514(a)(2) of the Act is amended by striking out ", not to exceed $150 per week plus $15 per week for each dependent".

TEACHER TRAINING PROGRAMS AMENDMENTS

SEC. 503. (a) Section 531 of the Act is amended by adding at the end thereof the following new sentence: "In the event that the sums appropriated in any fiscal year do not exceed $50,000,000, the Commissioner shall allocate grants under this part in such manner consistent with the other provisions of this part as will most nearly provide an equitable geographical distribution of grants throughout the States.".

(b) Section 532(a)(2) of the Act is amended—

(1) by striking out "local educational agency (or a combination of such agencies) which serve" and inserting in lieu thereof "local educational agency, a combination of such agencies, or an educational service agency which serves";

(2) by inserting "and in collaboration with one or more institutions of higher education which serve teachers" immediately after "experts as may be necessary";

(3) by inserting ", including the use of technology and telecommunications" immediately before the semicolon in subparagraph (A);

(4) by inserting ", testing," immediately after "curriculum development" in subparagraph (B).

(c) Section 532(c)(1) of the Act is amended by striking out "desiring to receive a grant under this section" and inserting in lieu thereof ", or any institution or institutions of higher education, desiring to receive a grant to plan, establish, and operate teachers' centers,".

(d) Section 532(c)(2) is amended by striking out "which is submitted" and inserting in lieu thereof "or institution of higher education or both submitting".

(e) Section 532 of the Act is amended by striking out subsection (e), by redesignating subsection (f) as subsection (e), and by inserting "not less than" immediately before "10 per centum" in such subsection.

TITLE VI—ESTABLISHMENT OF A NEW TITLE VI OF THE HIGHER EDUCATION ACT OF 1965

FOREIGN STUDIES AND LANGUAGE DEVELOPMENT

SEC. 601. (a) The Higher Education Act of 1965 is amended by striking out title VI and inserting a new title VI as follows:

"TITLE VI—FOREIGN STUDIES AND LANGUAGE DEVELOPMENT

"LANGUAGE AND AREA CENTERS AND PROGRAMS

"SEC. 601. (a) The Secretary is authorized to make grants to or contracts with institutions of higher education for the purposes of establishing, equipping, and operating graduate and undergraduate centers and programs for the teaching of any modern foreign language, for instruction in other fields needed to provide a full understanding of the areas, regions, or countries in which such language is commonly used, or for research and training in international studies and the international aspects of professional and other fields of study. Any such grant or contract may cover all or part of the cost of the establishment or operation of a center or program, including the costs of faculty, staff, and student travel in foreign areas, regions, or countries, and the costs of travel of foreign scholars to teach or conduct research, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

"(b) The Secretary is also authorized to pay stipends to individuals undergoing advanced training in any center or under any program receiving Federal financial assistance under this title, including allowances for dependents and for travel for research and study here and abroad, but only upon reasonable assurance that the recipients of such stipends will, on completion of their training, be available for teaching service in an institution of higher education or elementary or secondary school, or such other service of a public nature as may be permitted in the regulations of the Secretary.

"(c) No funds may be expended under this title for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

"CENTERS FOR ADVANCED INTERNATIONAL STUDIES

"SEC. 602. (a) The Secretary is authorized to arrange through grants to institutions of higher education, or combinations of such institutions, for the establishment, strengthening, and operation by them of graduate centers which will be national and international resources for research and training in international studies and the international aspects of professionals and other fields of study. Activities carried on in such centers may be concentrated either on specific geographical areas of the world or on particular fields or issues in world affairs which concern one or more countries, or on both. The Secretary may also make grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, when such grants will make an especially significant contribution to attaining the objectives of this section.

"(b) Grants under this section may be used to cover part or all of the cost of establishing, strengthening, equipping, and operating research and training centers, including the cost of teaching and research materials and resources, the cost of programs for bringing visiting scholars and faculty to the center, and the cost of training, improvement, and travel of the staff for the purposes of carrying out the objectives of this section. Such grants may also include funds for stipends (in such amounts as may be determined in accordance with regulations of the Secretary) to individuals undergoing training in such centers, including allowances for dependents and for travel for research and study here and abroad. Grants under this section shall be made on such conditions as the Secretary finds necessary to carry out its purposes.

"GRANTS TO STRENGTHEN UNDERGRADUATE PROGRAMS IN INTERNATIONAL STUDIES

"SEC. 603. The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, to assist them in planning, developing, and

carrying out a comprehensive program to strengthen and improve undergraduate instruction in international studies. Grants made under this section may be for projects and activities which are an integral part of such a comprehensive program such as—

"(1) planning for the development and expansion of undergraduate programs in international studies;

"(2) teaching, research, curriculum development, and other related activities;

"(3) training of faculty members in foreign countries;

"(4) expansion of foreign language courses;

"(5) planned and supervised student study-travel programs;

"(6) programs under which foreign teachers and scholars may visit institutions as visiting faculty;

"(7) programs of English language training for foreign teachers, scholars, and students; and

"(8) planned and supervised cooperative education programs which provide alternating periods of study and of public or private employment, the latter affording students not only the opportunity to earn the funds necessary for continuing and completing their education but, so far as practicable, giving them work experience related to their academic or occupational objectives in connection with international studies.

The Secretary may also make grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, when such grants will make an especially significant contribution to attaining the objective of this section.

"GRANT PROGRAM TO PROMOTE CULTURAL UNDERSTANDING

"SEC. 604. (a) The Congress finds that—

"(1) the well-being of the United States and its citizens is affected by policies adopted and actions taken by, or with respect to, other nations and areas; and

"(2) the United States must afford its citizens adequate access to the information which will enable them to make informed judgments with respect to the international policies and actions of the United States.

It is, therefore, the purpose of this section to support educational programs which will increase the availability of such information to students in the United States.

"(b) The Secretary is authorized, by grant or contract, to stimulate educational programs to increase the understanding of students in the United States about the cultures and actions of other nations in order to better evaluate the international and domestic impact of major national policies

"(c) Grants or contracts under this section—

"(1) may be made to any public or private agency or organization, including, but not limited to, institutions of higher education, State and local educational agencies, professional associations, education consortia, and organizations of teachers;

"(2) may include assistance for inservice training of teachers and other educational personnel, the compilation of existing information and resources about other nations in forms useful to various types of educational programs, and the dissemination of information and resources to educators and educational officials upon their request, but shall not be used for the acquisition of equipment or remodeling of facilities;

"(3) may be made for projects and programs at all levels of education, and may include projects and programs carried on as part of community, adult, and continuing education programs; and

"(4) may be used by local educational agencies to introduce instruction in foreign languages not previously offered by their schools.

"GEOGRAPHICAL DISTRIBUTION

"SEC. 605. In making grants under this title, the Secretary shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"APPROPRIATIONS AUTHORIZED

"SEC. 606. There are authorized to be appropriated for the purpose of carrying out this title such sums as may be necessary for fiscal year 1981 and for each of the succeeding fiscal years ending prior to October 1, 1985.".

(b) Title VI of the National Defense Education Act of 1958 is repealed.

TITLE VII—AMENDMENT TO TITLE VII OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENT

SEC. 701. Title VII of the Act is amended to read as follows:

"TITLE VII—CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

"GENERAL PURPOSES

"SEC. 701. The Secretary shall carry out programs of financial assistance to institutions of higher education and to higher education building agencies for the construction, reconstruction, or renovation of academic facilities and the acquisition of special equipment if the primary purpose of such assistance is—

"(1) to enable such institutions to economize on the use of energy resources;

"(2) to enable such institutions to bring their academic facilities into conformity with the requirements of—

"(A) the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968,

"(B) section 504 of the Rehabilitation Act of 1973, or

"(C) environmental protection or health and safety programs mandated by Federal, State, or local law, if such requirements were not in effect at the time such facilities were constructed; or

"(3) to enable such institutions to reconstruct or renovate the Nation's research facilities and to acquire special research equipment.

"APPROPRIATIONS AUTHORIZED

"SEC. 702. There is authorized $300,000,000 for each fiscal year ending prior to October 1, 1985, for part A; $80,000,000 for each fiscal year ending prior to October 1, 1985, for part B; and $200,000,000 for each fiscal year ending prior to October 1, 1985, for part C, and such sums as may be necessary for section 734.

"PART A—GRANTS FOR THE CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF UNDERGRADUATE ACADEMIC FACILITIES

"STATE PLAN

"SEC. 711. (a) Any State desiring to participate in the grant program authorized by this part shall have an agreement pursuant to section 1203 and submit annually to the Secretary through the State agency designated in such agreement a State plan which shall—

"(1) provide that the grant shall be administered by the State agency designated pursuant to section 1203;

"(2) set forth objective standards and methods which are consistent with basic criteria in section 712, for—

"(A) determining the relative priorities of eligible projects submitted by institutions of higher education within the State, and

"(B) certifying the Federal share of the cost of each project;

"(3) provide for every applicant an opportunity for a hearing before the State agency regarding the priority assigned to such project, or any other decision by the State agency adversely affecting such applicant; and

"(4) provide for accounting procedures necessary to assure proper disbursement of Federal funds.

"(b) The Secretary shall not disapprove any State plan, or modification thereof, without first affording the State agency reasonable notice and opportunity for a hearing.

"(c) Whenever the Secreary finds that the State plan fails to substantially comply with this section, the Secretary shall notify the State that it is ineligible to participate in the program under this part until a determination is made that there is no longer a failure to comply.

"BASIC CRITERIA

"SEC. 712. (a) The Secretary shall prescribe basic criteria to which the State plans are subject, which ensure—

"(1) flexibility for States to accommodate the varied needs of institutions in the States;

"(2) consideration of the degree to which applicant institutions are effectively using existing facilities; and

"(3) ensure that the Federal share shall not exceed 50 percent of the costs of a project.

"(b) Section 553 of title 5, United States Code, shall apply to the prescription of regulations under this section.

"ALLOTMENT OF FUNDS

"SEC. 713. (a) From the sums appropriated pursuant to section 702 to carry out the purposes of this part, not less than 24 per centum shall be allotted to States to be used by public community colleges and public technical institutes. The remainder of such sums shall be available for allotment among States to be used by all other institutions of postsecondary education.

"(b)(1) For the purpose of making grants to public community colleges and public technical institutes, the Secretary shall allot to each State an amount which bears the same ratio to such sums as the product of—

"(A) the number of persons in the State who have graduated from high school or received an equivalent certificate during the previous school year, and

"(B) the State's allotment ratio, bears to the sum of the corresponding products for all the States.

"(2) The allotment ratio shall be 1.00 less the product of—

"(A) 0.50, and

"(B) the quotient obtained by dividing the income per person for the State by the income per person for all States (not including Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam),

except that—

"(i) the allotment ratio shall in no case be less than 0.33⅓ or more than 0.66⅔;

"(ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam shall be 0.66⅔; and

"(iii) the allotment ratio of any State shall be 0.50 for any fiscal year if the Secretary finds that the cost of school construction in such State exceeds twice the median of such costs in all the States as determined by him on the basis of statistics and data as the Secretary shall deem adequate and appropriate.

The allotment ratios shall be promulgated annually by the Secretary on the basis of the average personal income in the State and in all the States for the three most recent consecutive calendar years.

"(c) For the purpose of making grants to all other institutions of postsecondary education, the Secretary shall allot to each State—

"(1) an amount which bears the same ratio to 50 per centum of such sums as the number of students enrolled in institutions of education in such State bears to the number of students so enrolled in all States; and

"(2) the Secretary shall allot to each State an amount which bears the same ratio to 50 per centum of such sums as the number of students enrolled in grades nine through twelve of schools in such State bears to the total number of students so enrolled in all the States.

"(d) The amount allotted to any State for any fiscal year shall not be less than $100,000. If the sums appropriated pursuant to section 702 are not sufficient to make payments to each State, then the amount of each State's allotment shall be ratably reduced.

"(e) Any portion of a State's allotment under subsections (b) and (c) for any fiscal year for which applications from qualified institutions have not been received by the State agency prior to January 1 of such fiscal year shall, by request, be available for payment of the Federal share of cost of other approved projects.

"(f) Amounts allotted under this section for any fiscal year which are not used by the close of the fiscal year, shall be reallotted by the Secretary among the States which are able to use these funds without delay during the next fiscal year.

"PART B—GRANTS FOR CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF GRADUATE ACADEMIC FACILITIES

"GRANTS

"SEC. 721. (a)(1) Funds available under this section shall be used by the Secretary to make grants to institutions of higher education whose applications for assistance are consistent with the objectives of this title.

"(2) The total payment for any fiscal year made to any State shall not exceed 12.5 per centum of sums appropriated for this section.

"(b) In making grants under this section, the Secretary shall seek the advice and recommendations of a panel of specialists who are not regular full-time employees of the Federal Government and are competent to evaluate such applications.

"(c) The amount of the grant shall not exceed 50 per centum of the cost of the project.

"PART C—LOANS FOR CONSTRUCTION, RECONSTRUCTION, AND RENOVATION OF ACADEMIC FACILITIES

"ELIGIBILITY CONDITIONS, AMOUNTS, AND TERMS

"SEC. 731. (a)(1) From the sums appropriated for this part, the Secretary shall make and insure loans to institutions of postsecondary education and to building agencies for programs consistent with the purposes of this title. No loan shall be made unless the Secretary finds that—

"(1) not less than 20 per centum of the cost of the project will be financed from non-Federal sources;

"(2) the applicant is unable to secure the loan from other sources upon terms and conditions equally as favorable as those applicable to loans under this part;

"(3) the project will be undertaken in an economical manner; and

"(4) for any project with regard to an infirmary or other outpatient care facility for students and institutional personnel, assistance will not be provided under title IV of the Housing Act of 1950.

"(b) Loans shall be repaid within fifty years and shall bear interest at (1) a rate annually determined by the Secretary which shall be not less than one-quarter of 1 percentage point above the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt as computed at the end of the preceding fiscal year, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 3 per centum per annum, whichever is less.

"GENERAL PROVISIONS FOR LOAN PROGRAM

"SEC. 732. (a) Financial transactions of the Secretary, except with respect to administrative expenses, shall be final.

"(b) The Secretary may—

"(1) sue and be sued;

"(2) foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which he has made a loan pursuant to this part; in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, the Secretary may complete, administer, remodel and convert, dispose of lease and otherwise deal with, such property; except that (A) such action shall not preclude any other action by him to recover any deficiency in the amounts loaned and (B) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) sell, exchange, or lease real or personal property and securities or obligations;

"(4) modify, with respect to the rate of interest, the time of payment of principal, interest, security, or any other term of any contract or agreement to which he is a party, including (A) moratorium on the repayment of principal or interest to a party temporarily unable to make such repayment without undue financial hardship provided the applicant files to make repayment, and (B) for any party for which a loan has been authorized prior to January 1, 1976, the option to pay into the fund pursuant to section 733, 75 per centum of the party's total obligation if the party desiring to exercise such option makes payment from non-Federal sources prior to October 1, 1985; and

"(5) include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this title will be executed.

"REVOLVING LOAN AND INSURANCE FUND

"SEC. 733. (a) There is created within the Treasury a revolving loan fund for the purpose of making and insuring loans under this part (hereafter called the 'fund') which shall be available to the Secretary without fiscal year limitation. The total loan volume from the fund for any fiscal year shall not exceed that fiscal year's appropriations.

"(b)(1) The Secretary shall transfer to the fund appropriations provided under section 702 to provide capital for making loans. Interest and principal payments on loans, and any other moneys, property, or assets derived from this part shall be deposited in the fund.

"(2) All loans, expenses, and payments pursuant to operation of this part shall be paid from the fund, including expenses and payments in connection with sale pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, or participations in obligations acquired under this part. At the close of each fiscal year, the Secretary shall pay interest on the cumulative amount of funds paid out for loans under this part less the average undisbursed cash balance in the fund during the year. The interest rate shall be determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund during the month preceding each fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but interest payments so deferred themselves bear interest. If the Secretary determines that moneys in the fund exceed the present and prospective needs of the fund, the excess may be transferred to the general fund of the Treasury.

"ANNUAL INTEREST GRANTS

"SEC. 734. (a) To assist parties in reducing the cost of borrowing from other sources for projects under this part, the Secretary may make annual interest grants to parties with respect to any project made over a fixed period not exceeding forty years, and provision for the grants shall be embodied in the contract guaranteeing their payment. Grants shall not be greater than the difference between (1) the average annual debt service which would be required to be paid during the life of the loan on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay during the life of the loan if the applicable interest rate had been determined by the Secretary in accordance with section 732(b).

"(b) The total amount of annual interest grants which may be paid to parties in any year pursuant to contracts entered into under this section shall not exceed $13,500,000.

"(c) The total payment for any fiscal year made to any State shall not exceed 12.5 per centum of sums appropriated for this section.

"(d) No annual interest grant shall be made unless (1) assurance is provided that not less than 10 per centum of the costs of the project will be financed from non-Federal sources, (2) the applicant is unable to secure a loan from other sources upon terms and conditions as favorable as those applicable to loans under this title, and (3) the project will be undertaken in an economical manner. Loans for interest grants made shall not be considered financing from a non-Federal source for purposes of this section only.

"ACADEMIC FACILITIES LOAN INSURANCE

"SEC. 735. (a)(1) In order to assist parties to procure loans for projects, the Secretary may insure the payment of interest and principal on such loans if such parties meet criteria prescribed under section 734 for the making of annual interest grants.

"(2) No loan insurance may apply to any loan principal which exceeds 90 per centum of the development cost of the academic facility.

"(b)(1) The United States shall be entitled to recover from any party to which loan insurance has been issued the amount of any payment made pursuant to that insurance, unless the Secretary waives its right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payment with respect to which the payment was made.

"(2) Any insurance issued shall be incontestable in the hands of the party on whose behalf insurance is issued, and as to any lenders which make or contract to make a loan to such party in reliance thereon, except for fraud or misrepresentation on the part of such party or on the part of the lender who makes or contracts to make such loan.

"(c) Insurance may be issued by the Secretary under subsection (a) only if he determines that the terms, conditions, maturity, security (if any), and schedule and amounts

of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed a per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, considering interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may charge a premium for such insurance in an amount determined by him to be necessary to cover administrative expenses and probable losses under subsections (a) and (b). Such insurance shall be subject to such further terms and conditions as the Secretary determines to be necessary.

"PART D—GENERAL

"RECOVERY OF PAYMENTS

"SEC. 741. (a) The Congress declares that, if a facility constructed with the aid of a grant under part A or B of this title is used as an academic facility for twenty years following completion of such construction, the public benefit accruing to the United States will equal in value the amount of the grant.

"(b) If, within twenty years after completion of construction of an academic facility which has been constructed, in part with a grant under part A or B of this title—

"(1) the applicant (or its successor in title or possession) ceases or fails to be a public or nonprofit institution, or

"(2) the facility ceases to be used as an academic facility, or the facility is used as a facility excluded from the term 'academic facility', unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such applicant (or successor) an amount which bears to the value of the facility at that time (or so much thereof as constituted an approved project or projects) the same ratio as the amount of Federal grant bore to the cost of the facility financed with the aid of such grant. The value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

"(c) Notwithstanding the provisions of subsections (a) and (b), no project assisted with funds under this title shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

"DEFINITIONS

"SEC. 742. The following definitions apply to terms used in this title:

"(1)(A) Except as provided in subparagraph (B) of this paragraph, the term 'academic facilities' means structures suitable for use as classrooms, laboratories, libraries, and related facilities necessary or appropriate for instruction of students, or for research, or for administration of the educational or research programs, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities. For purposes of part A or C, such term includes infirmaries or other facilities designed to provide primarily for outpatient care of student and instructional personnel. Plans for such facilities shall be in compliance with such standards as the Secretary of Health, Education, and Welfare may prescribe or approve in order to insure that projects assisted with the use of Federal funds under this title shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons.

"(B) The term 'academic facilities' shall not include (i) any facility intended primarily for events for which admission is to be charged to the general public, or (ii) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Commissioner finds that the physical integration of such facilities with other academic facilities included under this title is required to carry out the objectives of this title, or (iii) any facility used or to be used for sectarian instruction or as a place for religious worship, or (iv) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity, or (v) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act, except that the term 'academic facilities' may include any facility described in clause (v) to the degree that such facility is owned, operated, and maintained by the institution of higher education requesting the approval of a project; and that funds available for such facility under such project shall be used solely for the purpose of conversion or modernization of energy utilization techniques to economize on the use of energy resources; and that such project is not limited to facilities described in clause (v) of this subsection.

"(2)(A) The term 'construction' means (i) erection of new or expansion of existing structures, and the acquisition and installation of initial equipment therefor; or (ii) acquisition of existing structures not owned by the institution involved; or (iii) a combination of either of the foregoing. For the purposes of the preceding sentence, the term 'equipment' includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular, and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term 'initial equipment' means equipment acquired and installed in connection with construction; and the terms 'equipment', 'initial equipment', and 'built-in equipment', shall be more particularly defined by the Commissioner by regulation.

"(B) The term 'reconstruction or renovation' means rehabilitation, alteration, conversion, or improvement (including the acquisition and installation of initial equipment, or modernization or replacement of such equipment) of existing structures. For the purposes of the preceding sentence, the term 'equipment' includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular, and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term 'initial equipment' means equipment acquired and installed either in connection with construction as defined in paragraph (2)(A), or as part of the rehabilitation, alteration, conversion, or improvement of an existing structure, which structure would otherwise not be adequate for use as an academic facility; the terms 'equipment', 'initial equipment', and 'built-in equipment' shall be more particularly defined by the Commissioner by regulation; and the term 'rehabilitation, alteration, conversion, or improvement' includes such action as may be necessary to provide for the architectural needs of, or to remove architectural barriers to, handicapped persons with a view toward increasing the accessibility to, and use of, academic facilities by such persons.

"(3)(A) The term 'cost', with respect to an academic facility, means the amount found by the Commissioner to be the cost, to the applicant for a grant or loan under this title of the construction, reconstruction, or renovation involved and the cost of necessary acquisition of land on which the facility is located and of necessary site improvements to permit its use for such facility. There shall be excluded from the cost—

"(i) in determining the amount of any grant under part A or B, an amount equal to the sum of (I) any Federal grant which the institution has obtained or is assured of obtaining, under any law other than this title, with respect to the construction, reconstruction, or renovation that is to be financed with the aid of a grant under part A or B, and (II) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant; and

"(ii) in determining the amount of any loan under part C, an amount equal to the amount of any Federal financial assistance which the institution has obtained, or is assured of obtaining, under any law other than this title, with respect to the construction, reconstruction, or renovation that is to be financed with the aid of a loan under part C.

"(B) In determining the cost with respect to an academic facility, the Commissioner may include expenditures for works of art for the facility of not to exceed 1 per centum of the total cost (including such expenditures) to the applicant of construction, reconstruction, or renovation of, and land acquisition and site improvements for, such facility.

"(4) The term 'Federal share' means, except as provided in section 706(b)(2), in the case of any project a percentage (as determined under the applicable State plan) in excess of 50 per centum of its cost.

"(5) The term 'parties under part C' means (A) an agency, public authority, or other instrumentality of a State authorized to provide, or finance the construction, reconstruction, or renovation of, academic facilities for institutions of higher education (whether or not also authorized to provide or finance other facilities for such or other educational institutions, or for their students or faculty), or (B) any corporation (no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual (i) established by an institution of higher education for the sole purpose of providing academic facilities for the use of such institution, and (ii) upon dissolution of which, all title to any property purchased or built from the proceeds of any loan made under part C will pass to such institution), or (C) an institution of postsecondary education.

"(6) The term 'public community college and public technical institute' means an institution of higher education which is under public supervision and control, and is organized and administered principally to provide a two-year program which is acceptable for full credit toward a bachelor's degree, or a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge; and the term includes a branch of an institution of higher education offering four or more years of higher education which

is located in a community different from that in which its parent institution is located.

"(7) The term 'public educational institution, does not include a school or institution of any agency of the United States.

"(8) The term 'State' includes in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.".

TITLE VIII—COOPERATIVE EDUCATION

EXTENSION OF PROGRAM

SEC. 801. (a) Section 801(a) of the Act is amended—

(1) by striking out "$35,000,000" in paragraph (5) and inserting in lieu thereof "$30,000,000"; and

(2) by striking out "alternating periods" and inserting in lieu thereof "alternating or parallel periods".

(b) Section 801(b) of the Act is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out "fiscal years 1978, 1979, 1980, 1981, and 1982," in paragraph (4) and inserting in lieu thereof "fiscal years 1978, 1979, and 1980; and";

(3) by inserting immediately after paragraph (4) the following new paragraph:

"(5) $5,000,000 for each of the fiscal years 1981, 1982, 1983, 1984, and 1985,".

(c) Section 802(a) of the Act is amended—

(1) by striking out "$175,000" and inserting in lieu thereof "$250,000"; and

(2) by striking out "$125,000" and inserting in lieu thereof "$200,000".

TITLE IX—GRADUATE PROGRAMS

GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

SEC. 901. (a) Section 901 of the Act is amended—

(1) in subsection (a)(1), by striking out "to strengthen, improve and where necessary expand" and inserting in lieu thereof "to maintain, strengthen, and improve"; and

(2) in subsection (c), by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 903(b)(2) of the Act is amended by striking out "expansion" and inserting in lieu thereof "maintenance and improvement of quality".

(c) Section 904 of the Act is amended to read as follows:

"DATA COLLECTION, RESEARCH, AND STUDIES

"SEC. 904. (a) The Commissioner shall, on an annual basis, directly or by contract, in consultation with appropriate higher education associations and representatives from institutions of higher education, gather and maintain data necessary for the periodic assessment of the state of graduate education throughout the United States. The Commissioner is authorized, directly or by contract, to conduct studies and research activities in connection with the need for, and improvement of, graduate programs in various fields of study in institutions of higher education throughout the United States. Findings shall be incorporated in each annual report of the Commissioner required by section 971, with such recommendations as the Commissioner deems necessary.

"(b)(1) Within two years after the enactment of this subsection, the Commissioner shall prepare and submit to the Congress a special report which—

"(A) analyzes trends and shortcomings in the sources of support available to students for the financing of graduate education, and compares the nature and level of support available in the various academic disciplines, including sources of support from student assistance and research programs sponsored by—

"(i) the Federal Government,

"(ii) State and local governments,

"(iii) foundations, corporations, and other private entities, and

"(iv) institutions of higher education, and in addition, considers the resources of the students and the students' families;

"(B) examines the extent to which students may be dissuaded from pursuing graduate education on financial grounds, to the consequent detriment of—

"(i) the major fields of knowledge which need to attract the most able and talented students of each generation if they are to remain strong and vigorous; and

"(ii) the Nation as a whole, if some of its most promising students are precluded because of financial circumstances from developing their capacities and abilities to the fullest possible extent;

"(C) investigates existing and projected levels of graduate student indebtedness, and considers the implications (for the students involved and for the health of graduate education generally) or existing and projected expectations for borrowing to meet the costs of graduate education; and

"(D) assesses the desirability of modifying existing Federal fellowship and student assistance programs or establishing a new Federal graduate student assistance programs in which the selection of students and the amounts of their awards are based on merit or financial need or both, particularly with regard to the special needs of students in the humanities and social sciences or other disciplines.

"(2) In preparing the report described in subsection (a), the Commissioner shall consult closely with representatives of the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, and representatives of higher education institutions and associations, learned societies, and professional organizations.".

FELLOWSHIPS FOR GRADUATE AND PROFESSIONAL STUDY

SEC. 902. (a) Section 923(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 923(a) of the Act is amended by striking out "have been admitted or who are enrolled in graduate or professional programs approved by the Commissioner and who are pursuing, a course of study leading to a degree of doctor of philosophy, doctor of arts, or an equivalent degree. The Commissioner shall approve a graduate program of an institution of higher education only upon his finding that the application contains a satisfactory assurance that the institution will" and inserting in lieu thereof "are pursuing a course of study leading to a degree of doctor of philosophy, doctor of arts, or an equivalent degree and who are enrolled in graduate or professional programs which".

PUBLIC SERVICE FELLOWSHIPS

SEC. 903. (a) Section 941(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(b) Section 942 of the Act is amended by striking out "approved" and inserting in lieu thereof "eligible".

(c) Section 943 of the Act is amended—

(1) by striking out "shall approve a graduate or professional program of an institution of higher education" and inserting in lieu thereof "shall designate a graduate or professional program of an institution of higher education to be eligible"; and

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) that such program is in effect, or can readily be put into effect;

"(3) that the application describes the high quality or the reasonable expectation of high quality of the program;".

FELLOWSHIPS FOR OTHER PURPOSES

SEC. 904. (a) Section 961(b)(1) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985" and by striking out the second sentence thereof.

(b) The second sentence of section 961(c) of the Act is amended by striking out "approved" and inserting in lieu thereof "designated".

(c) Section 965 of the Act is amended by adding at the end thereof the following new sentence: "In addition, there are authorized to be appropriated, for carrying out section 966, $5,000,000 for each of the fiscal years 1981 and 1982, and $10,000,000 for each of the fiscal years 1983, 1984, and 1985."

(d) Section 966(a) of the Act is amended by striking out "1980" and inserting in lieu thereof "1985".

(e) Section 966(b)(4) of the Act is amended by striking out "for not more than three months".

TITLE X—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

ESTABLISHMENT OF A NEW TITLE X OF THE ACT

SEC. 1001. (a) Title X of the Act is amended by striking out everything preceding part C and inserting in lieu thereof the following:

"TITLE X—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

"PART A—ESTABLISHMENT AND OPERATION OF FUND

"AUTHORIZATION OF PROGRAM

"SEC. 1001. Subject to the provisions of section 1002, the Secretary is authorized to make grants to, and contracts with, institutions of postsecondary education (including combinations of such institutions) and other public and private educational institutions and agencies (except that no grant shall be made to an educational institution or agency other than a nonprofit institution or agency) to improve postsecondary educational opportunities by providing assistance to such educational institutions and agencies for—

"(1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all;

"(2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experimental learning;

"(3) the establishment of institutions and programs based on the technology of communications;

"(4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes;

"(5) the design and introduction of cost-effective methods of instruction and operation;

"(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

"(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

"(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto.

"CONSULTATION WITH STATE COMMISSIONS

"SEC. 1002. No grant shall be made or contract entered into under subsection (a) for a project or program with any institution of

postsecondary education unless it has been submitted to each appropriate State Commission established under section 1203, and an opportunity afforded such Commission to submit its comments and recommendations to the Secretary.

"NATIONAL BOARD OF THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

"SEC. 1003. (a) There is established a National Board of the Fund for the Improvement of Postsecondary Education. The Board shall consist of fifteen members appointed by the Secretary for overlapping three-year terms. A majority of the Board shall constitute a quorum. Any member of the Board who has served for six consecutive years shall thereafter be ineligible for appointment to the Board during a two-year period following the expiration of such sixth year.

"(b) The Secretary shall designate one of the members as Chairman. A majority of the members of the Board shall be public interest representatives, including students, and a minority shall be educational representatives. All members selected shall be individuals able to contribute an important perspective on priorities for improvement in postsecondary education and strategies of educational and institutional change.

"(c) The Board shall—

"(1) advise the Secretary and the Director of the Fund for the Improvement of Postsecondary Education on priorities for the improvement of postsecondary education and for the evaluation, dissemination, and adaptation of demonstrated improvements in postsecondary educational practice;

"(2) advise the Secretary and the Director of the Fund on development of programs to be carried out by the Fund and on selection of projects under consideration for support by the Fund in its competitions;

"(3) advise the Secretary and the Director of the Fund on operation of the Fund, including advice on planning documents, guidelines, and procedures for grant competitions prepared by the Fund; and

"(4) meet at the call of the Chairman, except that it shall meet (A) at least four times during each fiscal year, or (B) whenever one-third of the members request in writing that a meeting be held.

"(d) The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

"TECHNICAL EMPLOYEES

"SEC. 1004. The Secretary may appoint, for terms not to exceed three years, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not more than five technical employees to administer this section who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1005. There are authorized to be appropriated to carry out this title $75,000,000 for fiscal year 1981 and each of the succeeding fiscal years ending prior to October 1, 1985.".

(b) Part C of title X of the Act is redesignated as part B, and sections 1071 and 1072 thereof are redesignated as sections 1021 and 1022, respectively.

(c) Section 404 of the General Education Provisions Act is repealed.

TITLE XI—ESTABLISHMENT OF A NEW TITLE XI OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENT

SEC. 1101. (a) Title XI of the Act is amended to read as follows:

"TITLE XI—URBAN GRANT UNIVERSITY PROGRAM

"FINDINGS AND PURPOSE

"SEC. 1101. (a) The Congress finds and declares—

"(1) that there exists within the Nation's urban universities an underutilized reservoir of skills, talents, and knowledge applicable toward the amelioration of the multitude of problems that face the Nation's urban centers;

"(2) that these skills, talents, and knowledge must be applied in a systematic and sustained manner to impact successfully upon these problems;

"(3) that the application of these skills, talents, and knowledge is impeded due to the limited funds available to sustain their commitment; and

"(4) that it is the public policy of the United States to encourage and facilitate the application of these skills, talents, and knowledge toward serving the needs of the Nation's urban centers.

"(b) The Commissioner shall carry out programs in accordance with the provisions of this title, for the purpose of aiding urban universities to help find answers to urban problems, and aiding such universities to make their resources more readily and effectively available to the urban communities in which they are located.

"APPROPRIATIONS AUTHORIZED

"SEC. 1102. (a) For the purpose of carrying out the provisions of this title there is authorized to be appropriated $50,000,000 for fiscal year 1981, $70,000,000 for fiscal year 1982, $80,000,000 for fiscal year 1983 and $90,000,000 for fiscal year 1984, and $100,000,000 for fiscal year 1985.

"(b) Funds appropriated under this section shall remain available to the Commissioner for the duration of the period for which funds are authorized to be appropriated under subsection (a), in order to permit multiple-year funding of projects under this title.

"PROJECT ASSISTANCE

"SEC. 1103. (a) The Commissioner may make grants to urban universities to assist them in carrying out urban-oriented projects consistent with the purposes of this title.

"(b) An application submitted under this section must show that the chief executive of the local agency or agencies of general government within whose jurisdiction fall the needs to be addressed by the project or projects described has been afforded a reasonable opportunity to review and comment upon the proposed project or projects. In making grants, the Commissioner shall consider the degree to which there is evidence in the application of (1) the participation of such local agency or agencies of general government in the development of the project or projects for which assistance is requested under this section; (2) local government and community participation in the implementation of the proposed project or projects; and (3) a commitment by such local agency or agencies of general government to pay a portion of the non-Federal share of the cost of such project or projects required by subsection (d) of this section.

"(c) The Commissioner may request the advice of any Federal agency he considers appropriate before approving an application for project assistance under this section.

"(d) No grant under this section shall exceed 90 per centum of the cost of the project for which assistance is granted.

"(e) An institution which receives a grant under this section shall be designated by the Commissioner as an 'urban grant university'. The Commissioner shall annually publish a list of the institutions of higher education which have been so designated.

"LIMITATION

"SEC. 1104. (a) The total amount of payments in any fiscal year under section 1103 to institutions within any one State shall not exceed 15 per centum of the total amount paid.

"(b) In allocating assistance under section 1103 of this title, the Commissioner shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"DEFINITIONS

"SEC. 1105. As used in this title—

"(1) 'urban area' means a standard metropolitan statistical area having a population of not less than five hundred thousand persons; or, in any State which has no standard metropolitan statistical area within its borders which has such a population, the Commissioner shall designate one urban area for the purposes of this part,

"(2) 'urban university' means an institution of higher education which (A) is located in an urban area, (B) draws a substantial portion of its undergraduate students from the urban area in which it is located or contiguous urban areas, (C) carries out programs to make postsecondary education opportunities more accessible to residents of such urban area or contiguous areas, (D) has the present capacity to provide resources responsible to the needs and priorities of such urban area and contiguous areas, (E) offers a range of professional or graduate programs sufficient to sustain its capacity to provide such resources, and (F) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and its people;

"(3) for the purposes of paragraphs (2) and (4) of this section, 'institution of higher education' includes any combination of such institutions, any one of which meets all the qualifications of paragraph (2);

"(4) 'resources' are programs of institutions of higher education including specialized training, research services, and technical assistance responsible to the needs and priorities of the urban area and contiguous areas.".

(b) Title IX of the Act is amended by adding at the end thereof the following new part:

"PART G—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

"PROGRAM AUTHORIZATION

"SEC. 991. (a) The Commissioner is authorized to enter into grants or contracts with accredited law schools in the States for the purpose of paying not to exceed 90 per centum of the costs of establishing or expanding programs in such schools to provide clinical experience to students which includes any form of law student work involving performance in the role of a lawyer exercising legal skills and roles such as those of an advocate, counselor, negotiator, investigator, and ethical practitioner, whether by way of the provisions or representation of or services to an identifiable client in actual cases or situations (subject to existing State or local limitations upon such provision) or by way of simulation of such provision through appropriate exercises. The cases and situations handled in actuality or by simulation may encompass any one or more of the following:

"(1) judicial, administrative, executive, or legislative proceedings, including the full range of preparation therefor;

"(2) office or house counsel problems; or

"(3) factual investigation, empirical research or policy or legal analysis.

"(b) Such costs may include necessary expenditures incurred for—

"(1) planning;

"(2) training of faculty members and salary for additional faculty members;

"(3) travel and per diem for faculty and students;

"(4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;

"(5) equipment and library resources;

"(6) involving practicing lawyers in the process of training law students to perform as lawyers; and

"(7) such other items as are allowed pursuant to regulations issued by the Commissioner.

"(c) No law school may receive more than $75,000 in any fiscal year pursuant to this part.

"(d) For the purpose of this part the term 'accredited law school' means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, including any combination or consortium of State schools.

"APPLICATIONS

"SEC. 902. (a) A grant or contract authorized by this part may be made by the Commissioner upon application which—

"(1) is made at such time or times and contains such information as he may prescribe;

"(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part; and

"(3) provides for making such reports, in such form and containing such information as the Commissioner may require to carry out his functions under this part, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) The Commissioner shall allocate grants or contracts under this part in such manner as will provide an equitable distribution of such grants or contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purposes of this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 903. There are authorized to be appropriated $10,000,000 for each of the succeeding fiscal years ending prior to October 1, 1985 to carry out the purposes of this part.

TITLE XII—GENERAL PROVISIONS

AMENDMENTS

SEC. 1201. Title XII of the Act is amended by striking out sections 1203, 1203, 1205, 1206, and 1208, by redesignating section 1207 as section 1202, and by adding after such section the following new section:

"FEDERAL-STATE RELATIONSHIP

"SEC. 1203. (a) Any State which desires to receive assistance under applicable programs shall enter into an agreement with the Secretary pursuant to subsection (b) setting forth the terms and conditions for the relationship between the Federal Government and each individual State for the purposes set forth in such applicable programs as described in subsection (g).

"(b) Such agreement shall be submitted to the Secretary and include—

"(1) a designation of the State agency responsible under State law for comprehensive statewide planning for postsecondary education;

"(2) a description of the activities of the State agency or agencies, boards, commissions, or councils in the State responsible for—

"(A) programs which provide educational and occupational information services to youth and adults;

"(B) programs which provide continuing education services to persons of all ages;

"(C) collection of information required pursuant to section 202;

"(D) conducting planning pursuant to section 711;

"(E) administration of Federal and State student assistance programs;

"(F) licensing, accrediting, approving, or chartering institutions of higher education; and

"(G) statewide coordination or governance of postsecondary education sectors;

"(3) a description of the relationship between the planning activities of the State agencies designated and described in paragraphs (1) and (2);

"(4) an assurance by the State, including a description of the means to be used by the State to fulfill the assurance, that—

"(A) representatives of institutions of higher education in the State (including community colleges, proprietary institutions, and independent colleges and universities), students, other providers of postsecondary educational services, and the general public are involved in the comprehensive statewide planning process and, pursuant to paragraph (1), such process considers—

"(i) the postsecondary education needs of unserved and underserved persons within the State, including those beyond the traditional college age; and

"(ii) the resources of those institutions, organizations, or agencies (both public and private) within the State capable of providing postsecondary educational opportunities in the State;

"(B) the State will provide for such methods of administration as are necessary for the proper and efficient administration of any program in keeping with the purposes of this title as set forth in applicable programs as defined in subsection (g);

"(C) the State will provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under any title under this Act; and

"(D) the State will follow policies and practices of administration that will ensure that non-Federal funds will not be supplanted by Federal funds.

"(d) The information and assurances provided by a State in accordance with subsection (b), and regulations issued by the Secretary, shall be satisfactory for the purposes of, and shall be considered in lieu of, any comparable requirements for information and assurances in any applicable program as defined in subsection (g).

"(e)(1) A State's agreement shall remain in effect subject to modification as changes in information or circumstances require.

"(2) Whenever the Secretary, after reasonable notice and opportunity for a hearing has been given the State, finds that there is a failure to comply substantially with the requirements for an agreement established in this section, the Secretary shall notify the State that it is no longer eligible to participate in any applicable program as defined in subsection (g) until he is satisfied that there is no longer any such failure to comply.

"(3)(A) Nothing in this section shall be construed to authorize the Secretary to require any State to adopt, as a condition for entering into an agreement, or for participation in an applicable program as defined in subsection (g), a specific State organizational structure for achieving participation in the planning, or administration of programs, or for statewide planning, coordination, governing, regulating, or administering of postsecondary education agencies, institutions, or programs in the State.

"(B) Nothing in this section shall be construed as a limitation on the authority of any State to adopt a State organizational structure for postsecondary education agencies, institutions, or programs which is appropriate to the needs, traditions, and circumstances of that State, or as a limitation on the authority of a State entering into an agreement pursuant to this section to modify the State organizational structure at any time subsequent to entering into such an agreement.

"(f) For the purpose of this section, definition of the State office or body authorized to act on behalf of the State for the purpose of entering into an agreement with the Secretary shall be in accordance with the State law of each individual State with respect to the authority to make legal agreements between the State and the Federal Government.

"(g) For the purposes of this section an 'applicable program' is defined as—

"(1) title I;

"(2) subpart 3 of part A of title IV; and

"(3) title VII.".●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CAVANAUGH (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. WOLFF (at the request of Mr. WRIGHT), for today, on account of medical reasons.

Mr. JENRETTE (at the request of Mr. WRIGHT), for today, on account of attending the funeral of the late Honorable John L. McMillan of South Carolina.

Mrs. FENWICK (at the request of Mr. RHODES), for today, on account of attending a funeral.

Mr. ERDAHL (at the request of Mr. RHODES), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous material:)

Mr. SAWYER, for 5 minutes, today.

Mr. SEBELIUS, for 5 minutes, today.

Mr. THOMAS, for 60 minutes, on September 13.

Mr. GINGRICH, for 60 minutes, on September 14.

Mr. LUNGREN, for 60 minutes, on September 12.

Mr. FINDLEY, for 5 minutes, today.

(The following Members (at the request of Mr. LELAND), to revise and extend their remarks, and to include extraneous matter to:)

Mr. GLICKMAN, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. REUSS, for 10 minutes, today.

Mr. MOAKLEY, for 5 minutes, today.

Mr. CARR, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LOTT, at the end of the debate on the Taylor amendment and just prior to the vote on the Courter amendment.

Mr. PRICE, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,640.50.

Mr. FORD of Michigan, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $8,685.

Mr. GOLDWATER, prior to the vote on the Taylor amendment to H.R. 79 in the Committee of the Whole today.

Mr. O'BRIEN, to revise and extend his remarks on the Taylor amendment to H.R. 79 in the Committee of the Whole today.

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. ASHBROOK in five instances.

Mr. JOHNSON of Colorado.

Mr. DERWINSKI in two instances.

Mr. HAMMERSCHMIDT.

Mr. COLLINS of Texas in two instances.

Mr. GOODLING.

Mr. LEE.

Mr. KEMP.

Mr. ABDNOR.

(The following Members (at the request of Mr. LELAND) and to include extraneous matter:)

Mr. DASCHLE in 10 instances.

Mr. BOLAND.

Mr. MOLLOHAN.

Mr. WAXMAN.

Mr. BOLLING.

Mr. LAFALCE in three instances.

Mr. STUMP.

Mr. HAMILTON.

Mr. MCHUGH.

Mr. FORD of Michigan in two instances.

Mr. GUARINI.

Mr. COELHO.

Mr. DE LA GARZA in 10 instances.

Mr. BARNES in two instances.

Mr. BIAGGI in 10 instances.

Ms. OAKAR.

Mr. RICHMOND.

Mr. LELAND.

Mr. ROSENTHAL.

Mr. AUCOIN.

Mr. ROYBAL.

Mr. BONKER in two instances.

Mr. ZEFERETTI.

Mr. WRIGHT.

Mr. RANGEL.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1454. An act to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code; to the Committees on Armed Services, Merchant Marine and Fisheries, and Ways and Means; and

S. 1515. An act to authorize the striking of Bicentennial medals; to the Committee on Banking, Finance and Urban Affairs.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on September 5, 1979, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 244. To authorize and request the President to issue annually a proclamation designating the first Sunday of September following Labor Day of each year as National Grandparents Day.

ADJOURNMENT

Mr. LELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until Monday, September 10, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2391. A letter from the Acting Secretary of the Treasury, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2392. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations to implement changes in the operation of the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

2393. A letter from the Chairman, National Commission on Employment and Unemployment Statistics, transmitting the final report of the Commission, entitled "Counting the Labor Force," pursuant to section 13(d) of Public Law 94-444; to the Committee on Education and Labor.

2394. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting notice of a delay in the submission of the report on results of preliminary energy audits by Federal agencies, required by section 547(a) of Public Law 95-619; to the Committee on Interstate and Foreign Commerce.

2395. A letter from the Assistant Secretary of the Army (Civil Works), transmitting an interim Corps of Engineers feasibility report on the extension of the navigation season on the Great Lakes and St. Lawrence Seaway, in partial response to section 107 of Public Law 91-611 (H. Doc. 96-181); to the Committee on Public Works and Transportation and ordered to be printed.

2396. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Buffalo Bayou and tributaries, Texas, in partial response to a resolution of the House Committee on Public Works adopted April 20, 1948 (H. Doc. 96-182); to the Committee on Public Works and Transportation and ordered to be printed.

2397. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the fish and wildlife mitigation plan for the Tensas-Cocodrie Plant, Red River Backwater Area, Tensas Basin, La., pursuant to section 3(c) of the Fish and Wildlife Coordination Act, as amended; (72 Stat. 563) (H. Doc. 96-183); to the Committee on Public Works and Transportation and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 4998. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis. (Rept. No. 96-421). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. H.R. 5010. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; with an amendment (Rept. No. 96-422). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 5206. A bill to amend the Clean Air Act to make certain modifications in provisions relating to automobile emission control devices and fuel additives, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRINKLEY:

H.R. 5207. A bill to amend title 5 of the United States Code to extend entitlements to survivor annuities under the U.S. civil service retirement system to certain children placed in the permanent custody of Federal employees or their spouses, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DASCHLE:

H.R. 5208. A bill to amend the act of December 20, 1944, as amended; to the Committee on Agriculture.

By Mr. DONNELLY:

H.R. 5209. A bill to amend the Internal Revenue Code of 1954 to provide that passive solar energy property will be eligible for the residential energy credit; to the Committee on Ways and Means.

By Mr. FORD of Michigan (by request):

H.R. 5210. A bill to extend and improve the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. FRENZEL:

H.R. 5211. A bill to amend the Internal

Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Ways and Means.

By Mr. GLICKMAN:

H.R. 5212. A bill to amend the Internal Revenue Code of 1954 to allow an individual to establish a tax-exempt trust fund for the support of a handicapped dependent; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 5213. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test in at least 1 year after 1977, to provide that income attributable to services performed before an individual first becomes entitled to old-age insurance benefits shall not be taken into account (after 1977) in determining his or her net earnings from self-employment for purposes of the earnings test, and to assure the payment of benefits accordingly, to make the monthly retirement test available in limited circumstances in the case of certain beneficiaries, to amend the technical requirements for entitlement to medicare, and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. MCCLOSKEY, Mr. FUQUA, Mr. WYDLER, Mr. STUDDS, Mr. PRITCHARD, Mr. FORSYTHE, Mr. AMBRO, and Mr. WALKER):

H.R. 5214. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1980, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. PURSELL (for himself, Mr. ERDAHL, Mr. NOLAN, Mr. DASCHLE, Mr. RICHMOND, Mr. DOWNEY, and Mr. OTTINGER):

H.R. 5215. A bill to condition the approval of Federal highway aid projects in a State on the establishment by that State of a system of identification and penalties for use in reserving parking spaces for motor vehicles used by handicapped individuals; to the Committee on Public Works and Transportation.

By Mr. SEBELIUS:

H.R. 5216. A bill to provide that the cost of inspecting domesticated rabbits slaughtered for human food shall be borne by the United States; to the Committee on Agriculture.

By Mr. WHITTEN:

H.R. 5217. A bill to amend section 431 of the Public Health Service Act to provide funds to the National Institute of Neurological and Communicative Disorders and Stroke for research in the area of regeneration of the spinal cord; to the Committee on Interstate and Foreign Commerce.

By Mr. PASCELL (for himself, Mr. ZABLOCKI, and Mr. BINGHAM):

H.R. 5218. A bill to amend the Foreign Assistance Act of 1961 to authorize special Caribbean hurricane relief assistance; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HALL of Texas introduced a bill (H.R. 5219) for the relief of David J. Thomas, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 262: Mr. CARTER, Mr. HANSEN, Mr. WON PAT, Mr. COUGHLIN, and Mr. ALBOSTA.

H.R. 996: Mrs. SNOWE and Mr. BAFALIS.

H.R. 1918: Mr. OBERSTAR, Mr. MICA, Mr. RUSSO, Mr. HOWARD, and Mr. HUTTO.

H.R. 2209: Mr. COURTER, Mrs. FENWICK, and Mr. MOAKLEY.

H.R. 3227: Mr. DONNELLY, Mrs. SPELLMAN, Mr. EDWARDS of California, Mr. WILLIAMS of Montana, Mr. KOSTMAYER, Mr. VENTO, Mr. DANIELSON, and Mr. CORCORAN.

H.R. 3677: Mr. FASIO.

H.R. 3792: Mr. WHITEHURST.

H.R. 3958: Mr. OBERSTAR, Mr. FASCELL, Mr. D'AMOURS, Mr. LUJAN, Mr. CORCORAN, Mr. ROE, Mr. MITCHELL of New York, Mr. JEFFORDS, Mr. ANDREWS of North Dakota, and Mr. ABDNOR.

H.R. 4265: Mr. KEMP, Mr. MARKEY, and Mr. NOLAN.

H.R. 4370: Mr. LOEFFLER, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. SEBELIUS, Mr. SAWYER, Mr. CHARLES WILSON of Texas, Mr. LOTT, Mr. LELAND, Mr. GONZALEZ, Mr. BADHAM, Mr. STOKES, Mr. WYDLER, Mr. LUNGREN, Mr. YOUNG of Missouri, Mr. BEDELL, Mr. HINSON, Mr. PICKLE, Mr. FASCELL, Mr. ROUSSELOT, Mr. TREEN, Mr. YOUNG of Alaska, and Mr. GUDGER.

H.R. 4395: Mr. STARK.

H.R. 4533: Mr. DORNAN, Mr. ALBOSTA, and Mr. LOTT.

H.R. 4548: Mr. WHITEHURST.

H.R. 4598: Mr. MURPHY of New York and Mr. NEAL.

H.R. 4631: Ms. FERRARO, Mr. MINETA, Mr. DUNCAN of Oregon, Mr. MOFFETT, Mr. FASIO, and Mr. ST GERMAIN.

H.R. 4701: Mr. PETRI.

H.R. 4773: Mr. COURTER.

H.R. 4966: Mr. CHENEY and Mr. WON PAT.

H.J. Res. 343: Mr. BOLAND, Mr. WINN, Mr. HOLLENBECK, Mr. RICHMOND, Mr. DONNELLY, Mr. WHITEHURST, Mr. VAN DEERLIN, Mr. CORRADA, Mr. RAHALL, Mr. BUTLER, Mr. EVANS of Indiana, Mr. GUYER, Mr. ROE, Mr. ALBOSTA, Mr. MCDONALD, Mr. KAZEN, Mr. LENT, Mr. FRENZEL, Mr. SOLARZ, Mr. FASIO, Mr. MOAKLEY, Mr. DERRICK, Mr. CONTE, Mr. JENRETTE, Mr. HORTON, Mr. D'AMOURS, Mr. CAVANAUGH, Mr. LAGOMARSINO, Mr. DASCHLE, Mr. BEARD of Rhode Island, Mr. FROST, Mr. GUARINI, Mr. STANGELAND, Mr. LLOYD, Mr. LEACH of Louisiana, Mr. MURPHY of Pennsylvania, Mr. WOLPE, Mr. TRAXLER, Mr. NOLAN, Mr. FLOOD, Mrs. HOLT, Mr. LUNGREN, Mr. MITCHELL of New York, Ms. FERRARO, Mr. WEAVER, Mr. KOSTMAYER, Mr. MICA, Mr. SAWYER, Mr. PATTEN, Mr. STOKES, Mr. DOWNEY, Mr. JEFFORDS, Mr. SIMON, Mr. PEPPER, Mr. YOUNG of Alaska, Mr. FOWLER, Mr. SCHEUER, Mr. LEACH of Iowa, and Mr. COELHO.

H. Con. Res. 83: Mr. BENJAMIN.

H. Con. Res. 138: Mr. CORCORAN.

H. Con. Res. 147: Mr. FITHIAN, Mr. CARNEY, Mr. MOTTL, Mr. ROE, Mr. PEPPER, and Mr. MITCHELL of New York.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2727

By Mr. ROSE:

—Page 5, line 21, strike out "1,200,000,000" and insert in lieu thereof the following: "1,250,000,000".

H.R. 4040

By Mr. BEARD of Tennessee:

—Page 17, after line 2, insert the following new title (and redesignate the succeeding title and sections accordingly):

TITLE VIII—CONGRESSIONAL STUDY COMMISSION ON DEFENSE READINESS AND MOBILIZATION CAPABILITY

DEFENSE READINESS AND MOBILIZATION CAPABILITY STUDY

SEC. 801. (a) There is hereby established a commission to be known as the Congressional Study Commission on Defense Readiness and Mobilization Capability (hereinafter in this section referred to as the "commission").

(b)(1) The commission shall conduct a comprehensive study of the current defense mobilization capability of the United States and the current capability of the Armed Forces to sustain forces upon mobilization. Such study shall be based upon the best information available to the United States intelligence community and shall be conducted in light of all foreseeable threats to the national security of the United States and its allies.

(2) The commission shall prepare recommendations based upon the study conducted pursuant to paragraph (1) for such legislative and executive action with respect to the defense mobilization capability of the United States as the commission considers necessary or desirable. In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives or the Senate during the 96th Congress.

(c)(1) The commission shall consist of 24 members, appointed as follows:

(A) The Speaker of the House of Representatives shall appoint 12 members of the commission, nine of whom shall be Members of the House of Representatives and three of whom shall be appointed from among individuals who are not Members of the House of Representatives.

(B) The President pro tempore of the Senate shall appoint 12 members of the commission, nine of whom shall be Senators and three of whom shall be appointed from among individuals who are not Senators.

(2) Members of the commission shall serve for the life of the Commission. A vacancy in the commission shall be filled in the same manner in which the original appointment was made.

(3) The commission shall select a chairman and vice chairman from among its members. If the chairman is a member of either House of Congress, the vice chairman may not be a member of the same House.

(4) For the purposes of this subsection, the term "Member" includes any Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.

(d) The commission shall prepare a report of its findings and recommendations and shall submit such report to the Congress not later than the end of the six-month period beginning on the date of the enactment of this Act.

(e) The commission shall expire thirty days after the filing of its report under subsection (d).

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to rece ipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the secon d calendar quarter 1979:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
	(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie, Paris 8ame, France).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. City of Houston, City Hall, Houston, Tex. 77001.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Loeb, Rhoades, Hornblower & Co., 14 Wall Street, Ninth Floor, New York, N.Y. 10005.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. MAPCO, Inc., 1800 South Baltimore, Tulsa, Okla. 74119.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Newspaper-Broadcaster Committee, P.O. Box 3412, San Francisco, Calif. 94119.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

A. Alliance for Free Enterprise, 1200 17th Street NW., Suite 601, Washington, D.C. 20036.

A Robert S. Amdursky, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022

A. American Citizens' Crusade and Lobby, Inc., 1400 Gulf Boulevard, Apt. 403, Clearwater Beach, Fla. 33515.

A. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. American Logistics Association, 5205 Leesburg Pike, No. 1213, Falls Church, Va. 22401.

A. American Society for Medical Technology, 1725 De Sales Street NW., No. 403, Washington, D.C. 20036.

A. John Ams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. Leonard Appel, Woods, Villalon, Hollengreen & Lindeman, 425 13th Street NW., Suite 1032, Washington, D.C. 20004.
B. Everett Terminal Co., Inc. and Port Gardner Timber Co., Inc., P.O. Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.

A. Rodney E. Armstrong, Armstrong, Byrd & Associates, Inc., 1606 20th Street, NW., Washington, D.C. 20009.
B. Toyota Motor Sales, U.S.A., Inc.

A. Arnold & Porter, 1229 19th Street, NW., Washington, D.C. 20036.
B. Coal Exporters Association of the United States, Inc., 1130 17th Street NW., Washington, D.C. 20036.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.

A. Mary Aronson, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va., 22209.

A. William Douglas Badger, 7705 Bock Road, Oxon Hill, Md. 20022.
B. The Christian Action Council, Inc., 788 National Press Building, Washington, D.C. 20045.

A. Dennis J. Baker, 98 Sargent Road, Westminster, Mass. 01473.
B. Norton Co., 1 New Bond Street, Worcester, Mass. 01606.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Magnatex Industries, Inc., 1 Marienfeld Place, Midland, Tex. 70701.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Alaska Housing Finance Corp., Plaza 201 East Third Avenue, Anchorage, Alaska 99510.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Idaho Housing Agency, 405 South Eighth Street, Suite 395, Boise, Idaho 83701.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. American Occupational Medical Association, 1015 18th Street NW., Washington, D.C. 20036.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. Association of Teachers of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.

A. William Barringer, Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.
B. Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Japan Iron & Steel Exporters Association, Tokyo, Japan).

A. Karen J. Bauer, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. George W. Beatty, 1200 18th Street NW., Washington, D.C. 20036.

B. Ballard, Biehl & Kaiser, Inc., 800 Oak Grove, Menlo Park, Calif. 94025.

A. Jane W. Bergwin, Consumers Power Co., 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Western Radiological Group, c/o Armacost Management Services, Inc., Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

A. Bellig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.
B. The Adherence Group, 21 West Street, New York, N.Y. 10006.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Alaska Railroad Leaseholders Association, P.O. Box 1972, Anchorage, Alaska 99510.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Cook Inlet Region, Inc., 2525 C Street, Anchorage, Alaska 99509.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Sealaska Corp. Board of Directors, 1 Alaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Skan-Kon, P.O. Box 57, Fort Yukon, Anchorage, Alaska 99740.

A. Helen K. Blank, 1520 New Hampshire Avenue NW., Washington, D.C.
B. Children's Defense Fund of the Washington Research Project, Inc.

A. Michael K. Blevins, 901 North Washington Street, Alexandria, Va. 22314.
B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.

A. Robert Z. Bohan, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Edward N. Bond, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. Laurence D. Bory, 1155, 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

A. Robert K. Boyd, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

A. Marguerite Bracy, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C., 20036.

A. Stuart J. Brahs, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Robert M. Brandon, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.
B. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Hilton International, Inc., 301 Park Avenue, New York, N.Y. 10022.

A. Carolyn Brickey, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Jessie B. Brown, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Charles Burke, 2839 Peabody Road, Montgomery, Ala. 36116.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Thomas G. Burke, 1625 Massachusetts Avenue NW., Suite No. 505, Washington, D.C. 20036.
B. The Keefe Co., 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. J. Bruce Burkland, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Dargan J. Burns, Burns Public Relations Services, Inc., Cleveland, Ohio 44114.
B. Burns Public Relations Services, Inc., Cleveland, Ohio 44114.

A. Timothy F. Burns, Manufacturing Chemists Association, 1825 Connecticut Avenue N.W., Washington, D.C. 20009.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

A. Gary Bushell, Branscomb & Miller, 1700 Bank & Trust Tower, Box B&T 197, Corpus Christi, Tex. 78477.
B. Hawn Bros., 101 North Shoreline, Suite 400, Corpus Christi, Tex. 78401.

A. Business Products Council Association, 330 Brush Street, Oakland, Calif. 94607.

A. Helen B. Byrd, 730 24th Street NW., Washington, D.C. 20037.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

A. Morrison G. Cain, 1625 I Street NW., Room 1023, Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M. Street NW., Suite 695, Washington, D.C. 20037.
B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Suite 1500, Los Angeles, Calif.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. PPG Industries, Inc., 1 Gateway Center, Pittsburgh, Pa. 15222.

A. Arnold P. Caputo, 7600 Tremayne Place, No. 302, McLean, Va. 22101.
B. National Concrete Masonry Association, 2302 Horse Pen Road, Herndon, Va. 22070.

A. Anthony P. Carnevale, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. C.A.S.H. (Citizens Against Sugar Hikes), 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

A. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

A. Central Lincoln Peoples Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Donald E. Channel, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. Society of Military Widows, 861 Sixth Avenue, San Diego, Calif. 92101.

A. J. Blair Cherry, Jr., 104 Hubbard Street, Blacksburg, Va. 24060.
B. Coronado Exploration Co., Inc., 3303 67th Street, Lubbock, Tex. 79413.

A. Sheila M. Cherry, 104 Hubbard Street, Blacksburg, Va. 24060.
B. Coronado Exploration Co., Inc., 3303 67th Street, Lubbock, Tex. 79413.

A. Children's Television Workshop, 1 Lincoln Plaza, New York, N.Y. 10023.

A. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

A. The Coalition for Full Nuclear Insurance, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Coan, Couture & Lyons, 1625 I Street NW., Washington, D.C. 20006.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

A. Coan, Couture & Lyons, 1625 I Street NW., Washington, D.C. 20006.
B. Weinberg Investments, Inc., P.O. Box 518, Elk Point, S. Dak. 57025.

A. John J. Coffey, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.

A. John Colbrunn, 27 Briarwood Place, Colorado Springs, Colo. 80906.
B. United States Cruises, Inc., 2200 Sixth Avenue, 1125 Denny Building, Seattle, Wash. 98121.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Allied General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Conoco Coal Development Co., High Ridge Park, Stamford, Conn. 06904.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Fallek-Lankro Corp., 460 Park Avenue, New York, N.Y. 10022.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Ferrous Scrap Consumers Coalition, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

A. Dale S. Collinson, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

A. Committee for Equality of Citizens Before the Courts, 3401 West Division Street, Chicago, Ill. 60651.

A. Committee For the Canal, 1128 25th Street NW., No. 3, Washington, D.C. 20037.

A. Jeffrey B. Conley, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. J. Crawford Cook, P.O. Box 50485, Columbia, S.C. 29250.
B. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250 (for the Kingdom of Saudi Arabia).

A. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250.
B. Kingdom of Saudi Arabia.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. B.A.T. Industries, Ltd., P.O. Box 345, Windsor House, 50 Victoria Street, London SW1H Owl, England.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

A. John McD. Corn, Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina del Rey, Calif. 90201.
B. Episcopal Immigration Services, 4201 Via Marina, No. 167, Marina del Rey, Calif. 90291.

A. Donald E. Cornett, Suite 1100, 1899 L Street NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. James R. Costello, Jr., American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 400 South Tryon Street, Suite 2124, Charlotte, N.C. 28285.

A. Roger C. Courtney, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

A. James H. Cousins, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. The National Savings & Loan League, 1101 15th Street NW., Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99510.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. New York State Urban Development Corp., 1 Astor Plaza, New York, N.Y. 10036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

A. Cowper & Madson, 543 Third Avenue, Suite D, Fairbanks, Alaska 99701.

A. Charles S. Crawford III, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Aldene E. Creech, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Associated Gas Distributors, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Commuter Airline Association of America, Inc., 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Michael B. Crowson, 8405 Candelaria Drive, Austin, Tex. 78737.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind.

A. Donald W. Dalrymple, American Cyanamid Co., 1625 I Street NW, Suite 401, Washington, D.C. 20006

B. American Cyanamid Co., Wayne, N.J. 07470 (for Lederle Laboratories, Pearl River, N.Y. 10965.

A. Fred H. Daly, 1725 K Street NW., Suite 1009, Washington, D.C. 20006.

A. Dan Danner, 815 Connecticut Avenue NW., Washington, D.C. 20006
B Armco, 815 Connecticut Avenue NW, Washington, D.C. 20006.

A. Diane Davenny Darneille, Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Dial Financial Corp., 207 Ninth Street, Des Moines, Iowa 50307.

A. Robert L. Debo, Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Mark O. Decker, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Cargill Leasing Corp., 15407 McGinty Road, Minnetonka, Minn. 55343.

A. Joseph J. Del Quaglio, 1874 East 28th Street, Brooklyn, N. Y. 11229.

A. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. SOFREAVIA, 75 Rue La Boetie, Paris 8eme, France.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Cushing N. Dolbeare, 215 Eighth Street NE., Washington, D.C. 20002.
B. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.

A. Thomas J. Donohue, Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.
B. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

A. William Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Anthony V. Dresden, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Maurice E. Druhl, 8444 Southwest Ernst Road, Portland, Oreg. 97225.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Duncan, Brown, Weinberg & Palmer, 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Delaware 5 (Delaware Cities of Newark, Milford, Smyrna, New Castle, and Seaford).

A. James W. Dunlop, The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.
B. The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.
B. Bonneville Associates, Inc., 747 East South Temple, Suite 111, Salt Lake City, Utah 84102 (for Western Regional Council.

A. A. Blakeman Early, Sierra Club, 330 Pennsylanvia Avenue SE., Washington, D.C. 20003
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Harold F. Eberle, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460. Washington, D.C. 20006.
B. Airline Passengers Association, Inc., P.O. Box 2758, Dallas, Tex. 75221.

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Itel Leasing Corp.).

A. Ed Edmondson, Box 11, Muskogee, Okla. 74401.
B. Doss Aviation, Inc., Fort Rucker, Ala.

A. Stephen Endean, 1606 17th Street NW., Washington, D.C. 20009.
B. Gay Rights National Lobby, Inc., 1606 17th Street NW., Washington, D.C. 20009.

A. Conrad H. C. Everhard, American Hawaiian Cruising Line, Inc., Wall Street Plaza, Suite 1840, New York, N.Y. 10005.
B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, Suite 1840, New York, N.Y. 10005.

A. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20006.

A. William S. Fancher, Jr., 6 Lakeview Drive, P.O. Drawer F, Niverville, N.Y. 12130.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Ruth Fischer, 7609 Wellesley Drive, College Park, Md. 20740.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Charles L. Fishman, 633 East Capitol Street, Washington, D.C. 20003.

A. John J. Flynt, Jr., Smalley, Cogburn & Flynt, Drawer A, Griffin, Ga. 30224.
B. AVCO Corp., 1275 King Street, Greenwich, Conn. 06830.

A. Foley Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Itel Leasing Corp., 1 Embarcadero Center, San Francisco, Calif. 94111.

A. Sallie H. Forman, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Beth Israel Medical Center, 10 Nathan D. Perlman Place, New York, N.Y. 10003.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

A. Edward W. Furis, 3515 East Spring Street, Seattle, Wash. 98122.
B. Citizen's Action Group, Kodiak, Alaska.

A. Nancy H. Fussell, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Suite 325, Washington, D.C. 20036.
B. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

A. Gardner, Carton & Douglas, 1 First National Plaza, Chicago, Ill. 60603; 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Heizer Corp., 20 North Wacker Drive, Chicago, Ill. 60606.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Howard Mobile Village, 701 Cathedral Street, Baltimore, Md., 21201.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

A. Gay Rights National Lobby, Inc., 1606 17th Street NW., Washington, D.C. 20009.

A. Dorothy F. Gevinson, the Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie, Paris 8eme, France).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie Paris 8eme, France).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF (AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. Peter Gossens, National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

A. Sanford Gottlieb, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.

A. George B. Gould, III, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

A. Randall Grace, 399 Tibet Road, Columbus, Ohio 43202.
B. Louisville & Nashville Railroad, 908 West Broadway, Louisville, Ky. 40201.

A. Edward S. Gandis, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

A. George R. Green, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

A. Ellen S. Griffee, 2401 Virginia Avenue NW., Washington, D.C. 20037.
B. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.

A. The Group, Inc., P.O. Box 949, Wilmington, Del. 19899.

A. Gail Pardue Grubb, Home Health Services Association, Suite 312, 1156 15th Street, NW., Washington, D.C. 20005.
B. Home Health Services Association, 1156 15th Street NW., Suite 312, Washington, D.C. 20005.

A. Alan D. Guimond, 1 Echo Farm Drive, Bristol, R.I. 02809.
B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Michael Guimond, 1 Walnut Street, North Hampton, Mass. 01060.
B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.

A. Robert F. Guthrie, 815 16th Street NW., Room 608, Washington, D.C. 20006.
B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

A. William G. Haddeland, c/o Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Beryl Hall, National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

A. Martin G. Hamberger, Rural Delivery No. 3, Glen Rock, Pa. 17327.
B. PEN, Inc., 5013 Central Avenue, St. Petersburg, Fla. 33710.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. State of Alaska.

A. Hand Tools Institute, 707 Westchester Avenue, White Plains, N.Y. 10604.

A. Doris G. Hardesty, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.
B. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

A. David H. Hardy, 1600 Rhode Island Avenue, Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Robert H. Harris, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. Robert S. Hartmann, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Rodney E. Haugh, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Jeffrey Hayman, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. Steven B. Hellem, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Noel Hemmendinger, Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.
B. Arter, Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20005 (for Japan Iron & Steel Exporters' Association, Tokyo, Japan and Banco do Brasil, New York, N.Y.).

A. John B. Henderson, Textron, Inc., 1666 K Street NW., Washington, D.C. 20006.
B. Textron, Inc.. 40 Westminster Street, Providence, R.I. 02903.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center, Cain Tower, Atlanta, Ga. 30303.
B. Colonial Life & Accident Insurance Co., P.O. Box 1365, Columbia, S.C. 29201.

A. William G. Herroid, No. 601, 2029 K Street NW., Washington, D.C. 20006.
B. Institute of Electrical & Electronics Engineers, Inc., 2029 K Street NW., Washington, D.C. 20006.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.
B. Michigan State Housing Development Authority, Plaza 1, Fourth Floor, 401 South Washington Square, Lansing, Mich. 48909.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.
B. Morgan Guaranty Trust Co. of New York, 23 Wall Street, New York, N.Y. 10015.

A. Ralph W. Hoar, Jr., 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
B. National Committee for Automobile Crash Protection.

A. Valery Hobbs, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, New York, N.Y. 10005.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1217 K Street NW., Washington, D.C. 20007.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Guam Power Authority, Agana, Guam.

A. Howard Holcomb, National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.

A. Leonard S. Homa, 11320 Rouen Drive, Potomac, Md. 20854.
B. American Congress on Surveying and Mapping (ACSM), 210 Little Falls Street, Falls Church, Va 22046.

A. Randall A. Huffman, 153 East 53d Street New York, N.Y. 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

A. William E. Hughes, Jr., Northeast Utilities Service Co., P.O. Box 270, Hartford, Conn. 06101.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.

A. Craig R. Hume, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Gerard F. Hurley, 1625 I Street, NW., Suite 609, Washington, D.C. 20006.
B. National Club Association, 1625 I Street, NW., Suite 609, Washington, D.C. 20006.

A. Robert D. Hynes, Jr., National Broadcasting Co., Inc., 1800 K Street NW., Washington D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. John Iaccio, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036; 1168 South Main Street, Sauk Centre, Minn. 56378.
Place, New York, N.Y. 10006.

A. Jenkins, Nystrom & Steriacci, 2033 M Street, NW., Suite 504, Washington, D.C. 20036.
B. Commonwealth of Puerto Rico.

A. Norman A. Jensvold, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Richard R. Juby, 708 Currituck Drive, Raleigh, N.C. 27609.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Geza Kadar, Jr., Blue Cross & Blue Shield Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Blue Cross and Blue Shield Associations, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Kaye, Scholer, Fierman, Hays & Handler, 425 Park Avenue, New York, N.Y. 10022.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Keith B. Keener, 2626 Pennsylvania Avenue, NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Keiki Kehoe, 317 Pennsylvania Avenue SE., Washington, D.C. 20009.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20009.

A. Ernest B. Kelly III, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

A. William T. Kendall, 1200 17th Street NW., Suite 601, Washington, D.C. 20036.
B. Alliance for Free Enterprise, 1200 17th Street NW., Suite 601, Washington, D.C. 20036.

A. Peter B. Kenney, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Mercantile Co., 369 Pine Street, San Francisco, Calif. 94104.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Arlington Trust Co., P.O Box 688 Lawrence, Mass 01842.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Taiyo Fishery Co., Ltd., 277 Park Avenue, New York, N.Y. 10017.

A. Roger P. Kingsley, American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
B. American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.

A. Donald R. Kirtley, Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

A. William H. Knapp, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. John P. Knierim, 115 West Seventh Street, Fort Worth, Tex. 76102.
B. Texas Electric Service Co., 115 West Seventh Street, Fort Worth, Tex. 76102.

A. Gary D. Knight, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Kominers, Fort, Schiefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.
B. Colt Industries, Inc., 430 Park Avenue, New York, N.Y. 10022.

A. Stephen Koplan, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

A. Frank J. Kulhanek, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Bruce C. Ladd Jr., The Upjohn Co., 1660 L Street NW., Suite 205, Washington, D.C. 20036
B. The Upjohn Co., 7000 Portage Road, Kalamazoo, Mich. 49001.

A. Allan F. Landolt, 11 Sixth Street SE., Washington, D.C. 20003.
B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.
B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

A. Edward F. Leahy, 99 Oak Ridge Circle, Weymouth, Mass. 02188.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.

A. Robert L. Leggett, Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.
B. Somali Democratic Republic.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.
B. Somali Democratic Republic.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Alarm Industry Telecommunications Committee of the National Burglar & Fire Alarm Association, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Development Services Corp., 1930 Century Park West, No. 404, Los Angeles, Calif. 90067.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Oakdale Corp., 16055 Ventura Boulevard, No. 400, Encino, Calif. 91436.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Washington, D.C. 20036.
B. TRT Telecommunications Corp., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Barbara S. Leonard, Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.

A. Linton, Mields, Reisler, & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Oregon Department of Transportation, Transportation Building, Salem, Oreg.

A. Theodore M. Littman, 260 Chinook Drive, Placentia, Calif. 92670.
B. Rockwell International, 12214 Lakewood Boulevard, Downey, Calif. 90241.

A. William T. Lyons, 1800 M Street NW., Suite 280N Washington D.C. 20036.
B. CIBA–GEIGY Corp., Ardsley, N.Y. 10502.

A. Samuel A. Mabry, Hercules Inc. 1800 K Street NW. Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street Wilmington, Del. 19899.

A. Phillip L. Mann, Fulbright & Jaworski, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Lasco Shipping Co., 3300 Northwest Yeon Avenue Portland, Ore. 97210.

A. Armand G. Manson, Bell Aerospace Textron, Suite 300, 1666 K Street NW., Washington, D.C. 20006.
B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.

A. Ronald N. Marcus, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
B. National Committee for Automobile Crash Protection.

A. John F. Markuns, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.
B. National Association of Government Employees, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Howard Marlowe, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

A. Chalmers H. Marquis, 3400 Blair Road, Falls Church, Va. 22041.
B. Children's Television Workshop, 1 Lincoln Plaza, New York, N.Y. 10023.

A. Roger M. Marr, 2545 Blue Grass Court, Indianapolis, Ind. 46208.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Abbotts Dairies Division of Fairmont Foods Co., 333 West Loop North, Houston, Tex. 77024.

A. Marshall Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Institute of Electrical & Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10022.

A. Larry K. Martin, Man-Made Fiber Producers Association Inc., 1150 17th Street NW., Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

A. Steven A. Martindale, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. John L. McCormick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. James W. McDade, McDade & Lee, 1130 17th Street NW., Washington, D.C. 20036.
B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.

A. Marianne McDermott, Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Jack McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510).

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.

A. Darryl D. McEwen, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.
B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. John E. McGill, RCA Alaska Communications, Inc., 949 East 36th Avenue, Anchorage, Alaska 99504.
B. RCA Alaska Communications, 949 East 36th Avenue, Anchorage, Alaska 99504.

A. Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Wolf Trap Foundation, 1624 Trap Road, Vienna, Va. 22180.

A. Evan M. Migdall, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

A. Miller Associates, Inc., 2500 Q Street NW., Washington, D.C. 20007.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lockheed Corp., Burbank, Calif. 91520.

A. Cleatis G. Mitchell, P.O. Box 131, Ashland, Oreg. 97520.
B. Western Truckers' Association, P.O. Box 336, Medford, Oreg. 97501.

A. Richard Mizrack, 295 Madison Avenue, New York, N.Y. 10017.
B. Pallek-Lankro Corp., Tuscaloosa, Ala.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.
B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.
B. Electrolert, Inc., 457 Park Avenue, New York, N.Y. 10016.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.
B. National Association of Theater Owners, 1500 Broadway, New York, N.Y. 10026.

A. Powell A. Moore, 1155 15th Street, NW., Washington, D.C. 20005.
B. Thomson-CSF, Division Equipements Avioniques, 178, bd Gabriel-Peri, 92240 Malakoff, France.

A. Mark E. Moran, 1407–A North Van Dorn Street, Alexandria, Va.
B. DGA International, Inc., 1225 19th Street, NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. William C. Morrison, Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va 22209.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. George R. Moses, Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.
B. Somali Democratic Republic.

A. John E. Moss, 3300 19th Street, Sacramento, Calif.
B. National Committee for Automobile Crash Protection.

A. Reesa Motley, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Karl O. Murphey, Skeer Lake Road, Orlando, Fla.,

B. Free Spirit Trucking, Inc., Route 3, Box 980, Orlando, Fla. 32811.

A. The National Alliance of Teenagers, Inc., 383 Joan Drive, Fairfield, Conn. 06430.

A. National Association of Government Employees, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

A. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., No. 503, Washington, D.C. 20036.

A. National Association of Selective Distributors, 1050 Turnpike Street, Canton, Mass. 02021.

A. National Council of Health Care Services, 1200 15th Street, NW, Suite 601, Washington, D.C. 20005.

A. National Food Processors Association, 1133 20th Street, NW., Washington, D.C. 20036.

A. Michael P. Neumann, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. M. Kathryn Nordstrom, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.
B. Ocean Energy Council, Inc., Box 57198, Washington, D.C. 20037.

A. George O'Bea, Jr., 815 16th Street NW., Suite 304, Washington, D.C. 20006.
B. United Paperworkers International Union, 815 16th Street NW., Suite 304, Washington, D.C. 20006.

A. Everette D. O'Brien, 1376 Chartwell Carriageway North, East Lansing, Mich. 48823.
B. Distilled Spirits Council of the United States, Inc., (DISCUS) 425 13th Street NW., Washington, D.C. 20004.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Abt Associates, Inc., Cambridge, Mass. 02138.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Blyth Eastman Dillon & Co., 1221 Avenue of the Americas, New York, N.Y. 10020.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. JWK International Corp., 7617 Little River Turnpike, Annandale, Va. 22003.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Save Loring Committee, Paul Haines, Chairman, 222 Main Street, Limestone, Maine 04750.

A. O'Connor & Hanna, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.

A. Larry A. Oday, Combined Insurance Co. of America, Suite 630, 1819 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill., 60640.

A. Matthew D. O'Hara, General Mills, Inc., 1629 K Street, Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

A. William J. Olson, 1819 H Street NW., Washington, D.C. 20006.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036
B. Bank of America, Bank of Investment Securities Division, Bank of America Center, 10th Floor, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Blyth, Eastman, Dillon & Co., 555 California Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Dean Witter Reynolds, Inc.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planters Association, 1511 K Street NW., Washington, D.C.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. INA Corp., 1850 K Street NW., Suite 840, Washington, D.C. 20006; Hospital Affiliates International, Inc., 4525 Harding Road, Nashville, Tenn. 37205.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Smith, Barney, Harris, Upham & Co., 350 California Street, San Francisco, Calif. 94104.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. O'Neill, Forgotson & Roncalio, 1220 19th Street NW., Suite 303, Washington, D.C. 20036.
B. Parahoe Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501.

A. John F. O'Neal, Law Offices of John F. O'Neal, 600 New Hampshire Avenue N.W., Suite 952, Washington, D.C. 20037.
B. National REA Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.

A. Joseph A. Overton III, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Renee Parsons, 133 C Street SE., Washington, D.C. 20003.
B. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Committee for Expanded Trade, 2550 M Street NW., eighth floor, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Publicker Industries, 14th Floor, Packard Building, Philadelphia, Pa. 19102.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Retail Tax Committee, 2550 M Street NW., Suite 800, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M. Street NW., Washington, D.C. 20037.
B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., 12th Floor, Washington, D.C. 20036.
B. Amoco Production, Inc., 1000 16th Street NW., Suite 503, Washington, D.C. 20036.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C 20036.
B. Motorola, Inc., Schaumberg, Ill. 60196.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., 12th Floor, Washington, D.C. 20036.
B. Semiconductor Industries Association, 20380 Town Center Lane, Suite 155, Cupertino, Calif. 95014.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, 1204, Rosslyn, Va. 22209.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Harris Corp., Melbourne, Fla. 32919.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Sun Ship, Foot of Morton Avenue, Chester, Pa. 19013.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Western Union Corp., 1 Lake Street, Upper Saddle River, N.J.

A. Perito, Duerk, & Carlson, 1001 Connecticut Avenue NW., No. 1200, Washington, D.C. 20036.
B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611.

A. Jeffry L. Perlman, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Henry S. Pflans, 11 Sixth Street SE., Washington, D.C. 20003.
B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

A. Henry S. Pflans, Pflans & Associates, 9111 Grandhaven Avenue, Upper Marlboro, Md. 20870.
B. Zantop International Airlines, Willow Run Airport, Ypsilanti, Mich. 48197.

A. John D. Phillips, National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges & Universities, 1717 Massachusetts

Avenue NW., Suite 503, Washington, D.C. 20036.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

A. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

A. Michael Podhorzer, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C.

A. Phillip Porte, Phillip Porte & Associates, Inc., 1301 Arlington Ridge Road, Suite 702, Arlington, Va. 22202.
B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235.

A. Gregg R. Potvin, 246 Prince George Street, Annapolis, Md. 21401.

A. Gregg R. Potvin, 246 Prince George Street, Annapolis, Md. 21401.
B. National Oil Jobbers Council, 11th Floor, 1707 H St. NW., Washington, D.C. 20036.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.
B. Security New York State Corp., 1 East Avenue, Rochester, N.Y. 14638.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOF REAVIA, 75 Rue La Boetie, Paris Seme, France).

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. City of Juneau, Juneau, Alaska.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. Western Resources Alliance, 925 116th Street NE., Suite 237, Seattle, Wash. 98004.

A. Woodruff M. Price, Seaboard Coast Line Industries, Inc., 1000 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. Seaboard Coast Line Industries, Inc., 500 Water Street, Jacksonville, Fla. 32202.

A. Steven L. Pruitt, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. John A. Reilly, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.
B. Estate of Bert N. Adams, et al., P.O. Box 4215, Yuma, Ariz. 85364.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 I Street NW., No. 607, Washington, D.C. 20006.
B. American Society of Civil Engineers, 345 East 47th Street, New York, N.Y. 10017.

A. Lowell J. Ridgeway, North Dakota Petroleum Council, 314 Thayer Avenue, P.O. Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Selina Rissell, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Washington, D.C. 20001.

A. Brinton P. Roberts, Choate, Hall & Stewart, 60 State Street, Boston, Mass. 02109.
B. New England Tank Industries of New Hampshire, Inc., 135 First Street, Cambridge, Mass.

A. Lloyd M. Rockne, 8501 Bennington Way, Sacramento, Calif. 95826.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

A. John E. Rogers, 4701 Sangamore Road, Bethesda, Md. 20016.
B. Graham-White Manufacturing Co., Box 1099, Salem, Va. 24153.

A. Harvey Rosenfield, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

A. Barry N. Roth, The Williams Cos., Suite 350, 1750 K Street NW., Washington, D.C. 20006.
B. The Williams Cos., P.O. Box 2400, Tulsa, Okla. 74101.

A. Mark Roth, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washingon, D.C. 20001.

A. Eric M. Rubin, Wolf, Block, Schorr & Solis-Cohen, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Outdoor Advertising Association of America, 1899 L Street NW., Washington, D.C. 20036.

A. Nancy B. Rubini, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.

A. Lyle Ryter, 499 South Capitol Street SW., Washington. D.C. 20003.
B. American Security Council, 499 South Capitol Street SW., Washington, D.C. 20003.

A. Arthur B. Sackler, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
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A. Frank Max Salinger, Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. D. Anne Scanley, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.
B. National Association of Government Employees, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Kenneth D. Schanzer, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

A. Terry G. Schlemeier, 531 East Capital, Jefferson City, Mo. 65101.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

A. Lee H. Schmolke, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.
B. Lee H. Schmolke & Associates (for The Energy Committee of America).

A. William Z. Scott, P.O. Box 121, Pocono Manor, Pa. 18349.
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A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.
B. Shipbuilders Council of America, 600 New Hampshire Avenue, Washington, D.C. 20037.

A. Karen Dolmatch Shaw, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1650 30th Street NW., 900-S, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

A. Jonathan B. Sheiner, 4 Irving Place, New York, N.Y. 10003.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. Michael S. Sher, National Alliance of Teenagers, Inc., 383 Joan Drive, Fairfield, Conn. 06430.
B. The National Alliance of Teenagers, Inc., 383 Joan Drive, Fairfield, Conn. 06430.

A. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.

A. Michael Shorr, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. Lisa Shulock, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

A. Norman D. Shutler, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Clayton Manufacturing Co., 4213 North Temple City Boulevard, El Monte, Calif. 91731.

A. Daniel W. Sigelman, 2000 P Street NW., No. 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. William Jay Siosberg, 1128 25th Street NW., No. 3, Washington, D.C. 20037.
B. Committee for the Canal, 1128 25th Street NW., No. 3, Washington, D.C. 20037.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Florida East Coast Railway Co., 1 Malaga Street, St. Augustine, Fla. 32084.

A. Carl Edward Smith, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

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A. David S. Smith, 1701 Pennsylvania Avenue NW., Suite 1102, Washington, D.C. 20006.
B. Martin, Whitfield, Smith & Bebchick, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

A. Mary Sophos, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
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A. David R. Spence, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
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A. John M. Starrels, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Roy N. Staten, 3012 Dunglow Road, Dundalk, Md. 21222.
B. Bethlehem Steel Corp.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Nuclear Insurers, 270 Farmington Avenue, Farmington, Conn. 06032.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pfizer, Inc., Minerals, Pigments & Metals Division, 235 East 42d Street, New York, N.Y. 10017.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Talley Industries, P.O. Box 849, Mesa, Ariz. 85201.

A. Adam D. Stolpen, Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.
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A. Andrea Strader, 1625 L Street NW., Washington, D.C., 20036.
B. American Federation of State, County & Municipal Employees, 1625 L Street NW., Washington, D.C. 20036.

A. Stromberg & D'Addario, 130 South Royal Street, Alexandria, Va. 22314.
B. KMS Fusion, P.O. Box 1778, Ann Arbor, Mich. 48106.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Office of the Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Eugene F. Sturgeon, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

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B. National Association of Government Employees, 2139 Wisconsin Avenue NW., Washington, D.C. 20007.

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A. Clyde W. Summerville, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20515.
B. The Travelers Insurance Co., 1 Tower Square, Hartford, Conn., 06115.

A. Sutin, Thayer & Browne, P.O. Box 1945, Albuquerque, N. Mex. 87103.
B. Office of the Attorney General, State of New Mexico, P.O. Drawer 1508, Santa Fe, N. Mex. 87501.

A. W. Thomas Suttle, 204 G Street SW., Washington, D.C. 20024.
B. The Institute of Electrical & Electronics Engineers, Inc., 2029 K Street NW., Suite 605, Washington, D.C. 20006.

A. Douglas W. Svendson, Jr., Stang & Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. Trailways, 1500 Jackson Street, Dallas, Tex., 75201.

A. G. Lee Swift, 1100 17th Street NW., No. 710, Washington, D.C. 20036.
B. IU International, 1500 Walnut Street, Philadelphia, Pa. 19102.

A. Peggy Taylor, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

A. Mary and Charles Teeple, 4002 Balcones, Austin, Tex. 78731.

A. Telephone & Data Systems, Inc., 79 West Monroe Street, Chicago, Ill. 60603.

A. Betty-Grace Terpstra, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.
B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.
B. Oklahoma State Nursing Home Association, 200 Northeast 28th Street, Oklahoma City, Okla. 71305.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Physicians Placement Group, Inc., 970 Executive Parkway, Suite 101, St. Louis, Mo. 63141.

A. Susan P. Thomases, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Eben S. Tisdale, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
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A. Kim T. Tisdale, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.
B. American Conservative Union, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.

A. Davis J. Tomasin, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
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A. Sanky Trimble, 328 Enchanted Valley Place NW., Albuquerque, N. Mex. ex. 87107.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.

A. William A. Turnage, The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. L. Stanton Tuttle, 4400 Fredericksburg Drive, Birmingham, Ala. 35213.
B. Brookwood Health Services, Inc., 2000-D Brookwood Medical Center Drive, Birmingham, Ala. 35209.

A. Drew A. Upton, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
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A. Richard A. Van Deuren, c/o Reinhart, Boerner, Van Deuren, Norris & Rieselbach, 1800 Marine Plaza, Milwaukee, Wis. 53201.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Alaska Petrochemical Co., 3700 Buffalo Speedway, Suite 806, Houston, Tex. 77098.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Hydro-Energy Associates, Inc., 7612 Route 130, Pennsauken, N.J. 08110.

A. John P. Venners, 1899 L Street NW., Suite 1250, Washington, D.C. 20036.
B. Venners & Co., 1899 L Street NW., Suite 1250, Washington, D.C. 20036 (for Pride Refining, Inc., P.O. Box 3237, Abilene, Tex. 79604).

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (for Florida Gas Co.).

A. James F. Wagenlander, Suite No. 1020, 910 16th Street, Denver, Colo. 80202.
B. Committee to Save Indian Housing, 910 16th Street, Suite No. 1020, Denver, Colo. 80202.

A. Paul Wagner, Wagner & Baroody, 1100 17th Street NW., Washington, D.C. 20036.
B. Electrolert, Inc., 475 Park Avenue, New York, N.Y. 10016.

A. Wake Up America, 5515 London Road, Duluth, Minn. 55804.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Agrico Chemical Co., et al., Bank of Oklahoma Tower, 1 Williams Center, Tulsa, Okla. 74103.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Wallace T. Ward III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
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B. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20006.

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B. Children's Defense Fund.

A. Michael D. Welch, Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Gino Morena Enterprises, Panama Canal Pilots Association.

A. James F. Welsh, 4805 Edgefield Road, Bethesda, Md. 20014.
B. Alaska Coalition, 620 C Street SE, Washington, D.C. 20003.

A. Elizabeth Shirley Weltner, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Western Radiological Group, Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

A. White, Fine & Verville, 1156 15th Street NW., Suite 302, Washington, D.C. 20005.
B. Turlock Irrigation District, P.O. Box 949, 333 East Canal Street, Turlock, Calif. 95380. Modesto Irrigation District, 1231 11th Street, P.O. Box 4060, Modesto, Calif. 95352.

A. Donald W. Whitehead, 1620 I Street NW., Washington, D.C. 20006.
B. Thetford Corp., Box 1285, Ann Arbor, Mich. 48106.

A. Whitman & Ransom, 1333 New Hampshire Avenue NW., Suite 650, Washington, D.C. 20036.
B. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.

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B. National Association of Government Employees, 2134 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Shee Atika, Inc., P.O. Box 4578, Mount Edgecumbe, Alaska 99835.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. U.S. National Bank, Medford, Oreg. (for Klamath Indian Tribe, Oregon).

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.

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A. Williams & Connolly, 839 17th Street NW., Washington, D.C. 20006.
B. Citizens for Sensible Maine Power, c/o Seth Hedgcock, Farnham Point, East Boothbay, Maine.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Rhode Island Housing & Mortgage Finance Corp., Suite 1700, 17th Floor, 40 Westminster Street, Providence, R.I. 02903.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Association for Responsible Housing Policy, Inc., 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Outdoor Advertising Association of America, 1660 L Street NW., No. 215, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Student Loan Marketing Association (Sallie Mae), 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

A. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

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B. Association of American Residents Overseas, Paris, France; American Chamber of Commerce in France, Paris, France; The American Club of Paris, Paris, France.

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B. Union Camp Corp., 1850 K Street NW. Suite 390, Washington, D.C. 20006.

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B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

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B. Alliance For Free Enterprise, 1200 17th Street NW., No. 601, Washington, D.C. 20036.

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A. Witkowski, Weiner, McCaffrey & Brodsky, 1750 K Street NW., Suite 1130, Washington, D.C. 20006.
B. National Manufactured Housing Finance Association, 1750 K Street NW., Suite 1130, Washington, D.C. 20006.

A. Ronald Wolsey, Suite 507A, 300 East Joppa Road, Towson, Md. 21204.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.

A. W. Alan Woodford, Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, DC. 20009.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for SOFREAVIA, 75 Rue La Boetie, Paris 8eme, France).

A. Steven M. Worth, Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Richard E. Wyckoff, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

A. Judith A. Young, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1979:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) If the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . loan . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter
12. $.....'Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* ("*Period*" from Jan. 1 through ....., 19....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . loan . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates*	*Name and Address of Recipient—Purpose*
$1,750.00	7-11:	Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15:	Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL	

PAGE 2

A. Robert J. Aagre, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,246. E. (9) $287.40.

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.
E. (9) $2,379.25.

A. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,825.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Suite 700, Washington, D.C. 20006.
B. Vepco, Seventh and Franklin Streets, Richmond, Va.
D. (6) $160.

A. Kenneth R. Adams, Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
D. (6) $300.

A. Thomas L. Adams, Jr., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. The Adherence Group, 21 West Street, New York, N.Y. 10006.
E. (9) $424.17.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $13,482.44. E. (9) $13,482.44.

A. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,100. E. (9) $6,359.30.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $33.66.

A. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
E. (9) $77.50.

A. Air Transportal Association of America, 1709 New York Avenue, NW., Washington, D.C. 20006.
D. (6) $7,622. E. (9) $7,622.

A. Aircraft Owners and Pilots Association, P.O. Box 5800, Washington, D.C. 20014.
E. (9) $6,606.82.

A. Randolf H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $950. E. (9) $120.96.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.
B. Alaskan Petrochemical Co., 3700 Buffalo Speedway, Houston, Tex. 77098.
D. (6) $2,500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.
B. City of Houston, City Hall, Houston, Tex. 77001.
D. (6) $1,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.
B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex., 77046.
D. (6) $12,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, Suite 400, Washington, D.C. 20036.
B. Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.
B. Loeb, Rhoades, Hornblower & Co., 14 Wall Street, Ninth Floor, New York, N.Y. 10005.
D. (6) $3,500.

A. Akin, Gump, Hauer & Feld, 1332 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.
B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla., 74119.
D. (6) $2,300.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue, NW., Suite 400, Washington, D.C. 20036.
B. Northwest Pipeline Co., 314 East Second South, Salt Lake City, Utah 84111.
D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19013.
D. (6) $5,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Sun Pipe Line Co., P.O. Box 2039, Tulsa, Okla. 74102.
D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Vickers Petroleum Corp., P.O. Box 2240, Wichita, Kans. 67201.
D. (6) $250.

A. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $96,122.70. E. (9) $95,583.22.

A. Alaska Fund, Inc., 810 18th Street NW., No. 802, Washington, D.C. 20006.
D. (6) $17,000. E. (9) $11,374.14.

A Joan H. Albert, National Association of Casualty and Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20015.

B. National Association of Casualty and Surety Agents, 5225 Wisconsin Avenue, Washington, D.C. 20015.
E. (9) $286.30.

A. James J. Albertine, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D C. 20036.
D. (6) $300.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Air Florida, A.M.F.P.O. 592337, Miami, Fla. 33159.
D. (6) $1,500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Associated Industries of Florida, 203 South Adams Street, Tallahassee, Fla. 32302.
D. (6) $7,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Brunswick Corp., One Brunswick Plaza, Skokie, Ill. 60076.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Computer Sciences Corp., 650 North Sepulveda Boulevard, El Segundo, Calif. 90245.
D. (6) $3,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Continental Group, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.
D. (6) $3,600.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.
D. (6) $3,000.

A. Alderson, Ondov, Leonard & Sween, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation, Austin, Minn. 55912.

A. Frederick K. Alderson, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $292. E. (9) $99.61.

A. Claude Alexander, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $519.57.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue, Washington, D.C. 20036.
D. (6) $1,875. E. (9) $26.56.

A. Maxton M. Allcox, 400 First Street NW., Room 801, Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $22,250.46.

A. Anne Genevieve Allen, Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
B. Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.
D. (6) $473.06. E. (9) $1,286.16.

A. Alliance for Free Enterprise, 1200 17th NW., Suite 601, Washington, D.C. 20036.

A. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $2,866.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $2,160. E. (9) $1,701.89.

A. Robert Alvarez, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $900. E. (9) $428.

A. Robert S. Amdursky, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
E. (9) $368.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $1,454.96. E. (9) $1,454.96.

A. American Arts Alliance, Inc., 424 C Street NE., Washington, D.C. 20002.
D. (6) $18,678.18. E. (9) $50,535.55.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $75.31. E. (9) $349.54.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $26,206.69. E. (9) $26,206.69.

A. American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Va. 22046.
D. (6) $198.50. E. (9) $7,661.25.

A. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.
D. (6) $5,427.50. E. (9) $732.64.

A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
E. (9) $807.55.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $12,199.58. E. (9) $12,199.58.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; and 425 18th Street NW., Washington, D.C. 20004.
D. (6) $63,033. E. (9) $63,033.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $122,064.16.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $2,500.

A. American Hellenic Institute, Public Affairs Committee, Inc., 1730 K Street NW., No. 903, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $699.76.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $3,150. E. (9) $4,286.12.

A. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $9,978.73. E. (9) $42,036.98.

A. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
E. (9) $1,800.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
E. (9) $1,319.30.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $64,107.75. E. (9) $64,107.75.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C.
D. (6) $46,767. E. (9) $54,838.95.

A. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $3,328.

A. American League for Exports and Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $8,650.19. E. (9) $8,650.19.

A. American Maritime Association, 17 Battery Place North, New York, N.Y. 10004; 1612 K Street, NW., Washington, D.C. 20006.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
E. (9) $8,795.72.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,955. E. (9) $29,890.22.

A. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $159,482.30. E. (9) $39,729.67.

A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo.
D. (6) $7,912.30. E. (9) $7,912.30.

A. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 76211.
D. (6) $772.14. E. (9) $772.14.

A. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $228.75.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $151,393. E. (9) $144,662.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $2,215.13. E. (9) $2,215.13.

A. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
E. (9) $11,120.05.

A. American Postal Workers Union, 817 14th Street NW., Washington, D.. 20005.
D. (6) $2,689,875.76. E. (9) $143,542.99.

A. American Short Line Railroad Association, 200 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,146.14. E. (9) $1,146.14.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers and Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $330.63. E. (9) $296.07.

A. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $41,349.21. E. (9) $41,349.21.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $58,072.53.

A. American Veterinary Medical Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $600.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $3,534.18. E. (9) $1,156.

A. Morris J. Amitay, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $7,500.

A. Anthony L. Anderson, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $4,934. E. (9) $3,900.

A. Jane K. Anderson, Kennecott Copper Corp., subsidiary of Carborundum Co., 1022 15th Street NW., D.C. 20005.
B. Kennecott Copper Corp., subsidiary of Carborundum Co., 1775 K Street NW., Washington, D.C. 20006; 1022 15th Street NW., Washington, D.C. 20005.
D. (6) $485. E. (9) $2.50.

A. Anderson, Pendleton, McMahon, Peet & Donovan, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.
B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,063. E. (9) $172.23.

A. Robert L. Anderson, Deere & Co., John Deere Road, Moline Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Wayne C. Anderson, 1629 K Street NW., Washington, D.C. 20006.
B. Nabisco, Inc., East Hanover, N.J. 07936.
D. (6) $2,500. E. (9) $950.

A. William C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $40.

A. Laureen E. Andrews, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,439.97. E. (9) $20.

A. Robert C. Angel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. J. Donald Annett, 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. Linda M. Ansalone, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500. E. (9) $112.

A. APA Co., 400 First Street NW., Washington, D.C. 20001.
B. University of Health Sciences/The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.
D. (6) $750.

A. John Archer, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. W. Stanley Armstrong, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $47.60. E. (9) $5.80.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Family Corp., 1932 Wynnton Road, Columbus, Ga. 31906.
D. (6) $1,200.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Iron and Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $900.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,750.01.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036.
D. (6) $1,250.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $500.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.
D. (6) $1,458.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Coal Exporters Association of the United States, Inc., 1130 17th Street NW., Washington, D.C. 20036.
E. (9) $4.20.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The London Commodity Exchange Co., Ltd., Cereal House, 58 Mark Lane, London EC3R 7NE, England, International Commodities Clearing House, Ltd., Roman Wall House, 1-2 Crutched Friars, London EC3N 2AN, England.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
D. (6) $1,450. E. (9) $94.88.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.
D. (6) $5,490. E. (9) $57.83.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. National Coordinating Committee for Multiemployer Plans, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $350.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.
D. (6) $275. E. (9) $3.40.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $14,650. E. (9) $878.71.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.
E. (9) $188.13.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $600.

A. Association for the Advancement of Invention and Innovation, Suite 606, 1735 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $5,844.50. E. (9) $4,573.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $5,098.52 E. (9) $5,098.52.

A. Association of American Railroads, American Railroads Building (211), 1920 L Street NW., Washington, D.C. 20036.
D. (6) $22,779.56. E. (9) $22,779.56.

A. Association of Data Processing Service Organizations, Inc. (ADAPSO), 1925 North Lynn Street, Suite 1100, Arlington, Va. 22209.
E. (9) $1,846.

A. Association of Independent Corrugated Converters, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $14,000. E. (9) $3,733.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
E. (9) $363.

A. Association of Media Producers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $5,540.

A. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,937.50. E. (9) $3,937.50.

A. Assure Competitive Transportation, Inc., 10 South LaSalle Street, Suite 1600, Chicago, Ill. 60603.
D. (6) $130,120.25. E. (9) $300.

A. George J. Aste, 1825 K Street, Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street, Suite 607, Washington, D.C. 20006.
D. (6) $500. E. (9) $500.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $210. E. (9) $24.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $2,985. E. (9) $9.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500.

A. John D. Austin, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $21.70. E. (9) $3.50.

A. John S. Autry, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $1,200. E. (9) $1,093.85.

A. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $231.

A. Walter C. Ayers, Virginia Petroleum Industries, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $250. E. (9) $223.50.

A. Joseph W. Ayres, 1909 K Street NW., Suite 410, Washington, D.C. 20006.
B. The National Industrial Traffic League, 1909 K Street NW., Suite 410, Washington, D.C. 20006.
D. (6) $1,675. E. (9) $40.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
E. (9) $700.

A. William Douglas Badger, 7705 Bock Road, Oxen Hills, Md. 20022.
B. The Christian Action Council, Inc., 788 National Press Building, Washington, D.C. 20045.
D. (6) $2,600. E. (9) $739.34.

A. Baer, Marks & Upham, 299 Park Avenue, New York, N.Y. 10017.
B. Commodity Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $2,040. E. (9) $374.35.

A. George F. Bailey, Jr., Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. William W. Bailey, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck & Co., Inc., Box 2000, Rahway, N.J. 07065.
D. (6) $1,000. E. (9) $180.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

A. Baker Daniels, 1800 M Street NW., Suite 590S, Washington, D.C. 20036.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Baker & Daniels, 1800 M Street NW., Suite 590S, Washington, D.C. 20036.
B. Indiana Toll Road Commission, P.O. Box 748, South Bend, Ind. 46624.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cambridge Research & Development Group, 21 Bridge Square, Westport, Conn. 06880.
D. (6) $3,937.50. E. (9) $44.70.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Magnatex Corp., 1 Marienfeld Place, Midland, Tex. 79701.

A. Donald Baldwin, Donald Baldwin Associates, Suite 804, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Taxpayers Union, 325 Pennsylvania Avenue, SE., Washington, D.C. 20003.
D. (6) $3,600.

A. Jacqueline Balk-Tusa, 1625 I Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $10,312.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Alaska Housing Finance Corp., Plaza 201 East Third Avenue, Anchorage, Alaska 99510.
E. (9) $1,103.58.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Idaho Housing Agency, 405 South Eighth Street, Suite 395, Boise, Idaho 83701.
E. (9) $45.89.

A. Sheila MacDonald Bamberger, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C.; 1 IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $2,000. E. (9) $62.

A. Richard M. Bank, Suite 300, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Youth Project, 1555 Connecticut Avenue NW., Suite 501, Washington, D.C. 20036.
D. (6) $5,000. E. (9) $170.03.

A. Will G. Barber, 1300 AmericanBank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard., Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. American College of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. American Occupational Medical Association, 1015 18th Street NW., Washington, D.C. 20036.

A. Dennis J. Barbour, 1015 18th Street NW., Washington, D.C. 20036.
B. Association of Teachers of Preventive Medicine, 1015 18th Street NW., Washington, D.C. 20036.

A. Wayne B. Bardsley, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K. Street, Washington, D.C. 20006.

A. Robert O. Barker, National Association of Manufacturers, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $14.

A. Donna R. Barnako, National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
B. NCHCS, 1200 15th Street NW., No. 601, Washington, D.C. 20005.
D. (6) $720. E. (9) $278.18.

A. Roger H. Barnard, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.
B. Meat Importers Council of America, Inc., 1910 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $500.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla. 32814.
D. (6) $2,500.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,387.50.

A. James C. Barr, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $71.05.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
E. (9) $477.28.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $2,500.

A. Thea Rossi Barron, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc. 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Thea Rossi Barron, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, France).
D. (6) $820.

A. Thea Rossi Barron, 450 West Broad Street, Suite 114, Falls Church, Va. 22046.
B. The Italian American Forum, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. David S. Barrows, 1201 Southwest 12th, Suite 300, Portland, Oreg. 97205.
B. Association of Oregon & California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. Richard A. Barton, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th Floor, New York, N.Y. 10017.
D. (6) $1,400. E. (9) $234.16.

A. James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.
B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $65.

A. Robert E. Bates, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp.. 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125. E. (9) $139.98.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,250.

A. Lucius D. Battle, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $300.

A. Lynne D. Battle, The College Placement Council, Inc., 1101 Connecticut Avenue NW., Suite 705 Washington D.C. 20036.
B. The College Placement Council. Inc., P.O. Box 2263, Bethlehem, Pa. 18001.
D. (6) $526. E. (9) $13.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Room 515, Boston, Mass. 02108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Gary L. Bauer, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th Floor, New York, N.Y. 10017.

A. Karen J. Bauer, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. John E. Baughman, 5081 Stacy Drive East, Harrisburg, Pa. 17111.
B. Pennsylvania State Education Association, 400 North Third Street, Harrisburg, Pa. 17105.
D. (6) $625. E. (9) $204.

A. Sadie R. Baulch, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Tina Marts Beach, General Electric Co., 777 14th Street N.W., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $65.

A. Bruce A. Beam, American Electric Power Service Corp., 1629 K Street N.W., Washington, D.C. 20006.
B. American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.
D. (6) $171.25. E. (9) $212.48.

A. John E. Bearer, 1001 Broad Street, Johnstown, Pa. 15907.
B. GPU Service Corp., 260 Cherry Hill Road, Parsippany, N.J., 07054.
D. (6) $1,780.50. E. (9) 1,771.58.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $2,630.06.

A. Christine T. Beatty, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $3,600. E. (9) $89.40.

A. Edwin L. Behrens, Procter & Gamble, 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinatti, Ohio 45202.
D. (6) $45.

A. Max J. Beilke, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $68,668.75. E. (9) $5,473.51.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20908.
B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $3,750. E. (9) $332.18.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

A. C. Thomas Bendorf, 3615 Overcreek Drive, Columbia, S.C. 29206.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,000. E. (9) $100.

A. C. Robert Benedict, 603 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Osteopathic Hospital Association, 930 Busse Highway, Chicago, Ill. 60068.
D. (6) $1,566. E. (9) $3,694.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc. Suite 800, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Kenneth U. Benjamin, Jr., American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $89.23.

A. W. M. Benkert, American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
D. (6) $1,250. E. (9) $69.30.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. Jacques Borel Enterprises, Inc., 555 Madison Avenue, New York, N.Y. 10022.
D. (6) $3,000. E. (9) $5.50.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.
B. National Restaurant Association, Suite 850, 1850 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. James M. Bennett, Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53212.
B. Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53212.
D. (6) $100. E. (9) $180.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., No. 215, Washington, D.C. 20036.
B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $4,000.

A. William C. Bennett, Jr., Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $405.

A. Walter L. Benning, 14901 Ritchie Road, Centreville, Va. 22020.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $1,500. E. (9) $85.

A. David Berick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,800. E. (9) $329.75.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. CNA, CNA Plaza, Chicago, Ill.
D. (6) $1,000.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Loews Corp., 666 Fifth Avenue, New York, N.Y.
D. (6) $4,500.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
D. (6) $1,250.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.
B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $17,000.

A. William R. Berman, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Arthur S. Berner, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Centre National Interprofessionnel De L'Economie Laitiere (French Dairy Association), 8, Rue Danielle Casanova, 75002 Paris, France

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo 925, 5° Piso, Mexico, D.F., Mexico.
D. (6) $18,256.25. E. (9) $1,471.95.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Energy Consumers & Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.
D. (6) $4,207.50. E. (9) $283.23.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Western Radiological Group; Armacost Management Services, Inc., Suite 2, 2044 Armacost Avenue, Los Angeles, Calif 90025.
D. (6) $29,721.98. E. (9) $278.02.

A. Max N. Berry, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports and Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,500.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006; Archer-Daniels-Midland Co., Decatur, Ill. 62525.
D. (6) $600.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,800. E. (9) $89.90.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. New England Power Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $840.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Union Mines, 9 West 57th Street, New York, N.Y. 10019.
D. (6) $500.

A. Thomas E. Biery, Mid-Continent Oil & Gas Association, 1800 K Street NW., Suite 620, Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $5,450. E. (9) $159.82.

A. Gerda Bikales, 6711 Pine Creek Court, McLean, Va. 22101.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $600. E. (9) $25.

A. Billig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.
B. The Adherence Group, 21 West Street, New York, N.Y. 10006.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Alaska Railroad Leaseholders Association, P.O. Box 1972, Anchorage, Alaska 99510.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Aleutian-Pribilof Island Association, Inc., 430 C Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Cook Inlet Region, Inc., 2525 C Street, Anchorage, Alaska 99509.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. MAPCO, 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Sealaska Corp., Board of Directors, 1 Sealaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Skan-Kon, P.O. Box 57, Fort Yukon, Anchorage, Alaska 99740.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20036.

A. C. Thomason Bishop III, National Association of Manufacturers, 704 Lisburn Road, Camp Hill, Pa. 17011.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Neal R. Bjornson, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,300. E. (9) $34.28.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Donna C. Blair, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $250.

A. Richard W. Blake, 1776 K Street NW., Suite 900, Washington, D.C. 20006.
B. American Sugarbeet Growers Association, 1776 K Street NW., Suite 900, Washington, D.C. 20006.
D. (6) $560.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 Jackson Boulevard, Chicago, Ill.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.W. 10004.
D. (6) $1,250.

A. Joseph H. Blatchford, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Government of El Salvador, Office of the President, San Salvador, El Salvador.
D. (6) $3,000. E. (9) $78.91.

A. Joseph H. Blatchford, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
D. (6) $25,000. E. (9) $163.47.

A. David Blatt, 818 18th Street NW., Suite 750, Washington, D.C. 20006.
B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $5,876.46. E. (9) $3,657.96.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $17,860.50. E. (9) $2,173.81.

A. Michael K. Blevins, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $3,468.31.

A. L. Thomas Block, Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $450. E. (9) $100.

A. Mark Bloomfield, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.
D. (6) $218.75.

A. Mark Andrew Bloomfield, 1661 Crescent Place NW., Washington, D.C. 20009.
B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif. 94306.
D. (6) $3,600. E. (9) $16.95.

A. Jack A. Blum, 1015 18th Street NW., Washington, D.C. 20036.
B. Independent Gasoline Marketers Council, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $15,000. E. (9) $675.

A. Jared O. Blum, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $500. E (9) $141.37.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. New York Mercantile Exchange, 4 World Trade Center, New York, N.Y. 10048.
D. (6) $300. E. (9) $10.

A. Wayne F. Boan, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. Boat Owners Association of The United States, 880 South Pickett Street, Alexandria, Va. 22304.
D. (6) $9,374.03. E. (9) $12,124.44.

A. Theodore D. Bogue, 2000 P Street NW., No. 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.
D. (6) $200.

A. Robert Z. Bohan, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Christie K. Bohner, 900 17th Street NW., No. 1016, Washington, D.C. 20006.
B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.
D. (6) $238.

A. Patricia M. Boinski, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $80. E. (9) $9.

A. Robert J. Bolger, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.
B. National Association of Chain Drug Stores, Inc. (NACDS), 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.
D. (6) $1,650.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. RCA Global Communications, Inc., 60 Broad Street, New York, N.Y.

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500.

A. Edward N. Bond, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle Wash. 98124.
D. (6) $600. E. (9) $124.14.

A. L. H. Bonin, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $2,400. E. (9) $4,058.22.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $475.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Edward T. Borda, 1625 I Street NW., Room 1023, Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $10.

A. Thomas C. Borsellieri, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $273.23.

A. G. Stewart Boswell, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.
D. (6) $3,333.33. E. (9) $140.56.

A. Charles G. Botsford, The Botsford Co., 1730 M Street NW., No. 609, Washington, D.C. 20036.
B. Colt Industries, et al.
D. (6) $1,500.

A. A. D. Bourland, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,000. E. (9) $3,797.86.

A. Frank J. Bowden, Jr., Associated Petroleum Industries of Pennsylvania, P.O. Box 925, Harrisburg, Pa. 17108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $468. E. (9) $111.70.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714 Atlas Building, Charleston, W. Va. 25301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $682. E. (9) $578.29.

A. Edward L. Bowley, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street, NW., Washington, D.C. 20005.
D. (6) $10,886.46. E. (9) $2,499.02.

A. Randal Bowman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $562.50. E. (9) $29.96.

A. Joan Costain Bowyer, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $150.

A. John G. Boyd, IBM, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines, Old Orchard Road, Armonk, NY. 10504.
D. (6) $255.75. E. (9) $9.95.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006
B. Food Marketing Institute, 1750 K Street, Washington, D.C. 20006.
D. (6) $2,000.

A. Frank W. Bradley, Chevron, U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron, U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Gene M. Bradley, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $308. E. (9) $75.30.

A. Wayne W. Bradley, American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $500. E. (9) $7.60.

A. Charles N. Brady, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va., 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $996.15. E. (9) $215.95.

A. Raymond P. Bragg, Jr., American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
D. (6) $100.

A. T. Edward Braswell, Jr., Corcoran, Youngman & Rowe, 1511 15th Street NW., Washington, D.C. 20005.
B. Newport News Shipbuilding & Drydock Co., North Washington Street, Newport News, Va.
D. (6) $3,750. E. (9) $116.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.Y. 10004.
D. (6) $3,000.

A. Breed, Abbott & Morgan, 1875 I Street NW., Washington, D.C. 20006.
B. Lasker, Stone & Stern, 20 Broad Street, New York, N.Y.
D. (6) $70. E. (9) $15.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20036.
D. (6) $800.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Car Rental Association (ACRA), 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $500.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Trans World Airlines, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Truck Renting & Leasing Association (TRALA), 1750 Pennsylvania Avenue NW., 1303, Washington, D.C.
D. (6) $500.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $700.

A. Edward J. Brenner, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va., 22202.
B. Association for the Advancement of Invention & Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Carolyn Brickey, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $692.31.

A. Bill Brier, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500. E. (9) $46.98.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif., 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif., 90017.
D. (6) $1,187. E. (9) $10.80.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,406.25. E. (9) $463.33.

A. George L. Bristol, 1106 West Avenue, Austin, Tex. 78701.
B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.
D. (6) $4,500. E. (9) $1,917.44.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 823 UN Plaza, New York, N.Y. 10017.
D. (6) $1,025.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $4,500.

A. Henry W. Brook, Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Dale E. Brooks, Chevron, U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron, U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Phillip W. Brooks, Volunteer State Oil Committee, 18th Floor, Third National Bank Building, Nashville, Tenn. 37219.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $680. E. (9) $644.57.

A. Daniel T. Bross, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
D. (6) $525. E. (9) $212.52.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $25,563.30. E. (9) $25,563.30.

A. Donald G. Brotzman, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $8,000.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $180.

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.
B. Cities Service Co., Box 100, Miami, Ariz. 85539.

A. David S. J. Brown, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $450. E. (9) $525.88.

A. Donald K. Brown, 1127 11th Street, Suite 618, Sacramento, Calif. 95841.
B. Summa Corp., P.O. Box 14000, Las Vegas, Nev.

A. J. D. Brown, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $250.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.
B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $350.

A. Vincent D. Brown, c/o Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $327.50. E. (9) $134.58.

A. Richard L. Brubacher, c/o Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Fred J. Bruner, Indiana & Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
B. Indiana & Micnigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.
D. (6) $1,065.60. E. (9) $1,348.48.

A. Kathryne M. Bruner, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $650. E. (9) $25.

A. Michael E. Brunner, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $3,000. E. (9) $292.80.

A. Joseph A. Bruno, 5110 41st Street NW., Washington, D.C. 20016.
B. FMC Corp., 1627 K Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $2,000. E. (9) $212.50.

A. Micheal W. Buckner, 900 15th Street NW, Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18. E. (9) $241.34.

A. Robert D. Buehler, B.F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. Douglas W. Bulcao, American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $88.96.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $4,000.

A. David A. Bunn, Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $600.

A. Norman D. Burch, College of American Pathologists, 1333 New Hampshire Avenue NW., Suite 520, Washington, D.C. 20036.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60077.
D. (6) $5,220. E. (9) $40.

A. David G. Burden, 200 East Randolph Drive, M.C. 3704, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. William J. Burhop, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Charles W. Burke, 2839 Peabody Road, Montgomery, Ala. 36116.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $300. E. (9) $292.17.

A. Duane V. Burke, P.O. Box 1724, Rockville, Md. 20850.
B. National Association of State Lotteries, 1290 Silas Deane Highway, Wethersfield, Conn. 06109.
D. (6) $1,800.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $297.50.

A. Phillip C. Burnett, 1918 North Parkway, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $852.92. E. (9) $78.50.

A. Charles S. Burns, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200.

A. Gerrie Bjornson Burns, B.F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $100.

A. Burns Public Relations Services, Inc., 666 Euclid Avenue, Suite 516, Cleveland, Ohio 44114.
B. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.
D. (6) $275. E. (9) $135.

A. Timothy F. Burns, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.
B. Newport News Shipbuilding & Drydock Co., 4101 Washington Avenue, Newport News, Va. 23607.
E. (9) $100,797.71.

A. Theresa Ann Burt, 1010 Vermont Avenue NW., Washington, D.C. 20005.
B. Opera America, 1010 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $637.50. E. (9) $1,203.62.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street, NW., Washington, D.C., 20036.
D. (6) $6,000. E. (9) $41.95.

A. John M. Burzio, Hydeman, Mason & Goodell, 1220 19th Street, NW., Washington, D.C. 20036.
B. Magazine Publishers Association, Inc., Magazine Center, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,759.50 E. (9) $293.78.

A. Busby, Behm & Leonard, 1629 K Street, NW., Suite 1100, Washington, D.C. 20036.
B. Automobile Importers of America, Inc., 1735 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.
E. (9) $25.

A. Nicholas J. Bush, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $346.48.

A. Gary Bushell, Branscomb & Miller, 1700 Bank & Trust Tower, B&T Box 197, Corpus Christi, Tex. 78477.
B. Atlantic Richfield Co., 1601 Bryan Street, Dallas, Tex. 75221.
D. (6) $12,501. E. (9) $3,223.08.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $985. E. (9) $1,246.64.

A. Business Products Council Association, 330 Brush Street, Oakland, Calif. 94607.
D. (6) $1,200. E. (9) $857.45.

A. James J. Butera, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York N.Y. 10017.
D. (6) $2,500. E. (9) $140.51.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., No. 350, Washington, D.C. 20006.
B. City of Philadelphia, 1660 Municipal Services Building, Philadelphia, Pa. 19107.
D. (6) $12,353.35. E. (9) $30,610.17.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Kenneth W. Butler, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $622.50.

A. John R. Buts, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the United States of America, P.O. Box 33610, San Antonio, Tex. 78233.
D. (6) $1,596.40. E. (9) $125.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for American Family Mutual Insurance Co).

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Cabot Corp.).

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D. C. 20006 (for Insurance Association of Connecticut).

A. John W. Brynes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp., 1 North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Morrison G. Cain, 1625 I Street NW., Room 1023, Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.
D. (6) $6,250.

A. Alan Caldwell, Del Monte Corp., 1825 K Street NW., Washington, D.C. 20006.
B. Del Monte Corp., 1 Market Plaza, San Francisco, Calif. 94119.
D. (6) $1,000. E. (9) $50.

A. California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $2,000.

A. California Olive Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Raisin Advisory Board, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $1,500.

A. California Westside Farmers, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $1,000.

A. F. Patricia Callahan, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $980. E. (9) $200.31.

A. Peter E. Callahan, Honeywell, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Honeywell, Inc., Honeywell Plaza, Minneapolis, Minn. 55408.
D. (6) $700. E. (9) $410.

A. James R. Calloway, Suite 500, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1206, Arlington, Va. 22209.
D. (6) $500. E. (9) $150.

A. Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $36,219. E. (9) $21,297.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. LFE Corp., et al.
D. (6) $4,375.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Prismo Universal, et al.
D. (6) $5,499.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. ACLI International, Inc., New York, N.Y.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Suite 1500, Los Angeles, Calif.

A. C. Russell Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Telephone and Electronics Corp., One Stamford Forum, Stamford, Conn. 06904.
D. (6) $500.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $317.69.

A. Sharyn Campbell, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Thomas D. Campbell, 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.
D. (6) $1,500. E. (9) $99.55.

A. Alyce D. Canaday, Pacific Power & Light Co., 918 16th Street NW., Washington, D.C. 20006.

B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $400. E. (9) $439.15.

A. David A. Caney, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $6,250. E. (9) $1,854.06.

A. David L. Cantor, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $162.50. E. (9) $19.14.

A. Marvin H. Caplan, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,492.50. E. (9) $126.65.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. American Family Life Assurance Co. of Georgia, P.O. Box 1459, Columbus, Ga. 31902.
D. (6) $7,066.50. E. (9) $61.14.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Council on Foundations, Inc., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,400.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue, NW., No. 800, Washington, D.C. 20036.
B. Council of European and Japanese National Shipowners' Association, 17/18 Bury Street, London, EC3A 5AH England.
E. (9) $310.84.

A. Norval E. Carey, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $1,800. E. (9) $26.20.

A. Warren H. Carey, Phillips Petroleum Co., 1625 K Street N.W., Suite 1107, Washington, D.C.
B. Phillips Petroleum Co., Bartlesville, Okla.

A. Charles R. Carlisle, 250 Park Avenue, New York, N.Y. 10017.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $9,360. E. (9) $126.40.

A. Peter Carlson, 317 Pennsylvania Avenue SE., Washington, D.C., 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,875.

A. Chapin Carpenter, Jr., Magazine Publishers Association, 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,500.

A. Jack M. Carpenter, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $71.66. E. (9) $47.17.

A. L. C. Carpenter, Midcontinent Farmers Association, 201 South Seventh Street, Columbia, Mo. 65201.
B. Midcontinent Farmers Association, 201 South Seventh Street, Columbia, Mo. 65201.
D. (6) $5,299.32. E. (9) $1,506.70.

A. John R. Carson, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $8,000.

A. Charles S. Carter, Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $192.86. E. (9) $20.25.

A. Harlon B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,625.

A. Joseph L. Carter, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $236. E. (9) $133.73.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $425.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. American Falls Reservoir District, 1132 Locust Street, Twin Falls, Idaho 83301.
D. (6) $2,700. E. (9) $338.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Amfac Nurseries, Inc., 1710 Gilbreth Road, Suite 220, Burlingame, Calif.
D. (6) $600. E. (9) $74.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. City of Virginia Beach, Municipal Center, Virginia Beach, Va. 23456.
D. (6) $700. E. (9) $93.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Committee on Power for the Southwest, Inc., 5541 East Skelly Drive, Tulsa, Okla.
D. (6) $2,700. E. (9) $338.

A. John S. Casey, P.O. Box 266, Heflin, Ala. 36264.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. Kathleen Casey, Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.
B. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.
D. (6) $4,040.58. E. (9) $205.54.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Kansas Delaware Tribe Indians, Inc., 1909 Aladdin, Norman, Okla. 73609.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Suite 802, Washington, D.C. 20006.
B. Slurry Transport Association, 490 L'Enfant Plaza East, Suite 320, Washington, D.C. 20024.

A. James B. Cash, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Allen R. Caskie, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $40.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
B. United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $7,630.76. E. (9) $107.50.

A. Daniel J. Cassidy, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $64.10. E. (9) $15.

A. John J. Castellani, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $665. E. (9) $55.75.

A. Rita L. Castle, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $300. E. (9) $641.

A. Joseph E. Cavanagh, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $2,375.

A. Frank R. Cawley, Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.
B. Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.
D. (6) $350. E. (9) $183.30.

A. Dorothy D. Ceceiski, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,312.50.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va.
D. (6) $1,000.

A. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Central Station Electrical Protection Association, 1000 Vermont Avenue NW., Washington, D.C. 20005.
E. (9) $2,010.81.

A. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
E. (9) $1,000.

A. Owen R. Chaffee, 203 Yoakum Parkway, No. 1012, Alexandria, Va. 22304.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va., 22202.
D. (6) $1,500. E. (9) $120.

A. John A. Chambers, 1050 17th Street NW., Suite 680, Washington, D.C. 20036.
B. Satra Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $3,200. E. (9) $900.

A. Ed Chandler, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $468.75. E. (9) $500.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1101 17th Street NW., Washington, D.C. 20036.
B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.
E. (9) $53.96.

A. William C. Chapman, General Motors Corp., 1660 L Street NW., Washington, D.C.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $6,123.64.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002).
D. (6) $896.63. E. (9) $40.42.

A. David F. Chavkin, National Health Law Program, 1424 16th Street NW., Suite 304, Washington, D.C. 20036.
B. National Health Law Program, 2401 Main Street, Santa Monica, Calif. 90405.
D. (6) $1,403.70. E. (9) $772.16.

A. Leslie Cheek, III, Crum & Forster Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.
B. Crum & Forster Corp., Madison Avenue at Canfield Road, P.O. Box 2387, Morristown, N.J. 07960.
D. (6) $12,500. E. (9) $1,342.25.

A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $126. E. (9) $227.79.

A. Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $151.55. E. (9) $151.65.

A. Children's Rights, Inc., 3443 17th Street NW., Washington, D.C. 20010.
D. (6) $72.20. E. (9) $192.26.

A. Phillip R. Chisholm, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
B. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $6,125. E. (9) $283.29.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Chugach, Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
E. (9) $51.45.

A. Donald T. Chunn, Route 2, Box 59, Columbia, Tenn. 38401.
B. Title Associates, Inc., Route 2, Box 59, Columbia, Tenn. 38401.

A. Julia Churchman, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
D. (6) $1,872.90. E. (9) $1.34.

A. James W. Ciarroccki, Natural Gas Supply Association, 1025 Connectitcut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $937.50. E. (9) $114.07.

A. Citizen Inflation Fighters, Inc., P.O. Box 617, Naples, Fla. 33939.
D. (6) $3,841. E. (9) $1,527.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE., Suite 151, Bellevue, Wash., 98004.
D. (6) $287,315.82. E. (9) $24,940.91.

A. Citizens for Government Fairness, P.O. Box 1336, Brawley, Calif. 92227.
D. (6) $1,560. E. (9) $26,255.87.

A. Citizens for Tax Reform, Inc., 1801 K Street NW., Suite 901, Washington, D.C. 20006.
E. (9) $1,310.55.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cladouhos & Brashares, 1750 New York Avenue, Washington, D.C. 20006.
B. International Processors, 4100 One Shell Square, New Orleans, La. 70139.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif. 90504.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,039. E. (9) $65.13.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $114. E. (9) $509.81.

A. Kimball Clark, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L. Street NW., Washington, D.C. 20036.
D. (6) $483.96. E. (9) $368.26.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C., 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,750.01.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $253.13.

A. Vernon A. Clark, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $750. E. (9) $242.

A. Donald M. Clarke, International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.
B. International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $1,250. E. (9) $475.39.

A. Wade P. Clarke, Jr., Deere and Co., John Deere Road, Moline, Ill. 61265.
B. Deere and Co., John Deere Road, Moline, Ill. 61265.
D. (6) $100. E. (9) $152.50.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,375.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sporting Arms and Ammunition Manufacturers Institute, 420 Lexington Avenue, New York, N.Y. 10017.
E. (9) $3.45.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10583.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Time-Critical Shipment Committee.
D. (6) $520. E. (9) $18.90.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $325.

A. Frank Clements, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW, Washington, D.C. 20005.
D. (6) $1,697.93. E. (9) $1,361.63.

A. Ronald D. Clements, 1140 Connecticut Avenue NW., Suite 1010 Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $400. E. (9) $196.92.

A. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.
E. (9) $1,659.96.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Australian Meat and Livestock Corp., One World Trade Center, New York, N.Y. 10048.
D. (6) $300. E. (9) $71.34.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $900. E. (9) $270.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. New York Cocoa Exchange, Inc., and New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y.; New York Coffee and Sugar Exchange, Inc., Four World Trade Center, New York, N.Y.
D. (6) $2,920. E. (9) $730.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Warner-Lambert Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. Walter Clinton, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005).
D. (6) $3,200.

A. CNA, CNA Plaza, Chicago, Ill. 60685.
E. (9) $1,000.

A. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $4,557.50. E. (9) $501.78.

A. Thomas B. Coates, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Richard B. Cobb, Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 2102 L Street NW., Washington, D.C. 20037.
D. (6) $1,100. E. (9) $867.95.

A. Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.
E. (9) $86.64.

A. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
E. (9) $1,920.59.

A. John J. Coffey, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. 1700 K Street NW., Washington, D.C. 20006 (subsidiary of Standard Oil Co. of California).
D. (6) $650.

A. Jeffrey Cohelan, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $4,914.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $11,750. E. (9) $53.53.

A. Thomas Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,291.65.

A. Cohen and Urets, 1775 K Street NW., 4th Floor, Washington, D.C. 20006.
B. Estate of Sylvia S. Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.
D. (6) $11,492. E. (9) $97.65.

A. Cohen and Urets, 1775 K Street NW., 4th Floor, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33138.
D. (6) $3,610.60. E. (9) $41.34.

A. Herbert B. Cohn, Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.
B. Committee on Capital Formation Through Dividend Reinvestment.
D. (6) $80.

A. John Colbrunn, 27 Briarwood Place, Colorado Springs, Colo. 80906.
B. United States Cruises, Inc., 2200 Sixth Avenue, 1125 Denny Building, Seattle, Wash. 98121.
D. (6) $1,500.

A. Cole, Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. International Six, Ltd., c/o William Gulley, 78 Welch Court, Alexandria, Va. 22310.

A. E. William Cole, Jr., Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $600. E. (9) $40.

A. Eleanor Cole, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
D. (6) $1,000.

A. Ken W. Cole, Security Life Building, Denver, Colo. 80202.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $416.45. E. (9) $954.72.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $7,621. E. (9) $153.10.

A. Robert E. Cole, 1660 L Street NW., Washington, D.C.
B. General Motors Corp.
D. (6) $2,500. E. (9) $1,762.47.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Crown Central Petroleum Corp., One North Charles Street, Baltimore, Md. 21203.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. Cardio Pulmonary Contractors Association, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $30,000.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. National Association of Truck Stop Operators, P.O. Box 1285, Alexandria, Va. 22313.
D. (6) $4,800.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. National Pharmaceutical Alliance, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $7,500.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $165.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $192.50.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Allegheny Ludlum Corp.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Cylinder Manufacturers Committee, 1055 Thomas Jefferson Sreet NW., Washington, D.C. 20007.
D. (6) $40.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Can Manufacturers Institute.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Ferrous Scrap Consumers Coalition.
D. (6) $2,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Republic of China.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Tool and Stainless Steel Industry Committee (TSSIC).

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. United States Fasteners Manufacturers Group.

A. Bruce Collins, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,562. E. (9) $28.08.

A. George R. Collins, IUE–AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
B. IUE–AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $600. E. (9) $300.

A. Dale S. Collinson, Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
E. (9) $357.77.

A. Robert B. Collyer, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
D. (6) $1,000.

A. Committee For Equality of Citizens Before the Courts, 3401 West Division Street, Chicago, Ill. 60651.
E. (9) $255.22.

A. Committee For the Canal, 1128 25th Street NW., No. 3, Washington, D.C. 20037.
D. (6) $11,500. E. (9) $11,494.90.

A. Committee of Urban Program Universities, 1300 19th Street NW., No 220, Washington, D.C. 20036.

D. (6) $5,250. E. (9) $8,526.33.

A. Committee on Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.
E. (9) $135.

A. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Committee to Bar Discrimination In Construction, 9416 Seddon Road, Bethesda, Md. 20034.
D. (6) $9,000. E. (9) $5,931.12.

A. Committee to Save Indian Housing, 910 16th Street, No. 1020, Denver, Colo. 80202.
D. (6) $3,480. E. (9) $2,735.28.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,083,088. E. (9) $357,145.66.

A. Lance Compa, 917 15th Street NW., Washington, D.C. 20005.
B. United Electrical, Radio, and Machine Workers of America, 11 East 51st Street, New York, N.Y. 10022.
D. (6) $3,960.32. E. (9) 97.50.

A. Computer and Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.
D. (6) $6,482.30. E. (9) $11,560.27.

A. Stephen R. Conafay, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $450. E. (9) $1,213.63.

A. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $1,674.20.

A. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $27,473.14. E. (9) $27,473.14.

A. Congressional District Action Committee (Delaware), 700 Euclid Avenue, Wilmington, Del. 19809.
D. (6) $525. E. (9) $90.

A. Congressional District Action Committee (Maryland), 23 Cliffview Drive, North East, Md. 21901.
D. (6) $5. E. (9) $10.

A. Raymond F. Conkling, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $300.

A. Robert J. Conner, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $500. E. (9) $991.52.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md. 21601.
B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, c/o Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.
D. (6) $10,000. E. (9) $664.33.

A. Albert J. Conners, Air Force Sergeants Association, Inc., 1608 Pittsfield Lane, Bowie, Md. 20715.
B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Suite 713, Marlow Heights, Md. 20031.

A. John J. Connolly, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $850.

A. Jerry C. Connors, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
E. (9) $20,441.

A. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo 925, 5º Piso, Mexico 12, D.F., Mexico.
E. (9) $18,846.18.

A. Contract Carrier Conference of American Trucking Associations, Inc., 1730 Rhode Island Avenue NW., Suite 801, Washington, D.C. 20036.
D. (6) $200.

A. John T. Conway, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $6,562.50. E. (9) $380.28.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage, Alaska 99501.

A. Cook & Henderson, 1735 K Street, NW., Suite 200, Washington, D.C. 20006.
B. American Motorcyclist Association, P.O. Box 141, Westerville, Ohio 43081.
D. (6) $315.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Consolidated Natural Gas Co., 4 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,690.45.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. DHL Corp., 411 East Capitol Street, Washington, D.C. 20001.
D. (6) $7,160.07. E. (9) $252.50.

A. Cook & Henderson, 1735 K Street NW., Washington, D.C. 20006.
B. Bank of Louisville, 500 West Broadway, Louisville, Ky. 40202.
D. (6) $8,572.21.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. B.A.T. Industries, Ltd., P.O. Box 345, Windsor House, 50 Victoria Street, London SW1H OWL England.
D. (6) $10,000.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Brown & Williamson Industries, Inc., 2000 Citizens Plaza, Louisville, Ky. 40232.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.
B. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.
D. (6) $4,675. E. (9) $435.36.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Harley-Davidson Motor Co., Inc., P.O. Box 652, Milwaukee, Wis. 53201.
D. (6) $737.50. E. (9) $392.01.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.
D. (6) $654.16.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. St. George Tanaq Corp., c/o Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage, Alaska 99501.
D. (6) $156.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $800.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.
D. (6) $2,500. E. (9) $74.04.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $9,356.95.

A. Alexandra W. Cook, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $149.50. E. (9) $133.50.

A. Charles F. Cook, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $451. E. (9) $56.83.

A. Frederick N. Cook, c/o Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450.

A. Harry N. Cook, 1130 17th Street, NW., Washington, D.C. 20036.
B. The National Waterways Conference, Inc.

A. J. Crawford Cook, P.O. Box 50485, Columbia, S.C. 29250.
B. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250; Cook, Ruef, Spann & Weiser, Inc., (For the Kingdom of Saudi Arabia), 1735 St., Julian Place, Columbia, S.C. 29204.
E. (9) $9,979.06.

A. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250.
B. The Kingdom of Saudi Arabia.
D. (6) $2,918.14. E. (9) $88,119.33.

A. K. Richard Cook, 777 14th Street NW., Suite 700, Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $550.

A. Charles E. Cooke, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91700.

A. Eileen D. Cooke, American Library Association, 110 Maryland Avenue NE., Suite 101, Box 54, Washington, D.C. 20002.

B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $924.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123 Portsmouth, N.H. 03801.
D. (6) $1,400. E. (9) $594.46.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pensylvania Avenue NW., Washington, D.C.
D. (6) $10,500. E. (9) $46.87.

A. Cooperative League of the United States of America, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $5,900. E. (9) $875.

A. Darrell Coover, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $193.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Richard L. Corrigan, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $875.

A. William R. Corson, 1707 H Street NW., Washington, D.C. 20006.
B. Penthouse International, Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $8,750. E. (9) $5,930.

A. R. H. "Dick" Cory, 1510 American Bank Tower, Austin, Tex. 78701.
B. Central & South West Services, Inc., 1 Main Place, Suite 2700, Dallas, Tex. 75250.

A. John E. Cosgrove, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,118.68.

A. David Cossan, 2626 Pennsylvania Avenue NW., Washington, DC. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $950.

A. James R. Costello, Jr., American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $500. E. (9) $16.06.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $499.30.

A. Council For A Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
E. (9) $10,187.67.

A. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003.
D. (6) $1,669.60. E. (9) $2,751.80.

A. Council to Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $150.

A. James H. Cousins, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $800. E. (9) $65.

A. Douglas Couttee, United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $1,129.07. E. (9) $13.50.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Association of Oral & Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $23,000. E. (9) $42.30.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Watch Association, 10 East 40th Street, New York, N.Y. 10016.
D. (6) $3,000.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Association of Maximum Service Telecasters, Inc. (MST), 1735 DeSales Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Delmarva Poultry Industry, Inc., No. 2, Box 47, Georgetown, Del. 19947.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, Fla. 33394.
D. (6) $8,011.25.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10007, for Hugo Neu, 380 Madison Avenue, New York, N.Y. 10017.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Interbank Card Association, 888 Seventh Avenue, New York, N.Y. 10019.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $7,500.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Lydall, Inc., 615 Parker Street, Manchester, Conn. 06040.
E. (9) $2.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
E. (9) $5.15.

A. Eugene S. Cowen, 2759 Unicorn Lane NW., Washington, D.C. 20015.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $102.

A. Carol A. Cowgill, American Academy of Family Physicians, 475 L'Enfant Plaza West SW., Suite 2970, Washington, D.C. 20024.
B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $792.42. E. (9) $103.24.

A. C. Bryan Cox, P.O. Box 139, Kansas City, Mo. 64141.
B. Kansas City Life Insurance Co., P.O. Box 139, Kansas City, Mo. 64141.
D. (6) $144.50. E. (9) $579.46.

A. David H. Cox, 1828 L Street NW., Washington, D.C. 20036.
B. Jackson, Campbell & Parkinson, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $500.

A. Eric Cox, 1011 Arlington Boulevard, Suite W–219, Arlington, Va. 22209.
B. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $875.01.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $7,261. E. (9) $22.40.

A. William J. Cox, 1707 L Street NW., No. 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $8,495. E. (9) $788.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States & Canada, 4949 Main Street, Kansas City, Mo. 64112.
D. (6) $1,470.

A. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $900. E. (9) $540.67.

A. Aldene E. Creech (Dee), National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $4,250. E. (9) $63.45.

A. William P. Crewe, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Joseph M. Cribben, 6900 Valley Brook Drive, Falls Church, Va. 22042.
B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $1,750. E. (9) $36.95.

A. Richard E. Cristol, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. The Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346. (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $840.

A. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.
D. (6) $551.05. E. (9) $551.05.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,325.01. E. (9) $1,526.07.

A. Robert W. Cromartie, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. Donald A. Crosier, c/o Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David T. Crow, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $976.18.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $10.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
E. (9) $10.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $85.

A. Michael B. Crowson, 8405 Candelaria Drive, Austin, Tex. 78737.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $2,122. E. (9) $1,202.20.

A. Cuba Claims Association, Executive Committee, P.O. Box 014004, Miami, Fla. 33101.
E. (9) $14.

A. Barry M. Cullen, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $155.

A. Frank Cummings, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Institute of Electrical & Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10022.

A. Frank Cummings, New York State Beauty Schools Association, Inc., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. New York State Beauty Schools Association, Inc., 404 Fifth Avenue, New York, N.Y. 10018.

A. John T. Curran, Laborer's International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $11,709.09. E. (9) $380.75.

A. Curtis, Mallet-Prevost, Colt & Mosle, 100 Wall Street, New York, N.Y. 10005.
B. United States Trust Company of New York, 45 Wall Street, New York, N.Y. 10005.
D. (6) $38. E. (9) $311.62.

A. William K. Dabaghi, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,375.

A. William Kay Daines, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $450. E. (9) $42.26.

A. Donald W. Dalrymple, American Cyanamid Co., 1625 I Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470 (for Lederle Laboratories, Pearl River, N.Y. 10965).
D. (6) $1,150. E. (9) $225.10.

A. Fred H. Daly, 2550 M Street NW., Washington, D.C. 20037.

A. John M. Damgard, ACLI International, Inc., 888 17th Street NW., No. 902, Washington, D.C. 20006.
B. ACLI International, Inc., 717 Westchester Avenue, White Plains, N.Y. 10604.
D. (6) $1,000.

A. John E. Daniel, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., No. 340, Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $22,131.25. E. (9) $2,859.54.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Japan Lumber Importers Association, Tokyo, Japan.

A. Joan E. Dannenbaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) 125.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Standards Association, Inc., 4827 Rugby Avenue NW., Washington, D.C. 20014.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pepco, 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Stephen I. Danzansky, Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue, NW., Washington, D.C. 20036.
B. PEPCO, 1900 Pennsylvania Avenue, NW., Washington, D.C. 20006.

A. William H. Darden, Reynolds Metals Co., 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $750. E. (9) $30.

A. Thomas Roger Dart, c/o Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala., 33101.
B. American Petroleum Institute, 2101 L Street, NW., Washington, D.C. 20037.
D. (6) $172.50.

A. Joseph Dauksys, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue, NW., Washington, D.C. 20006.

A. John B. Davenport, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $142.29.

A. Larry C. Davenport, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. The Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $2,040.

A. Daniel I. Davidson, Spiegel & McDiarmid., 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif., 95051, and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, California, and associate member, Plumas-Sierra Rural Electric Cooperative.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill 60603.
B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill., 60603.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,550.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $938.45. E. (9) $552.59.

A. Drew M. Davis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street, NW., Washington, D.C. 20036.
D. (6) $76.44. E. (9) $13.

A. Edward M. Davis, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $3,248.11. E. (9) $35.34.

A. Kenneth E. Davis, Rohm & Haas Co., 1899 L Street NW., No. 807, Washington, D.C. 20036.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $327.71.

A. Ovid R. Davis, The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $210. E. (9) $365.45.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States of America, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $430. E. (9) $10.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,300. E. (9) $950.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. American Horse Council, 1700 K Street NW, Suite 300, Washington, D.C. 20006.
D. (6) $1,750. E. (9) $192.86.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Washington, D.C. 20003.
B. Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $5,750. E. (9) $162.68.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. Florida Sugar Cane League, P.O. Box 1148, Clewiston, Fla. 33440.
D. (6) $1,500.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80201.
D. (6) $1,800. E. (9) $126.51.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.

B. National Corp. of Housing Partnerships, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $91.38. E. (9) $29.43.

A. Thomas A. Davis, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. National Life & Accident Insurance Co., National Life Center, Nashville, Tenn. 32750.
D. (6) $400.50. E. (9) $104.64.

A. Walter L. Davis, United Food & Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. William Lee Davis, 299 Park Avenue, New York, N.Y. 10017.
B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.
D. (6) $1,090. E. (9) $1,240.84.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Dealer Bank Association, 1800 K Street NW., Suite 1014, Washington, D.C. 20006.
D. (6) $13,244. E. (9) $13,244.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.
B. Specialty Equipment Market Association, 11001 East Valley Mall, El Monte, Calif. 91731.
D. (6) $100. E. (9) $20.

A. Deaver & Hannaford, Inc., 2030 M Street NW., Suite 403, Washington, D.C. 20036.
B. National Venture Capital Association, 2030 M Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $7,000. E. (9) $811.28.

A. Robert L. Debo, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $448. E. (9) $420.06.

A. Tony T. Dechant, National Farmers Union, Denver, Colo. 80251.
B. The Farmers' Educational & Co-Operative Union of America, Denver Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $7,500.

A. Mark O. Decker, Manufacturing Chemists Association, 4826 South 28th Street, Arlington, Va. 22206.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $66.75.

A. Winston M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.
D. (6) $600.

A. Catharine B. Deely, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,724.20. E. (9) $26.95.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.
D. (6) $900. E. (9) $472.27.

A. deKieffer & Associates, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Republic of South Africa.

A. Myra J. DeLapp, Security Pacific National Bank, 1901 L Street NW., No. 702, Washington, D.C. 20036.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.
D. (6) $714. E. (9) $110.50.

A. Garry J. DeLoss, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Ray Denison, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,452. E. (9) $381.68.

A. John H. Denman, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $429.

A. Wells Denyes, Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $330. E. (9) $32.

A. Department for Professional Employees, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,727.65. E. (9) $3,727.65.

A. Derrel, B. DePasse, Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.
B. Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.
D. (6) $5,600.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Flavor & Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Merrill Lynch, Pierce, Fenner & Smith, Inc., 1 Liberty Place, New York, N.Y. 10006.
D. (6) $1,000.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D. C. 20006.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $350.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Can Co., American Lane, Greenwich, Conn. 06830.

A. Dewey, Ballantine, Bushby, Palmer &

Wood, 140 Broadway, New York, N.Y. 10005.
B. Needham, Harper & Steers, Inc., 909 Third Avenue, New York, N.Y. 10022.
D. (6) $177.40.

A. Ralph B. Dewey, Pacific Gas & Electric Co., 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $721.88. E. (9) $731.94.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.
D. (6) $159.50. E. (9) $27,045.90.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $681.25. E. (9) $2,806.81.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Government of Morocco, Rabat, Morocco.
D. (6) $4,305. E. (9) $1,830.79.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Krauss-Maffei AG, Krauss-Maffei-Strasse 2, 8000 Munich, Federal Republic of Germany.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Thomson-CSF, 178 Boulevard Gabriel Peri, 92240 Malakoff, France.
D. (6) $1,763.75. E. (9) $827.81.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,875.

A. John M. Dickerman, John Dickerman & Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber & Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $6,500.01. E. (9) $477.67.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.
D. (6) $145.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Custom Automotive Sound Association, Inc., Suite 1000, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y.
D. (6) $2,740.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 695 West End Avenue, New York, N.Y. 10025.
D. (6) $500.

A. John R. Dierker, McDonnell Douglas Corp., 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $300. E. (9) $41.10.

A. Paula A. Dilley, Marathon Oil Co., 1600 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Timothy V. A. Dillon, Suite 380, 1850 K Street NW., Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $767.38. E. (9) $77.95.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $1,800.

A. Harley M. Dirks, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $75.53.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $39,417.30. E. (9) $39,417.30.

A. J. L. Disque, 556 Morris Avenue, Summit, N.J. 07901.
B. CIBA-GEIGY Corp., 556 Morris Avenue, Summit, N.J. 07901.
D. (6) $1,200. E. (9) $1,769.12.

A. H. A. Doersam, Household Finance Corp., 517 Powell Drive, Annapolis, Md. 21401.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $1,435. E. (9) $1,005.31.

A. James F. Doherty, Group Health Association of America, Inc, 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $675.

A. John D. Doherty, Jr., The Chase Manhattan Bank, N.A., 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, N.A., 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $191. E. (9) $39.45.

A. Robert C. Dolan, Edison Electric Institute, 1140 Connecticut Avenue NW, Washington, D.C. 20036.
B. Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

A. Cushing N. Dolbeare, 215 Eighth Street NE., Washington, D.C. 20002.
B. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.
D. (6) $3,757.88. E. (9) $1,533.91.

A. Hollis M. Dole, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $950.

A. David P. Dolgen, Seafarers International Union, AGLIW District, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $3,800. E. (9) $274.23.

A. Julie Domenick, Municipal Labor Committee, 818 18th Street NW., Suite 750, Washington, D.C. 20006.
B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $9,125.09. E. (9) $1,052.14.

A. Frank Domurad, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $600.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio) Guildhall Building, Cleveland, Ohio 44115.

A. Jack C. Donovan, P.O. Box 5000, Room 612, Cleveland, Ohio 44101.
B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.
D. (6) $600. E. (9) $1,059.96.

A. William J. Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
D. (6) $300. E. (9) $22.25.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024.
B. American Road & Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. (6) $3,000. E. (9) $145.

A. Joseph W. Dorn, Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW, Washington, D.C. 20006.
B. Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006. (for Association of America (FRAA)).
E. (9) $50.

A. James A. Dorsch, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Rice, Inc., Houston, Tex.
D. (6) $3,000. E. (9) $1,217.79.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. L. T. Barringer & Co., Memphis, Tenn.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW, Washington, D.C. 20006.
B. The Board of Trade of Kansas City, Mo., Inc., Kansas City, Mo.
D. (6) $3,000. E. (9) $667.41.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW, Washington, D.C 20006.
B. Campbell Taggart, Inc., Dallas, Tex.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW, Washington, D.C. 20006.
B. Clayton Brokerage Co. of St. Louis, Inc., Clayton, Mo.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW, Washington, D.C. 20006.
B. CSR, Ltd., Sydney, Australia.
D. (6) $1,250. E (9) $397.79.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW, Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., Washington, D.C.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW, Washington, D.C. 20006.

B. Iowa Beef Processors, Inc., Dakota City, Nebr. 68731.
D. (6) $18,000. E. (9) $2,044.87.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pesticide Products Association, Washington, D.C.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pioneer Corp., Amarillo, Tex.

A. Doub, Purcell, Muntzing & Hansen, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Planters Peanuts, Washington, D.C.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chicago Metropolitan Higher Education Council, Douglas Library, Chicago State University, et al., 95th Street at King Drive, Chicago, Ill. 60628.
D. (6) $17,600. E. (9) $3,304.48.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036. 20036.
B. Hampton Roads Energy Co., Security Marine Terminal Co., Central Office Building, 300 County Street, Suite 202, Portsmouth, Va. 23704.
E. (9) $1,194.95.

A. John C. Doyle, Jr., Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,500.

A. John P. Doyle, Jr., Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,466. E. (9) $437.84.

A. Robert H. Doyle, Water Quality Association, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.
D. (6) $1,330.

A. Nancy Drabbie, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE, Washington, D.C. 20003.
D. (6) $3,250.

A. James E. Drake, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,984.85. E. (9) $24.76.

A. Andrew Drance, Media General, Inc., Room 402, 2020 North 14th Street, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.
D. (6) $138.33. E. (9) $6.95.

A. Kevin J. Driscoll, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Maurice E. Druhi (DISCUS), 8444 South West Ernst Road, Portland, Oreg. 97225.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $500. E. (9) $900.31.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $1,625.

A. Lawrence M. Dubin, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Evelyn Dubrow, International Ladies' Garment Workers Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $6,695. E. (9) $3,808.94.

A. Morgan D. Dubrow, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association (NRECA), 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $135.

A. Henry A. Dudley, 1737 H Street NW., Washington, D.C. 20006.
B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $4,200. E. (9) $76.82.

A. Mary Jane C. Due, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $258.20. E. (9) $102.20.

A. Francis J. Duggan, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $45.50. E. (9) $138.51.

A. Mervin E. Dullum, Delta Air Lines, Inc., 1629 K Street NW., Room No. 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $200. E. (9) $36.70.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Delaware 5 (Delaware cities of Newark, Milford, Smyrna, New Castle, and Seaford).
D. (6) $50.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Koniag, Inc., P.O. Box 746, Kodiak, Alaska.
D. (6) $85.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. The Louisville & Nashville RR., 908 West Broadway, Louisville, Ky. 47401.
D. (6) $90.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Shee Atika, Inc., Box 578, Edgecomb, Alaska 99835.
D. (6) $170.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. Western Railroad Association, Inc., 222 South Riverside Plaza, Room 1200, Chicago, Ill. 60606.

A. Vicki L. Dungan, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $3,250.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $250.

A. Douglas G. Dunn, Northern Natural Gas Co., 1133 15th Street NW., Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $1,500.

A. Dunnells, Duvall, Bennett & Porter, 1220 19th Street NW., Washington, D.C. 20036.
B. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $1,625. E. (9) $883.33.

A. L. L. Duxbury, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.
B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $5,000. E. (9) $1,023.17.

A. R. Ken Dyar, Central Lincoln People's Utility District, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.
B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Jean F. Dye, National Congress of Parents & Teachers, 12700 Lake Avenue, Lakewood, Ohio 44107.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $981.56.

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.
B. Bonneville Associates, Inc., 747 East South Temple, Suite 111, Salt Lake City, Utah 84102 (for Western Regional Council).
D. (6) $675.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Patricia S. Ebaugh, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $1,375. E. (9) $30.85.

A. Donald R. Ebe, The Goodyear Tire and Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., Akron, Ohio 44316.
D. (6) $1,500.

A. Robert E. Ebel, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $1,450. E.(9) $609.26.

A. Harold F. Eberle, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $14,134.68. E. (9) $500.

A. N. Boyd Ecker, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $42.

A. Jack Eckerd Corp., P.O. Box 4689, Clearwater, Fla. 33518.
E. (9) $335.48.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. Airline Passengers Association, P.O. Box 2758, Dallas, Tex. 75221.
D. (6) $19,000. E. (9) $2,816.39.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. American Seat Belt Council, P.O. Box 467, New Rochelle, N.Y. 10802.
D. (6) $3,000. E. (9) $91.76.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. National Utility Contractors Association (NUCA), 815 15th Street NW., Suite 838, Washington, D.C. 20005.
D. (6) $500. E. (9) $762.46.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. DGA International, 1225 19th Street NW., No. 800, Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75781 Paris, France).
D. (6) $2,700. E. (9) 17.70.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. DGA International 1225 19th Street NW., No. 460, Washington, D.C. 20036 (for Airbus Industrie, 31700 Blagnac, Toulouse, France).
D. (6) $27,000. E. (9) $22.19.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. Government of Turkey/Embassy of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $15,000. E. (9) $1,796.41.

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Itel Leasing Corp).

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
D. (6) $2,451.92.

A. Arthur B. Edgeworth, Jr., United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $4,150.

A. Edison Electric Institute, 1140 Connecticut Avenue NW., No. 1010, Washington, D.C. 20036.
D. (6) $18,244.03. E. (9) $15,997.50.

A. Stephen L. Edmiston, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $6,022.

A. Macon T. Edwards, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,375. E. (9) $73.19.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $202.

A. Stephen R. Effros, Suite 506, 1100 17th Street NW., Washington, D.C. 20036.
B. Community Antenna Television Association, Inc., Suite 106, 4209 Northwest 23d Street., Oklahoma City, Okla. 73107.
D. (6) $6,000. E. (9) $1,178.45.

A. H. Brent Egbert, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $126.88. E. (9) $130.34.

A. Charles E. Ehrhart, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
E. (9) $1,337.70.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $250. E. (9) $410.

A. J. Burton Eller, Jr., National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000. E. (9) $74.23.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $78.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
E. (9) $155.86.

A. Steve W. Elliott, Fidelity Union Trust Co., 765 Broad Street, Newark, N.J. 07101.
B. Fidelity Union Trust Co., 765 Broad Street, Newark, N.J. 07101.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,394.28. E. (9) $76.75.

A. Perry R. Ellsworth, National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.
B. National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $5.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $1,500.

A. Law Offices of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.
B. Ocean Mining Associates, Gloucester Point, Va.
D. (6) $6,000.

A. Carl F. Emde, Air Products and Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $50.

A. Emerson Electric Co., c/o Ramsay D. Potts, 1800 M Street NW., 900–S, Washington, D.C. 20036.
E. (9) $1,017.97.

A. William Emerson, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Employee Relocation Council, 1627 K Street NW., Washington, D.C. 20006.
E. (9) $2,545.09.

A. Lowell J. Endahl, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $235.

A. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C.
D. (6) $125. E. (9) $2,164.84.

A. Energy Consumers and Producers Association, P.O. Box 1726, Petroleum Plaza, Seminole, Okla. 74868.

A. Patricia Hanahan Engman, Bristol-Myers, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $200.

A. M. Dale Ensign, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.
B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.
D. (6) $500. E. (9) $65.20.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $60,958.20. E. (9) $29,480.35.

A. James R. Enyart, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $7.75.

A. Vickie Erickson, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. John M. Erskine, Jr., P.O. Box 3092, Houston, Tex. 77001.
B. Standard Oil Co. (Indiana), P.O. Box 3092, Houston, Tex. 77001.
D. (6) $553.56. E. (9) $1,616.65.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $66.15.

A. John T. Estes, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $1,200. E. (9) $1,141.95.

A. Brock Evens, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $9,600. E. (9) $145.25.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Fawn K. Evenson, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $800. E. (9) $403.

A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $2,500. E. (9) $40.59.

A. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., No. 800, Washington, D.C. 20006.
D. (6) $9,075. E. (9) $5,888.77.

A. Thomas B. Farley II, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,200. E. (9) $176.40.

A. The Farmers' Educational & Cooperative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $128,599.25. E. (9) $49,733.98.

A. John W. Farquhar, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Dolores L. Farr, American Nurses Association, 1030 15th Street NW., Suite 408, Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,503. E. (9) $227.05.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. R. Roy Fausset, Freeport Minerals Co., 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.

A. Clinton B. Fawcett, Coastal States Gas Corp., 9 Greenway Plaza, Houston Tex. 77046.
B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $1,400. E. (9) $85.

A. Jane Fawcett-Hoover, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $37.50.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $1,183.90. E. (9) $1,183.90.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $7,650. E. (9) $7,650.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $2,134.65.

A. John W. Feist, 900 17th Street NW., No. 1016, Washington, D.C. 20006.
B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.
D. (6) $1,377.

A. Lois M. Felder, United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street, NW., Washington, D.C. 20006.
D. (6) $844.55. E. (9) $8.98.

A. Fellowship Square Foundation, 11450 North Shore Drive, Reston, Va. 22090.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Bernard Fensterwald, Jr., Committee for Humane Legislation, Inc., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $6,000. E. (9) $982.08.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, Calif. 90602.
D. (6) $3,000. E. (9) $1,027.62.

A. Edward T. Fergus, Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
B. Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
D. (6) $700.

A Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Cook Inlet Region, Inc., 2525 C Street, Suite 100, Anchorage, Alaska 99509.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Northwest Alaska Pipeline Co., P.O. Box 1526, Salt Lake City, Utah 84110.
D. (6) $2,200. E. (9) $935.51.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Steering Council for Alaska Lands, 1016 West Sixth Avenue, Suite 435, Anchorage, Alaska 99501.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. U.S. Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $21,600. E. (9) $7,800.

A. James H. Ferguson, American Society for Personnel Administration, 1625 I Street NW., Suite 926, Washington, D.C. 20006.
B. American Society for Personnel Administration, 30 Park Drive, Berea, Ohio 44017.
D. (6) $5,000. E. (9) $1,626.

A. Vincent J. Ferri, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.

A. John L. Festa, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Manuel D. Fierro, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Herbert A. Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. Council of Forest Industries of British Columbia, 1500/1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.
D. (6) $10,625.01. E. (9) $603.90.

A. Stanley S. Fine, 22 Light Street, Suite 402, Baltimore, Md. 21202.
B. Scientific Games Development Corp., 2625 Cumberland Parkway NW., Atlanta, Ga. 30339.
D. (6) $1,250. E. (9) $97.52.

A. Paul F. Finger, 2027½ O Street NW., Washington, D.C. 20036.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

A. Matthew P. Fink, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $60. E. (9) $19.50.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $56.50.

A. Laurie Ann Fiori, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $327.69. E. (9) $64.

A. Firearms Lobby of America, 329 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $5,340.13. E. (9) $2,662.46.

A. First Class Mailers Association, Inc., 1101 New Hampshire Avenue, Suite 107, Washington, D.C. 20037.
E. (9) $38.

A. First Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I. 02806.
D. (6) $500. E. (9) $406.08.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
E. (9) $5,643.28.

A. Michel D. Fischer, 1775 Pennsylanvia Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Richard L. Fischer, Standard Oil Co. (Indiana), 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $218.

A. Ruth Fischer, 7609 Wellesley Drive, College Park, Md. 20740.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,612.50.

A. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.
E. (9) $782.60.

A. T. E. Fitzgerald, Jr., Household Finance Corp., 18913 Quail Valley Boulevard, Gaithersburg, Md. 20760.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Height, Ill. 60070.
D. (6) $1,427.50. E. (9) $715.89

A. Margaret Fitzgerald-Bare, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,031.25.

A. Hilliard J. Fjord, 602 Main Street, Suite 600, Cincinnati, Ohio 45202.
B. The Ohio River Co., 580 Walnut Street, Cincinnati, Ohio 45202.
D. (6) $1,710. E. (9) $408.03.

A. Susan Garber Flack, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $43.35.

A. Daniel V. Flanagan, Jr., 1601 K Street NW., No. 221, Washington, D.C. 20006.
B. Southern Pacific Co., 1 Market Plaza, San Francisco, Calif. 94105.
D. (6) $5,000. E. (9) $668.97.

A. James J. Flanagan, New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $1,216.32. E. (9) $319.99.

A. M. Kendall Fleeharty, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $944. E. (9) $57.70.

A. Ronald L. Floor, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, No. 2124, 400 South Tryon Street, Charlotte, N.C. 28285.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,256.04.

A. John J. Flynt, Jr., Smalley, Cogburn & Flynt, Drawer A, Griffin, Ga. 30224.
B. AVCO Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $5,000. E. (9) $552.80.

A. Robert P. Fogarty, National Association of Manufacturers, 3499 Ridgewood Drive, Columbus, Ohio 43220.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Mutual Insurance Co., 3099 East Washington Avenue, Box 7430, Madison, Wis. 53707.
D. (6) $1,645. E. (9) $3.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. & Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $2,420. E. (9) $2.30.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.
D. (6) $5,615. E. (9) $5.05.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Itel Leasing Corp., 1 Embarcadera Center, San Francisco, Calif. 94111.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Republic of the Philippines.
E. (9) $25.

A. Raymond J. Foley, 1430 K Street NW., Suite 1000, Washington, D.C. 20005.
B. National Candy Wholesalers Association, Inc., 1430 K Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $100. E. (9) $6.

A. Food & Beverage Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $9,541.93. E. (9) $9,541.93.

A. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
E. (9) $10,775.

A. Foodservice & Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $300.

A. Gordon Forbes, 203 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55103.
B. Minnesota Railroads Association.
D. (6) $500. E.(9) $683.02.

A. E. David Foreman, Jr., Foreman & Associates, Suite 511, 1730 M Street NW., Washington, D.C.
B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
D. (6) $4,000.

A. James W. Foristel, American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $5,000.

A. James W. Foristel, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American College of Emergency Physicians, 3900 Capitol City Boulevard, Lansing, Mich. 48906.

A. James W. Foristel, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. College of American Pathologists, Chicago, Ill. 60611.

A. James W. Foristel, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hadley Memorial Hospital, 4601 Martin Luther King Avenue SW., Washington, D.C. 20032.

A. Ira N. Forman, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $6,499.98.

A. Sallie H. Forman, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $484.56. E. (9) $100.80.

A. David H. Foster, Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $3,150. E. (9) $764.46.

A. Ebert E. Fournace, 3706 Eaton Road NW., Canton, Ohio 44708.

A. Albert A. Fox, Jr., Allied Chemical Corp., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $100. E. (9) $35.

A. John G. Fox, American Telephone & Telegraph, 2000 L Street NW., Washington, D.C. 20036.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Richard J. Fox, Standard Oil Co. (Indiana), 1000 16th Street NW., No. 503, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.
D. (6) $1,700. E. (9) $218.52.

A. William C. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. William H. G. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. Peter Franchot, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (9) $4,375.

A. J. Dee Frankfourth, P.O. Box 403, Eagle River, Alaska 99577.

B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,700. E. (9) $364.41.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $999.90. E. (9) $110.11.

A. Thomas C. Franks, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $1,146.45.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $4,000.

A. Harry L. Freeman, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. James O. Freeman, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,875. E. (9) $56.75.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $4,199. E. (9) $151.30.

A. David T. French, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $500. E. (9) $15.

A. Gregory Friberg, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $4,800. E. (9) $278.71.

A. Annette P. Fribourg, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. George L. Frick, Delaware Oil Men's Association, 20 East Division Street, Dover, Del. 19901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Fridy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,260. E. (9) $23.30.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. The Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak. 57770.
D. (6) $276. E. (9) $264.05.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Beth Israel Medical Center, 10 Nathan D. Perlman Place, New York, N.Y. 10003.
E. (9) $3,520.26.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Laguna, N. Mex.
D. (6) $1,842.75. E. (9) $9.55.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.
E. (9) $8.09.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
E. (9) $1,868.97.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $1,125.

A. James M. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.
B. Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.
E. (9) $1,200.

A. Joseph B. Friedman, 810 18th Street NW., Washington, D.C. 20006.
B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. John A. Friel, American Nurses' Association, 1030 15th Street NW., Suite 408, Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,132. E. (9) $84.76.

A. Marie Louise Friendly, Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
D. (6) $1,926.30 E. (9) $33.05.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $154,405. E. (9) $17,835.

A. Owen V. Frisby, The Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, N.A., 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $518. E. (9) $111.52.

A. Gustave Fritschie, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $500.

Robert D. Fritz, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,540. E. (9) $1,624.40.

A. Charles H. Fritzel, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $300. E. (9) $120.

A. Jeffrey A. Fritzlen, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $1,000.

A. Cornelius F. Froeb, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $180.

A. Gordon H. Fry, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $1.80.

A. Fulbright & Jaworski, 800 Bank of the Southwest Building, Houston, Tex. 77002.
B. St. Joe Paper Co., P.O. Box 1380, Jacksonville, Fla. 32201.

A. David C. Fullerton, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $455.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $500.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92112.
D. (6) $2,400.

A. Claudia R. Fuquay, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $14.70.

A. G–4 Children's Coalition, 7300 Delfield Street, Chevy Chase, Md. 20015.
D. (6) $210. E. (9) $131.

A. Terry Gabrielson, Transcontinental Gas Pipeline Corp., 490 L'Enfant Plaza SW., No. 3202, Washington, D.C. 20024.
B. Transcontinental Gas Pipeline Corp., 2700 South Post Oak Road, Houston, Tex. 77001.
D. (6) $450.

A. James E. Gaffigan, American Hotel and Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $692.31. E. (9) $10.

A. Norman S. Gaines, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $566.04.

A. Mark J. Gallagher, 1707 L Street NW., No. 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $8,495. E. (9) $788.

A. Robert M. Ganta, National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., No. 1000, Washington, D.C. 20005.
E. (9) $476.24.

A. M. D. Garber, Jr., Phillips Petroleum Co., 2101 L Street NW., 6th Floor, Washington, D.C. 20037.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Bob Garcia, Winner/Wagner & Associates, Inc., 1024 10th Street, Suite 310, Sacramento, Calif., 95814.
B. Southwest Flight Crew Association, 6160 Mission Gorge Road, Suite 100, San Diego, Calif. 92120.
D. (6) $6,000. E. (9) $1,552.36.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., Suite 325, Washington, D.C. 20036.
B. Small Producers for Energy Independence, 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $3.90.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,000.02.

A. Wendell P. Gardner, Jr., Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $60. E. (9) $8.98.

A. Theodore J. Garrish, National Outdoor Coalition, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Outdoor Coalition, 8387 Tamarind Avenue, Fontana, Calif. 92335.
D. (6) $2,525. E. (9) $1,183.08.

A. W. Bradford Gary, 3M Co., 3M Center, St. Paul, Minn. 55101.
B. 3M., 3M Center, St. Paul, Minn. 55101.
E. (9) $10.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill.
D. (6) $400. E. (9) $50.

A. Philip Gasteyear, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,762.50.

A. James A. Gavin, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Margaret L. Gehres, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,287.50 E. (9) $140.21.

A. Robert C. Gelardi, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $2,200.

A. José A. Gemell, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022).
D. (6) $500. E. (9) $530.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
E. (9) $2,451.92.

A. Joseph G. Gerard, Ford Motor Co., 815 Connnecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $2,700. E. (9) $2,483.90.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $3,635.49. E. (9) $79.80.

A. Dorothy F. Gevinson, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Wayne Gibbens, Mid-Continent Oil and Gas Association, 1800 K Street NW., Suite 620, Washington, D.C. 20006.
B. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $6,503. E. (9) $133.35.

A. Anne Marie Gibbons, 2600 Virginia Avenue NW., Washington D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $400.

A. William G. Glery, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foodservice and Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $300.

A. Norma J. Gilbert, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,225. E. (9) $28.

A. Michael Gildea, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $9,676.10. E. (9) $47.47.

A. John E. Giles, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Neal P. Gillen, American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
B. American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
D. (6) $15,000. E. (9) $95.85.

A. James T. Gillice, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Robert E. Ginther, Association of Local Transport Airlines, Suite 603, 1801 K Street NW., Washington, D.C. 20006.
B. Association of Local Transport Airlines, Suite 603, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $3,500.

A. Michael J. Giuffrida, National Frozen Food Association, 1469 Quail Hollow Road, Harrisburg, Pa. 17112.
B. National Frozen Food Association, One Chocolate Avenue, P.O. Box 398, Hershey, Pa. 17033.
D. (6) $288. E. (9) $345.20.

A. George L. Gleason, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $2,624.99. E. (9) $112.80.

A. Elmer G. Gleske, FlightSafety International, 1629 K Street NW., Suite 400, Washington, D.C. 20006.
B. FlightSafety International, Marine Air Terminal, LaGuardia Airport, Flushing, N.Y. 11371.
D. (6) $160. E. (9) $100.

A. George T. Glover, Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $187.50. E. (9) $47.50.

A. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
E. (9) $1,036.

A. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
B. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $2,000. E. (9) $510.25.

A. Horace D. Godfrey, 918 16th Street NW., S-501, Washington, D.C. 20006.
B. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.
D. (6) $4,900. E. (9) $525.75.

A. J. F. Godfrey, P.O. Box 186, Fort Worth, Tex. 76101.
B. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.
D. (6) $16.

A. Patrick L. Godfrey, National Association of Manufacturers, 711 Court A, Tacoma, Wash. 98402.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,400.

A. Harvey S. Gold, Velsicol Chemical Corp., 910 17th Street NW., Suite 1000, Washington D.C. 20006.
B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).
D. (6) $23.71. E. (9) $61.03.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).
D. (6) $89.11.

A. Carl Goldfield, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $500.

A. Elliott Goldstein, Powell, Goldstein, Frazer & Murphy, Suite 970, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Dittler Brothers, Inc., P.O. Box 19833, Station N, Atlanta, Ga. 30325.
D. (6) $3,447.20.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $5,686.50. E. (9) $700.69.

A. Jack Golodner, Actors Equity Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $472.

A. Jack Golodner, 815 16th Street NW., Washington, D.C. 20006.
B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,625.

A. Alfonso J. Gonzalez, National Association of Social Workers (NASW), 1425 H St., NW., Suite 600, Washington, D.C. 20005.
B. NASW, 1425 H Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $7,500. E. (9) $620.

A. Ruth Gonze, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $600.

A. Don A. Goodall, American Cyanamid Co., 1625 I Street NW., Suite 401, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $528. E. (9) $105.73.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $550.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-Maffei Strasse 2, 8000 Munich, FRG).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council.
D. (6) $8,646.99.

A. Vivian Goodier, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,375. E. (9) $495.

A. Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
B. Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
D. (6) $40. E. (9) $9.50.

A. David L. Gordon, 777 14th Street NW., Suite 236, Washington, D.C. 20005.
B. National Taxpayers Legal Fund, 777 14th Street NW., Suite 236, Washington, D.C. 20005.
D. (6) $32,162.84. E. (9) $1,500.

A. Sara Ann Gordon, 801 A Street SE., Washington, D.C. 20003.
B. Bill Newbold & Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $1,000. E. (9) $75.

A. Brenda J. Gore, LTV Corp., 1155 15th Street NW., Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $500.

A. Frank D. Gorham III, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $324. E. (9) $23.75.

A. Peter J. Gossens, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $7,650. E. (9) $131.57.

A. George B. Gould III, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,435.40.

A. Gould, Reichert and Strauss, 2613-20 Carew Tower, Cincinnati, Ohio 45202.
B. Francis J. Rorke, Box 1336, Cristobal, CZ, et al.
E. (9) $250.

A. Government of El Salvador, Office of the President, San Salvador, El Salvador.
E. (9) $3,000.

A. Lawrence T. Graham, American Hotel and Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $692.31. E. (9) $10.

A. Maria Ann Graham, National Audubon Society, 1301 20th Street NW., Apt. 501 Washington, D.C. 20036.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.
D. (6) $3,999.99. E. (9) $1,850.

A. John K. Gram, Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
B. Public Timber Purchasers Group, 1214 Oregon Bank Building, Portland, Oreg. 97204.
D. (6) $2,200. E. (9) $1,139.04.

A. Allan Grant, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $1,750.

A. Wm. W. Grant, Utah International, Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Utah International, Inc., 550 California Street, San Francisco, Calif. 94104.
E. (9) $1,619.28.

A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $1,234.50. E. (9) $4,938.

A. Robert Keith Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Motorola).
D. (6) $300.

A. Mark E. Grayson, National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $1,125. E. (9) $40.

A. The Great Western Sugar Co., P.O. Box 5308 T.A., Denver, Colo. 80217.
E. (9) $4,815.15.

A. Donald R. Greeley, Celanese Corp., 1101 17th Street NW., Suite 603, Washington, D.C. 20036.
B. Celanese Corp. 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $750. E (9) $124.90.

A. Edward M. Green, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $333.48. E (9) $7.50.

A. George R. Green, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C.
D. (6) $900.

A. Mark Green, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $4,750.

A. Wayne Green, 73 Magazine, Peterborough, N.H. 03458.
B. 73 Inc., Peterborough, N.H. 03458.

A. Howard Greenberg, 7426 Arrowood Road, Bethesda, Md. 20034.
B. Public Timber Purchasers Group, 1214 Orange Bank Building, Portland, Oreg. 97204.
D. (6) $1,500.

A. Alison E. Greene, National Foundation-March of Dimes, 1707 H Street NW., Washington, D.C., 20006.
B. National Foundation-March of Dimes, 1275 Mamaroneck Avenue, White Plains, N.Y. 10605.
D. (6) $1,500. E. (9) $30.

A. Robert M. Greening, Jr., Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.

B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
D. (6) $1,320.

A. Margit S. Greenspon, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $416.

A. Saunders Gregg, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.
B. Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

A. William G. Greif, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $10,000.

A. Lori Gribbin, Rohm & Haas Co., 1899 L Street NW., No. 807, Washington, D.C. 20036.
B. Rohm and Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $68.38.

A. Harold H. Griffin, Family Health Program, 1050 17th Street NW., No. 320, Washington, D.C. 20036.
B. Family Health Program, 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.
D. (6) $2,437. E. (9) $105.10.

A. Edward D. Griffith, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $500.

A. A. Jack Grimes, 8150 Leesburg Pike, Suite 1100, Vienna, Va., 22180.
B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $192. E. (9) $24.

A. Robert J. Grimm, 9 West 57th Street, New York, N.Y., 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
D. (6) $100. E. (9) $121.

A. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., No. 450, Washington, D.C. 20006.
B. Aetna Life and Casualty, 151 Farmington Avenue, Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Baxter Travenol Laboratories, Inc., 1 Baxter Parkway, Deerfield, Ill. 60015.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Connecticut General Life Insurance Co., Hartford, Conn. 06115.
E. (9) $2.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $5.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
E. (9) $75.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eli Lilly and Co., 307 East McCarthy, Indianapolis, Ind. 46206.
E. $5.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.
E. (9) $25.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.
E. (9) $25.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago Ill. 60604.
D. (6) $1,500. E. (9) $300.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $8,978. E. (9) $8,978.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. American Academy of Dermatology, 820 Davis Street, Evanston, Ill. 60201.
D. (6) $320. E. (9) $27.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. American Gastroenterological Association, c/o Charles Slack, Inc., Thorofare, N.J. 08086.
D. (6) $520. E. (9) $24.

A. John T. Grupenhoff, Grupenhoff & Endicott, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. MEGO International, Inc., 41 Madison Avenue, New York, N.Y. 10010.
D. (6) $720. E. (9) $245.

A. John T. Grupenhoff, 6410 Rockledge Drive, Suite 208, Bethesda, Md. 20034.
B. National Association for Hospital Development, 1700 K Street NW., No. 605, Washington, D.C. 20006.
D. (6) $470. E. (9) $135.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $900.

A. Gun Owners of America, Inc., 101 South Whiting Street, Alexandria, Va. 22301.
D. (6) $61,344.99. E. (9) $73,005.56.

A. William B. Gunter, Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006.
B. Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006 (for Furniture Rental Association of America ("FRAA").
E. (9) $50.

A. David Gusky, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $6,864.

A. Marjorie Guthrie, Committee to Combat Huntington's Disease, 250 West 57th Street, New York, N.Y. 10019.
B. Committee to Combat Huntington's Disease, 250 West 57th Street, New York, N.Y. 10019.

A. Maria Faller Gwaltney, 1730 K Street N.W., No. 903, Washington, D.C. 20006.
B. American Hellenic Institute Public Affairs Committee, Inc., 1730 K Street NW., No. 903, Washington, D.C. 20006.
D. (6) $245.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $415.38. E. (9) $111.80.

A. Craig Hackler, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. Independent Consultants, Inc.
D. (6) $100.

A. Loyd Hackler, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $116.60.

A. W. Craig Hackler, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.
D. (6) $4,500.

A. William G. Haddeland, c/o Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $839.52. (9) $602.40.

A. Bruce N. Hahn, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Thomas F. Hairston, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $155.25.

A. Martin Ryan Haley & Associates, Inc., 1511 K Street NW., Washington, D.C. 20005.
B. Federal Express Corp., AMF Box 30167, Memphis, Tenn. 38130.

A. Martin Ryan Haley & Associates, Inc., 1511 K Street NW., Washington, D.C. 20005.
B. Kansas Grain & Feed Dealers Association, 1722 North Plum, Hutchison, Kans. 67501.
E. (9) $251.51.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1750 K Street NW., Suite 350, Washington, D.C. 20006.
B. The Williams Cos., P.O. Box 2400, Tulsa, Okla. 74101.

A. Harry L. Hall, National Multiple Sclerosis Society, 2101 L Street NW., Suite 808, Washington, D.C. 20037.

B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,925.

A. Richard F. Hall, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $421.31.

A. Joseph Halow, North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
B. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Beneficial Foundation, 1300 Market Street, Wilmington, Del. 19899.
D. (6) $4,968.75. E. (9) $10.

A. James L. Hamilton III, U.S. Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. U.S. Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $105. E. (9) $13.

A. Philip W. Hamilton, 1901 L Street NW., Suite 711, Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 1901 L Street NW., Washington, D.C. 20036 (for the National Labor-Management Foundation, Louisville, Ky.).
E. (9) $16.20.

A. Stanley Hamilton, Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.
B. Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.
D. (6) $500. E. (9) $50.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut, Suite 800, Washington, D.C. 20036 (for California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $1,000.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Olive Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C 20036 (for California Raisin Advisory Board, 1101 Connecticut Avenue NW., Suite 800 Washington, D.C. 20036).
D. (6) $1,000.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $500.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $500.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $750.

A. Christopher G. Hankin, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $9.60.

A. George J. Hanks, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $310.32.

A. Elisabeth Hanlin, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $600. E. (9) $32.30.

A. Erling Hansen, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $215.

A. J. E. Hansen, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.
D. (6) $350.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, NAM, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Andrew E. Hare, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $425. E. (9) $295.

A. Bryce L. Harlow, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $46.52.

A. Donald L. Harlow, Air Force Sergeants Association, Inc., 310 Riley Street, Falls Church, Va. 22046.
B. Air Force Sergeants Association, 4235 28th Avenue, Suite 713, Washington, D.C. 20031.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. W. Risque Harper, National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.
D. (6) $8,750. E. (9) $3,476.

A. Toni Harrington, Suite 905, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.
D. (6) $150. E. (9) $14.15.

A. Robert L. Harris, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.
E. (9) $240.

A. Saul J. Harris, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $204.64.

A. Jim Harrison, Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
D. (6) $5,249.90. E. (9) $274.22.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.
E. (9) $7,100.

A. Norman B. Hartnett, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $14,316. E. (9) $1,021.36.

A. Clifford J. Harvison, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Lewis B. Hastings, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $500. E. (9) $100.

A. Walter A. Hasty, Jr., Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45201.
D. (6) $285.67.

A. Rodney E. Haugh, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $480.

A. Mary W. Haught, Sun Company, Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Company, Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $650. E. (9) $1,100.20.

A. Charles W. Havens, III, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Mead Corp., Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio 45463.
D. (6) $450.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
D. (6) $8,814. E. (9) $6,247.41.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. Robert T. Hayden, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,325.76.

A. Jeffrey A. Hayman, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,219.

A. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.
D. (6) $71.39 E. (9) $71.39.

A. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.
D. (6) $284.66. E. (9) $284.66.

A. Patrick B. Healy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $543.75.

A. William H. Hecht, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,820.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Citizens for Management of Alaska Lands (CMAL), Anchorage, Alaska.
D. (6) $8,000.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Ductile Iron Pipe Research Association, Oak Brook, Ill.

A. John F. Hellman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $10,036. E. (9) $354.28.

A. Heinold Commodities, 222 South Riverside Plaza, Chicago, Ill. 60606.
A. Richard L. Hellwege, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.
B. Lear Siegler, Inc., 4141 Eastern Avenue SE., Grand Rapids, Mich. 49508.
D. (6) $546. E. (9) $185.15.

A. Carol C. Henderson, American Library Association, 110 Maryland Avenue NE., Suite 101, Box 54, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $511.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.
E. (9) $20.

A. Henkel & Lamon, 229 Peachtree Street NE., Suite 2500, Atlanta, Ga. 30303.
B. The National Association of Pension Consultants & Administrators, Inc., Suite 300, 3 Piedmont Center, Atlanta, Ga. 30305.
D. (6) $119. E. (9) $22.60.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center Cain Tower, Atlanta, Ga. 30303.
B. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue, NW., Washington, D.C. 20036.
D. (6) $3,941.50. E. (9) $369.84.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. George F. Hennrikus, Jr., 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $3,827.50.

A. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
E. (9) $2,068.

A. Herrick, Allen, & Davis, 1701 K Street NW., Suite 706, Washington, D.C. 20006.
B. Amusement and Music Operators Association, 35 East Wacker Drive, Suite 1940, Chicago, Ill. 60601.
D. (6) $305.55.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.
B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $3,055. E. (9) $1,671.84.

A. Elena Hess, 3705 Porter Street NW., Washington, D.C. 20016.
B. Self-Determination for the District of Columbia, Room 300, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,125. E. (9) $103.

A. William R. Hesse, American Association of Advertising Agencies, 1899 L Street NW., Suite 700, Washington, D.C. 20036.
B. American Association of Advertising Agencies, 200 Park Avenue, Pan Am Building, New York, N.Y. 10017.
D. (6) $2,500. E. (9) $750.

A. Heublein, Inc., Munson Road, Farmington, Conn. 06032.
E. (9) $2,206.41.

A. Ted A. Heydinger, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,587.30. E. (9) $240.66.

A. Andrew I. Hickey, Jr., Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
D. (6) $15,125. E. (9) $906.38.

A. Paul T. Hicks, c/o Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $75. E. (9) $41.60.

A. J. Thomas Higginbotham, Mellon Bank, N.A., Pittsburgh, Pa. 15230.
B. Mellon Bank, N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000. E. (9) $1,304.78.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.
B. Michigan State Housing Development Authority, Plaza 1, Fourth Floor, 401 South Washington Square, Lansing, Mich. 48909.
E. (9) $228.25.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.
B. Morgan Guaranty Trust Co. of New York, 23 Wall Street, New York, N.Y. 10015.
E. (9) $185.62.

A. Gerald "Jerry" Hill, No. 6 Executive Park Drive, Atlanta, Ga. 30329.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.
D. (6) $2,000.

A. Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005.
B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Airlines, Inc., P.O. Box 592055 AMF, Miami, Fla. 33159.
D. (6) $1,100. E. (9) $50.

A. Kathryn Hilton, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,687.

A. William H. Hecht, 1776 K Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Ralph W. Hoar, Jr., 3532 Highwood Drive SE., Washington, D.C. 20020.
B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
D. (6) $10,520.67. E. (9) $5,377.06.

A. Lawrence S. Hobart, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $1,200.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa., 15222.
D. (6) $3,200. E. (9) $725.

A. Valery Hobbs, 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Ralph D. Hodges, Jr., National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $13,575.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill. 62705.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $360. E. (9) $383.67.

A. Lawrence S. Hoffheimer, 2101 L Street, NW., Suite 808, Washington, D.C. 20037.
B. American Group Practice Association, 20 South Quaker Lane, Alexandria, Va. 22314.
D. (6) $5,000. E. (9) $1,350.

A. Lawrence S. Hoffheimer, National Multiple Sclerosis Society, 2101 L Street NW., Suite 808, Washington, D.C. 20037.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,900. E. (9) $1,450.

A. Ellen S. Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Fund of the Washington Research Project, Inc.
D. (6) $1,309. E. (9) $673.48.

A. Herbert E. Hoffman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Association, 17/18 Bury Street, London EC3A 5AH, England.
D. (6) $675. E. (9) $26.70.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $5,156.15.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 3217 K Street NW., Washington, D.C. 20007.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Fisher Stoves International, Inc., P.O. Box 10605, Eugene, Oreg. 97440 (Schrader Stoves, Inc., Energy Alternatives, Inc., J N J Enterprises, Inc.)
D. (6) $3,029.60.

A. Howard Holcomb, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $3,600. E. (9) $185.25.

A. Kelly Holley, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Henry W. Holling, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $380. E. (9) $271.52.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,690.20. E. (9) $1,315.91.

A. Lee B. Holmes, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,937.50.

A. Peter E. Holmes, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $1,500.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $2,000.

A. John H. Holloman III, O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. E. Y. Holt, Jr., National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association, of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Fortescue W. Hopkins, Box 218, Daleville, Va. 24083.
B. Graham-White Manufacturing Co., P.O. Box 1099, Salem, Va., 24153; Graham-White Sales Corp., P.O. Box 1099, Salem, Va. 24153.
D. (6) $3,300. E. (9) $979.

A. The Hormel Foundation, Austin, Minn. 55912.

A. Robert Jack Horn, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. The Detroit Edison Co., 2000 Second Avenue, Detroit, Mich. 48226.
D. (6) $358. E. (9) $186.87.

A. Michael E. Horrell, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,047.50. E. (9) $42.87.

A. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, Fla. 33394.
E. (9) $82,883.28.

A. Houger, Garvey & Schubert, 1725 K Street NW., Suite 303, Washington, D.C. 20006.
B. American Pyrotechnics Association, 407 Campus Avenue, Chestertown, Md. 21620.
D. (6) $720. E. (9) $21.10.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E. (9) $4,444.73.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20060.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20060.
D. (6) $35.78. E. (9) $33.73.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. John B. Howerton, ASARCO Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.
B. ASARCO Inc., 120 Broadway, New York, N.Y. 10005.
D. (6) $1,500.

A. Clifford T. Howlett, Jr., Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.
B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.
E. (9) $540.

A. Karl T. Hoyle, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $410.41.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,293.74.

A. Randall A. Huffman, Willkie, Farr & Gallagher, 153 East 53d Street, New York, 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
D. (6) $450. E. (9) $172.

A. David Emery Hughes, Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.
B. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.
D. (6) $35.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $726.92.

A. Royston C. Hughes, Florida Gas Transmission Co., 1711 Venetian Way, Winter Park, Fla. 32789.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. William G. Hughes, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $101.57.

A. Edward L. Huic, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
B. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md., 20902.
D. (6) $8,504.91. E. (9) $1,896.78.

A. David C. Hull, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. William J. Hull, Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.
B. Ohio Valley Improvement Association, Inc.

A. Keith R. Hundley, 1625 I Street NW., No. 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98477.
D. (6) $450. E. (9) $39.87.

A. Burt H. Hunley, Chevron, U.S.A., Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Chevron, U.S.A., Inc., a subsidiary of the Standard Oil Co. of California, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $150.

A. Acacia G. Hunt, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $51.25. E. (9) $3.25.

A. Robert C. Hunt, 1750 Old Meadow Road, McLean, Va. 22102.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.
D. (6) $94.55.

A. Milton F. Huntington, c/o Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Joan L. Huntley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $198.90. E. (9) $46.

A. Raymond D. Hurley, 1 Farragut Square South, Washington, D.C. 20006.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Benjamin Melvin Hurwitz, Coastal States Gas Corp., 1333 New Hampshire Avenue NW., Suite 205, Washington, D.C. 20036.
B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $960. E. (9) $55.

A. John F. Hussey, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $102.29.

A. Dewey M. Hutchins, Eastman Kodak Co., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $375. E. (9) $162.

A. Philip A. Hutchinson, Jr., Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
D. (6) $250.

A. Randy Huwa, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,798.

A. David C. Hyer, c/o Ohio Petroleum Council, 88 East Broad Street, Columbus, Ohio 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Robert D. Hynes, Jr., National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $69.51.

A. John Iaccio, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $2,125. E. (9) $302.62.

A. John K. Iglehart, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $17,250. E. (9) $1,500.

A. Atilla S. Ilkson, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $156.10.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,363. E. (9) $2,363.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $17,799.10.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $16,157.53. E. (9) $16,157.53.

A. Deborah A. Insley, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp.
D. (6) $2,500. E. (9) $637.90.

A. Interlake, Inc., 2015 Spring Road, Oak Brook, Ill. 60521.
E. (9) $12,391.75.

A. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $18,239.43.

A. International Brotherhood of Teamsters' 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $24,342.59.

A. International Union, United Automobile, Aerospace, & Agricultural Workers of America, 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $64,754. E. (9) $64,754.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
E. (9) $4,050.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $3,203.25.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
E. (9) $1,680.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, Saint Paul, Minn. 55101.
D. (6) $16,834.29. E. (9) $10,746.86.

A. William A. Irvine, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $600.

A. John D. Isaacs, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $5,361.45.

A. Joseph S. Ives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, et al.

A. Mary Jo Jacobi, 3M, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining and Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $3,000.

A. Roy Jacobsen, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005).
D. (6) $9,988.86. E. (9) $728.70.

A. Walter K. Jaenicke, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $510.98.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,500.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
B. Distilled Spirit Committee for International Trade, 1819 H Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $1,000.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Midcontinent Farmers Association, Columbia, Mo. 65201.
D. (6) $1,000.

A. Robert L. James, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $27.47. E. (9) $216.09.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $197.13. E. (9) $99.79.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, France).

A. Evie Jarvis, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $450. E. (9) $75.

A. T. Destry Jarvis, 529 Tennessee Avenue, Alexandria, Va. 22305.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $2,179.44. E. (9) $14.25.

A. Joseph A. Jeffrey, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $181.32.

A. Joseph S. Jenckes, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.
E. (9) $268.20.

A. Linda Jenckes, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.

A. Jenkins, Nystrom & Sterlacci, 2033 M Street NW., Suite 504, Washington, D.C. 20036.
B. Commonwealth of Puerto Rico.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phoenix, Ariz. 85003.
B. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.
D. (6) $100.

A. W. Pat Jennings, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East, SW., Suite 3210, Washington, D.C. 20024.
D. (6) $600.

A. Chris L. Jensen, Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $189. E. (9) $361.80.

A. A. W. Jessup, 1899 L Street NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $147.19.

A. Guy E. Jester, J. S. Alberici Construction Co., 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $6,693. E. (9) $353.66.

A. Ronald P. Johnsen, Columbia Gas System, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas Systems Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $319.61.

A. Bob Johnson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $2,234. E.(9) $364.62.

A. Calvin P. Johnson, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. David H. Johnson, c/o Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Woshington, D.C. 20037.
D. (6) $550. E. (9) $1,149.31.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $837. E. (9) $628.10.

A. Rady A. Johnson, 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co., 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $2,205. E. (9) $286.54.

A. Reuben L. Johnson, 1012 14th Street, NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $8,291.31. E. (9) $249.31.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 33610, San Antonio, Tex. 78233.
D. (6) $2,505.54. E. (9) $616.23.

A. Stanley L. Johnson, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $77.

A. William Johnson, Consumers Power Co., 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $600.

A. James D. Johnston, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $3,105.73.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $1000. E. (9) $1,170.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $465.48.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Associated Gas Distributors, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products Inc., 9 West 57th Street, New York, N.Y. 10019.
D. (6) $330. E. (9) $20.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Communications Satellite Corp., 950 L'Enfant Plaza, SW., Washington, D.C. 20036.
E. (9) $20.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. James E. Jones, Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.

James E. Jones, Jr., 1776 F Street NW., Washington D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $875.

A. Norvill Jones, 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $480. E. (9) $195.78.

A. Phillip W. Jones, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $412.50.

A. Randall T. Jones, 1030 15th Street NW., Suite 700, Washington D.C.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $550.

A. De Soto Jordan, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington D.C. 20003.
B. Electronic Data Systems Corp.
D. (6) $396. E. (9) $220.70.

A. Donald L. Jordan, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Jeffrey H. Joseph, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,365. (9) $52.63.

A. Thomas M. Joyce (IIAA), 1120 19th Street NW., Suite 503, Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $7,201.95. E. (9) $200.

A. William E. Joyce, Jr., 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006.
B. Vance & Joyce, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006 (for Embassy of Bolivia, 3014 Massachusetts Avenue NW., Washington, D.C. 20008).

A. Richard E. Juby, 708 Currituck Drive, Raleigh, N.C. 27609.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $1,049.75. E. (9) $773.18.

A. Robert E. Juliano, Hotel and Restaurant Employees and Bartenders International Union, 1666 K Street NW., Washington, D.C. 20006.
B. Hotel and Restaurant Employees and Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202.
D. (6) $9,999.96. E. (9) $940.91.

A. H. Richard Kahler, Caterpillar Tractor Co., 1850 K Street NW., Suite 925, Washington, D.C. 20006.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $1,585.92.

A. Ann P. Kahn, Volunteer for National Congress of Parents & Teachers, 9202 Ponce Place, Fairfax, Va. 22031.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $37.

A. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.
E. (9) $1,929.56.

A. Irving K. Kaler, Suite 2101, 100 Colony Square, 1175 Peachtree Street NE., Atlanta, Ga. 30361.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $2,079.46. E. (9) $204.66.

A. Donald J. Kaniewski, Laborers' International Union of N.A. AFL–CIO, 905 16th Street, NW., Washington, D.C. 20006.
B. Laborers' International Union of N.A., AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $5,066.65. E. (9) $85.65.

A. Julius Kaplan, 1218 16th Street NW., Washington, D.C. 20036.
B. Kirkwood, Kaplan, Russin & Vecchi, 1218 16th Street NW., Washington, D.C. 20036.
E. (9) $32.45.

A. Charles W. Karcher, 1780 Guildhall, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Gene Karpinski, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,916.67.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports & Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza, SW., Washington, D.C. 20024.
D. (6) $5,500. E. (9) $1,000.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $3,500. E. (9) $1,896.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Special Committee for U.S. Exports, 1666 K Street NW., Washington, D.C. 20005.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. TADCO Enterprises, Inc., 1626 I Street NW., Washington, D.C. 20006; Archer-Daniels-Midland Co., Decatur, Ill. 62525.
D. (6) $3,500.

A. Alan H. Kaufman, Suite 3712, 1 Boston Place, Boston, Mass. 02108.
B. SEDCO, Inc., 1901 North Akard Street, Dallas, Tex. 75201.
D. (6) $6,000. E. (9) $1,817.28.

A. Kathryn Kavanagh, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,399.96.

A. Thomas O. Kay, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, Government Affairs Office, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) 735.58.

A. Kaye, Scholer, Fierman, Hays & Handler, 425 Park Avenue, New York, N.Y. 10022.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $35,013. E. (9) $1,861.78.

A. William J. Keating, National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.
D. (6) $32. E. (9) $32.

A. Howard B. Keck, 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Anegles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Patricia Keefer, 2030 M Street, NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,200.01.

A. David C. Keehn, Air Products & Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa., 18105.
D. (6) $27.50.

A. Keith B. Keener, 2626 Pennsylvania Avenue, NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $175.

A. Candace Keller, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $1,700.

A. John B. Kelley, Avco Corp., 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,500.

A. Michael T. Kelley, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway No. 504, Arlington, Va., 22202.
B. National Association of Chain Drug Stores, Inc. (NACDS). 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.
D. (6) $1,500.

A. Stephen S. Kellner, 1001 Connecticut Avenue NW., Suite 1120. Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $39.85. E. (9) $32.70.

A. Carol A. Kelly, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $796.60. E. (9) $36.47.

A. Ernest B. Kelly III, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,000. E. (9) $342.26.

A. Harold V. Kelly, Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John J. Kelly, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,672.91.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $5,000. E. (9) $871.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. Peter B. Kenney, 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $1,400. E. (9) $177.15.

A. Robert T. Kenney, Texaco, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10640.

A. Vytautas Kerbelis, 69 Cottage Street, Bar Harbor, Maine 04609.
B. ARAS (Psychomotor Domain of Self), 69 Cottage Street, Bar Harbor, Maine 04609.
D. (6) $600. E. (9) $600.

A. Robert M. Ketchel, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $25.

A. John A. Keutmann, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $68,668.75. E. (9) $5,473.51.

A. Gilbert W. Keyes, P.O. Box 3999, Seattle, Wash. 98124.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $88.67. E. (9) $227.75.

A. William S. Kies, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Kilpatrick, Cody, Rogers, McClatchey & Regenstein, Suite 400, 2033 K Street NW., Washington, D.C. 20006.
B. Furniture Rental Association of America, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $304.28.

A. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $465.02. E. (9) $141.28.

A. Richard H. Kimberly, Kimberly-Clark Corp., Executive Suite, 3390 Peachtree Road NE., Atlanta, Ga. 30326.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $50.02. E. (9) $28.95.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $460.

A. G. Jack King, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $1,000.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $385.02.

A. Alan G. Kirk II, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Kirkland & Ellis, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Ralph W. Kittle, 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $545. E. (9) $190.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $632.09.

A. Catherine B. Klarfeld, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Terrence H. Klasky, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 North Main Street, Sauk Centre, Minn. 56378.
D. (6) $8,000. E. (9) $1,500.

A. Richard P. Kleeman, Association of American Publishers, inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

A. Joann Klimschot, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,600.

A. Richard A. Kline, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.
B. Council of Active Independent Oil & Gas Producers, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.
D. (6) $5,781.

A. Gary D. Knight, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $131.88. E. (9) $92.69.

A. Gary D. Knight, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $18.

A. Keith R. Knoblock, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $89.84. E. (9) $4.05.

A. John S. Knox, Jr., 166 16th Street NW., Atlanta, Ga. 30318.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.
D. (6) $25.

A. Philip M. Knox, Jr., Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $3,000.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational & Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $4,119.23. E. (9) $308.42.

A. Bradley R. Koch, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue, NW., Washington, D.C. 20036.
D. (6) $127.35.

A. George W. Koch, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.
D. (6) $40.02.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $22.25.

A. Stephen Koplan, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $6,672. E. (9) $27.03.

A. Horace R. Kornegay, The Tobacco Institute, Inc., Suite 1200, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $100.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,325.76.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,375.

A. Mylio S. Kraja, The American Legion, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $7,881. E. (9) $915.72.

A. Amos Kramer, Kansas Petroleum Council, 1414 Merchants Bank, Eighth and Jackson Streets, Topeka, Kans. 66612.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $455. E. (9) $497.20.

A. Raymond R. Krause, Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $170.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $360.

A. M. J. Kuehne, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.
B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street, NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $12,124. E. (9) $1,386.35.

A. Thomas R. Kuhn, 1750 K Street, NW., Suite 300, Washington, D.C. 20006.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

D. (6) $2,941.67. E. (9) $109.07.

A. Kurrus, Dyer & Jacobi, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $17,113. E. (9) $1,071.

A. Daniel M. Kush, CertainTeed Corp., 1627 K Street NW., No. 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.
D. (6) $330. E. (9) $41.53.

A. Kutak, Rock & Huie, 1101 Connecticut Avenue NW., 11th Floor, Washington, D.C. 20036.
B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10043.
D. (6) $1,500. E. (9) $127.23.

A. Kutak, Rock & Huie, The Omaha Building, 1650 Farnam Street, Omaha, Nebr. 68102.
B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.
E. (9) $123.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,979. E. (9) $6,064.

A. Laborers' International Union of North America, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $23,163.98.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20036.
D. (6) $900. E. (9) $6.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
D. (6) $900. E. (9) $6.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C., 20006.
D. (6) $900. E. (9) $6.

A. Walter B. Laessig, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $150.

A. Sandra LaFevre, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C. 20036.
B. Nationwide Insurance Cos., & Affiliates, 1 Nationwide Plaza, Columbus, Ohio 43216.
D. (6) $500.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $4,005.04. E. (9) $58.75.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. California Westside Farmers, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036. (for California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $1,000.

A. David F. Lambert III, Suite 1101, 2001 Jefferson Davis Highway, Arlington, Va. 22202.
B. Automotive Occupant Protection Association, Suite 1101, 2001 Jefferson Davis Highway, Arlington, Va. 22202.

A. David M. F. Lambert, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Jewish Employment Vocational Services, 1727 Locust Street, St. Louis, Mo. 63103.

A. David R. Lambert, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,600.

A. Harry J. Lambeth, 725 15th Street NW., Suite 700, Washington, D.C. 20005.
B. Council to Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.
E. (9) $150.

A. Joanne M. Lamere, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $300.

A. A. M. Lampley, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

A. S. J. Lanahan, Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Estate of Mary Adams, P.O. Box 1208, Savannah, Ga., 31402.
E. (9) $102.70.

A. Allan F. Landolt, Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.
B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.
E. (9) $200.

A. David W. Landsidle, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.
B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.
D. (6) $2,000.

A. Lane and Edson, Suite 400 S, 1800 M Street NW., Washington, D.C. 20036.
B. National Leased Housing Association, Suite 400 S, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

A. James J. LaPenta, Jr., Laborers' International Union of North America, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $3,903.09. E. (9) $143.75.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $637.50.

A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $37.59.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $90. E. (9) $15.

A. Theodore A. Lattanzio, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $600.

A. Ivan L. Lawyer, GCC Beverages, Inc., 7777 Northwest 41 Street, Miami, Fla. 33159.
B. GCC Beverages, Inc., 7777 Northwest 41st Street, Miami, Fla. 33159.
D. (6) $14,500. E. (9) $4,212.20.

A. Kenneth L. Lay, Florida Gas Transmission Co., 641 Via Lugano, Winter Park, Fla. 32790.
B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Alice V. Leaderman, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
D. (6) $500. E. (9) $6.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $19,410.20. E. (9) $19,410.20.

A. Edward F. Leahy, 99 Oak Ridge Circle, Weymouth, Mass. 02188.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $100. E. (9) $467.59.

A. Richard A. Leahy, David L. Babson & Co., Inc., 1 Boston Place, Boston, Mass. 02108.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Kevin R. Leary, National Parking Association, 1101 17th Street, NW., Washington, D.C. 20036.
B. National Parking Association, 1101 17th Street, NW., Washington, D.C. 20036.
D. (6) $ 3,125.

A. John I. Le Berre, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street, NW., Washington, D.C.

A. Joseph M. Leigh, 13800 Northeast Sixth Avenue, Apt. 4, North Miami, Fla. 33161.

B. Senior Pilots Association, P.O. Box 530164, Miami, Fla. 33153.
D. (6) $6,355. E. (9) $8,355.09.

A. Robert J. Leigh, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Fireman's Fund American Life Insurance Co., 1600 Los Gamos Drive, San Rafael, Calif. 94911.
D. (6) $3,589.50.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.
D. (6) $2,000. E. (9) $2,000.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
D. (6) $2,025.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Development Services Corp., 1930 Century Park West, No. 404, Los Angeles, Calif. 90067.
D. (6) $1,000. E. (9) $1,000.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Manufactured Housing Federation, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
D. (6) $1,800.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Oakdale Corp., 16055 Ventura Boulevard, No. 400, Encino, Calif. 91436.
D. (6) $1,000. E. (9) $1,000.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.
B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.
D. (6) $690. E. (9) $1,062.

A. Lynette B. Lenard, 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $2,000. E. (9) $236.25.

A. Barbara S. Leonard, The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $336.65.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $582. E. (9) $763.14.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,864.87. E. (9) $70.60.

A. Steven H. Lesnik, Lumbermen's Mutual Casualty Co., Long Grove, Ill. 60049.

B. Lumbermen's Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $300.

A. Carl Levin, 1800 M Street NW., No. 750 South, Washington, D.C. 20036.
B. Burson-Marsteller, 1800 M Street NW., 750 South, Washington, D.C. 20036 (for Newport News Shipbuilding & Drydock Co.).
E. (9) $100,797.71.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $2,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Independent Local Newspaper Association, Suite 240, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $405.

A. Roger N. Levy, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $8,750. E. (9) $200.

A. B. F. Lewallen, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18.

A. E. David Lewis, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $110. E. (9) $90.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street No. 1400, St. Louis, Mo. 63101.
B. St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.
D. (6) $1,162. E. (9) $115.07.

A. Robert G. Lewis, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $2,304.61. E. (9) $65.14.

A. Daniel J. Lewolt, 777 14th Street NW., Suite 236, Washington, D.C. 20005.
B. National Taxpayers Legal Fund, 777 14th Street NW., Suite 236, Washington, D.C. 20005.
D. (6) $32,168.84. E. (9) $1,500.

A. Ronald L. Leymeister, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $150. E. (9) $70.

A. Wm. J. Lhota, Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.
B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702 (a subsidiary of American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004).

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $4,500. E. (9) $1,200.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $1,200.

A. William C. Lienesch, 236 10th Street SE., Washington, D.C. 20003.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $615.75. E. (9) $26.35.

A. Russell B. Light, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $100. E. (9) $7.40.

A. William Lilley III, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Edward J. Lincoln, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.
D. (6) $366.86.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Madison Gas & Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.
D. (6) $814.03.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.
D. (6) $4,218.72.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.
D. (6) $1,100.34.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $10,376.25.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $5,715. E. (9) $13.90.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, Division of Water Resources, 2300

South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $3,843.75.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Superior Water, Light & Power Co., 1230 Tower Avenue, Superior, Wis. 54880.
D. (6) $220.52.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.
D. (6) $3,569.19. E. (9) $48.42.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Power & Light Co., Madison, Wis. 53701.
D. (6) $1,595.97.

A. Linton, Mields, Reisler & Cottone, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.
D. (6) $1,562.64.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $690. E. (9) $191.75.

A. Andrew Litsky, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,169. E. (9 $82.80.

A. E. F. Livaudais, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $500.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $56.22.

A. Robert H. Loeffler, Morrison & Foerster, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. State of Alaska, Department of Natural Resources, Pouch M, State Capitol, Juneau, Alaska 99811.
D. (6) $200. E. (9) $32.04.

A. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
E. (9) $4,500.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,500.

A. Robert W. Long, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $38.21. E. (9) $5.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 50 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Textile Rental Services Association of America, 1250 East Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Edward J. Lord, 1606 K Street NW., Washington, D.C. 20006.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $5,043. E. (9) $359.43.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Robert E. Losch, 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., et al.
D. (6) $24,500. E. (9) $2,442.55.

A. Robert E. Losch, 910 17th Street NW., Washington, D.C. 20006.
B. Pelican Terminal Corp., 500 Jefferson Building, Suite 2025, Houston, Tex.; Port of Galveston (Galveston Wharve), P.O. Box 328, Galveston, Tex. 77550.
D. (6) $12,501. E. (9) $1,795.70.

A. Timothy B. Lovain, New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $5,415.40.

A. James F. Lovett, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $500. E. (9) $200.

A. James P. Low, American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. William C. Lowrey, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Gerald M. Lowrie, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000.

A. Mrs. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $612.74.

A. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006.
B. Republic of the Philippines.

A. William F. Ludlam, Sr., P.O. Box 5282, Virginia Beach, Va. 23455.
B. American Revolution Bicentennial Administration Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.
E. (9) $559.

A. Kathy K. Luhn, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Washington, D.C. 20036.
D. (6) $58. E. (9) $2.

A. Lumbermen's Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $3,192.85.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $10,000. E. (9) $41.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $300. E. (9) $1.26.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. National Product Liability Council, Box 11111, Cincinnati, Ohio 45211.
D. (6) $300. E. (9) $33.79.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa., 18101.
D. (6) $3,195. E. (9) $362.57.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $1,001.25 E. (9) $22.03.

A. Richard Lyng, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500.

A. William T. Lyons, 1800 M Street NW., Suite 280N, Washington, D.C. 20036.
B. CIBA-GEIGY Corp., Ardsley, N.Y. 10502.
D. (6) $750. E. (9) $407.

A. Timothy MacCarthy, Motor Vehicle Manufactures Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $440.

A. Alan G. Macdonald, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $3,600.

A. Jack A. MacDonald, National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
B. National Council of Health Care Services, 1200 15th Street NW., No. 601, Washington, D.C. 20005.
D. (6) $731.25. E. (9) $195.73.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $18,375. E. (9) $3,496.79.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $896.75 E. (9) $500.

A. Duncan H. Mackenzie, 3019 Goat Hill Road, Bel Air Md. 21014.
D. (6) $200. E. (9) $315.68.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 38th Street, New York, N.Y. 10016.
D. (6) $5,900.72. E. (9) $2,718.52.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,650. E. (9) $38.

A. Edward C. Maeder, DGA International, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $1,050. E. (9) $302.49.

A. John R. Maguire, 10612 Runaway Lane, Great Falls, Va. 22066.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

A. W. Terry Maguire, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $600. E. (9) $68.67.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,865.44. E. (9) $149.23.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C.
D. (6) $70.

A. Andre Maisonpierre, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $135.

A. Leonard W. Mall, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $340.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $525. E. (9) $25.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $9,624.99. E. (9) $77.45.

A. Mike Manatos, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $20.

A. Forbes Mann, The LTV Corp., 1155 15th Street NW., No. 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,000. E. (9) $550.

A. James H. Mann, 810 18th Street NW., Washington, D.C. 20006.
B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Phillip L. Mann, Fulbright & Jaworski, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Kenneth Lewis, 3300 Northwest Yeon Avenue, Portland, Oreg. 97210.
D. (6) $9,277.67. E. (9) $172.33.

A. Armand G. Manson, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,684. E. (9) $2,684.

A. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va., 22202.
D. (6) $3,705. E. (9) $3,705.

A. Dallace E. Marable, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,050. E. (9) $29.85.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.
B. National Star Route Mail Carriers' Association, 324 East Capitol Street, Washington, D.C. 20003.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $6,102.67. E. (9) $9,309.25.

A. Charles T. Marck, The Dow Chemical Co., 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $1,000. E. (9) $250.

A. R. V. Mariani, Brotherhood of Railway, Airline, & Steamship Clerks, Freight Handlers, Express, & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline, & Steamship Clerks, Freight Handlers, Express, & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,540. E. (9) $1,722.90.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $304.23.

A. Lawrence D. Markley, P.O. Box 3518, Anchorage, Alaska 99501.
B. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
E. (9) $51.45.

A. John C. Marlin, 309 West Nevada, Urbana, Ill. 61801.
B. Coalition on American Rivers, P.O. Box 2667, Station A, Champaign, Ill. 61820.
D. (6) $240. E. (9) $48.78.

A. Howard Marlowe, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,928. E. (9) $142.25.

A. Jack D. Maroney, 1300 AmericanBank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Chalmers H. Marquis, 3430 Blair Road, Falls Church, Va. 22041.
B. Children's Television Workshop, 1 Lincoln Plaza, New York, N.Y. 10023.
D. (6) $1,800. E. (9) $110.

A. Robert M. Marr, 2545 Blue Grass Court, Indianapolis, Ind. 46208.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $1,300. E. (9) $1,200.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Abbotts Dairies Division of Fairmont Foods Co., 333 West Loop North, Houston, Tex. 77024.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. ADP Pension Services, Inc., 180 Newport Center Drive, Newport Beach, Calif. 92663.
D. (6) $1,241.50.

A. C. Travis Marshall, 1776 K Street NW., Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $205.

A. J. Paull Marshall, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $176. E. (9) $109.56.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $235. E. (9) $87.33.

A. John B. Martin, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons,

1909 K Street NW., Washington, D.C. 20049.
D. (6) $627.69. E. (9) $1.45.

A. Katherine E. Martin, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $437.52. E. (9) $78.93.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $225.

A. Joseph J. Martyak, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $106.80.

A. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $161.36.

A. Mike M. Masaoka, Association on Japanese Textile Imports, Inc., Suite 520, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
D. (6) $250.

A. Mike M. Masaoka, Masaoka-Ishikawa and Associates, Inc., Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $500.

A. W. A. Mason, 442 Ontario, Shreveport, La.
B. Southwestern Electric Power Co., P.O. Box 21106, Shreveport, La. 71156.
D. (6) $60.63.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. David Masselli, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,499.99.

A. William F. Massmann, Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.
B. Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.
D. (6) $760. E. (9) $660.

A. Joanne E. Mattiace, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $50. E. (9) $32.

A. Charles D. Matthews, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.
B. National Ocean Industries Association, 1100 17th Street NW., Suite 410, Washington, D.C. 20036.
D. (6) $1,276.79. E. (9) $1,262.33.

A. Herbert S. Matthews, Jacksonville Transportation Authority, Box 72, Mechanicsville, Md. 20659.
B. Jacksonville Transportation Authority, P.O. Box 5150, Jacksonville, Fla. 32207.
D. (6) $3,999.99. E. (9) $47.65.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.
B. Martin-Marietta Aerospace, 6801 Rockledge Drive, Bethesda, Md. 20034.
D. (6) $4,200. E. (9) $296.80.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $6,000. E. (9) $83.98.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $412.50.

A. Anthony F. Mauriello, New York State Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $618.39. E. (9) $326.20.

A. Samuel L. Maury, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $76.52. E. (9) $34.11.

A. Thomas H. Maxedon, Kentucky Petroleum Council, 4010 Dupont Circle, Suite 469, Louisville, Ky. 40207.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $346.50. E. (9) $318.09.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $555. E. (9) $0.06.

A. James C. May, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $5.41. E. (9) $4.

A. Arnold Mayer, 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.
B. United Food and Commercial Workers International Union, 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.
D. (6) $10,880. E. (9) $190.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C.
B. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Brunswick Corp., 1 Brunswick Plaza, Skokie, Ill. 60076.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C., 20006.
B. The ERISA Industry Committee, Suite 1201, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $340.75. E. (9) $3.50.

A. MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $1,000.

A. H. Wesley McAden, 1707 L Street NW., Room 650, Washington, D.C. 20036.

B. J. G. Boswell Co., 333 South Hope Street, Los Angeles, Calif. 90017.
D. (6) $3,500. E. (9) $1,620.

A. H. Wesley McAden, 1707 L Street NW., Room 650, Washington, D.C. 20036.
B. Salyer Land Co., P.O. Box 486, Corcoran, Calif. 93212.
D. (6) $3,500. E. (9) $1,620.

A. Richard F. McAdoo, Security Pacific National Bank, 1901 L Street NW., Suite 702, Washington, D.C. 20036.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco, 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $847.

A. Ann McBride, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,750. E. (9) $68.

A. William C. McCamant, 1725 K Street NW., Washington. D.C. 20006.
D. (6) $300.

A. McCandless & Barrett, 1707 H Street NW., Suite 1005, Washington, D.C. 20006.
B. Transamerica Insurance Corp. of California (Occidental Life), Occidental Center, Hill and Olive at 12th Street, Los Angeles, Calif. 90015.
D. (6) $22,977.88. E. (9) $345.60.

A. John A. McCart, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,552.78.

A. Sean A. McCarthy, 8003 Westpark Drive, McLean Va. 22102.
B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22102.
D. (6) $750. E. (9) $29.70.

A. McCarty & Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.
D. (6) $540. E. (9) $28.15.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Allied Capital Corp, 1625 I Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $1,000.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Avon Products, Inc., Nine West 57th Street, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Cities Service Co., Box 300, Tulsa, Okla. 74102.
E. (9) $75.10.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.
E. (9) $32.50.

A. McClure & Trotter, 1100 Connecticut

Avenue NW., Suite 600, Washington, D.C. 20036.
B. Estate of Chester H. Roth, Parker, Chapin, Flattau & Klimpl, 530 Fifth Avenue, New York, N.Y. 10036.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Gulf & Western Industries, Inc., One Gulf & Western Plaza, New York, N.Y. 10023.
E. (9) $240.54.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Mobil Corp., 150 East 42d Street, New York, N.Y. 10017.
E. (9) $187.34.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Tidewater, Inc., 1440 Canal Street, Suite 2100, New Orleans, La. 70112.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.

A. Joel C. McConnell, Jr., Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main, Sauk Centre, Minn. 56378.
D. (6) $5,000. E. (9) $1,000.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. John L. McCormick, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D. C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $535.71.

A. Sally McCormick, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Bruce A. McCrodden, The Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $16.20.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 400 First Street NW., Suite 619, Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60. E. (9) $85.20.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,550.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. E. T. McDonald, Brotherhood of Railway, Airline, & Steamship Clerks, Freight Handlers, Express, & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline, and Steamship Clerks, Freight Handlers, Express, & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,540. E. (9) $2,110.

A. Jack McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005).
D. (6) $9,000.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.
D. (6) $12,000.

A. Jack McDonald Associates, 6845 Elm Street, No. 500, MaLean, Va. 22101.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
D. (6) $4,999.98. E. (9) $2,450.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.
B. The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $25,000. E. (9) $24,438.86.

A. James McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Association, 6845 Elm Street, No. 500, McLean, Va. 22101 (for Northrup Corp., 1800 Century Park East, Los Angeles, Calif. 90067).
D. (6) $2,250.

A. Michael D. McDonald, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Patrick W. McElhoes, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18. E. (9) $180.32.

A. Joseph A. McElwain, Montana Power Co., 40 East Broadway, Butte, Mont. 59701.
B. Montana Power Co., Butte, Mont. 59701.
E. (9) $77.90.

A. P. Anne McGhee, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $450.

A. Robert M. McGlotten, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,232. E. (9) $1,014.65.

A. Jerome J. McGrath, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $500.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,232. E. (9) $378.06.

A. Peter E. McGuire, National Association of Retired and Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired and Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106; Hotel & Restaurant Employees & Bartenders Union, 1666 K Street NW., Washington, D.C.; International Union of Police Associations, 423 First Street SE., Washington, D.C.
D. (6) $5,999.96. E. (9) $395.22.

A. John J. McHale, Jr., 1317 Biltmore Street NW., Apartment A, Washington, D.C. 20009.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,500.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $1,115.22.

A. Lynn R. McIntosh, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,936.37. E. (9) $56.00.

A. Robert S. McIntyre, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $937.50.

A. Susan M. McKenzie, National Treasury Employees Union 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
E. (9) $6,048.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. National Headquarters, Marine Corps League, 911 North Kenmore Street, Suite 321, Arlington, Va. 22201.
E. (9) $23.

A. C. A. "Mack" McKiney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 33610, San Antonio, Tex. 78298.
D. (6) $5,932.48. E. (9) $7,666.12.

A. Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $6,923.70. E. (9) $10,950.49.

A. John S. McLees, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $912. E. (9) $160.20.

A. Michael R. McLeod, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.
D. (6) $5,750.

A. Michael R. McLeod, Davis & McLeod, 499 South Capitol Street SW., Suite 407, Washington, D.C. 20003.
B. United Egg Producers, 3951 Snapfinger Parkway, Suite 550, Decatur, Ga. 30032.
D. (6) $833.

A. William F. McManus, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $515.00. E. (9) $285.75.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,500. E. (9) $62.75.

A. James D. McMillan, Exxon Corp., Suite 1100, 1899 L Street NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Craig L. McNeese, P.O. Box 1700, Houston, Tex. 77001.
B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.
D. (6) $975. E. (9) $596.14.

A. James A. McPherson, Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. $62.20.

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108.
B. Goldman, Sachs & Co., 55 Broad Street, New York, N.Y. 10004.
D. (6) $3,000. E. (9) $30.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., Suite 1160, Washington, D.C. 20036.
B. Interlake, Inc., Commerce Plaza, Suite 700, 2015 Spring Road, Oak Brook, Ill. 60521.
D. (6) $7,280. E. (9) $269.25.

A. David O. Meeker, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. William H. Megonnell, Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $241.07. E. (9) $2.80.

A. Louis L. Meier, Jr., American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, Professional Society, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $1,050. E. (9) $365.

A. Kenneth A. Meiklejohn, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, Federation of Trades & Labor Unions, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,232. E. (9) $224.31.

A. F. A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $350. E. (9) $92.

A. Faye L. Mench, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $196.87. E. (9) $159.55.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.
D. (6) $6,250. E. (9) $54.05.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Holly Corp., 3327–2001 Bryan Tower, Dallas, Tex. 75201.
E. (9) $7.89.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $8,333. E. (9) $137.28.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. John Tudor, 18 East 53rd Street, New York, N.Y. 10022.
E. (9) $9.49.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Wolf Trap Foundation, 1624 Trap Road, Vienna, Va. 22180.
E. (9) $8.65.

A. Harold E. Medrow, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Stencel Aero Engineering Corp., P.O. Box 5836, Ashville, N.C. 28803.

A. Marc Messing, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,800.

A. Tanya K. Metaksa, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $787.50.

A. Metzger, Shadyac & Schwarz, 1 Farragut Square South, Ninth Floor, Washington, D.C. 20006.
B. Meiex, U.S.A., Inc., 120 Front Street, Raleigh, N.C. 27609.
D. (6) $2,500. E. (9) $10.

A. M. Barry Meyer, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.
E. (9) $40.

A. James G. Michaux, Federated Department Stores, Inc., 1801 K Street NW., Suite 903, Washington, D.C. 20006.
B. Federated Department Stores, Inc., 7 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald A. Michieli, National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000.

A. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.
E. (9) $78.86.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $7,441.88. E. (9) $12,933.98.

A. Joy Midman, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Private Psychiatric Hospitals.
D. (6) $250.

A. Migrant Legal Action Program, Inc., 806 15th Street NW., Suite 600, Washington, D.C. 20005.
E. (9) $2,402.36.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $116.12.

A. A. Stanley Miller, Federation of American Controlled Shipping, 910 16th Street, NW., Room 302, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $300.

A. Miller Associates, Inc., 2500 Q Street NW., 105, Washington, D.C. 20007.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $1,500. E. (9) $77.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $1,155.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.
D. (6) $4,018.75. E (9) $7.50.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Medical Area Service Corp., c/o Michael Brewer, Holyoke Center, Cambridge, Mass. 02138.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Outdoor Amusement Business Association, 4600 West 77th Street, Minneapolis, Minn. 55435.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Trans-Alaska Pipeline Liability Fund, 601 West Fifth Avenue, Suite 700, Anchorage, Alaska 99501.
D. (6) $2,951.

A. Clinton R. Miller, National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
D. (6) $288. E. (9) $384.

A. Dale Miller, 1200 16th Street NW., No. 305, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Tex.
D. (6) $262.50. E. $(9) $13.80.

A. Dale Miller, 1200 16th Street NW, No. 305, Washington, D.C. 20036.
B. Texasgulf, Inc., Stamford, Conn.
D. (6) $450. E. ($) $470.

A. Robert H. Miller, Tenneco, Inc., 490 L'Enfant Plaza East SW., Suite 2202, Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.
E. (9) $112.05.

A. Stella L. Miller, National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $3.50.

A. William P. Miller, Jr., American Society of Mechanical Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. American Society of Mechanical Engineers, 345 East 47th Street, New York, N.Y. 10017.
E. (9) $153.50.

A. Millman, Broder & Curtis, 1730 M Street NW., Suite 906, Washington, D.C. 20036.
B. National Council of Senior Citizens, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $4,500. E. (9) $258.84.

A. John F. Mills, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $320.

A. Wayne L. Millsap, Suite 2300, Clayton Inn Center, 7777 Bonhomme Avenue, St. Louis, Mo. 63105.
B. Seven-Up Bottling Co. of St. Louis, Mo., 555 Brown Road, St. Louis, Mo.
D. (6) $207. E. (9) $6.

A. Edward J. Milne, Jr., 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $432. E. (9) $173.41.

A. Clarence Mitchell, NAACP, 733 15th Street NW., Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $3,125.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.
B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.
E. (9) $280.

A. Richard Misrack, Fallek-Lankro Corp., 295 Madison Avenue, New York, N.Y. 10017.
B. Fallek-Lankro Corp., Tuscaloosa, Ala.

A. Michael S. Moe, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Robert M. Molitor, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $212.

A. Michael J. Molony, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20006.
D. (6) $60.

A. John S. Monagan, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Central Station Electrical Protection Association, 1000 Vermont Avenue, NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $10.81.

A. Elizabeth R. Monro, Air Transport Association of America, 1709 New York Avenue, NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $837.50.

A. Michael Monroney, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036; 1 Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $100.

A. G. Merrill Moody, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $156.49. E. (9) $111.52.

A. Alan J. Moore, The Atchison, Topeka & Santa Fe Railway Co., Suite 640, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,000.

A. Clarence W. Moore, 407 Lincoln Road, Miami Beach, Fla. 33139; Barr Building 912, 910 17th Street NW., Washington, D.C. 20006.
B. National Barrel & Drum Association, 910 17th Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. L. Calvin Moore, Oil, Chemical & Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $3,875.

A. Powell A. Moore, 1155 15th Street NW., Washington, D.C. 20005.
B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.
D. (6) $560.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Electrolert, Inc., 475 Park Avenue, New York, N.Y. 10016.
D. (6) $150.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. National Association of Theater Owners, 1500 Broadway, New York, N.Y. 10036.
D. (6) $600.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $500.

A. Jo V. Morgan, Jr., The American Humane Association, 1050 17th Street NW., Washington, D.C. 20036.
B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,800.

A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $588. E. (9) $59.80.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800 N, Washington, D.C. 20036.
B. Committee on Capital Formation Through Dividend Reinvestment.
D. (6) $135. E. (9) $80.

A. James A. Morrill, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $723.65.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $2,700.

A. William C. Morrison, 2001 North Adams Street, Arlington, Va. 22201.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $875.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.
B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.
E. (9) $10.20.

A. John E. Moss, 2300 19th Street, Sacramento, Calif. 95818.
B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.
D. (6) $800. E. (9) $926.25.

A. Lynn E. Mote, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000.

A. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $431.73. E. (9) $431.73.

A. Karen Mulhauser, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $251.53.

A. William G. Mullen, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $5,625. E. (9) $65.

A. John P. Mulligan, Tuna Research Foundation, 1101 17th Street NW., Washington, D.C. 20036.
B. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,250.

A. Mullin, Connor & Rhyne, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Alberto de la Vega-Ripol, c/o Imperme, P.O. Box 75, Marbella (Malaga) Spain.
D. (6) $500. E. (9) $10.57.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, NY. 10001.
D. (6) $100. E. (9) $15.

A. Robert J. Mullins, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Education & Co-Operative Union of America, Denver, Colo 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $4,119.23. E. (9) $18.52.

A. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $36,284.28. E. (9) $36,284.28.

A. Murdoch & Walsh, P.O. Box 949, Wilmington, Del. 19899.
B. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $662.62.

A. Ralph D. Murphine, 1214 16th Street NW., Washington, D.C. 20036.
B. Committee to Preserve the Appalachian Coal Market, Suite 311, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $9,000. E. (9) $3,070.19.

A. Anne G. Murphy, Public Broadcasting Service, 3415 South Stafford Street, Arlington, Va. 22202.
B. Public Broadcasting Service, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $10,575. E. (9) $1,314.79.

A. Richard E. Murphy, 2020 K Street NW, Suite No. 200, Washington, D.C. 20006.
B. Service Employees International Union, AFL-CIO, CLC, 2020 K Street NW., Suite No. 200, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $200.

A. Richard W. Murphy, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $625. (9) $41.90.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B Chicago, Milwaukee, St. Paul & Pacific Railroad, 516 West Jackson Boulevard, Chicago, Ill. 60606.
D. (6) $300.

A D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. The Cleveland Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.
D. (6) $300.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $250.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. Iron Ore Lessors Association, 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $450.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. LTV Corp., P.O. Box 5003, Dallas, Tex. 75222.
D. (6) $200.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. National Association of Industrial & Office Parks, 1901 North Fort Myer Drive, No. 1100, Arlington, Va. 22209.
D. (6) $300.

A. D. Michael Murray, 1120 Connecticut Avenue NW., Suite 1128, Washington, D.C. 20036.
B. National Council of Coal Lessors, 1130 17th Street NW., Washington, D.C. 20035.
D. (6) $300.

A. Margaret R. Murray, 1339 Wisconsin Avenue NW., Washington, D.C. 20007.
B. Heinold Commodities, 222 South Riverside Plaza, Chicago, Ill. 60606.

A. William E. Murray, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $173.50.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc. (AWO), 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $500. E. (9) $6.

A. Fred J. Mutz, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $35.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $500. E (9) $479.71.

A. Gerald P. Nagy, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $560.

A. John J. Nangle, National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
D. (6) $1,000.

A. Hardy L. Nathan, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW, Washington, D.C. 20006.
D. (6) $1,500.

A. Raymond Nathan, 5025 Garfield Street NW., Washington, D.C. 20016.
B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.
D. (6) $555. E. (9) $455.51.

A. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $290,962.76. E. (9) $39,939.22.

A. National Air Carrier Association, 1730 M Street NW., Suite 710, Washington, D.C. 20036.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $1,015.50. E. (9) $773.31.

A. National Association for Humane Legislation, Inc., P.O. Box 11675, St. Petersburg, Fla. 33733.
D. (6) $11.25. E (9) $82.25.

A. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $68,668.75. E. (9) $5,473.51.

A. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
D. (6) $113,856.21. E. (9) $10,401.67.

A. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.
E. (9) $3,801.56.

A. The National Association of Federal Veterinarians, Suite 636, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $314.54.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.
E. (9) $300.

A. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20515.
D. (6) $184,408.80. E. (9) $85,955.68.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,060,207.86. E. (9) $55,207.26.

A. The National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $71,451.18. E. (9) $71,451.18.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Mutual Insurance Cos., 7931 Castleway Drive, Indianapolis, Ind. 46250.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $10,731.36. E. (9) $10,731.36.

A. National Association of Pension Consultants and Administrators, Inc., Three Piedmont Center, Suite 300, Atlanta, Ga. 30305.
D. (6) $3,040. E. (9) $342.50.

A. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.
D. (6) $7,645.05. E. (9) $5,669.64.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $300. E. (9) $300.

A. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street, Washington, D.C. 20005.
E. (9) $45,781.35.

A. National Association of State Lotteries, 1290 Silas Deane Highway, Wethersfield, Conn. 06109.
D. (6) $1,800. E. (9) $1,800.

A. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $16,978.73. E. (9) $19,677.33.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $40,097. E. (9) $4,188.24.

A. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.

A. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $10,405. E. (9) $11,786.19.

A. National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $1,000.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
E. (9) $3,642.98.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $1,186,030.59. E. (9) $25,136.61.

A. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $1,023. E. (9) $4,372.84.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $21,043. E. (9) $10,931.

A. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $2,943.55. E. (9) $12,114.13.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $8,587.12. E. (9) $8,587.12.

A. National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $5,773. E. (9) $3,610.

A. National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
D. (6) $2,315.56. E. (9) $1,925.16.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $197.23. E. (9) 197.23.

A. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $1,125.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $10,648.54. E. (9) $10,648.54.

A. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $4,625. E. (9) $5,712.22.

A. National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $10,625. E. (9) $6,287.50.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $14,692.40. E. (9) $2,062.99.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $935.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $77,206.89. E. (9) $82,591.99.

A. National Industrial Traffic League, 1909 K Street NW., Suite 410, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $3,000.

A. National Leased Housing Association, Suite 400-S, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
D. (6) $5,786.62. E. (9) $5,786.62.

A. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.
D. (6) $10,041.87. E. (9) $10,432.22.

A. National Maritime Council, 1742 N Street NW., Washington, D.C. 20036.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $6,359.80. E. (9) $6,359.80.

A. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $9,600. E. (9) $73,483.06.

A. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $11,053.17. E. (9) $11,053.17.

A. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $141,348.82. E. (9) $26,570.27.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $5,073.45.

A. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $6,300. E. (9) $216.

A. National Potato Council, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $5,850. E. (9) $3,379.26.

A. National Realty Committee, Inc., 2033 M Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $2,000.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $5,000.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $2,237.

A. National Right to Life Committee, Inc., 529 14th Street NW., No. 341, Washington, D.C. 20515.
D. (6) $35,580. E. (9) $7,100.

A. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $3,615. E. (9) $3,615.

A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 2.036.
E. (9) $4,251.50.

A. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $17,512. E. (9) $865.

A. National School Transportation Association, 9001 West Braddock Road, Room 310, Springfield, Va. 22151.
D. (6) $517.18. E. (9) $517.18.

A. National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.
E. (9) $1,875.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $365.53.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $13,450.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $41,500. E. (9) $44,392.16.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue NW., No. 930, Washington, D.C. 20036.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $6,138.65. E. (9) $6,254.00.

A. National Taxpayers Legal Fund, 777 14th Street NW., Suite 236, Washington, D.C. 20005.
D. (6) $32,168.84. E. (9) $1,500.

A. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
E. (9) $1,996.

A. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $2,890. E. (9) $2,890.

A. National Turkey Federation, Reston International Center, Suite 302, Reston, Va. 22091.
D. (6) $1,000. E. (9) $1,000.

A. National Water Resources Association, 955 L'Enfant North SW., Suite 1202, Washington, D.C. 20024.
D. (6) $4,252. E. (9) $7,380.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.
D. (6) $1,354.74. E. (9) $2,201.66.

A. National Wool Growers Association, 1776 F Street NW., Washington, D.C. 20006.

A. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $46,500. E. (9) $6,510.37.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $1,227. E. (9) $87.20.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $2,407.

A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.
B. Farm Water Alliance, 955 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $15,000. E. (9) $3,930.13.

A. L. James Nelson, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $625.

A. Robert W. Nelson, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $185.

A. A. S. Nemir Associates, Suite 1230, Pennsylvania Building, Washington, D.C. 20004.
B. Brazilian Sugar and Alcohol Institute, Rio de Janeiro, Brazil.
E. (9) $534.49.

A. NETWORK, 1028 Vermont Avenue NW., No. 650, Washington, D.C. 20005.
D. (6) $27,308.53. E. (9) $16,861.82.

A. E. John Neumann, Baltimore Gas & Electric Co., 1523 L Street NW., No. 500, Washington, D.C. 20005.
B. Baltimore Gas & Electric Co., Gas and Electric Building, P.O. Box 1475, Baltimore, Md. 21203.
D. (6) $454.94. E. (9) $447.12.

A. Robert B. Neville, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C. 20006; One IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $3,250. E. (9) $17.50.

A. Louis H. Nevins, 1700 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $3,250. E. (9) $1,757.28.

A. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $22,794.50. E. (9) $16,631.14.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $26,500. E. (9) $25,555.

A. E. J. Newbould, 1130 17th Street NW., Washington, D.C.
B. National Clay Pipe Institute, P.O. Box 310, Crystal Lake, Ill. 60014.
D. (6) $600. E. (9) $30.75.

A. Kathryn L. Newman, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, 2 Militia Drive, Lexington, Mass. 02173.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Janet G. Newport, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
B. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $3,875. E. (9) $97.01.

A. M. Ray Niblack, 1101 15th Street NW., Washington, D.C. 20005.
B. American Bankers Insurance Co. of Florida, 600 Brickell Avenue, Miami, Fla. 33131.
D. (6) $3,000. E. (9) $169.08.

A. Nicholas John Nichols, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,400. E. (9) $643.40.

A. John B. Nicholson, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $150.

A. Melissa A. Nielson, Kennecott Copper Corp., 1775 K Street NW., Washington, D.C. 20006.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $450. E. (9) $300.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $1,400. E. (9) $1,847.37.

A. Patrick J. Nilan, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $11,711.83. E. (9) $6,119.42.

A. Nan Fielding Nixon, 309 Fourth Street SE., Apartment 7, Washington, D.C. 20003.
B. Office of Government and Community Affairs, Grays Hall, 16, Harvard University, Cambridge, Mass. 02138.
D. (6) $5,600. E. (9) $696.21.

A. H. Christopher Noide, Chemical Manufacturers Association, 1825 Connecticut Avenue N.W., Washington, D.C. 20009.
B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $300.

A. Charles M. Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Cos., 618 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $121.97.

A. M. Kathryn Nordstrom, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $96.05.

A. Richard B. Norment IV, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Julia J. Norrell, 1801 K Street NW., Suite 821, Washington, D.C. 20006.
B. The Business Roundtable, 200 Park Avenue, New York, N.Y. 10017; and 1801 K Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $30.

A. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
E. (9) $25,500.

A. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
E. (9) $1,500.

A. North American Telephone Association, 1030 15th Street NW., Washington, D.C. 20036.
D. (6) $27,905.15. E. (9) $27,905.15.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.
E. (9) $2,187.45.

A. Northwest Energy Co., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Northwest Energy Options, 1022 Northeast 68th, Seattle, Wash. 98115.
D. (6) $100.86. E. (9) $100.86.

A. Clifford R. Northup, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $59.21.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.
B. Montco, Billings, Mont. 59107; Nance Cattle Co., Birney, Mont. 59012.
D. (6) $4,600. E. (9) $31.15.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.
B. Ocean Energy Council, Box 57198, Washington, D.C. 20037.
E. (9) $49.95.

A. N.O.S.I. ("Not One Square Inch"), 4083 Howard Avenue, Los Alamitos, Calif.
D. (6) $2.70.

A. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Franklin W. Nutter, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Mark J. Nussaco, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $393.75. E. (9) $350.

A. Seward P. Nyman, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $850.

A. Mary E. Oakes, Hercules, Inc., 1800 K Street NW., Washington, D.C. 20006.
B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $113.

A. Dallin H. Oaks, Brigham Young University, Provo, Utah 84602.
B. Brigham Young University, Provo, Utah 84602.

A. Hubert K. O'Bannon, Consolidated Rail Corp., 1532 34th Street NW., Washington, D.C. 20067.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,200.

A. Coleman C. O'Brien, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,887.50. E. (9) $54.10.

A. E. D. O'Brien, 1376 Chartwell Carriageway North, East Lansing, Mich. 48823.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $1,045. E. (9) $1,285.68.

A. John F. O'Brien, c/o Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Raymond V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $800. E. (9) $40.

A. Rosemary L. O'Brien, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500. E. (9) $88.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714.
D. (6) $2,500. E. (9) $1,036.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $2,000. E. (9) $725.71.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Abt Associates, Inc., Cambridge, Mass. 02138.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Blyth Eastman Dillon & Co., 1221 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $4,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55487.
D. (6) $325. E. (9) $15.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.
D. (6) $1,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Eighth Floor, Washington, D.C. 20006.
D. (6) $900.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. JWK International Corp., 7617 Little River Turnpike, Annandale, Va. 22003.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Minneapolis City Council, 307 City Hall, Minneapolis, Minn. 55415.
D. (6) $230. E. (9) $14.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Association of Church & Institutional Financing Organizations, Washington, D.C.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Committee for Quality Health Care, New York, N.Y.
D. (6) $900.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Hockey League, 1221 Avenue of the Americas, New York, N.Y. 10020.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $400.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $3,249.75.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sperry-Rand Corp., 3323 Pilot Knob Road, St. Paul, Minn.
D. (6) $1,000.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Larry A. Oday, Combined Insurance Co. of America, Suite 630, 1819 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill. 60640.
D. (6) $750.

A. Thomas A. O'Day, Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $330. E. (9) $144.

A. T. J. Oden, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,250. E. (9) $583.67.

A. Robert C. Odle, Jr., International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $110.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.
B. Philippine Sugar Commission, Quezon City, Philippines.
D. (6) $1,500. E. (9) $1,118.

A. Patrick E. O'Donnell, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $110.

A. Bradford C. Oelman, Owens-Corning Fiberglas Corp., 900 17th Street NW., Suite 508, Washington, D.C. 20006.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,519.80. E. (9) $166.41.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,667.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $225.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $1,050. E. (9) $10.

A. Matthew D. O'Hara, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.
D. (6) $37.92.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $400. E. (9) $11.50.

A. William J. Olson, 1819 H Street NW., Washington, D.C. 20006.
D. (6) $5,230. E. (9) $406.94.

A. William J. Olwell, United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $3,861.31. E. (9) $574.98.

A. Olwine, Connelly, Chase, O'Donnell & Weyher, 299 Park Avenue, New York, N.Y. 10017.
B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $3,551. E. (9) $242.09.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Bank of America, Bank Investment Securities Division, Bank of America Center, 10th Floor, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Blyth, Eastman, Dillon & Co., 555 California Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Dean Witter Reynolds, Inc., 45 Montgomery Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planters Association, 1511 K Street NW., Washington, D.C.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. INA Corp., 1850 K Street NW., Suite 840, Washington, D.C. 20006; Hospital Affiliates International, Inc., 4525 Harding Road, Nashville, Tenn. 37205.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Smith Barney, Harris Upham & Co., 350 California Street, San Francisco, Calif. 94104.

A. R. E. Omohundro, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $166.30. E. (9) $10.80.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. O'Neil, Forgotson & Roncalio, Suite 1110, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Paraho Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501.
D. (6) $5,000. E. (9) $1,458.27.

A. O'Neil, Forgotson & Roncalio, Suite 1110, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Texas Oil & Gas Corp., Fidelity Union Tower, Dallas, Tex. 75201.
D. (6) $5,000. E. (9) $2,562.21.

A. O'Neil, Forgotson & Roncalio, Suite 1110, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $5,000. E. (9) $475.15.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,407.51.

A. J. Denis O'Toole, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $880. E. (9) $108.28.

A. Roland A. Ouellette, General Motors Corp., 1660 L Street NW., Suite 501, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $3,793.11.

A. Outdoor Power Equipment Institute, Inc., 1901 L Street NW., Suite 700, Washington, D.C. 20036.

A. Joseph A. Overton III, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.
B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Henry S. Palau, Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $604.75.

A. Gerard Paul Panaro, 6525 Belcrest Road, Suite 250, Hyattsville, Md. 20782.
B. Retail Bakers of America, 6525 Belcrest Road, Suite 250, Hyattsville, Md. 20782.
D. (6) $1,300. E. (9) $44.

A. J. J. Panella, The Dow Chemical Co., 1800 M Street, NW., Suite 700 South, Washington, D.C.
B. The Dow Chemical Co., Midland, Mich. 48641.
D. (6) $700. E. (9) $250.

A. Fred Panzer, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1776 K Street NW., No. 1200, Washington, D.C. 20006.
D. (6) $480. E. (9) $350.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $80. E. (9) $755.05.

A. Herschell E. Parent, c/o Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $66.36. E. (9) $345.75.

A. Ann L. Parenteau, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Carl A. Parker, 449 Stadium Road, Port Arthur, Tex. 77640.
B. Government of Republic of Liberia, Monrovia, Liberia.
D. (6) $1,000.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street, NW., Washington, D.C., 20036.
D. (6) $363.

A. Linda K. Parson, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $4.

A. Renee Parsons, 133 C Street SE., Washington, D.C. 20003.
B. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.
D. (6) $100.42.

A. Robert D. Partridge, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $435.

A. Nicholas D. Pasco, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
D. (6) $250. E. (9) $18.

A. Howard G. Paster, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $11,663.58. E. (9) $194.05.

A. Richard M. Patterson, 1800 M Street NW., Suite 700-S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $500. E. (9) $239.50.

A. Thomas Patterson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,156.

A. William H. Patterson, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $120.

A. Kenton H. Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $2,457.81.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ad Hoc Committee on Section 602, 1101 16th Street NW., Suite 300, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $330. E. (9) $4.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Armco Steel Corp., General Offices, Middletown, Ohio 45042.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bath Iron Works Corp., 700 Washington Street, Bath, Maine 04530.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Benamy International, Inc., 3937 Oakcliff Industrial Court NE., Atlanta, Ga. 30340.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bixby Ranch Co., 523 West Sixth Street, Los Angeles, Calif. 90014.
D. (6) $10,680.50. E. (9) $44.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine & Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.
D. (6) $2,395.50. E. (9) $85.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $550. E. (9) $6.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Chippewa-Cree Tribe, Rocky Boy Reservation, Box Elder, Mont. 59521.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Committee for Expanded Trade, 2550 M Street NW., Eighth floor, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Council of State Chambers of Commerce [Committee on State Taxation], 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Diagnostic Imaging & Therapy Systems Division (Division of National Electrical Manufacturers Association), 2101 L Street NW., Washington, D.C. 20036.
D. (6) $375.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Handicraft Designs, Inc., 87 Commerce Drive, Telford, Pa. 18969.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Hobby Industry of America, 319 East 54th Street, Elmwood, N.J. 07407.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Independent U.S. Tanker Owners Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Institute of Electrical & Electronics Engineers, 2029 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Institute of Scrap Iron & Steel, Inc., 1627 K Street NW., Washington, D.C. 20006.
D. (6) $2,085.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Landmark Services, Inc., 900 Ohio Drive SW., Washington, D.C. 20024.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Loop, Inc., 1010 Common Street, 250 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Louisiana Pacific Corp., 1300 SW. Fifth Avenue, Portland, Oreg. 97201.
D. (6) $2,100. E. (9) $80.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.
D. (6) $4,830. E. (9) $2,148.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mocatta Metals Corp., 35 Broad Street, New York, N.Y. 10004.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. New Process Co., 220 Hickory Street, Warren, Pa. 16366.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Northwest Energy Corp., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $9,145. E. (9) $300.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.
D. (6) $6,189.50. E. (9) $215.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pepsico, Inc., Purchase, N.Y. 10577.
D. (6) $1,425. E. (9) $25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Jack Philip & Son, Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.
D. (6) $864.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Publicker Industries, 14th Floor, Packard Building, Philadelphia, Pa. 19102.
D. (6) $3,120. E (9) $51.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pyrotechnic Signal Manufacturers Association, Inc., 1730 K Street NW., Suite 1300, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $4,000.

A. Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.
B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94206.

A. Patton, Boggs & Blow, 2550 M Street, NW., Washington, D.C. 20037.
B. Retail Tax Committee, 2550 M Street NW., Suite 800, Washington, D.C. 20037.
D. (6) $780. E. (9) $25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. St. Joe Minerals Co., 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C.
D. (6) $11,250. E. (9) $115.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Tax Corp. of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Andrew R. Paul, Suite 920, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $250. E. (9) $75.

A. Barbara Jo Pease, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. James M. Peirce, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,187.67.

A. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.
E. (9) $3,557.57.

A. Dominic V. Pensabene, Chevron, U.S.A.,

Inc., 1700 K Street NW., Washington, D.C. 20006.
B. Chevron, U.S.A., Inc. (subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $375.

A. Gregory M. Pensabene, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $1,000.

A. Barbara K. Pequet, 1921 Kalorama Road NW., No. 103, Washington, D.C. 20009.
B. National Consumers League, 1522 K Street NW., No. 406, Washington, D.C. 20005.
D. (6) $200. E. (9) $85.

A. Elinor Peretzman, 55 Tain Drive, Great Neck, N.Y. 11021
B. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,828.50. E. (9) $927.33.

A. Tony Perkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $125.

A. John P. Perrin, American Osteopathic Association, 1611 North Kent Street, No. 803–A, Arlington, Va. 22209.
B. American Osteopathic Association, 1611 North Kent Street, No. 803–A, Arlington, Va. 22209.
D. (6) $2,218.85. E. (9) $2,377.60.

A. Susan Perry, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $2,500.

A. Tom E. Persky, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. John Joseph Pesch, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $205.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $1,200. E. (9) $392.31.

A. Kenneth Peterson, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,232. E. (9) $191.22.

A. Mary B. Peterson, General Motors Corp., 1660 L Street N.W., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $9,000. E. (9) $2,038.77.

A. Michael J. Petrina, Jr., 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Paul F. Petrus, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200.

A. John E. Pfieger, Time Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.
D. (6) $1,700. E. (9) $24.90.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Sammye Phelps, 4723 Crestwood Drive, Little Rock, Ark. 72207.
B. Sanyo Manufacturing Corp., Sanyo Road, Forest City, Ark. 72335.
D. (6) $4,500. E. (9) $471.11.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $40.80.

A. John D. Phillips, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $10,455. E. (9) $725.29.

A. Scott H. Phillips, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Physicians National Housestaff Association, 1029 Vermont Avenue NW., Suite 306, Washington, D.C. 20005.
E. (9) $1,076.48.

A. Sam Pickard, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $19.05.

A. Ace Pickens, 1300 AmericanBank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Wilhelm Pickens, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $787.50. E. (9) $51.46.

A. Pierce, Atwood, Scribner, Allen, Smith & Lancaster, 1 Monument Square, Portland, Maine 04101.
B. Great Northern Paper Co., 75 Prospect Street, Stamford, Conn. 06901; Dead River Co., 55 Broadway, Bangor, Maine 04401; Baskahegan Co., c/o Milliken & Co., 1045 Sixth Avenue, New York, N.Y. 10018.
D. (6) $360. E. (9) $20.

A. Pierson, Semmes, Crollus & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $28.07.

A. Rena S. Pies, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.

A. David E. Piper, Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.
B. Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.
D. (6) $757.89. E. (9) $757.89.

A. James L. Pledger, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Robert Plett Associates, Ltd., 1200 18th Street NW., Suite 700, Washington, D.C. 20036.

A. Michael M. Pocost, c/o N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10017.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. J. Francis Pohlhaus, Washington Bureau NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $6,300.

A. Frances A. Pollak, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,000.

A. Richard P. Pollock, Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.
B. Critical Mass Energy Project.
D. (6) $237.50.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006.
B. AMFAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94120.
D. (6) $4,375. E. (9) $494.63.

A. Joan E. Porte, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Phillip Porte, Maria Donohue, Phillip Porte & Associates, Inc., 1301 Arlington Ridge Road, Suite 702, Arlington, Va. 22202.
B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235.
D. (6) $4,500. E. (9) $160.19.

A. Garry C. Porter, 11356 Southeast Black Road, Olalla, Wash. 98359.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $328. E. (9) $237.

A. Everett O. Post, National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
B. National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $14.05.

A. John Post, 1801 K Street NW., Suite 821, Washington, D.C. 20006.
B. The Business Roundtable, 200 Park Avenue, New York, N.Y.; 1801 K Street NW., No. 821, Washington, D.C. 20006.
D. (6) $200. E. (9) $40.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,500. E. (9) $199.90.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.
D. (6) $8,750.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.
D. (6) $3,000.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900–S, Washington, D.C. 20036.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $2,400. E. (9) $2.50.

A. John M. Powderly, United Steelworkers of America, Suite 706, 815 Sixteenth Street NW., Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,325.76.

A. Robert D. Powell, 734 15th Street NW., Suite 401, Washington, D.C. 20005.
B. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C. 20006.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. John J. Power, 101 Constitution Avenue, NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $5,405.05. E. (9) $1,561.01.

A. Graydon B. Powers, Jr., Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
D. (6) $200.

A. Prather Seeger Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Prather Seeger Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. Bankers' Association for Foreign Trade, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Prather Seeger Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. The First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.
D. (6) $500.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $745.

A. William B. Prendergast, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
D. (6) $4,500. E. (9) $368.41.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.
B. Security New York State Corp., 1 East Avenue, Rochester, N.Y. 14638.
D. (6) $5,000. E. (9) $342.32.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street, NW., Washington, D.C. 20005).

A. Lloyd T. Preslar, DGA International Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Robat, Morocco).

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Washington, D.C. 20006.
B. Bonneville Power Administration Industrial Customers, Suite 310, Lloyd Building, 700 Northeast Multromak Street, Portland, Oreg. 97232.
D. (6) $5,431.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street, NW., Suite 300, Washington, D.C. 20006.
B. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.
D. (6) $762.50.

A. Preston Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. National Education Association, 1201 16th Street NW., Washington, D.C.
D. (6) $1,037.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. Organization for the Protection & Advancement of Small Telephone Operators, 1104 Gary Court, Wheaton, Ill. 60187.
D. (6) $992.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street, NW., Suite 300, Washington, D.C. 20006.
B. State of Alaska, Juneau, Alaska.
D. (6) $14,050.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. State of Washington, Department of Ecology, Olympia, Wash.
D. (6) $960.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. Transportation Institute, 923 15th Street NW., Washington, D.C.
D. (6) $921.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. Washington Natural Gas, 815 Mercer, Seattle, Wash.
D. (6) $225.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.
D. (6) $1,720.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $668.75.

A. Patricia Pride, Financial Accounting Standards Board, 1129 20th Street NW., Washington, D.C. 20036.
B. Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.
D. (6) $416.11. E. (9) $47.07.

A. Susan E. Pridgen, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
D. (6) $2,940. E. (9) $135.

A. Arnold J. Prima, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Jerry C. Pritchett, Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.
B. Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.

A. Pro-Life/Congressional District 11, P.O. Box 727, San Carlos, Calif. 94070.
D. (6) $118. E. (9) $333.

A. Prod, Inc., Suite 612, 2000 P Street NW., Washington, D.C. 20036.
D. (6) $360. E. (9) $80.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.
E. (9) $8,124.98.

A. Jerry Z. Prusan, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $300.

A. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $6,078.50 E. (9) $4,541.

A. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $28,539.17. E. (9) $28,082.08.

A. Public Timber Purchasers Group, 1214 Oregon Bank Building, 319 Southwest Washington Street, Portland, Oreg. 97204.
D. (6) $28,500. E. (9) $11,587.94.

A. Philip N. Pulizzi, Jr., 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400. E. (9) $50.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $600. E. (9) $52.76.

A. Howard Pyle III, 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. R. J. Reynolds Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $329.67. E. (9) $8.

A. Robert N. Pyle, Stephen S. Boynton, P.O. Box 3731, Washington, D.C. 20007.
B. American Fur Industries, 101 West 30th Street, New York, N.Y. 10001.
D. (6) $4,700.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.
D. (6) $3,000.

A. E. R. Quesada, P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.
B. L'Enfant Plaza Properties, Inc., P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $600.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $495.52.

A. Richard W. Rahn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.
D. (6) $137.73.

A. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts and Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $33,325.34. E. (9) $33,325.34.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $48,250. E. (9) $48,250.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Gretchen P. Ralph, National Committee for Symphony Orchestra Support, 303 Kimry Moor, Fayetteville, N.Y. 13066.
B. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $10,500. E. (9) $262.67.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,685. E. (9) $134.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 113, Elmhurst, Ill. 60126.
D. (6) $832.69. E. (9) $116.05.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1625 K Street NW., Suite 1206, Washington, D.C. 20006.
D. (6) $125. E. (9) $01.05.

A. Gary B. Randall, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $127.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. City of Independence, Mo., 103 North Main Street, Independence, Mo.
D. (6) $1,500. E. (9) $1,408.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. United States Railway Association, 955 L'Enfant Plaza, Washington, D.C.
D. (6) $3,000. E. (9) $990.

A. R. Ray Randlett, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $110.

A. Arthur G. Randol III, 1899 L Street, NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $68.

A. Jerry F. Rapp, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $500.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $1,125. E. (9) $1,582.63.

A. G. David Ravencraft, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. W. Randall Rawson, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $29.52.

A. J. Gene Raymond, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $709.27.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Assn., 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150.

A. Susan E. Reece, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $575. E. (9) $78.81.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $264.44. E. (9) $6.

A. John H. Reed, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $8,000. E. (9) $300.

A. Jerry Rees, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,679.04.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. California Savings and Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Fluor Corp., 1627 K Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.
B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,167.33.

A. Don T. Reeves, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $2,497.

A. J. Ronald Reeves, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $2,000. E. (9) $142.30.

A. John T. Reggitts, Jr., R.D. No. 2, Boonton Avenue, Boonton, N.J. 07005.

A. Frank D. Register, National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
D. (6) $100. E. (9) $43.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. The Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $76. E. (9) $17.

A. Jerry E. Reider, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. John A. Reilly, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.
B. Estate of Bert N. Adams, et al., P.O. Box 4215, Yuma, Ariz. 85364.
E. (9) $5.

A. J. E. Reinke, 1030 15th Street NW., Washington, D.C. 20005.
B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.
E. (9) $178.

A. Diane Renners, 1707 L Street NW., Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $950. E. (9) $329.09.

A. Jamie Replogle, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $41.25.

A. Reproductive Freedom League, P.O. Box 11921, Lexington, Ky. 40579.
D. (6) $457.50. E. (9) $514.19.

A. Response Marketing Group, Inc., 1025 Connecticut Avenue NW., Suite 405, Washington, D.C. 20036.
B. United States Industrial Council, P.O. Box 2686, Nashville, Tenn. 37219.
D. (6) $1,000.

A. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $5,691.63.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $10,627. E. (9) $700.

A. Allan R. Rexinger, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $7,999.96. E. (9) $125.

A. Nancy C. Reynolds, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $260.

A. William L. Reynolds, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
E. (9) $110.

A. Austin T. Rhoads, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $674.95.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044; 3046 Roosevelt, Detroit, Mich. 48216.
E. (9) $113.07.

A. Theron J. Rice, Continental Oil Co., 1025 Connecticut Avenue NW., No. 1000, Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $500.

A. K. O. Richardson, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,540. E. (9) $1,320.

A. Mark E. Richardson, 1900 L Street NW., Suite 710, Washington, D.C. 20036.
B. The Business Roundtable, 1901 K Street NW., Suite 710, Washington, D.C. 20036.
D. (6) $9,000.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $2,000. E. (9) $58.82.

A. Lowell J. Ridgeway, North Dakota Petroleum Council, 314 Thayer Avenue, Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $350. E. (9) $735.81.

A. Peter S. Ridley, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $525.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. E. Philip Riggin, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $4,569. E. (9) $81.50.

A. Douglas V. Rigler, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Morris A. Riley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,200.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $601.88. E. (9) $9.50.

A. Carol A. Risher, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $1,000. E. (9) $71.38.

A. Nancy J. Risque, Suite 650, 1050 17th Street NW., Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $50.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.
B. Gaming Industry Association of Nevada, Inc., One East First Street, No. 1007, Reno, Nev. 89501.
D. (16) $2,800. E. (9) $1,122.76.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.
B. National Association of Off-Track Betting, P.O. Box 446, Batavia, N.Y. 14020.
D. (6) $2,319.10. E. (9) $1,101.79.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.
B. Nevada Resort Association, 732 East Sahara Avenue, Las Vegas, Nev. 89104.
D. (6) $4,200. E. (9) $1,993.16.

A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27102.
E. (9) $3,576.14.

A. Roadside Business Association, 9001 West Braddock Road, Room 310, Springfield, Va. 22151.
D. (6) $1,464.09. E. (9) $1,464.09.

A. Perry A. Roberts, 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $668.

A. William S. Roberts, National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $70.

A. Danny R. Robertson, 3306 Loyola Lane, Austin, Tex. 78723.
B. Coronado Exploration Co., Inc., 3303 67th, Lubbock, Tex. 79413.

A. Hope E. Robertson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center.
D. (6) $2,250.

A. Betty S. Robinson, 1757 N Street NW., Washington, D.C. 20036. United Automobile, Aerospace & Agricultural Implement Workers of America (UAW).
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $6,653.01. E. (9) $64.35.

A. Charles A. Robinson, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $233.28.

A. John K. Robinson, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
E. (9) $91.25.

A. Howard W. Robison, 3903 Franklin Street, Kensington, Md., 20795.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $2,250.

A. Antoinette K. Roche, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $500. E. (9) $25.

A. Betty P. Rocker, Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
B. Seafarers International Union of North America, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $174.30.

A. Lloyd M. Rockne, 8501 Bennington Way, Sacramento, Calif. 95826.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $900. E (9) $1,745.26.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Ted V. Rodgers, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C. 20036.
B. Nationwide Insurance Companies and Affiliates, One Nationwide Plaza, Columbus, Ohio 43216.
D. (6) $2,500.

A. Mitchell Rofsky, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,750.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $2,162.01.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $1,270.63.

A. James T. Rogers, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $6,423.90. E. (9) $133.31.

A. Rogers & Wells, 1666 K Street NW, Washington, D.C. 20006.
B. Seyforth Laboratories, Inc., 8150 N. Central Expressway, Dallas, Texas 75206.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. S. Shamash & Sons, Inc., 42 West 39th Street, New York, N.Y. 10018.

A. Richard A. Rohrbach, 1625 I Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., No. 809, Washington, D.C. 20006.
D. (6) $16,050.

A. John P. Rolph III, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Teno Roncalio, 701 Rocky Mountain Plaza, P.O. Box 1707, Cheyenne, Wyo. 82001.
B. Northwest Alaskan Pipeline Co., 1801 K Street NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Tatiana Roodkowsky, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,000. E. (9) $23.45.

A. James E. Rooks, Jr., 1216 16th Street NW., Washington, D.C. 20036.
B. Speiser, Krause and Madole, 1216 16th Street NW., Washington, D.C. 20036 (for Mrs. Vera C. Clemente, No. 36 Roberto Clemente Street, Ext. San Agustin, Rio Piedras, P.R. 00926; Mrs. Margarita C. Matias, Yagrumo AD-3, Valle Arriba Heights, Carolina, P.R.; and Mrs. Maria Lozano, 519th Street, QC-1, Urb. Country Club, Rio Piedras, P.R.).

A. Nicholas Roomy, Jr., P.O. Box 1986, Charleston, W. Va. 25327.
B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327.
D. (6) $850.59. E. (9) $964.01.

A. Ross, Schmidt, Dixon, Hasley, Whyte & Hardesty, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Institute of Makers of Explosives, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $8,230. E. (9) $107.92.

A. Walda W. Roseman, National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
B. National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
D. (6) $10,000. E. (9) $122.58.

A. Albert B. Rosenbaum III, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Harvey Rosenfield, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $1,440.30.

A. Seymour N. Ross, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).

A. William F. Ross, South Carolina Petroleum Council, 716 Keenan Building, Columbia, S.C. 29201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $570. E. (9) $657.82.

A. Alan J. Roth, Spiegel & McDiarmid, 2600 Virginia Avenue, NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, et al.

A. Barry N. Roth, The Williams Companies, 1750 K Street NW., Suite 350, Washington, D.C. 20006.
B. The Williams Companies, P.O. Box 2400, Tulsa, Okla. 74101.

A. Marcus Roth, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,197.61.

A. Edwin Rothschild, 1615 Anderson Road, McLean, Va. 22101.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.

A. Donald D. Rounds, South Dakota Petroleum Council, P.O. Box 669, Pierre, South Dak. 57501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William C. Rountree, 1050 17th Street, NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $325.

A. Rowe & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V. (UNPASA), Balderas 36, Mexico, D.F., Mexico.

A. Eugene F. Rowan, J.C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avneue NW., Washington, D.C. 20036.
D. (6) $575. E. (9) $44.63.

A. Eric M. Rubin, Wolf, Block, Schorr and Solis-Cohen, 1150 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Outdoor Advertising Association of America, 1899 L Street NW., Washington, D.C. 20036.

A. James S. Rubin, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $2,250. E. (9) $50.

A. Nancy Rubini, Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place NW., Washington, D.C. 20036.
D. (6) $504.22. E. (9) $10.50.

A. Steven J. Rukavina, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $74.83.

A. Leonard H. Ruppert, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $90.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. R. M. Russell, 2170 Piedmont Road NE., Atlanta, Ga. 30324.
B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.
D. (6) $305. E. (9) $230.

A. Wally Rustad, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Association of Bioanalysts, 614 Paul Brown Building, St. Louis, Mo.
D. (6) $200. E. (9) $172.50.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $900. E. (9) $301.50.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Optometric Association, 1730 M Street NW., Washington, D.C.
D. (6) $600. E. (9) $229.65.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
D. (6) $63.90. E. (9) $1.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street NW, Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $100. E. (9) $56.30.

A. John F. Ryan, International Telephone and Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone and Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Lyle Ryter, 499 South Capitol Street SW., Washington, D.C. 20003.
B. American Security Council, 499 South Capitol Street SW., Washington, D.C. 20003.
D. (6) $1,463.

A. Fred J. Sacco, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450.

A. Arthur B. Sackler, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $500. E. (9) $20.50.

A. St. Joe Paper Co., P.O. Box 1380, Jacksonville, Fla. 32201.

A. St. Louis Mercantile Library Assn., 510 Locust Street, St. Louis, Mo. 63188.
E. (9) $1,277.07.

A. Robert P. St. Louis, the Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $750. E. (9) $701.42.

A. Frank P. Sanders, The Flying Tiger Line, Inc., 815 Connecticut Avenue NW., Washington, D.C.
B. The Flying Tiger Line, Inc., Los Angeles International Airport, Los Angeles, Calif.
D. (6) $300.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.; The Signal Cos., Inc.
B. The Signal Cos., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.
D. (6) $300.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,000.

A. David Sandler, National Council of Community Mental Health Centers, 2233 Wisconsin Avenue, Washington, D.C.
B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue, Washington, D.C.
D. (6) $3,000. E. (9) $150.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 17/18 Bury Street, London EC3A 5AH, England.
D. (6) $300.

A. Albert C. Saunders, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. W. F. Sayles, P.O. Box 841, Abilene, Tex. 79604.
B. West Texas Utilities Co., P.O. Box 841, Abilene, Tex. 79604.

A. Henry Schacht, California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
D. (6) $3,600. E. (9) $1,170.03.

A. Harold A. Schaitberger, International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,346.

A. Herbert Y. Schandler, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports & Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,200. E. (9) $57.16.

A. Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $7,000. E. (9) $7,748.89.

A. Steven E. Schanes, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $3,000.

A. Kenneth D. Schanzer, 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $168. E. (9) $137.25.

A. Jay T. Scheck, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $499.69. E. (9) $414.75.

A. Allan D. Schimmel, Consolidated Rail Corp., 639 South Carolina Avenue SW., Washington, D.C. 20003.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $3,625.

A. Terry G. Schlemeier, 531 East Capital, Jefferson City, Mo. 65101.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $200. E. (9) $300.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $161.36.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $400.

A. Richard M. Schmidt, Jr., Association of American Publishers, Inc., 1333 New Hampshire Avenue NW., Suite 600, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $500.

A. Robert L. Schmidt, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $227.

A. Terry L. Schmidt, Terry L. Schmidt Associates, Inc., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American College of Emergency Physicians, 3900 Capital City Boulevard, Lansing, Mich. 48906.
D. (6) $900.

A. Lee H. Schmolke & Associates, The Energy Committee of America, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.
B. The Energy Committee of America, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.
D. (6) $1,000. E. (9) $130.64.

A. Andy Schneider, National Health Law Program, 1424 16th Street NW., No. 204, Washington, D.C. 20036.
B. National Health Law Program, Inc., 2401 Main Street, Santa Monica, Calif. 90405.
D. (6) $1,125. E. (9) $1,289.88.

A. Mahlon C. Schneider, Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
D. (6) $250. E. (9) $831.50.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Anthony Schopp; Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.
B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.
B. The Superior Oil Co. and Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. A. Kolbet Schrichte, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C. 20006; 1 IBM Plaza, Suite 2600, Chicago, Ill. 60611.
D. (6) $1,325. E. (9) $127.33.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $40.

A. Lauren Kim Schryver, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Mark Schultz, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $7,840. E. (9) $137.97.

A. William B. Schultz, Public Citizen Litigation Group, Suite 700, 2000 P Street NW., Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $420. E. (9) $10.

A. Robert L. Schulz, c/o Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.
E. (9) $56.20.

A. Donald H. Schwab, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,050. E. (9) $260.24.

A. Richard Schwartz, Boat/U.S., 880 South Pickett Street, Alexandria, Va. 22304.
B. Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.
D. (6) $2,500.

A. Carl F. Schwensen, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
B. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $1,427.37.

A. William F. Schwind, Jr., Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Scientific Apparatus Makers Association, 1140 Connecticut Avenue, Suite 610, Washington, D.C. 20036.
D. (6) $2,800. E. (9) $2,498.02.

A. Harold B. Scoggins, Jr., 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $15.50.

A. David A. Scott, c/o Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,545. E. (9) $1,941.18.

A. John W. Scott, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $687.50.

A. William Z. Scott, Box 121, Pocono Manor, Pa. 18349.
B. Distilled Spirits Council of the United States, Inc. (DISCUS), 425 13th Street NW., Washington, D.C. 20004.
D. (6) $1,000. E. (9) $844.53.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $550. E. (9) $35.77.

A. Pamela Sederholm, SMACNA, 8224 Old Court House Rd., Vienna, Va. 22180.
B. Sheet Metal & Air Conditioning Contractors' National Assn., Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $800. E. (9) $300.

A. H. Richard Seibert, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $305. E. (9) $15.

A. David Seidner, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $400.

A. Self-Determination for the District of Columbia, Room 300, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,070. E. (9) $9,328.

A. Stanton P. Sender, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $500. E. (9) $6.85.

A. Seven Months Session for Congress, 7201 Wood Hollow Drive, No. 337, Austin, Tex. 78731.
E. (9) $453.

A. J. Richard Sewell, Florida Power & Light Co., 1701 K Street NW., Suite 503, Washington, D.C. 20006.
B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.
D. (6) $350. E. (9) $202.48.

A. Leo Seybold, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,825.

A. Robert L. Shafer, Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $850. E. (9) $658.49.

A. Barbara J. Shallor, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,799.22.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.
E. (9) $100.

A. Lloyd D. Shand, Monsanto Co., 1101 17th Street NW., Washington, D.C.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $400. E. (9) $17.01.

A. David Lewis Shapiro, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,481. E. (9) $30.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $161.36.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.
D. (6) $1,250. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Cheyenne River Sioux Tribe, P.O. Box 590, Eagle Butte, S. Dak. 57625.
D. (6) $350. E. (9) $20.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Colville Tribe, Box 150, Nespelem, Wash. 99155.
D. (6) $850. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $500. E. (9) $20.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Minnesota Chippewa Tribe, Box 217, Cass Lake, Minn. 56633.
D. (6) $400. E. (9) $115.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Quinault Indian Nation, P.O. Box 1115, Taholah, Wash. 98587.
D. (6) $625. E. (9) $75.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Yakima Indian Nation, P.O. Box 151, Toppenish, Wash. 98948.
D. (6) $835. E. (9) $75.

A. John J. Sharkey, Delta Air Lines, Inc., 1629 K Street NW., Room No. 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $936.50. E. (9) $78.75.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.
B. National Federation of Fishermen, 919 18th Street NW., No. 620, Washington, D.C. 20006.
D. (6) $3,332. E. (9) $117.91.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.
B. Shipbuilders Council of America, 600 New Hampshire Avenue, Washington, D.C. 20037.
D. (6) $12,200. E. (9) $44.51.

A. Karen Dolmatch Shaw, BankAmerica Corp., 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $6.01. E. (9) $6.95.

A. Luther W. Shaw, 1625 I Street NW., Suite 501, Washington, D.C. 20006.
B. Paluszek & Leslie Associates, 1500 Broadway, New York, N.Y. 10036.
E. (9) $150.47.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts, 1800 M Street NW., 900–S, Washington, D.C. 20036.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., 900–S, Washington, D.C. 20036.
B. Atlas Minerals Division, Atlas Corp., 2506 Prudential Plaza, Denver, Colo. 80202.
D. (6) $1,079.50. E. (9) $2.00.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Suite 900, Washington, D.C. 20036.

B. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60618.
D. (6) $3,052.50.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.
E. (9) $9.65.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., Washington, D.C. 20036.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
D. (6) $283.20 E. (9) $6.00.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., 900–S, Washington, D.C. 20036.
B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
D. (6) $1,672. E. (9) $8.00.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washignton, D.C. 20036.
B. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $2,819.49.

A. Shaw, Pittman, Potts & Trowbridge, c/o Ramsay D. Potts 1800 M Street NW., 900–S, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Ave, New York, N.Y. 10017.
D. (6) $190.

A. Shea Gould Climenko & Casey, 330 Madison Avenue, New York, N.Y. 10017.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $6,720. E. (9) $774.84.

A. Maureen Shea, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,922.75. E. (9) $160.97.

A. Shearman & Sterling, 53 Wall Street, New York, N.Y.
B. BancNorthwest, 7100 Sears Tower, Chicago, Ill. 60606, et al.
E. (9) $36,328.49.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C., 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa., 15222.
D. (6) $9,402.51.

A. John P Sheffey, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $68,668.75. E. (9) $5,473.51.

A. Spencer C. Sheldon, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Jowanda Shelton, Committee for Humane Legislation, 2101 L Street NW., Washington, D.C. 20037.
B. Committee for Humane Legislation, 11 West 60th Street, New York, N.Y. 10023.
D. (6) $5,400.

A. Dale Sherwin, 888 17th Street NW., No. 902, Washington, D.C. 20006.
B. A. E. Staley Manufacturing Co., 2200 Eldorado Street, Decatur, Ill. 62525.
D. (6) $1,500. E. (9) $172.26.

A. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $2,249.51.

A. Fred B. Shippee, American Apparel Manufacturers Association, 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. W. Ray Shockley, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $3,550. E. (9) $4.85.

A. G. Scott Shotwell, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $2475. E. (9) $50.

A. Lisa Shulock, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $1,800.

A. Candice J. Shy, ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $900. (9) $579.26.

A. Lawrence E. Siegel, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $3,300. E. (9) $11.40.

A. Mark A. Siegel, Mark A. Siegel & Associates, 400 North Capitol Street NW., Suite 368, Washington, D.C. 20001.
B. Tadco Enterprises, 1625 I Street NW., Suite 1009, Washington, D.C. 20006.
D. (6) $6,000. E. (9) $36.44.

A. Richard H. Siemsen, Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. Bernard H. Sieracki, Illinois Petroleum Council, 200 East Randolph Drive, Suite 7209, Chicago, Ill., 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $375. E. (9) $644.67.

A. David Silver, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street, NW., Washington, D.C. 20006.
D. (6) $100.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $250.25. E. (9) $2,022.22.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. American Stock Exchange, 86 Trinity Place, New York, N.Y. 10006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Champion International Corp., 1 Landmark Square, Stamford, Conn. 06921.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. General American Transportation Co., 120 South Riverside Plaza, Chicago, Ill. 60606.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Music Corp. of America, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Savings & Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Ogden Transportation Corp., 277 Park Avenue, New York, N.Y. 10017.

A. Althea T. L. Simmons, NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. Stanley C. Simon, Simon & Twambly, 2 Turtle Creek Village, Dallas, Tex. 75219.
B. The Southland Corp. 2828 North Haskell Avenue, Dallas, Tex. 75204.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $240. E. (9) $692.17.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,039. E. (9) $109.56.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $522.88. E. (9) $19.50.

A. Richard L. Sinnott & Co., 888 17th Street NW., Suite 212, Washington, D.C. 20006.
B. Port of Oakland, Oakland, Calif. 94607.
D. (6) $1,250.

A. Donald E. Sinville, Public Service Co. of New Hampshire, 227 North Street, Manchester, N.H. 03104.
B. Public Service Co. of New Hampshire, Manchester, N.H. 03105.
E. (9) $702.

A. William J. Skinner, 815 15th Street NW., Washington, D.C. 20005.
B. United States Pharmacopeial Convention, Inc., 12601 Twinbrook Parkway, Rockville, Md. 20852.
D. (6) $936.50. E. (9) $96.57.

A. Barney J. Skladany, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1629 K Street NW., Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek & Associates, Inc., 218 North Lee Street, Alexandria, Va. 22314.
B. Grumman Aerospace Corp., Bethpage, New York 11714; United Technologies Corp., 1125 15th Street NW., Washington, D.C. 20005; General Dynamics Corp., Pierre Laclede Center, St. Louis, Mo. 63105; Newport News Shipbuilding Corp., Newport News, Va.
D. (6) $650.

A. G. Bernard Siebos, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. William T. Slider, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $856.26.

A. William Jay Slosberg, 1126 25th Street NW., No. 3, Washington, D.C. 20037.
B. Committee For The Canal, 1126 25th Street NW., No. 3, Washington, D.C. 20037.
E. (9) $1,126.65.

A. Frank Slover, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. The Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $2,340.

A. Slurry Transport Association, 490 L'Enfant Plaza East SW., No. 3210, Washington, D.C. 20024.
D. (6) $17,000. E. (9) $1,106.67.

A. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $17,150. E. (9) $14,062.86.

A. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
E. (9) $1,347.77.

A. Small Producers for Energy Independence, 1000 Sutton Place Building, Wichita, Kans. 67202.
D. (6) $42,000. E. (9) $5,881.

A. Stephan K. Small, Suite 3212, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $637.42.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. American Horse Council, 1700 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $5,500. E. (9) $0.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo.
D. (6) $3,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Association of Insular Manufacturers, 400 South Jefferson Street, Chicago, Ill. 60607.
D. (6) $6,000.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. City Gas Co. of Florida, 955 East 25th Street, Hialeah, Fla. 33013.
D. (6) $500. E. (9) $4.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Goldman Sachs, 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Pennzoil Co., Houston, Tex. 77001.
D. (6) $6,000.

A. Donald E. Smiley, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $131.04.

A. John G. Smillie, 900 17th Street NW., Washington, D.C. 20006.
B. Permanente Medical Group.
D. (6) $21,924.

A. Arthur J. Smith, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $2,238.

A. Carl Edward Smith, Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Electronic Data Systems Corp., Office of Government Affairs, 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $52.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.
B. Institute of Signage Research, 4020 Fabian Way, Palo Alto, Calif. 94304.
D. (6) $3,750. E. (9) $4,577.81.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.
B. National Electric Sign Association, 2625 Butterfield Road, Suite 310E, Oak Brook, Ill. 60521.
D. (6) $3,750. E. (9) $4,577.81.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.
B. Sperry Gyroscope, Great Neck, N.Y. 11020.
D. (6) $10,000. E. (9) $6,959.33.

A. Elizabeth Smith, Amalgamated Clothing and Textile Workers Union, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing and Textile Workers Union, 770 Broadway, New York, N.Y. 10003.
D. (6) $3,225. E. (9) $99.89.

A. J. Kenneth Smith, Sun Co., Inc., 1800 K Street NW., Suite 520, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $3,480. E. (9) $3,785.03.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
D. (6) $760. E. (9) $756.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue, Suite 800, Washington, D.C. 20036. (for California Olive Association, 1101 Connecticut Avenue, Suite 800, Washington, D.C. 20036).

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Raisin Advisory Board, 1101 Connecticut Avenue, Suite 200, Washington, D.C. 20036).
D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036).
D. (6) $250.

A. P. Daniel Smith, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $550. E. (9) $115.41.

A. Robert Bland Smith, Jr., American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $197. E. (9) $110.55.

A. Talbott C. Smith, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H. Street NW., Washington, D.C. 20062.
D. (6) $3,000. E. (9) $214.81.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $1,375. E. (9) $779.75.

A. Arthur V. Smyth, Weyerhauser Co., 1625 I Street NW., Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $4,800. E. (9) $60.80.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
B. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $850.02.

A. Norman J. Snow, Rohr Industries, Inc., 1660 L Street NW., Washington, D.C.
B. Rohr Industries, Inc., P.O. Box 878, Chula Vista, Calif. 92012.
D. (6) $320. E. (9) $92.25.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C. 20002.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C. 20002.
D. (6) $4,110.

A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $800.

A. John M. Snyder, Citizens Committee for the Right to Keep and Bear Arms, 600 Pennsylvania Avenue SE., Suite 205, Washington, D.C. 20003.
B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $5,100.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.
D. (6) $25,149.99. E. (9) $28,512.05.

A. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $8,502.50. E. (9) $9,321.08.

A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,915.17.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

A. S. L. Sommer & Associates, Inc., 1800 North Kent Street, Suite 1104, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $1,200. E. (9) $432.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Assiniboine and Sioux Tribes, Fort Peck Indian Reservation, Poplar, Mont. 59255, et al.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Seminole Indian Tribe of Florida, 6073 Stirling Road, Hollywood, Fla. 33024.

A. Mary Sophos, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $375. E. (9) $40.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the U.S.A., 1828 Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $5,900. E. (9) $875.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. American Greyhound Track Operators Association, 139 Southeast 14th Lane, Miami, Fla. 33131.
D. (6) $5,000. E. (9) $1,021.55.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $15,000. E. (9) $4,273.39.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
E. (9) $7.01.

A. Rodney K. Spackman, National Association of Manufacturers, 601 North Vermont Avenue, Suite 205, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Girardeau A. Spann, Public Citizen, Inc., 2000 P Street NW., Suite 700, Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $420.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
B. Schenley Distillers, Inc., 866 Seventh Avenue, New York, N.Y. 10019.

A. Specialty Equipment Market Assn., 1101 E. Valley Mall, El Monte, Calif. 91731.

A. Speiser, Krause & Madole, 1216 16th Street NW., Washington, D.C. 20036.
B. Mrs. Vera C. Clemente, No. 36 Roberto Clemente Street, Ext. San Agustin, Rio Piedras, P.R. 00926; Mrs. Margarita Cardona Matias, Yagrumo AD-3, Valle Arriba Heights, Carolina, P.R.; Mrs. Maria Lozano, 519th Street, QC-1, Urb. Country Club, Rio Piedras, P.R.

A. David R. Spence, Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
B. Preservation Action, 1914 Sunderland Place, Washington, D.C. 20036.
D. (6) $451.11. E. (9) $3.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051; cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif., and associate member, Plumas-Sierra Rural Electric Coop.

A. Law Firm of Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, et al.

A. Larry N. Spiller, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $900.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200.

A. Frederick C. Spreyer, Pacific Resources, Inc., 1990 M Street NW., Suite 580, Washington, D.C. 20036.
B. Pacific Resources, Inc., 1060 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96812.
D. (6) $500.

A. Earl C. Spurrier, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 515 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $438.75. E. (9) $1,285.75.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.
D. (6) $428. E. (9) $25.85.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,093.75. E. (9) $104.72.

A. Joe A. Stamm, The Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $375.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
E. (9) $2,566.20.

A. David P. Stang, Stang and Svendsen, 1629 K Street NW., Washington, D.C. 20006.
B. J. Ray McDermott and Co., Inc., 1010 Common Street, New Orleans, La. 70160.
D. (6) $105.95.

A. David P. Stang, Stang and Svendsen, 1629 K Street NW., Washington, D.C. 20006.
B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.
D. (6) $143.55.

A. David P. Stang, Stang and Svendsen, 1629 K Street NW., Washington, D.C. 20006.
B. Fred J. Russell, P.O. Box 54226, Los Angeles, Calif. 90054.

A. Melvin L. Stark, 1707 L Street NW., Suite 321, Washington, D.C. 20036.
B. Hartford Fire Insurance Co.
D. (6) $6,000.

A. John M. Starke III, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C.
B. Phillips Petroleum Co., Bartlesville, Okla.

A. State and Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.

B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
D. (6) $3,000. E. (9) $25.76.

A. Samuel E. Stavsky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022.
D. (6) $1,500. E. (9) $1,580.

A. Samuel E. Stavsky, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Samuel E. Stavsky & Associates Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022).
D. (6) $1,000. E. (9) $1,050.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036.

A. Eugene H. Stearns, American Petroleum Institute, 200 East Randolph Drive, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Barbara Diane Steigler, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $267.79.

A. Theodore P. Stein, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,558.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bank of America, Bank of America Center, San Francisco, Calif. 94137.
D. (6) $894.50. E. (9) $857.50.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Robert College of Istanbul, Turkey, 380 Madison Avenue, New York, N.Y. 10017.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Talley Industries, P.O. Box 849, Mesa, Ariz. 85201.
D. (6) $1,500. E. (9) $100.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $1,542.

A. Richard W. Steraberg, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Karen L. Stevens, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Sarah Jane Stewart, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

A. Travis B. Stewart, Hoffman-La Roche, Inc., 1775 K Street NW., Washington, D.C. 20006.
B. Hoffman-La Roche, Inc., 340 Kingsland Street, Nutley, N.J. 07110.
D. (6) $1,000. E. (9) $250.

A. Kenneth F. Stinger, American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) 479.32.

A. Stephen A. Stitle, Eli Lilly and Co., 1907 L Street NW., Washington, D.C. 20036.
B. Eli Lilly and Co., 307 East McCarty Street, Indianapolis, Ind. 46206.
D. (6) $3,000. E. (9) 211.75.

A. Richard Boyle Storey, Suite 2B, 1750 Old Meadow Road, McLean, Va. 22102.
B. International Military Club Executives Association, 1750 Old Meadow Road, Suite 2B, McLean, Va. 22102.

A. William M. Stover, Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 2009.
D. (6) $1,000.

A. David E. Strachan, National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.
B. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor. Washington, D.C. 20005.
D. (6) $3,000. E. (9) $102.97.

A. Richard B. Straus, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $8,625.

A. Stronberg & D'Addario, 130 South Royal Street, Alexandria, Va. 22314.
B. KMS Fusion, Inc., 3941 Research Drive, Ann Arbor, Mich. 48106.
D. (6) $1,000. E. (9) $1,000.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O Box 1188, Houston, Tex. 77001.
D. (6) $150. E. (9) $211.23.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y. 10030.
E. (9) $3.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Office of the Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Mrs. Patsy Perry, c/o Alan Harris, 70 Glen Cove Road, Roslyn Heights, N.Y.
E. (9) $3.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Scientific Games International, Inc., 1615 Cumberland Parkway NW., Atlanta, Ga. 30339.
D. (6) $1,500. E. (9) $48.50.

A. George Strumpf, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $274.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $3,625. E. (9) $618.35.

A. Walter B. Stults, 618 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 618 Washington Building, Washington, D.C. 20005.
D. (6) $1,000.

A. Eugene F. Sturgeon, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

A. Eugene F. Sturgeon, 162 Crater Lane, Kensington, Conn. 06037.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.
D. (6) $974.88. E. (9) $1,212.57.

A. Sullivan & Beauregard, 1800 M Street NW., Suite 925, Washington, D.C. 20036.
B. Holly Corp., 2001 Bryan Tower, Suite 2680, Dallas, Tex. 75201.
D. (6) $1,635. E. (9) $1,685.

A. Harold S. Sullivan, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street, Washington, D.C. 20006.
D. (6) $1,500.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Aiea, Hawaii 96701
E. (9) $2,521.01.

A. Sullivan & Worcester, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.
D. (6) $10,200. E. (9) $62.83.

A. Duward F. Sumner, Jr., Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.
B. Professional Insurance Agents, 400 North Washington Street, Alexandria Va. 22314.
D. (6) $250. E. (9) $250.

A. Frank L. Sundstrom, 19 Country Club Drive, Chatham, N.J. 07928.
B. Ad-Hoc Committee of American Distillers.
D. (6) $5,375.

A. SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C 20036.
E. (9) $1,000.

A. Surrey, Karasik and Morse, 1156 15th Street NW., Washington, D.C. 20005.
B. Government of the Republic of Zaire, Kinshasa, Zaire.
D. (6) $9,653. E. (9) $87.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 2006.

B. American Industrial Clay and Georgia Kaolin Division of Yara Engineering Corp., 511 Westminister Avenue, Elizabeth, N.J. 07207.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 2006.
B. Anglo-American Clays Corp., P.O. Box 741, Sandersville, Ga. 31082.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006; and 3100 First National Bank Tower, Atlanta, Ga. 30303.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.
E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Engelhard Minerals and Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.
E. (9) $25.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Estate of Cartter Lupton, c/o Miller and Martin, Volunteer State Life Building, Chattanooga, Tenn. 37402.
D. (6) $1,500. E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Freeport Kaolin Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. J. M. Huber Corp., Thorall Street, Edison, N.J. 08817.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Kansas Farm Bureau Life Insurance Co., 2321 Anderson Avenue, Manhattan, Kan. 66502; and Farm Bureau Mutual Insurance Co., KFB Insurance Co., Manhattan, Kans. 66502.
D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Kentucky Farm Bureau Mutual Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207; and FB Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207.
D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.
E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Mullite Co. of America, Andersonville, Ga. 31711.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07101.
E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Mutual Life Insurance Co. of New York, 1740 Broadway, New York, N.Y. 10019.
E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Mutual of Omaha Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131; and United Benefit Life Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131.
D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. New England Mutual Life Insurance Co., 501 Boylston Street, Boston, Mass. 02117.
E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.
E. (9) $15.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Nord Resources Corp., Ole Town Park, 39 Iron Gate Drive, Dayton, Ohio 45459.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 3100 First National Bank Tower, Atlanta, Ga. 30303; 1666 K Street, Washington, D.C. 20006.
B. Oglethorpe Power Corp., 2888 Woodcock Road, Atlanta, Ga. 30341.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Southern Farm Bureau Life Insurance Co., P.O. Box 78, Jackson, Miss. 39205; Southern Farm Bureau Casualty Insurance Co., P.O. Box 1985, Jackson, Miss. 39205; Mississippi Farm Bureau Mutual Insurance Co., Jackson, Miss. 39205.
D. (6) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Thiele Kaolin Co., Kaolin Road, Sandersville, Ga.
E. (9) $5.37.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. United Farm Bureau Family Life Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204; and United Farm Bureau Mutual Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204.
D. (6) $500.

A. W. Thomas Suttle, 204 G Street SW., Washington, D.C. 20024.
B. The Institute of Electrical and Electronics Engineers, Inc., 2029 K Street NW., Suite 605, Washington, D.C. 20006.
D. (6) $975. E. (9) $986.

A. Mary V. Swann, Route 1, Box 305, Berryville, Va. 22611.
B. Gulf and Atlantic Coast Ports, P.O. Box 60046, New Orleans, La. 70160.
D. (6) $900. E. (9) $900.

A. Irving W. Swanson, 11212 Farmland Drive, Rockville, Md. 20852.
B. Harris Corp., 2600 Virginia Avenue, Suite 800, Washington, D.C. 20037.
D. (6) $11,375. E. (9) $1,245.96.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $11,250.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $6,000.

A. John R. Sweeney, Bethlehem Steel Corp., 800 Solar Building, 1000 16th Street NW., Washington, D.C. 20036.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Rosemarie Sweeney, Rosslyn Plaza, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.
B. American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.
D. (6) $1,542. E. (9) $147.45.

A. Michael T. Swinehart, National Association of Manufacturers, 1422 West Peachtree Street NW., Suite 612, Atlanta, Ga. 30309.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Howard Symons, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Lewis M. Taffer, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera Productions, Inc., 3400 Cahuenga Boulevard, Los Angeles, Calif. 90068).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., No. 800, Washington, D.C. 20007).
D. (6) $905. E. (9) $1.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Family Leisure Centers, Inc., 1906 Highland Avenue, Cincinnati, Ohio 45219).
D. (6) $3,000. E. (9) $12.35.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001).
D. (6) $540. E. (9) $2.52.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinus & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Sisters of Charity of Cincinnati, Cincinnati, Ohio).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202.
"()" For Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036.
D. (6) $15,000. E. (9) $830.93.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (For Taft Broadcasting Co., 1906 Highland Avenue, Cincinnati, Ohio 45219.
D. (6) $5,400. E. (9) $34.04.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202. (For Werner Von Clemm, 214 East 17 Street, New York, N.Y. 10003.

A. Daniel F. Tandy, 23 Pascack Road, Woodcliff Lake, N.J. 07675.
B. Alaska Coalition, 620 C Street SE, Washington, D.C. 20003.
D. (6) $1,950.

A. Susan Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,207.60. E. (9) $105.72.

A. Norman Wilson Tanner, Jr., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $90. E. (9) $13.

A. C. Michael Tarone, 2033 M Street NW., Suite 700, Washington, D.C. 20036.
B. Santarelli & Gimer, 2033 M Street, Suite 700, Washington, D.C. 20036. (For Kings River Water Users Committee).

A. William M. Tartikoff, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $585. E. (9) $36.25.

A. David K. Taylor, Jr., Mobile Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $375.

A. Taylor Group, Inc., 555 Brown Road, Hazelwood, Mo. 63042.
E. (9) $2,183.28.

A. Peggy Taylor, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,040. E. (9) $67.50.

A. Sid Taylor, National Taxpayers Union (NTU), 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,600. E. (9) $374.

A. Arthur Earle Teele, Jr., P.O. Box 1877, 135 South Monroe Street, Suite 100C, Tallahassee, Fla. 32302.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $10,000. E. $3,877.39.

A. William E. Tell, Jr., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.. 10650.
D. (6) $1,125.

A. Paul M. Tendler, 2020 K Street NW., Suite 420, Washington, D.C. 20006.
B. Paul Tendler Associates for The National Federation of Licensed Practical Nurses, 2020 K Street NW., Suite 420, Washington, D.C. 20006.
D. (6) $1,600. E. (9) $165.

A. Betty-Grace Terpstra, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $263.28.

A. Robert P. Terzian, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th NW., Washington, D.C. 20036.
D. (6) $266.50. E. (9) $57.90.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.
B. Oklahoma State Nursing Home Association, 200 Northeast 28th Street, Oklahoma City, Okla. 71305.
D. (6) $2,740. E. (9) $58.

A. Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., Suite 1126, Washington, D.C. 20036.
B. National Association of Stevedores, 1899 L Street NW., Suite 705, Washington, D.C. 20035.
D. (6) $500. E. (9) $9.

A. Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., Suite 1126, Washington, D.C. 20036.
B. Time-Critical Shipment Committee.
D. (6) $2,000.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $13.45.

A. 13th Congressional District Action Committee, 860 Dearborn Place, Gilroy, Calif. 95020.
D. (6) $270. E. (9) $323.39.

A. 35th Congressional District Action Committee, Bills Road, Perry, N.Y. 14530.

A. 36th Pro Life Congressional District Action Committee, 3654 Bonview Terrace, Williamsville, N.Y. 14221.
E. (9) $176.80.

A. 39th Congressional District Action Committee, R.D. 2, Allegany, N.Y. 14706.
E. (9) $213.89.

A. 37th Congressional District Action Committee, 419 Woodbridge Avenue, Buffalo, N.Y. 14214.
E. (9) $172.62.

A. Robert W. Thomas, 1701 K Street NW., Wash. D.C. 2007.
B. National Assn. of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20007.
D. (6) $250.

A. Stephen M. Thomas, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $4,826.22.

A. Susan P. Thomases, Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
B. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.
D. (6) $2,047. E. (9) $222.35.

A. Fred D. Thompson, Thompson & Crawford, 14th Floor, First American Center, Nashville, Tenn. 37238.
B. Westinghouse, 1801 K Street, Washington, D.C. 20006.
D. (6) $2,112. E. (9) $763.05.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,833.71.

A. Kathleen O. Thompson, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $120. E. (9) $6.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Richard L. Thompson, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.

A. Roger G. Thompson, Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.
B. Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.
D. (6) $285. E. (9) $636.19.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.
D. (6) $3,000. E. (9) $101.99.

A. James L. Thorne, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Gil Thurm, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $318.62.

A. Samuel Thurm, Assoication of National Advertisers, 1725 K Street NW., Washington, D.C. 20006.
B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Cyrus C. Tichenor III, A. H. Robins Co., Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.
D. (6) $720. E. (9) $78.72.

A. Drew V. Tidwell, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
D. (6) $2,000. E. (9) $2,994.96.

A. Wallace F. Tillman, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $126.

A. Martin R. Tilson, Jr., P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $310. E. (9) $877.50.

A. George Tilton, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,887.60.

A. C. H. Timberlake, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $385.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,275.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $206.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.
D. (6) $550.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B Major League Baseball, 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $1,000.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.
D. (6) $688.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $625.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif.
D. (6) $1,265.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Office of the Governor of State of Alaska, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $1,275.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. G. D. Searle & Co., Inc., P.O. Box 1045, Skokie, Ill. 60076.
D. (6) $523

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $998.

A. Michael L. Tiner, United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $3,879.47. E (9) $114.88.

A. E. Linwood Tipton, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $854.77.

A. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.
E. (9) $15.

A. Tobacco Associates, Inc., 1101 17th NW., Suite 912, Washington, D.C., 20036.
E. (9) $1,563.50.

A. James R. Tobin, Becton Dickinson & Co., Mack Centre Drive II, Paramus, N.J. 07652.
B. Becton Dickinson & Co., Mack Centre Drive, Paramus, N.J. 07652.
D. (6) $2,000. E. (9) $225.

A. Mary A. Tobin, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $23.36.

A. Patrick F. Tobin, International Longshoremen's & Warehousemen's Union, 417 Fourth Street SE, Washington, D.C. 20003.
B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $5,553.34.

A. H. Willis Tobler, 1735 I Street NW., Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
D. (6) $750.

A. Warren D. Toburen, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $279.

A. David G. Todd, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $63.84.

A. M. Douglas Todd, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $425. E. (9) $6.35.

A. William R. Tolley, Jr., Harris Corp., Melbourne, Fla. 32919.
B. Harris Corp., Melbourne, Fla. 32919.
E. (9) $61.50.

A. Howard A. Topel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mullin, Connor & Rhyne, 1000 Connecticut Avenue NW., Washington, D.C. 20036 (For Alberto de la Vega-Ripol, c/o Imperme, P.O. Box 75, Marbella (Malaga), Spain.)
D. (6) $7.93.

A. Christine Y. Topping, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $6,120. E. (9) $64.50.

A. John M. Torbet, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International.
D. (6) $32.25. E. (9) $171.30.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $5,200. E. (9) $955.

A. TransAfrica, 1325 16th Street NW., No. 202, Washington, D.C. 20036.
D. (6) $57,180. E. (9) $43,388.87.

A. Transportation Institute, 923 15th Street NW., Washington, D.C.
E. (9) $1,347.90.

A. Paula C. Treat, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $375.

A. Richard S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $212.

A. Paul H. Trimble, Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.
B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Sanky Trimble, 328 Enchanted Valley Place NW., Albuquerque, N. Mex. 87101.
B. Distiller Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $330. E. (9) $685.12.

A. William C. Triplett II, Suite 905, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.
D. (6) $300. E. (9) $109.20.

A. Glenwood S. Troop, Jr., United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $9,230. E. (9) $182.50.

A. George G. Troutman, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $100.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $447.07.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $7,830.78. E. (9) $184.80.

A. Sheila C. Turpin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $13,232.69. E. (9) $3,230.19.

A. Bruce H. Turnbull, National Retail Merchants Association, 1000 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $200. E. (9) $7.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Sheila C. Turpin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
E. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 810, Washington, D.C. 20036.
D. (6) $2,100. E. (9) $75.

A. 12th Congressional District Action Committee, 2372 Lida Drive, Mountain View, Calif. 94043.
D. (6) $160. E. (9) $75.50.

A. G. John Tyson, Kimberly-Clark Corp., 1730 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $150. E. (9) $25.

A. Jerry G. Udell, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $100.

A. Joseph Uehlein, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,601.60. E. (9) $117.

A. John C. Uehlinger, 501 N. Quaker Lane, Alexandria, Va.
B. American Congress on Surveying & Mapping, 210 Little Falls Street, Falls Church Va. 22046.
D. (6) $591.25.

A. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
E. (9) $1,250.

A. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04112.
E. (9) $39.

A. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $548.05. E. (9) $1,475.38.

A. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E. (9) $6,966.06.

A United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
E. (9) $3,777.

A. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $37,952.30. E. (9) $37,952.30.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
E. (9) $1,204.27.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $10,560.45.

A. U.S. & Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1002, Washington, D.C. 20005.
D. (6) $27,225. E. (9) $9,842.90.

A. United States Cruises, Inc., 2200 Sixth Avenue, 1125 Denny Building, Seattle, Wash. 98121.
E. (9) $1,886.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $920. E. (9) $920.

A. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
E. (9) $93,439.47.

A. U.S. Maritime Committee, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $5,055.56. E. (9) $14,784.64.

A. Lloyd N. Unsell, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $68.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Francis R. Valeo, 818 18th Street NW., Washington, D.C. 20006.
B. United Nations University, D.C., 1180 U.N., New York, N.Y.
D. (6) $7,500. E. (9) $991.33.

A. John A. Vance, Pacific Gas & Electric Co., 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $567.75. E. (9) $421.80.

A. Vance & Joyce, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006.
B. Embassy of Bolivia, 3014 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Sheldon B. Vance, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006.
B. Vance & Joyce, 1701 Pennsylvania Avenue NW., Suite 520, Washington, D.C. 20006 (for Embassy of Bolivia, 3014 Massachusetts Avenue NW., Washington, D.C. 20008).

A. Richard A. Van Deuren, c/o Reinhart, Boerner, Van Deuren, Norris & Rieselbach, 1800 Marine Plaza, Milwaukee, Wis. 53202.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $2,709.66.

A. Nicholas L. Van Nelson, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
D. (6) $487.50. E. (9) $44.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp., Barrow, Alaska 99723.
D. (6) $666. E. (9) $465.80.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.
D. (6) $670. E. (9) $120.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Huntington's Disease Coalition, 250 West 57th Street, New York, N.Y. 10019.
E. (9) $11.20.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.
D. (6) $80. E. (9) $28.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Northern Tier Pipeline Co., 1776 Lincoln Street, P.O. Box 5568, Denver, Colo. 80217.
D. (6) $390. E. (9) $62.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $1,130. E. (9) $97.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 206, Boynton Beach, Fla. 33435.
D. (6) $495. E. (9) $21.66.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Republic Geothermal, Inc., 11833 East Slauson Avenue, Suite 1, Santa Fe Springs, Calif. 90670.
D. (6) $130. E. (9) $34.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. South Florida Tomato & Vegetable Growers Association, P.O. Drawer B. B., Homestead, Fla. 33030.
D. (6) $495. E. (9) $21.67.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Southwest Winter Vegetable Growers Association, P.O. Box 1670, Immokalee, Fla. 33934.
D. (6) $495. E. (9) $21.67.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Wheelabrator-Frye Inc., Liberty Lane, Hampton, N.H. 03842.
E. (9) $82.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Yellowstone Park Co., Yellowstone National Park, Wyo. 82190.
D. (6) $520. E. (9) $50.95.

A. Gerald W. Vaughan, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.
E. (9) $30.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. John P. Venners, 1899 L Street NW., Suite 1250, Washington, D.C. 20036.
B. Venners & Co., 1899 L Street NW., Suite 1250, Washington, D.C. 20036 (for Koch Industries, P.O. Box 2302, Wichita, Kans. 67201).

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan American Building, New York, N.Y. 10017.
D. (6) $150. E. (9) $3.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (for Florida Gas Co.)
D. (6) $260.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036. (for Houston Natural Gas Corp.)
D. (6) $3,672.50.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticue Avenue NW., No. 900, Washington, D.C. 20036. (for Texas Eastern Transmission Corp.).
D. (6) $406.25.

A. Brenda R. Viehe-Naess, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. American Health Planning Association, 1601 Connecticut Avenue NW., Seventh Floor, Washington, D.C. 20009.
D. (6) $245.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.
D. (6) $340.00

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. Office of the Controller, Medi-Cal Audit Project, State of California State Capitol, Sacramento, Calif. 95814.

A. Rudolph A. Vignone, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $500.

A. Howard A. Vine, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. Hartford Fire Insurance Co., Hartford, Conn. 06115.
D. (6) $1,150.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. John Nuveen & Co., Inc., 209 South LaSalle Street, Chicago, Ill. 60604.

A. Andrew Vitali, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,000. E. (9) $160.

A. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092, c/o F. A. Hutchinson, Jr., 475 L'Enfant Plaza SW. Suite 2450, Washington, D.C. 20024.
E. (9) $550.

A. Betty Vorhies, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.
B. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
D. (6) $2,875.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., Suite 800, South, Washington, D.C. 20036.
B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.
E. (9) $45.32.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., 800 South, Washington, D.C. 20036.
B. Ohio Manufacturers Association, 100 East Broad Street, Columbus, Ohio 43215.
E. (9) $10,995.

A. James F. Wagenlander, Suite 1020, 910 16th Street, Denver, Colo. 80202.
B. Committee to Save Indian Housing, 910 16th Street, No. 1020, Denver, Colo. 80202.
D. (6) $1,500. E. (9) $1,048.

A. Joseph S. Wager, Wager & McVey, 1333 New Hampshire Avenue NW., Suite 1220, Washington, D.C. 20036.
B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $1,240. E. (9) $111.

A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $571.87. E. (9) $5.60.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $2,175. E. (9) $3,114.49.

A. Wake Up America, 5515 London Road, Duluth, Minn. 55804.
D. (6) $722.70. E. (9) $334.25.

A. Robert E. Waldron, c/o Associated Petroleum Industries of Michigan, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $488.75.

A. E. F. Waldrop, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $693.36.

A. Charles W. Walker, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $6,250.

A. Charles E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Agrico Chemical Co., et al., Bank of Oklahoma Tower, One Williams Center, Tulsa, Okla. 74103.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co. of America, 1200 Ring Building, Washington, D.C. 20036.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX, Inc., et al., AMAX Center, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Telephone & Telegraph Co., 2000 L Street NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $700.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dealer Bank Association, 1800 K Street NW., Washington, D.C. 20006.
D. (6) $4,750.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Telephone & Electronics, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 West Mockingbird Lane, Dallas, Tex. 75215.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Procter & Gamble Co., Cincinnati, Ohio 45201.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $1,250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,000.

A. R. Duffy Wall, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.
D. (6) $472.12.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. American Sugar Cane League of the U.S.A., Inc., 416 Whitney Building, New Orleans, La. 70130.
D. (6) $7,500. E. (9) $10,127.22.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. Cotton Warehouse Association of America, 232 East Capitol Street, Washington, D.C. 20003.
D. (6) $9,375. E. (9) $11,170.44.

A. R. Douglas Wallin, Jr., 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $59.67.

A. John F. Wanamaker, Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $1,259.38.

A. Gregg Ward, SMACNA, 8224 Old Courthouse Rd., Vienna, Va. 22180.
B. Sheet Metal & Air Conditioning Contractors' National Assn., Inc., 8224 Old Courthouse Rd., Vienna, Va. 22180.
D. (6) $800. E. (9) $300.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,105. E. (9) $207.09.

A. Michael O. Ware, Continental Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.
D. (6) $900.

A. Peter F. Warker, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $500.

A. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
E. (9) $17,000.

A. Betsy R. Warren, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $155. E. (9) $2.35.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $299.58.

A. Robert B. Washington, Jr., Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pepco, 1900 Pennsylvania Avenue NW., Washington, D.C.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $2,634.50. E. (9) $2,364.02.

A. Nan Waterman, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,996.00. E. (9) $514.14.

A. Jerry B. Waters, 1735 Eye St., NW., Suite 610, Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 Eye St., NW., Suite 610, Washington, D.C. 20006.
D. (6) $1,000.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. James L. Watts, 618 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Co., 618 Washington Building, Washington, D.C. 20005.
D. (6) $2,000.

A. William J. Way, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $1,720.68.

A. Raymond J. Weatherly, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $500.

A. William H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $400. E. (9) $308.81.

A. Frederick L. Webber, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $865. E. (9) $128.26.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $2,100.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., No. 800, Washington, D.C. 20006.

A. Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
B. National Conference of Bankruptcy Judges, c/o Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,750. E. (9) $126.21.

A. Webster & Sheffield, One Rockefeller Plaza, New York, N.Y. 10020.
B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $2,094. E. (9) $248.

A. Lee Weddig, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $500.

A. Fred Wegner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $392.30. E. (9) $191.71.

A. Donald G. Weinert, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $54.78. E. (9) $93.55.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Canada-France-Hawaii Telescope Corp., Kamuela, Hawaii 96743.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1660 L Street NW., Washington, D.C. 20036.
B. Council of Creative Artists, Libraries, and Museums, 250 West 57th Street, New York, N.Y.
D. (6) $500.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Trans-Lux Corp., 625 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,500.

A. Michael A. Weiss, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $625. E. (9) $50.

A. Morton N. Weiss, 55 Broad St., New York, N.Y. 10004.
B. National Security Traders Assn., 55 Broad St., New York, N.Y. 10004.
D. (6) $1,875.

A. Judith H. Weitz, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $420. E. (9) $334.34.

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. James F. Welsh, 4305 Edgefield Road, Bethesda, Md. 20014.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,612.50.

A. Carol Werner, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $4,498.14.

A. W. R. Werner, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $10,196.32. E. (9) $114.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Harry H. Westbay III, 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200. E. (9) $600.

A. Western Advocates, Inc., Suite 696, Kennecott Building, Salt Lake City, Utah 84111.
D. (6) $15,000. E. (9) $4,800.

A. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.
E. (9) $3,062.30.

A. Western Radiological Group, Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.
E. (9) $30,000.

A. Harvey J. Wexler, Continental Airlines, Inc., 1025 Connecticut Avenue NW., Suite 1017, Washington, D.C. 20036.
B. Continental Airlines, Inc., International Airport, Los Angeles, Calif. 90009.
D. (6) $2,000. E. (9) $1,000.

A. Brian B. Whalen, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,250. E. (9) $737.33.

A. Charles W. Whalen, Jr., New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $6,563.26.

A. Clyde A. Wheeler, Jr., Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $15,000. E. (9) $8,421.50.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Thomas E. Wheeler, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $995. E. (9) $410.69.

A. William Whichard, Jr., Union Oil of California, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $55.

A. John C. Whitaker, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Joseph E. Seagram & Sons, Inc., 375 Park Avenue, New York, N.Y. 10022.
D. (6) $4,982.20. E. (9) $7.60.

A. Donald F. White, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $20.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.
E. (9) $20.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Suite 975, Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Donald W. Whitehead, 1620 I Street NW., Washington, D.C. 20006.
B. Thetford Corp., Box 1285, Ann Arbor, Mich. 48106.
D. (6) $100. E. (9) $23.30.

A. Alton W. Whitehouse, Jr., 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
D. (6) $300.

A. Elizabeth D. Whitley, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $4,531.25.

A. Whitman & Ransom, 1333 New Hampshire Avenue NW., Suite 650, Washington, D.C. 20036.
B. Shimano American Corp., 1133 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $2,225. E. (9) $124.51.

A. Gary L. Whittle, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $70. E. (9) $46.83.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Allegheny Airlines, National Airport, Washington, D.C. 20001.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. American Airlines, 633 Third Avenue, New York, N.Y. 10017.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Congaree Limited Partnership, 222 West Adams Street, Suite 821, Chicago, Ill. 60606.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Eastern Air Lines, Miami International Airport, Miami, Fla. 33148.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Hughes Air West, San Francisco International Airport, San Francisco, Calif. 44128.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Pan American World Airways, Pan Am Building, New York, N.Y. 10017.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Piedmont Airlines, Smith Reynolds Airport, Winston Salem, N.C. 27102.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Ryder System, Inc., 3600 NW. 82d Avenue, Miami, Fla. 33166.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Trans World Airlines, 605 Third Avenue, New York, N.Y. 10016.
D. (6) $56.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. United Airlines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $56.

A. Leonard M. Wickliffe, 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. California Railroad Association, 1127 11th Street, Suite 242, Sacramento, Calif. 95814.
D. (6) $7,916.66. E. (9) $6,429.25.

A. Richard J. Wiechmann, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Rebecca Wilcox, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $8,500.

A. Wilcox & Sharood, 1899 L Street NW., Washington, D.C. 20036.
B. National Association of Stevedores, 1899 L Street NW., Washington, D.C. 20036.
D. (6) $7,165.70. E. (9) $14,912.74.

A. Jerry C. Wilkerson, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. International Franchise Association, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
D. (6) $650. E. (9) $769.50

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.
E. (9) $355.96.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $245.39.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J. 07645.
D. (6) $1,728. E. (9) $118.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.
E. (9) $770.82.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter Day Saints, 10 East North Temple, Salt Lake City, Utah.
E. (9) $5.94.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, 65 Elizabeth Street, Bethlehem, Pa.
E. (9) $26.06.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish & Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $157.43.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $115.01.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc. (IDCMA), 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,225. E. (9) $136.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
D. (6) $1,973.90. E. (9) $171.00.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. NANA Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.
E. (9) $25.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 531, Honolulu, Hawaii.
D. (6) $575. E. (9) $50.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $72.71.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. U.S. National Bank, Medford, Oreg. (for the Klamath Indian Tribe, Oregon).
E. (9) $40.94.

A. Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.
B. National Consumers League, 1522 K Street NW., No. 406, Washington, D.C. 20005.
D. (6) $325. E. (9) $210.

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,700.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. CBS, Inc., 1800 M Street NW., Washington, D.C. 20036.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Citizens for Sensible Maine Power, c/o Seth Hedgcock, Farnham Point, East Boothbay, Maine 04544.
D. (6) $60.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Federal National Mortgage Association (FNMA), 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Williams & Connolly, Hill Building, Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.
E. (9) $13.

A. Harding deC. Williams, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Harry D. Williams, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. J. Larry Williams, P.O. Box 10235, Tallahassee, Fla. 32302.
B. Distilled Spirits Council of the United States, Inc., 425 13th Street NW., Washington, D.C. 20004.
D. (6) $363. E. (9) $366.53.

A. Williams & King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. American Netting Manufacturers Organization, c/o Ralph J. Sigler, FNT Industries, 927 First Street, Menominee, Mich. 49858.
D. (6) $3,000.

A. Lee Williams, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,600. E. (9) $5,185.

A. Lucinda L. Williams, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $3,150.

A. Williams, Myers & Quiggle, 888 17th Sreet NW., Washington, D.C. 20006.
B. Church Alliance for Clarification of ERISA, c/o Gary S. Nash, 511 North Akard Building, Suite 311, Dallas, Tex. 75201.
E. (9) $183.03.

A. Frederick L. Williford, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Bertram C. Willis, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Willkie, Farr & Gallagher, 153 East 53d Street, New York, N.Y.
E. (9) $5,148.30.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Association of American Residents Overseas, Paris, France; American Chamber of Commerce in France, Paris, France; The American Club of Paris, Paris, France.
E. (9) $439.04.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $630.

A. Mrs. Bjorg Opdahl Wilson, 6107 Greentree Road, Bethesda, Md. 20034.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (5) $350. E. (9) $13.25.

A. Winston P. Wilson, 523 North Forrest Street, Forrest City, Ark.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $12,500. E. (9) $1,263.92.

A. Albert Winchester, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,204.

A. Joseph B. Winkelmann, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $612.86.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.
B. Atlanta/LaSalle Corp., 150 South Wacker Street, Chicago, Ill. 60600.
D. (6) $35.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.
B. Building Owners & Managers Association International, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.
B. Robert W. Galvin, Route 2, Box 160-H, Barrington, Ill. 60010.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.
B. Gould, Inc., 3550 Bryn Mawr Avenue, Chicago, Ill. 60631.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.
B. International Council of Shopping Centers, 665 Fifth Avenue, New York, N.Y. 10022.

A. Winston & Strawn, 2550 M Street NW., No. 500, Washington, D.C. 20037.
B. New England Petroleum Corp., 825 Third Avenue, New York, N.Y. 10022.

A. Mark W. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $2,500.

A. Karen T. J. Winterbottom, American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.
B. American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.
D. (6) $1,500. E. (9) $193.90.

A. John P. Wintrol, 1001 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. National District Attorneys Association, 666 North Lake Shore Drive, Suite 1432, Chicago, Ill. 60611.
E. (9) $1,516.

A. Jane Wishner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,054.10.

A. H. C. Witthaus, General Motors Corp., 1660 L Street NW., Suite 501, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,478.26.

A. Kurt D. Witzel, 1601 114th Street SE., Suite 151, Bellevue, Wash. 98004.
B. Citizens Committee for the Right to Keep and Bear Arms, American Hunting Union Division, 1601 114th Street SE., No. 151, Bellevue, Wash. 98004.

A. F. Lorraine Woehrle, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $2,187.50.

A. Erving Wolf, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Wolf, Haldenstein, Adler, Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016.
B. Failek-Lankro Corp., P.O. Box H, Tuscaloosa, Ala.

A. Herman Wolf, P.O. Box 747, Fairfield, Conn. 06430.
B. Heublein, Inc., Farmington, Conn. 06032.
D. (6) $1,500. E. (9) $706.41.

A. James E. Wolf, The Trane Co., 2020 14th Street, North Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
D. (6) $600.

A. Kenneth Wollack, 444 North Capitol Street NW., Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Washington, D.C.
D. (6) $9,499.98.

A. Ronald Wolsey, Suite 507A, 300 East Joppa Road, Towson, Md. 21204.
B. Standard Oil Co., (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $356.16. (9) $37.84.

A. Don Womack, 1150 Connecticut Avenue NW., Suite 1013, Washington, D.C. 20036.
B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $1,893. E. (9) $151.67.

A. Charles A. Wood, National Fuel Gas Distribution Corp., Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.
B. National Fuel Gas Distribution Corp., National Gas Storage Corp.; National Fuel Gas Supply Corp., and Seneca Resources Corp.
D. (6) $607.12. E. (9) $866.92.

A. Diane Woodruff, Committee of Urban Program Universities, 1300 19th Street NW., No. 220 Washington, D.C. 20036.
B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220 Washington, D.C. 20036.
D. (6) $1,068.75.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW, Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard Gabriel Peri, 92240 Malakoff, France).
D. (6) $7.81

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,000. E. (9) $205.35.

A. Melanie Woolston, 1600 South Eads Street, Apt. 1222-S, Arlington, Va. 22202.
B. Self-Determination for District of Columbia, Room 300, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,875. E. (9) $48.

A. Ronald L. Wooten, Consolidation Coal Co., 1025 Connecticut Avenue NW., Suite 1000, Washington, D.C. 20036.
B. Consolidation Coal Co., Consol Plaza, Pittsburgh, Pa. 15241.
D. (6) $331.80. E. (9) $30.

A. George M. Worden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Distilled Spirits Council).
D. (6) $300.

A. George M. Worden, Hill & Knowlton, Inc., 1428 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Hide Action Program).
D. (6) $400.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $4,586.78. E. (9) $9,444.61.

A. W. Robert Worley, 780 Densley Drive, Decatur, Ga. 30033.
B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30303.
D. (6) $3,204. E. (9) $2,218.78.

A. Edward E. Wright, 1819 H Street NW., Suite 1175, Washington, D.C. 20006.
B. G-4 Children's Coalition, 7300 Delfield Street, Chevy Chase, Md. 20015.
D. (6) $498.

A. Franklin L. Wright, Jr., 1709 New York Avenue NW., Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,250. E. (9) $77.60.

A. Donald Yarborough, Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Paraplegia Cure Research, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $195.

A. John Yarmola, Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $3,500. E. (9) $326.35.

A. D. Scott Yohe, 1629 K Street NW., Room No. 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $330. E. (9) $86.50.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $200.

A. G. Reynolds Young, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036
D. (6) $1,000.

A. Kenneth Young, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,545. E. (9) $377.98.

A. Pamela K. Young, National Association of Manufacturers, 7250 York Avenue South, No. 516, Edina, Minn. 55435.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $70.

A. Stephen T. Young, National Audubon Society, 1755 Park Road NW., Washington, D.C. 20010.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.
D. (6) $4,250.01. E. (9) $2,426.17.

A. Betsy Younkins, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,000. E. (9) $203.69.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. The Youth Project, Inc., 1555 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $5,244.56.

A. Harry M. Zachem, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Donald M. Zahn, 6316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 6316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $300. E. (9) $165.

A. Lynn Zakupowsky, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $500.

A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,960. E. (9) $134.87.

A. Donald P. Zeifang, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $268.

A. Kathie Schear Zimmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $126.

A. Barry Zorthian, Time, Inc., 888 16th Street NW., Washington, D.C.
B. Time, Inc., Time & Life Building, Rockefeller Center, New York, N.Y.

A. Charles A. Zuver, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Frances Zwenig, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,750.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 197 9 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
	(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) If the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter
5. $_____Received for services (e.g., salary, fee, etc.)

6. $_____TOTAL for this Quarter (Add items "1" through "5")
7. $_____Received during previous Quarters of calendar year

8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $_____TOTAL now owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during this Quarter

12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": _____

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through _____, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures

9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year

11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $_____TOTAL now owed to person filing
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates*	*Name and Address of Recipient—Purpose*
$1,750.00	7–11:	Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15:	Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00		TOTAL

A. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. The Adherence Group, 21 West Street, New York, N.Y. 10006.

A. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, No. 800, Washington, D.C. 20001.
D. (6) $8,942.34.

A. W. E. Ainsworth, Jr., Standard Oil Co. (Indiana), 1000 16th Street NW., Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 1000 16th Street NW., Washington, D.C. 20036.

A. Air-Conditioning and Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $21,000. E. (9) $4,770.

A. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017.
E. (9) $5,805.81.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $7,603.68. E. (9) $7,603.68.

A. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
E. (9) $34,205.99.

A. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $21,261. E. (9) $21,261.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $27,761.63. E. (9) $27,761.63.

A. The American League of Anglers, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $1,810.15. E. (9) $1,700.

A. American Maritime Association, 17 Battery Place North, New York, N.Y. 10004; 1612 K Street NW., Washington, D.C. 20006.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $159.80.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,164.61. E. (9) $1,164.61.

A. American Subcontractors Association, 815 15th Street NW., Washington, D.C. 20005.
E. (9) $625.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $716.53.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $3,065.93. E. (9) $1,300.

A. Americans for Alaska, Inc., P.O. Box 50, Riderwood, Md. 21139.
D. (6) $50. E. (9) $146.85.

A. Jane K. Anderson, 1022 15th Street NW., Washington, D.C. 20005.
B. The Carborundum Co., 1022 15th Street NW., Washington, D.C. 20005.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 North Broadway, Chicago, Ill. 60640.
D. (6) $100.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.
D. (6) $75.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.
D. (6) $8,833.53.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $14,870. E. (9) $825.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.

A. George J. Aste, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20036.
D. (6) $500.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500.

A. Michael Baly III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $4,625. E. (9) $1,122.59.

A. Sheila MacDonald Bamberger, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C.; 1 IBM Plaza, Suite 2600, Chicago, Ill.
D. (6) $2,000. E. (9) $208.

A. Robert D. Bannister, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $11,375. E. (9) $2,340.86.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. The New York State Urban Development Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Eileen Barthelmy, 810 18th Street NW., Washington, D.C. 20006.
B. The American League of Anglers, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $1,250. E. (9) $220.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Mt. Airy Refining Co., International Energy Building, 256 North Belt East, Suite 150, Houston, Tex. 77060.
D. (6) $500.

A. Sadie R. Baulch, National Forest Products Association, 1619 Massachusetts Avenue N.W., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Michael K. Beard, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $5,749.96. E. (9) $620.92.

A. James Beiser, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $219.80. E. (9) $35.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002; Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $4,000.02.

A. John C. Bennison, American Society of Travel Agents, 1300 19th Street NW., Washington, D.C.
B. American Society of Travel Agents, 711 Fifth Avenue, New York, N.Y. 10022.

A. Charles Bernhardt, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. Billig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.
B. The Adherence Group, 21 West Street, New York, N.Y.
E. (9) $424.17.

A. Sarah Massengale Billock, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $626.94. (9) $15.

A. Robert Bird, General Mills, Inc., 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $100.

A. Helen Blank, American Parents Committee Division, Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $5,623.

A. Mark Andrew Bloomfield, 1661 Crescent Place NW., Washington, D.C. 20009.
B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif. 94306.
D. (6) $3,600.

A. Betty Blouin, The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
B. The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $4,200. E. (9) $6,983.20.

A. L. W. Bonsib, Jr., Bonsib, Inc., Box 1807, Washington, D.C. 20013.

A. Edward T. Borda, 1625 I Street NW., Room 1023, Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.
D. (6) $4,000. E. (9) $15.

A. Mary M. Bourdette, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $535.92. E. (9) $53.05.

A. Boyden, Kennedy, Romney & Owens, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. Northwest Pipeline Co., 315 East Second South, Salt Lake City, Utah.
D. (6) $11,250. E. (9) $2,036.18.

A. Marguerite Bracy, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $25.15.

A. Gene M. Bradley, The Boeing Co., 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $320. E. (9) $140.21.

A. Edward T. Braswell, Corcoran, Youngman & Rowe, 1511 15th Street NW., Suite 1100, Washington, D.C. 20005.
B. Newport News Shipbuilding & Drydock Co., North Washington Street, Newport News, Va.
E. (9) $162.20.

A. Henry W. Brook, Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
B. Nuclear Fuel Services Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. Centar Associates, 369 Passaic Avenue, Fairfield, N.J. 07006.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Science Industries, Inc., 1747 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.
B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $375.

A. Thomas H. Brownell, 23820 30 Avenue S., B27, Kent, Wash. 98031.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $80. E. (9) $605.75.

A. Marguerite E. Bryan, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.
B. Joint Maritime Congress, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $43.85.

A. Michael W. Buckner, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18. E. (9) $1,337.73.

A. Robert D. Buehler, The B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $4,000.

A. David A. Bunn, Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $600.

A. Quentin L. Burgess, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $210.90. E. (9) $21.45.

A. Francis X. Burkhardt, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $983.88.

A. David G. Burney, United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.
B. United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.
D. (6) $6,000. E. (9) $3,000.

A. Gerrie Bjornson Burns, B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio.
D. (6) $100.

A. Theresa Ann Burt, 1010 Vermont Avenue NW., Washington, D.C. 20005.
B. Opera America, 1010 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $637.49. E. (9) $1,291.86.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Inexco Oil Co., 100 Milan Building, Suite 1900, Houston, Tex. 77002.
D. (6) $885.90. E. (9) $10.90.

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cadwalader, Wickersham & Taft, 11 Dupont Circle, Suite 450, Washington, D.C. 20036.
B. Roy O. Martin, Jr., 3110 Georges Lane, Alexandria, La. 71301.
E. (9) $80.78.

A. Morrison G. Cain, 1625 I Street NW., Room 1023, Washington, D.C. 20006.
B. Association of General Merchandise, Inc., 1625 I Street NW., Room 1023, Washington, D.C. 20006.
D. (6) $6,250.

A. Victoria R. Calvert, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,604. E. (9) $46.

A. Donald L. Calvin, New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, Inc., 11 Wall Street, New York, N.Y. 10005.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. ACLI International, Inc., New York City, N.Y.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Anthony P. Carnevale, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $11,250. E. (9) $273.64.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $5,235.60. E. (9) $180.50.

A. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Steven M. Champlin, 329 Eighth Street NE., Washington, D.C. 20002.
B. Council of Vietnam Veterans, 419 Park Avenue South, Suite 909, New York, N.Y. 10016.
D. (6) $1,370.

A. Jane Cheever, 100 Federal Street, Boston, Mass. 02110.
B. First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Jane Cheever, 100 Federal Street, Boston, Mass. 02110.
B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Citizens for Management of Alaska Lands, Inc., 840 K Street, Suite 205, Anchorage, Alaska 99510.
D. (6) $243,619.66. E. (9) $248,050.87.

A. Anne Harrison Clark, Population Resource Center, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.
D. (6) $1,267. E. (9) $593.

A. Donald M. Clarke, International Harvester Co., 1707 L Street, Washington, D.C. 20036.
B. International Harvester Co., 1707 L Street, Washington, D.C. 20036.
D. (6) $1,250. E. (9) $475.39.

A. Frank Clements, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,697.93. E. (9) $1,479.88.

A. Coalition for New York, Inc., 230 Park Avenue, New York, N.Y. 10017.
D. (6) $750. E. (9) $750.

A. Jeffery Cohelan, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $4,914.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, P.O. Box 2440, Miami, Fla.
D. (6) $4,256.64. E. (9) $10.50.

A. Timothy A. Colcord, Visa U.S.A., Inc., 1620 I Street NW., Washington, D.C. 20006.
B. Visa U.S.A., Inc., 3000 Clearview Way, San Mateo, Calif. 94403.
D. (6) $6,875. E. (9) $2,336.02.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $8,300.04.

A. Frank Collins, Oil, Chemical, & Atomic International Union, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $2,000.

A. Committee for 806.30 and 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
D. (6) $19,220 E. (9) $8,270.15.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037; 11 West 60th Street, New York, N.Y. 10023.
D. (6) $20,699.88. E. (9) $32,757.32.

A. Committee Urging Regulatory Reform for Efficient National Trucking (CURRENT), 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
D. (6) $3,250. E. (9) $1,612.45.

A. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
D. (6) $10,878. E. (9) $14,162.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. Harry N. Cook, 1130 17th Street NW., Washington, D.C. 20036.
B. The National Waterways Conference, Inc.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. Arthur Young & Co.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. Underwriter's Laboratories.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. Frank G. Kingsley.

A. Glen S. Corso, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,406.50. E. (9) $1,063.60.

A. Clark R. Cossé III, 5644 Hawthorne Place, New Orleans, La. 70124.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $7,050.

A. Eric Cox, 1011 Arlington Boulevard, Suite W-219, Arlington, Va. 22209.
B. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $875.01.

A. Judith Lynne Crain, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

A. Credit Union National Association, 1730 Rhode Island Avenue, Suite 810, Washington, D.C. 20036.
E. (9) $473.64.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,325.01. E. (9) $1,479.85.

A. James M. Cubie, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $3,390.25.

A. Culp, Dwyer, Guterson & Grader, 1300 Hoge Building, Seattle, Wash. 98104.
B. Pacific Northwest Utilities Conference Committee, 327 No. Wenatchee Avenue, Wenatchee, Wash. 98801.
D. (6) $8,213.50. E. (9) $4,865.83.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $550. E. (9) $709.

A. Jay B. Cutler, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $3,700. E. (9) $997.94.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $3,750. E. (9) $1,116.12.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Japan, Lumber Importers Association.

A. Diane Davenny Darneille, Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
D. (6) $300. E. (9) $69.64.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20005.
D. (6) $4,687.50.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. American Bus Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,500.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Beneficial Finance Co., Morristown, N.J. 07960.
D. (6) $2,500.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Hormel Foundation, Austin, Minn. 55912.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Legislature of the Virgin Islands, Charlotte Amalie, St. Thomas, V.I. 00801.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. United States Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.
D. (6) $25,000.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Virgin Islands Gift & Fashion Shop Association, St. Thomas, V.I. 00801.
D. (6) $5,000.

A. Dealer Bank Association, 1800 K Street, Suite 1014, Washington, D.C. 20006.
E. (9) $4,624.50.

A. Catherine B. Deely, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,364.52. E. (9) $21.25.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Cargill Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $3,934.01.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Cargill Leasing Corp., 15407 McGinty Road, Minnetonka, Minn.
D. (6) $95.57.

A. Law Office of Paul H. DeLaney, Jr., 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Trade Adjustment Assistance Coordinating Committee.
D. (6) $2,250.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Lic. Jose Carlos De Saracho Calderon, Union Nacional de Productores de Hortalizas, Boulevard Emiliano Zapata, No. 2, P.O. Box 712, Culican, Sinoloa, Mexico.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Governor Roberto de la Madrid, Gov-

ernado de Baja California, P.O. Box 286, San Ysidro, Calif. 92073.
D. (6) $3,000. E. (9) $180.

A. Dell, Craighill, Pentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Sr. Jesus Almida N., Mexican National Confederation of Livestock Producers, 16th Street, No. 3200, Chihuahua, Chihuahua, Mexico.

A. Dell, Craighill, Pentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. The Honorable Santiago Roel, Secretario de Relaciones Exteriores, Avenida Honcalco No. 1, Mexico, D.F.
D. (6) $5,000. E. (9) $6,060.41.

A. Dell, Craighill, Pentress & Benton, 888 17th Street NW., Washington, D.C. 20006.
B. Sr. Jorge Diaz Serrano, Petroleos Mexicanos, Avenida Merino Nacional No. 329, Edificio No. 1810, 12° Piso, Mexico, 17, D.F.

A. Ray Denison, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,215.50. E. (9) $473.23.

A. Department for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,492.39. E. (9) $3,492.39.

A. Darrel DePasse, Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.
B. Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.

A. John D. Doherty, Jr., Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $300. E. (9) $37.97.

A. Cushing N. Dolbeare, 215 Eighth Street, NE., Washington, D.C. 20002.
B. National Low Income Housing Coalition, 215 Eighth Street NE, Washington, D.C. 20002.
D. (6) $1,878.94. E. (9) $751.35.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
E. (9) $21,573.90.

A. Jack C. Donovan, P.O. Box 5000, Room 612, Cleveland, Ohio 44101.
B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.
D. (6) $600. E. (9) $139.36.

A. Mary Jane C. Due, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $568.04. E. (9) $167.05.

A. Jeffrey M. Duke, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $150.

A. William E. Duke, Atlantic Richfield Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Vicki L. Dungan, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. National Employee Benefits Institute.

A. Vicki L. Dungan, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. R. Ken Dyar, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.
B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. George Hackney Eatman, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $5,100. E. (9) $334.70.

A. Harold F. Eberle, 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $24,070.40.

A. Ed Edmondson, Box 11, Muskogee, Okla. 74401.
B. Cherokee Nation, P.O. Box 119, Tahlequah, Okla. 74464.
D. (6) $1,500. E. (9) $372.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Thomas Ehrlich, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street, NW., Washington, D.C. 20005.
D. (6) $292.32. E. (9) $12.95.

A. Phyllis Eisen, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $432.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,394.28.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,657. E. (9) $5,072.54.

A. Herb Epstein, c/o Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
D. (6) $2,241.60.

A. Jerry N. Ervin, P.O. Box 3331, Houston, Tex. 77001.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.

A. John T. Estes, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 300-R, Morristown, N.J. 07960.
D. (6) $200. E. (9) $10.

A. Brock Evans, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $9,600. E. (9) $206.

A. Federal Express Corp., Box 727, Memphis, Tenn. 38194.
E. (9) $18,263.61.

A. Stuart F. Feldman, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Vietnam Veterans, Suite 931, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. Vincent J. Ferri, 444 North Capitol Street NW., No. 620, Washington, D.C. 20001.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., No. 620, Washington, D.C. 20001.

A. Samuel S. Fields, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,000.02. E. (9) $132.92.

A. Stanley R. Fike, 511 Boston Avenue, Takoma Park, Md. 20012.
B. Fike Metal Co., Box 546 Nitro, W. Va. 25143.
D. (6) $450.

A. Theodora Fine, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,620. E. (9) $575.16.

A. First Pro-Life Congressional District Action Committee, 10 North 77th Avenue, Pensacola, Fla. 32506.

A. Ruth Fischer, 7609 Wellesley Drive, College Park, Md. 20740.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $450.16.

A. Mark Fitzgerald, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,093.75. E. (9) $1,356.99.

A. Charles D. Fleishman, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
D. (6) $1,725. E. (9) $7,386.78.

A. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $4,792.07. E. (9) $4,792.07.

A. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
E. (9) $635.65.

A. James W. Foristel, American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $5,000.

A. Albert A. Fox, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $100. E. (9) $25.

A. Peter Franchot, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

D. (6) $4,375.02.

A. George Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. The Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.
D. (6) $75.

A. Frank C. Frantz, 919 18th Street NW., Suite 624, Washington, D.C. 20006
B. Greater Southeast Community Hospital, 1310 Southern Avenue SE., Washington, D.C. 20032.

A. Donald A. Frederick, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $236.

A. David W. Freer, 201 Behrends Avenue, Juneau, Alaska 99801.
B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99501.
D. (6) $16,600. E. (9) $7,587.

A. Glenn Frele, P.O. Box 66, Des Moines, Iowa 50301.
B. Meat Price Investigators Association, P.O. Box 66, Des Moines, Iowa 50301.
D. (6) $1,100. E. (9) $5,712.22.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Pueblo of Laguna, Laguna, N. Mex.
D. (6) $637. E. (9) $2.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
E. (9) $5,555.16.

A. James M. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.
B. Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.
D. (6) $1,200.

A. Owen V. Frisby, Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $388.50. E. (9) $41.91.

A. Jeffrey A. Fritzlen, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $1,000.

A. Fulbright & Jaworski, 600 Bank of the Southwest Building, Houston, Tex. 77002.
B. St. Joe Paper Co., P.O. Box 1380, Jacksonville, Fla. 32201.
D. (6) $1,227.50. E. (9) $48.23.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.
B. Citizen's Action Group, Kodiak, Alaska.
D. (6) $3,200. E. (9) $300.

A. William R. Ganser, Jr., 4304 Folse Drive, Metairie, La. 70002.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $1,550.

A. W. Bradford Gary, Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $10.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $75.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Leo J. Gehrig, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $651.54. E. (9) $242.24.

A. Claire M. Geoghegan, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Ad Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, Washington, D.C. 20001.
D. (6) $93,653.23. E. (9) $76,133.40.

A. Jonathan Carl Gibson, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $5,775. E. (9) $55.35.

A. Michael Gildea, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $8,859.50.

A. Robert G. Glavin, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,063.83. E. (9) $27.65.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $1,300.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $1,875. E. (9) $660.48.

A. William M. Goldstein, Morgan, Lewis & Bockius, 123 South Broad Street, Philadelphia, Pa. 19109.
B. Committee on Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800, Washington, D.C. 20036.
D. (6) $100.

A. Jack Golodner, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $360.

A. Jack Golodner, 815 16th Street NW., Washington, D.C. 20006.
B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,625. E. (9) $26.47.

A. Alfonso J. Gonzalez, National Association of Social Workers (NASW), 1425 H Street NW., Suite 600, Washington, D.C. 20005.
B. NASW, 1425 H Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $7,500. E. (9) $500.

A. Brenda J. Gore, 1155 15th Street NW., Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $500.

A. Sanford Gottlieb, 1102 Brandywine Street, Kensington, Md. 20795.
B. Americans for SALT, Inc., 324 Fourth Street NE., Washington, D.C. 20002.
D. (6) $6,250.

A. John S. Gottschalk, International Association of Fish & Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.
B. International Association of Fish & Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.
D. (6) $116,584.35. E. (9) $1,515.26.

A. Ruth P. Graves, c/o RIF, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.
B. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.
D. (6) $150. E. (9) $7.

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $765.12.

A. Ellen S. Griffee, American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.
B. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $4,915. E. (9) $14.50.

A. Dean Griffin, American Vocational Association, 2020 North 14th Street, Arlington, Va. 22201.
B. American Vocational Association, 2020 North 14th Street, Arlington, Va. 22201.
D. (6) $5,503.45. E. (9) $13,041.36.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $9,830.94. E. (9) $9,830.94.

A. Charles W. Hackney, Jr., 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,269.50. E. (9) $430.66.

A. Charles T. Hagel, the Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. The Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.
D. (6) $5,000. E. (9) $360.

A. Cheryl A. Haley, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $578.48. E. (9) $21.95.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1750 K Street NW., Suite 350, Washington, D.C. 20006.
B. The Williams Co., 1 Williams Center, Tulsa, Okla. 74101.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,812.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,655.

A. W. Risque Harper, National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.
D. (6) $4,375. E. (9) $3,074.

A. Charles D. Hartman, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,655.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,198.09. E. (9) $198.52.

A. James E. Hawkins, 1725 DeSales Street NW., Suite 402, Washington, D.C. 20036.
B. National Demonstration Water Project, 1725 DeSales Street NW., Suite 402, Washington, D.C. 20036.
E. (9) $590.

A. Heavy & Specialized Carriers Conference, Inc., 1155 16th Street NW., Washington, D.C. 20036.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Cast Iron Pipe Research Association.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Citizens for Management of Alaska Lands (CMAL), Anchorage, Alaska.
D. (6) $8,000.

A. Daniel R. Helmick, 1625 I Street NW., Room 301, Washington, D.C. 20036.
B. Columbia Gas Distribution Cos., 99 North Front Street, Columbus, Ohio 43215.
D. (6) $2,493.75. E. (9) $466.62.

A. Harry V. Helton, 1800 Southwest First Suite 520, Portland, Oreg. 97201.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
E. (9) $681.85

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. American Gas Association.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. American Society of Farm Managers & Rural Appraisers.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. F. Mastrippolito & Sons, Inc.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. Partnership Placements, Inc.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. Petroleum Heat & Power Co.

A. Thomas R. Hendershot, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. Philadelphia Gas Works.

A. Bert Ingalls Hickman, Jr., The Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.
D. (6) $5,625. E. (9) $267.20.

A. Bert Ingalls Hickman, Jr., The Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Cordage Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,125. E. (9) $8,055.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Commonwealth Edison Co., 1 First National Plaza, Chicago, Ill. 60603.

A. Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.
B. Vought Corp., P.O. Box 5907, Dallas, Tex.
D. (6) $4,500. E. (9) $5,555.16.

A. Sheila K. Hixson, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1.

A. Ralph D. Hodges, Jr., National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $25.

A. Glen D. Hofer, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Gerald Hogan, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
D. (6) $400. E. (9) $135.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
E. (9) $1,250.

A. John F. Horty, National Council of Community Hospitals ("NCCH"), 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Washington, D.C. 20006.
E. (9) $3,024.11.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20060.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20060.
D. (6) $32.44. E. (9) $1.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Tony B. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,271.90.

A. Gregory A. Humphrey, American Federation of Teachers, AFL-CIO, 11 Dupont Circle, NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $8,679.78. E. (9) $51.

A. Raymond D. Hurley, 1 Farragut Square South, Washington, D.C. 20006.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43569.

A. Ronald K. Ikejiri, Japanese American Citizens League, 1730 Rhode Island Avenue, No. 204, Washington, D.C. 20036.
B. Japanese American Citizens League, 1765 Sutter Street, San Francisco, Calif. 94115.
D. (6) $180. E. (9) $15.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.
D. (6) $90,371. E. (9) $47,730.62.

A. Institute of Foreign Bankers, c/o Elizabeth Tobon, 200 Park Avenue, New York, N.Y. 10017.

A. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $17,832.36.

A. International Brotherhood of Painters and Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
E. (9) $1,787.56.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
E. (9) $5,525.

A. International Union, United Automobile Aerospace & Agricultural Implement Workers of America, 8000 East Jefferson, Detroit, Mich. 48234.
D. (6) $59,957. E. (9) $59,957.

A. Investment Annuities Institute, Inc., Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $160. E. (9) $311.55.

A. Walter K. Jaenicke, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $1,178.16.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF(AVS), 178 Boulevard, Gabriel Peri, 92240 Malakoff, France).

A. Evelyn Jarvis, National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.

D. (6) $450. E. (9) $75.

A. Herbert N. Jasper, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
D. (6) $16,692.34.

A. Philip F. Jehle, SmithKline Corp., 1150 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. SmithKline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.
D. (6) $1,000. E. (9) $825.

A. Walter W. John, Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414 South Building, Washington, D.C. 20250.
B. Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414, South Building, Washington, D.C. 20250.
D. (6) $503.

A. Bruce T. Johnson, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $5,400. E. (9) $2,963.

A. Theodore Johnson and Co., 786 National Press Building, Washington, D.C. 20045.
B. Committee for Consumers No-Fault, c/o Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

A. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.
D. (6) $21,465.60. E. (9) $21,465.60.

A. Jojoba Growers Association, 840 Sierra Madre, San Marino, Calif. 91108.

A. Gerald Jones, Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.
B. Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

A. Thomas M. Joyce, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $24,070.40.

A. Gary Paul Kane, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $7,219. E. (9) $959.66.

A. Alan H. Kaufman, Suite 3712, 1 Boston Place, Boston, Mass. 02108.
B. SEDCO, Inc., 1901 North Akard Street, Dallas, Tex. 75201.
D. (6) $6,000. E. (9) $1,362.96.

A. Robert J. Keefe, the Keefe Co., 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.
B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.
D. (6) $5,625.

A. Robert J. Keefe, the Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. Cordage Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,125. E. (9) $8,055.

A. John J. Kelly, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,672.91.

A. W. Thomas Kelly, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Investment Annuities Institute, Inc., Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $285.88.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Algonquin Gas Transmission Co., 1284 Soldiers Field Road, Boston, Mass. 02135.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Mercantile Co., 369 Pine Street, San Francisco, Calif. 94104.
D. (6) $2,000. E. (9) $800.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Arlington Trust Co., P.O. Box 686, Lawrence, Mass. 01842.
D. (6) $7,500. E. (9) $7,068.

A. William J. Kenney, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Taiyo Fishery Co., Ltd., 277 Park Avenue, New York, N.Y. 10017.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Alan G. Kirk II, 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Sally Ann Kirkpatrick, American Insurance Association NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $4,896. E. (9) $800.

A. Jeff Kirsch, Food Research & Action Center, 2011 I Street NW., Suite No. 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $2,585.87. E. (9) $9.25.

A. Terrence H. Klasky, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 North Main Street, Sauk Centre, Minn. 56478.
D. (6) $8,000. E. (9) $1,500.

A. Ann Kolker, National Women's Political Caucus, 1411 K Street NW., Washington, D..C 20005.
B. National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.
D. (6) $2,316.12.

A. William G. Kopit, Epstein, Becker, Borsody & Green, 1900 M Street NW., Suite 730, Washington, D.C. 20036.
B. American Association of Professional Standards Review Organizations, Suite 214, Cabin John Mall, 11325 Seven Locks Road, Potomac, Md. 20854.
D. (6) $1,000.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.
B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
D. (6) $1,250.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.
B. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.
D. (6) $1,400.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.
B. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.
D. (6) $250.

A. Joseph Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill., 60611.
D. (6) $942.21.

A. Kutak Rock & Huie, The Omaha Building, 1650 Farnam Street, Omaha, Nebr. 68102.
B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.
E. (9) $254.

A. Sandra LaFevre, 1000 Connecticut Avenue, NW., Suite 304, Washington, D.C. 20036.
B. Nationwide Insurance Co., One Nationwide Plaza, Columbus, Ohio 43216.
D. (6) $500.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.
B. The League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $3,196.94. E. (9) $74.

A. David M. F. Lambert, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Jewish Employment Vocational Services, 1727 Locust Street, St. Louis, Mo. 63103.

A. Lane and Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.
B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.
D. (6) $2,000.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $637.50.

A. Louis Laun, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Charles B. Lavin, Jr., 7006 Redmiles Road, Laurel, Md. 20810.
B. American Subcontracting Association, 815 15th Street NW., Washington, D.C. 20005.
D. (6) $625.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $800. E. (9) $5.20.

A. Susannah Lawrence, Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
D. (6) $23,451.85.

A. Ivan L. Lawyer, GCC Beverages, Inc., 7777 Northwest 41st Street, Miami, Fla. 33159.
B. GCC Beverages, Inc.
D. (6) $14,500. E. (9) $4,629.60.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $16,906.19. E. (9) $16,906.19.

A. David A. Leff, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.
B. Joint Maritime Congress, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $101.50.

A. Lloyd Leonard, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,251.37. E. (9) $33.20.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Commonwealth Edison Co., One First National Plaza, Chicago, Ill.
E. (9) $11.

A. Roger N. Levy (IIAA), 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $24,070.40.

A. B. P. Lewallen, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18.

A. Liberty Lobby, Inc., 132 Third Street SE., Washington, D.C. 20003.
D. (6) $109,945.08. E. (9) $84,115.87.

A. Nira Hardon Long, 1800 M Street NW., South 880, Washington, D.C. 20036.
B. City of Los Angeles, Los Angeles, Calif. 90012.
D. (6) $5,000.01.

A. Judith A. Lorenson, 1960 Lake Clay Drive, Chesterfield, Mo. 63017.
B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.
D. (6) $7,500. E. (9) $533.96.

A. Timothy B. Lovain, New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $5,333.30.

A. Lucas, Friedman & Mann, 810 18th Street NW., No. 202, Washington, D.C. 20006.
B. Coushatta Tribe of Louisiana, c/o Ernest Sickey, Elton, La. 70532.

A. Lucas, Friedman & Mann, 810 18th Street NW., No. 202, Washington, D.C. 20006.
B. McNamara Construction of Manitoba, Ltd., 255 Consumers Road, Willowdale, Ont.
D. (6) $1,000.

A. Russell MacCleery, National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $600. E. (9) $20.

A. Howard Marlowe, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1,764.

A. C. Travis Marshall, 1776 K Street NW., Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $250.

A. McCarty & Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.
D. (6) $540. E. (9) $50.70.

A. Nancy Filield McConnell, American Parents Committee Division, Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,772.66.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Balcor Co., 10024 Skokie Boulevard, Skokie, Ill. 60077.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Iowa Beef Processors, Inc., Dakota City, Nebr.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. JMB Realty Corp., 875 North Michigan Avenue, Suite 380, Chicago, Ill. 60611.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,000.

A. Francis O. McDermott, 1750 K Street NW., No. 1110, Washington, D.C. 20006.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $8,000.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trustees Under the Will of Warren Wright, c/o First National Bank of Chicago, 1 First National Plaza, Chicago, Ill.

A. Patrick W. McElhoes, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18. E. (9) $328.33.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,861.50. E. (9) $616.55.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,041. E. (9) $295.33.

A. Walter P. McHugh, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $820.01. E. (9) $12.50.

A. Phil A. McKeaney, American Federation of Teachers, 11 DuPont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, 11 DuPont Circle NW., Washington, D.C. 20036.
D. (6) $6,460.74. E. (9) $66.30.

A. James D. McKevitt, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C.
D. (6) $3,500. E. (9) $80.

A. Meat Price Investigators Association, P.O. Box 66, Des Moines, Iowa 50301.
D. (6) $6,812.22. E. (9) $1,100.

A. Kenneth A. Meiklejohn, 815 16th Street, NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,861.50.

A. Nanine Meiklejohn, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $37.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70114.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $3,008.73.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.
D. (6) $6,250. E. (9) $39.86.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Holly Corp., 3327–2001 Bryan Tower, Dallas, Tex. 75201.
E. (9) $386.43.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $11,111. E. (9) $170.66.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. John Tudor, 18 East 53d Street, New York, N.Y. 10022.
E. (9) $8.72.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Chevy Chase, Md. 20015.
B. Wolf Trap Foundation, 1624 Trap Road, Vienna, Va. 22180.
E. (9) $309.20.

A. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.
E. (9) $104.87.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lockheed Corp., Burbank, Calif. 91520.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
D. (6) $5,500.

A. Deborah Imle Miller, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $1,875. E. (9) $233.48.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20035.
D. (6) $4,500.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. MEBA Political Action Fund, 444 North Capitol Street, Washington, D.C. 20001.
D. (6) $3,000. E. (9) $1,060.20.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. O&C Counties Association, Route 3, Box 1530, Roseburg, Oreg. 97470.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland, Oreg. 97208.
D. (6) $1,200.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 Southwest Taylor, Portland, Oreg. 97205.
D. (6) $3,000. E. (9) $200.65.

A. A. W. Mininni, 2878 Sherwood Road, Columbus, Ohio 43209.
B. Stop Our Selling of America.

A. Charles W. Mitchell, 7915 Sherwood Road, Ruxton, Md. 21204.
B. George S. Wills & Associates, 10 East Baltimore Street, Baltimore, Md. 21202 (for Americans for Alaska).
E. (9) $12.75.

A. Clarence Mitchell, NAACP, 733 15th Street NW., Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $3,125.

A. Donald Craig Mitchell, 1601 P Street, Anchorage, Alaska 99501; 510 A Street NE., Washington, D.C. 20002.
B. Alaska Federation of Natives, 550 West Eighth Avenue, Anchorage, Alaska 99501.
D. (6) $9,000.

A. Manly Molpus, 1014 Vine Street, Cincinnati, Ohio.
B. The Kroger Co., 1014 Vince Street, Cincinnati, Ohio.
D. (6) $1,000. E. (9) $1,200.

A. Clarence W. Moore, 407 Lincoln Road, Miami Beach, Fla. 33139; Barr Building 912 910 17th Street NW., Washington, D.C. 20006.
B. National Barrel & Drum Association, 910 17th Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $560.

A. John J. Motley, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $200.

A. Daniel J. Mundy, Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
B. Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $9,125.22. E. (9) $2,370.59.

A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
D. (6) $122. E. (9) $201.

A. Kenneth D. Naden, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,106.

A. NANA Regional Corp., Inc., P.O. Box 4–U, Anchorage, Alaska 99509.
E. (9) $1,794.66.

A. Raymond Nathan, 5025 Garfield Street NW., Washington, D.C. 20016.
B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.
D. (6) $555. E. (9) $660.78.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $1,257.50. E. (9) $1,111.65.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $22,924. E. (9) $22,706.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $110,259.11. E. (9) $128,870.09.

A. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.
E. (9) $1,400.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,568,415.56. E. (9) $38,167.49.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Truck Stop Operators, 700 North Fairfax Street, Suite 505, Alexandria, Va. 22314.
D. (6) $8,694.84. E. (9) $8,694.84.

A. National Club Association, 1625 I Street NW., Suite 609, Washington, D.C. 20006.
E. (9) $2,125.

A. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $174,285.97. E. (9) $153,452.42.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $26,558.04. E. (9) $14,072.28.

A. National Council of Farmer Cooperative, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $86,807. E. (9) $100,721.

A. National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
D. (6) $3,459.83. E. (9) $1,907.29.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Belco Petroleum Corp., 1 Dag Hammarskjold Plaza, New York, N.Y. 10017.
D. (6) $15,000.

A. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $3,750.

A. The National Federation of Business and Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $65,742. E. (9) $7,769.49.

A. National Hairdressers and Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.
D. (6) $1,595.07.

A. National Low Income Housing Coalition, 215 Eighth Street NE., Washington, D.C. 20002.
D. (6) $6,234. E. (9) $3,654.59.

A. National Organization for the Reform of Marijuana Laws (NORML), 2317 M Street NW., Washington, D.C. 20037.
D. (6) $68,053. E. (9) $99,765.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $5,000.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036.
D. (6) $6,608.50. E. (9) $6,126.61.

A. National Taxpayers Union, 153 E Street SE., Washington, D.C. 20003.
D. (6) $5,240.27. E. (9) $4,035.

A. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $40,380.77. E. (9) $19,273.94.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $20,000. E. (9) $25,296.

A. Bill Newbold & Associates, 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Texas Hospital Association, P.O. Box 15587, Austin, Tex. 78761; American Protestant Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611; Texas Children's Hospital, St. Lukes Episcopal Hospital, P.O. Box 20269, Houston, Tex. 77025.
D. (6) $6,800.

A. Charles M. Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $109.13.

A. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. O'Connor and Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sperry-Rand Corp., 3333 Pilot Knob Road, St. Paul, Minn.
D. (6) $1,000.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industries Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $6,354.

A. R. E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Kathleen F. O'Reilly, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
D. (6) $4,350. E. (9) $265.

A. Organization of Professional Employees of the United States Department of Agriculture, Room 1414 South Building, Washington, D.C. 20250.
D. (6) $2,032.80. E. (9) $1,058.30.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,210.45.

A. J. Allen Overton, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $215.76. E. (9) $28.50.

A. Pacific Northwest Utilities Conference Committee, 327 North Wenatchee Avenue, Wenatchee, Wash. 98801.
D. (6) $21,900.19. E. (9) $13,079.33.

A. Gerard Paul Panaro, Retail Bakers of America, Presidential Building, Suite 250, 6525 Belcrest Road, Hyattsville, Md. 20782.
B. Retail Bakers of America, Presidential Building, Suite 250, 6525 Belcrest Road, Hyattsville, Md. 20782.
D. (6) $1,500. E. (9) $300.

A. Carl A. Parker, 449 Stadium Road, Port Arthur, Tex. 77640.
B. Government of Republic of Liberia, Monrovia, Liberia.
D. (6) $3,000.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.
E. (9) $10.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW, Suite 1200, Washington, D.C. 20036.
B. Committee Urging Regulatory Reform for Efficient National Trucking (CURRENT), 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
D. (6) $1,126. E. (9) $1,194.64.

A. James M. Peirce, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,187.67.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Coalition of Concerned Charities.

A. Perito, Duerk and Carlson, 1001 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. National District Attorneys Association, 666 North Lake Shore Drive, Room 1432, Chicago, Ill. 60611.
E. (9) $3,746.

A. John Joseph Pesch, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $2,400.

A. Geoffrey G. Peterson, American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
D. (6) $1,000. E. (9) $300.

A. Kenneth Peterson, AFL–CIO, 815 16th Street NW., Washington D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,861.50. E. (9) $428.28.

A. Richard W. Peterson, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
D. (6) $10,000. E. (9) $126.95.

A. Physicians National Housestaff Association, 1029 Vermont Avenue NW., Suite 306, Washington, D.C. 20005.
E. (9) $2,400.

A. E. Rogers Pleasants, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.
B. E. I. du Pont de Nemours and Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $50. E. (9) $15.50.

A. Michael Podhorzer, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
D. (6) $300. E. (9) $20.

A. Ronald F. Pollack Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington D.C. 20006.
D. (6) $201.88.

A. Nathaniel Polster, 2128 Wyoming Avenue NW., Washington, D.C. 20008.
B. American Cancer Society, 777 Third Avenue, New York, N.Y. 10017; Research to Prevent Blindness, 598 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,924. E. (9) $2,061.

A. Edmund J. Perret II, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,290. E. (9) $625.76.

A. Judith A. Pond, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $200. E. (9) $104.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006.
B. AMFAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94120.
D. (6) $2,917. E. (9) 443.81.

A. Population Resource Center, Inc., 622 Third Avenue, New York, N.Y. 10017.
D. (6) $1,292. E. (9) $1,860.

A. A. Frank Portmann III, AMAX Coal Co., 105 South Meridian Street, Indianapolis, Ind. 46225.
B. AMAX Coal Co., 105 South Meridian Street, Indianapolis, Ind. 46225.
D. (6) $8,000.

A. John M. Powderly, United Steelworkers of America, Suite 706, 815 16th Street NW., Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,270.82.

A. Janet Power, VISA U.S.A., Inc., 1620 I Street NW., Washington, D.C. 20006.
B. VISA U.S.A. Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $3,000.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C.
D. (6) $2,000.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. Bankers' Association for Foreign Trade, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. The First National Bank of Chicago, One First National Plaza, Chicago Ill. 60670.
D. (6) $500.

A. Prod, Inc., Suite 612, 2000 P Street NW., Washington, D.C. 20036.
D. (6) $360. E. (9) $80.

A. Steven Pruitt, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $150.10.

A. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77081.

A. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $14,518.74. E. (9) $14,518.74.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. American Ship Building Co., Bond Court Building, Room 911, 1300 East Ninth Street, Cleveland, Ohio.
D. (6) $1,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Bechtel Corp., 141 Battery Street, San Francisco, Calif.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. The Bermuda Government, Hamilton, Bermuda.
D. (6) $1,666.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. First Colony Farms, Route 1, Box 130, Creswell, N.C.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Glass Packaging Institute, 1800 K Street NW., Washington, D.C.

D. (6) $6,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Greater Cleveland Growth Association, 690 Union Commerce Building, Cleveland, Ohio.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa.
D. (6) $2,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. The Harris Corp., 55 Public Square, Cleveland, Ohio.
D. (6) $2,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. National Bulk Carriers, Inc., 1345 Avenue of the Americas, New York, N.Y.
D. (6) $4,500.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. National Ski Areas Association, 61 South Main Street, West Hartford, Conn.
D. (6) $1,500.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. New York Yankees, Flushing Meadows, Corona Park, Flushing, N.Y.
D. (6) $2,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Ohio Board of Regents, 30 East Broad Street, Columbus, Ohio.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Princess Hotels International, 1345 Avenue of the Americas, New York, N.Y.
D. (6) $3,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. R. J. Reynolds Industries, Inc., 401 North Main Street, Winston-Salem, N.C.
D. (6) $1,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Seacoast Products, Inc., Box D, Port Monmouth, N. J.
D. (6) $477.20.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Sea-Land Service, Inc., P.O. Box 900, Edison, N.J.
D. (6) $5,000.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Security Pacific Leasing Corp., 333 South Hope Street, Los Angeles, Calif.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Stimson Lumber Co. and Miller Redwood Co., 315 Pacific Building, Portland, Oreg.
D. (6) $125.

A. Ragan & Mason, The Farragut Building, 900 17th Street NW., Washington, D.C.
B. Sugar Users Group, 1660 L Street NW., Washington, D.C.
D. (6) $15,450. E. (9) $107.85.

A. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Washington, D.C. 20560.
D. (6) $947,694. E. (9) $284.

A. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $494,667. E. (9) $39,999.

A. Reid & Priest, 40 Wall Street, New York, N.Y. 10005.
B. Shanghai Power Co., P.O. Box 50, Boise, Idaho 83728.
D. (6) $560. E. (9) $125.

A. John A. Reilly, Private, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.
B. Estate of Bert N. Adams, P.O. Box 4215, Yuma, Ariz. 85364.
E. (9) $5.

A. Reserve Officers Association of U.S., 1 Constitution Avenue NE., Washington, D.C. 20002.
D. (6) $1,402.44. E. (9) $2,801.32.

A. Research To Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.
E. (9) $1,847.95.

A. Response Marketing Group, Inc., 1025 Connecticut Avenue NW., Suite 405, Washington, D.C. 20036.
B. United States Industrial Council, P.O. Box 2686, Nashville, Tenn. 37219.
D. (6) $1,500.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $10,827. E. (9) $650.

A. Lynne Revo-Cohen, Federally Employed Women, National Press Building, Washington, D.C. 20045.
B. Federally Employed Women, National Press Building, Washington, D.C. 20045.
D. (6) $3,600. E. (9) $400.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street, NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $369.76.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. The Kellogg Co., Battle Creek, Mich.
D. (6) $15,000.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. W. K. Kellogg Foundation, Battle Creek, Mich.
D. (6) $5,000.

A. Mark J. Riedy, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street, NW., Washington, D.C. 20005.
D. (6) $1,968. E. (9) $1,730.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20007.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20007.

A. Douglas A. Riggs, 516 First Street SE., Washington, D.C. 20003.
B. Citizens for Management of Alaska Lands Inc., P.O. Box 3256 DT, Anchorage, Alaska 99510.
D. (6) $8,800. E. (9) $1,449.65.

A. Selina Rissell, 520 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $4,846.14.

A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27106.
E. (9) $2,449.31.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Wahsington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Mark Roth, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,403.85.

A. Michael O. Roush, National Federation of Independent Business, 49 L'Enfant Plaza SW., Washington, D.C. 20024.
B. National Federation of Independent Business, 480 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $300.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
D. (6) $11.59.

A. Charles J. Sabatier, Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.
B. Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.

A. St. Joe Paper Co., Jacksonville, Fla. 32201.
E. (9) $1,275.73.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.
B. Kings River Water Users Committee.
D. (6) $1,000. E. (9) $117.

A. Jennifer Sauve, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,047. E. (9) $926.46.

A. Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. National Employee Benefits Institute, 451 New Jersey Avenue, SE., Washington, D.C. 20003.

A. Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $7,000. E. (9) $7,948.16.

A. Steven E. Schanes, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Steven E. Schanes, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $3,000.

A. Stanley W. Schroeder, 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. Gas Appliance Manufacturers Associates, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. James H. Schuyler, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $7,709. E. (9) $518.05.

A. Roger Schwartz, Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $187.46. E. (9) $3.15.

A. Seatrain Lines, Inc., 1 Chase Manhattan Plaza, New York, N.Y. 10005.
E. (9) $127.50.

A. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.
E. (9) $250.

A. Leo Seybold, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,825.

A. Barbara J. Shailor, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,753.45. E. (9) $27.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.
D. (6) $3,000. E. (9) $40.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Cheyenne River Sioux Tribe, P.O. Box 590, Eagle Butte, S. Dak. 57625.
D. (6) $2,500. E. (9) $35.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $2,500. E. (9) $100.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Minnesota Chippewa Tribe, Box 217, Cass Lake, Minn. 56633.
D. (6) $835. E. (9) $115.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Quinault Indian Nation, P.O. Box 1118, Taholah, Wash. 98587.
D. (6) $835. E. (9) $115.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.
B. Yakima Indian Nation, P.O. Box 151, Toppenish, Wash. 98948.
D. (6) $4,000. E. (9) $400.

A. Dean E. Sharp, Suite 406, 1015 18th Street NW., Washington, D.C. 20036.
B. Independent Health Insurance Institute, Inc., Suite 406, 1015 18th Street NW., Washington, D.C. 20036.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60618.

A. Kathleen Dillon Sheekey, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $1,785. E. (9) $235.70.

A. Joan Shorey, c/o Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
D. (6) $2,236.65.

A. Michael Shorr, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $8,250. E. (9) $375.91.

A. G. Scott Shotwell, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,475. E. (9) $40.

A. Lisa Shulock, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $825.

A. Norman D. Shutler, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Clayton Manufacturing Co., 4213 North Temple City Boulevard, El Monte, Calif. 91731.
D. (6) $4,325. E. (9) $2,037.88.

A. Silver, Freedman, Housley & Taff, 1800 M Street NW., Suite 950 N, Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Government of the Netherlands Antilles, Fort Amsterdam, Willemstad, Curacao, Netherlands Antilles.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Venezuelan-American Chamber of Commerce & Industry, Apartado 5181, Caracas 101, Venezuela.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Washington, D.C. 20006.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $4,400. E. (9) $182.60.

A. David A. Skedgell, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $700. E. (9) $185.

A. G. Bernard Slebos, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $2,000.

A. Milton E. Smedsrud, Law Office Building, Fergus Falls, Minn. 56537.
B. Communicating for Agriculture, Inc., Law Office Building, Fergus Falls, Minn. 56537.
D. (6) $16,142.75. E. (9) $16,114.40.

A. Gordon L. Smith, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005 (for Florists' Transworld Delivery Association).

A. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $11,950. E. (9) $8,808.58.

A. Solar Lobby, 1028 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
D. (6) $63,492.40. E. (9) $8,114.82.

A. Henry A. Solomon, Haley, Bader & Potts, 1730 M Street NW., Suite 700, Washington, D.C. 20036.
B. Pilots Rights Association, P.O. Box 7000–367, Redondo Beach, Calif. 90277.

A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,232.84.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $37,043.53. E. (9) $37,043.53.

A. Wilbur D. Sparks, Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
B. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $1,600. E. (9) $370.

A. Specialty Equipment Market Association, 11001 East Valley Mall, El Monte, Calif. 91731.

A. David E. Stahl, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $3,008. E. (9) $60.46.

A. Gloria Starks, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Educational Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,152.60. E. (9) $84.50.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.

A. Scott E. Sterling, Schanes Associates, 451 New Jersey Avenue SE., Washington, D.C. 20003.
B. Society of Professional Benefit Administrators, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $1,542.

A. Travis B. Stewart, Hoffman-La Roche, Inc., 1775 K Street NW., Suite 300, Washington, D.C. 20006.
B. Hoffman-La Roche, Inc., 340 Kingsland Street, Nutley, N.J. 07110.
D. (6) $1,000. E. (9) $250.

A. Stop Our Selling of America, 1187 East Broad Street, Columbus, Ohio 43205.

A. Andrea Strader, 1625 L Street NW., Washington, D.C. 20036.
B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $5,500. E. (9) $8.75.

A. John R. Sweeney, 800 Solar Building, 1000 16th Street NW., Washington, D.C. 20036.
B. Bethlehem Steel Corp., 1000 16th Street NW., Washington, D.C. 20036.

A. Swerdloff Associates, Inc., 18 West 10th Street, New York, N.Y. 10011.
B. Coalition for New York, Inc. (Coalition to Save New York, Inc.), 230 Park Avenue, New York, N.Y. 10017.
D. (6) $750.

A. Richard Preston Swigart, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $727.39.

A. Daniel F. Tandy, 23 Pascack Road, Woodcliff Lake, N.J. 07675.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,600. E. (9) $150.

A. Clayton C. Taylor, McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.
D. (6) $109.

A. 10th Pro-Life Congressional District Action Committee, 1338 Lafayette Street, Cape Coral, Fla. 33904.
D. (6) $23. E. (9) $450.

A. Doris I. Thomas, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,188. E. (9) $311.50.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,833.71.

A. Terence H. Thorn, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $600. E. (9) $444.36.

A. James L. Thorne, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

A. Gil Thurm, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $54.73.

A. Patrick Tobin, International Longshoremen's and Warehousemen's Union, 417 Fourth Street SW., Washington, D.C. 20001.
B. International Longshoremen's and Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $4,810.02.

A. Thomas J. Trabucco, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $4,815.18.

A. Jerry R. Tucker, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Washington, D.C. 20005.

B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $8,118.83. E. (9) $146.80.

A. William A. Turnage, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $67.31.

A. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
E. (9) $3,712.

A. United Fresh Fruit and Vegetable Association, North Washington at Madison, Alexandria, Va. 22314.
D. (6) $19.77. E. (9) $8.30.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $11,015.20.

A. United States Merchant Marine Academy Alumni Association, Inc., Kings Point, L.I., N.Y. 11024.
E. (9) $1,250.

A. Lynn Kay Utzinger, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

A. H. Stewart Van Scoyoc, 1701 Pennsylvania Avenue NW., Suite 1120, Washington, D.C. 20006.
B. E. I. du Pont de Nemours and Co., 1007 Market Street, Wilmington, Del. 19898.
D. (6) $30. E. (9) $4.

A. Gilda Ventresca, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,090.02. E. (9) $65.87.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C.
B. American Health Planning Association, 1601 Connecticut Avenue NW., Seventh floor, Washington, D.C. 20009.
E. (9) $5.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.
B. Office of the Controller, Medi-Cal Audit Project, State of California, State Capitol, Sacramento, Calif. 95814.

A. Walter D. Vinyard, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Insurance Association.

A. Betty Vorhies, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.
B. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
D. (6) $2,875.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 De Sales Street NW., Washington, D.C. 20036.
D. (6) $1,200. E. (9) $935.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., One Penn Plaza, New York, N.Y. 10001.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $45.03.

A. Paul S. Weller, Jr., National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $3,550. E. (9) $21.

A. James F. Welsh, 4805 Edgefield Road, Bethesda, Md. 20014.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $450.16.

A. Harry H. Westbay III, St. Regis Paper Co., 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200. E. (9) $600.

A. Charles W. Whalen, Jr., New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $10,812.10.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C.
B. The Presbyterian Hospital in the City of New York, 622 West 168th Street, New York, N.Y.

A. Wilcox & Sharood, 1899 L Street NW., Washington, D.C. 20036.
B. National Association of Stevedores, 1899 L Street NW., Washington, D.C. 20036.
D. (6) $7,700. E. (9) $3,351.90.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Quasar Petroleum Co., 2500 Fort Worth National Bank Building, Fort Worth, Tex. 76102.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C 20005.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institution, 1101 Connecticut Avenue NW. Suite 300, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Association of Family Farmers, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bangor Punta Operations, Inc., One Greenwich Plaza, Greenwich, Conn. 06830.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. C. Brewer and Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801; IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
E. (9) $23.72.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Consolidated Foods Corp., 1305 South LaSalle Street, Chicago, Ill. 60603.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Domestic Petroleum Council, 1101 Connecticut Avenue NW., Suite 500, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Estee Lauder, Inc., 767 Fifth Avenue, New York, N.Y. 10022.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Feather and Down Association, 4441 Auburn Boulevard, Suite O, Sacramento, Calif. 95841.
E. (9) $4.75.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The First Boston Corp., 20 Exchange Place, New York, N.Y. 10005.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planters' Association, 1511 K Street NW., Suite 723, Washington, D.C. 20005.
D. (6) $437.50 E. (9) $0.88

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Institute for Due Process for Financial Institutions, 1130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $1,142.50 E. (9) $31.52.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Krause Milling Co., P.O. Box 1156, Milwaukee, Wis. 53201.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Lanham Act Preservation Association, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.
D. (6) $250. E. (9) $3.95.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Litton Industries, 360 North Crescent Drive, Beverly Hills, Calif. 90210.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Louisiana Land and Exploration Co., P.O. Box 60350, New Orleans, La. 70160.
D. (6) $350. E. (9) $7.89.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Water Co's., Suite 1110, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $15.80.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $8,962.50. E. (9) $277.73.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Nationwide Insurance Co., One Nationwide Plaza, Columbus, Ohio 43216.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. North American Game Breeders and Shooting Preserve Association, Goose Lake, Iowa 52750.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.
D. (6) $43.75. E. (9) $2.68.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
E. (9) $17.77.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Southern California Gas Co., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $3.95.

A. Robert E. Williams, 1825 K Street NW., Washington, D.C. 20006.
B. United Airlines, 1825 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $1,500.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. Mortgage Insurance Co's. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
D. (6) $2,700. E. (9) $74.90.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
D. (6) $1,200.

A. Frederick L. Williford, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. George S. Wills, 7914 Sherwood Road, Ruxton, Md. 21204.
B. George S. Wills & Associates, Inc., 10 East Baltimore Street, Baltimore, Md. 21202 (for Americans for Alaska).
D. (6) $104.55.

A. Peters Willson, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $811.

A. Winston P. Wilson, 523 North Forrest Street, Forrest City, Ark. 72335.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $1,000. E. (9) $862.73.

A. Winner/Wagner & Associates, Inc., 6535 Wilshire Boulevard, Los Angeles, Calif. 90048.
B. Rockwell International, Space Systems Division, Downey, Calif.
D. (6) $2,500. E. (9) $165.72.

A. Erving Wolf, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
B. Inexco Oil Co. 1100 Milam Building, Suite 1900, Houston, Tex. 77002.
E. (9) $885.90.

A. Frank R. Wolf, 1901 North Moore Street, No. 804, Arlington, Va. 22209.
B. Gerber Products Co.

A. Frank R. Wolf, 1901 North Moore Street, No. 804, Arlington, Va. 22209.
B. National Farm & Power Equipment Dealers Association.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $7,050. E. (9) $10,338.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750. E. (9) $150.

A. Wyatt and Staltzstein, 1725 DeSales Street NW., Washington, D.C. 20036.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $2,687.50.

A. Edward R. Yawn, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy A, Park Ridge, Ill.
D. (6) $3,289. E. (9) $12.50.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $200.

A. Kenneth Young, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,545. E. (9) $330.80.

A. Barry W. Zander, 6113 Amhurst Street, Metairie, La. 70003.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $5,300.

A. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,144. E. (9) $3,128.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.
D. (6) $102.60. E. (9) $5.41.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Lummi Tribe of Indians, 2616 Kwina Road, Bellingham, Wash. 98225.
D. (6) $324.80. E. (9) $5.02.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.
D. (6) $324.80.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.
D. (6) $394.40.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Deer, Mont. 59043.
D. (6) $658.80. E. (9) $98.44.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Quileute Indian Tribe, P.O. Box 279, LaPush, Wash. 98350.

D. (6) $69.60.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.

A. Zionts, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Tulalip Indian Tribe, 6700 Totem Beach Road, Marysville, Wash. 98270.
D. (6) $324.80. E. (9) $5.02.

A. Daniel I. Zwick, American Hospital Association, 440 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $36.91.

QUARTERLY LOBBY POSTCARD

The following Quarterly Lobby Postcards were filed with the Clerk of the House of Representatives for the second calendar quarter of 1979:

A Postcard May Be Used When A Registrant Has Not Incurred Reportable Receipts And Expenditures And Has Not Engaged In Any Lobbying Activity During The Quarter.

Note: The Following Information Is Being Provided For Informational Purposes Only.

The Postcard has been reproduced below:

HLF3

QUARTERLY LOBBY POSTCARD

To be submitted in lieu of a Quarterly Report when registrant has not incurred reportable receipts or expenditures and has not engaged in any lobbying activity during the quarter.

IMPORTANT: File a separate postcard for each employer or client

REGISTRANT _____

Business Address _____
(number, street/P.O. Box)

_____
(city, state, zip code)

Employer _____

(If REGISTRANT is an agent of someone OTHER THAN "EMPLOYER" state below whose interest is represented. If not applicable, state "NONE".)

CLIENT _____

For the period (check one box only): 19____

☐ April 10 Report (Jan. 1—Mar. 31) ☐ Oct. 10 (July 1—Sept. 30)

☐ July 10 Report (April 1—June 30) ☐ Jan. 10 (Oct. 1—Dec. 31)

I certify that the above named registrant did not engage in any lobbying activities or incur reportable receipts or expenditures in connection with previous or future lobbying activities. I am aware that the Act requires a resumption of reporting in the event that activity commences; otherwise I can continue to submit a postcard in lieu of a report.

Executed on _____ _____
(date) (signature)

A. John Adams.
B. Ethyl Corp.

A. John J. Adams.
B. Virginia Electric & Power Co.

A. V. J. Adduci.
B. Motor Vehicle Manufacturers Association of the United States.

A. Alan P. Agle.
B. Buckingham Township Supervisors.

A. G. Colburn Aker.
B. Hill & Knowlton, Inc.

A. Akin, Gump, Hauer & Feld.
B. Beacon Oil Co.

A. Akin, Gump, Hauer & Feld.
B. E & J Gallo Winery.

A. Akin, Gump, Hauer & Feld.
B. Goldston Oil Corp.

A. Akin, Gump, Hauer & Feld.
B. Northwest Alaskan Pipeline Co.

A. Akin, Gump, Hauer & Feld.
B. United Refining Co.

A. Robert D. Allen.
B. Bechtel Power Corp.

A. Joseph C. Allwarden.
B. Kollsman Instrument Co.

A. Amalgamated Transit Union.

A. Amalgamated Transit Union, National Capital Local 689.

A. American Advertising Federation.

A. American Association of Blood Banks.

A. American Frozen Food Institute.

A. American Pulpwood Association.

A. American Radio Relay League, Inc.

A. American Seed Trade Association.

A. Americans for Alaska, Inc.

A. Jack R. Angell.
B. United Gas Pipeline Co.

A. Tobias Anthony.
B. Research-Cottrell.

A. John D. Aquilino, Jr.
B. National Rifle Association.

A. John Christian Archer.
B. Brown & Root, Inc.

A. Arent, Fox, Kintner, Plotkin & Kahn.
B. Automotive Filter Manufacturers Council.

A. Meyer L. Aron.

A. Associated Employers, Inc.

A. Association of American Veterinary Medical Colleges.

A. Association of Government Accountants.

A. George J. Aste.
B. United Airlines.

A. Allan E. Auger.
B. The Great Western Sugar Co.

A. Frank M. Ault.
B. Norwich-Eaton Pharmaceutical.

A. Automotive Filter Manufacturers Council.

A. Charles W. Bailey.
B. National Right to Work Committee.

A. Baker & Daniels.
B. Coalition for Safe Drinking Water.

A. Richard L. Baldwin.
B. American Radio Relay League, Inc.

A. John H. Barnard, Jr.
B. Bechtel Power Corp.

A. Karen J. Bauer.
B. American Paper Institute, Inc.

A. James Beizer.
B. American Mining Congress.

A. Stephen M. Belikoff.
B. Provident Indemnity Life Insurance Co.

A. Howard H. Bell.
B. American Advertising Federation.

A. Douglas P. Bennett.
B. Association of Executive Recruiting Consultants.

A. O. M. Berge.
B. Brotherhood of Maintenance of Way Employees.

A. Richard B. Berman.
B. Steak & Ale Restaurants of America, Inc.

A. Charles Bernhardt.
B. National Federation of Federal Employees.

A. Berry, Epstein, Sandstrom & Blatchford.
B. Orkin Exterminating.

A. Beveridge, Fairbanks & Diamond.
B. Florida Power & Light Co.

A. Beveridge, Fairbanks & Diamond.
B. International Paper, Inc.

A. Beveridge, Fairbanks & Diamond.
B. New England Fish Co.

A. Frank Bianco.
B. 10th Pro-Life Congressional District Action Committee.

A. Walter J. Bierwagen.
B. Amalgamated Transit Union.

A. Robert J. Bird.
B. Occidental Life Insurance Co.

A. Robert J. Bird.
B. Paul Revere Corp.

A. Robert J. Bird.
B. Zachry, Inc.

A. Tom H. Black.
B. National Federation of Federal Employees.

A. Larry H. Blanchard.
B. Pentagon Federal Credit Union.

A. Robert W. Blanchette.
B. Board of Trade Clearing Corp.

A. Jerald Bilsin.
B. Hill & Knowlton, Inc.

A. M. Warren Bolton.
B. Provident Indemnity Life Insurance Co.

A. Rodney A. Bower.

B. International Federation of Professional & Technical Engineers.

A. Theodore L. Bowes.
B. Intellectual Property Owners, Inc.

A. Stuart J. Brahs.
B. American Council of Life Insurance, Inc.

A. David C. Branand.
B. American Mining Congress.

A. Barbara Brendes.
B. Union Oil Co. of California.

A. Miles H. Bresee, Jr.
B. Bechtel Power Corp.

A. Jeffrey M. Bricker.
B. Fallek Chemical Corp.

A. John B. Brock.
B. Quintana Refinery Co.

A. Howard C. Brown, Jr.
B. Centar Associates.

A. Howard C. Brown, Jr.
B. National Association of Life Sciences.

A. Michael F. Brown.
B. American Frozen Food Institute.

A. Stanley R. Browne.
B. E. I. du Pont de Nemours & Co., Inc.

A. Brownstein, Zeidman & Schomer.
B. Holiday Inns, Inc.

A. Brownstein, Zeidman & Schomer.
B. International Foodservice Manufacturers Association.

A. Brownstein, Zeidman & Schomer.
B. Mortgage Guaranty Insurance Corp.

A. Brownstein, Zeidman & Schomer.
B. New York State Urban Development Corp.

A. Harvey F. Brush.
B. Bechtel Inc.

A. John L. Burke, Jr.
B. Automotive Filter Manufacturers Council.

A. Edward G. Burton.
B. Burr, Pease & Kurtz, Inc.

A. Michael F. Butler.
B. Grocery Manufacturers of America, Inc.

A. Carl Byoir & Associates, Inc.

A. Thomas D. Byrne.
B. Alton Box Board Co.

A. Cadwalader, Wickersham & Taft.
B. Associated Metals & Minerals Corp.

A. Cadwalader, Wickersham & Taft.
B. New England Fish Co.

A. Roy C. Cahoon.
B. National Automatic Merchandising Association.

A. Frank W. Calhoun.
B. El Paso Natural Gas Co.

A. Donald L. Calvin.
B. New York Stock Exchange.

A. Richard Calvin.
B. Prisoners of Indiana, et al.

A. Jerry L. Campbell.

B. Tennessee Valley Public Power Association.

A. Paul W. Cane.
B. Bechtel Power Corp.

A. W. Dean Cannon, Jr.
B. California Savings & Loan League.

A. Charles E. Capron.

A. Donald L. Capshaw.
B. Airline Pilots Association.

A. Isaac R. Caraco.
B. Bechtel Power Corp.

A. Charles C. Carella.
B. Wagner Electric Corp.

A. David C. Carter.
B. U.S. Beet Sugar Association.

A. Jim Casey.
B. Garrison Diversion Conservancy Distributors.

A. John L. Casey.
B. Scudder, Stevens & Clark (for Investment Counsel Association of America, Inc.).

A. Casey, Lane & Mittendorf.
B. Wabanex Energy Corporation, Ltd.

A. Henry Chajet.
B. American Mining Congress.

A. John E. Chapoton.
B. Vinson & Elkins (for Lone Star Steel Co.).

A. John E. Chapoton.
B. Vinson & Elkins (for Petroleum Equipment Suppliers Association).

A. John E. Chapoton.
B. Vinson & Elkins (for Quintana Petroleum Corp.).

A. Seymour M. Chase.
B. AST Co.

A. Jane Cheever.
B. First National Boston Corp.

A. Chemtex Fibers.

A. Howard P. Chester.
B. Stone, Glass & Clay Coordinating Committee.

A. Gilbert M. Clark.
B. American Association of Blood Banks.

A. Clay Pipe Industry Depletion Committee.

A. Earle C. Clements.
B. The Tobacco Institute, Inc.

A. Cliffside Corp.

A. Coalition of Concerned Charities.

A. Cole, Corette & Bradfield.
B. American Express Co.

A. Cole, Corette & Bradfield.
B. The Chase Manhattan Bank, N.A.

A. Collier, Shannon, Rill, Edwards & Scott.
B. American Footwear Industries Association, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Bicycle Manufacturers Association of America, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. National Broiler Council.

A. Charles P. Collins.
B. ICX Aviation, Inc.

A. Colorado Railroad Association.

A. Connecticut Bankers Association.

A. James T. Conner.
B. Mobay Chemical Corp.

A. Cook & Henderson.
B. Ashland Oil, Inc.

A. Cook & Henderson.
B. Society of American Florists.

A. Robert M. Cook.
B. Livestock Marketing Association.

A. Janet Cooper.
B. National Federation of Federal Employees.

A. Patrick H. Corcoran.
B. Association of Oil Pipe Lines.

A. Alfred C. Cordon.
B. Buffalo Broadcasting Co., Inc.

A. Samuel C. Corey.
B. Provident Indemnity Life Insurance Co.

A. Samuel C. Corey, Jr.
B. Provident Indemnity Life Insurance Co.

A. Bennett J. Corn.
B. New York Coffee and Sugar Exchange.

A. Cosmetic, Toiletry & Fragrance Association.

A. Sr. Carol Coston.
B. Common Cause.

A. Covington & Burling.
B. Penjerdel Corp.

A. R. L. Cox.
B. Mountain Fuel Supply Co.

A. Crowell & Moring.
B. Associated Gas Distributors.

A. Everett E. Cutter.
B. Oregon Railroad Association.

A. Damon Corp.

A. Tracy Danese.
B. Florida Power & Light Co.

A. John E. Daniel.
B. American Paper Institute, Inc.

A. David S. Danielson.
B. American Optometric Association.

A. Clarence F. Davan, Jr.
B. Great Western Sugar Co.

A. Gary W. Davis.
B. Pennsylvania State Education Association.

A. George R. Davis.
B. Amalgamated Transit Union, National Capital Local 689.

A. Thomas A. Davis.
B. Florida Power & Light.

A. Thomas A. Davis.
B. United Egg Producers.

A. P. M. Davison, Jr.
B. North Dakota Railway Lines.

A. J. Edward Day.
B. Associated Third Class Mail Users.

A. Gaston de Bearn.
B. Hoffman-La Roche, Inc.

A. W. M. Decker.
B. Association of American Veterinary Medical Colleges.

A. DeHart Associates, Inc.
B. University of New Mexico.

A. deKieffer & Associates.
B. South Africa.

A. Stephen T. DeLaMater.
B. Halliburton Co.

A. John L. Delano.
B. Montana Railroad Association.

A. Rita del Lupo.
B. Rock Island Railroad.

A. Bradford T. Dempsey.

A. James T. Devine.
B. Leonard, Cohen, Gettings & Sher (for Bowling Proprietors' Association of America, Inc.).

A. James T. Devine.
B. Leonard, Cohen, Gettings & Sher (for Rosenthal & Co.).

A. Dickstein, Shapiro & Morin.
B. Agtek International, Inc.

A. Dickstein, Shapiro & Morin.
B. Holstein-Fresion Association of America; Holstein-Fresion Services, Inc.

A. Dickstein, Shapiro & Morin.
B. International Brotherhood of Teamsters.

A. Dickstein, Shapiro & Morin.
B. Marine Engineers Beneficial Association.

A. Dickstein, Shapiro & Morin.
B. Mitsubishi International Corp.

A. Dickstein, Shapiro & Morin.
B. Tennessee Gas Transmission Co.

A. Dickstein, Shapiro & Morin.
B. U.S. Tour Operators Association.

A. Joseph E. Dillon.
B. Automotive Parts & Accessories Association, Inc.

A. Joseph E. Dillon.
B. Investors Diversified Services, Inc.

A. Disabled Officers Association.

A. Mortimer A. Dittenhofer.
B. Association of Government Accountants.

A. Doctors for Equal Rights Amendment.

A. William D. D'Onofrio.
B. National Association for Neighborhood Schools, Inc.

A. William D. D'Onofrio.
B. Positive Action Committee, Inc.

A. H. Eugene Douglas.
B. Memorex Corp.

A. Sally L. Douglas.
B. National Federation of Independent Business.

A. Anthony V. Dresden.
B. Hill & Knowlton, Inc.

A. Deborah Drudge.
B. Healthy America.

A. Franklin B. Dryden.
B. The Tobacco Institute.

A. Michael Duffy.
B. American Mining Congress.

A. Jeffrey M. Duke.
B. American Paper Institute.

A. Duncan, Weinberg, Palmer & Miller.
B. East Bay Regional Park District.

A. Duncan, Weinberg, Palmer & Miller.
B. Iva May Harvey.

A. Duncan, Weinberg, Palmer & Miller.
B. Huron-Clinton Metropolitan Authority.

A. Duncan, Weinberg, Palmer & Miller.
B. Paul Kellerbloek.

A. Duncan, Weinberg, Palmer & Miller.
B. Kenai Natives Association.

A. Duncan, Weinberg, Palmer & Miller.
B. Adolph Kisas.

A. Duncan, Weinberg, Palmer & Miller.
B. Western Fuels Association, Inc.

A. Duncan, Weinberg, Palmer & Miller.
B. Mid-West Electric Consumers' Association.

A. Vicki L. Dungan.
B. National Employee Benefits Institute.

A. Mari Lee Dunn.
B. American Council for Capital Formation.

A. John H. Dunne.
B. International Federation of Professional & Technical Engineers.

A. Stuart Dunwoody.
B. Consumer Energy Council of America.

A. Joseph L. Duran.
B. First National Bank of Boston.

A. Henry I. Dworshak.
B. American Mining Congress.

A. Jack D. Early.
B. National Agricultural Chemicals Association.

A. Eaton Associates.

A. Robert E. L. Eaton.
B. Eaton Associates.

A. Edelman International Corp.
B. Republic of Haiti/Embassy of Haiti.

A. Anne Edlund.
B. Motor Vehicle Manufacturers' Association of the United States.

A. Ed Edmondson.
B. American Inland Waterways Committee.

A. Ed Edmondson.
B. Oklahoma Association of Electric Cooperatives.

A. Ed Edmondson.
B. U.S. Maritime Committee.

A. Jonathan W. Edwards.
B. Blue Ribbon Sports, Inc.

A. Jonathan W. Edwards.
B. Confederated Tribes of Warm Springs.

A. Jonathan W. Edwards.
B. The Navajo Nation.

A. Jonathan W. Edwards.
B. Portland General Electric Co.

A. J. C. B. Ehringhaus.
B. The Tobacco Institute.

A. Timothy L. Elder.
B. Caterpillar Tractor Co.

A. Gertrude Engel.
B. York Barbell.

A. Ralph Engel.
B. Chemical Specialists Manufacturers Association.

A. Steven L. Engelberg.
B. American Association of Marriage & Family Therapy.

A. Robert J. Engelhart.
B. National Federation of Federal Employees.

A. John R. Englehorn.
B. Texasgulf, Inc.

A. Charles P. English.
B. Ideology Foundation, Inc.

A. Charles P. English.
B. National Motto Foundation, Inc.

A. Jerry N. Ervin.
B. Quintana Refinery Co.

A. David C. Evans.
B. Brick Institute of America.

A. Joseph O. Evans.

A. Robbie Exley.
B. National Federation of Federal Employees.

A. Far West Ski Association.

A. Arthur Fefferman.
B. American Council of Life Insurance, Inc.

A. C. Welles Fendrich.
B. Research-Cottrell.

A. John L. Festa.
B. American Paper Institute, Inc.

A. Bernard A. Feuerstein.
B. Delson & Gordon (for Mrs. Min Le Comte, et al.).

A. H. Barney Firestone.
B. Assure Competitive Transportation, Inc.

A. First National Boston Corp.

A. Five Freedoms, Inc.

A. C. D. Fleet, Jr.
B. N. B. Hunt.

A. Aaron I. Fleischman.
B. Cablecom-General, Inc.

A. Aaron I. Fleischman.
B. Warner Cable Corp.

A. John S. Forsythe.
B. American Council of Life Insurance, Inc.

A. C. Allen Foster.
B. Safari Club International.

A. Joseph L. Fraites.
B. New York Coffee & Sugar Exchange.

A. Robert E. Freer, Jr.
B. Kimberly-Clark Corp.

A. Kenneth E. Frick.
B. Western Cotton Growers Association.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Cheyenne River Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Metlakatla Indian Community.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Nez Perce Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Rosebud Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Seneca Nation of Indians.

A. Edward W. Furia.
B. Citizen's Action Group.

A. Edward W. Furia.
B. New England Fish Co.

A. Gailor-Elias-Matz.
B. Maryland Savings Share Insurance Corp.

A. Gailor-Elias-Matz.
B. National Association of State Savings & Loan Supervisors.

A. Gailor-Elias-Matz.
B. North Carolina Guaranty Corp.

A. Gardner, Carton & Douglas.
B. Council of Industrial Boiler Owners.

A. Gardner, Carton & Douglas.
B. Howard Mobile Village.

A. Gardner, Carton & Douglas.
B. Elmer W. Kneip.

A. Gardner, Carton & Douglas.
B. Scaled Power Corp.

A. Edward A. Garmatz.
B. Baltimore Gas & Electric Co.

A. James J. Garry.
B. New York Coffee & Sugar Exchange.

A. Irving Geller.
B. National Federation of Federal Employees.

A. Morton A. Geller.
B. First National Bank of Boston.

A. George W. Gephart.
B. Baltimore Gas & Electric Co.

A. Donald H. Gerrish.
B. American Bakers Association.

A. William T. Gibb III.
B. American Council of Life Insurance, Inc.

A. William L. Gifford.
B. General Electric Co.

A. Arthur P. Gildea.
B. Brewery & Soft Drink Workers National Conference I.B.T.

A. Jonah Gitlitz.
B. American Advertising Federation, Inc.

A. John P. Gleason, Jr.
B. Brick Institute of America.

A. The Glenmede Trust Co.

A. Thos. G. Godfrey.
B. Kikkoman Foods, Inc.

A. Vance V. Goodfellow.
B. Crop Quality Council.

A. Bruce G. Goodman.
B. Damon Corp.

A. Carl F. Graham.
B. Amway Corp.

A. Samuel A. Grayson.
B. Union Pacific Railroad.

A. Great Atlantic & Pacific Tea Co.

A. Michael B. Green.
B. Montgomery Ward & Co., Inc.

A. Dale Greenwood.
B. Washington Railroad Association.

A. Roger F. Griffin.
B. Bechtel Power Corp.

A. Chester A. Groseclose, Jr.
B. South Dakota Railroads Association.

A. The Group.

A. Thomas M. Gunn.
B. McDonnell Douglas Corp.

A. C. James Hackett.
B. American Plywood Association.

A. Martin Ryan Haley & Associates.
B. Agri-Business Inc.

A. Martin Ryan Haley & Associates.
B. Helicopter Association of America.

A. Martin Ryan Haley & Associates.
B. M & M/Mars.

A. David T. Hardy.
B. National Rifle Association.

A. Michael T. Harrigan.
B. U.S. Olympic Committee.

A. William C. Hart.
B. Columbia Gas System Service Corp.

A. Hartke & Brinsmade.

A. Robert S. Hartmann.
B. Hill & Knowlton, Inc.

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Allegheny Ludlum).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Can Manufacturers Institute).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Taiwan/Republic of China).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for Tool & Stainless Steel Industry Committee).

A. David A. Hartquist.
B. Collier, Shannon, Rill, Edwards & Scott (for U.S. Fasteners Manufacturing Group).

A. Heavy Specialized Carriers Conference, Inc.

A. Clyde M. Heiner.
B. Mountain Fuel Supply Co.

A. Ross E. Heller.
B. National Telephone Cooperative Association.

A. John Heim.
B. National Federation of Federal Employees.

A. C. Dayle Henington.
B. Chicago Mercantile Exchange.

A. Donald A. Henriksen.
B. Atlantic Richfield Co.

A. Kevin M. Higgins.
B. Avon Products, Inc.

A. Robert L. Holding.
B. Association of Home Appliance Manufacturers.

A. Kelly Holley.
B. American Paper Institute, Inc.

A. Richard C. Holmquist.
B. American Mining Congress.

A. John W. Holton.
B. American Bankers Association.

A. Linwood Holton.
B. American Council of Life Insurance, Inc.

A. Gary Hong.
B. Group Health Association of America, Inc.

A. Douglass C. Horstman.
B. Maytag Co.

A. Douglass C. Horstman.
B. Northern Textile Association.

A. Thomas B. House.
B. American Frozen Food Institute.

A. David Emery Hughes.
B. Union Mutual Life Insurance Co.

A. Gary E. Hughes.
B. American Council of Life Insurance, Inc.

A. Craig R. Hume.
B. Hill & Knowlton, Inc.

A. Frederick D. Hunt, Jr.
B. American Academy of Actuaries.

A. Lawrence H. Hunt, Jr.
B. Heinold Commodities, Inc.

A. Peter C. Hunt.
B. The Brooklyn Union Gas Co.

A. John Edward Hurley.

A. John Edward Hurley.
B. National Association for Free Enterprise.

A. Robert R. Hurt.
B. Merck & Co., Inc.

A. Bernard J. Imming.
B. United Fresh Fruit & Vegetable Association.

A. Independent U.S. Tanker Owners' Committee.

A. Nancy J. Ingalsbee.
B. Far West Ski Association.

A. G. Conley Ingram.
B. Board of Trade Clearing Corp.

A. Mary Lee Jackson.
B. Rocky Mountain Oil & Gas Association.

A. E. A. Jaenke.
B. E. A. Jaenke & Associates.

A. James C. Jennings.
B. Hill & Knowlton, Inc.

A. H. Bradley Johnson.
B American Mining Congress.

A. Spencer A. Johnson.
B. Paperboard Packaging Council.

A. James V. Jordan III.
B. Southern Natural Gas Co.

A. Ardon B. Judd, Jr.
B. Dresser Industries, Inc.

A. James N. Juliana.
B. Braniff International.

A. Richard T. Kaplar.
B. Motor Vehicle Manufacturers Association.

A. Linda E. Katz.
B. Chicago-Rock Island Pacific R.R. Co.

A. Everett E. Kavanaugh.
B. Cosmetic, Toiletry & Fragrance Association, Inc.

A. Keck, Mahin & Cate.
B. Schwinn Bicycle Co.

A. Jefferson D. Keith.
B. National Pest Control Association.

A. Stephen G. Kellison.
B. American Academy of Actuaries.

A. Robert F. Kelly.
B. E. I. du Pont de Nemours & Co., Inc.

A. William T. Kendall.
B. Alliance for Free Enterprise.

A. Richard F. Kibben.
B. Business Roundtable.

A. Kikkoman Foods, Inc.

A. Edward H. King.
B. Walgreen Co.

A. Gibson Kingren.
B. Group Health Association of America, Inc.

A. Roger P. Kingsley.
B. American Speech-Language-Hearing Association.

A. Francis L. Kinney.
B. Northeast Utilities Service Co.

A. Arthur E. Klauser.
B. Dow Corning Corp.

A. Richard P. Kleeman.
B. Association of American Publishers, Inc.

A. Allie C. Kleinpeter, Jr.
B. Louisiana Bankers Association.

A. Jeffrey W. Knight.
B. Friends of the Earth.

A. John C. Knott.
B. Burlington Northern, Inc.

A. Charles B. Kornmann.
B. South Dakota Railroads Association.

A. Stephen W. Kraus.
B. American Council of Life Insurance, Inc.

A. L. Wayne Krug.
B. Union Oil Co. of California.

A. Anthony L. Kucera.
B. American Waterways Operators, Inc.

A. Kutak, Rock & Huie.
B. Old Stone Bank.

A. Labor Bureau of Middle West.

A. Thomas M. Landin.
B. SmithKline Corp.

A. Lawrence C. Lazer.
B. Cities Service Co.

A. Glenn T. Lashley.
B. American Automobile Association.

A. Louis F. Laun.
B. American Paper Institute, Inc.

A. Richard A. Leahy.
B. Investment Council Association of America, Inc.

A. LeBoeuf, Lamb, Leiby & MacRae.
B. Neratoom, B. V.

A. Robert B. Leflar.
B. Health Research Group.

A. Robert Leibner.
B. American Frozen Food Institute.

A. Leighton, Conklin & Lemov.
B. Adhesive & Sealant Council, Inc.

A. Leighton, Conklin & Lemov.
B. Agri-International, Inc.

A. Leighton, Conklin & Lemov.
B. Alarm Industry Telecommunications Committee.

A. Leighton, Conklin & Lemov.
B. American Association of Nurse Anesthetists.

A. Leighton, Conklin & Lemov.
B. American Dental Assistants Association.

A. Leighton, Conklin & Lemov.
B. American Express Co.

A. Leighton, Conklin & Lemov.
B. American Telecom of Maryland, Inc.

A. Leighton, Conklin & Lemov.
B. City & Regional Magazine Association, Inc.

A. Leighton, Conklin & Lemov.
B. The Clorox Co.

A. Leighton, Conklin & Lemov.
B. Delex International, Inc.

A. Leighton, Conklin & Lemov.
B. Development Healthcare & Wellness, Inc.

A. Leighton, Conklin & Lemov.
B. Family Practice Life & Health Action Research Institute.

A. Leighton, Conklin & Lemov.
B. Gem Mailing, Inc.

A. Leighton, Conklin & Lemov.
B. Grocery Manufacturers of America, Inc.

A. Leighton, Conklin & Lemov.
B. Intraocular Lens Manaufacturers Association.

A. Leighton, Conklin & Lemov.
B. Jet America International, Inc.

A. Leighton, Conklin & Lemov.
B. National Cable Television Association, Inc.

A. Leighton, Conklin & Lemov.
B. National Glass Dealers Association.

A. Leighton, Conklin & Lemov.
B. National Macaroni Manufacturers Association.

A. Leighton, Conklin & Lemov.
B. Security Associates, Inc.

A. Leighton, Conklin & Lemov.
B. TRT Telecommunications Corp.

A. Leighton, Conklin & Lemov.
B. Turner Communications Corp.

A. Leighton, Conklin & Lemov.
B. Universal Medical Laboratories, Inc.

A. Leighton, Conklin & Lemov.
B. Whey Products Institute.

A. Gilbert LeKander.
B. Montana Power Co.

A. Gilbert LeKander.
B. Washington Water Power Co.

A. Richard L. Lesher.
B. Chamber of Commerce of the United States.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Consolidated Edison Co. of New York, Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. General Electric Co., Gas Turbine Division.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Glass Packaging Institute.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. National Franchise Association Coalition.

A. John F. Lilliard III.
B. American Solar Energy Association, Inc.

A. John F. Lilliard III.
B. National Insulators Association.

A. Charles W. Lindeman.
B. Slurry Transport Association.

A. Zel Lipsen.
B. Westinghouse.

A. Theodore M. Littman.
B. Rockwell International.

A. Livestock Marketing Association.

A. Harold D. Loden.
B. American Seed Trade Association.

A. Nils A. Lofgren.

A. Robert C. Lower.
B. Rosenthal & Co.

A. James E. Lyons.
B. International Federal of Professional & Technical Engineers.

A. Douglas E. MacArthur.
B. Zantop International Airlines.

A. A. Everett MacIntyre.
B. Grocery Manufacturers of America.

A. Curtis T. Mackey.
B. National Insulation Contractors Association.

A. Lee G. Magnussen.
B. Heinold Commodities, Inc.

A. Lila M. Mallette.

A. Ronald N. Marcus.
B. National Committee for Automobile Crash Protection.

A. D. V. Maroney, Jr.
B. Amalgamated Transit Union.

A. Chalmers H. Marquis.
B. Agency for Instructional Television.

A. Mike M. Masaoka.
B. American Japanese Trade Committee.

A. Mike M. Masaoka.
B. Nisei Lobby.

A. Paul J. Mason.
B. American Council of Life Insurance, Inc.

A. Richard D. Mathias.
B. Pacific Southwest Airlines.

A. C. V. & R. V. Maudin.
B. Georgia Power Co.

A. C. V. & R. V. Maudlin.
B. Joint Government Liaison Committee.

A. Mayer, Brown & Platt.
B. Nokota Co.

A. Douglas McAllister.
B. American Mining Congress.

A. William J. McAuliffe, Jr.
B. American Land Title Association.

A. Michael J. McCabe.
B. Allstate Enterprises, Inc.

A. Michael J. McCabe.
B. Allstate Insurance Cos.

A. John A. McCahill.
B. U.S. Olympic Committee.

A. A. R. McCammon.
B. Tennessee Railroad Association.

A. Robert S. McConnaughey.
B. American Council of Life Insurance, Inc.

A. Robert E. McCoy.
B. Exxon Corp.

A. Francis O. McDermott.
B. Balcor Co.

A. Francis O. McDermott.
B. First Chicago Corp.

A. Francis O. McDermott.
B. Iowa Beef Processors, Inc.

A. Francis O. McDermott.
B. JMB Realty Corp.

A. Francis O. McDermott.
B. Trans Union Corp.

A. Francis O. McDermott.
B. Trustees Under the Will of Warren Wright.

A. Marianne McDermott.
B. Hill & Knowlton, Inc.

A. Darryl D. McEwen.
B. Society of American Florists.

A. James M. McGarry, Jr.
B. Eaton Associates.

A. Ruth G. McGill.
B. Doctors for Equal Rights Amendment.

A. William F. McKenna.
B. Silver, Freedman, Housley & Taff.

A. Michael B. McLeod.
B. Florida Sugar Cane League.

A. Michael B. McLeod.
B. National Cattlemen's Association.

A. Gil Meisgeier.
B. National Franchise Association Coalition.

A. R. Otto Meistake.
B. American Council of Life Insurance, Inc.

A. Milton E. Meyer, Jr.

A. Joy Midman.
B. National Association of Private Psychiatric Hospitals.

A. Luman G. Miller.
B. Oregon Railroad Association.

A. Paul J. Miller.
B. Sonnenschein, Carlin et al. (for Investment Counsel Association of America, Inc.).

A. R. Eric Miller.
B. Bechtel Corp.

A. David Louis Minta.
B. Womstoo Enterprises, Inc.

A. Charles W. Mitchell.
B. Wills & Associates, Inc. (for Americans for Alaska).

A. Stacey J. Mobley.
B. E. I. du Pont de Nemours & Co.

A. John Moller.
B. Motor Vehicle Manufacturers Association of the United States.

A. John S. Monagan.
B. Connecticut Bankers Association.

A. John C. Monsul.

A. April D. Moore.
B. National Consumers League.

A. Moore McCormack Resources, Inc.

A. E. Joyce Morgan.
B. American Mining Congress.

A. Earl J. Morgan.
B. McDonnell Douglas Corp.

A. Victor G. Morris.
B. Montgomery Ward & Co., Inc.

A. George E. Morrow.
B. Martin, Tate, Morrow & Marston (for Briarcrest Baptist School System, Inc.).

A. Mountain Fuel Supply Co.

A. Roger Mosingo.
B. The Tobacco Institute.

A. Robert M. Mulligan.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Murdoch & Walsh.
B. The Group.

A. Paul J. Myer.
B. American Broadcasting Co.

A. Nassau, Beer, Boltz and Bennia.
B. City of Pontiac, Mich.

A. National Agricultural Chemicals Association.

A. National Alliance of Teenagers, Inc.

A. National Association for Free Enterprise.

A. National Association for Neighborhood Schools.

A. National Broiler Council.

A. National Council for a Responsible Firearms Policy, Inc.

A. National Small Business Index.

A. National Security Traders Association.

A. Nazario & Ortiz-Daliot.
B. Puerto Rico Mayors' Association.

A. Lloyd A. Nelson.
B. Fellowship Square Foundation, Inc.

A. Mark D. Nelson.
B. E. I. du Pont de Nemours & Co.

A. Milton E. Neshek.
B. Kikkoman Foods, Inc.

A. New England Petroleum Corp.

A. Victor L. Nutt.
B. Gulf & Western Industries, Inc.

A. George O'Bea, Jr.
B. United Paperworkers International Union.

A. Mary Eileen O'Brien.
B. Dow Corning Corp.

A. O'Connor & Hannan.
B. John Nuveen & Co., Inc.

A. Leonard F. O'Connor.
B. The First National Bank of Boston.

A. Ashton J. O'Donnell.
B. Bechtel, Inc.

A. Van R. Olsen.
B. U.S. Beet Sugar Association.

A. Roy E. Olson.
B. American Paper Institute.

A. Paperboard Packaging Council.

A. Larry E. Paulick.
B. National Swimming Pool Institute.

A. Richard A. Paysor.
B. Chromalloy American Corp.

A. Peabody, Rivlin, Lambert & Meyers.
B. Michigan Knife Co.

A. Peabody, Rivlin, Lambert & Meyers.
B. Tuna Research Foundation.

A. Beth Peacock.
B. General Foods.

A. Pendleton & McLaughlin.
B. Canned and Cooked Meat Importer's Association.

A. Pepper, Hamilton & Scheetz.
B. Coalition of Concerned Charities.

A. Pepper, Hamilton & Scheetz.
B. The Glenmede Trust Co.

A. Victor J. Perini, Jr.
B. Highway Users Federation for Safety and Mobility.

A. Ilbert Phillips.
B. American Council of Life Insurance, Inc.

A. Stuart F. Pierson.
B. Pan Am, et al.

A. Pineapple Growers Association of Hawaii.

A. Ronald L. Platt.
B. Burger King Corp.

A. E. Rogers Pleasants.
B. E. I. du Pont de Nemours & Co., Inc.

A. S. J. Poray-Tucholski.
B. Bermejo River Project Development Association.

A. Port of Seattle.

A. Positive Action Committee, Inc.

A. E. A. Potter.
B. NCR Corp.

A. Potter International.
B. Rohr Industries, Inc.

A. James B. Potter, Jr.
B. The American Waterways Operators, Inc.

A. Richard M. Powell.
B. International Association of Refrigerated Warehouses.

A. James T. Prendergast.
B. Staff Builders, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Kyukuyo Co., Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Moore McCormack Resources, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Port of Seattle.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Seatrain Lines, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. 13th Regional Corp.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Western Resources Alliance.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. United States Cruises.

A. Pro-Life Congressional District Action Committee IN-2.

A. Provident Indemnity Life Insurance Co.

A. Earle W. Putnam.
B. Amalgamated Transit Union.

A. William A. Quinlan.
B. Retail Bakers of America.

A. Quintana Refinery Co.

A. Clifford H. Raber.
B. McDonald's Corp.

A. Leidy R. Reel.
B. Disabled Officers Association.

A. Paul Reiber.
B. International Air Leases, Inc.

A. Charlotte T. Reid.
B. Motorola.

A. Harry O. Reinsch.
B. Bechtel Power Corp.

A. Murray P. Reiser.
B. Edward Blankstein, Inc.

A. W. W. Renfroe.
B. Kentucky Railroad Association.

A. M. Lee Rice.
B. Ogden Corp.

A. Lloyd C. Richardson, Jr.
B. South Dakota Railroads Association.

A. Russell W. Richardson.
B. Lear Siegler, Inc.

A. Cary Ridder.
B. Environmental Policy Center.

A. Stark Ritchie.
B. American Petroleum Institute.

A. Jerome Robinson.
B. Florida Restaurant Association.

A. Robinson, Silverman, Pearce, Aronsohn & Berman.
B. National Realty Committee, Inc.

A. Rogers & Wells.
B. A. Johnson & Co., Inc.

A. Rogers & Wells.
B. F & M Schaefer Corp.

A. Rogers & Wells.
B. Overseas Shipholding Group, Inc.

A. Rogers & Wells.
B. Tax Equity for Americans Abroad.

A. Rogers & Wells.
B. Teachers Insurance and Annuity Association.

A. Rogers & Wells.
B. Twentieth Century Fox Film Corp.

A. Kenneth S. Rolston, Jr.
B. American Pulpwood Association.

A. David N. Rose.
B. Mountain Fuel Supply Co.

A. Harry N. Rosenfield.
B. American Chiropractic Association.

A. John Rowland.
B. Amalgamated Transit Union.

A. Perry A. Russ.
B. Society of American Florists & Ornamental Horticulturalists.

A. John F. Ryan.
B. International Telephone & Telegraph Corp.

A. Carl K. Sadler.
B. American Federation of Government Employees.

A. Frank Max Salinger.
B. Truck Trailer Manufacturers Association.

A. Schanes Associates.
B. National Employee Benefits Institute.

A. Steven M. Schanes.
B. National Employee Benefits Institute.

A. Lauren Kim Schryver.
B. American Paper Institute, Inc.

A. Seatrain Lines, Inc.

A. Ronald C. Seeley.
B. Claimants to the Bert N. Adams Claim.

A. Sadie E. Seeley.
B. National Federation of Federal Employees.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Dresser Industries, Inc.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Trans-Union Corp.

A. Dean E. Sharp.
B. Independent Health Insurance Institute, Inc.

A. Shaw, Pittman, Potts & Trowbridge.
B. Institute of Foreign Bankers.

A. Shea, Gould, Climenko & Casey.
B. New Zealand Wool Board.

A. Shea, Gould, Climenko & Casey.
B. Occidental Petroleum Corp.

A. Michael S. Sher.
B. National Alliance of Teenagers, Inc.

A. Seymour Sheriff.
B. Man-Made Fiber Producers Association, Inc.

A. Russell L. Shipley, Jr.
B. National Candy Wholesalers Association, Inc.

A. J. K. Shiver.
B. Diamond Shamrock Corp.

A. Mary Frances Shlagel.
B. Union Oil Co. of California.

A. A. Z. Shows & Co.

A. Karen Sikkema.
B. Union Oil Co. of California.

A. Silver, Freedman, Housley & Taff.

A. Robert C. Singer.
B. The Soap & Detergent Association.

A. Richard L. Sinnott & Co.
B. Citizens for Management of Alaska Lands.

A. G. Bernard Sieboe.
B. United Airlines.

A. Gordon L. Smith.
B. Hill and Knowlton, Inc. (for Florists Transworld Delivery Association).

A. Robert Wm. Smith.
B. Railway Progress Institute.

A. William H. Smith.
B. American Bankers Association.

A. Snyder & Ball Associates, Inc.
B. Aerojet-General Corp.

A. Snyder & Ball Associates, Inc.
B. Gould, Inc.

A. Carl A. Soderblom.
B. Nevada Railroad Association.

A. Sonosky, Chambers & Sachse.
B. Sioux Nation.

A. South Dakota Railroads Association.

A. Larry M. Speakes.
B. Hill and Knowlton, Inc.

A. Philip J. Spear.
B. National Pest Control Association.

A. John F. Speer, Jr.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. William C. Spence.
B. Columbia Gulf Transmission Co.

A. Staff Builders, Inc.

A. Walter M. Starke.
B. Southern Natural Gas Co.

A. State & Federal Associates, Inc.
B. National Association of Convenience Stores.

A. State & Federal Associates, Inc.
B. Potato Chip/Snack Food Association.

A. Roy N. Staten.
B. Bethlehem Steel Corp.

A. Charles D. Statton.
B. Bechtel Power Corp.

A. Samuel E. Stavisky.
B. Samuel E. Stavisky & Associates, Inc. (for Broadcast Music, Inc.).

A. Leon P. Stavrou.
B. American Hellenic Institute Public Affairs Committee.

A. Randolph J. Stayin.
B. Taft, Stettinius & Hollister (for American Hospital Association).

A. David J. Steinberg.
B. National Council for a Responsible Firearms Policy.

A. Arthur R. Stewart.
B. Great Western Sugar Co.

A. Edward W. Stimpson.
B. General Aviation Manufacturers Association, Inc.

A. Richard Boyle Storey.
B. International Military Club Executives Association.

A. O. R. Strackbein.
B. International Allied Printing Trades Association.

A. John H. Stroh.
B. Taylor Group, Inc.

A. Roger J. Stroh.
B. United Fresh Fruit & Vegetable Association.

A. Robert B. Stulberg.
B. Health Research Group.

A. Sullivan & Cromwell.
B. INCO, Ltd.

A. Daniel C. Sullivan.
B. Assure Competitive Transportation, Inc.

A. Mark B. Sullivan.
B. Carl Byoir & Associates, Inc. (for Railway Progress Institute Tank Car Safety Committee).

A. Sutin, Thayer & Browne.
B. Office of the Attorney General, State of New Mexico.

A. John R. Sweeney.
B. Bethlehem Steel Corp.

A. R. A. Swindell.
B. North Carolina Railroad Association.

A. Tanaka, Walders & Ritger.
B. Electronic Industries Association of Japan.

A. Clayton C. Taylor.
B. McDonald's Corp.

A. Frank A. Taylor.

A. Harvey M. Tettlebaum.

A. Texas Students For Political Activity.

A. 3d Congressional District Pro-Life Action Committee (Ala.).

A. John W. Thomas.
B. American Veterinary Medical Association.

A. John W. Thomas.
B. Association of American Veterinary Medical Colleges.

A. Robert Thomas.
B. National Association of Private Psychiatric Hospitals.

A. Paul J. Tierney.
B. Transportation Association of America.

A. Charles R. Titus.
B. Society of the Plastics Industry.

A. Thomas J. Touhey.
B. A.R.F. Products, Inc.

A. Jay Charles Townley.
B. Schwinn Bicycle Co.

A. Transportation Association of America.

A. Philip J. Tulimieri, Jr.
B. Avon Products, Inc.

A. 23d Pro-Life Congressional District Action Committee (PA).

A. Stewart L. Udall.
B. The Alaska Federation of Natives, Inc.

A. Stewart L. Udall.
B. Aloha Natives Association, Inc.

A. Stewart L. Udall.
B. Foothills Pipe Lines (Yukon), Ltd.

A. H. Stewart Van Scoyoc.
B. E. I. du Pont de Nemours & Co., Inc.

A. Jerry T. Verkler.
B. Texas Eastern Transmission Corp.

A. C. John Vermilye.
B. United States Steel Corp.

A. Verner, Liipfert, Berhard & McPherson.
B. Hellenic Republic of Greece.

A. R. Eric Vige'.
B. Cities Service Co.

A. Ellen Vollinger.
B. Full Employment Action Council.

A. Ethan J. Wagner.
B. Rockwell International.

A. Ethan J. Wagner.
B. Southwest Flight Crew Association.

A. Herbert R. Waite.
B. First National Boston Corp.

A. Wald, Harkrader & Ross.
B. Chemtex Fibers, Inc.

A. Elaine Nogay Walker.
B. Can Manufacturers Institute.

A. Linda Walker-Hill.
B. Hill & Knowlton, Inc.

A. Warren W. Walkley.
B. General Electric Co.

A. Donald L. Wallace, Jr.
B. American Textile Machinery Association.

A. Donald L. Wallace, Jr.
B. Delta & Pine Land Co. of Mississippi.

A. Donald L. Wallace, Jr.
B. Diversion Communications, Inc.

A. Donald L. Wallace, Jr.
B. ML Barge Management Corp.

A. Raymond C. Wallace.
B. Amalgamated Transit Union.

A. Bonnie B. Wan.
B. Montgomery Ward & Co., Inc.

A. James Wanko.
B. Society of American Florists.

A. Alan S. Ward.
B. Baker & Hostetler (for the Soap & Detergent Association).

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Dominica).

A. George B. Watts.
B. National Broiler Council.

A. Webster & Chamberlain.
B. National Club Association.

A. Webster & Chamberlain.
B. National Sporting Goods Association.

A. Morton N. Weiss.
B. National Security Traders Association.

A. Elizabeth S. Weitner.
B. Hill and Knowlton.

A. Thomas F. Wenning.
B. National Association of Retail Grocers of the United States.

A. Thomas F. Wenning.
B. National Food Brokers Association.

A. Phyllis G. West.
B. National Organization for Women.

A. Louis M. Whitlock.
B. Beker Industries Corp.

A. Richard J. Wiechmann.
B. American Paper Institute, Inc.

A. Robert E. Williams.
B. United Airlines.

A. Allen W. Wills.
B. Memorex Corp.

A. George S. Wills.
B. Wills & Associates, Inc (for Americans for Alaska).

A. Wilmer, Cutler & Pickering.
B. Dealer Bank Association.

A. Wilmer, Cutler & Pickering.
B. Morgan Guaranty Trust Co.

A. Wilmer, Cutler & Pickering.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. Wilmer, Cutler & Pickering.
B. National Corporation for Housing Partnerships.

A. Wilner & Scheiner.
B. Motion Picture Association of America, Inc.

A. Dorothy Roth Wilson.
B. Coalition for Concerned Charities.

A. James R. Winnie.
B. Cities Service Gas Co.

A. Curtin Winsor, Jr.
B. Alliance for Free Enterprise.

A. Richard F. Witherall.
B. Colorado Railroad Association.

A. Glenn P. Witte.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation.

A. Sidney M. Wolfe.
B. Health Research Group.

A. Steven M. Worth.
B. Hill & Knowlton, Inc.

A. Wyman, Bautzer, Rothman & Kuchel.
B. Bristol Bay Native Corp.

A. Wyman, Bautzer, Rothman & Kuchel.
B. California Canners & Growers.

A. Wyman, Bautzer, Rothman & Kuchel.
B. Ekiutna, Inc.

A. Wyman, Bautzer, Rothman & Kuchel.
B. Petersen Publishing Co.

A. Edison R. Zayas.
B. National Federation of Independent Business.

A. Barry Zorthian.
B. Time, Inc.,

A. Carl E. Zwisler III.
B. International Franchise Association.

EXTENSIONS OF REMARKS

A DEPARTMENT OF EDUCATION? THE FACTS SAY "NO"

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MICHEL. Mr. Speaker, Phi Delta Kappa magazine, September 1979, reports some findings from "The Condition of Education: 1979 Edition," the annual report of the National Center for Education Statistics. According to this survey, public confidence in the people who run the Nation's schools is the lowest in 6 years; 64 percent of 17-year-olds devote less than 5 hours to homework each week; current expenditures of public school systems have more than tripled since 1957, even when adjusted for inflation.

A recent interview with the head of the National Education Association (NEA) suggests that the decline in American education is now in its critical stage. Teachers are quitting because of classroom violence and public apathy, states William H. McGuire, president of NEA.

U.S. News and World Report, in its September 10, 1979, issue, reports calls to upgrade education are reaching a fever pitch reflecting wide discontent—and promising change in America's classrooms.

The proposed Department of Education will not solve any of the problems that have brought about this discontent. In fact the opposite is true: It is precisely the kind of Federal bureaucratic interference represented by the Department of Education that has contributed to the decline of the public school system. The best thing that could happen for American children is for the Department of Education to be forgotten.

At this time I wish to insert in the RECORD "Condition of Education: 1979 Reports Significant Trends" as published in Phi Delta Kappa, September 1979; "Classroom Violence and Public Apathy: Two Reasons Why Teachers Are Quitting in Droves," from People Magazine, September 10, 1979; and "Give Us Better Schools," U.S. News and World Report, September 10, 1979.

The articles follow:

CONDITION OF EDUCATION: 1979 REPORTS SIGNIFICANT TRENDS

What's the condition of education in 1979? The Condition of Education: 1979 Edition, the annual report of the National Center for Education Statistics, offers the best answer available in one volume.

This year's effort, continuing the same high quality of the series since its inception several years ago, reports that:

Public confidence in the people who run the nation's education system has fallen to its lowest point in six years. Only 28 percent said they had "a great deal of confidence" in 1978. It was 37 percent in 1973 and 49 percent in 1974. The percentage who had "hardly any confidence" increased sharply—from 9 percent in 1977 to 15 percent in 1978.

The average salary for classroom teachers was $14,995 in 1977, and the projected salary for 1979 was $15,575 (in 1977 dollars).

Parents overwhelmingly respond negatively when asked about the effect of the one-parent family on the education of children. Sixty-three percent see single parenthood as adversely affecting education.

The percentage of children living with both parents has declined among both whites and blacks since 1960. In 1977, 53 percent of black children and 15 percent of white children were living with only one parent.

Since 1969 college graduates have faced increased competition for higher-status white-collar employment. Less than half of the college graduates who joined the labor force between 1969 and 1976 entered professional or technical work.

Sixty-four percent of 17-year-olds devote less than five hours to homework each week.

Since 1950 the percent of youth enrolled in school has increased, and the proportion enrolled in grades lower than normal for their age has decreased sharply. In 1950, 26 percent of 15-year-olds were enrolled in lower-than-normal grades; in 1976 the figure was only 9 percent, showing that social promotions are much more common now.

More than two-thirds of the public believe examinations should be used to determine grade promotion.

Of the 36 states developing minimum competency tests, less than half plan to use the examinations as a requirement for high school graduation.

College graduates earn at least 30 percent more annually than high school graduates with no college experience. Ten years ago, however, college graduates earned 50 percent more.

Fifty-one percent of the public believed in 1978 that too little is spent on education and health and too much on welfare and foreign aid/defense.

Since 1942 state and federal shares of public school revenues have been increasing, while the local share has decreased by almost 20 percent.

The percent of successful school bond elections increased to 55 in 1977, up from only 46 percent in 1975. In 1967, however, the success rate was 66 percent. The number of elections decreased from 1,625 in 1967 to 858 in 1977, and the total value of the issues approved decreased from $2.1 billion in 1967 to $1.3 billion in 1977.

Current expenditures of public school systems have more than tripled since 1957, even when adjusted for inflation.

Median per-pupil expenditure in the nation in 1977 was $1,278. Highest-spending states: Alaska, $3,049; Wyoming, $1,601; New York, $1,591. Lowest-spending states: Tennessee, $766; Kentucky, $821; South Carolina, $833; Mississippi, $840.

Single copies of the report are available without charge from the Publications Division of NCES. Phone 202/245-8511. For more than one copy, order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, and ask for stock number 017-080-02008-4. You may send a check or be billed. Price: $7 per copy.

CLASSROOM VIOLENCE AND PUBLIC APATHY: TWO REASONS WHY TEACHERS ARE QUITTING IN DROVES

As Willard H. McGuire took over as president of the 1.8 million-member National Education Association last week, teachers were out picketing for better pay and benefits in eight states. It was not an auspicious beginning for the school year. McGuire, a 51-year-old junior high algebra and Spanish teacher from Long Prairie, Minn. (and for the past five years vice-president of the NEA), enjoyed hearing from old friend Fritz Mondale: "Finally a vice-president from Minnesota has become a president!" Aside from that moment of levity, McGuire foresaw many problems in the nation's school system, caused by plummeting teacher morale. He knows the problems first-hand. Born the son of a shoe repairman he was high school class valedictorian, graduated from Macalester College in St. Paul and got an M.Ed. before putting in 24 years in the classroom.

"I didn't win any student polls," he admits, "but early on they dedicated a yearbook to me." In the 1950s concern for working conditions and quality education made him an activist in the local teachers' association ("I guess I wanted to have a hand in my destiny"). Now on leave from his school district, McGuire lives in Arlington, Va. with wife Helen, 50, a high school sweetheart, and daughter Lynn, 17. There he discussed with Barbara Rowes of PEOPLE the growing malady of "teacher burn-out," a problem he believes "threatens to reach hurricane force if it isn't checked soon."

What is "teacher burn-out"?

I'm talking about the stress, tension and anxiety which is driving teachers out of the field. A third of them, according to an NEA survey, would not enter teaching if they were starting their careers again.

What causes such widespread teacher dissatisfaction?

Thousands are in desperate need of help. They can't sleep, often feel depressed and are physically run-down. Basically the problems stem from teachers' not knowing how to cope with violence, vandalism, disruptive students, inadequate salaries, involuntary transfers, oversized classes, excessive paperwork, standardized tests and the lack of support from school administrators and community groups.

How serious is student violence?

More than 110,000 teachers—or one in 20—were physically attacked by students last year. Only half the teachers who reported attacks against them were satisfied with support from administrators, many of whom refuse to report violent incidents for fear of tarnishing the school's reputation.

How does this differ from classroom mischief of the past?

Pranks have been part and parcel of the school scene for centuries. But today we're dealing with hard crime: assaults, murders, robberies, extortion and rampant vandalism. Some teachers have begun to evidence psychological symptoms similar to "combat neurosis." Often they face real danger. A dramatic example of this took place in Austin, Texas. A bright 14-year-old student came to school with a rifle and shot one of his teachers to death in front of his horrified classmates. The boy is now in a mental institution.

How has the nature of school vandalism changed?

A generation ago a window might accidentally get broken during a ball game. But today school authorities often return one morning to find literally hundreds of windows broken. This is high-cost destruction. In addition, more than 25 percent of the teachers in this country suffered damage to

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

or loss of personal property in their schools during the year.

In general, how are relations between students and teachers?

In the past there was almost an unquestioning attitude on the part of the students. When I was growing up in Minnesota, there was a healthy respect for education and educators. Education was the foundation of our republic, the key to upward mobility. The teacher was right. The school was right. That probably was going too far, but today that respect is dying or already dead. As many as 75 percent of teachers now say that discipline is their No. 1 problem.

Why is there a decline in authority?

Virtually all institutions are being questioned by the public. Schools are of course not immune. They have been the subjects of the same criticism and lack of trust. And students, who are raised in this environment, pick up on this. The genesis of all of it is frustation, frustration at school, frustration with life and society. It can find expression in lighting a fire in a wastepaper basket or stealing expensive equipment from the classroom.

How do most students react when a confrontation occurs?

A decade ago peer pressure was always on the side of the teacher when a disruption broke out in the classroom. Today that peer pressure has shifted to the side of the disruptive student.

Is violence largely the problem of inner-city schools?

No. That's an important point. The blackboard jungle of the 1950s is everywhere in the 1970s—rural, suburban, urban, even in the highest-income communities. Last Christmas vacation, in fact, it happened right here in Fairfax County when two students and a recent grad set fire to a high school, causing $4.5 million worth of damage. Even after they were released on bond, one of them was involved in a second incident. At night, he and some others spun their car wheels on the assistant principal's lawn and did other damage to his property. This was in one of the better school districts in this country!

How are teachers coping with drugs in the schools?

There is no pat way to handle it. Not only is the teacher unsure about what to do, but society in general is unsure. Experimentation with marijuana often begins in grades four, five and six. The difficulty is that the teacher has to make very quick judgments about what to do when she smells students smoking marijuana in the bathroom or the hallways. It would be deceptively easy to believe that all the teacher has to do is remove those students who are high. Each school employee along the line has a problem. The principal has a problem, because he or she needs support from the community and law enforcement and perhaps isn't getting it. What we find is a new ball game, where the various players don't know what the others are going to do. That leads to a very uneasy situation.

What is different about this generation of students?

A generation ago we had a high dropout rate in high schools—only 50 percent of students stayed in through the age of 17. Now we have a retention rate of at least 85 percent—and in many cases better than that. This means that problem students who previously dropped out are now being kept in school. In general, I do believe this benefits society in the long run, but in the short run the size of classes has increased, giving the teacher less time to interact with the students.

Why are thousands deserting the public schools, like the former Florida "Teacher of the Year" who is quitting in frustration after 18 years?

Any ill that society discovers, it now turns over to the schools. In addition to teaching students to read, write and do arithmetic computations, there have been increasing pressures to meet other needs—driver training, family education, vocational guidance, life adjustment, drug education, needs of the handicapped. The burden of filling out forms and other paperwork falls on the classroom teacher, who now has to meet deadlines for local, state and national records as well as prepare lessons and teach. Many teachers think it's just not worth it, and are looking for other ways to earn a living.

Is job security a problem?

There were heavy layoffs in the early 1970s. Today the greatest insecurities arise around tax cut legislation. As late as last month, some teachers didn't know if they had a job for this school year. In many cases they resigned rather than wait around until the last minute.

Have salaries improved?

The high point in real income for teachers was 1969–71. From the time of the 1971 wage-price freeze, teachers have been losing ground. In at least eight states we actually have teachers on food stamps. Teachers have even had to buy their own supplies and paper for the classroom.

How can we rehabilitate the profession?

First we must admit we have a problem. That is the most difficult part—getting the community to acknowledge the problems of violence, vandalism, teacher stress and now burn-out.

What is the NEA specifically doing to improve the situation?

We had such an overwhelming demand from teachers for instruction about discipline that we have started discipline workshops throughout the country. We have even prepared a "discipline kit" to sensitize the communities to the problems in the schools. These are being sent out to all of our nearly 10,000 local associations. In Colorado, a new law requests administrators to report attacks on teachers to law enforcement agencies. That state also is planning a hot line so teachers can get immediate counseling—something we'd like to see done across the country.

Does teaching have a future?

We have a sense of mission which I did not detect some years ago. I am very optimistic that there will be a tomorrow.

KIDS, TEACHERS AND PARENTS: "GIVE US BETTER SCHOOLS"

Calls to upgrade education are reaching fever pitch, reflecting wide discontent—and promising change in America's classrooms.

Shocked by the deterioration of U.S. schools, millions of Americans are demanding rapid improvement in every aspect of education as a new term opens.

The taxpaying public, its nerves rubbed raw by the steep decline in educational standards during the last decade, is suddenly belligerent—no longer willing to support lax school performance.

The message is clear: Americans want the 46 million students enrolling this fall to get better value in return for a record 80 billion dollars in public-school funds budgeted for 1979–80.

Parents are demanding a wide range of changes—from tests of teacher competency to better textbooks.

Teachers want more discipline in the many schools where young vandals and thugs run riot. They also seek higher salaries for their efforts.

Students are calling for more-effective courses to equip them better for jobs and colleges.

Because of these demands, changes already are under way. "Alternative schools," catering to the special needs of individual students, are on the rise. Private schools where traditional values predominate are increasingly popular. Parents are assuming more power in school affairs.

Many taxpayers are particularly worried about deteriorating academic quality among students and teachers alike, turmoil over busing for racial balance and teacher militancy that is showing up in strikes from Pennsylvania to Oklahoma.

There is also uncertainty about the prospect of a new federal department of education and the impact of tight budgets and declining enrollments.

TURNING POINT

Most educators agree that by any measure this will be a pivotal year for American education. Observes Virginia Sparling of Bellevue, Wash., newly installed president of the National PTA: "U.S. schools educate more people to a higher level than any other nation, but they face compelling problems that must be solved if free public education is to survive."

Ernest L. Boyer, who recently stepped down as U.S. commissioner of education, notes that 25 percent of students leave high school before graduation, a dropout rate he calls "a national disgrace." He adds:

"The mood in many schools is one of hostility. Students sense a great gap between their own goals and the goals of the institution. Much of what is taught in school is relevant—but much is not."

Teachers, too, complain that the climate in many schools is not designed for learning. One fifth of all senior high schools report five or more crimes each month. Eleven percent of junior-high and high-school students have something stolen every month.

Leaders of teacher groups complain of "teacher burnout" under such conditions. Thousands of teachers, particularly those with long service, are leaving the field because of the excessive mental and physical stresses imposed by today's classrooms.

"Violence and vandalism are problems that were not there 20 years ago," says Willard H. McGuire, president of the National Education Association. So disgruntled were teachers last school year that they called 160 strikes and walkouts, closing schools for millions.

FALLING SCORES

Most disheartening to many is the falloff in achievement levels. Since 1965, Scholastic Aptitude Test scores have declined steadily, dropping roughly 11 percent nationally for an average student. An estimated 13 percent of all high-school graduates are functional illiterates—unable to read and write well enough to get along. Some book publishers have revised high-school texts to the sixth-grade level of comprehension.

Efforts to set up competency standards for students—an idea designed to raise academic bench marks—now are being cited as reducing academic performance. Contends John C. Sawhill, president of New York University: "In their attempt to correct social inequities, schools are often setting standards as low as to be meaningless and even detrimental."

Sawhill and others believe that schools have been asked to do too much to solve the nation's social problems. They note that the long-sought goal of equality of educational opportunity is now within reach for all—the handicapped, the culturally and economically disadvantaged, racial minorities and women. However, educators also suggest that these gains in access may have been bought at the price of quality for all.

Increasingly, middle-aged parents are reacting to such changes by putting their children in private or select public schools, or by turning to low-cost denominational schools.

The result, asserts Milton Bins of the Council of Great City Schools, is a "stratified school society" in which urban schools are populated by the poorest and most deprived

students. In nearly all major cities, black, Hispanic and other minority students comprise more than 60 percent of the total public-school enrollment.

Many educators agree that financial problems are at the heart of most problems in the classrooms. As the chart on page 31 shows, there are fewer and fewer students to teach, yet built-in instructional costs allow no letup in the rise of school budgets.

Explains Boyer: "If you have 35 children in first grade this year, and only 29 children next fall, you still need a teacher, you need to heat the classroom, you need the same equipment."

TAX RESENTMENTS

That does not appease today's antispending, antigovernment public, particularly in states with tax-limitation proposals.

Local property taxes—for decades the chief support of public schools—are the least fair and most hated form of tax, say advocates of Proposition 13-type proposals. They also note that property-poor areas must tax themselves at a higher rate to generate the same tax dollars as their property-rich neighbors.

Moreover, declining birth rates mean more childless families with little direct stake in schools, thus adding to taxpayer resentment—and a tendency, in many areas, to fight school taxes.

Efforts to reform school finances to equalize per-pupil spending have only shifted the burden away from local levels to the states, officials point out.

In California, the state's share of school costs has jumped to 80 percent from 46 percent two years ago—partly the result of the Proposition 13 vote.

Now California may lead the way in a voucher plan known as "Family Choice." The proposed voucher system would make scholarships equal to 90 percent of tuition available to every student and applicable at either a public or private school. The question is likely to be voted on next June.

Public-school administrators shudder at the idea, and teacher groups contend that vouchers would signal the death of public education. Proponents assert that competition would improve public schools and student choices.

AID OUTLOOK

Will the federal government come to the aid of local schools that are financially oppressed? Few officials expect a massive increase in federal funding, but they do look for more funding for specific programs—such as basic-skills development, bilingual education and aid to the handicapped.

Legislation creating a federal education department is not expected to be enacted until October, and even then the vote in Congress will be close. If approved, the department may not be organized until March.

Despite rising public disgruntlement with schools, there is some cause for optimism. Parents are taking a more active role in education, challenging school-board policies, teacher competency and budget priorities.

Another hopeful sign is that attention is being given in many school systems to courses tailored to individuals. Alternative schools have brought a wider range of educational options to students in thousands of public-school district around the country.

Many educators also are convinced that the decline in achievement may be ebbing. Test scores have bottomed out in the last two years, and may be poised for a jump upward.

Elementary-grade children are doing better than children of comparable age did in the mid-1960s. Reading and math scores among junior-high-school students have crept upward in recent assessments.

Mary Berry, U.S. assistant secretary for education, says more families are aware that education is a shared enterprise between home and school. "If we do not discipline kids at home, they cannot be disciplined in school. Learning cannot take place without discipline," she says.

Teachers, defending their record, also point out that American education succeeds far better than school systems in most other nations. From infancy, Americans have learning opportunities rarely available elsewhere.

Educators realize, however, that schools are now on notice as never before to improve, and that this will be a crucial year in deciding whether they will succeed, or merely survive.●

FELLOWSHIP OF CHRISTIAN ATHLETES BRINGS PRO GOLF TOUR TO FAIRFAX

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. HARRIS. Mr. Speaker, normally a professional golf tournament is not the type of activity that deserves recognition on the floor of the House. But there is a very special golf tournament scheduled for Monday, September 10, at the Country Club of Fairfax, in the district which I represent, which I believe deserves special recognition. The tournament is being held on behalf of the Fellowship of Christian Athletes which works with some 22,000 young people around the country teaching them athletics and the value of living in a Christian manner.

The organization sponsors summer camps throughout the country and has chapters in many of our Nation's schools and colleges. Thousands of professional athletes donate their time to this organization, including Dallas Cowboy's quarterback Roger Staubach, Miami Dolphin's quarterback Bob Griese, and former Baltimore Oriole's baseball great, Brooks Robinson.

Mr. Speaker, I am extremely proud that this organization has decided to hold its first national Pro-Am tournament in this area. And the Country Club of Fairfax is to be commended for donating the club's facilities for the tournament. I would especially like to commend the hundreds of members of the club for performing voluntary services to help run the tournament.

Some 30 of the top names of the Pro Golf Association will take part in Monday's tournament and many of them have donated their services. The pros will be headed by Larry Nelson who is No. 2 on the PGA money winning list this year. Among other pro competitors will be Andy Bean, Gil Morgan, J. C. Snead, Leonard Thompson, Curtis Strange, Gibby Gilbert, Wayne Levi and two outstanding golfers from this area, Lee Elder from Washington and Jim Thorpe from Falls Church.

The tournament has special congressional significance because the gentleman from New York (Mr. KEMP) who is a member of the Fellowship of Christian Athletes will be the featured banquet speaker.

Mr. Speaker, this will be an outstanding golf tournament and I can recommend it highly to anyone who wants to see good golf and at the same time help thousands of kids throughout the country.●

MR. C. R. SMITH EXHIBIT AT UNIVERSITY OF TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. PICKLE. Mr. Speaker, many of my colleagues who served in the House during the late 1960's, along with the Members familiar with the history of aviation, are familiar with Mr. C. R. Smith.

Mr. Smith headed American Airlines for several years and served as Secretary of Commerce in 1968–69. He has been considered a leader and a pioneer in the aviation field. C. R. Smith is a distinguished alumnus of the University of Texas at Austin. In his honor, the university has recently opened an exhibit of his memorabilia.

Now living in Washington, C. R. Smith is enjoying retirement, after a long and distinguished career in aviation, business, and government service. The attached news release from the University of Texas mentions the exhibit and reviews the career of this fine American:

NEWS RELEASE FROM THE UNIVERSITY OF TEXAS

AUSTIN, TEX.—The University of Texas has placed on permanent exhibit some of the notable awards and other memorabilia marking the career of C. R. Smith, a UT alumnus who is considered to be a legend in the development of U.S. commercial and military air transportation.

The materials are housed in a special alcove of the Reserve Reading Room (2,500) of UT's main library, the Perry-Castaneda Library.

Mr. Smith headed American Airlines for many years, was deputy commander of the U.S. Army Air Force's worldwide Air Transport Command in World War II and served as President Lyndon B. Johnson's Secretary of Commerce in 1968–69.

Now retired, he makes his home in Washington, D.C. He attended the University from 1921 through 1924 and was named a "distinguished alumnus" by the UT Ex-Students' Association in 1963.

Among mementos in the new UT display are trophies, medals, citations, photographs and other materials attesting to Mr. Smith's accomplishments in civil and military aviation, business and government.

Included are the 1970 Wright Brothers Memorial Trophy, given by the National Aeronautic Association "for significant public service of enduring value to aviation in the U.S.;" the 1977 Daniel Guggenheim Medal "for great achievement in aeronautics;" the 1961 General William E. Mitchell Award; the 1974 Aviation Hall of Fame citation; the 1976 Hall of Fame for Business Leadership citation given by the editors of Fortune magazine, and an array of military decorations including the U.S. Army Air Force's Distinguished Service Medal, Legion of Merit and Air Medal, and, from Great Britain, the Honorary Commander, Order of the British Empire.

The UT ex-student also is shown in photographs with three U.S. Presidents—with Franklin D. Roosevelt during a conference in Hawaii, with John F. Kennedy at a rededication ceremony of Chicago's O'Hare Field and with Lyndon B. Johnson when Mr. Smith was sworn in as Commerce Secretary.

His first pilot's license is on view, as well as his membership certificate in the Hump Pilots Association, which was made up of World War II air transport pilots who flew over the Himalayan "hump" to provide defense supplies to China.

On many occasions Mr. Smith has been a benefactor of his alma mater. He has donated many volumes of Western Americana to the University library. The University also is the repository of the C. R. Smith Collection of Western Art, a valued collection numbering about 80 paintings, drawings, sculptures and reproductions by some of the most noted artists of the American West.

Seven works from the Smith art collection will be shown in the Perry-Castaneda Library on the wall adjoining the alcove where his memorabilia is exhibited.

The UT Art Museum plans to place the Smith art collection on permanent exhibit this fall on the second level of the Michener Gallery (located in the Harry Ransom Center at 21st and Guadalupe).●

THIRD ANNUAL DAVE BARBER CELEBRITY GOLF TOURNAMENT FOR DIABETES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. KILDEE. Mr. Speaker, I am pleased and proud to draw the attention of my colleagues in the Congress to an event being held on September 9 in Flint, Mich., which is a growing and significant benefit for diabetics in the Seventh Congressional District. The event is the Third Annual Dave Barber Celebrity Golf Tournament for Diabetes, and it will be held in conjunction with a banquet at the Flint Elks Club golf course. The money raised by the tournament is retained in the community to fight the disease of diabetes there by the Michigan affiliate chapter in Flint of the American Diabetes Association.

The tournament was founded 2 years ago by Dave Barber, a popular and well-known radio personality with Flint radio station WTRX. Through Mr. Barber's imagination, hard work, and strong commitment to public service, the golf tournament has grown this year to become one of the largest and most successful benefits of its kind in Michigan. Participating this year will be 15 touring professional golfers, who will compete for prize money in a special professional division, as well as about 275 amateur golfers of varying abilities and backgrounds who all share a desire to assist in raising money to fight diabetes. More than 500 patrons are expected for the 6-hour banquet.

Dave Barber is to be highly commended for the great contributions derived from his golf tournament in raising money and in increasing public awareness of the danger and prevalence of diabetes. The disease is the third major killer in the Nation. It is estimated that there are 23,000 diabetics, detected and undetected, living in the Seventh Congressional District. Mr. Barber's assistance in the fight against this disease in the Flint area is of inestimable value.●

NEW YORK TIMES SERIES ON VIETNAM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ROSENTHAL. Mr. Speaker, as one who recently returned from a study mission to Vietnam, I read with great interest a series of articles about that country by Seymour M. Hersh of the New York Times.

In these articles he shared the insights and observations of one of our country's finest reporters. The result is a series of dispatches that should be read by all Members of this House.

The first three in his series appeared in yesterday's RECORD and today I am inserting the remaining reports. I commend them to the attention of all our colleagues:

[From The New York Times, Aug. 10, 1979]

BLACK MARKET MAKES HO CHI MINH CITY RUN

(By Seymour M. Hersh)

WASHINGTON.—Four years after the Communist victory, Ho Chi Minh City, renamed for the father of the Vietnamese revolution, has emerged as one of the black market capitals of Southeast Asia.

During a three-day visit to Ho Chi Minh City last week, it seemed clear that the Government of Vietnam is unchallenged otherwise in its control of the life of the city, whose prewar population of about three and a half million was considered predominantly non-Communist or anti-Communist.

Virtually all of old Saigon's private shops and restaurants are shuttered, with only their fading and torn signs providing reminders of the past. The nightclubs and girlie bars are long gone. The air-conditioned office buildings that once housed American and South Vietnamese military missions serve as Government offices. The well-appointed downtown hotels have been converted to drab guest houses run by the Government for foreign visitors.

Ho Chi Minh City is not a happy place, many Vietnamese officials reluctantly acknowledge. Hundreds of thousands have fled the metropolis and the country, thousands more were forced to leave, and thousands more want to leave.

TWO MILLION RESIDENTS?

One Western resident estimated the city's current population at slightly more than two million—one million less than official estimates—and said that half of those who remain want to flee.

To the peasants who fled to Saigon to escape the bombings and terror of the war in the country side, the new Communist Government seems far more welcome. It is that group, many of whom have been relocated to "new economic zones" and state farms in the countryside, on which Communist Vietnam is depending for the future.

There is a heavy emphasis on mass education and ending illiteracy. Some four million could not read or write in the South in 1975. And the mass education program has the added advantage for the Government of serving to re-educate the nation's youth politically.

Those who seem to be suffering the most under the new regime are those who did well when the United States was pouring in billions of dollars each year in military and economic aid to South Vietnam. After the Communist victory in 1975, the shopkeepers, restaurant owners and traders found themselves without any means of support—except for Government doles of food.

TO SOME, "DEATH CITY"

For those hundreds of thousands who were satisfied with the far easier life under the umbrella of American aid, Ho Chi Minh City has become, as a Westerner put it, "Death City."

The resistance to the new Government by those who have not, or cannot, leave seems passive—and it is expressed most often in the free-wheeling black market that exists today in downtown Ho Chi Minh City.

Every morning, scores of Vietnamese men and women line up outside the Caravelle Hotel, renamed the Independence Hotel, to buy for dollars American cigarettes from those fortunate enough to receive them in the mail.

Cigarettes are far and away the most commonly peddled item on the black market. A visiting foreigner can purchase a package at a Government-sanctioned exchange store for 80 cents, or roughly two dongs in local currency; on the black market, the cigarettes are worth as much as 35 dongs. At the moment, the black-market currency rate appears to be nine dongs to the dollar, or 300 percent higher than the official rate.

GASOLINE ON THE BLACK MARKET

Gasoline, too, can be purchased on the black market. Although traffic inevitably has thinned out, with far more bicycles, the city's streets still teem with traffic in comparison with Hanoi. Motorcycles, mopeds and Lambretta taxicabs, many driven by teen-agers with long hair and mod dress, still fly around the streets, and still emit pollution.

Some Westerners living in Hanoi and here insist that sophisticated consumer goods such as cameras and stereos can be purchased in Cholon, the famed Chinese quarter of old Saigon that became a focal point of a Government crackdown on capitalism and black market activities 18 months ago.

Two visits to the area by a correspondent last week, however, found few signs of commercial activity. Banks were closed, stores shut down, and outdoor market stalls gone. In their places, one could see the inevitable cigarette peddlers on every corner, a group of youths staging a cock fight in a small park, and motorcycle repair shops every few hundred feet.

Keeping motorcycles and automobiles running is a problem in Ho Chi Minh City since the shaky finances of Vietnam in effect prohibit imports of spare parts. Another problem stems from the lack of diplomatic relations and trade negotiations with the United States—parts for American-made products are not available in Ho Chi Minh City or elsewhere in Vietnam.

Western diplomats and United Nations officials who commute between Hanoi and Ho Chi Minh City said one basic problem in Ho Chi Minh City was the fixed pay scale for all workers.

Salaries range from 40 dongs for a typical Government bureaucrat—or about $16 at the official rate—to 106 dongs for senior doctors in Government sanitariums. One interpreter for a Western official being in Ho Chi Minh City, who holds the title of deputy director of his department, earns 70 dongs a month.

"That's not even enough for his breakfast money," the Westerner said, referring to an inflation that has led to the doubling of some food prices in the last year.

FOOD BENEFITS REDUCED

The Government does provide food benefits, but those have been sharply reduced because of Vietnam's decision to shift some food supplies to famine-stricken Cambodia.

Young children can still be found begging

for food downtown along the former Tu Do Street, now called General Uprising Street, but they seem to be exceptions, and not the rule. Some old men can still be found sleeping in doorways at night, but only a few. With the exodus of nearly one million residents, by official Government count, the shortage of adequate housing seems to have been eased.

An optimistic view of Ho Chi Minh City and its problems was provided during an extensive interview with Le Quang Chanh, the former Deputy Foreign Minister of the Provisional Revolutionary Government, who now serves as Deputy Mayor.

"We believe in our correct policy and we believe in our success," Mr. Chanh said, noting that the conversion of capitalist Saigon to Communist Ho Chi Minh City was nearing completion.

[From the New York Times, Aug. 12, 1979]

VIETNAM FOILS AN ELABORATE SWINDLE IN EXIT VISAS

(By Seymour M. Hersh)

WASHINGTON.—Ho Chi Minh City's newspaper Tin Sang reported on its front page last week that the police had foiled five entrepreneurs who had falsified exit visas for members of Vietnam's Chinese community in return for large payments of gold.

Although the newspaper's account was matter of fact, the Vietnamese who shared the story with a visiting foreigner seemed to find it exceptional and amusing.

Tens of thousands of Chinese, who have been the main targets of an 18-month Government crackdown on private enterprises and black-market dealings, have fled the city in the last year. Most of them have paid more than $1,000 in cash and gold to become, in many cases, "boat people."

The newspaper said the conspirators all found guilty by the People's Tribunal of Ho Chi Minh City on Aug. 1, received prison terms of 8 to 18 years for their efforts to dupe members of the anxious Chinese community.

HOW SCHEME STARTED

According to Tin Sang, the leader of the group was Phan Dinh Thai, who managed to get the uniform of a lieutenant colonel in the Interior Ministry and official papers indicating that he had been assigned to process exit visas of the Chinese population in Ho Chi Minh City, formerly called Saigon. The newspaper said Mr. Thai had been arrested before for forgery.

Mr. Thai, apparently aware that he would need all the trappings of a high-level Communist Party official to make the confidence game work, first acquired a car and a driver, Ta Si Hoan, then an apartment befitting his high station from Vu Xuan Thin, its owner, who joined the conspiracy. Mr. Thin's apartment apparently was used to receive and entertain Chinese merchants who had gold.

Of course, an office was necessary, Tin Sang said, and Mr. Thai persuaded Nguyen Van Be, keeper of a rarely used guest house at the Ministry of Social Welfare, to let him have access to those quarters, which were luxurious by Ho Chi Minh City standards.

The final step was to enlist Luu Xuan Dien, a traffic policeman, to make things look official so the Chinese businessmen would not think they were being duped.

CHARGED ACCORDING TO AGE

According to Tin Sang, Mr. Thai's prices for the counterfeit exit visas depended upon age. Children under 6 years old were to sail free, the fee for those 6 to 16 was roughly $3,000 worth of gold and for those over 16 it was about $2,700 in gold.

Mr. Thai, who began his operation in May, told potential customers at one point that they could sail on Vietnamese Ship No. 60, which was then in port.

Tin Sang did not say how the group was caught, although it said the members were arrested while going to collect gold from 400 Chinese who had been duped.

The newspaper said that Mr. Thai, as ringleader, received the stiffest sentence, 18 years. The driver, Mr. Hoan, got 17 years; Mr. Thin, the apartment owner, 14 years; Mr. Dien, the policeman, 12 years, and Mr. Be, the guest-house keeper, 8 years.

Vietnamese officials, in discussing the article with a foreigner, said that under current Government rules, Chinese could get exit permits easily without paying bribes. The Chinese, they said, still believe that bribes are necessary.

[From the New York Times, Aug. 13, 1979]

NON-COMMUNIST EDITOR FINDS HIS INDEPENDENT DAILY IS FLOURISHING IN HO CHI MINH CITY

(By Seymour M. Hersh)

WASHINGTON.—There was a party recently in the unpretentious second-floor offices of the newspaper Tin Sang on the edge of downtown Ho Chi Minh City. It was the independent daily's fourth anniversary.

That a non-Communist newspaper can flourish in Vietnam seems remarkable, and even more so because its editor is Ngo Cong Duc, a former member of the South Vietnamese National Assembly who was widely known for his anti-Communist views in Saigon, as Ho Chi Minh City used to be called.

Mr. Duc, now 43 years old, was also known for his opposition to the Government of Nguyen Van Thieu, and in 1971 he was jailed for a few days and forced into exile when he charged the South Vietnamese Government with vote fraud.

At the time he was the publisher of Tin Sang, then an opposition newspaper whose articles were often severely censored by the Thieu Government. During Tin Sang's days of opposition, President Thieu often ordered all copies of the newspaper confiscated, and it was shut down after Mr. Duc fled the country.

RETURNED AFTER FALL OF THIEU

An affable man, Mr. Duc was pleased to renew an acquaintance with an American colleague the other day and to explain how he got where he was and what it was like.

He returned from the exile to Saigon on May 29, 1975, he said, a month after the Communist takeover of the city.

"After a month or so," he recalled, "I gathered my old friends together to discuss whether we could have an opportunity to reopen the newspaper." At the time he was unsure whether the Government would agree since he, unlike others in Saigon who had been neutral, had not known any members of the Communist guerrilla forces during the Vietnam War.

The Government gave its approval, Mr. Duc said, and he now believes that its leaders "wanted to give journalists and intellectuals an opportunity" to work within the new system.

Tin Sang began publication again on Aug. 3, 1975. Mr. Duc said the initial money for its resumption came from his own pocket.

PAPER ACHIEVED QUICK SUCCESS

With a laugh, Mr. Duc explained that although President Thieu confiscated his assets after forcing him into exile in 1971, he had managed to hide away some cash. He declined to elaborate.

Tin Sang was an immediate success, easily selling out its press run of 3,000 copies at 20 cents each. Many more copies could be sold, Mr. Duc said, but a severe shortage of newsprint throughout Vietnam limits the circulation.

"After a year, I took back my money and now the newspaper belongs to the employees," he said. "It's now a collective."

Each week, he explained, his editorial board meets with union representatives to discuss editorial policy and any problems. Ironically, Mr. Duc said, the authorities in Ho Chi Minh City initially disapproved of the arrangement.

"It wasn't sure that the collective would be responsible," he said, "You see, there is no party cadre at the newspaper and no censorship."

"If we print something wrong," he went on, "the Government asks us to come in and discuss it." Sometimes, he said, "we must accept the Government's criticism" and print a correction.

With all that, Mr. Duc said, "we have published more critical news under this Government than under the Thieu regime." The Communist leadership, he added, even provides a wide selection of critical Western news items each day for Tin Sang to publish at its discretion.

Mr. Duc was interviewed in early evening, at the end of a working day, and as members of his editorial staff finished their work they drifted into the interview room to drink beer and join the talk about America, the Vietnam War and foreign-policy problems facing Vietnam.

NEWS OF AMERICAN FRIENDS SOUGHT

Much of the conversation was in English, and Mr. Duc, who toured the United States early in 1975 as a critic of the Thieu Government, was surprised at how rusty his English had become. He did not see enough of his many American friends, he said.

"I'm glad I came back," Mr. Duc suddenly said amid the nostalgia. "It's my country. What I'm doing now is for my country—for my people."

After the fall of President Thieu, Mr. Duc said, times were difficult for the new government in Ho Chi Minh City. "There was a lot of gangsterism in the city led by former army rangers and professional criminals who escaped from the prisons," he said. "Even in 1976, you could hear shooting in the streets every day."

The Communists eventually took hold, Mr. Duc said, but added that problems still abound. He cited the continuing black market, the low wages and the generally stagnant economy. "Life's very hard now for the shopowners," he said. "It's been a big change. But some are adjusting. They have the duty to work to rebuild their country, not to buy and sell and have the easy life."

"SOLUTION" FOR THE DISCONTENTED

For those who can't make the adjustment, Mr. Duc added, one solution is "to choose another country and leave."

"Don't be misled," Mr. Duc went on, "I'm not a Communist. I'm a Catholic."

"I'd like to tell our American friends that our country is trying to build, but there are a lot of difficulties as a consequence of the United States' domination of South Vietnam and as a consequence of the Vietnam War," he said. "We'd like to ask them to understand the situation."

The newspaper editor expressed anger at people in the United States who have been criticizing Vietnam for its policies on refugees and its invasion of Cambodia early this year.

The people of Vietnam do not want any more than that in Cambodia, Mr. Duc asserted. "And I believe that the Communist Party—our Government—cannot do anything against the will of our people."

The biggest problems in Vietnam are economic, Mr. Duc said. The Chinese in the Cholon district, a target of intensive Government drives in early 1978 against black-market operations, still exert control over as much as 15 percent of the flourishing black market in Ho Chi Minh City, he said.

Pay scales are far too low, he added, and economic development has been retarded at all levels by a lack of competent Government officials. Another war with China is looming, Mr. Duc said, and that would be a further economic blow.

"Don't give us more difficulties," Mr. Duc said. "Give us more time to work for the country. We have to fight the economy and the Chinese, too. We have enough problems."

[From the New York Times, Aug. 14, 1979]

EVERYDAY LIFE IN COMMUNIST VIETNAM CAN BE SURPRISING

(By Seymour M. Hersh)

WASHINGTON.—Her name is Weiller Keiu Unh. She is 13 years old, shy but very proud.

The officials at the state orphanage just north of Ho Chi Minh City, Vietnam, said the girl was told just a few days before that she had finished first in a district-wide literature exam.

Her essay, Miss Unh said, was on the importance of planting trees in memory of Uncle Ho Chi Minh.

Her father, if he were still alive, might have strongly disapproved. Officials at the orphanage, one of seven in the area, said he was a white American named Weiller who was killed in an accident in 1970. His body was apparently returned to the United States for burial.

Miss Unh, sniffling quietly as she talked about the past, said he was an electrical engineer. She did not know, she said, whether he was in the military.

There are 523 children in the former Catholic orphanage, now known as Bamboo Shoot Number 1, officials said, and 67 of them are of mixed race.

The children seemed happy, well fed and well dressed.

But Weiller Keiu Unh cried when she spoke of her father.

"Hey, Liso," the street kid asked, "do you have any dollars?"

This correspondent had been in Ho Chi Minh City less than two hours and had begun his first walk down former Tu Do Street, the site of bars, shops and clothiers during the Vietnam War.

The youth waved me into a small shop, checking the street carefully for the police, and then offered to exchange nine dongs for each dollar, a rate more than 300 percent higher than the official exchange rate. When that was rejected, he quickly produced what he said was a jade chess set and asked the equivalent of $200 in cash for it.

A Government official later explained that "Liso" is Vietnamese slang for Russian. He acknowledged with a shrug that Tu Do Street was near the foreign sailors' club along the Saigon River. Russian sailors, it seems, are not averse to bargains.

Although a foreign visitor is always concerned about being propagandized while visiting a tightly controlled country such as Vietnam, sometimes that concern is misplaced.

On the second day of a three-day visit to Ho Chi Minh City, my official escort announced that we were going to see a "new economic zone," one of the state farms set up by the Government after the 1975 Communist victory in South Vietnam in an attempt to lure city dwellers back to the country.

It seemed that I was going to be shown a shining success. In fact, the farm, known as Le Minh Xuan, was chosen because it was the closest to Ho Chi Minh City, some 15 miles southwest. It was not a success at all, largely because of its acidic soil.

Officials of the farm said that although it was opened in September 1975, four months after the overthrow of the Saigon Government, only about 1,500 acres were now under cultivation. What had been planted, officials said, was the only crop possible—pineapples. None had yet been harvested, although the officials hoped to produce 2,000 tons this year.

Officials said there were plans to have 7,500 acres under cultivation by 1981. Meanwhile, the 12,000 people in the area are provided with homes and enough land to grow their own crops. Not all choose to grow pineapples.

A few homes were visited at random, and their occupants seemed reasonably content. Phu Hoang Ho, who boasted that he was 66 and had 10 children and one wife, said he had come to the camp from Cambodia, where he had fled to wait out the fighting. "I consider myself to be a good citizen," he said, "because I didn't take sides in the war and once my country was liberated, I came back to cultivate it."

Hoang Thai Thach is 31 and a Government bureaucrat. He spent four years in the late 1960's and early 70's in Fullerton, Calif., where he attended what was then California State College on a South Vietnamese Government scholarship. He earned his B.A. degree and then, unlike other South Vietnamese who stayed away to avoid the draft, he went home.

Mr. Thach immediately found a job in a Government office in Saigon responsible for selling shares of Government enterprises to civilians. When the revolution came, he said, he decided to stay and wait and see.

"I wasn't scared by the revolution," Mr. Thach, one of seven children, explained, "because I had a brother who was with the revolution." The two had remained in touch, he said, and Mr. Thach had even sent him medicine and money.

On the morning after the Communists took over Saigon, Mr. Thach said, he went to work as always. "A cadre came in and assured us, 'It's all right and don't go anywhere—just go to the office every day,'" Mr. Thach recalled.

A few days later, he had to report to the Communist authorities who took over control of his ministry. Later there was a three-day re-education class where, Mr. Thach said, "they told us how wrong we were when we worked for the old regime."

He was released, his old office was disbanded, and he was reassigned to a job in financial planning for Ho Chi Minh City.

He has some complaints, he said. The street life is much quieter, living conditions are not very good, and the bureaucracy can be stifling. He misses some old friends who fled, and he misses the American books and magazines that were once available.

But he does not regret returning, he said, explaining that "this is my country and my family."

With the long war finally over, Mr. Thach said, he does not have to think about some of the books he read in America. He mentioned "Casualties of War," by Daniel Lang of New Yorker magazine, which dealt with a series of brutal war crimes by American troops.

Not everyone had such an easy time with re-education programs.

Dr. Nguyen Hung Tin was a lieutenant colonel in the South Vietnamese Army, a doctor in a military hospital, when Saigon was taken over. He was sent to re-education camps for 30 months before he was permitted to resume medical practice.

If he was bitter about the experience, the 47-year-old doctor did not show it during a 90-minute interview in Ho Chi Minh City.

"I engaged in manual labor—felling trees, building houses and growing gardens," he said of the time he was in two camps scores of miles from his family and friends, who were permitted four visits a year. "For myself," he said, "it was a pleasure, especially the manual labor."

There were monthly political education lectures, and conditions were good, he said, "if you didn't violate the rules."

Dr. Tin, who practices in a tuberculosis sanitarium in Ho Chi Minh City, said he was interned with other former senior officers from the South Vietnamese Army.

"The camps were full of collaborators; many of them were engaged in Phoenix operations," he said, referring to the operations sponsored by the Central Intelligence Agency aimed at assassinating Vietcong officials during the war.

"I didn't realize until I was in the camp that those people were committing such crimes against the people," Dr. Tin said. He told of a former South Vietnamese Army commander who confessed to ordering the killing of four Vietcong prisoners just before the signing of the 1973 peace agreement between the United States and North Vietnam.

"We didn't hide anything from each other," Dr. Tin said.●

REAL SOVIET INTENTIONS

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. NICHOLS. Mr. Speaker, there is a strong hint of Russian diplomatic game-playing in the air and the stench is nearly unbearable.

Last week it was announced that a 2,000 to 3,000 man Soviet military unit has been slowly moved into Cuba. Our intelligence has determined that these troops are fully equipped with two motorized rifle battalions, one a tank battalion and the other an artillery battalion.

While such a force poses no direct threat to our American border it serves to underscore the real intentions of the Soviet's interest in world dominance.

Nearly a year ago, the Russians "sold" to Cuba sophisticated Mig–23 supersonic aircraft and today more than a dozen of these planes are stationed on the Cuban island, well within range of American soil.

Cuban troops, with the help of Russian advisors, serve as a police force for several African governments who were lifted into office through Russian aid and Cuban firepower.

Unless the United States takes appropriate action the Soviet buildup of troops in Cuba may jeopardize confidence in America and deteriorate our credibility in the Western Hemisphere.

For some time the Russian Government has wanted to increase its sphere of influence in the Western Hemisphere beyond Castro's Cuba. Many Central American States, including Panama and Nicaragua have leanings toward the Soviet Union. Other countries may be encouraged toward the Russian line with the presence of troops in Cuba and a gun to their head.

Furthermore the force may also serve as a security guard for Castro himself. After all, his Cuban troops are stationed throughout the world to conduct the Russian's dirty work. At last count, nearly 40,000 Cuban troops were serving in Angola, Ethiopia, and other faraway lands.

Regardless of the excuse the Soviets use to justify troops in Cuba, I know they have no business there. For 18 years the Soviets have attempted to secure a military stronghold in Cuba and we can no more tolerate having a Russian military base 90 miles off our coast today than we did in 1962.

Obviously the Russians are testing the Carter administration and we should respond accordingly. First, demand the immediate withdrawal of the new Soviet force. Second, delay consideration of the SALT II treaty until the troops are removed and finally, threaten to withhold the delivery of the grain recently purchased and expected to be purchased by the Soviets.

An affirmative response will be the only type understood by the Soviets.●

AN ENERGY OCTOPUS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. UDALL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

I would like to share with my colleagues a recent newspaper article written by Congressman ED MARKEY which was printed in seven papers in Massachusetts. As a member of the Interior and Insular Affairs Committee, Congressman MARKEY has been participating in our consideration of H.R. 8, the Public Energy Competition Act. As he outlines in his article, H.R. 8 is not a radical step. It does not require the oil industry to divest themselves of anything.

As we try to increase our domestic sources of energy, it is vital for us to increase the number of players in the energy game. H.R. 8 aims at preventing the oil giants from controlling the development of Federal resources. This is a small and modest goal as the following article by ED MARKEY persuasively argues:

AN ENERGY OCTOPUS

(By Congressman ED MARKEY)

The last straw for those in the gas line last week was the news that OPEC's latest price increase would add $165 a year to the average Massachusetts family's heating oil, electricity and gasoline bill.

Do we have any other fuel choices? Despite their serious safety and environmental drawbacks, both coal and nuclear power can offer us electricity. Coal can also provide liquid fuels such as gasoline.

Atomic power is already high-priced, however, and its costs keep on climbing. The same is true for coal.

One reason for the high cost of these potentially reasonably priced energy sources is that oil companies are moving toward total control of the coal and uranium industries. In part, the prices of coal and uranium climb when oil companies control them because the energy conglomerates want to maximize profits as a whole rather than the profits of any one division.

This means that an energy octopus might, for example, cut back on coal production if, by doing so, the high cost of oil would be maintained.

Right now, oil companies own 14 of this country's top 20 coal companies, as well as one half of our total coal reserves. Furthermore, eleven oil companies own more than 50 percent of the domestic uranium capacity. Since 1970, when oil companies began large-scale investment in coal and uranium, their prices have more than quadrupled.

The control of alternative fuels by oil companies is worth watching because the history of the oil industry is a story of virtual domination by a handful of large firms. Whether or not these firms openly or secretly conspire, their pricing and production decisions emerge from mutual "understandings."

It is clear that the interdependent practices of the oil companies in the past will extend to the coal and uranium industries under their control unless something is done to stop them.

With Congressman Morris K. Udall, chairman of the Energy and Environment Committee of which I am a member, I have introduced a bill, H.R. 8, designed to prevent the top eight oil companies from obtaining new federal leases for coal and uranium lands. We will hold an open hearing on the bill, July 17.

Our bill should restore competition in the energy industry by encouraging competition for coal and uranium leases and by giving smaller companies a better chance in bidding for those leases. These companies, as well as independent coal producers, can't get a fair deal now when they are up against oil giants like Exxon. Even the nation's largest utility, the Tennessee Valley Authority, currently is overmatched when it comes to obtaining coal leases.

H.R. 8 does not force anybody to do anything. The Federal Trade Commission has already brought court action against Exxon and other large oil companies for restraint of trade. I think the Justice Department should do the same. But, this bill does not require divestiture. Rather, it says only that, in the future, on federal lands, the big should get no bigger.

Recently, the House defeated an amendment brought by Congressman Udall and myself that would have stopped the largest eight oil companies from receiving federal loan guarantees for investment in synthetic fuels, such as those made from coal liquefaction or shale oil.

That defeat means that the major oil companies could take control of the potentially enormous synthetic fuels industry. We cannot allow them to control coal and uranium as well.

To keep energy prices as low as possible, we must let increased competition determine prices and supplies. H.R. 8 goes a long way toward freeing the energy market. It is the least we can do to provide a secure energy future for the United States.●

OUR NATION'S PRIORITIES

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. RAHALL. Mr. Speaker, we return today from the district work period. A time, I believe, that was well spent meeting and talking with the people who elected us to serve in this distinguished body.

For the past 4 weeks, the American people told us first-hand that energy and inflation are the major problems facing this Nation today. However, we have returned today, not to debate and vote on legislation which will solve our domestic ills, but on a bill that will spend $7.9 billion for assistance to foreign countries.

I ask, where are our priorities?

Instead of voting to spend $100 million for the Sahel Development Fund, we should be voting to spend $68 million on coal mining research and development.

Instead of voting to spend $265 million for the Asian Development Bank, we should be voting to spend $88 million on the development of cleaner and more efficient ways to use coal.

Instead of voting to spend $1.8 billion on economic support to other nations, we should be pumping that same $1.8 billion into the economic support of the United States.

Mr. Speaker, we have a commitment to the American people, and I hope that that commitment has been strengthened during the past 4 weeks. Inflation is eating away at the American people's income and many fear they will not have enough heat this winter.

It is up to us, the Congress of the United States to provide the leadership this country so badly needs. We must set our sights on the goals that this country needs, not on what is needed by other countries around the world.

We have enough problems right here at home, and I say it is time we do something about them.●

FORMER CONGRESSMAN JAMES BURKE OPPOSES DISABILITY INSURANCE AMENDMENTS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. SCHEUER. Mr. Speaker, it is significant that our beloved former colleague, Jimmy Burke, former chairman of the Subcommittee on Social Security of the Ways and Means Committee is unalterably opposed to the disability insurance amendments. His statement follows:

AUGUST 7, 1979.

Hon. WILBUR D. MILLS,
Honorary Chairman
WILBURN J. COHEN,
Chairman, Save our Security,
Oxford Road, Ann Arbor, Mich.

DEAR FRIENDS: I have reviewed the provisions of H.R. 3236, the disability insurance amendments of 1979. As the former Chairman of the Social Security Subcommittee of the House Ways and Means Committee, I am well acquainted with the bill and its development.

While the bill contains a number of improvements which I favor, I am vigorously opposed to the three cut-backs in benefits. I strongly urge members of Congress to vote against the bill unless it is changed to eliminate the cut-backs.

I favor further improvements in the disability insurance benefits including more adequate provisions for the blind, coverage of all the permanently disabled under Medicare, and the provision of home health benefits for the disabled and aged without a three-day hospital stay.

I am glad to be a member of your organization to help oppose these undesirable amendments.

Sincerely,

JAMES A. BURKE,
Chairman, Subcommittee on Social Security, House Committee on Ways and Means, 1977–78.●

THE PROPER USE OF UNION DUES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DANNEMEYER. Mr. Speaker, the American system of government is based upon the notion of popular participation in the governmental process. The right to express one's own views freely, without coercion, is central to this proposition. From that, it follows each citizen should have the right to choose for him or herself the points of view he or she will support; no one should be forced to advocate a viewpoint with which he or she does not agree. While few would disagree with this in theory, in practice things are sometimes a bit different, as a recent decision by a Federal judge in Maryland has pointed out.

The case in question involved the right of a union to use compulsory dues for political purposes. Judge C. Stanley Blair ruled that it was, indeed, unconstitutional for a union to collect and then spend mandatory dues from workers for any purpose other than collective bargaining. If upheld, this means that union leaders will not be able to utilize members' dues to influence the lawmaking process unless the worker authorized it or, to put it another way, no longer will workers have to support political causes in which they do not believe.

This decision should not be viewed as a defeat for labor, but rather as a victory for liberty. The triumph of individual choice over coercion should be cheered by all freedom loving Americans. I insert an editorial which appeared recently in the Santa Ana, Calif. Register, in the RECORD at this time; it points up the significance of both this decision and the basic right which it reinforces:

A DEFEAT FOR COERCION

A federal court judge in Maryland struck a blow for freedom when he ruled that the use of compulsory union dues for any political activities violates the constitutional rights of employees who object. U.S. District Court Judge C. Stanley Blair held that the collection or disbursement of mandatory union fees for any purposes other than collective bargaining services infringes the First Amendment rights to free speech and association of employees who object.

The suit was brought against the Communication Workers of America (CWA) union by National Right to Work Legal Defense Foundation attorneys for 20 telephone workers.

Judge Blair has also required the CWA to make a full accounting of how its fees have been spent and to refund to objecting workers all fees which exceed the union's cost of collective bargaining. The refunds will represent the proportion of union expenditures for political contributions, lobbying, ideological causes, union organizing efforts and all other purposes unrelated to collective bargaining.

This is the first time this precedent has been established in the private sector. A similar precedent was established for public sector employment in a U.S. Supreme Court decision.

Judge Blair also denied a CWA motion to stay the lawsuit until the 20 plaintiffs had first tried to obtain refunds through the union's internal appeal procedure. The judge noted that the "time necessary for the series of intraunion hearings would better be calculated in years rather than months, and . . . at the end of it all, this court would be called upon to make the determination it is now prepared to make."

The court's decision will prevent workers from being forced to support the political activities of labor union bosses. The precedent set will have far-reaching ramifications in the cause for individual choice which is the foundation of freedom.

No worker should ever have to support anyone else's politics in order to retain his employment. Now, union bosses have been clearly told that it is unconstitutional for them to collect compulsory political funds from unwilling workers. And that workers don't have to rely on an intra-union kangaroo court before obtaining the right to choose where their money will go.

This may turn out to be the worst news labor union bosses have ever had. With more and more private sector workers becoming disenchanted with belonging to a union coupled with a decision depriving union officials of funds to buy legislation, their bonanza may be on a real decline.

The National Right to Work organization deserves much credit for its efforts on behalf of the American working man and his right of choice. We do not believe that any worker should be forced to join a union and we have always been against any form of a closed shop situation.

There is simply no justification for making union membership a condition of employment and there certainly is no justice at all in using members' money for the political aims of the labor union bosses.

This legal determination may slow down some of the abuses which have been so prevalent for too long a time.●

A TRIBUTE TO W. H. KELLEY

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. COURTER. Mr. Speaker, on September 17, 1979, the friends and associates of Mr. W. H. Kelley will gather to honor him on the occasion of his retirement. For the past 13 years Mr. Kelley has been the executive director of the House of Good Shepherd near Hackettstown, N.J. But, Mr. Speaker, his dedication and leadership go far beyond his duties at the House of Good Shepherd.

In addition to guiding Good Shepherd so that it grew and prospered, Mr. Kelley has served his profession well. As president of the New Jersey Association of Nonprofit Homes for the Aging, he arranged for homes for the aging to participate in the New Jersey Hospital Association Unemployment Reserve Fund. He was instrumental in the formation of standards for the licensing of nursing home administrators. He also was a leader in establishing a standard accounting procedure for homes for aged.

In 1978, Mr. Kelley's profession honored him as the Administrator of the Year. This type of dedicated service and humanitarian effort is becoming all too rare. As Mr. Kelley's colleagues honor him for his outstanding work and contributions in the field of care for the aged, it is my pleasure to call his achievements to attention of my colleagues here in the House of Representatives.●

INFLATION REDEFINED—A NEEDED AGENDA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. VENTO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. Speaker, my constituent and friend, Horace R. Hansen of St. Paul, Minn., recently called to my attention an excellent editorial which appeared in the Los Angeles Times on Sunday, August 12, by Richard Parker. Mr. Parker, a noted economist and author of the "Myth of the Middle Class", hits the nail on the head when he asserts that it is time to redefine the inflation debate by embracing an action-agenda that applies the research already in place into bold and innovative programs to reverse our spiraling inflation rate.

I urge my colleagues to consider Mr. Parker's suggestions and recommendations, because, as he says, quoting Thomas Mann over a half-century ago,

If we do not redefine the inflation debate quickly, there is great danger: it will destroy us as a nation.

Mr. Speaker, I submit Richard Parker's editorial, "Inflation and Recession: Our Democratic Duo," as part of the official RECORD:

INFLATION AND RECESSION: OUR DEMONIAC DUO

(By Richard Parker)

"A cynical 'each man for himself' becomes the rule of life. But only the most powerful, the most resourceful and unscrupulous, the hyenas of economic life, can come through unscathed. The great mass of those who put their trust in the traditional order, the innocent and unworldly, all those who do productive and useful work, but don't know how to manipulate money, the elderly who hope to live on what they earned in the past—all those are doomed to suffer. An experience of this kind poisons the morale of a nation . . ."

I happen to like those words a lot, even though Thomas Mann wrote them about the inflation that occurred in Germany more than 50 years ago. I like them because they enlighten the discussion of what's happening to American life with a clarity of emotion and reason that dry statistics never reach. We need the numbers to plot the course of our life's decline, but we need men like Mann to remind us what the rot of our economy is doing to our souls, and what we pay for not speaking honestly about inflation's victims.

These are hard times—and they're going

to get worse. Gas costs $1. Houses cost $100,000. But that's only the tip of it. At current inflation rates, a pound of beef will cost $7.56 by 1981, and a gallon of milk, $3.96.

Mann concluded from watching German inflation that inflation was "a tragedy," but it's not. It's a crime, and the victims of it are far from evenly distributed in society. To date, we've failed to understand precisely that fact, and we ignore it not just at the peril of greater inflation, but of the collapse of the republic.

Last month, a gruesome milestone was reached in the Great Inflation Debacle of the '70s: The number of millionaires in America passed 500,000. Less than a decade ago, there were fewer than 100,000 millionaires in the United States and inflation alone comes nowhere near explaining how the very richest among us have quintupled their numbers in so incredibly short time.

In the same period, the average pay of the American factory worker actually declined in real, inflation-adjusted dollars. And the poor—though this should come as no surprise—faired even worse. Ten years ago, the federal poverty level stood at one-half the median American income; today it stands at barely a third. One in four Americans lives below what the government itself calls a "minimum budget" level.

Two months ago in a commencement address at Yale, John Kenneth Galbraith finally said aloud what timid economists and commentators have been afraid even to whisper: We are not merely in the midst of inflation, we are experiencing "a revolt of the rich against the poor."

For those of us who are neither rich nor poor, if this sounds exaggerated in the slightest, consider for a moment these statistics:

In the first four months of 1979, inflation rose overall at 7.1 percent;

Overall inflation, however, concerns a bitter set of numbers: In four key sectors of the economy—housing, health, food and energy—inflation increased, not at a serious 7.1 percent, but at a staggering 17.2 percent;

Four out of five Americans spend between 60 percent and 70 percent of their income on those four items alone, and the suffering grows proportionately as one moves down the income ladder.

By that definition, Galbraith's "poor" encompasses 80 percent of us. And that 17.2 percent inflation rate was before President Carter deregulated oil.

Americans are an exceedingly tolerant people, but in our tolerance we have failed to sort out how inflation rises disproportionately among us. We blame, for example, the gas crisis on our indulgent driving habits, when in fact pleasure driving accounts for only the tiniest fraction of the total energy consumption in America. The production of useless plastics and carcinogenic herbicides accounts for far more.

What we fail to understand—and what we receive little help in understanding—is that the very structure, the very distribution of income and wealth, is at the root of inflation. Most of us are not the hedonistic spendthrifts whose wasteful buying and lack of "discipline" make inflation; we can't afford to be. Life even at $20,000 or $25,000 a year requires careful shopping at the supermarket.

The fact is that the majority of us can have little influence over inflation, because we cannot give up the basics of food, clothing, and shelter in the "national interest." But few of us understand that the majority controls only a small minority of the total income anyway—indeed, according to official statistics, the top 7 percent of families receive more than the entire bottom half of the American population and in terms of discretionary income—money left over after the basics—the hold of that tiny minority is even greater, possibly as high as 50 percent or 60 percent.

That's what Galbraith means when he describes the current inflation as a "revolt of the rich against the poor." The majority of us cannot be drafted into anti-inflation wars—whether President Ford's WIN program or President Carter's wage and price guidelines—when we've been denied the arms and ammunition with which to do battle.

An economist friend of mine has taken to describing the current period as "the dawn of the post-affluent society."

America, as he sees it, has finished a grand cycle of expansion that isn't likely to return. While it lasted, it was fueled not—as current wisdom has it—by canny businessmen making shrewd investments in space-age technologies, but by two less-understood phenomena, one domestic and one international.

Domestically, we experienced not an economic boom after World War II, but a social revolution—spearheaded by women. For the past 20 years, women have left the home at unprecedented rates, and flooded the economy. They entered the job market at wages 60 percent those of men, and bought new goods and services at unheard-of levels. Their low pay and vast numbers swelled production, and their purchases sustained demand—and in the process, the creation of two-income families engendered a whole new level of American prosperity, in which millions shared.

Internationally, America benefited from the devastation of our wartime enemies (and peacetime competitors), and from expanding markets throughout the Third World. We could sell or manufacture our goods at cheap prices, and still ship home the profits to add to our domestic well-being.

But both those trends are now at an end. In world commerce, Germany and Japan, and even Brazil and Singapore, compete more effectively. Here at home, the number of new women workers is falling, and low birth rates mean it will continue to fall for the rest of the century.

But inflation, as my friend emphasizes, takes account of neither fact benignly. Instead it pushes prices past the point where even prosperous two-income families can share in the old dream of an affluent society. And for the rest of us, earning less than $30,000 or $40,000 a year now, the future is grim.

The message he offers is simple: Until we give up blaming ourselves collectively for inflation, there will be no solution. The American economy is a vastly unequal one, and the means by which many of us thought we could beat the system are at an end. The income of the top 7 percent is over $400 billion—greater than the entire federal budget itself—and their spending fuels an awesome proportion of the inflation we must all bear.

But simply "being aware" of inequality, and its role in inflation, is pseudo-psychotherapy masquerading as justice inflation will no sooner go away than will world hunger, just because we think about it.

We need an agenda, and not one that a politician can run on and then forget after the election. Its rudiments go something like this:

We stop pretending that inflation is like some massive sore throat that has hit us all, and hurts us all equally. If you happen not to be one of the lucky top 7 percent, you need to know how badly inflation is hurting you. Sit down, for a start, and calculate what you spend for food, housing, health care and energy—then tack 17.2 percent onto that and see what's left of your disposable income after taxes. It will be chilling.

Stop looking to politicians for "quick fix" solutions. There aren't any. And don't blame the poor; talk of welfare "chiseling" may vent your anger, but it won't cut inflation. The poorest 50 million Americans together—a quarter of our society—have barely 5 percent of the total income. Cutting off their crumbs won't cure our ills.

If you want a start, not a panacea, to controlling inflation, try insisting that we (a) put a lid on selected prices, from hospital costs to oil and gas to basic foods; (b) expand the supply of basics such as housing through selected mortgage support, push conservation over synfuels, introduce consumer co-ops, family farm aid, and more direct marketing of food; (c) institute new public—*public*, not government—institutions from energy corporations to health-maintenance organizations to force the huge corporations to compete both openly and more efficiently.

The list could go on, but much of the vital research is already in place. What we lack is public knowledge and public willingness to try what hasn't been tried before. Not monstrous government energy programs nor costly corporate giveaways, but sound, small- and middle-scale attempts to reassert our own control over our economic lives.

Inflation, especially now, is not something we can hide from. Talking of his German experience a half-century ago, Thomas Mann said that "an experience of this kind poisons the morale of a nation . . ." If we do not quickly redefine the inflation debate, there is a greater danger:

It will destroy us as a nation.●

THE SOVIET THREAT IN THE 1980's

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MICHEL. Mr. Speaker, there is weeping and gnashing of teeth every time there is a demand for more spending in the area of national security. President Carter's 3 percent rise in defense spending is greeted in some quarters as if he were asking for an outrageous sum.

A recent study demonstrates that, given current trends, the Soviet Union will be spending 20 percent of its gross national product (GNP) in the 1980's. The Foreign Affairs Research Institute of London calls such a figure "staggering." Yes, the Soviet Union is ready to undergo some drastic economic setbacks the next decade, but that will not stop that nation from increasing its military spending. And here we are worrying about whether we should build a B–1 bomber, because some critics say it will cost too much. We are being pennywise and freedom-foolish if we force our national defense system to be measured only by the rules of accountants. If we do not have a strong national defense we may soon find that we have no accounts to take care of.

At this time I wish to insert in the RECORD, "Prospects of Soviet Military Power in the 1980's," a publication of the Foreign Affairs Research Institute:

PROSPECTS OF SOVIET MILITARY POWER IN THE 1980'S

(By Edgar O'Ballance)

In 1977, NATO nations agreed, some perhaps reluctantly, to maintain an annual 3 percent real increase in their defence allocations. A few of them have since had some difficulty in keeping to this agreement. On average NATO nations spend about 4 percent

of their GNP on defence. In sharp contrast the Soviet Union is currently allocating at least 11–13 percent of its GNP to defence, and during the past decade has been increasing its annual rate of growth of its defence allocation by at least 4–5 percent. Moreover this rate of increase is expected to continue, which will mean that by the end of the 1980s, the Soviet Union will be allocating *20 percent* of its GNP to its military potential.

This staggering deduction has been reached by an American expert, of the US Department of Defense, in a well reasoned Paper.[1] It would seem that we have been drastically under-rating the Soviet military capacity for some time. It is even more significant, as in the next decade the annual Soviet economic growth is expected to slow down, due to a number of factors, such as lack of capital, shortage of manpower, the changing ethnic composition of the labour force, and other reasons, while the defence expenditure increases.

SOVIETS AIM TO WIN

These stark facts do not seem to have been fully appreciated in the West. Looking so often at comparative charts of NATO and Warsaw Pact aircraft, warships, tanks, guns and missiles, perhaps our eyes have become glazed and our investigative perceptions dulled, leaving us with the vague, but false, impression that although the Soviet Union has more weaponry, and "nuclear thrown-weight" than the West, this is to some extent comfortingly counter-balanced as the West—meaning the United States—has superior technology, especially in the nuclear field. These all too familiar charts are misleading. We have become so accustomed to counting weapons, and matching them one for one against each other, that our attention has been diverted from the overall Soviet military potential, and the rapidity with which it has developed. It is a perfect example of the old saying that "You can't see the wood for the trees". The Soviet "wood" has become a "forest", while the West has been busy counting "trees".

This Paper presents a view of probable major trends in the Soviet military effort in the 1980s. The most plausable developments are described and major alternatives considered. The West tends to separate "strategy from theatre weapons", whereas the Soviet Union has a completely co-ordinated all-arms concept, that includes all nuclear means. "Except for SALT purposes it is doubtful whether the Soviet Union singles out intercontinental forces for separate assessment". The Soviet doctrine embraces all available forces, and does not exclude any: nor does it think of them separately. It is significant that the "Strategic Rocket Forces and Long Range Aviation include, not only weapons with intercontinental range, but also forces for peripheral attack".

We tend to forget that Soviet doctrine and strategic thinking regarding strategic nuclear forces, are quite different from those of the United States. "The object of the Soviet strategic-force programme is to develop a capability to fight, survive, and if possible, win a nuclear war". SALT limitations will therefore have only a marginal effect on the Soviet military capability: that is if they are observed at all by the Soviet Union, and whatever they might be, the Soviet Union is still "most likely to continue the development of its strategic force posture". There will be a continued "strengthening of Soviet capabilities to function during, and after, a nuclear war, which will include a broad programme for the survival of the political and administrative leadership, the industrial work force, and the military infrastructure".

U.S.S.R.'S INTERNATIONAL ROLE

Soviet military missions will probably remain much the same, but an expected major development may be "the continued expansion of capabilities to project power to distant crisis areas". Until the 1960s, the Soviet military capability was confined to its own peripheral areas, but that changed in the 1970s, when we saw developments in its strategic airlift, its airborne forces, and its "naval related forces". This is confirmed by the "appearance of training manuals, emphasising the U.S.S.R.'s international role", which has been enlarged to include the "protection of Soviet interests, and international Socialism".

"In general the Soviet Union is likely to become bolder. This boldness may manifest itself in the actions she takes to provide herself with more direct lines of communication to the Middle East and to Africa". The Soviet Union may first try increasing pressure on adjacent nations to allow transit, or overflight of aircraft. "She will probably make greater use of Cuba, and other allies, to support her clients in local conflicts". In this respect to Soviet areas of weakness, for example are in the protection of its own battle groups, logistic forces, and airlift forces, so "it seems more likely that the Soviet use of these forces will be political in nature—perhaps in an attempt to pre-empt a crisis".

Three possible changes in the Soviet external environment may effect these expectations. The first would be the emergence of regional powers which will develop significant military capabilities in the 1980s, and the second would be a wider distribution of sophisticated weapons in the Third World, both of which would make Soviet intervention more risky. The third is the "extremely unpredictable factor" of the "future Japanese defence effort". The big question is in what circumstances would the Soviet Union be willing to commit its own forces in combat at a distance. The Soviet Union would "be, and will continue to be, quite vulnerable, if she were to come into actual conflict with the U.S., or the West, at some distance". The Soviet Union will also try to obtain access to ports and airfields in Third World countries as part of a systematic attempt to create an improved support system for distance operations.

NUCLEAR DEVELOPMENT

In the nuclear field, there will be a "strong commitment to maintain the Strategic Rocket Forces as the main element of the strategic forces", and so the Soviet Union will have to seek solutions to protect its vulnerable silo-based missile systems. This must mean that it will either develop a mobile ICBM, or some form of "site defense using ABM (anti-ballistic missile) systems". The Soviet Union is expected to continue to develop high quality MIRVs, for its submarine-launched ballistic missiles, SLBMs, "The Soviet Union's commitment to the ability to conduct nuclear operations in Europe will continue into the 1980s". It is expected to continue to develop its "exotic technology", which means the development and deployment of high-energy lasers, and "space-based weapons". In this field the Soviet Union is expanding, in "dollar cost" about two and a half times as much as the U.S.

WEAPON DEVELOPMENT

As the long-term Soviet aim is that of achieving technical superiority over the West, especially in the military field, there will be a continued emphasis on science and technology. The last decade saw major technological improvements to weapons, and an increased investment in Research and Development is expected to continue. The West "may be obliged to catch up in areas in which the Soviet Union has been the first to deploy new technology". Soviet weapons have been designed to require limited maintenance in the field by relatively unskilled labour, and they are sent back to factories, where a skilled labour force is concentrated, for major repairs and major maintenance.

A long-term steady Soviet weapon modernisation programme will be directed against Europe. The current modernisation programme of replacement of the new generation of tanks, self-propelled artillery, and the BMP infantry combat vehicles, will not be completed for several years. There will be an increased use of computers to enhance command and control capabilities in "theatre warfare", that is in Europe.

Tactical aircraft are likely to be the focus of continued modernisation through changes in tactical doctrine and training, newer long-range aircraft, and the continued development of avionics. The tendency will be to control fighter-aircraft from the ground, and not leave it all to the pilot. The Soviet Union will not put all the essential electronics into the aircraft, as is done in the West. "In time we may even see her deploy detachments of Backfire aircraft, in a manner similar to her current deployment of ASW (anti-submarine warfare) patrol aircraft, to deny the use of certain sea and air spaces to the West".

FORCE DEVELOPMENT

In Europe the Soviet Union will continue with the preparation of its conventional forces to operate in nuclear situations, as it believes it can survive a nuclear war. In the nuclear context, the Soviet Union will probably deploy its SS–20 missiles, and develop "dual-capability" aircraft, that is aircraft able to make nuclear strikes. Soviet conventional forces are better equipped than NATO ones to detect radiological and chemical contamination, better protected against it, and better able to decontaminate men and weapons. "Many operational headquarters for (Warsaw) Pact forces are hardened with protective shelters and buried antennae to reduce the effects of nuclear attack." The Soviet Union is also concerned with the protection of key facilities and installations, and the modernisation of Soviet nuclear weapons, and their means of delivery. There is a widening gap between the capabilities of Soviet and Warsaw Pact forces.

NAVAL DEVELOPMENT

In the naval sphere, it is expected that the Soviet Union will concentrate upon ASW, and will be alert to, and respond to, naval developments in NATO. The Soviet navy will develop means to interdict the sea-lanes of communication to Europe. "The seas peripheral to the Soviet Union will remain of great importance," and the Soviet navy will continue to modernise ships and land-based aircraft to control the Norwegian, Baltic and Black Seas in that area, because much of its naval power is contained in its land-based naval bomber force. The Soviet Union will try to establish naval facilities in the Mediterranean, and "basing rights" in that area. It will also work to neutralise Turkey, and so remove the south-east bastion of NATO. The Soviet Union is also expected to expand amphibious and air-assault capacities to support the flanks in case of operations in the North of Europe, on the Central Front, and in the Black and Mediterranean Seas. In time, the Soviet Union will try to extend its naval defense in line further to the south, perhaps beyond the Norwegian Sea, and perhaps beyond Iceland. It will also try to obtain access to ports in the Third World.

[1] *Prospects of Soviet Power in the 1980s* Parts I and II. The International Institute for Strategic Studies, 23 Tavistock Street, London WC2. £1 or $2.50 each. In short, although the Soviet economic growth rate will slow down, the Soviet defence allocation will increase. In terms of "dollar expenditure", the Soviet defence effort is 40 percent higher than that of the US.

THE FAR EAST

Approximately a quarter of Soviet ground forces and tactical air forces are stationed along the Chinese border, and the USSR maintains a major naval force in the Pacific. "These forces are unlikely to diminish during the 1980s but they may not grow much," despite the long-standing Soviet concern about China. The main Soviet effort has been devoted to improving the basic military position through construction of defensive zones, and the modernising of equipment, especially for air and naval forces.

"The Soviet Union is likely to continue to develop nuclear capabilities against China". This may well involve the deployment of the SS–20 missile, and the modernisation of the "frontal aviation and long-range air force units" in the area. There will probably be an emphasis on improved warning from air-defence systems around key Asian and Pacific installations. In the Far East, the Soviet Union will probably increase sea control and power projection forces, and "is likely to improve her amphibious and air assault capabilities to seize straits and conduct other amphibious operations". The introduction of newer heavy-lift helicopters could also significantly enhance Soviet military capabilities, given the problems of transport in the area.

Japan has one of the most powerful and productive economies in the world, but has very limited defensive military forces. Recently Japan has become increasingly concerned about the development of Soviet strength in the Far East and has "taken more notice of specific Soviet force developments and exercises". Japan might play a critical role in the future development of China's military forces. "Any major shift in Japan's policy with respect to her defense effort would soon alter significantly the military situation in the Far East". Soviet naval forces would no longer appear adequate, and access to and from the Sea of Japan would seem less assured. "The technological level of the military competition in that region could be revolutionized".

CONCLUSION

The conclusion reached in the Paper, is that there will be a "continuation of current trends and momentum" in the Soviet forces during the next decade, and that we can expect to see a "military force of increasing sophistication and strength, but of a size comparable with that of today". The Soviet Union has a manpower problem that will get worse, and there may be "organisational and manpower adjustments, but the composition of the military force will remain much as it is today, except for the continuing emergence of power projection forces". The Soviet Union will have problems of "higher costs of acquiring, operating and supporting its technologically more advanced force".

With 20 percent of the Soviet GNP devoted to the military capability, it should be able to meet these "higher costs" comfortably.●

A TRIBUTE TO HARRY SNYDER

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. COURTER. Mr. Speaker, as we travel the road of public service we occasionally share that road with someone who is exceptional in his duty and dedication. Harry Snyder is one such individual. Harry was the county clerk of Warren County, N.J., for 18 years. He distinguished himself with his professionalism in that position.

His peers elected him as the president of the New Jersey County Officers Association. He was one of only four county clerks chosen to standardize the absentee ballot system for the whole State of New Jersey. He was instrumental in the formation of the driver education system in the high school systems of Warren, Sussex, and Hunterdon Counties.

But Harry did not leave his talents and civic mindedness at the office. He served as the mayor of Lopatcong Township and donated his time again to serve as the president of the Lopatcong Civic Association. He also lent talent and energy to the planning board and industrial commission.

His concern for community health was shown by his contribution to the Warren County Cancer Crusade—serving as the president 1 year.

The Lord called Harry from us recently. My neighbors in Warren County will not have the opportunity to take advantage of his wise counsel and generous heart.●

A SALUTE TO COLONEL MICHAEL KOVATS DE FABRICY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. BIAGGI. Mr. Speaker, at a time when we are striving to insure basic human rights and freedoms for all people of the world, I feel it is important to reflect on our own Nation's past and salute a man who played such an important role in helping us gain our independence. I am referring to Col. Michael Kovats de Fabricy, distinguished Hungarian patriot and American war hero during our Nation's fight for independence.

Just a few weeks ago, our Nation commemorated the 200th anniversary of the heroic death of Colonel Kovats. The commemoration included weeklong festivities in Charleston, S.C., the site of Colonel Kovats' history making, and final battle. A constituent of mine, Dr. Andrew Tibor Udvardy, President of the Colonel Commandant Michael de Kovats Historical Society, did an outstanding job in heading the well-attended festivities, which included a parade, many honored guests, and written words of praise from various notable Americans such as President Carter, and former Presidents Ford and Nixon.

However, the highlight of the commemoration festivities came in the form of a greeting and Apostolic Blessing from His Holiness Pope John Paul II. The message, which was presented by the Catholic Bishop of Charleston, stated:

In this special way, We honor the heroic contribution of the Hungarian Patriot Colonel Commandant Michael Kovats de Fabricy. Such a commemoration affords all the opportunity to be dedicated anew to the struggle of achieving those human rights which Commandant Kovats de Fabricy cherished so much.

Certainly, the message from Pope John Paul, who has long taken a leading role in helping to achieve human rights in Eastern Europe, had very special meaning and significance.

The life of Colonel Kovats is certainly an excellent reminder to all Americans who often take for granted the opportunities which we have been blessed with for over two centuries.

Kovats left his native homeland of Hungary, after serving admirably in the Austro-Hungarian Army, due to the repressive rule of Empress Maria Theresa. Recognizing the serious threat to American freedom at the time and wanting desperately to help preserve it, Kovats contacted Benjamin Franklin, who was our Nation's Ambassador to France, and offered his superior military expertise to the cause of our independence. In his letter to Franklin, Kovats wrote:

I now am here of my own free will, having taken all the horrible hardships and bothers of this journey, and I am willing to sacrifice myself wholly and most faithfully as it is expected of an honest soldier facing the hazards and great dangers of the war, to the detriment of Joseph as well for the freedom of your great congress.

He was appointed to serve under the Polish Gen. Casimir Pulaski, and later was elevated to colonel and given the task of forming the first U.S. Cavalry, fashioning it after its European counterpart, the Hussar regiments.

It was while serving as Commander of the newly organized Continental Cavalry that he led the successful effort to save the city of Charleston, S.C., from British occupation. While history has documented Colonel Kovats' significant contribution to American independence, it also tells us that he lost his life during the process.

However, his death should not be viewed tragically. Rather, it should serve as an inspiration to our continuing efforts on behalf of the many courageous people throughout the world who are being denied even the most basic freedoms. This includes the great freedom fighter's ancestral homeland, Hungary, where those proud people are forced to endure severe repression under Communist domination.

I am hopeful that the remembrance of Colonel Kovats' supreme devotion to the preservation of freedom will help to further our own efforts in the area of human rights.

Mr. Speaker, at this time I would like to insert a statement by Dr. Udvardy, describing the heroic actions of Colonel Kovats in the battle of Charleston:

PATRIOTIC AMERICANS AND HUNGARIANS

200 years ago, on May 11, 1779, Colonel Michael Kovats de Fabricy, Commander of the newly organized Continental cavalry, saved the City of Charleston, S.C. from British occupation. He was killed during that battle and buried where he fell, near the Citadel in Charleston.

During the American Revolution, Charleston, S.C. was the largest and most active port of the South. Well fortified towards the sea, it repelled a British naval attack in 1776. It was General George Washington's most vital life line to the outside world for the export of goods and import of military hardware. The loss of Charleston would have

had fatal consequences for the revolutionary government.

The British Headquarters was well aware of Charleston's importance to General Washington and had made the strategic decision to attack the city in a pincer movement from the southern flank on land, where fortifications were inadequate. Almost 8,000 British soldiers, considered the best in the world, supported by Tory units from South Carolina, Georgia and as far as Virginia, occupied the peninsula. Almost 100 ships in the port and some 1,000 sailors were trapped within the city walls, when the City Fathers, in a desperate attempt to save their people from massacre and their city from destruction, had prepared on May 10, 1779, for surrender to the enemy the following morning, when out of nowhere, a small cavalry unit broke through the city walls in a daring storm attack. The offensive warfare tactics employed by the continentals for the first time, and the psychological effect of surprise, caused the battle experienced British infantry to fall apart. The new fighting spirit of this cavalry unit broke the siege, the enemy withdrew.

Michael Kováts de Fabricy, the Hungarian-born commanding colonel of the cavalry started the raid with extraordinary valor. By correctly evaluating the oncoming disaster, and his subsequent charge, undoubtedly, changed the future of 13 American colonies. His total personal commitment represents a turning point in the development of American freedom, as we enjoy it today. To quote Michael Kováts de Fabricy himself: "Golden Freedom cannot be purchased with yellow gold." ●

SAMSO

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. LEWIS. Mr. Speaker, the Space and Missile Systems Organization (SAMSO) is an organization of unusual composition and background. Its current mission started from a need that arose more than a quarter of a century ago to establish, rapidly and efficiently, an intercontinental ballistic missile capability superior to that of any other nation.

Over the past 25 years, SAMSO and its predecessor organizations have played a vital role in sustaining and improving our country's deterrent strength. Through continuing research, development, and updating of missile and space systems, the organization has stretched man's technological reach and created new capabilities for meeting and neutralizing any threat from potentially hostile forces.

In fulfilling its many roles, SAMSO contributes significantly to the economy of its host communities, both directly and indirectly. The Norton Air Force Base in San Bernardino is a dynamic part of the Inland Empire and I take great pride in its contributions to our community. The expansion of these operations will add dimension to an already outstanding organization.

Mr. Speaker, SAMSO's record of accomplishments over the past quarter of a century is a matter of historical pride to our community and our country. It is my pleasure to commend the people of SAMSO on their fine record of service and charge them to expand upon their heritage of excellence.●

SHATTER THE SILENCE VIGIL: NAUM MEIMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. WAXMAN. Mr. Speaker, the ordeal of Naum Meiman, a Soviet Jew who simply wishes to emigrate to Israel, is distressingly familiar. At age 67, he has been removed from his job and is in poor health. He is shunned by his former colleagues. His political associates have been jailed. His dream of leaving for Israel has been nearly extinguished by the Soviet Government.

In 1975, Naum Meiman was refused permission to leave the Soviet Union, the official explanation being that his work as a theoretical physicist at the Moscow Institute of Theoretical and Experimental Physics from 1955 to 1975 involved alleged "state secrets"—even though it had been two decades since Dr. Meiman worked on "sensitive" projects.

The breakthroughs in physics of 20 years ago are today in the public domain. Nevertheless, Naum Meiman agreed to retire from the institute in exchange for a declaration from its director that Meiman's work had been published openly in Soviet journals.

Dr. Meiman's sacrifice of his job and the institute's declaration had absolutely no bearing on the attitude of the Soviet emigration officials, who have repeatedly turned down his application to leave—most recently last July 28.

Naum Meiman has also been actively involved in the human rights cause in the Soviet Union. With Anatoly Shcharansky and others, he helped establish the Helsinki Monitoring Group of Moscow, the organization which has sought Soviet compliance with the Helsinki Final Act. Meiman also saved Shcharansky from arrest in 1977 by employing him as a secretary, thereby saving Shcharansky from the charge of "parasitism."

The strain of the struggle to be free has affected Dr. Meiman's health. He suffers from chronic gall bladder illness, and is not receiving adequate treatment.

Naum Meiman's struggle is but one of thousands in the Soviet Union who are seeking to exercise the most basic right of freedom of emigration. We cannot and must not be indifferent to the cruel treatment of so many by the Soviet Government.

Following are recent articles on Dr. Meiman's plight:

FRAIL AND ALONE, A JEWISH ACTIVIST WAITS IN MOSCOW

(By Anthony Austin)

MOSCOW, July 10.—In a bare two-room apartment left from better days, one of the last of the Jewish activists lives alone, in frail health, waiting for an answer he was promised within a month six months ago.

His name is Naum S. Meiman and he is 67 years old. Until four years ago he was a senior research fellow at the Institute of Theoretical and Experimental Physics in Moscow. He has appealed for reconsideration of the denial of his 1975 application for emigration.

His story typifies a tangle of attitudes that not even he can quite sort out. Hard though it has been for many Russified Jews to uproot themselves from the land of their forebears, they have increasingly come to feel that they have no future in a country where, they maintain, discrimination against Jews in education and the professions has been on the increase.

Though the authorities have permitted emigration, mainly involving Jews, to rise to a rate of about 50,000 a year, those who apply run up against an age-old Russian feeling of contempt for anyone who abandons the motherland.

STILL REGARDED AS TRAITORS

"They used to say to us, 'People like you ought to be stood up against the wall,'" Mr. Meiman said. "They no longer say that, but they still regard us as traitors."

Some have found themselves on a visa blacklist—in Moscow alone perhaps 100 families. Why these people and not others? "Who knows the full answer?" Mr. Meiman said. "They seem very reluctant to let scientists go. Maybe that's meant to discourage other scientists who are not Jews. You must be cleared of all suspicion of possessing state secrets. Can you imagine what personal grudges can be paid off against you by your superiors or co-workers on that point alone?

On Dec. 20, though weak with a virus infection developing into pneumonia, Mr. Meiman took himself to a house off Hersen Street where, once a month, appeals in visa cases are heard by a high official named Konstantin I. Zotov. A crowd of petitioners, mostly Jews but ethnic Russians, too, and ethnic Germans from their ancestral lands on the Volga packed the waiting room and spilled out into the alley.

Through the bold act of a phone call to someone in the Central Committee of the Soviet Communist Party, Mr. Meiman had arranged to be taken out of turn. Mr. Zotov, a big, heavyset man, received him in his office, sitting behind his desk.

"VERY POLITE THESE DAYS"

"He is a colonel or a general but he was in plain clothes and very polite—they are very polite these days," Mr. Meiman related. "I told him it had been four years since I applied for a visa, and the reason for the rejection, that I was in possession of state secrets, must surely be recognized by him as nonsensical."

To prove it, Mr. Meiman had a statement given him in 1975 by the director of his institute, I. V. Chuvilo, confirming that his work for the previous 20 years had been in the field of abstract mathematics and had been published in open Soviet scientific journals. Mr. Chuvilo gave him the paper for a price: that, as an applicant for emigration, he leave the institute at once. Mr. Meiman retired and has been living on a modest pension.

"True," Mr. Meiman continued with his account, "I had done some secret work from 1948 to 1955, on conditional calculations. But that was 24 years ago, and whatever sensitive work I might have done then has long ago become obsolete and lost all practical significance.

"I told Zotov all that. I showed him the paper. I told him I was not well. I have a chronic gall-bladder condition and my heart is not good. I am all alone here. I don't know if I can go through another winter like the last one. To tell you the truth, it has become not only a question of leaving, but of life and death."

After a five-minute interview, Mr. Zotov said he would give an answer within a month. There has been no word since.

TWO FRUITLESS APPEALS BEFORE

Twice before Mr. Meiman appealed for intercession, in a letter in December 1976 to Leonid I. Breshnev insisting that he had no secret information and in a letter in December 1977 to the president of the Soviet Academy of Sciences, Anatoly P. Aleksandrov, saying that "you, better than anyone, can appreciate the falseness and absurdity" of the matter of secret information. Neither replied.

After the arrests in 1977 that thinned the ranks of Moscow dissidents, after the increase in Jewish emigration in 1978 and 1979 and after the expulsion of five dissidents in exchange for two Soviet spies last May, there are few "rejected ones" left who are also prominent in the Soviet human-rights movement. Among them Mr. Meiman is one of the most active.

One of the men he got to know well in 1977 was Anatoly B. Shcharansky, the Jewish rights activist now serving a 13-year sentence. At the time, being without official work, Mr. Shcharansky could have been picked up for "parasitism." To save him from that danger, Mr. Meiman made him, officially, his secretary. When Mr. Shcharansky was arrested on the incalculably graver charge of espionage, Mr. Meiman was twice called in by the security police for questioning, and each time refused to appear.

In October 1977, while he was under house arrest, the strain told and he suffered a violent gall-bladder attack. A doctor gave him a written opinion that he was in urgent need of special care, which, living alone, he could not have.

Continuing with his account, Mr. Meiman said: "But I don't want to paint everything in black colors. I have been lucky in life to have known such people as Andrei Sakharov, Anatoly Shcharansky, Yuri Orlov, Vladimir Slepak, Gen. Pyotr Grigorenko, Valery Turchin."

They are some of the human-rights figures he has been associated with, all except Dr. Sakharov, the physicist, now either in prison or in exile. "And this apartment, which the authorities haven't taken away from me—by our standards it's comfort," he said. "Two rooms, a cot, a table, and here, my own bathroom, my own kitchen. And an added convenience, a K.G.B. listening device, right there behind that wall."

"What oppresses me," he said, "is that I am denied contact with other physicists, and without such contact in the field of modern mathematical physics you fall behind. I have a few years left for scientific work. I have a feeling I am in a race with time and the odds are against me."

SOVIET BARS EMIGRANT VISA AGAIN

MOSCOW, July 28.—Naum S. Meiman, a Jewish activist who appealed to the Soviet authorities seven months ago to reconsider their denial of his 1975 exit-visa application, said today that the visa had again been refused.

He said he was informed of the new refusal in a telephone conversation several days ago with an official of the Soviet visa department. The reason given, he said, was the same as the first time, that he was in possession of state secrets as a result of his work in the Moscow Institute of Theoretical and Experimental Physics from 1955 to 1975.

The 67-year-old former physicist had to sever relations with the institute after he applied for emigration in 1975; he has been out of work since. He based his appeal partly on a letter he had obtained from the institute director, I. V. Chuvilo, stating that his work there had not involved secret material.

Mr. Meiman has been active both in support of Jewish emigration and as a political dissident, a member of a Moscow group formed to monitor Soviet compliance with the human rights provisions of the 1975 Helsinki accords.●

WORLD OIL OUTPUT SET RECORD DURING U.S. GASOLINE SHORTAGES

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GORE. Mr. Speaker, Government and industry officials have given various explanations of the recent severe gasoline shortages but have always emphasized the political crisis in Iran, which resulted in an immediate cut in worldwide oil production of 5 million barrels per day. Last February, I asked Mr. Dario Scuka, a petroleum analyst with the Library of Congress, to attempt to quantify the worldwide oil shortage and to determine the extent to which other exporting nations had increased production to compensate for the loss of Iranian oil production.

Mr. Scuka's analysis, based on projected figures, showed that world oil production during the first three quarters of 1979 was likely to be the same as it was during the first three quarters of 1978, despite the Iranian shutdown. This was a limited but highly significant point. Based on Mr. Scuka's analysis, I expressed the fear that an exaggerated hysteria about the immediate impact of the Iranian revolution on oil supplies was diverting our attention from the very real impending "price crisis," and creating a panic that could lead to hoarding.

Since that time, gasoline prices have risen far beyond our expectations. A dollar-per-gallon gasoline is now a very painful reality in most of our country. And there is no end in sight to the skyrocketing price of gasoline and no relief for the many Americans—farmers, small business operators, working families—who are hit hard by these price increases.

Recently, actual worldwide oil production figures for the first 6 months of 1979 have become available. These figures confirm the projections made earlier this year in Mr. Scuka's analysis; in fact, they show that worldwide oil production was actually somewhat higher than Mr. Scuka's projections. These figures, initially reported in the Oil & Gas Journal and later summarized by the Washington Post, show that world oil production was 5.8 percent higher in the first half of 1979 than in the comparable period in 1978.

I want to take this opportunity to commend Dario Scuka for his excellent work in predicting this result from early projected figures. He was the only one who did so. Now that the chips have been counted, his figures have been proven amazingly accurate, if slightly conservative. It should give us pride in the work of the Congressional Research Service.

I would like to share with my colleagues the articles reporting these new statistics during the August recess:

WORLD OIL OUTPUT SETS RECORD DESPITE IRAN

(By J. P. Smith)

Despite the revolution that shut down Iranian oil output—and no matter the gas lines in the United States—world oil production rose to record levels during the first six months of this year.

Sharply increased production from the Arab Gulf states (primarily Saudi Arabia), from the North Sea and from Third World countries outside the oil cartel more than made up for the Iranian loss.

Worldwide oil output was 5.8 percent higher the first half of 1979 than in the comparable period last year, according to the authoritative Oil & Gas Journal. The Central Intelligence Agency and administration experts have come up with similar estimates.

These figures are sharply at variance with the impression left earlier this year by former energy secretary James R. Schlesinger and others in the administration, who attributed the U.S. gasoline lines and 40 percent increase in gasoline prices in part to a world oil shortage brought on by Iran.

But to some extent the year-to-year production figures are deceptive, analysts said yesterday. During the first half of 1978, world oil production was kept artificially low, as the industry tried to work off a glut that had put downward pressure on prices the year before. Indeed, U.S. companies seem in retrospect to have gone a little too far in 1978, and to have let inventories fall below normal.

Thus the production increase so far this year to some extent represents recovery, and to some extent reflects the normal annual increase in world consumption of petroleum products.

It is theoretically possible to have an increase in production and a tight world market at the same time.

Prices have also been lifted by anxiety. The chaos in world oil markets spurred by the Iranian revolt has still not totally subsided, and most oil analysts say future production is still marked with uncertainty.

Iran, formerly the second leading producer in the organization of Petroleum Exporting Countries, reduced its oil output from more than 5.5 million barrels a day during the first six months of 1979.

Nevertheless, total free world oil production was not far below forecasts the major oil companies and the Energy Department made last year before the Iranian revolt.

Oil & Gas Journal, an industry trade publication, says total world oil production averaged 61.8 million barrels a day during the first half of this year compared with 58.7 million barrels a day during the first six months of 1978.

Reflecting on the sharp increase in world oil output, a New York-based international petroleum analyst, Walter J. Levy, said, "Production was definitely higher than people expected."

Levy, however, cautioned that "the danger is that the statistical supply picture can deceive us about the underlying weakness of our position" as oil importers.

The sharpest increase in oil output during the first half of the year came from the Saudis, who raised production 1.4 million barrels a day over their average level during 1978—a rise of 16.6 percent. During most of the first six months of this year, the oil-rich kingdom's output exceeded its self-imposed ceiling of 8.5 million barrels a day.

Iraq, likewise, dramatically increased its production by 900,000 barrels a day, a jump of 37.6 percent over last year, and has replaced Iran as the cartel's second leading producer.

Overall, despite the interruptions and sharp decline in Iran's oil output, the 13-member OPEC cartel's production during the first six months of this year rose from 28.3 million barrels a day in January to 31 million barrels a day in June. Moreover, according to Central Intelligence Agency internal analysis, the cartel's oil production continued at higher levels during the first half of 1979 than in the first six months of 1978.

John Lichtblau of the Petroleum Industry

Research Foundation says that "there was clearly a shortage during the first quarter" of 1979 but that free world output rose during the second quarter.

As for the current state of world oil markets, Lichtblau says he expects free world production to hold at between 52 million and 53 million barrels a day. During the first three months of this year, Lichtblau says, free world production stood at 50.5 million barrels a day.

At the Energy Department yesterday a senior official said, "Our numbers show production is up dramatically too."

As for Schlesinger's pronouncements earlier this year that the world oil shortage was as much as 2 million barrels a day, the DOE official said, "Our view was that demand including stockbuilding exceeded supply." As for the current oil outlook, the official said, "We are on the knife's edge now—just about at equilibrium."

Ironically, in June in Geneva as OPEC announced the stiffest price increase since 1973's embargo, most oil ministers said that production and demand were in close alignment.

Before the OPEC meeting opened, Dr. Fadhil Chelabi, an official with the cartel's secretariat, said that much of the confusion in oil markets during the spring resulted from the massive replenishment of inventories in the industrial nations, not from shortages in oil production.

Schlesinger, however, disagreed. A week before the OPEC ministers met he told a Washington press conference that the world shortage amounted to about 1.6 million barrels a day, and predicted, "There will be some easement, but it will not be great."

U.S. OIL IMPORTS INCREASED DURING GASOLINE CRUNCH

(By Patrick Tyler and Jonathan Neumann)

While American motorists were waiting in gasoline lines earlier this year, U.S. oil firms were importing 9 percent more crude oil than they did in 1978.

A detailed examination of oil company records shows that among those crude oil import increases for the first six months of 1979 were: Gulf Oil Corp., up 23.5 percent; Ashland Oil, up 19.6 percent; Mobil Oil Corp., up 17.9 percent, and Exxon U.S.A., up 15.5 percent.

The import records are filed monthly by each oil company with the Department of Energy (DOE) and are certified by the firms as accurate under penalty of law.

In interviews, executives of Gulf, Exxon and Mobil acknowledged that their imports—and their total crude supplies—were up substantially, despite the shutdown of the oilfields in Iran for 10 weeks at the beginning of the year.

None of the company officials offered an explanation of how this summer's gasoline shortage was touched off in the face of fast-growing imports.

"We at Mobil don't make or create gasoline lines, that's an industry phenomenon," said Bonner Templeton, a vice president for supply and distribution.

Said Jon Deakin, senior vice president for Gulf's oil supply arm, "That's always the thing that's hard . . . because I know we maintained our refinery runs pretty consistently this year . . . insofar as we are concerned, our level of crude supply was pretty well sustained."

"Where did the oil go? You've got me bothered by the fact that I don't have a satisfactory answer to the question," said Anthony L. Seaver, manager of the planning division at Exxon International.

It was reported this week that worldwide oil production was up 5.8 percent in the first six months of 1979. And federal energy officials have reported in the past that total U.S. crude imports were up.

However, DOE officials have never presented these figures on a company-by-company basis.

Until now, federal energy officials have explained the summer gasoline shortage in part by saying that refiners used their increased crude supplies to rebuild their reserves, that they used their refineries at less than capacity and that to some extent they cut gasoline production in favor of other and more profitable oil byproducts like jet fuel. At the same time, federal officials have said that gasoline demand rose artificially earlier this year as panicky motorists and other consumers began topping off their tanks.

Total crude oil import figures from company records show that in the first five months of 1979 U.S. oil firms imported 385 million barrels more than in the first five months of last year.

That much crude oil would have supplied an additional three weeks of driving gasoline to American motorists this summer, according to the National Petroleum Refiners Association.

While crude oil imports rose this year by 9 percent, demand for gasoline in the nation rose by approximately 3 percent, according to oil industry spokesmen.

Even as imports increased steadily in the first half of 1979, oil companies cut gasoline supplies to service stations by as much as 15 percent. The resulting tight market led to a 50 percent increase in the price of gasoline.

The records show that just after Iran stopped oil production on Dec. 26, the U.S. companies sharply increased their crude oil imports from other nations, including Saudi Arabia, Kuwait, Nigeria, Algeria and Venezuela.

For example, Exxon, the nations' largest oil company, had been importing approximately 3 million barrels of Iranian oil for U.S. use each month before the Iranian shutdown.

Yet, when it lost 9.4 million barrels of Iranian oil in April, May, and June, Exxon replaced that amount with imports from other countries and still increased its overall crude imports by 5 million barrels compared with the like three months in 1978.

Indeed, just as Iran concluded its first full month of shutdown in January, Exxon was setting its record for a single month's imports—26.6 million barrels.

Executives at Exxon, Mobil and Gulf and federal energy officials offered varying explanations of why gasoline supplies to the public were reduced in the face of rising crude oil supplies.

A spokesman for Exxon declined to provide specific information to show how Exxon's additional crude oil as used this year.

"The numbers you want are simply not going to be made available because the never were made available before," said Margaret Earle.

Another Exxon spokesman said that, generally, Exxon used some of its additional crude to build up reserves, which had been drawn down in the first quarter of 1979 to meet higher demand for gasoline and to replace "marginally lower" supplies of domestic crude oil.

The spokesman, Seaver, of Exxon International, said that while Exxon's crude oil supplies were higher than 1978, they were not as high as the company had planned.

Seaver declined to disclose what the company had projected for its crude oil needs this year.

Peter Wolgast, manager of Exxon International's planning and analysis division, had said in an interview last Friday that "our actual imports were lower [in 1979] than they had been at the same time in 1978."

Yesterday, Wolgast acknowledged that "when I went back and checked, I found the opposite." He said that while crude oil imports were up by about 15 percent, imports of refined fuel oil and gasoline were down by about half as much. Still, he said, the figures had increased overall.

At Mobil, where crude oil imports were up almost 18 percent, Templeton said that his company used some of the additional oil to build up its reserves of gasoline in order to prepare for refinery shutdowns for maintenance this fall.

By July, Templeton said, Mobil had more than a million additional barrels of gasoline in reserve than it normally maintains to prepare for those shutdowns.

"In hindsight, we could have released that million barrels and our inventory wouldn't have gone below last year's levels," Templeton said.

He said Mobil was operating this year with about 52,000 additional barrels of imported crude supplies. Part of that, he said, was to make up for a loss of 15,000 barrels a day of domestic crude oil that Mobil could no longer buy, leaving a net increase of 37,000 barrels a day.

Templeton said that during the period of the gasoline shortage Mobil's crude oil reserves remained fairly constant, with 21 million barrels in April, and back to 21 million barrels in May.

At Gulf, Deakin acknowledged that crude oil imports were up by 23.5 percent, but added that imports of refined fuel oil and gasoline were down. Gulf increased its net imports of oil and oil products by about 10 percent in the first six months of 1979, Deakin said.

He said he could offer no specific explanation of why there were lines at Gulf stations just as there were at other stations.

"It's always hard comparing statistics," Deakin said. "You're really comparing apples and oranges—what you planned to import and the marketing environment. One reason we were able to run our refineries so well is because we were not relying on Iranian crude."

Les Goldman, assistant secretary of energy, professed surprise over the 9 percent increase in crude oil imports. Nonetheless, he said consumer demand was larger than the oil supply could accommodate this summer.

On Feb. 7, then secretary James R. Schlesinger told the Senate Energy Committee that the Iran shutdown would reduce oil imports by 500,000 barrels a day. And in a special report to the president released three weeks ago, the DOE said that imports in February through May this year increased by only 3.3 percent over last year.

Goldman defended both of those positions, despite the oil company records showing a 9 percent crude oil import increase.

He said Schlesinger was right, because DOE views the increased import figures as a "reduction" since imports were not as high as they might have been if Iran had not stopped oil production.

Goldman also said that the 3.3 percent figure cited in the report to the president referred to total figures for imports of all petroleum products, including substantial quantities of residual fuel oil used primarily by electric utilities to power generating equipment.●

PERSONAL EXPLANATION

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. CAVANAUGH. Mr. Speaker, weather held up my return flight to the city and I unfortunately missed a vote on rollcall No. 435. Had I been here I would have voted "aye."●

REDEVELOPMENT PROJECT ON CHICAGO'S SOUTH SIDE

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. ROSTENKOWSKI. Mr. Speaker, as a representative of an urban community, I am always interested in the efforts of people and institutions that support our city neighborhoods. The subject of a recent New York Times article is the South Shore National Bank's redevelopment project on Chicago's South Side. The bank's program, now 5 years old, was set up by Ronald Grzywinski. By all indication the project has helped stem neighborhood deterioration, reduce crime, and stabilize the community it serves. I would like to insert this article in the RECORD:

CHICAGO BANK MAKES MONEY ON LOANS THAT ARE DETERIORATING NEIGHBORHOOD

(By Nathaniel Sheppard, Jr.)

CHICAGO, July 26.—Five years ago the new owners of the South Shore National Bank set out to disprove the notion of their fellow bankers that making development loans in deteriorating neighborhoods was like throwing money out of the window.

Today, buoyed by its success in helping to arrest blight in the South Shore district, a predominantly black community of 80,000 seven miles south of the Loop, the bank is preparing to embark on an even larger rehabilitation effort.

In a joint venture, it will finance its holding company's multimillion-dollar purchase and rehabilitation of about 500 units of deteriorating multifamily housing in the most blighted section of South Shore. It will be one of the largest rehabilitation efforts involving other than high-rise buildings.

NATIONAL MODEL IS HOPED

Officers of the bank hope that the effort will help their neighborhood redevelopment project become a national model of how local banks and institutions can play a vital role in preserving communities while still turning a profit. Other banks in Chicago and in other cities have expressed interest in the bank's efforts, and it is setting up a seminar for bankers who would like to know more about the bank's methods and experience.

"While other banks are redlining neighborhoods we are greenlining them," said Susan Davis, vice president of the bank. "And we have been able to turn a profit while doing so."

Redlining is the practice by banks, insurers and other institutions of refusing to make loans, grant mortgages or write insurance in certain neighborhoods because of perceived risks. Redlined neighborhoods are usually poor or predominantly occupied by minorities, or they are close to such neighborhoods.

"In the new project we will take the biggest and the worst buildings in South Shore and make them as good as new and hope that smaller buildings and homes in the area will ride on our coattails," said Thomas Gallagher, president of the City Lands Corporation, an affiliate of the Illinois Neighborhood Development Corporation, the bank's holding company. "We believe the project will be sufficiently dramatic to get the community back on its feet."

99 PERCENT WHITE IN 1950'S

In the 1950's South Shore was 99 percent white, a well-to-do community with a lakefront on its eastern boundary, an area of stately mansions and a mix of houses and three-story, multifamily buildings.

Rapid growth of surrounding black communities increased the demand for housing in South Shore and prices began to rise rapidly. As blacks moved in, whites moved out, along with virtually all of the businesses and the exclusive shops that had thrived there. The area is now 85 percent black.

As the neighborhood changed, the South Shore Bank began to cut its services, granting only two mortgages totaling $50,000 in the community in 1972. As a result of its cutback in services, deposits declined from a peak of $80 million to $46 million and the bank's owners decided to bail out.

"We call this disinvestment," said Ronald Grzywinski, chairman of the bank's executive committee and the man who set up the redevelopment project. "As the former operators of the bank saw it, the new people in the community were not as credit-worthy, did not maintain accounts large enough to be profitable and presented the risk of increased fraud and higher delinquent loan payment rates."

"When a neighborhood changes racially," Mr. Grzywinski went on, "the people in its institutions often throw up their hands and say there is nothing that can be done to save the community, and leave. Bankers have at least as much if not more prejudice as others and when a neighborhood changes they keep investment money out of that neighborhood."

By this time, Mr. Grzywinski had developed his model for a bank's participation in community development through a holding company and was looking for the opportunity to try it out.

After obtaining about $4 million in financing from foundations and other groups, he and three partners took over the bank and began the neighborhood redevelopment effort.

In the last five years the bank has granted development loans totaling $18 million in the South Shore community. In 1977 and 1978 the bank financed the rehabilitation of 625 multifamily housing units at a cost of $3.7 million. It also granted 114 mortgages for single-family homes, 37 mortgages for multifamily homes, 209 home improvement loans, 125 commercial loans and 293 student loans.

BUSINESS RENOVATION SLOWER

Despite the infusion of money into South Shore housing, many storefronts remain vacant or in disrepair along 71st Street, the hub of the neighborhood.

Last year a group of South Shore residents joined forces with developers and formed the Phoenix Partnership. The partnership bought three and a half blocks of commercial buildings along 71st Street. With loans from the bank the group began a renovation effort that already has resulted in the restoration of a block of vacant storefronts.

And the owners of the Rosenblum Drug Store, the only business to remain in the neighborhood after its population shifted, have undertaken a $340,000 project, underwritten by the bank, to rehabilitate and expand their retail space.

"We knew that the community had to be revitalized at some point because everybody can't move to the suburbs or to the North Side of the city," said John Kelly, one of the drugstore's owners. "And besides, the neighborhood wants us to stay."

LARGER SPACES GOING FAST

Last year the bank extended $6.4 million in development loans to the South Shore neighborhood, raising its total outstanding loans to the area to $15.2 million. The 90-day delinquency rate on the loans, at 2.4 percent, was well below the industry average, according to bank officials.

The bank's net income last year, after subsidizing its redevelopment project for the $30,254 difference between development income and development expenses, was $208,000, representing a 5.2 percent return on its equity. The level was well below the industry average of 14 percent for banks of its size, "but it proved those critics wrong who argue that you can't make loans for commercial real estate ventures in black communities without losing your shirt," said Milton Davis, the bank's president.

REHABILITATION DOES WORK

"Conventional wisdom has it that the economics of rehabilitation don't work and that you have to bulldoze and build anew from the ground up," he said. "We've come to the opposite conclusion—that you can rehabilitate, get sound housing and put it back on the market at prices people can afford."

Two studies by a University of Chicago sociologist indicate that the rehabilitation effort has played a significant role in arresting blight, reducing crime and stabilizing the South Shore community.

In a follow-up to a 1974 survey of the community, the sociologist found a dramatic reduction in population turnover and the crime rate, a stable welfare rate and rising median family incomes and property values. He also found residents more optimistic about the nighborhood's future.●

FREEDOM FOR DR. SEMYON GLUZMAN

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GREEN. Mr. Speaker, once again I rise to speak out on the case of Dr. Semyon Gluzman, a 32-year-old psychiatrist who has been unjustly imprisoned in the Soviet Union for over 7 years. I make these remarks as part of the "Shatter the Silence, Vigil 1979," organized in conjunction with the Union of Councils for Soviet Jews, a daily event on the floor of this House which seeks to gain freedom for Soviet Jews.

Semyon Gluzman is a man of great courage and conviction, who was imprisoned 7 years ago last May, because he refused to certify human rights and political activists as insane for the KGB. Dr. Gluzman was only 25 at the time he went to prison for refusing to abrogate the tenets of his profession, and he has paid dearly for his love of freedom and truth. The record of his prison term includes prolonged terms of solitary confinement, resulting in severe ill-health, and a seriously damaged physical condition bordering at times on death. A recent photograph I received compares starkly to the one taken at the time he was so unjustly incarcerated. Last May, after his official 7-year prison term was over, Dr. Gluzman began his 3-year term of "internal exile" in Siberia, where he now languishes.

What makes the plight of Semyon Gluzman so personally compelling to me and thousands of others in the United States and abroad is that he has never ceased to speak out for freedom and truth throughout his prison term. In the early years of his sentence, he coauthored with Vladimir Bukovsky a "Manual of Psychiatry for Political Dissidents," a

guide for fellow dissidents describing techniques to prevent being classified as psychotic by government psychiatrists, and managed to smuggle this to the outside world. While in prison he vigorously protested the treatment of his fellow prisoners, which brought about his placement in harsh solitary confinement. Last January, another of his poems reached the West, and once again Semyon Gluzman spoke out for freedom and truth and religious beliefs in a magnificent and moving way. His courage seems undaunted despite the adversity which he has experienced.

It is important that the leaders of the Soviet Union realize that the world is watching what happens to Semyon Gluzman. There are 63 cosponsors of House Joint Resolution 265, which I have introduced along with my colleagues BIAGGI, BINGHAM, and KEMP, calling upon the Soviet Government to release him and allow him to emigrate to Israel with his family. On May 9, the anniversary of his prison sentence, 42 Members of the House wrote to President Carter asking for his intervention on behalf of Dr. Gluzman. There are organizations working on Dr. Gluzman's cause in the United States, and in other countries, such as Amnesty International and the Committee to Free Dr. Semyon Gluzman.

Our outrage at his treatment has not abated. Our work on his behalf will persist. And we continue to pray for his health and fortitude so that in fact Semyon Gluzman will realize his prayers for freedom soon.●

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DERWINSKI. Mr. Speaker, I wish to insert a speech by the chairman of the Captive Nations Week Committee of the Republic of China, Dr. Ku Cheng-kang, which he gave while visiting Washington, D.C., in connection with the Captive Nations Week celebrations here in the United States. During his visit to the Congress, Dr. Ku spoke before both House and Senate Members.

As shown in Dr. Ku's address, it is imperative for us to continue to uphold the human dignity of those peoples held captive of communism, who struggle for their freedom, democracy and human rights:

BETTER NEW RELATIONSHIP FOR GREATER COMMON INTEREST

(Speech by Dr. Ku Cheng-kang, the 20th Captive Nations Week Anniversary, Washington, D.C. July 17, 1979)

It was here on the Capitol Hill, a solemn symbol of freedom and democracy, that observance of Captive Nations Week became a public law 20 years ago. The objective was to bolster the subjugated peoples' aspirations for freedom and independence. Taken thus was a Congressional step of moral courage in line with America's national spirit. More recently, especially since mid-December last year, the righteous words enunciated by you on the China issue and in support of the Republic of China's endeavor for freedom and democracy have won acclaim the world over.

On this notable occasion, I have the privilege to express my heartiest respect for all of you. It is my great honor to visit this country for the historic 20th Captive Nations Week Anniversary and thus be with you at the very place of that noble legislative move.

BASIC CONFRONTATION BETWEEN SLAVERY AND ANTI-ENSLAVEMENT

This is a turbulent age with dangers lurking everywhere. People are earnestly praying for peace and seeking ways to avert wars. But the unchanged Communist goal is world communization and enslavement of mankind. Still continued, therefore, is the fundamental confrontation between those bent on spreading slavery and those who oppose it. This involves freedom and democracy on the one hand and, on the other, Communism and autocracy.

The confrontation is presently manifested mainly in three forms:

One is Communist nuclear blackmail versus the nuclear armament of free nations.

Another is Communist aggression through proxy wars versus the effort of free nations to safeguard freedom.

The other is multifront Red expansion versus the free world exertion to promote common security.

Asia is the major sensitive area of confrontation. The Russians are stretching out into the Middle East, the Indian Ocean, the South Seas, and the Sea of Japan. The Communists of China and Vietnam are resorting to their utterly ruthless inhuman tactics—export of refugees—in their attempts to harass and subvert free nations of Southeast Asia. Add to this picture the energy crisis that is shaking the world, and it becomes unequivocally clear that the course of Asia will decide future world outlook.

Promotion of freedom and security in Asia is indispensable if the free world is to avoid being plunged into wars and disasters. This promotion urgently requires the pooling of Asian forces that stand for freedom.

Freedom forces are awakening and rising in Asia. The United States must grasp this advantageous situation, firmly stand with free Asians, and strive with strength for the protection of security in the Asian and Pacific region.

CHINESE COMMUNISTS—AN ASSET?

One popular strategic concept demands alliance with the Chinese Communists for the restraint of Russians. This seemingly attractive idea is in fact quite mistaken and dangerous.

The mistake lies in the attempt to unite with a force of enslavement for opposition to another similar force. This will spur multifront Red expansion and provide the Chinese Communists with opportunities to trick industrially developed democratic countries into supplying them with knowhow, capital, facilities, food stuff and weapons for growth as another aggressive force.

The danger stems from the blurring of demarcation between friend and foe. This loosens the free camp and exposes free nations as targets of individual conquest by the Russian and Chinese Communists who are racing hard for hegemony. Even more dangerous is that the two Red powers may at any time join hands for their common communization goal and advance together against the free democratic world.

The Chinese Communists are poor, backward and very bellicose. Alliance with them certainly will be liability, not an asset, to free nations.

For some time not long ago, the Chinese Commun'sts were talking boastfully about their so-called Four Modernizations, supposedly requiring a total capital outlay of 600 billion dollars. Radiant but actually unrealistic pictures of "Chinese mainland market" were painted in the minds of many outsiders.

But as numerous sources were looking forward to big business deals, the Chinese Communists found themselves having no choice but to admit that the program is just as impracticable as the "Great Leap Forward" of the late 50s. Unilaterally they scrapped a number of foreign trade and monetary contracts and agreements. This was accompanied by terrorist steps at home against those clamoring for freedom, democracy and human rights.

At the two-week Second Session of the 5th "National People's Congress" that opened in Peiping ("Peking") on the 18th of last month, Hua Kuo-feng said the Chinese mainland poverty and backwardness could not be erased in a short while and that inaccurate estimate and planning had been made for Four Modernizations. He spoke of the existence of "obvious defects" in economic and production management systems, then called for overall adjustment.

Many recent visitors from abroad have been shocked by the ignorance and backwardness of the Chinese Communists, the destitution of the people, and the widespread loss of hope in Communist rule. Jay Mathews wrote for the Washington Post July 5 that the majority of people, including cadres, were resentful and unwilling to make further sacrifice for Peiping. He feels the regime is in no shape to continue its rule and the Chinese mainland political outlook will change as a result before long.

The Four Modernizations program has failed without getting under way, but the Chinese mainland people's campaign for freedom is spreading and gathering momentum. Young people want freedom of schooling, occupation and marriage; workers are demanding freedom to choose jobs; farmers are badly in need of freedom from hunger. People are gallantly proposing that the mainland learn from Taiwan. One notable characteristic of this situation of all-out anti-Communism is that even those of the younger generation, who have been brought up and educated under Communism, are rising against the regime and its doctrine. A fatal wound has been inflicted. The Chinese Communist rule can fall apart overnight if the anti-Communist campaign of the people there receives proper assistance from free nations.

HOPES ATTACHED TO THE U.S.

Distinguished Senators: In this crisis-ridden world seriously threatened by Communist expansionists, high hopes continue to be attached to the United States.

America doesn't have to be an international fire company, and no young American blood need be shed in any foreign land. All that the people hope the U.S. will do is:

First, refrain from doing anything that will help Red growth and never dance to the tune of Russian or Chinese Communists. Instead, adhere to the stand for freedom with strength and check Red advances.

Second, avoid damaging free forces. Do not mistake enemies as friends, thereby hurting America's truly faithful companions. Instead, give full play to the nation's massive productivity and advanced science and technology, and help the other free nations speed up their industrialization for the enhancement of their defense capabilities. Furthermore, strive to unite all the world's freedom forces for positive safeguarding of free people's common security.

Third, keep away from matters that make it easier for the Communists to tighten their grip on the captive masses of people—more than a billion of them—behind the Iron Curtain. Drive in wedges of human rights campaign and encourage those in chains to fight for freedom and democracy.

GROWTH OF NEW U.S.-ROC RELATIONS

Distinguished Senators: The peoples of the United States and the Republic of China share identical ideological patterns and ways of life and similarly love freedom and democracy. The ROC is exposed to sharp impacts on the international front but remains firmly on the free camp side and continues to promote the nation's democratic constitutional rule. The ROC respects free economy and is presently America's eighth trade partner. The two-way U.S.-ROC trade total in the six years from 1980 to 85 is expected to exceed 100 billion dollars.

Through endeavors to safeguard freedom and democracy, the ROC government and people in Taiwan have kept a beacon lamp burning for the 800 million Chinese mainland population. Whether those 800 million people are to remain in captivity or regain freedom has decisively to do with the future of the entire world. If those people are to become massive additional manpower of the free camp instead of remaining as Red Chinese tools of aggression, the strong existence and growth of the ROC is an absolute prerequisite.

The security of the ROC's Taiwan base has inseparably to do with the security of Northeast Asia and the entire Asian-Pacific region. Taiwan also is a shield for the protection of America's strategic bases in the Western Pacific. Because of its strategic position, the island can help check Russian expansion into the area. If the security of Taiwan is undermined, the entire Western Pacific will be exposed to so much easier Red advances.

For the common interest of the U.S. and the ROC, the two nations should seek to develop new relations through economic, trade, cultural, people's diplomacy and other channels.

For the security of the Western Pacific, our two nations must exert greater joint endeavor against the spread of Communist forces of enslavement.

For the promotion of lasting friendship between the two great peoples, the U.S. and the ROC must together assist the Chinese mainland people's fight for freedom, democracy and human rights.

Distinguished Senators: Developments in all parts of the world have made it crystal clear that people everywhere invariably are after national security, political democracy, social stability and economic prosperity. The Communist class struggle and dictatorship of the proletariat, being contrary to human nature and human rights, have been discarded by the world at large. Notable indications are the examples of defeat suffered by Communist candidates in the recent European and Japanese elections. The Communist rampancy today is only on the surface. It cannot conceal the continuing Red bloc trend of degeneration and dissolution. Neither eclipsed is the surging tide of freedom forces with insistent determination. The campaigns waged behind and outside the Iron Curtain against Communism and tyranny will be joined as a torrent of the age, destroying all Red forces as it surges ahead. America as the mainstay of the free camp is charged with the historic mission to lead and promote free world endeavor for freedom and democracy. The world ardently hopes and earnestly requests that all of you Senators will continue to uphold justice and see that the American will power is kept at the highest possible level.●

OPENNESS IN GOVERNMENT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. GOODLING. Mr. Speaker, during the recent Congressional recess, Pat Harris, the new Secretary of HEW, took another giant step in the President's "openness in government" policy. I ask my colleagues to take a look at the attached memorandum and draw their own conclusions:

MEMORANDUM

WASHINGTON, D.C.,
August 16, 1979.

To Assistant Secretaries, Heads of Principal Operating Components, Heads of OS Staff Offices, Principal Regional Officials, Special Assistants, and Executive Secretariat.

This is to ask that no communications be sent to Members of Congress or staff on any pending or proposed legislation without express approval by me through the Assistant Secretary for Legislation.

Until further notice, there are to be no meetings, calls, or staff contacts with Members of Congress or staff, White House Staff, Office of Management and Budget, or the Economic Policy Group regarding proposed or pending legislation, 1980 authorizations or appropriations, or policy development without prior discussion with me through the Assistant Secretary for Legislation.

PATRICIA ROBERTS HARRIS.●

VLADIMIR BUKOVSKY SPEAKS OUT ON THE MOSCOW OLYMPICS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. KEMP. Mr. Speaker, in his outstanding commentary on the 1980 summer Olympic games in the Wall Street Journal, exiled Soviet dissident Vladimir Bukovsky reviews new developments in the preparation of the 1980 Olympics particularly as it is being touted by the Soviets. Anyone who has accused those of us who opposed Soviet sponsorship of the games of politicizing the Olympics would do well to read this article, which follows my remarks.

It is frustratingly clear that the Soviets are using this opportunity to create a false face of socialist superiority to show the world, yet they are insulating themselves from charges that they are politicizing the Olympics by accusing their critics of the very violations of Olympic principles of which they are guilty. In other words, if we criticize their program of propaganda, we are guilty of propagandizing, therefore we are politicizing the Olympics. If we fail to criticize this obvious convolution of Olympic principles to fit socialist ends, are we not then also guilty of allowing the games to become political? This catch 22 situation is adding insult to injury, and I intend to continue protesting vigorously any indications that the Olympic games are not being carried out in the spirit in which they were created.

Mr. Speaker, does it take a Russian to stand up for the rights of the free world? Apparently so, for among those voices raised in protest that Radio Liberty and Radio Free Europe will not be permitted to cover the games I hear Vladimir Bukovsky, but not the U.S. Olympic Committee. Among those concerned that Russian dissidents and so-called prisoners of conscience will be cleared from those areas where events will be held to create an aura of internal contentment with the Soviet system is Vladimir Bukovsky, a victim of 12 years in Soviet prison camps. He knows what many will not believe or choose to ignore—that the Soviet Government will go to whatever extent we permit to legitimize its systematic discrimination and repression of its citizens, which is clearly a violation of the Helsinki agreement and of the Olympic principles first articulated by Baron de Coubertin.

If the U.S. Olympic Committee is not going to represent our interests by recognizing and protesting Soviet violations of Olympic principles, then the people of our country must speak out for themselves. We must make our voices heard, in concert with the articulate words of Vladimir Bukovsky, to prevent the Soviet Government from using the Olympic games as an official sanction to violate human rights and as an official podium from which to proselytize and to aggrandize communism.

Mr. Bukovsky leaves it to the individual athlete and tourist to decide what road to take. We could boycott, we could participate. "But if you still decide to participate in the games," he foresees from the vantage point of indisputable experience, "remember that some of the Olympic souvenirs you buy are made by prisoners in Soviet labor camps."

Mr. Speaker, it is no longer my intention to advocate a boycott of the 1980 summer Olympics. I believe it is extremely important, however, for us to do our utmost to insure equal participation for all those who do desire to attend the games. It is in that spirit that I have introduced House Concurrent Resolution 180, expressing the sense of the Congress that, in hosting the 1980 summer Olympic games, the Soviet Government should adhere to the Helsinki accords and the Olympic spirit of fair play and equality of opportunity. I urge my colleagues to join me as cosponsors in this effort to keep the summer Olympics as nonpolitical and nondiscriminatory as possible. Our strong advocacy of this position will mean a great deal to all those who participate in or are affected by the Olympics, either directly or indirectly, and will tell the world that Americans do not have to have their freedoms taken away from them, as Vladimir Bukovsky did, before we will defend the principles we hold dear.

The article follows:

GAMES RUSSIANS PLAY

(By Vladimir Bukovsky)

Who can forget the greatest Olympic Games of modern times, when Berlin became the scene of widespread gaiety? Scarlet banners with black swastikas flew in the wind, parades and festive ceremonies crowded the city and choirs sang. And who can forget that memorable moment when children presented a visibly moved Hitler with an olive branch?

Such peaceful scenes, far removed from the heat of politics, are about to be repeated in Moscow, the "capital of smiles," as they say there nowadays. Preparations for the Summer Olympics are going on at top speed. Construction may be behind schedule, but in a totalitarian state this sort of difficulty is easily overcome. All civic and housing construction has been halted in order to concentrate on the Olympic facilities.

The labor is provided by Soviet Army soldiers, in exchange for free passes to watch the Games. The building of the facilities has been declared a Komsomol shock-worker project, which means that free labor will be provided; indeed as of next autumn scientists, scholars, students will be taken from their own work and forced to labor on building sites and clean-up campaigns. Moscow is undergoing a complete face-lift: houses are being decorated, buildings are getting repainted, even the cobblestones in Red Square are being renewed.

Moscow is "cleaning up" in other spheres as well. One reason for the recent trials of dissidents was to get them out of Moscow, and to persuade the West that there is no dissent in the U.S.S.R., but merely parasites, agitators, malicious hooligans, spies and madmen. Potential troublemakers will be kept under close watch or barred from coming to Moscow. Indeed, the city will be closed for the whole summer, which also means that apart from registered Muscovites, ordinary Soviet citizens won't be able to see the Games.

PIONEER CAMPS

Schoolchildren are undesirable, too. They have already been asked to state where they intend to spend next summer. Those who have no specific plans will be organized into groups and sent to special "pioneer" camps in order to be saved from the corrupting influence of foreigners. The authorities, on the other hand, will be saved from the embarrassment of having children ask for chewing gum or jeans. One never knows what to expect from them and the unpredictable cannot be permitted.

American tourists will be organized into 15-day tours costing about $1,500 a person. They will spend three days in Moscow, but the Olympic events they attend will be chosen by Intourist. Then they will depart for Central Asia, the Caucasus or Siberia. They won't be able to make friends or mix with local people; 10,000 students are being specially trained as guides, and Soviet guides are obliged to report to the KGB about every move tourists make.

Even when they actually attend an event they will probably find themselves next to a soldier or some official—only 35 percent of the tickets will be sold to Muscovites (at a price up to $37.50) and about 30 percent to foreigners. It doesn't take a lot of imagination to guess where the rest go. (During the Berlin Olympics the predominance of officials was also noted by the foreign press. But in Moscow they will be wearing civilian clothes and won't differ much from "ordinary" people.) The events will be scattered all over Moscow and other towns to avoid people assembling in greater numbers than can be observed by the watchful eyes of the KGB.

Originally the Soviets were giving assurances that access to the Olympics would be free; there was even talk that visas wouldn't be needed to enter the country and about two million people were expected to come. Now the estimated number is down to 300,000 and there is no question of "opening the borders."

Representatives of "unfriendly" media such as Radio Liberty or Radio Free Europe won't be allowed to cover the Games. And there are signs that emigration will be stopped on the pretext that the authorities are too busy dealing with visas for foreign visitors to the Games.

The estimated cost is about $330 million to $345 million. The whole financial burden will fall on the Soviet people. The government is diverting all available resources to the Olympics, so the production and supply of food and consumer goods are being severely cut back. In addition, house-building has been stopped. In 1968, lack of food in the shops was blamed on Czechoslovakia—it was necessary to feed the Soviet soldiers there. Now the Olympics are the scapegoat.

For the Soviet government the economic gains are very real—the Games will bring in desperately needed hard currency.

The basic Olympic principles haven't changed much from 1936. They are aimed to create international respect and goodwill. German officials also invoked "the goodwill and readiness of nations to dedicate all their forces and faculties to the pursuit of friendly combat for the benefit of mankind" to achieve "universal understanding among the world's peoples."

International respect for the Soviet authorities means approval of its aggressive international policy, a policy aimed at undermining the stability and independence of other countries, unlawful occupation of sovereign territories and permanent ideological warfare against all noncommunist countries. Soviet propaganda is tirelessly hammering into the heads of people that the country is surrounded by enemies and any attempt to escape from Russia is treated as high treason, as it would be during war.

Holding the Olympics in Moscow means giving silent consent to the imprisonment of people like Kovaljov, Shcharansky, Shelkov, Ostpov, Orlov and many others whose opinions are in conflict with official ideology. It means consenting to the severe persecution of organizations like the Human Rights Movement and the Helsinki Monitoring Group, whose activities are aimed at the observance of legal and humanitarian principles which are in accordance with those of the Olympic Games.

By signing the contract with Moscow, the International Olympic Committee has violated its own rules, which forbid holding the Games in countries where there is racial, national, religious or political discrimination.

The committee is giving respectability and legitimacy to this totalitarian regime and its aggressive, oppressive and chauvinistic policies. It allows the Soviet authorities the opportunity to use the Games as a rostrum for political propaganda. The highest government and party officials are involved in organizing the Games, among them Goncharov, head of the Communist Party Central Committee Propaganda Department, and Gres'ko, expelled from England in 1971, and former controller of British spies Philby, Burgess and Maclean.

PROOF OF SUPERIORITY

The Soviet press calls the Games the greatest event in the history of mankind and has emphasized that they will take place in the first socialist country. Any success by Soviet or Eastern European sportsmen is always interpreted by their countries as yet another victory for the Communist system and proof of its superiority. The large number of medals are secured by the fact that Soviet sportsmen are highly trained professionals. Only Komsomol or Party members are allowed into international teams and they enjoy privileges only the Soviet elite enjoys—the best salaries, roomy flats, access to special shops, trips abroad. This is a direct breach of the first principle of the Olympic Games' intention "to promote the development of those fine physical and moral qualities which are the basis of amateur sport.".

About a year ago, I appealed for the first time to world opinion to press for the removal of the Olympic Games from Moscow. Recently members of the Helsinki Monitoring Group also appealed to the IOC to make a "ceasefire" in the war against humanitarianism and mercy a necessary precondition for holding the Olympics in the USSR. The IOC remains deaf to the appeal.

It would be possible to hold the Games in Montreal; it would be possible for sportsmen to boycott the Games for moral reasons; the same applies to tourists. The Soviet authorities would find it embarrassing and difficult to explain this to the people.

But if you still decide to go or participate in the Games, remember that some of the Olympic souvenirs you buy are made by prisoners in Soviet labor camps.

Mr. Bukovsky, who spent 12 years in Soviet prison camps, was exiled two years ago and lives in England. His book, "To Build a Castle: My Life as a Dissenter," was published last year by Viking.●

DEEP SEABED MINING BILL A MUST

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. MURPHY of New York. Mr. Speaker, legislation to develop the immense stores of minerals on the ocean floor becomes more important with each passing day. We have seen, year after year, the delays which have been engineered by the third world countries to bring the Law of the Sea Conference to a standstill. Yet, with each passing moment, this Nation has come to depend more heavily on importing those very minerals which lie on the deep seabed, waiting for the development of a rational legislative framework within which American technology can more reasonably make the huge capital investment required to reduce our dependence upon foreign sources for many of our strategic materials.

It is complicated legislation: five Senate committees have jurisdiction over portions of the bill, and four House committees. We have not been idle in the House; my own Merchant Marine Committee has already reported the bill out, as has the Interior Committee, and I have specifically requested the chairman of the Foreign Affairs Committee, Mr. ZABLOCKI, to expedite the reporting of his sections of the bill, so that we can quickly bring a consensus bill through conference before the end of this year.

Mr. Speaker, the current issue of the official publication of the Seafarers International Union, The LOG, spells out quite clearly the need for immediate and positive action by the Congress in bringing the deep seabed mining legislation to the President's desk. Our economy is one which depends upon a multitude of interacting factors, but as the article points out, there is no reason for this Nation to default on such an important issue as an insufficiency of vital minerals. The legislation is before us, and needs only to be speeded on its way.

For the enlightenment of my colleagues who may not have had an opportunity to read the excellent article from the Seafarers' LOG, I have included the text of the article as a part of my remarks:

ECONOMY DEMANDS ACTION ON OCEAN MINING

Congress is once again considering passage of an Ocean Mining Bill, one very similar in tone and substance to legislation proposed last year.

If enacted, the new bill would provide

many benefits to the beleaguered American economy, including the creation of badly needed jobs for a host of American workers, especially those employed in the maritime sector.

The bill is being considered at a time when the Law of the Sea Conference has come to an impasse. The Conference was convened nearly six years ago to, among other things, regulate the rich natural resources which lay at the bottom of our planet's oceans.

It was hoped that the Law of the Sea Conference would quickly produce an agreement under which the nations of this world could recover vast mineral deposits considered to be "the common heritage of mankind."

The American economy desperately needs the mineral resources paving the ocean floor.

At the present time the U.S. imports 98 percent of its manganese and cobalt, 90 percent of its primary nickel, and 15 percent of its copper. All these minerals could be obtained from the bottom of the ocean instead of from foreign countries.

Elliot Richardson, the U.S. delegate to the Law of the Sea Conference, has gone on record as supporting interim legislation which would set standards for American participation in the mining of ocean minerals.

Companies have been reluctant to mine resources from the ocean floor because the legal duties and obligations which govern such activity remain unclear. The companies are afraid of risking the enormous investment it would require to undertake such a venture so long as their investment may be jeopardized by a lack of legislatively defined standards.

Last year, the ocean mining legislation which was proposed ran into problems because of time difficulties.

It enjoyed considerable support in Congress as well as with labor and industry officials. It passed easily in the House. However, it was set aside in the Senate because of the supposedly overwhelming workload which confronted Congress.

It was overlooked even though manganese is an essential ingredient in the production of all iron and steel products. The iron and steel industries are among the most important in this country. Their performance affects every facet of the American way of life.

The legislation was overlooked even though copper plays an important role in the manufacturing of electrical motors, power generators, transformers, plumbing, brakes, radiators, heaters and carburetors.

The legislation was overlooked even though nickel is used in petroleum refining and in the production of gas turbines, aircraft frames, marine and automotive bodies, and ceramics.

And it was overlooked even though cobalt is used to produce industrial magnets, telephones, gas turbines; and plays an important role in radiation research and treatment.

Congress is again confronted with a seemingly overwhelming workload. It may overlook ocean mining legislation as it has done before. And if it does then the natural resources which would have helped to ease the grave economic problems which confront our nation will lay untouched at the bottom of the ocean floor. These minerals will still have to be imported, and their cost will aggravate an already astronomical balance of payments deficit.

Last year, the U.S. was the only nation to actively consider legislation which would have set interim regulatory standards for an incipient ocean mining industry. This year, however, both Japan and West Germany have been studying the issue. Congressional inaction on this matter is threatening to erode America's competitive edge in an important economic area, and could conceivably deprive many unemployed American workers of increasingly scarce jobs.●

FORCING HISTORY BACKWARD IN THE MIDEAST

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DERWINSKI. Mr. Speaker, one of the major rhubarbs that occurred during the congressional recess was the "resignation" of Andrew Young as United Nations Ambassador. I wish to insert in the RECORD, at this point, one of the most penetrating commentaries that I have seen on this event, by columnist Michael Novak which appeared in the August 27 Washington Star:

FORCING HISTORY BACKWARD IN THE MIDEAST

So selected black leaders are now negotiating with the Palestine Liberation Organization. This is one of the most outrageous acts of ethnic politics in recent American history.

It reeks with resentment and hostility, and it divides blacks from other Americans. I have not yet heard of black leaders standing up for the rights of the Ukrainians to self-determination, or of Latvians, Lithuanians, Poles, Czechoslovaks and others. The blacks have not spoken up for Irish Catholics in Northern Ireland. It is not oppression everywhere that seems to move them. What is it, then?

Jewish success in every walk of life mocks the excuse of victimhood. More recently blacks were slaves, Jews were the victims of pogroms, limited civil rights and Nazi concentration camps.

I am not black, nor am I Jewish. But it is impossible for me to believe Andrew Young and his colleagues are not following classic lines in making Jews victims of their frustration at Young's resignation from government. It has happened before.

There are three features about the PLO that makes it absurd for the State Department, Andrew Young or the Southern Christian Leadership Conference (pledged to nonviolence) to force Israel to negotiate with the PLO.

First, no state should be forced to negotiate with a party sworn to annihilate it. Survival is not subject to negotiation.

Second, the PLO is not a representative body or even a shadow government. It has no economic plan. It has no cabinet ready to function. During World War II, Czechoslovakia had a government in exile. In 1948, Israel had plans for economic and political development. The PLO, by comparison, shows no signs of economic responsibility. It does not even pretend to be ready to lead an independent state.

Third, the PLO does not collect taxes. Who, then, is paying the salaries of its army, and buying its weapons, and feeding it, and training it? The Soviet-bloc nations train its assassins in training camps. Various foreign nations fund it. The PLO is not an independent force. It has no financial base of its own. It is a puppet of many strings.

Alone among the 100 million political refugees since World War II, the Palestinians have been refused welcome by those who say they are passionate friends and united kin. They have been deliberately kept by Arab nations in refugee camps. Jordan controlled the West Bank from 1948 to 1967 and did not set up a Palestinian state.

Many Arab nations import hundreds of thousands workers. The Middle East holds plenty of land, much of it potentially as fertile as Israel has become. It is one of the wealthiest, most sparsely settled regions of the world. Why aren't the Palestinians welcome? Jordan in particular is part of their homeland.

The Palestinians are an unusually talented people. Those who live in Jordan, or who have settled elsewhere, often have risen to levels of wealth and leadership. There are many cultivated, peaceful Palestinians. The PLO tries to intimidate such persons.

Some Palestinians do suffer from injustice, and a better solution than the present one must be found. Israel has agreed. But not all the burden should fall on Israel. Outside forces that support the PLO do not help.

Since 1945, more Jews have been driven from Arab lands than Palestinians from Israel. More Palestinians now live in Israel than Jews in Arab lands. To force all Palestinians into the hands of the PLO is to force history backwards. It is not a humane program.

It is not in the interest of human rights, or of the U.S. to empower the PLO. The PLO is a puppet organization, hostile to Israel's existence, the servant of distant powers. In supporting the PLO black leaders discredit themselves, injure national unity and jeopardise the security of all of us.

From Martin Luther King, Jr. to Yassir Arafat is off a precipice.●

M. L. KING CENTER A RIP-OFF?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, Martin Luther King used the civil rights movement as a mask to cover his anti-American and radical ways when he was alive. It would come as no surprise to learn that his successors may be doing the same thing.

Many questions have been raised about the operation of the King Center in Atlanta, Ga. It obviously has been used to gain many Federal funds for its operation. The article which I am including with this speech contains many questions which seem to be unanswered.

Many Americans could well ask if the King Center is being used as a front for a rip-off of the unsuspecting public. Who has the answers? Let us find out.

The article follows:

KING CENTER QUESTIONS GO UNANSWERED

(By Ken Englade)

ATLANTA.—Steven Klein was brisk, impatient, maybe a little harried. His telephone voice had an unmistakable I-told-you so undertone.

"Mrs. King doesn't want to talk about it," he said. "She's bored with the whole thing."

The subject Mrs. Coretta Scott King didn't want to discuss was the monetary structure of the Martin Luther King Jr. Center for Social Change.

There are other things she doesn't want to talk about, such as the FBI report on the late King's alleged philandering, the assassination itself and, especially, finances, either her own or the center's.

Press relations man Klein had accurately predicted she would refuse an interview.

"She already gave Bob Coram a four-hour interview," Klein said. "She feels that's the last word on the subject."

Coram, an Atlanta free-lance writer, wrote a 10,000-word story for ATLANTA magazine based on the interview and his study of the center's operations.

So far, however, the story has not been published—a situation ATLANTA Managing Editor Phil Garner says will be remedied soon.

In the meantime, Coram talked freely about his story. So, too, did Boyd Lewis, an Atlanta radio newsman who did a similar piece for his station and a longer story for "All Things Considered," a show broadcast on National Public Radio.

What they found was a long list of unanswered questions—questions not necessarily meant to imply wrongdoing or questionable dealings.

Still, Coram wrote that center officials refused to answer questions about a quarter of a million dollar annual payroll or divulge the number of center employees.

Center officials, he said, refused to explain why Mrs. King's honoraria for speeches are not reflected in the center's tax returns, although she claims the money all goes to the facility.

Also, Coram said, so far as he could determine, none of the grants to the center from the Health, Education and Welfare Department have ever been audited.

Additionally, he said, there is the question of the money raised by the center—a total of almost $6 million in the past 10 years. "Where has it gone?" he asks.

Coram said reports show the center received a total of $101,000 in federal money from the time it was created shortly after King's assassination until 1976. Then, after President Carter assumed office, the federal grants increased dramatically.

In 1977, Coram said, the center received $181,000—$80,000 more than the previous 10 years combined—and, in 1978, the center was given $237,500 in federal funds. Mrs. King Coram said, denied Carter's office has influenced the grants.

Like Coram, Lewis' chief interest in the center is in its financial structure—a situation he found as confusing as did Coram.

Lewis is a strong believer in the civil rights movement. He has spent six years working on black newspapers in Atlanta. And he cares enough to try to get some answers to his nagging questions about the center.

Many of those questions were broached in the show he did for ATC in March. Questions like:

Why won't the center give newsmen a copy of its latest annual report? Lewis says center officials have repeatedly refused requests for the document. Coram also was unable to obtain a copy. Klein said the report, due in January, has not yet been published. "We're a little late," he said.

Why did the center neglect for 10 years filing the necessary forms to qualify as a non-profit organization? The forms are required under Georgia law, yet no one at the center did anything about it until the late Ben Fortson threatened an investigation at the end of January 1979.

What happened to the $87,000 in center money shuttled to the Martin Luther King Fund for Peace, Non-violence and Brotherhood in 1976–77? The fund, according to Lewis, is not described in any center literature.

"There is no indication the funds are being improperly used," Lewis said, ". . . but the purpose (of the fund) remains a mystery."

Lewis also wants to know where all the money collected on behalf of the center goes. Looking at the center's operations, he said, gives no hint.

The Community Center section of the facility gets its $3.2 million in funds from HUD through the city of Atlanta.

The Day Care Center part of the facility gets its money from a HEW grant.

The house where the late Dr. King was born was purchased by a black fraternity, restored with HUD money and donated to the center, which collects 50 cents a head from visitors touring the building.

The building housing the center's administrative offices, Lewis said, was restored with $47,000 in HUD money.●

FEDERAL OVERREGULATION

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ABDNOR. Mr. Speaker, it is common knowledge that Federal overregulation is rampant throughout the land. A concrete example of the problem recently was brought home to me, however, and I mean that in a very literal sense.

Just this summer an automobile equipped with a catalytic converter ignited a fire on green grass on my own farm. Others had warned me of the hazard, and I had attempted to get EPA's attention to the problem. This incident crystallized my belief that we no longer can afford this blatant example of misplaced regulation.

The increased potential for vehicles equipped with catalytic converters to start fires is beyond dispute, and the insensitivity of EPA and the National Highway Traffic Safety Administration to this problem is particularly disturbing because: First, the use of the catalytic converter is not required to meet ambient air quality standards in rural areas; second, it reduces fuel efficiency at a time when we need to do everything possible to conserve; and third, there is no penalty to an individual who removes a catalytic converter in areas where they are needed to meet ambient air quality standards.

The law should be changed according to the following principles:

(1) In areas where air quality problems require the use of such technology, a penalty should be provided for anyone who intentionally thwarts its operation—although the penalty should be less for an individual who does so to his own vehicle than for someone who takes compensation.

(2) EPA should be prohibited from imposing emission standards on vehicles in excess of those required to meet ambient air quality standards in the area in which they will be predominately operated.

(3) There should be no penalty for anyone who removes a catalytic converter or other technology from a vehicle which will be predominately operated in an area which does not require the use of such technology to meet ambient air quality standards. The installation of such technology should be required, however, if and when the vehicle's predominant area of operation becomes one in which the use of such technology is required to meet ambient air quality standards.

(4) EPA should be prohibited from requiring the use of non-leaded gas in areas where it is not required to meet ambient air quality standards, and no penalty should be assessed anyone who either purchases or sells leaded gas in such areas—unless the predominant area of operation of their vehicles is one in which the use of unleaded fuel is required to meet ambient air quality standards.

I have today introduced legislation to accomplish these purposes. The text of the bill follows:

H.R. —

A bill to amend the Clean Air Act to make certain modifications in provisions relating to automobile emission control devices and fuel additives, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202 of the Clean Air Act is amended by adding the following new subsection at the end thereof:

"(g) Notwithstanding any other provision of this section, no regulation promulgated under this section shall apply to any motor vehicle which the Administrator determines, upon the application of any manufacturer or other person, will be used predominantly in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards.".

(b)(1) Section 203(a)(3) of such Act is amended by inserting the following after the words "ultimate purchaser" in each place they appear in subparagraphs (A) and (B) thereof: "unless the Administrator has determined, in such manner as may be prescribed by him by regulation, that the vehicle or engine will be used predominantly in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards".

(2) Such section 203(a)(3) is further amended by inserting the following new subparagraph at the end thereof:

"(C) for any person other than a person referred to in subparagraph (A) or (B), knowingly to remove or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this title following its sale and delivery to the ultimate purchaser unless the Administrator has determined, in such manner as may be prescribed by him by regulation, that the vehicle or engine will be used predominantly in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards; or"

(c) Section 205 of such Act is amended by inserting the following new sentence after the second sentence thereof: "Any person who violates subparagraph (C) of section 203(a)(3) shall be subject to a civil penalty of not more than $1,000.".

(d) Section 211(c) of such Act is amended by adding the following new paragraph at the end thereof :

"(5) No fuel, class of fuels, or fuel additive may be controlled or prohibited pursuant to paragraph (1) where the Administrator determines that—

"(A) such fuel, class of fuels, or fuel additive will be predominantly used in an area in which the reduction of motor vehicle emissions is not necessary in order to attain and maintain the national ambient air quality standards, and

"(B) the use of such fuel, class of fuels, or fuel additive will not impair to a significant degree the performance of any emission control device or system of the motor vehicle in which such fuel, class of fuels, or fuel additive will be used.".

Mr. Speaker, according to the General Accounting Office, 25 percent of all cars coming off assembly lines do not meet Federal pollution standards. More than 50 percent exceed the standards within a year, and the failure rate rapidly increases thereafter.

These facts further highlight the foolishness of applying these standards to vehicles which operate in rural areas. Where the emission control standards are required to achieve ambient air quality standards, they should be made maximally effective; and my urban colleagues ought to devote their attention to this matter.

Where the emission control standards

are not required to meet ambient air quality standards, however, they are not only an unnecessary expense and inconvenience, they are also downright dangerous. This is not the first instance of rural people having to bear the brunt of the sins of their urban cousins nor will it be the last, but it is one example which can and should be corrected.

Again, Mr. Speaker, it is unwise, unnecessary, unfair, and unjustifiable to require the use of catalytic converters in areas which meet national ambient air quality standards without them. The fire hazard and the need to conserve petroleum simply make it imperative that we abolish this example of overregulation.●

ESSAY CONTEST WINNERS

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. WRIGHT. Mr. Speaker, the winner of the 11th annual high school essay contest which I sponsor was Julie Ryan, a June graduate of Fort Worth Country Day School and the daughter of Betty Ryan and the late William T. Ryan, of 59 One Main Place in Fort Worth.

The three runners-up were Kathy Kay, of 3920 Wedgview, Hurst, a graduate of L. D. Bell High School in Hurst, and the daughter of Mr. and Mrs. Kendall K. Kay; Thomas Dewar, of 3129 Chapparral Lane, Fort Worth, a graduate of Paschal High School, Fort Worth, and the son of Mr. and Mrs. Norman Dewar; and David Smith, a graduate of Diamond Hill-Jarvis High School, and the son of Mr. and Mrs. James H. Smith.

In addition to these awards, honorable mention went to the following: Steven Sisney, 2305 Miriam Lane, Arlington, Sam Houston High School; Lee Christie, 424 Eastwood Avenue, Fort Worth, Arlington Heights High School; Jarrell Wicker, 1068 Renee Drive, Hurst, L. D. Bell High School; Joe Claunch, 2117 Woodside Drive, Arlington; Steven Picht, 3709 Kelvin Avenue, Fort Worth, Southwest High School; Joey Holstead, 305 Concord, Hurst, L. D. Bell High School; and Eddie Stemple, 2408 Harrison Avenue, R. L. Paschal High School.

There was an unusually large number of exceptionally well-written essays this year and I am sure that the judges had a difficult time coming to their decisions. Julie Ryan's essay, which deals with the problem in some of our schools of allowing functional illiterates to obtain high school diplomas was so good, in my opinion, that I think that it deserves a larger audience.

For that reason, I am asking today that it be reprinted in the CONGRESSIONAL RECORD. The essay follows:

HIGH SCHOOL EDUCATION: TESTS FOR MINIMUM COMPETENCIES OR OTHER ALTERNATIVES?

(By Julie Ryan)

"Why can't Johnny read?" "Why can't Johnny write? "Maybe the reason is Johnny's high school education. Americans today must be able to process all the information presented them (printed, verbal or statistical) and communicate intelligible, logical answers—skills which our schools ostensibly provide. Yet many American students graduate from high school virtually illiterate; often, they comprehend and write below an eighth grade level. How can these young adults possibly be expected to function competently in today's demanding and complex society?

A minimum competency requirement is the best solution for preventing a nation of people unable to communicate. A standardized test measuring specific skills could be used to indicate those students not capable of reasoning, communicating, or calculating on an acceptable level. However, this level must be defined by realistically set, uniformly administered criteria. Students should be able to read well enough to comprehend the daily newspapers or instruction manuals, directions, etc., written for a general audience, to reason well enough to find solutions to logical problems of moderate difficulty and draw accurate conclusions from premises, and be able to handle simple mathematical functions—not algebra or higher math, but certainly the basic operations, such as addition, subtraction, percentages, fractions, etc., that are essential in dealing with checks, salaries, payments, and taxes—in short every facet of the economy.

However, designating those students incapable of meeting the minimum verbal and quantitative requirements standards is not enough. The school system must initiate special programs designed to provide them with the skills of basic math, reading comprehension, English grammar and composition, and elementary logic. These courses should not be of the "elective" type, which students tend to regard lightly and view as a slack-off time or an easy way to complete a noisome graduation requirement. These programs should be non-nonsense and comprehensive enough to provide the student all the information he will need. However, they should be designed to encourage the minimally motivated student to pay attention and want to learn the material presented; they need not be drudgery or "punishment."

The teachers must also cooperate if high school students are to become educated adults. Presently, teachers routinely pass students who do substandard work. In fact, many teachers are hesitant, or fearful, to flunk students or require them to take remedial courses. Teachers must help indicate these students, so they can be brought up to a functioning level, not blithely pass them on from one grade to the next, until finally they graduate unable to communicate and deal in even the simplest capacity in society. Special considerations should be made for students physically unable to pass the test (due to a physical or mental disability).

A high school diploma has become a prerequisite for obtaining almost any job. Also, the laws requiring all children to attend school up to the eighth grade gives everyone a chance for an education that will enable him to cope in the modern business/communication-oriented world. However, allowing students to graduate without even minimal verbal and mathematical abilities defeats the whole concept of education; it is actually unfair to graduate! If minimum competency tests were instituted, a greater percentage of American adults could have better communicative abilities, could avoid being misled by today's gimmicks and subversive organizations, and could be better equipped, if not to find actual solutions to the nation's problems, to at least comprehend their possible eventual alternatives and effects.●

ACCEPTANCE SPEECH OF HOWARD E. VANDER CLUTE, COMMANDER IN CHIEF, VFW

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, recently it was my privilege to attend and address the 80th Annual Convention of the Veterans of Foreign Wars. During this convention officers were elected to lead the organization during the year ahead. Howard E. Vander Clute of Montvale, N.J., was chosen as commander in chief and his acceptance speech represents the viewpoint and attitudes of an important segment of Americans. I am inserting his address in the RECORD so all our colleagues may have access to its message.

The speech follows:

ACCEPTANCE SPEECH OF HOWARD VANDER CLUTE

My comrades, for years the people of America have said that time was on our side. That, in time we could be prepared to meet the threats to our national security; that, in time we would have adequate programs to meet the needs of those who served their counrty in time of war. When things did not work as we wished, we said, "time heals all wounds." And, somehow time seemed to take care of us.

Today we live in another age. And, time has run out.

Today, an intercontinental ballistic missile takes but minutes to reach its target. Today, those who fought for their country are treated as second-class citizens. Today, there is a bold, concerted effort to cut and eliminate all veterans programs.

Today, we see an Administration laughing at the Congress and doing as they please, slowly tightening the thumbscrews on what was once a viable medical care system.

Today, we see an Administrator of Veterans Affairs—who should be the champion of veterans needs, fighting for every program, expanding services—instead he is at the beck and call of the President, applauding each cut and backing all negative legislation.

But, my comrades, today also offers us a rare and unusual opportunity.

We are at the crossroads—a place to choose a new path for the future. A turning point at which those who care for their country can determine if we are to remain strong and recognizes the sacrifies of those who served, or whether we shall lose all that we have fought for.

Today, the Veterans of Foreign Wars of the United States must provide the leadership to clear a path for our great and beloved country. This was the path chosen by our forefathers and fought for by millions of Americans. What has been preserved is too dear to pass, forgotten by history. We cannot let a group of amateurs throw away our hard-won rights and the security of our country. It is time for the people to speak, and that they will!

My comrades, our organization has always been honest with its membership. I will continue that policy. You are aware that our country and its veterans programs are in jeopardy. Today, I tell you that unless drastic action is taken by us, we may see the final end of all that we have fought for.

All of you know what the present Administration promised when it came to Washington. We said then it is the Congress to whom we must turn, for they raise armies and they take care of those who have served.

However, the Congress itself is changing. The swing of sentiment from veterans programs to social welfare has historically come with peacetime and we have known how to deal with this in the past. Today things are happening far beyond a change in sentiment.

A few short years ago, "Tiger" Teague took to the floor of the House of Representatives a bill with the words, "this is a good bill, it takes care of veterans, it should pass." And, it did, overwhelmingly and without question.

This is no longer the case. Every two years, almost 100 Congressmen retire or lose their seats, including many of our old friends.

These patriotic Americans are being replaced by younger men and women, many of whom are not veterans. Their staff members, assigned by members of Congress to do research and advise them on veterans legislation are also younger and usually not veterans either.

Until recent months, it was unheard of for a member of the House or Senate Veterans' Affairs Committee to vote against legislation which would benefit a veteran. But, it has happened now. Recently, 100 members of the House, five of whom serve on the Veterans' Affairs Committee, voted against money for veterans legislation. Two additional committees of the House spoke against money for veterans programs, saying that if the Administration would not spend it, why vote it?

In the Senate, the Chairman of the Veterans' Affairs Committee sponsored a bill to cut out three programs for veterans and ramrodded the bill through the entire Senate.

You can see from what I have said that we are now having problems with the Congress of the United States and that it is time to take positive action.

It is with that thought in mind that I compliment you for your action to establish a V.F.W. political action committee.

This will give us the added clout which only comes from the ability to influence elections by financial assistance. The V.F.W. remains the vital, vibrant, moving force it has always been, but now adds a new dimension to its influence.

You can be assured that much thought will be given to the make-up of the officers and board of directors of the committee. It will remain under the control of the V.F.W. and will be used to influence veterans and national security legislation.

We join a large group of special interest organizations that have found the changing nature of the Congress needed a new approach to keep favorable legislation or to outweigh attempts by the Administration to cut programs.

Let there be no doubt in your minds that this Administration has become more bold, more thrusting, and also more successful in attacking the entire wide range of veterans programs.

It has turned the older veteran against the younger; the service connected disabled against the non-service connected disabled; the deserving, in their opinion, against the non-deserving veteran.

Their attack reaches into the very heart of the VA medical system. And it must be stopped.

It began with the now infamous conversation between President Carter and VA Administrator Max Cleland in the White House soon after this Administration came to power. The President ordered Cleland to initially cut 5,000 beds from the hospital system and "get rid" of the unworthy veteran from medical care—the unworthy being the non-service connected disabled.

There is unified concern in the V.F.W. that the Administration has a grand design to dismantle the VA hospital system.

We know that about 10,000 beds have been eliminated from VA Medical Centers. We know that at a recent meeting, the Administration disclosed plans to close an additional 13,000 acute beds and covert 3,000 other such beds to chronic care beds within the next five to seven years. We understand that the Office of Management and Budget plans ultimately to reduce the total number of VA beds to 35,000. When that happens what can the Administration do but turn over the entire 172 VA Medical Centers system, now unused because of bed closures, to the national health insurance or a welfare program?

We know from a recent article in U.S. Medicine that the chief medical director of the VA was upset that the VA was not included in the Carter Administration's national health plan.

We know that the 5,000 doctors and nurses already cut in the VA budget and the lack of money for outpatient treatment has and will cause veterans who by law are authorized treatment to be turned away. Some die after being turned away, others are immediately admitted to a private hospital obviously needing care, and others are counselled by social workers to accept welfare treatment. The VA answers our charges by saying that the veteran, in their professional judgment, did not need the care. Yet, heart by-pass patients receive form letters telling them that they no longer qualify for medical assistance.

This must stop!

As one of my first acts as your Commander-in-Chief, I will call upon the Chairman of the Senate and House Veterans' Affairs Committee to conduct an investigation into the VA's hospital and outpatient facility admission policies. I will ask them to call a select group of hospital directors, chiefs of staff and chiefs of nursing service to testify concerning the admission policy and the effect of budget and personnel cuts, and I will ask that they testify under oath. The first question asked should be, "Did you receive any orders, by any means, which required you to testify in any particular manner?"

The V.F.W. is fed up with this Administration's treatment of veterans and must do something about it!

Now, this tampering with the VA programs for veterans does not stop with the medical care. Personnel losses in the regional offices have caused delays and inaccuracies in the processing of claims and appeals even for the simplist action.

These facts have been brought to the attention of the House Veterans' Affairs Committee in an oversight hearing, and we expect that action will be taken to provide more money to hire more people.

We believe that these problems would never have come to pass if veterans had an advocate as an Administrator of Veterans Affairs. One who stood up for veterans and told Carter and the Office of Management and Budget that veterans did something special for their country and deserve something special in return. One who could sense that the Congress was interested in the veteran and his medical care. But, no, Mr. Cleland was silent when the OMB spent extra money intended for beds, doctors and nurses for other purposes.

We veterans no longer have an advocate, and so, the job of advancing veterans legislation falls upon our shoulders. This message must be clearly understood by each of us in the Veterans of Foreign Wars and the Ladies Auxiliary.

The leadership rests with us.

As advocates we must become activists. We must tell our story. We must write, telegram and call our representatives in the Congress when called upon. We must use the Ladies Auxiliary to help us defend veterans preference, for the most vocal of our enemies are women's activist groups. We must tell our story at the community level—tell people what we stand for, the good we do, what we have to offer.

To this end, I am dedicated to an ambitious and effective public awareness program at all levels of our great organization. We must tell the veteran and the public what must be done and what we are doing to accomplish our goals.

We will initiate a public relations effort to reach local radio and TV stations and will continue to reach local daily and weekly newspapers. We will assist you in any way we can by instituting a plan to have a professional communicator travel ahead of my visits with you to interest your local media in our efforts to tell the V.F.W. story.

Along with these plans, you at the Post level must show by deeds and words that we care. Emphasize your community programs, your patriotic deeds and your concern for the youth of this country. Get younger veterans to join by telling them what our V.F.W. is doing. Bring them into our programs.

Encourage them to work into positions which will bring them leadership roles in an organization dedicated to fighting for veterans rights.

The way to leave your stamp on this organization is to train the younger veteran in our proven ways. Let's see an explosion of young leadership at all levels.

Unless there is active participation we cannot be the advocate for veterans programs—the role we have now assumed. Unless our deeds are understood we will not be listened to when we demand a strong national defense posture.

My words on the defense and security posture of our beloved country will be brief, blunt and to the point.

For the 31 months of its existence, the Carter Administration has presided over—and has even taken credit for—the greatest dismantling of American power—spiritual as well as physical—in our nation's moderate history.

Perhaps you think this to be an extravagant charge.

My comrades, listen—then you decide.

On January 21, 1977, President Carter promptly kept one campaign promise. He extended total amnesty to America's young contemptibles—the draft dodgers.

He killed the B-1 bomber, thereby causing America's bombing pilots to fly an aging aircraft—the B-52—in some cases the planes are older than the pilots flying them. No offsetting concession was even mentioned to the Soviet Union.

Incredibly, the President, a former naval officer, is watching in frozen fascination as the U.S. Navy—once our first line of defense—has, deteriorated to the point that we are second to the Soviet Navy.

Remember when the Administration told us that the Canal Treaties—the cave-in to Torrijos—wouldn't "cost the taxpayer a dime." Well, my last count of the cost totals forty billion dimes or four billion dollars. And even this dollar cost pales when set beside the lost security brought on by this self-inflicted retreat from one of the world's strategic choke points.

We have seen one staunch ally, the Republic of China, betrayed; another, the Shah of Iran, overturned and sent fleeing for his life. In our own hemisphere, Nicaragua, once a solid ally, could well be our next Cuba.

But the Administration tells us, look at our record on human rights.

As far as I am concerned human rights comes down to a pressure on, and embarrassment for our partially freed friends. The communists, of course, ignore this campaign when they are not laughing at it.

My comrades, the greatest set of human rights this, or any, American Administration can provide us is to keep Amerca and her allies alive and free.

Our civil defense program is a national disgrace and an international joke. It is nonexistent. We stand naked before our enemies.

The neutron warhead, designed to offset the massive Soviet tank threat to NATO Europe, has been shelved.

And, finally, this sad accounting must take note of SALT II. A treaty which if ratified in the form approved by the President, will lock us into an irreversible posture of strategic inferiority.

The President and his people urge us to accept something called "rough equivalence" with the Soviet Union. They want us—with more than twice the wealth and a hundredfold the decency of the Soviet Union—to settle for being equal.

We all remember General McAuliffe's reaction in 1944 when the Germans demanded his surrender at Bastogne. He said "Nuts" then, and we say "Nuts" now to any defeatist nonsense that settles for a transitory equality with the Soviet Union.

Our country, our home, America, has twice the dollar value of their extended slave society and we must carry the necessary level of "home owner's" insurance.

I will proudly carry forth your security mandate which charges our organization to "Regain and Sustain a Total American Defense Posture which is Clearly Number 1."

And I say this without any ifs, ands, or buts.

We call upon the Administration and the Congress to stand by our allies.

We will fight for an infusion of all our economic classes and educational levels into the active duty and reserve forces.

We see today the poor and nearly poor in the paisied All Volunteer Force being called upon to defend all of us—rich and poor alike.

I say those upon whom this country has showered its blessings can pay something back to America. It will be good for the country; it will be better for these pampered freeloaders.

All members of this great organization have answered the charge of Revolutionary war patriot Tom Paine who said,

"Those who expect to reap the blessings of liberty must, like men, undergo the fatigue of supporting it."

Some mindless critics will, predictably call us "war mongers."

Nothing could be further from the truth.

We neither conceived of, nor dissented from, the last four wars. We did our duty—and we salute especially the more than one half million of our members who stood fast in Vietnam when self-important people in this country, who should have known better, counselled dissent, disobedience, draft-dodging and desertion.

But, just being for peace isn't enough. Peace must and will be safe-guarded and under-girded with American power.

My comrades, my charge to you to be "In Front of the Rest" applies with special meaning to our beloved country in our foreign policy.

We intend to help those who fight for American security and veterans' entitlements in the Congress and we will oppose and expose those who don't.

We in the V.F.W. are "In Front of the Rest" and we're going to stay that way.

Thank you.●

KATYN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. DERWINSKI. Mr. Speaker, on numerous occasions, I have directed the attention of the House to the fact that the dictators of the Soviet Union cannot be trusted. The latest demonstration of this fact is the presence of Soviet combat troops in Cuba.

Earlier this week, I had the opportunity to attend a press conference held for Louis FitzGibbon, author of "Katyn," which is the documentation of the murder of more than 14,000 Polish officers by the Soviet Army at Katyn Forest and elsewhere during 1940. Mr. FitzGibbon's book is published by Noontide Press.

"Katyn" is a dramatic and precise description of the murder of these Polish officers by Soviet authorities. I highly commend the book, "Katyn," to my colleagues.●

WE HAVE TO ACCEPT RISKS TO SAVE OUR CITIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LAFALCE. Mr. Speaker, distressed cities throughout the United States are coming to rely, more and more, on the urban development action grant program as one means of helping in their economic development efforts. UDAG has become, in its very short life, one of the most successful programs ever devised for stimulating massive amounts of private investment in those communities where such investments are needed the most.

As with any program of its size and scope, there will be some problems and some questionable uses of the funds. Yet the UDAG program has been remarkably free of scandal and it has demonstrably helped a large number of communities in a number of ways.

Neal Peirce, one of the most knowledgeable and thoughtful journalists writing on urban affairs, recently did a column on the UDAG program and the need to accept risks in order to stimulate investment, which warrants all of our attention. I would like, therefore, to ask that this column, which appeared in the Niagara Falls Gazette on August 26, be reprinted in the CONGRESSIONAL RECORD. I found it illuminating, and I think all of our colleagues would as well.

The article follows:

UDAG IS WORTH SOME DANGER

(By Neal R. Peirce)

WASHINGTON.—Alleging actual or potential abuse in a handful of cases, critics have begun to nip at the heels of the urban development action grants (UDAG), the Carter administration's premiere program to help distressed cities. Sufficient criticism could cripple or kill the big $400 million a year experiment to revive cities' economies by stimulating private investment.

Housing and Urban Development Secretary-designate Moon Landrieu has had questions to answer about his involvement, while in private business, with the grants program. And the General Accounting Office has sniffed out some apparent improprieties—specifically, a few cases in which UDAG grants, contrary to the program's proclaimed standards, financed private development that probably would have occurred anyway.

The alleged abuses don't negate the case for the UDAG program, highly popular with mayors and developers for its quick, flexible action to bridge urban investment gaps. The program provides cities, for instance, with "front end" funding to attract a big private investor, to assemble land for a major downtown or industrial park project, or to upgrade a blighted area to retain a job-providing plant.

But the criticisms underscore the hard trade-offs in designing a government program. Smother the program with rules, regulations and tight definitions and chances are you'll get an abuse-free—and probably quite ineffective—program. Make it flexible, responsive to real need and quick to act, and the likelihood is it will produce admirable results—along with occasional sloppiness and abuse, and at worst some old-fashioned political pork barreling.

If any program was ever worth some danger of abuse, UDAG may qualify. The idea germinated during the Carter administration's earliest urban policy debates when it was decided the problems of the country's "distressed" older cities were predominantly economic—lack of jobs, high tax rates, high land costs and the like—and couldn't be solved by social service or income support programs alone. Cities needed permanent jobs; they needed to invigorate their economies and job bases. And it was clear, in tight budget times, that Washington neither could nor would pay the entire bill—that private business would have to provide most of the capital.

The result was the first federal economic development program ever to require a firm "up front" private sector investment and job commitment before the first dollar of federal money could flow to a project. And of the 427 projects in 327 cities funded so far, HUD claims it has "leveraged" almost $6 in private commitment for each $1 of federal subsidy.

Such stimulus, claims HUD Assistant Secretary Robert Embry, is required to help "distressed" older cities become truly competitive and rebuild their job and tax bases. With the $819 million it has committed under the UDAG program since it started in 1977, Embry claims a private sector commitment of over $5 billion involving 133,000 permanent new jobs, 76,000 jobs retained that cities otherwise would have lost, and 123,000 construction jobs during the building of projects.

The GAO doubts whether the UDAG grants have leveraged quite that much private sector activity. But the development community has few doubts. "Two years from now," says developer James Rouse, "the center of the American city will have been more dramatically affected by UDAG than any other program, within such a short period of time, in the country's history."

One of UDAG's strong suits has been its lean staff—only 39 in Washington, plus part-time assistance from HUD officials in the field. Even under political pressure, grants haven't been made without a strong assurance of private-sector commitment. Developers and city officials praise the lack of bureaucratic red tape and rapid turnaround on applications—usually within 60 days of their receipt, some kind of a record in the federal government.

Neighborhood groups, particularly National People's Action, have bitterly criticized UDAG for preferring posh hotel projects (with allegedly low-paid jobs) to neighborhood projects. But the figures indicate a fairly even balance between downtown, commercial and neighborhood projects.

Will many cities use UDAG grants for projects they'd push through anyway, simply substituting federal money for local government or private sector investment? Embry claims the danger isn't great: The process is rigorously competitive among cities, there's

opportunity for full citizen and press review, and federal fraud statutes apply to misrepresentation in applications.

Even UDAG's staunchest friends, however, confess that at least the potential for abuse will remain in a program controlled by high-ranking political appointees handing out, on a necessarily somewhat subjective basis, huge sums of money (the total may now be raised to $675 annually).

Such a flexible action grant program clearly needs constant oversight from Congress and vigilant local newspapers. But in energy-scarce and recession-prone times, it would seem foolish in the extreme to scrap or hobble, for fear of abuse, the cities' most successful economic development program of the '70s.●

A NATION RUN BY KIDS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LEE. Mr. Speaker, I would like to take this opportunity to call to the attention of you and my distinguished colleagues an article that appeared in the September 2, 1979, issue of Parade magazine about a unique and very special educational institution, the George Junior Republic, in Freeville, N.Y.

Under the superb guidance of its current director, Mr. Frank Speno, this institution has done much to help many young people turn from delinquency to become productive members of society.

The article follows:

A NATION RUN BY KIDS

(By Reynolds Dodson)

The 17-year-old magistrate of the world's smallest republic banged his gavel and ordered the courtroom to silence. The defendant, a girl of 15, had been charged with illegal use of tobacco—an offense against the republic's laws for designated smoking areas.

"Since this is your second offense," said the black-robed magistrate, "I have no choice but to fine you $10. If you're caught smoking in an undesignated area again, you'll get another $10 fine plus a day in jail."

In the currency of the George Junior Republic in Freeville, N.Y.—a mini-nation run by teenagers for teenagers—$10 is the equivalent of 3½ days' pay. And although jail does not mean physical imprisonment, it does mean that the offender will be denied privileges such as conversation with other citizens, the use of soft furniture, and staying up to the regular bedtime of 9:30.

Every day at 4:30, the court metes out justice to offenders against the republic's society. It employs an attorney general, prosecutors, defense lawyers and police—none of whom is over 19.

Life had not always held so much responsibility for Bruce, the young magistrate. The product of a broken home, he spent his early teens in rebellion against all authority. The schools had washed their hands of him, and he'd had several brushes with the law. The local family court had finally recommended his enrollment in the 84-year-old republic.

When Bruce first arrived at the beautifully manicured campus, he might have thought he was in an exclusive Eastern prep school. There were only 170 students, 63 of them girls. Many wore coats and ties, all were properly groomed, and no adult was ever addressed without the proper "Mister" or "Miss." But beyond that, any resemblance to a prep school was purely coincidental.

In the first place, Bruce—like all the republic's "citizens"—was allowed to arrive with only a few luxuries and a pre-set list of clothing. He could accept no gifts from the outside world without paying a tax on them. He would be expected to work or go to school at least 35 hours a week, for which he would be paid a modest starting salary of 40 cents an hour, republic currency. He would live by an ironclad rule: "Nothing without labor."

If these had been adult-imposed laws, Bruce wouldn't have listened. But these laws were made by teenagers like himself and had been passed down through generations of "town meetings" in which adults had no say.

The effect on Bruce—as on all newly arrived citizens—was both confusing and profound. Now when he rebelled, it was against his own peers and against laws which he himself would have a voice in formulating.

Slowly, the light began to dawn. After a period of adjustment, Bruce wrote his father that "things seem to be going better now. There's a position of magistrate open and I'm going to try for it. It'll be tough, because it'll take me about two months to pass my bar exams."

To understand what all this meant to Bruce, you have to go back to the republic's founding and to a remarkable man named William "Daddy" George, a jewelry box maker. In 1881, the old New York Tribune initiated one of the first "fresh air funds" for city kids, and George began taking underprivileged boys for vacations to his farm in upstate New York.

But George became disenchanted. Many of the kids, he felt, were coming only to take advantage of the free food and donated clothing. And they were stealing from each other.

One day George declared that henceforth *everything* would have to be earned. You could clear a field or help build a cabin, but that was the only way you were going to get shoes and clothes. As for the thievery, he called the kids together and asked what *they* thought should be done with the offenders. The boys huddled for hours and finally came up with a kind of crude police system and a set of punishments to fit the offenses.

In 1895, the George Junior Republic was officially founded, with a constitution, by-laws, and a tripartite system of government similar to that of the U.S. Through the years many laws have been changed and new ones added, but no law has ever been imposed against the citizens' will by a "tyrannical" adult.

In governing this mini-nation, its citizens have had to deal with such weighty issues as taxation, national budget, road and sewer construction, constitutional amendments and—more recently—narcotics smuggling and drug abuse.

A youth with a history of failure in school may rebel at first and announce that he has no intention of going to classes. Imagine his surprise when he learns that school is not a requirement at the George Junior Republic. A boy can work in the carpentry shop, in the garage, or on the 500-acre farm. A girl may choose one of these activities, or dressmaking, or helping in the kitchen.

But here's what happens. The boy in the garage is handed an automobile manual and told to make all the necessary repairs on a carburetor. He discovers that he will never be a mechanic until he learns to read. The obvious solution? Go back to school.

To be admitted to the republic, a youngster must be between 13 and 17 and of sufficient potential to be helped. The program is long and arduous. For it to have any effect, the average would-be delinquent must stay 18 months, and 24 months is recommended for optimum results.

Nor is it cheap. The cost per student is a little under $20,000 a year, much of it from public funds, some of it from fund-raising by the republic itself.

The republic's alumni include at least one Pulitzer Prize winner, several Academy Award winners, and a slew of successful doctors, lawyers, professors and businessmen.

As for Bruce, the young magistrate—he's left the republic, has a high school diploma and a steady job.

Bruce is the first to admit that he owes a great deal to William "Daddy" George and the spirit of the George Junior Republic.

As Bruce's father, so do I.●

LOVE AND DEATH IN NICARAGUA

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LELAND. Mr. Speaker, I would like to insert in the RECORD an article from the Washington Post of August 9, 1979, by Colman McCarthy, describing the effects of the recent Nicaraguan struggle on two individual lives.

The sufferings of the people in a nation immersed in a violent struggle are well known to us all. Yet all too easily we depersonalize them—nameless soldiers and obscure villages are dismissed as statistics, facts remote from and unrelated to our lives. But for the families and friends of those whose lives are destroyed in such a struggle, it is all very personal. The stories of these people, people like Enoc Ortiz and Kay Stubbs de Ortiz, bring a little closer to home the tragedies of any war. Their stories could be our stories, and, in a sense, they are.

I commend the following article to the attention of my colleagues:

LOVE AND DEATH IN NICARAGUA

(By Colman McCarthy)

Between 10,000 and 20,000 Nicaraguans died in the struggle to end the violence of the Somoza regime. Few Americans knew the details of the revolution as it unfolded, and fewer still were personally touched by the individual tragedies of each Nicaraguan death.

An exception is Kay Stubbs. Her story is worth knowing because most of the qualities currently said to be in dwindling supply—hopefulness, a spirit of sacrifice, commitment to ideals—are brimming in her. This fullness is also a means of sharpening our focus on what has been happening these past years in Nicaragua and what better things may be happening in the future.

Kay Stubbs went to Nicaragua in 1968. She was a high school student from Middletown, Ohio, who traveled with her local Baptist church group to work in health projects. She found spiritual reward in getting to know the families and their culture. It wasn't the dabbling of the in-and-out do-gooder, because every summer after, she returned.

At home, she graduated from the University of Tennessee. She came to Washington to study at the Antioch School of Law, graduating in 1977. In her first week, she met Enoc Ortes, a Nicaraguan in his early 20s.

He was the youngest of 12 children of a small coffee farmer in Nueva Segovia in northern Nicaragua. With one brother, a priest and two sisters in the convent, the family sent Enoc to a seminary in Managua. But he loved the open life in the mountains of his village, and came home. Later he went to the national university in Chile to study economics. He was held in prison and tortured for six weeks by the Pinochet regime.

Everything that Kay Stubbs had found so

beautiful in the Nicaraguans—their warmth and simplicity, the earnest regard for poetry and the life of the mind, the love for children, a yearning for the chance to be free of official terror—she also discovered in Enoc Ortez.

In Washington, he worked as a dishwasher and housepainter. The work was lowly but it didn't matter. All the time, he was learning. He came to know the refreshing truth that a difference existed between U.S. citizens and U.S. policy. He met Americans who had read the poetry of Ernesto Cardenal, the Nicaraguan writer who had studied under Thomas Merton at the Trappist monastery in Kentucky. He discovered that several members of Congress—Robert Drinan of Massachusetts, Thomas Harkin of Iowa, Donald Fraser of Minnesota—were authentic allies of the poor in his homeland.

This helped keep him from being despondent about the backing Somoza had long received from American policy-makers, bankers and corporations.

In June 1978, Enoc Ortez and Kay Stubbs married. During their courtship, he had made flower coronas for his beloved's hair. She shared his dreams for a free Nicaragua. They took a small apartment and began saving money for the day when they could start a family. Friends rejoiced that Enoc and Kay—both of them with large spaces in their hearts for laughter, tenderness and hope—had found each other.

Four months after their marriage, the couple decided that Enoc should return briefly to Nicaragua and put his patriotism to work in the Sandinistas' drive to end their country's torment.

He wrote often to his wife. This is one of the letters: "My little pine blossom, today, May 24, one month before the first anniversary of the day in which we declared our long-standing commitment to love and nurture one another and to struggle for our people's freedom, I am filled with a mixture of happiness and sorrow.

"My happiness comes from the realization that we are fulfilling the vows we made that day. Yet my heart is heavy with sorrow because I am not at your side. . . . Darling, I am very proud to be able to be here and that in the midst of our personal suffering from the separation, we remain true to our pledge to fight for our country's liberation. . . . Precious, I am proud of you. I love and adore you."

That was the last letter. Enoc Ortez was killed in early July in a battle in the Segovia mountains by Somoza's national guard. Days later, the fighting stopped.

Kay Stubbs de Ortez plans to return to Nicaragua.●

HEAVY CRUDE AND THE INCREASED PRODUCTION OF DOMESTIC OIL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ANDERSON of California. Mr. Speaker, earlier this year, President Carter set some ambitious goals for our Nation in his televised energy speech. He set some high targets for domestic oil production to move our Nation toward energy independence.

Today, in my home district in Southern California, Federal energy officials, local and State government experts, and representatives of the oil industry are gathering to discuss proposals which could launch an impressive and speedy start toward the maximum development of U.S. oil fields and could place us well ahead of schedule in meeting the President's production goals.

This morning, Department of Energy officials will hear a chorus of support for a broader definition of heavy crude oil, in order to decontrol a much larger amount of California's heavy oil. Because of the thickness of this oil, it is too expensive to bring out of the ground while prices for it are held down. I am supporting the redefinition proposal with the belief that such action is necessary to substantially increase California oil production.

If we prevail, the payoff could be tremendous. California oil reserves are vast; yet, over 6,000 wells have been closed down in recent years. I applaud the Carter administration for providing us with the opportunity to look at this issue more thoroughly, and to reverse this trend of nonproduction.●

OIL DEREGULATION IS THE ANSWER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. COLLINS of Texas. Mr. Speaker, what can provide the energy answer? I have just read an interesting article by the noted economist, H. A. Merklein, of the Graduate School of Management of the University of Dallas. Writing for World Oil magazine in the August 15, 1979, issue, Merklein stayed with basic economic fundamentals. The statement was entitled "Mr. President."

Here are some of the best comments from this statement by Dr. H. A. Merklein:

COMMENTS BY H. A. MERKLEIN

If there were not one more drop of oil or one more cubic foot of natural gas to be found in the U.S., the price of oil and gas would still have to be permitted to rise in accordance with dictates of the market, and for two reasons.

First, this would cut consumption efficiently and rationally.

The second reason why energy prices would have to rise, even if no more oil or gas were to be found in the U.S., is that oil and gas are not the only sources of energy.

Mr. President, the American public does not want the government to play a central role in the production and distribution of energy. The public looks at Amtrak and at the Post Office and it wonders out loud why it should believe that the level of efficiency in a centrally regulated energy sector would be different from the efficiency at these two agencies.

Coming to the specifics of your plan, here is a sober summary of it: The plan envisions heavy and permanent taxation of the American public. To the extent that the tax revenues are insufficient to meet the expenses of the energy plan, the federal government proposes to borrow additional funds, thereby contributing to further deficit spending, to an increase in the national debt and to a further rise of an already high rate of interest.

Perhaps the most forceful point you made, Mr. President, in delineating your energy policy was when you set the clear goal never to use more foreign oil than this nation did in 1977. Never.

After all, you yourself were running on a platform that, among other things, envisioned the government getting out of the energy area, a platform that included a firm commitment to deregulated energy prices.

Mr. President, we have talked and legislated and regulated energy in the post-embargo period, but there has been very little action. And now you tell us that we have talked enough, that the time for action has come now, immediately.

For the good of the nation, I hope that your import goal will not be met. It's not that I would disapprove of the objective, but I fear the method. In essence, this is a national energy shortage plan. You propose to hold imports in line, and then let's see who gets whatever oil is available. You speak of priorities in allocating gasoline: The police ought to get it, ambulances, fire fighters. And then, as a residual claimant, comes the motorist of this country. This spells gasoline lines, black markets, frustration. Why not try higher prices instead? After all, this is not a new or a unique remedy, and it's working well in Germany and in Japan.

If so, your announced intention to decontrol domestic crude oil prices by Sept. 30, 1981, is a long-overdue step in the right direction. This plan, if implemented, will indeed eliminate our energy shortage and do away with gasoline lines. Of course, if price decontrol is such a good thing, it would be better to implement it in its totality tomorrow morning.

The deterioration of the U.S. dollar cannot be blamed on OPEC. Germany and Japan both import some 95 percent of their crude oil needs, as opposed to our 50 percent, and their currencies are as strong as ever.●

DAVID HOROWITZ

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. WAXMAN. Mr. Speaker, on September 29, 1979, the City of Hope (Oakwood-Toluca Hills Chapter) will present their highest honor—the Spirit of Life Award—to David Horowitz at a dinner at the Beverly Wilshire Hotel. The proceeds of the dinner will establish a cancer research fellowship in memory of David Horowitz's father, Max Leo Horowitz.

David Horowitz needs no introduction, I am sure, to anyone who has followed with interest, outrage, or concern, the special problems which consumers have been facing. We are all consumers and thus we all have been affected by the battles David Horowitz has waged against ripoffs, scams, profiteering, and calculated infringements on our laws. His Goliath is in the form of individuals and companies who willfully defraud the public whenever and wherever it is profitable and possible.

David Horowitz was always a "fighter." He followed the example of his European-born parents to speak up and fight back. They were experts in dealing with abuses in the Bronx ghetto neighborhood where David grew up. School held little interest for him. Life in the street was so much more challenging until he became the editor of his 6th grade class newspaper. From there on his achievements as a journalist are legion. An honor graduate from New York School of Printing, this led to a scholarship to Bradley University where he became the first recipient of that school's Outstand-

ing Journalism Award. This was followed by earning a Master of Arts Degree with honors from Northwestern University and later postgraduate work in Public Law and Government at Columbia University as a CBS News Fellow.

While still attending college, Horowitz wrote for the Peoria Journal-Star and several country weeklies. His early television news career included writing for the Huntley-Brinkley Report—NBC. He was one of the first TV reporters to cover the Vietnam War. His incisive style of reporting from the field was a departure from the established more controlled news coverage of that time and place.

His consumer reporting career was launched in 1964 on "Call for Action," WMCA, New York. His investigation on slumlords brought him national recognition. In 1966, enlarging his TV consumer-awareness reporting through numerous daily segments, led to the David Horowitz consumer buyline program which is now seen nationally. His special combination of characteristics—concern, knowledge, sense of humor, empathy, are the roots of his popularity.

When not broadcasting, David Horowitz spends time as a lecturer and adviser on consumer affairs. He has assisted such groups as the National Education Association in creating consumer awareness interest in the classroom and has influenced many companies to include consumer affairs departments in their operations.

Perhaps the most important contribution David Horowitz has made has been to place the subject of consumer protection before the eyes and ears of the public and into the hands of the consumers themselves. Where once the fight for consumer rights was in the province of Government assisted protection or in the collective battleground of consumer interest groups, David Horowitz has made it an individual concern and has given consumers the awareness, knowledge, and confidence to take action on their own.

David Horowitz has received wide recognition for his work from such diverse groups as Daughters of the American Revolution, Mormon Church, city and county of Los Angeles, American Cancer Society, Veterans Administration, American Society of Travel Agents, California Teachers' Association, California Trial Lawyers' Association, National Film Advisory Board, and Academy of Television Arts and Sciences. I am glad to be able to join on this occasion with his wife, Suzanne and daughters, Victoria and Amanda, in congratulating David Horowitz on his accomplishments. I ask the Members to join me in wishing him continued success in his important work.●

REAFFIRMING THE AMERICAN WAY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, to many of us the sight of cheerleaders, car washes, and Rexall drugstores is relatively commonplace. However, to those behind the Iron Curtain, these scenes of everyday life in America are rare visions of life under freedom and democracy. I am proud to call my colleagues' attention to the town of Granville, Ohio, and its contribution to showing those living under communism the American way of life. Granville was the subject of a display at the U.S. Embassy Information Office in Sofia, Bulgaria. Crowds of people stood, up to six deep, to catch a glimpse of the exhibit. This was quite an embarassment to Bulgarian officials, who like to tell their oppressed subjects that life is wonderful under the thumb of the U.S.S.R. It is reassuring to know that every now and then reality can filter through the shrouds of censorship in Eastern Europe. The contrast of the freedoms we take so much for granted, becoming a major event in a Communist capital once again reaffirms my faith in what America stands for. I urge my colleagues to take a few moments to read an article by Mr. Michael Dobbs about the Granville exhibit and current life in Bulgaria:

EXHIBITS ON LIFE IN UNITED STATES DRAW EAGER CROWDS IN BULGARIA

(By Michael Dobbs)

SOFIA, BULGARIA.—This quiet city of broad leafy boulevards is plastered with posters and slogans applauding Bulgarian-Soviet friendship, but it often seems that the best show in town is on the sidewalk outside the U.S. Embassy.

Much to the embarrassment of Bulgarian authorities, the sidewalk is always crowded with Bulgarians gazing at window displays in the U.S. Embassy Information Center. Every week a new photo exhibition covers nonpolitical subjects, from jazz to space technology. But what draws the biggest crowds is any insight into how ordinary Americans live.

Recently, for example, several hundred people gathered six deep outside the embassy trying to catch a glimpse of life in Granville, Ohio, despite the presence of a uniformed militiaman intent on moving them on. The exhibition explained the significance of such mysterious institutions as the Rexall drugstore, high school cheerleaders, and an automatic carwash.

It would be a mistake to conclude that Bulgaria is about to jettison its alliance with Moscow and embrace the Western way of life. But there are signs that after 35 years of copying the Soviet model, many Bulgarians are seeking to broaden their horizons.

The first impression that strikes the visitor to Bulgaria is that Soviet society is flourishing in the Balkans, scaled down certainly, but otherwise faithfully reproduced. The second impression is of a country whose exposed positions makes it at once more relaxed and open to outside influence than the Soviet Union, yet less adventurous than its unorthodox Communist neighbors, Yugoslavia and Romania.

On the surface, Bulgaria remains the very model of the Soviet Union's loyal younger brother, a favorite phrase of Bulgarian leaders. Bulgaria seems to have benefited politically and economically from its close ties with Russia, which go back to its liberation by czarist armies in 1878 following five centuries of Turkish rule.

Bulgarian leaders constantly inculcate love for the Soviet Union among the country's 8.5 million residents. The annual May Day parade, for example is a replica of the Kremlin version—with the Bulgarian Politburo gathered atop the mausoleum of longtime Bulgarian Communist leader Georgi Dimitrov, placards describing how workers have overfulfilled their plan by staggering percentages and a cacophony of stirring music.

Every portrait of the Bulgarian leader, Todor Zhivkov, whose 25 years in power make him the longest-living serving Soviet bloc leader, is flanked by an equally large portrait of Leonid Breshnev. "From Centuries—For Centuries," proclaim the slogans. No one needs reminding that they refer to Bulgarian-Soviet friendship.

A sole reminder of Bulgaria's somewhat Puritanian past is provided by the hussar-type uniforms on a goose-stepping honor guard outside the mausoleum. Said to have been designed by a former Bulgarian king, they resemble the ill-fated uniforms commissioned by Richard Nixon for the White House guard.

Looking at home in a sea of red banners is the Soviet ambassador, who occupies a post akin to what a Western colleague describes as "a vicercy to India." The former ambassador, Vladimir Bozovskii, has just returned to Moscow after a round of farewell parties attended by the entire Bulgarian Politburo. During his tour of duty, he frequently attended Politburo meetings and accompanied Zhivkov around the country.

Soviet economic assistance has furnished Bulgaria with more than 90 percent of its productive capacity in heavy industry and more than 40 percent overall. In 1977, 55 percent of Bulgaria's foreign trade was with the Soviet Union. The Kremlin supplies Bulgaria with more than 90 percent of its oil.

Bulgaria's economic system was integrated further with the Soviet Union's with the November opening of ferry service between the two countries. Operating across the Black Sea, the huge ferryboats—each has a capacity for 108 freight cars—eliminate long delays for overload transport through Romania and could have strategic importance in the event of trouble elsewhere in the Balkans.

Combined with his long service, Zhivkov's unswerving loyalty has won him a special place in the Soviet bloc. He has been entrusted with several foreign policy missions on behalf of the Kremlin, and in the fall he will travel to Vietnam and Cambodia in a demonstration of the Kremlin's diplomatic support for the new rulers of Phnom Penh.

The ambivalence of ordinary Bulgarians toward official glorification of the Soviet Union was expressed by a middle-class mother whose son returned from Sofia's elite Russian-language school boasting to his friends about the superiority of all things Russian. Proud that he was doing so well in class, she nevertheless took him to one side and rebuked him: "You are not a Russian, son. You are a Bulgarian—and don't you ever forget that."

Also irritating are governmental attempts to attribute all successes to the period of Communist rule since World War II but resurrecting the glories of the medieval Bulgarian state when convenient. A current joke runs: "Bulgaria has had 1,300 years of history—all in the last 35 years."

Zhivkov has stated flatly that Bulgaria has no dissidents. While there is no movement to match Charter 77 in Czechoslovakia or even the Helsinki monitoring groups in the Soviet Union, beneath the surface are undercurrents of discontent, indicated by the recent daubing of the slogan "35 years of slavery" on a building in downtown Sofia.

Of more immediate concern to Bulgarian authorities are mounting economic difficulties. Measured in terms of capacity to repay, Bulgaria's indebtedness to the West is greater than any other East European country. And despite the enthusiastic placards carried by workers on May Day, production has been running well below planned targets, particularly in heavy industry.

Even much-vaunted Soviet subsidies have a negative side. In the view of Western economists, they have distorted the overall development of Bulgaria's economy and left it ill-prepared to cope with sudden jolts such as the sharp increases in the price of Soviet oil that the Kremlin is imposing on its allies.

The economic problems are reflected in widespread shortages of many goods including basic foodstuffs such as meat, fruit, and vegetables. Although Bulgaria is an agricultural country with a food surplus, it sells much of its produce abroad to reduce the trade deficit.

Popular grumbling over meat shortages has become a sensitive issue for Bulgarian politicians, but they are at a loss to solve it. Looking on the bright side, a Western ambassador remarked recently at a diplomatic reception that eating less meat was good for the health. The remark was overheard by Zhivkov, who said, "If you can convince the Bulgarian people, we'll award you the order of Dimtrov." ●

NATIONAL VIETNAM-ERA VETERANS WEEK ACTIVITIES—FRESNO, CALIF., MAY 28, 1979, TO JUNE 3, 1979

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. COELHO. Mr. Speaker, during the week of June 28 to June 3, this Nation paid tribute to the men and women who served their country during the Vietnam conflict.

I am particularly proud of the fine program sponsored by the community of Fresno, Calif., during that week and would like to share with you the highlights of the week's events.

At least one event was scheduled every day to keep the Vietnam veteran in the public eye.

Monday, May 28 began with an ecumenical worship service and a flag ceremony at the Veterans' Administration Hospital followed by a public speech by a decorated disabled Vietnam veteran at the Fresno Memorial Gardens.

On Tuesday a memorial service and wreath presentation honoring Vietnam veterans was held at California State University, Fresno.

On Wednesday a luncheon for 450 Vietnam veterans was held at the Veterans' Administration Hospital followed by a "veterans helping veterans" workshop. The event was coordinated by the American Legion and hospital personnel.

On Thursday, May 31, a reception was held at the Veterans' Administration Hospital to honor Vietnam veteran hospital employees. This was followed by a panel discussion on ways of improving hospital services and issues of major concern to the Vietnam veteran.

Friday, June 1, five Playboy bunnies, accompanied by chaperone and photographer spent the day with hospitalized veterans at the Fresno VA Hospital. After meeting with hospital officials and news media, they visited with every veteran patient and lunched with 10 selected Vietnam veteran patients.

Saturday, June 2, a job-search workshop was held at the local fashion fair for Vietnam-era veterans.

Sunday, June 3, concluded the week with the Presidential citation being presented to Vietnam-era veteran, Bruce Thiessen, by a national officer of the American Legion, George C. Sinopoli. The final act of the week was appropriately a silent remembrance to all Vietnam veterans killed in action in Southeast Asia.●

SPENDING MORE, DEFENDING LESS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

○ Mr. ROSENTHAL. Mr. Speaker, our friend and colleague, Hon. JOSEPH P. ADDABBO, has served as an outstanding Member of Congress for many years, representing the Seventh District of New York, which is contiguous to mine.

Earlier this year he became chairman of the powerful Subcommittee on Defense of the House Appropriations Committee, where he has long served with much distinction, bringing to that role his expertise in and knowledge of our defense policies.

Richard E. Cohen has written an article which appeared in the National Journal of August 11, 1979, delineating JOE ADDABBO's particular contributions to the debate on SALT II. His clear and precise statements on the needs of our national defense set a reasonable and temperate tone for the forthcoming debate in the Senate.

For the benefit of the Members of this House who might not have had an opportunity to read the article, I am taking the liberty of having it inserted in the CONGRESSIONAL RECORD at this point:

SPENDING MORE, DEFENDING LESS

While practically all eyes have been on the Senate, Rep. Joseph P. Addabbo may have contributed the most important statement to the debate on the strategic arms limitation treaty and the future of the defense budget.

"It is my contention that dollars alone do not buy national defense," Addabbo told the House on Aug. 2. "I do not believe we can afford to continue to be guided by simplistic, expensive and wasteful formulas. . . . It is clear that we are spending more [on defense] and getting less for it, year by year. . . ."

Although Addabbo won't vote when the Senate considers SALT II this fall, he will have more long-term influence on the nation's defense posture than will most of the 100 Senators. A House Member from New York City, he became chairman this year of the Appropriations Subcommittee on Defense. His views make the current Senate skirmishing on SALT look like a semantic exercise in which the participants appear concerned primarily with scoring debating points and asserting their role in defense policy formulation.

As the Senate Foreign Relations and Armed Services Committees' hearings on SALT progressed, attention focused less on the technical terms of the treaty—for which support seems to be growing—than on the amount the Pentagon will spend on weapons in the next few years. Sen. Sam Nunn, D-Ga., supported by Sens. Henry M. Jackson, D-Wash., and John Tower, R-Texas, wrote President Carter on Aug. 2 that a 4 to 5 per cent increase beyond inflation in the defense budget is "essential" to "begin reversing the unfavorable trends in the military balance." In effect, Nunn said his vote for SALT depends on Carter's response.

Nunn has demonstrated his serious concerns about the nation's defense and has become one of the Senate's leading experts on many military issues. Therefore, when he said earlier that "the SALT II treaty will become nothing more than an instrument for registering emerging Soviet military superiority" unless Carter makes a five-year commitment to restore the nation's military strength, some proponents of the treaty were shaken.

But Nunn's strategy has several problems. First, his letter to Carter asked general questions about defense plans: how much will the Administration spend, where will the increases go? He neither advocated specific weapons systems nor asked Carter about his plans for them. The premise of the letter is simply that more money is the answer.

Is it, however? Addabbo, for one, thinks it is not. He complains that the Pentagon asks for more money than it needs and then puts the money aside "for a rainy day," at which time it spends it for unnecessary and excessively expensive programs. At the same time, Addabbo says, the department completes projects of "dubious military value" while more conventional weapons are in short supply. As an example of wasteful spending, he cited the recent decision to spend $2 billion for another nuclear carrier that will not be completed until the 1990s, when advanced missiles will make it more vulnerable to attack.

Sen. Gary W. Hart, D-Colo., an Armed Services Committee member, echoed Addabbo's thoughts when he told his panel that a larger defense effort would not necessarily strengthen national defense. "It is more difficult but more important to define what specific steps we must take to secure our nation," Hart said. Rather than a "more is better" or "less is better" approach to national defense, Hart is calling for "better is better." Specifically, he has advocated greater planning of military strategy and weapons selection, combined with use of innovative technologies and better management.

From the Nunn perspective, managerial changes, while important, must be accompanied by budget increases. Defense spending, he is quick to point out, has been so neglected that it now has its smallest share of the federal budget since before the Korean War.

Nunn may also be dealing with the wrong person, however, when he seeks assurances of more military dollars. For one thing, no President—let alone one in the third year of a shaky four-year term—can guarantee budget outlays four or five years hence. And, as Carter aides have pointed out, Congress has regularly reduced his defense budgets. This year, for example, Addabbo's subcommittee sliced $2 billion from Carter's request of nearly $130 billion, which Nunn and others earlier had attacked for not meeting Carter's commitment to other Western heads of state to add 3 per cent in real terms for defense.

In the meantime, the Foreign Relations Committee's thorough handling of the treaty has bolstered the hopes of treaty supporters that the Senate debate and vote will not be as difficult as they had feared a few weeks ago.

If their hopes are realized, the committee leaders and staff deserve considerable credit for the way they structured the debate so that all points of view were heard and legitimate concerns were met. Sens. Frank Church, D-Idaho, and Jacob K. Javits, R-N.Y., the panel's chairman and ranking minority member, announced before the August recess that they will propose two understandings and two reservations to the treaty that they said would clarify its meaning and "re-

move certain doubts that have been expressed about what it is we are agreeing to—and not agreeing to"—if the treaty is ratified.

The proposed understandings are intended to reinforce promises that the Administration already has made to the Senate; the reservations spell out commitments by the Soviet Union to U.S. negotiators. Church and Javits said their proposals "reflect an emerging consensus" among committee members.

Of course, Church and Javits have been in no position to head off the debate about the size of the defense budget. President Carter will have to meet that test and convince doubters that he understands the treaty's significance for U.S. military capabilities.

Both Carter and the Senate should thank Addabbo for injecting a note of reason into the treaty debate, a step that may make SALT II a useful exercise in national defense as well as diplomacy.●

TIBOR BARANSKI RECEIVES YAD VASHEM "RIGHTEOUS GENTILE" AWARD

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. KEMP. Mr. Speaker, only 3 years ago the United States was celebrating its Bicentennial, commemorating the dissolution of our ties with an empire that did not respect the freedoms and aspirations of the people of the American colonies. While this struggle is history to our Nation, the striving for freedoms in which we have such pride still continues today. Thus, it is proper that we reward the efforts of a great Hungarian Freedom Fighter, Tibor Baranski.

Tibor Baranski, a teacher who lives in western New York, suffered untold atrocities himself as a captured prisoner of the Communists. He was recently honored in Israel when he was presented with the Righteous Gentile Award. This is the highest award given to non-Jews by the Yad Vashem, which commemorates the Holocaust. My wife Joanne and I had the privilege of visiting the Yad Vashem during our recent trip to Israel, and came away with an even greater appreciation of the courage of those who defied Nazi genocide.

Tibor Baranski received this award, because of his unselfish efforts to free 3,000 to 6,000 Jews from Nazi death or persecution during World War II. In 1939, Germany invaded his homeland, Hungary, and began the enslavement of Jews in concentration camps across Europe. Tibor immediately began to work in accordance with the orders of Pope Pius XII whom the Nazis allowed to house 12,000 baptized Jews. His efforts included obtaining baptismal certificates for the Jews and protecting them from the Nazis. He also assisted his aunt in obtaining false documents for the Jews and hiding them in secure underground locations.

In 1944, Tibor was made the leader, the executive secretary, of the Jewish Protective Movement. There were many times that he risked his own life in this position to save others. He says that if the Nazis had known what he was doing, "I would have, within 10 seconds, a bullet in my head."

Mr. Speaker, Tibor Baranski is a devout Christian of the Catholic faith who risked his life many times for thousands of Jews during World War II. At this time, I would like to enter into the CONGRESSIONAL RECORD an article from the Western New York Catholic Visitor which tells the complete story of this great Hungarian Freedom Fighter.

TIBOR BARANSKI, THE "RIGHTEOUS GENTILE"—HUNGARIAN CATHOLIC GIVEN HIGHEST HONORS IN ISRAEL

(By Kay Lyons)

Tibor Baranski, a teacher who lives in Snyder with his family, is probably best known locally as a member of the 37 Captive Nations Committee, a former Hungarian Freedom Fighter, who suffered untold atrocities himself as a captured prisoner of the Communists, who managed to escape to the United States.

He is a man of old-world charm who bows to kiss a lady's hand—yet there is a certain air of militancy about him, and he could very correctly be called "a militant zealous Christian of the Catholic faith for which he'd willingly die if necessary." This description he does not deny.

STRAIGHTFORWARD

He minces no words, whether he is paying a glowing compliment, or blasting out verbally against the Nazis and Communists for all that he saw and experienced from their hands.

He was recently honored in Israel as "a hero," even though he insists he simply did what had to be done.

He tells of a Nazi who once asked him, "Why do you, a Christian, protect and defend the Jews?" In his typical candidness, he replied, "You are either silly or an idiot—for it is because I am a Christian that I help the Jews."

With extensive knowledge of Scripture and more than a smattering of Catholic theology, he quotes the very simple and well known words of Jesus Who said, "Love thy neighbor as thyself."

"If we believe and practice the teachings of Christ," he said, "then we must recognize all of mankind as 'our neighbor,' be they Gentile or Jew. . . ." But there is an exception to his love for neighbor, also based on the teachings of Christ Who said to hate that which is evil, and there is little love in Tibor Baranski's heart for the Nazis or Communists whom he calls "those devils . . . the advocates of Satan."

"I tell you," he says to anyone who will listen, "anyone who lives by the rule of communism becomes no more than a wild animal, a beast!" He says this with good reason.

In early January, as a result of several years' effort on the part of a Jewish lady chemist in California, Mrs. Hedwig Szekeres, Baranski went to Israel to receive the "Righteous Gentile" award from Yad Vashem at the Holocaust Memorial Center in Jerusalem. It is Yad Vashem's highest honor to non-Jews and only 500 have received the award.

INVESTIGATION

It is not an award easily gained. Mrs. Szekeres and eight members of her family are among the 3,000 to 6,000 Jews Tibor Baranski helped to escape Nazi death or persecution during World War II. In 1975 she submitted his name to the committee for Yad Vashem. There followed a long and thorough investigation as to whether this man really did what Mrs. Szekeres said he did. Last Christmas week he received a cablegram from Jerusalem announcing he had been selected for the honor.

The pure silver medallion, on a bed of velvet in a square box made of olive wood, on which appears the holy symbol of Jews and all of Israel, the Menorah, has on it hands reaching out to the world. The symbolism literally means, "If you saved only one life, it is as if you had saved the entire world."

Mr. Baranski was thrilled to actually meet again several hundred Jews whom he remembered, despite the years' toll, both at the ceremony and after a Hungarian newspaper announced the ceremonial which honored him. He is the third Hungarian to have received the Righteous Gentile award.

He is also one of the very few who was privileged to plant a tree in the gardens of the Yad Vashem building, with a plaque bearing his name for future generations to recall, as "one of the just people of the world." Only Gentiles are so honored by Yad Vashem, a commemorative organization.

CITATION

He was also given a citation, written in Hebrew on one side and in French on the other, which tells of his magnificent fight for the Jews during World War II, saving them from the death ovens and other abominable crimes of persecution.

One of those people turned out to be the principal of the school where Tibor's daughter's music teacher's husband formerly taught in Israel. Another, at the ceremony, who had forgotten the name of Baranski but who recognized him, was almost speechless with joy when he ran up to grip the honoree's hand and said, "I'm one of those you saved!" Mr. Baranski slept in the home of a family whom he had saved, who now lives in Haifa—there were others.

In 34 years people do change—people do not always remember the kindness shown them, even for a day—but what Baranski did was no small "kindness." He saved several thousand lives of people who did not share his religious faith or beliefs, who were "nothing" special to him personally except that they were human beings created by God who deserved the right to live.

He was a young man of 22 when the Nazis invaded his homeland. He had been brought up by a deeply religious aunt. He was then and is now a man of unusually deep conviction and principles. Even today he says, "I will never give up my Christian principles and convictions," and sometimes he pays a heavy price. He is brutally truthful. As a teacher, he refuses "to twist the minds of children with false, liberal, barbaric teaching." He calls himself a "progressive conservative" Catholic-Christian.

He is something of an expert on European history and speaks five languages. Although he is not exactly shy in citing his own capabilities, there is a note of humility about him when he says of his work with the Jewish Protection Movement, an arm of the Church, of which he became executive secretary. "I only did what God demanded of me. I was really acting in accordance with the Orders of Pope Pius XII whom the Nazis allowed to house 12,000 "baptized" Jews in 42 houses. But those dogs didn't keep their word to the Pope—they changed, with no warning, to 3,000 Jews in 12 Vatican houses."

DEATH CAMPS

Until March, 1944, Hungary was an "independent" ally of Nazi Germany, with legal opposition parties and relative freedom for the Jews. "A puppet government" was installed, Baranski recalls. Anti-Jewish legislation was enacted, the yellow star was introduced, and the collection of Jews for the death camps began.

In October, 1944, when Mr. Baranski was studying theology in a Hungarian college, the Russian army crossed into Hungary. He returned home to Budapest to find that his aunt was very active in the underground movement which helped obtain false documents and found hiding places for the Jews. She had "adopted" and housed the Szekeres' infant son while his parents were in hiding. His aunt asked Tibor to help the Szekeres family who faced death.

He sought help at the office of Bishop Angelo Rotta, the Papal Nuncio, Vatican diplomatic representative, in Budapest. This is

typical of Tibor Baranski—he goes to the top to get something done.

There were many Jewish-Gentile intermarriages which brought about some definitely real Jewish conversions to Catholicism—an estimated 35,000 "baptized" Jews in Hungary in 1938. But some later admitted that their "conversion" was for safety's sake, a real matter of life and death. The Pope was intent on saving the lives of all who could be saved from the doom of the Nazis. Who is to judge the "convenient" baptisms except God Himself?

Baranski obtained baptismal certificates for three members of the Szekeres family alone from Bishop Rotta, in charge of the 12 "Vatican houses" in Budapest. Baranski filled out protection letters for all nine members of that one family, went to their homes and brought them to one of the protected buildings.

Impressed with Baranski's fluent German, the papal nuncio asked him a few days later to shepherd about 40 "baptized" Jews out of a factory where hundreds were kept before they were marched to death camps in Germany. He was asked to go the next morning, but Baranski insisted upon going immediately. He was offered a small car, but he refused, insisting on a Rolls Royce.

"Primitive people"

"I told the bishop, 'The Nazis are primitive people. A little shoehorn car would not show any representation of power—they'd be impressed by a Rolls Royce.' " The bishop realized that Baranski thoroughly understood the Nazi psychology.

He drove the big impressive limousine right up to the gate of the factory in the very neighborhood where he had once lived and bluffed his way completely past the guards with his most aggressive demeanor. The guards offered to escort him but he assured them he knew his way around. When they asked, "How?" he curtly answered, "That's none of your business."

He found the Jews he was looking for, took them to a small house on the grounds where they were watched overnight by two guards "who had the swastika on their lapel but not in their hearts," he says, the next morning they were taken by streetcar to one of the protected buildings.

The Jews in the factory for whom there were no protection papers that day were not forgotten. While he occupied the attention of the Nazi guards (and Baranski does, indeed, have the gift of a glib tongue!), his aides helped those left behind to escape through the underground.

It was a few days later when he was made the leader, the executive secretary, of the Jewish Protective Movement. His first assignment as such was to go to the Austria-Hungary border and bring back "baptized" Jews who were part of the infamous death march to Germany. The 3,000 allotted spaces in the protected apartments were filled within three or four days. After that, Baranski supervised the 12 buildings, finding food and medical supplies, taking ill ones to hospitals, keeping the Nazis away.

Disgruntled Nazis

Of course, the Nazis violated their agreement with the pope at least eight times, taking Jews from the protected buildings. Each time this happened, Tibor went to the Nazi district headquarters where the apprehended Jews were held and obtained their release from disgruntled Nazis.

"Not a single Jew under my protection died at the hands of the Nazis," he declares. He does not boast; he simply states a fact. He might have known 30 of 3,000—"I saved them for God, not for personal reasons," he says. His efforts meant less than five hours sleep a night, sometimes only a half hour nap, and many days with nothing to eat.

He got no pay for what he did. He inflated food orders for the apartments so that Jews in hiding might eat. Had the Nazis known what he was really doing with the underground, "I would have, within 10 seconds, a bullet in my head," he says.

On one occasion a drunkened Nazi waved a loaded pistol at him for several minutes. He was captured by Gestapo officers at the Austria-Hungary border. He was held by a Nazi in a Budapest basement. He escaped all three times. "God gives very special help to those who help others," he insists. He considers physical life as "nothing" in comparison with eternal life with God, the only reason for physical life being worthwhile.

On Dec. 30, 1944, he was captured again when the Russian army took Budapest, and he was assumed to be a Hungarian supporter of the Nazis. He was forced to march 60 miles during the next 16 days, with Russia the destination. He and the other 2,000 marchers had four meals in those 16 days—many died on the march; Baranski almost died. He was beaten unmercifully by a Russian officer when he fell, unconscious. He credits his life that time to the sympathetic intercession of a Russian soldier.

BAG OF BONES

He was left behind in a Hungarian hospital, "a bag of bones, looking exactly like a Jew in Auschwitz" he says. After a long, slow recovery in the spring of 1945, he returned to Budapest to learn that the Jews in the protected buildings had been moved by the Nazis to their own ghetto.

Nothing could keep this zealot, Tibor Baranski, from his intense fight for what he believed to be right. He again became involved in underground anti-Communist activities. But he paid a heavy price—57 months in Hungarian prisons, with release coming in 1953 following Stalin's death.

Mr. Baranski, once stated that, because of the physical torture he endured, "It is only a miracle of God that I became a father."

He joined the freedom fighters during the Hungarian Revolution in 1956 when he went to Rome to get Vatican support for the freedom fighters and organized a school there for Hungarian refugees. The following year he moved to Toronto. In 1961 he came to Buffalo with his family, each one of whom is a story within themselves.

Katalin, his wife, saw her own well-to-do family stripped of everything by Communists in Hungary, and her dreams of becoming a doctor shattered. She is a Research Chemist who speaks three languages as does "Kathy," Jr., who is a statuesque beauty, a junior in Amherst Senior High School. Their son, Peter, is a doctor serving with the U.S. Navy in California, and Tibor, Jr., speaks five languages. He is a Junior on a full scholarship at Princeton University where he majors in oriental languages and has lived in Taiwan and Japan to better familiarize himself with those languages, customs and culture. He is a young man filled with hope and wonderful dreams for the future.

FREE WILL

Tibor, Sr., has taught his children that God gives one a free will with which they can either make beautiful carvings—or kill.

He is probably the only Catholic in Western New York to have received the highest award from the Israelis. Sometimes people do remember the good that was done to them by another.●

EDUCATION AMENDMENTS OF 1979

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. FORD of Michigan. Mr. Speaker, today I introduced, at the request of the administration, the legislation submitted by the Department of Health, Education, and Welfare for the reauthorization of the Higher Education Act. This draft proposal was the subject of five hearings held by the Subcommittee on Postsecondary Education which I chair.

I commend this bill to the attention of my colleagues.●

PROPOSES WORKING AT HOME TO SAVE ENERGY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. AuCOIN. Mr. Speaker, I want to insert into the RECORD today an article from Sunday's Washington Post that explores the idea of allowing certain employees to work at home.

The author, Frank W. Schiff, argues the case for this idea on grounds it will save thousands of barrels of gasoline, lessen traffic congestion and help curb air pollution.

I would like to concur with those reasons, and go Mr. Schiff one better. His idea also can be expected to increase American productivity.

Arresting our declining productivity is a major concern of mine. Our success in halting this decline will determine how well we contain and reduce inflation in years ahead, and on a larger scale how we evolve as a world economic power.

Declining productivity in America is ironic because our reputation and greatness has been built on an unparalleled ingenuity and resourcefulness. If something could be achieved, Americans could achieve it—even if no one else in the world could. We seem to have lost that feeling, and with it our self-confidence—and our international edge.

We are a long way from foundering, but we are not so far ahead that we can afford to ignore any idea with merit.

Mr. Schiff's considered article is more than thought-provoking, in my view. I am convinced it can work and at once strike a blow for energy conservation and productivity acceleration—not to mention the tonic it would provide in other social areas. For example, reduced commuting times or decentralized business locations will open new vistas for rural areas that have dried up from large migrations to big cities and their suburbs. Within cities, new strategies can be employed for "setting up a business"—strategies that will affect land usage, transportation patterns, neighborhood development.

What perhaps is most encouraging about Mr. Schiff's suggestion is that it is not so futuristic that it cannot begin almost at once. The technology—home computer terminals, inexpensive calculators, portable reference files on microfiche and the world's most sophisticated communications—is on hand today to allow workers to work productively at home without distractions, getting more accomplished in less time.

Mr. Schiff's idea will be one of many ideas I hope to consider this fall as I chair an ad hoc Industrial Innovation Task Force. The first session is next

Tuesday and will feature Jordan Baruch, Assistant Secretary of Commerce for Science and Technology.

The purpose of the task force is to explore meaningful ways to stimulate industrial innovation, thereby making American companies and workers more productive so we can continue to enjoy the fruits of our labors through a quality lifestyle. The task force will help to bridge the gap between committees having jurisdiction over the components of a strong innovation program.

In this small way, I hope Government—so often the bogeyman that stifles productivity—can play a constructive role in pointing to productive avenues to pursue, both in the private sector and in public policy.

But in the end the real salvation of our people will be our own best weapon—our creativity and good sense. Of that, Mr. Schiff has shown he has much, and he has greatly encouraged me that there are solutions if we just look hard enough. His article follows:

WORKING AT HOME CAN SAVE GASOLINE

(By Frank W. Schiff)

Millions of Americans commute to work five days a week, primarily by car or bus, in a massive population movement which accounts for much of the country's gasoline consumption, traffic congestion and air pollution, and which is a major source of mental and physical stress.

There are many possible ways to ameliorate these problems, but, surprisingly, virtually no attention has been paid to the contribution which could be made by working at home one or two days a week.

While only a minority of workers would be able to use this option, their impact on reducing gasoline use and alleviating other conditions related to commuting could be quite pronounced. Moreover, the size of such a group could increase rapidly and substantially in the next few years.

If 10 percent of those who commute to work each weekday were to start working at home two days each week, this would reduce the volume of such travel by 4 percent. This is not a large number in the absolute, but significant when compared to the 3 to 5 percent overall shortfall in petroleum availability which brought on the recent gasoline lines.

Although the idea that most work must be done away from home is deeply ingrained, it has not always been regarded as the norm. Even manufacturing work was typically carried out at home in the "cottage industry" system before the Industrial Revolution concentrated work in factories and introduced the rigid disciplines of the factory process—disciplines that were widely applied to office workers as well.

The rationale for the change in work location was clear at the time. The new machines required the concentration of workers in the places where they were located.

But while the identification of work with a place away from home continues for most workers, many of the underlying conditions which brought about the shift from cottage industries to central workplaces no longer hold true.

For one thing, there have been extraordinary changes in the nature of jobs. While manufacturing has remained at one quarter of total employment over the last 50 years, the share of service industries has risen from 40 to over 60 percent. And, according to a recent study, more than 50 percent of all U.S. jobs are now centered in information-related activities. Our economy has become far less dependent on muscle power and far more dependent on professional, technical and clerical skills.

Even more far-reaching have been the changes in the nature of the "machinery." Some of the most dramatic have emerged within the past decade through the rapid advances in computerization and electronic chip technology.

REVOLUTION IN REVERSE

Future historians may well view this period as an Industrial Revolution in reverse, since it is providing the working tools that make it possible to move a growing number of employees out of centralized workplaces into new types of "cottage" industries. Consider just a few of the changes that make work at home far more feasible than just a few years ago:

Some of today's hand-held "programmable" scientific calculations can be used to carry out complex calculations that less than a decade earlier could only be handled by the largest computers available. Even the less advanced hand-held calculators perform functions that not long ago required bulky office machines or even computers.

Through computer terminals, persons working at home can gain access to the latest computer facilities as well as to vast quantities of stored data. Such terminals are available in portable form and can be readily used in homes if they are connected to a telephone.

In the field of economics, for example, a consulting firm called Data Resources Inc., provides it subscribers with access to a potential total of about 5 million economic and related series. The terminals can also be used to produce econometric and other statistical analyses with respect to these data, transform the results into graphs and build various economic models.

Portable machines now are widely used to record dictation previously taken down in shorthand by secretaries in an office. It is also possible for persons working at home to use the telephone to dictate directly into machines located in their offices and to listen to playbacks of relevant passages.

The contents of large files and entire libraries can be reduced to very small proportions and encoded on 4-by-6-inch microfiche film sheets, which can then be carried home and used to display the desired pages on portable viewing machines. A microfiche stack an inch high can incorporate the contents of as many as 20,000 pages of printed material.

PAPERLESS OFFICE

With such technological advances, working part of the time at home is feasible for engineers, computer programmers, physical and social scientists, medical researchers, lawyers, accountants, insurance company employes and salespeople. This list, moreover, is not exhaustive.

A firm called Micronet Inc. recently opened a "paperless office" in Washington, which demonstrates how existing technologies can be employed to carry out virtually all office tasks with completely automated equipment—equipment that generally can also be used at home.

Nor are the opportunities for changes in work location confined to professional and clerical work. In factories and laboratories, many tasks now are carried out through remote control devices, and it is possible to operate some of these devices from more distant locations.

In the next decade or so, moreover, the sophistication of machines available at home is likely to increase tremendously, a trend that is already foreshadowed by the beginning emergence of a market for home computers. A growing number of homes is likely to become equipped with machines that combine the functions of television sets, videophones, computer terminals, electronic files and word and data processing systems and that can be directly connected with offices and other homes.

These technological advances do not by themselves provide sufficient proof that much more work can be done at home. Skeptics offer at least three lines of argument to show that such a change in working patterns would not be practical.

The first, most obvious objection usually is: If people work at home, how can one tell how well they are doing or whether they are working at all?

The answer is that, in judging the performance of an employe working in an office or other central workplace, personnel management experts generally reject the notion that conclusions should be based on a workers' input, as measured by hours spent at the place of work. Instead, they hold that performance should be judged by output and its relation to the firm's objectives. For many employes, these criteria can be applied just as readily when the work is done at home.

A second argument is that work at home would cut off employes from needed contacts with their co-workers and others. Clearly, such contacts are often highly important for effective performance and for employe morale.

But this argument, too, is not as convincing as might appear at first sight. Much of today's communication among employes takes place over the telephone, even for people working in the same building. Moreover, these proposals call for work at home only part of each week, leaving ample opportunity for face-to-face contacts with other employes.

Finally, it is argued that working at home will simply prove impractical: too many distractions and the lack of a quiet place in which to work.

In many cases, the opposite is likely to be true. Many working in offices often find themselves unable to finish planned work because of interruptions by co-workers or unnecessary internal meetings. And there are many instances of employes working on tight deadlines finding that the only way to get the job done in time is to work at home because this involves far less distraction and interruption.

Working at home should be an entirely voluntary option, to be used only where it is convenient and desirable for the individual worker as well as for the firm.

Even so, any such change is likely to encounter considerable resistance within many companies and unions, if only because established patterns are inherently difficult to change. If the working at home alternative is to make any headway, therefore, it is important that its advantages for individuals, firms and the public generally be fully understood.

SAVINGS IN WORKING TIME

The most obvious advantage for workers is the time gained by not commuting every day. Potential reductions in work time are currently a major issue in labor-management negotiations; the reduction in work-related time proposed here is one way by which workers can gain added time without imposing extra costs on management.

The total time saved can be quite substantial: An employe who drives an hour to work would save 16 hours in commuting time each month, or the equivalent of two 8-hour workdays, by working at home two days a week. In addition, he would save the money he would otherwise have had to spend on gasoline, parking fees and outside lunches.

Doing more work at home could improve the quality of life for many—though by no means all—individuals and families. There could be a better division between work and leisure during the day. Married couples could spend more time with each other and their children and still get as much work done as before. The task of taking care of youngsters, older people and pets would be considerably facilitated. And many more people might be able to engage in paid productive work who are now precluded because of the commuting requirement.

Business firms, too, can be expected to gain important benefits from the proposed arrangements—benefits that are likely to outweigh the extra burdens of coordinating individual work schedules. Worker productivity and satisfaction are likely to rise, while the pool of available labor with special skills would be enlarged.

There also can be some quite specific benefits. Some firms, for example, encourage engineers, computer programmers and others to work on computer terminals at home so that they can gain faster access to regular computer facilities than is possible from the office during regular hours.

What will it take to encourage much more widespread reliance on working at home for at least part of each week? No single dramatic step is likely to provide the solution, nor is this a case for extensive government subsidies. Instead, there is need for a concerted effort to bring this issue more clearly into the national consciousness.

Business firms, unions and employes need to take a hard look at existing work patterns to ascertain which jobs can be carried out only in central workplaces and which can at least partly be carried out at home. A new look at management practices, union rules and government laws and regulations is required to determine whether they unduly discourage work at home; government should fund research in the area.

A really serious effort along these lines could bring a far larger shift toward work at home than most consider possible. Doing more work at home is one way to help solve some of the country's most persistent problems, a way which promises major benefits without hardships.

Why not give it a try? ●

A BILL TO REAUTHORIZE THE HIGHER EDUCATION ACT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, I support the draft legislation for reauthorization of the Higher Education Act as introduced yesterday by Chairman FORD of Michigan and cosponsored by myself and other members of the Subcommittee on Postsecondary Education. Although I may disagree with the majority party on many issues that come before the Congress, I find that with regard to education there is a great deal that I have in common with them.

I am particularly pleased to see that the commitment Congress made to provide Federal student aid to students from middle class families which began with the enactment of the Middle Income Student Assistance Act last year is continued and reinforced by this legislation. I am convinced that one of the greatest assets this country has is its youth and that we should insure that all citizens have the opportunity to develop to their full potential.

Steps taken in this legislation underscore the primary role of the State in providing education to students. Several programs which involve the States have been consolidated to make them more cost and program effective. Of particular interest to me is the change to the restriction in the State student incentive program (SSIG) which mandates that a State statute regarding State grant aid should be superseded by Federal law. This change will provide more flexibility to the States and is consistent with what should be all Federal education policy.

Although I am a supporter of the bill I realize that there will be some issues which may cause disagreement. One concern of mine is the total cost of these programs. I look forward to the Congressional Budget Office cost estimates which are forthcoming and I will do everything I can to insure that these programs deliver the most student aid dollars for the least governmental costs.●

IN MEMORIAM: MRS. ANTOINETTE SLOVIK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. RANGEL. Mr. Speaker, it was with deep regret that I learned today of the passing of Antoinette Slovik after a long battle with illness. Mrs. Slovik was the wife of Pvt. Eddie Slovik who on January 31, 1945, became the first member of the U.S. Armed Forces to be executed since the Civil War.

Private Slovik's death takes on an even more tragic note when one realizes that there were 28,000 deserters during World War II, of which 4,000 were tried, and 2,900 were convicted. Yet, only one Pvt. Edward Slovik (service No. 36896415) was executed for desertion.

Having personally served in a combat role during the Korean war, I fully understand the gravity of Private Slovik's desertion. But at the same time, I cannot help but be moved by the arbitrary and excessive action by the U.S. Army in singling out Eddie Slovik for execution. To have made an example of Private Slovik in such an extreme manner can in no way be considered equal justice under the law.

Therefore, during the 95th and again during the 96th Congress, I introduced legislation which would have paid Mrs. Antoinette Slovik the proceeds plus interest from her husband's Veterans' Administration $10,000 life insurance policy, which he forfeited upon his execution. This legislation failed to pass either the House or Senate and in fact failed to even receive a hearing by either the House or Senate Judiciary Committees despite the numerous appeals of many of our citizens and the endorsement of President Carter, Secretary of the Army Clifford L. Alexander, and Veterans Administrator Max Cleland.

Mrs. Slovik's death once again brings home the sadness with which I view Private Slovik's execution. It is even more disheartening when one realizes that Mrs. Slovik died without any solace for the grief she endured. For 30 years knowing that it was only her husband who was executed. Her suffering was great and heightened during her last years because of her financial plight. While passage of H.R. 2326 can no longer help Mrs. Slovik, it should be enacted if for no other reason then to acknowledge the arbitrariness of Pvt. Edward Slovik's death.●

AMERICAN VETERANS COMMITTEE PLATFORM 1979–80

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BOLLING. Mr. Speaker, I bring to the attention of my colleagues four resolutions from the national affairs section of the American Veterans Committee Platform, 1979–80. These resolutions address the issues of low- and middle-income housing, welfare reform, revenue sharing, and public service employment.

The resolutions follow:

RESOLUTION ON OPENING THE SUBURBS TO LOW AND MIDDLE INCOME HOUSING

AVC notes with dismay the increasing isolation of two societies—the black inner city and the white suburbs. This has resulted from continued racial discrimination and the action of such jurisdictions to deny low and middle income housing through zoning restrictions. The effect of this action has been to increase polarization between black and white and rich and poor; to deny black and low income workers job opportunities in the suburbs, accelerate the physical blight and economic decline of our cities and negate federal programs designed to provide low and middle income housing.

AVC therefore urges that the Department of Housing and Urban Development deny federal grants to suburban and other jurisdictions unless such jurisdictions establish affirmative action programs to provide and permit low and middle income housing commensurate with the needs of the residents in the metropolitan region.

RESOLUTION ON WELFARE REFORM

AVC notes with great distress both the cut-back in welfare programs and the impounding of duly appropriated, Congressionally enacted funding for such programs.

With a sense of great urgency, AVC wishes to reaffirm its longstanding position that every individual has the right to adequate income, health care, shelter and sustenance. Therefore, we call upon the Congress to deal forthrightly and immediately with regard to these problems, with particular emphasis on the following:

1. A unified and largely federally financed program of assistance to assure equitable and efficient treatment and administration.

2. Benefits should be available to everyone in need—those in low paying jobs as well as the unemployed, those without families as well as dependent children and their parents.

3. Assistance grants should provide all Americans with an income adequate to sustain them in a state of health and minimal decency. If fiscal consideration preclude such immediate grant levels, then provisions should be placed in the legislation for orderly steps at time intervals to reach standards of adequacy for health and decency as determined by the Bureau of Labor Statistics with flexibility of grant levels to meet realistic variations in costs of living.

RESOLUTION ON REVENUE SHARING AND FEDERAL AID

AVC supports the principle of federal financial assistance to state and local government because of the far superior revenue raising capacity of the federal government through the progressive rates of federal income and estate taxes, etc.

However, we are opposed to the "no-strings" revenue sharing proposal of the Nixon Administration known as "general" and "special" revenue sharing. The general revenue sharing proposal currently contemplates grants to states starting at $5 billion a year totally unrestricted as to use, purpose or level of local revenue raising efforts. The "special" revenue sharing proposal would give no "new money" to the states and localities but would merely combine into broad subject area "block grants," such as health, housing, education, etc., the funds now going to specific project and categorical grant programs, and would end or endanger many constructive and creative programs such as Model Cities and the multi-state Appalachian Regional Commission. It would also eliminate almost all of the federal conditions (or strings) necessary to see that the funds are distributed on a non-discriminatory non-boondoggling basis.

We favor the continuance of the present method of making categorical grants for specific purposes and projects, on a matching and grant-in-aid basis. With respect to the allocation of these funds by statutory formulas, however, we demand that all federal agencies strictly observe the conditions attached by Congress to the grants.

We also wish to encourage those state and local governments which make a significant effort to raise their own funds through progressive rate taxes such as the income tax rather than regressive sales and real property taxes—to this end we favor a tax credit for a significant portion (say 80%) of local income taxes paid instead of merely a tax deduction for them.

We are sympathetic to the great needs of our American cities because of the high cost, in many areas beyond mere welfare, necessitated by the large concentration of our poorest citizens in urban areas.

RESOLUTION ON PUBLIC SERVICE EMPLOYMENT

AVC has long stood for forceful implementation of the Employment Act of 1964, calling for full employment. In particular, we have from time to time specifically called the attention of the federal government to the need for it to act as "employer of the last resort." That is, we have been willing to allow free enterprise to provide the jobs that are needed for those who want to work, with government to take up the slack when necessary.

We veterans for whose benefit the Act was passed continue to call attention to:

1. Record levels of unemployment (including veterans)
2. Rising demands for people to go to work
3. Increasing effective demand for public services and
4. Declining ability or willingness of local and state government to provide services.

We agree that "leaf-raking" jobs solve no problems. For this reason, we support Public Services Employment legislation, so that local government can provide jobs in health, education, parks and public safety.●

SALT II: THE BATTLE IS JOINED

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, as a member of the SALT II Task Force of Members of Congress for Peace through Law, I feel compelled to call to the attention of my colleagues in the House and Senate a perceptive article which recently appeared in the New Republic.

"TRB" gives an interesting account of Senate committee hearings on SALT II, and discusses Senator BYRD's recent trip to Europe and the Soviet Union. Soviet warnings against Senate amendments to the treaty have served only to anger some Senators, and Senator BYRD now reports that advisory additions may be acceptable to the Soviet leadership. The author makes reference, however, to the 15 reservations Senator Lodge was able to attach to the Treaty of Versailles in 1920—the reservations which killed the treaty. It is imperative that the Senate exercise prudence and restraint in its consideration of any amendments or additions to the SALT II treaty. The spirit, integrity, and substance of the treaty must be maintained.

The article follows:

THE BATTLE IS JOINED

It is 9:15 a.m. but the line of tourists already snakes around the corridor. Red crow-control cords direct them to an electronic scanner like the ones in airports. Shirt-sleeved cops stand about and there is a great ruffling of credentials. What's going on? Democracy at work, the Senate Foreign Relations Committee is holding hearings on the SALT II treaty. The Armed Services Committee will hold parallel hearings shortly. The Senate Intelligence Committee will hold hush-hush hearings on how the pact will be verified, if and when the Senate itself adopts the treaty. That will depend on approval of two-thirds of those present and voting; 34 senators have veto power. Formal debate should begin maybe next September, if the nation's conjoined crises permit. A vote?—oh, maybe in November. The Russians are fuming. They don't understand. In Moscow the Politburo presses a button and that's it.

The vast room inside is architecturally akin to Grand Central Station, or the foyer of the downtown RKO movie palace before they ripped it down. Only this is the real thing, the walls slabbed with marble, a dozen Corinthian columns, a ceiling higher than a basketball court, 40-foot maroon drapes, four bombshell chandeliers, carpets to match. It is jam-packed, blazing with lights. It is as crowded as it was when they investigated the Titanic disaster, the Teapot Dome scandal, the Watergate scandal, the Great Crash, and when the circus midget climbed into James Pierpont Morgan's lap. (He thought it was a child. They used flashpowder, then.) This is the Senate Caucus room where little men, in larger-than-life surroundings, investigate large-than-life events.

At 10:04 Chairman Frank Church, who comes from Idaho (Borah's old state), raps smartly three times and we're off. There are about 100 press seats, 100 for tourists, and maybe 50 for senators, witnesses, and staff. World interest centers here for the moment, thought practically nobody abroad can understand the subtleties of senatorial ratification. My seat is between the London Daily Telegraph and the Yomiuri Shimbun (Tokyo), circulation 8,000,000. Everybody is represented.

That's because everyone thinks this may be a final test—whether there's enough trust left between the two superpowers to prevent Doomsday. Secretary Vance is quiet, restrained; he does not have a commanding voice and sometimes he's dull, but he doesn't alienate people like Dean Acheson, and he's not afraid to talk back. "No, you're wrong!" he tells Senator Muskie tersely over a technical point. Senator Helms says savagely that the whole treaty is a phony—"This is an arms escalation treaty!" he charges. "No, it's not," says Vance, and continues explaining.

In brief, Russia and the US now have 14,000 strategic nuclear warheads and bombs in their arsenals and the smallest one of them can destroy a city: "Several times as powerful as the bomb that destroyed Hiroshima," says Vance quietly. Will they be used? Nobody cites one hopeful precedent: all belligerents had poison gas in World War II, but nobody used it.

This is the hearing that was supposed to fill the front pages with passionate argument but instead, so far, people are talking about gas lines and inflation. Can the Carter administration save itself from collapse? It has been under semi-siege at Camp David. It will be harder than ever for the public to concentrate on SALT II when Jimmy comes down from the mountain and tells what he plans to do next.

The administration's low-key approach might help SALT's ratification. Unlike Nixon and Kissinger when they presented SALT I, there have been no extravagant claims; Vance and Defense Secretary Harold Brown say that it's a pretty good treaty, all things considered; that it limits and even curtails some weapons; that it establishes an equilibrium of "rough equivalence"; that America is adequately protected; and that its approval is vital for the future. Where they speak most emphatically is in describing the consternation among European allies if SALT fails. "Failure to agree on SALT II could cast a chilling shadow over the whole range of East-West relations," Vance declared in what for him is a high-flown metaphor.

Back from Europe, Senate Majority Leader Byrd tells the same story. He talked to the president of France and the French and Italian defense ministers, who told him that if the US rejects the treaty it will mean an all-out nuclear arms race," and we could also expect the possible isolation of the United States from its European allies."

Byrd was the unofficial emissary to tell grim-faced Brezhnev and Gromyko in Russia that the Senate is almost certain to play its role in formulating the treaty by adding its own reservations and clarifications. It was Byrd's uncomfortable task to inform these somber Slavs of the facts of life about the US Senate. He brought back word that may save the treaty. President Carter and the Russians have warned against amendments. But Byrd reported that the Soviets might accept Senate additions that are advisory and not matters of substance "if we're talking about amendments to the Resolution of Ratification that clarify the meaning, that help to affirm the understanding of the Senate. . . ."

I have before me the 15 Lodge reservations which the crafty Republican senator from Massachusetts grafted on to the Versailles treaty, and which defeated it. The first insisted on America's right to withdraw at will from the League of Nations "by a concurrent resolution of Congress." One supported the Monroe Doctrine. Reservation number 14 insisted that the US should have as many votes in the League as the British if the Dominions voted. The final one expressed sympathy for Irish "aspirations" for self-government. On March 19, 1920, the Senate voted, 49 to 35, for the treaty with reservations. This was less than two-thirds, so America entered 20 years of isolation. It ended with World War II, which Wilson had predicted.●

TESTING LEGISLATION: A CONSUMER FRAUD?

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. GOODLING. Mr. Speaker, as you know, the Education and Labor Committee, Subcommittee on Elementary, Secondary, and Vocational Education will continue its hearings on the so-called truth-in-testing legislation this fall. It is my understanding that this legislation might even be considered by the full committee during October. I am concerned over the possible unintended consequences of overly hasty Federal action. New York State has recently passed "truth-in-testing" legislation which is slated for implementation in January 1980. The New York law is similar to the legislation currently before our subcommittee. I think it would be especially useful for my colleagues to consider the thoughts of a highly respected educator which appeared in the August 15 New York Times regarding the testing issue:

THE LAW ON TESTS IS BAD

(By Diane Ravitch)

New York's new "truth-in-testing" law, passed by the state Legislature and signed into law by Gov. Carey, guarantees that anyone who takes an entry test for college, graduate or professional school is entitled to get a copy of the test, along with the correct answers. Passage of the law is a triumph for Ralph Nader and his associates, who have been campaigning against standardized tests in general, and the Educational Testing Service in particular, since the early 1970's.

On the surface, the law seems unassailable.

Most of its advocates claim that public scrutiny will make college-entry tests fairer and less subject to "cultural bias" against minorities. Some, however, have admitted that their real object is not to improve the tests but to undermine their validity and usefulness to colleges.

In reality, the "truth-in-testing" law will accomplish few, if any, of its intended purposes.

It will create a bonanza for private tutoring services, which will now have actual tests as teaching tools, not just their own inventions; this will increase the advantage of those who can afford to pay for coaching.

As a result of the law, the cost to the student who takes the Educational Testing Service college-admission test, now $8.25, is expected to increase substantially. This is because compliance with the law will increase the costs of test preparation.

Anyone who understands the process of test-making could have foreseen these results.

The testing organizations devise questions that are pre-tested extensively, then used repeatedly, in order to provide a basis of comparison among students. This kind of pre-testing and retesting makes it possible to weed out questions that are poorly worded or confusing.

Even more important, this process helps to isolate "culturally biased" questions, when any identifiable student population consistently misses or misconstrues a particular test item.

Divulging the answers at the end of each test will require the testing companies to hire more employees, devise more questions, and charge more.

So it is the consumer, not the corporations, who will pay for this "reform."

Nor is the law likely to have much impact on college admissions.

Colleges ask their applicants to take standardized tests of verbal and mathematical skills because the scores are useful in comparing the aptitudes of students from all kinds of secondary schools—public, private, urban, suburban, rural. Colleges use the tests because they have some value as a predictor of future academic performance.

College admissions officers are professionals. They know that standardized tests have limitations; they know that such tests reveal nothing of a student's imagination, creativity, motivation or character; they know too that some students freeze in test-taking situations.

The scores are only one element in the student's record, which is made up of high school grades, rank in class, extra-curricular activities, teacher recommendations, work experience, and a personal interview.

If the tests were abolished, very little would change.

The highly selective colleges, where applications outnumber places by more than five to one, would continue to be highly selective; some would probably write their own entry tests, just as they did in the years before standardized testing. And more emphasis would be placed on high school grades and on the personal interview.

The fact is that, with or without standardized tests, colleges admit whomever they wish.

Those who have more applicants than places will continue to find some basis for selection.

Those who wish to increase their minority enrollment will do so, regardless of test scores or high school grades.

What is especially ironic is that college-entrance exams will have less significance in the future because of the decline in national enrollment. Pre-college youngsters have already become accustomed to receiving mountains of mail from colleges eager for them to apply.

With fewer students entering colleges each year, more and more colleges accept anyone who can pay the tuition (which for most youngsters is a more formidable obstacle than standardized tests). The number of colleges that will continue to be selective is a shrinking minority.

The "truth-in-testing" law will not change standardized entry tests in any meaningful way, will not affect the college admissions process in any meaningful way, and will not increase the number of minority students in college.

What it will do is cost the student-consumer more for the same level of services.

In short, New York's new law is a consumer fraud.●

LEGISLATION TO EXTEND THE LIFE OF THE C. & O. CANAL ADVISORY COMMISSION IS INTRODUCED

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BARNES. Mr. Speaker, on September 5 I introduced H.R. 5182, a bill to extend the life of the advisory commission to the Chesapeake and Ohio Canal National Historical Park. The Commission, composed of citizens and representatives of jurisdictions surrounding the 185-mile canal, was created with a 10-year life when the park was established in 1971. H.R. 5182 would extend the Commission's existence for another 10 years.

Part of the original rationale for creating the advisory commission stemmed from the unique nature of the canal. Unlike most parks managed by the U.S. Park Service, it runs along a 185-mile stretch of river shoreline, and is flanked by a major city, suburban communities, and numerous small towns. These circumstances clearly warrant the need for some mechanism which enables those who live along or near the canal to share a voice in its management.

The advisory commission, technically referred to as the "Chesapeake and Ohio Canal National Historical Park Commission," is composed of 19 members: Two each from the Maryland counties of Montgomery, Frederick, Washington, and Allegany; two each from the States of Maryland, Virginia, West Virginia, and the District of Columbia; and three appointed by the Secretary of the Interior, two of whom are members of conservation organizations. The members of the Commission serve without compensation.

There is no doubt in my mind that the C. & O. Canal Park and its visitors have been well served by this advisory commission. By allowing the good work of the Commission to continue, Congress can take a significant step toward insuring proper management of the park in the years to come.●

COLORADO RIVER MANAGEMENT PLAN AND ENVIRONMENT IMPACT STATEMENT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. STUMP. Mr. Speaker, I have received hundreds of letters from outraged citizens regarding the National Park Service final environmental impact statement of the Colorado River management plan which will ban the use of motors on the river.

One such letter that I received was from Gale James of Phoenix, Ariz. She attached a poem to her letter which I am commending to my colleagues:

PLEA

(By Gale James, an American)

Please save our love for the natural land
You cannot take that too
By making us stop the river trips
That our freedom entitles us to.

We do not disturb the river or land
Our intent is not to destroy
We merely want our Colorado Grand
To see, to love and enjoy.

What makes you think you have the right
to take our liberty away
Unless you too, have ridden the Grand and
felt the enchantment beg you to stay.

Its like a spell thats cast upon your senses,
body and soul
As you are one with river and cliff you can
scream out, "At least I am whole!"

So if you choose to take from us part of our
heritage, history and strife
Then what have we fought for in our wars?
Not justice . . . not freedom . . . not life! ●

THE UNITED NATIONS: ACCOMPLISHMENTS AS WELL AS DISAPPOINTMENTS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BARNES. Mr. Speaker, as chairman of the International Institutions and Development Committee of Members of Congress for Peace through Law, I would like to bring to the attention of my colleagues an excellent article which appeared on the New York Times "Op-Ed" page during the recent August recess and which they may have missed.

The article by American University president and former Undersecretary of State Joseph J. Sisco, is entitled "The U.N., Flawed but * * *." It points out that while the United Nations and its specialized agencies have problems, they also have a very creditable record of achievement in dealing with complex international crises and long-term global issues.

Too often, we tend to confuse the United Nations system with the political debates at the General Assembly and in the Security Council. The UN's membership express their views in those bodies. But the UN machinery for dealing with economic problems, natural and man-made disasters, complex legal disputes, hunger, disease, and ignorance works on in many countries. The UN's peacekeeping missions in the Middle East, on Cyprus, and in Kashmir continue to carry out their thankless and dangerous responsibilities. And the army of experts in so many fields continue to search for solutions to the environmental, educational, scientific and technological problems we must solve if human society is to survive on this planet.

Mr. Sisco's article points out some of the accomplishments and some of the problems of the United Nations system. I insert the text in the RECORD:

THE U.N., FLAWED BUT . . .

(By Joseph J. Sisco)

WASHINGTON.—President Carter's recent meeting with Secretary General Kurt Waldheim, and the recent informal United Nations Security Council decision to substitute an augmented United Nations Truce Supervision Organization (UNTSO) for the United Nations Emergency Force (UNEF) to help carry out the Egyptian-Israeli peace treaty, offer a timely moment to assess how well the world organization has been performing its peacekeeping functions.

There is a lot wrong with the United Nations, and this has led to diminished reliance on it, but United Nations peacekeeping remains a valuable option that should not be dissipated.

Both overzealous admirers and critics of the United Nations have tended to state their conclusions in bold-faced type. One group has viewed criticism as desecration of a religious shrine; the other has rarely failed to point out the yawning chasm between aspirations and accomplishments. Neither group looks at the United Nations for what it is: a reflection of a turbulent, pluralistic, diverse world—an institutional arena for the interplay of national power and interest.

The United Nations has often been sanctified and buried. Twenty years after World War I, the League of Nations was dead; 35 years after World War II, the United Nations is in great difficulty, yet it makes modest contributions in limited areas. Moreover, some problems of a global character, such as the plight of the Vietnamese refugees, can be dealt with, if at all, primarily through its mechanisms.

Its disabilities are numerous. Power and responsibility is skewered in the General Assembly, and numerous unrealistic resolutions have seriously discredited it.

The specialized agencies attack economic and social conditions that carry seeds of war. Their record in dealing with problems of health, the environment, population, pollution, food, weather and communications is credible; if these organizations did not exist, they would have to be created from scratch. But budgets have become bloated, as has the bureaucracy, and collective financial responsibility and apportionment are out of balance. The continuing tendency toward politics in lieu of technical work has also made the specialized agencies less effective than they might otherwise be.

But in peacekeeping, the United Nations record remains noteworthy. About 15,000 troops have been serving in the Middle East, Cyprus and the Subcontinent. Moreover, plans are in place for a United Nations Transitional Assistance Group to assist in Namibia if agreement can be achieved on internationally recognized elections.

It remains to be seen whether Israel will accept the Truce Supervision Organization. The alternative of a multinational force outside the United Nations is not likely to attract many countries, though supervision by the parties themselves remains an option. The three oldest peacekeeping groups, in the Middle East, Cyprus and Kashmir, were based on trip-wire concepts: static peacekeeping largely limited to disengagement and surveillance, reporting cease-fire violations, and based on the presence of the United Nations as mediator.

The United Nations has gone somewhat beyond the static concept in southern Lebanon where it was to supervise the cessation of hostilities between the Palestinians and Christian Lebanese and Israelis, establish for itself an area of operation, and help to assure the restoration of Lebanese sovereignty. The interim force has been operating in a political environment without clear precedents in light of the virtual absence of an effective Lebanese Government and the presence of opposing nongovernmental Lebanese armed groups. It has practiced freedom of movement throughout most, but not all, of its operational area, and on occasion it has been able to resort, when necessary, to bringing superior local force to bear in order to restore cease-fire conditions.

This more active policy derived not from a new, preconceived doctrine, but from the unique circumstances in southern Lebanon. The force has not been in a position to be effective in the six-to-10-kilometer strip on the Lebanese side of the border that was turned over to the Lebanese Christian militia.

Such work by the United Nations on the ground—decentralized, disorderly, pragmatic and adaptive—contrasts with early ambitious plans for universal central institutions as the prime means to world order. A worldwide organization disparate in power, wealth and culture makes for real limitations, as do the different fundamental approaches of the United States and Soviet Union. The United Nations is not an entity apart from its membership, and can act only by sovereign consent. We need not overdraw or undervalue its utility. On balance, we are all a little better off with it than without it.●

JAMES H. DENVER OF SPRINGFIELD, MASS., NEWLY INSTALLED COMMANDER, MASSACHUSETTS AMERICAN LEGION DEPARTMENT, GIVES MESSAGE ON PATRIOTISM

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BOLAND. Mr. Speaker, one of my valued and longtime hometown friends in Springfield, Mass., is James H. Denver, newly elected State commander of the Massachusetts Department, American Legion. I will have the honor of being a guest and speaker at his American Legion Testimonial Dinner at the Sheraton-Lincoln Hotel in Worcester, Mass., on November 24. He was elected Massachusetts Department Commander at the 61st annual State American Legion Convention held at Springfield in late June.

Jim Denver has long been active in the functions of the American Legion, the world's largest organization of veterans. He has given unstintingly of his time to the American Legion's great programs for hospitalized veterans, for the widows and families of veterans, for the elderly veterans, for the youth of our community in oratorical contests and scholarships and for Vietnam veterans.

Jim Denver has served with distinction as Massachusetts State Vice Commander and as past commander of Springfield's American Legion, Post 21. I want to take this opportunity to commend Jim for his past contributions to this great veterans' organization, and to congratulate him on his elevation to the most important post of Massachusetts Department Commander. I include with my remarks State Commander Denver's message on patriotism which appeared in the Springfield Sunday Republican on August 12, 1979:

PATRIOTISM: HANDY MEASURE OF ATTITUDE

(By James H. Denver)

Remember when each school room had an American flag, when a prayer and a Pledge of Allegiance were commonplace? Remember when everyone knew at least one verse of the national anthem?

Remember when the flag was displayed in a proper manner, lowered to half-staff only when that was called for in the country's Flag Code?

Remember when a federal judge would not have dared to rule that it was not illegal to wear the flag on the seat of trousers? Remember when nations throughout the world respected our flag and what it stood for?

I do, and I don't like what I see today, and I have tried and I will continue to try to do something about it.

To be a good American is the most important job that will ever confront us.

What is Americanism? The way we in the American Legion define it, Americanism is:

Love of America and loyalty to her institutions as the best yet devised by man to secure life, liberty, individual dignity and happiness; the willingness to defend our country and flag against all enemies, foreign and domestic; a vital, active, living force meaning peace, strength and the will and courage to live as free men in a free land, meaning a friendly hand to people everywhere who respect our institutions and our thinking.

Not a word but a cause, a way of life, a challenge and a hope in a world of turmoil; an ideal of loyal patriotism, religious tolerance, fearless courage, integrity, abiding faith in the commanding destiny of the United States.

Fathomless love for the principles which led our forefathers to found this country; complete and unqualified loyalty to the ideals of government set forth in the Declaration of Independence and the Constitution.

Respect for and informed obedience to duly constituted authority and laws of the land; freedom without license, religion without bigotry, charity without bias or race hatred.

I'm sure you'll all agree that America does indeed have problems, and that it must do more to meet the needs of our people. I also believe that the most serious crisis Americans face, both as individuals and as a nation, is the one that nobody talks or writes much about: we are mired in an age of disbelief, which is eroding our will not only to succeed but also to survive.

Sons do not believe fathers, blacks do not believe whites, stockholders do not believe corporate executives, the public does not believe the president.

We owe it to ourselves and to our children to dream new dreams, to have pride in our past and faith in our future, for without such dreams, such pride, such faith, we will have no future. If believing these things is wrong, then patriotism is wrong.

Tell me I'm wrong to care about abuses in the proper display of the flag right here in Springfield by city officials, schools and civic and fraternal organizations who take liberties with the flag that aren't theirs to take, and tell me I'm wrong to try to do something about it.

Tell me I'm wrong to be upset about the way spectators fail to stand at attention at sporting events during the playing of the national anthem. Tell me that the way hockey players break ranks before the second-to-the-last, or sometimes earlier, stanzas of the "Star Spangled Banner," schoolboy and professional players alike, shouldn't bother me.

Tell me I'm wrong to want to see flags flown on holidays, at least, over homes, factories, stores and public buildings, and flags placed on the graves of those who answered the final call, either on the battlefield or since.

Tell me that like hundreds of others, veterans or not, I'm wrong, that I shouldn't be bothered by pictures and reports of flag-burnings.

Tell me that I should be tagged Super Patriot because I still march in or watch parades in my city and like to listen to the Pledge of Allegiance and like to hear the national anthem played properly and sung by those who have cared enough to learn the words.

If I'm wrong, if I'm "too patriotic," I certainly don't plead the Fifth Amendment, as some people do for almost anything, and I'm certainly proud of it.●

PROGRESS AGAINST GOVERNMENT FRAUD

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report from August 15, 1979, into the CONGRESSIONAL RECORD:

PROGRESS AGAINST GOVERNMENT FRAUD

Fraud continues to plague the programs of the federal government. It accounts for part of the 1 percent–10 percent of funds for federal programs which the Department of Justice recently estimated to be misspent. In terms of dollars, the estimated loss attributable to fraud, abuse, and waste ranges up to $50 billion. By comparison, the federal deficit is under $30 billion.

These figures are very discouraging, but the costs of fraud cannot be measured merely by the amount of money misspent. Some instances of fraud, such as the use of inferior materials on government buildings, can in fact create public hazards. Even more important is the loss of public confidence in government which fraud occasions.

Fraud is not a new phenomenon in government. It has existed for a long time, so solutions to the problem can be neither quick nor simple. Nevertheless, the recent headlines exposing serious scandals and widespread theft are signs that things are getting better, not worse. The Congress and the Carter Administration have given the prevention and detection of fraud a high priority. Although much action still needs to be taken, the federal government is making some progress.

A major step was taken last year when Congress established an office of Inspector General in 12 federal agencies. This office consolidates the auditing and investigative responsibilities of each agency under one high-level, independent official who reports directly to Congress and to the head of the agency. Other government bureaus have set up similar offices. Armed with subpoena and prosecutorial powers, the Inspectors General have shown that they will more than pay for themselves through the revenues they recover. In 1978, for example, the work of the Inspector General at the Department of Health, Education, and Welfare (HEW) led to 230 convictions. It is expected that HEW alone will save $1.1 billion this year.

Other recent congressional action has been aimed at the problem of fraud. For example, a major law enacted during the last Congress is cutting down fraud and abuse in the Medicare and Medicaid programs. The result of several years of legislative work, this law has increased penalties for fraud and abuse, strengthened oversight of the programs, and mandated greater disclosure of information by providers of health care.

Investigative procedures for combatting fraud are being improved as well. First, the federal government has stepped up the training of investigators and prosecutors involved in fraud detection. Extra manpower will be brought to bear where none could be before. Second, a single auditing guide has been designed to replace the more than 100 different methods currently used to audit federally assisted programs. This action is expected to simplify techniques of fraud detection. Third, advanced computer systems have been installed to organize large amounts of data on the operation of federal programs. Computers make possible large-scale investigations, such as the one which is now checking lists of welfare recipients for any federal worker who may be receiving payments illegally. Fourth, each agency has started a program to protect and encourage "whistle blowers," federal employees who desire to report suspected instances of fraud within their own agencies. With their "insider's knowledge," these employees are very valuable weapons against fraud. Fifth, bills are now pending before Congress to speed up the hearing process and bolster penalties for those who commit fraud. Swift and forceful action when fraud has been uncovered deters others who might be tempted to break the law.

Because the very organization of an agency sometimes invites fraud, the Carter Administration is conducting a thorough review of each agency's vulnerability to fraud and its capacity for fraud prevention and detection. Also being reviewed are existing policies and procedures used in determining applicant eligibility for federal programs. It is anticipated that these efforts will lead to a sizable reduction of fraud in such programs as food stamps, social security, and federally insured student loans.

Private citizens should be aware that they can voluntarily enlist in the fight against fraud. A toll-free hotline (800–424–5454) has been opened to give people anywhere in the nation the opportunity to report suspected cases of fraud. So far, the hotline has been very active. In the first six weeks of its operation, over 30,000 telephone calls were received and followed up.

I strongly support these wide-ranging government efforts to stamp out fraud. The task, however, is far from complete. The control of fraud requires independent observers, good management, and vigorous prosecution. Of course, the best solution to the problem will be found in a system which continuously monitors federal programs. Such a system would help to ensure that the government effectively provided the essential services it was created to provide. It would also go a long way toward restoring public confidence in government.●

FLIGHT FROM LAOS

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. McHUGH. Mr. Speaker, I am inserting into the RECORD today an eyewitness account of the massacre of 169 Hmong tribesmen. The men, women, and children in this group were killed on a small island in the middle of the Mekong River by soldiers of the Government of Laos. They were searching for freedom. Instead, after several days of waiting in an effort to find some way into Thailand, they found death.

For months now, Mr. Speaker, I have been trying to bring attention onto the plight of the Hmong, the hill tribesmen of Laos who fought side by side with Americans throughout our long involvement in Southeast Asia. Many have been languishing in refugee camps for years. Others, like the group mentioned in this article, have died attempting to escape to Thailand.

Because the Hmong do not make their escape in boats, their plight has gone unnoticed by the press. More disturbing, our own Government has failed to respond in a meaningful way to the very serious problems our friends have been experiencing.

Although the Hmong represent a substantial number of the total refugee population in Southeast Asia, relatively few have been admitted into the United States. Yet, of all the refugees, no group has a greater claim on our country. We have a special obligation to the Hmong, Mr. Speaker, an obligation that we should not continue to ignore.

Thus, I hope that my colleagues will take the opportunity to read this article, which was written by Jane Hamilton-

Merritt and appeared in the New York Times earlier this week:

FLIGHT FROM LAOS

(By Jane Hamilton-Merritt)

The plight of the Hmong, a hill-tribe people in Laos—or Meo, as the people are known in the Western press—is one of desperation. Little news about these people who fought so long for the Americans in Laos reaches that press. Meo refugee camps in Thailand are remote and inaccessible.

July 27, 1979. The river and freedom are in sight. A group of 189 Meo—30 men and 159 women and children—have endured a two-month trek through the mountainous high jungles of Laos, running from the Pathet Lao and Vietnamese soldiers.

Tonight, they sit by the edge of the Mekong River waiting for darkness to provide cover for a crossing into Thailand—the final obstacle to freedom. Adults have not eaten for many days to preserve food for the children. Small amounts of the remaining rice, are forced into mouths of children—many only skeletons. Afraid to light fires for fear of detection by enemy soldiers, they wait in the monsoon darkness. Children are given more opium to keep them quiet: Any noise may alert soldiers known to patrol the banks of the Mekong searching for Meo trying to escape.

Meo who have escaped Laos tell of Pathet Lao and Vietnamese soldiers killing children for nothing, women for their silver necklaces, men because they are soldiers. They say that enemy soldiers take their rice, chickens and buffalo; that poisonous gases are dropped from planes on their villages and that their people die. They are convinced that the soldiers intend to kill all the Meo. Yet these Meo continue to fight the Communists in Laos although they have few weapons left and no meaningful support from outside.

July 28, 1979. At the darkest time of night, they cross the Mekong, only to discover as the dawn mists lift that they have miscalculated and have crossed at a very wide part of the river. They land on a long river island and still far from the Thai banks. Hurriedly the Meo gather vines to weave into ropes to attach to mounds of sand and patches of river reeds to make a link to shore and safety. There is so little time, for the river is rising noticeably and storm clouds hang over the mountains to the north. They could all drown if the river suddenly rose. Now that they believe themselves off Laotian territory and safe, they build fires to boil water in United States Army canteens. Women take off their blouses and, with sticks for frames, make shelters for the sick, babies, and old women.

Many Thai soldiers appear on the Thai bank along with a machine gun mounted on a jeep. Soon a patrol in two boats lands on the island to inform the Meo leader that the Meo must go back to Laos—they cannot cross into Thailand. The Meo tell the Thai soldiers that they will build bamboo rafts and leave during the night. Since the Thai side of the island is lower than the Laotian side, the Meo huddle on the lower side hoping that enemy soldiers from Laos will not see them.

Men and women cut bamboo from small clusters on the island while others continue to make survival ropes. In the afternoon, Thai soldiers in boats cut the vines, the Meo lifelines to freedom. Night falls and the Meo take up guard. They have no food and the river is rising.

July 29, 1979. Day breaks and they continue to build rafts, but not, as the Thai soldiers want, to cross back to Laos, but to continue downstream in hope of passing undiscovered into Thailand. All the Meo are convinced that if they are forced back to Laos they will be killed—including the children.

About midday, another American journalist manages to obtain a wooden boat from a Thai villager upstream and paddles to the island. The Meo leader gives him a note to take to Vong Yee, chief of the Meo residing in a nearby refugee camp, Ban Vinai. The note tells of their location and that the Thai soldiers will not allow them to go to the Thai police station (a standard debriefing procedure for new arrivals before allowing them to enter refugee camps), and requests urgent assistance from the chief at the camp to obtain permission for them to enter Thailand.

July 30, 1979. The day is hot and there are many who are sick and starving. They eat grass and drink boiled water. Thai soldiers come again and insist that they leave tonight. The Meo explain they don't have enough rafts to ferry all the people, but the Thais insist.

July 31, 1979. The situation remains the same.

Aug. 1, 1979. Morning brings signs of another torrid day. The Mekong continues to rise. Thai soldiers remain vigilant. Many rafts have been built. The stranded Meo believe that Vong Yee will send help soon.

As I stood watching the Meo marooned on the island, I remembered the stories of so many Meo who, like those out there, had fled Laos under the most terrifying circumstances. Drumming in my mind were the words of one young Meo: "I feel sad for my wife. Her clothes are shreds and she's sick with malaria, yet she cares for my brother's five children. The youngest is four and he's so weak he cannot stand alone; she must carry him. My brother and his wife are dead. His wife disappeared while searching for food. I often think of my American friends. They gave me their addresses but I've lost them. It seems so long ago that the Americans left—maybe four years, and now the fighting is even more difficult, with so few weapons and no one to help us. We Meo are all so tired. So many Meo are dead. We Meo people are so pitiful."

The Meo who fought under Gen. Vang Pao for the Americans in Laos against the Communists since the early 1960's find it difficult to accept that no one cares about them, hardly anyone writes about their tragedy, no American friends seek to help.

Aug. 2, 1979. A group of 30 to 40 Pathet Lao land on the island. Shooting breaks out and the Meo are massacred. It is not known whether there were any survivors. These 189 brave Meo men, women and children did not know that the island on which they had landed was Laotian territory.

After so long a struggle, freedom never came.

As Vong Yee, the Meo chief said to me: "We Meo fight, work like buffalo, run, starve and die—and no one knows." ●

PRIVATE SCHOOLS AND PARENTS' RIGHTS—NO THREAT TO PUBLIC EDUCATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ASHBROOK. Mr. Speaker, while I have been one who feels strongly that the Federal role in education should be kept at a minimum and limited largely to no strings financial assistance, I have always believed in a strong public school system. A very substantial factor in my long legislative record of opposition to forced racial busing is the disastrous impact of this policy on our public schools and upon public support for them. At the same time, I also strongly support tax-relief for parents of nonpublic school children, and including those children in the benefits of Federal programs designed to help education.

In my view, viable private school alternatives will not weaken public education. Diversity and competition will strengthen our total educational system. But too often these questions are debated on points of law rather than the merits. And more often than not the fundamental right and responsibility involved—that of the parents to shape the education of their children—is scarcely mentioned, if at all. That is why I was delighted to see the thoughtful column of Joseph Sobran entitled "Private Schools and Parents' Rights" in the Washington Post of July 25. We need far more consideration of the role of the family and the rights of parents in education, and Mr. Sobran's column is a welcome contribution.

The column follows:

PRIVATE SCHOOLS AND PARENTS' RIGHTS

(By Joseph Sobran)

Like many people, I used to oppose government aid to private education in any form. I attended public schools, and I felt that if other people thought the free system wasn't good enough for their children, they shouldn't complain about having to foot the bill for private schools. Besides, what if a dime of public funds should wind up in some priest's pocket? That would violate the First Amendment, wouldn't it?

I'm afraid this was, and is, a rather mean attitude. People don't choose private schools out of ingratitude, but out of love. They make sacrifices to give their children the best education they can. They deserve at least some consideration for that.

Besides, there is a matter of principle at stake, a principle we have nearly forgotten. Education means, finally, the shaping of the young. This is a grave duty, and it rests primarily with parents, and only secondarily (if at all) with the state.

Sen. Daniel Patrick Moynihan (D-N.Y.), our leading advocate of tax relief for parents of private-school pupils, points out that the issue hasn't really been weighed on its merits. Liberal opponents of even that mild a form of aid to private schools insist it is unconstitutional; but that question can be temporarily waived. The main question is simply whether aid to private schools is a good idea. Both the Democratic and Republican platforms of 1976 agreed that it is.

Liberal ideology generally wants government to supervise things. It is suspicious of private schools as havens of privilege and subterfuge for segregation. In addition, the public-school establishment—state officials and teachers organizations—resents independent schools as it resents parental pressure. It prefers the rule of accredited state "experts," and has been harassing private schools—especially the proliferating religious schools of the Southeast—in the name of "standards."

There is irony, not to mention impudence, in this. Parents choose private schools in part because the standards of public schools have deteriorated so badly. And private schools generally do a better job of teaching by all measurable criteria.

But measurable criteria are only part of the story. Parents choose private schools for less tangible reasons: They want their children taught in the atmosphere of moral and religious values that are (to some extent necessarily and properly) excluded from public schools. They feel that what the private schools supply is not extra luxuries, but vital necessities. Private schools are in a special sense free schools: free to be purposeful, free to reflect parental values.

All this runs counter to the instincts of modern liberalism, which implicitly regards education as a process of "liberating" the young from the presumably backward values of the home. Though tactfully downplayed, this attitude shows up in the campaigns for sex education and for the minors' "rights" to contraception and abortion.

It also shows up negatively. The fashionable intellectual journals have almost nothing to say on behalf of parents' rights—a strange anomaly in an age that elaborates the rights of minorities, women, homosexuals, even animals. Nobody openly denies a parent's rights to select a child's education. But it is a right that is losing weight fast.

Usually, liberals argue that a right worth having is a right worth subsidizing. We are told that poor women don't really have the right to an abortion unless they have "access"—in the form of tax monies—to abortion. We are also assured that subsidizing abortion in no way implies approval of it. Why isn't this logic applied to private education?

In essence, public education has the status of an established church. All, regardless of personal conviction, are required to support it. Dissenters are "free" to support alternatives only after they have paid their dues to the establishment.

That situation trivializes genuine freedom. The preferred status of public education prevents some, and tends to discourage all, from supporting pluralistic education. Justice requires nondiscriminatory tax relief, at a minimum, to parents of private-school pupils. And that means no discrimination against religious schools.●

POLISH REMEMBRANCE DAY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. GUARINI. Mr. Speaker, I would like to share with my colleagues a commentary concerning the 40th anniversary of the infamous German invasion of Poland on September 1, 1939. Col. Anthony K. Podbielski, Historian of the Bayonne Chapter of the Polish American Congress, has spoken often about the contributions of Polish Americans and other ethnic groups in the United States. I am deeply impressed by the pride of the millions of Americans of Polish descent. Pope John Paul II's recent visit to his native Poland has inspired the world. It is all the more significant that His Holiness, while celebrating Holy Mass at the site of the notorious Nazi concentration camp in Auschwitz, Poland, called attention to the horrible slaughter of 3½ million Polish Christians and 2½ million Polish Jews. Therefore, I would urge that this commentary be included in the CONGRESSIONAL RECORD as further evidence of the tragedy of World War II.

Mr. William Kowalski, president of the Bayonne Chapter of the Polish American Congress, Bayonne, N.J., declared that:

Polish Remembrance Day is the official title for the anniversary of the Nazi attack on Poland. Poland was the first nation to meet and resist the powerful Nazi military challenge on her soil. After seventeen days of incessant and unequal struggle, communist Russia invaded Poland from the east in accordance with a previous, premeditated agreement with Germany. At this point, the Polish struggle went underground with the brave Poles fighting alongside the American, British and French allies across North Africa and in Europe.

How ignominious were the final fruits of Allied victory, when the Polish Armed Forces were denied the right to participate in the many victory parades in London, Paris and Rome. Further humiliation followed with Poland being "sold down the river," at the secret conferences of Teheran, Yalta and Potsdam. These conclaves sealed the doom of Eastern Europe, bringing millions of people under communist domination.

Deprived of participation in the post war Marshall Plan, Poland nonetheless rose like Phoenix from the ashes of destruction. Despite a government not of their choosing, the people of Poland serve as an example of faith and dedication to the ideals of freedom.

On September 1, 1979, Poles and their descendants all over the world will join with Pope John Paul II in fervent prayers for the never-ending struggle for Poland's right and will to live.

The day will be a solemn one with religious services predominating on this tragic anniversary. We take pride and encouragement that here in the United States, the millions of Americans of Poland descent will pause to pray for the victims of Nazi and Communist oppression and that we will continue to contribute to the well-being of our nation so nobly begun and exemplified by those first famous Poles in the Jamestown colony in 1608.●

SOVIET TROOPS IN CUBA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BIAGGI. Mr. Speaker, I would like to join a substantial number of my colleagues in expressing deep concern over recently revealed evidence by the State Department showing that 2,000 to 3,000 Soviet troops have been operating as a combat unit in Cuba since "at least the mid-1970's."

This revelation raises two very serious questions that need prompt and sufficient answers. First, what is the mission of the Soviet combat unit in Cuba? While a few thousand Russian combat troops in Cuba may not pose "a direct threat" to this country, as the State Department has said, there are many other dangers to contend with here.

Simply stated, the United States cannot afford to allow a Soviet military base to be established 90 miles from our shores. The Soviet Union, by secretly strengthening their military power in a highly sensitive region just off the American coast, has displayed a total disregard for clearly established, though not formalized, United States-Soviet foreign policy. If we do not aggressively pursue this matter, and indicate our strong opposition to such a troop buildup, what is to stop the Soviets from increasing their military capability in Cuba?

Certainly expressions of opposition are necessary in this serious matter. However, we in the Congress can and must go a step further. We can actively support a Senate resolution to halt consideration of SALT II until President Carter either reports that Soviet combat troops have been removed from Cuba or states that any Soviet troops there pose no threat to the foreign policy interests of the United States and our Latin American allies. Such action would insure that this issue is dealt with promptly and effectively, and would help us to determine whether the Soviet Union has negotiated SALT II in good faith.

Second, and I believe more important to our long-range national security, is how such a combat unit, maneuvering with tanks and artillery since at least 1976, could go undetected by U.S. intelligence for so long. This question is especially critical since the U.S. ability to verify Russian compliance with the missile limits established by SALT II is so very important.

Certainly, U.S. intelligence failure in Iran should have taught us a very valuable lesson about the threats posed to U.S. foreign policy as a result of insufficient intelligence capability. Unfortunately, it is obvious from the long-undetected Soviet presence in Cuba that the problems and weaknesses within our intelligence community have not been corrected.

I view this as a much more serious threat to our national security than the presence of 3,000 Soviet troops in Cuba. This is a problem that must be addressed promptly—certainly prior to final consideration of SALT II.

In this regard, Mr. Speaker, I strongly urge that a full-scale congressional investigation be made into the competency of U.S. intelligence agencies to determine an effective solution to this most serious problem.●

CENTENNIAL OF THE LOS ANGELES ATHLETIC CLUB

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ROYBAL. Mr. Speaker, tomorrow marks the anniversary of an institution with a long and august record of achievement and distinguished service to the community of Los Angeles. On September 8, the Los Angeles Athletic Club will begin its historic centennial year and can reflect back upon the past 99 years with justifiable pride for the contribution it has made to achieving the goals it set in 1880 to support amateur athletics and promote physical fitness.

Notable among the achievements that combine to constitute the club's rich heritage was the 1932 Olympics—the first Olympiad ever held in the United States—which was attracted to this country largely through the efforts of the then Los Angeles Athletic Club president, William May Garland, and other members. These same dedicated club members also devoted their time, talents, and energy to actively participate in the organization and operation of the 1932 games.

The Los Angeles Athletic Club's history is steeped in a tradition of Olympic support and participation. Many of America's amateur Olympic competitors have performed under the auspices of the club, including such Olympic champions as swimmer Buster Crabbe, yachtsman

Owen Churchill, shotputter Parry O'Brien, and diver Pat McCormick. Continuing in that Olympic tradition, the Los Angeles Athletic Club today, under the leadership of its board chairman, Frank G. Hathaway, is deeply involved in the planning of the 1984 Olympics to be staged in Los Angeles. Mr. Hathaway and three club members have been appointed to serve on the Los Angeles Olympic Committee.

Although the Los Angeles Athletic Club has attracted prominent athletes, businessmen, and representatives of government from all levels—as well as celebrities from the entertainment industry such as Charles Chaplin, Mack Sennett, Al Jolson, and Rudolph Valentino—the club and its facilities also provide recreational outlets for thousands of members who are average citizens of Los Angeles.

Mr. Speaker, I hope you and my distinguished colleagues will join with me in congratulating Mr. Charles F. Hathaway, president of the Los Angeles Athletic Club, his staff, and members, on the occasion of this historic milestone and wish them continued success during the club's second century.●

LITTLE KNOWN HISTORY OF ATOMIC ACCIDENTS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. RICHMOND. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I would like to share with my colleagues the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

1950 ATOMIC ACCIDENT

January 17, 1950—Loss of 40.3 mg. of radium, Bldg. 233, U.S. Naval Station, Treasure Island, California.

Source: Excerpt from Memorandum AD-219(OE), "Decontamination of Building 233, U.S. Naval Station, Treasure Island, California," by V. V. Vandivert—November 25, 1953: page 4.

As a result of the accidental loss of 40.3 mg. of radium from an instrument calibration capsule, the two-story Damage Control Training Center (Building 233), U.S. Naval Station, Treasure Island, California, became radiologically contaminated on 17 January 1950. The accident occurred during a laboratory exercise in which a Radiological Defense class was being instructed in the calibration of radiac instruments.

The release of the contaminant was caused by the unnoticed loss of a threaded plug from the bottom end of the metal calibration capsule. Loss of the threaded plug allowed the radium salt to fall to the floor of the laboratory classroom (Room 110). The accident was unnoticed for a short time, during which the movements of students and instructors in the room contributed to the initial spread of the contaminant.

The first indication of the accident came in the form of erratic readings on the radiac instruments which were being calibrated. Because of a recent previous experience with a radon gas leak from a similar calibration capsule at the same location, and the similarity between the erratic responses of radiac instruments on the two occasions, the existence of a leaking capsule was suspected. The laboratory was evacuated promptly, and measures were taken to monitor the exposed personnel for contamination. Further investigation following the removal of the students from the room showed the true nature of the accident and resulted in the determination of the approximate location of the spill. Steps were taken immediately to prevent further spread of the contaminant and to protect the exposed personnel.

Source: Excerpt from Memorandum "Hazard Evaluation and Control Following A Spill of 40 Milligrams of Radium," November 25, 1953: page 7.

Personnel Contamination:

Bodies: A number of the students had microgram amounts of radium on the backs and palms of their hands. Routine cleansing and scrubbing procedures had been attempted immediately after detection but they were only partially successful. The hair and the legs of the students were also commonly contaminated.

Clothing: Uniforms and shoes . . . were all heavily contaminated.

Automobiles, Homes, etc.: It was possible to track the students into their homes by means of radiac instruments.●

THE GLOBAL POPULATION PROBLEM: TOO MANY PEOPLE AND TOO FEW RESOURCES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. SEIBERLING. Mr. Speaker, as president of the Peace Through Law Education Fund, I take great pleasure in inserting into the RECORD the formal remarks of Ambassador Marshall Green at the July meeting of the food and population breakfast series sponsored by the fund.

Ambassador Marshall Green, a director of the Population Crisis Committee, has served in the Department of State for 32 years. In 1975, he was designated by Secretary of State Henry A. Kissinger as coordinator of Population Affairs. As chairman of the Interagency Task Force on Population Policy, he coordinated U.S. international population policy. He also served as head of the U.S. delegation to the U.N. Population Commission in 1977 and 1979.

I commend to the attention of my colleagues Ambassador Green's outline of the dimensions of the global population problem:

OUTLINE OF MARSHALL GREEN

I welcome this opportunity to talk about global population growth and its effect on the human condition. The population 'problem' is more than just a question of too many people with too few resources. It is the critical element in the economic development strategy of every Third World country. Without an effective policy of population control, many developing countries will be unable to provide enough jobs, grow sufficient food or construct adequate health care facilities for their citizens.

To effectively combat the political, economic and social problems brought about by the high rates of population growth, politicians around the world must think and plan in decades and not in years. Long-term population programs must be devised which are rooted at the village and the community levels, so that their success is not tied to the uncertain political futures of national leaders.

One of the most critical problems facing policy planners in the developing world is that of the overcrowded cities. Huge slums, like those surrounding Mexico City, Lima and Calcutta, are breeding grounds for political violence. In a recent series of articles in the Washington Star, George Ball attributed, in part, the downfall of the Shah of Iran to runaway population growth in that country and to mounting frustrations in the teeming slums of south Tehran.

The status of women and the economic roles women play in developing countries are key factors in the equation for controlling population growth. Too many women in developing countries are condemned to lives of repeated child-bearing, wasted health, drudgery and early death. Millions of unwanted children are born every year, many of them to be abandoned or allowed to die.

One of the most obvious consequences of overpopulation is the lack of employment opportunities for men and women. The International Labor Organization predicts that the world labor force will grow by over 900 million workers before the year 2000, almost all of whom will be in the developing world, and that massive unemployment will be the inevitable consequence. For most countries, creating new jobs is a very expensive proposition. In Mexico, I have heard that it costs, on the average, almost $20,000 to create one job. In Egypt, the comparable figure is about $10,000.

For family planners in these and other regions, one of the largest hurdles to overcome is the large number of wanted children. Vigorous national and local leadership is essential in overcoming these traditional attitudes. With effective leadership, efforts to promote the education and training of women, the provision of contraceptive services and overall economic development can succeed in bringing down birth rates.

Unfortunately, in many areas of the world population growth rates remain at unacceptably high levels. In particular, in the arc of countries from Morocco to Burma population growth continues at very high levels. In most countries national leadership in the population area is sadly lacking as is any effective network of village-level population organizations. In Egypt, for example, President Sadat has acknowledged his country's population problem, but he has thus far shown himself unwilling to take vigorous action to combat it. Despite large amounts of foreign assistance, Egypt has failed to create a unified population policy at the village and national level.

I strongly urge that all future population assistance be oriented, as much as possible, to village or community-wide programs organized and directed by local villagers or residents. In many countries, peer pressure at the village level is an essential element in effectively reducing birth rates. Our foreign aid officers need to learn more about how things work on a community level and how best to assist locally-managed population control programs.

The world population explosion has had an adverse effect on a wide range of global issues, all of them affecting the United States, as well as other nations. I refer to resource availabilities, energy, environment, development, North-South disparities, political stability and peace. The fundamental problem will not be resolved by throwing a lot of dollars and contraceptives at it, needed as they are. It will be resolved by the determination and cooperation of countless millions of people who earnestly seek a better life for themselves and for their children.●

CRISIS IN HEALTH CARE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. BONKER. Mr. Speaker, during the August recess, I chaired a hearing in Longview, Wash., on behalf of the House Select Committee on Aging. The hearing was in response to complaints by my constituents that local nursing homes were not accepting medicare patients, denying many senior citizens the benefits to which they are entitled under the medicare program.

While the hearing focused on medicare benefits as they relate to nursing home care, we were to learn about a variety of abuses in the program which clearly made victims out of our elderly. We also discovered that:

First. Medicare is not providing the coverage originally intended, paying less than 40 percent of an individual's health care costs.

Second. Widespread abuse persists in the sale of supplemental health insurance policies.

Third. Nursing homes are not participating in the medicare program even though the reimbursement rate is higher than medicaid.

Fourth. Due to lack of medicare beds senior citizens are losing their right to 100 days of benefits in a nursing home.

Fifth. Hospitals are routinely keeping the elderly in the hospital longer than necessary due to this shortage which is considerably more costly for the system.

Obviously, something is wrong. Congress can no longer ignore this crisis in health care. No other segment of society is so unprotected from health care services as our senior citizens. I pledge my support to work with Chairman CLAUDE PEPPER and my colleagues on the Select Committee on Aging to correct these abuses and insure adequate health care for senior citizens.

Recent action I have taken in initial steps to address this crisis include the following letters which I submit for the RECORD:

WASHINGTON, D.C., *August 14, 1979.*

Hon. BENJAMIN R. CIVILETTI,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. CIVILETTI: For some time, the House Select Committee on Aging has been investigating abuses in the sale of health insurance to the elderly. Our hearings, including those in Longview, Washington last week, have documented serious abuses in this field.

I am writing to ask if certain common abuses in this field are crimes prescribed by Federal law. I would appreciate your comments and any pertinent statutory references.

1. Is it a violation of Federal law for an insurance agent to represent himself as an employee of Medicare, the Department of Health, Education, and Welfare or other government agency when he is employed by a private insurance company and appears at the senior citizen's door for the purposes of soliciting the sale of health insurance?

2. Is it a violation of Federal law for an insurance salesman to take money paid to him as premiums on a health insurance policy sold in supplementation of Medicare and to convert that money to his own use?

3. Is it a violation of any Federal law for an insurance agent to purposely misrepresent the provisions of an insurance policy during a sale?

4. Similarly, is it a violation of any Federal law for an insurance agent to misrepresent the provisions of an existing policy for purposes of causing the senior citizen to drop that policy and purchase a different policy which he is selling?

5. Is it a violation of any Federal law for an insurance agent to forge the name of a senior citizen on an application for health insurance?

6. Is it a violation of any Federal law for the agent to fail to report pertinent information given to him by the person when the agent knows this information, if disclosed to the company, will cause the person to be disqualified from benefits?

7. Is it a violation of Federal law for insurance agents to deliberately sell senior citizens numerous overlapping and duplicative health insurance policies knowing that only one policy will pay and that the purchase of several policies is not in the best interests of the insured?

8. Is it a violation of Federal law for an insurance *company* to teach its agents to misrepresent policy provisions, to withhold pertinent information or to forge the names of senior citizens on policy provisions?

Finally, our staff has come to the conclusion that an insurance company is a perfect method of laundering money. Some states such as Arizona have notoriously lax standards. Almost anyone can form their own insurance company under the laws of that state with very little capital reserve being required. Insurance forms can be sold immediately upon filing. And then, too, no one ever audits an insurance company. As you know, the Federal government has delegated its responsibility for the regulation of insurance to the states. Some do a fine job, but many do not. My question is this: Have the FBI or the organized crime strike forces uncovered any evidence that organized crime may be involved in the ownership and/or operation of insurance companies? If so, are investigations in this area going forward at the present time?

I would appreciate your response at your earliest convenience.

With best wishes,

Sincerely,

DON BONKER,
Member of Congress.

WASHINGTON, D.C., *September 6, 1979.*

Hon. PATRICIA ROBERTS HARRIS,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR SECRETARY HARRIS: The purpose of this letter is to inform you of the recent hearings I chaired in Longview, Washington on behalf of the House Select Committee on Aging. The subject of the hearings was why nursing homes are dropping out of the Medicare program.

The hearing resulted from complaints by senior citizens who asserted that they were losing the right to 100 days care in nursing homes and from hospitals who asserted that they were routinely keeping the elderly in the hospital longer than necessary because of the shortage of participating Medicare nursing home beds.

Prior to the hearing, I directed a questionnaire to every nursing home in the State to learn why they were dropping out of Medicare. The answer given by most was the red tape which apparently goes with participation in Medicare. Another factor given prominence was the uncertainty of payment. Other factors such as the assertion that Medicare rates are too low or that Medicare standards are too high were given little emphasis by providers.

Testimony from providers indicated that a nursing home operator must fill out 7 times as many forms to participate in Medicare as in Medicaid.

May I ask that you examine the validity of this assertion and if it is found to be valid, set forth a plan to reduce the amount of paperwork associated with Medicare participation?

Second, testimony at the hearings indicated that the exodus of providers from the Medicare nursing home program would be greatly increased with the passage of H.R. 4475, an administration-sponsored Medicare-Medicaid reform measure. Specifically, section 107 of this bill would abolish the presumptive periods of coverage established by the Congress to give some predictability to Medicare reimbursement. If section 107 is enacted the conclusion offered at our hearings is that there would be even less certainty of payment than we have at the present time when operators are claiming that accepting a Medicare patient is a cruel form of Russian roulette. May I ask the Department to reexamine its position with respect to this and other provisions of H.R. 4475 which relate to nursing homes?

Third, may I ask what plan the Department has to insure that patients are not kept in hospitals longer than necessary? Testimony at our hearings indicates that the average daily cost to Medicare to keep an individual in a hospital is about $184 while the average daily cost to place that person in a long-term care facility is about $34. Obviously, the cost implications are enormous in view of our findings that over 60 percent of the hospitals in my State routinely keep patients longer than necessary because of the absence of viable alternatives.

Fourth, considerable testimony was received at our August 7 hearings on abuses in the sale of health insurance to the elderly. We learned that senior citizens are often sold one or more policies with the representation that they will pay for everything that Medicare won't. The fact of the matter is that these "medi-gap" policies generally do not pay for anything more than Medicare's copayments and deductibles. To make matters worse, senior citizens are often the victims of high pressure salesmen. Greedy insurance companies teach their agents to cheat the elderly; we have found they return 25 cents or less of the premium dollar to their insured. I have been a co-sponsor of Chairman Pepper's bill, H.R. 2602, along with about 265 other Congressmen but the full impact of this problem did not hit me until I heard the testimony of senior citizens from my District. May I ask what plans the Department has for dealing with this serious problem?

We certainly appreciate your help and cooperation in this matter.

With best wishes,

Sincerely,

DON BONKER,
Member of Congress.

WASHINGTON, D.C., *September 6, 1979.*

Hon. HENRY WAXMAN,
Chairman, Subcommittee on Health and the Environment, Washington, D.C.

DEAR HENRY: On August 7, I conducted hearings in my home district on behalf of the House Select Committee on Aging into the question of why nursing homes are dropping out of the Medicare program. Senior citizens, providers, State and Federal officials were invited. We had barely gotten into a discussion of the problem when the senior citizens expressed their outrage at what they consider an even greater issue. They wanted to talk about abuses in the sale of health insurance.

I have been a co-sponsor of Chairman Pepper's bill, H.R. 2602, along with you and half

of the Congress but I did not appreciate the full impact of the problem until I heard the testimony. Senior citizens are being sold one or more policies with the representation that it (they) will pay for everything that Medicare won't. The sad fact is that these Medicare supplementary policies by definition will only pay for Medicare's copayments and deductibles. They will not pay for eyeglasses, dental care, prescription drugs, or for the remainder of a person's medical expenses. Moreover, the problem is exacerbated by high pressure salesmen and by insurance companies who have targeted the elderly as easy marks for sales. As you know from your hearing, some companies return as little as 16 cents on the premium dollar back to their insured in the form of claims.

The problem of mail order abuses was also raised briefly. It seems that if an insurance company files a "group" policy in one State it can then mail policy certificates into every other State and State insurance commissioners are helpless to regulate them.

It seems to me that H.R. 2602 would be a good start towards dealing with these problems. May I ask that you move that bill to mark up as soon as possible. I would be happy to lend any support that I can. I would appreciate anything you can do. I think the situation is serious.

With best wishes,

Sincerely,

DON BONKER,
Member of Congress.●

U.N. AMBASSADOR ANDREW YOUNG

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Ms. OAKAR. Mr. Speaker, with the resignation of U.N. Ambassador Andrew Young, it is well to look at his positive accomplishments. He was a knowledgeable spokesman on issues of the Third World. He paved new roads and reopened closed avenues in our relations with the continents of Africa and Asia.

We, as Members of this Congress, must appreciate the fact that we are all sisters and brothers in the world community. As Ambassador Young indicated in his eloquent remarks before the UN Security Council last week—"the people of Lebanon and the Middle East look to us to point the way to a solution which will put an end to the random violence, so they may carry on their lives in freedom from fear of attack. We must not fail them."

I for one feel that the worth he gave us, the United States, as well as all members of the United Nations, has been overlooked. It is my hope that the new U.S. Ambassador to the United Nations will continue the journey pioneered with courage, wisdom and compassion by Andrew Young. I would like to submit for the RECORD his remarks concerning the unnecessary violence in the Middle East and possible solutions to the problem.

The remarks follow:

U.S. POLICY ON LEBANON

(By Ambassador Andrew Young)

(NOTE.—Following is a statement by U.S. Ambassador to the United Nations Andrew Young before the U.N. Security Council, August 29, 1979.)

I welcome the opportunity afforded by this meeting of the Council to address a problem which has long been a matter of grave concern to my government. In recent weeks and months, the sorry spectacle of the slaughter of innocent people through random violence, principally in Lebanon but also in Israel, has been an affront to the conscience of mankind. We are meeting now at the request of the Government of Lebanon, in response to the recent upsurge of violence in southern Lebanon.

In recent days alone, thousands of Lebanese and Palestinian civilians have been forced to flee from their homes, and many have been killed and maimed by often indiscriminate shelling. This situation is intolerable. The people of southern Lebanon, Lebanese and Palestinian alike, and the people of Israel as well, deserve relief from the almost daily violence and fear of attack with which they have been forced to live for far too long. They look to us to point the way to a solution which will allow the people in Lebanon to return to their homes and for them and Israeli citizens to carry on their lives in freedom from fear of attack. We must not fail them.

U.S. POSITION

The U.S. Government's policy on Lebanon is well known: We support that country's sovereignty, independence, unity, and territorial integrity. We have special ties of sympathy with the people of Lebanon, and we have supported the government of President Sarkis in its efforts to restore its authority throughout the country—including throughout southern Lebanon. We will continue to do so.

Let me make absolutely clear the position of the United States with regard to events in southern Lebanon. In doing so, I speak with the full authority of the U.S. Government.

First, we condemn those who boast of the murder of an Israeli mother and her child, the attack on a bus filled with Israeli civilians, or the explosion of rockets and bombs in Israeli towns and cities. No political objective can ever justify such barbarism.

Second, and just as strongly, we condemn the policy of artillery shelling and preemptive attacks on Lebanese towns, villages, and refugee camps which Israel and the armed Lebanese groups Israel supports have followed in recent months. Let there be no doubt or ambiguity about this. We cannot and do not agree with Israel's military policies in Lebanon as manifested in the past few months. They are wrong and unacceptable to my government. They are painfully at variance with the values which Israel has traditionally espoused.

WHAT MUST BE DONE

Let me turn to what the U.S. Government believes must be done to break the deadlock of terror and counterterror in which both sides seem to be caught.

First, both sides should cooperate fully with UNIFIL [U.N. Interim Force in Lebanon] in enabling it to carry out its mandate. It is disgraceful that the men of UNIFIL have been subjected to attack and harassment from both Palestinian elements and groups supported by Israel because they seek to carry out the mission entrusted to them by this Council. A lasting end to the violence in the area can only be brought about through scrupulous observance of Security Council Resolution 425. UNIFIL should thus be allowed to fulfill its mandate by functioning in an unimpeded fashion throughout all of southern Lebanon. The objective remains to restore the authority and control of the Government of Lebanon throughout the country.

Second, Israel should end its policy of preemptive strikes on Lebanon soil. It should cease its artillery attacks in support of Lebanese militia groups and use its influence effectively over these groups so that random and indiscriminate violence can be stopped, especially against the men of UNIFIL.

Third, the Palestinian leadership should help heal the wounds of Lebanon. It should stop attacks on the Lebanese militia groups in southern Lebanon and on Israel. It should renounce the use of Lebanese territory for this purpose. It should carry out its pledge of June 5 to withdraw its fighters from southern Lebanese villages and towns and remove all its armed groups from UNIFIL's area of operation. This step should be taken without precondition and without delay. There is no conceivable justification for the continued presence of Palestinian armed groups in southern Lebanon if the Palestinian leadership is prepared to cooperate with the Council and UNIFIL in carrying out Security Council Resolution 425.

Fourth, all parties to the fighting should carry out and strictly enforce a complete, immediate, and lasting halt to all shelling, terrorism, and other acts of violence.

PALESTINIAN RIGHTS

Members of the Council less than a week ago met to consider another aspect of the Middle East situation, the critical issue of the rights of the Palestinian people. If there is a strengthened understanding in my country of the importance of assuring that the legitimate rights of the Palestinians are included in a comprehensive settlement—and I believe there is—then it is time for the Palestinian leadership to recognize that their objectives cannot be achieved through violence and terrorism. Indeed, it is time, past time, for wiser counsels to prevail on both sides of the border between Lebanon and Israel.

TRIBUTE TO UNIFIL

Finally, I want to pay tribute to General Erskine and the brave men of UNIFIL he commands. Their task has been thankless, frustrating, and dangerous. Subjected to attack in the performance of their duties, they have suffered heavy casualties. Tragically, three members of the contingent from the small nation of Fiji were killed in a recent clash with terrorists.

In difficult terrain and in a country where arms are widely available among the population, the men of UNIFIL have been subjected to a severe test of their steadfastness. They have risen to challenges with exemplary determination and courage. We all owe them a debt of thanks which words cannot repay. They can be proud of their continued contribution to the cause of peace.●

THE FAMILY FARM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. DASCHLE. Mr. Speaker, those who operate our Nation's family farms and ranches are accustomed to gambling at every turn of their operation. Whether it be weather conditions or market prices, the severity of the gamble is just the same—instant demise of another family farm.

Unfortunately, there is another problem that family farmers have to contend with—Federal estate taxes and the hardship they create for the spouse of a family farm. One of my First District constituents was recently featured in the August 1979 issue of the Farm Journal concerning her fight against Federal estate tax regulations.

Mrs. Bessie Craig of Groton, S. Dak., spent some 43 years as a full partner in her family's farming operation, sharing with the field work, hauling grain and livestock, and tending to daily chores

with the livestock. This was in addition to feeding and caring for a family of 5 children and a husband. The death of her husband, Clarence, in 1968 suddenly thrust her in the position of proving her contributions as a partner in the farming operation.

In order that my colleagues might have the benefit of Mrs. Cook's struggle to be named a full partner in the family's farming operation, I include her story in the RECORD.

THEY SUED THE IRS—AND WON

BESSIE CRAIG VS. THE UNITED STATES OF AMERICA

Facts: Bessie married Clarence Craig in 1925, and they started farming from scratch on rental land in Brown County, S.D. From day one of their 43 years of married life, Bessie was the bookkeeper—she had studied bookkeeping and typing in high school, and she developed her own form of enterprise accounting.

The Craigs were good farmers and good managers. They bought their first farm during the Depression (1930), and from time to time borrowed money to add other parcels to their holdings. They raised wheat, corn, oats, barley and flax, and they had stock, too—a cow-calf operation, hogs, sometimes sheep and a sideline Shetland pony business.

Early in their marriage Bessie worked in the fields, and she was always available to haul grain or stock. Once she trucked a load of horses from Missouri to South Dakota. Somehow she found time to raise a big garden and do a great deal of canning—vegetables, fruit, meat.

The Craigs' five children helped as they grew old enough, but that wasn't sufficient. Clarence and Bessie together hired farm laborers who "lived in." Bessie cooked for them, did their laundry, mended all their clothing, cleaned their quarters.

She had one enterprise of her own—a butter and egg route in town. She churned by hand and molded the butter; and the chickens were her special responsibility. "I'd get up in the middle of the night to see after my baby chicks," she reminisced to me not long ago in her comfortable living room. The money from this and all farm sales went into a single bank account in both names.

When Clarence and Bessie went on cattle-buying trips, she usually wrote the checks. And she was the one who hired truckers to deliver the stock to the farm. A favorite meal of truckers was hamburgers and homemade cherry pie, she says.

The Craigs were fortunate to have an astute attorney, Douglas Bantz of Aberdeen, who persuaded them as early at 1958 to "equalize" their holdings for estate tax purposes. When Clarence died following a car accident in 1968, he held title to 5½ quarter sections of land, Bessie to 7½, and they owned one parcel of pastureland in joint tenancy. In his will Clarence set up a trust, through which his holdings went to the children. Bessie inherited only household goods and the family car, since she already owned half of the farm (966.5 acres.) Neither the South Dakota Department of Revenue nor IRS contested her ownership of real property.

The issue: At stake was personal property valued at $265,405.09—machinery worth $53,938.50; livestock, including 620 head of cattle, valued at $167,864.56; and miscellaneous assets (stored grain, interest in several co-ops, etc.) worth $43,602.03.

Attorneys for the U.S., strictly interpreting the Tax Code, claimed Bessie owned none of this personal property and said she therefore owed IRS an additional $42,318.79 in tax. (A tax she describes as "a whopper" already had been paid by the estate.) Bessie forked over the tax deficiency, but reserved the right, as executrix, to sue to get the money back.

Bessie's attorneys, Kennith L. Gosch and Harry N. Sandstrom (then partners of Mr. Bantz), chose to fight the case on their own home ground—that is, in District Court in Aberdeen. They preferred this to the Tax Court, which they feel often favors IRS.

By the time the case began on a blizzardy day in November, 1977, Bessie had done her homework. In one instance that meant digging up a check she had written in 1946—more than 30 years earlier.

It was easier to find records than to keep her cool when a U.S. tax attorney accused her of "a self-serving assertion not in accordance with the objective facts." She could not deny that on federal income tax returns (which Bessie always prepared for review by a CPA) that "Mr. Craig is listed as a farmer while Mrs. Craig is not listed as having an occupation." Nor had Bessie and Clarence ever filed a partnership income tax return, the government's attorneys pointed out.

Bessie had a chance to testify in her own behalf ("I wasn't scared," she told me), and so did three of the Craig children and the family banker. The Justice Department attorneys from Washington, D.C., were polite to Bessie, but out of her hearing they often chided her counsel on the futility of her case. Nevertheless, attorneys Gosch and Sandstrom kept hammering away at the idea that if it had not been for Bessie's help, Clarence would have had to employ another hired man. And they never let anyone forget that Bessie had been a joint decision-maker with her husband.

"The best point in Bessie's favor was that she and Clarence really did operate as farm partners," attorney Gosch told me.

He explained to me why he and his partner had delayed filing suit against the U.S. for several years. "We felt there was a changing mood in the country. The longer we waited, the more people would realize the value of a woman in a family business."

The verdict: Judge Fred J. Nichol wrote the Court's decision announced on June 14, 1978. Some of his statements were music to a farm wife's ears: "All in all, the efforts of Bessie Craig, in the operation of the family farm, as well as her capital contributions in income derived from her land, can properly be characterized as those of a partner, in the fullest business sense of the word . . .

"The Court will not ignore this farm wife's contribution to the success of the business as the Internal Revenue seeks to do . . . (T)he plaintiff is entitled to the refund sought."

In time, Bessie got back her $42,318.79 plus interest She had to pay attorneys' fees, of course, but it is a great satisfaction "to get justice," she says with a proud smile.

Now Bessie's place in history is assured—in future law books, later generations will study "Craig vs. The United States of America."●

THATCHER AND LYNCH MEET—SYMBOLISM OR THE CATALYST FOR MOVEMENT TOWARD AN IRISH SOLUTION?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. BIAGGI. Mr. Speaker, yesterday following the funeral of Lord Mountbatten the Prime Ministers of Great Britain and Ireland met for some 5 hours to ostensibly discuss the continuing problems in Northern Ireland. While all those who seek peace in Ireland were heartened by the fact that the meeting took place—it appears as if the moment was not fully seized. Therefore, it remains to be judged as to whether the meeting was pure symbolism or the catalyst for more involved discussions on a future solution to the Irish question.

As chairman of the 130-member Ad Hoc Congressional Committee for Irish Affairs I must express my disappointment over the apparently one dimensional direction of the talks yesterday. I believe as do many in the Irish American community that the final solution for Ireland is a political not a military one. While I can recognize the need for a renewed effort to repel terrorism in Ireland, this cannot be the only initiative put forth by the British Government.

I suggest that these meetings be continued and expanded to include other parties to the dispute in Ireland. I further urge that President Carter participate in the next meetings between these leaders to dramatically demonstrate U.S. interest and concern about the Irish issue.

This is an extremely critical time with respect to Ireland. The resurgence of violence has created an atmosphere of fear and has resulted in some frustration of peace efforts. However we cannot permit the legitimate pursuit of peace to be subordinated to the forces of terrorism. Mrs. Thatcher did state in the joint communique with Prime Minister Lynch that she would "make moves at the appropriate time" to "seek an acceptable way of restoring to the people of Northern Ireland more control over their own affairs."

However, time is of the essence. Great Britain and the Republic of Ireland must put forth and pursue aggressively peace initiatives. The United States should be in a position to assist in any way possible, and should do so at the Presidential level. These peace initiatives should involve input from all sides to the problem in Ireland. To engage in exclusionary practices is to doom any solution to failure.

We of the ad hoc congressional committee intend to continue our pressure for the passage of House Concurrent Resolution 122 which I introduced calling on Great Britain to embark on a new initiative for Ireland which restores lost human rights and promotes self-determination. Passage of this resolution, which enjoys the cosponsorship of some 70 of my colleagues, would demonstrate the concern of Congress about the future of Ireland.

At this point in the RECORD I wish to insert an account of the Thatcher-Lynch meeting from this morning's Washington Post.

THATCHER AND LYNCH AGREE TO BOOST COOPERATION AGAINST IRA TERROR

(By Leonard Downie, Jr.)

LONDON, September 5.—Prime Ministers Margaret Thatcher of Britain and Jack Lynch of Ireland agreed today to "substantially improve" their security forces' cooperation in combating Irish Republican Army terrorism.

In five hours of talks here after both at-

tended the Westminster Abbey funeral of Lord Mountbatten, who was assassinated by the IRA last week, Thatcher and Lynch agreed that their governments would examine a number of each other's suggestions to improve security and would produce final proposals at a meeting of their Cabinet ministers in three weeks.

"There likely will be decisions made" at that meeting on new joint security measures, Lynch said at a press conference tonight after his working lunch and afternoon meeting with Thatcher. "No specific proposals have been ruled out on either side."

This represented some movement by Lynch from his public statements. Earlier this week he appeared to rule out a number of security suggestions that Thatcher was expected to make.

For her part, Thatcher did not press two changes sought by British security forces in Northern Ireland but which Lynch politically is unable to make: Allowing "hot" pursuit of terrorist suspects by Ulster security forces across the border into Ireland and changing Ireland's extradition policy to allow terrorists living or caught in Ireland to be tried in Britain.

According to the official joint statement of the meeting, Thatcher also agreed to "make moves at the appropriate time" to "seek an acceptable way of restoring to the people of Northern Ireland more control over their own affairs."

Lynch, who is pushing for a new British political initiative in Northern Ireland, made clear that any new "form of administration" there must be acceptable to both the Catholic minority and the Protestant majority. He evidently envisions a form of power sharing that could be the beginning of the end of emergency, direct British rule there.

Lynch said he and Thatcher agreed to keep secret the specifics of each country's suggestion for improved cooperation on security. Thatcher did not speak to the press at all.

However, several likely possibilities have emerged:

More troops and police patrols on both sides of the Northern Ireland-Ireland border, particularly in Northern Ireland, where British security forces have abandoned land patrols in some places and perform only helicopter surveillance.

Improved communication between the British and Irish armies, which back up the Northern Irish police and must communicate through the police forces in a cumbersome, undependable process, even in emergencies.

Increased contact between Ulster and Irish police when terrorist suspects are arrested in Ireland that might include more travel into Ireland by Ulster investigators.

Changes in Irish criminal laws to make it more difficult to release suspects on bail and more likely that those convicted for crimes, including terrorists, would receive longer sentences.

At his press conference, Lynch also said Ireland will sign the European Community's new extradition agreement, most likely at the end of November, when Common Market leaders meet in Dublin. Ireland's Common Market presidency expires then.

The agreement is worded vaguely, however, in practice allowing Irish courts to decide whether extradition should be blocked in some cases.

Instead, Ireland's Criminal Law Jurisdiction Act of 1976 specifically provides for prosecution in Ireland of residents accused of terrorist offenses in Ulster or mainland Britain. Ulster and British security forces never have been able to trigger such a prosecution, however, because of the difficulty of assembling evidence and producing witnesses on one side of the border for use in court on the other side.

This problem might be alleviated somewhat by more extensive contacts between the security forces on each side of the border, which appear to have increased during the investigation of Lord Mountbatten's murder and the bombings the same day that killed 18 British soldiers in Ulster. Most of those soldiers were buried yesterday and today with full military honors in their home towns throughout Britain.

Hinting at the possibility of stepped-up patrols on both sides of the border, Lynch told reporters, "There are two sides to the border, so security must be two ways. It is incumbent on the British to have as much surveillance on their side of border as we have on ours. We believe our commitment is greater in some places. There are places where there is no British commitment."

He also pointed out that the Irish government is already exploring ways to toughen its criminal laws to better fight terrorism and curb a crime wave in Ireland. However, he said, any changes in criminal law or procedure "have to be politically and legally possible." ●

CHAIN OWNERSHIP OF THE MEDIA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LaFALCE. Mr. Speaker, over the last few decades, the growth of chain ownership of the media, especially daily and weekly newspapers, has become a source of much controversy. As more and more independent dailies and weeklies are bought by the chains, the power to inform has become centralized in the major media conglomerates.

Rather than establishing new newspapers, the chains are buying out existing newspapers. This situation is of special importance because it affects the marketplace of ideas—the press—and is, as such, a matter of national concern.

Recently, the editorial page editor of the Buffalo Evening News, Millard C. Browne, delivered a speech which touched on the subject of media concentration. Speaking of this phenomenon, he noted:

Growing concentration of newspaper ownership does equal monopoly in an astonishingly high proportion of the local markets where newspapers in this country flourish—and where they used to compete. Of the 1760 dailies published in about 1600 American communities, there is only one local newspaper company in 97.5 percent of those communities.

One consequence of continued concentration in media ownership, I fear, might be the decline of diversity among America's newspapers. While local ownership has brought diversity in editorial views, subject matter, layout, and related matters, I suspect that chain ownership might tend to foster uniformity. Or, as Mr. Browne suggests:

I still have to worry about the potential for abuse. . . . The potential for a kind of homogeneous sterility . . . the potential for a sacrificing of quality, talent, courage and community service to an inordinate focusing on the bottom line. I try to visualize the typical owner of a Gannett newspaper, for example, and I conjure up nothing better than an anonymous fellow on Wall Street handling the investment portfolio for a pension fund, or an inflation-pressed widow in Miami Beach, and none of them has the faintest idea what the paper I work for in Rochester, or Nashville, or Guam even looks like, much less what kind of news it is printing or what editorial crusades it is running.

I commend Mr. Browne's speech to my colleagues, and will include the portions of it relevant to the above points in the hope that others will come to share his and my concern over the potential impact of chain ownership of the media on American journalism and America's future.

Excerpts of the speech follow:

YES . . . BUT

(Excerpts of speech by Millard C. Browne)

. . . Speaking last fall to the national convention of the Society of Professional Journalists, Sigma Delta Chi, he (Mr. Allen Neuharth, Chairman of the board of our largest newspaper chain, the Gannett Corporation) called on every journalist to become "a soldier in defense of the First Amendment." "We must show our readers," he said, "that our rights are really their rights. We have to show our readers that if we are going to give them a free flow of information, we do need some privileges."

Yes indeed. We do need the "privilege" of free access to news sources. But . . . do our readers also have the same vital interest in defending the continued consolidation of more and more newspapers under fewer ownerships? Was this the kind of privilege the Founding Fathers had in mind in the free-press clause of the First Amendment?

Thirty-three years ago, a civil-liberties attorney, Morris L. Ernst, wrote a book on "The First Freedom," in which he lamented: "Our press is fast evaporating. Ten states have not a single city with competing daily papers . . . Three hundred and seventy chain newspapers own about one-fifth of all our circulation. There are only 117 cities left, in our entire nation, where competing dailies still exist . . ."

That was in 1946, and little did he know. Today, if we may take our text from an equally prominent modern press critic, Ben H. Bagdikian, currently of the University of California, we have not 117 cities with competing dailies, but only 34 such cities. And today we have chains owning not one-fifth of all daily circulation, but three-quarters.

As Mr. Bagdikian put it to a Federal Trade Commission "Workshop on Media Concentration" several weeks ago, "It took the first 60 years of this century for chains to control 27 percent of all our papers. It has taken only the last 16 years for chains to reach control of 61 percent of all papers and 75 percent of all daily circulation."

This phenomenon of "fewer and fewer people controlling more and more of our public intelligence," he added, affects all the other mass media as well, with fewer than 100 corporate executives having ultimate control of the majority of each median in the U.S.

His figures: 20 corporations control 52 percent of all daily newspaper sales; 20 corporations control 50 percent of all periodical sales; 20 corporations control 52 percent of all book sales; 20 corporations control 76 percent of all record and tape sales. If one counts the three networks and the ten corporations whose sponsorship dominates prime time, 13 corporations control two-thirds of the audience in TV and radio; seven corporations control 75 percent of movie distribution.

In fact, insists this media critic, there are fewer than 100 corporations in this group because of overlaps. For example, he says, 27 percent of all TV stations are still controlled by newspaper companies. Washington Post

owns Newsweek, and TIME Inc. owns the Washington Star. Time also owns magazines, 17 weekly newspapers, five book publishing houses, a film company and has interests in cable and records. RCA owns NBC, a record company and five book publishing houses. CBS owns 20 magazines, three record companies and three book publishing houses. The biggest newspaper conglomerate (Times-Mirror of Los Angeles) owns four major papers, four magazines, TV stations, cable systems, 50 percent of a news service and New American Library.

But proving concentration in such terms as these, you may say, is far from proving any dangerous tendency toward monopoly.

Even the 167 chains that today own 61 percent of all daily newspapers are a lot of chains—compared, say, to the number of automobile or steel companies which control those industries. And the American media pattern can also be defended as providing far more diversity than in most countries, where in too many cases government has a monopoly on all mass communications, or at least on broadcasting. We here in America do have 1760 daily newspapers, none under government control; and 8600 radio and 700 commercial TV outlets, all government-regulated but privately owned and generally competitive.

Or let us bring this question of media monopoly vs. diversity down to the local scene, as I did in one of my Sunday columns last March. Quoting from a "Media Directory" published by the Arts Development Services of Buffalo, I noted that it listed no fewer than 156 publishers and broadcasters of various kinds and sizes in Western New York, all contending for readers' or listeners' attention.

The list started with 69 newspapers—five of them dailies in the immediate metropolitan area. The other 64 were mostly weeklies, including ethnic, labor or religious papers, as well as suburban or rural ones, plus 14 college papers. The ADS listing then added 18 "pennysavers," 24 company "house organs" and five area magazines. And it closed with 32 AM and FM radio stations and eight TV outlets, including one Canadian and two cable channels.

So there remains, in this community, a lot more media diversity than just that represented in the vigorous competition of the TV news outlets and the two daily newspapers (or even five, if you count those in Lockport, Tonawanda and Niagara Falls). You are well aware, of course, of the current antitrust litigation between the Courier Express and The News, and it is certainly not my purpose or intent to try that case here or even to comment on it in any way. I am talking about trends and conditions nationally that affect my profession of journalism; and I only note here that, even in spite of an accelerating national trend toward concentration of media ownership, particularly of daily newspapers—which I find alarming—there is still a great diversity of published or broadcast viewpoints to be found in this community, if you want to look for them.

But let us not be too readily put off the main scene. Growing concentration of newspaper ownership does equal monopoly in an astonishingly high proportion of the local markets where newspapers in this country flourish—and where they used to compete. Of the 1760 dailies published in about 1600 American communities, there is only one local newspaper company in 97 and one-half percent of those communities. "Those of you," says Mr. Bagdikian, "who live in the 34 cities of the country that still have newspapers in face-to-face competition should realize that you are in a 2 and one-half percent minority." So, here in Buffalo, let us perhaps take a moment of grateful silence to reflect on that blessing.

Let us look about us, for example, and note that nowhere else in upstate New York can any true daily newspaper competition be found at the local level. In Rochester, the monopoly is Gannett; in Syracuse, Newhouse; in Albany, Hearst. Throughout Westchester-Rockland, it is a solid 10-paper phalanx of Gannett monopoly; in Utica, Binghamton, Elmira, Ithaca, the same; in a dozen smaller cities, the readers are blessed by local monopolies owned by other chains—Ottaway, Howard, Ingersoll, etc. In just one conspicuous case is the monopoly a strictly home-owned family newspaper, the excellent Watertown Times.

Back, though, to Mr. Bagdikian and the basic case he makes—which is not merely that local newspaper competition is growing rarer, but that the swift growth of chain ownership is transforming the kind of press we have in America into a pattern very different from the one that existed when we were all a generation younger.

He is supported in this, moreover, by the authors of a multi-part series on "Press Concentration" in the Washington Post, William H. Jones and Laird Anderson. A six-month study brought them to this conclusion: "Within two decades, virtually all daily newspapers in America will be owned by perhaps fewer than two dozen major communications conglomerates. Given current tax laws and economic conditions, the rapid concentration of press power in the hands of a few giant companies appear inevitable."

That was written in 1977, and what has happened since does not exactly suggest any slowing of the trend. On this point, for example, the newspaper trade journal, Editor & Publisher, reported on Jan. 6 that "47 of the 53 daily newspapers that changed ownership in 1978 went into groups."

Not only that, but "three two-paper groups were absorbed into larger groups," and two multi-unit groups joined the big Thomson and Ottaway groups, respectively. The piece de resistance of 1978 acquisitions, however, was larger still: A $362 million merger of Combined Communications Corp. (publishers of the Cincinnati Enquirer and the Oakland Tribune, among sundry other properties) into the hungry maw of the largest chain of all, the Gannett Co. of Rochester.

So the Gannett group, which owned a mere 29 papers in five states in 1967 when it first went public, has now, in 12 years, spread-eagled into 30 states and two territories, with a total of 80 papers. Among the local markets it dominates, incidentally, are no fewer than eight state capitals. In six of these, it enjoys an uncontested local monopoly, and in the other two—Honolulu, Hawaii, and Nashville, Tenn.—it enjoys a joint-printing arrangement with its competitor, just as it soon will in Cincinnati. Prior to those two latest acquisitions in Cincinnati and Oakland, by the way, the Gannett Corporation did not operate in any city as large as Buffalo, and it has no single-newspaper circulation even now as large as that of The Buffalo Evening News.

The moral of the Gannett story—in sticking to relatively small or middle-sized markets and in shunning those few in which one can still find serious local competition—has been duly marked and copied as the prevailing pattern of chain acquisitions. Two exceptions—the only two that come to mind—are Knight-Ridder and the Los Angeles Times. Both have acquired small papers, but they are more famous for their large ones, and, in the case of the Knight part of Knight-Ridder, even for thriving on competitive situations, as in Philadelphia and Detroit.

But in most of the other cases, the kind of paper the would-be acquirer wants is not a big-city paper, least of all one with a network of tough union contracts, and least still of all one in a fierce locally competitive situation. "No big cities with ghettos for Gannett," says a former Gannett editor quoted by David Shaw in the Los Angeles Times. "No worry about urban flight or decay or heavy traffic delaying distribution of the paper, or long negotiations and strikes by powerful unions," that ex-Gannetter went on.

Even the great individual papers that are getting into the chain act—the New York Times, with 13 nice little small-city properties in Florida and North Carolina; the Chicago Tribune, with the same in Florida and California; and the Washington Post, with one in New Jersey and one in Washington State—are not particularly looking for other large papers to acquire. And perhaps the Times' experience, as reported in the Washington Post, will tell you why: "In 1976," it said, the 13 Sunbelt papers in the Times chain "produced pre-tax profits of $6.8 million on $28.5 million of revenues, while the big New York Times earned pre-tax profits of $10.2 million on revenues of $290 million." That's a 24 percent net on the small papers vs. 3½ percent on the Times itself. Last year's Times story was far more dramatic, embracing a heavy loss of $12.5 million at the Times itself because of an 88-day strike. But despite this, its publisher was able to report happily that "a 25 percent increase in the combined operating profit of our magazines, broadcasting stations, smaller-city newspapers and books, information and education affiliates" still left the Times Company with a $15.6 million net income for the year.

Before leaving the subject, let me note one other aspect of the chain-ownership phenomenon: The fact, as Mr. Bagdikian puts it, that the chains "do not create, they acquire." With the possible exception of the Philadelphia Inquirer, "no existing distinguished paper was developed by a chain." All came in their older incarnations from "individual owners whose major interest was a particular paper and a particular community"—including many of those like the New York Times, Washington Post, Chicago Tribune and L.A. Times that are now themselves owners of chains.

True, the defenders of the chain acquisition movement will invariably and accurately argue—as Al Neuharth of Gannett did in a panel discussion at a recent editors' convention—that "some of the worst newspapers in America are group-owned; so are many of the very best. Some individually-owned newspapers are setting the highest standards in the business; some are a disgrace to journalism . . . It matters not whether newspapers are owned by individuals or families or partners or chains. What really matters is what those owners do with them. It matters little how many newspapers serve a town or a city. What really matters is how well they serve."

Well, maybe . . .

But I still have to worry about the potential for abuse . . . the potential for a kind of homogeneous sterility . . . the potential for a sacrificing of quality, talent, courage and community service to an inordinate focusing on the bottom line. I try to visualize the typical owner of a Gannett newspaper, for example, and I conjure up nothing better than an anonymous fellow on Wall Street handling the investment portfolio for a pension fund, or an inflation-pressed widow in Miami Beach, and none of them has the faintest idea what the paper I work for in Rochester, or Nashville, or Guam even looks like, much less what kind of news it is printing or what editorial crusades it is running.

What to do about it?

Here, I'm tempted to offer my final YES . . . BUT as a paraphrase of Scotty Reston of the New York Times. "Yes," he said in effect, "I hate to see that enormous expansion of the chains . . . "But . . . I'll be damned if I know what you do about it."

Some of the press critics, like Mr. Bagdikian, see an answer in forced divestiture. Even some publishers and chain owners, like Arthur Ochs Sulzburger of the New York Times and Katherine Graham of the Washington Post and Norman Chandler of the Los Angeles Times, concede that it might eventually come to something like that. Under this plan, any chain owning more than a permitted maximum of papers or circulation would be forced to sell off enough to cut back to the legal maximum. But, Mr. Bagdikian insists, he would not preclude any chain from starting any new papers, only from acquiring more old ones.

There are problems with this whole divestiture approach, however, that make me wary. Some see an insurmountable First Amendment barrier to telling anyone that he has to sell, or cannot buy, a newspaper. But if the Constitution doesn't immunize newspapers from anti-trust litigation—as it obviously does not—then I tend to doubt that it would immunize the biggest chains from well-drawn legislation seeking to set some reasonable outer limits to further concentrations of ownership.

Another anti-concentration critic who is flirting with legislation to limit new chain acquisitions is Arizona's Rep. Morris Udall. But first he would try to discourage newspaper mergers in another way. Arguing that many occur because families are virtually forced to sell their papers simply to pay estate taxes, he would spread those payments over 15 years. This proposal, incidentally, has just been seconded by our own area's Rep. John LaFalce. Whether this change would have kept The News in the Butler family, I cannot guess—but it might help some of the few remaining family-owned properties, such as Barry Bingham's Louisville Courier-Journal, from going on the block when its time comes to have to pass its properties down to the next generation.

It was not until after I had completed this paper that I read of another approach to limiting multiple ownerships of newspapers that struck me as better thought-through than either of the others. This, I should hasten to tell you, turns out to have been written by no stranger, but by one of the new owners of our own Buffalo Evening News, Mr. Charles T. Munger. His article appeared in last month in the Publishers' Auxiliary, a trade-journal focused on weekly newspapers, and it was the first inkling I had had that anyone in our non-chain organization had formulated or expressed any views on the subject.

His thesis was that continued growth by acquisition of the largest newspaper chains is not only "very undesirable" but against the interests of the free press. And if one doubts this, he suggests, "imagine how despised, resented and reduced in political power the press would be if ITT owned 60 percent of the newspapers." Yet Mr. Munger saw no likelihood that the biggest chains would voluntarily stop buying their brethren, since this would "not stop concentration but only allow a rival to gain the prize." The situation, he argued, presents a logical case for legislative intervention—the public interest in dispersion of economic and journalistic power by limiting the number of newspapers owned by a chain being much the same, in his view, as "a public interest in conservation of wildlife which limits the take of fish and game by an individual sportsman."

Mr. Munger is not talking divestiture, however, or any forced shrinkage of present chains. He would just preclude the largest chains from taking still more fish out of the river. And the particular legislative approach he suggests also intrigues me: He would bar future newspaper acquisitions by the largest chains "as part of new legislation applicable to conglomerate mergers generally." An important added effect of such general anti-conglomerate merger legislation, he points out, "would be to protect existing newspaper chains from unwelcome takeovers." For an example of this, just imagine that, in the current American Express effort to take over McGraw Hill, the object of the unwelcome takeover was not McGraw Hill but the Gannett Corp., or Knight-Ridder, or the Times-Mirror Co.; and imagine that the one doing the taking over was not American Express but ITT.

Meanwhile, though, the concentration continues, with more and more small family papers sold to the chains; with bigger chains gobbling up the smaller ones; and with the key figures involved in this movement all professing its inevitability. "As long as the First Amendment is still operative," says one knowledgeable broker, John Morton of Washington, D.C., "I don't think there's anything that will stop acquisitions of remaining independent papers until they're all gone, basically."

So my final yes . . . but is not really as wishy-washy as you might expect from all that has gone before. I'll have to say YES, I personally would support well-drawn legislation to check the concentration of newspaper ownership before it goes much further. BUT I see no likelihood of such legislation making serious headway until we are a lot further down the road John Morton sees as inevitable than we are today. And by then it probably won't matter much . . . . least of all to an old ex-editor like me.●

LOG EXPORTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

○ Mr. BONKER. Mr. Speaker, I want to bring to the attention of my colleagues today this excellent editorial by Mr. Dean Shacklett, the editor of the Daily Olympian in my home district in Washington State.

Mr. Shacklett describes in precise and moving terms what the push for log exports has done to our wonderful forests and mountains. I commend the piece to the attention of my colleagues.

SIGHT OF BARE HILLS MAKES NATIVE SON SICK AT HEART

(By Dean Shacklett)

Couple of months back, I made a flying trip around the loop to introduce visiting Midwest relatives to the wonders of Olympic Peninsula scenery. They thought it great. I was appalled.

It had been two or three years since the family and I loaded up our trusty bus and headed into the Olympics on a camping trip. What disturbed me this time was the many hillsides logged clear of all standing timber.

Then a week or so ago I had occasion to drive down to the foot of Washington Street, past the acres of valuable land Port of Olympia dedicates to storage of logs for exports. Mountains of logs, many of them three feet or more across the butt, were all around me.

I thought of recent conversations with local mill owners and lumbermen who complained of the poor quality of timber left for them to turn into lumber and pass on to a generation of buyers who have become indoctrinated to the necessity of working with lousy knot-filled boards and plywood that is a disgrace to a once justifiably proud industry.

Finally, along came Jimmy Carter with his shift in policy to allow the cutting of timber from federal lands to exceed the growth of new trees. The excuse given was to ease the rising cost of housing brought on by inflation.

Alfred Kahn, the President's chief inflation fighter, said each additional billion feet of timber harvested—mostly in our Northwest—will reduce the cost of a house by half of one percent. That's a lousy $300 on a $60,000 house and most economists argue the saving would be even less.

I say it would be next to nothing, the entire argument is phony and our public owned timberlands are being raped for the benefit of a very few, largely because of the lack of a national energy policy.

The move to strip public owned lands of their timber crop will destroy watersheds, drive what is left of our dwindling natural wildlife into earlier extinction, rob our children of their heritage and create such eyesores—where there once was beauty—that native sons and daughters are brought close to tears.

Putting that timber on the auction block, where it can be gobbled up by the timber company giants, will make it possible for them to export even more logs. It will in fact make damned little more lumber available to a housing market that is in its most serious trouble because of the cost of the product, which partially is due to the high cost of mortgage.

And, increased export of timber is what Washington, D.C., wants because it helps reduce the terrible balance of trade deficit created by our near total dependence on imported oil. This is why I believe a lack of energy policy is responsible for a federal timber cutting policy certain to favor log exports at the expense of our forests.

Spare me, please, your arguments for free enterprise and timber as a renewable crop. I was born in this blessed area, the son of a carpenter who went on to become a building contractor. I grew up among the shavings of a cabinet shop, among the delicious smells of freshly cut and planed lumber.

But I also grew up in and around our wonderful forests and mountains and it makes me sick—heartsick—to see the butchering that is taking place because of greed augmented by national policy.●

REPORT FROM NORTHERN IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. ZEFERETTI. Mr. Speaker, during my years in Congress, I have taken an active interest in the continuing conflict in Northern Ireland.

Recent outbreaks of violence in Ulster, which must be strongly condemned, are a further indication to me that British policy in the North, designed to stamp out terrorism at all costs, has largely failed. Therefore, I feel it is the responsibility of the U.S. Government to undertake an initiative in exploring a peaceful solution to the conflict.

My understanding of the Irish issue has been enhanced by the work of Rev. Sean McManus, National Director of the Irish National Caucus (INC), an

American-based organization with 43 chapters nationwide involved in making the violation of human rights in Ireland an American issue.

David McDermitt, a legislative assistant on my staff, serves as Chairman of the Congressional Chapter of the Caucus for Capitol Hill employees. Dave recently traveled to Belfast to join Father McManus and other officials of the Irish National Caucus in monitoring the current political climate in Northern Ireland. Prior to his departure, I asked him to make careful note of the current situation in Ulster, and to prepare a report for me upon his return.

Mr. Speaker, I feel that the observations contained in Dave's report represent an accurate description of life in present-day Ulster, and I want to take this opportunity to bring it to the attention of my colleagues:

REPORT FROM ULSTER

(By David F. McDermitt)

Mr. Zeferetti, prior to my trip to Northern Ireland, I had been involved in the "Irish issue" as a member of the Irish National Caucus for approximately two years. Largely through the work of Father Sean McManus and other leaders of the INC, I felt that I had attained a great deal of knowledge of the history of the past decade of violence in the six counties that comprise Northern Ireland. Therefore, I felt that I had formed in my mind a fairly accurate picture of life in Ulster. In retrospect, I found that, despite my knowledge of the conflict, I was not prepared for the shocking reality of the tragedy that is Northern Ireland.

Prior to detailing my experience, I feel it is imperative to understand the basic history of the conflict in order to grasp the complexities of the current struggle.

Northern Ireland did not exist as a geographic entity until 1920 when southern Ireland was granted dominion status by the British Parliament. This event followed nearly 750 years of colonial rule by Great Britain. British administration during that period can only be described as barbaric. The Irish people, at one time or another, were forbidden to own land, denied the right to vote in elections, denied the opportunity to work in the civil service and even forbidden to practice catholicism. In short, they were treated as second-class citizens.

During the early part of the 17th century, Great Britain undertook its "plantation" policy in Ulster. Many of the Irish were expelled from the province, a number fled into exile and the remainder were largely redistributed so that a network of new protestant communities could be created. Irish soil was divided and granted to individuals on the condition that they bring in protestant tenants to cultivate the soil. Settlers arrived in Ulster from England and Scotland and created a new society entirely alien to the native traditions of the Ulster province.

Despite the great influx of immigrants, they were not sufficient in number to fully exploit the area's resources, and a number of the Irish were permitted to remain. As a result, this newly settled protestant area was dotted with native Irish Catholics—degraded and embittered. This plantation policy accounts for the large number of loyalists (those loyal to the British crown) in Northeastern Ireland.

Following decades of guerrilla war throughout the island of Ireland, the British Parliament adopted the Government of Ireland Act, 1920, providing for the establishment of two governments and two parliaments in Ireland. This measure enabled the British government to maintain a foothold in a corner of Ireland with the majority of inhabitants sympathetic. It is interesting to note that not all nine counties of the province of Ulster were included in this newly created state, but only those six counties which would ensure a loyalist and protestant majority. Thus, Northern Ireland—a creation of the British government and having no basis culturally, politically or geographically in Irish history—was established. It was established to ensure that an artificial majority of loyalists would seek to maintain close ties with Great Britain.

The ensuing years were marked by policies of blatant discrimination against the Catholic Irish, denying them equal opportunity in housing, employment and other basic rights enjoyed by their protestant neighbors.

In the late 1969, the minority population held peaceful marches throughout Northern Ireland calling for equal rights among all of the people of the country. The protestant population, feeling a threat to their years of dominance and supremacy, violently attacked the marchers. In a short time, British military forces were sent to occupy Ulster ostensibly to protect the Catholic population "for a few weeks" until calm was restored.

However, the minority came to realize that the occupation forces had, to a large degree, sided with the protestant majority in protecting and upholding the unjust government of Northern Ireland. It is particularly interesting to note that the Irish Republican Army (IRA) was virtually nonexistent at the outbreak of hostilities in 1969. It was not until two years after the turmoil had begun that the IRA re-emerged as a fighting force.

That, in a nutshell, is a synopsis of the history of the current conflict that has claimed nearly 2,000 lives and 21,000 injured in the last ten years. But I realize that merely knowing the history of the conflict and keeping abreast of the current situation in Ulster through the media was not enough. Therefore, I accepted Father McManus' request to join him and other leaders of the Irish National Caucus in Ireland.

My initial impression upon my arrival was one of disbelief. Entire sections of city blocks have been leveled by bomb blasts and the streets are littered with the remaining rubble. Hijacked vehicles are left burning in the street. Entire sections of the city have been decimated and abandoned, leaving row upon row of boarded up houses.

During a drive up the Falls Road into the Catholic section known as Andersonstown, minutes after arriving via train, I witnessed the hijacking of a van by a group of teenage youths. After setting the vehicle on fire, the group scattered upon seeing British troops moving up the street toward them in armored cars. At this point, I noticed a number of children who could not have been more than seven or eight years old, gathering behind the walls of a deserted building, seemingly waiting in ambush. When the armored cars approached, approximately a dozen of these kids charged out into the street hurling rocks, bricks and bottles at the soldiers. Their faces flushed with hate and their eyes full of bitterness, they quickly retreated to continue the battle another day.

One cannot travel through the six countries without noting the ominous presence of British military forces and the Royal Ulster Constabulary (RUC), the police force in Ulster. British patrols, dressed in full battle gear complete with flak jackets and automatic weapons, continually roam the streets in seven-man teams, the last man walking backwards to protect their rear. Soldiers rumble through the streets in heavily armored vehicles. Catholic areas, in particular, are most heavily patrolled.

Scattered throughout Catholic ghetto areas such as Ballymurphy, Ardoyne and Turf Lodge are army and police barracks—massive grey structures built of sheets of steel, windowless except for lookout posts and surrounded by concrete and barbed wire. It is little wonder why this obvious presence serves as a highly visible reminder to the minority of British political and military domination in Ulster.

Everyday life, as we know it in the United States, is totally disrupted. The entrances to the main shopping district in central Belfast are closed to vehicular traffic with iron bars that permit only pedestrians. Each shopper is scrutinized and often searched by British troops stationed at these posts.

Taxi cabs are marked with one of two identifying stickers: one indicates those cabs that travel into the Catholic areas and, the other, those going into the majority protestant section of town. It is a criminal offense to display the tri-color Irish flag.

Body searches and interrogations are commonplace. The Europa Hotel in central Belfast, where I stayed for two nights, holds the tragic distinction of having been bombed on twenty-eight separate occasions and is surrounded by a wall and barbed wire. Each vehicle entering the driveway is thoroughly searched; every person seeking entrance is given a head-to-toe body search.

Rather than talk to an endless number of government officials in the North, I spent as much time as possible "on the street" talking to the people whose everyday lives are affected by the turmoil. In traveling by car throughout the city with other memoers of the Caucus, Fred Burns-O'Brien, Rita Mullen, Robert Bateman of the Ancient Order of Hibernians, Sean Nolan and Pat Mahony of the Pittsburgh Chapter of the Caucus and Bill Gallagher of the Philadelphia Chapter, we were forced to stop on four separate occasions by the authorities: twice by the RUC, once by a British patrol and once by the British military police.

It was my experience that the military men were more civil in their approach than were members of the RUC police force. The police travel six men to a van, armed with automatic weapons. On each of the two occasions we submitted to a body search as well as a search of the vehicle. We were also given an "on the spot" interrogation and asked questions as to our destination, why we were going there, our occupation, etc. This occurred while we were literally surrounded by other RUC personnel armed with weapons. When informed that we were American citizens involved in making the Irish conflict an issue in the United States Congress there was an immediate air of resentment. We were asked whether we were journalists and if we had played any role in the State Department's decision to suspend the sale of U.S. weapons to the RUC (a development for which the Irish National Caucus can claim a large degree of responsibility).

More than one member of the RUC—a police force that is comprised of 95% protestants and has been indicated by the European Court of Human Rights, the European Court of Human Rights and Amnesty International for the torture and inhumane treatment of suspects and prisoners—informed us that the Irish situation was none of America's business and to "keep your noses out." When I asked a British soldier his impression of the RUC, he stated that it was "just another terrorist organization. They fight beside you during the day and shoot at you when they're off duty."

When I questioned the policemen why we had been stopped and questioned, I was told "suspicion of terrorism," which is a catch-all justification for the virtual suspension of civil liberties in Ulster. I spoke to a number of people whose homes had been broken into and ransacked in a supposed

search for weapons. Search warrants are an unknown aspect of the law in Northern Ireland, as are jury trials. Trials are heard by a single judge. Suspects can be held for a period of three days without legal counsel or a visit from relatives and clergy, and they can be held for seven days without being charged with a crime. A number of individuals indicated to me that they had been arrested, charged, imprisoned and beaten for periods of 11 to 13 months. When they were brought to trial their cases were dropped for lack of evidence, after spending a year of their young lives in prison.

Few Catholic families have been left untouched by the violence: a brother, father or son has been killed, wounded or imprisoned. Children of ten years or younger have never lived a peaceful existence. They have spent all their lives growing up in an atmosphere of violence, bitterness and hate. A number of their play areas are now occupied by police and army barracks, so they play among the bombed out buildings and burning vehicles. Unless a political solution can soon be found, there is little doubt that today's children will become the terrorists of tomorrow.

In Belfast and in London, I joined Caucus leaders in press conferences attended by reporters representing both Irish and English media. The most significant discovery I found during the trip was an intense interest in American involvement in Northern Ireland—the American "initiative" as they call it.

American involvement in Northern Ireland—comprised largely of efforts by the Irish National Caucus, the Ad Hoc Committee for Irish Affairs and the "Big Four" Irish American politicians including Speaker O'Neill, Governor Carey and Senators Kennedy and Moynihan— is viewed with distrust by British government officials and with opposition by the various terrorist organizations. But it is viewed with intense interest and hope by the minority population.

In talking with members of the Relatives Action Committee, an organization of the relatives of prisoners serving sentences in Northern jails, I perceived a sense of hopelessness and frustration that any political initiative is forthcoming from Great Britain. When told of our efforts here in the United States to make the violations of human rights and the entire Irish conflict an American issue, their faces literally lit up with hope and enthusiasm.

In conclusion, it is my impression that, after centuries of British rule and a decade of military occupation, the situation in Ulster has not improved. All too often the turmoil has been called a religious war between Catholics and Protestants. That characterization is only a small part of a much larger political stalemate. 13,000 troops are still stationed in Northern Ireland. British taxpayers spend more than $5 million dollars each day to support the troops and security operations in Northern Ireland, in addition to welfare subsidies and business subsidies. This policy continues despite the fact that a number of polls indicate a majority of the British people do not want their troops stationed in Ulster. A number of soldiers with whom I spoke disagreed with their government's policy in the North. When I ask a regimental commander if the battle in Ireland wasn't really Great Britain's last colonial war, he disagreed with me by saying that the same conflict would probably be fought in Scotland within a few years.

During the past year, British officials have done their best to convince the world that their hard-line approach against terrorism in the North was paying off. Statistics were compiled indicating that the number of bombings and deaths had steadily declined in recent years were cited as proof that the terrorist groups were being held in check. The recent outbreak of terrorist acts indicates that, while the paramilitaries have been battered, they will never be broken. That fact has been admitted by British military leaders in Northern Ireland themselves.

Unfortunately, the Thatcher government has given no indication of any movement toward a political settlement, but has merely reiterated its intention to crack down more severely on terrorism.

The terrorists on both sides of the conflict do not have the support of the vast majority of the populace, and terrorists and their activities should and must be condemned. But it must also be realized that the paramilitaries are not the root of the problem in Ulster, but the result—a response to the absence of a just political solution to the conflict. Great Britain is clearly pursuing a military solution to a political problem, and there is presently no end in sight unless the President and Congress accelerate the American initiative in pursuing a just and lasting peace in Northern Ireland.●

THE NEED TO MAINTAIN OUR COMMITMENT TO THE ARTS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 7, 1979

● Mr. LaFALCE. Mr. Speaker, in late June of this year one of America's most respected surveyors of public opinion, Louis Harris, testified before the Senate Labor Committee's Subcommittee on Education, Arts and Humanities in defense of continued Federal support for the arts in the United States.

I believe that Mr. Harris' statement that day sets out a persuasive case for major Federal support for the arts. Perhaps the most telling point he made was the following:

At a time of unparalleled tensions and pressures, the arts represent a massive safety valve to refurbish the human spirit, to renew one's soul, to be better equipped to face difficult tomorrows.

As we concern ourselves—as we ought to—with the more mundane questions of daily necessities, such as food, energy, economic health, and national security, it is important also that we retain a healthy respect for the need to nurture the soul and insure the continued existence of this "safety valve." I think the entirety of Mr. Harris' statement warrants being printed in the RECORD, and I submit it for that purpose at this time:

TESTIMONY OF LOUIS HARRIS

AMERICAN COUNCIL FOR THE ARTS,

New York, N.Y., June 26, 1979.

Mr. Chairman, my name is Louis Harris and I come before you today as the Chairman of the American Council for the Arts, a national organization with headquarters in New York. ACA is one of the few organizations in this country which can claim to work for all of the arts. Our task, as we see it, is to spearhead efforts to work both for greater support for all of the disciplines in the arts, to work for greater fulfillment of the aspirations of individual artists to work for bringing the arts to the rapidly growing potential audience for the arts, to recommend and to assess national policies which affect the future of the arts, to serve as a watchdog over developments in society which can thwart the freedom of the artist to create, and to work for the maximum delivery of professional creative art output to the disadvantaged, minorities, the elderly, the handicapped, the young—indeed to all of our people.

At the same time, ACA sees its function as demanding from the arts that they exercise policies of full accountability for public and private funds received, that they increase their own revenues from their output, that they give ample recognition and opportunity to new and emerging art forms, and that they press and work for the highest standards of professionalism. Although our Board has represented on it most of the major disciplines in the arts, we are essentially an organization which tries to bridge the gap between arts institutions and the citizens of this country, who, in the end, must be the indispensable audience for the fare that the arts turn out. We have an extensive service program which tries to bring the best and most advanced management techniques to arts organizations in such critical areas as how to manage finances, how to raise money, how to bring together arts institutions and individual artists at the community level, how to market and merchandise the arts, and how to involve all elements in the arts world in the total process of developing the arts in America.

We come before you today at a particularly trying time in our national history. Our people are beset by severe inflation which has reduced many to the status of barely eking out a minimum existence after we had assumed that we had reached that post-industrial state of affluence where such economic trouble seemed largely behind us. This is also a time when we are learning brutally in gas lines in many parts of the country that we can no longer live off the fruits of unlimited natural resources. Our society has become so complex and the pressures put upon our people are so enormous that frustration and alienation has by now reached record levels. Most of all, we live in a period where of all the resources we must utilize for future economic growth and for fulfillment of our personal hopes, we must depend basically on the human resource, easily the most adaptable and creative resource we have known on this planet. And, significantly, my own surveys have shown that the American people are becoming more and more convinced that if the human resource is utilized well, if nurtured properly, then it is in the end well nigh inexhaustible. Thus, it is no happenstance that close to 7 in every 10 of our people today are employed in service industries not physical goods production industries. Basically, how well people serve people in America is going to be one of the real keys to our future national destiny and fulfillment. The arts are central to getting that job done.

The arts have enjoyed enormous growth in recent years, because as much as any single area, the arts represent the most exciting, personally rewarding sharing of experiences which one set of human beings can deliver to another. At a time of unparalleled tensions and pressures, the arts represent a massive safety valve to refurbish the human spirit, to renew one's soul, to be better equipped to face difficult tomorrows. The arts elevate people, provide rare and precious moments that in many ways make the rest of human activity bearable and worthwhile. Take away the arts and you take away in one fell swoop the color

of life, the raising of human spirits, the capacity to project into other worlds, and the ability to understand oneself and one's life better. Indeed, in our surveys, the people themselves tell us that the arts for them are a form of emotional food to sustain them through the trials of their daily grind.

You here in the Congress have recognized this growing role of the arts. You have increased the annual appropriations for the National Endowment of the Arts from a miserly $7.5 million roughly a decade ago to about $150 million to date. Both people in the arts and the public generally are grateful for this assistance. You are once again showing insight and foresight by contemplating a five year extension of the National Endowment Authorization.

Your committee here in the Senate has also made a significant human contribution to the arts in the person of your former staff chief, Livingston Biddle, who is now the chairman of the National Endowment of the Arts. We in ACA find that not only is Liv Biddle the kind of leader in the arts whom we can fully relate to, but one who largely shares our basic objective of seeking to bring the highest quality of arts output to a maximum number of our citizens. Chairman Biddle's sensitivity to emerging needs and demands for the arts, his openness, his willingness to entertain change, his determination to bring in an ever-increasing circle of arts professionals into the decision-making process, all make us convinced that he gained from his association with this subcommittee has contributed to his splendid performance to date.

Let me relate to you some basic facts about the arts in this country today:

Over 6 in 10 people 16 years of age and over in this country attend live theatre, a classical music concert, live dance performance, live painting and sculpture exhibits, arts festivals, and arts meetings. Significantly, the arts appeal to the most rapidly growing parts of our population: young people, the elderly, the better educated, the more affluent. But the arts also touch children in ghettoes, individuals who lead lonely existences in relatively isolated settings, people who come out in the thousands to our parks across the country, people who need some moments of relaxation in their work areas during lunch hours. The arts are at one and the same time a significant mass and yet highly individual experience.

However, the job of the arts is at best no more than half completed. For example, while 69 percent of the American people think it is important to have an art museum accessible to where they live, 41 percent also report that none is accessible to them. While 65 percent think it is important to have a concert hall accessible to where they live, 44 percent report there is none available. Put another way, 35 percent of all Americans want more ballet and dance in their community and do not have it, 47 percent want more arts festivals and do not have them, 37 percent want more classical music live performances and do not have them. Perhaps most significantly, 54 percent, a majority of all those who do not have such facilities report that if they had them, they would attend such arts events.

This is a mandate that runs deep and wide in our society. By 86.8 percent overwhelming majority wants to see such arts facilities and performances and shows available in all parts of the country. An even higher 93 percent feel that having the arts available to them is important to the quality of life in their community. And 85 percent believe the existence of such facilities and services is important to the business and economic life of their community.

So the job of fulfilling the needs of the American people for the arts is largely undone. Yet the need is there and is growing by leaps and bounds. How desperate is that need? Let me give you two examples. Artists and minorities and the poor all suffer from essentially the same phenomenon: they are almost the last to be hired and to be tended to and they are inevitably the first to be laid off or forgotten. A terrible condition in the country today is that when the schools feel the crunch on funding, almost the first area they cut back on is student courses and participation in the arts. Yet this is precisely the area in which students are likely to feel the greatest identity and fulfillment in schools. It is little wonder why recent studies have demonstrated that student interest in and excitement about the educative process has so fallen off. In community after community, the educational process is eliminating the color, the verve, the challenge to the creativity of our children.

As for funding for the arts, majorities of the public favor increases in federal, state, and local government support. Even higher majorities favor private individual and corporate support. The highest majorities favor private foundation and non-profit institution support. At a time when people want little increase in governmental spending, nonetheless there is ample evidence that the public wants to see arts funding increased. Part of the reason is that the amount funded to the arts from government, compared to other sectors which are recipients of governmental monies, is minuscule. It can be said without challenge that the government receives more beneficial services from helping to fund the arts than nearly any other area of activity.

Nor are the arts mendicants, crawling on their bellies making for a handout. Indeed, 51 percent of all the monies received by all arts institutions are derived from earned income, derived from admissions to performing arts and from public memberships and sales. The private sector in the aggregate contributions 20 percent, and government 29 percent. Not only does a majority of income for arts institutions come from earned income, but one of the most important and poignant subsidies for the arts has been largely ignored. At latest count, the medium salary paid executive directors of arts organizations was $14,462 a year. Artistic directors were paid even less, a median of $12,971, compared with university professors and associate professors, not an overpaid occupation, who earn 30–40 percent more. In addition, arts salaries have lagged 20 percent behind the rate of inflation. As a consequence, it can be assumed safely that an amount equal to as much as a third of the national endowment funding is taken out of the hides of arts executives. Faced with growing demand for the arts, often they forego their own pay, not because they are among the most dedicated people in our midst. So the arts have little to apologize for.

We in ACA feel strongly that support for the arts from the private sector must be increased—and sharply at that. We think it is pitiful that at last count in 1976, no more than 4 percent comes from business corporations. Put another way, the arts earn over 12 times the amount that business contributes to the arts. Just this week, we in ACA held a conference on how to raise money for the arts, and we are encouraged by the interest now being expressed by the United Way people. If the arts could be added to the United Way list of worthy causes that people can contribute to in their place of work on a payroll deduction basis, the private sector could be enormously enhanced as a source of arts funding.

My colleague, Ed Block of AT&T, who is a vice chairman of our organization will elaborate on this prospect for funding from the private sector in greater detail. But let me say this, if I might, to this committee of the Senate. There is much talk that federal funding for arts has increased handsomely over the past decade and that the future will see a "plateauing out" of federal backing for the arts. We have advocated a $200 million authorization and appropriation for the National Endowment of the Arts, simply because we think the investment of another $50 million would pay out many times that amount in terms of bringing literally millions more of our citizens exposure to the arts. What this would add to our national productivity and the well-being of our national psyche is enormous.

But now we have an even more practical consideration to bring to your attention. It it this. Your having done such a magnificent job over the past several years, we are worried that if federal funding suddenly were to level out, a signal would be given to the private sector that just maybe the arts are not that important. Therefore, we urge you in the most forceful way to turn a deaf ear to those who feel the federal government has largely brought its contribution up to an adequate level and now can be plateaued out. Indeed, we are convinced that the ground is being broken, the way is being cleared, the road is emerging clear for a major increase in funding for the arts by corporations and private individuals contributing at the workplace.

We say to you: please give us this chance to prove that the private sector can close the gap with the public sector in terms of growth and absolute amounts that are contributed to the arts. Show us that the federal establishment, having done a yeoman job, is now not going to abandon the field and say it has reached full maturity. Put bluntly, we of ACA are not at all afraid to challenge the monied corporate establishment that it must not simply keep up with the rate of federal funding increases, but must close the gap. Such corporate leaders like to talk about the need to finance most such causes as the arts through private means. Believe me, we mean to put them to the test to prove that their pocketbooks are where their rhetoric is. But we cannot do that if the signal from Congress is that enough has already been done by the federal government. Remember, we still have a massive one in three people in this country, 16 years of age and older coming to close to 55 million of our citizens, who have a real and growing appetite for the arts which is now largely unfulfilled.

So we ask you to be our partners in both this strategy and efforts in making this country as close to self-sufficient in arts support as is humanly possible. At a time when a majority of the public is convinced that we are not going to make it on more acquisition of material goods, the arts at one and the same time become both a symbol and a reality that the quality of existence in the last two decades of this century are going to be rewarding and exciting. There is so much to be gained by so little more. The crunch on the human spirit will be enormous if the growth of the arts is stopped cold in its tracks. We ask you to move courageously and responsively to this public demand. These are in no way raids on the treasury, but instead small spurs to the human spirit, small investments in a positive experience. And, in a national life that has come close to turning sour for so many, this act you can perform would bring pure joy in ample measure into the daily lives of our citizens. And that, surely, must be a vital and important task for the people's representatives to tend to.●

HOUSE OF REPRESENTATIVES—*Monday, September 10, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, giver of every good gift and author of everlasting life, grant that each day we may be filled with Your spirit and blessed by Your presence.

Give us, we pray, the spirit of understanding and reconciliation, of patience and good will, of generosity and faithfulness. We specially pray for all who suffer or are ill, those in distress or anxious about tomorrow.

Fill us with Your abiding love that we may know Your forgiveness, and give us that peace that passes all human comprehension.

In the Lord's name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4393. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4393) entitled "An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHILES, Mr. BUMPERS, Mr. DECONCINI, Mr. MAGNUSON, Mr. EAGLETON, Mr. SCHMITT, Mr. LAXALT, Mr. YOUNG, and Mr. HATFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes; and

S. 1281. An act to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the vessels steamship *United States*, steamship *Oceanic Independence*, and steamship *Santa Rosa* into the trade.

BUDGET COMMITTEE MARKUP TODAY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, at 1 p.m. today the Committee on the Budget will begin markup of the second budget resolution for 1980. This morning we saw unveiled the proposed majority budget with the deficit up $10.8 billion over the first resolution; outlays up $17.8 billion; budget authority—the driving force that will cause deficits down the road—up $28.9 billion.

The majority's proposed budget ignores the recent unanimous recommendations of the Joint Economic Committee which called for strong efforts to stimulate our country's sagging saving and capital investment rates and raise our deplorable low productivity rate. To achieve these goals requires a budget that emphasizes supply rather than demand.

Instead, the majority's proposed budget would be even more stimulative than the first budget resolution. The majority's proposal contains no tax cut which would encourage useful savings and investment—even though weakened consumer spending is now acknowledged as the leading cause of the current recession—yet contains an inflationary spending increase of nearly $18 billion over the first resolution.

In sharp contrast, the Republicans will be offering a budget of hope—hope for a tax savings and lower inflation—through a fiscally prudent tax cut combined with real spending restraint. As such, the Republican budget will be designed to increase savings, investment, and productivity. It will lead to the balanced budget and lower inflation which, to my majority colleagues, seems always "just around the corner."

NEW NEGOTIATORS NEEDED FOR NATURAL GAS CONTRACT WITH MEXICO

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, at a time when our country cries for additional sources of energy, I cannot understand the inability of the administration to come to an agreement with Mexico on the sale of natural gas.

Reports coming out of Mexico City paint a gloomy picture in terms of any future negotiations for the sale of their gas. Presently, the Mexicans have decided to burn off over 300 million cubic feet a day rather than export it across the border into the United States.

The impasse stems from another misunderstanding between the negotiators. Last week the talks stalemated as the two sides appeared closer than ever to a settlement. Mexico had asked $3.75 per thousand feet of gas and the United States had offered $3.50. Both sides then agreed to compromise at $3.62 but then the U.S. negotiators allegedly tried to change the already agreed to delivery date from November to next April.

Mr. Speaker, it is tragic that this great Nation cannot negotiate a definite contract with our neighbors to the south to trade our advanced technology for their natural gas which is presently being flared off and wasted.

It is time to send in a new, more skilled negotiating team with definite instructions from the President to conclude this contract as soon as possible before the winter months are upon us.

INFLATION UP, NEW YORK BANK ROBBERIES UP

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I think it is useful particularly at the start of a legislative week to take a nonpartisan, realistic look at the state of our Nation. In that spirit I have good news and bad news this morning. The bad news is that inflation has tripled since Jerry Ford left the White House. It was 4.3 percent then; it is now well over 13 percent. That is the bad news. The good news is that there appears to be renewed faith in the American dollar, else why would there have been upward of 300 bank robberies in New York in the last 2 months?

PERSONAL EXPLANATION

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I was absent on Friday on account of a funeral in the family. I would like the record to show that on H.R. 79, the Postal Service Act of 1979, I would have voted "yes." On the Courter amendment to H.R. 79, I would have voted "yes." On the conference report on S. 1019, I would have voted "yes."

PERSONAL EXPLANATION

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, I was unavoidably absent pursuant to congressional business in New York during part of the session on Friday, September 7.

I take this time to explain how I would have voted had I been present:

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Rollcall No. 452, to reorganize the U.S. Postal Service, H.R. 79, "yes"; and

Rollcall No. 453, to end prohibitions on aid to Uganda, the conference report on S. 1019, "yes."

PERSONAL EXPLANATION

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, I take this time to state my position on three rollcall votes that I missed Friday, September 7, 1979.

The reason for my having missed these rollcalls was that I was at the White House attending the President's briefing on the question of Soviet combat troops in Cuba.

The votes are as follows:

Rollcall No. 451, on an amendment to H.R. 79, the Postal Service Act of 1979, offered by the gentleman from New Jersey (Mr. COURTER). The amendment was rejected by a vote of 125 to 242. I was paired against this amendment and, had I been present, would have voted against it.

Rollcall No. 452, on final passage of H.R. 79, the Postal Service Act of 1979. The bill was passed by a vote of 350 to 14. I was paired for passage of the bill and, had I been present, would have voted in favor of it.

Rollcall No. 453, on the conference report on S. 1019, removing fiscal 1979 prohibitions on economic assistance to Uganda. The report was agreed to by a vote of 280 to 69. I was paired for the report and, had I been present, would have voted in favor of it.●

SAT SCORES FALL—AGAIN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, Sunday's newspaper reported that this year's scholastic aptitude test (SAT) scores for the Natoni's college-bound students declined again this year.

This decline is the continuation of a 10-year trend. We heard all sorts of predictions last year that the decline had bottomed out and that scores would begin to rise. Such is not the case.

I do not wish to belabor this point, but I do think that Congress should take a good look at the responsibility it bears for the continuing crisis of American education. Too often the Congress has substituted pious cliches for thought and good wishes for hard choices when it comes to education funding. For 10 years the Congress has placed the Federal Government closer and closer to the heart of all educational decisionmaking in the United States. Should we not be asking ourselves whether there is a connection between what the Congress is appropriating for educational programs and the continued decline in test scores?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RATCHFORD). Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV. Such rollcalls, if postponed, will be taken on Tuesday, September 11, 1979.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

OFFICE OF FEDERAL PROCUREMENT POLICY ACT AMENDMENTS OF 1979

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3763) to amend the Office of Federal Procurement Policy Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE REFERENCE

SECTION 1. (a) This Act may be cited as the "Office of Federal Procurement Policy Act Amendments of 1979".

(b) As used in this Act, the term "the Act" means the Office of Federal Procurement Policy Act.

POLICY, FINDINGS, AND PURPOSE

SEC. 2. (a) Paragraph (2) of section 2 of the Act (41 U.S.C. 401(2)) is amended by inserting immediately before the semicolon at the end thereof the following: ", and eliminating fraud and waste in the procurement process".

(b) Section 3 of the Act (41 U.S.C. 402) is amended to read as follows:

"FINDINGS

"SEC. 3. (a) The Congress finds that economy, efficiency, and effectiveness in the procurement of property and services by the executive agencies will be improved by simplifying and consolidating the procurement regulatory system.

"(b) The purpose of this Act is to establish an Office of Federal Procurement Policy in the Office of Management and Budget to develop a system of uniform procurement policies, regulations, procedures, and forms for executive agencies and to recommend changes in existing administrative and legislative requirements in order to implement that system.".

DEFINITION

SEC. 3. Section 4 of the Act (41 U.S.C. 404) is amended by inserting "(a)" immediately after "SEC. 4." and by inserting at the end of such section the following new subsection:

"(b) As used in this Act, the term 'procurement' includes all stages of the acquisition process, beginning with the process for determining a need for property and services through to the Federal Government's disposition of such property and services.".

AUTHORITY AND FUNCTIONS

SEC. 4. (a) Section 6(a) of the Act (41 U.S.C. 405(a)) is amended to read as follows:

"SEC. 6. (a) The Administrator shall provide overall leadership in the development and implementation of procurement policies and the coordination of programs to improve the quality and performance of procurement personnel. The Administrator shall develop for submission under section 8(a) a uniform procurement system which shall, to the extent he considers appropriate and with due regard to the program activities of the executive agencies, include uniform policies, regulations, procedures, and forms to be followed by executive agencies—

"(1) in the procurement of—

"(A) property other than real property in being;

"(B) services, including research and development; and

"(C) construction, alteration, repair, or maintenance of real property; and

"(2) in providing for procurement by recipients of Federal grants or assistance of items specified in clauses (1)(A), (1)(B), and (1)(C) of this subsection, to the extent required for performance of Federal grant or assistance programs.".

(b) Section 6(c) of the Act (41 U.S.C. 405(c)) is amended to read as follows:

"(c) The Administrator shall develop and propose a central management system consisting of the Office of Management and Budget, the General Services Administration, and procurement offices in executive agencies to implement and enforce the uniform procurement system described in subsection (a) of this section.".

(c) Section 6(d) of the Act (41 U.S.C. 405(d)) is amended to read as follows:

"(d) The functions of the Administrator shall include—

"(1) reviewing the recommendations of the Commission on Government Procurement to determine those recommendations that should be completed, amended, or rejected, and to propose the priority and schedules for completing the remaining recommendations;

"(2) developing a system of simplified and uniform procurement policies, regulations, procedures, and forms;

"(3) establishing criteria and procedures for an effective and timely method of soliciting the viewpoints of interested parties in the development of procurement policies, regulations, procedures, and forms;

"(4) promoting and conducting research in procurement policies, regulations, procedures, and forms, through the Federal Acquisition Institute, which shall be located within the Office and directed by the Administrator;

"(5) establishing a computer-based information system for collecting, developing, and disseminating procurement data which takes into account the needs of the Congress, the executive branch, and the private sector;

"(6) recommending and promoting, through the Federal Acquisition Institute, programs of the Office of Personnel Management and executive agencies for recruitment, training, career development, and performance evaluation of procurement personnel;

"(7) developing, for inclusion in the uniform procurement system to be submitted under section 8(a), standard contracts and contract language in order to reduce the Government's cost of procuring goods and services as well as the private sector's cost of doing business with the Government; and

"(8) providing leadership and coordination in the formulation of executive branch positions on legislation relating to procurement.".

(d) Section 6(e) of the Act (41 U.S.C. 405(e)) is amended—

(1) by striking out "to be authorized or prescribed by him"; and

(2) by inserting immediately before the period at the end thereof the following: ", through implementation of the uniform procurement system".

(e) Section 6 of the Act (41 U.S.C. 405) is further amended by inserting at the end thereof the following new subsections:

"(h) until the effective date of legislation implementing a uniform procurement sys-

tem, the Administrator may, with the concurrence of the Director of the Office of Management and Budget, issue policy directives, in accordance with existing law, for the purpose of promoting the policies set forth in paragraphs (1) through (6) of section 2 of this Act.

"(i) No final rule or regulation of any executive agency relating to procurement shall be promulgated within four years after the date of enactment of this subsection unless the Director of the Office of Management and Budget certifies that such rule or regulation is not inconsistent with the policies set forth in paragraphs (1) through (6) of section 2 and is not inconsistent with any policy directives issued pursuant to subsection (h). The Director shall, within 30 days after receipt of a statement of intention to promulgate such a rule or regulation (accompanied by a copy thereof), provide the certification described in the preceding sentence or notify the agency of the inconsistency or inconsistencies which are the basis for denial of such certification.

"(j) Nothing in this Act shall be construed—

"(1) to impair or affect the authorities or responsibilities conferred by the Federal Property and Administrative Services Act of 1949 with respect to the procurement of automatic data processing and telecommunications equipment and services or of real property; or

"(2) to limit the current authorities and responsibilities of the Director of the Office of Management and Budget.".

RESPONSIVENESS TO CONGRESS

SEC. 5. (a) Section 8(a) of the Act (41 U.S.C. 407(a)) is amended to read as follows:

"SEC. 8. (a)(1) The Administrator shall keep the Congress and its duly authorized committees fully and currently informed of the major activities of the Office of Federal Procurement Policy, and shall submit a report thereon to the House of Representatives and the Senate annually and at such other times as may be necessary for this purpose.

"(2) At the earliest practicable date, but in no event later than one year after the date of enactment of the Office of Federal Procurement Policy Act Amendments of 1979, the Administrator shall transmit to the House of Representatives and the Senate his proposal for a uniform procurement system. Such proposal shall include a full description of the proposed system, projected costs and benefits of the system as proposed, and short- and long-term plans for implementation of the system, including schedules for implementation. At the same time, the Administrator shall transmit a report on the recommendations of the Commission on Government Procurement specified in section 6(d)(1) of this Act.

"(3) At the earliest practicable date, but in no event later than one year after presentation of the proposal described in paragraph (2) of this subsection, the Administrator shall propose to the House of Representatives and the Senate recommended changes in legislation relating to procurement by executive agencies. If the Administrator deems it necessary, these recommendations shall include a proposal for a consolidated statutory base for procurement by executive agencies.

"(4) At the earliest practicable date, but in no event later than the submission of the legislative recommendations described in paragraph (3) of this subsection, the Administrator shall present a proposal for a management system described in section 6(c) to implement and enforce the uniform procurement system.".

(b) Section 8 of the Act (41 U.S.C. 407) is further amended—

(1) by striking out "any major policy or regulation prescribed under section 6(a)" in subsection (b) and inserting in lieu thereof "any policy prescribed under section 6(h)";

(2) by striking "or regulation" each place it appears in such subsection; and

(3) by striking out "any major policy or regulation" in subsection (c) and inserting in lieu thereof "any policy".

EFFECT ON EXISTING REGULATIONS

SEC. 6. Section 10 of the Act (41 U.S.C. 409) is amended to read as follows:

"EFFECT ON EXISTING REGULATIONS

"SEC. 10. Procurement policies, regulations, procedures, or forms in effect as of the date of enactment of the Office of Federal Procurement Policy Act Amendments of 1979 shall continue in effect, as modified from time to time, until repealed, amended, or superseded pursuant to the adoption of the uniform procurement system described in section 6 of this Act.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. Section 11 of the Act (41 U.S.C. 410) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the provisions of this Act, and for no other purpose, $3,000,000 for the fiscal year ending September 30, 1980, and for each of the three succeeding fiscal years; and one-third of the funds appropriated for any such fiscal year shall be made available to the Federal Acquisition Institute for the performance of its functions under this Act."; and

(2) by striking out "Government Operations" in the second sentence and inserting in lieu thereof "Governmental Affairs".

DELEGATION

SEC. 8. Section 12(a) of the Act (41 U.S.C. 411(a)) is amended by striking out "direction of Federal procurement policy and to prescribe policies and regulations to carry out that policy" and by inserting in lieu thereof "leadership in the development of Federal procurement policy".

ACCESS TO INFORMATION

SEC. 9. Section 14(b) of the Act (41 U.S.C. 412(b)) is amended by striking out "establishing" and inserting in lieu thereof "developing".

CONFORMING AMENDMENTS

SEC. 10. (a) Sections 201(a)(1), 201(c), and 206(a)(4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(1), 481(c), 487(a)(4)) are each amended by striking out "subject to regulations" and inserting in lieu thereof "subject to policy directives".

(b) Section 602(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474(c)) is amended by striking out "except as otherwise provided by the Office of Federal Procurement Policy Act, and".

EFFECT ON OTHER LAW

SEC. 11. The provisions of the Act as amended by this Act shall supersede the provisions of section 222 of the Act of October 24, 1978, entitled "An Act to amend the Small Business Act and the Small Business Investment Act of 1958" (41 U.S.C. 405a) to the extent they are inconsistent therewith.

EFFECTIVE DATE

SEC. 12. Except to the extent otherwise provided therein, the amendments made by this Act shall take effect on October 1, 1979.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. BROOKS) will be recognized for 20 minutes, and the gentleman from New York (Mr. HORTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, H.R. 3763 with an amendment I propose provides authorization for the Office of Federal Procurement Policy for an additional 4-year period effective October 1, 1979. Pursuant to a recommendation of the Commission on Government Procurement, Congress established OFPP as an independent operation of the Office and Management and Budget by the enactment of Public Law 93-400 in 1974. OFPP was granted a 5-year authorization to provide overall direction of procurement policy for Federal executive agencies, with discretionary authority to prescribe procurement regulations, policies, procedures, and forms.

The committee feels that the Office of Federal Procurement Policy can serve a worthwhile purpose in promoting efficiency and economy in the Federal procurement process. However, it also feels that the vagueness of OFPP's mandate has impaired the Office's effectiveness in accomplising the major procurement reforms envisioned by the Commission on Government Procurement.

In light of these considerations, the purpose of H.R. 3763 is to reauthorize OFPP for a 4-year period and to redirect its resources and attention toward three major goals:

First. Develop a simplified and uniform set of procurement policies, regulations, procedures, and forms for executive agencies to follow. OFPP is required to transmit a proposal for this uniform system to Congress within 1 year of enactment of this bill.

Second. Analyze the Federal Government's procurement statutes and recommend changes in this legislation to enable implementation of a uniform procurement system. If the OFPP Administrator deems it necessary, he is to recommend enactment of a complete consolidated statutory base for procurement by Government agencies. The legislative recommendations are to be transmitted to the Congress within 1 year after submission of the uniform procurement system.

Third. Design and compose a central management system to implement and enforce the uniform procurement system. This new management system must be proposed by OFPP no later than the time it submits statutory recommendations.

Under the bill OFPP would retain limited authority to issue policy directives to promote economy and efficiency in Government procurement. To insure that procurement regulations issued by executive agencies during this interim 4-year period are not inconsistent with those policies, H.R. 3763 sets a procedure whereby the Director of the Office of Management and Budget may disapprove the issuance of such inconsistent rules and regulations.

In addition, the Office is specifically

directed to: First, review and update the Commission on Government Procurement's recommendations; second, establish a computer-based procurement data system; third, develop and recommend procurement personnel improvement programs; fourth, promote and conduct basic research in procurement policies and procedures; fifth, develop uniform contract forms and language; and sixth, take a lead role in formulating and presenting executive branch positions on procurement legislation.

Finally, the bill provides for a definite ceiling in the OFPP annual authorizations. This represents a change from Public Law 93-400 which provided for open-ended authorizations for the final 4 years of its initial term. The committee feels that setting a specific authorization is a prudent management step. Thus, H.R. 3763's authorization provision insures that expenditures for OFPP will not increase during the period of the authorization. In addition, at least one-third of the funds appropriated for OFPP each year are to be applied to the functions of the Federal Acquisition Institute which is to be located within OMB.

Since the bill was reported, I have reached an understanding that I believe is acceptable to the Senate that the extention should be for a period of 4 years instead of 3 years. This is satisfactory and in accord with the general purpose of the bill. I have therefore proposed an amendment to that effect.

In summary, Mr. Speaker, this bill redirects OFPP's resources and attention to the basic reform of the Government's procurement process which is so urgently needed by both the public and private sectors. I urge the House membership to support this bill.

Mr. HORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Commission on Government Procurement was created to study and recommend to Congress methods to promote the economy, efficiency, and effectiveness of procurement by the executive branch. The creation of an Office of Federal Procurement Policy was the first recommendation and the most important recommendation of the Commission.

As a member of the Procurement Commission, I supported the recommendation and was a sponsor of the legislation which created the Office of Federal Procurement Policy.

The Office was created to be the focal point of Federal Procurement Policy. It was to provide in one office special competence and leadership in Government-wide procurement. Congress, industry, small businessmen, private citizens, and the executive agencies would have one place to go on procurement policy issues. OFPP was given an important and difficult job to do. Its purpose is to simplify Government policy, not to create a whole new set of rules. It is supposed to bring sense to the way in which the Government spends $100 billion a year.

H.R. 3763 as amended would extend the life of OFPP for an additional 4 years and direct the development of a uniform procurement system for the executive branch.

Mr. Speaker, this bill has the full support of the Government Operations Committee, and I urge my colleagues to support it.

Mr. BROOKS. Mr. Speaker, I yield such time as he may consume to my distinguished friend, the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, I would like to commend my colleague from Texas for the careful consideration which his committee has given to this legislation to reauthorize the Office of Federal Procurement Policy. The Committee on Government Operations has carefully examined the past performance of the OFPP, and has included requirements in this bill to insure that the Office will be better able to achieve the goals established in the original authorization measure. I think that achievement of these goals is imperative since sound policy and accountability would aid in insuring that the estimated $150 billion expended annually on procurement is spent judiciously.

Mr. Speaker, I think it would be appropriate at this time to bring up a situation with which I know you are familiar. My Subcommittee on Human Resources has been working closely with your Committee on Government Operations in an attempt to address our mutual concerns over the appropriate location for the Federal Procurement Data Center. This Center, which is mandated to maintain procurement data on a Government-wide basis, was established pursuant to the original legislation authorizing the Office of Federal Procurement Policy.

The Center is currently located within the Department of Defense. Although DOD indicated a reluctance to accept this function when an "Executive agent" arrangement was first proposed, the Department accepted responsibility for the FPDC in 1976. Since that time the Center has made major strides in establishing a procurement data base due in large part to the procurement expertise available within the DOD.

However at this point, I believe we share the view that the FPDC has passed through its first stage of development. Initial reports have been issued, and although a great deal of improvement is necessary, I feel the record shows that for the first time Congress and the American people are beginning to get information on Government procurement as a result of the existence of this program.

Your committee and my subcommittee staffs have met with representatives of the Department of Defense to discuss this issue. During these discussions, DOD indicated that it would not object to moving the FPDC to what would be considered a more appropriate location. They recognize our concern that a Center which maintains data across agency lines should be located within an administrative entity which is chartered to act in this manner.

It is my understanding that the General Services Administration has indicated a willingness to accept the function within that agency. I have also been informed that the Office of Management and Budget would be supportive of such a move. This approach seems logical to me since a Government-wide function would be relocated in the agency which has many responsibilities which cross agency and departmental jurisdictions. Acquisition of the function could also serve to aid in the rebuilding process which is currently occurring in the GSA.

Although all interested parties concur in the desirability of this action, a reluctance to initiate the move without legislative direction appears to be present. I am of the opinion that since the precise location of the Center is not mandated by law, statutory language would not be required to relocate the function. However, I feel that the interested parties would welcome an indication of congressional desire for such a move in order to facilitate the administrative action necessary to accomplish such a relocation.

I know there is nothing in the legislation that says where the Control Data Center has to go, but I wonder if my colleague does not agree with me that the logical place would be to transfer it to the General Services Administration so it can serve its independent function.

Mr. BROOKS. I thank my colleague from Virginia for his remarks and commend the Subcommittee on Human Resources for the excellent work it has been doing in this area. I fully support the transfer of the Federal Procurement Data Center from the Department of Defense to the General Services Administration. Given the apparent consensus by the parties concerned, I would expect that such a transfer would be completed within the next 60 days.

Mr. Speaker, I have no further requests for time.

Mr. HORTON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the bill, H.R. 3763, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1220

Mr. BROOKS. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 756) to authorize appropriations for the Office of Federal Procurement Policy for fiscal years 1980 through 1984.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11(2) of the Office of Federal Procurement

Policy Act is amended by striking out "four" and inserting "nine".

MOTION OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BROOKS moves to strike out all after the enacting clause of S. 756 and insert in lieu thereof the provisions of H.R. 3763, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Office of Federal Procurement Policy Act, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3763) was laid on the table.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 4580, DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas? The Chair hears none and, without objection, appoints the following conferees: Messrs. CHARLES WILSON of Texas, NATCHER, STOKES, MCKAY, CHAPPELL, WHITTEN, PURSELL, RUDD, and CONTE.

There was no objection.

CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

Mr. ST GERMAIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to receive share draft deposits, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4986

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Checking Account Equity Act of 1979".

SEC. 2. (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, a member bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board.".

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following:

"(2) Notwithstanding the provisions of paragraph (1), an insured nonmember bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board of Directors.".

SEC. 3. Section 2(a) of the Act entitled "An Act to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes", approved August 16, 1973 (12 U.S.C. 1832(a)), is amended to read as follows:

"(a)(1) Except as provided in paragraph (2), a depository institution may permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to deposits or accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 4. (a) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464 (b)(1)) is amended by adding at the end thereof the following: "This section does not prohibit the establishment of remote service units by associations in accordance with regulations prescribed by the Board.".

(b) Section 5(c)(1)(A) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(A)) is amended by striking out the period at the end thereof and inserting in lieu thereof "and loans specifically related to negotiable order of withdrawal accounts.".

SEC. 5. (a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended by striking out "or share certificate" each place it appears therein and inserting in lieu thereof ", share certificate, or share draft account".

(b) Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by striking out "credit unions serving" and all that follows through the end thereof and inserting in lieu thereof "credit unions serving predominantly low-income members (as defined by the Board) payments on—

"(A) shares which may be issued at varying dividend rates;

"(B) share certificates which may be issued at varying dividend rates and maturities; and

"(C) share draft accounts authorized under section 205(f);

subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.".

(c) Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended—

(1) in the first sentence—

(A) by striking out "and" the second place it appears therein and inserting in lieu thereof a comma; and

(B) by inserting ", and at different rates on different types of share draft accounts" before the period at the end thereof; and

(2) in the second sentence, by striking out "and share certificates" and inserting in lieu thereof ", share certificates, and share draft accounts".

(d) Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every insured credit union is authorized to maintain share draft accounts in accordance with rules and regulations prescribed by the Board. Except as provided in paragraph (2), an insured credit union may pay dividends on share draft accounts and may permit the owner of such share draft account to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to accounts which consist solely of share draft accounts in which the entire beneficial interest is held by one or more individuals or members or by an organization which is operated primarily for religion, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 6. The amendments made by this Act shall take effect on December 31, 1979, except that the amendments made by section 3 of this Act shall take effect on September 30, 1980.

The SPEAKER pro tempore. Is a second demanded?

Mr. STANTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4986 was reported by your Banking, Finance and Urban Affairs Committee on a 35-to-4 vote. Some 253 Members of the House have affixed their names as cosponsors. These numbers are a recognition of the critical need for the Congress to provide America's financial institutions and the millions of consumers a rational system for the use of checking accounts.

On April 20, the Court of Appeals for the District of Columbia ruled that credit union share drafts and various interest bearing checking type accounts maintained by commercial banks and savings and loan associations were outside the law. The court stayed the order until December 31 to give the Congress an opportunity to develop and specifically authorize a legal, rational checking account system. H.R. 4986, as reported by your Banking Committee, meets the court's instructions and assures that millions of consumer accounts will not be closed down at 12:01 a.m., January 1.

Should the Congress fail to act on this legislation in an expeditious manner, 22,000 credit unions and more than 41 million credit union members would lose all opportunity to maintain share draft checking accounts—a crushing blow to these people-owned, people-operated institutions. Thousands of banks and their millions of customers, likewise, would be cut off from any opportunity to enjoy interest-bearing checking accounts. Failure to act would return the entire financial community to a segmented archaic system with built-in inequities among the financial institutions and with a massive loss of benefits and convenience to consumers.

H.R. 4986 does three basic things: First, authorizes credit unions to operate share draft accounts; second, authorizes commercial banks and savings and loan associations to operate NOWs (negotiable orders of withdrawal); and third, authorizes RSUs (remote service units that allow access to interest-bearing accounts for third party payments).

Boiled down, this simply means that all depository financial institutions whether you call them banks, savings and loans, mutual savings banks, or credit unions—will have an equal opportunity to provide their customers with an interest-bearing account which may also be used to make payments to third parties—that is, to pay bills, to purchase groceries, to make the tuition payment or to make any other payment. It is a simple, rational and equitable system. It would be an absurdity to deny the American consumer the convenience and benefits of these accounts.

H.R. 4986's solution to the checking account problem is not radical. Rather, it is based on a tried, a proven and a successful program. Since 1973, now accounts have been operated by financial institutions in New England under congressional authorization. They are successful—highly successful—and have gained wide acceptance among both financial institutions and customers.

Leaving aside the clear benefits of convenience, the monetary returns to consumers are tremendous. Last November, the Federal Reserve surveyed the NOW accounts in New England and found substantial identifiable monetary benefits for consumers.

Projecting the Federal Reserve's November study over a full year it is possible to show more than $160 million in direct monetary benefits to the users of NOW accounts in New England. Knowing the Federal Reserve's policy of careful understatement, it is reasonable to assume that these numbers are well on the conservative side.

NOW accounts, as the New England experience shows, are useful and workable tools for all sizes of institutions—small, medium, and large. In New England, 78 percent of commercial banks maintain NOW accounts; 73 percent of savings and loan associations have them; and 87 percent of mutual savings banks have them.

The NOW accounts have been maintained in New England without excessive service charges, without increasing lending rates, and without excessive costs to the financial institutions. As the Savings and Loan News, the official publication of the U.S. League of Savings Associations, stated in its July 1979 issue:

> The lessons learned from the New England experience are that the cost of NOW account funds is not excessive, particularly if the service is priced properly to build average balances and generate service charge revenue. Furthermore, the service can be very effective in attracting new savings balances and generally providing new money at an attractive price.

New England has proven that H.R. 4986 will work. As Congressman from the First District of Rhode Island, let me assure you that I would not be standing here today asking you to make this nationwide policy if it were not a resounding success in my home State and region.

My friends, it is now September 10. Time is running rapidly on this legislative session. We must meet that court-imposed deadline. I urge you to join me and 252 of our colleagues who have cosponsored this legislation in overwhelming approval of this bill.

Having highlighted the current situation and a brief summary of the provisions of H.R. 4986, I would now like to review in detail the history of the transaction account issue with special emphasis upon the NOW account (negotiable order of withdrawal).

Once again the House returns to the subject of consumer transaction accounts—share drafts, NOW accounts, and automatic transfer accounts, which encompass remote service units. There is only one basic principle involved—clearly stated by H.R. 4986, cosponsored by 253 Members of the House, approved by the full committee with a resounding 35-to-4 vote on Thursday, September 6—that principle is that the consumer, regardless of what type financial institution selected, should have easy access to his deposit and should receive a reasonable return for the use of his deposit, regardless of account categorization. The time has come to eliminate the present regulatory hodgepodge of competing and conflicting approaches to the same consumer service—transaction accounts.

The U.S. Court of Appeals for the District of Columbia Circuit on April 20 made it clear in its decision that it was indeed the responsibility of Congress, not the regulators, to set policy and decide once and for all, whether Congress wanted consumers to have a full range of checking account privileges at all types of depository institutions and an opportunity to be compensated for those deposits. The Court stayed the effective date of its decision until December 31, 1979, in order to afford an opportunity for Congress to act by developing a rational checking account system for all consumers. H.R. 4986 directly speaks to the court decision in all respects and further, by the extension of New England and New York NOW accounts, insures that every financial institution in this Nation will have the opportunity to offer an interest transaction account to its customers. This action is significant deregulation and it must be repeatedly emphasized, it is permissive authority. No one is required to do anything.

A brief review of the history of the NOW account should convince even the most skeptical that the enactment of H.R. 4986 is a logical extension of previous legislative action and in furtherance of virtually every significant financial reform recommendation during the past 10 years.

In 1970, the President's Commission on Financial Structure and Regulation—the Hunt Commission—was established in response to the outflow of funds from depository institutions in 1966 and in 1969–70 caused by the creation of so-called money market instruments raising serious questions over the ability of depository institutions to compete effectively, both in the short and long run, in an excessive inflationary environment. From the consumer standpoint, a central discussion as an integral part of a broad range of consumer recommendations involved the current statutory prohibition against the payment of interest on demand deposits (Banking Act of 1933). The Commission noted with approval the development of third party payment services and the emergence of electronic fund transfer technology suggesting that after a transitional period and continued experimentation that the basic prohibition be phased out.

In 1972, as a result of an initiative of a State chartered mutual savings banks, NOW accounts (negotiable order of withdrawal) emerged for the first time in Massachusetts and in short order in New Hampshire. The account was challenged under State law and upheld by the court, leading to a review of this type account and its relationship to Federal law by your committee in 1973. As a consequence Public Law 93–100 was adopted. The experiment was restricted to the States of Massachusetts and New Hampshire for all federally insured institutions, conferring full regulatory authority in the Federal Deposit Insurance Corporation. FDIC was required to submit periodic reports as to the impact of the experiment on the offering institutions, on the question of competitive relationships and degree of acceptance by the consumer. Within 2 years, the facts clearly attested to the success of the experiment. As early as 1975, former FDIC Chairman Wille, in hearings before your committee, concluded that the dire predictions of several years earlier did not materialize and each regulatory agency witness concluded that NOW ac-

counts are immensely popular and have fully demonstrated that they do provide a vitally needed consumer service with no deleterious effect upon the offering financial institutions. Former Federal Reserve Board Governor Mitchell concluded as follows:

I think I would call it a success—the NOW account, not only from the standpoint of the public, but also from the standpoint of the institutions.

Again in the same 1975 hearings, on the issue of impact on home mortgage interest rates, the Savings Banks Association of Massachusetts, advised the committee as follows:

Mortgage rates in Massachusetts remain more than competitive with the rest of the nation, hence, NOW accounts have not raised the cost of borrowing.

Largely as a result of this testimony, the Congress, by its enactment of Public Law 94–222, extended the NOW account experiment to all six New England States. It is significant to note that the Senate recommended national NOW accounts in 1975 with the passage of S. 1267 on December 15 and that the FINE study (financial institutions and the Nation's economy), conducted by your committee in the 94th Congress, concluded that the consumer should not be required to bear the brunt of comprehensive financial reform and in the legislation emanating from the FINE study recommended the authorization of NOW accounts for all financial institutions desiring to respond to obvious consumer demand. Due to the short time remaining in the 94th Congress and the comprehensive and complex nature of a number of financial reform recommendations, your committee was unable to complete its deliberations in time for House action.

In the 95th Congress, several financial reform proposals were submitted by the new administration, once again recommending the authorization of national NOW accounts. Hearings were held by the Senate Banking, Housing and Urban Affairs Committee on the provisions of S. 2055 and by the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Banking, Finance and Urban Affairs Committee on a companion bill, H.R. 8981 on September 7, 1977. The House subcommittee again received testimony from New England financial institutions, regional regulators, the Federal Deposit Insurance Corporation, and accepted statements from consumer groups for the printed record.

Former Chairman George A. LeMaistre, in a strong statement of support for national NOW accounts, stated in part the following:

At the outset, I would like to emphasize that we at the FDIC support the proposal to expand NOW accounts authority nationwide. Our reasons for strongly supporting this step are set forth in my testimony.

Not only do we think this step will bring customers in the rest of the nation the benefit of a new and convenient service that has been enjoyed by the citizens of New England, but we think it will also result in a more efficient allocation of bank resources.

The longrun benefits to banks resulting from direct competition through the pricing mechanism rather than the implicit payment of interest will lead to savings which more than offset any temporary decline in earnings that may occur in the early months of offering NOW accounts.

The growth and success of NOW accounts in New England reflect consumer acceptance of this service. Moreover, the experience of institutions in New England indicates that thrifts and commercial banks both can compete in a wholly safe and sound fashion.

At present, we know of no bank that is on the FDIC problem list as a direct or indirect result of NOW accounts. Our examiners report that the ability of an institution to manage change and maintain profitability still depends predominantly upon the caliber of its management.

Former FDIC Commissioner of Banks, Commonwealth of Massachusetts, Carol S. Greenwald concluded her testimony as follows:

I want to conclude by saying it is obvious NOW accounts have been a useful and popular bank service in New England. Certainly the most popular financial innovation in decades.

It seems to me Congress should allow the rest of the nation to enjoy the benefits of an interest-bearing checking account. It seems odd to me you would legislate a lower rate for your hometown constituents than you will for mine. I think you should think about that.

Clearly the fears about the costliness of NOW accounts on the safety and soundness of the banking industry have not been borne out by the actual experience of New England banks, and Congress should not be swayed by these unfounded fears into authorizing a rate ceiling so low that they deny the public much of the benefits from NOW accounts.

Boston Federal Home Loan Bank President Elliot's testimony, in light of some of the fears being expressed today by small bankers and executives of small savings and loan associations, is particularly informative:

I should say at the outset that we want to keep in mind there are 554 thrift institutions in New England, with over 1,800 offices and assets of approximately $50 billion. As you know, some parts of New England are now completing 5 years of experience with the NOW account.

The staff of the Federal Home Loan Bank of Boston and I have been vigorous supporters of the NOW account and its extended use throughout New England. In June of this year I testified before the Senate Subcommittee on Financial Institutions and supported Title I of S. 1664, which authorized NOW accounts nationwide.

The NOW account viewed in proper perspective is a success. It has experienced significant acceptance by consumers and its usage is growing. It has been offered to the public by a large and growing number of financial institutions in each state where it has been authorized, and an overwhelming majority of managers of those institutions supports its continued use and, indeed, its extension nationwide.

The interest rate structure currently in effect in New England has permitted maximum marketing flexibility and should be continued and utilized on a uniform nationwide basis. The NOW account is working well in its intended role.

I mentioned earlier the increasing usage by the public and the growing number of offering institutions. Let me illustrate by the use of just a few figures taken from the June 30, 1977 report of the Federal Reserve Bank of Boston.

There are at present approximately 1,500,000 NOW accounts for the 4 million households in New England with outstanding balances well over $2.25 billion. That is a significant figure, but its growth is even more so.

In December of 1972 the figure was $45 million with only two states, Massachusetts and New Hampshire, offering NOW's. As of February 1976, the total has grown to $942 million.

In the 1½ short years since then, with developments in the four other New England states, the total has more than doubled to $2.25 billion. Surely the consumer is delighted with the NOW account.

The number of offering institutions is equally impressive. At the end of June 1977, 655 institutions out of 943, or 69 percent, were offering NOW accounts in Massachusetts and New Hampshire, with their longer NOW history, the figure moves to 79 percent for all institutions and to a very impressive 83 percent for thrift institutions.

The penetration demonstrated by these figures is overwhelming evidence that the financial institutions in New England recognize a need and a desire on the part of the consumer for a transaction account—a NOW account. These institutions represent a broad cross section of the New England financial community.

In the case of the thrift industry, the representation is exceptionally broad, ranging from one very small institution with assets of $3 million and a staff of three people to institutions with assets of over $1 billion.

NOW accounts were adopted and implemented easily by the thrifts electing to offer them. The procedures were not onerous, and even the small institutions with small staffs and unsophisticated equipment were able to initiate and operate this service smoothly and successfully.

The secret, of course, is that each institution's Board of Directors and management team must decide how to conduct its own program to serve its own service area consumers in its own way.

Each institution must decide on how widespread its marketing approach will be, how competitive its pricing program will be and how it wishes to meet its competition. It is significant to note that many institutions, large and small, deferred their participation until they concluded it was in their best interest to offer this program. Others have elected to remain out of the NOW area even to this date.

Critics of the NOW account point to excessive costs and declining profits of offering institutions. I suggest that the problem lies not with the product but with the merchandiser.

I further suggest that it is not the role of legislators or regulators to involve themselves in the management process, but rather to provide the institutions with the capability of offering a wide variety of services to the public.

Costs and profits are determined by the pricing and marketing strategies selected by management, not by the operational latitude permitted by legislators and regulators. The NOW account is an excellent example of such public-serving operational latitude.

It is my firm opinion, however that Americans are Americans wherever they might live, and that consumers are interested in the same conveniences and earnings opportunities irrespective of their place of residence.

It is further and equally my strong conviction that the financial institutions throughout our United States are perfectly capable of providing the NOW account service to their customers at least as well as their New England counterparts have done.

I also find it hard to believe there is anything unique or special about New England financial institutions.

I am absolutely convinced that other financial institutions throughout the country could offer the account and manage the account and manage its profitability at least as well as those in New England.

Your committee as a result of serious questions relating to the operations of national banks and their supervision by the Comptroller of the Currency coming in the aftermath of a number of large bank failures concentrated its efforts on major regulatory agency supervisory amendments, culminating in the enactment of Public Law 95–630, the Financial Institutions Regulatory and Interest Rate Control Act of 1979. Significantly and relevant to the transaction account issue is the fact that Public Law 95–630 extended the New England NOW account "experiment" to the State of New York.

During the second session of the 95th Congress, the President established a task force, chaired by the Treasury, to examine our system of deposit rate controls. All concerned members of the executive branch and all Federal regulators of depository institutions were represented. The task force concluded as one of its most important recommendations that the administration should again seek to obtain congressional approval for interest-bearing transaction accounts, first proposed by the current administration in 1977 as S. 1664 (S. 2055, H.R. 8981).

Notwithstanding favorable action by the Congress with the adoption of Public Law 93–100, Public Law 94–222, and Public Law 95–630, executive branch commission and task force recommendations and thoroughly documented hearings related to the NOW experiment, extending over a 6-year period, the Court of Appeals for the District of Columbia on April 20, 1977, squarely presented the issue of national transaction accounts and the preservation of existing accounts and services illegally authorized by Federal regulatory agencies to the Congress for action by December 31, 1979, the effective date of the court decision. The court consolidated three pending suits initiated by those who sought to terminate transaction accounts or services enjoyed by millions of consumers as a result of regulatory innovation (share drafts of credit unions, automatic transfer accounts of commercial banks and remote service units of savings and loan associations), leaving in place only New England and New York NOW accounts, specifically authorized by Congress. On April 5, 1978, resisting the efforts of those who sought to repeal the regulation of the Federal Reserve authorizing the automatic transfer of funds from savings to checking accounts at commercial banks, I introduced H.R. 11896, the forerunner of H.R. 4986, the measure before the House today. In my floor statement of March 22, I stated the following:

I plan to introduce legislation to provide clear authority for consumers to receive interest on checking accounts in all types of federally chartered depository institutions.

This legislation will be designed to end the charade over checking accounts which has cost the American consumer millions of dollars in lost interest and great inconvenience. At this moment, we have a myriad of Federal laws and regulations which do nothing but hamstring the checking account customer and dampen competition among financial institutions.

It is time to stop this banking by gimmickry and allow the consumer a straightforward freedom of choice in handling his checking account. The depression-generated fears about the volatility of checking accounts are long outmoded and are groundless in an industry now highly sophisticated and with accounts backed by $40,000 of Federal insurance.

Mr. Speaker, I do not anticipate that the payment of interest on checking accounts will cause any substantial increase in the costs of banks and other financial institutions.

Financial institutions will compete for these funds on a straight price basis and will be a position to give up many of the costly giveaways and other gimmicks now employed to attract deposits. The direct competition in the marketplace—on the basis of explicit price—will be beneficial to both the financial institutions and the consumers.

In order to meet the court deadline, the Subcommittee on Financial Institutions announced immediate hearings on the provisions of H.R. 3864. Those hearings were held on May 15, 16, 17, and June 12, 13, 14.

At the conclusion of these extremely thorough and comprehensive hearings, a broad basis for support for dealing directly with the nationwide transaction account clearly emerged as did the belief that it would be unconscionable to jeopardize services in existence today or to deny their benefits to the rest of the Nation while debate continued on a number of so-called financial reform measures that in one form or another have been attendant at all financial institutions legislative deliberations in the past decade. Deputy Treasury Secretary Carswell, appearing on behalf of the administration, on June 14 made this point clear when he stated the following:

As you know, on May 22 the President outlined in a message to the Congress a broad legislative program to promote fairness to small savers, facilitate stability in housing finance and modernize depository institution services. Authorizing depository institutions to offer interest-bearing transaction accounts is an important part of the President's program.

In response to consumer demand, credit unions offer share draft accounts throughout the country, and the commercial bank regulators have authorized automatic transfer accounts nationwide. In New England and New York, NOW accounts are authorized and are widely offered. The Federal Home Loan Bank Board has authorized Federally-chartered thrift institutions to operate remote service units for depositors. Now the Court of Appeals for the District of Columbia has held that, except for state authorized services, many of those arrangements contravene the statutory prohibition against the payment of interest on demand deposits by commercial banks and against the offering of demand deposits by savings and loans and credit unions.

That decision is not effective until January 1, 1980. When it becomes effective, it will adversely impact more than 750,000 bank customers, 1,000,000 credit union members and many depositors at about 200 savings and loan associations.

THE NEW ENGLAND EXPERIMENT

Finally, we think it clear that interest-bearing transaction accounts have proved themselves. The New England experiment has been a success, both for depositors and for financial institutions. The high level of consumer acceptance of NOW accounts, which were first introduced to the public in Massachusetts and New Hampshire in 1972, is evident in the data. For instance, in early 1973, about 75 savings banks in Massachusetts and New Hampshire held approximately 44,300 accounts with deposits totalling $46 million. Thereafter, NOW account powers were extended to the remaining New England states. By August 1978, there were more than 2 million NOW accounts with $3.4 billion in deposits in New England's institutions for an average balance of $1,700. New York commercial banks and savings banks received authority to offer NOWs in November 1978; by early 1979 New York institutions had well over 220,000 accounts with balances of over $1 billion.

A final measure of the popularity of the NOW account with the consumer can be found in the number of accounts per 100 households for the New England states. As of March 31, 1979, for example, there were 20.8 NOW accounts per 100 households in Connecticut, 26.6 NOW accounts per 100 households in Maine, 82.2 NOW accounts per 100 households in Massachusetts, 79.8 in New Hampshire, 11.9 in Rhode Island, and 17.9 in Vermont.

While the period following the introduction of NOW accounts in Massachusetts was costly for depository institutions due to competition, subsequent experience in that state and elsewhere in New England has not resulted in a serious financial burden on the offering institutions. Nor have the competitive relationships between commercial banks and thrift institutions been markedly altered. These accounts are a viable new banking service popular with depositors.

It does not follow, however, that all these issues must be resolved at once. Interest-bearing transaction accounts are an important part of the Administration's financial reform package . . . Nevertheless, there is no reason why the Congress cannot choose to deal first with this issue. (Empasis added.)

Subcommittee markup occurred on July 26. By voice vote, the subcommittee reported out a clean bill, H.R. 4986. In response to our colleague letter of July 30, 253 Members joined in cosponsoring this urgent legislation. The colleague letter is set forth in its entirety as it succintly makes the case for an immediate and effective response to the April appellate court decision. It highlights consumer benefits to date and disposes of the red herring raised by some as to impact on offering institutions.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 30, 1979.

DEAR COLLEAGUE: On Thursday, July 26, your Subcommittee on Financial Institutions reported to the full Banking Committee a bill to provide nationwide NOW accounts; to authorize share drafts at credit unions in all 50 states; to authorize remote service units; and to authorize automatic transfer accounts for commercial banks. A clean bill—H.R. 4986—was introduced on Friday and now has 34 co-sponsors on the full Banking Committee. A statement explaining the new bill, a section-by-section analysis and the text of the bill appear in the RECORD of July 27 beginning on Page H 6824.

We know you have all been receiving mail from your constituents in support of the bill and we hope it will move through the full Committee as quickly as possible. The legislation is in response to the April Appellate Court decision which overturned the share draft, remote service unit and automatic transfer account regulations. The Court extended the effect of their ruling until January 1, 1980, in order that Congress could respond legislatively.

As we mentioned earlier, the bill would extend NOW accounts nationwide. This provision of the bill would go into effect on September 30, 1980, to allow all institutions

more than adequate time to make sound business judgments and to adequately prepare for the offering of the new service and to insure competitive equality among the institutions. Data drawn from the records of the supervisory agencies show graphically the benefits to consumers from NOW accounts:

For the month of November, 1978 (one month):

Commercial banks in New England paid $6,683,000 in interest on NOW accounts and imposed $323,000 in service charges—a *net to consumers of $6,360,000;*

Mutual savings banks paid $4,056,000 in interest and imposed $219,000 in service charges—a *net to consumers of $3,837,000.*

Savings and loan associations paid $1,755,000 in interest and imposed service charges of $96,000—a *net to consumers of $1,659,000.*

A savings and loan publication—Savings & Loan News—carries in this month's issue an article on the New England NOW experience. We quote from the article:

"The lessons learned from the New England experience are that the costs of NOW account funds is not excessive, particularly if the service is priced properly to build average balances and generate service charge revenue. Furthermore, the service can be very effective in attracting new savings balances and generally providing new money at an attractive price."

With the clear success of the NOWs in the six New England states and more recently in New York State, it is a matter of simple equity to extend this privilege to the citizens of the other 43 states. The bill is backed by the Credit Union National Association, the National Association of Federal Credit Unions, the National Association of Mutual Savings Banks, the Public Interest Research Group, the Grey Panthers, the National League of Insured Savings Associations, the Consumer Federation of America, the AFL-CIO and Congress Watch. In addition, the bill is supported by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation and strongly supported by the Treasury Department on behalf of the Administration.

In these times of double-digit inflation, this legislation is a marvelous opportunity for us to give our constituents an opportunity to earn interest on their idle checking account funds.

We urge you to join us in co-sponsoring H.R. 4986. Please call the Subcommittee at 5 3851 or 5 7141.

Sincerely,

FERNAND J. ST GERMAIN,
Chairman.

CHALMERS WYLIE,
Ranking Minority Member.

Finally, inasmuch as the court decision encompassed remote service units (RSU's) authorized by the Federal Home Loan Bank Board, H.R. 4986 specifically authorizes these extremely popular units. Former Federal Home Loan Bank Board Chairman McKinney, in testimony before the subcommittee, advised that the ruling affected almost 3,000 separate installations representing an interest of approximately $10 million by Federal associations and that account holders had account balances in excess of $2.65 billion accrued by their individual debit cards. To obtain clarification of legislative treatment of the issue, an exchange of correspondence took place prior to the markup. Those letters in their entirety follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 22, 1979.

Hon. ROBERT MCKINNEY,
Chairman, Federal Home Loan Bank Board, Washington, D.C.

DEAR MR. CHAIRMAN: In an effort to dispel some of the confusion which arose Wednesday on the subject of RSU's versus CBCT's caused primarily by the language (Sec. 5, page 3) appearing in the Annunzio substitute, H.R. 4305, a copy of which is enclosed, and in furtherance of discussions between members of our respective staffs, it would be helpful to obtain from the Board a brief explanation of the Board's existing RSU policy plus a summary of experimental RSU units approved by the Board. In keeping with my stated intention upon introduction of H.R. 3864 to resist efforts to encumber this direct response to the Court decision with a number of collateral issues, in my substitute, a copy of which is enclosed, you will note that I proposed simple statutory approval of the existing Board policy practices and procedures relating to the experimental RSU program, avoiding any reference to the branching issue. Your interpretation, of course, of the original bill, appearing on page 8 of your statement, was correct. There was no need to refer to RSU's in the statute provided the basic prohibition against payment of interest on demand deposits was repealed as originally proposed.

In my substitute to insure a timely response to the Court decision, I eliminated the demand deposit interest prohibition repeal language, necessitating, according to your staff, a statutory reference to RSU's to be certain that we, in fact, have dealt with all aspects of the recent Court of Appeals decision.

I have been advised that the Home Loan Bank Board has maintained its consistent policy in its conduct of the RSU experimental program and has not authorized any out-of-state RSU's. I understand that legally there are several savings and loans who, in fact, have multi-state branches under previous grandfathering authority and that technically an application from a grandfathered savings and loan could, in fact, have inter-state ramifications. In light of your decision, to postpone further action by the Board on its proposed District of Columbia experiment for a reasonable time after the submission of the Administration's recommendations on the McFadden Act, due on September 19 pursuant to the provisions of the International Banking Act of 1978, I would like your assurance to the Subcommittee that no such applications will be entertained until such time as the Subcommittee has had an opportunity to receive and review the Administration's McFadden Act recommendations. Such a review should be conducted without drawing distinctions between financial institutions to insure competitive equality.

It remains my judgment that the Court of Appeals decision of April 20 is in no way responsible for the so-called competitive imbalance created by CBCT restrictions relating to commercial banks versus experimental RSU's for savings and loan associations in as much as the practical effect of the 1976 decision of the U.S. Court of Appeals in the case of *IBA* vs. *Smith* impacts on unit bank and limited branching states only.

It is my hope and expectation since the McFadden study will soon be submitted that the Board will postpone any further approval action in limited branching states, as well, to avoid further exacerbation of the current situation for, in my judgment, to endeavor to deal with McFadden in the context of transaction accounts will unnecessarily complicate a clear public interest response to the Court decision encouraging those who seek merely a postponement of the effective date of the Court Order or who seek to deny the benefits of NOW accounts to the residents of 43 states.

I trust that you share my views in this regard and I would appreciate your response by Friday, June 29, 1979.

Sincerely,

FERNAND J. ST GERMAIN,
Chairman.

FEDERAL HOME LOAN BANK BOARD,
Washington, D.C., June 29, 1979.

Hon. FERNAND J. ST GERMAIN,
Chairman, Subcommittee on Financial Institutions Supervision, Regulation and Insurance, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of June 22, 1979, concerning remote service units. You asked for a brief explanation of the Bank Board's existing RSU policy plus a summary of experimental RSU units approved by this agency. You also asked for our assurance that interstate RSU applications by institutions with grandfathered interstate branches would not be considered by the Bank Board until a reasonable time after the McFadden Act study is reviewed by Congress next fall, and further expressed hope that we would postpone any future approval action in limited branching states, as well. In addition, you enclosed a copy of an amendment (in the nature of a substitute) to H.R. 3864 containing explicit language authorizing Federal S&Ls to have RSUs.

To begin with, we would like to express our thanks for your willingness to provide clear statutory authority for RSU service by Federal associations. Our findings from the RSU experience thus far have led us to believe that there are definite benefits from electronic banking to be derived by both consumers and Federal S&Ls, particularly in the areas of: complementing existing Federal association service delivery networks; increasing market shares; and reducing transaction costs. Our promulgation of permanent RSU regulations last summer reflected our conviction that electronic banking has a definite place in the future of the S&L industry, and that more resources and dollars to develop the RSU concept would be forthcoming under the aegis of a permanent regulation than in the context of a temporary experiment. Pursuant to your request, we have also attached a summary of RSU units approved by the Bank Board.

In light of the recent U.S. Court of Appeals decision, the Bank Board has decided as a matter of policy to declare a moratorium on all future or pending applications for new RSU projects. This moratorium will encompass not just brand-new projects, but also applications by Federals to join projects not approved previously by the Bank Board. It will not extend, however, to additions to, and adjustments in, existing projects. For instance, the Bank Board would continue to entertain applications for new Federal participants in existing projects; modifications of operating procedures for previously approved systems; and expansions by addition of site. However, since April 20, the date of the Court's decision, we have received only seven requests outside the scope of the moratorium. These have involved requests for site expansion, extension of time to open approved sites, and waiver of a regulatory condition, and have come from associations in Ohio, California, Florida, Nebraska, Kentucky, and Minnesota. It has been our experience that such modifications are often very necessary for competitive and marketing reasons.

During the period of uncertainty prior to January 1, 1980, however, applications processed will be evaluated from the standpoint of the ability of the applicant to afford to lose its investment, and applicants will be notified formally of the existence and import of the U.S. Court of Appeals decision.

As a practical matter, I trust that the Bank Board's moratorium policy will satisfy your concerns regarding RSU operations in the interstate and limited branching state contexts. Of the ten Federals eligible, by virtue of grandfathered out-of-state branches, for interstate RSU operations, only one has ever sought approval of an interstate facility, and that application was subsequently withdrawn. We are unaware of any new applications of this kind being prepared. Moreover, we regard it as very unlikely that any would be submitted during the period affected by the Court's decision. Regarding the applications in limited branch States, the Court's decision, as one would expect, has had a distinct chilling effect upon interest in even modifying RSU projects, and we likewise doubt that, practically speaking, the Bank Board need alter its moratorium during the period in question in order to avoid interfering with our mutual legislative goals.

We appreciate your inclusion of overdraft authority for Federal associations' use in connection with transaction accounts in your substitute bill. As you know, we feel very strongly that this is an essential requirement if thrift institution transaction accounts are to be competitive with commercial bank transaction accounts and attractive to consumers. As a technical point, we would prefer that the substitute use the phrase "overdrafts with regard to" NOW accounts in the interest of greater clarity.

Sincerely,

ROBERT H. MCKINNEY,
Chairman.

The RSU language in H.R. 4986 addresses one question—are RSU's going to be authorized by Congress or not? The Court of Appeals for the District of Columbia Circuit, rightly or wrongly, forced consideration of this matter in this legislation. The language authorizes Federal savings and loan associations, pursuant to FHLBB regulations, to establish RSU's. The bill does not address other issues related to the electronic terminal question. Specifically, it does not address the branching question implicit in the establishment of an RSU. That matter will be explored in the context of an anticipated full review of the McFadden Act. This bill seeks to address the question of interest bearing transaction accounts raised by the Court of Appeals and to meet the court's deadline.

On September 6, your committee reported out H.R. 4986 with an amendment by a resounding 35-to-4 vote and directed your chairman to expedite consideration of the bill by having it placed on the suspension calendar, in order to afford the Senate an opportunity to complete action well in advance of the court deadline or even earlier regulatory agency deadlines.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. Yes; I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I would just like to ask one question. In the gentleman's experience and where it has occurred, have those commercial banks which have used it been the small banks in the small towns?

□ 1230

Mr. ST GERMAIN. Yes, sir, New England has the small banks and the small towns.

Mr. VOLKMER. Without any additional costs to either depositors or investors?

Mr. ST GERMAIN. The way they operate is with minimum balances, which range from $300 to $500, and they found that, by using that, they have been able to provide the benefits to the consumers and to compete with the larger banks and S. & L.'s in the area.

Mr. VOLKMER. By requiring the minimum balance?

Mr. ST GERMAIN. They require a minimum balance. And if they go below, then they are charged for the checks, as they are on the regular checking accounts.

Mr. VOLKMER. I thank the gentleman very much.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. ST GERMAIN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, earlier this morning I received a call from our colleague, the gentleman from California (Mr. ROUSSELOT), who was not able to return today, and he had some concerns—perhaps they are not well founded—about the bill in its final form as it was reported. It apparently has to do with whether or not States are allowed the discretion of permitting NOW accounts, or are they required under this bill, mandated to allow it?

Mr. ST GERMAIN. This is permissive legislation.

Mr. BAUMAN. So that any State could pass a State law forbidding them if they so wish?

Mr. ST GERMAIN. Yes, insofar as State-chartered financial institutions are concerned.

Mr. BAUMAN. I thank the gentleman.

Mr. ANNUNZIO. Mr. Speaker, will the distinguished chairman of the subcommittee yield 2 minutes to me for the purpose of clarifying some of the points in the legislation?

Mr. ST GERMAIN. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, the chairman of the subcommittee, the gentleman from Rhode Island, has worked long and hard on this legislation, and he has done a very conscientious job. Although I voted against the legislation in subcommittee and voted against the legislation in full committee, I am concerned that there will be a stand made by the banking industry to interpret the effect of this legislation as a desire on the part of the Congress to remove the savings rate differential between commercial banks and savings and loan associations.

As the gentleman well knows, this one-quarter of 1-percent differential has helped the savings and loan industry attract millions of dollars which has been used in long-term mortgage loans. Without that differential many Americans would not be homeowners today.

The banking lobby had hoped to get an amendment tacked on this bill that would have eliminated the differential, however, because such an amendment would have been nongermane it was not offered. Quite frankly, I wish that it had been offered so that we could have defeated the amendment resoundly.

Given that background I would like to ask the chairman of the subcommittee if there is anything in the bill today, anything in the committee markup, anything in the subcommittee markup, or anything during the hearings of this legislation that would suggest that the Congress or the committee consider NOW accounts to be in any way tied into the question of the differential?

Secondly, I would like to ask the chairman if NOW accounts are to be considered as a trade-off at some future date for removal of the differential?

Mr. ST GERMAIN. Mr. Speaker, I would like to state to my colleague that I concur fully with his remarks.

I am happy to reiterate our position and that of the committee as a result of our colloquy during full committee markup last Thursday.

In response to the gentleman's question, let me state in no uncertain terms that NOW accounts are today being considered on their own merits, based solely upon their demonstrated success, from every perspective, in New England and as of last year in New York.

H.R. 4986 responds directly to the April 20, 1979 decision of the U.S. Court of Appeals for the District of Columbia Circuit plus extending to the rest of the Nation's financial institutions permissive authority for the offering of NOW accounts as a consumer service.

I reject summarily the efforts of some to hold hostage—and I emphasize "to hold hostage"—or leverage or trade off the most innovative consumer benefit in recent memory in the name of so-called financial reform.

I assure the gentleman that since our last colloquy I have also spoken with Members of the Senate and made it clear to them that in no way would we accept any legislation where they try to tack on any removal of the differential or anything relative to it, because, No. 1, it would be nongermane and subject to a point of order. So the gentleman is protected in that manner. I concede to no one my emphasis and my dedication to the fact that we are not considering the differential on this bill. We are answering the court decision and extending NOW accounts nationwide.

Mr. ANNUNZIO. Mr. Speaker, I thank my distinguished friend, the subcommittee chairman, the gentleman from Rhode Island (Mr. ST GERMAIN), for his very positive and effective statement and for making this legislative history that will be so important when we go to conference with the Senate.

Mr. Speaker, the NOW account bill before us today is one gigantic piece of costume legislative jewelry. It purports to be something that will greatly help consumers by paying them interest on checking accounts when, in fact, it will do nothing to help small depositors and in actuality will hurt them. There is nothing in this legislation to help 35 million checking account holders in this country who have balances of less than $200. The NOW accounts, as has been shown throughout the area where they are now offered, will require such high minimum balances that only the wealthy will be able to afford these accounts.

Had this legislation not been brought up under a procedure which prohibits amendments, I had planned to offer an amendment today that would make certain that NOW accounts would be available to everyone. At the same time my amendment would allow financial insti-

tutions to impose service charges on those accounts with small balances and high activity so that the financial institution is not forced to suffer a loss on the account. This amendment would help both the small saver but would not penalize the financial institution by limiting service charges. It gives everybody a chance to get a piece of the action rather than making the bill only a vehicle for the rich.

Unfortunately, not only are we voting today on a bill that will help only the rich, but because the bill is being brought up under the suspension of the rules, we will not even have an opportunity to amend the bill to correct the glaring defeat. It is for that reason that I urge that we defeat this legislation, and at the very least allow it to come up under a procedure that would allow amendments.

Let me take just a few minutes to discuss some of the basic problems of this legislation.

The financial institutions have indicated that if they begin paying interest on deposits they will pay for these costs by increased fees and interest rates in other areas. That means that the little guy will suffer doubly because he or she will not be able to get a NOW account but will have to pay for the rich man's pleasure in the form of higher interest rates and service charges in other areas.

It will be argued that the marketplace will take care of the small depositor and that the New England experience with NOW accounts shows that the little guy will get a break. The facts, unfortunately, do not bear out those premises. You will be given some glowing statistics about the New England NOW account experience, but I would point out that those statistics are nearly a year old, and since that time virtually every financial institution offering a NOW account in New England has increased the cost of those accounts.

Why are we not provided figures that show the current status? The biggest reason is that if the current figures were given it would show that the small consumer is not getting a fair share of the pie.

And what about the latest State to offer NOW accounts, New York. Banks in that State require huge minimum balances in order to get a NOW account—including Citibank which says that anybody can have a NOW account provided they have a minimum balance of at least $3,000.

If you think the little guy is getting a break in New York State, consider that the average balance in NOW accounts in that State is $7,000. I wonder how many of your constituents have $7,000 in their checking accounts?

Let me also point out, as far as competition is concerned, that the small financial institution will not be able to offer either interest-bearing checking accounts or NOW accounts because of the huge costs to the financial institution involved, in providing these services. Even in New England, which has had NOW accounts for several years, many financial institutions, particularly the small ones, do not offer NOW accounts, and the main reason is that they cannot afford them. What is going to happen to the small financial institutions in your State if we allow interest-bearing checking accounts or nationwide NOW accounts? I will tell you exactly what will happen. The large financial institutions will begin moving into your area through the mails and through newspapers, radio and television advertising offering NOW accounts. The small institutions will lose these customers. We will not have to worry about removing the prohibitions against banking across State lines because that will be done through the use of a 15-cent stamp.

If you think this is just so much blue-skying, consider what has happened to the small financial institutions in the credit card field. When financial institutions were limited to offering one type of credit card, there was a great deal of competition among financial institutions. But when someone in the Justice Department decided that competition would be increased by allowing financial institutions to offer more than one credit card, competition virtually dried up. The big banks began marketing credit cards throughout the country and one bank alone, New York Citibank, went into 28 States offering their credit card. Thousands, and in fact millions, of credit card customers were lured out of your district and from your hometown financial institutions by sweet-talking Citibank credit card promotions. They were led to believe that they would be getting a better deal with Citibank, when in fact, they could have gotten the same deal from the hometown bank.

Now let us look at the record and see what has happened to all this competition following the Justice Department allowing financial institutions to offer more than one card. We now find that 35 banks in this country issue 50 percent of all the bank credit cards. With some 14,000 commercial banks in this country, we see a split where 35 banks control 50 percent and the remaining 13,965 banks are left with the remaining 50 percent. That's the kind of so-called competition we will get with interest bearing demand deposits or nationwide checking accounts.

Not only will consumers lose directly on NOW accounts, but even consumers who do not use the accounts will suffer because financial institutions will increase rates on loans and other services in order to make up for their costs of NOW accounts.

In closing, let me ask the question: who wants NOW accounts or interest bearing checking accounts? It has been reported that thousands of letters have been received asking for these services. I have received many letters from credit union members and credit union officials asking for a continuation of the share draft authority. I have not received a single letter, a single telephone call or, in fact, a single inquiry asking for interest-bearing checking accounts or NOW accounts.

Mr. Speaker, H.R. 4986 is not a classy bill, it is a class bill designed to help only the rich while totally ignoring the millions of men and women who will not be wealthy enough to get a NOW account.

I urge the Members of the House to vote for the defeat of this legislation.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman in the well and his committee for bringing out a balanced bill that allays the fears and the problems that were in the earlier bill. I think it is fair to all groups, certainly to the credit union members. The gentleman has done a good job in terms of assisting the consumer interests. I want to commend the gentleman.

Mr. ST GERMAIN. I thank the gentleman.

Mr. Speaker, before I reserve the balance of my time, I would want to take a moment to commend the minority and to thank the minority for their cooperation and assistance in coming up with a piece of legislation here that answers the needs and the necessities of the consumers of this Nation. It is a piece of equitable legislation. It is a clean bill. I repeat what I said to my colleague, the gentleman from Illinois, and I want to thank the minority, the ranking minority member, the gentleman from Ohio (Mr. STANTON), and the ranking minority member of the subcommittee, the gentleman from Ohio (Mr. WYLIE), for their tremendous assistance, because we have shown to the public here also that when we have to act expeditiously we can do it.

Mr. Speaker, I reserve the balance of my time.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4986, the Consumer Checking Account Equity Act of 1979, and I wish to commend the distinguished chairman of the full committee (Mr. REUSS) and the distinguished chairman of the Subcommittee on Financial Institutions (Mr. ST GERMAIN) for their expeditious action in bringing this bill to the floor. I might say it has been a real pleasure to work with the knowledgeable and easy-to-work-with gentleman from Rhode Island. I would like to say the ranking minority member, Mr. STANTON, has been most helpful and his support was meaningful.

Many of us have received scores, if not hundreds, of letters from credit union members who would be deprived of their share draft accounts on January 1, 1980, under the Federal court decision handed down last April, unless we act. Customers of commercial banks who use automatic transfer services to transfer funds from their savings to their checking accounts and customers of savings and loan associations who use remote service units at shopping centers and other high-traffic locations will also welcome passage of this bill. Since most of the debate and virtually all of the controversy will no doubt concern the provision of the bill which would authorize commercial banks and savings and loan associations to offer negotiable order of withdrawal (NOW) accounts, as of September 30, 1980, I woud like to take most of my time to address this issue.

Nearly 4 years ago I stood in this well and spoke in opposition to a proposal to authorize NOW accounts nationwide. At that time I described this as a "no-win" issue and stated that my mind was "almost in equipoise." Whereas 4 years ago the savings and loans were for NOW accounts, many of them are now against them. Some independent bankers are also against this bill. After attending the extensive hearings on this legislation, I feel differently about the misgivings which I had 4 years ago, and have come to think there might be real advantages which NOW accounts can offer to the consumer. The funds belong to the customers. I would be inclined to permit the payment of interest on all deposits—anywhere, anyplace, any time. I recognize we could not go that far today even if we wanted to.

Advantages for customers: The widespread acceptance which NOW accounts have enjoyed among customers of depository institutions in New England and New York serves as eloquent testimony that they appreciate the opportunity to combine their savings and checking accounts and to earn interest on the whole amount. There is no reason to force the customer to endure cumbersome administrative procedures in order to gain access to his funds. Customers ought to be able to get the most favorable possible terms for depositing funds in financial institutions and to have convenient access to the funds when they are needed.

The fact that all customers may not benefit from an interest-bearing checking account is not a justification for denying all customers the opportunity to choose. It has been argued the cost of NOW accounts will be offset by the imposition of service charges, except in such States as New York, which prohibit such charges. I would point out that the increasing cost of offering this labor-intensive service is causing many financial institutions to take a hard look at the economics of the checking account and that a refusal to authorize NOW accounts is no assurance that service charges will not be imposed in any event. Moreover, there is no virtue in requiring an institution to subsidize a particular service and to stimulate its overutilization. Someone has to pay for costly services, so it might as well be the person who decides when the service will be used and who benefits most directly from it. To paraphrase a famous maxim, "There is no such thing as a free check."

It has also been suggested that NOW accounts will result in increased costs to borrowers and that NOW accounts will benefit only those customers who have balances in excess of $1,000 and who write relatively few checks. These statements ignore the incentive effect of the payment of interest on transaction accounts. If customers are offered the incentive of interest payments, they are more likely than otherwise to make their funds available to borrowers through depository institutions. Furthermore, when customers are permitted to combine their savings and checking accounts, the total amount exceeds $1,000 in the vast preponderance of cases, so that the account becomes economical for both the depositor and the institution.

Finally, I would point out that at the present time the incentives facing the individual are heavily tilted toward spending and borrowing and against saving. The borrower is provided with a tax deduction for the interest expense and has the opportunity to repay the loan in cheaper dollars as a result of inflation. The saver, on the other hand, is taxed on the interest which he receives, even though the effect of inflation often results in a negative real return. If the Nation's economy is to obtain the investment funds needed to improve its rate of growth, the balance must be tipped back toward the saver, and this bill can be an important step toward that end.

Effect upon depository institutions: Four years ago on this floor I referred to the testimony of then Chairman Frank Wille of the Federal Deposit Insurance Corporation that NOW accounts did not lead to widespread disintermediation and hardship for institutions in Massachusetts and New Hampshire, where they were first authorized. As I mentioned earlier, I was not convinced of the merits of NOW accounts, because the views of the experts were in disagreement. Since the authorization for NOW accounts has been extended to all New England and New York, NOW accounts have consistently received the support of Federal and State authorities charged with overseeing the supervision of depository institutions, support which they would never provide if there was any substantial basis for the belief that NOW accounts could constitute a threat to the safety and soundness of these institutions.

Many banks and savings and loans are now facing or expect to face intense competition for funds, not only from other regulated depository institutions, but also from money market funds offered by unregulated financial institutions and even from nonfinancial firms which may sell their debt to the public in small denominations.

FUTILITY OF CONTINUED PROHIBITION

The existence of numerous money market funds, which as an industry now command more than $30 billion of funds, and which stand ready to pay the customer interest at a rate exceeding 9 percent on balances as low as $1,000, from day of deposit to day of withdrawal, and which permit the customer to pay a third party by means of checks in amounts as small as $500, virtually insures that the days of the longstanding prohibition upon the payment of interest on demand deposits are numbered and that the number is a small one. Depository institutions are resorting to an infinite variety of methods, most of them expensive and inconvenient, to avoid the prohibition, and their unregulated competitors are offering interest-bearing demand deposits in successful competition with traditional depository institutions.

As far as I am concerned, it would be more realistic and desirable to consider the original version of this bill, H.R. 3864, which provided for the outright repeal of the prohibition against interest-bearing demand deposits. The present bill represents a compromise, in that the prohibition is retained on existing checking accounts and the authorization of nationwide NOW accounts is not scheduled to take effect until September 30, 1980. These steps can be justified as a sensible accommodation to the need to give depository institutions a reasonable period of time to adjust to a substantially altered regulatory environment. Beyond these limited steps I see no reason why Congress should continue to impede the ability of depository institutions and their customers to strike a bargain in the free marketplace concerning the terms under which deposits will be offered and accepted.

I strongly urge you to support H.R. 4986.

□ 1240

I see my friend, the ranking minority member from the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. STANTON), is on his feet.

I yield such time as he may consume to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise today in support of H.R. 4986, legislation which would extend NOW accounts nationwide and reinstate other types of third party negotiable instruments which were declared illegal by the U.S. Court of Appeals.

I must admit that I have not been an ardent supporter of the NOW account. I have been concerned about the potential costs to financial institutions of introducing these accounts—and the impact on consumers as these costs are passed along in the form of service charges. My reservations about the NOW account, however, have not stopped me from supporting the legislation. Clearly, we need to authorize the other negotiable instruments, such as the share draft, which have been declared illegal. Moreover, I believe that nationwide NOW accounts can be of great value to consumers and financial institutions, provided they are instituted equitably and at a low cost for the consumer.

One way to insure lower costs for the consumer is to address the issue of consumer access to NOW accounts. Today, in New England, where NOW's are permitted, the consumer is able to use his account by writing a paper instrument which looks like a check. Banks and savings and loan associations around the country, however, are increasingly aware that the use of paper instruments for checking and NOW accounts is costly for both the consumer and the institution. One way to reduce this cost is through the use of a plastic card instead of a paper instrument. The use of plastic cards could significantly cut the costs of processing accounts, and the consumer would have these benefits passed along to him in the form of more efficient and less costly service.

As the legislation is presently drafted, savings and loan associations would be able to offer NOW accounts through a plastic card where the association has established a remote service unit. Savings and loan associations, however, should not be the only institutions to reap the benefits of electronic banking. All financial institutions should have this opportunity. Additionally, the consumer's access to his or her NOW account should not be limited to the establishment of a remote service unit or an automatic teller machine. Consideration should also be given to designing a "debit-card" arrangement, by which consumers could access their NOW accounts directly through retail stores, similar to the process now used for checking accounts.

Finally, I am aware that the question of consumer access to NOW accounts is a complex issue. Yet, here is an area in which we can assist both the Nation's consumers as well as the industry to continue to move forward in a constructive manner.

Mr. Speaker, further than that, I reiterate what my friend and colleague from Ohio has said. There have been reservations on the part of many of us in regard to NOW accounts to this moment, and I simply add that my reservations would still be in effect, but not recognizing that this is excellent legislation as far as the NOW account subject matter is concerned. I think that we can improve it.

In colloquy we had with the chairman of the subcommittee in committee, he is going to work with us on the committee in finding ways in which we can hold down the cost of these accounts and check into the methods in which NOW accounts can be reached cheaper and by more people and thus affect the cost.

Mr. Speaker, it is a pleasure that I rise and express my thanks for all those who were involved.

Mr. WYLIE. I thank the gentleman very much for his contribution.

Mr. Speaker, I think this is a very desirable piece of legislation, and urge my colleagues to support H.R. 4986.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I appreciate the gentleman's yielding.

I would like to raise a technical issue with the gentleman from Rhode Island.

The bill, H.R. 4986, extends the NOW experiment from New England and New York to the Nation by using Public Law 93-100. That law overrode the statutory prohibitions contained in the Federal Reserve Act and the Federal Deposit Insurance Act on paying interest on checking accounts and the prohibition contained in the Home Owners Loan Act on savings and loans from offering checking accounts. Section 19(i) of the Federal Reserve Act states:

> No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand. . . .

That prohibition is also contained in the Federal Deposit Insurance Act. Section 5(b)(1) of the Home Owners Loan Act states that—

> Savings accounts shall not be subject to check or to withdrawal or transfer on negotiable or transferable order of authorization

It is my understanding that this bill will override those restrictions and will allow commercial banks (members and nonmembers), mutual savings banks, and savings and loans to offer their customers NOW accounts—accounts which are subject to withdrawal by check or other negotiable instrument and which accrue interest on funds deposited. Is this your understanding?

Mr. ST GERMAIN. The gentleman from Ohio raises a pertinent point. I can state emphatically that this bill does, indeed, override the prohibitions he mentioned. Federally chartered savings and loans, despite the language in section 5(b)(1) of the Home Owners Loan Act, may offer their customers NOW accounts. National banks, State member banks, State nonmember banks, and mutual savings banks may also offer NOW accounts—accounts on which interest may be paid and which are subject to withdrawal on demand. This is the intent of the bill. Additionally, the bill, as you know, responds directly to the Court of Appeals decision which held regulations of the depository institution regulatory agencies invalid because they exceeded the statutes governing those agencies. The statutes in question contain the prohibitions you mentioned. This bill will allow NOW accounts, automatic transfer accounts at commercial banks, remote service units at Federal savings and loans, and share drafts at federally insured credit unions.

Mr. STANTON. As the gentleman has already said, this was first brought to our attention by our colleague, the gentleman from Georgia (Mr. BARNARD).

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I want to associate myself with those remarks of the gentleman from Rhode Island for purposes of establishing the record here in this colloquy. There is no question but that the language in this bill is specific. It comes later in time, and would have the effect of repealing any language in the Home Owners Bank Act which appears to be inconsistent. If there is any question about ambiguous language it is repealed. This act becomes law.

● Mr. PATTERSON. Mr. Speaker, first let me commend the chairman of the Financial Institutions Subcommittee, Mr. ST GERMAIN, and our colleagues on the Banking, Finance and Urban Affairs Committee for voting on September 6 to report H.R. 4986, as amended. The overwhelming vote of 35 to 4 in committee and the cosponsorship of this legislation by more than a simple majority of the House speak clearly to the merits of the bill.

Without timely action by Congress, the District of Columbia Court of Appeals decision of April 20 would terminate the services offered by bank automatic transfers, savings and loan remote service units, and credit union share drafts on December 31. More than $11 billion deposited in accounts throughout the Nation would become inaccessible because of services discontinued by the court. More than 2 million users of these existing services would lose the ability to conduct financial transactions as they do now.

The legislative history of the bill now under consideration illuminates the intent of the Banking Committee to address the essence of the court's decision. The committee, after thorough hearings during which testimony was received by expert witnesses, has concluded that the existing statutory limitation against the nationwide offering of a form of interest-bearing checking accounts is counterproductive and inequitable to consumers of financial services.

The current restriction is counterproductive because financial institutions have, indeed, created innovative devices approved by the regulatory agencies to circumvent the law. In addition, the lack of legislative authority granting customers of different types of financial institutions similar checking account services causes inconvenience and confusion.

Thus, this legislation responsibly answers the decision by the appellate court. It is only intended to address the concerns raised by the court and has remained, by unanimous decision of the Financial Institutions Subcommittee and the full Banking Committee, distinctly apart from the complex debate of regulation Q and the interest rate differential. NOW accounts will be authorized for banks and thrift institutions as of September 30, 1980. However, the granting of this authority to thrifts in no way diminishes the need for the rate differential. The differential and regulation Q will be considered under separate legislation.●

● Mr. HALL of Ohio. Mr. Speaker, I rise in support of H.R. 4986, the Consumer Checking Account Equity Act of 1979. As a cosponsor of H.R. 4986, I commend the House Banking, Finance and Urban Affairs Committee for bringing to the House floor this legislation to provide consumers and different types of depository institutions with the opportunity to maintain interest-bearing checking accounts.

Mr. Speaker, H.R. 4986 responds to the April appellate court decision which invalidated share drafts for credit unions, automatic transfer accounts for the Nation's commercial banks, and remote service unit operation for the country's savings and loan associations. This legislation meets four essential consumer financial needs.

First, the Consumer Checking Account Equity Act would allow all financial institutions to continue to offer interest on checking type accounts. In this way consumers could accumulate interest on savings transferred or used for checking accounts.

Second, this legislation would extend share draft accounts to federally insured credit unions. This would allow present credit union members to continue to write checks on savings accounts. Unless Congress acts, the accounts will not be available after December 31, 1979.

Third, H.R. 4986 extends negotiable order of withdrawal accounts or NOW accounts to the remaining 43 States not presently mandated to provide NOW accounts. I support NOW commercial bank checking accounts which enable a customer to use checks to withdraw funds and make payments and to earn interest on funds placed in such accounts. In the initial seven States the benefits to consumers were enormous and the extension of NOW accounts to the rest of the country is a benefit to all American consumers.

Fourth, this bill authorizes federally chartered savings and loan institutions to establish remote service units. Savings and loans would be authorized to operate automatic teller machines, located away from the savings and loan, for customers to deposit or withdraw funds. This provision provides equity between the savings and loan associations and the rest of the financial institution industry.

During the past few months I have received hundreds of letters from my constituents urging my support of this legislation. Most of these constituents, members of the Wright-Patt Credit Union of Wright Patterson Air Force Base, indicated their satisfaction and their desire for the continuation of credit union share drafts.

In these times of double-digit inflation, this legislation provides interest-accruing incentives among all financial institutions. By allowing all types of financial institutions to provide a broad spectrum of services, this legislation will promote increased competition. Consumers will be the beneficiaries of this competition.

I urge all of my colleagues to strongly support H.R. 4986.●

● Mr. LAFALCE. Mr. Speaker, in these days of double-digit inflation consumers need every available dollar earned to make ends meet. Checklike accounts that earn interest are especially valuable today. Therefore, I rise to call upon my colleagues to support the bill I have coauthored, H.R. 4986 which would allow consumers a chance to earn interest on their transaction accounts, and would also allow them to have a choice among financial institutions offering such a service.

This reform is long overdue not only because of the services it will authorize, but also because of the timing of the bill. A U.S. Court of Appeals decision last April struck down share drafts for credit unions, automatic transfer accounts at commercial banks, and remote service operations for S. & L.'s. The effective date of the decision was stayed until January 1, 1980 in order that Congress could act on these regulatory innovations. Hence, we have the duty to act now.

Millions of consumers have already deposited billions of dollars in the various accounts which the Circuit Court of Appeals ruled were illegal. This bill will give our stamp of approval to those needed services. Further, the bill will extend NOW accounts to the remaining 43 States where financial institutions are not authorized to offer this type of account. The NOW account experience has already proven highly successful in the New England States and in New York since its inception a few years ago.

In short, this bill will reaffirm our commitment to help the consumers of this Nation.

This bill will enable consumers to have convenient access to their funds and, especially in the case of share drafts, will allow credit union members to earn dividends on money that might not otherwise be able to be invested. In my district alone, there are 69 credit unions with a total of 46,673 members.

Consumers should be allowed to have the option of opening a checking account which earns interest. Therefore, I strongly urge you to vote favorably on this bill.●

● Mr. TRAXLER. Mr. Speaker, I rise in complete support of the passage of H.R. 4986, the Consumer Checking Account Equity Act of 1979. As a cosponsor of this legislation, I feel very confident that this measure is a step in the right direction for all Americans who want to maintain the ability to use credit union share draft accounts.

There are over 950 credit unions in the State of Michigan, and 77 of those credit unions are located within my congressional district. Nearly 2½ million people in the State of Michigan alone are supporting the passage of this legislation, and this number does not even begin to include the millions of other checking account users who are hoping that their own bank will take advantage of the provisions of this bill which will authorize the beginning of NOW accounts.

No bill will come before the Congress this year that will mean more to the American consumer. At times of higher prices for all goods, we have to be certain that Americans get as much as they can for their money. Allowing them to earn interest on balances in checking and share draft accounts is only proper. After all, the banks are earning money by using the funds that are deposited for all purposes, and experience with share drafts and NOW accounts already in existence has demonstrated that financial institutions can offer these services to the account holders at an affordable cost.

Let me point out that some of my colleagues have heard from some banks which are opposed to the NOW account program. Their belief is that the program would be too costly for them. I suggest that anyone who has such a concern review section 3 of this bill which clearly points out that banks "may" offer NOW accounts. The program is purely voluntary.

We need to pass this bill in order to comply with the directions of the Federal courts which have ruled that authorization must be passed for share draft accounts or those accounts must be terminated by the end of the year. We do not need to disrupt the financial accounts of millions of Americans who use share drafts. We need to provide them with the guarantee that these accounts will continue for their benefit.

I urge all of my colleagues to join me in voting "yes" on the final passage of the Consumer Checking Account Equity Act of 1979.●

● Mr. KILDEE. Mr. Speaker, it is with great pleasure that I rise in support of H.R. 4986, the Consumer Checking Equity Act. I have long been an active supporter of credit unions. The legislation before us today is important because it will help insure the viability of the credit union concept while at the same time benefit the customers of banks and of savings and loan associations. This legislation is necessary because the U.S. Court of Appeals for the District of Columbia ruled that Congress must give explicit approval to the Federal credit union program known as share drafts if the service is to be continued after September 1, 1980. H.R. 4986 will give the needed congressional approval to Federal credit union share draft programs. It also authorizes automatic savings-to-checking-account transfer plans for banks as well as remote service units for savings and loan associations. In addition, the bill further expands the benefits of interest-paying transaction accounts by authorizing all financial institutions nationwide to offer negotiable orders of withdrawal (NOW) accounts to their customers after September 1, 1980.

It is important for the United States to maintain a system of financial institutions where customers have both a choice as to the type of financial institution that they would like to use and the opportunity to choose from a variety of services. H.R. 4986 is a vital step in insuring that a system of diversification and variety continues to exist and expand. I know that the 125,404 credit union members in my district will be happy to hear of the passage of this legislation as it is truly to the benefit of all.

I urge my colleagues to join with me in support of this vital bill.●

● Mr. BIAGGI. Mr. Speaker, I rise today as a cosponsor and strong supporter of H.R. 4986, the Consumer Checking Account Equity Act of 1979. At a time when our Nation's inflation rate stands at over 13 percent, this bill provides consumers with a much needed opportunity to earn interest on their idle checking account funds.

The legislation authorizes negotiable order of withdrawal (NOW) accounts—an interest-bearing checking account—and the highly successful credit union share draft program, in effect since 1974, on a nationwide basis.

These NOW accounts have operated with great success under congressional authority in the six New England States since 1973, and more recently in New York. However, the benefits offered under these interest-bearing checking accounts will end unless this legislation is passed. The Court of Appeals in the District of Columbia has ruled that such programs are illegal, and has given the Congress until January 1, 1980, to authorize these interest-bearing consumer checking accounts.

Certainly, this would be a significant loss to both the consumer and the

financial institutions. These NOW accounts and share drafts enable consumers to earn additional interest income; they offer the consumer a more convenient form of transactions account; and they make it possible to spend less time and effort in managing deposits.

In November 1978, figures show that consumers, after paying a minimal service charge, received a net interest gain on their NOW accounts of $8,360,000 from commercial banks in New England, $3,837,000 from mutual savings banks, and $1,659,000 from savings and loan associations.

Also, these NOW accounts provide financial institutions with an additional means of attracting new deposits. Evidence from the States currently offering the NOW accounts indicates the cost of maintaining NOW account funds is not a detriment to financial institutions, especially if the institutions require a minimum balance and a small service charge.

Figures for June of 1979 showed that in the State of New York, where 462 institutions offered the NOW accounts, a minimum balance of from $1,000 to $3,000 was required, and the interest rate was 5 percent. In New Hampshire and Massachusetts, the minimum balance required was only $300 to $500, with the same interest rate of 5 percent.

While it appears that the benefits from these interest-bearing checking accounts are substantial to both the consumer and the financial institution, it should be emphasized that this legislation does not make such accounts mandatory. H.R. 4986 authorizes the NOW accounts and share drafts nationwide, but the individual institution and consumer decides whether they want to participate in the program.

Mr. Speaker, I certainly do understand the urgent need for this legislation, in light of the recent court ruling, and I strongly urge its passage. However, I want to emphasize that I view the interest-bearing checking accounts as only a first step toward a more critical goal—the gradual phaseout of regulation Q interest rate ceilings.

For over a decade the Federal Government has limited the interest rates that savers can receive on their passbook savings accounts. Certainly, this policy discourages savings, and prevents many Americans from improving their standard of living in the future. This policy is especially unfair to our senior citizens, many of whom depend in part on the income from interest on savings for their livelihood.

These interest rate ceilings have cost the consumer billions of dollars in lost interest over the years, a fact which largely contributed to President Carter's request of Congress to "permit an orderly transition to a system where the average depositor can receive market-level interest rates on his or her savings."

Mr. Speaker, in the words of President Carter:

> It is particularly unconscionable for the Federal government to prohibit small savers from receiving the return on their deposits that is available to large and sophisticated investors.

In an attempt to correct this injustice, I have introduced a bill, H.R. 5071, the Small Savers Act of 1979, to provide for a gradual phaseout of regulation Q interest rate ceilings over an 8-year period beginning on January 1, 1981. Interest rate ceilings would be officially repealed, under this bill, on January 1, 1989.

Mr. Speaker, the passage of H.R. 4986 would certainly be a major step toward easing the increased economic burden borne by consumers. However, we must not stop there if we are to provide truly meaningful relief to the small savers of our Nation—many of whom will be taking advantage of the NOW and share draft accounts as a result of H.R. 4986. We must insure that after taxes and adjustment for inflation, the small saver is not getting a negative return on his passbook or checking account. That is why I introduced legislation to gradually allow interest rates to rise to market rate levels, and that is why I strongly urge my colleagues to join me in this cause by offering their cosponsorship and actively working to insure the prompt and favorable consideration of H.R. 5071.●

● Mr. REUSS. Mr. Speaker, H.R. 4986 provides the Nation's consumers and the financial industry a rational checking account system. It eliminates the unnecessary and unworkable depression-era restrictions which have prevented checking account customers from receiving compensation on their deposits.

H.R. 4986 gives every depository institution the opportunity to provide interest-bearing checking accounts. It is not mandatory legislation; it simply provides the authority and leaves the ultimate decision to the individual institution.

Your Committee on Banking, Finance and Urban Affairs has tried to move this legislation expeditiously so that the court-imposed deadline of January 1 can be met. On April 20, the Court of Appeals for the District of Columbia ruled the various interest-bearing accounts maintained by different types of financial institutions were beyond the authorities granted by Congress. It stayed the execution of its order until January 1 and unless Congress acts before the end of this session all of these accounts will be wiped out.

Mr. Speaker, this would be a particularly hard blow for the Nation's credit unions which lose all authority to maintain their share draft accounts. These accounts, which in effect are interest-bearing checking accounts, have been greeted with great enthusiasm by credit union members throughout the Nation. It would be irresponsible for us to allow these accounts to die come January 1.

The legislation provides that commercial banks, savings and loan associations, and mutual savings banks may offer NOW accounts—negotiable orders of withdrawal. For all purposes these are interest-bearing checking accounts. The Congress has provided authority for these accounts in New England since 1973, but has not extended the program nationwide. H.R. 4986 would assure that all institutions in every State could provide their customers with NOW accounts.

NOW accounts have operated with great success in New England with demonstrable benefits to customers. Financial institutions of all types and all sizes have accepted NOW accounts and competed successfully for funds under this program. It is a tested program and there is no reason to deprive the other States of NOW accounts.

Mr. Speaker, H.R. 4986 is proconsumer legislation. It should be approved overwhelmingly.●

● Mr. HARRIS. Mr. Speaker, as a cosponsor of the Consumer Checking Account Equity Act of 1979, I rise to urge my colleagues to give their support to this much needed, consumer oriented legislation.

This bill would permit credit unions to offer to their members share draft accounts which pay the maximum allowable interest rates on any unspent balance. These check-like accounts are particularly valuable in this time of double-digit inflation, when we are all trying to make financial ends meet. Passage of this bill will strike a blow for the beleaguered consumer by providing them with the convenience of a share-draft account that is earning interest.

In my Eighth Congressional District in Virginia alone there are 19 credit unions—groups of people associated by various common bonds who pool their money together and lend it to each other. In the Commonwealth of Virginia there are 395 credit unions with assets of approximately $1,873,507,000. In my State, there are an estimated 1,315,130 people who belong to credit unions—and many of them have written to me expressing their support for the share draft program.

Besides permitting share draft accounts, passage of this bill would also benefit the consumer in other ways. The bill gives congressional approval to bank automatic transfer accounts and savings and loan remote service units. It would also expand the benefits of interest-paying checking accounts by permitting all financial institutions to offer NOW accounts beginning September 1, 1980. These provisions will enhance direct competition in the financial marketplace which, in turn, reaps benefits for consumers.

As we know, this bill is necessary to overturn the U.S. Court of Appeals decision which ruled that Congress had to give its explicit approval to these services if they were to continue after January 1, 1980. I am happy to see that the House has moved expeditiously on this matter and I would urge our colleagues in the Senate to consider this matter of importance to all consumers.●

● Mr. OTTINGER. Mr. Speaker, in voting on H.R. 4986, my colleagues and I have the opportunity to give the American people a weapon against the daily encroachments of inflation. The Consumer Checking Account Equity Act will not only provide for a number of innovative banking services, it will also permit the continuation of NOW accounts share drafts and the ability to earn interest on checking accounts. Share drafts or NOW accounts allow credit union depositors to earn dividends on a readily

accessible, transaction-type account and permit checks to be written on savings accounts. In this way, a share draft or a savings account makes the consumer dollar go a little bit farther. Certainly, that is of the utmost importance these days.

The urgency of the vote on H.R. 4986 stems from the fact that the U.S. Court of Appeals issued a ruling which would terminate all share drafts or NOW accounts on December 31, 1979. That is, unless the Congress takes action.

I urge my colleagues to pass this measure. It is supported by a wide range of organizations, but most of all, it is supported by millions of consumers and savers. I have received hundreds of letters from my constituents praising H.R. 4986 and urging the continuation of share drafts and NOW accounts.

I would like to share some of the comments of these letters with my colleagues. They make a very compelling case:

> I have used the share draft for a year now. I find it much more convenient. . . .
>
> (The end of share drafts) would create a very real hardship for myself and millions of other small savers.
>
> I earn interest on my account, save on service and per check charges, and have my money deposited directly, thus saving time and gas.
>
> (This bill) constitutes an increase in freedom and competition, and can only benefit the public.
>
> In this period of high inflation it is becoming increasingly difficult to "get the most for your money;" having a share draft account is one of the few ways I have of doing just that.

Our constituents, as consumers, savers, and concerned citizens, are asking us to assist them by keeping share drafts and NOW accounts as an available service. We should listen to them and enact H.R. 4986.●

● Mr. WIRTH. Mr. Speaker, I rise in strong support of H.R. 4986, the Consumer Checking Account Equity Act of 1979. As a cosponsor of this legislation, I think it will have a positive impact on our financial institutions, and I urge its passage.

As many of us are aware, banking is one of the most regulated industries in this country. There are different reasons for these regulations, but the effect of many is to protect financial institutions from the effects of competition. A necessary result has been a reduction in the choices available to consumers. As I am sure my colleagues are aware, the District of Columbia Court of Appeals recently ruled that banks and other savings institutions cannot offer interest-bearing checking accounts such as credit union share drafts accounts and NOW accounts. When I learned about this decision, I was extremely concerned about its impact. A great many people have taken advantage of share drafts and NOW accounts, and this prohibition on their use makes no sense. Savings banks in New England and New York are permitted to offer interest on demand deposits—but are precluded from doing so in every other State. This patchwork arrangement benefits no one, and only adds confusion to an already confusing industry.

It seems to me that consumers should have the right to choose what they want from a bank. If they are interested in getting free checking, free checks, and no interest on their money, they should have the ability to find a bank to meet their needs.

Similarly, if a consumer is more interested in receiving interest on demand deposits—and perhaps paying for the checks—they should be able to make that decision. This freedom of choice is available in most other sectors of our economy, and I see no reason why financial institutions should be treated differently.

By overturning the court decision and authorizing interest bearing checking accounts, this legislation is a victory for consumers—allowing them the freedom of choice they deserve from their financial institutions. I urge my colleagues to support H.R. 4986.●

● Mr. GOLDWATER. Mr. Speaker, as a cosponsor of H.R. 4986, the Consumer Checking Account Equity Act of 1979, I rise in strong support for this legislation which is a direct response to the U.S. Court of Appeals decision of April 20, 1979. That decision held that Federal regulations authorizing credit unions to offer share drafts, savings and loan associations to offer remote service units, and commercial banks to offer automatic transfer services, were illegal. Without pasage of this legislation, these services would be terminated, effective December 31, 1979.

In addition, the bill extends NOW accounts, which have been so successful in the New England States and New York, to the rest of the Nation on a voluntary basis.

I have received hundreds of letters from my constituents, the majority of which are credit union members, in support of this legislation which would permit them to continue to earn interest on the funds they use to pay for their goods and services. The consumer will benefit from this legislation, and I urge my colleagues to join me in supporting H.R. 4986.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the bill, H.R. 4986, as amended.

The question was taken.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. WYLIE. Mr. Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4986, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

INCREASE ACREAGE FOR GEOTHERMAL RESEARCH SITES

Mr. SANTINI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 740) to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands.

The Clerk read as follows:

H.R. 740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Geothermal Steam Act of 1970 (30 U.S.C. 1006) is amended—

(1) by striking out "twenty thousand four hundred and eighty acres, including leases acquired under the provisions of section 4 of this Act" and inserting in lieu thereof the following: "fifty-one thousand two hundred acres"; and

(2) by striking out the second paragraph thereof.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Nevada (Mr. SANTINI) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. SYMMS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Speaker, the subject matter of this legislative proposal encompasses an expansion of acreage limitations presently existent on geothermal energy.

This legislation has had the enthusiastic endorsement and support of almost every diverse interest entity, including the Johnny Appleseed League and the Attila the Hun Association.

Mr. Speaker, I would like to acquaint Members of the House with a clean, relatively nondepletable domestic energy resource abundantly available in many areas of the country—geothermal energy. The Department of Energy calculates we could be producing the equivalent of 180 million barrels of oil a year by 1990. This is equivalent to 8.5 percent of today's crude oil production. This could more than quadruple that by the year 2000. For example, this Nation's major geothermal development is the geysers project in Sonoma County, Calif. Although initial developments were slow, today enough geothermal power is being produced to supply all the electrical requirements of a city of over 600,000 people, at an energy cost of two-thirds oil and gas without Government subsidies. This project is expecting a 50-percent increase in generating capacity on line by 1980. This will result in an equivalent savings of nearly 11 million barrels of low sulfur fuel oil per year in an area that does not have abundant coal, or available increased nuclear capacity.

Federal lands contain over 60 percent of the estimated geothermal resource. The small amount of acreage the operators are currently allowed to hold on this

land severely restricts its exploration and thereby development.

This is demonstrated by the fact that the U.S. Geological Survey has identified over 2.1 million acres of Federal land already in known geothermal resource areas or areas presently identified as having commercial geothermal potential. With time and increased exploration, new areas will be added to this impressive acreage. Over 60 lessees are currently at the old acreage limits of 20,480 acres per State. The Bureau of Land Management estimates passage of this bill would spur an immediate jump of 350 leases or 35 percent of those leases outstanding, and increase rental payments to the Government alone of over $7 million. The real value of the bill, however, will be to encourage the development of those tracts presently under lease by allowing operators sufficient exploration protection in the event of a discovery. This will result in major new advances in drilling and testing on many existing properties. New production will inevitably result from some of these wells.

The fact that H.R. 740 is only two sentences long belies its importance. Congress could do well to consider more two sentence bills. The subcommittee and full committee have unanimously reported this bill to the House in that it corrects a major defect in the existing law. This is not to say more legislation to encourage geothermal energy may be proper and useful. The Subcommittee on Mines and Mining will continue to hold hearings on the omnibus geothermal approach to move this important resource off the back burner of the Nation's energy portfolio. Both the Department of Interior and the Department of Energy have given their full support to H.R. 740. We have had no objections from the environmental community. This acreage limit has been chosen as one that reasonably responds to the need to hold large acreages for exploration while encouraging a competitive spread of ownership of the resource. The 1970 Geothermal Act was written before much was understood of its geothermal resource or what was involved in its exploration. That act recognized the 20,480-acre limit would perhaps be low and allow the Secretary to raise it to the 51,200 acres after 1985. This time frame must be moved forward, the greater use of this exciting new energy resource must be encouraged now.

Mr. Speaker, I urge my colleagues to support passage of H.R. 740.

Mr. Speaker, in testimony before the Subcommittee on Mines and Mining last week, the Department of Energy characterized some of the potentials of geotheral energy. The representative of the Department of Energy, for example, stated that geothermal energy may well represent the principal source of alternative energy for southern California. Industry representatives have indicated that by the year 2000, geothermal energy could displace 2 million barrels a day.

I am very much encouraged and excited by the potential of geothermal energy, because certainly the State of Nevada will be one of the principal beneficiaries.

But, Mr. Speaker, our Nation will be the major beneficiary.

The Chairman of the Subcommittee on National Parks and Insular Affairs, that dedicated and devoted laborer in the legislative vineyard, the gentleman from California (Mr. PHILLIP BURTON), had expressed, in conversation, a concern about a geothermal issue and its impact on Yellowstone National Park. Pursuant to that conversation, I had written to the U.S. Department of Interior, received a letter reply that I would request, Mr. Speaker, be entered at this point in the RECORD. I think it responds substantially to the concerns expressed to me by the gentleman from California (Mr. PHILLIP BURTON).

The letter follows:

U.S. DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, D.C., August 24, 1979.

Hon. JAMES D. SANTINI,
Chairman, Subcommittee on Mines and Mining, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. SANTINI: Thank you for your inquiry of July 12 concerning the proposed geothermal development at Island Park geothermal area of Idaho, Montana, and Wyoming, near Yellowstone National Park. This will also acknowledge the copy of your letter to Secretary Andrus.

We are enclosing a statement on Additional Stipulations and Monitoring Program which provides an outline of the present status of the proposed development of these geothermal energy resources. We are also enclosing for your perusal a copy of the testimony by Assistant Secretary Herbst on July 16 before the Senate Subcommittee on Environment, Soil Conservation, and Forestry. A copy of a press release which was released on July 17 is also enclosed.

The Bureau of Land Management and the Forest Service have jointly prepared a draft environmental statement on possible geothermal development in the area. This Department furnished the Forest Service with comments on June 8, and made specific recommendations on the need for and how definitive data could be collected to determine whether an interconnection exists between the Island Park and Yellowstone National Park geothermal areas. (See the statement on Additional Stipulations and Monitoring Program.)

We believe that the best means of providing for the protection of Yellowstone's geyser resources is to begin a Government-sponsored and directed research program immediately, for the purpose of assessing the possibility of a thermal or hydrologic connection between Yellowstone National Park and the Island Park geothermal area.

We appreciate your interest and the opportunity to comment on this matter.

Sincerely yours,

DANIEL J. TOBIN, Jr.,
Acting Director.

Mr. SANTINI. Mr. Speaker, I would state my unequivocal support for the concern that he has expressed, that as enthusiastic as I am about the potential geothermal energy for this Nation, we would not want to do anything that would impair the natural appeal of Yellowstone National Park. We will work together to insure that that goal is achieved.

Finally, Mr. Speaker, I would advise my fellow House Members that it is the intention of our Subcommittee on Mines and Mining to progress forward as rapidly as time and mental limitations allow with an omnibus geothermal bill that will attempt to address several other institutional barriers that are frustrating the rapid and efficient development of this major energy source.

□ 1250

I would urge the Members of the House to support us on H.R. 740. I also asked the Members to stay tuned for the next exciting development, the Omnibus Geothermal bill, which the subcommittee, with the assistance of the full Interior Committee and other committees of interest will be offering to the House of Representatives in this Congress.

Mr. SYMMS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I wish to join with my good friend, the gentleman from Nevada, in urging the adoption of H.R. 740—a very simple and straightforward piece of legislation which will go part of the way toward increasing the development of one of America's greatest and most environmentally acceptable energy sources—geothermal steam.

According to experts in the field, there is today geological opportunity to produce enough geothermal energy to supply 30,000 megawatts of generating capacity in the next two decades. That is equivalent to 700,000 barrels of oil a day or 8.5 percent of today's crude oil production in the United States. Some have even suggested that geothermal energy could generate as much as 15 percent of our electrical energy needs.

Needless to say, much remains to be done before we reach that day. A number of impediments to the development of that energy source needs to be removed before the projections and predictions become reality. One of those impediments will be removed by the adoption of the legislation the House has before it at this moment.

In hearings conducted on geothermal steam by the Mines and Mining Subcommittee chaired by the gentleman from Nevada, witness after witness labeled the present acreage limitation as one of the most significant problems faced by the geothermal industry.

According to the Department of Energy "the present acreage limits have been identified as one of many factors deterring the active development of geothermal energy resources." DOE indicated as well that an increase in the acreage limitation would be "an important measure to stimulate and allow earlier development. * * * If this simple and necessary measure can be enacted quickly * * * it would certainly be beneficial."

According to the Department of the Interior, "many of those who are in the best position to develop geothermal resources are already approaching or have reached the acreage limitation in some States and will soon be disqualified or are already disqualified from bidding at competitive sales or from obtaining noncompetitive leases."

Without the adoption of the legislation

before us today, we will only delay the exploration and development of the nearly 60 million acres of known or potential geothermal resource areas and hence the role that this unusual energy source can play in our Nation's future.

I urge its adoption.

Mr. Speaker, I would just say further that I share the concern that the chairman has already expressed, that this bill, although it goes part of the way, and is very simple, very straightforward and very easily understandable, and I hope that it is adopted without any opposition here in the House today, I would say further we still do need to make way to remove some of the obstacles that are presented to those who would like to produce geothermal energy for the consumptive public. There are several Government obstacles and roadblocks to production and I would hope that the Mines and Mining Subcommittee this year will be able to come forward with some legislation which will, in fact, streamline some of the Government obstacles to production and introduce some incentives into that system by way of tax incentives and other measures that will make it possible for this very viable energy resource to help alleviate the energy supply crisis that has already been brought about by actions of this Congress.

Mr. Speaker, I thank you and I reserve the balance of my time.

● Mr. PHILLIP BURTON. Mr. Speaker, at the time that the House is considering legislation to enhance the leasing of geothermal resources under Federal lands, I think it is appropriate that we emphasize that this leasing program must be carried out in a manner which will not adversely affect the natural resources of our national park system.

I call to the House's attention two current examples which concern me.

First, the U.S. Forest Service is considering whether to recommend a program of geothermal leasing just west of Yellowstone National Park. Yellowstone was set aside over a century ago as the first national park in the world, and a principal reason for its establishment was its unique thermal features, including geysers, hot springs, and associated features. Both the Forest Service and the Interior Department must be absolutely certain that no leasing program is approved for any of the area near Yellowstone unless there is a certainty that such development will have no effect on the park's thermal resources. Yellowstone is unique in all the world. While expanded acreage limitations for geothermal leases may be acceptable in many areas, we must err on the side of caution in safeguarding this irreplaceable American heritage.

A second specific area is the Lassen Volcanic National Park in my home State of California. Recent geothermal drilling in this area has actually taken place on private inholdings within the park itself, immediately adjacent to some of the geothermal features of the park. I am appalled that the National Park Service ever permitted this desecration to take place, but I am also concerned that a geothermal leasing program on national forest lands outside the park could wreck these valuable thermal features as well.

Mr. Speaker, these two examples lead me to the conclusion that we should have strong legislative intent that any expanded leasing program for geothermal leasing would be conducted with close attention paid to any possible effects on units of the national park system. The leasing program must be administered so that the protection of these unique resources is in no way degraded.

I also wish to express my thanks to Chairman Bob Wilson of the California State Senate, chairman of the select committee on fish and game wildlife, for first bringing this matter to my attention. Senator Wilson has been instrumental in pointing out the continuing protection we must give to our natural resources during any geothermal development proposals that are to be considered.

I would also like to include in the RECORD at this time the written comments of the Department of the Interior to the U.S. Forest Service with regard to the proposed leasing program near Yellowstone. I believe these comments are an important documentation of the destruction of natural thermal features which can occur from geothermal drilling, and must instruct us as to the need to proceed with utmost caution in this program.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., June 8, 1979.

Mr. DAVID M. JAY,
Forest Supervisor, Targhee National Forest, St. Anthony, Idaho.

DEAR MR. JAY: We have reviewed the draft environmental statement (DES) for Island Park Geothermal Area (IPGA), Targhee National Forest, Idaho, sent to us on March 21, 1979. We note that this is issued as a lead agency statement to cover geothermal leasing actions of both the Forest Service and this Department and that staff from several of our bureaus participated in its preparation. In this regard we have the following principal concerns:

Discussion of potential impacts on Yellowstone National Park (YNP) should be amplified,

Additional alternatives available to this Department should be added,

The level of activities expected and the impacts that would result should be quantified, and

Future National Environmental Policy Act (NEPA) review points should be clearly identified.

Some of these shortcomings were evidently a failure on our part rather than yours, and we well work with your staff to overcome these in preparation of the final statement.

The world's first national park, Yellowstone, was designated a World Heritage Site by the World Heritage Committee of United Nations Educational, Scientific and Cultural Organization (UNESCO) in 1978. UNESCO also designated YNP as part of the International Biosphere Reserve which recognizes the global value of its natural ecosystems and gene pool. These three designations for Yellowstone—National Park, World Heritage Site, and International Biosphere Reserve—combine to give the area the highest possible recognition of its significance to the world. Any man-caused threat to the integrity of its thermal resources is totally unacceptable, both nationally and internationally. Any geothermal exploration or development outside YNP must recognize its unique value on a world-wide basis.

Although commercial geothermal development in other areas of the world have had profound effects on geyser basins, the draft statement makes no mention of this. Geyser Valley in New Zealand was totally destroyed as a natural discharge area when the Wairakei geothermal area was developed. Before this action, Geyser Valley ranked fifth among the major geyser areas of the world. In addition, production from Wairakei also affected another thermal area thought to be independent with no connection at depths which would simultaneously affect the pressure of both systems. As a result, both areas have been destroyed as a national resource and reference line for understanding hydrothermal systems.

The Beowawa Geysers area of Nevada was once second to Yellowstone on the North American Continent in the 1940's and 1950's when geothermal exploration was begun. Wells were drilled and permitted to discharge, but not converted to commercial use; by 1961 all springs and geysers had ceased flowing. Similar destruction of the geyser area at Steamboat Springs, Nevada, occurred after geothermal exploration between 1950 and the early 1960's. Of ten world-ranked geyser areas, only three including Yellowstone, are essentially undisturbed; four of ten have been adversely affected by man's activities; and at least three of these major areas and several minor ones have seen the total destruction of their geysers. Thus, the statement must clearly point out that, unless gothermal exploration and development is very carefully planned, monitored, and controlled, irreversible damage to the geothermal regime at YNP is a distinct possibility.

The alternatives included in the draft statement appear to be guided entirely by surface resources and Forest Service management concerns. Consideration of the mineral or geothermal resource, the proximity of YNP, and uncertainties as to the geothermal system in this area lead to other viable alternatives which we would like discussed. These include leasing only in the area of the Island Park Caldera, adding a north-south buffer strip at least two miles wide outside the west boundary of YNP, and deferral of leasing in the IPGA until we have more information as to the extent of the geothermal resource and possible relationships to the geothermal regime at YNP.

Additional information as to the geothermal resource could be acquired through reliance on industry tests on private lands in the areas or through Federal research and tests in the area. Finally, a combination of Alternatives 2 and 3 would provide increased consideration of fish, wildlife, habitat, and visual resource values; this is discussed in more detail in the attached specific comments. These alternatives and their environmental impacts should be added to the statement.

It is noted that the bald eagle, peregrine falcon, gray wolf, and grizzly bear are known to occur in the IPGA. However, the Forest Service has consulted only on the grizzly bear under Section 7 of the Endangered Species Act of 1973. The DES does not clearly indicate that a "may affect" or "no affect" determination has been made by the Forest Service for the other listed species. It is our understanding that the Forest Service has determined that the bald eagle, peregrine falcon, and gray wolf will not be affected based on the Forest Service's decision not to lease lands in the IPGA that would lead to impacts on these species. If this explanation is true, it should be in the final environmental statement (FES); otherwise, formal consultation must be initiated prior to any leasing.

The bald eagle and peregrine falcon may be adversely impacted by toxic effluents if a blow-out affected the feeding areas. The geothermal resource is of the "hot water" nature, which has the potential to chemically

or thermally pollute the watershed in the event of a blow-out. Either eliminating the fish-food source or directly poisoning these raptors through the food chain will adversely affect these endangered species. These adverse effects may also apply to the trumpeter swan, a sensitive resident of the IPGA. A discussion of these threats should be included in the statement.

The statement should specifically describe probable impacts, and mitigation to reduce adverse impacts, to areas having special scenic, recreation, and cultural value. Examples are Big Springs, a potential National Landmark, and high-quality fishing streams and lakes. Impacts and mitigation measures relative to YNP should be described in more detail.

We note that the DES emphasizes salvage as a mitigation measure to reduce adverse impacts on historic and archeological resources. Avoidance or protection of archeological resources is far preferable to salvage, and often less costly and time-consuming. Salvage as a form of mitigation should only be carried out when it has been demonstrated that there are no alternatives to damaging the resources. We suggest this point be clarified.

The statement should include a more complete discussion of future plans for identification, evaluation, and protection of properties in the area that may be eligible for inclusion in the National Register, under 36 CFR 800, as amended (Federal Register, January 30, 1979). There should be further consultation with the State Historic Preservation Officer, under 36 CFR 800.4, to specify the types of surveys to be done and the survey methods to be employed. It would be useful for the Forest Service to have regional predictive surveys conducted prior to leasing, in order to identify the potential for archeological resources and further aid in decisions on land suitability for leasing purposes.

We suggest that the Evaluation Criteria, Section III, be revised in order to clarify agency roles (shown on page 3) and sequential decision points. This could also serve to highlight future NEPA review points after leasing. The Department of the Interior views the environmental statement, not as an all-inclusive decison document, but as one of possibly several management reports available to the decisionmaker. In addition to environmental considerations, the decisionmaker may also be guided by policy, legal, economic, and political goals. However, we do not attempt to evaluate these in the environmental statement. We are highly cognisant of national and local energy needs, but any leasing activities will be predicated on a thorough technical evaluation as to possible risks to the YNP geothermal system. These two policy factors will weigh most heavily in our leasing decision.

In view of the uncertainties and risk to the geothermal system at YNP, this Department will take an extremely cautious approach on any activities toward geothermal development in the IPGA. We have reviewed the stipulations and mitigation proposed and have several additional measures to be included. These, and a possible monitoring program, are provided (Attachment A) for inclusion in the FES. These would be applicable to research or test drilling as well as exploration and development. We obviously will not authorize any geothermal exploration or development in this area without adequate safeguards and evidence that the activities will not jeopardize the geothermal regime at YNP.

It might be helpful to reviewers if the FES for the Geothermal Leasing Program (Department of the Interior, 1973) was referenced as a source of background information as to regulations, procedures, developments, and cumulative impacts. The recent DES for the Navy Coso Geothermal Development Program (U.S. Navy, 1979) provides an excellent summary of geothermal development methods, impacts, and possible problems.

We would like to work closely with your staff to ensure that the final statement meets our needs for future decisions as to geothermal leasing in this area. We believe that a field meeting would be helpful in this regard and suggest June 14 and 15 as possible dates. Please confirm this with Tom Loomis ([202] 343-2118) of my staff, and he will arrange for appropriate Bureau representation.

Sincerely,

LARRY E. MEIEROTTS,
Assistant Secretary.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nevada (Mr. SANTINI) that the House suspend the rules and pass the bill, H.R. 740.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SANTINI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE TUESDAY, SEPTEMBER 11; WEDNESDAY, SEPTEMBER 12; AND THURSDAY, SEPTEMBER 13

Mr. GUDGER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary and any of its subcommittees may have permission to sit while the House is reading for amendment under the 5-minute rule on Tuesday, September 11; Wednesday, September 12; and Thursday, September 13.

This unanimous-consent request is made subject to the understanding that the Monopolies and Commercial Law Subcommittee will not sit on Wednesday, September 12.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman tell us what legislation specifically is planned to be considered in the full committee or the subcommittees?

Mr. GUDGER. Mr. Speaker, I have the agenda of the full committee and each of the subcommittees before me.

The full committee is scheduled to meet on Thursday, September 13, at 10 a.m. to take up H.R. 2816, the Refugee Reform Act; H.R. 4686, an act to save the Milwaukee road's freight-carrying capacity; H.R. 3959, U.S. Attorney Residency Requirements; H.R. 3909, To amend the Contract Disputes Act; H.R. 600, to grant a Federal charter to the United Services Organization; and private bills from the Subcommittee on Administrative Law and Governmental Relations at that point; and then H.R. 4395, to require the public disclosure of lobbying and related activities.

Mr. BAUMAN. Further reserving the right to object, if the gentleman from North Carolina would exclude from his unanimous-consent request the last bill, I would certainly not object.

Mr. GUDGER. Mr. Speaker, I will amend the unanimous-consent request to delete from consideration by the full committee at its scheduled meeting of September 13, 1979, H.R. 4395, to require the public disclosure of lobbying and related activities.

Mr. BAUMAN. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1979

Mr. THOMPSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5010) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1979".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

DEFINITIONS

SEC. 101. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), hereinafter in this Act referred to as the "Act", is amended to read as follows:

"DEFINITIONS

"SEC. 301. When used in this Act:

"(1) The term 'election' means—

"(A) a general, special, primary, or runoff election;

"(B) a convention or caucus of a political party which has authority to nominate a candidate;

"(C) a primary election held for the selection of delegates to a national nominating convention of a political party; and

"(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—

"(A) if such individual has received contributions aggregating in excess of $5,000 or has made expenditures aggregating in excess of $5,000; or

"(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of $5,000 or has made such expenditures aggregating in excess of $5,000.

"(3) The term 'Federal office' means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

"(4) The term 'political committee' means—

"(A) any committee, club, association, or other group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year; or

"(B) any separate segregated fund established under the provisions of section 316; or

"(C) any local committee of a political party which receives contributions aggregating in excess of $5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301 (8) and (9) aggregating in excess of $5,000 during a calendar year, or makes contributions aggregating in excess of $1,000 during a calendar year or makes expenditures aggregating in excess of $1,000 during a calendar year.

"(5) The term 'principal campaign committee' means a political committee designated and authorized by a candidate under section 302(e)(1).

"(6) The term 'authorized committee' means the principal campaign committee or any other political committee authorized by a candidate under section 302(e)(1) to receive contributions or make expenditures on behalf of such candidate.

"(7) The term 'connected organization' means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee.

"(8)(A) The term 'contribution' includes—

"(i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

"(ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

"(B) The term 'contribution' does not include—

"(i) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee;

"(ii) the use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an individual to any candidate or any political committee of a political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of such invitations, food, and beverages provided by such individual on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(iii) the sale of any food or beverage by a vendor for use in any candidate's campaign or for use by or on behalf of any political committee of a political party at a charge less than the normal comparable charge, if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activity by such vendor on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(iv) any unreimbursed payment for travel expenses made by any individual on behalf of any candidate or any political committee of a political party, to the extent that the cumulative value of such activity by such individual on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(v) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to any cost incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(vi) any payment made or obligation incurred by a corporation or a labor organization which, under section 317(b), would not constitute an expenditure by such corporation or labor organization;

"(vii) any loan of money by a State bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, other than any overdraft made with respect to a checking or savings account, made in accordance with applicable law and in the ordinary course of business, but such loan—

"(I) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors;

"(II) shall be made on a basis which assures repayment, evidenced by a written instrument, and subject to a due date or amortization schedule; and

"(III) shall bear the usual and customary interest rate of the lending institution;

"(viii) any gift, subscription, loan, advance, or deposit of money or anything of value to a national or a State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office;

"(ix) any legal or accounting services rendered to or on behalf of—

"(I) any political committee of a political party if the person paying for such services is the regular employer of the person rendering such services and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) an authorized committee of a candidate or any other political committee, if the person paying for such services is the regular employer of the individual rendering such services and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(x) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided,* That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(xi) the payment by a candidate, for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising): *Provided,* That such payments are made from contributions subject to the limitations and prohibitions of this Act.

"(xii) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided,* That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates;

"(xiii) payments made by a candidate or the authorized committee of a candidate as a condition of ballot access and payments received by any political party committee as a condition of ballot access; and

"(xiv) any honorarium (within the meaning of section 4411 of this title).

"(9)(A) The term 'expenditure' includes—

"(i) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any reason for the purpose of influencing any election for Federal office; and

"(ii) a written contract, promise, or agreement to make an expenditure.

"(B) The term 'expenditure' does not include—

"(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(ii) nonpartisan activity designed to encourage individuals to vote or to register to vote;

"(iii) any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if such costs exceed $2,000 for any election, be reported to the Commission in accordance with section 304(a)(4)(A)(i), and in accordance with section 304(a)(4)(A)(ii) with respect to any general election;

"(iv) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(v) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vi) any costs incurred by an authorized committee or candidate in connection with the solicitation of contributions on behalf of such candidate, except that this clause shall not apply with respect to costs incurred by an authorized committee of a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b), but all such costs shall be reported in accordance with section 304(b);

"(vii) the payment of compensation for legal or accounting services—

"(I) rendered to or on behalf of any political committee of a political party if the person paying for such services is the regular employer of the individual rendering such services, and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) rendered to or on behalf of a candidate or political committee if the person paying for such services is the regular employer of the individual rendering such services, and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(viii) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: Provided, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee primarily on behalf of nominees of such party for President and Vice President: Provided, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and

"(x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or the appropriate State official.

"(10) The term 'Commission' means the Federal Election Commission.

"(11) The term 'person' includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.

"(12) The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(13) The term 'identification' means—

"(A) in the case of any individual, the name, the mailing address, and the occupation of such individual as well as the name of his or her employer; and

"(B) in the case of any other person, the full name and address of such person.

"(14) The term 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

"(15) The term 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.

"(16) The term 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(18) The term 'clearly identified' means that—

"(A) the name of the candidate involved appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.

"(19) The term 'Act' means the Federal Election Campaign Act of 1971 as amended by the Federal Election Campaign Act Amendments of 1974, the Federal Election Campaign Act Amendments of 1976, and the Federal Election Campaign Act Amendments of 1979.".

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 102. Section 302 of the Act (2 U.S.C. 432) is amended to read as follows:

"ORGANIZATION OF POLITICAL COMMITTEES

"SEC. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

"(b) Every person who receives a contribution for a political committee, shall, no later than 10 days after receiving the contribution, forward to the treasurer the contribution, the name and address of the person making the contribution (if the amount of the contribution is in excess of $50), and the date of receipt of the contribution. All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

"(c) The treasurer of a political committee shall keep on account of—

"(1) all contributions received by or on behalf of such political committee;

"(2) the name and address of any person who makes any contribution in excess of $50, together with the date and amount of such contribution by any person;

"(3) the identification of any person who makes a contribution or contributions aggregating more than $100 during a calendar year, together with the date and amount of any such contribution;

"(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution;

"(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of $100.

"(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed.

"(e)(1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with paragraph (f)(1).

"(2) Any candidate described in paragraph (1) who receives a contribution or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this title, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

"(3)(A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(i) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee; and

"(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

"(B) As used in this section, the term 'support' does not include a contribution by any authorized committee in amounts of $1,000 or less to an authorized committee of any other candidate.

"(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

"(5) The name of any separate segregated fund established pursuant to section 316(b) shall include the name of its connected organization.

"(f)(1) Notwithstanding any other provision of this title, each designation, statement, or report of receipts or disbursements made by an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

"(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under paragraph (1) and shall compile and file such designations, statements, and reports in accordance with this title.

"(g)(1) Designations, statements, and reports required to be filed under this title by a candidate or by an authorized committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and by the principal campaign committee of such a candidate, shall be filed with the Clerk of the House of Representatives, who shall receive such designations, statements, and reports as custodian for the Commission.

"(2) Designations, statements, and reports required to be filed under this title by a candidate for the office of Senator, and by the principal campaign committee of such candidate, shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

"(3) The Clerk of the House of Representatives and the Secretary of the Senate shall forward a copy of any designation, statement, or report filed with them under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

"(4) All designations, statements, and reports required to be filed under this title, except designations, statements, and reports filed in accordance with paragraphs (1) and (2), shall be filed with the Commission.

"(5) The Clerk of the House of Representatives and the Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311(a)(5).

"(h)(1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

"(2) A political committee may maintain a petty cash fund for disbursements not in excess of $100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c)(5).".

"(i) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"REGISTRATION OF POLITICAL COMMITTEES, STATEMENTS

"SEC. 103. Section 303 of the Act (2 U.S.C. 433) is amended to read as follows:

"SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e)(1). Each separate segregated fund established under the provisions of section 316 shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

"(b) The statement of organization of a political committee shall include—

"(1) the name, address, and type of committee;

"(2) the name, address, relationship, and type of any connected organization or affiliated committee;

"(3) the name, address, and position of the custodian of books and accounts of the committee;

"(4) the name and address of the treasurer of the committee;

"(5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; and

"(6) a listing of all banks, safety deposit boxes, or other depositories used by the committee.

"(c) Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.

"(d)(1) A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.

"(2) Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—

"(A) the determination of insolvency with respect to any political committee;

"(B) the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and

"(C) the termination of an insolvent political committee after such liquidation and application of assets.".

REPORTS

SEC. 104. Section 304 of the Act (2 U.S.C. 434) is amended to read as follows:

"REPORTS

"SEC. 304. (a)(1) Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection. The treasurer shall sign each such report.

"(2) If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate—

"(A) in any calendar year during which there is regularly scheduled election for which such candidate is seeking election, or nomination for election, the treasurer shall file the following reports:

"(i) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election;

"(ii) a post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be complete as of the 20th day after such general election; and

"(iii) additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter: except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year; and

"(B) in any other calendar year the following reports shall be filed:

"(i) a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31; and

"(ii) a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.

"(3) If the committee is the principal campaign committee of a candidate for the office of President—

"(A) in any calendar year during which a general election is held to fill such office—

"(i) the treasurer shall file monthly reports if such committee has on January 1 of such year, received contributions aggregating $100,000 or made expenditures aggregating $100,000 or anticipates receiving contributions aggregating $100,000 or more or making expenditures aggregating $100,000 or more during such year: such monthly reports shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month, except that, in lieu of filing the report otherwise due in November and December, a pre-general election report shall be filed in accordance with paragraph (2)(A)(i), a post-general election report shall be filed in accordance with paragraph (2)(A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year;

"(ii) the treasurer of the other principal campaign committees of a candidate for the office of President shall file a pre-election report or reports in accordance with paragraph (2)(A)(i), a post-general election report in accordance with paragraph (2)(A)(ii), and quarterly reports in accordance with paragraph (2)(A)(iii); and

"(iii) if at any time during the election year a committee filing under paragraph (3)(A)(ii) receives contributions in excess of $100,000 or makes expenditures in excess of $100,000, the treasurer shall begin filing monthly reports under paragraph (3)(A)(i) at the next pending period.

"(B) in any other calendar year, the treasurer shall file either—

"(i) monthly reports, which shall be filed not later than the 20th day after the last day of each month and shall be complete as of the last day of the month; or

"(ii) quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter and which shall be complete as of the last day of each calendar quarter.

"(4) All political committees other than authorized committees of a candidate shall either—

"(A)(i) file quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter: except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year.

"(ii) a pre-election report, which shall be filed later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election;

"(iii) a post-general election report, which

shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and

"(iv) in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year; or

"(B) file monthly reports in all calendar years which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with paragraph (2)(A)(i), a post-general election report shall be filed in accordance with paragraph (2)(A)(ii), and a yearend report shall be filed no later than January 31 of the following calendar year.

"(5) If designation, report, or statement filed pursuant to this title (other than under paragraph (2)(A)(i) or (4)(A)(ii)) is sent by registered or certified mail, the United States postmark shall be considered the date of filing of the designation, report, or statement.

"(6)(A) The principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of $1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

"(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this title.

"(7) The reports to be filed by this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

"(8) The requirement for a political committee to file a quarterly report under paragraph (2)(A)(iii) or paragraph (4)(A)(i) shall be waived if such committee is required to file a pre-election report under paragraph (2)(A)(i), or paragraph (4)(A)(ii) during the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

"(9) The Commission shall set filing dates for reports to be filed by principal campaign committees of candidates seeking election, or nomination for election, in special elections and political committees filing under paragraph (4)(A) which make contributions to or expenditures on behalf of a candidate or candidates in special elections. The Commission shall require no more than one pre-election report for each election and one post-election report for the election which fills the vacancy. The Commission may waive any reporting obligation of committees required to file for special elections if any report required by subsection (2) or (4) is required to be filed within 10 days of a report required under this subsection. The Commission shall establish the reporting dates within 5 days of the setting of such election and shall publish such dates and notify the principal campaign committees of all candidates in such election of the reporting dates.

"(10) The treasurer of a committee supporting a candidate for the office of Vice President (other than the nominee of a political party shall file reports in accordance with subsection (3)).

"(b) Each report under this section shall disclose—

"(1) the amount of cash on hand at the beginning of the reporting period;

"(2) for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the following categories:

"(A) contributions from persons other than political committees;

"(B) for an authorized committee, contributions from the candidate;

"(C) contributions from political party committees;

"(D) contributions from other political committees;

"(E) for an authorized committee, transfers from other authorized committees of the same candidate;

"(F) transfers from affiliated committees and, where the reporting committee is a political party committee, transfers from other political party committees, regardless of whether such committees are affiliated;

"(G) for an authorized committee, loans made by or guaranteed by the candidate;

"(H) all other loans;

"(I) rebates, refunds, and other offsets to operating expenditures;

"(J) dividends, interest, and other forms of receipts; and

"(K) for an authorized committee of a candidate for the office of President, Federal funds received under chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

"(3) the identification of each—

"(A) person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $100 within the calendar year, together with the date of receipt and amount of any such contribution;

"(B) political committee which makes a contribution to the reporting committee during the reporting period, together with the date of receipt and amount of any such contribution;

"(C) authorized committee which makes a transfer to the reporting committee;

"(D) affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee from another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer;

"(E) person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount or value of such loan;

"(F) person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $100 within the calendar year, together with the date of receipt and amount of such receipt;

"(G) person who provides any dividend, interest, or other receipt to the reporting committee in an aggregate value or amount in excess of $100 within the calendar year, together with the date of receipt and amount of any such receipt;

"(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

"(A) expenditures made to meet candidate or committee operating expenses;

"(B) for authorized committees, transfers to other committees authorized by the same candidate;

"(C) transfers to affiliated committees and, where the reporting committee is a political party committee, transfers to other political party committees, regardless of whether they are affiliated;

"(D) for an authorized committee, repayment of loans made by or guaranteed by the candidate;

"(E) repayment of all other loans;

"(F) contribution refunds and other offsets to contributions;

"(G) for an authorized committee, any other disbursements;

"(H) for any political committee other than an authorized committee—

"(i) contributions made to other political committees;

"(ii) loans made by the reporting committees;

"(iii) independent expenditures;

"(iv) expenditures made under section 315(d) of the Act;

"(v) any other disbursements;

"(I) for an authorized committee of a candidate for the office of President, disbursements not subject to the limitation of 315(b);

"(5) the name and address of each—

"(A) person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure;

"(B) authorized committee to which a transfer is made by the reporting committee;

"(C) affiliated committee to which a transfer is made by the reporting committee during the reporting period, and, where the reporting committee is a political party committee, each transfer of funds by the reporting committee to another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfers;

"(D) person who receives a loan repayment from the reporting committee during the reporting period, together with the date and amount of such loan repayment;

"(E) person who receives a contribution refund or other offset to contributions from the reporting committee where such contribution was reported under paragraph 3(A) of this clause, together with the date and amount of such disbursement;

"(6)(A) for an authorized committee, the name and address of each person who has received any disbursement not disclosed under paragraph (5) which in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of any such disbursement;

"(B) for any other political committee, the name and address of each—

"(i) political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(ii) person who has received a loan from the reporting committee during the reporting period, together with the date and amount of such loan;

"(iii) person who receives any disbursement during the reporting period which in an aggregate amount or value in excess of $200 within the calendar year in connection with an independent expenditure by the reporting committee, together with the date, amount, and purpose of any such independent expenditure and a statement which indicates whether such independent expenditure is in support of, or in opposition to, a candidate, as well as the name and office sought by such candidate, and a certification, under penalty of perjury, whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such committee;

"(iv) person who receives any expenditure

from the reporting committee during the reporting period in connection with an expenditure under section 315(d) in the Act, together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made;

"(v) person who has received any disbursement not otherwise disclosed in this paragraph or paragraph (5) in an aggregate amount or value in excess of $200 within the calendar year from the reporting committee within the reporting period, together with the date, amount, and purpose of any such disbursement;

"(7) the total sum of all contributions to such political committee, together with the total contributions less offsets to contributions and the total sum of all operating expenditures made by such political committee, together with total operating expenditures less offsets to operating expenditures, for both the reporting period and the calendar year.

"(8) the amount and nature of outstanding debts and obligations owed by or to such political committee, together with a statement as to the circumstances and conditions under which any debts or obligations owed by or to such committee were extinguished and the consideration thereof.

"(c)(1) Every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of $100 during a calendar year shall file a statement containing the information required under subsection (b)(3)(A) for all contributions received by such person.

"(2) Statements required to be filed by this subsection shall be filed in accordance with subsection (a)(2), and shall include—

"(A) the information required by subsection (b)(6)(B)(iii), indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved;

"(B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

"(C) the identification of each person who made a contribution in excess of $100 to the person filing such statement which was made for the purpose of furthering an independent expenditure.

Any independent expenditure (including those described in subsection (b)(6)(B)(iii)) aggregating $1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made. Such statement shall be filed with the Clerk, the Secretary, or the Commission and the Secretary of State and shall contain the information required by subsection (b)(6)(B)(iii) indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved.

"(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all independent expenditures separately, including those reported under subsection (b)(6)(B)(iii), made by or for each candidate, as reported under this subsection, and for periodically publishing such indices on a timely pre-election basis.".

FEDERAL ELECTION COMMISSION

SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is amended—

(1) by striking out sections 305, 306, 308, 311, 318, and 329;

(2) by redesignating section 307 as section 305;

(3) by redesignating sections 309 and 310 as sections 306 and 307, respectively;

(4) by redesignating sections 312 through 317 as sections 308 through 313, respectively;

(5) by redesignating sections 319 through 328 as sections 314 through 323, respectively; and

(6) section 306 as so redesignated section 105(a)(3), is amended to read as follows:

"FEDERAL ELECTION COMMISSION

"SEC. 306. (a)(1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

"(2)(A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) A member of the Commission may serve on the Commission after the expiration of his term until his successor has taken office as a member of the Commission.

"(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

"(3) Members shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Federal Government. Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time of their appointment to the Commission shall terminate or liquidate such activity no later than 90 days after such appointment.

"(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. A member may serve as chairman only once during any term of office to which such member is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

"(b)(1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this chapter shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

"(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this subchapter shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this subchapter, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to take any action in accordance with paragraph (6), (7), (8), or (9) of section 307(a) of this title or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(d) The Commission shall meet at least once each month and also at the call of any member.

"(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

"(f)(1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable without regard to the provisions of title 5 governing appointments in the competitive service.

"(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"(3) In carrying out its responsibilities under this chapter, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.".

POWERS OF THE COMMISSION

SEC. 106. Section 307, as so redesignated in section 105(a)(3), is amended to read as follows:

"POWERS OF THE COMMISSION

"SEC. 307. (a) The Commission has the power—

"(1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission may prescribe;

"(2) to administer oaths or affirmations;

"(3) to require by subpena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 309(a)(8) of

this title) or appeal any civil action in the name of the Commission to enforce the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

"(7) to render advisory opinions under section 308 of this title;

"(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, as are necessary to carry out the provisions of this chapter and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

"(9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpena or order of the Commission issued under subsection (a), issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d)(1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(e) Except as provided in section 309(a)(8) of this title, the power of the Commission to initiate civil actions under subsection (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this chapter.".

ADVISORY OPINIONS

SEC. 107. (a) Section 308 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ADVISORY OPINIONS

"SEC. 308. (a)(1) Not later than 60 days after the Commission receives from a person a complete written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a rule or regulation prescribed by the Commission, with respect to a specific transaction or activity by the person, the Commission shall render a written advisory opinion relating to such transaction or activity to the person.

"(2) If an advisory opinion is requested by a candidate, or any authorized committee of such candidate, during the 60-day period before any election for Federal office involving the requesting party, the Commission shall render a written advisory opinion relating to such request no later than 20 days after the Commission receives a complete written request.

"(b) Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to procedures established in section 311(f). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

"(c)(1) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by—

"(A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and

"(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.".

"(2) Notwithstanding any other provisions of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (1) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of title 26.

"(d) The Commission shall make public any request made under subsection (a) for an advisory opinion. Before rendering an advisory opinion, the Commission shall accept written comments submitted by any interested party within the 10-day period following the date the request is made public.".

ENFORCEMENT

SEC. 108. Section 309 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ENFORCEMENT

"SEC. 309. (a)(1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18. Within 5 days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such a violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within 15 days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

"(2) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of 4 of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis for such alleged violation. The Commission shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.

"(3) The general counsel of the Commission shall notify the respondent of any recommendation to the Commission by the general counsel to proceed to a vote on probable cause pursuant to paragraph (4)(A)(i). With such notification, the general counsel shall include a brief stating the position of the general counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, respondent may submit a brief stating the position of a respondent on the legal and factual issues of the case, and replying to the brief of general counsel. Such briefs shall be filed with the Secretary of the Commission and shall be considered by the Commission before proceeding under paragraph (4).

"(4)(A)(i) Except as provided in clause (ii), if the Commission determines, by an affirmative vote of 4 of its members, that there is probable cause to believe that any person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall attempt, for a period of at least 30 days, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any person involved. Such attempt by the Commission to correct or prevent such violation may continue for a period of not more than 90 days. The Commission may not enter into a conciliation agreement under this clause except pursuant to an affirmative vote of 4 of its members. A conciliation agreement, unless violated, is a complete bar to any further action by the Commission, including the bringing of a civil proceeding under subparagraph 6(A).

"(ii) If any determination of the Commission under clause (i) occurs during the 45-day period immediately preceding any election, then the Commission shall attempt, for a period of at least 15 days, to correct or prevent the violation involved by the methods specified in clause (i).

"(B)(i) No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission under subparagraph (A) may be made public by the Commission without the written consent of the respondent and Commission.

"(ii) If a conciliation agreement is agreed upon by the Commission and the respondent, the Commission shall make public any conciliation agreement signed by both the Commission and the respondent. If the Commission makes a determination that a person has not violated this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make public such determination.

"(5)(A) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may require that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(C) If the Commission by an affirmative vote of 4 of its members, determines that there is probable cause to believe that a knowing and willful violation of this Act which is subject to subsection (d), or a knowing and willful violation of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to any limitations set forth in paragraph (4)(A).

"(D) In any case in which a person has entered into a conciliation agreement with the Commission under paragraph (4)(A), the Commission may institute a civil action for relief under paragraph (6)(A) if it believes that the person has violated any provision of such conciliation agreement. For the Commission to obtain relief in any civil action, the Commission need only establish that the person has violated, in whole or in part, any requirement of such conciliation agreement.

"(6)(A) If the Commission is unable to correct or prevent any violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, by the methods specified in paragraph (4)(A), the Commission may, upon an affirmative vote of 4 of its members, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order (including an order for a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

"(B) In any civil action instituted by the Commission under subparagraph (A), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(C) In any civil action for relief instituted by the Commission under subparagraph (A), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(7) In any action brought under paragraph (5) or (6), subpenas for witnesses who are required to attend a United States district court may run into any other district.

"(8)(A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.

"(B) Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.

"(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

"(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 437h of this title).

"(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

"(12)(A) Any complaint filed under this section, or any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person who is the subject of such complaint, the person receiving such notification or the person under investigation.

"(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than $2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than $5,000.

"(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a)(2)(A)(iii) for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a)(2)(A)(i), the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a)(7), publish before the election the name of the person and the report or reports such person has failed to file.

"(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

"(d)(1)(A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution or expenditure aggregating $2,000 or more during a calendar year shall be fined, or imprisoned for more than one year, or both. The amount of this fine shall not exceed the greater of $25,000 or 300 percent of any contribution or expenditure involved in such violation.

"(B) In the case of a knowing and willful violation of section 316(b)(3), the penalties set forth in this subsection shall apply to a violation involving an amount aggregating $250 or more during a calendar year. Such violation of section 316(b)(3) may incorporate a violation of section 317(b), 320, or 321.

"(C) In the case of a knowing and willful violation of section 322, the penalties set forth in this subsection shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of $1,000 or more is involved.

"(2) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, any defendant may evidence their lack of knowledge or intent to commit the alleged violation by introducing as evidence a conciliation agreement entered into between the defendant and the Commission under subsection (a)(4)(A) which specifically deals with the act or failure to act constituting such violation and which is still in effect.

"(3) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the violation and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

"(A) the specific act or failure to act which constitutes the violation for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under subparagraph (a)(4)(A);

"(B) the conciliation agreement is in effect; and

"(C) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement.".

ADMINISTRATIVE PROVISIONS

SEC. 109. Section 311 of the Act as so redesignated in section 105(a)(4), is amended to read as follows:

"ADMINISTRATIVE PROVISIONS

"SEC. 311. (a) The Commission shall—

"(1) prescribe forms necessary to implement this Act;

"(2) prepare, publish, and furnish to all persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting;

"(3) develop a filing, coding, and cross-indexing system consistent with the purposes of this title;

"(4) within 48 hours after the time of the receipt by the Commission of reports and statements filed with it, make them available for public inspection, and copying, at the expense of the person requesting such copying, except that any information copied from such reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee, a political committee may submit 10 pseudonyms on each report filed in order to protect against the illegal use of names and addresses of contributors, provided such committee attaches a list of such pseudonyms to the appropriate report. The Clerk, Secretary, or the Commission shall exclude these lists from the public record;

"(5) keep such designations, reports, and statements for a period of 10 years from the date of receipt, except that designations, reports, and statements that relate solely to candidates for the House of Representatives shall be kept for 5 years from the date of their receipt;

"(6)(A) compile and maintain a cumulative index of designations, reports, and statements filed under this Act, which index shall be published at regular intervals and made available for purchase directly or by mail;

"(B) compile, maintain, and revise a separate cumulative index of reports and statements filed by multi-candidate committees, including in such index a list of multi-candidate committees; and

"(C) compile and maintain a list of multi-candidate committees, which shall be revised and made available monthly;

"(7) prepare and publish periodically lists of authorized committees which fail to file reports as required by this title;

"(8) prescribe rules, regulations, and forms to carry out the provisions of this title, in accordance with the provisions of subsection (e);

"(9) transmit to the President and to each House of the Congress no later than June 1 of each year, a report which states

in detail the activities of the Commission in carrying out its duties under this title, and any recommendations for any legislative or other action the Commission considers appropriate; and

"(10) serve as a national clearinghouse for information with respect to the administration of this Act and the compilation and administration of State campaign finance and election disclosure laws. The Commission may enter into contracts for the purpose of conducting such independent studies. Studies made under this subsection shall be published by the Commission and copies thereof shall be made available to the general public upon the payment of cost thereof.

"(c) The Commission may audit any political committee required to file a report under paragraph 304(a)(4) and under paragraph 304(a)(3). The Commission shall give priority to audits and field investigations concerning the verification for, and receipt and use of, any payments received by a candidate under chapter 95 or chapter 96 of the Internal Revenue Code of .

"(d) Any forms prescribed by the Commission under subsection (a)(1), and any information-gathering activities of the Commission under this Act, shall not be subject to the provisions of section 3512 of title 44, United States Code.

"(e)(1) Before prescribing any rule, regulation, or form under this section or any other provision of this Act, the Commission shall transmit a statement with respect to such rule, regulation, or form to the Senate and the House of Representatives, in accordance with this subsection. Such statements shall set forth the proposed rule, regulation, or form, and shall contain a detailed explanation and justification of it.

"(2) If either House of Congress does not disapprove by resolution any proposed rule or regulation submitted by the Commission under this section no later than 30 days of continuous session after the date of the receipt of such proposed rule or regulation or no later than 15 days of continuous session after the date of receipt of such proposed form, the Commission may prescribe such rule, regulation, or form.

"(3) For purposes of this subsection—

"(A) continuity of session of the Congress is broken only by an adjournment sine die; and

"(B) the days on which either Houses are in session are counted in the computation of the 30-day period and the days on which one House is in session are counted unless the other House is not in session because of an adjournment of more than 3 days to a day certain.

"(4) For purposes of this subsection, the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

"(5) Whenever a committee of the House of Representatives reports any resolution relating to any such form, rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and is not in order to move to reconsider the vote by which the motion is agreed to or disagreed with.

"(f) Notwithstanding any other provision of law, any person who relies upon any rule or regulation prescribed by the Commission in accordance with the provisions of this section and who acts in good faith in accordance with such rule or regulation shall not, as a result of such act, be subject to any sanction provided by this chapter or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.".

STATEMENTS FILED WITH STATE OFFICERS

SEC. 110. Section 312 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"STATEMENTS FILED WITH STATE OFFICERS

"SEC. 312. (a)(1) A copy of each report and statement required to be filed by any person under this title shall be filed by such person with the Secretary of State (or equivalent State officer) of the appropriate State, or, if different, the officer of such State who is charged by State law with maintaining State election campaign reports. The chief executive officer of such State shall designate any such officer and notify the Commission of any such designation.

"(2) For purposes of this subsection, the term 'appropriate State' means—

"(A) for statements and reports in connection with the campaign for nomination for election of a candidate to the office of President or Vice President, each State in which an expenditure is made on behalf of the candidate; and

"(B) for statements and reports in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the State in which the candidate seeks election; except that political committees other than authorized committees are only required to file, and Secretaries of State required to keep, that portion of the report applicable to candidates seeking election in that State.

"(b) The Secretary of State (or equivalent State officer), or the officer designated under subsection (a)(1), shall—

"(1) receive and maintain in an orderly manner all reports and statements required by this Act to be filed therewith;

"(2) keep such reports and statements (either in original filed form or in facsimile copy by microfilm or otherwise)—

"(A) for 2 years after their date of receipt, for reports and statements for candidates for the President or Vice President, the Senate, or the House of Representatives; and

"(B) through April 30 of the calendar year following the calendar year in which any report was filed by a political committee other than an authorized committee.

"(3) make each report and statement filed therewith available as soon as practicable (but within 48 hours of receipt) for public inspection and copying during regular business hours, and permit copying of any such report or statement by hand or by duplicating machine at the request of any person, except that such copying shall be at the expense of the person making the request; and

"(4) compile and maintain a current list of all reports and statements pertaining to each candidate.".

ACCEPTANCE OF EXCESSIVE HONORARIUMS

SEC. 111. Section 324 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

SEC. 115. Section 318 of the Act, as so redesignated in section 105(a)(5), is amended to read as follows:

"(a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

"(1) if paid for and authorized by a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

"(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such authorized political committee;

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

"(b) No person who sells space in a newspaper or magazine to a candidate or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.".

TECHNICAL AMENDMENTS

SEC. 116. (a) Section 305 of the Act, as so redesignated in section 105(a)(2), is amended—

(1) by striking out "sixty" and inserting in lieu thereof "60";

(2) by striking out "twenty" and inserting in lieu thereof "20"; and

(3) by striking out "Federal Election".

(b) Section 306(c) of the Act, as so redesignated in section 105(a)(3), is amended by striking out "section 310(a)" and inserting in lieu thereof "section 307(a)".

(c) Section 310(a) of the Act, as so redesignated in section 105(a)(4), is amended by striking out "of the United States" the first place it appears therein.

(d) The first sentence of section 316(b)(4)(B) of the Act, as so redesignated in section 105(a)(5), is amended by striking out "it" and inserting in lieu thereof "It".

(e)(1) Section 403(a) of the Domestic Volunteer Service Act of 1973 is amended—

(A) by striking out "section 301(a)" and inserting in lieu thereof "section 301(1)"; and

(B) by striking out "section 301(c)" and inserting in lieu thereof "section 301(3)".

(2) Section 6 of the Department of State Appropriations Authorization Act of 1973 is amended by striking out "section 301(e)" and inserting in lieu thereof "section 301(8)".

TITLE II—AMENDMENTS TO OTHER LAWS

MISCELLANEOUS AMENDMENTS TO TITLE 18 UNITED STATES CODE

SEC. 202. (a)(1) Chapter 29 of title 18, United States Code, is amended by striking out section 591.

(2) The table of sections for chapter 26 of title 18, United States Code, is amended by striking out the item relating to section 591.

(3) Section 602 of such title is amended to read as follows:

"SOLICITATION OF POLITICAL CONTRIBUTIONS

"SEC. 602. It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States to solicit, any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employer, or person. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.".

(4) Section 603 of such title is amended to read as follows:

"MAKING POLITICAL CONTRIBUTIONS

"SEC. 603. It shall be unlawful for any officer, clerk, or other person in the employ of the United States, or any department or agency thereof to make a contribution within the meaning of section 301(8) to any other such officer, clerk, or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, unless such contribution is voluntary: *Provided, however*, That no contribution, voluntary or otherwise, may be made by any such officer, clerk, or person to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, or their authorized committee within the meaning of section 302(e)(1) of the Federal Election Campaign Act of 1971, if that person authorizing such committee is the employer or employing authority of the person making such contribution. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.".

(5) Section 607 of such title is amended to read as follows:

"PLACE OF SOLICITATION

"SEC. 607. (a) It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United States or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States to solicit or receive any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 in any room or building occupied in the discharge of official duties by any such person, or in any navy yard, fort, or arsenal. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.

"(b) The prohibition in subsection (a) shall not apply to any contributions received by mail in any room, building, or other facility referred to in subsection (a) provided such contribution was not solicited in any such room, building, or other facility and provided such contribution is delivered, within seven days of receipt, to a political committee within the meaning of section 301(4) of the Federal Election Campaign Act of 1971.".

MISCELLANEOUS AMENDMENT TO TITLE 26, UNITED STATES CODE

SEC. 302. Section 9008(b) of title 26 is amended by striking at the end thereof the figure "$2,000,000" and inserting in lieu thereof "$3,000,000".

TITLE III—GENERAL PROVISIONS

EFFECTIVE DATES

SEC. 301. (a) Except as provided in subsection (b), the amendments made by this Act are effective upon enactment.

(b) For authorized committees of candidates for President and Vice President, section 304(b) shall be effective for elections occurring after January 1, 1981.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I am delighted to present to my colleagues the bill H.R. 5010, a bill to make technical and noncontroversial amendments to the Federal Election Campaign Act.

H.R. 5010 is the joint effort of both Democrats and Republicans on the Committee on House Administration. In fact, the entire committee membership has cosponsored H.R. 5010.

I want to take particular note of the efforts of our colleague from Minnesota, BILL FRENZEL, and the committee's minority staff, for their many hours of cooperative and productive effort. Without their labors, H.R. 5010 would not be before the House today.

Mr. Speaker, while this bill is noncontroversial and many of its changes are technical, I do not mean to imply that some of them are not significant or substantive:

The recordkeeping and reporting provisions of the act are simplified;

The role of State and local political parties in campaigns is increased; and

The procedural requirements of the enforcement process have been reduced.

These, and other changes, result from the committee's legislative and oversight hearings as well as 8 years of experience under the act. These changes have a broad and bipartisan base of support—in fact, Mr. Speaker, I am not aware of any opposition to H.R. 5010. The committee finds itself in the unusual position of being awash in a sea of uncritical acclaim.

For the benefit of my colleagues, I shall briefly outline the major provisions of H.R. 5010:

A substantial number of changes are made in the recordkeeping and reporting provisions of the act. The number of candidates who will be required to file reports under the act will be reduced by a change in the definition of the term candidate. Currently, an individual becomes a candidate when he or she receives any contribution or makes any expenditure; the bill establishes a $5,000 threshold. A candidate who receives less than $5,000 or spends less than $5,000 will not incur a reporting obligation.

Under the bill, all of the financial activities of a campaign will be controlled and reported by the candidate's authorized committee; however, the candidate will be able to receive contributions and make expenditures as an agent of his or her authorized campaign committee or committees. Additionally, the name of the candidate must appear in the name of the authorized committee. Likewise, political action committees will have to include the name of the organization which establishes the committee in their name.

The bill provides that a political committee will no longer be required to have a chairman. Currently, there must be a chairman and a treasurer, although the chairman has no official responsibilities. Further changes are made in the time allowed (10 days) in turning over a contribution to the treasurer and in expanding the types of banking institutions in which a political committee may keep its funds to savings and loans associations and credit unions.

The bill attempts to simplify and standardize the types and amounts of information required to be listed by a committee, both when registering and when reporting. For instance, the information required to be listed on a registration statement is reduced from the present 11 categories to 6. The bill also substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a 2-year period.

The bill makes changes in the recordkeeping requirements of the act. Currently, a treasurer must keep a receipted bill if, during a calendar year, the treasurer made expenditures exceeding $100 to the same vendor. The bill requires a treasurer to keep a receipt, invoice, or canceled check for each expenditure in excess of $100.

The new provision pertaining to political parties allow a State or local committee of a political party to purchase, without limit, campaign materials used in connection with volunteer activities on behalf of a candidate—such as buttons, bumper stickers, and yard signs. This exemption will not apply to costs incurred for media advertising or mass mailings—activities of this type would be subject to the contribution and expenditure limitations of the act.

A similar exemption would be created to allow State and local party committees to engage in certain voter registration and get-out-the-vote activities on behalf of the nominees of such party for President and Vice President.

The bill also attempts to reduce reporting obligations for local party committees. Under existing law such committees must register and report if they make contributions or receive expenditures in excess of $1,000. The bill raises that threshold to $5,000 for certain party-building "exempted expenditures."

The bill requires the commission to respond to a request for an advisory opinion within 60 days instead of a "reasonable time." During the 60 days immediately preceding an election, a request by a candidate must be answered within 20 days.

The procedural steps of the commission enforcement process are reduced in the bill. Before taking any action on a complaint filed with it, the commission must provide the person complained against with a copy of the complaint and allow such person 5 days to demonstrate to the commission that no action should be taken on the complaint.

If the commission does proceed with an investigation of the matter, the respondent will receive a copy of the general counsel's brief recommending to the

commission that they find probable cause that the respondent violated the law. The respondent will have 15 days to prepare and file a brief outlining his or her arguments.

The current requirement for disclosure and solicitation statements is modified. The bill provides for one simple statement of authorization on all political solicitations and advertisements, replacing the two statements which are now used in separate situations.

Of particular interest to my colleagues, the bill amends sections 602, 603, and 607 of title 18 to comport with existing Justice Department enforcement of these sections. Congressional employees may make a voluntary political contribution to a Member of Congress other than their immediate employer; inadvertent solicitations of congressional employees will not violate the ban on solicitation. Additionally, a contribution received by mail in any Federal building will not be a violation if it is forwarded within 7 days to the appropriate political committee.

Finally, the bill amends the title 26 provisions pertaining to payments for Presidential nominating conventions. The amount of the entitlement for major parties is increased from $2,000,000 to $3,000,000.

Mr. Speaker, this is a good bill—a much needed bill.

It has the unanimous support of all interested and affected parties.

It was unanimously reported by the Committee on House Administration.

It fully deserves the unanimous support of the full House of Representatives.

Mr. Speaker, I respectfully urge my colleagues to suspend the rules and pass H.R. 5010.

□ 1300

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I will be glad to yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, I am among those in the membership of the House who have tried to run for public office without any contributions or any expenditures. I adopted that policy 5 or 6 years ago, and I have been troubled about my obligation to file reports.

Now, it has been very discouraging in the past to be troubled and concerned about these reports. I have had to appoint a treasurer, and I had no funds for him to account for. I felt that I was very much worried about the severity of the statute if I did not file that I had received nothing or spent anything, or that I might not have properly named a treasurer.

Is that taken care of in this legislation?

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. THOMPSON. Mr. Speaker, I yield myself 3 additional minutes.

Yes, it is, and further, if any moneys accrue to the gentleman from Ohio——

Mr. VANIK. They do not. There is no problem.

Mr. THOMPSON. I said, if any do accrue and any reporting by the gentleman is required, the number of reports would be reduced from 24 to 9. I think the gentleman need have no fear.

Mr. VANIK. I still have to file nine reports?

Mr. THOMPSON. No, the gentleman will not under the revision of the act.

Mr. VANIK. Do I have to file any reports if I have no contributions and no expenditures?

Mr. THOMPSON. No, the gentleman does not.

Mr. VANIK. I think that is a tremendous improvement.

Mr. THOMPSON. I might say that the gentleman is almost totally unique in this body, and it would be nice if he does not have to file.

Mr. VANIK. I cannot tell the gentleman how comforting it is.

Mr. THOMPSON. Good. I am glad the gentleman, after all our years of service together, is finally comfortable.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Minnesota.

Mr. FRENZEL. That is my understanding of the bill also. I think the gentleman will have a much easier time in the next election.

Mr. VANIK. I thank the gentleman.

Mr. THOMPSON. Mr. Speaker, I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, it is not often—in fact, I believe this is the first time—that an election bill has been brought out of House Administration Committee with bipartisan support and, miraculously, this one has support of every single member of the committee.

I want to echo the remarks of my distinguished chairman, and extend my thanks for his splendid cooperation and for the many months of work by the majority staff. Special thanks should go to Bob Moss, Carolyn Reed, and Steve Sachs-Wilner.

Mr. Speaker, because we eliminated partisan squabbling, this bill is probably the first election bill that is the product of continuous, careful, deliberate work. I would hate to use the word "reform" but H.R. 5010 will surely go a long way toward making some sense out of the crazy-quilt system of law we have enacted over the past 8 years.

There are many changes in H.R. 5010 that I believe important, but none is more important than the increased flexibility and encouragement given to our State and local party committees.

These committees, Mr. Speaker, were virtually excluded from the 1976 Presidential election. Some of the problems were recognized by President Carter and were made part of his election recommendations. The Kennedy Institute at Harvard made special note of the adverse effect our election law has had on the State and local party committees. Some similar thoughts were recently repeated by Dr. Herb Alexander, the dean of election law specialists.

These are the broadest based units of political involvement in our election system. H.R. 5010 will permit them, in fact, encourage them to once again play an important role in electing Federal candidates.

STATE AND LOCAL PARTY COMMITTEES

H.R. 5010 makes the following changes for these party committees:

First. Reporting. Local committees of a political party will not incur reporting obligations unless they receive contributions in excess of $5,000 during a calendar year; make payments for certain exempt activity in excess of $5,000 during a calendar year; or make contributions or expenditures aggregating in excess of $1,000 during a calendar year.

Second. Exempted activities. H.R. 5010 permits payments for campaign materials such as: pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs. The bill will also allow payments for costs of voter registration and get-out-the-vote activity when done on behalf of their Presidential ticket. These party committees will not incur reporting obligation unless these payments are in excess of $5,000 during a calendar year.

Third. Volunteer activities. Additionally, H.R. 5010 extends the volunteer exemptions to all political party committees. These activities include:

Residential premises. Currently, a volunteer can use their residence for an event and the first $500 is excluded from the definition of contribution and expenditure. This exemption has been raised to $1,000 and has been extended to events held on behalf of all political committees of a political party. The exemption for the later activity is $2,000 in any calendar year. One additional change in this provision is the amendment offered by our distinguished colleague from South Carolina (Mr. CAMPBELL) which extended residential premises to include club and community rooms.

Vendor Exemption. The current exemption for vendors has been raised to $1,000 per candidate per election. In addition, this exemption is extended to discounts to or on behalf of political party committees not to exceed $2,000 per calendar year.

Travel expenses. This exemption has been raised to $1,000 and has been extended to travel expenses incurred for party-related business not to exceed $2,000 per calendar year.

Fourth. Legal and accounting. Additionally, Mr. Speaker, the exemption for legal and accounting services has been extended to include services on behalf of party committees.

Secondly, Mr. Speaker, this bill greatly reduces and simplifies the reporting requirements required of candidates and their committees.

CANDIDATES

First. Candidate definition. The definition of candidate has been changed to include a threshold of $5,000 for contributions or expenditures. A person will not be required to file reports until he/she reaches this threshold. Hopefully, this change should reduce the reporting obligations of more than 100 persons.

Second. Carter/Koch. Another difficulty occurring in the 1976 election was the so-called Carter/Koch problem. H.R. 5010 creates a solution for that problem and will go a long way to encourage candidates to run with other candidates as a "team." Candidates will be permitted to pay for certain types of campaign materials without the payment being either a contribution or expenditure to the other candidate.

Third. Candidate reporting. Candidates are relieved of any reporting obligations on their own forms. Instead, the candidate will be able to receive contributions or make expenditure as an agent of his/her authorized committees.

Fourth. Reports. Candidates for the House and Senate's authorized committees will be required to file 9 reports instead of the current maximum of 24 in a 2-year period.

Fifth. Recordkeeping. The recordkeeping requirements are reduced and rewritten to reflect more accurately the actual contributions received and expenditures made for a campaign. Under current law, expenditures aggregating $100 or more have to be reported. This amount is raised to $200. In addition, a canceled check will be sufficient to satisfy the recordkeeping requirements of the act.

MISCELLANEOUS PROVISIONS

First. Advisory opinions requests must be answered by the Federal Election Commission within 60 days rather than a reasonable time. During the 60 days before an election, a candidate's request for an advisory opinion must be answered within 20 days.

Second. Enforcement. The enforcement procedure is reduced from 3 to 2 steps. In addition, the respondent is given a greater opportunity to demonstrate that no action should be taken on a complaint.

Third. Secretaries of State. The burden on the Secretaries of State is reduced. Currently, reports filed with the Secretaries are required to be preserved for 5 years for House reports and 10 years for all other political committees. H.R. 5010 reduces that preservation period to 2 years for candidates reports and until April 30 of the following year for reports of all other political committees.

Fourth. Sections 602, 603, and 607 of title 18. The bill amends sections 602, 603, and 607 of title 18. Congressional employees may make voluntary political contributions to Federal candidates other than their immediate employer. Inadvertent solicitation of congressional employees will not violate the ban on solicitation. In addition, contributions received by mail in any Federal building will not be unlawful if forwarded to the appropriate political committee within 7 days of receipt.

Fifth. Convention financing. H.R. 5010 amends title 26 to give our national committees an additional $1 million for the nominating conventions. This entitlement will come from the Presidential check-off fund.

Sixth. Effective date. H.R. 5010 is effective upon enactment for committees other than Presidential committees. This section defers the effective date for the "Contents of Report" section. It was felt that many of these committees have their computer systems in operation and it would be both unnecessary and burdensome for them to revise their programs. However, this exclusion would not preclude them from revising their systems to take advantage of the new reporting section.

Mr. Speaker, I would like to join my colleague and chairman in urging the House to suspend the rules and pass this bill.

□ 1310

Mr. Speaker, I would like to engage in colloquy with the distinguished chairman of the committee, the gentleman from New Jersey (Mr. THOMPSON).

I notice in the committee's report a sentence, with which I agree, that makes clear that the cost of commercial telephone bank systems or operations are not to be part of the section 301 exemption for registration or get-out-the-vote activities. Clearly, since the premise of this exception in H.R. 5010 is that volunteer activities are a party building function, the costs of commercial vendors should not be covered.

However, I am familiar with the situation where a professional person will be hired by a State or local party to design a telephone bank, develop calling instructions and train supervisors. The telephone bank itself would be completely conducted by the State or local party and completely operated by volunteers.

How would the Chairman interpret that situation in light of the language of H.R. 5010 and the report?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

First, I would like to thank the gentleman for his continuing interest in this subject matter and for his really splendid cooperation.

In the situation described by my friend and colleague from Minnesota, where a registration or get-out-the-vote telephone bank is totally conducted by a State or local party, and completely run by its volunteers, the referred to exemption from the definition of "contribution" would apply. This would be the case, notwithstanding the use of a paid professional to design the system, develop calling instructions and train supervisors. Of course, the costs of the paid professional would not be covered by the exemption.

And my esteemed colleague is also correct that the committee's intent in creating this registration and get-out-the-vote exemption, and the so-called buttons and bumperstrips exemption in 301(8)(x), was to help State and local political parties play a much needed larger role in the political process through the increased use of volunteers.

We need more people involved in politics—not fewer. One of the problems with the present campaign law is that it is driving people off campaigns. H.R. 5010 will hopefully reverse that trend.

Mr. FRENZEL. I concur in the chairman's statement, particularly in the final statement that this part of the bill, and in fact the bill in its totality, will increase participation.

Mr. Speaker, the minority has no requests for time, and I yield back the remainder of my time.

● Mr. ROSTENKOWSKI. Mr. Speaker, I rise to make clear my views on H.R. 5010. I support the passage of this legislation. Chairman THOMPSON of the Committee on House Administration has brought to the House floor a very worthwhile measure.

H.R. 5010 provides a significant level of procedural reform to the Federal Election Campaign Act. The bill simplifies and standardizes the types and amounts of information required by candidates both when registering and reporting. In particular, the bill substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a 2-year period.

While I am a supporter of H.R. 5010 and feel it provides needed simplifications, I have, however one reservation. Election officials in my district have expressed dismay that the bill would limit the scope of the Federal Election Commission as a national clearinghouse for information concerning election laws. Under H.R. 5010, the FEC could not proceed with the same comprehensive studies it now can provide. These election officials are concerned that a useful service to them has been removed.

Accordingly, I would hope that in the future the Congress could act to guarantee continuance of all the services the clearinghouse currently provides.●

Mr. THOMPSON. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. THOMPSON) that the House suspend the rules and pass the bill H.R. 5010, as amended.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5010, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DUTY-FREE ENTRY OF CARILLON BELLS FOR THE UNIVERSITY OF FLORIDA

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R.

1212) for the relief of the University of Florida, Gainesville, Fla.

The Clerk read as follows:

H.R. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall admit free of duty forty-nine carillon bells (including all accompanying parts and accessories) for the use of the University of Florida, Gainesville, Florida, such bells being provided by Koninklijke Eijsbouts B.V., Asten, The Netherlands.

SEC. 2. If the liquidation of the entry for consumption of any article subject to the provisions of the first section of this Act has become final, such entry shall be reliquidated and the appropriate refund of duty shall be made.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume

Mr. Speaker, the purpose of H.R. 1212 is to provide for the duty-free entry for 49 carillon bells—including accompanying parts and accessories—for the use of the University of Florida, Gainesville, Fla.

H.R. 1212 was introduced by Mr. FUQUA of Florida.

The purpose of the duty-free provision of H.R. 1212 is to enable the University of Florida to place the carillon bells in the Century Tower located on the campus. The bells are being supplied by a company in the Netherlands. The International Trade Commission advises there is no U.S. competition.

The Department of the Treasury issued a report opposing the duty-free entry of the carillon bells. Their opposition is predicated on the fact that the bill, if enacted, would grant a single institution more favorable treatment than is accorded other institutions of the same class, and would create dissatisfaction in other institutions which are obligated to pay duties on similar articles imported under like circumstances. However, they would support legislation that would afford duty-free treatment to all similar articles as long as a domestic industry is not adversely affected.

Public hearings were held by the Subcommittee on Trade of the Committee on Ways and Means on March 5, 1979, on duty-free entry and temporary duty suspension bills. During these hearings, favorable testimony and written comments were received on H.R. 1212.

The bill was ordered reported by the committee by voice vote, and I urge its passage.

Mr. Speaker, I yield such time as he might desire to my distinguished colleague, the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I want to thank the distinguished gentleman from Ohio (Mr. VANIK), the chairman of the subcommittee, for his work and diligence in getting this bill out. I want to thank my colleague, the gentleman from Florida (Mr. GIBBONS), and also the chairman of the full committee, the gentleman from Oregon (Mr. ULLMAN), for their cooperation and assistance in bringing this measure to the floor in a timely manner.

Mr. Speaker, as the Member who introduced H.R. 1212, I want to rise in vigorous support of this legislation to permit the University of Florida to import, duty-free, 49 carillon bells. Let me thank the gentleman from Ohio (Mr. VANIK), the gentleman from Florida (Mr. GIBBONS) and Chairman ULLMAN for their great assistance in bringing this measure to the floor in a timely matter.

Mr. Speaker, I would like to advise my colleagues of some of the background which led to the introduction of this bill. In 1951, during the time I was a student there, Century Tower was constructed on the campus of the University of Florida to commemorate the 100th anniversary of the founding of the university. Ever since that date, it was the goal of the university to install carillon bells in the tower to toll the quarter-hour and strike each hour.

Funds for the purchase of the bells were raised by the student body of the university. Approximately $200,000 has been raised and the bells were just recently installed in Century Tower. If H.R. 1212 is not enacted, it is anticipated by university officials that the total that will have been paid for the import duty could amount to $6,000 to $8,000.

The University of Florida is a land-grant college and as Florida's first university it is the bulwark of the State's system of higher education. It is, of course, a State institution and not operated for profit. This last statement is, I believe, a key consideration in why H.R. 1212 deserves approval.

Under the circumstances I have described, I feel it is entirely equitable to waive the import duty and provide this measure of relief to the university. As an alumnus of the University of Florida, as the Member of Congress who represents the university, and as the current president of the National University of Florida Alumni Association, I know full well how much this dream of obtaining the carillon bells has meant to university personnel, students, and alumni alike.

Now that the dream has become a reality, I would like to save the university whatever funds can be saved and I strongly urge passage of H.R. 1212.

Mr. Speaker, in concluding let me comment on two areas which may be of concern to the Members of this body. At one time the question was raised as to the impact this type of legislation would have on American business and labor. I verified through the Library of Congress that no American firm is presently casting carillon bells and no one has expressed the intention to do so in the foreseeable future.

Further, note was made of the possible need for general legislation on the subject. While this may be a matter which the subcommittee, so ably chaired by the gentleman from Ohio (Mr. VANIK) might wish to consider, I leave that decision in their hands and urge that we not delay in passage of this bill.

□ 1320

The bill was reported by voice vote in the committee, and I urge its passage.

Mr. FRENZEL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the bill is favored by the minority. As the chairman of the subcommittee indicated, in fact every member of the full committee and the subcommittee voted in its favor.

Mr. Speaker, I want to congratulate the author of the bill for bringing it to our attention to indicate that my niece, Sarah Frenzel, thinks the bill sounds beautiful and she would prefer not to have her tuition increased to pay the extra duty.

Mr. Speaker, I have no further requests for time.

Mr. VANIK. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill, H.R. 1212.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF DUTY-FREE ENTRY PERIOD FOR TELESCOPE AND ASSOCIATED ARTICLES FOR USE OF THE INTERNATIONAL TELESCOPE PROJECT IN HAWAII

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1319) to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

The Clerk read as follows:

H.R. 1319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a) of Public Law 93-630 (88 Stat. 2152) is amended by striking the words "June 30, 1980" and inserting in lieu thereof "June 30, 1982".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield such time as he may consume to our distinguished colleague, the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I rise in support of H.R. 1319, which I introduced at the start of this Congress. Its purpose is simple: the extension of the duty-free period on parts necessary for the completion of the telescope project on Mount Mauna Kea in Hawaii is for only 2 years, from June 30, 1980, until June 30, 1982.

The New York Times has called this project one of the world's most important observation sites. In 1974, the Canada-France-Hawaii telescope project began, expanding the existing facilities to include a new 150-inch telescope to be used for general astronomical observation. Legislation to extend duty-free treatment for parts used in the construction of this telescope was passed by the Congress in 1974.

There is ample precedent for this type of treatment. Public Law 89-651, which implemented the so-called Florence agreement, provided for the duty-free exchange of cultural, scientific, and educational material. However, due to the extended nature of this project, the petitioning procedures outlined under Public Law 89-651 would be most difficult without the separate legislation being considered today.

Mr. Speaker, I urge the approval of this legislation.

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 1319 is to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

H.R. 1319 was introduced by our colleagues Mr. AKAKA and Mr. HEFTEL of Hawaii.

The Canada-France-Hawaii Telescope Corp. is a nonprofit organization incorporated under the laws of the State of Hawaii in January 1974. It comprises an international scientific cooperative venture among the National Research Council of Canada, the Centre National de la Recherche Scientifique of France, and the University of Hawaii. The terms of the cooperative undertaking among these agencies were set forth in a memorandum of understanding signed in October 1973. The corporation was established for the purpose of supervising the construction and operation of a major astronomical observatory and related facilities near the summit of Mauna Kea—elevation 14,000 feet—on the island of Hawaii. The proposed optical telescope of 3.6 meters in diameter will rank among the largest astronomical instruments and because of its site will provide astronomers some of the most superior viewing conditions available in the world.

At the time Public Law 93-630 was enacted to provide duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii, it was believed that the project would be completed by June 30, 1980. However, it now appears impossible that the project will be completed by that time. Therefore, it will be necessary to continue the duty-free entry period for the project until June 30, 1982.

In order to insure completion of the project, which the proponents feel will be of significant value to the American scientific community, a short extension of the period of duty-free entry is required.

Reports were received from the Departments of State and Commerce. State supports the bill while Commerce has no objection to passage of the bill.

The bill was ordered reported by the committee by voice vote and I urge its passage.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the gentleman from Ohio in his support of H.R. 1319. This measure would, simply, assure the realization of the intent of the 93d Congress to provide for duty-free entry of a particular telescope and its accessories.

When Public Law 93-630 was enacted by the 93d Congress, it provided a period for duty-free entry of a telescope and accessories for the use of a Canadian, French, and University of Hawaii telescope project in Hawaii. It was expected that the project would be completed by June 30, 1980, and, thus, the period for duty-free treatment expires at that time. It is apparent now, however, that the project will not be completed on time. This bill, consequently, extends the period of time within which the duty-free treatment can be afforded the telescope and accessories which will be used in the project.

There were no objections to this bill at the March 5, 1979, hearings, and the bill was unanimously reported out of committee.

The one-time revenue loss is estimated as $133,000 for fiscal year 1980 and $667,000 for fiscal year 1981.

I would urge your support of this very worthwhile legislation.

Mr. VANIK. Mr. Speaker, I yield back the balance of my time.

Mr. VANDER JAGT. Mr. Speaker, we have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill, H.R. 1319.

The question was taken; and (two-thirds having voted thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONTINUATION UNTIL JULY 1, 1982, OF THE EXISTING SUSPENSION OF DUTIES ON SYNTHETIC RUTILE

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2297) to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile, as amended.

The Clerk read as follows:

H.R. 2297

Be it enacted by the Senate and House of Repesentatives of the United States of America in Congress assembled, That item 911.25 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "6/30/79" and inserting in lieu thereof "6/30/82".

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article to which item 911.25 of the Tariff Schedules of the United States (as in effect on June 30, 1979) applied and—

(1) that was made after June 30, 1979, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 2297 is to continue the existing suspension until July 1, 1982, of the duty on synthetic rutile.

H.R. 2297 was introduced by our colleague, Mr. DUNCAN of Tennessee.

Synthetic rutile is derived from ilmenite through a process of chemical upgrading. Since natural rutile is much more costly than ilmenite, increasing quantities of synthetic rutile are being produced. Titantium dioxide pigments comprise by far the largest single use of natural and synthetic rutile. At the present time, there is one domestic producer of synthetic rutile, the output is partly for their own use and part for sale. No other domestic producer is known.

Total imports of synthetic rutile for 1978 were 35,588 short tons with a value of $5,375,000. Australia supplied over half the synthetic rutile in 1978.

Reports with no objections were received from the Departments of State, Treasury, and Commerce. The International Trade Commission submitted an informational report suggesting technical amendments.

The bill was amended by the Subcommittee on Trade to reflect the correct date "for consumption after June 30, 1979" rather than "for consumption after June 30, 1977."

The bill was further amended to include a provision whereby importers may file with the Commissioner of Customs a request on or before the 90th day after the date of enactment covering the entry or withdrawal of articles covered by this bill that was made after June 30, 1979, and before the date of enactment of this act and to which there would have been no duty if any of the amendments made by subsection (a) applied to such entry or withdrawal shall, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of enactment of this act.

The bill as amended, was ordered reported by the committee by voice vote, and I urge its passage.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my colleague, the chairman of the Trade Subcommittee, in his support of H.R. 2297. As the gentle-

man has stated, this bill provides for the continuation, suspension on imports of synthetic rutile.

The need for the continuation of the present duty suspension arises because there continues to be a shortfall in the domestic supply of synthetic rutile and because natural rutile is extremely costly. There is one domestic producer of synthetic rutile which began operations in early 1977 and which produces about 110,000 short tons per year. This production is partially for the producer's use and partially for sale to other users. Approximately 35,588 short tons of synthetic rutile were imported into this country in 1978 with a value of $5,375,000. Over half of the synthetic rutile imported into this country comes from Australia.

Synthetic rutile, as with natural rutile, is an essential product in the manufacture of titanium dioxide pigments. While synthetic rutile has been used exclusively for this purpose, it is thought that its future uses will include the making of titanium metal, welding rod coatings, and further substitution of natural rutile.

The column 1 duty rate was initially suspended in October of 1974 through June 30, 1977, and was retroactively reinstated in November 1977 to continue until June 30, 1979. The column 2 duty rate will remain unaffected.

During the subcommittee hearings on March 5, 1979, no objection to this bill was heard from the administration and supporting testimony was heard from the private sector.

This bill further provides that entries of synthetic rutile since June 30, 1979, until enactment of this bill may receive duty-free treatment if such entries would have been eligible had this measure been enacted on June 30, 1979.

The revenue loss for this bill is approximately $403,000 annually.

I strongly encourage your support of this legislation.

Mr. Speaker, we have no further requests for time.

Mr. VANIK. We have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill, H.R. 2297, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1330

TARIFF TREATMENT OF CERTAIN DYEING AND TANNING ARTICLES

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3122) relating to the tariff treatment of certain articles, as amended.

The Clerk read as follows:

H.R. 3122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT DUTY-FREE TREATMENT TO CERTAIN DYEING AND TANNING MATERIALS

(a)(1) Subpart A of part 9 of schedule 4 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(A) by striking out item 470.15 and inserting in lieu thereof the following:

	Other:		
"470.16	Logwood	Free	Free
470.18	Other	4% ad val.	15% ad val.".

(B) by striking out "15% ad val." in each of items 470.23 and 470.65 and inserting in lieu thereof "Free";

(C) by striking out "6% ad val." and "15% ad val." in item 470.25 and inserting in lieu thereof "Free";

(D) by striking out "2.5% ad val." and "15% ad val." in item 470.55 and inserting in lieu thereof "Free"; and

(E) by striking out "3.5% ad val." and "15% ad val." in item 470.57 and inserting in lieu thereof "Free".

(2) Item 907.80 of the Appendix to such Schedules is repealed.

(b)(1) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(2) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article to which item 907.80 of the Tariff Schedules of the United States (as in effect on June 30, 1978) applied and—

(A) that was made after June 30, 1978, and before the date of the enactment of this Act, and

(B) with respect to which there would have been no duty if any of the amendments made by subsection (a)(1) applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

SEC. 2. SUSPENSION OF DUTY ON WOOD EXCELSIOR UNTIL JULY 1, 1981.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding in numerical sequence the following new item:

"904.60	Wood excelsior, including excelsior pads and wrappings (provided for in item 200.25, part 1A, schedule 2)	Free	No change	On or before 6/30/81".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

SEC. 3. SUSPENSION OF DUTY ON NITROCELLULOSE UNTIL JULY 1, 1980.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

"907.77	Nitrocellulose (provided for in item 445.25, part 4A, schedule 4)	Free	No change	On or before 6/30/80".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

SEC. 4. SUSPENSION OF DUTY ON 2-METHYL-4-CHLOROPHENOL UNTIL JULY 1, 1981.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

"907.11	2-Methyl-4-chlorophenol (provided for in item 403.60, part 1B, schedule 4)	Free	No change	On or before 6/30/81".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

SEC. 5. REDUCTION OF DUTY ON CERTAIN CERAMIC INSULATORS UNTIL JULY 1, 1981.

(a) Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

"909.20	Ceramic insulator having an alumina oxide content of not less than 96%, if used in spark plugs (provided for in item 535.14, part 2D, schedule 5)	4% ad val.	No change	On or before 6/30/81".

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this act.

SEC. 6. SUSPENSION OF DUTIES ON CERTAIN FORMS OF ZINC UNTIL JULY 1, 1981.

(a) Items 911.00, 911.01, 911.02, and 911.03 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) are each amended by striking out "6/30/78" and inserting in lieu thereof "6/30/81".

(b)(1) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(2) Upon request therefor filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act, the entry or withdrawal of any article to which item 911.00, 911.01, 911.02, or 911.03 of the Tariff Schedules of the United States (as in effect on June 30, 1978) applied and—

(A) that was made after June 30, 1978, and before the date of the enactment of this Act, and

(B) with respect to which there would have been no duty if any of the amendments made by subsection (a) applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL).

The Chair now recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3122 contains six

duty-free entry provisions and each of the items is noncontroversial having passed the House last year but failed to be approved by both Houses prior to adjournment of the 95th Congress.

The purpose of section 1 of H.R. 3122 is to eliminate the duties on imports of certain dyeing and tanning materials.

These dyeing and tanning materials are primarily used by the U.S. leather industry in converting rawhides and skins into leather. Temporary duty suspensions have been granted and extended since original enactment in 1957. The latest extension terminated June 30, 1978. Section 1 of H.R. 3122, as amended, would be retroactive to June 30, 1978.

There has been very little domestic production of most dyeing and tanning materials for many years. Consequently, the U.S. users depend on imports for virtually all of their requirements. Elimination of duty helps American tanners compete with foreign producers and provides benefits to consumers by holding down the price of leather.

Reports favoring H.R. 3122 section 1 were received from the Department of Commerce. No objections to this bill have been received from any source.

Mr. Speaker, the purpose of H.R. 3122, section 2, is to suspend until July 1, 1981, the duty on wood excelsior.

Wood excelsior consists of thin, narrow, flexible strands of wood which tend to curl and form a loosely joined mass. It is produced by shedding wood blocks generally of aspen, cottonwood, basswood, and southern pine. Resilience, the ability to expand rapidly after compression, is the principal characteristic making excelsior desirable for use in packing glassware and other easily breakable articles. Among the important uses of excelsior are the following: as an acoustical component in cement ceiling and wall panels; as a protective cushion placed within boxes and crates for shipping fragile items and general merchandise; as a filling or padding material in low-priced mattresses and upholstery and in caskets, hassocks, athletic equipment, and toys; as a filter and vapor-dispersing agent for evaporative coolers; as a soil covering for erosion control; and in the filtration of crude oil and petroleum products.

There are 12 known plants currently producing wood excelsior for commercial use in the United States. The top five companies account for at least 90 percent of U.S. shipments. Because of the very high volume/weight ratio of this product together with its relatively low unit value, long distance shipping is expensive and uneconomic. The International Trade Commission, in its report to the subcommittee, states that this bill would have a negligible impact on the domestic industry.

Reports in favor of this section of the bill were received from the Department of Treasury and Department of Commerce.

Mr. Speaker, section 3, is to suspend the duty on imports of certain nitrocellulose until June 30, 1980.

This section applies to "soluble" nitrocellulose which is the essential ingredient used in durable lacquer coatings primarily used by the food furniture industry. There is a single domestic producer of nitrocellulose. A previous producer ceased production in December 1977 because the market growth potential did not justify the increased capital investment required to meet new pollution control standards. The remaining producer has begun expanding its facilities to make up the shortfall. This project will not be completed until mid-1980, thus forcing U.S. users to utilize overseas sources to secure adequate supplies of this needed material.

Reports with no objections were received from the Departments of Commerce, Interior, State, and Labor. The Department of Treasury favors enactment. No objections to this legislation have been received from any source.

Mr. Speaker, at this point I yield to the sponsor of the legislation, the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Speaker, I am most grateful for the consideration of this legislation today as it affects the availability of an item which is vital to the manufacture of furniture which is important to my district and State.

Section 3 of H.R. 3122 suspends the duty on imported nitrocellulose until July of 1980. Nitrocellulose is a resin which serves as the basis for a large number of fast drying, durable lacquer coatings and is used for automotive refinishing and for primer and other fast drying coatings for metal and plastics. One of the principal uses for nitrocellulose, and the one for which there is no substitute, is in the manufacture of finishes for wood furniture.

In 1977 one of only two domestic producers of nitrocellulose announced plans to terminate manufacture. This left a shortfall of more than 20 percent and has forced American paint and coating manufacturers to import nitrocellulose at a 9.7-cents-per-pound tariff. This represents a minimum of 10-percent increase over existing domestic prices and a handicap in the marketplace.

The suspension on the tariff on this item was almost approved in the closing days of the 95th Congress, but because of the press for adjournment and a controversial amendment added to the bill in the Senate, it failed to be adopted. This has caused manufacturers to absorb the price increases without passing along the costs and placed them at a disadvantage with their competitors who are able to buy the resin on the domestic market.

The bill only calls for a temporary suspension until 1980 when it is expected that the remaining domestic producer will increase its output. Manufacturers who require this resin in their products need this tariff relief if they are to sustain the losses incurred as a result of paying the tariff.

I urge my colleagues to support the proposal.

Mr. VANIK. Mr. Speaker, I want to thank the gentleman from North Carolina (Mr. PREYER) for his argument before the committee and for his success before the committee.

Mr. Speaker, section 4 of H.R. 3122 is to suspend until July 1, 1981, the duty on 2-methyl 4-chlorophenol.

2-methyl, 4-chlorophenol is a chemical intermediate used in the manufacture of certain phenoxy herbicides used in cereal grain production. A Tuscaloosa, Ala., corporation constructed a manufacturing facility in 1977 primarily for the production of these phenoxy herbicides. Availability of 2-methyl 4-chlorophenol is a key element in their manufacturing process and it is not available domestically. A temporary suspension of the column 1 rate of duty of 1.7 cents per pound plus 12.5 percent ad valorem would make it economically possible for the importation of 2-methyl 4-chlorophenol until this company completes planned construction of a U.S. production facility for this product.

The Department of Commerce submitted a report on this section of H.R. 3122 indicating no objection to this part of the bill.

Mr. Speaker, the purpose of section 5 of H.R. 3122 is to temporarily reduce the duty on imports of certain ceramic insulators having an aluminum oxide content of not less than 96 percent used in the production of highly specialized spark plugs to July 1, 1981. These spark plugs are used in stationary gas, natural gas, propane, or LPG engines.

When compared with total U.S. spark plug production, production of these specialized spark plugs is very limited, apparently less than 0.1 percent of total U.S. spark plug consumption. Domestic production is apparently limited to two firms, one large firm which produces its own ceramic insulators only for internal use, and which also produces auto and aircraft spark plugs, and a small firm which allegedly cannot economically produce its own ceramic insulators. That small firm presently imports ceramic insulators which bear a 15-percent duty and assembles the completed spark plug which then competes against imports of completed spark plugs which presently are dutiable at a rate of 4 percent ad valorem. The firm seeks to eliminate this advantage of foreign producers by reducing the duty on certain specialized ceramic insulators to 4 percent, the same duty paid by spark plug imports.

The Department of Commerce submitted a report on this section indicating no objection to this part of the bill.

Mr. Speaker, the purpose of H.R. 3122, section 6, is to continue the temporary suspension of duties on imports of certain zinc ore and concentrates until June 30, 1981.

This section would extend the previously expired suspension of the column 1 rates of duty on zinc ores and concentrates used by domestic zinc manufacturers as necessary raw materials in the production of zinc metal. The duty on these items was originally suspended in 1975 in recognition of the fact that U.S. mines do not have sufficient capacity to satisfy demand. The domestic zinc producers are seeking continuation of this temporary duty suspension to help them compete more effectively against foreign zinc producers.

Reports favoring this section of H.R. 3122 were received from the Departments of the Treasury and Commerce. The International Trade Commission

filed an informational report suggesting technical changes.

The bill, as amended, was ordered reported by the committee by voice vote and I urge adoption of this legislation. It ratifies what we did last year and what failed of passage in the other body. I hope that the House will support this legislation.

Mr. FRENZEL. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise to speak in support of H.R. 3122. H.R. 3122 is a consolidation of several separate measures which have been considered by the committee in prior years but which, for reasons unassociated with the substance of those bills, were never enacted into law. During the hearing on March 5 of this year no objections were made to any part of this bill.

Section 1 of H.R. 3122 would eliminate the duty on certain dyeing and tanning materials and would make such elimination possible retroactively to June 30, 1978. Both column 1 and column 2 entries are covered by the bill, although only minimal imports of these substances come from Communist countries. The dyeing materials which would be subject to the duty elimination provided for here are used primarily by the leather industry to convert rawhides and skins into leather. As well, these materials are used by the oil well drilling industry as a thinner for fluids used in drilling operations. Domestic production of dyeing materials competitive with the ones treated by this measure has been minimal and domestic availability has steadily declined. We are almost totally dependent upon imports for nearly all our requirements of vegetable tanning extracts. The domestic industry testified that this measure would help U.S. tanners to compete with imports and provides benefits to consumers by keeping down the price of leather. Exporting countries include Argentina, Brazil, Paraguay, Peru, and France which accounted for $9.5 million of imports into the United States in 1978. Albania accounted for $15,500 worth under column 2 duty treatment. There is an annual revenue loss of $235,000.

Section 2 would create a new item number for and would suspend the column duty on wood excelsior, including excelsior pads and wrappings until July 7, 1981, effective upon enactment. Even though there are 12 known domestic producers, there is a shortfall in supply. The duty reduction is not expected to harm domestic producers while expanding supply because the ratio shipping cost to product value is such that imports would not provide U.S. producers significant price competition. Canada is, by far, the most significant exporter to the United States of excelsior. The annual revenue loss would be approximately $1,000.

Section 3 of H.R. 3122 would suspend the MFN duty on imports of soluble nitrocellulose. Soluble nitrocellulose is a synthetic resin essential to the production of durable lacquer coatings used largely by the wood furniture industry. Additional uses include automotive refinishing, primers, paper coatings, and fingernail polishes. There is no domestic producer remaining who is attempting to expand production to make up for the supply shortfall and a 30 million pound reduction in domestic production since 1977. This expansion, however, will not be completed until mid-1980. The bill also provides for a separate item number for soluble nitrocellulose so that import data may be more reliable. Imports are generally thought to be negligible. The revenue loss cannot be estimated as no specific import data on soluble nitrocellulose is available.

Section 4 of the bill would create a new item number for and would suspend the MFN duty on 2-methyl-4-chlorophenol from the date of enactment until July 1, 1981. This product is used in the manufacture of herbicides for small grains, peas, and certain weeds. The product is not produced in the United States, but production of it and a competitive herbicide is planned within the next 3 years. A $314,000 annual revenue loss is expected.

Section 5 would create a new item number for and reduce the tariff on ceramic insulators used for producing spark plugs until July 1, 1931. Currently, this particular type of ceramic insulator is classified in a basket category and specific data on imports is unavailable. The high aluminum content ceramic insulator which is the subject of this bill is used in the production of spark plugs for use in stationary gas, natural gas, propane, or LPG engines. The measure would benefit a small Texas manufacturer of the special spark plugs for these types of engines. There are two domestic producers of this specialized insulator product. One of the producers is a major spark plug producer that uses the insulator to make its own spark plug for these types of engines. The other producer of the insulator is a small producer unable to keep up with demand. This measure would better enable the Texas spark plug producer to compete with the major spark plug producer. The revenue loss cannot be estimated.

The final section of H.R. 3122 would extend the previous suspension of MFN duties on certain forms of zinc until July 1, 1981. Even though U.S. consumption of the zinc forms in question here has declined, U.S. mines continue to have insufficient capacity to satisfy demand. This measure would make U.S. zinc producers better able to compete with foreign producers. Imports of the zinc ores in question largely originate in Canada, but also come from Mexico, Honduras, Nicaragua, Thailand, Australia, and Peru. The annual revenue loss is estimated at $1.7 million.

I strongly urge my colleagues to pass this bill so that further delays will not be met in helping these worthy domestic industries more effectively compete with imports and more efficiently serve the consuming public.

● Mr. SHELBY. Mr. Speaker, I would like to speak in behalf of H.R. 3122, particularly section 4, which incorporates H.R. 2580, which I introduced earlier in the session.

This section would suspend for 3 years the import duty on the chemical 2-methyl, 4-chlorophenol (PCOC). Such a suspension is vitally important to the owners and employees of an agricultural chemical plant located in my district.

Several months ago the Fallek-Lankro Corp., an Alabama company organized for the principal purpose of producing certain agricultural herbicides, brought to my attention a severe problem it was having in obtaining an economical supply of PCOC. This chemical, vital to their operation, is not produced in the United States and thus must be imported for use here.

The import duty on PCOC is 12.5-percent ad valorem, plus another 1.7 cents per pound. This very high duty, when added to the cost of the raw materials for PCOC, makes it uneconomical to produce the major two herbicides of the Fallek-Lankro line, MCPA and MCPP. The long range solution to this problem, I have been informed, is for Fallek-Lankro to construct a domestic PCOC manufacturing plant, which it plans to do. Until that time, however, it is hoped that the temporary suspension of duty for PCOC can be granted, and thereby enable the manufacturer to bridge the gap between conditions now and those when the PCOC facility is finished.

The vitality of this project is important to my district. Fallek-Lankro and a related company, the Alabama Western Chemical Corp., represent an augmented effort to revitalize a dormant 190-acre industrial site in Tuscaloosa through infusion of substantial sums of capital and creation of needed employment.

Alabama Western produces cresylic acids, which if upgraded, would be a source of certain other raw materials for the proposed herbicide production. The Fallek-Lankro Corp., has invested approximately $15 million in a modern, up-to-date plant in Tuscaloosa and Alabama Western has constructed the required cresylic enhancement capability at a cost of about $1,300,000. These plants became operational in October 1977 and have already added significantly to the domestic production capability for agricultural chemicals. Fallek-Lankro now employs more than 50 people; Alabama Western employs some 35—a total onsite employment of 85 people.

These jobs are especially important for my district, which has experienced the shutdown of two major industries and a cutback in another large chemical company. Therefore, while it is always desirable to have job opportunities arise in our district, it is even more important to us now.

The city of Tuscaloosa has a similar interest in the success of the project, since it facilitated the financing of the Fallek-Lankro Corp., through the issuance of industrial development revenue bonds.

In summary, the passage of 3122 would greatly help in insuring a great deal of economic and industrial activity both now and in the future and I hope the House will see fit to act favorably on it.●

Mr. FRENZEL. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. VANIK. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill (H.R. 3122), as amended.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the four trade bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PAY OF ARCHITECT OF CAPITOL

Mr. HANLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4732) to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol.

The Clerk read as follows:

H.R. 4732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law—

(1) the compensation of the Architect of the Capitol shall be at an annual rate which is equal to the annual rate of basic pay payable for positions at level III of the Executive Schedule under section 5314 of title 5, United States Code, and

(2) the compensation of the Assistant Architect of the Capitol shall be at an annual rate which is equal to the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

SEC. 2. The provisions of this Act shall take effect on the first day of the first applicable pay period commencing on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. HANLEY) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. COURTER) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4732 would increase the salary of the Architect of the Capitol from $50,000 to $52,500, and the salary of the Assistant Architect of the Capitol from $47,500 to $50,000.

The Architect of the Capitol is responsible for the care and maintenance of the Capitol, the House and Senate office buildings, the Supreme Court, the Botanic Garden, the Capitol powerplant, and 200 acres of Capitol grounds. He serves as a member of the Capitol Police Board, the Capitol Guide Service Board, the District of Columbia Zoning Board, the Pennsylvania Avenue Development Corporation, the National Capitol Historic Preservation Society, and is responsible for the civil defense functions of the Capitol. He supervises approximately 2,300 employees, and in fiscal year 1979 administered a budget exceeding $77 million.

In 1964, Congress established the salary of the Architect at $27,000, which was commensurate with the pay of the General Counsel of the GAO, the Librarian of Congress, and the Public Printer. The salary of the Assistant Architect of the Capitol was set at $25,500, which was equivalent to the salary of the Deputy Librarian of Congress and the Deputy Public Printer. At that time, the maximum rate of pay for legislative employees, other than elected officers of the House and Senate, was $24,500.

In recent years, the salaries of employees of the House have increased to rates equal to or greater than the salaries of the Architect and the Assistant Architect, even though the responsibilities of some of these positions are not equivalent to the responsibilities of the Architect and the Assistant Architect. Three employees of the Office of the Speaker and employees of the majority leader and minority leader have salaries set at $52,500. Two employees of each standing committee are authorized to be paid up to $50,000.

In view of the responsibilities of the Architect and the Assistant Architect, H.R. 4732 would fix their rates of pay at the rates effective from time to time for level III ($52,500) and level IV ($50,000) of the Executive Salary Schedule.

□ 1340

Those of us who are acquainted with the Architect and the Deputy Architect are most aware of their professionalism and the esteem in which they are held by their professional body. We know what they might be doing, from the standpoint of reimbursement, in the private sector. It seems that there is absolute merit associated with this measure. I am happy to report to the House that this bill moved out of committee without any dissent. It was unanimous.

Mr. Speaker, I yield back the balance of my time.

Mr. COURTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bill, H.R. 4732. This bill increases the salary of the Architect of the Capitol, as we know, from $50,000 to $52,500 and the salary of the Assistant Architect of the Capitol from $47,500 to $50,000.

The annual cost of this adjustment would be approximately $5,400.

I think the chairman of the committee, my distinguished colleague, the gentleman from the great State of New York (Mr. HANLEY), has articulately explained the functions of the Architect and the Assistant Architect of the Capitol.

This really is a small rise, consistent with the rises requested and given to other people in the executive branch. This adjustment for the Architect and the Assistant Architect, I believe, is in keeping with the pay of the employees of the Congress and the executive branch with a similar duties and responsibilities.

Mr. Speaker, I wish to congratulate the chairman and to state my support of the bill.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I am not at all sure increases of pay for any Capitol Hill staff or Members is warranted, but let us admit, for the sake of argument, that they are. I wonder if the gentleman from New York (Mr. HANLEY) could tell me whether or not he views this bill as any encouragement to the Architect to continue along the lines of the grandiose plans, as we have seen in the last few years, to expand the empire of Capitol Hill into surrounding areas of the community by buying up whole blocks of houses, building more House office buildings and more Senate office buildings. I would not want this modest increase in salary to be taken as a sign of approval for this kind of edifice complex extension that we have had so many times.

Would the gentleman give me his thought on that?

Mr. HANLEY. Mr. Speaker, if the gentleman will yield, as my very good friend, the gentleman from Maryland (Mr. BAUMAN) knows, the Architect really is but a creature of the Congress.

Mr. BAUMAN. That is where the fault lies, I will say to the gentleman. He is correct.

Mr. HANLEY. But if we have a problem, as the gentleman suggests, that problem emanates from this body and the other body on the other side of the Capitol. So it is up to us to discipline ourselves, because the Architect acts upon our direction. But adopting this measure certainly is not going to influence expansion of plans.

Mr. BAUMAN. But the gentleman concurs that there is no approbation contained in this, symbolic or otherwise, for some of the things that have been suggested from the Office of the Architect, even though Congress may have been behind them?

Mr. HANLEY. The gentleman is correct.

Mr. BAUMAN. I thank the gentleman.

Mr. HANLEY. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. HANLEY) that the House suspend the rules and pass the bill, H.R. 4732.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

RESIGNATION OF MEMBER AND APPOINTMENT AS MEMBER OF NATIONAL ALCOHOL FUELS COMMISSION

The SPEAKER pro tempore laid before the House the following resignation as a member of the National Alcohol Fuels Commission:

WASHINGTON, D.C.,
July 31, 1979.

Hon. THOMAS P. O'NEILL,
Speaker of the House,
H205, U.S. Capitol,
Washington, D.C.

DEAR MR. SPEAKER: Earlier this year you appointed me to the National Alcohol Fuels Commission and while I missed the official swearing-in, have attended their first meeting here in Washington. Unfortunately, I find with the kind of schedule they have laid out with hearings around the country, I will just not have the time to participate to the extent that I should.

I would therefore like to tender my resignation from the Commission.

Sincerely yours,
ROBERT H. MICHEL,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER pro tempore. Pursuant to the provisions of section 170(a)(3)(B), Public Law 95-599, and without objection, the Chair announces that the Speaker appoints as a member of the National Alcohol Fuels Commission the gentleman from Wisconsin (Mr. ROTH) to fill the existing vacancy thereon.

There was no objection.

GUN DECONTROL ACT OF 1979

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I am today introducing what is known as the Gun Decontrol Act of 1979.

Mr. Speaker, this legislation is proposed to change the focus of Federal firearms law enforcement from the present system of extensive bureaucratic regulation, under the guise of law enforcement, to an actual law enforcement strategy. It will remove from existing gun control statutes provisions which have proven to be of little use in combating crime or which have resulted in harassment of law-abiding gun owners with no off-setting law enforcement gains. Nothing in this bill will aid criminals; nothing will impede law enforcement.

SUMMARY OF THE LEGISLATION

This bill consists of amendments to the Gun Control Act of 1968 (sections 921 through 928 of title 18, U.S.C.), with corresponding changes in the provisions of the Omnibus Crime Control and Safe Streets Act of 1968 relating to firearms (sections 1201 through 1203 of title 18). The bill also acts to fully implement the exemption from recordkeeping requirements for small amounts of black powder previously provided by the Congress and negated by bureaucratic regulations.

The definitional section of the law is amended to provide positive guidance as to what constitutes "engaging in the business" with respect to the various aspects of the firearms industry. All law-abiding citizens who wish to engage in the business of dealing in firearms must, by law, have a license from the Federal Government to conduct their business. Citizens who occasionally sell a firearm, but who are not dealing in firearms as a business, do not need a license and are not issued one. Under current conditions, it is possible for one branch of the licensing agency to deny an application on the grounds that the individual will not in fact be "engaged in the business," while another branch of the same agency will arrest him for "dealing without a license" under the same exact circumstances that led to the denial of the license.

Dealers in ammunition are exempted from Federal regulation and associated recordkeeping requirements, and a defined list of disabling crimes is provided for the sections of law which prohibit certain persons from possessing firearms.

The unlawful acts provisions of the law are amended to replace the present exception-riddled restrictions on sales of firearms to out-of-State residents with a uniform standard. The bill would permit the sales of firearms subject to the other restrictions of the law (no sales to felons, minors, et cetera) and where legal under the laws of both the State in which the sale is made and the home State of the purchaser, to any eligible citizen regardless of whether he or she is a resident of the State in which the purchase is made. To avoid the possibility of abuses resulting from this change, the law is also amended to make it illegal for any person, not just a licensed firearms dealer, to sell or otherwise provide a firearm to a person prohibited by law from possessing a firearm.

Major changes are made in the licensing and inspection provisions to eliminate abuses that have occurred under present law. Treasury agents are required to have reasonable cause to believe a violation of the law has occurred before entering or inspecting firearms licensees' premises, and such inspections are established as the only means for examining firearms records, thus eliminating the possibility of firearms registration by bureaucratic fiat under the guise of improving recordkeeping procedures. The Treasury Department is also prohibited from attempting to revoke or deny renewal of licenses in cases where a licensee is charged with a violation but not convicted of such charges. Present language permitting the Treasury Department to provide State and local governments, at their request, with information regarding firearms purchasers is amended to provide that the Department may on its own initiative notify such governments any time it comes into possession of information regarding a prohibited person possessing a firearm.

The penalties provisions of the law are modified to require a person sentenced under the additional penalty provisions—regarding a crime committed with a firearm—to serve out the minimum penalty without parole. The provisions providing for seizure of firearms involved in violations are amended to provide that only firearms actually used in a violation may be seized. In any case where a successful motion is made for the return of such seized firearms, the Government is made liable for attorney's fees. The bill also provides that attorney's fees may be paid in any case brought under the provisions of this title if the judge determines the prosecution was in bad faith or constituted harassment.

The present rules and regulations provisions are amended to insure that no type of firearm registration rules may be issued, and a specific 90-day comment period on any other rules is required. New provisions are inserted to provide for congressional review of any regulations issued under this title.

Finally, provisions are inserted to insure that States may not interfere in otherwise lawful interstate transportation of firearms.

MAIN FEATURES OF THE BILL

DEFINITION OF "ENGAGED IN THE BUSINESS"

Existing law and regulations do not define what constitutes "engaging in the business" of dealing in firearms or ammunition, and the Bureau of Alcohol, Tobacco and Firearms consistently refuses to issue such a definition. As a result, each year numerous otherwise law-abiding citizens are charged with engaging in the business without a license after selling one or more firearms to undercover BATF personnel. Since the law does not prohibit sales by individuals as long as they are not "engaged in the business," and since BATF refuses to define that act, citizens are at the not-so-tender mercies of BATF agents, who are under pressure to "make cases" to demonstrate activity by the Bureau, and of Federal prosecutors.

Abuses in this area have been widespread. In many cases arrests are made, accompanied by massive publicity efforts by BATF and confiscation of the individual's firearms, and then no prosecution is forthcoming. The unfortunate individual has no course of action to clear his name, which has usually been prominently displayed in local newspapers. The proposed changes will hopefully eliminate these abuses.

"Engaged in the business" is defined for each type of Federal firearms licensee. For firearms manufacturers, it is any person who manufactures one or more firearms per year for purposes of sale or distribution; for ammunition manufacturers, it is any person whose gross sales of his own manufactured ammunition exceed $1,000 in any calendar year—this provision exempts persons who handload their own ammunition and load limited amounts for friends and neighbors, for which they recover the costs of the powder and components, and for importers of firearms, it is any person who imports one or more firearms in a calendar year; for importers of ammunition, it is any person who imports any ammunition for sale or distribution.

The definition of "engaged in the business" for dealers, which is the crux of the problem, is somewhat more complex. The bill draws a careful distinction between persons who are actually engaged in the business of selling firearms, and private citizens who may from time

to time sell, purchase or exchange a firearm, with the latter not being subject to regulation by the Federal Government.

Three elements are included in the definition. To be considered to be "engaged in the business" a person must: First, deal in firearms as a regular course of trade or business; second, do so with the principal objective of making a livelihood and profit through the purchase and resale of firearms; and third, do so on a repetitive basis. These are the elements that distinguish a businessman from a hobbyist in any field, and they are particularly appropriate for the firearms where his collection is located—usually his home—whenever they desire.

The bill revises this to provide the licensed collector the opportunity to collect whatever type of firearm he desires, by eliminating the "curios and relics" provision from the law. Since collectors do not "engage in the business" of dealing in firearms, a new, limited requirement is established for recording their transactions in firearms. Collectors will be required to record the name, address, and other relevant information about purchasers, and maintain it in a bound volume, the nature of which BATF already prescribes from licensed dealers. Collectors are afforded the protections from arbitrary searches discussed below with respect to dealers.

Since collectors, like dealers, must be investigated prior to the issuance of a license, this action should have no law enforcement implications whatever. It will simply reduce Government paperwork and control over private hobbies. The concept of Government regulation of a hobby would normally be extremely difficult to justify, but the ban on mail-order firearms sales to the general public enacted as part of the Gun Control Act of 1968 (and not altered by this legislation) requires some such measure if collectors were not to be forced to abandon their hobby. This legislation serves to insure that the Government is not in the business of telling citizens what firearms they may collect.

The bill will eliminate from the law the concept of a licensed ammunition dealer. Individuals in this category are primarily convenience dealers—bait-and-tackle shops and general stores—who do not sell firearms. There are over 7½ billion bullets sold yearly, and the present recordkeeping requirements for ammunition do nothing but generate paperwork and provide another class of persons for the Government to regulate.

There is no evidence that ammunition recordkeeping has solved any crimes. Both the Justice and Treasury Departments have gone on record in favor of exempting .22 caliber ammunition from recordkeeping because of this, and their statements are equally applicable to other types of ammunition.

It is important to note that these new definitions will not in any way relax the current prohibitions on dangerous criminals possessing or obtaining firearms. In fact, other provisions of the bill which will be discussed later, improve these prohibitions. The bill merely removes Federal regulations from transactions between law-abiding private citizens, thereby insuring that those citizens will not be entrapped by Government agents, for supposedly committing a crime the Government refuses to define until after it accuses a citizen of committing it.

COLLECTORS

The bill revises the law significantly with respect to gun collectors. Present law provides licenses for collectors of "curios and relics," which are defined by regulations issued by the Treasury Department. A collector is permitted to purchase his "curios and relics," some of which are operational firearms, in interstate commerce via the mail. In return for this limited privilege, he must meet the same paperwork requirements as licensed dealers, and must permit BATF agents to inspect his records, his firearms, and the premises on which his collection is located, usually his home whenever they desire.

INSPECTIONS AND LICENSING

The bill amends present provisions dealing with licensing, inspection of licensees, and reports from licensees to eliminate abuses that have occurred and enhance fourth amendment rights of licensees.

The major change in this area is to require Treasury agents to have reasonable grounds to believe a violation of this chapter has occurred, and that evidence of this violation may be uncovered, in order to enter a licensee's premises and inspect his records or inventory. This will bring an end to the present practice of inspections bordering on harrassment, generally for no cause whatever. It will also serve to move the law in the direction of the recent Supreme Court decision (Barlow against Marshall) limiting the inspection powers of the Occupational Safety and Health Administration (OSHA).

There is no good reason for "compliance" inspections. Proper law enforcement can best be served by concentrating resources on cases where there is actual reason to believe a licensee may be violating the law, such as prohibited persons being found in possession of firearms originating with the licensee. In this manner, cases can be made against persons who are committing serious violations of the law. The present system of inspecting licensees merely to insure that their paperwork is in order is a waste of personnel at a time when BATF is seemingly unable to achieve the primary purpose of the law—keeping firearms out of the hands of criminals.

The bill also moves to protect firearms licensees against vindictive actions by BATF personnel. There have been documented instances where charges against licensees have been dismissed by the courts, and the BATF personnel responsible for the charges being filed have subsequently attempted to have the person's license canceled for the very accusations dismissed by the court. In effect, the agency is ignoring the verdict of the courts and placing the unfortunate citizen in double jeopardy, to say nothing of double legal fees.

Accordingly, the bill prohibits the Secretary from taking into account any such charges for which a licensee has not been convicted when making any decisions as to the issuance or revocation of a license.

In order to prohibit a repetition of BATF's attempt at firearms registration by decree, the bill specifies that on-site inspections, as discussed above, will constitute the sole means for inspecting licensees' records.

Finally, the bill amends the provisions of existing law which permit the Secretary to make available to State and local governments any information he may obtain from licensee records, when so requested by those governments. This could conceivably result in names of firearms owners or purchasers being distributed by the government. The bill restricts this information to details regarding prohibited persons obtaining a firearm, and provides that the Secretary may issue this information upon his own initiative.

SEIZURE OF FIREARMS AND OTHER ENFORCEMENT MATTERS

Major problems have occurred as a result of indiscriminate seizures of firearms under the provisions of current law. Firearms have been seized that are not even remotely connected with charges being brought against their owner; seized firearms have not been released when the owner is acquitted of charges (in fact, forfeiture proceedings have been instituted in cases where owners were acquited of the charges on which the seizures were made); and firearms have been seized and no charges have been brought against the owner. In some such cases, the owners have been advised that charges would be filed if the owner attempted legal action to recover his property. Examination of BATF confiscation report indicate that most firearms so confiscated are not "crime guns", but expensive rifles and shotguns. Many of these are "retained for official use", including bolt-action hunting rifles that have no conceivable law enforcement use.

These cases primarily involve firearms collectors, although dealers are occasionally also so treated. Even in instances where the collector ignores the threats of prosecution and attempts to recover his firearms, there are substantial legal fees involved. The bill accordingly provides that in any case of successful action to recover property seized under the provisions of the Gun Control Act, the judge shall award attorneys fees to the prevailing party.

To further control abuses, the bill specifies that only firearms actually involved in the violation may be seized, eliminating the present standard of "used or intended to be used". Enforcement personnel have generally interpreted this language to mean any and all firearms owned by any person accused of violating the law may be seized. Properly, only a firearm actually involved in an illegal action, such as offering it for sale to a prohibited person, should be seized. The notion that a person accused of a crime must have all of his property similar to that involved in the alleged violation confiscated, presumably

on the assumption that he will also use it illegally, is completely foreign to our concepts of justice.

Because of the widespread abuses in arrests and prosecutions under the firearms laws, the bill provides judges with discretionary authority to award attorneys fees in cases that are without foundation or brought in bad faith. While neither this provision nor the other changes being proposed will guarantee an end to such abuse, it will at least reimburse the victims for some of their monetary losses.

Although the additional penalty provisions of the law, requiring an additional one-to-ten year sentence for anyone who uses a firearm to commit a crime, are apparently being universally ignored by the judiciary, the bill tightens such provisions in the hope that they will be utilized, by insuring that anyone sentenced under these provisions may not be paroled before completing his sentence.

RULES AND REGULATIONS

Abuses of the rulemaking authority by the Secretary, particularly his undercutting of the exemption of black powder from recording keeping requirements, specifically provided by Congress, and the recent attempt at firearms registration by regulation, have resulted in four restrictions on that authority being placed in the bill.

The first specifically prohibits him from issuing any regulations regarding the transfer of firearms records maintained by licensees, or of any of their contents, to any facility controlled by the government, thus eliminating the possibility of any new attempts at "backdoor" registration. The second restriction requires a 90-day public comment period for any proposed regulation dealing with firearms. Present law only requires an opportunity for comment without specifying its extent.

The third, and most important, restriction is the inclusion of a legislative veto over any regulation issued with respect to firearms.

The fourth, in response to BATF's decision to ignore Congressional action exempting black powder in quantities up to 50 pounds from recordkeeping requirements, nullifies any regulations the Secretary may issue with respect to the retail sale of black powder, manufactured for sporting purposes, in quantities of up to 50 pounds.

These restrictions will hopefully take BATF out of the political arena, leaving the Treasury Department free to administer the law and the Congress unchallenged in its authority to make the law.

INTERSTATE SALES

The present law is riddled with exceptions almost to the point of being chaotic when it deals with the interstate sale or transfer of firearms. One may inherit a firearm from a person in another State, but may not receive the same firearm as a gift from that person while he is alive. An exception is made for rifles and shotguns if the persons happen to live in adjacent States and the legislature has passed a law permitting sales and transfers between the adjacent States (as all but seven have done).

However, a person traveling two or more States from his home may not purchase or otherwise obtain a firearm, unless, he is hunting, in which case he may rent or be loaned a firearm; or unless his gun is lost, stolen, or becomes inoperable while hunting or target shooting, in which case he may purchase a replacement by filling out a form stating that his gun was lost, stolen, or became inoperable.

The bill will replace all this with a uniform standard, providing that any person not otherwise prohibited from obtaining a firearm may purchase a firearm in any State, so long as the purchase is legal under the laws of the State in which the sale is made and the State and locality in which the purchaser resides. All other provisions of law, such as identification of the purchaser and the various recordkeeping requirements, would remain in force.

This change is made for two reasons in addition to a desire for rational laws. First, there is little, if any, evidence that lawfully-obtained firearms are involved in any illegal interstate transfers for criminal purposes; accordingly there is no reason for such an arbitrary restriction on transfers by law-abiding citizens. Second, BATF, in one of its few useful actions, annually publishes a complete list of State and local firearm laws. This insures that dealers will be able to meet the "legal at both ends" requirement proposed in this bill, and removes whatever arguments might exist against such action on the grounds it might undercut State or local firearms laws.

PROHIBITED PERSONS

Existing law prohibits anyone convicted, or under indictment for, a felony, who is fugitive from justice, a drug addict, a mental patient, an illegal alien, or who fits in any of several related classifications from possessing a firearm under any circumstances, unless pardoned and specifically authorized to possess a firearm. The bill would change this in two ways.

First, a specified number of offenses, involving actual or implicit violence in their commission, are substituted for the blanket term "any felony." Prohibiting possession of firearms by persons whose past history indicates a predisposition to use them on others is only commonsense; however, this objective can be achieved without similarly disabling other persons who were convicted of an offense that did not threaten the physical safety of others. Once these persons have "paid their debt to society" and are presumably rehabilitated, there is no real reason why they should be prohibited from hunting or other legitimate uses of firearms. The crimes enumerated in the bill represent a "best judgment" as to what should be disabling; it is quite possible that other crimes should be added to the list, and attention should be given to this as the bill is given legislative consideration.

Second, the term "under indictment" is dropped from the law. There is no justification for imposing a penalty prior to a conviction. A person must be considered innocent until convicted, and the law in fact does that with respect to firearms licensees, who are permitted to continue operations under their license if charged with a crime until all appeals are exhausted. Similarly, if their license is revoked or not renewed, they may continue to operate until all appeals are concluded. The bill applies a similar standard to ordinary citizens. Current law can easily result in a person being forced to dispose of his firearms, including valuable collections, before he has a chance to defend himself against the charges, no matter how baseless they may be.

TRANSPORTATION OF FIREARMS

Problems have recently arisen due to local officials, particularly in New York City, interfering or threatening to interfere with the transportation of firearms through their jurisdictions. In a typical case, a person would be traveling from State A to State B on a hunting trip and would use one of the New York airports to make a connecting flight. Having his guns in his baggage, he is in violation of New York City's gun control laws, even though his possession of the firearms was perfectly legal in both his point of origin and his destination. And he was transporting them in accordance with Federal regulations.

This is unwarranted interference with interstate commerce, and the bill therefore prohibits any State or local laws or regulations which have the effect of prohibiting such legal transportation, provided that the firearm is unloaded and not readily accessible to those engaged in the transportation. This would in no way interfere with local officials' ability to prosecute anyone for using a firearm in violation of local laws, but would preserve the right of free travel for legitimate firearms users.

Mr. Speaker, I welcome all cosponsors. This legislation is being cosponsored today by the gentleman from Oklahoma (Mr. SYNAR), the gentleman from Ohio (Mr. ASHBROOK), and the gentleman from Wisconsin (Mr. SENSENBRENNER).

THE PRESIDENT MUST INSIST ON THE REMOVAL OF SOVIET TROOPS FROM CUBA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, over the course of the past 2 years, I have written to the President numerous times and made several speeches on the floor of the House about my concerns over the documented Soviet buildup in Cuba.

The President had ignored these repeated warnings until just recently.

His failure to take firm action when this Soviet buildup was taking place with impunity over the past 2½ years has told the world that the United States does not have proper leadership to defend itself.

More than 70 Members of the House cosponsored my resolution (H.J. Res. 740) in the last session of Congress, urging the President to use all necessary means to stop Soviet military activities in Cuba.

I am today reintroducing that resolution, to demonstrate again that there is growing congressional insistence that the President act firmly to get the Soviets out of Cuba, and this hemisphere.

I would like to include the resolution at this point in the RECORD:

H.J. RES. 394

Joint resolution expressing the determination of the United States with respect to the situation in Cuba

Whereas the Soviet Union has deployed military personnel to Cuba for the purpose of piloting and maintaining Cuban Mig fighter aircraft, to operate Cuban radar installations, and for other military purposes; and

Whereas this Soviet deployment of military personnel into this hemisphere has occurred in conjunction with the depletion of Cuban military forces through the intervention of tens of thousands of Cuban troops in Africa in support of various Communist-supported military actions on that continent; and

Whereas such deployment of Soviet military personnel to Cuba, and Soviet and Cuban military personnel, arms, and support to Communist forces in Africa, is in the interests only of Communist expansionism and not in the interests of world peace; and

Whereas such Soviet military presence and buildup in Cuba is in violation of the Monroe Doctrine of 1823, which termed any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety," and of the Kennedy-Khrushchev agreements of 1962, which assured no deployment of Soviet forces or offensive arms in Cuba; and

Whereas in the Rio de Janeiro Treaty of 1947 the parties agreed that "an armed attack by a State against an American State shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations"; and

Whereas the Punte del Este Resolution II of the Organization of American States of January 1962 agreed "to urge the Member States to take those steps that they may consider appropriate for their individual and collective self-defense, and to cooperate, as may be necessary or desirable, to strengthen their capacity to counteract threats or acts of aggression, subversion, or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent by whatever means may be necessary the Communist regimes of the Soviet Union and Cuba, acting individually or collectively, from extending by force or threat of force their aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability, or the deployment in Cuba of military forces from another nation, for the purpose of establishing a stronger base for Communist expansionism in this hemisphere, thus endangering the security of the United States and other non-Communist nations; and

(c) to work with the Organization of American States and with freedom-loving people of all nations to implement collective security agreements and to support the aspirations of all people in this hemisphere for freedom and self-determination; and be it further

Resolved, That the President of the United States take every possible action to carry out the intent of this resolution.

NIGERIA READY TO BREAK OIL PRICE CEILING

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous material.)

Mr. SENSENBRENNER. Mr. Speaker, last Wednesday the House voted down an amendment that was designed to cut off foreign aid to OPEC countries on the ground that the countries that were receiving American foreign aid were truly America's friends. News travels fast. In this morning's Wall Street Journal an article appeared that Nigeria, which is one of the recipients of American foreign aid, appears ready to break the OPEC oil price ceiling and impose a $3 to $5 per barrel surcharge on top of the already existing price structure for oil. The Journal reported that Nigeria's impending price boost is a far more overt and potentially trend-setting move in that it could trigger further OPEC oil price increases by others.

The time has come for the administration to cut off foreign aid to countries that wish to gouge the American public with further price increases for oil.

The Journal article is as follows:

NIGERIA APPEARS READY TO BREAK OIL PRICE CEILING

(By Peter B. Roche)

Nigeria appears to be ready to break the oil price ceiling of $23.50 a barrel set by the Organization of Petroleum Exporting Countries last June.

Such a boost could trigger comparable increases by Algeria and Libya, which produce similar qualities of crude oil.

Nigeria is the U.S.'s second largest source of imported oil. It produces light, low-sulphur grades that are preferred by American refiners for processing into gasoline.

Although all purchasers of Nigeria crude oil haven't been advised of an impending price increase, one Nigerian producer has been informed of a proposed price premium of $3 to $5 a barrel to be charged, effective Oct. 1, on oil sold by the Nigerian National Petroleum Corp. Since that state-owned concern currently controls 60% of the 2.1 million to 2.2 million barrels a day of oil produced there, the new premium would apply to sales of about 1.2 million barrels a day.

"We have an ongoing dialogue with the Nigerians," the oil producer said, "and during our discussions the Nigerians said they were thinking about charging a $3 to $5 premium as of Oct. 1."

Some other companies that produce oil there said they hadn't heard about any price premium proposal yet. Starting today, however, other producers are being called in for regular quarterly talks about "details" of their production contracts in Nigeria for the fourth quarter. Such meetings will be taking place in Lagos, Nigeria's capital, all during the week.

Prices for Nigerian oil are already at, or scraping, the $23.50 a barrel OPEC ceiling. For example, Forcados, the biggest seller among Nigeria's various grades of crude, costs $23.10 a barrel plus a two-cents-a-barrel port fee. Other Nigerian grades range in price from $22 a barrel to $23.50 a barrel for its highest quality oil, Brass River. A $3 premium tacked on any grade of Nigerian oil would thus put the price well ahead of the OPEC maximum.

Qatar, another OPEC producer, previously broke the OPEC ceiling by auctioning off three million barrels of crude at prices understood to range from $34 to $35 a barrel. But Nigeria's impending price boost is a far more overt and potentially trend-setting move.

Lately, Nigeria has been aggressively altering its relationships with international oil companies.

As of Aug. 1, Nigeria nationalized British Petroleum Co.'s remaining oil interests there in apparent retaliation against British oil exports to South Africa. That deprived BP of some 250,000 barrels a day of Nigerian oil. The Nigerians had previously cut BP off from the right to buy a further 100,000 barrels a day of government supplies.

Also, effective Aug. 1, Nigeria began a general cutback of crude oil production of 10% to preserve dwindling reserves. Prior to that move, Nigeria had also decided to increase its share ownership in all producing properties there to 60% from the previous 55%.

Even with these recent developments, however, some oil company producers of Nigerian crude said they didn't think Nigeria would go so far as to break the OPEC ceiling. "I can't see the Nigerians raising their prices on their own," one trader said. He added that a similar move was threatened for the third quarter but hadn't materialized. "Nigeria doesn't want to be a price leader," he said.

Traders in Europe have been speculating that Nigeria, perhaps followed by Algeria and Libya, might attempt a price increase above the OPEC maximum because these high-quality crudes are currently priced relatively low compared with other inferior grades.

"There may be some fire under the smoke this time," another oil trader said, "but how big the fire is, I don't know."

Nigerian producers include companies such as Royal Dutch/Shell Group, Gulf Oil Corp., Phillips Petroleum Co., Mobil Corp. and Texaco Inc.

LOU DELLA VALLE CONSTRUCTION INDUSTRY AWARD

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, the Marin Builders Exchange is the organization in Marin County that represents our building and construction industry, with 600 members employing approximately 6,000 people. On September 14, 1979, the Exchange and the San Rafael Elks Club No. 1108 will present jointly the Lou Della Valle Construction Industry Award to two of my constituents.

To be honored as the first Construction Industry Woman of the Year is Judy Giodnis, who has made contributions to the industry in Marin County far exceeding the requirements of her job as office manager of the Exchange. She is familiar with every aspect of the industry, from knowing whom to call in every public works department to unsnag redtape, to advising builders on how to file a complaint with the State contractors licens-

ing board or a notice of lien. She knows how to get things done, has the patience of Job and a keen sense of humor, and she often provides that invaluable shoulder to cry on when a project goes sour.

It is not surprising that in 1976 she was named Elks Club Citizen of the Year, and it is with great pride that I make these remarks about her today.

Being honored as Construction Industry Man of Year is John Kunst, owner of Kunst Brothers Painting. John comes from a prominent paint family—his twin brothers own Bud Kunst Painting, and the family has a paint business in San Francisco. He is past president of the Marin Builders Exchange, past exalted ruler of San Rafael Elks Lodge No. 1108, past president North Bay Council of Builders Exchanges, secretary-treasurer of Painting and Decorating Association of Marin, and currently serves as president of the California State Builders Exchange. In addition, he has been director of the college of Marin Alumni Association, and is a member of the University of San Francisco Alumni Association and the San Rafael Rotary Club.

John's major contributions have been the improvement of the industry's image in Marin County through his enthusiastic participation in the Exchange's activities, and his input to the California Legislature. With all these accomplishments, he has somehow found time to coach football at his high school alma mater, and to volunteer his energy in the restoration of St. Mary's Catholic Church in Nicasio, Calif.

It gives me great pleasure to be able to join in this tribute to John Kunst and Judy Glodnis.

HIS EMINENCE JOHN CARDINAL KROL HONORS THE 200TH ANNIVERSARY OF THE DEATH OF GENERAL PULASKI WITH A TRIBUTE TO THE PEOPLE OF POLAND AND THEIR FIGHT FOR HUMAN RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

● Mr. KEMP. Mr. Speaker, I was extremely privileged last night to attend the General Pulaski banquet in Buffalo, N.Y., and to hear the stirring words of His Eminence John Cardinal Krol as he paid tribute to the long history of Poland's dedication to human rights and freedom. Alice Posluszny, the evening's banquet chairman, spent many hours in making this dinner one of the most enjoyable I have ever attended.

The banquet was organized by the General Pulaski Association and outstanding contributions to the evening were made by His Excellency, Bishop Edward D. Head; Most Rev. Pius A. Benincasa, Auxiliary Bishop of Buffalo; Matthew W. Pelczynski of the Am-Pol Eagle and president of the General Pulaski Association; Alice Posluszny, banquet chairman; Judge Matthew J. Jasen; Clara Weber; Rev. Cornelian Dende; Rev. Msgr. Peter J. Adamski, and my colleague, Representative HENRY NOWAK, County Executive Ed Rutkowski, and Mayor James Griffin and former Congressman Thad Dulski.

Cardinal Krol said in his remarks:

The history of the Catholic people of Poland offers a ten century example of how deeply they understood and practiced the Church's teachings on human dignity and human liberty.

In their long history (Poles) manifested a passionate devotion to liberty: their own as well as that of others. They lived with the conviction that freedom is indivisible—that freedom is for all—that unless all are free, freedom is in jeopardy. They lived by the maxim, "Polak Nie Sluga"—"A Pole is not a Serf," and to safeguard freedom they helped others to fight "for your freedom and for ours."

Without this dedication to the God-given rights of freedom and individual dignity by such monumental figures as Pulaski and Kosciuszko, the American Revolution might not have been won. And without the courage of the Polish people to fight for the freedom of other nations and religions during the Middle Ages, the principles of freedom would not have spread so far.

This year's celebration of Pulaski Day falls near the 40th anniversary of the invasion of Poland by Nazi Germany, and Cardinal Krol pointed out the fierce dedication the Polish people carried toward the preservation of their religious and civil rights in the face of persecuton and death. Since the early middle ages, Poland has been a haven for victims of religious persecution, and the advent of World War II did not stop this tradition of religious tolerance. Unfortunately, recent popular interpretations of the horrors of World War II such as the television drama, Holocaust, failed to dramatize the organized Polish underground that existed during the war solely for the purpose of protecting the Jews from the Nazi slaughter. Hundreds of Poles were caught in this network and shot for their courageous efforts on behalf of their Jewish friends and neighbors.

Mr. Speaker, Cardinal Krol's words are an inspiring account of the long tradition of courage and bravery by the Polish people throughout the ages, and I would like to enter them into the RECORD in commemoraation of all Poles who have fought and died for that most precious and elusive gift—liberty:

ADDRESS BY JOHN CARDINAL KROL

Greetings: To his Excellency, Bishop Head, for his cordial invitation to Buffalo and to be a guest in his home, and to the General Pulaski Association of the Niagara frontier for its invitation to address this seventh annual General Pulaski banquet, I am truly grateful.

This banquet, is distinctive, because not only is it a customary preparation for the annual Pulaski parade, but it anticipates the 30 foot bronze cast sculpture of General Pulaski—a generous gift—costing over $600,000 to construct—of the people of Poland to the people of Buffalo and of the United States. This gift is made in observance of the 200th anniversary of the death of General Pulaski, who fought and died for America's freedom in the revolutionary war.

In the 1876 Centennial observance, the United States struck a medal with the images of Kosciuszko and Pulaski with the inscription: "Kosciuszko et Pulaski, Populorum Libertatis Milites"—"Fighters for the Freedom of Peoples."

The subject of freedom—of liberty is quite popular today. Colonialism is yielding to liberty and autonomy for emerging nations. Civil liberties capture headlines and command the attention and time of legislators, judges, and various organizations and agencies. The II Vatican council issued a decree on religious liberty as a civil right, and in other documents reaffirmed the rights of individuals and peoples to civil, religious and economic freedom.

Since we honor, a general from Poland who fought and died in the Revolutionary War for America's freedom, we might well consider the factors that impelled General Pulaski—and also General Kosciuszko to leave Poland to fight for America's freedom. We might well ask how and why these men acquire such a dedication to the freedom of a people and a nation, other than their own.

It should be noted the dedication to the cause of freedom of our revolutionary heroes is not unique in the history of the Polish people and nation.

There is a cemetery on Montecassino in Italy where over 1,000 Polish soldiers are buried. These soldiers, members of General Wladyslaw Ander's army, in a fierce battle from May 12–18, 1944 captured the Monastery of Montecassino an objective which the British forces had been struggling to achieve since February 19, 1944. The inscription on the large tablet marking the gravesites reads:

"For your freedom and ours,
We Polish soldiers
Yield our souls to God and our bodies to Italian soil,
And our hearts to Poland."

Many of us are familiar with the Polish national anthem *Jescze Polska Nie Zginela Poki' My Zyjemy*—Poland Shall Not Perish While We Live. Perhaps not many know that this mazurka was the battle song of the Polish legions who in July 1797 fought under General Dabrowski in Reggio, Italy with Garibaldi for Italian independence.

In the XVII century the Tartars and Turks were threatening to inundate the Christian and western civilization of Europe. The then King of Poland John Sobieski, repelled the invaders at Chocim in 1673. Ten years later he scored a decisive victory over the invaders at the battle of Vienna. It is ironic that Russia, Austria and Prussia, which benefited from King Sobieski's defense of Vienna, in three strokes—1772, 1793, and 1795, progressively occupied and divided Poland, subjugating it totally. So that for a period of 146 years—from 1772 to 1918, or a period of 123 years—from 1795 to 1918 Poland did not exist as a nation. The French philosopher Jean Jacques Rosseau at that time advised the people of Poland: "Poles, if you cannot prevent your neighbors from devouring your nation, do your best to make it impossible for them to digest it." It is interesting to note that when the three powers compiled their territorial settlement of Poland, they made a reciprocal pledge, never to use a title which could recall the existence of Poland. In 1872, Bismarck the iron chancellor issued a declaration that Poles must be exterminated. A series of insurrections in 1830-33-37-44-46 and 63, served the three occupying powers to increase repressive measures and efforts to denationalize.

It is a rare if not unique paradox, that 123 years after its vivisection, Poland like the mythical phoenix rose out of its ashes to become once again a free nation.

Forty years ago on August 23, 1939, the minister of Soviet Russia Molotov and the minister of the German Reich von Ribbentrop entered a secret agreement on mutual spheres of influence. The agreement provided:

"In the event of a territorial and political rearrangement of the areas belonging to the Polish State, the spheres of influence of Germany and the U.S.S.R. shall be bounded

approximately the line of the rivers ar Ew, Vistula and San."

The intent of the agreement is too obvious to require comment. It was not conquest—it was planned annihilation.

Exhilarated by the capitulation of the Austrians and Sudetins, the Hitler air and military forces, on September 1, 1939 attacked Poland. The indomitable Poles chose to fight and if need be die, rather than to capitulate. Hitler unleashed the fury of 87 divisions against Poland. On September 17, 1939 100 Soviet army divisions attacked the Poles resisting the Nazi Army. The stubborn resistance of the Poles infuriated Hitler. By a vindictive, systematic bombing he reduced Warsaw to one-tenth of its size—740 acres of the city were leveled into a huge heap of rubble. On September 28, 1939, Hitler announced that Poland was finished as a nation. On October 31, 1939, Molotov boasted to the U.S.S.R. Supreme Council, that the joint operation of Russia and Germany, Poland was conquered, and he added: "Nothing is left of that monstrous bastard of the Versailles Treaty!".

It is of interest that before the pilgrims landed at Plymouth Rock in 1620, some Poles had settled in the Virginia colony 1608–1619. The records show that three Poles (Court Book of the Virginia Company of London, July 21, 1619), imported as skilled craftsmen, declared a strike, not for wages, but for the right to vote. They would not accept the status of second class citizens.

We might well ask what is the source of this indomitable spirit—of the fierce love and dedication to freedom. What motivates the Poles to risk and sacrifice their lives in resisting tyranny, oppression, occupation and subjugation. What prompts them to fight for freedom at home and abroad and to fight "for your freedom and ours".

To appreciate and understand the passionate dedication to and love of freedom by the Polish people we should recall that both the political and religious history of Poland dates to the recorded single event of the baptism of Duke Mieszko I and the subsequent christianization and unification of the Polish tribes. The history of the church in Poland and the history of the Polish people are interwoven intimately and inseparably. The church, never a stranger to the land and its people, was the principal source of the national social and cultural heritage. It united the people for their patriotic good and strength and sustained them for almost a century and a half of oppression and persecution. The people of Poland lived by the motto "God and Country", and always treasured the encomium "Poland Ever Faithful" given to them by the successors of Peter—the popes.

The history of the Catholic people of Poland offers a ten century example of how deeply they understood and practice the church's teachings on human dignity and human liberty. With Saint Paul the church teaches "for you have been called to liberty, brethren." It teaches that God made man to his own image and likeness and endowed each individual with an immortal soul, and with liberty placing under the control of each person all rational actions. For these actions, each person will merit reward or punishment. Poles accepted and lived by these teachings about human dignity and human liberty. In their long history, they manifested a passionate devotion to liberty:—their own as well as that of others. They lived with the conviction that freedom is indivisible—that freedom is for all:—that unless all are free, freedom is in jeopardy. They lived by the maxim "Polak Nie Sluga"—A Pole is not A Serf" and to safeguard freedom they helped others to fight "for your freedom and for ours".

No Nation is free of human weakness and imperfection. No Nation—Poland included—has a perfect record of respecting human dignity and human freedom. But very few nations can match the record of the Polish people for respecting the dignity, liberty and the rights of others.

Poland, almost from its earliest history, became a haven, a refuge for persecuted Jews. By the statutes of Kalisz in 1264—Bolesiaus the Pius, granted all Jews equal protection under the law and a guarantee of freedom of worship. The book of Jewish knowledge refers to these statutes as a "celebrated chapter . . . the only one of its kind in the history of Christendom." The new Jewish encyclopedia refers to the special legal protection and security granted to Jews under Casimir the Great in the fourteenth century, and to the high degree of autonomy granted Jews in Poland in the sixteenth century, under the authority of the famous council of four lands. This council, accountable to the King, enjoyed a measure of autonomy similar to that of the Sanhedrin mentioned in the scriptures.

After Poland regained its independence after the First World War, Marshall Pilsudski opened the doors of Poland to the Jews "Litvaks" persecuted by the Bolsheviks. Around 800,000 found refuge in Poland. Within the past decade, a large book has been published, containing the names of many hundred Poles, who were shot by the Nazis for sheltering and aiding Jews.

The famed charter of liberties—the Magna Carta of England (1215) was emulated in 1374 by the pact of Kassa which placed restrictions on Polish kings and princes, for the benefit of the community.

In 1414 Pawel Wlodkiewicz, the rector of the University of Krakow submitted a memorandum entitled "The Power of Pope and Caesar Relative to Non-believers" to the council of constance. He defended religious tolerance and freedom for unbelievers, against the established practice of conquest of Pagans and their territories under the guise of Christianization. For the effective protection of the rights and liberties of individuals and of peoples, he proposed an international organization, which would judge and apply effective sanctions to violators. His ideas were expressed 550 years later in the Vatican II decrees on religious liberty and the relations of Christians and non-Christians. The United Nations is but a partial implementation of the proposals made by Pawel Wlodkiewicz in 1414.

In 1430, two and a half centuries before the Habeas Corpus Act in England, civil liberty laws were enacted in Poland. They guaranteed the rights of persons and property and granted freedom of press, speech and assembly.

In 1454 the statutes of Nieszawa, deprived the king of the right to declare war or to enact legislation without the consent of the people.

In 1551 Father Peter Skarga and Andrew Frycz Modrzewski called for social reforms and special concern for the education of children and care for the poor. Some of their ideas found expression in our National Education Act of 1965, and in our Economic Opportunity Act and our social security and medicare programs.

While religious intolerance caused the death of thousands of Catholics and Protestants in other countries, the Polish nobility assembled in January, 1573 and adopted the "Warsaw Confederation" policy, never to spill blood for difference of faith or church: always to oppose any attempt at using force on religious grounds. The "Pacta Conventa" was enacted proclaiming for the first time anywhere in Europe constitutional guarantee of religious freedom for all citizens. Protestants were guaranteed equal access to all offices, dignities and emoluments.

This declaration of religious tolerance was not new in Poland. Poles had lived in relative peace with their Russian Orthodox neighbors and their Jewish fellow citizens. However such a declaration of tolerance in Poland urged Protestants in other countries to demand similar decrees and tolerance. Poles were criticized for creating a "paradise for heretics". It is paradoxical that while some Protestant reformers acknowledged that kings had the right to impose their own religion on their subjects, Catholic Poland guaranteed religious freedom to Protestant reformers. In God's wise providence, the reformers made little impact upon the people. Poles, as ever, remained faithful to their Catholic faith and traditions.

In their fierce devotion to individual liberty the Poles moved to an extreme position in guaranteeing the right of dissent. The "Liberum Veto" not only acknowledged the right of each individual to dissent, but allowed any one member of the Bi-Cameral Parliament to block legislation by the veto of a single individual. This extreme position paralyzed the legislative process. Enemies of Poland found it relatively easy to defeat sound ideas for political reform, national security and the common welfare. Father Konarski led the effort to restore the balance, and his ideas and those of others were incorporated into the now famous model Democratic Constitution which was adopted on May 3, 1791. Regrettably this reform came too late. Within a few years the triple partition was completed.

For the past 30 years Poland is under a Communist government, which has never disguised its objective of suppressing all religions and all belief in God. Despite the persistent and systematic efforts of the civil authorities to promote atheism and to suffocate and suppress religion, the people of Poland remain as ever faithful to God and to the church. In fact the church in Poland thrives on adversity and maintains fervor on a sparse diet of freedom and funds.

The recent visit of Pope John Paul to Poland demonstrated the vigor and vitality of faith of the Polish people. It demonstrated that the concentrated atheistic propaganda is spectacularly unsuccessful: that atheistic communism is resistible and reversible: that it has not and will not achieve final victory. Man's legitimate aspirations to civil and religious liberty will eventually prevail. Communists have failed to prove that there is no God, they have merely proved that there is a devil.

Such is the background and such was the motivation of Casimir Pulaski and of other Poles, who risked their life fighting for freedom at home and abroad. Pulaski was a true Pole—a Catholic Pole—who not only sought the powerful intercession of the blessed Virgin Mary—the Queen of Poland—but in fact wore a metal shield—A breast plate with the image of Mary upon it.

We Poles and descendants of Poles, we have a precious heritage of faith, culture and dedication to human dignity and human freedom. As Americans we enjoy the blessings of liberty—the inalienable rights given to each of us by our Creator. As American Poles, we should be sensitive and offer a helping hand to any and all whose rights and freedoms are repressed or suppressed.●

GENERAL VON STEUBEN—A REVOLUTIONARY WAR HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, September 17 is the anniversary of the birth of Gen. Friedrich Wilhelm von Steuben, one of the leading patriots of the Revolutionary War.

General von Steuben received a large award from Congress for his outstanding contributions to the winning of American

independence. Along with General Lafayette he was second only to General Washington as a shaper of the Continental Army.

On Saturday, September 15, the United German-American Societies of Greater Chicago will sponsor the General von Steuben parade on Clark Street, and many scores of floats will join in this commemorative tribute to a gallant patriot of our precious freedom, along with many marching units and musical contingents. Hon. Jane Byrne, mayor of Chicago, will serve as honorary grand marshal, and many other civic dignitaries will join the leaders of Chicago's German-American community on the reviewing stand at Washington and Clark Streets, where the parade will step off at noon.

There will also be an evening banquet at the Red Lacquer Room of the Palmer House Hotel to complete the day's festivities.

It was in the year 1777, that von Steuben offered his services to the fledgling republic. This was a time of great disappointment and hardship for the Continental Army, because the frigid winter at Valley Forge could have delayed indefinitely America's hope for independence. However, through the fortitude and discipline of General Washington and General von Steuben, the Revolutionary Army was able to emerge from the winter in fighting shape.

During that winter in 1777, von Steuben wrote the "Regulations for the Order and Discipline of the Troops of the United States." This was one of his greatest contributions to the cause of independence. Through the use of this handbook and von Steuben's leadership, an army of irregulars was transformed into a disciplined and organized combat unit, equal to the task of fighting one of the world's most powerful armies.

General von Steuben had a distinguished military career during his service in America. In 1781, he served in battle against Cornwallis' invasion of Virginia, and at the battle of Yorktown, he commanded one of the three divisions of the Continental Army.

In 1961, the U.S. Senate passed a joint resolution authorizing the President to proclaim September 17 of each year as General von Steuben Memorial Day, in honor of his gallant and courageous service in defense of freedom. As our Nation honors this fearless freedom fighter of the Revolutionary War, all Americans of German descent have a right to be proud not only of the contributions of General von Steuben, but also of their own industrial, intellectual, and scientific contributions which have helped enormously to make this country the great bastion of freedom and democracy that it is today.

I extend my greetings and best wishes to German-Americans in the 11th District of Illinois, which I am honored to represent in the city of Chicago and all over the Nation who are commemorating the birth of that Revolutionary War hero, General von Steuben, and the German contributions to American greatness.

The members and officers of the United German-American Societies of Greater Chicago have long been vital and creative citizens in their individual communities, and I congratulate them for their community services. I also extend my congratulations to Karl C. Laschet, general chairman and grand marshal of the parade, and to all the members of the 14th annual General von Steuben Parade Committee who are working so hard to make this patriotic pageant a success.

The names of the committee members follow:

Joseph Gies, Honorary Gen. Chairman.
Horst Seyferth, Karl Heumann, Co-chairmen.
Committee: Felix Bachmeier, Melvin Brandt, Stefan Dama, Ludwig Erdbeer, Willi Follmer, Fred Marunde, Josef Matzer, Wolfgang Reinke, Willi Scharpenberg, Nick Schneider, Alfred Schmitke, Frank Workman, John Hebling.
Gustaf Phol, Treasurer.
Helen Meissner, Parade Treasurer.
Trustees: Joseph Zottmann, Betty Center, Louise Jochum.
Paula Zottmann, Cornflower Chairlady.
Clara Winkler, Recording Secretary.
Marianne Gies, Coresp. Secretary.
Virginia Vazzano, Coordinator.
Edward Kmiec, Assistant Coordinator.
Directoren—Joseph Anetsberger, Betty Center, Peter Faehnrich, Willi Follmer, Josef Freiburger, Karl Kurz, Alfons Schneemann, John Sebastian, and Joseph Zottmann.
Finanzcommittee—Sarah Brantsch, Henrietta Baltis, Peter Kratich, Elisabeth Kraus, and Josef Matzer.●

NORMAN COUSINS' EDITORIAL OPPOSING THE DRAFT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, Norman Cousins, who has for many years served as editor for the Saturday Review, is renowned and respected all over the world as one of the most eloquent, levelheaded and far seeing leaders of America's community of thinkers and writers.

In an editorial in the most recent issue of Saturday Review, dated September 15, 1979, Mr. Cousins points out that the new drumroll for the military draft would not only require registration in peace time but would set no limitation on its duration and would place it under the control of the military. He concludes:

> The inevitable effect, despite all assurances to the contrary, will be to take from Congress the right to declare war and to make possible a repetition of Vietnam.

After outlining the parallel between the specious arguments used to support resumption of draft registration and the specious arguments that entrapped the United States in Vietnam for many years, Mr. Cousins then turns to the divisiveness of the peace time military draft. He says:

> The single most important thing we should have learned from the Sixties is that we do not put men and women in uniform unless they have a cause that is tied to a clearly understood moral purpose that is generally connected to the American future and that is directed to the making of a safer world. We should have learned from our experience that Americans are not poker chips to be used in the international game of posturing and blustering designed to maintain a balance of power.

Perhaps the ultimate irony is not that we are debating whether to renew the draft but that we are doing so at a time when Congress is also debating whether we should even continue strategic arms negotiations with the Soviets. Unfortunately, it is more than ironic. It is tragic. As Mr. Cousins says:

> "National security in a nuclear age depends on an unremitting effort to create a durable peace through world order. If we haven't yet learned that fact, the largest army in the world will not save us.

The full text of Mr. Cousins' editorial, "The Games Nations Play," follows these remarks:

THE GAMES NATIONS PLAY

The drumroll has started again for a military draft. What is in the offing is legislation that not only requires registration for selective service in peace time but sets no limitation on its duration and places it under the control of the military. The inevitable effect, despite all assurances to the contrary, will be to take from Congress the right to declare war and to make possible a repetition of Vietnam.

The most significant characteristic of the Vietnam tragedy was the military's habit of making field decisions that shrank the President's options. President Johnson's efforts to seek a negotiated settlement of the war, for example, were frustrated by bombings of Hanoi and other cities that the military carried out without his authorization.

The argument in favor of restoring the draft, inevitably enough, is that the Russians have at least two million men in uniform and that this disparity is likely to expose the United States to grave dangers. No one says anything about the fact that the vast bulk of the Soviet forces is stationed along the 5,000-mile border the USSR shares with the People's Republic of China.

It will be said, of course, that the Russians won't take our foreign-policy declarations seriously if they see little evidence of our ability and will to fight. This was the argument used to justify the home bomb-shelter program in the early Sixties. It was and is the argument used to justify the building of missiles and super missiles. It was and is the argument used to justify the stockpiling of nuclear explosives that can obliterate every city on earth and make the planet uninhabitable. One would suppose that presiding over a switchboard of total annihilation would relieve us of any feelings of inadequacy. But no; we seem less governed by reality than by the obsession to imitate the Russians.

Is there no escape from the macho madness that is disfiguring American society? When are we going to discover that our true strength and security depend not just on weapons but on our ability to make our society work? When are we going to attach at least as much importance to productivity, creativity, and the imaginative uses of freedom as we do to balance-of-power strategies? When are we going to see the relationship between spending 150 billion military dollars annually and the disastrous conditions of inflation? When are we going to stop supporting three separate military establishments—an army, a navy, and an air force, each with its own heavy overlapping in ordnance, personnel, and intelligence services?

We became entrapped in Vietnam because of the same kind of thinking that is behind the current attempt to restore the draft. At every point along the way, we allowed ourselves to be led along by specious arguments. We convinced ourselves that our most important mission as a nation was to demonstrate

our muscle rather than to conform to our history. After the French left Indochina, we were told that the entire area was in danger of being solidified under a unified communist banner—and that we could head off this grim eventuality simply by sending a little military aid. Then we were told that a few American officers were needed to instruct the local people in the utilization of such aid. Finally, we were told that the rest of Asia would pay no attention to our policy unless we committed American divisions. Then came the quicksand and the endless graves.

History has proved the government's statements to the American people about the Vietnam War to be both incompetent and absurd. We were told that the Vietnamese were puppets of China, but today the "puppets" and the "puppeteer" are engaged in fierce recriminations and border fighting. We were told that the communization of Indo-China would create a unified ideological force that would march in solid formation against the rest of Asia; but the Communist nations of Indochina are now warring among themselves. We were told that China and Russia would team up against the West. But the main threat of nuclear war today comes from the unresolved tensions between these two nations.

And now the same people who gave us all these boomerang situations want to activate a peacetime military draft that runs counter to our traditions and that, only a decade ago, divided this country beyond anything experienced since the War Between the States. The single most important thing we should have learned from the Sixties is that we do not put men and women in uniform unless they have a cause that is tied to a clearly understood moral purpose that is generally connected to the American future and that is directed to the making of a safer world. We should have learned from our experience that Americans are not poker chips to be used in the international game of posturing and blustering designed to maintain a balance of power. The Bismarckian concept of fending and thrusting may have had its place in a Europe where history was an endless chain reaction of plot and counterplot, but in an age in which nations are only a pushbutton away from a mutual cataclysm, game-playing becomes little more than a fuse for igniting continental destructions.

A large standing army no longer has meaning in terms of national defense. Ballistic missiles, MX launchers, submarines with thermonuclear warhead delivery systems, all these will bypass the defending army and strike at the real target—the life of the nation itself.

The government cannot have it both ways. It cannot ask for billions of dollars for inflicting instant death on an enemy in a war that may last a few minutes, and then turn around and ask for money to support a 19th-century form of warfare. National security in a nuclear age depends on an unremitting effort to create a durable peace through world order. If we haven't yet learned that fact, the largest army in the world will not save us.—N.C.●

BROCK ADAMS CALLS FOR NEW ECONOMIC STRATEGY FOR 1980's

(Mr. SEIBERLING asked and was given permssion to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, many of us will be happy to know that our distinguished former colleague and former Secretary of Transportation, Brock Adams, is alive and well and writing in the Washington Post. In yesterday's issue, Brock presents a very thoughtful and thought-provoking survey of our economic situation, particularly as it affects the transportation industry. He points out that the problem goes far beyond Chrysler and that indeed the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. He also notes:

> As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

To meet this situation, Brock offers five suggestions to the Congress. Without attempting to summarize them, I would highlight his recommendation that the Chrysler solution should be structured to produce a major national investment in new auto technology and that we must also use some of the windfall profits receipts to speed the renovation of the freight railroads and to build urban mass transit, as well as fuel efficient autos.

Akron, Ohio, the community that I have the privilege of representing, was created and exists because of the transportation industry. The same is true of a major portion of all of the urban centers of the Northeast and Midwest. I am gratified that our Northeast-Midwest Congressional Coalition is moving ahead to develop a legislative plan of action for reviving and strengthening these great industrial communities. Brock Adams' perspective will be helpful as we address ourselves to this crucial task.

The full text of Brock Adams' article follows these remarks:

FIRST CHRYSLER—AND THEN?

(By Brock Adams)

One of the consolations of private life is the ability to offer controversial advice without fear of having to take it. With this in mind, I agreed to offer up some thoughts to my former colleagues through the good offices of The Washington Post.

There is little doubt that the Congress faces a confluence of energy and economic decisions that are as politically divisive as they are popularly demanded, and more rides on the outcome than the politics of 1980. At stake are the economics of the next decade, wherein we must decide as a nation whether we will try to rebuild our aging industrial and technological base or continue the retreat toward a service economy.

The issue immediately at hand is the fate of the Chrysler Corporation and, like the Lockheed and Penn Central fights of the last decade, the politics are no-win. Help Chrysler and risk being party to a "bailout"; refuse aid and leave thousands of auto workers and executive unemployed by Christmas. I believe it is the kind of choice that will recur time and again during the next decade. For while Chrysler's problems are unique in some respects, they are also common to a whole range of "maturing" American industries that will march on Washington for financial relief, the bonus army of the 1980s. Chrysler is merely the advance guard.

In fact, the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. With the need to revitalize mass transit almost desperate, America has but two remaining bus manufacturers with the capacity of roughly 3,000 units per year, a quarter of what is needed. The domestic manufacturers of passengers rail cars have vanished despite increased demands by Amtrak and the new subway and light rail systems now being built. The railroad industry, which with barges and pipelines must carry the nation's long-distance freight, is in a state of near collapse, oversized and underfinanced, with remedial legislation stuck in Congress.

Even worse is the tragedy being played out in Detroit. More than 70,000 auto workers are on unemployment and soon joining them will be thousands of middle-age executives who determined perhaps 20 years ago, in a different era, that the insular world of automobiles would provide a secure career. Where do they go now, these 50-year-old men with mortgages suited to $50,000 salaries? For the American automobile industry is in deep trouble (Chrysler now, but Ford is next). And, when Detroit is in trouble, Youngstown and Bethlehem and St. Louis can't be far behind. In fact, the tentacles of the auto manufacturers reach into every state, accounting for the livelihood of 5 million people and more than $150 billion in annual trade. As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

How do we restore the creaky transportation sector, and how can these actions be related to the deeper economic and energy concerns? As a beginning, I would offer five suggestions to the Congress:

1. *Resist the temptation to dismiss the Chrysler problems with a quick financial fix, and instead use it as an opportunity to begin defining a new economic strategy for the 1980s.* I would give the Chrysler Corporation provisional aid to get it over the short-term crises but would tie a larger financial package to a policy for the entire auto industry. For, as stated, Chrysler's problems are not unique; they are generic: an aging plant, the absence of technological creativity and a shrinking market.

I would start asking the hard questions: Does the government save all industries that are big and sick? If not, what determines salvation—number of employees, kinds of products and service, effect on the total gross national product? Do we have appropriate measures of national interest? Unless we begin to face these unhappy questions now, the Congress will limp from bail-out to bail-out without any real understanding of where we are going or why. In the cases of Lockheed and Penn Central, these questions were raised but never solved. Now they must be.

(2) *Focus on the massive need for capital and how it is to be raised and invested.* If, for example, the entire windfall profits pot is to be taken by synfuels development, there will be insufficient funds to explore the potential of solar energy, modernize the auto industry and establish a construction trust fund for mass transit. The economic principle of opportunity cost is at play, and there are limits to the amount of money that can be raised under any scenario. We must make broad and informed judgments on how to raise and spend that capital as a total society rather than spilling it piecemeal.

(3) *Don't get bogged down in ideological battles.* Where there is a free market, let's favor free-market solutions. But let's not try to apply this solution to areas where there is no free market. Oil supply is not part of a free market. At home oil is in a corporate straitjacket and abroad it is controlled both in amount and price by a cartel.

The Department of Energy notwithstanding, not all regulation is bad where the national interest is involved. The fuel-economy regulations administered by the Department of Transportation, for example, saved Detroit from an even worse disaster than it is now suffering.

(4) *Emphasize new technology.* America is in the midst of an innovation slump with research and development spending now only about 2 percent of the GNP. Nowhere is this more in evidence than the auto industry, where spending on basic research has dipped to almost nothing at the very time we need breakthroughs in such fields as the non-petroleum engines. Why not structure the Chrysler solution to produce a major national investment in new auto technology? The basic auto-research program now being negotiated with the industry should be ac-

celerated and vastly expanded beyond what is currently being contemplated.

(5) *Adopt solutions that truly reflect the urgency of the energy problem—a problem that is far more serious when viewed from the perspective of supply rather than price.* That portion of our oil supply that comes from the Mideast, about 40 percent, must travel everyday in tankers through the narrow 20-mile Strait of Hormuz, which any disaster (political, military or technological) could shut down. With our economy hanging by so thin a thread, it is only prudent that we forge ahead with massive investment in both conservation and supply technologies. Since a barrel saved is equal to a barrel produced and often cheaper, this means in the transportation sector we must speed the renovation of the freight railroads and build urban mass transit as well as fuel-efficient autos. Because of the existent capital shortage, those investments should be considered within the context of the windfall profits debate.

The administration has now announced a new $16.5 billion transportation-energy package that can only be considered a beginning. Retooling the auto industry alone will require tens of billions that Detroit cannot raise on its own. The same magnitude of investment will be needed to modernize the freight railroad industry and renew the inland-waterway system. Economic policy analysis must carefully tabulate the cost of needed investments in transportation and other essential industries and relate them to potential available capital, both public and private. This is essential work, and one hopes Congress will seize the moment. The windfall profits tax, synthetic-fuel development, mass transit, auto-efficiency issues, and Chrysler's financial trouble provide a set of issues serious and broad enough to override any special interest in favor of truly national solutions.

What we are ultimately addressing is the reindustrialization of America, and a new industrial revolution won't happen by itself. I believe we can refurbish our factories and once again make the kind of quality products that will dominate world markets.

But it is easier to draw the plan that leads us there than to follow it. Painful public decisions and regional economic tradeoffs will have to be made and, in the end, only the Congress can make them. From this armchair, I wish my former colleagues God speed.●

ENDING THE ARMS RACE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, yesterday's Washington Post contained an article by the distinguished author and arms control expert, Richard J. Barnet, which every Member concerned about the subject of arms control will wish to read. Dr. Barnet served in the U.S. Arms Control and Disarmament Agency during the Kennedy administration and is the author of a number of books on arms control and international affairs.

Dr. Barnet notes that the SALT II treaty should be ratified "not because the world will be substantially safer with it but because it will be even more dangerous if negotiations on arms with the Soviet Union are broken off." However, he points out that the danger is increasing as both sides are emphasizing "counterforce" technology and that a continuation of the next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world.

Barnet urges a freeze on all new weapons systems that would make it clear that both sides indeed intend to stop the arms race. The alternative is to continue to spend additional hundreds of billions of dollars on the military, thereby risking mortal danger to our economy, which is the foundation of our national strength.

The full text of Dr. Barnet's article follows these remarks:

DO WE WANT TO END THE ARMS RACE?

(By Richard J. Barnet)

The SALT II agreement may weather the current storm over Soviet troops in Cuba, but even if it is ratified, this will mark not the beginning of a process but the end of an experiment. The 100-page treaty, which reads like the prospectus for a bond issue, is neither disarmament nor arms control but an exercise in joint arms management. The treaty has secured the acquiescence of the military in both countries because it ratifies the huge weapons acquisition programs both are pushing.

The support of the hawks has been purchased by an "arms dividend," a commitment to increase military spending 5 percent a year above inflation. According to the Senate Budget Committee, the dividend alone will cost the taxpayer an extra $129 billion over five years, bringing the total military expenditures for that period to almost $1 trillion. The Soviets also welcome SALT as a ratification of their weapons program and will not hesitate to match or to try to surpass the new U.S. buildups. None of this will transgress anything in the 100 pages, but it will not, obviously, move the world to arms reduction nor reduce the mounting dangers of war by miscalculation.

The SALT debate has skewed the issues because it has focused on narrow alternatives and has failed to clarify the purposes of arms agreements or to raise the basic political and moral issues at stake. The political world is divided between those like the Committee on the Present Danger who believe that any agreement the Soviet Union would sign puts the United States in mortal danger and those who take the administration view that any agreement helps the political climate and promotes a "process."

In this debate, the reasons why the United States or the Soviet Union should want to limit the nuclear arms buildup have been lost. The argument has really been about which side struck the better deal. When the "arms dividend" is included, it is evident that SALT is something to stir the hearts of generals, defense contractors and senators from states brimming with military reservations and arms plants.

The treaty should be ratified, not because the world will be substantially safer with it but because it will be even more dangerous if negotiations on arms with the Soviet Union are broken off. But merely to continue the SALT "process" would be almost as hopeless a response to the mounting danger we face. That danger is increasing because both sides are emphasizing hair-trigger "counterforce" technology—more accurate warheads, more "war-fighting options"—and the pressure is mounting on both sides to develop strategies to insure that weapons, as they become more vulnerable, are not caught on the ground. Thus the incentive to produce more weapons and to program them for firing sooner rather than later is increasing in both military establishments. In a world of "first strike" technology and "launch on warning" strategies, the minutes available for making decisions about war and peace are dangerously compressed and the chances of fatal human error multiply.

Arms agreements are desperately needed to break this spiral. But the only agreements that will have that effect are simple agreements that would force the two sides to choose between continuing the arms race or stopping. The world cannot afford to wait another seven years of accelerated arms buildup to produce another intricate prospectus for managing the arms race. The next agreement must cut through the ambiguities of the arms race or it too will prove to be a stimulant rather than a brake.

To create a positive political climate for reversing the arms race, agreements should meet three criteria. First, they should demonstrably increase perceptions of security on both sides. Second, a stable new arms relationship should have clear economic payoffs for both sides. Third, the primary purpose of the agreement should be to remove ambiguities about intentions. The greatest perceived threats are not the weapons already built, although they are more than adequate to destroy both societies, but the weapons about to be built. New weapons systems convey threatening intentions. Ultimate intentions are always mysterious, but the question can be rendered irrelevant by an agreement which is sufficiently clear and comprehensive.

Within a controlled but continuing nuclear arms race there is always room for arguing that the agreement favors one side or the other. However, a freeze on all new weapons systems would make it clear that both sides indeed intend to stop the arms race. A mutually agreed upon moratorium on the procurement, testing and deployment of all bombers, missiles and warheads for three years is in the interests of both the United States and the Soviet Union.

A rough "balance" of nuclear forces now exists, which, according to the administration, still favors the United States. The next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world. A more comprehensive agreement would have fewer exceptions and fewer technicalities. The simpler and more comprehensive, the fairer it is likely to appear to both sides. It would be simpler to understand and to verify it. It would fulfill the primary purpose of arms agreements by removing ambiguities about intentions.

During the moratorium the two sides could negotiate deep cuts in strategic nuclear weapons and delivery systems. It hardly makes sense to destroy old weapons systems while replacing them with more dangerous new systems.

Stopping the arms race would require significant internal changes in the national security establishments of both societies, including a serious program for conversion of military industry. Such changes represent the most reliable form of verification, for they require leaders in both countries to reverse major policies and to confront powerful domestic interests in order to commit the societies to arms reduction. Real internal changes in the direction of peace are far more reassuring than professions of peace or agreements like SALT II that are compatible with either an intention to move to arms limitation or to a new stage in the arms race.

Sen. Mark Hatfield has proposed a moratorium along these lines as an amendment to the SALT II treaty. The Soviet Union has made several proposals in the past few years for a ban on "all new weapons systems." The proposals have been general and have elicited no reaction from the United States. The standard view in Washington is that they are merely propaganda.

Yet the Soviets have never been put to the test. In the 35-year history of arms negotiations, U.S. analysts have consistently misinterpreted Soviet intentions and the cost has been enormous. The fictitious "bomber gap" and missile gap" of the 1950s caused the U.S. taxpayer to spend billions for unnecessary weapons. The complacency of the 1960s, when U.S. military leaders assumed the Soviet Union was assigned to permanent inferiority, led to the present climate of alarm. It is time to stop guessing about Soviet intentions and put forward agreements which require them to choose between peace or further preparation for war.

The only road to national security is to reverse the arms race, but that cannot be done without first calling it to a halt. We have the technological capability to match any conceivable Soviet buildup. But we cannot continue to spend hundreds of billions of dollars on the military without risking mortal danger to our economy, which is the foundation of our national strength. In a time of austerity, increasing the military budget while the domestic programs are being slashed raises the issue, not of guns versus butter, but of missiles versus the local police and firefighters.

The distortion of priorities has become so acute that as the administration counsels a 5 percent "real" increase in military spending each year, essential services in every major American city are being cut. To suggest that the threat of "Finlandization," to which the arms buildup is presumably addressed, is a greater threat to the people of Chicago, Cleveland, Los Angeles or Detroit than the loss of social services, the breakdown of the education system, the rise in crime, the alarming increase in infant mortality, the impending municipal bankruptcies, or the continuing failure to invest adequately in alternative energy systems is to distort national security strategy and to misconstrue the meaning of "strength." The same is also true of the Soviet Union. For both of us, the return on investment in the military is declining. The heavy burden presents not just scarce capital, but political energy and managerial skill needed to address the real threats facing both societies.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HINSON) to revise and extend their remarks and to include extraneous material:)

Mr. KEMP, for 60 minutes, today.

(The following Members (at the request of Mr. SHELBY) to revise and extend their remarks and to include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. NOLAN, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. SHELBY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HINSON) and to include extraneous matter:)

Mr. DERWINSKI in two instances.
Mrs. HECKLER.
Mr. GOODLING.
Mr. KEMP.
Mr. MICHEL.

(The following Members (at the request of Mr. SHELBY) and to include extraneous matter:)

Mr. MONTGOMERY.
Mr. HARRIS.
Mr. KASTENMEIER.
Mr. MAZZOLI in two instances.
Mr. GUDGER.
Mr. KILDEE.
Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. BLANCHARD.
Mr. HAMILTON.
Mr. LONG of Maryland.
Mr. PATTEN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes; to the Committee on the Judiciary; and

S. 1281. An act to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the vessels steamship *United States*, steamship *Oceanic Independence*, and steamship *Santa Rosa* into the trade; to the Committee on Merchant Marine and Fisheries.

ADJOURNMENT

Mr. SHELBY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Tuesday, September 11, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2398. A letter from the Chief of Staff, Defense Mapping Agency, transmitting notice of the decision not to relocate the Defense Mapping School from Fort Belvoir, Va.; to the Committee on Armed Services.

2399. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a report that no authorizations were made during the quarter ended June 30, 1979, under the authority of Public Law 90-390, pertaining to the export expansion facility program; to the Committee on Banking, Finance and Urban Affairs.

2400. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-99, "To require that health insurance be provided for newborn infants from the moment of birth," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2401. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-100, "To increase the authorization of appropriations for the Office of the People's Counsel of the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2402. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-101, "To amend the Condominium Act of 1976 to increase the minimum rent levels to establish rental accommodation(s) as 'high rent housing' eligible for conversion to condominiums," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2403. A letter from the Acting Secretary of State, transmitting the second monthly report on developments related to Zimbabwe-Rhodesia; to the Committee on Foreign Affairs.

2404. A letter from the Acting Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin defense articles to the Government of the Netherlands, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2405. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Department of the Army, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2406. A letter from the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2407. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to implement the President's national heritage program; to the Committee on Interior and Insular Affairs.

2408. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish Competitive Oil and gas leasing in favorable areas within producing geologic provinces; to the Committee on Interior and Insular Affairs.

2409. A letter from the Secretary of Health, Education, and Welfare, transmitting notice of a delay in the submission of the second report on the status of health professions personnel, required by section 708(d) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

2410. A letter from the corporation agent, Legion of Valor of the United States of America, Inc., transmitting the financial statement of the organization for the year ended April 30, 1979, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

2411. A letter from the Administrator of General Services, transmitting a report on an investigation of the feasibility and need for construction of a Federal building in Corpus Christi, Tex., requested by resolution of the House Committee on Public Works and Transportation adopted on June 29, 1976; to the Committee on Public Works and Transportation.

2412. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's 1981 budget submission, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Appropriations, Interstate and Foreign Commerce, and Public Works and Transportation.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X.

Referral of H.R. 2626. A bill to establish voluntary limits on the annual increases in

total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective; to the Committee on Interstate and Foreign Commerce, extended for an additional period ending not later than September 20, 1979.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WEAVER:

H.R. 5220. A bill to authorize the Secretary of Agriculture to establish a wood utilization program to improve the use of renewable resources in timber harvesting, forest protection and management, and the manufacture of wood products including energy through guaranteed loans, timber sales, and other activities; to the Committee on Agriculture.

By Mr. KEMP:

H.R. 5221. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to establish fire safety requirements for locomotives in order to minimize the danger of fires along railroad rights-of-way; to the Committee on Interstate and Foreign Commerce.

H.R. 5222. A bill to amend the Internal Revenue Code of 1954 to provide for the designation of income tax payments to the U.S. Olympic Development Fund; jointly to the Committees on Ways and Means, and the Judiciary.

By Mr. TAUKE:

H.R. 5223. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to $70,800, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 5224. A bill to continue through December 31, 1980, the existing prohibition on the issuance of fringe benefit regulations; to the Committee on Ways and Means.

By Mr. VOLKMER (for himself, Mr. SYNAR, Mr. ASHBROOK, Mr. SENSENBRENNER, and Mr. BAUMAN):

H.R. 5225. A bill to improve the administration of Federal firearms laws, and for other purposes; jointly to the Committees on the Judiciary and Rules.

By Mr. LOTT:

H.J. Res. 393. Joint resolution to authorize the President to proclaim Friday, October 19, 1979, as "American Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. RUDD:

H.J. Res. 394. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

298. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the State contribution to the cost of the SSI/SSP program; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HARRIS introduced a bill (H.R. 5226) for the relief of Paul H. Craig, which was referred to the committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2191: Mr. HINSON and Mr. YATRON.
H.R. 3227: Mr. BAILEY.

PETITIONS, ETC.

Under clause 1 of rule XXII,

191. The SPEAKER presented a petition of the American Association of Meat Processors, Elizabethtown, Pa., relative to nuclear power, which was referred to the Committee on Interior and Insular Affairs.

SENATE—*Monday, September 10, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal God, amid all the changes, uncertainties, and stresses of our times, Thou art the same yesterday, today, and forever. We would know and do Thy will. Spare us from the hasty, narrow, and ambiguous judgment. Teach us the lessons of Thy Word, of history, and of human experience, that we may more wisely serve Thee.

Reclothe us in our rightful mind,
In purer lives Thy service find,
In deeper reverence praise.
—WHITTIER.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 10, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CHINA AND THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, the Vice President of the United States recently returned from a trip to China. The purpose of the trip was to strengthen our diplomatic relations with China and to lay the foundation for a more productive friendship in the years ahead.

I believe this purpose was largely accomplished, and I urge that we take a moment to reflect on our future relations with China.

The United States and China have come together in friendship at a time when both countries can benefit from their new relationship.

China is expanding economically and playing a more active role in the international community. The United States welcomes China as a major player in the international economic community.

And we have an interest in an independent and secure China. We know that in the face of a constantly shifting world order, the steadiness of independent nations is important.

China has an interest in modernizing its industry. We have some of the technology that can help make this possible. Our country has signed a protocol with China to help harness the vast hydroelectric resources of that country. Similarly, we are exploring the possibility of agreements in the areas of textiles, maritime privileges, and civil aviation.

There are other examples of cooperation, in the arts, athletics, and education.

I know the leaders of China remain anxious that China be accorded most-favored-nation status in our trade relationship. This status could cut the tariffs on Chinese imports up to 60 percent.

This matter will be submitted by the administration to the Senate in the next few months, and I believe there is likely to be strong support in the Senate for granting China this status.

But our relationship with China does not rest solely on trade or cultural exchange. There is a direct and personal link between the United States and China, a link that goes back many decades, and a link that is now being re-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

vived by the exchange of visits at the highest levels.

Party Chairman Hua has accepted the President's invitation to come to the United States next year. And President Carter has indicated he hopes to visit China next year.

It should be pointed out, of course, that our relationships with China are complex. The last 30 years have not been easy ones between our two countries. Nor can those years be covered over with the stroke of a pen, or by the exchange of visiting dignitaries.

We have allies of long standing throughout the world. We will not allow our relations with China to jeopardize our relations with those allies.

Nor should it be taken that our positive gestures toward China constitute a negative gesture toward any other country.

Vice President MONDALE made a significant contribution to this process of bringing our two countries together. His speech at Peking University was the first time since the 1950's that a foreign leader has been allowed to address the people of China.

In his speech, the Vice President stressed the principles of normalization, saying, and I quote:

> Normalization signals our understanding that American security in the years ahead will be attained not by maintaining the status quo, not by colluding for purposes of domination, but by fostering a world of independent nations with whom we can build positive relations.

Slowly, and persistently, the bridge between our two peoples is being built. It is a bridge of shared interests and mutual benefit.

I applaud the Vice President on his successful trip, as another important step in the growing relationship between the United States and China.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, our distinguished colleague from North Dakota and senior Republican on our side of the aisle is on the floor this morning and has an important statement he wishes to make. At this time, I yield to Senator YOUNG such time as he may require.

Mr. YOUNG. I thank my distinguished leader.

THE GARRISON DIVERSION IRRIGATION PROJECT

Mr. YOUNG. Mr. President, a great amount of press coverage has been given to the opposition of Canadian interests to the Garrison diversion irrigation project in North Dakota. A good example of how untenable are Canadian objections to Garrison diversion appears in the editor's column entitled "Friday smorgasbord," in the Grand Forks Herald published at Grand Forks, N. Dak., for Friday, September 7, which discusses one of their principal objections to the project. I ask unanimous consent that this column be printed in the RECORD as a part of my remarks. This column also deals with a very critical strike situation very seriously affecting the whole Upper Midwest.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. YOUNG. Canadian environmental interests have expressed great concern that through Garrison diversion, a rough fish, the gizzard shad, would be introduced into Canadian waters from the Missouri River Basin. This editorial points out that the U.S. Fish and Wildlife Service regards the gizzard shad as an excellent source of food for game fish, so good, in fact, that it is considering stocking it in a Wyoming reservoir. Apparently the Fish and Wildlife Service has little or no concern over its ability to control this fish because it will not survive water temperatures such as those we commonly experience in the Upper Midwest and certainly in Canada in the winter months. None are found in North Dakota waters now. Therefore, Mr. President, the gizzard shad really should be of no concern to Canadian interests.

Mr. President, opponents of the Garrison diversion irrigation project fail to recognize that water for both irrigation and municipal water supplies would come from above Garrison Dam, and most of it, in fact, originates in the mountains of Montana and Wyoming. The huge volume of flood water flowing into Canada from North Dakota and Minnesota almost every spring originates in a different river basin and already contains great amounts of rough fish. It is highly unlikely that any additional rough fish would be introduced into Canadian waters from the Garrison diversion irrigation project.

EXHIBIT 1

FRIDAY SMORGASBORD: N.D. FARMERS ARE VICTIMS OF STRIKE

The federal mediator says, despite the rejection by negotiators for striking grain handlers at Duluth-Superior of a new contract offer, that there is room for further bargaining.

Unfortunately, there isn't time for further bargaining, as far as the farmers of the Northwest are concerned. The 1979 grain crop already is being piled on the ground in North Dakota. The farmers are innocent victims of the dispute between the Twin Ports elevators and grain handlers.

Although the negotiators rejected the latest contract offer of one of the elevators, they have agreed to submit it to union membership. Thus, there is a ray of hope that the strikers may have tired of not working.

The federal government has turned its back on the farmer victims of the strike. The Carter Administration has refused to invoke the Taft-Hartley Law. It won't even get tough by threatening to do so.

The strike is a tragedy, the economic impact of which cannot be measured. It is as serious as drought or pestilence, as far as the farmers and the area which depends upon them are concerned.

We don't pretend to know all the ramifications of the dispute between Crookston and Polk County with the Lake Agassiz Regional Library (LARL). It seems obvious, however, that power is being abused when the Polk County librarian is fired immediately after asking questions about LARL finances. It also is depressing to have the LARL director claim that the reasons for the firing are none of the public's business. The situation demands searching investigation by Governor Quie and the Minnesota Department of Public Libraries.

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A couple of weeks ago, it appeared the council was stacked against approval of a minimal subsidy for United Hospital's ambulance service. When the council voted this week, however, the subsidy was approved 11-1. The aldermen had become better informed on the issue and had changed their minds.

Business apparently has not lost faith in Grand Forks. Construction apparently will begin this fall on two new small shopping malls in the city. Despite some pessimism that the city has been overbuilt commercially, others retain sufficient optimism to make the investment in more outlets. Indeed, despite the economic bind in which farmers find themselves, there is evidence of an upturn in business in all areas of the city.

Remember the gizzard shad? That's the fish which so scared the Canadians that they mounted their attack on the Garrison Diversion Project. Despite the fact that it has never been found in North Dakota, they feared the gizzard shad would be introduced to Canada in the return flow of Missouri River irrigation waters.

Comes now the U.S. Fish and Wildlife Service. It has recommended introduction of the gizzard shad in a Wyoming reservoir—to boost its production of game fish. It seems the biologists believe gizzard shad fry would furnish more food for game fish, which have been stunted in the reservoir because of competition from carp.

The biologists say it isn't necessary to worry about the gizzard shad taking over the lake. It cannot survive the cold and ice-covered water in the winter.

If they're right, maybe Canada should take a cue from them and not wait for Garrison Diversion, but import some of the fish on their own.

Mr. YOUNG. Mr. President, I thank the minority leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator from North Dakota. I yield now, if I may, to the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Tennessee and I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, if the Senator needs any additional time, I have a little bit that he may have.

Mr. HELMS. No, Mr. President, I thank the Senator for his courtesy.

CIGARETTE SMUGGLING

Mr. HELMS. Mr. President, from time to time I note the lamentations voiced by officials of the State of New York, and other States, concerning the smuggling of cigarettes across State lines. Multimillion dollar proposals have been offered for curbing this smuggling.

Mr. President, the point is this: These States could put an end to the smuggling overnight: All they have to do is take a look at their outrageous tobacco taxes, then cut those taxes back to a reasonable level. The incentive for smuggling will be eliminated, as I say, overnight.

Nothing else will work. Unless and until the State of New York and others realize this simple fact of economic life, the smuggling will continue. The tax policies of a number of States are not only self-defeating, they are an engraved invitation to organized crime—including,

reportedly, the Mafia—to get into the smuggling business.

Mr. President, the lamentations by officials of these States remind me of the young man who murdered his parents, and then pleaded for mercy on the grounds that he was an orphan.

Mr. President, the distinguished Attorney General of North Carolina, Rufus L. Edmisten, made this very point in an address prepared for delivery today, at Columbus, Ohio. Mr. Edmisten's audience consisted of an ad hoc group of tax officials from various States.

I ask unanimous consent that the text of Attorney General Edmisten's excellent comments be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TOBACCO TAXATION—CIGARETTE SMUGGLING

I appreciate very much the opportunity to meet here with you today to discuss a matter of mutual concern—tobacco taxation and cigarette smuggling. While I wish I could stand up here today and announce to you that I had found some way to eliminate the cigarette smuggling problem, you and I both know it wouldn't be so until the sizable tobacco tax differentials between the states are eliminated. What I would like to do is to give you a North Carolina perspective of the tobacco taxation situation and to review the cigarette smuggling problem in general.

The tobacco industry is a very vital part of North Carolina's economy. Tens of thousands of our citizens depend on this industry to feed and cloth themselves and their families. Needless to say they are quite sensitive to any action that might disrupt this industry and affect their livelihood.

What they have witnessed since about 1960 is a steady rise in the tobacco tax of almost every state to the point where they are fearful that consumption will be affected and their livelihood jeopardized. According to a report by the Advisory Commission on Intergovernmental Relations on Cigarette Bootlegging, in 1960 the largest difference in cigarette taxes between any two states was 8¢. By 1965 the variation had increased to 11¢, today it is 19¢, and if we count the special New York City tax it is 21¢. Their findings conclude that so long as there is a 10¢ or more tax differential between states cigarette bootlegging will be profitable. Their report goes on to say that prior to the raising of the cigarette taxes that states were warned that these increases would create a situation conducive to cigarette bootlegging.

The 10¢ or more differential between North Carolina and other states was not created by any action taken by North Carolina but by actions taken by other states. As one North Carolina tobacco farmer recently said to me, "I do not understand how New York City can justify taxing one of our state's primary products so heavily when we do not have a special tax on clothes coming from their garment district or on any of their other primary products." I tell you this because I feel that it is important that you understand the feelings of many of our state's citizens. They are hard working, honest people who do not condone illegal activities, but on the other hand they do not want their livelihood threatened either.

We in North Carolina want to be good neighbors but we ask that you understand our situation also.

In a speech before the Alcohol, Tobacco and Firearms Bureau in Washington last January I pledged the full cooperation of the S.B.I. and other divisions of the Department of Justice in assisting the A.T.F. in the enforcement of S. 1487. The special operations division of the S.B.I. has been working with the A.T.F. and in fact supplied some of the very crucial information that helped break the Florida smuggling case just recently. In fact the working relationship that has developed between the A.T.F. and the S.B.I. is one that more state and federal agencies should take a good look at. Much more can be accomplished by working together.

Governor Jim Hunt and Secretary of Revenue Mark Lynch are also strongly committed to North Carolina doing its part. We have met several times on this matter already and will continue to stay in close communication.

One of the great problems we are having is to determine the factual extent of the cigarette smuggling problem. We have uncovered numerous allegations concerning smuggling but upon close review we have found that most are several years old or that the allegations are personal conjectures. At this point we have very little factual information to go on, therefore, I ask if you do have any factual information that you share it with us.

Last year cigarette tax stamps were purchased by North Carolina distributors for approximately 1.1 billion packs of cigarettes. In comparing this figure with the data supplied by the cigarette manufacturers, the North Carolina Department of Revenue is quite satisfied that the proper number of tax stamps were purchased. Although state statute requires the tax stamp be affixed within 48 hours it is almost impossible to check.

According to information supplied by the Tobacco Tax Council the national per capita consumption based on federal tobacco tax revenue is 142 packs. Using the 50 individual states figures the average consumption is 134 packs per capita. If we split the difference and use 138 packs per capita and multiply that times North Carolina's population of 5.6 million people, then if North Carolinians smoke at the national average 772.8 million packs of the 1.1 billion packs sold in the state were consumed by North Carolinians. This would leave an availability of approximately 327.2 million packs, the disposition of which is left to speculation.

In 1978 North Carolina had 49 million out-of-state visitors who averaged approximately 3 days per visit. Since it is well known that North Carolina has a much lower tobacco tax and that cigarettes are far less expensive here, many out-of-state visitors take advantage of this and purchase a supply of cigarettes for themselves and their friends. I know of one gentleman in the Eastern part of the state who owns two stores just on the North Carolina side of the Virginia line and he has told me that he sells approximately 200,000 cartons of cigarettes each year in lots of anywhere from 1 to 30 or so cartons. His establishments are located on a state road which is not even adjacent to the interstate. There are hundreds of other stores just like his located all around North Carolina, many doing a much higher volume business. When all of this is factored in it just does not appear that there are large volumes of cigarettes available for smuggling.

Since 1975 when statutes were enacted prohibiting the mail order distribution of cigarettes, tobacco tax revenues in North Carolina have been on a decline. For the year ending June 30, 1974 the state collected 20.53 million dollars in cigarette tax revenue and the state's population at that time was 5.08 million persons. In the year ending June 30, 1979 the state collected 18.82 million dollars and the state's population had grown almost a half million people to a population of approximately 5.6 million. Since the enactment of S. 1487 and the increased investigative activity by the A.T.F., the North Carolina State Bureau of Investigation and the North Carolina Department of Revenue the decline has been accelerated.

Also over the past few months we have been reviewing the procedures and regulations for cigarette distribution as set by the Department of Revenue to see if we could come up with any strategies to discourage prospective smugglers. It should be noted that these procedures and regulations were promulgated for the purpose of tax collection, not as a smuggling deterrent. In that regard I believe that our Department of Revenue has a record it can be proud of.

Unfortunately, all of the strategies which we have been able to come up with carry a substantial price tag. For instance, to assign a five man audit team from the Department of Revenue to work full time on audits of wholesalers would cost the state over a million dollars in revenue that would have otherwise been collected by these auditors. The annual cost of an S.B.I. agent is from 33 to 35 thousand dollars a year.

In North Carolina, as I am sure in your respective states, we have limited resources and therefore must set priorities. In the S.B.I. the priorities I set have been the investigation of rapes, robberies, murders, hard drug trafficking and other serious felonies. With these restrictions our agents are still averaging close to 600 hours a year per agent in over-time.

We need your help in factually determining how significant bootlegging of cigarettes out of North Carolina really is in order that we can justify reallocating already strained resources to further investigate it. It is our feeling that if cigarettes are being smuggled out of North Carolina that those perpetrating this act are accepting as a cost of doing business the proper payment of North Carolina cigarette and sales taxes.

Prior to the enactment of the federal felony statute the only North Carolina statutes which may have been violated were all relatively minor misdemeanors such as failure to affix the tax stamp. Violating are, for instance, failure to affix a tax stamp which is a misdemeanor.

It should also be noted that cigarette sales have been down in North Carolina since the enactment in 1975 of statutes prohibiting the mail-order sale of cigarettes.

In order for the S.B.I., the A.T.F. or any other law enforcement investigative agency to be successful in an anti-smuggling investigation they must have investigative leads from which to begin their work. Since in North Carolina we do not have legalized wiretaps or investigative grand juries which are available in many other states, there are only a couple of other ways left for getting the necessary information. One, by an inside informant, and they are extremely difficult to recruit, or two and most reasonably through information retrieved through revenue audits or other reports which would be required under the revenue status. As I have already explained the latter is extremely expensive.

Without something to go on the S.B.I. or the A.T.F. could stake out "X.Y.Z." wholesaler for 6 months and when a truck left the warehouse they would have no idea whether it was carrying cigarettes or ketchup. The manpower necessary to follow every truck coming out of a wholesaler far exceeds the federal resources of the S.B.I. and the A.T.F. They have got to have more than rabbits to shoot at.

In closing let me again reiterate that the Governor and the Secretary of Revenue and I are committed to assisting in any anti-smuggling effort. If we are shown that there is a severe problem within our states boundaries we will divert whatever resources necessary to combat it. Thank you for your time and I look forward to working with you.

NATIONAL HOSIERY WEEK

Mr. HELMS. Mr. President, this week, September 9–15, has been designated as National Hosiery Week. It is entirely fitting that tribute be paid to this remarkable industry and the important role it plays in our Nation's economy.

All of us, from time to time, extol the blessing of the free enterprise system. The diversity and prosperity achieved by the hosiery industry is an example of just how well the free enterprise system works. With more than 450 plants scattered across the Nation, the hosiery industry is comprised mostly of small- to medium-sized, family-owned, independent businesses.

Yet, there are large corporations too. Burlington Industries, for instance, is one of the most important hosiery manufacturers in the world, and we are proud to have it as a corporate citizen of North Carolina.

The 331 companies nationwide which comprise the hosiery industry provide jobs for over 65,000 Americans and pump over $4 billion in retail sales into the national economy. Aside from the immediate benefits rendered to the consumer by the hosiery industry, the technology it has engendered has contributed greatly to the efficiency and productivity of other businesses in the United States as well.

Mr. President, this commemorative week is of special significance to me since North Carolina leads the Nation in the entire textile industry. The vast majority of hosiery plants are located in the South; and I am proud that 58.7 percent of the hosiery produced in this country originates from North Carolina. That translates into over 1.8 billion pairs of hosiery produced in North Carolina alone per year.

North Carolina is the home of 197 companies operating 221 plants across the State. Though the industry is predominately comprised of small operations, they face the same problems and challenges as the other larger industries of the country. This prime example of the free enterprise system at work has created more than 41,000 jobs for the people of North Carolina and benefits virtually everyone in the State.

The textile industry, of which hosiery is a part, comprises 47 percent of all North Carolina's manufacturing jobs and has provided a payroll of over $418 million for the State's employees.

As a result of the influx of money into North Carolina's economy, the hosiery industry plays an important part in the other industries, particularly banking, foodstuffs, insurance and retailing.

North Carolina is proud of its distinctive leadership in the hosiery industry and we are grateful for the fine quality of life this industry has provided for so many of our people.

On behalf of all North Carolinians, I offer my sincere thanks and congratulations to the hosiery industry for the fine job it is doing for the people of our State and the Nation.

BAD MEDICINE FOR BRITAIN, AND THE UNITED STATES, TOO

Mr. HELMS. Mr. President, I commend to my colleagues an editorial which appeared in the Wilson Daily Times on August 2. This thought-provoking piece dealt with the striking parallels between the domestic policies of the United States and those of Great Britain.

Since before World War II, Great Britain has become increasingly entangled in a web of socialistic programs, nationalized industry, and the resulting government spending to try to keep them afloat. The world has seen this once mighty empire teeter on the brink of economic and societal ruin.

Fortunately for the British, however, they and their leaders have opened their eyes to the grave situation which confronted them. Under the leadership of Mrs. Thatcher and her Conservative government, this ailing nation is now on its way back to economic recovery.

Perceptively, the author of this editorial observes that we, too, have begun in the last 20 years, to follow the very same disastrous path toward socialism. The ramifications of such actions are ably illustrated by the editor of this fine North Carolina newspaper. All Americans must awaken to the dangerous consequences of these reckless and irresponsible policies, and return this Nation to economic and political sanity.

Mr. President, at this time, I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wilson Daily Times, Aug. 2, 1979]

BRITAIN: NO EXAMPLE TO FOLLOW

British Prime Minister Margaret Thatcher is making a cautious effort to reverse some of the ills caused by her nation's decades of experimentation with welfare state socialism, but the United States seems determined to follow the same path that led Britain to the brink of economic disaster.

Key British industries were nationalized years ago and have gone steadily downhill since. Now, Mrs. Thatcher's Conservative government is moving to sell part of its industrial holdings to private interests and reduce subsidies to ailing private companies.

Another major feature of Britain's recovery program is reduction of government spending and taxation. Mrs. Thatcher has whacked $9 billion from the previous Labor government's planned budget by eliminating many subsidies to industry, economic disaster areas, higher education and local governments.

The budget cuts will mean reduced spending on schools, libraries, sports facilities, housing, and the National Health Service. Spending cuts are certain to bring howls from principal beneficiaries, but Britain's sorely burdened middle class should welcome the prospect of lower taxes.

Sad to say, even as Britain pulls back from an economy fully managed by central government, the U.S. moves steadily in that direction. Business and industry in the U.S. are being slowly strangled by federal regulation. Worker productivity has fallen, yet government printing presses continue to crank out more and more dollars to chase fewer and fewer goods. The result is rampant inflation.

A staggering energy crisis confronts the nation. Members of the Arab oil cartel make handy scapegoats, but the public's conspicuous consumption and the federal government's incompetence are more to blame. Ironically, belated efforts of elected national officials to cope with the problem are likely to tighten the central government's grip on the lives of its citizens.

Massive expenditures to develop alternative energy sources will spur inflation. Forced conservation will swell an already bloated Washington bureaucracy. And, Americans will feel the strangling effects of more yards of red tape.

Socialistic panaceas for society's ills have led Britain to the brink of fiscal ruin, but her people are attempting to salvage what remains of a free economy. Will the American people wake up in time to avoid the nearly fatal mistakes of their closest ally? The hour grows late.

ORDER OF BUSINESS

Mr. HELMS. I thank the Senator from Tennessee for yielding to me.

Mr. BAKER. Mr. President, I thank the Senator from North Carolina.

Mr. President, I have no need for the remainder of my time. If there is any remaining under the standing order, I am prepared to yield it back.

Mr. ROBERT C. BYRD. Mr. President, so am I.

Mr. President, I do yield it back.

Mr. BAKER. I yield back the remainder of my time, Mr. President.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

REFERRAL OF PM 90 TO COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, on July 27, 1979, a message from the President of the United States (PM 90), transmitting an agreement between the United States and Australia concerning peaceful uses of nuclear energy, was jointly referred to the Committees on Foreign Relations, Governmental Affairs, and Energy and Natural Resources.

Mr. President, I ask unanimous consent that the Committees on Governmental Affairs and Energy and Natural Resources be discharged from further consideration of that message and that it be only referred to the Committee on Foreign Relations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 1125

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Ed Graves of my staff, Nancy Foster of Senator STONE's staff, Owen Donley of Senator MCGOVERN's staff, and the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of S. 1125: Henry Casso, Carl Rose, Phil Fraas, Bill Lesher, George Dunlop, Burleigh Leonard, and Marshall Matz.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATION OF MOON LANDRIEU TO BE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

Mr. PROXMIRE. Mr. President, I send to the desk the nomination of Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development. Our committee reported him unanimously.

Mr. Landrieu is a man of great experience as a mayor, as president of the Conference of Mayors, and as one who has dealt with the Department which he will be heading for some 10 years. He understands the problems as he demonstated very well before our committee during his nomination hearings.

REALISTIC VIEW OF GENOCIDE CONVENTION NEEDED

Mr. PROXMIRE. Mr. President, during the 30 years the U.S. Senate has been reviewing the Genocide Convention there have been a great number of discussions on whether or not the Genocide Convention should cover "political" groups. As I am sure my distinguished colleagues know, the treaty does not protect "political" groups.

However, we cannot justify delaying ratification of the Genocide Convention because "political" groups are not protected. It is not reasonable to expect that sometime in the near future "political" groups will be included. Rather we must have a realistic understanding of what the Genocide Convention can and cannot do.

My major point today is that the ethnical, racial, religious, and national groups covered by the treaty overwhelmingly support its ratification. They recognize its importance. These groups look to the U.S. Senate for leadership and are puzzled as well as dismayed by our total lack of action.

Hearings held in 1970 before a subcommittee of the Committee on Foreign Relations contain many pages of testimony from racial, ethnical, political and national groups. They abhor the possibility that some persons will choose not to respect their right to exist as a group.

One of the groups that submitted testimony to the subcommittee is the Armenian National Committee.

The Armenians are particularly aware of the horrors of genocide. Sixty-four years ago the Turkish Government initiated a plan to destroy the Armenian minority in Turkey. Over 1 million Armenian people were killed. Many others were tortured.

We cannot ignore the fact that many national, ethnical, religious, and racial groups continue to be threatened by crimes of genocide.

Ratification of the Genocide Treaty is long overdue. I urge my colleagues to consider the groups covered by the treaty and their plight as they struggle to maintain their existence as a group when threatened by outside aggressors who intend to destroy the group.

RUSSIAN BRIGADE IN CUBA

Mr. BAKER. Mr. President, the issue of what to do about the discovery of the Russian brigade in Cuba has been the source of considerable debate in recent days.

Over the weekend, former President Ford came straight to the heart of the matter in a forceful speech in Atlanta. He called for the immediate withdrawal of the Soviet combat troops from Cuba, and he called on the President to give the American people the facts of the situation and dispense with the political innuendo.

I know my colleagues on both sides of the aisle will find President Ford's comments enlightening and constructive, and I ask unanimous consent that the text of his Atlanta speech be printed in the RECORD at this time.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

[Excerpts from remarks by Former President Ford]

SOVIET TROOPS IN CUBA

The appearance of Soviet combat troops in Cuba raises some severe questions for the United States, but let me begin by discussing the Administration's strange handling of this entire challenge.

It is now being charged by the Carter Administration that elements of these Soviet combat forces were in Cuba under my Administration, specifically that armored and artillery elements were there in 1976, if not earlier.

Frankly, I strongly doubt the accuracy of this allegation by the Carter Administration and resent the political innuendo, particularly when the White House has asked repeatedly for my help on foreign policy matters when they were in trouble during the past 2½ years.

No evidence was brought to my attention concerning Soviet combat forces in Cuba during my administration. And, I will be specific, I do not believe that our intelligence was so bad as to completely miss such a major development. In my Administration intelligence-collecting overflights over Cuba were regularly conducted. Indeed, the whole question of our intelligence performance raises some questions that the Carter Administration must answer.

First, Is it not true the Carter Administration stopped reconnaissance flights over Cuba? If this is true this would explain the Administration's confusion as to what has happened in the past 2½ years.

Why did the Carter Administration stop our intelligence surveillance of Cuba? When was it done and when resumed, if so? What did the Administration know and when did they know of the recent developments?

As recently as July 27, Secretary Vance assured Senator Stone in a letter that there was "no evidence of any substantial increase of the Soviet military personnel in Cuba over the past several years . . ."

And, in that same letter Secretary Vance mentioned that President Carter had raised this question with Breshnev in Vienna in June. What was it that prompted the President to bring this up with Breshnev? What did Breshnev say?

President Carter's own stand concerning Cuba mentioned the fact that we have in recent months raised with the Soviets the issue of the Soviet-Cuban relationships. And, on August 29, the Soviets were called on by the State Department and with what results, if any.

The question I have is, what exactly happened between July 27, and sometime in August to trigger this new round of accusations? Finally, what is happening now? What is the Soviets answer? What are the Soviet troops doing, what role are they performing? Are there other Soviet installations in Cuba?

In short, we need to be told the facts.

But, whatever the intelligence records, the issues are obvious as are the causes. I have publicly warned the Administration about the circumstances of letting the Cubans run wild in Africa. While in office, I tried to stop them in Angola and was close to success when the Congress, including many Senators now warning about Cuba, acted to cut off U.S. support for anti-Soviet and anti-Cuban forces in that part of Africa. At that time, I said that we would regret those Congressional limitations on Presidential action, and now we can see the consequence of the Senate's shortsightedness. During the Carter Administration, 25,000 more Cuban combat forces have been sent to Ethiopia and more to South Yemen and Libya, apparently without opposition by the Administration. The Soviets are now shoring up their position in Cuba to support Cuban operations abroad.

First, the Soviets, within the last 18 months, shipped to Cuba a completely new model of fighter-bomber, the MIG-23 which has a nuclear weapon capability. The Carter Administration, after much dithering, apparently acquiesced to this Soviet move in the Western Hemisphere.

Subsequently, Soviet pilots began to appear in Cuba to train Cuban pilots to go to Africa—and now we are told that there may be a Soviet combat force in Cuba.

The American position must be made clear; we simply cannot tolerate this chain of events.

First of all, Soviet combat forces and their equipment must be withdrawn immediately from Cuba.

Second, Cuban combat forces in Africa and the Middle East area must also be withdrawn, for this is the root cause of the current problem.

These are the issues in my view and the course of action we must adopt. If the President takes this strong position he will have bi-partisan support and the firm backing of the American people. But he must begin by telling us all the facts and stop trying to shift the responsibilities to the previous Administrations.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

FEDERAL CROP INSURANCE ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the pending business, S. 1125, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1125) to improve and expand the Federal crop insurance program, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from North Carolina (Mr. HELMS), with 1 hour on any amendment in the first degree, 30 minutes on any amendment in the second degree, and 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged against either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, what is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. S. 1125.

Mr. HUDDLESTON. Mr. President, I am pleased to present S. 1125, the Federal Crop Insurance Act of 1979, for consideration by the Senate. This bill will make badly needed reforms in the Federal disaster program for farmers.

The existing disaster assistance effort has been graphically described as itself being a disaster. In hearings held by the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices on this legislation, we learned that, on the one hand, disaster assistance programs tend to overlap one another and can be very expensive; while, on the other hand, many farmers are not eligible for the assistance provided, and benefits, at times, are insufficient to cover disaster losses.

S. 1125 directly addresses the problems we found and the needs of U.S. farmers.

It improves the voluntary crop insurance program under the Federal Crop Insurance Act and expands it to all counties and all commodities in the United States.

Under this program, farmers will be able to choose protection sufficient to cover their operating expenses at a reasonable cost.

Even though the crop insurance program under the bill will provide much greater protection nationwide than existing disaster assistance programs, it will cost the Government no more, perhaps less, than existing programs. Because it is an insurance program, farmers who participate will contribute to underwriting the program through small, but regular, premiums for protection.

The bill contains provisions to facilitate substantial involvement by private industry in the massive task of bringing the new programs to all farmers. By doing so, it will avoid the creation of an expanded Federal bureaucracy, while enabling the program to benefit from the wealth of knowledge and expertise of private industry.

Mr. President, the subcommittee has reviewed numerous disaster assistance reform bills and has held lengthy hearings over the last year and a half, in order to hear all sides of this issue. S. 1125 is a compromise bill, based on the testimony we received and including the best features of the other bills. It endeavors to strike a balance between several important, but competing, interests.

Therefore, I will strongly oppose any amendment offered during this debate that will make substantial changes in the legislation.

I want to take this opportunity to thank the distinguished Senator from Georgia (Mr. TALMADGE), the chairman of the Committee on Agriculture, Nutrition, and Forestry, for his valuable contribution to this legislation. He has been firmly committed to the improvement of the disaster assistance effort for farmers and has been greatly instrumental, through his strong leadership of the committee, to the development of a bill for consideration by the Senate.

Mr. President, agriculture is one of this Nation's most valuable resources. We have an efficient system for producing food and fiber unparalleled in the world. Nonetheless, for the thousands of family farmers who make up agriculture, it remains one of the highest risk undertakings in our economy.

To preserve the productive family farm system, it is absolutely essential that we provide our farmers with a comprehensive, meaningful, and efficient plan to protect their economic investments in production from the ever-present risks of natural disaster.

S. 1125 provides such plan, and I urge my colleagues to join me in approving it.

EXISTING DISASTER PROTECTION PROGRAMS FOR FARMERS

Farming, at best, is an exceptionally high-risk undertaking. Beyond the perils of economic uncertainties caused by fluctuating prices for his products, a farmer also faces many uncontrollable and unpredictable natural hazards. These can prevent him from planting his crops or destroy planted crops, even in the best production years. Historically, 1 out of every 12 acres planted is not harvested because of adverse weather or other natural disasters.

The farmer has a major investment in his growing crops. It takes considerable capital to buy the machinery, fuel, fertilizer, seed, insecticides, and other necessities of modern commercial agriculture. The costs of these necessities have risen dramatically in the last several years.

In most cases, the farmer has to borrow money to plant. Loss of production due to an unavoidable natural disaster too often makes the farmer unable to repay his loan, leaving him with no credit to finance next year's crop. Many times, the loss of a single crop due to disaster has wreaked enough havoc to drive a person out of farming. When crops are lost in consecutive years—a not uncommon occurrence—financial distress among farmers tends to be widespread.

Two Federal programs—an insurance program and a disaster payments program—offer thousands of the Nation's farmers some protection against loss of income when their crops are damaged or destroyed by natural causes.

The Federal crop insurance program gives farmers the opportunity to mitigate the risks they face from weather, insects, and disease by spreading the loss among many persons exposed to these risks and over many areas and growing seasons. It enables the farmer to substitute payment of a small, but regular, annual premium for irregular and devastating financial losses due to crop failure.

The program is voluntary. Premiums are set at a level believed adequate to cover claims for losses and to provide a reserve against unforeseen losses. The 1978 crop insurance program provided about $2 billion of protection for 26 commodities against practically all natural causes of loss. This insurance covered about 21.5 million acres, or 11 percent of all farm acreage eligible for the program.

The disaster payments program for producers of wheat, feed grains, upland cotton, and rice is a form of free crop insurance. Protection under the disaster payments program is without cost to eligible producers. Payments offset losses attributable to the farmer's inability to plant or to produce a normal crop due to drought, flood, or other natural disaster, or other condition beyond the farmer's control.

The disaster payments program was first authorized under the Agriculture and Consumer Protection Act of 1973 for crop years 1974 through 1977 for producers of upland cotton, wheat, and feed grains. Benefits were extended to rice producers for the 1976 and 1977 crop years by the Rice Production Act of 1975. The program was extended through the 1979 crop year for producers of these commodities by the Food and Agriculture Act of 1977.

PROBLEMS WITH EXISTING PROGRAMS

Over the past several years, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others. The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

When President Franklin Delano Roosevelt, in 1938, signed the legislation authorizing the Federal crop insurance program, he predicted that the program would expand rapidly and become a popular and comprehensive solution to the problem of providing basic crop protection to farmers. But the program's promise has never fully been realized.

After nearly 30 years of operation as an experimental program, Federal crop insurance exists in only one-half of the Nation's counties. Nor does the program cover all major commodities in the counties in which insurance is available. In many instances, insurance is not available when and where it is most needed.

Moreover, high premium rates and the existence of alternative modes of crop disaster protection have kept participation levels low—never exceeding 20 percent of overall eligible acreage.

In addition, the unusually heavy claims in 1976 and 1977, coupled with inherent shortcomings in the way crop insurance operations are funded, necessitated substantial emergency appropriations by Congress in order that the Federal Crop Insurance Corporation might remain solvent.

The experimental nature of the Federal crop insurance program and the lack of broad farmer participation in it led to the creation over the years of additional programs to assist farm disaster victims, including the disaster payments program.

Although the disaster payments program has helped thousands of farmers hard hit by natural disasters during the last 5 years, the program has been criticized for being expensive, limited to just six crops, and inequitable in its application.

The disaster payments program will expire at the end of the 1979 crop year, and the administration is strongly opposed to further extension of the program beyond the time it takes to implement crop insurance reform.

COMMITTEE ACTIVITY

Over the last 3 years, a number of bills have been introduced to improve the Federal disaster protection program for farmers. Beginning in the spring of 1978, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, which I chair, has held 9 days of hearings on these bills, receiving oral or written testimony from 60 witnesses. In addition, the Committee on Agriculture, Nutrition, and Forestry surveyed State departments of agriculture, farm groups, and commodity and other agriculture-related groups for their views on the disaster assistance needs of U.S. farmers. A compilation of these groups' statements, along with descriptions and assessments of existing programs and expert analyses of policy issues, was published as a committee print.

Because of the sensitivity of private companies providing crop-hail insurance to the crop insurance proposals, members of the subcommittee, from the outset of our work on these bills, met with leaders of the insurance industry. A number of the provisions in S. 1125 were included in response to industry concerns or were developed from industry suggestions.

NEED FOR LEGISLATION

In the subcommittee's review of the bills and in the hearings, one thing has been made clear: Our farmers need disaster protection. They do not want or need a Federal handout, but they need some type of assistance to help them cope with the uncertainties of weather and other natural conditions and they are willing to pay their fair share to get it.

This need can best be met through the Federal crop insurance program. However, legislation must be enacted to improve this program—to make it an operational rather than experimental program, to expand it to all crops and all counties, and to correct the deficiencies in its operations that have hindered its growth and acceptance by the Nation's farmers.

An expanded and improved crop insurance program will eliminate the need for the disaster payments program and, more importantly, make available to all farmers a comprehensive, meaningful, and efficient program under which they may protect their investments in food and fiber production.

S. 1125 MEETS FARMERS' NEEDS

S. 1125 meets the need of U.S. farmers by making changes in the authorizing legislation that will allow expansion of the Federal crop insurance program to all crops and all counties, encourage farmer participation by improving the coverage offered and reducing premium costs through Federal cost sharing, and encourage the private insurance industry to assist in the massive task of marketing crop insurance and servicing insured farmers on a nationwide basis. It is my belief that while the private crop-hail insurance industry may prefer alternative language in some areas, this bill provides for a program they could work with.

The bill will also revise the funding of the program in order to give it a sounder financial base. It will make other technical improvements in the Federal Crop Insurance Act.

S. 1125 phases out the disaster payments program over a 2-year period, during which time an improved and expanded Federal crop insurance program will be put into place.

ROLE OF PRIVATE INSURANCE

Private insurance companies, as a rule, write only specific risk crop insurance covering hail, fire, and lightning risks. Numerous attempts by private industry to write all-risk policies have failed.

Federal reinsurance—to cover the risk of catastrophic losses such as those that arise from large-scale droughts, floods, or freezes—is necessary if private industry is to succeed in entering the all-risk field.

The Federal Crop Insurance Act was amended in 1947 to authorize the Federal Government to provide reinsurance, but the amendment placed a 20-county limit on the reinsurance program.

The private insurance industry, although expressing interest in all-risk crop insurance, has been reluctant to commit resources to an experimental effort that could at best be a pilot project in terms of magnitude, and that does not provide a sufficient base for dispersion of risk to build a sound reinsurance program.

The Federal all-risk crop insurance program cannot expect to have maximum participation by farmers unless private industry commits its resources and delivery system to all-risk insurance. S. 1125 repeals the 20-county limit on the reinsurance program and provides that the Federal cost share for Federal crop insurance premiums will also apply to crop insurance written by private companies if the policies are reinsured by the Federal Government.

These steps will provide the impetus for the development of a private-Federal partnership in providing all-risk insurance to U.S. farmers.

S. 1125 also amends the act to permit the Federal Crop Insurance Corporation to use private companies in administering the program. This will enable the Corporation to use the delivery system of the private industry to market and service Federal all-risk crop insurance on a commission or contract basis. Private industry can bring a wealth of expertise and well-trained personnel to the expanded, nationwide crop insurance program.

There are some 25,000 to 30,000 private crop insurance agents across the Nation who could sell and service Federal crop insurance. The Federal Crop Insurance Corporation, to the maximum extent feasible, should use this valuable resource, pool in implementing the nationwide all-crop, all-county crop insurance program under S. 1125, rather than establishing a massive new Federal bureaucracy.

To facilitate maximum participation by private insurance agents in the Federal program, the Corporation must take steps to insure that agents are given a fair agreement under which to work.

SPECIAL DISASTER PAYMENTS

Many farmers had difficulty this spring planting their crops due to poor weather conditions or lack of adequate fuel. Flooding was extensive in many major agricultural producing regions, coming at a time when farmers had already invested money into preparing land and applying fertilizer prior to planting. Once the water receded and farmers were able to get into the field, the fuel shortage caused further delays, forcing many farmers to abandon their original planting intentions. It is estimated that preplanting costs account for about 15 to 20 percent of the total cost of production.

Under existing legislation, farmers who are able to plant another nonconserving crop after being prevented from planting the first are not eligible for prevented planting disaster payments. The second crop has to pay for its own cost of production as well as the cost invested in the first crop.

S. 1125 provides for a special disaster payment to such farmers for the 1979 crop year. While the payment level will not be the same as that for farmers who are prevented from planting any crop, it should be sufficient to help offset some of the preplanting costs lost on the first crop.

CONCLUSION

Mr. President, S. 1125 makes a number of substantial changes in the Federal disaster protection effort for farmers, correcting deficiencies in the existing system and providing for a more effective new insurance program.

It is vital that these steps be taken. Farmers must be assured that, whatever natural disasters befall them, they may rely on a sound program of protection that is equitable and responsive to their legitimate needs. And the American taxpayer must be assured that Federal expenditures for disaster assistance are used wisely and without waste.

This Nation has benefited from a strong farm economy for so many years that we tend to take this risk-laden enterprise for granted. But in an era of shrinking natural resources and intense industrial competition among nations of the world, a healthy farm sector becomes the vital factor in this Nation's economic equation. In the longterm, all U.S. citizens will share in the benefits of the program reforms made by S. 1125 to protect our farmers from the ravages of natural disasters. I urge its adoption by this body.

Mr. President, I ask unanimous consent that a summary of the major provisions of S. 1125 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MAJOR PROVISIONS OF S. 1125

The bill would—

(1) Effective October 1, 1980, increase the capital stock of the Federal Crop Insurance Corporation from $200 million to $500 million;

(2) Require the Secretary of the Treasury, within 30 days after October 1, 1980, to cancel all capital stock of the Corporation outstanding on October 1, 1980;

(3) Increase membership of the Board of Directors of the Corporation from 5 to 7 and change its composition so that it would include—

(a) the manager of the Corporation,

(b) the under secretary or assistant secretary of agriculture responsible for the Federal crop insurance program,

(c) the under secretary or assistant secretary of agriculture responsible for the farm credit programs of the Department of Agriculture,

(d) one person outside the Government who is experienced in the crop insurance business, and

(e) three active farmers;

(4) Authorize the Corporation to contract with private insurance companies in administering the Federal crop insurance program;

(5) Effective with the 1980 crop year—

(a) remove the 150-county and 3-commodity annual limits on expansion of the Federal crop insurance program, and

(b) remove the 20-county limit on the program to provide Federal reinsurance for private crop insurers;

(6) Provide, with respect to coverage, to be made available under the Federal crop insurance program, as follows:

(a) insurance would be made available to a farmer on his crop for 75 percent of average yield;

(b) price coverage would be made available, per unit of production, at the highest of target price (if any), loan rate (if any), or the projected market price; and

(c) lower levels of yield coverage and other price selections would also be made available;

(7) Authorize the Corporation to reinsure crop insurance programs operated by State and local government entities;

(8) In order to encourage the broadest participation in the crop insurance program, require the Corporation to pay a part (not less than 20 percent nor in excess of 40 percent) of crop insurance premium costs. The payment would apply both to (a) premiums on direct Federal crop insurance and (b) in order to provide equity among producers purchasing crop insurance, premiums on private or governmental crop insurance reinsured by the Corporation. The percentage (within the 20 to 40 percent range) of the premium to be paid by the Corporation would be determined by the Board;

(9) Authorize the Corporation to offer Federal crop insurance and provide for reinsurance in Puerto Rico and other commonwealths and territories of the United States;

(10) Authorize the Corporation to offer specific risk protection programs for risks not covered by private insurance;

(11) Make the revisions in the crop insurance program in the bill effective beginning with the 1981 crop year, except for the provisions removing limits on expansion (which would be effective for the 1980 crop year);

(12) Effective October 1, 1980—

(a) delete the $12 million limit on annual appropriations to cover the Corporation's operating and administrative costs,

(b) authorize annual appropriations to the Corporation to cover agents' commissions, payments of premiums by the Corporation, and direct costs of crop inspections and loss adjustments, and

(c) authorize the Corporation to use insurance premium funds to cover expenses of agents' commissions, loss adjustment, and crop inspection, and authorize restoration of premium funds used for these purposes by appropriations in following years;

(13) Effective October 1, 1979, authorize the Secretary of Agriculture to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable it to cover program expenses or pay indemnity claims;

(14) Extend the farm disaster payments and prevented planting disaster payments provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 through the 1980 and 1981 crop years. However, in 1981, producers would have the option of choosing between such disaster payments on the respective commodity or participating in the shared-cost crop insurance program provided in the bill (they would not be eligible for both); and

(15) Authorize a new disaster payments program under the commodity provisions of the Agricultural Act of 1949 for the 1979 crop year. Under the new program, producers of wheat, feed grains, upland cotton, and rice who (a) are prevented from planting their intended crop because of a natural disaster or other condition beyond their control (including lack of fuel), but (b) plant a substitute nonconserving crop, would be eligible for a disaster payment equal to 15 percent of the target price times 75 percent of the normal yield on the acreage affected.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the amendments of the Committee on Agriculture, Nutrition, and Forestry to S. 1125 be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. President, I, too, commend the efforts of the distinguished ranking minority member of the Committee on Agriculture on this particular legislation and other matters that come before the committee relating to the needs of our farmers throughout the United States, the distinguished Senator from North Carolina (Mr. HELMS).

Mr. President, the time, as I understand it, on this bill is divided between the Senator from North Carolina and myself. I reserve the remainder of my time and yield to the Senator from North Carolina.

(Mr. ZORINSKY assumed the chair.)

Mr. HELMS. Mr. President, of course I appreciate the generous comments of the Senator from Kentucky. He and I came to the Senate on the same day and it has been a high privilege for the Senator from North Carolina to work with Senator HUDDLESTON in so many matters in the Committee on Agriculture and other matters as well.

I say to my friend from Kentucky that I have just come from a luncheon hosted by the distinguished chairman of our committee (Mr. TALMADGE). The guests were German journalists who are interested in peanut production in the United States. Of course, Germany produces peanuts as well. One of them told me that he was very much interested in tasting some peanuts grown in the United States, so he bought a package last night in a little sundry shop. He looked at the label and found out that they were grown in Germany.

Before us at the luncheon was a silver-looking peanut, and I looked at the bottom of that, and it says, "Made in Japan." So maybe the United States is not really as deeply into the peanut business as we think.

In any event, Mr. President, I have listened with interest, as always, to the comments of my friend from Kentucky. It is unquestionably in the Nation's interest for this Government to help protect the farmer from the ravages of natural disasters. Back-to-back disasters, such as the droughts experienced in 1976 and 1977, can wipe out scores of producers who have cash-flow problems and thus hamper the agricultural sector's capacity to produce sufficient supplies of food and fiber for the United States and the rest of the world. The issue, therefore, is not whether the Federal Government should provide some sort of disaster assistance to farmers; the issue is how the Federal Government should make such assistance available.

The Federal Government's current disaster payments program amounts to free crop insurance. If, as a result of natural disaster, a wheat, feedgrains, upland cotton, or rice producer is prevented from planting a crop or experiences yields below a certain percentage of his average yield for a given crop, he may be eligible to receive an outright grant from the Federal Government. Translated, Mr. President, that means an outright grant from the taxpayers of America.

Such a program, Mr. President, in the judgment of this Senator, has some defects which should be obvious. First, it is inherently unfair in that only producers of certain crops receive disaster payments. Producers of soybeans—a primary crop in many areas—tobacco, peanuts, citrus fruits, sugar cane, sugar beets, dry beans, sunflowers, and so forth, may not receive disaster payments under any circumstances whatsoever. Even within the disaster payments program, producers are not treated in like fashion. Wheat and feed grain producers must lose more than 40 percent of their yield before they are eligible to receive low-yield payments. Upland cotton and rice producers, on the other hand, need only lose more than 25 percent of their yield to qualify for low-yield payments.

Second, the disaster payments program discriminates against the small family farmer. USDA studies indicate that the distribution of disaster payments among all farms is less than the projected distribution of insurance premium subsidy benefits. The studies show that larger farmers received proportionately more of the total disaster payments than do small farmers. Under a federally subsi-

dized crop insurance program, the subsidy benefits will be more evenly distributed among all farmers, resulting in a more equitable program.

Perhaps the most glaring fault of the disaster payments program, Mr. President, is that it encourages production on marginal lands that are susceptible to natural disasters. This sometimes results in undesirable conservation practices and may contribute to surplus production. During 1974–77, 31 percent of total disaster payments went to about 117,000 farmers who received payments either 3 of the 4 years of the program's existence or every year of the program's existence. These figures reveal that there are a small number of farmers who abuse the disaster payments program by planting crops on land that they know is subject to high yield variability. Such mismanagement, I have been informed, has cost the American taxpayer in the neighborhood of $600 million since 1974 alone.

To put this dollar figure in perspective, the average yearly cost of the disaster payments program is $436 million. If the taxpayer's money had not been spent on this small number of farmers, there would have been sufficient funds to pay the costs associated with disaster payments for almost 1½ additional crop years.

Mr. President, it is apparent that the current disaster payments program is neither a very efficient nor effective way for the Federal Government to help cushion the farmer from the effects of natural disasters. It is unfair; it encourages bad management practices; and it is wasteful of the taxpayer's money.

Crop insurance, on the other hand, provides the farmer with protection against production loss on a more sound and equitable basis.

The Federal crop insurance program gives the farmers the opportunity to mitigate the risks they face from weather, insects, and disease by spreading the loss among many persons exposed to these risks and over many areas and growing seasons. It enables the farmer to substitute payment of a small, but regular, annual premium for irregular and devastating financial losses due to crop failure.

The program is voluntary. Premiums are set at a level believed adequate to cover claims for losses and to provide a reserve against unforeseen losses. Premium rates that farmers must pay for the protection vary widely depending upon, first, the crop insured, second, the risks of the area, and third, the amount of insurance protection per acre. The insurance does not cover loss due to such causes as low farm prices, neglect, poor farming practices, or theft. The insurance only covers production losses resulting from unavoidable causes.

The method of insurance generally in use at present is to guarantee the insured a percentage of average production in bushels, pounds, or other commodity unit. When the insured person harvests less production than the percentage of average yield protected due to any of the causes insured against, he is paid for the shortage at the price per commodity unit that he selected before the growing season from several optional prices.

Over the past several years, Mr. President, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others, including the media.

The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

When the Chief Executive of the Nation, President Franklin Delano Roosevelt, signed the legislation authorizing the Federal crop insurance program, I believe in 1938, he predicted that the program would expand rapidly and become a popular and comprehensive solution to the problem of providing basic crop protection to farmers. But the program's promise has never fully been realized.

In fact, after nearly 30 years of operation as an experimental program, Federal crop insurance exists in only one-half of the Nation's counties. Nor does the program cover all major commodities in the counties where insurance is available. In many instances, insurance is not available when and where it is most needed.

Moreover, high premium rates and the existence of alternative modes of crop disaster protection have kept participation levels low—never exceeding 20 percent of eligible farmers, according to information made available to me.

In addition, the unusually heavy claims in 1976 and 1977, coupled with inherent shortcomings in the way FCIC operations are funded, necessitated substantial emergency appropriations by Congress in order that the Federal Crop Insurance Corporation might remain solvent.

So we say, Mr. President, "What is needed?"

What is needed, is an expanded and improved Federal crop insurance program that can provide adequate protection without promoting the inequities and abuses of the current disaster payments program and that can attract sufficient participation so as to spread the risk over a greater universe, thereby reducing premium costs to the individual farmer.

Let me pause here, Mr. President, to state for the record that the able Senator from Kentucky is to be commended for his efforts to generate an improved Federal crop insurance program.

He has worked diligently at this, as he does in all things. I am very grateful to him.

His patience and skill as a negotiator and his familiarity with the subject matter provided a steadying influence on his fellow members of the Agriculture Committee as they wrestled with the intricacies of crop insurance. "Noble" is about the best word to describe his attempt to bridge what must certainly have appeared to be unbridgable gulfs of dissension among insurance industry representatives, farm groups, and administration officials. I applaud the efforts of my friend from Kentucky (Mr. HUDDLESTON.)

Nonetheless, I cannot support the changes which the Senate Committee on Agriculture made to S. 1125. By raising the Federal premium subsidy to unacceptably high levels, by failing to encourage the private hail crop insurance industry to help market Federal all-risk crop insurance policies, and by continuing disaster payments for 2 more years in direct competition with Federal all-risk crop insurance the Senator feels that the Agriculture Committee stripped S. 1125 of those elements essential to the formulation of a sound nationwide all-risk Federal crop insurance program. Moreover, the committee's actions amount to a renewal of a notion that I thought had finally been laid to rest in these days of runaway inflation—the notion that any obstacle can be overcome by a willingness on the part of the Federal Government to throw money at the problem.

Widespread participation by farmers is critical to the success of the Federal crop insurance program. If an insufficient proportion of those who need protection do not voluntarily purchase insurance and consequently face financial ruin after a catastrophic crop loss, the program will not fulfill its principal objective of providing the Nation's farmers with a measure of protection against natural disasters.

Major factors ensuring substantial farmer participation are:

First, expansion of the program to all counties and all crops;

Second, coverage adequate to protect the farmer's investment in the crop;

Third, premium costs at levels farmers can afford;

Fourth, use of private insurance industry resources for marketing purposes; and

Fifth, elimination of competing disaster payment programs.

These factors are not mutually accommodating. Any deference paid to one is at the expense of another and usually generates a political fallout that makes reform of crop insurance almost impossible. Therefore, in order to establish a sound Federal all-risk crop insurance program, one must balance these factors so that they operate in relative harmony.

S. 1125, as reported by the Agriculture Committee, deals with the first two factors—program expansion and adequate coverage levels—in a satisfactory manner. Effective with the 1980 crop year, the bill will lift the various restrictions that have heretofore limited the expansion of the Federal crop insurance program. This will enable FCIC to move quickly to expand the program to all agricultural counties and to all crops that are important to the agricultural income of an area.

S. 1125 provides that—

First, insurance must be made available to a farmer on his crop for 75 percent of average yield;

Second, price coverage must be made available, per unit of production, at the highest of target price (if any), loan rate (if any), or the projected market price; and

Third, lower levels of yield coverage and other price selections will also be made available.

Requiring FCIC to offer farmers yield coverage at 75 percent of average yield will guarantee the farmer an opportunity to purchase coverage sufficient to return his major operating expenses in the event of disaster loss. Since operating expenses usually amount to 80 percent or more of his expected returns from the crop, it is essential to the farmer that these costs be protected.

Requiring FCIC to offer farmers a price selection that is the highest of target price, loan rate, or projected market price will guarantee the farmer an opportunity to purchase coverage that reflects the fair worth of his crop.

These coverage options will make the program more flexible and, in conjunction with Federal cost sharing of premium costs, enable the farmer to obtain a higher level of insurance coverage than he could otherwise afford.

While S. 1125 adequately handles the first two factors essential to the successful implementation of a sound Federal crop insurance program, it fails to accommodate the remaining three factors—premium subsidy level, private sector marketing effort and competing disaster programs—in a reasonable and balanced fashion.

Premium subsidies can be used effectively to broaden participation. The question is what level of premium subsidy is required to generate sufficient participation. The answer is not clear. Originally, S. 1125 proposed a 20 percent direct premium subsidy. The direct premium subsidy of 20 percent, when coupled with congressional appropriations for FCIC's administrative and operating costs, would have represented a very generous 50 percent direct-indirect Federal subsidy.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20 percent subsidy with a 20 to 40 percent subsidy range on coverage levels of up to 75 percent of average yield. According to the Congressional Budget Office, the committee's action could increase the costs of the Federal premium subsidy from $185 million to $395 million annually by 1984. The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected that the total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view the 20 to 40 percent subsidy range is unacceptable.

Objections to the 20 to 40 percent subsidy range become more pronounced when one considers the subsidy's effect on another important factor in raising participation levels—marketing. A farmer is very hesitant to part with his cash. As a result, crop insurance must be sold through detailed presentations by a network of agents with experience in sales and claims administration. Otherwise a farmer will never buy crop insurance, regardless of the size of the subsidy. While FCIC lacks such a network of agents, the private hail crop insurance industry can muster an army of 30,000 professional agents across the country to help market all-risk crop insurance policies. The use and involvement of the private sector would reduce the need for growth in FCIC's personnel requirements and would provide a proven wealth of actuarial knowledge and practical experience that could insure a sound Federal all-risk crop insurance program.

The Agriculture Committee's action to raise the Federal premium subsidy level on all-risk crop insurance does not encourage private industry cooperation in the marketing effort. Premium subsidies of up to 40 percent—exclusive of congressional appropriations for FCIC's administrative and operating costs—compete unfairly with the private sector's unsubsidized hail crop insurance policies, and indeed, threaten small localized hail crop insurance companies with extinction. Accordingly, under S. 1125 as reported, FCIC will have to greatly expand its bureaucracy to do what private industry is already doing. This will be an added expense on top of the increased costs of higher subsidies already approved.

I hasten to add that the feasibility of establishing a cooperative marketing effort between FCIC and the private sector is not solely dependent upon the level of the Federal premium subsidy. There are other elements—particularly those having to do with the working arrangement between independent insurance agents and FCIC—which play important roles in successful marketing of Federal crop insurance policies.

Officials at FCIC realize the need to tap the marketing resources of independent insurance agents. Pilot programs have been set up in Nebraska and Texas to determine what must be done to elicit the independent agent's participation in the marketing effort. While these programs have been less than completely successful, they have provided helpful hints as to what FCIC must do to establish an effective working relationship with independent agents. First, FCIC must pay commissions to independent agents that are competitive with those paid by private insurance companies. Second, FCIC must recognize the independent agent's equity ownership of the business he creates and must permit the agent to service and renew the business he initiates. Third, FCIC must allow the independent insurance agent to be indemnified for loss suffered as a result of acts or omissions caused by FCIC.

The items stipulated above relating to the marketing and servicing of Federal crop insurance through independent insurance agents are fundamental principles of contract and agency law and they comprise the standard business arrangement that the independent agents have with private insurance companies.

I trust that FCIC will act in good faith to incorporate these principles into the contract arrangements it makes with independent insurance agents. If FCIC fails to do so, it is unlikely that any independent agent will choose to sell and service Federal crop insurance. Without the active participation and utilization of the American agency system, the prospects for an expanded Federal crop insurance program are not good.

The last factor which bears upon the success or failure of Federal all-risk crop insurance is the availability of alternative disaster programs. If a farmer has access to a free Government handout, he will opt for it rather than put up outfront cash on a shared-cost crop insurance policy. The current disaster payments programs for wheat, feed grains, upland cotton, and rice present such a competitive option, and they have detracted from the number of farmers who otherwise would purchase all-risk crop insurance.

S. 1125 ignores the importance of this factor as it authorizes what amounts to an outright 2-year extension of disaster payments. In doing so, the bill not only jeopardizes the successful implementation of an expanded all-risk crop insurance program, but also adds significantly to the cost to taxpayers. The price tag of S. 1125 with its 2-year extension of disaster payments and its higher premium subsidies will exceed by three times the estimated budget outlays of the original bill.

Mr. President, at the appropriate time I will offer two amendments that, if accepted, would correct the deficiencies I have pointed out, as I perceive them. These amendments are not intended to gut S. 1125. Rather they are designed to strengthen S. 1125, to bring into balanced harmony those factors which are essential to establishing an expanded and improved Federal crop insurance program.

If these amendments are not accepted by the Senate, Mr. President, I shall feel obliged to vote against S. 1125. This is something that I would regret to do, but I would have to oppose S. 1125 in that event on the grounds that I think are demonstrable, that this bill will be much too costly to the taxpayers of America, that it will needlessly displace yet another segment of private industry, and that it will not—it will not—facilitate the rational expansion and improvement of Federal crop insurance.

Mr. President, I thank the Chair, and I reserve the remainder of my time.

Mr. HUDDLESTON addressed the Chair.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, before we begin on the amendments, the distinguished chairman of the Agriculture Committee is nearby, I believe, and wanted to make a statement.

While we give him that opportunity, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HELMS. I suggest it be equally divided, Mr. President.

Mr. HUDDLESTON. That will be satisfactory.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Will the Senator yield me 1 minute?

Mr. HUDDLESTON. I yield to the Senator from Georgia such time as he may require.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, first, I want to compliment the distinguished senior Senator from Kentucky on the outstanding job he has done in putting together this bill, holding hearings, and steering it through the Committee on Agriculture, Nutrition and Forestry. It is badly needed legislation. I commend the Senator from Kentucky on his initiative in this regard.

Mr. President, S. 1125, the Federal Crop Insurance Act of 1979, provides the framework for a workable, nationwide program of disaster protection for farmers. I was pleased to cosponsor this legislation and strongly urge the Members of the Senate to adopt it.

NEED FOR BETTER DISASTER PROTECTION FOR FARMERS

The existing disaster protection programs do not adequately meet the needs of U.S. farmers. The protection they are supposed to provide often is insufficient or nonexistent to meet emergencies when and where they arise.

The disaster payments program applies to only six commodities and the benefits it provides to individual farmers, in many cases, do not cover costs of production. Also, the authority for this program under the Food and Agriculture Act of 1977 expires at the end of this crop year.

The Federal crop insurance program we have now has not met the goal set for it in 1938 of providing basic crop protection for all of the Nation's farmers.

Today, 40 years after it began, the Federal crop insurance is in place in only one-half of the Nation's counties. Nor does the program cover all major commodities even where the insurance is available.

In my own State of Georgia, only 46 of 159 counties are included in the Federal crop insurance program this year.

It makes no sense to me—and it makes no sense to the farmers affected—that this insurance protection is available to some and not to others, even when they may be neighbors operating farms side-by-side divided only by a county line.

I set as a priority for the Committee on Agriculture, Nutrition, and Forestry this year the development of a bill to improve the Federal disaster protection program for farmers.

S. 1125 PROVIDES BETTER DISASTER PROTECTION

Through the leadership of Senator HUDDLESTON, chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, and the hard work of the members of the committee, we were able to report to the Senate a strong bill that responds to the needs of U.S. farmers—S. 1125.

The approach of the bill is to improve the Federal crop insurance program and provide the means for expansion of that program to all counties and all crops.

There are several clear advantages to this approach.

The farmer will contribute substantially to underwriting program costs through small, but regular, annual premiums for the insurance protection.

The benefits the farmer will receive if he suffers a loss will be substantially higher than those under the disaster payments program. The farmer will be able to select insurance to cover almost all of his costs of production.

Indemnity payments for losses, unlike emergency loans, will not have to be repaid from future income.

IMPROVEMENTS ARE MADE IN THE FEDERAL CROP INSURANCE PROGRAM

The bill makes improvements in the Federal crop insurance program.

It provides an expanded role for the private insurance industry in the crop protection effort. Under the bill, limits on Federal reinsurance of private all-risk crop insurance will be removed.

With reinsurance available, the private industry will be able to join the Government in the task of providing all-risk insurance to farmers in all counties in the United States. In addition, farmers who choose to buy their all-risk crop insurance from private companies participating in this reinsurance program will be eligible for the same Federal cost-share of premiums as that available to those who buy Federal crop insurance.

The bill reforms the financial structure of the Federal crop insurance program. This is long overdue.

The program now is working with a reserve fund that is at a dangerously low level and an appropriations limit of $12 million that may have been suitable in 1941 when it was imposed, but completely outdated now. An important reason that the program has not been able to expand as needed during the last several years has been lack of authority for adequate funding.

The bill will remedy the shortcomings in program financing by removing the $12 million limit on appropriations, by authorizing additional capital stock, and by authorizing the Secretary of Agriculture to use Commodity Credit Corporation funds for the program.

The bill will preserve for wheat, feed grain, upland cotton, and rice farmers their rights under the disaster payments program through the 1981 crop year while the improved and expanded Federal crop insurance program is being put into place.

Disaster payments would be available to all eligible producers in the 1980 crop year. During the 1981 crop year, a producer would choose between the disaster payment provisions or the new subsidized insurance program, but would not be eligible for both.

CONCLUSION

Mr. President, S. 1125 makes necessary improvements in the Federal disaster protection program for farmers. It provides for a program that will enable family farmers engaged in today's capital-intensive agriculture to cope with weather and other natural risks inherent in growing food and fiber. The bill will greatly benefit farmers, and I recommend its approval by the Senate.

Mr. HUDDLESTON. Mr. President, I believe the bill is open to amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Are there further amendments to the bill?

The Senator from Iowa is recognized.

UP AMENDMENT NO. 537

(Purpose: To exclude insurance coverage for hail and fire)

Mr. JEPSEN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 537:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail and fire," after "causes".

Mr. JEPSEN. Mr. President, I thank the senior Senator from Kentucky for his hard work and his dedication in producing a comprehensive Federal crop insurance bill. It has not been an easy task, and I know that Senator HUDDLESTON is attempting to meet the demands of farmers, the Federal Government, and the industry, and the insurance industry, and that is a very difficult task.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JEPSEN. Mr. President, I am offering an amendment to S. 1125 which would delete the perils of hail and fire from the Federal crop insurance program. I am doing so because insurance coverage for hail and fire has been provided efficiently by the private sector, at no cost to the taxpayers, for many years.

Mr. President, it is essential to the business of farming that producers be protected from unpredictable and irregular natural disasters. I was raised on a family farm in Black Hawk County, Iowa. As far back as I can remember, the private crop, hail, and fire industry in Iowa was heavily patronized by Iowa farmers. Our family and other farmers always appreciated the efficient responsible way in which the industry provided the insurance service. In its present form, S. 1125 is unfair to the private hail and fire industry. It would require that private agents compete against a heavily Government subsidized crop insurance program. Most farmers will not opt to buy full premium private hail and fire insurance in addition to, or in place of the subsidized Federal Crop Insurance Corporation coverage; therefore the private crop, fire and hail companies would be adversely affected by S. 1125. S. 1125 will place the Federal Crop Insurance Corporation in direct competition with private insurance companies. Therefore, S. 1125 might possibly eliminate the private insurance sector from the marketplace.

According to an industry report, if Federal Crop Insurance Corporation competition, in fact, forces the nationalization of the crop, hail, and fire industry, the following segments will be affected: 450,000 policyholders will lose a valuable coverage and choice; 30,000 crop and hail agents will lose an important part of their income, Agents earned $70 million in 1978 writing crop/hail; 4,500 crop/hail company employees lose their reason for employment; 140 companies will be affected. In Canada, 36 crop/hail companies have dwindled down to 10, due to

Federal crop type of competition. U.S. farmers presently carrying $10.2 billion private crop/hail coverage, compared to $2 billion under subsidized FCIC. In addition the industry estimates the potential annual tax loss as the following: $20 million in agents Federal income tax, $10 million in corporate taxes, $5 million in employee income tax, both Federal and State and $7 million in State premium tax for a total tax loss of $42 million.

Mr. President, the free disaster program only cost $436 million per year average which this legislation intends to replace. Industry actuaries estimate the potential cost to the U.S. Department of Treasury being $1.2 billion. I realize that the free disaster program was costly and burdensome but let us make sure that we are not replacing it with an equally burdensome program.

In Iowa and many other Midwestern States, rural agents in the business of hail and fire insurance depend on the income they receive from their insurance business. In many cases these agents are farmers subsidizing their farm income.

The patrons of private industry crop insurance may no longer have the option of purchasing private hail and fire insurance. I believe that Congress will send a signal to the private industry if it passes S. 1125 in its present form. We will indicate to small and large private hail companies and rural agents that the Federal Government's involvement is unpredictably increasing in the lives of small businessmen. I hope that the Senate will consider the scope of this bill and its effect on farmers, taxpayers, and the private insurance industry.

Mr. President, this bill, although in good faith and well intended, is another example of Government trying to be all things to all people and solve problems for which the private sector already has provided solutions.

We cannot continue this erosion of the tax base and of the free enterprise system and continue in our Nation and our Government as we have known it throughout the years, and which has brought it to a point of all the good things in life we have today.

Mr. President, when I was back in Iowa in August, I met with many thousands of people at many meetings. One morning, about 8:30, I attended a breakfast meeting with a cross-section of business people, farmers, bankers, and insurance people, not far from the State of the Presiding Officer, the Senator from Nebraska (Mr. ZORINSKY), in Red Oak, Iowa. In closing the meeting, a gentleman stood up and sort of summarized the thoughts that I believe we should keep in mind in all the legislation we work on in Washington, especially as we look at this piece of legislation, with its encroachment on the private sector. This gentleman stood up at the close of the meeting and said, "Senator, when you go back to Washington, will you please tell those folks back there, from us, what we really want is for them to defend our country, to deliver our mail on time, and to keep their cotton picking hands out of our business and personal life."

Mr. BOSCHWITZ. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN. I yield time to the Senator.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that I be in control of the time while Senator HELMS is not in the Chamber.

The PRESIDING OFFICER. The Senator from North Carolina has no time on this amendment. He has time on the bill.

Mr. BOSCHWITZ. Mr. President, I support the amendment of the distinguished Senator from Iowa. This amendment to the Federal crop insurance program would eliminate and exclude hail and fire—principally hail, because fire among crops is not that much an item—from this measure.

As I approach this crop insurance measure, the protection by private insurance companies, about which my colleague spoke, is uppermost in my mind, because these companies have done an excellent job of writing this kind of insurance.

I am not talking about the insurance giants who are sprinkled through Hartford, Conn., or some other large centers of the insurance industry but, rather, hundreds and hundreds of small insurance companies, many of whom write insurance only in a single county or in a single area, and they are prevalent throughout the Midwest.

To emphasize the amount of coverage they presently have, I point out that in Minnesota, one-third of all the farms are covered by hail insurance from the private companies, and that accounts for approximately 49 percent of the total acreage in Minnesota.

The law now offers all risk insurance other than fire and hail. S. 1125, among other things, would include fire and hail coverage; and the law is applicable whether you participate in a set-aside program or not. However, the law presently limits the expansion of coverage to only 150 counties a year, I understand, and would support the idea of lifting that limitation. This law also would expand the subsidy that is provided to the farmer for his coverage.

I think it should apply in all counties, and I do not believe that the growth limit by counties should be restricted in the manner it presently is. However, presently there is no subsidy of the insurance costs of a farmer in this matter, other than a $12 million subsidy given for administration costs for the Federal Crop Insurance Corporation.

The amendment we are now suggesting would not change the subsidy that the distinguished Senator from Kentucky is suggesting in S. 1125 on insurance premiums, nor would it change the growth of the entire program, which is now limited to 150 counties a year. What our amendment would do is limit the coverage to not include fire and hail, so that the private enterprise part of the insurance industry, which comprises hundreds and hundreds of small insurance companies, can continue to exist.

Because of S. 1125, it includes fire and hail; and because it would give a 20 percent to 40 percent subsidy of the rates involved, we would effectively put the private sector out of business.

In Canada, the number of insurers has been reduced from 36 to 10 because of similar circumstances, and those 10 are having problems.

Under the present Federal crop insurance policy, 75 percent of normal production costs are covered. This bill, while it would help the farmer on the one hand by subsidizing the insurance premium, would reduce that coverage to 65 percent. Because of the cost to the Government, which is uncertain, this subsidy would probably cost the Government an additional $250 million a year.

Then if you look 5 years down the road and say what is this legislation going to do, it would probably effectively disrail and make the continuance of the private companies that are now writing insurance, not at 65 percent, or 75 percent, but at 100 percent, difficult. It would probably effectively eliminate those companies, and again they are small companies throughout the upper Middle West, at least. Five years down the road, it looks like the Government might, as I see the amendments coming to the desk today, probably reduce its coverage to 60 percent. So, interestingly, while there would be some advantage, the farmer will suffer in the long run on account of the limitation of coverage that would be allowed in this bill.

Mr. President, at one time the private sector attempted to write all-risk crop insurance, and that apparently was not feasible because of the problems they encountered in trying to obtain reinsurance. But many of these same crop insurance companies did begin to write hail and fire coverage, and they found that in that area they could successfully cover.

However, including fire and hail as part of the Federal crop insurance program will truly virtually wipe out the private sector's ability to write their own hail and fire policy and also undermine hundreds and hundreds of agents from writing this particular policy.

Therefore, Mr. President, I suggest and urge my colleagues to vote yea on this amendment.

I thank the Chair.

Mr. HUDDLESTON. Mr. President, I yield myself such time as I might require.

Mr. BOSCHWITZ. Mr. President, will the Senator yield for 1 minute?

Mr. HUDDLESTON. I yield.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that Senator CULVER, of Iowa, and Senator DOLE, of Kansas, be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I must strongly oppose this amendment because it will, for all intents and purposes, destroy the expanded Federal all-risk crop insurance program proposed by S. 1125, without any sound basis in fact being presented for its need.

To be sure, I appreciate my colleague's concern that Federal programs must not inadvertently harm U.S. private industry. However, I can assure the Members of this body that it is not the intent, nor will it be the effect, of this legislation to create a Federal program that will compete unfairly with the private industry in providing services to farmers.

In fact, in developing S. 1125, we took great care to consult with the private insurance industry and received assurances that the bill I drafted to help U.S. farmers was one that the crop-hail business could live with.

The fact is that the private crop-hail industry and the Federal all-risk crop insurance programs have coexisted in many areas of the Nation for years. In some areas, insurance agents now represent both FCIC and the private insurance companies, and farmers carry both Federal all-risk and private crop-hail policies.

The fact is that all-risk crop insurance and crop-hail insurance are entirely different types of insurance. All-risk insurance covers a portion of long term average production, usually 50, 65, or 75 percent. It insures against all natural disasters for the entire farm unit. A farmer will receive a loss payment only for that loss in production for the entire farm below the percentage of average production covered. An all-risk policy essentially protects the producer from the bottom up.

Private crop-hail insurance, in contrast, covers a portion or all of the potential value of a crop in the field, but it only protects against hail, fire, and lightning risks. It is written on an acre-by-acre basis, and the producer will receive a loss payment for damage to any portion of the crop. Crop-hail insurance protects from the top down.

Mr. President, I ask unanimous consent that a short paper describing the differences between all-risk insurance and crop-hail insurance, with an example, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN ALL-RISK INSURANCE AND HAIL INSURANCE

All-risk insurance.—This type of policy insures a predetermined long-term average amount of production against all natural disasters for a farm unit which can consist of from one acre to several hundred acres.

A farmer will receive a loss payment only if his production falls below an established guarantee. The payment will be on that portion of his production below the guarantee. Thus, if a producer normally produces 100 bushels to the acre, under this legislation he could have a maximum of 75 bushels of guarantee (75 percent level of coverage). He would have to lose 25 bushels of production before he would receive any indemnity payment from Federal Crop Insurance.

Under the unit insurance system of FCIC, if a farmer has 100 acres in a unit he would have a total bushel guarantee of 7,500 bushels (75 bushels × 100 acres). He would not be due an indemnity until his production was reduced to 7,499 bushels. In other words he would have to lose 2,500 bushels before his all-risk insurance would begin to pay. If a hail storm damaged 40 percent of his crop on 20 acres it would mean, at a potential production of 100 bushels an acre, that the loss would amount to 800 bushels (2,000 bushels × 40 percent). He would not receive an indemnity from FCIC because the remainder of the production on the unit would be in excess of his total guarantee of 7,500 bushels.

Crop-hail insurance.—Private crop-hail insurance, in contrast, insures for a predetermined potential value of production against hail damage on a per acre basis rather than a unit basis. This "potential value" is usually in increments of $100 per acre. Using the same example of 100 acres, should a hail storm destroy 40 percent of the crop on 20 acres, the producer would receive $40 per $100 of hail protection purchased on each acre. If he had purchased $300 of protection for each acre, his payment would amount to $120 per acre or $2,400 ($120 × 20 acres) for the 20 acres damaged.

As this simplified explanation demonstrates, the private hail insurance and Federal Crop Insurance protection and loss determinations are different.

Mr. HUDDLESTON. Mr. President, the fact is—and all Senators from States with an important agricultural economy should carefully note this—that there are agricultural areas in which Federal all-risk crop insurance is the only source of hail coverage. In other areas where crop hail insurance is offered by private industry, the companies impose limits of annual liability that can be insured, preventing farmers from obtaining effective hail coverage. Overall, only 25 percent of the Nation's farmers purchase private crop hail insurance. This amendment could jeopardize the opportunity for many farmers to obtain any hail coverage at all.

This fact is that several Canadian Provinces have government all-risk crop insurance programs in which the government pays a substantial portion of the cost of the premium and in which there is high participation by farmers. The figures show that, in competition with this program, the private crop hail industry has over the years, steadily increased its business both in dollar amount of premiums and acreage covered.

The fact is that S. 1125 contains a provision that will prohibit the Federal Crop Insurance Corporation from ever entering into direct competition with private industry in offering farmers crop hail insurance.

This amendment would destroy the expanded Federal all-risk crop insurance program under S. 1125. One of the major selling points of Federal crop insurance is that it provides coverage for all risks. The peril of hail must continue to be an integral part of the program. This is especially important if S. 1125 is to achieve its purpose of substantially expanding farmer participation in Federal crop insurance.

In addition, it would be difficult, if not impossible, to administer the Federal crop insurance program if hail, fire, and lightning risks were removed from Federal policies. While it may be possible to determine with reasonable accuracy the extent of hail damage to growing crops, field determinations of precise damage from other causes such as drought, excessive moisture, or freeze are not practical. For most crops the Federal policy guarantees a specified quantity of production at harvest time. If a crop was totally destroyed by hail near harvest time and a loss already existed from other causes, it would not be possible for the corporation to determine its liability for the extent of loss from these other causes.

Also, when there is harvested production, the quantity and quality of the crop can be readily and accurately determined. However, on the contrary, even the most competent adjuster would be hard-pressed to make an accurate field determination as to potential yield and quality of the harvest weeks or months away, so that most field appraisals of loss would be of questionable value in adjustment of losses.

Mr. President, the issue was discussed at length in the committee, but this amendment was soundly defeated at markup of S. 1125, because it would leave a good number of our farmers without a complete protection program and seriously jeopardize our efforts to reform the farm disaster assistance effort.

Therefore, I urge my colleagues to follow the lead of the Committee on Agriculture, Nutrition, and Forestry and vote against this amendment.

● Mr. DOLE. Mr. President, I rise to speak in favor of an amendment by Senator JEPSEN which I am cosponsoring.

Approximately 140 private insurance companies employing between 4,000 and 5,000 full and part-time employees are involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop-hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector—they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

My feelings are that if this bill is passed it would increase the cost of Government, expand Government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverage it would at least let the private industry to stay in business.

Another constituent wrote:

I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our Nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private crop-hail industry.

Mr. President, I urge my colleagues to vote for this amendment to exclude fire and hail coverage from this bill. To do so would be to give private industry a vote of confidence.●

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Iowa.

Mr. JEPSEN. Mr. President, I will yield back the remainder of my time and ask for the yeas and nays if the Senator from Kentucky is ready.

Mr. HUDDLESTON. Mr. President, if the Senator will yield, as I understand it, an effort has been made not to have a vote on a substantive issue before 2 o'clock or 2:30.

The PRESIDING OFFICER (Mr. MORGAN). The Senator is correct.

Mr. HUDDLESTON. We hope we can yield back our time, set aside this amendment, except that I would say to the distinguished Senator from Iowa that it would be my intention when time is yielded back to move to table this amendment. We can hold that until 2:20 and move on to other matters that might come before us so that there will not necessarily be a vote until the agreed upon time.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum—I withhold that, I yield to the distinguished Senator from Virginia.

The PRESIDING OFFICER. Does the Senator withdraw his request for a quorum call?

Mr. JEPSEN. Yes.

Mr. WARNER. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa would grant me the privilege of being a cosponsor of this particular amendment. It is a matter of utmost importance to the agricultural community of the State of Virginia as it is everywhere.

The PRESIDING OFFICER. Without objection, the Senator from Virginia is added as a cosponsor to Mr. JEPSEN's amendment.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment sponsored by Mr. JEPSEN and others be set aside temporarily so that other amendments can be called up.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 404

(Purpose: To restrict the application of the Federal premium subsidy range provided for in S. 1125 to the first 50 per centum of a farmer's average yield)

Mr. HELMS. I thank the Chair.

Mr. President, I have two amendments which are essential to the viability of a sound and affordable Federal all-risk crop insurance program, and I call up the first of these, which is No. 404 at the desk, and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 404.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 2, between the word "premium" and the ":" insert the following: "on any coverage of up to a maximum of 50 per centum of the recorded or appraised average yield".

Mr. HELMS. Mr. President, these two amendments, Nos. 404 and 405, work hand in hand to correct what this Senator perceives to be debilitating flaws in the pending bill, S. 1125. One without the other will not do. In order to be effective and to achieve what needs to be achieved, both amendments must be adopted, and both amendments, if indeed are accepted by the Senate, then the Senator from North Carolina can support S. 1125.

If either of these amendments or both of them should fail, I intend to vote against S. 1125, albeit reluctantly because I am aware of the immense amount of work that has been done on this piece of legislation by my friend from Kentucky (Mr. HUDDLESTON) and others.

The pending amendment, Mr. President, No. 404, addresses the issue of the size of the Federal premium subsidy and the application of the subsidy to various yield coverage levels.

This amendment would restrict the application of the 20 to 40 percent premium subsidy range as to the first 50 percent of a farmer's average yield. Such a modification would reduce the Federal outlays for premium subsidies by approximately 40 percent. It would guarantee that every farmer would have the opportunity to obtain affordable protection from catastrophic crop losses. It would minimize the extent to which FCIC would displace private insurers, and it would retain the capacity of FCIC to adjust the premium subsidy so as to attract reasonable levels of farmer participation.

I think, Mr. President, parenthetically, it ought to be said that when we are talking about subsidies we are talking about the taxpayers' money; we are talking about efforts to achieve a balanced Federal budget, which all agree now is absolutely essential if we are ever to bring inflation under control. We are also talking about equity in terms of this particular amendment, along with other things.

Let me elaborate on some of the beneficial effects of the pending amendment. S. 1125, as it was reported from the Committee on Agriculture of the Senate, sports a 20 to 40 percent premium subsidy range that is made available on coverage levels of up to 75 percent of a farmer's recorded or appraised average yield. Now, in reality, the 20 to 40 percent premium subsidy range amounts to a 48 to 68 percent range when one takes into account the additional 28 percent indirect premium subsidy that Congress will provide to the Federal crop insurance program in the form of appropriations for FCIC's administrative and operating costs.

And the direct subsidization of Federal crop insurance does not end here, because the FCIC enjoys a number of other competitive advantages relative to private insurance.

For example, first FCIC pays no income taxes on reserve accumulations or on interest earned on cash flow and reserves; second, FCIC receives a number of free services from other Federal agencies, including free postage, which is not an inconsiderable thing these days; third, retirement and disability benefits available to 560 FCIC employees are not represented in the FCIC budget at their full actuarial value.

All of these advantages—and they amount to indirect subsidies, of course—add not only to the competitive edge which FCIC holds over the private crop insurers, but also to the costs which the American taxpayer must eventually support through his or her taxes.

Before the Agriculture Committee's consideration of S. 1125, the Congressional Budget Office estimated that the costs of the direct Federal premium subsidy provided for in this bill would be $185 million by the year 1984; and by virtue of the Agriculture Committee's decision to increase the subsidy from 20 percent to a 20 to 40 percent range, the cost to the Treasury—and that ought to be read clearly as a cost to the taxpayers of this country—the cost to the U.S. Treasury, according to the CBO, could soar as high as $395 million a year by 1984. The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected the total premium subsidy costs to balloon to $950 million per year.

So obviously, Mr. President, we have what amounts to a guessing game. Nobody really knows what it is going to cost the taxpayers. All that we really know at this point is that it is going to be an exceedingly large sum of money.

However, regardless of which set of numbers you decide to go with, you still have to face up to an expenditure that is, in the judgment of this Senator, simply not warranted in this time of runaway Federal Government-fed inflation:

So, Mr. President, the pending amendment and the one to follow would provide relief to the overburdened American taxpayer by reducing the cost of the Federal premium subsidy by 40 percent. If nothing else, a vote for this amendment will constitute a commitment to fiscal responsibility, and that is a subject all of us address when we go home. We all talk about excessive Federal spending. Some of the votes in the Senate and the House of Representatives do not entirely square, however, with the political speeches made back home by the Members of the House and the Senate.

A vote against this amendment and the second one will indicate—and I must be blunt, Mr. President—a rather callous disregard for the No. 1 enemy of the American people today, inflation.

The thrust of S. 1125 is to provide the American farmer with a more rational and more economically sound measure of protection against natural disasters. We all agree to that. The Federal Government has a duty to help make that protection available to the farmer. Crop insurance is the best way of providing such protection. The question—and we cannot avoid it—is: To what extent should the Federal Government get into the crop insurance business?

I go back to the premise that I think is nondebatable: That when the Federal Government gets into business against private enterprise, the taxpayers are being forced to go into competition with themselves. Should the Federal Government nationalize the crop insurance industry—as it did with respect to flood insurance—or should it play a more limited supporting role?

In my opinion, Mr. President, the appropriate role for the Federal Government is to make available a floor of basic all-risk protection that farmers can afford. By providing a subsidized floor of all-risk protection on all crops—that is up to 50 percent of a producer's average yield—and by permitting the farmer to purchase additional protection at full cost on up to 75 percent of his average yield, the pending amendment would allow FCIC to help stabilize the income of the farm community without imposing upon the freedom of the farmer to exercise his discretion in response to market conditions and without saddling the taxpayer with added enormous, multimillion-dollar costs that are sure to be involved.

So the elements of the pending amendment would avoid the possibility of the Federal Government displacing the private crop-hail insurance industry—an industry that after all has successfully met the needs of farmers for crop-hail insurance over the last 65 years. Many farmers have only a limited amount of disposable income that they are willing to spend for insurance premiums. The primary competition that will take place between Federal and private insurance will be for these limited funds. If most farmers are attracted to a highly subsidized all-risk Federal crop insurance policy, fewer of their insurance premium dollars will be left for the purchase of private crop-hail insurance. Thus, to the extent that Federal premium subsidies are increased, sales of private crop-hail policies are likely to be reduced.

The extent to which that set of circumstances may occur can be assessed by reviewing the experience in Manitoba, Canada, where there is a heavily subsidized government all-risk crop insurance program. Our colleague from Minnesota (Mr. BOSCHWITZ) has already alluded to that.

Statistics indicate that private crop-hail insurance premiums and Government all-risk premiums increased at approximately the same rates prior to 1962. After 1962, the amount of subsidy provided by the Government to all-risk policies was increased substantially. Sales of Government policies have increased greatly as a result of the subsidy. The premium volume for private crop-hail insurance first leveled off and then declined sharply. As Govtrnment premiums reached a saturation level, insurance premiums also stabilized, but at a level significantly below the maximum reached prior to the subsidization of Government policies.

Now, what does this suggest, Mr. President? Very clearly, it suggests that total private crop hail premiums will decline significantly as the level of the Government subsidy is increased. Just as sure as the day follows the night, this will happen here, as it did there.

If crop hail insurance premium volume is reduced substantially as a result of increased Federal premium subsidies for all-risk policies—and the Manitoba experience suggests that this is exactly what will happen—the large stock companies that sell crop hail insurance would not be greatly affected. For most of these companies, crop hail insurance represents a small proportion of sales.

The small mutual companies, however, would suffer substantial hardship if crop hail insurance premium volume were reduced significantly. Some of these companies would have to reduce their personnel and perhaps merge with other companies. Worse still, others would have to cease to exist, another instance of the Federal Government putting small business out of business. Farmers Mutual of Iowa, the largest single writer of crop hail insurance, has estimated that enactment of S. 1125 would reduce its total premiums by 30 to 50 percent.

It is one thing for the Senate to provide disaster assistance to the small farmer. It is quite another thing to provide that disaster assistance in such a way as to confiscate the livelihood of the small crop hail insurance businessman.

The disruption and dislocation of the private crop hail insurance industry would be a disservice to the farmer. Many agricultural producers, particularly in the corn belt of the Midwest, are concerned only with protecting their crops against the peril of hail. They feel that the customized and personalized service of the private sector addresses their needs in a way that the Federal Government never could. Any significant contractions in the volume of crop hail premiums could limit the extent to which the private sector could diversify the risks associated with hail. This would translate into higher premium costs for the farmer without compensation in the form of a higher quality of service. The only alternative for a farmer who found the crop hail policy priced beyond his reach would be the Federal all-risk policy—a policy which would require the corn belt farmer to pay for protection he does not need.

The disruption and dislocation of the private crop-hail insurance industry would also have an adverse impact on FCIC's ability to market Federal all-risk crop insurance. It is this marketing ability which is key to the successful expansion of the Federal program.

A farmer is very hesitant to part with his cash. Consequently, crop insurance must be sold through detailed presentations by a network of agents with experience in sales and claims administration. Otherwise, a farmer will never buy crop insurance, regardless of the size of the premium subsidy. FCIC lacks such a network of agents. The private insurance industry, on the other hand, with its 30,000 professional agents, has what it takes to actively market crop insurance. The use and involvement of the private sector would reduce the need for growth in FCIC's personnel requirements and would provide a proven wealth of actuarial knowledge and practical experience that could ensure a sound Federal program.

However, a Federal program that eats into the business of the private sector by means of a high subsidy will not facilitate a private-public cooperative marketing effort. Without such a cooperative effort, FCIC will have to greatly expand its bureaucracy to do what private industry is already doing.

So when we toy with the proposal of increasing the federal premium subsidy on up to 75 percent of a farmer's yield, we not only threaten the private crop-hail insurance industry but also encourage the growth of the Federal bureaucracy and reduce the farmer's ability to obtain protection tailored to his particular needs.

The following hypothetical case, Mr. President, will help illustrate how my amendment would allow the farmer to afford a basic floor level of all-risk crop insurance without subjecting the private sector to dislocation and the farmer to the loss of alternative crop insurance schemes.

Farmer Brown decides, based upon the location of his farm, the crop which he grows, the size of his investment in that crop, and his overall financial situation, that it is necessary to insure his production at the 65-percent yield level. Farmer

Brown's decision is very much in line with the decisions of other farmers. Currently, actual coverage for various crops range from 40 to 75 percent, with a median coverage level of approximately 65 percent. Let us assume that FCIC has determined that the premium subsidy required to encourage sufficient participation among those farmers who produce the same crop that our Farmer Brown does is 30 percent.

Under my amendment, Farmer Brown would be able to protect the first 50 percent of his average yield at an out-of-pocket cost that amounts to only 40 percent of the total cost of providing Farmer Brown with all-risk protection against losses in excess of 50 percent of his average yield. The remaining 60 percent of the insurance costs—30 percent in the form of a direct premium subsidy and another 28 percent in the form of congressional appropriations for FCIC administrative and operating costs—would be paid by the Federal Government.

In order to bring his coverage up to the desired 65-percent level, Farmer Brown would have to purchase an additional 15-percent margin of coverage. That extra coverage could be purchased from either FCIC or the private sector depending upon the type of coverage that Farmer Brown needed: All-risk coverage or hail coverage. Because Farmer Brown would have to pay the full cost of the additional 15-percent margin of coverage, he would not be predisposed to favor either FCIC or the private sector on a purely price basis. Any decision to select one policy over the other would be based upon the type of coverage offered and the quality of service provided. If the private sector is as good as it says it is, it will have a fair opportunity to attract Farmer Brown's business for the extra coverage over the 50-percent level of protection.

Mr. President, in conclusion, let me say that S. 1125 is a perfect example of a well-intentioned Federal program gone astray.

We see so many of these things around here. I seldom, if ever, question the good intentions of any proposal made on this floor to subsidize this or to subsidize that. I know that the Senator or Senators making the proposal are sincere. But when are we going to learn that if we believe in the free enterprise system, we had better start quickly to let it function?

This bill is representative of the excesses in which some of us in Washington prefer to indulge in order to curry favor with constituents back home. I wish I could play Santa Claus. I would like to go home and say, "Look what I got you for nothing." But the truth of the matter is that nothing that comes out of Washington, D.C. is free. Worse still, the syndrome that has been built in this country over a period of 35 to 40 years, I say to my friend from North Dakota, that the Government can solve all problems, surely must be exploded by now, because the Federal Government does not solve problems; the Federal Government is the problem.

I just cannot be a supporter of any proposal, including the pending legislation, S. 1125, which, if extended to its logical conclusion, could mean additional Federal expenditures of over $1 billion per year.

That is not money that belongs to Senators; that is money that belongs to the taxpayers of this country. We are supposed to be the guardians of their best interests. The amendment which I have submitted for consideration will mitigate the adverse effects of the pending bill in which I believe to be a reasonable and responsible fashion. I have to say again, regretfully, Mr. President, that anything less than what is proposed in the two amendments, No. 404 and 405, will lead to the demise of all of the good that all of us seek to work in this particular program.

I reserve the remainder of my time, Mr. President.

Mr. HUDDLESTON. Mr. President, I yield myself such time as I may require.

(Mr. HEFLIN assumed the chair.)

Mr. HUDDLESTON. Mr. President, first, let me say this is an issue, too, that was thoroughly considered and discussed by the Agriculture Committee during its deliberations on S. 1125. It was soundly defeated in the committee.

In response to the statement made by the distinguished Senator from North Carolina, the first thing is to reflect again on what we are trying to accomplish here in developing a very broad-coverage, customer-paid-for, to some extent—to a large extent—program of protection for the American farmer as compared to a very limited-coverage, total taxpayer-paid-for program of disaster payments.

In order to make a program effective and workable, it has to have some attraction to it so that the producer will come into the program and subscribe to the insurance. It is for this reason that the committee decided that the Federal Crop Insurance Corporation needed the flexibility to develop a program that would be salable and would attract sufficient participation to make sure that it would be a success. I do not know of anything more expensive that we could do here than to establish a nationwide program that was not actuarily sound, that could not be made to work, by not making it attractive enough to the various agricultural producers in the country so that they would subscribe to it.

We talked about various levels of subsidized premiums in committee. We arrived at a range of 20 to 40 percent—the legislation does not set any specific percentage so that that flexibility would be available to managers of the program to devise a plan and a policy that would be attractive enough to assure participation.

Like private business, they will be able to adjust the percentage in such a way as to insure that sales would be brisk and would continue. That percentage was based, of course, on 75 percent of coverage of the crop.

I think it is essential that these features remain in this legislation. The committee felt it was essential, after thorough consideration, because to do otherwise could very well jeopardize the program before it ever gets off the ground.

What we are going to try to do is convince farmers throughout the United States that they ought to pay something, ought to pay a premium, for coverage for protection of their production costs that now some of them are getting free through disaster payments. In order to do that, we have to have a program that is attractive and we have to have the ability to make it attractive, or we shall be doomed to failure from the beginning.

Not only will that feature be attractive to the farmer, the fact that the premium subsidy will be available and can be adjusted depending on what the needs for selling the program happen to be and what the budgetary restraints may be, but it does, of course, as we mentioned earlier, extend coverage from the six crops now covered generally by the disaster payments to virtually every crop that can be produced in this country. That, of course, is an added incentive.

Getting to some of the costs for S. 1125 as it is now written, the CBO estimates that the cost to the Government of the crop insurance subsidies, when it is in full operation in 1984, if the subsidies are fixed at the very highest possible level, 40 percent, is some $370 million. The Senator from North Carolina is essentially correct in the figure he uses. But in contrast, Government expenditures for disaster payments alone over the last 5 years have averaged $436 million every year. So, with the elimination of disaster payments after 1981, as this legislation will do, Government expenditures for crop protection for farmers will actually probably decrease. Remember, we are extending that coverage nationwide to a much, much broader range of crops than is now covered by the disaster program.

So the elimination of the disaster payments after 1981, even with the maximum amount allowed under this bill—40 percent of 75 percent of production—would result in a decreased cost to the Government. Of course, it would be available to so many, many more farmers.

Mr. President, I have a list, as a matter of fact, of the States of the United States and the amount of disaster payments that have been made to them. I ask unanimous consent to have it printed in the RECORD at this time so my colleagues can see the disparity between the various States in the present program and the amounts of money that have been allocated to each State through the present program.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ASCS DISASTER PROGRAM PAYMENTS

[In thousands]

	1974	1975	1976	1977	1978	Total 1974–78[1]
Alabama	$4,647	$6,128	$7,288	$24,841	$3,032	$45,936
Arizona	27	606	62	785	128	1,608
Arkansas	10,809	5,646	7,016	1,365	10,306	35,142
California	553	602	4,003	9,894	21,919	36,971
Colorado	3,893	11,526	14,340	16,921	10,358	57,038
Connecticut						
Delaware	26	6	7	2,142	58	2,239
Florida	230	652	100	9,956	481	11,419
Georgia	2,157	2,676	3,788	57,845	5,037	71,503
Idaho	3,130	1,872	1,879	12,001	2,825	21,707
Illinois	34,990	799	3,685	10,084	2,895	52,453
Indiana	11,674	1,960	633	1,522	1,273	16,162
Iowa	45,614	15,250	18,991	95,643	2,474	177,972
Kansas	27,832	18,507	43,240	34,847	18,058	142,484
Kentucky	557	800	304	895	491	3,047
Louisiana	3,357	5,740	2,663	2,163	7,375	21,258
Maine				416	55	471
Maryland	6	16	24	2,115	136	2,297
Massachusetts				6	1	7
Michigan	3,586	574	1,204	5,009	2,174	12,497
Minnesota	21,684	21,776	55,729	1,719	2,856	103,764
Mississippi	9,918	20,780	20,162	6,372	8,859	66,091
Missouri	31,922	14,295	20,482	16,239	5,549	88,487
Montana	8,927	1,460	1,495	9,293	4,164	26,33[illegible]
Nebraska	67,373	14,831	36,467	25,441	7,059	151,17[illegible]
Nevada	$13	$5	$56	$37	$59	$165
New Hampshire					1	1
New Jersey	1	4		784	20	809
New Mexico	10,646	3,543	8,987	6,315	9,778	39,269
New York	54	44	339	750	328	1,515
North Carolina	1,226	1,739	1,642	28,389	1,027	25,023
North Dakota	28,161	8,894	14,770	36,720	3,505	92,050
Ohio	2,230	402	1,060	686	585	4,963
Oklahoma	10,890	10,980	20,178	11,428	9,943	63,419
Oregon	278	385	1,180	7,677	1,486	11,006
Pennsylvania	170	182	129	337	67	885
Rhode Island						
South Carolina	1,931	1,547	2,983	15,339	2,603	24,403
South Dakota	39,115	28,044	81,304	22,110	9,641	180,214
Tennessee	10,304	7,594	7,803	4,441	1,611	31,753
Texas	143,407	70,799	71,257	52,563	136,388	475,414
Utah	940	750	1,416	3,196	525	6,827
Vermont	3	6	1	492	1	503
Virginia	40	146	497	12,996	225	13,905
Washington	811	71	300	24,582	1,775	27,480
West Virginia	5	9	3	146	9	158
Wisconsin	12,644	2,125	9,039	548	2,146	26,502
Wyoming	286	363	290	2,967	774	4,680
U.S. total	557,068	283,233	466,793	574,962	300,006	2,182,061

[1] 1978 as of Mar. 8, 1979.

Mr. HUDDLESTON. I think it would be apparent that a system is needed that will be more fair to the various States and more fair to the grower, that will take some of the burden off the American taxpayer by having the producer pay the major portion of his premium cost.

Now, the insurance industry's estimate of the subsidy costs that the Senator from North Carolina referred to ranging as high as $950 million annually is misleading. This figure includes all assumed program costs, with the premium subsidy equaling less than 50 percent—$470 million.

The rest of the total amount is what the industry assumes other program costs, administrative and operating expenses, will be. Using the same assumptions on participation, the Department of Agriculture's estimate of the nonsubsidy costs is roughly half that made by private industry.

So I think that is something that we should take into account.

The argument has been made that, under S. 1125, the Federal expenditures for crop insurance premiums and for administrative and operating expenses will put the program into a position of competing unfairly with the private crop-hail insurance industry.

To be sure, these provisions will reduce the cost of Federal Crop Insurance and enable more farmers to enter the program under S. 1225. However, no convincing factual case has been made that these provisions will affect the private crop-hail industry.

Federal payment of administrative and operating expenses of the Federal Crop Insurance Corporation over the past 40 years of its operations has not, by itself, resulted in unfair competition—even the industry does not make this claim.

This amendment itself assumes that a smaller subsidy will not cause the development of such unfair competition.

Premium subsidies as high as 50 percent for full coverage have not hurt the private crop-hail business in Canada. Premium billings and acreage covered under private crop-hail insurance in Canada have steadily increased over the years of operation of the government subsidized all-risk crop insurance program.

The fact is that, regardless of the cost to the farmer of all-risk crop insurance, such insurance and private crop-hail insurance will not be in direct competition because they are different types of insurance.

A key argument in support of this amendment is that private industry will not cooperate in implementing the expanded all-risk crop insurance program under S. 1125. Yet, the bill contains a number of provisions suggested by the industry to facilitate private industry involvement.

First, the bill provides for an expanded Federal reinsurance program under which private crop-hail companies could begin writing all-risk crop insurance.

Second, the bill requires the Federal Crop Insurance Corporation to pay the same premium subsidy to customers of private companies who write all-risk insurance under the reinsurance program as are paid to farmers who buy Federal all-risk insurance.

Third, the bill enables the corporation to contract with private companies to market and service Federal crop insurance. It is anticipated that private industry will play an important role in the expanded crop insurance program under S. 1125. The Department of Agriculture is committed to following such a policy.

Fourth, the bill specifically prohibits the corporation from offering specific risk insurance programs, such as a crop-hail program, if private industry is already meeting farmers' needs in that area.

The argument has been made that this amendment will reduce Federal premium expenditures under the bill by 40 percent.

The 40-percent reduction translates to $100 million annually. However, this amount will not be a reduction in new expenditures for the Government, but only a further reduction, in addition to the reductions made by S. 1125, as reported, over what is now being expended on disaster payments. Of more concern is that this reduction will lead to reduced participation in the program by farmers, perhaps to the extent of destroying the program's effectiveness.

Regardless of the merit or lack of merit of this amendment, I am worried about the chilling effect it will have on the expanded Federal crop insurance program envisioned under S. 1125.

The purpose for having any premium subsidy at all is to encourage farmer participation in an expanded crop insurance program that will permit elimination of other disaster aid. The experience of the Canadian crop insurance program is that premium subsidies are an important spur to increased participation by producers.

The Department of Agriculture estimates that it will take over 50 percent participation by farmers in the crop insurance program for it to become a viable alternative to other disaster assistance programs. It is crucial that a majority of farmers perceive that they are receiving sufficient protection in relation to the premium they are asked to pay if the program under S. 1125 is to succeed. Because it will substantially hinder the achievement of this goal, this amendment will not improve the bill; it is a move to destroy the bill.

It is worth comparing premium subsidy levels for all-risk crop insurance on several important commodities under S. 1125 and under the amendment. If the coverage to which the subsidy applies is reduced from 75 percent to 50 percent of average yield, as proposed by this amendment, the benefits to farmers from Federal payment of premiums would be slashed as much as 60 percent. The effective subsidy on crop insurance at full coverage would be only 16 to 18 percent of the total premium cost to the farmer.

Mr. President, this amendment must be defeated if the substance of S. 1125 is to remain intact. The Committee on Agriculture, Nutrition, and Forestry defeated this amendment soundly by a vote of 11 to 4. I strongly urge my colleagues to support me in rejecting this amendment.

I might also say that under the crop insurance program proposed by S. 1125, by 1984 the U.S. farmers will be enjoying some $15.3 billion in protection, which is nearly three times more than with the present programs, and that is at less cost to the taxpayers.

So, Mr. President, I would urge that the Senate reject this amendment. In order to have a viable program, one that is attractive enough to attract sufficient numbers of participants, and to make sure we can have a nationwide, all-crop, all-county coverage, not entirely at the taxpayer's expense, to replace one that is now entirely at the taxpayer's expense, and that is tremendously restricted in comparison to what is being proposed by S. 1125, we must not restrict the subsidy potential of the Federal crop insurance so that it would not be able to meet market conditions. We must make sure the program is viable and salable to the farmers of this country.

Mr. President, I reserve the remainder of my time.

Mr. YOUNG. Will the Senator yield to me?

Mr. HUDDLESTON. I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I was in the Senate in 1946 when the present law was written. It was really an extension of the act of 1938, for the Federal crop insurance program which had gone broke.

Many problems were involved, but Congress realized such a program and continued it all these years and on an experimental basis.

Of course, there have been some losses, but many farmers are in business today, good farmers, that would have been out of business entirely if it had not been for programs such as this.

The bill before us today, Mr. President, is not a perfect bill, but it is the best, I believe, that could have been accomplished with all the conflicting interests and viewpoints involved in crop insurance.

I commend the Senator from Kentucky (Mr. HUDDLESTON) and the committee for coming up with a bill as good as it is under all of the difficult problems involved. Farmers will be most grateful to him.

Of course, we have many conflicting interests. When we get in the insurance business, we are bound to have opposition and competition.

I hope there will not be any major changes in it. This program will be very helpful to farmers as well as businesses associated with the farmers. Whenever a farmer loses two or three crops in a row and goes broke, it directly affects all the businessmen associated with the farmer, as well as industry.

I think, on the whole, this is the best possible bill that can be written under the circumstances. I think it should be tried. I will vote against major amendments.

Mr. HUDDLESTON. I thank the distinguished Senator from North Dakota.

Mr. President, those of us who serve on the Agriculture Committee have a great appreciation for the contribution made by Senator YOUNG. While we have to go back to the history books and research what happened with various programs at various times. The Senator from North Dakota, as he has just done, is always able to refer to his own memory and many times his own participation in various farm programs to relate to us how well they worked, why they did not work, or why they were good.

That is the best kind of testimony that we can receive.

I appreciate the Senator's consideration of this legislation and the comments he has just made.

● Mr. DOLE. Mr. President, I support the amendment by Senator HELMS to limit the level of the Federal premium on Federal crop insurance.

Sufficient levels of participation in the crop insurance program are necessary to obtain adequate diversification of risks. Premium subsidies can be used effectively to broaden participation. Premium subsidies can also be used effectively to severely injure or destroy private crop insurance companies.

The question is: What level of premium subsidy is required to generate sufficient participation in the program and yet not destroy the private insurance industry?

I believe the formula in the bill befort us that allows for a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield is more than is needed for effective participation, is high enough to destroy private enterprise and is unnecessarily costly to the American taxpayer.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20-percent subsidy with a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield.

According to the Congressional Budget Office, the committee's action could increase the cost of the Federal premium subsidy from $185 million to $395 million annually by 1984.

The National Crop Insurance Association's Ad Hoc Committee of Casualty Actuaries has projected that total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view, the 20- to 40-percent subsidy range is, on its face, unacceptable.

Premium subsidies of up to 40 percent—exclusive of congressional appropriations for FCIC's administrative and operating costs—compete unfairly with the private sector's unsubsidized hail-crop insurance policies, and indeed, threaten some hail-crop insurance companies with extinction.

This amendment would provide federally subsidized protection from catastrophic crop losses and would permit the farmer to obtain additional coverage over the 50-percent level of yield coverage, provided he were to pay the full costs associated with the extra protection.

This amendment would permit the private sector to compete on equal footing with respect to some coverage levels and consequently would reduce the extent to which FCIC would displace the hail-crop insurance industry.

Mr. President, I urge my colleagues to support this amendment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum with the time to be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment numbered 404 be set aside temporarily.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 405

(Purpose: To provide for a phaseout of the disaster payments programs)

Mr. HELMS. Mr. President, I call up amendment numbered 405 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 405.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 21, strike subparagraph (D) in its entirety and insert in lieu thereof the following:

"(D) With respect to the 1981 crop of rice, cooperators on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to rice cooperators under the provisions of the Federal Crop In-

surance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded cooperators under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded cooperators under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of rice,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to rice cooperators.".

On page 25, line 20 strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to upland cotton producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with with acreage set-aside and diversion programs that may be announced for the 1981 crop of upland cotton,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to upland cotton producers.".

On page 26, line 21, strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to feed grains producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any county, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of feed grains,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to feed grains producers.".

On page 27, line 21, strike subparagraph (C) in its entirety and insert in lieu thereof the following:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible to receive disaster payments under this paragraph in those counties where, prior to the planting of the 1981 crop, Federal crop insurance is generally offered to wheat producers under the provisions of the Federal Crop Insurance Act of 1979: *Provided*, That, if the Secretary determines that—

"(i) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate on a national basis, or

"(ii) the protection afforded producers under the provisions of the Federal Crop Insurance Act of 1979 is inadequate in any country, or

"(iii) the continuation of disaster payments under this paragraph is necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop of wheat,

he may waive, on a national or county-by-county basis, the foregoing ban on disaster payments to wheat producers.".

On page 19, strike everything after the ":" in line 2 and before the "." in line 16 and insert in lieu thereof the following: "*Provided*, That, with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer is eligible to receive payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further*, That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's eligibility to receive disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium".

Mr. HELMS. Mr. President, I ask unanimous consent that the distinguished Senator from Oklahoma (Mr. BELLMON) be added as a cosponsor, a principal cosponsor, of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator will be so designated.

Mr. HELMS. I thank the Chair. Mr. President, in my opening remarks on S. 1125, I tried to emphasize and I hope I made clear that this is one of several factors which dictate the success or failure of an expanded Federal crop insurance program. S. 1125 authorizes what amounts to an outright 2-year extension of disaster payments by providing the farmer with the opportunity to elect either disaster payments or the federally subsidized crop insurance in crop year 1981. In doing so, the bill not only jeopardizes the successful implementation of an expanded Federal all-risk crop insurance program, but also adds significantly to the costs to the taxpayer.

In short, my amendment would address this problem by providing for a faster phase-out of disaster payments.

If a farmer has access to a free government handout, he will opt for it rather than put up out-front cash on a shared-cost crop insurance policy. Who can blame him? The current disaster payment programs for wheat, feed grains, upland cotton, and rice present such an attractive option. Their continuation would detract from the number of farmers who otherwise would purchase all-risk crop insurance from either the private sector or the Federal Government. Participation levels, particularly among wheat and upland cotton producers, would remain low and premiums would tend to increase, thus further discouraging participation. Therefore, the elimination of disaster payments is a prerequisite to an expanded Federal crop insurance program.

I remind my colleagues that we are currently in a period of high farm prices and that it is therefore doubtful that set-asides will be part of the administration's future farm commodity programs. This means that wheat, corn, and upland cotton producers will have larger crops eligible for disaster payments. At the same time, producers of commodities not covered by disaster payments will take advantage of high premium subsidies provided by S. 1125 and will buy all-risk crop insurance. Even if I am the only Senator to take this position, I have to emphasize to my colleagues, as forcefully as I can, that the cost to the taxpayers of the United States will skyrocket.

The price tag of S. 1125, with its 2-year extension of disaster payments—which average $436 million per year—and its higher premium subsidies will exceed by three times tht estimated budget outlays of the original bill.

Mr. President, for a great deal of our statistical information, we have relied on the Congressional Budget Office, which, thoughout my tenure in the Senate, I have found to be reliable. That is where my figures are coming from. Figures tending to contradict what I have said have come from the administration, which favors this bill. The only way we are going to discover who is right is by what the Senate does here today. But I will take my chances on the validity and the accuracy of every figure I have given today and every statement I have made and every forecast I have uttered in terms of the effect of this bill if it is not amended.

I recognize that a 1-year extension of disaster payments is necessary, inasmuch as it will take FCIC a full year to gear up for the expansion of all-risk crop insurance. For that reason, my amendment would extend disaster payments for the 1980 crop year. However, my amendment would rule out disaster payments in crop year 1981 to producers in those counties where, prior to the planting of the 1981 crop, Federal all-risk crop insurance was generally offered.

My amendment also provides for a safety valve. If the Secretary of Agriculture determined that the protection afforded the producer by FCIC was inadequate or that the continuation of disaster payments was necessary to obtain compliance with acreage set-aside and diversion programs that may be announced for the 1981 crop, he would be authorized to waive, on a national or county-by-county basis, the ban on disaster payments to producers. Any producer who would be eligible to receive disaster payments during crop year 1981 under this amendment would also be

able to purchase Federal all-risk crop insurance at his discretion. However, such producer would not be allowed to benefit from the direct Federal premium subsidy. He would have to purchase Federal crop insurance at full cost.

Mr. President, the history of this program surely persuades us that disaster payments encourage and foster inequities among producers. As sweet as the payments are to wheat and upland cotton producers, they are onerous to producers of soybeans and other ineligible crops. Disaster payments discriminate against small producers and sometimes give rise to unsound management practices. These program discrepancies eat away at the heart of American agriculture and heap heavy financial burdens on the taxpayers of this country. I have come to the conclusion that farmers across this Nation will be better off as a whole if disaster payments are replaced with a sound Federal all-risk crop insurance program that protects them against catastrophic crop losses. As long as disaster payments continue, there can be no real expansion of Federal crop insurance. That is why I hope Senators will support this amendment, so that crop insurance has a fighting chance to take root as this Nation's primary farm disaster assistance program.

Mr. President, I reserve the remainder of my time.

Mr. HUDDLESTON. I yield myself such time as I may require.

Mr. President, here again, the distinguished Senator from North Carolina has addressed a question that was considered very thoroughly by the subcommittee and the full committee.

Everybody recognizes, of course, that we have to phase out the disaster payments program in order to have any kind of comprehensive crop insurance program. As a matter of fact, that is the general purpose of proposing this legislation now, to substitute for a costly, very limited, very narrow program, a broad program nationwide, which would cost less to the taxpayers of the United States.

The question is, how do we effect the transition from one program to the other, and how long a time will be required?

The committee, after considering the arguments made by the distinguished Senator from North Carolina and others, determined that it was not unreasonable to provide a 2-year transition period, to make sure that protection continued to be available while this program was being started, while the expansion was taking place from the 150 counties now to all the counties in the United States, and while the Corporation developed its distribution system, its sales organization, and to make sure that the Corporation was given an opportunity to bring in sufficient numbers.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. YOUNG. Mr. President, the Senator from Kentucky is making a very important point.

It takes time to switch over to a new program of full crop coverage. There is a need for experience with respect to losses on various crops before you extend full coverage to them. It is difficult to provide full crop insurance and do it immediately. It would take at least 2 years to develop that kind of program on a sound actuarial basis.

I agree with the Senator.

Mr. HUDDLESTON. That was our judgment. We did not want to leave any area of the country or any producer with any coverage less than there is now, during this transition period. That was the reason for the provisions in the bill at the present time.

I point out again that the farmer does not have the option of having both the disaster payment program and the subsidized premium crop insurance program available to him during this 2-year transition.

Mr. President, the distinguished Senator from South Dakota (Mr. MCGOVERN) has had a particular interest in this feature of the bill. I yield at this time to the Senator from South Dakota such time as he may require.

Mr. MCGOVERN. Mr. President, I thank the Senator from Kentucky, the distinguished manager of the bill who I think has done an excellent job steering us through to what I regard as a practical and workable compromise on the question of the present disaster payment program as over against the new program of Federal crop insurance.

Mr. HELMS. Mr. President, will the Senator yield so we may get the yeas and nays?

Mr. MCGOVERN. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on both amendments 404 and 405.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I ask for the yeas and nays on both amendments en bloc.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered on both amendments.

Mr. HELMS. I thank the Senator.

Mr. MCGOVERN. I rise to oppose the amendment to S. 1125, the Federal Crop Insurance Act of 1979 offered by the distinguished Senator from North Carolina (Mr. HELMS). I do this because the language continued in the committee bill is the result of an amendment I offered at the committee markup session on the bill and which was adopted by the committee by a 10 to 7 vote. Let me advise Senators that during an extensive and intense markup meeting, the matter of disaster programs was thoroughly explored, the pros and cons of the matter were carefully examined and the committee, in my judgment, wisely voted to extend present disaster provisions for the 1980 crop and to make them available in 1981 on an optional basis with the farmer, if the farmer chose to move on that course. I think that we should stick with that provision that was worked out by the committee.

Mr. President, the language in the amendment offered by the distinguished Senator from North Carolina would switch this option on disaster coverage for the crop year 1981 to the Secretary of Agriculture, giving him the power to determine in which counties adequate insurance protection is available and thus making him the arbiter of the value of his own programs rather than the farmer. I find this unacceptable.

Mr. President, let me point out that the provisions contained in the bill are not only approved by a majority of the committee but they are also acceptable to the Department of Agriculture. This has been confirmed by two telephone conversations my office has had with the Department of Agriculture. I have also been advised that the Office of Management and Budget has declined to issue any statement indicating White House opposition to the provisions of this section of the bill as reported. I might also point out parenthetically that in 1977 the farmers of the State of North Carolina received over $22 million in disaster payments. In this connection I ask unanimous consent that a table detailing disaster payments for the last 3 years by State be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MCGOVERN. Mr. President, the amendment that is now pending offered by the Senator from North Carolina could leave many farmers without disaster protection in 1981. The Federal crop insurance program will be extremely hard pressed to implement the provisions of S. 1125 in all counties in the United States in time for the start of the 1981 planting season. It is less than a year before farmers must begin preparing their fields to plant their 1981 crop of winter wheat.

A new program like this must be explained to farmers almost on an individual basis. In South Dakota alone, the Federal Crop Insurance Corporation will have a massive task to do this. Only 7,500 farmers, out of 45,000 farmers, are in the FCIC program now. Of the 45 million acres of cropland in South Dakota, only 1.1 million acres are covered by Federal crop insurance at this time.

Because of the relatively small amount of participation by farmers in Federal crop insurance at the present time, there is not enough information and experience on which we can be assured that the expanded program under S. 1125 will meet farmers' disaster assistance needs. Although the new program under S. 1125 has real promise as a solution to the problems with existing disaster pro-

grams—and I support the bill as it came out of the committee—we should give FCIC adequate time to develop the program thoroughly before we remove access of farmers to the existing program. In this regard, it should be noted that FCIC has not yet even developed a sample isurance contract or established what ple insurance contract or established what the premiums would be for specific counties for the new program.

In contrast to the amendment offered by the Senator from North Carolina, the bill as written by the committee will give Congress adequate time to evaluate the operation of the new insurance program under S. 1125 and assess the acceptance of the program by farmers. This is doubly appropriate because Congress will be considering the omnibus farm bill in 1981 during the last year of operations of the disaster payments program.

Federal crop insurance has a clear advantage over disaster payments in benefits to be received if there is a loss. Also, S. 1125 includes a premium subsidy to put the cost of insurance within the farmer's means. It is wrong, then, to assume automatically that farmers will opt for disaster payments, rather than for the attractive new crop insurance program. But it would be a mistake to force them into a new program which they might not want or understand at this point.

The justification for the provision in the Helms amendment allowing the Secretary of Agriculture to waive the prohibition on disaster payments eligibility if the new crop insurance program is not adequate, seems to be the same as the argument that farmers should not be cut loose from existing programs until the new crop insurance program is solidly in place. However, the bill wisely leaves the decision on this issue up to individual farmers, rather than Washington bureaucrats.

In conclusion, Mr. President, let me say that S. 1125 as reported by the committee has several distinct advantages.

First. It provides a vehicle for the Department to develop a sound program with 2 years of actuarial experience.

Second. It extends the disaster programs in terms that will make them coextensive with the 1977 farm bill which expires in 1981. We can then intelligently examine the value of both programs with sound perspective.

Third. It retains one of the principal incentives for farmers to participate in set-aside programs—the availability of disaster programs for those who are cooperators.

It offers farmers sufficient time to plan changes in their farm operations with sufficient facts upon which to make intelligent judgments.

Mr. President, far too little publicity and public information has been given to farmers regarding all risk crop insurance. The Department has an obligation to inform farmers of significant changes in national policy and owes to farmers, as well as to itself, the obligation to develop a track record. This it can perhaps do in the time provided for in the bill. It cannot do it however, under the constraints contained in the Helms amendment.

So, I urge that this amendment be rejected and that the position of the Committee on Agriculture be allowed to stand as originally written and supported by a clear majority of the committee.

Mr. President, I thank the Senator from Kentucky for yielding to me and I again thank him for his leadership on this bill.

EXHIBIT 1

DISASTER PAYMENTS MADE TO FARMERS—COTTON, FEED GRAIN, WHEAT, AND RICE

State	1976	1977	1978
Alabama	$7,288,344	$24,841,132	$3,162,654
Arizona	61,982	784,665	986,859
Arkansas	7,015,660	1,365,005	11,438,868
California	4,002,728	9,893,628	29,635,316
Colorado	14,340,102	16,921,011	10,809,226
Delaware	6,785	2,141,923	57,842
Florida	100,269	9,956,090	490,894
Georgia	3,788,481	57,844,626	5,491,440
Idaho	1,878,849	12,000,562	2,833,555
Illinois	3,685,117	10,084,432	3,002,220
Indiana	632,546	1,521,901	1,423,147
Iowa	18,990,576	95,643,405	2,655,022
Kansas	43,239,611	34,847,203	19,348,017
Kentucky	303,581	894,625	599,204
Louisiana	2,662,945	2,162,589	7,616,138
Maryland	24,499	2,114,728	136,379
Michigan	1,203,576	5,009,423	2,345,149
Minnesota	55,729,134	1,719,386	2,891,640
Mississippi	20,161,666	6,371,802	9,416,981
Missouri	20,481,935	16,238,810	5,914,508
Montana	1,494,979	9,293,382	4,286,424
Nebraska	36,466,697	25,441,036	7,149,402
Nevada	55,537	31,970	58,744
North Carolina	1,642,352	22,388,769	1,059,424
North Dakota	14,769,960	36,720,341	3,509,740
Ohio	1,059,725	685,740	620,147
Oklahoma	20,177,732	11,427,730	11,433,871
Oregon	1,180,074	7,677,390	1,494,226
Pennsylvania	129,472	337,317	76,136
South Carolina	2,982,717	15,339,003	2,658,271
South Dakota	81,303,762	22,109,930	9,726,366
Tennessee	7,803,087	4,441,465	1,991,758
Texas	71,256,558	53,562,641	172,234,553
Utah	1,416,268	3,195,731	523,963
Vermont	685	492,294	981
Virginia	496,554	12,995,707	232,233
Washington	299,563	24,532,039	1,809,597
West Virginia	3,115	145,874	4,777
Wisconsin	9,039,357	547,596	2,291,188
Wyoming	290,021	2,967,376	776,339
Connecticut		343	
Maine		416,392	54,881
Massachusetts		4,591	535
New Jersey		784,166	19,678
New Hampshire			674

Mr. HUDDLESTON. I thank the Senator from South Dakota.

Mr. President, I yield such time as he may require to the distinguished Senator from Oklahoma (Mr. BOREN).

Mr. BOREN. I thank the Senator from Kentucky.

Mr. President, I rise today in opposition to the amendment which would make farmers in counties where FCIC offers insurance ineligible for disaster payments in 1981. The Senate Agriculture Committee considered this amendment but it was rejected by a majority of the members of the committee. Instead, the committee adopted a more reasonable approach which would allow eligible farmers to elect between participating in the disaster payments program or the Federal crop insurance program.

As everyone should know, farming is a high-risk business. Crop production is heavily dependent upon the cooperation of Mother Nature. Due to the vagaries of the weather and the unpredictableness of the infestation of insects and disease, farmers do not know at the outset of the production season what the ultimate yield will be at harvest time.

Coupled with the uncertainty of Mother Nature is the uncertainty of the marketplace. Agricultural producers sell their products in what is probably the most competitive market in our economy. One producer acting alone has no impact on or control over the price of his product. Thus, not only does the farmer not know what his production will be, if any, nor the price he will receive for what he does produce.

Consumers as well as farmers are affected by agricultural disasters. The economic impact of disasters has a rippling effect and affects the whole economy: to the factory workers who manufacture farm machinery, to the local merchants who sell them, to the businessman who process farm commodities, to bankers who finance them, to the consumers who buy them.

We must be sure that any new crop insurance program will offer farmers the kind of protection needed before completely doing away with the disaster payments program.

S. 1125 makes needed improvements in the Federal crop insurance program, however, the proposal is untested and full of uncertainty. Everyone knowledgeable on this subject agrees that it will take time to develop a sound and viable program. The approach we are considering is patterned after the Canadian program and we must keep in mind that it took the Canadians several years to develop a successful alternative to disaster payments.

Extending the disaster provision through 1981 to all eligible farmers will allow us to further test and develop an affordable and adequate expanded crop insurance program and at the same time it will continue to provide our farmers with a known measure of protection.

Without adequate protection we do nothing but burden the farmer and the economy with even greater uncertainty.

Mr. BELLMON. Mr. President, I rise in support of the pending amendment by Senator HELMS which would limit the reauthorization of the disaster payments program to the 1980 crop year. Extending the disaster payments for producers of wheat, feed grains, upland cotton, and rice past the 1980 crop year would discourage participation in a Federal crop insurance program. Additionally, CBO estimates $325 million in outlays can be saved by allowing the disaster payment program to expire in counties where crop insurance is offered after the 1980 crop year.

When the Senate Agriculture Committee wrote the 1977 farm bill the authorization for the disaster payment program was only extended through the 1979 crop year with the understanding that a new comprehensive crop insurance program would be implemented to take the place of the disaster payment program. The distinguished chairman of the Senate Agriculture Committee, Mr. TALMADGE and the able chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, Mr.

HUDDLESTON, are to be commended for their work on S. 1125, the Federal Crop Insurance Act of 1979. This legislation will allow USDA to expand Federal crop insurance coverage to most agricultural crops.

Mr. President, S. 1125 authorizes a Federal crop insurance program that allows farmers to purchase crop insurance to protect themselves against crop failure. I might add that the Federal Government will pay 20 to 40 percent of the premiums under S. 1125 at an annual cost of about $300 million once the program is completely implemented.

In addition to Federal crop insurance protection, farmers are eligible for disaster assistance loans with a 3 percent interest rate on the first $250,000 from the Farmers Home Administration and Small Business Administration. There is no need to continue the disaster payments program once Federal crop insurance coverage has been made available.

Continuation of USDA disaster payments will discourage participation in the Federal crop insurance program. Why should a wheat, feed grains, cotton or rice producer pay for crop insurance when he gets free disaster payment coverage simply by participating in the farm program? As a farmer I understand the reluctance of farmers to give up the disaster payments program—especially in the Great Plains. But we can not afford a new expanded Federal crop insurance program and the existing disaster payment program.

Passage of the amendment we are now debating will prevent duplications of federal programs and save the taxpayers $325 million. I urge the adoption of this amendment.

● Mr. DOLE. Mr. President, I oppose the amendment by Senator HELMS to provide for a faster phase-out of disaster payments.

The Helms amendment would extend disaster payments for the 1980 crop. However, it would rule out disaster payments in crop year 1981 to producers in those counties where, prior to the planting of the 1981 crop, Federal all-risk crop insurance was generally offered.

The amendment also states that if the Secretary of Agriculture determined that the protection afforded the producer by FCIC was inadequate or that the continuation of disaster payments was necessary to obtain compliance with acreage set-aside and diversion programs for the 1981 crop, he would be authorized to waive, on a national or county-by-county basis, the ban on disaster payments to producers.

Any producer who would be eligible to receive disaster payments under this amendment would also be able to purchase Federal all-risk crop insurance if he chose to do so. However, such a producer would not be allowed to benefit from the direct Federal premium subsidy. He would have to purchase Federal crop insurance at full cost.

This bill sets up an all-risk crop insurance program. This will be a new program without a track record. Such programs usually take a long time to set up and implement correctly.

I do not feel the past record by the USDA of setting up new programs is sufficient to make such a radical change from present programs as early as crop year 1981.

Without this amendment this bill provides time for the USDA to develop a sound program with 2 years experience before disaster payments are eliminated completely.

This bill also extends the disaster payment program to coincide with the termination of the 1977 farm bill.

It retains the availability of disaster programs which is one of the principal incentives for farmers to participate in set-aside programs.

This bill offers farmers sufficient time to plan changes in their farm operation with sufficient facts upon which to make intelligent judgments.

Mr. President, I believe disaster payments are needed for 2 more years. It will take that long to implement an adequate crop insurance program. I urge my colleagues to vote against this amendment.●

Mr. HUDDLESTON. Mr. President, I reserve the remainder of my time and I suggest the absence of a quorum with the time to be charged to each side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the pending amendment be set aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Georgia.

UP AMENDMENT NO. 538

(Purpose: To authorize the use of Commodity Credit Corporation funds to pay losses under the crop insurance program)

Mr. TALMADGE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE) proposes an unprinted amendment numbered 538.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, line 7, insert after "Corporation" the following: "to meet obligations to indemnify producers for losses under this title, and otherwise";

On page 23, line 11, after "cover", insert "other"; and

On page 23, line 12, strike all that follows "expenses" down through and including "losses." on line 13, and insert in lieu thereof a period.

Mr. TALMADGE. Mr. President, this amendment affects section 111(a) of S. 1125, which authorizes the Secretary of Agriculture to use the funds of the Commodity Credit Corporation in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under the Federal Crop Insurance Act whenever funds otherwise available to FCIC are insufficient to enable it to cover program expenses or pay farmers on crop insurance loss claims.

Under the amendment, the Secretary would have authority to use CCC funds to pay producer loss claims in any and all cases.

This amendment was suggested by the Department of Agriculture. It will facilitate the implementation of the new insurance program by enabling the Department to give assurances to producers that all claims will be paid promptly.

This amendment has been discussed with the distinguished floor manager of the bill and also with the distinguished ranking minority member of the committee, and I believe both of them support it and I hope the amendment will be agreed to.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to my distinguished friend from North Carolina.

Mr. HELMS. I thank the Senator.

As I read the amendment which, as the Senator has pointed out, was suggested by the administration, the Secretary would be permitted to use CCC funds to pay all indemnity claims; is that correct?

Mr. TALMADGE. The answer is "Yes."

Mr. HELMS. Mr. President, I recognize this authority could be especially valuable during the implementation period. I assume, however, that it does not affect the requirement in the act that the Federal Crop Insurance Corporation establish a reserve to cover losses that reoccur in years when there are catastrophic losses.

Mr. TALMADGE. No, it does not.

Mr. HELMS. I thank the Senator.

It would be my hope when an adequate reserve is established that there will be no need to use CCC funds.

Mr. TALMADGE. The Senator is correct.

Mr. HELMS. I thank the Senator.

Mr. TALMADGE. I thank my distinguished friend from North Carolina.

Mr. HUDDLESTON. Mr. President, we have examined this amendment and agree that it is appropriate. It would clarify the authority of the FCIC to administer effectively the repayment of claims made against the insurance program, and we accept the amendment on this side.

Mr. HELMS. For this side I accept the amendment, especially in light of the clarification by the distinguished Senator from Georgia, to whom I am indebted.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. TALMADGE. I yield back all my remaining time.

Mr. HELMS. I yield back my time.

Mr. HUDDLESTON. I move the adoption of the amendment.

The PRESIDING OFFICER. All time being yielded back, the question is on

agreeing to the amendment of the Senator from Georgia. (Putting the question.)

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I yield to the distinguished junior Senator from North Carolina for the purpose of presenting an amendment.

UP AMENDMENT NO. 539

(Purpose: To provide for a pilot program of individual risk underwriting and Federal crop insurance)

Mr. MORGAN. Mr. President, I send forward an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN) proposes an unprinted amendment numbered 539: on page 23—

Mr. MORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, immediately after line 22, insert the following:

"SEC. 112. (a) The Federal Crop Insurance Corporation shall conduct a pilot program in not less than 25 counties, beginning in the 1981 crop year and ending after the 1985 crop year, of individual risk underwriting of crop insurance. Under this pilot program, to the extent that appropriate yield data are available, the Corporation shall make available to producers in such counties crop insurance under the Federal Crop Insurance Act based on personalized rates and with guarantees determined from the producer's actual yield history.

"(b) After the completion of the pilot program of individual risk underwriting, the Federal Crop Insurance Corporation shall evaluate the pilot program and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report of the operations of the pilot program, including its evaluation of the pilot program and its recommendations with respect to implementing a program of individual risk underwriting on a national basis."; and

On page 23, line 24, strike out "SEC. 112." and insert in lieu thereof "SEC. 113.".

Mr. MORGAN. Mr. President, I am pleased to rise today in support of S. 1125, the Federal Crop Insurance Act of 1979, a bill that the Committee on Agriculture, Nutrition and Forestry has toiled for so long to produce. While I have some difficulty with a few provisions that were added to the original bill, I think that generally it is a bill that will be welcome to most of the farmers of the Nation.

Senator HUDDLESTON and HELMS, the floor managers of the bill, are to be especially commended for their efforts to shape a crop insurance program that strikes a reasonable balance between the needs of the Nation's farmers and the legitimate concerns of the private crop insurance industry.

The amendment I offer today is designed to complement the efforts of the Senate Agriculture Committee. My amendment will provide for a pilot program of individual risk underwriting, a pilot program that should move the crop insurance program in a manner that will encourage more just settlements to individual farmers.

The thrust for my amendment comes from experience that we have with tobacco, a crop with which we have considerable experience with individual risk underwriting, and from the General Accounting Office report of December 13, 1977, entitled "The Federal Crop Insurance Program Can Be Made More Effective."

Mr. President, I would prefer to see that the entire crop insurance program be placed on an individual risk basis, rather than using county-wide yield data. Moving in such a direction would encourage broad participation by encouraging the most productive and efficient farmers to participate in this program. Currently, individual risk underwriting is available where there is adequate information on the individual farmer's crop histories, and the only crop where such histories are generally available is tobacco. While it is clear that most farmers are developing such histories, these records simply are not available on a broad scale. Hence, the program cannot be redirected at this time on a universal basis.

As a result, my amendment seems to offer a reasonable approach.

The record of the Federal Crop Insurance program is a mixed record. At present, crop insurance protects a mere 6.64 percent of our total acreage and only 11.69 percent of acreage where the Federal Crop Insurance program operates. Where crop insurance is not widely available, other disaster programs—programs that will be phased out under this bill—operate to protect farmers from the peril of Mother Nature.

I think that we can look to our experience in tobacco to see that individual risk underwriting is the way that we can most meaningfully expand participation in Federal crop insurance. At present, Federal crop insurance has achieved twice the participation in tobacco as it has in any other commodity. I have to attribute that record to individual risk underwriting, and no other factor.

Mr. President, my amendment would require the Federal Crop Insurance Corporation to conduct a pilot program of individual risk underwriting in 25 counties, beginning in the 1981 crop year and ending with the 1985 crop year. At that time, the FCIC would be required to evaluate the pilot program and make the results of such an evaluation available to the Senate and House Agriculture Committees. I am confident that the results of such an evaluation would indicate that individual risk underwriting should be the direction that we should go in the future.

In conclusion, Mr. President, I think that the available evidence indicates that such a pilot program is necessary as a first step, a compromise step at that, to the type of program we should have. My amendment clearly is consistent with the recommendations of the General Accounting Office and flows from the experience that we have with tobacco. I move the adoption of my amendment, which I understand may have the support of both floor managers.

I thank the Chair.

Mr. HUDDLESTON. Mr. President, I commend the distinguished Senator from North Carolina for offering this amendment. Certainly the individual risk underwriting would be a desirable and more effective and efficient way to administer the overall program, in all probability, if sufficient data were available to base the premiums on individual crops and production data.

At this point, such data are not available, and to require individual risk underwriting now programwide would certainly delay the program and make it very difficult to get it underway. But the proposal of the Senator from North Carolina that a pilot program be undertaken, in my judgment, is sound. It should be done, and could very well lead to a more efficient and objective program.

So we support the amendment of the Senator from North Carolina.

Mr. HELMS. Mr. President, for the reasons stated so eloquently by my friend from Kentucky (Mr. HUDDLESTON), I accept the amendment for this side and commend the Senator for offering it.

Mr. MORGAN. Mr. President, I thank my colleagues, and I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 539) of the Senator from North Carolina (Mr. MORGAN).

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 540

(Purpose: To correct technical and clerical errors in the text of S. 1125)

Mr. HUDDLESTON. Mr. President, I send to the desk an amendment to correct technical and clerical errors in the text of S. 1125. Several typographical mistakes were made in the printing of S. 1125 as reported by the committee, and the amendment would correct those errors. The minority has already had an opportunity to review these technical amendments.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes unprinted technical amendment numbered 540.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 19, strike out "Stated" and insert in lieu thereof "States";

On page 19, line 20, strike out "matter" and insert in lieu thereof "manner";

On page 22, line 3, strike out "of" and insert in lieu thereof "on";

On page 25, line 9, strike out "subparagraph" and insert in lieu thereof "subparagraph"; and

On page 29, line 10, strike out "allotment" and insert in lieu thereof "allotments".

Mr. HUDDLESTON. I move the adoption of the amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HELMS. I yield back my time.

Mr. HUDDLESTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 540) of the Senator from Kentucky (Mr. HUDDLESTON).

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I have an inquiry on the bill to which the distinguished floor manager of this legislation, the Senator from Kentucky, may wish to respond.

The Federal Crop Insurance Corporation now provides coverage to grape growers in New York and California on their annual grape production. It offers no insurance protecting grape vines. My questions are these: Does the bill contain provisions that will enable the corporation to begin a grape insurance program in the State of Washington, and to begin offering grape growers in all States insurance covering grape vines? And further, was it the intent of the drafters of this bill and the committee that reported it that such expansion of the program be undertaken?

Mr. HUDDLESTON. Mr. President, I would be happy to respond to the inquiry from the distinguished Senator from Washington.

This bill was specifically designed to enable the Federal Crop Insurance Corporation to expand its program so that all farmers in all counties would have access to Federal crop insurance on their crops at a reasonable price. Statutory limits on expansion will be removed and the limitations that have hindered the growth of the crop insurance funding will be eliminated.

In addition, the bill contains a provision specifically authorizing the corporation to offer specific risk insurance protection programs, including a tree damage or disease program. The damage and disease coverage was initially proposed by citrus growers, but the provision was not designed to be limited to citrus trees. It was designed to enable the corporation to protect all producers who depend on maintaining healthy mature growing stock for their annual crop production.

With respect to the intent of the bill, I believe the situation facing Washington grape growers is exactly the type of problem this bill is meant to address. With the new program provisions under this bill, the corporation should be able to respond quickly and adequately to the needs of Washington State.

Mr. President, I suggest the absence of a quorum.

Mr. HELMS. With the time to be equally divided, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

Mr. HUDDLESTON. Will the Senator withhold on the unanimous-consent request he is about to make for just a moment?

Mr. HELMS. Certainly, Mr. President.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum, with the time equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, Mr. HUDDLESTON will shortly move to lay the amendment by Mr. JEPSEN on the table. It is agreeable all the way around, as I understand it, that a vote occur on that tabling motion at the hour of 3:15 p.m. today. It will be a rollcall vote, although the yeas and nays have not been ordered; the motion has not been made yet. Therefore, I make the following unanimous-consent request:

That Mr. HUDDLESTON be recognized at 3:15 to make his motion to table; that a vote occur at that time; and that, if the motion to lay on the table is agreed to, immediately following the disposition of the tabling motion, the votes occur on amendments 404 and 405, in that order, back to back. That is the request, Mr. President.

The PRESIDING OFFICER. Is there an objection? If not, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this means that if the motion to table is not agreed to, the votes will not immediately occur on amendments 404 and 405 if Mr. HUDDLESTON seeks to offer an amendment or make some other motion at that time.

Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the motion to table at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask for the yeas and nays on the tabling motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

RECESS FOR 5 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

There being no objection, the Senate, at 3:10 p.m., recessed until 3:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

UP AMENDMENT NO. 537

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, pending before the Senate is the amendment by the distinguished Senator from Iowa (Mr. JEPSEN) which has earlier been discussed and debated here on the Senate floor.

Mr. President, I yield back the remainder of my time on that amendment.

Mr. HELMS. Mr. President, on behalf of the distinguished Senator from Iowa, I yield back his time.

Mr. HUDDLESTON. Mr. President, at this time, I move that the amendment of the distinguished Senator from Iowa be laid on the table, and the yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Iowa (Mr. JEPSEN). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 46, nays 43, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—46

Baucus	Huddleston	Pryor
Bellmon	Jackson	Randolph
Bentsen	Javits	Ribicoff
Biden	Johnston	Riegle
Bradley	Kennedy	Sarbanes
Byrd, Robert C.	Leahy	Sasser
Cannon	Levin	Stafford
Chiles	Long	Stennis
Church	Magnuson	Stevenson
Cochran	Matsunaga	Stewart
Cranston	McGovern	Talmadge
Durkin	Metzenbaum	Tsongas
Exon	Morgan	Williams
Glenn	Moynihan	Young
Gravel	Nelson	
Hollings	Nunn	

NAYS—43

Baker	Goldwater	Packwood
Boren	Hart	Percy
Boschwitz	Hatch	Proxmire
Burdick	Hatfield	Roth
Byrd, Harry F., Jr.	Hayakawa	Schmitt
Chafee	Heflin	Schweiker
Cohen	Helms	Simpson
Culver	Humphrey	Stevens
Danforth	Jepsen	Stone
DeConcini	Kassebaum	Thurmond
Domenici	Laxalt	Tower
Eagleton	Lugar	Wallop
Ford	Mathias	Warner
Garn	McClure	Zorinsky
	Melcher	

NOT VOTING—11

Armstrong	Durenberger	Pell
Bayh	Heinz	Pressler
Bumpers	Inouye	Weicker
Dole	Muskie	

So the motion to lay on the table UP amendment No. 537 was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 404

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on amendment No. 404.

The question is on agreeing to the amendment of the Senator from North Carolina.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER. Does any other Senator in the Chamber wish to vote?

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—43

Baker	Hatfield	Proxmire
Boschwitz	Hayakawa	Pryor
Byrd, Harry F., Jr.	Helms	Randolph
Cannon	Humphrey	Roth
Chafee	Javits	Schmitt
Culver	Jepsen	Schweiker
Danforth	Kassebaum	Simpson
DeConcini	Laxalt	Stafford
Dole	Lugar	Stevens
Eagleton	Mathias	Thurmond
Ford	McClure	Tower
Garn	Melcher	Wallop
Goldwater	Morgan	Warner
Hatch	Packwood	Zorinsky
	Percy	

NAYS—47

Baucus	Glenn	Moynihan
Bellmon	Gravel	Nelson
Bentsen	Hart	Nunn
Biden	Heflin	Ribicoff
Boren	Hollings	Riegle
Bradley	Huddleston	Sarbanes
Burdick	Jackson	Sasser
Byrd, Robert C.	Johnston	Stennis
Chiles	Kennedy	Stevenson
Church	Leahy	Stewart
Cochran	Levin	Stone
Cohen	Long	Talmadge
Cranston	Magnuson	Tsongas
Domenici	Matsunaga	Williams
Durkin	McGovern	Young
Exon	Metzenbaum	

NOT VOTING—10

Armstrong	Heinz	Pressler
Bayh	Inouye	Weicker
Bumpers	Muskie	
Durenberger	Pell	

So Mr. HELMS' amendment (No. 404) was rejected.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 405

The PRESIDING OFFICER. The Senate will now proceed to vote on amendment 405. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The PRESIDING OFFICER (Mr. BRADLEY). Are there any other Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 33, nays 58, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—33

Baker	Chafee	Garn
Bellmon	Chiles	Goldwater
Byrd, Harry F., Jr.	Church	Hatch
Cannon	Cranston	Hayakawa
	Danforth	Heinz
	Helms	Morgan
	Humphrey	Nunn
	Jepsen	Percy
	Kassebaum	Proxmire
	Laxalt	Roth
	Lugar	Schmitt
	McClure	Schweiker
		Simpson
		Stevens
		Stone
		Wallop
		Warner

NAYS—58

Baucus	Hart	Packwood
Bentsen	Hatfield	Pryor
Biden	Heflin	Randolph
Boren	Hollings	Ribicoff
Boschwitz	Huddleston	Riegle
Bradley	Jackson	Sarbanes
Burdick	Javits	Sasser
Byrd, Robert C.	Johnston	Stafford
Cochran	Kennedy	Stennis
Cohen	Leahy	Stevenson
Culver	Levin	Stewart
DeConcini	Long	Talmadge
Dole	Magnuson	Thurmond
Domenici	Mathias	Tower
Durkin	Matsunaga	Tsongas
Eagleton	McGovern	Williams
Exon	Melcher	Young
Ford	Metzenbaum	Zorinsky
Glenn	Moynihan	
Gravel	Nelson	

NOT VOTING—9

Armstrong	Durenberger	Pell
Bayh	Inouye	Pressler
Bumpers	Muskie	Weicker

So Mr. HELMS' amendment (No. 405) was rejected.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, as far as I am aware, there are no other amendments pending at this time.

I understand there is an amendment.

Mr. DOLE. Mr. President, the Senator from Kansas would like about 3 minutes on the bill.

I will be thinking about the amendment in that 3-minute period while I am talking about something else. It should be a good amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I yield such time as the Senator may desire.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas was not present when the vote was taken on the motion to table the Jepsen amendment. Had I been present, I would have voted against the tabling motion as a cosponsor of that amendment.

Mr. President, I wonder whether we can agree to an amendment.

The Jepsen amendment involved excluding fire and hail. Could we just exempt hail? Would that be acceptable to the distinguished manager of the bill?

Mr. HUDDLESTON. Mr. President, I say to the distinguished Senator from Kansas that that would not be acceptable. It still has the major fallacy of the original amendment, in that it serves to weaken substantially the salability of the Federal crop insurance program. It does very little to help the private insurance

industry. We would be very much opposed to that amendment.

UP AMENDMENT NO. 541

(Purpose: To exclude insurance coverage for hail)

Mr. DOLE. On that basis, I will offer the amendment and will debate it very briefly.

I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 541:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail," after "causes".

Mr. DOLE. Mr. President, there are about 140 private insurers, employing between 4,000 and 5,000 full- and part-time employees, involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector; they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

> My feelings are that if this bill is passed it would increase the cost of government, expand government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverages it would at least let the private industry to stay in business.

Another constituent wrote:

> I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private hail-crop industry.

Mr. President, there is a great deal of talk about the private sector. There is a lot of debate and a lot of rhetoric about the need for the private sector.

I urge my colleagues to vote for this amendment to exclude fire and hail coverage from this bill. To do so would be to give private industry a vote of confidence.

I reserve the remainder of my time.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

I ask that the amendment be read, so that Senators may understand it.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 16, line 22, strike out "hail,".

On page 16, line 23, strike out "fire,".

On page 16, line 25, insert ", other than hail," after "causes".

Mr. DOLE. What the amendment would do is this, I say to the distinguished Senator from North Carolina: The Jepsen amendment, which failed by just three votes, would have excluded fire and hail coverage from the bill. This is a further compromise and excludes hail coverage from the bill.

The Senator from Kansas is prepared to vote on the amendment.

Mr. HUDDLESTON. Mr. President, I mentioned a moment ago that we would oppose this amendment.

In the first place, though I am not an expert in hail and fire and wind insurance, it occurs to me that this approach may have some difficulty for the private insurance business. Many policies are designed for hail, wind, and fire. Whether or not they can rewrite those policies to limit them to just hail, I do not know.

We do know this: If we are going to have a successful crop insurance program, one that will replace the very limited and the very unsuccessful and undesirable disaster payment program we have now, which is borne entirely by the taxpayers of the United States, one that will involve the participation and contribution by the beneficiaries of the program, we must have one that we can sell to the farm producers of this country.

To nibble away at the features that would be available, such as taking out the hail coverage, would make it less salable. As I have indicated in previous debates on this subject this afternoon, it would do very little to benefit the private crop insurance industry.

So, at the appropriate time, I will make a motion to table this amendment by the Senator from Kansas.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. BELLMON. I want to see if I understand this properly. The bill before the Senate is an all-risk insurance policy.

Mr. HUDDLESTON. That is correct.

Mr. BELLMON. The way it would be administered would be this: At the end of the year, when the farmer harvested his crop and sold it, if the yield was less than insured, the producer would be entitled to a settlement from the Government.

Mr. HUDDLESTON. If he had paid premiums and purchased the insurance.

Mr. BELLMON. The objection I have to the Dole amendment is that if a loss was experienced by the grower, how would the administrator of the Government program know whether that loss came from hail, flood, or perhaps crop disease?

Mr. HUDDLESTON. That is one of the complications we discussed earlier. The all-risk crop insurance program that is anticipated by this bill covers the crop from beginning to end. If damage occurs from more than one source—perhaps hail is one of those sources—it would be virtually impossible to make a determination which portion of that damage could be ascribed to the particular event.

Mr. BELLMON. It is for that reason that I would support the Senator from Kentucky in a motion to table the amendment.

Mr. DOLE. Mr. President, I say to the Senator from Oklahoma that if you have hail coverage, you have to prove the damage is as a result of hail. I do not see any difference if it is crop disease. You still have to prove that it was hail damage, before you will be paid.

Mr. BELLMON. The Senator is correct so far as a private insurance company is concerned, but so far as the Government is concerned, you do not have to show that it resulted from disease or hail. You simply have to show at the end of the year that you did not harvest as much crops as guaranteed by the insurance policy.

Here, we will have a different administrative problem in trying to decide the cause for the shortfall in the yield. I do not see how you can administer an all-risk program when you have to leave out one of the major risks.

Mr. DOLE. The same argument may have applied to the Jepsen amendment. It seems to me that this is a further effort to compromise some very strong differences in this proposal.

Also, the Senator from Kansas believes that it goes to the heart of the private sector, and we are trying to preserve that as long as we can around here.

Mr. President, I am prepared to yield back to remainder of my time.

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time, and I move that the amendment by the Senator from Kansas be laid on the table.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE),

and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there Senators in the Chamber who wish to vote who have not done so?

The result was announced—yeas 47, nays 45, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—47

Baucus	Hollings	Pryor
Bellmon	Huddleston	Randolph
Bentsen	Jackson	Ribicoff
Biden	Javits	Riegle
Bradley	Johnston	Sarbanes
Byrd, Robert C.	Kennedy	Sasser
Cannon	Leahy	Stafford
Chiles	Levin	Stennis
Church	Magnuson	Stevenson
Cochran	Matsunaga	Stewart
Cranston	McGovern	Stone
Durkin	Metzenbaum	Talmadge
Exon	Morgan	Tsongas
Glenn	Moynihan	Williams
Gravel	Nelson	Young
Hatfield	Nunn	

NAYS—45

Baker	Goldwater	Packwood
Boren	Hart	Percy
Boschwitz	Hatch	Proxmire
Burdick	Hayakawa	Roth
Byrd, Harry F., Jr.	Heflin	Schmitt
Chafee	Heinz	Schweiker
Cohen	Helms	Simpson
Culver	Humphrey	Stevens
Danforth	Jepsen	Thurmond
DeConcini	Kassebaum	Tower
Dole	Laxalt	Wallop
Domenici	Long	Warner
Eagleton	Lugar	Weicker
Ford	Mathias	Zorinsky
Garn	McClure	
	Melcher	

NOT VOTING—8

Armstrong	Durenberger	Pell
Bayh	Inouye	Pressler
Bumpers	Muskie	

So the motion to lay on the table Mr. DOLE'S UP amendment No. 541 was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senate will be in order. Senators will please clear the well.

The Senator from North Carolina.

Mr. HELMS: How much time remains for each side?

The PRESIDING OFFICER. The Senator from North Carolina has 34 minutes. The Senator from Kentucky has 47 minutes.

Mr. HELMS. I yield 5 minutes to the Senator from Maine (Mr. COHEN).

Mr. COHEN. Mr. President, I rise to express my support for the Federal Crop Insurance Act of 1979. This expanded crop insurance program will provide greater protection for farmers against the many natural hazards that can severely damage crops.

In my own State of Maine, many sectors of the farming industry are affected by natural disasters. Located in Maine's northernmost area, Aroostook County, the potato industry is especially susceptible to the effects of weather, insects and disease. Aroostook County has a very short growing season, frosts are frequent during planting or harvest, and both flooding and drought are problems in some areas. Since there is a lack of adequate irrigation facilities, the drought areas are affected acutely by rain shortages. Potatoes are also susceptible to blight and other diseases.

The burden of natural disasters is especially difficult for small farmers, since they are unable to absorb major crop losses. The vast majority of Maine farmers are small farmers and natural disasters are responsible in large measure for the decline of the family farm in my State by nearly 50 percent from 1960 to 1970.

In 1978, 5½ percent of Maine's total potato crop was lost to the weather-related storage problems, and more failed to reach market because of disease.

Considering the importance of crop insurance to Maine, especially to the potato industry, I urge the Department of Agriculture to move quickly to include potato growers as beneficiaries under this important program.

Mr. HELMS. I yield the Senator from South Carolina such time as he may require.

Mr. THURMOND. Mr. President, I rise in support of S. 1125, the Federal Crop Insurance Act of 1979.

This legislation is designed to extend nationwide a system of comprehensive, all-risk crop insurance to producers of all major agricultural crops. At the same time, the Federal disaster payments program, which is now available to producers of wheat, upland cotton, feed grains, and rice, would be discontinued after crop year 1981.

Mr. President, this legislation is clearly needed by the agricultural sector, and if the program works as planned, it should reduce the cost of agricultural programs to the taxpayers. The need for this bill exists because of several deficiences in current agricultural programs. First, disaster payments are not now available for the vast majority of farm commodities, and even where available, are often inadequate to compensate farmers for production costs incurred. Second, Federal crop insurance is presently available in only about one-half of the Nation's counties, and even in these counties where Federal crop insurance programs now operate, only the major agricultural commodities are insurable. Third, private insurance companies do not now offer all-risk crop insurance protection. Most private crop insurance policies only insure against specific perils, such as fire, hail, or both.

These and other deficiencies are addressed in this legislation, which will, for the first time, make comprehensive, all-risk crop insurance available to producers of all major agricultural crops throughout the Nation.

Mr. President, I am aware of the concerns expressed by some private insurers, especially those who now write coverage for fire, hail and lightning perils. Within the limited context of these perils, the private insurance industry has done a commendable job of protecting farmers against losses. Both the Senate and House Agriculture Committees have attempted to design this expansion of Federal, all-risk crop insurance in a fashion that not only will allow the private crop insurance industry to survive, but also will give private insurers a key role in marketing the Federal, all-risk insurance. Furthermore, since the nature of private, specific peril crop insurance is fundamentally different from Federal, all-risk coverage, it is believed that the two systems not only will be able to coexist, but will actually complement each other.

In summary, Mr. President, I believe this legislation will prove beneficial and cost effective. It will make all-risk crop insurance available to our Nation's farmers at affordable rates, thereby giving farmers protection against disasters at a minimum cost to the taxpayers. I urge the Senate to approve this bill.

● Mr. BENTSEN. Mr. President, I wholeheartedly support S. 1125 as reported by the Senate Agriculture Committee. The members of the committee are to be commended for developing a reasonable and workable bill, and special recognition should go to the distinguished senior Senator from Kentucky who has spent many hours working on this legislation since he first introduced it. He can be justifiably proud of this bill, which provides an actuarially sound system of badly needed protection for crops in all areas of the Nation.

I am proud to see the Government and the farmer working together in a program that both are involved in and are supporting. The current system of Federal crop insurance is offered in some counties in Texas and is being used by the farmers in those counties.

I carry Federal crop insurance myself on citrus orchards in the Rio Grande Valley. This bill will allow producers of over 400 crops to receive the benefit of Federal assistance through an actuarially sound system of all-risk crop insurance.

In addition, the bill provides for a needed 2-year extension of the current disaster programs. This program is of immense values to farmers in Texas and throughout the Nation. Today's farmers are capital-intensive and highly leveraged, and the loss of a crop because of adverse weather conditions can be a crippling if not fatal blow to a farmer. These disaster programs have kept many farmers afloat when a violent quirk of nature might otherwise have sucked them under and further thinned the ranks of the family farmers who are the traditional backbone of this Nation. These programs are an integral part of the growing of the crops for which they are offered—crops which are grown in

large part in regions which are subject to climatic extremes. We lack good data on the cost of premiums and other factors in the insurance program proposed to replace these disaster programs, so it is only fair that we extend these proven programs until we have more information and have a tested program to offer as a substitute.

The 2-year extension of the disaster payments is vital to the farmers which produce the largest amount of the most basic commodities which feed and clothe our Nation. Making available the option of using either the disaster program or the crop insurance program in 1981 will provide a good test of the acceptability of the Federal crop insurance program to the producers of these commodities, it will provide local experience with the Federal Crop Insurance Corporation, and it will greatly smooth the transition to a complete system of all-risk Federal crop insurance if Congress should decide to adopt that policy.

Producers of crops not covered by disaster programs, and there are over 400 of them, are just as deserving of protection from the calamities of nature. They, too, are capital-intensive and highly leveraged as a rule. They are hurt and often completely wiped out financially by disastrous crop losses, but all too often they are not eligible even for the current system of Federal crop insurance due to the limitations placed on expansion of the program. Over 400 counties are now on the waiting list for the current program, and it is not even subsidized. In addition, coverage available under the current program is inadequate and needs to be broadened. A good case in point is citrus, in which now the crop on the tree can be covered but the tree itself cannot. The same freeze which destroys the citrus crop may often damage or kill the tree itself, which is a much more catastrophic loss and much more likely to totally ruin the farmer.

Mr. President, this bill is good for agriculture. It will help the farmers of this Nation to do a better job of seeing that we are the best fed and best clothed Nation in the world. But the policy implications of this bill are much, much broader than even that. The survival of the small family farmer is a matter which is receiving increasing attention and concern. The basic structure of this Nation's agriculture is the subject of a hearing the Department of Agriculture is holding this fall. In this context, I note that this bill is a major step toward helping that small family farmer to survive the competitive rigors of modern agriculture.

If we are to maintain a viable system of family farms in this country, we must have a steady supply of young people entering farming. These are precisely the people who will benefit most from a workable system of all-risk crop insurance. The young farmer, the beginning farmer—these are the ones who have larger debts. These are the ones who have less equity. And these are the ones who disappear forever when hit by large losses, whether from the vagaries of nature or the swings of the market. Larger farmers, better-established farmers, can take these losses and survive much more often than can the small, beginning farmer. And when the little guy's place comes up for sale his bigger neighbors who survived are usually the ones who buy it. Without this bill we will only see more and more of this. More and more farmers leaving the farm. Fewer and fewer young people able to enter farming. An increasing concentration of agricultural production in a decreasing number of family farmers. A weakening of our rural areas as they slowly wither because the young people which are their lifeblood flow out to the cities in search of a job.

It is high time that we take note of the plight of the small before we become the world of the big. The small businessman squeezed between big Government and big business. The independent oil man racing against big oil while entangled in the redtape of big Government. This country was built by individual entrepreneurs, people with imagination, initiative, and drive. We need a continuing supply of those qualities if we are to continue to grow and prosper as a nation, and to get them we must give those adventurous individuals the tools they need to survive in an increasingly large and hostile world. I believe that this bill is a step in the right direction that will benefit this whole Nation, not just its farmers, and I urge my colleagues to support it.●

● Mr. DOLE. Mr. President, on February 8, 1979, I introduced a bill, S. 399, the Federal Crop Insurance Expansion Act of 1979.

I felt at the time that the expiration of the crop disaster payments program at the end of this year affords Congress with an excellent opportunity to fashion a new and comprehensive strategy in helping agricultural producers meet the risk of disastrous crop losses resulting from causes beyond their control.

The disaster payments program is administered by the Agricultural Stabilization and Conservation Service, is limited to producers of upland cotton, wheat, rice, and three feedgrains—corn, grain sorghum, and barley.

Additional protection from crop losses is provided by the Federal Crop Insurance Corporation—FCIC. Unfortunately, Federal crop insurance is not available in all agricultural counties nor does it cover all basic commodities in the counties where insurance is available.

In many instances, insurance is not available where it is needed most. Moreover, high premiums and competition from the disaster payments program have kept participation low.

This bill establishes an expanded and comprehensive crop insurance program for U.S. farmers. It would remove limits on the expansion of the Federal crop insurance program, provide additional funding for the program, provide for a reinsurance program, and require the Federal Crop Insurance Corporation to pay a portion of the cost of crop insurance premiums under the programs.

It extends the disaster payments program for producers of wheat, feed grains, upland cotton, and rice under the Agricultural Act of 1949.

Farming, at best, is an exceptionally high risk undertaking. Beyond the perils of economic uncertainties caused by fluctuating prices for his products, a farmer also faces many uncontrollable (and unpredictable) natural hazards. These can prevent him from planting his crops or destroy planted crops, even in the best production years. Historically, 1 out of every 12 acres planted is not harvested because of adverse weather or other natural disasters.

Two Federal programs—an insurance program and a disaster payments program—offer thousands of the Nation's farmers some protection against loss of income when their crops are damaged or destroyed by natural causes.

Over the past several years, the Federal crop insurance and disaster payments programs have come under increased scrutiny by the administration, Congress, and others. The widespread droughts of 1976 and 1977 resulted in large budgetary outlays for disaster payments and Federal crop insurance indemnity payments, and accentuated the deficiencies in the programs.

PRESENT CROP INSURANCE BILL

I have felt for sometime the Federal crop insurance program needed improvements. The program needed improvements to provide farmers with a comprehensive, meaningful, and efficient program under which they may protect their massive investments in food and fiber production.

I have also felt that in improving the Federal crop insurance program the interests of the Federal taxpayer in budget deficits and taxes also had to be considered. I have felt the interests of free enterprise and the private insurance companies and private insurance agents were also important.

I cannot support the bill before the Senate today for two basic reasons: First, the high level of Federal subsidy, and second, the inclusion of fire and hail coverage by the Government program.

I wanted to support the bill because of the improvements in the crop insurance program and because of the extension of disaster payments for 2 years.

The bill I introduced in February contained a lower level of Federal subsidy than the bill before us today and excluded fire and hail coverage.

DISASTER PAYMENTS

This bill sets up an all-risk crop insurance program. This will be a new program without a track record. Such programs usually take a long time to set up and implement correctly.

I do not feel the past record by the USDA of setting up new programs is sufficient to make such a radical change from present programs as early as crop year 1981.

Without this amendment this bill provides time for the USDA to develop a sound program with 2 years experience before disaster payments are eliminated completely.

This bill also extends the disaster payment program to coincide with the termination of the 1977 farm bill.

It retains the availability of disaster programs which is one of the principal incentives for farmers to participate in set-aside programs.

This bill offers farmers sufficient time to plan changes in their farm operation with sufficient facts upon which to make intelligent judgments.

Mr. President I believe disaster payments are needed for 2 more years. It will take that long to implement an adequate crop insurance program.

FIRE AND HAIL COVERAGE

Approximately 140 private insurance companies employing between 4,000 and 5,000 full- and part-time employees are involved in the crop insurance industry as writers of hail, fire, and lightning crop insurance.

Private industry wrote some $350 million worth of the limited coverage insurance in 1978. This insurance covered over 88 million planted acres, and total exposure to liability was about $10.6 billion.

The private crop insurance industry has adequately provided farmers with hail, fire, and lightning coverage. They have done this at a reasonable cost without Federal subsidy.

This business has provided jobs for many persons and has provided additional income for many rural, family operated, insurance agencies. For many rural insurance agents their livelihood is very dependent on crop hail insurance.

The way this bill is written to include fire and hail coverage it is a direct intervention into the private insurance industry. Private enterprise will be hurt by this bill.

I believe the Federal Government through its programs should only complement and supplement the private sector—they should not compete directly with the private sector.

This bill does more than supplement and complement what the private insurance industry does, it allows the Federal Government through a highly subsidized program to compete directly and unfairly with private enterprise.

This bill is a step toward the elimination of the private crop hail insurance industry.

As one of my constituents from Kansas put it in a recent letter to me:

> My feelings are that if this bill is passed it would increase the cost of government, expand government activity, and infringe upon the established private business. If the perils of hail and fire were deleted from the promised coverages it would at least let the private industry to stay in business.

Another constituent wrote:

> I feel that private industry, which includes the crop-hail insurance industry, is a vital part of our nation's free enterprise system. The passage of this bill would eliminate the freedom of choice for the farmer and eliminate the private crop-hail industry.

EXCESSIVE PREMIUM SUBSIDY

Sufficient levels of participation in the crop insurance program are necessary to obtain adequate diversification of risks. Premium subsidies can be used effectively to broaden participation. Premium subsidies can also be used effectively to severely injure or destroy private crop insurance companies.

The question is: What level of premium subsidy is required to generate sufficient participation in the program and yet not destroy the private insurance industry?

I believe the formula in the bill before us that allows for a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield is more than is needed for effective participation, is high enough to destroy private enterprise and is unnecessarily costly to the American taxpayer.

The Senate Agriculture Committee voted by a narrow 8 to 7 margin to replace the 20-percent subsidy with a 20- to 40-percent subsidy range on coverage levels of up to 75 percent of average yield.

According to the Congressional Budget Office, the committee's action could increase the cost of the Federal premium subsidy from $185 million to $395 million annually by 1984.

The National Crop Insurance Association's ad hoc committee of casualty actuaries has projected that total premium subsidy costs could range as high as $950 million per year. From a budgetary point of view, the 20- to 40-percent subsidy range is, on its face, unacceptable.

Premium subsidies of up to 40 percent (exclusive of congressional appropriations for FCIC's administrative and operating costs) compete unfairly with the private sector's unsubsidized hail-crop insurance policies, and indeed, threaten some hail-crop insurance companies with extinction.

I believe it is important to limit Government intervention into the private market place. I also believe it is important to limit Federal subsidies which increase budget deficits.

The bill before us today for final passage does not limit Government intervention and does not limit Federal subsidies.

I cannot vote for the expanded crop insurance bill as it now stands.●

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I yield back my time.

The PRESIDING OFFICER. The bill is open for further amendment. If there be no further amendment to be proposed, the bill is ordered to be engrossed for a third reading.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. HUDDLESTON. Mr. President, I commend the Members of the Senate for the attention they have given this particular legislation today. I think we have made a step forward in providing adequate coverage for agriculture producers in this country, eliminating a very unsatisfactory, very narrowly constructed program of disaster payments. I am hopeful that we shall see the passage of this bill during this session of Congress and be under way with a new program of benefit to the farmers of the Nation.

Mr. President, unless there is someone else who has some comment on the bill on this side, I yield back the remainder of my time to the bill.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Montana (Mr. MELCHER), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 64, nays 27, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—64

Baker	Heinz	Ribicoff
Baucus	Hollings	Riegle
Bellmon	Huddleston	Sarbanes
Bentsen	Jackson	Sasser
Biden	Javits	Schmitt
Boren	Johnston	Schweiker
Bradley	Kennedy	Stafford
Byrd, Robert C.	Leahy	Stennis
Cannon	Levin	Stevens
Chiles	Long	Stevenson
Church	Magnuson	Stewart
Cochran	Matsunaga	Stone
Cohen	McGovern	Talmadge
Cranston	Morgan	Thurmond
DeConcini	Moynihan	Tower
Durkin	Nelson	Tsongas
Exon	Nunn	Weicker
Ford	Packwood	Williams
Glenn	Percy	Young
Gravel	Proxmire	Zorinsky
Hart	Pryor	
Hatfield	Randolph	

NAYS—27

Boschwitz	Garn	Lugar
Burdick	Goldwater	Mathias
Byrd, Harry F., Jr.	Hatch	McClure
	Hayakawa	Metzenbaum
Chafee	Heflin	Roth
Culver	Helms	Simpson
Danforth	Humphrey	Wallop
Dole	Jepsen	Warner
Domenici	Kassebaum	
Eagleton	Laxalt	

NOT VOTING—9

Armstrong	Durenberger	Muskie
Bayh	Inouye	Pell
Bumpers	Melcher	Pressler

So the bill (S. 1125) was passed as follows:

S. 1125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Crop Insurance Act of 1979".

TITLE I—FEDERAL CROP INSURANCE PROGRAM

CAPITAL STOCK

SEC. 101. (a) Effective October 1, 1980, section 504(a) of the Federal Crop Insurance Act is amended by striking out "$200,000,000" and inserting in lieu thereof "$500,000,000".

(b) Within thirty days after the effective date of subsection (a) of this section, the Secretary of the Treasury shall cancel, without consideration, receipts for payments for or on account of the stock of the Federal Crop Insurance Corporation outstanding on the effective date of that subsection.

BOARD OF DIRECTORS: MEMBERSHIP AND COMPENSATION

SEC. 102. (a) Section 505(a) of the Federal Crop Insurance Act is amended by—

(1) amending the second sentence to read as follows: "The Board shall consist of the manager of the Corporation, the Under Secretary or Assistant Secretary of Agriculture responsible for the Federal crop insurance program, the Under Secretary or Assistant Secretary of Agriculture responsible for the farm credit programs of the Department of Agriculture, one person experienced in the crop insurance business who is not otherwise employed by the Federal Government, and three farmers who are not otherwise employed by the Federal Government."; and

(2) adding at the end thereof a new sentence as follows: "The Secretary, in appointing the three farmers who are not otherwise employed by the Federal Government, shall ensure that such members are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board.".

(b) Section 505(b) of the Federal Crop Insurance Act is amended by striking out "three" wherever that word appears therein and inserting in lieu thereof "four".

(c) The second sentence of section 505(c) of the Federal Crop Insurance Act is amended to read as follows: "The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS-18 under section 5332 of title 5 of the United States Code when actually employed and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 of the United States Code for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.".

AMENDMENTS TO THE PROVISIONS ESTABLISHING GENERAL POWERS FOR THE CORPORATION

SEC. 103. Section 506 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (d) to read as follows:

"(d) subject to the provisions of section 508(c), may sue and be sued in its corporate name, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any territory or possession, shall have exclusive original jurisdiction, without regard to the amount in controversy, of all suits brought by or against the Corporation. The Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business;"; and

(2) in subsection (f), striking out "free".

USE OF PRIVATE INSURANCE COMPANIES IN THE FEDERAL CROP INSURANCE PROGRAM; CONFORMING AMENDMENT

SEC. 104. Section 507 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (c) to read as follows:

"(c) The Board may establish or use committees or associations of producers, and contract with private insurance companies, in the administration of this title and make payments to such committees, associations, or companies to cover the administrative and program expenses incurred by them in cooperating in carrying out this title, as determined by the Board."; and

(2) in subsection (d), inserting "or 516A" immediately after "section 516".

REMOVAL OF LIMITS ON EXPANSION OF THE FEDERAL CROP INSURANCE AND REINSURANCE PROGRAMS

SEC. 105. Effective with respect to the 1980 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is amended by—

(1) striking out all that follows the subsection designation down through the end of the fifth complete sentence, which begins, "Reinsurance for private insurance companies . . .", and inserting in lieu thereof the following: "If sufficient actuarial data are available, as determined by the Board, to insure producers of crops grown commercially in the United States under any plan or plans of insurance determined by the Board to be adapted to the agricultural commodity involved. Such insurance shall be against loss of the insured commodity due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infection, plant disease, and such other unavoidable causes as may be determined by the Board. Except in the case of tobacco, insurance shall not extend beyond the period the insured commodity is in the field,"; and

(2) striking out the eighth complete sentence, which begins "Counties selected by the Board . . .".

FEDERAL CROP INSURANCE EXTENT OF COVERAGE

SEC. 106. Effective with respect to the 1981 and subsequent crops, subsection (a) of section 508 of the Federal Crop Insurance Act is further amended by—

(1) striking out the sixth complete sentence, which begins, "Any insurance offered against loss in yield . . .", and inserting in lieu thereof the following: "Any insurance offered against loss in yield shall make available to producers protection against loss in yield that covers 75 per centum of the recorded or appraised average yield of the commodity on the insured farm for a representative period (subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just). In addition, the Corporation shall make available to producers lesser levels of yield coverage. Any insurance offered under this subsection shall make available to producers coverage (per unit of production insured) equal to the highest of (1) the established price for the commodity and crop year involved, if any, (2) the loan rate for the commodity and crop year involved under a Federal price support program, if any, or (3) the projected market price for the commodity and crop year involved, as determined by the Board. In addition, the Corporation shall make available to producers lesser price selections per unit of production insured .."; and

(2) in the seventh complete sentence, which begins, "Insurance provided under this subsection . . .", inserting "or an approved substitute crop" immediately after "the same crop".

PREMIUM SUBSIDY; TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 107. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (b) to read as follows:

"(b) To fix adequate premiums for insurance at such rates as the Board deems actuarially sufficient to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. For the purpose of encouraging the broadest possible participation in the crop insurance program, the Corporation shall pay a portion, not less than 20 per centum nor more than 40 per centum, as determined by the Board, of each producer's premium: *Provided,* That, with respect to any crop insurance covering the 1981 crop of wheat, feed grains, upland cotton, or rice, a producer shall not be eligible for a partial payment of the premium by the Corporation under this subsection for such commodity if the producer elects to make the acreage of the commodity eligible for payments under the disaster payment provisions for wheat, feed grains, upland cotton, and rice of the Agricultural Act of 1949 (as amended effective for the 1981 crops): *Provided further,* That a producer who is not eligible for a partial payment of premium by the Corporation under this subsection because of the producer's election to make the acreage of the commodity involved eligible for disaster payments in 1981 shall remain eligible to purchase Federal crop insurance on the 1981 acreage of the commodity at the full cost of the premium. Federal premium payments for a commodity shall be applied uniformly among producers. The remaining portion of each premium to be paid by the producer shall be collected at such time or times, and shall be secured in such manner, as the Board may determine.";

(2) amending subsection (c) to read as follows:

"(c) To adjust and pay claims for losses under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court for the district in which the insured farm is located: *Provided,* That no suit on such claim may be allowed under this section unless it shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant."; and

(3) striking out subsection (d), and redesignating subsection (e) as subsection (d).

REINSURANCE OF PRIVATE INSURANCE COMPANIES; EXTENSION OF THE PROGRAM TO COMMONWEALTHS AND TERRITORIES OF THE UNITED STATES; SPECIFIC RISK PROTECTION PROGRAMS

SEC. 108. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is amended by striking out subsection (f) and inserting immediately after subsection (d), as redesignated by section 107(3) of this Act, new subsections (e), (f), (g), and (h) as follows:

"(e) To provide, upon such terms and conditions as the Board may determine to be consistent with subsection (a) of this section and sound reinsurance principles, reinsurance to private insurance companies, groups or pools of such companies, and government entities that insure producers of any agricultural commodity under contracts acceptable to the Corporation. In

order to provide equity among producers purchasing crop insurance, whenever the Corporation provides reinsurance to private insurance companies, groups or pools of companies, or government entities insuring producers under this subsection, the Corporation shall pay a portion of each producer's premium for such insurance so reinsured. Each such payment shall cover the same per centum of the premium, and be subject to the same restrictions regarding payments of premiums for crop insurance on 1981 crops, as provided in subsection (b) of this section for Federal partial payments of Federal crop insurance premiums.

"(f) To provide insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands in the same manner as provided in this section for provision of insurance or reinsurance for production of agricultural commodities in the United States.

"(g) To offer specific risk protection programs including, but not limited to, prevented planting, wildlife depredation, tree damage and disease, and insect infestation programs under such terms and conditions as the Board may determine: *Provided*, That no program may be undertaken if insurance for the specific risk involved is generally available from private companies.

"(h) To include appreciation (including interest charges) as an insurable cost of production in calculating premiums and indemnities in connection with insurance on yields of timber and forests.".

DELETION OF AUTHORITY FOR ADVISORY COMMITTEES

SEC. 109. Section 515 of the Federal Crop Insurance Act is repealed.

PROGRAM FUNDING

SEC. 110. Effective October 1, 1980, section 516(a) of the Federal Crop Insurance Act is amended to read as follows:

"SEC. 516. (a) There are hereby authorized to be appropriated such sums for each fiscal year as may be necessary to cover the operating and administrative costs of the Corporation, agents' commissions, partial premium payments by the Corporation, and direct costs of loss adjusters for crop inspections and loss adjustments, which shall be alloted to the Corporation in such amounts and at such times as the Secretary of Agriculture may determine. Expenses in connection with agents' commissions and the direct cost of loss adjusters for crop inspections and loss adjustments may be paid from insurance premium funds, and any such payments from premium funds may be restored by appropriations in subsequent years.".

COMMODITY CREDIT CORPORATION FUNDING

SEC. 111. (a) The Federal Crop Insurance Act is amended by inserting immediately after section 516 a new section 516A as follows:

"COMMODITY CREDIT CORPORATION FUNDING

"SEC. 516A. The Secretary of Agriculture is authorized to use the funds of the Commodity Credit Corporation to meet obligations to indemnify producers for losses under this title, and otherwise in discharging the functions and responsibilities of the Federal Crop Insurance Corporation under this title whenever funds otherwise available to the Federal Crop Insurance Corporation are insufficient to enable that Corporation to cover other program expenses.".

(b) The authority to make commitments under section 516A of the Federal Crop Insurance Act, as added by subsection (a) of this section, in excess of funds available to the Commodity Credit Corporation under section 4 of the Commodity Credit Corporation Charter Act and the Act of October 11, 1978 (92 Stat. 1073), shall be effective for any fiscal year only to the extent provided by appropriation acts. Appropriations under the preceding sentence are authorized beginning October 1, 1980.

PILOT PROGRAM OF INDIVIDUAL RISK UNDERWRITING OF FEDERAL CROP INSURANCE

SEC. 112. (a) The Federal Crop Insurance Corporation shall conduct a pilot program in not less than twenty-five counties, beginning in the 1981 crop year and ending after the 1985 crop year, of individual risk underwriting of crop insurance. Under this pilot program, to the extent that appropriate yield data are available, the Corporation shall make available to producers in such counties crop insurance under the Federal Crop Insurance Act based on personalized rates and with guarantees determined from the producer's actual yield history.

(b) After the completion of the pilot program of individual risk underwriting, the Federal Crop Insurance Corporation shall evaluate the pilot program and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report of the operations of the pilot program, including its evaluation of the pilot program and its recommendations with respect to implementing a program of individual risk underwriting on a national basis.

EFFECTIVE DATE

SEC. 113. Except as otherwise provided in this title, the provisions of this title shall become effective October 1, 1979.

TITLE II—DISASTER PAYMENTS

PREVENTED PLANTING DISASTER AND FARM DISASTER PAYMENTS FOR THE 1980 AND 1981 CROP YEARS

SEC. 201. (a)(1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is amended by—

(A) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,";

(B) in subparagraph (C), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,"; and

(C) redesignating subparagraph (D) as subparagraph (F) and inserting immediately after subparagraph (C) a new subparagraph (D) as follows:

"(D) With respect to the 1981 crop of rice, co-operators on a farm shall not be eligible for disaster payments under this paragraph if the co-operators elect to cover the rice acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton."

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"; and

(c) adding at the end thereof a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the upland cotton acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the feed grain acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,"; and

(C) redesignating subparagraph (C) as subparagraph (E) and inserting immediately after subparagraph (B) a new subparagraph (C), as follows:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the wheat acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

(b) The Secretary of Agriculture, after consultation with the Board of Directors of the Federal Crop Insurance Corporation, shall, at least sixty days prior to the beginning of the 1981 crop years for wheat, feed grains, upland cotton, and rice, notify producers of those commodities of their right to elect, with respect to the 1981 crop, between (1) declaring the farm acreage of the respective commodity eligible for disaster payments under the Agricultural Act of 1949, or (2) covering such farm acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.

Such notice shall include a statement of the percent of crop insurance premium that will be paid by the Corporation.

SPECIAL DISASTER PAYMENTS FOR THE 1979 CROP YEAR

SEC. 202. (a)(1) Section 101(h)(4) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of rice, is further amended by—

(A) striking out "subparagraphs (B) and (C)" in subparagraph (F), as redesignated by section 201(a)(1)(C) of this Act, and inserting in lieu thereof "subparagraphs (B), (C), and (E)"; and

(B) inserting after new paragraph (D), as added by section 201(a)(1)(C) of this Act, a new subparagraph (E) to read as follows:

"(E) Effective only with respect to the 1979 crop of rice, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), persons involved in producing rice on a farm (i) are prevented from planting any portion of the acreage allotments of producers on the farm or the farm acreage allotment to rice and (ii) plant a nonconserving crop in lieu of rice, the Secretary shall make a special disaster payment to co-operators on the farm in an amount determined by multiplying (I) the number of acres so affected, by (II) 75 per centum of the yield established for the farm, by (III) 15 per centum of the established price for rice, except that the Secretary shall make no payment under this sentence on a farm from which acres were transferred under section 352(d) of the Agricultural Adjustment Act of 1938, as amended, with respect to the transferred acreage.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is further amended by adding at the end thereof a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of upland cotton, if the Secretary determines that, as a result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for cotton to cotton and (ii) plant a nonconserving crop in lieu of cotton, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to cotton for harvest (including any acreage that the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for cotton established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is further amended by inserting immediately after new subparagraph (C), as added by section 201(a)(3)(C) of this act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of feed grains, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for feed grains to feed grains and (ii) plant a nonconserving crop in lieu of feed grains, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for feed grains established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is further amended by inserting immediately after new subparagraph (C), as added by section 201(a)(4)(C) of this Act, a new subparagraph (D) as follows:

"(D) Effective only with respect to the 1979 crop of wheat, if the Secretary determines that, as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers (including inadequate fuel), producers on a farm (i) are prevented from planting any portion of the acreage intended for wheat to wheat and (ii) plant a nonconserving crop in lieu of wheat, the Secretary shall make a special disaster payment to the producers on the number of acres so affected, but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield for wheat established by the Secretary times a payment rate equal to 15 per centum of the established price for the crop.".

(b) This section shall become effective October 1, 1979, and the provisions hereof shall be retroactive to cover special disaster payments to producers for the 1979 crops of rice, upland cotton, feed grains, and wheat.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that S. 1125 be printed as passed by the Senate and that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1125.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 4388

Mr. ROBERT C. BYRD. Mr. President, this request has been agreed to on both sides of the aisle.

I ask unanimous consent, with regard to the conference report on H.R. 4388, the energy-water appropriations bill, that there be 1 hour, equally divided, on the report, to be controlled by Mr. JOHNSTON and Mr. HATFIELD, and 30 minutes on amendment 30 in disagreement, to be equally divided between Mr. JOHNSTON and Mr. CULVER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senators understand that there will be further rollcall votes today.

ORDER FOR SENATE TO PROCEED TO CONSIDERATION OF S. 1403 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders have been recognized under the standing order the Senate proceed to the consideration of Calendar Order No. 288, S. 1403, a bill to amend sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (P.L. 95-87), and to provide a 7-month extension for the submission and approval of State programs or the implementation of a Federal program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on H.R. 4388 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BRADLEY). The report will be stated.

The second assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 25, 1979.)

Mr. JOHNSTON. Mr. President, this is the Energy and Water Resources conference report. The conference report is totally noncontroversial. The bill originally passed the Senate by a vote of 90 to 6 and passed the House of Representatives by a vote of 359 to 29.

I contemplate very shortly making my statement for the RECORD and asking approval of the conference report.

There are two important amendments in disagreement which will be voted on separately by the Senate. One is the Hart Building, because the House approved the Senate action on the Hart Building after reducing the amount as approved by the Senate. I will plan shortly to ask for concurrence in the House amendment because, as a matter of fact, the House did precisely what I as chairman of the Building Committee had recommended in the first place. I think it was very sound action.

Second, we will have a vote on the Tellico Dam, which is, of course, controversial and will be debated.

But the conference report itself, for which we will shortly ask approval, is totally noncontroversial.

Mr. President, this is the conference report on H.R. 4388, the energy and water development appropriation bill for fiscal year 1980. The House of Repre-

sentatives agreed to the conference report on August 1, and I hope that the Senate will clear this measure this afternoon in order that the bill can be sent to the President immediately.

Mr. President, inasmuch as the conference report has been available since July 25—both the printed report and in the CONGRESSIONAL RECORD, I will only give a brief summary of the conference action in settling the differences between the House and the Senate.

As recommended by the committee of conference, the conference agreement provides $10,856,475,700 in new budget (obligational) authority for the fiscal year 1980, including the amount of $57,480,700 for the Hart Senate Office Building. This amount for the Hart Building was changed slightly by action of the House and I will move that the Senate concur in the House amendment.

For the energy and water development appropriation bill items, the agreement would provide a total of $10,798,995,000, an amount which is $30,020,000 less than the bill as passed by the Senate, and $113,065,000 more than the bill as passed by the House. The conference agreement is $195,497,000 less than the President's budget estimates submitted for our consideration. I want to emphasize that this is almost a $200 million reduction from the amounts requested in the President's budget.

The conference agreement provides $6,488,874,000 to the Department of Energy for various research and development programs and other activities. Of this amount, $3,061,828,000 is for energy supply R. & D. programs; $471,900,000 is for general science and research; and $2,959,396,000 is for atomic energy defense activities.

Mr. President, I would also point out that the conference report includes $620,879,000 for solar energy development and applications; $149,202,000 for geothermal energy, $18,324,000 for small-scale hydroelectric; and $355,405,000 for fusion energy. There is also provided $569,919,000 for the breeder reactors program, although there are no funds in this bill for the Clinch River breeder reactor demonstration project. Funds are also provided for continuing work on other nuclear fission activities including funds for the continuation of the program for the storage of spent nuclear fuel.

Both Senate and House Appropriations Committees have made clear that they expect a vigorous effort by the administration to have one or more Away-From-Reactor (AFR) storage facilities in being by 1983.

The funds provided by the conference agreement will permit the administration to move forward with this effort. The administration can and should study possible regional AFR sites, hold public hearings in States with existing or proposed AFR sites and negotiate with owners of existing AFR sites to determine the availability of these sites.

In addition, the conference agreement provides $5 million for plant and capital equipment spending for an AFR facility. This will enable the administration to continue developing site suitability data and to allow design work to proceed to a degree sufficient to prepare licensing documents, to prepare and submit the licensing and licensing support documents and to prepare procurement packages for long lead items which are on the critical path such as high density storage racks. These activities are essential if storage requirements predicted for 1983 are to be met.

The conference agreement for title II of the bill—which is the civil works program of the U.S. Army Corps of Engineers—is $2,795,926,000. Of this amount, $1,467,566,000 is for the construction, general appropriation; $210,515,000 for the Mississippi River and tributaries flood control program; and $848,500,000 for operation and maintenance. The recommendations for each project and activity are included in the conference report.

Mr. President, for title III, the Bureau of Reclamation, the conference agreement contains $607,341,000 for the important water development projects and activities in the 17 Western States.

For title IV, independent agencies, the agreement provides a total of $906,854,000, including an amount of $359,490,000 for the Appalachian regional development programs; $363,340,000 for the Nuclear Regulatory Commission $148,677,000 for the Tennessee Valley Authority and $34,614,000 for the Water Resources Council.

Mr. President, there were a number of typographical and printing errors in the conference report as printed in the CONGRESSIONAL RECORD and an error in the slip copy of the report. The House managers brought these errors and corrections to the attention of the House as listed on page 21990 of the August 2, 1979 CONGRESSIONAL RECORD, and I will not repeat enumerating these items now corrected.

Mr. President, the Senate amendment numbered 30 relative to the Tellico Dam-snail darter controversy and Senate amendment numbered 37 regarding the Hart Senate Office Building were reported by the conferees outside of the conference report and will require separate, further action by the Senate in light of the House action. These matters will be pending immediately after action on the conference report.

Mr. President, this is a good conference report, and I take this opportunity to express my thanks and appreciation to the Senate conferees, particularly the distinguished Senator from Oregon (Mr. HATFIELD) who is the ranking minority member of the subcommittee. I would also like to express our appreciation and warm regards to the able and effective gentleman from Alabama, Mr. BEVILL, chairman of the House conferees, and to the House conferees. It is our good fortune and pleasure to work with these fine gentlemen and ladies of the House of Representatives and to be able to settle our differences in an amicable fashion and with a minimum of disagreement.

Mr HATFIELD. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the distinguished Senator from Oregon.

Mr. HATFIELD. Mr. President, I support the adoption of the conference report on H.R. 4388, making appropriations for energy and water development. The bill provides $10,798,995,000 for these purposes, approximately $195,000,000 below the President's budget for fiscal year 1980. I believe this is a reasonable and prudent amount that will allow us to expedite action on necessary projects without unduly fueling inflation through increased Federal spending.

I am especially pleased with the initiatives the bill takes in renewable forms of energy development and hope that we can continue to make progress in this important area. I should also point out that the bill contains no money for the Clinch River breeder reactor pending resolution of that issue in the authorizing legislation. I certainly hope we will vote to terminate that outmoded project and move away from what I consider to be a dangerous and unnecessary technology.

That concludes my remarks, Mr. President, except to again express my appreciation to the subcommittee chairman, Mr. JOHNSTON, and the staff, for their work on this bill.

Mr. DOMENICI. Mr. President, at this time I take the opportunity to express my sincere gratitude to the Energy and Water Development Subcommittee for their responsiveness to the many pressing issues facing our Nation and my State of New Mexico. The bill contains funding for several extremely important projects in my State, and I appreciate the committee's attention to these matters. I think that they have done a fine job with this bill.

Mr. JOHNSTON. Mr. President, unless there are any questions or anyone desires further discussion, I move the adoption of the conference report.

Mr. CULVER. Mr. President, reserving the right to object, I address this question to the manager of the bill: I gather that the pending motion is——

Mr. JOHNSTON. The pending motion is to adopt the conference report.

Mr. CULVER. Procedurally, what will come subsequent to that?

Mr. JOHNSTON. Matters in disagreement are outside the conference report, so the Senator from Iowa is not foreclosed on the Tellico Dam issue by the adoption of the conference report.

Mr. CULVER. And the Senator from Louisiana is not foreclosed.

Mr. JOHNSTON. Neither of us is foreclosed. That is correct. It is completely outside the conference report.

Mr. CULVER. I thank the distinguished floor manager.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time on the conference report.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, the conference report is agreed to.

The clerk will state the first amendment in disagreement.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that it be in order to consider amendments numbered 1 and 8 en bloc at this time. These amendments are technical in nature and are not controversial.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $2,048,523,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $448,478,000

Mr. JOHNSTON. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 1 and 8.

Mr. CHAFEE. Mr. President, will the Senator explain this?

Mr. JOHNSTON. This does not involve the Hart Building or the Tellico Dam. These are technical amendments.

Mr. CHAFEE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that it be in order to consider amendment No. 37 before amendment No. 30. Amendment No. 37 refers to the Hart Building. I am asking unanimous consent that we first consider that. If unanimous consent is granted, we will consider it; and if anybody wants to discuss it or vote on it, we can do so at that time, under the time agreement. The alternative would be to consider first the Tellico Dam matter, before the Hart Building matter.

Mr. President, I ask unanimous consent that it be in order to consider amendment No. 37 before amendment No. 30.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building" $52,583,400 toward finishing such building and to remain available until expended: *Provided*, That the amount of $137,730,400 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

It is further provided that such building and office space therein upon completion shall meet all needs for personnel presently supplied by the Carroll Arms, the Senate Courts, the Plaza Hotel, the Capitol Hill Apartments and such building shall be vacated.

Mr. JOHNSTON. Mr. President, when I was appointed chairman of the Senate Office Building Commission not too many weeks ago, we undertook a detailed investigation of this building and came up with a recommendation to the Senate that it approve an expenditure in the total amount of about $137.7 million, and that that constitute a ceiling on the cost of construction of the building.

When those recommendations got to the Appropriations Committee, the committee added a number of items to that recommendation, which included the finishing of the cafeteria and the insertion of paneling in the Senate offices and a number of other things, together with the completion of the hearing room, in the total amount of approximately $5 million.

That action of the Senate Appropriations Committee was subsequently approved on the Senate floor. The measure left the Senate floor and went to the House. On the House floor, a vote first was taken on the Senate action—that is, the expanded amount—and it was defeated on the House floor.

Subsequently, the chairman of the full Appropriations Committee, Mr. WHITTEN, submitted an amendment deleting approximately $5 million, which involved going back to the original figure that the Senate Office Building Commission had recommended. So the action of the House was to approve that amendment, which in turn put the House in exact conformity with the Senate Office Building Commission.

Obviously, since I first recommended it, I think it is proper. It was good action on behalf of the House.

Therefore, I move that the Senate concur in the House action. It will have the effect of putting a limit of $137,730,400, which is about $5 million less than the amount approved by the Senate.

Mr. CHAFEE. Mr. President, I ask the Senator this question: As I understand it, the situation is back to where the Office Building Commission originally was—that is, without the paneling in the offices, without the restaurant.

Mr. JOHNSTON. And the hearing room.

Mr. CHAFEE. Without the hearing room.

Mr. JOHNSTON. The Senator is correct.

Mr. CHAFEE. When the action of the House was stated, I thought the clerk said the House receded from its position. But apparently we are going to agree with the House action. Is that correct?

Mr. JOHNSTON. I moved that we concur with the House action, which is the lower figure.

Mr. CHAFEE. Mr. President, I agree. I think the building is a disgrace. It is a shame that we did not adopt the position that was advocated here on the floor. We fought it out and voted and lost. So this is some small progress. Do not put me down as enthusiastic.

Mr. DOMENICI. Mr. President, I wish to express my deep concern over the fact that the Senate will today vote additional money to continue work on the new Hart Senate Office Building. I oppose this funding. Completion of this building, I am convinced, disregards the will of the American people. While there is no way to stop this building within the context of this conference report, I want to remind my colleagues that we are today ratifying a bad decision, one that we shall regret.

I shall not reiterate the many reasons why work on the Hart Building should be halted. This is simply not the time to appropriate an additional $52.5 million to continue work on this building. Whether we complete it with or without the additional $5 million, which the Senate added over and above what the House agreed to, is of little concern, for my colleagues know that this money will eventually be spent.

Mr. President, the Senate should not fund the completion of the Hart Building.

Mr. JOHNSTON. Mr. President, if there are no other questions and if there is no further discussion, I yield back the remainder of my time; and I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 37.

Mr. HATFIELD. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Skip Walton, of my staff, have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I move that the Senate recede from its amendment numbered 30. This is the Tellico Dam amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Resolved, That the House insist upon its disagreement to the amendment of the Senate numbered 30 to the aforesaid bill.

Mr. JOHNSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Tennessee.

Mr. SASSER. I thank the distinguished Senator from Louisiana for yielding.

Mr. President, I do not intend to take much of the Senate's time. Most of us know the issues involved here. There has been a great deal of rhetoric—both pro and con. But the basic facts remain.

As a member of the Appropriations Committee, my main concern is that we do not waste the taxpayer's money.

I say to my colleagues that the question before the Senate today is not an environmental question—it is an economic question. I direct the attention of Senators to the factsheet that has been placed on their desks. As can be seen from the picture, Tellico Dam is built—it is an existing structure. The entire project is 95 percent complete. More than $111 million has been appropriated by Congress for this project since 1967.

If this body does not agree to the House amendment, these funds will go down the drain. In addition, it would cost the taxpayers another $23.4 million to tear down the project we have already spent $111 million to build. I do not think the American people want us to do that.

What are the environmental considerations of this project? The Tellico opponents say we must halt the Tellico Dam and tear it down because the snail darter must be saved.

So, what about the snail darter—a fish barely larger than a paper clip with an

adult weight of only 5 grams? It has been listed as an endangered species under the Endangered Species Act. Now, I support the Endangered Species Act and have voted for it in the Chamber. A majority of the House and Senate supports the intent of this act—important species must be protected and maintained.

But I say to my colleagues that we are not faced with a decision whether or not to save the snail darter. The Tellico Dam is built on the Little Tennessee River in my State. The snail darter is already dying out in that river. Officially the Tennessee Valley Authority has stated that there are only 100 snail darters left in the Little T. But I am told by local officials that the last time the TVA sent divers down to count the snail darter population they could not find any—so the snail darter may already be extinct in the Little Tennessee River. So the logic of saying that the Little T is critical to the survival of the snail darter escapes me.

To those who are concerned with saving the snail darter, I want to ease your mind right here and now—the snail darter is being saved. It is alive and well. Four years ago 700 snail darters were transplanted to the Hiwassee River. Today the snail darter is thriving in the Hiwassee. The 700 which were transplanted have reproduced and now number at least 2,500 and possibly as many as 3,000. So it is clear that a new habitat for the snail darter has been established in the Hiwassee River. The Little T, where the Tellico is built, apparently is no longer suitable for the snail darter.

In addition there have been reports that the snail darter is living in other bodies of water. The mayor of Sparta, Tenn., has reported that the snail darter lives in the Calfkiller River near his town. A Kentucky biology teacher has said that the snail darter is living in a river in his State.

Mr. President, the Endangered Species Committee, which was created by Congress to review conflicts arising from projects and endangered species, failed to exempt Tellico from the Endangered Species Act. Now I would think that the Endangered Species Committee reviewed this controversy very carefully and with great deliberation, just as the Congress has carefully considered this project and approved it for the past 12 years. But I am sorry to report to the Senate that the Endangered Species Committee failed to take an objective look at the situation. The Endangered Species Committee reviewed the matter only 15 minutes before making its decision. Furthermore, that committee condemned the Tellico project without even visiting the site. In fact, I am advised that no member of that Committee has visited the Little Tennessee River as it exists today.

The Endangered Species Committee made its decision based not on environmental issues but economic issues. Actually the committee made its decision not on the basis of sound economics, but rather by some creative accounting. The Endangered Species Committee would lead us to believe that the Tellico Dam project does not have a favorable benefit-to-cost ratio. The fact is the benefit-to-cost ratio has been calculated to be well above unity at 2.3 or 2.6 to 1. It is my understanding that there are several dozen other projects in this bill before us which have benefit-to-cost ratios much less than the Tellico benefit-to-cost ratio. So, Tellico Dam is an economic project. But the Endangered Species Committee would lead us to believe otherwise.

The Endangered Species Committee also said that if the Tellico Dam were to meet Bureau of Reclamation standards, another $14.5 million would have to be spent on the spillway. But Tellico is a substantially completed Tennessee Valley Authority dam, not a Bureau of Reclamation dam. And Tellico meets the spillway standards set by the TVA. In addition, I would pose the question: Why does not the Bureau of Reclamation go back and redesign its own dams that are already built and substantially complete? The Endangered Species Committee is saying to the TVA that it should comply with the guidelines of another agency. But that other agency is not going to the extreme suggested for Tellico. But the Endangered Species Committee does not tell us that.

Now, there are those who will say that since the Endangered Species Committee has made its decision, we should abide by it; that the Congress should let its own creation work its will. But I say to those who hold this opinion, that when Congress approved the Endangered Species Committee, this body did not abdicate its legislative responsibilities. It is clear the Endangered Species Committee did not make a thorough and objective review of this matter, therefore Congress must act.

Mr. President, I would like to mention one other benefit from the Tellico project before yielding the floor. This project will lead to the generation of electricity for 20,000 homes. I think all of us agree that this Nation is energy short. We should not turn our backs on any readily available energy source. Stop this project and destroy Tellico Dam and you are shutting off electricity to a town the size of Reston, Va.

Mr. President, the amendment of the House is a logical, sensible approach to ending this ridiculous impasse. The Supreme Court in its opinion invited the Congress to have the final say. Let us agree with the House and put this issue behind us so this body can get on with more important legislation.

Mr. President, the Tellico Dam is a reality. It exists. It has the almost unanimous support of the people of the area, as has been pointed out by the distinguished chairman of the subcommittee, Senator JOHNSTON. We have spent $111 million on this project already; it would cost another $24 million to tear it down. Provision has been made for the snail darter—it is thriving in another habitat.

I think the mood of the American people is clear—do not waste our money. Approval of the House position is a logical, economic conclusion to the current problem. To destroy this dam—to fail to utilize this needed public facility—would be utter waste.

That is the issue before the Senate today.

The PRESIDING OFFICER. Is there further discussion?

Mr. CHAFEE. Mr. President, who controls the time here? Could I take 30 seconds and ask the Senator from Tennessee one question?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. CULVER. Mr. President, if he yields time.

The PRESIDING OFFICER. Does anyone yield time to the Senator from Rhode Island?

Mr. CULVER. I yield time to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I wish to ask the Senator from Tennessee one question. He said $100 million has been spent on this dam. I think it is not so, that $22 million has been spent on the construction of the dam, and the balance of the funds is for the purchase of the acreage that is going to be flooded. In other words, we are not looking at a $100 million dam.

Mr. SASSER. I say to the Senator from Rhode Island that $22.5 million has been used for the construction of the dam. But this figure does not include the additional cost of the canal built to connect Tellico with the Fort Loudoun Reservoir or the cost of numerous other improvements that were built to serve the perimeter of the proposed lake, the waters of which were to be impounded by the Tellico Dam itself.

Mr. CHAFEE. I thank the Senator very much.

Mr. SASSER. I just might say that 348 families have moved and the land entirely cleared for this project. All buildings, fences, and trees, have been removed or dismantled; roads have been abandoned; bridges have been removed, et cetera.

The PRESIDING OFFICER. The Chair will clarify that the time is controlled by the Senator from Louisiana and the Senator from Iowa.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 30 seconds?

Mr. JOHNSTON. I yield 30 seconds.

Mr. President, I yield 2 minutes to the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the Chair and thank my colleague from Louisiana.

Mr. President, I hope this is the last time around. I hope that we can resolve this issue once and for all, and I hope finally reason will prevail.

I trust that at this time the Senate will concur in the position taken so overwhelmingly by the House of Representatives and let us get on with the business of utilizing a dam that is 99 percent complete—it will supply electricity for heating 20,000 homes—and proceed to completion with the project that was authorized before I ever came to the Senate.

Mr. President, the remarks that I made on this subject so often in the past do not bear repetition here, and I will not burden the Senate except to say that if we have any serious intent to solve the

energy shortage in this country, to make a reasonable and decent balancing judgment on the requirement of the Environmental Policy Act on the one hand and social necessity on the other, this in my judgment is a perfect example of it.

Mr. President, the awful beast is back. The Tennessee snail darter, the bane of my existence, the nemesis of my golden years, the bold perverter of the Endangered Species Act is back.

He is still insisting that the Tellico Dam on the Little Tennessee River—a dam that is now 99 percent complete—be destroyed.

In the midst of a national energy crisis, the snail darter demands that we scuttle a project that would produce 200 million kilowatt hours of hydroelectric power and save an estimated 15 million gallons of oil.

Although other residences have been found in which he can thrive quite serenely, the snail darter stubbornly insists on keeping this particular stretch of the Little Tennessee River as his principal domicile.

In 1975 and 1976, more than 700 snail darter pioneers journeyed from the Little Tennessee to the Hiwassee River, also in Tennessee, and the latest snail darter census, taken in 1978, showed 2,500 of these wonderful fish going about their business in the Hiwassee River. A new snail darter subdivision is taking hold in the Holston River, as well.

Let me stress again, Mr. President, that this is fine with me. I have nothing personal against the snail darter. He seems to be quite a nice little fish, as fish go.

But it occurs to me that he should not have the ultimate veto power over his choice of residences, especially when a major energy-producing dam lies all but 1 percent complete on the snail darter's original front porch.

Frankly, Mr. President, I am beginning to question his motives. This 2-inch terror kept the lowest profile of all God's creatures for thousands of years until a relatively short time ago, but now he seems to enjoy the publicity.

Perhaps if we gave him a cover story in Time or Newsweek, or got him a feature on the CBS evening news or an interview with Barbara Walters, his lust for fame might be fulfilled and he would leave us alone.

Now seriously, Mr. President, the snail darter has become an unfortunate symbol of environmental extremism, and this kind of extremism, if rewarded and allowed to persist, will spell doom to the environmental protection movement in this country more surely and more quickly than anything else.

I am seriously concerned that if present trends continue, the Endangered Species Act will be perverted from its original intent as the means of protection of endangered species and be used instead as a convenient device to challenge any and all Federal projects.

If the snail darter can be found in the Little Tennessee River, there is a snail darter or some equally obscure creature in every river and under every rock in America. Opponents of public works projects will have a virtually limitless arsenal of weapons with which to do battle.

We who voted for the Endangered Species Act with the honest intention of protecting such glories of nature as the wolf, the eagle, and other treasures have found that extremists with wholly different motives are using this noble act for meanly obstructive ends.

That is precisely what has happened in the case of the snail darter against Tellico Dam, and if this perversion of the law is allowed to continue, the law itself will soon stand in jeopardy—and that will be the ultimate environmental tragedy.

We must not let that happen, Mr. President. The House has given us another opportunity to set things right, and at long last we should take it. I implore my colleagues to seize this opportunity to redeem our commitment to energy production while not forsaking our commitment to environmental protection, to turn away from extremism toward reason, to save both the darter and the dam.

I urge the adoption of the conference report as written.

Mr. STENNIS. Mr. President, will the Senator yield to me just for a brief observation?

Mr. BAKER. I yield.

Mr. STENNIS. My mind goes back to the points the Senator made, the history of this matter, the development of it, the authorization and appropriations, and the building. I heartily agree with his point about energy.

We are right on the brink—I do not mean a brink of disaster—but we are on a brink of having to make preparations for the future, the future of others who are younger than we are.

It is a small amount involved here of further investment. It just makes me feel good to think that such a small amount will finish this project and put it in operation and create energy.

I commend the Senator for his position. I do not think it is prompted by the proximity of it to his State. There are people involved and energy involved. There is very little additional money involved.

I hope we take the stand the House of Representatives did.

Mr. BAKER. Mr. President, I thank my friend from Mississippi and I thoroughly concur and agree.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. I will just be interested in hearing from the sponsor of the motion to recede and accept the House position as to why he is sponsoring that amendment. I think under those circumstances one who may find himself in opposition to it could address the argument that has been advanced.

Mr. JOHNSTON. Very well, Mr. President. How much time is remaining?

The PRESIDING OFFICER. Seventeen minutes and fifteen seconds.

Mr. JOHNSTON. Mr. President, I yield myself 5 minutes.

Mr. President, this matter has indeed been debated a great deal. There may be no open minds on the question. That is regrettable because I think it is a rather clear question:

Let me just cover two points that have not been covered before.

First of all, if you want an energy and water resources bill, in my judgment, we are going to have to drop the snail darter. We are going to have to build the Tellico Dam.

Why is that? Because the Senate was closely divided 53 to 45 on the question last time. The House brought it up and reconsidered and by a vote of 156 ayes and 258 nays voted against the Senate amendment and then voted to insist on their language. They made it perfectly clear that no Tellico—no bill.

I commend that to my colleagues to think about.

I do not give it to you as a threat. I pass it along to you as what I think are the facts in the matter.

We know the dam is 98-percent complete with $110 million spent. We know that the snail darter and in fact the endangered species law is irrelevant to this whole matter. I think the most telling argument in the minds of some people has been the fact that in their view it costs more to complete the dam than the benefits are. That has come up over and over again in the argument.

Mr. President, that argument is patently unsound and untrue. TVA and the Department of the Interior task force did a study on it, Mr. President, and came up with a benefits-to-remaining-costs ratio of somewhere between 2.3 to 1 and 2.6 to 1.

Where did these figures, then, come from that the Secretary of the Interior has been talking about? Well, I will tell you where those figures came from, and how they got them. Not satisfied with the TVA and the Department of the Interior figures, the staff of this committee created under this law did their own investigation, using novel, untried, brand new methods, and having done that, they said it would cost more to complete than the benefits.

What were their methods? First of all, they took an interest rate of 10 percent—for opportunity—costs of land for an annual cost estimate which is not sanctioned in law, not used anywhere else in the law, and said, "We are just going to use 10 percent."

Second, they took another novel approach. They said, "We are going to consider the land that has been purchased at its highest opportunity cost."

What does that mean? The cost they figure they can sell it at. Can you imagine, having exappropriated this land from farmers and other landowners to build the dam, turning around and selling the land for some other use to some other farmers, and the Federal Government pocketing the profits? It is patently absurd to think about doing that, unfair, and probably unconstitutional, because property can be exappropriated only for public use under the Constitution.

Nevertheless, they did that. But the key thing is the value they put on the property. First of all, they took the highest sales in Blount and Loudon Counties, the highest sales, and figured

that in at an average cost of over $1,000 an acre for some of this land which is so rocky, hilly, and unusable that you cannot even farm on it. And having done that, they took land, the comparable sales, according to them, in Blount and Loudon Counties, when most of the land is in Monroe County.

Mr. President, there are 38,000 acres involved here, and only a portion of that was even used for farming. Of that which was used for farming, much of the topsoil has been scraped off to use for fill for roads, the damsite, and bridges surrounding it. All the roads have been taken out. If you were going to go back to farming use, you would have to spend an estimated $37 million to put back in the 60 miles of roads, not to mention the bridges or the cost of topsoil, or utilities.

So, Mr. President, to say it costs more to complete this thing than you get in benefits is patently absurd. They added other items. The fact of the matter is that electricity for 20,000 homes can be produced from the reservoir waters, really just by closing the dam.

Let me say one final thing here, Mr. President. We keep hearing all this talk about solar energy being able to provide 20 percent of the Nation's energy resources. A very important part of that 20 percent is hydroelectric, which is defined as solar energy, and that thrust of solar energy and hydroelectric is unanimously supported by the environmental community.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSTON. One more minute.

The problem is, Mr. President, when we get from the general to the specific and start talking about specific projects, we are always opposed. We are opposed on this one, even though $110 million is invested and it is 98 percent completed. We are opposed on the Dickey-Lincoln Dam, and I will bet you if we try to build any dams in Washington and Oregon, where we have sites, we will be opposed there too.

Mr. President, we have to start somewhere. If we cannot start with this one, 98 percent complete, capable of producing additional electricity for 20,000 homes, we cannot start anywhere. The snail darter is irrelevant. If we cannot start with this one, we might as well quit, Mr. President. Every time we have some problem—this kind of problem with synfuels, that kind of problem with oil and gas development, another kind of problem with coal. This is the cleanest and cheapest kind of energy we can get. I urge the Senate to get about it, and let us produce the energy.

Mr. CULVER. Mr. President, I rise in opposition to the motion to recede and accept the House position.

The Senate has expressed itself on several occasions, twice within the last few months, on this issue, and I think very creditably has upheld the integrity of the Endangered Species Act, as well as the report and recommendations of the Endangered Species Committee, which was the child of the Culver-Baker amendment to the Endangered Species Act last year, and which recommended unanimously that this dam not be completed, and that it is not in the public interest that it be completed.

The distinguished floor manager has said that if we do not go ahead and accept the House position on this issue, and say "You get a green light to a project that has not demonstrated its economic viability or justification on a cost-benefit ratio," and that has suitable alternatives which are in the public interest, that somehow, because the House conferees threaten us—threaten us that we will have no bill—that suddenly we are to repudiate the conscientious effort of the Senate for the past year, and accept that kind of logic.

What we are talking about here, make no mistake about it, is not only the waiver of the Endangered Species Act, not only opening up the floodgates for countless subsequent representations of a similar nature to the Senate, where we are going to have to sit in judgment and make these highly complex decisions regarding endangered species, but also waiving all laws—all laws and all Federal statutes entered into that impact on this project.

What is the justification? Because the House of Representatives might not give us a bill if we do the right thing and reject that kind of ultimatum and threat. Well, I have respect for the integrity and the persuasiveness of the conferees on the Senate side and believe they will represent with fidelity the position expressed on innumerable occasions by the Senate as a body, and uphold the appropriate and just solution of this problem.

Mr. President, as I have stated so often in the past, as a matter of fact twice in just the last 3 months, the Tellico Dam in Tennessee should not be exempted from the Endangered Species Act. For any of my colleagues who, after voting twice on this matter, remain in a quandry as to how to cast their votes today yet a third time, let me once again outline the pertinent facts of the issues.

The Tellico Dam project is not economically viable. To date, the Tellico has cost $103.2 million but only $22.5 million of that is in actual dam construction. The remainder is in roads, land and many other recoverable costs which could be beneficially used in an alternative river development program outlined by TVA.

The Endangered Species Committee, which was created by last year's Culver-Baker amendment to provide flexibility to the Endangered Species Act, analyzed the benefits of completing the Tellico Dam. The representative from the State of Tennessee joined the rest of his Endangered Species Committee members in unanimously concluding that the Tellico project would cost an additional $35 million to complete and would then annually cost $720,000 more than it would provide in benefits.

The distinguished economist, Charles Schultze, the Chairman of the President's Council of Economic Advisors and also a member of the Endangered Species Committee stated:

> Here is a project that is 95 percent complete, and if one takes just the cost of finishing it against the total project benefits, it doesn't pay, which says something about the original project design.

Mr. President, it is very interesting to note the points raised in a letter from OMB written on September 10, 1979, to me. I ask unanimous consent that its entire contents be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., September 10, 1979.

Hon. JOHN C. CULVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CULVER: I want to take this opportunity to emphasize the strong objections of the Administration to the Tellico project, which I understand will be coming up for floor consideration in connection with action on the conference report on H.R. 4388, the Energy and Water Development Appropriations Bill.

The Tellico Dam was rejected by a special seven-member Endangered Species Committee, chaired by Secretary Andrus, which was created by the Congress specifically to resolve conflicts arising under the Endangered Species Act. While the Dam was originally halted for environmental reasons, the Committee unanimously found that the project clearly lacked economic justification. Annual benefits of $6.52 million are well outweighed by annual costs of $7.25 million. In short, the project does not meet the test of economic merit applied to water projects elsewhere in the Nation, and I can see no reason for departing from that standard in this case.

In a period of fiscal stringency, I believe it is critical that only those projects which were clearly justified receive scarce Federal funds; and I am, therefore, hopeful that when the Senate acts on H.R. 4388, it will delete language in the bill which would direct completion of construction of the Tellico project.

Sincerely,

JOHN P. WHITE,
Deputy Director.

Mr. CULVER. John White, Deputy Director of OMB, wrote in part that while the dam was originally halted for environmental reasons, the seven member Endangered Species Committee unanimously found that the project clearly lacked economic justification.

Mr. President, I repeat, that committee, that seven member committee, in its unanimous vote said the Tellico lacked economic justification.

Says Mr. John White:

> Annual benefits, of $6.52 million are well outweighed by annual costs of $7.25 million.

According to Mr. White, the project does not meet the test of economic merit "applied to water projects elsewhere in the Nation, and I can see no reason for departing from that standard in this case."

Mr. President, it baffles me that those who are coming forward in the most vigorous support of the position of the distinguished floor manager of this bill are the very ones talking about the need for a balanced budget, who are talking about the need to eliminate waste and inefficiency in our Federal expenditures in our fight against inflation.

Mr. White goes on to say:

> In a period of fiscal stringency, I believe it is critical that only those projects which

are clearly justified receive scarce Federal funds.

He continues that OMB hopes the Senate will sustain its earlier position.

The distinguished Senator from Rhode Island asked a question of the Senator from Tennessee about the amount of money that has been spent on the Tellico. Let us get it straight.

To date, the Tellico has cost $103.2 million, but only $22.5 million, as has been pointed out by the Senator from Tennessee, has been spent on the dam itself. All the remainder of Federal expenditures is in roads, in land condemnation, and many other recoverable benefits and costs which could be beneficially used in an alternative river development program outlined by TVA.

In addition, Mr. President, this project would remove from production approximately 14,000 acres of prime agricultural land. We are losing in America today 1 million acres annually to nonfarm uses. We are losing in America today 3 to 4 billion acres in soil erosion alone every year. Completing the Tellico will only add to and accelerate these trends and developments. I recently received a letter from the Department of Agriculture expressing their concern for the destruction of prime farmland that would be caused by the Tellico. I ask unanimous consent that the letter be printed in the RECORD at this point.

The letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 6, 1979.

Hon. JOHN C. CULVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CULVER: Your concern for the preservation of prime farmland is recognized and appreciated. For that reason, we felt that the following information concerning the proposed Tellico Dam Project in Tennessee would be of interest.

Thirty-eight per cent, or 13,935 acres of the total project area has been designated as either Prime Farmland (USDA definition) or Lands of Statewide Importance (defined by USDA and Tennessee State Government). In the reservoir area, 6,721 or 46 per cent of the total 14,159 acres were designated as Prime Farmland or Lands of Statewide Importance.

The loss of more than two square miles of the most productive farmland of a local region is always of concern. However, in Eastern Tennessee the occurrence of such a large block of the best farmland is rare, and its possible loss is of serious concern. The loss of the large block of land formerly used to grow corn, grain sorghum and alfalfa has a severe impact on the local farming economy.

The local area has suffered not only the lost tax revenue from the 36,159 acres of land purchased for the project, but the loss of the land's contribution to the important farm industry of the area as well. We suggest, then, any further evaluations of the economic viability of continuing with the inundation of these important farmlands include a complete identification of the direct and indirect impacts on the agricultural economy.

If the Tellico Dam Project is to proceed as originally planned, the new residential, industrial, and vocational uses of the project lands would be substantial. The additional land use changes brought about outside of the project area might add an important increment to the already large direct and indirect impacts. We are concerned about this fact, and enclose a fact sheet on the land quality of the project area for your use.

Thank you for your keen interest in this country's farmland.

Sincerely,

JIM WILLIAMS,
Acting Secretary.

TELLICO PROJECT, LAND QUALITY

	Acres	Percent of total
1. Normal pool elevation: 813 ft above mean sea level		
2. 38,000 acres in total project, 36,159 acres of land in project		
3. Land quality, total project:		
Prime farmland	8,447	23
Lands of statewide importance	5,488	15
Undesignated	22,224	62
Total	36,159	100
4. Land quality, reservoir area (813 ft):		
Prime farmland	6,500	46
Lands of statewide importance	1,221	9
Undesignated	6,438	45
Total	14,159	100
5. Land quality, area outside reservior (813 ft):		
Prime farmland	1,947	9
Lands of statewide importance	4,267	19
Undesignated	15,786	72
Total	22,000	100

Mr. CULVER. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 5 minutes and 40 seconds.

Mr. CULVER. I have only used 8, have I not? I asked for 5 minutes and 3 minutes.

The PRESIDING OFFICER. The time that was utilized by the Senator from Rhode Island was charged to the Senator from Iowa.

Mr. CULVER. So how much do I have?

The PRESIDING OFFICER. Five minutes and 27 seconds.

Mr. CULVER. I reserve that time.

Mr. JOHNSTON. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 1 minute and 2 seconds.

Mr. JOHNSTON. Mr. President, obviously, the Senator from Iowa wants to have the last bite at the apple, and I feel inclined to give it to him.

Mr. President, obviously, this is an Alice in Wonderland argument. It does not cost $35 million to complete the dam. It will cost about $2.3 million to finish up minor work and close the gates. Who says $35 million? This Endangered Species Committee whose recommendations are patently—I will not say, Mr. President, fraudulent, but patently wrong.

Mr. President, how do you suppose they are going to get this land back into farm use that they keep talking about? Are they going to give it back to the farmers, or sell it to them? Oh, no. What they have in mind is to make some kind of wild and scenic free-flowing river park. This is not even a free-flowing, wild river; it is backwater or tailwater, with dams upstream and a reservoir below.

Mr. President, this is so clear: With about $1.8 million to $3 million the dam is complete as originally designed. They have to do some minor work—just a very small part—to close this dam. And it will give additional hydroelectric power for 20,000 people, hydroelectric power, flood control, navigation and recreation benefits. And it is then complete.

How this Senate, this Congress, can come in with a project that is essentially complete and, for some asinine reason like the Endangered Species Act, which does not even preserve the endangered species—that is irrelevant here. It has already been transplanted. How we can do that, Mr. President, I do not know. I hope we shall act in good sense and approve the Tellico Dam.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CULVER. Mr. President, I shall take 3 minutes of my time.

You know, Mr. President, it is an old trick, of course, in a legislative body that if you have a convenient train passing a window that has some trendy appeal to it as a political issue, grab onto it. If energy is the name of the game, we shall trot that out as a justification to do anything in the name of progress. Let us just look at how fallacious that whole argument is.

The fact of the matter is that the Tellico Dam would provide only negligible power at best. The amount of energy the Tellico produces is insignificant. It is less than 23 megawatts, Mr. President. This represents less than one one-thousandth of TVA's total capacity at this time, which is in excess of 27,000 megawatts. TVA's planned capacity for 1985 is in excess of 40,000 megawatts. TVA does not need the additional energy from the Tellico dam project.

Demand within the system is rising currently at less than 4 percent a year, instead of the previous rate, Mr. President, of 6 to 7 percent a year. A 1978 GAO report projects that at the current rate of expansion, there could be an excess power capability, in the TVA system, ranging from 6,700 to 24,800 megawatts in the year 2000. Because of this, TVA today is in fact deferring four power units that are nuclear that would produce an additional 5,200 megawatts.

The proponents of the project speak of energy as if it were free. It is not. To get the 23 megawatts that are being spoken of, we have to spend an additional $35 million. What they are really advocating is, to get these additional 23 megawatts that we do not need, we have to spend an additional $35 million to flood $40 million worth of prime farmland and spend $720,000 after that annually, over and above the project benefits.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. CULVER. Mr. President, I give myself an additional 30 seconds.

The snail darter is endangered. There are two populations of snail darters today that we know of in this area, one in the

Little Tennessee and one in the Hiawassee River. The Little Tennessee population would be destroyed if the gates of this dam were closed.

In a survey this year, the Fish and Wildlife Service found the number of young snail darters down in the Hiawassee River. The Fish and Wildlife Service considers the snail darter an endangered species. More importantly, there are no pending petitions from any Members of the Senate or any other group or party to reconsider this position.

Finally, Mr. President, in addition to ordering the completion of a dam which is environmentally and, most importantly today, economically unsound, the exemption would violate the jurisdictional prerogatives of the Environment and Public Works Committee, which, after all, is the committee of legislative jurisdiction here, which has carefully considered this issue, and which has rejected a Tellico exemption by a vote of 10 to 3. This is legislating on an appropriations bill and should not even be germane.

By approving the Tellico exemption, the Senate would also undermine an equitable solution it adopted just last year, a Cabinet-level review committee to resolve conflicts between endangered species and other legislation that it needs.

Mr. President, I again urge my colleagues to reject an exemption for the Tellico and ask that an eloquent defense of this position by former Senator James C. Buckley which appeared recently in the Washington Post be printed in the RECORD at this point.

[From the Washington Post, Sept. 4, 1979]

IN DEFENSE OF SNAIL DARTERS

(By James L. Buckley)

Few laws in recent years have caused such apoplexy among so-called practical men of affairs as the Endangered Species Act of 1973. It first burst upon the public consciousness two years ago when it was invoked to scuttle projected dams in Tennessee and Maine: the first to save a nondescript little fish called the snail darter, and the other, an inconspicuous flower called the furbish lousewort.

It is idiotic, cry the practical men of affairs, to allow sentimentality over a few hundred weeds or minnows to stand in the way of progress. It is irresponsible, reply the conservationists, to destroy forever a unique pool of genetic material; and the conservationists can marshal a host of non-sentimental arguments in support of what many consider to be the most important environmental legislation of this decade.

Of what good is a snail darter? As practical men measure "good," probably none; but we simply don't know. What value would they have placed on the cowpox virus before Pasteur; or on penicillium molds (other than those inhabiting blue cheeses) before Fleming; or on wild rubber trees before Goodyear learned to vulcanize their sap? Yet the life of almost every American is profoundly different because of these species.

Fully 40 percent of modern drugs have been derived from nature. Most of the food man eats comes from only about 20 out of the thousands of plants known to be edible. And even those currently being cultivated require the preservation of large pools of genetic materials on which plant scientists can draw in order to maintain their vigor and produce more useful strains. Only recently a perennial plant was discovered in a remote mountain region in Mexico that crossbreeds with corn. This grass may revolutionize the production of one of the world's most important foods. Had practical men of affairs been in charge of building dams in the Mexican sierras, however, it might have been lost—forever.

This century has witnessed over half the extinctions of animal species known to have occurred during recorded history; and largely because of the vast scale on which tropical rain forests are now being cut around the world, it is estimated that upward of a million additional species—about 20 percent of those now in existence—may become extinct by the year 2000.

The Endangered Species Act was enacted to slow down this accelerating rate of man-caused extinctions. Its purpose is not only to help save species that might prove of direct value to man, but to help preserve the biological diversity that provides the fundamental support system for man and other life.

As living creatures, the more we understand of biological processes, the more wisely we will be able to manage ourselves. Thus the deliberate extermination of a species can be an act of recklessness. By permitting high rates of extinction to continue, we literally limit the potential growth of biological knowledge. In essence, the process is tantamount to book burning; but it is even worse, in that it involves books yet to be deciphered and read.

As originally enacted, the legislation was defective, but not for the reasons given by those for whom the snail darter has become the symbol of environmental extremism. As correctly interpreted by the Supreme Court, the act prohibited any federally financed activity that might lead to the extermination of any species. Critics were quick to point out that the legislation rendered unlawful America's contribution to the now successful effort to exterminate smallpox. Man cannot escape the need to make difficult choices, and such choices will necessarily be made in the context of man's perception of his own best interests. The best one can hope for, therefore, is to establish safeguards that will tend to assure that those unavoidable choices will reflect a truly enlightened view of where those best interests lie.

This need to provide for some exceptions from the operation of the act was the focus of a sometimes bitter debate leading to the adoption of a series of amendments on the last day of the 95th Congress. They have been damned with equal vehemence by total protectionists and the bulldozer set—which suggests that the Congress may, on the whole, have worked out as reasonable a compromise as can be expected in any area giving rise to such strong emotion. Conservationists, for example, are concerned that the criteria for exemptions are too loosely drawn, but they can take heart from the fact that in the first two tests under the amended act, the Cabinet-level committee appointed under its terms unanimously voted against the completion of the Tellico Dam in Tennessee, and to require the safeguarding of vital whooping crane feeding grounds as a condition for approving the completion of the Greylocks Dam in Wyoming. The Greylocks decision suggests that progress and protection are not mutually exclusive objectives.

One might contend, of course, that our country's biological diversity is still so great and the land so developed—so criss-crossed with the works of man—that it will soon be hard to locate a dam anywhere in which some species would not be endangered. But as we develop a national inventory of endangered species, we certainly can plan our necessary developments so as to exterminate the smallest number possible, if not preclude man-caused extinction altogether. This, of course, is what the legislation, as amended, is intended to accomplish.

This objective represents a quantum jump in man's acknowledgement of his moral responsibility for the integrity of the natural world he passes on to future generations. It is this that lends the Endangered Species significance. It recognizes values, be they ethical or aesthetic, that transcend the purely practical and admit to an awe in the face of the diversity of creation.

The PRESIDING OFFICER. The Senator is reminded that he has 34 seconds remaining.

Mr. CULVER. I reserve that time.

Mr. JOHNSTON. Mr. President, I ask that a copy of a letter with a fact sheet from Representative "Bennie" Stafford, of Loudoun and Blount Counties, and Representative Bob Harrill of Monroe and McMinn Counties be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SEPTEMBER 1, 1979.

Hon. J. BENNETT JOHNSTON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JOHNSTON: We wish to thank you for your assistance and your vote when the Senate last considered the Tellico Dam and Reservoir Project in east Tennessee. This means a great deal to us and to our people, and we earnestly hope that when the matter again reaches the Senate in the near future, enough additional Senators will join you and the other supporters to finally pass the amendment which will make completion possible.

Since so much inaccurate information has been circulated about this project and so many misleading statements have been made, we have prepared the two pieces of *factual* material which are enclosed. Copies of each have been sent to every Senator who voted against this project on July 17, and we hope a better understanding of the true facts will cause some of them to change their minds and vote with you to settle this matter in the only sensible way, namely, by putting this project to work in order that the public's investment may be justified.

You may recall that the charge was made during the last Senate debate that the adoption by the House of Representatives of Congressman John Duncan's amendment was done in a manner which did not reflect the true intent of the House. That charge can no longer be made, and it has been resoundingly refuted by the House vote taken on August 2. Following more than one hour of debate, the House strongly reaffirmed its decision that this project should be completed by a vote of 258 to 156, with a majority of both parties voting in favor of completion. We trust that the Senate will now adopt the amendment, and we feel the House vote should help make that possible.

You will note in the text on the enclosed photographs some pertinent facts which were obviously not known to some Senators who voted against the project; for example, that the people have already moved out of the reservoir and that all farm buildings and improvements, such as fencing, have been removed; that utility lines have been taken out and roads and bridges destroyed.

The cost of refitting the cleared reservoir area for any other use would probably exceed the value of the land by a wide margin. Only completion will produce the low-cost hydroelectric power which we need. Only completion will give us the flood control, navigation, and job opportunities which our people want and need so badly.

May we again thank you for your past help, and we hope you will assist us to see that this long controversy is ended by completing the project for the purposes for

which it was authorized by Congress and built by TVA.

M. P. "BENNY" STAFFORD,
State Representative, Loudon and Blount Counties.

BOB E. HARRILL,
State Representative, Monroe and McMinn Counties.

CLYDE MCMAHAN,
County Judge, Blount County.

CHARLES ESLEN,
Mayor, Lenoir City (Loudon County).

CHARLES HALL,
Mayor, Tellico Plains (Monroe County).

FACTS ON THE TELLICO PROJECT

Much misleading and erroneous information has been circulated concerning the Tellico project. An example is the letter of Secretary Andrus to Senator Magnuson dated July 16, 1979, a copy of which was sent to each member of the Senate. Statements of the Secretary are followed by the facts regarding each statement.

ANDRUS. "The annual benefits of the project are $6.52 million, compared to annual costs of $7.25 million."

FACTS. Annual benefits and costs were jointly computed by a TVA-DOI Task Force in a report released August 10, 1978, as follows:

Total annual benefits, $4.95–$5.76 million. Total annual costs, $2.18 million. For a benefit-cost ratio of 2.3–2.6:1.

The TVA report to the Endangered Species Committee in December 1978 included recomputed benefits for a total annual benefit of $7,215,000 versus annual costs of $2,180,000 for a benefit ratio of 3.3:1. The Endangered Species Committee's staff made its own computation of annual costs adding $4.03 million per year as a penalty for failure to sell the land acquired for the project back to the public at a profit. Estimated land value was arrived at by using the highest value for land sold in Blount and Loudon Counties, applying it to the least valuable category of the land acquired, and ignoring Monroe County, in which most of the land actually lies. Moreover, an arbitrary discount figure of 10 percent was used rather than the Congressionally mandated rate prescribed by the Water Resources Council of 6⅝ percent. The Committee's calculations are erroneous, as is the statement of the Secretary based thereon. TVA outlined its plans for land acquisition and use to the Congress in 1967, those plans were accepted and approved, and TVA was directed to proceed accordingly. It has done so, and the land is in public ownership and ready for use for the purposes for which it was acquired. If and when some project lands are sold for recreational and industrial development, proceeds will amount to a recovery of a portion of the costs of the project and will constitute a benefit—not an annual cost.

ANDRUS. "Although project costs to date total $103.2 million, only $22.5 million has been sunk into actual construction of the dam. Remaining expenditures were for salaries, land acquisition, road construction, and the like, most of which have produced or will produce benefits regardless of whether the dam is completed."

FACTS. The figure of $22.5 million used for construction of the dam is misleading; it does not include the costs of the canal built to connect Tellico to Fort Loudoun Reservoir, or the costs of the road system built to serve the perimeter of the proposed lake. The entire reservoir area has been cleared; 348 families have moved out; all buildings, fences, trees, and water supplies have been removed or dismantled; roads have been abandoned; bridges removed; and 16,000 acres have been readied for the reservoir. The failure to complete the project as built would necessitate rebuilding many miles of roads, many bridges, and refitting the land for other than reservoir use. The Secretary ignores these costs. Only completion of the project as planned and built provides any benefits for electric power generation, flood control, and industrial development using the navigable waterway which would be created.

ANDRUS. "Tellico does not meet current Bureau of Reclamation standards for dam safety. In its 1978 report, TVA states that the maximum design flood is larger than the maximum flood that can be contained by the dam. That is, in the event of such a flood, the dam would be overtopped and breached, resulting in more significant destruction than if the dam had not been built. Furthermore, for less severe floods, flood control benefits are slight, total $1.04 million annually, and a substantial portion of these benefits are achieved by other means such as local zoning."

FACTS. The Tellico project is designed to pass the maximum probable flood from the Little Tennessee watershed without hazard to the dam. Such a flood would be far greater than any experienced in the east Tennessee region, and represents a safe and conservative basis for design of the Tellico project in the judgment of TVA engineers. Apparently, DOI's Bureau of Reclamation envisions some flood which would overtop the structure. In the event of such an unlikely condition, the dam would not suffer significant damage because the water level below the dam would be almost as high as that above due to flooding of the main river. The same is true of all relatively low dams such as Tellico and all of the TVA-built main river dams on the Tennessee River. TVA has a perfect record of safety for its system of both high and low dams in the Tennessee River Valley. The value of Tellico for flood control purposes can be simply illustrated. If completed, it will bring under control a large watershed which is presently unregulated by the TVA system. Had completion not been delayed by environmental litigation, the Tellico Reservoir could have saved the city of Chattanooga over $15 million (12 percent of the project cost in one year alone) during the major flood which occurred in 1973. The floodcrest in Chattanooga would have been reduced by more than 2 feet. If the 1973 flood is repeated in 1980, the savings would amount to an additional $32 million in 1979 dollars, more than ¼ the cost of the entire project.

ANDRUS. "Although project proponents claim substantial energy benefits for Tellico, actual benefits total only $2.7 million annually, and are based on the cost saved by substituting 200 million kilowatt hours of hydro for power which would otherwise be generated by TVA's existing coal-fired and nuclear facilities."

FACTS. The 200 million kilowatt hours of additional electricity made possible by completion of Tellico would enable 20,000 homeowners in the Tennessee Valley using oil for heating to convert to electricity. At the same time, TVA could avoid burning 15 million gallons of oil in its gas turbines which it must use to meet demand. This is also the energy equivalent of 90,000 tons of coal or 1.8 billion cubic feet of natural gas. Cost of generation of this power to TVA would be 1/10 that of equivalent oil-generated electricity. Hydro is the cheapest and cleanest power which TVA produces. TVA badly needs this additional power. It has been forced to buy high-cost power from neighboring utilities in each of the past three years and it has also reduced voltage in attempting to meet demand.

ANDRUS. "The dam itself has no generators, but rather creates water flow to provide additional generation for the nearby Fort Loudoun Dam. This electricity is not available as peaking power and does not add to the capacity of the TVA system."

FACTS. Additional generation at Fort Loudoun by water diverted from the Little Tennessee was planned when the Fort Loudoun generators were installed. Completion of the project and the additional water flow will enable Fort Loudoun to meet an increased share of the peak load on the TVA system. It will add 200 million kilowatt hours per year, presently worth $2.7 million, to TVA's electric energy output, thereby enlarging its capacity to serve its customers by that amount of additional generation. While not a great addition to TVA's total generating capacity, it is a greater amount than that produced at ½ of the dams in the TVA system, and it can effect a saving of oil, coal, uranium, or gas which TVA would otherwise be forced to purchase and burn.

ANDRUS. "Annual recreation benefits of the free-flowing river alternative exceed those of the dam by $600,000."

FACTS. The description of the lower 33 miles of the Little Tennessee River as "free-flowing" is inaccurate. This stretch of the river which is that affected by the Tellico project is actually tailwater below Chilhowee Dam. Six other major dams are upstream, including Fontana, one of the largest storage lakes in the TVA system. This makes the lower Little Tennessee one of the most completely regulated and controlled streams in America. The Secretary's statement as to recreation benefits is also erroneous since it is based on the assumption that demand for recreational facilities on a river equals that for lakeside facilities. Not one dollar of private capital has been invested on the "free-flowing" stretches of other rivers below other dams in east Tennessee; including the Holston, the French Broad, the Clinch, the Ocoee, or the Hiwassee. In contrast, many millions of dollars of private investment have been made in marinas, lodges, restaurants, vacation housing, boat clubs, camping areas, etc., on nearby lakes including Watts Bar and Fort Loudoun downstream, and Fontana upstream from the Tellico project area. In short, inflated and theoretical benefits were computed in order to make the river alternative acceptable. In so doing, the known facts in regard to actual demand and the resulting development on lakes in the area were intentionally ignored.

ANDRUS. "In addition to the various economic problems I have described, the Tellico amendment to H.R. 4388 overturns the deliberate and thoughtful processes designed by Congress to deal with conflicts between endangered species and development projects."

FACTS. The Endangered Species Committee considered the Tellico project for 15 minutes. It acted on a staff report containing basic errors, some of which are pointed out above. Before the Committee could have granted an expansion, it was required to prescribe measures for conserving the snail darter or its critical habitat. At the very outset of the hearing, Dr. Robert K. Davis of the Committee staff made the following statement to the Committee: "The project which consists of a concrete and earthen dam would inundate the only habitat in which the snail darter is known to survive." This is not the truth. In 1975 and 1976 TVA, with DOI approval, moved 710 snail darters from the Little Tennessee to the nearby Hiwassee River. By 1978, the number had grown to over 2,500 specimens in the Hiwassee, and a second transplant, again with DOI approval, has been made to the Holston River. The latest count in the Little Tennessee showed a remaining population of 7 snail darters. The Hiwassee and the Holston are now the habitats—not the Little Tennessee. These facts were known to the Department of the Interior. The Committee was misinformed on this key point. The economic benefits from completion of the project in relationship to annual costs were also misrepresented. Had the Committee acted responsibly and in the light of an accurate factual presentation, this amendment would not have been necessary. Its failure to do so makes the adoption of the

amendment essential in the public interest in order that the will of the Congress may be carried out.

(Prepared in the interest of truth, fairness, and common sense by Supporters for Completion of the Tellico Dam and Reservoir.)

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. How much time remains?

The PRESIDING OFFICER. The Senator has 27 seconds.

Mr. CULVER. On whose side?

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CULVER. Does the other side have any time remaining, Mr. President?

The PRESIDING OFFICER. There is no time remaining to the other side.

Mr. CULVER. Mr. President, I will yield the remaining time to the Senator from Rhode Island.

I just point out, an exemption for Tellico will put the Senate squarely in the business every week in the months ahead having several of these kinds of exemptions we can play with over and over again.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 16 seconds.

Mr. CHAFEE. Mr. President, I merely note that this is extraordinary language. It provides that notwithstanding the provisions of 16 U.S.C., or any other law, TVA is authorized to proceed with this.

It means they are exempt from all other laws—workmen's compensation, clean water, historic preservation, Davis-Bacon—any other law that exists in the books, they are exempt from under the extraordinary language we are considering here.

The PRESIDING OFFICER. All time has expired. The question now is on agreeing to the motion that the Senate recede from its amendment No. 30. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) would vote "nay."

The PRESIDING OFFICER (Mr. BAUCUS). Are there any Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 48, nays 44, as follows.

[Rollcall Vote No. 269 Leg.]

YEAS—48

Baker	Burdick	Byrd, Robert C.
Bellmon	Byrd, Harry F., Jr.	Cannon
Boren		Cochran
Danforth	Jackson	Schmitt
Dole	Javits	Schweiker
Domenici	Jepsen	Simpson
Ford	Johnston	Stennis
Garn	Kassebaum	Stevens
Glenn	Laxalt	Stewart
Goldwater	Long	Talmadge
Gravel	Lugar	Thurmond
Hatch	Mathias	Tower
Hayakawa	McClure	Wallop
Heflin	Morgan	Warner
Helms	Pryor	Young
Huddleston	Ribicoff	
Humphrey	Sasser	

NAYS—44

Baucus	Hart	Packwood
Bentsen	Hatfield	Percy
Biden	Heinz	Proxmire
Boschwitz	Hollings	Randolph
Bradley	Kennedy	Riegle
Chafee	Leahy	Roth
Chiles	Levin	Sarbanes
Church	Magnuson	Stafford
Cohen	Matsunaga	Stevenson
Cranston	McGovern	Stone
Culver	Melcher	Tsongas
DeConcini	Metzenbaum	Weicker
Durkin	Moynihan	Williams
Eagleton	Nelson	Zorinsky
Exon	Nunn	

NOT VOTING—8

Armstrong	Durenberger	Pell
Bayh	Inouye	Pressler
Bumpers	Muskie	

So the motion to recede from Senate amendment No. 30 was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. HOLLINGS. Mr. President, I submit a report of the committee of conference on H.R. 4392 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 31, 1979.)

Mr. HOLLINGS. Mr. President, we will not be asking for a rollcall vote unless some of the Members wish it. I have checked that on the other side of the aisle.

I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, I will support the conference agreement on the State, Justice, Commerce, the Judiciary and related agencies appropriation bill for fiscal year 1980. I point out to my colleagues, however, that the conference agreement fails to include my amendment to the Senate bill dealing with disaster assistance.

The purpose of that amendment was to push through needed reforms in the Farmers' Home and Small Business Administration disaster loan programs. These reforms were approved by the Senate in May as part of S. 918, the Small Business Act Amendments of 1979. Even though the House-passed companion bill contains similar provisions, conferees on the bill have been unable to reach agreement.

The deletion of my amendment from this appropriation conference agreement makes it imperative that the conferees on S. 918 continue efforts to iron out their differences. The Senate-passed disaster loan program reforms are necessary to realize legislative savings envisioned in the second budget resolution reported to the Senate. If those disaster loan provisions do not emerge from the conference on S. 918 intact, significant upward budget pressure will result.

I wish to ask the manager of the bill about the amendment that was in the Senate bill to bring about reforms in the Farmers' Home and Small Business Administration disaster loan program.

I understand that was dropped out of this bill, but there is a possibility we may——

Mr. HOLLINGS. It was dropped out of this bill but I am advised it will be in the Small Business Administration bill.

Mr. BELLMON. Which is S. 918?

Mr. HOLLINGS. Yes.

Mr. BELLMON. So that reform opportunity is not permanently lost?

Mr. HOLLINGS. Oh, no, sir. No, siree. And our distinguished ranking Republican Member, of course, the Senator from Connecticut (Mr. WEICKER), is the ranking Republican Member also on the small business bill. That opportunity is not lost.

Mr. MAGNUSON. Mr. President, I thank the distinguished chairman of the State, Justice, Commerce and Judiciary Subcommittee, the Senator from South Carolina (Mr. HOLLINGS), for the leadership and expediency he has shown in managing this bill.

The bill includes program increases in several areas under the jurisdiction of the National Oceanic and Atmospheric Administration. It includes $7,565,000 for Regional Fishery Management Council support. This appropriation will accelerate the implementation of the Fishery Conservation and Management Act of 1976 by the regional councils, by providing them with administrative and programmatic grants to develop fishery management plans for the various fisheries. The committee also directed that $1,300,000 in Saltonstall-Kennedy funds be used to fund anadromous fisheries programs, in order to address Pacific Northwest salmon conservation and management problems.

In addition, the bill provides the full amount requested, $1,100,000 and four positions, for NOAA's ocean use planning and assessment activities. Under title II of the Marine, Protection, Research, and Sanctuaries Act, and as trustee for

living marine resources under the Outer Continental Shelf Lands Act Amendments of 1978, NOAA must conduct comprehensive research aimed at assessing the impact of human activities on ocean ecosystems. The appropriation will allow NOAA to initiate three new projects, as well as to continue three ongoing studies in this area.

Once again, I would like to commend the Senator from South Carolina (Mr. HOLLINGS) for the excellent job he has done in handling this bill.

Mr. HOLLINGS. Mr. President, the distinguished chairman of our Appropriations Committee, the Senator from Washington (Mr. MAGNUSON) followed through on the extension of that 200-mile limit. I am happy that our appropriations do now implement his 200-mile legislation.

Mr. MAGNUSON. The 200-mile limit has been very successful.

Mr. HOLLINGS. It has been very successful, and, as a matter of fact, actually increases the jurisdictional limits of the United States of America by about a third. And in the accomplishment of this desirable end, the Senator from Washington joined us individually and enthusiastically.

Mr. MAGNUSON. It actually extended our jurisdiction more than the Louisiana Purchase.

Mr. HOLLINGS. Exactly.

Mr. SASSER. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield to the distinguished Senator from Tennessee.

Mr. SASSER. It is my understanding that the House of Representatives insisted on its disagreement to amendment numbered 26 which provided funds for the International Energy Exposition to be held in 1982. The House, I understand, felt that since this project is not yet authorized, that the funding should be delayed without prejudice until the necessary authorization is approved by the Congress. Is that the understanding of the gentleman from South Carolina, the chairman of the subcommittee?

Mr. HOLLINGS. Yes, that is my understanding. In view of a lack of authorization, the House wanted to defer this appropriation at this time.

Mr. SASSER. If the Senator will yield further. The plan of participation and the administration bill has recently been sent to the Congress. In addition, several weeks ago, my colleague from Tennessee, Senator BAKER, and I introduced a bill to authorize Federal participation in this exposition. That bill is pending in the Committee on Foreign Relations. Similar legislation is being introduced in the House. So, I would say to my friend from South Carolina that the authorization should be forthcoming in the next few weeks. I would assume that once we are making progress on the authorization, we would be able to place the necessary funding on the next available supplemental appropriations bill. If my information is correct, there should be an energy supplemental before the end of the year. Does the Senator from South Carolina agree that these funds could be placed in the next available supplemental?

Mr. HOLLINGS. I would say to the distinguished Senator from Tennessee that once this exposition has been authorized, then it would be appropriate to place these funds on a supplemental.

Mr. SASSER. I thank the distinguished chairman of the subcommittee. With that assurance I will not urge the Senate to insist on its position. I feel that it would be appropriate, in view of the position of the House of Representatives, that we defer the funding of this exposition at this time without prejudice.

I thank the distinguished and able chairman of the subcommittee for yielding.

Mr. HOLLINGS. I thank my distinguished colleague for his understanding and cooperation. I will move at the appropriate time, Mr. President, that the Senate recede on amendment No. 26.

Mr. President, this conference report was printed as House Report 96–402, and the statement of the managers fully explains the conference agreement.

The conference on this bill was held on July 31 and it was a good session with both sides striving hard for their priorities but at the same time cooperating to work out a satisfactory final bill. Our session was presided over by the distinguished chairman of the House subcommittee, the Honorable JOHN M. SLACK of West Virginia, who has handled this bill for many years and skillfully developed this conference agreement. Throughout the conference our distinguished ranking minority member, the junior Senator from Connecticut (Mr. WEICKER), stood steadfastly with me in the subcommittee in defending the Senate's positions on the various matters. Senator WEICKER has been a tremendous assistance and a most valuable partner in the hearings and the deliberations on this bill.

The conference agreement amounts to $8,345,091,000 excluding the $20,800,000 for the Energy Exposition in Knoxville, Tenn., upon which we could not reach agreement. The conference agreement is $181,777,000 below the budget estimates, and is $803,842,000 below the amount appropriated for fiscal year 1979. The decrease from the current year is largely due to the nonrecurrence of the $1,020 billion recently appropriated to the disaster loan fund of the Small Business Administration. As is the usual practice, the disaster requirements will be handled by supplemental appropriations.

Briefly stated, the major Senate items retained in the conference include:

First. Endorsement of the Senate's action in withdrawing funds requested by the Department of State and the International Communications Agency for wage increases for foreign national personnel exceeding the 7 percent guidelines to American wage earners. The Secretary of State has indicated that he is compelled by Government decrees and other requirements to make wage increases for these personnel averaging 15.2 percent and ranging up to 45 percent in one country.

However, we have removed this compulsion by removing the funds, and now the compulsion on the Secretary of State is to conform to both the Presidential and congressional policy of 7 percent.

Second. All of the additional 75 positions over the original budget estimates provided by the Senate for the Land and Natural Resources Division of the Department of Justice; as well as 18 additional unbudgeted positions for the Civil Rights Division and 41 over the budget for the Criminal Division.

That is well taken, Mr. President, in the light of recent reports by the FBI on the increase in both personal and property crimes in the United States.

Third. The full $584,408,000 authorized for the Federal Bureau of Investigation, an increase of $8,800,000 over the request.

Fourth. The Senate increase for the Immigration and Naturalization Service of 495 positions over the budget request for augmentation of the border patrol; and funds to automate processing and recordkeeping in Immigration and Naturalization Service district offices and to improve the nonimmigrant document control system.

Fifth. The full amount approved by the Senate for the new Office of Justice Assistance, Research and Statistics, which replaces the LEAA. This amount is $100 million less than the amount requested for the LEAA-type activities in order to conform with the first concurrent budget resolution, but includes a $50 million increase to maintain the current level of the juvenile justice and delinquency prevention program.

Sixth. In the Department of Commerce we agreed to $604,900,000 for the periodic censuses including all of the additional funds the Senate approved for the 1980 decennial census, except the $9,500,000 for the contingency. The census officials are understandably anxious that conducting the census by the mail may not be as successful as planned. However, the fiscal year has been moved back by 3 months since the last census and there will be time to make an emergency supplemental if the need arises.

Elsewhere in the Department of Commerce, we retained the full $8 million allowed for continuation of the U.S. Travel Service; all of the Senate approved budget add-ons for the National Oceanic and Atmospheric Administration; half of our increase to the budget of the Patent and Trademark Office, which will hopefully improve the deteriorating situation in processing patents and trademarks; and the full amounts for the educational television facilities and ship construction programs.

Seventh. Our most intense negotiations were with regard to the Small Business Administration. There is a sharp difference in the outlook of the Small Business Committees of the Senate and House with regard to the role of the SBA. Our recommendations had followed the lead of our Small Business Committee that SBA should get out of the direct lending business and concentrate on a developmental role. However, the House side still sees a need for SBA direct lending. As a result the compromise amount includes $154 million more for SBA's direct lending programs than the Senate approved. However, the conferees did endorse many of the additions that the Senate approved in SBA's salaries and expenses program, including $6,500,000

for expansion of the small business development centers.

Mr. President, I ask unanimous consent to have printed in the RECORD a table that gives the complete results of the conference in tabular form. The table includes a comparison of the conference agreement with new budget authority made in fiscal 1979, the budget estimates for fiscal 1980, and the amounts approved in the House and the Senate versions of the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE I—DEPARTMENT OF STATE									
Administration of Foreign Affairs									
Salaries and expenses	$676,505,000	$715,811,000	$712,700,000	$712,322,000	$709,011,000	+$32,506,000	−$6,800,000	−$3,689,000	−$3,311,000
Representation allowances	2,900,000	3,190,000	3,100,000	3,090,000	3,090,000	+190,000	−100,000	−10,000	
Acquisition, operation, and maintenance of buildings abroad	125,177,000	64,443,000	64,000,000	64,000,000	64,000,000	−61,177,000	−443,000		
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	6,025,000	18,150,000	18,150,000	18,150,000	18,150,000	+12,125,000			
Emergencies in the diplomatic and consular service	2,350,000	2,350,000	2,350,000	2,350,000	2,350,000				
Payment to the American Institute in Taiwan		5,954,000		5,954,000	5,954,000	+5,954,000		+5,954,000	
Payment to the Foreign Service retirement and disability fund	41,569,000	43,369,000	43,369,000	43,369,000	43,369,000	+1,800,000			
Total, administration of foreign affairs	854,526,000	853,267,000	843,669,000	849,235,000	845,924,000	−8,602,000	−7,343,000	+2,255,000	−3,311,000
International Organizations and Conferences									
Contributions to international organizations	386,033,000	411,552,000	411,500,000	411,552,000	411,500,000	+25,467,000	−52,000		−52,000
Contributions for international peacekeeping activities	67,000,000	70,000,000	67,000,000	67,000,000	67,000,000		−3,000,000		
Missions to international organizations	12,985,000	14,193,000	13,800,000	13,800,000	13,800,000	+815,000	−393,000		
International conferences and contingencies	8,000,000	7,200,000	6,700,000	6,700,000	6,700,000	−1,300,000	−500,000		
International trade negotiations	4,717,000					−4,717,000			
Total, international organizations and conferences	478,735,000	502,945,000	499,000,000	499,052,000	499,000,000	+20,265,000	−3,945,000		−52,000
International Commissions									
International Boundary and Water Commission, United States and Mexico:									
Salaries and expenses	6,989,000	7,708,000	7,700,000	7,700,000	7,700,000	+711,000	−8,000		
Construction	3,900,000	8,248,000	8,200,000	8,200,000	8,200,000	+4,300,000	−48,000		
American sections, international commissions	2,565,000	3,261,000	3,200,000	3,200,000	3,200,000	+635,000	−61,000		
International fisheries commissions	6,600,000	7,516,000	7,500,000	7,500,000	7,500,000	+900,000	−16,000		
Total, international commissions	20,054,000	26,733,000	26,600,000	26,600,000	26,600,000	+6,546,000	−133,000		
Other									
United States-Yugoslavia Bilateral Science and Technology Agreement		7,000,000	500,000	500,000	500,000	+500,000	−6,500,000		
Total, title I, new budget (obligational) authority, Department of State	1,353,315,000	1,389,945,000	1,369,769,000	1,375,387,000	1,372,024,000	+18,709,000	−17,921,000	+2,255,000	−3,363,000
TITLE II—DEPARTMENT OF JUSTICE									
General Administration									
Salaries and expenses	28,624,000	28,168,000	25,550,000	33,000,000	32,500,000	+3,876,000	+4,332,000	+6,950,000	−500,000
(By transfer)	(1,165,000)					(−1,165,000)			
United States Parole Commission									
Salaries and expenses		5,555,000	5,500,000	5,500,000	5,500,000	+5,500,000	−55,000		
Legal Activities									
Salaries and expenses, general legal activities	91,424,000	102,789,000	100,900,000	107,800,000	106,267,000	+14,843,000	+3,478,000	+5,367,000	−1,533,000
(By transfer)	(750,000)					(−750,000)			
Salaries and expenses, Antitrust Division	46,377,000	43,592,000	43,544,000	48,544,000	43,544,000	−2,833,000	−48,000		−5,000,000
(By transfer)	(1,131,000)					(−1,131,000)			
Salaries and expenses, U.S. attorneys and marshals	196,700,000	231,921,000	231,275,000	233,700,000	232,915,000	+36,215,000	+994,000	+1,640,000	−785,000
(By transfer)	(7,478,000)					(−7,478,000)			
Support of U.S. prisoners	25,100,000	21,800,000	21,800,000	21,800,000	21,800,000	−3,300,000			
Fees and expenses of witnesses	26,464,000	27,052,000	27,000,000	27,000,000	27,000,000	+536,000	−52,000		
Salaries and expenses, Community Relations Service	5,353,000	4,473,000	4,925,000	4,473,000	4,925,000	−428,000	+452,000		+452,000
Total, legal activities	391,418,000	431,627,000	429,444,000	443,317,000	436,451,000	+45,033,000	+4,824,000	+7,007,000	−6,866,000
Federal Bureau of Investigation									
Salaries and expenses	580,570,000	575,608,000	577,408,000	584,408,000	584,408,000	+3,838,000	+8,800,000	+7,000,000	
(By transfer)	(3,913,000)					(−3,913,000)			
Immigration and Naturalization Service									
Salaries and expenses	309,285,000	304,354,000	299,326,000	318,854,000	318,465,000	+9,180,000	+14,111,000	+19,139,000	−389,000
Drug Enforcement Administration									
Salaries and expenses	192,953,000	193,836,000	193,836,000	193,836,000	193,836,000	+883,000			

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE II—DEPARTMENT OF JUSTICE—Continued									
Federal Prison System									
Salaries and expenses, Bureau of Prisons	$315,200,000	$321,500,000	$311,600,000	$321,500,000	$321,500,000	+$6,300,000		+$9,900,000	
(By transfer)			(9,900,000)					(−9,900,000)	
National Institute of Corrections	9,920,000		9,884,000	9,884,000	9,884,000	−36,000	+9,884,000		
Buildings and facilities	35,280,000	5,960,000		5,960,000	5,960,000	−29,320,000		+5,960,000	
Federal Prison Industries, Incorporated: (Limitation on administrative and vocational training expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
Total, Federal prison system	360,400,000	327,460,000	321,484,000	337,344,000	337,344,000	−23,056,000	+9,884,000	+15,860,000	
Law Enforcement Assistance Administration									
Salaries and expenses	646,488,000					−646,488,000			
Office of Justice Assistance, Research, and Statistics									
Law enforcement assistance		497,936,000		442,695,000	442,695,000	+442,695,000	−55,241,000	+442,695,000	
Research and statistics		48,411,000		43,768,000	43,768,000	+43,768,000	−4,643,000	+43,768,000	
Total, Office of Justice Assistance, Research, and Statistics		546,347,000		486,463,000	486,463,000	+486,463,000	−59,884,000	+486,463,000	
Total, title II, Department of Justice:									
New budget (obligational) authority	2,509,738,000	2,412,955,000	1,852,548,000	2,402,722,000	2,394,967,000	−114,771,000	−17,988,000	+542,419,000	−57,755,000
(Limitation on expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
TITLE III—DEPARTMENT OF COMMERCE									
General Administration									
Salaries and expenses	25,640,000	26,612,000	25,715,000	28,625,000	27,375,000	+1,735,000	+763,000	+1,660,000	−1,250,000
Participation in United States Expositions		20,800,000		20,800,000			−20,800,000		−20,800,000
Total, General Administration	25,640,000	47,412,000	25,715,000	49,425,000	27,375,000	+1,735,000	−20,037,000	+1,660,000	−22,050,000
Bureau of the Census									
Salaries and expenses	51,033,000	55,632,000	52,090,000	52,090,000	52,090,000	+1,057,000	−3,542,000		
Periodic censuses and programs	201,928,000	630,974,000	582,900,000	614,400,000	601,900,000	+402,972,000	−26,074,000	+22,000,000	−9,500,000
Total, Bureau of the Census	252,961,000	686,606,000	634,990,000	666,490,000	656,990,000	+404,029,000	−29,616,000	+22,000,000	−9,500,000
Economic and Statistical Analysis									
Salaries and expenses	16,977,000	17,898,000	17,725,000	17,875,000	17,875,000	+898,000	−23,000	+150,000	
Economic Development Administration									
Economic development assistance programs	(507,525,000)	(716,375,000)				(−507,525,000)	(−716,375,000)		
(By transfer)	(5,658,000)					(−5,658,000)			
(Economic development revolving fund-limitation)	(171,000,000)					(−171,000,000)			
Total obligational authority, economic development assistance programs	(684,183,000)	(716,375,000)				(−684,183,000)	(−716,375,000)		
Local public works program	(10,968,000)					(−10,968,000)			
Salaries and expenses	(30,536,000)	(42,667,000)				(−30,536,000)	(−42,667,000)		
Total, Economic Development Administration	(549,029,000)	(759,042,000)				(−549,029,000)	(−759,042,000)		
Regional Action Planning Commissions									
Regional development programs	(62,800,000)	(74,005,000)				(−62,800,000)	(−74,005,000)		
Industry and Trade Administration									
Operations and administration	73,573,000	85,083,000	77,394,000	78,837,000	77,670,000	+4,097,000	−7,413,000	+276,000	−1,167,000
Minority Business Enterprise									
Minority business development	57,965,000	58,783,000	58,689,000	58,689,000	58,689,000	+724,000	−94,000		
United States Travel Service									
Salaries and expenses	13,597,000			8,000,000	8,000,000	−5,597,000	+8,000,000	+8,000,000	
National Oceanic and Atmospheric Administration									
Operations, research, and facilities	676,353,000	718,382,000	688,656,000	711,939,000	702,350,000	+25,997,000	−16,032,000	+13,694,000	−9,589,000
(By transfer)	(5,000,000)		(5,000,000)	(5,000,000)	(5,000,000)		(+5,000,000)		
Total obligational authority, operations, research, and facilities	(681,353,000)	(718,382,000)	(693,656,000)	(761,939,000)	(707,350,000)	(+25,997,000)	(−11,032,000)	(+13,694,000)	(−9,589,000)
Coastal zone management	63,840,000	65,978,000	63,575,000	65,925,000	64,675,000	+835,000	−1,303,000	+1,100,000	−1,250,000
Construction	60,000,000					−60,000,000			
Coastal energy impact fund		4,043,000					−4,043,000		

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE III—DEPARTMENT OF COMMERCE—Continued									
National Oceanic and Atmospheric Administration									
Fishing vessel and gear damage compensation fund	$1,000,000	$3,500,000	$3,500,000	$3,500,000	$3,500,000	+$2,500,000			
Fishermen's contingency fund	450,000	600,000	600,000	600,000	600,000	+150,000			
Total, National Oceanic and Atmospheric Administration	801,643,000	792,503,000	756,331,000	781,964,000	771,125,000	−30,518,000	−$21,378,000	+$14,794,000	−$10,839,000
Patent and Trademark Office									
Salaries and expenses	96,654,000	97,598,000	97,562,000	102,000,000	99,672,000	+3,018,000	+2,074,000	+2,110,000	−2,328,000
Science and Technical Research									
Scientific and technical research and services	90,300,000	100,454,000	96,344,000	97,825,000	96,528,000	+6,228,000	−3,926,000	+184,000	−1,297,000
National Telecommunications and Information Administration									
Salaries and expenses	11,620,000	18,762,000	15,315,000	18,410,000	17,305,000	+5,685,000	−1,457,000	+1,990,000	−1,105,000
Public telecommunications facilities, planning and construction	18,000,000	23,705,000	12,000,000	23,705,000	23,705,000	+5,705,000		+11,705,000	
Total, National Telecommunications	29,620,000	42,467,000	27,315,000	42,115,000	41,010,000	+11,390,000	−1,457,000	+12,695,000	−1,105,000
Maritime Administration									
Ship construction	157,000,000	101,000,000	32,000,000	101,000,000	101,000,000	−56,000,000		+69,000,000	
Operating-differential subsidies (appropriation to liquidate contract authority)	(250,000,000)	(256,208,000)	(156,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
Research and development	17,500,000	16,360,000	16,300,000	16,300,000	16,300,000	−1,200,000	−60,000		
Operations and training	58,516,000	61,472,000	64,622,000	64,622,000	64,622,000	+6,106,000	+3,150,000		
Total, Maritime Administration	233,016,000	178,832,000	112,922,000	181,922,000	181,922,000	−51,094,000	+3,090,000	+69,000,000	
Total, title III, Department of Commerce:									
New budget (obligational) authority	1,691,946,000	2,107,636,000	1,904,987,000	2,085,142,000	2,036,856,000	+344,910,000	−70,780,000	+130,869,000	−48,286,000
(Liquidation of contract authorization)	(250,000,000)	(256,208,000)	(256,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
TITLE IV—THE JUDICIARY									
Supreme Court of the United States									
Salaries and expenses	9,690,000	10,250,000	10,250,000	10,250,000	10,250,000	+560,000			
Care of the building and grounds	1,475,000	2,157,000	2,157,000	2,157,000	2,157,000	+682,000			
Total, Supreme Court of the United States	11,165,000	12,407,000	12,407,000	12,407,000	12,407,000	+1,242,000			
Court of Customs and Patent Appeals									
Salaries and expenses	1,121,000	1,719,000	1,719,000	1,719,000	1,719,000	+598,000			
Customs Court									
Salaries and expenses	3,095,000	4,983,000	4,850,000	4,850,000	4,850,000	+1,755,000	−133,000		
Court of Claims									
Salaries and expenses	3,570,000	5,361,000	5,290,000	5,230,000	5,230,000	+1,660,000	−131,000	−60,000	
Courts of Appeals, District Courts, and other Judicial Services									
Salaries of judges	41,458,000	48,814,000	48,500,000	48,500,000	48,500,000	+7,042,000	−314,000		
Salaries of supporting personnel	175,495,000	196,532,000	195,700,000	195,700,000	195,700,000	+20,205,000	−832,000		
Defender services	24,800,000	26,595,000	26,000,000	26,000,000	26,000,000	+1,200,000	−595,000		
Fees of jurors and commissioners	24,750,000	36,000,000	34,000,000	34,000,000	34,000,000	+9,250,000	−2,000,000		
Travel and miscellaneous expenses	35,514,000	40,272,000	37,800,000	37,800,000	37,800,000	+2,286,000	−2,472,000		
Salaries and expenses of magistrates	19,441,000	22,193,000	22,000,000	22,000,000	22,000,000	+2,559,000	−193,000		
Bankruptcy courts, salaries and expenses	36,658,000	67,818,000	57,000,000	60,000,000	58,500,000	+21,842,000	−9,318,000	+1,500,000	−1,500,000
Services for drug offenders		3,500,000	3,500,000	3,500,000	3,500,000	+3,500,000			
Space and facilities	98,400,000	125,928,000	117,500,000	117,500,000	117,500,000	+19,100,000	−8,428,000		
Special Rail Reorganization Court		2,000,000					−2,000,000		
Furniture and furnishings	12,700,000					−12,700,000			
Pretrial services agencies	5,000,000					−5,000,000			
Total, courts of appeals, district courts, and other judicial services	474,216,000	569,652,000	542,000,000	545,000,000	543,500,000	+69,284,000	−26,152,000	+1,500,000	−1,500,000
Administrative Office of the United States Courts									
Salaries and expenses	12,899,000	15,879,000	15,100,000	15,100,000	15,100,000	+2,201,000	−779,000		
Federal Judicial Center									
Salaries and expenses	8,279,000	9,768,000	8,500,000	8,500,000	8,500,000	+221,000	−1,268,000		
Total, title IV, new budget (obligational) authority, the Judiciary	514,345,000	619,700,000	588,866,000	592,806,000	591,306,000	+76,961,000	−28,463,000	+1,440,000	−1,500,000

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE V—RELATED AGENCIES									
Arms Control and Disarmament Agency									
Arms control and disarmament activities	$17,720,000	$18,876,000	$17,670,000	$18,870,000	$18,270,000	+$550,000	−$606,000	+$600,000	−$600,000
Board for International Broadcasting									
Grants and expenses	87,000,000	86,917,000	82,990,000	84,700,000	84,470,000	−2,530,000	−2,447,000	+1,480,000	−230,000
Commission on Civil Rights									
Salaries and expenses	10,852,000	11,372,000	11,230,000	11,370,000	11,230,000	+378,000	−142,000		−140,000
Commission on Security and Cooperation in Europe									
Salaries and expenses	521,000	432,000	264,000	264,000	264,000	−257,000	−168,000		
Equal Employment Opportunity Commission									
Salaries and expenses	107,000,000	125,060,000	119,000,000	125,000,000	119,000,000	+12,000,000	−6,060,000		−6,000,000
Federal Communications Commission									
Salaries and expenses	70,446,000	71,816,000	71,816,000	73,255,000	72,535,000	+2,089,000	+719,000	+719,000	−720,000
Federal Maritime Commission									
Salaries and expenses	10,750,000	11,217,000	11,175,000	11,217,000	11,175,000	+425,000	−42,000		−42,000
Federal Trade Commission									
Salaries and expenses	(65,300,000)	(69,021,000)				(−65,300,000)	(−69,021,000)		
Foreign Claims Settlement Commission									
Salaries and expenses		1,030,000					−1,030,000		
(By transfer)	(1,015,000)		(1,000,000)	(1,030,000)	(1,030,000)	(+15,000)	(+1,030,000)	(+30,000)	
International Communication Agency									
Salaries and expenses	373,938,000	401,245,000	399,200,000	395,445,000	396,010,000	+22,072,000	−5,235,000	−3,190,000	+565,000
Salaries and expenses (special foreign currency)	10,124,000	13,012,000	13,012,000	13,012,000	13,012,000	+2,888,000			
Center for cultural and technical interchange between East and West	13,500,000	14,835,000	14,500,000	14,835,000	14,667,000	+1,167,000	−168,000	+167,000	−168,000
Acquisition and construction of radio facilities	19,685,000	2,400,000	2,400,000	2,400,000	2,400,000	−17,285,000			
Total, International Communication Agency	417,247,000	431,492,000	429,112,000	425,692,000	426,089,000	+8,842,000	−5,403,000	−3,023,000	+397,000
International Trade Commission									
Salaries and expenses	13,250,000	16,200,000	14,106,000	16,200,000	15,130,000	+1,880,000	−1,070,000	+1,024,000	−1,070,000
Japan-United States Friendship Commission									
Japan-United States Friendship Trust Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000				
(Foreign currency appropriation)	(1,000,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(+200,000)			
Legal Services Corporation									
Payment to the Legal Services Corporation	270,000,000	337,500,000	305,000,000	291,800,000	300,000,000	+30,000,000	−37,500,000	−5,000,000	+8,200,000
Marine Mammal Commission									
Salaries and expenses	702,000	640,000	640,000	940,000	940,000	+238,000	+300,000	+300,000	
Office of the Special Representative for Trade Negotiations									
Salaries and expenses	2,707,000	4,273,000	3,900,000	4,273,000	4,000,000	+1,293,000	−273,000	+100,000	−273,000
Presidential Commission on World Hunger									
Salaries and expenses	1,300,000	975,000	975,000	975,000	975,000	−325,000			
Renegotiation Board									
Salaries and expenses	5,260,000	7,363,000				−5,260,000	−7,363,000		
Securities and Exchange Commission									
Salaries and expenses	67,100,000	69,039,000	68,946,000	68,986,000	68,986,000	+1,886,000	−53,000	+40,000	
Select Commission on Immigration and Refugee Policy									
Salaries and expenses	224,000	2,226,000	1,600,000	1,600,000	1,600,000	+1,376,000	−626,000		
Small Business Administration									
Salaries and expenses	182,935,000	185,300,000	192,300,000	182,300,000	182,300,000	−635,000	−3,000,000	−10,000,000	
(Transfer from Disaster Loan Fund)	(13,000,000)			(11,650,000)	(16,650,000)	(+3,650,000)	(+16,650,000)	(+16,650,000)	(+5,000,000)
Total obligational authority, salaries and expenses	(195,935,000)	(185,300,000)	(192,300,000)	(193,950,000)	(198,950,000)	(+3,015,000)	(+13,650,000)	(+6,650,000)	(+5,000,000)

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1980—Continued

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with—			
	Enacted fiscal year 1979	Estimates, fiscal year 1980	House, fiscal year 1980	Senate, fiscal year 1980	Conference, fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE V—RELATED AGENCIES—Con.									
Small Business Administration									
White House Conference on Small Business	$4,000,000					−$4,000,000			
Business loan and investment fund	520,500,000	$346,000,000	$380,000,000	$411,000,000	$565,000,000	+44,500,000	+$19,000,000	−$15,000,000	+$154,000,000
Disaster loan fund	1,248,000,000	60,000,000	60,000,000	60,000,000	60,000,000	−1,188,000,000			
Lease guarantees revolving fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000				
Surety bond guarantees revolving fund	35,000,000					−35,000,000			
Total, Small Business Administration	1,994,435,000	795,300,000	836,300,000	657,300,000	811,300,000	−1,183,135,000	+16,000,000	−25,000,000	+154,000,000
United States Metric Board									
Salaries and expenses	1,575,000	3,335,000	1,613,000	3,335,000	2,474,000	+899,000	−861,000	+861,000	−861,000
Total, title V, new budget (obligational) authority, related agencies	3,079,589,000	1,996,563,000	1,977,837,000	1,797,277,000	1,949,938,000	−1,129,651,000	−46,625,000	−27,899,000	+152,661,000
TITLE VII—SUPPLEMENTAL APPROPRIATIONS, 1979									
DEPARTMENT OF JUSTICE									
Legal Activities									
Salaries and expenses, U.S. attorneys and marshals (by transfer)		(2,835,000)		(2,835,000)	(2,835,000)	(+2,835,000)		(+2,835,000)	
RECAPITULATION									
Grand total, titles I, II, III, IV, V, and VII:									
New budget (obligational) authority	9,148,933,000	8,526,868,000	7,695,007,000	8,253,334,000	8,345,091,000	−803,842,000	−181,777,000	+650,084,000	+91,757,000
(Limitation on expenses)	(5,081,000)	(4,966,000)	(4,966,000)	(4,966,000)	(4,966,000)	(−115,000)			
(By transfer)	(39,110,000)		(15,900,000)	(17,680,000)	(22,680,000)	(−16,430,000)	(+22,680,000)	(+6,780,000)	(+5,000,000)
(Fiscal year 1979 supplemental, by transfer)		(2,835,000)		(2,835,000)	(2,835,000)	(+2,835,000)		(+2,835,000)	
Memoranda: (Appropriations to liquidate contract authorizations)	(250,000,000)	(256,208,000)	(256,208,000)	(256,208,000)	(256,208,000)	(+6,208,000)			
Total appropriations, including appropriations to liquidate contract authorizations	9,398,933,000	8,783,076,000	7,951,215,000	8,509,542,000	8,601,299,000	−797,634,000	−181,777,000	+650,084,000	+91,757,000
Department of State	1,353,315,000	1,389,945,000	1,369,769,000	1,375,387,000	1,372,024,000	+18,709,000	−17,921,000	+2,255,000	−3,363,000
Department of Justice	2,509,738,000	2,412,955,000	1,852,548,000	2,402,722,000	2,394,967,000	−114,771,000	−17,988,000	+542,419,000	−7,755,000
Department of Commerce	1,691,546,000	2,107,636,000	1,904,987,000	2,085,142,000	2,036,856,000	+344,910,000	−70,780,000	+131,869,000	−48,286,000
The Judiciary	514,345,000	619,769,000	589,866,000	592,806,000	591,306,000	+76,961,000	−28,463,000	+1,440,000	−1,500,000
Related agencies:									
Arms Control and Disarmament Agency	17,720,000	18,876,000	17,670,000	18,870,000	18,270,000	+550,000	−606,000	+600,000	−600,000
Board for International Broadcasting	87,000,000	86,917,000	82,990,000	84,700,000	84,470,000	−2,530,000	−2,447,000	+1,480,000	−230,000
Commission on Civil Rights	10,852,000	11,372,000	11,230,000	11,370,000	11,230,000	+378,000	−142,000		−140,000
Commission on Security and Cooperation in Europe	521,000	432,000	264,000	264,000	264,000	−257,000	−168,000		
Equal Employment Opportunity Commission	107,000,000	125,060,000	119,000,000	125,000,000	119,000,000	+12,000,000	−6,060,000		−6,000,000
Federal Communications Commission	70,446,000	71,816,000	71,816,000	73,255,000	72,535,000	+2,089,000	+719,000	+719,000	−720,000
Federal Maritime Commission	10,750,000	11,217,000	11,175,000	11,217,000	11,175,000	+425,000	−42,000		−42,000
Federal Trade Commission	(65,300,000)	(69,021,000)				(−65,300,000)	(−69,021,000)		
Federal Claims Settlement Commission		1,030,000					−1,030,000		
International Communication Agency	417,247,000	431,492,000	429,112,000	425,692,000	426,089,000	+8,842,000	−5,403,000	−3,023,000	+397,000
International Trade Commission	13,250,000	16,200,000	14,106,000	16,200,000	15,130,000	+1,880,000	−1,070,000	+1,024,000	−1,070,000
Japan-United States Friendship Commission	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000				
Legal Services Corporation	270,000,000	337,500,000	305,000,000	291,800,000	300,000,000	+30,000,000	−37,500,000	−5,000,000	+8,200,000
Marine Mammal Commission	702,000	640,000	640,000	940,000	940,000	+238,000	+300,000	+300,000	
Office of the Special Representative for Trade Negotiations	2,707,000	4,273,000	3,900,000	4,273,000	4,000,000	+1,293,000	−273,000	+100,000	−273,000
Presidential Commission on World Hunger	1,300,000	975,000	975,000	975,000	975,000	−325,000			
Renegotiation Board	5,260,000	7,363,000				−5,260,000	−7,363,000		
Securities and Exchange Commission	67,100,000	69,039,000	68,946,000	68,986,000	68,986,000	+1,886,000	−53,000	+40,000	
Select Commission on Immigration and Refugee Policy	224,000	2,226,000	1,600,000	1,600,000	1,600,000	+1,376,000	−626,000		
Small Business Administration	1,994,435,000	795,300,000	836,300,000	657,300,000	811,300,000	−1,183,135,000	+16,000,000	−25,000,000	+154,000,000
U.S. Metric Board	1,575,000	3,335,000	1,613,000	3,335,000	2,474,000	+899,000	−861,000	+861,000	−861,000
Grand total	9,148,933,000	8,526,868,000	7,695,007,000	8,253,334,000	8,345,091,000	−803,842,000	−181,777,000	+650,084,000	+91,757,000

Mr. HOLLINGS. Mr. President, when the conference report was considered by the other body they voted to insist on their disagreement to amendment number 26. This amendment appropriates $20,800,000 for participation in international expositions in order to construct and operate a Federal pavilion at the 1982 Energy Exposition in Knoxville, Tenn. We asked them to take this back and give the proponents a vote and the House has now clearly spoken. In order not to delay the bill any further, I shall recommend at the appropriate time that the Senate recede on amendment number 26.

Mr. President, I believe I have adequately covered the highlights of the conference agreement and I am ready to respond to any questions that the Senators may have regarding this report. However, prior to yielding to our distinguished ranking minority member for any comments he may have, I want to update my remarks with one further comment relative to the reconciliation that is presently proposed by the Senate Budget Committee in the second concurrent resolution, which will be considered by this body come Wednesday of this week.

Obviously, if a reconciliation is mandated, then we shall have to have a rescission bill and we shall have to cut back. The reconciliation recommended by the Budget Committee calls for almost $4 billion amount in its entirety. A substantial part of that will have to be handled by the Appropriations Committee; some $2.9 billion will have to be extracted from appropriations measures broadly across the board.

We have not worked this out with the distinguished chairman of appropriations as the committee will have to meet on it, but I think our State-Justice Commerce Subcommittee has been tentatively allocated a cut of about $200 million if we have a rescission. So we would have to go back to the drawing board, looking at some of these add-ons of $150 million in direct lending for SBA; the ship construction of $69 million; and of course, we had some $50 million added in juvenile justice. There is some leeway, but I wanted to have a full, open, candid statement to our colleagues, in acting on this conference report, that we did not act without the knowledge of reconciliation.

It could be that the reconciliation could be had at the end of all action by all of the Appropriations Subcommittees similar to the action of the Senate to be taken this afternoon. That is going to be worked out by the distinguished chairman of the Committee on Appropriations and the distinguished chairman of the Committee on the Budget when he returns to the city tomorrow. I did want just to comment on that particular course of action.

Rescission could be had. It could be had immediately, later on next week sometime, or later in October, when all the appropriations bills have been acted upon. We shall respond accordingly, in accordance with the mandate of the Senate. We have given it our full consideration at this particular time and we are very proud to bring this conference report to the floor at this time.

I yield to my distinguished colleague, the Senator from Connecticut.

Mr. WEICKER. Mr. President, I join the distinguished Senator from South Carolina in requesting Senate approval of the conference report on H.R. 4392. Without further ado, I also compliment my distinguished colleague from South Carolina on a superb job, both within the committee and in the conference. It is not an easy thing to accommodate all of the various requests of the agencies and do it in a fiscally responsible manner. This has been done by my colleague from South Carolina; he has matched fiscal responsibility with compassion and foresightedness. The end product is due, in large measure, to those efforts.

Mr. HOLLINGS. I thank my distinguished colleague.

Mr. CRANSTON. Mr. President, I rise to express my opposition to the conference report on H.R. 4392, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, fiscal year 1980.

Mr. President, this conference report contains a provision prohibiting the use of Federal funds appropriated to the Legal Services Corporation for activities on behalf of any alien known to be in the United States in violation of the Immigration and Nationality Act or any law, convention, or treaty of the United States relating to the immigration, exclusion, deportation or expulsion of aliens. This provision, which was part of the House bill, was specifically rejected during the Senate Appropriations Committee consideration of this bill and was never considered by the Senate itself. I am strongly opposed to this type of discrimination in the provision of legal services to any group of individuals who are in need of legal assistance and the protections of our judicial system. I feel so strongly that this type of provision is contrary to the basic principles underlying the Legal Services Corporation Act that I will be compelled to vote against this appropriation measure because of this restriction.

Mr. President, the federally funded legal services program is founded upon the notion that access to competent legal assistance for individuals of all economic statuses is essential to our national commitment to equal justice for all. As one of the authors of the Legal Services Corporation Act, I am firmly committed to the policy that no individual should be denied legal assistance on an arbitrary or capricious basis. In the past, I have expressed my opposition to limitations in Federal legislation that would single out otherwise eligible individuals and exclude them from assistance under the act. This provision creates the same type of invidious discrimination which is contrary to the purpose of the Legal Services Corporation Act.

Not only does the restriction contained in this Appropriations Act conference report violate the policy underlying the Legal Services Corporation Act, I believe that it raises important constitutional questions in terms of denying a fundamental civil right—access to equal justice. The Bill of Rights does not limit the protections of the U.S. Constitution to citizens of this country. The 14th amendment very explicitly provides that no State may deprive "any person" of life, liberty, or property without due process of law; nor deny to "any person" within its jurisdiction the equal protection of the law. The fifth amendment applies those same principles to the Federal Government and the courts of this Nation have consistently interpreted those fundamental protections to apply to noncitizens residing in this country as well as citizens.

Mr. President, in addition to the constitutional and policy implications of this provision, I have grave concerns about the potential discriminatory application of this type of provision. There is a substantial likelihood that if this provision is not narrowly construed when it becomes law, only individuals of certain national origins will be required to prove their citizenship as a condition of receiving legal assistance. This type of "citizenship" test would create a kind of second-class citizenship for many minority groups in this country which many other Americans and I would find most repugnant.

Mr. President, this type of provision also might increase the likelihood that some individuals whose legal status in this country is unclear would be the victims of exploitation by employers and others who know that a request for legal assistance from a legal services office may precipitate an investigation into an individual's residency status. The potential for exploitation of these individuals—already large—could only be increased if it is Federal policy to deny legal assistance to these individuals.

INTERPRETATION OF "KNOWN" ALIEN PROVISION

Mr. President, the prohibition contained in the conference report states that no funds appropriated to the Legal Services Corporation may be used for activities on behalf of any alien "known" to be in the United States in violation of immigration laws. Under present immigration law, a determination that an individual is in this country in violation of an immigration statute is reached only after full due process have been completed.

It certainly cannot be the intent of Congress to substitute the subjective judgment of an individual legal services attorney as to whether a potential client is "legally" within the country for the full due process proceedings that the individual is entitled to receive under our immigration laws.

I should like to ask the floor manager if it is his understanding as it is mine, that this provision which forbids legal assistance to individuals "known" to be in the United States in violation of immigration laws means that the individual legal services attorney must be aware that a final judicial determination as to the client's residency status has been reached and that such a final determination has actually been reached.

Mr. HOLLINGS. That is my understanding as well.

Mr. CRANSTON. I thank the Senator.

Finally, Mr. President, as a member of the Labor and Human Resources Subcommittee on Employment, Poverty, and Migratory Labor, which has jurisdiction over legislation authorizing the legal services program, I believe that it is entirely inappropriate to add a legislative provision such as this to an appropriation bill—without hearings or consideration by the authorizing committee.

Mr. President, the existing Legal Services Corporation Act is a very carefully drafted and balanced measure. The subcommittee began oversight hearings on the program several months ago and has indicated that further oversight hearings will be scheduled. A provision of this magnitude and implications for this program should not be enacted as a rider to an appropriations measure, but should be considered only in the regular legislative process where the merits of such a restriction can be fully and fairly debated.

For all of these reasons, I intend to vote "no" on the conference report on H.R. 4392.

Mr. HOLLINGS. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the conference report was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The second assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $709,011,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 23 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, and title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and other expenses in connection therewith, $442,695,000, to remain available until expended: *Provided*, That $342,695,000 of said amount shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

RESEARCH AND STATISTICS

For research, development, demonstration, statistical and related efforts directed towards the improvement of civil, criminal and juvenile justice systems authorized by the Law Enforcement Assistance Reform Act of 1979, or similar legislation, including salaries and other expenses, in connection therewith, $43,768,000, to remain available until expended: *Provided*, That these funds shall be available only upon enactment of the Law Enforcement Assistance Reform Act of 1979, or similar legislation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

None of the funds made available to the Bureau of the Census under this Act may be expended for prosecution of any person for the failure to return 1978 Agricultural Census forms 78–A40A or 78–A40B, or 78–A40C or 78–A40D, or for the preparation of similar forms for any future agricultural census.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

: and in addition $11,650,000 for disaster loan making activities shall be transferred to this appropriation from the "Disaster Loan Fund" and $5,000,000 for disaster loan servicing, as compensation for 275 temporary or permanent full time employees, shall be transferred to this appropriation from such "Disaster Loan Fund"

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senate concur en bloc in the amendments of the House to the amendments of the Senate numbered 1, 23, 24, 29, and 64.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment in disagreement numbered 26.

The second assistant legislative clerk read as follows:

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill.

Mr. HOLLINGS. Mr. President, I move that the Senate recede from its amendment numbered 26.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the amendments in disagreement were approved.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, once again, I thank my distinguished colleague from Connecticut (Mr. WEICKER) and the chairman of the full committee (Mr. MAGNUSON) for their helpfulness here this afternoon in getting the conference report approved.

Mr. President, at this time, we take for granted so often the outstanding work done by our clerk, Mr. Warren Kane, and his counterpart on the minority side, Burkett van Kirk.

I think in our own State, Justice, Commerce, the Judiciary, and related agencies appropriations bills that we have more individual agencies, Departments, and appropriations than any single appropriations bill, even including defense when we come down to the multiplicity of considerations.

There are approximately 120 individual accounts and we have to keep up with various special allocations, whether it be the Special Trade Representative, SBA, the LEAA, EDA, or all the other different ones that come before us from time to time, such as the international communications, or the disaster loan fund.

It calls for an expertise, Mr. President, that we do not easily find, so we go out and employ someone to oversee and coordinate and keep us, as Senators, informed and acting intelligently on these matters.

I commend particularly Warren Kane on the magnificent job he has done over the years. He is an expert in his own right. There is no more outstanding member of our Appropriations Committee staff. I should have done this long ago, but we take for granted the outstanding job they all do.

I do not want to delay the Senate. I am taking advantage of the leadership's indulgence here at this particular late hour. I am not holding anybody up, but while the majority leader still has us on the floor I wanted to take this opportunity and publicly thank Warren Kane for an outstanding job.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NONALINED NATIONS MEETING IN HAVANA

Mr. HATCH. Mr. President, it is with a sense of surprise that I note the inadequate attention paid by the administration to the movement of nonalined nations in general and their ongoing meeting in Havana in particular. After all it was more than 3 years ago that the member nations of the nonalined movement decided to call their sixth conference in the Cuban capital. The administration has, therefore, no excuse for failing to develop a viable political alternative to the expected aggressive approach of Cuba and the Soviet Union. For since 1968, when Castro announced his full political support for the invasion of Czechoslovakia, Cuba's dependence on the Soviet Union has significantly increased.

Currently the principal forms of Soviet economic help are subsidies directed specifically to bilateral trade deficits, high subsidy prices for Cuban sugar, and concessionary prices for Soviet petroleum products. Moreover, an agreement signed in December 1972, governing Soviet-Cuban economic relations postponed payments of interest and principal on all credits granted to Cuba before January 1973. Soviet credits to cover trade balance deficits for 1973–75 were granted free of interest, with the principal to be repaid also beginning in 1986. Current repayment schedules stretch until 1986.

In the face of such almost total dependence of Cuban internal development on the goodwill assistance of the Soviet Union, it is not surprising that Havana accepted a significant curtailment of its political autonomy by the Soviet Union. This change in Cuban policies obviously engendered a greater degree of convergence with the foreign policy of the Soviet Union. The qualitatively new relationship with the Soviets has helped Cuba to acquire a special role in the nonalined movement.

For what was in the 1960's a lonely and thus desperate attempt to escape the effects of the American embargo has increasingly become the heart of globally oriented Cuban foreign policy, actively supported by the Soviet Union. Moreover, despite its close ties with the Soviet Union, Havana has managed to maintain a degree of relative independence from Moscow in its dealings with Latin American, Asian, and African countries by avoiding any conflict with major Soviet interests and supporting the themes of anticolonialism and progressivism. Thus to claim that Havana does not have a foreign policy of its own and is only a puppet of the Soviet Union would not only be a gross misjudgment of Cuba's international role, both within the Communist ramp and the nonalined movement, but also an eloquent evidence of our political singlemindedness that would inevitably lead to a complete failure of our foreign policy.

To add insult to injury we also failed to recognize that Cuba has an Africa policy of its own that has been appealing to a number of African countries. This policy has been based mainly on the Soviet supported economic and military development of Cuba. Another important factor that encouraged a more direct Cuban involvement in Africa was the post-Vietnam weakness of the United States.

The increasing reluctance of the United States to enforce its policy of isolating Cuba has induced a number of Latin American countries to become more friendly to Havana. As a result of these political, economic, and military factors Cuba engaged with the tacit support of the Soviet Union in military actions in Angola, Ethiopia, Yemen, and most recently in Cambodia. Simultaneously to each military action Havana started to promote an increasingly aggressive ideological campaign of its principal ally, the Soviet Union.

In my opinion this policy is enormously dangerous for two reasons. Primarily this more aggressive foreign policy enjoys the full support of the Soviet Union. Indeed the obvious identity of Cuban and Soviet policies can have a decisive impact on the political posture of many nonalined countries. Such a development can transform the nonalined into a political appendage of the Communist camp. Second, Cuba's new approach represents a global concept of foreign policy, thus making it uniquely attractive for countries with volatile political systems.

How confident the Soviet Union and Cuba are that the time is ripe to bring about radical change in both the leadership and the political direction of this movement, and this confidence becomes crystal clear if one reads the Cuban draft of the communique to be issued at the end of the summit. This document calls for the immediate independence of Puerto Rico, it denounces naval activities in the Indian Ocean by the United States, it blames all of Indochina's recent troubles exclusively on the United States; and it calls for the unification of South and North Korea on Communist terms. Moreover, it condemns the peace treaty between Egypt and Israel and calls for the expulsion of Israel from the international community.

It is significant that this document does not deal with the responsibility of Vietnam for the various explosive situations in Indochina, the Soviet presence in the Indian Ocean, and the demand of moderate countries that the Egypt-Israeli Peace Treaty must be considered as the hardcore of any eventual future solution of the Middle East problem. Even the presence of Soviet combat forces on Cuban soil is openly praised as part of the international solidarity that must exist between the Soviet Union and the nonalined countries.

All this brings to me the conclusion that the Kremlin made the decision to infiltrate the American continent and thus to challenge the United States so close to its strategic boundaries. This unfolding spectacle threatens our society in its very existence. And yet what is the administration doing to counter this dangerous trend. Frankly, I do not see a workable concept that could become an effective response to the joint Cuban-Soviet foreign policy. We do not have a Weltanschauung, a global concept of the world. We do have an African policy. We do not have a convincing approach to deal with the mounting problems in Asia. In the Middle East we almost destroyed the peace process we helped to create. Finally, we still tolerate Soviet expansionism throughout the world without being able to develop a credible alternative to this aggressive policy.

What we do have is an irresponsible Government that is lacking in imagination and markedly singleminded in its foreign policy expectations. Our country is perceived as weak, because the Carter administration is not ready to fight for America's political heritage. Yet the overall political situation requires a national will, determination, and even toughness to overcome this weakness both at home and abroad. This country must free itself from the psuedo-realpolitik of Soviet-American detente that accepts the Marxists conclusion: That the United States and the other Western European democracies have no future.

We are strong and we have the resources to maintain this strength. Moreover we are able to reach out to the oppressed countries of Middle and Eastern Europe who in spite of 35 years of ruthless Soviet oppression still adhere to their own national values. We must develop a sensitivity for the needs of different regions and nations in the actual conduct of our foreign policy. And even that is not nearly enough. We have to impress the fact upon the world that we are strong and ready to use our strength dealing with anybody who dares to question the seriousness of our national will.

BUDGET SHAM

Mr. HATCH. Mr. President, an incisive editorial in this morning's Wall Street Journal illustrates the bankrupt thinking of the congressional budget committees in dealing with our present economic problems and in developing a national security posture. As this editorial points out, the Budget Committee has just pursued "business as usual" in following the same faulty economic thinking that has produced our present recession and accelerating inflation rate of over 13 percent. It has continued to trade off spending on our national security in favor of expanding social programs. And finally, the Budget Committee seems content to accept incredibly high rates of inflation for the next 5 years as if impotent to do anything to bring inflation more under control through its budgetary policies. I commend this editorial to my colleagues and ask unanimous consent to have it included in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUDGET SHAM

With the autumn air comes the second congressional budget resolution for Fiscal Year 1980. But judging from the advance notices, fresh air hasn't penetrated the same old stale stuff. Faced with rising inflation rates, a declining defense posture, rising marginal tax rates and declining economic growth, the budget committees seem primarily occupied with giving the impression that there's more defense spending than is really there and less of every other kind of spending.

In preparation for the coming round, the House Budget Committee's Inflation Task Force has released its "Summary of Recommendations," a report which committee member Rep. Marjorie Holt says "cannot be taken seriously by any member concerned with our national security and the future health of our economy."

And little wonder. The report concludes: "Ultimately, if we don't want high inflation rates, we face the choice of accepting one of these three: (1) higher taxes, (2) high unemployment, (3) reduced defense expenditures." No mention here of reducing nondefense expenditures or cutting tax rates to lessen supply-side disincentives to production.

Objecting to the task force's disregard for the factual record, Mrs. Holt compares 1969 spending levels with the latest OMB estimates for 1979 and comes up with a 10-year growth in national defense spending of 44 percent compared to 359 percent for community and regional development, 335 percent for education, training, employment and social services, 319 percent for health, and 332 percent for income security.

Over in the Senate where the Budget Committee has completed markup of the resolution, money has been added to defense. But committee member Orrin Hatch says it represents no additional real commitment to defense. All the committee is doing is buying the same defense as before. There simply wasn't enough money in the numbers in the first resolution to buy the force structure in the budget. Furthermore, says Senator Hatch, there's no 3 percent annual real growth to meet the NATO pledge in the 5-year projection accompanying the committee's budget resolution. The committee's projection shows only a 2.6 percent real growth in defense outlays by the end of the entire 5-year period, and budget authority in the defense function actually declines 2.3 percent in real terms. As a percentage of GNP the Senate Budget Committee's projection has national defense declining from 5.1 percent in 1980 to 4.3 percent in 1984.

Meanwhile Senator Schweiker (R., Pa.), who intends to offer an amendment prohibiting any real spending growth in the overall 1980 budget, has found a variety of views as to which inflation projection represents no real spending growth. After consulting a number of forecasters, leading economists and former members of the Council of Economic Advisers, Sen. Schweiker's office found that the budget committee had the highest inflation projection, matched only by that of Otto Eckstein whose DRI model is much in use by the Congressional Budget Office.

In the least, says Sen. Schweiker, other forecasters believe we can do much better on the inflation front than the budget committee assumes. And in the worse, the CBO has assumed a higher inflation rate in order to mask real spending increases.

Looking over the budget numbers we see that the Senate Budget Committee has jumped 1980 spending more than $10 billion above the figure in the first budget resolution four months ago. Projected spending in the outyears has jumped even more dramatically, with 1984 outlays $31 billion greater in the second resolution than in the first.

Thus, the "austere budget" claimed on the

basis of the numbers in the first budget resolution last spring evaporated before it could become law. Having convinced themselves that they have fended off the tax revolt with budget sham, the Congress is cranking the spending machine back up with its programs still intact. At some point the deceit is going to catch up with the budget committees.

THE SECOND CONCURRENT BUDGET RESOLUTION FOR FISCAL YEAR 1980

Mr. HATCH. Mr. President, the Senate will be turning its attention in the next few days to the second concurrent budget resolution for fiscal year 1980. A major part of the debate on this resolution will focus on the defense budget and our defense posture in general. In anticipation of that debate, I would commend to the attention of my colleagues an excellent column from the editorial page of this morning's Washington Post entitled "'Dangerous Stockpiles' and Other Weary Theories" written by Dr. Thomas Sowell of UCLA. Dr. Sowell is one of the finest public policy thinkers of our time, most often focusing his attention on the impact of the Government's economic policies on minorities. Dr. Sowell has been a breath of fresh air for the minority community.

This morning, however, Dr. Sowell has focused his attention on the rapidly declining state of our defense posture and the decline in the American will to meet Soviet aggression around the world. He draws the analogy between the weak state of America's defense posture and lack of will before World War II and the weak position America again finds itself in today. Dr. Sowell says:

Wars don't just happen because there hasn't been enough talk, but because one side sees that the other is all talk.

That is what America is today—all talk. And the Soviets know it!

The most important thing the Senate can do in its debate on this budget resolution is recognize the dangerous state into which we have let our defense posture fall. As Dr. Sowell points out, over the past several years the United States has cut in half the proportion of the budget going to defense while the Soviets have built up their defense forces at an unprecedented rate. It is time now to reverse this trend.

Dr. Sowell's article clearly enumerates the issues we face in the coming debate. I ask unanimous consent that it be printed in the RECORD at this point and congratulate Dr. Sowell on a fine piece of work.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"DANGEROUS STOCKPILES" AND OTHER WEARY THEORIES

(By Thomas Sowell)

This month marks the 40th anniversary of the beginning of World War II—the greatest carnage in human history. World War II is more than something to remember for its own sake. It is especially worth reexamining in the shadow of nuclear World War III, from which there might be no one left.

Many of the theories about war and the prevention of war that we hear today pay no attention whatever to facts or to history. We are told that we have to avoid an "arms race" or the stockpiling of dangerous weapons, and that negotiation of differences is the key to peace. It all sounds plausible, but is there any hard evidence that it is true?

The Western democracies all too successfully avoided an arms race in the decade preceding World War II. Britain, France and especially the United States let their military forces dwindle in size and deteriorate into obsolescence, while Germany, Italy and Japan built up enormous, modern military forces. The American army was reduced in size for four consecutive years in the 1930s, and its appropriations were generally cut in half in one year—while Japan was invading Manchuria, Germany was rearming, and Mussolini was preparing to invade Ethiopia. The U.S. Army was only the 16th largest in the world—behind Greece and Portugal.

Never was an arms race so successfully avoided.

Then as now, the implicit assumption behind "arms race" rhetoric has been that one side builds up only because the other side builds up. But Hitler built up his war machine while the West was channeling its resources into social programs, and Japan became a naval power in the Pacific while the United States was sinking its own warships as a contribution to world disarmament. In our own time, the proportion of the federal budget going to defense has been cut in half while the Soviets have built up a larger nuclear arsenal than the world has ever seen.

As for the stockpiling of dangerous weapons, we did so little of that before World War II that in the months after Pearl Harbor we had to use ships, guns and ammunition left over from World War I and even from the Spanish-American War. American soldiers fighting for their lives on Bataan found that most of their mortars and grenades were so old they would not go off. Our stockpile was dangerous only in its ineffectiveness.

The implicit assumption behind the "dangerous stockpile" theory is that somehow it may go off, or cause war, by itself. But no nuclear bomb has ever gone off accidentally; it would be hard to conceal if it did. People still cause wars. Weakness has invited wars far more often than strength, from the fall of the Roman Empire to the fall of Western democracies as Hitler rampaged through Europe in World War II. As our underground missile sites become obsolete sitting ducks for new Soviet missiles, the danger of war increases rather than decreases.

Finally, there is the panacea of negotiations and treaties as the way to prevent war. Plausible as this may seem, the facts just do not support it. The Western democracies were constantly negotiating with their adversaries in the years preceding World War II. The West negotiated away its own advantages and principles, one after the other—and almost negotiated away its survival. The United States was negotiating with the Japanese when they attacked Pearl Harbor.

Wars don't just happen because there hasn't been enough talk, but because one side sees that the other side is all talk.

This is all the more likely when unequal terms are intransigently insisted upon by one side, and the other "realistically" accepts this as a "fact of life" to which it must adjust. Hitler was a master of this tactic, and the Soviets and the Chinese are no slouches either.

There are other ominous parallels between the conditions that produced World War II and conditions today. Perhaps the most important is that the West has lacked the will, even when it has had the power. In the early years of the Nazi regime, the Western nations had overwhelming military superiority. But Hitler shrewdly tested their will, with a gradually escalating series of treaty violations and aggressions. The West's repeated yielding only led to bolder demands and more ruthless actions, until a point was reached where the West was finally forced to resist, even with the odds perilously against it.

The American military superiority in the first two decades after World War II was equally overwhelming. Yet the will has been noticeably declining in recent years, as the United States has backed down in confrontations with petty dictators who have seized our people in Uganda, or our ships on the high seas, or threatened our canal in Panama. We have taken China's insistence on our severing diplomatic relations with Taiwan as a "fact of life" to which we had to adjust.

Part of this has been a war-weariness growing out of Vietnam, just as the West in the 1930s was still war weary from the devastation of World War I. But along with this is the economic reality that military spending competes with spending on programs with more obvious and immediate political payoff. Both then and now, we have treated social experiments as a necessity, and survival as a luxury.

GOVERNMENT ECONOMIC AND ENERGY POLICIES

Mr. HATCH. Mr. President, an editorial in the August 3, 1979, issue of National Review clearly and succinctly explains the problems with the administration's thinking on the energy problem. Far from blaming the present energy problems in the American people's greed, as President Carter does, the editorial finds the cause of the problem in the Government's economic and energy policies. It goes on to point out how the President's present plan to divert a massive proportion of the Nation's capital resources to an uneconomical and inefficient synthetic fuels program will produce only more serious problems in the future, not only for our energy supply, but also for our economy in general. I commend this editorial to my colleagues and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROGRAM NOTES

President Carter believes the U.S. has an energy problem because 1) Americans waste energy, and 2) the U.S. is too dependent on energy imports, thus endangering the dollar and the independence of our foreign policy. The solution he proposes has three main features: mandatory conservation to stop U.S. energy imports from growing, a domestic synthetic fuel program to permit a reduction in future imports, and a new $24-billion transfer program to help the poor pay their energy bills.

The conservation policies consist of quotas holding oil imports to their 1977 level, mandatory temperature restrictions at work places, and standby gasoline rationing. The President already has the first two powers and has ordered the policies into effect. For gasoline rationing, synthetic fuels, and "energy stamps," he needs congressional cooperation.

The President envisions an Energy Security Corporation funded with $88 billion in "windfall profits taxes" on domestic oil producers. This new government enterprise will have vast powers to go with its vast sums. It will decide without considering profitability or price how to invest a sizable chunk of the nation's capital.

The form in which the President's proposals will emerge from Congress is unclear.

The $88-billion synfuel program may turn out to be too big a boondoggle for the Congress to digest. Divvying up such a large program between congressional districts and the various interests takes time. Each political player has an incentive to withhold agreement in hopes of obtaining a larger share. Something like this happened earlier to the "windfall profits tax" when Congress couldn't agree how to spend the revenues it would raise.

Nevertheless, the economic and political implications of the President's program are worthy of more comment than they have received. Looking first at the conservation measures, in imposing oil quotas the President has eliminated an important safety valve. The next time snafus develop in federal energy allocations, the government can't turn to the international market for supplies. This could be more serious than gasoline lines or home-heating-oil shortages. Right now the economy is beginning to slacken, so the quota is not a constraint. But when the economy begins another expansion the quota is likely to abort it for lack of fuel. Conservation is not free; it costs jobs and production.

The temperature restrictions will add sweltering and shivering to the annoyances of the work place, and the value of the production lost from the added stress will exceed the energy "saved." There will be political costs as well, because people's idealism will soon dissolve into discomfort, and they will hold the President responsible. Gasoline rationing is guaranteed to be a political nightmare. If the bureaucrats can't get gasoline allocations right among fifty states, they can't cope with allocations to 110 million motorists. And the price controls are prompting political organization among service station operators and the threat of strikes, thus extending organized unrest into a new sector of the economy.

The synfuel program is much more costly to the economy than even $88 billion suggests. Consider for example the lost production of lower-priced natural energy that is a consequence of diverting oil company revenues to the production of higher-priced government synfuel. Or the cost overruns that will accompany the transformation of the energy industry into government contractors. To put the $88 billion in perspective, in 1978 total expenditures for plant and equipment by the manufacturing sector came to less than $68 billion.

It is a foregone conclusion that any synthetic fuel that results from the massive diversion of the nation's investment capital will be more costly than the OPEC oil it replaces. This puts the oil import quota in a new light. Properly seen, it is a tariff to protect the government's high-cost synfuel from being undersold on the world market.

The President's program would saddle the nation with massive resource commitments that would leave future Presidents with little leeway to shore up Social Security, defense, or the capital stock on which the economy's growth and our standard of living depend.

CRIMINAL CODE REFORM ACT OF 1979 (S. 1722)

Mr. HATCH. Mr. President, I am pleased to be a cosponsor of the Criminal Code Reform Act of 1979. As a cosponsor of a similar effort in 1977, I believe that the time is long overdue for such a comprehensive reform of our Federal Criminal Code. The present legislation is the result of more than 6 years of discussions and negotiations between Senators of widely varying philosophies of criminal jurisprudence. It is the result of more than 13 years of rigorous analysis by many of the most informed participants in the criminal law process—academicians, the bar, business and industry, labor, public interest groups, and law enforcement agencies throughout the country.

BACKGROUND OF CODE

The Criminal Code Reform Act had its genesis in Congress' decision during the 89th Congress to establish the National Commission on Reform of Federal Criminal Laws. The Commission was charged with making a "full and complete study of the statutory and case law of the United States which constitutes the Federal system of criminal justice for the purpose of formulating and recommending to Congress legislation which would improve the Federal system of criminal justice." In addition, it was empowered to "make recommendations for the revision and recodification of the criminal laws of the United States."

The Commission, popularly known as the Brown Commission—its Chairman being former California Gov. Edmund G. Brown—produced a working draft of a new Federal Criminal Code in 1970, 1 year before submitting its final report to Congress, recommending comprehensive reforms of the Criminal Code.

In doing so, the Commission observed that the code had undergone only three revisions since the first Federal criminal statute had been approved in 1790. In 1866, Congress authorized the appointment of a Commission to consolidate in convenient, workable form the entire body of Federal statutory law. This effort culminated in the revised statutes of 1877 which organized this law, including its penal provisions, in a far more rational and accessible manner. A subsequent reform effort in 1909, limited to the criminal statutes, sought to perfect the form of these laws in addition to reorganizing them along more useful lines. Finally in 1948, following a period of great development of the Nation's criminal laws, a third code effort culminated in the consolidation of these laws in title 18 of the United States Code, entitled "Crimes and Criminal Procedure." These provisions remain in effect today.

Legislation incorporating the recommendations of the Brown commission was first introduced during the 93d Congress by Senators John McClellan and Roman Hruska, and by Representative Edward Hutchinson. Comprehensive code reform initiatives have been introduced in every subsequent Congress, generally containing modest technical and substantive changes. In 1977, the Senate Judiciary Committee and the full Senate approved a bill, S. 1437, legislation which sought to reform the Criminal Code while eliminating some of the most persistent and divisive areas of controversy. Despite being approved overwhelmingly by this body, similar efforts faltered in a House Judiciary Subcommittee. Given a new commitment to code reform by the leadership of that subcommittee this year, the prospects for a serious revision of our Nation's penal statutes appear to be a realistic prospect for the present Congress.

NEED FOR A CODE

Why the compelling need for a comprehensive Criminal Code reform? There are a number of answers to this:

First, the present body of Federal criminal law is beset by entirely too many provisions of a clearly archaic or obsolescent character. These include such statutes as those prohibiting piracy under the commission of a foreign prince, writing checks for debts of less than $1, and interfering with the flight of Government carrier pigeons. Many statutes along these lines have been eliminated, thereby reducing the sheer volume and bulk of the criminal law.

Second, there are entirely too many gaps in the present statutory law, instances in which Congress has totally deferred to the judiciary in the development of the law. As one who has been extremely concerned about an activist judiciary, one which increasingly has come to make law as well as interpret it, I believe that the code makes a major contribution in this area. Many areas of white-collar crime, for example, have been left to the courts in this manner, such as the issue of corporate liability for the actions of its agents. There are also clear gaps in the law in areas in which there is no opportunity for judicial involvement. There are no Federal bank extortion laws, while the arsenal of anti-racketeering laws is inadequate. Some would suggest also the need for new laws to combat sophisticated crimes conducted by computers.

Third, it is often difficult to locate and identify present law. While most of the Nation's criminal laws are concentrated in title 18, there are criminal laws scattered throughout the entire United States Code. There is simply not the notice provided by such an arrangement of penal laws that a fair Criminal Code must provide. In so serious a matter, it is essential that the law—the entirety of the law—is easily and readily accessible to those who would pursue it.

Fourth, partially as a result of this disorganization, the code is frequently inconsistent and inequitable. The penalty, for example, for making false statements to a Federal agency may vary from an infraction to 5-year imprisonment, depending upon which of various statutes is relied upon for prosecution. To this extent, the criminal laws are arbitrary and subject to the sort of abuse that a nation of laws cannot tolerate.

Fifth, apart from the surface inconsistencies in the statutes, there are also deeper, more disturbing inconsistencies that are reflected in the criminal sentencing process. The past several decades have witnessed a movement toward increasing individualization of criminal sentencing, with great discretion provided the courts and the parole authorities. While not an entirely objectionable trend, it has had the effect of insuring that relatively equally situated persons, having committed relatively equal crimes, may frequently be subject to widely disparate terms of imprisonment or nonimprisonment. This has had, and can have no other effect, than to engender increased resentment of the

criminal law among those who believe that they are being treated inequitably. A major reform in the Criminal Code Reform Act is the establishment of a program of determinate sentencing to be administered through judicial sentencing guidelines.

Sixth, the present body of criminal law is beset by excessive numbers of duplicative and overlapping provisions. These not only make for an unaesthetic Criminal Code, but afford too many opportunities for arbitrariness on the part of the Government. There are approximately 70 separate theft statutes, 80 separate forgery statutes, 50 false statement statutes, and 70 arson statutes. There is no need for this sort of statutory array, and the proposed Criminal Code reform would consolidate these into no more than a small handful of separate offenses.

Seventh, one of the primary reasons for the proliferation of essentially similar offenses is that the current law generally defines the substantive criminal offense in terms of its jurisdictional base. The question of Federal jurisdiction is a definitional element of each offense. As a result, the code becomes more complex and prosecutions under the code become more complex. The proposed code reform would separate the jurisdictional elements from the elements of the substantive offense. There are benefits for the accused from this reform to the extent that he will no longer be subject to multiple counts or charges springing from what is essentially a single transaction. Under current law, the robbery of a Federal credit union located on Federal property would violate three distinct provisions of the criminal code, each of which differ slightly in terms of the description of the criminal offense, the nexus of Federal jurisdiction, and the penalties. Under the code reform, the robbery would represent a single offense, with three potential bases for the assertion of Federal jurisdiction.

Eighth, another of the aspects of the present code which contributes mightily to its complexity and confusion is the treatment of culpable states of mind. The Brown Commission identified at least 78 different terms in the present law used to describe the mental elements comprising an offense. These range from "knowingly" and "willfull" to "knowingly and willfully," "improperly," "feloniously," and "maliciously." Further, most of these terms have been interpreted by the courts in widely varying, and often contradictory, manners. The code reform would reduce this incomprehensible assortment of terms to simply four—"intentional," "knowing," "reckless," and "negligent"—each of which would be defined in a coherent and consistent manner. For the first time, a discernible, consistent pattern would be reflected in the state of mind required for a Federal offense.

Ninth, the present organization of title 18 is a haphazard one, based more upon alphabetical imperatives than upon any sounder, more rational element. Like laws ought to be classified in a like manner, together and unalike laws ought to be separated by sections, chapters, titles, subtitles, or some other rudimentary form of demarcation. The code reform effort would achieve this.

Mr. President, I believe that the present code reform measure, by remedying these difficulties to a substantial extent, can work to enhance popular respect for the criminal law. It will reduce the opportunities for criminal justice determinations to be influenced by whim, arbitrariness, technicalities, and irrationality. The code is far from a panacea—by itself, it can have a limited effect in reducing the intolerably high levels of crime, particularly violent crime, in this country—but it can make a substantial contribution toward insuring a more conducive atmosphere within which the criminal justice process can operate. Dean Pound recognized four primary factors that influenced the quality of justice—personnel, administration, procedure, and substantive law. The Criminal Code is aimed largely at the final element.

PROVISIONS OF CODE

The proposed code is part recodification and part revision. By far the greatest part is the former. I would estimate that at least 90 percent of the code is intended to perpetuate the present state of the law. To this extent, the Criminal Code is not an ideological measure; it is not a conservative code and it is not a liberal code; it is a neutral, technical revision of a body of law that has gradually fallen in disarray as a result of both the rapid proliferation of new criminal laws and congressional carelessness. In attempting to impose a measure of uniformity upon the code—uniformity with respect to culpability, jurisdiction, penalties, and elements of offenses—it has been necessary sometime to effect slight, sometimes inadvertent, changes in a wide variety of areas of the present law. The long-term benefits of uniformity far outweigh, in my mind, the occasional disruptions that I anticipate may result from this process.

That part of the code reform intended to represent change from the present law has been handled with great care and with great sensitivity to the interests of all participants in the code effort. Most of the change reflects a broad-based consensus that the law was in need of modification; while there are remaining elements of controversy, most of these have gradually been culled from the code reform. In the great preponderance of cases where there was significant, or irresoluble controversy, the code has attempted to maintain the status quo as faithfully as possible.

No one, including myself, is unanimously approving of the provisions that remain in the code. It is simply too large an undertaking to reasonably expect that. There are a number of provisions that I would just as soon not see in a Criminal Code, as well as other provisions that are not included here, but that I wish were. I would hope that my colleagues bear this reality in mind when they consider it. There are few pieces of legislation that are more far-reaching than the Criminal Code. And there are few pieces of legislation that deal with more emotionally volatile issues than does the Criminal Code. In considering and debating the code, these realities must be carefully borne in mind. The Criminal Code Reform Act will not be a perfect bill from any single Members' point of view, but, I would hope, will be recognized by each of them as a substantial contribution in improving our criminal justice system.

I would very briefly like to review the overall structure of the act, and summarize some of the general provisions and principles that underlie it.

The bill is divided into five parts, each of which is further subdivided into chapters, subchapters, and sections. Part I sets forth the general provisions and principles that are the foundations of the code reform. Chapter 1 sets forth the general purpose of the Criminal Code. "Defining and providing notice of conduct that indefensibly causes or threatens harm to those individuals or public interests for which Federal protection, through the criminal justice system is appropriate"—the objectives of punishment under the code, and general principles of criminal liability.

Chapter 1 lists and defines more than 100 terms that are used in the code as part of the effort to impose more uniform and more equitable meanings upon the provisions of the criminal law. It also states the general principle of construction to be used in construing the meaning of the code—

> Shall be construed in accordance with the fair import of their terms to effectuate the general purposes of this title particularly to ensure definition and notice of the conduct prohibited in accordance with the rule of strict construction.

Chapter 2 of part I, one of the most critical parts of the code, establishes the various bases of Federal criminal jurisdiction. Unlike present law, the jurisdictional element is specifically excluded as an element of the offense, although, as with the elements of the offense, it must be proved on the basis of the "reasonable doubt" standard. Each individual offense instead contains a description of that conduct constituting the offense, with a separate jurisdictional statement indicating under what circumstances that conduct would be punishable as a Federal offense. As noted earlier, this organization will reduce substantially the bulk of the criminal law, reduce the number of essentially duplicative provisions, eliminate opportunities for multiple counts predicated upon single transactions, and reduce the complexity of both the code and of criminal prosecutions under the code.

All Federal jurisdiction is defined as being either "general," "special," or "extraterritorial." Offenses must be committed within one of these three geographical areas in order to be within the scope of the code. "General" jurisdiction is that which attaches simply because an offense is committed within the borders of the United States. "Special" jurisdiction is that which attaches within certain types of Federal enclaves, such as Indian reservations. "Extraterritorial"

jurisdiction is that attaching to certain actions committed outside the United States yet which impinge substantially upon the interests of the country, including violence committed against U.S. officials, treason, sabotage, and counterfeiting.

One of the most substantial changes in the present act from S. 1437 during the 95th Congress is section 205 which states the circumstances under which the United States is to exercise jurisdiction held concurrently with the States. It enumerates a number of factors that are to be considered by the Federal agency prior to exercising their jurisdiction. Each of these is designed to insure that some compelling and genuinely Federal interest exists in a case prior to the involvement of the Federal agency. The exercise of such jurisdiction would generally not be preemptive of State or local jurisdiction, unless expressly provided.

There is no general concept of "piggyback" or ancillary jurisdiction in the Federal Government provided by the code. Such jurisdiction, if conferred generally would extend the Federal Government into areas far beyond its proper purview; such jurisdiction is conferred, cautiously, on an offense-by-offense basis.

Chapter 3, as earlier observed, consolidates the various "states of mind" scattered throughout the code into four well defined terms. They are "intentional," "knowing," "reckless," and "negligent." Where there is no standard of culpability expressly stated within a provision, the particular state of mind that must be proved is presumed to be "knowing," for the conduct itself; "reckless," with respect to the existing circumstances; and "reckless," with respect to the results of an act.

Chapter 4 discusses complicity liability, setting forth the circumstances under which coconspirators, aiders, and abettors are responsible for the conduct of another person. Individuals having criminal liability in such a role may be treated as a principal for the purposes of the code. The chapter also describes the conditions under which an organization is to be treated as responsible for the actions of its agents, and an agent liable for the acts of an organization.

Finally, chapter 5, choosing to avoid one of the most controversial areas of the original code proposal, has left the development of most defenses and bars to prosecution to the courts. These include the issue of the insanity defense—one which I would like to reform substantially—mistake of fact or law, intoxication, duress, and entrapment. Except for the offense of murder, juveniles, under age 16, can be tried only as juvenile delinquents pursuant to part III of the code.

Part II of the Criminal Code, the heart of the bill, establishes each of the substantive offenses to be covered by the Federal criminal sanction. Each one of its nine chapters groups similar classes of offenses, including offenses involving national defense, international affairs, Government processes, taxation, individual rights, the person, property, and the general public welfare. In addition, there is a Federal attempt statute of general application, as well as criminal conspiracy and solicitation statutes which attempt to reflect current law. I will later discuss briefly some of the major substantive changes that distinguish the present proposal from S. 1437.

Part III of the code contains the sentencing provisions. The major reforms proposed include the adoption of a sentencing guideline system and a lessened reliance upon indeterminate sentencing practices. The act creates a Sentencing Commission that would establish guidelines to govern the imposition of sentences for all code offenses. While a judge could continue to impose sentences outside the range of sentences recommended by the guidelines, subject to the limits placed in the statute itself, he would have to explain his reason for doing so in writing. Appellate review of sentences would be available to offenders if the actual sentence exceeded the guidelines, and available to the government if the actual sentence was below the guidelines.

In addition, the court would be empowered to specify that portion of an offender's term during which he would be ineligible for parole. Thus, it would be the sentencing court, not the parole officers, who would determine how much time, in fact, an offender served in prison as a result of his offense. There would be no more gamesmanship in which courts, attempting to anticipate the actions of the parole officers, sentenced individuals to far longer sentences than actually deserved in the hope that the actions of the Parole Commission would shorten them to the most appropriate length. The U.S. Parole Commission is phased out of existence by the Criminal Code Reform Act.

Various sentences, other than imprisonment, remain available to the court, including monetary fines, restitution, probation with conditions, and criminal property forfeiture.

Part IV consolidates and clarifies a number of procedural points, most of which are contained in title 18. These include extradition procedures, Federal court jurisdiction and venue, civil commitment procedures, juvenile hearings, pretrial and trial procedure, and post-sentence administration. There is no substantial change in the existing law.

Part V relates to certain ancillary public civil proceedings, such as civil forfeiture proceedings. There is also created a victim compensation fund from collected fines to assist in the recovery of victims of violent Federal crimes.

Title II of the bill contains several amendments to the Federal rules of criminal procedure, mostly of a technical or conforming variety. Title III makes several substantive changes in title 28 of the United States Code relating to the organization of the Federal Bureau of Prisons, the Victim Compensation Board, and the Sentencing Commission. Title IV contains several general provisions relating to severability and effective date. Title V contains various technical and conforming amendments.

NEW PROVISIONS OF CODE

The Criminal Code Reform Act of 1979 is similar to S. 1437 as passed by the Senate during the 95th Congress, but there are some differences. Most of these differences, I believe, make the act a better piece of legislation. Many of these changes are in response to some of the legitimate concerns of the business community, a group which was somewhat late in offering their input to S. 1437. I would like to briefly highlight a few of the key changes that have been incorporated in this year's act:

Federal jurisdiction.—A new section 205 has been added enumerating the factors that must be considered by the Federal Government in determining whether or not to exercise jurisdiction held concurrently with the States.

Nontitle 18 offenses.—Title VI of S. 1437, relating to nontitle 18 offenses, has been stricken from the bill. Thus, these offenses will continue to be applied without respect to the culpability terms and other provisions of the new code.

Reckless failure to supervise.—Section 403(c) relating to the reckless failure of an agent to supervise the conduct of an organization has been deleted, while section 403(b) relating to the omission of an agent to perform a duty of his organization has been substantially modified. Both original provisions were vague and imposed unclear burdens upon agents of business enterprises.

Consumer fraud and Federal Government.—The jurisdiction for the new "consumer fraud" offense has been substantially narrowed with respect to the Federal Government. The offense has been basically limited to violations occurring on Federal enclaves.

Parole Commission.—The U.S. Parole Commission has been abolished. With the virtual elimination of parole, there was felt to be no need to perpetuate the existence of this agency.

Employment of offenders.—The Federal Government has been given slightly more flexibility to consider the fact of previous criminal convictions in determining whether or not to hire an individual, section 4032.

Victim's compensation fund.—The Attorney General is authorized, to the extent practicable, to institute against criminal offenders actions to recover amounts of money disbursed from the victim's compensation fund with respect to offenses committed by that offender, section 4114.

Tax evasion.—The substance of the section 1401 tax evasion offense has been redefined to insure that it is evasion of the "tax" rather than evasion of a "tax liability" that is the crux of the offense. The latter term was considered ambiguous by many, and too reminiscent of IRS Commissioner Kurtz's effort to require taxpayers to "red flag" their questionable deductions.

Penalties.—Additional elements of due process have been added to some of the new penalties borrowed from the civil law, such as restitution and double fines. Unless the amounts in question are relatively easily determinable, they are not

to be imposed under the act. Double fines, certain conditions of probation such as the prohibition against an organization engaging in a particular business, and civil treble damages against fraud offenders, have been completely deleted from the bill.

Securities offenses.—The present law has been tracked in the area of securities violations, section 1761.

Recklessness.—The term has been redefined in section 302(c) to clarify that it involves a "substantial" risk.

Solicitation.—The number of offenses to which the solicitation offense, section 1004, is inapplicable, has been expanded somewhat.

Interstate commerce.—The term "facility in interstate commerce" has replaced the term "facility of interstate commerce" throughout the code.

Reckless endangerment.—Section 1617 has been limited to cases in which individuals are actually placed in danger of imminent death or serious bodily injury. Ancillary jurisdiction applied to nontitle 18 offenses is limited to statutes designed to protect the public health or safety.

False statements.—A "knowing" state of mind is now required with respect to the falsity of statements covered by sections 1341, perjury; 1342, false swearing; and 1343 false statements. 1343(a)(1)(C), omitting a material fact in a written statement on a Government matter, has been limited to an application for a benefit, or other document filed or required to be filed by a statute or regulation.

Revealing private information.—The affirmative defense in section 1525 based upon the Privacy Act and the Freedom of Information Act has been deleted.

Mail and wire fraud.—Section 1734's extraterritorial application has been limited to cases in which there is a "substantial" Federal interest.

Bribery.—The extraterritorial application of section 1751, commercial bribery, has been limited to instances in which there is a "substantial" Federal interest. There are also clarifying provisions to insure that section is not overly broad.

Ancillary jurisdiction.—Certain offenses such as criminal trespass, section 1713, have been eliminated as a basis for ancillary Federal jurisdiction. See also section 1701(c)(10).

Safety officer.—The separate offense in section 1842 of S. 1437 of failing to obey a public safety officer has been deleted.

Treatment of principle.—Section 404(a) has been modified to eliminate language that organizational defendants under sections 402 and 403 could be charged, tried, and punished as defendants.

Good time.—In order to better preserve prison discipline, section 3624 has been amended to provide for the accumulation of "good time" on a year-to-year basis rather than a month-to-month basis.

Order of notice.—Limits application of section 2005 order of notice requirement to fraud offenses for both individuals and organizations, provides for appellate review of such a requirement, and introduces a cost benefit element into determining the appropriateness of such a sanction.

Refusing to provide information.—Requires court, rather than agency, enforcement of many types of agency subpenas for information.

Security interest.—Requires, as an element of section 1736 that there be an intent to interfere with a security interest, rather than simply an inadvertent interference.

Comments by judges.—Strikes section 105 of S. 1437 prohibiting Federal judges from giving opinions as to whether or not facts have been sufficiently or fully proven.

In addition, several matters of importance such as the question of bail reform, or "pretrial detention" have been left open for full committee consideration which is to begin with a hearing on September 11. The issue of capital punishment will be taken up separately by the full Judiciary Committee later in the session.

CONCLUSION

Mr. President, I would urge my colleagues to take a close look at the Criminal Code reform effort. As Prof. Louis B. Schwartz, the Director of the National Commission on Reform of Federal Criminal Laws, has noted:

> Reform of the Federal criminal law is a project of awesome scope and complexity, entailing not merely legal considerations, but also sensitivity to history, politics, social psychology, penology, and the religious, economic, and ethnic tensions within this Nation.

This Criminal Code, if passed, will not only reflect the development of criminal jurisprudence in this country, but it will influence greatly its future development. To that extent, it will influence the entire structure and fabric of our society. Thus, it is critical that this effort be a broadly based consensus effort, not one dependent upon the achievement of any transient political majority. The Senate bill represents such an accomplishment, in my opinion.

I ask unanimous consent to have printed in the RECORD the structure of organization of the Criminal Code Reform Act.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1722

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Code Reform Act of 1979".

TITLE I—CODIFICATION, REVISION, AND REFORM OF TITLE 18

SEC. 101. Title 18 of the United States Code, which may be cited as "18 U.S.C. § ——" or as "Federal Criminal Code § ——", is amended to read as follows:

"TITLE 18—CRIMINAL CODE

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"Chapter 41—ANCILLARY PRIVATE CIVIL REMEDIES

"Subchapter A—Private Actions for Damages

"Sec.
"4101. Civil Action against a Racketeering Offender.
"4102. Civil Action against a Fraud Offender.
"4103. Civil Action against an Eavesdropping Offender.

"Subchapter B—Actions for Compensation of Victims of Crime

"Sec.
"4111. Establishment of a Victim Compensation Fund.
"4112. Claim for Compensation.
"4113. Limitation on Compensation.
"4114. Subrogation.
"4115. Definitions for Subchapter B.

FEDERAL CRIMINAL CODE REFORM LEGISLATION

Mr. THURMOND. Mr. President, on Friday, September 7, 1979, I joined in the introduction of S. 1722, to codify, revise, and reform our Federal criminal laws. This is just another step in the long, painstaking process of perhaps achieving the enactment of the Federal criminal code in the 96th Congress.

As a principal cosponsor of this legislation, I want to commend the distinguished chairman of the Judiciary Committee, Senator KENNEDY, for his efforts in once again bringing criminal code reform legislation before the Senate for its consideration.

Mr. President, as my colleagues will recall, similar legislation was passed by the Senate in January of last year, but failed to gain enactment because of the brief time left in the 95th Congress for the House to act. The prospects this year are brighter, however, since the Criminal Justice Subcommittee of the House Judiciary Committee has made considerable progress in an effort to make criminal code reform a reality. But, if there is any real hope of enacting this monumental legislation, in my opinion, it must be accomplished in this Congress and to the extent possible, using the Senate bill as the vehicle.

BACKGROUND OF CODE EFFORT

The Congress, in 1966, created the National Commission on Reform of Federal Criminal Laws, which later became referred to as the Brown Commission, after its distinguished chairman, former Gov. Edmund E. Brown of California. The Commission labored for nearly 3 years and on January 7, 1971, submitted its recommendations to the Congress. Then, throughout the 92d, 93d, and 94th Congresses, the Judiciary Committee studied and analyzed all aspects of this legislation. Hundreds of witnesses testified and commented on its many provisions which is reflected in a hearing record totaling more than 8,500 pages in 15 volumes.

Mr. President, the previous work of the committee has been improved upon in a slow, but evolutionary process. Every provision of this legislation has been subject to the most intense scrutiny. The committee held numerous markup sessions in the last Congress and Senators spent 8 days considering this measure on the Senate floor. Both liberal and conservative amendments have been offered to the bill. Some have been adopted. Some have been rejected. Others have been worked out in a spirit of compromise. This has been the process throughout the consideration of this legislation in the Senate.

This legislation is a careful balance between liberal and conservative points of view. There are certain provisions of this legislation that I would probably not support if considered on their merits independently of this reform measure. There are certain provisions that I am sure Senator KENNEDY would not support under separate circumstances. But the only way a bill of this kind is going to reach enactment is for certain differences to be set aside, and the reform effort pursued in a sense of bipartisanship and common purpose.

BASIC FEATURES OF LEGISLATION

The overall purpose of the bill is to revise, update and consolidate the existing Federal criminal laws which are spread throughout all 50 titles of the United States Code. All Federal felonies, many of which are now outside title 18, will be integrated into the new code. Obsolete or unusable sections of the existing law are eliminated or updated.

The proposed code legislation provides an integrated system of terms and general provisions. Terms in the bill are defined clearly and reduced in number. Every effort has been made to draft offenses simply, precisely, and in common English.

In addition, the question of what criminal behavior triggers Federal jurisdiction is completely separated from what is criminal conduct. Thus, instead of approximately 70 different theft offenses under current law, each with its own jurisdictional base, there is only a single section of theft that lists only 32 different bases for Federal jurisdiction. Every effort has been made throughout the legislation to limit the criminal jurisdiction of the Federal Government to specific areas consistent with the U.S. Constitution and traditions of federalism. A number of changes in this bill have been made since the Senate last considered this legislation that more sharply curtail Federal intrusion into matters best left to the States.

As a Senator who opposes the growth of the Federal Government into the activities of our daily lives, I have been most sensitive to efforts to limit Federal jurisdiction as much as possible. The bill introduced contains a new section, section 205, that more carefully defines the limits of Federal jurisdiction vis-a-vis State jurisdiction. The showing of a substantial Federal interest is always required where Federal jurisdiction is not plainly indicated in the offense.

Also in the area of jurisdiction, nontitle 18 offenses and regulatory offenses outside the main body of the code will be determined by the courts as under current law. This is to prevent an unnecessarily broad reach of Federal prosecutorial jurisdiction into areas that are regulatory in nature and not major criminal offenses.

Major improvements, Mr. President, have been made in a number of areas of concern to America's business community. In addition to the Federal jurisdiction questions, the business community expressed concern about "culpability" definitions in the bill, regulatory offenses, fine levels, securities offenses, order of notice provision, a restitution provision, alternative fines and other offenses that could potentially affect American businessmen. Most of the problems raised about these matters were resolved prior to introduction. Although some issues are still outstanding, this bill is substantially improved in these areas over the bill considered in the Senate last year. I am confident that during the hearings on this measure in the Judiciary Committee, further amendments and modifications will be made to meet the objections of the business and corporate community.

Mr. President, this legislation has come about as the cumulative product of nearly 12 years of study and examination. It reflects the advice and counsel of hundreds of concerned people—academicians, lawyers, judges, legislators and private citizens of every political persuasion and point of view. It is not a haphazard attempt to pass more Federal laws. It has a solid, underlying foundation on which to rest. In addition to the Senators now sharing the work on this measure today, there are the efforts of the late Senator McClellan and Hart, as well as former Senators Ervin and Hruska, who have served with me on the Judiciary Committee. Their efforts are embodied in this measure. It represents the labors of all these men and their staffs over a period of many years.

The Senate bill has the unqualified support of the Department of Justice. This support is important, in my opinion, for it is the lawyers and prosecutors of the Justice Department who are responsible for enforcing the Federal laws. My continued support, however, for this legislation will depend in large part on the manner in which the Justice Department approves or disapproves of changes in the bill and the resolution of different House and Senate bills.

I believe the Senate bill is a sound one and needs only a few changes in order to gain the support of the full Senate. I will work hard in committee to accommodate some changes without doing violence to the overall form and style of this bill. It is a good bill and should be approved in due time by the Judiciary Committee and the Senate.

THE RESERVE COMPONENTS

Mr. THURMOND. Mr. President, our Nation's support of our military Reserve components is vital to our national security. America's employer and industry support of our Reserve components, backed by Congress and the administration, is essential, if we are to achieve a viable defense team. This is imperative with or without a draft of the Reserve components.

Mr. President, many employers have signed the statement of support for the Guard and Reserve, which has been developed by the National Committee for Employer Support of the Guard and Reserve. September has been designated by the committee to recognize more than 350,000 employers who have signed the statement. Although this represents almost 60 percent of the work force, there are still many employers, particularly the smaller ones, whose support is needed in order to assure the readiness of our volunteer citizen-military units.

The Honorable James M. Roche, former chairman of the board and chief executive officer of General Motors, has served as national chairman since the committee was formed in 1972. His article entitled, "Employer Support of the Guard and Reserve," appearing in the July–August, 1979, issue of the Defense Management Journal should be of special interest to my distinguished colleagues and all employers in our country. I urge Members of Congress and all employers to back the objectives of the National Committee for Employer Support of the Guard and Reserve.

Mr. President, I ask unanimous consent that the Defense Management Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EMPLOYER SUPPORT OF THE GUARD AND RESERVE

(By James M. Roche)

The debate over the need to reinstitute some form of obligatory military service for young Americans is beginning to stir in the halls of Congress and the Pentagon. Some say resurrection of the draft is the only way to ensure an adequately manned force for the security and defense of our country; others contend that only registration of service-age individuals is needed in order to cope with any emergency. Yet another group claims that the fairest and most efficient system is the presently configured all-volunteer force.

No one can disagree, however, that a deviation from the all-volunteer force, to whatever degree, would be a long and difficult road to traverse. No doubt the debate will be at least as prolonged and vociferous as the one that preceded the institution of the present system. Meanwhile, this nation's defense needs continue, as does the requirement to acquire and retain sufficient manpower to meet those needs.

Hardest hit by the suspension of the draft are the Army Reserve and National Guard which are experiencing serious manpower shortfalls. Considering that under the all-volunteer total-force policy, the reserve components have been assigned more critical missions than at any other time in recent history, this situation is specially worrisome. Thus, before it can become critical, measures must be taken to alleviate the shortages in case selective-service registration is not reinstituted.

BLUEPRINT FOR SUPPORT

In 1972, the Department of Defense, recognizing the need for public and private support of the all-volunteer total-force policy, formed the National Committee for Employer Support of the Guard and Reserve. As a result of this initiative, unpaid, influential volunteers have spent much time over the years persuading employers to support their employees who are members of the reserve components. So far, there has been considerable success as 350,000 employers have signed statements of support for the National Guard and Ready Reserve. In all, this covers about 60 percent of the American work force or about 54 million workers. Nonetheless, there is still a long way to go, not only in engaging the support of business executives but in securing the support of intermediate levels of management as well.

In an effort to gain the understanding and support of small-business employers and immediate supervisors of guardsmen and reservists, the program was expanded recently when state committees for employer support were formed. There is one located in each state and in Washington, DC, Puerto Rico, and the Virgin Islands. Each is headed by a group of prominent local businessmen and includes members of each of the reserve components located in the state and civilians selected by the state and national chairmen.

The primary theme of selling point used thus far to convince employers of the importance of their support is the critical role of the Guard and Reserve now that the Selective Service System is inoperative. Recent discussions with supportive employers revealed that employees are not sole benefactors in this partnership. The employer has much to gain from the training and skills acquired by employees during their military service.

Last fall an executive of the San Diego Gas and Electric Company expressed precisely this sentiment when he stated that his best employees are reservists. He explained that his reservist employees generally are better skilled in their trade, recognize when decisions are required and make them in a timely and logical fashion, assume responsibility without prodding, are thoroughly organized, and are adept at managing money, property, and people. He added that they know how to issue and follow orders and how to get along well with their co-workers. He attributed many of these positive qualities to the training and experience the employees had gained as members of National Guard and Reserve components.

A CHANGE OF UNIFORM

Executives of two divergent Colorado organizations were interviewed recently concerning their attitudes toward reservists employees. Lakewood, Colorado's law enforcement agency employs 195 people; 14 are members of local Guard and Reserve units and several others are considering joining. Because summer months are popular periods for vacations and for two-week, active-duty reserve training, the department's manpower situation during these months is a major concern. However, reserve units and department managers have worked together to resolve conflicts so that everyone has a chance to participate while ensuring adequate police protection for the city. Lakewood Mayor Chuck Whitelock stated, "I fully support the Guard and Reserve members. Their contributions to the city are recognized and very much appreciated. The time we give them is a very small price when compared to what the city gets back."

At the Denver headquarters of Gates Rubber Company, there are 28 reservists employed, 14 of whom belong to the same unit. Further, there are some 300 other reservists at Gates plants scattered throughout the country. A Gates personnel manager recently said, "It would not surprise me to find that our Guard and Reserve employees have a different outlook on their job from other employees. Take an enlisted reservist, for instance—a noncommissioned officer. He receives management training in the military which he can apply to his job here. Even if he is not in a management position with us, he understands the problems better and his attitude rubs off on other employees."

Both organizations provide more support for their reservist employees than the law requires. Lakewood police employees receive

their normal pay while on reserve duty; Gates Rubber Company makes up the difference between the military pay and the civilian pay. Although the law does not require any civilian reimbursement for the reservists' time on active duty, many firms are doing so as a demonstration of their encouragement and support. It is a policy the National Committee for Employer Support of the Guard and Reserve would like to see adopted by all employers.

State committees for employer support are learning that communication within organizations can be crucial to reservist employees. Top-level managers understand the program and sign statements of support, but the policy may not be transmitted to lower levels where schedules must be rearranged and substitutes found.

Such a problem does not exist at Lakewood's police department or at Gates. Charlie Johnston, a police captain and reserve major, says, "The department goes a long way in making the reserves an attractive part-time occupation. You could walk up to any person in this building and ask about our Guard and Reserve policies and get an answer. Everybody knows!" The same is true at Gates, where company policies are frequently published in newsletters sent to supervisors at every plant location. When necessary, these newsletters carry specific instructions for supervisors of reserve employees.

Several months ago, the Massachusetts state committee contacted the Raytheon Corporation about its continuing support. The company was so enthusiastic that it initiated a program to guarantee employee awareness of company policy about Guard and Reserve participation. It published articles in its house publication, reissued written guidance to every first-line supervisor, and displayed posters showing a group of employees in their military uniforms with the caption, *We lead two lives*. Company management even went so far as to invite military representatives to set up booths in its cafeterias so employees could obtain information about reserve programs.

SPREADING THE WORD

These are just a few examples of outstanding employer support. Many companies actually do more than the law requires. But there are also those who do not adhere to the requirements of the law. Some do not even know the law exists, as demonstrated by the cases handled by the national committee's ombudsman.

Most of these cases are mitigated when employer obligations such as granting military leave exclusive of earned vacation and offering equal promotion opportunities are explained. Some employers are surprised to learn that first-line supervisors are either unaware of, or simply ignore, supportive policies. Once the facts of the situation are explained to the supervisors, the reservist's problems in meeting his military obligations generally cease.

However, it is not always the employer who causes the problems. Sometimes the reservist employee is at fault for failing to notify the employer of training dates in advance, not submitting necessary paperwork, or taking advantage of the situation by fraudulently claiming military duty.

The ombudsman enjoys an extremely good track record at resolving these misunderstandings and disputes. Those which are not handled successfully by the committee are referred to the Department of Labor for investigation and possible legal action.

The ombudsman's caseload has decreased since the committee's inception, but his mission will not be complete until all employers lend their support. The National Committee for Employer Support of the Guard and Reserve continues to seek this understanding and support through exhibits, public-service advertising, liaison with business and professional associations, and personal contacts. Yet the burden cannot and should not be borne solely by a small committee; instead, the effort should be the cooperative venture of every individual involved at every level of command in the active and reserve components.

One program that all guardmen and reservists can help promote is National Employer Appreciation Month, which is being sponsored by the National Committee for Employer Support of the Guard and Reserve in September. This effort will emphasize the need for employer support by thanking already-supportive employers and reminding them of the continuing need for their assistance, and by acquiring additional understanding and support from the public and from employers who are unaware of the program.

Reserve units and individuals can contribute to the effort by inviting employers to open houses or training assemblies, by sending them letters of thanks, and by presenting them certificates of appreciation recognizing their special efforts to assist units and individuals. The possibilities are limited only by one's imagination. Moreover, the nature of participation need not be elaborate or expensive.

Gaining the support of employers cannot be overlooked or taken for granted. Certainly, employer support of the Guard and Reserve should be viewed as an increasingly vital facet of our national-defense policy.

S. 300, THE ILLINOIS BRICK BILL

Mr. THURMOND. Mr. President, recently, an editorial appeared in the Richmond Times-Dispatch, which I believe important enough to share with my colleagues. It takes a position against S. 300, the Illinois Brick bill. The point is well made that the proposed legislation would do irreparable damage to antitrust enforcement.

It has come to our attention that there is now being circulated among the Members of the Senate a draft of a purported "compromise" Illinois Brick bill. This so-called compromise between the positions of those in support of and those opposed to legislation to overturn the Supreme Court's decision in Illinois Brick Co. against Illinois is in reality no compromise at all. In fact, it is almost identical to S. 300, reported by the Judiciary Committee by a one-vote margin, and alleviates none of the concerns that have given rise to strong opposition to the enactment of that legislation.

The so-called compromise does not, as claimed by its sponsors, accomplish the following:

First. It does not cutback class actions, even though the "compromise" gives the impression of a class action cutback. The Judiciary Committee eliminated the class action cutback. The Judiciary Committee eliminated the class action fluid recovery section from S. 300, hence the real effect of the "compromise" is meaningless.

Second. It does not deal with parens patriae in the manner claimed. Supporters of the "compromise" position contend that it does nothing more than clarify the law as to parens patriae. The facts are the Illinois Brick decision does not overturn the Hart-Scott-Rodino Act of 1976. That law gave consumers the right to sue through their States acting as parens patriae to recover damages under the Sherman and Clayton Acts.

Third. It does not simplify the problem of tracing damages through a distribution chain. As Prof. Phillip Areeda said in his testimony during the 95th Congress, the so-called compromise attempts to sweep under the rug the concerns which led the U.S. Supreme Court to the decision reached in Illinois Brick.

Fourth. It does not cure the problem of loss of incentive for the direct purchaser to sue. Under Illinois Brick the direct purchaser, if successful, can look forward to receiving treble damages. The "compromise," which would reverse Hanover Shoe and Illinois Brick, would result in fractionalized recoveries to many plaintiffs. Incentive for the direct purchaser to sue would be weakened. Private antitrust enforcement would suffer.

The so-called compromise, however, does the following:

First. It adds uncertainty to the antitrust laws and encourages more lengthy antitrust suits;

Second. It makes available again the pass-on defense and pass-on offense rejected in Hanover Shoe and Illinois Brick.

Third. It would benefit the major business defendant, who can afford more lengthy litigation;

Fourth. It would unfairly apply retroactively, in the same manner as S. 300; and

Fifth. It would hurt the small businessman most, just as in the case with S. 300. With defendant asserting the pass-on defense against plaintiffs and all plaintiffs attempting to show that over charges were passed on to them, but were not passed on by them, small business would be dragged in, like it or not. Attorneys' fees, production of records, documents and other expenses would be their lot.

The purported "compromise" is not a compromise. It is a "play on words." Viewed in the best light, it is yet another ill-advised attempt to legislate a matter best left with the courts.

The only practicable course to pursue is to allow the Illinois Brick decision to operate for not less than 2 more years. If then it appears that some action is needed, we can consider and handle it in an appropriate manner at that time.

Mr. President, I ask unanimous consent that the editorial from the Richmond Times-Dispatch be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"ILLINOIS BRICK" DISPUTE

In June of 1977 the U.S. Supreme Court handed down a ruling designed to prevent business firms from being the victims of potentially devastating and harassing antitrust suits. The two decidedly liberal members of the court were among the three dissenters from the court's decision.

Now, some liberal members of Congress are pushing legislation which, in effect, would overturn the court decision. If they are successful, it could be a serious blow to American business directly and to the public indirectly, since a healthy climate for business is in everybody's interest.

In the court case (*Illinois Brick Company vs. State of Illinois*) the state and 700 local governmental entities brought suit for damages against the brick company, claiming that the firm and other concrete block manufacturers had conspired to fix prices. As a result of that conspiracy, it was alleged, the state and localities had to pay more than a proper price for concrete blocks used in masonry structures.

But the state and the localities hadn't bought the blocks from the Illinois Brick Company. In effect, they had bought them from general contractors, who had bought them from masonry contractors, who had bought them from Illinois Brick.

The court ruled that the state and localities couldn't collect because they could not properly bring suit. Only the *direct purchaser* of goods can sue for damages under the antitrust laws, the court held.

The court's reasoning makes sense. The justices pointed to the chaos that would prevail if everybody in the distribution line, plus the ultimate consumer, could sue the original manufacturer of a product. How could it possibly be determined how much of the final selling price to the consumer was due to an overcharge by the manufacturer, since others in the distribution line had added their prices to help make up the final cost? Furthermore, said the court, if everyone in the distribution line could sue the manufacturer, the latter could suffer multiple liability and be forced to pay far more than its overcharge would justify. Indeed, declared the court, allowing everyone in the line to sue would result in such confusion that enforcement of the antitrust laws could be adversely affected.

People who want to overturn the court decision argue that the consumer should be able to collect damages, no matter how far removed he might be from the illegal price-fixer. But the Chamber of Commerce of the United States points out that if the consumer and everyone in the distribution line were allowed to sue, "a court would have to bring every potential claimant into a single lawsuit and then try to sort out who gets what. This would entail identifying and notifying potential claimants at every level, settling disputes among the various claimants, and allocating shares first to each level and then to each claimant. . . . Cases would crumble under their own weight."

It must be conceded that, as the court said, "direct purchasers sometimes may refrain from bringing . . . suit for fear of disrupting relations with their suppliers." But, on balance, declared the court, limiting the right to sue to the direct purchaser is the proper course under the antitrust laws as now written.

Any proposed legislation tagged with the word "consumer" attracts many members of Congress; it has political appeal. But if the lawmakers will look beyond the label and study the court decision and other relevant information, they will defeat the attempt to override the court's sound ruling.

THE DESIRE AND INGENUITY NEEDED TO COMBINE ECONOMIC GROWTH WITH IMPROVEMENT IN THE QUALITY OF LIFE

Mr. THURMOND. Mr. President, the unsettled future that our American people face concerning energy, economic growth, and the quality of life leave many with problems and questions that are critically disturbing—both for individuals and for our overall society. We are torn between the desire for economic and technological progress and for our very real concerns for improvement in the quality of life.

Mr. President, certainly these are not new problems; but more importantly, they are continuing problems. We need to give our best efforts to finding solutions that will be in the best public interest.

A recent Business Week magazine article by Mr. John W. Hanley, chairman and president of Monsanto Co., provides some excellent thoughts on this subject. Mr. Hanley, a highly respected innovator in both management and marketing, considers economic growth versus quality of life and asks the question: "Why can't we have it both ways?"

Mr. President, his discussion of our need and our capability to apply ingenuity and desire to develop realistic and acceptable alternatives deserves our special attention and consideration. A consistent and positive attitude by all Americans that we can accomplish these goals is crucial. This is the way that our people have always risen to meet the challenges of difficult times in our Nation's history. These very real and very serious problems today and tomorrow require this same type ingenuity and public attitude.

Mr. President, in order that my colleagues might have the opportunity to review and give further consideration to this excellent statement by Mr. Hanley, I ask unanimous consent that his article "Why Can't We Have It Both Ways?", which appeared in the September 10, 1979, issue of Business Week magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY CAN'T WE HAVE IT BOTH WAYS?

(By John W. Hanley)

A few weeks ago a major publication ran an essay deploring the nation's unwillingness to come to grips with the real and serious energy crisis now upon us. The essay complained that U.S. citizens refuse to think through the issues and set priorities. "They want energy without risks. . . . Americans historically have believed they can have it both ways."

The same might be said regarding what our society expects from technology today. Episodes ranging from a failed nuclear plant to a falling space satellite have reminded us that we are still trying to cope with what Dr. Carl Sagan calls the age of "technological adolescence." Like a teenager wondering what he really wants from life, our society wonders what it really wants from technology.

Most Americans are anything but anxious to renounce their hard-won affluence. Witness the current agenda of socioeconomic goals—full employment, equal opportunities, a decent life for all Americans, and so forth—that depend on further economic progress and the national wealth it creates.

Nevertheless, our tastes for economic and technological progress are being tempered by increasing concerns for quality of life. The American people genuinely want cleaner natural and urban environments, safer and more humanized jobs, improved disease prevention and treatment, workable solutions to world food and energy problems, and continued reduction of the risks associated with modern technologies.

Inconsistent attitudes. It's not surprising, then, that public attitudes toward technology are rife with inconsistency and ambiguity. Americans want economic progress and quality of life.

Can we have it both ways? Some in our society say no—hardly surprising in itself—but I'm fascinated by all the different ways they arrive at that conclusion. There are those who follow a moral imperative, believing that this greedy society must be forced to return to more primitive life-styles with less dependence on technology. At the opposite end of the spectrum are those who grouse that weighing anything against economic growth is somewhere un-American. In between are the fatalists who knew all along it was too good to last.

None of them, however, has much sense of history. Because wanting it both ways—wanting to break away from some previously unavoidable trade-off—has been the driving force of human progress throughout history.

We hear it said today that we are running out of certain raw-material and energy resources necessary for growth. But when in human history has this not been the case—at least for the most readily recoverable and usable reserves of some resources? Human ingenuity has been the key to extending supplies by improving exploration and processing, by conservation, by recycling, and by substitution. For example, today's oil-supply crisis is not the first this world has seen. In the last century, people were already worrying that whales were being killed faster than they could reproduce. How would the world light its lamps and lubricate its machines without whale oil? The answer was that rising demand and innovative minds brought forth replacement products based on petroleum.

Furthermore, we are only beginning to realize the potential of an intellectual/technological explosion that R. Buckminster Fuller refers to as "doing more with less." He points out that a 200-ton jetliner can outperform the annual passenger-carrying capacity of the 85,000-ton Queen Elizabeth. Likewise, a quarter-ton communications satellite can outperform 150,000 tons of transoceanic cable. The point is that a single intellectual leap translated into new technology can create an entirely new dimension for economic expansion, pushing the physical limits of growth back beyond the horizon again.

Upgrading. On the quality-of-life side of the equation, we hear that the earth is running out of capacity to absorb the pollution byproducts of growth. Again, however, history is ignored. Look at the considerable progress we've already made in cleaning up the environment by applying our intelligence and technological abilities.

According to the Environmental Protection Agency's latest report, the quality of the nation's air improved significantly from 1972 to 1977. The levels of sulfur dioxide, carbon monoxide, and particulate matter declined. Ozone levels at least held steady despite a 30 percent increase in motor-vehicle traffic.

We've also been pleasantly surprised to see how quickly polluted waterways can recover once appropriate steps are taken. Around the nation, fish are returning to rivers where no aquatic life could survive a decade ago.

Americans want industrial products and jobs without having to worry about industrial wastes bubbling up in the backyard. I, for one, see nothing unreasonable about that, provided that we are willing to approach the situation rationally and not hysterically.

The same applies to other environmental problems, as well as energy and economic problems. We do have to learn to live with less energy while developing alternative sources. We do have to be more aware of the environmental consequences of our technology while recognizing that a vain quest for a totally risk-free society can only squander scarce economic resources.

These problems are real, and I don't intend to understate their seriousness. Nevertheless, I can't help thinking: If wanting it both ways brought us this far, why should we lose faith in human ingenuity now?

SELECTIVE SERVICE SHOULD BE RESTORED

Mr. THURMOND. Mr. President, an issue of utmost concern to countless Americans is the ability of our armed services to protect our Nation from any foreign aggression.

Recently, many military experts have voiced the fear that the number of personnel in our armed services is at a perilously low level. They have stated that the all-volunteer concept has been a dismal failure and that the United States must set in motion the machinery to resume the draft.

A recent editorial in the State newspaper of Columbia, S.C. deals with this issue and offers some interesting observations on our need to restore the selective service.

Mr. President, in order to share this editorial, "Selective Service Should Be Restored," with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SELECTIVE SERVICE SHOULD BE RESTORED

Debate over ratification of the Strategic Arms Limitation Treaty centers for the most part around the relative strength of the United States and the Soviet Union in terms of exotic and sophisticated weapons systems.

It is essential, of course, that adequate attention be given to intercontinental ballistic missiles, long-range bombers, detection devices and other aspects of military preparedness in this era of advanced technology.

But when all is said and done, the residual component of an adequate national defense is manpower, and therein lies a cause for more concern than currently is being shown. There are, to be sure, periodic reports that the armed forces are woefully undermanned under the present volunteer system. But no one in Washington, least of all President Carter and his advisors, shows signs of working up a real head of steam over the situation.

Yet that is precisely what is needed if the nation is not to incur unacceptable military risks. Some form of compulsory service must be reinstituted to insure the availability of soldiers, sailors, airmen, and marines. It is obvious by now that the expensive and expansive campaign to woo young men and women into service with increased pay and privileges is not achieving its goals.

Indeed, there are some indications that some of the recruitment efforts are actually self-defeating. The unremitting pressure upon recruiters to "sign up" their quotas has resulted in outright deception concerning such essentials as literacy and educational qualifications.

Furthermore, the emphasis placed on long-term enlistments has triggered a higher-than-ever incidence of married servicemen, many of whom live off post and thereby reduce unit readiness. Consideration should be given to the family affairs of career servicemen, but short termers should be more concerned with martial than marital affairs.

What the nation needs—and needs badly—is a return to selective service registration. The country needs to know how many young men (and women) are available for military service, where they are, and how soon they can be mobilized—individually or collectively.

Beyond that, provision should be made for actually drafting so many as are needed to build up the armed forces to a state of readiness. And "armed forces" must be interpreted to include the reserve components, whether National Guard or the organized reserves of the various services. At present, all elements are suffering from lack of personnel.

Any serious move toward resumption of the draft will be met with outcries of "loss of freedom" and "interference with civil liberties." But is it too much to ask of a young man that he serve in uniform for a relatively brief but specified period of time? After all, millions of adult Americans have given years of their lives to the service of their country—in war or in peace, or both.

OPPOSITION OF THE NATIONAL GRANGE TO S. 1246

Mr. THURMOND. Mr. President, in recent months, and particularly in the last few weeks, we have heard many and widely divergent views concerning the Nation's energy problems. We have also heard and given consideration to numerous proposals directed toward the solution of these problems. Certainly these energy issues continue to have an unusually high priority position in our thoughts and actions in the Senate. We must not fail to give our most serious consideration toward reaching energy problem solutions that will be in the best overall public interest.

It is with this thought in mind that I refer again today to the proposed Energy Antimonopoly Act of 1979, S. 1246, and to the ever-strengthening opposition being expressed concerning this bill.

Those who proposed and support S. 1246 purport it to be a protection against the growth of monopoly of major petroleum companies. The expert testimony in hearings on this bill, however, has clearly demonstrated that this proposed legislation would actually cause the opposite to occur. While there are undoubtedly some aspects of the major oil companies' activities that do need some special attention during these days of critical shortages, this particular legislative proposal conflicts directly with the types of action needed to help solve the energy problem.

Mr. President, as a follow-up to the recent hearings on S. 1246, I call my colleagues' attention to a letter dated August 20, 1979, from Mr. John W. Scott, master of the National Grange, to Senator EDWARD M. KENNEDY, chairman of the Judiciary Committee, with copies to all members of the Judiciary Committee. The National Grange is the Nation's oldest farm organization, with a heterogeneous membership made up of farmers and all of the component occupations of rural America.

Mr. President, in expressing the opposition of the National Grange to S. 1246, Mr. Scott presents brief, but well-reasoned, point-by-point arguments that deserve our careful consideration.

Mr. Scott points out that an organization like the Grange is concerned about fuel for the home, the farm, and for the automobile to transport rural people extended distances to work. He notes further that:

The domestic oil industry has as many human frailties as are inherent in all of us, but why attempt to disestablish a very effective and efficient system that, all things considered, is serving us well at a time that we should be mobilizing every resource that we have to solve a very critical problem?

Mr. President, I feel it is extremely important that we listen carefully to this message sent to us from the people who make up the membership of the National Grange. These citizens have an understanding of the basic issues of this proposed legislation. This understanding, coupled with their patriotically strong feeling that the best interest of the United States be served, should be given our most serious attention.

Mr. President, in order to share the contents of this excellent letter, from Mr. Scott to Senator KENNEDY, with my colleagues, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GRANGE,
Washington, D.C., August 20, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Judiciary Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I wish to express the opposition of the National Grange to S. 1246. The National Grange is the nation's oldest farm organization, with a heterogeneous membership made up of farmers and all of the component occupations of rural America.

The National Grange has a historic record of opposing monopolistic practices, but the opposition to this legislation is based on Grange policy which would depend on enforcement of existing anti-trust and anti-monopoly laws. Grange policy development democratically and initiated at the community level over the past several years is attached.

The energy crisis that this nation has faced since 1972 would be better served in effort and direction by positive steps to develop our energy resources. It appears that this legislation is attempting to make the oil companies a convenient whipping post because of the visibility the oil companies have received, especially over the past several months.

An organization like the Grange is concerned about fuel for the home, the farm and for the automobile to transport rural people extended distances to work. In order to make some sense out of the dilemma we must depend on experts and thus far the experts cannot agree on the best way to solve the energy crisis.

S. 1246 is designed to keep the major oil companies from investing in any major corporate activity in or out of the oil industry. It is intended to force the investment of funds back into oil exploration and production. This argument was very adequately addressed by Phillip Areeda in the Wall Street Journal on August 6, 1979:

"The desire to channel oil company investments is astonishing on three counts. First, if oil companies could earn more by investing in energy than elsewhere, we wouldn't need this legislation. Thus, the proponents must believe that the oil companies could earn more by investing their funds outside the energy business. On other days, however, many of the same people castigate the oil companies for 'obscene' profits. They are consistent only in their scapegoating.

"Second, if investing in energy has so little profit potential that it must be coerced, the administration and the other proponents might consider whether their policies and proposals are responsible. Third, it would represent an extraordinary change of policy for this nation to close off profit-

able investment opportunities in order to force asset holders to make less profitable investments."

Although the federal government and the oil industry may have made some contribution to the existing energy crisis which faces this nation, it is obvious that the major problems are not domestic but foreign.

The domestic oil industry has as many human frailties as are inherent in all of us, but why attempt to disestablish a very effective and efficient system that, all things considered, is serving us well at a time that we should be mobilizing every resource that we have to solve a very critical problem?

We would appreciate this letter being included in the hearing record on S. 1246. Thank you.

Sincerely,

JOHN W. SCOTT,
Master.

DIVESTITURE

Whereas, the dismemberment of our nation's major oil companies by Congressional action has been proposed; and

Whereas, it is vital to all segments of the American economy that the petroleum industry be able to provide rapid and economical development of domestic oil supplies; and

Whereas, leading independent economists and the petroleum industry have testified that forced divestiture would result in higher fuel prices and greater dependence upon foreign oil; and

Whereas, there are over 50 competitive, integrated oil companies, 10,000 producing and exploring companies, and 130 refining companies; and

Whereas, it is in the public interest to permit opportunity for oil companies to compete in the production and exploration of other sources of energy, therefore be it

Resolved, that the National Grange oppose efforts to force vertical and/or horizontal divestiture of the major oil companies; and be it further

Resolved, that adequate regulation of the petroleum industry can best be handled through enforcement of anti-trust and anti-monopoly laws.

NATIONAL ENERGY POLICY

Of all the problems confronting agriculture, transportation and industry, the reality of diminishing world petroleum reserves presents the most serious threat and the greatest challenge to the present lifestyle of every world citizen.

Certainly, part of the energy shortage problem involves a general public misunderstanding about the total energy situation. This has led to shortsighted "popular" political decisions adversely affecting energy supplies; for U.S. energy production has not kept pace with domestic energy demand.

Both farm and non-farm communities benefit from our energy-intensive form of agricultural production. While farm production uses only 3 percent of the energy consumed in the United States, this 3 percent pays for approximately two-thirds of our total energy imports, amounting to $34 billion in 1976.

With these views in mind, emphasizing that all the energy needs of the agricultural community must be met in both the long and short run to feed world populations and promote a favorable balance of world trade, we base our own national energy policy recommendations on the following principles:

1. The United States should attain a reasonable self-sufficiency in energy within the next decade. We should provide sufficient domestic production of energy to make it impractical for another nation to disrupt our economy or the lives of our citizens by withholding supplies or escalating prices.

2. The search for and development of domestic energy should be carried on by private enterprise. It is recognized that energy development is a costly process and adequate compensation without price-gouging should be permitted. Any excess profits should contain a plow-back provision for energy development. In the long run, we believe the price of energy should be determined in the marketplace and not by government price controls.

3. Research and development of domestic oil sites by private enterprise are urgently needed to offset the increase in the importation of oil from foreign sources. Special emphasis should be placed on areas located on the Outer Continental Shelf. Congress and the Administration should be urged to expedite the leasing of these offshore areas and to review present and/or proposed legislative restrictions so that this development can occur with minimal delay.

4. The Nation should continue a vigorous research program into future energy sources. Development of synthetic fuels and fuel additives, solar, nuclear and other forms of energy should go forward as rapidly as possible. The Federal role should be to sponsor a massive research effort, with the results to be made publicly available to all who wish to utilize the findings.

5. All citizens should be encouraged to reduce their use of energy. However, conservation and recycling techniques, though extremely important, cannot take the place of development of additional energy resources.

6. Federal energy allocation, rationing and price ceiling measures should only be considered in extreme emergencies, because they do not provide for private exploration incentives, and in the long run can only result in a growing energy scarcity with higher costs to all consumers.

7. We do not subscribe to the philosophy that the Federal government should require consumers to pay heavy taxes on domestic or foreign crude oil unless their higher payments are channeled into efforts to increase the supply of energy.

8. We recognize the need for pollution control measures in the field of energy production; however, we strongly oppose constantly changing antipollution regulations and intolerable time lags in developing our energy resources.

9. We reaffirm our policy of 1976, which states in part, "Resolved, the National Grange favors de-regulation of wellhead prices of natural gas."

ENERGY

Whereas, America's farmers require a dependable and continuing supply of energy if they are to meet the demands of the consuming public, and

Whereas, oil and natural gas provide nearly three-quarters of the nation's energy needs, and there is a great need to increase development of all available domestic energy sources in order to reduce reliance on foreign oil, and

Whereas, domestic energy development can be accelerated if increased access to exploration and production is permitted in the Outer Continental Shelf and on vast onshore lands owned by the Federal government, and development effort requires participation of all potential contributors, such as oil companies; therefore, be it

Resolved, that the National Grange call upon the President and the Congress to:

1. Encourage development of natural resources through price or tax incentives.

2. Encourage increased development of all potential sources of domestic energy, with no one restricted or excluded from contributing to this vital national effort.

3. Provide increased access to the Outer Continental Shelf and federal onshore lands for energy development.

4. Encourage research and development of solar energy.

5. Encourage more efficient use of water power.

BUILDING TEMPERATURE CONTROLS—AN EXCELLENT EXAMPLE OF PAPERWORK AND REGULATORY NIGHTMARE

Mr. DOMENICI. Mr. President, the Department of Energy's Emergency Temperature Restrictions, requiring nonresidential buildings to set thermostats no lower than 78° F for cooling, no higher than 65° F for heating, and no higher than 105° F for domestic hot water, serves as an excellent example to citizens of the United States of the bureaucratic nightmare of converting a plausible energy conservation plan into a paperwork and regulatory nightmare. Congress approved the Department of Energy's temperature control plan on May 10, 1979, and President Carter made the temperature control plan effective July 16, 1979.

Administration of this energy conservation program, projected to reduce oil use by as much as 400,000 barrels daily, has been conducted by not more than a handful of Department of Energy officials. The unfortunate incomplete and ineffective implementation of this temperature control plan has added to the severe lack of public confidence in ability of the Department of Energy to do anything. Perhaps Secretary of Energy Duncan may wish to use this program for his first reorganization project to improve the Department of Energy's administration.

The original plan as submitted to Congress would require each owner to keep records and submit reports as the Secretary of Energy may require. Little did the people or the Congress realize that this delegation of power was going to require mountains of paperwork for the mere adjustment of thermostat settings, particularly for small businesses. Already, the Department of Energy has issued 16 pages of regulations in the Federal Register on temperature restrictions. An additional 15-page manual, "How To Comply With the Emergency Building Temperature Restriction," must be reviewed by building owners before proper compliance can be assured for completing three Department of Energy forms.

For each building an owner must complete and post a Department of Energy "Certificate of Building Compliance," keep on file an "Exemption Information Form," and mail back to the Department of Energy the "Building Compliance Information Form." If a businessman owns five or more buildings, three Department of Energy forms must be filled out for each building. This requirement entails the filing of a total of 15 million forms for the entire country.

In addition, each owner or small businessman must have the skills of a lawyer and building engineer to interpret the regulations and to claim any of the 17 exemptions that may apply. For example, a small retail grocer must study the regulations to know that an exemption may be claimed for the proper storage of food because refrigeration equipment suffers severe frost buildup; or the use of waste heat from refrigeration equipment or solar units as the only source of heating and cooling energy; or State or local health regulations requiring hot water temperature levels above 105° F. Fourteen other exemptions could also apply.

Distribution of the Department of Energy's "How To Comply With the Emergency Building Temperature Restrictions" is another example of disarray. The Department of Energy originally promised the forms and instructions would be "made available at post offices throughout the country." On August 20, 1979, the Department of Energy announced limited distribution to the main post offices in the 65 largest cities. This is a great advantage for those businesses located in the 21 cities in California, Texas, and New York having post offices that will receive the forms. Unfortunately, for my constituents in New Mexico and the people in 20 other States, no distribution to post offices is planned. New Mexicans are understandably irate when informed that forms can be obtained from post offices in Arizona, California, Colorado, and Texas, but not New Mexico.

After promising delivery of the forms by the end of July, some distribution was begun in mid-August. Distribution through trade associations may have alleviated the problem. Trade associations providing labels and membership lists received some of the Department of Energy books. The more than 100 national associations and other business representatives ordering bulk supplies for redistribution to members have just begun to receive the forms they have ordered.

Despite these efforts of the private sector, thousands of businesses have not received the forms necessary for compliance. Even though the Department of Energy had delayed the compliance date for posting forms until September 1, 1979, the totally inadequate distribution has made implementation of the program unworkable.

Further, this energy conservation plan is costing the American taxpayers approximately $8 million for administration. Businesses are expending untold dollars for compliance. Many constituents express disbelief at the paperwork required in the name of energy conservation when individual efforts to achieve cost and energy savings are being undertaken.

The best solution is for Department of Energy to abandon the unnecessary paperwork. For the 1978 fiscal year the Department of Energy had reduced the overall burden of repetitive reporting by an estimated 5.1 million hours or 58.3 percent. But between October 1 and December 31, 1978, the burden of repetitive reports increased 1.6 million hours or 42 percent. The Office of Management and Budget's recently issued report "Paperwork and Red Tape: New Perspectives—New Directions" anticipates increases in reporting hour burdens under many new energy statutes to be implemented.

For example, the Power Plant and Industrial Fuel Use Act became effective May 8, 1979. The Department of Energy estimates the total burden of seeking exemptions under this statute to be under 200,000 hours; companies estimate the burden of the proposed forms and regulations to be more than 15 times the DOE estimate. Programs to implement the National Energy Conservation Policy Act may involve annual reporting burdens of over 3,000,000 hours.

And after all this, after a patriotic businessman goes through the effort of obtaining the necessary forms, the expense of filling them out and complying with the requirements, what have we achieved? Because of the lack of enforcement capabilities, the indifferent businessman or the one who refuses to participate in this paper flurry will remain out of compliance. The Nation will not save the energy projected and we will have simply expanded the bureaucracy.

The American public has the will to conserve energy. Escalating energy prices have enforced that need on the American people. Future energy conservation plans must allow alternative or comparable methods for conserving energy by businesses and encouraging voluntary compliance. Not all businesses use the same types of energy. Such businesses and industries should be given the opportunity to implement their own energy conservation measures instead of having counterproductive Federal mandatory paperwork and regulations imposed. The people's confidence in the Federal Government will not increase until the people are permitted to control their destiny free of unnecessary and cumbersome regulatory burdens and the result we all desire, conservation of energy, is actually achieved.

INTERIOR DEPARTMENT MISINFORMATION

Mr. MORGAN. Mr. President, in my years of dealing with Federal departments, I have never experienced the degree of misinformation which has been submitted to the Congress as that which has emanated from the Interior Department on S. 14, the Reclamation Reform Act of 1979, in the past few weeks. I can understand a Department supporting its position, but I resent deeply when that is attempted through the use of letters containing information that will not stand up to the slightest degree of scrutiny.

Officials of the Department of the Interior have continually provided individual Members of the Senate with information of S. 14 that is simply not factual or is highly sensational. The latest example is a letter to my colleague, Senator GAYLORD NELSON, which is inappropriately labeled as an analysis of the amendment which I proposed to S. 14, printed amendment No. 389, last August 2. This amendment is printed on pages 22425 and 22426 of the CONGRESSIONAL RECORD, No. 2, of that date. From reading the letter to Senator NELSON, which the Department provided me earlier today, I can draw one of two conclusions. Either no one at the Department of the Interior has read my amendment or, second, the so-called analysis of my amendment is a blatant and inexcusable attempt to mislead the Senate.

The letter from the Interior Department states that my amendment would allow Southern Pacific and other large public corporations to pay an increased cost for water and retain land that otherwise would have to be disposed of under S. 14. That assertion is not only lacking in fact, but is an attempt to cast me on the side of large corporate agriculture.

The fact is that my amendment would not allow Southern Pacific or any other public corporation with over 25 stockholders to pay the surcharge and own more land. Had the Interior Department taken the time to read my amendment they would have known that my amendment only applies to qualified recipients as defined in S. 14. As I understand it, Southern Pacific would have to dispose of all but 160 acres that it owns in reclamation lands. And, from what I understand, over two-thirds of Southern Pacific's holdings are in reclamation areas.

Furthermore, the so-called analysis says my amendment would only benefit 88 farmers. That statement is not borne out by what I know to be the facts. For example, I have been told that there are at least 99 farmers farming more than 1,280 acres in the westland water district alone. But this misstatement does not really bother me. I do not care if only one farmer is being deprived of his property rights by the Interior Department and others—I am prepared to offer my amendment to protect this principle if only one, just one, is involved.

Mr. President, I can understand how mistakes can be made in a bureaucracy as large and unwieldy as the Interior Department. But I simply do not understand how they can be made as consistently as has been done on an issue as important as S. 14.

Mr. President, I would appreciate it, indeed the Senate would be well served, if someone in a position of responsibility at the Interior Department would read my amendment, conduct an objective analysis of my amendment, and provide interested Members of the Senate with a statement of fact rather than a three-page letter of misinformation which alurs my intent. Better yet, the Members of the Senate who are interested in this issue and my amendment may be interested in an analysis by the Congressional Research Service, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF AMENDMENT 389 TO RECLAMATION REFORM ACT OF 1979—S. 14

I. STATEMENT

This is an analysis of Amendment 389, introduced by Senator Robert Morgan on August 2, 1979, amending S. 14, the Reclamation Reform Act of 1979. The analysis will include, insofar as presently available data permits, answers to the following questions propounded by Senator Gaylord Nelson in his request of July 30, 1979.

1. What percentage of actual principal and principal plus interest costs would typically be repaid under the amendment by a landowner paying twice the cost of water to landowners with non-excess acreage?

2. Would such repayment obligation likely be sufficiently high to discourage landowners from owning over 1,280 acres?

3. Is the assertion that reclamation law limits land ownership a correct legal assessment of the program, or does it only limit the right to receive water?

II. AMENDMENT 389

The Morgan Amendment removes the authorization set out in Sec. 7(b) of S. 14 allowing a lessee to receive water for lands in excess of 1,280 acres under a short-term lease not exceeding one year with no right of renewal. The amendment also authorizes delivery of water to a "qualified recipient" upon payment of the capital recovery component of the cost of water to non-excess lands upon a progressive rate as follows:

(a) 10% for the first additional 320 acres;

(b) 40% for the next additional 320 acres;

(c) 80% for the next additional 640 acres; and

(d) 100% for all additional lands.

The effect of the two provisions is to remove the provision in S. 14 that excludes from excess lands categorization all land leased for one year or less with no right of renewal. Instead, the Morgan Amendment would give to the landowner the option to legitimize delivery of water to excess lands, owned or leased, by agreeing to pay a surcharge based upon the capital recovery component of the cost of water service to non-excess lands of a qualified recipient.

III. REPAYMENT OF PRINCIPAL WITH INTEREST

A. Conceptual Analysis.

1. Principal.

Analysis requires definition of the words "actual principal plus interest" used in the first question.

Within the content of the Morgan Amendment, the word "principal" would mean that part of the costs of construction of the irrigation facilities which the District is presently required to pay.

On the other hand, the words "actual principal" as used in the first question are understood to mean the total capital costs of the irrigation facilities before employment of the variety of ways to reduce that amount to a sum which the irrigation district is required by contract to pay. The reduction techniques include repayment by power revenues, repayment by diversion of other government moneys, allocation of costs to other purposes so as to favor irrigation, and arbitrary reduction by administrative or legislative decision so as to bring the amount to be repaid within the ability of the water users to repay.

Similarly, the words "actual principal plus interest" are understood to mean the total capital cost of the irrigation facilities including interest. Repayment is typically scheduled over a fifty year period with payments beginning at the end of an introductory ten year period. Interest is now not charged at all.

The reductions, including interest forgiveness, constitute a subsidy. The subsidy is usually justified by the family farm purpose. That justification would seem to be accepted by both Senator Morgan and Senator Nelson. Senator Morgan would seem to accept it in his coupling the release from the excess lands limitation with the requirement of repayment of the capital recovery component of the cost of water service stepped up beyond the reduced amount required of the non-excess landowner. Instead of requiring a recalculation of the repayment component to write out the reductions justified by the family farm purpose, he has proposed an ad hoc write-in of a compensating surcharge. Senator Nelson asks how closely the stepped-up surcharges relate to the actual construction costs plus interest.

Both Senator Morgan's Amendment and Senator Nelson's question would seem to be consistent with the comment by Secretary Andrus, Interior Department, in his letter of July 23, 1979 to Senator Henry Jackson, regarding S. 14 that, under present arrangements, "the subsidy (to the water-users) never is paid off."

2. "Principal" defined as reimbursable by water users under existing contracts.

The Morgan Amendment does not modify S. 14's acceptance of existing allocations of construction costs to irrigation use as expressed in district contracts, or interest remission, or the irrigation on hydroelectric power and other government programs of a burden in repayment of the cost share allocated to irrigation. Nor does it affect existing decisions relieving farmers from payment for some portion of the irrigation share, as in the instance of Bureau decisions setting ceilings on water-user payments because of inability to pay more.

Of the westwide total irrigable acres of 9,833,894 acres, within the reclamation projects, there are now 1,283,769 excess-lands acres. Under S. 14 the excess-lands acreage will be reduced to 355,855. Of that total, 347,944 acres are in the Mid-Pacific Region. Of these, 343,208 are in the Central Valley Project.[1]

The irrigation reimbursable cost of the Central Valley Project totals $2,128,794,000 plus an undefined share of additional repayable obligations described as operating charges, interests and penalties totaling $43,872,681 and costs of associated projects of $269,776,000. In payment thereof, the ultimate farmer repayment contracts will produce $452,506,397. Power revenues and Service Contracts will pay the balance.[2] The farmers will have paid 20–25 percent of the irrigation repayment.

The Central Valley experience squares with that of other reclamation projects throughout the West. It is summarized as follows:

TABLE 1.—*Summary of repayment of reclamation projects construction costs Sept. 30, 1977*

Actual cost, Sept. 30, 1977	60,579,538,359
Final cost-estimated or actual:	
Total	18,546,778,817
Nonreimbursable	2,786,851,585
Reimbursable	15,759,927,232
Repaid to Sept. 30, 1977:	
Total	1,722,470,521
Matured repayment contracts	355,929,307
Power revenues	1,003,145,444
Special sources	396,833,168

NOTE: Schedule I, Statistical Appendix II, *ibid.*, p. 43.

Water user payments to date have constituted only 20 percent of the total repayments, exceeded by payment by special sources of 23 percent and by power revenues of 57 percent. This analysis squares with the statement made by Secretary Andrus in his letter of July 23, 1979, to Senator Henry Jackson regarding S. 14 that "In fact, on a great many reclamation projects, the repayment of capital costs allocated to irrigation is in the range of a mere 5 cents to 35 cents on the dollar."

The use of power and other revenues to repay costs allocated to irrigation has created two accounting problems relevant to this analysis. It effectively eliminates any time limit in repayment of costs and it may make indeterminate the repayment responsibilities of districts within the project. In the Central Valley Project, a "rolling fifty-year repayment" extends the repayment period for the entire project every time Congress authorizes a new addition to any part of the project. Repayment by water users receiving water in the late 1940's is now rescheduled for 2038. Similarly, the Upper Colorado River Basin Project is scheduled for complete repayment in 2050 and the Pick-Sloan Missouri River Basin Project in 2153.

Of all the repayment reduction techniques, the interest forgiveness is by far the most important. It is particularly important because it is associated with long-term repayment—an initial ten years of no repayment plus a minimum of forty years thereafter for repayment.

Interest forgiveness using an interest rate of 6 percent will cost nearly $1.577 billion in the Auburn-Folsom South Unit of the Central Valley Project, $1.646 billion in the Central Arizona Project, and $4.358 billion in the Columbia Basin Project.[3]

The extraordinary extent of the subsidy is revealed by treating the farmer's annual repayment charge as a payment of interest on the capital obligation. The payment represents a microscopically low interest rate. Table 1 sets out such a comparison for projects in the Missouri River Basin as of 1970.

[1] Attachment, entitled "Impact of S. 14 . . .," to letter dated July 23, 1979 to Senator Henry Jackson from Cecil D. Andrus, Secretary of Interior.

[2] Schedule of Statistical Appendix II of Report by the Bureau of Reclamation entitled *Water and Land Resource Accomplishments*, 1977. p. 49.

[3] Attachment Table 1 to Fact Sheet "Reclamation's Subsidy" submitted with letter dated July 23, 1979 to Senator Henry Jackson from Secretary Cecil D. Andrus, Interior.

TABLE 2.—IRRIGATION COST AND ANNUAL REPAYMENT CHARGE PER ACRE, MISSOURI RIVER BASIN PROJECT

Project units	Project construction cost allocated to irrigation per acre[1]	Irrigation repayment obligation per acre[2]	Annual irrigator construction repayment charge per acre	Rate of return (percent)
Ainsworth	$753	$286	$3.77	0.77
Almena	1,213	183	4.29	.35
Angostura	1,174	132	1.84	.16
Bostwick	748	221	4.62	.62
Cedar Bluff	1,267	189	4.09	.32
Crow Creek Pump	352	62	0	0
Dickinson	656	15	0	0
East Bench	401	95	0	0
Farwell	693	237	4.38	.63
Fort Clark	603	52	1.48	.25
Frenchman-Cambridge	921	162	3.71	.40
Garrison Diversion	$859	$77	$1.20	.13
Glen Elder	258	0	0	0
Glendo	109	79	1.80	1.65
Hanover Bluff	885	153	1.10	.12
Heart Butte	162	91	1.45	.90
Kirwin	1,052	179	5.12	.49
Oahe	1,083	176	3.20	.30
Rapid Valley	152	0	0	0
Sargent	561	205	4.73	.84
Savage	451	101	3.00	.67
Webster	1,209	228	4.78	.40

[1] These figures are the construction costs per acre allocated to the irrigation component of the project. Interest is not payable on these costs allocated to irrigation, even though other sources of revenue than irrigators' payments are used to discharge much of the obligation (e.g., power revenues).

[2] These figures are the repayment obligation per acre that the contracting irrigation district assumes in the water delivery contract. The difference between costs allocated to irrigation and the district's repayment obligation is made up from other revenues (e.g., power revenues).

Source: U.S. Bureau of Reclamation (1971), "Summary Report of the Commissioner," Bureau of Reclamation 1970; "Statistical and Financial Appendix, Part IV," U.S. Government Printing Office, Washington, D.C., pp. 158–227.

With one exception the annual repayment charge per acre would be the equivalent of less than one percent interest (with no payment of principal). The one exception is the Glendo Unit which would pay an interest equivalent rate of 1.65 percent for a supplemental water supply.

3. History of Congressional Treatment of Repayment.

A summary history of Congressional treatment of the problem may provide perspective. The long-term objective seems to have been to reduce the price of reclamation water to amounts that the reclamation farmers could pay, i.e., to maintain the principle of reimbursement of costs but to accept reimbursement by other than the farmer and to exclude interest so as to reduce the price of the water.

The Reclamation Act of 1902 (32 Stat. 388), provided that proceeds from the sale of public lands in the affected Western states would be applied to the construction and maintenance of the irrigation facilities. The Act also provided that the farmers receiving project water would repay the cost of the water within ten years, interest free. As early as 1905 Congress began to bolster the Reclamation fund with revenues from the other sources.[4] By Act of June 25, 1910 (36 Stat. 835), Congress authorized direct advances to the fund from the Treasury. By the Act of August 13, 1914 (36 Stat. 666), the repayment period was extended to twenty years. The Omnibus Extension of 1926 (44 Stat. 636), substantial construction charges were written off and the Secretary was given discretion to extend repayment contracts to forty years. An additional ten year development period of no payments at all was authorized by the Reclamation Project Act of 1939 (53 Stat. 1191). The same act also authorized a variable repayment plan wherever fixed annual payments imposed a hardship. The variability is now discretionary with the Secretary (72 Stat. 452). Congress later enlarged the 40-year term to 50 years in regard to specific projects.

In the 1939 Act Congress also limited the repayment obligation of the reclamation farmer to that which he could afford to pay. Repayment ability is determined administratively by the Bureau of Reclamation. It is a determination with great flexibilities including a contingency adjustment to give the farmer a margin of safety.

Thus, for almost 80 years, the legislative and administrative treatment of the cost repayment problem has been extremely sympathetic to the special problems of the reclamation farmer. It should be noted that both the capital costs of construction allocated to irrigation and also the period for repayment vary with each irrigation district, not only in regard to the circumstances of physical facilities but also in regard to the special legislative and administrative treatment for that district.

4. Interest.

Currently of course, interest rates are high. The United States Water Resources Council has the responsibility for setting the interest rate to be used by Federal agencies in the formulation and evaluation of plans for water and related land resources. On October 31, 1978, the WRC announced that the interest rate was to be 6⅞ percent for the period October 1, 1978 through September 30, 1979 (Federal Register, Vol. 43, No. 209—Oct. 27, 1978). The WRC rate is based on the average yield during the preceding fiscal year on interest-bearing marketable securities of the United States which have terms of 15 or more years remaining to maturity. However, the WRC rate is permitted to rise by no more than a quarter percent in any year. The limitation has produced an increasingly wide divergence between the WRC rate and the market rate. In June 1979, the interest rate for 10 year Treasury bonds was 9.04 percent and for 20 year and 30 year bonds was 9.06 percent (Federal Reserve Bulletin July 1979).

The current inflation (on August 24th the Federal Reserve Board increased the federal funds rate to 11¼ percent signaling increases in other rates) dramatizes the importance of the interest remission component in the Reclamation payout. For perspective on the cost of Federal money over the period 1942–1977 see Table 3.

TABLE 3.—AVERAGE YIELDS OF LONG-TERM TREASURY BONDS[1]

[Yield in nearest ¼ percent]

Year	Bond yield	Year	Bond yield
1942[2]	2.50	1951	2.50
1943	2.50	1952	2.625
1944	2.50	1953	3.00
1945	2.375	1954	2.50
1946	2.25	1955	2.875
1947	2.25	1956	3.125
1948	2.50	1957	3.50
1949	2.25	1958	3.375
1950	2.50	1959	4.125
1960	4.00	1969	6.125
1961	3.875	1970	6.50
1962	4.00	1971	5.75
1963	4.00	1972	5.625
1964	4.125	1973	6.25
1965	4.25	1974	7.00
1966	4.625	1975	7.00
1967	4.75	1976	6.75
1968	4.25	1977[3]	7.00

[1] Series includes bonds on which the interest income is subject to normal tax and surtax and which are neither due nor callable before a given number of years as follows: April 1953 to date, 10 yr; April 1952 to March 1953, 12 yr; October 1941 to March 1952, 15 yr.

[2] Prior to 1942, long-term treasury bonds were partially tax exempt. Prior to 1942, therefore, assume an average bond yield of 2.50 percent.

[3] 3-mo. average.

Source: U.S. Treasury Bulletin.

In a classic analysis of repayment problems presented on December 27, 1968 in a deposition in the Imperial Irrigation District litigation, Edmund Barbour accepted 3 percent as the interest rate on Federal long-term borrowing, but suggested 5 percent as closer to the interest rate available to the District landowners. That observation squares with the experience of the Public Utility Districts in the Northwest in obtaining non-federal funds for constructing major dams on the Columbia River. See Table 4.

TABLE 4.—MUNICIPAL BOND ISSUES, PACIFIC NORTHWEST

Construction and borrower	Amount (million)	Year	Interest rate
Priest Rapids Dam, Columbia River, Wash: Grant County Public Utility District	$242.0	1956	5
Wanapum Dam, Columbia River, Wash: Grant County Public Utility District	174.0	1959	4½
Centralia Project, Wash.: City of Seattle	37.0	1970	6½–8
Centralia Project, Wash.: Snohomish County Public Utility District	24.0	1970	5½–7½
Trojan Project, Oreg.: City of Eugene	16.4	1971	5½–6½

Source: Bernard Goldhammer, economist, Bonneville Power Administration, Portland, Oreg., June 21, 1972.

In recent years, the municipal bond yield averages have risen slightly and are now 5.76 for Aaa bonds and 6.40 for Baa (Federal Reserve Bulletin, July 1979).

B. Application of Analysis.

Eliminating consideration of the currently high interest rates, annual repayments required to repay $1,000 over 50 years at various interest rates are as follows:

[1] Act of March 3, 1905, 33 Stat. 1033 (sales of materials and condemned property). For partial list of Federal revenues diverted into the Reclamation Fund, see Joseph L. Sax, *Federal Reclamation Law*, reprint from Vol. 2, *Waters and Water Rights* (Indianapolis, Allen Smith Co., 1967), sec. 111.1, for. 83 p. 130.

TABLE 5.—REPAYMENT OF $1,000 AT VARIOUS INTEREST RATES: 50 YR

Percent interest rate	Annual repayment	Total repayment
0	$20.00	$1,000.00
3	38.87	1,943.50
4	46.55	2,327.50
5	54.78	2,739.00
6	63.44	3,172.00

Note: At 3 percent the total repayment with interest is slightly less than double the principal amount; at 6 percent it is slightly more than triple.

The Central Valley Project has an irrigation cost allocation of $2,362,919,000 of which the irrigator's repayment share is $1,284,911,000. The irrigation investment per acre is $924.94 of which $502.97 will be repaid by irrigators and $421.97 from power revenues.[5] Equal annual payments of $12.97 over a 40-year period would pay off the irrigators obligation of $502.97. Increasing that annual payment as required by the Morgan amendment would produce an annual payment in the order of $25 per acre. In contrast, repayment of the full irrigation investment of $924.94 per acre at 6 percent interest over a 50-year period would require a total payment in excess of $2,800, or an annual payment of $56 over a 50-year period or $70 over 40 years. Repayment of the $502.97 per acre at 6 percent interest over a 50-year period would require a total payment in excess of $1,500 or an annual payment of $30 over a 50-year period or $37.50 over 40 years.

Westlands Water District, because of the large scale ownerships and farm operations within its boundaries, is the district within which the Morgan amendment would have the greatest impact. See Table 6 for list of the 10 largest ownerships.

TABLE 6.—WESTLAND WATER DISTRICT EXCESS LANDS, 10 LARGEST LANDOWNERS, JAN. 2-5, 1978

	Owned	Acres under recordable contract	Nonexcess
So. Pac. Land Co.	106,430	79,918	
So. Pac. Transportation Co.	2,750	1,416	
Total	109,180		
Sold	−2,500		
Total	106,680	81,334	
Boston Ranch	23,980	23,711	
Std. Oil Co.	11,593		
Westhaven Farming	10,924	10,764	
Gerald Hoyt, et al	8,516	3,379	5,062
So. Lake Farms	8,417	8,007	
Airways Farms	5,113		
West Lake Farms	4,713		
Britz Feridyer Co.	4,139	4,123	

Note: Exhibit attached to letter dated July 23, 1979 to Senator Henry Jackson from Cecil D. Andrus, Secretary of Interior.

Preliminary analyses by the Bureau of Reclamation would indicate that the class one equivalency provisions of S. 14 would raise the average eligible acreage within Westlands for a public corporation from 160 acres to 220 and for other landowners from 1,280 acres to 1,780. There are 76 farm operations over 1,780 acres totaling 259,200 acres and 141 farms operations under 1,780 acres totaling 228,820 acres.

The repayment responsibility of the Westlands farmers would be set by a 1965 contract (not yet validated) at $157,048,000.[6] Westlands irrigable acreage is approximately 575,000. The proposed contract repayment obligation is $273 per acre, for a flat rate payment at no interest of $6.83 annually for 40 years. The water surcharges imposed by the Morgan amendment would almost double those figures. There is no immediately available information regarding the full irrigation investment in Westlands. Using the contract repayment obligation figure of $273 per acre, the total repayment obligation at 6 percent interest for 50 years becomes approximately $719, or about $14 annually for 50 years or $18 annually for 40 years.

In the absence of a repayment contract, the Westlands water users are now paying $7.50 per acre foot of water. Average farm use is 2.1 acre feet per acre, producing an annual charge of $16.42 per acre. It is the understanding of the Bureau of Reclamation that that amount is an operations and maintenance charge and does not include a capital recovery component of the cost of water service.

IV. EFFECT OF MORGAN AMENDMENT ON FARM MARKET

The question is whether the water service surcharge (a maximum of 200 percent over the charge to a non-excess landowner) is sufficiently high to discourage landowners from owning over 1,280 acres.

In any given instance, the answer is theoretically dependent upon the productive capability of the land. If the increased water charge can be absorbed without producing a negative balance sheet, then the landowner would presumably decide for operation and against selling.

The average crop value per irrigated acreage in the Central Valley Project was $700.55 in 1977.[7] That gross income would appear to be sufficient to cover the increase in water service charge from $16.42 to $53.92 ($16.42 to $37.50 required by repayment with interest at 6 percent of the presently allocated capital cost to irrigation for repayment) or to $86.42 ($16.42+$70 required by repayment with interest at 6 percent of all irrigation costs). It should be noted that the Morgan Amendment might be interpreted to require long-term commitment by the excess-landowner. Actual repayment of the proportionate share of the repayment capital investment would require either assumption of the long-term obligation or payout.

V. LAND OWNERSHIP LIMITATION

The acreage limitation is a limitation on eligibility of acreage to receive project water. It is not a limitation on land ownership. It does, of course, negatively affect property rights that would otherwise exist in the use of owned land.

[5] *Project Data, Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 51.

[6] *Project, data, Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 51.

[7] *Statistical Appendix III, Federal Reclamation Projects*, 1977, p. 52.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:27 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 79. An act to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes;

H.R. 3236. An act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; and

H.R. 4473. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes——

At 4:21 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to H.R. 4580, an act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. CHARLES WILSON of Texas, Mr. NATCHER, Mr. STOKES, Mr. MCKAY, Mr. CHAPPELL, Mr. WHITTEN, Mr. PURSELL, Mr. RUDD, and Mr. CONTE were appointed managers of the conference on the part of the House.

The message also announced that, pursuant to the provisions of section 170(a)(3)(B), Public Law 95-599, the Speaker has appointed Mr. ROTH as a member of the National Alcohol Fuels Commission, vice Mr. MICHEL, resigned.

HOUSE BILLS REFERRED

The following bills read by their titles and referred as indicated:

H.R. 79. An act to amend title 39, United States Code, to provide that the President appoint the Postmaster General of the United States, and for other purposes; to the Committee on Governmental Affairs.

H.R. 3236. An act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; to the Committee on Finance.

H.R. 4473. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2111. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the department's responses to Section 6 which amends section 14(d) of the National School Lunch Act and relates to the purchase of foods for the commodity distribution program; to the Committee on Agriculture, Nutrition, and Forestry.

EC-2112. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, certification as to adequacy of soil survey and land classification as required by the 1954 Appropriation Act—El

Dorado Irrigation District—Sly Park Unit—American River Division—Central Valley Project, California; to the Committee on Appropriations.

EC-2113. A communication from the Secretary of the Treasury, reporting, pursuant to law, the withdrawal of a reported violation of section 3679 of the Revised Statutes by the Bureau of Alcohol, Tobacco and Firearms, and the circumstances supporting that decision; to the Committee on Appropriations.

EC-2114. A communication from the Acting Secretary of the Treasury, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes (31 U.S.C. 665), as amended, involving an account which is administered by the Bureau of Engraving and Printing; to the Committee on Appropriations.

EC-2115. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Israel for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2116. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to the United Kingdom for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2117. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Kuwait for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2118. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2119. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to Israel for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2120. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Spain for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2121. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during July 1979 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-2122. A communication from the Acting Deputy Secretary of Transportation, transmitting, pursuant to law, the third Urban Mass Transportation Administration quarterly report for FY 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-2123. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 37135, Increased Rates on Coal, BN, Montana to Superior, Wisconsin, and six other related proceedings, within the specified seven-month period which is to expire at the earliest on September 25, 1979; to the Committee on Commerce, Science, and Transportation.

EC-2124. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, the Board's 1981 budget submission; to the Committee on Commerce, Science, and Transportation.

EC-2125. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's FY 1981 budget estimates; to the Committee on Commerce, Science, and Transportation.

EC-2126. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled the "National Heritage Policy Act of 1979"; to the Committee on Energy and Natural Resources.

EC-2127. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-2128. A communication from the Assistant Secretary, Conservation and Solar Applications, Department of Energy, reporting, pursuant to law, on the relevance of the Second Law of Thermodynamics to energy conservation programs; to the Committee on Energy and Natural Resources.

EC-2129. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed draft of a temporary water service contract between the United States and the Westlands Water District for municipal and industrial (M&I) and agricultural water service in 1980 from the San Luis and Coalinga Canals and the Mendota Pool; to the Committee on Energy and Natural Resources.

EC-2130. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-2131. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-100, "People's Counsel Authorization Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC-2132. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-99, "Newborn Health Insurance Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC-2133. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-101, "Condominium Conversion Amendment Act of 1979," and report, adopted by the Council on July 31, 1979; to the Committee on Governmental Affairs.

EC-2134. A communication from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, a report on a proposed new system of records entitled "Document Control System, NRC-29"; to the Committee on Governmental Affairs.

EC-2135. A communication from the Assistant Secretary of the Treasury (Administration), transmitting, pursuant to law, a report and notice of the proposed modifications to four and elimination of one system of records of the Department of the Treasury; to the Committee on Governmental Affairs.

EC-2136. A communication from the Chairman, President's Commission on White House Fellowships, reporting, for the information of the Senate, on limited changes which have been suggested in a bill to amend section 209 of title 18, U.S. Code; to the Committee on the Judiciary.

EC-2137. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, a one month delay in submitting the second report on the status of health professions personnel in the United States; to the Committee on Labor and Human Resources.

EC-2138. A communication from the Chairman, National Commission on Employment and Unemployment Statistics, transmitting, pursuant to law, the Commission's final report, entitled "Counting the Labor Force"; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

(The above nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 1728. A bill to designate the U.S. Federal Courthouse Building located at 655 East Durango, San Antonio, Texas as the "John H. Wood, Jr., Federal Courthouse"; to the Committee on Environment and Public Works.

By Mr. LUGAR (for himself and Mr. MORGAN):

S. 1729. A bill to provide for automatic transfers of funds, drafts, and remote service units; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOMENICI:

S. 1730. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; to the Select Committee on Indian Affairs.

By Mr. CHAFEE:

S. 1731. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

By Mr. MATHIAS:

S. 1732. A bill to amend the Internal Revenue Code of 1954 to eliminate the disability requirement from the sick pay exclusion and to make the exclusion available to all individuals regardless of age; to the Committee on Finance.

S. 1733. A bill to extend for 1 year the effective date of the provision relating to changes in exclusions from Federal income tax for sick pay; to the Committee on Finance.

S. 1734. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of income of individuals 65 years of age or over shall be excluded from gross income; to the Committee on Finance.

By Mr. HATCH:

S. 1735. A bill to prevent the increase of salary for Members of the Senate and House of Representatives; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S.J. Res. 103. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of

the term of office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 104. Joint resolution to authorize and request the President to proclaim September 16, 1979, through September 22, 1979, as "Responsible Pet Care Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 1731. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Finance.

● Mr. CHAFEE. Mr. President, on Friday, September 7, 1979, I introduced a windfall profits tax proposal. To conform with the Constitution, which requires revenue bills to originate in the House of Representatives, my proposal was introduced as an amendment to H.R. 3919, the windfall profits tax bill that has already passed the House and is now pending before the Finance Committee.

Today I am reintroducing my proposal as a bill. This will enable my proposal to receive a bill number and aid those who wish to learn more about it by allowing it to be printed and easily located. My remarks explaining the bill can be found on page 23560 of the CONGRESSIONAL RECORD for September 7, 1979.●

By Mr. MATHIAS:

S. 1732. A bill to amend the Internal Revenue Code of 1954 to eliminate the disability requirement from the sick pay exclusion and to make the exclusion available to all individuals regardless of age; to the Committee on Finance.

S. 1733. A bill to extend for 1 year the effective date of the provision relating to changes in exclusions from Federal income tax for sick pay; to the Committee on Finance.

S. 1734. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of income of individuals 65 years of age or over shall be excluded from gross income; to the Committee on Finance.

● Mr. MATHIAS. Mr. President, one of the greatest scientific achievements of this century has been to increase the life expectancy of Americans. In 1900 only 4 percent of the population was 65 or older, compared to 10.8 percent today. By the year 2000 the Census Bureau predicts that 12.2 percent will be 65 or older, and by 2025 that figure will rise to 17.2 percent.

Along with this blessing of a longer life come problems: failing health and its attendant suffering, loneliness, empty days accumulating into years that, rather than being golden, are grim. We in Congress are grappling with a variety of issues that will shape the future health policies of this country, and that will help solve some of the problems faced by our elderly citizens. Last year over $100 billion—24 percent of the Federal budget—was devoted to old-age, survivors and disability insurance, medicare, supplemental security income, and black lung disease. I am hopeful that the Congress, working with researchers, practicing doctors, administrators, and the elderly, can lead this country to a fulfillment of the promise of old age. Thomas Moore expressed it in a single line of poetry:

Days though shortening still can shine.

But well-being and happiness cannot be dispensed simply through HEW appropriations and programs. Elderly citizens should be able to live with peace of mind and dignity; a 65th birthday or retirement from the work bench should be a cause for celebration, not for worry over the likelihood of a sudden change for the worse in the quality of life. Certain provisions of our tax laws make it harder for senior citizens to meet everyday expenses on a fixed income and provide no safeguards against inflation for savings and retirement income. Today I introduce three bills amending the Tax Code to lighten these burdens.

One bill provides that the first $5,000 of income, including pension income, received by persons over the age of 65 shall be exempt from Federal taxation. If two retired persons are married, they each would be entitled to the $5,000 exclusion. Our present elderly tax credit, subject to limitations and marital discriminations, does not provide the elderly with the assurance they deserve, after a lifetime of paying full taxes, of a minimum income unencumbered by taxation.

The two other bills I introduce today would amend the sickpay exclusion provision that was modified by the Tax Reform Act of 1976. The 1976 act changed the old law, so that today everyone must pay taxes on sickpay. I do not believe we should turn our backs on taxpayers, whether under or over 65, whose illness forces them to stop working temporarily and probably foot sizeable doctor's bills. My bill does incorporate a gross income test, which phases out the exclusion for persons with yearly incomes over $15,000. In this manner we ensure that this exclusion is limited to individuals who need it most and does not drain our Treasury coffers.

My second sickpay exclusion bill is precautionary: It extends the effective date of the sickpay exclusion modification enacted by the 1976 law to allow Congress time to study the provision more carefully.

I will soon introduce a bill that would help our senior citizens and others who sell a house or stock that they have owned for a long time.

Although inflation eats away at everyone's savings, it is especially hard on the elderly. They have usually scrimped, saved, and invested over a long period of time. Since they are no longer wage earners, they can't replace that portion of their savings that is eaten up every day by inflation. And because they have saved and invested over a longer period than younger Americans, they get hit the hardest on capital gains taxes. Therefore, I consider my bill to tie the tax on capital gains to the inflation rate an important part of an effort to guard against unfair tax burdens on the elderly. Here is an example of how my bill would work: If Harry Smith bought $15,000 worth of stock in 1967 and sold it for $25,000 in 1979, his profit on paper is $10,000. Under today's tax law his capital gains tax is calculated on this figure.

But since the value of the dollar has been cut in half since 1967, his original $15,000 investment is worth $30,000 in today's economy. Thus, in terms of real dollars, Harry Smith actually lost $5,000 on the 1979 sale. Under my bill, the fictional Harry Smith would not have to pay a capital gains tax on his capital loss, a needed aid for the Harry Smiths who planned ahead for their fixed-income retirement years. This bill would also help an elderly couple that sold their home in order to move into an apartment after their children grow up. They should only be taxed on the real profit they make, if any, not on the inflation-caused paper gain.

Earlier in this session, I reintroduced my marriage tax bill, S. 336, to eliminate the unfair penalty that two-earner couples must pay simply because they are married. The inequity of the marriage tax affects senior citizens just as much as young people. A letter from a constituent in Baltimore, a church pastor, shows the moral problem faced by one accustomed to unhesitatingly upholding the institution of marriage. He writes:

DEAR SENATOR MATHIAS: It is interesting that the very things you said in your address to Congress, especially concerning the advice of tax advisors to older couples, contemplating marriage, is the same advice I have had to give most reluctantly and certainly with moral twinges of conscience. Yet, I knew they could make ends meet easier as single persons than as a married couple. There was no way that I, as a pastor, could advise them to become man and wife under the present tax structure. What a boon [S. 336] will be to sincere pastors and others in similar positions as ours, who have elderly persons in particular, expressing confusion and dismay about this present status, yet knowing there is nothing they can do to relieve the situations in which they find themselves.

This bill, together with the bills I introduce today, are steps toward the realization of my hopes for elderly Americans. Let us work for the "shining" days posited by the poet Thomas Moore. Our senior citizens, after a lifetime of hard work and contribution, should not have to continue to carry their burden of taxation beyond their salaried years. They deserve a break. These bills I introduce today will help lighten their load.

Mr. President, I ask unanimous consent that the text of my bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 105 of the Internal Revenue Code of 1954 (relating to certain disability payments) is amended—

(1) by inserting "Sick Pay and" after "Certain" in the caption,

(2) by striking out so much of paragraph (1) as precedes "income" and inserting in lieu thereof the following:

"(1) IN GENERAL.—Gross",

(3) by striking out "permanent and total disability" in paragraph (1) and inserting in lieu thereof "personal injuries or sickness",

(4) by striking out so much of the text of paragraph (6) as precedes "for purposes of section 72" and inserting in lieu thereof the following:

"(6) COORDINATION WITH SECTION 72.—In the case of a taxpayer who—

"(A) has not attained age 65 before the close of the taxable year, and

"(B) retired on disability and, when he retired, was permanently and totally disabled,", and

(6) by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULES FOR INITIAL PERIOD.—

"(A) PAYMENTS IN EXCESS OF 75 PERCENT.—Paragraph (1) shall not apply with respect to amounts attributable to the first 30 calendar days of any such period, if such amounts are paid at a rate which exceeds 75 percent of the regular weekly rate of wages of the employee (as determined under regulations prescribed by the Secretary).

"(B) PAYMENTS NOT IN EXCESS OF 75 PERCENT.—If amounts attributable to the first 30 calendar days of any such period are paid at a rate which does not exceed 75 percent of the regular weekly rate of wages of the employee, then—

"(i) paragraph (2) shall be applied by substituting '$75' for '$100' for that period, and

"(ii) paragraph (1) shall not apply to amounts attributable to the first 7 calendar days in such period unless the employee is hospitalized on account of personal injuries or sickness for at least one day during such period.".

SEC. 2. (a) Any election made under section 105(d)(6) of the Internal Revenue Code of 1954, or under section 505(d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978 may be revoked (in such manner as may be prescribed by the Secretary of the Treasury) at any time before the expiration of the period for assessing a deficiency with respect to such taxable year.

(b) In the case of any revocation made under subsection (a), the period for assessing a deficiency with respect to any taxable year affected by the revocation shall not expire before the date which is 1 year after the date of the making of the revocation, and, notwithstanding any rule or rule of law, such deficiency, to the extent attributable to such revocation, may be assessed at any time during such one-year period.

SEC. 3. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1977, but shall not apply—

(1) with respect to any taxpayer who makes or has made an election under section 105 (d) (6) of the Internal Revenue Code of 1954, or under section 505 (d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978, if such election is not revoked under section 2 (a) of this Act, nor

(2) with respect to any taxpayer (other than a taxpayer described in paragraph (1)) who has an annuity starting date at the beginning of a taxable year beginning in 1978 by reason of the amendments made by section 505 of the Tax Reform Act of 1976, unless such person elects (in such manner as the Secretary of the Treasury may prescribe) to have such amendments apply.

S. 1733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 (f) of the Tax Reform Act of 1976 (relating to effective date for changes and exclusions for sick pay), as added by section 301 of the Tax Reduction and Simplification Act of 1977, is amended by striking out "1976" and inserting in lieu thereof "1977".

(b) (1) Paragraph (1) of section 301 (b) of the Tax Reduction and Simplification Act of 1977 is amended by striking out "'1977'" and inserting in lieu thereof "'1978'".

(2) Paragraph (2) of such section 301 (b) is amended by striking out "'or January 1, 1977,'" and inserting in lieu thereof "', January 1, 1977, or January 1, 1978,'".

(3) Paragraph (3) of such section 301 (b) is amended by striking out "'1976'" and inserting in lieu thereof "'1977'".

(4) Paragraph (4) of such section 301(b) is amended by striking out "'or December 31, 1976,'" and inserting in lieu thereof "', December 31, 1976, or December 31, 1977,'".

(c) (1) Subsection (c) of section 301 of the Tax Reduction and Simplification Act of 1977 is amended by inserting "or 1977" after "1976".

(2) Paragraph (1) of section 301 (e) of such Act is amended by inserting "or 1977" after "1976" the second place it appears.

(3) Paragraph (2) of section 301 (e) of such Act is amended by inserting "or 1977" after "1976" the first place it appears.

(d) The amendments made by this section shall take effect as if included in the amendments made by section 301 of the Tax Reduction and Simplification Act of 1977.

S. 1734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. $5,000 EXCLUSION FOR ELDERLY.

"In the case of an individual who has attained the age of 65 before the close of the taxable year, gross income does not include the first $5,000 of income, including any amount received as a pension or annuity, received during the taxable year which, but for this section, would be included in such individual's gross income.".

(b) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"SEC. 129. CROSS REFERENCES TO OTHER ACTS.".

(c) The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1978.

By Mr. HATCH:

S. 1735. A bill to prevent the increase of salary for Members of the Senate and House of Representatives; to the Committee on Governmental Affairs.

CONGRESSIONAL PAY CAP ACT OF 1979

Mr. HATCH. Mr. President, I am today introducing a bill which will indicate publicly for our constituents our seriousness about cost-cutting and will demonstrate our sensitivity to their concerns about congressional salaries and perquisities. I urge you to join me in sponsoring the Congressional Pay Cap Act of 1979.

As we all know, law permits us to accept an almost 13-percent increase in our salaries without lifting a finger. Our inaction will guarantee us a nice raise. This is a quirk in the law which I personally feel needs correction, but in the meantime, pending our review of the larger problem of accountability, we ought to consider the taxpayers of this country if we sit back and accept this increase.

I venture that not one of us has not advocated the need to bring greater fiscal responsibility to the Federal Government. We agree that this belt-tightening is necessary. I believe that by sacrificing our own pay raises we can emphasize the importance of every single tax dollar. After all, is it not the American taxpayer whose productivity has kept our economy on its feet? Is it not the American taxpayer, regardless of his socioeconomic category, who is frustrated with Government, particularly the Congress, being totally out of touch with the realities of inflation and taxes? I believe the answer to these questions is "yes" and I think we in Congress owe these taxpayers the forfeiture of our pay raises this year.

I would only point out that my bill applies only to Members of the House and Senate and not to staffs, officers of the House and Senate, the judiciary, or executive branch employees whose salaries have been frozen for the past 2½ years. The approach is straightforward and I think constructive.

At this point, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

It is time the Congress, beginning here, in our own yard, took steps to restore the confidence of our constituents. Foregoing our increase can only have a positive effect on the public's attitude toward their legislators and will in the longer run favorably effect our rapport with the public and our ability to get things done. After all, what are we if not representatives of our constituents? Or, if we are trustees, then we must more earnestly guard that trust along with the public treasury.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Pay Cap Act of 1979".

SEC. 2. Section 356(a) of Title II, United States Code, is hereby repealed.

SEC. 3. Section 356, Title II, United States Code, is amended by adding the following new subsection:

SEC. 356 (a) Salary rate limitations.

Salaries of the Vice President of the United States, Senators, Members of the House of Representatives, the Resident Commissioner of Puerto Rico, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Majority and Minority Leaders of the Senate and House of Representatives, shall not exceed the rate of pay in effect on September 30, 1978.

(b) Nothing in this Act shall be construed to restrict the increase of salaries for public officials named in Section 356(B) (C) (D) (E) of Title II, U.S.C.

(c) The Secretary of the Senate and the Clerk of the House of Representatives are instructed to compute payroll deductions based on the rate of pay in effect on September 30, 1978, for those officials named in Section 356(a).

By Mr. THURMOND:

S.J. Res. 103. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the terms of Office of the President and Vice President may serve; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, today, I am introducing a joint resolution proposing an amendment to the Con-

stitution limiting the tenure of a President to a single 6-year term. This is a measure that has long been needed to insure the office of the President will be one of emphasis on national issues and problems and not one of concern for reelection.

Although the problem is one that affects both Democratic and Republican administrations, the activities in the present administration illustrate clearly the need for this amendment. Almost everything the President does or says is interpreted as being designed to enhance his chances of reelection. Polls are administered by private and public groups, it seems almost every week, to monitor the President's popularity. The polls, as indications of his reelection opportunities have a tendency to be the ruling factor of an administration. This unduly burdens the President into becoming a poll watcher, trying to please everybody and discourages him from using the independent discretion for which the American people chose him to lead the Nation.

The Presidency is one of three cornerstones in our federal system and I am introducing this resolution because I believe we need to rescue it. The tempo, pressures, and problems of these times, which we in the Senate know well, have accumulated to a point at which we cannot be certain that it is possible for a President of the United States to meet the responsibilities which come with his office while he is involved with all the aspects of mounting a national campaign for reelection.

The pressures of the job combined with the pressures of campaigning bend an incumbent President physically just as they bend his policies. And if it were not enough to preside over the departments and agencies of the executive branch, to be Commander in Chief of the Armed Forces and ceremonial head of state, we ask our Presidents to go to the country as candidates, defend their policies in a heavy schedule of State primaries, and exercise their powers of incumbency in a long struggle for renomination and reelection.

The single term reform was not conceived in the stress of modern politics. The issue of Presidential reeligibility was heavily debated during the Constitutional Convention. Thomas Jefferson was initially inclined to favor a single term of 7 years but he gradually became persuaded that George Washington's precedent of retirement after two terms was preferable.

The experiences of the early Presidents renewed the advocacy of the single term and the case was put strongly in 1828 by Virginia Representative Alexander Smyth:

> The honor, the welfare, the tranquility of the nation, the fairness of elections require that the President should not be a candidate.

President Andrew Jackson was persistent in urging the reform in each of his annual messages to Congress. He stressed his special concern that Presidents are tempted to abuse their powers in pursuing reelection.

Many leading public figures, including Henry Clay, Benjamin Harrison, Benjamin F. Wade, and Charles Sumner, endorsed the reform in the 19th century. Rutherford B. Hayes proposed it in his inaugural address and Grover Cleveland, accepting the Presidential nomination in 1886, described a President's eligibility for reelection as a "most serious danger to that calm, deliberate, and intelligent action which must characterize a Government by the people." By 1896 the proposal to limit the President to one 6-year term had been introduced in Congress more than 50 times.

In 1912, the Democratic platform advocated a single term President. After the general election, the Senate by a vote of 47 to 23 proposed such an amendment on February 1, 1913. However, the House did not adopt the resolution.

In acting to avert a repetition of Franklin D. Roosevelt's four terms, Congress voted in 1947 to adopt the George Washington precedent, amending the Constitution to set a mandatory limit of two 4-year terms. Some Members argued for the single term alternative but it stirred no wide enthusiasm.

The lame duck issue is the major argument that is raised against the single, 6-year term. The contention is that a President's power will be seriously diminished if he is obliged to enter the Oval Office as a lame duck. Many insist that a President gains strength from his exertions to be reelected. But in enacting the 22d amendment, Congress committed any President who wins a second term to a lame duck status.

Dwight Eisenhower, the only President who has served a full second term under the limitations of the 22d amendment, did not feel that his inability to run again imposed any handicaps or loss of influence. Eisenhower became, in fact, a strong proponent of the single term Presidency. Every President since Mr. Eisenhower—with the exception of Richard Nixon whose position is not known—has formally or informally advocated the reform.

President Carter is a recent convert. The reason, he explained, is—

> No matter what I do as President now, where I am really trying to ignore politics and stay away from any sort of campaign plans and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by, "Is this a campaign ploy or is it genuinely done by the incumbent President in the best interest of our country without any sort of personal advantage involved?" I think that if I had a six-year term, without any prospect of re-election, it would be an improvement.

The Nation will gain more, it seems to me, from the services of a President who is liberated from reelection pressures than it will lose in sacrificing its right to pass upon a President's performance after 4 years. Modern Presidents are winning by narrow margins and their judgments on issues of substance are inevitably colored by their necessity to build political bases for reelection. They are harder and harder pressed to find time and attention to deal with the issues which confront them but they are obliged to allocate increasing amounts of time and attention to their political prospects. This leads them to rely on aides whose preoccupation is politics more than on those directly concerned with the substance of Government. As they behave more and more like candidates, they are viewed as candidates by the media and the public. As they gain political momentum, their capacity to exert moral leadership is diminished.

The 4-year cycle is being shortened by the pace of events. A newly-installed President has only a short time to gear up his administration and get his program before the Nation's attention turns to the congressional elections. There once was a hiatus between the congressional elections and the start of Presidential campaigning but Presidential candidates now believe in starting early so the incumbent faces challengers when he is barely into his third year. The quadrennial cycle is allocating more and more time to politics, less and less to the serious business of Government.

Mr. President, as I have indicated, this debate on Presidential terms has been continuous since 1787. To fully inform my colleagues of the history of this debate, I ask unanimous consent that a background study prepared by the Foundation for the Study of Presidential and Congressional Terms be printed in the RECORD at the conclusion of my remarks. This study provides the details of this debate from May 27, 1787, when Edmund Randolph introduced the first single term resolution to the present with President Carter's endorsement of this resolution.

Mr. President, the grassroots of this country are becoming more aware of the need for this amendment. Polls indicate that support for this amendment is rising at a rapid pace. In Dillon County, S.C., the local newspaper, the Dillon Herald, amply discusses the merits of this amendment in a recent editorial. I agree totally with the editor's statement that,

> The country is not well-served when the last two years of any president's administration are overshadowed by an approaching election.

I ask unanimous consent that this editorial and other newspaper articles which express the same sentiment, be printed in the RECORD so that my Senate colleagues may have the benefit of of their wisdom.

In closing, Mr. President, let me point out that I believe we are at a point in this country where we will serve ourselves well by giving our Presidents more time to govern and less time at poll watching. This amendment will provide that opportunity.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSTITUTIONAL BACKGROUND AND LEGISLATIVE HISTORY OF PROPOSALS TO LIMIT PRESIDENTIAL SERVICE

1787

During the Constitutional Convention, more than 60 ballots were cast on the question of Presidential tenure. Highlights of the proceedings follow.

May 29, 1787: Edmund Randolph (Virginia) introduced the Virginia Plan, consisting of fifteen resolutions. The seventh resolution provided that the Executive "be chosen by the National legislature for a term of —— years . . . to be ineligible a second time."

Charles Pinckney (S. Carolina) also presented a plan for government, providing that the Executive be erected for a term of —— years and be eligible for reelection.

June 1, 1787: The Convention approved a 7-year presidential term. (In favor: New York, New Jersey, Delaware, Pennsylvania, Virginia. Opposed: Connecticut, N. Carolina, S. Carolina, Georgia. Divided: Massachusetts).

June 2, 1787: By a vote of 7–2, the Convention approved a proposal stating that the 7-year term President be ineligible for a second term.

June 15, 1787: William Paterson (New Jersey) offered the New Jersey Plan, Article 4 of which advocated that the Executive be ineligible for a second term; the length of the Executive's term was left blank.

Alexander Hamilton (New York) proposed a plan, Article 4 of which called for Executive authority to be placed in a "Governour" who would serve during "good behavior".

June 19, 1787: The Committee of the Whole reported the Virginia Plan, including a provision for the Executive to be elected by the National legislature for a 7-year term, and not to be eligible for a second term.

July 17, 1787: William Houston (New Jersey) moved to strike the "ineligibility" clause. His amendment was adopted by the Convention on a 6-4 vote.

July 19, 1787: Luther Martin (Maryland) moved to reinstate the "ineligibility" clause. His motion failed.

The Convention approved a proposal calling for a 6-year term President, elected by the electors. (In favor: Massachusetts, Connecticut, New Jersey, Pennsylvania, Maryland, Virginia, N. Carolina, S. Carolina, Georgia.)

July 24, 1787: The Convention adopted a motion offered by William Houston that the Executive be elected by the National legislature.

July 25, 1787: A motion was offered to have the Executive chosen by the National legislature, and to make him ineligible for reelection after more than six years in office during any twelve-year period. The motion failed on a 6-5 vote.

July 26, 1787: The Convention returned to the provisions of the original Randolph proposal, voting 7–3 for a 7-year term President who would be ineligible for reelection.

Sept. 15, 1787: The Convention adopted the "Committee of Eleven" plan (submitted on Sept. 4), which called for the electors to elect the President for a 4-year term with no restrictions as to eligibility for reelection; if no person received a majority vote, the Senate would choose the President.

Roger Sherman (Connecticut) then proposed that the House choose the President in the absence of a majority vote, each State having one vote in the election process. His plan was subsequently adopted, with only the State of Delaware dissenting.

Sept. 17, 1787: The final draft of the Constitution was approved.

Sept. 28, 1787: The Continental Congress resolved unanimously that the Constitutional Convention's report be transmitted to the State legislatures.

1788

July 2, 1788: The Constitution was ratified by three-fourths of the States, and the Continental Congress ordered the ratifications referred to an examining committee.

Since the adoption of the Constitution, over 180 amendments have been introduced in Congress to change the Presidential term from four to six years. The majority of these amendments have stipulated that a President not be eligible for reelection.

1789–1889

During this time, more than 125 amendments to the Constitution were introduced in Congress to alter Presidential tenure. Approximately 52 of these amendments called for a 6-year term: 38 called for a single, 6-year term; while 14 called for a 6-year term with no limitation on eligibility for reelection.

1808: Senator Hillhouse (Connecticut) proposed a 1-year term for the President.

1824: The Senate passed a two-term limit on Presidential tenure by a vote of 36–3.

1826: The Senate passed a two-term limit on Presidential tenure by a vote of 32–7.

Rep. Hemphill (Pennsylvania) introduced a resolution calling for a 6-year term President.

1831: Rep. Tucker proposed a 5-year term President.

1829–1836: In all eight of his annual messages to Congress, President Andrew Jackson advocated a single term of either 4 or 6 years for the President.

1841: In his inaugural address, President William H. Harrison called for a single term President.

1844: The Whig Party platform called for a single term President.

1845: President James K. Polk advocated a single term President.

1856: During his campaign for the Presidency, James Buchanan supported the principle of a single, 6-year Presidential term.

1861–1865: The Southern Confederacy adopted a single, 6-year term for its President.

1865–1869: At least twice during his tenure, President Andrew Johnson expressed support for a single, 6-year term President.

1875: The House Judiciary Committee reported to the House H.J. Res. 147 (introduced by Rep. Potter of New York) which called for a 6-year term President, with the incumbent ineligible for two successive terms in office. The measure failed of passage on a vote of 134 (for) to 104 (against), a two-thirds majority having not been attained.

1876: While campaigning for the Presidency on the Democratic ticket, Samuel Jones Tilden supported a single, 6-year Presidential term.

1877: President Rutherford B. Hayes, in his inaugural address, advocated a single, 6-year term for the President.

The House Judiciary Committee reported H.J. Res. 41 to the House. The majority report called for a 4-year term President, while the minority report called for a 6-year term President; both reports favored ineligibility for reelection to the Presidency. On the floor of the House, the majority proposal was defeated 145–108, and the minority proposal was rejected 72–184.

1884: In accepting the Democratic nomination, Grover Cleveland supported a single term President.

1888: Rep. Hudd proposed an 8-year term President. The People's Party platform advocated a single term President.

1890–1926

During this time, approximately 107 proposals were introduced in Congress to limit a President to one term, to prohibit a longer tenure than two terms, and to lengthen but restrict to one term a President's tenure in office.

10 amendments called for a single, 4-year term.

63 amendments called for a 6-year term. (One of these proposals, S.J. Res. 78, passed the Senate on Feb. 1, 1913, by a vote of 47–23.)

22 amendments called for a single, 6-year term.

4 amendments provided that a President could not succeed himself in office.

6 amendments limited a President to two consecutive terms in office.

2 amendments called for a single, 7-year term.

1892: Again, the People's Party platform called for a single term President.

1912: The Democratic Party platform advocated a single term President. The Prohibition Party favored a single, 6-year Presidential term.

1913: S.J. Res. 78, calling for a 6-year Presidential term, passed the Senate on a vote of 47–23 February 1.

1915: President William Howard Taft expressed support for a single 6 or 7-year term President while delivering a lecture at Columbia University.

1916: Again, the Prohibition Party called for a single, 6-year Presidential term.

1927–1963

During this time, 81 amendments were introduced in Congress to alter Presidential service.

43 amendments called for a 6-year term.

3 amendments called for a single, 4-year term.

34 amendments advocated limiting a President to two consecutive terms.

1 amendment advocated an 8-year Presidential term.

1939, 1945: Hearings on proposals for a 6-year term President were conducted by the Senate Judiciary Committee.

1940: During the Presidential campaign, Wendell Willkie advocated a single term of 8 years or less for a President.

(1939, 1943, 1945: Gallup polls showed that by almost 3–1, the public opposed changing the President's term to a single one of 6 years.)

1947: During debate on the proposed 22nd Amendment, Senator W. Lee O'Daniel (Texas) offered an amendment to limit all elected officials to a single term of 6 years in office. The amendment was defeated 82–1. Also, an amendment was offered by Rep. Celler (New York), ranking Democrat on the House Judiciary Committee, to limit a President to one, 6-year term; the amendment was defeated by voice vote.

February 5: The House Judiciary Committee reported favorably an amendment to limit a President to two, 4-year terms.

March 21: Congress approved a Constitutional Amendment limiting a President to two, 4-year terms. (The Amendment was ratified by the States on March 3, 1951.)

1964–1971

Three amendments were proposed calling for a 3-year Presidential term.

The House Judiciary Committee held hearings on one of the amendments.

One amendment was offered to limit to eight the number of consecutive years a President could remain in office.

1972–1974

Nine amendments were offered calling for a single, 6-year Presidential term.

1975–1976

Nine amendments were introduced calling for a single, 6-year Presidential term.

1977–1978

Thirteen amendments were introduced to limit a President to a single term of six years.

1979, AS OF THE END OF FEBRUARY

Seven amendments have been proposed calling for a single, six-year Presidential term.

Jan. 25: Attorney General Griffin Bell endorses the single, six-year Presidential term.

April 27: President Carter endorses the single, six-year Presidential term.

[From the Dillon (S.C.) Herald, July 26, 1979]

A SIX-YEAR TERM

One of the numerous Republican candidates for president, John Connally of Texas if our memory serves us correctly, is advo-

cating a single six-year term for the president of the United States.

This is an idea which deserves consideration.

In the latest issue of the U.S. News & World Report, a conservatively-oriented publication, appeared the following paragraph:

"In his post as chief of staff, Jordan is expected to crack the whip throughout the executive branch. His goal: To get the entire Carter Administration cannonballing—rather than creeping uncertainly—toward a Carter re-election victory in 1980."

Now, this editorial is not a personal indictment of Jimmy Carter. His own re-election is paramount in the mind of any first-term president and his actions during the last two years of his term are influenced by the approaching election

This consideration governs to a great degree the policies of any president, no matter his party.

Jimmy Carter is not the first president to be influenced by voter reaction as an election approaches, nor will he be the last.

Proponents of the single six-year term assert that political considerations would have but a minor effect on the decisions of a one-term president who would be free to act in the best interests of the country without regard to his own political future.

Allowing a president to try for a second four-year term is the reason that so many of Jimmy Carter's moves are being viewed by the cynical as ploys to insure his reelection. Feeding the mistrust is the fact that no members of the opposition party were summoned to Mount Sinai (Camp David) when the President charted his future course. And, Mrs. Carter traveling through the country, campaigning for her husband's re-election is not an ideal way to gain bi-partisan support for the Administration's energy program.

A constitutional amendment calling for a single six-year term would put a stop to this nonsense which clearly is not in the nation's best interests.

If the president were limited to a single six-year term, his political fortunes in 1980 would have no bearing on his plans and programs. He would be free to espouse necessary, however unpopular, measures if in his judgment they were what the country needed.

He could ignore the polls, realizing that history would be the judge of his administration rather than the voters in an election less than two years away.

The country is not well-served when the last two years of any president's administration are overshadowed by an approaching election. Were he limited to a single term, his options would be more varied, his chances of securing bipartisan support more likely, and he could act, according to his own judgment, in a manner which would serve the country rather than his own political fortune.

[From the Pigeon, (Mich.) Progress Advance, Feb. 1, 1979]

SIX-YEAR TERM MAKES GOOD SENSE

An idea first proposed about 10 years ago surfaced again during the past week, and we frankly can't see much wrong with it.

Attorney General Griffin Bell has warmed up to the idea that this country needs a one-term presidency of six years, instead of the present possibility of up to two four-year terms. He proposed a constitutional amendment as a way of controlling "government by bureaucracy."

Several problems with this proposal come to mind, but the benefits certainly outweigh the possible shortcomings, we believe.

Some observers say a one-term president would serve too long a time. We'd be forced to be governed by a domineering person for six long years, when legislation could be halted for too long if the president opposed it. Or, they say, a poorly-qualified president would blunder about too long.

But let's look at a few of the positive sides of the plan. As soon as any president is elected now, he must set a plan of work to stretch over roughly two and one-half years. This would list programs and goals which can be accomplished before he must turn around to again seek his party's candidacy as well as the country's favor in another election four years after winning his first.

A one-time presidential term would eliminate this and more. A one-term president—financially supported by the governmental funding check-off system employed each year on federal income tax forms—would be answerable to fewer special interests than in the present set-up. Once elected, a one-term president would have his (or her) work cut out for him—do the nation's business the best way possible.

President Carter, elected in 1976, took office in January, 1977 and has already quietly begun fulfilling political commitments by making political tours, to stay in the favor of Democratic Party supporters. This has already started, two full years before the 1980 presidential balloting.

Whether or not you favor the present incumbent, he could be doing our nation's business non-stop right now if he did not have to seek re-election soon. He could do his best job until the year of 1982, if a six-year term had been his reward in 1976.

As it is now, however, many weeks of the next two years will be dominated by political business, as President Carter attempts to defeat election challenges from within and without his own party.

A one-term president could and would look instead toward the accomplishments which are attainable during his total term. We'd all benefit from it, since our United States would have a full-time president governing for his entire term.

This idea was last advanced in the 1960s to replace the present more costly four-year system. Bell's idea to do away with lots of influence by bureaucrats and lobbyists makes a great deal of sense, but it has fallen on somewhat deaf ears in the past.

Our forefathers didn't realize the type of influence which could surround any president in the 20th Century. They wisely wrote into our Constitution the means to change and amend it, as has been done 26 times in our nation's 202 years of existence.

A one-term presidency of six years is an innovative idea, and one which definitely is a needed improvement.

[From the Omaha World-Herald, Jan. 30, 1979]

ONE-TERM PRESIDENCY A GOOD IDEA

An old idea surfaced in two different places last week. It's one worth thinking about.

The idea is that the Constitution should be amended to provide that the president of the United States serve a single six-year term.

John Connally of Texas espoused the idea in his announcement of presidential candidacy. And Atty. Gen. Griffin Bell came out for it in a speech at the University of Kansas.

It is Bell's contention that the four-year presidential term has much to do with fueling inflation. He figures it this way: Government funding cycles mean it is the third year of a president's term before any changes in fiscal and taxation policy can be achieved. That means that much of the time, the bureaucracy is effectively in control of the country's money affairs. And bureaucracy is not as responsive to popular demands for cost-cutting as are elected officials.

This is an interesting argument, but we don't think it is the most compelling one for the six-year term.

The best argument, we think, is that a one-term president would not constantly have one eye on the electorate and one eye on his job.

The country would not be subjected quite as much to the kind of political flim-flammery that even the best presidents resort to as elections approach. (True, the occupant of the White House would still be cranking up the Main Chance for his party, but his personal stake would be reduced greatly.)

It is noteworthy that the Watergate disaster grew almost entirely out of White House concerns relating to the 1972 election. If Nixon had been looking toward honorable retirement at the end of 1972, all that probably would not have been thought necessary.

The single six-year term has attracted support among some solid politicians, including Senate Majority Leader Mike Mansfield, who tried sponsoring legislation to get an amendment enacted.

We hope that Bell's and Connally's endorsement will help give this proposition the attention and support which it deserves. It is an idea whose time surely has come.

[From the Washington Star, May 2, 1979]

THAT 6-YEAR TERM

(By Charles Bartlett)

In asserting that the press would ascribe purer motives to his policies if he did not have the option of seeking reelection, Jimmy Carter will draw few contradictions from the media.

In further contending that he would be able to lead more strongly and effectively under a single-term restriction, Carter lines up with most of his immediate predecessors particularly Dwight Eisenhower and Lyndon Johnson. Both became enthusiastic about the reform while they lived in the White House.

Gerald Ford has taken no formal stand on the one-term presidency, but he does not oppose it. Richard Nixon postpones responding to queries on the subject. John Kennedy died before he could fully assess the idea, but he once groaned to this reporter, "Six years of this job is enough for any man."

Carter is, however, the first president to endorse the plan for a single six-year term in the midst of what seems to be the prelude to his own campaign for a second term. Like Mount Everest, the second term is there and it challenges the spirit of any incumbent. Carter was perhaps expressing the frustration he feels at getting locked into another campaign before he has managed to give any strong demonstration of skill as a leader.

But Carter cannot justly condemn the press for ascribing political motives to his policies under the present circumstances. His White House staff is wholly dominated by Hamilton Jordan, a personality whose credentials are totally political. He joins in the fury when any matter of substance is slipped by the political bureau charged with making the policies fit the political needs. The efforts to maximize the election potential of the incumbency are in full swing.

Astute commentators like Edwin Yoder and David Broder have argued that a one-term president, deprived of the momentum he gains from his reelection effort, would languish without influence. But in days when the thrust of his policies is badly diverted by political preoccupations and most congressional Democrats are planning to campaign without reliance on his sagging popularity, Carter plainly does not feel that his influence is being swollen by the prospect of an election.

Almost in chorus, the political scientists decry the one-term reform as an infringement upon the people's constitutional right to vote for anyone they want as many times as they want. As if to manifest their detachment from the non-intellectual dynamics of politics, this fraternity overwhelmingly favors repeal of the 22nd Amendment, which now limits presidents to two terms.

These dynamics are on display these days in Moscow where Leonid Brezhnev, ailing and old at 70, has recently exasperated the intelligentsia and probably most of his cohorts on the Central Committee by shrugging off a splendid opportunity to retire. Many thought he would seize upon the convening of a new Supreme Soviet, an occasion that coincided with his 40th anniversary in the party leadership, as an appropriate moment to step off the stage.

But Brezhnev has signaled his intention to keep building "our happy communist future." Responsible sources say he did make the decision to retire and had even begun making the preparations. But he allowed himself to be persuaded by his personal staff—which has taken over most of his functions—that despite his incapacities he is indispensable.

The penalty in Russia for writing that Brezhnev is no longer up to his job would be five years of hard labor in Siberia. This is why the Soviets feel able to boast they have a more stable political system. When an American president shows any interest in a second term, the press in this country begins to dwell on reasons why he doesn't deserve it. This is why presidents are inclined to believe they could be more effective if they only ran once.

[From the San Francisco Examiner, Jan. 21, 1978]

A SIX-YEAR PRESIDENCY

It wouldn't be un-American to limit presidents to a single, six-year term. Or to limit U.S. senators to two six-year terms and congressmen to three four-year terms.

In fact, Dr. Milton Eisenhower, president emeritus of Johns Hopkins University and a brother to one U.S. president and an adviser and confidant to many others, says such restricted terms for elective officials in high offices would be in the best interest of the American people.

Eisenhower called for a six-year presidential term and restricted terms for congressional leaders in his 1973 book, "The President is Calling." That same year, two Senate visionaries, Mike Mansfield and George Aiken, proposed legislation to that effect. But the concept died and its two Senate sponsors retired.

Today, however, Eisenhower, 78, is encouraged by renewed interest in the idea. Sen. Jessie Helms, R-N.C., and about a dozen House members are sponsoring a constitutional amendment which would make the job of president a six-year engagement, rather than a possible eight-year position.

In Washington, the Foundation for Study of Presidential and Congressional Terms, is devoting full time toward this end. The organization includes many high-powered political and business leaders, including former Treasury Secretary William Simon and Jack Valenti, president of the Motion Picture Association of America.

In a Sunday column last year, William Randolph Hearst Jr., editor-in-chief of the Hearst newspapers, endorsed the concept of single, six-year terms for presidents.

Our Founding Fathers saw potential evil in more than one term for a president. In a preliminary draft of the Constitution, they called for a single seven-year term. Out of respect and love for George Washington, who served two terms, the draft committee changed that provision. Only after Franklin Delano Roosevelt dared to challenge the tradition set by Washington, political leaders battled for limiting presidents to two four-year terms, and won.

Now it's time for a change.

Some argue that a one-term president would be a lame duck president. Eisenhower replies: "The power of the presidency does not come from a president's ability to be re-elected or political patronage. It comes from the faith of the people in that office and person."

He concedes that government could lose some good leadership by restricting lengths of terms. But a fresh leader is better than a tired one.

[From the Durham Sun, Jan. 29, 1979]

TWO STRONG ARGUMENTS

Attorney General Griffin Bell has advocated a constitutional amendment to limit U.S. presidents to one six-year term.

Bell said this would enable a president to devote 100 percent of his time to the office. "Under the present system, the president serves three years and then must spend a substantial part of the fourth year in running for re-election."

This is an understatement at best. The majority of elected officials, including the president, never stop running from one election to the next—a fact which colors their decisions, often to the detriment of the country's long-term best interests.

Bell added that the current four-year term is too short to achieve any of the major changes and improvements that a president should accomplish. "It is well into a president's third year before his own program changes take effect. This leaves the bureaucracy in control." Limiting a president to a six-year term would be one way to control "government by bureaucracy," said Bell.

This idea has surfaced numerous times through the years and has been advocated by several presidents. Bell makes two powerful points in support of the issue.

[From the Ludington (Mich.) Daily News, Feb. 13, 1979]

ATTY. GEN. GRIFFIN BELL

Attorney General Griffin Bell is to be commended for pointing out the force and power of the federal bureaucracy. By means of the many regulations, orders and printed forms the bureaucracy scrutinizes our lives and controls our destiny.

Griffin Bell is an experienced public servant who heads the 55,000 employees of the U.S. Justice Department. He advocates cutting the rulemaking authority of the bureaus, if not the bureaus themselves. He also favors a constitutional amendment to limit the President to one six-year term of office. He insists that laws be strictly enforced. President Carter made a good choice in appointing Griffin Bell as Attorney General of the United States.—H.P.F.

[From the St. Louis Post-Dispatch, Apr. 29, 1979]

CARTER NOW FAVORS A SINGLE SIX-YEAR TERM

WASHINGTON.—President Jimmy Carter says he has come to believe that it would be an improvement if the presidency were limited to one six-year term with no chance for re-election.

He also says, however, that he would not want to place a similar limit on members of Congress.

The president expressed his views in an interview with the Newspaper Advisory Board of United Press International. The White House issued a transcript Saturday.

"I have begun to realize that if I could just by the stroke of the pen change the Constitution, I think one six-year term would be preferable," he said.

Carter, who has given supporters the go-ahead for setting up a re-election committee but has not yet declared himself a candidate for 1980, complained that the public seems to suspect that there is a political motivation lurking behind everything he does.

"No matter what I do as president now," he said, "where I am really trying to ignore politics and stay away from any sort of campaign plans and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by (the question), 'Is this a campaign ploy or is it genuinely done . . . in the best interest of our country without any sort of personal advantage involved?'"

He added:

"I think that if I had a six-year term, without any prospect of re-election, it would be an improvement. I have come to that conclusion reluctantly."

The idea of a one-term presidency has been proposed several times in Congress, but has drawn little support.

Carter's comments on the subject are similar to the opinions of Attorney General Griffin B. Bell, a close colleague and adviser, who endorsed the idea of a six-year term in a recent speech in Kansas City.

And, in announcing his own candidacy for the Republican presidential nomination in January, former Texas Gov. John B. Connally, Jr. said that, if elected, he would propose changing the Constitution to limit presidents to a single term.

Asked whether the one-term limitation should extend to members of the House and Senate, Carter replied, "No, I think not."

"Congress ought to be constantly under the political pressure of maintaining contact with the people back home," he added. "It is onerous for incumbents, but I think it is good."

His views differ sharply from comments he made in October 1977 when talking by telephone with members of the National Newspaper Association in Houston.

"I believe that the present arrangement is the best one," he had said of the constitutional allowance for two four-year presidential terms.

"My summary is to leave it like it is."

[From the Norfolk (Nebr.) News, Feb. 16, 1979]

SIX IS ENOUGH

Count Attorney General Griffin Bell among the small band of advocates of a six-year term for presidents. That proposal does not have the endorsement of the Carter administration, nor has it been given such support by previous administrations. It has been, instead, a proposal left for debate by political theorists without much influence.

Perhaps Mr. Bell can give this worthy suggestion the prestige it needs to gain a place on the agenda for public debate.

In speaking on the subject recently at the University of Kansas, Mr. Bell noted that the current four-year presidential term does not allow the nation's leader enough time to implement meaningful changes unless he is re-elected to a second term. Further, because of government funding cycles, it is not until the third year of a president's term that he can achieve any major changes.

The effect of this is to leave the bureaucracy in control, said Mr. Bell. And that strength, now growing, is not simply a painful nuisance, but a "prescription for societal suicide."

The matter of influence by the civil servants hired to do the bidding of the president and the taxpayers at large is of concern if for no other reason than numbers alone. Today the federal establishment represents a voting bloc which can, if properly united, make the president and Congress more responsive to them than them to it, as would seem more appropriate for a free democratic society.

To earn the re-election necessary to carry out his initial objectives, an American president must recognize the bureaucracy's votes, too. So it is that changes desirable for the economy and the tax-paying public but unpalatable to those running the day-to-day business of the federal establishment can be defeated.

Aside from that aspect of the management, even a president with a disposition to take strong anti-inflationary measures is dissuaded by the political effects. He may know that the economic well-being of the country hinges on drastic budget-cutting, but he also knows this might be detrimental to a second-term bid. So effective action can be postponed in order that the incumbent will have another term to do what, if it had not been deemed politically unacceptable, should have been done the first term.

Sound economics, in reality the best politics, argues for a single term, and six years is a reasonable length of time.

[From the Boston Herald American, July 25, 1978]

SIX-YEAR TERM?

What do you do when a president who is supposed to be a leader of all the people is liked by only a few of the people?

It's a good question, and neither whimsical nor irrelevant now that President Carter's all-time low in the opinion polls makes him less and less a representative of those who elected him. The answer isn't easy.

In England and many other European countries a parliamentary vote of no confidence can snip the tenure of a chief executive who is out of step. The United States has no similar removal machinery. We give a man a four-year lease, for better or for worse, and a second shot at it if he so desires.

The European plan saves the people from a ruler they want to get rid of, but may not give him optimum opportunity to prove himself. The American plan gives the president plenty of room to peform, but provides no quick relief if the performance is poor.

Shouldn't there be a middle ground?

Political scientists have wrestled with that one for two centuries, coming up with a variety of suggestions. One of the most frequently discussed is the establishment of a six-year term, with no chance to run again.

Under the system the country would be stuck with a mediocrity for an extra couple of years, but that is one of the many uncertainties of representative government. Benefits could far outweigh the risks. For one thing, a president could concentrate on presidential tasks without diluting his energy by polishing his image and campaigning for re-election. By thus conserving time and money, a competent president actually could accomplish more in six years than in eight. If he is less than competent, at least he wouldn't be around for those two extra years.

The $50,000 Mr. Carter shells out to Gerald Rafshoon to paint a prettier picture of the chief may at first glance look minuscule. Multiply it a few thousand times, however, and you get a hint of resources devoted to campaigning that should be spent on governing the country.

Press agentry is an accepted part of of the American political scene, but presidential images should be made of sterner stuff.

A single, six-year term could clear the way.

[From Newsweek, Feb. 4, 1974]

A SIX-YEAR PRESIDENCY?

If the Watergate mess tells us anything, it is that the re-election of a President is the most nagging concern in the White House and that, given the limits of human nature, it is altogether possible that the first item on the agenda of an incoming Administration is its re-election. There is really nothing sinister in this objective—it's the most normal thing in our politics.

But, at the risk of stepping on the droppings of shrewder and wiser philosophers, I think the time has come for changing the rules by which Presidential politics are played. My proposal is a single six-year term for the President with no re-election eligibility.

Two of the most respected of all United States senators, Majority Leader Mike Mansfield of Montana and senior Republican George Aiken of Vermont, have both sponsored such an idea. They believe that while we ought not to tinker too much with the constitutional machinery, we can rearrange a bit of the constitutional furniture.

THE JUDGMENT OF HISTORY

Consider for a moment the election of a new President under a six-year term. He takes office knowing that he cannot seek re-election, that he will make his place in history, for better or worse, on the deeds and achievements of the next 72 months of his stewardship. He has only to do what he thinks is right, with the sure understanding that he must heed the people, for they are co-authors of the record he will leave to the historians. It is this judgment that most Presidents are keen to certify; they value it far above the Great Gallup Poll in the Sky that measures their popularity rather than their legacy.

Should taxes be raised? Should rationing be instituted? Should troops be withdrawn? Should wrongs be righted even though some voters are offended? If the election is a year or two away, you can mark it down as a Major Truth that a first-term President will carefully weigh the effects of whatever he does on his second-term prospects. Kenneth O'Donnell, JFK's closest political aide, wrote some years ago of a conversation President Kennedy had with Senator Mansfield in 1963 during which the senator urged JFK to get the hell out of Vietnam. To which, according to O'Donnell, the President wryly confessed he wanted to do just that, but he had to wait until after the election, lest he be swamped at the polling booths.

Watergate would never have occurred if Presidential aides were not obsessed with re-election. If they had been comfortable in their tenure, knowing that in six years they would lose their lease—and in that short time they must write their record as bravely and wisely as possible—is it not possible that their arrogance might have softened and their reach for power might have shortened?

The counter-arguments to the six-year term are (1) the President must not be freed from considering the political implications of his acts or he becomes isolated from the people, and (2) he is a lame duck the day of his election.

Let's consider those two arguments.

POWER AND POLITICS

Don't we make the President a lame duck now the day he is elected to his second term? Does that hamper him? Of course not. The President has such power that he can wield it sufficiently and with precision to the last weeks of his tenure. President Johnson signed into law two of the most controversial pieces of legislation of his Administration in the last seven months of his office, the equal-housing and tax reform acts. The powers of appointment, of veto, of budget making, of initiation of programs, of moral suasion—these are all intact, fully armed and borne by him until his successor is sworn in. Lame-duckism is a myth in the Presidency.

A six-year-term President is not isolated and divorced from the daily political marketplace. Any President who wants to pass a bill, build a budget, construct a program, implement a plan, make a treaty, negotiate at a conference must be sensitive to the people and the Congress. He must act within the framework of the separation of powers; he is powerful, but he is not all-powerful. Common sense dictates his actions, and his own sensitivity to his place in history freights his every move. Therefore it follows, quite reasonably, that the President who would write a durable and measurably valuable record must persuade the Congress and the people.

The Congress and the Supreme Court (the one answerable often to the voters, and the other secure behind lifetime tenure) have only to exercise their power under the Constitution and the insensitive President, opaque to the nation's needs, can be pressured to straighten up and fly right.

We must always remember that a President's noblest stirring is toward his place in history as a Good, perhaps Great, President. If we abort his other objective, his re-election, we reduce the potential for mischief and leave the better angels undisturbed.

We should also factor into our decision the time consumed in the re-election campaign. Some two and a half years after a President is inaugurated, the elephantine apparatus of the Federal establishment moves to provision the re-election caravan. Energy, money and time are thrown into the job of precinct winning.

Why waste this effort and treasure? We no longer have the luxury of slow communications, of ships taking a month to cross the ocean, and the slow seepage of political impact. Today we deal in eight minutes to catastrophe, or the time it takes a MIRVed missile to hurl itself across borders. The stakes in the game have become too high to indulge ourselves in what seemed all right a century, or even three decades, ago.

The Founding Fathers understood the possibility of change: they built the amendment mechanism into the Constitution. We have used this mechanism 26 times, mostly to our great benefit—and we should use it again to bring about the six-year Presidency.

A HOSTAGE TO EMERGENCY

Churchill once observed: "The amount of energy wasted by men and women of first-class quality in arriving at their true degree before they begin to play on the world stage can never be measured. One may say that 60, perhaps 70 per cent of all they have to give is expended on fights which have no other object but to get to their battlefield."

That dusty, wasteful system is no longer acceptable in a world living on the nerve edge of a disaster. The Presidency today is hostage to emergency. Every moment devoted to getting re-elected squanders the most precious resources of the Presidency—and the nation.

By Mr. DOLE:

S.J. Res. 104. A joint resolution to authorize and request the President to proclaim September 16, 1979, through September 22, 1979, as "Responsible Pet Care week"; to the Committee on the Judiciary.

● Mr. DOLE. Mr. President, today I am introducing a resolution declaring the week of September 16, 1979, as "Responsible Pet Care Week."

To millions of Americans, pets serve an important place in their lives and their families. To many other Americans, pets provide sport and yet for others they provide security and protection.

Although we may not realize it, pets are an important economic fact in our lives. Millions of dollars of State income are derived from parimutual betting on dog races. Dogs are employed in both urban and rural areas for protective purposes. Without them, a lot of people, especially the elderly, the infirmed, and the blind would feel more threatened, more alone, and more isolated. Simply, pets can provide that necessary companionship for the enjoyment of life.

Most of us know the practical importance of the Canine Corps. These specially trained dogs contribute to a high percentage of arrests, and are today a valuable tool in the continuing war on illegal drugs. Building on this strong record in police work, the Defense Department has its own Canine Corps consisting of several thousand dogs. Officials in Maryland Law Enforcement Department have estimated that one man and a dog can equal the services of three police officers. The financial benefits are obvious and could possibly run into millions of dollars each year. Also in the enforcement effort is the use of horse patrol of many parks and public areas in cities all across this Nation.

In the Washington, D.C., area over 45 horses are used for law enforcement. It has been estimated by the National Park Service that during the 1976 Fourth of July celebration in Washington, the mounted policeman did the job of 20 police officers.

Although the animals I have mentioned may not appear to be treated as a plaything like many others in family surroundings, these animals do serve as companionship not only in their work, but also after that work is completed during the day.

The blind depends on the seeing eye dog for a vision that most of us take for granted and the security for the elderly that may fear attempts of crime and at the same time dissapate loneliness.

Whether it be for sport, such as hunting dogs, or companionship, the pet today deserves responsible care. Across this Nation, hundreds of humane shelters exist, funded solely by contributions, to provide these animals shelter and a possible home. Pet care and training sessions are held in schools and clubs so that greater responsibility for correct care of pets can be learned.

All pets deserve responsible care. For this reason, I believe this week of September should be designated and the American people should work in conjunction with their community humane shelters, pet centers, pet breeders, and such associations as the National pet food institute in helping to educate all Americans in the care of their pets.●

ADDITIONAL COSPONSORS

S. 336

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 930

At the request of Mr. PERCY, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 930, the Federal Employee Parking Act of 1979.

S. 1287

At the request of Mr. GOLDWATER, the Senator from Oregon (Mr. HATFIELD), the Senator from Nevada (Mr. LAXALT), the Senator from South Carolina (Mr. THURMOND), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1488

At the request of Mr. NELSON, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 1488, the Individual Savings Act of 1979.

S. 1703

At the request of Mr. MATHIAS, his name was added as a cosponsor of S. 1703, to provide an exclusion for income earned abroad by employees of certain charitable organizations.

SENATE JOINT RESOLUTION 39

At the request of Mr. RANDOLPH, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of Senate Joint Resolution 39, a resolution to estabish the "National Employ the Older Worker Week."

SENATE JOINT RESOLUTION 100

At the request of Mr. SASSER, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of Senate Joint Resolution 100, to authorize the President to proclaim May 1, 1980, as "National Bicycling Day."

AMENDMENT NO. 212

At the request of Mr. SCHMITT, the Senator from Iowa (Mr. JEPSEN) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission Authorization bill.

AMENDMENTS SUBMITTED FOR PRINTING

SECOND CONGRESSIONAL BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 407

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

SCHOOL LUNCH

● Mr. McGOVERN. Mr. President, I am submitting today an amendment to the second concurrent 1980 budget resolution deleting the instructions of the Committee on Agriculture, Nutrition, and Forestry. These instructions are based on the Budget Committee's desire to have us reduce the Federal support in the school lunch program.

I am a supporter of the budget process and recognize the need to have one committee that looks at the big picture—the sum total of the work of the authorizing committees.

It is an important and constructive process that has forced all of us to look at our actions in perspective and keep in mind the effect our individual actions have on the total budget. It has also provided the opportunity for ongoing oversight of the operation of the various programs in our jurisdiction, as well as to make the Congress more successful in responding to the President's budget proposals.

I do not believe, however, that when the Congress enacted the Budget Act it intended to set up a committee that could force an authorizing committee to disregard its best judgment on programs that are important to millions of Americans.

The President's budget for 1980 called for reductions of over half a billion dollars in the child nutrition budget. It was the largest cut ever sought by a President in the area of child nutrition. As a result the nutrition subcommittee held oversight hearings on the budget, before submitting its March 15 report, to determine the merits of the proposed reductions.

Subsequently, the committee in its report to the Budget Committee said it would support the President with regard to the summer food program, the special milk program, and the already agreed to reduction in the WIC program. Of the $528 million in reductions sought by the President in the area of child nutrition, the Agriculture Committee agreed to $207 million—showing a sincere commitment to the budget process and the economic concerns of the Nation.

In addition, the Agriculture Committee did not stop there. After listening to the General Accounting Office testify that the "Department has little convincing evidence to support their proposed modifications in the school lunch program," the committee reported and the Senate agreed to Senate Resolution 90. Under the resolution the Secretary of Agriculture is requested to conduct a comprehensive study of the school lunch program and the breakfast program to try to answer some of the questions raised by the General Accounting Office and others.

The study would include such aspects of the school lunch and breakfast programs as, first, program costs; second, the income of families participating in the programs; third, the use of the programs for nutrition education purposes; fourth, the contribution of the programs to the agriculture economy; fifth, income verification procedures; and sixth, the need for legislative changes.

In short, I think that the Committee on Agriculture, Nutrition, and Forestry has made a good faith effort to comply with the Budget Act. But I do not believe that we should take action to curtail a program before we feel assured that such action will not have a detrimental effect on millions of schoolchildren.

I ask unanimous consent that the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 407

On page 12, strike out lines 10 through 22.

On page 12, line 23, strike out "SEC. 5." and insert in lieu thereof "SEC. 4.".

On page 13, line 11, strike out "SEC. 6." and insert in lieu thereof "SEC. 5.".

On page 14, line 1, strike out "SEC. 7." and insert in lieu thereof "SEC. 6.".

On page 14, line 15, strike out "SEC. 8." and insert in lieu thereof "SEC. 7.".

On page 15, line 4, strike out "SEC. 9." and insert in lieu thereof "SEC. 8.".

On page 15, line 17, strike out "SEC. 10." and insert in lieu thereof "SEC. 9.".

On page 15, line 19, strike out "9" and insert in lieu thereof "8".●

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENTS NOS. 408 THROUGH 410

(Ordered to be printed and to lie on the table.)

Mr. NELSON submitted two amendments intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

● Mr. NELSON. Mr. President, the following amendments are to S. 14 and, in one case, to an amendment to S. 14. Information on these amendments has been circulated to each office. I ask unanimous consent that the text of the amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 408

On page 10, line 16, strike the period after the word "season" and insert in lieu thereof the following: "*Provided*, That this section shall not apply to any project, unit or division of a project, or repayment contracting entity, if the average frost free growing season, as conclusively determined from published Department of Commerce records, exceeds one hundred and eighty days and that a landholding on such project, unit or division of a project may not exceed one thousand two hundred and eighty acres, and the project is below 3,000 feet altitude."

AMENDMENT No. 409

On page 9, line 12, insert the following: strike subsection (F) and insert in lieu thereof the following:

"(F) Not more than one landholding may be managed by another person or legal entity on behalf of qualified recipients or other landholders, except in hardship cases as determined by the Secretary."

AMENDMENT NO. 410

Mr. NELSON submitted an amendment intended to be proposed by him to amendment No. 410 intended to be proposed to S. 14, supra.

AMENDMENT No. 410

Following the last line of the amendment, add the following: "On page 10, line 20, delete the period after the word 'contract' and replace in lieu thereof a comma and add the words '*and further Provided*, That such an exemption shall only occur after the Secretary has made a determination that a pattern of family farming has been established in the project.'" ●

NUCLEAR WASTE REGULATION ACT OF 1979—S. 1521

AMENDMENT NO. 411

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. RANDOLPH submitted an amendment intended to be proposed by him to S. 1521, a bill to expand the licensing and related regulatory authority of the Nuclear Regulatory Commission over storage and disposal facilities for nuclear waste, to provide for meaningful State participation in the licensing of such facilities, and to establish a schedule for implementation of waste management planning.

EXECUTIVE RESERVATION SUBMITTED FOR PRINTING

SALT II—EX. Y, 96-1

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted a reservation intended to be proposed by him to the resolution of ratification of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms, done at Vienna on June 18, 1979 (Ex. Y, 96-1).

Mr. DECONCINI. Mr. President, the disclosure that Soviet combat forces are deployed within the area encompassed by the Monroe Doctrine has caused grave concern among the American people. It is disquieting to learn after this SALT treaty was approved by the administration and on the very eve of the Senate debate that the Soviet Union is pressing its worldwide objectives in our own backyard.

Much of the rhetoric surrounding this treaty involves the assumption that Soviet military and political aims are limited. We have been led to believe that this treaty, like its predecessor, is part of an ongoing process, intimately related to the notion of détente. The result of this process is, supposedly, a general amelioration of the status of the Soviet-American relationship. Thus far, that relationship has been characterized by competition and antagonism based upon fundamentally conflicting values and views of the world and its direction.

The administration has consistently demanded that we in the Senate consider SALT II in isolation from other disturbing events in foreign policy. It is unrealistic and counterproductive, we have been told, to make our decision on SALT II reflective of the concerns we all share about Soviet incursions in Africa and the Near East. In my judgment, these arguments have never been persuasive. Surely, if SALT II is part of an ongoing process intended to yield positive results, it is fair to assess the nature of those potential results now. Yet, as we look around us, it would be extremely difficult to make the case that SALT I and by extrapolation, SALT II, has significantly altered Soviet foreign policy. Indeed, it would be difficult to argue that the SALT process has even slowed down the tempo of Soviet activities—activities that are antithetical to American interest.

However, in the presence of Soviet combat forces in Cuba we find a very clear indication of the nature of Soviet intentions; indeed, we find insight into the manner in which they conceive of their relationship to the United States. I do not find in that presence great consolation that the fundamental antagonisms between our two countries have abated. What I find in the presence of those troops is yet another challenge to American policy in the world, and in an area that has traditionally been the very heart of our sphere of interest. The act of placing those troops in Cuba is provocative in the extreme.

It is also of little consolation to me that those troops may have been stationed in Cuba for a number of years. The time involved does not change the nature of the challenge. In fact, the total inability of American intelligence to detect the presence of these troops exacerbates the whole nature of the SALT II problem. My own confidence—and I am sure that of most Americans—in our intelligence community's overall capabilities has declined measurably. Regardless of the particular excuses for this most dramatic failure, it cannot help but raise further doubts about our ability to monitor SALT II.

It is unclear at this juncture precisely what policy the administration intends to pursue. The President and the Senate leadership have asked that I and others refrain for the time being from raising a resolution I introduced on September 6 declaring it to be the sense of the Senate that the SALT II debate be delayed until such time as the President can certify to the Senate that those Soviet troops have been removed from Cuba. It is certainly not my intention to impede the President or his administration in any way from pursuing every necessary avenue to persuade the Russians that the removal of these troops must be undertaken.

However, it is also not my intention to allow this matter to slip between the cracks. Today's headlines will merely be faded memories in a few short weeks. Therefore, I intend to introduce a reservation to the treaty itself that will forbid the exchange of instruments of ratification until the President notifies the Senate that Soviet combat troops have been removed from Cuba. Naturally, this reservation will not be voted on until the Senate proceeds to formal consideration of the treaty. This will, I believe, allow the administration ample time to persuade. It also puts the administration and the Soviets on notice that when the SALT II treaty is debated, the issue of Soviet troops will be raised and that unless a majority of the Senators have become convinced that it is no longer a serious matter, removal will become a condition precedent to the implementation of SALT II.

Mr. President, I ask unanimous consent that the text of my reservation be printed in the RECORD at this point.

There being no objection, the reservation was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 418

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservation, which is to be made a part of the instrument of ratification, that before the date of exchange of the instruments of ratification, the President shall have notified the Senate that the Government of the Union of Soviet Socialist Republics has removed all its combat troops and their support units from Cuba".

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on S. 1564, the Lobby Disclosure Act of 1979, on September 25 and 26, 1979, at 10 a.m., in room 3302 of the Dirksen Senate Office Building.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, on behalf of the Committee on Labor and Human Resources, I would like to announce that the hearings which have been scheduled for September 18 and 19, 1979, on S. 1486, a bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act will have to be canceled and will be rescheduled at an appropriate date.●

SUBCOMMITTEE ON THE HANDICAPPED

● Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I announce that our subcommittee has scheduled hearings on the Education for All Handicapped Children Act of 1975 (Public Law 94-142). The hearings will be held on Monday, October 1, Wednesday, October 3, and Wednesday, October 10, 1979, in room 4232, Dirksen Senate Office Building starting at 9:30 a.m.

Persons wishing additional information should contact Mrs. Patria Forsythe, Staff Director, 10-B Russell Senate Office Building (202) 224-9075.●

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

● Mr. ZORINSKY. Mr. President, the Subcommittee on Agricultural Credit and Rural Electrification of the Agriculture Committee has scheduled a series of hearings on S. 1465, a bill to amend the Farm Credit Act. The hearings will be held on October 4, 5, and 9, beginning each morning at 9 a.m. in room 324. Anyone wishing to testify should contact either Reider Bennett-White or Denise Alexander at 224-2035.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Committee on Finance will hold a hearing on September 17, 1979, on miscellaneous tax bills.

The hearing will begin at 9:30 a.m. in room 2221 of the Dirksen Senate Office Building.

The following pieces of legislation will be considered:

S. 224, sponsored by Senators HATCH, DOLE, DOMENICI, GOLDWATER, HAYAKAWA, HELMS, SCHMITT, STEVENS, THURMOND, TOWER, and YOUNG, would prohibit permanently the issuance of IRS regulations on the taxation of fringe benefits. The measure involves no revenue loss since it would continue current law. However, revenue estimates showing revenue gains derived from implementation of the proposed Internal Revenue Service regulations dealing with fringe benefits will be furnished on the day of the hearing. The bill would benefit taxpayers affected by the proposed fringe benefit regulations of the Internal Revenue Service.

S. 616, sponsored by Senators DOLE and THURMOND, would amend the Internal Revenue Code to permit an income tax, an estate tax, and a gift tax deduction for contributions to the construction or maintenance of buildings housing fraternal organizations. Revenue estimates on this measure will be furnished on the day of the hearings. The measure will benefit fraternal organizations with building programs and taxpayers who make contributions to these organizations for building or maintaining facilities housing the organization.

S. 687, sponsored by Senators CHAFEE and PELL, which amends the Rhode Island Indian Claims Settlement Act to provide an exemption from taxes with respect to the settlement lands and amounts received by a State-controlled corporation in connection with litigation dealing with Indian land claims and to provide a deferral of capital gains with respect to the sale of settlement lands. Revenue estimates on this measure will be furnished at the time of the hearing. The measure will benefit parties to land settlements negotiated in connection with litigation dealing with Indian land claims.

S. 1514, sponsored by Senators HARRY F. BYRD, JR., and WARNER, which would amend the Internal Revenue Code with respect to the tax-exempt status of interest on certain governmental obligations the proceeds of which are to be used to provide solid waste disposal facilities. The bill would involve a revenue loss in fiscal year 1980 of $2 million, 1981 of $13 million, 1982 of $39 million, and 1983 of $81 million. The bill would benefit the Southeastern Public Services Authority of Virginia and other governmental units involved in the collection of solid waste materials and the conversion of such materials into energy.

It is estimated that as many as 40 projects of this nature may exist throughout the country.

S. 736, sponsored by Senators DOLE, DECONCINI, and MATSUNAGA, which would amend the Internal Revenue Code to clarify the standards used in determining whether individuals are not employees for purposes of employment taxes. Revenue estimates on the measure will be furnished at the time of the hearings. The measure is designed to clarify the tax status of individuals as independent contractors and has broad application to all taxpayers considered to be independent contractors.

S. 401, sponsored by Senator MOYNIHAN, for the relief of the Manhattan Bowery Corp., of New York, N.Y., relieving the corporation of liability for repayment of social security taxes erroneously refunded to its employees. Revenue estimates on the measure will be furnished at the time of the hearings. The bill will benefit the Manhattan Bowery Corp.

S. 945, sponsored by Senators MATHIAS, CHAFEE, and BOREN, which would provide that annuity contracts bought by the faculty and staff of the Uniform Services University of Health Sciences, Bethesda, Md., be treated as if the university were a State-funded school or charitable organization and, therefore, entitled to the benefits of section 403(b) of the Internal Revenue Code. Revenue estimates on this measure will be furnished at the time of the hearings. The measure will benefit the Uniform Services University of Health Sciences.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510 by no later than the close of business on September 13, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length, and mailed with five copies by October 12, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

SALT AND OUR HEALTH

● Mr. MCGOVERN. Mr. President, much of the Senate's energy continues to center on the SALT debate, and the enhancement of the defense posture of the United States. This morning I would like to turn our attention from national defense to personal defense. I am referring specifically to the various actions each of us can take to defend ourselves from illness, and to promote good health. Recently, Dr. Jean Mayer, the eminent nutritionist and president of Tufts University, remarked that:

> All recent advances in medical science have been largely undone by our diet and our way of life.

Current statistics regarding America's health lend support to Dr. Mayer's commentary:

Diseases of the heart and blood vessels are the leading cause of death in the United States, killing 1 million Americans each year.

The average American male has a 20-percent chance of suffering a heart attack before the age of 60.

Two million Americans will suffer a stroke this year; 200,000 of the stricken will die, and an additional 250,000 below the age of 65 will be disabled.

From 23 million to as many as 60 million Americans suffer from high blood pressure, although only one-half to one-third know it; because high blood pressure has no symptoms.

In recent years, however, the growing concern for disease prevention through health promotion has provided a ray of hope in what at times seems to be a gloomy picture of America's health.

The need to expand our emphasis on

health maintenance was the focus of a major report recently published by the Surgeon General. In virtually his last official act as Secretary of the Department of Health, Education, and Welfare, Joe Califano released the first Surgeon General's report on prevention, entitled: "Healthy People: Health Promotion and Disease Prevention." The report's purpose is to "encourage a second public health revolution in the history of the United States"; to stem the death toll of degenerative diseases the way polio, tuberculosis, and other infectious diseases were tamed in the past. According to Secretary Califano:

The Nation's health strategy must be dramatically recast to emphasize disease prevention.

The major premise of the healthy people report is that an alarming range of diseases and disorders are, to a large degree, avoidable, and thus by simply altering certain habits, one can greatly decrease the risks of an early death associated with such degenerative disorders as stroke, heart disease, and other killer diseases. Since 6 of the 10 leading causes of death are related to diet, how one eats can play a significant role in preventing or delaying illness.

High blood pressure—a major risk factor for stroke, coronary artery disease, kidney disease, and late onset diabetes—well exemplifies a risk factor which can be partially controlled by making simple changes in one's eating habits. Evidence from epidemiological, animal, and clinical studies indicate that a high sodium intake is a factor in hypertension. The Select Committee on Generally Regarded as Safe Substances (GRAS) of the Federation of the American Society for Experimental Biology notes that the "prevalent judgment of the scientific community" is that "the consumption of sodium chloride in the aggregate should be lowered in the United States," and "* * * a reduction of sodium chloride consumption by the population will reduce the frequency of hypertension."

Dr. Jeremiah Stamler, a cardiologist from the Northwestern University Medical School, elaborated on the need to decrease salt consumption:

Habitual high salt intake acts as a "condition" setting the stage for elevated blood pressure . . . it therefore makes good sense to encourage the American people to eat less salt and encourage the food industry to help by reducing the salt that is so ever present in commercial products.

The first edition of the report by the Select Committee on Nutrition and Human Needs, Dietary Goals for the United States, recommended decreasing table salt (sodium chloride) consumption to about 3 grams per day, which is a little more than half of a teaspoon. Since table salt is about 40 percent sodium, 3 grams of salt contains 1.2 grams of sodium.

After further investigations, the select committee concluded that a recommendation of 3 grams per day of salt was too restrictive a goal for a healthy person. Furthermore, even though the goal referred to salt, the recommendation of 3 grams of salt was often interpreted to mean that a person should strive to eat only a total of 1,200 mg. of sodium a day, which is a consumption level that is prescribed for people who already have hypertension. As a result, in the second edition of the Dietary Goals report, the select committee changed its recommendation to, "limit the intake of sodium by reducing the intake of salt to about 5 grams a day." The select committee believed that this would clarify the goal. However, it has come to my attention that there is still some misunderstanding about the salt recommendation as presented in the second edition. Thus, I would like to make two further clarifications of the salt goal.

First, it is vitally important to understand that the recommendation is not an optimal intake level, but rather an uppermost limit. The various goals as set forth by the select committee were just that, goals. They were meant to indicate a direction in which to move in order to optimize one's chances of improved health. At the same time, because the accepted minimal average daily consumption of sodium is 200 mg., the select committee understood that additional reductions below 3 grams of salt (1,200 mgs. of sodium) could be even more beneficial because of the decreased risk of developing hypertension.

However, there are a few instances when more sodium may be needed. Excessive sweat loss from exercise, heat or fever can lead to significant sodium losses, which result in an added sodium requirement. The following guidelines are taken from the 1974 edition of the "Recommended Dietary Allowances":

Whenever more than a 4-liter intake of water is required to replace sweat loss, extra sodium chloride (salt) should be provided. The need will vary with sweating in the proportion of 2 g sodium chloride (salt) per liter of extra water loss, and on the order of an extra 7/g day for persons doing heavy work under hot conditons (Lee, 1964). In unadapted individuals, the need for additional water and salt may be somewhat higher than in fully acclaimed persons.

Therefore, in trying to mesh the need for a realistic goal for healthy people with the scientific knowledge that the human body requires very little sodium, the select committee settled on the 5-gram level for salt consumption. But, unlike the other goals, it also viewed such a goal as being an uppermost limit.

A second point of clarification concerns the sources of sodium which are covered by the Dietary Goals recommendation. It is important to recognize that the goal does not include nondiscretionary sodium, that is, sodium which occurs naturally in a food. For example, two cups of milk alone supplies 240 milligrams of sodium. Americans eat daily the equivalent of up to 3 grams of salt from nondiscretionary or natural sources of sodium. Thus, combining both naturally occurring sodium, and sodium added usually as salt in processing or at home, the total recommended uppermost level of sodium intake daily is about 3 grams, or the equivalent of 8 grams of table salt. (It is estimated that the average daily sodium consumption by Americans is the equivalent of 12 grams of salt.)

The select committee focused on salt, instead of sodium, as a means to control total sodium intake because it first, was most easily understood by the consumer, and second, accounted for at least three-fourths of all the sodium in the average American diet. Because the dietary goals recommendation only applies to discretionary or added salt, the consumer should seek to control salt intake by reducing consumption of heavily salted commercial and prepared foods, reducing salt used in cooking, or decreasing salt consumption at the table.

Although many health-conscious people are aware of the potential dangers associated with a high salt intake, few realize how quietly but thoroughly salt has permeated the modern American diet, especially in processed foods. Thomas Dawber, professor of medicine at the Boston University Medical Center, estimates that from 40 to 60 percent of the salt consumed in the United States comes from additions during commercial food processing. In an article from the July 11, 1979, edition of the New York Times, Jane Brody relates how many Americans unknowingly obtain the bulk of their sodium intake through the consumption of processed foods:

Few people realize just how pervasive an ingredient salt has become in the modern American diet. Although with refrigeration and other methods of food preservation, we no longer have to depend on salt to keep our food safe and edible, it is the nation's leading food additive after sugar. It is the major additive in most processed foods, and it is the main condiment used in cooking and at the table.

Knowing the amount of sodium present in processed and commercially prepared foods is a prerequisite to controlling sodium consumption in one's diet. However, because labeling of sodium content is not currently widely available it is almost impossible to decrease substantially sodium intake.

Along with other representative organizations of the health and medical community, the American Medical Association's policymaking body recently called for mandatory declaration of sodium on food labels. At the group's annual convention, the AMA House of Delegates passed the following resolution:

To sponsor federal legislation requiring food manufacturers to print on the food label the amount of sodium, in milligrams per average serving, so the American public may be informed as to the amount of sodium in their diets.

The critical need for mandatory sodium content labeling is also recognized in the following statement from Processed Prepared Foods, a major magazine of the food industry:

The Salt Institute accepts the public's right to know what ingredients, including sodium, are in their foods.

Sodium labeling would be the most efficient and simplest way to provide information on sodium content in order for physicians to better prescribe the foods that would be acceptable for their patients or for the patients themselves to more easily select foods to keep their diets low in sodium.

Such labeling also will provide sodium content of foods for normal, healthy individuals who may desire that information. The cost the food industry would bear for such changes in labeling would be well worth the service to the public.

The lack of sodium content labeling is one reason why I have introduced S. 1651, Department of Agriculture Nutrition Labeling and Information Act of 1979, and S. 1652, Nutrition Labeling and Information Amendments of 1979 to the Federal Food, Drug, and Cosmetic Act. This legislation would give customers the capacity to ascertain sodium content in foods, and thus means to effectively control their sodium intake.

Decreasing sodium consumption in the American diet is a critical and primary step in disease prevention and health promotion. For example, stroke and heart disease have decreased 23 percent in the past 9 years, partially due to the successes of the National High Blood Pressure Education program—a public health promotion program which is directed toward making individuals who have high blood pressure aware of their problem so they can seek appropriate treatment. A similar public health promotion program informing the public of the potential risks of high salt consumption should also be considered. Such a program, however, would be useless without accurate, informative sodium labeling.

I believe the following conclusion from the Report of the Hypertension Task Force, published by the National Heart, Lung, and Blood Institute of the National Institutes of Health, underscores the importance of this matter:

Stroke, heart attack, and chronic kidney failure create major social, personal, and financial problems. In 1972, hypertension and its complications were estimated to cost the American people over 25 billion dollars in direct medical expenditures and in income lost through illness, disability, premature loss of productivity, and death—besides an enormous, though incalculable, toll of social disruption and personal and family agony.

Mr. President, I submit for the RECORD the full text of the Brody article, another article by Craig Claiborne from the same July 11, 1979, edition of the New York Times, and an editorial from the August 1979, edition of Processed Prepared Food.

The articles follow:

THE PERVASIVE THREAT TO HEALTH

(By Jane E. Brody)

For at least 5,000 years, salt—sodium chloride—has been an important, indeed revered, constituent of the human food supply. Salting and drying is believed to be the first method used to preserve otherwise highly perishable meat and fish, making unspoiled food available during otherwise lean times.

In ancient days, there was such a clamoring for salt that it was used for barter and pay, and battles were fought to capture or protect salt deposits. To the ancient Greeks, a prized slave was "worth his weight in salt." The word "salary" was derived from the Latin word sal, for salt. It is also the root of the word sausage, which depends in part on salt for defense against microbial decay.

In health circles in recent years, salt has become persona non grata.

Some doctors refer to it as a killer, since the sodium it contains appears to be a major precipitating cause of potentially fatal high blood pressure, or hypertension. This insidious disorder, which afflicts some 25 million Americans and often produces no symptoms until it has done irreparable damage, can lead to kidney failure, stroke and heart disease.

Many point out that we have overextended our dependence on salt, consuming far more than our bodies were designed to handle. For millions of years, human beings and their primate ancestors consumed no salt or sodium except what was naturally present in foods. Those primitive peoples whose diets were primarily fruits and vegetables were on what amounted to a severely restricted low-sodium diet. Even the meat-eaters among our forebears consumed at most a quarter of the amount of sodium that the average American eats today.

Throughout the world, current populations that live on low-salt diets never develop hypertension. In fact, their blood pressure does not rise with age as it does in the typical American: If anything, it drops. On the other hand, a few pre-industrial peoples, such as the Gashgai nomads of southern Iran, who consume a lot of salt, also have a lot of hypertension, despite the lack of stress in their society.

Other hazards of a high-salt diet include edema, or swelling of body tissues, and extreme symptoms of premenstrual tension. Some women experience bloating, headache, irritability, weepiness and even uncontrollable rages just before their menstrual periods. These symptoms are largely due to retention of salt and water, and they are best treated by following a low-salt diet for 10 days before menstruation is expected. One headache specialist has found that salt restriction reduces the frequency and severity of migraines.

For athletes and others who indulge in vigorous exercise, a large dose of salt to replace salt lost through sweating can be harmful and even fatal, causing a loss of potassium (needed for muscle contraction, including the heart muscle) and thickening of the blood. Salt tablets are unnecessary and dangerous. In fact, athletes have been shown to perform better in hot weather if they reduce their salt intake; over a period of weeks the body learns to conserve salt and less is lost through sweating.

The elaborate mechanism that regulates the body's internal supply of water and its essential balance of sodium and potassium evolved for a world in which sodium was relatively scarce and in which potassium, a common mineral in fruits and vegetables, was plentiful. Thus the kidneys and the chemicals that govern their activities are set up to conserve sodium and get rid of excess potassium.

But the diet we currently consume is quite the reverse of what the human species evolved on. Today, we eat sodium to considerable excess beyond the body's needs, and potassium, while usually adequately consumed, is in relatively short supply. The net result is that excess sodium can accumulate in the body fluids, drawing water to maintain a proper balance. This in turn increases the volume of blood, the blood pressure and the heart rate.

How the body reacts to this sodium excess is determined largely by heredity. Approximately 15 to 20 percent of Americans have inherited a genetic susceptibility to the effects of excess sodium. Eventually, on the high-salt diet that most of us eat, they develop high blood pressure. There's no way to know in advance who is and who is not susceptible to the damaging effects of sodium.

Actually, our taste for salt is an acquired one. No salt needs to be added to the diet to meet the body's need for sodium, which amounts to only 220 milligrams a day. The Senate Select Committee on Nutrition and Human Needs recommended that instead of the 10 to 24 grams of salt consumed per person each day, Americans should eat at most 5 grams (which supplies 2,000 milligrams of sodium, more than enough for practically everyone under all circumstances). Others recommend even less salt—below two grams a day—to protect the genetically susceptible from developing high blood pressure.

Once high blood pressure develops, salt restriction should be the first line of treatment. It is cheaper and less hazardous than taking blood pressure-lowering drugs for the rest of your life and, a Melbourne, Australia, research team has shown, salt restriction can be as effective as drug therapy.

Few people realize just how pervasive an ingredient salt has become in the modern American diet. Although, with refrigeration and other methods of food preservation, we no longer have to depend on salt to keep our food safe and edible, it is the nation's leading food additive after sugar. It is the major additive in most processed foods, and it is the main condiment used in cooking and at the table.

The average American consumes four or five teaspoons of salt a day, a total of 15 pounds a year. On top of that are sodium-containing food additives, including baking soda and baking powder, widely used in our most popular processed foods.

Most people are aware of the saltiness of certain foods, such as anchovies, green olives, dill pickles, sardines, salted snack foods, smoked herring, soy sauce, ketchup and Worcestershire sauce. But much of the salt sodium we eat is hidden in foods that none of us would think of as salty—for example, cereals, bread, dairy products, meats, fish, puddings and pancakes. In fact, some of these foods contain more sodium than obviously salty edibles. (See chart.)

Other common high-sodium foods include canned soups, tomato juice, canned tuna and salmon, processed cheese, cured meats and sausages, bouillion cubes, sauerkraut and nearly all canned vegetables. Although some vegetables, such as beet greens and chard, are fairly high in sodium to start with, most become very high when commercially canned.

Thus fresh peas contain only two milligrams of sodium in a three-and-a-half-ounce serving, whereas the same portion of canned peas has 236 milligrams. And six spears of fresh asparagus has four milligrams of sodium, but canned asparagus has 410. At the same time that processing increases sodium, it decreases the amount of potassium. Potassium has some protective effect in warding off high blood pressure.

Processing also increases the sodium content of cereals. Three-fourths of a cup of Regular Cream of Wheat has 0.6 milligrams of sodium, Quick Cream of Wheat has 71 and wheat flakes has 369. A half-cup of Kellogg's All-Bran has 370 and a cup of Rice Krispies has 280.

Salt is added to processed foods for several reasons: to impart a salty favor, to enhance other flavors—a low level of salt enhances the sweetness of sugar—to mask off-flavors, to make up for the flavor lost through processing and to repress the growth of food spoilage micro-organisms.

Manfacturers insist that eliminating or greatly reducing salt in most products would be commercial suicide, since the average consumer is adapted to the taste of salt and regards foods lacking salt as bland. After strong public and professional protests, most of the baby food companies greatly reduced or eliminated salt from their products.

But reduction of salt in processed foods

for adults requires a public education program and a reconditioning of taste buds. Campbell's Soups recently test-marketed a no-salt-added line, but it didn't sell well and was withdrawn. Some bread manufacturers say they are gradually lowering the sodium content of certain products.

MANY WAYS TO CUT DOWN ON SODIUM

To lower your own salt intake, start by not adding salt at the table and certainly never before you taste your food. At the same time, gradually reduce the amount you use in cooking.

There's a world of new taste sensations waiting for you to explore. In place of salt, try seasoning your foods with spices, herbs, garlic, onion (but not garlic salt, onion salt, celery salt or seasoning salt), lemon juice and fruits. Don't substitute soy sauce, Worcestershire, MSG, hydrolyzed vegetable protein or bouillon cubes, since these are all high in sodium.

If you feel uncertain about adapting your present recipes, there are several good low-salt cookbooks to help you. Among them are "The Secrets of Salt-Free Cooking," a $5.95 paperback by Jeanne Jones (101 Productions, San Francisco, distributed by Charles Scribner's Sons), and "Living With High Blood Pressure—The Hypertension Diet Cookbook," by Joyce Daly Margie and Dr. James C. Hunt for $12.95 (HLS Press, Bloomfield, N.J.).

Another, "The Good Age Cookbook," by Jan Harlow, Irene Liggett and Evelyn Mandel, is recommended highly by James Beard, the gourmet cook who himself had to go on a low-fat, low-salt diet. It will be published in October by Houghton-Mifflin for $10.95.

Cut down on salty foods and others high in sodium, including canned goods, prepared dinners, processed cheeses and cold cuts. Fresh meats and fresh or plain frozen vegetables are best. If you use canned vegetables, drain off the liquid and heat them in tap water. Use unsalted butter and margarine. Leave out the salt in cake and pastry recipes.

Salt substitutes—salts in which part or all of the sodium has been replaced by potassium—should not be used without a doctor's advice since they can result in a potassium overload in some people. Many find the taste of potassium chloride less palatable than giving up salt altogether.

There are a number of low-salt and low-sodium products on the market, including low-sodium cheese, bread, cereals and canned vegetables. Unfortunately, because they are low-volume items prepared for people with special dietary needs, they cost more than their salt-laden opposite numbers.

In addition to foods, a number of common drugs contain a lot of sodium, including antacids, some cough preparations, analgesics, laxatives and vitamin C (as sodium ascorbate). If you have high blood pressure, check with your doctor before taking such medications.

Drinking water is also a source of considerable sodium intake in many communities; the local water district can tell you how much comes out of your tap. In some Southern communities, it's as much as 400 milligrams of sodium per cup. Water softeners exchange the hard water minerals for sodium, which you then consume.

If you have high blood pressure and are taking drugs to control it, remember that the drugs are most effective when your salt intake is below 5,000 milligrams a day (the amount in two level teaspoons). The less sodium you consume, the less drugs you're likely to need. You may even be able to bring your blood pressure down to normal without any medication.

SODIUM CONTENT OF SOME POPULAR PRODUCTS

Item	Amount	Sodium content (in milligrams)
Ritz Crackers	9	288
Kellogg's Corn Flakes	1 oz.	260
Lay's Potato Chips	14 chips	191
Pepperidge Farm White Bread	1 slice	117
Campbell's Tomato Soup	10-oz. serving	950
Herb-Ox Instant Broth	1 packet	818
Campbell's Tomato Juice	6 oz.	292
McDonald's Big Mac	1	1,510
Chef Boy-ar-dee Beefaroni	7.5 oz.	1,186
Swanson's Fried Chicken Dinner	1 dinner	1,152
Campbell's Beans and Franks	8 oz.	958
McDonald's Egg McMuffin	1	914
Oscar Mayer Bologna	3 slices	672
Del Monte Tuna	3 oz.	430
Celeste Frozen Pizza	2 oz.	328
Oscar Mayer Bacon	3 slices	302
Breakstone's Cottage Cheese	½ cup	435
Kraft Processed American Cheese	1 oz.	238
Kraft Cheddar Cheese	1 oz.	190
Jif Peanut Butter	2 lbs.	178
Skippy Creamy Peanut Butter	2 lbs.	167
Planter's Cocktail Peanuts	1 oz.	132
Del Monte Green Beans	1 cup	925
Heinz Dill Pickles	1 large	1,137
Wishbone Italian Dressing	1 tbs.	315
Heinz Mustard	1 tbs.	212
Heinz Ketchup	1 tbs.	154
McDonald's Apple Pie	1	414
Jell-O Instant Chocolate	½ cup	404
McDonald's Chocolate Shake	1	328
Hostess Twinkies	1	240
Pillsbury Sugar Cookies	3	210
Sal Hepatica	1 dose	1,000
Bromo-Seltzer	1 dose	717
Brioschi	1 dose	710
Miles Nervine	1 dose	544
Alka-Seltzer	1 dose	521
Fleet's Enema	1 dose	300
Metamucil Instant Mix	1 dose	250
Rolaids	1 dose	53

Note: The sodium content of the various brand name food products listed was determined last year by Consumers Union and published in the March 1979 issue of Consumer Reports and by the Center for Science in the Public Interest and published in the March 1978 issue of Nutrition Action. The drug data, given as sodium content per single dose, were prepared by the American Medical Association's Department of Drugs last year.

ABSTINENCE WITHOUT REMORSE

(By Craig Claiborne)

Even as a child I had almost an addiction to salt. It was customary in my home to make fresh ice cream every Sunday in a hand-cranked freezer. To prepare it, the dasher would go into the freezer barrel, the custard would be added and the barrel set to turn, surrounded by a heavy packing of ice and rock salt.

When the ice cream was ready and the lid lifted from the canister, a rock salt crystal would occasionally drop into the ice cream. I would hastily scoop up a spoon of the ice cream with the salt chunk and taste it, letting the salt melt slowly in my mouth after the ice cream was gone.

For as long as I can remember, I could sit down to a plate full of anchovies with only olive oil, lemon juice or vinegar to dress it, and have a feast. A single salty sour pickle has never been enough for me. I prefer margaritas to other cocktails because of the rim of salt on the glass. Years ago in Japan I learned the pleasure of foods dipped in soy sauce (almost 100 percent salt) and lime juice. I have at times drunk that potion straight. A platter of salty, sour sauerkraut can almost be my undoing, and I have a craving for straight sauerkraut juice over ice.

A few weeks ago, I felt some disorientation while strolling down 57th Street. My balance was off and the sun suddenly seemed unbearably bright. An acquaintance familiar with my bizarre appetite for salt suggested I might be suffering from hypertension.

He sent me to a well-known diet specialist, Dr. Joseph Rechtschaffen, an internist, who is on the staff of Doctors Hospital and Beekman-Downtown. He is former director of gastroenterology and nutrition at Beekman-Downtown.

He confirmed the hypertension. When I described my salt-consuming habits, he frowned and handed me a diet sheet which I followed for the next few weeks.

Dr. Rechschaffen does not look on salt as the sole villain. He looks with almost equal disfavor on sugar, fats (principally animal fats), and on beef in any and all forms. So when he proscribed salt in my diet for a term, he also advised me to eschew the other items. He offered me the same latitude he allows himself: a small amount of alcohol and "If someday you feel like a whole bottle of wine, go ahead and enjoy it; but don't touch a drop for the next couple of days. If you dine with friends and they add a normal amount of salt to foods, join them, but go back to a salt-free diet on the days following." Tolerable, indeed.

I did indulge in occasional lapses. And it helped to know that if I fell from grace (overwhelmed with a desire to help myself to a half-dozen oysters on the half shell) I did not have to feel doomed.

Truth to tell, I did not find strict adherence to a salt-free diet (with those rare departures) all that painful. Oddly enough, it was interesting, a kind of perverse test of character. I dined on more yogurt than I'd ever expected to take in my whole life. My consumption of tomatoes (another of my passions) exceeded its already large amounts. A cooked, unsalted tomato sauce became a daily accompaniment for fish, chicken, pasta, or whatever. My doctor, incidentally, believes in consuming sensible amounts of pasta, rice and potatoes (baked) cooked without salt, along with other foods.

It is his contention, and I am inclined to agree, that fine restaurants will willingly cook foods without salt by request. He finds the Shun Lee Palace particularly good at this for Chinese cooking. I discovered that one of the great saltless-on-request Chinese dishes is shredded chicken with bean sprouts and I have indulged myself in this dish at Pearl's and the Fortune Garden as well as the Shun Lee Palace. Several times I dined in Italian restaurants on veal cooked without salt and on pasta with a simple dressing of olive oil, chopped garlic, and (cheating a trifle) a light sprinkling of Parmesan cheese, which I applied myself. Certain French chefs will serve fish broiled, grilled or steamed without salt. I have often dined on perfectly cooked steamed bass without salt at Raphael Restaurant, 33 West 54th Street, and on fresh scallops in lime juice and fresh salmon with lime, both without salt.

There are numerous foods and drinks mistakenly believed to be without salt. Almost all cheeses contain salt, as do most club sodas and beer. So do oysters and clams. If you want a salt-free sparkling water, a number of name-brand seltzers are excellent. There are also a few brands of club soda that are labeled salt-free. Always read the fine print on a box or can. Most frozen foods, including vegetables and fruit, contain salt.

While pursuing my diet, I was often asked what I could do to give my food sparkle without restorting to the use of salt in any form.

Principal aids were members of the onion family, notably garlic, scallions, onions and chives. Garlic became essential in salad dressings and tomato sauces. Scallions can be sprinkled on most soups and on fish and salads. Equally important were citrus fruits, principally lemon and lime juice squeezed

on fish, chicken or veal, or added to salads, soups and fruit desserts. A fresh grapefruit was a daily delight at breakfast and sometimes to curb the appetite between meals. An apple became almost vital to assuage end-of-the-meal or between-meals hunger. And Granny Smiths are ideal for this, tart and crisp.

A tremendous item to boost food flavors was homemade hot mustard paste, made simply with dry mustard and a little water. It does wonders for grilled foods such as chicken or fish. Equally helpful was freshly grated horseradish. A whole fresh horseradish root can be found in New York's fresh food stalls, but it may take a bit of searching. The horseradish stirred into fresh yogurt is delectably gratifying as a compensation for salt and goes well with a beet and onion salad or with grilled or poached fish.

An assertive herb like rosemary can do magical things with broiled chicken. Simply chop the herb and sprinkle it on the chicken before broiling. And a fine salad dressing can be made with oil, vinegar, a generous dab of that mustard paste, plus such conceits as you might choose: scallions, garlic, tomatoes, cucumbers, chives or hot chilles.

Dr. Rechtschaffen had recommended miller's wheat, a natural bran, undoctored and dull. He finally told me about, and approved, a low-sodium shredded wheat. I ate this with skimmed milk and no sugar. Only a sliced banana and/or sliced fresh strawberries.

When first following that diet, I felt a different, but healthy, giddiness or lightheadedness. It was of short duration, a day or so. After four weeks, I have lost 15 pounds and my blood pressure is normal.

It would be the grossest deception to pretend that salt-free cooking can equal the world's great cuisines. On the other hand, the food can be palatable and enjoyable. In my own case, my sense of taste seemed markedly sharper and, as time progressed, the various foods in the diet became more appealing.

One of the genuine joys of that diet was another Rechtschaffen recommendation, a no-salt-added buttermilk. Taken over rice with a generous grinding of black pepper, it was a pleasure, sometimes between meals and sometimes with meals. The brand that I used was Friendship, purchased from the dairy section of my local Gristede's. On the other hand, a salt-free tomato juice I found was so bland and uninteresting that I never want to try it again.

Bottled green peppercorns, another delicacy, provided a welcome and mildly pungent note for several otherwise bland foods. The soft peppercorns, preferably bottled in water, but more generally available in vinegar, and without salt, are delectable when crushed and smeared onto fish fillets or chicken halves, which are then grilled or broiled.

Fresh arugula, that elegant and assertive salad green most prized by Italians, makes a first-rate salad dressing when blended (preferably in a food processor) with or without a few water-cress leaves and chopped garlic. You may add scallions, diced radish, diced cucumber, or whatever, to be spooned over sliced tomatoes or tossed with other salad greens.

Other foods that can give spark to no-salt menus: hot green chillies, seeded and chopped or sliced, and freshly ground black pepper. These can be used on almost any nonsweet foods.

A well made guacamole, with a considerable amount of vinegar and oil added, is one of the best and most interesting of salt-free dishes.

LABELING SODIUM CONTENT BETTER THAN BANNING

Many prestigious groups, including the American Medical Association and the Salt Institute, recently have urged the processed prepared food industry to consider sodium labeling as part of the nutrition statement on food packages. We concur, provided the labeling is either in milligrams per serving and/or milligrams per 100 grams.

With up to 20 percent of the American population bordering on hypertension, or high blood pressure, sodium informing could prove invaluable. So labeling sodium content would be beneficial.

However, we see no reason for the government to step in and place unnecessary restrictions on sodium content in processed foods. Because of sodium's essential role in foods, whether it is being used to preserve or improve flavor and quality, we oppose the development of any form of sodium restriction in processed foods.

We think that restricting sodium would not only seriously maim food producers, many of whom have no other substitute, but also restrict the average consumer, who still does not need to curtail sodium consumption, in his (her) food choices. Besides a normal, healthy human body is equipped to eliminate all excess sodium consumption.

But we do support sodium labeling, because like sugar—10-to-12 million diabetics in this country need to control sugar intake—a significant portion of the American population needs to control intake.

We would also like to see more epidemiological studies of sodium's role in hypertension. New studies indicate, for example, that when there is a proper sodium and potassium intake, hypertension is reduced. Other studies suggest that obesity may be a more significant contributor to hypertension than is sodium intake.

Since there are little if any proven casual connection data between sodium intake and hypertension development, changing sodium's status or limiting its use in foods may confuse and alarm the public unnecessarily.

We do not support sodium restriction in foods. Nor are we behind removing sodium from the Food and Drug Administration's Generally Recognized As Safe status. And we seriously argue against crepe or warning labels for sodium on foods, no matter how high sodium content might be.

These actions could cause consumers to be needlessly frightened, when most of them do not in fact need to seriously curtail their sodium consumption.

Without sodium, certain foods, including a number of meat products, could be subject to much more spoilage and waste than they are today. For instance, sodium in sausage products solubilizes proteins, necessary for forming stable sausage emulsions. In fact, sodium is the most important constituent in meats' curing mixture.

However, making sodium a portion of nutritional labeling could answer the needs of Americans who must restrict their consumption. And it would allow physicians the information necessary for prescribing acceptable foods for their patients. We think the cost the food industry would bear for such labeling changes would be well worth the service to the public.

IRS STUDY ESTIMATES OF INCOME UNREPORTED ON INDIVIDUAL INCOME TAX RETURNS

● Mr. BELLMON. Mr. President, on July 24, 1979, I introduced a bill S. 1565, to amend the Internal Revenue Code to provide for withholding of tax on dividends and interest income. I proposed this change in our present tax system in order to eliminate the substantial amount of interest and dividend income that is not reported to the Treasury for tax purposes each year.

Last week the IRS released an extensive study which estimates the magnitude of the problem. This study estimates that $75 to $100 billion of income from legal sources was not reported to the Treasury in 1976. Of this amount, $7 to $14 billion was due to nonreporting of interest and dividend income.

This is a substantial amount and is more than 16 percent of the total interest and dividend income that taxpayers reported in their 1978 tax returns. To illustrate the extent of the noncompliance problem, I submit the following three tables from the IRS report for the RECORD.

Mr. President, not only does the IRS report identify the problem we face, but it also suggests a solution. I quote from page 6 of the report:

> Reporting of income is seen to be strongly influenced by whether or not the specific type of income is first, subject to withholding, and second, subject to information reporting.

This clearly suggests that withholding is the most efficient method for eliminating the problem of noncompliance with tax laws. This is the solution I propose in S. 1565.

In his recent testimony before the Commerce, Consumer, and Monetary Affairs Subcommittee in the House, IRS Commissioner Jerome Kurtz reiterated this point. I quote:

> The report confirms that voluntary reporting is very high where incomes are subjected to withholding. Voluntary income reporting is lower where incomes are subject to information document reporting and even lower where incomes are subject to neither . . .

The Treasury Department, itself, has proposed a withholding system to deal with the substantial noncompliance among certain independent contractors. The IRS study indicated that the level of nonreporting for this group may be as high as 47 percent. However, the Treasury Department proposes only to extend information reporting to interest derived from certain money market and other debt instruments to reduce underreporting. In my view, withholding is the more effective and less costly approach to eliminating the problem and I urge my colleagues to support my proposal, which I propose to offer as a floor amendment at an appropriate time.

The tables follow:

TABLE 1.—ESTIMATES OF UNREPORTED INCOME FOR 1976, BY TYPE OF INCOME

[In billions]

Type of income	Lower estimates[1]				Higher estimates
	Underreporting based on:				
	TCMP[2]	Other sources	Non-filing	Total	
Legal Sector Incomes					
Self-employment	$19.8	$3.5	$8.7	$33.0	$39.5
Wages and salaries	3.5	5.0	12.8	21.3	26.8
Interest	1.4	1.8	2.2	5.4	9.4
Dividends	1.4	.....	.7	2.1	4.7
Rents and royalties	2.6	.....	.6	3.2	5.9
Pensions, annuities, estates, and trusts	2.1	.....	1.5	3.6	5.4
Capital gains	2.9	1.0	.....	3.9	5.1
Other[3]	1.7	.6	.....	2.3	2.9
Total	35.4	12.0	27.5	74.9	99.7

[1] Sum of components may not add to totals due to rounding.
[2] Tax compliance measurement program.
[3] Includes alimony, lottery winnings, prizes and awards and other types of income. Most of the incomes included here are excluded from NIPA since they represent transfer payments.

TABLE 2.—ESTIMATED AMOUNT OF UNREPORTED INCOME FOR 1976 AS PERCENT OF REPORTABLE AMOUNT, BY TYPE OF INCOME

[Amounts in billions]

Type of income	Amount of income[1]		
	Reportable on tax returns	Reported on tax returns: Total[2]	Reported on tax returns: As a percent of amount reportable[1]
Legal Source Incomes			
Self-employment	$93–99	$60	60–64
Wages and salaries	902–908	881	97–98
Interest	54–58	49	84–90
Dividends[3]	27–30	25	84–92
Rents and royalties	9–12	6	50–65
Pensions, annuities, estates, and trusts	31–33	27	84–88
Capital gains	22–24	19	79–83
Other[4]	9–10	7	70–75
Total	1,148–1,172	1,073	92–94

[1] Sum of components may not add to totals due to rounding. Percents of amounts reportable were computed from unrounded figures.
[2] A small amount of illegal source of incomes are included in the figures below. These inclusions will not significantly affect the percentages shown in the right-hand column.
[3] Dividends include an estimated portion of distributed net profits of qualified small business corporations.
[4] Includes alimony, lottery winnings, prizes and awards and other types of income. Most of the incomes included here are excluded from NIPA since they represent transfer payments.

TABLE 3.—ESTIMATES OF UNREPORTED INCOME AND ASSOCIATED TAX LOSS FOR 1976

[In billions of dollars]

	Unreported income	Tax loss
Filers	47.4–64.1	10.6–14.3
TCMP-based[1]	(35.4–36.5)	(7.8– 8.0)
Other	(12.0–27.6)	(2.8– 6.3)
Nonfilers	27.5–35.6	2.2– 2.8
Total	74.9–99.7	12.8–17.1

[1] Tax compliance measurement program.●

GEORGIA INDUSTRIAL REVOLUTION

● Mr. TALMADGE. Mr. President, the State of Georgia is rapidly becoming a dynamic industrial pacesetter in the Sunbelt. An excellent article written by Mr. Jasper Dorsey which appeared in the September issue of Sky magazine makes this point very effectively and I would like to share it with my colleagues.

Georgia's natural resources, including hard-working people, and economic opportunity have attracted both international and American enterprise at a record rate. Significant expansion in transportation, in tourism, in real estate, and in manufacturing has put Georgia in the forefront of national growth.

We are all very proud of the outstanding economic progress being made in Georgia, and I bring this article to the attention of my colleagues and ask that it be printed in the RECORD.

The article follows:

GEORGIA'S INDUSTRIAL REVOLUTION

(By Jasper Dorsey)

From the time young Georgians begin the study of history, it is difficult for them to understand why the northeastern portion of the United States was so heavily settled in colonial times, when the South had so much more to offer. Even our Indians were friendlier!

Upon maturing somewhat, the discovery is always made that perhaps those who went to New England did not know any better, since few had much opportunity to compare the southern advantages. Naturally they were forgiven.

At the start of World War II, the Army knew that our southern climate not only permitted, but encouraged outdoor living year-round; so, the young men of America were invited by the Army to go south for a military education in the basics.

With a modest confidence, we knew that a huge number would return south after the war's end. Especially since so many found it difficult to live away from our young ladies. Marriages to southern young ladies boomed during and after the war.

Georgians haven't said "damn Yankees" for a long time now, and do not look upon the Sunbelt vs. the Snowbelt as any kind of new War Between the States. They look upon northerners, or westerners, or foreigners as welcome visitors—and love for them to come to Georgia for either a good time or a lifetime. It is easy to find both.

Georgians have always been multilingual as far as the other parts of the U.S.A. are concerned, and could be understood in New York or Chicago or Los Angeles. Now they are being understood in Frankfurt, Brussels, Paris, Amsterdam and Tokyo.

Years ago when Georgians abroad were asked by their hosts where they were from, a map was often needed to inform the foreigners. Not anymore.

Atlantan Margaret Mitchell's epic novel Gone With the Wind, and the subsequent movie enlightened millions abroad, and the election of Georgia's former Governor, Jimmy Carter, to the Presidency of the United States helped with the education, too.

Both of these factors assisted the people of the world to find us, but the main reason Georgia has been discovered in America, is that we have so much of what the world is looking for—economic opportunity.

Any place Georgian's visit abroad they will find the natives knowledgeable about our state. Not only that, but thousands of them are coming over here to visit. Many are coming as tourists, but great numbers are coming to locate a manufacturing plant, a warehouse, a sales office, or a corporate headquarters.

Foreign governments are sending their officials to Georgia to establish consulates and trade offices. Ten governments have consulates in Atlanta now, and thirty-one have honorary consulates. Twelve more governments have trade offices here.

Foreign money is pouring into Georgia from Canada, the United Kingdom, Germany, Japan, France, Switzerland, the Netherlands and more. Atlanta has ten foreign banks in operation; two each from Switzerland, England, and Germany, plus one each from Brazil, Canada, Japan and the Netherlands.

Twenty thousand new jobs have been created for Georgians by an estimated $1.3 billion of new foreign capital investment from 28 countries. International companies have located 348 facilities here, 180 in metropolitan Atlanta. Of the 348, 100 are manufacturing plants.

International companies here consist of 71 facilities from Japan, 70 from the United Kingdom, 59 from Canada, 40 from Germany, 33 from France, 25 from the Netherlands, 14 Swiss, 12 Swedish, 10 Belgian, 8 Australian. Others are here, and more are coming, with welcome and needed capital, to create jobs and pay taxes.

Additional foreign investments are going also into real estate of all kinds, like office buildings, shopping centers, hotels, plus insurance companies, banks and more. This infusion of new capital permits Georgians to expand their investments in other new and growing enterprises.

American and foreign business leaders have discovered a rare and enlightened partnership in Georgia between government and business. Georgia Governor George Busbee is our best ambassador. Now in the first year of his second term, he has spent more time helping to create economic expansion in the state than any other Georgia governor. He is not alone. House Speaker Tom Murphy and Lieutenant Governor, (and Senate President) Zell Miller, together with the full support of the General Assembly, have created an effective climate for new business ventures and the expansion of present ones.

Lest anyone conclude that foreign enterprise has led the pace in discovering Georgia let's hasten to add that American enterprise from other states came first and the number is growing.

Why Georgia? Many reasons. Perhaps the most dramatic one is transportation. Georgia was founded by it when the port of Savannah was colonized in 1733. Atlanta was founded by it when the state's railroads were laid out by Wilson Lumpkin, later to become Governor and U.S. Senator. Atlanta grew from the intersection of those railroads that came from five directions. At first the intersection was called just Terminus, then named Marthasville for Governor Lumpkin's daughter, and later Atlanta.

The railroads are still prospering and so are motor freight carriers, but to get to Georgia's most unique asset it is—air service! That is the single, most precious economic resource!

Here's what sets Atlanta in a class apart: an executive can depart Atlanta in the morning of any day and arrive in any other major city in the U.S. by 10:30 A.M. He can even commute easily to and from any major city in the eastern half of the country.

To put it another way, Atlantans have the most air service per capita in the world!

Atlanta's Hartsfield International Airport is now the world's second busiest air terminal, and construction to be completed by September 1, 1980, will make it even busier. The $400 million expansion program will double passenger capacity!

Here again is the great partnership participation between the airlines, the business community, state government and the enthusiastic assistance of Atlanta's Mayor Maynard Jackson. Not a dollar of tax money is involved.

Twelve passenger air carriers serve Atlanta plus two commuter airlines. Last year the

total number of passengers served was more than 36.5 million. An average day in 1978 saw over 1700 flights in and out of Hartsfield International. Delta Air Lines operated more than 630 of these flights daily, making it another of Georgia's major economic resources.

The number of international flights is increasing considerably, with non-stop service to London and Frankfurt, and one-stop flights to Montreal and San Juan. Other connections can be made to such faraway places as Brussels, Nassau, Toronto, Mexico City and Montego Bay, and new destinations are being added to route maps all the time.

There are eleven air cargo airlines handling air freight exclusively. The world's largest air cargo building is being built for them.

The new passenger terminal, when completed next year, will be the largest air terminal complex in the world.

The nation's most modern Air Traffic Control facility has been designed to handle 750,000 aircraft arrivals and departures yearly by 1985.

Georgia's superb and well financed Department of Industry and Trade, with international offices in Bonn, Brussels, Tokyo and Sao Paulo, works closely with the State Chamber of Commerce and had a major part in helping the giant Georgia-Pacific Co. decide to relocate its corporate headquarters to Atlanta from Portland, Oregon. (They helped the Oregon firm discover that too many of its executives were spending so much of their time at the Atlanta Airport.)

Gov. Busbee showed Atlanta's advantages to Georgia-Pacific in such an effective way that the decision to move will bring 400 executives from Portland to Atlanta, creating a total of 1,500 new jobs. They bought choice land downtown to construct a $90 million office tower. Mayor Jackson was particularly helpful.

There are a host of other examples. In one of Atlanta's key office parks, Taylor and Mathis' Perimeter Center, there are 315 major tenants, 150 of which are in Fortune Magazine's 500. There are also 8 major corporate headquarters located in a campus-like environment. Headquarters of the huge Siemans-Allis Co., the Southern Co., Goldkist, Continental Telephone, Cotton States insurance, Royal Crown Cola and Munich-American insurance are there.

Within the last year the business and government partnership, with Gov. Busbee's leadership, lured to Carrollton, a small college town, CBS' records and tape manufacturing facility with 3,000 new jobs and $50 million in new investment. It will be the world's largest plant of its kind. Georgia's new Freeport Law with a tax break for goods warehoused in transit was a very important asset.

Also in 1978 to Albany, a bustling south Georgia small city, went a new 1.2-million-square-foot plant of the Miller Brewing Co. with 1,400 new jobs and $250 million in new investment. It is also Miller's largest facility. Transportation, pure water and again Gov. Busbee were factors.

In addition to those already mentioned, Georgia attracted 176 new plants in 1978 alone, providing 16,279 new jobs. When 323 new plant expansions are added, the job figure rises to 28,168 and the investment totals almost $1.1 billion.

Another advantage Georgia possesses that is unique, is a new Environmental Protection Law which again shows how important is the attitude of government cooperation with industry. Georgia is the only state where new industry can go to one office and receive all of the state and national environmental permits required to establish a new industry. You can also get an answer without delay.

State government has set up an employee training program for industry without charge to the new or expanding firm. Called "Quick Start," it is custom-designed for the plant under construction. Set up near the plant site, the state selects and pays the instructors, in most cases borrowing company personnel for the purpose.

Georgia has long been the economic industrial and financial capital of the Southeast, including the period before the War Between the States. Of the five largest banks in Atlanta, three are in the top 100 of the U.S. and the fourth, Fulton National, with assets over $1.1 billion, is rapidly climbing to that level. Headquarters of The Federal Reserve's Sixth District is in Atlanta, too.

Consider the Southeast as a market, and you quickly discover that it is as large as that of Canada.

Looking at a transportation map, you find Georgia is the hub of the southeast, with Atlanta in its center. Transportationwise, Georgia is in a class apart. Air service is the nation's best: rail and highway transport finds Georgia again in the commanding position; and if you use the sea, Georgia's two deep-water ports of Savannah and Brunswick are served by over 100 steamship lines, and possess the most modern container facilities and other equipment for expediting cargo. The Georgia Port Authority has offices in New York, Chicago, Tokyo, Bonn and Athens.

For education in the state, Georgia spends more than half its budget. There are 37 colleges and universities, 24 junior colleges, 29 vocational-technical schools and a 10-station Educational TV network. Adult education and night classes are within commuting distance anywhere in the state.

Among the nation's elite universities are the University of Georgia and Georgia Tech; Georgia State University, too, has a national reputation. Private schools include the distinguished Atlanta University complex, the world's largest educational institution for minority students; plus superb schools like Oglethorpe University, Emory University, Agnes Scott College, Mercer University, and the world-famous Berry Schools.

No place excels Georgia in another essential element called the Quality of Life. The state is the largest east of the Mississippi River with three distinct geographic areas. In the north it has the Blue Ridge Mountains which reach almost to a 5,000-foot elevation with a cool summer climate and ski resorts in winter. In the south it has the Golden Isles of Sea Island, St. Simons, Jekyll and Cumberland with near tropical weather. Between the mountains and the southern part of the state lies the Piedmont area of rolling foothills, lakes and clear streams.

Golf may be played year round in almost all the state. Water sports are enjoyed all over the state's many lakes and streams. Hunting is excellent. All major league sports are played in Atlanta: football, baseball, basketball, ice hockey, soccer. The world's most prestigious golf tourney is Augusta's Masters Tournament.

Visitors find fun, so tourism is a $2 billion industry. You might not know Atlanta is the second leading convention city in North America, too. The new $35 million Georgia World Congress Center alone brought in almost 900,000 visitors in 1978. Though it has 13 acres of exhibit space, plans are being made to double its size. Twenty-eight thousand hotel and motel rooms are often not enough to handle our friends. More hotels are planned.

Atlanta holds great appeal for very talented young people. Talent scouts from business, industry and the professions find it easy to attract top graduates of the nation's elite universities, as well as to keep our own top talent at home.

In summary, Georgia has what the world is looking for: economic opportunity. The state stands alone in transportation—especially in air service. No place else can match it. Add the whole spectrum of mild climate, an enlightened, enthusiastic workforce who respect business, and superb higher educational institutions. Then add in that enthusiastic cooperation and partnership between government and business. You can easily see why we have a fair advantage.

More than 20 years ago, the *Blue Book of Industrial Development* carried a prophetic article on the south. It ended like this, "the last half of the 20th century belongs to the South. In terms of natural and human resources, the South has what it takes to become a showcase for the entire nation." Georgia is the South's hub, and Atlanta is its economic heart.●

MISS CHERYL PREWITT SELECTED AS MISS AMERICA

● Mr. COCHRAN. Mr. President, on Saturday night in Atlantic City, Miss Cheryl Prewitt was selected Miss America. She is a most deserving and talented person, and I am confident that during the coming year she will reflect much credit on her native State of Mississippi and the United States.

Cheryl comes from Choctaw County where she lived with her family near Ackerman. At the present time she is a graduate student in music at Mississippi State University and has plans to pursue her studies further at Juilliard School of Music.

Cheryl has already established herself as a songwriter and performer. She holds copyrights to 20 gospel songs and performs with her family in a gospel music group, "The Prewitt Family."

One has to be greatly impressed with the faith and determination of this attractive and talented young lady. Several years ago she suffered very painful and serious injuries in an automobile accident. Rather than accepting the prediction that she would never walk again, she persevered and overcame her crippling injuries.

Cheryl Prewitt is the third Mississippian in the last 20 years to be named Miss America. My former classmates at the University of Mississippi, Mary Ann Mobley and Linda Mead, received this honor in 1959 and 1960. I am sure this new generation will be very capably represented by Cheryl Prewitt to whom I extend my most sincere congratulations and best wishes.●

SALT MUST DO MORE TO PROTECT OUR SECURITY

● Mr. McGOVERN. Mr. President, an open-ended arms race does nothing to improve the security of either the United States or the Soviet Union. An arms buildup may result in a theoretical equality on both sides, but the real effect is only to raise the level of mutual insecurity rather than reduce to levels of greater security. Unfortunately, it sometimes appears that the SALT ratification process distorts an already badly confused vision of the relationship of arms limitation agreements to our national defense. In yesterday's Outlook section of the Washington Post, Richard Barnet explores the tendency of SALT to ratify the huge weapons acquisition programs on both sides. He explains the national security myths which perpetuate the arms race without improving our security or diplomatic success in the

world. And he rightfully notes the connection between national security policies and our domestic economic priorities. During the SALT debate, Mr. Barnet's insights should be seriously considered, and for that reason I submit his article, "Do We Want to End the Arms Race," for the RECORD.

The text of the article follows:

DO WE WANT TO END THE ARMS RACE?

(By Richard J. Barnet)

The SALT II agreement may weather the current storm over Soviet troops in Cuba, but even if it is ratified, this will mark not the beginning of a process but the end of an experiment. The 100-page treaty, which reads like the prospectus for a bond issue, is neither disarmament nor arms control but an exercise in joint arms management. The treaty has secured the acquiescence of the military in both countries because it ratifies the huge weapons acquisition programs both are pushing.

The support of the hawks has been purchased by an "arms dividend," a commitment to increase military spending 5 percent a year above inflation. According to the Senate Budget Committee, the dividend alone will cost the taxpayer an extra $129 billion over five years, bringing the total military expenditures for that period to almost $1 trillion. The Soviets also welcome SALT as a ratification of their weapons program and will not hesitate to match or to try to surpass the new U.S. buildups. None of this will transgress anything in the 100 pages, but it will not, obviously, move the world to arms reduction nor reduce the mounting dangers of war by miscalculation.

The SALT debate has skewed the issues because it has focused on narrow alternatives and has failed to clarify the purposes of arms agreements or to raise the basic political and moral issues at stake. The political world is divided between those like the Committee on the Present Danger who believe that any agreement the Soviet Union would sign puts the United States in mortal danger and those who take the administration view that any agreement helps the political climate and promotes a "process."

In this debate, the reasons why the United States or the Soviet Union should want to limit the nuclear arms buildup have been lost. The argument has really been about which side struck the better deal. When the "arms dividend" is included, it is evident that SALT is something to stir the hearts of generals, defense contractors and senators from states brimming with military reservations and arms plants.

The treaty should be ratified, not because the world will be substantially safer with it but because it will be even more dangerous if negotiations on arms with the Soviet Union are broken off. But merely to continue the SALT "process" would be almost as hopeless a response to the mounting danger we face. That danger is increasing because both sides are emphasizing hair-trigger "counterforce" technology—more accurate warheads, more "war-fighting options"—and the pressure is mounting on both sides to develop strategies to insure that weapons, as they become more vulnerable, are not caught on the ground. Thus the incentive to produce more weapons and to program them for firing sooner rather than later is increasing in both military establishments. In a world of "first strike" technology and "launch on warning" strategies, the minutes available for making decisions about war and peace are dangerously compressed and the chances of fatal human error multiply.

Arms agreements are desperately needed to break this spiral. But the only agreements that will have that effect are simple agreements that would force the two sides to choose between continuing the arms race or stopping. The world cannot afford to wait another seven years of accelerated arms buildup to produce another intricate prospectus for managing the arms race. The next agreement must cut through the ambiguities of the arms race or it too will prove to be a stimulant rather than a brake.

To create a positive political climate for reversing the arms race, agreements should meet three criteria. First, they should demonstrably increase perceptions of security on both sides. Second, a stable new arms relationship should have clear economic payoffs for both sides. Third, the primary purpose of the agreement should be to remove ambiguities about intentions. The greatest perceived threats are not the weapons already built, although they are more than adequate to destroy both societies, but the weapons about to be built. New weapons systems convey threatening intentions. Ultimate intentions are always mysterious, but the question can be rendered irrelevant by an agreement which is sufficiently clear and comprehensive.

Within a controlled but continuing nuclear arms race there is always room for arguing that the agreement favors one side or the other. However, a freeze on all new weapons systems would make it clear that both sides indeed intend to stop the arms race. A mutually agreed upon moratorium on the procurement, testing and deployment of all bombers, missiles and warheads for three years is in the interests of both the United States and the Soviet Union.

A rough "balance" of nuclear forces now exists, which, according to the administration, still favors the United States. The next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world. A more comprehensive agreement would have fewer exceptions and fewer technicalities. The simpler and more comprehensive, the fairer it is likely to appear to both sides. It would be simpler to understand and to verify. It would fulfill the primary purpose of arms agreements by removing ambiguities about intentions.

During the moratorium the two sides could negotiate deep cuts in strategic nuclear weapons and delivery systems. It hardly makes sense to destroy old weapons systems while replacing them with more dangerous new systems.

Stopping the arms race would require significant internal changes in the national security establishments of both societies, including a serious program for conversion of military industry. Such changes represent the most reliable form of verification, for they require leaders in both countries to reverse major policies and to confront powerful domestic interests in order to commit the societies to arms reduction. Real internal changes in the direction of peace are far more reassuring than professions of peace or agreements like SALT II that are compatible with either an intention to move to arms limitation or to a new stage in the arms race.

Sen. Mark Hatfield has proposed a moratorium along these lines as an amendment to the SALT II treaty. The Soviet Union has made several proposals in the past few years for a ban on "all new weapons systems." The proposals have been general and have elicited no reaction from the United States. The standard view in Washington is that they are merely propaganda.

Yet the Soviets have never been put to the test. In the 35-year history of arms negotiations, U.S. analysts have consistently misinterpreted Soviet intentions and the cost has been enormous. The fictitious "bomber gap" and "missile gap" of the 1950s caused the U.S. taxpayer to spend billions for unnecessary weapons. The complacency of the 1960s, when U.S. military leaders assumed the Soviet Union was resigned to permanent inferiority, led to the present climate of alarm. It is time to stop guessing about Soviet intentions and put forward agreements which require them to choose between peace or further preparation for war.

The only road to national security is to reverse the arms race, but that cannot be done without first calling it to a halt. We have the technological capability to match any conceivable Soviet buildup. But we cannot continue to spend hundreds of billions of dollars on the military without risking mortal danger to our economy, which is the foundation of our national strength. In a time of austerity, increasing the military budget while the domestic programs are being slashed raises the issue, not of guns versus butter, but of missiles versus the local police and firefighters.

The distortion of priorities has become so acute that as the administration counsels a 5 percent "real" increase in military spending each year, essential services in every major American city are being cut. To suggest that the threat of "Finlandization," to which the arms buildup is presumably addressed, is a greater threat to the people of Chicago, Cleveland, Los Angeles or Detroit than the loss of social services, the breakdown of the education system, the rise in crime, the alarming increase in infant mortality, the impending municipal bankruptcies, or the continuing failure to invest adequately in alternative energy systems is to distort national security strategy and to misconstrue the meaning of "strength." The same is also true of the Soviet Union. For both of us, the return on investment in the military is declining. The heavy burden preempts not just scarce capital, but political energy and managerial skill needed to address the real threats facing both societies.●

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER

● Mr. HATFIELD. Mr. President, equal to Herbert Hoover's dedication to eliminating human suffering, reflected in his famine relief efforts throughout Europe, was his love of and commitment to preserving the beauty of nature. The great outdoors was a constant source of inspiration to our 31st President. As a boy in Iowa and Oregon, school subjects were only "something to race through so I could get out of doors." This love of the outdoors continued throughout his lifetime.

Shortly after his inauguration in March 1929, Hoover tasked one of his secretaries with finding a location for an outdoors camp where the President could fish and relax. The President subsequently purchased a 164 acre tract near the source of the Rapidan River, in what is now Shenandoah National Park. His use of the Rapidan Camp, which came to be known as Camp Hoover, is summarized in an essay by Mr. Darwin Lambert, who has submitted it for publication in the series honoring the 50th anniversary of the inauguration of Hoover as our 31st President. Mr. Lambert, who lives near the Shenandoah Park at Luray, Va., has written a much more lengthy exposition on Camp Hoover, entitled "Herbert Hoover's Hideaway."

President Hoover was fanatic in preserving the natural setting of the Rapidan Camp. The cottages in the camp were designed to fit available space, so that trees could be saved. Some of those trees grew undisturbed through the floor of the porches of the President's own cabin. Hoover did not permit live trees to be cut for firewood, insisting that only dead trees be used. Attractive plants were sought, but only those which would blend in well with the natural surroundings. Hoover did seek additional deep pools for trout fishing, but his friends and guests joined him in moving boulders to create the pools rather than calling in large, and potentially damaging, machines to accomplish the job.

Hoover also took a deep interest in the welfare of the families living in this mountainous area. After learning there was no school within the reach of the children of this region, the President had one built and staffed for a period of 4 years at his own expense. He pushed for the building of a road through the mountains so that all could enjoy the spectacular scenery, but insisted that it be built by employing the local farmers who were particularly impoverished in those depression days. Skyline Drive was the result.

Hoover entertained an occasional State visitor at the camp, much as President Carter uses Camp David. Particularly noteworthy was the visit of British Prime Minister Ramsay MacDonald in October 1929. The Prime Minister was unaware that a visit to Camp Hoover was planned, and was forced to borrow some of the President's clothes for the occasion. Mrs. Hoover furnished clothes for MacDonald's daughter. The chief subject under discussion was limiting the size of the world's navies, and the conference opened the way for the Naval Limitation Treaty, which was ratified by the Senate less than a year later.

As he had promised at the beginning of his Presidency, Hoover later deeded the entire parcel of land to become part of Shenandoah National Park, and stated a wish that future Presidents might gain equal enjoyment from the site. His successor in the White House, Franklin Roosevelt, visited the camp on one occasion, but found the terrain too rough for his use. He did, however, carry on the development of the Shenandoah park, and extended and completed Skyline Drive.

As much as the Shenandoah and its people gained from Hoover's attention and devotion, the President derived an equal amount in return. Mr. Lambert quotes Admiral Boone, Hoover's personal physician, on the impact of the camp on the President:

> The President was often very tired when we left Washington . . . but his fatigue would start leaving him after he had crossed the Potomac. I never saw him happier than when he was on the Rapidan. He could hardly wait to leave the car. He would go put on his rubber boots and hurry out to fish, seldom taking time to change from whatever he had been wearing—often a suit, high white collar and tie, Panama hat. I never saw him in a camp outfit, though I know he had one . . .
>
> I persuaded him to include in his busy schedule more Rapidan weekends than his conscience might have allowed him had he not been kept convinced they bolstered his capacity for service—as they certainly did.

Mr. President, I submit for the RECORD Mr. Lambert's essay, and a brief biographic sketch of the author.

BIOGRAPHIC SKETCH OF DARWIN LAMBERT

Born: January 28, 1916, Kamas, Utah.

Education: George Washington University, 1934–36.

Career: Editor, Travel Lore Magazine, Luray, Virginia 1937–43; Requirements Officer, Lend Lease Administration, Chungking, China, 1943–45; Editor, Commonwealth Review, Luray, Virginia 1945–47; Manager, White Pine Chamber of Commerce and Mines, Ely, Nevada, 1949–56; Editor, Ely Daily Times, Ely, Nevada, 1956–61; Editor, Daily Alaska Empire, Juneau, 1961–64; Freelance writer, 1964; Assemblyman, Nevada Legislature, 1955–56; Chairman, Nevada Board of Economic Development, 1957–59.

Memberships: Trustee, National Parks Association, 1959; Founder-President of National Highway 50 Federation, 1953–56; North American Highway Association, 1954–57; Great Basins National Park Association, 1955–61.

Publications: Beautiful Shenandoah, privately printed, 1937 Guidebook to Shenandoah National Park, Lauck & Co., 1942, revised edition 1947; Gold Strike in Hell (Novel), Doubleday, 1964; Angels in the Snow, Coward, 1969; Herbert Hoover's Hideaway, Shenandoah Natural History Association, Luray, Va., 1971; The Earth-Man Story, Shenandoah Natural History Association; Exposition-Banner, Jericho, New York, 1972; Shenandoah National Park, Administrative History, 1924–1976, National Park Service, 1979.

THE RAPIDAN FACET OF HERBERT HOOVER

(By Darwin Lambert)

President Hoover's frequent resort to his "fishing camp" in the Virginia mountains suggests a relationship between his enjoyment of nature and his performance in public affairs. Much evidence of such a relationship, along with clues to its origins and effects, came to me while I was writing histories of the camp and of the national park in which its site is now included. The President's physician and other persons interviewed, along with records studied, indicate the camp revived Hoover's energy, restored his creativity and further developed his concern for the people and the resources of earth.

Hoover had been fond of nature since boyhood. He once said the subjects he was studying in school were "something to race through so I could get out of doors." While very young in both Iowa and Oregon he liked both outdoor play and outdoor work. Though he became an excellent scholar, an extraordinarily successful mining engineer, and a volunteer (then, a governmental) provider of food for millions of hungry Europeans, he kept seeking, as he put it, "inspiration" in "the works of nature."

While Secretary of Commerce in Coolidge's Cabinet, Hoover found personal time to serve, among other capacities, as president of the non-governmental National Parks Association (now National Parks and Conservation Association)—coincidentally helping this organization launch the lone campaign, along with governmental and other volunteer groups, toward establishing Shenandoah National Park in an area then unknown to him, which campaign he would help again years later by locating his camp inside the proposed park. By then his interest in conservation had interwoven with his interest in production to meet human needs. His friend Will Irvin wrote of him as having graduated from engineering mines to "engineering our material civilization as a whole—without goose-stepping the human spirit or blueprinting the human soul." Evidence I have gathered suggests he was moving toward earthmanship, integrating concern for the earthly environment with the enjoyment of peaceful living, working for the long-range health of humanity and the planet together.

Hoover's wife and sons were nature-oriented too, their outdoor recreation having grown along with his—in California and during his mining career around the world. They camped with him in many of the planet's most scenic places. On several continents he led them picnicking in the countryside, doing much of the cooking himself on an open fire. Long an eager and skillful fisherman, he frequently caught the main course of a meal directly from nature. During the Commerce period, the family's residence had a "woodsy" back yard where many of the meals were served. Mrs. Hoover became president of the Girl Scouts of America, and during her years of service the organization's membership, outdoor oriented, multiplied tenfold to almost a million girls. Young Allan Hoover fed birds and put up gourd-nests for them; he also acquired two ducks and several turtles. Hoover encouraged these doings—though with one exception that I have learned about, when Allan wanted to keep alligators in the bathtub.

A few weeks after being elected President, Hoover gave Lawrence Rickey, one of his secretaries, the task of finding a wild camping place where he could fish and relax. Following his inauguration on March 4, 1929, he chose and bought a 164-acre site at the source of Rapidan River, promising to donate that land to Shenandoah park when the park was established. The Camp Hoover plan was unambitious at first—just a few tents on wooden bases. But more needs the camp might serve kept emerging, and construction expanded until there were ten sizeable cottages with thin roofs and walls but massive stone fireplaces. During the four years of his Presidency, Hoover spent scores of weekends at this "summer White House"—in solitude along the trout stream or entertaining guests for relaxation and, more and more often as pressure increased in Washington, for policy discussion.

One of the first things I noticed about Camp Hoover was that the cottages had been shoe-horned in—designed and built to fit available space so trees need not be cut. Porches of the Hoovers' personal cottage—sometimes called "The Brown House" but usually "The President"—had splendid trees growing undisturbed through the floors. Other clues joined to bring out the Hoover desire to increase simple enjoyment while reducing disturbance of nature.

The Madison County Eagle, weekly newspaper that carefully watched the Hoovers' doings in its territory, reported on May 24, 1929, that the landscaping at camp consisted of a slight rearrangement of natural materials. Rocks that "lay helter-skelter" were being placed along the borders of walkways. Extra rocks were "erected in conical piles from which native flowers send forth their fragrance." In Shenandoah park files I found a copy of Mrs. Hoover's seven-page instructions concerning the grounds. She said the President wanted a variety of attractive plants to be visible but that they should be the identical species which grew there naturally or "hardy species . . . very similar to the native ones" such as "not to seem out of place" in the "woodsy setting."

People working at or near the camp promptly reflected the Hoover attitude, and some were changed for life by it. Frank Kiblinger, who supervised a road crew in the area, told me one of his trucks tore some bark from a tree. Aware of the Hoover's potential displeasure, he insisted the driver find it, straighten it out, and bind it back in place so the wound would heal without showing. This was done. Kiblinger went on to become a conservationist, with the Hoovers as long-time friends.

Maj. Earl C. Long of the Marines, in charge

of protection and maintenance at camp, reflected the Hoover attitude in the guide manual for this assignment, decreeing that "no trees in the President's Camp or the guard camp areas (including first and second platoon areas, corral area, and motor transport area) will be cut, damaged, or limbs removed." Camp Hoover Marines, present primarily to guard the President, were also assigned to work with Virginia crews building a fir tower atop nearby Fork Mountain, to help protect all forest within sight. Long, who became a major general before retirement, was so influenced that during the rest of his career he often modified military constructions to reduce disturbance of natural conditions.

Hoover allowed only dead wood, largely chestnut killed by the blight, to be used for heating or cooking at camp. Living trees could not be made into firewood; neither coal nor oil were burned. Though Hoover almost never replied to criticism, he was so sensitive in relation to nature that when a national news service said he had "ordered unrestricted shooting of hoot owls and fish hawks" along the Rapidan, he personally replied that he was "at a loss to know why such . . . untruths . . . are circulated. . . . There are no hawks about the camp and the old owl and brood of little owls are a part of the treasured camp furniture."

Hoover wanted more deep pools for trout, and instead of calling for machines to make them he and his guests moved boulders to create dams. The *Eagle* eye saw Hoover serving as "architect and chief engineer," but there is evidence he also served as laborer. His physician, Admiral Joel T. Boone, told me the President agreed he needed physical exercise, and the making of pools was one of the "double-pronged schemes" into which he often drew guests—cabinet members, congressmen, diplomats, bankers, "men representing the whole spectrum of American life with whom communication was generally stimulated through informality." The work was fun, especially on hot days. Col. Charles Lindbergh and Dr. Boone himself sometimes worked alongside Hoover, improving the Rapidan for trout while also reducing erosion and flooding.

Boone had a part in the early stages of a quite different project—relating most directly to people but in the long run to conservation as well. One day, soon after camp was set up, Boone was riding horseback toward Big Meadows (now a public visitation center in Shenandoah park). He stopped to talk with a boy near a mountain home. He asked about school and learned there was none within reach. Knowing the Hoovers loved children, he told them about the boy and the lack of a school accessible to the mountain folk. The President pursued acquaintance by offering $5 to the boy for bringing him an opossum (probably for son Allan). After some delay the boy came with the animal and collected. At a meeting then arranged, the boy's father agreed to head a local committee and the President a national committee to obtain the needed school. Under this camouflage—when no public funds could be promptly obtained—Hoover built the Mountain School at his own personal expense.

Construction started in October 1929, and in February 1930 a well-qualified, Hoover-hired teacher welcomed two dozen students, ages five to sixteen. Soon adults also were seeking and getting education at the school. It became a community center for the Rapidan-Dark Hollow area. Hoover paid all expenses during four school years. Then Virginia's conservation commission, seeing the relationship of the school to its responsibility—for acquiring Shenandoah park land and arranging for the mountain folk to move elsewhere—began paying the costs. The school operated until 1938 when most of the mountain folk moved from the park. It immeasurably improved the ability of these people to cope with the world outside the Blue Ridge.

Newsmen and feature writers focused wide attention on the doings of the Hoovers in the mountains. But what put the Rapidan conclusively on the world map was the coming together there of Hoover and Prime Minister Ramsay MacDonald of Britain—"conspiring," critics said, "to sink the world's navies." MacDonald and his daughter Ishbel arrived in Washington on October 4, 1929. Hoover told them he was taking them to his isolated camp. The startled Briton said, "But, Mr. President—I can't go to the mountains in this cutaway and striped trousers." The two men were almost the same size, and Hoover lent MacDonald clothes. Mrs. Hoover furnished camp attire for Ishbel. One cottage at camp was assigned to MacDonald, another to his daughter, these cottages lastingly named "Prime Minister" and "Ishbel."

The conference—concerned with limiting (not "sinking") navies (so as to halt the armaments race that was straining the finances of Britain, the United States and several other countries while also threatening world peace)—took place informally. Dr. Boone, always at camp when Hoover was there, said:

"I don't recall Prime Minister MacDonald fishing, but I'm not sure he didn't give it a try. He and President Hoover went out along the stream together once, probably more than once. Ishbel went riding with Mrs. Hoover, and I recall clearly she pitched horseshoes with Richey . . . and me for a time. . . . The President and apparently the Prime Minister were more relaxed, more informal, than could have been expected in other surroundings. And the President, at least, could work better on such crucial, infinitely complicated matters under the relaxing conditions of camp."

Newsmen were not invited, but the world's papers were filled with stories of the Rapidan talks promoting peace in the presence of only "those green-robed senators of mighty woods." Drawings showed them sitting on logs beside the stream or a campfire, Hoover whittling a stick and MacDonald smoking his pipe. The conference opened the way for the Naval Limitation Treaty that was ratified by the Senate on July 22, 1930. Hoover said the treaty marked "a further long step toward lifting the burden of militarism from the backs of mankind."

The camp thus proved itself a significant catalyst for creativity and calm judgment. In a short speech given to ten thousand "neighbors" gathered at Madison, the county seat nearest the camp, the President discussed its effects:

"I have discovered that even the work of the government can be improved by leisurely discussions of its problems out under the trees where no bells or callers jar one's thoughts. . . .

"I am glad to lend my services as a good neighbor to you by acting as a sort of signpost to the country of the fine reality of your proposed new national park.

"I fear that the summer camp . . . has the reputation of being devoted solely to fishing. That is not the case, for the fishing season lasts but a short time. . . . It is the excuse for return to the woods and streams with their retouch of the simpler life of the frontier from which every American springs. . . .

"Fishing seems to be the sole avenue left to Presidents through which they may escape to their own thoughts and may live in their own imaginings and find relief from the pneumatic hammer of constant personal contacts, and refreshment of mind in the babble of rippling brooks.

"Moreover, it is a constant reminder of the democracy of life, of humility and of human frailty—for all men are equal before fishes. And it is desirable that the President of the United States should be periodically reminded of this fundamental fact—that the forces of nature discriminate for no man."

Horace M. Albright, Director of the National Park Service, had helped Hoover pick the exact site for the camp and was a guest there from time to time. In 1969 Albright remembered riding horseback with Hoover one Sunday in "late 1930":

"We rode up onto the summit . . . to the Big Meadows. . . . The President motioned me to come up alongside of him. . . . He told me these mountains were just made for a highway. . . . And he said, I think everybody ought to have a chance to get the views from here. He said, I think they're the greatest in the world, and I've been nearly everywhere in the world.

"I pointed out, well, if they build a road . . . that's the end of his camp, because they'd have so many touriste . . . and he said, well, I'm not going to be President all the time and my successor might not like this place, and besides, I feel, even if I was here, he said, that the people should have this sensation that I have, this exhilaration, this experience that I have riding along here. He said, I want you to consider undertaking a survey . . . get a crew in here and see what you can do.

"So that's where I got my instructions for this Skyline Drive. Right from the President's mouth, right up here where the road is now.

"It was a terribly dry year, and these people were impoverished. . . . He asked for a congressional appropriation not only to relieve these farmers but to help other situations throughout the country. . . . Get your specifications for the highway, and then build it by force account if necessary, otherwise by contract, but insist that they use hand tools, the fresnoes and plows and scrapers of the farmers, and the farmers themselves."

Though Hoover did not originate the dream of having a Skyline Drive in Shenandoah, his instruction to Albright was nevertheless extraordinary. The Park Service had no land and no funds for a Shenandoah park, had had no chance for detailed study of the area or for planning its development, was far from sure such a park would become a reality (because the State of Virginia, responsible for getting the land and giving it to the federal government free of cost and of population, was uncertain after years of struggle whether the task could be accomplished). Yet Albright acted fast and did his best to carry out the President's order.

After several tentative routes were flagged, Hoover rode again on the skyline with Albright and others. Albright remembered:

"We came up here after a preliminary line had been run. . . . We would ride the trail, ride that line, as best we could on horseback. . . . Hoover pointed out that there were places where you could ride the ridge and see both ways. You could look to the Piedmont and you could look to the Shenandoah Valley. Other places you could just look to one, and then you'd go around through a gap and you'd see the other side. He thought that was one of the greatest things about it; he noticed that in his own right, you see. . . ."

It was a welfare project, and it was by Herbert Hoover.

The Skyline Drive between Thornton and Swift Run Gaps was thus built with Hoover not only the initiator of action but, intermittently anyway in the early stages, also chief engineer. Shortly after he was defeated in his try for a second term as President, he "explored" the whole 34 miles and wrote his opinion of how his instruction had been carried out: "It is a good road—and a very beautiful one."

As promised at the beginning of his Presi-

dency, he deeded the 164-acre camp property (and the 1.58-acre Mountain School tract) to become part of Shenandoah National Park. His records showed he had spent approximately $200,000 of his own money on the camp land and its development. (I have never come across precise figures showing what he spent on building, furnishing and operating the Mountain School, but I have found indications that the total in personal funds could hardly have been less than $25,000 and could have been considerably more.) In donating the camp land and buildings to the park he expressed a wish that the place be available to future Presidents who might wish to use it. He further suggested that, if Presidents did not use it, the Park Service might let it be used by the Boy Scout or Girl Scout organizations.

President Franklin D. Roosevelt visited the camp shortly after his inauguration. He found the terrain too rough for his use, but his visit and his return toward Washington via the still-unsurfaced Skyline Drive (which he found impressive, valuable and appropriate) involved him personally in the future of this park to such an extent that he carried on Hoover's momentum and direction, completing and extending the scenic highway, seeing the park through to establishment and well-rounded development.

For fifteen years the camp itself was little used, while the buildings deteriorated because Congress appropriated no funds to maintain them. In 1948, with encouragement and behind-the-scenes help by Hoover who was very much alive in New York, the Boy Scouts of America received permission to recondition the buildings and use them. Camp Hoover thus became "one of the outstanding 'Explorer Camps' in the country," as the Scouting organization put it. In the summer of 1954, more than two decades after he donated it to the park, Hoover visited it once more (for the last time) and reminisced with Scouts and Scouters about its four years as a "summer White House." One leading Scouter reported the visit was most moving and inspirational and that Hoover was deeply pleased the Scouts were using the place. Regrettably, in 1958, the Scouting organization had to abandon the camp because maintenance had become increasingly troublesome and expensive beyond the organization's current means.

All but three of the cottages proved too far gone to save. The three—known as "The President," "The Prime Minister," and "Creel"—were reconditioned by the Park Service which, by then, had a special fund that could be drawn upon for this purpose. These buildings were refurnished as in the years of the Hoovers' occupancy and saved as repositories of history. They have been used by high officials of the Federal Government and at times opened for visitation by the general public, which customarily uses the camp's outdoor acreage for hiking and other park-type activities. Quite recently, for the first time in more than 40 years, a President—Jimmy Carter—has again used the camp—though not frequently—as Hoover used it and hoped it might continue to be used.

Responding to my request for a summary of Hoover's Rapidan facet and its meaning, Admiral Boone, whose primary responsibility was the President's health, made statements coming as close as his scientific scruples would allow to confirming the camp as a generator of earthmanship:

"The President was often very tired when we left Washington . . . but his fatigue would start leaving him after he had crossed the Potomac. I never saw him happier than when he was on the Rapidan. He could hardly wait to leave the car. He would go put on his rubber boots and hurry out to fish, seldom taking time to change from whatever he had been wearing—often a suit, high white collar and tie, Panama hat. I never saw him in a camp outfit, though I know he had one. . . .

"I persuaded him to include in his busy schedule more Rapidan weekends than his conscience might have allowed him had he not been kept convinced they bolstered his capacity for service—as they certainly did.

"He was a self-disciplinarian with remarkable ability to keep many projects moving, to make maximum use of time. I never saw him play cards at camp, or work on jigsaw puzzles which were popular there, or pitch horseshoes. The time he actually spent fishing was small. . . . After brief fishing or sometimes a nap or a walk in the invigorating air he would plunge with new energy into urgent work. . . .

"He might recess a policy conference, go off fishing by himself for a short while, then get going again with the conference, usually having worked out some key problem. . . .

"The loveliness of the place captivated people, though they had their different ways of enjoying it. Sometimes the President would sit quietly for many minutes, smoking his pipe, listening to the stream or the fire. . . ."

All the persons I have interviewed, who were in camp with Hoover, reported indications of the President's renewal in strength and basic creativity by the stream, forest, mountains and far views. Most reported feeling in themselves too the effect of renewal and of focus on fundamentals to the exclusion of petty side issues. They observed similar signs in their associates. The camp had a spirit or atmosphere conducive to tender concern for both humanity and nature—in quite a few individuals, as in Hoover and his wife, for the people-earth combination in a sense now often called ecological. The spirit was sometimes so moving that Virginia historian Thomas Lomax Hunter "The President's Camp on the Rapidan," 1931, expressed it in these words:

"May we hope that the peace born and brooded in these noble hills will grow, like the Rapidan, into a mighty stream and flow down through history a splendid and triumphant tide."

I cannot say, of course, to what extent the earthmanship spirit was brought to camp by the President and Mrs. Hoover, or what portion of it rose directly from the magnificence and vitality of the Rapidan headwaters. But the spirit certainly lived there and exercised influence. In its glow the movement with Prime Minister MacDonald to foster world peace by reducing armaments seemed altogether fitting. Hoover's personal contribution to the mountain people through the Mountain School, and his insistence on hiring local workers in urgent need to build the Skyline Drive, seemed but natural—as did his wish to enhance human enjoyment through wise use of natural resources by establishing Shenandoah National Park.

Similarly, the effect of the camp spread through Hoover's Administration into other conservation matters, working its charm toward saving the scenic values of Niagara Falls (treaty with Canada approved by the Senate in 1930); toward tighter control of oil leases on public lands and more efficient use of water for power, irrigation and navigation; toward reduction of overgrazing on western ranges and reclamation of wasteland; toward planning the great St. Lawrence waterway (treaty with Canada signed in 1932); toward protecting U.S. forests (more than two million acres added to the national system); toward launching the Hoover Dam project on the Colorado River; and toward bringing a 40% increase in the national park system, including addition of Carlsbad Caverns, Canyon de Chelly, Death Valley, and the Great Smoky Mountains (linked with Shenandoah that was brought within reach though not officially established during Hoover's term).

The evidence is ample, I feel sure, to support the feeling I have long had—that the Rapidan facet of Herbert Hoover was significant in his personal life and in his Presidential decisions, policies and accomplishments; that focus on this often-ignored facet helps confirm Hoover's lasting contribution to humanity and earth; and that Camp Hoover was, is, and will remain a spiritual resource of meaning and value to America and the world.

(The above essay, "The Rapidan Facet of Herbert Hoover", is copyrighted, and may not be reprinted without permission of the author and copyright owner, Darwin Lambert.) ●

SALAMI TACTICS IN CUBA

● Mr. HELMS. Mr. President, in 1921 Lenin, reflecting on the events of the bloody Kronstadt mutiny, made some observations which give a rare insight of his perverse genius. Two of these are both timely and pertinent to the current situation in Cuba.

Lenin stated:

As a result of my direct observations during my exile, I must admit that the so-called cultured class of Western Europe and America is incapable of comprehending the present state of affairs and the actual balance of forces; the elements of this class must be regarded as deaf and dumb and treated accordingly. . . .

As if the above statement were not sufficient to give an idea of what lay ahead, Lenin proceeded to pen this gem of Marxist wisdom:

A revolution never develops along a direct line, by continuous expansion, but forms a chain of outbursts and withdrawals, attacks and lulls, during which the revolutionary forces gain strength for their final victory.

This strategy has been appropriately synthesized in the West in the dictum "two steps forward one backward in order to advance without causing excessive reaction." There is also a mordant, if graphically simple, phrase coined during the cold war which illustrates Lenin's strategy by calling it "salami tactics."

A closer analysis, if indeed an analysis is needed, of Lenin's reflections will poignantly bring into focus the fact that, although the Soviets have been practicing this strategy for the past 60 years, the "deaf-dumbs" of the West never cease to be surprised whenever they are confronted with a fait accompli as a result of a Soviet move.

What is unbelievable is that, seldom if ever, have the Soviets been able to make a lightning move in absolute secrecy. The United States and its allies invariably have had substantial warning of an impending move, due mainly, to their advanced technology in the field of intelligence. Those successes occurred when there had been an efficient human collection system complementing the electronic one and there was the will to make continuous and wise use of it.

It was "rumors" brought to the United States by Cuban exiles arriving in Miami that foretold of the missiles in Cuba. That it took nearly 3 more months to convince the administration of their presence confirms Lenin's observation. In the case of the Soviet brigade in Cuba things have gotten far worse in spite of tell-tale signs such as a continuous traffic of Soviet marshals, generals and even deputy defense ministers. The discovery of the Mig 23s was nothing more than a flash in the pan, quickly forgotten and relegated to the annals of gradual encroachment in the Caribbean basin.

Seldom if ever has the United States reacted in a forceful and peremptory way to correct the alteration in the balance of power caused by a Soviet move such as the one confronting us in Cuba today.

There were of course several instances of quick advance and partial retreat whenever the United States as the leader of the free world made a show of force, but, in the end, the Soviets came away with the material gains, while the West consoled itself with the moral and empty victory of the righteous.

To be sure, the dilemma of choosing between a "casus belli" in an era of nuclear weaponry seems to take the aspect of game with loaded dice when it comes to an aggressive move by the Soviets. In a negotiated settlement the Soviets hold the initiative, and therefore gain the bargaining advantage over the United States.

In Cuba Lenin's strategy has seen some interesting variations in the past two decades. The "salami tactic" has been reversed. The slices are being added surreptitiously while we stand by, 90 miles away, blinded by our lack of intelligence collection by human sources. While Miami may be abuzz with information about Russians in Cuba camping in the countryside, there is not a single intelligence man specifically designated to handle the incoming arrivals from Cuba. Not anymore.

In the early days of 1962 there was sufficient information on hand in Miami, and, presumably, in Washington, of surveys and construction by Soviets in areas which later were used as missile sites. Reports about the nuclear submarine support base at Cienfuegos began coming in Miami as early as 1962, while the Nixon administration protested to the Soviets only in 1970.

There has been a continuous if not stealthy build-up of Soviet presence in Cuba. In addition to the combat brigade there have been Soviet pilots flying missions in Cuba. Late in 1978, 18 Komar-type missile carrying boats have arrived in Cuba and early in 1979 6 of the newer type, equiped with quadruple launchers for "Styx" missiles have also been delivered. The Cubans do not have the crews to man these boats, which because of their size—81 feet in length—can actually enter Miami harbor at night virtually undetected because they appear on the radar screens as some of the hundreds of pleasure boats cruising the Gulf Stream.

Cuba is today the main Soviet naval base in the Western Hemisphere where naval squadrons call with monotonous regularity, often in violation of SALT I agreements, because of the missile carrying submarines (Golf type). The gigantic airlift exercise to Peru, using Cuba as intermediate base has all but been forgotten, yet the presence of the brigade today in Cuba may be due to this particular exercise as the Soviet need a mobile force on hand to guarantee the accessibility of landing sites for airlifted troops in case of an emergency. The United States seems to be oblivious to fact that today there is a crisis situation in the Caribbean basin and the maritime routes to and from Panama and South America are practically in Soviet hands.

The Soviet brigade may not pose a direct threat, per se, to the United States at the moment but both we and our Latin American allies would sleep more peacefully if the Russians got their suntans on the Black Sea resorts.

The President has said we should regard the situation calmly. And so we should. We should calmly tell the Soviets to get their troops out of Cuba before any negotiations begin. The President made a grave error when he announced negotiations without taking that forceful step. President Kennedy did not make such a mistake; he told the Soviets to get their troops out before the negotiations began. The United States cannot permit another superpower to maintain combat troops within its own defense perimeter. No U.S. installations lie within the Soviet defense perimeter. Were President Kennedy alive today, I am postive that the Soviet troops would already be out of Cuba. The danger now is that we will bargain away our rights in Guantanamo, or our right to an objective debate on the SALT II Treaty and its deficiencies.

Mr. President, it is not too late to profit from our mistakes in the handling of the Cuban developments. But it will take leadership, Mr. President, and leadership is a quality that is too often absent from our leaders today.●

GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE

● Mr. CHILES. Mr. President, I would like to call my colleagues attention to a consumer pamphlet on Medi-Gap insurance prepared jointly by the Department of Health, Education, and Welfare and the National Association of Insurance Commissioners.

The "Guide to Health Insurance for People with Medicare" was developed after the Senate Special Committee on Aging held hearings on widespread abuses in the sale of private health insurance policies to supplement Medicare. Our hearings revealed that many older Americans were paying large premiums for insurance policies which were worthless or of very little value in supplementing their Medicare insurance protection.

I introduced a bill in February, S. 395, to provide a number of protections against such abuses. There is an almost complete lack of information for Medicare beneficiaries on Medi-Gap insurance and how it can and cannot supplement Medicare. One of the provisions of my bill required the Department of Health, Education, and Welfare to provide information to all Medicare beneficiaries. This pamphlet has been developed in response to this concern and will be available through all local Social Security and area agency on aging offices this month.

I do not believe that consumer education alone can solve most of the problems we found in the sale of Medi-Gap insurance, but I think this pamphlet will be a valuable source of information for many older Americans who have questions about Medi-Gap insurance. I think it will also serve as a good resource for my colleagues, and I ask that the full text of the pamphlet be printed in the RECORD.

The material follows:

GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE

SOME BASIC THINGS YOU SHOULD KNOW

Medicare pays a large part of your health care expenses. It does not pay them all. There are limits on some covered services and you must pay certain amounts called deductibles and co-payments.

Medicare does not cover some services at all. Neither does most private insurance, for example:

What many people think of as nursing home care is not usually covered by Medicare or insurance policies on the market today. (See page 3.)

Medicare and most private health insurance policies pay only charges Medicare considers reasonable. You pay the rest. To avoid extra charges, ask your doctor to accept assignment of Medicare benefits. Assignment means that your doctor (or other supplier) agrees to accept Medicare's reasonable charge as the total charge for covered services and supplies. (See page 7.)

Insurance to supplement Medicare is not sold or serviced by the government. Do not believe advertising or agents who suggest that Medicare supplement insurance is a government-sponsored program.

Before you consider buying insurance to supplement Medicare, you should know what Medicare benefits are. Pages 4 through 7 explain your Medicare coverage. Please review them carefully.

DO YOU NEED PRIVATE HEALTH INSURANCE IN ADDITION TO MEDICARE?

Not everyone does . . .

Low-income people who are eligible for Medicaid do not need additional insurance. Medicaid pays almost all costs including long-term nursing care. Contact your local social service agency to find out if you qualify and what the benefits are in your state.

Whether you need health insurance in addition to Medicare is a decision which you should discuss with someone you know who understands insurance and your financial situation. The best time to do this is before you reach age 65.

HINTS ON SHOPPING FOR PRIVATE HEALTH INSURANCE

Shop Carefully Before You Buy . . . policies differ widely as to coverage and cost, and companies differ as to service. Contact different companies and compare the policies carefully before you buy. To help decide, complete the checklist on page 6. If an agent won't help you complete the checklist, don't buy from that agent.

Don't Buy More Policies Than You Need . . . duplicate coverage is costly and not necessary. A single comprehensive policy is better than several policies with overlapping or duplicate coverages. For comprehensive coverage, consider continuing the group coverage you have at work; joining an HMO; buying a catastrophic or major medical policy or buying a Medicare Supplement policy. (See page 3.)

Check For Preexisting Condition Exclusions . . . which reduce or eliminate coverage for existing health conditions. Many policies exclude coverage for preexisting health conditions.

Don't be misled by the phrase "no medical examination required." If you have had a health problem, the insurer might not cover you for expenses connected with that problem.

Beware of Replacing Existing Coverage . . . be suspicious of a suggestion that you give up your policy and buy a replacement. Often the new policy will impose waiting periods or will have exclusions or waiting periods for preexisting conditions your current policy covers. On the other hand, don't keep inadequate policies simply because you have had them a long time. You don't get credit with a company just because you've paid many years for a policy.

Be Aware of Maximum Benefits . . . most policies have some type of limit on benefits which may be expressed in terms of dollars payable or the number of days for which payment will be made.

Check Your Right To Renew . . . beware of policies that let the company refuse to renew your policy on an individual basis. These policies provide the least premanent coverage.

Most policies cannot be canceled by the company unless all policies of that type are canceled in the state. Therefore, these policies cannot be canceled because of claims or disputes. Some policies are guaranteed renewable for life. Policies that can be renewed automatically offer added protection.

Policies to Supplement Medicare Are Neither Sold nor Serviced by State or Federal Government . . . State Insurance Departments approve policies sold by insurance companies but approval only means the company and policy meet requirements of state law. Do not believe statements that insurance to supplement Medicare is a government-sponsored program. If anyone tells you that he or she is from the government and later tries to sell you an insurance policy, report that person to your State Insurance Department.

Know With Whom You're Dealing . . . a company must meet certain qualifications to do business in your state. This is for your protection. Agents also must be licensed by your state and must carry proof of licensing showing their name and the company they represent. If the agent cannot show such proof, do not buy from that person. A business card is not a license.

Keep Agents' and/or Companies' Names and Addresses . . . write down the agents' and/or companies' names and addresses or ask for a business card.

Take Your Time . . . do not let a short-term enrollment period high pressure you. Professional salespeople will not rush you. If you question whether a program is worthy, ask the salesperson to explain it to a friend or relative whose judgment you respect. Allow yourself time to think through your decision.

IF YOU DECIDE TO BUY

Complete Application Carefully . . . some companies ask for detailed medical information. If they do, omitting specific medical information can be costly to you. Do not believe anyone who tells you that your medical history on an application is not important. If you omit requested information the company can refuse coverage for an omitted condition for a period of time or it may deny a claim and/or cancel your policy.

Look for an Outline of Coverage . . . you should be given a clearly worded summary of the policy . . . Read It Carefully.

Do Not Pay Cash . . . pay by check, money order or bank drafts made payable to the insurance company, not the agent or anyone else.

Check For A Free Look Provision . . . most companies give you at least 10 days to review the policy. If you decide you don't want to keep it, send it back to the agent or company within 10 days of receiving it and you will get a refund of all premiums you have paid.

Policy Delivery or Refunds Should Be Prompt . . . the insurance company should deliver a policy within 30 days. If not, contact the company and obtain in writing a reason for failure to deliver. If 60 days go by without information, contact your State Insurance Department. The same schedule should be followed if you return the policy but do not receive your refund.

TYPES OF PRIVATE HEALTH INSURANCE

Private health insurance is available through group and individual policies. It is offered by some companies through agents and by other companies directly through advertising media and mail. Coverages offered and their values differ widely among both group and individual policies.

Types of individual and group health insurance coverages:

Medicare Supplement . . . pay some or all of Medicare's deductibles and co-payments. Some policies may also pay for some health services not covered by Medicare. (See page 4.)

Medicare pays only for services determined to be medically necessary and only to the extent of what Medicare determines to be a reasonable charge (see pages 4 through 7). Most Medicare supplements follow the same guidelines and pay nothing for services Medicare finds unnecessary.

Catastrophic or Major Medical Expense . . . helps cover the high cost of serious illness or injury, including some health services not covered by Medicare. These policies usually have a large deductible and may not cover Medicare's copayments and deductibles. It can be a better dollar value to insure only for catastrophic expenses than to buy coverage for the Medicare deductibles and co-payments.

Health Maintenance Organizations (HMOs) . . . there may be one or more HMOs in your area which participate in the Medicare program. HMOs both insure health care and provide the service. People who join HMOs pay a membership fee, or premium, and then receive health services directly from physicians and other providers affiliated with HMOs. Services are prepaid, so there are no claims forms to process. For Medicare covered services, there are no separate charges for deductibles or co-payments. If you are willing to receive your care from a specified group of providers, HMOs may provide the most complete service for your health care dollar.

Group insurance is available through employers and through voluntary associations.

Employer Group Insurance . . . many people are covered by a group plan while they are employed.

Find out before you retire if your group coverage can be continued or converted to a suitable individual Medicare supplement policy when you reach age 65. Check carefully the price and the benefits, including benefits for your spouse. Employer continued or conversion group insurance usually has the advantage of having no waiting periods or preexisting condition exclusions.

Association Group Insurance . . . many organizations, other than employers, offer various kinds of group health insurance coverage to their members over age 65.

Beware of claims of low group rates because coverage under group policies may be as expensive or more costly than comparable coverage under individual policies. Be sure you understand the benefits included and then compare prices.

The following coverages are limited in scope and are not substitutes for Medicare Supplement, Catastrophic, Major Medical Expense or HMOs.

Nursing Home Coverage . . . usually pays a stated amount a day for required skilled nursing service furnished in a skilled nursing facility. Intermediate care, rest care and custodial care are generally not covered under any policy on the market today. Most people in nursing homes are receiving custodial care. Be sure you know which nursing homes and services are covered.

Hospital Confinement Indemnity Coverage . . . pays a fixed amount for each day you are hospitalized up to a designated number of days. Some coverage may have added benefits such as surgical benefits or skilled nursing home confinement benefits. Premiums do not ordinarily increase, but the fixed benefits do not rise to meet increasing costs of hospitalization.

Specified Disease Coverage . . . (Not available in some states) . . . provides benefits for only a single disease, such as cancer, or a group of specified diseases. The value of such coverage depends on the chance you will get the specific disease or diseases covered. Benefits are usually limited to payment of a fixed amount for each type of treatment. Benefits are not designated to fill the Medicare gaps.

WHAT MEDICARE PAYS AND DOESN'T PAY

Medicare is divided into two parts—hospital insurance (Part A) and medical insurance (Part B). This page describes Part A benefits and page 7 describes Part B benefits. The chart on page 5 gives brief outlines of both Part A and Part B. Please refer to Your Medicare Handbook or any Social Security Office for more information.

Medicare does not pay the entire cost for all covered services. You pay for deductibles and co-payments. A deductible is an initial dollar amount which Medicare does not pay . . . a co-payment is your share of expenses for covered services above the deductible.

MEDICARE HOSPITAL INSURANCE BENEFITS (PART A)

What medicare part A pays

When all program requirements are met, Medicare Part A will help pay for medically necessary inhospital care . . . and after a hospital stay, for medically necessary inpatient care in a skilled nursing facility or for home health care.

Part A covers all services customarily furnished by hospitals and skilled nursing facilities. Part A does not cover private duty nursing, charges for a private room unless medically necessary, or convenience items such as telephones or television. Part A also does not cover the first 3 pints of blood you receive during an inpatient stay (but you cannot be charged for blood if it is replaced by a blood plan or through a blood donation in your behalf).

Benefit periods

Medicare Part A benefits are paid on the basis of benefit periods. A benefit period begins the first day you receive Medicare covered service in a hospital and ends when you have been out of a hospital or skilled nursing facility for 60 days in a row. If you enter a hospital again after 60 days, a new benefit period begins. All Part A benefits (except for lifetime reserve days you have used) are renewed. There is no limit to the number of benefit periods you can have.

Inpatient hospital care

Part A pays for all covered services for the first 60 days of inpatient hospital care in a benefit period except for $160, the current Part A deductible. For the next 30 days, Part A pays for all covered services except for $40 a day. Every person enrolled in Part A also has a 60-day lifetime reserve for inpatient hospital care which can be drawn from if more than 90 days are needed in a benefit period. When lifetime reserve days are used, Part A pays for all covered services except for $80 a day. Once used, lifetime reserve days are not renewable.

Skilled nursing facility care

A skilled nursing facility is a special kind of facility which primarily furnishes skilled nursing and rehabilitation services. It may be a separate facility or a part of a hospital. Medicare benefits are payable only if the skilled nursing facility is certified by Medicare. Most nursing homes in the United States are not skilled nursing facilities and many skilled nursing facilities are not certified by Medicare.

Part A pays for all covered services for the first 20 days of medically necessary inpatient skilled nursing facility care during a benefit period. For the next 80 days, Part A pays all except $20 a day.

Medicare Part A will not cover your stay in a skilled nursing facility if the services you receive are mainly personal care or custodial services, such as help in walking, getting in and out of bed, eating, dressing, bathing and taking medicine.

Home health care

Part A pays the entire cost of up to 100 medically necessary home health visits, after a hospital stay, for each benefit period. These visits must be used within 1 year from your most recent discharge. Part A covers part-time services of a visiting nurse or physical or speech therapist from a Medicare certified home health agency. If you receive any of these services, Part A can also cover part-time home health aide services, occupational therapy, medical social services and medical supplies and equipment. Part A does not cover full-time nursing care, drugs, meals delivered to your home or homemaker services that are primarily to assist you in meeting personal care or housekeeping needs.

MEDICARE—HOSPITAL INSURANCE BENEFITS (PART A)

Service	For covered services—Each benefit period		
	Benefit	Medicare pays	You pay [1]
Hospitalization: Semiprivate room and board, general nursing and miscellaneous hospital services and supplies. Includes meals, special care units, drugs, lab tests, diagnostic X-rays, medical supplies, operating and recovery room, anesthesia and rehabilitation services.	1st 60 days	All but $160	$160.
	61st to 90th day	All but $40 a day	$40 a day.
	91st to 150th day [2]	All but $80 a day	$80 a day.
	Beyond 150 days	Nothing	All costs.
Posthospital skilled nursing facility care: In a facility approved by medicare. You must have been in a hospital for at least 3 days and enter the facility within 14 days after hospital discharge.	A benefit period begins on the 1st day you receive services as an inpatient in a hospital and ends after you have been out of the hospital or skilled nursing facility for 60 days in a row.		
	1st 20 days	100 percent of reasonable costs	Nothing.
	Additional 80 days	All but $20 a day	$20 a day.
	Beyond 100 days	Nothing	All costs.
	Medicare and private insurance will not pay for most nursing home care. You pay for custodial care and most care in a nursing home.		
Posthospital home health care	Up to 100 visits	100 percent of reasonable costs	Nothing.
Blood	Blood	All but 1st 3 pints	For 1st 3 pints.

[1] These figures are for 1979 and are subject to change each year.

[2] 60 lifetime reserve days may be used only once; days used are not renewable.

MEDICARE—MEDICAL INSURANCE BENEFITS (PART B)

Service	For covered services—Each calendar year		
	Benefit	Medicare pays	You pay
Medical expense: Physician's services, in patient and outpatient medical services and supplies, physical and speech therapy, ambulance, etc.	Medicare pays for medical services in or out of hospital. Some insurance policies pay less (or nothing) for hospital outpatient medical services or services in a doctor's office.	80 percent of reasonable charge (after $60 deductible).	$60 deductible [1] plus 20 percent of balance of reasonable charge (plus any charge above reasonable).[2]
Home health care	Up to 100 visits	100 percent of reasonable charge (after $60 deductible).	Subject to deductible.[1]
Outpatient hospital treatment	Unlimited as medically necessary	80 percent of reasonable charge (after $60 deductible).	Subject to deductible [1] plus 20 percent of balance of reasonable charge.[2]
Blood	Blood	80 percent of reasonable charge (after first 3 pints).	For 1st 3 pints plus 20 percent of balance of reasonable charge.[2]

[1] Once you have had $60 of expense for covered services in a calendar year, the part B deductible does not apply to any further covered services you receive in that year.

[2] You pay for charges higher than reasonable charges allowed by medicare unless the doctor or supplier agrees to accept medicare's reasonable charge as the total charge for services rendered.

EXPENSES NOT COVERED BY MEDICARE

Medicare does not cover certain kinds of care. Most private insurance does not cover them either. Among them are:

Private duty nursing.

Skilled nursing home care costs (beyond what is covered by Medicare).

Custodial nursing home care costs.

Intermediate nursing home care costs.

Home health care (above number of visits covered by Medicare).

Physician charges (above Medicare's reasonable charge).

Drugs (other than prescription drugs furnished during a hospital or skilled nursing facility stay).

Care received outside the U.S.A.

Dental care or dentures, checkups, routine immunizations, cosmetic surgery, routine foot care, examinations for and the cost of eyeglasses or hearing aids.

MEDICARE MEDICAL INSURANCE BENEFITS (PART B)

What medicare Part B pays

Medicare Part B helps pay for doctors' bills and many other medical services. You are automatically enrolled in Part B when you enroll in Medicare Part A . . . although you may state that you don't want it. Part B currently costs you $8.70 a month. Your premium for Part B may go up each year. You don't have to purchase Part B . . . but it is an excellent buy because the Federal Government pays more than two-thirds of the actual cost.

You pay the first $60 of charges each year. This is the Part B deductible. After that, Medicare Part B generally pays 80 percent of the amount Medicare determines is a reasonable charge for covered services you receive the rest of the year. You pay the remaining 20 percent. This is the Part B co-payment. Unless your doctor or supplier accepts assignment (see explanation below), you are responsible for charges above the amount Medicare determines to be a reasonable charge.

Services covered

Physicians' and surgeons' services no matter where you receive them . . . at home, in the doctor's office, in a clinic or in a hospital. Routine physical exams are excluded.

Home health visits up to 100 visits each year under an approved plan. They can be in addition to the 100 visits covered under Part A, but under Part B there is no need for prior hospitalization.

Physical therapy and speech pathology services, in a doctor's office or as an outpatient and, on a limited basis, in your home.

Other medical services and supplies . . . such as outpatient hospital services; X-rays and laboratory tests; certain ambulance services; and purchase or rental of durable medical equipment, such as wheel chairs.

Part B will not pay for any services which Medicare does not consider medically necessary . . . neither will most insurance policies.

Reasonable charge

In deciding whether a charge is reasonable, Medicare reviews each year the usual charge by the doctor or supplier for each covered service, and the charge of other doctors and suppliers in the area for the same service. The reasonable charge is often lower than the actual charge made by the doctor or supplier.

Most insurance policies you can buy to supplement Medicare only pay 20% of Medicare's reasonable charge. You might not get 100% coverage for your Part B bills even if you have Medicare Part B and private insurance. Here's how this could happen:

Suppose your doctor charges you $500 for an operation and Medicare determines the reasonable charge to be $360. You would pay the first $60 (the Part B deductible) yourself. The rest of the reasonable charge would be $300. Medicare would pay 80% of that $300, or $240. Most insurance policies would pay 20% of that $300 or $60. You would pay a total of $200 . . . the $60 Part B deductible plus the $140 difference between your doctor's actual charge and the reasonable charge determined by Medicare. However, you may avoid this extra payment if your doctor accepts assignment.

Ask about assignment

Because you can't tell in advance whether the reasonable charge and the actual charge will be the same, always ask your doctors or other medical suppliers, such as laboratories and therapists, if they will accept assignment of Medicare benefits. Assignment means that the doctor or supplier will accept Medicare's reasonable charge as full payment and cannot legally bill you for anything above that amount. In the example above, if your doctor agreed to assignment, he or she would accept $360 as payment in full and you would not have to pay the $140 difference yourself.

Doctors and suppliers do not have to accept assignment, but many do.

FOR ADDITIONAL HELP

If you need additional help or advice on Medicare benefits or eligibility, contact your nearest Social Security Office or the Health Care Financing Administration. For information on private insurance to supplement Medicare, check with your State Insurance Department or State Consumer Protection Agency.

If you bought or are considering buying a health insurance policy, the company or its agent should answer your questions. If you do not get the service you feel you deserve, discuss the matter with your State Insurance Department.

The Medicare information in this pamphlet is for 1979. It may change from year to year. For a more detailed and current explanation of Medicare and its benefits, obtain a free copy of Your Medicare Handbook from your local Social Security/Health Care Financing Administration Office.●

HISPANIC HERITAGE WEEK

● Mr. MATHIAS. Mr. President, Hispanic Heritage Week gives us a chance to enjoy a wonderful cultural event, but it also challenges us to think seriously about Hispanic Americans and not only about the problems they encounter in our society but about the special qualities they bring to our culture.

It has been my privilege to visit the Hispanic world on several occasions. I have not traveled there as widely as I would like—unfortunately there never seems to be enough time for that—but I have visted Puerto Rico, Mexico, Colombia, Venezuela, and, of course, Spain. And the one thing that strikes you so forcibly when you visit these countries—where the people are all so different from one another and where the national character of each is so distinctive—the one common characteristic you discover in the Hispanic world, besides the Spanish language, is the pride, self-respect, and human decency of the Hispanic peoples.

And, as you look around our troubled world, that is not a bad bond to tie people together. Those qualities of the human spirit add an important dimension to life wherever they are found and they are qualities which we, in the United States, must seek to encourage in our society.

Steven Muller, president of the Johns Hopkins University, thinks that although "an American society exists * * * mighty, productive, bursting with achievement," we still have not created an American civilization. He calls this country a teenager "full of muscle and energy, not yet mature, but very much aware of ourselves." And, like all teenagers, the country still has a lot of questions to answer—"hard questions of who we really are, how well we will mature, of wisdom and grace to match our promise."

Dr. Muller thinks we will eventually be able to answer those questions pretty well, but as he says:

Teenagers tend to be impatient, superficial still, sometimes, self-indulgent, and often undisciplined. Such characteristics also mark our American society . . .(and) they must be overcome.

It seems to me that as we seek to construct a mature civilization to replace our rough teenage society and as we work to overcome the superficial and self-indulgent aspects of our society, the spiritual qualities of the Hispanic people will be an important element in that effort.

Therefore, as we observe Hispanic Heritage Week, I hope that all Americans will become more aware of the sense of human decency which is so pronounced in Hispanic Americans. And I hope that Hispanic Americans will use this as an occasion to dedicate themselves to working to help America evolve a civilization which reflects the values which infuse their lives.

And finally, because the American dream of a rewarding job, a comfortable home, and a good education and a better life for their children, still eludes most Hispanic Americans, I hope we will all use the occasion of Hispanic Heritage Week to dedicate ourselves to seeing that Hispanic Americans achieve the full rights and opportunities to which they are entitled in our society.

As José Martí, the great Hispanic poet and patriot, long ago pointed out: "Men have no special rights because they belong to one race or another: the word man defines all rights."●

TAX POLICY AND INFLATION—CONGRESS SHOULD BE ACCOUNTABLE

● Mr. DOLE. Mr. President, last Wednesday the Chairman of the Federal Reserve Board, Paul Volcker, testified before the House Budget Committee. During his appearance before the Budget Committee, Mr. Volcker stated his opposition to automatic adjustment of the income tax rate brackets to compensate for the effects of inflation on personal income. The Federal Reserve Chairman would prefer that Congress address that problem on a case-by-case basis and decide each year whether such an adjustment is necessary. Mr. Volcker feels that adjustments in the tax rates should be examined carefully in the political process.

As the sponsor of the Tax Equalization Act, the Senator from Kansas was particularly disappointed to hear Mr. Volcker's position. The Tax Equalization Act would maintain constant rates of taxation on each level of real—as opposed to inflated—income. Of course, Congress would always have the power to change the rates of taxation as it deems appropriate—but the rates would be geared to real income and stable purchasing power. It is surprising that Chairman Volcker would regard this procedure—indexing income taxes for inflation—as resulting in insulation of tax policy from the political process.

Mr. President, Chairman Volcker has demonstrated his determination to fight inflation and that is why the Senator from Kansas is distressed at the Chairman's opposition to indexing taxes for inflation. A good idea needs all the good men it can get to promote it, and indexing is a good idea, as the public is fast coming to realize. It is also a significant anti-inflation measure and, contrary to Mr. Volcker's conclusion, would increase the political accountability of Congress in setting tax policy.

As the law now stands, the tax rates for each of the brackets stay the same despite the fact that, each year, inflation pushes taxpayers into higher rate brackets. These taxpayers have not increased their real income as measured by purchasing power; they have merely, if they are fortunate, kept pace with inflation. The result is an unlegislated increase in tax revenues for the Federal Government. Congress is not politically accountable for the increase. It is no wonder that the public is confused when Congress passes "tax cuts" which leave the taxpayer paying as much or more of his income as before.

Congress should be accountable for the Federal tax policy—in this the Senator from Kansas agrees with Chairman Volcker. The way to make Congress accountable is to eliminate automatic, unlegislated tax increases. Congress will then need to examine whether a tax increase, or a real tax cut, is required in light of the particular economic situation. Indexing is the first step toward responsible fiscal policy, and it will make policy more responsive to changes in the Nation's economy.

A responsible fiscal policy is the first line of defense against inflation. The Senator from Kansas urges Chairman Volcker to reexamine his position and consider that, in the long run, the task of the Federal Reserve in fighting inflation would be eased by adoption of the Tax Equalization Act. This is an issue on which the opponents of inflation must band together, and it is an issue which can be ignored no longer.●

HISPANIC HERITAGE WEEK

● Mr. SCHMITT. Mr. President, as we join in celebration throughout the country to honor Hispanic Americans, a group which may be the largest minority in the United States by 1980, let us focus on the increasing importance of our relationship with Latin America.

Our own Hispanic citizens must be willing to assist in strengthening those relations. No other group in the country can more readily provide the bridge. Hispanic Americans, more than any other group, have the background and knowledge to make a major contribution to this worthy and crucial goal.

As a Senator from the State of New Mexico, I am proud that my constituency is made up of a large percentage of individuals of Spanish descent. A Hispanic society has existed in what is now northern New Mexico around Santa Fe and Taos since 1610, and through the centuries, persons with family ties to this community, have made up nearly half the State's population.

New Mexico was admitted to the Union in 1912, and although these proud descendants of the Spanish conquistadores have encountered various difficulties moving into the mainstream of American society, they have maintained what remains one of the richest and strongest heritages of culture in America.

As we honor Hispanic Americans, let us not forget the painstaking steps they

have taken to overcome the language barrier and succeed in education and in the labor market. Although much progress has been made in these areas, we must continue to provide increased opportunities for these Americans to participate equally in the affairs of the Nation. If we do not do so, the dream of America as both a melting pot and preserver of diverse cultures will be tarnished.●

FOREIGN EARNED INCOME ACT

● Mr. MATHIAS. Mr. President, today I join the Senator from Rhode Island (Mr. CHAFEE) as a cosponsor of S. 1703, a bill to provide an exclusion for income earned abroad by employees of certain charitable organizations.

The Foreign Earned Income Act of 1978 significantly improved the provisions of the Tax Reform Act of 1976, allowing special itemized deductions for Americans working in qualified countries and a flat $20,000 exclusion for workers in hardship areas living in substandard housing. These provisions have resolved many of the problems encountered by Americans living abroad.

Despite this progress, there is at least one problem remaining: Overseas nonprofit organizations in nonqualified countries (Canada and most of Europe) are in danger because of the tax status of their employees. Many corporations have solved the double taxation problem by compensating their employees for the additional taxes they are required to pay. Unfortunately, nonprofit organizations cannot offset these taxes for their employees. As a result, many of these workers are finding themselves in the unenviable position of owing more taxes than they earn in base salary.

One of the important and worthy nonprofit organizations that this bill would help is the University of Maryland, which has an extensive overseas operation. Its programs focus on the needs of our military personnel stationed abroad who want to earn their college degrees. Courses are offered at over 150 sites around the world, employing 800 Americans as faculty members and an administrative staff of 250 to 300. Because the program will be severely crippled if the Americans who staff it continue to do without the Federal income tax exemption that they enjoyed before the Tax Reform Act of 1976, I think that the reinstatement of the exemption is of utmost importance.

The University of Maryland is only one example of the many organizations operating hundreds of progams all over the world, employing thousands of Americans. All these institutions are operating under severe strain, and many will be forced to close if their employees are not given some form of tax relief.

I had already drafted and had planned to introduce a bill that would have solved this problem, allowing a flat $20,000 exclusion to employees of charitable organizations. However, the distinguished Senator from Rhode Island (Mr. CHAFEE) introduced a similar bill, S. 1703, on August 3, 1979, with broad support in the Finance Committee. His proposal will extend the provisions of section 913 of the tax code to American employees of charitable organizations operating abroad. Rather than diffuse our efforts, with a multiplicity of similar proposals, I will withhold my bill and concentrate my energies on S. 1703. The charitable organizations that will benefit from this bill are all deserving of our support, and I encourage all of my colleagues to join the Senator from Rhode Island (Mr. CHAFEE) in helping us pass this bill in the 96th Congress.●

SENATOR BUMPERS' AMENDMENT TO FEDERAL COURTS IMPROVEMENT ACT

● Mr. STENNIS. Mr. President, last Friday, September 7, while the Senate was considering S. 1477, the Federal Courts Improvement Act of 1979, I was called to the White House on an urgent and important defense matter. Therefore, I was necesarily and unavoidably absent when the Senate rejected the motion to table the amendment of the Senator from Arkansas (Mr. BUMPERS) by a vote of 27 yeas and 51 nays. Since I strongly and enthusiastically supported this amendment, I would have voted "nay" on the motion to table had it been possible for me to be present.

I had hoped that I would have the opportunity to vote for the amendment on the up or down vote but the amendment was subsequently approved by a voice vote.

Mr. President, I want to highly commend the Senator from Arkansas for his foresight, alertness, and wisdom in offering his amendment. While it is not a complete answer or panacea to the problems and burdens our people face in the regulatory field, it is certainly a useful, welcome, and helpful step in the right direction.

We all know, Mr. President, that American businesses and industries, large and small, are literally staggering under the ever-increasing burden of Federal regulation. The general perception of this, and the fact that the people are crying out for relief, was evidenced by the overwhelming support for the Bumpers amendment on the floor of the Senate.

The amendment is simple. It basically has two purposes. First, it would direct the courts to decide for themselves, without giving undue weight to so-called administrative expertise, all issues of law. Second, it would reverse the traditional presumption by the courts that agency regulations are valid.

To state it differently, Mr. President, the Bumpers amendment would place the burden of establishing the validity of a Federal regulation where it ought to be in justice and equity; that is, upon the agency which has promulgated it. These agencies have all of the great and powerful resources of the Government at their command, and it is altogether proper that they should have to prove the validity of their own actions, instead of the burden being placed upon the citizen litigant to prove the reverse.

I think, Mr. President, that thoughtful people fully recognize that it is absolutely necessary for the Congress to delegate regulatory functions to Federal agencies, and the Bumpers amendment does not do away with the regulatory process or rulemaking power. However, it appears that the Federal regulatory agencies are literally running wild and that, despite the constant cry for help from our constituents, little or no relief has been given either by the Congress or the administration.

As I have said, one of the major problems in this field is that the courts have held that administrative actions are presumed to be valid and that the burden is on the challenging party to overcome that presumption. Courts accord presumption of validity to actions of regulatory agencies when they act within their sphere of expertise. These presumptions place an almost intolerable burden upon a citizen or a small business who or which desires to contest an agency rule or regulation in court. This is the problem which the Bumpers amendment is designed to correct, at least in part.

The Congress should correct its own errors. One of the primary demands of my constituents, both through the mail and when I am at home, is that the arbitrary and uncontrolled abuse of regulatory power be curbed. I hear this from all over my State. I believe that Congress must take some corrective action.

Objections to overregulation by Federal agencies have been made over and over again in this and preceding Congresses, but so far we have not taken any major step to correct the problem. The President, during his campaign in 1976, made a firm commitment that he would curb the abuse of the regulatory power. He has not been able to do it. I am not being critical of the President; I am only stating the facts as I see them.

The people at home that I talk to believe that Federal agencies are eroding and contributing to the erosion of the free enterprise system by complex, costly and burdensome rules and regulations which are being imposed upon businesses by the hundreds and thousands. During this session of the Congress alone there have been more speeches and discussions about eliminating or reducing cost and burden of Federal regulation than I have ever heard before.

The major problem in this field, Mr. President, is that when an individual or business goes to court to question the validity of a rule or regulation of a Federal agency, that individual or business is put to the cost and expense of having to carry the burden of showing that the rule or regulation exceeds the statutory power and authority of the agency. The private litigant must establish that the regulation is an improper and arbitrary exercise of the authority given to the agency by the Congress. In other words, the burden is placed upon the citizen rather than the agency.

In addition, many courts have required that the individual or corporation contesting the validity of a rule or regulation must demonstrate that the rule or regulation was adopted or promulgated in an arbitrary and capricious manner. This substantially increases the burden of proof that the litigant has to carry.

I believe that the Bumpers amendment offers a sensible and logical approach to this problem. Simply put, it transfers the burden of proof concerning the legality of administrative rulemaking to the agency which has promulgated the rule. I believe that this is a fair, proper and sensible approach. There is nothing wrong with the Congress telling an agency which it has created that, when challenged, it must demonstrate that rules and regulations are legal and are within the mandate given to the agency by the Congress as the representative of the people.

Let me conclude, Mr. President, by reiterating my strong support for the amendment offered by the distinguished Senator from Arkansas. It presents an opportunity for the Congress to do something about the abuse of the regulatory and rulemaking power. It may very well be a first important step in turning the tide in this field. It certainly presents the Congress with an opportunity to take a big step to recapture for the American people the fundamental separation of powers contemplated by our Constitution.

Abuse of the regulatory power is and should be a matter of the greatest concern to all of us. It is creating unnecessary cost and paperwork. It is feeding the fires of inflation and contributing to higher taxes and an unbalanced budget. It is placing an intolerable burden upon business. We have a special duty to do something about it, and I again commend the distinguished Senator from Arkansas for his alert and timely action in offering this amendment.

I hope, Mr. President, that this amendment will be accepted by the House of Representatives. If it is not, I hope the Senate conferees will insist upon it when the bill goes to conference. I certainly believe that they should do this in view of the one-sided vote by the Senate against the motion to table.●

THE LONDON CONFERENCE ON ZIMBABWE-RHODESIA

● Mr. HELMS. Mr. President, today marks the opening of the London Conference on the future of Zimbabwe-Rhodesia. Although the British say that they hope to keep the focus on the constitution, the Patriotic Front is attempting to shift the agenda to mechanisms for the transfer of power to the Communist guerrilla forces. There are few who expect such a transfer to take place under the British aegis; but the real question is whether or not the British Foreign Minister, Lord Carrington, will push the government of Bishop Abel Muzorewa so far that the fabric of society in Zimbabwe-Rhodesia could collapse.

Nevertheless, Prime Minister Muzorewa's government is dealing from a position of strength. Superbly organized and highly efficient, the Prime Minister has shown great restraint in the fact of stepped-up provocations by the terrorists. Communist tactics always include the stepping up of attacks during negotiations; the United States learned to its sorrow in Korea and Vietnam that we had more casualties after the negotiations started than before. The Prime Minister's military strikes against the buildup and involvement of Mozambiqan forces in the fighting is a healthy response to this tactic, and should help, in the long run, to keep casualties down during the talks. The Patriotic Front has pointedly refused to accept a cease-fire. As long as the talks go on without a cease-fire, I urge the Prime Minister to be prepared to conduct whatever military operations are necessary to counter the terrorist threat.

The fact is that the Patriotic Front armies are living on borrowed time. Their host countries, Zambia and Mozambique, are on the verge of economic collapse, and famine already stalks the land. Even their strongest diplomatic supporter, Jules Nyerere of Tanzania, is having economic difficulties as a result of his occupation of Uganda—and Tanzania is already at the bottom of the scale of African living standards as a result of Nyerere's doctrinaire Marxist policies.

If the London Conference demonstrates this weakness, then it will have served a useful function. But if the British Foreign Office imagines that any compromise by Bishop Muzorewa and his political allies could induce the Patriotic Front to give up their attempt to seize power by force, then they will have seriously misjudged the situation. The stability of any nation depends upon its psychological mood, as well as its military and economic strength. But demands for further compromise, by a nation that has endured 15 years of negotiation and compromise, surely go beyond the bounds of reasonableness and will undercut the nation's stability.

THE BRITISH DEMANDS

What confuses the people of Zimbabwe-Rhodesia is that the British objections, centering on the Constitution, appear to be frivolous and punitive. Except for the so-called "blocking mechanism" which permits the white community to interpose against amendments to key sections of the Constitution, the document is absolutely color blind. The Constitution does nothing other than to guarantee basic human rights, sound parliamentary practice, and efficient government. There is no provision in the Constitution which guarantees "white control" of anything. The only bone of contention is the fact that the judiciary, the civil service, and the security force structure do not presently have enough blacks qualified by tenure and experience for appointment to senior positions. Although crash training programs are underway, it will be 3 to 5 years before fully qualified blacks will be in decision-making posts of the nonpolitical services.

The alternative to appointment by merit and experience is appointment by race or by political interference. The President of the country is a black; he is the head of state and the chief executive in a parliamentary system; he is also the commander in chief of the Armed Forces. The Prime Minister is black, and the majority of his cabinet in the government of national unity is black. The majority of the Senate is black, and the majority of the House of Assembly is black. They are free to adopt any policy or pass any act that is not forbidden by the Constitution.

The policy of the government of Zimbabwe-Rhodesia is evolutionary, not revolutionary. It cannot be assumed that blacks, whatever their abilities or their good will, can assume governmental positions for which they have had no experience or training without a diminution or even collapse of government services. In the past, blacks in Rhodesia were denied the opportunity to make significant gains in government service; it is unreasonable to assume that they are prepared to carry on government services now at the same high level which Rhodesians have enjoyed for many years.

But the fact that many senior positions in the nonpolitical services happen to be held by whites, and probably will be for some time, does not mean that the services are "controlled" by whites. All such employees are responsible to their respective ministries, the key portfolios of which are held by blacks. Judges must be responsible to laws which are made by a black House of Assembly. Military officers are responsible to the commander in chief, who is black, and to the Minister of Defense, who is black. The policy decisions in Zimbabwe-Rhodesia are made by blacks.

It is difficult to believe that the Constitution of Zimbabwe-Rhodesia is "undemocratic" because it does not provide for the immediate replacement of the jobs of a few hundred white civil servants who are not political appointees. On the contrary, it would be lacking in equity if it called for their dismissal.

Parliament may, by a simple majority, amend most of the laws currently in force in Zimbabwe-Rhodesia, including among others, those providing for the national flag, the administration of prisons, immigration control, civil evidence, the criminal code, extradition, censorship and entertainments control, control of correspondence colleges, official secrets, the production and marketing of agricultural products, plant breeders' rights, animal health and plant protection, deeds registries, land settlement, natural resources, the administration of parks and wildlife areas, tribal trust land and the development thereof, the mining industry, the reserve bank, currency and exchange control, customs and excise, income tax, sales tax, the control of banks, building societies and companies, patents, trademarks and copyrights, the control of professions, African tribal law and custom, postal, radio and telecommunications services, transportation, including the national airline, air services, the national railways, and road motor transportation, industrial conciliation, apprenticeship training and skilled manpower development, the control of trade and commerce, including the generation and distribution of electricity, the iron and steel industry, public health, including drugs control and control of food and food standards, and the control of national bodies such as the National Archives, National Arts Foundation, National Free Library, National Gallery, National Museums and Monuments and Colours Control Board.

In all there are about 350 acts, all of which can be changed by Parliament without the consent of the 28 white seats in the House of Assembly. In addition, there are eight other acts, none of them racially discriminatory, which have the

same status as the protected clauses of the Constitution. These include:

First. The provisions of the Electoral Act which provide for the appointment and functions of the Delimitation Commission and the Registrar-General of Elections and the qualifications for election as a Senator or member of the House of Assembly. Other mechanics of elections can be amended by simple majority.

Second. The provisions of the Education Act which require that the government maintain, as at present, three classes of government schools: high-fee paying, low-fee paying, and free. The number of such schools which may be established, and the facilities provided is totally at the discretion of the Government. Admission to such schools cannot be regulated on a racial basis.

Third. The Medical Services Act provides the government to maintain and provide for comprehensive and constantly developing hospital services. Government hospitals are required to be classified as open or closed, depending on the basis of fees charged. Admission may not be regulated on a racial basis.

Fourth. The Housing Standards Control Act provides for the control of the standard and safety of buildings and also for the control of the harmful use or occupation of premises and undue interference with the rights of persons.

Fifth. The Parks and Wild Life Act prescribes the areas of the country set aside for national parks and conservation. Such land then falls under the provision of the Constitution which requires that such areas may not be reduced by more than 1 percent unless the bill passes by more than 78 votes in the House of Assembly.

Sixth. Local government in the country is provided by a system of municipalities, town councils, rural councils, and local boards—all of them administered on a nonracial basis. The Constitution provides that any bill which amends certain provisions of the acts regulating these local authorities must pass by more than 78 votes in the House of Assembly.

These six provisions are safeguards to protect the quality of life for all citizens of Zimbabwe-Rhodesia. A primary goal of the black policymakers of the country has been to induce white citizens to stay on and contribute their experience, capital, and expertise to the running of the new nation. Bishop Muzorewa has said over and over again that he does not want his country to become another Mozambique, or another Zambia, where technically trained whites fled the country rather than live under oppression and a reduced standard of living.

The six acts with specially protected provisions all set technical standards which seek to prevent the degradation of the quality of life. But they do not diminish in any way the quality of life for any citizen. They insure, for example, that comprehensive medical care is available to low income Africans in a setting that respects African customs; at the same time, it insures that European-style medical care is available to both blacks and whites who want it and can afford it. Without the continuation of such standards in education, health, and housing facilities, whites would have little inducement to stay.

In short, after observing the disarray in the black-ruled nations all around them—including those whose independence was granted by Britain without adequate safeguards—the whites of Zimbabwe-Rhodesia were determined to drive a bargain for the transfer of power which would protect human rights, efficiency in government, and the quality of life. These protections would extend equally to both black and white. The new Constitution was designed not to protect white control, but to guarantee the bargain that was struck. The "blocking mechanism" was designed not to preserve white control, but to preserve the sophisticated system of free government, with all its checks and balances, that is characteristic of Western parliamentary democracies.

IDENTICAL TO OTHER BRITISH CONSTITUTIONS

Indeed, there is nothing in the Constitution of Zimbabwe-Rhodesia which has not been granted by Britain in principle in other independence constitutions. The constitutional experts in Salisbury made a careful comparative study of all the British independence constitutions before writing their own. Every point to which the British have raised objection has been countered by citing some other constitution granted by Great Britain with identical or near identical provisions.

The notion that the basic provisions and protections of a constitution require specially high majorities to be amended is common to all British independence constitutions. Many of them also recognized the coexistence of various racial communities and the necessity for special protection of ethnic interests. Kenya, Tanganyika, and Zambia all had special seats assigned to whites. The Fiji independence order had provisions for separate voters' rolls for Indians, Fijians, and others. The Mauritius independence order provided for a Hindu community, a Muslim community, a Sino-Mauritian community, and a fourth called general population.

The Anglo-American proposals for Rhodesia provided for 20 seats assigned to whites in the House of Assembly. The British Government proposal in 1971 held that a constitution would be democratic if it provided for 50 blacks and 50 whites. But now the British say that 28 whites out of 100 is too many.

"ENTRENCHED" PROVISIONS

The technical term for safeguarding basic clauses of a constitution is "entrenchment." The provisions of independence constitutions granted by Britain are invariably entrenched so that a special procedure must be followed before the legislature can amend the provisions. In addition to this, there are usually specially entrenched provisions which, depending upon the constitution concerned, include provisions relating to the declaration of rights, the composition of Parliament, the method of election of members and the sessions, prorogation, and dissolution thereof, the powers of the Executive, the Judicature, Service Commissions, citizenship, and the functions and conditions of service of various officers such as the Director of Public Prosecutions, Auditor-General and the Commissioner of Police.

Mr. President, I ask unanimous consent that a chart showing examples of entrenchment of provisions in independence constitutions granted by Britain be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Examples of entrenchment and special entrenchment of provisions in independence constitutions granted by Britain

COUNTRY	ORDINARY ENTRENCHMENT	SPECIAL ENTRENCHMENT
Botswana	Two-thirds of total membership of National Assembly in order to amend certain provisions of Constitution	Two-thirds of total membership of National Assembly plus majority of persons voting at referendum of electors of members of National Assembly
Fiji	Two-thirds of total membership of each House of Parliament	Three-quarters of total membership of each House of Parliament
The Gambia	Two-thirds of total membership of House of Representatives	Two-thirds of total membership of House of Representatives plus approval of half of total number of voters qualified to vote or of two-thirds of voters who cast votes in referendum
Guyana	Majority of all elected members of Assembly	Majority of all elected members of Assembly plus approval at referendum of electors
Kenya	Three-quarters of each House of Parliament or simple majority of Parliament after approval by two-thirds of voters voting in referendum	Three-quarters of total membership of House of Representatives and nine-tenths of total membership of Senate
Mauritius	Two-thirds of total membership of Assembly	Three-quarters of total membership of Assembly
Seychelles	Two-thirds of total membership of National Assembly	Four-fifths of total membership of National Assembly
Swaziland	Three-quarters of total number of members of Senate and House of Assembly sitting together	Three-quarters of total number of members of Senate and House of Assembly sitting together plus approval of two-thirds of voters voting in referendum
Zambia	Two-thirds of total membership of Legislature	Two-thirds of total membership of Legislature plus support of majority of voters voting in referendum

Mr. HELMS. Mr. President, with regards to the entrenchment of certain acts, as opposed merely to constitutional clauses alone, I might note that the Constitution of Fiji specially entrenches the provision of nine existing laws relating to Fijians. An amendment to these laws must receive the affirmative votes of no less than three-quarters of the total membership of each House of Parliament, plus the votes of at least six of the eight senators appointed by the Governor-General on the advice of the Great Council of Chiefs.

By contrast, I might note that the acts entrenched in Zimbabwe-Rhodesia as mentioned earlier do not specify the rights of any race, but merely relate to technical standards that affect the quality of life for everyone.

THE BRITISH OBJECTIONS

The British objections to the present Constitution of Zimbabwe-Rhodesia do appear to be frivolous and punitive. They can have no objection to the format or concept of the Constitution itself, since it is clearly modeled on previous British constitutions. Its form and character is clearly democratic. The British objections nit-pick the percentage of white seats, the standards for civil service advancement, the method of appointment of permanent civil service secretaries (that is, the nonpolitical directors of commissions and agencies).

But such objections go precisely to the heart of the matter of protecting basic human rights and standards of government. The Rhodesians know that oppression, corruption, inefficiency, and socialism are the hallmarks of the Africa governments most opposed to the Muzorewa government. They tried to avoid those mistakes.

When the government of Ian Smith voluntarily handed over power to the black community as a result of the Salisbury Agreement of March 3, 1978, it did so on the basis of five key points:

First. There would be a common voters' roll, with all citizens of 18 years and over being eligible for registration;

Second. In the House of Assembly there would be 72 seats reserved for blacks and 28 reserved for whites;

Third. There would be a justiciable Declaration of Rights protecting the rights and freedom of individuals;

Fourth. The independence and qualifications of the judiciary would be entrenched and judges would have security of tenure of office; and

Fifth. The public service, police force, defense forces, and prison service would be maintained in a high state of efficiency and free from political interference.

These principles were then written into the Constitution by a committee representing all the parties to the Salisbury Agreement. As each draft chapter was submitted to the Executive Council of the transitional government (representing the whites and the three black factions participating in the agreement), any one member of the Council had a veto power. Thus it is not correct to say that the Constitution was drafted or imposed by the whites.

Later, the Constitution was submitted to a referendum of the whites, who overwhelmingly approved it. To have submitted it to a general referendum would have been a travesty of the electoral process. It was the whites, after all, who were voluntarily giving up the power. If their votes had been swamped by black votes in a general referendum, there would never have been any clear, legal expression of the transfer of power. Moreover, since one of the objectives of both sides was to create a climate where the whites with capital and expertise would want to stay and participate in the building of the new country, it was essential that there be no doubt that the transfer was voluntary.

Later, when elections were held this spring, 65 percent of the electorate turned out to vote for candidates for the new Parliament. This, in itself, was an implicit endorsement of the new Constitution by the majority of the black electorate, for the blacks turned out to vote in spite of a concerted campaign, reinforced by terrorism, to induce blacks not to participate. Instead blacks turned out eagerly in every section of the country, with the exception of Matabeleland. The Ndbele-oriented tribes, who constitute only 19 percent of the population, are a war-like group who conquered and enslaved the majority Shona tribes before British rule. Today the Ndebeles are not enthusiastic about majority rule based on the ballot.

Even if there had been a black referendum on the Constitution, it would have been only a symbolic gesture. The leaders representing the majority of blacks had not only written the Constitution, but had approved it section by section by withholding their vetoes. If the black electorate had approved the Constitution in a referendum, they would merely have endorsed the work of their leaders. If they had disapproved it, there would have been no transfer of power.

THE WHITE "PRIVILEGES"

An examination of the Constitution of Zimbabwe-Rhodesia reveals it to be a model of clarity and precision whose content is quite unexceptionable in the context of modern society. Indeed, with the sole exception of the reservation of 28 seats in the House of Assembly for whites, the Constitution, as noted, is color blind. The only power which those 28 seats exercise is negative. Certain fundamental clauses of the Constitution are described legally as "specially entrenched," meaning that it takes 78 votes to amend them. Thus, in practice, all 72 black votes would have to be joined by six white votes to change the entrenched clauses.

Such a coalition to change the Constitution is not impossible of realization. White Rhodesian politics is by no means monolithic. Ian Smith, for example, is a moderate in the Rhodesian context, with many white voters regarding him as left-of-center. At the other end of the spectrum there are academic and religious liberals, as well as unscrupulous but powerful businessmen, who are urging change and modification for their own several reasons.

In addition, the structure of the Constitution splits the 28 white votes. Only 20 are elected directly by those on the white voter rolls. Once elected, the 20 constitute a temporary "electoral college" which nominates a slate of 16. Eight of the 16 are then elected by the House of Assembly as a whole. Those eight most necessarily have the support of a majority of the black legislators. Although the black choices are circumscribed by the slate of 16, it is not impossible to conceive of a situation in which politicking and promises would put together the six votes needed for significant constitutional amendment.

CONTENT OF THE CONSTITUTION

Although often referred to as a "blocking mechanism," the 28 vote white group of seats, in combination with the requirement of 78 votes for change, should rather be viewed as a political device for finding national unity on divisive topics. It is not a matter of blocking, but of slowing down—just as a filibuster in the U.S. Senate almost always results in significant improvements in legislation, rather than destroying the bill in question. Once blacks and whites have learned to work together (and that process is already moving at amazing speed), there is every reason to believe that even the blocking mechanism is subject to change before the 10-year trial period is up.

For an examination of the Constitution itself turns up very little that any fair-minded person would want to change. Far from entrenching "white privilege," the Constitution entrenches only the ordinary checks and balances found in every free parliamentary government. The duties of the President and his ministers are circumscribed; the legal procedures for the enactment of laws are specified; the independence of the judiciary is assured; the civil service is insulated from political interference; the human rights of all citizens are guaranteed. These provisions benefit all citizens equally, black and white. They provide for a government of laws, not of men.

It is difficult to conceive what the "special privileges" are which the critics imagine to be found in the Constitution. Is anyone proposing the elimination of the protection of the right to life? Or the right to personal liberty? Should a simple majority of the House of Assembly be allowed to reinstate slavery and forced labor? Should citizens no longer be protected from inhuman treatment, deprivation of property, or arbitrary search or entry? Do they hope that bills will be introduced for the elimination of freedom of conscience, freedom of expression, freedom of assembly and association, freedom of movement? These are, indeed, some of the special privileges entrenched in the Constitution.

Although in the American or British context, it would appear preposterous

that anyone would seek to change the constitution to eliminate such fundamental right, it not so preposterous to the white citizens of Zimbabwe-Rhodesia. They have seen precisely those "special privileges" eliminated for whites—and blacks—in Uganda, Angola, Mozambique, the Central African Empire, Equatorial Guinea, and other black-ruled states. And they have seen how those rights are quickly eroded in practice, if not in principle, when corruption, inefficiency, and socialism infected such countries as Zambia, Tanzania, Congo (Brazzaville), Zaire, Nigeria, and many other sub-Saharan countries. They have seen that the end result is more often poverty, starvation, suffering, and innocent deaths.

The fact is that there is always a trade-off between democracy and freedom, between majority and minority rights. The discipline of liberty is not something that springs naturally in the human heart; it is a virtue that is learned slowly, cultivated with care over many generations, and easily lost. Whites and blacks in Zimbabwe-Rhodesia have joined in partnership to learn together how to avoid the mistakes of their neighbors. The constitution protects the rights of blacks and whites equally; but the whites, with more experience in constitutional government, have reserved only the privilege of guaranteeing that equal protection does not give way to tyranny.

CONCLUSION

Mr. President, for many citizens of Zimbabwe-Rhodesia, the London Conference is the last play of the card, the last turn of the wheel, or perhaps the last straw in a long agonizing process which has sought to preserve the benefits of civilization on a continent not hospitable to such preservation. Both the black and white leadership of Zimbabwe-Rhodesia realize that those benefits rebound to all citizens of the nation, no matter what their color. They realize that even in an evolutionary situation, where thousands of citizens are still in transition from a tribal-oriented, subsistence-agriculture tradition, the fundamental human rights of security, stability, and property provide the basis of liberty.

Should the thread of Zimbabwe-Rhodesia become unraveled in London, the real losers would not be the sophisticated white farmers and technicians who have carved a modern country out of the bush. The real losers would be the black majority. They would miss not only the economic benefits of living in a dynamic, expanding economy and learning to adapt to its technological needs; they would also suffer the loss of basic human rights, the dissolution of family and tribal groupings, starvation, and genocide. Such has been the fate of many of their brothers in the neighboring states.

The time has come for the world to recognize the legitimacy and validity of the Zimbabwe-Rhodesian Government. Until the misnamed Patriotic Front realizes that the game is up, the killing will go on every day. The Western World is responsible for that killing, for all the needless deaths, because it has not taken a leadership position against Soviet-supplied guerrillas who are seeking to impose Marxist tyranny on Zimbabwe-Rhodesia with a gun. If the London Conference serves to illustrate the futility of dealing with terrorists, then it will have performed a useful function, leading perhaps to world recognition. But if the British apply heavy-handed pressure which results in the destabilization of the government of national unity, then Zimbabwe-Rhodesia may be plunged for years into chaos and degradation.●

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two leaders, under the orders that have been ordered that constitute a standing order, Mr. EAGLETON be recognized for not to exceed 15 minutes, that he be followed by Mr. HARRY F. BYRD, JR., for not to exceed 15 minutes, that he be followed by Mr. RIEGLE for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 1403, SURFACE MINING AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of those orders tomorrow, the Senate proceed to the consideration of Calendar No. 288, S. 1403, Surface Mining Amendments of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes tomorrow in connection with the surface mining bill and any other measures or conference reports that may be prepared for action.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 tomorrow morning.

The motion was agreed to; and at 6:40 p.m. the Senate recessed until tomorrow, Tuesday, September 11, 1979, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 10, 1976:

DEPARTMENT OF TRANSPORTATION

Neil Goldschmidt, of Oregon, to be Secretary of Transportation, to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF STATE

Donald F. McHenry, of Illinois, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

Horace G. Dawson, Jr., of the District of Columbia, a Foreign Service information officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Kenneth M. Curtis, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

George B. Roberts, Jr., of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Cooperative Republic of Guyana.

Nancy V. Rawls, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ivory Coast.

Richard David Vine, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

Richard Noyes Viets, of Vermont, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Tanzania.

NATIONAL SCIENCE FOUNDATION

Francis Severin Johnson, of Texas, to be an Assistant Director of the National Science Foundation, vice John B. Slaughter, resigned.

William Klemperer, of Massachusetts, to be an Assistant Director of the National Science Foundation, vice James Arthur Krumhansl, resigned.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Henry Harold Kennedy, Jr., of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Joyce Hens Green, elevated.

Frank Ernest Schweib, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of ,15 years, vice William Cornet Pryor, elevated.

EXTENSIONS OF REMARKS

HECKLER THANKS SUPPORTERS OF HER HEALTH BILL

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mrs. HECKLER. Mr. Speaker, on June 5 this distinguished body voted 406 to none to pass my bill, H.R. 4015, the Veteran Senior Citizen Health Care Act of 1979.

This occasion marked the passage of the first significant piece of legislation in this Congress which is designed to assist the veteran senior citizen. I would like to thank my colleagues for their overwhelming expression of support of this important measure.

Since that historic day, I have received a flood of mail regarding the wisdom of our action. I am pleased to say that all of the mail I have received has been highly complimentary of this body.

Those who have taken the time and shown the interest to write include private citizens, academics and leading scholars, a myriad of private and public sector health care and medical personnel, veterans themselves, and other public officials. I thank them for their interest and for their crucial and invaluable support.

The distinguished senior Senator from California, the Honorable ALAN CRANSTON, who is chairman of the Veterans' Committee in the other body, has scheduled a hearing on H.R. 4015 for Wednesday, October 10 in room 457 of the Russell Senate Office Building. (This is a rescheduling of the hearing, from September 19.)

Senator CRANSTON's concern for and commitment to the veteran, his widow, and orphan, and to our Nation's senior citizen population, is well documented and widely known. As one who shares that deep concern and commitment, I am pleased to commend him for scheduling this hearing.

To more fully develop the record regarding this important legislative initiative, I plan from time to time this month to publish in the RECORD selected letters from among those I am receiving in support of H.R. 4015. (References to H.R. 11186 and H.R. 13954 are to earlier versions of H.R. 4015, the clean bill which was reported by the Veterans' Committee and, as I have noted, ultimately passed the House unanimously.)

Herewith follows the first sampling of the letters to which I refer:

WASHINGTON, D.C.,
July 17, 1979.

Re The Veteran Senior Citizen Health Care Act of 1979

Hon. MARGARET M. HECKLER,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN HECKLER: As National Commander, Regular Veterans Association of the United States, Inc., founded in 1880 by combat blinded, wounded and disabled veterans with a loss of limb from the Civil War, I support the above legislation.

Many of our older veterans, living on meager pensions, who need medical care, who live outside short commuting distance, and who cannot afford private medical service, urgently need a program that will enable them to receive proper medical treatment. The increased cost-of-living, the skyrocketing cost of fuel, and considering the age of these veterans, greatly affects these patriots' everyday existence. They deserve, and are entitled to, better health care that can be easily obtainable at nearby locations. They have, in the years past, as part of our nation's labor force, continued to work, pay taxes, and assist in maintaining America's economy. We are supportive of legislation to provide increased benefits to our disabled veterans of the Vietnam era, but let us not forget our older veterans in the rush to provide for our younger and deserving veterans.

The R.V.A. appreciates your continued interest, and support, of beneficial legislation to aid the members of our veterans community. Please do not hesitate to call on the RVA, and me personally, for additional assistance.

Sincerely,

JOHN W. SHANNON,
National Commander.

WASHINGTON, D.C.,
December 27, 1978.

MARGARET M. HECKLER,
House of Representatives,
Washington, D.C.

DEAR MS. HECKLER: The American College of Nursing Home Administrators commends your initiative in this area of research for the aged and the chronically ill. No doubt, if your bill is adopted and funded the research potential can greatly alleviate many problems faced by the older American. There is, as you know, a posity of research regarding the aged. Only recently has the National Institute on Aging been established and only more recently has the first chair in geriatric medicine been established at a medical school. Both of these steps are long overdue.

The American College of Nursing Home Administrators supports your efforts and offers to cooperate fully with you in any way possible. Because the health care needs or problems of the older person is related to chronic health problems, significant attention must be directed to the social-psychological aspects of such care. Strict attention to only the medical aspects will not provide answers to some of the immediate problems which they face.

Further, because the Veterans are rapidly aging it is obvious that Veterans Administration hospitals cannot care for them without a major expansion of facilities. Therefore, attention must also be directed to alternative means of caring for those persons who need institutionalized long-term care.

The American College of Nursing Home Administrators is an individual membership, non-profit, professional society which is dedicated to improving the quality of health care for the chronically ill and aged. As such, we will watch with great interest the action taken on your bill. Our best wishes to you.

Sincerely yours,

J. ALBIN YOKIE,
Executive Vice President.

STANFORD, CALIF.,
April 19, 1978.

Congresswoman MARGARET HECKLER,
Tenth District,
Wellesley, Mass.

DEAR CONGRESSWOMAN HECKLER: I write in support of HR 95–1186 which would establish a line-item in the Veterans Administration budget for research in gerontology; in particular the development of the VA's GRECC program.

It seems to me to be important for the VA to become heavily involved in medical care and research that deals with the problems of aging. There will be a major increase in Veterans in that age group in the next few years, so that the VA has a direct responsibility that is very substantial. Perhaps equally important is the need to improve health care for the entire population in this country. The VA, with its large and stable patient population is in a unique position to carry out valuable research about methods of medical care for this group of citizens.

Sincerely,

CLAYTON RICH, M.D.

WASHINGTON, D.C.,
November 30, 1978.

MARGARET M. HECKLER,
U.S. Representative,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN HECKLER: I was pleased to receive your letter of August 29 with the attached copy of H.R. 13954, amending title 38. The establishment of demonstration centers with the Veteran's Administration will be a landmark opportunity to improve medical care for the elderly in this country.

I strongly believe that the health of and care for elderly citizens should be significantly improved. Further, as Director of the Division of Geriatric Medicine at George Washington University, I can state that this institution shares my view. We have a university-wide, multidisciplinary program to serve the elderly and the legislation you propose would help us serve older Americans more effectively.

Respectfully yours,

VALERIE PORTNOI, M.D.
Director, Division of Geriatric Medicine.

WASHINGTON, D.C.,
October 26, 1978.

Hon. MARGARET M. HECKLER,
U.S. House of Representative, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSWOMAN HECKLER: The National Executive Committee of The American Legion met on October 18–19, 1978 and unanimously passed Resolution No. 5 urging the Veterans Administration to plan and develop a comprehensive health care program and related services for our aging veterans.

Knowing of your deep interest in this issue, I am enclosing a copy of this Resolution, and The American Legion looks forward to presenting testimony on this ever-increasing problem after the 96th Congress convenes.

Sincerely,

MYLIO S. KRAJA,
Director, National Legislative Commission.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

URGE THE VETERANS ADMINISTRATION TO PLAN AND DEVELOP A COMPREHENSIVE HEALTH CARE PROGRAM AND RELATED SERVICES FOR THE AGING VETERAN

Whereas, the veteran population in the United States is rapidly approaching 30 million—the average age of the WW I veteran is approximately 83, and the average age of the 13.5 million WW II veterans is approximately 56; and

Whereas, by the year 2000 the number of veterans over age 65 will triple; and

Whereas, at this time those over 65 years of age will represent 51 percent of all males in that age group; and

Whereas, such veterans who no longer need to worry about financing their own education or finding a job, will have reached a new phase with different concerns and priorities; and

Whereas, within the next 10 years the Veterans Administration will have to change its configuration of services to be able to counsel and assist this large number of aging veterans; and

Whereas, The American Legion is acutely aware of the need for these new services that will have to be developed, and that every effort must be made to assist these aging veterans, thus helping them to live out their remaining years in comfort and dignity; now, therefore, be it

Resolved, by the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, October 19–19, 1978, that The American Legion shall urge the Veterans Administration to prepare and submit to the Congress a comprehensive plan that would detail its proposals to deliver health care and related services to the aging veteran.●

VETERANS' BENEFITS

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MONTGOMERY. Mr. Speaker, recently the lead editorial of the New York Times expressed alarm that "the expenditures of the Veterans' Administration on health care and income security are about to go through the roof." The editorial indicated that no one, including the Congress, seemed to be paying much attention to this matter. The Times editorial was very critical of the pension program that pays benefits to eligible veterans and dependents who are disabled and have little or no income.

Mr. Speaker, apparently the writer of the Times editorial is not aware of the major Pension Reform Act (Public Law 95–588), which was enacted November 4, 1978. If the Times is really interested in "facts," the writer of the editorial should become familiar with the action taken by the Congress under the reform measure, which is designed to help those with the greatest need.

Finally, Mr. Speaker, the state of our economy should not be a basis on which we provide medical benefits to our Nation's veterans. These are benefits that we are obligated to provide based on the individual's call to duty. Although the current budget for medical benefits and services for veterans is approximately $6 billion, it should be noted that the increased spending is due primarily to inflation rather than expanded benefits and services. For example, between 1960 and 1978 expenditures for the medical program increased by $4.2 billion. Of this amount $3.3 billion was increased expenditures due to inflation, while only $900 million was spent for program growth. In addition, according to the Veterans' Administration, between 1970 and 1978 medical expenditures increased by $3.3 billion. Of this amount, $2.7 billion was due to inflation and only $600 million for program growth. During this same period the Vietnam veteran population increased at a very rapid rate, adding several million to the rolls of eligible beneficiaries. These figures, Mr. Speaker, are easily obtainable from the Veterans' Administration, and I am sure a routine inquiry to the agency would have prompted the disclosure of these figures to any interested party.

Mr. Speaker, I am quite proud of the programs we have established for our Nation's veterans, including those mentioned by the New York Times editorial. I think the American people strongly support Federal outlays for such purposes. The Times editorial had prompted me to write a letter to the editor of the editorial page; however, the Disabled American Veterans' new national commander, the Honorable Paul L. Thompson, has responded in a way that I think reflects the view of most Americans. There follows a copy of the editorial as it appeared in the New York Times on August 24, 1979 and Commander Thompson's response to the editorial page editor dated August 27:

THE BILLS FOR WORLD WAR II

With the impending retirement of 13 million veterans of World War II, the expenditures of the Veterans Administration on health care and income security are about to go through the roof. Yet no one seems to be paying much attention to the facts

Veterans over 65 years old receive five times as much health care as those under 65, and World War II veterans who are already over 65 are two-and-a-half times as likely to be collecting disability payments. All kinds of disabilities, in any case, whether service-connected or not, rise dramatically with age, and the disabilities for which the Veterans Administration pays are not limited to those that originated in wartime.

At the moment the country is in a lull before the storm. There will be about 3 million veterans over the age of 65 until 1981. Then the storm will hit. Every five years, for 15 years thereafter, between 4 and 5 million veterans will turn 65. By the mid-1990's the number of elderly veterans will have tripled.

The Veterans Administration *already* runs the nation's largest hospital system, at an annual cost of $6 billion. It also spends $12 billion for various income-security programs and has 200,000 employees; the VA is the Government's fourth heaviest spending agency and third largest employer.

How much will meeting existing commitments to World War II veterans add to that budget? No one seems to know, but it might easily have to double in ten years. That will confront future Administrations with a conflict between past wars and current defense budgets—let alone between guns and butter. And Congress will have to make some painful choices: whether to raise taxes to meet the growing cost of benefits, cut veterans programs, or look for some middle way.

There is a sensible middle way and it is not too soon to start thinking about it. This would be to integrate veterans benefits more closely with other social welfare programs. Today's benefit programs for veterans evolved, over decades, out of public gratitude for military service. But over the years these programs stopped being so special; analogous services have been enacted for non-veterans. Given the general availability of Medicare for the elderly, perhaps the VA should stop paying health care costs for elderly veterans. Since Social Security provides disability benefits, perhaps non-service-related disability payments to veterans should stop. There could also be a deadline for claims of service-related disabilities.

Whatever the solution, Congress has a couple of years to put veterans programs in order before the storm. Many of the benefits now owed to veterans were promised long ago, to be paid in the distant future. That future has arrived. Paying for past wars is about to become a major national program.

WASHINGTON, D.C.,
August 27, 1979.

Mr. MAX FRANKEL,
Editorial Page Editor,
The New York Times,
New York, N.Y.

DEAR MR. FRANKEL: We in the Disabled American Veterans (DAV) believe that several misconceptions were conveyed in the editorial, "The Bills for World War II," which appeared in the August 24 edition of the New York Times.

First of all, the idea that veterans' benefits would be less expensive if they were administered by an agency other than the Veterans Administration (VA) is certainly not true. Secondly, no matter how difficult the problems of our economy become, the obligation of our nation to veterans disabled in wartime service is not lessened.

The editorial suggested that it would be less expensive to care for veteran patients under Medicare rather than the VA health care system. Current estimates indicate that the VA is providing health care at a cost eight to nine percent lower than the private sector. In addition, Medicare involves administrative costs for billing, payments, etc., that simply do not exist in the VA. Therefore, it would cost the American taxpayer considerably more to provide medical treatment to eligible VA health care beneficiaries under the Medicare system.

The VA, whose FY '80 medical budget was increased by only three percent, has reduced its personnel in the Department of Medicine and Surgery by 7,000 and closed more than 5,000 beds this year. Yet, with improved management, the agency claims it will treat more sick and disabled veterans in both in-patient and outpatient status.

The comments concerning VA pensions for non-service-connected disabled veterans did not take into consideration that the new pension bill, which Congress passed last year, will save hundreds of millions of dollars over the next several years when compared to the previous pension program. In other words, Congress has taken cost-saving action with regard to pensions for non-service-connected, totally disabled wartime veterans.

Concerning the editorial's statement that "There could also be a deadline for claims for service-related disabilities," I must point out that the government has a clear obligation to a veteran whose disabilities are service-connected no matter when the veteran files a claim. I must also explain that many disabilities that don't present much of a problem to a young veteran may grow severe as the veteran ages.

The idea conveyed in the editorial that veterans' benefits are "social welfare programs" ignores an important fact: veterans have earned these benefits through extraordinary sacrifices that our nation called upon them to make. The VA's programs are

not give-away programs. America owes a debt to those who were called upon to defend her—particularly those who were disabled in wartime service. That includes quality medical care and adequate disability compensation.

Sincerely,

PAUL L. THOMPSON,
National Commander.●

VOUCHING FOR JUSTICE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MAZZOLI. Mr. Speaker, just as I believe serious allegations against Members of Congress cannot be adequately resolved by the Congress itself, I believe serious charges against members of the executive branch cannot be disposed of except by a special prosecutor drawn from outside the administration.

I agree whole-heartedly with the following editorial which appeared in the New York Times on September 5, 1979.

[From the New York Times, Sept. 5, 1979]

VOUCHING FOR JUSTICE

Once again the Carter Administration is showing itself determined to misinterpret one of the main lessons of Watergate: incumbents cannot credibly investigate themselves. The latest example involves the investigation of alleged intercession on behalf of Robert Vesco, a fugitive sought to face charges of criminal financial fraud. It is true that a special prosecutor is not legally required here. But would it not be good politics, as well as good government, to appoint one?

The case involves a Georgia lawyer named Spencer Lee 4th, who had been paid a $10,000 fee by a Vesco associate and who sought entrée to the Administration in 1977 through Richard Harden, a White House aide. Mr. Harden told President Carter about the proposed intercession. The President sent a note to Attorney General Bell to "please see Mr. Spencer Lee when he requests an appointment."

We are told that the Attorney General never saw the note and that Mr. Lee never did call for an appointment. But now the Foreman of a Federal grand jury looking into the Vesco affair has charged the Justice Department with foot-dragging and cover-up. Grand jury secrecy makes the charge hard to evaluate. But we know that Philip Heymann, an Assistant Attorney General of impeccable reputation, has been forced to flash his credentials as a successful Watergate prosecutor on behalf of the department's sincerity.

He shouldn't have to. The President shouldn't have to say it would be "political suicide" to allow a coverup. And the public shouldn't be asked to rely on statements which inevitably look self-serving. There is a ready alternative: appointment of an independent prosecutor, as in other cases involving questions about high officials. Why not appoint one in this case?

One reason is that the Justice Department, out of institutional pride, fears that using outside prosecutors implies it can't handle hot cases. Perhaps it is saintly enough to do so, but after Watergate not everyone will believe that; pride exacts a price in credibility that should concern politicians in the White House. A second reason is the Administration's fear that appointing a special prosecutor will lead the public to credit the charges. But such an appointment, whether or not under the new special prosecutor law, is not a guilty verdict; it is a plain recognition that Government cannot probe itself without embarrassment. The public is capable of understanding this. It would help if the Administration led the way to that understanding.

Unlike President Carter, we won't prejudge the charges in another politically sensitive case, the one in which the owners of Studio 54, during plea-bargaining over a tax indictment, told Federal prosecutors that Hamilton Jordan, Mr. Carter's chief of staff, sniffed cocaine in their New York discotheque last year. Over the weekend the President told reporters that Mr. Jordan's accusers have been "telling all kinds of lies." That is precisely what must be determined by somebody. In demonstrating understandable sympathy for an associate, Mr. Carter also demonstrates that that somebody should be a special prosecutor.●

JOHN L. McMILLAN

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. JENRETTE. Mr. Speaker, it was with feelings of great sorrow and real personal loss that I learned Monday night of the death of my predecessor and former longtime member of this body, John L. McMillan. As a school-age youngster in the tobacco belt of South Carolina, my first memories and association with politics and public service were through the work of Congressman McMillan. Even then, in his initial years as a Congressman in the early forties, he was establishing a record of service to his constituents and of hard work in the Nation's Capital.

When I first began my own career of public service as a State legislator in 1962, the man known as "Johnny Mac" had established himself as an institution in the annals of South Carolina politics. I supported him then and worked hard on several of his campaigns, though it was rare when he was ever challenged during that period. John McMillan taught me much of the kind of spirit and public dedication that is required of a successful public official.

I must admit here that I was aware of the criticism that was voiced about Mr. McMillan because of certain positions he took on issues concerning the city of Washington in Congress. But I knew then as I believe many of his critics know now that most of those stands represented philosophical differences and were certainly not representative of the work and dedication that Mr. Mac devoted to this city.

It is quite apparent to anyone living in this city that the fine hospitals, police, and fire departments, museums and monuments have not come about since the enactment of home rule. They are part of the firm base that was established through the work of John McMillan during his service as chairman of the District Committee.

Mr. McMillan and I had our differences. But I am proud and happy to say that no one was any stronger a supporter or a better adviser to the Sixth Congressional District than Congressman John L. McMillan. I considered it a privilege to call him friend and I know that I express the feelings of all of my colleagues here when I say he will be missed by all of us.●

GROTESQUE FRIVOLITY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MAZZOLI. Mr. Speaker, "grotesque frivolity." That's the right choice of words to describe the latest—and sorriest—chapter in the abortion-on-demand drama.

That is how the Washington Star editorial of September 7, 1979, described the action of those women who elect to abort their unborn baby—ironically mostly baby girls—after amniocentesis shows the baby to be of the "wrong" sex.

I cannot imagine a more outrageous, callous disregard for human life than to abort a baby—a living human being—because he or she is the wrong sex.

Not malformed. Not diseased. Not profoundly retarded, Mr. Speaker. Just the wrong sex.

How frivolous. How grotesque.

To me, this is the ultimate obscenity.

Condemnation should be leveled at the parents who chose to kill a life for so frivolous a reason as that she will never become a professional football player or because he will never become a prima ballerina.

But, a special and contemptuous condemnation should be reserved for the doctors, the medical personnel, and hospital administrators who cooperate in this blasphemy against life by lending their talent, training, and skills to this perverse, appalling, and ethically bankrupt act.

I call on Johns Hopkins University, Yale University, George Washington University, and the University of California at Los Angeles to end their active or passive roles in the despicable practice of terminating the life of unborn children because they are of the "wrong" sex.

The following article by Victor Cohn, which appeared in the Washington Post on September 6, 1979—despite its chilling and sickening subject matter—should be read thoughtfully by every Member of this Congress.

FETUSES ABORTED TO PREVENT CHILD OF "WRONG" SEX

(By Victor Cohn)

Doctors at several prominent medical centers around the country—and an unknown number of private physicians as well—have begun helping some pregnant women abort their fetuses because the baby would be the "wrong" sex.

The number of these cases is now small, but some medical authorities predict—and one bioethicist advocates—a rapid increase in the use of sophisticated tests and abortions to allow parents to select the sex of their offspring. And the procedure is already

raising important moral and ethical questions within the medical profession.

The issue centers around a prenatal test called amniocentesis, in which doctors withdraw a sample of the fluid in the womb. The test provides genetic information about the fetus, and is primarily used to detect birth defects. But it also reveals the baby's sex.

It is on the basis of this test that some patients choose abortion to avoid having an unwanted boy or girl, though some doctors say the preference in these cases is most often for a boy.

In most cases, authorities said yesterday, those doctors who agree to do amniocentesis only to determine a fetus' sex do so reluctantly. In the typical case, one or both parents are highly disturbed people who threaten to end the pregnancy in any case unless they can be sure the child is the desired sex.

Most doctors apparently still refuse to do an amniocentesis for sex determination alone even in cases like these.

But this situation could be changing.

Doctors at Johns Hopkins, Yale, the University of California at Los Angeles and George Washington University here say they will do such tests in a few, highly screened cases.

Dr. John C. Fletcher, a bioethicist at the federal government's National Institutes of Health in Bethesda, advocates that parents be permitted to use such tests for sex determination, if they choose.

Tabitha Powledge of the noted Hastings Center and Institute for Science, Ethics and Life Sciences at Hastings-on-Hudson, N.Y., said she thinks the practice is not yet really common, but could become so in two or three years.

Fletcher states his position in the New England Journal of Medicine. He said in an interview that he wrote as an individual, not as an NIH official, and came to his position "with great difficulty."

He finally decided, he said, that "it's a woman's right to decide her reproductive future . . . and if she's going to seek this procedure and abortion anyway, she should at least be able to get the very best medical care."

Doctors at Johns Hopkins' Prenatal Diagnostic Center have decided to "at least" counsel and advise parents who want the test for sex determination, and probably "reluctantly" agree in "one or two cases a year," reported Dr. Haig Kazazian, the center's director.

"Our position is that we will do it, in theory, in cases where the parents would abort the fetus if they did not know the sex," said Dr. John Larson at George Washington University here. "But this is a very restricted position, not an open-door policy."

The "actual situation", however, said the Hastings Center's Powledge, is that "more and more obstetricians are learning to do amniocenteses in their offices."

"As more and more learn," she said, "then in a way the lid will be off, because women will shop around until they find someone who's willing. And you can't tell me there won't be lots of obstetricians who are willing, for a price. I think the problem is probably not so much one of today as one of 1981 or 1982."

Dr. Maurice J. Mahoney, director of prenatal diagnosis at Yale University, said he believes "lots of obstetricians all over the country"—some in private practice, some at universities—are already quietly doing amniocenteses for sex determination.

"We're against it," he emphasized. "But under certain circumstances, we will get this information for a prospective mother, and we'll hope that this prevents" rather than cause "the sacrifice of normal kids."

He said Yale doctors have had "serious" requests for sex determination about twice a year, but only three women over the past 10 years have insisted on having the test after counseling about the risks and alternatives.

Neither of the two who learned that the fetus was not the desired sex chose abortion. "But we've given many other women information about sex," as well as genetic information, Mahoney added, "and we just don't know what they go on to do elsewhere."

He said "we would never agree to abort a pregnancy because of undesired sex," but pointed out that women can get abortions at many clinics today.

Dr. Barbara Crandall of UCLA recently told Ob. Gyn. News, a doctors' newspaper, that UCLA has done the test to determine sex in 10 cases since 1969, and, after counseling, none of the patients had an abortion. She added, "I don't feel I can deny this service to an emotionally stable individual with a reasonable case."

So far, said GW's Larson, his university has done the test only for sex determination, "when a patient tricked us into it by saying she wanted it for another reason. Then, when she found she had a child of an undesired sex, she asked he obstetrician to terminate the pregnancy. I don't know what happened."

"If we agreed to do the amniocentesis," said Johns Hopkins' Kazazian, "then our fertility control clinic would do the abortion. But we don't expect this to be very common. Our policy is to counsel such couples and tell them what it means and to a certain extent try to talk them out of it."

When an amniocentesis is done at a major medical center, a trained team takes a sonogram, or sound picture, to locate the fetus precisely, then inserts a fine needle into the abdomen to withdraw some amniotic fluid.

As done at Johns Hopkins, it costs $550. It can be done without hospitalization.

But most authorities think it should be done only at centers with skilled teams with much experience, since there is always some risk to the fetus. The risk, usually miscarriage, has been less than one in 100 at skilled American clinics.

In addition, however, the test can't be done until about halfway through pregnancy. This means that an abortion, if done, is a midterm operation with higher risk to the mother than an early abortion.

There are other dangers, including unknown consequences for society if parents widely seek this procedure, NIH's Fletcher writes. A doctor may state an opposing moral view, he argues, but should not withhold the test unless doing it would prevent its being done on some other child for more important reasons.●

SHIPS DONATED TO NAVAL ACADEMY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. LONG of Maryland. Mr. Speaker, I wish to call to the attention of my colleagues a most gracious and thoughtful gift. One of my constituents, Mister Albert S. Posner of Baltimore, Md., recently donated to the U.S. Naval Academy Museum in Annapolis the following five scale ship models: *Ann McKim*, H.M.S. *Victory*, *Dutch Royal Yacht*, *La Courune*, and *Charles W. Morgan*.

These wooden ships were hand-built by Mr. Posner, and took over 12 years to complete. Each is valued at approximately $1,500. I am sure that this donation shall prove to be a welcome addition to the splendid exhibits found at the U.S. Naval Academy Museum.●

TRUTH-IN-TESTING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. GOODLING. Mr. Speaker, the Elementary, Secondary, and Vocational Education Subcommittee is considering legislation which would regulate standardized testing. In my continuing effort to keep Members informed on this issue, I am inserting in the RECORD an article from the Washington Post of today, September 10.

[From the Washington Post, Sept. 10, 1979]

TRUTH-IN-TESTING

(By William Raspberry)

There are a lot of things wrong with standardized testing as it is practiced in America.

But don't look to the so-called "truth-in-testing" legislation now pending in the House of Representatives to set any of it right.

One bill, introduced by Rep. Sam Gibbons (D-Fla.) is legislative cotton candy. It looks good and tastes good, but it is mostly air. Its provisions fall into two main categories: the unnecessary and the impossible.

In the first category are requirements that test administrators do what they already do: inform applicants of the general areas to be covered and, after testing, tell them how they did in each specific subject or aptitude area.

The second category includes a requirement that test-takers be told "the score which is generally required for admission to institutions of higher education." There really is no such animal, since most schools treat test scores as only one element to be weighed in admissions decisions.

Admissions officers at most reputable schools want to know a lot of things about applicants besides their test scores. How did they rank in their graduating classes? What extracurricular activities were they involved in? How did they do in their personal interviews? What did their teachers think of them? What social and economic handicaps did they overcome to get where they are?

Depending on the answers to these questions, one applicant might be admitted while another with an identical test score might be rejected.

If the Gibbons bill is cotton candy, the other proposal—introduced by Reps. Ted Weiss (D/L-N.Y.), Shirley Chisholm (D-N.Y.) and George Miller (D-Calif.)—is legislative horehound: strong, bitter stuff that doesn't cure anything.

Like the recently enacted New York law, the Weiss bill would make it possible for test-takers to obtain copies of the test, complete with their own answer sheets and the official correct answers. And to what end?

"The interests of the students must be protected," Chisholm replies. She acknowledges that the bill she co-sponsors "would have no impact on test content or on cultural bias," but believes it could "be a vehicle for beginning a comprehensive dialogue on standardized testing."

Such a dialogue could be useful, but it is hard to see the contribution to be made by a law requiring disclosure of tests and answers, since such a breach of test security would mean the scrapping of a test after a single administration.

"The indications are that, over a period of years, certain test-takers tend to be weak in certain subject areas, but they don't know which areas," Chisholm explained, "and not knowing could affect their future. Why conceal it?"

The test-makers have a ready answer: the construction of standardized tests is a long and sophisticated process whose cost is justified by the fact that a particular test can be used for a number of years. But once a test is made public, it can no longer be used. As a result, new tests would have to be generated at least once a year.

Sponsors of the legislation clearly believe that the public release of tests and answers could help to spotlight culturally biased test items. In fact, the opposite might be truer.

"Question development is an exceedingly painstaking, 18- to 24-month process, with many checkpoints for assessing the accuracy and relevance of each item, involving repeated trials with students and reviews by . . . faculty," John A. D. Cooper, president of the Association of American Medical Colleges, has pointed out.

"Questions are discarded or modified if they fail to meet necessary standards. All are pretested (for cultural bias among other things) in one administration of the exam before they are counted in an examination score." This pretesting and validation would largely be eliminated by the disclosure requirement of the Weiss bill, he believes.

Test-makers insist, as well, that the necessity of making new tests every year would inevitably drive up the cost of the tests. Chisholm is unmoved.

"People's lives are more important than cost," she says. "Of course it will cost a little bit more, but we have to come up with tools to give [unsuccessful test-makers] a second and third chance, to prepare them for the exams."

But since publication of any particular test would lead to its immediate retirement, the corrected exams would be helpful only in the same generalized way as the test study guides already available.

Indeed, as Diane Ravitch of Teachers College, Columbia University, has pointed out, the major benefit of test-answer publication would accrue not to those who fail the tests but to those who sell test-taking assistance.

"It will create a bonanza for private tutoring services, which would have actual tests as teaching tools, not just their own inventions," she said. "This will increase the advantage of those who can afford to pay for coaching."

And, she might have added, it won't do anything at all for those the legislation is intended to help.●

EXPLANATION OF MISSED VOTE ON H.R. 3236

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. KASTENMEIER. Mr. Speaker, due to unforeseen circumstances, I was unable to be present for the vote on Thursday, September 6, on H.R. 3236, the Social Security Disability Insurance amendments—rollcall 447. Had I been present I would have voted against the bill.

Certainly I support the basic intent and purpose of this measure—to provide incentives to return the disabled to useful employment. However, in my view, the limitations placed on benefits outweigh the advantages of the other sections of the bill, a view shared by many reputable and knowledgeable individuals who have worked directly with the disability program.

These provisions would limit benefits to some of the most severely disabled and, in many cases, the most financially needy workers. Supporters argue that the family cap would affect only a small percentage of those who go on disability insurance. Yet, these are the workers who need the most help; they are the ones who have dependents, many of whom will remain dependent on them for years. It simply does not make any sense to reduce their benefits.

There really is no substantial evidence that the cuts in benefits proposed in this bill will reduce the number of people who become disabled in the future, nor that they will significantly improve the disability insurance program. What it clearly will do, however, is place what could be a severe financial burden on those affected.

While it may be that some recipients of disability insurance benefits receive amounts in excess of the amount they were making through employment, the number is relatively small and I would hope that other ways could be found to deal with this problem than proposing a cap that will affect everyone. Certainly I would be more than willing to consider a bill which provides work incentives for the disabled without the punitive and unfair reductions in benefits provided in H.R. 3236.●

WIND ENERGY DEVELOPMENT

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. BLANCHARD. Mr. Speaker, the Subcommittee on Energy Development and Applications of the House Committee on Science and Technology will be holding hearings later this month on a major wind energy bill, H.R. 3558, which was authored by Congressman MINETA, Congressman JEFFORDS, and me.

Even a preliminary review of some of the reference material which is available on wind energy shows that it is an extremely promising source of electrical power which can play an important part in our country's energy future.

My personal view, in fact, is that the chief obstacles which wind energy must overcome to be used widely are more those of general lack of awareness and knowledge than technical or political.

Previously, on page 14734 of the CONGRESSIONAL RECORD of June 13, 1979, and on page 16221 of the CONGRESSIONAL RECORD of June 22, 1979, Mr. MINETA and I have inserted information relating to wind energy and our bill.

I would now like to add to that material the following facts about wind energy which have been selected from published data on the topic:

A "mission analysis" study done by Lockheed-California Corp. for the Energy Research and Development Administration—ERDA—one of the Department of Energy's predecessors—in later 1976 said that wind could supply 11 quadrillion Btu's of energy per year—equal to 5½ million barrels of oil a day—by the year 1995 if the price of conventional fuels rises by 7 percent or more annually. The study also said that wind energy could supply 3 quadrillion Btu's—equal to 1½ million barrels of oil a day—by 1995 even if the prices of other fuels increase more slowly.

The study said investment requirements to meet that potential would be $158 billion over 20 years. However, it said that cost can be recovered by fuel savings in 10 years or less.

Utilities form the major high potential wind energy market—eight times larger than any other—and in 1995, up to 18 percent of the Nation's projected electric power demand could be satisfied by wind energy.

One of wind energy's most attractive features is its quick "energy payback time," which is the amount of time that it takes for a piece of power-generating equipment to produce the amount of energy required in manufacturing it. A typical wind turbine pays for itself, in energy terms, in less than 8 months of its 30-year lifespan. Conventional energy systems require several years for a similar payback.

If energy demand and energy costs are high, wind energy could become fairly widespread by the year 1995. In that case, reduction in air pollutants which would result from substituting wind energy for fossil fuels would be 8 to 14 million tons per year.

The optimum size for wind turbine rotors is 300 to 350 feet, depending on the wind speed. Although the cost of a wind machine increases rapidly with size, the amount of energy generated increases even faster, which makes for a lower energy cost.

The State of California has been actively pursuing the development and deployment of wind turbines. The State program calls for installing capacity of 500 megawatts by 1987 and 10,000 megawatts by the year 2000. The California program is aiming primarily at the installation of large machines in "wind farms" of several machines each in especially windy areas of the State. There are several reasons for this decision. First, power output increases with the cube of wind speed.

(This means that a site with average wind speed of 20 miles per hour could produce about 8 times as much power as a site with average wind speed of 10 miles per hour.) Second, high-wind sites tend to be located in remote or mountainous areas, away from densely populated urban centers. And third, since large machines are typically more cost-effective, the best results in terms of expense can be gained from placing groups of large machines together.

Construction is currently underway on the first large wind turbine to be built privately for use by a major utility. The machine, rated at 3 megawatts, is being constructed near Palm Springs, Calif.,

by Wind Power Products for the Southern California Edison Co. Its cost is slightly over $1 million and it will supply enough electricity for about 1,000 homes.

Wind energy systems combine well with hydroelectric power systems. When the wind is blowing, a wind system can generate power and the hydro flow rate can be cut back to conserve water in the reservoir. The water can then be released during peak electricity demand hours, and the hydroelectric system can produce a higher peak power rate than would be possible without wind. Changes in load or wind-generated power can be accommodated quickly by hydroelectric plants.

Wind energy is also useful with a "pumped hydro storage" system. In a pumped hydro system, extra electric power which is available in off-peak hours is used to pump water uphill into a reservoir. During peak hours, the water is released through hydroelectric turbines to generate electricity. The electricity is thus "pump stored." Wind machines, like any other type of generating equipment, can be used to provide the off-peak pumping power.●

THE UNSPOKEN SALT ISSUE

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. GUDGER. Mr. Speaker, I would like to take this opportunity to commend to you and to my colleagues of both Houses of Congress an outstanding editorial from the Asheville Citizen Times of August 19, 1979, by Rick Gunter, giving a most timely and comprehensive evaluation of the current arms race.

This assessment of our international position certainly appears to be accurate, objective, and sound. I think you and our colleagues will find this thought-provoking editorial to be useful as the debate on SALT II progresses.

The editorial follows:

THE UNSPOKEN SALT ISSUE

Sanford Gottlieb, one of the nation's keenest observers of the arms race, made a perceptive point in an interview here Wednesday. He said that thus far in the Senate's SALT II debate the fundamental issue has not been addressed: the fact that many Americans feel vulnerable because of the nation's changed role in the world.

"That is what is really bugging people," he told me. "That is more important to people at the grass roots than the technical issues of verification and throw weight in the SALT debate."

Gottlieb, who was in Asheville to participate in a workshop, is arms reduction coordinator of New Directions, a Washington-based citizens lobby that focuses on such issues as the arms race, the spread of nuclear weapons, energy shortages, population pressures and hunger. Gottlieb attempts to determine what is concerning people in the country on global issues and tries to help them voice their concerns to political leaders.

Supporters, opponents, and those keeping their options open on SALT owe it to themselves and to the country to take a long view of America and Russia in today's world. Until more of us understand some basics regarding the two countries, hopes of finding genuine national security will remain elusive.

Gottlieb believes many Americans want to return to the world of 1945–46, and that cannot happen. This is the atomic age, an age of interdependence, and everything, as Einstein reminded us, has changed but our thinking.

Of all the major countries involved in World War II, only America was left physically unscathed. Yet, the United States suffered 405,399 war dead, 670,846 wounded, and 139,709 missing in action. But the continental United States was not invaded.

At the war's end, the United States had both a quasi-monopoly on world power and an industrial and technological machine that helped bring on a postwar era of unparalleled prosperity.

It was inevitable that other countries, including the Soviet Union, would recoup some of their losses and make progress in many areas. Visionaries, and they were few, in the middle and late 1940s knew that Japan and West Germany, with American help, would rise from the ashes to become economic giants.

Today, we find America's quasi-monopoly of 1945–46 a relic of history, but the nation overall remains the strongest country on the face of the globe. The Soviet Union has attained a rough equivalence with the United States in military power. Germany and Japan are indeed mighty economic forces. England and France are no longer powerful nations, though their moral authority remains a factor in diplomacy.

Too many Americans have failed to understand or face these and related changes and, in Gottlieb's view, have acquired an inferiority complex that is both unjustified and harmful. As a nation, we have gone from one extreme to another—from believing we could do anything we wanted in the world to believing that we can do nothing. Events such as Vietnam, Watergate, the rise of third and fourth world nations have heightened feelings of national inferiority. Evidence of this surfaced before and immediately following the signing of the Panama Canal treaties.

Consequently, many of us fail to see our strengths—the vitality of the Constitution and our way of life, the power of our military, and the inherent decency and common sense of our nation. Instead, we dwell on what is viewed as our vulnerability and overlook the fact that not all is well in the land of our chief adversary, the Soviet Union.

In its efforts to attain military equivalence with the United States, the Soviet Union has paid a high price. As Gottlieb recently wrote in Newsweek:

". . . They (the Soviets) have trouble satisfying the homeliest of needs. Pravda recently reported that trousers without fly buttons have been issued to workers on the new Trans-Siberian Railway because of a button shortage. (Zippers are an even greater rarity.)"

While we worry about tapping the oil fields of Mexico, the Soviets worry about the uncertain loyalty of encircling Warsaw Pact nations and China. And in Africa, where the Russians are involved deeply, the Soviet hierarchy is finding African nationalism volatile. Even former CIA Director William Colby has said that there is no vitality left in the Soviet Union, and he doubts that history is on Russia's side.

Until we begin to understand some of the realities sketched here we will remain locked into a national inferiority complex, afraid to trust ourselves, unwilling to cooperate in areas of our national interest, and unable to compete in areas worth competition.

Let's hope that some national leader will yet rise to voice all of this and reflect on an idea expressed by Norman Cousins:

"Men caught up in games of international realpolitik tend to delude themselves with the thought that 'hard' matters of military policy are the only ones that count. History, however, is littered with the relics of civilizations whose leaders felt uncomfortable or scornful in the presence of moral questions." ●

WE NEED TO CREATE, NOT REDISTRIBUTE, WEALTH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. MICHEL. Mr. Speaker, occasionally we read of a call for "redistribution of wealth" or "an equitable sharing of wealth." Almost always such a call can be traced to a desire on the part of the speaker to remake American society in a socialist image. What is needed—and what our system can do when allowed to do it—is not to "redistribute wealth" but to create wealth by producing goods that lead to higher income, more investment and, eventually, more production.

I recently read of a call by a high-level Carter administration official for "a more equitable distribution of wealth." Needless to say, the Carter official did not say who was going to determine just how "wealth" would be "redistributed." But we can guess that it would be people like the Carter official.

In happy contrast to this kind of thinking, the Peoria Journal Star has recently published an editorial which reminds us that "the Populist Myth" needs to be exposed for what it is: A fraud perpetrated on the poor by left-wing intellectuals who would not know how to produce wealth if their lives depended on it, but who yearn to destroy the system that can produce such wealth.

At this time, I wish to insert in the RECORD, "The Populist Myth," from the Peoria Journal Star, September 2, 1979:

THE POPULIST MYTH

If this country and this society and this standard of living go down the tube, as many fear they will, it will not likely be because of oil, nor Communism, nor nuclear war.

It will be because of the Populist Myth.

Americans have always had a special sentimental feeling about "the underdog"—in sports, entertainment, and politics, at least. But there is abundant evidence that we used to feel it, enjoy it on occasion, and be proud of it . . . but we remained aware that it was a sentimental thing.

Not a sound basis for really calculating good or bad, workable or unworkable.

We did not kid ourselves that every "underdog" was presumed virtuous, and every success presumed sinful. We knew you had to look a little deeper.

Not all "poor people" are honest, trustworthy, goodhearted and noble. Not all "rich people" are venal, disloyal, hardhearted and base.

In the game of "Who do you trust?" the Underdog Myth is a very, very treacherous yardstick. Using it merely causes us to neglect much more reliable tests . . . or tilt them in advance.

Yet, today, we do just that more and more. We seem to have ushered in an Age of Envy. It binds us to our own best interests.

We ridicule the wreck that was Howard Hughes in later life, and sneer at his eccentricities and foibles . . . and resent a system

where such as he could have such wealth and power—to pick about as bad an example as you can find.

But, check the history of Hughes Tool company, TWA, etc. and ask yourself without sentimentality the real bottom line question: Have you and I been hurt by the Hughes enterprises or helped? Have we been better off or worse off because of they happened? Well, for starters, theirs was the big breakthrough in oil drilling equipment that enabled us to go through bedrock to the oil below. It made a pile of money for the Hughes empire . . . and it gave us all two generations of plentiful, cheap oil.

To stick with the well known, Henry Ford got rich. What did it cost us? Were we hurt by his activities on this earth? Are we better off or worse off?

There are mechanisms even more complicated than the motor car or the oil rig or even the assembly line . . . and more difficult to operate. Such a mechanism is a Caterpillar Tractor company, or a power company, or a TV network. The network concept and its infinite combination of details, skills, technology and specialist efforts molded a system whereby one could finance centralized high-cost productions and special events and pipe them from great distances into your living room. Gen. Sarnoff and others got rich. And what about the rest of us? Would we be better off or worse off if it had never happened?

Mutual benefit is the name of the game in the case of every big step forward—expanding our lives and facilities.

Yet the Populist Myth, born of sentimentality and envy, presumes that we suffer when anybody makes money! He's robbing us, somehow!

And we are systematically punishing, crippling and ultimately, perhaps, destroying the very processes by which mankind's most dramatic—and widespread—progress has been made.

Enjoy the occasional Cinderella story that comes along, by all means. Thrill to Robin Hood. Cheer for the Chicago Cubs.

But do not, therefore, make value judgments based on that same kind of feeling.

Instead, recognize the socio-economic realities. Topdog or under, the guy who works for himself is working for you, too. And every guy who loafs, cheats or screws up is working against you . . . including when it is you doing it.

Especially, when it is you doing it.—C. L. DANCEY.●

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. NELSON. Mr. Speaker, on Friday, September 7, I was in my district on official business and was unable to vote on rollcalls 448 through 4543. I would have voted as follows on the five yea and nay votes:

"Yes" on House Resolution 386, the rule to consider H.R. 79, providing for reorganization of the Postal Service; "yes" on the vote whereby the House agreed to resolve itself into the Committee of the Whole to consider H.R. 79; "yes" on the amendment to retain the present ceiling on public service subsidies to the Postal Service rather than the increases provided for in H.R. 79; "yes" on final passage of H.R. 79; and "yes" on the conference report on S. 1019 to lift the ban on aid to Uganda.●

PANCYPRIAN ASSOCIATION FOR THE PROTECTION OF HUMAN RIGHTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. DERWINSKI. Mr. Speaker, under Public Law 95–384, the President is required to make periodic reports to the Congress on the Cyprus situation. It should come as no surprise to the Members that these reports have lacked detail, objectivity, and are, in fact, twisted to avoid the impression of inaction toward a settlement.

Therefore, I wish to insert a copy of an open letter to President Carter from the Pancyprian Association for the Protection of Human Rights, which represents a detailed report as seen through the eyes of Greek Cypriots.

The letter follows:

PANCYPRIAN ASSOCIATION FOR THE PROTECTION OF HUMAN RIGHTS

On 2nd August 1979 the following letter was sent to His Excellency the President of the United States, regarding his latest report on the Cyprus problem, which was submitted to the United States Congress on 25th July 1979.

YOUR EXCELLENCY: Please refer to your latest report of 25th July 1979 to the United States Congress, regarding the Cyprus problem, and permit us to comment on its contents.

In the above mentioned report reference is made to the Cyprus intercommunal talks and the possibilities for their resumption, after their "suspension" on 22nd June (seven days after their start). We consider the information and the views expressed in the report on this aspect as being unsatisfactory and incomplete, for the following reasons:

(a) No reference is made in the report to the completely negative attitude of Mr. Denktash and his intransigence concerning the resumption of the intercommunal talks, and the several efforts he made in order to bring the talks to a deadlock.

(b) No reference is also made to the statements made by the Turkish Prime Minister Mr. Ecevit and Mr. Denktash on 20th July 1979, the main points of which are:

(i) that the solution of the Cyprus problem must conform with the "realities" established by the Turkish aggression against Cyprus;

(ii) that the results of the Turkish aggression (i.e. the de facto occupation of northern Cyprus, the separation of the people of Cyprus, the change of the demographic structure of the island etc) "will be permanent" and "should be universally acknowledged";

(iii) that northern Cyprus "will remain Turkish";

(iv) that the investigation of the fate of the missing persons must not be made within the framework of the latest General Assembly resolution, as agreed on 19th of May between President Kyprianou and Mr. Denktash, but on the basis of previous proposals.

(c) Furthermore, no reference is made to the fact that Mr. Denktash makes every possible effort to prevent any contact between persons or organization leaders of the two communities, who wish to establish a channel of sincere communication and exchange of views in order to create an atmosphere of confidence and good will between the Greek Cypriots and the Turkish Cypriots. Two very recent examples of the above mentioned negative attitude of Mr. Denktash are given here below:

(i) Leaders of two Turkish Cypriot organizations were prohibited to come to the Government-controlled area to attend a youth festival in Limassol;

(ii) Representatives of the Cyprus National Commission for the International Year of the Child and representatives of several Turkish Cypriot social organizations were prohibited to meet to exchange views and establish a sincere cooperation for the benefit of all the children of Cyprus.

Given the above facts, the "suspension" of the intercommunal talks does not seem to be due to any differences on the interpretation of the 10-point agreement or any part of it thereof. The intercommunal dialogue came to a deadlock because of Mr. Denktash's unwillingness to contribute toward finding a just solution to the Cyprus problem.

Your Excellency, beyond the problem of the resumption of the intercommunal talks and the constitutional structure of the future Federal Republic of Cyprus, there unfortunately exists in Cyprus another problem concerning the Turkish aggression against the Republic of Cyprus and the continuing occupation of a part of its territory. The problem of the Turkish invasion of Cyprus and the continuing occupation of nearly 40 percent of its territory has not yet been solved, in spite of several United Nations resolutions on the matter and the declarations made by several countries, regarding their "true and sincere concern" for the international peace and security and their "sensitiveness" in the field of the protection of human rights and fundamental freedoms.

No doubt that the human rights of the Cypriots were flagrantly violated by the Turkish military forces. In fact the violation of the fundamental freedoms and rights of the citizens of the Republic of Cyprus by the Turkish troops and/or the puppet "administration" set up by Ankara in the Turkish occupied areas are still continuing.

In view of the above, though we have no intention of interfering in your country's internal affairs, we must emphasize that the reports submitted until now in conformity with the United States Law 95–384 are far from reflecting the true situation existing in Cyprus, regarding either the internal or the international aspect of the Cyprus problem.

Your Excellency, the Pancyprian Association for the Protection of Human Rights protests against the contents of your report to the United States Congress which, to say the least, is biased and, according to several indications, is based on political expediency.

Cyprus is a small island and therefore it cannot claim its rights by means of military force. Despite that, the people of Cyprus are determined not to accept the faits accomplis created by the Turkish aggression, and of course not to accept by their own free will de facto occupation of their country as de jure. They will continue their struggle until a just and viable solution is found, to the benefit of all the people of the island, Greek Cypriots and Turkish Cypriots.

We call upon your Excellency to act in conformity with your declarations and statements regarding the protection of human rights and make any steps necessary for the immediate restoration of the flagrantly violated human rights of the Cypriot people. To this end we assure you that you will have every possible help from our Association, which was established with the sole purpose of protecting the fundamental freedoms and rights and promoting the ideals of justice, freedom, democracy and human dignity.

Copies of the above letter were sent to the Chairman of the Foreign Relations Committee of the U.S. Senate and the President of the U.S. House of Representatives.

Central Executive Committee of the Pancyprian Association for the Protection of Human Rights.

NICOSIA, *2 August 1979.*●

CRUDE FOR FOOD?

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for August 22, 1979 into the CONGRESSIONAL RECORD:

CRUDE FOR FOOD?

The same question has come up in every town meeting I have held in recent weeks. I usually hear it early in the hour. Why can't the United States use food, especially wheat, as a lever against high oil prices set by the Organization of Petroleum Exporting Countries (OPEC)? The idea is clearly expressed in the popular bumper sticker: "Crude for Food."

Interest in the proposal is more than justified by the deep frustration we feel. After all, the price of oil has skyrocketed, fueling inflation, weakening the dollar, and causing huge deficits in our balance of payments. The proposal seems attractive, and it has been carefully examined. However, the judgment of most of us is that it would not work in practice.

The basic problem is that the United States depends on OPEC oil much more than the OPEC nations depend on U.S. wheat. Last year, the 13 members of OPEC imported about 10 million tons of wheat valued at less than $1.4 billion, of which the United States supplied about 50 percent. OPEC wheat imports accounted for only 2 percent of world wheat production. By comparison, the United States imported approximately 400 million tons of oil value at nearly $50 billion, some 80 percent of which came from the OPEC nations. U.S. oil imports accounted for more than 13 percent of world oil production. The U.S. disadvantage can be described in even stronger terms. If we could persuade the OPEC nations to exchange oil at $18 per barrel for a year's supply of wheat at $4 per bushel, the bargain would yield us less than 200 million barrels, a 23-day supply given the rate at which we use imported oil. To barter wheat for the full amount of oil imported last year, we would have to supply OPEC with our entire annual wheat crop of two billion bushels. There would be no wheat left over for domestic consumption.

Another serious problem is concealed by the "Crude for Food" slogan. If the United States unilaterally reduced wheat exports to the OPEC nations or artificially raised wheat prices to them, the OPEC nations could easily find other suppliers and the United States would lose a valuable market. The world's largest wheat producer, the Soviet Union, would be more than happy to penetrate the OPEC market. Having the OPEC nations depend on the Soviet Union for their wheat is certainly not in the interest of the United States. The Western European countries produce a substantial amount of wheat as well, so they, too, could become ready suppliers. Any of these countries would be pleased to do more business with the oil-rich members of OPEC.

In spite of the failure of international wheat agreements in the past, some people have suggested that a wheat cartel composed of the United States, Argentina, Australia, and Canada, nations which together control 85 percent of the world's trade in wheat, would solve both these problems and would create great leverage against high oil prices set by OPEC. In my view, however, a wheat cartel aimed at OPEC would have its own problems. It might not work nearly as well as the oil cartel has worked. Oil is a nonrenewable resource currently in short supply, and it has few, if any, substitutes. Wheat, on the other hand, is a renewable resource grown in most countries of the world, and substitutes for it, such as rice, are available. The OPEC nations can cut oil production quickly and can store their product in the earth for as long as they wish. Wheat-producing nations, on the other hand, cannot so readily manipulate output and cannot keep their harvests in storage for an indefinite period.

Other difficulties with a wheat cartel could prove to be just as troublesome. Even if it is assumed that the large wheat producers want to take direct action against OPEC, it is by no means certain that they are prepared to make the necessary sacrifices and expose themselves to the very real risks. A wheat cartel would require all participating governments to take on broad powers in the setting of prices, the allocation of markets, and the control of exports. For the United States, at least, such powers would represent a departure from traditional reliance on the free enterprise system. Because they recognize what bureaucracies cost and how they grow, most Americans do not want to begin nationalizing the grain business or to have the government in charge of overseas marketing of grain. In addition, any price or supply action taken against OPEC by a wheat cartel would invite swift retaliation, with consequences far more serious for wheat producers than for oil producers. Recent OPEC price increases have hit the world economy hard, but their impact would probably be minor when compared to the impact of outright retaliation.

The "Crude for Food" slogan obscures the fact that the United States and the OPEC nations have common interests. We need their oil to keep our economy moving, but they must have our exports of goods and services for a multitude of purposes. We are all part of an interdependent political and economic system which spans the globe. It would be very unwise to launch into a "trade war" against people on whom we depend and with whom we simply must deal. Recent efforts to liberalize world trade, with all their potential benefits for American consumers and businesses, might be completely undermined.

While wheat may not be an appropriate lever against OPEC price increases, we should not rule out carefully considered action to ensure that wheat and other farm products command fair prices in the world market. Bartering schemes and other measures may well be worth pursuing. With my full support, Congress will be looking into these matters in the months ahead.●

STOP YEAR-END FEDERAL SPENDING SPREES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

● Mr. HARRIS. Mr. Speaker, I would like to enter into the RECORD an article from the September 10, 1979, issue of U.S. News & World Report that I hope will encourage my colleagues to support, and the Congress to enact, a bill (H.R. 4717) I have introduced to control year-end spending sprees by Federal agencies.

The article reflects the shocking and disturbing findings of an on-going investigation by my Civil Service Subcommittee on Human Resources into the growing use of private consultants and contractors by the Federal Government. We estimate that Federal contracting is now a $150 billion business, accounting for more than one-fifth of the Federal budget.

Information obtained by our subcommittee's investigation and hearings indicate that Federal agencies are contracting out to get around personnel ceilings, even when it is less expensive to do the job in-house, and to use up any remaining funds in their budget in the final months of the fiscal year, often without a clear and desirable reason for doing so.

As a result of rampant abuses in Federal contracting, billions of taxpayers' dollars are being wasted, especially during year-end spending sprees. This is the rathole that Congress must close if we are going to hold down Federal spending and balance the budget.

The bill I introduced on July 10, 1979, would require Federal agencies to spend no more than 20 percent of their annual appropriations during the last 2 months of the year. It would also require that decisions to contract be made strictly on the basis of cost effectiveness.

Mr. Speaker, the American people are demanding that Congress weed out wasteful Federal spending and reduce the budget deficit. I urge my colleagues to read this article from U.S. News & World Report and join me in sponsoring legislation to impose tough controls on year-end spending sprees by Federal agencies. Passage of this bill would be a major step toward balancing the Federal budget and easing the inflationary pressures we are now experiencing.

The article follows:

IT'S THAT TIME OF YEAR FOR FEDERAL SPENDING SPREE

Junkets, calculators, typewriters . . . The annual race by officials to dispose of leftover funds is on, much to the President's distress.

Federal bureaucrats high and low are off on a spending binge once again—and their bosses can't seem to do anything to stop them.

The occasion: The end of the U.S. government's fiscal year, September 30. As that deadline approaches, billions of dollars in the Treasury are being earmarked for everything from office furniture and "official" travel to multimillion-dollar contracts.

As Representative Herbert Harris (D-Va.) puts it, the watchword for many bureaucrats is: "Spend all you have whether you need to or not."

The surge of under-the-wire spending is nothing new. It has been an annual rite among Washington's savviest civil servants for many years.

Ever since coming into office 2½ years ago, President Carter has been trying to break officials of the spending habit. But it has steadily become worse. In both September, 1977, and September, 1978, obligations of federal funds for future spending shot up more than 90 percent from the previous month—the biggest such increases in recent memory.

"I am very disturbed. I have asked my staff to look into this," declares Budget Director

James T. McIntyre, Jr. The budget chief received a note from the President in mid-August ordering him to "do what you can to stop" the speedup in spending.

The wild scramble to empty the government's purse at year's end is deeply imbedded in federal procedures.

For one thing, funds for many programs expire promptly at the end of the fiscal year. "The cash turns into a pumpkin on September 30," laments one government official.

Even when appropriations carry over into the next year, officials are often judged on Capitol Hill and in the President's Office of Management and Budget by how much they spent in the previous year.

BETTER HAVE A GOOD STORY

Says one midlevel employee: "It's not only Congress—it's also your immediate boss. If I don't spend my entire budget, I'd better have a good story when I ask for next year's allotment, or I won't get my money."

Two years ago, the Pittsburgh office of the Army Corps of Engineers was reprimanded for failing to spend its allotted funds and for not reporting the underspending to higher headquarters so the money could be used elsewhere.

By year's end, federal officials are "pushing money out the door with a wheelbarrow," complains Michael Blumenthal, former Treasury Secretary. Blumenthal estimates that up to 2 billion dollars is wasted in this way every year. Others put the figure much higher, and budget officials concede that no one really knows how many dollars are being squandered.

One lower-level bureaucrat blew the whistle on the practice in a letter to Alfred E. Kahn, President Carter's top inflation fighter. This government employe, who insisted on anonymity, wrote: "What happens is that small units of 10 to 100 people throughout the government are suddenly asked if they can quickly spend several hundred or several thousand more dollars. Those who find legitimate ways to soak up these funds are looked upon as creative managers. If they work fast, they can go back for more.

"For this reason, a lot of seasoned bureaucrats keep a stack of proposals, for various amounts, in a desk drawer. Some of these are for pet projects that would never have passed muster earlier; some are gimmicks pure and simple, and others, I suppose, are for truly worthwhile activities."

TIME TO FLY

Scheduling of marginal official trips is one way to spend unused funds. Says one bureaucrat: "Trips are arranged that supposedly couldn't be taken earlier. All of a sudden, it's time to visit the Mint in Denver."

Federal officials also find the closing weeks of the fiscal year a handy time to buy furniture, typewriters and other supplies. Their reasoning: They can disburse funds more quickly that way than by the slower process of hiring personnel and starting new programs.

For example, the Defense Audit Service found that on the last day of fiscal 1977, the Pentagon's Administrative Support Center in Washington ordered $119,074 worth of magazine subscriptions for the next year. Two days earlier, the same agency bought 50 electronic calculators for $14,614, even though only 17 were needed.

In another instance, regional offices of the Army Materiel Development and Readiness Command fell far behind in their planned spending. The result, as described later by Army auditors, was "an immense effort . . . to obligate about 181 million dollars" in the last month of the fiscal year. Achieved was spending at more than three times the normal monthly rate.

TELLING STATISTICS

Figures compiled by the General Services Administration, which handles most government supply orders, show that the monthly total of purchases peaked last September at 159 million dollars, 30 million over the average monthly outlay for the entire year.

GSA itself stands accused of sloppy year-end spending. An internal audit of the agency's leasing and furnishing of office space showed that expeditures in the last month of the 1977 fiscal year exceeded the average during the year's first 10 months by 46 percent.

The auditors concluded: "This resulted in a 'crash' program with its inherent abuses and contributed significantly to serious funding problems."

Government-bankrolled partying becomes more common as the year wears on and there's money to be spent. A former U.S. embassy employee recalls an ambassador who found that he hadn't used up his budget for social events: "He told the staff to start entertaining more." The result was a spate of parties, often with more liquor purchased than could be drunk.

When the money flows, not only civil servants benefit: Two days before the 1978 fiscal year ended, the Department of Health, Education and Welfare awarded a $93,000 contract to an Arlington, Va., school-administration group to help finance a conference.

The money covered the cost of jetting into Washington out-of-town officials of special-interest groups that were already heavily represented in the capital by full-time staffs.

That HEW action wasn't an isolated case. The department awarded nearly 600 million dollars in contracts last September—almost double the total of any previous month. Two-thirds of the 200 million dollars HEW paid last year to consultants was spent in the last three months of the fiscal year. Lester Fettig, who recently resigned as the top federal procurement officer, says that as September nears, HEW often converts formal contracts to grants that can be issued quickly "to get the money on the street and not lose it."

Investigators for the General Accounting Office, Congress' auditing arm, are checking reports of unnecessary spending in other departments, including the Pentagon and the Environmental Protection Agency.

Many career employes argue that delayed spending is not only legitimate but also a mark of good management.

Says one longtime federal executive: "Any prudent manager will hold some money back until the end of the year because he doesn't know how much or how little he'll need then."

Another explanation offered for the late-spending rush: Major projects can take a year to get off the ground. Even if plans are drawn up at the beginning of a fiscal year, nine months or more may pass before the bids can be opened and the funds committed.

Federal employes insist, too, that some of the blame lies with Congress, which sometimes drags its feet in making appropriations. They point to a request by the Department of Transportation last January for money to study the impact of fees charged to firms that ship goods on inland waterways. Congress didn't act until July 25, when it directed the agency to commit 1 million dollars by September 30 or lose it.

Federal employes say they're often caught in a bind: While some lawmakers criticize late spending, others insist that their pet projects be fully financed no matter what time of year it is. Says one budget officer: "When Congress approves an appropriation, it expects the money to be spent."

FIGHTING THE "SCRAMBLE"

Despite earlier failures, administration officials are determined to curtail the end-of-the-year scramble. On August 7, Budget Director McIntyre issued detailed rules for fourth-quarter spending. Sample: Late orders for "office furniture, supplies or renovation should not be approved unless planned in advance or needed to meet an emergency."

Some lawmakers, meanwhile, are pushing for new laws to make spending more orderly. A bill sponsored by Virginia's Representative Harris would prohibit agencies from spending more than 20 percent of their budgets in the last two months of a fiscal year—a requirement Congress already has imposed on the Defense Department.

Skeptics believe the problem won't be solved without such restrictions and that even with them it will not be easy to lick. The General Accounting office concluded recently that in most agencies, "There are no incentives not to spend the funds appropriated."

With several million employes spending 500 billion federal dollars each year, budget analysts say it is human nature that when money is available, it will be spent.

IN CONGRESS, IT'S CALLED "MIDCOURSE CORRECTION"

Congress is quick to take executive-branch officials to task for their zeal in using up leftover funds, but Capitol Hill itself isn't immune from the practice.

A former Senate aide recalls: "We used to do the same thing on the Hill. People bought office supplies that ended up sitting in the closet."

Take the case of the Office of Technology Assessment, an arm of Congress set up to analyze technological issues, which earlier this year went on a spending jag that backfired badly.

The unit concluded in May that it was likely to underspend its 11-million-dollar budget by more than 2 million dollars.

The staff was ordered to step up spending to insure that lawmakers wouldn't cut next year's budget. Employes hurriedly expanded projects or initiated new ones—so much so that the office suddenly faced the prospect of going 1.8 million over its budget.

In July, John Gibbons, a new director of the unit, was jarred into making what he termed a "midcourse correction." He abruptly halted several projects and dismissed 14 employes.

A top official of the agency, embarrassed when the fiasco leaked to the press, told fellow employees in a memo obtained by U.S. News & World Report: "It would be best now to get this whole episode behind us and look toward the future."●

MARIE DAVIDSON DAY—THOUSANDS LOVE MRS. MARIE DAVIDSON

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1979

O Mrs. HECKLER. Mr. Speaker, no matter what the weatherman predicts, the sun will shine in Fall River on Wednesday, September 12. Two thousand loving friends and admirers will gather at the Venus de Milo Restaurant in Swansea, Mass., to honor a truly remarkable woman who has—for decades—brought warmth, hope, and sunshine into the lives of so many in the Greater Fall River area—Marie Davidson.

Marie has been an inspiration to me ever since I began representing Fall River, the city we both love so much, in the Congress.

Her counsel, insight, and vision have given me a special grasp and empathy of and into the legislation and programs

which aid and benefit senior citizens. It has been a privilege and joy to be Marie's ally in so many battles to insure the independence, good health, and happiness of our senior citizens.

A native of New Jersey, Marie Jacobs Davidson came to Fall River in 1952. That was the year her late husband, William, a native of the Spindle City, retired from the Radio Corp. of America in New York, where Marie also worked for most of her adult years.

But the Marie Davidson dictionary does not include the word "retirement." Once in Fall River, Marie quickly put down roots and began a second career—winning friends as well as respect and admiration. In the quarter century since 1952, her name has been synonymous with vigor, dedication, determination, creativity, and drive. She is the personification of the kind of superlative leadership senior citizens can provide a community.

Her qualities bring to mind a statement made by Maggie Kuhn, an ardent foe of discrimination against the elderly. She said:

> Ageism is any discrimination against people on the basis of chronological age . . . it is responsible for an enormous neglect of social resources.

Marie Davidson confronted this neglect head on. In her own dynamic style, in her own, self-confident way, in the totality of her efforts over the years, she has become a monument in the battle against age discrimination.

Her first participation in Greater Fall River's elderly affairs came in 1962, when she joined the newly formed King Philip Senior Citizens Club, and became its secretary. From there she herself formed the Over 60 Club, and established a center at Sunset Hill.

Then, in a stunning and remarkable feat of initiative and ingenuity, Marie Davidson organized 50 senior citizen clubs and centers throughout Fall River.

Marie has been indefatigable, productive—a friendly whirlwind of activity. Each day a new challenge; each triumph the prelude to another challenge. Only the next day mattered, and then the next. Marie Davidson is the Susan B. Anthony of elder affairs in Fall River. A pioneer, an almost primal force for good, a leader who could and did inspire others to lead.

The senior centers Marie has established already have offered countless hours of enjoyment, pleasure, and companionship to tens of thousands of elderly persons over the years. Marie's initiative and followthrough have filled a void. She has transformed Fall River's senior citizen community. We will always be eternally grateful to her for bringing light and life into so many lives.

As a newly elected Member of Congress, in 1967, I was asked by Marie to help develop programs to benefit senior citizens. One outcome was the first congressional seminar for senior citizens, during which senior citizens and I had a warm and cordial discussion of their needs. I am pleased to say that this congressional senior seminar has become an annual event, and has served as a model for similar events throughout the Commonwealth.

Throughout her breathtaking whirlwind of creativity, Marie was elected as the first president of the Fall River Senior Senate, to which every senior club or center belongs. For 10 consecutive years, Marie has been honored by her peers by being reelected to the presidency of this distinguished group of citizens.

In 1968, Marie won further recognition of her eminence as a leader and innovator in senior citizen affairs: she was appointed by then Mayor Desmarias as a delegate to the White House Conference on Aging. Since then, Marie has been reappointed by each succeeding mayor.

To further cap her monumental efforts, Marie in 1973 was honored by the Fall River Chamber of Commerce by being awarded the chamber's Community Service Award and being named Outstanding Woman of the Year. These honors were earned; every one of them.

Marie stands today as a shining example of how energetic, loving, and dynamic senior citizens can move mountains. Marie's presence and the force of her good efforts on behalf of the senior citizens of Greater Fall River are felt from the banks of the Taunton River to the towers of the futuristic Highland Heights Senior Citizens Center, which she helped plan.

She is an inspiration. A trailblazer. An innovator and a visionary with a keen sense of the practical. She has contributed mightily to the continued vigor of our community. Her efforts and accomplishments are indelibly entered on Fall River's history books.

Marie Davidson has given thousands of senior citizens in Fall River a new sense of power and worth. By bringing pride and happiness into their lives she has brought dignity as well.

I look forward to the day when her name can be emblazoned permanently on it at an important public location in our grateful city in the same way as it is emblazoned with such warmth and affection in our hearts.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, September 11, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 12

8:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold oversight hearings on rural health care programs.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1979.
235 Russell Building

Energy and Natural Resources
Energy Regulations Subcommittee
To continue hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building

Select on Small Business
To hold oversight hearings to explore local development company programs.
424 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings to inquire into the circumstances surrounding the issuance of noncompetitive oil and gas exploration leases by the Department of the Interior on lands belonging to the Fort Chaffee, Ark., military reservation.
5110 Dirksen Building

Environment and Public Works
Business meeting, to consider H.R. 4249, to amend certain provisions of the Surface Transportation Assistance Act of 1978; S. 493, to promote the orderly and environmentally sound exploration for and commercial recovery of hard mineral resources of the deep seabed; and the nomination of Sam E. Angel, of Arkansas.
4200 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Foreign Relations
To continue hearings, in closed session, on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-116, Capitol

Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Select on Intelligence
To resume closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Con., 1st sess.).
S-407, Capitol

2:00 p.m.
Conferees
On S. 210, to establish a Department of Education in the Executive Branch of the Government.
S-207, Capitol

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

*Judiciary
To hold hearings on the nominations of Gene E. Brooks, of Indiana, to be U.S. District Judge for the Southern District of Indiana; Lynn C. Higby, of Florida, to be U.S. District Judge for the Northern District of Florida; James C. Paine, James W. Kehoe, Eugene P. Spellman, and Edward B. Davis, all of Florida, each to be U.S. District Judge for the Southern District of Florida.
2228 Dirksen Building

Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

3:00 p.m.
Conferees
On H.R. 3875, to amend and extend through fiscal year 1980 certain Federal laws relating to housing, community and neighborhood development and preservations programs.
S-206, Capitol

SEPTEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 1581 and 1648, bills authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act, 1970.
235 Russell Building

Governmental Affairs
To hold hearings on the nomination of Ronald P. Wertheim, of the District of Columbia, to be a Member of the Merit Systems Protection Board.
3302 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
Business meeting, to markup S. 795, to establish a national policy of retaining and protecting agricultural farmland; and H.R. 2043, to amend certain provisions of the Water Bank Act to authorize the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands.
322 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 1176, proposed Antiquities Act and Federal Land Policy and Management Act Amendments.
3110 Dirksen Building

Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

*Judiciary
To resume hearings on S. 1722, to make revisions to certain provisions of the Criminal Code.
2228 Dirksen Building

Judiciary
Criminal Justice Subcommittee
To resume oversight hearings on the scope of narcotics' use and abuse in the U.S. and abroad, and the adequacy of programs of the Drug Enforcement Administration to cope with the illegal drug traffic.
5110 Dirksen Building

Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess).
S-407, Capitol

Special on Aging
To hold hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.
6226 Dirksen Building

2:00 p.m.
Conferees
On S. 210, to establish a Department of Education in the Executive Branch of the Government.
S-207, Capitol

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Foreign Relations
To continue hearings, in closed session, on the SALT II Treaty (Exec. Y., 96th Cong., 1st sess.).
S-116, Capitol

Select on Ethics
Closed business meeting.
6226 Dirksen Building

Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

3:00 p.m.
Conferees
On H.R. 3875, to amend and extend through fiscal year 1980 certain Federal laws relating to housing, community and neighborhood development and preservations programs.
EF-100, Capitol

SEPTEMBER 14

9:00 a.m.
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Con., 1st sess.).
318 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings to examine labeling procedures for alcoholic beverages.
6226 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary
To hold hearings on proposed supplemental appropriations for fiscal year 1980 for the Economic Development Administration of the Department of Commerce.
S-146, Capitol

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Foreign Relations
To receive testimony from Members of Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Select on Intelligence
To continue closed hearings on issues Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

2:00 p.m.
Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

SEPTEMBER 17

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1337, to provide for greater compliance with the national speed limit.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance
To hold hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 18

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
1202 Dirksen Building

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1470, 1417, 1205, and 1134, bills to establish import quotas to restrict the amount of crude oil and petroleum products that can be brought into the United States each year.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance
To continue hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
Health Subcommittee
To hold hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 19

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
5110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
6226 Dirksen Building

Judiciary
Constitution Subcommittee
Business meeting to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.
457 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting on pending calendar business.
322 Russell Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1480, 1462, and 1463, bill to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

2:00 p.m.
Finance
Health Subcommittee
To continue hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 20

9:30 a.m.
Governmental Affairs
Intergovernmental Relations
To resume oversight hearings on the scope of general revenue sharing programs.
3302 Dirksen Building

10:00 a.m.
•Banking, Housing, and Urban Affairs
Business meeting, to begin markup of S. 1247, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 599, to expand the historic Indiana Dunes National Lakeshore Park in northwest Indiana.
3110 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 1420 and 475, bills authorizing the Secretary of the Interior to construct and maintain hydroelectric powerplants at various existing water projects.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings to examine the proposed revisions to the Administration's anti-inflation program.
5302 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 691, to prohibit the use of Federal funds to lobby State and local legislatures.
3302 Dirksen Building

SEPTEMBER 24

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on current energy impacts on the railroad industry, focusing on the recent coal rate increase for the Lewisville-Nashville railroad.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 25

9:00 a.m.
Labor and Human Resources
To hold hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Governmental Affairs
To hold hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.
3302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.
5110 Dirksen Building

SEPTEMBER 26

9:00 a.m.
Labor and Human Resources
To continue hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Governmental Affairs
To continue hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.
3302 Dirksen Building

SEPTEMBER 27

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To resume oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
235 Russell Building

10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

SEPTEMBER 28

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
235 Russell Building

10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

11:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
6226 Dirksen Building

OCTOBER 1

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume oversight hearings on the for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 2

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building

•Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
457 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 3

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142)
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
6226 Dirksen Building

OCTOBER 4

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To continue hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To resume hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

OCTOBER 10

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
1318 Dirksen Building

OCTOBER 11

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 17

8:00 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of older American volunteer programs by ACTION agencies.
4232 Dirksen Building

CANCELLATIONS

SEPTEMBER 12

10:00 a.m.
Special on Aging
To hold hearings to review plans for an adequate program of assistance to meet the particular needs of elderly persons to be included in the development of a national energy plan.
6226 Dirksen Building

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

SENATE—*Tuesday, September 11, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Reverend Alton Parris, minister, First United Methodist Church, Tuscumbia, Ala., offered the following prayer:

Hear the words of the 103d Psalm:

Bless the Lord, O my soul; and all that is within me bless His holy name. Bless the Lord, O my soul, and forget not all His benefits: Who forgiveth all thine iniquities; who healeth all thy diseases; who redeemeth thy life from destruction; who crowneth thee with loving kindness and tender mercies; who satisfieth thy mouth with good things; so that thy youth is renewed like the eagle's.

Let us pray.

We bow before Thee, our Father, acknowledging Thee as our God and the Lord of our lives. Thou knowest the weakness and cowardliness of our hearts. Thou knowest how much we care for the opinion of men. Help us, we pray Thee, to care more for what will please Thee.

Lord, make us strong and courageous that we may never be afraid to do our duty. Give us grace and courage to speak when and as we should, and the power to make our lives equal to our words. Let us never betray Thee either by word or act.

Give us, O God, ears open to hear Thy word; minds willing to accept Thy truth; wills ready to obey Thy commands; and above all, hearts eager to receive and to share Your love.

O God, grant Thy wisdom and guidance to our President, to our Senators, and to all those in positions of leadership and responsibility. In Thy name we ask it. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 11, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

• This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. ROBERT C. BYRD. Mr. President, I shall yield 9 minutes of my 10 minutes to the distinguished Senator from Washington. I reserve 1 minute and yield the remainder of the time to Mr. JACKSON.

Mr. BAKER. Mr. President, will the majority leader yield to me for just a moment before he yields to the Senator from Washington?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. I understand that the Senator from Washington may have a need for more time than the 9 minutes, and I wish to say if he does, I am glad to yield him a part of my time under the standing order.

Mr. JACKSON. Mr. President, I hope I can finish within 9 minutes. I appreciate the willingness of the minority leader to offer that, and I may accept it.

Mr. BAKER. Why do I not do this, then, if the majority leader has no objection? I ask unanimous consent to yield 6 minutes of my time to the Senator from Washington.

Mr. JACKSON. What I do not use I will yield back to the majority leader and the minority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I thank the Senator.

RECOGNITION OF SENATOR JACKSON

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized.

FORTRESS CUBA

Mr. JACKSON. Mr. President, I believe that the American people owe a debt of gratitude to our colleague from the State of Florida, Senator RICHARD STONE, for his tenacious efforts to bring to the attention of the Nation the fact that the Soviet Union once again has exploited the trust of the American people. As he warned us, and as we now know, the Soviets have deployed an integrated combat force—a "brigade"—to Cuba. This force is in addition to the 1,500 to 2,000 Soviet military advisers deployed there. It is now quite clear that during the same period that the world saw Soviet forces deployed to Angola, naval forces and command headquarters personnel deployed to Ethiopia, ground and air personnel and equipment deployed to Afghanistan, and naval forces deployed to South Yemen and Vietnam, the Soviets were deploying combat ground forces and their weapon systems to an island just off our coast. At the same time, the Cuban proxies of the Soviet Union have been involved in conflicts in Africa, the Middle East, and in Central America.

Mr. President, this deployment of Soviet combat forces in Cuba is not an isolated event; it is a most dramatic example of a pattern of Soviet and Cuban behavior which is hostile to the interests of the United States, its friends, and allies. Other things have been going on with which we should be equally concerned. We have seen Soviet airlift and sealift assets transport Cuban fighting personnel to distant conflicts. We have also seen Soviet pilots "relieve" Cuban pilots so that they could be free to fight in Ethiopia.

In the last 2 years, we have begun to see the development of "Fortress Cuba"—a major upgrading of the combat capabilities of the Cuban Armed Forces. The military buildup in Cuba of most concern has been a qualitative one, and represents a major change in what the Soviets and the Cubans believe they can get away with in this part of the world.

Mig-23's have been introduced. One variant of this type of sophisticated aircraft deployed in Cuba is designed for ground attack, and has the necessary range to reach points in the southeastern part of the United States. Similar aircraft in the Soviet Union are capable of carrying nuclear weapons.

More ominous, during this past year the Soviets have supplied the Cubans with their first attack submarine capability. They have introduced two boats: One is a training unit, the other is a combat unit. Cuba has no experience in submarine warfare. Are the officers who will call the shots on Cuban attack submarines Cuban or Soviet? What is the role of any Soviet naval advisers embarked? This is a brand new military capability for Cuba. And it would seem likely that the Soviets would provide a separate training submarine only if they intended to supply Cuba with a number of attack boats. Diesel submarines are very quiet when operating on batteries; the type of submarine supplied—known as Foxtrot—is an oceangoing combatant; and boats of this type are capable of laying mines covertly off our coast. In numbers, they would constitute a major threat to our oil supplies. Even a small number are especially well suited for covert insertion of personnel and small arms throughout the Caribbean and Central America.

Mr. President, not far from Cuba are two U.S. ballistic missile submarine bases, and many of our important sea lines of communications pass near Cuba. The relevant question is how many submarines will the Cubans have to have before we are required to allocate a portion of our shrinking navy to deal with these submarines at the onset of a major war—or in times of heightened tension?

Certainly, one or two submarines or a dozen or so Mig-23's do not constitute an overwhelming threat to the United States in and of themselves. The point is that this is a beginning. Where should we draw the line? To what degree can we tolerate a hostile power in the Caribbean which can pose a major threat to our Central American and Caribbean allies, and something of a threat to us? How big a "Fortress Cuba" is too big? The Cubans, clearly with the support of the Soviets, today feel free to involve themselves in hostilities throughout the world. More important, the Cubans and the Soviets would appear to believe that there is little or no risk of adverse United States response to Cuban involvement in the internal affairs of Central American and Caribbean countries.

The military balance today is very different from that which existed in 1962. We have allowed ourselves to drift into a position where the Soviets believe that they can do most anything they and their Cuban surrogates wish to do—even in this hemisphere. We are now witnessing just one of the effects of the unparalleled Soviet military buildup and the adverse shift in the military balance. We can expect that this accumulation of conventional and nuclear strength will lead the Soviets to become more bold and more confident that their freedom of action increasingly is becoming less constrained. In Africa, in the Middle East, in the Indian Ocean area, in the Far East, and in the Caribbean, the Soviets are asserting themselves. They are exploiting their military capabilities for political advantage.

Mr. President, we can no longer delay in reexamining, in taking a fresh look at what the Soviets are up to in the world. And, Mr. President, the time for the United States to reaffirm its position on what Soviet behavior we will not tolerate in this hemisphere is now. As a beginning, we must insist on no less than the following:

First, Soviet combat units must be removed from Cuba.

Second, Soviet high performance ground attack aircraft must be removed from Cuba.

Third, under no circumstances should the Soviet Union be allowed to provide Cuba with additional submarines, or other naval forces with the reach to threaten our ports or our shipping.

The military balance has shifted adversely over the last decade and a half, and we must take actions to redress this shift. Fortunately, the United States still possesses political strength and considerable military power. What is needed now is a national consensus behind our determination that we will not allow the Soviets to turn Cuba into a fortress-state capable of threatening the United States, our allies and friends in this hemisphere, and our vital lines of communication.

Mr. President, I yield back such time as I may have to the majority leader and to the minority leader.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from West Virginia has 1 minute.

Mr. ROBERT C. BYRD. I yield it to Mr. EAGLETON. If he does not use all of his time, he can yield it to the next person.

Mr. BAKER. Mr. President, do I have some time remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 7 minutes and 45 seconds.

Mr. BAKER. Mr. President, I would be glad to supplement the time for the distinguished Senator from Missouri if he wishes it.

Mr. EAGLETON. I need no additional time, but I thank my colleague.

RECOGNITION OF MR. EAGLETON

The PRESIDING OFFICER. Under the previous order, the Senator from

Missouri (Mr. EAGLETON) is recognized for not to exceed 16 minutes.

NEW STUDY DETAILS IMPACT OF CHRYSLER COLLAPSE

Mr. EAGLETON. Mr. President, it is clear that a shutdown or major curtailment of Chrysler operations would have substantial economic consequences for the Nation. A study commissioned by the Congressional Budget Office last month concluded that a complete collapse of the company "would lower real economic growth by 0.6 percent to 1.0 percent for a half a year and reduce employment by 500,000 persons."

Bleak as that nationwide picture is, the figures understate the impact on the economies of cities and regions where Chrysler has major facilities. An analysis of these regional effects has just been made available to the Treasury Department in a preliminary staff study by the Department of Transportation's Transportation Systems Center in Cambridge, Mass.

The analysis is, as I say, preliminary and was meant only as an informal technical document for working level communication. However, the issues addressed in this study are so relevant to congressional debate on the subject, and the data provided so important, that I am today making the report available to my colleagues.

Mr. President, the St. Louis area where Chrysler operates a truck and a car assembly plant would be far less severely impacted by a Chrysler shutdown than some other cities such as Detroit. Even so, a collapse of the company would be a serious blow to the economy of the St. Louis area.

The DOT study estimates that direct and secondary job losses in St. Louis would range from 21,360 to 26,700. Direct and secondary economic output losses are projected to be in excess of $1.9 billion.

These figures do not include dealers of which there are 135 in Missouri employing 1,650 persons. Nor does it fully account for the losses likely to be experienced by the 561 Chrysler suppliers throughout Missouri—mostly small firms—who collectively do about $100 million a year in Chrysler business.

Mr. President, in other cities, a shutdown or major reduction in Chrysler operations could have devastating employment and economic effects. According to the DOT study, the Detroit area could see its jobless rate increase from the current 8.7 to 16 or 19 percent. Direct taxes to the city of Detroit would be reduced by $34 million, severely limiting the city's capacity to meet increased unemployment and welfare payments. A very high percentage of Chrysler's Detroit work force consists of minority workers.

Contrary to the assumption of some analysts, the DOT study concludes there are only limited opportunities for absorption of displaced Chrysler workers by other automakers. The reasons are spelled out in the report, but the conclusion reached by DOT analysts is that the employment impact would be prolonged and in some areas permanent.

A similar conclusion is reached in the study about prospects of other auto companies either foreign or domestic acquiring Chrysler plants. Except for two facilities, most Chrysler plants would be unsuitable for other auto companies, according to the study. Their value, if any, would be limited to that of the property they occupy.

Another suggestion often heard is that Chrysler could be reorganized as a smaller company specializing in production of small fuel-efficient cars. The DOT analysis concludes "this is not possible under existing plant and capitalization structures," citing the obstacles of covering fixed costs on a limited product basis and the small profit margins that can be realized on small cars.

Mr. President, Chrysler's need for some form of outside assistance is well established by the quarterly losses recently announced by the company.

The national interest in providing that assistance is well presented in this study.

I ask unanimous consent that the text of the study be printed in the RECORD at this point in my remarks.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

EMPLOYMENT AND ECONOMIC EFFECTS OF A CHRYSLER SHUTDOWN OR MAJOR REDUCTION IN BUSINESS: PRELIMINARY DATA AND ANALYSIS

INTRODUCTION

The purpose of this paper is to address two major questions concerning the Chrysler Corporation and its current financial problems:

What employment effects would result from a major reduction in operations, or shut down?

What economic effects would the Nation, and more particularly several regions of the Nation, sustain under major reductions in business?

It was not intended to address several critical financial questions such as the effect of Federal relief measures, or the ability of Chrysler to continue full operations.

Data and analysis in this document are all derived from detailed study of the plant and facilities base of the Chrysler Corporation. Unlike similar current studies of the company and its situation, this analysis builds upward from plant and community data, rather than moving downward from macroeconomic or corporate level data.

National and even regional macroeconomic analysis can obscure critical data: by ignoring the local dependence upon Chrysler, by simplifying the apparent re-employment of Chrysler workers without regard for their actual living situations, and by avoiding important constraints such as the capacity of other companies to pick up Chrysler workers or sales.

The community-based method used in this report, while missing some of the larger effects such as those upon the capital markets, more accurately demonstrates the regional dislocations instigated by a Chrysler shut down, and the level of effort required to re-integrate the Chrysler capacity into the economy.

This is important, for even though a Chrysler shut down will have measurable national effects, it is clear that certain regions of the country will bear a disproportionately large burden. In the case of the City of Detroit, the burden would be nothing short of devastating, and could effectively destroy that city's economic base for a period of years.

This report is organized into three major sections:

Employment Effects.
Economic Effects.
Ancilliary Issues.

A complete summary of data is appended, and it is suggested that the best understanding of the complexity of the situation can be obtained by viewing the plant and community data sheets.

EMPLOYMENT EFFECTS OF CHRYSLER SHUT DOWN OR MAJOR REDUCTION IN BUSINESS

It is clear that several thousand Chrysler workers would not be affected by the problems facing the automotive operations of the company. These workers are primarily confined to the marine division, defense operations, and some corporate staffs. It appears that in the event of a shut down, the Marine and Defense operations might be spun off in some way that their employment effects would be minimized. Some corporate staff people might more easily transfer to the other auto companies, because their skills are currently in high demand, and because their hiring would not depend upon the productive capacity of the other companies.

However, it is also clear that more than 100,000 production workers would be directly affected, and that they would be effectively removed from the economy at least until the current economic slowdown ends. Even when economic conditions return to more positive levels, the reintegration of the Chrysler work force would be limited by regional concentration, by workers limited abilities to relocate, by the limited capacity of other producers to pick up Chrysler people, and by the decimated Detroit economic base.

Chrysler worker rolls indicate 140,977 workers currently carried. Of these, approximately 24,000 are now on indefinite or extended layoff and are receiving the normal layoff benefits. In the event of collapsing auto operations, the following automotive production workers would be immediately affected:

United States (approximately)	97,000
Canada	15,000
Mexico	7,500
Total	119,500

Most of these would be released, with the possible exception of workers at several facilities who might remain employed if other companies sought to take them over. It is estimated that workers potentially retained would be at the following facilities.

New Process Gear.

Belvidere Assembly (with temporary shut down for retooling).

Introl Division.

Kokomo Transmission (only partial retention).

Under the most optimistic scenario, only 12,000 workers would be eligible for retention. A more realistic assessment would be 6,000 workers retained with an additional 2,500 eligible for re-employment at Belvidere after a one year layoff. This assumes immediate takeover by another company.

The Canadian and Mexican operations, because of their dependence upon production in the U.S., would certainly close. It should be noted that the Canadian work force is concentrated in the Windsor, Ont. area which is contiguous to Detroit. This exacerbates the regional effect in Detroit.

Because Chrysler is less fully integrated than the other auto companies, it purchases more parts from independent suppliers. Therefore, layoffs in the Chrysler production base would have immediate ripple effects throughout the supplier chain. We estimate that approximately 70 percent of Chrysler supplier companies are small manufacturing concerns with great concentrations of business in Chrysler products. Leaving aside the question of bankruptcy for these companies (a very real possibility), it is clear that many jobs would be directly lost owing to elimination of Chrysler orders.

It is possible to estimate these multiplier effects in several ways. We have used a regional multiplier method derived from local economic impact assessment, and we have corroborated these estimates with an actual headcount of supplier employment estimates. A headcount suggests the following related jobs potentially lost, at least temporarily:

Suppliers (approximately)	180,000
Dealers (approximately)	100,000
Freight and related (approximately)	12,000
Total	292,000

Our analysis suggests that many additional supplier workers, mainly at larger companies, produce Chrysler components and might be faced with job losses. We believe that a number of dealer employees, after initial dislocation, might be picked up either by domestic or foreign producers.

The data and estimates contained in this document are based upon our multiplier analysis, and because we can discern larger employment effects in our headcount, we believe that our employment multiplier analysis is quite conservative. It should be read as our minimum estimate of employment.

Regional multipliers, derived from past employment behavior under changing economic conditions, indicate that for the various regions involved, a lost automotive production job instigates 1.4 to 2.0 additional job losses in the local economy. It is important to note that this is community based, and will therefore miss other job losses which might be instigated outside of the regions measured.

Multiplier analysis indicates primary and secondary job losses derived only from the Chrysler production employment ranging at a minimum from 240,000 to 295,000 jobs. An additional 50,000 jobs would be lost just from direct layoffs in Chrysler's staff and nonproduction workers.

Notice that this multiplier estimate, which includes Chrysler employment, is smaller than the headcount of non-Chrysler workers mentioned above. We expected that the actual effects will be larger than our multiplier analysis suggests.

These are short-term job losses. Many analysts assume these jobs will be picked up by other employment concerns, according to gross estimates of job creation. Our analysis indicates that the rate of re-employment will be strongly constrained by the attributes of Chrysler workers location, the mix of skills they represent, the state of the economy forced by recession and the Chrysler economic effects, and by the specific capacity available for re-employment. These effects will be documented below.

Also note that our multiplier estimates do not include dealer, defense, financial, real estate, or marine employment.

Ability of other auto companies to pick up Chrysler workers

The major constraint on re-employment is the limited ability of Ford and GM to hire additional workers. The easiest job transfer would be to facilities needing the specific auto-making skills of the Chrysler workforce.

Our capacity analysis, summarized in Exhibit 8, shows that Ford and GM have considerable excess capacity in the sales segments released by a Chrysler collapse. This means that as GM and Ford picked up those sales, they would be drawing from their own employment rolls, currently on layoff, and they would have little need for Chrysler labor.

In those cases where GM and Ford could not pick up the excess unit demand dumped to the market by Chrysler, the companies are constrained by physical capacity. They are already running at overtime levels to supply the small car demand segment, and could not expand capacity for these units of production for some time. If they were to add increments of physical capacity for existing models, lead times would run one year minimum, and more likely two years. If the other companies were to add capacity for new models, lead times until production could run as long as 4 years.

This effect would only be exacerbated by the current recession, and it perhaps would be magnified by economic fallout from the Chrysler collapse. It is also important to note that even as the companies introduce new smaller models, they will be employing primarily their own workers shifted from larger cars.

This capacity constraint is heightened by the location of capacity. Chrysler is unique in that most of its productive capacity resides in the City of Detroit. The other companies have for many years moved capacity away from Detroit (see Exhibit 15). GM and Ford have relatively little production capacity within range of many Chrysler workers, so even if they were capable of employing these workers, such employment would require worker relocation.

A second complicating factor is the incompatibility of skill mix by geographic location. As can be seen in Exhibit 7, even when Chrysler has facilities located near those of the other companies, the nature of the skills employed is not entirely compatible. Foundry workers cannot be easily shifted to assembly operations, and certainly not to skilled machining operations. Skilled diemakers are more easily transferred, but their total number is not large. Methods of production are also quite different among companies, and Ford and GM will not be entirely disposed to considerable retraining expense unless there is compelling demand which cannot be satisfied with their own trained workforce.

In the case of the Chrysler suppliers, the other companies will not be able to pick up foregone Chrysler orders and therefore supplier employment will be affected. GM is almost totally integrated, producing most of its parts, Ford purchases from outside sources in limited quantities, and only when internal capacity is not large enough or not economic to build. Because Chrysler suppliers are making very specific parts for Chrysler products, their markets would be instantly removed, and there would be little relief available from the other domestic manufacturers. Even if they could find new markets, employment would be low during periods of retooling, which could last upwards of one year in the case of transfer-line-type production.

If Chrysler collapsed, they would cancel approximately $2 billion of future tooling orders. Lead times for new capital equipment in this industry range 2 to 4 years into the future, and Chrysler has many orders in the pipeline. This effect is not included in our multiplier analysis, because tooling deliveries have never been permanently cancelled in such large quantities before.

Competition for toolmaking capacity is intense, owing to the extremely high investment in new products in the industry. It is quite likely that other orders would come in to fill the lost Chrysler business, but it is not clear how much value currently in production would be lost, or how quickly toolmakers could realign their efforts.

Some facilities might be salvaged

Many analysts assume Chrysler facilities will be purchased by other companies, domestic and foreign producers being most often cited. Our analysis indicates very little possibility of this, again attributable to the nature of the Chrysler facilities, their location, and the investment strategies and needs of the other companies.

As indicated earlier, most Chrysler facilities are in the Detroit area. What is not revealed by gross economic data is the fact that these facilities are old, inefficient in their spatial layout, limited in their potential for expansion, and located in areas known to have some of the most inefficient and troublesome workforces available.

Other auto companies would certainly have little use for Chrysler's Detroit facilities. It is clear that Ford and GM have moved production rapidly away from the city, and that they have all new capacity plans currently in the pipeline away from the city.

The only other producer in the City of Detroit is GM. These facilities are either lower volume Cadillac plants, with little capacity to absorb workers, or they produce items which currently experience low demand, and therefore excess capacity. GM is moving some of these facilities out of the city.

Ford has never really operated in the city, although they have facilities in nearby Dearborn. However, as shown in Exhibit 15, Ford's future plans are not in this area, and it is unlikely they would see any value in taking over Chrysler's old plants.

Even if these companies were to acquire the plants, they would be purchasing only the property space, for none of the tooling matches their needs. This means little employment results for several years while the companies retool. Again, this is not even considered likely because capital is already scheduled for non-Detroit placement, and little interest on the part of Ford and GM for Chrysler's plants is foreseen.

Foreign producers might be interested in some of Chrysler's facilities, but again this would only be for property space, not for its productive capacity. This would not create new jobs. It is far more likely that foreign producers would only be interested in some of Chrysler's non-Detroit facilities, which would have little effect on the main problem.

Based upon analysis of the quality of Chrysler assets, the needs of other producers, and the mix of production at the Chrysler facilities, it is believed that four facilities might have potential for at least partial takeover of the production capacity.

The most promising assets appear to be *New Process Gear*, located primarily in Syracuse, New York. This facility produces drivetrain componentry in efficient facilities, primarly for use by other companies. It supplies transfer cases, for example, to producers of four-wheel-drive vehicles. It is estimated that New Process is a profitable operation, with considerable demand away from the Chrysler base. This makes it a good takeover possibility.

However, the recent reductions in light truck sales have hurt New Process. Estimates suggest perhaps a 30% reduction in demand for major components. We would have estimated the economic value of New Process to be $350 million to $450 million, prior to this reduction. Our new estimates suggest its value to be at the low end of earlier estimates.

Takeover management would undoubtedly retool much of the facility. This would result in partial job reduction for periods greater than one year, with employment only necessitated by changeover operations and continued production of demanded components.

Another takeover candidate would be the Belvidere Illinois assembly plant, currently producing Omni/Horizons. This is Chrysler's most efficient assembly operation and its basic facilities could be seen as valuable. But again, we doubt that other producers would want to continue Omni/Horizon production, and therefore one could expect job losses while the takeover company retooled the plant. This could take from one year to three, depending upon the nature of planned production and the availability of tooling capacity.

A third possible salvage item could be part of the Kokomo Indiana transmission facility. This plant is not entirely renovated, but it has modern tooling and does produce for outside companies. We estimate that retooling here would have to be more pervasive, most likely for integration into some other company's product base. This suggests lower

employment possibility, but some potential for medium term pickup.

The last facility we considered acquirable for its capacity is the Introl Division which makes instrumentation and similar componentry. This is probably eminently transferrable, but its economic power is small (at perhaps $40 million), and its employment potential limited at 1300 people.

Other facilities might be acquired, but this would be for land space. Given the complexity of new production processes, and the need for efficient building design from the ground up in these expensive energy times, it is usually more economical for an automotive type producer to construct new facilities in places away from the traditional manufacturing base. This is the driving force behind Ford and GM investment plans, and presents a strong barrier to the salvaging of Chrysler jobs.

One interesting sidelight, which has resulted from the expense of pollution control, is that some old plants in the industrial belt are acquired by producers with other large facilities. These acquiring parties can shut down the acquired older facilities and obtain pollution credits to apply to their desired production base. We do not believe this will be any real influence in the Chrysler situation, but we have noted such occurrences, and they could be expected. This does not result in job creation, of course.

It is very important to bear in mind that any acquiring party would be faced with initial purchase, scrappage of Chrysler equipment, ordering of new tooling, and retraining of the workforce. This will undoubtedly slow the absorption of Chrysler workers into the labor force.

Regional strains

The most glaring conclusion of our analysis is that several major industrial communities will bear a very heavy burden in any Chrysler collapse, owing to the concentration of Chrysler plants in specific areas.

In most Chrysler communities, Chrysler employment is a significant portion of the manufacturing workforce. Even a 2 or 3 percent reduction in employment, the effect in the most diffused Chrysler locations, will produce local unemployment effects which can snowball. Cities most affected are:

Detroit, MI.
Kokomo, IN (from other facilities not mentioned above).
New Castle, IN.
Fostoria, OH.
Belvidere, IL.
Newark, DE.
Syracuse, NY.
Huntsville, AL.
Windsor, ON, Canada.

School budgets, city budgets, property values, and retail trade could all be severely affected in the short term in these areas. In cases such as Detroit and New Castle, the effects would be debilitating. See Exhibits 2–7 for the estimated employment effects and local economic output effects.

Strong effect on minority work force and economy

Because of Chrysler's center city facility placement, the company employs a great number of minority workers. This is concentrated in the production workforce, which is the area most affected by a Chrysler collapse. Exhibit 17 summarizes the minority employment situation. Under shut down conditions, Chrysler would release approximately 35,000 minority workers in the Detroit area. Overall effects on minority employment would total more than 38,000 workers.

Given the precarious state of the employment base in the center city, and the somewhat limited ability of workers to relocate, this can be seen as a devastating social impact.

Estimates of the portion of the economy available to minority workers range widely. One recent estimate from the Bureau of Census suggests flows to the black economy of approximately $80 billion per year. Chrysler salary payments to its black workers are estimated to be $800 million, which is roughly 1% of the $80 billion figure. To the extent the black economy estimate is correct, this will have a serious impact.

Note that salaries and benefits in the auto industry are generally much better than in most other manufacturing concerns. This means that even if minority workers were able to find other jobs, the net economic loss would be large in both cash and social benefits terms.

Families affected

Using typical demographic data for the communities measured, we estimate that more than 399,000 family members will be directly affected by a shutdown of Chrysler automotive operations. This does not include family members of non-auto workers, dealers, staff, suppliers, and others. If the demographics held for all the other categories, more than 1.1 million family members could be affected.

This is not a direct employment or economic effect included in our measurements. It is possible that second worker households would fare better than single worker ones, but it is also possible that Chrysler or its suppliers would employ more than one member of the same household. Obviously, the effect is large no matter how it is measured.

Unemployment resources limited

It must be noted that Chrysler's unemployment benefits fund is already being strained, and that in the event of a collapse it would be eliminated. This means the employment impacts mentioned above carry greater weight than previous layoffs in the auto business cycles, because the economic support in unemployment is nonexistent.

Long-term turnover measurements

Recent estimates suggest that in good times, the average production worker turnover owed to attrition, retirement, and firing averages 10% of the workforce in a given year. This is a suspect ratio, because local effects dictate actual turnover, but it is at least useable for perspective.

At first look, this turnover number suggests 70,000 job placements open in the U.S. each good year. This should be reduced by transfer turnover, which would reduce openings for Chrysler workers, but more importantly this is once again restricted by the location of Chrysler workers. Turnover in the Detroit and Dearborn area would only produce 11,000 job places in a good year, which suggests that even with worker relocation, only 25% of Chrysler workers could be picked up each year.

Again, this does nothing for suppliers because of the integration of the other producers. Our community analysis is more accurate in measuring the actual effects and potential for placement.

Dealers

The economic effect upon dealers would be immediate and strong, because they are holding so much Chrysler inventory. However, employment effects are more difficult to judge. Most would experience immediate job losses, but this sector is more easily picked up by other companies.

Domestic companies might not be motivated to aquire Chrysler franchises, owing to location concentration and to the fact that dealer units are already somewhat low and could not be diluted further. The gain in sales from dumped Chrysler market segments would not be large enough to warrant full scale dealer networks.

However, it is entirely likely that Ford and GM would pick up some dealers and that foreign producers might acquire more. Likely candidates would start with Mitsubishi, currently selling through Chrysler dealers, and long desirous of its own marketing network here. VW might take some and Renault is likely, as are Peugeot and other Japanese companies.

City of Detroit

The impact of a Chrysler shutdown on Detroit area is extremely serious, and could represent a regional depression. Volatile auto economics have always had a strong effect here, but this situation is different because it means a permanent loss of the production base.

Total employment in the Detroit SMSA peaked prior to the 1973–75 oil embargo and recession in December 1973. Wage and salary employment had risen to 1,712,700 workers, there were 622,500 jobs in the manufacturing sector, and the unemployment rate was approaching 5.0%.

As a result of the embargo and recession, employment in Detroit steadily declined until second quarter 1975. Wage and salary employment bottomed out at 1,525,000, manufacturing employment at 488,000, and the unemployment rate rose to 14%. Total employment declined by 188,000, manufacturing by 135,000, and the unemployment rate rose 9% points.

It took the Detroit area over two years—until second quarter 1977—to regain a level of wage and salary employment equal to the peak 1973 level. However, manufacturing employment has never returned to its peak 1973 level despite several strong years of automotive production between 1973 and 1979. As of the second quarter of 1979, manufacturing employment was 588,400—6% below 1973 levels. This measure has been declining since the third quarter of 1978.

The unemployment rate for the area has been consistently higher than the historical rate, fluctuating between 6%–12% since 1973. The average rate since 1973 has been 8.4%, and currently stands at 8.7%.

The slow rate of recovery, even given near record auto production, shows the basic deterioration in the Detroit economic base, and its vulnerability to automotive changes.

The aggregate employment effect of a Chrysler shut down on the city would be very similar to the 1973–75 employment decline. But instead of being a gradual decline, this would be an immediate economic shock, with unemployment rising in the SMSA from its present 8.7% to 16%–19%.

There would be no future promise of reduction in unemployment, because unlike the last recession, gains in auto sales would produce no production increases in Detroit. The Chrysler effect immediately recreates the depths of the past recession, but establishes it as a permanent change.

One needs no strong reminder of previous social unrest in the Detroit area. While social tensions are not as strong today as they were in more troubled times, it takes little imagination to envision the results of such massive economic reductions in the inner city. It need not be emphasized that the unemployment race among minority workers is higher now, and would soar under Chrysler shut down conditions.

Preliminary estimates suggest that Chrysler pays direct taxes to the City of Detroit (not SMSA) of $34 million. This is a significant portion of the budget. Other economic effects would place strains on city services, and unemployment/welfare payments could be debilitating. Detroit is still recovering from welfare disbursements of the last recession.

Even if these workers could be re-employed elsewhere, the downtown area of Detroit would be left empty. Our preliminary estimates suggest that upwards of $3 billion of new capitalization would have to be brought into the city to reestablish a Chrysler size operation. Given the potential social situation, one wonders about the prudence of such an investment.

ECONOMIC EFFECTS OF A CHRYSLER SHUTDOWN

This is a very difficult area of assessment, because the Chrysler enterprise is intricately involved in many sectors of the economy, either through direct productive output, or through capital markets, and indirect economic multiplier effects.

Even in the cases where new facilities might be added, or where other producers might refurbish Chrysler plants, lead times for such renewal dictate at least a year's delay in economic activity, which does little to counter the large drop in output.

Also the nature of this shock could disrupt other economic sectors at each location, making capital formation and recovery somewhat more difficult. Suffice it to say, that the economic fallout of the Chrysler shut down would be enormous, and long lasting in several critical metropolitan areas.

Unemployment compensation and welfare

As was mentioned earlier, Chrysler's shut down would remove all of the traditional benefits which supplement government payments to laid off auto workers. This means the entire assistance burden would fall upon government organizations. It would also result in large drains on funds, and at the same time taxes would be dropped.

Assuming unemployment benefits averaging $100 per week per worker—most auto workers would be eligible for payments in excess of this—government assistance bills could exceed $30 million per week, or $1.5 billion over one year. Welfare payments to perhaps 1 million family members affected would add to this.

It is doubtful that local coffers could support this level of payment.

Income tax losses

In addition to direct property and other corporate taxes, upwards of $500 million of income taxes could be lost through reduced employment in the Chrysler and supplier base.

One could also expect sales tax losses through reduced activity in economically depressed areas.

Financial markets

Losses are obvious. They would start with $1 billion debt, and similar amounts of commercial paper. Treasury data is most accurate source in this instance.

Pensions

Exhibit 13 highlights some of the most important pension numbers. Additional losses in Chrysler stock held for retirement would disrupt this aspect of financing for existing and retired Chrysler workers.

Balance of trade and payments

We estimated that several hundred thousand units of sales would be picked up by imports, owing to constrained production facilities at Ford and GM. VW production facilities in 1980 and beyond might mitigate this, but the direction is clear. This could increase imports value by about $1.5 billion per year (241,000 units at $6000).

Forward tooling cancellations

As mentioned above, Chrysler would cancel perhaps $2 billion or more of foreward tooling orders. This is actually proxied in our economic flow estimates, but it does represent several years of tooling business, rather than the first year effects measured above.

Regional steel sales

If Chrysler were to shut down, it is possible that several local steel producers would not have volume sufficient to continue operations. This requires further research, but early indications suggest a problem.

Ancillary issues

Obviously a number of other effects would result from a Chrysler shutdown beyond those mentioned above. This section should be considered less of an analysis and more of a thought outline relating to other aspects of the problem.

Fuel economy effects

Contrary to media implications, Chrysler currently holds the highest Corporate Average Fuel Economy rating of the domestic companies. This is largely supported by Mitsubishi sales, but approximately 60% of Chrysler's current sales mix is in small and compact autos. The company is about to place approximately 500,000 new fuel efficient production units on the market in the next 20 months.

A Chrysler shut down would therefore remove approximately 800,000 units of small cars from the American production base by 1981. This would lower the potential for fuel savings derived from new fleet sales each year.

Partial shut down

This analysis has not considered scenarios in which only part of Chrysler's automotive production is shut down. Some analysts suggest Chrysler could operate as a limited line producer, building only smaller cars.

Our facilities analysis suggests this is not possible under existing plant and capitalization structures, for two primary reasons.

It can be seen that the plant base, while separated by model line in the assembly functions, it integrated across model lines in the component facilities. Were Chrysler to operate only limited product lines, the componentry base could not be efficiently reduced to get fixed costs in line with sales volumes. This could only be performed by large infusions of external capital to reconstruct the very expensive engine, transmission, suspension, and driveline facilities. Our estimates of new capital for this start at about $1.5 billion. A more realistic estimate could approach $4 billion.

The second impediment to limited production of smaller cars is that the size of the market and the prices Americans are willing to pay for small cars would not support a strong financial organization around these sales. Variable margins on larger cars can be as much as ten times the size of margins in small cars, which does not leave much profit in 800,000 units or less of small car production. It is not entirely clear that the required new capital for facility retooling would flow to such a small margin business.

This topic is under continuing investigation.

Related producer effects

It should be noted that Chrysler produces components parts for a number of other companies. AM and International Harvester, for example, would have to seek new component sources were Chrysler to shut down. Some of this might be mitigated if other companies picked up New Process Gear and Introl, but the potential for disruption exists.

Several overseas companies would also experience problems.

Impact on existing Chrysler owners

Registration data suggest there are almost 17,000,000 Chrysler vehicles in use in the United States. Using the scrappage rate of auto fleets and the average cost of servicing over the life of the vehicle, it is estimated that parts and service requirements to maintain these vehicles would have a present value in 1979 dollars of $41,932 million. This is the present value of the amount of business activity which would be required to keep these vehicles running.

If no one were willing to keep making Chrysler parts in this amount, then the utility of these vehicles to the present owners would rapidly decay.

Using a 6% after tax return on the wholesale value of this service business, and a 9% cost of after tax capital, one might be willing to invest as much as $1.8 billion today in such an operation. If the scrappage of vehicles did not occur any faster than in the past, this might be a reasonable investment.

The problem is that the initial investment required to make these components could easily total more than the present value of earnings, unless the investing party were able to acquire existing Chrysler production tooling. However, in the event of a Chrysler collapse, it is not at all clear that the production assets would be available for purchase—they would most likely be encumbered by claims.

The value of these owned vehicles, using a range of average resale values from $2000 to $4000, is between $30 billion and $70 billion. Unless parts and service operations were continued, most of this value would be quickly lost.

EXHIBIT 1

CHRYSLER CORPORATION EMPLOYMENT 5/79

	Salary	Hourly	Total
1. Central offices—Detroit, Mich.:			
Finance and general counsel	2,960	.....	2,960
Engineering and product development	7,412	.....	7,412
Personnel and others	1,646	.....	1,646
Total	12,018	.....	12,018
2. Diversified products group:			
Defense	2,903	2,534	5,437
Electronic products	817	1,544	2,361
Component products	810	2,352	3,162
Marine division	566	939	1,505
Total	5,096	7,369	12,465
3. Manufacturing and purchasing group:			
Office	1,255	888	2,143
Stamping and assembly division	8,342	52,431	60,773
General manufacturing division	3,656	21,711	25,367
Engine and casting division	1,744	8,604	10,348
Total	14,997	83,634	98,631
4. Sales and marketing group:			
Service and parts division	2,431	2,708	5,139
Sales, dealers, marketing, etc	2,161	93	2,254
Total	4,592	2,801	7,393
5. Mexico	1,925	5,361	7,286
6. Canada	2,592	12,402	14,994
7. International—Not Canada, Mexico	4,926	10,141	15,067

EXHIBIT 2

CHRYSLER AUTO PRODUCTION EMPLOYMENT BY METROPOLITAN AREA 5/79

State: Metropolitan area (or county)	Plants	Auto production employment: Hourly/Salary	Auto production employment: Total	Annual payroll ($M)	Employment as percent of—: Total	Employment as percent of—: Manufacturing
Michigan:						
Ann Arbor	2	974/302	1,276	$37.3	1.0	3.2
Detroit	22	44,269/7,407	51,676	1,508.9	3.0	9.0
Lansing-Lyons	1	541/111	652	19.0	.4	1.5
Total, Michigan	25	45,784/7,820	53,604	1,565.2	1.5	4.6
Indiana:						
Indianapolis	2	3,499/593	4,042	113.0	.8	3.1
Kokomo	2	5,870/894	6,764	189.2	13.9	.....
Michigan City (LaPorte County)	1	241/54	295	8.2	1.6	.....
New Castle (Henry County)	2	2,240/367	2,607	72.9	11.6	.....
Total, Indiana	7	11,800/1,908	13,708	383.3	.6	1.9
Ohio:						
Dayton	1	1,635/291	1,926	51.9	.5	1.8
Fostoria (Seneca)	1	531/121	652	17.6	2.5	.....
Sandusky (Erie)	1	207/137	344	9.3	1.0	.....
Toledo	1	2,033/356	2,389	64.5	.7	2.7
Twinsburg (Summit)	1	3,280/468	3,748	101.1	1.7	.....
Van Wert-Lima SMSA	1	304/43	347	9.4	.4	.....
Total, Ohio	6	7,900/1,416	9,406	253.8	.2	.7
Missouri: St. Louis	2	7,959/941	8,900	235.1	.9	3.5
Total, Missouri					.5	2.0
Illinois: Belvidere-Rockford SMSA	1	4,574/502	5,076	136.7	4.3	9.4
Total, Illinois					.1	9.4
Delaware: Newark-Wilmington SMSA	1	3,960/517	4,477	108.2	2.3	7.2
Total, Delaware					1.7	6.5
New York: Syracuse	1	3,133/546	3,679	112.2	1.5	5.5
Total, New York					.05	.2
Alabama: Huntsville	1	1,100/641	1,741	40.7	1.7	6.7
Total, Alabama					.1	.5

EXHIBIT 3

CHRYSLER AUTOMOTIVE FACILITIES—EMPLOYMENT AND ECONOMIC DATA BY LOCATION

State: Plants by metropolitan area	Function	Years since construction or acquisition	Employment hourly/salary	Total employment	(SFB) annual payroll (millions)	Family dependents (estimate)	Personal income tax on current salary (million; estimate)	Economic flow through factory (millions; estimate)
Michigan:								
Ann Arbor:								
Introl Division—Ann Arbor	Auto instruments	11	974/302	1,276	$37.3	5,104	$7.0	$111.7
Introl—Scio Plant	do	11	.....	.....	.....	.....	.....	.....
Detroit:								
Lynch Rd	Newport, New Yorker, St. Regis	51	4,431/636	5,067	148.0	20,268	27.8	443.5
Jefferson Ave	Pickups and utilities	54	2,679/397	3,076	89.8	12,304	16.8	269.2
Hamtramck[1]	Volare, Aspen	51	5,222/797	6,019	175.8	24,076	33.0	526.8
Warren Truck	Pickups, vans, RV's	42	6,736/777	7,513	219.4	30,052	41.1	657.6
Eight Mile	Auto stampings	26}	1,959/405	2,364	69.0	9,456	12.9	206.9
Outer Dr	do	26}						
Mack Ave	do	26	3,656/455	4,111	120.0	16,444	22.5	359.8
Sterling Heights	do	14	2,760/440	3,200	93.4	12,800	17.5	280.1
Warren-Stamping	do	41	2,855/403	3,258	95.1	13,032	17.8	285.2
Northern Steel	Steel fabrication	5	29/13	42	1.2	168	.2	3.7
Vernor Tool & Die	Dies, jigs, fixtures	26	796/501	1,297	37.9	5,188	7.1	113.5
Detroit Trim	Trim components	9	822/151	973	28.4	3,892	5.3	85.2
Mound Rd. Engine	318/360 CID, V-8 engines	26	2,486/391	2,877	84.0	11,508	15.8	251.8
Trenton Engine	361/413 CID, V-8; 225 CID, L-6; 1.7 L-4	27	2,139/464	2,603	76.0	10,412	14.3	227.8
Huber Ave. Foundry	Iron castings	13	1,839/383	2,222	64.9	8,888	12.2	194.5
Winfield Foundry	do	31	248/52	300	8.8	1,200	1.7	26.3
Detroit Axle	Auto parts and axles	51}	3,482/606	4,088	119.4	16,352	22.4	357.8
Detroit Forge	Auto forgings	51}						
Detroit Universal	U-joints, drivetrain, steering	24	948/140	1,088	31.8	4,352	6.0	95.2
Amplex Harper	Powdered metal products	51	315/115	430	12.6	1,720	2.4	37.6
McGraw Glass	Glass fabrication	43	610/141	751	21.9	3,004	4.1	65.7
Trenton Chemical	Brake linings, adhesives, etc	32	257/140	397	11.6	1,588	2.2	37.4
Lansing/Lyons[1]	Trim components	14	541/111	652	19.0	2,608	3.6	57.1
Indiana:								
Indianapolis:								
Indiana Foundry	Engine castings	20	848/201	1,049	29.3	4,196	5.5	91.8
Indiana Electrical	Electrical components, power steering units.	28	2,601/392	2,993	83.7	11,972	15.7	262.0
Kokomo:								
Kokomo Casting	Aluminum castings	14	761/143	904	25.3	3,616	4.7	79.1
Kokomo Transmission	Automatic transmissions	13	5,109/751	5,860	163.9	23,440	30.7	512.9
New Castle:								
New Castle Forge	Powertrain components	54}	2,240/367	2,607	72.9	10,428	13.7	228.2
New Castle Machining	do	54}						
Michigan City: New Castle Molded Product	Plastic parts	3	241/54	295	8.2	1,180	1.5	25.8
Ohio:								
Dayton: Dayton No. 1	Air-conditioners and heaters	54	1,635/291	1,926	51.9	7,704	9.7	168.6
Fostoria: Fostoria Foundry	Iron castings	7	531/121	652	17.6	2,608	3.3	57.1
Sandusky: Vinyl Products	Plastic products	11	207/137	344	9.3	1,376	1.7	30.1
Toledo: Toledo Machining	Machining components	12	2,033/356	2,389	64.5	9,556	12.1	209.1
Twinsburg: Twinsburg Stamping	Auto stampings	22	3,280/468	3,748	101.1	14,992	19.0	328.1
Van Wert: Amplex (3 plants)	Powered metal products, magnets, extrusions	14	304/43	347	9.4	1,396	1.8	30.4
Missouri: St. Louis:								
St. Louis Car	LeBaron, Diplomat	20	4,337/527	4,864	128.5	19,456	24.1	425.7
Missouri Truck	Vans	13	3,622/414	4,036	106.5	16,144	20.0	353.3
Illinois: Belvidere: Belvidere Assembly	Omni/Horizon	14	4,574/502	5,076	136.7	20,304	25.6	444.3
Delaware: Newark: Newark Assembly	Aspen/Volare; Diplomat/LeBaron	27	3,960/517	4,477	108.2	17,908	20.3	391.9
New York: Syracuse: New Process Gear	Manual transmissions; axles	18	3,133/546	3,679	112.2	14,716	21.0	322.0
Alabama: Huntsville: Huntsville Electronics	Electronic components	14	1,100/641	1,741	40.7	6,964	7.6	152.4

[1] Plants to be phased out within next calendar year.

PARTIAL LISTING OF CHRYSLER FACILITIES, DEALERS, AND SHAREHOLDERS

	Employees	Wages (millions)	Suppliers	Direct local purchases (millions)	Auto dealers	Marine dealers	Dealer employment	Direct local taxes (millions)	Shareholders
Alabama	1,894	$45.6	480	—	61	29	1,226	$0.8	1,512
Alaska	0	0	8	.0	4	—	169	.0	114
Arizona	35	1.8	44	7.6	28	0	380	.1	1,535
Arkansas	17	.4	18	.5	66	18	1,806	0	429
California	1,248	38.1	59	84.1	230	26	6,460	.9	12,468
Colorado	129	3.4	38	3.4	51	9	1,646	.1	1,220
Connecticut	46	1.4	324	96.6	68	14	1,818	.2	3,773
Delaware	4,897	118.5	112	11.4	14	5	389	3.6	1,416
Washington, D.C.	0	0	14	.1	3	1	83	0	647
Florida	808	12.5	142	2.8	126	96	3,254	.8	11,089
Georgia	234	6.7	116	31.5	88	31	3,443	.3	1,714
Hawaii	0	0	2	0	5	1	1—	.1	700
Idaho	11	.2	2	.1	33	6	898	0	324
Illinois	5,455	146.9	1,468	376.6	253	50	6,828	4.0	10,350
Indiana	14,675	410.3	1,431	453.8	147	37	4,002	8.2	4,740
Iowa	[illegible]	.6	53	30.1	156	37	4,141	.4	1,594
Kansas	158	4.4	38	3.4	91	13	2,431	.2	1,213
Kentucky	27	.7	78	28.4	82	21	2,237	0	1,520
Louisiana	270	7.6	271	11.9	70	31	1,975	.7	1,470
Maine	11	.3	5	.2	45	11	1,225	0	708
Maryland	149	4.2	95	4.5	73	26	2,028	.1	3,129
Massachusetts	228	6.1	319	26.6	100	27	2,943	.3	5,395
Michigan	82,060	2,395.6	6,314	2,456.9	187	70	5,212	94.6	43,433
Minnesota	165	4.4	151	39.2	149	61	4,194	.4	1,977
Mississippi	17	.4	15	.9	52	23	1,597	0	557
Missouri	9,223	243.6	561	99.1	135	28	1,650	5.4	4,186
Montana	0	0	1	0	34	10	936	0	428
Nebraska	50	1.4	14	.1	69	30	1,894	0	670
Nevada	17	.3	4	.4	13	6	368	0	294
New Hampshire	0	0	47	23.7	34	10	935	0	683
New Jersey	112	3.3	557	69.4	143	39	3,913	.5	10,204
New Mexico	0	0	1	0	26	0	716	0	390
New York	4,205	128.2	1,333	295.3	305	69	8,275	6.4	22,181
North Carolina	32	.9	[illegible]	31.6	106	33	2,971	.1	1,664
North Dakota	10	.3	2	0	42	10	1,142	0	340
Ohio	11,195	302.1	2,451	1,024.3	260	33	6,935	9.2	9,449
Oklahoma	28	.7	[illegible]	.7	70	16	2,000	.1	664
Oregon	119	3.0	29	3.6	50	20	1,400	.1	892
Pennsylvania	935	25.0	901	428.9	350	36	9,280	.5	12,643
Rhode Island	0	0	51	5.1	17	5	467	0	909
South Carolina	44	.9	33	3.1	51	16	1,406	0	1,006
South Dakota	0	0	8	0	40	11	1,075	0	361
Tennessee	169	4.7	128	53	103	26	2,808	.2	1,539
Texas	747	15.8	381	53.2	213	107	6,073	.7	3,002
Utah	16	.4	7	.2	33	6	888	0	367
Vermont	0	0	7	.9	27	4	722	0	401
Virginia	94	2.5	54	77.9	128	21	3,433	.1	3,320
Washington	37	.9	21	1.6	63	31	1,—	.8	1,519
West Virginia	15	.3	13	6.7	74	7	1,980	0	1,—
Wisconsin	950	17.3	562	102.7	167	71	4,692	.6	2,814
Wyoming	0	0	2	.1	21	4	566	0	203
Total, this listing	140,615	3,954.0	19,454	5,975.0	4,769	1,402	131,002	140.4	149,065

— indicates figures were illegible on copy.

EXHIBIT 6

SUMMARY OF EMPLOYMENT AND ECONOMIC OUTPUT LOSSES FROM COMPLETE SHUT DOWN (DIRECT AND SECONDARY)

THIS IS OUR CONSERVATIVE ESTIMATE

	Employment loss	Lost economic output (millions)
Auto production	241,418–294,415	[1] $22,006
Other	[2] 50,776	11,067
Total	292,194–345,191	33,073

[1] This is understated because of our method.
[2] Minimum.

Note: This does not include multipliers in the dealer or supplier networks.

EMPLOYMENT AND ECONOMIC OUTPUT EFFECTS, AUTOMOTIVE PRODUCTION FACILITIES ONLY (DOES NOT INCLUDE STAFF, DEFENSE, FINANCIAL, REAL ESTATE, DEALERS, MARINE)

State and location	Chrysler auto production employment	Economic flow through plants (estimated) (million)	Direct and secondary job losses (range)	Direct and secondary economic output losses (millions)
Michigan:				
Ann Arbor	1,276	$112	3,062–3,828	$280
Detroit	51,676	4,523	124,022–155,028	11,308
Lansing-Lyons	652	57	1,565–1,956	143
Total	53,604	4,692	128,650–160,812	11,730
Indiana:				
Indianapolis	4,042	354	9,701–12,126	885
Kokomo	6,764	592	16,234–20,292	1,480
Michigan City	295	26	708–885	65
New Castle	2,607	228	6,257–7,821	570
Total	13,708	1,200	32,899–41,124	3,000
Ohio:				
Dayton	1,926	169	4,622–5,778	423
Fostoria	652	57	1,565–1,956	143
Sandusky	344	330	826–1,032	$75
Toledo	2,389	209	5,734–7,167	523
Twinsburg	3,748	328	8,995–16,491	820
Van Wert	347	31	833–1,041	78
Total	9,406	824	22,574–28,218	2,060
Missouri: St. Louis	8,900	779	21,360–26,700	1,948
Illinois: Belvidere	5,076	444	12,182–15,228	1,100
Delaware: Newark	4,477	392	10,745–13,431	980
New York: Syracuse	3,679	322	8,830–3,679	805
Alabama: Huntsville	1,741	153	4,178–5,223	383
Total auto production	100,591	8,806	241,418–294,415	22,006

Note: Our measure understates the economic flow at each factory.

OTHER EMPLOYMENT AND ECONOMIC EFFECTS BEYOND AUTOMOTIVE PRODUCTION

State, location and function	Employment	Direct economic flow (estimated) (millions)
Michigan—Detroit:		
Central offices	12,018	$1,055
Defense	5,437	477
Marine	1,505	132
Factory office	2,143	188
Sales and marketing	7,393	649
Mexico: Auto	7,286	640
Canada: Auto	14,994	1,316
Total	50,776	4,427

NOTES

Estimated direct and secondary economic output loss $11,067,000,000.

The measure we have used understates the economic effects at the factory, and overstates the economic effects of corporate staff. This means the economic effects we have measured are conservative, since most economic power resides in factory base.

EXHIBIT 7

GEOGRAPHIC DISTRIBUTION OF SKILL MIXES

State and location	Chrysler	Ford	GM	AM	IH	Total, SMSA
Indiana: Michigan City						295
Materials	295	(1)	(1)	(1)	(1)	
Ohio:						
Dayton						24,615
Components	1,926	(1)	22,689	(1)	(1)	
Other						
Fostoria						652
Foundry	652	(1)	(1)	(1)	(1)	
Sandusky						5,771
Materials	344	(1)	(1)	(1)	(1)	
Components		2,427	3,000			
Twinsburg						3,748
Stamping	3,748	(1)	(1)	(1)	(1)	
Toledo						18,342
Components	2,389	(1)	8,286	(1)	(1)	
Stamping		1,165		6,502		
Van Wert						5,436
Metals	374	(1)	(1)	(1)	(1)	
Engines						
Missouri: St. Louis						21,175
Assembly	8,900	3,175	9,100	(1)	(1)	
Illinois: Belvidere						5,076
Assembly	5,076	(1)	(1)	(1)	(1)	
Michigan:						
Ann Arbor:						
Components	1,276	(1)	11,500	(1)	(1)	16,191
Material		3,415				
Detroit, SMSA	49,354	72,400	101,402	200		223,455
Assembly, Stamping	34,001	37,540	70 667	(1)	(1)	
Engine	5,480	1,287	17,700	(1)	(1)	
Foundry	2,477	6,169	2,200	(1)	(1)	
Components		17,515	10,835			
Other	7,396	9,889	(1)	200	(1)	
Detroit, central city	27,343	6,409	41,270			75,020
Assembly, stamping	16,888	5,322	23,900	(1)	(1)	
Engine	2,877	1,087	10,200	(1)	(1)	
Foundry	2,447	(1)	(1)	(1)	(1)	
Components	3,943	(1)	7,170	(1)	(1)	
Other	1,188	(1)	(1)	(1)	(1)	
Indiana:						
Indianapolis:						
Assembly, stamping			5,134	345		
Engine			4,000		2,500	
Foundry	1,049	(1)	(1)	400	(1)	
Components	2,993	4,793	(1)	(1)	(1)	
Other						
Kokomo						8,764
Foundry	904	(1)	(1)	(1)	(1)	
Components	5,860	(1)	2,000	(1)	(1)	
New Castle						2,607
Chassis components	2,607	(1)	(1)	(1)	(1)	
Delaware:						
Newark						6,202
Assembly	4,477	(1)	1,725	(1)	(1)	
New York:						
Syracuse						5,290
Component	3,679	(1)	(1)	(1)	(1)	
Stamping			1,611			
Alabama:						
Huntsville						2,741
Components	1,741	(1)	1,000	(1)	(1)	

[1] No compatibility of skill mix.

EXHIBIT 8

IF CHRYSLER SHUT DOWN, COULD FORD AND GM PICK UP THE CHRYSLER SEGMENTS OF THE MARKET?

[In thousands]

Market segment by Chrysler body size (small to large reading downward)	Recent Chrysler sales, before worst slump	Available excess capacity at Ford and GM for these segments [1]	Any leftover units, which would not be picked up domestically?
L-body	307	[illegible]	226
F-body	302	287	15
M, Sx	263	430	
R-body	134	514	
Pickups	154	814	
Vans	93	368	

[1] This capacity would all be supplied from existing Ford and GM workforce. It would not require hiring any Chrysler workers. This is reinforced by seniority rules.

Source: MVMA, Ward's, TSC capacity analysis.

EXHIBIT 9

PARTS WHICH CHRYSLER PURCHASES OUTSIDE

Substantial purchases

Batteries.
Bearings.
Bumpers.
Carburetors.
Carpets.
Cloth.
Decorative die castings.
Malleable iron.
Nuts, bolts, fasteners.
Radiators.
Raw glass.
Seat belts.
Steel.
Tires.
Wheels.

Partial purchases

Engines.
Shock absorbers.
Starters.
Air pumps.
Driveshafts.
Rack and pinion steering.
Seat foam.
Air conditioners.
Suspension members.
Brake discs.
Lamps.
Insulation.
Catalytic converters.
Electronic controls.
Stampings.
Transmissions (manual).

GM would purchase almost none of these items. Ford tends to purchase some portion of both lists, but they do so only as an additional flexible source to their integrated operations on the same items. The percentage of Ford purchases would be substantially lower than Chrysler's. Ford would purchase no engines, drivelines, or important suspension components.

EXHIBIT 10

CHRYSLER PLANTS WHICH PROVIDE IMPORTANT COMPONENTS TO OTHER AUTO MANUFACTURERS

Introl (instrument clusters, emission control devices):	
Domestic	American Motors (instrument cluster). General Motors (emission control devices).
Foreign	Peugeot-Citroen (instrument clusters).
Detroit Universal (prop-shafts):	
Domestic	American Motors.
Amplex Powdered Metal Products (80 percent of sales to outside) Automotive and nonautomotive:	
Domestic	General Motors. Ford Motors. American Motors. International Harvester.
Toledo Machining (torque converters):	
Domestic	American Motors. International Harvester.
Foreign	Mitsubishi. Peugeot-Citroen.
Kokomo Transmissions (automatic-RWD, Automatic transaxles-FWD):	
Domestic	American Motors. International Harvester.
Foreign	Simca. Mitsubishi. Peugeot-Citroen (transaxles).
New Process Gear (front-wheel-drive 4x4, transfer case):	
Domestic	General Motors. Ford. American Motors. International Harvester.

EXHIBIT 11

CHRYSLER ASSETS WHICH ARE MOST VALUABLE TO OUTSIDE PURCHASERS

	Value of estimated earning (millions)
Valuable for earnings:	
New Process Gear	[1] $350–$450
Introl Division	40– 70
Valuable only for production capacity (requires purchaser who needs this specific auto capacity):	
	Values are guesstimates based on tooling cost (millions)
Kokomo Transmission	$100–$300(?)
Belvidere Assembly	100– 200(?)
Newark, Delaware	(?)
St. Louis, Assembly only	(?)

[1] Throughout has slowed by 30 percent because of dropping GM and Ford truck sales.

EXHIBIT 15

GM Recent or pending asset placements	Ford Recent or pending asset placements
In Detroit: Clark Ave. Cadillac.	In Detroit: None.
In Detroit SMSA: Romulus. Pontiac. Livonia. Warren.	In Detroit SMSA: Flat Rock. Sterling. Dearborn. Mount Clemens. Sterling Heights. Wayne. Wixom.
Outside Detroit area: Windsor, Ontario, Canada. Oklahoma City, Okla. Shreveport, La. Three Rivers, Mich. Ypsilanti, Mich. Wilmington, Del. Saginaw, Mich. Tonawanda, N.Y. Lansing, Mich. Van Nuys, Calif. Flint, Mich. Bowling Green, Ky. Norwood, Ohio. Dayton, Ohio. Moraine, Ohio. Parma, Ohio. Grand Rapids, Mich. Linden, Mich. Anderson, Ind. Philadelphia, Pa. Kettering, Ohio. Clinton, Miss. Bedford, Ind. Messena, N.Y. Fredricksberg, Va. Comstwtine, Mich. Limestone, Ala. Buena Vista, Mich.	Outside Detroit area: Tulsa, Okla. Milan, Mich. Rawsonville, Mich. Sandusky, Ohio. Indianapolis, Ind. Los Angeles, Calif. Atlanta, Ga. Allen Park, Mich. St. Paul, Minn. San Jose, Calif. Cleveland, Ohio. Batavia, Ohio. Chicago, Ill. Saline, Mich. Romeo, Mich. Louisville, Ky. Sheffield, Ala. Kansas City, Mo. Ontario, Canada. Lima, Ohio. Buffalo, N.Y.

EXHIBIT 16

GM'S DETROIT FACILITIES [1]

Fisher Body: Central Plant, Fleetwood Plant, Fort St. Plant.	These are stamping facilities for Cadillac. They employ 10,242 workers. They have excess capacity with these workers.
Cadillac Detroit Assembly, Cadillac Detroit Press. Metal, Cadillac Engine.	These plants produce for Cadillac. Portions of 2 of them will move out of the city. This will release some of their 10,000 workers.
Chevrolet Gear and Axle, Chevrolet Forge, Chevrolet Light Truck.	These plants produce for heavier cars and trucks. They are underproducing with their 9,610 workers, and cannot absorb new employment.
Detroit Diesel	Makes heavy truck engines. If big truck sales continue, they might pick up some workers. They employ 9,000.

[1] These are the only automotive facilities near Chrysler's worker population in central Detroit. They cannot pickup many workers. Chrysler could release as many as 27,000 production workers in this area.

EXHIBIT 17

CHRYSLER SHUTDOWN WOULD HAVE STRONG IMPACT ON MINORITY EMPLOYMENT AND ECONOMY

Total Chrysler employment roll (8/8/79 more than 23,000 of these are on layoff), 140,977.

Of this, minority employment is—36,400 black; 1,336 Hispanic; and 792 other, 38,528.

Most minority employment is in Detroit. Fifty-four percent of Detroit employment is minority.

Of blue collar workers, 35,000 or 33 percent are minority.

Of white collar workers, 3,500 or 10 percent are minority.

Chrysler payroll to black workers is $800 million. (Bureau of Census, special studies P-23 No. 80, States that estimated black economy in U.S. is $80 billion. Chrysler payroll appears to be 1 percent.)

EXHIBIT 18

CHRYSLER SHUTDOWN WOULD SEVERELY AFFECT CHRYSLER PENSIONS AND STOCK HELD IN EMPLOYEE RETIREMENT PLANS

December 31, 1978 value of vested pension benefits exceeded funds by $1.1 billion.

It is estimated that $800 million is insured.

Approximately 25 percent of Chrysler stock is employee-held. Value lost at various marked prices would be:

$8—$124 million.

$13—$202 million.

$25 (past purchase)—$388 million.

Present value of employee dividends (.90 rate, 20 yr., @ 7%) = $150 million.

Book value lost = $651 million.

Remaining stock (current market value $375 million) is held by individuals, not institutions.

EXHIBIT 19

FOR CHRYSLER, THE DIFFERENCE BETWEEN THIS RECESSION AND THE LAST IS THE HIGH PROPORTION OF FIXED CAPITAL SPENDING IN FINANCIAL FLOWS

	1974	1978
Decline in unit sales (percent)	(−16.8)	(−5.0)
Cash outflow (millions)	$766	$768
Capital spending (millions)	$467	$671
Percentage of capital spending in cash outflow	61	87

EXHIBIT 20

CHRYSLER'S FORWARD DEBT REPAYMENT SCHEDULE IS LARGE, ESPECIALLY WHEN COMPARED TO LARGER VOLUME COMPETITORS

[Estimated forward long-term debt obligations in millions]

	Chrysler	Ford	GM
Year:			
1979	$12.4	$255	$137.8
1980	302.6	242	53.5
1981	49.5	78	75.4
1982	86.1	87	72.2
1983	87.6	109	50.8
1984	42.0	50	43.0
1985	42.0	33	343.0
1986	42.0	106	55.0
1987	42.0	124	16.0
1988	42.0	109	16.0
1989	42.0	34	16.0
1990	42.0	34	16.0
1991	42.0	34	16.0
1992	42.0	34	16.0
1993	42.0	34	16.0
1994	42.0	34	16.0
1995	42.0	34	16.0
Total	1,042.0	1,431	975.0

Source: 10-K's and TSC estimates.

CONGRESSMEN AFFECTED BY CHRYSLER SHUTDOWN

Congressmen	Congressional district
Michigan:	
John Conyers (Democrat), Detroit	1
Carl Pursell (Republican), Plymouth	2
Harold Sawyer (Republican), Rockford	5
Bob Carr (Democrat), East Lansing	6
Charles Diggs (Democrat), Detroit	13
Lucien Nedzi (Democrat), Detroit	14
William Ford (Democrat), Taylor	15
John Dingell (Democrat), Detroit	16
William Brodhead (Democrat), Detroit	17
James Blanchard (Democrat), Pleasant Ridge	18
Senator Don Riegle (Democrat).	
Senator Carl Levin (Democrat).	
Indiana:	
John Brademas (Democrat), South Bend	3
Elwood Hillis (Republican), Kokomo	5
Dave Evans (Democrat), Indianapolis	6
Philip Sharp (Democrat), Muncie	10
Andrew Jacobs (Democrat), Indianapolis	11
Senator Richard Lugar (Republican).	
Senator Birch Bayh (Democrat).	
Ohio:	
Tony Hall (Democrat), Dayton	3
Tennyson Guyer (Republican), Findlay	4
Delbert Latta (Republican), Bowling Green	5
Tom Ashley (Democrat), Maumee	9
Don Pease (Democrat), Oberlin	13
Charles Vanik (Democrat), Euclid	22
Senator Howard Metzenbaum (Democrat).	
Senator John Glenn (Democrat).	
Missouri:	
Robert Young (Democrat), St. Ann	2
Senator John Danforth (Republican).	
Senator Tom Eagleton (Democrat).	
Illinois:	
John Anderson (Republican), Rockford	16
Senator Charles Percy (Republican).	
Senator Adlai Stevenson III (Democrat).	
Delaware:	
Tom Evans (Republican), at large	1
Senator William Roth (Republican).	
Senator Joseph Biden (Democrat).	
New York:	
James Hanley (Democrat), Syracuse	32
Gary Lee (Republican), Ithaca	33
Senator Jacob Javits (Republican).	
Senator Daniel Moynihan (Democrat).	
Alabama:	
Rollie Flippo (Democrat), Florence	5
Senator Howell Heflin (Democrat).	
Senator Don Stewart (Democrat).	

Mr. RIEGLE. Mr. President, will the Senator yield for a comment?

Mr. EAGLETON. Yes, I am pleased to yield to the Senator from Michigan.

Mr. RIEGLE. I just want to commend the Senator for his statement, and say that I support very strongly the points he has made today in this debate. This debate will continue for some period of time and is a vitally important one from a national economic point of view. It has a bearing on particular States in the extreme, certainly, the State of Missouri and my State of Michigan—but the national implications of the 600,000 workers losing their jobs and increasing the Federal deficit by something on the order of $11 billion is a national economic danger that affects all 50 States, and therefore our entire economic system.

I think we must carefully weigh the national economic implications and the individual family hardships involved here, so that we can evolve a course of action. The remarks of the Senator from Missouri, I think, are an important part of a serious discussion which needs to continue. I also want to acknowledge the important leadership that Senator EAGLETON is giving to finding a workable answer to this problem.

Mr. EAGLETON. I thank the Senator from Michigan. From the very early days of this discussion—which, by the way, goes back several weeks to when it was becoming apparent that the Chrysler Corp. was heading into great difficulty—the Senator from Michigan has exercised a key leadership role in this matter, indeed the key leadership role, and I compliment him for his continued and keen interest in this subject matter. I think the brief synopsis he has just delivered is preeminently correct.

Mr. RIEGLE. I thank the Senator.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that I may proceed for 30 seconds.

The PRESIDING OFFICER (Mr. EAGLETON). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 1 P.M. TOMORROW — UNANIMOUS-CONSENT AGREEMENT AS TO ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following request with the minority leader (Mr. BAKER), and I will condition it on his approval. I see he is now present; I was just saying that I would condition the following request on the majority leader's approval:

I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 1 o'clock p.m. tomorrow; that the time of the two leaders on tomorrow be limited to 5 minutes each; that upon the expiration of that time or its being yielded back, the Senate proceed to the consideration of the second concurrent budget resolution; and that upon the disposition of that concurrent resolution, the Senate proceed to the consideration of S. 14.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I apologize to the majority leader that I was not on the floor when he began his request; I was in the Republican cloakroom on the telephone.

But it is my understanding that the request consists of these parts: first, upon the completion of the matter now pending before the Senate, that we proceed to the consideration of the second concurrent budget resolution. Is the request that that begin tomorrow after we convene at 1, or today after we finish with the pending business?

Mr. ROBERT C. BYRD. Tomorrow.

Mr. BAKER. Tomorrow; that we come in at 1 o'clock, and following on after the disposition of the second concurrent budget resolution, that we proceed immediately to the consideration of S. 14?

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. It would appear to me, then, that that would produce a schedule that would have us on the second concurrent budget resolution Wednesday afternoon or Thursday, and thereafter until it is completed?

Mr. ROBERT C. BYRD. Not necessarily. Just to begin its consideration on the disposition of the second concurrent budget resolution.

Mr. BAKER. I thank the majority leader. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from Virginia for permitting this matter to come ahead of his order.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 15 minutes.

THE RUSSIAN COMBAT BRIGADE IN CUBA

Mr. HARRY F. BYRD, JR. Mr. President, first I wish to commend and express agreement with the Senator from Washington (Mr. JACKSON) on his appraisal a few moments ago of the continued military buildup in Cuba. I join with Senator JACKSON in commending the Senator from Florida (Mr. STONE). It was Senator STONE who first brought to the attention of the Senate, of the Foreign Relations Committee, and I would suppose of the State Department the existence of a combat brigade in Cuba.

Senator STONE pursued the matter, and although the Secretary of Defense on July 27 denied that there is such a military buildup in Cuba, the State Department was forced to admit in August the existence of a combat brigade in Cuba.

The Senator from Washington, in his comments earlier today, pointed out that the combat brigade is only a part of the Russian buildup in that island just off of our shores. The Senator from Washington mentioned the combat aircraft which are there, and the submarines and other ships of Russian origin which are there.

I share his great concern, and I share the view that Senator JACKSON expressed to the Senate that it is important, not just that the combat troops be removed from Cuba, but that the combat aircraft and the submarines likewise be removed.

Mr. President, on another subject——

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Washington.

Mr. JACKSON. I wish to thank the distinguished Senator from Virginia for his comments. He has been extremely alert and indeed very helpful in analyzing and digging into the situation that we face in Cuba.

The Senator has summed it up very well. This is not just a matter of a combat brigade; it is a matter of dealing with what could become Fortress Cuba.

I commend the Senator for all that he has done and his diligent effort to get the truth and the facts for the American people.

Mr. HARRY F. BYRD, JR. Mr. President, I am grateful to my friend from Washington State. I want to use a quote which the Senator from Washington used earlier, that what has just been made public in regard to Cuba dramatizes that Russia is continuing to exploit the trust of the American people. I think that is a very important element in this whole equation.

THE ADMINISTRATION'S ENERGY PLAN

Mr. HARRY F. BYRD, JR. Mr. President, 6 years now have passed since the Organization of Petroleum Exporting Countries dramatically boosted the price of oil and rocked the industrialized democracies with an oil embargo.

When these shocks were administered to the United States and the other major industrialized nations, there was almost instant agreement in all quarters that steps should be taken to reduce—initially, many said eliminate—the dependence upon OPEC oil.

During the 6 years since the first price boosts and the embargo, what has the United States done to move toward energy independence?

I think most of us would agree that the list of positive steps is pitifully short.

There is the Alaska pipeline. This important link has enabled Alaskan oil to flow southward, but, unfortunately, the lack of an adequate west-east petroleum transportation system has seriously reduced the usefulness of this oil—and increased its cost to the areas most in need of it.

There is the deregulation of natural gas—too little and too late, but at least in motion. And natural gas supplies have increased.

There is a broad-scale effort in research and development, encompassing a multitude of potential energy sources ranging from solar to nuclear fusion.

And just recently, the President has committed himself to the decontrol of oil prices—again slowly and belatedly, but the process has begun.

That is about it.

The rest of the record since 1973 is pretty depressing. The much-heralded swing from oil and gas to coal in the generation of power and in industrial plants has not materialized to any great extent. Nuclear power is hobbled by a combination of soaring costs, safety problems, environmental concerns, and uncertainties about future demand for electricity.

The lengthy and artificial depression of domestic oil prices by the Government has encouraged waste and discouraged new production. Conservation measures have been adopted, such as auto mileage standards, but probably have accomplished little that the market would not have achieved on its own. We have a 55-mile-an-hour speed limit, but its observance is spotty at best.

In summary, there has been no true national commitment to reducing our dependence upon OPEC. As recently as July, James Schlesinger, then Secretary of Energy, said we still have no national energy plan.

We have lost precious time.

In this environment, and while President Carter was in Tokyo for an economic summit, OPEC struck again with yet another 25 percent boost in its already rapacious oil prices.

And so the President returned, retired to Camp David, and then went before the people with what is at least the fourth widely ballyhooed national energy plan since the crisis 6 years ago.

The essential points of the President's proposal are these:

First. The decontrol of oil prices, a process already begun.

Second. The establishment of a target of holding oil imports to 25 percent of consumption by 1990 (imports now are about half of consumption).

Third. A ceiling on oil imports at the relatively high level of 1977 (8.8 million barrels a day).

Fourth. A "windfall profits" tax on revenues according to oil producers as a result of decontrol.

Fifth. A trust fund, financed with windfall profits revenues, to develop synthetic fuels, sponsor automotive efficiency research, subsidize mass transit and provide aid to poor persons hit by escalating fuel bills.

Sixth. Expediting of key energy production decisions by cutting through regulatory red tape, this function to be

entrusted to a new agency called the Energy Mobilization Board.

Let us examine this package of recommendations.

First, the decontrol of oil is clearly desirable. I commend the President for taking this action, a necessary first step in meeting our energy problems.

Second, I believe the President is also correct in establishing a target of bringing oil imports down to 25 percent of consumption by 1990.

Third, a ceiling on oil imports may be desirable, but must be set with great caution. We must keep in mind that potential increases in domestic production, or savings from further conservation, may take some time to take effect. The ceiling should not be placed at a level which would create artificial shortages or hamper the productivity or competitiveness of our industry during the period when the Nation is working toward greater independence in energy.

This brings us to points four and five, the heart of the President's proposal, a windfall profits tax and the establishment of a trust fund to spend the proceeds from such a tax.

Some kind of windfall profits tax will be demanded by the public because of the billions in new profits which will flow to oil producers because of price decontrol. Of course, a windfall profits tax would be in addition to increased income taxes on the higher oil industry profits.

We should understand, also, that the administration's so-called windfall profits tax is not a tax on profits at all. It does not rise and fall with profits, nor is it based on any consideration of the oil industry's past profitability.

The Carter administration tax is actually an excise tax on oil, based on the difference between the old, controlled prices and the world price, toward which all prices will be moving under the decontrol program.

This is not necessarily a weakness. An excise tax is simpler to administer than an excess profits tax, although the administration seems to have made its own peculiar excise tax quite complicated.

I might add that the Senate Committee on Finance is finding every day just how complicated this new proposed tax is as the committee continues its deliberations.

One key point is the level of the tax. While equity demands that it be high enough to capture profits which are unreasonable, good sense dictates that it be low enough to permit producers to invest in greater production. Too high a tax could be self-defeating because of lost opportunity for greater energy supplies.

A major weakness in the President's program, as I see it, is the absence of measures to stimulate greater domestic production in the near term. All of the administration's eggs have been placed in the basket of long-term projects to develop new energy sources, and so the program offers little hope of greater oil and gas supplies over the next few years. Indeed, the prospect of any increases in such production is simply written off as impossible.

Independent oil producers, most of them small, heatedly dispute this position of the administration. They are the people in the field, the ones who do the exploring and development needed to bring oil and gas on line, and I believe we should listen to them.

In my view, any windfall profits tax should be structured so as to provide incentives for our independent producers to find new supplies of oil and gas. The independents maintain that they can bring on stream—with sufficient capital—2 million barrels a day of new production, over and above the current level, by 1985, and that is not something which should be written off by the Government.

Therefore I think the so-called windfall profits tax should either be at a level lower than proposed by the administration, or should be designed to permit those who explore for petroleum to retain and reinvest sufficient capital to increase domestic supply in the short run. This is an important, immediate and concrete step which can be taken to lessen our independence upon OPEC.

Once the tax is set at an equitable level, providing an incentive to produce, the question arises as to use of the revenues.

The whole thrust of the administration plan is to subsidize expensive schemes for synthetic fuel development that will not pay off for 10 years—if ever.

The principal feature of the proposal is an ambitious, 10-year synthetic fuel program at a projected cost of $88 billion, to be operated by an Energy Security Corporation (ESC) with trust fund financing.

I think this proposal has several dangers. Synfuel technologies are unproven on a large, commercial scale, and it is hard to see how a figure of $88 billion over a 10-year-period can be projected with any confidence.

Let me say that synthetic fuel programs should be pursued, particularly the ones which promise fuller utilization of coal, but it is not wise to commit huge sums to particular technologies until their potential can be better assessed.

I cannot see how we can justify an advance commitment of $88 billion, as proposed by the President, before we have a chance to monitor progress on these synfuel programs.

The committee in the House of Representatives has taken just that position and I would hope that the Senate would do likewise.

Furthermore, the proposed corporation to run the program would be beyond congressional or Executive control and thus would have no accountability to the taxpayers for the huge sums entrusted to it.

I believe it would be preferable to start the expansion of the synfuels effort—bearing in mind that over 100 projects in this area already are underway—on a smaller scale, and await results at each state of development before committing such an enormous investment of tax funds. And it also seems wise to me to have the agency sponsoring this program an on-budget agency, with full review by the Congress of its work. Such review did not hamper the successful space program, and I see no reason why it should hold back synthetic fuel development. Indeed, it should insure responsibility on the part of the officers and accountability to the public.

Other projects envisioned for use of windfall tax revenues include research, mass transit programs and assistance for the poor.

I see no objection to sponsoring research and development in energy with windfall profits tax funds. Such efforts as are not undertaken by private industry are legitimate endeavors to be undertaken with this money. Again we must bear in mind that as in the case of synfuels, many R. & D. programs in other energy forms already are being conducted, and coordination will be of prime importance.

As to mass transit programs and assistance for those hardest hit by increasing energy costs, I am reluctant to see the windfall profits tax devoted to programs other than energy production and research.

In the case of mass transit, we are dealing essentially with a means of conserving energy. As I see it, mass transit should compete with other efforts in this area for shares of general revenues. I support conservation efforts and indeed have supported most public transportation programs, but I feel that general revenue funding for these projects is the most appropriate.

As to other assistance programs, I am fearful that the administration of such programs may involve the establishment of a whole new bureaucracy setting up complicated guidelines and perhaps even passing out energy stamps or coupons. To the extent that energy-cost aid to the poor is warranted, I think it would be preferable to conduct it through existing programs, with careful controls.

What I fear is that the windfall profits tax will end by creating a huge slush fund for spending schemes of all kinds.

Finally, I think there are two major omissions from the policy set forth in the President's newest energy program. Nowhere is there acknowledgement of the roles which can be played in our energy future by nuclear energy or the direct use of coal.

Everyone recognizes the problems associated with nuclear energy: safety, siting, waste disposal, to list the most prominent. But nuclear power is an ongoing technology, not something in the misty future. I do not think it should be ignored.

Coal is our most abundant energy resource. To be sure, the President's program would call for major increases in coal production, should the technology for synthetic fuels prove workable. But coal is usable as it stands, today, in many applications, particularly the generation of electricity. This too should be taken into account.

A final part of the President's program is the creation of the Energy Mobilization Board to expedite critical energy projects by cutting through redtape. Certainly it is important to reduce bureau-

cratic delay. But unless there are changes in substantive law, the EMB could well end by hurrying negative decisions.

To summarize, I believe the great strengths of the President's program are the decontrol of oil and the expression of determination to cut the degree of dependence on foreign crude.

The chief problems are the inclusion of too many nonenergy programs in the uses of the windfall profits tax and the ignoring of the potential contribution of oil, gas, nuclear energy and coal in direct use.

By all means let us explore the potential of new sources and new technologies. But let us also use what we have. The energy problem we face is not 10 years away, it is here today, and it calls for immediate production as well as imaginative schemes for the long term future.

The PRESIDING OFFICER (Mr. PRYOR). The 15 minutes of the Senator from Virginia have expired at this time.

The Senator from Michigan is recognized for 15 minutes.

Mr. RIEGLE. I thank the Chair.

Mr. President, I did not intend to make a comment about energy, but in light of the remarks of the Senator from Virginia I will make a brief comment or two because I think there are a couple of essential facts about the energy strategy in the United States that every person needs to bear in mind.

A little over 2 years ago when the Carter administration came to power, they approached the Congress and requested that we set up a Federal energy department.

We set it up at Cabinet level and created a new Cabinet officer to deal with this problem, to dig out the facts, make an assessment, and then, in turn, devise a national energy strategy and policy so that we could deal with this problem.

I might say that the Congress responded to that request quite readily and, as a matter of fact, we acted quickly to establish the Department of Energy.

We gave the power to the President to name a Cabinet officer to run the energy program. We now have about 2 years of performance by that particular agency.

I suspect that not many people in the United States, I say to my friend from Virginia, would imagine the size of today's Energy Department. I spoke yesterday at a chamber of commerce meeting in Livonia, Mich. I asked a group of assembled businessmen how many employees they might guess were presently employed in the Department of Energy.

The first person said, "Well, maybe 3,000." Somebody said, "7,000."

After several had made estimates, I indicated that the current number in the Department of Energy is 19,000.

Then we talked about the size of the budget. The size of the budget for this fiscal year we are concluding for the Federal Energy Department is $10.9 billion.

So it would be wrong, I think, for any citizen to assume that nothing has been done. Although, on the other hand, obviously very little has been done. We have spent an enormous sum of money. We have got a tremendous number of people. But I am quite frank to say that I think this particular agency has been mismanaged as badly as any agency in the history of the Federal Government.

I lay much of that responsibility on the person who was in charge of putting that show together—Schlesinger—and, in turn, on the doorstep of the President himself, who selected Schlesinger and is ultimately responsible for both his performance and the performance of the energy agency.

So it is a little late in the game for someone to say now that here is the energy problem and it is time for the Congress to get busy on this because we have spent as a nation already enormous effort in the area of energy. But, frankly, we have next to nothing to show for it.

But that bungling and ineptness and mismanagement is a story that has not been sufficiently told. Why it has not, I really am at a loss to say.

I think the press has been asleep on this issue. It is asleep today on the issue. Therefore, there is great confusion among the public as to whether or not any good faith effort has been made to try to deal with the energy problem.

The fact is that the effort has been mismanaged from day one. Whether or not the man who now runs it—the former chief executive officer of Coca-Cola, who has been named to run the energy agency—can make some sense of this, after 2 years of lost time, we will have to wait and see. I hope he can. I must say that I was not impressed with his technical credentials; nonetheless, I voted for the confirmation of his nomination because I felt we should have someone in there who could try to make some sense of this.

SOVIET TROOPS IN CUBA

Mr. RIEGLE. Mr. President, the matter of Soviet troops in Cuba has now come to the fore. Had I been here yesterday morning—I was traveling back from Michigan—I would have delivered these remarks then. Therefore, I deliver them this morning.

Regarding that situation and the controversy that has arisen with respect to the Russian presence in Cuba, I agree with President Carter.

I agree with President Carter that the presence of some 2,000 to 3,000 Soviet troops in Cuba, apparently for the past several years, does not pose an immediate security threat to the United States. At the same time, appropriate U.S. diplomatic efforts should proceed with the Soviet Union to pursue the matter to a conclusion that is consistent with U.S. security interests.

That task is not an assignment for the Senate Foreign Relations Committee, Congress, or Presidential contenders, among others; it is the proper responsibility of those directly charged with the administrative duty of conducting American foreign policy.

Those of us with constitutional responsibilities for oversight of American foreign policy can fully meet these responsibilities without attempting to usurp the proper role of the President and his Secretary of State.

This is neither a time, nor a situation, in which hysteria or exaggerated responses by either side are warranted or useful.

All strategic defense matters concerning the United States and the Soviet Union must be evaluated, ultimately, in a comprehensive all-inclusive framework. Therefore, this matter of Soviet troops in Cuba, and all other Soviet military initiatives, must be examined in a context that includes the SALT II treaties.

While it is not immediately apparent to me that a brigade of Soviet troops deployed in Cuba, apparently present there for some several years, has any significant bearing on SALT II consideration, I will await further intelligence briefings before making a final judgment in that regard.

At a moment when the American Presidency is in a severely weakened domestic political posture, we must, as a nation, remain calm and prudent. We must not let domestic political adventurism distort our national judgment or alter the prudent exercise of American diplomacy and other power initiatives.

The United States today has sufficient strength in all forms to appropriately deal with any strategic threats posed by the Soviet Union. The Soviet Union should have no illusions about the ability and willingness of the United States to use whatever resources are necessary to promptly and fully defend our strategic interests—in this hemisphere and all others.

Those in our country who suggest otherwise do a disservice to the United States and, in turn, present a false and dangerous impression to the Soviet Union.

Finally, we should have no illusions about the Soviet Union. They are a determined and dangerous adversary who will attempt to take full advantage of any situation ripe for exploitation. We would be foolish to expect anything but unremitting pressure from the Soviets, and we must plan and act accordingly.

One additional comment with regard to the presentation earlier this morning by the Senator from Washington (Mr. JACKSON).

He raises some new issues—the possibility of a further buildup of forces of various kinds in Cuba that would represent a change in the status quo. My remarks today do not address that question; nor do they address the question of Cuban military initiatives abroad, which are matters about which I have very deep concern.

However, with regard to the comments of the Senator from Washington, I think that any significant development or enlargement of offensive Cuban military capability in this hemisphere would be unacceptable. I believe that any new assertions that suggest that there has been or is about to be such a change in circumstance have to be examined with the greatest care. The issue will have to be examined, but it is not the one on which I wish to focus today, which is the one I addressed in the first part of my comments—namely, the matter of the Soviet troop forces that are presently in Cuba, that have been identified as being there

for some period of time, and which have been the subject of debate during the last several days.

SURFACE MINING AMENDMENTS OF 1979

The PRESIDING OFFICER (Mr. DECONCINI). Under the previous order, the Senate will now proceed to the consideration of S. 1403, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 1403) to amend sections 502(d), 503(a), and 504(b) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), and to provide a 7-month extension for the submission and approval of State programs for the implementation of a Federal program.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979," and that the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445) is hereby amended as follows:

SEC. 2. Sections 502(d), 503(a), and 504 (a) of the Surface Mining Control and Reclamation Act of 1977 (hereinafter referred to as "the Act") are amended as follows:

(a) in section 502(d) of the Act in the last sentence, strike the words "forty-two months" and substitute the words "fifty-four months";

(b) in section 503(a) of the Act, strike the words "eighteenth month" and substitute the words "thirtieth month";

(c) in section 504(a) of the Act, strike the words "thirty-four months" and substitute the words "forty-six months";

(d) in section 504(a)(1) of the Act, strike the words "eighteenth month" and substitute the words "thirtieth month";.

SEC. 3. Sections 503(a)(7) and 701(25) of the Act are amended as follows:

(a) in section 503(a)(7) of the Act, strike the phrase "regulations issued by the Secretary pursuant to";

(b) in section 701(25) of the Act, strike the phrase "and regulations issued by the Secretary pursuant to this Act".

SEC. 4. Section 523(a) of the Act is amended by striking the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Subject to the provision of section 523(c), implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no nongermane amendments be in order to the surface mining bill.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that during the consideration of and voting on S. 1403 the following members of the staff of the Energy and Natural Resources Committee be granted the privilege of the floor: Dan Dreyfus, Mike Harvey, Tom Laughlin, and Barbara Haugh.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, today the Senate is considering legislation which, if passed as reported by the Committee on Energy and Natural Resources, would have a seriously deleterious effect on the implementation of the Surface Mining Control and Reclamation Act of 1977. That the Senate should even consider such an action barely 2 years after enacting this landmark legislation is unfortunate. But to enact it after the years of effort which led up to the passage of the act would be tragic.

Enactment of S. 1403, as amended, would:

First. Prevent creation of a uniform national minimum standards which could penalize States that wish to provide greater protection for lands within their border.

Second. Assure extensive litigation over varying interpretations of the law.

Third. Result in the courts "writing regulations" by a series of decisions.

Fourth. Create uncertainty for the coal industry at the very time that stability is needed as a basis for expansion.

Fifth. Delay the approval of State reclamation programs. Without this approval the State of the reclamation fund will not be available to reclaim orphan land.

The environmental, socal, and psychological destruction caused by unregulated surface coal mining in the past several decades finally came to the attention of the general public in the late 1960's. The Buffalo Creek disaster of 1972 in which 125 people lost their lives, served to crystallize the grassroots movement which can take much credit for the law. Another major impetus came with the realization that our national energy needs would require massive surface mining of the western coal fields. Easterners, who lived with previous destruction and westerners who wanted to avoid a similar fate, joined hands to support national legislation.

Much of the support for national legislation came from those who believed in abolition of surface coal mining is indicative of the severity of the problem and the depth of emotions relating to it. Many believed that surface mining should not be abolished, but that a national program involving Federal enforcement is necessary. Two outstanding reasons were cited as the basis for this approach: First, some States had relatively good surface mining control legislation, but could not or would not enforce them, and second, States which did attempt to pass and enforce tough laws were often threatened with the loss of coal operators to neighboring, more lenient States. A national standard, nationally enforced would have remedied both of these problems.

However, neither a program of abolition nor a federally run program became law. Congress made allowance for regional differences and experience by adopting a so-called "State-lead" concept in which national standards would be established, but enforcement would fall to the States, provided they could demonstrate that they had in place a suitable program, capable of meeting the national standards.

Thus, the "State-lead" concept, which the proponents of S. 1403 argue has been so eroded that legislaton is required, already represented a substantial moderation of the position advocated by those most directly affected by surface mining. However, the "State-lead" or "State primary" aspect of the act should not be confused with the preexisting situation.

If it has been the Congress intent to countenance continued vying between States to attract coal operators, sacrificing health, safety, and environmental goals in the process, the Surface Mining Control and Reclamation Act would never have been enacted. Yet the Senate is now being asked to do precisely this. It is being asked to sweep aside the Federal regulations which have been issued pursuant to the act, based on the intent of Congress as expressed in its legislative history. This deceptively simple amendment will create such confusion that enforcement of a national surface mining control program is likely to be set back for several years as the courts are forced to substitute their judgment for that of the Congress—on a State-by-State basis.

One might expect that such a sweeping change in an act which has as yet to be fully implemented would be based on substantial evidence. This is not the case. At the time the committee adopted the substitute text, not one complete State program has even been submitted to the Secretary of the Interior for review. Therefore, the charge that existing law does not provide sufficient flexibility for the design of State programs is based on speculation. Moreover, many of the regulations which would be thrown out are regulations defining terms the meaning of which does not vary between region. These terms include "valid existing rights"; "Government financed construction"; and "substantial legal and financial commitments."

Some States have now submitted a State program or are expected to do so within the next few weeks. The Office of

Surface Mining has responded positively to complaints about its regulations dealing with bonding and with assistance to small operators. It has already made a favorable determination on a petition from the State of Montana regarding a delay in the implementation of the Federal lands program. Director Heine has established a special position in his immediate office to work with the States to assure that questions and concerns are fully addressed. OSM has contracted with the National Governors' Association to provide assistance in identifying State concerns and to facilitate communications. Regular meetings between the Director and his staff and the Interstate Mining Compact Commission, an organization representing 14 coal-mining States have been initiated. In short, far from ignoring the States, there is every evidence that the Office of Surface Mining is bending over backward to understand and accommodate their needs. This process should be given a chance to work.

One change in the law which would help to do this is the delay in the deadline for submissions from the States and a similar delay in the implementation of a Federal lands program in the absence of an approved State program. Judge Flannery's decision of August 22, has accomplished the first of these changes. However, the June 3, 1980, deadline for implementation of a Federal program remains in effect. The Senate should enact this change. It will permit adequate time for consideration of State program submittals. It will facilitate a better working relationship between the OSM and the States. It will remove much of the paranoia of those working under pressure to design the Federal and State programs within extremely tight time schedules. I strongly urge the Senate to adopt such a change in the law which will be offered later, I understand, by Senator MELCHER in the form of a substitute amendment, and reject amendments which will weaken the act.

Before closing, Mr. President, I ask unanimous consent that a telegram dated August 1, 1979 which I received from Gov. Ed Herschler of Wyoming be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

[Telegram]

CHEYENNE, WYO.,
August 1, 1979.

Senator HOWARD M. JACKSON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: This telegram is to confirm my continued support for the Federal lands extension which we agreed to in your office last month.

I also intend to honor my commitment not to push for any other amendments at this time. Both you and Congressman Udall were extremely candid in our discussion about acceptable amendments. I appreciate your assistance on our behalf.

ED HERSCHLER,
Governor of Wyoming.

Mr. JACKSON. There has been much debate over what the Governor said at hearings before the Committee on Energy and Natural Resources and just what he meant. I think that this latest telegram clarifies that he does not seek any deletion of the requirement that State programs be consistent with Federal regulations at this time.

I also have a technical note. I wish to note for the record that the committee report on S. 1403 (96-271) has the following errors:

First. On page 2 of the report, in the fourth line, after word "of", the following should be inserted: "a Federal lands program shall occur and coincide with the implementation of".

Second. Also on page 2, in the first line of the purpose section, the last word in the line should read "for".

Third. On page 36 of the report, in the fourth line from the bottom of the page, a heavy bracket indicating deletion should be placed before the word "regulation" the second time it appears and in the fifth line after the word "to".

Fourth. On page 37, the seventh line from the bottom of the page, after the word "of", the following should be inserted: "a Federal lands program shall occur and coincide with the implementation of".

Mr. President, I yield now to the distinguished Senator from Oregon (Mr. HATFIELD), the ranking minority member of the committee.

Mr. HATFIELD. Mr. President, I thank the chairman of our committee, the Senator from Washington (Mr. JACKSON), for yielding at this point.

I ask unanimous consent that the privilege of the floor be granted to George Ramonas, of Senator DOMENICI's staff, during the consideration of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. MCCLURE), the Senator from Texas (Mr. TOWER), the Senator from New Mexico (Mr. DOMENICI), the Senators from North Dakota (Mr. BURDICK and Mr. YOUNG), the Senators from Utah (Mr. GARN and Mr. HATCH), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Wyoming (Mr. SIMPSON), the Senator from Indiana (Mr. LUGAR), the Senator from Virginia (Mr. WARNER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. FORD), and myself be added as cosponsors to S. 1403, a bill to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87) to provide an extension of time for the submission and approval of State programs or the implementation of a Federal program, to clarify the contents of a State program, to provide for increased cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, coal has been described as our "ace in the hole." It is this Nation's most abundant fossil fuel. Over 435 billion tons of recoverable reserves bless our lands. Yet we carry in public policy many discriminatory measures to punish increased coal use.

Interpretations of the Clean Air Act have established impediments to expanded coal use, impediments which need not exist to satisfy national ambient air quality standards.

Current regulatory procedures, particularly in these inflationary times, prevent rapid retirement of utility boilers and make it difficult to raise sufficient capital for replacement construction.

Coal is losing the cost advantage it enjoyed subsequent to the oil embargo. Increased Government regulations over the mining, transport, and burning of coal have led to nearly a doubling of coal prices in the last 4 years, while there is significant unemployment and perhaps 150 million tons of unused production capacity at the mines.

No effective coordinating mechanism exists for the numerous Federal agencies and departments involved in dictating coal production, transportation, and use policies. Delay, inaction, and an unacceptably low 2 percent annual growth rate in coal use results.

Because of these constraints, any status report on coal as a domestic energy resource must paint a bleak picture:

Coal production remains stagnant at less than 700 million tons per year; surface mine productivity per man per day has decreased steadily from 36 tons in 1970 to 25 tons in 1978; Federal coal under lease has languished at 0.8 percent of available Government lands since 1970; and the regulatory burden continues to increase.

In his prognostication to the President before leaving office, Secretary Schlesinger laid it out in stark, indeed frightening, terms:

Without greatly expanded use of coal, this country just may not make it.

With this preamble we today face the Surface Mining Control and Reclamation Act of 1977.

For those of us who labored through the seemingly endless hours of negotiation on the Surface Mining Act, I sense a certain feeling of lost faith. We were assured practical, good sense interpretations of the act would be made and that the States would be given every opportunity to derive their own reclamation laws and programs.

Broken promises and lost faith have resulted.

A nearly unanimous critique of the Office of Surface Mining's performance to date by engineers, industry, States, the Department of Energy, and the Council of Economic Advisers concludes that the final rules add unnecessarily to costs of production and, in some instances, actually preclude more appropriate engineering practices.

Let me cite several specifics:

An analysis, dated June 11, 1979, prepared by the Congressional Research Service concludes:

Many of the regulations contained in the enforcement program are inconsistent with the spirit of the Surface Mining Act and some appear to be inconsistent with the actual language.

The sheer magnitude and the intricacies of the requirements could very easily become a hardship to small and intermediate-sized operators with consequent effects on their competitiveness in the coal market.

A massive, detailed report prepared by Consolidation Coal Co. released in May of this year computes the cost difference between "good engineering practices: which meet the letter of the law and final regulations by OSM. Consolidation finds the excess expenditures amount to an average of $2.35 per ton of coal on just 21 of the act's provisions."

The American Consulting Engineers Council concludes that OSM's interpretations of the act add between $3 and $5 per ton in gentle terrain and as much as $8 to $12 in mountainous terrain over and above what would be required to meet the intent of the act.

The National Governors Association criticizes OSM for frustrating State primacy and for making it virtually impossible to develop anything other than a "State level clone" of OSM regulations because of impending deadlines and voluminous paperwork.

The Secretary of Energy, in his report to the President June 4, 1979, on increasing coal production and use, also concludes that OSM regulations may be setting a trend away from the act's intent. He recommends that:

DOI's surface mining regulations and unsuitability criteria be applied in a way that facilitates increased coal production.

Mr. President, coal may be this country's energy "ace in the hole." But the regulatory overkill fostered by the Office of Surface Mining has dealt us a joker instead. We are in no position to bluff our way through gas lines and inflation caused by huge oil imports. We have to play our coal card.

Short of revamping the law, which most would agree—and I am included—has not had time to be implemented, there are several corrective steps which should be taken to give the States a little more time to prepare their reclamation programs and reestablish the objective of State primacy.

These corrective measures were passed by the Energy and Natural Resources Committee on July 27 as a substitute—the Hatfield-Ford substitute—to S.1403.

S. 1403, as amended, would make, by way of minor modifications, three crucially important changes in the 1977 act as follows:

First. Extend the deadlines for submission and approval of State programs by 12 months;

Second. Delay implementation of a Federal lands regulatory program from October 12, 1979, until State programs are implemented in mid-1980 or early 1981; and

Third. Eliminate the requirement that State regulations be identical to those of OSM thus allowing the States to tailor their regulations to take into account the special needs and unique features of each State so long as those regulations conform to the strict standards of the act.

These changes were specifically proposed by several Governors—including Governor Herschler of Wyoming, Governor Link of North Dakota, and Governor Rockefeller of West Virginia.

S. 1403 makes absolutely no substantive changes in the basic 1977 statute. All of the statutory environmental standards remain intact. And, very importantly, nothing in S. 1403 affects or diminishes the Secretary of the Interior's ultimate responsibility to review State program applications to determine whether State laws and regulations do in fact meet the requirements of the act. In other words, the Secretary continues to retain full authority as originally authorized by the statute to approve or disapprove State programs. If the State-proposed regulations are found lacking by the Secretary, he may and, in fact, must disapprove those regulations and reject the State program.

The permanent program regulations recently promulgated by the Office of Surface Mining will not be voided. They will remain available as a basis for comparison by the Secretary with State program submittals, as well as for implementation on Federal lands and in those States which either fail to gain regulatory authorization or choose not to do so. The Secretary is faced with no greater threat of litigation in making these rulings than he would be under the current statute and his own "State window" regulatory exception.

Mr. President, the three amendments to the Surface Mining Act which comprise S. 1403, are a meager but important beginning to bringing the act back in line with the congressional objective of State primacy.

I should like to digress just a moment.

We are increasingly faced here in Congress with new proposals to provide for a one-House or two-House congressional veto over regulations promulgated by executive agencies—due in part to the fact that these regulations either have become overly burdensome or such regulations have failed to be in conformity with the original legislative act, legislative intent, or legislative history. That is one of the reasons why, even at the current time, the Senate, in the Energy Committee, is considering such a one-House veto—or a two-House veto—on matters relating to the Energy Mobilization Board, because of the record of these agencies failing to live up to and implement rules and regulations in conformity with the act as originally intended.

Other amendments may be needed at some future date, but I urge my colleagues first to view the results of this bill. S. 1403 may mend a few broken promises and restore a little faith. It may also help us play that ace that we need desperately today known as coal.

Mr. President, I am particularly pleased to be in the same league and in the same corner today with my colleague and good friend from Kentucky (Mr. FORD), who has given extraordinary leadership to the proposals I have discussed in my opening statement while we served as members on the Energy Committee together.

Mr. FORD. Mr. President, I thank my colleague from Oregon for his kind words. It is always a joy to be with someone in a battle when he articulates the problem and the ultimate solution to that problem so well. He comes only armed with the silver tongue of truth. When you have that, it is difficult to go against you.

Mr. President, I should like to make a few remarks relating to S. 1403, the Surface Mining Amendments of 1979. We shall get into some of the debates and some of the statements made by the chairman of our committee (Mr. JACKSON) a little later. I understand the distinguished Senator from Montana wants to close the window which we already have in the bill, but we shall get to that shortly.

Mr. President, S. 1403 was originally introduced by our distinguished chairman, Senator JACKSON, at the request of the administration. It provided for a 7-month delay for submission of State programs for surface-mining regulation and reclamation. It also provided for a 7-month delay for Federal approval of the State programs and deleted the authority of the Secretary to extend for an additional 6 months in States where an act of the legislature is needed to comply with the Surface Mining Act.

Federal regulations had been 7 months late in being promulgated under the act. Every reasonable person recognized that delay was necessary or the result would be a nationwide Federal administration of surface-mining regulation and reclamation.

The administration recognized it. They came to Congress to ask for it. The U.S. District Court for the District of Columbia, on July 25 of this year, granted the States a 7-month extension to March 3, 1980. However, the court held that the June 3, 1980, deadline for Federal approval of State programs was mandatory and required legislative changes.

The court, in its order, made a point that is important in consideration of S. 1403 as amended and reported:

[The Secretary] cannot escape the effect of his own delays and for his administrative convenience, take time from the States that the Act requires them to have. Such a result would be an affront to *the principles of Federalism that underlie this national structure.*

Mr. President, I emphasize—"the principles of Federalism that underlie this Nation's structure." When the Congress enacted the Surface Mining Control and Reclamation Act of 1977 after years of struggle and months of intensive committee, floor, and conference work, it based the law on the principles of Federalism. The administration of the law and Federal requirements beyond the law abandon these principles of federalism.

S. 1403, as reported, seeks to redress this abandonment.

The 1977 law finds that, and I quote:

The primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

The Federal role is to, and I quote:

Assist the States in developing and implementing a program to achieve the purposes of this act;

The Secretary is to, quoting again:

Assist the States in the development of state programs for surface coal mining and reclamation operations which meet the requirements of the act, and at the same time, reflect local requirements and local environmental and agricultural conditions.

I think the distinguished Senator from Oregon and I are saying the same thing, maybe in different manners, but we are coming down on the same points.

Mr. President, S. 1403, as reported, seeks to restore these principles of federalism that have been abandoned in the administration of the act.

Mr. President, the 1977 act is a detailed piece of legislation which specifies the standards to be met by the States in carrying out their primary role under the act.

This is the most vital part of S. 1403 and this is what I hope my colleagues will understand. The focal point of S. 1403 should be this:

Congress recognized that State regulations would have to be detailed to meet the standards of the act but the primary responsibility for developing and enforcing regulation was assigned to the States: The Federal role was to assist—to assist—the States and to take over a program when a State did not meet the requirements of the act.

Mr. President, S. 1403, as reported, addresses two problems—the necessary delay in implementation and, more basically, the principles of federalism that underlie this Nation's structure.

Section 2 extends the statutory deadline for submission of State programs by 12 months from February 3, 1979, to February 2, 1980. This has the effect of extending the current August 3, 1979, deadline (which includes a 6-month extension granted by the Secretary) for 6 months to February 3, 1980. This section leaves intact the authority of the Secretary to extend the deadline for an additional 6 months in States where compliance with the act requires an act of the State legislature. This section also extends by 12 months the date by which the regulatory authority must take action on permits to operate under a permanent program and the deadline for imposition of a Federal program.

The committee believed that it would take States longer to redesign State submissions which are partially completed, but based on the regulations. Additional time would probably be required to restructure programs based upon consistency with the act.

The extension of time for State legislatures to take necessary action is retained because of the recurring OSM findings that a State law does not give the State administrator the authority to issue a particular set of regulations.

Let me digress just a minute. When the State legislature considered a piece of legislation—and this is a fact—the Attorney General as the one law enforcement official of that State, gave the opinion that the bill complied completely with the Federal law. The State legislature then passed overwhelmingly that piece of legislation believing that their State was in compliance with Federal law.

The Attorney General said that they did comply, as the courts later found. But when the plan was submitted, OSM officials said "No, you do not comply because we're now legislating by regulation, even though the thrust of this regulation is not backed by the intent of legislation."

This is a fact. This is something we have to stop here in Washington. We have to stop it by introducing legislation to restructure the thinking of bureaucrats that the intent of Congress is such.

The net result of this has been a practical requirement that, more and more, State law has had to conform not only to the Federal law but also to the Federal regulations.

We have gotten into a cookbook proposition. Federal officials say that State law must be identical to Federal law. But when the laws are identical and an agreement is reached on intent, the States are told that the regulations have to be identical. That becomes a cookbook in which States have no standing and the intent of the legislation is usurped.

As the act is now being administered, the only way for a State to insure compliance would be to enact the Federal regulations as State law.

And the regulations are not in compliance with the intent of the legislation or the intent of Congress.

The original 1977 bills in both Houses of Congress did require that State law conform to Federal law and regulations. The Congress dropped this but the OSM is seeking to achieve the same end in its administration of the program.

Section 3 deletes the requirement in the act that State programs submitted to the Secretary for approval or disapproval have rules and regulations consistent with the regulations issued by the Secretary pursuant to the act. The section leaves intact the requirement that rules issued by the States be consistent with the act. Nothing was taken out. They must be consistent with the act.

The committee believes that without this change, States will not have the opportunity to design regulatory programs which reflect local conditions. The requirement that State programs be consistent with the regulations inhibits the flexibility of the States in the design of their programs.

Section 4 deletes the requirement that the Secretary implement a Federal lands program within 1 year of enactment of the act and adds language which directs him to implement a Federal lands program coincident with the implementation of a State program or a Federal program, whichever is the case, except where a State has a cooperative agreement with the Secretary to provide for State regulation on Federal lands pursuant to subsection 523(c) of the act.

This section was adopted because of concern by States with Federal lands that implementation of the Federal lands program will preempt the ability of the State to design its program.

So I hope that this piece of legislation, as it has arrived to the Senate floor from the Committee on Energy and Natural Resources, will be kept intact and that we can implement the intent of Congress as it relates to the Surface Mining Reclamation Act of 1977.

Mr. MELCHER. Mr. President, this bill, as amended, came to the floor from the committee with a 10-to-8 vote, which is rather narrow in our committee; and it reflects the strong feeling of many of us on the committee that the bill simply has gone astray from what is needed in the Nation's energy program.

The original act passed in 1977, to regulate reclamation of lands throughout the country which are involved in strip mining for coal, sets the minimum Federal standards. All States have been given time to review those minimum Federal standards and to adjust their State laws to at least meet the minimum standards and submit their plans to the Secretary of the Interior. If they meet the minimum Federal standards, then the Secretary approves the State plan, and the State runs the reclamation program in that State.

That was the thrust of the act, and it is still the thrust and intent of the act at this time. States are submitting their plans.

My State of Montana, a few weeks ago, submitted to the Secretary, Montana's strip mine reclamation program. We feel confident that it meets the intent of the act, that it does cover the minimum standards, and that the Secretary will approve it.

The bill before the Senate today has three features, and two of these are not in conflict with the overall intent of all the members of the committee. The Governors of coal producing States testified that they would like until sometime in March of next year for submission of the State plan. We have no objection to that at all. The Governors also testified that they would like the implementation of the Federal lands program to be held off until such time as a State plan has been submitted and acted upon by the Secretary. We are not in disagreement on that.

However, there is a third section of the bill, and we are in disagreement on that, in very vigorous disagreement. That third section of the bill simply states that while the 1977 act will not be amended, the regulations will be canceled. This is totally unprecedented.

I do not know of any time in the past—and I invite the sponsors of this legislation to submit this for discussion—when a subsequent act of Congress dealing with previous legislation did not amend or repeal the act itself but instead simply canceled the regulations implementing the act. Section 3 of this bill seeks to do that. That is the objectionable feature of the bill as presented.

I know of no precedent and I know of no way in which this innovative unprecedented procedure will lead to more coal mining. What it would mean would be that a State would draw its own regulations based on the act; and if it were not agreed to, it would lead to a confrontation in court in a lawsuit. We would have numerous lawsuits, based on various interpretations by States of the 1977 act of Congress. I think there would be chaos in the courts.

It has been stated that the State requirements would be identical with the

act or meet the intent of the act. Then it would be up to each court to interpret whether those proposed State regulations were compatible, did meet the minimum standards of the Federal act. A judge in one district might make a finding that would be totally disagreed to by a judge in another district. I cannot imagine any greater invitation for lawsuits than this procedure.

Contrary to any impression that might have been garnered from the remarks that have been made by the proponents of this bill, as it is presented to the Senate, the 1977 Reclamation Act does not require that each State's plan be identical with the Federal regulations. In fact, the whole thrust of the bill was that, having set the minimum Federal standards, a State, on its own volition, could exceed the minimum standards.

The proposition is made, and rightly so, that reclamation procedures in States and various regions of the country will vary, and in order to accommodate that, the basic law passed by Congress in 1977 gives the Secretary some discretion in recognizing that regulations as applied uniformly to all the States may not accomplish the necessary reclamation procedures. The Secretary of the Interior refers to that as the so-called State window, where some variation can be allowed, and Federal regulations provide for recognition of different conditions for reclamation to be approved in State plans to deal with various problems that can be solved in a State with varying conditions.

The Governors of the coal-producing States have testified rather emphatically on the need for more time for submission of State plans. Their point is well taken, and I do not believe anyone in the Senate disagrees. But to go beyond that and to say that all of the regulations of the Secretary of the Interior on this act will be nullified completely and disregarded in approving State plans goes into every part of the act.

While there may be in a State some regulations promulgated by the Secretary of the Interior that are not objected to and which they find quite incompatible with what they view as their proposed State plan, they probably number, in each State, only six, seven, or eight regulations.

Yet this bill would strike out all Federal regulations in approving State plans and leave just the statute available for the courts to interpret.

I think it is very necessary to remind all of us that there are probably too many lawsuits introduced that hold up energy production.

Would this help? Would this procedure help, striking down the Federal regulations? I think not. I think to the contrary, it would only add lawsuits. I think it is fair to say that most of us are quite disenchanted with the length of time it takes on individual lawsuits holding up energy production. Would this procedure knocking out the Federal regulations somehow expedite the case in court? I think not.

I feel that it would even add and stretch out the period of litigation for an individual lawsuit, that the appeal process would be delayed even further, and that rather than expediting any procedure to provide for the opportunity to have strip mining of coal throughout the country on a good and sound basis, this would be a direct hindrance on development of sound and practical and worthwhile strip mining operations.

I think the end result of this feature of the bill would be so chaotic, so time-consuming and so divisive that we would actually set back strip mining of coal by several years for many proposed mines.

That is not our goal. That is neither the goal of myself nor the proponents of this bill.

I think we join together on that score in wanting to expedite rather than to hinder production. I think we join together in wanting it to be on a sound basis for reclamation. Where we differ is how to arrive at those very laudable goals.

Later in the day we will offer a substitute, which will recognize the requests of the coal State Governors for more time, will recognize the request of the coal State Governors for the implementation of the——

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. MELCHER. In just a moment I will.

Mr. FORD. He is referring to the coal State Governors. I do not want the RECORD to reflect that he is speaking for all Governors who head coal States, and I hope that the Senator will at least not include the Governor from my State who happened to be chairman of the Governors Conference last year.

Mr. MELCHER. I thank my friend from Kentucky for that and I will refer to it after I have completed the thought I was expressing.

The substitute I shall offer will provide the additional time, per the request by the National Governors Association for the implementation of the Federal lands program being tied to the approval of the State program.

But it will not contain section 3 of the bill that is now before us that would nullify all of the Federal regulations pertaining to approval of State plans in the 1977 act.

In referring to the Governors of coal-producing States, I refer to the testimony that was presented to the committee during our hearings by Gov. Ed Herschler, of Wyoming, who testified on behalf of the National Governors Association, and whatever other Governors agree with that position as presented by Governor Herschler on behalf of the National Governors Association are the coal-producing State Governors that I referred to.

Mr. ROBERT C. BYRD. Mr. President, I hope it may be possible to reach a time agreement on this bill a little later. For the moment I shall simply make a few remarks.

S. 1403 addresses complex regulatory problems associated with the development of coal. The bill amends the Surface Mining Act by extending administrative deadlines and by providing the States with much-needed flexibility as they develop reasonable reclamation plans.

This bill is the embodiment of a simple principle, a very simple principle. That principle is this Nation must produce more coal in an environmentally acceptable manner.

The United States is beyond the stage where it can afford to pay lip service to coal. Our coal reserves are immense; enough to supply our basic energy needs for centuries. We need coal for the generation of electricity, for fueling industrial boilers, and for conversion into synthetic fuels. We cannot allow this precious resource to languish any longer. A fair and sensible coal development policy must be established, as Congress intended when it passed the original Surface Mining Act. The bill being considered today will provide several crucial ingredients of a workable coal policy.

First, S. 1403 will extend the time given to the States for submission of their reclamation plans. The reclamation plan of each State will outline the precise procedures to be used by mining concerns to restore the land once the coal has been extracted. The Surface Mining Act requires that reclamation plans be greatly detailed. Under the act, the Office of Surface Mining in the Department of Interior is responsible for approving or denying the plans, a process which requires a great deal of time. In order to insure fair and complete consideration of the State plans, the deadline for approval of the plans is also extended in this bill.

Second, the bill unambiguously reaffirms the intent of Congress with respect to the role of the States in surface mining regulation. The 1977 act specifically declares that "the primary responsibility for developing, authorizing, issuing, and enforcing surface mining regulations rests with the States."

As the act has been implemented, the role of the States has been diminished. That policy shift is not fair to States that have consistently supported the goals and purposes of the Surface Mining Act. It demonstrates a lack of realistic planning. It is not a sound basis for our coal policy.

Section 3 of the bill, sponsored in the committee by Senators FORD and HATFIELD will allow the States to assume their proper place in the regulatory process. Under this language, which is often referred to as the Rockefeller amendment, the Surface Mining Act itself will be the standard by which reclamation plans are evaluated. The act is more specific than is usually the case and was deliberately designed in that fashion.

By this change, Congress is not abandoning the goals of the Surface Mining Act. Instead, we are bringing the act back to its proper foundation. It should be recalled that the Office of Surface Mining continues to have the power to turn down a reclamation plan if it is not consistent with the act.

The Governors of the major coal-producing States have developed a consensus in support of this bill. Many of them were in office 2 years ago when the original act was passed, and they supported

that effort strongly. At the time, the principle of State regulatory responsibility seemed to be firmly accepted. Only when it became apparent that the States would be practically preempted from meaningful participation in the process did they seek relief.

I believe S. 1403 can provide the basis for the pragmatic policy this Nation needs. A fundamental portion of any national energy action must include coal development. This bill will push forward toward that objective, and I urge its passage.

I express my strong support for the language in section 3, and I also express the fervent hope that any effort to strike will be defeated.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. FORD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HATFIELD. I yield.

Mr. FORD. Mr. President, I ask unanimous consent that Ric Fenton and Tom Altmeyer from Senator RANDOLPH's staff have the privileges of the floor for the duration of the Senate's consideration of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, will the Senator yield for 30 seconds?

Mr. HATFIELD. I yield.

Mr. TSONGAS. Mr. President, I was in the House of Representatives when the Interior Committee spent a great deal of time on the so-called Federal Strip Mining Act of 1977.

I would simply state that the act that is before us now causes certain problems, and for that reason I strongly support the Melcher-Jackson substitute.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the Senator from Montana has raised a very pertinent matter relating to the response or the attitude of the Governors concerning this proposed legislation we have before us today.

Early in the consideration of the amendments which Senator FORD and I have proposed, and which were adopted by the Senate Energy Committee, I circulated the text of those amendments to the Governors and asked for their response to the proposed amendments, specifically the three amendments we have incorporated, along with four other amendments that I happened to be considering at the time.

I would like to submit for the RECORD at this time, and ask unanimous consent for its submission, the responses from the 19 coal State Governors who have gone on record through these documents which I present at this time in support of the amendments to the bill which extends the time and which also includes the so-called Rockefeller amendment.

There being no objection, the material was ordered to be printed in the RECORD:

STATE OF WEST VIRGINIA,
OFFICE OF THE GOVERNOR,
Charleston, W. Va., July 6, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HATFIELD: I appreciated your June 28, 1979, mailgram concerning the Federal Surface Mine Act. The issues you mention have also concerned me for some time; and, the changes you suggest are, I believe, appropriate.

As you know, I have also suggested one of the amendments you mention: I refer to the proposal that states should only be required to have programs consistent with the federal act itself. This amendment alone would help bring order to current efforts and restore the primary role for enforcement to the states, as Congress intended. I have discussed the amendment with both Senators Randolph and Byrd.

Certain observers have indicated that a large number of amendments to the act could be an impediment, but, of course, I leave strategy to you. In any event, some changes, and particularly the one I have mentioned, are essential if the 1977 Act is to be workable.

I am sure that members of your staff are in touch with Phil McGance in Senator Randolph's office, for the purpose of discussing strategy. My office is staying in touch with Phil.

I sincerely appreciate your interest.

Sincerely,

JOHN D. ROCKEFELLER IV.

OFFICE OF THE GOVERNOR,
Richmond, Va., July 6, 1979.

Senator MARK O. HATFIELD,
U.S. Senate Committee on Energy, and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: The Commonwealth of Virginia fully supports the efforts of yourself and other members of the U.S. Senate to amend the Surface Mining and Reclamation Act of 1977 in order to assure that primacy responsibility for implementation of the Act rests with the States.

We have consistently opposed the Office of Surface Mining's policies and regulations that have clearly frustrated the efforts of the States to comply with the intent of Congress. The proposed amendments you have sent us will provide the extension of the time that most States need in order to develop acceptable state programs. The additional amendments will provide States the opportunity to address conditions unique to each State.

Virginia has continued to exhibit good faith efforts to comply with the provisions of the Act. However, to meet the August 3 deadline, Virginia will simply be lifting many of the Federal regulations and placing them in our State Program. Clearly this was not the intent of Congress.

We support your efforts and please let us know if we can provide information that will assist you in your efforts.

With all good wishes, I am

Very truly yours,

JOHN N. DALTON.

OFFICE OF THE GOVERNOR,
Little Rock, Ark., July 9, 1979.

Hon. MARK O. HATFIELD,
U.S. Senator, U.S. Senate, Commission on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: Thank you for your letter of June 29, 1979 forwarding a copy of your proposed amendments to the Federal Surface Mining Control and Reclamation Act of 1977 (PL 95-87). Arkansas is currently struggling to prepare a permanent regulatory program to obtain primacy over surface coal mining and has experienced some of the same problems discussed during the oversight hearings.

We support your efforts to amend PL 95-87. I would like to point out an area that you may have overlooked. While your proposed amendment will eliminate the state's obligation to comply with the requirements of 30 CFR 731. et seq. dealing with preparation of state programs, you make no mention of Section 503(2)(7) of the Act which requires the states to establish rules and regulations consistent with the regulations issued by the Secretary. By retaining that provision, the states will still have no choice "but to become state level clones of the federal regulations" as stated in your June 28, 1979 letter.

I also call your attention to Section 705 (a) of the Act, which provides for decreasing federal support of state programs (from 80 per centum the first year to 40 per centum for the third year). It would appear that in view of the delays in developing the federal regulations, the justifiable extension of the date for submitting state program plans should be coupled with an extension of the first year support level.

I appreciate the opportunity to lend my support to your efforts and hope you are successful.

Very truly yours,

BILL CLINTON,
Governor of Arkansas.

GOVERNOR'S OFFICE,
Harrisburg, Pa., July 20, 1979.

Senator MARK O. HATFIELD: I strongly support the need for extending the deadline for submission and approval of State program applications under the Federal Surface Mining Control and Reclamation Act of 1977 as proposed in H.R. 4728 and S. 1403.

I support State flexibility in administering a delegated Federal program, as embodied in section 2 of the Hatfield-Ford amendments to S. 1403.

DICK THORNBURGH,
Governor of Pennsylvania.

STATE OF OHIO,
ENVIRONMENTAL PROTECTION AGENCY,
July 9, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, Russell Building, Washington, D.C.

DEAR SENATOR HATFIELD: This letter is in response to your Mailgram of June 28, 1979, to Governor James A. Rhodes regarding proposed amendments to P.L. 95-87, the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The Ohio Environmental Protection Agency (Ohio EPA) supports your proposed amendments to P.L. 95-87.

In particular, the Ohio EPA supports the proposal to remove Section 503(a)(7) of the SMCRA which requires state rules and regulations be consistent with the rules and regulations issued by the Secretary of Interior pursuant to the Act. The proposed amendments would allow flexibility within the states to maintain their own regulatory authority while complying with the intent of the SMCRA, and would, therefore, avoid duplication of existing state regulatory authority regarding the exploration and extraction of coal. Your proposed amendments would allow states, such as Ohio, to avoid duplication of regulatory authority and yet to meet the intent of the SMCRA. Equally important it would relieve the additional regulatory burden and possible economic impact imposed on Ohio's coal industry.

The SMCRA affirmatively requires the state agency responsible for carrying out the program (i.e., Ohio Department of Natural Resources (Ohio DNR)) to assure minimum environmental degradation in accordance with Section 515 of the SMCRA. The SMCRA further provides that in no event shall applicable state and federal environmental, health, or safety statutes, regulations, or standards be violated by a permitted facility.

Although the SMCRA was intended to supply regulatory authority over mining operations which were not already under regulatory supervision, the situation in Ohio is that regulatory permitting and enforcement authority over mining operations was already covered by Ohio EPA and DNR. Thus instead of expanding authority over previously unregulated activities, duplication of authority over mining operations in Ohio has resulted.

In accordance with statutory enactments, through the Clean Water Act (CWA), P.L. 95-217, and the Ohio Water Pollution Control Act in the Ohio Revised Code Chapter 6111, the Ohio EPA administers the laws and rules pertaining to the prevention, control and abatement of water pollution and supervises the disposal of industrial and other wastes.

In the performance of these duties, Ohio EPA issues permits to coal mining operations for the installation and construction of treatment works and for the placing of pollutants into waters of the state, which permits contain effluent limitations. The performance of similar activities by the Ohio DNR will result in a duplicity of governmental effort and confusion to the regulated entity.

In the area of assuring minimum environmental degradation from mining operations, therefore, the Ohio DNR and EPA have concurrent jurisdiction and responsibility.

While cooperative state agency agreements can be engaged in so to meet the intent of the SMCRA, the Final Rules and Regulations, 30 CFR, promulgated by the Department of Interior (DOI) in March, 1979 to implement the SMCRA, and Section 503(a)(7) of the Act requiring states to comply with the federal Rules and Regulations have insufficient flexibility to allow state agencies to enter into a viable cooperative agreement of state regulatory authority.

An additional proposal to amend Section 405(c) of the SMCRA would allow for the expenditure of abandoned mine reclamation funds prior to approval of a state regulatory program pursuant to Section 503.

The State of Ohio is a major coal producer in the United States, having produced seven percent of the total tonnage. In addition, Ohio today is the leading coal consumer in the nation, accounting for almost twelve percent of the total consumption. The development of the industry, however, was not without serious long term liability. This liability today represents more than 370,000 acres of land requiring reclamation; and in excess of 1,300 miles of Ohio streams either continuously or intermittently affected by the discharge of 1,000,000 pounds of acid per day from inactive mines.

Ohio EPA supports this proposed amendment to allow for full or partial release of funding for the state abandoned mine reclamation program at the earliest possible date. Any immediate funding towards this program development would allow Ohio and other states to begin planning for the restoration of abandoned mined areas.

The expeditious release of funding for restoration will provide for a more immediate protection of the public's health, safety, and general welfare, and for improved land and water resources to meet the intent of both the SMCRA, and the CWA goal of swimmable, fishable waters by the year 1983. It would be unfortunate to both the welfare of the state and the nation to delay any longer the program development of abandoned mined lands reclamation when such delays are due to state difficulties in fulfilling the requirements of Section 503.

Ohio EPA further supports the proposed establishment of a 15 member commission to review the DOI, Office of Surface Mining's implementation of SMCRA. With the proposed responsibilities granted to this body to review and advise on the implementation of the federal program, it is hopeful the state agencies granted regulatory authority to control environmental degradation from the effects of coal mining operations will be able to proceed with their program development and implementation without undue confusion and duplication of effort.

If we may be of any further assistance to you in your efforts to pass these proposed amendments, please let me know.

Sincerely,

JAMES A. MCAVOY,
Director.

OFFICE OF THE GOVERNOR,
Springfield, Ill., July 16, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, McLean, Va.

DEAR SENATOR HATFIELD: I have received your letter of June 29 about needed amendments to the Surface Mining Control and Reclamation Act. I have already indicated to Secretary Andrus my strong support for the seven months extension in state program submittals and approvals, contained in S. 1403. I am also in sympathy with each of your additional proposals. They would provide more complete assurance than the existing law that restoration and reclamation efforts may proceed in each state in accordance with Congressional standards, under State direction tailored to economic, geographical and environmental considerations unique to each State. I also believe state administration of abandoned mined lands reclamation funds should begin at once. I would hope Congress and the Administration will be willing to listen to your sensible proposals, and to adopt them. I hope you will find a way to bring these proposals to Congressional attention in an atmosphere of full, round, and immediate deliberation on an issue of national importance, involving a critical energy resource.

Perhaps these issues will be most constructively addressed separately from consideration of the seven-months extension in S. 1403, at least as long as the Administration threat of veto to any attempt to amend S. 1403 persists. I think most members of Congress would be shocked at the dictatorial and costly red tape that has occurred since the Act was passed, out of all proportion to intended environmental benefits, and will favor restoration of control of land use and mined land reclamation to the States and local citizenry, as originally envisioned by most of them.

Sincerely,

JAMES R. THOMPSON,
Governor.

GOVERNOR'S OFFICE,
Santa Fe, N. Mex., July 11, 1979.

Senator MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, McLean, Va.

DEAR SENATOR HATFIELD: The State of New Mexico has reviewed the proposed amendments to the Federal Surface Mining Act which you are considering for introduction in the United States Senate, and strongly support them as being in New Mexico's and the Nation's best interest.

We agree that the performance standards on reclamation requirements set by the act should not be diminished. However, performance should be measured by results achieved, and the individual States should be allowed to devise the proper methods to achieve the desired results. The present final surface mining regulations recently published by the Office of Surface Mining are tedious, complex, and inflexible, and will actually impede the efforts of State reclamation agencies in developing improved reclamation technologies. We also strongly support the extension of the time allowed States to submit their reclamation programs.

As you have stated, it is the clear intent of the act that the States should assume the responsibility in planning and providing environmental protection, and ensuring reclamation of coal mined lands with high Federal standards. The act should be amended to protect that intent.

If there is any further effort that we can make to help in passage of these amendments, please advise.

Sincerely,

BRUCE KING,
Governor.

BISMARCK, N. DAK.,
July 6, 1979.

HON. MARK O. HATFIELD,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HATFIELD: This letter is in response to your mailgram of June 28, 1979, regarding your proposed amendments to the Surface Mining Control and Reclamation Act of 1977.

The State of North Dakota supports your proposed amendments as does the state regulatory authority governing surface coal mining in our state, the North Dakota Public Service Commission (hereinafter NDPSC). The State of North Dakota also urges you to incorporate four additional amendments into your bill which we believe are essential if state programs are to succeed under the federal Act. These amendments are discussed in more detail in the enclosed letters to Senators Burdick and Young from the NDPSC.

Finally, I wish to emphasize that reclamation will succeed only if the states are allowed to be responsive to particular reclamation problems in their states. The regulatory constraints imposed by the federal government on the states must be removed if we are to respond to our country's energy crisis and at the same time, insure that reclamation is accomplished in an effective manner.

Sincerely yours,

ARTHUR A. LINK,
Governor.

PUBLIC SERVICE COMMISSION,
Bismarck, N. Dak., July 3, 1979.

Hon. MARK HATFIELD,
U.S. Senator,
Washington, D.C.

DEAR SENATOR HATFIELD: I have just finished reading a copy of the telegram that you recently sent to a number of governors, including Governor Arthur A. Link of North Dakota.

In your telegram, you point out that you are planning to introduce a bill which would amend the Surface Mining Act. I support your desire to amend the Surface Mining Act because the Act, as it is being administered at the present time, needs to be corrected if the United States is ever going to be able to move toward energy independence.

I visited today by telephone with Senator Quentin Burdick of North Dakota and Senator Milton R. Young. Both have indicated a willingness to support your legislation either as cosponsors or in any other way possible.

In North Dakota, the Public Service Commission is the State agency in charge of reclamation of mined lands. My concern about the present administration of the Surface Mining Act comes from the fact that, as head of the State agency charged

with planning and enforcing reclamation and environmental protection during mining, we find that OSM (Office of Surface Mining) has come way beyond what we feel the intent of the Congress was.

Our agency is planning to put together testimony in support of the legislation you plan to introduce on July 9. You may rest assured that we will do anything we can to help demonstrate to your colleagues in the Senate and House the importance and timeliness of the amendments you are proposing.

With warmest personal regards, I remain.

Yours truly,

RICHARD A. ELKIN,
President.

THE CAPITOL,
Jackson, Miss., July 12, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, McLean, Va.

DEAR SENATOR HATFIELD: Mississippi is in sympathy with your position on the Office of Surface Mining's implementation of the Surface Mining Act. We would not have the degree of conflict that other states might have as there are no active coal mines in Mississippi and have not had to regulate them under OSM standards in an interim program. For these reasons, our dealings with OSM have been fairly subdued.

In the development of our state coal mining laws and regulations, we have, by necessity, tracked the Federal regulations. If states could be given greater leeway, the size of our implementation regulations could be cut by hundreds of pages. This, of course, would mean that it would be much easier to enforce our law on a state level. A great deal of language in the Federal law does not pertain to many of the states, and it would be helpful if these states could be given greater latitude in developing their own programs.

We support all of your goals as stated in paragraph 4 of your mailgram except that we find no particular fault in the bonding requirements as applied to Mississippi. We know of the problems of state regulatory authorities in their dealings with OSM and will give you our support in your attempts to make the law more workable and more sympathetic to the states.

If you would like to discuss this matter further, please do not hesitate to call on me.

With kindest personal regards and best wishes, I am

Sincerely,

CLIFF FINCH,
Governor.

GOVERNOR'S OFFICE,
Montgomery, Ala., July 17, 1979.

Hon. MARK O. HATFIELD,
U.S. Senator, U.S. Senate Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: I am conscious of the complex problems associated with the coal-producing states' efforts to seek compliance and primacy with the Surface Mining Control and Reclamation Act of 1977 of Public Law 95-87 and particularly of the untenable schedule to achieve program approval.

I wholeheartedly support your proposals.

With kindest regards, I remain

Sincerely,

FOB JAMES,
Governor.

LEXINGTON, KY.,
July 17, 1979.

Senator MARK O. HATFIELD,
Attention Members of Energy and Natural Resources Committee, U.S. Senate, Washington, D.C.

The Interstate Mining Compact Commission understands that 3 amendments are before the Energy and Natural Resources Committee: 1. Extend for 1 year the time allowed States to submit their State program; 2. Remove the requirement that States comply with the Secretary's rules and regulations which implements the act, but leaving intact the requirement that States comply with the act; 3. Insures that implementation of a federal lands program coincides with implementation of a state program or federal program as appropriate. In a vote taken by our member States the majority favors these amendments.

In favor of amendments are Maryland, North Carolina, West Virginia, Ohio, Virginia, Illinois, Alabama, Oklahoma, Tennessee, Kentucky, Indiana. Texas neither approves or disapproves of the time extension but votes for the other 2 amendments. South Carolina was unavailable to vote; Pennsylvania favors the time extension, but has not yet decided on the other 2 amendments.

INTERSTATE MINING COMPACT COMMISSION.

INTERSTATE MINING COMPACT,
LEXINGTON, KY.,
July 19, 1979.

Senator MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

In review of amendments before the Energy and Resources Committee, Tennessee has reconsidered and is now supporting the Jackson Amendment.

OFFICE OF THE GOVERNOR,
CHEYENNE, WYO.,
July 16, 1979.

Senator MARK O. HATFIELD,
Washington, D.C.

DEAR SENATOR HATFIELD: I wish to confirm the agreement we reached in Washington last Wednesday regarding amendments to the Surface Mining Control and Reclamation Act of 1977. First, I support a general 7-month extension of the deadlines as proposed by Senator Jackson. This will give the States approximately 1 full year from publication of the Federal permanent program regulations to prepare a State program submission as was originally contemplated under the act. Second, I strongly support the agreement reached by you and Senator Jackson to extend the Federal lands program until the Secretary has taken final action on a State's proposed program: I understand that the proposed amendment would add the following sentence:

"Subject to the provisions of section 523 (c) implementation of a Federal land program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate."

These amendments will not resolve all of our problems with the Federal Office of Surface Mining but they represent a beginning.

I sincerely appreciate your efforts on behalf of Wyoming and her sister States on this matter.

ED HERSCHLER,
Governor.

NATIONAL GOVERNORS' ASSOCIATION,
July 13, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for your letter of June 28th concerning the National Governors' Association's position on amendments to the Surface Mining Control and Reclamation Act of 1977. The governors strongly support the legislation you have introduced, S. 1403, which extends the deadline for submission of state programs seven months beyond the current August 3, 1979 deadline. This extension is much needed to allow states the full twelve months the Act originally provided for the preparation of state programs. The National Governors' Association strongly supported passage of the Act and we feel your bill insures that the intent of the Act will be carried out.

As regards the amendments offered by Senator Hatfield, the Association has no existing policy relating to these changes. In addition, no governor proposed any new policy dealing with surface mining during our recently completed annual meeting in Louisville. Hence, we cannot support the Hatfield amendments as a matter of NGA policy.

I would add that I, as Governor of Colorado, strongly support the extension of the deadline for implementation of the permanent program regulations on federal lands until final action has been taken on state program submissions. The agreement reached Wednesday between you, Governor Herschler, Congressman Udall, and Senator Hatfield is a very positive step. I also agree with your feeling that any other amendments, such as those proposed by Senator Hatfield, should be considered separately from the legislation to extend these two deadlines. These extensions are of critical importance to the achievement of state primacy in surface mining regulation and should not be endangered by other amendments, no matter how worthy.

I appreciate your continuing interest in the implementation of the Surface Mining Act and would welcome the participation of your staff in monitoring negotiations between the states and OSM.

Sincerely,

RICHARD D. LAMM,
Chairman, Natural Resources and Environmental Management Committee.

U.S. SENATE, COMMITTEE ON
ENERGY AND NATURAL RESOURCES,
Washington, D.C., July 20, 1979.

DAVE: Robin Ross, Deputy Counsel to Gov. Thornburgh, called and gave me the text of a telegram that is being sent to all Members of our Committee.

"I strongly support the need for extending the deadline for submission and approval of state program applications under the Federal Surface Mining Control and Reclamation Act of 1977 as proposed in H.R. 4728 and S. 1403.

"I support state flexibility in administering a delegated Federal program, as embodied in Sec. 2 of the Hatfield-Ford Amendments to S. 1403.

"GOV. DICK THORNBURGH."

Please call Robin when the vote has been taken to let him know how it turned out. (717) 787-2551.

[Telegram to be sent to U.S. Senator Mark O. Hatfield, U.S. Senate Committee on Energy and Natural Resources]

DEAR SENATOR HATFIELD: The State of New Mexico has reviewed the proposed amendments to the Federal Surface Mining Act which you are considering for introduction in the United States Senate, and strongly support them as being in New Mexico's and the Nation's best interest.

We agree that the Performance Standards on Reclamation Requirements set by the Act should not be diminished. However, performance should be measured by results achieved, and the individual states should be allowed to devise the proper methods to achieve the desired results. The present final surface mining regulations recently published by the Office of Surface Mining are tedious and complex and inflexible, and will actually impede the efforts of state reclamation agencies in developing improved reclamation technologies. We also strongly support the extension of the time allowed states to submit their reclamation programs.

As you have stated, it is the clear intent of the Act that the states should assume the responsibility in planning and providing en-

vironmental protection, and ensuring reclamation of coal mined lands with high federal standards. The Act should be amended to protect that intent.

If there is any further effort that we can make to help in passage of these amendments, please advise.

Sincerely,

BRUCE KING,
Governor, State of New Mexico.

MONTGOMERY, ALA.,
July 16, 1979.

Senator MARK O. HATFIELD,
Capitol One, D.C.

I urge you to support the Ford-Hatfield amendment to SB1403.

FOB JAMES,
Governor, State of Alabama.

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., July 10, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: The State of North Dakota has great concern with the implementation of legislation affecting surface mining. I understand that your Committee will take up this matter in the near future. I also understand that Senator Hatfield will propose a series of amendments at that time.

I would like to take this opportunity to record my support for Senator Hatfield's proposals as well as the support of the State of North Dakota. I attach for your information copies of pertinent correspondence from the North Dakota Public Services Commission to me, and from Governor Link to Senator Hatfield.

I also attach a series of amendments recommended by the State of North Dakota. I earnestly request that you and your colleagues on the Committee give them serious consideration. They will go far in helping insure that the enforcement of this Act follows the original intent of Congress.

Thank you very much for your assistance in this matter.

With kind regards, I am

Sincerely,

QUENTIN N. BURDICK.

NATIONAL GOVERNORS' ASSOCIATION,
July 13, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for your letter of June 28th concerning the National Governors' Association's position on amendments to the Surface Mining Control and Reclamation Act of 1977. The governors strongly support the legislation you have introduced, S. 1403, which extends the deadline for submission of state programs seven months beyond the current August 3, 1979 deadline. This extension is much needed to allow states the full twelve months the Act originally provided for the preparation of state programs. The National Governors' Association strongly supported passage of the Act and we feel your bill insures that the intent of the Act will be carried out.

As regards the amendments offered by Senator Hatfield, the Association has no existing policy relating to these changes. In addition, no governor proposed any new policy dealing with surface mining during our recently completed annual meeting in Louisville. Hence, we cannot support the Hatfield amendments as a matter of NGA policy.

I would add that I, as Governor of Colorado, strongly support the extension of the deadline for implementation of the permanent program regulations on federal lands until final action has been taken on state program submissions. The agreement reached Wednesday between you, Governor Herschler, Congressman Udall, and Senator Hatfield is a very positive step. I also agree with your feeling that any other amendments, such as those proposed by Senator Hatfield, should be considered separately from the legislation to extend these two deadlines. These extensions are of critical importance to the achievement of state primacy in surface mining regulation and should not be endangered by other amendments, no matter how worthy.

I appreciate your continuing interest in the implementation of the Surface Mining Act and would welcome the participation of your staff in monitoring negotiations between the states and OSM.

Sincerely,

RICHARD D. LAMM,
Chairman, Natural Resources and Environmental Management Committee.

PUBLIC SERVICE COMMISSION,
STATE OF NORTH DAKOTA,
Bismarck, N. Dak., July 3, 1979.

Hon. MILTON R. YOUNG,
U. S. Senate,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR YOUNG: It is our understanding that Senator Mark Hatfield of Oregon is intending to sponsor a bill which would amend the Federal Surface Mining Control and Reclamation Act of 1977 to insure that the states can continue to administer and enforce its surface coal mining and reclamation laws.

The North Dakota Public Service Commission urges you to co-sponsor this legislation and work for its enactment. In addition, the PSC is requesting that four additional amendments be incorporated into the Hatfield bill as we believe these amendments are essential to the existence of a workable state program for North Dakota. The additional amendments we propose are as follows:

First. A deletion of the requirement that North Dakota must disapprove a permit application for violation by the operator of another state's environmental laws even though the other state's environmental laws may be inapplicable to operations in the State of North Dakota (see Attachment 1);

Second. A deletion of an escrow provision which violates the due process rights of the operators and also requires penalties to be assessed prior to an examination of the evidence by a state regulatory authority (see Attachment 2);

Third. A prohibition on the imposition of a federal lands program so that a dual layer of federal and state bureaucracy is avoided (see Attachment 3); and

Fourth. A clarification of the definition of federal lands so that federal permitting is not required for private lands above federal coal (see Attachment 4).

We are also enclosing a copy of the proposed Hatfield bill with our suggested amendments incorporated therein (see Attachment 5). We would appreciate it if you would contact Senator Hatfield and his staff prior to introduction of his bill and attempt to get our suggested amendments included.

Please let us know if you have any questions regarding these amendments.

We do believe it critical to our state's reclamation program that these amendments be adopted. Thank you in advance for your assistance.

Sincerely,

RICHARD A. ELKIN,
President.
BEN J. WOLF,
Commissioner.
BRUCE HAGEN,
Commissioner.

ATTACHMENT 1

PROPOSED AMENDMENT TO PUBLIC LAW 95–87, 30 U.S.C. 1201 ET SEQ.

Section 6. (a) Section 510(c) of the Act is amended by inserting after the phrase "The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any" the word "Federal", and by inserting after the phrase "law, rule, or regulation of the United States, or of any" the word "Federal".

Rationale:

North Dakota vigorously objects to OSM's interpretation of Section 510(c) of the Act as including a notice of violation of any State air, water or other environmental protection statute with respect to coal mining operations. OSM's interpretation goes well beyond the meaning of Section 510(c). If Congress had intended that an applicant be required to list any notice of violation of any State law, it could easily have said so in Section 510(c). However, Section 510(c) does not mention violations of State laws. The only notices of violations that are required to be listed are violations of "this Act" and "any law, rule, or regulation of the United States, or of any department or agency in the United States." The word "State" is conspicuously absent. Section 510(c) further states as follows: "where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to (in) this subsection . . ." The "other laws" referred to in Section 510(c) are laws of the "United States." No reference is made to other State laws. Nor does the last quoted phrase refer to any "rule or regulation" of any department or agency in the United States. The quoted phrase only refers to other "laws."

However, OSM has chosen to interpret Section 510(c) as including a violation of any "State" air, water, or other environmental protection statute that implements a similar federal statute. A violation of a State law that is more stringent than the Federal Act, or a violation of a State law which governs conditions not existing in all states, should have no bearing on the issuance of a permit in another state. OSM's interpretation would require the applicant to meet the standards of the most stringent state in which the permit applicant operates before he could operate in any other state. The effect of this is to apply the standards of the Act to the standards of the most stringent state or to the state where peculiar conditions exist.

In addition, it is an extremely burdensome process for the applicant to list all other State law violations, no matter how irrelevant, and for the State regulatory authority to examine all of these other violations, no matter how inapplicable. In order for a State program to be "approved," the State program must be at least as stringent as the Act. The State regulatory authority should therefore not be required to concern itself with violations of other State laws that are more stringent than the minimum required by the Act, particularly where the other State law is concerned with a different type of coal mining operation from that commonly used in the State in which the application is being made.

The type of examination envisioned by OSM will make the application process more costly, and will hamper the flexibility of a State. If the Federal government wants to go to this extreme when issuing Federal permits, it may do so. However, the States should not also be burdened with such an unnecessary, expensive, and burdensome approach which is contrary to the intent of Congress.

ATTACHMENT 2

PROPOSED AMENDMENT TO PUBLIC LAW 95–87, 30 U.S.C., 1201 ET SEQ.

Section 6. (b) Section 518 of the Act is amended by deleting subsection (c) thereof in its entirety.

Rationale:

The "escrow account" procedure set forth in Section 518(c) of the Federal Act is a violation of the fundamental constitutional right of due process. This section requires an operator, who may later be absolved from all violations, to pay a "proposed" penalty in advance as a condition for obtaining a hearing on the violation. If he does not pay this "proposed" penalty when due, he thereby waives all legal rights to contest the violation or the amount of the penalty.

The operator should not be required to pay a penalty until after the amount of the penalty has been determined as a result of a hearing on a violation. If the purpose of this section is to ensure collection of the penalty, there are other provisions in the Act that can be used to accomplish this purpose without violating rights of due process, such as Section 518(d), which allows civil penalties to be recovered in civil actions.

An additional effect of this section is to assess a penalty without examining the evidence. The goal of enforcement should be effective remedial measures that result in sound reclamation practices. Remedial measures are a much more effective means of insuring compliance with the law and in achieving reclamation. For example, the North Dakota PSC recently decided a case where the remedial measures resulted in a cost of over $100,000 for the operator. If the North Dakota PSC had been required to assess the penalty prior to the hearings on the violations in question, it is questionable whether effective remedial measures could have been imposed. Thus, we believe that Section 518 (c) prevents a regulatory authority from assessing all of the evidence and then making a rational decision on what the most effective penalty should be as it relates to the goal of actually accomplishing reclamation. For these reasons, we strongly urge the repeal of Section 518(c) of the federal Act.

ATTACHMENT 3

PROPOSED AMENDMENT TO PUBLIC LAW 95–87, 30 U.S.C. 1201 ET SEQ.

Section 67. (a) Section 523(a) of the Act is amended by deleting the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Implementation of a Federal lands program shall only occur if a State program has been disapproved and the State has failed to remedy the defects within a reasonable time, or if a State program has been approved and the State has elected not to enter into a cooperative agreement with the Secretary to provide for State regulation of surface coal mining and reclamation operations on Federal lands within the State."

Rationale:

A Federal lands program should not be implemented by OSM until after either a State program has been disapproved, or, if approved, until a State has elected not to enter into a cooperative agreement to regulate Federal lands. The amendment proposed by the North Dakota Public Service Commission would insure that there would not be a dual level of bureaucracy in a State at anytime. An amendment providing only that the timing of a Federal lands program should coincide with either the implementation of a state program or a Federal program will not prevent a dual level of bureaucracy from occurring.

If OSM is given the opportunity at anytime to implement its federal lands program, our experience has shown that the result will be an "administrative disaster," which will strangle administrators, operators and citizens.

ATTACHMENT 4

PROPOSED AMENDMENT TO PUBLIC LAW 95–87, 30 U.S.C. 1201 ET SEQ.

Section 67. (c) Section 701(4) of the Act is amended at the end of the paragraph by deleting the period and by adding the phrase ": Provided further, that this definition does not include private or State surface lands above a Federal mineral interest."

Rationale:

The policies and regulations of OSM have the effect of requiring OSM approval for surface coal mining operations on all private and State lands in the State of North Dakota.

In North Dakota, as in many western States, Federal lands are interspersed with private and State lands. Specifically, approximately 75 percent of our State's coal reserves are found on private and State lands with the remaining 25 percent being found on Federal lands.

However, under the umbrella of "protection for public lands," OSM's permanent program regulations (Section 741.11(b), 44 Fed. Reg. 15333, 1979) provide that intermingled private and State lands must be mined pursuant to OSM standards, not State standards. In addition, OSM requires Federal approval of any "associated disturbances" on private lands above Federal Coal.

The effect of OSM's implementation of the Federal Act is clear: the Federal government not only will control mining and development on Federal lands, but they have now, through OSM, extended their authority regarding development to private and State lands as well. OSM's extension of authority to private and State lands for States with State programs is contrary to the intent of Congress.

Certainly, we agree that the States should not take actions that adversely impact the Federal coal resource. However, associated disturbances such as haul roads or topsoil stockpiles on private lands above Federal coal do not in anyway adversely affect the Federal coal. Thus, associated disturbances on private lands should not be subject to Federal permit or approval.

In order to prevent OSM from controlling all activities on private and State lands, we urge that a proviso to the definition of "Federal lands" be added which would "except" private or State surface lands above a Federal mineral estate from the Federal land definition. In other words, we believe the surface owner above Federal coal, whether it is the State or a private individual, should control the surface without regard to the desires or permission of the Federal government. We also wish to point out that it was on the basis of this philosophy that Congress enacted the surface owner consent provision of the Federal Act (see 30 U.S.C. 1304).

ATTACHMENT 5

PROPOSED AMENDMENTS SUBMITTED BY NORTH DAKOTA PUBLIC SERVICE COMMISSION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979".

Section 1. (Same as proposed Hatfield Bill).

Section 2. (Same as proposed Hatfield Bill).

Section 3. (Same as proposed Hatfield Bill).

Section 4. (Same as proposed Hatfield Bill).

Section 5. (Same as proposed Hatfield Bill).

Section 6. (a) Section 510(c) of the Act is amended by inserting after the phrase "The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any" the word "Federal", and by inserting after the phrase "law, rule, or regulation of the United States, or of any" the word "Federal".

(b) Section 518 of the Act is amended by deleting subsection (c) thereof in its entirety.

Section 7. (a) Section 523(a) of the Act is amended by deleting the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Implementation of a Federal Lands program shall only occur if a State program has been disapproved and the State has failed to remedy the defects within a reasonable time, or if a State program has been approved and the State has elected not to enter into a cooperative agreement with the Secretary to provide for State regulation of surface coal mining and reclamation operations on Federal lands within the State."

(b) (Same as proposed Hatfield Bill).

(c) Section 701(4) of the Act is amended at the end of the paragraph by deleting the period and by adding the phrase ": Provided further, that this definition does not include private or State surface lands above a Federal mineral interest."

Section 78. (Same as proposed Hatfield Bill).

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
July 18, 1979.

Senator MARK O. HATFIELD,
Ranking Minority Member, U.S. Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HATFIELD: I find your letter proposing changes in the federal Surface Mining Act encouraging, but even with those proposed changes it still puts the states in the position of having to administer a federal program for which the State must provide part of the funding. You may not have been aware that our Department of Natural Resources, the agency in our State that administers our Surface Mined Land Reclamation Act, made the decision some time ago not to participate in the federal reclamation program. The reason for that decision was that the law and regulations were written so tightly that we felt that we would have to duplicate the Federal law and rules and regulations almost verbatim to have an acceptable program. This provided no latitude to fit the regulations to our State's rather unique geologic and climatic conditions.

Our reclamation staff has reviewed your proposed changes and find them headed in the right direction, but they still feel the law will be too tightly written to give proper latitude to cover regional variations in conditions. It is clear that your amendments are to get more states to administer the federal program rather than to correct the basic problem of the federal government interloping into the state area. It is my feeling that all that is needed is a law that provides an adequate vehicle for states to set up reclamation programs. Acceptable reclamation should be the object of the law and it should be up to the states to achieve the minimum standards set by the federal law.

On advice from our reclamation staff, I give tacit support to the changes you are proposing in P.L. 95–86, and hope that modifications can be made in the future to take into consideration the states' actual needs. I would propose that congressional staff talk to the states that had reclamation acts predating the federal act and see just how much of P.L. 95–86 is really necessary.

Sincerely,

DIXY LEE RAY,
Governor.

OHIO DEPARTMENT
OF NATURAL RESOURCES,
Columbus, Ohio, July 20, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate Committee on Energy and Natural Resources, Russell Building, Washington, D.C.

DEAR SENATOR HATFIELD: This letter is in response to your mailgram of June 28, 1979 to Governor James A. Rhodes concerning proposed amendments to the Surface Mining Control and Reclamation Act of 1977, P.L. 95–87. In Ohio, Governor Rhodes has designated the Division of Reclamation, Ohio Department of Natural Resources as the agency authorized to participate in the Federal programs established by P.L. 95–87. I have enclosed an affidavit prepared by Charles E. Call, Chief of the Division of Reclamation supporting your proposed amendments. I hope the affidavit provides you with the necessary information.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

ROBERT W. TEATER,
Director.

STATE OF MONTANA,
OFFICE OF THE GOVERNOR,
Helena, August 10, 1979.

Hon. MARK O. HATFIELD,
U.S. Senate, Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: I am in receipt of your recent letter regarding modification of the Federal Surface Mining Control and Reclamation Act of 1977. Several of the points which you mentioned are of deep concern to me and I believe require some corrective action. Fortunately Montana will be in a position to submit its permanent program to the Office of Surface Mining in August and therefore several of the points you mentioned are not of immediate concern. The two items of your proposal in which I am most interested and can certainly lend my support, deal with the delegation of authority to states to review and approve mine plans of federal lands and the delay in implementation of the federal lands program. Without these necessary changes, I believe that Congress' intent to have the states play the primary role in implementation of the reclamation program will be a facade in the west because of the extensive federal land holdings.

I am also concerned with the extensive regulations required by the Office of Surface Mining in its implementation of the act. Prior to passage of the federal act, Montana administered its program with 20 pages of law and 17 pages of regulations. Under the federal program required by the Office of Surface Mining, we now have over 70 pages of law and approximately 200 pages of regulations, many of which are unnecessary or not applicable. I do, however, have some reservations about basing approval of state programs solely on the requirements of the act. It would seem that the regulations adopted by the Secretary are the Office of Surface Mining's interpretation of what the act requires; therefore, as long as the Office of Surface Mining and the Secretary have approval authority they can simply demand that the states' programs be consistent with the regulations. If Congress is to address this issue, I believe it must clearly indicate the standards which are to be used to judge state programs; otherwise such decisions will likely be made by the courts with little direction from Congress. More important, however, is the potential for conflict with the federal lands program. If the standards for judging state programs acceptability are changed, then they must be made consistent with standards applied to the federal lands. The two programs must be consistent in order for me to support such a change.

As to the remaining points contained in your proposed legislation, Montana certainly has no objections to them. If I can be of any further assistance to you, please do not hesitate to contact me.

Best regards.

Sincerely,

THOMAS L. JUDGE,
Governor.

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
July 18, 1979.

Senator MARK O. HATFIELD,
Ranking Minority Member, U.S. Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HATFIELD: I find your letter proposing changes in the federal Surface Mining Act encouraging, but even with those proposed changes it still puts the states in the position of having to administer a federal program for which the State must provide part of the funding. You may not have been aware that our Department of Natural Resources, the agency in our State that administers our Surface Mine Land Reclamation Act, made the decision some time ago not to participate in the federal reclamation program. The reason for that decision was that the law and regulations were written so tightly that we felt that we would have to duplicate the federal law and rules and regulations almost verbatim to have an acceptable program. This provided no latitude to fit the regulations to our State's rather unique geologic and climatic conditions.

Our reclamation staff has reviewed your proposed changes and find them headed in the right direction, but they still feel the law will be too tightly written to give proper latitude to cover regional variations in conditions. It is clear that your amendments are to get more states to administer the federal program rather than to correct the basic problem of the federal government interloping into the state area. It is my feeling that all that is needed is a law that provides an adequate vehicle for states to set up reclamation programs. Acceptable reclamation should be the object of the law and it should be up to the states to achieve the minimum standards set by the federal law.

On advice from our reclamation staff, I give tacit support to the changes you are proposing in P.L. 95–86, and hope that modifications can be made in the future to take into consideration the states' actual needs. I would propose that congressional staff talk to the states that had reclamation acts predating the federal act and see just how much of P.L. 95–86 is really necessary.

Sincerely,

DIXY LEE RAY,
Governor.

STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
Lansing, July 31, 1979.

Hon. MARK O. HATFIELD,
U.S. Senator,
Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HATFIELD: Thank you for your communications regarding amendments to the Surface Mining Control and Reclamation Act.

Michigan's Department of Natural Resources is charged with the responsibility in our state of formulating our program. I have received its comments regarding your suggestions.

I support your efforts to reestablish the original intent of the Congress to place primary responsibility for the Surface Mining Control and Reclamation Act with the individual states.

Additionally, I believe that it is critical that the act be amended to assure that state governments are granted 100 percent federal funding to meet additional costs incurred by new federal requirements. In these times of constrained budgets, it is imperative that when responsibilities are given to individual states, that concurrent funding to meet those responsibilities also be provided.

And finally, I believe that "potential coal-producing states" should also be represented on the proposed commission. At one time, Michigan had as many as 38 operating coal mines. Although we are not currently a coal-producing state, we do have sufficient reserves to have already created an interest in future coal mining. Representation by states like Michigan should be included.

Thank you for allowing me to comment on this important issue. I am also providing copies of this letter to the members of Michigan's Congressional delegation.

Kind personal regards.

Sincerely,

WILLIAM G. MILLIKEN,
Governor.

Mr. HATFIELD. The States included are West Virginia, Virginia, Arkansas, Pennsylvania, Ohio, Illinois, New Mexico, North Dakota, Mississippi, Alabama, Maryland, North Carolina, Oklahoma, Kentucky, Indiana, Wyoming, Washington, Michigan, and Texas.

Mr. President, I think probably one of the most eloquent pieces of testimony, which represented many of the Governors' viewpoints, was given by Gov. Ed Herschler of Wyoming when he testified on his own behalf and on behalf of the National Governors' Association. I would like to underscore that his testimony was presented on behalf of the National Governors' Association as well as himself. In this testimony I would like to quote a number of his comments because they are very pertinent to the issues which have been raised by the Senator from Montana. He says:

As you know, the Surface Mining Control and Reclamation Act of 1977 looks to the States to take the lead in implementing a national program. The thrust of my testimony today is that the Federal Office of Surface Mining has jeopardized this fundamental feature of the Federal act with its performance to date. And we doubt that the situation will improve in the months to come.

My personal experience has been as bad as any. As a governor who has built a fine reclamation program, from a state destined to be the nation's leading coal producer, the problems came to my attention early. I have faithfully pursued my remedies within Interior for over a year; the best that can be said about the result is that Interior has occasionally been courteous. More often than not, I have been rewarded for my pains with episodes like the cooperative agreement that was forgotten for four months, or the Secretary's personal letter detailing 67 major shortcomings of the Wyoming statutes.

The fact that OSM has used three-fifths of the States' time, in addition to its own, points to more than OSM's failure to meet a deadline. It illustrates OSM's basic attitude toward the States. They give us excuses, justifications, offer to work hand in hand, reassurance that we are to receive primacy—but they deny us the things that count.

Then he lists various and sundry recommendations which are incorporated basically in the committee print or the committee bill, as amended by Senator FORD's and my amendments.

First, interpret or amend the deadlines to give States at least 12 full months from publication of the permanent program standards to prepare program submissions, along with all other timetable adjustments necessary to bring the States back into the act as partners; we are confident that this delay will not cause environmental harm.

Second, interpret or amend the requirements for State program submissions so that the standards of the act are the test of State program adequacy, not the overblown Federal regulations. An amendment would change section 503(A)(7) to read, rules and regulations consistent with this act.

Still quoting from the Governor's testimony:

I would like to close with some remarks on my own behalf. Mr. Chairman, I have never dealt with a Federal agency as arrogant as the Office of Surface Mining. Through one failure after another of its own—deadlines, our cooperative agreement, last fall's farce with mountaintop mining—OSM has steadfastly maintained that the only shortcomings that count are those of someone else. It makes no sense to me that the States and the operators should be accountable while OSM is not. As the creators of this agency, I sincerely hope that you can help me, and the State officials with me today, to restore equity to the implementation of this act.

Governor Herschler continues:

Our final area of immediate concern is that OSM has pushed the whole surface mining program from complexity to regulatory overkill. It is significant that the agency is still suffering growing pains. But the chief problem is the sheer volume of the Federal regulations. There is simply too much red tape.

Our disillusionment with the agency doesn't mean that we are disillusioned with the act. The States of the National Governors' Association believe that we can make the tough standards of the act work—in large part because many of us had standards as good or better before the act was passed. The problem hasn't been the standards, the problem has been OSM.

We have a great many ideas for action that would help the situation. The most immediate are as follows:

Mr. President, I would also like to submit for the RECORD, and I ask unanimous consent to do so, the full statement of Governor Herschler of Wyoming at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF GOVERNOR ED HERSCHLER OF WYOMING

I am Gov. Ed Herschler of Wyoming. I am here today with other State officials on behalf of the National Governors' Association. We share a number of strong concerns regarding the performance of the Federal Office of Surface Mining, and hope that our testimony will be of interest to this committee.

As you know, the Surface Mining Control and Reclamation Act of 1977 looks to the States to take the lead in implementing a national program. The thrust of my testimony today is that the Federal Office of Surface Mining has jeopardized this fundamental feature of the Federal act with its performance to date. And we doubt that the situation will improve in the months to come.

My personal experience has been as bad as any. As a Governor who has built a fine reclamation program, from a State destined to be the Nation's leading coal producer, the problems came to my attention early. I have faithfully pursued my remedies within Interior for over a year; the best that can be said about the result is that Interior has occasionally been courteous. More often than not, I have been rewarded for my pains with episodes like the cooperative agreement that was forgotten for four months, or the Secretary's personal letter detailing 67 major shortcomings of the Wyoming statutes. Most States have horror stories of their own. Many of these problems merge into five common concerns.

Our first principal concern is with the August 3 deadline for State program submissions. I have prepared a chart on this question for your reference. You will see that the Congress contemplated a reciprocal schedule for implementation of the act—the Secretary prepares regulations, the States respond with proposed programs, and the Secretary assesses the adequacy of the State programs. The message of my chart is simple. Under the act, the States had the time to work as partners. In practice, OSM has frustrated that partnership.

The fact that OSM has used three-fifths of the States' time, in addition to its own, points to more than OSM's failure to meet a deadline. It illustrates OSM's basic attitude toward the States. They give us excuses, justifications, offer to work hand in hand, reassurance that we are to receive primacy—but they deny us the things that count.

Another major State concern involves the State window. As you know, section 101 (f) of the act vests primary regulatory responsibility in the States "because of the diversity of terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations". OSM regulations implement this policy through the State window, a regulatory provision which allows individual States to depart from the language of Federal regulations.

As a practical matter, the window is closed. The regulations require excessive proof that a departure from the Federal regulations is warranted. Many State officials believe that the required showing would be as expensive as a lawsuit. The result is particularly frustrating because the Federal regulations go beyond the standards of the act to require specific procedures and techniques. It follows that the States will be required to use procedures that clearly do not fit nationwide. This is not what the Congress intended.

We have other reasons to believe that OSM is not serious about the State window. First, the permanent program standards are scheduled to become effective on Federal lands on October 12, long before State programs can be approved. This would leave operators in public lands States open to costly changes in procedures if the State window were ever used. Second, the premature deadline for program submissions means that many States are looking at so much paperwork by August 3 that they will have no time to prepare serious proposals. Third, OSM has failed to take any steps to lead in the direction of new research in mined land reclamation, ignoring its statutory mandate to assist the States in this regard and effectively looking to frozen regulations nationwide. The States doubt that any of this was what Congress intended, either.

Our third major area of concern is OSM's approach to enforcement policy. The States understood the act to place OSM in the position of an auditor of State performance, with the manpower and practices of an auditor. Instead, we find excessive Federal manpower—810 permanent employees on board as of June 7—and rhetoric which strongly indicates that OSM intends to duplicate State authority.

This duplication isn't limited to enforcement. In May, OSM region V sent letters to Wyoming operators notifying them that spring was here, and that OSM stood ready to help them get their vegetation in order. I was naturally pleased to hear that spring had arrived and that OSM was on hand to explain it; spring has always been something of a mystery to me. But I don't think OSM has any business handing out free gardening tips in Wyoming, particularly when communications with the operators are supposed to be channeled through the State.

The clearest indicator of OSM's approach to enforcement is its practice of defining performance in terms of the number of violations it issues to operators. These numbers clearly give OSM a dramatic basis for criticizing the states, just as they give OSM an excuse for expanding its activities. But the practice represents a separation of the permit review, technical assistance, and inspection functions which are usually integrated at the state level. This leads to federal inspectors incapable of giving operators competent advice on alternatives for curing violations. It abdicates a field responsibility for educating operators. It builds more inertia and red tape into the system, as the checklists of OSM inspectors become ever longer and ever less flexible. The experience of the states indicates that this is a mistake; we do not need an inflexible bureaucracy to enforce the standards of the act.

A fourth subject of immediate concern is OSM's method for evaluating state program submissions. We originally understood the act to provide for state program approval on a simple showing that the seven tests of section 503(A) were met. We thought there would be ample opportunity to either make adjustments or withdraw federal approval later, if necessary. Now we find ourselves facing a burden of proof apparently like that of a plaintiff in a lawsuit. Further, while OSM has laid out the criteria for making its judgment, we have little or no idea what standards go along with the criteria, or which criteria are most important. We wonder if OSM really has any standards at all. This is an impossible position for the states, particularly in view of the limited time to prepare a program submission before August 3.

Our final area of immediate concern is that OSM has pushed the whole surface mining program from complexity to regulatory overkill. It is significant that the agency is still suffering growing pains. But the chief problem is the sheer volume of the federal regulations. There is simply too much red tape.

We have been told that the principal purpose of the regulations is to define the standards of the program, and in doing so to provide clear guidance for us. It hasn't worked this way. The expansion of state program submission requirements has only created new uncertainties, as I have shown. And the volume of paperwork will create more uncertainties. Virginia's program submission is now over 1500 pages long. It must be published in summary form in a newspaper of general circulation in the state as part of OSM's review. How long must this summary be? If Wyoming experience is any indicator, there will be 1500 pages of correspondence before we have an answer.

Even where the standards do make things clear, the value of the detail is questionable. We find, for example, that the biologic community of a perennial stream is related to certain questions regarding "two or more species of arthropods or molluscan animals." This is almost silly.

Since a great deal of this red tape ultimately has little to do with the welfare of the land, it seems only sensible to conclude that it is related to the welfare of OSM instead. It is inevitable that this red tape will be used to justify additional red tape, and additional OSM. The tide is running in the direction of justifications for eliminating the states entirely, a dandy result for federal employment, but a terrible result for the country. We should stop this bureaucratic juggernaut before it grows beyond all control.

To sum up, Mr. Chairman, the states do not believe that OSM in Washington is committed to the delegation of primary program authority to the states. Despite repeated assurances to the contrary, we do not believe that their performance matches their promises.

Our disillusionment with the agency doesn't mean that we are disillusioned with the act. The states of the national governors association believe that we can make the tough standards of the act work—in large part because many of us had standards as good or better before the act was passed. The problem hasn't been the standards, the problem has been OSM.

We have a great many ideas for action that would help the situation. The most immediate are as follows:

First, interpret or amend the deadlines to give states at least twelve full months from publication of the permanent program standards to prepare program submissions, along with all other timetable adjustments necessary to bring the states back into the act as partners; we are confident that this delay will not cause environmental harm.

Second, interpret or amend the requirements for state program submissions so that the standards of the act are the test of state program adequacy, not the overblown federal regulations. An amendment would change section 503(A)(7) to read, "rules and regulations consistent with this act."

Third, provide for congressional oversight of a detailed sunset schedule within OSM, to limit the OSM inspection function to its proper role of auditing state programs.

Fourth, reduce OSM's budget so that it will not have the resources to stimulate its own bureaucratic expansion, and so that it will have greater incentive to delegate to the states.

Fifth, interpret section 523 (C) to provide for maximum possible delegation of the secretary's authority over public lands to the states; and if OSM resists, amend the act so that the secretary can delegate this authority to the states. The simplest amendment would strike the last sentence of section 523 (C).

Sixth, establish continuing liaison between the states and this committee on the many issues remaining. For example, in view of OSM's performance on delegation to states, I believe we should unhinge title IV funds allocated to the states from the requirement for a state program under title V.

I would like to close with some remarks on my own behalf. Mr. Chairman, I have never dealt with a Federal agency as arrogant as the Office of Surface Mining. Through one failure after another of its own—deadlines, our cooperative agreement, last fall's farce with mountaintop mining—OSM has steadfastly maintained that the only shortcomings that count are those of someone else. It makes no sense to me that the states and the operators should be accountable while OSM is not. As the creators of this agency, I sincerely hope that you can help me, and the state officials with me today, to restore equity to the implementation of this act. Thank you.

STATUTORY TIMETABLE (UNDER PUBLIC LAW 95-87) VERSUS ACTUAL PERFORMANCE

	Public Law 95-87 (months)	Actual performance
Initial OSM regulations	3	4 mo, 10 days.
Permanent OSM regulations	12	19 mo, 10 days.
Submission of State programs	18	(18 mo).
Submission of State programs with extensions.	24	24 mo.
Secretary's review of response to State programs.	30	30 mo.
Cumulative time to prepare permanent Federal regulations.	12	19 mo, 10 days.
Cumulative time to prepare and submit State programs.	12	4 mo, 21 days.
Time for Secretary, DOI, to review and respond to State program submissions.	6	6 mo.

Mr. HATFIELD. Now, Mr. President, a further statement from a Governor which, I think, would be very helpful to illustrate the intensity of a feeling and also the experience on the record of the OSM up to this point, is that from Governor Lamm of Colorado.

The Chairman, in his minority views, characterizes the National Governors' Association and Governor Lamm as being opposed to the Hatfield-Ford surface mining amendments. The chairman states, and I quote:

> Governor Lamm indicated in a letter of July 13, 1979 that the (National Governors') Association "cannot support the Hatfield amendments as a matter of NGA policy."

This interpretation of the NGA policy, and the Senator from Washington, should clearly realize this is most certainly not accurate. It is, in fact, entirely misleading.

What Governor Lamm said in his letter is that the NGA, as a whole, has not deliberated on the issue of surface mining, beyond those dicussions prior to Governor Herschler's testimony before the Senate. As a result, no formal vote has been recorded either in favor of or in opposition to any surface mining amendments.

The Governor of Colorado was so taken back by the interpretation accorded his letter that on July 17 he sent a clarifying telegram to the chairman, which, unfortunately, the chairman did not mention in his minority views. The telegram from Governor Lamm to Senator JACKSON reads as follows:

DENVER, COLO., *July 18, 1979.*

HON. HENRY JACKSON,
Senate Office Building,
Washington, D.C.

The National Governors' Conference did not mean to imply in our letter of July 13 that we opposed the Hatfield amendment to the Surface Control and Reclamation Act of 1977. We have no official position on the Hatfield amendment and in fact the amendment does have support among many Governors.

GOV. RICHARD LAMM.

Mr. PERCY. Mr. President, I wonder, I wonder if within the next couple of minutes it would be possible to put a question to the floor managers with respect to the pending amendment.

Mr. HATFIELD. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I have a question I should like to put to my distinguished colleagues, the floor managers of the present bill. As a member of the Coal Commission I find it highly desirable, to support every effort that remains consistent with the present law, consistent with the standards we know we must maintain, and yet also provides adequate leeway for the States.

However, the one concern I have is to make absolutely certain that the law we fought for for so long—the Surface Mining and Reclamation Act of 1977—cannot be undercut by this amendment. There are 18 million acres of land with coal under it that is prime farmland, half of which is in the State of Illinois. We have to insure that while this coal can be mined, the land must be restored to prime farmland, so that we can continue to grow crops. In a long colloquy on the floor, we defined what prime farmland is in the law. The intent of the law is very clear, and just for the record I would like to make certain that the present amendment will not in any way endanger that particular Federal law, which is designed to protect one of the greatest assets this country has, our prime farmland. These lands give us huge exports which we need so badly to maintain our balance of payments.

Mr. HATFIELD. Let me assure the Senator from Illinois that the amendments as proposed by Senator FORD and myself, and the one particular one to which the Senator refers, which is commonly identified as the Rockefeller amendment, in no way attacks, undermines, diminishes, or circumvents the acts which the Senator from Illinois and I both enthusiastically supported.

I remind the Senator from Illinois that the act has 115 environmental performance standards, listed in the act, and those are held inviolate by the proposals that are being considered here today on the floor. They in no way affect or impact upon those performance standards of the act.

I would say, as I have earlier, that the Senator from Illinois is familiar with the frustration that many of our constituents have experienced and that we ourselves have experienced in other areas than surface mining, where the legislative body, the Congress of the United States, has enacted a law with clear intent, clear wording, and clear understanding on the part of the initiators and the Congress itself, and then, in the implementation, have found that the agency charged with the implementation has gone far beyond what the act ever intended or included, and that those regulations have taken on the very impact of law.

Look at the problem we had with OSHA. I could not believe I had voted for that act, once I saw it in operation. We had to come back and, in effect, reconstitute what was the original intent of Congress.

This is another such experience. Right today, in our Energy Committee, we are attempting to mark up the President's proposal for synthetic fuel and for a mobilization board or commission, and the whole purpose of the mobilization commission is to create expedited procedures to cut through the redtape that has brought this Nation almost to a state of paralysis on any way to deal with the energy problem.

Almost precisely the same thing is true with the Office of Surface Mining. We have found, under the regulations they have set up, that they are not attempting to subscribe to the intent of the law, which says the States have primary responsibility, and the standards set forth in the law provide that if the States fail to act, then the Secretary must establish a Federal program, but that the primary responsibility is with the States, and that is what Congress intended.

But what we have here now is that, through regulatory authority, the OSM has come up with a cloning effect, saying in effect to each State, "You shall clone the regulations that we have created," not giving the States even an opportunity to know the criteria that are expected beyond the statements of the law.

So I assure the Senator—I did not mean to get into such a long response, but the crux of this whole bill at this point is that this has maintained the standards set forth by the law has clearly defined performance standards in such detail that you can identify 115 of them, and will maintain those as stated in the law.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. PERCY. Just one moment, if I may, and then I will yield back to the members of the committee.

I would simply like to thank the distinguished Senator. With the representations that have been made, I see no reason why I cannot enthusiastically support the pending Ford-Hatfield amendment, with the Rockefeller contribution to it. I commend Governor Rockefeller on his hard work in this area.

The whole purpose and intent would seem to be to accomplish what the distinguished majority leader and I have been attempting to accomplish through regulatory reform: To cut through some of these regulations which, in the main, do not accomplish any real good, and which many times go beyond the law and the intent of Congress.

Though I do not have the floor, I will be happy to yield to the Senator from Montana. The Senator from Oregon has the floor.

Mr. MELCHER. Will the Senator from Oregon yield?

Mr. HATFIELD. I yield.

Mr. MELCHER. There has been a question as to whether the proposal would do damage to the prime farmland provisions. Indeed it would. The prime farmland section is rather short; let me read it. It says:

> In addition to finding the application in compliance with subsection (b) of this section, if the area proposed to be mined contains prime farmland pursuant to Section 507(b)(16), the regulatory authority shall, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a permit to mine on prime farmland if the regulatory authority finds in writing that the operator has the technological capability to accomplish successful reclamation.

What S. 1403 does as it is presented here, and that is the objectionable feature and the only objectionable feature, is cancel all of the regulations. It cancels the regulations the Secretary of the Interior has drawn in consultation with the Secretary of Agriculture with the Secretary of Agriculture's agreement, on prime farmland. So therefore that section of the bill will not be operative any longer, because the whole section deals with those regulations drawn by the two Secretaries to identify prime farmland assure adequate reclamation plans if it is strip mined.

Mr. PERCY. Will the Senator yield for a question?

Mr. MELCHER. Yes.

Mr. PERCY. The Senator from Illinois, with 9 million acres of prime farmland in Illinois with coal under it, has no objection to that coal being mined. The only assurance I want is the absolute guarantee that that land will be restored, not just for general usage as pastureland, but restore to prime farmland. This is technically feasible and possible. A study by the Office of Management and Budget indicates that 18 million acres of prime farmland in 14 major agricultural States are potentially affected by strip mining, because they are underlain with strippable coal reserves. These 18 million acres are a substantial share of the 28 million acres of prime farmland in these 14 States.

Mr. MELCHER. That is correct.

Mr. PERCY. I have no objection to the coal being mined, and in fact would not want to keep out of the energy requirements of the country the 18 million acres of prime farmland that have coal under them. We simply want to be certain that after the mining operation is completed, the land be restored to prime farmland.

As I understand the explanation of the managers of the bill and the proponents of the amendment, this particular amendment would not allow that provision of the Federal law to be overridden. As long as it would be restored to prime farmland, I am satisfied.

Mr. MELCHER. Might I point out that the decision on how to implement a reclamation program to restore it to prime farmland is immediately struck down by removing the Federal regulations that are called for to do that very thing if section 3 of this bill is accepted.

This happens to be a section of the bill that reaches directly to those regulations. S. 1403, in this one section, just nullifies, cancels out, and repeals all of the Secretary's regulations. It would mean, in effect, that whatever Illinois did in their own regulations, under their own plan, would have to be tried in court. If that happens, we might get one result in Illinois, whereas in the neighboring State of Indiana, the courts may find that implementation of the prime farmland reclamation procedures would be entirely different. It would be utter chaos to recommend and enact into law a repeal of the regulations, and that is the objectionable feature of S. 1403.

Mr. PERCY. I would appreciate a comment from the distinguished minority manager.

Mr. HATFIELD. I think we may understand from the statement of the Senator from Montana that he is assuming a Federal lead in this. He has stated there might be differences. That was precisely the intent of the bill, that there might be unique circumstances and conditions, and that each State should have the primary responsibility to bring forth their plan, and that would be subject to approval by the Federal department.

Let me quote from section 515 of the original act:

> (7) for all prime farmlands as identified in section 507(d)(16) to be mined and reclaimed, specifications for soil removal, storage, replacement, and reconstruction shall be established by the Secretary of Agriculture, and the operator shall, as a minimum, be required to—
>
> (a) segregate—

I am summarizing: segregate the soil lands, replace and regrade the root zone material, redistribute and grade, and then demonstrate that the size of the impoundment is adequate, and then it goes on, for water impoundments, and gives all these very specific performance standards that must be included.

In no way does S. 1403 impact upon this. We in no way change this. We are only saying—as I say, I think the Senator from Montana clearly indicated his whole hand here today by saying there would be differences between States. That is exactly the argument we are making.

The law provided the primacy for the States. The law provided that the States must comply with these performance standards. S. 1403 is merely restating that proposition that was the intent of the original law.

Mr. MELCHER. Mr. President, I think that the profound effect of repealing all regulations of an act of Congress of this magnitude was properly identified by the Senator from Oregon. He just stated what the performance standards were in one section of the law, but ignored completely what the mining permit application procedures would be under prime farmland mining permits.

The courts are fouled up enough and are bogged down enough with lawsuits over energy proposals. How would repealing regulations governing coal strip mining help? That would mean each court's interpretation of what the act says and people rely on that interpretation, which will undoubtedly vary from court to court.

I think it would be hardly consistent with expediting coal strip mining procedures to have the great number of lawsuits that would follow. Some would probably be in State courts, some would be in Federal courts. Without the guidance of Federal regulations to help the court interpret the provisions of the act, I believe there would be such a variety of decisions that no one mining company operating in several different States could ever feel confident of what it could do in one State as opposed to what the

reclamation procedures would be in another State.

Mr. PERCY. Mr. President, my concern throughout this debate has been the effect S. 1403 will have on the prime farmland regulations. I wonder if the distinguished floor leader, Senator FORD, would respond for the record as to what impact the Rockefeller provision would have on those regulations?

Mr. FORD. Mr. President, I would advise the Senator from Illinois (Mr. PERCY) that I concur with Senator HATFIELD in his statement and position with respect to the effect of S. 1403 on the prime agricultural provisions of Public Law 95-87.

Mr. HART. Mr. President, I thank my colleague for yielding.

I urge my colleagues to defeat this ill-designed bill.

The Surface Mining Control and Reclamation Act of 1977 is one of the most important steps Congress has taken to protect our natural resources. Passing the law took a full decade of intensive legislative work. After working that hard to produce this milestone law, we should not now lightly pass crippling amendments to it.

It is important that we stop to remember the basic purpose of the law which S. 1401 would undercut. The Surface Mining Act is designed to prevent in the future the wholesale destruction of our land, water, and air caused by uncontrolled strip mining practices. This destruction is not merely a hypothetical possibility. Documented abuses prompted Congress to pass the law. Without the safeguards of the law, we will again see those abuses. Preventing these abuses is not just an environmental luxury; it is necessary to preserve the future economic use of mined land, to protect the public health, and to strengthen the economy.

The Surface Mining Act is even more important now than when it was enacted in 1977. Our country needs to produce more domestic coal that we anticipated even 2 years ago. We can produce that coal consistent with the guidelines of the act. To weaken the act at the very time we are accelerating our production of coal would not help us meet our energy needs, it would just prevent us from meeting the other critical national needs that prompted the strip mining law.

The original proposal of the administration and the distinguished chairman of the Energy and Natural Resources Committee would not have undercut the law. Their original proposal would have merely adjusted the deadline for States to submit their programs for implementing the law, to compensate for time lost early in the program when appropriations to the Office of Surface Mining were delayed. That proposal was reasonable.

Unfortunately, the Energy Committee went far farther than the simple extension of time for State submittals. Prompted by a well-intended but misguided concern about excessive Government regulation, the committee adopted the bill we are now considering.

I am sympathetic to the committee's frustration with Government regulation. We are all frustrated with very real abuses by the regulatory bureaucracies. But this bill will not do anything to correct any regulatory abuses. The bill is being defended with a lot of rhetoric about excessive regulation, but it will not do anything to correct a single regulatory abuse.

I trust my colleagues will not be tempted to support bad legislation just because it is being couched in terms of preventing excessive regulation.

The only real effect of this bill would be to undercut and postpone implementation of the strip mining law. Mr. President we waited 10 years to get this milestone legislation passed. We should not now have to wait longer to get it implemented.

Mr. President, I just want to take about 30 seconds to say that no one in Congress has done more to strengthen the strip mine control laws that I know of than the Senator from Montana. I strongly support his views on this measure. I hope they do prevail. I hope the pending legislation is defeated. I urge my colleagues to support the Senator from Montana in his efforts, because I think he is exactly right, and certainly it is in the interests of States such as Colorado that his views prevail.

Mr. MELCHER. I thank my friend from Colorado.

Mr. President, I yield the floor.

Mr. FORD. Mr. President, it seems ironic to me that in this debate, the distinguished Senator from Montana keeps mentioning that we are going to court. The only reason we are going to court is because of the regulations; not because of the law. OSM has burdened us with regulations that no one can understand. The bureaucrats have gone beyond the intent of the law and the result is legislation by regulation.

My colleague says this is going to take us to court. We are in court now, because of the bill he is trying to impose upon the mining States.

He talks about prime agricultural land. We worked diligently—diligently—to be sure that prime agricultural land was protected.

The Senator from Oregon listed 115 specific items that the States must comply with. That is not what Congress said would be required of the States. The act provides for uniform minimum standards. But the regulations that we now have on the books do not allow much flexibility, if any, by the States.

The Senator from Montana does not want anybody to go to court. He wants the States to operate by a cookbook, with OSM providing the regulations. If identical law is established, and identical regulations follow, then the States can never enter court to say "Big Brother has loved me too much." And Big Brother is loving the States when the Governors say, "No, we have too much, please let us develop our own regulations, our own reclamation program within the law."

The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things, I say to the good Senator from Montana, section (16):

> For those lands in the permit application which a reconnaissance inspection suggest may be prime farmland, a soil survey shall be made or obtained according to standards established by the Secretary of Agriculture in order to confirm the exact location of such prime farmlands, if any.

That is the law. That is the Senator's intent, that is my intent. That is what we wrote; that is what we struggled over.

In section (17), information pertaining to coal seams, "Test borings, core samplings, or soil samples as required by this section, shall be made available to any person with an interest which is or may be adversely affected: *Provided*, That information which pertains only to the analysis of the chemical and physical properties of the coal will be excluded."

I think this is fair. I just do not see how in the world one could say that the prime farmland is not protected. We spelled out in the law how the application would be submitted, what the application would include, and how it would protect.

So we say we are going to have a lot of lawsuits. Well, we have lawsuits now under the present system. We have all kinds of lawsuits. Every Federal court in the eastern part of the United States; has a lawsuit under the present situation.

I agree with the Senator that when we pass a bill we do not know what it is going to look like until the bureaucrats get through with it. When they get through with it, how in the world can you say it is your piece of legislation? It is not your piece of legislation. Somebody else has massaged it to the point that you cannot recognize it any more.

I want the States to have standing in the court and I do not want to take it away from them. If we operate by a cookbook, this is the result: The door slams and the cake falls. OSM is slamming a door on the States, so the cake falls.

There is apprehension that S. 1403 will prevent creation of uniform national standards which could penalize the States that wish to provide for greater protection for lands within their borders. The response to this issue, I think, is quite simple. As a matter of law, this is dead wrong. Uniform national standards were created by the passage of the Surface Mining Control and Reclamation Act of 1977. Those standards were the principal goal of that lengthy legislative effort.

I do not think anybody—at least on this side—got burned more or had any more hide taken off than this Senator did while trying to work out an acceptable piece of legislation. I happen to represent the largest coal-producing State in the Nation, and 50 percent of that coal comes from surface mines.

And my contract is up next year. It is up for renewal. But you have to do what you think is right. And serving in the Governor's chair, provides a little bit of understanding about what Big Brother can do when you are trying to correctly administer a State government.

The distinguished Presiding Officer in the Senate at this time understands. He

is fresh out of Big Brother loving him too much.

The intent of the law is not in question. The regulations are in question.

S. 1403 does not change the minimum national standards in any way nor does it affect any State's right to issue rules and regulations more stringent than those contained in the Federal law.

If the Senator from Montana wants to protect Montana and his State has a more stringent reclamation program, it is bound to be approved. No one is suggesting anything to the contrary.

But I think the States want the right to develop their own program based on what they think is in the best interests of their respective States.

I guess there are good leaders and bad leaders. But, basically, they all want to do what is right.

I think we have a philosophy that the government closest to the people is the most important. Each Governor or a State legislator wants to do what is right for their State and we should not preempt their ability to do it.

This was the original intent of the act. I think it gives the States the opportunity to implement the minimum national standards, taking into account unique features of local climate and terrain.

We are not doing away with any regulations. We are not doing away with national standards or minimum standards. We are not doing away with the ability of the State to implement more stringent standards. It is a State's prerogative.

I would hope that the Senator would see the wisdom of this argument and withdraw his substitute. We could pass this piece of legislation and get on with other things.

I am sure he will not do that, but I would encourage him to give it consideration at this time anyhow.

Mr. MELCHER. Will the Senator yield for a question?

Mr. FORD. I am glad to yield.

I may not answer the Senator's question. But I have almost as good a staff surrounding me as he has. I am glad the chairman is loaning him his No. 1 man here so that we can really get the matter settled.

Mr. MELCHER. Is it the Senator's intent to nullify this provision of prime farmland where it refers to the regulatory authority shall, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a permit to mine on prime farmland?

Mr. FORD. The performance standards stay intact. We are not doing anything to jeopardize the performance standards here.

Mr. MELCHER. That is certainly correct, that the performance standards, which is a different provision of the bill, will stay intact.

But I wonder if it is the Senator's intent to nullify the language I have just read of prime farmland mining permit application procedures which requires—requires—by law that the Secretary of the Interior issue regulations after consultation and approval by the Secretary of Agriculture.

Mr. FORD. Let me say to the Senator, and I want to make a broad brush statement to him, nothing in the intent nor the language of what we are trying to do here would eliminate any original intent, because we worked so hard to pass the 1977 Surface Mining and Reclamation Act.

Mr. MELCHER. Would the Senator modify the proposal on the bill then?

Mr. FORD. I am not going to modify anything as of the moment. But if I can persuade the Senator to agree now by, maybe, changing the ands and ors, something like that, I might do that.

Mr. MELCHER. Mr. President, the effect of a section in the bill is to entirely wipe out the Secretary's regulations.

Mr. FORD. I say that the bill, as I see it, only modifies two sections and the prime farmland is not disturbed in any way.

So I say to the Senator, in trying to make the point, I do not think the bill is disturbed at all. We are referring to only two sections.

Mr. MELCHER. I think there is a very sincere miscalculation here by the sponsors of the bill in thinking that the repeal of the regulations in these two sections would only affect two sections.

But the matter is much broader than that. A really broad brush stroke, if I might paraphrase the comments of the Senator from Kentucky.

Mr. FORD. It was a broad brush stroke. I just did a lot of whitewashing when I was a farm boy and we used a big brush and tried to cover a lot of wood.

I just call it broad brush.

Mr. HATFIELD. Will the Senator yield?

Mr. FORD. Yes.

Mr. MELCHER. I yield to the Senator.

Mr. HATFIELD. I would like to respond to the Senator to support the comments made by the Senator from Kentucky, but to add to those comments.

Throughout the bill, we will note in many sections of the bill, it refers to rules and regulations made by the Secretary individually or Secretaries together.

There are two things to bear in mind, I believe, which will help to allay the fears raised by the Senator from Montana and also to save time to rebut his statement that somehow this S. 1403 is repealing certain sections of the bill.

It in no way affects the rulemaking authority. Bear in mind, if a State does not have a plan, if a State does not come up with a plan, then the Federal Government, through the agencies designated and with the rules and regulations established under this act, will impose a Federal plan.

Now, S. 1403 in no way affects the rulemaking authority.

Second, rules and regulations may be and continue to be made under this bill, under S. 1403. They will be guidelines. They can be used as guidelines. They can be used as criteria. But they are not going to have the impact of the law we have written in terms of the performance standards in the act itself, if the States are in compliance with those performance standards, and the statements in the law.

So what we are saying is that the rulemaking authority is not in any way affected. We are not repealing any part of the law in that sense as it relates to the authority of the Secretaries to make rules.

Mr. MELCHER. I very much appreciate the Senator from Oregon's remarks about a State that does not submit a plan and, therefore, obviously, is going to be controlled on the reclamation program by the Federal Government. That, however, is not what we are in contention about at all.

The coal-producing States, by and large—perhaps all of them—are going to submit a State plan. So when you delete, as the bill before us does, the requirements of the regulations issued by the Secretary pursuant to this act, that means that in considering the State plan, the Secretary of the Interior can not consider his own regulations. Neither can the courts in interpreting the act.

What is even important, if a suit is brought in either a State or a Federal court, the State judge or the Federal judge will be interpreting the act without the advice of the regulations of the Secretary of the Interior. This simply nullifies any consideration of the regulations of the Secretary in looking at a State plan for approval. On that basis, I think it is complete chaos, completely unprecedented in any previous act of Congress of which I am aware, where, instead of repealing or amending certain sections of an act of Congress, the attempt is made not to do that. Rather than decisive actions by Congress to amend and correct anything wrong in the act section 3 of this bill just cancels the Federal regulation.

The Senate is asked here to approve a procedure which merely repeals the Secretary's regulations pertaining to approval of State plans.

With respect to the instance of the prime farmland, the section I have read from the act would be completely nullified by section 3 in S. 1403. It is true, as Senators have pointed out, that it does not nullify the standards. It merely nullifies the procedure for approving a mining plan where prime farmland is involved. It would be totally irresponsible on the part of Congress to enact this.

Mr. RANDOLPH. Mr. President, it is my considered judgment that in these Surface Mining Amendments of 1979 we are not acting in haste, but have informed ourselves of all the problems that have been identified in the original Surface Mining Act. I am an advocate of the purpose and the intent of the pending measure.

I commend Senator FORD, chairman of the Energy Resource and Materials Production Subcommittee, and Senator HATFIELD for directing the oversight hearings on June 19 and 21, 1979, which has led to a needed reassessment of the implementation of the 1977 Surface Mining and Reclamation Act. We have experienced how the act will eventually work if not modified and I congratulate my col-

leagues (Senator FORD, of Kentucky, and Senator HATFIELD, of Oregon), coming back to the Senate and indicating that there are limited changes that need to be made so that the legislation which became law in 1977 can be more effective today.

Mr. President, earlier this afternoon, I listened with intense interest to the able Senator from Oregon as he talked about OSHA and other matters to which we address ourselves from time to time.

All too often, once this body creates a new office or other regulatory entity, regular congressional oversight of its activities is neglected. I believe the limited changes suggested in this legislation will serve to right the situation where flexibility purposely written into the original 1977 act was interpreted by the Office of Surface Mining as an absence of position.

Once a measure becomes law and we experience the administration of the law in a realistic setting—we see the actual effect of what Congress did. The intent of Congress is not always just in the language of the legislation. The intent of Congress often is in the hearings, in the colloquy, in the debates, in the decisions that are made here after careful deliberation.

I am very certain when I say that I know from my own experience in Congress that there are laws that have been placed upon the books, with clear intent by Congress. Those in the Senate know that with increasing frequency on the passage of those laws, when regulations are written to implement the statute there has been a subverting of the law, as to the intent of Congress.

I do not imply that this has taken place in connection with the administration of this law, but there are indications that there has been a misinterpretation of this law, with the regulations threatening to become the law itself.

No law ever has had to rely upon the regulatory situation. It relies upon the intent of Congress. That is why, in recent years we have done something that should have been done in greater degree and more frequently in the past, and that is to review the statutes as they are passed and then again as they have been administered by the agencies.

These are just limited changes, and they are changes that I believe are necessary. I think they give a certain desirable and necessary flexibility to the administration of a law of this kind.

I want to make it clear that as a Senator from West Virginia, I supported this legislation to help assure that the Appalachian States would continue to be healthy, safe places to work and sustain the scenic beauty inherent to our region of the country for all to enjoy. My major concern as we worked in the Senate was to make sure the environmental objective was accomplished, while guaranteeing the coal industry would continue to increase production. The Congress designed the surface mining law to insure equitable and uniform regulation of the industry through use of the "State window" concept. Flexibility was built into the statute to provide latitude in implementing the legislation.

Governor Rockefeller, the West Virginia State Department of Natural Resources, operators, and miners alike are concerned and troubled by the Office of Surface Mining's implementation efforts—especially their rulemaking activities. It seems that if final regulations are put in effect, as presently written, there is good chance they will stymie coal production, particularly in Appalachia, to the point of practical shutdown. West Virginia envisioned great benefits from this act and is today hoping that those environmental benefits will become a reality.

In Public Law 95-87, we created an extremely specific congressional act which outlines and mandates strong environmental performance standards that must be met by the coal industry. I did not envision, however, when the act passed the great role and central source of problems that the rules and regulations would be, for example:

The sheer volume and complexity of the regulations have made understanding and compliance by West Virginia and the coal industry in the State extremely difficult or impossible.

The regulations have resulted in extreme adverse public and, in particular, legislative reaction in Charleston, our capital city. Where State legislative leaders have historically pushed for strong environmental programs in West Virginia, the atmosphere created by a well meaning but oversealous Office of Surface Mining is now one of antiregulation insofar as regulation of the coal industry is concerned. This backlash is creating a situation where it is very difficult to get legislative cooperation in passing bills to bring West Virginia into compliance with the Federal program.

Rulemaking problems have placed the West Virginia Department of Natural Resources in an extremely uncomfortable position, in that they have felt compelled to be highly critical of an agency which was designed by Congress to assist the States.

To be more specific, I believe the effluent limitations adopted in the Office of Surface Mining regulations are clearly impossible for the mining industry to meet. Additionally, the construction design criteria for drainage systems, which is a central part of the program, are clearly, in many cases, impossible to construct because of terrain limitations. A basic management concept in any undertaking is to establish realistic goals. From the testimony I heard not only in the Energy Committee's oversight proceedings, but also in Senator HUDDLESTON'S hearings on Government regulations associated with coal production and use, effluent limitations and the design criteria for construction of facilities to abate pollution are, along with numerous other Office of Surface Mining regulations not technically feasible.

I think we must realize that the central underlying cause of virtually all of these problems the belief and policy made evident in discussion and negotiations with the Office of Surface Mining that State laws and regulations, in order to be consistent with Federal regulations, must be identical to federally proposed regulations. I feel that section 2 and section 3 of the amendment before us will help correct these problems.

It is important that we are able to recognize problems and can work them out. There can be a correcting measure as the two Senators managing this legislation and members of the subcommittee and the committee by virtue of the amendment we discuss today, understand.

In section 2 of S. 1403 the date is extended for submission of a State program from 7 months to 6 months but leaves untouched the option of the Secretary to extend it for an additional 6 months in States where an act of the State legislature is needed to comply with the Surface Mining Act.

The final date by which a Federal program must be implemented in the absence of a State program is extended by 12 months instead of 7 and the corresponding date by which the regulatory authority must take action on permits to operate under the permanent regulatory program is also increased from 7 to 12 months. The need for a time extension arose because there had been a 7-month delay in the funding of the Office of Surface Mining which resulted in a delay of 7 months in the issuance of the permanent regulations. This provision will not weaken the act or change the intent of Congress, but will, in fact, strengthen the opportunity for compliance with the will of Congress. Most importantly, it will insure that the States have an adequate and fair opportunity to become the prime regulatory authority, as was initially intended.

Section 3 of S. 1403 would delete section 503(A)(7) of the 1977 act which requires that the States' permanent programs have laws and regulations consistent with the act and the Secretary's rules and regulations. Instead, the amendment requires only that State programs be consistent with the act itself. This provision allows the States to assume the role that I as a Senator and I believe the Senate desired in which the States would be invested with maximum flexibility, from the Federal regimentation that has developed. Flexibility, very frankly, is important in the administration of any law, just as it is important, to most of us as we carry forward our personal and official lives and duties.

Several committees of the Senate are currently considering programs which will place primarily reliance on coal based synthetic fuel technologies.

Coal, as my colleagues have heard me say many times, is America's most abundant fossil fuel resource. Its expansion in the short and the long term cannot and should not be denied.

Most of the second generation coal liquefaction and gasification technologies now being tested will convert about 1 ton of coal into 2.5 to 3 barrels of synthetic products. The Department of Energy has said recently, that a 1 million barrel per day synfuels industry would consume 156 million tons of coal per year, or about one-quarter of current use. Most analysts assume that the increased production will come primarily not from the deep mining but from the surface mining which we are discussing here today.

Largely, all of the increases in production of the coal mining industry since 1961 have been generated by new production from surface mines. In 1961 coal from underground mines made up 67.7 percent of coal mined in the United States; 1977 Department of Energy information states a decrease in underground mined coal to 39.9 percent of the total output.

Approximately one-half of U.S. coal production comes from surface mining the coal seams which lie fairly close to the Earth's face. The average overburden in the East is 100 feet with seam thickness of 4 feet as opposed to western overburden depths of 35 feet with seams ranging from an average of 35 feet to 100 feet.

New mines will have to meet the standard of the surface mining law. We must see that this law is not in turmoil. We cannot force the States who will be responsible for running reclamation programs into constant confrontation with the Federal Office of Surface Mining over certain reclamation standards.

We know that costs production in coal are escalating. Freight rates, mining equipment costs, leasing costs, are on the rise. Essential black lung benefits are paid in part as an internal cost; a younger work force is increasing training cost, and large severance taxes are required.

With these requirements on the existing coal industry, the modern industry, we must assure that mining operations can produce the mineral in a safe, efficient, and environmentally sound manner, rather than having to devote its primary efforts to paperwork compliance imperfectly implemented within some agencies and too often poorly coordinated between the agencies.

Mr. President, in offering my support for the amendments to the Surface Mining Control and Reclamation Act of 1977, I would like to draw on the detailed knowledge I have available as chairman of the Environment and Public Works Committee on how the Environmental Protection Agency coordinates its activities with the States. Based upon the nature of what was being regulated, Congress has mandated different relationships be established between the Environmental Protection Agency and the States.

In offering my support for these amendments to the 1977 act, I wish to draw on knowledge that comes to me in a practical manner. In serving as chairman of the Environment and Public Works Committee, and I want to just talk briefly about how the Environmental Protection Agency coordinates its activities with States.

Based upon the nature of what is being regulated, Congress has mandated different relationships to be established between the Environmental Protection Agency and the States.

Under the Clean Air Act and its amendments the Environmental Protection Agency has various relationships with the States in establishing regulations. In the case of automobile emissions, a detailed national standard has been established, and there is only one standard and one set of regulations. If the 50 States each established their own standards, the automobile manufacturers would be in an impossible position of trying to comply with 50 sets of regulations. Congress recognized the environmental diversity of the country has little to do with controlling auto emissions. The Environmental Protection Agency alone except in California, a special case, sets the regulatory standard and is in charge of enforcement.

In the next example, the Environmental Protection Agency has an entirely different relationship to the States because Congress recognized a different set of environmental circumstances. Due to the diversity of climate and terrain, Congress decided that the States should establish their own regulations on what the specific sulfur emissions should be for a specific stationary source in order to meet the national standard. The Environmental Protection Agency has established the national ambient air quality standard. Based upon unique set of environmental factors each State establishes its own specific regulations to meet the national standard. Then, the powerplant adopts a pollution control strategy to meet that State regulation. For example, installing scrubbers or burning low-sulfur coal or oil. Thus, depending on a set of environmental considerations Congress determines the Environmental Protection Agency's relationship to the States themselves.

In the case of surface mining, Congress finds and declares under section 101(f) "that because of diversity in terrain, climate, biological, chemical, and other physical conditions * * * the primary governmental responsibility for developing * * * regulations for surface mining and reclamation operations subject to this act should rest with the States." To me, Congress understands the different relationships a Federal regulatory authority should have with the States. In the case of surface mining it is clear to me that the Office of Surface Mining's role should be similar to the Environmental Protection Agency's role concerning stationary sources of pollution. It should be one of oversight, while the prime role of developing detailed regulations should be left with the States.

Now, to me Congress understands the different relationship of the Federal regulatory authority. It should be made with the States. In the case of surface mining it is very clear to me and, I hope, to other Senators that the Office of Surface Mining's role should be similar to that of the Environmental Protection Agency's role concerning stationary sources of pollution. It should be one of oversight, while the prime role, I say to Senator FORD, for detailed regulations should be left to the States.

Those who claim that these amendments will gut or destroy the surface mining law should closely examine how the Environmental Protection Agency has successfully established its relationship with the States in areas where there is a need for taking into account differences due to climate and terrain. Through the enactment of these amendments, the Office of Surface Mining will successfully do the same.

Mr. President, I strongly endorse S. 1403, as modified, which must be made in a nonmarket regulatory program, and which must positively affect the industry's ability, a needed ability at this time, to produce the large quantities of coal we must have to stabilize our economy from the standpoint of producing, marketing, and using energy.

Again, I commend those who bring the measure to the floor. I only wish the Chamber could be occupied by more Senators during the debate, so that they might have the full understanding of amendments or proposals made as we discuss this issue that may be contrary to the intent of the limited changes which the Surface Mining Amendments of 1979 suggests, and which I endorse.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Tim Dudgeon of my staff be granted the privileges of the floor during the discussion and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent to be added as a cosponsor to S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I rise to voice my strong support for the efforts of my colleague from Kentucky and the majority of the members on the Senate Energy and Natural Resources Committee to bring some sensibility into the ranks of the Federal bureaucracy.

One purpose of S. 1403, the legislation before us today, is, of course, to extend the deadline of submission of State reclamation programs to February 3, 1980. There can be no doubt that this is a needed extension in light of the delays which occurred in the funding of the Office of Surface Mining. The extension will be helpful not only to the States but also to the Office of Surface Mining. The substitute language offered by Senator FORD and Senator HATFIELD offers additional help to the States and coal producers in that State rules and regulations will not have to mirror the regulations issued by the Secretary of the Interior pursuant to the Surface Mining Act. This is a most important step if we are serious about trying to bring ourselves out of the regulatory morass which faces the energy producing sector of our economy.

The Surface Mining Act was a product of long and hard discussion and debate. I strongly supported that act because of my desire to see that our environment is protected. Also behind my support was a belief that it was clear from the language of the legislation that the States would have the primary role in enforcement of the provisions in the law. However, as is so often the case, the bureaucracy has somehow interpreted our actions in passage of the Surface Mining Act to mean that they have the right to dictate to the States the exact methods by which the State can meet the requirements of the law. This is utter nonsense. I believe it is rare that we in

the Senate have the opportunity to correct such a clear issue of regulatory overkill in a clear and understandable fashion.

The environmental safeguards put forth in Public Law 95–87 are strong and specific. The Ford-Hatfield language leaves those standards intact. Under the terms of the proposal offered by Senator FORD the States would simply be granted some degree of flexibility in meeting the requirements of Public Law 95–87. It is incomprehensible that the Office of Surface Mining would demand that State programs be carbon copies of the cookbook type regulations promulgated by the agency.

If a requirement or standard called for in the act can be met by methods other than those laid out by OSM I cannot see any reason why the specific design criteria called for by OSM must be used. This approach thwarts innovative engineering methods and really does nothing to enhance the quality of the environment.

Furthermore, the committee substitute will not in any way diminish the authority of the Secretary of the Interior to monitor the performance of States in achieving the goals set forth under the law.

Just last week the distinguished senior Senator from Arkansas had an amendment adopted to the Federal Courts Improvement Act which demonstrated the commitment of the Senate to address the general problem of overregulation. In the debate on that measure Senator BUMPERS clearly points out something which all of us know as a result of our communication with our constituencies. He said:

> Over the years the Congress has abdicated its responsibility in favor of the regulatory agencies and has given them almost carte blanche authority.

Today we can take a giant step in revoking that carte blanche approach and at the same time see our environment is not defiled.

I urge my colleagues to follow up on the rhetoric which very often comes from this Chamber. A vote for the so-called Ford-Hatfield amendment will be clear and convincing proof to the public that we are serious about regulatory reform. We are the elected representatives of the people and it is up to us to see that the statutes we pass are implemented properly. The public must be confident that we are not neglecting our duty. I believe the action last week on the Bumpers amendment was a signal in a general sense that the Senate is serious about regualtory reform. A vote for the Ford-Hatfield approach will demonstrate that we are capable of dealing with specific regulatory problems which have come about as a result of the bureaucracy not living up to perhaps one of the prime facets of the Surface Mining Act—State primacy in the implementation of the Surface Mining Act.

Mr. President, I ask that my colleagues of the Senate give serious consideration to this legislation and vote favorably on it. I thank the Chair.

Mr. FORD. Mr. President, I thank my senior colleague for his fine statement and support of the so-called Hatfield-Ford substitute for S. 1403.

There are other Senators who would like to make statements in support of this legislation, but because of various meetings at this time and various hearings these Senators are not on the floor.

I ask the distinguished Senator from Montana (Mr. MELCHER) if he has anything to say at this time. If not, I will suggest the absence of a quorum for a few moments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHURCH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. HUDDLESTON assumed the chair.)

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask if Senator MORGAN will yield 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I rise in support of the 1-year extension that this bill contemplates and to support the two proposals in addition to the 1-year extension that had been recommended that for purposes of discussion bear the names associated with their principal sponsors from the States, the distinguished Governor of Wyoming, Mr. Herschler, recommending one, and the distinguished Governor Rockefeller, of West Virginia, the other.

Mr. President, on August 9, 1979, the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production held field hearings in Farmington, N. Mex., regarding coal productivity. The following facts come from those hearings. Prior to the Surface Mining Act's passage, the State of New Mexico had established the New Mexico Coal Surface Mining Commission. This commission was a unique mix of environmentalists, representatives of industry, and officials of the State government. D. E. Gray was the chairman of this commission and he testified before the committee. I ask unanimous consent that his remarks be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, the points made by Mr. Gray, representing the State of New Mexico, are astounding and must be reiterated.

The commission which operated in New Mexico was a group of seven with a total annual budget of approximately $30,000. Since the creation of the Office of Surface Mining, the staff has tripled and the budget has grown to $250,000 annually.

And the benefits?

Prior to OSM, the New Mexico Commission promulgated standards acceptable to environmentalists, safety experts and industry which were enforced on a basis of voluntary compliance. And this commission was able to start two mining operations and approve a third. Since OSM was created to expedite procedures there has been no new mining activity.

Specifically, the Denver region of OSM has impeded mining in New Mexico. Coal mining in New Mexico is done in arid areas. OSM requires these areas to be revegetated. Although there exists a mining operation which has successfully been revegetating vast tracts for 4 years, OSM is not satisfied that revegetation is feasible. Consequently, there has been no new production of available coal reserves. The States of New Mexico estimates it has lost approximately $900,000 in revenues from potential mining royalties.

The State knows revegetation is possible. The land that is being mined, absent mineral value, sells for around $100 per acre. The revegetation cost is as high as $4,000 per acre and OSM is still not satisfied.

A specific example of the delays caused by OSM is the consolidated goal proposal for a mining operation approved by New Mexico in 1977.

On September 5, I was notified that this proposal, which has been modified twice, has been recommended for approval with 26 stipulations relating to revegetation. The sum total of these stipulations is to make the mine proposal economically unfeasible. And this comes at a time when the President has called for increased coal production to help us through the present energy crisis.

New Mexico has vast coal reserves. New Mexico can mine these reserves with adequate safeguards to the environment. The sole impediment appears to be the Office of Surface Mining.

Mr. President, I would just like to speak a little bit on the Surface Mining Act and what I see as its evolution to this point and urge my fellow colleagues to support the amendments proposed here today.

I can remember vividly when we prepared this bill in the committee and brought it to the floor we were not in nearly as serious a posture in terms of energy crisis as we are today.

But there was general discussion that this was going to be a reasonable bill, that its prinicipal goals were to prevent what happened heretofore in the United States in terms of surface mining disgraces. Those of us who had serious question about whether or not we could really regulate out of one agency the diversity of America when it comes to surface mining, for the most part, we all went along with it.

I, for one, am sorry I did. I do not believe we will get the kind of mining activity in the area of coal mining this country needs as a result of this law as it is interpreted by those administering it, and I can say that with all honesty.

In my State, for instance, we had a 5-member commission administering State law on strip mining and revegetation. That was kind of an ideal law. It did not cost much money to administer—about $25,000. It was drawn by environmentalists and the business community. This law and this commission was made up of different segments. They had an excellent record. They knew we could revegetate

where we needed in surface mining in New Mexico. They had tremendous success in developing plans that were adequate for our State, a very conservation-minded and environmental-minded State.

Let me tell what has happened. Not a single new piece of coal has been mined in that State. Instead of $25,000, we will spend—how much?—$250,000 for the administrative work we were doing for $25,000 and we still have not been able to satisfy the Federal regulators with reference to a State plan.

That is why it is absolutely imperative we get the 1 year extended, because that was a commitment that, in the orderly business of a State, we could come up with our own approach to this.

That was said right here on the floor. We intended this window to permit the States to come up with a plan that fit Federal regulations, and they have not been able to do that. That tells me that either the law was drawn wrong or those administering it do not want the States to come up with their own plan.

I submit, if we have one agency of this Government administering surface mining for America, it will be a fiasco. The right things will go unheeded. The wrong things approved. We will not mine coal, all of which add to the consumer burdens of America, make coal cost more, and add to our dependence, because we will produce less of it.

I do not think we can have that situation go on much longer. If nothing else, these amendments will focus attention on the fact that the safeguards of surface mining need not be used to prevent coal mining just because Federal regulators feel it should not be mined.

I believe that I could submit to the 100 United States Senators the 26 stipulations that they have now sent to one mining company on revegetation and I think I could get 99 Senators to agree they are unreasonable, the majority of the times unneeded, unnecessary, and many of the times literally stupid.

We have had some where they have now checked back and found 13 species of grass in an arid area and unless they can prove they can reproduce most of those in revegetation, they cannot mine coal.

Nobody in our State thought that was necessary before we put this agency in business. I believe it is time that more of us come to the floor and tell them we want some good commonsense.

Now, as it pertains to the Governors, they have been criticized because they want to get on with the business of coal mining and reasonable regulation. Let me say, if it was not for Governors coming before the committee in the last week before we passed this bill saying, "We want it," we would not even have a surface mining bill. That is the same Governors Rockefeller, Herschler, and others, who came to the Senate and said, "Let's try it now." They are being accused of disregard for the environment in their States, where they are elected to preserve and protect it. To me, that is ridiculous.

I hope we will grant the 1-year extension. I hope we will go along with the other two amendments. But if we do not, I hope the message is sent that we want them to administer this within the spirit of why it was passed and not any inventions of bureaucrats and administrators that just do not want any kind of surface mining to occur.

I thank the Senator from Oregon for yielding me time, and if I have any, I yield it back.

EXHIBIT 1

TESTIMONY OF D. E. GRAY

D. E. GRAY. I would like to go back and give you an opportunity to know what the New Mexico Coal Surface Mining Commission did prior to the federal act and then proceed from there.

Senator DOMENICI. Would you do that, please?

D. E. GRAY. The New Mexico Coal Surface Mining Commission and the Surface Mining Act became law in 1972. The Act and its regulations were written by a unique coalition of the environmental community, representatives of industry and officials of the state government. The Act established the New Mexico Coal Surface Commission. The Commission is comprised of seven appropriate state agencies or their designees and brings the expertise necessary to cover all facets critical to surface mining and reclamation. The structure of this Commission currently is one of the major factors assuring balance in the development of New Mexico's coal resources. Some of the duties of the Commission were to administer the Act and make every reasonable effort to obtain voluntary cooperation in mining the strip mining land, approve or disapprove mining claims and develop reasonable regulations concerning the productive reclamation of the strip mining lands. The New Mexico Act provided that no regulation may be adopted, amended or repealed without a public hearing. On February 9, 1973 the Commission adopted regulations which required, among other things, environmental impact hearings on development mining plans and the county in which the mine was to be located gives the public an opportunity to present all relevant evidence, call and examine witness, introduce exhibits, cross examine witnesses and submit rebuttal evidence.

The Commission has found mine operators willing to cooperate in reclaiming the mining land. Companies that were surface mining prior to the New Mexico Act volunteered to reclaim pre-law spoil which amounts to 500 plus acres at one mine and 1500 plus acres at another, provided that five years would be allowed by the Commission for the reclamation.

No general funds were permitted by the Legislature to administer this Act. Each Commissioner was full-time employed of his respective agency. There were fees collected from each of the operators. These fees were about adequate to take care of the contract mining inspectors that we have that were full time employees of the New Mexico Coal Surface Mining Commission. Salaries, mileage and per diem to each of the Commissioners were paid by the respective agencies. It was recognized soon after the enactment of public law No. 587 that a part-time Commission could not provide the necessary services to the State of New Mexico and the cooperators and supervisors because of the burdensome requirements of Federal law. Therefore in the 1979 Legislative Session the new Surface Mining Act was passed and became law June 15, 1979. The 1979 Act contains to the Commission the authority to promulgate regulations and the Commission is to serve as an appeals forum for those persons who are grieved by the decision of the Director of the Mining Commission. The Act gave to the Director the authority to approve permits and exercise all powers and enforcement of administration arising under the Act.

It should be noted by the way, for the record, that the inspection fees that we were collecting at that time were about $18,500.00. In the last year of inspection this was not quite enough to take care of our contract inspector, that made a total of about $35,000.00 for his services and then other items as printing and the like. It is estimated that the salaries of the Commission, mileage and per diem was paid by the respective agencies was totalling about $30,000.00 a year. It should be noted that in the 1979–1980 budget, we will have a budget of $267,000.00. In 1980–1981 it will approximate $300,000.00. Of course, some of this is going to be given back to us by the Federal government but it is still coming from the taxpayer.

Senator DOMENICI. Now, let me make sure that we've got the right comparison. This is $30,000.00 plus $25,000.00 that could be compared with $267,000.00?

D. E. GRAY. Not really, Senator, because my salary is paid as an employee, State Engineer, and I still have the function as an employed State Engineer, so it was—most of that time was actually spent after 5:00, so I believe in the true sense, that if we're talking about dollars and cents——

Senator DOMENICI. Now, I told Mr. Crane this in a Senate hearing and I used a little bit of a wrong figure and I correct it, but not so wrong. I said we were spending $15,000.00 a year and many people thought we were doing a very good job. We are now going to spend $267,000.00 and many people think we are doing a very poor job. As a matter of fact the $15,000.00 was wrong. It was $22,000.00 in your opinion.

D. E. GRAY. Yes sir, that's correct.

Senator DOMENICI. I don't contribute the rest of the statement to you, just the dollar statement amount. Now we're going to go to $300,000.00, is that right?

D. E. GRAY. In this coming year, yes sir, and I'm sure as time goes on this will have to increase.

Senator DOMENICI. Now, so I will understand, is that to do the same for the people of this state, its environment, as far as its goal that the $267,000.00 is going to do?

D. E. GRAY. Yes sir, the end results are going to be the same, but it's going to be a little more costly to achieve by the Federal Act.

Senator DOMENICI. Okay. Go ahead.

D. E. GRAY. The Commission agrees that the purpose is to set forth sections one and two of the Surface Mining Control and Reclamation Act of 1977. However the Commission objects to the manner in which the Department of Interior's Office of Surface Mining is attempting to implement building. Unfortunately the Act penalizes all coal mining, coal producing states because those states have failed to require the mine operators to be a good citizen. The Act goes too far. Actually there is no need for publication of regulations and when Congress wrote the Act it wrote the regulations. I cite two items in my prepared text as to how far it goes and we do have the regulations there, but in Sections 515(b) (17) and (18) they're talking about the construction of roads in the mining areas. The act contains 75 words.

The regulations that expanded this was Sections 816.150 through 816.181 of the Permanent Program Performance Standards to 6400 words and there's repetition in this. And that only pertains to the surface mining activities. This is duplicated again pertaining to the underground mining activities. So this thing has been exploded up to go over 13,000 words. Nothing is left to discretion of the State. I think also of interest in Section 816.-106 of the Federal regulations where it is stated "when rills and gullies deeper than nine inches form in areas that have regraded and top soiled, the rills and gullies shall be filled, graded or otherwise stabilized . . ."

A Federal employee who is an expert in surface coal mining and reclamation, but is not in OSM, made this comment regarding

this regulation: "The person or persons responsible for writing this unrealistic and impractical requirement obviously spent his entire life in a city and has never observed nature at work. This requirement is a definite harassment measure and should be eliminated."

It is the opinion of the New Mexico Coal Surface Mining Commission that the Federal Act and the voluminous Federal regulations will achieve no better reclamation than that which has been achieved under New Mexico's original seven-page Act and thirteen-page regulations. The Commission believes that a monster has been created in the form of OSM. We will need more than just the acceptance of the so-called "window" in state regulations, but we are going to have the opportunity to be of regulatory authority in our state. There is an urgent need for the Office of Surface Mining to become more cooperative and more responsive to states. The Office of Surface Mining's action in New Mexico have given not only the Commission, but also the operators the impression of the conventional goodguy. There are at least four reasons why the Commission believes the Office of Surface Mining's not responsive. New Mexico has been attempting to enter the cooperative agreement with the Office of Surface Mining since September, 1978. On submittal of the first draft several changes were made——

Senator DOMENICI. Mr. Gray, we need a break for the reporter. While she's doing that, let me make an announcement, and you don't need to take this down. All right, we're sorry to have interrupted you.

D. E. GRAY. Upon the submittal of the first draft to which New Mexico agreed and the draft agreement was returned to Denver for approval and signing. The Office of Surface Mining in Denver made several subsequent changes to which New Mexico agreed. The regional office concluded it was an acceptable agreement and it was sent to Washington for approval. Washington personnel are presently going through the same routine and now some ten months later no cooperative agreement has been finalized. It appears that the Office of Surface Mining attorneys are having trouble among themselves or the Office is intentionally playing a game.

The second is that New Mexico is concerned about the time which it's taking the Office of Surface Mining to process the application for mining on Indian land. On December 4, 1975, Consolidated Coal Co. submitted a mining and Reclamation Plan to the United States Geological Survey, Bureau of Reclamation, Bureau of Indian Affairs and Navajo Tribe. I am going to skip quite a bit of this because it is in my prepared text but as of July 30, 1979, OSM published a "Notice of Availability of Proposed Mining and Reclamation Plan for Public Review" of Consolidated Coal Company's project. The following is an excerpt from the notice: The notice is issued at this time for the convenience of the public. The Office of Surface Mining has not yet determined whether the proposed plan will be in compliance with the applicable regulations . . . The application has been subject to initial reviews and more appropriate technical reviews, final technical reviews and environmental analyses and compliance determinations and to date no permit has been issued. The application can be considered ad infinitum if the energy crisis does not worsen. There is no way this nation can comply with President Carter's order for energy independence and utilize our great coal reserves if OSM continues to flounder on future coal mining applications as it has on the Consolidated Coal application.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—this has been cleared with Mr. MELCHER—that a vote occur up or down on an amendment by Mr. MELCHER at 5:15 p.m. today; that a vote occur on final passage of the bill, with paragraph 3 of rule XII being waived, at no later than 7 o'clock p.m. today; that there be a time limit on an amendment by Mr. BELLMON of 30 minutes, to be equally divided; a time limit on an amendment by Mr. WARNER of 30 minutes, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. Does any Senator wish to be heard?

UP AMENDMENT NO. 542

Mr. BELLMON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 542.

Mr. BELLMON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 9, insert the following:

Sec. 5. Section 502 of the Act is amended by adding a new subsection "(g)" as follows:

"(g) Notwithstanding any other provision of this section, each State shall, to the greatest extent possible, have principal responsibility for the inspection of mines during the period of time prior to the submittal of State plans for approval. Such responsibility shall remain with each State until such time as the Secretary disapproves the State plan. The Secretary shall furnish personnel assistance to the States in carrying out this responsibility upon request of the State regulatory agency."

Mr. BELLMON. Mr. President, I will explain the amendment, but first I will recite what has happened in connection with surface mining control.

Before we passed the Surface Mining Control Act, States generally were charged with this responsibility. Some were doing well and some poorly. After we passed the Surface Mining Control Act, the States were given time to meet the requirements of that act. But immediately—at least, in some cases—Federal authorities moved in and began to meddle in this business of reclamation control. So the fact is that at the present time, under the law, the States will still have the major responsibility.

The result is that we now have both the States and the Federal authorities trying to tell the miners how they should handle the reclamation problems.

The purpose of this amendment—and all it would do—is to say that as long as an agreement is under consideration and until it has been approved or disapproved, the responsibility for controlling reclamation problems shall remain with the State regulatory agency. In other words, what we will have is one agency, the State agency, charged with this responsibility, until an agreement has been reached, in which case the State would continue, or until an agreement has failed to be reached, in which case the Feds would take over.

It is wrong, in my opinion, to have two authorities trying to accomplish the same task. In this case, it is causing great confusion and increase in the cost of mining, which has to be passed on to the consumer.

I hope the Senate will agree to this amendment.

Mr. FORD. Mr. President, I reluctantly oppose the amendment of the Senator from Oklahoma.

Many times on this floor one would like to do certain things and make changes, but circumstances prohibit these changes.

The Senator from Oklahoma is a member of the Energy and Natural Resources Committee, and he is very familiar with the procedure we had to follow in order to get S. 1403 to the Senate floor.

The Senator also recalls the closeness of some of the votes—the original amendment as submitted by the distinguished Senator from Oregon—and how many of those different proposals were dropped in the committee, in order to report the compact bill we now have before us.

There are many things about surface mining we would like to correct. I suppose there is a lengthy gamut of things that people would like to see eliminated from or added to the bill.

However, under the circumstances, I think we must restrain ourselves from trying to enlarge this piece of legislation, because if we are going to give the States the opportunity to submit their own plans, this is the only vehicle we can use.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. FORD. I yield.

Mr. BELLMON. My amendment would not in any way keep the States from submitting their own plan. It says that while the plan is being considered, the States would have the responsibility for enforcing reclamation law, instead of having the Federal Government in there meddling and confusing the issue.

Mr. FORD. The Senator knows what I am talking about. If we accept additional amendments, we open a Pandora's box, regardless of how good the Senator's amendment is—I know this will not set very well with him, and I regret that. If we are in the position of adding amendments and extending the use of this legislation for amendments, then the mechanism and the bill for getting it through will be diluted considerably.

Mr. BELLMON. Mr. President, I am not aware of any special condition in the Senate that requires us not to amend this bill. We amend bills day after day.

If the Senator is concerned about opening a Pandora's box, I suggest that he take the amendment, and that is the end of it.

Mr. FORD. It has to go to another House. The Senator is on the committee, and he understands what I am saying.

Mr. BELLMON. I am afraid I do not.

Mr. FORD. The Senator has been here longer than I have.

Mr. DOMENICI. I ask this question of the Senator: What he is saying is that there is a great deal of reluctance to accept amendments other than the 1-year extension by certain people in the administration.

Mr. FORD. No. The Senator also is on the committee, and he knows how the committee voted, and he knows what is before us. It is not just the extension. It is the Western lands and the ability of the States to submit their own reclamation plan.

If we continue to add amendments, the legislation is saddled with more than I think it can carry mechanically.

Mr. DOMENICI. This amendment could almost be called a clarifying amendment, an interpretive amendment.

There is a vague area, while we are waiting around for a final plan. Two agencies are doing the same kind of work. That is what Senator BELLMON is addressing. It is not a very significant addition, as I understand it.

Am I correct?

Mr. BELLMON. The Senator is correct. All we are trying to do here is to clarify what seems to be a misunderstanding.

The Feds seem to think that until there is an agreement, they have a right and a responsibility to come in and establish their own standards.

The States have been doing the work all along, and they feel that until they have been taken out of the picture, they have a right to be involved.

Mr. FORD. The Senator says in his amendment "the principal responsibility." But let us go back to section 502(d), to the last line:

But in no case later than 42 days from enactment of this act.

The Senator has not eliminated that. He still goes along with the same procedure. He has not eliminated anything allowing OSM to go in and inspect.

Mr. BELLMON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, the amendment says very plainly that until an agreement has been worked out, the States, to the greatest extent possible, shall have principal responsibility for the inspection of mines during the period of time prior to the submission of State plans for approval.

Mr. FORD. But section 502(e) says exactly what the Federal Government should be doing in the States. The Senator from Oklahoma has not eliminated all that. He still allows section 502(e) and that whole page and each of those paragraphs to apply. I do not see how the amendment helps anything.

Mr. BELLMON. The amendment says "notwithstanding any other provision."

Mr. FORD. It says "principal responsibility." What about secondary responsibility, then? That would be the Feds who come in on secondary responsibility.

Mr. BELLMON. The States have principal responsibility.

Mr. FORD. Who has secondary responsibility?

Mr. BELLMON. There need not be secondary responsibility.

Mr. FORD. Section (e) gives them all that authority, and the Senator has not eliminated that.

Mr. BELLMON. We have said that notwithstanding any other provision, the States will have principal responsibility.

Mr. FORD. But the Senator has not eliminated the other responsibility under the act, which is section 502(e) and all those subparagraphs. He has not eliminated anything. He has said one is principal, and the other is still going to be in there. The Senator has not eliminated the OSM inspection whatsoever.

Mr. BELLMON. It seems to me that the States have the principal responsibility, that that puts the Federal Government in a subordinate position.

Mr. FORD. They still inspect.

Mr. BELLMON. I have no problem with their inspecting. I have a problem with their coming in and giving a set of standards to the miners when the States already have done that, and the miners cannot tell which authority to follow. We need to have a principal authority, and this amendment gives that responsibility to the States.

Mr. FORD. They can come in and inspect. They still come in and give citations.

I understand that the Senator is trying to eliminate dual inspection and dual responsibility. He has not done that. They have their cookbook regulations, and the Feds come in and give citations. I do not think the Senator has eliminated that.

Mr. BELLMON. I would be willing to leave that to the courts.

Mr. FORD. We have been here all day, and the way we are going, we will have more before the courts. It seems to me that the way we are going, we want to get everything into court.

Mr. BELLMON. I have no desire to get everything into court.

The amendment plainly says that the States have the primary responsibility, and the Feds are in a secondary role; and when a decision has to be made, the States will make it.

Mr. FORD. The Senator says it should be left to the courts, and this leaves open another avenue for us to get into court.

We are trying to keep the bill as simple as possible, without making it complex and adding so many amendments that we will go to court. I hope the Senator will withdraw the amendment.

Mr. BELLMON. I will put the Senator's mind at rest. I am not going to withdraw the amendment.

Mr. FORD. That is right. I understand what the Senator is trying to do and I probably agree with him, but I do not think the Senator's end result will ever come to pass.

Mr. BELLMON. Mr. President, I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FORD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. MCCLURE) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 73, nays 20, as follows:

[Rollcall Vote No. 270 Leg.]

YEAS—73

Armstrong	Garn	Packwood
Baker	Glenn	Pell
Bellmon	Goldwater	Percy
Bentsen	Gravel	Pryor
Boren	Hart	Randolph
Boschwitz	Hatch	Riegle
Burdick	Hatfield	Roth
Byrd, Harry F., Jr	Hayakawa	Sasser
Byrd, Robert C.	Heflin	Schmitt
Cannon	Heinz	Schweiker
Chafee	Helms	Simpson
Chiles	Hollings	Stafford
Church	Huddleston	Stennis
Cochran	Humphrey	Stevens
Cohen	Jepsen	Stewart
Cranston	Johnston	Stone
Danforth	Kassebaum	Talmadge
DeConcini	Laxalt	Thurmond
Dole	Long	Tower
Domenici	Lugar	Wallop
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
Exon	McGovern	Young
Ford	Morgan	Zorinsky
	Nunn	

NAYS—20

Baucus	Kennedy	Nelson
Biden	Leahy	Proxmire
Bradley	Levin	Sarbanes
Culver	Magnuson	Stevenson
Durkin	Melcher	Tsongas
Jackson	Metzenbaum	Williams
Javits	Moynihan	

NOT VOTING—7

Bayh	McClure	Ribicoff
Bumpers	Muskie	
Inouye	Pressler	

So Mr. BELLMON's amendment (UP No. 542) was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that Rob Wallace of Senator WALLOP's staff be accorded the privilege of the floor during the debate on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I ask unanimous consent that two members of my staff, Mr. John White and Mr. Sindelav, be granted the privilege of the floor during the remainder of the consideration of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the pleasure of the Senate?

UP AMENDMENT NO. 543

Mr. WARNER. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER) proposes an unprinted amendment numbered 543:

On page 4, line 9, insert the following:

Sec. 5. Sections 515(b), 515(c), 515(d), 515(e) of the Act are amended as follows:

(a) in section 515(b)(3) strike the words "except as provided in subsection (c)";

(b) in section 515(b)(3) strike the phrase "restore the approximate original contour of the land with all highwalls" and substitute the phrase "eliminate at least seventy-five percent of the highwall created by the mining operation, with all"

(c) in section 515(b)(3) after the words "Provided, however," there should be inserted the phrase "that final regrading shall be compatible with the approved post-mining land use; and provided further,"

(d) in section 515(b)(3) strike the phrase "and where the operator demonstrates that overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour,"

(e) in section 515(b)(3) after the words "in the course of the mining operation is more than sufficient to" strike the phrase "restore the approximate original contour," and substitute the phrase "achieve the approved post-mining site configuration,"

(f) in section 515(b)(3) after the words "the operator shall" strike the phrase "after restoring the approximate contour,"

(g) in section 5115(b)(9) there should be added a new clause at the end of the sentence "provided further that when only augering is conducted on a previously mined area, the highwall shall be eliminated to the extent allowed by existing material."

(h) in section 515(c) strike subsections 515(c)(1) through 515(c)(6),

(i) Section 515(d) should be renumbered 515(c);

(j) renumbered section 515 (c)(2) should be deleted;

(k) Section 515(e)(1) through 515(e)(6) should be deleted.

Mr. WARNER. Mr. President, Virginia is the Nation's seventh ranking coal-producing State. We have tried very hard to live within the confines of the new law and the regulations.

About one-third of Virginia is coal country. In recent years 14 million tons annually, have been produced in our State through strip mining techniques, approximately one-third of the coal produced in the State each year.

Frankly, our experience has proved that the present requirement in the Surface Mining Act calling for mine operators to restore the mined land to original contours is extraordinarily costly and indeed infinitely unwise. But we are a State that is very proud of the progress we have made in protecting our environment under this act though at times it has been to our detriment.

Further, frequently the steps necessary to bring about original contours surface restoration have proved hazardous to the individuals performing this work. Quite frankly, sometimes it is plainly impossible to restore vast mountain slopes to their original contours. Many of our slopes average, from 20 to 30 degrees. Human hands and technology simply cannot restore these slopes to their original contours.

This has resulted in a drastic curtailment of strip mining, ever-increasing unemployment, and a detrimental economic situation to many Virginia communities.

It is for that reason that I submit this amendment, which I feel is quite reasonable. It merely, in summary, asks that the 100 percent original contour restoration requirement be moved back to a reasonable 75 percent. In other words, the operators must at least restore the contours to 75 percent of their original slope. While my bill addresses Virginia's economic, environmental, and safety concerns in the surface mining restoration area, it would also have added benefit of possibly providing southwestern Virginia with increased usable land. Virginia's communities have been able to utilize restored land for entirely new purposes—hospitals, schools, housing, and other necessary improvements in everyday life. My bill would make available to them additional land for community use.

Mr. President, a U.S. district judge in western Virginia, in examining the Surface Mining Control and Reclamation Act of 1977 during litigation proceedings in February of this year, made findings of fact that the act imposes stringent performance standards upon coal mining operations on slopes greater than 20 degrees. The judge found that the act makes surface mining economically prohibitive on slopes of 20 degrees or greater.

The judge found further that the act has its greatest impact on the land area located in the western district of Virginia, since 95 percent of the coal reserves found in Virginia and capable of being strip mined are located on slopes with an incline greater than 20 percent.

It was held that the evidence presented clearly proved that the act establishes performance standards which are designed to restrict or prevent the recovery of coal from 95 percent of the coal reserves in the western district of Virginia.

This nonrecovery of coal means a loss of jobs in Virginia and economic hardship wrought upon innocent families.

At the present time 2,000 of Virginia's 20,000 coal mines are out of work in southwest Virginia.

My amendment which would relieve some of the act's stringent requirements would go a long way toward alleviating this existing economic disaster.

I only wish that my colleagues could join me and see the beautiful hills of Virginia and see how the people, through restoration, have made safe and productive use of land that has yielded forth the coal. In this hour of economic crisis, in this hour when we still are confronted with a national energy problem, I urge my colleagues to consider favorably this amendment, which will help many regions of America.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I commend the distinguished Senator from Virginia for presenting this amendment and focusing attention, again on what I consider to be one of the most onerous impractical provisions of the Surface Mining Act. The requirement to return land to the original production contour is one that is most troublesome to the eastern section of the State of Kentucky. It imposes unnecessarily severe restrictions on coal producers and is such a difficult task to accomplish, yet the requirement totally ignores the benefit that may come from leaving the land in such a condition that it can be utilized in another manner.

But the fact is that when you mine coal you can leave benches and you can leave flat surfaces in the place of steep hillsides without doing any damage to the environment.

The scarcest commodity in the eastern section of Kentucky, where some of the highest quality coal in the United States is produced, is flat land. The only way that area of this country is going to develop in the future, and is going to be able to benefit from this tremendous resource this energy resource of coal, is to be assured that it will be left in such a condition that future generations can build a new economic foundation.

That cannot occur if land is not available for factories, or available for building homes, public buildings, highways, and the numerous other facilities that accompany economic growth.

It may well be, as I am sure the committee will indicate, that this is not the proper time to seek substantial changes in the law itself because, as a matter of fact, it has not gone into full operation at this time. Maybe it is an issue that should be dealt with later, after more experience has been had and more knowledge about just exactly what we are talking about. But I hope that, somewhere along the line, the Senate will give very serious consideration to the fact that it is difficult to write a law and include in it very specific provisions that apply equally all over the United States and for every kind of situation.

I think that with further study and further experience, it can be demonstrated that the law, in fact, may well be counterproductive to environmental considerations. At the same time, the approximate original contour requirement denies the opportunity for development of land which could be significant to the future economic strength in the coal producing regions of our country.

Mr. RANDOLPH. Will the able Senator from Kentucky, who addresses himself to the Warner amendment, yield to me?

Mr. HUDDLESTON. Yes, I yield to the Senator from West Virginia.

Mr. RANDOLPH. I thank the Senator.

Mr. President, as the Senator from Kentucky has said and as other Senators who are in the Chamber know, there are the questions on returning land to original contours and filling deep valleys

with overburden in our States. Granted we must be careful to see that surface mining does not destroy our scenic landscapes. But sometimes in areas like West Virginia we are also interested in what I understand Senator WARNER's amendment would address. That is the opportunity to improve the land, for the purposes that will provide housing and other sites for public facilities can be created for the benefit of those who move in to mine the coal itself. If land can be used in this manner, in states with mountainous terrain like West Virginia, restoration to original contour should also be treated flexibly.

We have to be realistic. Sometimes, in West Virginia, I am told by individuals and companies alike that land is sadly lacking for new community development purposes. Armco, for example, recently opened two new mines. They said very frankly that there was a problem of securing sufficient miners for the actual mining of the coal because of the inability to find sites where they could live, in close proximity to where they had to mine the coal.

The Senator from Kentucky knows that our miners are, ofttimes, driving 50 and 60 miles each way to work in the mines—not only the deep mines, but the surface mines as well. So I feel that Senator WARNER's 75 percent of original contour amendment that has been offered would not damage this legislation. I believe that is Senator HUDDLESTON's position. The amendment, in fact, gives States the opportunity to modify surface-mined land for construction of houses, schools, and other community facilities.

That is my understanding, and I support the amendment.

Mr. FORD. Mr. President, how much time remains? I understand we have 15 minutes each.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Kentucky has 15 minutes.

Mr. FORD. Has all of it been taken out of the time of the Senator from Virginia? How much time does he have left?

The PRESIDING OFFICER. The Senator from Virginia has 5 minutes.

Mr. WARNER. Mr. President, I wish to thank my distinguished colleagues from Kentucky and West Virginia and gratefully yield the time to each of them.

Mr. FORD. I thank the Senator.

Mr. President, the Senator from Virginia makes good ecological sense. I have struggled with this problem for a long time, since long before I came to the U.S. Senate. Therefore, I am not a new hand at this.

I struggled in the 95th Congress—in full committee, on the floor, in conference. I finally got a little experimental language toward the end that if the Secretary would approve would result in some experimental operations related to this.

When engineers who are well educated and have given their lives to this arena come forward with their statements and positions, it makes you wonder when others come and say so harshly, "You have to do it this way," even when sound engineering practices dictate a certain way.

I can assure the Senator from Virginia that I will work with him to try to secure a responsible and sound legislative approach to the problem.

I will tell the Senator, at least in my judgment, that if this amendment should go with this piece of legislation, it would probably put it back into the arena of the controversy we have had over the years. In that light, and the consideration of that amendment on this piece of legislation, I would hope that we would not have to go into that arena to fight again.

I think with the information we have had and the problems that have been presented, that in a short period of time we will be in a better position to look at the real world and say what has happened and what has not happened, then we can come forward.

Mr. President, I have no real argument with the Senator from Virginia as to what he is trying to do because I have tried to do that, and I think he understands.

Mr. President, I have no further argument against it, I just hope the Senator will not require us to make a decision on this particular amendment today.

Mr. WARNER. Mr. President, I ask if the minority Senator would like to speak to this matter. I would yield some time to him. I have 5 minutes remaining.

Mr. FORD. I have some.

Mr. HATFIELD. I thank the Senator from Virginia.

I will ask for 3 minutes from the majority leader of the bill since I think he has a little more time left.

Mr. FORD. Yes.

Mr. HATFIELD. Mr. President, as one who served on the committee which developed this mining act in the last Congress, I can understand the concerns expressed by the Senator from Virginia.

My State is not such a State that is involved or affected by the Surface Mining Act in the same way. We do not have such deposits of coal and other minerals of this type.

I remember that in the discussion that took place as to the way we were going to reconfigure and reconform the terrain following these surface mining activities, I asked a question somewhat facetiously. It seemed to me in my travels in the State of West Virginia particularly, when I saw the amount of money required to try to develop some flat surface for schools and football fields, and other such municipal and local enterprises, that there was a lack of flat surface terrain to construct on as the villages and towns were growing in the State of West Virginia. That seemed to be one of the great problems and one of the cost factors involved in accommodating that growth.

So that perhaps, rather than requiring that terrain in which they were surface mining be put back into its original form, perhaps they would be better off to level it off in some cases and get some flat surface.

Of course, as I say, that was raised in sort of a facetious manner. Yet it bore on a very important point that not only exists in West Virginia, but other States as well. There has to be more flexibility, perhaps, than we discussed in the original act, so that local areas and conditions can have at least a little input in the decisionmaking.

I have seen lands that have been reclaimed, and in some instances in Pennsylvania where I have seen such lands, they are more attractive than the original terrain, and they did not conform to the exact shape and form of the original terrain.

So I think the Senator has raised some very significant issues here. I assure him, along with the majority leader of the bill, the Senator from Kentucky (Mr. FORD), as a fellow member on the same committee, that if the Senator from Virginia is interested in pursuing this in the legislative route, I certainly will be very open and very empathetic with the proposals he may raise.

But again I would like to urge the Senator to take that route rather than attempting to set that into law now. We would run not only into difficulties with the House managers and conferees, the entire bill would be placed in jeopardy.

I think something of this kind has such broad-based application, it perhaps deserves a new hearing where other States participate and other views be expressed on the subject.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATFIELD. I thank the Chair.

I will be very happy to work with the Senator from Virginia.

Mr. WARNER. Mr. President, I am, first, very appreciative of the remarks expressed by all who have addressed this amendment. Those remarks reflect a deep concern as well as an understanding of the problems facing those States affected by the "original contours" requirement of the act. The floor leaders on this legislation, I think, have indicated that in their best judgment, considering the entire industry, that while this amendment has merits it needs further exploration by the Senate, perhaps even hearings.

If I interpret the remarks of Senator FORD and Senator HATFIELD correctly, they will facilitate such hearings.

Further, it is in the best interests of the whole industry that the legislation, S. 1403 as amended, now pending before the Senate, should be permitted to go forward without the attachment of this amendment. To do otherwise may well endanger the passage of this bill. As I strongly support S. 1403 and believe that it must be enacted to provide an impetus for increased coal production vitally needed by this Nation. I defer to their judgment. I will at the proper time reintroduce my amendment as an original bill and seek the support and cosponsorship of those Senators who have spoke on my amendment on the floor today. At this time, without prejudice to my amendment, I ask unanimous consent that it be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I do not know of any other amendments, at least I have not been informed of any other amendments.

UP AMENDMENT NO. 544

Mr. MELCHER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself, Mr. JACKSON and Mr. TSONGAS, proposes an unprinted amendment numbered 544.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted by the committee amendment insert the following:

That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979."

SEC. 2. Sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445) are hereby amended as follows:

(1) in section 502(d) in the last sentence, strike the words "forty-two months" and substitute the words "forty-nine months";

(2) in section 503(a), strike the words "eighteenth-month" and substitute the words "thirty-one months";

(3) in section 504(a), strike the words "thirty-four months" and substitute the words "forty-one months";

(4) in section 504(a)(1), strike the words "eighteen-month" and substitute the words "thirty-one months"; and

(5) in section 504(a) after paragraph (3), strike the sentence:

If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months."

SEC. 3. Section 523(a) of the Act is amended by striking the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Subject to the provision of section 523(c), implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate.".

Mr. FORD. Will the Senator yield for a question?

Mr. MELCHER. Yes.

Mr. FORD. Is this the amendment that the majority leader secured the time agreement on with the Senator—at 5:15?

Mr. MELCHER. Yes, it is.

Mr. FORD. I say to the Senator, I have just now been informed that there may be another amendment, and we have a time agreement.

I am just trying to be sure we do not have any problems here parliamentarywise.

Mr. President, I am proceeding on the understanding of the request made by the majority leader that we would vote on Senator MELCHER's substitute at 5:15, and then we would go to third reading and final vote no later than 7 p.m.

If other amendments are to be submitted, I suggest that proponents of those amendments have the responsibility to present them prior to that time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I ask unanimous consent that Mr. Jim Cubie, of Senator KENNEDY's staff, have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I wish to discuss the amendment I have at the desk and which is the pending business before the Senate.

Section 3 of the proposal before the Senate, is a completely novel approach to congressional actions. The feeling of the Senate and the House has been expressed that the 1977 Surface Mining Control Act was oriented toward a State lead, and there is no argument with that. It was oriented toward a State accepting the minimum standards required under the Federal law as State law and developing a program for reclamation of coal strip mined land, submitting it to the Secretary for his approval, as meeting those minimum standards, and then the State operated the reclamation program. There is no argument at all with that.

However, when we have been told by our constituents in the past that the act that brought about Federal regulations were too much to put up with or threatened not to accomplish the purpose for which the act was adopted, we ordinarily have addressed ourselves then to specific parts of that Federal law, in an attempt to make modifications in the law by amendment and on some occasions to repeal the law.

The novel approach today in S. 1403 is not to amend the law but to repeal those regulations in place, promulgated by the Secretary of the Interior to carry out the intent of the law as it affects the approval of a State's program to run the reclamation program on lands that are strip mined for coal.

How does it do this? S. 1403 says that the State program will not have to be consistent with the Secretary's regulations in considering such State program. Rather than just addressing some regulations or parts of the act that the industry might find objectionable or a State might find is incompatible with its particular circumstances, rather than just addressing those specific points, this bill would have us use a broad ax approach just to take away the Secretary's regulations regarding approval of a State plan.

So it is not just the performance standards of section 515 and section 516 of the act, but it involves the rest of the regulatory scheme, including the permit application and approval, bonding, inspections, designations of lands as unsuitable. The whole body of regulations would be eliminated as a standard to judge the adequacy of a State program.

Earlier today, we had a question from the Senator from Illinois regarding what would be the effect on prime farmlands if the bill were passed as presented. We looked at the permitting procedures to identify when a mining plan would be approved, to extract the coal that underlies land that has been designated as prime farmland. Under that permitting procedure, in the explicit language of the act, it refers to the requirement of the Secretary of the Interior to develop the regulations pursuant to this point in cooperation with and the approval of the Secretary of Agriculture.

The effect of S. 1403 as drafted and presented by the proponents of the bill would be to nullify, in effect repeal, that very procedure for granting a permit to mine under prime farmland, to extract the coal by means of strip mining.

The Secretary of the Interior in a letter dated today notes that this section of the bill deletes his authority to use regulations as a basis for review and decision on State program proposals. It can only lead to court challenge of almost any decision that he makes regarding a State program.

He points out that over 500 issues were raised by the States, by the industry, or by the public, while the Department of Interior was writing the final rules.

He further points out that many of those issues are likely to be raised again with respect to one or more State programs. In deciding them, the Secretary states, "The courts will be effectively writing the national regulations on a State-by-State basis."

I wish to remind my colleagues in the Senate of some of the points that would be of very much concern to me and I think to most of the people who are relying on the 1977 act to prevent degradation of land or water throughout the country where coal is strip mined.

If this bill is adopted as it is presented to us, the Secretary will be shorn of his ability to use those regulations, to judge whether or not a State program can meet the specific application under the broad standards of the act. In fact, the Secretary would probably not be even able to use those regulations as a guide to aid him in assessing the State's submissions, because this act of Congress, if this bill were passed, will effectively say forget about those regulations, forget about them. As has been so often the case in debate this afternoon, the proponents of this proposal have stated that the regulations are too burdensome, too cumbersome, and there are too many of them.

Where do we start then? Where is the benchmark? If we have a case in court, State or Federal court, where is the benchmark to review and compare the proposals made by an individual State as to the requirements of meeting the language in the act?

I do not think I am exaggerating to say that will vary depending upon who the judge is and how strong the argument is made by one side or the other before that particular judge.

The court then will have to render a decision, and as the various courts are to decide what the interpretation of the act is, then we are going to have a patchwork system of what that interpretation is, varying from court to court, or very likely from State to State.

I have a point here. Many of the act's standards are very broad and surely they are not self-enforcing. For instance, the act requires mining to be conducted in

such a way as to minimize the disturbance to the prevailing hydrologic balance, stabilize and protect all surface areas to control erosion and air and water pollution and assured treatment of all toxic- or acid-forming materials.

That is what the act requires, and we know we want that. There is not a one of us who does not want that in the act and we want it enforced and we want it enforced uniformly on those matters. We know that there must be a variance in some instances. There must be some differences in some States, and the Secretary has that authority under the act.

For instance, the Secretary in his letter today said this amendment is not needed "because the variations the States will most likely propose can be approved under the State window provided in our regulations if they are consistent with the act and warranted. States may submit laws or regulations which differ from the regulations if they achieve the purposes of the act. I can and will approve such alternatives where I find, based on information provided by the State or otherwise available, that equivalent levels of protection to the public and environment will be achieved."

I think that procedure is much preferable to a procedure where a Federal or a State judge decides on such regulations as would affect, for instance, the hydrologic balance, so important to us in the West.

Are we to throw in doubt just what the act meant when we passed it here after so many years of effort, that it really meant to protect the water availability in Western States? I would hope not. Yet the provision in this proposed bill that would remove the Secretary's regulations from consideration and approving a State plan would do exactly that and throw it into a court for a determination.

I have noted some of the examinations that have been made on the legal implications of this provision. The section 3 provision will cause extensive and unnecessary litigation, I am advised by legal authority who reviewed it carefully and reviewed the history of the act. States will argue that their programs meet the requirements of the act and the Department of the Interior through the Office of Surface Mining will not have their regulations as official interpretation. States will litigate to force the Department of the Interior to approve their programs. It is likely that the coal industry within a State will litigate, arguing that the approved State program is inconsistent with the act, and it is possible, indeed it is likely, that an individual or citizen organization will challenge the approved State program as not being adequate to meet the requirements of the act.

The desire for a uniform program nationwide is certainly diminished under those circumstances. Many of the provisions of the act granted are broad general statements of intent and policy and like almost all legislation Congress passes we expect it and we require that the Department of the Interior will carry the congressional mandate by regulation and will interpret and design a uniform program based upon the general desires of Congress and to achieve that through the promulgation of regulations as the usual process.

There is an environmental implication here, also.

I have mentioned the protection of the hydrology particularly in the Western States where it is so vital to use.

Let me also remind the Senate that the interpretation of the environmental protection standards and permit requirements will differ from State to State and the ability of the Office of Surface Mining in the Department of the Interior to insure that these provisions are adequately carried out will be greatly diminished if we were to accept S. 1403 as presented to the Senate because that provision in the bill forbids the Office of Surface Mining the use of a model to assist the States in drafting their program, and it is very likely that under that provision certain States will continue to be in an economic disadvantage for neighboring State programs will not necessarily be as stringent as their own. So the abuses of the past are likely to continue.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. MELCHER. I am glad to yield to my friend from Iowa.

Mr. CULVER. I appreciate very much the Senator's yielding, and I wish to commend him for his interest and leadership in this important area.

Mr. President, when I introduced the so-called prime farmlands amendment to the Surface Mining Control and Reclamation Act in 1977 it was intended to protect prime farmland potentially subject to surface mining operations.

Mr. President, it is my understanding that implementation of this provision by the Department of the Interior has been in accordance with the intent of Congress in approving my amendment. Moreover, I can assure the Senate that its implementation has certainly been in accordance with the intent of the original amendment's prime sponsor.

Essentially, the amendment provided that an applicant for a new permit to conduct surface mining of prime farmland must demonstrate to the State regulatory authority that he can restore the land to its full premining agricultural potential.

This amendment was premised upon the belief that prime farmland is a critically important natural resource. Its value is long term and renewable—if it is properly safeguarded, we can benefit from its bounty almost indefinitely. That renewable quality makes it almost unique; other resources, once exploited, are gone forever. As a Senator from the State of Iowa, which has so long exemplified the immense capacity of American agriculture, I may display a certain bias but I believe firmly that next to our people, our fertile soil is our Nation's most valuable resource.

It is precisely because this soil is so vital that if it is to be used for additional or alternate purposes, its primary usefulness as farmland must be guaranteed. Its permanent loss would severely undermine our future food production potential and place greater pressure on our remaining agricultural resources. As Secretary of Agriculture Bergland has stated:

Any loss of prime farmland, no matter how small, is a loss that cuts at the very heart of long-term American productivity and strength.

I believe that the prime farmland amendment approved in 1977 provides the needed guarantee of continued productivity in a manner that is both practical and fair to the nonagricultural potential of farmland.

The provision does not prohibit surface mining on prime agricultural land; it merely requires that mined land be restored to its original capacity.

The provision uses existing, proven criteria for the definition of farmland. These criteria have been employed for a considerable time by the Soil Conservation Service. They are comprehensive and precise.

The provision does not threaten the need for increased coal production. According to OMB, at most 1.3 percent of the 1978 forecast for such production would be affected.

The provision does not place unfair burdens on mining operations. The coal companies maintain that reclamation is technologically feasible. That verdict is confirmed by the independent judgment of the Iowa coal project and the Iowa Department of Soil Conservation.

The provision protects a significant amount of valuable farmland. OMB calculates that a minimum of 12 million acres of prime farmland contain coal subject to surface mining.

While the bill under consideration today does not repeal the performance standards governing the mining of prime farmland, it does remove, for an unspecified number of year's the ability of the Secretary of the Interior to enforce those standards. In my view this is tantamount to outright repeal.

S. 1403 would remove any protection of prime farmland from the Interior Department's authority under Public Law 95-87 and on that basis alone should be defeated if the Melcher substitute is not approved.

Mr. President, one of the most important, yet, I think, least understood national problems that we face as a people in America today is the very dangerous and frightening erosion and disappearance of our prime farmland in America.

We hear a great deal today about the adequacy of the national defense of this country, how secure our national security interests are. I think it is very important to keep in mind that when we define the adequacy of our security and our defense system we acknowledge and recognize that it is more than just guns and tanks. It is the economic health of this country. It is the political will and morale of the people. It is their confidence in the political institutions of this Nation.

One of the most critical aspects of our strength in the world is our agricultural productive capability. We talk about what percentage of GNP or what percentage of our budget we spend on defense and try to fix an arbitrary measure of how sufficient it is.

I think it is important to keep in mind that the Soviet Union spends about a quarter of its GNP on agriculture and cannot feed itself.

Here in America, and particularly in the State of Iowa that I proudly represent, we are fortunately blessed with a high percentage of the total available grade A farmland in the entire world. Yet today we see a steady erosion through problems with soil conservation or the conversion of agricultural land to nonfarm uses, through such things as unreclaimed strip mines.

Today in America through soil erosion alone we are losing 3 to 4 billion tons of our best black soil every year. In addition, out of my own State we are losing an estimated 200 million tons each year down the Mississippi River.

We have some 27 million acres of cropland in the State of Iowa. It is some of the richest in the world. And yet a study that is going to come out next January will demonstrate that we are losing each year over 5 tons per acre on half of that rich land.

In the last 100 years we have lost through failure to implement sound soil conservation practices one-half of the topsoil of Iowa. If we do not improve upon that situation in the next 100 years I think clearly the implications for the strength, for the economic prosperity, of this Nation would be devastating, and this Nation would greatly suffer.

We are going to export an estimated $32 billion worth of farm exports next year. We import $45 billion of oil from OPEC. Clearly without the economic power of agricultural export markets this country would be a basket case.

We often talk about the black gold in the nature of OPEC oil. But, Mr. President, we have in our own rich productive topsoil, if it is properly maintained and preserved, a renewable resource that is far more valuable than the finite wealth that is represented in the remaining oil reserves on this entire planet.

For these reasons it is essential that we be responsible stewards of this land so that we may preserve and maintain the economic strength, prosperity, and way of life that have been so fundamentally important to the security and well-being of this Nation and its influence in the world.

Mr. HATFIELD. Mr. President, I am sorry I was not on the floor when the Senator from Iowa began his remarks because I had to be called off the floor.

I did want to associate myself with the remarks of the Senator from Iowa on his agricultural speech because I fully support and agree with him concerning his statements on the loss of topsoil and the problems facing us as a Nation on agricultural prime farmlands.

I assume his statement was to be entered into the RECORD before our discussion here on this Surface Mining Act because I do not get any connection between what I heard the Senator from Iowa say and the present matter under consideration and at hand, because if the Senator is implying or indicating that this proposal in S. 1403 in any way diminishes, threatens, or denigrates the basic concern about the programs underway or about to be placed in action or put underway relating to conservation of farmlands, he is sadly mistaken. S. 1403 in no way affects that basic concern that I share equally with the Senator from Iowa as he has expressed here on the floor in his very eloquent statement.

I want to emphasize again that those of us who had a hand in drafting the Surface Mining Act, as well as other areas of resource management, who are committed, as I am, to conservation practices and conservation ethics and conservation principles, would in no way seek to weaken that commitment by introducing a bill today as Senate bill 1403.

I want to restate that what we are attempting to do, and only what we are attempting to do today, in the Rockefeller amendment is to restore, through the maze of existing confusion created by the Office of Surface Mining in its publishing of regulations, the original intent of the bill which was to put the States on notice that the Federal Government, through its powers and through its authority and its responsibilities, expected the States to come up with a reclamation program that would be in conformity with the 115 environmental performance standards that we wrote into the law.

When we were writing this act, I want to remind my colleagues, there were those who raised the question as to whether we should write all this into law or whether we should give some consideration to making broader principles as the statement in the bill and let the agency implement those broader principles by specific regulations.

Well, it was not an either/or situation. The point was that we did not want to chance, through rules and regulations, that the full intent of this Surface Mining Act in any way would be diminished or demeaned.

We wanted it written into law that these were performance standards we were going to consider as a minimum; that if the States wanted to exercise their responsibility under the act to incorporate those standards, that would be perfectly welcome and in fact encouraged, but that it was clearly established by the record, by the wording of the law, by the legislative record, by the markup sessions of the committee, and by such debate as we had here on the floor that the primary initial responsibility was vested in the States, and if a State did not perform, then the Federal Government would place into action and into operation such a reclamation program upon the State that failed to come up with an acceptable program of reclamation based upon the criteria of the law.

Now, what we have an example of here is not unique, as I indicated earlier. We have had overkill on the part of the agency. We have had another typical example of bureaucratic arrogance—arrogance that says, in effect, "We don't care what Congress says, we don't care what the intent of the law was, we are going to do it as we see fit and as we wish." That is the only way you can interpret the rules and regulations set forth by the Office of Surface Mining at this point, which has usurped the authority vested in the States by the act itself, and has gone totally contrary to the intent of Congress.

They have said, "We are not waiting for the States to act; we are going to be the leaders. We are going to clone the States. The States are exactly the same across this country, all 50 States, and we are going to set rules and regulations for State plans and State programs."

Let me say, Mr. President, I have seen too many other acts that were noble in character and concept and type at their birth, that have been contorted and set up in such a way that you could hardly recognize the original act, through the rulemaking and regulating authority of the agency.

Again, I emphasize that I do not support the growing tendency of Congress to get at this problem by declaring that Congress shall have veto power over the normal policymaking and rulemaking authority of these agencies. But why is Congress increasingly writing such veto power into law? Because of the very tendency of which this is an example. Congress has found, too often, that the whole legislative intent and the laws that they have created have been perverted and subjugated to the arrogance of bureaucrats who have been writing rules and regulations that have the full impact and status of law, and enforcing them as such, contrary to the very organic act or original bill that was passed by Congress.

This is not a States rights argument per se. I have been on both sides of this particular problem, having been the Governor of a State and having had to deal with Federal bureaus, Federal rules, and Federal regulations. I know the inhibiting power that is placed upon Governors who want to be creative, and I think I can stand here with a fine record of coming from a State that has probably been as creative and innovative as any State of the Union in public policy, environmental growth, and progressive legislation throughout the history of our State. We declared our beaches a public highway in 1911, so that the people would have access to our beaches and they could not be controlled by resorts or single ownership. We set up forestry controls in our State that saw what had happened in Michigan, where lumber barons had raped the State of Michigan in their quest for the dollar, and we forestalled them before they reached our State by setting up reforestation programs that are effective and functioning today. So I have my historical heritage in my State, and my own personal political heritage.

I have been instrumental, in my State, in getting legislation enacted protecting the environment. I will take a back seat to no one in this Chamber so far as commitment to conservation is concerned.

I am only stating the simple proposition here today that we must recognize that there is value in diversity. We have to recognize that there is such diversity within our union of 50 States, and that

frequently, in our quest to try to correct a problem that has gone too long unanswered and without proper leadership at the State level, we have set forth standards not practicable or not applicable in all States.

So I am one who believes in State criteria, and we have in this bill a section that lists 115 performance standards. I participated in creating those standards, and I am willing to have enough faith in the people, acting through their own States, to at least give them a reasonable time to come up with a program in conformity with the Federal standards as set forth in the law.

I am for very strict enforcement, that if the States fail to respond, we should move into the vacuum created by the States' nonperformance and set forth a program from the Federal level and impose it upon the States.

But I want to say again, the States have been far more creative than the Federal Government has ever been. My State was the first State to have a progressive income tax. We watched that whole concept develop in this country.

When you go back through some of the most progressive pieces of legislation in the history of the Republic, you will find they did not start with the Federal Government, they started with experiments at the State level, and I think the States will have that capability to be innovative, as we have been in our State of Oregon. I think other States besides my State are willing to respond to this call for reclamation in matters relating to surface mining

So I have faith in the people. I still have faith that the States can perform. Until I have the evidence to the contrary, I continue to have that faith. I resist this concept of centralizing authority and centralizing power in the hands of the Federal Government. I think some of the greatest political problems we face today are because of this overcentralization that started with the New Deal and has accelerated under Democrats and Republicans as well since the New Deal said, "We will have to do it, because you do not have the capability."

Mr. President, the people feel this. If you talk to average American people today, they seem to feel a sense of irrelevance and disconnectedness with the central Government. They are beginning to feel enmity toward their central Government. The man down at 1600 Pennsylvania Avenue got elected in 1976 primarily on the basis of this disenchantment of the people with their Federal Government. He campaigned against Washington. That was the thesis of his whole effort. There were other reasons, but I think that is the primary reason why Jimmy Carter sits in the White House today is that he capitalized on that kind of malcontent in the minds of the American people today toward the performance record of Washington.

Yet here we are with another example of the kind of arrogance and misaction that gives credence to this feeling in the minds of the American people today, by the arrogance of an agency that, before the States have had an opportunity to respond, has moved into what it says will be the rule, contrary to the act itself.

It is more than just a matter of reclamation, strip mining, and all the problems created by that. I think it is an issue that strikes at the very heart of the Republic's problems today, and that is the relationship of the people with their Government.

I hope this body will again today assert the central truth that States have a right under this act and a responsibility under this act. We are going to give them a reasonable time to respond. If they fail to do so, we are going to fill the vacuum. In the meantime we are not going to let an office in the Office of Surface Mining preempt the States in violation of the original intent of the law.

(Mr. BAUCUS assumed the chair.)

Mr. MELCHER. Mr. President, I have a great deal of respect for my friend, the Senator from Oregon, for his fine record here, in the Senate, and his previous record in public life serving the people of Oregon. But I think I have to resist very stoutly what the Senator from Oregon is proposing today.

Our State of Montana is involved in the strip mining of coal, and I believe that involvement will increase as the years unfold before us in the future. The proposal that we are asked to swallow here is so novel, so different, and so reckless—I repeat reckless—as to demand that we exert all the effort we can, first of all, to let each Senator know what the sweeping effect of this proposal would be.

We have the language of the bill before us that seems so short, so simple, so direct, yet is so far-reaching. One provision simply states to strike the phrase "and regulations issued by the Secretary pursuant to this act." That does not sound like a great deal. Yet, when you look at what it means in various sections of the act, then you understand how sweeping the proposal is because, the Secretary must then review a State program on the basis of only the language of the act, not the regulations that the Secretary has issued.

The very purpose of the bill—in many instances, the very language in the bill—calls for the Secretary to issue regulations on the various provisions and the various sections of the bill. And because that is so much a part of the act, to strip the act of the Secretary's regulation would leave the entire matter in utter chaos.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I understand that the distinguished Senator from Colorado has an amendment he would like to discuss. I yield to the Senator.

UP AMENDMENT NO. 545

Mr. ARMSTRONG. Mr. President, I thank the Senator for yielding.

I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 545:

On page 4, line 9, insert the following:

SEC. 5. Section 517 of the Act is amended by striking section (a) and by inserting a new section (a) to read as follows: "Once a State plan has been approved by the Federal government, the State at its discretion and upon notification to the Secretary of Interior, shall exercise exclusive jurisdiction over the inspection of activities regulated by the approved State plans. In the absence of an approved State plan or decision of the State not to exercise exclusive inspection authority, the Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary, consistent with the provisions of this Act, to develop or enforce any Federal program and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations."

Mr. ARMSTRONG. Mr. President, before I comment on the amendment I have presented, I compliment the manager of this bill. Obviously, it is a matter of great interest and concern to us in Colorado. I, of course, expect to support the measure and assume that it will pass by a very wide margin. I appreciate the leadership of the Senator from Kentucky in bringing this matter to the floor; because in extending the deadline for the States to get their programs together, it does aid materially many of the States that have not been able to comply until now.

The purpose of the amendment I have offered is very simple, and it ties in, in a sense, with the amendment offered earlier by Senator BELLMON. Under the Bellmon amendment, which was adopted, State inspectors will continue to have jurisdictional authority over mine inspection prior to the time the State plan is submitted.

My amendment addresses itself to the period of time following the submission and approval of the State plan. It simply says that if the State plan has been approved by the Secretary, the States may conduct the inspections under their plan and that there will be no need for a Federal inspection.

I think most Members of the Senate would vouch for the fact that our miners—indeed, most of the business operations and most of the local governments in our States—have swarms of inspectors from every known agency calling on them every day of the week and that to whatever extent we can reduce that number responsibly and eliminate overlapping and duplicating inspections, we would be wise to do so.

My amendment simply says that when the Secretary has signed off on the plan and has approved it, the State shall have the discretion to conduct its own inspections and that the Federal Government would not duplicate that inspection.

Mr. FORD. Mr. President, the Senator's amendment has a great deal of merit. The amendment, however, would affect the Federal Government's ability

to determine whether or not a State program is being carried out in compliance with the act. I do not think the Senator would want to do anything to dismantle the basics of the 1977 act.

I have not had the opportunity to study the Senator's amendment. Under the circumstances, I hope he will not ask us to accept this amendment or take it to a vote today but will give us an opportunity to study its far-reaching effect.

I do not want to go beyond that, nor do I want to do anything less. Congress worked long and hard and labored night and day in order to arrive at a consensus. The Senator has experience in the House, and he understands the long hours spent to bring this matter to its present stage.

I am sure that the Senator is one of the strong advocates of legislative intent, that we should do what Congress says and no more, stopping the bureaucratic regulations that keep mounting and mounting and mounting. I agree with him.

So, under the circumstances, without having had an opportunity to study the amendment, I hope the Senator will afford this opportunity. Then, at some future date, we would have an opportunity to put it on another vehicle or bring it up in the Energy Committee and discuss it there, seeing if we could find an arena in which we could use it.

Mr. ARMSTRONG. Mr. President, I appreciate the comments of the distinguished manager of the bill. He is correct in stating that I am very much interested in this legislation, the underlying purpose of which is to protect the environment in States like my own.

In fact, I recall vividly serving as a Member of the other body when this legislation was adopted, and I was one I think of a dozen members of my party who voted to override the President's veto of this legislation when it came through, and as a pretty good party man I hated to do that, but I thought it was an important bill. I thought it was important that we begin to move to cause people who use the products of these mines to pay the costs of reclaiming the land and restoring it. So this is important legislation.

I am also sensitive, however, to the concern which the Senator has expressed, the fact that this is an unexpected amendment. Frankly, this concern had been brought to me. The concern expressed over my amendment is a thought which I have not had a chance to study at length myself.

But it does seem to me that the elimination of overlapping and duplicating inspections is an idea that is worthwhile.

Rather than press it to a vote at this point, which I believe would be premature, in a moment I shall ask permission to withdraw it.

But I particularly appreciate the Senator's expression of interest and am hopeful that other members of the committee and other Members of the Senate will also be interested in this concept and at the right time we could prevail on the committee to put this amendment and others which may be in order into a second bill and bring it to the floor for our further consideration.

Mr. FORD. Mr. President, will the Senator yield at this point?

Mr. ARMSTRONG. Of course, I am happy to yield.

Mr. FORD. I heartily endorse the Senator's statement and his attempts to eliminate the overlapping and duplicative experiences that we have in the States.

As I have expressed on the floor today, maybe when the Senator was not here, but as a Governor of a State I have been loved too much by Big Brother. I would like for him to leave the States alone to do their work without the duplication of the Federal Government and the oppressiveness of regulations.

I just wanted to endorse the Senator's position to eliminate the overlapping operations of Government.

Mr. ARMSTRONG. I appreciate that very much and the manager's courtesy.

Mr. President, with that word of explanation, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw the amendment without unanimous consent.

The amendment is withdrawn.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, the Congressional Research Service assessment of the Office of Surface Mining's implementation of the act has conducted a review by my request of subsection 503 (a) (7) and related OSM regulations in order to determine the States' capability to assume regulation while maintaining their ability to accommodate regional mining and reclamation characteristics.

Mr. President, I ask unanimous consent that the entire analysis by the Congressional Research Service be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

JULY 24, 1979.

To Senate Committee on Energy and Natural Resources, Attention: Mr. Dave Russell.

From Duane A. Thompson, Analyst Environment and Natural Resources Policy Division.

Subject Section 503(a) (7) of Public Law 95–87, The Surface Mining Control and Reclamation Act of 1977.

In response to your request of July 23, 1979, I have reviewed Section 503(a) (7) and related OSM regulations in order to determine the States capability to assume regulation while maintaining their ability to accommodate regional mining and reclamation characteristics.

The Surface Mining Control and Reclamation Act of 1977 was originally intended to allow the individual States to assume the authority and responsibility for the regulation of surface mining within their own boundaries. This concept is contained in Section 101, "findings", of the Act, which states explicitly that:

"(f) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for *developing*, authorizing, issuing and *enforcing regulations* for surface mining and reclamation operations subject to this Act should rest with the States;" [emphasis added]

With this concept in mind, Congress, in the law, made provisions for the institution of State enforcement programs that would allow the States to assume regulation, thus providing for the vastly different regional characteristics of surface mining, with the proviso that the regulations promulgated by the individual State enforcement agencies would be consistent with the minimum performance standards set forth in the Act. This requirement is contained in Section 503(a) (2) of the Act which states that in order for a State to assume responsibility, it must provide:

"(2) a State law which provides sanctions for violations of State laws, regulations or conditions of permits concerning surface coal mining and reclamation operations, which sanctions *shall meet the minimum* requirements of this Act, ..." [emphasis added]

Section 503, in subsection (a) (7), goes on to further condition the assumption of regulation on the implementation of State "rules and regulations consistent with regulations issued by the Secretary pursuant to this Act." Congress, however, did not define the key phrase "consistent with" in the Act, leaving this option to the Federal regulatory authority. The Office of Surface Mining established by the legislation has since defined this phrase to mean:

"7305 Definitions: (b) With regard to the Secretary's regulations, the State laws and regulations are no less stringent than and meet the applicable provisions of the regulations of this Chapter."

Because of this requirement in the Act, some States now conclude that they must, in effect, accept the regulatory requirements of the Federal agency as their own in order to assume regulation of surface mining.

In response to a voluminous number of comments directed to the inflexibility of the regulations in their proposed form, the Office of Surface Mining developed a "State window" concept that, according to the Agency, would allow the States considerably more flexibility in developing their own regulatory programs. The language of the "State window" regulation, however, requires the States to:

"731.13(c) Explain how and submit data, analysis and information, including identification of sources, demonstrating—(1) that the proposed alternative will be in *accordance with* the applicable provisions of the Act and consistent with the regulations of this Chapter and (2) that the proposed alternative is necessary because of local requirements or local environmental or agricultural conditions." [emphasis added]

The *underlined* phrase "in accordance with" has been defined identically to "consistent with", meaning that all of the States proposed alternatives to the Federal regulations must be as stringent as those Federal regulations. Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

It could be noted that a review of the applicable provisions of the Act suggests that Congress intended to be much more liberal in its approach to alternatives to the law and the regulations. With the exception of Section 503(a) (7), already mentioned, which requires the State to promulgate regulations at least as stringent as those of the Federal regulatory agency, there is nothing within the section on State programs that requires the States to provide absolute proof of the feasibility of alternatives to the regulations

and/or conventional reclamation technology. In fact, Section 711 of P.L. 95–87 [91 STAT. 523] "Experimental Practices", reflects the intent of Congress to "encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, residential, or public use . . ." Furthermore, Congress, in this section, did not require that the proposed alternative technology be proven, only that it exhibit "potential" to be at least as or more environmentally protective than reclamation required by promulgated standards.

In conclusion, as long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the Act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with sound but reasonable regional approaches to reclamation could be substantially impaired.

Should you or any of your staff have any further questions on this or related subjects please call me at 287–5873.

Mr. HATFIELD. Mr. President, I highlight one of their findings.

In a July 24, 1979, analysis to the Energy and Natural Resources Committee, the Congressional Research Service concluded rather starkly that:

Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

In conclusion, as long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the Act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with round but reasonable regional approaches to reclamation could be substantially impaired.

So, Mr. President, this is the reason I have asked this to be printed in the RECORD because this is an independent research project which would certainly give credence to what has been stated here in the Chamber by the Senator from Kentucky and myself and other supporters of Senate bill 1403.

OVERSIGHT HEARINGS AND THE NEED FOR AMENDMENTS

Mr. President, June 28 I sent to the Senate a "Dear Colleague" letter which addressed seven deficiencies of the Surface Mining Act.

I had intended to introduce a bill after the July 4 recess which would have included those seven provisions:

Briefly, the bill would have returned to the States the role of planning for and enforcing reclamation and environmental protection during mining; required States to comply with the act, but not with the Secretary's other rules and regulations; extended the time allowed States to submit their reclamation programs; unhinged the payment to States out of the Abandoned Mine Reclamation Fund from approval of State programs; lessened onerous bonding requirements dealing with performance standards for revegetation; and established an independent, ongoing audit of the Office of Surface Mining's implementation of the act.

In lieu of those proposals, the Hatfield-Ford substitute evolved. We feel these proposals represent the bare minimum for returning to the States the "lead" role in reclamation enforcement.

Findings of the June 1979 oversight hearings were often in the category of what witnesses described as "regulatory overkill."

We found that almost half the States will be unable to submit their programs by August 3 of this year as required by the act because OSM not only used all its time to write the regulations, but used three-fifths of the States' time as well.

We found many States having no choice but to become "State level clones" of the Federal regulations because the Federal bureaucracy will not otherwise accept the States' offerings. Having to "lift" whole sections of the final rules for placement in State programs certainly strays from the intent of Congress and places an unacceptable burden on State legislatures.

We found eastern small and medium sized coal operators unable to obtain reclamation bonds from surety companies because the OSM has not utilized the flexibility granted by the Congress and because the act itself demands strident bonding requirements.

We found the States must prove overwhelmingly their programs meet the Secretary's rules and regulations as well as the act. The State of Wyoming, for example, had been asked to change its statute of limitations and administrative procedures act, not to comply with the act, but to comply with the Secretary's regulations. The States are, in effect, guilty until proven innocent under this backward scheme.

We found the States unable to use their portions of the Abandoned Mine Reclamation Fund because the moneys are tied statutorily to approval of a State program. This carrot, in practice, appears to be a whip to the States, a whip which denies them even planning funds for restoring lands and communities to their productive limits.

A nearly unanimous record in recent hearings in both the House and Senate by the National Governors' Association, coal unions, coal operators, engineers, and industry require that we move to rectify these shortcomings. It is not our purpose to diminish the performance standards or reclamation requirements set by the act, and these amendments do not affect those areas. And we must fully realize the need to fend off other, more divisive and, as yet, undemonstrated problems with the act.

Simply shoving through a 7-month extension for the States only adds to the time Governors have to agonize over the incredibly detailed regulations with which the States must comply.

If we do not face up to the difficulties in amending the act to correct the disturbing trend away from the congressional intent of State primacy, then we will have succumbed to those omnipresent pressures to turn a deaf ear. And, again, our abundant coal reserves will have been thwarted. We cannot afford to leave our coal State constituencies and our energy conscious country in the breach.

Mr. President, I ask unanimous consent that the bill proposed in my "Dear Colleague" letter and a summary be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INITIAL DEAR COLLEAGUE PROPOSAL FOR: SURFACE MINING CONTROL AND RECLAMATION ACT AMENDMENTS OF 1979

MAJOR PROVISIONS

1. Extends for one year the time allowed States to submit their State programs.

2. Removes the requirement that States comply with the Secretary's rules and regulations which implement the Act, but leaving intact the requirement that States comply with the Act.

3. Shifts the burden of proof to the Federal Government that the State program does not meet the intent of the Act, and eliminates the requirement that the Secretary not delegate responsibility to the States for mine plan approval and unsuitability designation on Federal lands.

4. Removes duplicative, confusing and differing enforcement programs in states where a Federal Land Program must be initiated prior to an approved state program by making the times coincide.

5. Eliminates the requirement that monies from the Abandoned Mine Reclamation Fund not be freed up until approval of a State program.

6. Eases bonding requirements: in the area of revegetation performance standards; and by providing for increases in the release of bonding when revegetation is established.

7. Establishes a 15 member commission to audit the Office of Surface Mining's implementation of the Act.

S. 1403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979".

SECTION 1. Section 405 of the Surface Mining Control and Reclamation Act of 1977 (hereinafter referred to as "the Act") is amended by deleting subsection (c) thereof in its entirety, and by deleting from subsection (h) the phrase "and of the surface mine regulatory program pursuant to section 503".

SEC. 2. (a) Section 502(d) of the Act is amended by deleting the words "forty-two" therefrom, and inserting in lieu thereof the words "fifty-four".

(b) Section 503(a) of the Act is amended by deleting the word "eighteenth" therefrom, and inserting in lieu thereof the word "thirtieth".

(c) Section 504(a) of the Act is amended by deleting the words "thirty-four" therefrom, and inserting in lieu thereof the words "forty-six", and by deleting in paragraph (1) of Section 504(a) the word "eighteen", and inserting in lieu thereof the word "thirty".

Sec. 3. (a) Section 503(a) (7) of the Act is amended by deleting therefrom the phrase "regulations issued by the Secretary pursuant to".

(b) Section 503(b) of the Act is amended by deleting the phrase "not approve any State program submitted under this section until he has—", and inserting in lieu thereof the following: "approve any State program submitted under this section which meets the requirements of this Act. In carrying out his approval responsibilities, the Secretary shall demonstrate that he has—".

(c) Section 701(25) of the Act is amended by deleting the phrase "and regulations issued by the Secretary pursuant to this Act".

Section 4(a) Section 507(b)(14) of the Act is amended by inserting after the phrase "registered professional engineer," the words "registered land surveyor".

Sec. 5. (a) Section 515(b)(20) of the Act is amended at the end of the paragraph by deleting the semicolon and by adding the phrase ": *Provided further*, That the applicable five- or ten-year period of responsibility for revegetation shall be shortened upon satisfactory demonstration by the operator that successful revegetation, as required by paragraph (19) above, has been achieved; ".

(b) Section 519(c)(2) is amended by deleting the period from the end of the first phrase and adding the phrase "the release of an additional 30 percentum of the bond or collateral for the applicable permit area.

(3) When successful revegetation has been established." Section 519(c)(2) is further amended by striking the word "When" in the first full sentence and placing in lieu thereof the word "In".

(c) Section 519(c)(3) is renumbered as Section 519(c)(4).

Section 6. (a) Section 523(a) of the Act is amended by deleting the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate."

(b) Section 523(c) of the Act is amended by deleting the last sentence thereof in its entirety.

Section 7. Title VII of the Act is amended by adding a new section 720 "Commission on Surface Mining Control and Reclamation", as follows:

"Sec. 720(a) For the purpose of carrying out the purposes set forth in section 102 of the Act, there is hereby established a commission to be known as the Commission on Surface Mining Control and Reclamation, hereinafter referred to as "the Commission".

(b) The Commission shall be composed of fifteen members as follows:

(i) Two majority and two minority members of the Senate Committee on Energy and Natural Resources to be appointed by the President of the Senate;

(ii) Two majority and two minority members of the House Committee on Interior and Insular Affairs to be appointed by the Speaker of the House of Representatives;

(iii) The Secretary of the Interior, or his delegate, with the consent of the Secretary;

(iv) The Secretary of Energy, or his delegate, with the consent of the Secretary;

(v) The President of the National Academy of Engineers, or his delegate with the consent of the President;

(vi) 2 Governors of the major coal-producing states; and

(vii) 2 members appointed by the President of the United States from among individuals who, by virtue of experience or training, are knowledgeable in the field of coal mining, and who are industrial users of coal and coal-derived fuels, the coal industry, mine workers, nonindustrial consumer groups, or institutions concerned with the preservation of the environment.

(c) Any vacancy which may occur on the Commission shall not affect its powers or functions but shall be filed in the same manner in which the original appointment was made.

(d) The organization meeting of the Commission shall be held at such time and place as may be specified in a call issued jointly by the senior member appointed by the President of the Senate and the senior member appointed by the Speaker of the House of Representatives.

(e) 7 members of the Commission shall constitute a quorum, but a smaller number, as determined by the Commission, may conduct hearings.

(f) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(g)(1) Members of the Commission who are not regular officers or employees of the United States Government shall, while serving on business of the Commission, be entitled to receive travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) Members of the Commission who are officers or employees of the Government shall be reimbursed for travel, substistence, and other necessary expenses incurred by them in carrying out their duties on the Commission.

(h) The Chairman of the Commission shall be elected by majority vote of the members thereof.

(i) The Commission shall (i) study this Act and the regulations published by the Secretary of the interior thereunder; (ii) review the policies and practices of the Federal agencies charged with implementation of the Act; (iii) compile data necessary to understand and determine whether the purposes of this Act as specified in section 102 of this Act are being properly achieved, particularly with reference to subsections (d), (f), (g), (h), and (i) of section 102; and (iv) recommend such modifications to this Act, regulations promulgated thereunder, and policies and practices developed in connection therewith as will, in the judgment of the Commission, best serve to carry out the purpose specified in section 102.

(j) The Commission shall, not later than June 30, 1980 and every six months thereafter until June 30, 1982, submit to the Congress and to the President of the United States a report on its activities as described in subsection (i) of this section.

(k) The Chairman of the Commission shall invite the Governor of each coal-producing State to designate a representative to work closely with the Commission on matters pertaining to its activities as described in subsection (i) of this section.

(l) The Commission or, on authorization of the Commission, any committee of two or more members, at least one of whom shall be of each major political party, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places as the Commission or such authorized committee may deem advisable. Subpoenas for the attendance and testimony of witnesses or the production of written or other matter may be issued only on the authority of the Commission and shall be served by anyone designated by the Chairman of the Commission.

The Commission shall not issue any subpoena for the attendance and testimony of witnesses or for the production of written or other matters which would require the presence of the parties subpoenaed at a hearing to be held outside of the State wherein the witness is found or resides or transacts business. The Commission is authorized to secure from any department, agency, or individual instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this Act and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission upon request made by the Chairman.

(m) There are authorized to be appropriated not to exceed $2,000,000 beginning with the fiscal year 1980 and each fiscal year thereafter through the fiscal year ending on Aug. 31, 1982, to carry out the provisions of this section.

Mr. HATFIELD. Mr. President, one of the three elements of S. 1403 as reported by the Senate Committee on Energy and Natural Resources is a provision which would delete the requirement that State rules and regulations be consistent with regulations issued by the Secretary of the Interior. State rules and regulations, however, would still be required to be consistent with the provisions of the Surface Mining Act, including the detailed environmental protection performance standards of title V.

This element of the committee bill was suggested by Gov. Jay Rockefeller of West Virginia, who, as Senators know, was a leading proponent of the Surface Mining Act and is currently the chairman of the President's Coal Commission. Its purpose is to do nothing other than to restore to the States the concept of "State lead" by specifying that the essential requirement for State programs is to to comply with a specific provision of the act. Section 101(f) of the Surface Mining Act clearly enunciates the congressional policy that "* * * the primary governmental responsibility for developing, authorizing, issuing and enforcing regulations for surface mining and reclamation operations subject to this act should rest with the States."

The opponents of the committee bill charged that this amendment amounts to a substantial undermining of the intent of Congress in passing the Surface Mining Act. This is a patently false charge. The opponents of this legislation will agree that the rules and regulations issued by the Secretary constitute his interpretation of congressional intent in setting these standards and the program associated with their enforcement. S. 1403 does no harm to the Secretary's interpretations. The Secretary still retains full authority as specified by the act to approve or disapprove a State program. And, if he disapproves a State program, the Secretary retains full authority to implement a Federal program in its place.

Furthermore, the committee bill makes no changes to the Secretary's authority as specified in section 501 of the act to establish regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations performance standards based on and conforming to the provisions of title V; and establishing procedures and requirements for preparation, submission, and approval of State programs; and development and implementation of Federal programs under the title. Additionally, no changes are made to section 201(c) of the act which authorizes the Secretary to publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of the act.

The committee bill simply authorizes the States to develop the implementing rules and regulations to comply with the act.

As the distinguished majority leader, Senator BYRD, stated in remarks on the Senate floor on July 27:

> The clear intent of Congress when it fashioned the Surface Mining Act was to provide a set of specific guidelines which each state would use to craft its own reclamation plan. That plan would be tailor-made for each state, taking into account the special needs and unique features of each state. In this way, Congress sought to protect the environment and at the same time respect the rights and responsibilities of the states.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I have talked with the distinguished Senator from Montana (Mr. MELCHER), and we are going to endeavor to divide the time between now and final vote at 5:15 p.m. as to the pros and cons, and I make that a part of the record. There is just a gentleman's agreement on that. We do not want to get into the finite of it, that I might get 1 more minute and he might get 2 more. But basically we are going to try to divide the 35 minutes between the two of us.

So, in order to begin with that division, and we were in a quorum call, I think I will take this time now to make some points, if I may.

Mr. President, the committee substitute embodied in S. 1403, as reported, did not develop in a vacuum. Oversight hearings conducted by this committee over the 2 years since passage of the Surface Mining Control and Reclamation Act of 1977 have produced, I think, and without question, a consistent thread of evidence that the statutory role of the States in the implementation of that act has been significantly impeded. Indeed recent oversight hearings documented a nearly unanimous conclusion by the National Governors Association, coal unions, coal operators, engineers, and industry that the congressional intent of State primacy in carrying out the Surface Mining Act was being frustrated by an overzealous Office of Surface Mining.

A succession of Governors and representatives of State regulatory authorities has identified two central deficiencies in the regulatory program developed by the Office of Surface Mining pursuant to the 1977 legislation. These are: First, the severe problems facing the States in meeting several of the fixed statutorily imposed deadlines for certain phases of the State and Federal programs, a problem which has resulted largely from OSM's delay in promulgating its rules and its regulations.

Second, confusion as to precisely how the States are to take the regulatory lead, and I underscore "lead," enumerating the numerous specific environmental protections of the Surface Mining Act, a problem which has resulted from OSM's interpretation of that section of the act governing the content of State programs' application.

These related problems raise the very real potential, let me underscore that, very real potential, for a marked departure from the regulatory concept envisioned by this committee in 1977 when the Surface Mining Act was reported.

In the report accompanying S. 7 the serious need for greater uniformity in the environmental protection practices contained in the various State surface mining and reclamation programs was recognized. To establish that uniformity, a bill was drafted containing 115 environmental performance standards set out in highly detailed and exceedingly specific technical language.

That degree of specificity, uncommon—and I underscore "uncommon"—in most Federal legislation was incorporated with the intent that the environmental protections to be imposed on a national basis were to provide a uniform set of minimum standards for all surface mining operations.

S. 7's approach to the implementation of the Federal law on surface mining was called, and I quote, "the State lead" or "State primacy" concept during legislative debate, and was never—and I reiterate, was never—in dispute even through the deliberations of the committee of conference.

The federally imposed environmental protection provisions were considered minimum standards which, in effect, created a floor, not a cap, but created a floor upon which the States were to construct—and I reemphasize the States were to construct—a regulatory structure tailored to meet the individual State's terrain, climate, biological, chemical, and other relevant physical features.

In the execution of our oversight function, it has become clear that this State lead concept has been seriously eroded. This has occurred partly because of the compressed time frames available to the States to prepare their application. The erosion has also been accelerated by the nature of the regulatory requirements being imposed upon the States in order for them to obtain OSM approval for individual State programs.

The second problem stems from the fact that rather than issuing rules advising the States of the minimum statutory performance standards their programs must meet, OSM has promulgated even more detailed Federal regulations and preamble—covering 550 pages in the Federal Register—establishing uniform national rules specifying exactly how all States must proceed to comply with the standards of the act.

The result of OSM's interpretation of section 503 of the act is "Federal lead" rather than State primacy, with deviation from OSM mandated rules and procedures only through use of a very limited mechanism, the so-called "State window" rule. This provision restricts the States to requesting OSM approval to depart from the precise requirements of the Federal regulations when local conditions warrant, but then only if the States can also demonstrate that any alternative will be in accordance with the act and "* * * consistent with the regulations of * * *" OSM. Thus, under current practice, States may seek to tailor their programs and request deviation from Federal rules; but any new State regulation must accord not only with the Surface Mining Act, but must be consistent with the Federal regulations as well.

Implicit in the OSM State window procedure is the recognition that there are alternative regulatory approaches available to the States which can indeed satisfy the provisions of the act. Without exception, witnesses representing Governors of the various coal-producing States emphasized this point. Moreover, a witness representing Gov. John D. Rockefeller IV, of West Virginia, explained the quandry facing the States under the OSM rules—

> The central underlying cause of virtually all of these problems is the belief and policy made evident in discussion and negotiations with OSM that State laws and regulations, in order to be consistent with Federal regulations, must be identical to the regulations contained in the Federal Register. If they are not, State program disapproval is almost always threatened.

And, as Governor Ed Herschler of Wyoming testified—

> As a practical matter, the (State) window is closed. The regulations require excessive proof that a departure from the Federal regulations is warranted. Many State officials believe that the required showing would be as expensive as a lawsuit.

Based upon these appraisals, both Governor Rockefeller and Governor Herschler, speaking on behalf of the National Governors' Association, urged Congress to make clear—through amendments if necessary—that the standards of the act are the test of State program adequacy, not the Federal regulations.

A July 24, 1979 assessment by the Congressional Research Service similarly concludes that—

> The States appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

CRS found that the—

> Congress intended to be much more liberal in its approach to alternatives to the law and regulations.

The assessment concludes that as long as the act requires State regulations to be consistent with those issued by OSM as a prerequisite for State primacy, the flexibility of the States to implement rules adapted to the States' unique characteristics could be substantially impaired.

The frustrated goal of State primacy becomes more clearly focused when specific examples are cited where OSM's design criteria in the final regulations are shown to significantly exceed the act's detailed environmental performance standards. These interpretations

by OSM which clearly go beyond the act's intent add unnecessarily to mining costs, do little to further the goals of environmental protection, and further impede the States' objective of State primacy in governing surface mining.

Mr. President, I would like to cite two examples because they touch on specific amendments of mine to the 1977 act. The first on experimental practices is covered in the CRS report.

EXPERIMENTAL PRACTICES

With the exception of section 503(a)(7), which requires the States to promulgate regulations at least as stringent as those of the Federal regulatory agency, there is nothing within the section on State programs that requires the States to provide absolute proof of the feasibility of alternatives to the regulations and/or conventional reclamation technology. In fact, section 711 of Public Law 95–87 "experimental practices" reflects the intent of Congress to—

Encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, residential, or public use. . . .

Furthermore, Congress, in this section, did not require that the proposed alternative technology be proven, only that it exhibit "potential" to be at least as or more environmentally protective than reclamation required by promulgated standards.

MOUNTAINTOP REMOVAL

The second example is to do by regulation what the Department was unable to do in the law—prevent the well established major mining technique of mountaintop removal.

I cannot think of any provision of the law—and subsequent regulation—that better describes the dilemma facing States than the section pertaining to mountaintop removal.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. FORD. I will be delighted to yield to the Senator from West Virginia.

Mr. RANDOLPH. The good Senator is saying—and I call him good because he is doing a good job here in this particular problem, is that regulations must reflect the reality of a particular State's problems.

Mr. FORD. I like that.

Mr. RANDOLPH. I just want to say there has to be a realism not only when we in the Senate draft legislation but a realism in the administration of a measure that becomes law.

The regulations promulgated by OSM have done little to resolve ambiguities in critical areas relating to State primacy; but rather have only proceeded to deny to the States the flexibility needed to make responsive program submissions.

The reality is that OSM has failed to implement many of the suggested strategies and programs designed to assist the States in developing their permanent program proposals in a way that addresses varying conditions between regions. Thus, they have directly frustrated my State's, and I am sure other States', efforts to develop their permanent programs.

The lack of a Federal/State partnership perspective is of deep concern to West Virginia and prompted Governor Rockefeller to pen the following telegram which I request be included as part of the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Re S. 1403.

Hon. JENNINGS RANDOLPH,
Senate Office Building,
Washington, D.C.

I urge your support of S. 1403, which was reported and recommended by the Senate Energy and Natural Resources Committee.

Some opponents of this measure have characterized it as an attempt to weaken the environmental protections of the 1977 Surface Mining Act. This is absolutely not the case.

My record as an advocate for the Surface Mining Act, as well as my long-standing concerns for the environment, are well known. I am convinced that passage of the Committee bill will simply insure a proper balance between the states and the Federal government as contemplated by the Congress.

The Committee bill makes no substantive changes in the law. The stringent environmental protection standards which were painstakingly built into the original act remain unaffected. The intent of this bill is to make it clear that the states are to have the lead in developing regulations which comply with the specific provisions of the act.

Opponents of this measure also misunderstand its impact on the discretion and authority of the Secretary of the Interior. Unchanged is the ultimate responsibility of the Secretary to review state program applications to make certain that they are in compliance with the act. Unchanged is the Secretary's absolute duty to reject any applications, which include a State's regulations, not found to be in compliance with the act. Unchanged is the ability of the Secretary to use the Federal regulations as a basis for comparison with state applications or, ultimately, for implementation in states which fail or decline to submit acceptable programs.

I urge the prompt passage of S. 1403.

JOHN D. ROCKEFELLER IV,
Governor.

Mr. FORD. The Senator is correct. The intent of the bill was for the States to have prime responsibility in developing their programs, subject to the approval, subject to the minimum standards and detailed language which was included in the legislation.

Mr. RANDOLPH. Senator ROBERT C. BYRD and I have worked in these matters with you and these others, and I believe the Senate will be impressed with the cogent arguments the Senator is making at this time.

Mr. FORD. I thank the Senator and I certainly hope they are impressed.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. FORD. I would be delighted to yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I want to compliment the distinguished Senator from Kentucky on the able presentation he has made in the legislation before us, in defense of it, and I also want to compliment my senior colleague, Mr. RANDOLPH, and I want to compliment Mr. HATFIELD, the very able ranking manager of the bill.

The Surface Mining Act was passed by Congress in 1977. It set forth the single national minimum standards. There are 115 of these standards in the statute, so it is not a weak environmental law by any means.

The act stated, and it clearly was the intent of Congress, that each of the 50 States would devise its own program. Such program would be acceptable, provided it met the minimum standards set forth in the act.

This design made sense. It not only respected States rights, it also recognized that mining and environmental conditions vary in each State, and that State officials were in the best position to fashion realistic plans.

Since 1977, however, the Office of Surface Mining has issued thousands of pages of regulations. The Office of Surface Mining claims States' plans have to comply with all of these detailed regulations as well as with the minimum standards of the statute itself. The result, in effect, a single national plan and an override of States rights.

Section 3 of the bill before the Senate, which is commonly referred to, the section itself, as the Rockefeller amendment or the Ford-Hatfield amendment, reinstates the original intent of the statute by stating that original State plans do not have to comply with all Federal regulations. They must, of course, still comply with the minimum standards of the act.

I compliment Mr. FORD and Mr. HATFIELD, and I hope the amendment they have incorporated into the bill in committee will prevail, and that the Senate will support that language and that the bill will be adopted by the Senate.

Mr. FORD. I thank the Senator from West Virginia for his kind words and for his support of this legislation.

I would like to make just one other remark or two before I yield to the Senator from Montana.

The Senator from West Virginia, our distinguished majority leader, talked about thousands of pages. The preamble to the Federal regulations covered 505 pages in the Federal Register. The result of OSM's interpretation of section 503 of the act is not a State lead; it is a Federal lead, and that is in direct opposition to the intent of the Surface Mining Act of 1977.

Mr. President, I want to make other points, if I may, one in particular.

The distinguished chairman of the House committee that helped draft the bill was somewhat reluctant to discuss several aspects that I thought were important enough to have incorporated in the bill. I was fortunate to get Chairman UDALL to make a trip to Kentucky to see what I was referring to as mountaintop removal. He could not envision taking off the top of a mountain and making level land for farms, industrial sites, or subdivisions for the construction of homes. He could not envision that. But when he visited Kentucky and saw that this was a valuable restoration technique, he looked at the group and said to me:

Draft statutory language permitting this practice, and I will support it wholeheartedly.

I did, he did; but the Department did not.

That sums up the point: That we here

in this Congress passed a piece of legislation having an intent, which the Department did not follow.

Mr. President, there is nothing more scarce, more needed, or more valuable in the mountainous areas of Appalachia than flatland. The environmentally acceptable restoration practice of mountaintop removal creates much-needed flat land where residents of the area could build homes and businesses, away from the flood-prone area where they had been forced to previously live—not by choice, but by necessity since no other sites were available.

This provision in the surface mining legislation we passed in 1977 offered these people the chance to turn strip-mined land into an asset that would enable them something they had never had before.

But what has happened since we passed that legislation—legislation spelling out that mountaintop removal was an acceptable reclamation practice?

We find the Department saying that you have to get a variance. Let us just say that for all practical purposes that section has been written out of the law—written out, mind you, not by the Congress, but the regulation writers in the Office for Surface Mining.

The regulations—section 816.133—call for "letters of commitment" for financing alternative post-mining land uses. It is completely unreasonable to expect that financial institutions will give specific letters of commitment for land developments 5 to 10 years prior to their initiation. This requirement in the regulations—a requirement in direct conflict with what the act intended—will preclude many desirable alternative land uses and impede the conduct of mountaintop removal operations.

We are all against Federal regulations. We have too many now. We want Big Brother to stay out of our business. Just leave us alone, and let the free enterprise system work. But when we attempt to do that, when we come forward with an amendment that says "Let the States do it, the government closest to the people, the government that understands the topography of the State and the environmental problems," no, we cannot agree to do that. We say, "Let Big Brother come in and run it. Let Big Brother come in; the States cannot do that."

We have been threatened here today by lawsuits and more lawsuits and more lawsuits. The suggestion is obviously speculative. It is unfortunate, too, that we have to say that we are going to get more lawsuits. That statement is no more accurate with regard to the impact of S. 1403 than it is for the law in its current state.

As the Surface Mining Act is presently interpreted by the Office of Surface Mining, States may request permission to issue State regulations which differ from the Federal rules. Any action by the Secretary approving or disapproving such State window requests is just as apt to be ridiculed as State programs which they themselves find offensive. Indeed, the mere decision by the Secretary to grant or deny State program applications will most likely be appealed as well.

So the threat of lawsuits would be lessened, I think, by trying to comply with the law and the intent of the law.

PERFORMANCE STANDARDS

Mr. President, I believe some emphasis should be placed on what the committee substitute does not do.

In absolutely no way do the committee-passed changes affect the crucial environmental protections or reclamation requirements contained in the act. All of the detailed environmental performance standards of section 515 of the act continue in full force and effect including return to approximate original contour. Any State seeking to take the lead in enforcing the act must demonstrate that it has the legal authority, including appropriate rules and regulations, as well as the personnel to enforce the environmental performance standards.

A second and related point is that these amendments in no way restrict or impede the responsibility or authority of the Secretary to review and approve or disapprove of State program applications, contained in whole or in part, based upon the detailed criteria in section 503.

In summary, these amendments address a clearly identified need to give guidance to the executive agency responsible for implementing the 1977 Surface Mining Act to assure that the States in fact maintain the lead regulatory role contemplated by Public Law 95–87.

Mr. President, I have used about half of the time, and I do not want to take any time away from the distinguished Senator from Montana. I reserve the remainder of my time.

Mr. MELCHER. Mr. President, the language of the bill (S. 1403) requires amendment. The part that needs to be amended and the part that is objectionable is section 3.

Section 3 is the section that says we will strike from the Surface Mining Control Act of 1977, the requirements that regulations issued by the Secretary should be considered when a State plan is submitted for approval by the Secretary of the Interior.

Now, the labors of Congress in developing the strip mining bill are quite properly recorded in the CONGRESSIONAL RECORD. The details of the committee hearings and the committee deliberations are quite properly recorded in the Senate and House committee records. It involved thousands upon thousands of words, scores of thousands of hours of staffs of the committees, members of the committees, and the entire membership of the House of Representatives and the Senate in three different Congresses.

It is a detailed bill. It is a comprehensive bill. It covers the reclamation procedures in all of the States, with some exceptions in Alaska.

It was never the intent of Congress, however detailed that bill is, that the Secretary of the Interior would not have to write regulations. Indeed, certain parts of the act itself note the use of the Secretary's regulations on the question of the prime farmland section. In section 510, dealing with the permit approval or denial that considers prime farmlands, the very language of the act itself says:

. . . the regulatory authority shall, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a permit to mine on prime farmland if the regulatory authority finds in writing that the operator has the technological capability to restore such mined area, within a reasonable time, to equivalent or higher levels of yield as non-mined prime farmland in the surrounding area.

The act says that we have to protect the prevailing hydrologic balance. It is found in section 510, the permit approval or denial procedures.

That section, so significant in the entire thrusts of the bill, would be nullified in certain important areas if Senate bill 1403 is not amended. For instance, it says the applicant for a permit or a revision of a permit shall have the burden of establishing that his application is in compliance with the requirements of applicable State or Federal programs. Within 10 days after the granting of a permit, the regulatory authority shall notify the local government officials and the local political subdivisions.

It goes on to require that those who are asking for a permit to mine must make some very detailed findings. Those who want to mine the land submit a reclamation plan, and the plan must show the details demonstrating that reclamation will succeed.

How would you do that? How would you establish that procedure if you were not to consider regulations? The thrust of the act in this particular section is significant in that it makes certain requirements of those who are making an application to mine. It makes some findings and certain demonstrations of fact their responsibility to the satisfaction of the regulatory authority. But S. 1403, in section 3, would, in the guise of flexibility, allow a return to some of the practices of the past, which brought on the very determined outcry in this country for relief from violations of both land and water protection regarding the development of strip mining for coal.

What about the specific impact of this section in the bill on certain key performance standards? For example, would that section of the bill permit a State program to be approved which allowed relaxation of the approximate original contour? Would section 3 of S. 1403 permit a State program to be approved which allowed the States to define for themselves what constitutes prime farmland?

Would that section permit a State plan to be approved which allowed end or side dumping of spoil in the head-of-hollow fills?

Would section 3 of S. 1403 permit a State plan to be approved with no specific water standards, or water standards for sediment greater than 35 milligrams per liter of suspended solids in a pH discharge of less than 6.0, which are standards set out in the regulations?

Would section 3 of S. 1403 permit a rather cavalier treatment of the question of hydrologic balance?

Would section 3 permit approval of a State plan that really would not control erosion or prevent water pollution?

If we are going to disregard the carefully drawn regulations of the section in these areas, it would be very difficult to

answer the questions I have posed should section 3 of S. 1403 be enacted by Congress.

The Surface Mining Reclamation Act is too broad to be self-implementing. It was never meant to be self-implementing. The Federal regulations, often in areas where Congress specifically called for them, are essential if the States will continue, in the guise of flexibility, the old practices which are specifically condemned by Congress in the act of 1977. The very thrust of the protection of the water requires regulations to be drawn on requirements for the permit applications called for in section 510.

My point in raising these questions is simply to point out the dissent that, if there were need to make corrections in the act to remove certain phrases, certain requirements that are called for in regulations that the Secretary has promulgated, the usual procedure of the amendment process of the act should be followed. It should be done specifically and selectively. But that is not the approach in section 3 of S. 1403.

I have dwelled long on this particular section because it is a section that we find totally reckless, unquestionably without precedent, and completely unneeded. My substitute does allow for some of the points that have been requested by the testimony of the National Governors Association before the committee in our hearings.

Specifically, it allows for the implementation of the Federal lands program with the State plans and extends the time for submission of a State plan to March 3, 1980. That is reasonable.

The testimony of Governor Herschler was very clear and to the point on that particular matter, testifying on behalf of the National Governors Association. But where are we, exactly, in this procedure of having State plans submitted to the Secretary of the Interior for his approval? So far, four State plans have been submitted. Those States are Texas, Montana, Wyoming, and Mississippi. But there could be another score of State plans submitted to the Secretary in behalf of individual States, and my substitute would allow that time frame to be extended to March 3 of next year, per the request of the testimony by the National Governors Association.

Also, my substitute would extend the time for implementation of the Federal programs to January 3, 1981. As I earlier stated, it provides for the implementation of the Federal program with the State plan very similar—identical—to the provision in S. 1403.

What my substitute does not do: It does not include section 3 of S. 1403. It does not strike down the Secretary's regulations. We should not do that, because section 3 of S. 1403, as presented, goes too far, and sets a dangerous precedent. It states that the State program will not have to be consistent with the Secretary's regulations. This is not just the performance standards of section 515 and 516; it refers to all the rest of the regulatory scheme called for in the act. It would exclude the regulations from being considered in determining whether or not a State plan should be approved, concerning those regulations dealing with the permit applications and approval, bonding, inspections, designation of lands as unsuitable for mining. In fact, a whole body of regulations developed by the Secretary are eliminated as a standard of the adequacy of a State program.

That puts the question of the requirements of reclamation of the coal strip mining into total confusion.

Let us review what would happen under section 3 of S. 1403 if it became law.

The State submits a plan. It is challenged by the industry, so it goes to court; or the State plan is challenged by a citizen organization and that goes to court. The court, whether it is State or Federal, looks at the law, and only the terms of the law, and not at the Federal regulations developed by the Secretary pursuant to the law.

The resolution of the court case is bogged down by total confusion. How many district court judges are knowledgeable, first of all, of the act itself? How many of them would be knowledgeable of the effects of the protection of land and water without some guidance from regulations?

It is obvious that different courts are going to have different interpretations of what the act provides for, what it calls for.

It is going to be patchwork interpretation of the act, varying from court to court, and those patchwork decisions will lead to further litigation, further lawsuits.

Let us all remember that one of our prime intents in drafting the act is to set uniform minimum standards throughout all the country for the reclamation of these strip mined lands. What would be the effect on our energy policy as we swing to a policy of utilizing more of the Nation's coal?

I think it stands evident, it is self-evident, that we do not mine coal on the basis of chaos.

Mr. President, I say to my colleagues, we do not need section 3 of S. 1403. We do need the simple extension of time. We do need the requirements that we have set forth on those extensions of time. We do need the implementation of a Federal program on Federal land in relationship to approval of the State plan. But that is all we need.

We do not need the added delay, the added confusion, the added court cases that will result if the Senate should take, and the House approve, and the President sign, that very unusual procedure of just setting aside the consideration of the Secretary's regulations.

I remind my colleagues that such an unprecedented act is extremely dangerous.

Any Federal law that somebody would like to oppose and does not care to go to the trouble of selectively and carefully amending to make it properly workable can adhere to the recommendation that is before us in section 3 of S. 1403 and simply strike out the Federal regulations of a particular law, do not permit the regulations to be considered, in approving State plans.

I find it so dangerous and so unworkable that I encourage my colleagues with the utmost sincerity to disregard S. 1403 as presented and to vote for the substitute which we have offered, which I assure my colleagues is better legislation, entirely workable, is the usual pattern of legislation, and will get us on to the proper role of utilizing coal in those areas where strip mining can be successfully followed with proper reclamation.

The PRESIDING OFFICER (Mr. MATSUNAGA). The hour of 5:15 having arrived——

Mr. FORD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators who have not yet voted who wish to vote?

The result was announced—yeas 29, nays 66, as follows:

[Rollcall Vote No. 271 Leg.]

YEAS—29

Baucus	Jackson	Nelson
Biden	Javits	Proxmire
Boschwitz	Kennedy	Riegle
Bradley	Leahy	Sarbanes
Church	Levin	Stevenson
Cranston	Magnuson	Stone
Culver	McGovern	Tsongas
Durenberger	Melcher	Wallop
Durkin	Metzenbaum	Williams
Hart	Moynihan	

NAYS—66

Armstrong	Glenn	Packwood
Baker	Goldwater	Pell
Bayh	Gravel	Percy
Bellmon	Hatch	Pryor
Bentsen	Hatfield	Randolph
Boren	Hayakawa	Roth
Burdick	Heflin	Sasser
Byrd, Harry F., Jr.	Helms	Schmitt
Byrd, Robert C.	Hollings	Schweiker
Cannon	Huddleston	Simpson
Chafee	Humphrey	Stafford
Chiles	Jepsen	Stennis
Cochran	Johnston	Stevens
Cohen	Kassebaum	Stewart
Danforth	Laxalt	Talmadge
DeConcini	Long	Thurmond
Dole	Lugar	Tower
Domenici	Mathias	Warner
Eagleton	Matsunaga	Weicker
Exon	McClure	Young
Ford	Morgan	Zorinsky
Garn	Nunn	

NOT VOTING—5

Bumpers	Muskie	Ribicoff
Inouye	Pressler	

So Mr. MELCHER's amendment (UP No. 544) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. WALLOP. Mr. President, I rise today to express my very reluctant support for the provisions contained in the Melcher substitute. I do so with regret, for as a representative of a major western coal-producing State, I am well aware of the frustrations experienced by the coal community. For several years, the Federal Government has given mixed signals to the industry. The coal leasing program has been in disarray since 1971. The administration is now encouraging utilities to switch not to coal, but to natural gas as an alternative fuel to oil. Recent regulations published pursuant to the Clean Air Act amendments and the Surface Mining Control and Reclamation Act have contributed to the uncertainty.

Inflation, too, has taken its toll. The capital cost of a new coal-fired powerplant has risen immensely. In 1970, those costs were $144 per kilowatt-hour. For a plant that is scheduled to be on line in 1987, those costs skyrocket to $1,096 per kilowatt-hour. In addition, public utility commissions have been reluctant to encourage experimental technologies in the use of coal. If a venture does not produce power, the cost of the new plant is not incorporated into the rate base. Therefore, it is the stockholders and not the consumers that are forced to take the risk.

Yet another consideration that cannot be overlooked has been a drop in the annual growth rate of electric consumption. That rate has dropped from an historic average of 7 percent in 1973 to around 3.5 percent in recent years.

So given the multitude of factors, Mr. President, it is certainly easy to understand the concerns and frustrations of people who are trying to reduce our Nation's dependence on foreign oil by increasing the use of our abundant coal resources. No wonder they complain. There are over 30 agencies or organizations in 12 Federal departments that now regulate the U.S. coal industry.

In essence, the provisions contained in S. 1403 will do the following:

It will grant a 1-year extension in the time limit for States to submit programs for approval by OSM,

It will defer the October 12 deadline for the implementation of a Federal lands program by the Department of Interior,

And finally, it will require that States comply only with the act and not with subsequent regulations promulgated by the Department of Interior.

There have been some substantial developments in recent weeks which have altered the timeliness of two provisions in S. 1403. Let me explain. On July 25, 1979, Judge Flannery of the U.S. District Court for the District of Columbia granted a preliminary injunction which would delay by 7 months the dates that States have to submit a program for approval. That decision will enable States to submit a program up until March 3, 1980, but Interior must still make a final decision by June 3, 1980.

I have also been in contact with the Secretary of Interior's office today. They have informed me that it is the intention of the Secretary to publish regulations to defer the implementation of the Federal lands program until States have had the opportunity to have their programs either approved or denied by the Department of the Interior. Although I believe it is vital to reaffirm that decision through a statutory change in Public Law 95-87, the Secretary's decision is a positive step in reassuring States of the intent of DOI to properly administer the provisions of the Surface Mining Act.

What remains, is the controversial Rockefeller amendment which, as I previously stated, requires only that States comply with the act and not subsequent regulations. Once again, there is understandable concern about the strictness of OSM's regulations. I agree with critics of these regulations that they are too rigid and more oriented toward mandating certain design criteria than setting forth minimum performance standards for which States can mold and shape their programs according to their own particular situations.

But let us examine further what the Rockefeller amendment might do. It could subject the Secretary's decision to approve or disapprove a State mining program to countless delay in courts. Without some guideline on which the Secretary can base his decision, anything he does could be made to appear capricious and arbitrary and therefore subject to challenge. There are numerous terms in the Surface Mining Act that require further definitions by someone. Such terms as "substantial financial and legal commitment," or "imminent environmental impact," or "best available topsoil," all require more clarification. If it is not the Secretary of Interior that provides that clarification, it will be numerous district courts throughout the country—each with their own definitions.

Let me reemphasize that I am sympathetic with what the Rockefeller amendment intends to do. Section 102(f) of the Surface Mining Act clearly states that—

> Because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this act should rest with the states.

Yet there must still be some minimum guidelines and standards for the Secretary to use to base his decisions. If those guidelines are not promulgated by the Department of the Interior, they will be formulated through numerous court battles. Again, more, not less, delay.

Underneath I remain strongly committed.

I remain strongly committed to that idea. But we really know very little about the subsequent impact of exempting States from regulations published pursuant to the Surface Mining Act. The controversy today bears testimony to this fact.

During the committee hearings, we did not give careful consideration to what would happen if the Rockefeller amendment were enacted into law. Therefore, I am troubled that we may, in essence, be further complicating our stated goal of increasing the Nation's coal production by once again placing unknown burdens on the States, Federal Government, and the coal industry.

Last week, Mr. President, I supported a measure which I believe is wiser than the approach outlined in S. 1403. It was an amendment to S. 1477, the Federal Courts Improvement Act of 1979. The essence of the amendment reversed a longstanding presumption of the validity of Government regulations. Under this change the Government would be required to justify the promulgation of any regulation by supporting it with evidence of statutory authority—an idea, which had it been followed by OSM, would not have us here today, and which should keep us out of this argument in the future.

THE NEED FOR REASONABLE COAL REGULATIONS

Mr. BAYH. Mr. President, during my term in the Senate I have been a strong advocate of developing our huge domestic coal reserves, including those in my own State of Indiana. Balancing the goals of increased use of coal, environmental quality, and public health is an extremely difficult task. And it is one we will examine once again in our deliberations on S. 1403 today.

When the 95th Congress passed the Surface Mining Control and Reclamation Act of 1977, a measure supported by the entire Hoosier delegation and most other coal State representatives, we were attempting to construct a balanced approach to surface mining regulation. By that time, over half of the coal produced in the Nation was produced by surface mining techniques, resulting in the disturbance of more than 1,000 acres of land each week. Valuable prime farmlands were being increasingly despoiled, in some cases, never to regain their prior productivity. Scarce water supplies in the West were being irrevocably poisoned. In some States, acres of land were covered with gob piles—or waste heaps—scarring the landscape, and denying land for community development. Erosion problems, incessant blasting, toxic runoffs, and landslides were additional problems faced by residents of many coal mining areas.

The Congress acted to put a stop to this waste and degradation of our Nation's natural resources by requiring all States to live up to the standards that some States were already requiring of their mining operators. This step constituted an important national commitment. It also served to protect States, such as my own, which had strong reclamation statutes, from being at a competitive disadvantage with other States that had far weaker reclamation standards.

INDIANA'S PROGRAM

Mr. President, my State of Indiana was one of the few with a reclamation program on the books early on. Indiana passed reclamation legislation, requiring revegetation of mined areas, as early as 1941. At a time when only a handful of States required binding up the wounds of surface mining, reclaimed lands in Indiana became the site of forests and lakes, providing wildlife habitats, recreational areas and scenic residential sites. Yet, even with this progressive tradition, Indiana has not escaped the toll of extensive surface mining. Stark gob piles, or waste heaps, still scar the land around my farm in Vigo County, as a result of inadequate reclamation; erosion problems and toxic runoffs continue to bear legacy to initially inadequate efforts.

Faced with these visible signs of environmental spoilation, additional State legislation was passed by the legislature in the 1960's and 1970's to further strengthen Indiana's earlier State law. By 1977, Indiana was viewed by many as a leader in reclamation policy. A survey by the Library of Congress in 1977 found that the State program had resulted in 85 percent of the land reclaimed in the prior decade being returned to agricultural uses, with 96 percent of the land affected by 1977 permits to be likewise restored. Much of this reclaimed land has been used to once again grow row crops.

THE STATES AND OSM

Mr. President, the surface mining bill that passed the Senate in 1977 clearly intended for the States to develop and enforce State programs. Under the act, States had 18 months to develop State plans, suited to their special needs, but meeting minimum guidelines set out in the statute.

Unfortunately, the implementation of this program by the Office of Surface Mining, has strayed far afield and provides us with a clear example of regulatory overkill.

OSM has missed every deadline set for it by the Congress. Yet, despite OSM's own failings, the agency has continued to ride roughshod over the States, demanding them to put together State programs literally dictated from Washington, in a climate of confusion and great uncertainty.

OSM was expected by the Congress to provide guidelines for the States, but to permit each State sufficient flexibility to develop locally appropriate reclamation plans. Instead, the agency has literally shut the supposed "State window" provided in the legislation for States to develop their own programs. Rather than respecting local initiatives, they have drafted the equivalent of over 2,000 pages of complex Federal regulations—specific step-by-step, cookbook regulations—which, as our distinguished majority leader, Senator BYRD, said recently, has caused the States to "comply with, and in effect duplicate, every jot and tittle of the Federal regulations." Instead of developing programs suited to their own needs.

OSM has been arrogant in its dealings with the States, rather than developing the cooperative partnership envisioned by the Congress in 1977, and has harassed small operators trying their best to comply with confusing interim programs.

NEED FOR A NATIONAL COAL POLICY

Mr. President, public confidence in Government is at a low tide, particularly with respect to energy policy. Three Presidents have supported increased coal production, with a flourish, as our ticket to greater self-sufficiency. Yet none has demonstrated a real commitment to conversion to coal. While the President's Coal Commission estimates that 60 oil-burning facilities could switch to coal in the next few years, saving 400,000 barrels of oil per day by 1985, 2 coal conversion bills have had no practical effect. Saving this much crude oil by converting to coal would more than match any increased production that may flow from the lifting of price controls off domestic crude; this type of fuel switching would not cost consumers a penny, while decontrol will cost them billions.

In fact, even with the expenses associated with pollution equipment, conversion to coal on the part of these utilities would save consumers money—reducing energy bills—an unheard of phenomenon in these days of skyrocketing electricity rates, home heating oil, and gasoline prices.

Mr. President, we are just not taking advantage of our mammoth coal reserves to the extent we must. National production capacity is currently about 725 million tons. The national energy plan called for doubling this. Yet, we will likely use only 80 percent or so of those resources this year. In Indiana, we could produce 30 to 35 million tons of coal in 1979, but will likely produce only 21 million tons—less than was produced last year, when the industry experienced a prolonged strike that cut into production. This has meant loss of jobs for hard-working miners, with families to support and financial ruin for many small mining operators in my State.

There are many reasons why America has turned away from coal, Mr. President, and significant increases in demand and production cannot occur rapidly. Such increases will take hard decisions by major utilities and industrial firms to invest their future in coal. It will take an upgrading of our rail system to efficiently transport that coal. It will take a decision by mining operators to invest in new equipment. And it will take a commitment from all of us to reduce the regulatory uncertainty that has plagued the coal industry. We must insist that Federal regulations stay within the realm of the defensible, and not grow topsy turvy because some idle hands downtown have nothing better to do than make mischief.

THE NEED FOR CONGRESSIONAL OVERSIGHT

Mr. President, last spring a large and united group of Senators, from coal producing States, made absolutely clear to both the President and the Environmental Protection Agency, that we would not sit idly by and accept proposed EPA standards for new coal-fired powerplants that would effectively shut in vast amounts of Eastern coal but provide no health benefits for the public. The Congress set up EPA to protect the public's health—not to play cat and mouse with new coal-fired facilities.

Mr. President, I urge my colleagues today to reflect the same good commonsense with respect to the Office of Surface Mining as we did with EPA. The Energy Committee has reported out a bill that meets three very legitimate concerns:

First. The need for a deadline extension for State plan submissions, because of OSM's own delays;

Second. The desire of Western States to coordinate reclamation programs within their borders; and

Third. The need to free State governments from overzealous bureaucrats.

We can accomplish that by insisting that the States be freed of voluminous and suffocating Federal regulations and require them to only meet the performance standards contained in the surface mining bill itself.

This State lead approach, embodied in the so-called Rockefeller amendment—named after the Governor of West Virginia, an early supporter of adequate reclamation programs—much more nearly represents what the Congress had in mind in 1977 when it passed the surface mining bill. It in no way weakens our commitment to adequate cleanup efforts. It continues to require State compliance with Federal standards. But the critical point is that it will permit States to design programs tailored to their own needs. It will return the lead in this effort to the States, where Congress intended it to be. And it will result in freeing up our scientists and engineers to follow good engineering practices tailored to specific sites, rather than tying their hands with constraining and inflexible design regulations. Mr. President, I hope my colleagues will join me in supporting S. 1403 as amended by the Energy Committee.

Mr. FORD. Mr. President, I yield back the remainder of my time.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. FORD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS. I announce that the

Senator from South Dakota (Mr. PRESSLER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 69, nays 26, as follows:

[Rollcall Vote No. 272 Leg.]

YEAS—69

Armstrong	Goldwater	Packwood
Baker	Gravel	Pell
Bayh	Hatch	Percy
Bellmon	Hatfield	Pryor
Bentsen	Hayakawa	Randolph
Boren	Heflin	Roth
Burdick	Heinz	Sasser
Byrd, Harry F., Jr.	Helms	Schmitt
	Hollings	Schweiker
Byrd, Robert C.	Huddleston	Simpson
Cannon	Humphrey	Stafford
Chafee	Jepsen	Stennis
Chiles	Johnston	Stevens
Cochran	Kassebaum	Stewart
Cohen	Kennedy	Talmadge
Danforth	Laxalt	Thurmond
DeConcini	Levin	Tower
Dole	Long	Wallop
Domenici	Lugar	Warner
Eagleton	Mathias	Weicker
Exon	Matsunaga	Young
Ford	McClure	Zorinsky
Garn	Morgan	
Glenn	Nunn	

NAYS—26

Baucus	Hart	Nelson
Biden	Jackson	Proxmire
Boschwitz	Javits	Riegle
Bradley	Leahy	Sarbanes
Church	Magnuson	Stevenson
Cranston	McGovern	Stone
Culver	Melcher	Tsongas
Durenberger	Metzenbaum	Williams
Durkin	Moynihan	

NOT VOTING—5

Bumpers	Muskie	Ribicoff
Inouye	Pressler	

So the bill (S. 1403), as amended, was passed, as follows:

S. 1403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act Amendments of 1979", and that the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445) is hereby amended as follows:

SEC. 2. Sections 502(d), 503(a), and 504(a) of the Surface Mining Control and Reclamation Act of 1977 (hereinafter referred to as "the Act") are amended as follows:

(a) in section 502(d) of the Act in the last sentence, strike the words "forty-two months" and substitute the words "fifty-four months";

(b) in section 503(a) of the Act, strike the words "eighteenth-month" and substitute the words "thirtieth month";

(c) in section 504(a) of the Act, strike the words "thirty-four months" and substitute the words "forty-six months";

(d) in section 504(a)(1) of the Act, strike the words "eighteen-month" and substitute the words "thirtieth month";

SEC. 3. Sections 503(a)(7) and 701(25) of the Act are amended as follows:

(a) in section 503(a)(7) of the Act, strike the phrase "regulations issued by the Secretary pursuant to";

(b) in section 701(25) of the Act, strike the phrase "and regulations issued by the Secretary pursuant to this Act".

SEC. 4. Section 523(a) of the Act is amended by striking the words "and implement" in the first sentence thereof, and by adding at the end of the subsection a new sentence as follows: "Subject to the provision of section 523(c), implementation of a Federal lands program shall occur and coincide with the implementation of a State program pursuant to section 503 or a Federal program pursuant to section 504, as appropriate.".

SEC. 5. Section 502 of the Act is amended by adding a new subsection "(g)" as follows: "(g) Notwithstanding any other provision of this section, each State shall, to the greatest extent possible, have principal responsibility for the inspection of mines during the period of time prior to the submittal of State plans for approval. Such responsibility shall remain with each State until such time as the Secretary disapproves the State plan. The Secretary shall furnish personnel assistance to the States in carrying out this responsibility upon request of the State regulatory agency.".

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1403.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wish to take this moment to express appreciation to the Senator from Kentucky (Mr. FORD) and the Senator from Oregon (Mr. HATFIELD), the managers of the bill in behalf of the committee, for the skill and the dedication which they demonstrated in bringing this measure to the floor and in adding to its provisions the language that was of great concern to Senators from coal-producing States. I congratulate them on their successful managership of this bill, which is not only important to coal-producing States but to the Nation as a whole.

Mr. FORD. Mr. President, I thank the majority leader for his kind words.

I am learning each day the procedure of the Senate and how things are done, and I appreciate his valuable support. Mr. President, every time you have an experience here you gain something. Every time I have the opportunity to be associated with the distinguished Senator from Oregon (Mr. HATFIELD), I always come off a winner, because I gain much more than when I came in. I am grateful to him for his guidance and counseling of me as a freshman, and he has my admiration.

Mr. HATFIELD. Mr. President, I am compelled to rise, not only to express my appreciation for the kind words of the Senator from Kentucky, but to the majority leader, who has been very helpful in this whole matter. The battle won today was certainly due to the efforts of many people, including the majority leader's great efforts as well as those of my comanager of the bill, the Senator from Kentucky (Mr. FORD).

Again Senator FORD exhibits the generosity so typical of a Southern gentleman when he ascribes his kind remarks to me, but I am conscious that none of us would have been successful without the help of many Senators, and particularly the fine staffs on both the majority side and the minority side.

Mr. BAKER. Mr. President, I will not prolong this, except to say I wish also to pay my respects to the Senator from Oregon for his diligence and effectiveness in shepherding this bill to passage, and that of the Senator from Kentucky (Mr. FORD), who has great expertise in this field and managed the matter with great effectiveness. I thank them as well for doing it so promptly. The bill was dispatched in a relatively short period of time, and that is always welcome news to the majority and minority leaders.

Mr. ROBERT C. BYRD. Mr. President, I thank also the Senator from Idaho (Mr. CHURCH) for his patience in withholding calling up his conference report until the final vote had occurred, so that Senators could be on their way to their offices and to other engagements.

I wish to express particularly my thanks to my own colleague from West Virginia (Mr. RANDOLPH) for the good work he did in contacting Senators in connection with this measure, and I particularly congratulate the Senator from Montana (Mr. MELCHER), who offered an amendment, fought a good fight on it, kept the faith, and finished his course in the way of a gentleman; and I appreciate his attitude and also that of Senators who opposed the amendment by Mr. MELCHER.

Mr. WARNER. Mr. President, I wish to join in congratulation of the managers of this bill. I introduced an amendment earlier, and, in accordance with their very wise counsel, I withdrew that amendment.

Mr. President, as a cosponsor of S. 1403, I applaud Senators FORD and HATFIELD and the Energy Committee for coming forward with positive legislation that will push us on our way to achieving our goal of energy independence.

Energy, and America's need for increasing amounts of it, is generally recognized as this Nation's number one domestic problem. Indeed, it has spawned many of this country's other domestic concerns—inflation, unemployment, recession, social problems.

For America to continue to grow and prosper and not be dominated and dictated to by the pricing whims of foreign oil producers, we as a nation must become energy independent by developing our own primary and alternative energy resources.

President Carter has proposed an energy plan to ease America's dependence on foreign oil which calls for, among other things, a greater reliance on coal.

This is only a natural recognition—and, I must say, long overdue—that coal is America's most abundant resource.

Coal represents 90 percent of our Nation's total energy reserves. The U.S. geological survey estimates that there are at least 1.7 trillion tons of coal beneath American soil—or, put in more meaningful terms, our coal represents the energy equivalent of 10 Saudi Arabias and will provide us with hundreds of years' supply at current rates of use.

President Carter has declared in his energy messages that he wants the United States to double its annual coal production by the mid-1980's—from about 700 million tons now to 1 to 2 billion tons.

The President, in a meeting before the President's Coal Commission and the congressional coal group, said:

Coal will be the backbone of my energy position.

But this has not always been the case.

For too long, America's most abundant natural resource has languished and lain underutilized while America has been forced to pay rapidly rising ransom to foreign energy producers.

The Office of Technology Assessment in its 441-page report, "The Direct Use of Coal," indicated that coal production in recent years has lingered slightly above its earlier peak in 1947 at about 700 million tons, with 689 million tons being produced in 1977 and 724 million estimated for 1979. The OTA estimates that growth in coal demand will continue slowly and will only total 1.5 to 2.1 billion tons by the year 2000.

What has caused this lagging demand for production from the Nation's coal reserves?

Industry observers attribute the poor growth in the coal market to:

First. Government regulations that are too stringent and repetitious;

Second. Rising production costs of which a major portion can be ascribed to Government regulations;

Third. Increased competition from foreign producers; and

Fourth. A lack of a clear-cut Government policy that promotes the use of coal.

It appears that the latter problem was taken care of by the President's April 5 energy speech to the Nation, but appearances can be deceiving.

President Carter, in his April 5 speech, called on the Departments of Energy and Interior and the Environmental Protection Agency to submit, within 60 days, recommendations for enhancing the development and use of coal to help guide his administration in its energy decisions. When the 60-day time limit had elapsed, only the Department of Energy had submitted its recommendations. As yet, the administration still has not set forth a comprehensive clear-cut program for increased utilization of coal.

This lack of clear-cut governmental policy, coupled with the other factors, has brought about a decrease in coal production, resulting in an unmitigated disaster in the Nation's coal fields.

Coal is a $1 billion industry in my State of Virginia, which is the Nation's seventh-ranking coal-producing State, and yet about 2,000 of Virginia's 20,000 coal miners are currently laid off due to the slump in coal production. The Richmond News Leader, in an August 29, 1979, article, stated:

The cutbacks in southwest Virginia, long dependent on coal for economic survival, have been felt across the region from grocery stores to trucking companies.

Mr. President, I visited southwest Virginia and its coalfields during the Senate's August work session, and I visited with some of the miners affected by this coal slump. It is fair to say that they are suffering dearly because we have not adopted strong coal utilization policies. It is also fair to say that they and their families have had their fill of empty promises and beautiful but meaningless rhetoric. They are seeking action on the part of the administration and Congress to promote coal production so that they will be able once again to earn a living for themselves and their families.

But Virginia is not alone in the problems it is experiencing in this area, nor are the feelings experienced by its coal miner citizens any different from those of the States of West Virginia, Kentucky, or Tennessee.

The Nation's coal miners want positive decisive action from their leaders.

Often when one is faced with a complicated, multifaceted problem, rather than attempt to deal with the whole problem at one time, which may be self-defeating, a wiser course is to deal with each separate facet of the problem and thus, over a period of time, accomplish positive results.

S. 1403 presents the Senate with just this option. It deals only with the problems of time extensions for submission of State reclamation plans and extraneous regulation correction of these problems will help increase coal production, without venturing off into the more complex, controversial areas of this problem.

In June, I had the opportunity to attend the oversight hearings on the Surface Mining and Reclamation Act held by the Senate Energy Committee and was accorded the privilege of questioning witnesses at these hearings. I was amazed and aghast at the many problems that are facing our Nation's coal operators and miners in trying to comply with the Surface Mining Act.

If the various States are to have any chance at all of at least complying with the statutory filing deadline of the act, there must be an extension of the time limit for filing. Since the Office of Surface Mining was delayed 7 months past its statutory deadline for publishing its permanent regulations on the act, it seems only fair to me that the States should not be penalized for circumstances beyond their control and they should be allowed the courtesy of a similar delay to comply with the final regulations.

Section 2 of S. 1403 incorporates this idea.

Section 3 was drafted to give the States maximum flexibility to design their regulatory programs to reflect local conditions.

Section 101(f) of the act clearly specifies that—

Because of the diversity of terrain, climate, biologic, chemical and other physical conditions in areas subject to mining operations, the primary responsibility for developing, authorizing, issuing, and enforcing and reclamation operations subject to this Act should rest with the States.

In response to a question posed by the Senate Energy Committee, the Congressional Research Service analyzed the ability of the States to comply with the congressional mandates of the act under the regulations proposed by the Office of Surface Mining. CRS, in a report dated July 24, 1979, found that—

Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

CRS then concluded by stating that—

As long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with sound but reasonable regional approaches to reclamation could be substantially impaired.

Mr. President, I ask unanimous consent to have the complete CRS report printed at the end of my record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Section 3 of S. 1403 will correct this problem, and will bring back the flexibility to the States in their complying with the act, taking into consideration their own unique characteristics in their State plans. Thus, the State's primacy, which was the intent of Congress in the act, will be reestablished and I accordingly strongly support section 3 of this bill.

Section 4 postpones the implementation of the Federal lands program until a State program has been given the opportunity to be approved or denied. As this amendment prevents the Federal Government from preempting the State government's program, I support also section 4 of the bill.

S. 1403 takes a small but very important step to correcting some of the problems encountered with implementing the act and removes several obstacles from the increasing of U.S. production in coal. I strongly urge that the Senate pass S. 1403.

EXHIBIT 1

JULY 24, 1979.

To Senate Committee on Energy and Natural Resources; Attention: Mr. Dave Russell.

From Duane A. Thompson, Analyst, Environment and Natural Resources Policy Division.

Subject Section 503(a)(7) of Public Law 95-87, The Surface Mining Control and Reclamation Act of 1977.

In response to your request of July 23, 1979, I have reviewed Section 503(a)(7) and related OSM regulations in order to determine the States capability to assume regulation while maintaining their ability to accommodate regional mining and reclamation characteristics.

The Surface Mining Control and Reclamation Act of 1977 was originally intended to allow the individual States to assume the authority and responsibility for the regulation of surface mining within their own boundaries. This concept is contained in Section 101, "finding", of the Act, which states explicitly that:

"(f) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for *developing*, authorizing, issuing and *enforcing regulations* for surface mining and reclamation operations subject to this Act should rest with the States; [emphasis added]

With this concept in mind, Congress, in the law, made provisions for the institution of State enforcement programs that would allow the States to assume regulation, thus providing for the vastly different regional characteristics of surface mining, with the proviso that the regulations promulgated by the individual State enforcement agencies would be consistent with the minimum performance standards set forth in the Act. This requirement is contained in Section 503(a)(2) of the Act which states that in order for a State to assume responsibility, it must provide:

"(2) a State law which provides sanctions for violations of State laws, regulations or conditions of permits concerning surface coal mining and reclamation operations, which sanctions *shall meet the minimum* requirements of this Act, . . . " [emphasis added]

Section 503, in subsection (a)(7), goes on to further condition the assumption of regulation on the implementation of State "rules and regulations consistent with regulations issued by the Secretary pursuant to this Act." Congress, however, did not define the key phrase "consistent with" in the Act, leaving this option to the Federal regulatory authority. The Office of Surface Mining established by the legislation has since defined this phrase to mean:

"§ 730.5 Definitions: (b) With regard to the Secretary's regulations, the State laws and regulations are no less stringent than and meet the applicable provisions of the regulations of this Chapter."

Because of this requirement in the Act, some States now conclude that they must, in effect, accept the regulatory requirements of the Federal agency as their own in order to assume regulation of surface mining.

In response to a voluminous number of comments directed to the inflexibility of the regulations in their proposed form, the Office of Surface Mining developed a "State window" concept that, according to the Agency, would allow the States considerably more flexibility in developing their own regulatory programs. The language of the "State window" regulation, however, requires the States to:

"731.13(c) Explain how and submit data, analysis and information, including identification of sources, demonstrating—(1), that the proposed alternative will be *in accordance with* the applicable provisions of the Act and consistent with the regulations of this Chapter and (2) that the proposed alternative is necessary because of local requirements or local environmental or agricultural conditions." [emphasis added]

The underlined phrase "in accordance with" has been defined identically to "consistent with", meaning that all of the States proposed alternatives to the Federal regulations must be as stringent as those Federal regulations. Charges have been made by the surface mining industry and some of the States that the Office of Surface Mining has pursued a policy of developing detailed regulations for design criteria rather than performance standards for regulation. A complete review of the regulations tends to suggest that there is some legitimacy in this criticism. The States do appear to be left with few options but to accept all of the Federal regulations as their own in order to assume regulation of surface mining.

It could be noted that a review of the applicable provisions of the Act suggests that Congress intended to be much more liberal in its approach to alternatives to the law and the regulations. With the exception of Section 503(a)(7), already mentioned, which requires the States to promulgate regulations at least as stringent as those of the Federal regulatory agency, there is nothing within the section on State programs that requires the States to provide absolute proof of the feasibility of alternatives to the regulations and/or conventional reclamation technology. In fact, Section 711 of P.L. 95-87 [91 STAT. 523] "Experimental Practices", reflects the intent of Congress to "encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, residential, or public use. . . ." Furthermore, Congress, in this section, did not require that the proposed alternative technology be proven, only that it exhibit "potential" to be at least as or more environmentally protective than reclamation required by promulgated standards.

In conclusion, as long as the public law requires the State regulations to be consistent with those issued by the Federal agency as a prerequisite for State authority, and as long as the Federal agency pursues a policy of establishing design criteria instead of minimum performance standards outlined in the Act, the flexibility of the individual States to develop and implement regulations adapted to the unique geological characteristics of coal deposits and to respond with sound but reasonable regional approaches to reclamation could be substantially impaired.

Should you or any of your staff have any further questions on this or related subjects please call me at 287-5673.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield for a moment?

Mr. ROBERT C. BYRD. Will the Senator from Idaho obtain recognition, and then yield to the minority leader?

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. BAKER. Mr. President, will the Senator from Idaho yield to me?

Mr. CHURCH. I am happy to yield to the minority leader.

Mr. BAKER. I merely wish to inquire of the majority leader if he anticipates any further rollcall votes today.

Mr. ROBERT C. BYRD. No; may I say to the minority leader, there will be no further rollcall votes today.

Mr. BAKER. I thank the majority leader. I appreciate the Senator from Idaho's yielding.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

NATIONAL SECURITY AND DEFENSE SPENDING—MESSAGE FROM THE PRESIDENT—PM 103

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Armed Services, the Committee on Appropriations, and the Committee on the Budget, jointly, by unanimous consent:

To the Congress of the United States:

I am sure you agree with me that we cannot effectively safeguard U.S. legitimate interests abroad nor pursue safely peace, justice and order at home unless our national security is protected by adequate defenses. The fundamental responsibility of the President—a responsibility shared with Congress—is to maintain defenses adequate to provide for the national security of the United States. In meeting that responsibility, this Administration moved promptly and vigorously to reverse the downward trend in U.S. defense efforts. This is demonstrated by an examination of the trends in real defense expenditures since the mid 1960s. At NATO Summits in May 1977 and 1978 we persuaded our allies to join with us in endorsing a goal three percent real annual growth in defense outlays and an ambitious Long Term Defense Program for the Alliance. Together these represented a turning point, not only for the United States, but the whole Alliance.

For our part, we moved promptly to act on this resolve. We authorized production of XM-1 tanks; we greatly increased the number of anti-tank guided missiles; we deployed F-15s and additional F-111s to Europe, along with equipment for additional ground forces. We reduced the backlog of ships in overhaul and settled contractual disputes that threatened to halt shipbuilding progress. In strategic systems, we accelerated development and began procurement of long range air-launched cruise missiles, began the deployment of Trident I missiles, and have begun the modernization of our ICBM force with the commitment to deploy the MX missile in a survivable basing mode for it.

These and other initiatives were the building blocks for a determined program to assure that the United States remains militarily strong. The FY 1980 budget submission of last January was designed to continue that program. In subsequent months, however, inflation has run at higher levels than those assumed in the cost calculations associated with that defense program. Accordingly, I plan to send promptly to the Congress a defense budget amendment to restore enough funds to continue in FY 1980 to carry out the Administration's defense program based on our current best estimate of the inflation that will be experienced during the fiscal year. Although the detailed calculations needed to prepare an amendment are still in progress, I expect that the amount of the amendment will be about $2.7 billion in Budget Authority above the Administration's January 1979 budget request.

Correcting for inflation is not enough in itself to assure that we continue an adequate defense program through FY 1980. We must also have the program and the funds authorized and appropriated, substantially as they were submitted. Therefore, in the course of Congressional consideration of the second budget resolution, I will support ceilings for the National Defense Function for

FY 1980 of $141.2 billion in Budget Authority and $130.6 billion in outlays. I will also request that the Congress support the Administration's FY 1980 defense program and, in particular, that the Appropriation Committees actually appropriate the funds needed to carry it out.

Furthermore, in FY 1981 I plan a further real increase in defense spending. The Defense Department is working on the details of that budget. It would, therefore, be premature to describe the features of that budget beyond noting that it will continue the broad thrust of our defense program, and that I intend to continue to support our mutual commitment with our NATO Allies.

While this defense program is adequate, it is clear that we could spend even more and thereby gain more military capability. But national security involves more than sheer military capability; there are other legitimate demands on our budget resources. These competing priorities will always be with us within the vast array of budget decisions both the Congress and the President are called upon to make. Defense outlays are actually lower in constant dollars than they were in 1963, and a much lower percentage of the gross national product (5% compared with 9%). There are those that think this has caused a decline in American military might and that the military balance has now tipped against us. I do not believe this to be so, but I am concerned about the trends. I believe that it is necessary for us to act now to reverse these trends.

The Secretary of Defense will be presenting to the Congress over the coming months the highlights of our defense program in terms of the goals we think we should achieve and the Five-Year Defense Program we plan to achieve them. In this context he will point out, among many other items, how MX and our other strategic programs will contribute to the maintenance of essential equivalence between the central strategic forces of the United States and Soviet Union, how we plan to modernize theater nuclear forces in cooperation with our NATO allies, how our general purpose forces programs contribute both to our military capability to support our NATO allies and rapidly to deploy forces to defend our vital interests elsewhere. That presentation can serve as the basis for future discussions (including open testimony) that will allow us to build the national consensus that is the fundamental prerequisite of a strong and secure America.

JIMMY CARTER.

THE WHITE HOUSE, *September 11, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President on national security and defense spending be referred jointly to the Committee on Armed Services, the Committee on Appropriations, and the Committee on the Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:40 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 3:17 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 756. An act to authorize appropriations for the Office of Federal Procurement Policy for fiscal years 1980 through 1984.

The message also announced that the House disagrees to the amendments of the Senate to H.R. 4387, an act making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WHITTEN, Mr. BURLISON, Mr. TRAXLER, Mr. ALEXANDER, Mr. MCHUGH, Mr. NATCHER, Mr. HIGHTOWER, Mr. JENRETTE, Mr. ANDREWS of North Dakota, Mr. ROBINSON, Mr. MYERS of Indiana, and Mr. CONTE as managers of the conference on the part of the House.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 740. An act to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands;

H.R. 1212. An act for the relief of the University of Florida, Gainesville, Fla.;

H.R. 1319. An act to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii;

H.R. 2397. An act to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile;

H.R. 3122. An act relating to the tariff treatment of certain articles; and

H.R. 4732. An act to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 740. An act to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands; to the Committee on Energy and Natural Resources.

H.R. 1212. An act for the relief of the University of Florida, Gainesville, Fla.; to the Committee on Finance.

H.R. 1319. An act to extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii; to the Committee on Finance.

H.R. 2397. An act to continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile; to the Committee on Finance.

H.R. 3122. An act relating to the tariff treatment of certain articles; to the Committee on Finance.

HOUSE BILL ORDERED HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 4732, an act to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol, be held at the desk pending further action.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 11, 1979, he presented to the President of the United States the following enrolled bill:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment, but with a preamble:

S.J. Res. 90. A joint resolution to provide for the designation of a week as "National Recreation and Parks Week" (Rept. No. 96-315).

EXECUTIVE REPORTS OF COMMITTEES

By Mr. KENNEDY, from the Committee on the Judiciary:

Cornelia G. Kennedy, of Michigan, to be U.S. circuit judge for the Sixth Circuit.

Mary M. Schroeder, of Arizona, to be U.S. circuit judge for the Ninth Circuit.

Richard D. Cudahy, of Wisconsin, to be U.S. circuit judge for the Sixth Circuit.

Boyce F. Martin, Jr., of Kentucky, to be U.S. circuit judge for the Sixth Circuit.

Otto R. Skopil, Jr., of Oregon, to be U.S. circuit judge for the Ninth Circuit.

James M. Sprouse, of West Virginia, to be U.S. circuit judge for the Fourth Circuit.

Avern Cohn, of Michigan, to be U.S. district judge for the eastern district of Michigan.

Stewart A. Newblatt, of Michigan, to be U.S. district judge for the eastern district of Michigan.

Benjamin F. Gibson, of Michigan, to be U.S. district judge for the western district of Michigan.

Douglas W. Hillman, of Michigan, to be U.S. district judge for the western district of Michigan.

Zita L. Weinshienk, of Colorado, to be U.S. district judge for the district of Colorado.

Jim R. Carrigan, of Colorado, to be U.S. district judge for the district of Colorado.

William L. Hungate, of Missouri, to be U.S. district judge for the eastern district of Missouri.

Howard F. Sachs, of Missouri, to be U.S. district judge for the western district of Missouri.

Scott O. Wright, of Missouri, to be U.S. district judge for the western district of Missouri.

John V. Parker, of Louisiana, to be U.S. district judge for the middle district of Louisiana.

Veronica D. Wicker, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

John M. Shaw, of Louisiana, to be U.S. district judge for the western district of Louisiana.

George Arceneaux, Jr., of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

Patrick E. Carr, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

Falcon B. Hawkins, of South Carolina, to be U.S. district judge for the district of South Carolina.

C. Weston Houck, of South Carolina, to be U.S. district judge for the district of South Carolina.

Matthew J. Perry, Jr., of South Carolina, to be U.S. district judge for the district of South Carolina.

Richard M. Bilby, of Arizona, to be U.S. district judge for the district of Arizona.

Edward C. Reed, Jr., of Nevada, to be U.S. district judge for the district of Nevada.

Abner J. Mikva, of Illinois, to be U.S. circuit judge for the District of Columbia Circuit.

Bailey Brown, of Tennessee, to be a U.S. circuit judge for the Sixth Circuit.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIEGLE:

S. 1736. A bill to extend Letters Patent Numbered 2,322,210, and for other purposes; to the Committee on the Judiciary.

By Mr. BOSCHWITZ:

S. 1737. A bill for the relief of Monchito C. Entena, Antonia V. Entena, Robert Entena, Cathleah Entena, Arvin Entena, and Eliza R. Ayala; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 1738. A bill to amend the Tariff Schedules of the United States to repeal the duty of certain field glasses and binoculars; to the Committee on Finance.

By Mr. HEINZ:

S. 1739. A bill to amend the Federal Food and Cosmetic Act to require certain warning labels on prescription drugs; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATSUNAGA:

S. 1738. A bill to amend the Tariff Schedules of the United States to repeal the duty on certain field glasses and binoculars; to the Committee on Finance.

● Mr. MATSUNAGA. Mr. President, on May 13 of last year, I introduced a bill S. 1519 to suspend tariffs on certain telescopes and binoculars. After S. 1519 was passed by the Senate, it was brought to my attention that the types of telescopes and riflescopes included in my bill were being manufactured domestically. I therefore voluntarily withdraw my bill from final consideration by the House.

On August 8, 1978, I introduced S. 3387, redrafted to suspend tariffs only on certain imported field glasses, opera glasses, and imported prism binoculars. Telescopes and riflescopes were excluded.

American demand for binoculars has greatly increased over the years. However, imported binoculars have been subjected to a 20-percent ad valorem tariff. Originally, the tariff was established because of our own American optical industry was experiencing technical difficulties in producing quality optical instruments. The national interest at that time warranted protection of our optical industry.

Today, however, the Department of Commerce reports no known commercial production in the United States of the kind of prisms used in the imported binoculars on which heavy duty is still being imposed. The small domestic production of binoculars which does occur, in fact, uses imported prisms. Domestic production is presently directed at the most expensive, high quality, high performance instruments for an extremely select market which will not be affected by my bill.

The reason for tariff protection of our binocular industry, once valid, no longer exist. However, U.S. importers of foreign-made binoculars continue to pay a 20-percent ad valorem tariff and this tariff is invariably passed on to the consumer. Consequently, American consumers continue to pay a protective tariff which protects no one.

The Senate passed my proposal last year to suspend the tariff on field glasses, prism binoculars, and opera glasses. However, the press of business at the close of the 96th Congress prevented the House from acting on the measure.

Today, I am reintroducing the measure to reduce the duty permanently. In doing so I wish to call my colleagues' attention to the fact that this proposal has the full endorsement of the Special Trade Representative.

I urge early and favorable consideration of my bill.●

By Mr. HEINZ:

S. 1739. A bill to amend the Federal Food, Drug, and Cosmetic Act to require certain warning labels on prescription drugs; to the Committee on Labor and Human Resources.

PRESCRIPTION TRANQUILIZER LABELING ACT

● Mr. HEINZ. Mr. President, I take pleasure in introducing today a bill to prevent the sometimes fatal misuse of prescription tranquilizers like valium, librium, and miltown, when used in combination with alcohol. Recent research by the National Institute of Mental Health and the National Institute on Drug Abuse has presented frightening statistics on these most widely prescribed mood-altering compounds. In examining the mental health needs of women, for example, I have found that many apparent suicide victims had unwittingly used tranquilizers with alcohol.

By amending the Federal Food, Drug, and Cosmetic Act to require mandatory warnings on bottles of certain prescription tranquilizers, the public would be informed about these inherent dangers. Mr. President, I believe that public education is invaluable in the fight against drug abuse and is, moreover, the best insurance against such mishaps. It is incumbent on both Government and the private health industry to work together to significantly reduce the specter of tragedy through the abuse of psychoactive drugs and alcohol.

Far from indicting the drug industry, pharmacists, or physicians, I am calling on these groups to lend their support for the passage of the Prescription Tranquilizer Labelling Act. There are legitimate medical uses for tranquilizers like valium, librium, and miltown; and, accordingly, the medical community must also appreciate the potential dangers to the lives of millions of Americans who are given these drugs each year. To many, the tranquilizer has become a panacea to mask the visible symptoms of stress, depression, and mental illness. The National Institute on Drug Abuse found that, in 1977, 94 percent of the valium-related deaths involved the concurrent use of alcohol or some other drugs. And for drug-related emergency room visits, "women are twice as likely as men to report valium abuse in an emergency room visit."

Mr. President, I consider the labeling of prescription tranquilizer bottles with warnings against possible hazardous combinations of tranquilizers with alcohol to be an essential element in a comprehensive strategy to eliminate drug abuse in this Nation and to improve the mental health of all Americans. I call on my colleagues in the U.S. Senate to support the Prescription Tranquilizer Labelling Act and to work for its passage.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this time, along with the articles and the statistics relevant to this text.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1739

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 503 (b) is amended—

(1) by striking out "(5)" and inserting in lieu thereof "(6)"; and

(2) by inserting the following new paragraph after paragraph (4):

"(5) A drug subject to paragraph (1) of this subsection which has been found by the Secretary to be hazardous when used in combination with alcohol, shall be deemed to be misbranded if at any time prior to dispensing its label fails to bear a statement warning against use of such drug in combination with alcohol.".

TOP 26 PROBLEM DRUGS IN THE U.S.

Based on statistics gathered in 24 cities between May 1976 and April 1977, the National Institute on Drug Abuse (NIDA) has developed the following national estimates on drug-related deaths and emergency treatment for the 26 most abused drugs. There were an estimated 8,000 deaths and 284,000 emergency room visits related to drugs. Prescription information is included to put these statistics in perspective:

Drugs: Generic/sample brand names	Estimated emergency room visits	Rank	Estimated deaths for single and combination drugs	Rank	Estimated deaths for single drug	Estimated fix's	Estimated pills	Average pills per fix	Emergency room visits per 10,000,000 pills	Deaths for single and combination drugs per 10,000,000 pills	Deaths for single drug per 10,000,000 pills
Heroin/morphine	17,000	4.0	1,700	2.0	660						
Methadone	4,500	19.0	300	13.0	100						
Codeine	2,700	24.0	400	10.5	20						
Marihuana	5,700	13.0	0	26.0	0						
Phencyclidine	4,100	20.0	100	22.5	60						
Alcohol-in-combination	47,700	2.0	2,500	1.0							
Secobarbital (Seconal)	7,400	10.0	800	5.0	250	1,507,000	67,096,000	45	1,100	119	37
Pentobarbital (Nembutal)	2,900	23.0	600	7.0	250	1,702,000	81,850,000	48	350	73	31
Seco/Amobarbital (Tuinal)	7,300	11.0	500	8.5	210	1,173,000	54,348,000	46	1,340	92	39
Amobarbital (Amytal)	400	26.0	300	13.0	30	375,000	34,013,000	91	120	88	9
Phenobarbital (Luminal)	7,700	8.0	500	8.5	110	7,910,000	784,409,000	99	100	6	1
Diazepam (Valium)	54,400	1.0	900	4.0	50	57,084,000	3,204,062,000	56	170	3	0
Chlordiazepoxide (Librium)	9,300	7.0	200	17.0	10	15,340,000	923,642,000	60	100	2	0
Meprobamate (Equanil, Miltown)	3,200	22.0	200	17.0	30	9,751,000	612,509,000	63	50	3	0
Thioridazine (Mellaril)	5,300	15.5	200	17.0	40	7,187,000	473,398,000	66	110	4	1
Doxepin (Adapin, Sinequan)	3,300	21.0	200	17.0	80	4,072,000	193,830,000	48	170	10	4
Chlorpromazine (Thorazine)	6,100	12.0	100	22.5	20	4,749,000	270,951,000	57	230	4	1
Flurazepam (Dalmane)	11,500	5.0	100	22.5	10	12,795,000	401,709,000	31	290	2	0
Methaqualone (Quaalude)	5,500	14.0	100	22.5	10	1,352,000	50,221,000	37	1,100	20	2
Ethchlorvynol (Placidyl)	5,000	17.0	300	13.0	70	1,878,000	59,234,000	32	840	51	12
Glutethimide (Doriden)	2,000	25.0	200	17.0	80	2,195,000	86,613,000	40	230	23	9
d-Propoxyphene (Darvon)	10,800	6.0	1,100	3.0	320	19,488,000	703,408,000	36	150	16	5
Aspirin	17,600	3.0	400	10.5	90						
Acetaminophen (Tylenol, Datril)	4,700	18.0	100	22.5	0						
Diphenylhydantoin (Dilantin)	5,300	15.5	100	22.5	0	8,571,000	986,186,000	115	50	1	0
Amitriptyline (Elavil)	7,500	9.0	700	6.0	180	8,838,000	488,229,000	55	150	14	4

Sources: Drug Abuse Warning Network V (DAWN V), funded by NIDA and the Drug Enforcement Administration (DEA) National Prescription Audit, IMS America Ltd.

WOMEN AND PRESCRIPTION DRUGS

Historically women have been the major users of prescription drugs. While women tend to use drugs more for medical reasons, statistics show that a greater percentage of those who use both licit and illicit drugs for non-medical or recreational purposes are men.

Following are statistics on women and prescription drugs compiled by the National Institute on Drug Abuse:

GENERAL DRUG USE

An estimated 1 to 2 million women have problems because of prescription drugs.

32 million (42 percent) women have used tranquilizers prescribed for them by a doctor, compared to 19 million (27 percent) men; 16 million (21 percent) women have used sedatives prescribed by a doctor, compared to 12 million (17 percent) men; and 12 million (16 percent women have used stimulants prescribed for them by a doctor compared to 5 million (8 percent) men.

In 1977, 8½ million women used tranquilizers prescribed by a doctor for the first time, 3 million women used sedatives prescribed by a doctor for the first time, and almost 1 million women used stimulants prescribed by a doctor for the first time.

DRUG-RELATED EMERGENCY ROOM VISITS

Sixty percent of all drug-related emergency room visits involve women.

Almost two-thirds of these are the result of a suicide attempt; the remaining one-third are because of drug dependency or psychic effect.

Women are twice as likely as men to report Valium abuse in an emergency room visit, usually in combination with alcohol or another drug.

DRUG-RELATED DEATHS

The drugs most often associated with death are narcotics, sleeping pills, tranquilizers, and pain relievers.

Forty-three percent of all drug-related deaths are female.

In 94 percent of the Valium-related deaths, alcohol or another drug is also involved.

Of the drug-related deaths involving blacks, 35 percent are women; of those involving whites, 45 percent are women.

The median age for drug-related deaths for black males and females and white males is 28 years. The median age for white females is 43 years.

Sources.—Drug Abuse Warning Network, 1977; National Survey on Drug Abuse: 1977; Report of the Commission on Mental Health, 1978.

WHY ARE MORE WOMEN MISUSING DRUGS?

Muriel Nellis, president of a Washington-based consulting firm, is something of an expert on grassroots attempts to define and meet the special needs of women substance abusers. She believes that pharmacists could make an important contribution toward helping those women.

"Even if they just act as informational assistants to the consumer, pharmacists are in a glorious position to educate people about drugs," Nellis told *American Pharmacy* during a congressional hearing on drug abuse and women. "We are all the losers because pharmacists aren't used properly."

Nellis, three congresswomen, special assistant and pharmacist Alberta L. Henderson of the Department of Health, Education and Welfare (HEW) and acting director Karst Besteman and public health analyst Margo Hall, both from the National Institute on Drug Abuse (NIDA), testified in mid-July before Rep. Lester Wolff's (D-NY) Select Committee on Narcotics Abuse and Control. All spoke on women and drugs during one of the committee's investigative hearings on special populations with a high risk of substance abuse.

MORE PRESCRIPTIONS FOR WOMEN

"Statistics indicate that of the more than 200 million prescriptions written each year for tranquilizers, analgesics, barbiturates and amphetamines, women are the recipients of twice as many of these prescriptions as men," Wolff said during his opening statement. He explained that the committee hoped to determine why so many women are taking mood-altering substances, the current availability of treatment services for female substance abusers, special research needs in the area and current federal and local responses to the problem.

Representatives Patricia Schroeder (D-CO), Barbara Mikulski (D-MD) and Lindy Boggs (D-LA) were the first witnesses to testify before the all-male House select committee. Each pointed to societal pressures and the health care professions as contributing to—and even encouraging—women's dependence on "mother's little helpers" such as Librium and Valium to cope with problems in their lives.

"We as a society imply that women are weaker and therefore need more crutches to cope, and drugs are (presented as) an acceptable crutch," Schroeder said.

SCORING PHARMACEUTICAL ADVERTISING

Mikulski was more specific, saying: "The health delivery system for women in this country is a disaster. Drugs are sold by media hype that feeds into male physicians' stereotypes of women."

She displayed examples of pharmaceutical advertising taken from professional journals depicting harassed-looking women for whom mood-altering drugs are recommended.

"These people are legal pushers," she said. "Is this the way that doctors should decide about the medication they give to their patients? I have always thought that doctors made the decisions based on medical journals, not Madison Avenue hype."

"We can do something positive to help people afflicted by substance abuse if the entire community works together," Boggs told the committee, pointing to Nellis and the Alliance of Regional Coalitions on Drugs, Alcohol and Women's Health as examples of effective cooperative programs.

NO 'QUICK FIX' NEEDED

Mikulski summed up the congresswomen's recommendations by urging the committee to take the first step toward "consciousness raising" by interviewing women who abuse drugs and alcohol, talking with physicians who prescribe mood-altering drugs to women and examining pharmaceutical advertising practices.

"I don't want this committee to recommend a 'quick fix,'" Mikulski said. "Don't just recommend reshuffling agencies within HEW or additional research or assertiveness training for women. The problem is bigger than that and the women in this country deserve better."

Rep. L. Herbert Burke (R-FL) didn't see the problem as being quite so clear-cut.

"Who tells women they should turn to alcohol and drugs?" he asked, adding that he had never done so.

Burke expressed his incomprehension of Schroeder's testimony and suggested that she "just doesn't like men." The ensuing dispute was cut short by a call from the floor of the House of Representatives for a vote, and the hearing was recessed.

'LIBERATION, NOT LIBRIUM'

Muriel Nellis, who is the wife of the select committee's chief counsel, Joseph Nellis, helped the hearing resume with her call for "liberation, not Librium" for women.

She referred to an "incestuous relationship" between physicians and other members of the health care industry which prevents adequate attention from being directed toward the special needs of women.

Nellis inserted in the hearing record a copy of the recommendations made by the Alliance of Regional Coalitions on Drugs, Alcohol and Women's Health, and urged the committee to "spearhead the effort" to "bring together what is known . . . and recommended legislative and Presidential action which would at least preserve the lives and futures of American women and children."

HAS NIDA NEGLECTED WOMEN?

The last three witnesses, all presently or formerly connected with NIDA, admitted that agency's lack of attention to the specific needs of women.

"It isn't a matter of knowing and not acting, it is trying to stimulate action using the means available," explained pharmacist Alberta Henderson, former director of NIDA's Program for Women's Concerns. She explained that during her tenure at NIDA she saw people "making the best effort where they can, when they can" to help develop programs for women, but that lack of money budgeted for women's programs prevented anything from being done.

Karst Besteman, acting NIDA director, and Margo Hall, NIDA public health analyst, admitted that little has changed since Henderson became a special assistant with HEW's Human Development Services nearly a year ago.

However, they said, NIDA is now trying to "shift its research emphasis" to find out why women are misusing drugs and to develop programs of education and treatment more tailored to women's needs.

Henderson agreed with Nellis that pharmacists have a unique role to play in helping prevent the misuse of legal drugs.

"A pharmacist has a responsibility to the community to help make doctors more acutely aware of who is getting what psychotherapeutic drug and in what quantities," she told American Pharmacy. "If a pharmacist can watch prescriptions for mistakes in dosages, for example, he or she can certainly call a doctor and tell him that Mrs. Jones is asking to have her Valium prescription refilled for the eighth or tenth time, or that she has prescriptions for the same drug from more than one doctor.

"Pharmacists can also make themselves available through their professional organizations as speakers to civic groups to educate people about drug use and misuse. A pharmacist should come out and participate in every health effort that comes through the community." ●

ADDITIONAL COSPONSORS

S. 91

At the request of Mr. THURMOND, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 91, a bill to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes.

S. 945

At the request of Mr. MATHIAS, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 945, a bill to prohibit taxation by a State of electricity generated in that State and transmitted to and consumed in another State.

S. 1055

At the request of Mr. HELMS, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1055, the Gold Coinage Act of 1979.

S. 1068

At the request of Mr. DOLE, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1068, a bill to amend the Social Security Act to maintain additional 3 years for disabled children receiving SSI benefits.

S. 1121

At the request of Mr. HAYAKAWA, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Florida (Mr. STONE), the Senator from Alaska (Mr. GRAVEL), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 1121, a bill to amend the Saccharin Study and Labeling Act.

S. 1203

At the request of Mr. BAYH, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1203, a bill to amend the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness.

S. 1364

At the request of Mr. TALMADGE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1364, a bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services, and any State agricultural experiment station, to obtain excess property from the United States.

S. 1524

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1524, a bill to prohibit the enforcement of compliance with voluntary guidelines by withholding Government contracts.

S. 1592

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 1592, the Financial Regulation Simplification Act of 1979.

S. 1659

At the request of Mr. WALLOP, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 1659, a bill to amend the Internal Revenue Code of 1954 to provide for the treatment of property as energy property for investment credit purposes after December 31, 1982, where the taxpayer is affirmatively committed on that date to its construction, reconstruction, erection, or acquistion.

SENATE JOINT RESOLUTION 97

At the request of Mr. DANFORTH, the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of Senate Joint Resolution 97, designating April 13 through April 19 as "Days of Remembrance of Victims of the Holocaust."

AMENDMENT NO. 407

At the request of Mr. DOLE, his name was added as a cosponsor of amendment No. 407 intended to be proposed to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for fiscal years 1980, 1981, and 1982.

AMENDMENTS SUBMITTED FOR PRINTING

SECOND CONCURRENT BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 419

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

AMENDMENT NO. 420

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, supra.

● Mr. JAVITS. Mr. President, I am submitting an amendment to the second budget resolution, Senate Concurrent Resolution 36, to add $1.1 billion in budget authority and $0.9 billion in outlays to income assistance (function 600) for the purpose of providing fuel assistance to needy families this winter. This action will not increase the deficit because the funds are to be transferred from the energy supply mission (function 270).

I am keenly aware that this will constrain the already stretched energy outlays budgeted by the committee and that this amendment poses some difficult choices. While there is ample room within the budget authority figure of $41 billion to accommodate this and other portions of the President's energy initiatives, the $7 billion in outlays budgeted by the committee is extremely tight. It is our intention that the transfers come from energy supply outlays and be allotted in such a manner that parts of new projects be marginally delayed and that some contracts be put off till next fiscal year. Indeed, the committee may wish to arrange for other transfers among outlays.

However, the urgent needs of the poor for heat and light in the wake of the recent devastating OPEC price increases must be our first priority. It is, indeed, a life and death matter before which other priorities, even important ones like some of our energy construction projects, should give way. The $500 million ceiling on fuel assistance recommended by the committee is simply inadequate to meet the heating needs of the elderly who have inadequate income and the poor this winter.

The recent escalation in residential fuel bills means we would have to double the level of last year's crisis assistance program which was $200 million, merely to meet the needs of the same 900,000 households served by that inadequate program. Yet the administration and the groups representing the poor and these elderly agree that there are many times that number of households in need. The White House has estimated the $1.6 billion in funds requested would provide $200 each to 6 million families in need. Our estimates and those prepared for

the Department of Energy show 12.5 to 16 million poor and near-poor families needing help to avoid the dreadful choice between heating and eating.

My amendment accommodates this more realistic estimate of the minimum need for emergency assistance. At present the committee has allotted $22 billion in additional budget authority in function 270 to reflect commitments from new oil tax revenues to new energy supply programs; and my amendment transfers $1.1 billion from this $22 billion to function 600. The Budget Committee has allotted $4.7 billion in outlays for new energy supply programs; and our amendment transfers $0.9 billion of that to function 600.

Mr. President, we face difficult choices given these tight budget conditions. If we are to accept the responsibility for protecting the poor from the cold we must make tough choices.

It is my hope that together with the distinguished chairman, ranking member, and members of the Budget Committee we can arrive at a way to provide this sorely needed basic energy assistance.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 420

On page 5, line 10, strike "$41,000,000,000" and insert in lieu thereof "$39,900,000,000," and in line 11 strike "$7,000,000,000" and insert in lieu thereof "$6,100,000,000."

On page 8, line 16 strike "$216,600,000,000" and insert in lieu thereof "$217,700,000,000," and in line 17 strike "$188,400,000,000" and insert in lieu thereof "$189,300,000,000." ●

NOTICES OF HEARINGS

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to alert the Senate to a change in schedule for hearings before the Special Committee on Aging this week regarding "Energy Assistance for the Elderly."

The hearing scheduled for Wednesday, September 12, has been canceled. In addition, the hearing scheduled for Thursday, September 13, will begin at 9:30 a.m., instead of 10 a.m.

The administration will be the leadoff witness.●

SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

● Mr. RIEGLE. Mr. President, on Friday, September 14, 1979, the Subcommittee on Alcoholism and Drug Abuse, of the Committee on Labor and Human Resources, will hold a hearing concerning consumer health warnings for alcoholic beverages and related issues, including S. 1574, a bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Alcohol Administration Act, to provide for health warning labels on alcoholic beverages.

The hearing on September 14 will be held in room 6226 of the Dirksen Senate Office Building at 9 a.m. Questions concerning this hearing should be directed to Craig Polhemus or Nancy Olson of the subcommittee staff at 224-8386.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on the SALT II treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUILDING TEMPERATURE CONTROLS—AN EXCELLENT EXAMPLE OF PAPERWORK AND REGULATORY NIGHTMARE

● Mr. DOMENICI. Mr. President, the Department of Energy's emergency temperature restrictions, requiring nonresidential buildings to set thermostats no lower than 78° F. for cooling, no higher than 65° F. for heating, and no higher than 105° F. for domestic hot water, serves as an excellent example to citisens of the United States of the bureaucratic nightmare of converting a plausible energy conservation plan into a paperwork and regulatory nightmare. Congress approved the Department of Energy's temperature control plan on May 10, 1979, and President Carter made the temperature control plan effective July 16, 1979.

Administration of this energy conservation program, projected to reduce oil use by as much as 400,000 barrels daily, has been conducted by not more than a handful of Department of Energy officials. The unfortunate incomplete and ineffective implementation of this temperature control plan has added to the severe lack of public confidence in ability of the Department of Energy to do anything. Perhaps Secretary of Energy Duncan may wish to use this program for his first reorganization project to improve the Department of Energy's administration.

The original plan as submitted to Congress would require each owner to keep records and submit reports as the Secretary of Energy may require. Little did the people or the Congress realize that this delegation of power was going to require mountains of paperwork for the mere adjustment of thermostat settings, particularly for small businesses. Already, the Department of Energy has issued 16 pages of regulations in the Federal Register on temperature restrictions. An additional 15 page manual, "How To Comply With the Emergency Building Temperature Restriction," must be reviewed by building owners before proper compliance can be assured for completing three Department of Energy forms.

For each building an owner must complete and post a Department of Energy "certificate of building compliance," keep on file an "exemption information form," and mail back to the Department of Energy the "building compliance information form," if a businessman owns five or more buildings, three Department of Energy forms must be filled out for each building. This requirement entails the filing of a total of 15 million forms for the entire country.

In addition, each owner or small businessman must have the skills of a lawyer and building engineer to interpret the regulations and to claim any of the 17 exemptions that may apply. For example, a small retail grocer must study the regulations to know that an exemption may be claimed for the proper storage of food because refrigeration equipment suffers severe frost buildup; or the use of waste heat from refrigeraton equipment or solar units as the only source of heating and cooling energy; or State or local health regulations requiring hot water temperature levels above 105° F. Fourteen other exemptions could also apply.

Distribution of the Department of Energy's "How To Comply With the Emergency Building Temperature Restrictions" is another example of disarray. The Department of Energy originally promised the forms and instructions would be "made available at post offices throughout the country." On August 20, 1979, the Department of Energy announced limited distribution to the main post offices in the 65 largest cities. This is a great advantage for those businesses located in the 21 cities in California, Texas, and New York having post offices that will receive the forms. Unfortunately, for my constituents in New Mexico and the people in 20 other States, no distribution to post offices is planned. New Mexicans are understandably irate when informed that forms can be obtained from post offices in Arizona, California, Colorado, and Texas, but not New Mexico.

After promising delivery of the forms by the end of July, some distribution was begun in mid-August. Distribution through trade associaitons may have alleviated the problem. Trade associations providing labels and membership lists received some of the Department of Energy books. The more than 100 national associations and other business representatives ordering bulk supplies for redistribution to members have just begun to receive the forms they have ordered.

Despite these efforts of the private sector, thousands of businesses have not received the forms necessary for compliance. Even though the Department of Energy had delayed the compliance date for posting forms until September 1, 1979, the totally inadequate distribution has made implementation of the program unworkable.

Further, this energy conservation plan is costing the American taxpayers approximately $8 million for administration. Businesses are expending untold dollars for compliance. Many constituents express disbelief at the paperwork required in the name of energy conservation when individual efforts to achieve cost and energy savings are being undertaken.

The best solution is for Department of Energy to abandon the unnecessary paperwork. For the 1978 fiscal year the Department of Energy had reduced the overall burden of repetitive reporting by an estimated 5.1 million hours or 58.3

percent. But between October 1 and December 31, 1978, the burden of repetitive reports increased 1.6 million hours or 42 percent. The Office of Management and Budget's recently issued report "Paperwork and Redtape: New Perspectives—New Directions" anticipates increases in reporting hour burdens under many new energy statutes to be implemented. "For example, the Powerplant and Industrial Fuel Use Act became effective May 8, 1979. The Department of Energy estimates the total burden of seeking exemptions under this statute to be under 200,000 hours; companies estimate the burden of the proposed forms and regulations to be more than 15 times the DOE estimate. Programs to implement the National Energy Conservation Policy Act may involve annual reporting burdens of over 3,000,000 hours."

And after all this, after a patriotic businessman goes through the effort of obtaining the necessary forms, the expense of filling them out and complying with the requirements, what have we achieved? Because of the lack of enforcement capabilities, the indifferent businessman or the one who refuses to participate in this paper flurry will remain out of compliance. The Nation will not save the energy projected and we will have simply expanded the bureaucracy.

The American public has the will to conserve energy. Escalating energy prices have enforced that need on the American people. Future energy conservation plans must allow alternative or comparable methods for conserving energy by businesses and encouraging voluntary compliance. Not all businesses use the same types of energy. Such businesses and industries should be given the opportunity to implement their own energy conservation measures instead of having counterproductive Federal mandatory paperwork and regulations imposed. The people's confidence in the Federal Government will not increase until the people are permitted to control their destiny free of unnecessary and cumbersome regulatory burdens and the result we all desire, conservation of energy, is actually achieved.●

THE WORK INCENTIVE PROGRAM

● Mr. TALMADGE. Mr. President, since its inception a decade ago, the work incentive program (WIN) has steered a million welfare recipients into gainful employment at a tremendous savings to the American taxpayer.

In 1978, almost 500,000 persons left the welfare rolls for employment and training, saving the taxpayers some $650 million in welfare payments, not to mention reduced payments for medicaid, food stamps, or increased revenue generated by placing people in gainful employment.

The work incentive program is the only real welfare reform that I have seen enacted since I came to the U.S. Senate. It is both cost effective, saving $2 for every dollar spent on the program, and it increases human dignity that comes from economic independence and productivity.

Mr. President, I call to the attention of my colleagues an article written by Mr. John Toon regarding the work incentive program in Clarke County, Ga., that appeared in the Thursday, September 6, edition of the Athens Observer, and ask that it be printed in the RECORD.

The article follows:

SAVING WELFARE $$$—WIN PROGRAM PUTS PEOPLE TO WORK

(By John Toon)

The able-bodied welfare recipient who spends his days collecting benefits and watching television is a popular stereotype, but a program jointly carried out by the Clarke County Department of Family and Children's Services (DFCS) and the local Department of Labor is attempting to eliminate that image.

Called the Work Incentive Program (WIN), it has placed some 167 Clarke County public assistance recipients in jobs since October, saving about $74,000 in benefits that would have been paid had the recipients not found work, according to Janet Fong, WIN coordinator for the DFCS.

All recipients not covered by specific exclusions—such as illness, age, or young dependent children—are required to register for work, and "it is our job to get them a job and help them keep it," she explained.

Those excluded from the mandatory registration may still volunteer for the WIN program, and many do, Fong added.

After registering, the recipients go to a job appraisal interview, in which their qualifications and interests are discussed. If the recipients have particular problems, the department can often help solve them.

Child care, family planning counseling, medical care, household budgeting, home management—and employment training—may be offered to recipients who need help getting ready for work, she said.

We know that many children have never been exposed to the significant learning experiences of good day care," she explained. "In fact, statistics prove that increasing numbers of young children of working mothers are cared for poorly or not at all. WIN considers good day care to be a vital step toward breaking the poverty cycle."

The program can pay day care costs for up to 60 days for recipients who need the service in order to work. For recipients in job training programs, WIN can provide child care for up to one year, Fong added.

All the services, she explained, "have to do with increasing the individual's sense of worth; with restoring dignity and a sense of being able to determine one's own destiny."

One of the most innovative services offered by WIN is the intensive employability training. It teaches people what they need to know to get a job and keep it.

"A lot of people we work with either don't have any job experience, or they haven't worked in a long time," she said. The program teaches such things as the importance of getting to work on time, how to apply for a job, how to find a job, and how to get along with fellow employees.

"Sometimes it's as simple as teaching them how to fill out the form," Fong explained. "We want them to be able to find their own jobs."

Once WIN decides the recipient is ready for employment, it has several options available. The first, of course, is regular employment with a firm that has an opening in a position suited to the recipient.

But for the many persons who do not have a marketable skill, there are three training programs designed to give that experience.

"Institutional training is available when the participant has indicated an interest in and has shown an aptitude for employment that requires special training," she noted. Examples are secretarial training and nursing training offered in vocational training schools.

A recipient who has no skills may be placed in a work experience program in which an employer agrees to train the participant—but does not pay him any wages for work done while in training.

Participants are paid up to $30 a month by WIN while in the work experience, and up to $3.50 a day for training expenses.

"The employer obligates himself only to train the participant, but in many cases he hires the individual at the end of the training period," she said, adding that in many cases the training period turns into a probationary period during which the employer finds out if the participant would be a good employee.

A final type of training program is on-the-job training for businesses where there may be a shortage of skilled people.

"Local employers who are willing to contract to provide such training may be reimbursed through WIN for up to 50 percent of the training expenses incurred," said Fong. "At the end of the contract period, the employer is expected to hire the successful trainee."

In addition, 20 percent income tax incentives are available to employers who hire or train WIN participants.

Finally, participants who cannot be placed into any of the other programs may be placed into public service employment with a local non-profit agency. The recipient receives no pay, but the job serves as experience while giving the agency additional manpower at no additional cost.

Fong said that in addition to the 167 persons placed into regular employment, another 10 went into job training, seven into on-the-job training, and five into public service employment.

Between 70 and 80 percent of participants placed into jobs retain them," she said. "Employers have found for the most part that WIN employees are on a par with other employees in performance and dependability—and in some instances superior." ●

SALT III AND ARMS CONTROL

● Mr. McGOVERN. Mr. President, it has become clear that SALT II is at best a modest steps toward genuine arms control. The difficulty is that nuclear technology continues to sprint forward; arms escalation has outpaced arms negotiation. For this reason, a number of Senators will be looking toward SALT III to produce substantial reductions and genuine restraints on strategic arms. My decision whether to vote for or against SALT II will depend largely on the prospects for meaningful limitations in SALT III, and I shall be offering a declaration of policy on SALT III as an amendment to the SALT II resolution of ratification.

Yesterday, the Foreign Relations Committee held a hearing on SALT III and arms control. The statements presented by Ambassador Paul Warnke and by Prof. Wolfgang Panofsky provide a series of constructive proposals and insights to help us begin serious thinking about SALT III. I submit the text of their prepared statements to be printed in the RECORD, to assist my colleagues in their consideration the outlook for SALT III.

The texts of the statements follow:

STATEMENT OF PAUL C. WARNKE

ARMS CONTROL AND SALT III OBJECTIVES

Mr. Chairman and Members of the Committee: As the Members of the Committee

know, I left my government responsibilities with regard to the strategic arms limitations negotiations over ten months ago. Accordingly, my comments today on possible approaches to SALT III must be considered to be those of a private citizen. They are, of course, based on my close personal observation of the SALT process.

In my opinion, it is imperative that the ratification of the SALT II treaty take place as soon as possible so that this process may go ahead without further loss of time. Experience shows that, as SALT plods along, the unimpeded advance of nuclear technology puts ever greater obstacles in the path of sound and effective nuclear arms control.

As I testified before this Committee last July, I see one of the main advantages of the SALT II treaty as being the creation of a firm foundation on which further quantitative reductions, qualitative constraints and other limits on nuclear weapons development may be based. Accordingly, I do not see as the goal of the SALT III negotiations the creation of a whole new replacement treaty. With the entry into force of the SALT II treaty, we will have the basic structure for a continuing nuclear arms control regime.

Much, if not most, of the SALT II negotiations centered around such fundamental issues as the definitions of the particular nuclear weapons systems to be covered and the provisions on verification. These issues need not and should not be renegotiated. They may, of course, be supplemented.

Nor, as was the case with the SALT II treaty, need there be agreement on the entire congeries of complicated issues before agreement can be reached on any individual item or related set of items. In SALT II, nothing could come into effect until everything was settled. Now, it would facilitate the negotiations and yield much more rapid progress if SALT III is conceived as a set of separable packages.

Thus, President Carter has made it clear that he places very high priority on substantial reductions in both the overall aggregate of nuclear weapons delivery systems and the subceilings on the more dangerous and destabilizing of these weapons systems. These subceilings are among the more useful precedents created by the SALT II treaty. At an early stage, it should be possible to agree, for example, that when the reduced ceiling of 2,250 is reached by the end of 1981, further reductions will be made to bring the aggregate strategic nuclear delivery vehicle total to a figure well below that level by the end of 1985. At the same time, and as part of the same package, agreement should be reached to cut, by that same end date and to a significant extent, the subceilings of 1,200 MIRV'ed ballistic missile launchers and 820 launchers of MIRV'ed intercontinental ballistic missiles.

Associated with this package of quantitative cuts, there should be an agreement to extend the term of the SALT II treaty, at least through 1990.

This relatively simple package would, of course, require Senate ratification before it came into effect. It could, however, be presented to the Senate as soon as it has been negotiated and it should not, I think, prove to be controversial.

Another set of related proposals could be those that are designed to have a further inhibiting effect on the development of new types of strategic nuclear weapons capability. One such measure would be a limit on the number of intercontinental and submarine-launched ballistic missile tests that can be conducted in any one year. Either the limit of six which was part of the March 1977 proposal might be considered or perhaps some separate ceiling applicable only to ICBM's.

Another such limit, which could be associated with that on test firings, could be a ban on any testing of submarine-launched ballistic missiles in depressed trajectories, a development which would lessen the warning time for attacks on our strategic bomber force. The limits on changes in existing missiles should be tightened to the extent that verification considerations permit. Specific inhibitions on any new strategic weapons in the early concept stage could also be included in this particular package of SALT III amendments to the basic SALT II treaty.

My preference for this separate package approach to SALT III is grounded in large part by the next set of SALT III issues that I would like to discuss. These involve the so-called grey area systems—the theatre nuclear weapons that come in between the tactical battlefield classification and those of strategic intercontinental range. Obviously, these longer range weapons in the theatre nuclear forces create negotiating and political problems of great complexity. Their direct relationship to alliance force structure decisions means that their disposition in treaty provisions cannot be an exclusively bilateral process. Our recognition of the sensitivities that these theatre nuclear forces evoke was reflected in our insistence in SALT II that only weapons of intercontinental range would be covered. At the Vladivostok meeting between President Ford and General Secretary Breshnev, the Soviets accepted our position that forward-based systems in Europe would not be included.

There is, as the members of the Committee know, not complete consonance of views among the NATO allies as to the inclusion of theatre nuclear forces in SALT III. At the same time, it is clear that alliance decisions on the upgrading of NATO's theatre nuclear forces can only be made in the context of developments in Soviet nuclear forces of comparable range. Moreover, the only restraints on long-range ground launched and sea launched cruise missiles are those contained in the Protocol, which inhibits only the deployment but not the testing of such weapons through 1981. It seems very likely that the Soviet negotiators will propose, as part of SALT III, new restrictions on cruise missiles on ground or sea launchers that could reach the Soviet Union from Western Europe. We, however, have made it very clear to the Soviets that no such restrictions could be accepted unless there are comparable restrictions on such long-range theatre systems as the Soviet SS-20 and the Backfire bomber.

Any decisions as to what theatre nuclear weapons we are prepared to forego, and in return for what limits on Soviet theatre nuclear forces, must be made in close consultation with our Western European allies. These decisions will require careful analysis of the implications for NATO's security of going ahead or holding back. Will, for example, a surprise attack on Western Europe be less or more feasible if both NATO and the Warsaw Pact have uncountable numbers of long-range cruise missiles deployed on ground and sea launchers? Splendid as our verification capability is, I know of no way that we could tell or the Soviet Union could tell how many such missiles are in fact deployed, against what targets they are aimed, or even whether they are aimed with nuclear or conventional warheads or a mix of both.

Moreover, even if the other NATO countries are willing to have questions of theatre nuclear forces negotiated in bilateral meetings between the United States and the Soviet Union, it seems certain that this part of SALT III could only go ahead with some more formal and more continuous consultative mechanism, whereby we would have constantly to renew the proxy given to us by our allies. We would, I am certain, be completely unwilling to decide issues basic to NATO's nuclear military forces except on the basis of full agreement and understanding within the alliance.

But, as I see it, there is no reason why this set of issues, which raise such troubling political, military and negotiating problems, should hold up further bilateral agreement on deep cuts and new qualitative restraints on strategic range nuclear weapons systems. There is, I recognize, a temptation to find a relationship among all of the questions that can arise as the SALT negotiations continue. The breaking down of these issues into separate packages, that might be negotiated, signed and ratified as separate amendments to the basic SALT II treaty, foregoes some opportunity for trade-offs. But, to take one simple instance, we would certainly have preferred to see lower figures than 2,250, 1,200 and 820 as part of SALT II. We in fact proposed, unsuccessfully, limits on flight tests and the testing of submarine launched ballistic missiles in depressed trajectories. If and when we can secure agreement on these further cuts and these new restraints, I can see no reason why they should not promptly be brought into force as amendments of the basic treaty.

As for the relationship between SALT and other arms control initiatives, I would support Dr. Panofsky's suggestion that the SALT forum might be used to agree with the Soviet Union on a cutoff of production of fissionable material for military purposes. The United States has repeatedly supported such a cutoff in the past and its coming into being would be consistent with our attempts to improve security and lessen the risk of nuclear war by limiting further the development of new nuclear weapons. In addition, I think the speedy completion of a comprehensive ban on the testing of nuclear explosive devices is both possible and highly desirable. Again, such a ban would impede the creation of new and even more destructive nuclear weapons systems. Having headed our delegation to these Comprehensive Test Ban negotiations until last November, I am confident that what once appeared as the major problems can now be readily resolved.

Moreover, the cessation of testing of nuclear explosive devices is, as I see it, an indispensable part of a realistic policy against the proliferation of nuclear weapons. So long as we and the Soviet Union insist on our need for further tests of nuclear weaponry, our pleas that other sovereign states forego any such testing are destined to fall on deaf ears. Whatever national security arguments might be made for continued testing are, I am convinced, dwarfed by the national security detriment of encouraging other countries to acquire a nuclear weapons capability.

Finally, I would like to make my own plea for the assigning of a higher priority to the completion of new limitations on strategic nuclear weapons. The process, as I see it, is inescapably a slow and cautious one. We can't afford to speed it up at the sacrifice of thorough consideration and full exploration of the possibilities. But neither, in my opinion, can we afford to draw it out artificially and unnecessarily by holding SALT hostage to every swing in United States/Soviet relations.

SALT, as I have said repeatedly, is not a favor that we are doing to the Soviets, one that we can withhold as a punishment or proffer as a bribe. SALT is instead a responsibility that history, our scientific genius and our position of world leadership have placed upon us. Confident as I am that the SALT II treaty is a major step forward to nuclear sanity, I am equally convinced that we must go further and go faster. It is for these reasons that I recommend strongly that we get ahead with it, that the SALT II treaty be ratified promptly, and that it be used as the firm foundation for a series of additional and separable improvements that can be considered and accepted as amendments to the basic treaty.

Such an approach can mean more rapid and substantial progress, and permit the consideration of SALT issues in an atmosphere less politically charged. It affords a means whereby the more complex and controversial issues will not prevent the prompt entry into force of simpler but no less significant steps in nuclear arms control.

TESTIMONY OF W. K. H. PANOFSKY

APPROACHES TO SALT III

I am pleased to have the privilege of testifying before your Committee again, this time in connection with the pending ratification of the SALT II Treaty. I have been interested and involved in Arms Control since World War II, and I am currently a member of the General Advisory Committee on Arms Control and Disarmament. However, I am testifying here as an individual citizen, giving my personal views.

SALT III in the context of SALT II

I am speaking about approaches to SALT III in the context that SALT II will be ratified without amendments. I will assume that any concurrent resolutions would deepen the legal commitment to the provisions of SALT II, but would not change its substance or basic intent. I continue to be persuaded that ratification of SALT II is strongly in the net security interest of the United States. This Committee has heard many witnesses from within and without the Administration enumerating how the provisions in SALT II place limits on the threat against which this country has to be prepared, and how several of the other provisions assure the integrity of our intelligence collection assets. It has been amply demonstrated that the level of strategic nuclear weapons in the absence of SALT on both sides would be substantially higher than with SALT enacted. Moreover, witnesses have been persuasive in demonstrating that SALT II places more substantial restraints at this stage of nuclear weapons development and deployment on the Soviet Union than it does on the United States. I will not repeat these arguments here in further detail.

You have also heard numerous criticisms of SALT. Yet I have heard no criticisms to which an easier remedy can be found through repudiation of SALT II. You have heard numerous criticisms of our military posture. Yet I have heard no proposed measure to improve that posture which is easier to achieve by repudiation of SALT II. Most, if not all, of these criticisms deal with questions outside the provisions of the SALT agreements themselves, but involve issues which the critics believe will be affected adversely through political linkages if SALT were enacted. I find it interesting that many of these arguments are in opposing directions: There are those who argue that enactment of SALT II will lull us into a false sense of security and therefore will impair the willingness of this country to provide adequately for its own defense. To argue against an arms control treaty which demonstrably in terms of its intrinsic content will enhance our security by claiming that it will make future Administrations and Congresses be less than diligent in providing for the national defense, is at variance with the basic tenets of our system.

There are also those who argue that the price for ratification in terms of additional armaments is too high: in other words that SALT II will increase military spending beyond what could have been justified in the absence of the Treaty.

I note that these two criticisms are paired in their consequences, and I do not believe that either is valid. I have confidence that future elected officials of this nation can establish national priorities wisely.

It is essential to refocus the debate on the fundamental issues of the content of the Treaty and Protocol and not to be swayed unduly by the perceived linkage between SALT and other political or military issues. This conclusion is particularly important in the SALT III context: the progress from SALT II to SALT III, to which both the U.S. and USSR are committed, can hardly continue if the process is burdened with the politically perceived linkages of critics with a wide variety of views.

SALT II vs. Defense spending

Let me specifically comment on the linkage between ratification of SALT II and a commitment on the part of the Administration for increased defense spending, either in terms of a rate of growth of the U.S. defense budget for several years, or in terms of procurement of specific military hardware. I find this concept extremely troublesome. Requiring as a price for ratification increased military spending in the name of arms control would destroy the very purpose of that process. Moreover, it would contradict the key conclusion which I believe has been presented persuasively to this Committee by the majority of witnesses, namely, that the security of this nation will be greater, albeit by a small measure, with enactment of SALT than without. Therefore, however threatening one evaluates the Soviet military buildup to be, the defense spending required to counter that threat would be lower with SALT enacted. Note that this comment does not specify how large defense expenditures should actually be: I am only saying that the effect of SALT should tend to decrease that budren. To maintain exactly the opposite, that ratification of SALT should be held hostage to a commitment for increased military spending, lacks any logical connection, irrespective of Soviet conduct or threat.

If, as part of the duty of the Senate to pass on ratification of a treaty negotiated by the Executive, the Senate would pre-commit itself on defense expenditure levels or approval of specific military systems, this would be a disservice to another constitutional role of the Executive and Legislative branches. The Congress through both the Senate and the House has the responsibility of examining critically any public spending, be it military or civilian, and of passing upon the merit of specific military systems through the annual authorization and appropriation processes. Such decisions determine our national priorities and are traditionally decided by a majority of both houses, not by one third of the Senate. If ratification of SALT II in essence pre-determines such decisions, then the power of both houses and also of the Executive branch in setting the budget is weakened. If SALT II is held hostage until this years' authorizing and appropriating processes have been completed, or until supplementary appropriations have been procured, then SALT II bears a burden through delays and linkage which would augur badly for the future of SALT III.

Arms control vs. technology

This leads me directly to the matter which concerns me most about SALT and that is its slow rate of progress. SALT was initiated in 1967 at the meeting of President Johnson with Premier Kosygin at Glassboro, N.J. It has thence proceeded through four administrations, through a Treaty and several Agreements and Protocols, and has now led to the signature of SALT II. This process was initiated by the realization that, apparently inexorably, the world was accumulating nuclear warheads. Their number is now near 30,000, the great majority of which are more powerful than the two weapons which killed one-quarter of a million people in Japan. It appeared to both nations to be a pressing matter to reverse this evolution. Since well over 99% of the world inventory of nuclear weapons was (and still is) in the hands of the Soviet Union and the United States, a bilateral negotiation with its expectation of relative simplicity appeared to be the best forum. Now, 12 years later, although SALT I has had a beneficial effect in assuring the penetration of our deterrent warheads, and despite the fact that SALT II in itself is a clear asset to our national security, we find that technology has outstripped the pace of diplomacy and political decision making. In other words, the arms limitation which the SALT process has so far achieved is of lesser magnitude than the evolution of new military technical systems which has occurred in the interim period during which these limitations have been achieved. Such items as the Cruise Missile and the Backfire Bomber, as well as most long-range weapons systems which have theatre-warfare roles, were not in the picture when the SALT process commenced, and their emergence greatly complicates future negotiations. Moreover, the quality of strategic weapons has greatly improved while SALT was in the process of negotiation.

Therefore, such problems as the vulnerability of the land-based deterrents of both sides and the consequent deterioration of strategic stability have grown during that period. It is therefore my belief that SALT III offers possibly the last opportunity to convert the important but relatively modest achievements of SALT II into a true halt and possible reversal of the dangerous and burdensome competition in nuclear weapons.

SALT III: Limited or ambitious objectives?

There is currently a substantial division of opinion on the role of SALT III. Some believe that the function of SALT III should be primarily to settle the unfinished business of SALT II. The reason why SALT II has such a complex structure is that it represents different levels of agreement. The Treaty deals with items on which definite long-term agreement was possible. The Protocol covers items which are being put on a limited time "hold" because these issues could not be resolved to the satisfaction of the negotiating parties. The Backfire letter deals with a military area which had been excluded by mutual agreement from the SALT process but on which the U.S. demanded assurance. All these instruments are binding legally but cover a different stage of decision making. Considering the difficult negotiations of the past, it therefore appears natural for some to view SALT III as a vehicle to complete negotiations on these items, and to deepen the actual constraints of SALT II.

There are others, and I count myself among them, who believe that SALT III must achieve what colloquially is designated as "deep cuts." I would rather use the term "incisive arms control" "to signify that a great deal more must be involved than major numerical reduction in military systems. I recommend strongly that highly ambitious goals be set for SALT III since I see the SALT process as the only avenue in view which has any hope of reversing the threatening rise in nuclear weaponry which we are experiencing, and I see the race between SALT and nuclear weapons evolution lost unless the SALT process can be accelerated.

SALT III: Simple formula or complex package?

Let me now turn to SALT III in the "incisive arms control" context. Deep numerical cuts in nuclear weapons systems in themselves may or may not add to our security, depending on their detailed nature. For instance, a formula of annual reduction of the aggregate strategic nuclear delivery vehicles with complete "freedom to mix" among them could have destabilizing consequences. For example, one or the other of the two nations might under such a formula choose to eliminate first those deterrent strategic nuclear delivery systems which are unsuitable for a counterforce role, but would retain those which have the largest potential to preempt

through a first strike the deterrent forces of the opponent.

If such a choice were made, we would face an even more dangerous world. Therefore I see no escaping the conclusion, however much one would like to see a treaty as complex as SALT II be followed by the high simplicity of a simple reduction scheme, that such an agreement would not be in the U.S. security interest. SALT III is likely again to be a complex undertaking and will again require careful attention to details and definitions, as was the case with SALT II. This does not mean that the details of the process under which SALT II was negotiated must be perpetuated: on the contrary, I hope means will be found to accelerate the negotiation and ratification processes.

Starting from the premise that SALT III will have to be an arms control package containing both mutual reductions and qualitative limits or technology, I would like to enumerate several candidate provisions for such an agreement. I am talking here only about candidate provisions because at this time no one can reasonably give detailed prescriptions for each element or the totality of such a package. While I would encourage the Senate to adopt a resolution urging "incisive arms control" and an increase in the pace of arms control negotiations, I strongly counsel against being too specific or constraining in such a resolution. Not only are the necessary basic studies within the government in formulating specific provisions incomplete, but there is also a danger that a Senate resolution which constitutes a "de facto" instruction to the SALT III negotiators will impair the negotiating flexibility of U.S. negotiators which may prove necessary under future circumstances. Too specific a resolution might even increase Soviet intransigence, because it would give the appearance of denying them the opportunity of negotiating SALT III on a balanced basis. Numerical targets, delineation of systems to be controlled, schedules for reduction or restraint—these are all proper subjects for negotiation, not prior determinations.

Examples of SALT III Content: (a) Reduction in Central Systems:

Naturally, SALT III must face the unfinished business of the Protocol of SALT II: these are the questions of controls on ground-launched and sea-launched cruise missiles (GLCMs and SLCMs), and on land-mobile ICBMs. I will discuss these items as candidates for inclusion in the total SALT III agenda.

Substantial reductions of central nuclear weapons systems must remain, of course, the cornerstone of any incisive arms control agreement. I would recommend for the reasons mentioned above that U.S. proposals for reductions apply separately to each category of strategic nuclear delivery vehicles which already identified in SALT II, as well as to overall aggregates. I would recommend that the United States push for phased reductions with a target of about 50% in overall aggregate. Even an eventual reduction as large as that should not induce the Soviet Union to be excessively concerned with the threat they are facing from other unfriendly borders, although this concern can by no means be neglected. Within this aggregate cut I would recommend that the number of MIRV'd land-based ICBMs be further reduced disproportionately. I note that in the ill-fated March 1977 proposal the U.S. moved to reduce this number to 550, with a number of 820 finally arrived at in SALT II. The number 550 proved difficult to negotiate because it corresponds precisely to the number of Minuteman III launchers. Therefore that number, if adopted, would have forced the Soviets to substantial reduction of land-based MIRV'd ICBMs, while it would have implied no reduction whatever on our side; clearly not a negotiable position unless compensating concessions are made elsewhere. I would recommend that consideration be given to reduce the number of land based MIRV'd ICBMs substantially below 550.

The history of proposals for deep reduction in land-based MIRVs or even a zero MIRV provision is checkered. There have been objections by specific interests within this country, and the Soviets opposed reductions in this category initially because they did not wish to be frozen in a position of inferior technology. At this time, with Soviet MIRV technology approaching U.S. performance, particularly with respect to accuracy, and with growing Soviet concern about the vulnerability of their land-based deterrent, I would recommend a serious effort for a very drastic reduction in the land-based MIRV'd ICBMs.

Verification of such a provision would, of course, be a very serious issue. At this time the only available means of verifying the number of MIRV'd land-based ICBMs rests on the counting rule which makes any launcher capable of launching a tested MIRV'd ICBM count as a MIRV'd ICBM launcher. Therefore, single warhead launchers would have to have credible distinguishable characteristics for this counting rule to be effective. It is this consideration which would have to be carefully studied as part of the foundation of the American position for SALT II.

Examples of SALT III Content: (b) Quota on Permitted Missile Test Firings:

A second major component for an incisive arms control proposal should be a limit on the annual rate of permitted ICBM and SLBM test firings. Test firings can serve development, troop training, and proof test purposes. If there were a permitted quota, each side would have to divide its number of firings among these objectives. Present test practices are asymmetrical due to the larger diversity of Soviet deployed systems and their missile firings for troop training from operational silos. Due to its geographic constraints, this is not feasible for the U.S. Accordingly, an equal quota for both sides would have a dissimilar impact on current practice. Such a missile test firing quota was incorporated in the U.S. March 1977 proposal relating to ICBMs only: a rate of 6 per year for both parties was suggested. I consider this number to be a reasonable goal for a phased reduction of annually permitted firings.

A limit on annual permitted rates of test firings is the most powerful verifiable restraint at our command for limiting the rate of growth in technology in the missile arts. Traditionally each new generation of missiles has required 10–20 or so test launches and therefore a stringent limitation of the testing rate would impact drastically the evolution of new generations of missile systems. There is no question that a test ban quota as low as 6 per year would severely constrain modernization. More important, the confidence which each side can acquire under such a restricted test regime, that missiles will perform with high reliability and high accuracy will be low. Accordingly a decision-maker of either side will most likely be dissuaded from considering a preemptive or first strike attack. Thus a limitation on the rate of permitted missile firings would be a substantial factor in increasing strategic stability.

A measure parallel to a restriction on the rate of firing of ICBMs and SLBMs would be a total prohibition on test firings for development of any new system of MIRV'd ICBMs and SLBMs. Such a prohibition would be a useful additional step to prevent an increase in the threat to the fixed land-based deterrents of the two sides, and would be a significant impediment to the deployment of SLBMs with accuracy contributing to the threat to land-based ICBMs of both sides.

Examples of SALT III Content: (c) Ban on Deployment of Mobile Land-based ICBMs:

Deployment, but not development and test, of land-mobile ICBMs is prohibited in the Protocol of SALT II; this provision in no way inhibits U.S. programs. Note that deployment of the already developed Soviet land-mobile SS-16 is explicitly prohibited in the Treaty. This leaves the question of control of mobile ICBMs definitely on the agenda for SALT III.

Definition of a U.S. position is to some extent linked to the total SALT III package. If the matter of vulnerability of the land-based ICBMs is dealt with by the provisions just mentioned (large reduction of the number of MIRV'd missiles, and limits of the rate of missile test firings), then there is no question that U.S. security will be served by negotiating a total ban on land-based ICBMs. The Senate should note that this was at an earlier time the U.S. position in SALT I. Competition in mobile land-based ICBMs is an area of contest between the U.S. and the USSR where Soviet assets are clearly superior to ours. They have larger land areas which can be dedicated solely to military use; they are less constrained by environmental impact factors; successful concealment and deceptive moves are more easily carried out in a closed society. Thus only if we are willing to give overriding priority to the matter of preserving land-based ICBMs, and if this problem cannot be solved by other measures in arms control, can a mobile land-based system offer a possible strategic advantage. I will not discuss here the complex issue of protective basing of ICBMs in a manner other than land-mobile, but I conclude that superior and practical alternatives do exist.

Examples of SALT III Content: (d) SLBM Stand-off and Ban on Depressed Trajectories:

I would suggest for inclusion in a package for SALT III two specific measures relating to the survivability of the air-borne component of the Triad of strategic systems. The first is a ban on testing and development of depressed trajectories from submarines and the second is a minimum standoff distance from shore for submarines capable of launching SLBMs.

Currently there exists a technical possibility that Soviet submarines could approach U.S. coasts and launch SLBMs on trajectories which assure a minimum flight time to U.S. air fields. This could make the time for U.S. bombers to escape marginal. Although the principal counter-measure against such a possibility would be to base an increasing number of bombers further inland, an arms control measure to remedy this threat would be to ban the testing of submarine launched missiles in short flight time, so-called depressed, trajectories. In addition, agreement on a forbidden zone of approach of submarines capable of launching SLBMs would be a further measure to decrease this threat to both sides.

Examples of SALT III Content: (e) Gray Area Systems:

The above examples, which are by no means exhaustive, all relate to central strategic systems and do not touch upon control of the so-called gray area systems, that is those systems which can have both a theatre-warfare and a long-range capability. Few believe that the discussion of gray area systems can be excluded from SALT III.

It is anticipated that the Soviets will insist on the inclusion of forward-base systems in SALT III because they will maintain, with some merit, that "incisive arms control" leading to substantial cuts in central strategic systems increases the relative importance of the U.S. controlled forward-based systems. In turn, inclusion of forward-based

systems, reinforced by the technical developments which blur the border between strategic and theatre-warfare systems, will make consideration of the Euro-strategic balance an unavoidable issue also from the NATO and U.S. points of view. Note that the need to include consideration of GLCMs and SLCMs is "unfinished business" from the SALT II Protocol will also contribute to the pressure to consider European theatre-warfare systems comprehensively.

These issues raise the question of the details of the negotiating format for SALT III, which as a minimum will require a more intensive consultative process with NATO as part of policy formulation. Separating the consideration of gray area systems from SALT and placing it into a separate negotiating forum appears inadvisable, since such a move would be viewed by NATO as an effort to decouple consideration of the Euro-strategic balance from consideration of the overall US/USSR strategic situation. Such decoupling, in turn, would further detract from the credibility of the U.S. central strategic nuclear forces as an element in deterring Soviet incursion into Europe.

Examples of SALT III Content: (f) Cut-off of Fissionable Material For Military Purposes:

An additional element of a SALT III package might well be a renewal of a proposal, previously endorsed by the United States, for the cutoff of production of fissionable materials for military purposes. The current inventories of fissionable materials for nuclear weapons of both sides are large. Any further production can, of course, feed fabrication of additional nuclear warheads. Such increases can support further fractionation of MIRVs, additional cruise missile warheads, or stockpiles of weapons for reload of delivery systems. Moreover, such growth can provide additional warheads for defensive weapons, in particular should ABM deployment again become permissible. A production cut-off would limit these activities on both sides, with a substantial gain in overall strategic stability. Under such an arms control regime there could, of course, be conversion of nuclear weapons inventories among a diversity of military weapons without increased production. Moreover, some increases in total weapons inventory could be advanced through improved economies in the use of fissionable materials. A production cut-off agreement would have to permit maintenance of the existing nuclear device stockpile through certain exceptions to a total production prohibition.

In this connection I would like to stress that ratification of SALT II has a major impact on the efforts to limit proliferation of nuclear weapons to other nations. The Nuclear Non-Proliferation Treaty signed in 1968 and ratified in 1970 contains an explicit declaration that the nuclear weapons states intend "to achieve at the earliest possible date the cessation of the nuclear arms race and to take effective measures in the direction of nuclear disarmament," as well as a specific article constituting a good faith obligation to pursue negotiations toward terminating the nuclear arms race. Failure to ratify SALT II would contribute to the growing cynicism of the non-nuclear weapons states regarding the sincerity and good faith of the Soviet Union and the United States in implementing their obligations under the Non-Proliferation Treaty. Quite apart from the important arms control impact of a provision to terminate production of fissionable material for weapons purposes on its own merit, such a cutoff would demonstrate dramatically to the non-nuclear weapons states a good faith in adherence to the provisions of the Non-Proliferation Treaty.

Let me repeat that the above listing of possible inclusions in a SALT III package is given only on a "for instance" basis, and each item requires detailed analysis both as to specific substance and optimum negotiating tactics. However, it is my deep conviction that if a maximum number of such provisions were introduced and proved negotiable with the Soviet Union, then incisive arms control would indeed result, and the SALT process would have fulfilled its promise of having not only limited but also reversed the competition in nuclear weapons between the United States and the Soviet Union. Yet I see no way in which this expectation, which would greatly increase the security of this Nation, can be fulfilled without prompt ratification of SALT II.

Salt: Perception vs. reality

The above discussions have emphasized the technical content of possible SALT III provisions and refrained from commenting on the future political context and the general question of linkage of the SALT process to Soviet conduct and attitudes. This has been done deliberately. There has been in the discussions of the merit of SALT II a great overemphasis on the perceptions which might flow from the SALT process and from the Soviet and United States strategic military posture, to the detriment of considerations of the actual provisions of SALT II and the physical realities which would befall mankind should nuclear weapons in part or in their totality actually be used in war.

As a member of the technical community I feel a strong obligation to continue reminding the political leaders and decision makers of this country that there is a great danger in considering nuclear weapons primarily as political symbols, and only secondarily as tools which might actually be used. I am hardly alone in raising this issue. Let me remind you of the words of Andrei Sakharov, the eminent and frequently dissident Soviety nuclear physicist: "I believe that the problem of lessening the danger of annihilating humanity in a nuclear war carries an absolute priority over all other considerations."

We must continue to examine the consequences of actual use of such weapons and how they would affect the true outcome of a conflict. If we permit nuclear weapons to enter the decision making processes primarily as symbols of national strength and resolve, then we deny ourselves any rational means to decide when enough is enough.

In this regard let me reemphasize two salient facts:

(1) If nuclear weapons are actually used in any theatre, against any set of targets, for any purpose, by any nation, under any military doctrine, then large fractions of the populations of both the United States and the Soviet Union and their neighbors are at the gravest risk.

(2) The number of nuclear weapons in the possession of the United States and the Soviet Union is now so large that a very large fraction of these weapons is aimed against targets of relatively minor economic, political, or military importance.

Under those circumstances, many of the arguments which have been presented to this Committee on the details of the relative military standing of the two nations become relatively less significant when compared to the overarching danger of nuclear war.

Let me close with the expressed hope that it is consideration of the physical realities rather than political perceptions pertaining to strategic nuclear weapons which will remain in the forefront of deliberations of the Senate when considering the question of ratification of SALT II.●

CAMPBELL UNIVERSITY SCHOOL OF LAW WINTER SYMPOSIUM

● Mr. HELMS. Mr. President, a few weeks ago I shared with Senators the text of one of a series of lectures presented at the 1979 Winter Symposium sponsored by the Student Bar Association at the Campbell University School of Law. The symposium, entitled "In Anticipation of the Constitutional Bicentennial: The Philosophical Foundations of the Creation of a Nation," was designed to identify and evaluate the roots of American fundamental law in anticipation of the 200th anniversary of our Nation's Constitution.

Today, I want to share with my colleagues another of these stimulating lectures—this one by a dear friend of mine, Dr. Charles W. Lowry. Charles is author of "To Pray or Not to Pray"—a book on the Supreme Court's school prayer decisions—has been a professor of theology, a parish minister, a Government consultant, and a foundation executive. His lecture addresses the interrelationship of the four great divisions of law—eternal law, natural law, human law, and divine law—in pre-Magna Carta England.

Dr. Lowry observes that the "rejection of the natural law and the elevation of kingly authority above Law and Right" during this period were predecessors to such contemporary issues as the State's assumed jurisdiction over Christian schools, and school prayer and Bible reading.

As we approach the bicentennial of our own Constitution, we would do well to remember Dr. Lowry's conclusion:

> The fact is that man is a religious being as well as a political animal. For this reason, law by itself is not sufficient. Equal justice under law is a mandate only if there is a Supreme Law over all men and all nations.

Mr. President, I ask that the lecture delivered by Dr. Charles W. Lowry at the Campbell University School of Law Winter Symposium on January 18, 1979 be printed in the RECORD.

The material follows:

THE TRANSCENDENT ELEMENT IN LAW WITH SPECIAL REFERENCE TO ENGLAND BEFORE MAGNA CARTA

I propose in this lecture to be as specific and concrete as possible. I should like to heed the admonition of the anonymous rhetorician who wrote: "In promulgating your esoteric cogitations and articulating superficial philosophical and psychological observations, beware of platitudinous ponderosity."

The peril of the philosopher or the philosophical theologian is endless abstraction. Abstraction is of course essential to thought. The thinking powers of man and the mighty results they have led to in philosophy, mathematics, and science—all rest upon that lucky day when some lonely thinker, his face no doubt turned from the sod, discovered the method of abstraction through comparison and elementary classification.

It is a tremendous metaphysician, the late Alfred North Whitehead of Trinity, Cambridge and Harvard, who has warned scientists and the scientific mentality of "the fallacy of misplaced concreteness." He meant that concreteness is precisely what the scientist does not have qua scientist, and cannot have. It is in life and experience and in the firsthand knowledge of individuality all around us that we know the world of the concrete. The scientific method by its very nature must abstract from and leave behind the fullness, richness and uniqueness of given individual being.

The history of law is one long, unbroken illustration at a particular level and context of Whitehead's warning about mislocating the concrete. The law cannot be separated from life, practice, experience, courts, judges, decisions, precedents. I believe that this is what Justice Cardozo was driving at when he wrote:

"We do not need to spend pages in attempted demonstration that Gesetz is not coterminous with Recht, that la loi is narrower than le droit, that the law is something more than statute. We are saved from all this because in every action every day about us is the process by which the forms of conduct are stamped in the judicial mint as law, and thereafter circulate freely as part of the coinage of the realm."

When however we enter into the concrete ambiance or atmosphere or legal coinage of the realm, we discover that something is present and imminent that points beyond the immediate and the empirical. There is something that imparts majesty and speaks with authority.

Both terms are weighty in their legal import. We speak naturally and constantly of "the majesty of the law" and "the authority of the law." What I suggest is that we do this, and must do it, because a concrete transcendent element is always present in the law, just as in the state.

If this is denied implicitly or explicitly, we only emphasize the impossibility of banishing from our courts and our government this mysterious, elusive, but authoritative presence which is like the wind. We cannot see the wind ever. But we see leaves trembling, boughs bending, even mighty trees swaying and on occasion crashing.

When we see these things happening, we know the wind is present. There is no room for doubt. Dubiety has no meaning.

Here is a declaration with which I should like to begin our tracing of the concrete transcendent in law:

There exists one true law, one right reason—conformable to nature, universal, immutable, eternal—whose commands enjoin virtue, and whose prohibitions banish evil. Whatever it orders, whatever it forbids, its words are neither impotent among good men, nor are they potent among the wicked. This law cannot be contradicted by any other law properly so called, nor be violated in any part, nor be abrogated altogether. Neither the senate nor the people can deliver us from obedience to this law. It has no need of new interpreters or new instruments. It is not one thing in Rome, and another at Athens; it is not one thing today and another tomorrow; but in all nations, and in all times, this law must reign always self-consistent, immortal, and imperishable. The Sovereign of the Universe, the King of all creatures, God Himself, has given birth, sanction, and publicity to this illimitable law, which man cannot transgress without counteracting himself, without abjuring his own nature; and by this alone, without subjecting himself to the severest expiations, can he always avoid what is called suffering."

I have taken this extraordinary testament, which always excites me very much when I read it, from the 6th Book of The Divine Institutions of one Lucius Caecilius Firmianus Lactantius—a father of the Latin Church who flourished about A.D. 300. Lactantius has been called "the Christian Cicero" and indeed the passage just quoted was written by Cicero in Rome some 50 years before Christ. It is found in his De Republica. Lactantius like many ancients was not always careful to identify sources and quotations.

This powerful passage from Cicero is a statement of the Stoic Natural Law doctrine. It will be well for us to look before and after, to pick up some traces of this durable concept both as it stretches back into antiquity and looms forward along practically the entire track of the Christian era.

The Stoics on the ethical side represented the continuing influence of Socrates as presented by Plato in his Dialogues. Socrates stood for reason and virtue. The Stoic philosophers made these the twin pillars of a way of life and thought.

Behind Socrates and Plato is an impressive intuition about law celebrated in the writings of the great tragedians of Greece, Aeschylus and Sophocles. These poets are theologians; they see law as ultimate and invincible. It is Fate and to it men and gods are alike subject. Indeed Zeus the Father and all-comprehending one is identified with the Law that is the reason of the world and is ineluctable and unescapable Fate.

Oh, may my constant feet not fail,
Walking in paths of righteousness.
Sinless in word and deed,
True to those eternal laws
That scale forever the high steep
Of heaven's pure ether, whence they sprang:
For only in Olympus is their home.
Nor mortal wisdom gave them birth;
And howsoe'er men may forget,
They will not sleep.—(*Oedipus the King*)

Returning to the Stoics, theirs was an ideology ready-made for stern Romans, reaching out to do what Alexander had failed to accomplish: not only to conquer but to rule firmly the known world. From the Roman lawyers and moralists, the dogma of the natural law passed into the theology of the Christian Church. Here in the West it had an undisputed run for more than a thousand years. And in the Roman Catholic Church it remains authoritative to this day.

The finest treatment of the natural law and of law in general probably in all Christian literature, is that of St. Thomas Aquinas in the Summa Theologica. Thomas lived less than 50 years in the very middle of the 13th century, the century of Chartres Cathedral, and of Salisbury in England, and of Dante's Divine Comedy.

When one considers especially the circumstances under which a man had to work in that far-off time—before electric light, printing, typewriting, or automatic copying—it is nearly incredible that one man could have amassed the learning, conducted the research, and done the rigorous writing represented in the output of the Angelical Doctor.

He considers exhaustively the four great divisions of law: eternal law, natural law, human law, and divine law. Here we can simply skim off a little of the rich cream of his prolonged treatise, every point logically argued in the developed scholastic manner.

The Law which is the Supreme Reason is not something other than God and therefore is eternal. Now all things subject to divine providence are ruled and measured by the eternal law. But the rational creature is subject to divine providence in a more excellent way, since it is provident both for itself and for others. "Therefore it has a share of the eternal reason, whereby it has a natural inclination to its proper act and end; and this participation of the eternal law in the rational creature is called the natural law."

St. Thomas goes on to state that the precepts of the natural law are to the practical reason what the first principles of demonstration are to the speculative reason, because both are self-evident principles. The first principle of the speculative reason has to do with being, and the first principle of the practical reason with good. The nature of good is that it is that which all things seek after. "Hence this is the first precept of law, that good is to be done and promoted, and evil is to be avoided. All other precepts of the natural law are based upon this."

Finally, Thomas emphasizes that human law, which is necessary if man is to have peace and virtue, is derived from natural law. He quotes Augustine's saying, "that which is not just seems to be no law at all," and in a splendid sentence adds: "Hence the force of a law depends on the extent of its justice." And a little further on: "Now the end of law is the common good."

Thomas, it is clear, was to a considerable degree a rationalist. He believed in reason as a reflection of the Divine Light and labored to use it and have it take the mind as far as it could. Thus we are made ready for the saving knowledge that could come only with God's revelation or self-disclosure through the prophets and perfectly in His Son Jesus the Christ.

Unfortunately a storm was blowing up in the late Middle Ages over the subject of the will in relation to reason. The Scriptures tell us that man never continues long in one stay. This is profoundly true. There is always action and reaction, a swinging of the pendulum from side to side.

Thomas' moderate rationalism inspired by Aristotle was destined to make a strong comeback and remain the basis of post-Reformation Roman Catholic theology down to our time. But it did not satisfy for long in the heated atmosphere of the University of Paris in the late 13th and early 14th centuries. To Paris scholars flocked from all over Christendom. From Oxford brilliant Franciscans came, such as Duns Scotus and William of Occam, who magnified the will in the being alike of man and of God.

These men and their successors stressed the independence and arbitrary freedom of the will. With man this created problems, for the power of God had to be reckoned with. But an arbitrary infinite will is indeed a fearsome concept. It is something that is bound to be extreme and overwhelming.

For one thing universals such as justice went by the board. Realism rooted in the ideas or eternal forms of Plato was rejected, and common unitive qualities that had been seen as the basis of classes, species, and genera were dismissed as mere names (nominalism).

Thus it came about that the theological atmosphere that conditioned the Protestant Reformation was one dominated by extreme volitionalism and nominalism. This really means that the tools of basic reasoning and thinking are absent.

The way is paved for an exclusive reliance upon Scripture, an extreme emphasis upon such doctrines as total depravity, justification by faith alone, and double predestination, and—what is relevant to our discussion—the rejection of the natural law and the elevation of kingly authority above Law and Right. A new and a-moral version of the divine right of kings came into play. It not only fortified the tyranny of Henry VIII, and wrecked the Stuarts, but spilled over into the claims of Catholic monarchs as well.

Thus we reach the time of the Bloodless Revolution of 1688, the English Bill of Rights, and John Locke's Two Treatises of Government. This was also the time of the birth of Deism—the most rationalistic perhaps of all rationalisms.

This system provided the ambiance intellectually and philosophically which the brilliant young men who created the American Republic breathed in their formative years. It was not the only influence on these men but it was potent and pervasive, as the example of Thomas Jefferson strikingly shows.

So, reaching Deism, the Declaration of Independence, and the American Constitution, we swing full circle from our starting point of the natural law.

It remains to move back and over into England, looking both before and after the Conquest for the elements transcendent and otherwise that conditioned the development of English constitutional law.

In 55 B.C. Julius Caesar invaded Britain. It was a Roman province for 400 years.

When the Roman legions departed they left external physical signs of their civilization but hardly a vestige of Roman speech, law, or institutions. What the Roman occupation had done was to allow time and occasion for planting the Christian faith firmly in the Island of Britain.

It was British Christians who converted Ireland. The Irish Christians repaid the compliment by recrossing the seas to Scotland. From Scotland Celtic Christianity spread down into Northumbria, Mercia, and East Anglia.

Meanwhile, Pope Gregory had sent Augustine (not Aurelius Augustine of North Africa) to Canterbury to the Kingdom of the Angles and Saxons in Kent. Augustine had an ally in Queen Bertha, a Frankish princess from the Continent, and succeeded in converting King Ethelbert. The Roman form of Christianity planted by Augustine at Canterbury in 597 and extended northward to York a few years later through dynastic marriage and Paulinus, a colleague of Augustine, differed in important respects from Celtic or British Christianity.

These differences concerned the tonsure, the date of Easter, and—more important—the mode of church government, whether by abbots or bishops.

It was not until 664 at the Synod of Whitby that a reconciliation of the two traditions was effected. What this meant basically was a united English Church that was to conform to the life-plan of Roman Christianity and develop under the spiritual rule of the Roman Pontiff.

A great flowering of English Christianity now took place. It centered around York. It expressed itself in art and in scholarship. Bede the scholar extraordinary and famed historian (673–735) was universally honored. It was through his influence that the world came to adopt the practice of reckoning the Calendar from the birth of Christ.

Alcuin of York was called by Charlemagne to preside at his court over efforts to evangelise, civilize, and educate in the Frankish Kingdom. From near Exeter in Southern England Boniface, a Saxon, left to become the Apostle to Germany.

This period of peace and creativity was short-lived. England in fact was doomed for six centuries to know little stability. The reason was the Vikings.

Winston Churchill has a fantastic description of the long-ship used by these merciless raiders to plunder the civilized world and—almost to do England to death. He mentions the length of a vessel of medium size unearthed in perfect condition from a tumulussat Gokstad, Norway in 1880. From stem to stern it measured 76 feet 6 inches. I saw this ship in the Viking Museum, Oslo in 1969. My first impulse was to pace it off, and I made exactly 25 paces.

It was Alfred the Great, a true immortal, peerless as a man, a Christian, and a ruler, who enabled England to survive the fury of the invading Danes in the second half of the 9th century—and to remain and become England.

Two points are notable. Alfred as King knew the necessity of law. He was a creative Law-giver. His Book of Laws called Dooms was an attempt to blend the Mosaic code with Christian principles and old-Germanic mores.

Alfred, for example, inverted the Golden Rule of Jesus, making it read, "What ye will that other men should not do to you, that do not to other men." Commenting on this, the King wrote: "By bearing this precept in mind a judge can do justice to all men; he needs no other law-books. Let him think of himself as the plaintiff, and consider what judgment would satisfy him."

The other point is that the prevailing national disorder and instability encouraged local institutions of rule. This may well be the ultimate explanation of the Common Law in England, as contrasted with the systems developed in other parts of Europe.

Wessex, or West Saxony, had early developed a local organization that was well suited to a prolonged time of troubles. This was the shire with the alderman at its head who could act on his own.

The Dooms of Alfred, amplified by his successors, supplied the body of customary law administered by the shire and hundred courts that was to be known as the Laws of St. Edward (the Confessor: 1042–66). The Norman kings undertook to respect these laws and it was out of them that the Common Law was to be founded.

In between in the reign of Edgar (957–75) there occurred a fundamental reconstruction of lasting importance. The shires were reorganized, each with its sheriff or reeve, a royal officer directly responsible to the Crown. The hundreds, subdivisions of the shires, were created. Towns were prepared for defense. An elaborate system of shire, hundred, and burgh courts was instituted. Through them law and order was maintained and criminals pursued. Taxation was reassessed.

Coincidentally with this was a revival of monastic life and learning, expressing itself in the art of illuminated manuscripts and the beginning of a native English literature. English according to Churchill was the earliest vernacular to achieve the status of a literary language.

Thus in a mysterious way was England prepared for the coming of a powerful descendant of the Vikings, William, Duke of Normandy.

Henry Adams in his enduring classic Mont-Saint-Michel and Chartres notes that down nearly to the end of the 12th century the Norman was fairly master of the world in architecture as in arms. He throws in incidentally an account of the Norman feudal system: tenants of the Duke or the Church or small lords of the neighborhood who at the Duke's bidding will each call out his tenants, perhaps 10 men of arms with their attendants.

Thus William could fight in Brittany or in the Vexin toward Paris or on the great campaign for the conquest of England—"the greatest military effort that has been made in western Europe since Charlemagne and Roland were defeated at Roncesvalles 300 years earlier." For this enterprise William fielded 40,000 men.

This Norman was a man of powerful will and acute, prudent intelligence. He knew what he wanted and moved boldly but carefully to get it. He gave England the strong rule it needed, imparting and impetus to unity and cohesiveness it never lost.

William brought to England two strong new elements: a tight feudal system based on land tenure which in turn was based on military service; and a more closely knit and effective church system on the Roman pattern. At the same time he saw in the dispersed, locally effective legal system rooted in shire and hundred the very instrument he needed for a balanced state.

Thus while the center of Norman government was the Royal Curia, the final court of appeal and the instrument of supervision, the whole system of Saxon local government—the counties, sheriffs, and courts—was retained. Indeed it was by means of this system that William collected the information for Domesday—his celebrated survey in 1086 of the whole wealth of the King's vassals.

The other two Kings who signify for our purpose are Henry I and Henry II. In between them and before Henry I there intervened the curse of monarchy—dynastic quarrels and weak or vicious sovereigns.

The first Henry was William's youngest son. His first act as King was to guarantee the rights of the barons and the Church. And at the same time he promised the people, most of them still Saxons, good justice and the laws of Edward the Confessor. He sent his officers—judges, as they were to become—to activate and regulate the county courts and to make all men see that there was a system of royal justice.

The most important man, perhaps, and the last one in our story is Henry II, the first of the Plantagenets and King from 1154 to 1189. Churchill says of him that "The names of his battles have vanished with their dust, but his fame will live with the English Constitution and the English Common Law."

Henry's great plan, which he largely achieved, was a system of royal courts which would administer a law common to all England and all men. Because of the strong hold of custom and the strength of the multitude of manorial courts, it was desirable to invoke old principles and to clothe innovation in the garb of conservatism.

Since the Constitution was unwritten the King's rights were not clearly defined. This offered a shrewd opening. Fixing upon the elastic Saxon concept of the King's Peace, Henry used it to draw all criminal cases into his courts. Quietly he extended the limits of this Peace, so that it embraced all England and all places where it had been broken.

Civil cases were attracted by fastening on a different principle, the old right of the King's courts to hear appeals in cases where justice had been refused and to protect men in possession of their lands.

It was important to Henry's program to avoid compulsion. He must attract cases to his courts, not compel them. He must offer better justice than men would receive at the hands of their lords.

Accordingly Henry had recourse to a startling new procedure—trial by jury. He did not invent the idea of the jury: actually this idea was the one great contribution of the Franks to the English legal system.

The jury in origin and first use was as a royal instrument of administrative convenience. The King had the right to summon a body of men to bear witness under oath to the truth of a question involving the royal interest. William had used it to determine Crown rights in the massive Domesday survey.

Henry had the genius to use the royal right to summon a jury but to let it decide cases in the royal courts instead of the old recourse to the oath, the ordeal, or the duel. This new procedure quickly gained favor.

Very likely I do not need to say this to an audience such as this which is either learned in the law or rapidly becoming learned—but there were still important differences between the jury in Henry's courts and the jury system as we know it.

The main difference was that the jurymen were witnesses as well as judges of the facts. They were picked not with a view to their impartiality but because they were the men most likely to know the truth.

Such were the foundations of the English Common Law, on which future generations would build. It is a convenient stopping place for me, since there is the firm maxim of English law that legal memory begins with the accession of Richard I in 1189.

There is not time for me to go into the dramatic but tangled tale of Henry and his erstwhile friend and boon companion Thomas à Becket. The most profound treatment of this episode is T. S. Eliot's play Murder in the Cathedral.

Eliot whom I had the privilege of knowing personally was not only a poet. He was a devout believer and churchman. He celebrates in his play the role of the saint and martyr in the Church and its impact upon the state and society.

To us the issues raised by the Constitutions of Clarendon seem remote. From a precise standpoint they are. But the issues of Church and State, religion and government, are very much alive in our world and in our America, for all our tendency to speak complacently of the separation of Church and State.

Consider the phenomenon of Communism and religion in our time and the extraordinary elevation of a Polish Cardinal in a Communist State to the Papacy.

Here in America look at the fight in the Carolinas over Christian schools and the question of the State's jurisdiction over them. Look at the results in our public schools, in teacher morale and youth problems, of the innovative decisions of the Supreme Court in 1962 and 1963 in striking down prayer and Bible-reading in our schools.

The fact is that man is a religious being as well as a political animal. For this reason law by itself is not sufficient. Equal justice under law is a mandate only if there is a Supreme Law over all men and all nations.●

FEDERAL CROP INSURANCE

● Mr. BAUCUS. Mr. President, I stand to support S. 1125, legislation to improve and expand the Federal crop insurance program. This legislation is of utmost importance to farmers in Montana as well as the rest of the Nation.

I would have preferred a simple extension of the disaster provisions of the Food and Agriculture Act of 1977. However, the administration and many Members of Congress have strongly opposed the disaster program because of its high cost. Thus, it is essential that S. 1125 be enacted to protect farmers from devastating financial losses due to crop failure.

This bill will increase the capital stock of the Federal Crop Insurance Corporation and increase membership of the Board of Directors from five to seven. At least three Board members must be active farmers.

The legislation will remove existing limitations so that Federal crop insurance may be offered for all crops in all counties. Under the new program, insurance will be made available to farmers for up to 75 percent of their average yield. The price coverage will be the highest of either the target price, the loan rate, or the projected market price for the crop. Lower levels of yield coverage and other price selections will be made available.

The Federal Crop Insurance Corporation will subsidize between 20 and 40 percent of crop insurance premiums.

The current farm disaster payments and prevented planting disaster payments for wheat, feedgrains, upland cotton and rice will be extended through the 1980 and 1981 crop years. In 1981 producers will have the option of choosing between such disaster payments or participating in the share-cost crop insurance provided by this legislation.

Mr. President, I know that private insurance companies and agents have some real concerns about the effect of this legislation. I appreciate those concerns, and generally am opposed to the Federal Government providing services that could be provided by private industry.

Unfortunately, private industry has never been able to provide all-risk crop insurance that farmers can afford. In order for Federal crop insurance to be effective, large numbers of farmers must participate. Such high level of participation simply cannot be attained under insurance programs offered by private industry.

This bill will not eliminate the role of the private insurance industry. In fact, the Canadian experience with Federal crop insurance has resulted in an increase in both acreage and dollar amount of coverage provided by private industry. At the same time, the government has operated an increasingly successful program.

S. 1125 authorizes the Federal Crop Insurance Corporation to provide reinsurance for private companies. The bill authorizes the Federal Crop Insurance Corporation to contract with private insurance companies in administering the Federal program. Finally, USDA officials have assured me that private agents will have an important role in marketing the Federal insurance program. Competitive commissions will be paid to these private agents.

I intend to work with the private industry and the Federal Crop Insurance Corporation to insure that Federal programs are administered so that there is minimal impact on private industry.

Mr. President, farming has always been a high risk operation. Successful crop and livestock production depends upon a favorable combination of factors. Many of these factors are beyond the direct control of the farmer. Extremes of heat and cold, hail, wind, and other unpredictable natural hazards can seriously damage or wipe out crops. In fact, about 1 of 12 acres planted each year in the United States never reaches harvest.

Modern farming is a complex business requiring large investments of capital, and land, buildings, machinery, livestock, and production inputs. Farmers whose crops are destroyed by natural disasters may be unable to repay not only production loans, but carrying charges on land, buildings, machinery, and other assets.

These factors make effective disaster assistance programs essential. I believe that S. 1125 provides such a program, and would urge my colleagues to support the legislation.●

SALT II: WHAT IT MEANS

● Mr. HELMS. Mr. President, there have been a great number of articles written about SALT II agreement in recent months, but I have found the brief analysis written by Mr. Edward J. Walsh entitled "SALT II: What It Means," published by the U.S. Industrial Council to be one of the best summaries of an important part of the SALT debate that has thus far come to my attention.

Sadly, what Mr. Walsh points out about the progressive collapse of the American negotiating position as the SALT meetings with the Soviets progressed is all too true. Mr. Walsh also makes it quite clear why the Soviet leadership is so desperately anxious to have the Senate ratify the agreement as it now stands.

Mr. President, I ask that Mr. Walsh's analysis be printed in the RECORD.

The analysis follows:

SALT II: WHAT IT MEANS

(By Edward J. Walsh)

The strategic arms limitation treaty (SALT II) signed in June by President Carter is now being debated in the U.S. Senate. The Senate may approve and ratify the treaty as it stands, recommend that certain passages be renegotiated, or reject it outright. Both Mr. Carter and the Soviet Union have demanded that the treaty be accepted without alteration. But the agreement concedes a clear strategic advantage to the Soviet Union. For that reason, the treaty should be rejected by the Senate.

The provisions of the treaty are as follows: The United States and the Soviet Union are to be permitted no more than 2400 strategic launchers, to be reduced to 2250 by January 1, 1982. Of the 2250, no more than 1320 can be MIRV'd, that is, equipped with multiple warheads. Of that 1320, not more than 1200 can be intercontinental ballistic missiles, (ICBM), or submarine-launched missiles (SLBM). There is a sublimit of 820 ICBMs within the total permissable limit of 1200 MIRV'd launchers. The remaining 980 must be single-warhead missiles.

In addition, a protocol to the treaty prohibits the deployment of mobile ICBM launchers and sea- and ground-launched cruise missiles capable of ranges greater than 600 kilometers, or 360 miles. The protocol expires at the end of 1981.

Currently, the Soviet Union possesses a total of 2504 strategic launchers of all types which would be covered by SALT II, to the United States' 2283. Thus the Soviets would be required to destroy or dismantle 104 launchers or bombers in order to reduce its arsenal to 2400 six months after the treaty took effect, and later, 150 more to get down to 2250 by 1982. The U.S. won't be increasing its total to 2400, but will have to scrap several dozen strategic bombers to abide by the end-of-protocol limit of 2250.

At first glance, the agreement *looks* fair, since both sides are allowed the same number of launchers. The inequities lie in the subtotals, and in the qualitative differences among American and Soviet weapons systems. First, included in the Soviets' inventory of 2504 launchers are 1398 ICBMs, of which 608 are MIRV'd. Of these, 308 are "extra-heavy" missiles, designated the SS-18, which according to Senator Henry Jackson may pack more nuclear punch than the entire American arsenal of 1054 land-based missiles. With SALT II, the Soviets would keep these giant missiles; the United States would be forbidden to build a similar weapon.

Second, under SALT II the Soviets have the potential to vastly increase the total kilotonnage of their entire ICBM force. Their "light" ICBM, the SS-19, can deliver more than three times the nuclear payload of the largest American missile, the Minuteman III. The SS-19 can be armed with up to six MIRV'd warheads, while the Minuteman takes only three. Thus the limits on the number of "launchers" is a facade, which ignores the far greater killing power of Soviet rockets. The Soviet preponderance in ICBMs accounts this dangerous disparity.

Third, the debate over the Soviet "Backfire" bomber was a total defeat for the American negotiators. American bombers carrying cruise missiles are counted under the total ceiling on MIRV'd launchers, but the Soviets got off scot-free on the Backfire, a supersonic, intermediate-range bomber that can be modified to reach the continental United States with nuclear weapons. The Backfire is not counted against the Soviets' aggregate MIRV total, but is to be limited by a vague Soviet statement outside the treaty that it will not be upgraded to a strategic status, and that the production rate will remain at current level of 30 per year.

The final draft of the SALT II accord thus contains inequities dangerous to the United States, viewing the dynamic growth of the Soviet strategic arsenal, and the near-stagnation of U.S. arms programs. The three Soviet ICBMs covered by SALT II, the SS-17, SS-18, and SS-19, have all been deployed since the signing of SALT I in 1972. Only one U.S. program, the Trident submarine, has been started since then, and it is behind schedule.

Behind the specific terms of the treaty lies the history of weapons control and weapons building in the United States and the Soviet Union. A truly equitable arms control agreement might be useful to the United States if it could be trusted to restore a degree of predictability to the arms race and was entered into by the American leadership with a genuine sense of disillusionment about Soviet motives in the world. No one doubts that the United States has the industrial and technological capability to maintain strategic superiority over the Soviets, if it chooses to.

Recent history has shown, however, that the will to maintain nuclear superiority is lacking in the American political leadership; not just in the Carter administration, but in its predecessors as well. The trend through the sixties was to belittle Soviet strategic weapons as crude and inaccurate. Then the theory of mutually assured destruction (MAD) came along, which allowed the Soviets to catch up with the United States in strategic weapons, so that each side could hold the other's population hostage, and thus deter an attack that would presumably be suicidal. The idea of the Kremlin initiating a nuclear holocaust is still dismissed as "cold-war rhetoric," even while current Soviet military literature insists that such an attack is feasible.

In the sixties, the MAD theory provided an intellectual escape for America's leadership from the consequences of a lack of will to provide for genuine strategic security: the determination to avoid nuclear war became the unwillingness to confront the reality of Soviet aggression throughout the world, and a misreading of the Soviets' intent in agreeing to discuss arms control at the 1967 Glassboro summit. President Nixon began the SALT talks with the assumption that the Soviets were genuinely interested, as we were, in making the world safer through arms control. SALT I and the Vladivostok Accord of 1974 laid the groundwork for SALT II. Former Assistant Secretary of Defense Paul Nitze, an opponent of SALT II who participated in the SALT I negotiations says that neither SALT I nor Vladivostok "accomplished much, but didn't hurt us, if we took those actions permitted at Vladivostok that it was wise for us to take."

The rationale for SALT II now being heard is the same as that used to defend SALT I: that it will slow the arms race. But President Carter goes even further, talking endlessly of peace, when much of the world is engulfed by Soviet-sponsored wars. He has taken seriously his Inaugural Day promise to "eradicate nuclear weapons from the face of the earth." He believes SALT II will be his legacy to history, and has sought it more determinedly than anything else since taking office.

His negotiators have thus pursued the SALT agreement relentlessly, with no strategy of negotiation but to grant concessions to push the process along. The giveaways began when the Soviets rudely rejected Mr. Carter's far-reaching proposals for arms reduction in March 1977, shortly after he came into office: when the Soviets turned down an American proposal that only 150 heavy Soviet missiles (the SS-18) be converted to MIRV's, the U.S. negotiators retreated to 190, and finally agreed to allow the entire inventory of 308 be MIRV'd. The Americans also proposed a ban on testing and deployment of a "new" ICBM. The Soviets refused, and one new ICBM was allowed to both sides. The Soviets continued their development programs, but in October 1978 the Pentagon announced a delay of up to one year on the decision on what kind of missile the U.S. would build. Before going to Vienna for the SALT summit, President Carter announced that it would be the MX "mobile" system, with "multiple aim point" basing, to stymie Soviet monitoring.

In late 1977, the Americans conceded that heavy bombers carrying cruise missiles could be counted against the sublimit of 1320 MIRV'd launchers, limiting the U.S. to 120 bombers thus armed, if it should expand its ICBM-SLBM arsenal to the maximum limit of 1,200. Instead, American plans call for deploying 135 bombers with the cruise, dipping into the 1,200 permitted MIRV's. But the B-1 bomber program had been canceled in June of that year. In 1976, the United States has demanded that 250 U.S. warships armed with long-range cruise missiles be permitted in return for the same number of Backfire bombers. This demand was finally dropped, and the Backfire left out of the treaty.

In the SALT debate in the Senate and across the nation, the Administration is not claiming that the agreement will be a guarantee of future peace, or even of improved Soviet behavior in the trouble spots of the world. Rather, the Administration is selling the treaty as an asset to American security since it asserts that any Soviet violations will be instantly detected and challenged. "Verification" of Soviet compliance is one of the touchstones of the debate. The Administration is confident that satellite surveillance and intelligence from other sources will be adequate to detect violations that affect the treaty "in any meaningful way," as Mr. Carter puts it. But even his director of Central Intelligence, Admiral Stansfield Turner, contradicts him with regard to land-based intelligence-gathering, since the loss of radar sites in Iran last winter. The great shortcoming of satellite photos is that they cannot tell us what they miss. There is simply no fail-safe means of verification.

But even if there were, the broadest problem with the SALT II treaty is not what it says about armaments or what it promises, or does not promise, for American-Soviet relations in other areas. SALT is instead a philosophical problem, an object lesson in what Americans have not learned about contemporary history. The lesson we failed to observe is that, from Yalta to the 1973 Paris Peace Plan, the Soviets have never taken any international agreement seriously. International relations, to the Soviets, are not a quest for world harmony or "peace," but the perennial competition among hostile ideologies in politer terms.

Every public statement by every Soviet spokesman is a variation on this theme, and every move the Russians make in the world is animated by this philosophy of history. Signing treaties and then ignoring them are not contradictions in the Soviet lexicon; they are only aspects of the policy of continuing struggle. When the Soviets began their discreet probing of the terms of the 1972 anti-ballistic missile treaty by testing components of a mobile ABM system in Kazakhstan they were not "violating" anything, in the Soviet mind. That is simply the way it is.

Why, then, are the Soviets eager for SALT II to be ratified? It is likely that they are fully aware that they could not win an all-out arms race with the United States. Certainly a SALT treaty would give the Kremlin a greater sense of the predictability of American behavior. Then, too, the Russians know that their greatest progress has come when their rivals believe the rivalry has mellowed. Obviously the most important postwar Soviet gains have come in the years of détente and the Helsinki Accord. Beyond that, they may want more access to Western trade and credit; they may wish to enhance their position with regard to China—all these are possible explanations.

But the fundamental reason why the Soviets go along with SALT is that the Americans want it. Nations of the West, in the Judeo-Christian tradition, have always attached ethical and legal sanctity to contracts—and treaties. With Jimmy Carter, especially, American adherence to the provisions of SALT II will be observed to the letter and in the spirit. Should the treaty be ratified by the U.S. Senate, the Soviet Union will have nothing to fear.●

GAO REPORT ON U.N. SPECIAL SESSION ON DISARMAMENT

● Mr. McGOVERN. Mr. President, one of the most often-repeated criticisms of SALT II is that it fails to impose genuine restraints on the nuclear arms race. I share many of the criticisms because I believe that true national security can only be achieved at mutually reduced levels of nuclear weapons. I am distressed that the SALT process thus far has not brought us closer to this objective. Last year, the United Nations convened a special session on disarmament of the General Assembly to formulate an international agenda of disarmament proposals and to reexamine the international institutions responsible for conducting multilateral negotiations. As one of the United States delegates to the special session, I was impressed with the wide degree of interest and support for disarmament among the member states. Recently, the General Accounting Office released a study of the SSOD proposals and positions. The GAO report, "United Nations Special Session on Disarmament: A Forum for International Participation," is a summary of the SSOD and not an analysis, but it still provides a useful reminder of the bigger international picture which sometimes seems to get lost during the more narrow SALT debate. I submit the text of the digest of the GAO report to be printed in the RECORD and I wish to call the full text of the report to the attention of my colleagues.

The text of the digest follows:

DIGEST

The United Nations Special Session on Disarmament (SSOD) focused the attention of virtually every country on arms control and disarmament for the first time since the 1932 General Disarmament Conference of the League of Nations. It brought together 149 member nations, including France and China, which have not actively participated in recent disarmament conferences; numerous nongovernmental organizations; U.N. affiliates; and research institutes for a six-week session, from May 23 to June 30, 1978.

ORIGINS OF THE SPECIAL SESSION

The Special Session on Disarmament resulted from a variety of factors, including international concern for the ever-increasing level of armaments worldwide; recogni-

tion of the relationship between disarmament, international security, and economic development; dissatisfaction with international progress on disarmament; and a desire to address these issues in a forum in which all nations could participate.

The SSOD, first proposed in 1961, was not convened to draft or negotiate specific arms control or disarmament agreements, but rather to review and appraise the present international situation in light of the pressing need to achieve substantial progress in this area; review the roles of the U.N. and other international institutions in disarmament negotiations; and adopt recommendations, a declaration, and a program of action for disarmament.

DISARMAMENT CONCERNS

U.N. members and affiliates, nongovernmental organizations and research institutes were given the opportunity to address the SSOD. Their comments dealt with:

The diversion of funds (about $400 billion annually) from social and economic development to arms and military programs.

The need to restructure existing international institutions for disarmament negotiations to make them more representative and responsive.

The right of nonnuclear weapon states to have access to the peaceful uses of atomic energy.

The growth of arms levels worldwide and the increasing sophistication of these arms.

The renunciation of the first use of nuclear weapons.

The obligation of nuclear weapon states to renounce the use of such weapons against nonnuclear weapon states.

Nuclear disarmament.

The need for worldwide education concerning arms control and disarmament.

THE FINAL DOCUMENT

The Special Session adopted by consensus a Final Document which recognized the continuing arms race and the need for disarmament and arms limitation to foster international peace, security and economic and social development. The final Document set forth the ultimate objective of general and complete disarmament, in addition to the more immediate goal of eliminating the danger of a nuclear war. It also contained fundamental principles to guide disarmament negotiations and specific measures to enable disarmament to become a reality. Those principles and measures included:

Using both human and technological resources, released as a result of disarmament, to promote the well-being of all peoples;

Strengthening the U.N.'s role in and responsibility for disarmament, including dissemination of information on the arms race and disarmament;

Undertaking negotiations to conclude and implement agreements designed to eliminate the danger of war and the use and threat of force in settling international disputes; and

Continuing international efforts to promote full implementation of and adherence to existing treaties and agreements.

Furthermore, it recognized that the right of all countries to develop, acquire, and use nuclear energy must be consistent with the need to prevent proliferation of nuclear weapons, and that effective arrangements to assure nonnuclear weapon states against the threat or use of nuclear weapons could strengthen peace and security.

The Final Document also described the process, that had been agreed upon to guide work toward general and complete disarmament and assigned priorities in the disarmament process. These priorities are nuclear weapons, weapons of mass destruction, conventional weapons, and armed forces. Specifically, it concluded that realistic progress in disarmament could be achieved by halting nuclear tests, establishing nuclear weapon free zones, reducing military budgets, and implementing international confidence-building measures. Nations were also encouraged to give priority to increasing the dissemination of information about the arms race and arms control efforts. The Document further stated that nations would be obligated to contribute manpower to U.N. peacekeeping efforts.

The Final Document created new machinery to accomplish the U.N.'s work on disarmament. First, the Committee on Disarmament was constituted. The Committee's membership will include all 5 nuclear weapon states and 35 nonnuclear weapon states, have a rotating chairmanship, and be reviewed regularly by the U.N. Second, it established a new Disarmament Commission within the U.N. as a deliberative body composed of all member states to consider and make recommendations in the field of disarmament. Third, it was stated that a second special session devoted to disarmament should be held on a date to be decided by the 33d General Assembly. Fourth, it requested the Secretary General to establish an advisory board of eminent persons to advise the U.N. in the field of arms limitation and disarmament. Finally, the Final Document referred to the numerous proposals and suggestions submitted by the member states and requested the Secretary General to transmit them to the appropriate deliberative and negotiating bodies for more thorough study.

REACTIONS TO THE SPECIAL SESSION

In commenting on the Final Document and the Special Session itself, U.N. members noted the following achievements: establishment of the new disarmament institutions; involvement of all U.N. members; adoption of the Final Document by consensus; security assurances pledged by the major nuclear countries to nonnuclear weapon states; announcement of intended adherence to existing international arms control agreements by additional countries; and the beginning of a process toward disarmament.●

PAY AS YOU GO

● Mr. DOLE. Mr. President, today once again the administration is asking Congress to raise and extend the temporary limit on the public debt. Again we are expected to ratify the deficit run by the Federal Government, and we can be sure that it will not be for the last time. The debt limit is not a meaningful restraint on Government spending; it is just an occasion for reviewing the fiscal performance of the Government. The Government's performance in this regard is nothing to boast about. Each increase in the deficit adds fuel to inflation and in so doing undermines the value of each dollar earned by our citizens.

The Government's approach to deficit finance is very interesting. The Government appears to believe that the people cause deficits by asking for and expecting certain programs and certain expenditures which, when taken together, cost more than the revenues coming in. The Government then runs a deficit and tells the people, in effect, that the resulting inflation is part of the cost of the programs people wanted.

But anyone involved in politics knows that the public is increasingly aware of the high cost of deficit spending. To accommodate this concern, the Government seeks to keep the deficit down somewhat so that it can appear to be practicing fiscal responsibility and austerity. How is the deficit reduced?

By allowing inflation to automatically bring in more tax revenue. As people float into higher tax brackets on inflated dollars, they pay at higher rates of tax even though their real income, as measured by purchasing power, has not increased. This graphically demonstrates how taxpayers are squeezed on all sides. The Government runs an inflationary deficit, which makes it difficult for working people to maintain their standard of living. To offset part of that deficit, the Government counts on revenues generated by workers who manage to keep up with inflation and who pay higher taxes as a consequence.

Mr. President, the Government is not behaving responsibly. The task of our elected representatives is to weigh the spending requests before them and balance them against anticipated revenues. The administration bears a like responsibility. To moderate the deficit by counting on revenues from inflation's impact on the progressive income tax is a fraud on the American people. The way to control the deficit is to cut spending or pass a real tax increase if necessary.

The Senator from Kansas has introduced the Tax Equalization Act, which would end Government's reliance on unlegislated tax increases so that the people will know when changes are made in the tax laws. By adjusting the fixed dollar amounts in the tax tables according to rises in the Consumer Price Index, the Tax Equalization Act would stabilize tax rates in relation to real income. The result will be that Government will need to accept the responsibility for a legislated tax increase if it increases spending.

It may be some time before we have a true, fixed limit on the public debt. But until that day comes, let us not continue to shift the burden of deficit spending to the taxpayer without telling him what we are doing. An honest approach now will force us to deal forthrightly with our fiscal problems. We should act now, for the public is fast coming to understand how it pays for our deficits.●

COMPREHENSIVE MENTAL HEALTH ACT (S. 1289)

● Mr. HEINZ. Mr. President, 2 months ago I introduced the Comprehensive Mental Health Act (S. 1289), a bill to amend title XVIII of the Social Security Act to permit mental health treatment under medicare and to expand the role of community mental health centers as qualified providers for medicare mental health services.

One provision of the Comprehensive Mental Health Act would disallow the use of medicare funds for psychoanalysis in the treatment of elderly patients with symptoms of mental illness. Paul J. Fink, M.D., professor and chairman of the Department of Psychiatry at the Jefferson Medical College in Philadelphia, Pa., recently wrote to tell me of his support for the Comprehensive Mental Health Act, and especially for this provision on psychoanalysis. I consider

Dr. Fink's comments to be especially cogent and insightful.

I, therefore, request that the text of his letter be printed in full in the RECORD.

The letter follows:

JUNE 14, 1979.

Senator JOHN HEINZ,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HEINZ: As Chairman of the Department of Psychiatry and Human Behavior at Thomas Jefferson University in Philadelphia and your constituent, I wanted to extend my deep appreciation of your introduction of the bill to amend Title XVIII of the Social Security Act to eliminate discrimination with regard to coverage for treatment of mental illness under Medicare and to include Community Mental Health Centers among the entities which may be qualified providers of service for Medicare purposes (Bill 1289).

Leadership and commitment to the needs of the mentally ill elderly is well articulated not only by the provisions of the bill but your most thoughtful introductory remarks to the legislation. While you might have expected a Chairman of a Department of Psychiatry, and particularly a psychoanalyst, to be shocked and dismayed by the exclusion of psychoanalysis, I was not. On the contrary, your thoughtful leadership in ending discrimination in psychiatric treatment of the elderly, your insightful comments on psychoanalysis as an unproved method for the treatment of the elderly and concomitantly that it may not be medically necessary and cost effective, only reaffirms my belief in your understanding and knowledge of mental health care.

I would welcome the opportunity to discuss psychiatric medical education and mental health care issues with you in Washington, D.C. or at your convenience when you are next back in Pennsylvania. As President of the Association for Academic Psychiatrists and an officer in the American Association of Chairmen of Departments of Psychiatry, I would like to share with you some of the data we have collected on issues of manpower, training, research, and service in the mental health field. I look forward to hearing from your staff about arranging a mutually convenient meeting place and date. With great appreciation and best wishes,

Sincerely yours,

PAUL J. FINK, M.D.,
Professor and Chairman.●

REJECT SALT NOW

● Mr. TOWER. Mr. President, the belated discovery of Soviet ground combat forces in Cuba, just 90 miles from the continental United States, has, I believe, caused many of my colleagues to take more seriously Soviet overseas adventures. Also, it has made many appreciate the geopolitical role that the SALT process plays in Soviet foreign and national security policy.

The arms control process, including SALT, has already served to "tranquilize" U.S. investment in defense spending at a time when the Soviet Union has been spending 40 percent more than the United States in order to add qualitative superiority to its quantitative superiority in all levels of military weaponry—strategic, theater nuclear, and conventional. Its goal is clear—to neutralize the deterrent and defense capabilities of the United States in the face of an ever growing Soviet capacity to project military power to great distances, including Africa and the Western Hemisphere. With this in mind, it should be no surprise that the Soviet Union is now reported to be building its first large deck aircraft carrier for a dynamic force projection mission even as it develops the capability to destroy our land-based strategic missile force in a surprise attack.

Some of my colleagues, but fewer every day, are heard to say that SALT should not be linked to Soviet behavior around the world. Clearly, however, strategic arms are linked directly to the pursuit of Soviet political and military objectives around the world and, therefore, SALT also should be linked..

The military balance must be maintained and can be maintained by a combination of prudent defense programs and effective arms control. If, however, arms control fails to confine the growing Soviet threat, but does undermine, directly or indirectly, American programs to maintain the military balance, then it is not worthwhile. If SALT is only a means by which we delay necessary decisions, then it is truly dangerous.

As I have said many times, the present SALT II Treaty is unequal and flawed. The Senate must make an effort to correct those flaws and correct the deficiencies in our military programs so that the net result is to restore the military balance. If, however, the complex politics of SALT are likely to result in a failure to create the circumstances which would permit the United States to reestablish a long term, stable military balance which also prevents the Soviet Union from exploiting military power for geopolitical advantage around the world, then we should not fool ourselves. We should then reject SALT so that we are not bound by illusions.

I commend to my colleagues the Wall Street Journal editorial "Reject SALT Now" which appeared on September 11, 1979, as a superb elucidation of the national security impact of SALT, and I insert it in the RECORD following my remarks:

REJECT SALT NOW

The discovery of Soviet troops in Cuba suddenly threatens to become the straw that breaks the back of the strategic arms treaty. Yet the only surprising thing is that anyone should be surprised. Didn't everyone know that the Soviet Union is engaged in a world-wide geopolitical offensive under the umbrella of its massive military build-up? And isn't it equally clear that the debate over SALT is really a debate over whether or not the U.S. will acquiesce to this imperial drive?

As the debate proceeds, both voters and their representatives are gradually awakening to the realities of our situation. The Cuban issue, and before it the Kissinger-Nunn position of linking support, for the treaty to defense budget increases, have been useful steps in the educational process. As debate proceeds further, more people will recognize that the strategic arms negotiations are not incidental to the tipping military and political balance, but instrumental to it.

The treaty as it stands would ratify Soviet gains in central weapons systems. It would also ratify the vacillating foreign policy record of the Carter administration; after all, the administration itself bills the treaty as the centerpiece of its foreign policy. Above all, the treaty would stand in the way of future U.S. efforts to rectify the military balance. Rejecting it would be the clearest first step toward reversing the recent adverse trends. All of this is implicit in much of the recent discussion, and it is time the so-far timid critics grasped the nettle and called for a clear and unambiguous rejection.

It is first of all vital to recognize the enormity of the Soviet arms drive. As Henry S. Rowen details nearby, the Soviets are now outspending us by 45 percent on defense, and by 100 percent in military investment. This increasing Soviet power is before our eyes translating itself into greater boldness and greater political influence throughout the world. Cuba of course strikes close to home, but the threat to the Middle Eastern oil lines is even more significant.

We do of course have the option of accepting a Soviet imperium. It is hard to imagine us failing to retain enough power to make it inconvenient for them to land troops on Long Beach or Long Island. But with the Soviets already sending muscle men around our airports and tapping our phone calls, it is not so hard to imagine the U.S. evolving into a big Finland; there would still be elections, but the Soviets would have a practical veto over certain nominees. Our allies would suffer more. The result would be a worldwide erosion, already to evident in the plight of the Indochinese boat people, of those values for which Western civilization has stood: the idea of progress, economic growth, personal freedom, individual liberty.

The other option is to offset the Soviet arms drive with a military buildup of our own. Senator Nunn's proposed 4% to 5% real growth in spending, borrowed from a politicised Joint Chiefs, is a creditable start for the next fiscal year. But it will not close the gap. A realistic estimate would be that we need additional military spending of about 1% of GNP, moving over a few years from the current 5% to about 6%. This would still not bring us to Soviet spending levels, but it would make their ambitions for superiority expensive enough to stress their economic system. At that point, they might even become willing to talk about serious arms control.

It is no accident that the unparalleled Soviet military gains coincide with the era of arms negotiation. There is of course no treaty with a clause saying the U.S. can spend only so much on defense and the Soviets can spend 45% more. But the dynamics of the process—the attempt to reach a treaty more than the ultimate provisions—have curtailed American military programs. There is no more cogent statement of this than the melancholy testimony of Henry Kissinger reprinted alongside. Note well that Mr. Kissinger concludes that on the record the arms control process has restrained the U.S. without restraining the Soviet Union.

This result cannot be overcome simply by a tougher stance in the future, even if by some superhuman effort we could overcome the problems that arise when an open political system negotiates with a closed one. For we are left with provisions that limit U.S. technologies in ways that make them uneconomic to pursue. SALT-I killed the U.S. anti-missile program in precisely this way, and SALT-II threatens both the mobile ICBM and the cruise missile.

It is said that while the SALT-II provisions do not curb the Soviet arms drive, neither do they stop anything the Carter administration wants to build. This is far from clear, witness the reprinted remarks from Soviet Defense Minister Ustinov; obviously the Soviets believe the treaty outlaws the administration's MX missile because of professed difficulties in verifying how many are deployed.

It is said that there will be no renewal of

the three-year protocol limiting ground and sea-launched cruise missiles to ranges of 600 kilometers—far less than the new Soviet SS-20 missile already threatening our European allies. Even SALT proponents concede these restrictions are so one-sided they cannot be accepted permanently. But at the very least, the protocol precedent, like the MX verification problem, creates huge bargaining chips for the Soviets. If SALT-III is to ignore the protocol precedent and ratify the MX, what else will we have to give up?

And if all this is laid aside, the fact remains that the Carter administration's plans do not call for a gap-closing effort. Lay aside, too, any of the predictable political effects on future efforts; in congressional budget committees the prospect of SALT-III is already being used to argue against new programs. Even if all this is overcome, SALT-II forecloses options that would be of extreme interest to any future administration interested in closing the gap. For example, it precludes cruise missiles based on short take-off-and-landing aircraft as an answer to the SS-20 in the European theater.

The real logic of the Nunn-Kissinger requests for more spending is precisely to demonstrate that a gap-closing effort can be mounted within the provisions of SALT. It is up to the administration to demonstrate this by coming up with real programs. So far the administration offers nothing except an offset to inflation to maintain its original plans. This leaves room for a few billion in concessions later, and perhaps the administration can come up with cosmetic concessions on the troops in Cuba. This would test whether Mr. Kissinger and Senator Nunn and Senator Church have the courage of their convictions.

For arms control retains a diffuse popularity. In a nuclear era it is in fact an idea that cannot be permanently abandoned. But witnessing the negotiations over the past decade, real arms control can come only in a new military and political context, when the U.S. has reestablished its determination to avoid one-sided agreements. Many of the timid critics recognize this, but are unwilling to risk the unpopularity of saying so. So they say that we may have to cut off the current SALT talks, but never today, always tomorrow.

Mr. Kissinger, for example, wants the Senate to review Soviet behavior to see whether the negotiations need to be stopped. But in the past few years, Soviet-backed Marxist governments have taken over seven nations. How many would Mr. Kissinger allow before acting? Eight? Ten? Twenty?

Similarly, former UN Ambassador Moynihan, who obviously understands the dynamics, wants to stop SALT if the Soviets demonstrate they are not interested in real reductions. They have already, repeatedly and brutally, demonstrated that they are interested in no such thing.

Similarly again with the protocol. The only way we can avoid its renewal is simply to refuse, to scuttle the talks. If that is to be the ultimate outcome three years hence, why wait?

In fact, there will never be an easier time than now. With the Carter administration's clear record on foreign policy, and with a new election pending, there will never be an easier time to signal the need for change. With the Soviets so clearly on the march, there will never be an easier time to demonstrate linkage. With the treaty ratifying the Soviet building plans, there will never be an easier time to send the message that arms control means reductions. With the treaty not yet ratified, there will never be an easier time to insure that the protocol provisions do not become permanent.

There will never be an easier time to start a real national debate on meeting the Soviet challenge, perhaps to put arms control on a more solid future footing, and certainly to insure that we are not bullied and intimidated for the rest of this generation. This requires a sustained effort, and cannot be done with one stroke, but has to start sometime. The clearest, most meaningful and most essential starting place is the Strategic Arms Treaty. Between the clear opponents and the timid critics there are more than enough votes to reject the treaty and do it now; the Senators need only summon the courage to draw the obvious conclusion of their own logic.●

WALL STREET JOURNAL ASKS FOR ARMS REDUCTIONS NOW

● Mr. HELMS. Mr. President, the Wall Street Journal, in a major editorial statement today, has called upon the Senate to "Reject SALT Now." It is obvious that the Journal has not rushed to this conclusion. The editorial is a thoughtful piece of considerable length, which touches upon all the major issues in perspective. It is accompanied by a full page of readings supporting the conclusions in the editorial, including statements by former Secretary of State Kissinger and by our distinguished colleague from New York (Mr. MOYNIHAN).

The significance of the editorial lies not just in its call for the rejection of SALT. What is especially significant is the fundamental reason given; namely, that SALT II is not an arms reduction treaty. It is, as the Senator from North Carolina has been saying all along, an arms escalation treaty. As the Journal says:

> For arms control retains a diffuse popularity. In a nuclear era it is in fact an idea that cannot be permanently abandoned. But witnessing the negotiations over the past decade, real arms control can come only in a new military and political context, when the U.S. has reestablished its determination to avoid one-sided agreements. Many of the timid critics recognize this, but are unwilling to risk the unpopularity of saying so. So they say that we may have to cut off the current SALT talks, but never today, always tomorrow.

Further on, the Journal says:

> In fact, there will never be an easier time than now, with the Carter administration's clear record on foreign policy, and with a new election pending, there will never be an easier time to signal the need for change. With the Soviets so clearly on the march, there will never be an easier time to demonstrate linkage. With the treaty ratifying the Soviet building plans, there will never be an easier time to send the message that arms control means reductions.

Mr. President, I ask that the Wall Street Journal editorial be printed in the RECORD.

(The editorial is printed above at the conclusion of Mr. TOWER's remarks relating to the same matter.)●

WHITE HOUSE CONFERENCE ON FAMILIES

● Mr. CRANSTON. Mr. President, as chairman of the Subcommittee on Child and Human Development, I would like to report to my colleagues on the progress of the White House Conference on Families.

Mr. President, I have had a long-standing interest in this Conference, which I believe can provide valuable thought and focus at a time when many believe that the American family is undergoing major sociological and economic changes. In February of 1978, I chaired joint hearings with the House Subcommittee on Select Education to learn more about the administration's plans for the Conference, at that time scheduled for 1979, and to enable groups interested in participating in the Conference to give us their recommendation.

Unfortunately, various problems resulted in postponement of the Conference.

Mr. President, I am very pleased to share with my colleagues the excellent progress the Conference is now making in preparation for a conference in the summer of 1980. In July, the President appointed 40 individuals representing a broad cross section of Americans to serve as members of the National Advisory Committee for the White House Conference on Families under the chairmanship of Jim Guy Tucker, a former Member of the House of Representatives. At meetings on July 19 and 20, the National Advisory Committee adopted six themes for the Conference relating to the general topic, "Families: Foundation of Society." I believe that these themes—family strengths and support, the diversity of families, the changing realities of family life, the impact of public and private institutional policies on families, the impact of discrimination, and families with special needs—will be provocative starting points for a far-reaching investigation into numerous social and economic aspects of families, the cornerstone of our national well-being.

At these July meetings, the National Advisory Committee adopted an innovative process to build a broad base of participation for the Conference. This process, which includes hearings, State activities, national organization activities, and issue work groups to take place in various sites across the country during the next few months, are designed to assure grassroots participation in this national event.

Mr. President, preparation for the White House Conference on Families is finally off to a good start and I am hopeful will result in quality deliberations and concrete recommendations concerning this most important American institution.

Mr. President, I ask that a description of these themes and the goals adopted by the National Advisory Committee, as well as biographical descriptions of the members of the Advisory Committee, be printed in the RECORD.

The material follows:

WHITE HOUSE CONFERENCE ON FAMILIES

The National Advisory Committee on the White House Conference on Families adopted the following six themes as starting points or principles for discussion of issues:

FAMILIES: FOUNDATION OF SOCIETY

Family Strengths and Supports: The family is the oldest, most fundamental human institution, our most precious national resource. Families serve as a source of strength and support for their members and our society.

Diversity of Families: American families are pluralistic in nature. Our discussion of issues will reflect an understanding and respect of cultural, ethnic and regional differences as well as differences in structure and lifestyle.

The Changing Realities of Family Life: American society is dynamic, constantly changing. The roles of families and individual family members are growing, adapting and evolving in new and different ways to meet the challenges of our age.

The Impact of Public and Private Institutional Policies on Families: The policies of government and major private institutions have profound effects on families. Increased sensitivity to the needs of families is needed, as well as ongoing research and action to address the negative impact of public and private institutional policies.

The Impact of Discrimination: Many families are exposed to various and diverse forms of discrimination. These can affect individual family members as well as the family unit as a whole.

Families with Special Needs: Certain families have special needs and these needs often produce unique strengths. The needs of families with handicapped members, single-parent families, elderly families and many other families with special needs will be addressed during the Conference.

The National Advisory Committee on the White House Conference on Families has adopted the following goals for the Conference:

1. To initiate broad nationwide discussions of families in the United States.

2. To develop a process of listening to and involving families themselves, especially those families which have too often been left out of the formulation of policies which affect their lives.

3. To share what is known about families—their importance, diversity, strengths, problems, responses to a changing world, etc.—and to generate and share new knowledge about families.

4. To identify public policies, institutional actions and other factors which may harm or neglect family life, as well as their differing impact on particular groups, and to recommend new policies designed to strengthen and support families.

5. To stimulate and encourage a wide variety of activities in neighborhoods, grassroots organizations, communities, states, national organizations, media, and other public and private groups focused on supporting and strengthening families and individuals within families.

6. To examine the impact of economic forces (poverty, unemployment, inflation, etc.) on families, with special emphasis and involvement of poor families.

7. To encourage diverse groups of families to work together through local, state and national networks and other institutions for policies which strengthen and support family life.

8. To generate interest in and action on Conference recommendations among individuals, families, governmental and nongovernmental bodies at every level. (These activities will include monitoring and evaluation efforts.)

The National Advisory Committee of the White House Conference on Families is chaired by Jim Guy Tucker, former Member of Congress from Arkansas. The remaining 40 seats are filled by a diverse group of 20 men and 20 women from 26 states. They are:

CHAIRPERSON

Jim Guy Tucker, Little Rock, Arkansas, is currently a partner in the law firm of Tucker and Stafford. From 1977 to 1979, he served in the U.S. Congress, where he was a member of the Ways and Means Committee, the Speakers Committee on Welfare Reform and subcommittees dealing with Social Security and Public Assistance and Unemployment Compensation. In 1978, Tucker was selected by the United States Jaycees as one of the Ten Outstanding Young Men of America. From 1973 to 1977, served as Attorney General of the state of Arkansas. He is the author of numerous articles on energy and consumer protection. Has been active with a variety of voluntary organizations in the state of Arkansas.

DEPUTY CHAIRPERSONS

Mario M. Cuomo, New York, New York, Lieutenant Governor of New York. An attorney, Mr. Cuomo was New York Secretary of State and Professor of Law at St. John's University.

Guadalupe Gibson, San Antonio, Texas, Associate Professor of the Worden School of Social Service, Our Lady of the Lake University; Director of the "La Chicana in Mental Health" project of the National Institute of Mental Health.

Coretta Scott King, Atlanta, Georgia, President of the Martin Luther King Center for Social Change. Mrs. King is Co-Chair of the Full Employment Action Council and a member of the Black Leadership Forum.

Maryann Mahaffey, Detroit, Michigan, President Pro Tem of the Detroit City Council and Professor in the School of Social Work in Wayne State University. She is a former President of the National Association of Social Workers.

Donald V. Seibert, New York, New York, Chairman and Chief Executive Officer of the J. C. Penney Company, Inc. Mr. Seibert is Chairman of the Task Force on Inflation of the Business Roundtable, chairs the Board of the National Retail Merchants Association and serves as a member of the Board of the United Way of America.

MEMBERS

James V. Autry, Des Moines, Iowa, Editor-in-Chief of Better Homes and Gardens magazine, Vice President of the Publishing Group of Meredith Publications, and Chairman of the Board of the Epilepsy Foundation of America.

Charles D. Bannerman, Greenville, Mississippi, Chairman of Delta Foundation and Director of Mississippi Action for Community Education, a community organization working in depressed areas of the Mississippi Delta. He is Co-Chair of the National Rural Center and Rural Coalition.

Carolyn Shaw Bell, Dover, Massachusetts, chairs the Department of Economics at Wellesley College. She is the author of numerous books including "Coping in a Troubled Society" and "The Economics of the Ghetto."

Jeanne Cahill, Atlanta, Georgia, President of Cahill Properties, Inc., former Executive Director and Chair of the Georgia Commission on the Status of Women. She works with the Center for Battered Women and Children in Atlanta.

Bettye Caldwell, Little Rock, Arkansas, Professor and Director of the Center for Early Development and Education at the University of Arkansas; author and researcher in early childhood development.

Ramona Carlin, Smolan, Kansas, is past President of the Central States Synodical Unit of the Lutheran Church of America, and has been active in the International Year of the Child, March of Dimes and the 4-H. She and husband, Governor John Carlin, are dairy farmers.

Gloria Chavez, Los Angeles, California, President of the United Neighborhood Organization for the Federation of East Los Angeles, a low-income community organization working on food, housing and health issues.

Leon F. Cook, Minneapolis, Minnesota, President of American Indian Resource Services, recently served as an elected representative on the Red Lake Band of Chippewa Indians Tribal Council.

Mary Cline Detrick, Elgin, Illinois, national staff member, Church of the Brethren. An ordained minister, she works in areas of youth ministry, family life, marriage enrichment and aging. She is the past President of the National Council of Churches Family Life and Human Sexuality Commission.

Manual Diaz, Jr., New York, New York, Associate Professor, Fordham University Graduate School of Social Service. Diaz is currently a board member of the Family Service Association and has served with the Puerto Rican Family Institute and New York Urban Coalition.

Ruby Duncan, Las Vegas, Nevada, founder and Executive Director of Operation Life, a social service and advocacy center for low-income families.

Karen Fenton, Missoula, Montana, is Director of the Human Resources Development Programs of the Confederated Salish and Kootenai Tribes in rural Montana. Mrs. Fenton is a member of Montana's Committee for the Humanities.

Norman S. Fenton, Tucson, Arizona, Presiding Judge of the Pima County Conciliation Court. Judge Fenton received the 1978 Distinguished Service to Families award of the National Council on Family Relations and chaired the Arizona Governor's Task Force on Marriage and the Family.

Robert B. Hill, Washington, D.C., Director of Research for the National Urban League. He is the author of "The Strengths of Black Families," and numerous other monographs and papers on the subject of black families.

Robert L. Hill, Portland, Oregon, Chairman of the Metropolitan Youth Commission. Mr. Hill, 18, is the youngest panel member and a member of the Portland Public School Advisory Committee.

Charlotte G. Holstein, Syracuse, New York, President of the Loretto Geriatric Center. Past President of the New York State Association for Human Services and a member of the Board of Governors of the American Jewish Committee. Ms. Holstein currently serves on the New York State Council on Youth.

Harry N. Hollis, Jr., Nashville, Tennessee, Director of Family and Special Moral Concerns for the Christian Life Commission of the Southern Baptist Convention. He is a member of the National Council of Family Relations and the Association of Couples for Marriage Enrichment.

Jesse Jackson, Chicago, Illinois, National President of Operation PUSH (People United to Save Humanity), and founder of EXCEL, a national program designed to increase student achievement.

A. Sidney Johnson, III., Bethesda, Maryland, founder and Director of the Family Impact Seminar at George Washington University. Johnson served as staff director to then Senator Walter Mondale's Senate Subcommittee on Children and Youth.

Michael M. Karl, M.D., St. Louis, Missouri, a Professor of Clinical Medicine at Washington University. Dr. Karl is a leader in the Jewish Family Services movement.

Judith Koberna, Cleveland, Ohio, Vice-President of the Buckeye-Woodland Community Organization. She is a licensed practical nurse and has a deep interest in ethnicity and neighborhood concerns.

Olga M. Madar, Detroit, Michigan, President Emeritus of the Coalition of Labor Union Women and a retired UAW Vice President. She is a member of the Board of Directors of the Girl Scouts of America and the Wayne County Commission on Aging.

Harriette P. McAdoo, Columbia, Maryland, Professor in the School of Social Work of Howard University. Professor McAdoo has served as a principal investigator of an HEW research grant on family factors related to occupational and educational mobility in black middle income families.

Georgia L. McMurray, New York, New York,

Deputy General Director for Program Community Service Society of New York. She is a former Commissioner of the Agency for Child Development of the Human Resources Administration of the City of New York.

Patsy Mink, Waipahu, Hawaii, National President, Americans for Democratic Action. Ms. Mink, an attorney, was a Member of Congress from 1965 to 1977 and currently is an instructor of law at the University of Hawaii.

Rashey B. Moten, Kansas City, Missouri, Executive Director of the Kansas City Catholic Charities. Mr. Moten is the former President of the National Conference of Catholic Charities.

Richard J. Neuhaus, New York, New York, Associate Pastor, Trinity Church; Pastor Neuhaus is the author of "To Empower People" and co-director of a national research project sponsored by the American Enterprise Institute on Mediating Structures and Public Policy.

Robert M. Rice, Parkridge, New Jersey, Director of Policy Analysis and Development for the Family Service Association of America. The founding Chairperson of the Coalition for the White House Conference on Families, Dr. Rice is author of "American Family Policy: Content and Context."

Ildaura Murillo-Rohde, Seattle, Washington, Professor and Associate Dean of the School of Nursing of the University of Washington. A marriage and family therapist, she is the Chairperson-Elect of the National Coalition of Hispanic Mental Health and Human Services Organization.

Hirsch L. Silverman, West Orange, New Jersey, Chairman of the Department of Education Administration at Seton Hall University. Professor Silverman is the Chairman of the National Alliance for Family Life and the author of fourteen books dealing with the areas of psychology, philosophy and education.

Eleanor C. Smeal, Pittsburgh, Pennsylvania, President of the National Organization for Women, and an active participant in a variety of advocacy organizations.

Barbara B. Smith, Salt Lake City, Utah, General President of the Relief Society of the Church of Jesus Christ of Latter-Day Saints. She is active in the PTA and the Holladay Child Care Center.

J. Francis Stafford, Baltimore, Maryland, Auxiliary Bishop of the Archdiocese of Baltimore and Chairman of the Bishops Committee on Marriage and Family Life of the United States Catholic Conference.

J. C. Turner, Washington, D.C. President of the International Union of Operating Engineers, AFL-CIO. Mr. Turner serves on the Board of the National Urban League, National Consumers' League, and the YMCA.

Harold Yee, San Francisco, California, Director of Asia, Inc., a research institute for direct service agencies. Mr. Yee, an economist, serves on several San Francisco school advisory committees.●

TAX CUTS NEEDED TO AVERT JOB LOSSES

● Mr. ROTH. Mr. President, when the Senate begins its consideration of the second budget resolution, Senator DANFORTH, Senator HATCH, and I intend to offer an amendment to restrain Federal spending and provide a $24 billion tax cut in calendar 1980.

Under current economic policies, the American people are facing recession, increasing inflation, and rising rates of unemployment. Unless taxes are reduced, millions of Americans are going to lose their jobs and the Federal budget deficit will skyrocket because of lost revenue and increased spending on unemployment.

The administration and the Senate Budget Committee are trying to fight inflation and balance the budget by allowing taxes to increase.

According to Joint Economic Committee estimates, inflation and social security taxes will increase $25 billion in 1979 and $30 billion in 1980.

These massive tax increases are retarding productivity and investment, resulting in more inflation and rising unemployment.

The Federal Reserve Board has projected unemployment will increase from June's 5.6 percent level to 7 percent by the end of this year and to 8.25 percent by the end of 1980. A revised White House staff forecast parallels the Federal Reserve Board's projection. If unemployment increases to these levels, approximately 1.4 million people will lose their jobs by the end of 1979 and 2.7 million people will lose their jobs by the end of 1980.

Assuming this level of unemployment, and assuming the job losses will be distributed among the States in the same proportion that State unemployment was a percentage of national unemployment during the 1975 recession, the number of people who face the loss of their jobs in each of the 50 States is shown on the table below.

Allowing millions of Americans to lose their jobs will not reduce inflation or balance the budget. The only way to reduce inflation is to increase productivity and real economic growth through lower taxes and less Government spending, and I urge my colleagues to support our amendment.

Mr. President, I submit for the RECORD the table reflecting potential job loss, to which I have referred:

Potential job loss

State	End of 1979	End of 1980
Alabama	19,922	38,421
Alaska	1,820	3,510
Arizona	20,282	39,115
Arkansas	14,356	27,691
California	166,206	320,544
Colorado	14,358	27,691
Connecticut	23,800	45,900
Delaware	4,480	8,640
District of Columbia	4,620	8,910
Florida	65,692	126,692
Georgia	33,600	64,800
Hawaii	5,600	10,800
Idaho	3,766	7,263
Illinois	64,077	123,576
Indiana	36,974	71,307
Iowa	10,051	19,383
Kansas	8,680	16,740
Kentucky	18,487	35,654
Louisiana	19,040	36,720
Maine	8,436	16,270
Maryland	22,974	44,307
Massachusetts	54,564	105,230
Michigan	87,500	168,923
Minnesota	19,180	36,990
Mississippi	13,461	25,961
Missouri	25,480	49,140
Montana	3,780	7,290
Nebraska	5,026	9,692
Nevada	5,026	9,692
New Hampshire	6,102	11,769
New Jersey	60,200	116,100
New Mexico	7,897	15,231
New York	130,200	251,100
North Carolina	38,949	75,117
North Dakota	1,820	3,510
Ohio	77,000	148,500
Oklahoma	15,400	29,700
Oregon	19,600	37,800
Pennsylvania	75,922	146,664
Rhode Island	8,680	16,740
South Carolina	18,487	35,654
South Dakota	1,974	3,808
Tennessee	27,102	52,269
Texas	53,200	102,600
Utah	6,461	12,461
Vermont	3,590	6,923
Virginia	25,900	49,950
Washington	26,385	50,884
West Virginia	10,231	19,731
Wisconsin	26,460	51,030
Wyoming	1,246	2,403

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CHERYL PREWITT, MISS AMERICA 1980

● Mr. STENNIS. Mr. President, Miss Cheryl Prewitt, whose home is at Ackerman, Miss., was crowned Miss America 1980 Saturday night at the conclusion of the annual pageant in Atlantic City, N.J. Naturally, we Mississippians greeted the selection of our State's representative with great joy. However, the selection of this outstanding young lady is exceedingly good news for all Americans who cherish strong spiritual values, good character, and the will to succeed against seemingly unbeatable odds.

At the age of 11, Miss Prewitt was involved in a traffic accident in which her left leg was severely crushed. Doctors told her that the bone in her leg was so badly damaged that she would never be able to walk again. After 8 months in a body cast and wheel chair, through faith and determination and skillful medical care she was able to overcome her injury and walk again.

Throughout her recovery Miss Prewitt's faith was greatly strengthened. She credits that faith for enabling her to walk down that runway in Atlantic City, wearing the coveted Miss America crown, with no sign of ever having been crippled.

Miss Prewitt has many, many fine qualities, but her strong faith in God and in humanity is the quality that offers the greatest example, for the youth of our Nation and in fact for all Americans. I am sure she will accomplish much during her reign as Miss America toward strengthening spiritual values, reinforcing the strong will of the American people to overcome obstacles which appear insurmountable and in taking a leading role in the splendid programs and achievement of the Miss America group.

The new Miss America has earned an outstanding reputation in her community and at Mississippi State University, where she is a music major. I am sure her fine reputation will spread as she travels throughout the Nation.

Truly, the new Miss America has traveled the high road. She brings additional beauty and charm to her new title, and I am sure these qualities coupled with her integrity and sincerity

will help make her reign as Miss America a memorable one.●

DISASTER RELIEF

● Mr. MATHIAS. Mr. President, with the devastation wrought by Hurricane David still fresh in our minds, I think the Senate should focus on the hardships these storms cause to people all over the country, especially in the coastal areas. Fortunately, this recent storm spared the Delmarva Peninsula the full brunt of its destructive force. Next time we may not be so lucky.

The coastline around Ocean City has become especially vulnerable in recent years. A study has shown that massive erosion of the sandy bottom of the ocean just offshore has greatly increased the risk of storm damage to the homes and businesses located along the beach. As the study points out, the situation could eventually be stabilized with the construction of jetties along the shoreline.

While we should pursue a long term solution at the earliest opportunity—and I will lend whatever support I can to this project—I think we should also cover ourselves in case disaster strikes before the jetties are in place.

One thing we can do is change the law so that the people who suffer damage as a result of natural disaster can replace their losses more easily. I have therefore cosponsored Senator COCHRAN's bill, S. 1505, which allows individuals or businesses to claim a tax loss for property damage suffered in a Presidentially declared disaster based on replacement cost, rather than original cost—all that is allowed under current law.

Let me explain how it would work. If someone bought a refrigerator for $300 in 1970, he or she would have to pay $550 to replace that refrigerator today. So if that refrigerator is lost in a flood or hurricane, we would allow the taxpayer to deduct from his or her Federal income tax the cost of replacing it with a comparable model at today's prices. I think this is both fair and workable, and precedent exists for it in the current Tax Code.

We should always prepare for the worst, and this bill will provide a degree of comfort and protection until we devise a permanent solution. But we must continue to work for the long-term remedy to the threat of danger from natural disasters. The dangers our shoreline faces were described in a recent article from the Washington Star. I ask that the article, entitled "Ocean City Increasingly Vulnerable to Storms," be printed in the RECORD.

The article follows:

OCEAN CITY INCREASINGLY VULNERABLE TO STORMS

OCEAN CITY.—Massive, unanticipated erosion at the bottom of the sea off Ocean City is making the resort's beaches increasingly vulnerable to storm damage, according to a consultant study.

More than 14 million cubic yards of sand has been lost from the ocean bottom since 1929, according to the report by Trident Engineering Associates, which compared federal coastal surveys.

The effect has been to steepen the slope of the near-shore bottom, taking away a gentle incline to slow the waves as they approach the shoreline, said Joseph M. Caldwell, the report's principal investigator.

Thus, the waves crash into the shore with greater intensity, he said. "It means the beach is not in an equilibrium state," he said.

"It has a tendency to lose sand. It is storm sensitive—increasingly susceptible to major storm damage," he said.

The erosion is taking place in a zone beginning 200 feet offshore and extending out to 1,000 feet, said Caldwell, who added he was "astonished" by the group's finding.

"We did not expect it. It only came out in the data a few weeks ago. I'm still not sure what is the cause or what it means in the long run," he said.

Caldwell said the problem may be associated with the natural, long-term westward migration that most barrier islands on the Eastern seabord now are undergoing. Ocean City is one of those unstable islands.

Caldwell said he knew of no other cases where the phenomenon had been identified and studied.

The firm said there is a wide range of measures, costing from several million to tens of millions of dollars, the state and Ocean City could consider to shore up the beaches for the next five to 10 years.

It would take at least that long for the Army Corps of Engineers to gain congressional authorization for a projected $44 million long-term program to rebuild and maintain the beach here.

The Department of Natural Resources' Ocean, Bays and Beaches Task Force picked two alternatives from the Trident report for further study and evaluation by the Annapolis consultant between now and Aug. 25.

Under one plan, groins or jetties about 325 feet long would be built every 300 yards on the beach.

The $9 million project would entail building 19 new jetties and extending the existing ones, and would cost an additional $500,000 a year in maintenance. The groins would provide little protection in a major storm, however.

The second plan involves building 32 groins, 450 feet long, at a cost of about $515 million plus maintenance. These would provide better storm protection but would completely stop the normal north-to-south drift of sand along the coast which nourishes beaches further to the south.

The long jetty built at Ocean City's southern end already halts much of the sand drift used to nourish the beaches of Assateague State Park immediately to the south.

Studies show the four miles of beach on Assateague nearest to Ocean City have been eroding at about 40 feet a year.●

TRACY AUSTIN—CHAMPION

● Mr. CRANSTON. Mr. President, athletic history was made last Sunday at Flushing Meadow, N.Y.

Tracy Austin, 16 years of age, and just about to enter the 11th grade at Rolling Hills High School near Los Angeles, Calif., won the U.S. Open tennis championship—the youngest woman in history to achieve that honor.

In winning this prestigious tournament, the most important tennis championship in the United States, Tracy defeated Chris Evert Lloyd in straight sets, 6 to 4, and 6 to 3.

The victory was significant for Tracy Austin, not just because she was the youngest person ever to win this event, but because she decisively beat a woman who had won the event 4 years in a row and who was seeking an unprecedented fifth victory.

Like a true champion, Tracy Austin said after her victory: "I don't think about being the youngest, just the champion."

Indeed, Tracy Austin is a champion.

Her startling rise to the top of the woman's tennis world was not a fluke. Along the way to the U.S. Open she won six tournaments in her first year as a professional tennis player.

And to win the U.S. Open she not only defeated the second-ranking woman player—Mrs. Lloyd—but also the top ranked star, Martina Navratilova.

Mr. President, as a fellow Californian, I am indeed pleased to take this opportunity to congratulate Tracy Austin on her fine accomplishment last Sunday.

She has the stuff of which champions are made.●

DILEMMAS OF THE COMING DECADE

● Mr. JAVITS. Mr. President, we are going to have to make some very tough decisions in the next 10 years—decisions that will involve tradeoffs and compromises and that could determine the course of our country's economic future for better or for worse. A powerful consensus is developing in the Congress that we must act with judicious timeliness if we are to set in motion policies that will revitalize our country's productive capacity and modernize our business plant and equipment.

The difficult economic choices that confront those of us serving here in the Congress today are underscored in an excellent article by former Secretary of Transportation, Brock Adams, entitled "First Chrysler—and Then?", which appeared in the Washington Post of Sunday, September 9, 1979.

In reference to energy, Secretary Adams urges us to adopt solutions that reflect truly the urgency of the energy problem—a problem which he terms even more serious when viewed from the perspective of future supply—and that truly respond to the national interest. Secretary Adams also urges us to consider the national interest in giving consideration to Chrysler's financial plight. He impels us to resist the temptation to address this problem as an isolated incident requiring a quick financial fix. Rather, he recommends that we seize this opportunity to begin defining a "new economic strategy for the 1980's."

As Secretary Adams so perceptively states, Chryler's problems are not unique, but generic, and they signal what could become a disturbing trend among a whole range of maturing industries as the impending recession becomes more sharply delineated. He characterizes Chrysler's fundamental problem as one of a company faced with "an aging plant, the absence of technological creativity and a shrinking market."

We simply cannot afford to let our powerful industrial machine fall into serious obsolescence. As Secretary Adams so accurately concludes, what we in the Congress must ultimately address is the "reindustrialization of America." I share his view and I recommend his excellent article to my colleagues in the Senate.

Mr. President, I ask to have the fol-

lowing article from the Washington Post of Sunday, September 9 printed in the RECORD.

The article follows:

FIRST CHRYSLER—AND THEN?

One of the consolations of private life is the ability to offer controversial advice without fear of having to take it. With this in mind, I agreed to offer up some thoughts to my former colleagues through the good offices of The Washington Post.

There is little doubt that the Congress faces a confluence of energy and economic decisions that are as politically divisive as they are popularly demanded, and more rides on the outcome than the politics of 1980. At stake are the economics of the next decade, wherein we must decide as a nation whether we will try to rebuild our aging industrial and technological base or continue the retreat toward a service economy.

The issue immediately at hand is the fate of the Chrysler Corporation and, like the Lockheed and Penn Central fights of the last decade, the politics are no-win. Help Chrysler and risk being party to a "bail-out"; refuse aid and leave thousands of auto workers and executives unemployed by Christmas. I believe it is the kind of choice that will recur time and again during the next decade. For while Chrysler's problems are unique in some respects, they are also common to a whole range of "maturing" American industries that will march on Washington for financial relief, the bonus army of the 1980s. Chrysler is merely the advance guard.

In fact, the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. With the need to revitalize mass transit almost desperate, America has but two remaining bus manufacturers with the capacity of roughly 3,000 units per year, a quarter of what is needed. The domestic manufacturers of passenger rail cars have vanished despite increased demands by Amtrak and the new subway and light rail systems now being built. The railroad industry, which with barges and pipelines must carry the nation's long-distance freight, is in a state of near collapse, oversized and underfinanced, with remedial legislation stuck in Congress.

Even worse is the tragedy played out in Detroit. More than 70,000 auto workers are on unemployment and soon joining them will be thousands of middle-age executives who determined perhaps 20 years ago, in a different era, that the insular world of automobiles would provide a secure career. Where do they go now, these 50-year-old men with mortgages suited to $50,000 salaries? For the American automobile industry is in deep trouble (Chrysler now, but Ford is next). And, when Detroit is in trouble, Youngstown and Bethelehem and St. Louis can't be far behind. In fact, the tentacles of the auto manufacturers reach into every state, accounting for the livelihood of 5 million people and more than $150 billion in annual trade. As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

How do we restore the creaky transportation sector, and how can these actions be related to the deeper economic and energy concerns? As a beginning, I would offer five suggestions to the Congress:

1) Resist the temptation to dismiss the Chrysler problems with a quick financial fix, and instead use it as an opportunity to begin defining a new economic strategy for the 1980s. I would give the Chrysler Corporation provisional aid to get it over the short-term crises, but would tie a larger financial package to a policy for the entire auto industry. For, as stated, Chrysler's problems are not unique; they are generic: an aging plant, the absence of technological creativity and a shrinking market.

I would start asking the hard questions: Does the government save all industries that are big and sick? If not, what determines salvation—number of employees, kinds of products and service, effect on the total gross national product? Do we have appropriate measures of national interest? Unless we begin to face these unhappy questions now, the Congress will limp from bail-out to bail-out without any real understanding of where we are going or why. In the cases of Lockheed and Penn Central, these questions were raised but never solved. Now they must be.

2) Focus on the massive need for capital and how it is to be raised and invested. If, for example, the entire windfall profits pot is to be taken by synfuels development, there will be insufficient funds to explore the potential of solar energy, modernize the auto industry and establish a construction trust fund for mass transit. The economic principle of opportunity cost is at play, and there are limits to the amount of money that can be raised under any scenario. We must make broad and informed judgments on how to raise and spend that capital as a total society rather than spilling it piecemeal.

3) Don't get bogged down in ideological battles. Where there is a free market, let's favor free-market solutions. But let's not try to apply this solution to areas where there is no free market. Oil supply is not part of a free market. At home oil is in a corporate straightjacket and abroad it is controlled both in amount and price by a cartel.

The Department of Energy notwithstanding, not all regulation is bad where the national interest is involved. The fuel-economy regulations administered by the Department of Transportation, for example, saved Detroit from an even worse disaster than it is now suffering.

4) Emphasize new technology. America is in the midst of an innovation slump with research and development spending now only about 2 percent of the GNP. Nowhere is this more in evidence than the auto industry, where spending on basic research has dipped to almost nothing at the very time we need breakthroughs in such fields as the nonpetroleum engines. Why not structure the Chrysler solution to produce a major national investment in new auto technology? The basic auto-research program now being negotiated with the industry should be accelerated and vastly expanded beyond what is currently being contemplated.

5) Adopt solutions that truly reflect the urgency of the energy problem—a problem that is far more serious when viewed from the perspective of supply rather than price. That portion of our oil supply that comes from the Mideast, about 40 percent, must travel everyday in tankers through the narrow 20-mile Strait of Hormus, which any disaster (political, military or technological) could shut down. With our economy hanging by so thin a thread, it is only prudent that we forge ahead with massive investment in both conservation and supply technologies. Since a barrel saved is equal to a barrel produced and often cheaper, this means in the transportation sector we must speed the renovation of the freight railroads and build urban mass transit as well as fuel-efficient autos. Because of the existent capital shortage, those investments should be considered within the context of the windfall profits debate.

The administration has now announced a new $16.5 billion transportation-energy package that can ony be considered a beginning. Retooling the auto industry alone will require tens of billions that Detroit cannot raise on its own. The same magnitude of investment will be needed to modernize the freight railroad industry and renew the inland-waterway system. Economic policy analysis must carefully tabulate the cost of needed investments in transportation and other essential industries and relate them to potential available capital, both public and private. This is essential work, and one hopes Congress will seize the moment. The windfall profits tax, synthetic-fuel development, mass transit, auto-efficiency issues, and Chrysler's financial trouble provide a set of issues serious and broad enough to override any special interest in favor of truly national solutions.

What we are ultimately addressing is the reindustrialization of America, and a new industrial revolution won't happen by itself. I believe we can refurbish our factories and once again make the kind of quality products that will dominate world markets.

But it is easier to draw the plan that leads us there than to follow it. Painful public decisions and regional economic tradeoffs will have to be made and, in the end, only the Congress can make them. From this armchair, I wish my former colleagues Godspeed.●

TAX INCREASES FACING AVERAGE FAMILY

● Mr. ROTH. Mr. President, according to the Joint Committee on Taxation, the Senate Budget Committee's recommendation to delay tax cuts until 1982 will cost the average family of four $926 in higher taxes—$393 in 1980 and $533 in 1981.

Imposing a $926 tax increase on the average working American will not reduce inflation or balance the budget. It will, however, reduce take-home pay, production, savings and investments, resulting in more inflation, a deeper recession, and high unemployment.

The following chart shows the Joint Committee on Taxation's estimate of the tax increases facing a family of four:

	1979	1980	1981
Equivalent income [1]	$18,918	$20,678	$22,456
Federal income tax	1,838	2,123	2,431
Social security tax	1,160	1,268	1,493
Total tax	2,998	3,391	3,924
Tax increase		+393	+533
Tax increase (1980–81)		+926	

[1] Income is assumed to increase to keep pace with an inflation rate of 10.6 percent and 9.3 percent.

I believe the best way to reduce inflation and offset the recession is through lower taxes and less spending, and I urge my colleagues to support my amendment to the second budget resolution.●

AMERICAN LEGION CAMP WEST MAR CELEBRATES 20TH ANNIVERSARY

● Mr. MATHIAS. Mr. President, recently I had the pleasure of joining with other Legionnaires at the 20th anniversary celebration of Camp West Mar, the American Legion's summer camp near Thurmont, Md. This important facility is a living demonstration of true conservation in three significant ways. It conserves a wonderful sweep of Maryland mountain scenery, it conserves the lives of young Americans who will benefit by attending the camp and it conserves the principles on which this country is

founded and which the American Legion is pledged to defend.

For the past 20 years, the Legion's Western Maryland District has given underprivileged campers a unique opportunity to learn new skills and have a good time. At the camp in the Catoctin Mountains they swim, fish, learn crafts, practice archery, and view demonstrations by groups such as the Baltimore Police K9 team.

Camp West Mar is the brainchild of my longtime personal friend, Richard Graham, a fellow member of Francis Scott Key Post No. 11 in my hometown of Frederick. It is through his efforts that the camp has succeeded. I can testify to the time and attention that he has given to Camp West Mar over the years. When something was needed he would spare no effort to find a way to supply it. It can literally be said that he has moved mountains to make the camp a success.

Credit must also be given to all the men and women of the Western Maryland District who through their time and resources have made Camp West Mar grow and prosper. District Comdr. Margaret Carnahan, I am sure, is looking to bigger and better things next year, and is providing leadership to achieve them.

Mr. President, I ask that the following article from the Maryland American Legion's newspaper, the Free State Warrior, on the celebration of Camp West Mar's 20th anniversary be printed in the RECORD at this point.

The article follows:

EARL FRANKLIN AT CAMP WEST MAR 20TH ANNIVERSARY

It does not seem possible that 20 years have passed since Camp West Mar changed from a dream to a reality but it has. On Sunday 29 July, 221 Legionnaires, Auxiliares and guests met at Camp West Mar to celebrate the 20th Anniversary.

EARL FRANKLIN

National Children & Youth Chairman Earl Franklin, long time Mayor of Sterling Colorado, came all the way to Maryland to deliver the principal address at the celebration. He reviewed the history of the Camp West Mar operation and complimented all of us on the great achievement, with our Western Maryland District receiving the credit, of course.

CHURCH SERVICES

The program, under direction of Dick Graham, Jack Weidman and Western Maryland District Commander Margie Jo Carnahan, got off to a good start with ecumenical Chapel Services by Rev. Fogarty. Included were a number of children's hymns which the 85 youngsters attending the Camp sang with gusto. After a warm-up the adult audience also joined in the singing. Probably the best was "Jesus Loves Me", the old standby many of us remembered from the days when we were the age of the Camp West Mar attendees.

Department Commander Bob Neal not only delivered congratulations to Camp West Mar and the District; he also presented a plaque to Dick Graham in recognition of his being the first Director and one of the Founders. Dick had previously announced his retirement as Director and the appointment of Jack Weidman as his successor at the close of this year's encampment so it was not exactly a surprise. However the plaque did take him by surprise and he was thankful to Commander Neal for the recognition on the part of our Department.

OTHER GUESTS

Among the guests who brought greetings were Past National Commander Bob Eaton, U.S. Senator Charles Mac Mathias, Md. State Senator Ed Thomas and various County Officials. Among the Auxiliary Officers present were Dept. President Anna Thompson, Dept. Treasurer Maxine Henley and Dept. Secretary Roseanna Ford. It was a gala day.

MANY ACTIVITIES

The 85 boys attending the Camp had a busy two weeks. They caught large amounts of big fish in the 2 acre pond. The Archery range came in for a big play, as did the horse shoe pitching. Most popular of all were the new swimming pool and the new rifle range. In celebration of the 20th Anniversary, the Campers also took a field trip to Gettysburg battle field and to an Oriole ball game in Baltimore. For this affair Dept. Adjutant Dan Burkhardt donated 50 lbs. of peanuts so that each of the boys had a big bag to munch on at the ball game.

Also during the two weeks at the Camp the boys went on hikes, learned arts and crafts from the superb U.S. Army Liason team which stayed the entire two week period, saw a Baltimore Police Dept. K9 demonstration and a Fire Department demonstration. That Fire Truck was a big hit! All in all it was a two week period the boys will never forget.

WARRIOR SALUTE

The Free State Warrior proudly renders its right hand salute of respect and admiration to the entire Western Maryland District but especially to the Camp West Mar staff, for their magnificent operation. It has been truly said, "No man stands so tall as when he stoops to help a child".●

ASSISTANCE TO UGANDA—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on S. 1019 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MATSUNAGA). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act of 1979, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 27, 1979.)

Mr. CHURCH. Mr. President, this bill would lift restrictions on U.S. foreign aid to Uganda. Last year, Congress placed embargoes on trade and foreign assistance to Uganda in protest of the brutal and murderous dictatorship of Idi Amin. This ruthless tyrant has now been overthrown and the Ugandan people are in desperate need of help. The President has already exercised his authority and invoked the waiver restoring trade with Uganda. It is important that Congress now lift its restriction on aid. We must show that congressional sanctions against Uganda were directed at the government of Idi Amin, not the Ugandan people themselves, and we should respond to an urgent situation in the country, whose economy is in ruins.

The State Department plans to respond to Uganda's needs in a modest but important way after Congress enacts this law. Three and a half million dollars of assistance is contemplated, consisting of two parts. The first involves one-half million dollars in disaster relief for the purchase of agricultural implements and seeds needed for a crash program in food production. These items must be available before the end of October, when the rains stop.

The second part of the program consists of $3 million for balance-of-payments support and for the purchase of certain commodities for agricultural and educational rehabilitation. In agriculture, the money will be used to buy farm tools and fertilizers. In education, Uganda has a real need since schools were denuded of everything during Amin's dictatorship, including even schools desks, American funds would thus be used to buy books, school equipment, and teaching materials, to aid the Ugandan Government in getting elementary-age children back to school.

Mr. President, I urge the Senate to adopt this bill to assist in these humanitarian goals and to restore American ties with a country that suffered greatly at the hands of Idi Amin. It will take time for Uganda to get back on its feet. We in the United States should do all we can to help bring it back to normality.

Mr. JAVITS. Mr. President, I join Senator CHURCH in urging the Senate to act promptly to lift foreign aid restrictions against Uganda. I commend him for his leadership on this issue. It is entirely appropriate that he should now be urging Congress to end these restrictions, since he has played a major role in protesting the terrible regime of Idi Amin.

Mr. President, last year Congress banned both trade and aid with Uganda, but it attached a waiver to the trade restriction permitting the President to resume trade when the human rights situation improved in the country. This has now happened and the President has acted. Congress responded to the downfall of Idi Amin by initiating legislation to remove aid restrictions. However, there were some differences between the House and Senate versions. The Senate lifted all restrictions. The House maintained restrictions on military assistance and on funds from the economic support fund.

In conference, these differences were reconciled, as the conference report notes, and the House adopted the conference report by a vote of 280 to 69 on September 7, 1979. The final compromise would end all economic restrictions, while the ban on military assistance would remain in force. This is a compromise that I believe the Senate should support. It allows us to send humanitarian aid to Uganda, which is urgently needed, and at the same time permits us to see how events unfold in Uganda before we wipe the slate clean.

I urge my colleagues in the Senate to support this compromise as a way of showing our approval for the improve-

ment of the human rights situation, to extend a helping hand to people in need, and to strengthen our links with a country in Africa that justly deserves our sympathy and support.

Mr. CHURCH. Mr. President, I thank the Senator from New York for his generous remarks and for his help in bringing about a resolution of the Uganda issue.

I want to mention the presence on the floor of the able and distinguished senior Senator from Oregon (Mr. HATFIELD). Perhaps more than any other Senator, it was Mr. HATFIELD who expressed the outrage and summoned to the fore the conscience of the Senate in such a way as to cause Congress to impose the embargo against further American trade with Uganda, which, I believe, contributed in a very material way to the undoing of Idi Amin. I should not want this moment to pass without recognizing the very important contribution that the distinguished Senator from Oregon made and the leadership that he gave to this worthy cause.

Mr. HATFIELD. Will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. HATFIELD. Mr. President, the chairman of the Committee on Foreign Relations, my very good friend and neighbor, Senator CHURCH, of Idaho, has been more than generous in his comments relating to my role in the matter of concern over the regime of Idi Amin and subsequent events that took place here on the floor of the Senate; namely, the boycott and, later, the lifting of those sanctions.

Mr. President, I rise to acknowledge the leadership that has been demonstrated by the chairman of the Committee on Foreign Relations and the ranking minority member, the distinguished Senator from New York (Mr. JAVITS), and to thank them for enduring these long months during which we have been associated and involved in this matter. We may have disagreed from time to time on the mechanism or the timing, but there was never any question in my mind that there was, certainly, the same compassion and concern in the hearts and minds of these gentlemen as I attempted to exhibit as well.

We never had any difference of opinion, in my view, as to the goal and the objectives. I think what they have labored now long and very diligently to bring to this floor as a conference report is an excellent compromise, one which I heartily endorse.

More especially, I want to endorse again the special character of these two gentlemen, who, throughout the entire efforts, always demonstrated that deep concern about their fellow human beings in Uganda. Senator JAVITS has long been involved in civil rights and humanitarian programs, as has Senator CHURCH.

I think that, many times, we become so involved with our neighborhood and our own city, our State, our Nation, that we forget about the problem of human rights in other parts of the world. That has not been so with Senator CHURCH and Senator JAVITS. Whatever the front may be—Africa, the Middle East, Europe, Latin America, Asia, any part of the world that there has been a human rights problem or issue—these gentlemen have been in the forefront of defending the rights of people and advocating actions that will help secure those rights. Therefore, I take this occasion to thank these gentlemen and say I consider it a privilege to have been associated with them in bringing about the culmination of the question on Uganda.

Mr. JAVITS. Will the Senator yield to me?

Mr. CHURCH. Yes.

Mr. JAVITS. Mr. President, I want to thank Senator HATFIELD. I was associated with him long before he came to the Senate, when he was Governor of Oregon. One of the most admirable traits of a politician is unity of character. I know of no one in the Senate who showed that unity of character in his dedication and constancy of beliefs than Senator HATFIELD, and he has had very rough moments.

I thank him very much.

Mr. HATFIELD. I thank the Senator, very much.

Mr. CHURCH. Mr. President, I join with Senator JAVITS in that tribute to our colleague. I join wholeheartedly and reiterate that of all of those who participated in the effort to cut off economic ties with Idi Amin in the hope of weakening his regime and ultimately to bring about his downfall, no one was more correctly on course from beginning to end than the Senator from Oregon.

Mr. President, I move that the Senate adopt the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARMS CONTROL AUTHORIZATIONS—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on H.R. 2774 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MATSUNAGA). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 2, 1979.)

Mr. CHURCH. Mr. President, on May 1, 1979, the Senate approved this legislation by unanimous consent. On July 31, the committee of conference met to resolve differences between the House and Senate versions of this bill. The primary points of difference involved the fiscal year 1981 authorization figure, grants for arms control education and training, a study of the economic impact of U.S. arms and arms control policies, and restrictions with respect to the appointment of military officers to high positions within ACDA.

Mr. President, I believe that the committee of conference made the necessary compromises to equitably resolve these differences. The bill as reported by the conference: First, authorizes $18,876,000 in expenditures for the Arms Control and Disarmament Agency in fiscal year 1980, and $20,645,000 for fiscal year 1981; and second, prohibits the appointment of an active duty commissioned officer of the U.S. Armed Forces as Director or Deputy Director of ACDA.

Mr. President, I want to first yield to my colleague, the able Senator from New York, (Mr. JAVITS), before I move the adoption of the conference report.

Mr. JAVITS. Mr. President, I join Senator CHURCH in recommending that the Senate adopt the conference report on H.R. 2774. The Senate members of the committee of conference made every effort to uphold the Senate version of this legislation and to keep the authorization levels within the executive branch's original request.

Mr. President, I ask that the joint statement of managers be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disagreement Act, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS

The conference substitute contains authorizations for appropriations for the Arms Control and Disarmament Agency (ACDA) for fiscal years 1980 and 1981. For fiscal year 1980, the committee of conference adopted a figure of $18,876,000, which is the same as the Senate figure and the executive branch request and $400,000 below the figure recommended by the House. For fiscal year 1981, the committee of conference adopted the House figure of $20,645,000, which differed from the Senate recommendation and the executive branch request, both of which provided "such sums as may be necessary" for fiscal year 1981. The committee of conference also authorized for both fiscal years such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other non-discretionary costs, and to offset adverse fluctuations in foreign currency exchange rates.

GRANTS FOR EDUCATION AND TRAINING

The House bill added a new section 38 to the Arms Control and Disarmament Act which provided the Director of ACDA with discretionary authority to make grants to institutions of higher education, nonprofit organizations, and public agencies for the purpose of supporting programs in arms control education and training.

The Senate bill did not contain a comparable provision.

The committee of conference adopted the Senate position.

After considerable discussion, the committee of conference concluded that fiscal and budgetary constraints precluded present adoption of this provision. In doing so, the conference committee recognizes the many desirable merits of the provision and urges ACDA to give full and favorable consideration to request such authority in future budget submissions to Congress.

ECONOMIC IMPACT STUDY

Section 4 of the Senate bill required the Director of ACDA, in consultation with appropriate officials of the departments and other agencies of the United States, to conduct a comprehensive study of (1) the impact of military expenditures on the economy of the United States, including but not limited to the impact on the economic factors of inflation, balancing the Federal budget, industrial employment, civilian research and development, civilian industrial productivity, corporate profits, and balance of payments and (2) the impact of such economic factors on national defense policy decisions regarding the procurement of weapons, the size of force structure, troop deployments outside the United States, arms control policy, personnel policies, and conventional arms sales, as well as such other aspects of the national defense posture of the United States as the Director of ACDA may deem relevant.

The House bill did not contain a comparable provision.

The committee of conference adopted the House position.

In not mandating the study due to present budgetary constraints on the Agency, the committee of conference recognizes the merits of providing information to Congress concerning the relationship between the Nation's economic situation and some of the factors cited in the Senate provision.

Accordingly, the committee of conference urged ACDA to give consideration to do a study along the lines of the Senate provision.

RESTRICTIONS WITH RESPECT TO THE APPOINTMENT OF MILITARY OFFICERS

(a) The Senate amendment amended Sections 22 and 23 of the Arms Control and Disarmament Act to prohibit the appointment of an active duty commissioned officer of the U.S. Armed Forces as Director or Deputy Director of ACDA.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision.

(b) The Senate amendment added a new Section 28 to the Arms Control and Disarmament Act to prohibit the two positions of Director and Deputy Director to be occupied simultaneously by persons who, within the preceding 10 years, have been relieved of duty as commissioned officers of regular components of the Armed Forces or have become retired officers of the Armed Forces.

The House did not contain a comparable provision.

The committee of conference adopted the House position.

FRANK CHURCH,
C. PELL,
G. MCGOVERN,
JOHN GLENN,
J. JAVITS,
C. H. PERCY,
JESSE HELMS,
Managers on the Part of the Senate.

CLEMENT J. ZABLOCKI,
L. H. FOUNTAIN,
L. L. WOLFF,
GUS YATRON,
GERRY E. STUDDS,
TONY P. HALL,
HOWARD WOLPE,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, Jr.,
Managers on the Part of the House.

Mr. CHURCH. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 1 minute to consider two nominations at the desk that have been reported from the Committee on the Judiciary and which have been cleared with the minority and which deal with judgeships in West Virginia.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The second assistant legislative clerk read the nomination of James M. Sprouse, of West Virginia, to be U.S. circuit judge for the Fourth Circuit.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

EAGLETON GETS RESULTS

Mr. PROXMIRE. Mr. President, our distinguished colleagues (Mr. EAGLETON) is known as a man of very deep conviction and a man who has a great heart. He believes very deeply we should do more, and he has worked so hard to have the Congress of the United States and this country do more, for the so-called boat people, the refugees of Southeast Asia, and he deserves great credit for that.

An article in the New York Times appeared on Sunday which indicates he not only has a heart, but he also, as so often, is very successful in getting things accomplished.

I will just read a couple of paragraphs from that article:

With Hope, as in Bob, needed only a mention of the idea and the judicious use of the right connections to whip together a Kennedy Center benefit for the Vietnamese boat people in just under two weeks

It all started when the entertainer, back from China where he was making a television special, mentioned to Senator Thomas F. Eagleton that he would like to do something for the boat people.

Senator Eagleton, a Missouri Democrat, got in touch with John E. McCarthy, executive director of the Migration and Refugee Services, who talked with William T. Hannan.

And more quickly than you can say Dorothy Lamour, the Bob Hope Refugee Gala was put together.

Mr. President, I ask unanimous consent that this article be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 9, 1979]

A CAPITAL GALA AS PRODUCED BY THE RIGHT CONTACTS

(By Karen De Witt)

Washington, September 3.—With Hope, as in Bob, it needed only a mention of the idea and the judicious use of the right connections to whip together a Kennedy Center benefit for the Vietnamese boat people in just under two weeks.

It all started when the entertainer, back from China where he was making a television special, mentioned to Senator Thomas F. Eagleton that he would like to do something for the boat people.

Senator Eagleton, a Missouri Democrat, got in touch with John E. McCarthy, executive director of the Migration and Refugee Services, who talked with William T. Hannan, a lawyer with O'Connor and Hannan, who has a knack for expediting things through the right contacts, something he ascribes to being a third-generation Washingtonian.

"ON THE ROAD" TO A BENEFIT

And more quickly than you can say Dorothy Lamour, the Bob Hope Refugee Gala was put together, the John F. Kennedy Center for the Performing Arts engaged for on Tuesday night, advertisements placed with local television and radio stations, invitations mailed, and acceptances from some 2,000 political and business leaders accepted.

"It has rolled along so well because of the wish of the officials in Washington to show their concern for the plight and situation of the refugees," Mr. Hannan explained.

Mr. Hope had said that his schedule would allow him to be in the city this Tuesday and that he would arrange for a special premiere of his television special, "The Road to China," for the benefit. The cause was good, but organizing time was short, especially with the Labor Day weekend intervening.

Initially, Mr. Hannan said, the major problem was a place for the benefit. Everything was booked, including the auditoriums of several local universities. There were discussions with Ambassador Dick Clark about using the State Department auditorium, but it turned out to be unavailable, and anyway its use by private groups was illegal.

Mr. Hannan, who is underwriting the $40,000 cost of the event, then talked with Roger Stevens, director of the Kennedy Center. A rehearsal of the National Symphony Orchestra was moved up, making the center's 2,700-foot concert hall available for the charity, free of charge. Mr. Stevens also offered the center's Atrium for a pre-performance reception and made ticket-buying for the event easier by offering the services of the center's Ticketron.

General admission was set at $10, and there were to be 200 box seats at $500 and 400 orchestra seats at $100 each.

But the group was confronted with the problem of getting the tickets printed, said Mr. Hannan, who describes himself as the "chief negotiator" of the event, under the direction of Mr. McCarthy.

But a public relations firm, Luketon, was engaged to advertise the event. On the Friday before Labor Day it finally looked as if it would all come together.

Mr. Hannan and his fellow "negotiators" managed to get 7,000 tickets and envelopes printed on Saturday, and family and friends and people who owed favors all sat down on Sunday and hand-addressed 3,000 of them. Letter-grams were sent to major corporations asking for their support.

On Labor Day another problem arose: where to get stamps on a day when the Post Office is closed. Mr. Hannan said he called an Undersecretary of Commerce who would remain nameless, that the Undersecretary located the employee who had the key to the stamp safe at the post office and facilitated the purchase of $4,000 worth of stamps.

OUT-CASTING CENTRAL CASTING

Mr. Hannan had already put together a 20-member committee for the event that included Mayor Marion S. Barry Jr.; Kenneth M. Crosby, board chairman and international vice president for Merrill Lynch; H. E. Alejandro Orfila, Secretary General of the O.A.S.; Cardinal John R. Quinn, Archbishop of San Francisco and president of the National Conference of Catholic Bishops, and Edward Bennett Williams, a lawyer and the owner of the Baltimore Orioles and president of the Washington Redskins. Vice President Mondale is the honorary chairman of the charity, sponsored by the Migration and Refugee Services, U.S. Catholic Conference, and Ambassador Clark is one of the cochairmen.

"It took 10 minutes on the phone. Everyone was electric in their response," said Mr. Hannan, the man with the right connections.

EXIT TRIUMPHANT

Still there was entertainment to be put together for the reception. Mr. Hannan called Representative Thomas P. O'Neill Jr., Speaker of the House, who wrangled the use of the Marine band for the two-hour pre-show reception. And there were 48 hours to be spent in getting permission for the projectors required for Mr. Hope's television special to be set up in the Presidential box.

The obstacles have all been overcome now. And by Friday most of the general seats were sold, and half of the box and orchestra seats had been engaged.

"This will roll along just fine, with the grace of God," said Mr. Hannan.

EXPORT-IMPORT BANK PRENOTIFICATION COVERING LOAN TO TAIWAN

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit of $115,353,500 to assist the export from the United States of goods and services to be used in the construction of an oil-fired 500 megawatt thermal powerplant in Taiwan. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in an amount of $100,000,000 or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to Taipower, the Taiwan Power Co., which is 95 percent government-owned, to assist the purchase of a steam boiler, a turbine generator set, related auxiliary equipment and spares for the project at Hsiehho on the northern coast of Taiwan. The plant will supply 4 percent of the electricity needs for Taiwan. U.S. services will include design engineering and ocean freight charges on U.S.-flag vessels. The loan will cover 85 percent of the cost of the project and will bear interest at the rate of 7.75 percent per annum, payable semi-annually in 20 installments beginning February 28, 1984.

Mr. President, I ask unanimous consent that the letter from the Export-Import Bank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., August 22, 1979.

Hon. WALTER F. MONDALE,
President of the Senate, U.S. Capitol, Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Taiwan.

A. Description of Transaction.

1. Purpose.

Eximbank is prepared to make a credit of $115,353,500 available to Taiwan Power Company (Taipower) to assist Taipower in the purchase from United States suppliers of turbine generating equipment, a steam boiler, related equipment and services for use in the construction of an oil-fired 500 MW thermal power plant located at Hsiehho on the northern coast of Taiwan.

While no equipment suppliers have yet been selected, it is known that Westinghouse Electric Corporation is bidding to supply the generating equipment and Babcock and Wilcox for the steam boiler equipment.

The total project cost of the plant is $279,700,000 of which the total cost of the U.S. goods and services is estimated to be $135,710,000. Taipower will obtain loans from local banks and government agencies for the local cost of the project, and will also provide its own funds for the project.

2. Identity of the Parties.

Taipower, organized in 1946, is a corporation 95 percent owned by the governing authorities on Taiwan and its political subdivisions. It has the sole responsibility for the supply of electricity throughout the island of Taiwan. Taipower is one of the largest users of Eximbank's programs for its U.S. purchases and has maintained an excellent credit relationship with Eximbank. The Eximbank credit will be made through a U.S. commercial bank or, as permitted under the Taiwan Relations Act and Executive Order No. 12143, through the American Institute in Taiwan, to the Coordination Council for North American Affairs on behalf of Taipower.

The Coordination Council for North American Affairs acting on behalf of the governing authorities on Taiwan will unconditionally guarantee payment of Taipower's indebtedness under the direct credit.

3. Nature and Use of Goods and Services.

The goods to be exported from the United States include a steam boiler, a turbine generator set, related auxiliary equipment and spares. The U.S. originated services consist of design engineering and ocean freight charges on U.S. flag vessels.

The U.S. goods and services will provide for a 500 MW oil-fired thermal power plant, located on the northern coast of Taiwan. The plant will supply approximately 4% of Taiwan's electricity needs. The plant will burn oil to be supplied under a long-term contract with the government-owned Chinese Petroleum Company.

B. Explanation of Eximbank Financing.

1. Reasons.

The Eximbank direct credit of $115,353,500 will facilitate the export of $135,710,000 of United States goods and services.

Eximbank perceives no adverse impact on the United States economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. None of the goods to be exported is in short supply in the United States.

The domestic market for conventional power equipment has been well below the United States productive capacity. Foreign orders, therefore, have become a vital portion of United States thermal power equipment manufacturers' business and enable those manufacturers to retain specialized engineering and technical staffs and production work forces. Westinghouse has informed us that the equipment it would be supplying would require 1,146 man years of work at its facilities in Lester, Pennsylvania and East Pittsburgh, Pennsylvania where

the unemployment rate in each locale is 7.5 percent (as of February, 1979). Babcock and Wilcox, which is bidding on the steam boiler and related equipment, estimates that 1,600 man years of work will be required to manufacture such goods, if it is the successful bidder, and such work can be performed at its facilities located in the Canton, Ohio area where the unemployment rate is 6.1 percent (as of February, 1979), Paris, Texas where the unemployment rate is 5.5 percent (as of February, 1979), Beaver Falls, Pennsylvania where the unemployment rate is 5.3 percent (as of February, 1979), Augusta and Brunswick, Georgia where the unemployment rate is 5.9 percent (as of February, 1979), and West Point, Mississippi where the unemployment rate is 6.3 percent (as of February, 1979). In addition, 45 subcontractors located in 10 states throughout the United States would be supplying equipment.

In this transaction, there is a total term of 14 years consisting of a 4-year construction period and a ten-year repayment period. Private financing, which is only available on a shorter repayment term, is inadequate to meet the total financial requirements of this project and the Eximbank direct credit is necessary in order to generate sufficient financing for the U.S. sales.

The United States suppliers have had a long beneficial relationship with Taipower as a result of their dependable performance and superior technology. However, today manufacturers in nearly all of the industrial countries are fully capable of supplying all or nearly all of the goods and services for the power plant, and in most instances at prices substantially below the cost of the U.S. goods and services. In the past, Eximbank has received information that suppliers in Japan, Switzerland, United Kingdom and West Germany, with the strong support of the official export credit agencies in each of these countries, submitted bids for the procurement of major equipment categories for projects similar to the plant. Most were lower in price than the comparable U.S. costs. Taipower has informed Eximbank that the Japanese are offering very favorable financial terms.

In view of the magnitude of the transaction and the necessary repayment term, Eximbank's credit is necessary to secure this sale for United States suppliers.

2. The Financing Plan.

The total cost of United States goods and services to be purchased by Taipower will be financed as follows:

	Amount	*Percent of U.S. costs*
Cash	$20,356,000	15.0
Eximbank credit	115,353,500	85.0
Total	135,710,000	100.0

(a) Eximbank Charges.

The Eximbank credit will bear interest at the rate of 7.75% per annum, payable semi-annually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms.

The Eximbank credit will be repaid by Taipower in 20 semiannual installments beginning February 28, 1984.

Sincerely,

JOHN L. MOORE, Jr.

THE OLDEST POLITICAL PRISONER: THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, on April 25 of this year the Milwaukee Journal published a cartoon by Bill Sanders. It depicted a tour group with their guide in a cellar hall of the Capitol—the six tourists staring in disbelief at a gloomy prison-like window at the base of a granite wall. From behind the bars peer two lonely, forsaken eyes. Motioning toward the window the guide explains:

And here we have the oldest political prisoner of the US Senate—the UN treaty on genocide!

Why is such a grave subject portrayed in comic form? The answer, Mr. President, is that this distinguished body has failed to give genocide its proper label as the most heinous and reprehensible of international crimes.

Instead, the Genocide Treaty remains submerged, trapped like a prisoner in the catacombs of the Capitol. Failure to ratify the treaty is a blemish on the Senate's record. Indeed, this failure is a distressing spectacle for all to observe. As the tour group gazes in disbelief at the eyes peeking out from the darkness, so, too, does world opinion frown on the Senate's reluctance to accede to the Genocide Convention.

Let us rid America of this political liability. I ask my colleagues to consider this treaty, which has already been ratified by 83 other nations. We must reinstate our Nation's credibility as a leader in the field of human rights.

Genocide is not a proper subject for a cartoon. The right to live is no comic matter. Yet so long as we refuse to ratify the Genocide Treaty, we are mocked when we wave the banner of human rights. We are in a vulnerable position.

America has been inconsistent in its record on human rights. It is time we act to erase these contradictions. It is time we stop making our failure to ratify the Genocide Treaty the subject of a political cartoon.

DARWIN LAMBERT ESSAY ON HERBERT HOOVER

Mr. HATFIELD. Mr. President, yesterday, I had the privilege to place in the RECORD an essay written by Darwin Lambert of Luray, Va. The essay, entitled "The Rapidan Facet of Herbert Hoover," was submitted by Mr. Lambert as part of the series of essays commemorating the 50th anniversary of the inauguration of Herbert Hoover as our 31st President.

Mr. Lambert, a free lance writer by trade, requested that his interests in the essay be protected to the maximum possible extent, and copyright indicators were written at the beginning and the end of the essay. Unfortunately, the copyright indicators were inadvertently dropped from the essay when it was printed in the CONGRESSIONAL RECORD.

Mr. Lambert's essay begins on page 23917 of the September 10, 1979 CONGRESSIONAL RECORD. I wish to inform all readers of the RECORD that Mr. Lambert owns the copyright on this essay, which was prepared in 1979. He reserves all rights in connection with its reprinting.

SIDNEY YATES—AN ADVOCATE OF THE ARTS

Mr. PERCY. Mr. President, I bring to the attention of my colleagues an article which appears in yesterday's Washington Star entitled, "Sidney Yates—Monitoring the Arts' Money." SID YATES, who has represented the Ninth Congressional District of Illinois for over 30 years, serves as chairman of the House Appropriations Subcommittee on the Interior, which legislates funding for the arts and humanities. In this role he has won the respect of his colleagues and the experts in these fields by exhibiting a superior knowledge and deep concern for the present and future role of the arts and humanities in our society. As chairman of the National Endowment of the Humanities, Joseph Duffey states, SID YATES is a person "whose advocacy for the arts and humanities goes beyond simple rhetoric, a person who leaves a trail of respect for his seriousness of inquiry and efforts." From years of personal experience with SIDNEY YATES, I certainly agree with this statement, and ask unanimous consent that the Washington Star article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIDNEY YATES—MONITORING THE ARTS' MONEY

(By Ruth Dean)

Sidney R. Yates has come to be regarded unofficially as "Mr. Moneybags for the Arts." But after 30 years in Congress, it's typical for this veteran Illinois Democrat to deflect such a reference to his unquestioned influence on the House Appropriations Committee.

"Well, it's only a small moneybags, really," he says. "Government funding is only one of the ways in which the arts are funded. I would assume corporate contributions make up a great deal of contributions to the arts.

"And the tax deductions we give to schools and colleges, to museums and to arts institutions and galleries, I would guess would make up by far the greatest contributions to the arts and humanities. I've often tried to find a way of computing what that might amount to, but IRS says there is no way they can figure it because it's so extensive."

Yates, chairman of the House Appropriations subcommittee on the interior and related agencies, is an unassuming, friendly, relaxed man—a mixture of soft charm and sharp perception. He talks in low, measured tones, slowly choosing just the right words. But when something sparks his interest—and almost anything can—then his words come rapidly as he reminisces with a smile.

He teases a photographer for being so quiet at her task. "You were very surreptitious," he laughingly accuses. Then he begins to recall. "I used to study photography myself, at the School of Design in Chicago, back in the '30s when Moholy-Nagy headed it. He had just come from the Bauhaus. Georgy Kepes was there too, and some of the photographers from the Farm Security Agency who'd done such marvelous work during the Depression. And we had to work on various aspects of composition. That was fun. I had my own darkroom for a while. But it's too tough now, you people do too much.

"It's kinda like the time I played basketball at the University of Chicago. It was kind of fun. I remember one score, playing against a team that became the Big Ten conference champions. It was 6-4 at the half. Now you see what the scores are like today. So, you see they've made improvements in everything."

Growing up in Chicago, Yates didn't have

to learn a musical instrument, though he picked up the guitar somewhere along the line and describes himself as "an compah guitarist." His sister did play the piano, and his family loved music. "And as it happened," he says, "my brother-in-law was in the business of selling phonographs and records. So we used to have records of the operas and the symphonies going. And I'd read about them. As a growing-up experience, that impressed me with the values I have today in appreciation of the arts."

Of course, the arts and humanities are only a small part of the budget packages with which Yates deals as subcommittee chairman. But their budgets have escalated to the point that the House, in its pre-August recess vote authorizing the $10.2 billion Interior appropriations bill for fiscal 1980, included an appropriation of $154.4 million for the National Endowment for the Arts and $150.1 million for the National Endowment for the Humanities. Yates floor-managed the bill.

In an uncharacteristically dramatic way, the arts thrust Yates into the headlines last May during the 1980 budget hearings for the endowments when he expressed his "disappointment" with two controversial reports he had ordered from the House Appropriation investigative staff on the workings of the two endowments.

The reports were critical of the two agencies' operations. Perhaps their most damaging accusation, in the eyes of both endowments was the use of the code word "closed circle" to describe practice of an elitist philosophy in choosing grants panelists. Incensed at the conflict-of-interest innuendo, NEA chairman Livingston Biddle Jr. and NEH chairman Joseph Duffey returned to the hearings with lengthy rebuttals of their own, refuting "the flaws" in the reports.

Yates was sympathetic. Even four months later, his thoughts on the subject are unchanged. The reports contained a great deal of "useful material," but tended to "accent the negative" without reporting on the good work done by both agencies, which he thinks was unfortunate.

"They gave a mis-impression, which I thought tended to be unfair," he says, "which is why I brought the reports before the hearing and gave the endowments the opportunity for review and rebuttal. In the future I think our investigative staff will look at and bring forward the good things that are done by agencies as well as the bad. We want to know both."

The 70-year-old Yates is well respected by his colleagues, his staff and arts officials. He's "the boss" to his staff, who put in as many long hours as he does.

"The staff is nutty about him; everyone just adores him," says Mary Anderson Bain, his administrative assistant, longtime supporter and friend, who managed several of his campaigns including his unsuccessful 1962 bid to upset the late Sen. Everett McKinley Dirksen. It was his only political defeat in 30 years of politics. When he returned to the House in 1965, she came with him. No, he says, he'll "never run for the Senate again." He's too happy with what he's doing now.

"I'm very lucky," he reflects. "Members of Congress go through their service frequently serving on committees that are not as interesting to them as others might be. I'm very fortunate in having been able to be on the subcommittee of the Appropriations Committee that permits me to work with the subjects in which I have very great interest.

"And that throws me into contact immediately with the exhibitions that take place in the Washington community, and people throughout the country who have established communication with me."

Despite the drama of last May's hearings, including a surprise appearance by Rep. Shirley Chisholm on behalf of the Black Caucus to protest endowment practices—later refuted—there were no television Klieg lights, just the early May sunshine streaming through the room's basement windows.

Though interested in the potential of television and the movies as art forms he frankly believes both endowments could do more for, Yates is a private person who shuns the limelight of evening TV newscasts. His committee assistants, Fred Mohrman and Mike Dorf, zealously guard his privacy and wishes. If he embargoes a report, mum is the word from them until time for release. Print reporters are allowed into his modest-sized hearing room, just off his subcommittee office, but they have to scramble for seats along with the rest of the public.

The buzz of talks dies to a hush as the tall, slender silvery-haired Yates walks in and takes his place at the long hearing table in the front of the room. His deep-set, electric-blue eyes quickly take in the room and its occupants at a glance as he dons his spectacles and begins the hearing with a welcome to witnesses.

His questions reveal an analytical mind that suffers fools lightly. He cuts right through bureaucratic gobbledygook with get-to-the-point bluntness. And woe betide a witness, or even a colleague, who grandstands or veers away from the subject. Yates ignores them and picks up the beat of the main discussion as if there had been no preceding interruption. He never raises his voice.

He is kind if he gets a witness who is obviously flustered. A little dry humor does the trick. Sometimes the witness turns the tables. NEA deputy chairman Mary Ann Tighe made him laugh when she told him, "I'm ready for you this year."

Yates constantly surprises testifying witnesses with his knowledge and memory of their fields, whether the arts, humanities, museums, national parks or public lands—especially when he quotes them statistics from a previous year that they should have on the tip of the tongue themselves.

"Well, I know a little bit about a number of things," he says, "and fortunately I have a good memory and I can remember the few things that I know."

His boyhood in Chicago "fortunately was in the days before television, and we used to read," he recalls. "As in all big cities, they had branch libraries in all the neighborhoods. And when I was in grammar school particularly, we used to go to the library, and in addition to trading cards that had all the baseball players on them, we used to trade books with people who had books we wanted to read. That was kind of the sporty thing to do. So we came to read a lot."

Yates was "quite an athlete" in his youth, says his wife, Adeline ("Addie" to him and their friends). She fondly recalls meeting him when he was counselor at a summer camp her brother attended. They met when the family came for a visit, kept in touch and married a few years later after she had finished college ("I transferred from Wisconsin to Northwestern because I didn't want him to get away") and he had completed his law studies at the University of Chicago. They have one son, Stephen, now an associate judge of Cook County.

The congressman confines his love of the outdoors now to golf. A new silver trophy on a table in his office proclaims his winning of this year's Congressional Golf Tournament.

Talking about his musical interests, he says, "I have a collection of the folk songs of many of the countries. I like folk songs because I like to indulge in group singing. I learned to strum on a guitar and I know a few of the chords. Fortunately most of the folk songs are susceptible of being sung in one key like the key of C. So occasionally we get together with a group of friends, but I'd much prefer to have one of them play the piano."

Yates is also an art collector, but says it is a small collection he has acquired through the years. It includes a Joni Mitchell and a Picasso. One of his favorites, a painting in wine tones by Peruvian artist Fernando Szylo, hangs on his office wall.

Despite putting in some long days, Yates says that after 30 years in Congress, he has learned to "balance" his life between work, family and friends, and needed recreation.

"He does his homework" has become a byword that is almost a definition of his reputation on Capitol Hill.

Liv Biddle sees him as "immensely knowledgeable about the whole spectrum of the arts, objective in his views, sympathetic to the whole process of greater support for the arts within the limits of his budgetary oversight."

Joe Duffey thinks he is "one of only two or three members of Congress whose advocacy for the arts and humanities goes beyond simply rhetoric, a person who leaves a trail of respect for his seriousness of inquiry and efforts."

Duffey's predecessor, former NEH chairman Ronald Berman, now teaching at the University of California at San Diego, thinks Yates "is terrific. I always thought of him as the highest type of person you could find in Congress. He does his homework. There are two ways you get help from Sid—in hearings and in private discussion in which he covers the ground."

However, Berman expresses his unhappiness with the present state of the arts, expressing his conviction that the Carter administration has "politicized the arts. Just look at the list of grantees. They really belong on the HEW mailing list. What it amounts to is subsidization of literally hundreds of small bureaucracies throughout the country that have nothing to do with the arts."

Asked for his reaction to Berman's views, Yates says, "My concern is that the arts don't be politicized. And I think that's the concern of every member of our committee, and that's good. I'm not sure I understand or would agree with Berman's view. I would like to have the specifics he's talking about rather than the generalities."

There will always be a conflict between those who say that the arts funding should go to a few professionals and thus a limited group, and those who say that arts support should be widespread. Yates points out, "And I think that the endowments' authorizing legislation intends that both of those purposes be fostered. Not only that the old-line, well-established arts and humanities institutions be helped, but that the impact of federal assistance in the arts and humanities be widespread throughout the country. And I think the endowments are trying to do that."

U.S. POLICY IN ANGOLA

Mr. TSONGAS. Mr. President, if one looks at the evening Washington Star, there is a story entitled "Angola's Leader Dies in Moscow."

I suppose one could question what relevance that has to the United States, but let me give a brief synopsis of what is taking place.

Angola, like many former Portuguese colonies, went through a great period of transition wih difficulty, mainly because the Portuguese pulled out all or a good number of their trained personnel and left no provisions for training Africans, which was not an unusual incident in colonial history.

There was a civil war. We, as usual, backed the wrong side; and then President Neto came to power, and he came to power with the backing of the Soviets. Our team, if you will, was defeated, despite the efforts of then-Secretary of State Kissinger and the previous administration.

Subsequent to that, the Cubans came to Angola, apparently to out the civil war behind them, but also, it is argued, to insure a certain atmosphere in which, for example, Gulf Oil could go into Angola and drill and explore and produce oil.

President Neto discovered, as any self-respecting African would in time, that the Soviet embrace was offensive; and Neto, in time, in order to get the Cubans out, and for obvious economic reasons, let it be known that he was interested in a relationship with the United States—as indeed I think any African would who seeks to be truly nonalined.

This is the same President Neto who was very cooperative on the issue of Namibia. While South Africa sent its troops into Angola on raids, Neto continued, despite that provocation, to work with the Western Powers to try to resolve the issue of Namibia. But what happened?

Neto sent out signals that he wanted a rapprochement with the United States; and virtually all the experts in the United States who follow Angola in the State Department and elsewhere, were obviously intrigued by the idea. It was decided in the White House not to do it. It was decided not to do it because of a conservative backlash.

Now Neto is dead; and that opportunity to wean a Marxist state away from the Soviets was lost by this administration because it did not have the guts to do what made sense, because they were afraid of a conservative backlash.

As someone who spent 2 years in Africa, I think, in all modesty, that I know it as well as anybody else in the Senate. I am not worried about the Soviets. I am worried about ourselves. Ethiopia, where I served for 2 years, is a classic example of the United States snatching defeat from the jaws of victory.

Neto, of the two MPLA factions, was by far the moderate, and now the anti-West, antiwhite faction that he defeated has another opportunity.

What is an African leader going to think about the United States and its refusal to respond to overtures of nonalinement? It is too late now. He is dead, and we do not know what is going to happen in Angola.

Not only has Neto died, but, in some respects, his death casts a shadow over this country's Third World policy. With Andy Young—who had credibility in the Third World—gone, I really lament our situation, because I believe the Soviets are now going to have opportunities in Angola that they did not have under Neto. They will have opportunities in Africa not because of what they do right but because of what we do wrong.

It seems to me that, at some point, the United States should stop giving the Soviets entree into Africa. I am sorry that President Neto is dead, but I am more sorry that we do not have the courage of our convictions.

I thank the majority leader for yielding.

EXECUTIVE SESSION—REMOVAL OF INJUNCTION OF SECRECY FROM PROTOCOLS FOR THE FIFTH EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971 (EXECUTIVE FF, 96–1)

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the protocols for the fifth extension of the International Wheat Agreement, 1971 (executive FF, 96th Congress, first session) transmitted to the Senate today by the President of the United States, and ask that the protocols be considered as having been read the first time, referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Protocols for the Fifth Extension of the Wheat Trade Convention (WTC) and Food Aid Convention (FAC) constituting the International Wheat Agreement, 1971. The Protocols were adopted by a conference which met in London on March 21–22, 1979 and were open for signature in Washington from April 25 through May 16, 1979.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the Protocols.

The WTC Protocol extends that Convention until June 30, 1981, maintains the framework for international cooperation in wheat trade matters, and continues the existence of the International Wheat Council.

The FAC Protocol extends until June 30, 1981, the parties' commitments to provide minimum annual quantities of food aid to developing countries.

Declarations of Provisional Application of both Protocols were deposited by the United States on July 15, 1979, thus permitting the United States to continue full and active participation in the International Wheat Council and Food Aid Committee. This step was necessary to reduce the risk of expiration of the International Wheat Agreement. The WTC Protocol requires deposit of instruments of ratification or declarations of provisional application by June 22, 1979, on behalf of governments of wheat-exporting member nations holding at least 60 percent of the exporter votes and on behalf of importing member nations holding at least 50 percent of importer votes for the extension to enter into force on July 1, 1979. The FAC Protocol requires entry into force of the WTC Protocol and deposit of instruments of ratification or provisional application by all Parties by June 22.

I hope that the Senate will give early and favorable consideration to the two Protocols so that ratification by the United States can be effected at an early date. Doing so will demonstrate our continued commitment to cooperation on international wheat trade matters and to providing food aid to needy developing nations.

JIMMY CARTER.

THE WHITE HOUSE, *September 11, 1979.*

OLYMPIC RECORDS OF THE LATE JAMES (JIM) THORPE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 328, which I believe has been cleared on all sides.

Mr. STEVENS. Mr. President, the Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 29) regarding the restoration of Olympic records of the late James (Jim) Thorpe.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 29

Whereas the Amateur Athletic Union of 1975 restored the amateur status of James (Jim) Thorpe for the years 1909–1912; and

Whereas the United States Olympic Committee forwarded this restoration to the International Olympic Committee: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the International Olympic Committee officially recognize Jim Thorpe's achievements in the 1912 pentathlon and decathlon events and restore these records to the offical Olympic books; and be it further

Resolved, That it is the sense of the Congress that the International Olympic Committee be requested to present duplicate medals to the heirs of Jim Thorpe.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order—I believe the order has been entered that the time of the two leaders be reduced to 5 minutes each—Mr. TSONGAS be recognized for not to exceed 15 minutes and Mr. BENTSEN be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, is is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF THE SECOND CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the two Senators aforementioned on tomorrow, the Senate then proceed to the consideration of the second concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEMOCRATIC CONFERENCE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I call to the attention of my colleagues on this side of the aisle that there will be a Democratic conference tomorrow, in room 207, at 10:30 a.m., and it has to do with the second concurrent budget resolution.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will come in at 1 p.m.

After the two leaders or their designees have been recognized under the standing order for not to exceed 5 minutes each, Messrs. TSONGAS and BENTSEN will be recognized, each for not to exceed 15 minutes, after which the Senate will proceed to the consideration of Calendar No. 327, Senate Concurrent Resolution 36, the second concurrent budget resolution.

Rollcall votes are anticipated, and the Senate could be in late.

RECESS UNTIL 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 1 p.m. tomorrow.

The motion was agreed to; and at 6:28 p.m., the Senate recessed until tomorrow, Wednesday, September 12, 1979, at 1 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 11, 1979:

THE JUDICIARY

James M. Sprouse, of West Virginia, to be U.S. circuit judge for the fourth circuit.

Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

HOUSE OF REPRESENTATIVES—*Tuesday, September 11, 1979*

The House met at 12 o'clock noon.

Dr. Henry Dudley Rucker, the Solid Rock Baptist Church of Christ, Manhattan, N.Y., offered the following prayer:

Eternal God, we come today asking Thy blessings upon this great body, this body that is responsible for the creation of legislation here in the United States of America.

Move them we pray Thee, to give greater attention to the needs of the poor throughout America and also throughout the world. Move them to create a meaningful way for more aid and benefits for the poor people, for the aged people and for those of us, great God, who are seeking and crying and dying for justice.

Move them, we pray Thee, to unite and stand together with the President of this Nation, because these are dangerous times. America's future is at stake. America is at a crossroads.

Help us, we pray Thee, to overcome the dangers to our freedom. Help us, we pray Thee, to know that we are all children of God. Bless this great body that they might create the kind of atmosphere in this Nation that would bring about peace throughout the world.

We ask that Thou will have mercy plentifully upon all of these great minds, that they might find ways and means to overcome ignorance, the lack of quality education, move them to attack the unemployment situation in America, because unemployment creates pain, disease, and death unnecessarily.

We beg of Thee to move our President in such a way that he will have the mercy of Abraham Lincoln, the tenacity of Harry S Truman, the fearlessness of John F. Kennedy, and the intellect of Thomas Jefferson.

Hear our prayer, we pray Thee, for human rights around the world. Men, women, and children are dying every day because of the simple lack of human rights.

We beg of Thee, in the name of Moses, Jesus. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4388) entitled "An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 1, 23, 24, 29, and 64, and that the Senate receded from its amendments numbered 26, to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 1, 8, and 37 and that the Senate receded from its amendment numbered 30, to the foregoing bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 658. An act to correct technical errors, clarify and make minor substantive changes to Public Law 95-598.

APPOINTMENT OF CONFEREES ON H.R. 4387, AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4387) making appropriations for Agriculture, Rural Development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, could the gentleman explain what is occurring here?

Mr. WHITTEN. It is just a matter of going to conference.

Mr. ROUSSELOT. Period?

Mr. WHITTEN. That is right.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, BURLISON, TRAXLER, ALEXANDER, MCHUGH, NATCHER, HIGHTOWER, JENRETTE, ANDREWS of North Dakota, ROBINSON, MYERS of Indiana, and CONTE.

DR. HENRY DUDLEY RUCKER

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, it is with a great deal of pleasure and sense of honor that I have the privilege of acknowledging the presence and welcoming to these

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Chambers the Reverend Dr. Henry Dudley Rucker, who delivered so eloquently the invocation at the start of today's session.

Reverend Rucker is pastor of the Solid Rock Baptist Church of Christ on Amsterdam Avenue, in the West Harlem area of my district in New York City. This is his 18th year as pastor.

In addition to being a great religious leader, he is, as well, a great community leader. His church under his leadership runs a community action program at the church which focuses on helping to keep youngsters in school and helping them to make their way into college and other forms of higher education into employment.

Over the course of the past decade that the Reverend Rucker has run this program, more than 5,000 youngsters have been placed in jobs through these efforts.

Reverend Rucker was born and educated in the District of Columbia, has attended the Teacher's College at Columbia University and the Union Theological Seminary, and he is joined here today by his wife and other members of his family.

SOUTH BEND TRIBUNE'S INTERVIEW WITH SPEAKER OF THE HOUSE

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I should like to call to the attention of my colleagues in the House of Representatives an excellent article published last Sunday, September 9, 1979, in the South Bend, Ind., Tribune, which is in the congressional district I have the honor to represent. The article is in the nature of an interview with the distinguished Speaker of the House of Representatives, the Hon. THOMAS P. O'NEILL, JR., conducted by the able and respected political writer of that newspaper, Jack Colwell.

Mr. Speaker, I believe that Members of the House will read this splendid interview with great interest, and I insert it at this point in the RECORD:

TIP O'NEILL: SPEAKER LEARNS NEW TRICKS

(By Jack Colwell)

If ever there was a man who fits the definition of an "old Irish pol," it is Thomas P. (Tip) O'Neill Jr., grandson of a bricklayer from County Cork, 15-year-old campaigner for Al Smith in 1928, legislator in Massachusetts or Congress since 1936 and now speaker of the U.S. House of Representatives.

He also is living proof that you too can teach an old pol new tricks.

Tip spins yarns about the old days, when Sam Rayburn was speaker, ruled the House with an iron gavel and "would call the Internal Revenue and tell them whether a thing ought to go criminal or civil."

Although "you could get more done in the old days," O'Neill says he laments neither the fading of the seniority system nor the loss of autocratic power by the speaker.

He cites "the changing times. The times don't require that. The times don't want that. So you go along with the times."

He finds the current times featuring higher standards of ethics and more openness, with efforts now made by the Democratic whip organization, headed by Majority Whip John Brademas of South Bend, an O'Neill protege, to inform members rather than keep them in the servitude of ignorance.

"When I was just a member of the Rules Committee, the whip organization never informed anybody," O'Neill relates. Sam Rayburn "ran everything." The regional whip for Massachusetts "never went to a meeting in over 20 years." And the policy committee "would meet once a year and have their picture taken."

TIP THE WHIP

A key factor in building the support resulting in his own rise in leadership, O'Neill believes, was when he became "a kind of a whip organization myself" as a Rules Committee member back in the early 1960s. He recalls having 20 or 30 colleagues call each week to ask, "Tip, what did the Rules Committee report this week? What do you think of the chances of it being passed? When do you expect that it's going to be on the floor? How will it affect the nation? How does it affect me? Do you think I could be absent on such and such a day? What amendments are going to be offered?"

He credits Hale Boggs with finally getting the whip organization geared to answer some of those questions. And when Boggs became majority leader in 1971, O'Neill formally became the whip. With Boggs' disappearance on an airplane flight over Alaska in 1972, O'Neill moved up to majority leader. He became speaker in 1977, replacing Carl Albert.

The 66-year-old Tip, with a face like the map of Ireland, an imposing bulk he always is trying to reduce, and white hair to add a distinguished note, is far more colorful than the two speakers before him, Albert and John W. McCormack. And most observers of Congress would add that he also is the most effective speaker since Rayburn, even though that effectiveness is accomplished through different techniques designed for a different time.

Although the House was much more responsive than the Senate to President Carter's initial calls for action to cope with the nation's energy woes, there are numerous examples of the House, despite a whopping Democratic majority, failing to go along with the President or with the congressional leadership.

It is part of those "changing times," says O'Neill, who finds that newer congressmen have little regard for the pleas of the past for party loyalty.

"All these young fellows came in. They ran against the establishment. They ran against Washington. They ran against the Congress," O'Neill explains. "They have their six news letters a year. They have their bus that travels around. They get great television. They have their weekly radio programs. Most of them in those small areas have either a weekly or a monthly television program, they have their town meetings with the people. They go in and they dialogue and they discuss with them."

"LET THEM TALK IT OUT"

Although some Democratic voters might still resent lack of party support, O'Neill continues, they say, "But he gives us more service than we've ever had before. Even when he's not here, his bus is around." And so they win elections in this era of the independent voter without having to depend much on support from the party or a record of having supported the party.

An aide to the speaker was just complaining about a Republican effort on the floor which the Democratic leaders regarded as aimed at stalling the House and causing embarrassment. "He's going through a charade right now," said O'Neill, glancing at the TV monitor in his office just off the House floor as it showed the energetic gesturing of a GOP congressman in a debate on a minority amendment attempt doomed to defeat.

"You let them talk it out," said O'Neill, in a response which surely differed from the way Rayburn would have handled the situation.

Even in these "changing times," however, O'Neill is getting fed up with the results of televised House proceedings on cable TV systems.

"I don't believe this debate would be lasting anywhere near this length of time" without television, said the speaker, looking again at the TV monitor. "But there are 435 (House) offices that have it on, different places around the Hill, four or five million people watching . . . a possible audience out there of 20 million.

"If somebody doesn't like the soap opera, there's cable TV. If I thought I had a tough election and knowing that there are 35,000 people in my district who watch this every day, the shut-ins, the senior citizens . . . I'd probably be taking the microphone myself."

But with the journal now 25 per cent heavier and more lengthy speeches given to an empty chamber and the TV cameras, O'Neill says it may be time to curtail some of the coverage.

CLOSE TO KENNEDYS

O'Neill was elected in 1952 to the congressional seat then being vacated by John F. Kennedy, who moved to the U.S. Senate. And he is regarded as close to the Kennedy family. That, however, wasn't always the case.

When young Jack Kennedy first ran for Congress in 1946, O'Neill already was committed to a fellow Massachusetts legislator named Mike Neville for the Democratic nomination. As the campaign went on, it was clear that Neville stood no chance against what became known as the Kennedy "magic."

Despite the efforts of Kennedy supporters in Cambridge to budge O'Neill, he stuck with his commitment to Neville, the loser. O'Neill's loyalty to a friend and a commitment is said to have impressed Kennedy, who thereafter wanted and had O'Neill on his side.

Loyalty is a trademark of O'Neill. It undoubtedly is loyalty to his party and to a Democratic president which has caused him to try so hard, sometimes against the odds, to help Jimmy Carter, the Washington newcomer surrounded by advisers for whom O'Neill has little respect. The "biggest problem" in the Carter inner circle, O'Neill theorizes, has been a lack of political experience, particularly lack of any experience in seeking re-election to anything.

"They ran for president of the United States and never gave any thought that they were going to have to run for re-election," he says. "They went their own way. They were a closely knit group. They did not invite older and wiser people who had been around the town for years and knew how Washington moved. They never brought them in.

"Now this is what Jody Powell (presidential press secretary) and Hamilton Jordan (White House chief of staff) are trying to do. I think they're recognising their mistake.

"People say, hey, the Kennedys had their own group. But they were Washington oriented. He (John F. Kennedy) had been in Washington for years. His father had been down here. Most of those associated with him had a Washington background."

ADVICE TO HAM JORDAN

O'Neill refers to Hamilton Jordan as "Hannibal Jerkin."

In somewhat of an understatement, O'Neill says of Jordan, "I don't know him well. We've never been too friendly."

The story is told in Washington of how O'Neill received poor tickets for Carter's inaugural gala. He called Jordan to inquire

about the reason for such an obvious affront to the speaker of the House.

If the speaker didn't like it, he could have his money back, Jordan replied sarcastically. It was then when O'Neill began calling him "Hannibal Jerkin."

Jordan, perhaps no longer so brash as his boss plummets in the popularity polls, recently came to see O'Neill and discuss the problems Jordan has had in Washington. "You came to Washington with a chip on your shoulder," O'Neill told him. "You didn't want any help from anybody. You thought you could do it by yourself. You never looked at the next election."

The practical "old pol" warned Jordan that "you lose your friends along the way" and, to compensate, "you should make friends of those who weren't with you."

Because some Democrat didn't initially support Carter for the presidential nomination, O'Neill continued, "you're not supposed to lock him out."

But the speaker believes "they locked a lot of people out. Now they're trying to open the door to see if they can re-establish themselves. And I think they can do it."

A noxious pill for O'Neill was the firing of Joseph Califano as secretary of health, education and welfare.

The first day O'Neill met with Carter, then president-elect, in the Blair House in Washington, Carter asked for recommendations for the Cabinet, O'Neill recommended "a dozen fellows in the House that I thought had ability enough to be in the Cabinet." Then Carter asked about Califano. O'Neill said he knew Califano "extremely well." He describes the ousted HEW secretary as "one of my best friends."

SUPPORT FOR CALIFANO

O'Neill told Carter that Califano had done an excellent job as a "whis kid" when Robert McNamara was secretary of Defense and had proved "he knew how to get things done" as an assistant to President Lyndon B. Johnson.

"Would he be interested in HEW?" Carter asked.

"I can't imagine it," O'Neill replied. He told Carter, "Joe Califano makes better than a half million dollars" as a lawyer, "he's got a young family, he did his stint for his country."

That night Tip met with Califano at Duke Zeibert's Restaurant, a favorite spot for O'Neill, a rabid Boston Red Sox baseball fan, who is much more at home with the sports crowd and corned beef special at Duke's than he is with diplomats at a formal White House dinner.

O'Neill told Califano about the conversation with Carter.

And he recalls Califano replied, "I'm a first-generation Italian. To serve in the President's Cabinet is the greatest honor I could receive. I'd be delighted."

Califano, of course, got the job.

"But the truth of the matter is he was never accepted by those who were close to the President," says O'Neill. "I mean Powell, Jordan, (congressional liaison chief) Frank Moore and (presidential assistant Jack) Watson and the whole gang. They made a terrible mistake."

It was the day before Califano was sacked when Jordan came to see the speaker.

"Where you made your mistake," O'Neill told Jordan, "you should have brought in Califano" and others "who know how Washington ticks."

The speaker says Jordan never told him Califano's "resignation" was about to be accepted.

"I said, 'You ought to be closer to Califano,' and the next day he got the ax," O'Neill relates.

ON KENNEDY CANDIDACY

"I don't think Teddy's a candidate," O'Neill says.

Ever? "I just don't think he's a candidate right now. Whether he'll ever run or not, I don't know."

If Sen. Edward M. (Ted) Kennedy did run for president, wouldn't O'Neill, with both loyalty to a Democratic president and long association with the Kennedy family, be on the spot?

"No," O'Neill responds, "I wouldn't be on that spot because, no question, he (Kennedy) would carry Massachusetts. So no matter what I were to do, I wouldn't affect the election."

However, "If (California) Gov. (Jerry) Brown or somebody were running against Carter, then I could be influential and I could be a help in Massachusetts," O'Neill adds. "But against a Kennedy, against a local boy, I couldn't make any difference."

But, the big question, impact aside, would O'Neill be with Kennedy?

"Ah * * * well," the speaker responds slowly, "I'd have to cross that bridge when it arrives."

Meanwhile, O'Neill says he is "trying to help the legislation, the President's program, doing the best to see if we can get the country moving, see if we can get these energy things."

HERO OF BREELIN BOOK

Tip O'Neill was the hero of author Jimmy Breslin's book, "How the Good Guys Finally Won."

Breslin tells how O'Neill, then majority leader, was ahead of the other congressional leaders in the belief that Richard M. Nixon had been involved in Watergate-related abuses which could bring impeachment.

O'Neill told then-Speaker Albert in January, 1973, that "impeachment is going to hit this Congress and we better be ready for it." He persuaded Albert and Peter Rodino, chairman of the House Judiciary Committee, to set the wheels in motion toward the situation in which Nixon finally resigned in the face of certain impeachment.

"It takes a traditional, backroom Boston politician to smell a shakedown," Breslin said in explaining how O'Neill determined so early that there was cause for impeachment.

O'Neill puts it this way: "For years I was chairman of the Democratic Congressional Committee. I knew every large fund-raiser in the Democratic Party.

"They kept calling me on the telephone and saying they were being sandbagged by the Nixon people to become a Democrat for Nixon, they were being harassed, their companies were being investigated by the Federal Trade Commission, were being investigated by this commission or that or they were having problems with export-import laws that they never had before.

"This government doesn't operate like that. That's not what democracy is all about.

"You get bad people running the government when you're doing that. And it's not going to last. I knew there was smoke there. Then everything started to unfold."

NIXON'S DOWNFALL

Nixon could have survived Watergate, O'Neill believes, because "all he had to do was come apologize to the American people at an earlier time instead of act the way he did.

"If he had been more open about the thing, said 'Here you just elected me in a landslide election. I regret what I did.'

"But he started trying to cover up . . . That really hurt.

"You know, no man ever came to the presidency of the United States, in my opinion, more prepared to be the president. Here was a man who had been a congressman, a senator, a vice president, defeated for president, spent eight years in traveling throughout the world. He was an expert on foreign relations.

"But he had no trust and no faith and he brought some bad people around him.

"He just didn't have the principles, even though he was so well schooled to do the job."

Nixon did "terrible, absolutely terrible" harm to the nation, helping bring about "the credibility gap, the lack of confidence" in America today, says O'Neill.

He is in complete agreement with President Carter that there is "a crisis of confidence." He seems to think Carter can overcome it and bounce back.

And O'Neill stands ready to help Carter and maybe even "Jerkin," who seems now to "thoroughly understand the mistakes they have made." The White House undoubtedly could do a lot worse—and seemingly has—than accept the advice of an "old Irish pol" who has learned the new tricks necessary to retain leadership and respect in a Congress where an iron gavel is passe.

STATE EMPLOYEES OF ALASKA VOTE TO WITHDRAW FROM SOCIAL SECURITY SYSTEM

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, an article in this morning's Post reports that State employees of Alaska have voted to withdraw from the social security system. Although the "let's get out" sentiment for Alaska and other local and State groups waxes and wanes, it is a disturbing matter when a full State gets in the grip of this line of thought. This is the first time a full State has come this close to actual termination.

It must not be allowed to happen.

It is an extreme disservice to the State employees of Alaska to pull out of the social security system. It robs them of a very strong survivor, disability, medical, and retirement insurance program. If they think they can do better in the private sector or in a smaller plan, then they had better look again. It is very seldom one can beat the social security bargain.

Pulling out would also be an extreme disservice to the Nation. No program is more important than social security to the economic and social stability of this Nation. When groups pull out, they are leaving this responsibility to the rest of the country and in effect they are abusing their privilege.

In short, pulling out is both short-sighted and selfish. It is a classic case of biting off one's nose to spite one's face.

The Congress cannot allow this to happen—even if we have to put a moratorium on pullouts until universal, or near-universal, coverage can become a fact or at least until some direction is indicated to our committee resulting from the various studies and proposals being advanced today.

SHARE DRAFTS

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPELLMAN. Mr. Speaker, today we will be voting on H.R. 4986.

I rise in strong support of this measure.

I do not need to tell you about the hundreds of letters and phone calls I have received on this bill. I am sure all of my colleagues have experienced the same inundation. The outpouring of support

from credit union members for their share draft accounts, in particular, is unequaled in my office by any other issue since I came here in 1975.

Each letter I received, each constituent who called my office, stressed the convenience and economic advantage of share draft accounts. They all expressed frustration, as well as confusion, over the Court's decision which overturned bank regulatory agency power to authorize such accounts. Many who contacted me could not understand how the Court could have "turned against the little guy," and indeed, some expressed disillusionment with a government which "gives all the breaks to the rich and does nothing for the average person."

I have been a longtime supporter of the credit union movement, and was particularly interested when share draft accounts, once authorized, were so quickly utilized by credit union members. That acceptance is indicative to me of consumer dissatisfaction with financial institutions' ordinary transaction accounts which do not pay interest on the balance. In these inflationary times, consumers want to make the most use of their money; it is up to us to see to it that the marketplace offers them the widest possible selection of financial services from which to choose.

That is why we need to pass H.R. 4986 quickly—so that share drafts, NOW accounts, telephone transfer accounts and other interest-bearing checking accounts can continue to be offered to the consumer. I wish to commend subcommittee chairman FERNAND ST GERMAIN for moving this legislation so quickly and urge my colleagues to join in support of this vital measure.

Thank you.

SOVIET GUNBOAT DIPLOMACY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Soviet ships and submarines have been in and out of Cuba's harbor in a show of gunboat diplomacy for the past several months.

Now the presence of Soviet combat troops in Cuba appears designed to sway Senate action in favor of the proposed SALT II.

As a gesture of conciliation and goodwill, the Soviets can withdraw their troops from Cuba.

Thus reassured of the Soviet desire to cooperate, SALT backers can say that the Senate is justified in voting to approve the controversial new treaty.

I personally expressed my concerns to the President when I first learned about the presence of Soviet troops in Cuba more than a year ago.

No official action was taken.

Congress should therefore have answers to several questions.

One. When did the Soviet troops enter Cuba?

Two. Why was their presence not made public until this particular time?

Three. Was the release of this information part of a scheme to provide the Soviets with an opportunity to make a gesture of conciliation and retreat?

CUBAN CRISIS ONCE AGAIN

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, storms gather over the island of Cuba once again. For the first time in a while the Soviet Union has introduced military combat troops there.

I am going to ask this Congress to join me in a resolution that reads as follows:

Resolved, That it is the sense of the Congress that the President should communicate immediately to the Government of the Soviet Union that the United States insists that the Soviet Union remove its military combat troops from Cuba, with all deliberate speed, and make such communication known to the American people.

Mr. Speaker, on the question of Cuba, the President of this country cannot vacillate. He must show strength. We recall the stand taken by this country in the Cuban missile crisis; we need a suitable showing of resolve, once again today. Our policy must be one of firmness and direction, that we shall not tolerate the continued presence of Soviet combat troops in Cuba.

BRITAIN'S NATIONAL HEALTH SYSTEM

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, an article in Business Week magasine recently reported that members of several British labor unions are dissatisfied with that country's state-run medical care system.

According to the article the widespread disillusionment with Britain's national health system stems in part from poor service delivery. A year long wait for nonurgent surgery is common. Even many urgent cases wait for a month or more.

The article points out that the 40,000 members of a powerful electronic and electrical union are now subscribing to private health-care plans. This move has angered labor supporters and Britain's national health service and has caused a split in the labor movement's ranks.

One labor leader has gone so far as to suggest that the head of this union, Frank Chapple, should emigrate to the United States.

Mr. Chapple should come to the United States, to testify on the impact of national health insurance in his country.

Mr. Speaker, when Congress considers national health insurance, we should consider all its ramifications. I suggest that the chairmen of the health committees in the House and the Senate invite Mr. Chapple or other labor leaders who are unhappy with the national health system to testify.

Congress should consider all ramifications before we endorse national health insurance.

NEED TO SOLVE FUEL DISTRIBUTION PROBLEM BEFORE WINTER

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, at this very hour, the Governor of Wisconsin, Lee S. Dreyfus, is meeting with President Carter at the White House to discuss energy problems as seen from the perspective of the States. One of the subjects will be fuel oil.

For months, many Members of Congress, administration officials, and citizens across this country have expressed their concern over adequate fuel oil supplies for the coming winter.

Last May, the Department of Energy, in responding to these concerns, met with the 32 largest refiners in this country, requesting inventory and production plans.

Throughout the summer, we were assured that enduring long gasoline lines now we would alleviate a greater problem this winter. So we watched and searched for gas, with confidence that refineries were placing a necessary emphasis on production of fuel oil.

The administration has established a target of 240 million barrels of fuel oil by October 1. The distillate supply available to the Midwest region has fallen substantially behind the national average. Distillate stocks for the Midwest have declined to less than 80 percent of the inventories for the 1978–79 season.

Wisconsin, my home State, has inventories below the levels of last year at this time. As we watch the oil companies stockpile fuel oil to meet the national target level, we see a new problem of distributing the oil to the people.

In mid-August, dealers' home fuel oil fill was at only 48 percent of its traditional level. September deliveries are estimated to be at least 17 percent below last year. My friends, Wisconsin cannot wait until October 1 for its fuel oil.

Low delivery levels, reduced stocks, and below-normal homefill will present a major problem to my State if the early cold arrives coupled with the traditional harvest fuel demands.

People must now begin to realize that in DOE's rush to establish and meet target levels, they have ignored the important problem of distribution.

Although the Nation will have adequate stocks, the pipeline supply time and capacity levels will prevent the fuel oil from arriving at its destiny in time.

Estimates are that pipeline capacity from Chicago to Wisconsin are 7 days, and from the gulf coast are 30 days. Does anyone really expect our State to wait until November 1 to receive fuel oil released from the gulf coast on October 1?

Mr. Speaker, we have not solved the fuel oil crisis yet. It appears that a new and major chapter dealing with distribution is about to begin.

PERSUADE SENATE TO AMEND LANGUAGE OF CONSUMER CHECKING ACCOUNT EQUITY ACT ON NOW ACCOUNTS

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, we will soon have before us a vote on H.R. 4986, the Consumer Checking Account Equity Act of 1979. I have a reservation about the implementation of the NOW account provision in this bill. Many of us feel that the NOW account provisions should not be implemented until each State legislature has an opportunity to decide whether such accounts shall be allowed by State law. State governments in other words should have the opportunity to legislate on whether in that State NOW accounts should be permitted.

I have been assured by the chairman of the subcommittee, Mr. ST GERMAIN, that we will do what we can to encourage such language to be included in the Senate. We both agreed to try to persuade the Senate to alter the language so that it would be "State law permitting" as it relates to the NOW accounts.

Though I am sorry we are not able to modify the bill on the floor, I will vote for passage today because Mr. ST GERMAIN has been willing to try to achieve that legislative goal in the Senate.

□ 1220

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LUKEN). Pursuant to clause 3, rule XXVII, the Chair will now put the question de novo on the motion on which further proceedings were postponed.

CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4986, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the bill, H.R. 4986, as amended.

The question was taken.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 39, answered "present" 5, not voting 23, as follows:

[Roll No. 454]

YEAS—367

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Chappell
Chisholm
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gialmo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gramsley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kasten
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leder er
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McCloskey
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Petri
Peyser
Preyer
Pritchard
Purcell
Quayle
Rahall
Rallsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Selberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—39

Abdnor
Annunzio
Ashbrook
Beard, Tenn.
Bedell
Brinkley
Brown, Ohio
Carr
Collins, Tex.
Fary
Hubbard
Hyde
Ichord
Jeffries
Johnson, Colo.
Kelly
Leath, Tex.
Long, La.
McClory
McDonald
McKay
Marlenee
Michel
Montgomery
Myers, Ind.
Natcher
Perkins
Pickle
Price
Roberts
Russo
Sebelius
Shumway
Simon
Snyder
Taylor
Volkmer
Whittaker
Whitten

ANSWERED "PRESENT"—5

Cleveland
O'Brien
Quillen
Skelton
Winn

NOT VOTING—23

Anderson, Ill.
Applegate
AuCoin
Beard, R.I.
Biaggi
Breaux
Carter
Cavanaugh
Cheney
Clay
Crane, Philip
Derwinski
Flood
Frenzel
Hollenbeck
Leach, Iowa
McCormack
Paul
Pepper
Rodino
Roybal
Wilson, Tex.
Young, Alaska

□ 1230

The Clerk announced the following pairs:

Mr. McCormack with Mr. Anderson of Illinois.
Mr. Pepper with Mr. Hollenbeck.
Mr. Rodino with Mr. Leach of Iowa.
Mr. Breaux with Mr. Paul.
Mr. Biaggi with Mr. Young of Alaska.
Mr. Applegate with Mr. Derwinski.
Mr. AuCoin with Mr. Philip M. Crane.
Mr. Beard of Rhode Island with Mr. Cheney.
Mr. Cavanaugh with Mr. Carter.
Mr. Clay with Mr. Frenzel.
Mr. Charles Wilson of Texas with Mr. Roybal.

Messrs. MARTIN, BADHAM, and LEWIS changed their votes from "nay" to "yea."

Mr. O'BRIEN and Mr. SKELTON changed their votes from "yea" to "present."

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

□ 1240

TITLE AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Speaker, I offer an amendment to the title of H.R. 4986, the bill just passed.

The Clerk read as follows:

Title amendment offered by Mr. ST GERMAIN: Amend the title so as to read: "A bill to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.".

The SPEAKER pro tempore. The question is on the title amendment offered by

the gentleman from Rhode Island (Mr. ST GERMAIN).

The title amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CLARIFICATION REGARDING NOW ACCOUNTS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I take this time to propound a question of clarification on the bill just passed to the chairman of the subcommittee.

As a member of the committee who has actively followed the progress of NOW accounts since their introduction in 1972, I would like to commend the gentleman from Rhode Island for his leadership in bringing this broadly based legislation to passage.

I would like to ask, is it the understanding of the chairman that these new instruments designed to improve banking services will be accorded equal treatment by the Federal Reserve so as to permit them to compete fairly with the more traditional third-party payment instruments such as checks?

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be delighted to yield to the chairman.

Mr. ST GERMAIN. I thank the gentleman for raising this important point. I assure the gentleman we do not intend to create two categories of transaction accounts. The Federal Reserve is currently processing checks, NOW's, share drafts and in-NOW's on the same terms and this legislation is premised on the assumption that this will continue to be the case.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I appreciate the gentleman's comments and concur completely in the view that the general business practice rather than legal terminology should be the criteria for processing payment instruments through the Federal Reserve System.

Mr. Speaker, I yield back the balance of my time.

PERSONAL EXPLANATION

Mr. CAVANAUGH. Mr. Speaker, I was present in the Chamber during the last vote and inadvertently did not have my vote recorded.

I would like the record to reflect I was present and would have voted "aye" had my vote been recorded.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4034, with Mr. SEIBERLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, July 23, 1979, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 4034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXPORT ADMINISTRATION

SHORT TITLE

Mr. ICHORD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time for the purpose of asking the manager of the bill questions about the developments that have occurred in this legislation.

First, may I point out to the gentleman and the Members of the House that this bill is an extremely complicated measure dealing with extremely difficult and complicated subjects. If there is any Member of this body who does not believe the statement I have just made, I ask you to pick up a copy of H.R. 4034 and, particularly, if you have not been dealing with the subjects covered by this bill on a day in and day out basis or if you have not made a special attempt to understand the provisions of this bill, I defy any Member of this body to read the sections and tell me just exactly what the bill does.

Mr. Chairman, this is an export control bill. It is not a trade bill, although it certainly affects trade.

It is export control for three purposes.

First, it deals with control of items in short supply. In other words, to protect the domestic economy.

Second, Mr. Chairman, it deals with export controls for the purpose of effecting foreign policy.

Third, Mr. Chairman, and the one about which I am greatly concerned, it deals with export controls for the purpose of protecting the national security of the United States.

Mr. Chairman, this bill has been reported from the Committee on Foreign Affairs. It covers these three subjects. I would point out it is the latter, the control over the national security, where the Committee on Armed Services also retains jurisdiction. It is the House Committee on Armed Services that has the expertise and has the staff that has the expertise in matters affecting the national security of this country. Not the House Committee on Foreign Affairs.

□ 1250

I will agree that the House Committee on Foreign Affairs are the experts on controls to effect our foreign policy.

I would point out that this measure could very well involve the most important national security votes that the Members are going to cast this year. Why do I say that? Because of what has happened in recent years to the national security of this country.

Let me remind the Members of the House that in the field of strategic warfare we have gone from a position of nuclear monopoly in the 1950's, to a position of overwhelming superiority in the 1960's, to a position of essential equivalence today, whatever that means.

In the field of conventional warfare, the Members are acquainted with the numbers. They are horrifying.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. In the field of conventional military capability, the figures are horrifying, I say to the Members of the House; 7 to 1 in the case of tanks, 4 to 1 in the case of artillery pieces, 4 to 1 in the case of aircraft, 50 to 1 in the case of chemical warfare capability.

The only lead that we have over the Soviet Union today, our potential adversary, is in the field of technology. That is what we are dealing with today, technology, dual technology which has a military application as well as a commercial application. This bill is the result of several measures that were introduced dealing with controls for the purpose of items in short supply, items affecting foreign policy, items affecting national security.

One of those bills, H.R. 3216, was referred jointly to the Committee on House Armed Services and the Committee on Foreign Affairs. H.R. 4034 comes before this body under very unusual circumstances. All bills were referred to the subcommittee of the gentleman from New York (Mr. BINGHAM). The gentleman reported out one measure to the full committee. The full committee started work on the bill and dropped that and reported out H.R. 4034.

Now, H.R. 3216 dealt only with controls for national security purposes. I would state to the gentleman from New York that I am very much concerned that this bill covers so much, export controls for the purpose of protecting the domestic economy, and that is a broad complicated subject within itself; export controls for the purpose of affecting foreign policy is another broad subject. Export controls for the purpose of protecting the national security is another complicated subject and which is in the expertise of the Committee on Armed Services.

The gentleman from New York (Mr. WOLFF) was the author, the principal author of H.R. 3216. The gentleman has been very instrumental in attaching amendments to this bill in the interest of national security.

I would like to ask the gentleman from New York (Mr. BINGHAM). I am quite concerned about the elimination of

the reexport provisions on page 20 of the bill. This would permit a company within the United States, once it has exported technology to its foreign subsidiary to forget about any U.S. controls. If the foreign country had little or no controls, the technology could easily be transferred to our potential adversaries.

It is my understanding that the gentleman from New York (Mr. BINGHAM) has agreed with the gentleman from New York (Mr. WOLFF) to accept the gentleman's amendment eliminating subsection (3) on page 20; is that correct?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I will have a colloquy with the gentleman from New York (Mr. WOLFF) when the gentleman offers that amendment. I do expect to express my opinion, but that amendment is one I have no objection to.

I think there should be some discussion of it at the time so that we have some legislative record; but I think it would be appropriate that that discussion take place when the amendment is offered.

Mr. ICHORD. Then I am very happy that the gentleman is accepting the amendment of the gentleman from New York.

Let me ask the gentleman from New York a question about indexing. I am very much concerned about that and I know the gentleman from New York (Mr. WOLFF) is concerned about it. Have the gentlemen worked out an agreement, will the gentleman from New York (Mr. WOLFF) offer such an amendment, and will the gentleman from New York (Mr. BINGHAM) accept such an amendment eliminating indexing?

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield again, it is my understanding that the gentleman from Missouri (Mr. ICHORD) will offer the amendment on indexing and I shall be constrained to oppose that amendment.

Mr. ICHORD. Mr. Chairman, let me state to the gentleman from New York (Mr. BINGHAM) that I held extensive hearings, as I stated, on H.R. 3216. We also discussed the provisions of this measure, H.R. 4034. I could not find a witness coming before the committee who was able to explain to me just what is meant by the language that is used in the indexing provision. All of the members of my staff, who are experts, technological experts, have been unable to explain to me what is meant by this language.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has again expired.

Mr. ICHORD. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. BINGHAM. Mr. Chairman, reserving the right to object, and I shall not object, but I must say, I find this unusual procedure. The normal procedure is to go ahead and read the bill and discuss the amendments as they come up.

The gentleman from Missouri is asking me a number of questions. I am not holding back anything, but it seems to me we will have to go over this again when the amendment is raised, so why try to do it now in advance?

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri (Mr. ICHORD) to proceed for 3 additional minutes?

There was no objection.

Mr. ICHORD. Mr. Chairman, this bill, I would state to the gentleman from New York, deals with the national security of the United States, and as I stated before, I think we are going to cast some of the most important votes that we are going to cast this year on national security.

The gentleman from New York has worked out several agreements with the gentleman from New York (Mr. WOLFF). I want to make sure just what has been worked out so I can understand the provisions of this bill, because there is a lot of vagueness, there are a lot of ambiguities.

Let me point this out to the gentleman from New York. Here is the way the matter of indexing has been explained. I do not know what we mean by "indexing."

Your committee report states as follows: "In subsection (g), it provides that the Secretary may, where appropriate, establish an indexing system providing for annual increases in the performance levels of goods or technology subject to licensing requirements under this section, in order that such requirements may be periodically removed as such goods or technology become obsolete."

This provision is particularly applicable to computers. How is it applicable to computers?

I direct the attention of the members of the committee to the language on page 16 and tell me what it means. I ask the gentleman from New York to tell me what it means.

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield, I still do not understand why we discuss this now, rather than at the time when the gentleman presents his amendment; but let me give the gentleman a quick answer.

As the gentleman knows, technology is not something static. It changes constantly with advances in technology, and as it changes, items which have been critical, which have been closely held, become common knowledge and no longer can be regarded as critical.

Mr. ICHORD. Why is it particularly applicable to computers, though?

Mr. BINGHAM. Because computers are particularly susceptible to this type of advance. We have heard of generations of computers. There are generations of computers, and what a few years ago was an advanced computer, today is a very common computer. You can buy them in any retail store.

Mr. ICHORD. Does the gentleman mean to sit down and tell me that the 76 Siber computer will be obsolete technology 2 or 3 years from now, or 3 years from now?

Mr. BINGHAM. No; there was never any question, at least not so far as we know, that that particular computer should be licensed.

Mr. ICHORD. Mr. Chairman, I yield back the balance of my time, but I hope the gentleman can explain this language when we are actually debating the indexing amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SECTION 101. This title may be cited as the "Export Administration Act Amendments of 1979".

FINDINGS

SEC. 102. Section 2 of the Export Administration Act of 1969 (50 U.S.C. App. 2401) is amended to read as follows:

"FINDINGS

"SEC. 2. The Congress makes the following findings:

"(1) Exports are important to the economic well-being of the United States.

"(2) A large United States trade deficit weakens the value of the United States dollar, intensifies inflationary pressures in the domestic economy, and heightens instability in the world economy.

"(3) Poor export performance is an important factor contributing to a United States trade deficit.

"(4) It is important for the national interest of the United States that both the private sector and the Federal Government place a high priority on exports, which would strengthen the Nation's economy.

"(5) The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

"(6) The uncertainty of policy toward certain categories of exports has curtailed the efforts of American business in those categories to the detriment of the overall attempt to improve the trade balance of the United States.

"(7) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

"(8) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

"(9) The export of goods or technology without regard to whether such export makes a significant contribution to the military potential of individual countries may adversely affect the national security of the United States.

"(10) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combinations of countries which would be detrimental to the national security of the United States.".

□ 1300

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 102 of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ICHORD. Mr. Chairman, reserving the right to object, as I explained a while ago, controls for national security purposes comes under the joint jurisdiction of the Committee on Foreign Affairs and the Committee on Armed Services.

Now, this is an open rule. I have at least two amendments, perhaps three amendments, I would state to the gentleman from New York (Mr. BINGHAM), that I will offer on behalf of the Committee on Armed Services. They are not my amendments alone. They were approved unanimously by the Subcommittee on Research and Development.

I do not want to delay the consideration of this bill. I certainly do not want to inconvenience the gentleman from New York (Mr. WOLFF), who I know has several amendments to offer to this bill and who has recently been involved in an automobile accident, but I do want to make sure that I am able to be recognized to offer an amendment, particularly the one dealing with the transfer of critical military technology, which I consider a very important amendment.

Mr. Chairman, can the gentleman from New York (Mr. BINGHAM) assure me that I will be recognized without any limitations on time?

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield, so far as it is within the power of this Member to give the gentleman that assurance, I am glad to give him that assurance. The gentleman's amendments come under section 104, which is a very long section running from page 6 to page 40 in the bill.

Of course, the members of the Committee on Foreign Affairs will have priority, and primarily that means the gentleman from New York (Mr. WOLFF) and I believe possibly the gentleman from California (Mr. LAGOMARSINO). Other than that, I know of no reason why the gentleman should not be recognized for that purpose in about 20 minutes or a half hour from now.

Mr. ICHORD. Twenty minutes or a half hour from now. How many amendments do we have pending now? Does the gentleman anticipate a long period of time on those amendments?

Mr. BINGHAM. No, I do not, because on some of the amendments the gentleman from New York (Mr. WOLFF) has to offer there will be no disagreement. There are amendments to sections 102 and 103, some of which are unfamiliar to me, and so I cannot give the gentleman a definite answer. But the amendments of the gentleman from Missouri (Mr. ICHORD) do not arise until section 104.

Mr. ICHORD. Mr. Chairman, the gentleman from New York (Mr. BINGHAM) is the manager of the bill, and I am sure the chairman of the committee will acquiesce in the wishes of the manager. Therefore, I will not object.

With that understanding, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. BINGHAM)?

There was no objection.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 4, line 7, delete the quotation mark and period at the end thereof and insert the following new paragraph thereafter:

"(11) Minimization of restrictions on exports of agricultural commodities and products is of critical importance to the maintenance of a sound agricultural sector, to achievement of a positive balance of payments, to reducing the level of federal expenditures for agricultural support programs, and to United States cooperation in efforts to eliminate malnutrition and world hunger.".

Mr. GLICKMAN. Mr. Chairman, basically this is a fairly simple amendment. It just adds a new finding to the bill which basically provides some additional support for agricultural exports and again creates the burden of proof to see to it that these agricultural exports should proceed forthwith. I think they generally are proceeding in a positive fashion, but I just want to make sure this language does appear in the bill.

So Mr. Chairman, I do offer this amendment at this time.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I would like to commend the gentleman from Kansas (Mr. GLICKMAN) on offering this amendment and providing us with this whole line of thinking.

I think so often we overlook the fact that were it not for the tremendous export capability of this country, our balance-of-payments problem would be probably even much worse than it is. We should keep reminding ourselves and our fellow citizens of the importance of agricultural exports, and I compliment the gentleman for offering this amendment.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman from Missouri (Mr. SKELTON) for his remarks.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am glad to yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I have had occasion to examine the gentleman's amendment, and as far as I am concerned, we have no objection to it on this side.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I have also examined the gentleman's amendment, and I have no objection to it. I support it. It is certainly consistent with what we are trying to do in the bill, especially with regard to foreign policy considerations.

I accept the amendment for this side.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I want to commend the gentleman from Kansas (Mr. GLICKMAN) for this amendment, which I strongly support. The gentleman from Kansas and I have discussed the amendment. I give him my wholehearted support and compliment him for offering the amendment.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman from Washington (Mr. FOLEY) and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to section 102?

The Chair recognizes the gentleman from New York (Mr. SOLOMON).

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I have an amendment at the desk which amends various sections and various titles throughout the bill. It simply removes or strikes the word, "significant," throughout all those sections, and I ask unanimous consent that these amendments be considered en bloc at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BINGHAM. Mr. Chairman, reserving the right to object, I have not had a chance to examine the gentleman's amendment. I do not know its significance or the implications of making this change throughout the bill, and under those circumstances I am constrained to object.

I think the gentleman from New York (Mr. SOLOMON) should offer the amendments section by section. I must take that position at this time.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York (Mr. BINGHAM) continue to reserve his right to object?

Mr. BINGHAM. I continue to reserve my right to object, Mr. Chairman.

Mr. SOLOMON. Mr. Chairman, will the gentleman from New York (Mr. BINGHAM) yield to me?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I will state to the gentleman from New York (Mr. BINGHAM), for whom I have high respect and who certainly is very familiar with the bill, that the word "significant" appears throughout the existing law in this legislation, and if the gentleman from New York will read the first amendment referring to page 3, line 20, the amendment simply repeats these words throughout the entire bill, so it is very easy to understand.

It simply says that what we are doing is changing the phrase which says, "which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States of America." We simply change that phrase throughout the entire bill by removing the word "significant."

Mr. Chairman, I would like the op-

portunity to explain the amendment in that context.

Mr. BINGHAM. I must maintain my objection, Mr. Chairman. I think that the matter is not as simple as my colleague, the gentleman from New York (Mr. SOLOMON) has suggested, so I object to the unanimous-consent request.

The CHAIRMAN. Does the gentleman assert his objection?

Mr. BINGHAM. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Does the gentleman from New York (Mr. SOLOMON) offer an amendment?

Mr. SOLOMON. Yes, I do, Mr. Chairman.

Mr. Chairman, I would restructure my amendment to state: On page 3, line 20, strike the word, "significant," and so forth.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: On page 3, line 20; page 4, line 4; page 4, line 14; strike the word "significant" wherever it appears.

Mr. SOLOMON. Mr. Chairman, one of the loopholes in our policy as it now stands which jeopardizes U.S. security is the word, "significant," which appears throughout this bill.

Under the legislation, the Secretary of Commerce is required to restrict sales "which would make a significant"—and I repeat, "significant"—"contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States." I think this is what the genleman from Missouri (Mr. ICHORD) was dwelling on when he spoke previously.

□ 1310

I think this is what the gentleman from Missouri was dwelling on when he previously spoke. It is precisely the Department of Commerce that has nullified the intent of this legislation by continuing to objectively interpret militarily important matters as insignificant.

I would bring to the attention of the Members an internal Carter administration memorandum concerning a computer sale to the Soviet Zil truck plant, which states that a quarter of the 200,000 trucks that Zil produces annually goes to the military, including 100,000 missile launchers. Nonetheless, State and Commerce both support approval, on the grounds that we have already licensed exports for this plant, that the military trucks are basically like civilian trucks anyway, and that 100,000 missile launchers out of a 200,000-vehicle annual production is small. That is according to Juanita Kreps. Two hundred thousand annual production is small? Missile launchers? What kind of rationale is that? At a time when Communist influence is spreading across the globe, at such a time our leadership should be concerned with our own security instead of exempting military equipment in such an offhand manner.

We must tighten this legislation for our own protection and safety.

I see nothing wrong with removing the word "significant" throughout this bill, but, in particular, out of this one section. I think it would clarify the intent of the legislation, which I am sure the gentleman from New York, the gentleman from Missouri, and most Members of this House would support.

I urge support of the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Mr. Chairman, as I stated before, this is an extremely complicated bill. I do not know whether the removal of the word "significant" would really accomplish anything or not, and I am afraid that it might prohibit the export of any item. What I am concerned about, I would say to the gentleman, is the export of critical military technology. "Significant" as used in the present legislation has always been used. There is some ambiguous language, I would state to the gentleman from New York, where you interchange "major" with "significant." But I see nothing wrong with "significant," as such. I do not quite understand what the gentleman is driving at.

Mr. SOLOMON. If the gentleman would just read that language, I think that one of the problems we have is the fact that the Secretary of Commerce, Juanita Kreps, has been interpreting too many things as not being significant.

I cited the example of 100,000 missile launchers being produced in the Kama River plant.

Mr. ICHORD. I agree with the gentleman on that case. But I wonder whether or not you might with the elimination of the word "significant" prohibit the export of practically every item.

Mr. SOLOMON. If the gentleman will just read the language, it says "* * * which could make * * *"—we strike the word "significant" right there—"* * * which could make a significant contribution to the military potential of any country or combinations of countries which would be detrimental to the national security of the United States."

If it is not going to be detrimental to national security, if we are selling them oil, for instance, or we are selling them other items, which is not going to prove detrimental to the national security of this country, then I do not see where we have a problem; but we do have a problem by leaving the word "significant" in there, because we leave it up to Juanita Kreps to interpret.

Mr. ICHORD. If the gentleman will yield, I do not know whether you could actually administer the law if significant is removed.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, I think the point of the gentleman from Missouri is a very valid one. I think what the gentleman seeks to achieve is something that we have sought to achieve in the entire bill of separating out what is significant and what is critical. If we dilute that in each particular case, we will dilute the significance of what we are trying to achieve in setting up a critical technology list.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment for the reasons suggested by the gentleman from Missouri and my colleague, the gentleman from New York.

I believe that to eliminate the word "significant" would create a great deal of confusion and probably exacerbate the problems of administration which this program has been bedeviled with. As we know, there are great delays in the consideration of licenses. If we eliminate the word "significant" and decide that the purpose is to consider any contribution to military potential whatever, no matter how miniscule, this is going to add enormously to the licensing burden. We are all agreed, those of us who have studied this legislation and have had hearings, that there is a lot of unnecessary paper work that goes on. We want to concentrate, as the gentleman from Missouri (Mr. ICHORD) has said, on militarily critical technologies.

Let me point out further that this word "significant" has been in the Export Administration Act since 1969 and was retained when this legislation was extended in 1974 and 1977. Incidentally, the reference that the gentleman from Missouri has made to the enormous scope of this legislation surprises me a little bit, because the scope is no different from the scope of the legislation when it was extended in 1974 and again in 1977.

So for these reasons I hope that the gentleman's amendment will be omitted. It was not something that we considered in committee. We had long hearings on this, both in subcommittee and full committee. It is something that comes to my attention today for the first time, and I think for the reasons that have been suggested, the amendment should be voted down.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, I think what the gentleman seeks to achieve is, again, what we had hoped to achieve in committee. One aspect of this is that if you clutter the process with all of the various elements that are involved in trying to make a determination, as the gentleman would have us make, then we will never get to the point of really safeguarding the critical technology that we want to protect. Right now one of the most important problems faced by industry is the fact that we are so far behind with the granting of licenses that we are not able to devote sufficient time to protect those critical areas that we need to protect.

Mr. BINGHAM. I thank the gentleman for his contribution.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I share the concern of the gentleman from New York who has offered this amendment, but, like the

gentleman from Missouri and the gentleman from New York, I am afraid that this amendment goes in exactly the wrong direction.

It is vitally necessary that we adopt some legislation, because to fail to do so means there are no controls, which would be an infinitely worse situation than even the passage of this bill in its present form would be to the people who are concerned about some of its provisions.

There is no one, with the exception, perhaps, of the gentleman from Missouri and the gentleman from New York (Mr. WOLFF), who tried harder to tighten this bill up in the subcommittee and in the full committee than I did. I offered some 25 amendments. Some were adopted and others were not. Others were adopted in the full committee by other members of that committee. But it does seem to me that if we take out "significant," particularly in this subsection, that what we are saying is that there can be no export to Communist countries at all, because I think you can make a very good argument that when we export wheat, for example, to Russia we certainly free them up from spending the kind of resources in the growing of wheat that they would have to do otherwise, and that extra effort can go into munitions and technology, and so on. So unless we are prepared—and I certainly am not—to say we shall not export anything to any Communist country, I think we had better turn this amendment down, and we had better pay very close attention to the amendments that will be offered by the gentleman from New York (Mr. WOLFF) and the gentleman from Missouri (Mr. ICHORD). I will be supporting some of those amendments, as I did in committee. I think we ought to zero in on issues of importance and concern, those things that we can do something about and those things that we can control.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLOMON).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 102? If not, the Clerk will read.

The Clerk read as follows:

POLICY

SEC. 103. (a) Section 3 of the Export Administration Act of 1969 (50 U.S.C. App. 2402) is amended by amending paragraph (2) to read as follows:

"(2) It is the policy of the United States to use export controls to the extent necessary (A) to restrict the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States; (B) to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities; and (C) to restrict the export of goods where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.".

(b) Such section is further amended—

(1) in paragraph (5) by striking out "articles, materials, supplies, or information" and inserting in lieu thereof "goods, technology, or other information";

(2) in paragraph (6) by striking out "articles, materials, or supplies, including technical data or other information," and inserting in lieu thereof "goods, technology, or other information"; and

(3) by adding at the end thereof the following new paragraphs:

"(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribtuion to the military potential of any country or combination of countries, which would prove detrimental to the security of the United States and of those countries with which the United States has defense treaty commitments.

"(10) It is the policy of the United States that export trade by United States citizens be given a high priority and not be controlled except when such controls (A) are essential to achieve fundamental national security, foreign policy, or short supply objectives, (B) will clearly achieve such objectives, and (C) are administered consistent with basic standards of due process. It is also the policy of the United States that such controls shall not be retained unless their efficacy is annually established in detailed reports available to both the Congress and to the public, to the maximum extent consistent with the national security and foreign policy of the United States.".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 103 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 4, line 20, immediately after "responsibilities" insert ", including to restrict exports to countries which violate the principles of the Monroe Doctrine".

□ 1320

Mr. PEYSER. Mr. Chairman, it is seldom that the House has an opportunity at the time of particular crisis to really reflect and to express an opinion to the President as to how we feel on a specific issue.

At this time, as we all know, the Secretary of State and the President are engaged in efforts to resolve the issue of the Russian troops that are in Cuba today.

What this amendment does, is state that the President, knowing the will of the Congress, would have the right of restricting any trade to the Russians unless a solution is reached on the Russian troops who are presently located in Cuba.

I believe that the Soviets should have to choose between millions of bushels of wheat or the removal of their troops from the Western Hemisphere.

I would also like to suggest that this is a way of saying to the President, that we do not think the Senate should be placed in a position that they are trading off a SALT II agreement in order to get troops out of Cuba. The SALT II agreement has either got to stand or fall on its own and not be an item of trade-offs.

If there are any trade-offs that should be made, let us make them in trade. Let us find out what really is important to the Russians, and let us accept this amendment by overwhelmingly indicating that we simply are giving the authority to the President, letting the President know that the Congress feels that they too are deeply concerned over the Russians being in Cuba today. We want them out.

We want to give him this authorization, which he may use in his negotiations with the Russians, who are located in Cuba today, and with the Russian Government.

Mr. Chairman, this is a simple amendment. It does not dictate anything, but it simply provides an opportunity for the Congress to express its point of view on this issue.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I would like to ask the gentleman a question. Is it his view that at this time, so long as the Soviets maintain these troops in Cuba, that we should stop all exports to the Soviet Union?

Mr. PEYSER. Not at all, nor does this amendment do that. This amendment merely authorizes the President and states that he has the right, and it is the feeling of the House and letting him know how we voted on this, that we are concerned, if that is the way the House feels, with these Russian troops there; and he ought to have the right of using trade to terminate the arrangement.

Mr. BINGHAM. If the gentleman will yield further, I think this amendment goes much further than that.

This amendment occurs in a section which says:

It is the policy of the United States to use export controls to the extent necessary . . .

Then we go down to:

(b) to the extent necessary to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities; including to restrict exports to countries which violate the principles of the Monroe Doctrine.

From what the gentleman has said, it seems to me that he does mean to refer there to the Soviet Union in connection with its maintenance of troops in Cuba. Therefore this, as I read it, would be a statement of policy that all exports to the Soviet Union should be stopped until those troops are withdrawn.

Mr. PEYSER. I appreciate the gentleman's comments. I think, in reading the bill, and I listened to him read it, it says, "where necessary," where the President deems it necessary, and it is true. Even though the amendment does not say the Soviet Union, I am speaking to the situation in Cuba, without question, but it is only where necessary. It does not dictate and say that the country cannot continue trade with the Soviets. It simply says that we are in a position, and we are letting the Congress speak out on an issue that I think we can easily speak out on here and express the concern that the people—certainly my constituents—have expressed that we do something and we let them know we are concerned. That is the reason.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(At the request of Mr. BINGHAM and by unanimous consent, Mr. PEYSER was allowed to proceed for 3 additional minutes.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I am happy to yield to the gentleman.

Mr. BINGHAM. I think that matter of interpretation is very important. I take his word that is what he means. I take it all he is saying is that in a situation of this kind, the President should consider the possibility of foreign policy controls on exports as one method of pursuing an objective. Is that so?

Mr. PEYSER. I would agree with the gentleman.

Mr. BINGHAM. On the basis of that interpretation, I have no objection to the amendment.

Mr. PEYSER. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I think perhaps the gentleman's amendment could be a little more artfully drawn, although as I sit here I am not able to do that.

As I understand it, there is not a similar provision in the Senate bill, so we will have that opportunity in conference.

I think what the gentleman is saying and the way he is explaining his amendment is very clear that this would only be an added tool for the President in determining whether or not to apply foreign policy controls.

Mr. PEYSER. That is correct.

Mr. LAGOMARSINO. With that understanding, I support the amendment.

Mr. PEYSER. I thank the gentleman.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 6, line 4, delete the quotation mark and following period at the end thereof, and insert the following new paragraph thereafter:

"(11) It is the policy of the United States to minimize restrictions on the export of agricultural commodities and products.".

Mr. GLICKMAN. Mr. Chairman, this is an attempt to conform language I earlier offered and the House accepted in the findings section into the policy section, and basically I think it does put into statutory language what is already existing law, that the United States should try to minimize to the extent feasible restrictions on the export of agriculture commodities and products.

I did utilize the word "minimize" at the suggestion of the gentleman from California (Mr. LAGOMARSINO).

I would ask for the adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I certainly believe this is the purpose of the bill, and if this adds to making that clear, I am in favor of the amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I support the gentleman's amendment. Hopefully, the committee will adopt it.

Mr. GLICKMAN. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 103?

If not, the Clerk will read.

The Clerk read as follows:

EXPORT LICENSES; TYPES OF CONTROLS

SEC. 104 (a) The Export Administration Act of 1969 is amended—

(1) by redesignating section 4 as section 7;

(2) by repealing sections 5 and 9;

(3) by redesignating sections 6, 7, 8, 10, 11, 12, 13, 14, and 15 as sections 11, 12, 13, 14, 16, 17, 18, 19, and 20, respectively; and

(4) by redesignating sections 4A and 4B as sections 8 and 9, respectively.

(b) The Export Administration Act of 1969 is amended by adding after section 3 the following new sections:

"EXPORT LICENSES; COMMODITY CONTROL LIST; LIMITATION ON CONTROLLING EXPORTS

"SEC. 4. (a) TYPES OF LICENSES.—The Secretary may, in accordance with the provisions of this Act, issue any of the following export licenses:

"(1) A validated license, which shall be a document issued pursuant to an application by an exporter authorizing a specific export or, under procedures established by the Secretary, a group of exports, to any destination.

"(2) A qualified general license, which shall be a document issued pursuant to an application by the exporter authorizing the export of any destination, without specific application by the exporter for each such export, of a category of goods or technology, under such conditions as may be imposed by the Secretary.

"(3) A general license, which shall be a standing authorization to export, without application by the exporter, a category of goods or technology, subject to such conditions as may be set forth in the license.

"(4) Such other licenses, consistent with this subsection and this Act, as the Secretary considers necessary for the effective and efficient implementation of this Act.

"(b) COMMODITY CONTROL LIST.—The Secretary shall establish and maintain a list (hereinafter in this Act referred to as the 'commodity control list') consisting of any goods or technology subject to export controls under this Act.

"(c) RIGHT OF EXPORT.—No authority or permission to export may be required under this Act, or under any rules or regulations issued under this Act, except to carry out the policies set forth in section 3 of this Act.

"NATIONAL SECURITY CONTROLS

"SEC. 5. (a) AUTHORITY.—(1) In order to carry out the policy set forth in section 3(2)(A) of this Act, the President may, in accordance with the provisions of this section, prohibit or curtail the export of any goods or technology subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. The authority contained in this subsection shall be exercised by the Secretary, in consultation with the Secretary of Defense, and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses described in section 4(a) of this Act.

"(2)(A) Whenever the Secretary makes any revision with respect to any goods or technology, or with respect to the countries or destinations, affected by export controls imposed under this subsection, the Secretary shall publish in the Federal Register a notice of such revision and shall specify in such notice that the revision relates to controls imposed under the authority contained in this section.

"(B) Whenever the Secretary denies any export license under this subsection, the Secretary shall specify in the notice to the applicant of the denial of such license that the license was denied under the authority contained in this section.

"(b) POLICY TOWARD INDIVIDUAL COUNTRIES.—In administering export controls under this section, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status, but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may consider appropriate. The President shall periodically review United States policy toward individual countries to determine whether such policy is appropriate in light of factors specified in the preceding sentence.

"(c) CONTROL LIST.—(1) The Secretary shall establish and maintain, as part of the commodity control list, a list of all goods and technology subject to export controls under this section. Such goods and technology shall be clearly identified as being subject to controls under this section.

"(2) The Secretary of Defense and other appropriate departments and agencies shall identify goods and technology for inclusion on the list referred to in paragraph (1). Those items which the Secretary and the Secretary of Defense concur shall be subject to export controls under this section shall comprise such list. If the Secretary and the Secretary of Defense are unable to concur on such items, the matter shall be referred to the President for resolution.

"(3) The Secretary shall issue regulations providing for continuous review of the list established pursuant to this subsection in order to carry out the policy set forth in section 3(2)(A) and the provisions of this section, and for the prompt issuance of such revisions of the list as may be necessary. Such regulations shall provide interested Government agencies and other affected or potentially affected parties with an opportunity, during such review, to submit written data, views, or arguments with or without oral presentation. Such regulations shall further provide that, as part of such review, an assessment be made of the availability from sources outside the United States of goods and technology comparable to those controlled for export from the United States under this section.

"(d) MILITARY CRITICAL TECHNOLOGIES.—

(1) The Congress finds that the national interest requires that export controls under this section be focused primarily on military critical technologies, and that export controls under this section be removed insofar as possible from goods the export of which would not transfer military critical technologies to countries to which exports are controlled under this section.

"(2) The Secretary of Defense shall develop a list of military critical technologies. In developing such list, primary emphasis shall be given to—

"(A) arrays of design and manufacturing know-how;

"(B) keystone manufacturing, inspection, and test equipment; and

"(C) goods accompanied by sophisticated operation, application, or maintenance operation, or maintenance know-how,

which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a major advance in a weapons system of any such country.

"(3) The list referred to in paragraph (2) shall—

"(A) be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act; and

"(B) provide for the removal of export controls under this section from goods the export of which would not transfer military critical technology to countries to which exports are controlled under this section, except for goods with intrinsic military utility.

"(4) The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list subject to the provisions of subsection (c) of this section.

"(5) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

"(e) EXPORT LICENSES.—(1) The Congress finds that the effectiveness and efficiency of the process of making export licensing determinations under this section is severely hampered by the large volume of validated export license applications required to be submitted under this act. Accordingly, it is the intent of Congress in this subsection to encourage the use of a qualified general license, in lieu of a validated license, to the maximum extent practicable, consistent with the national security of the United States.

"(2) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a validated license under this section for the export of goods or technology only if—

"(A) the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, under the terms of such multilateral agreement, such export requires the specific approval of the parties to such multilateral agreement;

"(B) with respect to such goods or technology, other nations do not possess capabilities comparable to those possessed by the United States; or

"(C) the United States is seeking the agreement of other suppliers to apply comparable controls to such goods or technology and, in the judgment of the Secretary, United States export controls on such goods or technology, by means of such license, are necessary pending the conclusion of such agreement.

"(3) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a qualified general license, in lieu of a validated license, under this section for the export of goods or technology if the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party, but such export does not require the specific approval of the parties to such multilateral agreement.

"(f) FOREIGN AVAILABILITY.—(1) The Secretary, in consultation with appropriate Government agencies and with appropriate technical advisory committees established pursuant to subsection (h) of this section, shall review, on a continuing basis, the availability, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, of any goods or technology the export of which requires a validated license under this section. In any case in which the Secretary determines, in accordance with procedures and criteria which the Secretary shall by regulation establish, that any such goods or technology are available in fact to such destinations from such sources in sufficient quantity and of sufficient quality so that the requirement of a validated license for the export of such goods or technology is or would be ineffective in achieving the purpose set forth in subsection (a) of this section, the Secretary may not, after the determination is made, require a validated license for the export of such goods or technology during the period of such foreign availability, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision.

"(2) The Secretary shall approve any application for a validated license which is required under this section for the export of any goods or technology to a particular country and which meets all other requirements for such an application, if the Secretary determines that such goods or technology will, if the license is denied, be available in fact to such country from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that denial of the license would be ineffective in achieving the purpose set forth in subsection (a) of this section, subject to the exception set forth in paragraph (1) of this subsection. In any case in which the Secretary makes a determination of foreign availability under this paragraph with respect to any goods or technology, the Secretary shall determine whether a determination under paragraph (1) with respect to such goods or technology is warranted.

"(3) Whenever the Secretary of State, in consultation with the Secretary, has reason to believe that the availability of any goods or technology from sources outside the United States can be prevented or eliminated by means of negotiations with other countries, the Secretary of State shall undertake such negotiations. The Secretary shall not make any determination under this subsection with respect to such goods or technology until the Secretary of State has had a reasonable amount of time to conclude such negotiations.

"(4) In order to further effectuate the policies set forth in this paragraph, the Secretary shall establish, within the Office of Export Administration of the Department of Commerce, a capability to monitor and gather information with respect to the foreign availability of any goods or technology subject to export controls under this section. The Secretary shall include a detailed statement with respect to actions taken in compliance with the provisions of this paragraph in each report to the Congress made pursuant to section 14 of this Act.

"(g) INDEXING.—In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technology subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for annual increases in the performance levels of goods or technology subject to any such licensing requirement. Any such goods or technology which no longer meet the performance levels established by the latest such increase shall be removed from the list established pursuant to subsection (c) of this section unless, under such exceptions and under such procedures as the Secretary shall prescribe, any other Government agency objects to such removal and the Secretary determines, on the basis of such objection, that the goods or technology shall not be removed from the list.

"(h) TECHNICAL ADVISORY COMMITTEES.—(1) Upon written request by representatives of a substantial segment of any industry which produces any goods or technology subject to export controls under subsection (a) or being considered for such controls because of their significance to the national security of the United States, the Secretary shall appoint a technical advisory committee for any such goods or technology which the Secretary determines are difficult to evaluate because of questions concerning technical matters, worldwide availability, and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and Government, including the Departments of Commerce, Defense, and State and, in the discretion of the Secretary, other Government departments and agencies. No person serving on any such committee who is a representative of industry shall serve on such committee for more than four consecutive years.

"(2) Technical advisory committees established under paragraph (1) shall advise and assist the Secretary, the Secretary of Defense, and any other department, agency, or official of the Government of the United States to which the President delegates authority under this Act, with respect to actions designed to carry out the policy set forth in section 3(2)(A) of this Act. Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any goods or technology, and (D) exports subject to multilateral controls in which the United States participates, including proposed revisions of any such multilateral controls. Nothing in this subsection shall prevent the Secretary or the Secretary of Defense from consulting, at any time, with any person representing industry or the general public, regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary, to present evidence to such committees.

"(3) To facilitate the work of the technical advisory committees, the Secretary, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the goods or technology with respect to which that committee furnishes advice.

"(4) Whenever a technical advisory committee certifies to the Secretary that goods or technology with respect to which such

committee was appointed have become available in fact, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that requiring a validated license for the export of such goods or technology would be ineffective in achieving the purpose set forth in subsection (a), and provides adequate documentation for such certification, in accordance with the procedures established pursuant to subsection (f)(1) of this section, the Secretary shall take steps to verify such availability, and upon such verification shall remove the requirement of a validated license for the export of the goods or technology, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision.

"(i) MULTILATERAL EXPORT CONTROLS.—(1) The President shall enter into negotiations with the governments participating in the group known as the Coordinating Committee of the Consultative Group (hereinafter in this subsection referred to as the 'Committee') with a view toward accomplishing the following objectives:

"(A) Agreement to publish the list of items controlled for export by agreement of the Committee, together with all notes, understandings, and other aspects of such agreement, and all changes thereto.

"(B) Agreement to hold periodic meetings of such governments with high-level representation from such governments, for the purpose of discussing export control policy issues and issuing policy guidance to the Committee.

"(C) Agreement to reduce the scope of the export controls imposed by agreement of the Committee to a level acceptable to and enforceable by all governments participating in the Committee.

"(D) Agreement on more effective procedures for enforcing the export controls agreed to pursuant to subparagraph (C).

"(2) The President shall include, in each annual report required by section 14 of this Act, a detailed report on the progress of the negotiations required by paragraph (1), until such negotiations are concluded.

"(3) In any case in which goods or technology controlled for export by agreement of the Committee are exported from the United States to countries which participate in the Committee, no condition shall be imposed by the United States with respect to the further export of such goods or technology from such countries.

"(j) COMMERCIAL AGREEMENTS WITH CERTAIN COUNTRIES.—(1) Any United States person who, for commercial purposes, enters into any agreement with any agency of the government of a country to which exports are restricted for national security purposes, which agreement cites an intergovernmental agreement (to which the United States and such country are parties) calling for the encouragement of technical cooperation, and which agreement is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report such agreement to the Secretary.

"(2) The provisions of paragraph (1) shall not apply to colleges, universities, or other educational institutions.

"(k) NEGOTIATIONS WITH OTHER COUNTRIES.—The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for conducting negotiations with other countries regarding their cooperation in restricting the export of goods and technology in order to carry out the policy set forth in section 3(9) of this Act, as authorized by subsection (a) of this section, including negotiations with respect to which goods and technology should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.

"FOREIGN POLICY CONTROLS

"SEC. 6. (a) AUTHORITY.—(1) In order to effectuate the policy set forth in paragraph (2)(B), (7), or (8) of section 3 of this Act, the President may prohibit or curtail the exportation of any goods, technology, or other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, to the extent necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities. The authority granted by this subsection shall be exercised by the Secretary, in consultation with the Secretary of State and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses issued by the Secretary.

"(2)(A) Whenever the Secretary makes any revision with respect to any goods, technology, or other information, or with respect to the countries or destination affected by export controls imposed under this subsection, the Secretary shall publish in the Federal Register a notice of such revision, and shall specify in the notice that the revision relates to control imposed under the authority contained in this subsection.

"(B) Whenever the Secretary denies any export license under this subsection, the Secretary shall specify in the notice to the applicant of the denial of such license that the license was denied under the authority contained in this subsection, and the reasons for such denial, with reference to the criteria set forth in subsection (b) of this section.

"(3) In accordance with the provisions of section 10 of this Act, the Secretary of State shall have the right to review any export license application under this section that the Secretary requests to review, and to appeal to the President any decision of the Secretary with respect to such license application.

"(b) CRITERIA.—In determining whether to impose export controls under this section, the President, acting through the Secretary and the Secretary of State, shall consider—

"(1) the likely effectiveness of the proposed controls in achieving their purpose, including the availability from other countries of any goods or technology comparable to goods or technology proposed for export controls under this section;

"(2) the compatibility of the proposed controls with the foreign policy objectives of the United States, including the effort to counter international terrorism, and with overall United States policy toward the country which is the proposed target of the controls;

"(3) the likely effects of the proposed controls on the export performance of the United States, on the competitive position of the United States in the international economy, and on individual United States companies and their employees and communities, including the effects of the controls on existing contracts; and

"(4) the ability of the United States Government to enforce the proposed controls effectively.

"(c) CONSULTATION WITH INDUSTRY.—The Secretary, before imposing export controls under this section, shall consult with such affected United States industries as the Secretary considers appropriate, with respect to criteria set forth in paragraphs (1) and (3) of subsection (b) and such other matters as the Secretary considers appropriate.

"(d) ALTERNATIVE MEANS.—Before resorting to the imposition of export controls under this section, the President shall determine that reasonable efforts have been made to achieve the purposes of the controls through negotiations or other alternative means.

"(e) NOTIFICATION TO CONGRESS.—The President in every possible instance shall consult with the Congress before imposing any export control under this section. Whenever the President imposes any export control with respect to any country under this section, he shall immediately notify the Congress of the imposition of such export control, and shall submit with such notification a report specifying—

"(1) the reasons for the control, the purposes the control is designed to achieve, and the conditions under which the control will be removed;

"(2) those considerations of the criteria set forth in subsection (b) which led him to determine that on balance such export control would further the foreign policy interests of the United States or fulfill its international responsibilities, including those criteria which were determined to be inapplicable;

"(3) the nature and results of consultations with industry undertaken pursuant to subsection (c); and

"(4) the nature and results of any alternative means attempted under subsection (d), or the reasons for imposing the control without attempting any such alternative means.

To the extent necessary to further the effectiveness of such export control, portions of such report may be submitted on a classified basis, and shall be subject to the provisions of section 12(c) of this Act. If the Congress, within sixty days after the receipt of such notification, adopts a concurrent resolution disapproving such export control, then such export control shall cease to be effective upon the adoption of the resolution. In the computation of such sixty-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die. The procedures set forth in section 130 of the Atomic Energy Act of 1954 shall apply to any concurrent resolution referred to in this subsection, except that any such resolution shall be reported by the appropriate committees of both Houses of Congress not later than forty-five days after the receipt of the notification submitted pursuant to this subsection.

"(f) EXCLUSION FOR FOOD AND MEDICINE.—This section does not authorize export controls on food, medicine, or medical supplies. It is the intent of Congress that the President not impose export controls under this section on any goods or technology if he determines that the principal effect of the export of such goods or technology would be to help meet basic human needs. This subsection shall not be construed to prohibit the President from imposing restrictions on the export of food, medicine, or medical supplies, under the International Emergency Economic Powers Act.

"(g) TRADE EMBARGOES.—This section does not authorize the imposition by the United States of a total trade embargo on any country. This subsection shall not be construed to prohibit the President from imposing a trade embargo under the International Emergency Economic Powers Act.

"(h) FOREIGN AVAILABILITY.—In applying export controls under this section, the President shall take all feasible steps to initiate and conclude negotiations with appropriate foreign governments for the purpose of securing the cooperation of such foreign governments in controlling the export to countries and consignees to which the United States export controls apply of any goods or technology comparable to goods or technology controlled for export under this section.

"(i) INTERNATIONAL OBLIGATIONS.—The limitations contained in subsections (b), (c), (d), (f), (g), and (h) shall not apply in any case in which the President exercises the authority contained in this section to impose export controls, or to approve or deny export license applications, in order to fulfill commitments of the United States pursuant to treaties to which the United States is a party, or to comply with decisions or other actions of international organizations of which the United States is a member.

"(j) EXISTING CONTROLS.—The provisions of subsections (f) and (g) shall not apply to any export control on food or medicine or to any trade embargo in effect on the effective date of the Export Administration Act Amendments of 1979.

"(k) CONTROL LIST.—The Secretary shall establish and maintain, as part of the commodity control list, a list of any goods or technology subject to export controls under this section, and the countries to which such controls apply. Such goods or technology shall be clearly identified as subject to controls under this section. Such list shall consist of goods and technology identified by the Secretary of State, with the concurrence of the Secretary. If the Secretary and the Secretary of State are unable to agree on the list, the matter shall be referred to the President for resolution. The Secretary shall issue regulations providing for periodic revision of such list for the purpose of eliminating export controls which are no longer necessary to fulfill the purpose set forth in subsection (a) of this section or are no longer advisable under the criteria set forth in subsection (b) of this section.

(c) The Export Administration Act of 1969 is amended by inserting after section 9, as redesignated by subsection (a) of this section, the following new section:

"PROCEDURES FOR PROCESSING VALIDATED AND QUALIFIED GENERAL LICENSE APPLICATIONS

"SEC. 10. (a) GENERAL RESPONSIBILITY OF THE SECRETARY; DESIGNATED OFFICIAL.—(1) All export license applications required under this Act shall be submitted by the applicant to the Secretary. All determinations with respect to any such application shall be made by the Secretary, subject to the procedures provided in this section for objections by other agencies. The Secretary may not delegate the authority to deny any such application to any official holding a rank lower than Deputy Assistant Secretary.

"(2) For purposes of this section, the term 'designated official' means an official designated by the Secretary to carry out functions under this Act with respect to the administration of export licenses.

"(b) APPLICATIONS TO BE REVIEWED BY OTHER AGENCIES.—(1) It is the intent of Congress that a determination with respect to any export license application be made to the maximum extent possible by the Secretary without referral of such application to any other Government agency.

"(2) The head of any Government agency concerned with export controls may, within ninety days after the effective date of this section, and periodically thereafter, in consultation with the Secretary, determine the specific types and categories of license applications to be reviewed by such agency before the Secretary approves or disapproves any such application. The Secretary shall, in accordance with the provisions of this section, submit to the agency involved any license application of any such type or category.

"(c) INITIAL SCREENING.—Within ten days after the date on which any export license application is received, the designated official shall—

"(1) send to the applicant an acknowledgment of the receipt of the application and the date of the receipt;

"(2) submit to the applicant a written description of the procedures required by this section, the responsibilities of the Secretary and of other agencies with respect to the application, and the rights of the applicant;

"(3) return the application without action if the application is improperly completed or if additional information is required, with sufficient information to permit the application to be properly resubmitted, in which case if such application is resubmitted, it shall be treated as a new application for the purpose of calculating the time periods prescribed in this section; and

"(4) determine whether it is necessary to submit the application to any other agency and, if such submission is determined to be necessary, inform the applicant of the agency or agencies to which the application will be referred.

"(d) ACTION BY THE DESIGNATED OFFICIAL.—Within thirty days after the date on which an export license application is received, the designated official shall—

"(1) approve or disapprove the application and formally issue or deny the license, as the case may be; or

"(2)(A) submit the application, together with all necessary analysis and recommendations of the Department of Commerce, concurrently to any other agencies pursuant to subsection (b)(2); and

"(B) if the applicant so requests, provide the applicant with an opportunity to review for accuracy any documentation submitted to such other agency with respect to such application.

"(e) ACTION BY OTHER AGENCIES.—(1) Any agency to which an application is submitted pursuant to subsection (d)(2)(A) shall submit to the designated official, within thirty days after the end of the thirty-day period referred to in subsection (d), any recommendations with respect to such application. Except as provided in paragraph (2), any such agency which does not so submit its recommendations within the time period prescribed in the preceding sentence shall be deemed by the designated official to have no objection to the approval of such application.

"(2) If the head or acting head of any such agency notifies the Secretary before the expiration of the time period provided in paragraph (1) for submission of its recommendations that more time is required for review of the application by such agency, the agency shall have an additional thirty-day period to submit its recommendations to the designated official. If such agency does not so submit its recommendations within the time period prescribed by the preceding sentence, it shall be deemed by the designated official to have no objection to the approval of the application.

"(f) DETERMINATION BY THE DESIGNATED OFFICIAL.—(1) The designated official shall take into account any recommendation of an agency submitted with respect to an application to the designated official pursuant to subsection (e), and, within twenty days after the end of the appropriate period specified in subsection (e) for submission of such agency recommendations, shall—

"(A) approve or disapprove the application and inform such agency of such approval or disapproval; or

"(B) if unable to reach a decision with respect to the application, refer the application to the Secretary and notify such agency and the applicant of such referral.

"(2) The designated official shall formally issue or deny the license, as the case may be, not more than ten days after such official makes a determination under paragraph (1)(A), unless any agency which submitted a recommendation to the designated official pursuant to subsection (e) with respect to the license application, notifies such official, within such ten-day period, that it objects to the determination of the designated official.

"(3) The designated official shall fully inform the applicant, to the maximum extent consistent with the national security and foreign policy of the United States—

"(A) within five days after a denial of the application, of the statutory basis for the denial, the policies in section 3 of this Act that formed the basis of the denial, the specific circumstances that led to the denial, and the applicant's right to appeal the denial to the Secretary under subsection (k) of this section; or

"(B) in the case of a referral to the Secretary under paragraph (1)(B) or an objection by an agency under paragraph (2), of the specific questions raised and any negative considerations or recommendations made by an agency, and shall accord the applicant an opportunity, before the final determination with respect to the application is made, to respond in writing to such questions, considerations, or recommendations.

"(g) ACTION BY THE SECRETARY.—(1)(A) In the case of an objection of an agency of which the designated official is notified under subsection (f)(2), the designated official shall refer the application to the Secretary. The Secretary shall consult with the head of such agency, and, within twenty days after such notification, shall approve or disapprove the license application and immediately inform such agency head of such approval or disapproval.

"(B) In the case of a referral to the Secretary under subsection (f)(1)(B), the Secretary shall, within twenty days after notification of the referral is transmitted pursuant to such subsection approve or disapprove the application and immediately inform any agency which submitted recommendations with respect to the application, of such approval or disapproval.

"(2) The Secretary shall formally issue or deny the license, as the case may be, within ten days after approving or disapproving an application under paragraph (1), unless the head of the agency referred to in paragraph (1)(A), or the head of an agency described in paragraph (1)(B), as the case may be, notifies the Secretary of his or her objection to the approval or disapproval.

"(3) The Secretary shall immediately and fully inform the applicant, in accordance with subsection (f)(3), of any action taken under paragraphs (1) or (2) of this subsection.

"(4) The Secretary may not delegate the authority to carry out the actions required by this subsection to any official holding a rank lower than Deputy Assistant Secretary.

"(h) ACTION BY THE PRESIDENT.—In the case of notification by an agency head, under subsection (g)(2), of an objection to the Secretary's decision with respect to an application, the Secretary shall immediately refer the application to the President. Within thirty days after such notification, the President shall approve or disapprove the application and the Secretary shall immediately issue or deny the license, in accordance with the President's decision. In any case in which the President does not approve or disapprove the application within such thirty-day period, the decision of the Secretary shall be final and the Secretary shall immediately issue or deny the license in accordance with the Secretary's decision.

"(i) SPECIAL PROCEDURES FOR SECRETARY OF DEFENSE.—(1) Notwithstanding any other provision of this section, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes and, whenever he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of any such country, to

recommend to the President that such export be disapproved.

"(2) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the export control office to which licensing requests are made, the types and categories of transactions which should be reviewed by him in order to make a determination referred to in paragraph (1). Whenever a license or other authority is requested for the export to any country to which exports are controlled for national security purposes of goods or technology within any such type or category, the appropriate export control office or agency to which such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to the request before the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this paragraph and, not later than thirty days after notification of the request, shall—

"(A) recommend to the President that he disapprove any request for the export of any goods or technology to any such country if he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country;

"(B) notify such office or agency that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

"(C) indicate that he does not intend to interpose an objection to the export of such goods or technology.

If the President notifies such office or agency, within thirty days after receiving a recommendation from the Secretary of Defense, that he disapproves such export, no license or other authority may be issued for the export of such goods or technology to such country.

"(3) The Secretary shall approve or disapprove a license application, and issue or deny a license, in accordance with the provisions of this subsection, and, to the extent applicable, in accordance with the time periods and procedures otherwise set forth in this section.

"(j) MULTILATERAL REVIEW.—(1) In any case in which an application, which has been finally approved under subsection (d), (f), (g), (h), or (i) of this section, is required to be submitted to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the license shall not be issued as prescribed in such subsections, but the Secretary shall notify the applicant of the approval (and the date of such approval) of the application by the United States Government, subject to such multilateral review. The license shall be issued upon approval of the application under such multilateral review. If such multilateral review has not resulted in a determination with respect to the application within sixty days after such date, the Secretary's approval of the application shall be final and the license shall be issued. The Secretary shall institute such procedures for preparation of necessary documentation before final approval of the application by the United States Government as the Secretary considers necessary to implement the provisions of this paragraph.

"(2) In any case in which the approval of the United States Government is sought by a foreign government for the export of goods or technology pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the Secretary of State, after consulting with other appropriate United States Government agencies, shall, within sixty days after the date on which the request for such approval is made, make a determination with respect to the request for approval. Any such other agency which does not submit a recommendation to the Secretary of State before the end of such sixty-day period shall be deemed by the Secretary of State to have no objection to the request for United States Government approval. The Secretary of State may not delegate the authority to disapprove a request for United States Government approval under this paragraph to any official of the Department of State holding a rank lower than Deputy Assistant Secretary.

"(k) EXTENSIONS.—If the Secretary determines that a particular application or set of applications is of exceptional importance and complexity, and that additional time is required for negotiations to modify the application or applications, the Secretary may extend any time period prescribed in this section. The Secretary shall notify the Congress and the applicant of such extension and the reasons therefor.

"(l) APPEAL AND COURT ACTION.—(1) The Secretary shall establish appropriate procedures for any applicant to appeal to the Secretary the denial of an export license application of the applicant.

"(2) In any case in which any action prescribed in this section is not taken on a license application within the time periods established by this section (except in the case of a time period extended under subsection (k) of which the applicant is notified), the applicant may file a petition with the Secretary requesting compliance with the requirements of this section. When such petition is filed, the Secretary shall take immediate steps to correct the situation giving rise to the petition and shall immediately notify the applicant of such steps.

"(3) If, within thirty days after petition is filed under paragraph (2), the processing of the application has not been brought into conformity with the requirements of this section, or, if the application has been brought into conformity with such requirements, the Secretary has not so notified the applicant, the applicant may bring an action in an appropriate United States district court for a restraining order, a temporary or permanent injunction, or other appropriate relief, to require compliance with the requirements of this section. The United States district courts shall have jurisdiction to provide such relief as appropriate.

"(m) RECORDS.—The Secretary and any agency to which any application is referred under this section shall keep accurate records with respect to all applications considered by the Secretary or by any such agency.".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 104 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, insert the following after line 13, and redesignate subsequent paragraphs accordingly:

"(3) If, in any case in which the President makes a determination under paragraph (1) or (2) of this subsection with respect to national security, the good or technology concerned is critical to United States national security and, if available to an adversary country, would permit a significant contribution to the military potential of that country, the President shall direct the Secretary of State to enter into negotiations with the appropriate government or governments in order to eliminate foreign availability of such good or technology.

Page 15, line 20, strike out "under" and insert in lieu thereof "of foreign availability under paragraph (1) or (2) of".

□ 1330

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, I believe that this amendment offers a constructive addition to the foreign availability section of this bill, which was so carefully drafted by my colleague from New York (Mr. BINGHAM).

As written, the foreign availability section provides that the Secretary of State undertake negotiations to eliminate foreign availability of items to which the United States applies export controls, if he has reason to believe that such negotiations can be successful.

The subsection also states that validated export licenses should not be applied if foreign availability exists, unless the President determines that export controls should be maintained for national security purposes, despite foreign availability.

My amendment seeks to add the next logical step to this process. That is, if the President decides that export controls must be maintained despite the fact that the item is sold in another country, and the President feels that the item concerned is critical to U.S. national security, then the President should direct the Secretary of State to negotiate to eliminate that foreign availability. If the item concerned is important to our national security, the President will be mandated to try to keep controls on it, and secure the cooperation of another nation or nations producing the item in question. In this way, initiation of negotiations in this step of the process will depend upon the importance of the item, and not the judgment of potential success before negotiations begin.

If such negotiations fail to secure cooperation from the nation also producing the item, then of course the President can take any steps he feels are necessary to try to encourage cooperation, based upon the importance of the item to our security and military systems.

I believe that this amendment fits in nicely with the provisions already established in this subsection. It also relates very well to the "military critical technologies" section, which mandates the Secretary of Defense to complete the list of technologies and goods that are critical to our national security. Our export control policy will emphasize controls on commodities that are truly important to our national defense and security, and reflect the degree of importance of those items.

Mr. Chairman, I believe that this amendment is simply a logical extension of the provisions as drafted. I urge adoption of my amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield to the gentleman.

Mr. BINGHAM. I thank the gentleman for yielding.

My colleague from New York has already made great contributions to this bill and I think he, in proposing this amendment, is making a further contribution.

We have discussed the language and he has graciously accepted some suggestions we made in terms of clarifying the language. I am happy to say that I am supporting the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

With the language in the bill the administration has to believe negotiations can eliminate foreign availability before it even has to undertake such negotiations, so the administration could, say that foreign availability cannot be eliminated and no effort would be necessary to try to eliminate it.

With the gentleman's amendment, negotiations must be attempted whether there is reason to believe foreign availability can be eliminated or not, and at least in this way an effort will be made to try to find out and to try to eliminate it no matter what.

I called attention to this problem in the subcommittee; the full committee went part of the way. I support the gentleman's amendment because I think it removes a very serious flaw in the legislation.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield.

Mr. ICHORD. I want to commend the gentleman in the well for offering this amendment. I think it is a very important amendment. As the gentleman stated, if we are able to mandate the establishment of a critical military technology list it will really help in the administration of this act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, insert the following after line 13 and redesignate subsequent paragraphs accordingly:

"(3) With respect to export controls imposed under this section, any determination of foreign availability which is the basis of a decision to grant a license for, or to remove a control on, the export of a good or technology, shall be made in writing and shall be supported by reliable evidence, including scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability.

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, this amendment provides that, in making a finding of foreign availability under this section, that reliable evidence be used. The Commerce Department may not make such a finding, and thus decontrol the article, simply because the company making the application for an export license says that foreign availability exists.

This amendment was passed in the other body on Saturday, July 21 by voice vote. It was offered by Senator MOYNIHAN for Senator JACKSON. The amendment, as I propose it today, is in the form as it was amended by Senator STEVENSON. Administration representatives monitoring the debate had no objection to this amendment.

This subsection contains important and valuable new procedures for decontrolling commodities because those items are available for export in foreign countries. I think that these procedures will be very helpful to business, in that businesses will be free to compete in international markets when an item is truly available, unless there is some extraordinary national security control placed upon the item. In light of this new emphasis placed on foreign availability, it is essential that reliable evidence be received to determine whether a product of comparable quality and produced in sufficient quantity exists, and that decontrol of the item should occur. If reliable evidence is not presented, such decontrol because of foreign availability could lead to a signficant loophole in our export control process.

In the past the procedures on foreign availability have been inadequate, frustrating to business, and did not serve our export control policy well. A GAO report of this year, entitled "Export Controls: Need to Clarify Policy and Simplify Administration," was extremely critical of U.S. foreign availability considerations in the export licensing process. The report strongly criticized the lack of a standard of comparing goods available in foreign countries with proposed exports here. The report also found serious fault with the fact that no one really seemed to be in charge of developing this standard.

The legislation before us will go far in solving the enormous problems with foreign availability review that the GAO found. I believe that this amendment will insure that these constructive improvements will not permit any unwanted loopholes in the law.

I believe that this legislation, on the whole, is sending a strong signal to the business community that the U.S. Government wants to improve its performance on foreign availability, consistent with protecting our national security. As a former businessman myself, I know that business would not want to sell an item that is really damaging to our national security, if it got into the wrong hands. Therefore, I view this amendment as a logical addition to the improved foreign availability procedures, and an addition that will add to the intent of this section.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I am prepared to go along with the amendment. But I would like to say that I do not quite agree with the gentleman's characterization of the procedures we have been following. As a matter of fact, I think the amendment codifies the procedures that have been followed in the administration of the Export Administration Act.

We have had a number of cases brought before our committee where the authorities were too slow to find foreign availability. In some cases they eventually agreed with the company that there was foreign availability, but by that time it was so late that the exporters had lost the business.

We had that in a case that I brought to the attention of the House, the Cyril Bath case, where the French were selling a particular metal forming machine. Cyril Bath was able to enter into a contract to sell one such machine to the Soviet Union. They were held up for so long because of discussions and debates as to whether the French, in fact, were selling those machines. The French denied it. The company submitted evidence, and eventually the administration went along with that.

We have never, in the course of our discussions and hearings in the committee, been told of a case where foreign availability was found by the administration and should not have been found. In other words, the fault in the administration of the act, as far as we have been able to observe it, has been in the other direction, that they were too reluctant to find foreign availability. This meant the loss of business to American companies.

But since I believe this amendment requires sensible procedures, since these are the procedures, as I understand it, essentially now being followed, I have no objection to the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield to the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, I think the gentleman's amendment, like his previous one, tightens up the definition of foreign availability, because we must realize that if a technology is available from a foreign source, then our controls can, in effect, be thrown out the window. So it is a very, very important issue and I think that certainly reliable evidence should be produced to justify such a finding. I support the amendment.

□ 1340

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 16, insert the following after line 7:

"(5) Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall, consistent with the protection of intelligence sources and methods, furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration, and such Office, upon request or where appropriate, shall furnish to such departments and agencies the information it gathers and receives concerning foreign availability.

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, this amendment would insure that adequate intelligence information is given to the Office of Export Administration in the Commerce Department concerning foreign availability of goods subject to export controls.

This amendment is important and necessary for two reasons. First it is clear that foreign availability was not given adequate attention in the past. A GAO report of March 1, 1979, specifically criticised the consideration of foreign availability in granting export licenses, particularly because no one was in charge of "developing and applying a standard for comparability." In other words, there is no criterion for judging whether an item produced in another country is of comparable quality or produced in sufficient quantity to warrant a finding of foreign availability, and thus decontrol the item. Insuring that the Office of Export Administration and the other departments having input into the licensing process, receive adequate intelligence information will help OEA determine correctly whether a good is truly comparable and a finding of foreign availability should be made.

Also, this legislation strengthens the provisions which decontrol items based on foreign availability. I think this will be a real step forward for the business community, which has been frustrated by the lack of a good foreign availability policy. However, as foreign availability will be given more consideration, we must insure that the OEA and other agencies are given all the necessary information to make the proper decision.

This amendment was offered by Senators JACKSON and BAYH in the other body, and amended by Senator STEVENSON. I am offering this amendment in the same form in which it passed, by voice vote, in the other body. This amendment represents a constructive addition to this subsection and I urge its adoption.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to my colleague from New York.

Mr. BINGHAM. Mr. Chairman, I am happy to concur not only, in this case, with the amendment, but with what the gentleman said about it.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. On behalf of the minority I accept the amendment. I think it merely clarifies what "foreign availability" means by making sure that, in fact, it is foreign availability.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would like the attention of the gentleman from New York (Mr. BINGHAM). I believe the amendment offered by the gentleman from New York (Mr. WOLFF) clears up one of the questions that I had about section 4, and I think we ought to be clear that we establish a record because we could be setting up another intelligence-gathering operation within the Department of Commerce if we are not very careful. I read the language now in the bill which the gentleman's amendment does bear upon, beginning at the bottom of page 15:

"(4) In order to further effectuate the policies set forth in this paragraph, the Secretary shall establish, within the Office of Export Administration of the Department of Commerce, a capability to monitor and gather information with respect to the foreign availability of any goods or technology subject to export controls under this section.

Now, anyone who knows anything about critical military technology knows that this is a day-to-day intelligence-gathering operation. We have got to find out what is the level of technology of the potential adversary. We have got to know about our own level of technology. We have got to know about the level of technology of our allies, and this language standing alone, anyway, could justify the establishment of a separate intelligence unit in the Department of Commerce. I do not think this body wants to do that.

I would ask the gentleman from New York, is the legislative history clear that we are not establishing an intelligence unit within the Department of Commerce?

Mr. BINGHAM. If the gentleman will yield, I think that is correct, and the amendment of the gentleman from New York (Mr. WOLFF) I think makes that doubly clear, because it adds the fact that the intelligence agencies and others are to share information in this important field.

Mr. WOLFF. That basically is the purpose of this amendment, to make the intelligence community responsible.

Mr. ICHORD. In other words, the intelligence community will give this information to the Department of Commerce, and the Department of Commerce is not authorized to set up a new, separate intelligence unit itself?

Mr. WOLFF. As far as I am concerned, that is the purpose of this legislation.

Mr. ICHORD. I commend the gentleman for offering the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, line 12, insert "of foreign availability" after "determination".

Mr. WOLFF. Mr. Chairman, this is simply a technical amendment which corrects a problem I discovered in drafting my other amendments to the foreign availability section of the bill. I believe that this difficulty came about in the process of the various committee and subcommittee markups.

In paragraph f(1) the bill says that the Secretary of Commerce may not require a validated license if an item is available in another country, "unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States." Then in paragraph (2) of this subsection referring to foreign availability determinations, the bill states "* * * the Secretary shall determine whether a determination under paragraph (1) is warranted."

This determination by the Secretary in paragraph (2) could be construed to mean that the Secretary shall determine whether a determination by the President in paragraph (1) is warranted.

Obviously, this is an unintentional result of the amending process, and clearly would not be used by any Secretary. However, in the interests of correcting this anomaly, and having the law read properly, I have offered this amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield.

Mr. BINGHAM. Again, the gentleman from New York has made a definite improvement in clarifying the intent of the language. I had difficulty reading that sentence myself as I reread it over the weekend, and I think this amendment clarifies the intent.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, on behalf of the minority I accept the amendment.

Mr. WOLFF. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 20, strike out line 21 and all that follows through page 21, line 2.

Mr. WOLFF. Mr. Chairman, this amendment deletes the section in the bill which prohibits the United States from attaching any condition onto the reexport of goods that the United States has exported to any one of our COCOM allies.

I sympathize with the intent of my colleague from New York when he included this provision in his legislation. He points out that our COCOM allies, by participating in the Coordinating Committee, already have controls on the items to which we attach reexport conditions. Such conditions have irritated our allies in the past. In addition, our reexport controls have not always been effective.

However, while I agree with the gentleman that reexport controls are less than desirable, I do not believe that we should prohibit ourselves from utilizing them if we feel it is necessary. I feel that eliminating the possibility of using reexport controls could create an enormous loophole through which third country transfers could legally be made.

In addition, our COCOM allies do not always agree with our assessment of the need for control on some items. COCOM does not protect technical data as much as this Nation would prefer. Also, our COCOM allies do not always share our foreign policy objectives either. Where we might be very concerned about trade with certain Eastern bloc countries, our COCOM allies might view such trade with more enthusiasm.

I am personally very concerned over other foreign policy issues where this country might strenuously disagree with one of our COCOM allies on the reexport of a highly sensitive item to a country known to be aiding terrorists, or actively seeking to scuttle our foreign policy objectives in the Middle East, such as Libya for instance.

Finally, the Defense Department, in speaking for the entire administration had voiced concern over this section in testimony by Assistant Secretary, Dr. Ellen Frost, before the House Foreign Affairs Committee. Dr. Frost called reexport controls a "necessary evil," and maintained that, unfortunately, their use should not be prohibited at this time. The administration agrees that these controls should be used sparingly, and only when necessary and effective.

I feel very strongly about this issue. While I think that reexport controls should not be used excessively, I believe it is necessary to leave our options open at the present time to apply them if they are needed. I urge the adoption of my amendment.

□ 1350

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I would be happy to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

This is a case where the same amendment was offered in the Committee on Foreign Affairs and I opposed it, and others opposed it, and it was defeated in the committee. Since then we have had occasion at the instance of my friend, the gentleman from New York (Mr. WOLFF), and also because of the interest of the gentleman from Missouri (Mr. ICHORD), to reexamine the whole proposition. There is something to be said on both sides.

One thing that should be pointed out, and that the committee should realize, is that no other country requires this type of second-degree controls, and so a part of the difficulty has been that we tend to irritate our COCOM partners by this dual procedure. I might add that the GAO in its study of export administration recommended that dual licensing be abandoned, and concluded that it would entail no diminution of control. On the other hand, on reexamination of the matter I have decided that on balance it probably is best to retain the dual licensing authority. The administration has taken that position all along, as the gentleman from New York (Mr. WOLFF) has just stated. It is true that there are certain items that we would not have the right to veto in COCOM if they were to be exported, and so on balance, and in consideration of all the major efforts that the gentleman has made in his contributions to this legislation, I recommend that the committee go along with the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Again I want to thank the gentleman from New York (Mr. WOLFF) for what I consider to be the great service that he has rendered this body and rendered his country as a leader in perfecting this measure and as an author of H.R. 3216, taking a real leadership position in protecting the critical military technology of this country. I was quite concerned about the provision which the gentleman strikes with his amendment.

The CHAIRMAN (Mr. DANIELSON). The time of the gentleman from New York (Mr. WOLFF) has expired.

(At the request of Mr. ICHORD, and by unanimous consent, Mr. WOLFF was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. I thought it was a loophole through which we could have driven a T-72 tank. For example, an international computer company here in the United States—and computer technology is one of the places where we have a tremendous lead over potential adversaries—could have transferred that computer technology to one of its subsidiaries in a NATO country that has rather weak controls, and then all controls whatsoever would have been lost over the computer technology which is very important to the military capability of the United States.

The Department of Commerce, the gentleman from New York (Mr. BINGHAM) stated, is in favor of this amendment, too, and I commend the gentleman from New York (Mr. WOLFF) for not only the leadership he has exerted but for his persuasive ability in persuading the administration and the gentleman from New York to accept this amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I want to commend the gentleman in the well not only for offering the amendment but also for being so persuasive. I offered exactly the same amendment in committee and I did not fare as well as I think the gentleman is going to do here this afternoon.

Mr. WOLFF. It must be because I have a neck brace on.

Mr. LAGOMARSINO. As the gentleman said; several others have also mentioned this: The Department of Defense is strongly in support of this amendment. I believe I am not overstating the case when I say they consider this to be one of the most important amendments that will be considered and one they think will be most vital.

Eliminating reexport controls by the United States on technology transferred to COCOM countries provides a small but significant loophole for retransfer of technology to destinations that might prove detrimental to the national security of the United States. While there is general agreement on what should be controlled for export purposes, certain areas like technical data are exported by COCOM members without submitting those applications to COCOM.

The argument is made that we should not require dual reexport licensing along with COCOM, but we have no choice when there are areas where COCOM members do not require licensing.

I think until we have complete agreement on the types of controls to be reviewed by COCOM, we cannot rely on COCOM procedures to protect vital technology and technical data.

As I say, I commend the gentleman for his amendment and on behalf of the minority I accept it.

Mr. WOLFF. I thank the gentleman.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

I just want to enthusiastically get in line here to commend my chairman of the Narcotics Committee, the gentleman in the well (Mr. WOLFF), and associate myself totally with the remarks of the distinguished gentleman from Missouri (Mr. ICHORD) and my colleague, the gentleman from California (Mr. LAGOMARSINO). As the amendment process goes along today, I want to emphasize what both of these colleagues have said, and what the gentleman in the well has said, so eloquently, that al-

though this type of bill does not garner as much press attention as we would hope, we know we are dealing here with one of the most significant bills we can approach in the 96th Congress.

Mr. WOLFF. I thank the gentleman for his contribution.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

I want to commend the gentleman for his proposal. I certainly urge my colleagues to support the proposal. I think it is something that is extremely important for our own national security, and I urge our colleagues to vote in favor of the amendment.

● Mr. WOLFF. Mr. Chairman, I intended to offer two additional amendments that constitute a bill which I introduced on July 17, H.R. 4835. This proposal would place wheat and wheat flour under validated export licensing control, and charge export licensing fees on all such exports, except to developing countries. The fees would raise the price of wheat on international markets. The fees collected would be rebated, one-third to the farmers, one-third applied to reductions on Federal taxes on gasoline and heating oil; and the balance to help fund a program to develop alternate sources of energy.

The second amendment expresses the sense of the Congress that export controls should be imposed on nations engaging in inequitable trade practices on prices or supply of goods vital to our economy, such as petroleum. Thus the amendment urges the Commerce Department to apply controls on goods or technologies, other than food products, if such a policy appears to be an effective way to use some economic leverage.

The intent of these amendments, and my bill, is to try to use our economic leverage, where we have leverage, to secure the cooperation of nations which seem to be engaging in an economic warfare against us.

I do not intend for these amendments to commence counterproductive retaliatory moves. I do want to see the United States use any leverage that we have to fight the kind of economic blackmail to which OPEC countries have subjected this country.

By this proposal I am not suggesting that we can sidestep our need to conserve our energy resources, or develop new energy sources. This is of vital importance, and should be our highest national priority.

What I am getting at here is an effort to try to utilize our own economic leverage to meet this challenge. We are no longer the economic giant who can impose its will on other countries through economic sanctions. We do not control the world's economy to the extent that we once did. But we should try to use what leverage we do have to our own advantage.

This Nation is the world's grain reserve, the breadbasket of the world. In 1978, U.S. wheat exports were valued at $4.3 billion and proved 43 percent of the wheat traded internationally. OPEC nations import nearly 15 percent of U.S. wheat exports, and this provides OPEC countries with almost 50 percent of the wheat consumed in those countries. The U.S. imports 19 percent of OPEC's oil exports, and OPEC provides 38 percent of the oil used in this country.

In a recent Washington Post article, entitled "Using U.S. Wheat Against OPEC: Not as Farfetched as You Think," the author, Dan Morgan, claimed that we do have a great deal of leverage with regard to OPEC's wheat needs. The article states that the two criteria for U.S. economic leverage exist that it would be difficult for OPEC nations to do without our grain, and only this country and Canada can guarantee an ongoing supply of such magnitude.

If economic leverage is there with respect to wheat, I say that we can and should use it. We must try to do all that we can to try and stabilize oil prices.

There have been many of these so-called bushel of wheat for a barrel of oil proposals introduced into the House of Representatives. I think it is very important that this issue be raised in the Congress. All these proposals should be considered and thoroughly discussed and explored. The extent of our leverage, and the possibility of utilizing it should be the subject of extensive and intensive hearings by the relevant committees in the House. My bill, H.R. 4835, and another proposal I introduced, H.R. 4574, to establish a Council of Oil Importing Nations, were both referred to the Foreign Affairs Subcommittee on Economic Policy and Trade, chaired by my distinguished colleague from New York (Mr. BINGHAM). The gentleman from New York, chairman of the subcommittee, has assured me he will hold hearings on this bill; therefore, I shall not offer these amendments now and will await their determination at that time.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Page 27, add the following after line 24 and redesignate the subsequent subsection accordingly:

"(k) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—The Secretary and the Secretary of State shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate before any license is approved for the export of goods or technology valued at more than $7,000,000 to any country concerning which the Secretary of State has made the following determinations:

"(1) Such country has repeatedly provided support for acts of international terrorism.

"(2) Such exports would make a significant contribution to the military potential of such country, including its military logistics capability, or would enhance the ability of such country to support acts of international terrorism.

Mrs. FENWICK. Mr. Chairman, I do not think that we need a great deal of discussion. We have had a long debate on this bill. The amendment speaks for itself. The definitions have been already determined in other sections of the bill, and in other legislation; and we all know about the recent acts of terrorism, of international terrorism, and what they are capable of doing. So I ask the adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentlewoman for yielding.

I want to compliment the gentlewoman on her amendment and express my support for it.

Mrs. FENWICK. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentlewoman for yielding.

I support the amendment as well and accept it on behalf of the minority. As the gentlewoman knows, the amendment offered in the Committee on Foreign Affairs had some wording problem. Certainly there was no problem with the intent. This amendment is in perfect order.

Mr. BONKER. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Washington.

Mr. BONKER. I thank the gentlewoman for yielding. I would like to join the others in commending her for this amendment. I think it was a lot more realistic than what was approved on the Senate side, and I hope that this amendment will prevail.

Mrs. FENWICK. I know the other body has a much more stringent provision. I think this is a sensible and wise amendment. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey.

The amendment was agreed to.

□ 1400

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 10, strike out line 17 and all that follows down through line 4 on page 12 and insert in lieu thereof the following:

"(d) MILITARY CRITICAL TECHNOLOGIES.—(1) The Congress finds that the national interest requires that export controls under this section be focused primarily on military critical technologies, and that export controls under this section be implemented for goods the export of which would transfer military critical technologies to countries to which exports are controlled under this section.

"(2) The Secretary of Defense shall develop a list of military critical technologies. In developing such list, primary emphasis shall be given to—

"(A) arrays of design and manufacturing know-how:

"(B) keystone manufacturing, inspection, and test equipment; and

"(C) goods accompanied by sophisticated operation, application, or maintenance know-how,

which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a significant advance in a military system of any such country.

"(3)(A) The list referred to in paragraph (2) shall be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act; and

(B) The initial version of the list referred to in paragraph (2) shall be completed and published in an appropriate form in the Federal Register not later than October 1, 1980.

"(4) The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list.

"(5) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ICHORD. Mr. Chairman, as I stated earlier in the colloquy with the distinguished gentleman from New York (Mr. BINGHAM), I am offering this amendment, not on my own behalf but on behalf of the Research and Development Subcommittee of the House Committee on Armed Services.

This amendment was approved unanimously by the Subcommittee on Research and Development.

Mr. Chairman, I would state again for the benefit of Members who may not have been on the floor of the House at that time, we are now dealing with a subject that is directly under the jurisdiction of the House Committee on Armed Services. Granted, the House Committee on Foreign Affairs is the expert and has the expert staff members with regard to foreign policy but here we are dealing with the expertise of the House Committee on Armed Services, namely the protection of the national security.

I might state the most important subject with which we could possibly be dealing is the national security of the United States.

We are dealing with export controls for the purpose of protecting the national security of the United States.

When I first read the bill, I voiced concern about the vagueness and ambiguities in the legislation. I think there is reason for that, perhaps. This is an extremely complicated bill dealing with some extremely complicated subjects. Nevertheless, Mr. Chairman, I first thought the gentleman from New York (Mr. BINGHAM) was right in step with the thinking of the Department of Defense and right in step with the House Committee on Armed Services when he included this section "military critical technologies" on page 10 of the bill.

I would state it was the finding of a 1976 Defense Science Board, chaired by Mr. J. Fred Bucy, president of Texas Instruments, that we install a critical military technology approach in solving this problem with which we are faced in the field of export controls.

Mr. Chairman, I think I share the concern of all of the members of the House Committee on Foreign Affairs.

Mr. Chairman, I am not trying to restrict trade. Trade is very essential to the economic health and welfare of this Nation, but let me tell the members of the Committee on Foreign Affairs that even more essential to the health and welfare of this Nation is to protect our lead in technology. That is the only lead that we have today in the field of military affairs over our potential adversaries.

I went over the numbers a while ago. In tanks, we are outnumbered 7 to 1; airplanes, we are outnumbered 4 to 1; artillery pieces, we are outnumbered 6 to 1; and in chemical warfare we are outnumbered 50 to 1. Therefore, Mr. Chairman, we are dealing with the most crucial part of our military security, that is, our technological lead, the quality of our weapon systems.

Mr. Chairman, I concur with the 1979 Bucy Defense Science Board as do most of the experts in the research and development field and the entire Subcommittee on Research and Development.

They say, rather than concentrate on the end product one should concentrate on the critical technology behind that product.

Mr. Chairman, let me take some time in explaining this because it is an extremely technical matter. I am a generalist myself. I have a technical staff. I deal with a lot of technical problems. I might say that as a generalist I think I serve some purpose because sometimes the technologists cannot see the forest for the trees. They become too involved with the technical details.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, we should not worry about exporting a particular commodity, which we are doing today. I would point out to the Members of this House that the man who ought to know, the Acting Director of the Export Administration Act has stated that our present export control program was a total shambles. I have that in the hearing record of the House Committee on Armed Services on H.R. 3216 dealing with this specific subject. Mr. Larry Brady testified it is an absolute shambles. He is the one who ought to know and I think the gentleman from New York (Mr. BINGHAM) will concur in that regard.

Let me say, Mr. Chairman, some Members of the House may disagree with me but I might not even object to the sale of 10 particular jet engines to a potential adversary. Ten jet engines in and of themselves might mean nothing. However, Mr. Chairman, I would object to the transfer of the manufacturing techniques or the metallurgical technology that goes behind the production of the jet engine blades. It is that about which we should be concerned.

There are several ways we can transfer our technological lead to our potential adversaries. We can do it through a scientific exchange program, we can do it through a technical data package. We can do it through turnkey packages, manufacturing processes and know how, or by maintenance and support capability.

I think this administration and past administrations have made a terrible mistake in building turnkey factories right in the countries that are our potential adversaries. That is where you transfer the manufacturing processes and know how. That is where you transfer the technological data of which I speak. That is where you transfer the maintenance and support technology. This is the export of our technological lead that we have.

Mr. Chairman, I will state to the Members of the House, I do not think we can keep our potential adversaries from some day getting this technology. I say that because they have a massive program to narrow the existing technological gap. They are doing it by clandestine methods, they are doing it by legal methods, they are doing it by illegal methods. Some day they are going to get it.

However, Mr. Chairman, we can delay them and maintain the only lead that we have: Our technology. We can delay them, say, for 10 years rather than 3 years.

□ 1410

That is extremely important, because that is how we measure a technological lead, in terms of time.

Now, when I first read the bill of the gentleman from New York, Mr. Chairman, I thought that I was in agreement with the gentleman as it appeared he was mandating the existence of a military critical technologies list; but after close reading, I find that the gentleman did not do that.

We took testimony, the Committee on Armed Services took testimony that this is the way to solve the problem. We can maintain a large trade in exports. We can maintain trade with the end product. Do not worry about the end product. Worry about the technology behind the production by establishing this military technologies approach.

I have testimony from Dr. Ruth Davis, who is head of the R. & D. in the Defense Department, Under Secretary for Research and Development. She says that she is ready to go with this critical military technologies approach. She stated personally to me that she can have the approach in place by October 1, 1980.

Now, the gentleman from New York in his bill, and I think the gentleman from New York is to be commended for at least recognizing the importance of this approach and the potential that it has, but the gentleman did not mandate the establishment of it.

Mr. Larry Brady, the Chairman of the Export Administration Board, testified they are ready to go with it within 1 year.

I will state to the gentleman from New York that this will solve the problem the gentleman is talking about. Even looking at this approach has resulted in the removal of 162 commodities from the export control lists, so I think it would

accomplish the objectives of the gentlemen on the Committee on Foreign Affairs to increase our trade, but still protect on national security.

Mr. Chairman, I would ask that the members of the committee give support to this amendment in the interests of national security.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

First of all, let me say, Mr. Chairman, that I agree with I think 90 percent of what the gentleman from Missouri has just said. I very much agree that military critical technologies are the heart of this matter of national security export controls. In fact, in the bill which I originally introduced, we tried to limit controls exclusively to military critical technologies. But we found we could not do that, because the Defense Department had been wrestling with the question of what is a military critical technology for 3 years and had not been able to come up with the answers. As of the time we had our hearings, they were still struggling with it. It is still a crucial idea, a crucial concept.

The gentleman from Missouri, in making his eloquent plea, sounded as if we had not provided for a list of critical technologies.

Let me call attention to pages 10, 11, and the beginning of 12 in the bill, which deal with the subject of military critical technologies. The bill recognizes that the national interest requires that export controls under this section be focused primarily on military critical technologies. Then it goes on to say:

> The Secretary of Defense shall develop a list of military critical technologies.

That is a mandate. If it is not, I do not know what is. It specifies what should go into the list. If you are a nonengineer, as I am, you will have difficulty understanding the specifications that are to be included in the list of military critical technologies that are set forth there on page 11, lines 4 through 9. But those are the very specifications that were taken right out of the Bucy report that the gentleman from Missouri (Mr. ICHORD) referred to. We take the Bucy report very, very seriously. We think it has brought a new and proper emphasis to the whole field of national security export controls.

Now, what the gentleman from Missouri did not make clear to us is just what his amendment does. It does not really change the language of the bill, except in a few respects. It follows it pretty closely. One thing it does is to eliminate this language which comes from paragraph (1) of subsection (d) on page 10: "export controls under this section be removed insofar as possible from goods the export of which would not transfer military critical technologies to countries to which exports are controlled under this section."

That is simply to emphasize the point that we are concerned with military critical technologies, and we want the agencies concerned to get rid of a lot of this underbrush which takes their time, which is not critical, which is not important, and let us get it out of the picture. That is all that sentence says, but it does not contradict what went before in paragraph (1), which is "that the national interest requires that export controls under this section be focused primarily on military critical technologies."

Now, another thing the Ichord amendment does, with which I quarrel, and I must say quarrel only mildly, is that the Ichord amendment sets a deadline for the completion and publication of the list at October 1, 1980, a year away. We simply do not know whether the Defense Department will be ready at that point or not. The gentleman has said they have told him they are ready. That is not our information. We understand they are still struggling with it. In any event, hopefully they will have it ready before October 1. Maybe it will be a little later. That is not a matter of the utmost importance, in our judgment, since the gentleman has modified his amendment to say that the original version of the list shall be completed and published in an appropriate form. The words "in an appropriate form," which were not in the gentleman's original version of this amendment, recognizes, I take it, that some of this material must be classified and cannot be published for anyone to read.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the distinguished gentleman yield on that point?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the distinguished gentleman from New York is correct in pointing out this is one of the differences between my amendment and the approach in the bill. It definitely does establish a critical military approach on October 1, 1980; but the gentleman stated that there was no evidence to the effect that it could not be established within that time. I would point out to the gentleman in the hearing record on H.R. 3216 that the Committee on Armed Services conducted is the testimony of Mr. Larry Brady, the Director of the Export Control Agency, who has been working on this matter with the Defense Department. Mr. Battista, a staff counsel, asked him this question:

> Can you achieve it in 180 days?
>
> Mr. BRADY. I do not think so.
>
> In what time frame do you think?
>
> Mr. BRADY. I think six months to a year perhaps. Six months to a year.

I would state to the gentleman from New York that I personally called Dr. Ruth Davis. She gave me the assurance, and Dr. Ruth Davis has the overall responsibility for the establishment of this approach, that she can put it into being in 1 year; so I have no doubt about their being able to institute the approach.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for his contribution.

May I say again that before our committee, the Defense Department, which has the responsibility for the preparation of the list—Mr. Brady, of course, has no responsibility for the creation of the list—was dubious as to whether it could be done within the matter of a year. But let me proceed, because that is just one of the three differences, and I think it is the least important difference between the version of the gentleman from Missouri (Mr. ICHORD) and the version of the bill.

□ 1420

The third point is the most important one. In the legislation, after the list has been developed, under paragraph (4) we say:

> The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list subject to the provisions of subsection (c) of this section.

Mr. Chairman, the amendment offered by the gentleman from Missouri (Mr. ICHORD) leaves out the last part of that sentence. In other words, under the proposal of the gentleman from Missouri, the list prepared by the Secretary of Defense becomes part of the control list without anybody else having anything to say about it. It is solely the responsibility of the Defense Department, and that is an area in which we and, I may say, the Defense Department also strongly disagree. We say that this total process of deciding what should be on the control list has been and should continue to be a joint process. The Defense Department has the leading role.

I want to emphasize that in no case has the Secretary of Commerce sought to override the Secretary of Defense on matters of a license issuance. The Defense Department is satisfied that the procedures that have been in effect before, bringing in other agencies, the Commerce Department and the State Department, should be continued.

It is that point on which I think we primarily differ. It is not on the question of the importance of focusing on military critical technologies.

Those are the three differences in the version offered to us by the gentleman from Missouri (Mr. ICHORD) and the bill before us which, as I say, emphasizes the importance of this concept.

Mr. Chairman, I hope that the Committee of the Whole will go along with the position recommended by the Committee on Foreign Affairs and will reject the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield on that particular point?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the gentleman from New York (Mr. BINGHAM) has delineated the differences except in one respect. There is a third or a fourth major difference, and that, I would point out, is the result of an oversight by the people drafting the bill.

I direct the attention of the Members to page 11, line 10 of the bill, where this is stated:

> * * * which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a major advance in a weapons system of any such country.

That is not in keeping with the policy statement on page 4, and I read from page 4, line 12:

> It is the policy of the United States to use export controls to the extent necessary (A) to restrict the export of goods and technology which would make a significant contribution * * *.

Mr. Chairman, when the bill uses "major" and "significant," in that manner, there is one heck of a difference, I would say to the gentleman from New York (Mr. BINGHAM).

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Mr. Chairman, if I may respond to the gentleman from Missouri (Mr. ICHORD), the gentleman is quite right in pointing out that that is a difference. It is not a difference which I consider to be a significant one. If the gentleman believes it is and if his amendment is voted down and he wishes to offer an amendment simply to change the word, "major," to "significant," I would not oppose it.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would, first of all, like to commend the gentleman from Missouri (Mr. ICHORD) for his involvement in this in trying to protect military critical technologies, from improper export because it is essential to our defense effort to protect our technologies.

On the other hand, however, we are experiencing delays in the regulatory process and denials which are causing tremendous adversity to industry in the United States of America which is trying to do something about the export imbalance and the balance of trade deficit which is contrary to the interests of the United States of America.

One association which has a great deal of involvement in my district, the American Electronics Association, surveyed its more than 1,000 member companies, which is small in terms of all industry of the United States, on their export trade activities. They had a very good response. About 400 of the 1,000 responded to the inquiries that were sent, and they clearly demonstrated that the present export control system, where we are bounced around from State to Commerce to Defense, with no hope in some cases of any kind of a decision at all, results in the fact that jobs are lost and trade is lost.

It was revealed that in 1978 over $1 billion in sales in just one small segment of our economy was denied, not because it was going against military technology transfer in the critical sense but because there were export licensing delays and denials and just plain uncertainties. These losses contribute to our deficit in the balance of trade. They also contribute to the lack of employment increase in the United States as well as the loss of jobs for thousands of Americans.

Mr. Chairman, I commend the gentleman for preserving military critical technologies, and I hope, as this bill passes on its way through this House and beyond, that we can do something about the ridiculous denials, delays, and overregulatory processes that keep our country from being in the export market and cause the loss of American creditibility throughout the world as a reliable supplier.

Mr. Chairman, I commend the gentleman for offering this bill, and I commend the gentleman from Missouri (Mr. ICHORD) for offering this amendment. I hope that in the future we may put ourselves in a position where we allow people to export technology and export goods from this country, which can be done with no threat to our military defense.

Mr. COURTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my distinguished colleague, the gentleman from Missouri (Mr. ICHORD).

There is obviously a crying need to control the export of technology which would be detrimental to our national security. It makes little sense to make available to potential adversaries our most sophisticated technologies which would contribute to their military capabilities.

Incredibly, it is obvious from the testimony that we heard in the Subcommittee on Research and Development that this technology is very often clearly available to those people who would make themselves our adversaries today. Any sampling of the hours of testimony presented before the Subcommittee on Research and Development chaired by the gentleman from Missouri (Mr. ICHORD) on the issue of exporting military critical technologies reveals a frightening story of an almost unchecked flow of technology out of this country to other countries. This includes computer technology, micro-computer technology, micro-circuitry technology, electronic technology, optical technology, and laser technology, that goes into Soviet hands. Whether it goes directly, or indirectly by some other means, it is apparent that the control of military critical technology is woefully inadequate at the present time.

I think that the bill as submitted speaks to that particular problem, and I think that the Ichord amendment strengthens it and speaks even more clearly. These technologies are being shipped to the Soviet Union directly, and often they are sent indirectly.

The transfer of military critical technology is dramatically eroding our qualitative lead over the Soviet's military capability. And that is all we have right now, a qualitative lead. We do not have a quantitative lead.

The gentleman from Missouri (Mr. ICHORD) articulated the fact that we are woefully behind in tanks, in artillery, in airplanes, in aircraft, and in other areas.

The current export control mechanisms which this bill seeks to improve are unworkable. On one hand they inhibit our export trade, and on the other they permit vital technology to fall into the hands of those who would turn that technology against the United States of America.

The amendment offered by the gentleman from Missouri (Mr. ICHORD) seeks to strengthen the Export Administration Act by allowing the Secretary of Defense to develop a list of military critical technologies, not only to develop this list but do so quickly and in fact by a day certain.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, on that point I think the gentleman from New Jersey (Mr. COURTER) has put his finger on the point that is most important. This amendment is offered with a view of increasing trade, not decreasing trade. As I pointed out in my own statement, I think the gentleman from New York (Mr. BINGHAM) will agree with the Director of the Board, Mr. Larry Brady, when he says the present export control program is in a shambles.

□ 1430

This is all he had to say about 4034. If I thought 4034 would straighten up this shambles, I would not be offering this amendment, and I do not think the gentleman in the well would now be in the well.

Mr. Brady says:

> The House bill also has another provision in it which is not workable.
>
> Mr. ICHORD. What bill are you talking about now?
>
> And I am reading from the report—
>
> I am talking about 4034. When you take the deadlines together with the appeals procedures, I am firmly convinced that we will tie it into context. The effect of that will be that the business community will say accurately the system does not work, it needs changing, it needs replacing, it is no good.

It is in that spirit that I offer this amendment.

I commend the gentleman in the well for the remarks that he is making.,

Mr. COURTER. I thank the gentleman for his observations. It is so true. To adopt the amendment, is to add clarity, making a date certain as to when a list of critical military technology would be written and made available.

I might add, basically, there was a statement made by an individual in the other body, which was repeated in the Defense/Space Daily on July 25 of this year.

> In 1961, the Soviets attempted to obtain from the U.S. grinder machines used to mass produce ultra-high precision miniature ball bearings. Congress interceded and, with the support of President Kennedy, blocked this sale. However, the Soviets persisted and finally in 1972—12 years later—these machines were sold to the Soviets. In 12 years the Soviets could not master this technology, but finally we gave it to them.

This amendment speaks to that very critical problem, and I urge my colleagues on my side of the aisle and on the other side of the aisle to support it.

The CHAIRMAN. The time of the

gentleman from New Jersey (Mr. COURTER) has expired.

(On request of Mr. BINGHAM and by unanimous consent, Mr. COURTER was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, just in relation to the ball bearing cases, the Bryant Grinder case, the facts there were that for 12 years the industry, the exporters, were claiming that the Swiss were producing identical machines and they were getting the business with the Soviet Union. It took years for them to persuade the administration that that was the case. Finally foreign availability was established and the licenses were issued.

Mr. DORNAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am heartened to see that the amendment offered by the gentleman from Missouri (Mr. ICHORD) will tighten up this title I, the title that mandates the development of a list of critical technologies by the Secretary of Defense. If the Department of Defense does not have the capability to do this, then we are in worse shape than I would ever have imagined, and they better harness some of the multitude of Ph. D.'s they have over there to develop this expertise.

I was very pleased to see that the authors of this bill employed the suggestions of the report on export of technology for the Defense Science Board presented by Mr. Fred Bucy, president of Texas Instruments, namely, providing guidelines on design and manufacturing, keystone manufacturing, test equipment and goods of a militarily sensitive nature.

As much as I appreciate their efforts, I do not believe that the wording of the measure goes far enough in defining or clarifying the guidelines for the Secretary of Defense who is charged with developing a list of critical technologies. But in the interest of team play here, I will defer this year to the excellent amendment of the gentleman from Missouri. All the more reason to support him is that there are Members who feel, as I do, that we cannot be too specific in this area.

I ask my colleagues in the House to recall again what was just discussed, the 1972 sale of 164 Centalign-B precision grinding machines. They were used in the production of precision miniature ball bearings. The equipment produces small, pinhead-sized ball bearings of almost perfect uniformity. The sale was made by the Chucking Grinder Co. of Vermont. It was approved by the State Department. A significant use of precision ball bearings is in missile guidance systems used in this country and also in the Soviet Union. The Defense Department warnings were overridden more than once. The Soviet Union now has 7,100 MIRV warheads on heavy missiles, including the awesome heavy SS-18, which can now strike targets within a radius of 600 feet.

I ask my colleagues to also consider the 1976 plan for Control Data to sell the Soviets its most sophisticated computer, the Cyber 76 or 7600 series. That sale was canceled because many of the Members of this House—I circulated a list myself. I believe a record-breaking 315 signatures of the House Members blocked this sale by putting pressure on the administration. And, as we all remember now, there were only a small number of Cyber 7600 series computers in operation, and they are still only in the most sensitive or militarily critical agencies of the U.S. Government: The National Security Agency, the Energy Research and Development Agency, NASA, and the U.S. Air Force.

That Cyber 76 is still at least 40 times faster in processing information than its nearest Soviet counterpart. It is incredibly naive, as some members of the business and political communities would have us believe, that the Cyber 76 or a comparable computer would be used by the Soviets for purely peaceful, domestic purposes. It is incredible, indeed nightmarish, that such a sale was actually contemplated. We need assurance that such a sale is never contemplated again.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from New York.

Mr. BINGHAM. Our subcommittee had hearings on the ball bearings case 3 years ago and brought out all of the facts about foreign availability in that respect. I just point out in that regard that the test of the MIRV's occurred before any of the licenses were issued for those ball bearings.

On the Cyber 7600, we also had hearings.

It is not correct to say that export licenses were ever contemplated by anybody, certainly nobody in our committee.

The gentleman is correct in pointing out the Cyber 7600 is something we do not want to export to the Soviet Union, but the point I want to make is that nobody, in the control mechanism we have had, was in favor of that.

Mr. DORNAN. The gentleman had excellent committee hearings and allowed me to sit in on even some of the executive committee hearings. Those hearings certainly put the nails in the coffin of that sale.

We had a very new Secretary of Commerce then, and in a personal phone conversation with her office—I was not aware other people were listening in until they interrupted finally, and I asked them to identify themselves—she gave me the clear impression that it was indeed being contemplated.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. DORNAN was allowed to proceed for 3 additional minutes.)

Mr. DORNAN. You recall a memorandum was discovered that showed Control Data was of the opinion that completely circumnavigated the State and Defense Departments of this country to build the largest computer in the world, even bigger, they hoped, than the current state of the art.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. I think the record will show, will not the gentleman in the well and the gentleman from New York agree, that the Commerce Department was in favor of the export of the Cyber 7600? The Defense Department objected and, I believe, they had to go to the President for a resolution?

Mr. DORNAN. It was, at the White House; but there was divided opinion in the Commerce Department. The final decision never really came down from the new Secretary of that Department, Mrs. Juanita Kreps.

Mr. ICHORD. Certainly the Cyber 7600 was not quoted. The gentleman from California is correct.

I brought up another matter, which should be of great concern to this body, and that was the matter of the precision ball bearings.

I will state to the gentleman from New York—and this is another reason why this critical technology approach is so important—it would not have been so important if you had just transferred the precision ball hearings themselves. We didn't do that. We transferred the machinery to make ball bearings, which really put them in the position of making the precision ball bearings which can be used in MIRV'd missiles. This is what I am talking about. I doubt if they could engineer precision ball bearings themselves and make them in large quantities. It is the technology we are concerned about.

Mr. DORNAN. If I could add, the gentleman from New York is quite correct that the testing of some of these MIRV's had gone on before this particular sale. However, it is the constant increase in accuracy, down to very small differences, that transforms a MIRV'd warhead into a killer warhead capability.

Mr. ICHORD. Is it not generally agreed in the technological community that the Soviet Union could not have had the precision that they now have today if it had not been for the export of this technology?

Mr. DORNAN. Absolutely correct.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the distinguished gentleman from New York.

Mr. BINGHAM. The fact is that the Swiss were selling machines capable of producing the same degree of accuracy. It was that reason the licenses were issued. The Swiss were not just selling ball bearings; they were selling the machines to make the ball bearings.

□ 1440

That was the issue that was discussed at length in our hearings 3 years ago. We put out a report for the entire Congress. The significance of it was that as far as foreign availability that there was no way we could prevent that technology from being exported to the Soviet Union. The Swiss are not members of the——

Mr. DORNAN. If I could finish some

of my remarks and give me the time, I will certainly engage further in colloquy.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. DORNAN was allowed to proceed for 5 additional minutes.)

Mr. DORNAN. I thank the gentleman.

In his report to the Defense Science Board, Mr. Fred Bucy of TI also declared that the definition of technology must be used in a specific sense if the issues are to be clarified. That is his quote.

I agree with this statement and other statements of Mr. Bucy entirely, specifically when our national security is at stake.

The issue to be clarified is the relationship between the export of technology and our national security. The key to that relationship is the production of military weapons systems.

The relationship between technology and goods and the weapons systems of actual or potential adversaries, especially the Soviet Union, is critical. It mandates the Secretary of Defense to give emphasis to this bill and the amendment of the gentleman from Missouri (Mr. ICHORD) with even more specificity to advance the state of the art or emerging technology in the possession of the United States, which is indispensable to current or projected U.S. military systems.

In light of state of the art or emerging technology, we must take into consideration the fact that the military value of the new technology is time dependent. Dr. Ruth Davis, Deputy Under Secretary of Defense for Research and Engineering, has correctly pointed out that our national security has in recent times become increasingly dependent upon our military technological superiority, which in turn is based on maintaining our technological leadtime.

I conclude by noting that this problem includes the transfer of goods or products that may embody critical technologies of a military sensitive nature.

We simply must counter the export of goods, which through a process of reverse engineering, could facilitate the design and manufacture of military systems or reveal critical elements of the U.S. military system.

The Ichord amendment definitely helps to plug some of these leaks.

I remind all my colleagues that during the past 10 years approximately $10 billion annually has been expended on military R. & D. to maintain our lead in this military technology field; and for this past fiscal year our Congress has voted $12 billion for R. & D.

If it is true military security or military superiority is tied directly to maintaining a lead in the technological revolution, then we simply must make every effort to maintain that lead by preventing the transfer of militarily sensitive technologies upon which our security is based, even if we infringe—and I say this as a defender of free enterprise—occasionally on the side of an imbalance of payments or the free commerce in technology throughout this world in the West.

To do that, we must, as Mr. Bucy suggests, be specific, as specific as is humanly possible.

We must give the Department of Defense a clear indication of what guidelines this Congress wishes them to follow. There should be no doubt about the intentions of my colleagues in this matter. If we err, as a famous chairman of the Defense Committee in this House said for years, let us err on the side of security.

I urge my colleagues to support this excellent amendment by the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

The gentleman from New York (Mr. BINGHAM), brought in the matter of availability in the case of precision ball bearings, which the gentleman from California raised.

I would point out to the gentleman from New York that is something we could argue about as nontechnologists particularly until doomsday as to whether that availability did exist.

Mr. DORNAN. An unusual choice of words.

Mr. ICHORD. This is what we are doing in this amendment. Yes, we are saying that the Department of Defense is the one who should decide whether there is critical military technology involved.

They are the ones who should decide the availability, because they have the intelligence. That is their duty. Now, the State Department has the responsibility in the case of foreign policy, but my God, let us not put the Secretary of Commerce in charge of the defense of this Nation.

I agree with the gentleman from New York, that is the main difference. The Secretary of Defense is responsible for the national security of this country.

Now, both the Secretary of Defense and the Secretary of Commerce are answerable to the President of the United States, who is Commander in Chief, but why not pinpoint responsibility? That is why we have such a shambles today. We do not pinpoint responsibility.

Mr. DORNAN. The reason, even though we have a slight quarrel here over degree, that I am so ecstatic over this bill, the chairman's hearings and the gentleman's contribution, the gentleman from Missouri (Mr. ICHORD), is that it emerges out of a long history of debate on these critical national security issues.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(At the request of Mr. DORNAN, and by unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. DORNAN. It is an old story for those interested in aerospace that the reason that the Mig-15 appeared as a swept-wing fighter in Korea that could outmaneuver and outaccelerate the F-86 is because the British sold them the main jet engine.

We have a problem not only with reverse engineering but with "eyeball technology transfer" that we cannot do anything about. That is an expression I have coined after I sat on the Ilyusin 76 and 86 aircraft at the Paris Exposition in 1977.

If you look at the Concorde and the Soviets' ill-fated Tupelov 144's, if you look at the Backfires as opposed to our B-1, if you look at their latest fighter technology—Aviation Week and Space Technology a few weeks ago showed they have copied our F-18, our A-10 and our F-15 and F-16, maybe through "eyeball technology", that is all the more reason we should not help them with critical technology or goods, as we have done in the Kama River truck factory, with computers to help them reverse engineer in addition to what they get stealing from all of the European countries through their agents.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to support the chairman of the subcommittee in opposition to the amendment of the gentleman from Missouri. I think the bill that he has written is a good one. I wish we had not adopted many of the amendments that we already have.

In my district, it sometimes takes as long as 16 months to get a license to export a very simple piece of machinery. There are thousands of workers within my district whose livelihoods depend on our ability to sell overseas.

It seems to me that we are being overprotective in our desire to see that we do not ship military technology abroad.

None of us wants to do that.

In defense of the subcommittee chairman, I would like to say that when the ball bearing incident occurred, the jurisdiction for this material was of course in another committee. That other committee continued the same kind of hearings that the gentleman conducted on the subject—that was the Banking Committee at the time—we found the same thing, that the exact material or machinery was available from the Swiss and could be sold and that was the reason for the issuance of that license.

With respect to Cyber 76, Mr. Chairman, that machine is made within my district.

If this country decided that it did not want to sell or to lease or to allow to be used on some kind of contractual basis by Russia, that machine, so be it; and I honor that decision, because I certainly do not want to give away any military technology. I would not like to have the House think there is any attempt by the employees or managers of that company to get around the U.S. restrictions, whatever they may be, whether they are good laws or bad laws.

Those are patriotic people. They are good people. What they were trying to do in that sale is to sell some technology

that was 20 years old to be used for international meteorological analysis, and in my judgment there was no reason not to sell the machine.

However, we decided not to sell it, and so that was done with.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I want to confirm the statement just made by the gentleman from Minnesota. Certainly no one should question the patriotism of the manufacturer of the Cyber 76, because they are not in a position to make the necessary decisions to protect our national security.

□ 1450

This particular company should not be the one protecting the national security of the United States. Here the gentleman confirms my point. It should be the Secretary of Defense that has that responsibility. An individual company is not in a position to make that decision.

Mr. FRENZEL. I thank the gentleman for his contribution, but I want to be sure everybody knows that there is no intent to subvert whatever law might be on the books. I hope that point is clear.

The other point I want to make is this was a 20-year-old piece of technology.

The final point I want to make is that it still takes often a year to sell technology that has no military application whatsoever, because we have to wind our way through tortuous processes that involve department after department.

I think the language of the bill, which says that, if it is not military, then we will try to make it easier, makes a lot of sense. It makes sense particularly since we are running this enormous deficit in our balance of trade, and because we are nervous about our employment and we would like to have the U.S. employees producing goods for export. I think it is fine if we prohibit all of these sales of military technology, but let us leave the language the way it is. It specifies both. It says do not give away the military, but it also says let us make it easier to sell this stuff that is not military.

I certainly hope the amendment will be defeated.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Ichord amendment. As the gentleman from Missouri has pointed out, in our technology race, if you will, with the Soviet Union, all we can really do is to delay technology. We have all seen how every technology that we have developed has been adopted sooner or later by the Soviets. But it is important that we continue to develop such technology and keep it out of the hands of our adversaries.

I think it is also very important, although it is not before us today, that we continue to make the kind of investments in research and development that are needed to stay ahead of our adversaries. This provision, the Ichord amendment, is a refinement of what is already in the bill, but it makes even more clear that we are serious about protecting military critical technologies.

For example, on pages 10 and 11 the Ichord amendment makes a change by stating something positively instead of negatively, as the bill presently does. The Ichord amendment would provide that export controls be implemented for goods, the export of which would transfer military critical technologies. The bill, as now written, takes the opposite viewpoint and says that goods should be removed from the list unless they affect our security.

It is really a matter, I think, of making sure that the correct signals are being sent to our adversaries and that we will not jeopardize our national security.

Incidentally, when this bill came out of the subcommittee and was before the full committee, Department of Defense officials told me that although the way the bill had been amended really took care of a lot of their problem insofar as the law would actually read, they were quite concerned that the wrong signals would be sent. It is a matter of emphasis.

The amendment further requires that the Defense Department proceed expeditiously with development of the military critical technologies approach. It has been working on that for 3 years and it should not be delayed any further than is required.

I believe that this amendment is a very important amendment. It is not as important perhaps as it once was, because we did make some changes in the bill. But we should not stop there. I think we should adopt this amendment, that will send the proper signal to our adversaries, that is, that we are serious about controlling our technology and that we do think that the Department of Defense should have a very important part to play in this whole process of trying to prevent our adversaries from gaining access to our military critical technology.

● Mr. DICKINSON. Mr. Chairman, I would like to voice my support for the rapid implementation of the military critical technologies approach to controlling the flow of U.S. military technology to our adversaries. Like the gentleman from Missouri, I am very concerned that our technological lead over the Soviet Union is rapidly eroding. This erosion is due both to Soviet efforts in developing their own technology base together with capitalizing on technology that has been directly transferred to them from the West.

This effort has led to recent Soviet advancement in high technology areas such as the development of: First, a highly accurate ICBM guidance system; second, a look-down/shoot-down interceptor aircraft; third, a killer satellite; fourth, an advanced submarine; and fifth, a new family of high speed computers.

There is virtually nothing we can do to stem the Soviets relentless pursuit of technological excellence through their own laboratory efforts—over the past 5 years they have outspent the United States by over $40 billion in this area—but we can help to protect our own technological breakthroughs by strengthening the military critical technology provision in this bill. I join my colleagues in asking for your support of his amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and on a division (demanded by Mr. BINGHAM) there were—ayes 27, noes 9.

RECORDED VOTE

Mr. BINGHAM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 273, noes 145, not voting 16, as follows:

[Roll No. 456]

AYES—273

Abdnor
Addabbo
Akaka
Alexander
Ambro
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
Bafalis
Bailey
Baldus
Barnard
Baumann
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Braggi
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Bryon
Campbell
Carney
Chappell
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dornan
Dougherty
Ducan, Oreg.
Ducan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erhlel
Evans, Del.
Evans, Ga.
Evans, Ind.
Ferrano
Fish
Flippo
Florio
Foley
Ford, Tenn
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassely
Grisham
Guarini
Gudger
Guyer
Hagedman
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn
Kasen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, La.
Leach, Tex.
Lee
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McGiory
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Martin
Mathis
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
O'Brian
Oakar
Panetta
Pashayan
Patten
Paul
Perkins
Pickle
Price
Quayle
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Steinholm
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Ullman
Van Deerlin
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOES—145

Albosta
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badham
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conable
Conyers
Corman
Danielson
Daschle
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Ford, Mich.
Forsythe
Frenzel
Garcia
Giaimo
Gibbons
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Holtzman
Jeffords
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lehman
Leland
Lewis
Lowry
Lundine
McCloskey
McHugh
Maguire
Markey
Marks
Mattox
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Patterson
Pease
Pepper
Petri
Peyser
Preyer
Pritchard
Pursell
Rangel
Ratchford
Reuss
Richmond
Rodino
Rosenthal
Rostenkowski
Sabo
Scheuer
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
Stark
Stewart
Stockman
Stokes
Studds
Swift
Thompson
Traxler
Udall
Vander Jagt
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Wirth
Wolpe
Yates
Zablocki

NOT VOTING—16

Anderson, Ill.
Applegate
Beard, R.I.
Carter
Cheney
Derwinski
Diggs
Drinan
Flood
Gingrich
Leach, Iowa
Lederer
McCormack
Matsui
Roybal
Young, Alaska

□ 1510

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Rhode Island for, with Mr. Lederer against.

Mr. MARLENEE and Mr. LUKEN changed their votes from "no" to "aye."

Mr. TRAXLER changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 104?

AMENDMENTS OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer two amendments.

The Clerk read as follows:

Amendments offered by Mr. GLICKMAN: On page 8, line 24, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this Section, or shall indicate in such notice which Departmental officials familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restrictions if appropriate.".

On page 23, line 6, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this Section, or shall indicate in such notice which Departmental officials familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restrictions if appropriate.".

Mr. GLICKMAN. Mr. Chairman, I ask unanimous consent that the two amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, the purpose of these amendments is to require the Secretary of Commerce in both cases where an application for an export license has been denied either for national security reasons or for foreign policy reasons, to give the applicant some reasons why it has been denied and to suggest to the extent feasible what modifications or restrictions on the technologies and goods for which the license is sought could be changed to be compatible with getting the items exported, or if that is too administratively difficult, at a minimum to let the applicant for the license know which department official is in charge of his license application so that that applicant can go to that person and find out what is wrong with the application and how the problem can be remedied. The reason for that, Mr. Chairman, is the fact that while many large businesses—whether they be the Boeing Co. or Cargill—have lobbyists up here and work very frequently with the department officials to find out whether export licenses can be approved or not, small businesses do not have that financial capability. So the purpose of the amendments, Mr. Chairman, is to require the Secretary to do one of two things. When an export license is denied by reason of national security control or foreign policy: First, he shall include in the notice to the applicant if there are any modifications or changes that need to be made in order to get the items exported: or, second, if he cannot do that, to let the applicant know who in the Department of Commerce will be made reasonably available to the applicant so that the applicant can then go back and try to work out something to get the items exported. The whole purpose is that the Department in effect already does this for big business, and all I am trying to do is to insure that all businesses have the capability to figure out how to cure any defects in their export licenses in order to insure that we can get goods reasonably exported without unreasonable delay.

I understand that the Department of Commerce was concerned in that the language of this amendment could bureaucratize even more their agencies. So I have structured the language to indicate that if the department in charge could not specifically indicate what was wrong with the export license, at a minimum that department would be required to let the applicant know who in the department was familiar with the application so that he could help the licensee out and get the license approved if possible. Basically, this amendment is just an incentive to try to get as many export licenses approved to the extent possible and try to help a lot of people in this country who cannot afford a Washington lobbyist to help them.

I think it is a straight forward and simple amendment.

□ 1520

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

We have had an opportunity to examine these amendments. We have no objection to them.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. This whole bill is an attempt to balance between the attempt to make it easier to get the licenses to export noncritical technical goods and the desire on the other hand as was demonstrated by the last vote, to secure our security.

This amendment does what many of the speakers who opposed the last amendment does. It makes it easier for business to get licenses approved, it treats the little guy like the big companies are already treated. I think it is an excellent amendment and I strongly urge its adoption.

Mr. GLICKMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 16, strike out lines 8 through 23.

Redesignate the following subsections accordingly.

Mr. ICHORD. Mr. Chairman, I first wish to thank the members of the committee for the overwhelming vote on the last amendment that I offered.

As I pointed out on the previous amendment, this is not my amendment. This is an amendment unanimously reported by the Subcommittee on Research and Development of the House Committee on Armed Services. I reiterate this is not my amendment, it is an amendment of the House Committee on Armed Services.

Mr. Chairman, this amendment deletes section 5(g), the concept of indexing.

I apologize to the gentleman from New York (Mr. BINGHAM) for bringing the matter up out of order but I was so concerned about this particular provision of the bill, and as I stated, I asked my technologist on the Research and Development Subcommittee staff just what the language of section 5(g) meant, "indexing." I asked witnesses who came before the committee about the subject of indexing and no one could satisfactorily explain it to me.

The gentleman states on page 18 of the report:

> Subsection (g) provides that the Secretary may, where appropriate, establish an indexing system providing for annual increases in the performance levels of goods and technology subject to license requirements under this section, in order that such requirements may be periodically removed as such goods and technology become obsolete. This provision is particularly applicable to computers.

Again, I want to know about this provision. I do not understand it. Why is it particularly applicable to computers, I would ask the distinguished gentleman from New York (Mr. BINGHAM).

Mr. Chairman, I have not been able to get an answer.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield to me?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. BINGHAM. First of all, let me say, if the gentleman is puzzled by the word "indexing," I would point out that the text of the section that the gentleman would like to knock out of the bill does not use the word, "indexing." Indexing is sort of a shorthand way of referring to the process in which we are here interested, which is to have periodic removal from the list of goods and technology that no longer qualify as being necessary to control for export for national security reasons. That is all we are talking about. It is an authorizing section. It mandates nothing. As far as the gentleman's particular question is concerned, I thought it was generally understood—I certainly so understood it—that the technology of computers has been rapidly advancing, and what is an advanced computer today, 2 years from now may be old hat. That is all we are talking about.

Mr. ICHORD. That may be so, but one must take into consideration the level of our technology. One must take into consideration the level of technology of the potential adversary. How can the gentleman say with certainty, today, that a particular computer technology will be obsolete, say, 3 years from now?

Mr. BINGHAM. Mr. Chairman, all we here ask for is that where appropriate the Secretary issue regulations to provide for periodic renewal of the examination of the list. I should think the gentleman would agree that, as items become no longer critical, they should be taken off the list so the people over there do not have to bother with it.

Mr. ICHORD. Let me take the distinguished gentleman from New York through this bill. Let us go to page 10. The gentleman already has that authority. If that is all the gentleman was doing by this language I would be little concerned.

Let us refer to page 10 of the bill. I read this language:

> The Secretary shall issue regulations providing for continuous review of the list established pursuant to this subsection in order to carry out the policy set forth in section 3(2)(A) and the provisions of this section, and for the prompt issuance of such revisions of the list as may be necessary.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, section 32(a) refers to controls for national security purposes.

Here the Secretary of Commerce has the authority for continuous review of the control list. He can take them off. Certainly we should not keep controls on piston engines, for example. I rather doubt if we should keep controls on just the ordinary jet engine. If you had a jet engine involving critical military technology, perhaps you should.

I thank the gentleman for his explanation. It makes me reiterate that I believe the Committee should support the House Committee on Armed Services in its unanimous reporting of this amendment.

Let me again point out to the Members, Mr. Chairman, the only place where we have a lead over our potential adversaries is in the field of technology, and particularly in the field of computer technology.

As the gentleman has explained, this indexing concept envisions the establishment of thresholds below which goods or technology would no longer be subject to controls.

Another example might be the case, as the gentleman stated, of a computer where a certain speed or memory capacity might be set as a threshold for, say, January 1, 1980. On that date all controls would be removed from computers. The gentleman says this is especially applicable to computers. Having a speed or capacity less than the established threshold.

Mr. Chairman, I submit this concept is flawed in two respects. First, it is an attempt to forecast technology in advance and predetermine the state of the art at a given time. I submit this is a very dangerous way to establish our export controls.

One cannot tell whether a particular technology, today, is going to be obsolete on January 1, 1980, or January 1, 1981. We already have the authority on page 10 to review the items on the control list. I think it particularly dangerous to proceed with such a vague, ambiguous control concept. Let us not fool around with computers where we certainly have a lead over the Soviet Union.

□ 1530

This is the only place that we have the lead. For the benefit of those Members who were not here when I submitted the first amendment, let us face it. In terms of numbers, we are out of the ball park. The gentleman from Florida (Mr. BENNETT) and the chairman of the full Committee on Armed Services who sit in front of me, know the numbers, they know we are outnumbered 7 to 1 in tanks. They know we are outnumbered 4 to 1 in aircraft. They know we are outnumbered 6 to 1 in artillery pieces. They know we are outnumbered 50 to 1 in chemical warfare. The only place where we have a lead is in technology, and again I reiterate, especially computer technology.

Let us not open up the gate and lose that particular lead; so on behalf of the Committee on Armed Services, I hope that the Committee will also adopt this amendment.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment. Again, we are in substantial agreement that it is desirable for the list to be constantly reexamined so as to take off those items which need no longer be controlled.

This section, which is entirely permissive with the Secretary of Commerce, does not mandate anything. The purpose of it is to encourage setting up a system for taking items off the list, so that it will not be a case of items being taken off one by one or two by two, which never catches up with obsolescence.

The number of export license applications is increasing by about 20 percent per year. It is currently running at an annual rate of close to 80,000. This is causing all kinds of delays which our friends in the export industry have complained to all of us about.

Now, in order to encourage the administration to do a better job and a quicker job of taking items off the list that should no longer be on it, we have included this provision urging and authorizing the Secretary to set up a system of doing this in an orderly fashion.

Let me point out that in the provisions of the paragraph that we are talking about, if any goods or technology are proposed to be removed from the list pursuant to that system, any of the interested departments, including the Defense Department, can object. That takes the automaticity out of the process. That is in the second paragraph of subsection (g). There is no danger of anything happening automatically that the Defense Department disapproves of. They will have their opportunity. It just will encourage a better and more efficient system of taking items off the list that should no longer be on the list.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would ask the distinguished gentleman from New York if the gentleman took testimony from the technologists as to how accurately they could predict the level of

technology? This is my concern. Here we are going to try to predict the level say of computer technology in 1982.

Now, you have got to not only predict the level of our own technology, you have to predict the level of the adversaries, what the level of technology of the adversaries is going to be and what the technology of our allies will be.

The gentleman has brought up availability. How accurate can you be? That is my concern.

Mr. BINGHAM. Mr. Chairman, the testimony we had on this from industry in particular was that we can do it. We are proposing a similar system in COCOM. It is being discussed in COCOM currently.

Again I say, if DOD thinks it is going too fast or something is going to be taken off that should not be taken off, DOD can object to it.

Mr. ICHORD. But DOD cannot stop it if they object to it. That is the question that I would ask the gentleman.

Mr. BINGHAM. Sure. The gentleman knows DOD has not been overriden by the Secretary of Commerce on any of these national security items.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding. I have basically a couple inquiries.

First, I think the gentleman said that this does not mandate the Secretary to do anything at all. My reading on line 17 says, "the latest such increase shall be removed from the list."

That seems to be mandatory. The word "shall" seems to be mandatory.

Second, I would give the gentleman a chance to respond to both these inquiries; in that same area, starting on line 15 it reads:

> Any such goods or technology which no longer meet the performance levels established by the latest such inquiries.

My problem there is that the latest such inquiries could very well be an increase in the technology solely within the United States of America. I think in order to protect, in order to give substance to the balance of the particular bill, particularly to the Ichord amendment, we have to make sure that we are not giving or not selling technology which may not be the latest here, but nevertheless, which may be two or three generations ahead of foreign technology, Soviet technology, if you will. If the gentleman would respond to those two inquiries.

Mr. BINGHAM. Mr. Chairman, I certainly would agree with the gentleman that what is obsolete here is not necessarily obsolete in the Soviet Union. Certainly the gentleman is correct about that.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 2 additional minutes.)

Mr. BINGHAM. Mr. Chairman, the answer to the first question the gentleman raises, about the word "shall" in line 17, is that that it refers to a system or set of regulations which the Secretary, under the first sentence of subsection (g), is authorized to establish. In other words, if the Secretary sets up this kind of a system, which we in the committee would hope that she would be able to do, then the removal of items in accordance with that system would occur, unless another Government agency objected.

Mr. COURTER. Mr. Chairman, my point, I believe, if the gentleman will yield further, is the fact that it will inevitably go into effect. The restraints would have to, therefore, be lifted, and the word "shall" is mandatory, provided, as the gentleman says, something else does not happen. The chances are perhaps that something else will not happen. The word "shall" therefore makes it mandatory and we have a problem, particularly when U.S. technology is advanced two or three stages beyond some foreign country's technology.

Mr. BINGHAM. Mr. Chairman, again let me say, the "shall" applies only if the Secretary has, pursuant to this paragraph, established the kind of system we are talking about, and that part of it is discretionary.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the distinguished chairman of the Subcommittee on International Economic Policy of the Committee on Foreign Affairs some questions because I want the legislative history and intent to be as clear as possible on this complex but important piece of legislation. And particularly this section of the bill.

Of course, I begin with the major premise which I believe every Member of this House accepts: that the national security, in a very literal sense, of our country, is the point of departure from which all of us operate. I certainly would not want to be a party to compromising our national security in any way, or in any manner, directly or indirectly. Nonetheless, within that context I would like to suggest that there is nothing of more import in economic terms—in transfer and exchange in the world today—than the computer. The computer is an important wave of the future; it travels at a breathtaking rate across all national and ideological barriers and boundaries. The technology of the computer can become obsolete, out of date, very, very quickly. That is what prompts my inquiry.

I wonder, Mr. Chairman, in view of the language of this particular section, what mechanism the gentleman and his committee colleagues considered when the requirements in the indexing provision in the section were adopted. They provide:

> In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technologies subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for changes—

And so forth.

My question is: How will the needs of our national security be ascertained? I would like to know what mechanism will be used to determine what or which particular licenses are obsolete from the point of view of national security? Did the gentleman have in mind relationship between those two?

Mr. BINGHAM. No; that would be up to the Secretary to determine and to propose such a system. I would not be qualified to do that myself. I doubt if many people here would be qualified to do that. It would be something that would be established pursuant to this authorization and, again, I would say in the operation of it, it would be subject to objection from the Department of Defense if that Department chose to object.

□ 1540

Mrs. HECKLER. Mr. Chairman, I want to be sure I understand: Your reply is that there would be consideration by and a determination from the Department of Defense as to whether or not national security interests were to be served?

Mr. BINGHAM. Absolutely.

Mrs. HECKLER. That is the Defense Department would decide if the technology had become obsolete from the point of view of national security; is that right?

Mr. BINGHAM. Of course, yes.

Mrs. HECKLER. So an operational precondition to the act of indexing as it could be implemented under this language would depend upon a judgment by the Secretary of Defense that the particular equipment had become obsolete and would not adversely affect our national security?

Mr. BINGHAM. That is correct.

Mr. ICHORD. Mr. Chairman, will the distinguished gentlewoman yield on that point?

Mrs. HECKLER. I am happy to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the distinguished gentlewoman from Massachusetts (Mrs. HECKLER) has brought up a very crucial point and I want to direct the Members to the exception. We will recall that the gentleman from New Jersey talked about the mandatory language, "shall," in lines 16, 17, and 18. Now, let us look at the exception.

First, the approach of the committee was to mandate the indexing. Now they have brought in an exception approach, and it goes like this: "* * * unless, under such exceptions and under such procedures as the Secretary shall prescribe,"—meaning the Secretary of Commerce—"any other Government agency objects * * * that the goods or technology shall not be removed from the list."

That language gives the Secretary of Commerce the responsibility for determining whether this is critical military technology or not. That is my point. The person who should be doing this is the Secretary of Defense.

Now, they are all working in the interests of the United States of America, but the Secretary of Commerce dealt solely with trade. Let me point out again we are dealing here with export controls for the purpose of protecting the national security of the United States, and that should be the responsibility of the Secretary of Defense, not the Secretary of Commerce and not even the Secretary of

State. The Secretary of State should be responsible for foreign policy control, the Secretary of Commerce should be responsible for trade controls, but the Secretary of Defense should be the one who is responsible for protecting the military security and the national security interests of the United States. My God, let us start pinpointing responsibilities. This is a responsibility of the Congress to pinpoint executive responsibility. I think the gentlewoman has brought up a very crucial point.

Mrs. HECKLER. Mr. Chairman, I would like to respond to my colleague the gentleman from Missouri.

The CHAIRMAN pro tempore (Mr. McKAY). The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has expired.

(On request of Mr. BINGHAM, and by unanimous consent, Mrs. HECKLER was allowed to proceed for 3 additional minutes.)

Mrs. HECKLER. Mr. Chairman, it would seem to me that the section is capable of different interpretations, which is why I asked for this clarification.

In my view, the legislation before us would make major and necessary policy and procedural changes in the current export control process, a process which has been called "draconian and inflexible" by U.S. exporters. At the same time, the legislation will certainly preserve vital U.S. national security and foreign policy interests. The net result of H.R. 4034 will hopefully be the enhancement of legitimate U.S. export trade.

I say "hopefully," Mr. Chairman, because the utility of the reforms included in this legislation will be to a great extent dependent upon subsequent actions taken by both the Department of Commerce and the Department of Defense.

For example, H.R. 4034 requires the Secretary of Commerce to develop foreign availability criteria by regulation. A determination of foreign availability is a critical aspect of this legislation because such a determination can trigger the removal of complicated and time-consuming U.S. export controls thereby insuring that U.S. exporters will be competitive with their foreign counterparts.

It is my hope that the Commerce Secretary will insure that these regulations are developed as quickly as possible, and that the criteria set forth in those regulations will not be so stringent that they will be impossible to meet.

It is also my hope that the Department of Commerce will proceed expeditiously to reduce the list of unilaterally controlled items, especially in the area of scientific, industrial, and medical instruments. This is especially troublesome to exporters in my district because of the widespread incorporation of microprocessors in this type of equipment.

Let me illustrate why I raise these two points by one example. The Foxboro Co., which is located in my district, manufactures an infrared analyzer called the Foxboro-Wilks 801. This instrument is used in laboratories to measure the chemical composition of gas and other elements. The instrument contains an Intel 8080 microprocessor and, because of this, it is subject to U.S. unilateral export control licensing procedures.

Siemans, a West German company, manufactures a multipurpose gas chromotograph which competes directly with the Foxboro infrared analyzer. The Siemans product also contains a microprocessor, but the Government of West Germany permits Siemans to ship this product throughout the world without any export licensing restrictions.

Typically, it takes Foxboro 4 to 6 weeks to obtain U.S. Department of Commerce approval to export its infrared analyzer because of U.S. licensing requirements. Siemans, on the other hand, can ship its product immediately because it is confronted with no export licensing requirements. In this highly competitive world, a delay of 4 to 6 weeks in a company's ability to deliver a product can mean the loss of the sale.

I should note that the microprocessor contained in the Foxboro infrared analyzer is a "dedicated" microprocessor. This means that it cannot be reprogramed. It should also be noted that the value of the microprocessor represents only a minor portion of the value of the entire instrument.

Representatives from the Scientific Apparatus Makers Association, of which Foxboro is a member, recently met with officials in the Department of Commerce to discuss this problem, and I understand that the Department has begun to look into it. I hope that the Department will make rapid progress in resolving this type of situation. By eliminating these types of products which contain dedicated microprocessors from the U.S. unilateral control list, licensing officers in the Commerce Department and those who review these matters at the Defense Department will be free to turn their attention to more critical areas of legitimate national security concern.

I ask the chairman of the subcommittee of the Committee on Foreign Affairs as to whether or not in the very operation of the phrase, "national security," the determination of obsolescence would necessarily have to come from the Department of Defense, and I would again ask the chairman of the subcommittee as to whether or not he reads the section as requiring that approach in agreeing on other items of technology not within the immediate needs of national security or within the preferred list for commerce or commercial approach. I would ask the chairman to respond to that inquiry.

Mr. BINGHAM. Mr. Chairman, I can respond in this way: That the responsibility for setting up the system so that we will be sure that items that have become obsolete from the point of view of national security are at least looked at in terms of whether they should be taken off the list is provided. That is done so as to allow those concerned with licensing to focus on the important items, on the items that are important in national security.

That responsibility in the first sentence lies with the Secretary of Commerce to propose regulations to accomplish that. If he or she does that and then items are proposed to be removed from the list in accordance with that section, the Secretary of Defense can, if he or she chooses, object to their removal from the list.

The advantage of this is that instead of leaving the situation exactly as it has been in the past, with items remaining for years on the list that should not be on the list, there is here a proposed system to make sure that the unimportant items are taken off. If we knock this out of the bill, we leave it just the way it has been, with an endless number of items being considered that should no longer be considered, simply because the bureaucrats have not enough time to get around to taking them off.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for his response.

I would say that in this area we have two interests, the first being the overriding one of national security and the second one that of being realistic in this ever evolving age of international exchange in which the computer is exchanged and copied by foreign governments and foreign organizations and foreign industries.

Just recently I have been informed that the People's Republic of China purchased over $100 million worth of computer technology from a French firm. I think, that even as we meet the needs of our national security, it is very important as a matter of overall economic export policy and American business interests—out balance of payments and American jobs to allow American firms to compete and to promote their products. When national security matters are not at issue it is important that we in no way hobble or harm the business interests in our country who have a good product to sell abroad.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think the discussion that has just gone on indicates that there is some lack of clarity about the amendment and just exactly what it does.

The provision in the legislation, especially as compared to the original bill that was introduced, does leave some flexibility on when indexing may be instituted. However, once a category is agreed on for using indexing, it becomes mandatory that those items be dropped from the control list unless, under certain circumstances, another Government agency objects. Even that is not clear because the Secretary of Commerce still retains the authority to override any such objection. The provision goes on to say: If certain performance levels are reached, no matter what the Secretary determines might be the situation for an individual case, he would have to remove it.

Mr. Chairman, I do not suggest that if we should get into such a situation, the Secretary of Commerce, if he or she felt there would be a leak in our military critical technologies overseas, would go ahead with that.

So one of three things is going to happen: First, either indexing will not be used at all, which is certainly going to come as a great shock and surprise to those supporting this kind of provision; or second, we will get trapped, which could be absolutely disastrous, and we will export some technology that we do not want to export; or third, the Secretary is going to violate the law.

I share the subcommittee chairman's concern about this problem, but I do support the amendment. I would say, however, that there might be a better way of doing this. I think there should be some formalized way of removing items from the list, and I think we should perhaps simply direct the Secretary to do so by regulation. But that choice is not before us at the present time, so I do rise in support of the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Ichord amendment and urge support of the present language regarding indexing in H.R. 4043. I feel that the present language makes an important first step in alleviating the competitive disadvantage under which many high technology industries have been trying to operate for many years. The indexing provision does not in any way jeopardize the national security of the United States; rather it allows for removal of needless redtape and control on exports which have been determined to have become "obsolete with respect to the national security of the United States."

First, let me emphasize that the bill language does not mandate the indexing of certain goods after the performance levels of such goods have risen; it permits this indexing. The Secretary of Commerce, whom we assume will be working in close coordination with the Secretary of Defense and Secretary of State, is allowed to periodically reevaluate requirements for validated licenses and qualified general licenses for high technology goods.

As Members of the House know, the concept of indexing high technology items has been agreed to by COCOM, the informal trade group of the United States, our NATO Allies—minus Iceland—and Japan. COCOM already provides for periodic review of performance parameters of goods. The indexing provision in this bill merely provides for a more orderly, comprehensive reassessment of overall product technology. If the United States, due to slow reevaluation of national security requirements, fails, to allow the exports of high technology goods which in no way jeopardize our security, then we are hurting our balance of trade and our competitive edge in a market area that is very important to our economy today and looks as though it will become more and more crucial in years to come. I might add that not only are we hurting our own balance of trade, we are actively helping other nations, such as France, Japan, and West Germany, who of course will not hesitate to step into any market where there is a profit to be made. And I need not remind the distinguished gentleman from Missouri, or any of the Members of the House, of the disastrous negative situation our economy is in as the result of the horrible balance of payments situation we face.

Finally, I would like to address in some detail the incorrect notion that indexing of goods is incompatible with the national security of our Nation. The argument has been set forth that the phrase "obsolete with respect to the national security of the United States" is vague. I concur with this statement. The notion of a product becoming obsolete is purposely left vague so that the Secretary of Commerce, in coordination with the Secretary of Defense and Secretary of State, can analyze our defense needs. There is no question that a product may be outdated on the U.S. market, but might be anything but obsolete in terms of a Communist-bloc country. Only if the Secretary of Commerce, after very careful analysis, deems that a product may be sold to a potentially unfriendly country at no risk to the American security will it then be indexed for trade to those countries. Furthermore, as I stated earlier, the provision in this bill is merely permissive, not mandatory. The Secretary of Commerce does not have to index goods at all.

In summary, indexing will help give businesses the competitive edge in international trade that presently, in many cases, they lack. It will permit the sale abroad of high technology items which are becoming a more and more important part of our economy. At the same time, this provision is worded in such a way that indexing will only take place after a rigorous review of our own national security needs. For these reasons, I urge defeat of the amendment of the gentleman from Missouri, and the retention of the current bill language.

Mr. COURTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Ichord amendment.

Mr. Chairman, I will not take the usual 5 minutes, since I have already spoken on this particular amendment.

I think this is a very crucial amendment, because if it is not adopted, it basically, according to my reading of page 16, lines 8 through 23, would otherwise remove the effect and the thrust of the prior Ichord amendment which passed this House so overwhelmingly less than 45 minutes ago.

The thing about which I am most concerned is the language with regard to "the latest such increase," to the very latest technology. I think this particular bill, with the last Ichord amendment, intended to protect the United States from aiding and abetting unwillingly those enemies and those people who would make us their adversaries by making sure we do not sell military critical technology to other countries. That particular phraseology is particularly important.

The thrust of the first Ichord amendment had nothing to do with the latest technology, because, very truly, it does not have to be the latest technology that would give critical military technology to those people who would oppose us in our foreign policy; it could be not the latest advance or the second-to-the-latest advance or the third-to-the-latest advance.

So, Mr. Chairman, I think, therefore, this particular paragraph must be removed in order to give free play and emphasis to the Ichord amendment that passed so overwhelmingly just a few moments ago.

□ 1550

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 206, not voting 27, as follows:

[Roll No. 456]

AYES—201

Abdnor
Addabbo
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Clausen
Cleveland
Coleman
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Davis, Mich.
Davis, S.C.
de la Garza
Devine
Dickinson
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Del.
Evans, Ga.
Ferraro
Fish
Flippo
Fountain
Fowler
Fuqua
Gaydos
Gephardt
Gilman
Ginn
Gonzalez
Goodling
Gore
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McDonald
McEwen
McKay
Marriott
Martin
Mathis
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Motti
Murtha
Myers, Ind.
Nichols
Pashayan
Paul
Pickle
Quayle
Quillen
Rahall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Staggers
Stangeland
Stenholm
Stratton
Symms
Taylor
Thomas
Treen

Trible	Whitley	Winn
Volkmer	Whittaker	Wolff
Walker	Whitten	Wydler
Wampler	Williams, Ohio	Wylie
Watkins	Wilson, Bob	Yatron
White	Wilson, C. H.	Young, Fla.
Whitehurst	Wilson, Tex.	Zeferetti

NOES—206

Akaka	Florio	Nedzi
Albosta	Foley	Nelson
Alexander	Ford, Mich.	Nolan
Ambro	Ford, Tenn.	Nowak
Anderson, Calif.	Forsythe	O'Brien
Andrews, N.C.	Frenzel	Oakar
Annunzio	Frost	Oberstar
Anthony	Garcia	Obey
Ashley	Gibbons	Ottinger
Aspin	Glickman	Panetta
AuCoin	Gradison	Patten
Baldus	Gray	Patterson
Barnes	Green	Pease
Bedell	Hall, Ohio	Pepper
Beilenson	Hamilton	Perkins
Benjamin	Hanley	Petri
Bingham	Harkin	Peyser
Blanchard	Harris	Preyer
Boggs	Hawkins	Pritchard
Boland	Heckler	Pursell
Bolling	Hollenbeck	Railsback
Bonker	Holtzman	Rangel
Brademas	Horton	Ratchford
Brodhead	Howard	Reuss
Brown, Calif.	Huckaby	Richmond
Buchanan	Hughes	Ritter
Burlison	Jacobs	Rodino
Burton, John	Jeffords	Roe
Burton, Phillip	Jenrette	Rosenthal
Carr	Johnson, Calif.	Rostenkowski
Cavanaugh	Johnson, Colo.	Russo
Clay	Jones, Okla.	Scheuer
Clinger	Kastenmeier	Seiberling
Coelho	Kildee	Shannon
Collins, Ill.	Kogovsek	Sharp
Conable	Kostmayer	Simon
Conte	Leach, Iowa	Smith, Iowa
Conyers	Lehman	Snowe
Corcoran	Leland	Solarz
Corman	Lloyd	Spellman
Cotter	Long, La.	St Germain
D'Amours	Lowry	Stack
Danielson	Luken	Stanton
Dannemeyer	Lundine	Stark
Daschle	McCloskey	Stewart
Deckard	McDade	Stockman
Dellums	McHugh	Stokes
Derrick	McKinney	Studds
Dicks	Maguire	Swift
Dingell	Markey	Synar
Dixon	Marks	Tauke
Donnelly	Marlenee	Thompson
Downey	Matsui	Traxler
Drinan	Mattox	Udall
Early	Mavroules	Ullman
Eckhardt	Mazzoli	Van Deerlin
Edgar	Mica	Vanik
Edwards, Calif.	Mikulski	Vento
Erdahl	Mikva	Walgren
Erlenborn	Miller, Calif.	Waxman
Evans, Ind.	Mineta	Weaver
Fary	Moakley	Weiss
Fascell	Moffett	Williams, Mont.
Fazio	Moorhead, Pa.	Wirth
Fenwick	Murphy, N.Y.	Wolpe
Findley	Murphy, Pa.	Wright
Fisher	Myers, Pa.	Yates
Fithian	Natcher	Young, Mo.
	Neal	Zablocki

NOT VOTING—27

Anderson, Ill.	Dodd	Murphy, Ill.
Applegate	Flood	Price
Beard, R.I.	Giaimo	Roybal
Bonior	Gingrich	Sabo
Carter	Goldwater	Steed
Cheney	Lederer	Stump
Chisholm	McCormack	Vander Jagt
Derwinski	Madigan	Wyatt
Diggs	Mitchell, Md.	Young, Alaska

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Carter for, with Mr. Murphy of Illinois against.

Mr. Cheney for, with Mr. Lederer against.

Mr. Young of Alaska for, with Mr. Beard of Rhode Island against.

Mr. Gingrich for, with Mr. Mitchell of Maryland against.

Mr. Goldwater for, with Mrs. Chisholm against.

Mr. LONG of Maryland and Mr. VOLKMER changed their votes from "no" to "aye."

Mr. ALEXANDER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 104?

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio. Page 8, add the following after line 24:

"(3) In issuing rules and regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting critical technologies to military use, the difficulty of devising effective safeguards to protect critical goods, and the need to take effective measures to prevent the reexport of critical technologies from other countries to countries that pose a threat to the security of the United States. Such regulations shall not be based upon the assumption that such effective safeguards can be devised.

□ 1610

Mr. MILLER of Ohio. Mr. Chairman, to successfully implement the critical technologies approach endorsed by this bill it is imperative that we correct an existing weakness in the current system. One such loophole concerns so-called end-use statements and safeguards to prevent the diversion of technology for military purposes once it has been transferred to a controlled nation like the Soviet Union.

It is often current practice to require nations receiving American technology to sign an end-use statement agreeing that the transfer of goods or technology will not be diverted for military uses. The problem with end-use statements and so-called safeguards is that they are only cosmetic in nature and do not work. As the Senator from the State of Washington recently stated on the floor of the other body, they provide no protection against diversion of critical technologies and goods since, by definition, they consist of know-how or products which transfer know-how for which safeguards against diversion cannot be devised. The diversion of know-how cannot ordinarily be detected or prevented since it consists of the transfer of knowledge from one person to another. Once the transfer of such critical know-how occurs, it is lost forever.

Let me set up a hypothetical situation to illustrate the need for this amendment. Let us assume there is a man whom you know to be a potential adversary, and this person is holding a baseball in one hand and a grenade in the other. Would you teach this potential adversary how to throw the baseball; in other words, give him the know-how, and then pray to God that he will not use this know-how to throw the grenade? I hope not. But that is exactly what this country is doing; a promise not to throw the grenade is not enough. In dealing with governments like the Soviet Union, we must assume that if the technology to be exported can be diverted for military uses that it will be diverted for military uses. And as a result, a license application should not be approved on the basis "end-use statements" and "safeguards."

In light of the Kama River truck plant incident, it would be totally naive for the United States to think that safeguards are an effective mechanism in preventing diversion. If the Soviets want to divert the technology for direct military purposes, they will do so, like they have done with the military truck engines coming out of the Kama River.

This amendment provides that rules and regulations for the control of critical technologies and goods reflect the difficulties associated with end-use statements and safeguards. The amendment also requires that effective measures be taken to prevent the re-export of critical goods and technologies to potential adversary nations when we export them to friendly nations, which include most Third World countries as well as our allies in COCOM.

An amendment such as this was passed in the other body by unanimous consent, and met with the approval of the Commerce Department official monitoring the bill's debate on July 21 of this year.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding and I rise in support of the amendment.

Let me take this opportunity of thanking the gentleman for all of the work he has put in in tightening up this bill and making it a very meaningful bill.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. Yes, I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to also commend the gentleman for all of his efforts on behalf of this bill and trying to improve it. I would like to support the amendment as well. I think it merely makes explicit what has been apparent from hearings on export controls, and that is, as the gentleman has already pointed out, safeguards cannot be devised to prevent the diversion of technology if someone is really determined to get that technology.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has expired.

(At the request of Mr. LAGOMARSINO and by unanimous consent Mr. MILLER of Ohio was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. LAGOMARSINO. The gentleman's amendment, of course, provides that rules and regulations be developed in such a way as to prevent reliance on ineffective safeguards as a means of countering diversion of technology. I think it is something that needs to be in the

bill. As the gentleman points out, the other body included very similar language in its version of this bill, and I hope it is adopted.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I want to commend the gentleman in the well, the gentleman from Ohio, for offering this amendment. I know the gentleman from Ohio, along with the gentleman from New York (Mr. WOLFF), have worked long and hard in this area. I would hope that the gentleman from New York (Mr. BINGHAM) would accept the amendment of the gentleman from Ohio.

This amendment, I would point out, might well get rid of the can of worms, the so-called shambles the Director testified about before the House Armed Services Committee.

But we are going to have this problem if we do not do something about it. We are going to have it with us for years to come. I would cite for the Members of the House the Kama River project. I know that the gentleman from Ohio is familiar with the Kama River project.

I think it is absolutely reprehensible when NATO is so short, extremely short of 5-ton trucks that we not only export trucks, we export a whole turnkey factory to the Soviet Union at Kama River, the largest truck plant in the world, and which has definitely produced trucks that go into the Soviet military.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(At the request of Mr. ICHORD and by unanimous consent Mr. MILLER of Ohio was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. If the gentleman will continue to yield, it has been proven beyond a doubt that that truck plant, the Kama River truck plant has been diverted to military uses.

Now, what can we do? It is true that there were no end-use restrictions placed upon the Kama River turnkey plant. That was the problem. No end-use restriction. But certainly somebody should have been thinking about end-use restrictions if we are going to transfer a whole turnkey factory. Again, on top of that, someone should be thinking about how we are going to enforce these end-use restrictions. Are we going to deny them support? This is what the bureaucracy should be directing their attention to, and this is what the amendment of the gentleman from Ohio calls for. I hope that the manager of the bill will accept the amendment in order to get rid of the shambles that we now have in the administration of the Export Administration Act.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER or Ohio. Yes, I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I also want to commend the gentleman in the well. I know we have worked together with two distinguished members of the majority for over a year on this reexport problem. The whole nightmare situation in Europe of these critical materials leaking like a sieve behind the Iron Curtain cannot be overemphasized.

When I first met with COCOM members in Europe 2½ years ago they explained to me that people will find statements under the COCOM agreements that a third nation will not have access to materials that are stacked up in warehouses, digital computing equipment, sensitive transistorized backup hardware and software.

□ 1620

Then, they go back a month later and half the warehouses are empty. "Sixty Minutes," the Nation's No. 1 rated show, which is always in the top five—it says something about the viewing habits of the American people that this hard-hitting factual show outdraws all the situation comedies and adventure shows—"Sixty Minutes" wanted to do a long segment on the export control problem, and found out that it is just too difficult to film. All they have is people describing how bad the problem is, or they can film a full warehouse and come back a few months later and show the same warehouse empty.

In spite of the television difficulties of filming this, we in Congress should certainly be aware of what Mike Wallace and his producer, Barry Lando, are aware of, and should support the gentleman's amendment. I would hope that the distinguished chairman, the gentleman from New York (Mr. BINGHAM) would accept this amendment in its totality.

Mr. MILLER of Ohio. I thank the gentleman from California.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

I do so with some reluctance, because I know of the great deal of work that the gentleman from Ohio has given to this topic. The committee and the administration both are opposed to this amendment because, in essence, it appears to be an amendment that is against safeguards. I ask the question: How can you be against safeguards?

We are not suggesting, nobody suggests, that these safeguards are absolute or that they will totally prevent the diversion of items to an unintended use. But as the gentleman from Missouri (Mr. ICHORD) has just pointed out, the Kama River deal has been criticized, and maybe rightly, by many of these same people because no end-use requirements were incorporated in the deal. When President Nixon and Secretary Kissinger decided to go ahead with the exports to the Kama River plant, they deliberately did not put in any provisions to prevent the diversion of the products of that plant.

So, what we are talking about here is safeguards in the sense of an effort to deter the misuse of the products that we export to the Soviet Union and to other Communist countries. As I say, there is no way in which safeguards can absolutely prevent diversions, but they are a useful device to assist in the process of reducing the degree to which diversions occur. In fact, if this amendment is adopted, it might very well discourage the administration from using safeguards or end-use requirements, and that is certainly not the intention, I am sure, of the author of the amendment. But, that might be the result.

One of the areas where end-use safeguards are used, and used effectively, is in the utilization of computers, where the agreements provide that the vendors of the computers have access, recurrent or constant access, to the operation of the computers to see that they are used for the purposes for which they are sold. So, safeguards are a necessary and beneficial part of the total process of trying to see that we have exports to the Soviet Union that are beneficial to our industry, but that do not assist the military potential of the Soviet Union.

This amendment does not prohibit them, but the whole effect of the amendment is negative. It would discourage the use of safeguards, and I urge a negative vote on the amendment.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I will be glad to yield.

Mr. BONKER. As it relates to the Kama River case and the statement on the question of other safeguards, we have access to the computer there, the results of which gave us access to the facility.

Mr. BINGHAM. That is correct, yes.

Mr. COURTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman for yielding. In reply to the chairman's remarks concerning safeguards and end-use statements, I would like to state that the amendment will not stop the end-use statements or safeguards. The amendment wants the Commerce Department not to rely on a tag that will be hanging on an article that says, "We will sell you this article if you sign this tag stating that you will not use it for military uses, and use it back against us."

We do not want someone relying on a statement, because if it can be used for military use, and it goes to controlled nations, they will use it for military use. We are conveying the message that, in issuing rules and regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting a critical technology to military use.

We are giving a warning. We certainly need this section, and safeguards and end-use statements can certainly be used, but through the legislative process—we want the administration to know that end-use statements are not the items that we should rely on completely in order to turn over our technology to some other nation that could, in time, use it back against us.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. Does the gentleman know of any case in which a license was granted in which safeguards were included, and it then turned out that the safeguards were useless and the material was misused or diverted? Does the gentleman know of any such case, bearing in mind that in the Kama River case the majority of

the exportation contained no end-use restrictions?

Mr. MILLER of Ohio. In the Kama River case there is still a dispute as to whether there was an end-use certificate as such, or understanding of an end-use certificate. I would ask the gentleman, whenever we have sent articles on the basis of end-use would the gentleman assure the committee that not one item has been diverted?

All we want to do is to have our administration be alert and aware that this is not the solution to solving our problem of transferring our technology.

We do not just want an end-use statement signed, and then say, "Yes, you can have it; there it is."

There is no assurance whatsoever once it arrives, that it will not be turned over for military use.

Mr. BINGHAM. Will the gentleman yield briefly further?

Mr. COURTER. I will be happy to yield to the gentleman from New York.

Mr. BINGHAM. As far as Kama River is concerned, I have read all those documents in the testimony. All I can say is that if there was an intention to provide end-use restrictions, they did a hell of a bad job. As the gentleman from Missouri just stated, there really were no end-use restrictions. The best they could come up with was some vague understanding. There was not anything in the documents to show that there were end-use restrictions.

But, I agree with the gentleman that safeguards are not absolute. My purpose in opposing this amendment is that the amendment will discourage the use of safeguards, and that seems to be cutting off the nose to spite the face.

Mr. MILLER of Ohio. That is the main purpose of the amendment, to attempt to show the administration that the safeguards are not there when an end-use statement is signed.

● Ms. HOLTZMAN. Mr. Chairman, I am constrained to oppose the amendment proposed by Mr. MILLER of Ohio. His amendment deals with the problem of exporting technology that may be potentially sensitive from a military point of view. I share the concern of the gentleman from Ohio and agree with the intent of his amendment. Nonetheless, I cannot vote for it, because the last sentence of the amendment is self-defeating. By stating that effective safeguards cannot be devised the amendment's objective is subverted. We need strong and effective safeguards. This amendment would not require them.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and on a division (demanded by Mr. MILLER of Ohio) there were—ayes 20, noes 24.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

A quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1640

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Ohio (Mr. MILLER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 271, noes 138, not voting 25, as follows:

[Roll No. 457]

AYES—271

Abdnor	Erlenborn	Lee
Addabbo	Ertel	Lent
Akaka	Evans, Del.	Levitas
Albosta	Evans, Ga.	Lewis
Anderson, Calif.	Evans, Ind.	Livingston
Andrews, N.C.	Ferraro	Lloyd
Andrews, N. Dak.	Findley	Loeffler
Anthony	Fish	Long, Md.
Archer	Fithian	Lott
Ashbrook	Florio	Lujan
Atkinson	Fountain	Luken
Badham	Fowler	Lungren
Bafalis	Frost	McClory
Bailey	Fuqua	McCloskey
Bauman	Gaydos	McDade
Beard, Tenn.	Giaimo	McDonald
Benjamin	Gilman	McEwen
Bennett	Goldwater	McKay
Bereuter	Goodling	Madigan
Bethune	Gore	Markey
Biaggi	Gradison	Marks
Boland	Grassley	Marlenee
Boner	Grisham	Marriott
Bouquard	Guarini	Martin
Bowen	Gudger	Mathis
Breaux	Guyer	Mattox
Brinkley	Hagedorn	Mazzoli
Broomfield	Hall, Tex.	Mica
Brown, Ohio	Hammer-schmidt	Michel
Broyhill	Hance	Miller, Ohio
Buchanan	Hanley	Mitchell, N.Y.
Burgener	Hansen	Mollohan
Butler	Harsha	Montgomery
Byron	Heckler	Moore
Campbell	Hefner	Moorhead, Calif.
Carney	Heftel	Mottl
Chappell	Hightower	Murphy, N.Y.
Clausen	Hillis	Murtha
Cleveland	Hinson	Myers, Ind.
Clinger	Hollenbeck	Natcher
Coelho	Holt	Neal
Coleman	Hopkins	Nelson
Collins, Tex.	Horton	Nichols
Conte	Howard	Nowak
Corcoran	Hubbard	O'Brien
Coughlin	Huckaby	Panetta
Courter	Hughes	Pashayan
Crane, Daniel	Hutto	Paul
Crane, Philip	Hyde	Pepper
D'Amours	Ichord	Perkins
Daniel, Dan	Ireland	Petri
Daniel, R. W.	Jeffries	Peyser
Dannemeyer	Jenkins	Pickle
Daschle	Jenrette	Preyer
Davis, Mich.	Johnson, Colo.	Pursell
Davis, S.C.	Jones, N.C.	Quayle
de la Garza	Jones, Okla.	Quillen
Deckard	Jones, Tenn.	Rahall
Devine	Kazen	Railsback
Dickinson	Kelly	Regula
Dicks	Kemp	Rhodes
Dornan	Kindness	Rinaldo
Dougherty	Kostmayer	Ritter
Duncan, Oreg.	Kramer	Roberts
Duncan, Tenn.	LaFalce	Robinson
Edwards, Ala.	Lagomarsino	Roe
Edwards, Okla.	Latta	Rose
Emery	Leach, Iowa	Rostenkowski
English	Leach, La.	Roth
Erdahl	Leath, Tex.	Roussel ot
Rudd	Staggers	Royer
Runnels	Stangeland	Wampler
Russo	Stanton	Watkins
Santini	Steed	Weaver
Satterfield	Stenholm	White
Sawyer	Stockman	Whitehurst
Schroeder	Stratton	Whitley
Schulze	Symms	Whittaker
Sebelius	Synar	Whitten
Sensenbrenner	Tauke	Williams, Mont.
Sharp	Taylor	Winn
Shelby	Thomas	Wolff
Shumway	Traxler	Wyatt
Shuster	Treen	Wydler
Slack	Trible	Wylie
Smith, Nebr.	Ullman	Yates
Snowe	Van Deerlin	Yatron
Snyder	Vander Jagt	Young, Fla.
Solomon	Walgren	Young, Mo.
Spence	Walker	Zeferetti

NOES—138

Alexander	Fary	Murphy, Ill.
Ambro	Fascell	Murphy, Pa.
Annunzio	Fazio	Myers, Pa.
Ashley	Fenwick	Nedzi
Aspin	Fisher	Nolan
AuCoin	Flippo	Oakar
Baldus	Ford, Tenn.	Oberstar
Barnard	Forsythe	Obey
Barnes	Frenzel	Ottinger
Bedell	Garcia	Patten
Bellenson	Gephardt	Patterson
Bevill	Gibbons	Pease
Bingham	Ginn	Pritchard
Blanchard	Glickman	Rangel
Boggs	Gonzalez	Ratchford
Bolling	Gray	Reuss
Bonior	Green	Richmond
Bonker	Hall, Ohio	Rodino
Brademas	Hamilton	Rosenthal
Brodhead	Harkin	Scheuer
Brooks	Harris	Seiberling
Brown, Calif.	Hawkins	Shannon
Burlison	Holtzman	Simon
Burton, John	Jacobs	Skelton
Burton, Phillip	Jeffords	Smith, Iowa
Carr	Johnson, Calif.	Solarz
Cavanaugh	Kastenmeier	Spellman
Chisholm	Kildee	St Germain
Clay	Kogovsek	Stack
Collins, Ill.	Lehman	Stark
Conable	Leland	Stewart
Conyers	Long, La.	Stokes
Corman	Lowry	Studds
Danielson	Lundine	Swift
Dellums	McHugh	Thompson
Derrick	McKinney	Udall
Dingell	Maguire	Vanik
Dixon	Matsui	Vento
Dodd	Mavroules	Volkmer
Donnelly	Mikulski	Waxman
Downey	Mikva	Weiss
Drinan	Miller, Calif.	Williams, Ohio
Early	Mineta	Wirth
Eckhardt	Moakley	Wolpe
Edgar	Moffett	Wright
Edwards, Calif.	Moorhead, Pa.	Zablocki

NOT VOTING—25

Anderson, Ill.	Foley	Roybal
Applegate	Ford, Mich.	Sabo
Beard, R.I.	Gingrich	Stump
Carter	Holland	Wilson, Bob
Cheney	Lederer	Wilson, C. H.
Cotter	McCormack	Wilson, Tex.
Derwinski	Minish	Young, Alaska
Diggs	Mitchell, Md.	
Flood	Price	

□ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Bob Wilson for, with Mr. Lederer against.

Mr. Derwinski for, with Mr. Beard of Rhode Island against.

Mr. Carter for, with Mr. Mitchell of Maryland against.

Messrs. BUTLER, PREYER, D'AMOURS, PEPPER, and WEAVER changed their vote from "no" to "aye."

Ms. HOLTZMAN changed her vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above reported.

□ 1700

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise at this point in the bill to inquire of the chairman whether my understanding is correct that the imposition of constraints and criteria upon the use of export controls for foreign policy purposes would not, and is not intended by the committee, in any way to tie the hands of the President in time of crisis.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, the gentleman is correct. H.R. 4034 would not prevent the President from imposing export controls quickly in response to unpredictable foreign policy crises, such as attempts to develop a nuclear weapons capability, support for international terrorism, extreme violations of human rights, or imminent threats of regional military conflict. Nor would it prevent continuation of such controls once imposed. On the contrary, it encourages the President to make decisions on export licenses without excessive delay. Pursuant to section 112, H.R. 4034 would not limit authority to control items of significance for nuclear explosive purposes. For such items the special procedures called for by section 309(c) of the Nuclear Non-Proliferation Act of 1978 would apply. With respect to other items:

(1) the criteria listed in section 6(b) and referred to in section 6(e)(2) are factors to be considered but are not conditions which must be met—in any given situation, one, several, or all of them might be irrelevant;

(2) consultation with industry called for by section 6(c) and referred to in section 6(e)(3) might not be appropriate in some circumstances;

(3) reasonable efforts to achieve the purposes of controls through alternative means, as called for by section 6(d) and referred to in section 6(e)(4), need not delay the imposition of controls in a crisis. Under urgent circumstances there may be few, if any, feasible alternative means to pursue.

(4) the President would have discretion to determine what steps were feasible to secure the cooperation of other governments per section 6(h).

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman from New York (Mr. BINGHAM) and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORNAN: Page 22, insert the following after line 2:

"(1) SUBMISSION OF RECORDS TO CONGRESS.—(1) In any case in which any committee or subcommittee of either House of Congress which has jurisdiction over domestic or foreign policies relating to export trade or national security requests the Secretary, the Secretary of Defense, or any Federal department or agency, to submit a record with respect to any action taken under this Act concerning the administration of export controls for national security purposes, the Secretary, Secretary of Defense, or Federal department or agency, as the case may be, shall so submit such record within ten days after the request is made.

"(2) In order to comply with any request described in paragraph (1), the Secretary, Secretary of Defense, or any other Federal department or agency participating in any action taken pursuant to this Act (including the approval or disapproval of a validated license application) concerning the administration of export controls for national security purposes, shall retain, for at least five years after the action is completed, a complete record with respect to such participation, including the following, as appropriate:

"(A) With respect to a technology or good involved in the action—

"(i) the technical facts upon which the action was based, including (but not limited to) the nature and strategic importance of the technology or good, and the analysis of such facts,

"(ii) the extent of the technological lead of the United States,

"(iii) foreign availability of such technology or good, and

"(iv) the safeguards against the transfer of the technology involved to a controlled country.

"(B) Material factual and policy issues.

"(C) Each department or agency which participated in the action and the recommendations of such department or agency with respect to the action.

"(D) Such other information as is necessary and appropriate to an understanding of the action.

"(3) For purposes of this subsection, the term 'controlled country' means any communist country as defined in section 620(f) of the Foreign Assistance Act of 1961.".

Mr. DORNAN. Mr. Chairman, I want to applaud the efforts of the distinguished gentleman from New York (Mr. BINGHAM) for including a section in H.R. 4034 requiring the keeping of records pertaining to applications for export licenses. This legislative proposal is excellent so far as it goes; but in all respect I do not think it goes far enough.

The language of H.R. 4034 pertains only to license applications. What are more important, from the standpoint of general policy, are the professional and administrative decisions as to how and why certain goods and technologies are controlled under this act. My amendment provides for a complete set of records, specifying the technical, strategic, and foreign policy considerations which entered into the granting or denial of licenses. My amendment mandates the maintenance of those records for at least 5 years, and also provides for relevant congressional committee acquisition of those records with in a period of 10 days of a committee request.

The object of my amendment is to simply strengthen the quality of congressional oversight over the entire export license application and control system. Congress must exercise this oversight over the operation of agency rules and regulations in order to determine if those rules comply with original congressional intent. I am sure there would be much less confusion within the executive branch if the Congress were to specify what it considers important in the license application process.

Even more important is our own ability to monitor the performance of the executive agencies and departments which participate in the licensing process. On May 15, 1979, the House Subcommittee on Research and Development of the Armed Services Committee, chaired by the distinguished gentleman from Missouri (Mr. ICHORD), opened a series of hearings on our export control policies. I sat in on many of them. After 2½ weeks of hearings, Congressman ICHORD discovered disturbing evidence of administrative confusion, if not downright deception and/or incompetence, within the administration on the issue of export licenses and control. According to a recently published statement by my distinguished colleague, there were attempts to control witnesses before the subcommittee; witnesses gave conflicting testimony; witnesses changed statements between appearances; and, most shocking of all, one witness stated he had been instructed to make sure his testimony would not conflict with that of his superiors, an instruction that he clearly translated, again to use the chairman's language, as a "veiled threat to his job." I agree with the gentleman from Missouri that the condition of information—possibly the condition of truth—in the executive branch is in an amorphous, incoherent, and confused state—a "typical bureaucratic maze."

When calling upon the executive branch, whether it is the Department of Commerce or the Department of Defense or any other agency of the Federal Government, the Congress cannot afford to waste time taking testimony or in analyzing confusion over matters of fact and postmistake rationalizations of export control policy. From the standpoint of hindsight, it would have been much better for all concerned if Congress had had access to a complete set of records on the Cyber 76 case in 1977, the sale of the Centaign B ball-bearing machines in 1972, or the records pertaining to the licensing of American firms who provided as much as $1.5 billion in construction technology to the Soviet Union's massive Kama River truck plant, now the largest truck facility in the world. Today the Defense Department reports trucks from this plant are regularly seen with Communist military units throughout Eastern Europe.

This amendment will help clear up administrative confusion, clarify what is expected in the assembling and maintenance of adequate and complete records, and foster a consistency of approach within the executive branch of the Government in regard to these decisions. It is only in this way that Members of Congress and responsible officials within the executive branch can ascertain whether or not a particular action on an export license is justified by the facts, and is consistent with the legislative intentions of the Congress.

Mr. Chairman, I ask for adoption of the amendment.

□ 1710

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. DORNAN was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the distinguished gentleman from California mentioned my name and the hearings the Armed Service Committee conducted on H.R. 3216 and the problems that we encountered in obtaining information, particularly from the Department of Commerce.

The gentleman is correct.

I was concerned. I do not know who exactly is to blame. I thought the attempts to muzzle the witnesses was really very silly and hurt the cause, their own cause, rather than helped it.

The gentleman is correct. One witness, Dr. Ruth Davis, did have her testimony censored, in which she was to give what was thought to be opinion testimony in regard to possible diversions of this dual technology that had been transferred to our potential adversaries.

I have not had the opportunity to read the amendment offered by the gentleman from California. I think that I do agree with the objectives, but I do raise the question: Is the gentleman sure that he is not going to impose too much recordkeeping responsibilities upon the agencies?

Mr. DORNAN. That is a good objection. I anticipated this as one of the serious objections to this amendment, because most of us in this Chamber are properly upset about the bureaucratic maze that has inundated our Nation—1 million forms a week saying there is nothing to report.

However, as the gentleman has emphasized over and over, if ever there was an area that needed proper, careful analytical reporting, it is this area of technology transfer. In the amendment, if I might say, I have asked that the gentleman's staff take a look at it, the staff of the gentleman from New York (Mr. WOLFF) and the gentleman from Ohio (Mr. MILLER), and I think it has been very fair and cost-accounting conscious in the number of reports that it does require. I think it just backs up what the gentleman's other amendments have done in making this an area of serious concern to both the Commerce Department, the Defense Department, this Congress and the executive branch, so that we all play a role in what goes over to people who might use it against us in, God forbid, another major conflict.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret that the gentleman from California did not have the opportunity to let us consider this amendment in advance. It has just reached my desk here. It raises a number of questions along the lines raised by the gentleman from Missouri. There are thousands and thousands of export applications that are filed every year. If these detailed requirements are applicable to those, we are going to have to appropriate more funds for the department to cope with the flood of paper.

I could appreciate the gentleman's concern with wanting this information with respect to the Kama River truck project, but that is 1 in 10,000 in terms of its importance, in terms of its significance. There are 80,000 applications for licenses submitted to the Department every year, and I think this is just going to bury them in a flood of paper. I doubt very much that the Congress is going to make use of it or any substantial portion of it.

We have added to the bill provisions which make clear that none of the provisions of confidentiality which we will be discussing later, and which have always been in the act, prevent the submission of all necessary information to congressional committees. I might just read that provision:

> Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction.

So there is no question that Congress has access to the information. The only question is whether there is need for this type of detailed information to be kept on all of the many thousands of applications.

In terms of governmental economy and trying to eliminate the spread of the bureaucracy, in the form in which it has been submitted to us I am constrained to oppose the amendment.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have some concerns about this amendment, as well.

What we are trying to achieve with export controls is a question of balancing controls on the one hand and our interest in promoting exports. I am concerned that this amendment might go too far the other way. It could deter exports to such an extent that our national interest could be harmed—and I am sure this is not what the gentleman intends and maybe it would not be the way it would work out—just because DOD would not want to become involved with all of the paperwork.

So there is the possibility, at least in some cases, that it would not exercise its option to review licenses for national security purposes. I hope that would not happen, but it is certainly a possibility.

My amendment in committee provided for complete access to records by Congress, so that need is already taken care of.

I am concerned that this amendment might be counterproductive. I am convinced, even though I have only served on this subcommittee for a short period of time, that we are going to continue to hold very extensive oversight hearings and, should it come to our attention that the records are not being kept adequately or that proper information is not being provided for, we certainly can come back to the floor and ask that the law be changed to require it.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, in our analysis of this amendment we were very careful to make sure that it was so specific that it would deal with less than 1 percent of total U.S. trade. What this amendment specifies, on the types of records to be maintained, is only the technical facts upon which a license application was denied, the extent of the technological need of the United States on this particular item, the foreign availability of the technology, the safeguards of the technology to a controlled country, and any other information appropriate to an understanding of license application decisions.

The distinguished chairman said that he doubted that Congress would use this information. I know I personally would use it, because I have made this an area of expertise in my office for 2 years and 8 months.

I have talked with many staffers on both the Committee on Foreign Affairs and the Defense Committee, who would absolutely use this, and, in talking to many Defense people, honestly, I say to my distinguished colleague, I have not had one Department of Defense person say that they would not be eager to keep records in this way and to keep us informed, because they feel they have been overridden by the State Department. And I say that this happened under a Republican administration several times, particularly with computers.

So I would hope that the gentleman would consider supporting this, and I am sure that it will be discussed in conference committee. I have already talked to the chairman who will be on this committee, and he said that all of this will be hammered out in the conference committee.

Mr. LAGOMARSINO. I thank the gentleman for his remarks.

□ 1720

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and on a division (demanded by Mr. DORNAN) there were—ayes 14, noes 16.

RECORDED VOTE

Mr. DORNAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 109, noes 296, not voting 29, as follows:

[Roll No. 458]

AYES—109

Abdnor
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bowen
Breaux
Broomfield
Broyhill
Burgener
Butler
Chappell
Clausen
Cleveland
Coleman
Collins, Tex.
Conyers
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Dornan
Duncan, Tenn.
Erdahl
Evans, Del.
Gilman
Goldwater
Grisham
Guyer
Hammer-schmidt
Hansen
Harsha
Holland
Holt
Hyde
Ichord
Ireland
Jeffries
Jenkins
Kazen
Kelly
Kemp
Kindness
Kramer
Latta
Lent
Levitas
Lewis
Long, Md.
Lott
Lujan
Lungren
McDonald
Madigan
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Nichols
Oakar
Pashayan
Quayle
Quillen
Robinson
Rousselot
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Shumway
Shuster
Snyder
Solomon
Spence
Stangeland
Stratton
Symms
Taylor
Trible
Vander Jagt
Wampler
White
Whitehurst
Williams, Ohio
Winn
Wydler
Wylie
Yatron
Young, Fla.

NOES—296

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Bellenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carney
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Coughlin
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Leland
Livingston
Lloyd
Loeffler
Long, La.
Lowry
Luken
Lundine
McClory
McCloskey
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weaver
Weiss
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wirth
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—29

Anderson, Ill.
Applegate
Beard, R.I.
Campbell
Carter
Cheney
Cotter
Derwinski
Diggs
Flood
Forsythe
Gibbons
Gingrich
Hinson
Lederer
McCormack
Mikva
Minish
Mitchell, Md.
Price
Rose
Roybal
Sabo
Stump
Waxman
Wilson, C. H.
Wilson, Tex.
Wolff
Young, Alaska

□ 1730

Mr. LAGOMARSINO and Mr. EDWARDS of Oklahoma changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1740

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is my intention momentarily to move that the Committee rise in accordance with the announced procedure of rising at 5:30.

Pending that, I would like to yield to the gentleman from California (Mr. MINETA) for a colloquy.

Mr. MINETA. Mr. Chairman, I thank the gentleman for yielding. I rise to express my strong support for H.R. 4034, the Export Administration Act Amendments of 1979. Congressman BINGHAM deserves praise from this body for his tremendous effort which has resulted in this excellent piece of legislation.

I represent a district which includes an area with the highest concentration of high technology electronics firms in the world. Many have dubbed the Santa Clara Valley in California, "Silicon Valley." In part, it is the high-technology products of the Silicon Valley which are unduly handicapped in the world market by the current export licensing process. H.R. 4034, as it now stands without amendment, represents a great stride toward eliminating unnecessary bureaucratic delays of export licenses.

As a member of the House Select Committee on Intelligence, I am keenly aware of the importance of American technology to our strategic defense posture and foreign policy initiatives. Yet, I am also aware of our tendency to ignore the foreign availability of high-technology products, and to ignore the impact of unnecessary delay in export licensing on our competitiveness in the world market.

Problems with the current export licensing process are largely procedural. The merits of H.R. 4034 lie in the clearly specified statutory procedures which would vastly improve the efficiency and effectiveness of the export licensing process.

In my view, H.R. 4034 has several key features:

First. The availability of products from foreign sources would become a major factor in the licensing process, and thus rationalize and improve the effectiveness of the licensing process.

Second. The new "qualified general license" category, which would apply to some products now approved on a case-by-case basis, should contribute to reducing the caseload of the Department of Commerce, and thus reducing delays for other licenses.

Third. The statutorily mandated "suspense points" would require timely decisions to be made on difficult licenses, and provide a firm with full knowledge of where its license stands, and when, at the outset, a decision must be reached. Other provisions would open up the licensing process and vastly improve the accountability for licensing decisions.

Fourth. The "indexing system" would allow for the timely removal of dated technologies or products from license controls. This provision would eliminate needless paperwork for firms which must now obtain a license to sell a dated product or technology.

Fifth. The elimination of reexport controls on U.S. products resold by COCOM nations would reduce another source of unwieldy and unnecessary paperwork. This provision also would place pressure on the administration to reduce the U.S. unilateral list of controlled products. And, the administration is directed to concentrate on making COCOM work more effectively.

Sixth. The administration must assess the foreign availability of products and the domestic economic impact of the lost sales of those products which are to be controlled for foreign policy reasons. This provision should help prevent useless controls from needlessly harming domestic production.

Again, I wish to stress to my colleagues the importance to the national interest of not handicapping the high-technology industry of this country in the world market. H.R. 4034 represents an important stride toward preserving our national security interest and the interest of the domestic high-technology electronics industry.

Is it your intent that when a technical advisory committee certifies to the Secretary of Commerce that foreign avail-

ability does, in fact, exist, that the Secretary shall take such steps as may be necessary to verify such availability within some time frame?

Mr. BINGHAM. Yes. Certainly we expect the Secretary to focus attention on such a recommendation as quickly as possible and certainly within a reasonable time frame.

Mr. MINETA. Assuming that a technical advisory committee or company does certify to the Secretary of Commerce that foreign availability does exist, is it your intent that the Secretary advise the Congress of such an allegation—whether or not acted upon—in the annual report to the Congress required by section 14(6)?

Mr. BINGHAM. Yes.

Mr. MINETA. I thank the gentleman very much.

Mr. BINGHAM. I thank the gentleman for his contribution and for his kind remarks.

● Mr. PRICE. Mr. Chairman, I rise in support of the amendment that was offered by the gentleman from Missouri, the chairman of the House Armed Services Research and Development Subcommittee.

First, I would like to commend Mr. ICHORD for his role in bringing to our attention the fact that the current system of export control is seriously deficient in insuring our national security objectives. H.R. 4034 goes a long way in improving upon the Export Control Act of 1969—it is a good bill, but it fails a little short in assuring that technology and goods that are vital to our national security are not prematurely transferred to our potential adversaries.

The amendment offered by the gentleman from Missouri simply requires the Secretary of Defense to develop a list of military critical technologies—the transfer of which would jeopardize our national security. This list of military critical technologies would then become part of the commodity control list and would be sufficiently specific to guide the determination of the Secretary of Commerce or any official exercising licensing responsibility over this act.

The need to define and control critical technology and goods dates back several years.

In 1976, a Defense Science Board was convened to address the matter of U.S. technology export. This panel, under the direction of Dr. Fred Bucy, president of Texas Instruments, concluded, and I quote:

> While Defense does not have the primary responsibility for control of technology export, the task force believes the initiatives for developing policy objectives and strategies for controlling specific technologies are their responsibility.

On May 17, 1979, Mr. William Root, Director of East-West Trade, State Department, advised Mr. ICHORD's subcommittee that—

> The Department of Defense is the best equipped place to evaluate the military significance of any particular technology.

Mr. Chairman, we have made a number of serious mistakes especially during the past 5 years in allowing some of our more critical technology and goods to be transferred to the Soviet Union. Most recently, we transferred some very special oil drilling technology to the Soviets. While I would not oppose the sale of drill bits to the Soviet Union, I do strongly oppose the transfer of advanced manufacturing technology to them.

I want to make sure that we do not repeat our past mistakes. We must have a better export control system to serve our security objectives.

At this time the Soviets are most anxious to get U.S. computers and semiconductor technology. Their attempt to acquire our technology has been both legal and illegal.

No legislation, H.R. 4034 included, will provide 100 percent assurance against the transfer of U.S. technology to our potential adversaries. Effective legislation, however, will serve to lengthen the time it takes for them to acquire our technology and goods.

I believe that while H.R. 4034, the bill before us today, enhances the export control process, it must be strengthened to preserve our national security. The amendment offered by Mr. ICHORD adds the necessary strength to this bill and I strongly agree with its adoption.●

● Mr. DERWINSKI. Mr. Chairman, at a time of dollar inflation, a serious deficit in international trade, and the need to maintain our vital alliances abroad, the administration of U.S. export policy is a particularly important issue. It has long been a serious question and is even more so now.

The Export Administration Act (H.R. 4034) recognizes the importance of exports to the U.S. economy but maintains certain restrictions on those exports for reasons of national security, foreign policy, and short supply at home. It is essential that the administration have an instrument that provides flexibility in dealing with our trading partners; economic leverage to help redress the imbalances that adversely affect our exports.

Of particular interest to American exporters is the bill's provisions to improve export licensing procedures and reduce the oppressive bureaucratic restrictions that impede the flow of exports.

Also, a necessary and just decision has been made by the Congress in this bill in its recognition of the profound changes that have taken place in Uganda. There is hope from all quarters that the long, dark travail of Uganda's holocaust is at last at an end. The orgy of death and destruction inflicted on Uganda by Field Marshal Idi Amin is finally over. It is logical for us to help that unfortunate country restore itself.

Hopefully, much of this task can be accomplished through church organizations; Christian missionaries—those who were not butchered by that African despot, Amin—have been a traditionally strong element in Ugandan society, particularly in the area of education. Moreover, religious and charitable organizations, such as Catholic Relief Services, CARE, Protestant church groups, and many private voluntary organizations have long experience and excellent records for success in emergency humanitarian relief programs such as are now needed in Uganda.

This bill is an appropriate vehicle for lifting U.S. trade sanctions rightly imposed by Congress against the viciously totalitarian regime of Idi Amin. The legislative fight for those sanctions, incidentally, appropriate at the time, was led by our colleague, the gentleman from Ohio (Mr. PEASE) over the initial opposition of the administration, which "in principle" opposed trade sanctions in general, although it has fought long and hard—and successfully, thus far—to maintain U.S. sanctions against another African government, the newly elected regime of Bishop Abel Muzorewa in Zimbabwe.●

Mr. BINGHAM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. SEIBERLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, SEPTEMBER 12, 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture may sit tomorrow, Wednesday, September 12, 1979, during consideration under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DELETION OF NAME FROM LIST OF COSPONSORS ON H.R. 5050

Mrs. FENWICK. Mr. Speaker, I was erroneously listed as a cosponsor on the bill H.R. 5050, and ask unanimous consent that my name be deleted from the list of cosponsors on that bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

REPORT ON PROJECTED DEFENSE DEPARTMENT SPENDING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-184)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, without objection, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am sure you agree with me that we cannot effectively safeguard U.S. legitimate interests abroad nor pursue safely peace, justice and order at home unless our national security is protected by adequate defenses. The fundamental responsibility of the President—a responsibility shared with Congress—is to maintain defenses adequate to provide for the national security of the United States. In meeting that responsibility, this Administration moved promptly and vigorously to reverse the downward trend in U.S. defense efforts. This is demonstrated by an examination of the trends in real defense expenditures since the mid 1960s. At NATO Summits in May 1977 and 1978 we persuaded our allies to join with us in endorsing a goal three percent real annual growth in defense outlays and an ambitious Long Term Defense Program for the Alliance. Together these represented a turning point, not only for the United States, but the whole Alliance.

For our part, we moved promptly to act on this resolve. We authorized production of XM-1 tanks; we greatly increased the number of anti-tank guided missiles; we deployed F-15s and additional F-111s to Europe, along with equipment for additional ground forces. We reduced the backlog of ships in overhaul and settled contractual disputes that threatened to halt shipbuilding progress. In strategic systems, we accelerated development and began procurement of long range air-launched cruise missiles, began the deployment of Trident I missiles, and have begun the modernization of our ICBM force with the commitment to deploy the MX missile in a survivable basing mode for it.

These and other initiatives were the building blocks for a determined program to assure that the United States remains militarily strong. The FY 1980 budget submission of last January was designed to continue that program. In subsequent months, however, inflation has run at higher levels than those assumed in the cost calculations associated with that defense program. Accordingly, I plan to send promptly to the Congress a defense budget amendment to restore enough funds to continue in FY 1980 to carry out the Administration's defense program based on our current best estimate of the inflation that will be experienced during the fiscal year. Although the detailed calculations needed to prepare an amendment are still in progress, I expect that the amount of the amendment will be about $2.7 billion in Budget Authority above the Administration's January 1979 budget request.

Correcting for inflation is not enough in itself to assure that we continue an adequate defense program through FY 1980. We must also have the program and the funds authorized and appropriated, substantially as they were submitted. Therefore, in the course of Congressional consideration of the second budget resolution, I will support ceilings for the National Defense Function for FY 1980 of $141.2 billion in Budget Authority and $130.6 billion in outlays. I will also request that the Congress support the Administration's FY 1980 defense program and, in particular, that the Appropriation Committees actually appropriate the funds needed to carry it out.

Furthermore, in FY 1981 I plan a further real increase in defense spending. The Defense Department is working on the details of that budget. It would, therefore, be premature to describe the features of that budget beyond noting that it will continue the broad thrust of our defense program, and that I intend to continue to support our mutual commitment with our NATO Allies.

While this defense program is adequate, it is clear that we could spend even more and thereby gain more military capability. But national security involves more than sheer military capability; there are other legitimate demands on our budget resources. These competing priorities will always be with us within the vast array of budget decisions both the Congress and the President are called upon to make. Defense outlays are actually lower in constant dollars than they were in 1963, and a much lower percentage of the gross national product (5% compared with 9%). There are those that think this has caused a decline in American military might and that the military balance has now tipped against us. I do not believe this to be so, but I am concerned about the trends. I believe that it is necessary for us to act now to reverse these trends.

The Secretary of Defense will be presenting to the Congress over the coming months the highlights of our defense program in terms of the goals we think we should achieve and the Five-Year Defense Program we plan to achieve them.

In this context he will point out, among many other items, how MX and our other strategic programs will contribute to the maintenance of essential equivalence between the central strategic forces of the United States and Soviet Union, how we plan to modernize theater nuclear forces in cooperation with our NATO allies, how our general purpose forces programs contribute both to our military capability to support our NATO allies and rapidly to deploy forces to defend our vital interests elsewhere.

That presentation can serve as the basis for future discussions (including open testimony) that will allow us to build the national consensus that is the fundamental prerequisite of a strong and secure America.

JIMMY CARTER.

The WHITE HOUSE, *September 11, 1979.*

□ 1210
REPUBLICANS, RUSSIANS, AND CUBA

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, former President Ford has uttered remarks about the presence of Russian troops in Cuba that are calculated to gain political advantage. But those same remarks ignore the realities of history, reveal a callous indifference toward the need for responsibility from a former president, and uselessly complicate the execution of U.S. policy.

The former President knows, or should know, of the secret deals made by Secretary Rogers and President Nixon in the latter part of 1970, when there was a sharp increase in the concentration of Russian troops on that island. There is nothing new about Russian troops there; the revelations of the past few days are not news at all. This entire episode is intended merely to embarrass a President who appears vulnerable.

Everyone knows, or should know, that Cuba is hardly an independent state. Cuba is and has for years been at the beck and call of its Russian masters. Cuba is financed by the Russians, it is organized by them, and its policies are evolved in clear response to the demands of Moscow. None of that is new. The so-called brigade is not new, either, nor does its presence make any difference in the servile condition of the Cuban Government. If that island had the independence of spirit of even the weakest canary, all it need do is ask the Russian troops to leave. Would they do so? It is a question that can be raised best with Havana. Why do they need the Russians? Do they really want them there?

For ourselves the questions to ask are what about the deals that have been made not by this but by previous administrations to accommodate the Russians in Cuba? For accommodation there has been, and it has been there at least since 1970.

If we have concerns, let us speak to them in truth and in good conscience. That is assuredly the least we should expect from a man like Mr. Ford.

As to Castro, my immediate concern is that the United States should discourage him from his projected plans to visit New York. Our Government should let him know that there are serious threats against him, and that there is no assurance that he could be protected while here. We cannot protect our own judges. Mr. Castro may have to be admitted to the environs of the United Nations, as would any other head of state, even one as servile as he. But our Government has an obligation to inform such vistors of any threat to their safety. Mr. Castro is threatened, and he should not come here, for there is no assurance that he could be protected.

FULL UTILIZATION OF NEW MELONES RESERVOIR

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUMWAY. Mr. Speaker, I stand before my colleagues today to apprise them of a situation within my congressional district.

There exists a dam on the Stanislaus River which was authorized in 1962 by the 87th Congress. The U.S. Army Corps of Engineers is nearing completion of the construction phase and the project's management will soon be turned over to

the Bureau of Reclamation. As many of my California colleagues already know, the filling of the New Melones Dam has been an issue of great controversy because the reservoir which will be created will inhibit the white water portion of the Stanislaus River.

As an early supporter of the project and while a county supervisor in adjacent San Joaquin County, I feel this dam is vital to our community because of the project's inherent benefits.

In 1974 a statewide initiative was held on this very issue: whether or not to fill the dam, and the voters of California approved of the project's completion—hence showing their support for its filling.

However, the New Melones project is currently stalled in court due to a legal battle between the State of California and the United States. Until this case is decided, the potential utilization of the reservoir is being wasted.

The mail I have received on this issue, like the 1974 initiative, shows a clear support for filling the reservoir. In order to provide my colleagues with a synopsis of the positive aspects of New Melones, I am inserting into the RECORD a resolution sent to me recently by the Delta Water Users Association of Stockton, Calif.:

RESOLUTION RECOMMENDING THE FULL UTILIZATION AT THE EARLIEST POSSIBLE DATE OF THE NEW MELONES RESERVOIR

Whereas, the New Melones Reservoir was authorized by the U.S. Congress in 1962 and has now been constructed by the U.S. Corps of Army Engineers; and

Whereas, upon the completion of the construction of the New Melones Reservoir, no valid reason appears to this Association why the same should not be used to provide flood control protection, hydro-electric power, and water conservation as intended by the legislation which authorized the same.

Now, therefore, be it resolved and ordered by the Directors of this Delta Water Users Association as follows:

1. That the New Melones Reservoir has now been completed at the expense of the taxpayers and the prompt maximum utilization of its capacity will provide many benefits, including the following:

(a) Clean hydro-electric power;

(b) Flood control benefits downstream from the Reservoir;

(c) Improved water quality in the lower San Joaquin River and southern Delta;

(d) Net daily downstream flows in the lower San Joaquin River and southen Delta channels;

(e) Water available for CVP and SWP export via the CVP and SWP pumps near Tracy;

(f) Enhancement of the fishery; and

(g) Downstream benefits in the central and western portions of the Delta.

2. That in addition to the many benefits that will be provided by the maximum utilization of the New Melones Reservoir, such benefits may be provided without the necessity of the use of electrical energy for pumping.

3. The Board of Directors of this Agency urges that all public officials use their best efforts to assure at the earliest possible date the maximum utilization of the New Melones Reservoir in order that the many benefits to be provided thereby may be provided without unnecessary delay.

□ 1750

Mr. KEMP. Mr. Speaker, I ask unanimous consent that my special order might precede that of my colleague, the gentleman from Oklahoma (Mr. EDWARDS).

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from New York?

There was no objection.

CONGRESS MUST NOT ALLOW THE FTC TO THREATEN THE JOBS AND THE BARGAINING RIGHTS OF AMERICAN WORKERS

The SPEAKER pro tempore (Mr. BRADEMAS). Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, on Thursday, September 6, along with my colleagues HOWARD WOLPE of Michigan, BOB WALKER of Pennsylvania, LUD ASHLEY of Ohio, JOHN CAVANAUGH of Nebraska, and JAMES OBERSTAR of Minnesota, I met with representatives of the American Federation of Grain Millers; the International Brotherhood of Teamsters, the Warehousemen, Chauffeurs and Helpers of America; the United Rubber Workers; the Retail, Wholesale and Department Store Union; the Baker and Confectionery Workers Union; the Food and Beverage Trades Department; and the American Flint Glass Workers Union. I congratulate Mr. WOLPE for his efforts and leadership.

Among those present were Kenneth J. Mulhisen, president and secretary-treasurer of the American Federation of Grain Millers, Local 36 of Buffalo, Walter C. Wojcik, business representative of Local 26, Robert Willis, executive vice president of the Grain Millers International Union, and Lenore Miller, vice president of the Retail, Wholesale and Department Store Union, AFL–CIO.

Frankly, I found it outrageous that we had to convene such a meeting.

The topic: The Federal Trade Commission's "Shared Monopoly" suit against three ready-to-eat (RTE) cereal manufacturers, General Mills, General Foods, and the Kellogg Co.

I am deeply concerned at what appears to me as a Federal proceeding operating in a vacuum at the same time it threatens the unemployment of more than 2,600 workers in the cereal industry alone.

The FTC does many stupid things in pursuit of its regulatory authority. But, in my opinion, it is unconscionable and stupid that it would ignore the potential joblessness of 650 workers of General Mills, 1,400 employees of Kellogg's, and 600 workers of General Foods, not to mention the threat of layoffs to many hundreds of additional workers involved in transportation and other activities supporting the supply and marketing of the FTC-targeted cereal companies, particularly at a time of economic duress in this Nation.

I do not believe that economics—as it affects hard-won bargaining rights of working men and women, their job security, pensions, insurance, seniority and working conditions—should be some abstract game played by Federal employees in Washington. I cannot understand the FTC's denial of the Grain Millers' motion to fully intervene in the divestiture proceeding. Who else, I am compelled to ask, has a greater interest in the pending action than the workers and their families who are confronted with the loss of their livelihoods, benefits, and even uprooting from their communities?

I find the FTC's record statement that "employees have no overriding right to perpetual employment" or the statement that Grain Millers' interests "are wholly irrelevant to the issues in this case" to be callous in the extreme. I do not think that FTC employees, or Commissioners for that matter, would accept the abrogation of their own rights of employment, pensions, and benefits without recourse.

HISTORY OF FTC ACTION

Since 1972, the Federal Trade Commission (FTC) has conducted an anti-monopoly administrative law case against four cereal manufacturers, Kellogg Co., General Mills, Inc., General Foods Corp., and the Quaker Oats Co., in which FTC charges that these companies have maintained "a highly concentrated, noncompetitive market structure in the production and sale of RTE (ready-to-eat) cereal" and "share monopoly power in, and have monopolized, the production and sale of RTE cereal market," all in violation of section 5 of the Federal Trade Commission Act. The Quaker Oats Co. was subsequently dropped from the case upon petition to the FTC.

Leaving aside the propriety of the FTC to conduct this investigation on the basis of the market facts presented, sizable evidence has amassed which indicates that this whole procedure was politically motivated and designed to insure long-term employment for the FTC staff. In the June 14, 1976, issue of Newsweek magazine, former FTC staffer, Charles E. Mueller, who was in on the ground floor of this lawsuit stated:

> I didn't pick the auto or petroleum industry because they have too much political clout. The cereal industry didn't have the political muscle to muddy the waters. . . .

UNION CONTRACTS THREATENED

The FTC has proposed that, should it find that monopolistic practices exist among the big three cereal manufacturers, these companies must divest several plants so that five new firms are created by spinoff, three from Kellogg's assets, one from General Mills, and one from General Foods. What this really means, however, is that 2,650 workers face the potential loss of their jobs, and even if they are hired by the new firms, there is no assurance that existing union contracts will be in force.

Before coming to the Congress, I was cofounder of the AFL Players Association and helped to negotiate the first comprehensive contract in professional football. Believe me when I say I understand how hard it is to hammer out contracts. And I believe that once contracts are signed, they must not be subject to outside interference, especially by taxpaid officials at any level of Government, be it Federal, State, or local. As a Member of Congress, I am convinced that I and my colleagues have the duty to protect workers' rights under the time-honored Labor Relations Act.

What constitutes a monopoly is not the central issue here. Whether the three, aforementioned cereal producing firms, along with Nabisco, Quaker Oats, Ralston and other competitors are inhibiting competition or stimulating competition are matters that must be decided on the merits of this case. Whether or not pricing patterns are the result of competition or some formula or novel view of FTC officials—or whether a firm's bigness or smallness is good or bad—is not our primary concern. I say this despite my serious reservations about the possibilities of regulatory overkill in the free enterprise system. However, if there exists serious evidence of a monopoly in the view of the FTC, why has not the FTC turned over its investigation to the Justice Department's Antitrust Division instead of letting it drag on for 7 years? And equally as important, why has not the FTC determined how many firms—5, 10, or whatever—constitute competition or monopoly?

The FTC is waging war on workers and business alike and all in the name of "consumerism." Well, workers are consumers to, Mr. Speaker.

The immediate issue with which we are concerned is this. Whether or not working men or women have the right to be protected against the arbitrary termination of their careers and their contractual rights under law. Unless the FTC allows full participation by the Grain Millers and other interested unions in the ongoing proceeding—including the right of counsel to present and cross-examine witnesses—I believe these rights to protection will be in jeopardy. The decision of the administrative law judge and the Commission to authorize the union to present its views in amicus curiae briefs in response to my letter to FTC Commissioner Michael Pertschuk is only a partial solution, as no cross-examining or presenting of witnesses will be likely to be allowed by the union under this procedure.

I say that the grain milling employees in Buffalo will not go the way of the Federal Glass Co. employees in Columbus, Ohio, because of FTC interference which closed down the plant employing 1,500 persons. I say that, in concert with my congressional colleagues and as a representative of the workers directly and indirectly involved in this case, I will exert every effort, legislatively and otherwise, to assure a full voice for their rights in this proceeding.

I would like to enter for the RECORD at this time some of the statements of the union representatives at this morning's meeting on this most serious jobs issue, as well as the correspondence Edward J. Rutkowski, executive of Erie County, N.Y., Buffalo Mayor James D. Griffin, others, and myself have had with FTC Commissioner Michael Pertschuk:

STATEMENT OF ROBERT WILLIS, EXECUTIVE VICE PRESIDENT OF THE AMERICAN FEDERATION OF GRAIN MILLERS INTERNATIONAL UNION

I would like to introduce representatives of the Grain Miller Local Unions which represent the employees from the various plants involved in the cereal divestiture case of FTC.

The Grain Millers requested this caucus because the FTC refused to let us intervene as a party in the anti-trust suit against the manufacturers of ready-to-eat cereal.

In 1972, FTC began its case against the companies of Kelloggs, General Mills, General Foods and Quaker Oats, charging them with a violation of section V of the Federal Trade Commission Act. The charge was based on a new and unique theory by FTC that the four companies were involved in a so-called shared monopoly of the industry.

While the Grain Millers were aware of the FTC suit, we did not realize what was taking place in the court room. We did not believe the FTC case would have any affect on our Union or our jobs. We sat on the sidelines with others and read about the FTC spending $5 million dollars on the case, and at a combined cost to the taxpayers and to the companies involved of over $15 million dollars as of November, 1978.

The original charge and the remedy proposed by FTC was vague. However, in their trial brief dated April 3, 1976, the FTC became specific about the remedy they were seeking in the case. Five new companies were to be created from assets of Kelloggs, General Mills and General Foods. Kelloggs would be required to sell their plants at Memphis, Tennessee, San Leandro, California and Omaha, Nebraska. General Mills would be required to sell its South Chicago plant. The plant involved from General Foods was not identified. The new company at Memphis, Tennessee would be given the exclusive rights to manufacture Rice Krispies. The new plant at San Leandro would be given the exclusive right to manufacture Special K. The South Chicago plant of General Mills would be given the exclusive right to manufacture Wheaties, and the other company would be given similar brands. The companies involved would be required to license their existing brands, trademarks, and future brands or trademarks on a royalty-free basis for a specified period of time. They would also be required to provide know-how as might be required for, or useful in, such manufacture, distribution and sale.

In the latter part of 1977, we learned that the Kellogg Company had contracted an independent agency to conduct a job impact study, and we requested the information from Kellogg under the National Labor Relations Act.

After receiving the results of the study, we realized the impact upon our members if the FTC was successful in their proposed remedy. The immediate loss of jobs was estimated at 2,650. At this point the Grain Millers requested our attorneys to investigate the case and its affects upon our members. Our attorney informed us that in addition to the loss of jobs if the FTC was successful in creating five new cereal companies, the new companies would be under no obligation, under the successor doctrine, to rehire present employees, or to honor our present contracts, some of which have been in existence since 1937.

On February 24, 1978, FTC dismissed Quaker Oats as a party to the proceeding because although Quaker had also participated in unlawful conduct as charged, the relief requested was not required to "restore competition" to the industry. Also involved was the fact that Quaker Oats had more than quadrupled its share of the market from 2% to 9% during the previous 12 years. This, of course, was contrary to the FTC theory that a small company could not enter the market and survive.

On April 10, 1978, we filed a Motion to Intervene as a party in the case in order to protect the jobs and rights of our members. On June 9, 1978, Judge Hinkes, the FTC Judge in the case, refused to permit us to intervene in the case as a full party. In the FTC Trial Brief, the FTC said that "employees have no overriding right to perpetual employment on the same or any other basis".

In denying us the right to intervene, Judge Hinkes said "complaint counsel do not disagree with the International Union's legal and factual assertions about the consequences of the proposed relief".

When we received the Hinkes' decision, we were appalled. With so much at stake, we could not believe FTC would refuse to let us intervene.

Later on we learned of the separate contract Judge Hinkes made with the FTC which would allow him to remain on the case after his retirement from the Federal Trade Commission in order to finish this one case. According to the information we have, Judge Hinkes was in the process of negotiating this agreement during the time he was considering our Motion to Intervene. The contract, as we understand it, was for a specified sum of money to complete the case. We cannot help but wonder if Judge Hinkes' decision was influenced by the terms of the contract he was negotiating with FTC.

We question FTC's involvement in an area where they have no jurisdiction; that is, the National Labor Relations Act. The Grain Millers is the certified bargaining agent for the employees at four of the plants which FTC wants the cereal companies to spin off. If the divestiture takes place, the new companies would be under no obligation to rehire present employees, and it is quite conceivable that some or all of the new companies might decide to get by without a Union.

In the event that the company decided to hire less than 50% of the present employees, they would be under no obligation to recognize the Union as bargaining agent.

The Master Agreements currently in effect for both Kelloggs and General Mills would become void. These contracts were negotiated in good faith under the National Labor Relations Act. We do not believe that the FTC should have the right to literally tear up these contracts.

We are here today because the legal process with FTC has failed. We ask for your help because we do not want to see our members lose their jobs, their wages, benefits and other contractual rights which we have negotiated over the years.

You are our elected representatives. Our members and the cities and States where these plants are located are depending on you.

We hope that you will use whatever means are available to assure preservation of our jobs, contracts, wages, pensions, and other benefits.

We believe the F.T.C. has a responsibility to conduct a study of their proposed remedy in this case and to amend it as necessary to provide minimum guarantees which will assure:

1. That there will be no loss of jobs or revenue to the cities and states involved.

2. That our members will continue to be covered by their present contracts, maintaining their current levels of wages, pensions, benefits, and other conditions of employment.

On behalf of the American Federation of Grain Millers and our members, I want to thank you for hearing our case against the FTC.

STATEMENT OF LENORE MILLER, VICE PRESIDENT AND ASSISTANT TO ALVIN E. HEAPS, PRESIDENT OF THE RETAIL, WHOLESALE AND DEPARTMENT STORE UNION, AFL–CIO

In 1972, the Federal Trade Commission initiated a proceeding against the Kellogg, General Mills, General Foods and Quaker Oats companies. The FTC charged that the

companies had "a highly concentrated, noncompetitive market structure," and that they "shared monopoly power in, and have monopolized, the production and sales of the ready-to-eat cereal market," in violation of the FTC act. In March, 1976, Quaker Oats was released as a defendant.

If the remaining three respondents in the case are found culpable as charged, the FTC proposes to order divestiture of several of the plants operated by the respondents and also to divert a percentage of production from the remaining plants to the new competitors the divestitures are designed to create. The FTC also proposes certain restraints in the marketing practices of respondents.

The trial of the matter, in suspension pending assignment of a new administrative law judge, is scheduled to resume on October 1, 1979.

Our delegation represents the Retail, Wholesale and Department Store Union, AFL–CIO and more particularly the members of Cereal, Bakery and Food Workers Local 374, an affiliate of our International Union. The local represents production and maintenance workers at the General Foods Post plant in Battle Creek, Michigan. We turn in protest to you partly because the FTC has denied permission to the unions to intervene in the case.

The action the FTC proposes against the three major producers in the cereal industry will arbitrarily take almost 600 jobs away from our members in the Post plant in Battle Creek, and many hundreds more in other cereal plants in that close-knit community.

Such a surgery on Battle Creek, long dependent on the cereal industry, would be a harsh one. At the Post plant alone, the cutback in production proposed by the FTC would represent a 31.2 percent reduction in jobs.

The loss of payroll from this, and from cutbacks in other cereal plants in Battle Creek, plus spinoff layoffs, will cruelly affect the entire community. It will be merciless on those who will be laid off at the cereal plants. The direct loss of jobs will be among the younger workers, those just beginning to establish families, beginning to acquire homes, beginning to settle down to productive lives in a community to which they owe their roots.

And the older workers that remain at work will also suffer. Many of them will be transferred to lower paying jobs, forcing them to abandon skills they acquired in long years of service with their employer. Even more significant, the pensions that they have been expecting to receive in their retirement years will be endangered. With the work force reduced, it will leave a much higher percentage of older individuals who, in a relatively short period of time, will be drawing on the pension fund—without the solvency of those funds being bolstered by the presence of younger workers more distantly eligible for pensions. This actuarial imbalance can cut benefits and perhaps scuttle the pension programs entirely.

In view of the injurious impact on the workers of the FTC proposals to curtail production in the parent plants in Battle Creek, it is outrageous that the FTC, over the course of its lengthy proceedings in this matter, has rejected union appeals to intervene. Such appeals have been met with the callous comment that the unions and their members working in the affected plants have "no direct interest" in the matter.

We say, the workers have as direct an interest as anyone, in fact—more. Their interest lies in their jobs, their very livelihoods and the security of their old age. Their interest, it seems to us, is more direct and vital than, say, the profits of the companies involved or of the unnamed entrepreneurs the FTC suggests should enter the cereal industry.

There is another area of concern in this matter that is important to us and should be the concern of this committee and your colleagues in the Congress as a whole. We speak of the need to preserve a viable economy in the "frost belt" of our country, a section that steadily over recent years has been losing jobs to the so-called "Sunbelt." The proposals of the FTC would abet this departure of employment, would willfully force a migration of jobs, with no concern for the region losing them.

It is well and good to develop new jobs in the South and elsewhere, but the historic economic imbalance geographically prevailing in our nation cannot be remedied by diminishing the economy of one region to increase it in another. Such reverse imbalance does no service to the nation. To see the FTC deliberately set out to pursue this course of dislocation is distressing to demographers and economists alike.

Another area of concern to us, as unionists, is that the proposals of the FTC whether intentional or not, are union-busting proposals.

The plants involved in the divestiture proposed by the FTC are unionized. Since the FTC wants to insist that this divestiture be complete, with legal umbilicals to the divestors completely severed, no residual rights will remain with the workers and no responsibilities incumbent on the divesting parties. New owners of divested plants will be legally free to deny recognition and union contracts to workers who now are organized in those units. We deplore the invitation to union-busting that the FTC's scheme offers.

All we ask is that our members in Battle Creek, and other union members in that threatened community, as well as those elsewhere in respondents' plants, be permitted to retain their jobs and their union conditions of work.

It is not for us to defend against the allegations made by the FTC concerning the respondents. Undoubtedly, respondents are capable of defending themselves.

Suffice it to say, that any sacrifice of the public interest that can be shown by reason of the methods of business allegedly conducted by the respondents can be corrected by actions not as drastic, disruptive, dire and draconian as the measures proposed by the FTC.

For instance, if it can be shown that any or all of them are monopolizing shelf space in retail outlets, certain enforceable regulations can be found to correct such practices. If it can be shown that certain advertising campaigns are discouraging to free competition, that, too, can be remedied by regulatory enactment. Likewise, any other validated complaint about any business practice of respondents can be dealt with on a specific basis.

This case has been dragging on for many years, at a cost of many millions of dollars to the taxpayers of this nation and of untold anxiety to thousands of workers in the employ of the respondents. At least one respondent has declared that an unfavorable decision by the FTC would send respondents to court on appeal, thus burdening the taxpayers with additional costs and prolonging the agony of workers nowhere charged with wrongdoing. It seems to us that reasonable parties could stipulate an agreement that would safeguard the public's interest without bringing acute distress to the community of Battle Creek and irreparable harm to respondents' employees.

Your committee is urgently and respectfully solicited to use its good offices to assure that no harm befalls the employees of the respondents, that no demographic or economic dislocation emerges from this matter, and that union-busting is not encouraged by any proposal put forth by the FTC.

We seek only justice. We ask no special advantage. Our members want only honest work on an honest product. Won't you help us?

LETTER OF EDWARD J. RUTKOWSKI, EXECUTIVE OF ERIE COUNTY, N.Y.; BUFFALO MAYOR JAMES D. GRIFFIN; KENNETH J. MULHISEN, PRESIDENT LOCAL 36, AMERICAN FEDERATION OF GRAIN MILLERS (AFGM); PETER J. RYBKA, INTERNATIONAL VICE PRESIDENT, AFGM; WALTER C. WOJCIK, BUSINESS REPRESENTATIVE, LOCAL 36, AND WILLIAM J. DONOHUE, EXECUTIVE DIRECTOR OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO MICHAEL PERTSCHUK, CHAIRMAN OF THE FTC.

AUGUST 30, 1979.

Re Pending Cereal Market Case.

MICHAEL PERTSCHUK,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR CHAIRMAN PERTSCHUK: The Federal Trade Commission's law suit against Kellogg, General Mills and General Foods conflicts with the Federal Government's efforts to revitalize the Buffalo area economy by causing 160 General Mills jobs in Buffalo to be eliminated. Therefore, we strongly urge the FTC to desist in its efforts to force these companies to divest 6 plants.

By way of background, the Buffalo area has a long standing reputation as an economically declining heavy industrial area. Approximately 88 factories closed in the 1969–78 period, resulting in the loss of more than 16,000 jobs. During 1977 alone 7 plants closed resulting in the loss of nearly 4,300 jobs. In response, the Erie County Industrial Development Agency has devised an economic readjustment strategy.

The result—a superplan which hopes to turn $35 million of public sector seed money into $77 million of private sector investment. Over the next four to five years, this $112 million package will create and retain eight to ten thousand manufacturing jobs. Despite this positive influence, our growth rate will remain below the national average. Therefore, there is no margin for error.

A key element to our strategy is to retain our flour milling and cereal processing jobs. To accomplish this, we have established the Freight Rate Coalition to (a) oppose proposals, such as this, that adversely affect employment and, (b) to initiate offensive strategies. The bottom line: we are working toward retaining existing employment, and toward encouraging additional investment and jobs.

In this instance General Mills has been a good neighbor. We would like it to remain and we cannot accept FTC's attempts to take away 160 of our jobs.

We are amazed with FTC's insensitivity toward the welfare of thousands of workers in several communities throughout the United States. We see no reason why FTC rejected the Grain Miller's motion to intervene and trust FTC representatives will not only meet with union representatives on September 5 and 6, but will decide not to pursue this economically destructive case.

We look forward to an expeditious response.

Very truly yours,
James D. Griffin, Mayor, City of Buffalo; William J. Donohue, Executive Director, ECIDA; Edward J. Rutkowski, Erie County Executive; Walter C. Wojcik, Business Rep., Local 36; Peter J. Rybka, International Vice President, Am. Fed. of Grain Millers; and Kenneth J. Mulhisen, President, Local 36.

At this point, Mr. Speaker, I would like to yield to my friend and colleague, the gentleman from Michigan (Mr. WOLPE), who has taken such stand for his own

hard-working people not only in his own district but for my people in Buffalo who are involved in this battle.

Mr. WOLPE. I thank the gentleman. I want to begin by commending the gentleman from New York (Mr. KEMP) for requesting this special order to draw to the attention of our colleagues what is an issue that really ought to be taken very seriously by this Congress, as well as a whole variety of concerns that have been presented to us by the workers in the communities that would be most directly affected by the outcome of this case. I think this is a matter we should be tending to most carefully.

Mr. Speaker, let me begin by saying that, personally, I do not believe that the FTC has presented a case justifying a breakup of the cereal industry. But since the regulatory proceedings deciding this question are still in progress, I want to focus on the immediate issue of due process, both as it relates to the rights of intervention, and as it relates to the careful consideration of the impact a breakup would have on the jobs, and the local economies where cereal industry plants are located.

Since the FTC initiated its case against the cereal industry 7 years ago, many difficult issues and controversial questions have been raised. Whatever resolution is ultimately reached in this case, one thing remains clear—a decision against the cereal industry could have a profound economic impact on the workers within the industry and the communities in which they live.

Amazingly, however, the unions have been denied the right of intervention in the regulatory proceedings, despite the fact that what is at issue in these proceedings is not only the question of whether or not the cereal industry is in violation of Federal laws prohibiting unfair methods of competition, but also, if it should be determined that violations have occurred, the merits of the proposed remedies. To deny the involvement of the industry workers in an assessment of the impact of alternative remedies that could profoundly affect their lives—either through job loss or through serious damage to retirement benefits and other economic rights that have evolved out of collective bargaining agreements—is to me incomprehensible.

Denying intervention will not make these problems go away. It is imperative that we understand the potential impact of proposed remedies so that we can anticipate and avert any difficulties down the road. Clearly, the workers are justified in their desire for involvement in this issue.

A forum was organized last week with the intent of providing an opportunity for the workers, who will be affected if a breakup of the cereal industry does occur, to express their concerns about the potential for a major negative impact on employment and on the economic health of their communities.

It is my hope that my colleagues will study the testimony given at this forum, which we inserted in the RECORD today. The concerns of these workers are legitimate; they are serious, and they present major questions and challenges for all of us in this Congress.

It is my very strong belief that the FTC seriously erred in denying the petition to intervene in the regulatory proceedings. It is my hope that the FTC will reconsider its decision so that the concerns of the workers will be fully aired and given the careful consideration they deserve.

I am most appreciative for the very fine work the gentleman from New York (Mr. KEMP) has put into drawing this matter to the attention of our colleagues in the House. I also want to draw attention to the participation of and cosponsorship by the Senators from Michigan, Mr. RIEGLE and Mr. LEVIN, and the Senator from Nebraska, Mr. EXON, in addition to those previously mentioned.

Mr. KEMP. I thank the gentleman for his comments.

Again, I appreciate his efforts on behalf of the people of his own district as well as the hard-working men and women of my district.

I now yield to my friend, the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. I thank the gentleman for yielding.

I also compliment my colleague, the gentleman from Michigan (Mr. WOLPE) in commending the gentleman from New York (Mr. KEMP), as well as commending the gentleman from Michigan (Mr. WOLPE), for the leadership that they have shown here. It is essential that we focus the attention of the Congress and the country on the actions of the FTC, and particularly with regard to the due process rights of the employees in this industry. It is absolutely intolerable, I believe, from any perspective of justice that these employees' bargained rights, long coming over the past several years, can be wiped out without any ability for them to participate in the legal process to determine the outcome. In Omaha, Nebr., in the Kellogg plants there are more than 800 employees with a payroll of $10 million. Erosion of the terms of their employment would have a significant effect not only upon their lives but on the entire economy of my city and my State.

So I commend the gentleman from New York (Mr. KEMP) for taking the time to direct the attention of the Congress and the country to this most critical issue, in the hope that our efforts might make some impact on the outcome of these proceedings, in the extension of basic fairness in allowing these employees to be heard.

Mr. KEMP. The gentleman has made a real contribution to the effort. I appreciate that. He not only talks about fairness, but economic conditions in our country today do not allow anyone to play cavalierly with the jobs of thousands of people, because unemployment is predicted to go up almost 8 percent. It seems to me unconscionable that we could also voluntarily lose jobs in an industry such as this that is so precarious. So the efforts of the gentleman from Nebraska (Mr. CAVANAUGH), as well as those of our colleagues from Michigan, are very appreciated.

● Mr. NOWAK. Mr. Speaker, much has been said, in recent years, about the regulations and regulatory bodies of the Federal Government. Employers argue that overregulation causes undue hardship and unnecessary expenditure. Consumers consider Federal regulation a factor in the increased cost of products. Elected officials, including many in this body, feel regulations are inhibiting the private sector, thereby making difficult their economic development activities. Comments about the insensitivity of regulators echo in all areas of our national community.

The specific case I address today clearly illustrates these concerns are not without foundation.

The American Federation of Grain Millers, on September 5, demonstrated at the headquarters of the Federal Trade Commission to protest the potential loss of 2,600 jobs in the ready-to-eat cereal industry, a loss that could result from the FTC's pending divestiture case against the industry. This case was initiated in 1972 and charges that the ready-to-eat cereal industry is a monopoly under section 5 of the Federal Trade Commission Act.

The FTC proposes that five new firms should be created by spinoff, three from Kellogg's assets, one from General Mills' assets, and one from General Foods' assets. The three firms to be created from Kellogg's assets would be created, respectively, from the Memphis, San Leandro, and Omaha plants. Further, the Memphis firm would be assigned the exclusive rights to manufacture and sell Rice Krispies; the San Leandro firm would be assinged exclusive rights to manufacture and sell Special K; and the Omaha firm would be assigned exclusive rights to manufacture and sell "comparable brands." The firm to be created from the assets of General Mills would be created from its South Chicago plant and would be assigned exclusive rights to the Wheaties brand. Since General Foods had only one cereal plant at the time, the trial brief indicated that "the details of plant divestiture from General Foods will be developed at the trial".

The Grain Millers have presented to various Members of the House and Senate their case against the FTC. I submit that document for inclusion in the RECORD:

GRAIN MILLERS CASE AGAINST FTC

First we want to make one thing clear. We are not protecting the FTC's right to bring suit against the cereal companies under the Federal Trade Commission Act, or to pass judgment as to the guilt or innocence of the companies involved. This is properly a matter for the FTC and the Courts to decide. We are protesting:

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Let's be more specific.

1. FTC's involvement under the National Labor Relations Act.

What we are talking about here is the effect that FTC's position would have if they are successful in spinning off five of the existing plants and the creation of five new cereal companies. The plants affected which are represented by the Grain Millers are the San Leandro, California, Memphis, Tennessee and Omaha, Nebraska plants of Kellogg, and the South Chicago, Illinois plant of General Mills. The Grain Millers is the recognized bargaining agent of each of these plants certified under the National Labor Relations Act. If FTC is successful and the new companies are created, these new companies would be under no obligation to rehire present employees, and it is quite conceivable that some or all of these new companies might decide to try to get by without a union. In the event that the company decided to hire less than 50 percent of the present employees, they would be under no obligation to recognize the Union as the bargaining agent.

2. FTC's complete disregard and lack of concern for the welfare of thousands of employees who will lose their jobs if FTC is successful in obtaining the remedy sought in this case.

According to independent job impact studies, approximately 2,650 employees will be immediately ousted from their jobs; 1,400 of these from Kellogg, 650 from General Mills and 600 from General Foods. FTC does not dispute the estimated job losses resulting from the proposed remedy and have termed it "noncontroversial".

FTC also stated "That employees have no overriding right to perpetual employment on the same or any other terms". An example of FTC's complete disregard for people who lose their jobs as a result of action taken by the FTC is the needless death of Federal Glass. In the name of promoting competition, the FTC stymied a plan to sell Federal Glass Company in Columbus, Ohio. As a result, a factory that employed 1,500 people has been shut down and many of these employees are drawing welfare today.

3. FTC's complete disregard and lack of concern for the welfare of the employees working at the five plants which FTC wants to spin off into five new companies.

The employees at the four Grain Miller plants involved are covered under Master Agreements, some of which have been in existence since 1937. The Master Agreements cover such items as pensions, insurance, holidays, vacations, seniority, etc. The employees are also covered by individual Supplemental Agreements at each plant which cover wages and working conditions. All contracts have been negotiated in good faith under the National Labor Relations Act. If FTC is successful, the effect would be the same as if they were to literally tear up each contract. The new companies would be under no obligation to continue any of the contracts. Even if the Union were recognized by the company as bargaining representative, wages, pensions, benefits and all working conditions would be subject to renegotiation.

4. FTC's refusal to allow the Grain Millers International to intervene in this case.

On April 10, 1978 the American Federation of Grain Millers filed a motion with FTC to intervene in the case. Despite the potential loss of Grain Miller membership and the literal destruction of the contracts of the four spun-off Grain Miller plants, the FTC rejected our motion to intervene. The following are quotes from the FTC Complaint Counsel's opposition to the Motion For Leave To Intervene:

"These cases make it clear that employees have no overriding right to perpetual employment on the same or any other terms. Second, the question that the Union wishes to raise is wholly irrelevant to the issues in this case."

"Nor do these conditions have any bearing on the question of the effectiveness of the proposed remedy in lowering entry barriers and restoring vigorous competition. In short, because the Union's question will shed no light on the issues raised by the complaint, the Union has failed to demonstrate that its intervention will contribute to the case."

In rejecting the Motion to Intervene, Judge Hinkes stated: "Complaint Counsel do not disagree with the International Union's legal and factual assertions about the consequences of the proposed relief."

Prior to the Grain Miller's attempt to intervene, over 26,000 pages of transcript had been taken in the case, and not one word in the transcript related to the protection or concern for the employees who would be affected by the remedy suggested by FTC.

The Grain Millers strongly believe that the employees affected have a right to be heard and to their day in court, through their authorized representative as certified by the National Labor Relations Board. We have negotiated the contracts which will be destroyed if FTC is successful. Why then should we not have a voice in the case to protect the interests and contractual rights of these employees. Thus far, FTC has refused to listen to our repeated petitions to be heard in this matter.

We will appreciate any help you may give us to correct this injustice.

ROBERT F. HABERANDT, *President*,
BEVERAGE TRADES DEPARTMENT, AFL–CIO
AMERICAN FEDERATION OF GRAIN MILLERS, AFL–CIO.

I hope my colleagues will give serious consideration to joining in supporting a sense of Congress resolution being prepared by Representative HOWARD WOLPE to address this issue. It is imperative that this body direct its attention to this case, in order that the regulatory agencies of the Federal Government receive notice that the Congress shall not be passive while our constituents are regulated out of employment.●

● Mr. LAFALCE. Mr. Speaker, I am deeply concerned about an FTC suit which not only affects the jobs of 2,600 American workers, but also affects the bargaining rights they fought long and hard to gain. It is one thing for agency lawyers to play textbook law games in Washington, but it is quite another thing to look at the effect of their actions. If the FTC's purpose is to protect the consumers of this country, then it goes without saying that it must look at the overall picture of any action it takes. Obviously, it is not doing this in this case.

The FTC's denial of the Grain Millers' motion to intervene in the divestiture proceeding is in callous disregard of its mission, and is in blatant contempt of the right of so many American workers. We have a duty to see that those who will be directly affected by the proceeding have the right to participate in that proceeding. I find it incredulous that the FTC found that these "employees have no overriding right to perpetual employment" and that the Grain Millers' interests "are wholly irrelevant to the issues in this case."

After the September 6 forum, I met with Kenneth Mulhisen, president of the American Federation of Grain Millers Local 36, of Buffalo, and Walter C. Wojcik, business representative of local 36. They gave me a complete picture of this 7-year-old proceeding and the effect it will have back home. Quite frankly, I was flabbergasted. I think it is absolutely inequitable that those who will be affected by the proceeding cannot participate in it.

I am attaching a letter I sent to Michael Pertschuk, Chairman of the FTC, and a memorandum on the history and ramifications of the proceeding so that my colleagues can see the seriousness and the magnitude of this situation:

WASHINGTON, D.C.,
September 6, 1979.

MICHAEL PERTSCHUK,
Chairman, Federal Trade Commission, Washington, D.C.

DEAR CHAIRMAN PERTSCHUK: I would like to draw your attention to the Federal Trade Commission's pending proceeding against General Foods Incorporated, General Mills, and the Kellogg Company.

Regardless of any arguments for or against the FTC action, I am deeply concerned over the prospect that as many as 2,650 workers in the cereal industry will lose their jobs as a result of the action. For this reason, I am requesting that the FTC reconsider its denial of the Grain Miller's motion to intervene in the proceeding.

I feel that the Grain Millers and the other interested unions must be represented in the proceeding so that the full impact of your decision can be gauged more precisely, and so that the rights of the workers whose jobs will be in jeopardy will be protected.

The job security, pensions, insurance, seniority rights and working conditions of thousands of men and women should not be placed in even more dire jeopardy because of their inability to directly participate in a proceeding which will drastically affect their lives.

Sincerely,

JOHN J. LAFALCE,
Member of Congress.

MEMORANDUM ON THE HISTORY OF FEDERAL TRADE COMMISSION PROCEEDING AGAINST THE CEREAL INDUSTRY

Since 1972, the Federal Trade Commission (FTC) has conducted a case against Kellogg Company, General Mills, Inc., General Foods Corporation, and the Quaker Oats Company* (the Respondents) in which the Commission charges that the Respondents have maintained "a highly concentrated, noncompetitive market structure in the production and sale of RTE (ready-to-eat) cereal" and "share monopoly power in, and have monopolized, the production and sale of RTE cereal market," all in violation of Section 5 of the Federal Trade Commission Act.

A proposal for an FTC investigation of the cereal industry came to light in the course of some hearings of the House Small Business Committee which published memoranda of the FTC's Division of General Trade Restraints urging an investigation of "highly concentrated industries". Included (on a national basis) in the proposal for investigation were "Breakfast Cereals", "Gasoline", "Office Copying Industry", "Auto Parts Industry", "Razor Blade Industry" and "Television Network Industry". Although the "Breakfast Cereal" industry was dwarfed by

*Quaker, after spending almost $2 million in legal fees, was released as a defendant when the FTC observed that Quaker's market share had risen from 2 percent to 9 percent during the last 12 years.

some of the others selected for study and was larger only than "Electric Office Typewriters" and "Razor Blades", and that "Case potential (savings)" was vastly greater in "Gasoline", "Auto Parts", "Soft Drinks", and "Television Networks", they nominated breakfast cereal as the number one target and asked for a Commission resolution for an investigation of the breakfast cereal industry.

Reasons given for selection of breakfast cereal as the first target in these memoranda are unconvincing. A more likely reason is expressed in an article appearing in the June 14, 1976 issue of Newsweek quoting Charles E. Mueller, a former FTC staffer and a source of theory for the investigation:

"I didn't pick the auto or petroleum industry because they have too much political clout. The cereal industry didn't have the political muscle to muddy the waters . . ."

The FTC proposed that five new firms should be created by spinoff, three from Kellogg's assets, one from General Mills' assets, and one from General Foods' assets. The three firms to be created from Kellogg's assets would be created, respectively, from the Memphis, San Leandro, and Omaha plants. Further, the Memphis firm would be assigned the exclusive rights to manufacture and sell Rice Krispies; the San Leandro firm would be assigned exclusive rights to manufacture and sell Special K; and the Omaha firm would be assigned exclusive rights to manufacture and sell "comparable brands". The firm to be created from the assets of General Mills would be created from its South Chicago plant and would be assigned exclusive rights to the Wheaties brand. General Foods having only one cereal plant at the time, the trial brief indicated that "the details of plant divestiture from General Foods will be developed at the trial".

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ROBERT F. HABERANDT, *President*.
AMERICAN FEDERATION OF GRAIN MILLERS, AFL–CIO.●

GENERAL LEAVE

Mr. KEMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEMP. Mr. Speaker, I yield back the remainder of my time. I want to extend my appreciation to the gentleman from Oklahoma (Mr. EDWARDS) for graciously allowing me to precede him. He has performed a great service to the hard-working men and women of America.

NEED FOR MORE DOMESTIC ENERGY PRODUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 60 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, this country needs desperately to pursue an aggressive energy policy that is designed not only to conserve our existing fuel supplies but also—and this is the important point—to increase domestic energy exploration and production.

We need more domestic production, Mr. Speaker—production of gas, oil, coal, nuclear power, solar power, geothermal power—and we need to remove the Federal barriers that restrict energy production.

We cannot continue to play political games, making scapegoats out of energy producers and using every kind of excuse to block the building of pipelines, refineries, and generating plants.

Perhaps the single greatest problem facing this country, in the long run, is neither inflation nor the military superiority of the Soviet Union, although both of those problems are reaching serious and frightening dimensions. The greatest problem is energy.

It seems that we have no shortage of crises these days—there is an economic crisis, there is a national security crisis, and affecting both of those, threatening both our economic stability and our ability to defend ourselves, is our increasing inability to assure an adequate energy supply.

The ramifications of our energy "crisis" are immense. We face the inability to provide the energy to operate our busi-

nesses and provide jobs; we face fuel shortages that can cripple not only private automobile travel but also commercial trucking and the operation of our farms; we find ourselves increasingly dependent on foreign sources of energy at a time when the United States and the Soviet Union are entering into a period of potentially serious confrontation all around the globe.

Mr. Speaker, can you imagine the consequences of a war in which the United States would have to depend on outside sources for the fuel for its tanks, airplanes, ships, and troop transports? What if the Saudi Arabian oil fields were no longer available to us—a possibility that grows more likely as the Soviets pursue their strategy to control access to the sea lanes around the Persian Gulf? What if the Iranian oil fields are lost to us—a real possibility as the Iranian Government continues to drift away from the American orbit?

We do need conservation. We need badly to learn how to conserve important energy resources. We need to regulate temperatures, drive wisely, and build buildings that are energy efficient. But we need more than that.

Conservation has been the cornerstone of what the President calls an "energy policy," but it is not an energy policy at all: It is only half an energy policy. The other half, and in the long run the more important half, is increased energy production, because no matter how carefully we conserve, eventually we will run out unless we produce more. It is like drinking water from a glass: No matter how slowly you sip it, eventually the glass will be empty unless you pour some more water into it. And we are not doing enough to pour more in—to increase our own domestic supplies of the energy we need for the future; in fact, the energy we need if there is going to be a future.

It has been more than 2 years since the President declared the moral equivalent of war against our Nation's energy problems. With much fanfare the House created a special, unprecedented, Energy Committee. I was a member of that committee. And the legislation it came up with—legislation I opposed, accomplished the following:

It created a new price ceiling on natural gas while extending Federal price regulations to intrastate natural gas;

It required conversion of some powerplants and industrial boilers from natural gas to oil; and

It established Federal regulations for energy conservation in public buildings and energy efficiency standards in certain industrial products and processes.

Let us see how this legislation has met the administrations' goal of reducing our dependency on foreign energy sources:

On May 5, 1978, this country's demand for petroleum was 17,789,000 barrels per day. A year later, on May 4, 1979, our demand was 17,506,000 barrels per day—a decline of 1.6 percent. But the domestic production of crude oil declined from 8,725,000 barrels per day to 8,693,000 per day—a decline of 1.4 percent. During the same time crude oil imports increased from 7,393,000 barrels per day to 7,832,000 barrels per day—an increase of 5.6 percent.

The administration's program failed because it refused to recognize one half of the basic principle of supply and demand—supply. The administration's proposals were directed toward curbing demand: van pooling, thermostat controls, appliance efficiency standards. The only token approach to increasing supplies of energy was in the proposal to increase the price producers can receive for natural gas. And this increase in price has produced a glut of natural gas. So much so that former Energy Secretary Schlesinger urged industry to switch from oil to natural gas as a solution to our oil import problem exactly the opposite message the administration gave industry 2 years ago.

The solution to our domestic oil shortages lies in increasing the return on oil producers' investments to provide them more incentive for domestic oil exploration and production. This is why we must decontrol oil prices and why that added income must be allowed to be used for increased production and not merely become a windfall profit to the Federal Treasury.

Most studies agree that oil and natural gas, now providing 75 percent of all of our energy, will still account for more than 60 percent in 1985 and 1990.

Imports now account for 46 percent of the oil we consume. The OPEC nations have raised their prices more than a third since last December. This overreliance on foreign oil slows our economic growth, builds up our trade deficit, and contributes to the decline in the value of the dollar. Short-term interruptions of supplies pose a threat to the security of our Nation.

Government allocation rules transformed the recent 5-percent Iranian shortfall into a 15-percent shortage at the pump in many areas of the Nation. A shortfall even more severe and long lasting would do serious damage to our national economy. Mr. Speaker, we simply cannot afford to remain at the mercy of unstable regimes in the Middle East.

Decontrol of domestic oil prices is the only answer to overreliance on foreign oil and apparently the President has begun to recognize that fact and has already removed some price regulations. By 1985, decontrol will give this Nation 1.5 million barrels per day of increased oil production and 600,000 barrels per day of reduced oil consumption. Immediate and total decontrol do even more to solve our energy problems.

Unfortunately, the administration would also wipe out the advantages of decontrol with a stiff severance tax although recent studies by the Chase Manhattan Bank show that oil companies now invest nearly $2 for every dollar in profits and that 95 percent of those investments are in energy. The money to be taken away from the oil companies by the proposed tax is money which they would invest nearly twice over in energy production.

Domestic resources are there to be found. Numerous studies agree that there is a great deal of both offshore and onshore oil to be found in the United States. The timing and amount of production will depend upon a number of factors: price, technology, access to new public and private leases, and our basic economic climate. All these studies indicate that our resource potential will not be exhausted for the next 30 to 50 years. The only limit will be the rate at which these supplies are found.

No one can guarantee an absolute number of barrels of new oil will be discovered for a set amount of investment in exploration and production. But production is directly related to exploration, and the amount of money available for investment in drilling activity is directly related to the return investors can get on their investment. When controls were lifted after World War II, the number of exploratory wells increased from 6,700 to 16,000 in 10 years. During the same period, development wells increased from 24,000 to nearly 41,000.

Yes, an increase in drilling activity will mean additional revenues for oil producers. But more than 50 percent of additional revenues could go to Federal and State Governments under the present tax system and existing royalty agreements. And the remainder is desperately needed for new exploration. Chase Manhattan Bank and the Department of Energy both estimate that oil producers need to spend between $20 billion and $26 billion a year through the early 1980's just to halt the continuing decline in domestic oil production.

But oil and gas are not the only fuels available to us. In fact, because those resources are limited, and because we cannot really count on plentiful supplies of those fuels beyond the next quarter century, we must also do what we can to develop our other potential energy sources as well.

The development of coal and nuclear power—our chief alternative energy sources—is being stifled by excessive and unreasonable environmental regulation.

I know there are many Members of the Congress who tend to see energy production and environmental protection as being goals that are necessarily opposed to each other. But we can have increased domestic energy production without reversing the progress this Nation has made over the past 10 years in protecting its environment. The real threat to energy production comes not from genuine environmental protection, but from excessive and unreasonable regulation.

The national energy plan called for a doubling of coal production by 1985, but coal production is increasing at a rate of only 2 percent per year. We are currently producing 713 million tons per year, 100 million tons less than we could be producing. Yet two sets of administrative regulations were recently adopted which will dramatically drive up the price of coal. These are the EPA's revised regulations for new coal-fired powerplants and the Office of Surface Mining's final regulations to implement the 1977 strip mining law.

Both sets of regulations impose huge costs upon energy producers and energy users—costs that are dictated more by political and bureaucratic factors than by genuine health and environmental needs.

On May 25, 1979, the Environmental Protection Agency issued new regulations on allowable emissions from new coal-

fired powerplants. As a result expensive sulphur removal devices called scrubbers will have to be installed on all 350 coal-fired powerplants expected to be constructed between now and 1990.

These new regulations may be the most expensive in the EPA's history. The EPA justifies the new regulations by claiming that they will reduce nationwide sulphur dioxide emissions by 15 percent in 1995—from 23.8 million tons without the regulations to 20.5 million tons of SO_2 with them. The cost per ton of SO_2 removal is around $1,100. But the Utility Air Regulatory Group has estimated the cost of removing SO_2 would be only $158 per ton by 1990 without the new regulations allowing utilities to meet emission standards themselves.

The EPA's regulations took the form they did because a coalition of western environmentalists and eastern politicians decided to curtail the environment and economic advantages of burning low sulphur coal. They did that by requiring the EPA to issue new regulations framed in terms of percentage reduction in addition to emission standards. The development of western coal could have proceeded in an orderly and balanced fashion without these regulations. The additional $40 billion which the Business Roundtable estimates we may pay for these regulations is primarily the cost of politics, not of health and environmental protection.

The new strip mining regulations issued March 13 have shockingly high costs. A Consolidation Coal study shows the regulations will cost an average of $3.2 billion per year over the next 11 years—for a total of $34 billion. Although the cost of compliance will vary by region, the overall $3.2 billion figure is roughly $4 per ton.

Consolidation Coal estimates that if the strip mining regulations allowed the coal industry greater flexibility, the industry could meet the stringent standards and mandates of the 1977 act at an average yearly cost of only $1.2 billion per year. The additional $2 billion is the cost of bureaucracy not environmental protection.

And what about nuclear power?

Environmental, health, and safety regulations have contributed to a tripling of the cost per kilowatt hour for nuclear energy in the past decade. Yet they did not prevent the accident at Three Mile Island.

The process of planning, siting, licensing, and constructing a nuclear reactor now takes 10 to 11 years. A month's delay in the construction phase of this process adds more than $10 million to its final cost. These costs could be reduced by early site approval and by increased efforts to promote standardization of design.

Streamlining the licensing process will enhance nuclear safety. As things now stand, NRC permit decisions are often made later in the process of constructing a reactor than they should be, creating pressure to ratify a fait accompli. Preapproval of sites and designs will reduce delay and allow the NRC greater ability to impose stringent safety requirements while speeding up the development of nuclear energy.

Mr. Speaker, clearly there is much that can be done to produce more energy in this country—from removing restrictions on the use of Federal lands to eliminating many of the Federal regulations that have made energy production both more difficult and more expensive.

Even in the fact of this great need for more energy, we continue to pursue policies that leave us more and more dependent on the whims and fortunes of foreign suppliers. We lock up millions of acres of Alaska to preserve its natural beauty, and then we lock up millions of acres more—acres with awesome potential oil and gas supplies.

This is not an energy policy—it is an antienergy policy. And we simply cannot afford it. Our entire national future depends on our commitment to stop playing political games and to get on with the business of producing the energy supplies we need for our businesses and schools and homes and hospitals and our national defense.

Mr. Speaker, we need a balanced policy of regulation, environmental protection and energy production. But the evidence is now overwhelming that Government regulation is a major cause of the energy crisis. We have to start on a new course.

Since the dawn of the industrial age, the United States has been one of the "have" nations—a nation that has had the resources to defend itself and to provide its citizens with the highest standard of living in the world. If we do not produce more energy, Mr. Speaker, we will become a "have-not" nation, with neither affluence nor security. We must not permit that to happen.

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is their objection to the request of the gentleman from Oklahoma (Mr. EDWARDS)?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman from Oklahoma yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Maryland.

Mr. BAUMAN. I want to commend the gentleman from Oklahoma for taking this time today to speak on this important matter. The country must take immediate action in this field of energy. I certainly want to say that the gentleman from Oklahoma (Mr. EDWARDS) deserves the praise and support of the people not only of Oklahoma but of the Nation for this work. The President's "moral equivalent of war" has turned into a head-long retreat back to the trenches of gloom, panic, and despair. Mr. Carter has succeeded only in putting forth many of the wrong answers to the problems of this Nation's energy requirements. He seeks to blame the American people and hold them responsible for these problems, while offering in return the naive homily that we should "say something good about America every day."

Mr. Carter, among others, says that the oil companies are greedy. He says that the price of decontrol of oil and gas is to be a confiscatory, so-called windfall profits tax, because he does not trust the producers of energy to invest that increased capital in more production. The President would rather use the money derived from this tax on a grandiose program for developing synthetic fuels. We must rightfully ask, therefore, who the greedy party really is. Just as the Government cannot deliver services, just as OSHA cannot reduce job injuries, just as HEW cannot provide good health care or teach Johnny to read and write, so too the Government will be unable to produce one new barrel of oil or cubic foot of natural gas, let alone save the Nation through synfuels.

The purpose of decontrol is to bring the market forces of price, supply, and demand into play as the best economic regulator of all. Yet the President is trying to work at cross-purposes with this goal by stealing the money which would be used to make it worthwhile to get on with the business of treating the ailment of energy supply, not merely the symptoms. Instead of allowing the free market to allocate goods and services, as the provider of the greatest good for the greatest number, he wants all the President's men and the Department of Energy zealots to call the shots.

Mr. Speaker, it would seem that Dr. Jimmy Carter is practicing bad economic medicine. He is busily trying to treat the symptoms rather than the disease. One symptom of an underlying problem is gasoline shortages. Yet the administration's answer is to go all-out attacking that symptom by seeking to impose massive rationing and enforced conservation. He seems to think that gas lines will just go away if we all leave our autos home 1 day a week or, failing that, if we cast our fate to the graces of the Department of Energy.

The shortages merely reflect the ailment of Government control and Government misallocation. So far as can be learned, nothing in the President's energy program is designed to eliminate the already existing power of the bureaucracy over gasoline and fuel oil distribution. Remember the brilliance of the Government energy men not so long ago when places such as Hawaii and the Virgin Islands were getting almost as much heating oil as some States in the Northeast? Or recently when the State of Hawaii received 120 percent of its allocation of gasoline while Maryland received 82 percent. Are the constituents of my distinguished colleagues from the Northeastern States prepared to place their well-being this winter into the hands of DOE? There will be an awful lot of explaining to do if people are cold in their homes this winter, and I submit that much of the fault will rest with this body if you continue to merely treat the symptoms instead of eradicating the disease.

Mr. Speaker, one of the most frightening aspects of the President's program is his insistence on the creation of the Energy Mobilization Board. First, we had the Federal Energy Administration, the Energy Resources Council, and all the rest. But there was too much red-tape and confusion with that setup, so lo and behold, the Department of Energy

was born, the ultimate answer to the Nation's energy problems, a marvelous, wondrous collection of talent and ideas. But something seems to have gone slightly awry—DOE is not working. That is, the disease has gotten worse. Now, says the President, we must have this newer, better bureaucracy, the Energy Mobilization Board, to cut the redtape of DOE and all the rest and get the Nation moving again. This is Carter's call for reinforcements as we continue to lose the "moral equivalent of war."

Mr. Speaker, the bungling, failures, and immoral waste of time and treasure has gone on long enough. Private industry, working against the heavy odds and stumbling blocks put before it by Government, has already demonstrated that solar energy, for example, is feasible. Instead of robbing this Nation of desperately needed investment capital by means of a crippling tax, let us instead give them sensible tax breaks to make it even more worthwhile to develop synfuels, produce more oil and gas, improve solar energy technology, make gasohol, or wood, or water power, or shale oil, or nuclear energy more available at less cost in the long run. It is totally unnecessary for this Government to act as some sort of middleman for the funneling of tax dollars with strings attached. Any government that carries coal to Newcastle or sells heating oil back to Iran cannot be depended upon to lead us out of a mess it has created.

I would like to call to the attention of my colleagues some of the excellent energy policy suggestions put forth by the American Conservative Union which I have the honor to chair. They treat the disease, not the symptoms. On the tax question, the ACU favors expansion of energy tax credits and the liberalization of the user tax, as well as incentives to encourage plowback by energy producers. It opposes the so-called energy trust fund and the "windfall profits tax." The ACU is calling for reform and streamlining of the Nuclear Regulatory Commission's licensing provisions and the stabilization and standardization of its overall regulations including increased safety. It favors the immediate decontrol of oil and natural gas right down the line, as well as all true incentives to increase private-sector research and development of alternative energy sources. ACU seeks to curb Federal meddling by easing the restrictions on strip mining, access to energy sources on Federal land, and by modifying overly stringent environmental and bureaucratic regulations. ACU favors conservation measures which all Americans will naturally support, but points out that conservation alone merely postpones for a little while the effects of the problem. It should be seen as a means of obtaining time in which to get busy on curing the energy disease and not as a special nostrum in itself.

Mr. Speaker, many of my colleagues, both here and in the other body, have addressed themselves in varying degree to the intelligent proposals advocated by the ACU and other citizens' groups by introducing appropriate legislation to accomplish those goals. I would urge my colleagues to stay away from the Carter panic express and allow cooler heads to prevail. In this way, we can put an end to this Nation's energy nonpolicy and begin to face up to what truly needs to be done if we are ever to be self-sufficient in energy.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I want to commend the gentleman for taking this special order and for his leadership in this very vital field.

Mr. Speaker, we are today reviewing the urgency of our energy situation, and the pressing need to respond to these problems. I think we must all admit that the Federal Government's track record has been remiss—we have underachieved in an area requiring excellence. Too often, U.S. energy efficiency has been hampered by a web of Federal regulations which make virtually impossible true energy independence. Nor has Congress been blameless in this regard. We who make the laws are responsible for generating an implacable bureaucracy.

In addition, we have failed to exploit the domestic energy potential of this great Nation. For instance, estimates indicate that there are 100 billion barrels of heavy crude oil in the United States, most of which is now unrecoverable due to cost and environmental dangers. However, I, and a number of my California colleagues, were approached by a relatively small company in my district, which has developed a cost-effective technology to facilitate the development of heavy crude oil refining methods. The proposal provides an encouraging approach to manufacturing gasoline feedstock and other valuable products from thick, high-sulfur crude oil, without producing difficult-to-dispose-of wastes or environmentally dangerous sulfur emissions. This refinery in California has the capacity to convert 5,100 barrels a day of heavy crude oils and residual oils into precious natural gas and gasoline, while removing sulfur. All residual oil is eliminated in this environmentally valid process.

Unfortunately, the project was presented late in the DOE budget process and, although DOE has expressed strong interest in the concept, it simply does not have the funding authorization with which to proceed.

The President, as you know, has taken the first step by decontrolling heavy crude oil and proposing to exempt it from the windfall profits tax. This action will, if a proper density definition is arrived at, result in long-term incentives for heavy crude refining investment and production. But Congress needs to authorize further funding so that projects such as this, which are economically and environmentally appropriate, may proceed.

My colleagues and I were able to amend the DOE authorization bill to authorize $2,000,000 for heavy crude oil conversion technology, and earmark through floor colloquy, $2,000,000 of the Interior appropriations for this purpose. Although the project would require much more money to be feasible, we unfortunately learned of it too late to adequately familiarize the respective committees with the proposal. We have, however, written to the Senate urging that they provide further funding for the clean refining of heavy crude oil.

Mr. Speaker, at a time when we cannot afford to ignore any technology which may enhance our domestic energy supplies, I believe it is critical that we expedite those projects which are both cost-efficient and environmentally safe, by providing the funding necessary to implement their operation. Our job is to provide incentive and reinforcement for technologies which are feasible and environmentally sound.

Mr. Speaker, in line with my remarks, I would like to submit for the RECORD, the following article entitled, "Hidden Resource—Our Heavy Oil," which appeared in the September 9 issue of Parade magazine.

HIDDEN RESOURCE—OUR HEAVY OIL

(By Jonathan Braun)

The Western world possesses awesome amounts of a virtually untapped resource—heavy oil—that may be the most practical, near-term solution to the energy problem, according to a growing number of experts.

Heavy oil could make the United States "totally independent of the Middle East in 20 years," said former Deputy Energy Secretary John F. O'Leary on National Public Television recently.

"At the very minimum," says Dr. Joseph Barnea, an energy specialist and former director of natural resources at the United Nations, "heavy oil could sufficiently extend our petroleum reserves to enable us to develop our renewable energy resources—such as solar, wind and geothermal."

As the name implies, heavy oil is higher in density than the oil on which the world presently runs—conventional or light oil. It also contains more sulfur and other impurities than are normally found in light oil. Because of these traits, heavy oil is more expensive to produce (extract) and refine.

Until fairly recently, the prevailing view in both government and industry circles was that the problems associated with heavy oil make its exploitation unfeasible economically. This view has largely been reversed, thanks to the escalating price of light oil on the world market and the successful introduction of sophisticated heavy oil production and refining techniques.

In fact, heavy crude is already being profitably produced in California at roughly $6 a barrel. And a study prepared for the federal government by Exxon, the largest of the giant multinational oil companies, says that South American heavy crude could be produced and refined at a total cost to the company of about $9 per barrel—half of what the Organization of Petroleum Exporting Countries (OPEC) charges for its light crude.

But these numbers tell only part of the story. Much of the current interest in heavy oil can be attributed to the sheer magnitude of the resource and the fact that it is so widespread.

"Heavy oil is everywhere," says Dr. Barnea. "There are indications that large quantities can be found in over 60 countries—including, of course, the OPEC nations of the Middle East."

Barnea is in a good position to judge the world picture. As a senior fellow at the United Nations Institute for Training and Research (UNITAR), he recently organized the First International Conference on Heavy Crude and Tar Sands. Some 300 invited delegates represented 37 nations at the June conference held in Edmonton, capital of Alberta Province, Canada.

Sponsored by UNITAR, the United States Department of Energy (DOE) and the Alberta Oil Sands Technology and Research Administration, the meeting confirmed what Barnea and others have long suspected—that the Western Hemisphere probably contains most of the planet's heavy oil reserves. Stretching from Alaska to the tip of South America, a huge chain of deposits is reportedly ripe for large-scale commercial development.

Alberta's tar sand deposits, for instance, may hold as much as 967 billion barrels of heavy oil—far more than estimated total light oil reserves for the entire Persian Gulf region.

In Venezuela, a belt along the Orinoco River is widely assumed to contain 1 to 2 trillion barrels of heavy oil, approximately equal to the total amount of petroleum consumed by the world to date.

Closer to home, just two states combined—California and Utah—could be sitting atop enough heavy oil and tar sands to put them in potentially the same world class as Iran, which accounted for about 5 percent of this country's oil imports before the revolution against the Shah.

"It is hard to estimate total reserves for the United States," Barnea explains, "because there has never been a systematic search for heavy oil. Nearly all the heavy oil we know about in the U.S. was discovered by accident—in the course of exploring for light oil." Apparently, even the White House is confused over the extent to which heavy oil can ease the energy crunch.

"I am announcing new incentives for heavy oil," President Carter said in Kansas City, Mo., on July 15, "which this country has in great abundance." Specifically, Carter said he was removing the price controls which are generally regarded as having hampered production; he also proposed that Congress exempt heavy oil from any tax on the so-called windfall profits that oil companies might enjoy as a result of decontrol.

But while the President's comments boosted the hopes of producers of heavy oil, documents made public by the White House put a damper on the notion that the resource was about to play a key role in the nation's effort to achieve energy independence.

In a bulky "fact sheet" disseminated to members of the Washington, D.C., press corps the morning after Carter's nationally televised energy address, the White House put U.S. havy oil reserves at a relatively paltry 10 billion barrels.

This estimate directly contradicted one contained in a barely noticed energy plan submitted by the White House to Congress on May 7. That one said U.S. heavy oil reserves could be as high as 100 billion barrels.

More puzzling than the White House's July estimate for reserves was its stated goal for U.S. heavy oil production: an increase of only 500,000 barrels a day by 1990. According to statistics recently compiled by the U.S. Geological Survey (USGS), domestic heavy oil output already stands at 1.25 million barrels a day, or 15 percent of total U.S. oil production. California alone accounts for at least half the daily heavy oil output.

The USGS estimate is based on production figures for 1976, the only year for which they are available. In a study prepared that year for the DOE, Lewin & Associates, a management consulting firm based in Washington, D.C., suggested that with better technology and the removal of price controls, bureaucratic red tape and other barriers, heavy crude in California, Texas and Louisiana alone could total 2 million barrels a day by 1985.

Why has the U.S. been so slow to recognize heavy oil's potential?

"There are two chief obstacles to development of the resource," Barnea explains, "and they are connected." Echoing the complaints of many oil industry executives, Barnea argues that federal price controls, coupled with strict enforcement of environmental protection laws, have virtually crippled many heavy oil projects.

"We've been hamstrung" says Edward H. Shuler, a Getty Oil vice president supervising the company's heavy crude operations in California. "The oil is in the ground. We know it's there. We have the technology to get at it—but we haven't been allowed to charge the price for the crude oil that would justify our spending money to get it out."

Even at the controlled price of around $6 a barrel, industry sources concede, their operations have still been somewhat profitable. "The problem," one executive contends, "is that the price has simply not justified the massive capital expenditure we have been asked to make to satisfy the government's environmental standards."

Politics has also stood in the way of heavy oil development. Unlike other forms of energy, this resource has no identifiable political constituency. Thus, while many members of Congress have enthusiastically embraced the notion of squeezing oil from shale or coal at projected costs of $25 to $40 a barrel, there has been strikingly little legislative enthusiasm for heavy oil produced at $5 to $7 a barrel.

This isn't the only country where heavy oil development has been hampered by a mix of politics and economics. Experts report that Venezuela, for instance, is not inclined to dip into its vast heavy crude reserves as long as it can make a greater profit exporting light oil, of which it is said to have a 15–20 year reserve.

The multinationals also seem determined to control, if not slow down, the pace of heavy oil development. Explains an executive whose company is involved in heavy oil exploration in Peru: "The rush is on for leasing rights to the big heavy oil deposits. But until the dust settles, the companies are naturally not too interested in telling you what they know."

Perhaps the most ambitious heavy oil project in Alberta belongs to Exxon's Canadian subsidiary, which has applied for permission to build a $4.9 billion heavy oil recovery plant at a site called Cold Lake. Rivaling this is a venture planned by a consortium led by Shell Oil. Its price tag: $4.3 billion.

So, despite the obstacles, heavy oil may be an idea whose time has come. Or is it? Knowledgeable observers stress that resource development is still mainly a function of profits. This means that oil companies are not likely to launch an all-out effort to tap heavy oil as long as they can make more money producing and refining light oil.

In the final analysis, the heavy oil story boils down to this: Nearly everyone involved—from the government of Venezuela to giant Exxon—is acting out of a narrowly defined sense of self-interest. But this is to be expected—"except for the fact," as one heavy oil devotee puts it, "that narrow self-interest and shortsightedness are what got us into the energy crunch in the first place."

Mr. EDWARDS of Oklahoma. Mr. Speaker, I want to thank my colleague from California for his contribution because, as one of the experts in the House on international affairs and also as a member for a long time of the Energy and Environment Subcommittee, the gentleman from California has done a great deal to work toward increased energy production in this country.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I wanted to praise Mr. EDWARDS for his diligent work and efforts on this subject. My colleagues today have been addressing our domestic energy production crisis. The title is apropos, because the crisis we face today in this country is not an energy crisis, but rather an energy production crisis. The identification of which crisis we face is imperative, the solutions almost diametrically different. If the crisis we face is an energy crisis, that is, if we are in fact running out of energy, the line of attack may be to adopt a no growth approach to our standard of living and make cutbacks in our everyday lives. If the crisis is production oriented, however, the attack is wholly different, for we must then produce the energy that for some reason has eluded us.

While the present direction of this Congress and this country appears to favor the first approach, that of no economic progress, I opt for the second, for a number of reasons. It can be substantiated that the no economic progress philosophy is based on so many myths, that the mere existence of the philosophy has become a danger to the essence of our system of free enterprise and private initiative. We have heard the myths for so long, we are beginning to believe them and are accepting a lower standard of living without putting up much resistance.

First and foremost, we are living with the myth that the world will run out of oil in the 1980's. The experts tell us, however, that known reserves will provide us with sufficient oil for 36 years, a confidence reserve that is higher than it has ever been. In the past, our known reserves have never exceeded 30 years.

The solution, as I see it, is to produce. We know of enormous oil shale deposits in Utah, Colorado, and Wyoming. Those estimates are 1.87 trillion—that is trillion—barrels, enough to supply this Nation for 100 years. The estimates of oil in the Canadian Athabasca, Missouri, Kansas, and Oklahoma tar sands are equally staggering.

And then there's Alaska, which currently supplies 14–15 percent of the U.S. production of oil through the trans-Alaska pipeline. Known oil reserves in that State exceed 30 billion barrels of onshore oil and 50 tons/cubic foot of natural gas in addition to the 10 billion barrels of oil currently under production of Prudhoe Bay. In addition, the Arctic National Wildlife Range (ANWR), with a geology similar to Prudhoe Bay, could make a significant contribution to the domestic oil and gas supply with possible reserves of 14 billion barrels of oil and 25 tons/cubic foot of natural gas. The ANWR is only 75 miles from the existing Alaska pipeline. We already know from that project that tapping such reserves does not have negative environmental repercussions, and we know that tapping the ANWR would assist the pipeline to operate at full capacity of 2 million barrels per day. Furthermore, the ANWR, which is only 5 percent of onshore acreage rated as highly favorable for oil and gas, may hold up to 80 percent of Alaska's onshore oil and gas reserves. Thus, to use ANWR as an example, despite its geologic, environmental, and economic attractiveness, Congress in keeping with its efforts to bungle our

country's energy policy, has closed it off to development. The question Congress fails to ask is how many miles to the wilderness acre can you get in your car?

The myth that we will have no more oil by 1990 must be cast off before we really face a crisis, because its perpetuations has instigated one of the most irrational and confusing philosophies that has ever come from the U.S. Congress. Historians will ask how Congress could lift the price ceilings from natural gas (without a windfall profits tax), watch domestic production of natural gas burgeon to surplus stage, and then refuse to follow the same logical course for domestic oil. Historians will see a Congress that allowed coal price ceilings to expire in 1974 (without a windfall profits tax), watched a coal surplus develop, and then refused to follow the same logical course for domestic oil.

Finally, historians will review the oil reserve estimates available to Congress and wonder how they possibly could come to the conclusion to lock up 60-million acres of Alaska land into refuges, parks, and wilderness areas under the Udall-Anderson bill. They will call this Congress the "Ostrich Congress," that saw the crisis in energy production, and then seemingly followed every path conceivable to dampen that domestic production of energy. The same historians will look no more favorably upon this administration which has had the same oil reserve statistics and yet has supported the Udall-Anderson bill and unilaterally withdrawn 40-million acres of land under the Federal Land Policy and Management Act and Antiquities Act from any form of oil and gas leasing.

We also live with the myth that oil imports cause the severe international payment imbalances, and as such are responsible for the decline of the dollar and the rise in inflation. If this myth is true, then Germany and Japan which produce no domestic oil and natural gas should most certainly be in worse shape than the United States which produces over half of its oil needs and all but a fraction of its natural gas needs. Indeed the myth is an excuse for the real cause of the payment imbalance and decline of the dollar which is expansion of the Federal bureaucracy and unharnessed Federal spending deficits, and lack of productivity efficiency as a result of Government intervention.

Another myth is that we are critically vulnerable to an OPEC oil embargo, yet we need only look at the example of the 1974 oil embargo to dispel this notion. The problem we faced then was not one of an oil shortage, in fact, our reserves of gasoline, crude oil, and other petroleum products kept increasing throughout the embargo. The problem could be traced to the Federal Energy Office, which allocated gasoline and dictated the product mix to the oil refiners. The point I am making here, is that in spite of the Federal Energy Office, the oil companies imported oil from other sources and indirectly from the very OPEC nations that were embargoing us. Thus to dispel the myth, throughout this so-called alarming embargo, our oil supplies remained at more than adequate levels. The primary concern we must face in terms of embargo is one of strategic embargo. This threat will come about when the Soviet Union realizes we are sufficiently inferior militarily and either diplomatically establishes a more substantive oil cartel than has existed before, or strategically closes the sea lanes at several of the aquatic choke points of the world.

The final myth is economic. In the interests of consumerism, Congress has, for many years, harbored the myth that we can control prices of products without a commensurate effect on productivity. My earlier examples of natural gas and coal price deregulation are good cases in point of the fallacy of this philosophy.

This Congress must come to realize that productivity is a function of price. With the increase of the price of heating fuels, for example, automatic damper controls, a luxury previously unaffordable and uneconomical, suddenly became cost effective. The investment in the damper controls, had become an investment that paid for itself. That is why the result of a rise in the price of energy has been more efficient motors, equipment, generators, water heaters, and so forth. Research and development in new fields of production therefore, is a function of the price of existing production. We are all searching for alternative energy sources, and certainly, many Congressmen are clamoring to get the Federal Government into that research and development. But history has shown what American ingenuity can do if prompted. The experts tell me that for every Federal Government dollar spent on research and development, the same dollar in the private sector would have accomplished up to 100 times as much.

So the bottom line is to let the American producer steer us out of this energy production crisis. The Congress of the United States can only do so by no longer tying the hands of that producer behind his back. Let us free the market, defeat the windfall profit tax or at least have a plowback provision, seriously consider the resource potential of public land before we lock it up into wilderness, and let Americans produce the energy, unencumbered by Federal bureaucracy, that this country needs to maintain the standard of living that is envied throughout the world. The private sector in its allocation of resources, more efficient in research and development, more productive in exploration, and extraction of fuel, and more successful in the development of alternative energy sources. We in Congress could profit by letting private enterprise pull us out of this antiproduction grave we have dug for ourselves.

Mr. EDWARDS of Oklahoma. I would say to the gentleman that in his service as the ranking member of the Energy and Environment Subcommittee he has done as much as any Member of the House in trying to increase energy production.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, the distinguished gentleman from Oklahoma (Mr. EDWARDS) is to be congratulated on organizing this special order on energy today. No subject is more critical to this Nation's future and, given all the political wallpapering that has been applied to the issue, it is vital that the American people begin separating the wheat from the chaff.

Contrary to what some would have us believe, energy shortages are not inevitable nor, as others claim, are they somehow desirable. Those putting forth the theory that "less is best" and "conservation is the answer" would deny others, perhaps not so well off economically as they, the chance for the upward mobility a growing economy is likely to bring. For without new sources of energy over both the short and long term, the economy will stagnate, unemployment will increase, prices will rise and, rather than improving their financial standing, a lot of folks, especially lower-income folks, will be locked in by the system. Or, to put it another way, the concept of America as the land of opportunity is, either intentionally or unintentionally, in danger of being extinguished by the reality of Government mandated energy shortages.

The real irony of the situation is not only can short, as well as long, term energy shortages be alleviated through production incentives but the cost of so doing is far cheaper than the Government owned and operated synfuels approach, and somewhat less expensive than the conservation/solar energy approach. According to the Heritage Foundation, the combination of immediate decontrol of oil, natural gas, and gasoline products in combination with tax incentives for synthetic fuel plants would cost about $40 billion as opposed to $58.4 billion for the conservation/solar approach offered by the Presidential candidate-in-waiting from Massachusetts and $141 billion for the Government-controlled synfuels approach advocated by President Carter.

Looking at the short- and long-term energy production potential of the aforementioned alternative approaches, it becomes even more apparent that a private sector, as opposed to a public sector development or a conservation, approach makes the most sense. Most everyone agrees that it will be a long time before President Carter's program will bring about significant increases in energy supplies and, according to the Heritage Foundation, by 1990, the net energy supply gain will only amount to approximately 8.5 million barrels per day (mbd). With the Kennedy proposal, the net energy gain, resulting mainly from conservation measures would come to only 4–4.5 mbd, but with the combination of full decontrol of oil, gas, and natural gas, coupled with tax incentives for synthetic fuels, from 6.7 mbd to 7 mbd, could be added to energy supplies by 1980 and 11 mbd by 1990. That is 2.5 mbd more than the President's plan at less than one-third the cost and it doesn't involve ever-increasing Federal involvement in our daily lives.

Breaking these figures down a bit, the Heritage Foundation study suggests that immediate decontrol of crude oil

should increase supplies 150,000 barrels a day within 6 months, 250,000 barrels a day in 12 to 18 months, 2.5 million barrels per day by 1985 and twice that last figure by 1990. Decontroling natural gas immediately, instead of by 1985, will save 1.3 to 1.95 mbd by the end of 1980, and 2.8 mbd by 1985. Beyond that, decontroling gasoline products will result in another 1.4 to 1.7 mbd worth of additions to the energy supply by 1985, since it would encourage the development of fuel efficient vehicles. And finally, tax incentives for synfuels plants would add 1 mbd in new production by 1990, without a massive Federal program being required to get the job done. In short, we do not have to suffer from energy shortages; what we have to do is give the very same private sector that gave us such abundant supplies of cheap energy in the past a reason to do so again in the future. Government regulation would not solve the problem; as recent experience has attested, it will only make it worse.

All this takes on added significance in light of recent reports that we may bump into the oil import ceiling the President announced last July in 1980, not 1981, or 1982, as most expected. Lifting the ceiling would not ease the crunch and renewing controls will simply reduce domestic production even further in the 1980's and make the shortfall even worse. Logically, then, we should look in the other direction for an answer and from the evidence just presented, and more like it, that answer is immediate decontrol of oil, gas, and natural gas.

Mr. Speaker, in an effort to provide my colleagues with an opportunity to vote for such a program, I have introduced a bill, H.R. 4693, that would, within 30 calendar days of the month of enactment, end all controls over crude oil, gasoline products and natural gas. It will not bring back the days of 30 cents a gallon gas—those days are gone forever—but it will ease the shortages that price controls and allocations have produced, and it will enable us to smoothly transition into a new era of alternative energy supplies. Such smooth transition promises the best hope for economic growth and prosperity and offers the best chance for the economic opportunity so many Americans aspire to. After all, America runs on energy, not gasoline rationing coupons, and demand for energy will continue to grow as population does. There is no way around that, and the quicker we accept that fact, and stop trying to play politics with it, the better for all concerned. Immediate decontrol is, by far, the most productive and reasonable response to our energy dilemma and the longer we put it off, the more problems we create and the higher we drive the price of solving them. The time for decontrol is now, not just for heavy oil, but for all oil, gas, and natural gas, and I hope this Congress will move speedily in that direction.

Mr. EDWARDS of Oklahoma. I thank the gentleman from California. As a freshman Member the gentleman has done an outstanding job in this Congress. I appreciate the gentleman's contribution.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from New York who has established a record in this Congress as perhaps the leading advocate of the need for more jobs in America and for creating the kind of an economy that will produce those jobs.

Mr. KEMP. Mr. Speaker, I thank my friend from Oklahoma.

Mr. Speaker, I want to rise briefly and commend the gentleman from Oklahoma for his leadership not only today but in previous sessions of the Congress. The gentleman's voting record is impeccable. The gentleman understands that incentive is the way to encourage higher levels of growth in production.

If there is one area of our economy today where we need more production, it is in the field of energy. We need production not only domestically but within our hemisphere, within the continent, and throughout the world.

Mr. Speaker, I have been encouraged recently—now, I know that is a bad word, to be encouraged about the supplies of energy—but I think it is extremely important that we bring to the attention of the American people the fact that we have not run out of energy, that we are not going to run out of it next week, and that one of the biggest frauds ever perpetrated upon the American people is the suggestion that, within a few short years, the whole fossil fuel age will come to an end and we are going to have to ration the shortage, turn up our thermostats in the summer, turn them down in the winter, and throw people out in the snow, ration automobile gasoline, and succumb to all the Malthusian predictions made over 200 years ago by Thomas Malthus who suggested, that within a period of time, resources would be outrun by population and the only hope for Western civilization was rationing and redistribution of the wealth.

Mr. Speaker, I want to commend the President and say to my friend from Oklahoma, the President is to be commended for decontrolling the price of heavy crude oil. The projections about heavy crude oil being converted into lighter crude are unbelievably staggering not only throughout the hemisphere and on the continent but within California and other heavy oil States.

In the Beaufort Sea region of Arctic Canada, the Dome Petroleum Co., of Canada recently projected there may be a field in that area as big as that of Kuwait.

□ 1810

Mexico has revised its projections in terms of crude oil from 5 billion barrels of proven reserves to 50 billion within 3 years.

Now, I am not standing up to simply say there is a panacea or that if we decontrol all of this will come onstream immediately. But I want the American people to know, as I have told my people in Buffalo, N.Y., we are a consuming State, a consuming region. We depend on Oklahoma and Texas and Louisiana, and oil and natural gas-producing States, as well as on Mexico and Canada and other places throughout the world, including the Arab States.

I want to stand up here and say that I believe that it is in the interest of the consumers, particularly those hardworking people that I represent in Buffalo, N.Y., to have a world trade economy, and that we do not engage in this hair shirt economic philosophy that suggests that the only answer is to slow down the growth of our economy, reduce our living standards, tell the American people that next Wednesday it is all over and that somehow rationing and redistribution of wealth is the only answer. This is the thing that the gentleman from Oklahoma, I am sure, believes in and I think that the gentleman's standing up in the well of the House today and bringing to the attention of the American people some of these facts and some of the hope that is inherent in his statement is so vital to the future of the economy. Frankly, I think in 1980, the No. 1 issue in the political campaigns in America is going to be whether we can produce our way out of shortages of energy.

I will tell you frankly what I told the people of Buffalo, and I have taken some criticism for it, but I believe it. There is fundamentally no shortage of energy on this Earth or in this hemisphere. Now, there is a surplus of controls and regulations of bureaucracy and redtape and taxes and frustration, but there is no fundamental shortage of energy as long as the sun is shining, as long as the Earth has tars, sand, stone, shale, heavy oil, light crude, natural gas, methane, geopressurized gas, and other sources.

Dr. Vincent McKelvey, the former Director of the U.S. Geological Survey estimated last year that there may be 60 to 80 trillion cubic feet of gas available from the gulf region. At the low end of the estimate, according to Dr. McKelvey, this represents about 10 times the energy value of all oil, gas, and coal reserves of the United States.

Unfortunately, Dr. McKelvey's candor cost him his job.

We must not give up. As long as people are frustrated in terms of finding and exploring and wildcatting and engaging in the type of entrepreneurial activity that develops these resources, then, of course, we are going to have artificially induced shortages. But as the gentleman from Idaho pointed out and the gentleman from Oklahoma and my friend, the gentleman from Texas, and others from producing States, it is in the consumers' interest to encourage production. So on behalf of the poor, lonely, hardworking consumers of the Northeast, who desperately need natural gas and sources of energy supplies, I want to thank the gentleman. The gentleman is speaking not only on behalf of the people of Oklahoma, he is speaking out on behalf of the people of Buffalo.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for his contribution.

I yield gladly to my friend from Houston, who is such a valued Member of this Congress and I am glad to have him back with us.

Mr. PAUL. Mr. Speaker, I thank the gentleman very much for yielding.

I would like to compliment the gentleman for bringing this very important subject to our attention.

As you know, recently we went through a rather drastic shortage and unbelievable as it may be, this shortage was overwhelming in the city of Houston; Houston, the oil capital of the world had longer lines than almost any other city.

In the true economic shortage, the shortage occurs at the end of the supply line, not at the beginning. This demonstrates to me that shortage came about only through Government action and not because of a true shortage. It was dissipated rather quickly as soon as the price rose; therefore, explaining that the market can adjust and can take care of these problems.

There is an economic law that says that if you set prices, you distort the market; if you set the price higher than the market, you have an overabundance of that particular item. If you set the price lower than the market, you will have shortages and you will be forced to ration. We have seen that. We have now had to go to that point where there is a greater demand, there is not enough supply at that particular price. There has been more price control set in energy than in any other field. There has been more regulations and there have been more problems. The most critical area of our economy has had the most controls and, therefore, we have had the most problems. It seems like we are almost doing it purposedly on ourselves to do damage to our economy. It is most important that we take these things into consideration, remove the controls, deregulate and allow the marketplace to take care of this, because I, too, believe that there is an abundance of energy and there will be.

Mr. Speaker, we are at a crisis in our Nation's history, and the decisions Congress makes during the next 2 years will determine our fate for decades, perhaps centuries, to come. The crisis is not really an energy crisis at all. We have an extraordinary abundance of natural fuel resources in this country, enough to last us for at least the next 1,000 years. The crisis is not in our fuel supply, but in our political system, and the problems in our fuel industry are a symptom of that crisis.

For the past 10 years and more this Congress has passed laws, created bureaucracies, and condoned regulations that have tied our magnificent fuel production and distribution system in knots. The supply shortages we face today, our dependence upon imports, and the high price of fuels are all the result of the irrational and unconstitutional actions taken by this Congress. One need only list some of the more foolish actions for it to become obvious that Congress, not the oil companies and not OPEC, is to blame for the suffering of the American people.

In 1969 Congress passed the Coal Mines Health and Safety Act. Within 3 years one-third of the mines in the great coal State of West Virginia had closed, and productivity in the rest of the Nation's mines had declined by almost 50 percent. That same year the Congress passed the National Environmental Policy Act, the act that was used by the environmentalists to stop work on the Alaska pipeline for 4 years. The delay caused by this act increased the cost of the pipeline tenfold.

The following year, Congress passed the Clean Air Act, and we have suffered ever since through the millions of regulations it has spawned. I mention only one here: the requirement for powerplants that burn coal to install scrubbers. In many cases, the cost of those scrubbers totaled nearly one-third the cost of the entire plant, and the consumers of electricity still feel the economic impact of that action.

In 1973 Congress passed the Emergency Petroleum Allocation Act and created the gas lines of 1973–74, in addition to those of 1979. The system, if one can use the word loosely, that this act established, has wreaked havoc in our petroleum industry. There is no free market in the oil industry today. Companies produce what they are told to produce, sell it to whom they are told to sell it, and get the price they are allowed to get for their products. This is not freedom, it is interventionism at its worst, and Congress created it.

One might also mention the Strip Mining Act of 1977, the Natural Gas Policy Act of 1978, the National Energy Conservation Policy Act of 1978, the Energy Policy and Conservation Act of 1975, the Powerplant and Industrial Fuel Use Act of 1978, and the Economic Stabilization Act of 1970. All of these acts and more have created the crisis we face today. Until they are substantially repealed and a free market restored to our fuel industry, the problems will continue and worsen. That is why I have introduced H.R. 4639, the Energy Abundance Act of 1979. If that bill were passed by this Congress, we would see the greatest production of fuel that the world has ever known. Not because the Federal Government would be subsidizing fuel producers, but because the Government would not be subsidizing them, nor regulating them, nor taxing them. H.R. 4639 would create a genuinely free market in energy as far as the Federal Government is concerned, and the results would be astounding.

Unfortunately this approach to a solution of our fuel problems is not even being considered by the administration or the leadership of Congress. Earlier this summer the House passed the Defense Production Act with amendments containing tens of billions of dollars to establish from scratch a domestic synthetic fuels industry. I called the bill the corporation welfare rights act of 1979, and so it is. Fortunately for the American people, the Senate has sat on the bill for a couple of months now.

Meanwhile the administration has proposed spending $142 billion on developing such an industry. A tax increase of this sort is exactly what the American people do not need. It appears to me that the present leadership has a proclivity for doing precisely the wrong thing, just as Herbert Hoover did after the stock market crash of 1929. Hoover raised taxes and proceeded to destroy the American economy.

Today we not only have exorbitant social security taxes, Federal income taxes, and Federal corporation taxes, we are asked to enact a confiscatory profits tax on those very industries who provide us with the fuel we do have and which are our only hope to provide us with the fuel that we need.

One wonders with very good reason, what the people who propose higher taxes are thinking of. One wonders, with very good reason, what the people who propose more regulation and Government involvement are thinking of. One wonders, with very good reason, what the people who propose $100 billion subsidies to certain businesses are thinking of. It is these very policies of high taxes, big government, and redistribution of property that have caused the problems that need a solution. Deregulation, detaxation, and desubsidization are the only methods that will insure a bright future for America. Our energy problems will not be solved until our political mistakes have been corrected. To assume otherwise is to be blind to the crisis facing this country and the West.

Further persistence in those actions that have brought us to the brink of destruction will quickly push us over the brink. If this country is to be destroyed, it will be destroyed by this Congress. OPEC has no power except what this Congress gives it. I urge my colleagues to vote consistently for lower taxes, fewer regulations, abolition of bureaucracies, termination of subsidies, and more freedom. I ask their support for H.R. 4369, the Energy Abundance Act of 1979, for the principles it embodies are the principles which will end our political and fuel crisis.

Mr. EDWARDS of Oklahoma. Mr. Speaker, let me add to what the gentleman has said. It is true that there is an abundance of energy potential, as the gentleman from Texas says and as the gentleman from New York before him pointed out. The problem is that we also have an abundance of bureaucracy and that is what is preventing the development of this energy potential.

Mr. Speaker, I would be happy to yield to my colleague, the gentleman from Oklahoma, the youngest member of the Oklahoma delegation, who is doing a very good job for us in this Congress (Mr. SYNAR).

Mr. SYNAR. Mr. Speaker, I am pleased to have this opportunity to address the important issue of increased domestic energy production in our Nation. Mr. Speaker, the people of the country are angry about the energy situation we are facing. They are angry over skyrocketing energy costs, they are angry over unstable energy supplies, and more importantly, they are angry that their own Government can not assure them of a reasonably priced, adequate supply of the energy they need to live. I, for one,

think the public's anger is justified. The Congress itself must share the blame for our present energy problems. As the people's representatives we have a responsibility to address the issues and provide our Nation with solutions.

One fact remains indisputably clear: This Nation simply must reduce its dependence on foreign petroleum sources. It has become very clear that we can no longer afford to stand idly by while the OPEC nations dictate the energy policies of our country. To make these reductions will require massive increases in production of our domestic energy resources. It will mean changes in our regulations and changes in our policy goals. It will mean adjustments by industry as well as the private sector. Importantly, too, it will require strong conservation efforts on the part of all Americans.

We are here today to talk about increasing our domestic energy production. First, though, I want to make a point about the way we use what energy we have. The fact is, Mr. Speaker, Americans are the most wasteful society on Earth. Although the United States has only 6 percent of the world's population, we consume almost one-third of the world's energy each year. The public must realize that the Federal Government can not legislate or regulate this Nation out of an energy crisis. Americans have been spoiled for decades by cheap and plentiful energy. Those days are gone. It is estimated that with strong conservation measures this country could save about 30 percent of the energy we use. No matter what efforts we make to increase domestic energy production, it will have little real or lasting impact if we do not begin right now to conserve what we have.

If this challenge requires some sacrifice or adjustment by each and every one of us, then I believe it will have been worth it if we can begin to move this Nation toward energy independence.

With that thought in mind, I want to address the issue of increasing our Nation's domestic energy production. Perhaps the most important aspect of this entire issue is that efforts to increase our production of domestic resources will require effective, coherent, and forceful action on the part of the Congress and the administration. Some difficult decisions lie ahead for this Nation. There are no longer any simple problems or simple answers. The problems we are facing with rising prices and diminished supplies are not about to go away overnight. The Congress and the administration can not solve them by tomorrow or next week or next month. But what we can and must do is begin right now to look at where we have been and decide where we want this Nation to go on energy policy. We must develop a comprehensive energy policy for our country which encourages—rather than stifles—domestic production.

Mr. Speaker, this Nation has an abundance of energy resources at our disposal. Petroleum, natural gas, and coal have been produced and used longer than any of us can remember. Others, just now becoming economically or technologically feasible, will have to be given the attention they deserve if we intend to move this Nation toward energy independence. I would first like to talk for a few minutes about those resources on which we continue to rely so heavily and which we must begin to produce in much larger quantities.

Although estimates vary on exactly how much domestic petroleum the United States has, there certainly is no doubt that this Nation has enough petroleum to meet domestic demands for a good many years to come. The fact is, however, that the Federal Government has not done much lately to give the energy industry incentives to go after that petroleum. As a result, we are now at a point in our history where we import from foreign sources almost half the petroleum we use each day. It is critical to each and every one of us that we act now to reduce our imports of oil.

It appears to me that there are three possible ways to accomplish this goal, but I believe it is imperative that all three be carried out in conjunction. First, we must provide the incentives necessary to stimulate vast increases in domestic production—not just of petroleum, but also of natural gas and coal. Second, we must explore and encourage the production and use of energy sources other than petroleum—solar, synthetics, biomass, hydropower, geothermal power, and many others. Third, and perhaps most importantly, we must begin to conserve what we have.

Mr. Speaker, when the House in June considered the so-called windfall profits tax proposal, I supported the Jones-Moore substitute bill over the Ways and Means Committee proposal. I supported Jones-Moore for a very important reason: As compared with the Ways and Means Committee bill, the Jones-Moore proposal comes much closer to providing the incentives necessary for industry to produce more domestic oil. I am convinced that the people of this Nation want more oil—and a steady supply of it at a reasonable price—not more taxes. Fortunately for every citizen of this Nation, the Jones-Moore proposal passed the House instead of the more restrictive Ways and Means Committee bill.

Let us be reasonably sure of one thing: If this Congress passes a windfall profits tax proposal that discourages production rather than encourages production, every person in this Nation will feel the impact of that action.

A windfall profits tax proposal is not the only institutional barrier to increased domestic production. Our domestic refinery capacity is vastly less than what it should be, and this situation must be corrected if we are to increase our domestic production at a rapid pace.

There are many reasons why domestic oil production in our Nation has been stifled, and I will not take up my colleagues time addressing each and every one of them. But let me say that one of the critical reasons is the lack of any comprehensive energy policy in this country. Despite passage of the National Energy Act, despite passage by the Congress of an array of energy-related bills, this Nation still does not know where it is going with respect to energy development, production, or use. I believe this is the critical energy issue now facing us as legislators, as consumers, and as citizens.

If we do not know where we are headed on energy, we are destined to make false starts. And until we figure out which direction the United States is going to take on energy and devise a comprehensive energy policy to get us there, we can not move forward as rapidly as necessary. We will continue, as we have in the past, to simply move in circles, continuously changing policies and regulations. I hope every single one of us here today is ready and willing to make the hard choices necessary—even if they are unpopular—to get this Nation producing the energy it must have to meet its own demands.

The President in April of this year called for a 60-day coal study to be conducted by the Departments of Energy and Interior and the Environmental Protection Agency. After 60 days, those three agencies still could not come to a consensus on how best to move on policies to encourage vastly increased production of coal. As a member of the Congressional Coal Group, I am particularly disturbed over this matter. I have been actively involved in the area of coal production, and I am committed to seeing that we increase our production and use of it. As each one of us knows, although coal production in our Nation has continued to climb, it has climbed over the past few years at an alarmingly slow pace. Massive layoffs of coal miners have taken place in some States. The industry is depressed in my State of Oklahoma.

The United States is estimated to have coal reserves of about 1.7 trillion tons. The President has called for increased production and use of coal to help meet our Nation's energy demands for the future. Despite that initiative—and one which I totally support—little is being done to encourage any real increase in coal production.

I will be working closely with the Task Force on Coal, established under the auspices of the Regulatory Council, to look at the various Federal and State regulations and policies affecting the industry. If these regulations need to be modified or repealed, or if they are simply ineffective, overburdensome, or contradictory, we must clarify or eliminate them. The Federal Government must provide the proper incentives to the coal producers of this Nation; we must get that industry on its feet. Unless and until we do, it is foolish to hope for vast increases in coal production to help meet the demands of our Nation.

The same problems that afflict the oil and coal industries also afflict our natural gas suppliers and users: Burdensome, sometimes contradictory, sometimes needless regulations and guidelines; a complex pricing system that few people understand; a lack of real incentives for increased production and use. There have been proposals to deregulate natural gas prices. As with all issues as complicated as the natural gas pricing system, there are pros and cons on both

sides of the question. But, again, until we decide which direction we are going in and what price we are willing to pay to get there, the issue cannot satisfactorily be resolved.

With respect to nuclear energy, the questions and the issues are just as complex. Since the accident at Three Mile Island, nuclear energy and the benefits and dangers have been very much on people's minds. Nuclear energy may in fact play a potentially important role in our energy future. However, the questions surrounding nuclear energy must be answered to the public's satisfaction. In my own view, there are three issues which need to be resolved before this Nation makes a dramatic commitment to vastly increased nuclear energy. First, the questions with respect to the public's health and safety must be adequately dealt with. Second, the economic effects on a community surrounding a nuclear facility—whether positive or adverse—must be addressed. Third, and most critically, the very real dangers connected with the disposal of radioactive waste materials must be resolved in a reasonable and rational way, which is both economically feasible and provides protection to the public.

Mr. Speaker, as long as we are discussing increased domestic energy production, I would like to make a few remarks with respect to the potential for synthetic fuels. In June of this year, the House of Representatives overwhelmingly passed the Defense Production Act amendments to provide for the production of synthetic fuels. I opposed the legislation. The President in his recent energy message to the Nation called for an $88 billion synthetic fuels program to be financed by the windfall profits tax and coordinated by a Federal Energy Corporation. The President hopes to replace 2.5 million barrels of imported oil per day by 1990 with synthetic fuels. I have serious concerns over the President's proposal as well. I believe that development of the many alternative energy sources presently available should be pursued, and is, in fact, imperative. Within this category falls synthetic fuels. However, in our rush to find "solutions" to the present energy problem, I am very much concerned that the Congress and the administration are losing sight of the fact that there are no more easy answers.

Incredibly complex, massive programs such as the one proposed by the President to develop synthetic fuels—and it is only one of many—must not be taken lightly. They deserve full and thorough consideration and debate by the Congress and the administration. I am concerned that this Nation is about to embark on a massive, untried, and unproven program of synthetic fuel development which may be ill-conceived and unfeasible. There are enormously important questions involved in this issue which I do not feel have been given the attention they deserve. In our haste to find solutions to this Nation's energy problems we must be careful not to jump full force into an area in which we simply do not have the answers—or even, it sometimes seems, know all the questions. We must proceed quickly—but rationally and in a fashion consistent with clearly spelled-out, long-term goals.

Along with the conventional energy sources in our country, there are other energy sources which must also be given attention. Alternative sources such as solar energy, hydroelectric power, and many, many others must be developed. Even given vastly increased domestic production and use of the sources already discussed, we must very soon turn our attention to those renewable resources which will carry our Nation into the 21st century. The time to get these alternative energy sources moving is not next year, or the next decade—the time is now.

Although this debate is focused on domestic energy production, there is one other issue, Mr. Speaker, as I have previously stated, to which we should address ourselves: conservation. I have long advocated strong conservation measures for our Nation as a way of reducing our foreign oil imports. Every barrel of oil we save is a barrel we do not have to import or produce domestically. Most experts agree that any near-term solution to our energy crisis must depend heavily on extensive conservation programs. Although the Department of Energy's recent conservation programs are generally directed toward public assistance with conservation measures, it is discouraging to me that so little is still being done to conserve when the potential energy saving is so great.

Unfortunately, with all the discussion of windfall profits, synthetic fuels production and fast track legislation, we seem to have lost sight of the tremendous advantages of conservation. Conservation continues to be a largely untapped source of domestic energy. It is the only alternative I see which requires no massive expenditures of public or private funds, no technological breakthroughs, and, perhaps most importantly, is immediately available to all of us.

The backbone of this Nation's energy policy must be public participation in a strong conservation program. I believe this country can cut back dramatically on its energy consumption—for a very small cost—without jeopardizing our lifestyles. But the only way we can make these dramatic cuts is if every American participates. Conservation is the only energy program I know which allows every single one of us to have a real and lasting impact on our energy future.

In summary, Mr. Speaker, I want to reemphasize a few points. I intend to work hard during the coming months to try and help this Congress and this administration develop a comprehensive energy policy which will move this Nation toward energy independence. It is critical that every citizen of these United States be assured of an adequate, reasonably priced supply of energy for our future. It should be very clear to each of us here today that we can no longer afford to move ahead in a haphazard way on energy matters. Hard decisions will have to be made. There will have to be some tradeoffs. But there will have to be a policy—a goal that each of us can work for, knowing that once we are there this Nation will no longer have to cope with the whims of the OPEC nations.

I, for one, believe that the American people are ready to make those choices, ready to meet the demands and face the challenges necessary to make this Nation energy independent.

As the late Hubert Humphrey once said:

> The challenge is urgent, the task is large, the time is now.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for his very good comments. I appreciate all the help he is giving us to try to change the energy situation in this country and improve it.

Mr. Speaker, I would be very happy to yield to the gentleman from Texas (Mr. COLLINS), who has probably been one of the leading four or five spokesmen in this Congress and in previous Congresses for developing an energy supply that will not only benefit producers, but also consumers.

□ 1820

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. EDWARDS) for yielding.

Oklahoma is known as a great oil-producing State. Oklahoma has been progressive not only in oil, but we all know of its outstanding job in the production of new natural gas.

As all of us know, oil and gas are interrelated. It is related energy, except when they drill deeper, it seems, they usually find gas or a dry hole.

One thing that people do not seem to understand is the fact that America today is meeting its demands for oil and gas through imports. The statistics are there. Half of our oil today is imported from the Arab OPEC countries, and half of it is produced domestically.

As the fine gentleman from New York (Mr. KEMP) said, we have the potential in this country to produce it right here and keep those American dollars here, but instead we have been following a very loose economic policy and we have been draining America to the very bone, as we are shipping all the dollars abroad to buy half our oil.

When we read the papers, we regret that they do not remind the American public over and over that the fundamental point is this: That 6 years ago the United States was importing $3 billion in oil, last year we were importing $42 billion in oil, and this year the United States is importing $60 billion in oil. We are importing 20 times as much oil in dollars as we were just 6 years ago.

And what is happening? What is happening is this: All this American money is being paid out to the Arab OPEC countries. They are getting shopping centers, they are getting banks, they are getting our corporate stocks. Every day I hear some Congressmen who are our colleagues talking about what is happening to our farms. They say the countries abroad are buying up our farms. We have to pay for that oil some way if we are going to continue to import foreign oil.

What we are doing is just simply giving away our country. It was $3 billion 6 years ago, this year it is $60 billion, and it will be another $60 billion next year. We are bleeding America dry with the confused Carter energy policy.

The answer for energy is to start concentrating on domestic production.

Mr. Speaker, let me ask the gentleman from Oklahoma (Mr. EDWARDS) if he is familiar with what has happened in Oklahoma? Are they able to hold up their production, or have they had the same experience we have had in Texas?

Mr. EDWARDS of Oklahoma. Mr. Speaker, we have had quite a problem with reduced drilling activities as a result of the Federal energy policies.

Mr. COLLINS of Texas. Mr. Speaker, what has happened in Texas is this: Gov. Bill Clements got on the stump and explained it. Apparently the news never was heard up here in Washington, but we understood it down in Texas.

In the past 3 years in Texas, which is the biggest oil-producing State in the lower forty-eight, although Alaska is out there and it is coming along and helping, but let us take Texas oil production where all the oil wells are running wide open. Texas oil wells are producing as much as they can possibly produce; yet they are down 600,000 barrels a day from 3 years ago. They are down 600,000 barrels of oil a day in production.

This gets back to the fundamentals. I ask, "Why does Congress not deregulate the price of oil and pay Americans the same as they pay the foreign OPEC countries?"

I have some interesting figures here covering a report of the petroleum situation, and this is from a paper published by Chase Manhattan Bank. They are quoting in here the different prices that the refineries pay for crude oil. It is a hodgepodge of prices.

Refineries by the foreign oil at the top price. For foreign oil they are paying $18.96. Many of these are long-term contracts. Even at that they are still paying $19 a barrel.

I might just say that the last price I saw on foreign oil was $22.40 in Philadelphia, and they tell me market quotes are at $23.50, and they will be at $25 a barrel soon.

What do they pay Americans? For American oil they were paying for what they call "lower tier" just $6.35. In other words, for all the old oil in this country from Americans they are only paying $6.35 a barrel. For what they call "upper tier" they were paying $13.55, for Alaskan oil, $15.53, for stripper oil, $17.83, and for MPR, $15.92.

But what is interesting is that nowhere do they pay Americans the same price as they do the Arab OPEC countries. This is absurd.

Mr. EDWARDS of Oklahoma. Mr. Speaker, as the gentleman knows, after those facts are established and after the OPEC countries periodically increase the price they are charging us, we come back in this Congress and have to debate on whether or not to send foreign aid to the OPEC countries because apparently some people down at 1600 Pennsylvania Avenue do not think that we are yet giving the OPEC countries enough.

Mr. COLLINS of Texas. And as the gentleman knows, yesterday Congress passed another $7.7 billion in foreign aid to give away around the world.

It is time that the countries of the world look us over, considering the way we run our economic policies. People have forgotten that we are no longer the richest country in the world. We are now No. 8.

I was amazed when I heard that. I always thought America was the richest country in the world, but we have dropped, and the reason we have dropped is that we no longer try to be self-sufficient. We are trying to find an easy way; we are letting other people do the job for us.

Mr. Speaker, I want to bring out something else at this time. I appreciate the gentleman from Oklahoma (Mr. EDWARDS) giving us this overall energy picture because the gentleman from Oklahoma is putting oil and gas in perspective. I have a data sheet from the Morgan Guaranty Survey of September 1979. This just came out. It is an interesting chart. They compared the years 1969 to 1979, and I include the chart in the RECORD at this point, as follows:

Oil profits vs. manufacturing profits (percentage return, after taxes, on stockholders' equity)

	Manufacturing companies	Oil and coal companies*
1969	11.48	11.73
1970	9.33	10.96
1971	9.68	10.33
1972	10.60	8.70
1973	13.01	11.60
1974	14.90	21.11
1975	11.58	12.44
1976	13.95	14.31
1977	14.18	13.61
1978	15.00	13.28
1979 (1st Qtr.)	15.74	15.75

*Industry classification was changed to petroleum and coal in 1974. Prior to 1974, figures are for petroleum refining and related products.

Source: Federal Trade Commission.

Mr. Speaker, this chart shows what manufacturing companies earned in the way of return on investments, and it compares this with what oil companies earned in return on their equity. What is interesting is that the oil companies, outside of 1 year, 1974, have usually earned less than manufacturing companies.

I might just add, although the TV networks never put this on in the TV network news shows, that the oil companies always earn less than the networks earn in their return on equity investment. It would be a most appropriate thing if they would compare oil company earnings with what TV networks make on their equity return. The oil companies usually make less than other manufacturing businesses.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I wonder if the gentleman would also let me point out that studies by Chase Manhattan Bank, as I pointed out earlier in my remarks, have shown that oil companies now are investing $2 for every dollar they make in profits, and that 95 percent of their investments are being made in the energy field.

Mr. COLLINS of Texas. Mr. Speaker, I want the gentleman to just repeat that. That is so vital, especially when we hear these TV news commentators give these one-sentence statements that overlook basics.

Mr. EDWARDS of Oklahoma. What we have run into is all this criticism of the energy companies for their investments and for all the profits they are making.

A number of studies, including the one by Chase Manhattan which the gentleman quoted earlier, shows the oil companies now are investing nearly $2 for every dollar they make in profits, and of that money they invest, which is twice their profits, 95 percent of that is being reinvested in the field of energy.

Mr. COLLINS of Texas. Mr. Speaker, this is what they are doing, and I am so glad the gentleman emphasizes that because the House recently passed a bill called the Windfall Profits Tax. It had nothing to do with windfall, and it had nothing to do with profits. All it had to do with was tax, and what it did was tax the American companies 60 percent and tax the OPEC companies zero percent.

That is beyond visualization. It is hard to believe that the House taxed the American companies 60 percent and the Arab OPEC countries, the OPEC rich countries, zero percent.

We sent that windfall bill over to the Senate, and I do hope that body has more time to deliberate on it than we did.

Mr. EDWARDS of Oklahoma. Mr. Speaker, as I pointed out earlier, the significance of the fact that so much of that investment by the oil companies goes into energy production is that the so-called windfall profits tax—the severance tax, as I call it—is taking away money that would be invested in energy production at twice the rate of profits.

Mr. COLLINS of Texas. Mr. Speaker, as the gentleman brought out also, this windfall tax is not based on profits but it is based only on increased prices. The increased price has been created by the OPEC countries. The gentleman from Oklahoma emphasized the fact that the American oil companies are reinvesting all profits into exploration and development.

It was a mistake when the House did not pass the plowback tax credit and allow capital for the oil companies to go back in and explore for more oil and more gas in our own country.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from South Dakota.

Mr. DASCHLE. Mr. Speaker, I would like to compliment the gentleman from Oklahoma (Mr. EDWARDS) for this very informative colloquy on a problem that I think we have not addressed adequately. I am talking about the Nation as a whole.

We talk about the need for a commit-

ment, we talk about the lack of commitment in this country, and I cannot think of a better example than the kind of lack of commitment we have in our country right now to pull ourselves out from this tremendous dependence that we have on foreign oil and the economic jeopardy we put ourselves in because of it.

We can think of a lot of ways—and many of them have been mentioned tonight—as to how we might be able to pull ourselves out of this. We have talked about the nonrenewable resources, and I think we would all be very remiss if we did not talk about the renewable resources and the tremendous impact they could have on our situation.

Just yesterday the renewable alcohol resources caucus made a report about one country that does have a commitment, and that is Brazil. Brazil in the last 4 years has committed itself to the use of renewable resources like alcohol fuels. They by 1985 are going to have the capacity to produce enough alcohol to fuel 60 percent of their automobiles entirely from alcohol fuels. This is not gasohol but pure alcohol. I think it is that kind of potential and that kind of commitment among some of us in this country that we must have to do exactly the same thing.

□ 1830

But if ever we have been stymied by unnecessary rules and regulations, if ever we have had problems in dealing with the Federal bureaucracy, in dealing with archaic rules and regulations with the production of alcohol, it is now.

We are dealing with a time in which the problems that we are facing go back to the 1920's and the 1930's and the prohibition era, and the Bureau of Alcohol, Tobacco and Firearms has come to the conclusion that they have to improve and update the rules and regulations.

I have some facts which I thought were quite interesting. During the first 5 months of this year, the Bureau of Alcohol, Tobacco and Firearms received more than 6,000 inquiries on alcohol fuel production regulations. That compares to 1978 with fewer than 100 such inquiries which were received.

I think it indicates the tremendous potential, the tremendous interest there is toward the production of alcohol fuels; but we are not going to get it done, we are not going to develop these new technologies, we are not going to make ourselves self-sufficient if we are going to continue to contend with the problems that we are facing right now with the Federal regulations that are outdated.

So once again I want to thank the gentleman from Oklahoma for providing all of us with this opportunity. I think it is a good one, and one which should be done more often.

Mr. EDWARDS of Oklahoma. I thank the gentleman for his remarks. I think we have made a number of very good points that need to be addressed if we are ever to get ourselves out of this predicament that Congress has gotten us into.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I would like to go on with what is happening to our domestic reserves.

I have some figures here that were prepared by the Morgan Guaranty survey in their latest publication, which came out in September 1979.

OIL RESERVES, PRODUCTION, NEW DISCOVERIES

	Crude oil and natural gas liquids (billion barrels)			Natural gas (trillion cubic feet)		
	Proved reserves at Jan. 1	Annual reserve additions	Annual production	Proved reserves at Jan. 1	Annual reserve additions	Annual production
1971	46.704	2.665	4.072	290.7	10.1	22.5
1972	45.367	1.796	4.082	278.8	9.8	22.5
1973	43.126	2.555	3.995	266.1	6.5	22.6
1974	41.755	2.614	3.819	250.0	8.5	21.6
1975	40.600	1.937	3.679	237.1	10.8	20.1
1976	38.950	1.919	3.554	228.2	7.4	19.9
1977	37.344	1.695	3.600	216.0	12.3	20.0
1978	35.480	1.943	3.741	208.9	10.7	19.9

We actually are draining our American reserves. In other words, we are draining our oil and gas reserves and we are not putting the money into additional production which America needs to be doing. It shows that, taking crude oil—and they measure crude oil in terms of billions of barrels of reserves—they had 46.7 billion in reserves in 1971, and it has gradually gone down. You can just watch it year by year. In 1978 it dropped to 35.4 in billions of barrels of oil reserves in our country.

What has happened with natural gas? You measure that in trillion cubic feet. They had 290 in 1971, and it has drifted down to 208. We are losing our oil and gas reserves because we are not paying enough to go back in. The gentleman knows, because he has seen it in Oklahoma, we have tremendous potential recoveries in secondary and tertiary. In our primary oil drillings we have only recovered 30 percent of the oil. If we would pay a fair price, we could recover that middle 40 percent. The bottom 30 percent in the wells can cost too much. But if we would pay as much to Americans as OPEC and let Americans go in there and recover oil—it means water flooding, it means the use of chemicals, it means the use of steam—we can do it in secondary and tertiary.

I have one other thing I would like to discuss. People talk about the price of natural gas. Nowadays you can get about $2.25 for gas, but they do not mention that all of the gas that has been bought in the past, when the purchasers buy it, they usually buy it in terms of life of the field. I was interested to see—and I picked out the last quarter of 1978—45 percent of the gas is now moving at the rate of 21 cents to 40 cents, which means that nearly one-half of the natural gas is moving at about 30 cents. I went back on the chart to see what is happening at the high price end. We keep hearing you can get $2.40 per thousand cubic feet. So I took the gas sold from 1.80 per thousand cubic feet and up which accounts for 3.7 percent of the present market. What happened is that the smart buyers, when they bought gas, were buying it on the life-of-the-field basis. Sometimes these fields produce 25 years or 30 years.

There is one other thing to remember about gas. The cost of the raw gas makes up less than 20 percent of the cost to the consumer. But on the other hand, if gas distributors do not have the natural gas in the pipeline, they will still have their heavy basic overhead expense. The reason we are talking about gas and oil, as the gentleman knows, you might drill for oil and you might get gas, and they both interserve each other as energy sources.

I have one other thing I would like to include, that is, to quote from the same Morgan Guaranty survey, in contrasting what happened 20 years ago and what is happening today as relates in terms of real dollars as to what happens when price relationship affects oil drilling.

Twenty years ago, in 1958, the composite oil-gas price was $4.46 a barrel. Exploratory wells drilled in that year numbered 13,199. General inflation through the 1960s and into the early 1970s exceeded the rise in the oil-gas price, which was held down by government controls on natural gas prices and by cheap imports of foreign oil. Thus, by 1972 the inflation-adjusted oil-gas price had dropped to $3.16 a barrel. Not surprisingly, exploratory drilling steadily declined: by 1972, for example, wells drilled had dropped to 7,539.

When the price of oil went down in terms of real dollars, the number of rigs went down, down, down. Today, as the oil price has gone up, the number of rigs has gone up. But, of course, they have to drill twice as many feet now to end up getting production as oil is harder to find. When you drill deeper it is more expensive. But the oil is there. This country can be completely and entirely self-sufficient within 3 years after full deregulation of the price of oil and gas.

Mr. Speaker, I thank the gentleman from Oklahoma for one of the most constructive days we have had in Congress.

Mr. EDWARDS of Oklahoma. I thank the gentleman for his contribution.

● Mr. BADHAM. Mr. Speaker, the current energy situation is one of the great examples of what can happen when government interferes in the free market

system. The energy crisis we are experiencing today is not so much a lack of energy but rather a shortage of supply and an overabundance of bureaucratic redtape and regulation.

This shortage of supply has been misinterpreted by many as a worldwide lack of energy. Thus, many well-intentioned legislators have made conservation the cornerstone of their energy policy proposals. This approach can only restrict the economic and social growth of our great Nation. If we are to move ahead we must permit the free market system to operate in this vital area of energy.

Government controls have artificially kept the price of petroleum at a relatively cheap price when compared to other industrial nations, but in doing so, these controls have also destroyed the incentive to explore and develop new sources of domestic oil. This in turn has forced the United States to rely on unstable and uncertain foreign sources of oil for 50 percent of its needs.

I admit that the lifting of governmental controls will cause the price of oil to increase, but the results of such a move are well worth the costs. Deregulation will provide the needed incentive to develop domestic sources of oil, encourage the conservation of this precious resource, decrease our reliance on imported oil, and most importantly, deregulation will provide the United States with a reliable energy supply.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, on Friday, September 7, I was in my district on official business and was unable to vote on rollcalls 448 through 453. I would have voted as follows on the five yea and nay votes:

"Yes" on House Resolution 386, the rule to consider H.R. 79, providing for reorganization of the Postal Service; "yes" on the vote whereby the House agreed to resolve itself into the Committee of the Whole to consider H.R. 79; "yes" on the amendment to retain the present ceiling on public service subsidies to the Postal Service rather than the increases provided for in H.R. 79; "yes" on final passage of H.R. 79; and "yes" on the conference report on S. 1019, to lift the ban on aid to Uganda.●

MORE LEGISLATION IS NOT NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 5 minutes.

● Mr. EMERY. Mr. Speaker, my colleagues and I are here to focus attention on what I feel can be classified as this century's most far-reaching and fundamental problem. That problem is how our Nation will resolve the demand for energy with available world resources and our capability to produce domestic energy supplies.

We currently consume more energy than we produce. Consequently, we depend on foreign sources for approximately 9 million barrels of oil per day out of a total consumption of 17 million barrels per day. This amounts to about $60 billion annually as compared to $8 billion in 1973, the year of the Arab oil embargo. This trend of increasing imports and increasing costs results in some unhappy facts.

One, we rely on our oil supply from undependable sources. Nations such as Libya and Algeria are openly hostile to the United States, while both Saudi Arabia and Nigeria have threatened the continuity of oil exports depending upon U.S. foreign policy with the PLO and Rhodesia. Just yesterday I received a study commissioned by the Domestic Refining Group on the national security implications of our reliance on foreign oil. Indeed, the recent supply interruption caused by the Iranian revolution further exemplifies the instability of our oil supply.

Two, the interrelationship between energy and the economy is inextricable. Economy, in turn, is the basis on which our democratic society relies. Unless we can resolve the problem of energy demand versus available supply and production capability, we cannot hope to progress internally or to continue in a stable and peaceful manner. The challenge, then, is to decrease our dependence on foreign energy sources by increasing domestic energy production.

We can meet this challenge by focusing attention on our abundant resources of coal and oil shale, and our existing supplies of onshore and offshore oil and gas. Additionally, we can develop the necessary technologies to develop these resources in an environmentally safe manner.

The Congress has addressed this issue by introducing a number of bills designed to promote synthetic fuel production. I have introduced, along with my colleague LARRY WINN, H.R. 5117, the Synthetic Fuels Production Act of 1979, a bill to provide for research and development and to encourage and promote the production of synthetic fuels. In addition, we are all familiar with the President's July 15, 1979 speech in which he proposed an Energy Security Corporation whose primary purpose would be to encourage synthetic fuel production through various financing mechanisms. All of these proposals deserve to be carefully scrutinized by the various committees; and if we do nothing else here today, I feel that we should urge the Congress to begin extensive hearings on the legislative initiatives already introduced. I would suggest that, at this point, we do not need more legislation but action on the legislation we have.

Concurrent with this action must be an effort to address the Federal institutional barriers to increased energy production. These barriers most frequently take the guise of consumer and environmental protection. Too often, however, regulations promulgated by the Federal Government to achieve consumer and environmental protection create a bureaucratic morass whose effect is to substantially slow production and even stop it altogether.

No one disputes the need to protect our society from unsafe working conditions, health hazards, or environmental degradation. To ignore such potentially harmful factors in energy production could bring even greater problems down upon us. What we must attempt to do, however, is balance the need for a healthy and safe society with the need for energy to insure a continuation of that society. The existing tangle of Government regulations, in my opinion, must be modified to allow for the expeditious development of key energy projects. Unless we can address the regulatory system from this viewpoint, I believe the result will be slowed production, increased costs, and a substantial waste of energy and resources which could be better utilized elsewhere.

Energy independence can be achieved only if we begin to produce domestic sources of supply at a rate consistent with demand. I feel this can be accomplished by legislative action designed to finance energy production and to cut through the regulatory process. In turn, we will be working toward a more stable society whose economy depends more upon internal domestic policy than upon the whims of foreign nations. I urge my colleagues to accept the challenge of U.S. energy independence as the foremost priority of this Congress. What we accomplish here will have untold ramifications for succeeding generations of Americans.●

SUGAR STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 5 minutes.

● Mrs. BOGGS. Mr. Speaker, in the near future, this House will consider H.R. 2172, the Sugar Stabilization Act of 1979. While many know of the importance of this legislation to our domestic sugar industry, I do not think enough attention has been focused on the potential impact of this bill on our future energy needs.

While the Congress and the administration are considering programs to lessen our dependence on imported fossil fuels through accelerated research and development, many of these programs are necessarily long-range and will make significant contributions only years into the future.

Gasohol, on the other hand, is an existing technology which can use readily available and renewable agricultural and forest resources to produce the required alcohol. In reality it is liquid solar energy. Alcohol is a clean burning, highly efficient, nonpolluting fuel which is wholly compatible with the catalytic converters which are required by EPA regulations.

Brazil has perhaps the most ambitious program to expand the use of alcohol

as an additive to petroleum. Other countries working on the development of gasohol are the Dominican Republic, Thailand, Costa Rica, and the Philippines. It is no coincidence that all of these countries are major sugarcane producers.

The only country, in fact, with the capacity to produce plentiful sugar supplies which appears not to be fully committed to developing sugar-based alcohol fuels is the United States, where plans for two gasohol production plants in Louisiana are still on the drawing boards because of uncertainty over the future of the sugar industry itself.

I would like to share with my colleagues an article that appeared last month in the New Orleans Times-Picayune on the potential of gasohol for rescuing our domestic sugarcane industry from its rather precarious state.

I would also like to take this opportunity to call attention to the First Inter-American Conference on Renewable Sources of Energy which will be held in New Orleans this November 25 through 29. This conference, sponsored by the Cordell Hull Foundation for International Education, is to bring together for the first time in the Americas all of the available technology, both domestic and foreign, on the feasibility of conversion of agricultural products to ethanol. Representatives from South and Central America, the Carribean, and the United States will participate in the conference.

Mr. Speaker, I ask unanimous consent that I be permitted to insert this article on gasohol from the August 6 edition of the New Orleans Times-Picayune in the RECORD.

GASOHOL: LOUISIANA'S SAVIOR?

(By Wendy Schornstein)

Saviors don't come along every day, and it's not always easy to know one when you see one.

Gasohol has the look of a savior to some Louisianians. It is sometimes seen as the answer to the nation's gasoline problems and the salvation of the sugar industry at home.

While everyone is not sold on the gasohol concept, no one seems to be dismissing its possibilities.

If all the sugar in Louisiana were converted into alcohol for gasohol, only 5 percent of the state's gasoline needs would be met. But Frank G. Carpenter, research leader in cane sugar refining at the Southern Regional Research Center, says, "Every little bit helps."

Will it save the sugar cane industry? "Well, maybe yes and maybe no," he said in a recent interview. He has reservations because alcohol can be made from many crops, all of which will be competing with sugar cane.

"We're not emphasizing gasohol here," he adds. "The economics are not good at the moment."

Dr. J. A. Polack, director of LSU's Audubon Sugar Institute, disagrees. He thinks that the tax exemptions afforded by the government "make (gasohol) economically viable." To qualify for exemption, 10 percent of the manufacturer's fuel must be alcohol.

Both the Louisiana Legislature and the Carter administration have offered incentives for the development of gasohol as an alternative energy source.

The complications of alcohol production boil down to three problems (or, as the optimists would say, considerations). First, there is the question of what the distillery will run on. Sugar cane is ripe for harvesting only two months out of the year, so other crops must be harvested in the remaining months.

Secondly, for each gallon of alcohol produced from sugar, there are 13 gallons of waste. The waste, called slop, must be disposed of. And thirdly, how does one prepare for economic fluctuations that may turn alcohol production into an unprofitable business?

Louisiana Gasohol Corporation president Robert Guillory has studied these questions. His corporation is planning a pilot plant that should be in production a year from now. He is not worried about rising prices of sugar, corn or any other crop because an alcohol plant can simply switch to a crop with the right price.

In fact, his pilot plant will not use sugar cane because "at today's price of sugar, you do much better refining every bit of sugar cane into sugar."

Instead, it will use sweet sorghum, corn, milo, sweet potatoes and molasses taken from cane. Guillory sees gasohol as a "real boost to sugar cane people" because they can plant another crop on the portion of land which must be left fallow every year for cane growing.

A mill can run only two and a half months on cane, but adding other crops with longer harvest seasons can stretch production to five months.

The Louisiana Agri Fuels Corporation, which is planning to build an alcohol plant adjacent to the Cajun Sugar Cooperative Mill in New Iberia, intends to use black strap molasses, cane syrup and sweet sorghum.

According to Agri Fuels president Carlos Toca, sugar cane is attractive because early matured and freeze-stricken cane, which cannot be refined into sugar, contains fermentable sugars which can be converted to alcohol.

"This plant will be energy self-sufficient and pollution free," he said. Bagasse, the fibre left after taking the sugar out of cane, will be used to generate the plant.

Vice-president Robert Angers Jr. said the "slop" can be used two ways: for cattlefeed and in the production of pharmaceuticals.

To guard against a possible rise in the price of sugar, which would make the sale of cane to refineries more profitable than the sale of cane to alcohol plants. Agri Fuels will work on a contract basis, said Angers. Agri Fuels already has commitments from several sugar mills, he said.

"We are involved in negotiations with one of the major oil companies for the purchase of alcohol," Toca said.

But what if the price of gasoline decreases, becoming cheaper than gasohol? Nichols State University chemistry professor Dr. Cary Flowers, who thinks gasohol will be "the salvation of the sugar industry," believes this is impossible.

"The price of alcohol is based on etholine, which is a petroleum product," he says, "so if the price of oil goes up, the price of alcohol will go up too."

Dr. Flowers also sees no problem with competition between sugar and alcohol. He predicts that the prices of both will rise simultaneously.

"I can't agree with that," says Joseph Harrison, vice president of production at Supreme Sugars. "It's a fallacy." Supreme Sugar's parent company is Archer Daniels Midland of Decatur, Ill., the only major producer of alcohol for gasohol in this country. Harrison said his company is "still in the study stage" and warns, "This is no backyard distillery we're talking about."

The scale of the industry and the variables involved have made most researchers and investors cautious. Different findings and theories will be discussed at the Conference on Gasohol in November in New Orleans. Though people disagree on the production and economics of gasohol, they seem to agree on two things: it's complicated, and it needs a lot of study.●

DANIELSON ENERGY QUESTIONNAIRE RESULTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

● Mr. DANIELSON. Mr. Speaker, today I am calling the attention of my colleagues to the results of a questionnaire dealing with the energy situation that I recently sent to my constituents throughout the 30th Congressional District of California.

The results show strong support for the continued use of nuclear powerplants, a standby gasoline rationing plan, conversion of industrial plants to coal, and the 55 miles per hour speed limit.

The survey also shows that the average working constituent who responded to the questionnaire drives 113 miles to and from work each week, and that 91 percent of those constituents rely on a car or truck, or a carpool, to get to work.

The average constituent in my district estimates that he gets 16.7 miles per gallon and that he could reasonably reduce his driving by about 9 percent without making a considerable change in his life style.

Those favoring decontrol of oil prices—if coupled with a windfall profits tax—outnumber those opposed to decontrol by more than 2 to 1, although almost one-third of the respondents were undecided on that question.

The constituents who responded blamed the oil companies the most for our current energy problems, made Congress second on the list of those to be blamed, and the President was blamed the least.

There is a strong desire among my constituents to own smaller cars than they presently own. Half of the people who indicated that they presently own a large car said that they would buy a smaller car, and 42 percent of those owning a medium size car want to go to a smaller one.

With gasoline prices now over a dollar a gallon they have good reason to want a smaller car, since the average small car owner estimated his mileage per gallon at 22.5 and the average large car owner said he got 13 miles per gallon.

The gasoline lines and higher prices did not make small car converts out of everyone, however. It is interesting to note that 26 percent of the large car owners said that they would buy even larger cars while only 14 percent of the

small car owners and 17 percent of the medium size owners said they would move to a larger car.

Bearing out the claims that the Los Angeles area is vitally dependent on the automobile, the results showed that only 5 percent of these constituents who are working go to their job by bus, 1 percent by motorcycle, 1 percent by bicycle, and 2 percent walking.

The complete results of the questionnaire are as follows:

CONGRESSMAN GEORGE E. DANIELS'S ENERGY SURVEY RESULTS, AUGUST, 1979

1. Do you think we produce enough oil in this country to meet our energy needs, or do we have to import some oil from other countries? Produce enough, 28%. Must import, 53%. Don't know, 19%.

2. Who do you think is most to blame for our current energy problems? (check one or more) Department of Energy, 41%. The President, 31%. OPEC, 39%. Oil Companies, 67%. The Public, 33%. Congress, 48%.

3. How do you go to work? Car or Truck, 85%. Carpool, 6%. Bus, 5%. Motorcycle, 1%. Bicycle, 1%. Walk, 2%. (22% did not answer this question and are not included in the percentages shown)

4. Estimate the percentage of use of your motor vehicle for each of the following: Work, 57%. Other Essential Use, 28%. Recreation, 10%. Non-essential Use, 5%.

5. By what percentage could you reasonably reduce your driving without considerable change in your life style? 9%.

6. How many miles do you drive (round trip) to and from work each week? 113 miles.

7. What is your estimated miles per gallon? 16.7 mpg.

8. If you use your personal vehicle, or purchase your own gasoline in a company-owned or leased vehicle, how many work-related miles do you drive a week? 63 miles.

9. Is your auto: Small, 30.5%. Medium, 49.5%. Large, 20%.

10. If you intend to buy a new car within the next year, do you plan to buy one that is: Smaller, 37%. Same, 45%. Larger, 18%.

11. Do you favor the decontrol of oil prices:

(a) If coupled with a windfall profits tax? Yes, 48%. No, 21%. Undecided, 31%.

(b) without the windfall profits tax? Yes, 20%. No, 24%. Undecided, 55%.

12. Do you feel that higher prices will substantially increase the amount of oil that will be produced in the United States? Yes, 51%. No, 38%. Undecided, 11%.

13. Would you favor the nationalization of all oil companies? Yes, 30%. No, 59%. Undecided, 11%.

14. Would you favor the nationalization of all public utilities? Yes, 24%. No, 64%. Undecided, 11%.

15. Would you favor a Federal purchasing office that would purchase all oil bought overseas and redistribute it to the oil companies? Yes, 36%. No, 50%. Undecided, 15%.

16. Do you feel that world oil reserves will be too small to meet our energy needs after: (a) 10 years? 18%. (b) 20 years? 32%. (c) 50 years? 27%. (d) 100 years? 15%. (e) Never? 8%.

17. Which of the following alternative sources of energy do you think we should put the most money into developing? (Please number the three you consider most important, and the order of importance, by numbering 1, 2, and 3)

1st, Solar Energy.

2nd, Coal.

3rd, Nuclear Power.

4th, Synthetic Fuels.

5th, Geothermal.

6th, Hydrogen.

7th, Wind Power.

8th, Other.

18. Do you think we should ease the air pollution laws in order to increase the gasoline supply? Yes, 46%. No, 44%. Undecided, 10%.

19. Do you think that industrial plants, whenever possible, including electric power plants, should convert from the use of oil or natural gas to coal? Yes, 67%. No. 16%. Undecided, 17%.

21. Do you plan to take advantage of the tax credit for adding insulation to your home within the next two years? Yes, 23%. No, 45%. Undecided, 32%.

22. Are you in favor of the 55 mile per hour speed limit? Yes, 78%. No, 18%. Undecided, 4%.

23. Do you regularly save aluminum, glass, paper or any products and turn them in for recycling? Yes, 64%. No, 36%.

24. Should we have a standby gas rationing plan ready in case of emergency? Yes, 78%. No, 15%. Undecided, 6%.

25. Do you feel that the "odd-even" system was a major factor in the lessening of the gas lines in California? Yes, 67%. No, 25%. Undecided, 7%.

26. The recent accident at Three Mile Island in Pennsylvania at a nuclear power plant has caused a great deal of concern regarding the safety factors involved. Which of the statements below most closely parallels your own views?

42%. We must continue to build nuclear power plants. We need the electricity and the risks are outweighed by the benefits.

35%. We must slow down nuclear plant construction, make absolutely certain that safety measures are foolproof, and build them in sparsely populated areas only.

17%. We should not build any more plants at this time and should watch those that are in operation very closely, closing them at the first sign of trouble.

6%. We should shut down all nuclear power plants immediately and never build any more.

	Small car owners	Medium car owners	Large car owners	Total
Intend to buy a smaller car (percent)	20.7	42.0	50.0	37
Intend to buy the same size car (percent)	65.7	40.6	23.7	45
Intend to buy a larger car (percent)	13.6	17.4	26.3	18
Miles per gallon estimate	22.5	15.5	13.1	

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MR. PRESIDENT, GET GOVERNMENT OFF OUR BACKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. SHELBY) is recognized for 5 minutes.

● Mr. SHELBY. Mr. Speaker, I wish to call to the attention of my colleagues the following article by Vernon Cox which appeared in the Birmingham Post-Herald on July 21, 1979. Mr. Cox eloquently expresses what millions of Americans have been saying for some time. Unfortunately, it appears to me that the people who have been elected to Congress are not listening to their constituents and to the people like Vernon Cox who have given so much to their country.

The editorial follows:

MR. PRESIDENT, GET GOVERNMENT OFF OUR BACKS

(By Vernon C. Cox)

It was gratifying to read a complete text of President Carter's July 15 speech because after reading remarks by Senators Stewart and Heflin, Congressman Buchanan, Mayor Vann, Commissioner Doss and several other politicians I found out that Councilman Larry Langford and I had not listened to an entirely different speech.

May I use "Another View" to accept Mr. Carter's invitation to "let your voice be heard" and present the thoughts of a very average American who, for 44 years, has worked for and with many people in the construction and allied industry, all of us with a great deal of pride and the happy feeling that goes with building something, to produce a high quality, reasonable priced structure to owners.

I now watch, with tears in my eyes, as my governments tear the industry apart through their prevailing wage requirements, their affirmative action plans, their mandated minority participation deals, their required reporting procedures, their licensing, permit and inspection controls, their costly and unrealistic safety standards and on and on.

Mr. Carter stated that the main threat to America and the American way of life was "a crisis in confidence." Also, "for the first time in the history of our country a majority of our people believe that the next five years will be worse than the past five years." Yet, Mr. Carter never addressed himself as to why Americans had lost confidence and expected a worsening. Mr. Carter also stated "The productivity of American workers is actually dropping."

May I ask, "Mr. President, what did you expect?" In the construction industry you, the top dog in our government structure, allow your bureaucrats and legislators to make contractors pay the same sizable wages for the sorriest carpenter, painter, mason, etc. as for the best, most productive craftsman. Your rules won't let us weed out those who won't or can't produce and thus takes all incentives away from those who can and will produce.

Then, too, Mr. President, you surely must realize that about 10 percent of the work force on the public payroll never produces anything except more paperwork to penalize the production of those who are trying to efficiently produce buildings, cars, gasoline, stoves, refrigerators, etc. And your unnecessarily high mandated wage scales, including minimum wage scales, confiscatory employer taxes, "timely" deposits of those taxes with their attendant penalties for being "untimely" and the fact that government has overspent so freely and "borrowed" so much money there is not enough left for a private employer to finance a business, even with outrageous interest rates, make it quite undesirable to even try to be an employer.

If you were in the construction business, Mr. President, the cash flow problems would make you wince. Why do you think Americans expect to be worse off in the next five years? Most of the answers lie within your Sunday night speech. We have watched you waste 22 billion tax dollars on a Department of Energy to create such total confusion in the energy field that all anyone can now say is "I've got to have more money."

Instead of trying to rectify this great error in judgment you propose to compound it by creating an Energy Security Corporation and an Energy Mobilization Board. This will only add to the confusion and further shackle the producers in America who can get things done if left alone. Also we realize you are the prime mover behind the proposed separate Department of Education, an even greater boondoggle.

You propose great new spending programs by borrowing through bonds and by taxing "windfall profits." By innuendo you are guilty of making it sound like the oil companies are ripping off the American public, but the tax will be paid by the American consumer not the oil companies.

You're not being honest with us, Mr. President, because all one has to do is look at who winds up with the money. It has been the 95 percent increase in government spending in the past five years and the accelerating pace since you became president that make the next five years look pretty bleak. And you must know that you already have about three-fourths of a trillion dollars out in notes and bonds. Adding another five billion ain't going to help that problem any.

But more pessimism is created by your Sunday statement, "Our nation must be fair to the poorest among us. So we will increase aid to needy Americans to cope with rising energy prices," than by any other action or inaction you might take. It is this type of social program which will do most to defeat America, if America is to be defeated, because we Americans made America what it is by hard work, saving, and helping those who can't help themselves.

Let us handle aid to those who can't cope with high energy costs, Mr. President. I'll guarantee you we'll do a better job than even the United States government can.

Both the Declaration of Independence and the Constitution use the word "liberty" where you use the word "freedom." Although synonomous they do not mean exactly the same thing.

Even as The Declaration of Independence expressed the need and the desire to be "free" of the tyrannies of the government as administered by King George, perhaps the Americans of today need to be "freed" from many of the inequities, injustices and tyrannies of the government as administered by you, Congress and the Supreme Court.

I feel I speak for millions and millions of other Americans when I say, "Yes, Mr. President, we'll go all out to save America. We only ask that you limit your help to our effort by leaving government off our backs and out of our hair. Have everyone in government shuffle their papers if they have to, just don't send them to us."

You asked us not to "take unnecessary trips." Would you consider it impertinent if I suggested you stay at the White House? That would be leadership by example, Mr. President.●

CON EDISON TAKES ADDITIONAL STEPS TO IMPROVE SAFETY AT INDIAN POINT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, in the months since the frightening Three Mile Island accident, the Members of this body and the Nation as a whole, have soberly reflected on the dangers of nuclear energy while fully recognizing in the midst of an energy crisis the necessity for alternative fuels.

I wholeheartedly agree that nuclear fuel has a future in supplying the energy needs of major metropolitan areas such as New York City. But I am also aware that every safety precaution must be taken to insure that nuclear energy is safe energy.

Discussions on nuclear safety have been loud and lengthy. I am pleased to report that some people have been doing more than just talking.

The Consolidated Edison Co. of New York State operates a nuclear powerplant at Indian Point, just outside of New York City. When the episode at Three Mile Island occurred many of the people of my district and throughout New York were particularly concerned, perhaps even frightened about the potential hazard that Indian Point might present. I contacted Con Ed to see what they intended to do to insure the safety of our communities.

Con Ed recently reported back to me on its stepped up safety measures.

To improve the safety and reliability of its Indian Point 2 generating unit, Con Edison is undertaking 11 additional design and operational changes as a result of its own preliminary "phase I" evaluation following the accident at Three Mile Island last March 28. Immediately following the accident, Con Ed initiated operating procedure and training reviews, including simulator training, so that the Indian Point plant operators were aware of the accident circumstances and of the correct response to similar circumstances at Indian Point 2. Among measures taken, the company modified the emergency core cooling system so that automatic safety injection systems would operate on low pressure alone without coincident low coolant level.

Nuclear energy supplied 13 percent of the kilowatt-hours consumed in the United States last year. By the year 1985 it is expected to supply 20 percent of our energy needs, and by the year 2000 31 percent. Nuclear energy has a future in helping us meet our energy needs. Con Edison's recent operating procedure and training reviews at Indian Point is certainly a step in the right direction.●

A TRIBUTE TO SIDNEY YATES

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADMEAS. Mr. Speaker, one of the most respected as well as engaging Members of the House of Representatives is our distinguished colleague, the gentleman from Illinois, the Honorable SIDNEY R. YATES.

I take this time to call to the attention of my colleagues an excellent article about the outstanding leadership given by SID YATES in support of the arts in the United States from his position as chairman of the House Appropriations Subcommittee on the Interior and Related Agencies, the subcommittee with jurisdiction over appropriations for a variety of programs for the arts and humanities.

I know, Mr. Speaker, from personal experience and observation the deep interest in the arts of both SID and his wife, Addie.

As chairman of this important subcommittee, SID YATES asks tough but fair questions of those who come before him and his colleagues.

Mr. Speaker, all those concerned with support of the arts in American life should be grateful to SID YATES for his contributions to that support.

At this point in the RECORD, Mr. Speaker, I insert an article by Ruth Dean entitled, "Sidney Yates—Monitoring the Arts' Money," from the Washington Star of September 10, 1979:

SIDNEY YATES—MONITORING THE ARTS' MONEY

(By Ruth Dean)

Sidney R. Yates has come to be regarded unofficially as "Mr. Moneybags for the Arts." But after 30 years in Congress, it's typical for this veteran Illinois Democrat to deflect such a reference to his unquestioned influence on the House Appropriations Committee.

"Well, it's only a *small* moneybags, really," he says. "Government funding is only one of the ways in which the arts are funded. I would assume corporate contributions make up a great deal of contributions to the arts.

"And the tax deductions we give to schools and colleges, to museums and to arts institutions and galleries, I would guess would make up by far the greatest contributions to the arts and humanities. I've often tried to find a way of computing what that might amount to, but IRS says there is no way they can figure it because it's so extensive."

Yates, chairman of the House Appropriations subcommittee on the interior and related agencies, is an unassuming, friendly, relaxed man—a mixture of soft charm and sharp perception. He talks in low, measured tones, slowly choosing just the right words. But when something sparks his interest—and almost anything can—then his words come rapidly as he reminisces with a smile.

He teases a photographer for being so quiet at her task. "You were very surreptitious," he laughingly accuses. Then he begins to recall. "I used to study photography myself, at the School of Design in Chicago, back in the '30s when Moholy-Nagy headed it. He had just come from the Bauhaus. Georgy Kepes was there too, and some of the photographers from the Farm Security Agency who'd done such marvelous work during the Depression. And we had to work on various aspects of composition. That was fun. I had my own darkroom for a while. But it's too tough now; you people do too much.

"It's kinda like the time I played basketball at the University of Chicago. It was kind of fun. I remember one score, playing against a team that became the Big Ten conference champions. It was 6-4 at the half. Now you see what the scores are like today. So, you see they've made improvements in everything."

"OOMPAH GUITARIST"

Growing up in Chicago, Yates didn't have to learn a musical instrument, though he picked up the guitar somewhere along the line and describes himself as "an oompah guitarist." His sister did play the piano, and his family loved music. "And as it happened,"

he says, "my brother-in-law was in the business of selling phonographs and records. So we used to have the record of the operas and the symphonies going. And I'd read about them. As a growing-up experience, that impressed me with the values I have today in appreciation of the arts."

Of course, the arts and humanities are only a small part of the budget packages with which Yates deals as subcommittee chairman. But their budgets have escalated to the point that the House, in its pre-August recess vote authorizing the $10.2 billion Interior appropriations bill for fiscal 1980, included an appropriation of $154.4 million for the National Endowment for the Arts and $150.1 million for the National Endowment for the Humanities. Yates floor-managed the bill.

In an uncharacteristically dramatic way, the arts thrust Yates into the headlines last May during the 1980 budget hearings for the endowments when he expressed his "disappointment" with two controversial reports he had ordered from the House Appropriations investigative staff on the workings of the two endowments.

The reports were critical of the two agencies' operations. Perhaps their most damaging accusation, in the eyes of both endowments, was the use of the code word "closed circle" to describe practice of an elitist philosophy in choosing grants panelists. Incensed at the conflict-of-interest innuendo, NEA chairman Livingston Biddle Jr. and NEH chairman Joseph Duffey returned to the hearings with lengthy rebuttals of their own, refuting "the flaws" in the reports.

Yates was sympathetic. Even four months later, his thoughts on the subject are unchanged. The reports contained a great deal of "useful material," but tended to "accent the negative" without reporting on the good work done by both agencies, which he thinks was unfortunate.

"They gave a mis-impression, which I thought tended to be unfair," he says, "which is why I brought the reports before the hearings and gave the endowments the opportunity for review and rebuttal. In the future I think our investigative staff will look at and bring forward the good things that are done by agencies as well as the bad. We want to know both."

MANY LONG HOURS

The 70-year-old Yates is well-respected by his colleagues, his staff and arts officials. He's "the boss" to his staff, who put in as many long hours as he does.

"The staff is nutty about him; everyone just adores him," says Mary Anderson Bain, his administrative assistant, longtime supporter and friend, who managed several of his campaigns including his unsuccessful 1962 bid to upset the late Sen. Everett McKinley Dirksen. It was his only political defeat in 30 years of politics. When he returned to the House in 1965, she came with him. No, he says, he'll "never run for the Senate again." He's too happy with what he's doing now.

"I'm very lucky," he reflects. "Members of Congress go through their service frequently serving on committees that are not as interesting to them as others might be. I'm very fortunate in having been able to be on the subcommittee of the Appropriations Committee that permits me to work with the subjects in which I have very great interest.

"And that throws me into contact immediately with the exhibitions that take place in the Washington community, and people throughout the country who have established communication with me."

Despite the drama of last May's hearings, including a surprise appearance by Rep. Shirley Chisholm on behalf of the Black Caucus to protest endowment practices—later refuted—there were no television klieg lights, just the early May sunshine streaming through the room's basement windows.

Though interested in the potential of television and the movies as art forms he frankly believes both endowments could do more for. Yates is a private person who shuns the limelight of evening TV newscasts. His committee assistants, Fred Mohrman and Mike Dorf, zealously guard his privacy and wishes. If he embargoes a report, mum is the word from them until time for release. Print reporters are allowed into his modest-sized hearing room, just off his subcommittee office, but they have to scramble for seats along with the rest of the public.

The buzz of talk dies to a hush as the tall, slender silvery-haired Yates walks in and takes his place at the long hearing table in the front of the room. His deep-set, electric-blue eyes quickly take in the room and its occupants at a glance as he dons his spectacles and begins the hearing with a welcome to witnesses.

ANALYTICAL MIND

His questions reveal an analytical mind that suffers fools lightly. He cuts right through bureaucratic gobbledygook with get-to-the-point bluntness. And woe betide a witness, or even a colleague, who grandstands or veers away from the subject. Yates ignores them and picks up the best of the main discussion as if there had been no preceding interruption. He never raises his voice.

He is kind if he gets a witness who is obviously flustered. A little dry humor does the trick. Sometimes the witness turns the tables. NEA deputy chairman Mary Ann Tighe made him laugh when she told him, "I'm ready for you this year."

Yates constantly surprises testifying witnesses with his knowledge and memory of their fields, whether the arts, humanities, museums, national parks or public lands—especially when he quotes them statistics from a previous year that they should have on the tip of the tongue themselves.

"Well, I know a little bit about a number of things," he says, "and fortunately I have a good memory and I can remember the few things that I know."

His boyhood in Chicago "fortunately was in the days before television, and we used to read," he recalls. "As in all big cities, they had branch libraries in all the neighborhoods. And when I was in grammar school particularly, we used to go to the library, and in addition to trading cards that had all the baseball players on them, we used to trade books with people who had books we wanted to read. That was kind of the sporty thing to do. So we came to read a lot."

ON MEETING ADDIE

Yates was "quite an athlete" in his youth, says his wife, Adeline ("Addie" to him and their friends). She fondly recalls meeting him when he was counselor at a summer camp her brother attended. They met when the family came for a visit, kept in touch and married a few years later after she had finished college ("I transferred from Wisconsin to Northwestern because I didn't want him to get away") and he had completed his law studies at the University of Chicago. They have one son, Stephen, now an associate judge of Cook County.

The congressman confines his love of the outdoors now to golf. A new silver trophy on a table in his office proclaims his winning of this year's Congressional Golf Tournament.

Talking about his musical interest, he says, "I have a collection of the folks songs of many of the countries. I like folk songs because I like to indulge in group singing. I learned to strum on a guitar and I know a few of the chords. Fortunately most of the folk songs are susceptible of being sung in one key like the key of C. So occasionally we get together with a group of friends, but I'd much prefer to have one of them play the piano."

Yates is also an art collector, but says it is a small collection he has acquired through the years. It includes a Joni Mitchell and a Picasso. One of his favorites, a painting in wine tones by Peruvian artist Fernando Seylo, hangs on his office wall.

Despite putting in some long days, Yates says that after 30 years in Congress, he has learned to "balance" his life between work, family and friends, and needed recreation.

"He does his homework" has become a byword that is almost a definition of his reputation on Capitol Hill.

Liv Biddle sees him as "immensely knowledgeable about the whole spectrum of the arts, objective in his views, sympathetic to the whole process of greater support for the arts within the limits of his budgetary oversight."

Joe Duffey thinks he is "one of only two or three members of Congress whose advocacy for the arts and humanities goes beyond simply rhetoric, a person who leaves a trail of respect for his seriousness of inquiry and efforts."

Duffey's predecessor, former NEH chairman Ronald Berman, now teaching at the University of California at San Diego, thinks Yates "is terrific. I always thought of him as the highest type of person you could find in Congress. He does his homework. There are two ways you get help from Sid—in hearings and in private discussion in which he covers the ground."

DON'T POLITICIZE ART

However, Berman expresses his unhappiness with the present state of the arts, expressing his conviction that the Carter administration has "politicized the arts. Just look at the list of grantees. They really belong on the HEW mailing list. What it amounts to is subsidization of literally hundreds of small bureaucracies throughout the country that have nothing to do with the arts."

Asked for his reaction to Berman's views, Yates says, "My concern is that the arts don't be politicized. And I think that's the concern of every member of our committee, and that's good. I'm not sure I understand or would agree with Berman's view. I would like to have the specifics he's talking about rather than the generalities."

There will always be a conflict between those who say that the arts funding should go to a few professionals and thus a limited group, and those who say that arts support would be widespread, Yates points out. "And I think that the endowments' authorizing legislation intends that both of those purposes be fostered. Not only that the old-line, well-established arts and humanities institutions be helped, but that the impact of federal assistance in the arts and humanities be widespread throughout the country. And I think the endowments are trying to do that."●

WORLD PEACE TAX FUND ACT

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, recently I introduced the World Peace Tax Fund, H.R. 4897, with a list of 26 cosponsors. Each year the number of cosponsors has increased, the number of religious organizations endorsing this legislation has grown, and the support of the people throughout the country appears to be building. They desire ways to peacefully avoid conflict and war in the world. This

legislation provides one alternative. It could also provide funding for the National Academy for Peace and Conflict Resolution.

The World Peace Tax Fund would amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his/her income, estate, or gift tax payments spent for nonmilitary purposes.

Although the United States is not now at war, there are still thousands of Americans who are being forced each year to violate their consciences by paying taxes, or to violate Federal law by not paying taxes, or to live below the taxable income level. Their first amendment rights are not being protected as long as the law refuses to recognize their right to conscientiously oppose war by not supporting the military through payment of their taxes.

This bill would not provide any exemption from taxes; the conscientious objector would pay the full tax required, but the percentage of tax that would ordinarily go into military expenditures would be earmarked for peace research and education.

The bill does not open the "floodgates" to similar relief for other groups. The conscientious objectors' request for tax relief is unique, because it is motivated by the widely held and long established fundamental religious and moral mandate—"Thou Shalt Not Kill." Abhorrence of war and respect for the rights of minorities are principles deeply embedded in our Government. In all our wars the right of conscience has been recognized in some way. Now that the military drafts taxes rather than soldiers, conscription of funds for war and the instruments of war is a violation of deep moral and ethical beliefs of many citizens.

For the first time, we would have an agency devoted to finding nonviolent ways to resolve conflict. It is estimated that the fund would bring about $2 billion to this effort each year—not an overwhelming amount, but it could be the beginning of a new approach—a civilized approach—to conflict resolution.

At this time I would like to insert into the RECORD a summary of the legislation followed by other related material:

SUMMARY

The World Peace Tax Fund Act proposes that the Internal Revenue Code of 1954 contribution to military spending for Federal taxpayers who are conscientiously opposed to participation in war, and that a Fund be established to receive and distribute to qualified peace-related activities the portion of such individuals' tax payments that would otherwise go to military spending. The remainder of qualifying individuals' income, estate, and gift taxes would be transferred to the general fund of the U.S. Treasury, to be spent only for non-military purposes.

The Act gives relief to those citizens conscientiously opposed to participation in war, who are presently forced to violate their beliefs by participating in war through tax payments. There is considerable precedent for such relief. The Selective Service System has long recognized and accommodated the beliefs of conscientious objectors. Tax exemptions have been provided for certain religious groups to avoid violation of their religious and conscientious beliefs.

The requested tax relief for conscientious objectors will not open the "floodgates" to similar relief for other groups. The conscientious objector's request for tax relief is exceptionally compelling because it is motivated by the widely-held and long-established fundamental religious and moral mandate—"Thou shalt not kill."

The Act provides taxpayers who are conscientiously opposed to war and who might otherwise feel compelled to undertake illegal tax resistance, with a means of making a meaningful contribution to world peace consistent with their obligations of citizenship. It is particularly important that the Act extends the opportunity for conscientious objection to women and to men not eligible for conscientious objector status under the Selective Service System.

The amendments to the Internal Revenue Code of 1954 provide that a qualified taxpayer may elect to have his or her Federal Income, estate, or gift tax payment transferred to a special trust fund, the World Peace Tax Fund. The Amendments also explain how a taxpayer qualifies to have his or her tax paid to the Fund. Other sections of the Act provide for the creation of the World Peace Tax Fund, and for the appointment of a Board of eleven Trustees to administer the Fund. The Fund is modelled after the National Highway Trust Fund and the National Airport and Airway Trust Fund. The act provides that the General Accounting Office shall annually determine and publish the percentage of the Budget of the United States which was spent for military purposes in the fiscal year just ended. This percentage will be used to determine the portion of the qualifying taxpayer's tax which shall be received by the Board shall submit a budget to Congress for approval and appropriation, providing for channeling of these monies to specified peace-related activities. Monies not appropriated from the Fund for expenditures budgeted by the Board shall remain available for use in subsequent years by the Board, subject to Congressional appropriation.

MEMORANDUM IN SUPPORT OF THE WORLD PEACE TAX FUND ACT

INTRODUCTION

Many persons in this country are conscientiously opposed to participation of any kind or nature in war. For some religious denominations this is a fundamental part of the religious beliefs of the members. For example, the Handbook of the Pacific Yearly Meeting of the Religious Society of Friends urges its members:

"To recognize that the military system is not consistent with Christ's example of redemptive love . . . (and) to consider carefully the implication of paying those taxes, a major portion of which goes for military purposes."—page 28 of 1962 Rev. Ed.

The World Peace Tax Fund Act is designed to relieve individuals conscientiously opposed to participation in war from the obligation to participate in war through the payment of taxes for military spending. Also it frees them from the weight of conscience which comes from breaking the law, when they hold law and society important.

Freedom of conscience, whatever that might be, is an integral part of our scheme of government. The Supreme Court of the United States, in March of 1965, quoted a statement made in 1919 by Harlan Fiske Stone, who later become Chief Justice of the Court:

"Both morals and sound policy require that the state should not violate the conscience of the individual. All our history gives confirmation to the view that liberty of conscience has a moral and social value which makes it worthy of preservation at the hands of the state. So deep is its significance and vital, indeed, is it to the integrity of man's moral and spiritual nature that nothing short of the self-preservation of the state should warrant its violation; and it may well be questioned whether the state which preserves its life by a settled policy of violation of the conscience of the individual will not in fact ultimately lose it by the process."—Stone, The Conscientious Objector, 21 Col. U.Q. 253, 260 (1919).

Although not all persons who are conscientiously opposed to participation of any kind in war base their convictions on religious training and belief, conscientious objection to war appears to be well recognized as an integral part of the religious beliefs of many people. Speaking of the struggle for religious liberty in this country, Chief Justice Hughes referred to:

"The large number of citizens of our country, from the very beginning, who have been unwilling to sacrifice their religious convictions and in particular those who have been conscientiously opposed to war and who would not yield what they sincerely believed to be their allegiance to the will of God . . ." *United States* v. *Macintosh*, 283 U.S. 605, 631 (1931).

Certainly to require significant participation in war, against the religious conscience of these people would violate the spirit of the first amendment protection for the free exercise of religion. (See *West Viginia State Board of Education* v. *Barnett* 319 U.S. 624 (1943); *School District of Abington Township* v. *Schempp* 374 U.S. 203 (1963); *Conran Tyrrell* v. *United States* 200 F. 2d 8 (9th Cir. 1953) *cert. denied* 345 U.S. 910.

Conscientious objection to war and military training is deeply imbedded in the traditions of this country. For example the ratifying conventions of each of the six states that recommended the adoption of a Bill of Rights in ratifying the new Constitution approved specific amendments as a part of their recommendations; Virginia, North Carolina, and Rhode Island included a provision guaranteeing the right of conscientious objection. (See Elliot *Debates on the Adoption of the Federal Constitution* Vol. 3, p. 659, Vol. 4, p. 244 Vol. 1, p. 314–336 (reprint of 2nd ed. 1937).

A similar provision was suggested but rejected by the Maryland convention. (See Elliot at 553.) It is not surprising, therefore, that one of James Madison's proposed amendments presented to the first session of the first Congress included the following language: "but no person religiously scrupulous of bearing arms shall be compelled to render military service in person." *Annals of the Congress of the United States*, 434 (Gales and Seaton, 1834).

During the debates on the proposed amendment, it was suggested that the right be conditioned "upon paying an equivalent." To this suggestion Mr. Sherman of Connecticut remarked:

"It is well known that those who are religiously scrupulous of bearing arms are equally scrupulous of getting susbtitutes or paying an equivalent. Many of them would rather die than do either one or the other." *Annals* at 750.

A motion was then made to drop this clause altogether; the motion failed and the clause was included in the list of proposed amendments sent to the Senate for approval. The Senate omitted this provision and it never became a part of our Bill of Rights. Although no record of the Senate debates was taken at the time, the opposition to the proposal in the House would indicate that the Senate preferred to leave the matter to legislation instead of a Constitutional Amendment. *Annals* at 751.

Although Congress has recognized the right of conscientious objectors to refrain from participation in war and has enacted legislation to protect that right, conscientious objectors are still forced to participate

in war through the payment of taxes, a substantial portion of which goes to military spending. Every person in this country who pays Federal income, estate, or gift taxes is forced to participate in war in this manner. They are forced to aid in the equipping and training of armies and in the purchase of bombs, ammunition, missiles, napalm and other instruments of destruction. This is a significant form of participation in war.

Tax refusal—refusal to pay taxes because the money was to be spent for things to which the taxpayers were conscientiously opposed—has a long history. Early Christians refused to pay taxes to Caesar's pagan temple in Rome. Quakers and Mennonites refused to pay taxes to pay for the war effort during the French and Indian Wars, the Revolutionary War, and the Civil War. Under Gandhi's influence, strugglers for independence in India refused to pay taxes to the British Empire. In many ways the Boston Tea Party and other attempts of the colonists to prevent the British from collecting taxes to pay for the French and Indian War and for the stationing of British troops in the colonies represent similar protests. (See 1 Malone & Rauch, *Empire for Liberty* 126–36 (1960)). Just as pacifists are opposed as a matter of conscience to paying taxes that are used for military purposes, so were the colonists opposed as a matter of conscience to paying taxes without representation.

At the present time those who are conscientiously opposed to any form of participation in war can avoid violating their conscience in the matter of federal income taxation in only two ways. First, they can carefully avoid earning more than the minimum income required by federal law upon which income taxes must be paid. Second, they can simply refuse to pay the taxes due, or a certain percentage of them; this amounts to a criminal offense which could result in a maximum sentence of $10,000 fine and one year in prison. See Internal Revenue Code, Section 6502. Such a penalty could conceivably be imposed every year if the individual refused to pay the taxes due every year. In spite of the possibility of these extreme consequences, many people take this route because they feel it is a lesser evil than to violate their conscience.

To most American citizens who wish to make substantial contribution to the life of their community and who want to be law-abiding citizens these are not feasible alternatives. The liberty of conscience that Chief Justice Stone spoke about is not being preserved in the area of conscientious opposition to participation in war. In order to preserve this liberty of conscience and to preserve both the dignity and the fairness of law—to preserve it in a spirit intended by the founding fathers and the drafters of the Bill of Rights—legislation should be enacted to provide a legal and realistic alternative to participation in war through the payment of federal income, estate, and gift taxes.

PRECEDENT

There is sound precedent for such legislation giving tax relief to protect religious and conscientious beliefs. Section 1402(e) of the Internal Revenue Code provides an exemption from payment of self-employment taxes for duly ordained, licensed or commissioned ministers and members of religious orders, or for Christian Science Practitioners upon their filing an application for exemption together with a statement that they are conscientiously opposed to, or because of religious principles, they are opposed to participation in an insurance plan like that provided by the Social Security Act. Section 1402(h) of the Internal Revenue Code similarly relieves members of qualified religious faiths, primarily the Amish, of the duty to pay the Social Security tax. By this Code provision, enacted in 1965, Congress acknowledged and accommodated the conscientious objection of the Amish to participation in insurance plans. The tax exemptions provided by sections 1402(e) and 1402(h) of the Internal Revenue Code were modeled after the exemption of conscientious objectors from the draft.

By exempting individuals conscientiously opposed to participation in insurance plans from payment of Social Security taxes, Congress clearly extended the principle of Congressional accommodation of conscientious beliefs from the area of the draft to the area of taxation. Thus Congressional precedent for tax relief to accommodate the beliefs of conscientious objectors to war is firmly established. Congress has recognized both the right not to participate in war and the right of a tax exemption to avoid participation in a program to which the tax-payer is conscientiously opposed.

The proposed tax accommodation for conscientious objectors to war recognizes the unique and long-acknowledged right of an individual to refrain from participation in war. It reflects an honest acknowledgement that payment of taxes for military spending is a significant and, for conscientious objectors, intolerable form of participation in war. The proposed special tax status for conscientious objectors is a necessary device to avoid forcing their participation in war.

The tax treatment asked for conscientious objectors is less exceptional than that presently granted by sections 1402(e) and 1402 (h) of the Internal Revenue Code. Those sections allow individuals "conscientiously opposed" to Social Security insurance to be entirely exempted from payment of a portion of their tax. In contrast, the World Peace Tax Fund Act does not propose exemptions from payment of a portion of the conscientious objector's tax. Under the Act, a conscientious objector is still required to pay his entire tax. The Act merely provides that an appropriate portion of the tax may be diverted from military spending to nonmilitary peace-related activities.

Like the exemption from payment of the Social Security tax, the proposed tax accommodation for conscientious objectors is based on religious and conscientious belief. The conscientious objector to war has a compelling justification for the special tax status he seeks. His concern is fundamental. He asks not to be forced to join in the deliberate killing of his fellow men. His desire not to participate in war and killing through any means, including taxation, is based upon a widely acknowledged religious and moral principle. Observance of the principle is essential to the integrity of the individual. By forcing the conscientious objector to war to contribute to military spending, Congress presently forces him to violate his conscience and severely denies his right of religious freedom.

The tax accommodation of conscientious objectors would be an affirmative gesture which would benefit society as well as the individual taxpayer. Especially today, when a faint hope of world peace precariously counterbalances the threat of unspeakable destructive war, it is important to society that the moral principle, "Thou shalt not kill," which underlies the conscientious objector's attitude towards war, be firmly and repeatedly asserted.

Fundamental fairness requires that the opportunity for making this affirmative gesture for world peace and against killing be extended to all people—not just those draft-age males who qualify for conscientious objector status under the Selective Service laws. Therefore another important aspect of this act is that it offers women and children an opportunity constructively to demonstrate their opposition to war through formal conscientious objection—an opportunity which at present is open only to draft-age men.

The proposed tax accommodation for conscientious objectors is required by uniquely compelling justifications. Granting this special tax status to conscientious objectors will not open the floodgates to other groups who claim to be "conscientiously opposed" to various uses of their tax dollars, because the concern of the conscientious objector is so fundamental, so widely acknowledged, and so essential to the integrity of individuals and our society.

The contemplated tax treatment of conscientious objectors does not establish a precedent for individual earmarking of tax dollars. Trustees appointed by the President with the advice and consent of the Senate will receive, for subsequent channeling to appropriate peace-related activities, a portion of the Fund's monies. This portion represents a sum of all qualifying individuals' income, estate, or gift tax payments, multiplied by the percentage of last year's Federal budget devoted to military spending. The spending decisions of the Trustees require Congressional approval and appropriation. Congress retains power over spending of the conscientious objector's taxes. The taxpayer who qualifies as a conscientious objector can only decide that his tax dollars will not be spent for one specific purpose—military spending. Distribution of monies by the Board to qualified peace-related organizations finds precedent in the qualified distribution requirements for private foundations under Section 4942 of the Code.

In summary, the conscientious objector's uniqueness rests first, in the long tradition of Congressional respect for and accommodation of conscientious objectors to war. Second, the standards for determination of conscientious objector status have been tried, proven, and refined by the Selective Service System and conveniently provide stringent and reliable requirements for determining conscientious objector status for tax purposes. Third, the conscientious objector to war bases his request for special tax treatment on a widely-held long-established fundamental religious and moral belief. Fourth, the declaration of conscientious objection for tax purposes is an affirmative and constructive act which could make a substantial contribution to world peace.

The great interest of individuals in the free exercise of their fundamental religious beliefs should weigh most heavily against the public interest in minimizing exceptions to the general tax laws. If the interest of the Amish in not participating in Social Security insurance was sufficient to outweigh this public interest, the compelling interest of the conscientious objector to war should also outweigh it.

EFFECTIVENESS

Individuals conscientiously opposed to war will be excused from tax contribution to military spending and thereby from a significant form of participation in war. The tax dollars diverted from military spending will be used to promote world peace. It is recognized that because of the nation's tax collection and budgeting process, the creation of the World Peace Tax Fund may not markedly reduce the money available for military spending. A serious curtailment of military spending would result only if a great many taxpayers participated in the Fund, thereby calling for a major shift in national priorities. The military will get the funding it requests until the success of the Fund helps persuade taxpayers and Congress to reduce the priority of military spending.

At present, many conscientious objectors are so determined to change this country's priorities that they have refused to pay their taxes. As an alternative to forcing conscientious objectors to pursue this difficult and unpopular course, this bill offers the conscientious objector a way of making a posi-

tive contribution to world peace in place of contributing to military spending. The Fund will provide a constructive means of citizen's protest for its contributors. The Fund will draw the attention of every taxpayer to the percentage of American tax dollars going to military spending. It will encourage Congress to recognize this percentage by publication of the Fund's annual reports. At present, for the most part, no effort is being made by the government to separate military spending from other spending. Individual taxpayers, in making out their annual returns, will be forced to decide whether or not they can conscientiously contribute to military spending. Those who become conscientious objectors for tax purposes will be voicing a significant vote against military policy. The bill provides that the number of contributors to the Fund, the amount of money contributed, and the expenditures of the Fund shall be published and reported to Congress each year.

Many conscientious objectors would like to take a firmer stand than that provided by this Act in opposition to their country's military operations, but in view of the political constraints, imposed on them as a minority, they support the Fund as a meaningful, though not entirely satisfactory means of working for world peace.

The Internal Revenue Code amendments and the organization of the Fund are designed to accomplish their goals with a minimum of administrative effort. The individual taxpayer is given the initial responsibility for determining whether he or she is eligible for conscientious objector status. A taxpayer who is already classified as a conscientious objector for Selective Service or Immigration purposes is automatically eligible. A taxpayer, regardless of age or sex, who files a declaration of conscientious opposition to war, is eligible. False statements knowingly made in declaring conscientious objector status are grounds for prosecution for perjury. Willfull abuse of this claim of eligibility will therefore be discouraged. The Internal Revenue Service may conduct an examination, "For the purpose of ascertaining the correctness of any return," according to Section 7602 of the Code. Language in that section is broad enough to allow review of a declaration of conscientious objection to war. In formulating requirements for conscientious objector status and in reviewnig returns of conscientious objectors, it is expected that the Secretary or his delegate will rely primarily on 50 U.S.C. App. 456(j), which exempts conscientious objectors from military service, and judicial interpretations thereof. Final rulings by the IRS against the taxpayer's status as a conscientious objector are appealable to the United States District Court.

The Fund itself will be self-sufficient. It is expected that the commitment of the Fund's Trustees to world peace and their appointment by the President with the advice and consent of the Senate will make the Fund self-policing so that contributors and other taxpayers and Congress will have faith in it, and it will accomplish the goals set for it. The operating expenses of the Fund will be paid out of the money the Fund receives from taxpayers. Because the Fund will encourage people who presently refuse to pay their taxes, to pay these taxes, the administrative costs of the Fund will be offset by the additional tax payments which the Fund is expected to generate.

A final point is that legislative relief is the only legal avenue available for resolving the conscientious objector's dilemma between his beliefs and his obligations of citizenship. Conscientious objectors have repeatedly lost their battle against war taxes in the courts. Despite the strong constitutional arguments which can be made in their defense, in deference to Congress the courts have repeatedly held against conscientious objectors who have refused to pay their taxes to military spending.

CONSTITUTIONALITY

(1) *Uniformity.* The proposed legislation conforms with the requirement of Article I. Section 8, Clause 1 of the Constitution which provides "All duties, imports and excises shall be uniform throughout the United States." The requirement of uniformity has been read to require geographical uniformity, *Knowlton* v. *Moore*, 178 U.S. 41 (1900); *Brushaber* v. *Union P. R. Co.*,—U.S. 1 (1916); *Fernandez* v. *Wiener*, 326 U.S. 340 (1945).

(2) *First Amendment.* The first amendment provides "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof." The proposed tax payment accommodation of the religious beliefs of conscientious objectors is a mitigation of a general requirement for the purpose of allowing the free exercise of religion. This is not an establishment of religion.

According to the General Counsel of the Treasury, "The classic example of the application of the free exercise clause is the series of cases which have upheld Congressional exemption of conscientious objectors from military service. The validity of this exemption was first established by the *Selective Draft Law Cases*, 245 U.S. 366 (1918), upholding the exemption in the draft law of members of religious sects whose tenets prohibited the man's right to engage in war." The Solicitor General has argued (p. 374) that the exemption did not establish such religions but simply aided their free exercise. The court considered that the Congressional authority to provide such exemption was so obvious that it need not argue the point (pp. 389—390).

The present Universal Military Training and Service Act (50 U.S.C. app. 456(j)) provides, "(j) Nothing contained in this title (sections 451, 453, 454, 455, 456 and 458–471 of this Appendix) shall be construed to require any person to be subject to combatant training and service in the Armed Forces of the United States who, by reason of religious training and belief, is conscientiously opposed to participating in war in any form." "Participation in war in any form" has been read by the courts to mean "participation in any form in war." *Taffs v. U.S.*, 208 F. 2d 329 (CA 8 (1953)), *cert. denied* 347 U.S. 928 (1954). In *U.S. v. Seeger*, 380 U.S. 163, 13 L. Ed. 2d 733 (1965) the court broadly interpreted "by reason of religious training and belief" to require no formal religious training, and suggested that a personal moral code would be sufficient grounds for conscientious objection if there were some other basis for the registrant's belief. The *Seeger* case did not reach the constitutional question of whether the state might require a belief in God as a condition for exemption. *Torcaso v. Walkins*, 367 U.S. 488 (1961) did hold that Maryland could not require an oath attesting to a belief in God as a requirement for becoming a notary public, because such a requirement would constitute an establishment of religion.

Another example of the use of Congressional authority to make exemptions from general laws to permit the free exercise of religion is the exemption from taxation of religious organizations, property and activities. These exemptions continue to be upheld against claims that they have the effect of establishing the religions benefited. *Swallow v. U.S.*, 325 F. 2d 97 (10th Cir. 1963).

Zorach v. Clauson, 343 U.S. 306 (1952) is another case affirming the validity of accommodations made by the state to allow the free exercise of religion. There the Court upheld New York legislation authorizing public schools to release children one hour early every week for religious instruction off school grounds.

That allowing conscientious objectors to pay a portion of their taxes into a non-military tax fund is an accommodation for the free exercise and not an establishment of religion is made clear by *Sherbert v. Verner*, 374 U.S. 398 (1963). The Court held there that Maryland could not deny unemployment benefits to a Seventh-Day Adventist who refused to take a job requiring work on Saturday, the Adventists' Sabbath. The Court held this conditioning of welfare benefits on compromise of individuals' religious beliefs was an unconstitutional restriction on the free exercise of religion. Therefore, the court ordered Maryland to make accommodation within its general unemployment law. A conscientious objector who is forced to pay taxes which help finance military spending, is being denied the right of free exercise of his religious beliefs. The conscientious objector's plight is worse than the Adventist's in *Sherbert* who paid a lesser price for free exercise of religion. In *Sherbert* the price exacted by the state for religious freedom was loss of unemployment benefits. The conscientious objector who refuses to pay taxes is not only fined but is forced to break the law and is liable to criminal prosecution. Contribution to military spending is a significant form of participation in war. It may be as offensive to religious beliefs as service in the Armed Forces. Congress has accommodated religious beliefs by exempting from military service those conscientiously opposed to participation in war. It is a small step for Congress to allow the conscientious objector not to participate in war through taxes. Clearly, such an accommodation is to aid the free exercise of religion and is permitted, if not required, by the first amendment.

The effect of the proposed accommodation for conscientious objectors would not be discrimination in favor of some religions at the expense of others. Rather, the present discrimination against those who are forced to pay taxes, (a portion of which goes to military spending in violation of their religious beliefs), would be removed. See *Sherbert*, p. 406. Nor are the problems of administration and the possibility of spurious claims under the proposed accommodation justification for continuing the present burdens or the free exercise of religion. See *Sherbert*, p. 407.

Despite the constitutionality of the proposed amendments, it might be argued there is an overriding public interest which forbids accommodation. But in *In re Jenison*, 375 U.S. 14 (1963) the Court relying on *Sherbert v. Verner* vacated a ruling of the Minnesota Supreme Court, which held that jury duty, a primary duty of all citizens, was superior to a religious belief which forbade judging others and therefore forbade jury duty. After *Jenison* it is possible to argue that it is unnecessary to balance the public interest against the individuals' interest to determine whether an exception to the general law should be made to accommodate the free exercise of religion. Rather Congress or the courts could simply determine if an accommodation is necessary to allow free exercise of religion and if so, grant it.

(3) *The due process clause.* The due process clause of the fifth amendment requires that tax statutes be reasonable and apply to a reasonable class. However, the standards of resonableness applied to tax statutes are more lenient than those applied generally; only clearly arbitrary tax classifications will be struck down. *Flemming* v. *Nestor*, 363 U.S. 603 (1960); *Smart v. U.S.*, 222 F. Supp. 65 (1963); *Leeson v. Celebrezze*, 225 F Supp. 527 (1963). Therefore it is unlikely that the classification proposed by these amendments would be found unreasonable, especially since the classification is the same which has long been accepted as reasonable for draft exemption purposes.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DERWINSKI (at the request of Mr. RHODES), for the week of September 10, on account of official business.

Mr. GIBBONS (at the request of Mr. WRIGHT), after 5:15 p.m. today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.
Mr. MCKINNEY, for 5 minutes, today.
Mr. EMERY, for 5 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mrs. BOGGS, for 5 minutes, today.
Mr. DANIELSON, for 5 minutes, today.
Mr. SHELBY, for 5 minutes, today.
Mr. ADDABBO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,158.

Mr. DICKINSON, to revise and extend his remarks, immediately preceding the vote on the Ichord amendment.

(The following Members (at the request of Mr. HOPKINS) and to include extraneous matter:)

Mr. DANNEMEYER.
Mr. GRISHAM.
Mr. CHENEY.
Mr. SHUMWAY in two instances.
Mr. WHITEHURST.
Mr. MADIGAN in two instances.
Mr. CLAUSEN.
Mr. PURSELL.
Mr. ERLENBORN.
Mr. DICKINSON.
Mr. BROWN of Ohio.
Mr. SHUSTER.
Mr. PAUL in four instances.
Mr. HAGEDORN.
Mr. GOODLING.
Mr. MCEWEN.
Mr. CLINGER.
Mr. MILLER of Ohio in three instances.
Mr. MCCLORY.
Mr. EVANS of Delaware.
Mr. CORCORAN.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. CONYERS.
Mr. ERTEL.
Mr. KASTENMEIER.
Mr. GUARINI.
Mr. WOLFF in three instances.
Mr. SANTINI.
Mr. BRODHEAD.
Mr. HALL of Ohio.
Mr. RICHMOND.
Mr. MITCHELL of Maryland.
Mr. STUMP in two instances.
Mr. MOTTL.
Mr. BALDUS.
Mr. SKELTON in two instances.
Mr. ROBERTS.
Mr. GINN.
Mr. HAMILTON.
Mr. DODD.
Mr. MINETA.
Ms. OAKAR.
Mr. STUDDS.
Mr. LAFALCE.
Mr. CLAY.
Mr. DINGELL.
Mr. YATRON.
Mr. LOWRY.
Mr. PATTERSON.
Mr. MICA.
Mr. LEVITAS.
Mr. SHELBY.
Mr. WON PAT.
Mr. MOORHEAD of Pennsylvania in two instances.
Mr. FORD of Tennessee.
Mr. MURPHY of New York.
Mr. THOMPSON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 658. An act to correct technical errors, clarify and make minor substantive changes to Public Law 95–598; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95–369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Wednesday, September 12, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2413. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of September 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–185); to the Committee on Appropriations and ordered to be printed.

2414. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the agency's fiscal year 1979 program in the Dominican Republic, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2415. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112 b(a); to the Committee on Foreign Affairs.

2416. A letter from the Administrator of General Services, transmitting a followup report on the recommendations contained in the final report of the Privacy Protection Study Commission, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2417. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building-U.S. Courthouse, Savannah, Ga., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2418. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Courthouse (New), Portland, Oreg., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2419. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's fiscal year 1981 budget estimates, pursuant to section 27(k)(1) of Public Law 92–573; jointly, to the Committees on Appropriations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 4746. A bill to make miscellaneous changes in the tax laws (Rept. No. 96–423). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 2441. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; with amendment (Rep. No. 96–424, pt. 1). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. H.R. 24. A bill to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes; with amendment (Rept. No. 96–425). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 5227. A bill to set forth a national program for the full development of energy supply, and for other purposes; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, Interior and Insular Affairs, Interstate and Foreign Commerce, Public

Works and Transportation, Science and Technology, and Ways and Means.

By Mr. EVANS of Delaware (for himself, Mr. HARSHA, and Mr. ARDNOR):

H.R. 5228. A bill to designate the building known as the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building"; to the Committee on Public Works and Transportation.

By Mr. ULLMAN:

H.R. 5229. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

By Mr. GARCIA:

H.R. 5230. A bill to provide for the issuance of a commemorative postage stamp to honor Benito Juarez; to the Committee on Post Office and Civil Service.

H.R. 5231. A bill to provide for the issuance of a commemorative postage stamp to honor Pablo Casals; to the Committee on Post Office and Civil Service.

H.R. 5232. A bill to provide for the issuance of a commemorative postage stamp to honor Roberto Clemente; to the Committee on Post Office and Civil Service.

By Mr. GARCIA (for himself and Mr. COURTER) (by request):

H.R. 5233. A bill to amend section 301 of title 13, United States Code, to protect the confidentiality of export data required by the Bureau of the Census for statistical purposes; to the Committee on Post Office and Civil Service.

By Mr. MADIGAN:

H.R. 5234. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself, Mr. MITCHELL of New York, Mr. MOLLOHAN, Mr. EMERY, Mr. DAVIS of South Carolina, Mr. COURTER, Mr. FAZIO, Mr. EVANS of the Virgin Islands, Mr. LEACH of Louisiana, Mrs. BYRON, Mr. MAVROULES, and Mr. WYATT):

H.R. 5235. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. PEYSER:

H.R. 5236. A bill to amend the Mineral Leasing Act of 1920 to promote exploration for oil and gas on Federal lands; to the Committee on Interior and Insular Affairs.

H.R. 5237. A bill to authorize the Secretary of Agriculture to assist participants in the food stamp program to pay the cost of fuel consumed for residential heating during the period of December through March; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. SATTERFIELD:

H.R. 5238. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Ways and Means.

H.R. 5239. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Ways and Means.

H.R. 5240. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. SHANNON (for himself and Mr. MOFFETT):

H.R. 5241. A bill to establish a program under which the Secretary of Health, Education, and Welfare, acting through the Social Security Administration and under agreements made with appropriate State agencies, will assist low-income and elderly households in meeting the increased costs of residential fuel, and to amend the Internal Revenue Code of 1954 to provide a middle-income energy tax credit for households which use heating oil; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and Ways and Means.

By Mr. SHUMWAY:

H.R. 5242. A bill to amend the Tariff Schedules of the United States with respect to the rates and duties for montan wax; to the Committee on Ways and Means.

By Mr. STUDDS (for himself, Mr. BREAUX, Mr. AUCOIN, Mr. FORSYTHE, Mr. BONKER, Mr. BONIOR of Michigan, Mr. PRITCHARD, Mr. YOUNG of Alaska, and Mr. LENT):

H.R. 5243. A bill to provide for a national program of fisheries research and development, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WON PAT:

H.R. 5244. A bill to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YATRON:

H.R. 5245. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that such act shall not apply to coal or other mine operators who employ 10 or fewer miners; to the Committee on Education and Labor.

By Mr. ZEFERETTI:

H.R. 5246. A bill to provide a bonus to each World War II veteran; to the Committee on Veteran's Affairs.

By Mr. BROYHILL:

H.R. 5247. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

By Mr. JENKINS (for himself and Mr. CONABLE):

H.J. Res. 395. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mr. PASHAYAN:

H. Con. Res. 183. Concurrent resolution expressing the sense of Congress that the President should communicate immediately to the Government of the Soviet Union that the United States insists that the Soviet Union remove its military combat troops from Cuba, with all deliberate speed; to the Committee on Foreign Affairs.

By Mr. RODINO:

H. Con. Res. 184. Concurrent resolution providing for printing additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with Amendments and Notes on Related Laws"; to the Committee on House Administration.

By Mr. MOORHEAD of Pennsylvania:

H. Res. 402. Resolution approving the printing of additional copies of the publication entitled "A Guidelines Handbook on Federal Loan Guarantee Programs"; to the Committee on House Administration.

By Mr. RINALDO (for himself and Mr. COURTER):

H. Res. 403. Resolution expressing the concern of the House of Representatives at the presence of Soviet combat forces in Cuba and urging the Senate to deny its advise and consent to the ratification of the proposed Strategic Arms Limitation Treaty while any Soviet combat troops remain in Cuba; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 5248. A bill for the relief of Earnestine Austin; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 5249. A bill for the relief of Sing Chuen Yuan Lin; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 5250. A bill for the relief of Hae Ok Chun; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 5251. A bill for the relief of Gisela Krutzinna and Bert Krutzinna; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 329: Mr. STANGELAND.
H.R. 377: Mr. EDGAR.
H.R. 462: Mr. BERRUTER.
H.R. 611: Mr. CLEVELAND and Mr. PATTERSON.
H.R. 1429: Mr. MCEWEN, Mr. TREEN, Mr. EMERY, Mr. BAUMAN, Mr. DANNEMEYER, Mr. ERDAHL, Mr. WON PAT, and Mr. BERRUTER.
H.R. 1789: Mr. ROSENTHAL.
H.R. 1970: Mr. GRAMM.
H.R. 2291: Mr. BERRUTER.
H.R. 2443: Mr. ALBOSTA, Mr. MINISH, Mr. ROE, and Mr. HYDE.
H.R. 2459: Mr. LEDERER.
H.R. 2815: Mr. BLANCHARD.
H.R. 2977: Mrs. COLLINS of Illinois, Mr. DIXON, Mr. GRAY, Mr. SOLARZ, Mr. STARK, and Mr. WAXMAN.
H.R. 3053: Mr. LONG of Maryland.
H.R. 3056: Mr. WHITEHURST.
H.R. 3246: Mr. VENTO.
H.R. 3357: Mr. WHITEHURST and Mr. WYDLER.
H.R. 3538: Mr. AKAKA, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BROWN of Ohio, Mr. DUNCAN of Tennessee, Mr. HINSON, Mr. HUBBARD, Mr. HUCKABY, Mr. MCCORMACK, Mr. MURPHY of Pennsylvania, Mr. PERKINS, Mr. PRICE, Mr. RAHALL, Mr. SIMON, Mr. TAUKE, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WON PAT, Mr. YOUNG of Missouri, and Mr. LONG of Louisiana.
H.R. 3561: Mr. WHITE.
H.R. 4215: Mr. FITHIAN.
H.R. 4573: Mr. BLACK, Mr. THOMPSON, Mr. MUATHA, Mr. BOLAND, Mr. LUJAN, Mr. CLAUSEN, Mr. FAZIO, Mr. MOLLOHAN, Mr. BEILENSON, Mr. MOTTL, Mr. STOKES, Mr. COELHO, Mr. RAHALL, Mr. MCDADE, Mr. LAFALCE, Mr. VENTO, Mr. DOWNEY, Mr. FROST, Mr. ERTEL, Mr. HOWARD, Mr. ERDAHL, Mr. SANTINI, Mr. DOUGHERTY, Mr. LAGOMARSINO, Mr. DIXON, Mr. HUGHES, Mr. LEHMAN, Mr. CORCORAN, Mr. BERRUTER, Mr. BEDELL, Mr. GRAY, Mr. COURTER, Mr. EDGAR, Mr. ANDERSON of Illinois, Mr. HALL of Texas, Mr. TAUKE, Mr. GUARINI, Mr. MARRIOTT, Mr. GLICKMAN, Mrs. FENWICK, and Mr. MOAKLEY.
H.R. 4646: Mr. ATKINSON, Mr. BEARD of Tennessee, Mr. BRINKLEY, Mr. BROOMFIELD, Mr. COELHO, Mr. CONTE, Mr. PHILIP M. CRANE, Mr. DAN DANIEL, Mr. DAVIS of Michigan, Mr. ERTEL, Mr. FITHIAN, Mr. GRAY, Mr. GUDGER, Mr. HALL of Texas, Mrs. HECKLER, Mr. HOWARD, Mr. KOSTMAYER, Mr. MCCLORY, Mr. MCDONALD, Mr. MAVROULES, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURPHY of Illinois, Mr. QUAYLE, Mr. WALGREN, Mr. YATRON, and Mr. HAMILTON.
H.R. 4732: Mr. BEDELL, Mr. MARKEY, Mr. NOWAK, and Mr. PEYSER.
H.R. 5006: Mr. AUCOIN.
H.R. 5033: Mr. BEARD of Rhode Island, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. CLAY, Mr. DONNELLY, Mr. FAZIO, Mrs. FENWICK, Mr. FLORIO, Mr. HORTON, Mr. JACOBS, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. PEYSER, Mr. QUILLEN, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mr. WEISS, Mr. YATES, Mr. YATRON, Mr. ADDABBO, Mr. GIBBONS, and Mr. ZEFERETTI.
H.R. 5060: Mr. MCCLOSKEY.
H.R. 5129: Mr. BADHAM, Mr. PATTEN, Mr. STRATTON, Mr. LAGOMARSINO.
H.R. 5169: Mr. EDWARDS of California, Mr. EDWARDS of Alabama, Mr. GORE, Mr. PRITCHARD, Mr. RUNNELS, and Mr. WALKER.
H.R. 5192: Mr. PEYSER.
H.J. Res. 355: Mr. ROUSSELOT and Mr. COELHO.
H.J. Res. 378: Mr. LEDERER, Mr. ROSE, Mr. MOAKLEY, Mr. COELHO, Mr. SIMON, Mr. BARNES, Mr. GINGRICH, Mr. CARNEY, Mr. WEAVER, Mr. MURPHY of Pennsylvania, Mr. FROST, Mr. VENTO, Mr. SOLOMON, Mr. DASCHLE, Mr. ROE, Ms. FERRARO, Mr. HOLLENBECK, and Mr. CARR.
H. Con. Res. 167: Mr. HARRIS.
H. Res. 21: Mr. RINALDO.
H. Res. 206: Mr. EDGAR.
H. Res. 400: Mr. BAUMAN, Mr. BROWN of Ohio, Mr. CORCORAN, Mr. PHILIP M. CRANE, Mr. EDWARDS of Oklahoma, Mr. GINGRICH, Mr. KRAMER, Mr. LIVINGSTON, Mr. LOTT, Mr. MADIGAN, Mr. MICHEL, Mr. O'BRIEN, Mr. SOLOMON, Mr. SPENCE, Mr. STUMP, Mr. WAMPLER, Mr. WON PAT, Mr. GOLDWATER, Mr. MCDONALD, Mr. STANGELAND, Mr. GRADISON, and Mr. DANIEL B. CRANE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 5050: Mrs. FENWICK.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2313

By Mr. QUAYLE:

—Page 26, after line 2, add the following new section:

VOLUNTARY STANDARDS

SEC. 305. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982 for the development or promulgation of any trade rule or regulation with regard to the regulation of the development and utilization of voluntary standards and certification procedures within the United States.

H.R. 4034

By Mr. MOAKLEY:

—Page 43, insert the following after line 21 and redesignate subsequent sections accordingly:

REFINED PETROLEUM PRODUCTS

SEC. 108. Section 7 of the Export Administration Act of 1969, as redesignated by section 104(a) of this Act, is amended by adding at the end thereof the following new subsection:

"(n)(1) No refined petroleum product or residual fuel oil may be exported except pursuant to an export license specifically authorizing such export. Not later than five days after an application for a license to export any refined petroleum product or residual fuel oil is received, the Secretary shall notify the Congress of such application, together with the name of the exporter, the destination of the proposed export, and the amount and price of the proposed export. Such notification shall be referred to a committee of appropriate jurisdiction in each House of Congress.

"(2) The Secretary may grant such license if, within five days after notification to the Congress under paragraph (1) is received, a meeting of either committee of Congress to which the notification was referred under paragraph (1) has not been called, with respect to the proposed export, (A) by the chairman of the committee, (B) at the request in writing of a majority of the members of the committee, or (C) at the request of the Speaker of the House of Representatives or the Majority Leader of the Senate. Any such meeting shall be held within 10 days after notification to the Congress under paragraph (1) is received. If such a meeting is so called and held, the Secretary may not grant the license until after the meeting.

"(3) If, at any meeting of a committee called and held as provided in paragraph (2), the committee by a majority vote, a quorum being present, requests 30 days, beginning on the date of the meeting, for the purpose of taking legislative action with respect to the proposed export, the Secretary may not grant the license during such 30-day period.

"(4) Notwithstanding the provisions of paragraphs (2) and (3) of this subsection, the Secretary may, after notifying the Congress of an application for an export license pursuant to paragraph (1), grant the license if the Secretary certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that the proposed export is vital to the national interest and that a delay will cause irreparable harm.

"(5) At the time the Secretary grants any license to which this subsection applies, the Secretary shall so notify the Congress, together with the name of the exporter, the destination of the proposed export, and the amount and price of the proposed export.

"(6) This subsection shall not apply to (A) any export license application for exports to a country with respect to which historical export quotas established by the Secretary on the basis of past trading relationships apply, or (B) any license application for exports to a country if exports under the license would not result in more than 250,000 barrels of refined petroleum products and residual fuel oil being exported from the United States to such country in any fiscal year.

"(7) For purposes of this subsection, 'refined petroleum product' means gasoline, kerosene, distillates, propane or butane gas, or diesel fuel.

"(8) The Secretary may extend any time period prescribed in section 10 of this Act to the extent necessary to take into account delays in action by the Secretary on a license application on account of the provisions of this subsection.".

Page 59, line 1, insert after the comma "subsection (n), as added by section 108 of this Act,".

Page 44, line 8, strike out "n" and insert in lieu thereof "o".

Page 59, line 2, strike out "n" and insert in lieu thereof "o".

Page 59, line 2, strike out "109" and insert in lieu thereof "110".

Page 59, line 3, strike out "and (h)" and insert in lieu thereof "(h), and (i)".

By Mr. SHANNON:

—Page 45, insert the following section after line 21 and redesignate subsequent sections accordingly:

EXPORTS OF HIDES AND SKINS

SEC. 110. Subsection (f)(1) of section 7 of the Export Administration Act of 1969, as such section is redesignated by section 104(a) of this Act, is amended—

(1) by inserting "(A)" after "(f)(1)"; and

(2) by adding at the end thereof the following:

"(B) Notwithstanding the provisions of subparagraph (A), in order to carry out the policy set forth in section 3(7) of this Act with respect to cattle hides and skins, cattle hides and skins may not be exported in any year in an amount which is a greater percentage of the total supply of cattle hides and skins produced in the United States than the percentage of the total supply of cattle hides and skins produced in the United States which were exported during the years 1974 through 1978. The limitation set forth in the preceding sentence shall not apply if the President, after receiving the recommendations of the Secretary and the Secretary of Agriculture, determines that—

"(i) countries which are major producers of cattle hides and skins and which, on the effective date of this subparagraph, have in effect restrictions on the export from those countries of cattle hides and skins resume reasonable levels of exports of cattle hides and skins; or

"(ii) during the last calendar year ending before such determination is made, the supply of cattle hides and skins produced in the United States, after deducting the amount of such hides and skins exported during that calendar year, was sufficient to meet the demands of the domestic economy.

The Secretary and the Secretary of Agriculture shall submit to the President recommendations so that the President has sufficient information to make the determination described in this subparagraph. Before making such recommendations, the two Secretaries shall hold public hearings, after providing reasonable notice thereof, and shall afford interested parties an opportunity to submit written comments, with or without oral presentation, at such hearings. Any determination of the President made under this subparagraph shall be valid for a period of one year.".

By Mr. SKELTON:

—Page 48, add the following after line 22 and redesignate subsequent sections accordingly:

EXPORT INFORMATION FOR SMALL BUSINESSES

SEC. 113. (a) The Secretary of Commerce shall, in consultation with the Administrator of the Small Business Administration, establish a program which provides for the collection, storage, and retrieval of export information. The Secretary of State and the Secretary of Agriculture shall each provide to the Secretary of Commerce such information as the Secretary of Commerce may require for such program.

(b) The Secretary of Commerce shall, on a regular basis (but not less often than once during each calendar quarter), prepare and publish a report—

(1) which identifies specific opportunities for the exportation of goods or services provided by small business concerns, and

(2) which contains such other export information determined by the Administrator to be useful to small business concerns in evaluating the feasibility of utilizing such opportunities.

Export information so published shall be made available to the public.

(c)(1) The Secretary of Commerce shall provide information to the Secretary of State and the Secretary of Agriculture on the availability of specific goods and services which may be provided abroad by small business concerns.

(2) The Secretary of Commerce, the Secretary of State, and the Secretary of Agriculture shall transmit any information described in paragraph (1) available to such Secretary to employees of such Secretary at each diplomatic or consular mission of the United States located in the area of the world to which the Secretary of Commerce determines such good or service may be exported. The Secretary of Agriculture shall also transmit such information to each United States Agricultural Trade Office established under subtitle B of title VI of the Act of August 28, 1954, as amended by title IV of the Agriculture Trade Act of 1978.

(3) All information transmitted under paragraph (2) to any diplomatic or consular mission of the United States shall be available for distribution to potential foreign consumers of such goods and services.

(d) On request by any small business concern which provides any good or service which the Secretary of Commerce determines is available for export, the Administrator shall provide export information with respect to such good or service.

(e) For purposes of this section, the term—

(1) "export information" means information relating to—

(A) specific opportunities for the exportation of goods and services provided by small business concerns,

(B) specific goods and services provided by such concerns which are available for export and the names and addresses of small business concerns providing such goods and services,

(C) economic conditions abroad which the Secretary of Commerce determines are appropriate to the evaluation of export opportunities for goods and services provided by such concerns, and

(D) restrictions by the United States or by foreign countries with respect to the exportation to such countries of goods and services provided by such concerns; and

(2) "small business concern" means "small business concern" defined under the Small Business Act (15 U.S.C. 631 et seq.).

—Page 48, add the following after line 22 and redesignate subsequent sections accordingly:

INFORMATION ON EXPORT MARKETS

SEC. 113. The Secretary of Commerce shall conduct a study to determine those countries which will or may provide the greatest potential as a market for United States goods and technology, including agricultural commodities and manufactured goods. Each Federal department and agency shall cooperate with the Secretary in conducting such study. Such study shall be completed within 90 days after the date of the enactment of this Act. The Secretary of Commerce shall make available to the public the information gathered in the course of such study. The Secretary shall establish a capability within the Department of Commerce for updating such information. The Secretary shall include, in the annual report submitted pursuant to section 14 of the Export Administration Act of 1969, as amended by section 116 of this Act, the actions taken to comply with this section.

By Mr. SYMMS:

—Page 37, insert the following after line 3 and redesignate the subsequent paragraph accordingly:

"(3) Whenever the President exercises his authority under paragraph (2) to modify or overrule any recommendation made by the Secretary of Defense under this subsection, the President shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense. Such decision shall not be effective if, during the first period of sixty days after the date on which such statement is transmitted to the Congress, both Houses of Congress pass a concurrent resolution disapproving the President's decision. The President shall direct the Secretary to take no action with respect to the export license involved until both Houses of Congress have voted on such a concurrent resolution, or until the end of such 60-day period, whichever first occurs. In the computation of such 60-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die.

H.R. 4040

By Mr. KRAMER:

—Page 28, after line 2, insert the following new section (and redesignate the succeeding sections accordingly:

LIMITATION ON THE REDUCTION OF UNITED STATES FORCE LEVELS AT THE UNITED STATES NAVAL BASE AT GUANTANAMO BAY, CUBA

SEC. 812. No funds authorized to be appropriated by this Act may be used for the purpose of reducing the personnel, support, or equipment levels at any United States naval installation or facility at Guantanamo Bay, Cuba, or reducing military functions that are primarily supported from any such installation or facility.

By Mr. LONG of Maryland:

—Page 33, after line 8, add the following new section:

EXTENSION OF PERIOD FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE

SEC. 818. Paragraphs (1) and (2) of section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), are amended to read as follows:

"(1) After October 1, 1980, the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, may not exceed 1,073.

"(2) After September 30, 1981, the total number of civilian employees of the Department of Defense in grades GS-13 through GS-18 (including positions authorized under section 1581 of title 10, United States Code) may not exceed the number equal to the number of such employees employed by the Department of Defense on July 30, 1977, reduced by the same percentage as the percentage by which the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, is reduced below 1,141 during the period beginning on October 1, 1977, and ending on September 30, 1980.".

By Mr. SANTINI:

—Page 9, after line 24, insert the following new section:

LOCATION OF MX MISSILE LAUNCHING SHELTERS

SEC. 203. No funds authorized to be appropriated by this Act may be used for the full-scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system or the MX missile if more than 25 percent of the shelters for such missile are to be located in any single State.

By Mrs. SCHROEDER:

—At the end of the matter proposed to be added by the amendment offered by Mr. DORNAN, add the following new sentence: "Notwithstanding the foregoing, an abortion may be provided if necessary to save the life of the mother, if the pregnancy resulted from rape or incest, or if there is a reasonable certainty that the fetus has a hereditary genetic defect or deformity or a defect or deformity attributable to chromosonal damage in either parent arising from a service-connected disease or disability of such parent.".

EXTENSIONS OF REMARKS

NEGOTIATING FROM STRENGTH WITH OPEC

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. WOLFF. Mr. Speaker, the American people are up in arms over the high cost of energy. The national average price of a gallon of gasoline is now over $1 per gallon. However, in many places, but especially New York, this is not a new phenomena. On the contrary, in these areas, people have been paying over a dollar a gallon for many months. One of the reasons for this growing sense of outrage in America is the ever increasing price of OPEC oil. Last December, a barrel of OPEC oil was selling for $12.93. In April, OPEC increased the base price of its oil to $14.55 a barrel. However, almost every OPEC nation added a surcharge to this base price, which actually made the average price of a barrel of OPEC oil $17.11. At the same time, prices on the spot market were over $35 a barrel. Now, just 4 months after the April price increase, the price of a barrel of OPEC oil ranges from a floor of $18 to a ceiling of $23.50. In just 7 months, the price of OPEC oil has gone up from 50 percent to almost 100 percent. Some OPEC nations are selling their oil at almost double the price of just 7 months ago, and they talk about raising prices again in the fall. Conceivably, we could see another price increase before the year is out. An end to this price spiral seems nowhere in sight.

The effects of these price increases on our economy have been disastrous. During the first half of this year, the country experienced an annual inflation rate of 13.2 percent. Now the administration says the likelihood of a recession has increased. The rate of economic growth has slowed. As economic growth slows, businesses will be forced to lay-off workers, and thus more people will be unable to afford the high cost of living. It is becoming increasingly evident that these OPEC price increases undermine our attempts to bring about a stable economy. As Walter J. Levy, the well-known consultant to the oil industry and Government, stated in the May 21 issue of Fortune magazine—

> We are thus confronted by a vicious cycle of high prices, with dangerous economic and financial consequences, leading to a lower level of economic growth. . . . This is not a temporary problem triggered by the Iranian revolution, but is likely to stay with us for some time to come.

According to the New York State Energy Office, New York State, which I represent—

> Depends on OPEC for over half of its oil needs. The impact of OPEC pricing decisions on New York State has been particularly significant. In 1972, New Yorkers paid $700 million for OPEC oil. Last year, New York's outlay increased to $3.7 billion. The cumulative result of the most recent OPEC price increases will likely cost New York State an additional $1.2 to $1.5 billion annually by the end of 1981.

These OPEC price increases have also had disastrous effects on the economies of Europe, Japan, and the developing nations. The European nations are once again being ravaged by double-digit inflation. Their balance of payments is rapidly going out of balance. Japan has been similarly affected. The April price increase alone added 2.5 percent to their annual inflation rate. However, it is the developing nations that are suffering most of all. They cannot devote more of their resources to paying for oil. As a result, they have piled up huge external debts.

I ask my colleagues to consider for a moment what caused this intolerable situation. In addition to the greediness of the members of the OPEC cartel, the wasteful consumption and lack of alternative sources of energy and synthetic fuels in the oil-consuming nations is a causative factor. However, these are not the sole reasons for the high price of OPEC oil. The oil-importing nations have contributed to this situation. OPEC is able to sell its oil at unreasonable prices because the importing nations present a disorganized front where they try to outbid each other when negotiating for a price for OPEC oil. If we continue to present a disorganized front when dealing with OPEC, we can expect to be paying over $30 a barrel before too long. As former U.S. Ambassador to Saudi Arabia, James Akins, stated in testimony before the Energy, Environment, and Natural Resources Subcommittee of the House Government Operations Committee—

> A broad agreement between the oil consuming and producing nations seems more necessary now than ever.

Within the last few weeks, I have introduced a bill, H.R. 4574, which attempts to deal with this problem. H.R. 4574 calls upon the President to initiate negotiations with other oil-importing nations to establish a Council of Oil Importing Nations (COIN), which would negotiate with OPEC to set a reasonable base price for OPEC oil. The need for an organization like COIN is clear. The creation of an importing nations bargaining agent is a commonsense approach to the problems of the unstable market and high oil prices. An early lesson in economics is that an unstable market does not benefit producers or consumers. By working together through COIN, the oil-importing nations can negotiate from strength when negotiating with OPEC. In this way, the importing nations can bring about lower OPEC oil prices. However, it must be remembered that COIN is not designed to take an antagonistic posture toward OPEC, but rather it is designed in the spirit of cooperation with the sole aim of negotiating with OPEC for better oil prices.

It is important to note that there is international interest in the concept of a consumers' organization. Recently, I met with Kiichi Miyazawa, who is an unofficial advisor to Prime Minister Ohira, and a former Foreign Minister of Japan. He indicated to me that the only effective way to deal with the OPEC cartel is by forming a consumer's cartel. It has been argued that a nation like Japan, which is totally dependent on OPEC for its oil, would not want to antagonize OPEC by joining COIN, and thus risk having their oil supply cut off.

However, I believe that with good communication, we can convince Saudi Arabia and the other OPEC nations that COIN is nonantagonistic, and that COIN is in their interest as well as ours. If this were the case, then Japan and the other nations totally dependent on OPEC oil, would not have to worry about having their oil supply cut off. It is in Japan's interest to stabilize the oil price situation. There is also support for this concept in Europe. According to the Washington Post, the French favor cooperation between the industrialized nations when dealing with OPEC. The Germans have also indicated that they favor discussions between the industrialized nations, developing countries and OPEC to insure that an orderly market exists.

It is no secret that the other oil importing nations are unhappy with our efforts to cope with our energy problems. Obviously, the solution to this problem is to become energy independent. However until then, we must take steps toward improving the world's perception of America's effort. I believe that we are headed in that direction with the recent legislative and administrative initiatives. In addition, we can show the rest of the world that the United States is taking a leadership role in resolving the international energy problem by creating an organization like COIN, and making it work.

Oil prices have been driven higher because the importing nations have tried to outbid each other. COIN will be effective in stabilizing the price of OPEC oil because it will facilitate cooperation between the oil importing nations. I believe that for COIN to work, there must be some incentive for working together, in addition to lower oil prices. An important feature of H.R. 4574, which would discourage cut-throat competition between the oil importing nations, is a provision which calls upon the President to develop and submit to COIN for its consideration, a set of economic and political sanctions which could be applied to any nation—either oil importing or exporting—which violates the negotiated pricing agreement. I believe that these sanctions will insure that all the progress COIN will make is not expunged when one nation violates the pricing agreement. I am aware that there is some concern about the use of sanctions. It is important to note that a majority of the member nations must first approve the sanctions recommendations by the President. A majority would then have to vote to impose these sanctions on a nation, in order for the sanctions to go into effect.

Finally, H.R. 4574 also requires the President to report back to Congress on the state of his efforts to establish COIN, after 180 days of the enactment of this bill. I believe that on a matter of such importance, it is necessary to maintain cooperation and contact between the executive and legislative branches of Government.

The creation of an organization like COIN is consistent with the concept of the Government being the sole importing agent of oil. I cosponsored the legislation which would make the U.S. Government the sole importer of oil, because I believe that we can negotiate a better price by having only one negotiator, instead of having all the oil companies competing with each other. The same concept applies to COIN. It is better to have one negotiator for all of the oil importing nations, than to have all these nations competing with each other when negotiating with OPEC. However, COIN's success is not contingent upon the creation of a government importing agent.

The long-term solution to our energy problem is, of course, to become energy independent. We can accomplish this by producing domestic oil, developing synthetic fuels and alternative sources of energy, and by conserving our scarce energy resources. However, until we can become energy independent, we will have to deal with OPEC, and it is better to deal with OPEC than to have OPEC deal with us.

I am proud to say that there has been bipartisan support for H.R. 4574, and its companion in the Senate, which was introduced by Senator JOHN MELCHER of Montana. A list of cosponsors follows:

COSPONSORS OF H.R. 4574

Michael Barnes (Md.).
George Danielson (Calif.).
Brian Donnelly (Mass.).
Don Edwards (Calif.).
Sam Gibbons (Fla.).
James Hanley (N.Y.).
John LaFalce (N.Y.).
Clarence Long (Md.).
Ronald Motti (Ohio).
Charles Rangel (N.Y.).
Robert Roe (N.J.).
James Scheuer (N.Y.).
Paul Simon (Ill.).
Bruce Vento (Minn.).
Howard Wolpe (Mich.).

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Edward Beard (R.I.).
Christopher Dodd (Conn.).
John Duncan (Tenn.).
Vic Fazio (Calif.).
William Goodling (Pa.).
Harold Hollenbeck (N.J.).
Robert Lagomarsino (Calif.).
Andrew Maguire (N.J.).
Stephen Neal (N.C.).
Matthew Rinaldo (N.J.).
Benjamin Rosenthal (N.Y.).
Patricia Schroeder (Colo.).
Arlan Stangeland (Minn.).
Pat Williams (Mont.).
Gus Yatron (Pa.).●

MODEST IMPORT DUTY ON UNREFINED MONTAN WAX

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SHUMWAY. Mr. Speaker, today I am introducing legislation which will have a great impact upon my district in California—and the U.S. balance of trade.

I am calling for a modest import duty on unrefined montan wax. Although I am generally supportive of a reduction in the barriers to international trade, a situation exists which deserves special consideration.

There is only one producer of montan wax in the free world and this company happens to be in my congressional district. The American Lignite Products Co. (Alpco) of Ione, Calif., mines a soft, brown coal known as lignite. This coal is then petrochemically processed to remove montan wax and after extended refining, the wax is then sold in a flaked condition.

The flaked montan wax is used by one-time carbon paper manufacturers as a flow agent for carbon paper ink. This finished paper is sold to manufacturers of business forms, credit card sets, computer printout forms, and other such paper goods.

Alpco president, Mr. Jack J. Hounslow, has advised me that competition for American montan wax comes exclusively from East Germany. The Communist controlled company uses lignite as a fuel and the extracted montan wax as a byproduct. Since 1975, the East Germans have been exporting montan wax at a price of $0.39 per pound F.O.B. New York. Only within the last few months has the exporter raised its price to $0.41 per pound.

However, Alpco has had to continually increase its price due to doubling of the cost of natural gas and other chemicals. Currently, Alpco sells its montan wax for $0.52 per pound and adding $0.082 per pound for freight to New York. As you can see, our Nation's only producer of montan wax is in serious difficulty.

The following chart illustrates further the problems being faced by Alpco.

[Price per pound]

Year	Alpco price [1]	East German price [2]	Alpco employment
1973	$0.254	$0.23	28
1974 [3]	.28	.345	28
1975	.35	.39	26
1976	.325	.39	27
1977	.43	.39	24
Jan. 1, 1978	.46	.39	24
July 1, 1978	.475	.39	24
Jan. 1, 1979	.495	.41	22
July 1, 1979	.52	.41	22

[1] F.o.b. Amador County, Calif.; Add $0.07/lb to New York (recently raised to $0.082/lb).
[2] F.o.b. New York warehouse.
[3] Price control in effect in United States.

As is clearly demonstrated above, the East Germans can sell their product at $0.41 per lb. while Alpco must try to compete with a price of over $0.60 per lb. when all transportation charges are included. The major market area for this product is the eastern and midwestern sections of the country, and the domestically produced product costs 32 percent more in New York than the imported, Communist wax. It is no wonder therefore, that Alpco's customers are canceling orders and buying East German montan wax.

Mr. Speaker, I am asking that a duty of $0.11 per lb. be established on unrefined montan wax. Mr. Hounslow advises me that this level will allow the continued economic viability of domestic production. I trust the House Ways and Means Committee will appreciate this situation and set an early hearing date for this legislation.●

RICHARD COGGER

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. BRODHEAD. Mr. Speaker, one of the most honored public officials in Michigan's 17th District has decided to retire from active public service. Richard Cogger, who has served as councilman and mayor in Lathrup Village for more than 20 years, has announced he will not seek reelection. I would like to quote from a recent editorial in the Observer Newspapers:

MAYOR RICHARD COGGER: A "HEAVYWEIGHT" RETIRES

Few persons have cast a larger shadow on the Lathrup Village landscape than Richard Cogger. So it was a surprise when he announced earlier this month that he will not seek reelection to the Lathrup Village City Council.

His departure will leave an unfillable void in the small community.

For more than 20 years, Cogger has been repeatedly elected to Lathrup's council and served as its mayor. His longevity earned him the title of Dean of Oakland County Mayors.

. . . Cogger also helped foster a strong sense of community identity in Lathrup Village. This sense led people to expect a clean efficiently run government in Lathrup. Cogger saw that they got it.

Although he took care of his own community, he never turned his back on the world around it. He is on the executive committee of the Southeast Michigan Council of Governments (SEMCOG). He is considered by many observers of that regional planning body to be one of the "heavyweights," one of the persons who gets things done.

Cogger became Chairman of the Environmental Strategy Council of SEMCOG, a study group that spent three years developing a water quality plan for the seven-county region. Later, federal environmental officials branded the study as the best ever developed anywhere in the country.

Cogger's leadership also earned him SEMCOG's prestigious Regional Ambassador Award in 1978.

. . . We hope he will continue his involvement in local government and regional planning. There are few persons in this area with his knowledge, leadership and expertise.

I believe that this is strong testimony to the accomplishments of a remarkable public servant.●

TRIBUTE TO FATHER MARK DOOLEY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GUARINI. Mr. Speaker, on September 16, 1979, more than 400 parishioners, family, and friends will gather at a testimonial dinner honoring Father Mark Dooley of Kearny, N.J., on the 40th anniversary of his ordination to the priesthood. I am delighted to have this opportunity to join his many friends, including his sister, Mrs. Rita Kramer, and his brothers, Frank and Robert Dooley, in paying tribute to this dedicated priest.

Father Dooley, who is a pastor of St. Stephen's Church in Kearny, has been a leader in religious and community activities since his ordination on June 3, 1939.

Born in Somerville, N.J., to Mark Dooley and Mary Gorman Dooley, he attended St. John's, Dunellen, and Holy Trinity High School, Westfield. After 3 years at Seton Hall, he entered the seminary but continued on at Seton Hall, graduating in 1935. He was ordained at Immaculate Conception Seminary in Darlington, N.J.

Father Dooley's first parish was St. Francis Church, Ridgefield Park, N.J. During his 2 years there, he assisted in many family and community programs. Those who know and love him tell of how he used to pitch both the Knights of Columbus and the Masonic Club softball teams during their annual competition on the Fourth of July.

After his service at St. Francis' Church, he was sent to St. Henry's Church in Bayonne before his appointment to St. Michael's Church in Cranford, N.J., where he served for 22 years. Father Dooley's next assignment took him to St. Bridget's Church in North Bergen, which was his first pastorate. He has been serving as pastor of St. Stephen's Church in Kearny for the past 6½ years.

Father Dooley has always demonstrated a great devotion to the people of his parish. For 22 years, he led the St. Michael's Adult Discussion Club which had more than 300 members. But his ministry extended beyond the parish. He served as chaplain of the Newman Club at Union College and as chaplain of the police and first aid squad in Cranford. Despite his busy schedule, he also found time to serve as chaplain at three nursing homes in Cranford.

Every church and school facility, every community in which he served has benefited from Father Dooley's concern and commitment. He is the personification of integrity, humility, compassion, and dedication.

I salute Father Dooley for his 40 years of service to God and man. He has been a symbol of hope to his parishioners who hold him in their high esteem. I am pleased to invite my distinguished colleagues in the Congress to join me in this tribute to a fine priest.●

FAREWELL TO ANDY YOUNG

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. KASTENMEIER. Mr. Speaker, this month our former colleague and current permanent representative to the United Nations, Andrew Young, will be leaving his post at the U.S. Mission to the United Nations in New York. His record of accomplishment there is a solid one. Whatever any of us might think of the events that led to his decision to leave that position, I think most of us will agree that he built bridges across longstanding differences that have separated this country from many of the developing nations of Africa, Asia, and Latin America.

His willingness to take chances, to open channels of communication that had been closed to us and to make unparalleled use of the opportunities for discussion which the United Nations provides to all members in an unequalled way, are the invaluable legacy Andy leaves behind as he prepares to leave his post. Peace in Africa, the Middle East, and Latin America has been his overriding objective at the United Nations. Of course, this meant to him that it was essential to be able to talk to those with whom we have differences; that, as anyone who has represented this country abroad knows, is the very lifeblood of diplomacy.

He helped to remind us all of the great potential the United Nations setting provides for the most delicate kind of negotiations precisely because, with few exceptions, all nations are represented there and all major international interests. With his special access to the President, his special role in the foreign policy machinery of this administration, and his special rapport with so many of us in the Congress, he was uniquely qualified for his position.

Last month, while we were away from Washington, he delivered a personal statement to the United Nations Security Council, a personal farewell address in which he reminisced about his time at the U.N. and what he had been trying to accomplish there.

On behalf of Members of Congress for Peace Through Law, on whose steering committee I serve for the 96th Congress, I would like to take this opportunity to congratulate Andy upon his service, to bid him farewell and Godspeed and to commend his remarks to my colleagues' attention. I know we will be hearing from him on causes on which he continues to work as the months and years go by.

I insert the text of his remarks in the RECORD:

AMBASSADOR ANDREW YOUNG'S PERSONAL STATEMENT TO THE UNITED NATIONS SECURITY COUNCIL, AUGUST 24, 1979

May I take the liberty to speak for a few moments, not as the Representative of my Government but to speak in my capacity as a friend and colleague of all of you who are present. I take this liberty because it was not my design that I should be leaving this Council at a time when I was serving as its President. I hardly anticipated that this would occur as such. And yet I have no regrets for what has occurred; in fact, I see it as a part of a plan of the work of this Council, a part of the work of this Council which I intend to be associated with long after I have left you.

It's been indeed a pleasure, and many of you have referred to the fact that we have in many respects reversed our relationships with much of the rest of the world. That's certainly most obvious with Africa, but it's probably just as true in terms of our relationships in the early days of my presence on this Council when the so called "Gang of Five" or the European and Western members of the Security Council worked together to begin to bring about a peaceful transition to majority rule for the Nation of Namibia. Our relationships with Latin America have certainly been improved, not so much as a result of my work, but as a result of a national policy which began almost immediately in this Administration to negotiate an agreement with the Nation of Panama on the utilization and transfer of responsibility and authority on the question of the Panama Canal.

And as a result of that our relations with Latin America have been greatly improved and we find ourselves in this hemisphere with a kind of respect and partnership in development that we have long sought and are very pleased to have been a part of. I would say that even our relationship with the Soviet Union in the past two and a half years has taken a very definite step forward as we have sought to negotiate Strategic Arms Limitation Treaties and to come to a new understanding of how we might work together in this world to fully realize the principles in which we share and also to avoid conflicts in areas where we might disagree.

We've seen also improvement in our relationship with the People's Republic of China, and our involvement in Southeast Asia has emerged on a new and improved basis in spite of the tensions and problems which still exist there. Our relationships with the Arab world, I think, have made this kind of debate and dialogue possible. And the progress that we are making in those discussions around the Security Council table are part of a long period of conversations and negotiations which have gone on for many years and which I think are just beginning to bear fruit.

Most important, I think, is that we have been able to maintain our friendships and our responsibilities with our allies and with the Nation of Israel while expanding with new communication and our involvement with new friends and partners in the search for peace and security and development in this world. I think the thing that I'm most proud of by my association with this Council and especially with my Government over the last two and a half years, is that for perhaps the longest time in my lifetime my Nation has gone about its business in the world, has advanced its interests, and none of our soldiers has had to kill anyone else, neither has any of our young people been called upon to die in the uniform of their country. I think that's a testimony to our desire to search for peace and to bring about peaceful solutions to problems; problems that we have been struggling with as nations for many many decades.

I must say that I have no quarrel with this Administration; in fact, I'm quite proud of it. I have no quarrel with the President or the White House. In spite of petty differences with the Department of State, there have been no differences with the Secretary of State and overwhelmingly, I would say, we basically share a sense of conviction and direction about the way things should move in today's world.

I don't think that I was set up by my Arab or Israeli friends. I think that whatever happened leading to my resignation was something that I entered into very much with my eyes open and comes not out of any quarrel with any person or any institution, but rather a fundamental disagreement with a policy, one that I sought to run from for two and a half years, for I never agreed with it. And yet when I found myself taking on the Presidency of the Security Council and being faced with an issue which required a certain level of communication and understanding, I thought that there was no particular risk involved in that communication beyond the risk of my job; and my job has never been particularly important to me. My responsibilities to my country, my responsibilities to the ideals and principles in which I believe are important to me. And so it was no great decision on my part to visit the home of my friend and to meet another friend.

I hope that in some small way it may have opened up a question to the American people that will call attention to some of the tragic history of our nation as a result of the refusal to communicate. It was a result of the refusal to communicate with the People's Republic of China and a denial of the existence of 800 million people for almost 20 years that led us into escalation and war in Korea. It led us into war with Vietnam. We could not end that war in Vietnam until we started talking and communicating with the People's Republic of China. We are not any weaker nor is the world in any worse place because we have opened up a dialogue in communication with the People's Republic of China. And perhaps there may have been 100,000 or more American men and women whose lives would have been saved by talking with the People's Republic of China in 1951, 1952.

The same might be said of the situation in the Middle East. And it was because I felt that not talking would contribute to violence and bloodshed that I thought the risks of talking to the PLO were nothing compared to the risk of the bloodshed, the violence the possible destruction and disruption of the relationships which we enjoy with many, many people in that region of the Middle East.

I've said that it's a ridiculous policy not to talk to the PLO, and I think it is a ridiculous policy. But if it is ridiculous not to talk to the PLO on the part of the United States and the Nation of Israel, it's also ridiculous for many of you around this table not to have good relations with the Nation of Israel. For ultimately if we are going to have peace in that region people have got to approach each other as friends and as brothers and not as enemies bloodthirsty for the destruction of each other. And so there has to be a renunciation of violence on all sides

and a beginning to communicate about the possibilities of peace in the region. One of our colleagues in the Secretariat who has been moving back and forth between Israel and the PLO in the situation in southern Lebanon made the matter of fact remark, "It's amazing how similar they are—the people around Weizman and the people around Arafat. If they could ever get together they would be a powerful combination." I think and hope that we will live to see that day, the day when people in the Middle East can recognize their common heritage of values whether it be from the Judeo-Christian side or the Christian-Moslem side, and somehow bring together those values and ideals which we share across cultures and faiths that make it possible for us to exist together in this organization.

And so I would say that in the experience of my Nation, though many in my Nation would not agree with me, that violence has almost always failed and that I have some questions about even who won the Second World War, looking at the existing economies of the various nations involved. But I would say that that's also true in the Middle East. I would say that the violence of the Arab world has failed to destroy Israel. And the attempt to destroy Israel has cost greatly the moral basis of the existence of a Palestinian people. And the strength of Israel, in a sense in its early days, was that it was based on a moral foundation, and yet Israel also now is rapidly spending its moral capital wasting it in pursuit of violence and destruction in Lebanon, in the building of settlements where perhaps while affirming 242, the very act violates 242.

And so somehow I think we've created a situation not by my doing, I feel like I'm an innocent bystander being swept along by the forces of history and I go gladly. But in the course of this maybe we might come to a more realistic understanding of how this Council might work. I think violence has failed on both sides. It's actually counterproductive. I think isolation of the P.L.O. has certainly failed and isolation of Israel has failed. Talking has not yet had a chance to succeed. And yet I think in the kind of statesmanlike deliberations that have gone on around this table on this question, on the question of Namibia, on the questions of our relationships in many, many parts of the world we do see a faint glimmer of hope that talking might succeed. And so far these long hours that we have gathered together, going over the course of the struggles of the world; I really don't give up, for I think there is an education process, I think there is a process of calling to the attention of the court of world opinion the reality of justice and injustice in the world in which we live.

So I leave this Council with great faith in your work and knowing that I will be a part of it in some way, but with no regrets for the fact that perhaps we broke the comfortable diplomatic channels and we violated some long ago made agreements that are ridiculous, but doing so in the hope that the work of this Council can continue, can progress and that we all can succeed in living up to the standards that made this organization possible. And so I would like to thank you for the privilege of working with you. I must say that I have learned a great deal from each of you and from those members of the Council who served in the previous sessions of the Council. I will always count you as friends and colleagues and I hope that I will always be included in your work and in the work of the Secretariat. So, forgive me for taking these liberties with the time of the Council, but I felt that the situation almost required it. Thank you very much.●

FARMERS HOME LOAN ASSISTANCE NOT JUST FOR FARM BUSINESSES

HON. ALVIN BALDUS
OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. BALDUS. Mr. Speaker, Wisconsin is the leading cheese-producing State in the Nation. There are hundreds of small cheese factories throughout the State as well as in many other parts of the country.

Some of these relatively low-volume plants experience financial difficulties because of an inability to find adequate financing for expansion, modernization, or other improvements needed to keep up with changing markets.

A recent issue of the Cheese Reporter, published in Madison, Wis., describes an often overlooked source of Federal assistance available through the Farmers Home Administration (FmHA). As stated in the article, the FmHA business and industry guaranteed loan program seems to be one of the best kept national secrets. To help counteract that situation, I request that the Cheese Reporter article, "Farmers Home Loan Assistance Not Just For Farm Businesses", be printed in its entirety in the CONGRESSIONAL RECORD.

The article follows:

FARMERS HOME LOAN ASSISTANCE NOT JUST FOR FARM BUSINESSES

What does a cheese factory in Pollock, SD and a fast food ice cream restaurant in Dallas, PA have in common? In addition to the fact that they both deal in dairy products, they both have received Business and Industry Loans from the Farmers Home Administration.

There is a widely held misconception that Farmers Home Administration (FMHA) programs are only for farmers. That was true back in the days of the great depression when the agency was created to help the nation's farmers get back on their feet and into production. But over the years, FmHA has broadened its activities in rural areas.

In 1972, Congress made FmHA the lead agency for rural development. Although farm programs still make up the bulk of FmHA business, there are now many non-farm programs. In addition to Business and Industry loans, they include rural housing programs and community services programs such as loans for water and sewer systems, health clinics, nursing homes and improved police and fire protection.

The Business and Industry (B&I) guaranteed loan program has been called the best kept secret in the nation. It began in 1974 as part of the effort to strengthen the general economy in rural America by improving existing business and encouraging new business to locate in rural areas lacking opportunity for employment.

Since then, the B&I program has helped to provide over $3-billion in capital investment for rural enterprises. Under the program, FmHA guarantees up to 90 percent of a loan made through a local bank, savings and loan or other lending institution. The loans are arranged through Farmers Home Administration County or District offices in about 2,000 locations across the country.

FmHA Administrator Gordon Cavanaugh says that the agency will make loans to almost any legitimate business or industrial enterprise which will help strengthen rural areas. "We've guaranteed loans for everything from a $33.5-million cotton cooperative in Littlefield, TX, to a $500,000 loan to help keep a canning factory open in Pulaski, WI." It's not surprising that since agriculture is the basic industry in rural America, a large number of the B&I loans go to agriculturally oriented business.

Robert Streeter, who owns the Twin Dakotas cheese plant in Pollock, SD was not aware of the FmHA Business and Industry loan program. "I'd heard of Farmers Home Administration loans," he said, "but I thought they were just for farmers."

Streeter, 40, from Viroqua, WI bought the Pollock plant four years ago when it was on the way down, according to South Dakota B&I Chief Boyd Jones. Twin Dakotas Dairy buys milk from 150 farmers. "As their milk production went up," Streeter said, "We had no choice but to expand in order to maintain the market.

"Our backs were up against the wall. The small local bank couldn't handle the size loan we needed. I saw an article somewhere that mentioned the B&I loans and decided to check it out with the FmHA County Supervisor in Selby, SD. He explained the program and put me in touch with the FmHA District Office.

"We went back to the local bank and told them that FmHA could guarantee up to 90 percent of the $580,000 loan I needed. They could handle it under those circumstances because they could sell off the guaranteed portion to the secondary money market. That was the turning point," Streeter said.

Among the problems he faced when he bought the plant was one shared by many other processors—how to dispose of the whey. The problem persisted even though he was able to find a broker to take some of it off his hands. With new equipment he has devised a process, for which he has a patent pending, to separate out the protein. He is also looking into the possibilities of producing alcohol and methane from the by-products left over from the process.

"Positive energy and environmental improvements are a side effect of the FmHA loan," Streeter said, "With our new equipment we will reduce fuel costs by 40 percent and reduce stack pollution from 5 percent down to zero. Overall we are just much more efficient. We have doubled our capacity. We now have a designed process which allows a continuous stream operation. Our machinery is matched to a rate per hour, not batch to batch."

Another positive side effect is the 13 new jobs created by the expansion. Twin Dakotas Dairy will employ 28 people in the Pollock area which has a population of 341 and an unemployment rate of about 7 percent. In that situation, every job counts toward improving the basic economy of the area. "All of this," Streeter said, "just would not have been possible without the FmHA loan."

Over in Pennsylvania, Wilson Garinger, owner of the Dallas Dairy, needed a market for his excess cream. He and his partner agreed that the direct marketing approach would be best and decided to build their own ice cream restaurant. They needed a $550,000 loan to get the operation going.

The local bank would not make the loan on a regular commercial basis but suggested

an FmHA guaranteed Business and Industry Loan. All parties agreed to the arrangement. The Dallas Dairy now sends its excess cream to its own retail outlet, Wilson's Ice Cream House.

In this case too, the basic purpose of FmHA's Business and Industry loan program—to help strengthen rural areas—was achieved. Dallas is a rural suburban residential area of Wilkes-Barre, PA often referred to as the Back Mountain Area. It's located on the edge of the anthracite coal region which prospered until the end of World War II. With the demise of anthracite as a basic fuel in common use, the area suffered an economic depression. Wilson's Ice Cream House not only provided a market for Dallas Dairy Cream, but it also provides some 85 jobs for area residents.

After guaranteeing over $3 billion worth of loans in rural areas, the Business and Industry activities may still be the best kept secret in the nation. Following close behind, however, is the fact that Farmers Home Administration programs are not just for farmers.●

NATIONAL PARK SERVICE COLORADO RIVER MANAGEMENT PLAN AND EIS

HON. BOB STUMP
OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. STUMP. Mr. Speaker, the Arizona Republic printed an excellent article written by Ben Avery regarding the National Park Service's new river management plan. I commend this article to my colleagues' attention:

The National Park Service's new River Management Plan and the companion wilderness proposal, which both were adopted some months ago, raise a serious question:

Has the National Park Service become so bureaucratic and dominated by a vocal minority that it has lost its perspective of administering our national parks for the education, pleasure and enjoyment of the people while preserving them for future generations?

As far as Grand Canyon is concerned I believe the Park Service definitely has lost this perspective where the Colorado River is concerned. It also is having trouble coping with some back-country problems because of conflict with the proposed wilderness plan.

William J. Whalen, park service director, has yielded to pressure and extended the public comment period for 30 days—until Oct. 9—on the river management plan. This will give Congressmen a chance to comment on it when they return from vacation.

Whalen himself has deserted a pledge he made when he assumed the job of park director that he would administer the parks to provide recreation and enjoyment for all of the people—not just the purists. I expected this of Whalen. He was dedicated to that principle as superintendent of the Golden Gate Recreation Area where I first knew him.

In order to analyze the river plan, we should consider what Grand Canyon is and why it was made a national park.

Grand Canyon is the most spectacular scenic natural wonder in the world. People from every continent, every nation, every state come to see it. And they stand on its rim in awe.

Grand Canyon and its surrounding geologic formations provide students of geology a cross-section of formations spanning two billion years. Students come from all over the world to examine these rocks in order to better understand the formation of the earth.

There also is the recreational thrill of hiking Grand Canyon trails and running Colorado river rapids.

The National Park Service has not been able to keep its perspective while managing this great natural wonder, partly, I think, because park service employees, including Whalen, have hiked the trails and floated the river and reacted as Sierra Club-type purists. A purist is a stuffed-shirt type who believes that only purists can appreciate and enjoy such wonders. The rest of the population is a common herd that must be kept out.

And the river management plan, coupled with the wilderness plan, will do that.

This is done under the guise of extending the river running season to the winter months—a period when it is unsafe to run the river except in wet suits and with special equipment. It also is done under the guise of allowing longer trips with more days on the river—a situation that will be forced on the people by prohibiting motors and the large rafts.

Under these guises the river management plan falsely claims that it would provide more opportunity to enjoy the river.

I never have read a document with more misleading "hookers" in it for the general public—for example the tax-paying citizen who does not understand all of the ins and outs of managing the river.

The plan would cut from the present 150 to 50 the number of people that could start down the river each day at Lee's Ferry.

That's just one "hooker". Another is a reduction in daily mileage from 40 to 30 miles. Another is the eight-day maximum trip length.

The plan would shift user days from the commercial trips to private trips. That combined with elimination of motors and the big rafts would multiply the problem of enforcing environmental regulations.

These rules are followed voluntarily now by the commercial operators who can lose their permit for a violation, but the park service admits widespread violation by private parties. Still, the plan gives private parties a large increase.

Under the plan, the only way a family on vacation could take a river trip would be to do it in segments and hike in and out. In the summer that would be impossible except for seasoned hikers.

This plan also would increase the cost for a full trip from a present norm of about $550 for a raft trip to more than $1,000 per person.

Both Gaylord Staveley of Flagstaff, chairman of the Professional River Outfitters Association, and Fred Burke of Marble Canyon, president of Arizona River Runners and state chairman of the Western River Guides Association, expressed belief the plan will put many of the present 21 concession operators out of business.

"The only hope," Burke said, "is that enough people who care about their freedoms will prevail on their congressmen to protect the public interest." ●

SALT II: WHAT NOW?

HON. WILLIAM E. DANNEMEYER
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DANNEMEYER. Mr. Speaker, in the days since the SALT II agreement was signed in Vienna on June 18, there has been a great deal of discussion pro and con about its merits—and deservedly so. To a greater extent than with SALT I or the Panama Canal treaties, what we do relative to SALT II will largely determine what kind of a nation and world our children and grandchildren will live in.

It is important, therefore, that the Senate deliberate carefully prior to acting on the treaty, not only with regard to its specific provisions but also with regard to our national defense posture in general. For regardless of how artfully crafted SALT II may, or may not be, if the foundations on which the treaty is based are not equivalent to those of the Soviet Union, then it is unlikely that ratification will lead to the "nuclear parity" envisioned by the Senate when it passed the so-called Jackson amendment to SALT I. To that end, I am pleased to note that the Senate Foreign Relations Committee has been soliciting the views of many of America's most respected military and foreign policy experts on the pros and cons of SALT II. For instance, the testimony of Lt. Gen. Edward F. Rowny, the man who for 6 years served as the representative of the Joint Chiefs of Staff to the SALT delegation, was most revealing; it is not often a man in that position gives up his career to take a position against ratification of a treaty he was assigned to help negotiate. Likewise, the views of the Joint Chiefs of Staff, Gen. Alexander Haig, Paul Nitze, and more recently, the former Secretary of State Henry Kissinger were most relevant. Taken together, they provide a perspective on what is probably the most important single public policy decision in recent times.

Given his experience with both the course of negotiations and the state of our defenses, Dr. Kissinger's recommendations relative to SALT II take on even deeper meaning. While I do not necessarily favor the subsequent ratification of the SALT II agreement, the former Secretary of State's suggestion that Senate consideration of SALT II be deferred until such time as the President has proposed, and the Congress has authorized and appropriated funds for, increases in defense spending sufficient to bring about a necessary upgrading of our military forces, makes good sense. As Congress discovered with the Panama Canal treaties, making firm commitments in exchange for nonbinding assurances has its terms without getting the weapons are subject to reevaluation; at worst, we could find ourselves obligated, by virtue of having ratified the treaty, to live up to its terms without getting the weapons systems we need to make sure SALT II is not just another acronym for Soviet arms leadership treaty.

The reasons for taking such a position are compelling from a military as well as a political point of view. For one thing, a recent Rand Corp. study estimates that, since 1973, the Soviet Union has outspent the United States on military procurement and construction by $100 billion. For another, a study prepared for the Coalition of Peace through Strength earlier this year, indicated

that if SALT II were adopted, the Soviets would come to enjoy a 47–1 advantage in strategic defense weapons and a 6–1 advantage in missile megatonnage. Beyond that, as Dr. Kissinger pointed out, the decision to stop the B–1, the delays in other weapons programs, the indecision on how to base the MX and the relative decline of the Navy relative to that of the Soviet Union have exacerbated a problem that was, in fact, with us when SALT I was adopted. The cumulative effect of all these things could be disastrous, especially if ratification of SALT II lulled Americans into a false sense of security. Thus, the time to redress any military imbalance that may exist is now, before we enter a long-term commitment, not after that commitment has been made.

While agreeing with Dr. Kissinger on accelerating counterforce capabilities (through MX and Trident II), improving air defense against the Backfire, restoring of theater nuclear balance and regional defense capability, and expanding our Navy, I would also add that we should proceed with development of the B–1 bomber. After all, our B–52's, which count against the proposed treaty limits, were designed in the 1940's and were built by the early 1960's. They simply cannot be relied upon in the 1980's as the counterbalance to the Supersonic Backfire bomber (which will not be counted against the treaty limits) as witnessed by the fact that 15 of them were shot down in a period of 12 days over Hanoi in 1972.

I noted in the Washington Star on August 1, that there is speculation that the President might submit his defense proposals for next year, as well as a new 5-year projection, to Congress a bit early in order to alleviate concerns about our level of military preparedness. While somewhat encouraging, just proposing plans is not enough. Action needs to be taken to implement them before we move ahead with SALT II. For too many years now, we have operated on the principle of exchanging binding guarantees for nonbinding assurances. Such a principle was the basis on which SALT I was negotiated and it has not lived up to expectations. If we are not to be disappointed again, we need to be more protective of our own interests, of which national security is the first and most important. Once that is better assured, then the worthiness of SALT II can better be judged. If it is not assured, SALT II is little more than a gun at our head.●

RICHARD R. POWERS, INNOVATIVE CITY MANAGER, CITY OF GARDEN GROVE, CALIF.

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PATTERSON. Mr. Speaker, on September 18, the Garden Grove City Council will pay tribute to their city manager, Richard R. Powers, for 10 years of service to their city. It is a recognition which is most deserved.

The management ability of Richard Powers and the Garden Grove City Council's wise policies have been responsible for positive changes and strong redevelopment over the last several years. Their efforts have earned the city the reputation of being the "city with the most dramatically improved image in Orange County."

In addition to his many accomplishments in redevelopment, Dick has also emphasized cost effective delivery of services at the local level and has been responsible for implementing an effective team management system. His awareness of the need for systems and his ability to implement his programs have enabled the city to meet its goals and expand its effectiveness.

Dick Powers is an active participant in both the Orange County Chapter of the American Society for Public Administration and the Orange County City Managers' Association, and has devoted much time and energy to the Garden Grove Girls' Club and the Garden Grove Rotary Club.

The city of Garden Grove is indeed fortunate to have such a capable and dedicated individual to manage their city, and I urge my colleagues to join with me in commending Richard Powers for the 10 years of exemplary service which he has devoted to Garden Grove.●

FRANK I. HAMILTON, NATIONAL COMMANDER, THE AMERICAN LEGION

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ROBERTS. Mr. Speaker, I am pleased to inform my colleagues that a great friend of veterans was recently elected national commander of the American Legion. The Honorable Frank I. Hamilton, a very successful practicing attorney in Greensburg, Ind., was elected at the organization's 61st Annual National Convention in Houston, Tex.

Mr. Speaker, the American Legion's membership now exceeds 2.7 million veterans. Under the leadership of Commander Hamilton, I predict the American Legion will accomplish all of its goals for the coming year. Those of us on the Veterans' Affairs Committee have known Frank Hamilton for many years. He is a most impressive individual. He has served his fine organization in many ways and from 1974–78 served most effectively as chairman of the National Legislative Commission.

So that my colleagues may know more about Commander Hamilton, there follows a brief biographical sketch that highlights some of his many accomplishments:

FRANK I. HAMILTON, NATIONAL COMMANDER, THE AMERICAN LEGION

Frank I. Hamilton, a Greensburg, Indiana, attorney, was elected National Commander of The American Legion at the veterans' organization's 61st Annual National Convention in Houston, Texas, August 23, 1979. Hamilton is the third Hoosier to head The American Legion, others having been the late Paul V. McNutt (1928–29) and George N. Craig (1949–50), each of whom later became governor of Indiana.

An army veteran of World War II service, Hamilton has been an active American Legionnaire for nearly 25 years. He is a member of Walsh-Crawley-Kramer Post 129 of The American Legion in Greensburg, Ind. and served as commander of his home post in 1959–60. He also has served as judge advocate, adjutant and commander of the 10th District Indiana American Legion.

In 1962–63 he served as judge advocate of The American Legion of Indiana, and in 1964–65, became Indiana Southern Vice Commander. Hamilton was Commander of The American Legion of Indiana in 1966–67. He also served on the Indiana American Legion's Legal Committee, and as chairman of the Americanism Commission and American Legion Leadership Conference.

Hamilton was born in Indianapolis, the home of American Legion National Headquarters, Jan. 6, 1923. He attended public schools, graduating from Wiley High School in Terre Haute; earned his BS degree from Indiana University, and received his LLB and Doctor of Jurisprudence degrees from Indiana University Law School.

He enlisted in the U.S. Army Reserve in 1942, and went on active duty later that same year. In 1945 he was commissioned a Second Lieutenant at the Infantry School in Ft. Benning, Ga., and served with the U.S. Army of Occupation in Japan. He was separated from active service in 1946 but held his commission until 1953, when he resigned with the rank of First Lieutenant.

Hamilton is a practicing attorney in his home community of Greensburg. He is a member of the Decatur County and Indiana State Bar Associations. He has served as chairman of the Indiana State Veterans Commission and as a member of the Governor's Economic Committee of the Ninth District of Indiana.

At the National level of American Legion service, Hamilton has served as a member of the Americanism and Internal Affairs Commissions, and from 1974 to 1978 he was chairman of the National Legislative Commission, resigning the latter post to campaign actively for the office of National Commander, for which he had been endorsed by his home department (state) of Indiana.

Hamilton is extremely active in a number of civic, fraternal, professional and service organizations including: Past Exalted Ruler, Benevolent Protective Order of Elks, Lodge 475; President and Chairman of the Board of Lambda Corporation of Sigma Chi social fraternity; Chairman, Indiana University Varsity Club of Decatur County; President, Decatur County Bar Association, and Deacon of the Presbyterian Church. He holds membership in many other social and fraternal organizations, including several Masonic Orders.

He is married to (the former) Ethel Fitzhugh Dawson and they are the parents of six children. Their oldest son, Frank I. Hamilton, Jr., was a candidate for Congress from the Ninth District of Indiana in the 1978 election.●

"TAX THE RICH" POLEMIC AIMED AT ALL TAXPAYERS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. RUDD. Mr. Speaker, from the very inception of the Federal income tax, much of the rhetoric surrounding the appropriate level of taxation has been concentrated on the concept of taxing "the rich" at greater and greater rates than everyone else.

Liberal political rhetoric in recent years, for instance, has almost inevitably tried to connect "tax reform" with tax increases on the mysteriously undefined "wealthy" of our Nation. This ploy has succeeded in dividing Americans into opposing groups based on their particular tax brackets.

However, in practice, "the wealthy" have been, for all practical purposes, any taxpayer who is productively employed.

Continually, liberal politicians have demanded that the "wealthy" pay "their fair share" to ease the financial burden on all other taxpayers. The impression is always given that the Government could and should be receiving much more in tax revenues from the citizens of undefined wealth.

A well-respected tax research group has done an excellent analysis which exposes the contradictory facts underlying this rhetoric. The Tax Foundation is a nonprofit organization engaged in nonpartisan research and public education on the fiscal and management aspects of Government.

The Tax Foundation calculated that even if the Federal Government taxed at 100 percent—actually confiscated—all income above that which is presently taxed at the 50 percent tax rate, the Federal Government would receive enough additional income to operate for only 5.6 days.

This figure includes many taxpayers who do not consider themselves upper class taxpayers. The Tax Foundation found that based on 1976 tax rates—the 50 percent or more applied to income for different groups as follows: unmarried taxpayers, $32,000 and over; married taxpayers filing joint returns, $44,000 and over; married persons filing separately, $22,000 and over; and heads of households, $38,000 and over.

These are hardly the avaricious millionaires conjured up by the "tax the rich" ravings of contemporary political rhetoric.

Such populist hyperbole acts as mere camouflage to disguise the fact that every "sock it to the rich" tax reform which comes along actually results in escalating rates at which middle and lower income workers themselves are being taxed.

Much like Pogo's observation, "We have met the enemy and he is us," more and more Americans are realizing that when promising politicians start talking about higher taxes for the well-to-do, the real effect is higher taxes for almost all working Americans. Despite political attempts to cloak their philosophy in populist anti-rich rhetoric the American people are catching on. Even if all wealth were confiscated from "the rich," the greatest burden for supporting the Federal Government will always rest with middle income working families.

I commend the Tax Foundation findings to my colleagues and the American people with the hope that such information will be useful in countering the next "tax the rich" polemical tide which comes along.

I insert the article "Taking 100 Percent of Top Earnings Would Run U.S. for 5.6 Days," at this point in the RECORD.

TAKING 100 PERCENT OF TOP EARNINGS WOULD RUN U.S. FOR 5.6 DAYS

Suppose top income recipients were really made to pay. Suppose all income on which people now pay rates above 50 percent were simply confiscated by the Federal government. How much revenue would such a move produce? How long would the added funds keep the Federal government in business? A good deal less than one might suspect, say Tax Foundation economists.

How much income must one have to have some of it taxed at rates above 50 percent? The answer, of course, depends upon marital status and existing tax laws. In 1976, rates of 50 percent or more applied to income for different groups as follows: unmarried taxpayers, $32,000 and over; married taxpayers filing joint returns, $44,000 and over; married persons filing separately, $22,000 and over; and heads of households, $38,000 and over.

FEDERAL INDIVIDUAL INCOME TAX GENERATED AT EACH TAX RATE

[Income year 1976]

Tax rate [1]	Returns with any tax at rate [2] (thousands)	Tax base taxed at rate (millions)	Tax generated at rate (millions)	Percent of total returns	Percent total tax base	Percent of total tax
14	68,717	$55,157	$7,722	100.00	8.22	5.0
15	68,814	48,450	7,268	88.50	7.22	4.7
16	61,285	49,541	7,927	89.18	7.39	5.2
17	54,110	43,436	7,384	78.74	6.48	4.8
19	54,790	158,026	29,967	82.64	23.56	19.5
22	39,574	107,396	23,434	57.59	16.01	15.3
25	32,043	77,273	19,154	46.63	11.52	12.5
28	14,316	37,640	10,479	20.83	5.61	6.8
32	9,739	24,523	7,722	14.17	3.66	5.0
36	5,284	14,397	5,151	7.69	2.15	3.4
39	2,870	8,657	3,368	4.19	1.29	2.2
42	2,021	6,850	2,855	2.94	1.02	1.9
45	1,467	5,409	2,434	2.13	.81	1.6
48	991	3,462	1,662	1.44	.52	1.1
50	1,274	15,747	7,873	1.85	2.35	5.1
53	381	2,810	1,489	.55	.42	1.0
55	288	2,033	1,118	.42	.30	.7
58	154	1,222	708	.22	.18	.5
60	147	1,091	655	.21	.16	.4
62	119	1,283	795	.17	.19	.5
64	78	902	577	.11	.14	.4
66	54	666	440	.08	.10	.3
68	41	535	363	.06	.08	.2
69	31	407	281	.04	.06	.2
70	30	3,774	2,642	.04	.56	1.
14 to 70	68,717	670,587	153,468	100.00	100.00	100.0

[1] Data for heads of households and unmarried persons at some intervening rates are combined with data in brackets for next highest rate.

[2] Most returns have a tax base taxed at more than 1 rate. For example, a married couple's taxable income (adjusted gross income minus exemptions and deductions) of $3,000 is taxed as follows: 1st $1,000 is taxed at 14 percent (equals $140), 2d $1,000 at 15 percent (equals $150), and 3d $1,000 at 16-percent (equals $160); the total tax is $450.

Source: Treasury Department, Internal Revenue Service. Percentage computations by Tax Foundation.

In 1976, latest figures available, taxpayers above the 50 percent rate filed 1,323,000 returns, 1.9 percent of all taxable returns filed. Income subject to taxation in brackets above 50 percent totaled $14.7 billion. At existing marginal rates, which averaged 61.6 percent in 1976, the tax yield on this income was $9.1 billion.

Tax Foundation research indicates that, if this income had been taxed at 100 percent—in effect, confiscated—the Treasury would have received an additional $5.7 billion. Federal outlays in 1976 totaled $366.4 billion, which means that the Federal government needed $1.0 billion to meet its bills each day.

In 1976, the extra amount to be garnered by skimming the cream off the highest taxable income levels would have run the Federal government for 5.6 days.

What if government were only slightly less generous and decided to cut the top marginal Federal income tax to 60 percent? Taxable income in these brackets totaled $7.6 billion, of which the tax collector picked up $5.1 billion. If all this income had been taxed at 100 percent, instead of 60 to 70 percent, the IRS would have been richer by $2.5 billion—enough to run the government for two and a half days.

Salaries and wages comprised 83 percent of adjusted gross income subject to the Federal individual income tax in 1976. The "individual" income tax applies not only to "persons," but also to net profits of businesses and professions; profits of farms, partnerships, and Small Business Corporations; income from rents and royalties; and other investment income. The top marginal rate on "earned" income is 50 percent. The rate on so-called "unearned" income—from investments and the like—goes up to a maximum of 70 percent.●

THE EFFECTIVE LOBBY FOR CONCERNS OF THE HANDICAPPED

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. RICHMOND. Mr. Speaker, there are approximately 35 million handicapped people living in the United States today. If these 35 million people lived in one area they would be represented by 70 Members of Congress alone. Each Representative in Congress has thousands of constituents with a myriad of disabilities, and, I am sure, each Representative is concerned about the well-being of these individuals.

There have been a few oversights in present laws, concerning the well-being of handicapped individuals, which really must be addressed as soon as possible. One of the most glaring oversights comes in a field of rehabilitation counseling. In the 95th Congress and again in the 96th Congress I introduced H.R. 2056 which establishes Federal standards for the training and experience of people calling themselves rehabilitation counselors.

Rehab counselors are as instrumental to the total well-being of the handicapped individual as are physicians, nurses, physical therapists, and occupational therapists, yet rehabilitation counselors are not now required to have the professional training that these other professionals must have. Because of this, an individual can receive excellent medical care and have the confidence that he or she is receiving care from a highly qualified individual, yet that confidence in rehabilitation counselors seems lacking.

This very real concern was brought to me by Dr. David Brubacker, executive director. and Dr. Arnold Wolf, president of the National Rehabilitation Counseling Association. I am convinced that handicapped consumers must be assured of professional quality care in all aspects of rehabilitation.

Unfortunately there are some people who work as rehabilitation counselors and do not have the necessary training. We spend $30 million Federal dollars annually in the training of rehabilitation counselors yet these very same people, who are trained at Federal expense, are not able to find jobs because nonqualified people are willing to work for less money and are hired by well-meaning but very budget-conscious individuals.

Dr. Brubacker and Dr. Wolf have been invaluable to me not only in developing H.R. 2056, but also in assisting me in other areas related to the handicapped. Should my colleagues need any advice in areas related to this subject I would certainly recommend either of these two gentlemen to the Congress as reliable sources of information.

Because of the urgent need to mandate standards of experience and/or training for rehabilitation counselors I urge my colleagues to join with me in the support of this legislation in hopes that it will reach the floor of the House of Representatives before the close of the 96th Congress.●

A TRIBUTE TO MRS. THELMA THOMAS DALEY, NATIONAL PRESIDENT, DELTA SIGMA THETA SORORITY, INC.

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, in just a few weeks, Mrs. Thelma Thomas Daley, of Baltimore, Md., will be relinquishing the office of national president of Delta Sigma Theta Sorority, Inc., following a series of momentous public service accomplishments, both by herself and by Delta.

On numerous occasions, I have acknowledged and commended the work of Mrs. Daley and Delta Sigma Theta. At this time, however, I believe that it is most appropriate to share a tribute to her and this organization with my colleagues in the House of Representatives.

For over 50 years, Delta Sigma Theta, Inc. has engaged in activities which are clearly indicative of its unwavering dedication to public service in such areas as education, economic development, legislation, housing (including the elderly and the handicapped), arts and letters, and scores of other initiatives. The organization awards more than $500,000 annually to deserving students to assist them in attending colleges and universities. Contributions to other groups (such as the United Negro College Fund, NAACP, YMCA, National Council of Negro Women, Urban League and a substantial number of agencies and institutions at the local community level) total more than $750,000. In addition, Delta Sigma Theta, Inc. makes a $1,000 contribution to the National Black Achievement Scholarship Committee of the Nation's merit scholarship program.

With the assistance of a $134,000 grant from the Department of Health, Education, and Welfare, Delta Sigma Theta has, for the past year, engaged in developing a women's educational equity training and assessment program (WEETAP). This project has as its goal, the development and subsequent testing of materials to be used by personnel in public and private institutions and community groups in an effort to combat sex stereotypes and promote educational equity for women.

The Federal City Alumnae Chapter (Washington, D.C.) spearheaded an effort in conjunction with the national office to impact on the equal rights amendment and full voting representation for the District of Columbia. During the 1978 regional conferences of Delta, more than 4,000 letters were written from members across the country in support of the ERA. In addition, over 700 letters were written at the Delta Eastern Regional Conference encouraging Congress to pass the bill providing full voting representation for the District of Columbia.

I remain particularly thankful that for the 11th year, Delta has operated its direct search for talent project in my own city of Baltimore, Md. With funding of approximately $750,000 from the Office of Education, Delta has endeavored to identify students in selected high schools to present counseling services, tutorial assistance, guidance, career testing and evaluation services, and financial aid services. A second direct search for talent project has been instituted by the North Jersey Alumnae Chapter with more than 20,000 participants.

While I could proceed endlessly to identify the many areas of services to which Delta Sigma Theta has dedicated itself, it is imperative to note that many of the accomplishments of this organization have been highlighted by the excellent leadership of Mrs. Thelma Thomas Daley as president.

Mrs. Daley is a nationally recognized guidance and counseling professional and former national president of both the American Personnel and Guidance Association and the American School Counselor Association. She has served on the faculties of Coppin State College, Western Maryland College, and the University of Wisconsin. Mrs. Daley has also served on the Harvard University College Admission Summer Institute staff. Employed by the Baltimore City Board of Education, she has just completed a 2-year loan to the Maryland Department of Education as a consultant in career education and as Federal project director.

Thelma Thomas Daley's professional and community involvement is extensive: Trustee, educational testing service; former trustee, College Entrance Examination Board; appointed by David Mathews—former Secretary of Health, Education, and Welfare—to the 14-member National Advisory Council on Career Education; appointed by Joseph Califano, former Secretary of Health, Education, and Welfare to chair the National Advisory Commission on Career Education; member of the board of directors of the Voluntary Action Center of Central Maryland; cochairperson of the Maryland Foster Care Committee; and chairperson of a statewide special involvement of adoption for babies through conference and delta. Thelma Thomas Daley has received numerous citations and awards including a plaque from the NAACP citing her outstanding contribution to the life membership program; the Continental Society, Inc. Outstanding Black American Award; the Governor's Citation; Lamda Kappa Mu Outstanding Woman Award, and listed as one of the 100 Most Influential Black Women. Mrs. Daley is also listed in Personalities in the South and Who's Who in Black America.

As Mrs. Daley leaves office I salute her for her strength, leadership, and accomplishments as president of Delta Sigma Theta Sorority, Inc. Thelma Thomas Daley represents the epitome of hard work and dedication. Her years of service truly uphold her genuine illustration of unrelentless commitment to human services.●

COLORADO RIVER MANAGEMENT PLAN AND ENVIRONMENTAL IMPACT STATEMENT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. STUMP. Mr. Speaker, there have been numerous newspaper articles regarding the National Park Service final environmental impact statement of the Colorado River management plan which bans the use of motors on the Colorado River. One column written by Jim Stubbs of the Lake Powell Chronicle repeats some comments by Peter Worthington of the Toronto Sun. I commend this article to my colleagues.

JIM DANDYS

(By Jim Stubbs)

CAMBRIDGE, ONTARIO, CANADA.—Vacations are supposed to be relaxation and a break from the everyday problems. Hogwash.

On August 21, after a night of sleeping on my sister's living room floor in a sleeping bag I decided I would take an early morning walk and catch up on what was going on in the world by reading one of Canada's leading daily newspapers.

I paid two bits for the Toronto Sun and on page 11 read a column by Peter Worthington who had made the trip down the Colorado River in early August. Here's what Peter has to say about that trip:

IS GRAND CANYON DOOMED?

The Grand Canyon is one of the natural wonders of the world, and the Colorado River which runs through it, one of the magic rivers of America.

While there's not much damage man can do to the Grand Canyon (which was created by earthquakes and land movements rather than by erosion), man is in the process of wrecking the river. Instead of forever being the boiling, surging rapid-splattered torrent it is now, it is destined to slow down and gradually become a turgid stream—thanks to the Glen Canyon Dam at the Utah-Arizona border, and the Boulder Dam some 300 miles southwest at the Nevada-Arizona border. More about this in a moment.

The National Park Service is fighting to keep the place untainted by man. The credo for river rafters—like my wife and I were this August—is "take only photographs, leave only footprints."

Those who run the 21 commercial outfits which "raft the river" are so concerned about "their" canyon that they infect or indoctrinate paying customers into a similar attitude.

The canyon and its beaches and trails are virtually spotless and free of any litter (when you answer nature's inevitable calls, you are encouraged to do "Number One" in wet sand or running water, and Number Two into special "portable potties." Everything taken into the canyon must be taken out, in one form or another!)

Yet there is controversy in paradise canyon.

Ecology buffs feel there shoudn't be motors on the river (noise pollution). The plan is to have more oared rafts and to replace the commercial trip with private ones by 1985.

While 70 percent of the trips are commercial now, the hope is to have 70 percent private by '85. Those who work the rapids for a living and have a vested interest in preserving the canyon, fear for the future. Personally, I think they are right. Unsupervised rafts will result in a loosening of standards and inevitably garbage will be buried, campsites will be messier and initials will start appearing on rocks and canyon walls. Human nature being what it is, those who are voyaging the canyon once, never again to return, will not be as meticulous as those who have a dedication to it and earn their livings from it.

Also there will be more drowning and accidents in the rapids. As one of the raftmen wryly noted: "It is the constitutional right of every American to kill himself if he so wishes—and that's what will happen as some partially-trained paddlers try to negotiate some of the scale 10 rapids.

Also lost, as the commercial rafts are phased out, is the canyon as an educational or teaching process. As it stands now, a cross-section of America—the fat, flabby, the unathletic can take the trip and participate as much or as little as they wish in side hikes and comfortable adventure.

All who make the trip come out with a new awareness of the uniqueness of the canyon and a new respect for nature and the need to protect the unspoiled environment. You become personally committed.

With no motors on the larger crafts, it means trips will take longer and a more select, narrow-interest group will qualify. The Grand Canyon will become the private preserve of the hardy and outdoors-types—not for the general public as it now is. That, in this age of North American egalitarianism, seems unacceptably elitist.

The Grand Canyon is something everyone who is able to, should see. Since the beginning of time, less than 250,000 have been through it. It is one of the world's special places. Unequalled anywhere. Ironically, despite official concern for the canyon it is on borrowed time.

It used to be that every spring there was a run-off of high water which contributed to erosion. Since the Glen Canyon Dam controls the flow south, the river rises and falls as electrical power is demanded. This amounts to a spring run-off every day, contributing to perpetual erosion and shortening the life of the river as a running, living, dynamic 300-mile surge of water, with some 180 marked rapids and innumerable unmarked ones. Estimates are that by the turn of the century the Boulder Dam, at the bottom of the Canyon, will be useless due to the back-up of silt, sand and the rewards of constant erosion turning the river into a thin lake.

And yet periodically there are feasibility studies (and worse) about the possibility of other dams half-way through the canyon to supply more power. It seems almost an obscenity. Several times the lobbying of environmentalists has saved the canyon from such dubious blessings.

The U.S. National Park Service is both hero and villain of the Canyon. One feels it underestimates the contribution of the smaller rafting companies (if not the bigger ones, which are more inclined to go for the fast, big buck) whose devotion to the canyon is almost personal.

As one of a group of 11 "ordinary" people willing to invest $600 for the eight-day experience, I know none of us will ever be casual again about despoiling, even in a small way, a parkland or wilderness area. And while some of us felt that way before rafting through the rapids, we were educated further by our guides during the expedition. We have become disciples.

As for "noise pollution" of 20 horsepower outboard motors—nonsense. They run quietly and are used mostly for dangerous rapids. Much of the time the raft drifts. Without small motors, today's eight-day trip would take 12, which is more time than many can afford. And the cost would rise.

It would be a loss to Americans and ordinary people, if it were made tougher or impossible for many to experience first-hand one of the wonders of the world.●

"NEWS" HORIZONS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MOTTL. Mr. Speaker, one of America's more colorful entrepreneurs, Atlanta's Ted Turner, is pioneering an around-the-clock news channel to be available to subscribers of cable television systems. The format will include a 2-hour, prime-time newscast, live telecasts from breaking news events and other unique offerings.

As one who has long believed that the public deserves more quality and depth in programing than it gets from the three commercial networks, I would like to wish Ted Turner success in this venture.

It is said that most Americans today get more of their news from television. And it is also said that every word spoken on the evening network news would only fill a fraction of the front page of the New York Times. A format such as Turner plans, in which news need not fight with "Laverne and Shirley" for prime time minutes, would offer viewers an attractive alternative to the usual network fare. Subscribers to cable systems offering this new network would have an unprecedented amount of television news available to them at any time of day.

The success of Turner's project would be a major breakthrough in television journalism, and I commend the following article on it from the September/October issue of the Washington Journalism Review to my colleagues.

The article follows:

TED TURNER'S DREAM

(By George N. Allen)

In a business that still thinks significant innovations are such things as the boutonniere in John Cameron Swayze's lapel, Ted Turner must be thought terribly impatient.

Turner, the raucous Southern maverick of television and yacht racing, will begin a network news operation for cable systems next June. He is thinking beyond multiple anchors and rearranged chairs. His operation will be an around-the-clock news service, the capstone being a daily two-hour prime time newscast.

Already the networks are putting him down. Richard Sonnenfeldt, NBC's vice president designated to keep an eye on cable, pooh-poohed to the *New York Times* the ability of cable to dent the nets' domination of the market: "Despite cable's high growth rate, we don't see it having any significant impact on the three networks over the next ten years. Some cable programmers are going to be very successful, certainly, but when you add up the numbers it's not a threat to any network. In fact, it's like comparing a sailboat to a freight train."

Sailboats may have been an unfortunate reference for Sonnenfeldt. If Turner is anything, he's a sailor, and one whose sheer talent as a racing captain forced the reluctant, stuffy Pooh-Bahs of U.S. yacht racing to allow him to lead the U.S. effort to a resounding victory in the last America's Cup challenge. And Turner says Sonnenfeldt "has his modes of transportation wrong. If the networks are like a freight train, then cable TV is like a jet plane."

Just as Turner twisted the tail of the hide-

bound yachting establishment with his insouciant disregard for some of their more hoary conventions, so has he done the same to the broadcast industry by turning his Atlanta television station, WTCG, into the nation's first satellite superstation. But his plan for a 24-hours-a-day Cable News Network (CNN) is his most audacious scheme yet.

Turner's gamble is to put news for the first time head-to-head against prime-time entertainment programs. No matter how small Turner's audience may be at the beginning, the continued existence of a 24-hour-news operation during prime time can't help but affect the decisions of the network news departments.

Take, for instance, the issue over which Fred Friendly parted company with CBS News—whether to dump daytime soaps and game shows in favor of live coverage of a Senate Foreign Relations Committee debate. Being reasonably sure neither of the other nets nor PBS would go live, CBS executives could ignore audience preferences.

That was an easy decision because everybody knows that no significant segment of the daytime audience would choose a Capitol Hill debate over the soaps. The decision is also easy when the event and the accompanying picture are grabbers: the coronation of a Pope, a terrorist takeover of an embassy, the state funeral of a Winston Churchill, a Khrushchev at the United Nations. Turner's presence will not affect these easy calls.

In the close calls, where the event is neither a snorer nor a grabber, but where the event and picture may have marginal interest, Turner's news operation will make its weight felt in the networks' executive suites. For Turner's CNN will have the marvelous capability—along with the programming and financial imperatives—to go live whenever a good picture is available. CNN also has the marvelous capability of staying with a developing news story without any time restraints.

When a network goes live on a long-lasting event, like the congressional hearing on whether to impeach Nixon, it cannot easily switch back to entertainment during the dull segments and then break off an entertainment program when the live action picks up. An all-news operation, however, can switch in and out of its normal programming, protecting the viewer's interest by returning to the live event the moment it becomes more interesting.

These capabilities promise to have network executives looking over their shoulders. The result could be noticeably more live coverage by the nets.

An important element of Turner's move is that, for the first time in television, there will be a channel where interrupting normal programming for coverage of breaking news will enhance program content for most of the audience. For the networks, the result would be an annoyed audience and a loss of revenue from commercials not aired.

An all-news channel is not, of course, ever going to attract away a significant amount of the audience from the networks. On an evening when the entertainment is insufferably dull, however, and there is a moderately interesting live event on the news channel, enough of the audience might be wooed over to make a dip just large enough to show in the ratings. When considering the potential impact of cable news on the networks, it should be borne in mind that the standing of networks' news programs is not merely a matter of ratings and money, but equally a matter of prestige.

Conjecture about the effect of CATV on over-the-air broadcasting depends to a large degree on how rapidly cable grows. Television has a 98 percent saturation of all households in the nation. Cable, now at about 20 percent, is expected to hit 30 percent in 1981. Thirty percent saturation is a significant milestone for it is the point at which cable can attract national advertising.

What CNN will offer viewers is programming similar to that of the large all-news radio stations—a mix of features, headline summaries and news roundups. About 30 percent of the programming will be repeat material, most of it airing between midnight and six a.m. Centerpiece of the broadcast day will be a two-hour news program in prime time, airing probably from eight to 10 p.m. Eastern time.

The unique element of CNN's programming, Turner indicated, is that CNN will cover a wider spectrum of news and present it in greater length and depth than is done at present on either radio or TV.

"I haven't really liked the over-the-air broadcasters approach to news," he explained, "because in current broadcast journalism, news is a secondary consideration. The main thing is the same as they do in entertainment programming—to try to put on a show that will be number-one in the ratings. They just use news as an entertainment vehicle. That's why you see so much of murders, crime, fires, airplane crashes and that sort of thing in the news and so little about things that are going on that are good. The good things aren't ratings-grabbers. What you see on broadcast news now is one-sided.

"The polls show that less than half the people depend on the newspapers for their news," Turner declared. "The majority of people now depend on TV for their basic news and I don't think they're getting a straight story, only a few headlines about what bad has happened. That's pretty scary."

Turner said his news channel would offer plenty of public affairs programming of the *Meet the Press* type. Indicating a sharp break with current programming practice, however, Turner said he would offer Ralph Nader a regular half hour "to do whatever he wants with."

Concerning daily coverage any U.S. news operation must deal in, Turner said: "We'll cover the major issues the networks cover, but we'll spend twice as much time on them. And we'll cover a lot of things in Washington and around the country that don't get covered now. The broadcasters hardly cover financial news at all—just the stock market and the price of gold—because only about 10 percent of the people are interested in it. We'll give some real business news.

"In the 11 o'clock news on most stations all they give you in sports is the scores of games. We're going to take a half-hour at 11 p.m. to tell people what happened in the games that day."

Turner said the two teams he owns, the Hawks and the Braves, will not appear on his news channel. "CNN will be strictly news," he explained. "There will be no play-by-play on it."

With a starting date nine months away, CNN won't begin staffing in earnest until November. Currently only one top executive has come aboard full time. A second executive and one on-air newsman have been tapped but won't be working for a while yet. When fully staffed, CNN will have about 50 on-air news people and about 150 others.

The newsman under contract is former CBS correspondent Daniel Schorr, who is now doing some work in public TV and writing a political column distributed by the Des Moines Register and Tribune Syndicate.

CNN will be headquartered in Atlanta, with two large bureaus in New York and Washington. Turner offered Schorr the job of Washington bureau chief. Schorr turned it down, he said, "because I'm basically not an administrator. I want to stay close to the news." With the title senior correspondent, he will anchor the large Washington segment of the two-hour news program, as well as doing regular reports of his own. CNN's Washington bureau is expected to have at least a half-dozen correspondents.

When asked what had attracted him to an as yet untested concept like cable news, Schorr responded: "A 24-hour cable news operation offers a situation that no one in broadcast news has ever experienced. It's live everywhere all the time, so there are no time-delay problems. And it's open-ended—you don't have to beg the business side to preempt entertainment programming to cover breaking news.

"A cable news operation is more like a newspaper than an over-the-air TV news operation because the people in the news department are concerned *only* with the news and how to get it out to the viewers as fast as possible. Possible effects on entertainment programming don't have to enter into any of their thinking about how to handle the news.

"On the network I never wanted to fight for ratings—trying to reach 100 million people, a lot of whom are only half-listening and who really are only waiting for the next entertainment program to begin. In cable I will reach maybe five million people, but they will be a self-selected audience who are watching because they want to see the news, and who are paying attention.

"Cable is unlike standard broadcasting. It is really a new concept of *narrowcasting*. Unlike the networks, cable does not have all its eggs in one program, which means what the networks can do is governed by the programming preferences and the clearances on the local stations. Cable has 30 channels and that gives viewers 30 program options. The 24-hour news is only one of 30 available programs.

"An important thing that attracted me to cable was Ted Turner's vision that when people see what cable is capable of there will be a greater audience for news than anyone now suspects."

The president of CNN is Reese Schonfeld. He is under contract as managing director of the Independent Television News Association until the end of October. Schonfeld played a large part in starting up the old UPI Newsfilm operation, and he performed similarly for ITNA, a non-profit newsfilm syndication service owned by its member stations.

Since he won't be involved in the day-to-day planning of CNN for awhile, Schonfeld would only talk generally about a cable news operation.

"Network people told me it wasn't possible to operate a serious TV news operation outside a network structure," he explained. "I'm out to show them they're wrong.

"The network bosses don't regard news as serious business. News is only for boys; real men go into the selling end. The network executives regard their news people as they might regard children—keeping them on short cash allowances and never permitting them to interfere with the serious business of network television, which is the entertainment programming.

"There just has to be a way to present news outside of an entertainment structure. In the world's most powerful and most important nation today you shouldn't have to do a day of garbage to support news.

"With an operating budget of $20 to $25 million a year, CNN won't be able to directly challenge network news, which has budgets four to five times that. But the network moguls are careful to see that news never competes with entertainment, and CNN will present audiences with a situation where news for the first time will compete with entertainment.

"CNN will increase viewers' options, and who knows what the effect of that will be—particularly since CNN is hoping for a lot of exclusivity as well as availability and immediacy.

"As far as financial viability is concerned, cable news can make it with a two rating. So CNN won't have to be always searching, as the networks usually have to, for the lowest common denominator."

Until Schonfeld gets aboard, Turner's point man at CNN is Executive Vice President Burt Reinhardt, who was with Schonfeld at UPI Newsfilm. Reinhardt spent the last five years in California with Paramount's non-theatrical division.

Asked how many systems covering how many homes had signed up, Reinhardt said: "We don't really know right now. Some operators want to see a tape of what we'll be doing before they sign. There's some of that kind of hesitancy, of course. But I'm going on the premise that we'll have three to five million homes by startup time. We firmly believe that cable news will find the viewers and that it will be well received."

For a cable operator who already subscribes to WTCG's satellite service, Reinhardt said, CNN will charge 15 cents a month for each subscriber. Other operators will pay 20 cents a month. These charges are for operators who want to offer the news channel as part of their basic service, which subscribers get as a monthly package for their flat fee. For operators who want to offer the news channel as an extra-pay service, CNN's charge will be higher. Turner is on record that he prefers it to be offered as part of the basic service.

CNN will sell national advertising—ten minutes an hour is planned—with an additional two minutes an hour to be sold by the local operators. As advertising revenue builds up, Reinhardt indicated, charges to channel as an extra-pay service, CNN's expects they'll eventually have to pay local cable operators to carry the news channel.

While emphasizing that everything is still very much in the discussion stage, Reinhardt provided a glimpse of some fascinating programming possibilities: "Our viewers may regularly see the BBC evening news in its entirety. And they may see segments from the newscasts of Germany, France, Italy or Israel—in the original language, with captions. This is not at all inconceivable. Such pickups would give our viewers something really different in the way of news programming."

Reinhardt said CNN recently bought a 70,000 sq. ft. building in downtown Atlanta and will spend about $3.5 million to turn it into their broadcast headquarters.

"Everything will be run from Atlanta," Reinhardt explained. "We'll have the bureaus in New York and Washington and smaller bureaus elsewhere in the U.S. We'll no doubt have a bureau in London and possibly one in Asia and one in the Middle East."

Ted Turner summed up cable's coming place in the flow of entertainment and news by saying, "Cable is the new technology that nobody can ignore . . . Aren't 30 channels better than three or four? That's the whole thing right there in a nutshell, and that's why cable is going to wire the whole country. We're increasing people's options and people want more options. What kind of a world would it be with only three magazines? Pretty frightening.

"Originally TV was a medium of scarcity because of the need to divide up a limited spectrum. But with cable there are no spectrum problems. There's no limit to the number of channels you can put into a home. And if the channels are there, the programming will get there to fill them.

"I anticipate that in the future the three networks will be on cable and there will be eight or ten national networks, maybe more. Eventually there will be quite a few local channels, too. When the market gets fully cabled there will probably be a local news channel, too, perhaps done in conjunction with one of the local TV stations, so people can see the news when they want to see it, not just at six o'clock."

In this, the heyday of the large corporation that follows the morally and socially neutral judgments of committees of lawyers and accountants, Ted Turner is a character—in the best sense of that much misused word. He is in the great tradition of the individual entrepeneur who had a dream and backed it with his money and his sweat.

At present, without any background in journalism, Turner has a vision about a new departure in the way broadcast news can be processed and presented to the consumer. He is gambling at least $50 million on that vision, a gamble that giant news corporations seem unwilling to take.

When asked if there were anything in this gamble for him besides simple profit, he replied, "Yes, I'd like to go down in the history books as somebody who was successful in improving the flow of information to the American people." ●

DISSENTING VIEWS ON THE SHANNON-CARTER AMENDMENT

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CHENEY, Mr. Speaker, the Shannon-Carter amendment, supported vigorously by U.S. tanners and shoe manufacturers, contends that there is a need for export controls of U.S. animal hides and skins because the domestic users of the raw materials are unable to buy sufficient quantities to run their factories. Their contention goes on to state that the reason for their inability to buy needed quantities is the exportation of these cattle hides.

Nothing could be further from the truth. In reality, U.S. tanners and shoe manufacturers have complete access to every hide produced in the United States if they are willing to pay the market price for it.

The demand for leather worldwide is large, and consequently the price for hides is influenced to a large degree by supply and demand. In the first 5 months of this year, hide prices rose in the United States and worldwide because the United States and foreign cattle herds are in the process of rebuilding. The production of cattle hides was down about 14 percent due to a reduced kill of animals. Since June, however, an increase in slaughter and a decrease in demand has caused the price of hides to go from around 90 cents per pound to about 50 cents per pound.

Total commercial cattle slaughter this year will be between 35 and 36 million head while domestic tanners will use about 16 million head. By imposing restrictions and retaining more hides in this country than the domestic market can use, the price of cattle hides would decline. This would lead to lower prices for cattle which would hurt farmers, cattle ranchers, and cattle feeders, and would result in higher prices for meat at the supermarket. The biggest loser in this case would be the consumer.

With regard to the charge that higher hide prices are responsible for increased shoe costs, figures show that the price of hides contributes only about 5 to 15 percent of the total cost of producing a pair of shoes in the United States. Also, hide prices historically have risen and fallen reacting to supply and demand, but shoe prices have never declined. Therefore, if the price for hides goes down, as is currently the case, and shoe prices remain high, it cannot be claimed that there is a large correlation between hide and shoe prices.

Finally, export controls of hides could hurt the U.S. balance of trade at a time when we are attempting to increase our exports. Hide exports in 1979 will amount to about $800 million and undoubtedly helps our trade and employment outlook.

I firmly oppose the Shannon-Carter amendment to the Export Administration Act and urge my colleagues to do so also.●

SPECIAL USE VALUATION OF FARM MACHINERY

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MADIGAN. Mr. Speaker, I am introducing legislation into the House of Representatives today in response to the needs of farmers, land appraisers and attorneys in rural areas who must value farm property for estate tax purposes under section 2032A of the Internal Revenue Code of 1954.

Section 2032A was added to the Internal Revenue Code by Congress in the Tax Reform Act of 1976. The intent of this new section was to assure that land used for farming both before and after its owner's death would be valued for estate tax purposes on the basis of its value as farmland and not on the value of its potential highest and best use. This change in estate taxation has had the positive result of easing the tax burden on heirs of family farms allowing these individuals to remain in the farming business.

The statutory formula for determining special use valuation of farmland requires that net annual gross cash rent for comparable farmland located in the area of the farm in question be divided by the average annual effective interest rate for new Federal Land Bank loans. In proposed regulations published in the Federal Register on September 10, 1979, the Treasury Department revised earlier proposed regulations and ruled that share rentals may no longer be used to determine special use valuation when verifiable cash rents cannot be located. If these regulations become final, many heirs of farm property will no longer be eligible to benefit from the lower special use valuation formula simply because they live in an area in which farm property is share leased rather than cash rented.

The bill I am introducing will allow the continued use of verifiable net share rental income in place of net cash rent in determining special use valuation in

those cases in which cash rents are inadequate for making a verifiable computation. The intent of this legislation is to facilitate the application of special use valuation in rural areas in which farm property is normally leased on a share rather than cash rent basis.●

FIRST WOMAN COMMANDER OF AN AMERICAN LEGION POST

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SKELTON. Mr. Speaker, it is with pride that I bring to your attention an important event for the State of Missouri and for all American veterans. Mrs. Nancy Lichtenthaler has been installed as the first woman commander of an American Legion Post in the State of Missouri. I extend my congratulations to Commander Lichtenthaler and the Waverly American Legion Post No. 580, on this most noteworthy installation.

Reprinted below is an article from the June 29, 1979, edition of the Waverly Times which describes the memorable ceremony:

NANCY M. LICHTENTHALER INSTALLED AS COMMANDER OF AMERICAN LEGION POST

History was made Saturday, June 23 in Waverly when Nancy M. Lichtenthaler was installed as commander of the Waverly American Legion Post, No. 580 in an impressive ceremony conducted at the Legion Hall. The installing officer was David Blackburn of Malta Bend, 7th District Commander. Mrs. Lichtenthaler is the first woman in Missouri to be commander of a legion post and is also the first woman to be a member of the Veterans of Foreign Wars in the state. She saw service in 1945 in India with the Air Force Command in World War II. Her husband, Charles D. Lichtenthaler is a charter member of the Waverly Post, her two sons, David Hostetter of Spanaway, Wash. and Woodrow W. Hostetter of Bosworth, and her son-in-law, Larry Evans of Waverly are legionnaires.

In accepting the office of commander, Mrs. Lichtenthaler said she would strive for the continued growth of the post which was chartered in 1947 and to re-activate the Legion Auxiliary in Waverly.

Other officers installed were Don Lawson, 1st vice commander; James W. Wilson, 2nd vice commander; Eldon Hurlburt, historian; Dr. H. P. Callaway, chaplain; James Skahan, sergeant at arms; and Larkin Slusher, child welfare. Officers to be installed at a later date: Robert Orear, 3rd vice commander; Douglas Inman, adjutant; John F. Hinz, finance officer; Clarence Proctor, service officer.

Post Commander Awards were presented to Eldon Hurlburt, 1978 and James Skahan, 1979 by the 7th District Commander.

Dr. H. P. Callaway, who was introduced as the first commander of the post, told of the early years of the post and how it was organized in 1947 shortly after the close of World War II.

The meeting following the covered dish supper, opened with the retiring commander, James Skahan, presiding and leading in the Pledge of Allegiance to the Flag. Fletcher Salyer, chaplain, led the prayer which was followed by the "Preamble to the Constitution of the American Legion."

The many World War II mementos which had hung in the first legion hall in Waverly have now been placed on the walls of the new legion home. An arrangement of red, white and blue garden flowers and two United States flags were used to decorate the speakers table.

The group was dismissed with a prayer by the newly installed chaplain.●

THE ECONOMY IN THE 1980's

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from August 29, 1979, into the CONGRESSIONAL RECORD:

THE ECONOMY IN THE 1980'S

A decidedly improved economy, with full employment and a greatly reduced rate of inflation, may await Americans in the 1980s.

As one might expect, however, such an alluring prediction has a catch. Before an improved economy is possible, certain steps will have to be taken:

The rate of capital formation must be increased;

The skills of disadvantaged, chronically unemployed persons must be upgraded; and

The dependence of the United States on imported oil must be cut.

It is not foolish optimism to believe that sound choices of economic policy in the years ahead will allow us to take these steps and thereby bring about an improvement in the economy. If capital formation increases and labor skills are upgraded, the nation's productive capacity will be enlarged and unemployment will fall. A substantial rise in investment spending can be achieved by tax laws that enhance the incentive to invest. Shortages in the supply of skilled labor can be met by new "targeted" employment programs for unskilled and semi-skilled workers. Moreover, the United States is certainly not impotent when it comes to energy. We have the financial and technical capability to insulate ourselves from the arbitrary decisions of OPEC in a little more than a decade's time. OPEC's demonstrated ability to control oil price and supply can be diminished by conservation and by aggressive programs to promote both production of energy from domestic sources and development of synthetic fuels and solar power. Because energy is so closely tied to the economy, independence from OPEC is independence to determine our own economic future.

Behind this view of what the economy needs is the idea that the declining rate of growth in productivity has been an important cause of our economic ills. The statistics show us just what we are up against. From the late 1940s to the mid-1960s, productivity in the private sector rose at an annual rate greater than 3%. From the mid-1960s to the early 1970s, it increased at a rate slightly above 2% per year. From the early 1970s through 1978, it inched up at an annual rate slightly greater than 1%. For the first half of 1979, however, productivity in the private sector actually fell at a rate of 3.3% per year. Although our working men and women still outproduce foreign workers, the gap between them and us is closing quickly. Our recent record of growth in productivity, when compared with that of other industrialized nations, is not enviable.

In my view, rising productivity is the key to economic progress in the coming years. We can produce our way out of the economic doldrums in which we find ourselves. We must save more, invest more of what we save, train more unskilled workers, secure our energy supplies, and, in the end, boost our total output. The fundamental weaknesses of most any basically healthy economy can be corrected by long-range policies carefully conceived and vigorously pursued, so our fight against inflation and unemployment will be won by long-range policies which put more goods and services into the market at a lower unit cost. If something is not done about lagging capital formation, chronic unemployment, energy dependence, and the slow growth which they cause, then the economy will face a bleak future of stagnation. Stagnation, of course, means lower standards of living for us all.

This shift in emphasis to the "supply side" of the economy is long overdue, and I am very pleased to see it gaining acceptance in many circles. More and more people are coming to realize that more production, not less demand, will put us squarely on the road to economic prosperity. We will have to grapple with immediate problems, such as runaway increases in the cost of food and fuel, and we must be prepared for unforeseen setbacks, but we cannot afford to lose track of what is critically wrong with the economy: productivity is growing too slowly. While there may be no "quick fix" that will turn the situation around in a matter of months, it is clear to me that we do not have to accept slow growth as our economic lot in life. We can do better, and I think that we will.

Admittedly, the view I have just expressed does not contain specific prescriptions for what ails the economy. What I have tried to do is to take the long-range view, to suggest a direction and a course we should follow to get the economy moving again.

(This newsletter describes some of the conclusions of a recent study done by the Joint Economic Committee of the United States Congress. The study focussed on trends in the American economy during the 1980s. It proposed that Americans' standard of living is threatened by slow-growth policies, and it argued that such policies will not lead to price stability. The study was completed with my full support and endorsement.)●

NATIONAL FISHERY DEVELOPMENT ACT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. STUDDS. Mr. Speaker, today I have introduced in the House of Representatives the National Fishery Development Act. This bill, filed earlier this year by Senator EDWARD KENNEDY in the Senate, is intended to establish a comprehensive program to promote the development of our domestic fishing industry.

Essentially, the bill more clearly defines the allowable uses of the so-called Saltonstall-Kennedy fund which was established in 1954 to help stimulate our domestic fisheries. Congressional action in this area is sorely needed to prevent the continued use of this money for personnel salaries in the National Marine Fisheries Service, where it has, in effect, become part of the agency's base budget. I do not believe that this use of the funding was ever intended, nor do I believe that a fishery development account should be drained to support another government bureaucracy.

The provisions in the bill I have introduced will guarantee that at least 50 percent of the Saltonstall-Kennedy fund will be used to finance small individual fishery development projects. The bill also provides for strict congressional oversight of its uses, which I believe will lead to better investments of the limited funds available. Another stipulation in the legislation directs the Secretary of Commerce to appoint at least six regional fisheries attachés to serve abroad to help develop export markets for our fisheries products.

Because the administration has indicated it would like to phase out the Saltonstall-Kennedy fund, I believe it is essential that the Congress move quickly on this measure. Passage of the National Fishery Development Act will guarantee the availability of this funding, which is so vitally important to the growth of our fishing industry.●

IN THESE TIMES REPORTS ON PLANT SHUTDOWNS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CONYERS. Mr. Speaker, three decades of Federal policy to underwrite expansion of suburbs at the expense of cities, promote new plants and equipment rather than modernize existing private capital stock, and subsidize new housing rather than rehabilitate older residential areas have contributed enormously to the massive shifts in capital, labor markets, and population from the North to the South and from core cities to outlying metropolitan areas.

A major effect of these policies and interregional shifts is industrial disinvestment. In These Times, the weekly independent socialist newspaper has explored the meaning of disinvestment in a series of recent articles, "Shuttered Factories, Shattered Communities," written by staff reporter, David Moberg. The series furnishes essential background information on the costs of plant closings, and I highly recommend the following excerpts to my colleagues:

IN THESE TIMES REPORT OF PLANT SHUTDOWNS

LIFE AND DEATH POWER

The need for a public beckoning of costs and benefits has never been greater. Communities are now faced with private factory shutdown decisions on an increasingly wide range of "justifications" in the private interest that have less and less to do with the public interest.

As always, many businesses go under that deserve to go, although good management could undoubtedly save vast numbers of them. Dun and Bradstreet reports on births, deaths and moves blame managerial incompetence for 40 percent of business closings. But with the growth of concentrated corporate power, especially in the diversified conglomerate form, and with the expansion of federal intervention in the economy that hastens many business shutdowns, the issue of democratic rights and power are posed more strikingly.

Much of the debate has centered on "runaway shops," businesses that move to the South or overseas in order to pay lower wages, to avoid unions, or to find a highly favorable "business climate."

The shift is dramatic. From 1967 to 1976 the industrial Midwest and Northeast lost 13 percent of its manufacturing work (1.5 million jobs), while the South and Southwest gained 19 percent (900,000 jobs). Also, recent calculations by the economists Robert Frank and Richard Freeman indicate that the rate of direct foreign investment at the beginning of this decade yielded an overall employment loss in the U.S. of 160,000 jobs a year. (If there had been no overseas investment, they also figure that U.S. corporate profit would have dropped by roughly 6 to 18 percent and that U.S. wages would have increased by roughly 3 to 12 percent.)

Overwhelmingly, it is the largest corporations who extend themselves overseas and, disproportionately, it is also the largest corporations that account for the shifts in capital within the U.S. "The larger corporations, using their financial strength, are the first to redistribute their operations out of declining areas into growing ones," writes David Birch, director of the M.I.T. Program on Neighborhood and Regional Change, in *The Job Generation Process*. "They do not hesitate to locate branches in greener pastures, placing an ever greater burden on the smaller firms in struggling areas like the Northeast."

Using data collected by Dun and Bradstreet—since the federal government keeps no useful records on location of firms—Birch argues that the job losses in the North are very rarely the result of an employer picking up and moving the facility south, although that was certainly true in the past of some industries, such as shoes and textiles.

His study also shows that businesses die at about the same rate (5.6–6.7 percent each year in this decade) in the North and the South. But in the faster-growing states, nearly twice as many new firms are born each year and existing firms also expand much more rapidly.

Although the Dun and Bradstreet listings understate the actual migrations, these statistics suggest that the capital shift is often more subtle. Businesses expand and modernize in the South and are gradually allowed to die in the North, with nothing created to replace them. "It is differential branching, not physical migration, that causes many of the regional differences in job growth," Birch writes. "Also, branching seems to be growing in importance over time. Branching is more important in manufacturing than in other sectors of the economy."

Although some economists use Birch's data to argue that runaways are unimportant and that the proper response of the old industrial states would be to make business feel more loved, the statistics really don't erase the fundamental problem: corporate capital's power over the health of local communities. If anything, they highlight the problem. For example, Birch notes that between 1960 and 1976, small firms (under 20 employees) generated 66 percent of all new jobs in the U.S. What did the giants, with over 500 employees, do? They generated 13 percent of the total. Even worse, in the Northeast the biggest firms actually decreased jobs by 33 percent.

The Dun and Bradstreet data may overestimate job creation by small firms, as Hal Wolman of the Urban Institute argues, but the change from the past, when larger firms generated more jobs, is remarkable. What has happened? Birch isn't certain, but he suggests that when firms get to a certain size they become multinational and then they "may make all their differential investment overseas."

Why do the big corporations shift their investment? Certainly in many cases it has been to take advantage of cheaper labor—the notorious dollar or two a day for labor in Asia or the low wages in the rural South.

But a number of researchers point to what may be even more important than cheap labor: greater corporate control. Bob Goodman, author of the forthcoming book, The Last Entrepreneurs, argues, for example, that "the North-South shift is in some ways accurate, but it is also very misleading. Rates of growth have been increasing in some northern states, but those are the ones with the strongest anti-labor laws. If you group the anti-labor states, then the absolute number of expansions over the past eight years has been more than double the other states."

Boston University economist Barry Bluestone, who has been studying the New England aircraft industry, argues that some corporate shifts of capital are designed to construct dual lines of production, often including dual subcontractors, in different regions or different countries in order to avoid disruption by labor.

Others suggest that even anti-union right-to-work laws in the South are not as important to most big businesses in themselves as they are cherished as an indication of a favorable "business climate."

Birch points out as well that New England is no longer a high-wage area and that many of the most rapidly growing sunbelt cities—Houston, Dallas, Los Angeles, San Diego and others—are not low-wage areas. Avoiding unionization, he thinks, is one of the most important reasons for the capital shift, along with factors such as geographical preferences of executives and avoidance of high personal taxes for management (but not corporate tax abatements, which nearly everyone agrees have very little influence on business location decisions).

"Wages are not totally negligible as an influence," he acknowledges. "Going abroad they're quite important." Now some businesses having shifted once to the South for low wages, are continuing their shift overseas.

If control is the name of the game—with wages still important in certain circumstances—then the emergence of the conglomerate fits into the picture even more appropriately. The large corporation, and especially the diversified multinational conglomerate, seeks to escape as much as possible from any interference with its control. It hopes to avoid or master competition, business cycles, labor disputes, shifting tastes, national boundaries and legislation. It can't of course, completely succeed, but it can—and does—try.

Partly because the conglomerate has such control, many of its business decisions are made on a basis that might otherwise seem peculiar to a small entrepreneur. These peculiar decisions are extremely important for the issue of community economic health and plant shut downs. Many of the businesses now being abandoned—and their host communities with them—need not be scrapped by most conventional reckonings, certainly not by any comprehensive public accounting. Only the scramble for conglomerate power and accumulation dooms them.

Youngstown Sheet and Tube is a classic case, as Ohio Public Interest Campaign director Ed Kelly has convincingly demonstrated. The Lykes conglomerate took over Youngstown Sheet and Tube in 1969, borrowing heavily to buy the much larger steel firm. But rather than use its healthy cash flow to modernize the mills in Youngstown, Lykes made other acquisitions and added further debt as it built its empire. Having failed to modernize the Youngstown works sufficiently, it could not take full advantage of the steel boom in 1973–74. Then the heavy recession hit. Lykes still owed very heavy interest payments from its acquisitions. It could not raise the money to modernize at Youngstown, even though its mills there were performing more profitably than the modernized Indiana plant. It decided to abandon Youngstown, later merging with LTV Corporation. That merger gained the approval of Attorney General Griffin Bell,

even though it was anti-competitive and worsened Youngstown's plight by precipitating the closing of Brier Hill and adding new obstacles to the reopening of the Campbell works.

Lykes' behavior was typically conglomerate. An acquired firm was raided as a "cashbox" to expand conglomerate control. It had long been true that large corporations, more than local capitalists, felt no attachment to a particular community, but with the conglomerates there is even little attachment to a particular industry. Capital in the abstract is everything. The result, however, is frequently very poor management of any one part of the conglomerate.

"People commonly assumed that a big company would not shut down a plant if that plant were making a profit and that further, if a big company could not operate the local plant at a profit, then the plant was inevitably doomed to failure," Cornell University professor William Foote Whyte wrote in support of a bill aiding worker-community take-overs. "Furthermore, it was assumed that plant shutdowns were a painful but necessary part of the natural process of economic life." But the behavior of conglomerates makes a mockery of those assumptions.

Whyte, for example, found that the Saratoga Knitting Mill began losing money under conglomerate management because the dominant firm's sales force ignored the products of the acquired subsidiary. As an independent unit again, the mill thrived. In another case, Sperry Rand acquired the Herkimer plant, which made library furniture. Despite Herkimer's long history of profitability, Sperry Rand closed it because library furniture did not fit into their corporate strategy and because the plant was not making the very high target profit rate—22 percent return on invested capital.

"If Sperry Rand could make more money elsewhere by shifting its investment out of the Herkimer plant, then the shutdown made good economic sense to the top management of the conglomerate," Whyte wrote. "But it certainly did not make economic sense to the 270 employees, nor did it make sense to the rural people who earned $875,000 a year selling trees to the plant," or to local businessmen and politicians.

Belden Daniels, a city and regional planning professor at Harvard, argues that "the conglomerate almost invariably imposes costs on the local firm that are diseconomic." For example, the Esmark conglomerate forced its subsidiary, National Tanning and Trading Company, to buy skins for more than the market price. Frequently small firms gobbled up by a conglomerate are saddled with unneeded overhead and administrative costs that are part of a giant, centralized operation.

One of Daniels' students pointed out another conglomerate tactic that results in irrational plant closings—the calculated tax loss. In the case of National Tanning, "the unfavorable return on the plant was exaggerated on paper because the parent company apparently manipulated the accounts to produce even greater losses, presumably for tax shelter purposes. This was achieved by attributing various overhead and administrative costs incurred" by other plants to the one shut down.

Conglomerate apologists claim that the takeovers can bring new managerial skills to the small firms, but often conglomerate control lessens the needed flexibility of the local unit. Central managers also frequently lack the specialized knowledge to make good business decisions for the small unit.

Such mismanagement was a problem in the case of American Safety Razor, according to Daniels' Harvard study group project. Philip Morris, which had acquired American Safety Razor, later merged with Miller Brewing. Safety razors were a tiny part of the new conglomerate. They no longer fit into the conglomerate marketing strategy. The razor division was also less profitable, although not unprofitable.

Philip Morris decided to sell it. But the sale was blocked by the Federal Trade Commission as anti-competitive. So Philip Morris decided to abandon the firm, even though it would be a hard blow to a community that had recently suffered four other plant closings. Eventually, as in the case of Herkimer, National Training and Sarotoga Knitting, there was a management-employee buy-out and the firm prospered with a new marketing strategy under the immediate control of the local firm.

The American Safety Razor case is an example of a new shutdown problem. Increasingly, Federal Trade Commission officials say, corporations will threaten to shut down if they aren't allowed to merge. Corporations are continually trying to expand the "failing company" defense against antitrust charges. If a company is about to go bankrupt, judges have ruled, a merger can proceed even though it would otherwise be anti-competitive. LTV Corporation used this argument last year when it merged with Lykes Corporation, even though Lykes was not failing.

Now that we are in the midst of a new wave of corporate mergers, Ed Kelly of OPIC predicts that, "based on past experience, we'll see more plant closings in states like Ohio and Pennsylvania, but also in the South." There may even be a new rationale for closings. One of the hottest business consultant strategies of the moment argues that conglomerates should concentrate on dominance of particular markets. If they can't dominate, then they should close the division, even if it's profitable.

That would accelerate the irrational closings already caused by setting arbitrary, high-profit targets. Bennett Harrison, associate professor of economics and urban studies at M.I.T., points to numerous conglomerates that set extreme standards of profitability—such as 25 percent return on investment—or growth and then shut down every branch that could not meet the standards, even though they were several times above the rest of the industry. "There is nothing especially 'natural' about being unable to do three to four times better than your competition," he argues.

These unnatural deaths of otherwise perfectly healthy businesses are encouraged by federal policies: investment tax credits spur new construction at the expense of maintaining the old; high interest rates favor large corporations that internally generate capital; government procurement is biased toward the big companies; foreign tax credits support overseas direct investment; treating plant closings as regular business losses speeds shutdown; mergers are encouraged by tax policy; and many government expenditures and development of infrastructure, such as highways, often hasten shifts of capital.

Ultimately the question comes down to who's in control and whose account books count. The concentration of capital, especially in conglomerates, accentuates the conflict between social needs or social rationality and the dictates of private profit-making. Especially at a time when there is insufficient general economic growth to provide balm for the civic wounds, the contradiction between communities—and ultimately the whole nation—and capital finds an acute expression in the problem of plant closings. It is less and less possible to dismiss those shutdowns as representing the triumph of efficiency and the rationality of the market, for they are quite often neither.

Tim Nulty, a former economist for the UAW who worked on plant closing issues for the Federal Trade Commission, argues that a society-wide analysis of "inputs" and "outputs" would reveal that many of the shifts of capital that benefit the private corporation are inefficient. "Does it make sense to take an action with no net increase in national output [as many factory relocations represent] and $100 million cost that is imposed on society? When you net everything out—and that's the definition of efficiency—for many shutdowns there is a real loss of national efficiency."

Nobody makes that national accounting now. Nobody watches the public balance sheet. The conglomerates are accountable to nobody.

WHO WILL SAVE THEIR VALLEY?

On March 29 of this year, Robert T. Hall, assistant secretary for economic development at the Commerce Department, sent a letter to Bishop James Malone of the Ecumenical Coalition and Youngstown Mayor Phillip Richley. No, he wrote, the government would not provide the 90 percent guarantees for $245 million in loan guarantees that along with $27 million in grant money would be needed to reopen and modernize the Campbell mill.

The people back in Youngstown who had supported the "Save Our Valley" campaign were furious. The principal reason offered for the rejection was that the Economic Development Administration had gone on record to Congress pledging not to grant loans to the steel industry of over $100 million. But, the Coalition replies, White House assistant Jack Watson had gone on record to them in a meeting, a press conference and a letter last fall that even $300 million was not an outlandish request and was "within the capabilities of the government."

Hall also offered some objections to the feasibility of the plan, but the Coalition was dumbfounded that his analysis did not seem to take into account any of the recent developments. For example, in arguing that they had not arranged sufficient equity funding, Hall did not even mention the $10 million that the State of Ohio would put into the project.

There was no acknowledgement that the United Steelworkers, who had been cool, then warm, and then cold toward the plan in the past, had recently come out forcefully for establishing Community Steel, Inc. They had also agreed that all steelworkers hired would start without accumulated seniority, since it was a new company. That move alone guaranteed the community-worker plan a 21.4 percent saving in labor cost over earlier estimates.

There had also been a new market study by a well-established consulting firm that demonstrated a strong market within 200 miles of the mill for the full output without any need for special government purchases. Steel industry officials are now admitting that there will be a steel shortage by the 1980's, which would further assure the success of and need for Community Steel. However, those same officials—according to a study of the industry by the Argus Corporation—want to cut back all of the older U.S. mills so that when the shortage arises, prices will be driven up rapidly. The Argus research indicates the plan is modeled on the oil industry: in the tight market, foreign imports will soar in price on the short-term market, providing a back capacity.

That is part of the reason why the steel companies have fought the "socialistic" Community Steel proposal. Their direct pressure on the Commerce Department and indirect influence through a few traditional consultants was apparently sufficient to kill the plan last fall, before it was even completed.

Rev. Charles Rawlings, coordinator of the Coalition, says that his search of documents on the case provided through a Freedom of Information Act inquiry showed no sign that

the new proposals were ever even read. One government development economist speaking off the record confirmed Rawlings' fears: the final proposal was never considered. A former skeptic about the viability of the original plan, this economist was now convinced that the revised version could have worked.

There is only one long-shot hope left for Community Steel. If Carter wants to get re-elected, he needs Ohio, and for that he needs the Mahoning Valley. He can't get it without doing something dramatic, like funding Community Steel. There are other proposals—such as a giant central coke oven or a sponge iron facility—but they provide few jobs and have other drawbacks.

Although many members of the Coalition are ready to throw in the towel on Community Steel, the movement started there is still developing. A Tri-State Commission on the steel industry involving labor, church and community groups has been formed. The Commission has filed objections to U.S. Steel's application with the Army Corps of Engineers to build a new-from-scratch "greenfield" steel mill on Lake Erie at Conneaut, Ohio. They demand that alternative sites, such as Youngstown and Pittsburgh, be considered. The new strategy emerging from the steel communities emphasizes "brownfield" development, rebuilding the steel industry in the communities where steelworkers live.

The local union at Brier Hill put up a spunky fight against the LTV decision to close the mill, offering counterproposals for reopening it under worker-community ownership and carrying their protests into the local country club meeting of steel executives. They battled an apparent plan to shut the mill this spring, but then agreed—mistakenly, many feel—to cooperate with an orderly shutdown of the mill later this year. They continue to press for alternatives and have helped to inspire the recent complete turnover of local union leadership—except for their own local—that may prepare the Youngstown labor movement for a stronger role in any future contest over closings of U.S. Steel.

"The community effort here was the best effort ever made," said John Barbero, retiring vice-president of Local 1462. "But I don't know where we're going now. I'm very pessimistic. A good part of the problem was that people were just not getting involved. The effort was never really made on the people to organize them." Despite the impressive Coalition effort, there was always this undercurrent of discouragement: why didn't people—especially the affected steelworkers—back the plan more forcefully?

Many point to the extensive benefits as having "bought off" the workers. Others suggest that many people felt that the project was impossible and found it hard to believe that a bunch of clergy knew anything about steel. The on-again, off-again lukewarm support from the district and international steel union officers hurt. The coalition had broad support, 80 percent of area residents showed a positive reaction to the Coalition in a poll last fall, compared with 18 percent positive about Carter. But it was shallow support, Coalition attorney Staughton Lynd says.

But there are other, deeper cultural problems that can only be overcome as a movement convinces people of their capacity to act and of their right to make demands. In that sense, it is a task similar to starting a labor movement or a civil rights movement. "The thing that people say so often: 'But it's their property,'" district union representative Marvin Weinstock said. "People don't think they can affect it, something so big. It's been pounded away that they have no control when it's someone else's property. People do not yet feel that their rights are on a par with—or superior to—the rights of property, even when they have been deeply hurt."

Likewise, people have so little experience in democracy and direct control of their lives and often have so little knowledge of the industries on which they depend, that they feel they have no capacity to act. Many of the steelworkers from Campbell, however, were anxious to use their skills to open up the mill. They knew how to run the mill better, how to save money, how to work together in a way that the old management had hindered with its authoritarian rule of the workplace—if only somebody could get the money to start the mill rolling again.

Top-down control in the labor movement denies workers the one major opportunity they have for exercise of democracy and building a sense of their capacity for self-management, too. "When the union took away our most powerful weapon—the strike—when they wouldn't give us the right to ratify our contract democratically, when we were told for years not to rock the boat, and then when all these pacifiers came in—that's why nobody took action," Len Balluck says.

Why was there so little action from other workers? "Suppose you're my neighbor," Balluck explains. "You have a good job. You don't give a damn. Too bad, but as long as money's coming into my pocket, I don't care. That's what it's come to. People don't care as long as their pockets are full."

It may take good ideas, solid plans, technical expertise, access to money and sufficient clout to elect sympathetic politicians or to force other legislators to respond in order to turn the tide against conglomerate shutdowns, to assert the primacy of the public balance sheet and to defend the economic health of communities. Above all, however, it takes a dramatic cultural shift in favor of democratic initiative against the power of capital. That requires a powerful political movement.●

LEGISLATIVE VETO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MINETA. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues in the House an editorial which recently appeared in the San Francisco Examiner concerning the legislative veto, a measure introduced by my distinguished colleague from Georgia, Mr. LEVITAS.

I know this is an issue of great interest to many Members of the House, as we examine methods proposed for reducing Government regulation.

[From the San Francisco Examiner, Aug. 19, 1979]

HERE'S A VOTE FOR THE LEGISLATIVE VETO

Where great works are concerned, the 96th Congress—now on a month's vacation—has a record of zero. The lawmakers still have a chance, however, to break that record in a most unusual way.

There's a growing possibility that, in the remaining weeks of the session, they will vote to propel Congress into a wholly new field—into the "legislative veto" business. Thereby, they would be enabled to veto the wackier regulations made by the bureaucracies without Congress' approval, and, indeed, sometimes made in opposition to its intent.

A central and ominous fact of life in Washington (and the country) is that Congress has surrendered the lawmaking power in massive degree to the bureaucracy. The regulatory agencies in the executive branch can take a simple piece of legislation passed by Congress and use it for the writing of hundreds of pages of regulations that Congress never intended to enact.

It happens all the time. This arrogant practice has swamped the nation in a morass of regulatory invention, some of it bizarre, much of it unintelligible, that is costing untold billions a year and helping to fuel inflation.

Agencies often will not even try to make their regulations intelligible to businesses and citizens who are supposed to comply. The search for intelligibility keeps hundreds of thousands of lawyers busy, and handling the avalanche of paperwork dictated by Washington (much of it irrelevant—the stuff on which bureaucratic employment feeds) consumes millions of hours of labor in the private sector, and causes incalculable expense which the public ultimately pays.

By its indifference, Congress has let its powers slip away to the fantasy-spinners in the bureaucracy who want to find ways of regulating every last thing. But now Congress is stirring like a lasy giant and trying to get up the nerve to grab those powers back. Here's hoping it can do the job.

Actually, the task was begun some time ago by Rep. Elliott Levitas of Georgia, who, last year, introduced a legislative veto bill co-sponsored by 166 members of the House from both parties. He didn't quite succeed, but he's back this year on the same track, again with heavy bipartisan support. It seems likely that the House will pass some sort of a legislative veto bill, or at least an amendment to some other legislation that will initiate this needed process.

The Senate, however, is not quite so receptive, though there's strong sentiment there for a regulatory veto amendment to the Federal Trade Commission bill. Lately, the FTC has gone off on wilder tangents than any other agency. It's planning, for example, to strip the Formica Corp. of the right to exclusive use of the trademark name Formica, which would be just like telling Kleenex that it no longer had title to the Kleenex name. But the FTC excels even more in trying to expand its powers into areas that Congress never dreamt of, such as federal regulation of the used car business.

Anyway, committees of both the House and Senate will hold hearings in the weeks ahead on legislation to put a rein on runaway regulation. The White House says that congressional review of regulation-making would be a grave violation of the principle of the separation of powers. That's baloney. The executive branch has violated the principle flagrantly. Unelected people have been usurping the power of Congress and making laws wholesale, which have to be obeyed at the peril of fine or prison. Congress should set this straight or hide its face.●

OLD OIL VERSUS NEW OIL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, I recently received a letter from a fellow Texan that deserves the notice of the public. The letter is addressed to the President, but the writer wisely sent copies to Members of Congress. The issue of old cows versus new cows is not exactly pressing, but the

issue of old oil versus new oil is. Our energy policy is a mess, a ludicrous mess. I would ask my colleagues to attend to the letter.

The letter follows:

GRAND SALINE, TEX.

DEAR PRESIDENT CARTER: Why don't you let the oil companies pay my granny as much for her oil as they do my dad for his? It costs them both the same to produce it. They gave the oil company ⅞ of all the oil and gas they own, leaving ⅛ royalty interest kept by both of them. You talk about the oil companies ripping off the public. It seems to me you're ripping off my granny! She's a hard worker. She supports herself and takes care of both my great grandmothers. One of them is 88 and the other 92. As to your windfall tax, it appears to me that's stealing. If my granny was the type of woman who would steal she'd quit work and get on welfare for the three of them.

You seem to be such a Christian gentleman, with high morals. So I believe if you really understood what you're doing to my granny and others in her position you would change the rules on old and new oil, at least from a royalty owners standpoint. It appears to me you would want to pay my granny who pays taxes back to the government, for the oil you forced to be produced, the same as you pay foreigners for the oil we import.

I live on a farm, and we have some cows. Some of these cows we raised from baby calves. These did not cost as much as a recent replacement cow would. Will you soon have us sell the milk from the older cows we raised, cheaper than the milk from the newer cows. When the milk from the cows we raised and that from the ones we recently bought is all mixed together in a bucket it looks, tastes, and in fact is the same. Just like old oil, and your so-called "new oil" might be the same or the old oil might be better. If my teacher's have taught me correctly there's really no such thing as new oil. It's all been laying in the ground for hundreds and hundreds of years.

There is a copy machine in our post office, so I'm going to copy this letter and send it to every Senator and Representative—maybe some news correspondence, as well as to you. I wonder how many of you will tell me why you're ripping off my granny, and do something to try and correct this matter.

Sincerely,

KAREN HILL.●

GARFIELD HEIGHTS, OHIO

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Ms. OAKAR. Mr. Speaker, this year marks the 75th anniversary of the founding of the city of Garfield Heights, Ohio, a community which named itself after President James A. Garfield in 1919. It is with great pride and genuine joy that I salute Garfield Heights on their 75th anniversary and share with you some of the many reasons why Garfield Heights has become such an outstanding community.

Garfield Heights has grown from a small farming village of 2,550 settlers in the early part of this century to a population of 41,000 according to the 1970 census. In the years of its growth and expansion, Garfield Heights has developed into an important industrial, commercial, and cultural center that boasts a wide and modern range of citizen services. Churches and schools of every faith and recreational facilities offer Garfield Heights' residents personal involvement in a variety of worthwhile community activities. There are many important services for senior citizens, such as nutrition, transportation, health, and educational services which provide for the basic needs of older people. And the Garfield Heights Library with 52,000 books and a circulation of 130,000, offers the pursuit of knowledge on as broad and accessible basis as possible.

All in all, Garfield Heights is a fine place to live, a community based on citizen involvement and dedicated to personal involvement, where children play without fear in the schoolyards, where parents volunteer time for charitable community services, where people of every ethnic and racial background have learned to live together in harmony and trust. On the 75th anniversary of the beginning of the city of Garfield Heights, Ohio, I extend sincere congratulations. I am genuinely proud to represent this outstanding community in the U.S. Congress.●

SYNFUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the recent decisive action by the House of Representatives to mandate a major synthetic fuels program for the United States has raised a number of environmental questions, some valid and some which have been completely blown out of proportion.

In my opinion, as author of H.R. 3930, the synthetic fuels bill passed by the House by a vote of 368 to 25 on June 26, I feel it is important that we get this new industry off on the right foot by making certain that proper environmental controls are built into the various systems.

However, I also believe that opponents of synthetic fuels should not raise imaginary specters in their zeal to destroy the program.

With that in mind, I invite the attention of my colleagues to the recent article which appeared in Science magazine on August 31 regarding CO_2 air pollutants. Excerpts from that article follow:

PANEL SAYS SYNFUELS POSE NO CO_2 HAZARD, FOR NOW

In the ongoing national debate over the Carter Administration's synthetic fuels policy there have been some urgent warnings that the release of carbon dioxide associated with production and use of synfuels might bring disastrous climatic changes, with the onset of those changes possibly coming early in the next century. But the National Academy of Sciences' Climate Research Board has now issued a statement which in effect challenges the validity of such dire prophecies.

It says that the big synfuels program proposed by the Administration, which envisions the production of 2½ million barrels a day by 1990, would not lead to a major increase in the concentration of CO_2 in the atmosphere if the commitment to synfuels were only for the "next few decades."

The statement was prepared specially for Senator Abraham Ribicoff's Governmental Affairs Committee and sent to Ribicoff under a covering letter by Philip Handler, president of the academy. On 19 July, the climate board was holding a workshop at Woods Hole, Massachusetts, on the federal government's 5-year climate program, and Handler—having been asked by Ribicoff for the academy's advice on the CO_2 issue—called on the workshop participants for help. An ad hoc group of four scientists then wrote the statement, and circulated it among the 30 workshop participants for their review and criticisms, which are said to have been minor.

The statement runs directly counter to an assessment of the CO_2 problem made by Gordon J. F. MacDonald, a member of the academy and chief scientist of the Mitre Corporation, whose views have been given wide currency by the press and through congressional testimony (MacDonald's testimony before the Governmental Affairs Committee led Ribicoff to seek the academy's advice).

According to the climate board, if the United States and other industrial nations, such as the Soviet Union, were to produce a total of 5 million barrels of synfuels a day over the next 20 years, the increase in the concentration of CO_2 in the atmosphere—now at about 335 parts per million—would be only slightly greater than the increase of from 30 to 60 parts per million expected by the year 2000 from the direct burning of coal and other fossil fuels if the upward trend in the consumption of those fuels continues.●

J. CALEB BOGGS BUILDING

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. EVANS of Delaware. Mr. Speaker, I am today introducing legislation to honor one of Delaware's greatest public servants by renaming the Federal Building in Wilmington, Del., the "J. Caleb Boggs Building."

Cale Boggs has served the people of my State in a variety of positions, including judge, U.S. Congressman, Governor, and U.S. Senator. He brought to Government a rare combination of commonsense, compassion, and effectiveness which Delawareans came to appreciate over Senator Boggs' three decades of service to the first State.

While serving as judge of the family court of New Castle County, Cale Boggs enlisted as a private in the Delaware National Guard, and rose to the rank of colonel in the U.S. Army. Serving in Europe, Senator Boggs was awarded the Legion of Merit, the Bronze Star with cluster, and the Croix de Guerre with palm.

Following his discharge, he was elected as Delaware's Representative to the 80th Congress in 1946, and was reelected in 1948 and 1950.

In 1952, Cale Boggs became Governor of Delaware. He brought the kind of fiscal responsibility to government which we in Congress ought to be emulating today, while at the same time meeting the needs of our citizens. The voters returned him to the Governor's office in 1956 with a sizable majority.

At the close of his second term as Governor, Cale Boggs was offered the Republican nomination for the U.S. Senate. He accepted and was elected for two full terms, receiving high recognition for his work on the Appropriations, Public Works, and Post Office and Civil Service Committees.

Mr. Speaker, the people of Delaware knew they had a close friend in office with Cale Boggs, and they repeatedly honored him with the highest positions they could bestow.

J. Caleb Boggs is a great American and a great Delawarean. He continues to play an active and highly respected role in the Delaware community. It is, thus, particularly appropriate that we name the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building" as a permanent tribute to the service of this outstanding gentleman.●

TIME TO RESURRECT CAPITALISM

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SHUMWAY. Mr. Speaker, Gordon Van Vleck, president of the California Chamber of Commerce, recently made an outstanding presentation which I would like to share with my colleagues. I believe that his statement, "Time to Resurrect Capitalism," should be mandatory reading for all members of this body. Certainly it reflects my own viewpoint completely, and I commend Mr. Van Vleck for his excellent comments:

TIME TO RESURRECT CAPITALISM

There is a time for every speech, and I think it's time for this one. It's time someone took off the gloves and said some things which need saying. The essence of my talk is simple: America is on the ropes and we'd better roll up our shirt slee es and set about getting this country back on track. I know of no better antidote than a strong dose of plain, old-fashioned capitalism.

I'm not one to mince words. That has been the brand on my year as president of the California Chamber, and I still have five months left to speak out on issues that matter to me. Americans and businessmen—you in the audience—are getting a raw deal, both abroad and at home. This country runs on money generated by free enterprise, not dialogue produced by politicians and government officials. In recent years, the volume of words has been matched only by the volume of tax dollars flowing into government coffers to fund a corpulent bureaucracy and social programs spending this country into bankruptcy. And if you add the political hot air to the hot water this country is in, couple that with our seizure of inaction, then it's going to be a scalding experience soon for everyone—whether in the pay line, the gas line or the welfare line. And one thing is certain, unless we act to free ourselves of government constraints, there won't be a shortage of lines!

In past years, business and government leaders at this forum frequently have spoken of "golden opportunity and personal challenge" to heal a variety of national and state ills. In light of conditions today, those words ring hollow, and I intend to break with a tradition that has neither instilled a vision nor prompted sufficient action among the leaders of business gathered under this roof.

America is now reeling under a series of blows that threaten to bring us down to defeat and despair. Staggered by the energy shortage and the combination of unchecked inflation, an anarchy of over-regulation and irresponsible government spending, the capitalistic foundation we've built this nation on threatens to disappear and take the republic with it. I'm telling you nothing new, nothing you haven't heard on radio, television or in the papers. However, rational analysis and cool deliberation—unless coupled with action—is a formula for inaction and a disastrous policy when everyday citizens have lost faith and confidence in the mechanisms that run the country. The polls tell the story in blacker tones with each passing day, but I don't need surveys to tell me how I feel as I see the business I've worked a lifetime to build threatening to slip through my hamstrung fingers for the second time within a decade. I'm tired of words and inaction. I know it's time to resurrect capitalism.

Almost no one would argue that one of the underlying causes of inflation, which is riddling the economic stability of America, is government spending. Former Secretary of the Treasury, William Simon, in his book, A TIME FOR TRUTH, noted, "It took us a hundred and seventy-one years to get a federal budget of a hundred billion dollars a year. That was 1960. Within nine years, we had reached two hundred billion dollars and four years later gone over three hundred billion dollars. And two years from now, if present trends are not reversed, we will reach four hundred billion dollars. The very existence of our free economy depends on getting government spending under control."

As sobering as that prediction was, it could not hold a candle to reality. Simon gave us until 1980 to reach that bloated state, but recent newspaper accounts tell us that Congress trimmed $6 billion from President Carter's proposed budget and set a "target" budget of $532 billion for fiscal year 1980. The rate of our descent is much faster than Simon foresaw. A balanced federal budget is an accounting nicety, but it won't solve our inflation woes; only a real dollar reduction can do that.

What angers me the most about this spiraling inflation is the framework of economic unreality in which the government chooses to operate. As a consumer and businessman, my economic decisions are based on the steely-eyed necessity of what I can afford, not on how much I can go in the hole. I stretch my available resources to the breaking point and yet, after government does that, it blindly looks for new ways to spend money it doesn't have. It creates its own *credit*; it should concentrate on creating some *credibility!* Governor Ronald Reagan hit the nail on the head when he told those of you here in 1974, "We often hear the phrase 'uncontrollable spending' when the federal or state budget is being discussed. What that really means is spending mandated by some previous statute which government accepts as unchangeable. There is no government program which should be exempt from constant review and cancellation if common sense indicates it is not worth its cost to the taxpayer." A recent government economic report that inflation could be solved in 18 years is tacit admission that government can't control its own voracious appetite; like an acknowledged junkie whose next fix is another tax dollar. By comparison, President Eisenhower solved an inflation crisis in 18 months—after he severely cut back federal government spending. The precedent exists, but the political will doesn't, and that may be the most serious threat to the future of America.

The resurrection of capitalism is crucially linked to solving America's energy problems and policy deficiency. I, for one, am not deluded that the current shortage and dependency on foreign oil isn't real. A Mobil Oil Corporation white paper called the "Dangerous Decade" put the facts into focus, "Our America of 1979 is a handcuffed giant, blessed with an abundance of potential energy resources that will take years of hard and costly effort to make usable. Meanwhile, frustrating delays in the formulation of a rational and comprehensive national energy policy have increased U.S. dependence on foreign oil, making our nation ever more hostage to foreign countries. This so outrages many Americans that they find it hard to adapt to the changed situation and look instead for someone to blame for the passing of cheap and abundant energy." To my mind, placing blame is counterproductive. Every one of us must shoulder our share of our demands, we pull our country back from the brink of democracy's demise. And don't let anyone tell you that the effects of the energy shortage are limited to the users of gasoline and heating oil. A California Chamber poll of business last April asked the pointed question: Are energy supply problems having an adverse impact on your business today? Fifty-four percent answered "yes" and, of those, seven percent indicated they were being forced out of business, with the rest citing delayed expansion and operational cutbacks as effects of the shortage. That's not competition forcing business to close, that's an artificial situation which is tampering with the ebb and flow of free enterprise dynamics.

When faced with a problem, businessmen leave no stone unturned in building a solution. Unfortunately, the leadership of this country sees fit to erect a whole host of barriers to possible solutions. In recent weeks right here in California, we have been dangerously close to demanding more electricity than we can generate. And yet we have such projects as New Melones and Diablo Canyon that are completed and ready to go and yet they can't be brought on line. It's a shame political necessity has to stand in the way of oil deregulation, energy development investment programs and a consistent national policy. The President did not propose tapping private industry and proven technology to alleviate our energy problems. Instead, he proposed creation of two new government agencies and the imposition of $142 billion in new taxes. I know—you know—what has to be done, but a collective lack of will prevents it.

Sixty-one years ago, Winston Churchill laid the problem out in its hardest terms, "The times are hard and rough, and every man and every woman must choose their part and play it with all their might. Personal interests, party interests, class interests, sectional interests—all these will have to take second place to national interests if we are to get 'round the corner without disaster." I'm not going to suggest to you the truth of this assessment; if you can't see it for yourself, you're just so much deadweight the country can't afford to carry. This can be the showcase for a resurrection of capitalism; turning the energy industry loose to insure America's energy stability and independence. And that means severing the regulatory shackles government has erected through the decades.

Regulation is a major cause of capitalism's stagnant condition. It is the sole reason for the growth of government as we know it today. Having government protect us from ourselves may be an overworked cliche, but I've met enough bureaucrats in my day to know that the "protection racket" is the biggest game in town.

Regulation stifles operations, boosts costs through the entire manufacturing-selling cycle, and interrupts the capitalistic dynamics of supply and demand. Where are the incentives to develop new resources and build new plants? Where are the incentives to bring a less expensive item to the marketplace and capture a greater share of consumer demand, when watchdogs are peering over your shoulder, giving directions, every step of the way? Nowhere, that's where!

A recent congressional Joint Economic Committee report stated, "Inflation is the real problem, regulation is a major cause of inflation, and the nation's economic malaise stems from an inadequate supply of goods rather than from excessive consumer demand. What this means is that if business is given the proper incentives, productivity will rise and prices will go down." Simple. Neat. And true. But the chances for getting the proper incentives through the 96th Congress and the White House are less than optimistic.

The anarchy of regulation touches every facet of American life; a smothering web of confusion, disorder and cross-purpose. I can cite you chapter and verse on outrageous statistics, but even that is part of the overall bureaucratic conspiracy—protection from the government itself.

The size of the problem is enormous. The visible federal spending to run the regulatory agencies has soomed from $745 million in 1970 to $4.8 billion this fiscal year. Compliance is the other side of the coin. During this year, American business and industry will spend upwards of $100 billion to comply, report and process government regulations. That means at a cost of $500 per person in this country. Talk about hidden taxes!

In terms of capital formation, productivity, new jobs, and innovation, government regulation is slowly and grindingly snuffing out the candle of capitalism. It is my firm conviction that it must be stopped. The delicate relationship of a government serving its people versus people serving the government has been dangerously tipped. To strengthen the flame of capitalism, we must act to shed the burden of regulation.

Steps are being taken by a few concerned citizens who haven't been misled. While the phenomenon of Proposition 13 was the voice of angry taxpayers, its subconscious foundations ran to a much deeper fear—government is not responsible, and to save the republic, we must seize our power back. Well, an angry gesture at the polls may have been the first blow, but a combination is needed now and in 1980.

Americans and Californians must continue to rectify past political abuses by changing the law through the election process. As always, the heart of the problem is money. Now that Proposition 13 shortened the supply, the second approach needs to be implemented, structuring the allocation of that supply. That's where Paul Gann's Spirit of 13 spending limitation initiative comes in. As Proposition 4 on the November ballot, the Spirit of 13 will put an additional leash on government growth and give business time to reassert the values and rewards of capitalism. I urge you to support it with your dollars and then help get out the vote November 6th.

The second step is to change the face of government itself. If we do this, put responsible people in government, people who understand the need to resurrect capitalism, then the obstacles to its rebirth will be removed before America is past the point of no return. Business dabbling in politics has generally been a taboo, though our visibility in fighting them on their own ground has heightened considerably in the past two years. I'm not talking about "dabbling"—I'm talking wholesale change. Change without political labels, change that holds to one and only one credo—capitalism can do the job.

Not overnight, but soon enough, a responsive government could chuck the majority of its regulatory functions, and by trimming back government spending, ease inflation and spur free enterprise growth. The job is not easy, in fact, it will take people of incredible courage, people of rock solid commitment. Our task is to find them, and put them in office to shoulder the burden of resurrecting our capitalistic society. I have faith we can do it.

Finally, I have this to say: America, you and I, would best be served if government got off our backs. And if they don't, the day will come when, by necessity, they are thrown off. The choice is theirs now, only because we put it in terms of choice, and not an ultimatum.●

THE ANGELS WIN WORLD TITLE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. McCLORY. Mr. Speaker, led by their commanding officer, Judy Wrobel, the Angel Drill Team of North Chicago, Ill., captured the Elk's international open drill competition held in New York City on August 21, 1979.

Mr. Speaker, this climaxes Judy Wrobel's outstanding career as a prominent part of the highly successful Angel Drill Team. Serving as squad leader, supply officer, and executive officer before assuming her role as commanding officer 3 years ago, Judy Wrobel has demonstrated the kind of discipline and leadership which has led her and her drill team members to both a national championship and now an international title.

Mr. Speaker, Judy Wrobel's individual success has been nurtured by her devoted parents, Mr. and Mrs. Don Wrobel of north Chicago, by many of her teachers—both in grammar school and high school—and more recently and particularly by the Angel Drill Team coordinator and instructor, Navy Chief Nathaniel Hamilton.

Mr. Speaker, I am privileged to attend the Angel Drill Team Ninth Annual Banquet and Drill Team Ball honoring commanding officer Judy Wrobel on September 21, 1979 at Great Lakes Naval Training Center in Great Lakes, Ill. I am proud to call to the attention of my colleagues in the House of Representatives and to citizens throughout the Nation who glean these pages the long and hard training and practice sessions—the strict discipline and the hard work—which preceded the national and world recognition which the Angel Drill Team and its commanding officer Judy Wrobel have earned.

Mr. Speaker, I join with citizens throughout Illinois' 13th Congressional District in extending a heartfelt "well done" to Judy Wrobel and the Angel Drill Team—and a good wish for success in her college experience and in her later career. Judy and the drill team members are young citizens of our Nation of whom we may all be mighty proud. I salute Judy Wrobel, Chief Nathaniel Hamilton and all of the north Chicago Angel Drill Team members and wish them all well.●

ANOTHER FAKE CRISIS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. WHITEHURST. Mr. Speaker, the September 17, 1979, issue of Business Week contains an excellent commentary on the ongoing problems at the Department of Energy, which I am pleased to share with my colleagues at this point in the RECORD.

Let me say at the outset that I had the highest regard for former Secretary Schlesinger, and I believe that the new Secretary of Energy, Charles Duncan, brings to the Department the expertise of a very competent businessman. At the same time, however, the chaos there is such that I am not sure that anyone, no matter how astute, can get it sorted out; it rivals the Augean Stables on their worst day.

On June 3, 1977, when the legislation to establish the new Department was under consideration, our colleague, JIM BROYHILL, offered a sunset amendment. He and PAUL FINDLEY made some very cogent comments at that time, and 202 Members voted to include the provision. Regrettably, however, it was taken out in conference, and we are now seeing the results.

For this reason, I introduced H.R. 4329, to terminate the Department on January 15, 1982, unless Congress acts in the meantime to continue it. The Department would then be replaced by a non-Cabinet-level agency to carry out any necessary functions and programs. It seems to me that the 1982 deadline would give our new Secretary adequate time to put appropriate reorganiztaion plans into effect, if it is possible—and if reorganization does not improve the situation, we will at least have the consolation of knowing that the problems now existing in that so far unmanageable bureaucracy will end on January 15, 1982.

H.R. 4329 so far has 28 cosponsors, and I would welcome more.

I commend the editorial to my colleagues.

ANOTHER FAKE CRISIS

Those talented people at the Energy Dept. who brought the nation gasoline lines when there was no serious shortage of gasoline, have a new extravaganza in rehearsal. After loudly predicting shortages of fuel oil in the coming winter and ordering refineries to step up production to avoid a disaster the Energy Dept. now has to face the fact

that there will be plenty of fuel oil. All it has done by creating a wave of panic buying is push the price up from 54¢ a gal. last May to 80¢ a gal. in August. Meanwhile it appears that inventories of fuel oil may total more than 255 million bbl. by Oct. 30 about 6% more than Energy considers necessary for safety. Distributors are already warning that their storage tanks are more than 90% full.

Several conclusions emerge from this fiasco and from the phantom crisis in gasoline.

The Energy Dept. sees nothing wrong with making vital decisions on the basis of inadequate information.

It has no understanding of how markets work to establish a delicate balance of production, supplies, and prices in the oil business.

It is a slow learner, repeating mistakes instead of drawing conclusions from them.

No other government agency—with the possible exception of General Custer's staff—has made so many costly miscalculations so fast. The Energy Dept. must look at itself and see what the public sees. Its new administrator, Charles W. Duncan Jr., is reported to be preparing a plan for reorganization. This certainly is necessary, but it is not enough. Duncan should undertake a searching review of the qualifications and competence of the department's decision makers. Those who are responsible for the gasoline and fuel oil debacles should be replaced without delay. The nation simply cannot afford a third such comedy of errors.●

VERIFICATION AND THE LATEST "CUBAN CRISIS"

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DERWINSKI. Mr. Speaker, there has been much speculation in the press lately that the failure of the U.S. intelligence community to determine that the Soviet Union has positioned a brigade-sized, combat-capable formation in northern Cuba would affect the upcoming vote on verification of the SALT II treaty. If we have been unable for years to find in Cuba a Soviet unit of brigade strength, the question goes, will we be able to verify Soviet compliance with the provisions of the SALT II treaty?

The administration, for its part, speaks of comparing apples and oranges—they are two completely different kinds of intelligence targets, it says. U.S. intelligence may not be able to distinguish readily between a Soviet tank driven by a Cuban in Cuba and the same tank driven by a Russian in Cuba—both use Soviet tanks, of course—but, they hasten to add, there are no problems whatever in finding and identifying Soviet strategic weapons, that is to say, intercontinental weapons.

Where we are sadly deficient, however, as Senator GOLDWATER has pointed out, is in good intelligence from human sources. Human intelligence is what we need in the present case. Cuba, over the years, has become a more difficult target to penetrate; but at the same time we have been reducing and denigrating our human intelligence capabilities. You simply cannot beat our intelligence community over the head repeatedly and expect it not to have blurred vision. It is also ironic that a few of the frantic participants in the current "Soviet-brigade-in-Cuba" controversy have been for years throwing jabs at the intelligence service. I refer, of course, to the senior Senator from Idaho, Mr. CHURCH.

In any case, whether not finding the Soviet brigade in Cuba for so long reflects unfavorably on our ability to monitor, and thus verify, Soviet compliance with the SALT II treaty, it is one point. Does U.S. intelligence have the means to determine Soviet compliance with the subtle and the marginal conditions such as range limits on cruise missiles or whether or not the Soviets are upgrading the strategic potential of the Backfire bomber or are converting medium-range missiles to mobile ICBM's? Above all, can it tell what the Soviet leaders' intentions are? National technical means of intelligence, as good as they are, as I understand it cannot satisfactorily provide the answers to these and other important questions.

What the current Cuban issue emphasizes, I think, is that we have gravely hurt our intelligence services over the years. We have substituted technical means for human means where the latter cannot really be adequately replaced. And we have reduced the resources devoted to analysis of the intelligence product. This latest flap over Cuba may in fact be an Intelligence failure, but I think it was more likely an intelligence failure (small "i"). The intelligence services themselves are probably doing a good job, considering what has been done to them, but it is long overdue for us to begin to give them the support and resources they—and we—need.●

HOW I WOULD HAVE VOTED

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ERTEL. Mr. Speaker, on Friday, September 7, I was unavoidably absent for an important set of field hearings in Harrisburg, Pa. Because I believe that it is important that my constituents know my positions on legislation before the House, I want to take this opportunity to state for the record how I would have voted on September 7.

On roll No. 451, an amendment that sought to freeze the public service subsidies of the U.S. Postal Service at the current $920 million level through fiscal year 1984, and provide for a reduction in subsequent fiscal years, I would have voted "no."

On roll No. 452, final passage of the bill H.R. 7, the Postal Service Act of 1979, I would have voted "aye."●

WE ARE LOSING THE CARIBBEAN

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DICKINSON. Mr. Speaker, I commend to my colleagues this important and thoughtful editorial by Roy Shoffner, publisher-editor of the Enterprise Ledger, Enterprise, Ala. Mr. Shoffner has documented the gradual demise of U.S. power in Latin America because of a policy of retrenchment and neglect.

Importantly, Mr. Shoffner makes some specific recommendations as to what we should do to correct the situation.

WE ARE LOSING THE CARIBBEAN

(By Roy Shoffner)

I have debated over writing this column for several days. I was concerned that it can sound like that continued crying of wolf at every turn. Yet, I cannot sit idly by and watch what appears to be an ever growing danger come without saying something in warning.

I hope it never happens. I hope I am wrong from the word go. But what I see and read makes me fear for the future of freedom in this nation and in the very possible continued existence of this nation.

There is nothing wrong with the mass of Americans. You can't find a more patriotic group of people anywhere. There is nothing wrong with the military. You can't find a more responsive and better trained military group anywhere. There is nothing wrong with the intent and desires of the American people for the other people of this world. They want everyone to have what Americans have enjoyed for 200 years.

But there does seem to be something wrong in a government of these United States that would allow the Monroe Doctrine to be flouted and see a combat unit of the USSR stationed in Cuba—just 90 miles off the coast of this nation. There does seem to be something wrong with a government that pointedly proclaims that human rights must be observed in any country that is a friend of the United States—but fails to open its mouth about any communist or non-aligned nation who practices any and everything but human rights. These nations are cuddled and treated as privileged nations while our friends are stepped on, slapped and even have their governments overthrown for the benefits of our communist fellow travelers.

Once, these United States stood up to the enemy. Once these United States told a nation far more powerful than we that they were to keep their armies and flotillas of conquest away from these shores. That was the United States speaking directly to the Russia of another day.

Today, the United States doesn't seem to have enough gumpshun to even turn around and spit.

Take a look at what is happening just a few miles to the south of us. The Caribbean is no longer American waters. It is now about to become Red waters.

The Panama Canal held a strong key to the puzzle. The fight went on until it finally killed one of the greatest United States Senators Alabama ever sent to the Congress—Jim Allen. He fought the good fight but lost. America may have lost its freedom in that fight. We will have to wait awhile to find out.

With the give-away (pay-a-way) of the Panama Canal, the gates were opened. Cuba had already gone to the Russian side many years ago. When we called their hand in the

missile crisis, we had hemisphere. But we turned around and guaranteed we wouldn't lay a hand on Castro. He let him spawn his web throughout Latin America. We paid little attention and Castro has convinced Latin America that only he cares about them.

In recent months, a small series of islands separating the Atlantic from the Caribbean have gone over to the communists. Little play has been given to this fact in the daily papers. Just a few short weeks ago, we took a leading hand in removing a strong pro-American dictator from his hold in Nicaragua. Did it help the U.S.? Castro and Panama's Torrijos are regarded as the "good guys" there today.

Already the movement is looking toward El Salvador. Already the guerilla movements are tearing that little country to shreds. Is the U.S. doing anything to help El Salvador? NO. That would be interfering in the internal affairs of that nation. Cuba? Panama? They are exporting guns, cadres, and know-how to El Salvador to help in overthrowing that nation's government.

Mexico is casting longing eyes in Cuba's direction. Why? The United States doesn't want Mexicans crossing its borders and doesn't buy Mexican oil and gas at the prices Mexico asks.

In the meantime, Cuba has been sending armies to fight in foreign lands. Cuba has been aiding Russia's navy by allowing submarine pens to be built on its south coast. Cuba has been hosting hundreds of USSR technicians—and now it appears to be hosting an entire combat battalion. And are we sure that those missiles are not really just stored in the caves ready to be wheeled out?

There is much to be said about turning the other cheek. But in this world that pays more attention to missiles and guns, turning the other cheek can also mean surrender and serfdom (slavery). These United States can still clear out the Caribbean and make the world pay attention. But for how much longer at the miserable rate we have been going. I don't know. We seem to be trying to give our freedom, our precious possessions, our strategic gateways, our trade secrets away to our enemies. Why? So we can prove we are good guys? That isn't enough.

We need to take a good look at Vietnam; assimilate its lessons; get back our backbone and stand up once more. We were not licked in Vietnam. Our military had its hands tied in that operation. Only once were we able to fight like Americans. That was when the Army hit the Parrot's Beak and broke into Cambodia. If we had been allowed to fight in the traditional manner, the war could have been won in a matter of weeks.

If we keep backing up, we will soon be sitting here with all our friends gone. Then, what shall we do? Throw in the towel and quit. Heaven forbid!●

JOSEPH CESARI, JR.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. YATRON. Mr. Speaker, on August 4, in San Diego, Calif., Joseph Cesari, Jr., was crowned the world champion at 62 kilograms in the World Schoolboy Wrestling Championships.

Joe is an eighth grade student at North Schuylkill High School and is a resident of Ashland, Pa. He won three matches in order to qualify for the finals. His opponent for the title match was the defending world champion, Naresh Kumar of India.

It is my pleasure to call to the attention of this body the outstanding achievement of this fine young athlete. I know my colleagues will join with me in wishing Joe continued success in wrestling and in life.●

ADMINISTRATION OF DAVIS-BACON ACT

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ERLENBORN. Mr. Speaker, I would like to share with my colleagues today a small part of the growing evidence that the Davis-Bacon Act, an outmoded piece of depression era legislation, is incapable of proper administration. This fact is brought to light through the hard work of a private organization, the Associated Builders and Contractors, Inc., which has studied the act on several occasions and found it to be a virtual nightmare to administer. Most recently, ABC studied wage rates in Jefferson County, N.Y.

Between December 1978 and January 1979, ABC devoted 165 working hours in carrying out a construction wage survey in Jefferson County. This was done as a pilot program to ascertain the accuracy of the prevailing wage figures for the area as determined by the U.S. Department of Labor. A second purpose of the program was to ascertain the cost of the private sector to verify DOL wage determination accuracy.

The results of the ABC study should shock the conscience of every hard-working, taxpaying American citizen and I would like to share them with the Members of this House.

To begin with, after receipt of ABC's December-January survey data, which concluded that the DOL project wage determinations were inaccurate, DOL took 43 days simply to issue a notice that a wage survey would be conducted. An additional 100 days passed before a new wage determination was issued. Thus it took almost 5 months from the time DOL was supplied with figures challenging its own wage rate accuracy for DOL to complete and publish its data.

The new DOL figures point out three major error areas which bear out ABC's contention regarding the Davis-Bacon Act:

First. Prior to the ABC survey, DOL's determination contained wage rates for 79 construction trade classifications. Of these, the new DOL survey eliminated 55, thus indicating that there was a 70-percent error factor in the original DOL posted classifications.

Second. The new DOL wage determination contained a total of 34 trade classifications. Ten of those were classifications not included in the original DOL determination, thus indicating a further error factor of 29 percent in the recognition of existing trades working in the area.

Third. Of the 24 constant trade classifications (ones on which DOL made wage determinations both before and after the ABC wage survey), wage rates were changed by DOL for 16 classifications. This means there was an actual error in 67 percent of the previous constant DOL prevailing wage determinations (16 of 24 trade classifications) in Jefferson County.

To further compound the problem, the newly published DOL prevailing wage project determinations in 20 percent of the classifications show wage rates higher than its own survey has recommended and there have recently been further increases in three categories which are not backed up by any new survey by DOL.

Mr. Speaker, it is fortunate for the American taxpayer that, in the face of such a wasteful government policy, a private organization has seen fit to survey a county in order to determine the accuracy of DOL's wage determinations. Other ABC chapters, and other organizations, also make surveys like this one, but the costs and the "rollover" time required make continuous surveys in all counties impossible. After all, Jefferson County is but 1 out of 3,104.

Clearly, something must be done about Davis-Bacon before inflation consumes the energies of our society. I submit, Mr. Speaker, that whatever the reasons for the House's delay in acting, it clearly cannot be a lack of evidence on the negative effects of Davis-Bacon. Thanks to private surveys like the one above, the evidence is overwhelming.●

INTERNATIONAL YEAR OF THE CHILD?

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CLAY. Mr. Speaker, this is the International Year of the Child and Marvin Gaye has done a marvelous job of summing up the problem. He says:

When I look at the world it fills me with sorrow, little children today are really gonna suffer tomorrow.

That statement is not unfounded pessimism, but rather a realistic assessment of the attitudes and activities of a ruling class who are not willing to save a world "destined to die." The world does not have to die if only we would listen to the admonition of Marvin Gaye. He says:

Mother, mother there's too many of you crying. Brother, brother there's too many of you dying. Father, father you know we have got to find a way to bring some understanding today.

Somebody help us to understand why blacks are killing each other by the thousands each year. Somebody help us understand why black youth are more interested in high-heel shoes and wide-brim hats, than high scholastic achievements and wide ranges of opportunity. Somebody help us understand why Reggie Jackson is more popular than Jesse Jackson. Help us understand why Willie Mays is better known than Benjamin Mays. Somebody help us to understand why the NCAA is more important than the NAACP; why smoking pot is cool, but investing in property makes you a fool. Please somebody help us to understand.

Somebody help us to understand "what's going on." We see poverty, pestilence and disease all about us and President Carter says that our No. 1 problem is inflation. We see malnutrition and starvation abundant and the Catholic bishops say that abortion is the No. 1 problem. We see unemployment and crime running rampant and Ronald Reagan says that a balanced budget is the solution.

With no positive programs to deal with the real problems of little children from ages 1 to 99 we have the audacity to celebrate the International Year of the Child. Sloganizing has become a way of life for the movers and shakers who represent only 10 percent of the world's population. They bask in riches and wealth while the other 90 percent becomes increasingly poorer. Children with bloated bellies and naked butts are sights in New Delhi, Addis Ababa, Lima, and Harlem. Instead of celebrating the International Year of the Child, would it make more sense to decry it?●

TRIBUTE TO HON. JOHN L. McMILLAN

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1979

● Mr. DERRICK. Mr. Speaker, as I am sure you are aware, the Honorable John L. McMillan, who served in this Chamber for some 34 years, has died in his native State of South Carolina at the age of 81. I would like to take this opportunity to rise before this body and offer a few words in remembrance of this fellow South Carolinian and public servant as well as extending my condolences to his widow, Margaret, and son, Johnny.

John McMillan was elected to the House of Representatives in 1939 and began his congressional career by serving on the Civil Service Committee. He obtained the chairmanship of the House District of Columbia Committee and served in this capacity until his retirement in 1972. Chairman McMillan's long and distinguished career saw much change come to our country and, indeed, to this House. Through it all, his was a voice that will be important in the chronicle of these times and will be well remembered in his district, our State, and within these halls.●

PUBLIC SERVICE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. BROWN of Ohio. Mr. Speaker, we are all aware of a growing public resentment of big government and its intrusion into our lives. As one who has opposed the rapid growth of government since I came to the Congress, I find this frustration neither surprising nor unjustified.

However, I believe that it is important that the blame be focused where it belongs—on the Congress and the President—rather than on the public servants who carry out the policies. Certainly, there are horror stories of bureaucratic bungling and inefficiency and any such reports should be dealt with immediately. Yet, it is simply not fair to blame the great number of honest, hard-working public servants for the faults of a few.

This theme was developed recently by the new president of the National Capital area chapter of the American Society for Public Administration, Bradley H. Patterson, Jr. I commend Mr. Patterson's remarks to the attention of my colleagues.

REMARKS OF BRADLEY H. PATTERSON, JR.

Dear Friends, old and new, in ASPA:

We begin a year of build-up to the next Presidential election. If the year past is any judge, 1979–80 will be filled with even more of the rhetoric about us public servants which for instance, I noticed occurred down in Atlanta last April 11. Mr. McIntyre, the Director of the Office of Management and Budget, was telling a meeting in Georgia about regulatory reform, and his speech was full of demeaning references to the machinery of government. When he and Mr. Carter came to office, he said they found, and I quote, "the steady drone of the bureaucracy." He took aim at the lack of accountability of what he called "a career bureaucrat buried in the bowels of the bureaucracy."

Now I am not a doctor, but I know a four-letter word for what is typically buried in bowels. Perhaps that metaphor, and the "steady drone" symbolism will be considered good politics, but they add neither dignity nor leadership to the Executive Office of the President of the United States, and to its supposed role in inspiring and managing the career services.

Mr. McIntyre, as the New President of the National Capital Area Chapter of the American Society for Public Administration, I have a message for you tonight:

If you wish to continue to characterize public servants as akin to the contents of the large intestine, does it occur to you that the disrespect you evoke for government in the public mind comes back to tar not only our shoulders, but yours as well, and the President's—whom you represent?

We know, of course, that you will not be the only politically motivated person in the next year and a half to decry the workings of government. Mr. Kennedy has just told the folks in Iowa that the government overregulates our society, and you can bet that the Republican candidates will say the same thing only more so. Mr. Jarvis, author of Proposition 13, was quoted as remembering that the only evidence of government in his boyhood hamlet were signs saying that one was entering and leaving town—and would'nt that be about right for Washington, D.C.?

Who will be left to point out to the citizens who sweat to pay our salaries that we in the Executive Branch are constitutionally responsible for taking care that the laws be faithfully executed? If Presidents and would-be Presidents, law-makers and would-be law-makers don't like the present statutes and the regulations which necessarily flow therefrom, let them not hide behind the executive machinery of government, but have the courage to get those laws changed. The "regulations" so often decried are in almost every instance mandated by the laws themselves, or by the Courts. To present and potential political critics, we say: Go ahead and amend the Occupational Safety and Health Act, the Clean Water Act, the Strip Mining Act, the Consumer Product Safety Act—and if you can, and the President signs the repeals, we in the Executive Branch will have more time to concentrate on the tasks that are left.

But until you do so, those laws are on the books, and we public administrators are going to be faithful to the laws, even if some of our political executives are not very faithful to us.

Mr. Carter brought back some diplomatic achievements from Panama, from Jerusalem and from Vienna, but forever nameless, as usual, will be the thousands of civilian and military staff people—in State, the Pentagon and CIA—some of whom have worked for two decades under six Presidents—to make those triumphs happen. Some of that "steady drone" Mr. Carter heard in the past was what has made possible the encomiums for him in the present . . .

In the next year and a half, perhaps it will only be groups like ours who will be left, amid the cacophony of denunciation, to speak up for the importance of public service. I, for one, intend to speak up for the vital role which a disciplined, low-profile and tightly-run White House Staff must perform for any Chief Executive—this against the more fashionable chorus of post-Watergate voices which denigrate White House staff functions.

I don't mean that we should speak as blind advocates. ASPA must take its position with care and sophistication. I don't mean speaking as if the public service were not already tarred with the blots of those who have been compromised with corruption; ASPA must join with some of its distinguished elders like Elmer Staats and help root out the government's own rotten apples.

But in the end, ASPA must speak up—telling whoever will listen that there are tens of thousands—in this building for instance, and in Federal and State and Local government and academic halls throughout this nation—who deserve the public's support and gratitude, because they serve a good society greatly.●

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CLINGER. Mr. Speaker, on September 7, 1979, I was absent from part of the legislative action on the floor of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 448: H.R. 79, postal reorganization, the House agreed to the rule (H. Res. 386) under which the bill was considered, "yea"; and

Rollcall No. 449: H.R. 79, postal reorganization, the House agreed to resolve itself into the Committee of the Whole, "yea." ●

FACTS AND FAIRNESS ABOUT CHRYSLER CARS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PURSELL. Mr. Speaker, Chrysler Corp. has been the subject of much debate with much of the information incorrect. I would hope that my colleagues keep an open mind and review the facts before public positions are taken.

With that in mind I submit for the RECORD an article printed in the Washington Star:

FACTS AND FAIRNESS ABOUT CHRYSLER CARS

Chrysler Corp. has been getting a lot of undeserved blame for producing cars unfairly stereotyped as gasguzzlers.

The facts are that several Chrysler Corp. cars get better mileage than some foreign "economy brand" models. Some models get better mileage than some other comparable domestic cars. And many have a superior reputation for heavy-duty dependability in taxi and police fleets.

More than two-thirds (67 percent) of Chrysler's sales for the 1979 model year have been small cars. This compares with the 59-percent small-car portion of Ford's 1979 sales and the 30-percent share of General Motors' 1979 car volume. The small-car shares in the 1978 model year corporate sales totals were: Chrysler, 57 percent; Ford, 50 percent; and GM, 28 percent.

Chrysler led the domestic industry in introducing front-wheel-drive economy cars. Its front-drive Plymouth Horizon and Dodge Omni models went on the market early last year, about 13 months ahead of the "1980" General Motors X-body cars.

According to the 1979 Gas Mileage Guide estimates published by the Environmental Protection Agency, Chrysler's Japanese captive imports, the Dodge Colt and Plymouth Lancer, were rated at 30 mpg.

In the category of "minicompact cars" this was better than the ratings of the Datsun 200SX, the Ford Pinto and Lincoln-Mercury Bobcat, the Porsche 928, the Renault LeCar, the Subaru and the Volkswagen Beetle convertible.

Under the subcompact category, EPA rated the Dodge Colt hatchback and the Plymouth Champ at 34 mpg. This was better than the ratings for the Chevrolet Chevette, the Buick Skyhawk, the AMC Spirit, the Audi Fox, the Fiat Brava and 128, eight of the 11 Volkswagens tested, three of the five Hondas tested, and 12 of the 14 Toyotas tested in the same category.

In the personal luxury-car field Chrysler's elegant Cordoba model, as corporate public relations director Frank Wylie pointed out in a recent letter to Time magizine, was rated at 16 mpg; this bettered the ratings of two celebrated German and Japanese small-engine models, although the Cordoba is powered by a middle-sized 318-cid V8 engine.

The four-door Chrysler LeBaron with a 225-cid six was rated at 17 mpg with automatic transmission. With the manual four-speed, the two-door LeBaron registered 18 mpg in the EPA calculations.

TAXIS AND POLICE CRUISERS

Besides fuel economy, the Chrysler products have a longstanding reputation for dependability and durability.

A big part of the Washington taxi fleet is made up of Plymouths and Dodges. With their Torqueflite transmissions, they survive as many as 200,000 miles a year in stop-and-go traffic. Many of the police cruisers in Fairfax County, Va., which must cover a 400-square-mile area, sometimes at high speeds on rural roads, are also Chrysler-built.

This reporter can attest to the satisfactory performance of Chrysler products he has owned and operated over many years. None was ever returned to the dealership because of a factory defect. They included three Plymouth Valiants, a Plymouth Belvedere, a Plymouth Fury, a Dodge Coronet, a Desoto and a Chrysler New Yorker. The big New Yorker sedan, with more than 98,000 miles on its odometer, carried a family of seven over the 13,000-foot Arlberg Pass twice during a vacation in the Austrian Alps.

PIONEERING TECHNOLOGY

He has also driven a $20-million experimental Valiant equipped with a "seventh-generation" turbine engine. Chrysler has led the world in automotive turbine development and research for the past two decades.

Chrysler engineers were first with power brakes, full-time power steering, the combined starter-ignition switch key and also first to make electronic ignition standard.

Chrysler has also built a lot of large, heavy and comfortable family cars and recreation vehicles which needed big engines and used fuel freely when it was plentiful and cheap. It put some huge, tacky "Forward Look" fins on its cars in the late 1950s, overreacting to the modest fender fillips introduced on the fishtail Cadillacs. And in the late 1930s it was guilty of being 40 years ahead of its time when it tried to sell its fuel-efficient aerodynamic Airflow models.

But it has also built millions of sensible-sized Valiants, Darts, Volares and Aspens, and has reduced car weights by as much as 800 pounds in recent years.

When Congress comes back to town next month and starts making a determination about tax relief or other assistance for Chrysler Corp., its deliberations should be illuminated by an awareness of all the facts bearing on the problem.

It would be unfortunate if the congressional perceptions were distorted by a dim and mistaken image of the firm's products as being socially irresponsible. Most of them have been pretty good, and some of the newer ones seem right on target for the 1980s.●

CURBING DRUG TRAFFICKING

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. LaFALCE. Mr. Speaker, for years we have been passing legislation to curb the alarming incidence of drug abuse in our Nation. While inroads have been made, there is still a big job to be done.

In his 1979 state of the Union address, President Carter said that, "we will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic." I agree with this policy, and maintain that to stop the flow of drugs into this country, we must stop the enormous flow of drug-related currency into and out of this country. To this end, I recently introduced three bills which will aid law enforcement officials in their fight against international drug traffickers. H.R. 4071, H.R. 4072, and H.R. 4073 would amend the Bank Secrecy Act so that it would be illegal to attempt to export or import large amounts of currency without filing the required reports, and would also allow U.S. Customs officials to search for currency in the course of their presently authorized search for contraband articles. A reward for informants could also be made from seizures of currency in excess of $50,000 from the recovered funds.

The Treasury Department has also determined that regulating the flow of currency is one measure which could impose a stricter curb on the flow of illegal drugs into the country. I would like to share with my colleagues two newspaper articles, one from the Washington Post and the other from the Los Angeles Times, which outline Treasury's assessment of the situation and how its regulations are designed to quell it.

[From the Washington Post, Sept. 7, 1979]

BANK REGULATION: A DRUG WEAPON

(By Larry Kramer)

The Treasury Department has unveiled its latest weapon in the continuing fight to put a stop to illegal drug trafficking across the country: federal bank regulation.

While such a weapon is unorthodox, it represents a natural response to a growing phenomenon cited by Treasury. Florida banks are literally swimming in cash, much of which probably comes from people involved in huge illegal drug transactions in that area.

And in an effort to pinpoint the source of that cash overload, Treasury officials yesterday proposed tightening regulations governing all large currency transactions.

"Crime is a cash business," said Assistant Treasury Secretary Richard Davis in an interview. "Criminals don't file W-2 forms."

Davis said that Treasury's findings seem to corroborate information from other federal agencies about illegal activities in Florida relating to narcotics, drugs and marijuana importations.

Treasury's check on banks revealed that in 1978, currency deposits in the Miami and Jacksonville Federal Reserve Bank offices exceeded payouts by more than $3.2 billion. That figure represented 77 percent of the surplus reported by all Federal Reserve Offices in 1978.

The study also showed that a great deal of that surplus came from Northern cities, particularly New York, Chicago and Detroit, which showed large decreases in cash during the year.

The figures "clearly indicate that unusually large volumes of currency are flowing into Florida from other states, and perhaps, from other countries," Treasury said in releasing its study.

One fact that has officials puzzled is the outpouring of $100 bills—some $2.5 billion worth—from New York's banks. By contrast, much of the growth in Florida's cash holdings is in $20 denominations.

"What that may indicate," Davis said, "is hoarding. When someone is keeping money outside the banking system, it is usually kept in large bills."

Davis said one of the discoveries made because of the study was the fact that "there certainly is not anywhere near 100 percent compliance with the bank Secrecy Act."

Under that act, banks must report unusual currency transactions in excess of $10,000. But there is an existing regulation which allows banks to exempt certain regular customers.

Although that exemption was designed to ease transactions for major commercial customers who, for example, might make daily deposits from receipts, it appears that the exemptions may have been misused, Davis said.

There were, for example, individuals and other unlikely customers like small charter boat operations or small airplane charter companies, that were routinely being allowed to make huge cash deposits or withdrawals without the transaction being reported.

The new regulations being proposed by Treasury would require that such exemptions be sharply limited to those engaging in lawful retail businesses.

In addition, the regulations would require all banks to make more complete identification of a person dealing in large amounts of currency, and require such reports to be filed within 15 days after a transaction takes place.

The new regulations would also seek to prevent reporting exemptions to be extended from domestic banks to offshore banks, which the department thinks could be involved in funding illegal operations through large cash expenditures.

Treasury's new regulations will be published in the Federal Register today, and are open to public comment for 60 days.

[From the Los Angeles Times, Aug. 20, 1979]

UNITED STATES SAYS BANKS, LAWYERS HANDLE DRUG TRADE CASH

(By Robert L. Jackson)

MIAMI.—Millions of dollars in profits from illegal drug traffic—some of the cash in paper bags and cardboard boxes—is being funneled through banks here in what may be the nation's largest money laundry.

The sources and ultimate uses of this massive cash flow are being investigated by the FBI and the Drug Enforcement Administration, with help from the Customs Service.

Profits of narcotics traffickers are higher than ever, and their proceeds are winding up in real estate and small business investments throughout the country, a Times inquiry shows.

There is also a growing national involvement of lawyers and other professional persons in handling the drug money, according to investigators.

A month's-long federal investigation called Operation Banco has already led to some indictments, but Peter B. Bensinger, the nation's drug enforcement chief, says law enforcement officers "have really just struck the tip of the iceberg of the money flow."

"There are many more bankers, lawyers and professionals involved in this money-washing, drug-money scheme who are free and unindicted than, obviously, those now facing a jury or judge for their offenses," Bensinger said in an interview.

The illicit, untaxed proceeds from the sale of heroin, cocaine, marijuana and lesser-known drugs are estimated at $40 billion a year.

Interviews with prosecutors, federal officials and organized crime authorities and a review of court records provide tantalizing insights into the laundering of the money. In some cases suspected drug profits have been seized, and details of the money schemes have been revealed.

Some examples:

An attorney in Ft. Lauderdale, Fla., was arrested in January as he was preparing to board a chartered jet for a one-day round-trip to the Cayman Islands, a tax-free haven in the Caribbean known for the Swiss-style secrecy of its banks.

The lawyer, Jose Pelleya, allegedly refused to tell Customs agents whether he was carrying more than $5,000—the legal reporting limit—in his black suitcase. When he was found to have cocaine in his clothing, his suitcase was opened. Inside was $276,000 in cash and bearer bonds, which were seized by federal officers.

When a Mexican heroin boss named Jose Valensuela was convicted in Los Angeles for U.S. drug dealings, prosecutors showed that Valensuela and his wife had invested more than $500,000 in houses, luxury automobiles and a taco factory in Southern California.

Asst. U.S. Atty. Bob Perry said that $371,000 in small bills was found in a closet and that additional sums were traced to Mexican banks.

In Minneapolis, when federal agents broke up a ring headed by a hashish dealer named Ashok Solomon, they confiscated $50,000 in jewelry and found eight real estate parcels in which Solomon and his associates had invested their drug earnings.

The ring also bought a leather goods boutique. Internal Revenue Service agents descended on them after they fraudulently claimed losses from theft, when actually they had lost money from poor management of the shop.

A member of a prominent banking family in Ft. Worth, George Thompson III, was convicted this year of concealing $94,900 in bank loans he made to help finance purchases of cocaine and marijuana. Thompson, the board chairman of Ridglea Bank, became friendly with a narcotics trafficker and attended parties at which guests smoked marijuana and used cocaine, Quaaludes and other drugs, according to court testimony.

The Miami investigation into drug-money laundering has not implicated any bankers in criminal wrongdoing. But some federal officials question how the bankers can accept large cash deposits in paper bags and boxes without having qualms about the source.

"There aren't too many businesses that generate hundreds of thousands of dollars a day in small bills," one Treasury Department official noted.

The illicit drug business—from the big-time traffickers who arrange covert shipments from Latin America and Southeast Asia to the lower-level entrepreneurs in charge of street sales—is cash and carry. Checks or money orders would leave a paper trail too easy for the U.S. investigators to follow.

Yet the cash proceeds pose problems for the trafficker. In terms of sheer bulk, he has to haul his profits in suitcases or the trunks of automobiles. Then there is a problem of security. And some of his newly acquired money may be marked bills passed to him by a federal drug agent.

For all these reasons, federal investigators say, narcotics dealers want to convert their illicit profits into something "legitimate" and more manageable. So they must launder the cash.

Treasury officials, The Times learned, have obtained evidence that $84 million in cash has coursed through six accounts at a single Miami bank.

Bernard Benes, vice chairman of Continental National Bank, which is named in federal memoranda as the recipient of this money, was asked if large cash deposits had raised suspicions. "That's our business, to encourage deposits," he told a reporter. "If there are rules, we comply with them."

Benes said his bank, as required by law, sends information to the Treasury Department on the name, occupation and mailing address of anyone who deposits or withdraws more than $10,000 in currency.

It is these forms—required of banks since 1970—that have furnished investigative leads to FBI agents and drug enforcement officers seeking to trace the source and use of suspected drug money.

Asked if any narcotics traffickers had used his bank, Benes replied, "I doubt it. All of our depositors are registered in our files as being legitimate businesses."

Richard Davis, assistant Treasury secretary for enforcement, said he had provided drug officials with 2,800 currency transaction reports involving $370 million in Miami banks in the last two years. Although not all this cash is drug-related, Davis said, "DEA has acknowledged that some major investigations have been initiated, in part, as a result of information provided by the reports."

It was learned that many cash depositors reported by one small group of Miami banks are persons from Colombia whose occupations are listed as "farmer." Colombia is the principal source of the processed cocaine being smuggled into the United States by small boats and planes, officials say.

Dana Biehl, a federal prosecutor who has worked on the drug investigation here, said a common pattern emerges when large cash sums are deposited. Within days, he said, the depositor instructs the bank to "wire transfer" the money to another bank in the Bahamas or Cayman Islands.

This enables the funds to be transferred to to a foreign, coded account and the records are beyond the reach of a U.S. subpoena, Biehl explained. The island bank, in turn, may transfer the funds to another bank in Panama or elsewhere, he said.

Sometimes Swiss or European bank accounts are used, other officials reported. But the Bahamas and Caymans are more popular among drug dealers, they said, because officials there are less cooperative than the Swiss when U.S. officials are investigating such money.

With Caribbean banks so accessible—only an hour's plane ride from Miami—cash can be carried there by suitcase if the courier is willing to risk detection by Customs agents.

Biehl said drug money, thus laundered, often comes back to the United States in the form of investment in South Florida real estate or legitimate businesses. But by then the source is difficult, if not impossible, to identify, he acknowledged.

"We've found real estate and condominiums being purchased by people who are under investigation for narcotics violations," Biehl said.

Charles Kimball, who has served as a consultant on organized crime for the state of Florida, said money from abroad has been involved in 40% of all real estate sales in South Florida each year, and the trend has been accelerating in the last three years.

In Dade County, where Miami is located, Latin American investors from such drug-producing countries as Colombia, Bolivia and Peru are heavily represented, he said.

Much of the money has come from corporations formed in the Cayman Islands and the Netherlands Antilles, both of which protect the identity of corporate owners, officials said.

Bensinger, the DEA chief, said the challenge facing law enforcement is that narcotics profits "are so enormous that others are quickly willing to take the place of those arrested."

It is the ready availability of untraceable cash, some officials believe, that has attracted lawyers, bankers and other professionals.

Richard E. Jaffe, a retired IRS agent now working for the Dade County police intelligence unit, said, "A whole service industry of lawyers, accountants and real estate brokers has sprung up to handle the money, with a 6% cut. They're willing to look the other way on how it's been generated."

So enormous are the profits, in fact, that 14 drug smugglers indicted in Miami in May had more costly and modern boats, aircraft and communications equipment than the agents who tracked them down, officials said.

As to professionals who handle the

money—lawyers, bankers, accountants and others—Bensinger said, "The law and the enforcement of the law has not yet been sufficiently brought to bear. We're just getting into this field with both feet."●

FIRST CHRYSLER—AND THEN?

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DODD. Mr. Speaker, the Treasury Department will soon be reviewing plans to provide Federal assistance to the financially troubled Chrysler Corp. On September 6, I sent a letter to Treasury Secretary G. William Miller recommending that any proposal submitted to Congress for Federal aid to Chrysler include a commitment from the auto manufacturer to increase its production of low-emission, fuel-efficient cars.

I would like to bring to the attention of my colleagues the September 9, Washington Post article written by former Transportation Secretary Brock Adams. I would urge my colleagues to consider Mr. Adams' views on the opportunities the Federal Government has for linking an aid program for Chrysler to the development of new automobile design and fuel technologies:

FIRST CHRYSLER—AND THEN?

(By Brock Adams)

One of the consolations of private life is the ability to offer controversial advice without fear of having to take it. With this in mind, I agreed to offer up some thoughts to my former colleagues through the good offices of The Washington Post.

There is little doubt that the Congress faces a confluence of energy and economic decisions that are as politically divisive as they are popularly demanded, and more rides on the outcome than the politics of 1980. At stake are the economics of the next decade, wherein we must decide as a nation whether we will try to rebuild our aging industrial and technological base or continue the retreat toward a service economy.

The issue immediately at hand is the fate of the Chrysler Corporation and, like the Lockheed and Penn Central fights of the last decade, the politics are no-win. Help Chrysler and risk being party to a "bailout"; refuse aid and leave thousands of auto workers and executives unemployed by Christmas. I believe it is the kind of choice that will recur time and again during the next decade. For while Chrysler's problems are unique in some respects, they are also common to a whole range of "maturing" American industries that will march on Washington for financial relief, the bonus army of the 1980s. Chrysler is merely the advance guard.

In fact, the entire transportation sector, about one-fifth of our gross national product, is in deep trouble. With the need to revitalize mass transit almost desperate, America has but two remaining bus manufacturers with the capacity of roughly 3,000 units per year, a quarter of what is needed. The domestic manufacturers of passenger rail cars have vanished despite increased demands by Amtrak and the new subway and light rail systems now being built. The railroad industry, which with barges and pipelines must carry the nation's long-distance freight, is in a state of near collapse, oversized and underfinanced, with remedial legislation stuck in Congress.

Even worse is the tragedy being played out in Detroit. More than 70,000 auto workers are on unemployment and soon joining them will be thousands of middle-age executives who determined perhaps 20 years ago, in a different era, that the insular world of automobiles would provide a secure career. Where do they go now, these 50-year-old men with mortgages suited to $50,000 salaries? For the American automobile industry is in deep trouble (Chrysler now, but Ford is next). And, when Detroit is in trouble, Youngstown and Bethlehem and St. Louis can't be far behind. In fact, the tentacles of the auto manufacturers reach into every state, accounting for the livelihood of 5 million people and more than $150 billion in annual trade. As autos go, so go steel, rubber, plastics, and so on. Right now, they are going straight down hill.

How do we restore the creaky transportation sector, and how can these actions be related to the deeper economic and energy concerns? As a beginning, I would offer five suggestions to the Congress:

(1) Resist the temptation to dismiss the Chrysler problems with a quick financial fix, and instead use it as an opportunity to begin defining a new economic strategy for the 1980s. I would give the Chrysler Corporation provisional aid to get it over the short-term crises, but would tie a larger financial package to a policy for the entire auto industry. For, as stated, Chrysler's problems are not unique; they are generic: an aging plant, the absence of technological creativity and a shrinking market.

I would start asking the hard questions: Does the government save all industries that are big and sick? If not, what determines salvation—number of employees, kinds of products and service, effect on the total gross national product? Do we have appropriate measures of national interest? Unless we begin to face these unhappy questions now, the Congress will limp from bail-out to bail-out without any real understanding of where we are going or why. In the cases of Lockheed and Penn Central, these questions were raised but never solved. Now they must be.

(2) Focus on the massive need for capital and how it is to be raised and invested. If, for example, the entire windfall profits pot is to be taken by synfuels development, there will be insufficient funds to explore the potential of solar energy, modernize the auto industry and establish a construction trust fund for mass transit. The economic principle of opportunity cost is at play, and there are limits to the amount of money that can be raised under any scenario. We must make broad and informed judgments, on how to raise and spend that capital as a total society rather than spilling it piecemeal.

(3) Don't get bogged down in ideological battles. Where there is a free market, let's favor free-market solutions. But let's not try to apply this solution to areas where there is no free market. Oil supply is not part of a free market. At home oil is in a corporate straitjacket and abroad it is controlled both in amount and price by cartel.

The Department of Energy notwithstanding, not all regulation is bad where the national interest is involved. The fuel-economy regulations administered by the Department of Transportation, for example, saved Detroit from an even worse disaster than it is now suffering.

(4) Emphasize new technology. America is in the midst of an innovation slump with research and development spending now only 2 percent of the GNP. Nowhere is this more in evidence than the auto industry, where spending on basic research has dipped to almost nothing at the very time we need breakthroughs in such fields as the nonpetroleum engines. Why not structure the Chrysler solution to produce a major national investment in new auto technology? The basic auto-research program now being negotiated with the industry should be accelerated and vastly expanded beyond what is currently being contemplated.

(5) Adopt solutions that truly reflect the urgency of the energy problem—a problem that is far more serious when viewed from the perspective of supply rather than price. That portion of our oil supply that comes from the Mideast, about 40 percent, must travel everyday in tankers through the narrow 30-mile Strait of Hormuz, which any disaster (political, military or technological) could shut down. With our economy hanging by so thin a thread, it is only prudent that we forge ahead with massive investment in disaster (political, military or technological). Since a barrel saved is equal to a barrel produced and often cheaper, this means in the transportation sector we must speed the renovation of the freight railroads and build urban mass transit as well as fuel-efficient autos. Because of the existent capital shortage, those investments should be considered within the context of the windfall profits debate.

The administration has now announced a new $16.5 billion transportation-energy package that can only be considered a beginning. Retooling the auto industry alone will require tens of billions that Detroit cannot raise on its own. The same magnitude of investment will be needed to modernize the freight railroad industry and renew the inland-waterway system. Economic policy analysis must carefully tabulate the cost of needed investments in transportation and other essential industries and relate them to potential available capital, both public and private. This is essential work, and one hopes Congress will seize the moment. The windfall profits tax, synthetic-fuel development, mass transit, auto-efficiency issues, and Chrysler's financial trouble provide a set of issues serious and broad enough to override any special interest in favor of truly national solutions.

What we are ultimately addressing is the reindustrialization of America, and a new industrial revolution won't happen by itself. I believe we can refurbish our factories and once again make the kind of quality products that will dominate world markets.

But it is easier to draw the plan that leads us there than to follow it. Painful public decisions and regional economic tradeoffs will have to be made and, in the end, only the Congress can make them. From this armchair, I wish my former colleagues God's speed.●

THE MALADY LINGERS ON

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, President Carter is demanding to ration gasoline, but the vast majority of our energy problems are caused by Government involvement, and can only be worsened by more intervention, not to speak of matters of individual rights.

A recent editorial in the Wall Street Journal accurately pinpointed the true cause of our troubles. I would like to call it to my colleagues attention:

THE MALADY LINGERS ON

From a purely statistical point of view, the gasoline shortage is over. But over the Labor Day weekend motorists would have had trouble discerning this truth as they searched for open stations and confronted the lingering vagaries of odd-even rationing. Northeastern governors had previously suggested they might even end their odd-even systems after Labor Day.

The reason for all these lingering effects of what, in a properly ordered world, would have been only a temporary supply tightness

is that gasoline distribution in the United States is being wrecked by federal and state regulators. Competition, the only certain control on prices, is being destroyed by rules that favor one type of supplier over another. The favored ones often feel little competitive pressure either to cut their prices in the face of slackening demand or to remain open other than a few hours each week-day. How all this has come about makes for a revealing look at how regulators have been protecting the consumer's interests.

First of all, gasoline shortages need not have happened at all if prices had been allowed to adjust. Federal gasoline allocations that did not take into account shifting demand patterns left some areas of the country deprived of gasoline while others had plenty. The resulting shortages stimulated hoarding, which further aggravated the problem.

A lot more things were going on below the surface in the gasoline business. Independent gasoline jobbers were afforded more liberal allocation rules than refiners, being allowed to retain allocations for outlets they were no longer serving. Thus, their share of the business has been rising.

In Maryland, refiners have been legislated out of gasoline retailing and some other states, Connecticut, for example, are following this lead. The theory here is that you stimulate competition by eliminating competitors. The Department of Energy entered into this game with its latest profit margin regulations, granting independent dealers a larger profit margin, 15.4 cents a gallon, than refiner outlets, who got only 10.8 cents.

Then, of course, there are the state setasides, which enable governors or their designees to control 5 percent of a state's gasoline allocation, directing it to whoever they think might need it most. Under such circumstances of political control over a valuable commodity, it's not a bad idea to have a good relationship with the politicians.

All of this political interference in the gasoline business has had some interesting effects. As name-brand outlets have shut down, new independents have popped up—fortunate people who happen to have the necessary allocations. Quick fortunes can be made on the spot market by favored wheeler-dealers.

None of this has succeeded in its ostensible purpose of holding down the price of gasoline. Prices at the pump have been rising at the rate of about a nickel a month. Indeed, these higher prices undoubtedly had more to do with the end of the gas lines than the odd-even systems. Curiously, at the level prices have reached, U.S. motorists have been paying considerably more for gasoline than their neighbors in Canada, who have not had the protection of price ceilings and allocations.

The regulatory system in the U.S. has been systematically destroying competition, replacing the old marketers with a favored group that has enough political clout to get the government to protect its marketing position and thus allow higher prices. Labor Day motorists have been witnessing the devastation wrought by politicians who profess to protect them from big oil. With friends like this they have no need for enemies.●

ENERGY COMPANY OF AMERICA

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. ATKINSON. Mr. Speaker, our energy problem has proven to be monumental and it shows no signs of becoming alleviated in the near future. OPEC has raised prices, and will do so again. The oil companies seem to be more closely tied to Mideast commercial policy than to the American national interest. Even the President has recognized the necessity of strong Government participation in the field of energy.

On June 28, I introduced a bill which would create an Energy Company of America. I believe this company could be the strong and effective implement of Government energy policy. The Energy Company of America would gain reliable operating information more accurately than a Federal department. It would also be able to influence the private oil companies through direct competition rather than regulation. In short, it is just the type of forceful and long-lasting Government implement which is needed to effect American energy policy.

I would like to insert in the RECORD an editorial which appeared in the Beaver County Times on July 29, 1979. The editorial, by Tom Waseleski, graphically illustrates many of the arguments for the Energy Company of America.

The editorial follows:

[From the Beaver County (Pa.) Times, July 29, 1979]

ATKINSON'S INVITATION TO THE OIL BUSINESS

(By Tom Waseleski)

While you were reading your newspaper this week and wincing, Gene Atkinson was smiling. Not that he takes any pleasure in your pain, though. It's just that Atkinson is the Beaver County congressman who introduced plans for an Energy Company of America in the House last month.

Getting a look at the billfolds of the multinational oil compaines again proves a sobering experience—even for gasoholics. Second quarter profits over the same period last year were up 70 percent for Boron, 65 percent for Gulf, 36 percent for Amoco, 38 percent for Mobil, 61 percent for Standard of California, 55 percent for Shell, 90 percent for Cities Service, 132 percent for Texaco . . .

Figures like these don't make us wonder why no one set up a federally owned energy company in this country before—they make us enraged. While some may think Atkinson's bill befits a dream concocted at a slumber party for burned out Roosevelt-Kennedy-Johnson liberals, Atkinson does not intend to throttle free enterprise. As a matter of fact, his aim is to spread competition to an industry that has never known it.

Big Oil has built a legend around operating from secrecy. Consider the consent decree it has with the Department of Energy. The Federal Trade Commission has been investigating the sales practices of various oil companies for possible violations of federal law. Officials in DOE have been privy to confidential information from Big Oil so long as they agree not to pass it on to, say the FTC, which needs it to assemble its case.

Such an agreement was put to the test a month ago when DOE was called before a House subcommittee. Despite some tense and charged moments, the secrets between the oil companies and the Energy Department were not compromised, even under the glare of TV camera lights and the eager scribble of the Capitol Hill press.

We've come to expect this sort of official arrogance from private executives in the name of profits, but when it mushrooms into collusion with government employees salaried by the public, it becomes a sordid Washington practice that has no equal. That's one of the things that so riled Rep. Atkinson that he became convinced that the government needed its own energy company not only for obvious benefits to the fuel supply picture but for firsthand and incontrovertible information what it actually costs to buy, sell, discover and refine oil in an era of eclipse.

His proposed Energy Company of America would do all this and more. Besides having the power and federal funding to engage in the same energy ventures as private oil companies, ECA would deposit its profits in the U.S. Treasury, negotiate on the government's behalf with other nations (probably non-OPEC) for beneficial fuel supply arrangements and act as a feisty maverick in a field where the commodity sellers are more agreeable to the whims of a foreign cartel than the needs of domestic consumers.

Atkinson figures ECA would need $100 million in federal outlays, plus bond sales, to be established in three years, at which time it could commence drilling for oil, negotiating overseas for natural gas, etc.

Other western nations already have national energy companies competing with the private sector. The biggest success, and fortunately the one whose country's import situation most nearly duplicates that of the U.S. is Petro-Canada. Only three years old, Petro-Canada has dramatically increased that nation's supply of natural gas by the discovery of a large source off Nova Scotia, where the private companies had never drilled. It has also been in the forefront of Canada's search for new domestic oil wells. Last year Petro-Canada sunk 16 of 26 new holes drilled nationwide. This year it will own 11 of 13 new drill sites.

Petro-Canada is presently negotiating energy deals with Mexico, China and other non-OPEC countries to circumvent the cozy and costly cartel-corporation embrace.

It nevertheless isn't going to return our northern neighbors to the days of gasoline at 50 cents or even 75 cents a gallon. What it will do is turn the energy industry into a free market, causing companies to use exorbitant profits for competition in energy exploration and development rather than side acquisitions like Anaconda Copper, which ARCO bought in 1977 for $700 million. A lot of help that was at the pumps.

Atkinson's ECA proposal is bound to be attacked as more of the fashionably maligned government bureaucracy. What obviously doesn't faze these people is that Exxon and Shell are hardly Mom 'n' Pop operations either.

Energy is a thorny problem and it begs a comprehensive solution. The $100 million ECA startup cost is loose change compared to the $20 billion Congress wants to sink into synthetic fuels.

Sen. Adlai Stevenson of Illinois, who introduced the ECA proposal to the Senate in March—which in terms of energy was a less harrowing time—cautioned that "it is foolish to leave international negotiations to entities accountable to themselves and foreign governments—and not the American people."

When energy prices force inflation into double digits while Big Oil chooses to use only 84 percent of its refining capacity; when gasoline costs soar at an annual rate of 61 percent while Big Oil cows the White House into killing a World Bank proposal to fund oil exploration in non-OPEC countries; when a poorly fielded Energy Department can frolic under the covers with the industry it is assigned to regulate while its approach to the problem must be forceful in tone and international in scope, it behooves the government to take matters into its own hands.

The Energy Company of America could be the best thing to come down the pike since the TVA. And if Big Oil doesn't like it, well, there's always nationalization.●

NICARAGUA AND COMMUNISM

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, we hear a lot of nonsense about the "freedom fighters" in Nicaragua, who are in actuality nothing but Communist terrorists.

The U.S. Government is giving massive aid to this new outpost of the Gulag, and we even hear rumors about military aid.

Any kind of foreign aid is wrong. To force American taxpayers to help our enemies is unforgivable.

The best article I have seen on the true nature of the Sandinista Communists was written by the eloquent M. Stanton Evans in National Review Bulletin. I would like to share it with my colleagues.

WHAT'S HAPPENING IN NICARAGUA

Despite the bland denials of our government and a stream of glowing press reports, Communism is fastening its grip on Nicaragua.

President Carter, for one, hastened to assert that the rise to power of the Sandinista had nothing to do with Communism in general, Fidel Castro's Cuba in particular. "I do not attribute at all the change in Nicaragua to Cuba," Mr. Carter told a press conference. Reporters in Managua, meantime, have been staging a daily competition to see who can write the most breathless prose in admiration of the Sandinista.

An Associated Press account in the Washington Star, for instance, informs us that the Sadinista government is taking "methodical steps to establish democracy . . . while avoiding any suggestion it has Communist designs for the future." The government is credited with having moved "to re-establish civilian control . . . taken down roadblocks, created an atmosphere of public safety, and restored press freedom." Interior Minister Tomás Borge is quoted as saying: "We are not planning a socialist revolution here, we are planning the reconstruction of Nicaragua."

Despite which, the evidence is overwhelming that Nicaragua is well on its way to becoming another Cuba. Clearest indication of this fact is the dominant role being played by the self-same Tomás Borge. Borge is a member of the nine-man directorate that presently runs the country and of the three-man group that will control the Nicaraguan "people's army." In addition, as Minister of the Interior, he will control the nation's police force.

What makes these developments particularly ominous is that Borge is a hard-core Communist revolutionary, and scarcely troubles to conceal that fact. Although AP neglects to mention it, Borge was trained in Cuba, is a close ally and confidant of Castro, and openly espouses Marxist revolutionary doctrine. His Communist background is so flagrant that Agence France Press refers to him as "the Nicaraguan Castro."

In 1977, Borge was one of a group of Nicaraguan revolutionaries captured and tried by the Somoza government and sentenced to a thirty-year prison term for terrorist activities. In the course of his trial, he acknowledged the extensive guerrilla training he and his confederates had received in Cuba. Last year, he was freed from prison as part of a ransom deal when the Sandinista invaded the Nicaraguan legislature. He flew to Cuba via Panama for further discussions with Castro—a meeting that was featured in the Cuban press.

The Cuban connection has been vividly underscored since the Sandinista came to power. In late July, Castro spokesman Ramón Sanchez told a group of reporters in Washington that Cuba had given aid to the Sandinista, including "arms and things like that," and that "our support for Nicaragua has intensified as the struggle has intensified." That same week, two high-ranking Sandinista flew to Havana to pay their respects to the Castro regime. And in mid-August, Borge himself made yet another sojourn to Havana.

Nor is Borge the only Marxist in the new regime. A recent issue of *Newsweek* ticks off the background of some others: Humberto Ortega, a former Communist youth leader trained in Havana; Victor Manuel Tirado, a Mexican-born Communist; Carlos Nuñéz, "one of the Sandinista's most committed radicals." Add to these Father Ernésto Cardenal, a noted devotée of Castro (he made the Havana pilgrimage in July). And, it should be recalled, the unified Sandinista operation was put together with the guidance of Castro himself.

The performance of the new regime—contrary to the euphoric AP report—is entirely in keeping with these data. As noted by *Human Events*, the actions of the Sandinista government point directly toward a Castro-style dictatorship: abolition of the elected legislature, indefinite postponement of next year's scheduled elections, projected nationalization of some private property, and a crackdown on the press.

One of the first acts of the new government was to shut down the paper *El Pueblo* and arrest its editor; through early August, only one newspaper, radio station, and TV channel, all officially controlled, were being allowed to operate.

How does this square with the AP report that the Sandinista had "restored press freedom"? The answer apparently lies in the explanation of Sandinist official Bayárdo Arce: "We support freedom of the press. But, of course, the freedom of the press we support will be a freedom of the press that supports the revolution."

Add to all of this reports of summary executions of Somoza supporters, members of the National Guard, and other enemies of "the people." Representatives John Murphy (D., N.Y.) and George Hansen (R., Idaho) report a veritable reign of terror in the country. The Costa Rican newspaper *La Nación* discloses that in some parts of Nicaragua "hatred and vengeance have teamed up against the military forces of the deposed Anastasio Somoza regime or its sympathizers and hundreds of them have been publicly executed or pursued in house-to-house searches or in the hills."

What is happening in Nicaragua, in sum, is what has happened in nearly every country that has been captured by the Communists, which explains why Castro and Panama's Omar Torrijos were so eager to assist the Sandinista. It does not explain why the U.S. Government and media have covered up—and continue to cover up—the extent of Communist involvement in the Nicaraguan revolution.—M. Stanton Evans.●

REGULATORY OVERSIGHT

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. LEVITAS. Mr. Speaker, I would like to call to the attention of the Members an editorial from the Dallas Times Herald of August 15, 1979, concerning the hearings held in that city by our colleague, Congressman MARTIN FROST, on legislative veto.

I want to commend Congressman FROST for his leadership in bringing this subject to the attention of the public and for listening to his constituents on the matter.

This is one subject in which our constituents are ahead of us in Congress. They know that they are overregulated by unelected bureaucrats; and it is up to us to listen to them and to do something about their problems with government. It is those people out there, not the people in Washington who only talk to each other, who need to be heard.

These hearings, chaired by Congressman FROST, are a first effort to listen to the problems those people are having in trying to comply with rules and regulations, which have the force and effect of law, but which were never considered by an elected legislator.

I trust that the Rules Committee will go forward expeditiously with its work on H.R. 1776, the legislative veto bill; and that the committee will not bottle up or delay unduly consideration of this bill in an effort to defeat it.

Not only other Members of Congress (over 200 of whom are cosponsors) but also the public will be watching.

Congressman FROST knows that you have to listen to the American people and he has done so.

[From the Dallas Times Herald, Aug. 15, 1979]

REGULATORY OVERSIGHT

If Congress is to gain control over the federal bureaucracy, it will have to approve a House resolution permitting lawmakers to veto unwise or overreaching regulations drawn up by government agencies.

In a hearing in Dallas this week, area business, political and professional leaders detailed a variety of "horror stories" about the cost and frustrations involved in living with hundreds of rules set forth by federal bureaus.

House Resolution 1776 would permit either house of Congress to veto a rule or regulation written by a federal agency within 60 days of its adoption. After 60 days, but before 90 days both houses would have to act to block implementation.

Rep. Martin Frost, who chaired the Dallas hearing, pointed out it is easy for bureaucrats to either misinterpret or lose sight of legislative mandates in issuing tens of thousands of rules and regulations which have the force and effect of law.

Congress could reduce the scope of the problem by drafting laws more precisely, leaving fewer decisions to the bureaus.

Congress is elected to make the laws of the United States and it should reverse the growing power of the bureaucracy by regaining control over the regulatory process.●

ALABAMA POSITION PAPER FOR "OPERATION PUMP"

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SHELBY. Mr. Speaker, I urge my colleagues to read the following paper prepared by several of my constituents involved in the construction field. Their thoughtful comments provide much needed insight into this area, and I commend this position paper to the House's attention:

ALABAMA POSITION PAPER FOR "OPERATION PUMP"

It is the general consensus of those involved in this program that changes are necessary in order to complete the projects as required by law. Following are statistics of EPA on the current status of the grant projects:

Of $4.2 billion appropriated in FY '79, EPA has obligated only $867 million at end of second quarter.

Of greater significance, $3.7 billion of past years' funds, $2.2 billion must be reallocated on October 1st, unless period is extended.

There are 10,800 active projects, by EPA's count. Close to one-half, or almost 5400, are Step 1 Facilities Plans; 1600 are Step 2 Designs; and almost 4000 are Step 3 Constructions Projects.

Not shown in these statistics is the time between steps waiting for review for auditing or for rechecking to determine if new criteria has been met.

ACEC members feel that much of this backlog is the result of the regulations and procedures developed and administered by the Federal EPA through the regional offices. ACEC members in all regions feel strongly that the Construction Grants Program should have greater local control such as that undertaken by the local Public Works Program by the Economic Development Administration.

Improvement in the Construction Grants Program is possible; however, Congress must take action to direct the Federal EPA Programs. The following are actions which Congress could take to start correcting problems associated with the Construction Grants Program.

1. REPLACE THE EPA CONSTRUCTION GRANTS PROGRAM (CGP) WITH A LOCAL CERTIFICATION PROGRAM

The national goals as specified in the Clean Water Act of 1977 include a policy statement that the States are to manage the Construction Grants Program. To underscore the local aspects of the CGP, 78.4% of all grants awarded by EPA were made to communities of 25,000 or less, yet they are "regulated" by the same administrative burdens to qualify for federal assistance as the largest cities.

In reauthorizing Title 11 of the Clean Water Act, consider use of a LPW-type program which relies on a simple certification process of local governments to procure the technical services required to meet the standards established by EPA for communities with a population of 25,000 or less.

2. ESTABLISH A FIXED TIME PERIOD FOR APPROVAL OR REGULATION OF PROJECTS

Local municipalities often wait months, every year, for approval to proceed with projects, especially Step 2 Design and Step 3 Construction phases.

Amend Clean Water Act or as a condition to FY '80 appropriation, amend 40 C.F.R. 30.945 and all other regulations referring to grants programs to require that all applications which:

(a) are submitted as part of a conforming priority list process approved by the state where the grantee is located; and which

(b) include all required documentation, such as approved facility plan or construction design specifications;

shall be either approved or rejected within 90 days of submission.

3. PERMIT COMBINATION OF GRANTS IN BOTH STEPS—1 AND 2 FACILITIES PLANNING AND DESIGN

Under current regulations, each step requires approval by EPA and in most situations, unnecessarily delays progress and completion of the facilities.

Congress should amend the Clean Water Act in Title II or make it a condition of the FY '80 appropriation that EPA amend the construction grants regulations in Part 35, Local Assistance, to include a provision for combination grants for Steps 1 and 2. Included in such provisions can be safeguards to assure that elements of design and construction specifications are not commenced until the facilities planning process is complete and approved by the states and EPA.

4. REMOVE RETROACTIVE APPLICATION OF NEW REGULATIONS

EPA regulations and Program Requirements Memoranda (RPMs) are retroactively applied to construction grants projects, creating unnecessary delay and increased costs to grantees and their engineers. New regulations and RPMs are applied to completed facility plans and designs during the EPA review period. Grantees and their engineers must redo the work under the new regulations.

The Act should be amended to preclude the retroactive application of regulations to any step in Construction Grants program unless requested by the Grantee and the State agency.

5. RELAX REGULATIONS FOR SMALL COMMUNITIES

EPA's Construction Grant Regulations are equally applicable to all grantees, no matter what their size. Almost 80% of the grantees currently receiving assistance are communities of less than 25,000 in population, representing 30% of the total dollars involved in the grant program. Almost half of these grants were made to communities with populations of under 3,500.

Most small communities do not have professional staff and find it difficult to comply with the same EPA regulations that apply to large, complex projects in major cities.

The Clean Water Act should be amended to extend the consideration given to small communities with populations of less than 25,000, as currently stated in Section 203, to include all project steps. Also, require that the EPA Administrator issue separate regulations embodying cost principles based on Attachment O to OMB Circular A-102 for assistance in such communities.

6. REDUCE BURDEN OF FEDERAL CONTRACTING

Consulting Engineers performing contracts for grantees under the EPA Construction Grants Program experience delays in pre-contract reviews, disallowance of costs, reductions of indirect costs, delayed payments for work already performed, delays in final approval of contract products and excessive delays in payments for retained fees. These factors and many others make performance of EPA work a burden on everyone associated with the program.

Interest on borrowed money is an accepted business expense by the private business community and by the Internal Revenue Service. Nonallowance of interest has been a particular burden on the Consulting Engineer.

We recommend that the Federal Procurement Act (PL93-400) be revised so that this Act not be required as a basis for the procurement of A-E services by local government operations.●

CAN WE AVOID A MAJOR WAR UNTIL 2000?

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. McEWEN. Mr. Speaker, Gen. Bruce C. Clarke, U.S. Army, retired, is a native of Adams, N.Y., in my congressional district. Early in World War II, as a junior lieutenant colonel, he was appointed to be chief of staff of the 4th Armored Division while in training at Pine Camp (now Fort Drum). He went on to become a combat command commander of the 4th Armored Division and of the 7th Armored Division in combat where he achieved an enviable record and was highly decorated.

After World War II, General Clarke became, progressively, commander of the 2d U.S. Constabulary Brigade, 1st Armored Division, I Corps, U.S. Army Pacific, 7th U.S. Army, U.S. Continental Army Command, and Commander in Chief of U.S. Army Europe.

Certainly, then, this distinguished officer's views on the defense of our Nation must command the highest respect.

General Clarke has just sent me his article, "Can We Avoid a Major War Until 2000?" His views on Selective Service are most timely as this Congress is about to consider H.R. 4040, the defense authorization bill. I ask that this article be inserted in the RECORD so that my colleagues might consider the thoughts of this Army general who has probably spent more time in direct contact with troop units, and commanded more soldiers of different nations as their field commander than has any other U.S. Army officer.

The article follows:

CAN WE AVOID A MAJOR WAR UNTIL 2000?

(By Gen. Bruce C. Clarke)

(In a talk in 1962, soon after I retired as Commander-in-Chief of our Army in Europe and Commanding General of the Central Army Group of NATO, I said generally as follows:)

Having spent nearly ten years commanding troops facing the Iron and the Bamboo Curtains, I have arrived at certain convictions about the nature of the Communist threat to the Western World.

Basic Communist policies:

1. Keep opponents divided and weak.
2. Exploit weakness, disorder and confusion.
3. Communist expansion is not linked to a time schedule.
4. Encourage and support wars of "National Liberation."
5. Avoid all-out war until they can win.
6. Taking two steps forward, then one back, if necessary, produces a net "gain" for Communism.

I enlisted in 1916 and have served the Army 44 years in uniform and for 17 years since I retired. Our sons and sons-in-law have served in our three recent wars. From this background I have a horror of any major war in which we might be engaged. Neither side can win such a war. Both sides would lose. The effort, expense and inconvenience of preventing such a war are minimal as compared to our cost of deterring it.

A conflict which could start as a conventional war and escalate into nuclear exchange is far more probable than one which would start as a strategic nuclear exchange.

The keys to the deterrence of such a confrontation are our strengths: Strength in weapons, supplies, strategic transportation, leadership, commandership, tactics, strategy, resolve, morale, national spirit and an adequate number of qualified and dedicated officers and men and women available to our armed forces when they are needed.

Our volunteer system has fallen far short of these requirements. If the Warsaw Pact forces would now make a suprise attack on

NATO, it would take at least three months to bring selective service personnel to our training camps, plus several more weeks to train them. In the meantime, the personnel needs of our fighting forces would not be adequately taken care of. The war could be over, with our loss, by that time unless we resorted to a nuclear defense. This could escalate into a strategic exchange with horrible results.

There is a Selective Service Registration Bill before Congress. It provides for registering available personnel soon after 1980. They could not be called up until further action by Congress. How would this step help to prevent war?

It would reduce our lead time to provide adequate and qualified personnel to our armed forces by at least three months. It would re-establish in the minds of our opponents and of our allies the resolve, determination and spirit that have made our country great in the past. It would encourage the Western world.

It would very much strengthen our deterrence in the minds of our opponents and would strengthen the hand of our government in its important, diplomatic activities toward the prevention of wars.

It would have a dampening effect on several of the six basic Communist policies listed at the start of this article.

Frederick the Great said: "Diplomacy without arms is music without instruments."

I am sure that he meant arms that are adequate and quickly available, if needed.●

NATIONAL HUNTING AND FISHING DAY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. DINGELL. Mr. Speaker, on September 11, the President issued a formal proclamation designating September 22, 1979 as National Hunting and Fishing Day. Now in its eighth year of celebration, National Hunting and Fishing Day has as its primary function to bring about a public awareness of the overwhelming contribution of hunters and fishermen—and their activities—to the conservation and wise management of our natural resources and wildlife. Too often, these outdoor sportsmen are overlooked as being major contributors to the conservation of our natural resources.

In the past 50 years, hunters and fishermen have contributed more than $5 billion for natural resource conservation and wildlife management and protection. In a day's time, sportsmen will contribute $1,370,000 to conservation. This adds up to $500,000,000 a year. There is no other group that does so much.

Throughout the years, conservation funds have been made available through the revenues from excise taxes charged on hunting and fishing equipment under the authority of the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act. Funds for resource conservation and wildlife management are also derived from the sale of hunting and fishing licenses. Just last year, the sale of 16 million hunting licenses and 26 million fishing licenses brought over $340 million to State and local governments to use in resource and wildlife conservation.

Today, the voices of conservation speak more effectively than ever before in history—and justifiably. The continual encroachment of destructive elements on our dwindling natural resources must be recognized as a serious threat and must be met with seriousness. In recent years, the emergence of numerous conservation groups have created a new awareness of man's relationship to the outdoors and it has been conscientious hunters and fishermen who have been in the forefront. This was true in the beginning in the days of Roosevelt, Grinnell, and Audubon, and it remains true today.

In fact, the tremendous momentum of the conservation movement today, the millions and millions of dollars directed toward natural resource and wildlife restoration and the cleaning up of countless rivers, streams, and lakes can be attributed to these outdoor sportsmen.

Millions of sportsmen and nonsportsmen alike will participate in State and locally held Hunting and Fishing Day activities across the Nation on September 22. Everyone will share the collective recognition that each and every American has a responsibility to work at conserving our natural resources. National Hunting and Fishing Day activities will also serve as a "learning center" for all. Conservation exhibits, skill centers and guest speakers will provide an opportunity for the public to gain an awareness of what actions can be taken to better conserve and protect our natural resources and wildlife.

The President is to be commended for his personal interest in National Hunting and Fishing Day by recognizing this activity as a national event and his recognition of the important role played by outdoor sportsmen—hunters and fishermen—in safeguarding our natural resources and wildlife.

NATIONAL HUNTING AND FISHING DAY, 1979

(By the President of the United States of America)

A PROCLAMATION

The millions of hunting and fishing licenses issued each year reflect a widespread appreciation of the healthy recreation, peaceful solitude and closeness to nature these pursuits offer.

America's hunters and fishermen have long been leaders in the conservation movement. They understand the importance of clean air, good water and adequate habitat for wildlife. They support those goals through the purchase of licenses and the payment of taxes on hunting and fishing equipment. They and the organizations that represent them are also effective leaders in the promotion of firearm and boating safety.

It is appropriate that we recognize all of these contributions by the observance of a National Hunting and Fishing Day.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate Saturday, September 22, 1979, and the fourth Saturday of September in each succeeding year, as National Hunting and Fishing Day.

I urge all of our citizens to join with outdoor sportsmen in the wise use and management of our natural resources.

In witness whereof, I have hereunto set my hand this eleventh day of September, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and fourth.

JIMMY CARTER.●

PACIFIC NUCLEAR STORAGE DANGEROUS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. WON PAT. Mr. Speaker, today I introduced legislation which would give the U.S. Congress full control over the storage and transportation of nuclear wastes to or from offshore areas belonging to this country.

The text of my legislation is identical to that introduced by my good friend from Hawaii, Senator SPARK MATSUNAGA. His bill, S. 1119, was passed recently by the Senate. The measure now is pending before the House Interior Committee.

After conferring with Senator MATSUNAGA, I am proud to introduce this measure as a signal that we in the Pacific are not going to permit this Government to adopt a policy which permits the storage of highly radioactive nuclear fuels in our surrounding waters. We have too much to lose if our waters are forever polluted. And we have little confidence in either the current state of nuclear fuel storage technology or various Federal agencies to believe that our best interests will be paramount in their minds or that we can be absolutely protected against some horrible accident.

As the only Micronesian in the Congress, I can state without a doubt that we in Micronesia do not want nuclear wastes stored anywhere in the Pacific. News that the United States planned to do so came as a surprise recently with the announcement by the U.S. State Department that it wanted to use Palmyra Island to house spent reactor fuel from various Asian nations. While I appreciate that it is not in the best interest of this country to see the spent fuel get into the hands of those who would use this material to build nuclear weapons, I do not understand why agents of this government simplistically believe that they can use the Pacific as their private dumping grounds without a word of protest from we who count on the Pacific for much of our food and recreation.

On August 24, 1979, after hearing that the owners of Palmyra Island have refused to sell their property to the U.S. Government, I asked the Secretary of State, Cyrus Vance, to forget about the entire proposal to store nuclear fuels in the Pacific. As chairman of the House Subcommittee on Pacific Affairs, I told the Secretary not to take lightly the legitimate fears of Pacific islands about a matter which would destroy our waters.

I also wish to note for the record that my subcommittee has taken an extensive look into this matter during hearings before us earlier this year.

The testimony presented to us at that time by representatives of the State Department did outline the need to stop the proliferation of nuclear fuels, but I must add that this same policy totally fails to take into account the right of Pacific islanders to protect their environment. We on Guam are proud to be Americans, but we do not feel obligated to sit still for a Federal policy which was conceived purely to solve the national dilemma of where to store radioactive wastes.

I urge the House Interior Committee, of which I am a member, to speedily approve the passage of this legislation. It is imperative that we follow the lead of the Senate to put an immediate stop to this proposal which would subject the vast and unpolluted Pacific to dangers far beyond any known in our entire history. I salute Senator MATSUNAGA for his efforts in this matter and am happy to work with him to make certain that we in the Congress have the final voice in determining the way nuclear wastes are stored in America's offshore areas.●

MADMAN ON THE LOOSE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CLAY. Mr. Speaker, no matter what your religious views, political persuasions, racial biases, or national heritage, we all must agree that one has flown over Philadelphia's cuckoo nest. A madman from Bigotania has inspired the local gendarmes of the city of brotherly-hate to stoop to the heights of American ideals—motherhood, law and order in preference to godliness, the Constitution, and the Bill of Rights. Carl T. Rowan sums it up well in his column which appeared in the Washington Star, August 20, 1979, entitled "Brutality in Philadelphia." I commend this as required reading to my comrades in the House of Representatives:

BRUTALITY IN PHILADELPHIA

(By Carl T. Rowan)

What business does the Justice Department have filing a lawsuit accusing the mayor and other officials of Philadelphia of condoning the regular and systematic abuse of citizens by the police?

You won't ask that question if you have seen the horrifying CBS film of three Philadelphia policemen kicking the head of a man trying to surrender as though it were a soccer ball—a scene of ghoulish brutality that I was as angered by the fifth time I saw it as the first.

You might ask that question if you know that the man being brutalized was a member of a very unpopular group, MOVE, which had had a long confrontation with police—and if you agree with the idea espoused by Iran's Ayatollah Khomeini that when you "know" an accused is guilty, you won't waste time and money on trials.

You will question the right and wisdom of the federal government to intervene in Philadelphia if you value "law and order" above the Bill of Rights, or if you believe that local officials are always best suited to regulate affairs between the people and the police.

You will applaud former Attorney General Griffin Bell for ordering legal action against Philadelphia if you have seen even a sampling of the evidence that under the leadership of a macho mayor who panders to racism, Philadelphia's lower officials have become part of an unspoken conspiracy to condone the worst examples of police brutality since the days when policemen were part of and protective of a Ku Klux Klan that had an unwritten license to murder and maim.

The question is raised whether Philadelphia police have been more brutal than those in other big cities. The answer, based on gruesome evidence, is *yes*—because Philadelphia's police have been encouraged to behave violently by Mayor Frank Rizzo, an ex-cop who once boasted of his own toughness: "I'm gonna make Attila the Hun look like a faggot."

Rizzo has declared publicly that the way to deal with criminals is to "break their heads." When 10 of his policemen broke nightsticks on the head and shoulders of a black man who had run a stop sign, Rizzo said: "It's very easy to break some of these nightsticks nowadays."

Given that kind of "leadership," it is not surprising that more than 150 civilians, most unarmed, have been beaten or shot to death by police during Rizzo's tenure. Who is surprised at the piles of evidence of Philadelphia detectives trying to exact confessions by twisting the testicles of suspects, pounding suspects' kidneys and beating them with lead pipes, blackjacks, brass knuckles and table legs?

Rizzo and his flunkies have counted on the public to acquiesce in the idea that the Constitution is supposed to protect "decent people" and not "animals." Thus a Rizzo aide would go on national television last week and defend police abuses with the assertion that "it's a jungle out there."

This same official tried to justify the murder and maiming of people entitled to a fair trial by saying to the nation that blacks in a Cleveland housing project applauded when they saw the dead body of an FBI agent who was slain while trying to arrest an alleged vicious criminal.

This society has got to understand why poor, uneducated people in a wretched housing project might applaud when a 19-year-old bum kills an FBI agent. Rizzo and his kind of cops have long turned people against the law.

These street people of Cleveland and other cities have seen their cousins, uncles, brothers kicked in the face, often accused of nothing, never given a fair trial if acused, to the point where they distrust and hate the "system." So if some dude, however despicable beats the system by killing a cop, he becomes their hero.

This country doesn't need any cop-killing heroes. It doesn't need any cops who make abusing citizens a habit and thus cop-killing a virtue. It can't survive with a single mayor or police chief who will tolerate one instance of brutality.

Griffin Bell is no dummy. He knew that Rizzo had shamed Philadelphia and America. Bell would have deserved a generation of American censure and ridicule if he had failed to move against Philadelphia.●

CONVERTING COAL TO GASOLINE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the authoritative and highly respected Science magazine recently published an editorial by its editor, Mr. Philip A. Abelson, suggesting that the United States "look closely" at the extensive South African experience in converting coal to gasoline.

I would agree with Science that our country can learn some valuable lessons from that successful experience, and I would urge my colleagues to consider some of the informative data presented in the editorial.

H.R. 3930, which was passed by the House on June 26 by a vote of 368 to 25, would make possible the construction of such synthetic fuels plants in the United States. The legislation is currently pending before the Senate Banking and Energy and Natural Resources Committees. It is extremely important that the Senate responds with a version of the legislation that would be acceptable to the House of Representatives.

The text of the editorial follows:

SYNTHETIC CHEMICALS IN SOUTH AFRICA

Much has been written about various methods of obtaining synthetic fuels. But the South African efforts, although mentioned, have not received as much attention as they merit. The Sasol (South African Coal, Oil and Gas Coropration) installation is the largest synfuel plant based on coal operating anywhere. It converts an inferior high-ash (35 percent) coal into a broad spectrum of products. These may include ethylene, propylene, butylene, gasoline, and long straight-chain alcohols and hydrocarbons. The Sasol plant has been operating for about 24 years. During that time efficiency has increased and much has been learned about control of products. Sasol is a profitable operation while selling gasoline at the refinery gate for about 50 cents a gallon (14 cents a liter).

South Africa has substantial deposits of coal but no oil, and it obtains 75 percent of its energy from coal. The plant at Sasolburg is located on a huge coal field. Sasol I, the existing synthetics plant, is part of a versatile chemical complex that supplies much of South Africa's needs for materials such as nitrogen fertilizers, plastics, and pipeline gas.

Consumption of coal at Sasol is 5 million tons a year. Coal is gasified in Lurgi reactors with steam and oxygen at total pressures of about 20 atmospheres. Principal products are H_2, CO, CO_2, and CH_4. The key components are H_2 and CO. Their ratio can be adjusted by varying the amounts of H_2O and O_2 used in the gasification. Constituents present in addition to the major gaseous products include NH_3, H_2S, and other sulfur-containing substances. To purify the raw products the gas is cooled, condensing out water and phenolic-type substances, and the remaining gas is passed through three absorption trains employing very cold methanol. This removes essentially everything except H_2, CO, and CH_4. Sulfur abundance in the purified gas is less than 1×10^{-6}. This guarantees relative freedom from sulfide poisoning of catalysts and a low sulfur content in the final products. Reactions between H_2 and CO can give rise to an enormous number of products. The outcome depends on the initial concentration of H_2 and CO, pressure, temperature, and catalysts employed. The South Africans have made substantial discoveries about formulations and performances of catalysts. However, ultimates in specificity have probably not been reached.

When the plant was first operated in 1955, very great problems were encountered. All segments of the plant had been tested suc-

cessfully on a pilot scale. But the full-scale synthetic part did not function as expected, and 5 years of discouraging struggles followed. Today, the plant performs well above its design capability.

In October 1973, when the international price of oil was raised, South Africa began intensified efforts to cut its dependence on imports. A large-scale synthetics plant, Sasol II, designed principally to produce gasoline, was authorized. This will be coming on-stream in 1980. When the Shah of Iran was deposed, oil from that country was no longer directly available. South Africa was forced to go to the spot market and pay high prices. Very quickly an additional major synthetics plant was authorized. The two installations, which are designed for zero emission of liquid wastes, will produce more than 100,000 barrels of hydrocarbon liquids a day and will supply more than half South Africa's consumption. Both installations will probably be in full production by 1984. Construction costs will total about $7 billion. Considering South Africa's gross national product and energy consumption, its effort is comparable to a $300-billion crash program for the United States.

The South African synthetic fuels program is well designed to fit their particular needs. Our needs and opportunities differ. We have heavy oils, tar sands, and oil shale. A number of schemes for direct hydrogenation of coal are being developed. Efforts to use bioenergy are being expanded. However, if we wish to obtain synthetic liquids quickly, on schedule, and at predictable costs, we might do well to look closely at the extensive South African experience.—PHILIP H. ABELSON.●

ADMINISTRATION'S EXPORT POLICIES CONTRARY TO AMERICAN INTERESTS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. CORCORAN. Mr. Speaker, today I find myself confronted with voting decisions which are made necessary by the Carter administration's counterproductive implementation of the present Export Administration Act. It is difficult to understand why the Department of Commerce has failed to adequately consider the implications on our national security and the future of the free world in performing its functions under the act, especially when our defense and national security are being so seriously questioned.

It is my understanding that the spirit and intent of the act were followed until just a few years ago by Commerce Department officials and others. Now, however, I feel that the only option available to me and other Members to insure our national security through export controls is to add safeguards and duplicate efforts and responsibilities. This certainly will not lead to the most efficient system of export controls, but because of the national security issues involved, I believe these restrictions are justified.

Illinois is a leading exporter of American products, and exports from our State boost local economies and create many jobs. I was impressed, therefore, to read an editorial in the largest newspaper in my district, the Aurora Beacon-News, which stressed the need for improved controls over security-sensitive exports. Because of its timeliness, Mr. Speaker, I wish to insert in the RECORD this statement of opinion which appeared on August 29:

RUSS EXPLODE ANOTHER MYTH

The notion that expanded East-West trade would induce the Soviet Union to assume a less-threatening role in world affairs was once part of the mythology of Soviet-American detente. The evidence of the last few years has, of course, discredited this rosy theory.

Nevertheless, American corporations are still vitally interested in the profits to be made from sales to the Soviet Union. The problem in all this is that the Soviets covet primarily the advanced technology their own economy has yet to produce. And much of this technology has potential military applications.

The Soviets are generally required to promise that technology purchased from U.S. companies will not be diverted to military use. Experience teaches that Moscow's word on this is no more reliable than, for example, its promises to observe the human rights provisions of the Helsinki agreement.

In 1972, the Commerce Department approved the sale of highly sophisticated precision grinding machines used in the production of miniature ball bearings. There is good reason to believe that this technology helped the Soviets develop multiple warhead systems for intercontinental ballistic missiles aimed at the United States.

More recently, the Soviets have been diverting heavy truck and diesel engine production from their huge Kama River plant to military use.

The plant, the largest heavy truck production facility in the world, was built with the assistance of $1.5 billion in technology purchased from American corporations.

The Commerce Department is, under current law, responsible for regulating the sale of technology to foreign countries including the Soviet Union. In theory, the department is supposed to prohibit the sale of technology that could endanger American security.

Commerce Department officials are also supposed to monitor Soviet use of American technology as a safeguard against its diversion for military purposes.

But the law that supposedly bars the sale of military significant technology to the Soviet Union is so loosely worded that almost any sale can be justified or, more correctly, rationalized.

As for monitoring the Soviets' end use of American technology, a senior Commerce Department official admitted in congressional testimony last May that it is almost impossible to obtain conclusive proof of Soviet cheating even assuming that diversion can be detected in the first place.

Which brings us to the Carter administration's bill amending and reviewing the Export Administration Act, the law that regulates the sale of American technology to foreign nations.

As proposed by the administration, the bill would have weakened the already inadequate safeguards against technology transfers that endanger American security.

Typically, the White House and its political appointees at the Commerce Department seemed more interested in appeasing Moscow than in heeding the lessons of recent years.

Fortunately, the Senate saw things differently. It amended the bill to grant the Department of Defense primary responsibility for drafting the list of products and technologies subject to export restrictions. And it also inserted language requiring the Commerce Department to consider the inadequacy of current end-use monitoring in deciding whether a particular export application should be approved.

We hope the House retains these safeguards when it takes up floor debate on the bill. Tighter restrictions on technology transfers will, of course, limit the profit potential of East-West trade. But it should be obvious that bartering away our national security is no solution to this country's foreign trade deficit.●

MX MISSILE IN NEVADA

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SANTINI. Mr. Speaker, it will come as no surprise that I have more than a passing interest in the development of the MX missile. The Defense Department wants to locate approximately 70 percent of the shelters in Nevada, which happens to be my district.

Nevada is certainly a proud, patriotic State and is suitable for a land-based missile system. We are willing to do our share for national defense—and more. But I will explain why I will be offering an amendment to H.R. 4040 which substantially reduces the amount of missile shelters to be placed in Nevada.

I should first state that I am not opposed to the MX. I accept the representations of DOD and USAF that this system is an important, needed step forward in securing our national defense posture and in responding to the most pressing strategic problem we face today—vulnerability of our land-based missiles.

By basing 3,220 of the 4,600 sites in Nevada, the Defense Department is asking our State to assume a disproportionate burden for our national defense. The fact that Nevada already has nuclear testing and nuclear storage programs further demonstrates the heavy responsibility placed on the backs of Nevadans. Nevada should not become the Nation's nuclear citadel.

The MX missile sites cut across the heart of Nevada, from the eastern border almost to the western border. This proposed site encompasses thousands of acres of Federal land. Much of the land is undisturbed and contains valuable mineral resources.

Nevada's role as the "chosen State" represents a mixed blessing/burden. Nevada's selection as the prime location for this project carries with it the allure of thousands of jobs and a temporary economic boom, particularly in the rural areas.

I recognize both the burdens and the blessings. I am not saying that the MX missile project should be stopped, nor am I saying that it should be moved entirely out of Nevada. I am saying through this amendment that there are other States which are worthy of consideration, and capable of sharing a portion of the MX system.

The MX can operate effectively in a region wider than the one presently planned—Nevada and Utah. In the early

planning stage, at least 10 States were included in the possible MX siting.

My amendment would reduce the number of planned missile shelters in Nevada by approximately 55 percent. It states that no funds for the MX can be expended if more than 25 percent of the shelters are located in any one State.

The amendment strikes what I believe to be a fair and reasonable balance to a national and State problem—an opportunity to disperse both the blessings and the burdens.●

DR. KENNETH B. CLARK SPEAKS OUT ON SO-CALLED TRUTH-IN-TESTING

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GOODLING. Mr. Speaker, I would like to share with my colleagues a letter to the editor of the New York Times of August 18, 1979, from the eminent psychologist, Kenneth B. Clark. In his comments Dr. Clark only addresses the problems he finds with the recent legislation in New York State on this issue. However, Dr. Clark's conclusions definitely apply to the proposed Federal legislation currently under consideration by the Elementary, Secondary, and Vocational Education Subcommittee. This bill, H.R. 4949, was modeled on the New York law and is supported by the same Nader coalition noted in Dr. Clark's letter. To quote Dr. Clark:

The New York State version of the truth-in-testing law is misleading and confuses the public. It will not benefit minority and poor students. It could, in fact, be detrimental to already disadvantaged individuals . . . such legislation should be the culmination of a serious inquiry rather than a political gesture.

I commend Kenneth Clark's letter for the Members' consideration.

Dr. Clark's letter follows:

"THIS SO-CALLED TRUTH-IN-TESTING LAW IS A PLACEBO"

To the Editor: On July 24, The Times uncritically endorsed the "truth-in-testing" legislation, which was signed by Governor Carey. Your editorial stated that this amendment to the education law would take "the mystery out of college testing" and that "students deserve to know how they are being rated and judged."

In spite of the good intentions of your editorial, it was misleading. So was Ralph Nader's assertion in an Aug. 3 letter, that the legislation will require test companies "to explain to students what the scores mean and how they will be reported to schools." And Nader's claim that objections to this legislation reflect only the "corporate style lobbying efforts of testing services" is inaccurate.

The Board of Regents and the Commissioner of Education of the State of New York independently advised the Governor against signing this legislation. It is my contention that this so-called truth-in-testing law is a placebo.

However laudable its intentions, this law cannot force test companies to explain the meaning of test scores to students; and certainly this law cannot deal with the complex issues of test validity and the role of cultural factors in influencing test results. The construction, evaluation and interpretation of tests are highly technical matters which must be dealt with by ongoing research by those who are trained in this specialty. The important problem of the use and abuse of standardized tests cannot be resolved by a simplistic law which confuses this issue with consumer-protection problems.

Admission tests measure the abilities developed by individuals over a long period of time, both in and out of school. The value of test results is directly related to the equality of opportunity afforded to the candidates taking a particular test. The assumption that a candidate's examination of a test already taken will somehow improve scores or reduce the chances of abuse is highly questionable. One can further assume that only the more privileged students will avail themselves of the opportunity to examine the test materials. These students will seek private tutoring on the assumption that this will increase their future test scores. Those individuals who cannot afford this privilege will certainly not improve their test scores by merely examining the test questions and scores. This is a deceptive and meaningless exercise.

The New York State version of the truth-in-testing law is misleading and confuses the public. It will not benefit minority and poor students. It could, in fact, be detrimental to already disadvantaged individuals. Appropriate legislation in the general area of the abuse and the premature exclusionary use of standarized tests might be desirable, but such legislation should be the culmination of serious inquiry rather than a political gesture.

It is my firm belief that this is such an important matter that the New York State Legislature should hold a series of hearings with concerned professionals for the purpose of amending this law, which promises much more than it can possibly deliver.

KENNETH B. CLARK,
Member, Board of Regents.

NEW YORK, *August 7, 1979.*●

SEABEES COME THROUGH

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GRISHAM. Mr. Speaker, I recently had the priviledge of working with a Reserve Mobile Construction Battalion of the Seabees on a project in the city of La Mirada in the 33d Congressional District of California. To complete the task required surmounting many obstacles and each was overcome with the cooperative determination of the Seabees, the administration of Biola College, and the city of La Mirada. As a result of all their efforts the community will be a better place to live.

I was able to personally inspect the project in progress and to meet the naval personnel performing the work. I cannot commend them enough. They evidenced great skill, determination, and outstanding attitudes.

Special recognition should be given to Rear Adm. J. E. Mantel, Commander of the Reserve Naval Construction Force (who made it all possible), to Capt. Arthur H. Martin, Commander of the First Reserve Naval Construction Regiment in Los Alamitos, Calif. (who saw to it that a crew was assigned to the project), and of course to the men of Battalion 16 who truly performed yeoman work.

I am in receipt of a letter from Dr. J. Richard Chase, president of Biola College, which details the travails and accomplishments of the men. This letter follows:

DEAR CONGRESSMAN GRISHAM: On behalf of Biola College, Inc., I want to thank the United States Navy for the work accomplished on our campus by Reserve Naval Mobile Construction Batallion 16 during their two-week active duty period this summer. I also want to thank you for your role in bringing the crew on to this project.

The men of RNMCB 16 accomplished work on Biola campus which will be an integral part of a project that will serve both the College and the community. Grading and channel cleaning operations took place along a ¾ mile section of La Mirada Creek as it borders the College. The object of this project is to develop the Creek into a usable, park-like setting with equestrian and bicycle trails for public use.

The first week of the project went well, and the inspection of the site on Saturday, June 9, 1979 demonstrated the value of the project and the good progress that was being made. The second week of work, however, was beset by trouble. Early Sunday morning a fire hydrant near Biola was sheared off by a stolen bus, and, as a result, the Seabee construction site was flooded. The response of the crew, after the initial disappointment, was truly commendable. Over the next three days, water, mud and dirt were moved in great quantities and the damage caused by the flood was corrected by Wednesday morning.

But disaster struck again just before dawn on Thursday, June 14. A 12-inch water main on the Biola campus burst for no apparent reason, and again the site was flooded. This time, however, there was insufficient time to capture lost ground. The remaining days of the week were spent in clean up, and in some grading work associated with the project.

We were all impressed at the fine attitudes of the men in the face of adversity, and simply wish that more favorable circumstances would have existed so that they could have accomplished more. Nevertheless, the work they did contributed greatly to our project and they will be remembered well at Biola.

Thank you again for the role you played in this project.

Sincerely,

J. RICHARD CHASE,
President.●

CONS DRAWING SOCIAL SECURITY CHECKS

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. THOMPSON. Mr. Speaker, as we know, the Congress has spent a good deal of time in recent months examining our social security system and in legislating to assure that it remains fiscally sound. It is, therefore, with considerable concern that I set before the House a series of articles on receipt of disability benefits by inmates of the New Jersey

State prison system. The series was written by Mr. Ed Leefeldt, a staff writer of the Trentonian, a daily newspaper published in my home city of Trenton. Our Committee on Ways and Means is currently inquiring as to the administration disability benefits in New York and New Jersey. I think this is an inquiry which merits the attention of the House. It is essential that we protect the integrity of the disability program and to assure that the protections which the law provides are not being evaded by unscrupulous claimants.

I commend Mr. Leefeldt's series to my colleagues in the belief that the widest publicity ought to be given to actions which imperil our social security system:

GETTING RICH IN JAIL: CONS DRAWING SOCIAL SECURITY CHECKS

(By Ed Leefeldt)

Call him Satan, because that's what he called himself.

Because of his crimes, including a brutal sex offense against a six-year-old girl, Satan is now behind bars.

Because of Social Security (SS), which pays him $325 a month, Satan is $3,000 richer.

Satan is one of hundreds of cons in New Jersey and across the nation who are grabbing a gold mine of SS disability dollars, money that millions of Americans have taken out of their paychecks on the assumption that it will be paid back to them if and when they become ill, crippled or old.

But much of this money—no one apparently knows how much—is being siphoned off to criminals in prisons and in state hospitals who have uncovered a clever scheme to get it.

At one state institution over 10 percent of the inmates are getting SS disability, according to guards.

Unlike people on the "outside," who must use their SS checks to provide themselves with food, clothing and a place to live, prisoners have all these necessities taken care of by the state.

They are able to use their SS payments, which range from $122 to $538 per month, for such luxuries as stereos, electronic games, color televisions, tape recorders, clothes, tennis and jogging suits, weight-lifting and sporting goods equipment, according to guards. Others enter the investment world and buy savings bonds and stocks, guards say.

They also have an edge on state work release program inmates, who must pay a maintenance fee of up to $40 to the prison if they work more than 10 hours. Correction officials claim state law doesn't allow them to garnish SS disability payments.

How do prisoners get SS disability? The method is fairly simple, and has run through the prison grapevine.

An inmate who is doing time at a state prison "acts a little crasy" and gets a doctor, preferably a psychiatrist or a psychologist, to commit him to a state hospital for observation.

Once in the less confining atmosphere of a state hospital, the convict suddenly regains his senses, at least enough to call on one of the numerous social workers to put him in touch with an SS field representative.

Normally, if a citizen wants SS, he or she must go to the nearest office (for our area it is in Ewing Township) and apply. But for convicts, an SS field representative makes regular visits to the prisons and state hospitals to sign up criminals who want to apply, guards say. The Trentonian spoke to field representatives who had made such visits.

Many prisoners use mental disability as their reason for collecting SS. After filling out an application, their records, which have been processed by the state for them (a private citizen may have to pay his doctor for the same service) are sent on to the Division of Disability Determination in Newark for review by an administrator and a medical expert.

The con's advantage, as he well knows, is that he's already been declared mentally unstable by the doctor who committed him to the state hospital or examined him while in prison.

"I was committed involuntarily. I'm mentally disabled. Therefore, I'm entitled to get it," rattled off one murderer who has already collected more than $6,000 from SS.

If a con is rejected for SS, he generally appeals, according to prison sources. "All you're investing is your time, and you're already doing time," he is told by fellow prisoners, according to correction officers.

Here again he receives an advantage the rest of us don't have. People on the outside who are rejected must hire a lawyer and pay 25 percent of whatever they get in their initial payment after the claim is settled. The convict has the advantage of all the "jailhouse lawyers" who have already fought virtually the same case before him.

He can also file "in pauperis," that is, as a pauper, and have a county Legal Aid attorney handle the case for him . . .

Mercer County Legal Aid officials say such claims are allowed, although none have been filed recently.

A citizen who appeals, even though disabled, must appear in a courtroom to present his or her case to an administrative law judge. In our area the judge comes up from Camden.

However, in the case of the criminal, the judge actually goes to the prison to hear the appeal. The judge's appearance at state institutions have been quite frequent, according to prison guards.

The Trentonian attempted to find out how many prisoners in jails across the nation are receiving SS disability—and in what amounts. SS officials said they had no records to tell them which of their five million clients receiving disability were in prison. SS records are confidential information, and were not available for inspection by The Trentonian.

The Trentonian then contacted state prison officials to find out how many New Jersey prisoners are receiving SS disability. When SS payments, as well as welfare checks, veterans' checks court settlements and book royalties come in, they are recorded by the mail room at all New Jersey institutions and forwarded to prisoners' accounts, guards said.

Prison officials refused to permit The Trentonian to examine this mail list on the grounds that it might violate convicts' rights. They refused to review this list themselves and tell The Trentonian how many prisoners were getting SS disability on the grounds that it was "too much trouble."

Corrections officers say the prison hierarchy, far from wanting to end the practice, is happy that the convicts are getting SS payments because it gives them an income, keeps them content, and prevents jail disturbances.

A spokesman for the state Department of Corrections said there was no way his department could keep the prisoners from getting SS disability payments without violating federal law.

The only cooperation The Trentonian was able to get was from prison guards, who obtained a list of 22 prisoners from one institution who received $10,405 in one month.

The list shows that:

SS payments to inmates range from $166 per month to $416.30.

The inmates made an average of $232.80 per month.

The initial retroactive payment for one inmate who had apparently recently qualified for SS was $4,075.80.

While refusing to comment on how many inmates were getting SS, Social Security field representatives claim that "it's a lot less than you would think."

"A minority of people pull things like that," said a psychiatric social worker at Trenton Psychiatric Hospital.

But even those who are sympathetic to prisoners, like the aforementioned social worker, admit it would be extremely easy for a convict to apply for—and get—SS disability.

"If I were in jail, I might act a little crasy to get into a state hospital because it's a better and safer environment," he said. "When the convict gets to the psychiatric hospital, there's no way to find out if he's crasy or just acting crasy. The physician has to go on what he sees. It's very possible that he (the convict) may get it (SS). He's got the medical record (to qualify)."

In order to get SS disability, an individual must have worked five out of the last 10 years if he is over 31 or half the time from the time he was 18 until he became disabled.

There are two forms of disability—mental and physical. SS sets up a complicated series of tests for admission to SS, and uses a great deal of medical and legal jargon. But the basic qualifications, which one can find in any SS handbook, are very simple.

To prove disability the individual must be disabled five months, the disability must be expected to last at least one year or end in death, and the individual must be so disabled that he cannot perform any job in the United States economy whether the job is available or not.

SS officials hasten to tell you that simply being in jail doesn't make anyone "unable to hold a job in the United States economy."

But convicts who have been in a state hospital know that being committed by a psychiatrist, even if the doctor only made a cursory examination or relied on evidence from non-medical personnel, is a powerful argument when the case goes for review by the Division of Disability Determination in Newark.

Exactly why some claims are accepted and others are rejected is unclear, since these hearings are conducted in private and the infomation involved is confidential.

However, one case The Trentonian investigated—involving an inmate who claimed to have a physical disability because of a beating he allegedly received from police—looked extremely spurious.

When The Trentonian attempted to contact two inmates it knew were getting SS disability, prison officials initially refused permission; one on the grounds that he was running a mail order scam from behind bars, the other because he was crasy and unintelligible.

Guards tend to laugh at this kind of equivocation. They point out that one "disabled" inmate goes down to the gym and bench presses 400 pounds. Perhaps the most telling evidence is that the inmates—who claim to be either insane or retarded—somehow seem intelligent and rational enough to fill out their claims properly, develop the medical evidence necessary to substantiate those claims, and, in some cases, fight the legal battle through the courts.

Personal contact, as well as the statements of guards and hospital attendants, show that some of these mentally disabled prisoners know, down to the last dime, exactly how much they're making in SS benefits.

It's a situation that makes the con happy. Because they're happy prison officials are happy, too. The SS administration, according to syndicated columnists, finds it easier to

give in to claimants like convicts than to fight an extended battle through the courts.

The only real loser is the American taxpayer.

SOCIAL SECURITY CHECKS: TAXPAYERS "REWARD" CONS

(By Ed Leefeldt)

When Social Security (SS) was started in 1935 by President Franklin Roosevelt, it was intended as cheap old-age insurance for people to live out their declining years.

Since then it's become, if not all things to all men, at least a great deal more than it was. It now includes Supplemental Social Security (SSI) benefits to widows and children, Medicare and social security disability.

It also provides, indirectly, a subsidy to many inmates of state and federal prisons throughout the country that, in effect, amounts to a reward for committing their crimes.

But in the process of doing all this, the SS program has become financially anemic, and is kept from total collapse only by increasingly massive infusions of the taxpayers' dollars.

Many people believe that those on social security are living on the earnings they put in while they were working. That is a fallacy. They are living on the social security payments being made right now by the people who are working. SS pays the benefits of the old out of the wages of the young.

As long as the people who are working outnumber the people who are living on SS by a sufficient percentage, SS will probably survive. But that's likely to change by 1990, when a large part of the work force, including the baby-boom of the post-World War II era, tries to cash in on the benefits it's supposedly been accruing.

Many people are already aware of the impending crash. A recent poll by Lou Harris showed that only one in five Americans was confident of collecting SS when he got old. Most people don't trust SS to take care of them in their old age and plan to keep working "until they drop," the survey showed.

By billing itself as "insurance," SS has escaped criticism for its collection methods. Unlike other taxes that are taken out of a worker's paycheck, SS is not progressive or graduated like the income tax. It takes a flat percentage out of a worker's paycheck (the maximum rate is 6.13 percent) with an upper limit of $22,900, so the poor pay a greater percentage than the rich. The working class guy feels the bite. For someone in the upper income brackets, it hardly hurts at all.

"SS is taken right out of the working man's pockets, and operates as a penalty against wage earners," said the New Republic, which pointed out that half the taxpayers in the United States now pay more in SS taxes than they do in income taxes.

In 1977, according to Washington Monthly, SS was facing "a precipitous slide toward bankruptcy" because of payments which were larger than what it was taking in. In fact, it was losing $6.2 billion a year, according to the magazine.

Congress moved quickly to increase the amount that taxpayers were putting into SS to give it solvency—not simply in terms of dollars, but in percentage of income. SS rates, which had doubled in six years, now soared even higher.

SS payments now moved past the six percent mark, and will still be climbing for several years. For a middle class worker, according to Newsweek, the jump was more than $300 a year.

Congressmen admitted receiving scores of complaints. In New Jersey several law enforcement organizations tried to get out of the SS system. Their attempts were thwarted.

What the Congressmen weren't telling their constituents was that they and other federal employees were exempt from paying Social Security. In 1977, in an attempt to keep SS afloat, a plan was offered to bring 2.6 million federal civil servants under the SS umbrella. But the outcry from U.S. employees was so great that Congress voted to shelve the plan.

"SS is a program that Congressmen and bureaucrats continually insist is a wonderful, universal, painless form of government-administered insurance—but they want to stay out of it themselves," said Washington Monthly.

Harvard economist Martin Feldstein, a leading authority on SS, says that "this increasingly strained pension system (has become) . . . a drag on the economy."

"SS is becoming a lousy deal for people who pay into the system today," he declared.

One of SS's major expenses is the $12.5 billion in disability benefits paid out each year to some five million claimants, according to columnist Jack Anderson.

Some of that money—no one knows how much—is going to convicts behind bars who have successfully qualified for disability payments ranging from $166 to $518 a month.

SS representatives freely admit that prisoners are allowed to collect SS disability as long as they meet the qualifications.

Those qualifications, in many cases, are directly related to the crimes they committed. For example, an individual who is involuntarily committed to a state hospital by a judge can argue that he can no longer "hold a job in the United States economy."

A prisoner who "acts up" while at a state prison and has a psychiatrist send him to a state hospital can use that doctor's report as evidence that he is mentally disabled. A convict who claims "police brutality" can use his alleged beating as grounds for a physical disability claim.

How difficult is it for criminals to get—and keep—SS? Probably much easier than it is for a citizen on the outside. Criminals have free medical reports with which to prove their cases, as well as advice from other cons on what techniques to use, including how to "act crasy." In cases where they file as paupers, they sometimes have free legal advice.

They also, according to informed sources, have the tacit support of prison officials who feel that the money they get each month helps keep them tractable and prevents outbreaks of violence.

Finally, they have the time and energy to pursue their claims down the long legal road to success, things that an elderly person with a more serious disability may not be able to do on the outside.

According to Jack Anderson, the virtue of an SS disability claim may be less important than your willingness to persevere in getting it.

Anderson says SS claims are awarded "less on merit than on the likelihood of a bothersome appeal and possible reversal."

SS officials claim that disability cases are reviewed regularly and those who no longer qualify are taken off the rolls.

Anderson disputes this. "Once a person's disability claim is accepted, it is rarely reversed. Only two percent of those admitted to the disability rolls are later dropped," he said. "As long as a worker adjudged disabled doesn't go back to work at a job covered by Social Security, there is no way of checking up."

Convicts, "mentally disabled" or not, are no fools. Knowing they will lose SS payments that could amount to more than $56,000 during their lifetimes if they leave prison and take an "honest job," is hardly going to help rehabilitate them. It is much easier to go on welfare, commit crimes, or peddle drugs and keep the SS subsidy—another way in which your SS dollar rewards the dishonest.

SEX OFFENDER'S PAID: SATAN'S TALE NETS A CHECK

(By Ed Leefeldt)

"Satan" is his nickname. He's a sex offender: he assaulted and carnally abused a six-year-old girl on a city street. Because he did, Satan is now a prisoner.

And, because of the Social Security (SS) Administration, Satan is considerably richer.

There are two versions of his story. According to Satan, he was walking down the street when the cops hit him on the back of the head. They hauled him down to the police station where he was ordered to sign a confession. When he refused, they beat him again.

After his trial, conviction and sentencing, Satan applied for SS disability, claiming he still had headaches and dizzy spells from the beating he received from the cops. He claimed he'd gotten religion and was going to buy crosses for all the inmates.

A few months went by and he was called down to the prison office.

A check for $3,624.10 for back payments was waiting for him—courtesy of SS. Since then he has personally received $325 each month for disability while in jail.

SS officials apparently believe Satan's story—law enforcement officials don't.

The police apprehended Satan—apparently without injuring him—and took him in for questioning. If he was beaten by the police, they point out, he never filed charges. X-rays taken at the hospital showed no injuries, Satan himself admits. A mug shot of Satan the day after the arrest showed no evidence of damage, an assistant prosecutor said, despite Satan's statement that "I had a hard time getting the blood out of my hair."

Despite this evidence—and as a direct result of his arrest—Satan was able to get a check as a "disabled" person. Prison officials say he has used this money—from behind bars—to organize several mail order scams that have nearly caused him to be brought up on further charges.

Satan admits he never used the SS money to buy crosses as he promised, and has a bank account of more than $3,000. He vows, however, that he is living a "Christian" life, and plans to devote the money to prison reform when he gets out.

But law enforcement officials are doubtful. "He was sentenced to an indeterminate stay (which normally means quick release) and after five years he's still there," said the assistant prosecutor. "That ought to tell you something."

CRAFTY CONS KNOW THIS: CRAZINESS CAN PAY OFF

(By Ed Leefeldt)

While Social Security (SS) may justifiably be considered a pension system, it differs from other pension systems in one important respect.

In other pension plans, committing a crime or act of "moral turpitude" will get you thrown out.

In SS, it may be the key to getting your benefits started, if you play your cards right.

And many criminals, according to informed sources in the prisons, have done exactly that.

The easiest way is to have a judge send you to a state hospital, based on a psychiatric evaluation. But if you're in prison, don't despair. Act crasy enough to be sent to a state hospital. Then simply use your psychiatric evaluation as the basis for an appeal to SS on the grounds of "mental disability."

There was a time, reportedly, when prison administrators would fight demands by convicts to get these benefits behind bars. But those days ended with the Rahway riots, after which the administration realized that the monthly checks helped keep prisoners happy

and under control, according to prison guards.

SS field representatives and administrative law judges, too, are more than happy to cooperate, and visit prisons on a regular basis to process and hear inmate claims, according to guards.

And the benefits are good, ranging from $166 a month up to $538, depending on your work record outside.

For those outside The Wall, things are a little different.

In most state pension plans, committing a crime is enough to get you bounced out.

"If it's a crime of moral turpitude, the man gets his money and he's out of the system," said Trenton Battalion Chief Joseph Reilly, who's in charge of the local pension plan. "A man can lose his pension if he's incarcerated even while in retirement."

For police it's much the same thing "in any sort of charges which the court feels involve moral turpitude," said Elmer Bagley, chief of the Police and Fire Bureau of the Division of Pensions. "Dishonorable service" for a cop would include even a crime he committed while off duty, since he was doing something he was paid to prevent—a double jeopardy for cops.

For the Teacher Pension Annuity Fund, the Public Employes Retirement System and the state police the same rule applies. If the court agrees that the crime involves moral turpitude, you're out.

In prison the pendulum has been slowly swinging the other way, according to correction officers. In the past, they said, prison officials had kept convicts from applying for SS disability by intercepting mail and discouraging social workers from filling out the SS application papers.

Neither former Institutions and Agencies Commissioner Albert Wagner nor former Trenton State Prison Superintendent Lloyd McCorkle could remember convicts getting SS benefits.

"I would have been against it," said Wagner, "but I'm not sure if we set up a policy or not."

Someone did however, because Trenton Municipal Judge Michael Weintraub, as a young Legal Aid Society attorney, remembered taking the case of a prisoner who was trying to get SS eight years ago.

"Back in 1970 and 1971 they wouldn't even take applications at Trenton State Prison," he recalled. "As a result of my case the client was allowed to make an application—but was denied because he wasn't totally disabled."

"I believe administrators took a hardline view of prisoners' cases because they felt, after all, what do they need the money for?" said Weintraub.

"But with the advent of prisoners' rights there may have been an overreaction," he said. "Anyway, from 1971–72 forward they were processing applications."

"The word went out when one inmate applied and got it," said a prison guard. "Then they all applied. Prison administrators had stood in the way of these benefits—but now they see them as a way of pacifying these guys. The inmates are handling the legal work for each other."

For the average citizen, the process is somewhat more difficult.●

HERITAGE ACRES

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. HAGEDORN. Mr. Speaker, I am pleased to insert into the CONGRESSIONAL RECORD today a resolution which would designate the South Central Minnesota Agricultural Museum Interpretive Center of Heritage Acres, International, as the Agricultural Interpretive Center of the Prairies of the Upper Midwest of the United States of America.

Heritage Acres, an Agricultural Interpretive Center located in Fairmont, Minn., is a nonprofit organization dedicated to portraying and perpetuating the excellence of the American farmer. This project is indeed a national monument to agriculture, the backbone of the American system. Ideally located off Interstate 90, the world's longest interstate highway, this educational project will afford students, urban residents, and many others the opportunity to acquaint themselves with the historical, social, and cultural history and progress, social, American farmer and his profession.

The outstanding characteristics of the many people who have and are continuing to work on this educational site are indicative of the perseverance and dedication of the American farmer to which they are constructing this living historical tribute.

It is my privilege to bring this project to the attention of my colleagues as a national salute to Heritage Acres.

The resolution follows:

RESOLUTION

Whereas, the history of agriculture in these United States is a great and proud tradition and,

Whereas, the present status of agriculture in these United States is known and widely acclaimed throughout the world, and,

Whereas, the future of agriculture in these United States is one of great promise, and,

Whereas, Martin County in Minnesota is one of the leading agricultural producing counties in the nation, and

Whereas, the prairie agriculture is a unique aspect of the Midwest and needs to be publicly interpreted, and,

Whereas, this Center seeks to reach every age bracket and ethnic culture with its education program and,

Whereas, this Center is located midway between Chicago and the Black Hills of South Dakota and nearly adjacent to I–90, the longest interstate highway in the world and,

Whereas, Pioneerland, a State of Minnesota Tourist Region, representing 27 South-Central and Southwestern Minnesota Counties has endorsed the location and plan,

Be It Resolved, That the South Central Minnesota Agricultural Museum Interpretive Center of Heritage Acres, International, located at Fairmont, Minnesota be designated as the Agricultural Interpretive Center of the Prairies of the Upper Midwest of the United States of America.●

MX MISSILES IN NEVADA?

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SANTINI. Mr. Speaker, it will come as no surprise that I have more than a passing interest in the development of the MX missile. The Defense Department wants to locate approximately 70 percent of the shelters in Nevada, which happens to be my district.

Nevada is certainly a proud, patriotic State and is suitable for a land-based missile system. We are willing to do our share for national defense—and more. But I will explain why I will be offering an amendment to H.R. 4040 which substantially reduces the amount of missile shelters to be placed in Nevada.

I should first state that I am not opposed to the MX. I accept the representations of DOD and USAF that this system is an important needed step forward in securing our national defense posture and in responding to the most pressing strategic problem we face today—vulnerability of our land-based missiles.

By basing 3,220 of the 4,600 sites in Nevada, the Defense Department is asking our State to assume a disproportionate burden for our national defense. The fact that Nevada already has nuclear testing and nuclear storage programs further demonstrates the heavy responsibility placed on the backs of Nevadans. Nevada should not become the Nation's nuclear citadel.

The MX missile sites cut across the heart of Nevada, from the eastern border almost to the western border. This proposed site encompasses thousands of acres of Federal land. Much of the land is undisturbed and contains valuable mineral resources.

Nevada's role as the chosen State represents a mixed blessing/burden. Nevada's selection as the prime location for this project carries with it the allure of thousands of jobs and a temporary economic boom, particularly in the rural areas.

I recognize both the burdens and the blessings. I am not saying that the MX missile project should be stopped, nor am I saying that it should be moved entirely out of Nevada. I am saying through this amendment that there are other States which are worthy of consideration, and capable of sharing a portion of the MX system.

The MX can operate effectively in a region wider than the one presently planned (Nevada and Utah). In the early planning stage, at least 10 States were included in the possible MX siting.

My amendment would reduce the number of planned missile shelters in Nevada by approximately 55 percent. It states that no funds for the MX can be expended if more than 25 percent of the shelters are located in any one State.

The amendment strikes what I believe to be a fair and reasonable balance to a national and State problem—an opportunity to disperse both the blessings and the burdens.

AMENDMENT TO H.R. 4040, AS REPORTED OFFERED BY MR. SANTINI

Page 9, after line 24, insert the following new section:

LOCATION OF MX MISSILE LAUNCHING SHELTERS

SEC. 203. No funds authorized to be appropriated by this Act may be used for the full-scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system or the MX missile if more than 25 percent of the shelters for such missile are to be located in any single State.●

STRONG U.S. CIVIL DEFENSE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. SKELTON. Mr. Speaker, in a recent article in the Washington Star, William F. Buckley, Jr., talks about nuclear war survival. It is another article that should be read to emphasize the need for a strong U.S. civil defense.

It states as follows:

WHAT'S "UNTHINKABLE" HERE IS THOUGHT OVER THERE

Encountered, in the classified section of a serious journal of opinion:

"*Miscellaneous:* Nuclear War Survival Book—Straightforward, detailed information plus essential instructions will protect your family during nuclear holocaust! You can't afford to wait. Money-back guarantee (price, address of publisher)."

The advertisement might be expected to appear in a column of miscellany that also offers charts to hidden treasures, maps to the fountain of eternal youth, pills immunizing you against cancer. But, of course, the fact of it is that nuclear war is thinkable, which is what the entire SALT exercise is about, notwithstanding that the majority of the American people treat it as a game of chess, though lacking in the excitement of a match between Spassky and Fischer.

Simultaneously, one notes the publication of a book called *The Soviet Strategy for Nuclear War* by Joseph Douglass Jr. and Amoretta Hoeber, published by the Hoover Institute. In a review of it by a nuclear physicist, S. T. Cohen, who served as a member of the negotiating team for the SALT I treaty, we are advised that the book collects statements by diverse Soviet officials from which one decocts something that might go under the name of "Soviet doctrine in respect of a general nuclear war against the United States, and the benefits of a preemptive first strike therein."

The authors point out that it is the complacent doctrine of the U.S. administration, which is in fact a reflection of a genteel ethos to which we are heir, that there isn't going to be a nuclear war, because the Soviet Union wouldn't risk it. President Carter is quoted as having said offhandedly on one occasion that in the last analysis we require the survival of only a single Poseidon nuclear missile submarine to serve as a deterrent against preliminary Russian aggression.

That isn't so, these earnest students of Soviet strategy insist. Quotations from authorized Soviet sources (there are no unauthorized Soviet sources, except in *Samizdat*) are abundantly given. Consider this one: "The Soviet government . . . and the Armed Forces of the Soviet Union and the other socialist countries must be prepared above all to wage war under conditions of the mass use of nuclear weapons by both belligerent parties . . . the preparation and waging of just such a war must be regarded as the main task of the theory of military strategy and strategic leadership."

Or this one: "Mass nuclear missile strikes at the armed forces of the opponent and his key economic and political objectives can determine the victory of one side and the defeat of the other . . . Therefore, a correct estimate of the elements of supremacy over the opponent and the ability to use them before the opponent does are the key to victory in such a war."

And my morbid favorite: "There is a profound error and harm in the disorienting claim of the bourgeois ideologues that there will be no victory in a thermonuclear war."

Inevitably one's mind turns again to the debate over SALT II. An albescent perspective: Why the basic incongruity? What is that basic incongruity? It is that the United States, in effect, is satisfied to say over and over and over again that our redundant nuclear capability renders irrelevent the adamant insistence of the Soviet Union on supremacy.

What's bugging the Soviet Union? Is it merely a macho complex? Ours is bigger than yours? Or do their fine reckonings—their insistence, for example, that the Backfire bomber not be counted as a strategic nuclear delivery carrier, even though that is exactly what it is—proceed from a fine analysis, deriving from a strategic doctrine that actually contemplates nuclear war?

It is hard to understand what is in it for us to proceed on other than the pessimistic view of Soviet ambitions. Gen. George Seignious, the principal working proponent of the treaty in behalf of the administration, argues that it is not based on trust of the Soviets, it is based on a general acceptance of rationalism in human behavior. If such rationalism prevailed, Adolf Hitler would not have launched the war he launched 40 years ago.

What will President Carter do? No predictions are safe. Perhaps he will consider it reasonable to press for ratification of SALT II as it now stands, plus a federal program to subsidize the purchase of *The Nuclear War Survival Book* for low-income families, with, of course, a tax on the windfall profits of the publisher.●

FEDERAL REGULATORY REFORM

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. GINN. Mr. Speaker, the American people continue to await action by Congress on one of the most pressing needs within the machinery of our Government—Federal regulatory reform.

As a cosponsor of the administrative rulemaking bill, I have joined with our colleague, the Honorable ELLIOTT LEVITAS, in seeking to give Congress the authority to curb the expanding power of Federal agencies. Many agencies routinely devise rules and regulations that go far beyond—or even contradict—the intent of the Congress, and we must move immediately to halt this trend.

An editorial in the August 19 issue of The Atlanta Journal and the Atlanta Constitution addressed the position on this legislation taken by the American Bar Association. I believe the editorial correctly points out that we must move immediately on the bill offered by my distinguished colleague, and I commend this editorial to the attention of the House.

The editorial follows:

WRONG REMEDY

We understand the concern of the American Bar Association with the "inconsistentency and indecisiveness" of the federal regulatory process, but we do not accept the remedy which it has endorsed.

The ABA House of Delegates has proposed giving the president the power to overturn the decisions of most of these regulatory agencies.

Much depends, however, upon which regulatory agencies and which of their functions one is talking about. When an agency draws up administrative rules which affect citizens with the force of law, it is basically exercising a lawmaking function. We think the concept of congressional review of such regulations, an approach which has been pushed by Rep. Elliott Levitas of Georgia, is the proper remedy when administrative agencies go beyond the original intent of the laws they administer.

Incidentally, the major criticism of the legislative review and veto proposal has been that Congress doesn't have the time to do the job. Well, there are 535 members of Congress who, through specialization and division of labor, can certainly do that job as well as one president could. And if it has to become a staff job, in part, it shouldn't be centralized in the White House staff.

When a government agency makes a decision in a specific case—for example, judging whether a company has complied with certain regulations—it is exercising a quasi-judicial function. In such cases, appeal should be to the courts, and the law already provides for this. If this recourse be deemed weak because it is too expensive, the American Bar Association is uniquely qualified to do something about that.

Last but not least, some of these agencies were set up to be independent, to a degree, and not only independent of Congress but also independent of the president. In such cases, it simply defeats the purpose of their existence to bring them under the thumb of the White House staff.

As much as regulatory reform is needed, we fail to see how the situation would be improved through the "reform" the ABA has offered.●

FAST AND LOOSE IN THE WELFARE STATE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to an article that appeared in that excellent magazine, Regulation, published by the American Enterprise Institute.

Prof. Charles Fried of the Harvard Law School writes that—

It is the very essence of tyranny for a government to assert a general power over its citizenry, directing where they shall live, what work they shall do, with whom they shall associate.

Yet today there are many voices—even voices in this Congress—advocating tyranny in the form of national service. Professor Fried writes:

The menace is real, egalitarian ideals, together with an understandable reluctance to pay or to ask one's supporters to pay the cost of these ideals, make the temptation to resort to conscription—to personal compulsion—almost irresistible. It starts with the doctors, goes on to the lawyers, and eventually gets to all young people so that the rest of us can have an army without really paying for it. Then perhaps we would conscript teachers, and finally we would find that everybody is so useful, or so unique, or so much affected with a public interest, that we all may be drafted into the service of the state. Which only demonstrates once again that whoever finds arguments to justify the

loss of his fellow citizen's liberty is destined to lose his own.

The article follows:

FAST AND LOOSE IN THE WELFARE STATE

(By Charles Fried)

Friedrich Hayek's apocalyptic forecast in "The Road to Serfdom" had always seemed a bit exaggerated. Yet certain ominous voices in the populist/egalitarian chorus now openly proclaim a readiness to jettison a crucial aspect of personal liberty—liberty of choice in type and place of occupation—in order to prevent the disintegration of their favorite schemes. Arguments are now being discovered to justify requiring, in peace time, that free men and women convicted of no crime spend years of their lives at jobs and in places they do not choose, under the pain of financial penalties or of an outright bar on practicing the profession for which they have trained. Some of these partisans, going totally overboard, have proposed that every young person serve a period of years doing good works at the pleasure of the government or of some delegated nonprofit agency of good works.

The entering edge of the wedge is represented by proposals to cure the perceived maldistribution of physicians, although there already are incentive programs designed to deal with this maldistribution. The National Health Manpower and Training Act of 1976 allows forgiveness of student loans and assistance in setting up practice for those settling in underserved areas. Apparently because of the extravagant financial and other rewards available in attractive urban and suburban settings, this system of incentives has proven ineffective. So schemes have been proposed whereby all but the wealthiest medical students would be forced to accept assignment for a period of years in rural or central-city practices designated by some governmental authority.

Medical schools receive large quantities of federal monies to support the training of physicians; and since tuition payments (the loans to pay for these are the lever of the insufficient incentives in the 1976 act) cover only a fraction of the cost of educating a medical student, the proposal is that medical students be required to pay back a major share of this subsidy, unless they agree to practice for a time in areas of governmentally designated need.

While there may be a maldistribution of doctors in our society, it is much more questionable that there is a maldistribution of lawyers. It is true that poor people have difficulties litigating their claims. But then so do middle class people. Nevertheless, there is a vocal coterie of "public interest" lawyers, judges, and law professors who believe that what the poor need, above all, is not more money but more legal services. Alan Morrison, who heads the Litigation Group for Ralph Nader's Public Citizen organization, has proposed that it be a condition of admission to the bar (that is, of being free to practice the profession for which they have been trained) that law school graduates be required to spend a one-year public service internship handling cases for those who cannot command the time and attention of lawyers on the usual basis. Morrison adds that such a system might serve the additional function of improving the general professional competence of law graduates. But he is candid enough to admit that, "first and most important," the program would make lawyers available to clients and in situations where lawyers apparently do not otherwise wish to serve in large numbers. Second, he notes that "because the internship would be mandatory, salaries could be maintained at a relatively low level. . . ." In other words, though there may be educational benefits, the motivating force behind the proposal is its ability to compel cheap labor in the service of what Ralph Nader's organization believes to be the public good.

Judge Marvin Frankel (who recently resigned his federal judgeship in the Southern District of New York to enter private practice) has found some of the same needs Morrison found and has proposed an even more radical solution. Frankel recognizes that large corporations and wealthy individuals can command the time, energy, and ingenuity of lawyers in a way that smaller businesses or ordinary persons cannot. Therefore he would simply socialize the whole legal profession. Under his proposal, prospective clients would obtain lawyers from a government agency, which would ration them out according to the urgency and merits of the client's case and reimburse them under a uniform salary schedule. Frankel is not clear whether law practice outside of this government monopoly should be forbidden, but at the least he claims there should be powerful deterrents to such legal free-booting—for instance, denial of the tax deductibility of legal fees paid to bootleg lawyers. (This last is but a detail in a scheme clearly intended to make government employment, distribution, and allocation of all lawyers the norm.)

And, finally, a wide array of public personages—senators, media pundits such as Eric Sevareid and professional moralizers—have thought it would be a very good thing to go far beyond compelling professionals with scarce talents to serve somebody's conception of the public good. They propose that we revive the draft generalizing it so that one's "obligation to the community" could be discharged by a period of public service. A number of Pentagon and congressional armed services personalities have been quick to jump on this bandwagon, recognizing that even the fevered imagination of reformers would be unlikely to provide a year's useful—or even supposedly useful—employment for every man and woman reaching the age of eighteen. Consequently, a fair number of these young persons would in fact enter the military, thus reducing the budgetary pressure of the present voluntary army. In this way, older citizens would get the defense establishment they desire at somebody else's expense; reformers and activists would have a huge pool of unwilling manpower at their command; and ideologues could proclaim the principle that every citizen owes not only his fair share of tax revenues but a fair measure of his person, life, and liberty—to be given in community service as defined in congressional legislation, implemented in agency regulations, and administered by the vast horde of not-for-profit public interest organizations that would surely jump on this bandwagon.

The principal point is this: in a free society a person may go where he wishes and, so long as he harms no one (a fortiori where he serves in a useful way as do doctors and lawyers), may do as he pleases with whom he pleases. It is the very essence of a tyranny for a government to assert a general power over its citizenry, directing where they shall live, what work they shall do, with whom they shall associate. If liberalism stands for nothing else it affirms that each person owns himself—whatever other property may be accorded to him—and that no one's person (at least) belongs to another, not even to every other, that is, not even to the community as a whole. These are axioms so basic, so deeply ingrained in Western society, that it is almost embarrassing to have to repeat them. Yet the quality of public debate today makes it plain that many American politicians and many more intellectuals have cut quite loose from these fundamental moorings. How has this come about?

I start with academic lawyers, because I know them best and because for generations they have rationalized what their former students have practiced in the political arena. Academic lawyers are trained to pose embarrassing questions designed to show that no principle is so fundamental, no case so clear, that a seemingly slight variation in the facts will not put it into doubt. Do I say that a free man in a free society may go where he pleases and engage in what harmless pursuit he wills? The academic lawyers respond: But what if he has not the fare in his pocket or the wherewithal to facilitate his favorite pastime? He is not free, then, is he? And do we not pay him, put money in his pocket, make him free for social purposes, for the good of the community? So why can we not restrict and direct his choices directly in the name of that same good?

That is how the argument goes. It starts by eliding the distinction between coercion and lack of opportunity and ends by justifying whatever coercion government proposes. So it is no surprise that someone who sees no differences between ordering another where to go and simply failing to make it possible for that person to go wherever he pleases will not long hesitate to propose solutions for social problems that involve directing people how and where to live their lives.

Now it is said that doctors and lawyers are a scarce resource—and have we not learned in the regulation of utilities and businesses affected with a public interest that scarcity is a predicate for regulation? Here again one is left almost speechless by the moral obtuseness that treats people as public utilities and cannot see the threat to liberty implicit in equating men and women with trolley lines or electric companies. To be sure there are arguments about the wisdom or morality of much regulation of business and property, but a sensible person knows when an argument or a doubt is being pushed too far. And it is just my point that those intellectuals who follow their own arguments to the point of contemplating the socialization of people have quite simply taken leave of their common sense.

Surely, it is argued, the case of the doctor is special. Not only are doctors a scarce resource, but in their case (unlike that of lawyers) a lot of public money has been spent for training, and so they owe a portion of time to that same public. Once again, rather than play the game of distinction and analogy, I ask those who use this dreadful sophism to consider its implications. Who in this society has not been trained and nurtured in part by public funds? Do we then all belong to the state? May it command the lives of any of us whenever the regime of free choice begins to seem too costly, too inconvenient, as one pursues some "moral equivalent of war" on cancer, or illiteracy, or slum housing, or billboards, or smoking, or impure air, or junk food?

Now I agree that, in the last analysis, the arguments of the academic apologists are not what will precipitate us into the slough of compulsion. It is the politicians who will do that, which means it is the forces making personal compulsion politically attractive that need to be identified. In general the forces are fueled by money and power. The resort to personal compulsion is a last resort when politicians fear that the public will not pay the cost of programs pushed on behalf of abstract principles or, more likely, on behalf of some client group.

Consider again the suggestion that *every* young lawyer be forced to serve for a year at less than market wages. This is after all just the most recent version of an earlier suggestion that law schools assess all students a fee for support of public interest research groups. Now it is surely no accident that those who made their reputations organising public interest law should see in that activity a universal panacea to the society's ills. And if it appears that not enough

recruits are lining up to enlist in one's crusade, one turns to coercion. But why are they not lining up? Not because there are not enough lawyers—indeed, many lawyers find it hard to obtain employment and thousands leave the practice every year or never enter it after graduating from law school. So the bodies are there, but the pay and conditions of work seem unattractive, even compared to alternatives outside the profession. Presumably, if society believed that the service the Naderites envisage were indeed essential, it could offer (from tax revenues) salaries to attract persons to it, but obviously no one believes that the public would be willing to tax itself toward this end. Thus, though Marvin Frankel is convinced that universal equal access to legal counsel is essential, the voters and taxpayers in our democracy probably are not—at least not enough to pay for it.

The political thrust for conscription of doctors is similar but its environment much more complex. Although reasonable salaries could probably attract young lawyers to any interesting, useful line of legal work, doctors seem to be able to create lucrative practices in the same overserved desirable locations almost ad lib. The reason, of course, is that doctors (far more even than lawyers) have operated for generations as a conspiracy in restraint of trade, systematically resisting institutions like pre-paid health plans, interstate licensing, consumer control of hospital and insurance boards, provision of basic services by nurses or paraprofessionals. Until recently government has been totally compliant. Now when it is apparent that the dream of equal access cannot be achieved at anything less than staggering cost, the reflex of the health care ideologues has not been to reexamine the dream to see if anyone really wants its fulfillment enough to pay his share. Nor yet is it their reflex to break the monopoly power of the medical profession in order to allow organized groups of consumers—such as employers, labor unions, fraternal groups—to shop around for the level of care their members desire, delivered at competitive prices.

No, such a strategy might show that different people really do differ in their preferences for health care (when faced with the true costs and real alternatives), and this would undermine the plausibility of arguing for one level of health care for everyone. And so while ten and twenty years ago politicians failed to work for a competitive regime in health care out of fear of the medical profession's political power, today that same failure may perhaps be traced to the threat that a free market spells to the very plausibility of egalitarian slogans.

But, financing apart, obviously any *Gleichschaltung* (or bringing into line) of all parts of health care provision would require massive doses of compulsion at every level. Doctors could not be allowed to set their fees. And if they cannot set their fees they cannot demand more money for working in places and at specialties that seem less desirable to them. So compulsory assignments would again be the inevitable resort of planners who can neither persuade nor pay workers to go along with their schemes. Indeed, since we are a larger, richer, more ornery nation than Great Britain (for example), I doubt that a private practice option could be kept within limits here. Patients would have to be forced to accept their medical care solely from the single national provider. Healing acts between consenting adults would have to be made illegal, unless approved by the government.

The menace is real. Egalitarian ideals, together with an understandable reluctance to pay or ask one's supporters to pay the cost of these ideals, make the temptation to resort to conscription—to personal compulsion—almost irresistible. It starts with the doctors, goes on to the lawyers, and eventually gets to all young people so that the rest of us can have an army without really paying for it. Then perhaps we would conscript teachers, and finally we would find that everybody is so useful, or so unique, or so much affected with a public interest, that we all may be drafted into the service of the state. Which only demonstrates once again that whoever finds arguments to justify the loss of his fellow citizen's liberty is destined to lose his own.●

SENATE—*Wednesday, September 12, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

God of our fathers and our God, grant us a vision of this land strong in the things of the spirit, fulfilled in justice and peace for all our citizens. May the complex, stubborn, pressing problems of the hour yield to the efforts of those whom we have set in authority over us. Deliver us from the fear and anxiety which dissipate energy and weaken the will. Give us confidence, strength, and wisdom to strive unceasingly for a world better than in the past.

May Thy gracious spirit of wisdom and mercy, of truth and justice abide with the President and all who govern this Nation. Help us all to pray, to think, to act for the welfare of the whole Nation and for the common good of all mankind.

In the name of the Lord, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 12, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 5 minutes. The Senator from California is recognized on behalf of the majority leader.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. CRANSTON. A note for the record: The special order to Senator BENTSEN has just been declined by Senator BENTSEN.

I reserve the remainder of the time for the majority leader. I think probably there is nothing to be said unless the minority leader, our distinguished colleague here, wishes to say something.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I would use my time only to ascertain that there has not been a coup in the Democratic Caucus and to be reassured on that point and that it not be habit forming.

I have no need for my time and I yield it back.

Mr. CRANSTON. There has not been.

I am not certain whether Senator TSONGAS desires to use his time or not, and I suggest the absence of a quorum.

Mr. BAKER. Before that is done, if the acting majority leader does not yield back his time, I will reserve my time.

Mr. CRANSTON. I yield back my time.

Mr. BAKER. I yield back my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. CRANSTON. Mr. President, the Senator from Massachusetts (Mr. TSONGAS) does not plan to use his time.

Mr. BAKER. Mr. President, will the acting majority leader yield for just a moment? I observe there are one or two

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Members on the floor. I take it there is no need for time, and I believe there is not, and I thank the acting majority leader.

ORDER VITIATING ORDERS FOR THE RECOGNITION OF MR. BENTSEN AND MR. TSONGAS

The ACTING PRESIDENT pro tempore. Without objection, the orders for the Senator from Massachusetts and the Senator from Texas will be vitiated.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. CRANSTON. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and at 1:05 p.m. the Senate recessed subject to the call of the Chair; whereupon, at 1:48 p.m. the Senate reassembled when called to order by the Acting President pro tempore (Mr. BOREN).

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 2:30 p.m. today, the Senate go into executive session to consider the nominations of Mr. Moon Landrieu to be Secretary of Housing and Urban Development and Mr. Jay Janis to be a member of the Federal Home Loan Bank Board; that at 2:45 p.m. a vote occur on the nomination of Mr. Landrieu; that upon the disposition of that nomination, the vote occur immediately on the nomination of Mr. Janis; that upon the disposition of that nomination, the Senate return to legislative session, it being understood that these will be rollcall votes.

I ask unanimous consent that it be in order at any time to order the yeas and nays on both nominations with one show of seconds.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—we have no objection to proceeding to the consideration of these nominations. There are no notations on this side in opposition to the confirmation of these nominations.

I might take this opportunity, though, to ask the distinguished majority leader if he can give us any further insight into the schedule of other activities for the Senate for the remainder of the day, particularly with reference to the second concurrent budget resolution.

Mr. ROBERT C. BYRD. It is my hope that we can proceed with S. 14 during the remainder of the afternoon, but I am not sure whether all parties will be prepared to go with that measure this afternoon.

In answer to the minority leader, the Senate would not then proceed to the consideration of the second concurrent budget resolution today.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. But I am not sure we can proceed to S. 14 until we contact all parties.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on both nominations.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the votes on the nominations be reversed from that which was ordered. In other words, the vote on Mr. Janis would occur at 2:45, and the vote on Mr. Landrieu would occur at 3 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 20 minutes, and that Senators may be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. TSONGAS assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Time for morning business has expired.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to consider nominations.

The Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

FEDERAL HOME LOAN BANK BOARD AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The second assistant legislative clerk read the nominations of Jay Janis, of Florida, to be a member of the Federal Home Loan Bank Board; and Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I would like to speak on behalf of Moon Landrieu, the President's nominee for the position of Secretary of Housing and Urban Development.

I had the privilege during the years 1975 and 1976 to form a very close friendship with this distinguished American. This was the era immediately preceding the celebration of America's Bicentennial. At that time, the nominee was mayor of New Orleans and, also, was holding the prestigious position of President of the National Conference of Mayors.

Moon Landrieu stepped forward and helped provide credibility to America's Bicentennial. He became a national Bicentennial leader. He traveled throughout the United States. As a matter of fact, he never missed a single meeting that was scheduled by the National Conference of Mayors to advise local communities with respect to organizing their Bicentennial programs.

His lovely wife, Verna, was chairman of the Bicentennial in New Orleans, and together with their 11 children they made it a family affair, not only in New Orleans, but, by their presence and dedication, throughout the United States.

Moon Landrieu was on the original Bicentennial Communities Planning Committee which laid down guidelines for communities across the Nation to plan their Bicentennial, but plan it in such a way that it was more than parades and banners and just excitement.

It was his idea that each community should have a lasting, permanent reminder of this period of history.

Through his vision, and others on that committee, over 13,000 communities in America gained recognition and proudly flew the Nation's Bicentennial flag.

He also addressed this responsibility in a bipartisan manner and encouraged, in particular, ethnic participation.

I am sure that Moon Landrieu is too modest to bring these facts to my colleagues in the Senate, and I am privileged to do so, just moments before his name will be considered. He displayed to America, to me, and to many others the type of leadership that the Nation needs now in this very important Cabinet post.

Quite frankly, I congratulate the President on this nomination. I encourage my colleagues to vote favorably.

● Mr. WILLIAMS. Mr. President, I rise in support of the Senate's confirmation of Moon Landrieu as Secretary of Housing and Urban Development.

As chairman of the Subcommittee on Housing and Urban Affairs. I am particularly pleased to recommend his confirmation by this body. I believe he will

be a strong and active advocate for the housing needs of all Americans, and for the revitalization needs of our cities.

Mr. Landrieu has noteworthy qualifications to serve as spokesman for the housing and urban development needs of this country. As mayor of New Orleans, he enjoyed a record as a tireless administrator, who strived to restore the economic vitality of his community without sacrificing its unique ties to the past. New Orleans is a city that has suffered from many of the same symptoms of economic distress, and the same difficulties in providing decent housing as many of our older Northeastern cities. Moon Landrieu has helped New Orleans come to grips with and make creditable progress on these programs.

As president of the U.S. Conference of Mayors, he worked for a national commitment to help preserve our cities as a fundamental and vital link in the structure of our society. This kind of experience has helped Mr. Landrieu achieve a perceptive vision of the underlying problems of urban America, as well as a familiarity with HUD programs designed to help solve these problems.

I believe that Mr. Landrieu will be a worthy successor to Patricia Harris, who deserves great credit for her work to improve housing in this country, and for her active advocacy on behalf of the cities and the poor.

Mr. President, Moon Landrieu came before our committee not without some degree of controversy over his service as mayor of New Orleans. He answered all our questions honestly, fully, and forthrightly. He also demonstrated his understanding of and concern for the problems he will face as Secretary.

I strongly urge my colleagues to vote to confirm Moon Landrieu as Secretary of Housing and Urban Development.●

The PRESIDING OFFICER. Under the previous order, the vote will now occur.

The question is, Will the Senate advise and consent to the nomination of Jay Janis to be a member of the Federal Home Bank Board?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

The PRESIDING OFFICER. Are there any other Senators who wish to vote on this nomination?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 273 Ex.]

YEAS—95

Armstrong	Bradley	Chiles
Baker	Bumpers	Church
Baucus	Burdick	Cochran
Bayh	Byrd, Harry F., Jr.	Cohen
Bellmon	Byrd, Robert C.	Cranston
Bentsen	Cannon	Culver
Boren	Chafee	Danforth
Boschwitz		DeConcini
Dole	Kassebaum	Randolph
Domenici	Kennedy	Ribicoff
Durenberger	Laxalt	Riegle
Durkin	Leahy	Roth
Eagleton	Levin	Sarbanes
Exon	Lugar	Sasser
Ford	Magnuson	Schmitt
Garn	Mathias	Schweiker
Goldwater	Matsunaga	Simpson
Gravel	McClure	Stafford
Hart	McGovern	Stennis
Hatch	Melcher	Stevens
Hatfield	Metzenbaum	Stevenson
Hayakawa	Morgan	Stewart
Heflin	Moynihan	Stone
Heinz	Muskie	Thurmond
Helms	Nelson	Tower
Hollings	Nunn	Tsongas
Huddleston	Packwood	Wallop
Humphrey	Pell	Warner
Jackson	Percy	Weicker
Javits	Pressler	Williams
Jepsen	Proxmire	Young
Johnston	Pryor	Zorinsky

NAYS—0

NOT VOTING—5

Biden	Inouye	Talmadge
Glenn	Long	

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF MOON LANDRIEU

Under the previous order, the vote will now recur on the nomination of Moon Landrieu as Secretary of Housing and Urban Development. The question is, Will the Senate advise and consent to the nomination of Moon Landrieu to be Secretary of Housing and Urban Development? The clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. BAUCUS assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

The PRESIDING OFFICER (Mr. STEWART). Is there any Senator in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 274 Ex.]

YEAS—97

Armstrong	Cranston	Hollings
Baker	Culver	Huddleston
Baucus	Danforth	Humphrey
Bayh	DeConcini	Jackson
Bellmon	Dole	Javits
Bentsen	Domenici	Jepsen
Biden	Durenberger	Johnston
Boren	Durkin	Kassebaum
Boschwitz	Eagleton	Kennedy
Bradley	Exon	Laxalt
Bumpers	Ford	Leahy
Burdick	Garn	Levin
Byrd, Harry F., Jr.	Goldwater	Long
Byrd, Robert C.	Gravel	Lugar
Cannon	Hart	Magnuson
Chafee	Hatch	Mathias
Chiles	Hatfield	Matsunaga
Church	Hayakawa	McClure
Cochran	Heflin	McGovern
Cohen	Heinz	Melcher
	Helms	Metzenbaum
Morgan	Ribicoff	Stewart
Moynihan	Riegle	Stone
Muskie	Roth	Thurmond
Nelson	Sarbanes	Tower
Nunn	Sasser	Tsongas
Packwood	Schmitt	Wallop
Pell	Schweiker	Warner
Percy	Simpson	Weicker
Pressler	Stafford	Williams
Proxmire	Stennis	Young
Pryor	Stevens	Zorinsky
Randolph	Stevenson	

NAYS—0

NOT VOTING—3

Glenn	Inouye	Talmadge

So the nomination was confirmed.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. I move that the President be appropriately notified of the confirmation of these nominations.

The motion was agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ENERGY SUPPLY ACT—S. 1308

AMENDMENT NO. 421

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. FORD. Mr. President, I am submitting an amendment today to the Energy Supply Act. The amendment calls for enactment of one of the major recommendations of the President's Commission on Coal. As the Commission has pointed out:

> America's growing reliance on imported oil has brought us to the verge of a national crisis. The Commission believes that our vast available coal reserves must be tapped to dramatically reverse this alarming trend.

As chairman of the Coal Caucus, and as a staunch advocate of using our domestic coal resources, I could not agree more with the Coal Commission's conclusion.

It seems self evident to me that we must enact new legislation now to take advantage of our coal resources. I realize that many of my colleagues may groan at the thought of another coal bill. The Congress enacted coal conversion legislation in 1972, the Energy Supply and Environmental Conversion Act. The regulatory approach embodied in that legislation turned out to be too weak, so we enacted another coal conversion bill last year, the Powerplant and Industrial Fuel Use Act of 1978. FUA—as it is affectionately known—gives the Secretary of Energy discretionary authority to require existing electric powerplants and major fuel-burning installations which are capable of using coal to use it. But we made one mistake in FUA that must not be repeated. We gave the Secretary of Energy authority to require use of coal but we did not require him to use that authority.

The amendment I am introducing today represents a straightforward approach to the problem of coal conversion. It requires the Secretary of Energy to issue coal conversion orders to the plants identified by the Coal Commission as being capable of using coal. The approach is tough; some may even consider it draconian. But our energy problems will not be solved by timid solutions. As the Coal Commission puts it:

Only mandated conversion to coal—without administrative discretion—will work.

The Coal Commission estimates that reconversion of coal-capable utility boilers now using oil and natural gas will cost $5.2 billion between now and 1985. But that investment will save 400,000 barrels per day in oil imports in 1985 alone. The investment will be cost-effective for those utilities required to convert.

The Environmental Protection Agency has done a comparison of the annualized costs of an oil plant converted to coal with the operating costs of an existing oil plant. That analysis shows a cost of 32.7 mills per kilowatt hour for an existing oil plant; 17.7 mills per kilowatt hour for a powerplant where the cost of conversion is relatively low; and 27.8 mills per kilowatt hour for a powerplant where the cost of conversion is high due to the need to install pollution control technology. Whether the conversion cost is high or low, the result is the same: Over the long term, the cost of using coal is less than the cost of using fuel oil. That comparison gets better and better, too, each time OPEC raises its prices. I ask unanimous consent that the EPA analysis be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FORD. Mr. President, the Coal Commission report points out that some form of assistance may be required for those powerplants required to convert. I intend to introduce legislation shortly that will provide the required assistance for the plants required to convert under my amendment.

I hope that the Energy and Natural Resources Committee will be able to act promptly on my amendment. We are in the midst of our consideration of the Energy Mobilization Board and a synthetic fuels program. Both of those items are high-priority items. They are aimed at solving our long-term problem. My amendment is geared to immediate, short-term energy future. But we cannot afford to forget about the present or the short-term problem. My amendment will offer us relief quickly and will provide us greater flexibility and leverage as we work toward solving our long-term energy problems.

I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 56, beginning on line 7, strike all through page 63, line 18, and insert:

SEC. 901. Existing Electric Powerplants.—Sec. 301 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by inserting new subsections (c) and (d) as follow:

"(c) Required conversions.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue coal conversion orders or rules as required by section 304; such orders shall be applicable to those existing electric powerplants specified in section 305.

"(d) Required findings.—The orders or rules required to be issued by subsection (c) shall be issued without regard to the findings required by subsection (b)."

SEC. 902. Existing Major Fuel Burning Installations.—

Sec. 302 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3306) is amended by inserting new subsections (c) and (d) as follows:

"(c) Required conversions.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue coal conversion orders or rules as required by section 304; such orders shall be applicable to those existing major fuel-burning installations specified in section 305.

"(d) Required findings.—The orders or rules required to be issued by subsection (c) shall be issued without regard to the findings required by subsection (a)."

SEC. 903. Required Coal Conversion Orders.—The Powerplant and Industrial Fuel Use Act of 1978 is amended by inserting new sections 304 and 305 as follow:

"SEC. 304. Prohibited Uses.—The orders or rules required by subsections 301(c) and 302(c) shall prohibit the use of petroleum or natural gas as a primary energy source in any existing electric powerplant or major fuel-burning installation listed in section 304 unless the Secretary grants an exemption pursuant to subtitle B."

"SEC. 305. Applicability.—The orders or rules shall apply to each powerplant and installation listed as follows:

Company, facility, unit, and State:

Baltimore Gas & Electric, C. P. Crane, 1, 2, Maryland.

Baltimore Gas & Electric, Gould Street, 3, Maryland.

Baltimore Gas & Electric, H. A. Wagner, 1, 2, Maryland.

Baltimore Gas & Electric, Riverside, 4, 5, Maryland.

Boston Edison Company, Edgar, 4, 5, Massachusetts.

Boston Edison Company, Mystic, 4, 5, 6, Massachusetts.

Central Hudson Gas & Electric Corporation, Danskammer, 3, 4, New York.

Central Hudson Gas & Electric Corporation, Danskammer, 1, 2, New York.

Central Maine Power Company, Mason, 3, 4, Maine.

Commonwealth Edison Company, Ridgeland, 1, 2, 3, 4, Illinois.

Consolidated Edison, Arthur Kill, 20, 30, New York.

Consolidated Edison Company, Astoria, 1, 2, 3, 4, 5, New York.

Consolidated Edison Company, East River, 5, 6, 7, New York.

Consolidated Edison, Ravenswood, 30, New York.

Deepwater Operating Company, Deepwater, 1, 6, New Jersey.

Delmarva Power & Light Company, Delaware City, 1, 2, 3, 4, Delaware.

Delmarva Power & Light Company, Edge Moor, 1, 2, Delaware.

Delmarva Power & Light Company, Edge Moor, 3, 4, Delaware.

Delmarva Power & Light Company, Vienna, 7, Maryland.

Detroit Edison Company, River Rouge, 1, Michigan.

Detroit Edison Company, St. Clair, 5, Michigan.

Georgia Power, McManus, 1, 2, Georgia.

GPU: Jersey Central Power & Light Company, Sayreville, 4, 5, New Jersey.

GPU: Jersey Central Power & Light Company, Werner, 4, New Jersey.

Hartford Electric Light Co., Middletown, 2, 3, Connecticut.

Hartford Electric Light Co., Middletown, 1, Connecticut.

Hartford Electric Light Co., Norwalk Harbor, 1, 2, Connecticut.

Kansas Power & Light Company, Lawrence, 2, 3, Kansas.

Long Island Lighting Company, E. F. Barrett, 1, New York.

Long Island Lighting Company, Far Rockaway, 4, New York.

Long Island Lighting Company, Glenwood, 4, 5, New York.

Long Island Lighting Co., Port Jefferson, 3, 4, New York.

New England Gas & Electric, Kendall Square, 3, Massachusetts.

New England Power Company, Brayton Point, 1, 2, 3, Massachusetts.

New England Power Company, Salem Harbor, 1, 2, 3, 4, Massachusetts.

Niagara Mohawk, Albany, 1, 2, 3, 4, New York.

Niagara Mohawk Power Corporation, Oswego, 4, New York.

Northeast Utilities: Connecticut Power & Light Company, Devon, 3, 7, 8, Connecticut.

Northeast Utilities: Connecticut Power & Light Company, Montville, 5, Connecticut.

Northeast Utilities: Holyoke Water Power Company, Mount Tom, 1, Massachusetts.

Northeast Utilities: Montaup Electric Company, Somerset, 6, Massachusetts.

Northeast Utilities: Western Massachusetts Electric Company, West Springfield, 2, 3, Massachusetts.

Oklahoma Gas & Electric Company, Mustang, 2, Oklahoma.

Omaha Public Power District, Jones Street, 12, Nebraska.

Orange and Rockland Utilities, Lovett, 3, 4, 5, New York.

Philadelphia Electric, Cromby, 2, Pennsylvania.

Philadelphia Electric Company, Delaware, 7, 8, Pennsylvania.

Potomac Electric Power Company, Buzzard Point, 2, District of Columbia.

Public Service of Colorado, Zuni, 2, Colorado.

Public Service of New Hampshire, Schiller, 4, 5, New Hampshire.

Public Service Electric & Gas, Bergen, 1, 2, New Jersey.

Public Service Electric & Gas, Burlington, 7, New Jersey.

Public Service Electric & Gas, Hudson, 1, New Jersey.

Public Service Electric & Gas, Kearny, 7, 8, New Jersey.

Public Service Electric & Gas, Sewaren, 1, 2, 3, New Jersey.

Savannah Electric & Power Company, Port Wentworth, 1, 2, 3, 4, Georgia.

Tampa Electric, F. J. Gannon, 1, 2, Florida.

United Illuminating Company, Bridgeport Harbor, 1, 2, 3, Connecticut.

Virginia Electric Power Co., Chesterfield, 2, 4, Virginia.

Virginia Electric Power Company, Chesterfield, 3, Virginia.

Virginia Electric Power Company, Portsmouth, 1, 2, Virginia.

Virginia Electric Power Company, Portsmouth, 3, 4, Virginia.

Virginia Electric Power Co., Possum Point, 3, 4, Virginia.

Virginia Electric Power Company, Possum Point, 2, Virginia.

Virginia Electric Power Company, Yorktown, 1, 2, Virginia.

Wisconsin Public Service Corporation, Weston, 2, Wisconsin.

SEC. 904. Temporary Exemptions.—Section 311 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3307) is amended by inserting a new subsection 311(h) as follows:

"(h) Temporary Exemption from Mandatory Conversion.—The provisions of this subsection shall be applicable only to any powerplant or installation covered by an order or a rule issued pursuant to subsections 301(c) and 302(c).

"(1) If the Secretary determines that the orders required by subsections 301(c) and 302(c) could not be satisfied without violating applicable environmental requirements, he shall, within 180 days, prepare a proposed waiver from such requirement.

"(2) Such proposed waiver shall exempt the powerplant or installation from the otherwise applicable environmental requirements unless disapproved by the Congress within 60 days of its submission.

"(3) Such waiver shall be applicable to a single powerplant or installation and shall be transmitted to the Congress as an energy action and considered in accordance with the requirements of section 551 of the Energy Policy and Conservation Act (40 U.S.C. 6241) except that for the purpose of this Act, each reference to 15 calendar days in such section shall be 60 calendar days."

SEC. 905. Permanent Exemptions.—Section 312 of the Powerplant and Industrial Fuel Act of 1978 (92 Stat. 3309) is amended by inserting a new subsection (m) as follows:

"(m) Permanent Exemption from Mandatory Conversion.—The provisions of this subsection shall be applicable only to any powerplant or installation covered by an order or a rule issued pursuant to subsections 301(c) and 302(c).

"(1) If the Secretary determines that the orders required by subsections 301(c) and 302(c) could not be satisfied without violating applicable environmental requirements, he shall, within 180 days, prepare a proposed waiver from such requirement.

"(2) Such proposed waiver shall exempt the powerplant or installation from the otherwise applicable environmental requirements unless disapproved by Congress within 60 days of its submission.

"(3) Such waiver shall be applicable to a single powerplant or installation and shall be transmitted to the Congress and considered in accordance with the requirements of section 551 of the Energy Policy and Conservation Act (40 U.S.C. 6241) except that for the purpose of this Act, each reference to 15 calendar days in such section shall be 60 calendar days."

SEC. 906. Action on Exemption Petitions.—Section 701 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3329) is amended by inserting a new subsection (i):

"(i) A petition for an exemption from the orders or rules required by subsections 301(c) and 302(c) shall be considered in accordance with the requirements of this section; provided, however, that the Secretary shall act on each petition within 180 days of initial receipt of such petition."

SEC. 907. Environmental Impact Statements.—Section 763 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3346) is amended by inserting a new subsection (4):

"(4) the issuance of orders required by subsection 301(c) and 302(c) of this Act."

EXHIBIT 1

DISPLACING OIL POWER PLANTS WITH COAL: AN ECONOMIC ANALYSIS

EPA cost estimates indicate that utilities can convert many oil-fired plants to coal or even replace existing oil plants with new coal plants and reap economic savings to their customers while complying with applicable pollution standards.

Table I below demonstrates that converting to coal is economical even under the assumption that the plant undergoes a high cost boiler conversion, and builds a 90 percent effective SO2 scrubber. The saving in this case is 4.9 mills/kwh. With less stringent control equipment, which can be applied in many cases under existing state emissions limitations, the analysis shows an even greater savings from a coal conversion, in this case 15.0 mills/kwh. It should be noted that in many cases state emissions limitations can be met without an SO2 scrubber. In those cases the conversion savings will be even higher than those described in the attached tables.

Table II illustrates that retiring a modern oil plant and replacing it with a new coal facility can result in electricity cost reductions, due to the substantial differences between the price of coal and oil. The capital cost estimate for the new coal facility assumes expenditures for pollution control equipment to meet EPA's New Source Performance Standards (NSPS), including a 90 percent SO2 scrubber and a baghouse for particulates. To the extent that many plants will require less controls, the advantage of coal-fired plants is greater.

The analysis assumes an oil price of $30 per barrel and a coal cost of $30 per ton. The results are sensitive to the price of oil, as illustrated in Table III.

Table IV estimates the capital costs and operating savings for a 500 megawatt powerplant under the three conversion assumptions. Each megawatt of capacity costs $95,000, $470,000 and $740,000 for low cost conversions, high cost conversions and new coal plants, respectively. The net present value of the savings per megawatt is $824,000, $784,000 and $506,000 for the three cases, respectively.[1]

In summary this analysis indicates that the U.S. can substantially reduce oil dependency while cutting electric rates and while meeting applicable environmental standards.

[1] Assumes a discount rate of 10 percent.

TABLE I.—COMPARISON OF ANNUALIZED COSTS OF AN OIL PLANT CONVERTED TO COAL WITH THE OPERATING COSTS OF AN EXISTING OIL PLANT[1]

[Mills per kilowatt-hour; mid-year 1979 dollars]

	Existing oil	Low-cost coal conversion[2]	High-cost coal conversion[3]
Annualized capital costs:[4]			
Scrubber	0	1.4	2.4
Boiler conversion	0	.4	7.7
ESP upgrade	0	.2	.2
		2.0	11.3
Fuel cost	[5] 32.2	13.0	13.0
Operating and maintenance	.5	2.7	3.5
Total	32.7	17.7	27.8

[1] Assumes a 12.5 percent capital charge, a 20-yr amortization period and a 65 percent capacity factor.

[2] Based on these capital cost estimates:

	Per kilowatt
Scrubber—50 percent control	$65
Boiler conversion	20
ESP upgrade	10
Total	95

[3] Based on these capital charge estimates:

	Per kilowatt
Scrubber—90 percent control	$110
Boiler	350
ESP upgrade	10
Total	470

[4] Capital costs are converted to annualized costs using the formula: Capital costs × capital charge/5,694. (5,694 is the total operating hours per year at 65 percent capacity factor.)

[5] Assumes oil cost of $20/bbl and a coal cost of $30 per ton.

TABLE II.—COMPARISON OF TOTAL ANNUALIZED COSTS OF A NEW COAL PLANT AND OPERATING COSTS OF AN EXISTING OIL PLANT

[Mills per kilowatt-hour; mid-year 1979 dollars]

	Existing oil	New coal
Annualized capital costs	0	[1] 13.0
Fuel costs[2]	32.2	13.0
Operating and maintenance	.5	4.7
Total	32.7	30.7

[1] Assumes a capital cost for the coal plant of $740/kW of capacity.

[2] Assumes oil cost of $20/bbl and coal cost of $30/ton.

TABLE III.—COMPARISON OF ANNUALIZED COSTS OF AN OIL PLANT CONVERTED TO COAL WITH THE OPERATING COSTS OF AN EXISTING OIL PLANT AT VARIOUS OIL AND COAL COSTS

Existing oil plant—Oil costs		High-cost converted plant—Coal costs	
Dollars per barrel	Mills per kilowatt-hour[1]	Dollars per ton	Mills per kilowatt-hour
10	16.6	23.0	24.8
12	19.3	25.0	25.8
14	22.0	27.5	26.8
16	25.3	30.0	27.8
18	29.5	32.2	28.8
20	32.7	34.5	29.8
22	35.4		
24	38.2		

[1] Based on 5,800,000 Btu/bbl of oil and 23,000,000 Btu/ton of coal.

TABLE IV.—COAL CONVERSION CAPITAL COSTS AND OPERATING SAVINGS FOR A 500 MW PLANT

[In millions of dollars]

	Capital cost	Annual operating savings	Present value of operating savings
Low-cost conversion[1]	47.5	48.4	412.0
High-cost conversion[1]	235.0	46.1	392.0
New coal plant[2]	370.0	41.3	403.9

[1] Assumes 20-yr remaining life on plant.

[2] Assumes 40-yr coal plant life.

QUORUM CALL

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 5 P.M.

Mr. CRANSTON. Mr. President, I now move that the Senate stand in recess until 5 p.m. today.

The motion was agreed to, and at 3:31 p.m., the Senate recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BAUCUS).

Mr. CRANSTON. Mr. President, I move that the Senate recess.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. GOLDWATER. Some of us are kind of interested in knowing about what time we can get out of here. Could the Senator inform us?

Mr. CRANSTON. There is no prospect, I believe—I do not guarantee this—but I think there is no prospect of any roll-call vote this evening.

Mr. GOLDWATER. That is one bit of encouragement.

Now, could we be out of here for, say, a 7 o'clock dinner?

Mr. CRANSTON. I would think so, yes.

Mr. GOLDWATER. I hope so because it is mighty good. I thank the Senator.

Mr. CRANSTON. I expect we will, and I am quite certain, although I do not promise it, that there will not be any rollcall.

Mr. GOLDWATER. I will take the Senator at his word.

RECESS UNTIL 6 P.M.

Mr. CRANSTON. Mr. President, I move that the Senate stand in recess until the hour of 6 p.m. today.

The motion was agreed to, and at 5:01 p.m., the Senate recessed until 6 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. JOHNSTON).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SECOND CONCURRENT BUDGET RESOLUTION

ACHIEVING SAVINGS CAN BE DONE BUT CANNOT BE RUSHED

Mr. LONG. Mr. President, the Senate and the Congress have established a goal of achieving a balanced Federal budget by fiscal year 1981. This is a goal which I support wholeheartedly and which I firmly believe can be achieved. But we are not going to achieve a balanced budget by promising program cuts which we will not be able to enact. We will, indeed, need to reduce the costs of governmental programs in order to balance the budget. We will, indeed, need to start this year to bring about those reductions so that we can have a balanced budget in fiscal 1981. But we also have to be realistic. Valid, enactable, sustainable program reductions generally take a period of time to achieve their full impact. There are a variety of reasons why this is true. Some program cuts are feasible of enactment only on a prospective basis so that the savings accrue only as new beneficiaries come on the rolls. Other savings require significant lead time to put in place the regulations and administrative mechanisms to implement the new law. Still other savings involve programs operated at the State level which cannot be changed until State legislatures have an opportunity to enact appropriate conforming laws.

The 1977 social security amendments are a case in point. Congress determined that the built-in growth factor for the program was out of control. It would not, however, have been remotely possible to enact legislation cutting the benefits of those retired people who were already on the rolls. Instead we enacted legislation slowing the future growth of the program. Similarly that bill eliminated a number of low-priority benefit features but did it in such a way as to minimize the impact on persons already at or near retirement. In the year after enactment, the estimated savings of the 1977 amendments totaled only $400 million. By 1983, however, annual savings will exceed $2.5 billion. Over the next 75 years the benefit changes made in the 1977 amendments will reduce program costs by an average of some $50 billion a year.

Many other examples could be cited. The health legislation on which the Finance Committee has just completed action will save some $700 million in the upcoming year, but within a few years those savings will be measured in the billions annually. The House of Representatives has just sent us a social security disability bill. I anticipate that the Finance Committee will be able to increase its savings in both the short and long range. But, as passed by the House, that bill would actually cost $24 million in fiscal 1980. In 1981, however, it would save close to $250 million and by 1984 it would save more than $1 billion per year. The social security proposals included in the President's budget similarly would have saved about $500 million in the first year, rising to some $4 billion per year over the next 5 years.

I am serious, the Finance Committee is serious, and I believe the Senate is serious about finding ways in this year and this Congress to reduce program costs so that we can reach a balanced budget in fiscal year 1981. We have made a good start with health proposals developed by the committee over the past few months and we anticipate further savings as we act on social security disability, welfare, and unemployment compensation legislation. We will do our best to achieve whatever level of fiscal year 1980 savings the Congress requires of us in the second budget resolution. But I hope the Senate, in setting those goals for us, will recognize the reality that program savings are generally a great deal smaller in the first year than in subsequent years.

At this moment I do not see where the Finance Committee can make a proposal to the Senate which the Senate would enact and which would save as much as is expected of the Finance Committee in the second budget resolution as reported.

If the Senate in its wisdom insists on the reconciliation process we will, of course, in good faith try to do whatever we are required to do. But we should recognize that there are difficulties and there are problems.

For one thing, Senators have made commitments to people. This Senator is no exception.

I know that I told members of the State Legislature of the State of Louisiana, as well as the Governor of the State, that I do not intend to vote to reduce revenue sharing funds for the State governments.

I voted that way in the Finance Committee and I told those who represented county and State governments here in Washington that this was my position.

That being the case, I would hardly think I could vote now to knock out revenue sharing or reduce it at the State level—even though it would be a lot easier to do that in order to achieve immediate savings than it would be to do some of the other things that we may be compelled to recommend.

May I point out that the Senate by a vote of 59 to 31 voted against such a revenue sharing cut on July 27. So to do some of the kind of things that would be necessary in order to achieve the objectives of the budget resolution, it would require Senators to reverse positions they have taken in the past. A great number of us have made good-faith commitments to those who send us here that we would not reverse our positions.

We can, of course, recommend some additional savings in trying to achieve the amount that is expected in the budget resolution as reported by the Budget Committee. But it presents problems that the Senator from Louisiana at this time cannot provide an answer to satisfy. The Finance Committee could always report something, especially if we report it without recommendation, for example, which achieves program cuts of the magnitude that the Budget Committee might expect of us. But to pass such a bill is something entirely different from that.

I think I should express my doubts in this respect to the Senate and make it a matter of record so that all Senators can be thinking about this problem.

We discussed this in a Democratic caucus meeting today and we were not able to arrive at a conclusion that Senators could agree upon.

It is my hope that there will be a way that we can with good will and with consideration for one another handle this matter.

At this point, however, I must confess I do not see how we are going to achieve what is involved in the reconciliation instructions as expected in the resolution—not that the Finance Committee could not make a recommendation, but that we would find it difficult to persuade the Senate to vote for it.

PRIVILEGE OF THE FLOOR—SENATE CONCURRENT RESOLUTION 36

Mr. LONG. Mr. President, I ask unanimous consent that the following staff members of the Committee on Finance be accorded the privilege of the floor during debate and votes on Senate Concurrent Resolution 36: Michael Stern, Joseph Humphreys, and William Galvin.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the moment there be a period for the transaction of routine morning business for not to exceed 15 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEED FOR THE UNITED STATES TO REAFFIRM LEADERSHIP IN HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, traditionally the United States has taken a strong position of leadership in support of international human rights. The reasons behind such leadership are clear and compelling. Throughout its history, the United States has aspired to be not only a nation which seeks to protect the rights of its own citizens, but a society committed to the dignity of all people throughout the world.

This tradition of leadership is exemplified by the role the United States has taken in support of human rights as a member of the United Nations. The preamble to the U.N. Charter includes the following basic objectives of the organization: "To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women of nations large and small * * *". To this end, the United States has ratified or acceded to many multilateral treaties, including the Slavery Convention, the Protocol relating to the Status of Refugees, and the Convention on the Political Rights of Women.

Embracing such treaties speaks highly of the U.S. commitment to human rights. Yet, within this tradition of human rights support there exists one highly visible contradiction: The failure of the United States to ratify the Genocide Convention.

American support for ratification of the Genocide Convention has steadily grown since the U.S. delegation first contributed to drafting and promoting the treaty. Every President since Harry Truman has supported ratification, and recently the American Bar Association gave its approval to the convention. The last remaining obstacle to ratification is the consent of the Senate.

I believe that the United States is and should remain a leader in the promotion of international human rights. Still, our public reluctance to condemn genocide has caused some to question our commitment to that role.

It is not too late, however, to reaffirm this leadership position. The way is clear. The Senate should quickly move to ratify the Genocide Convention.

I might say, Mr. President, many Americans once again are seeing the remarkable television drama of the holocaust, which was on television last night for 3 hours and the night before for 3 hours, and they know, I think, now far better than many did in the past the terrible effects of genocide.

BALTIMORE, A PRIZE WORTH DEFENDING

Mr. MATHIAS. Mr. President, today Marylanders are observing Old Defenders' Day, a holiday that marks the anniversary of the Battle of North Point in the War of 1812. This battle took place the day before the bombardment of Fort McHenry, which inspired Francis Scott Key to write our National Anthem. But, when we celebrate Defenders' Day, we really commemorate both these historic battles.

On September 12, 1814—165 years ago today—the strategic situation was as follows. The British had captured Washington earlier in the year, setting fire to a number of public buildings including the White House and the Capitol. Admiral Cockburn, the commander of the British Naval Forces, then threatened to burn Baltimore and had brought the British fleet up the Chesapeake Bay to the mouth of the Patapsco River. On September 12, he landed 9,000 troops at North Point, 12 miles from Baltimore, and then sailed up the Patapsco to prepare the bombardment of Fort McHenry.

Baltimore had long been an object of British hatred because of the success the Baltimore privateers had had against British shipping. John Torry Caton in The Old Line State records that—

> During the war Baltimore interests had a fleet of 126 privateers or letters-of-marque. . . . The 126 accounted for 556 British vessels, nearly one-third of the total taken by American vessels of all classes including the Navy.

With such a record to its credit, it is no wonder Baltimore was of special concern to the British. Describing the mission of the British expeditionary force, one London journal wrote:

> The seat of the American government but particularly Baltimore, is to be the immediate object of the attack.

After the American defeat at Bladensburg and the fall of Washington, the British had withdrawn down the bay in a feint intended to mislead the citizens of Baltimore into believing their city was safe from attack. But the Baltimoreans were too smart to fall for this ruse. For months the city had been preparing its defenses. Fortifications had been strengthened and were manned on September 12 by both militia and townspeople who had been training for several months under Gen. Samuel Smith, the Revolutionary War hero.

When news of the British landing at North Point reached him, General Smith sent General John Stricker with a force of 3,200 men to watch the movement of the British and to meet the British advance. Two of Stricker's sharpshooters shot and killed the commander of the British Force, General Robert Ross. Both later lost their lives in the battle. Then for 2 hours the battle raged with the Americans falling back, as planned. According to Caton:

> As they retreated the Americans blocked the road with trees and the rear guard further disorganized the advancing foe. It was not until late afternoon that the British sighted from a great distance the main body of defenses. A halt was called until word was received from the fleet indicating that a successful landing had been made behind the defenders' position. During the rainy night, Brooke, Ross's successor, received word that the fleet could not make the landing. He thereupon retreated to the ships.

The other better known events of the battle to save Baltimore are vividly described in "Maryland: A History—1632 to 1974" published by the Maryland Historical Society:

> While the land forces were in combat, the British ships blasted away at Fort McHenry. Beginning early in the morning of September 13, a terrific hammering of cannon continued throughout the day and into the night. At dawn on the morning of September 14 aboard a flag-of-truce ship down the Patapsco, Francis Scott Key peered through spyglasses and to his joy and amazement saw the American flag still flying over Fort McHenry. . . . As he gratefully discerned the flag in the foggy dawn, his emotions stirred his poetic nature, and he quickly jotted down phrases on the back of a letter he carried. Released and ashore, he published the verses written in celebration of the victory. Thus "The Star-Spangled Banner" came into being. The light of day also brought relief and joy to the defenders of Fort McHenry. They had withstood the British assault and for a few days tensely girded for another. But the disheartened British sailed away. Though Washington had been sacked Baltimore stood untouched and by this defense the nation's honor was partially restored.

The gallant citizen-soldiers, who defended Baltimore at North Point and Fort McHenry and who restored the Nation's honor, gave Defender's Day its name. Today their bravery has a special significance because Baltimore, the city they defended so tenaciously, this year is celebrating its 250th birthday.

And so, as we observe Defender's Day 1979, it is fitting also to pay homage to the city of Baltimore, which occupies a very special place in the esteem and affection of all Marylanders. Baltimore is not just a great seaport and industrial center, although it is certainly that. It is also a cultural center of significant dimension and a very civilized and pleasant place to live or to visit.

It is not easy to capture in words the special qualities that make Baltimore the magnificent and richly varied city it is. But, in an editorial published on August 8, 1979—the city's 250th birthday—the Baltimore Sun came wonderfully close to achieving that. I ask unanimous consent that this editorial, which conveys with such affection and sensitivity the resilient spirit of the city of Baltimore and of its citizens, be printed in the RECORD at this point as a tribute to a very great city and to a great patriotic moment in that city's and the Nation's history.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

250 YEARS YOUNG

The Baltimore which begins today its 250th birthday celebration is the Baltimore which from its outset has been beset with obstacles and forced again and again to display the boldness and wit to change directions and seize upon new opportunities. As a port city it had its beginnings, and therein still lies its central being. But its place in the shipping world has been constantly challenged by rival cities and rival means of transportation. In its 25 decades it has been forced to shift from trade center to industrial center and on into the mixed economy of urban financial, commercial and cultural services needed for a sprawling metropolitan region, and always it has had the stamina not only to survive but to replenish its vitality and charm. This Baltimore of ours it not 250 years old but, rather, 250 years young.

Typically, the original Baltimore town, a mere 60 acres, was not built where the early settlers had petitioned the Legislature to put it. If it had been, the city's origins would

have been on the Patapsco's middle branch in what is now South Baltimore. But a portion of that land belonged to John Moale, a member of the Legislature, who having an interest in its iron ore, blocked the move and forced the petitioners to settle for 60 acres adjacent to the marshes at the mouth of Jones Falls, a site which subsequently required endless dredging, draining and leveling to accommodate city needs. To this day, Baltimore has its problems with the conflicting interests of state legislators.

As one port of entry among many in Maryland's tobacco economy, Baltimore remained in obscurity for several decades. The much-copied John Moale drawing of Baltimore in 1752 shows only about two dozen buildings, including a brewery and St. Paul's Church. Even in the first national census of 1790, Baltimore was credited with only 13,501 inhabitants. But by this later date it had annexed Fells Point, a more flourishing shipping and shipbuilding center, had won Revolutionary fame for its intrepid privateers, and had found its future not in tobacco but in corn, wheat, flour, pig iron, lumber and furs. Baltimore had become a trade center.

With the British repulsed by Baltimore's defenders in 1814 and Franics Scott Key's city primed for fresh challenges, the first half of the Nineteenth Century is regarded by many historians as Baltimore's heyday. Then it was that its population doubled and redoubled; from 1830 through 1850 it was second in size only to New York. Its merchants drew products from far up the Susquehanna valley and dispatched them west and south by Conestoga wagon, and down the bay in schooners and to the far corners of the world in their renowned clipper ships. When the Erie Canal threatened their midwestern trade, they had the daring to undertake construction of a railroad and the inventiveness of a Peter Cooper to improvise a steam locomotive.

That was one period of Baltimore's greatness, to be eroded in part by Philadelphia's rise as an industrial center but more tragically and lastingly by this city's divided loyalties in the Civil War. After a mob assault on Massachusetts troops as they passed along Pratt street, Baltimore became hostile territory in Union eyes. It endured the outrages of martial rule under the sights of cannon implanted on Federal Hill. Its men joined the fighting ranks, some in blue, others in gray, and when the end finally came, Baltimore was emotionally exhausted, empty-handed and ridden with the guilt of having the last, most tragic shot fired by one of its own, John Wilkes Booth.

Baltimore still has a mix of northern and southern sentiments, its human temperament no less a blend of geographic differences than its climate and vegetation. But by now it has learned to submerge sectional passions in the more overriding interest of preserving the rule of law, as witness its acceptance of school desegregation in 1954.

The Baltimore of pre-Civil War days had no such allegiance to orderly government. A rowdy, rambunctious city, given to periodic violence, Baltimore in those days was "mobtown," its government in the hands of the Know-Nothings, its business leaders preoccupied with making money. The disorder and violence were so bad that just prior to the war a reform move brought transfer of city police-force control from the mayor to the state governor, where it remained almost to this day.

The years following the Civil War, seemingly a static period in Baltimore's evolution, were in fact years of civic construction. A citizen-based city government emerged, administered by honest and faithful officials in the public's interest, with good laws interpreted impartially by decent judges. Baltimore burghers of a century ago looked up from their account books and bank statements and joined in the judicial reform movement of 1882, the defeat of the entrenched political machine in 1895 and adoption of a new city charter in 1898. *The Sun* is proud to have done much to help spur these vital reforms.

The same period also marked a most remarkable infusion of culture as four of the pre-war merchant princes—George Peabody, Enoch Pratt, Johns Hopkins and William Walters—enlivened and elevated Baltimore in the second half of the Nineteenth Century, with a music conservatory, a free public library system, a university and fine hospitals, and the beginnings of a priceless art collection. A formerly ruffian city acquired lasting stature as a center for arts, scholarship and medical science.

And while Baltimore may have slumped economically after the Civil War, it by no means stood still. The Baltimore and Ohio Railroad pushed vigorously into western markets and built a tremendous port terminal operation to facilitate shipments in and out of Baltimore. Wave upon wave of immigrants poured into the city, bringing all their skills and crafts to enrich the city's output. By 1887 the population had grown to some 425,000 persons, and Baltimore was once again a thriving trade center.

Yet, while its boundaries had been extended outward in 1818 and again in 1888 turn-of-the-century Baltimore remained at its core a jumble of crooked lanes and cobblestone streets, jammed with wagons crowded around commercial establishments which had preempted former dwellings and lofts. Devoid of public sanitation and safe water supply, Baltimore was a makeshift, disease-ridden city until the great fire of 1904 inspired the city's political and business leadership to make a fresh start. Then it was that Baltimore rebuilt its downtown on a then modern scale, installed a sewer system, developed a suitable public water supply and gave the city firm footing to move into its industrial age.

World War I brought large-scale manufacturing to Baltimore, and by the 1920s its population exceeded 800,000. World War II crowded it with night and day defense production, and its population climbed well over 900,000, seemingly headed for 1 million. Yet since 1950 the city, numerically, has been on the decline. How could this happen to a Baltimore that so determinedly had wrested repeated triumphs from prior defeats?

The die was cast in part by state legislators who, in permitting a 1918 expansion of city boundaries, effectively blocked any further geographic growth. Baltimore as a governmental entity ever since has been cut off from the reality of metropolitan Baltimore as an otherwise indivisible economic and social unit.

Then, too, industrial operations moved out of Eastern cities, Baltimore included, lured originally by cheap land and low-cost labor in the South and Southwest and later accelerated by federal power projects and interstate highways. To this was added the mass movements to suburbia from 1950 onward, prompted in marked degree by federal mortgage policies and expressway construction, and prodded by a racism that made the city-county boundary a dividing line between black and white Baltimoreans.

Can a city turn itself around? The answer on this birthday occasion is that Baltimore has done so before and is well set on doing it again. Its resurgence is apparent on the harbor front, where a wealth of new attractions has risen from prior decay. It is evident in its extensive housing revitalization efforts, some of which President Carter came to see yesterday. It is tangibly at hand in the new and recycled commercial establishments in formerly declining neighborhoods. But most important, its resurgence finds expression in the spirit of its people, whose renewed faith in their city has been harnessed by Mayor Schaefer into a strong driving force to make Baltimore so attractive that it becomes a metropolitan and national magnet.

Two hundred and fifty years young, Baltimore has the combination of physical and human assets within an efficiently small radius that has increasing validity as the nation becomes more energy-conscious. The future lies right here, and by long tradition, Baltimoreans have the talents and will to make the most of it.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Reubin O'D. Askew, of Florida, to be Special Representative for Trade Negotiations, with the rank of Ambassador Extraordinary and Plenipotentiary; which was referred to the Committee on Finance.

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 5 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1019. An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. BOREN).

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2139. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, certification as to adequacy of soil survey and land classification as required by the 1954 Appropriations Act—Upalco Unit, Central Utah Project, Utah; to the Committee on Appropriations.

EC-2140. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to eliminate the requirement for Selective Service System availability determination for members of the Standby Reserve prior to involuntary order to active duty in war or national emergency declared by Congress; to the Committee on Armed Services.

EC-2141. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Manufacturing Technology—A Cost Reduction Tool at the Department of Defense That Needs Sharpening," September 11, 1979; to the Committee on Armed Services.

EC-2142. A communication from the Assistant Secretary, Conservation and Solar Applications, Department of Energy, reporting, pursuant to law, the inability of the Department to meet the August 15 deadline in submitting the first report on the results of preliminary energy audits; to the Committee on Energy and Natural Resources.

EC-2143. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Courthouse (New), Portland, Oregon, in the amount of $7,187,000; to the Committee on Environment and Public Works.

EC-2144. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Savannah, Georgia, Federal Building-U.S. Courthouse, in the amount of $1,250,000; to the Committee on Environment and Public Works.

EC-2145. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report on the feasibility and need for construction of a Federal building in Corpus Christi, Texas; to the Committee on Environment and Public Works.

EC-2146. A communication from the Chairman, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, a report on extending the Commission's licensing or regulatory authority to include categories of existing and future Federal radioactive waste storage and disposal activities not presently subjected to such authority; to the Committee on Environment and Public Works.

EC-2147. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to recognize United States passports issued to individuals identified therein as citizens of the United States as proof of citizenship; to the Committee on Foreign Relations.

EC-2148. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report of a new system of records; to the Committee on Governmental Affairs.

EC-2149. A communication from the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report on a proposed new system of records; to the Committee on Governmental Affairs.

EC-2150. A communication from the Administration, General Services Administration, transmitting, pursuant to law, a report on actions taken in relation to the recommendations of the Privacy Protection Study Commission; to the Committee on Governmental Affairs.

EC-2151. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in cases of certain aliens who have been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-2152. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Some Criminal Offenses Committed Overseas by DOD Civilians Are Not Being Prosecuted: Legislation Is Needed," September 11, 1979; to the Committee on the Judiciary.

EC-2153. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to add a new section to the Immigration and Nationality Act to recognize the Report of Birth Abroad of a Citizen of the United States as proof of United States citizenship; to the Committee on the Judiciary.

EC-2154. A communication from the Commissioner, Immigration and Naturalization Service, Department of State, transmitting, pursuant to law, orders entered in 956 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-2155. A communication from the Deputy Commissioner for Occupational and Adult Education, Office of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report for calendar year 1978 for the National Center for Research in Vocational Education Advisory Council; to the Committee on Labor and Human Resources.

EC-2156. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations amending Part 177 of Chapter 1 of Title 45 of the Code of Federal Regulations for the Guaranteed Student Loan Program (20 U.S.C. 1071 through 1087-4, Part B of Title IV of the Higher Education Act of 1965, as amended); to the Committee on Labor and Human Resources.

EC-2157. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report of rescissions and deferrals, September 1979; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, to the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, and the Select Committee on Small Business, jointly, pursuant to order of January 30, 1975.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-453. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION No. 19

"Whereas, The American Dental Association's nutritional research consultants have reported that sugar is a major contributing factor to tooth decay in America today; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature respectfully memorializes the Federal Trade Commission to ban all advertising directed at children which promotes the use of high sugary foods that have 25 percent or more of total calories from added sweeteners, or 40 percent or more of total calories from fat content, or both; and be it further

"Resolved, That the Legislature respectfully memorializes the Food and Drug Administration to require that all products in package form disclose the percentage of sugar present if it provides for a substantial amount of the total number of calories in the food. Such disclosure shall appear on the principal display panel or panels of the label, unless the product's label bears a declaration of the portion (stated as a percentage by dry weight) of the food which is sugar. For the purposes of this resolution, the term 'sugar' means sucrose, corn sugar (dextrose), fructose, glucose, honey, invert sugar, molasses, raw sugar, corn syrup, or other nutritive sweeteners, or any combination thereof; the term 'in package' does not include fresh fruits and vegetables; and the term 'food' does not include any alcoholic beverage; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Federal Trade Commission, and to the Food and Drug Administration."

POM-455. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 18

"Whereas, The federal government contributed 50 percent of the cost of the aged, blind and disabled program until that program was replaced by Supplemental Security Income (SSI) in January of 1974; and

"Whereas, Under Section 1618 of the Social Security Act, the state is required to maintain the aggregate level of State Supplemental Program benefits (SSP) or lose eligibility to federal payments pursuant to Title XIX (Medi-Cal); and

"Whereas, The cost of providing SSP benefits to eligible recipients in the state will exceed $902 million in fiscal year 1978-79; and

"Whereas, The cost of the SSP portion now represents over 58 percent of the total cost of SSI/SSP program benefits; and

"Whereas, The state's share of the program costs exceeds the federal share because in calculating the amount of aid a recipient is eligible to receive, nonexempt income of a recipient is first deducted from the SSI payment, with any remaining income deducted from the SSP payment; and

"Whereas, The state will continue to assume more than 50 percent of the cost of providing SSI/SSP benefits to the aged, blind and disabled in the state until the method of calculating the federal and state share of the aid payment is changed; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to amend the Social Security Act to provide that recipient income be deducted from the SSI and SSP portions of the SSI/SSP benefit levels in amounts proportional to the relative contributions of the federal and state shares to the total benefit levels; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-454. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

ASSEMBLY JOINT RESOLUTION No. 38

"Whereas, Both the United States of America and the Syrian Arab Republic are parties and signatories to the Universal Declaration of Human Rights; and

"Whereas, The Syrian Arab Republic is a party and signatory to the International Covenant on Civil and Political Rights of 1966, to which it adhered on April 21, 1969; and

"Whereas, Article 391 of the Syrian Penal Code proscribes the use of torture and establishes penalties upon conviction for the use thereof; and

"Whereas, The Syrian Jewish community has been completely barred from emigration from the Syrian Arab Republic; and

"Whereas, Since January 1, 1979, the Syrian Jewish community has been subjected to the reimposition of previous restrictions upon personal and civil rights, including the imprisonment and torture of over 20 Syrian Jews, gross restrictions on internal travel, the requirement of a special designation 'Musawi' ('of the Mosaic faith') in colored ink on identity cards and other legal documents, a 7 p.m. curfew, searches of Jewish homes, a prohibition on sales of real property without advance proof of replacement of disposed property, and restrictions on travel abroad which require the posting of 25,000 Syrian pounds and that family members remain in Syria to insure the traveler's return; and

"Whereas, The foregoing oppressive and discriminating treatment of the Syrian Jewish community, which seeks religious freedom and the right to emigrate, offends the conscience of the American people and violates the provisions of the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights, and is in derogation of the rules of law in the Syrian Arab Republic; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California hereby condemns and deplores the oppression and imprisonment of Syrian Jews, the lack of religious liberty, and the inability of Jews to freely emigrate, as a direct violation of the provisions of the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights; and be it further

"*Resolved*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to undertake all possible and appropriate measures, including, but not limited to, the withholding of any foreign aid or economic support funds by the United States government pending compliance by the Syrian Arab Republic with the provisions set forth in the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights, so as to encourage and compel the government of the Syrian Arab Republic to honor and comply with the provisions of all of the aforesaid agreements to which it is a party and a signatory, and by which it is bound; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of State, to the Senate Foreign Relations Committee, to the House Foreign Affairs Committee, and to the respective Senate and House Appropriations Committees."

POM-455. A resolution adopted by the House of Representatives of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION

"*Whereas*, the Washington Masonic Bible, or the West Family Bible as it is otherwise known, is the bible upon which the first president of the United States, George Washington, received a Masonic degree; and

"*Whereas*, the bible was captured from its original owner, the American patriot Bartholomew West of New Bedford, by the Forty-sixth British regiment in the year 1778 during the invasion of New Bedford and the burning of the patriot West's home; and

"*Whereas*, the bible is now in the possession of the Duke of Cornwall's light infantry in a small military museum in Bodmin, England; and

"*Whereas*, because the bible is a unique American cultural and historical treasure, a committee has been formed to return the bible to an appropriate institution in Massachusetts where it will be enshrined and placed for public viewing; and

"*Whereas*, the committee to return the West family bible is comprised of six distinguished individuals, including the honorable David B. Nelson, Massachusetts state representative from New Bedford and a direct descendant of the patriot Bartholomew West, and also including: Mr. Nathaniel Denman, historian and company clerk of the Falmouth company of minutemen and militia; Mr. Richard Kugler, director of the Old Dartmouth Historical Society's whaling museum of New Bedford; Mr. Mick Oldsberg, state archivist for the Commonwealth of Massachusetts; Ms. Rita Steele, director of the Millicent Library of Fairhaven; and Mr. Donald Bernard, local historian and author of Fairhaven; and

"*Whereas*, the bible cannot be legally considered a legitimate 'spoil of war' and should be returned from its present location, where it is of secondary interest, to its rightful place in Massachusetts, where it is of the greatest historical interest and importance, especially to the people of the New Bedford area; therefore be it

"*Resolved*, that the Massachusetts House of Representatives hereby urges the President, the Secretary of State and the Congress of the United States to effect such action as may be necessary to provide for the return of the West family bible to American shores; and be it further

"*Resolved*, that copies of these resolutions be sent by the clerk of the House of Representatives to the President of the United States, the Secretary of State, the presiding officer of each branch of Congress and the members thereof from this Commonwealth."

POM-456. A resolution adopted by the Legislature of the State of Arkansas; to the Committee on Energy and Natural Resources:

"INTERIM RESOLUTION 79-16

"Whereas, it is generally acknowledged that the overlapping and often contradictory authority of various federal and state agencies engaged in the regulation of the surface and lignite mining industries have resulted in unreasonable and unnecessary burdens being placed on the economies of coal and lignite producing states; and

"Whereas, the Office of Surface Mining Reclamation and Enforcement (OSM) has continually failed to recognize or adapt to the unique topography, climate, and problems indigenous to the coal and lignite mining industry in the individual coal and lignite producing states; and

"Whereas, the State of Arkansas has enacted legislation for the promotion of the environmental and economic well-being of the State while regulating the surface mining industry within the State;

Now, therefore, be it resolved by the Legislative Council of the General Assembly of the State of Arkansas:

"That the Congress of the United States be requested to amend the Surface Mining Control and Reclamation Act of 1977 (P.L. 95-87) by amending section 503(a)(7) of the Act, by striking the phrase 'regulations issued by the Secretary pursuant to'; and, in section 701(25) of the Act, by striking the phrase 'and regulations issued by the Secretary pursuant to this Act,' in order to authorize the coal producing states to establish surfacing mining and reclamation programs, within their respective states, consistent with this Act, without the further requirement of consistency with federal rules and regulations.

"Be it further resolved that a copy of this Resolution be forwarded to the President of the Senate, the Speaker of the House of Representatives of the Congress of the United States, and to each member of the Arkansas Congressional Delegation."

POM-457. A resolution adopted by the Commissioners Court of Ward County, Tex., petitioning the President and the Congress of the United States regarding some of the policies of the Federal Government; to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. TOWER:

S. 1740. A bill to amend the Railroad Retirement Act of 1974 to include employment with the National Transportation Safety Board among the types of employment in which an individual may engage while retaining current connection with the railroad industry; to the Committee on Labor and Human Resources.

By Mr. GRAVEL (for himself, Mr. STEVENS, Mr. INOUYE, Mr. HATCH, Mr. CANNON, Mr. LAXALT, Mr. BOREN, Mr. GARN, Mr. LONG, Mr. GOLDWATER, Mr. BELLMON, Mr. WALLOP, Mr. SIMPSON, Mr. TOWER, Mr. HAYAKAWA, Mr. RANDOLPH, and Mr. STENNIS):

S. 1741. A bill to amend the act entitled "An act for the Preservation of American Antiquities", approved June 8, 1906 (34 Stat. 225), to provide congressional review of Presidential monument proclamations, and to amend the Act entitled "Federal Land Policy and Management Act of 1976", approved October 21, 1976 (90 Stat. 2743), to alter the congressional review procedures of land withdrawals, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MELCHER:

S. 1742. A bill to provide legal authority for Soil Conservation Service employees to assist in local search and rescue operations when called upon by responsible local authorities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HART:

S. 1743. A bill for the relief of Dr. Dhanesh Chandra; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER:

S. 1740. A bill to amend the Railroad Retirement Act of 1974 to include employment with the National Transportation Safety Board among the types of employment in which an individual may engage while retaining current connection with the railroad industry; to the Committee on Labor and Human Resources.

● Mr. TOWER. Mr. President, today I am introducing legislation of a remedial nature necessitated by an oversight in enactment of the National Transportation Safety Act of 1974.

At that time, the National Transportation Safety Board was made an independent agency, and in conjunction with the Railroad Retirement Act of 1974, employees of the NTSB with previous service in the railroad industry, were deprived of a "current connection" status with the railroad retirement system.

It is the opinion of those who have had the opportunity to analyze this bill in draft form that the deprivation was unintentional; at no time when the NTSB was part of the Department of Transportation was any question raised as to the status of its employees with former railroad experience. For this reason, I would hope the Senate can act quickly to correct the situation confronting individuals facing the dilemma of losing their current connection status.

Mr. President, this is legislation of a minor nature, comparatively speaking. Only about 20 or 30 individuals in the United States are affected. However, I know from the letters I have received from a few of these people that the problem is not a minor one for them personally.

These individuals worked many long years to earn their railroad retirement. They chose to continue in Government service bringing the benefit of their experience to the public policy arena. The least we owe these citizens is the equitable treatment provided in this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1(0) of the Railroad Retirement Act of 1974 is amended by inserting "the National Transportation Safety Board," immediately after "the National Mediation Board,".

SEC. 2. The amendment made by this Act shall be applicable with respect to employment on and after April 1, 1975.●

By Mr. GRAVEL (for himself, Mr. STEVENS, Mr. INOUYE, Mr. HATCH, Mr. CANNON, Mr. LAXALT, Mr. BOREN, Mr. GARN, Mr. LONG, Mr. GOLDWATER, Mr. BELLMON, Mr. WALLOP, Mr. SIMPSON, Mr. TOWER, Mr. HAYAKAWA, Mr. RANDOLPH, and Mr. STENNIS):

S. 1741. A bill to amend the act entitled "An Act for the Preservation of American Antiquities," approved June 8, 1906 (34 Stat. 225), to provide congressional review of Presidential monument proclamations, and to amend the act entitled "Federal Land Policy and Management Act of 1976," approved October 21, 1976 (90 Stat. 2743), to alter the congressional review procedures of land withdrawals, and for other purposes; to the Committee on Environment and Public Works.

ANTIQUITIES ACT AND FEDERAL LAND POLICY AND MANAGEMENT ACT AMENDMENTS OF 1979

● Mr. GRAVEL. Mr. President, today I am reintroducing my bill, S. 1176, which amends the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976. The new bill corrects some citation errors which were inadvertently made in the original bill, but is otherwise identical in purpose and in provisions.

I am pleased to be joined by 16 other Senators as cosponsors on this measure.

The purpose of the bill is to correct the great abuse of executive power which was used last year in Alaska and to insure that our Federal land laws are not misused by the administration in the future to intimidate the Congress and the people of our Nation.

The gentleman from Arkansas, Mr. BUMPERS, has most graciously honored my request to have hearings on this bill by the Subcommittee on Parks, Recreation, and Renewable Resources which he so ably chairs. The hearing is scheduled for tomorrow, Thursday, September 13 at 10 a.m. in 3110 Dirksen.

I would ask unanimous consent that a summary of the bill along with background information on the recent actions in Alaska and the legislative history of the original acts in question be printed in the RECORD along with the complete text of the bill.

I would encourage my colleagues to read this information and for members of the subcommittee to attend tomorrow's hearings if at all possible. I think an airing of this matter will truly astound you as to the extent that the administration has exceeded its authorities in regard to Alaska lands.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Antiquities Act and Federal Land Policy and Management Act Amendments of 1979".

SEC. 2. (a) The first section of the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. 433), is amended (1) by designating the existing text thereof as subsection (a), and (2) by adding at the end thereof the following new subsections:

"(b) For purposes of this Act, the term 'objects of historic or scientific interest' means historic or prehistoric specimens or structures such as pottery, bottles, weapons, dwellings, rock paintings, carvings, graves, human skeletal materials, and nonfossilized and fossilized paleontological specimens when found in an archaeological context. Such objects shall be directly associated with human behavior and activities.

"(c)(1) Any proclamation for reservation of public lands as national monuments by the President pursuant to section 2 of this Act in excess of five thousand acres shall be transmitted to the Congress. Such proclamation shall not become effective unless within sixty calendar days of continuous session of the Congress after the proclamation has been transmitted, the Senate and the House of Representatives pass a concurrent resolution approving such proclamation.

"(2) For purposes of this section—

"(A) continuity of session of Congress is broken only by an adjournment sine die;

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day calendar period; and

"(C) the term 'resolution' means a concurrent resolution, the resolving clause of which is as follows: 'That the House of Representatives and Senate approve the proclamation by the President reserving public lands as the National Monument submitted to the Congress on , 19 .'; the blank spaces therein shall be filled with proper name of the national monument which corresponds to a legal land description available for public inspection and with the date on which the President submits his proclamation to the Congress.

"(3) Except as otherwise provided in this section, the provisions of section 8(d) of the Alaska Natural Gas Transportation Act shall apply to the consideration of such resolution.".

(b) Such Act is further amended by adding at the end thereof the following new section:

"SEC. 5. Notwithstanding any other laws or regulations, any uses of the public lands included within any monument proclaimed under this Act validly occurring at the time of creation of the monument shall be permitted to continue to the extent that the uses do not destroy, disturb, or otherwise adversely impact on the historic or prehistoric sites or specimen to be protected by the establishment of the national monument. Such uses may include hunting, guiding, hiking, boating, and use of motorized vehicles. Nothing in this paragraph shall be construed as limiting in any way valid existing rights of owners or holders of property or claims within any monument under existing law.".

(c) The provisions of subsection (c) of the first section of such Act of June 8, 1906, as added by this section, shall be deemed to have taken effect as of October 14, 1978, and any proclamation proclaiming a monument under such Act on and after October 14, 1978, shall be subject to the provisions of such subsection(c).

SEC. 3. Section 204(c)(1) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2752; 43 U.S.C. 1714) is amended by striking out the second sentence and inserting in lieu thereof the following sentence: "The withdrawal shall become effective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such proposed withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House approves the withdrawal.".

SUMMARY OF PROPOSED AMENDMENTS TO THE ANTIQUITIES AND FEDERAL LAND POLICY AND MANAGEMENT ACTS

(1) The bill requires that any proposal to create a monument greater than 5,000 acres be submitted to Congress for approval by joint resolution under expedited procedures similar to those under the Alaska Natural Gas Transportation Act. The bill would be retroactive to October 14, 1978 (the date the 95th Congress adjourned) in order to include the monuments created in Alaska December 1, 1978. The 5,000-acre provision conforms to the limits of the discretionary authority granted the Secretary of the Interior for land classification decisions under the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act").

(2) The bill provides that land uses validly occurring at the time a monument was established would not be prohibited unless they directly impact historic or archaeological sites or remains. Thus, an activity such as hunting, which is prohibited automatically under current law, would be permitted to the extent it did not impair the values for which the monument was established.

(3) The bill defines "objects of historic or scientific interest" as used in the Antiquities Act to include only historic, archaeological remains associated with human behavior. The intent of this definition is to limit the President's use of the Antiquities Act to protect only areas of unique historic or archaeological value, not fish and wildlife, scenic, recreational or wilderness areas. We have other laws relating to establishment of these areas.

(4) The bill amends the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act") to provide more direct positive congressional review of administrative land withdrawals. The Act now enables the Secretary of the Interior to withdraw any amount of land for up to 20 years subject to a congressional veto under expedited procedures. The Secretary currently proposes to use this authority (section 204(c)) in Alaska to create 12 new wildlife refuges of approximately 40 million acres. This bill would make such action effective only after congressional approval by joint resolution under expedited procedures.

THE "EMERGENCY"

Under the terms of section 17(d)(2) of the Alaska Native Claims Settlement Act, the Secretary of the Interior was authorized to withdraw up to 80 million acres of land from all appropriations for potential addition to either the national park, wildlife refuge, forest, or wild and scenic rivers system. If Congress did not act before December 18, 1978, these withdrawals would lapse.

However, at the time the (d)(2) withdrawals were made, the lands were also withdrawn under section 17(d)(1) of the Claims Act. After the December 18, 1978 deadline expired, the "D-1" withdrawals provided the same protection to the land as that occurring under section 17(d)(2). There is no expiration date for the D-1 withdrawals. In addi-

tion, most other federal land in Alaska is withdrawn under the D-1 authority.

In a letter sent prior to the December 18 expiration date to solicit public comments on a draft Environmental Impact Statement analyzing several possible administrative actions—including possible use of the Antiquities Act—Cynthia Wilson, Special Assistant to the Secretary, stated:

Although the Administration is confident that the protective land withdrawals which will remain after the expiration of "D-2" withdrawals in December are capable of continuing to preclude the entry, location or selection of the national interest lands, the lands are so significant to the nation that prudence dictates that they be protected as fully as possible under existing executive branch authorities, pending final congressional action.

Despite the protection afforded by D-1, the Secretary withdrew approximately 110 million acres of land in Alaska under the provisions of section 204(e) of the Federal Land Policy and Management Act of 1976 (the "BLM Organic Act") on November 16, 1978. This section of FLPMA authorizes the Secretary to make "emergency" withdrawals of public land from all forms of entry and appropriation for a period of up to three years. This withdrawal affected virtually all the lands under consideration by the Congress during the past session.

Yet, even with this action, which duplicated protection already provided by D-1, the Secretary urged the President to proclaim 56 million acres of land as national monuments under the 1906 Antiquities Act. These national monuments are not just temporary withdrawals until Congress acts, they are permanently designated conservation system units with extremely restrictive land use policies. In particular, such areas are closed to sport hunting, trapping, and related guiding. In Alaska this affects hundreds of people who have had their livelihoods wiped out with the stroke of a pen. Hunting guides, trappers, miners, air taxi operators and recreationists have all been displaced. They are essentially "regulated out" of these vast areas.

Thus, the use of the Antiquities Act can only be viewed as an extreme abuse of power designed to punish and intimidate those who oppose the Administration's proposals for the use of Alaska land.

ANTIQUITIES ACT PROVISIONS

The Antiquities Act was originally intended to prevent the removal of artifacts and further destruction of archaeological sites in the Southwest. It gives the President authority to withdraw "historic landmarks, historic and prehistoric structures, and other objects of historic scientific interest" as national monuments. The law further provides that the land withdrawn "shall be confined to the smallest area compatible with the proper care and management of the objects to be protected." In a floor colloquy on the bill in the House in 1906, the following exchange took place:

Mr. STEPHENS of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. LACEY. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. STEPHENS of Texas. Would it be anything like the forest preserve bill, by which seventy or eighty million acres of land in the United States have been tied up?

Mr. LACEY. Certainly not. The object is entirely different. It is to preserve these old pueblos in the Southwest, whilst the other reserves the forests and the water resources.

Mr. STEPHENS of Texas. I hope . . . this bill will not result in locking up other lands.

The areas which were designated monuments in Alaska have long been studied and acclaimed by the Interior Department and environmental groups for their scenic, recreational, wilderness, and fish and wildlife values. In only a very few distinct areas have historic or archaeological values been of prime concern. The 56 million acres' withdrawn is by no stretch of the imagination the "smallest area" necessary for the "objects" protected.

16 U.S.C. SEC. 431 (ANTIQUITIES ACT)

§ 431. National monuments; reservation of land: relinquishment of private claims.

The President of the United States is authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected. When such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is authorized to accept the relinquishment of such tracts in behalf of the Government of the United States. (June 8, 1906, ch. 3060, § 2, 34 Stat. 225.)

[Report No. 3797]

PRESERVATION OF AMERICAN ANTIQUITIES

REPORT

The Committee on Public Lands, to whom was referred the bill (S. 4698) for the preservation of American antiquities, having had the same under consideration, beg leave to report it back with the recommendation that the bill do pass.

This measure has the hearty support of the Archeological Institute of America, the American Anthropological Association, the Smithsonian Institution, and numerous museums throughout the country, and in view of the fact that the historic and prehistoric ruins and monuments on the public lands of the United States are rapidly being destroyed by parties who are gathering them as relics and for the use of museums and colleges, etc., your committee are of the opinion that their preservation is of great importance.

This bill is carefully drawn, and the committee are unanimously in favor of its passage.

[Report No. 2224]

PRESERVATION OF AMERICAN ANTIQUITIES

REPORT

Your committee to whom was referred the bill (H.R. 11016) for the preservation of American antiquities, report the same back with the following amendments:

In line 3, page 1, after the word "shall," insert the words "willfully or wantonly."

In line 9, page 1, after the word "shall," insert "be guilty of a misdemeanor and."

On page 2, at the end of line 14, insert the following proviso: "*Provided further*, That no expense shall be incurred for special custodians under this act."

The various archeological societies of the United States in the Fifty-eighth Congress presented the subject of the enactment of a bill along the lines proposed in the present bill. A full hearing was had on the matter by the Committee on the Public Lands, and a bill was reported to carry out the purpose proposed, but the bill did not receive action in the House in the last Congress.

The bill as above amended will, in the opinion of your committee, accomplish the purpose desired. There are scattered throughout the Southwest quite a large number of very interesting ruins. Many of these ruins are upon the public lands, and the most of them are upon lands of but little present value. The bill proposes to create small reservations reserving only so much land as may be absolutely necessary for the preservation of these interesting relics of prehistoric times.

Practically every civilized government in the world has enacted laws for the preservation of the remains of the historic past, and has provided that excavations and explorations shall be conducted in some systematic and practical way so as not to needlessly destroy buildings and other objects of interest.

The United States should adopt some method of protecting these remains that are still upon the public domain or in Indian reservations. The following-named persons, during the Fifty-eighth Congress, communicated with or appeared before your committee in behalf of this legislation: Prof. Thomas D. Seymour, of Yale University; Charles P. Bowditch, esq., of Boston, Mass.; Prof. Francis W. Kelsey, of the University of Michigan; Prof. Mitchell Carroll, of George Washington University; Dr. A. L. Kroeber, of the University of California; Dr. G. B. Gordon, of the University of Pennsylvania; Prof. M. H. Saville, of Columbia University; Hon. John W. Foster, of Washington, D.C.; Prof. William Henry Holmes, of the Smithsonian Institution; Dr. Henry Mason Baum, president Institute of Historical Research, of Washington, D.C.; Prof. F. W. Putnam, of Harvard University; Prof. Edgar L. Hewett, formerly president of the Normal University of New Mexico; Msgr. Dennis J. O'Connell, rector of the Catholic University of America, and others.

Professor Seymour, of Yale University, president of the Archaeological Institute of America; Mr. Charles P. Bowditch, of the Boston society; Prof. Franz Boas, of the New York society; Miss Alice Fletcher, of the Baltimore society; Mrs. Sara Y. Stevenson, of the Pennsylvania society; Dr. George A. Dorsey, of the Chicago society; Dr. George William Bates, of the Detroit society; Prof. M. S. Slaughter, of the Wisconsin society; Prof. H. N. Fowler, of the Cleveland society; Dr. George Grant MacCurdy, of the Connecticut society; Dr. W. J. McGee, of the Missouri society; Prof. M. Carroll, of the Washington society; Dr. Duren J. H. Ward, of the Iowa society; Hon. H. K. Porter, M.C., of the Pittsburgh society; Mr. Charles F. Lummis, of the Southwest society; Dr. A. L. Kroeber, of the San Francisco society; Mrs. W. S. Peabody, of the Colorado society; Prof. F. W. Putnam, of the Peabody Museum; Mr. W. H. Holmes and Dr. J. W. Fewkes, of the Smithsonian Institution; Hon. J. W. Foster and Dr. Henry Mason Baum, of Washington, D.C.; and Hon. L. Bradford Prince, of Santa Fe, N. Mex.

These gentlemen are men of high character who have given the subject much consideration, and their opinions are entitled to most serious consideration.

Prof. Edgar L. Hewett prepared and presented your committee with a very interesting memorandum on the ruins in Arisona, New Mexico, Colorado, and Utah, which is here incorporated as a part of this report:

PRESERVATION OF AMERICAN ANTIQUITIES

Mr. PATTERSON. I am directed by the Committee on Public Lands, to whom was referred the bill (S. 4698) for preservation of American antiquities, to report it favorably without amendment, and I submit a report thereon. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that any person who shall appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of

the United States without the permission of the Secretary of the Department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined a sum of not more than $500 or be imprisoned for a period of not more than ninety days, or shall suffer both fine and imprisonment, in the discretion of the court.

Section 2 authorizes the President of the United States, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected, but when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

Permits for the examination of ruins, the excavation of archeological sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided*, That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects and that the gatherings shall be made for permanent preservation in public museums.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PRESERVATION OF AMERICAN ANTIQUITIES

House, June 5, 1906.

Mr. LACY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 4698.

The clerk read as follows:

A bill (S. 4698) for the preservation of American antiquities.

Be it enacted, etc., That any person who shall appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the Government of the United States, without the permission of the Secretary of the Department of the Government having jurisdiction over the lands on which said antiquities are situated, shall, upon conviction, be fined in a sum of not more than $500 or be imprisoned for a period of not more than ninety days, or shall suffer both fine and imprisonment, in the discretion of the court.

SEC. 2. That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national mounuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected: *Provided*, That when such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is hereby authorized to accept the relinquishment of such tracts in behalf of the Government of the United States.

SEC. 3. That permits for the examination of ruins, the excavation of archaeological sites, and the gathering of objects of antiquity upon the lands under their respective jurisdictions may be granted by the Secretaries of the Interior, Agriculture, and War to institutions which they may deem properly qualified to conduct such examination, excavation, or gathering, subject to such rules and regulations as they may prescribe: *Provided*, That the examinations, excavations, and gatherings are undertaken for the benefit of reputable museums, universities, colleges, or other recognized scientific or educational institutions, with a view to increasing the knowledge of such objects, and that the gathering shall be made for permanent preservation in public museums.

SEC. 4. That the Secretaries of the Departments aforesaid shall make and publish from time to time uniform rules and regulations for the purpose of carrying out the provisions of this act.

The SPEAKER. Is there objection?

Mr. STEPHENS of Texas. Mr. Speaker, I desire to ask the gentleman whether this applies to all the public lands or only certain reservations made in the bill?

Mr. LACEY. There is no reservation made in the bill of any specific spot.

Mr. STEPHENS of Texas. I think the bill would be preferable if it covered a particular spot and did cover the entire public domain.

Mr. LACEY. There has been an effort made to have national parks in some of these regions, but this will merely make small reservations where the objects are of sufficient interest to preserve them.

Mr. STEPHENS of Texas. Will that take this land off the market, or can they still be settled on as part of the public domain?

Mr. LACEY. It will take that portion of the reservation out of the market. It is meant to cover the cave dwellers and cliff dwellers.

Mr. STEPHENS of Texas. How much land will be taken off the market in the Western States by the passage of the bill?

Mr. LACEY. Not very much. The bill provides that it shall be the smallest area necessary for the care and maintenance of the objects to be preserved.

Mr. STEPHENS of Texas. Would it be anything like the forest-reserve bill, by which seventy or eighty million acres of land in the United States have been tied up?

Mr. LACEY. Certainly not. The object is entirely different. It is to preserve these old objects of special interest and the Indian remains in the pueblos in the Southwest, whilst the other reserves the forests and the water courses.

Mr. STEPHENS of Texas. I will say that that bill was abused. I know of one place where in 5 miles square you could not get a cord of wood, and they call it a forest, and by such means they have locked up a very large area in this country.

Mr. LACEY. The next bill I desire to call up is a bill on which there is a conference report now on the Speaker's table, which permits the opening up of specified tracts of agricultural lands where they can be used, by which the very evil that my friend is protesting against can be remedied. It is House bill 17576, which has passed both bodies, and there is a conference report for concurrence as to the details upon the Speaker's table.

Mr. STEPHENS of Texas. I hope the gentleman will succeed in passing that bill, and this bill will not result in locking up other lands. I have no objection to its consideration.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to a third reading, read the third time, and passed.

On motion of Mr. LACY, a motion to reconsider the vote by which the bill was passed was laid on the table.

[Public Law 94-579—Oct. 21, 1976]

FEDERAL LAND POLICY AND MANAGEMENT ACT OF 1976

An act to establish public land policy; to establish guidelines for its administration; to provide for the management, protection, development, and enhancement of the public lands; and for other purposes.

WITHDRAWALS

SEC. 204. (a) On and after the effective date of this Act the Secretary is authorized to make, modify, extend, or revoke withdrawals but only in accordance with the provisions and limitations of this section. The Secretary may delegate this withdrawal authority only to individuals in the Office of the Secretary who have been appointed by the President, by and with the advice and consent of the Senate.

(b) (1) Within thirty days of receipt of an application for withdrawal, and whenever he proposes a withdrawal on his own motion, the Secretary shall publish a notice in the Federal Register stating that the application has been submitted for filing or the proposal has been made and the extent to which the land is to be segregated while the application is being considered by the Secretary. Upon publication of such notice the land shall be segregated from the operation of the public land laws to the extent specified in the notice. The segregative effect of the application shall terminate upon (a) rejection of the application by the Secretary, (b) withdrawal of lands by the Secretary, or (c) the expiration of two years from the date of the notice.

(2) The publication provisions of this subsection are not applicable to withdrawals under subsection (c) hereof.

(c) (1) On and after the dates of approval of this Act a withdrawal aggregating five thousand acres or more may be made (or such a withdrawal any other withdrawal involving in the aggregate five thousand acres or more which terminates after such data of approval may be extended) only for a period of not more than twenty years by the Secretary on his own motion or upon a request by a department or agency head.

The secretary shall notify both Houses of Congress of such a withdrawal no later than its effective date and the withdrawal shall terminate and become ineffective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House does not approve the withdrawal. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to

discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reported, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(2) Within the notices required by subsection (c)(1) of this section and within three months after filing the notice under subsection (e) of this section, the Secretary shall furnish to the committees—

(1) a clear explanation of the proposed use of the land involved which lead to the withdrawal;

(3) an inventory and evaluation of the current natural resource uses and values of the site and adjacent public and nonpublic land and how it appears they will be affected by the proposed use, including particularly aspects of use that might cause degradation of the environment, and also the economic impact of the change in use on individuals, local communities, and the Nation;

(3) an identification of present users of the land involved and how they will be affected by the proposed use;

(4) an analysis of the manner in which existing and potential resource uses are incompatible with or in conflict with the proposed use, together with a statement of the provisions to be made for continuation or termination of existing uses, including an economic analysis of such continuation or termination;

(5) an analysis of the manner in which such lands will be used in relation to the specific requirements for the proposed use;

(6) a statement as to whether any suitable alternative sites are available (including cost estimates) for the proposed use or for uses such a withdrawal would displace;

(7) a statement of the consultation which has been or will be had with other Federal departments and agencies, with regional, State, and local government bodies, and with other appropriate individuals and groups;

(8) a statement indicating the effect of the proposed uses, if any, on State and local government interests and the regional economy;

(9) a statement of the expected length of time needed for the withdrawal;

(10) the time and place of hearings and of other public involvement concerning such withdrawal;

(11) the place where the records on the withdrawal can be examined by interested parties; and

(12) a report prepared by a qualified mining engineer, engineering geologist, or geologist which shall include but not be limited to information on: general geology, known mineral deposits, past and present mineral production, mining claims, minerals leases, evaluation of future mineral potential, present, and potential market demands.

(d) A withdrawal aggregating less than five thousand acres may be made under this subsection by the Secretary on his own motion or upon request by a department or an agency head—

(1) for such period of time as he deems desirable or a resource use; or

(2) for a period of not more than twenty years for any other use, including but not limited to use for administrative sites, location of facilities, and other proprietary purposes; or

(3) for a period of not more than five years to preserve such tract for a specific use then under consideration by the Congress.

(e) When the Secretary determines, or when the Committee on Interior and Insular Affairs of either the House of Representatives or the Senate notifies the Secretary, that an emergency situation exists and that extraordinary measures must be taken to preserve values that would otherwise be lost, the Secretary notwithstanding the provisions of subsections (c)(1) and (d) of this section, shall immediately make a withdrawal and file notice of such emergency withdrawal with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives. Such emergency withdrawal shall be effective when made but shall last only for a period not to exceed three years and may not be extended except under the provisions of subsection (c)(1) or (d), whichever is applicable, and (b)(1) of this section. The information required in subsection (c)(2) of this subsection shall be furnished the committees within three months after filing such notice.

(f) All withdrawals and extensions thereof, whether made prior to or after approval of this Act, having a specific period shall be reviewed by the Secretary toward the end of the withdrawal period and may be extended or further extended only upon compliance with the provisions of subsection (c)(1) or (d), whichever is applicable, and only if the Secretary determines that the purpose for which the withdrawal was first made requires the extension, and then only for a period no longer than the length of the original withdrawal period. The Secretary shall report on such review and extensions to the Committees on Interior and Insular Affairs to the House of Representatives and the Senate.

(g) All applications for withdrawal pending on the date of approval of this Act shall be processed and adjudicated to conclusion within fifteen years of the date of approval of this Act, in accordance with the provisions of this section. The segregative effect of any application not so processed shall terminate on that date.

(h) All new withdrawals made by the Secretary under this section (except an emergency withdrawal made under subsection (e) of this section) shall be promulgated after an opportunity for a public hearing.

(i) In the case of lands under the administration of any department or agency other than the Department of the Interior, the Secretary shall make, modify, and revoke withdrawals only with the consent of the head of the department or agency concerned, except when the provisions of subsection (e) of this section apply.

(j) The Secretary shall not make, modify, or revoke any withdrawal created by Act of Congress; make a withdrawal which can be made only by Act of Congress; modify or revoke any withdrawal creating national monuments under the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. 431–433); or modify, or revoke any withdrawal which added lands to the National Wildlife Refuge System prior to the date of approval of this Act or which thereafter adds lands to that System under the terms of this Act. Nothing in this Act is intended to modify or change any provision of the Act of February 27, 1976 (90 Stat. 199; 16 U.S.C. 668dd(a)).

(k) There is hereby authorized to be appropriated the sum of $10,000,000 for the purpose of processing withdrawal applications pending on the effective date of this Act, to be available until expended.

(1)(1) The Secretary shall, within fifteen years of the date of enactment of this Act, review withdrawals existing on the date of approval of this Act, in the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming of (1) all Federal lands other than withdrawals of the public lands administered by the Bureau of Land Management and of lands which, on the date of approval of this Act, were part of Indian reservations and other Indian holdings, the National Forest System, the National Park System, the National Wildlife Refuge System, other lands administered by the Fish and Wildlife Service or the Secretary through the Fish and Wildlife Service, the National Wild and Scenic Rivers System, and the National System of Trails; and (2) all public lands administered by the Bureau of Land Management and of lands in the National Forest System (except those in wilderness areas, and those areas formally identified as primitive or natural areas or designated as national recreation areas) which closed the lands to appropriation under the Mining Law of 1872 (17 Stat. 91, as amended; 30 U.S.C. 22 et seq.) or to leasing under the Mineral Leasing Act of 1920 (41 Stat. 437, as amended; 30 U.S.C. 181 et seq.).

(2) In the review required by paragraph (1) of this subsection, the Secretary shall determine whether, and for how long, the continuation of the existing withdrawal of the lands would be, in his judgment, consistent with the statutory objectives of the programs for which the lands were dedicated and of the other relevant programs. The Secretary shall report his recommendations to the President, together with statements of concurrence or nonconcurrence submitted by the heads of the departments or agencies which administer the lands. The President shall transmit this report to the President of the Senate and the Speaker of the House of Representatives, together with his recommendations for action by the Secretary, or for legislation. The Secretary may act to terminate withdrawals other than those made by Act of the Congress in accordance with the recommendations of the President unless before the end of ninety days (not counting days on which the Senate and the House of Representatives has adjourned for more than three consecutive days) beginning on the day the report of the President has been submitted to the Senate and the House of Representatives the Congress has adopted a concurrent resolution indicating otherwise. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reprinted, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(3) There are hereby authorized to be appropriated not more than $10,000,000 for the purpose of paragraph (1) of this subsection to be available until expended to the Secretary and to the heads of other departments and agencies which will be involved.

PUBLIC LANDS COUNCIL,
Washington, D.C.
NATIONAL CATTLEMEN'S ASSOCIATION,
Denver, Colo.
NATIONAL WOOL GROWERS ASSOCIATION,
Washington, D.C.

JULY 12, 1979.

Senator MIKE GRAVEL,
Dirksen Building,
Washington, D.C.

DEAR SENATOR GRAVEL: A formal note to insure our support for your bill S. 1176, "An Act for The Preservation of American Antiquities."

Please keep us informed as to any action which you feel we could undertake to enhance enactment of this measure.

Sincerely,

RONALD A. MICHIELI,
Director, Government Affairs for Land and Natural Resources-NCA, Executive Director-PLC.

[Western States Legislative Forestry Task Force]

A RESOLUTION RELATIVE TO LIMITING PRESIDENTIAL POWERS UNDER ANTIQUITIES ACT

Whereas, the "property clause" of the U.S. Constitution reserves unto Congress the authority to appropriate federal lands; and

Whereas, the 95th Congress considered legislation directed to appropriation of large quantities of federal lands in Alaska and refused to pass such legislation; and

Whereas, the 96th Congress is again considering such federal land appropriation proposals; and

Whereas, in December of 1978, notwithstanding the appropriate provisions of the U.S. Constitution, acted to declare 17 National Monuments in Alaska totaling some 56 million acres, relying upon provisions of the Antiquities Act of 1906; and

Whereas, the Antiquities Act is intended to grant to the President the authority to protect "objects of historic or scientific interest" in the "smallest area compatible with the proper care and management of the objects"; and

Whereas, the President in declaring such 17 National Monuments clearly exceeded the authority granted pursuant to the Antiquities Act of 1906 and usurped authority reserved to Congress; and

Whereas, the Secretary of Interior withdrew an additional 40 million acres of federal lands in Alaska as wildlife refuges in reliance upon authority granted the Secretary of Interior by the BLM Organic Act with respect to emergency situations; and

Whereas, the action of the Secretary of Interior was precipitous and not for the purpose of dealing with a true emergency; and

Whereas, the actions of the President and his Secretary of Interior resulting in the incredibly large federal land withdrawals have caused substantial harm to many Alaskans as well as clouding the ability of our nation to realize important energy and mineral potential contained in such lands; and

Whereas, the Congress may remedy the harm caused by the precipitous acts of the President and the Secretary of the Interior

Now, Therefore, Be It Resolved that the Western States Legislative Forestry Task Force does hereby support legislation that would:

1. Require any proposal to create National Monuments aggregating more than 5,000 acres of federal land located in any one state be submitted to Congress for approval by joint resolutiuon under expedited procedures similar to those under the Alaska Natural Gas Transportation Act; and

2. Provide that land uses validly occurring at the time a National Monument is established will not be prohibited unless they directly impact historic or archaeological sites or remains; and

3. Define "objects of historic or scientific interest" as used in the Antiquities Act of 1906 to include only historic, archaeological remains associated with human behavior; and

4. Provide more direct, positive congressional review of administrative land withdrawals:

Be It Further Resolved that the Executive Director be and he is hereby authorized and directed to forward copies of this Resolution to the President of the United States, the Secretary of Interior, the Congressional Delegations and Governors of the Task Force member states.

Upon motion by Representative Oral Freeman of Alaska, seconded by Senator Lowell Peterson of Washington, the foregoing Resolution was unanimously passed and adopted by the Western States Legislative Forestry Task Force at a regular meeting thereof on March 26, 1979, held in the Rayburn Hou. Office Building in Washington, D.C.

RICHARD A. ROSEN,
Executive Director.

RESOLUTION

Be it Resolved by the House of Representatives:

Where as the vast areas of land in Alaska withdrawn under the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976 by the President of the United States and the Secretary of the Interior far exceed any reasonable concern for the temporary protection of the land until such time as Congress can dispose of it as provided for in 17(d)(2) of the Alaska Native Claims Settlement Act of 1971; and

Whereas the 1906 Antiquities Act was originally intended to protect archaeological sites in the Southwest, and not to close large tracts of land to exploration for and development of oil, gas, minerals, and other natural resources; and

Whereas the effect of creating 17 national monuments in Alaska, covering approximately 56,000,000 acres under the 1906 Antiquities Act, and withdrawing approximately 40,000,000 acres under sec. 204(c) of the Federal Land Policy and Management Act of 1976, not only prevents the exploration for and utilization of natural resources for the benefit of the whole Nation, but also blocks access to adjacent areas which have high natural resources potential; and

Whereas it makes no sense that while the Nation is experiencing a continuing and increasing dependency on foreign oil at great cost, and frequently from unstable and unreliable foreign sources, the Nation should foreclose opportunities for development of energy resources and non-fuel minerals at home; and

Whereas a majority of the American public favors exploration for energy resources within federal wilderness areas;

Be it resolved that the Alaska House of Representatives wholeheartedly supports proposed legislation presently being circulated in Congress that would curb the powers of the President of the United States and of the Secretary of the Interior to arbitrarily withdraw federal land under the 1906 Antiquities Act and the Federal Land Policy and Management Act of 1976 without Congressional approval; and be it

Further resolved that the Alaska House of Representatives favors an amendment to the 1906 Antiquities Act to require that the creation of any national monument in excess of 5,000 acres under the Act be approved by Congress by concurrent resolution; and be it

Further resolved that existing land uses, including hunting, mining, guiding, hiking, boating, and use of motorized vehicles, not impacting the historic or archaeological sites or remains for which a national monument was created under the 1906 Antiquities Act, be allowed to continue; and be it

Further resolved that a more precise definition of "objects of historic or scientific interest" as used in the 1906 Antiquities Act be required to avoid having almost any land proclaimed a national monument; and be it

Further resolved that sec. 204(c) of the Federal Land Policy and Management Act of 1976 be amended to require Congressional approval for administrative land withdrawals instead of the existing Congressional veto.

Copies of this resolution shall be sent to the Honorable Jimmy Carter, President of the United States; the Honorable Cecil D. Andrus, Secretary of the Interior; the Honorable Henry S. Jackson, Chairman of the Senate Committee on Energy and Natural Resources; the Honorable Morris K. Udall, Chairman of the House Committee on Interior and Insular Affairs; the Honorable John B. Breaux, Chairman of the House Subcommittee on Fisheries and Wildlife Conservation and the Environment; the Honorable John M. Murphy, Chairman of the House Committee on Merchant Marine and Fisheries; the members of the Special Task Force on Alaska Lands; John W. Katz, Special Counsel to the Governor of Alaska on (d)(2) Lands; Earl Miller, President of the Citizens for the Management of Alaska Lands; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.●

By Mr. MELCHER:

S. 1742. A bill to provide legal authority for Soil Conservation Service employees to assist in local search and rescue operations when called upon by responsible local authorities; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. MELCHER. Mr. President, I have just sent to the desk a bill to give the soil conservation districts legal authority to assist in local search and rescue operations resulting from such emergencies as fires, snowstorms, earthquakes, and similar disasters.

The need for the bill is explained in the bill itself, so I ask unanimous consent that the measure—a short one—be printed in the RECORD at the conclusion of my remarks.

In a nutshell, the soil conservation districts, which often have the only specialized equipment able to get to disaster victims, cannot as responsible members of a community, refuse to assist on search and rescue operations, yet they lack the legal authority to do so. The bill simply legalizes such assistance.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That legal authority be provided to allow Soil Conservation employees to assist in local search and rescue operations when requested by responsible local authorities. Such assistance to be provided as a result of emergencies caused by fires, flood, snow storms, earthquakes, and similar disasters.

FINDINGS

SEC. 2. The Congress finds that—

(1) On occasion due to their broad knowledge of the work area, snow survival and

other training and specialized equipment, Soil Conservation Service employees and equipment are called upon to assist in emergencies such as finding lost, stranded, or injured persons. Often the Soil Conservation Service employee is the only specially trained person immediately available. Specialized Soil Conservation Service equipment may be the only equipment available that can negotiate the rough terrain involved.

(2) As Soil Conservation Service field employees are a vital part of the local community, they are reluctant to refuse requests for search and rescue assistance and participate in this activity on their own responsibility without the protection of legal authority.

PURPOSE

SEC. 3. The purpose of this act is to provide legal authority that would allow Soil Conservation Service employees to assist in emergency situations in local search and rescue operations when requested by responsible local authorities. The legal authority is needed in order to relieve Soil Conservation Service employees from liabilities resulting from injury to themselves or other persons or for damages for government equipment or private property while performing search and rescue operations. Also, to provide a basis for compensation for such activity when performed outside of normal duty hours.

SEC. 4. Therefore, the Secretary of Agriculture, acting through the Soil Conservation Service, is authorized, in cases of emergency, to incur such expenses and take such actions as may be necessary in searching for lost or stranded persons.

ADDITIONAL COSPONSORS

S. 208

At the request of Mr. WALLOP, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 208, a bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States.

S. 1304

At the request of Mr. BAUCUS, the Senator from Arkansas (Mr. PRYOR) and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 1304, the Legislative Oversight Act of 1979.

S. 1485

At the request of Mr. DURENBERGER, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 1485, the Health Incentives Reform Act of 1979.

S. 1659

At the request of Mr. WALLOP, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1659, a bill to amend the Internal Revenue Code of 1954 to provide for the treatment of property as energy property for investment credit purposes after December 31, 1982, where the taxpayer is affirmatively committed on that date to its construction, reconstruction, erection, or acquisition.

S. 1680

At the request of Mr. HATCH, the Senator from North Dakota (Mr. YOUNG) was added as a cosponsor of S. 1680, the Western Lands Distribution and Regional Equalization Act of 1979.

SENATE JOINT RESOLUTION 88

At the request of Mr. SCHWEIKER, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of Senate Joint Resolution 85, to authorize and request the President to proclaim the week of September 16–22, 1979, as National Meals on Wheels Week.

SENATE JOINT RESOLUTION 96

At the request of Mr. GOLDWATER, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Joint Resolution 96, to authorize the President to proclaim September 28, 1979, as National Indian Day.

AMENDMENT NO. 212

At the request of Mr. SCHMITT, the Senator from Idaho (Mr. MCCLURE), the Senator from Wyoming (Mr. SIMPSON), the Senator from Utah (Mr. HATCH), and the Senator from Utah (Mr. GARN) were added as cosponsors of amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission authorization bill.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENTS NOS. 412 THROUGH 418

Amendments Nos. 412 through 418 have been assigned to executive amendments previously submitted to the SALT II treaty, Ex. Y, 96–1.

ENERGY SUPPLY ACT—S. 1308

AMENDMENT NO. 421

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. FORD submitted an amendment intended to be proposed by him to S. 1308, a bill to set forth a national program for the full development of energy supply, and for other purposes.

(The remarks of Mr. FORD when he submitted the amendment appear elsewhere in todays proceedings.)

SECOND CONCURRENT BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 422

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. PACKWOOD, Mr. NUNN, Mr. TOWER, Mr. JACKSON, Mr. HATCH, Mr. WARNER, Mr. THURMOND, and Mr. ARMSTRONG) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for fiscal years 1980, 1981, and 1982.

AMENDMENTS NOS. 423 AND 424

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS submitted two amendments intended to be proposed by him to Senate Concurrent Resolution 36, supra.

RECLAMATION REFORM ACT OF 1979—S. 14

AMENDMENT NO. 425

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted an amendment intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

FULL COST OF IRRIGATORS

● Mr. MORGAN. Mr. President, there has been heated and constant controversy in the debate concerning S. 14, the Reclamation Reform Act of 1979. My amendment to this legislation, amendment No. 389, has been at the center of this controversy.

My goals for this legislation have been and will continue to remain the same. The goals include the following:

First, to limit the subsidy that large farmers get in terms of federally subsidized water, water that has been available previously at rates below the true costs to the Federal Treasury;

Second, I believe that additional revenues generated as a result of my amendment should benefit existing and future farmers in reclamation areas.

Mr. President, much of the discussion of my amendment since I introduced it this past August 2 has been sensational and nonfactual. But much of the discussion has been valuable and educational to me, an individual with little background in reclamation law and issues. I have learned a lot, for example, about subsidies, especially water subsidies. As a consequence of that knowledge, I have made further refinements in my amendment.

The basic refinement that I have made concerns moving the amendment to a full cost concept. Farmers who are in excess of 1,280 acres would have to pay the full cost for all lands owned or leased.

This is accomplished by requiring the landowner or lessee to pay his proportionate share of the cost of the project attributable to irrigation. Without regard to the ability to pay concept, plus interest.

My amendment provides for the payment of interest on the share of the cost attributable to irrigation. The rate of interest is to be determined according to the Small Reclamation Projects Act, which has been on the books for more than 20 years.

Mr. President, my amendment continues to recognize basic property rights, the issue that initially brought me into this debate. My amendment will continue to be directed at assisting small farmers as well.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 425

On page 12, beginning with line 10, strike out all through line 21.

On page 13, line 22, strike out "(d)" and insert in lieu thereof "(b)".

On page 16, between lines 15 and 16, insert the following:

(k)(1) Nothing in this act nor in any other provision of Federal Reclamation Law shall prohibit the delivery of water, made available to pursuant to a contract with the Secretary, to land owned or leased by a qualified recipient in excess of a landholding; provided that the recipient thereof agrees to pay, in each year of the ownership or lease, a surcharge equal to the difference between the existing annual contractual obligation for construction costs of the project and the full construction costs properly allocated to irrigation and attributable to that leased or owned land in excess of such a landholding, with interest, over the remaining term of the contract with the Secretary.

For purposes of this Section:

(i) The interest rate shall be consistent with Section 5(c)(2) of the Small Reclamation Projects Act of 1956 (Act of August 6, 1956, 70 Stat. 1044 as amended).

(ii) In the event of a dispute between the Secretary and the contracting entity over the determination of the portion of construction costs allocated to irrigation, said allocation shall be in accordance with generally accepted utility rate making procedures.

(2)(a) Surcharges required pursuant to this subsection shall be used by the contracting entity for the reduction, by an amount not to exceed 50 per cent, of the construction charges of repayment contracts and/or the construction component of water service contracts otherwise required from qualified recipients farming 160 acres or less.

(b) Any such surcharge funds not required for purposes of subparagraphs (a) of this paragraph shall be deposited in a special account, in an amount not to exceed one hundred million dollars, in the Treasury of the United States for use, as provided for in appropriation Acts, by the Farmers Home Administration in subsidizing interest costs at below market rates to individuals buying farms of 160 acres or less located in an irrigation district in one of the so-called seventeen land reclamation states. Any moneys remaining in such fund at the end of the fiscal year in which such moneys are credited to the fund and not otherwise earmarked for the purpose of this subsection shall be deemed transferred to the general revenues of the United States as miscellaneous receipts and shall be first credited against the repayment obligations of the appropriate contracting entity, and if none, then to the operation and maintenance charges.●

NOTICES OF HEARINGS

COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I would like to announce, for the information of the Senate and the public, the schedule of the Committee on Veterans' Affairs for the month of September.

On September 19, the committee will conduct a hearing on S. 759, administration-proposed legislation to provide for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State. The hearing will begin at 9 a.m. in room 5110 of the Dirksen Office Building. Persons interested in testifying should contact Bill Brew, associate counsel of the committee staff at (202) 224–9126.

On September 25, at 11 a.m., in room 5110 of the Dirksen Office Building, the newly elected national commander of the American Legion, Frank I. Hamilton, will present to the committee the legislative recommendations of the American Legion for fiscal year 1980.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources of the Energy and Natural Resources Committee.

The hearing is scheduled for Thursday, September 27, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony will be heard on various RARE II proposals in the State of Oregon, including S. 812 and S. 1369. The Department of Agriculture has been asked to testify as well as the following groups: National Forest Products Association; National Association of Homebuilders; the United Brotherhood of Carpenters and Joiners; the Sierra Club; the Wilderness Society; and, the Friends of the Earth.

For further information regarding the hearing, you may wish to contact Mr. Thomas Williams at 224–7145.

Those wishing to submit a written statement for the RECORD should write to the Subcommittee on Parks, Recreation, and Renewable Resources, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

THE SOCIAL PHILOSOPHY OF HERBERT HOOVER

○ Mr. GOLDWATER. Mr. President, Herbert Hoover had the misfortune of serving as President at the time when the Great Depression of the thirties hit the United States. He has been unjustly accused of somehow being responsible for a catastrophe which was worldwide in scope and had its beginnings far from the shores of this country. This unfortunate episode has for years obscured the truly great contributions which Mr. Hoover made to our life and times. Just 4 years ago, Aleksandr Solzhenitsyn stated that the American Relief Administration under Herbert Hoover's direction saved the lives of millions of Russians during the great famine of 1921 and 1922.

In this connection, Mr. President, I should like to print in the RECORD two items which bear on these events. The first is an address by George H. Nash, Ph. D., entitled the "Social Philosophy of Herbert Hoover." It was delivered on August 10 at West Branch, Iowa. The second is an article by Sylvia Porter which appeared recently in the Washington Star, and which details the history of the 1929 stock market crash.

The material follows:

THE SOCIAL PHILOSOPHY OF HERBERT HOOVER

Fifty years ago last March a man born only a few hundred yards from where I stand became President of the United States. What do you think about when you hear his name, Herbert Hoover? All of you, no doubt, automatically associate Mr. Hoover with the Great Depression of the 1930's. Most of you are doubtless aware of his Quaker upbringing and of his enormous humanitarian relief work in Europe during and after World War I. Four years ago, Aleksandr Solzhenitsyn remarked that the American Relief Administration under Herbert Hoover's direction saved the lives of literally millions of Russians during the great famine of 1921–1923. Many of you know that he was the first President born west of the Mississippi River and that he was the man who appeared in the first public demonstration of television in 1927.

Just down the hill, in sight of his grave, you can see another of his important benefactions: the Herbert Hoover Presidential Library. When Mr. Hoover died only fifteen years ago, he had lived ninety extraordinarily productive years—including a full fifty in public service. I can think of few other Americans whose careers were as multifaceted and remarkable as his.

What is significant for us today about the life of this man? In the case of Herbert Hoover, our concern transcends, I think, the transient particularities of "human interest." For Hoover did not simply lead a career rich in accomplishment; he reflected on the circumstances which made such a career possible. He developed and in his time came to personify a perception of America, a vision of America, a political and social philosophy which could explain the greatness of the country he loved. It is in this vision and this philosophy that we can discover some of the enduring significance of Herbert Hoover.

He was born here in West Branch in 1874—the son of the village blacksmith. Before he was seven his father had died. His mother, a recorded minister in the Society of Friends, passed away a little over three years later, so that in early 1884, before he was ten, young Herbert was an orphan.

Despite these traumas, Hoover's later reminiscences of his Iowa childhood were gentle, almost idyllic. In the most famous of these recollections he began:

"I prefer to think of Iowa as I saw it through the eyes of a ten-year-old boy—and the eyes of all ten-year-old Iowa boys are or should be filled with the wonders of Iowa's streams and woods, of the mystery of growing crops."

Of his native state he declared: "The good Lord originally made it the richest stretch of agricultural land that ever blessed any one sovereign government. It was populated by the more adventurous and the more courageous, who fought their way along the ever-extending frontier."

From Iowa in 1885 young Herbert Hoover was sent west to Oregon to live with the family of an uncle. In 1891 he traveled down to California to become a member of the entering class at newly-founded Stanford University. After graduating in 1895, Hoover spent some time working in California and the southwest until, in early 1897, opportunity beckoned half a world away, in the gold mines of Western Australia.

Hoover's journey to Australia in 1897 via Europe, the Suez Canal, and India, must have been an intensely stimulating one to a young man of twenty-two. Years later reflecting on this voyage, he remarked significantly "History became a reality and America a contrast." It was Hoover's first exposure to the world outside the United States, and in his responses to that world we find one of the sources of his later social philosophy.

When Hoover disembarked on the coast of Australia that year, he headed inland nearly 400 miles to the mining towns of Coolgardie and Kalgoorlie, deep in the inhospitable "outback" (the region, incidentally, where, a few weeks ago, Skylab fell to earth). Hoover's description of life in this desolate land were vivid. "It's a country of red dust, black flies, and white heat," he wrote to an American friend. "I could not portray the misery of any one of them on paper. The country is an endless desert, no water, no nothing but mines." It was a land to make one think of home. Writing to a friend in 1897, Hoover declared: "Am on my way back to Coolgardie. Am glad to get back within the borders of civilization. . . . Anybody who envies me my salary can just take my next trip with me, and he will then be contented to be a bank clerk at $3 a week for the rest of his life, just to live in the United States."

In late 1898 Hoover left Australia for a new and more responsible mining position in

China. Once more Herbert Hoover, not yet twenty-five years old, found himself living among strangers and encountering a foreign civilization.

At this point we can detect one of the threads of Herbert Hoover's early life. From the cornfields here in Iowa to the orchards of Oregon, to the spacious acres of Stanford University, to the rugged Sierra Nevadas, to the dusty goldfields of Australia, even to the coal mines of northern China, we discern a repeated pattern: Herbert Hoover's early days were spent on or near frontiers.

His was largely an outdoor life, lived in environments which rewarded initiative, industry, resourcefulness, and merit. Since the day when Hoover's ancestor, Andreas Huber, landed in Philadelphia from the Old World in 1738, the Hoover clan had moved gradually westward, until, with Herbert, the trek circled the globe. Benjamin Franklin is supposed to have said that America is a country where we ask of a man not "Who is he?" but "What can he do?". Hoover's was a society populated substantially by people who held this attitude and who had moved away from a constricted and stratified civilization.

In late 1901 Hoover left China for England and a partnership in an eminent firm of mining engineers. Until World War I, London, England was his base of operations while he traveled continually, inspecting, financing, and developing mines from Burma to Australia, from South Africa to Siberia. For some Americans with similar careers the temptation might have been irresistible to become an expatriate. For Herbert Hoover, if anything the opposite was true. Throughout these years abroad, his thoughts turned often toward his native land. As early as 1907 he expressed to the President of Stanford University his longings to retire from his profession and to turn to a life of service in the United States.

And all the while, Hoover was observing, analyzing, and evaluating the social systems of the Old World and the New. Long voyages at sea gave him an opportunity to read about the politics, economics, and culture of countries all over the earth. One of these ocean trips, a British lady asked him what his profession was. An engineer, he said. "Why," she exclaimed, "I thought you were a gentleman!" This anecdote, which Hoover recounts in his *Memoirs*, epitomizes, I think, his distaste for the class consciousness and social rigidities of Europe. From all of this he turned. In a revealing letter written to an American friend in 1912 Hoover observed:

"The American is always an alien abroad. He never can assimilate, nor do other peoples ever accept him otherwise than as a foreigner.

"His own heart is in his own country, and yet there is less and less of a niche for him when he returns. . . . I am disgusted with myself when I think how much better off you people are who stuck by your own country and place. When you walk down the street you meet a hundred men who have a genuine pleasure in greeting you. I am an alien who gets a grin once in nine months."

Two years later, the conflagration of World War I changed the course of Herbert Hoover's life. While huge European armies bogged down in the trenches, Herbert Hoover, working without pay, directed the Commission for Relief in Belgium, a neutral organization which procured and distributed food to the civilian population of Belgium, caught between the German army of occupation and the British naval blockade. It was a noble undertaking which ultimately brought food to 10,000,000 people a day and which catapulted Hoover to worldwide fame as a humanitarian.

But behind the uplifting routine of providing daily food to needy Belgians lay a depressing world of conspiracy, national rivalry, and festering intrigue. Many times, weary from incessant conflicts with one or another belligerent power, Hoover contemplated and even threatened resignation. Hoover, of course, did not quit, but his prolonged exposure to the emotions of war and the ancient antagonisms of Europe was a disillusioning encounter.

In 1917 Hoover sailed back to America to direct our wartime Food Administration. But within two years he returned once more, this time to feed Europe while President Woodrow Wilson strove to draft a peace treaty at Versailles. From November 1918 to September 1919 Herbert Hoover crisscrossed Europe as Director-General of the American Relief Administration, organizing the supply of food for starving millions and facilitating the emergence of stable economies. The grim alternative was chaos, famine, a new generation of embittered Europeans, and the possibility of Communist revolution over much of the continent.

But if Hoover could take comfort from his outstanding humanitarian accomplishment in postwar Europe, there was much that he saw which profoundly alarmed him and helped to determine his future political thought. The New World, he came to believe, was remote from the imperialism, fanatic ideologies, racial antipathies, dictatorships, power politics, and class stratification of Europe. As he later expressed it in his *Memoirs*, "the forces which lay behind the rejection of American ideas at Paris in 1919 were far deeper than the intrigues of diplomacy or the foibles of European statesmen. Here was the collision of civilizations that had grown three hundred years apart."

In 1921 Hoover became Secretary of Commerce of the United States; in 1929 he became President. Of the thirty-eight men who have occupied the Oval Office, Herbert Hoover undoubtedly enjoyed more extensive acquaintance with foreign peoples and their social systems than any of his predecessors or successors. In another respect, too, he was unusual: he attempted to distill from his unique experiences a coherent understanding of the American experiment that he cherished.

According to Hoover, the revolutionary upheavals of World War I and its aftermath had produced a world in ferment. In this cauldron, several ideologies (he called them "social philosophies") were competing for the minds of men—among them Communism, Socialism, Nazism, Syndicalism. To Hoover, who had seen the vicious results that emanate from a blending of "bestial instincts" with idealistic humanitarian jargon, the need for a definition of the American system was urgent. He called this system "American Individualism."

By this he did not mean unfettered, old-fashioned laissez-faire. Hoover was anxious that individual initiative always be stimulated and rewarded, but it must, he said, be "tempered" by "that firm and fixed ideal of American individualism—an equality of opportunity." Equality of opportunity—this, in Hoover's words, was "our most precious social ideal." Hoover insisted that equal opportunity and a "fair chance" for individuals to develop their abilities were "the sole source of progress" and the principal impulse behind American civilization.

Hoover did not believe that equality of opportunity was automatically self-sustaining in a modern, technological economy. A certain measure of governmental regulation and guidance, some governmental legislation, were necessary, he felt, to prevent inequality of opportunity and the throttling of individual initiative. But the nature and extent of this government involvement must be carefully defined and, above all, kept consistent with the broad American traditions of voluntary cooperation, local self-government, and individual initiative. While not unmindful of the faults of unchecked capitalism, Hoover was an uncompromising foe of socialism and the totalitarian state.

For the rest of his life Hoover expounded, often with eloquence, the philosophy he forged in the aftermath of World War I. Speaking before a Boy's Club in 1940, for example, he said:

"By a classless America our forefathers meant far more than a sociological expression. There were to be stratifications in life that handicapped the rise of any boy from the bottom to the top. . . . The human particles should move freely in the social solution. This idea of a fluid classless society was unique in the world. It was the point at which our social structure departed from all others."

And always he drew the contrast between the America he loved and the Old World with its pestilent ideologies. Listen to his words here in West Branch in 1948:

"I have seen the squalor of Asia, the frozen class barriers of Europe. And I was not a tourist. . . .

"My every frequent homecoming has been a reaffirmation of the glory of America. Each time my soul was washed by the relief from grinding poverty of other nations, by the greater kindliness and frankness which comes from the acceptance of equality and a belief in wide-open opportunity to all who want a chance."

How, though, could equality of opportunity be preserved? For Hoover there were many answers. One, perhaps the most crucial, was our educational system. Another mechanism, in Hoover's eyes, was the Boys Club movement; in it, he claimed, "there is a restoration of equal opportunity with all the other boys." Indeed, many of Hoover's governmental policies and charitable activities over the years, including his long concern with child welfare, acquire a kind of thematic unity if we perceive them as attempts to promote equality of opportunity for all Americans, especially the young.

It was part of Herbert Hoover's ordeal in his later years that the vision of America that he expressed came to seem abstract and anachronistic for many Americans. It was all right for Hoover to exol the social system that had produced him, many people seemed to think, but were his tributes to America's traditional values truly relevant any longer, now that the continent was settled and we lived in an industrialized society? Wasn't America's pioneer past over now, and with it the supposedly outmoded values of individualism, neighborly cooperation, and private initiative?

Herbert Hoover responded forcefully to such criticisms. It was not the mere accidental availability of abundant land and natural resources that had blessed America, he insisted. It was our social system, animated by the ideal of human freedom. To Hoover the principles of American Individualism were not anemic platitudes, to be uttered, perhaps, on the Fourth of July. And he warned against the notion, increasingly fashionable today, that America has become a closed, stagnant society in which progress has irrevocably halted. This, he said, "is the concept of a static nation. It is necessarily the philosophy of decadence. No society can become static, it must go forward or back. . . . No society will function without confidence in its future opportunities."

Now some of you may believe that Hoover's viewpoint is irretrievably outmoded. Certainly it is true that America—and the very nature of our government—have altered in the half century since he was President. A half century is a very long time.

And yet I suggest that there is today an increasing resonance to Herbert Hoover's philosophy, more than a decade after his death. The challenges we confront raise philosophical questions to which Hoover's answers deserve our attention. Consider, for instance, the increasingly pervasive, and legally countenanced, use of quotas in the hiring of men and women for jobs in business, universities, and government. In our commendable desire to eliminate past discrimination, are we not

perhaps invoking an antithetic creed, which measures us by the crude and irrelevant categories of race, gender, and ethnic origin? Herbert Hoover's philosophy has much to say on this point.

Or consider the much-discussed "energy crisis." If Herbert Hoover were living today, I suspect that as a life-long champion of efficiency and the elimination of waste he would vigorously encourage efforts towards conservation of our resources. But he would also stress that a far more precious resource than oil must not be allowed to atrophy. This is our social energy. And the source of this liberating social energy is not an overweening, coercive, stultifying, bureaucratic government but free men and women, uncommon men and women, competing and cooperating voluntarily in an open, fluid society. It is a proper function of government, I think he would say, to stimulate initiative and to foster its harmonious use. It is not the proper function of government to try to monopolize social energy like a giant parasitic sponge.

Finally, I have emphasized today the roots of Herbert Hoover's philosophy in the contrast he perceived between the Old World and the New. I ask you, in closing, to ponder anew the ghastly practical consequences of some of the alternative social philosophies which have motivated men and women in this often bloody century. Consider the tens of millions who have perished in the Gulag Archipelago. Consider the death camps at Auschwitz. Consider, today, the agony of the Vietnamese boat people who would literally rather run the risk of drowning at sea than live under the "social philosophy" called Communism.

Free societies, such as the one we today enjoy, are a rarity in human history, and they are not self-sustaining. To survive they require a cogent understanding of their fundamental, undergirding values. This Herbert Hoover realized. He spent much of his life attempting to apply these values and to teach us what he learned. If you examine the record of what he did and what he said, you will find that he speaks to us still.

HISTORY CAN'T REPEAT 1929 STOCK CRASH

(By Sylvia Porter)

It was 50 years ago yesterday—Sept. 3, 1929—that the U.S. stock market reached the highest level ever achieved until that time, followed by a series of violent selling attacks which were to culminate in the convulsion of Oct. 29.

Until that Sept. 3, stock prices had climbed steadily from August, 1921. Measured by the familiar Dow Jones average, industrial stocks had soared six-fold, from 63.90 to the all-time peak of 381.17.

"Oct. 29" was the infamous Black Tuesday on Wall Street that always will symbolize the end of the gold-plated prosperity of the 1920s, the start of the most chaotic worldwide depression ever known. But it didn't start Oct. 29. The economic decline had begun long before that happy, upbeat day in September and then, seemingly out of nowhere, came the avalanches of selling that finally were to propel Thomas W. Lamont of J. P. Morgan to announce somberly at a noon secret meeting in the New York Stock Exchange:

"Gentlemen, there is no man nor group of men who can buy all the stocks the American public can sell."

As a morbidly fascinating sidelight on the stock market history of a half-century ago, on Oct. 28, the day before Black Tuesday, the Dow Jones average plunged 38.33 points, the largest point decline for a day in history, a record that stands to this date and a percent erosion of 12.9 percent. On Oct. 29, it collapsed another 30.57 points or 11.6 percent.

By 1930, the depression had swept throughout the entire world and from late 1930 until July 8, 1932, the stock decline was precipitous and virtually uninterrupted.

July 8 marked the low of 41.22 on the Dow Jones average, a collapse of 89 percent from the all-time peak 34 months earlier.

Can it happen again?

Of course it can!

Will it happen again?

I, personally, am convinced there need never be and there will not be another holocaust of the magnitude of 1929–32, but if it does happen, it will take an entirely different form.

The stock market collapse of 1929 signaled the approaching, paralyzing depression of the 1930s—and, as Dr. William C. Freund, senior vice president and chief economist of the New York Stock Exchange, put it to me during a lengthy discussion of this recently. "Undoubtedly, the market break itself contributed to the severity of that depression."

Any of us would be fools, though, if we categorically denied the possibility of another giant break in stock prices.

This time, the break in stock prices might be set off by an inflationary blow-off in this nation and the world destroying confidence in any investment in "paper," and so undermining the functioning of our international monetary system that trade among nations would grind to a near standstill. The blow-out would then ripple out to cause a rash of bankruptcies among businesses, a collapse of the dangerously swollen credit bubble, an upsurge in unemployment, foreclosures of vastly overextended mortgage credit, repossessions of goods bought on installment loans the debtors could not repay.

The scenario becomes more scary even as I write it—and your imagination is almost surely as active as mine.

A plunge in stock prices at this 50th anniversary of '29 is "much less likely now when stocks have shown no price trend for so many years, indeed have been conspicuous in their lackluster performance compared to other assets, from antiques to coins, to gold, to real estate," Freund said.

"If you compel me to state a judgment publicly, I would say stocks are a buy at these levels, not a sale," added Stan West, the NYSE's vice president in charge of research.

(MIT economist Professor Franco Modigliani recently wrote that stock prices should be twice as high as they are on the basis of real or inflation-adjusted profits.)

There is no disputing that we have learned Keynesian economics and have carried some of its theories too far, Freund and West emphasized again and again as we talked through the hours. (Keynes defined the legitimacy of government intervention as the key to curbing business slumps via increased spending, lower taxes or easier credit.)

But we have not learned how to reverse Keynesian economics to curb inflations—and thus, today's new and never-before-faced challenge of a destruction of our system by an inflation spiral instead of a business crash.

Yet, although there are so many comforting indications that we are not threatened by a stock market crackup, there are some deeply disturbing similarities between 1979 and 1929 that demand our attention now—when we have time to find out how to control them and to do so.●

CONGRESSIONAL COMMITTEE CHAIRMEN FROM OKLAHOMA, 1907–37

● Mr. BOREN. Mr. President, Oklahomans are very proud of the fact that our State has produced a disproportionate number of Congressmen and Senators who have served as committee chairmen.

In honor of this fact, I wish today to print in the RECORD an article entitled "Congressional Committee Chairmen from Oklahoma, 1907–37" which was written by Philip A. Grant, Jr., associate professor of history, at Pace University in New York.

This article was originally printed in the spring 1979 issue of Chronicles of Oklahoma. The text is as follows:

CONGRESSIONAL COMMITTEE CHAIRMEN FROM OKLAHOMA, 1907–37

(By Philip A. Grant, Jr.)

Between the admission of Oklahoma into the Union and the thirtieth anniversary of statehood on November 16, 1937, many distinguished Oklahomans served in the House of Representatives and Senate of the United States. Although one of our nation's least populous states throughout this eventful thirty year period, Oklahoma furnished a notably high percentage of the overall number of committee chairmen. Eleven heads of standing congressional committees were from the Sooner State.

Three Oklahomans presided over committees in the House of Representatives prior to 1917. They were congressmen Bird S. McGuire of Pawnee, William W. Hastings of Tahlequah, and James V. McClintic of Snyder. Their combined congressional tenure extended over fifty years.

McGuire was Oklahoma's sole delegate in Congress during its final four years as a territory. Thereafter, he served four terms as a congressman during the administrations of Theodore Roosevelt, William Howard Taft, and Woodrow Wilson. One of the principal leaders of the Republican party in Oklahoma, he was Chairman of the House Committee on Expenditures in the Interior Department between 1909 and 1911.

In 1915, Hastings began the first of nine terms in Congress. Like McGuire, he chaired the Committee on Expenditures in the Interior Department. The years of Hastings' chairmanship coincided with the period of America's involvement in World Wer I.

After serving his political apprenticeship in both houses of the Oklahoma Legislature, McClintic was first elected to Congress in 1914. His two decades in the House paralleled the administrations of five presidents. McClintic was Chairman of the Committee on Expenditures on Public Buildings from 1917 to 1919.

Among other Oklahomans who held committee chairmanships between 1907 and 1937, were United States Representatives Charles D. Carter of Ardmore, Scott Ferris of Lawton, Will Rogers of Oklahoma City, and United States Senator John W. Harreld of Oklahoma City. Carter and Ferris were two of Oklahoma's original congressmen, while Rogers and Harreld launched their respective public careers somewhat later.

Carter served ten consecutive terms in Congress—a longevity record among Oklahomans which was not surpassed until 1967, when Rrepresentative Carl B. Albert of McAlester took the oath of office for his eleventh term. Albert later served as Speaker of the United States House of Representatives from 1971 to 1976. At the time of his retirement in 1927, Carter was outranked in seniority by only 8 of his 434 colleagues. Between 1917 and 1919, he was Chairman of the Committee on Indian Affairs.

A member of the Committee on Public Land throughout his fourteen years in Congress, Ferris chaired that panel between 1913 and 1919, and during this same period he was Congress' most articulate proponent of maximum federal involvement in waterpower development. It was largely due to his efforts that the United States House of Representatives voted to create a Special Committee on

Water Power. Unfortunately, the Senate declined to take action on waterpower bills authored by Ferris and already approved by the House of Representatives. However, the House eventually approved the formation of a Special Committee on Water Power on January 11, 1918—designating Ferris as its ranking Democratic member. Ferris climaxed his political career by serving sixteen years as a member of the Democratic National Committee.

Rogers was Oklahoma's Congressman-at-Large between 1933 and 1943, and as one of the few House members representing the citizenry of an entire state, he served one of the nation's largest constituencies. Rogers was Chairman of the Committee on Indian Affairs, 1935–1943.

Oklahoma's first Republican senator, and one of only three during the first sixty-one years of statehood, Harreld was elected to the United States Senate in 1920, after serving two terms in the United States House of Representatives. Chairman of the Committee on Indian Affairs from 1923 to 1927, Harreld reported on the bill which conferred American citizenship on all native-born Indians.

The four most renowned Oklahomans to occupy positions of high responsibility in Congress between 1907 and 1937 were Representative Wilburn Cartright of McAlester, and senators Elmer Thomas of Medicine Park, Thomas P. Gore of Lawton, and Robert L. Owen of Muskogee. As chairmen of standing committees, Cartright, Thomas, Gore, and Owen were instrumental in the passage of many pieces of major legislation.

Cartright, who served eight terms in Congress, was a specialist in transportation problems, and Chairman of the Committee on Roads between 1934 and 1943. His foremost legislative contributions were the Emergency Road Construction Act of 1934, a measure designed to alleviate widespread unemployment, and the Federal Highway Act of 1936, a statute which greatly expanded the national government's commitment to overland transportation. After retiring from the United States House of Representatives, he began a long and distinguished career as a state official in Oklahoma, serving as Secretary of State, State Auditor, and as a member of the Corporation Commission.

Thomas served in Congress longer than any other individual in Oklahoma's history prior to Speaker Albert—twenty-seven years, nine months and twenty-seven days in Congress. After four years in the United States House of Representatives, he was elected to the Senate in 1926, and during his final six years in the Senate he was outranked by only two of his ninety-seven colleagues. Thomas was Chairman of the Committee on Indian Affairs from 1935 to 1944, and he headed the Committee on Agriculture and Forestry twice—from 1944 to 1946 and from 1949 to 1959.

He not only was deeply involved in the passage of the landmark farm bills during the early New Deal years, but also attracted nationwide attention by his vocal advocacy of currency inflation. A key participant in all monetary debates in the Senate between 1933 and 1936, Thomas sponsored several currency expansion amendments to the Agriculture Adjustment Act of 1933, Silver Purchase Act of 1934, Relief Appropriation Act of 1935, and Adjusted Compensation—Veteran's Bonus—Act of 1936.

Elected to the United States Senate shortly after Oklahoma was admitted to the Union, Gore served in that body from 1907 to 1921, and again from 1931 to 1937. As Chairman of the Committee on Agriculture and Forestry from 1913 to 1919, he played a pivotal role in the passage of numerous farm bills. Moreover, he was especially prominent in the deliberations culminating in the Food and Fuel Control Act of 1917, and the Stimulation of Agriculture Act of 1918. Gore also chaired the Committee on Interoceanic Canals between 1933 and 1937. Although a Democrat, Gore firmly opposed the foreign policies of President Woodrow Wilson during and immediately after World War I, as well as most of the New Deal proposals of President Franklin D. Roosevelt.

Owen, like Gore, first was elected to the United States Senate in 1907. An expert on financial affairs, he was Chairman of the Committee on Banking and Currency from 1913 to 1919; however, his most lasting achievement was the Federal Reserve Act of 1913, one of the most comprehensive banking statutes ever enacted by Congress. He also was responsible in large measure for the Federal Farm Board Act of 1916 and the War Finance Corporation Act of 1918. Owen eventually became one of the senior members of the Senate, outranked by only two of his forty-two Democratic colleagues at the end of his congressional career.

The eleven Oklahomans who presided over standing committees between 1907 and 1937, compiled records of genuine distinction as members of Congress. During this thirty year period the nation played a decisive role in the winning of World War I, participated in the Paris Peace Conference, endured the Great Depression, and experienced the sweeping reforms of the New Deal. Both in numbers and in quality of service, the committee chairmen from Oklahoma deserve a large amount of credit.●

TAX POLICY ACCELERATES DECLINE IN REAL INCOME

● Mr. DOLE. Mr. President, last Friday the Labor Department announced a 1.2-percent jump in producer prices for consumer goods, an annual rate of 15.4 percent. At the same time the Department reported that real wages declined in August.

However these statistics are viewed, the picture they paint is not pleasant. It remains to be seen how consumer prices were affected in August, but rising producer prices leave little hope that the consumer's lot will improve in the near future. What we are seeing is the steady erosion of the purchasing power of American workers. While petroleum price shocks worsen the situation, the underlying cause of this erosion is the financing of the mounting Government debt. Additional dollars put into circulation to help finance the debt keep inflation rolling along. The revenues which the Government refuses to tax from its citizens are supplied by a hidden inflation "tax" on purchasing power, as each dollar declines in value.

This phenomenon is becoming better understood and appreciated by the public, which is why the movement to balance the Federal budget and limit Federal spending has gained such momentum. Now the public is beginning to realize that Government exacts another tax as a cost of inflating the economy. This tax is "bracket creep" caused by "taxflation"—the impact of inflation on the progressive income tax.

When taxpayers do keep up with price increases, either through raises in salary, changing jobs, or supplementing income, they move into higher tax brackets. While their purchasing power has stayed the same, they are paying the higher rates of tax associated with the upper brackets. As a result the Government gains extra revenue and the taxpayer's purchasing power, whether he knows it or not, has declined still further.

Mr. President, in a time of declining real wages, it is inexcusable for the Government to penalize the taxpayers who are trying to get ahead, or at least break even with inflation. Yet that is precisely what taxflation does. The Senator from Kansas introduced the Tax Equalization Act, which would remove the income tax penalty for keeping up with prices. Fixed dollar amounts in the tax tables would be raised every year by the percentage increase in the Consumer Price Index for the previous year. The result is a fair progressive tax system, geared to the real value of income.

Until the Government succeeds in arresting the erosion of purchasing power, it has an obligation to play fair with our taxpayers. The Tax Equalization Act would be a step in that direction, and the Senator from Kansas urges that it be given immediate attention. The public will demand such attention as its awareness of taxflation continues to grow.●

THE 125TH ANNIVERSARY OF WOFFORD COLLEGE

● Mr. HOLLINGS. Mr. President, this week marks the 125th anniversary of Wofford College. This fine educational institution, located in Spartanburg, S.C., has a record of excellence renowned throughout not only the South, but the entire Nation.

Wofford's excellence is marked in many ways—by the caliber of its alumni, by alumni loyalty, by strong leadership of faculty and administration, and by the guidance of an enlightened board. Wofford, through wise management and strong administration, has weathered the kind of crisis which has befallen so many other relatively small colleges, and it opens the second quarter of its second century with optimism and confidence.

Many individuals could be singled out for recognition of their special contributions and achievements to Wofford, and naming a few would do injustice to many more. A word should be spoken, however, about the record built by Wofford's very able and distinguished president, Dr. Joab Lesesne, Jr. Dr. Lesesne has been at the helm during these years when all educational institutions have been so hard pressed, and under his guidance, Wofford is not only flourishing, but expanding its physical plant. Its faculty has been so good as it is today. And the future has never looked brighter. So all the friends of Wofford owe this man a very special expression of gratitude for a job being splendidly performed.

Mr. President, this past Sunday, the Spartanburg Herald-Journal carried a column on the occasion of Wofford's anniversary, and I ask that the text of this article be printed in today's edition of the RECORD.

The article follows:

WOFFORD TRADITION OF GOOD SERVICE

Spartanburg's Wofford College begins its 125th year of operations with convocation today for the fall opening.

It comes to this anniversary year with a tradition of community service and educational excellence. Its alumni are found in all corners of this country and in many nations abroad.

Wofford alumni have achieved success in many fields and endeavors.

Three governors of South Carolina, eight Methodist bishops and more than 30 college and university presidents are among the graduates.

Wofford was founded in 1854 through the Rev. Benjamin Wofford's will, which provided $100,000 for that purpose. It was named in his honor.

Today the college has assets of more than $25 million with an endowment of almost $5 million. The annual operating budget is in excess of $5.6 million.

Area residents have watched the familiar campus blossom with new buildings in recent years, but note that the older structures—the landmarks—are still there. The twin towers are still prominent on the skyline. For many, those towers and the physical plant of the college are a source of pride and confidence—pride in the existence of an excellent school and confidence in the continuance of that excellence.

Modest in its beginnings and still a relatively small four-year college, Wofford has a land area of 90 acres with 29 buildings, a stadium and several other playing fields. It has a current faculty of 60 full-time members. Enrollment averages 1,000 in recent years, students coming from 19 states and 7 foreign countries.

Among its institutional peers, Wofford has an envious scholastic record. It was the only college in the state with a Phi Beta Kappa chapter between 1940 and 1973. More than 30 percent of its student body moves on to graduate study annually. Five Rhodes Scholars have attended Wofford.

While founded and maintained as a school for males, the Board of Trustees unanimously approved co-educational status for it in 1975 and admitted resident women in 1976.

Friends of Wofford and alumni will help celebrate this anniversary year in the schedule of events that follow:

Today, opening convocation with Dr. Gordon Blackwell as speaker.

November 9 and 10, Homecoming for Sam Moyer's Men with special concert activity and reunion activity for all alumni.

October 19, 1980: Benjamin Wofford's 200th birthday.

October 25, 1980: Homecoming, which will feature a special concluding celebration for the 125th year. Details will be announced later.

Wofford has been a vital and significant member of the Spartanburg community, of the South Carolina and the national communities since its beginnings, fulfilling its role as an institution for the enlightenment of citizens.

The Herald-Journal salutes the college and presumes to speak for thousands of others among our readers in wishing Wofford a happy anniversary with many fruitful years to come.●

THE 50TH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER

● Mr. HATFIELD. Mr. President, saddled, as he was, with the most severe economic depression this country ever faced, Herbert Hoover's policies as President for dealing with those conditions were intensely scrutinized by the political writers of his time. Historians have no less eagerly dissected and analyzed those policies, with no more agreement on their merit than found by the writers of his day. Historians with a conservative bent have championed his determination to adhere to more traditional economic policies rather than give in to what they viewed as the surface attraction and delusion of a new deal—a new deal which Hoover charged would change the whole fabric of Government in this country. Many of these historians found his performance to be a first. Authors William Myers and Walter Newton, in their book "The Hoover Administration," concluded that never before had a President, when faced with a depression or milder economic downturn, so offered "Federal leadership in mobilizing the economic resources of the people." To these writers, Hoover was the angel, and his successor, Franklin Roosevelt, the devil.

Not surprisingly, historians favoring a more liberal economic and governmental philosophy have reversed these two roles, and made Roosevelt the savior of the Nation from Hoover's near-sighted views. To their mind, Hoover was incapable of seeing the flaws of the existing economic system.

These two views have one common thread—that Hoover and Roosevelt had sharply contrasting beliefs and policies for handling the Great Depression.

A third view emerged as early as 1935, when Walter Lippmann's "The Permanent New Deal" was published. Lippmann viewed the policies of the two administrations as more of a continuum, with Hoover the innovator. Roosevelt's contribution was only to enlarge and expand the scope of programs Hoover initiated. According to Lippmann:

The policy initiated by Hoover in the autumn of 1929 was something utterly unprecedented in American history. The national government undertook to make the whole economic order operate prosperously.

Later, scholars who adopted this opinion moderated it somewhat, with the advantage of additional years to obtain perspective.

Albert U. Romasco, associate professor of history at New York University, has authored an essay which summarizes the primary historical views of Hoover's anti-depression policies, and takes a closer look at the view that Hoover was the first President to actively seek to defeat a depression, rather than waiting passively for recovery. Romasco disagrees with that conclusion, finding considerable precedent for Hoover's actions in the policies of Theodore Roosevelt, Woodrow Wilson, and Warren G. Harding. All three of those Presidents were confronted with depressions or recessions of some magnitude during their administrations. Professor Romasco has submitted this essay, which is entitled "Herbert Hoover's Policies for Dealing With the Great Depression: The End of the Old Order or the Beginning of the New?", for publication in the series of essays honoring the 50th anniversary of the inauguration of Hoover as our 31st President. The essay is reprinted with the permission of the State University of New York press.

Mr. President, I ask that Professor Romasco's essay, and a brief biographical sketch of the author, be printed in the RECORD.

The material follows:

BIOGRAPHIC SKETCH OF ALBERT U. ROMASCO

Born: March 21, 1930.

Education: AB, University of Massachusetts, 1953, AM, University of Chicago, 1957, Ph. D. (U.S. & English history, European historiography), University of Chicago, 1961.

Professional Experience: Instructor, U.S. history, Illinois Institute of Technology, 1957–58 and University of California, Berkeley, 1961–62.

From Assistant Professor to Associate Professor, 1962–1976, Member Faculty history, Washington Square College, New York University, 1976– .

Memberships: AHA, Organization American Historians.

Publications: Author, The Poverty of Abundance: Hoover, the Nation, the Depression, Oxford University, 1965.

Contributor: The Hoover Presidency: A Reappraisal (Albany: State University of New York, 1974).

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HERBERT HOOVER'S POLICIES FOR DEALING WITH THE GREAT DEPRESSION: THE END OF THE OLD ORDER OR THE BEGINNING OF THE NEW?

(By Albert U. Romasco)

President Herbert Hoover has travelled a long historical road since his decisive defeat in November 1932. By the time he left the White House to his successor, Franklin D. Roosevelt, in March 1933, the Great Depression had sunk to its lowest depth. And, in turn, his presidential reputation reached rock bottom. Politically portrayed as a do-nothing president, he was emphatically rejected at the polls because he failed to make good his repeated promise to restore prosperity. His fellow citizens judged Hoover pragmatically and without equivocation; seemingly, the historical case against him was closed. But, to paraphrase Charles A. Beard somewhat freely, no historical judgment is ever final or conclusive when it is viewed from different time perspectives.[1] Americans, indeed, have a propensity for revising and reinterpreting the past. But even though each generation rethinks the past within the context of its own present, there is no unassailable assurance that it perceives intellectually and politically either its present or the past in one single fashion. Certainly, Hoover's historical journey since 1933 lends support to the observation that each generation often harbors several, conflicting assessments of past episodes and figures, even if one judgment may be professionally more in vogue than others.

My purpose here is to explore briefly the various major historiographic modes of perceiving Hoover as a depression president and the attendant evaluations given to his policies for resolving economic stagnation. I shall also attempt to show how the intellectual and political viewpoints and values of historians influenced the judgments they rendered. Finally, I will state my own estimate of the historical significance of Hoover's policies for dealing with the depression.

Hoover's presidential career, or more specifically his handling of the Great Depression, has provided politicians, political commentators, and historians with a rich text for political sermons. The significance ascribed this tale, however, has been variously interpreted, largely depending upon the personal and political convictions of the particular chronicler. For our present purposes, the various interpretations may be conveniently subsumed under three broad, general heads: the right, center, and left, or, if you will, the conservative, liberal, and revisionist viewpoints of President Hoover.

The conservative defense of Hoover's executive tenure owes much to the indefatigable and protracted labors of Hoover himself. He had no intention of awaiting history's judgment; he instead set him busily at work to shape his own vindication: let history follow. Actually, this historical venture began very early indeed, while Hoover was still in office, largely as a matter of immediate

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necessity. He was after all, running for reelection in 1932, and it was essential that he defend not only his record, his analysis of the depression, but also his remedial policies as well. Most pressing of all, however, it was imperative that Hoover explain convincingly why his policies had not as yet worked. He desperately needed time for his program to take effect; that is, to turn the economy around the celebrated corner that he had looked for so fervently and spoken of so often. It was equally urgent, in Hoover's mind at least, that he warn the electorate in unmistakable terms about his rival, Franklin Roosevelt, whom he regarded as irresponsibly beguiling the people with dangerous schemes and proposals.

"This campaign," Hoover declared on 31 October 1932, in his famous Madison Square Garden speech, "is more than a contest between two men. It is more than a contest between two parties. It is a contest between two philosophies of government." [3] It meant, Hoover explained, that the American people must choose either the old tried-and-tested American system or the delusive promises of "a new deal." The American system, as Hoover defined it, encompassed the best traditions of our past: a concern for and preservation of personal freedom and liberties; a regard for high incentives, which could be promoted by equality of opportunity; and the unique value of a decentralized government which could foster cooperative voluntary action through group initiative and leadership. It was a system, he contended, that had served the people well, even during the severe economic crisis of the past three years. This entire heritage was now in jeopardy threatened by Roosevelt's proposed changes in the governmental, economic, and social systems of the nation. Hoover was convinced that Roosevelt's vast unnecessary schemes would greatly augment the power of the federal governmental, economic, and social systems ratization, would end only by obliterating the cherished old order.[5] "You cannot extend the mastery of government over the daily life of a people," Hoover warned, "without somewhere making it master of people's souls and thoughts." [4] And, thus at the very outset, one of the enduring themes of the Hoover-Roosevelt antithesis was clearly and firmly enunciated by Hoover himself.

In this influential speech Hoover also provided the basic outline and some of the more important clues for the subsequent elaboration of his defense by conservative admirers. Among those sharing this responsibility were William Starr Myers and Walter H. Newton in The Hoover Administration (1936), Ray L. Wilbur and Arthur M. Hyde in The Hoover Policies (1937), and John T. Flynn in The Roosevelt Myth (1948), Hoover himself again, more fully, in the three volumes of his Memoirs (1951, 1952), and Edgar E. Robinson in The Roosevelt Leadership, 1933–1945 (1955).

Collectively, the historical claims made in this literature for Hoover and the efficacy of his policies for dealing with the economic crisis are large, important ones. In looking at the past for precedents of forceful executive leadership in the nation's struggle against periodic economic depressions, Myers and Newton found none at all. Hoover, in fact, was the precedent-setter in this crucial matter.

President Hoover was the first President in our history to offer Federal leadership in mobilizing the economic resources of the people, and in calling upon individual initiative to accept definite responsibility for meeting the problem of depression. . . . The depressions that arose in the Van Buren, Buchanan, Grant, Cleveland, Theodore Roosevelt, or Wilson Administrations were practically ignored by the government in any official action. An examination of Presidential messages will show that but little of importance was done officially by previous Presidents to relieve either depression, distress or unemployment, or to cushion the financial and business situations that resulted from such conditions.[6]

Unlike his predecessors, Hoover responded immediately and forcefully. He held a series of meetings with business, industrial labor, and political leaders and won their support and cooperation for his program. The depression, caused by the economic dislocations set in train by the First World War and the impact upon America of the subsequent European collapse in 1929, was contained through the combined effect of holding to the current wage scale and spreading the work, through maintenance of the existing construction rate, supplemented by expanded public works at all governmental levels. In addition, tight credit was eased when the Federal Reserve System's lowered the discount rate, and began its large-scale open-market purchasing of securities. Finally, the needs of the unemployed were cared for by private charity and local and state welfare, assisted by federal encouragement.[6]

Subsequently, during the next two years, in response to further upsetting shocks from abroad, which menaced the nation's basic business and banking structure, Hoover strengthened his program with additional policies: a moratorium on intergovernmental debts (June 1931), creation of the Reconstruction Finance Corporation (January 1932), passage of the Glass-Steagall Bank Credit Act (February 1932), and the Home Loan Bank and the Emergency Relief and Construction Acts (July 1932). Together these measures constituted the principal ideas and legislative enactments that made up Hoover's antidepression program.[7]

Conservative commentators and historians have advanced three major claims with regard to this program, all of them highly complimentary to Hoover's wisdom, leadership, and historical reputation. The national response set in motion by President Hoover to overcome the economic crisis marked a dramatic, unprecedented exercise of executive initiative, in sharp contrast to the passive acquiescence of previous depression presidents. Furthermore, his program succeeded economically, if not politically, on at least five separate occasions when the incipient American recovery was set back either by disruptive forces from outside our borders or by unfavorable domestic political developments, such as the election of a Democratic controlled House of Representatives in 1930. But in each instance, Hoover successfully parried the blow, so that after July 1932, when the economy reached its low point, recovery resumed once again.[8] As Myers and Newton put it, "The forces of depression were definitely checked and the road to full recovery was freed from obstacles during the Hoover Administration." [9] But then, unfortunately, the greatest shock and setback of all occurred: the election of Roosevelt, which provoked a new decline, this time in earnest. Hoover's patient labors to right the economy were now permanently undermined, largely because the delicate barometer of recovery, business confidence, was upset by Roosevelt's disquieting talk of fiscal and monetary experimentation.[10] Not yet undone, however, was Hoover's abiding achievement: he had devised an economic recovery program without compromising the integrity and viability of the American system.

It was the claim that Hoover had successfully blocked the subversion of the American system that John T. Flynn emphasized as a point of departure for his sweeping attack upon President Roosevelt and his New Deal. Unlike Hoover, Roosevelt had willingly accepted planning-collectivist proposals that resulted in the transformation of the old, traditional American system into the new welfare state. And this development, as Flynn saw it, was an important part of the preparation for an eventual American totalitarian dictatorship. Flynn's praise for Hoover's foresight and restraint, in this regard, was one way of fashioning a bludgeon to batter Roosevelt and all his works.[11]

Evocation of a past far superior in all its particulars to the new order created by the pervasive alterations of the New Deal became the central theme of Edgar E. Robinson's assessment of Roosevelt's leadership. The acknowledged hero in Robinson's view was Herbert Hoover; and it was Hoover's qualities of leadership in an older, better America that provided the reference point for an extremely adverse judgment of Roosevelt.[12] For Roosevelt unhinged the nation from its past by a complex of changes that amounted to nothing less than a revolution. "Roosevelt's leadership," as Robinson summed up the major ingredients of this revolution,

resulted in fundamental changes in the government itself: in tremendous concentration of power in the Executive; in building up a vast system of bureaucratic control of private business; and by adding direct economic support of the citizen to the careful adjustment of conflicting economic interests in a free enterprise system.[13]

According to the conservative scale of values, therefore, the drastic innovations of Roosevelt seemed a meager, mean substitute for the venerable American system that stood intact during the Hoover years. The New Deal was simply an accurate yardstick measuring the nation's decline down the road toward Europe's totalitarianisms.[14]

While conservatives were perfecting their defense of Hoover, liberals were fashioning a far different reconstruction of the Hoover years and the meaning of his policies. This interpretation, the work of many hands, was closely intertwined with and influenced by the liberal response to President Roosevelt's handling of the Great Depression. Since liberals welcomed Roosevelt's broad conception of the powers of his office, his openness to new ideas and willingness to experiment, and the consequent burgeoning of federal responsibility, they reserved the conservatives' mode of perception and evaluation. For liberals, Roosevelt was the model of what ought to be, and it was his leadership in transforming the old order into something new and more viable that became the reference point in judging Hoover's custodianship.[15] The result was a highly critical interpretation of Hoover, his ideas and achievements, and, of course, his historical standing and reputation.

In the liberal version, Herbert Hoover became a pitiful, tragic figure. Devoid of public *charisma* and political skills, Hoover was an inept player in the vital game of politics, unable to dramatize his policies or to control the Congress. Incapable of seeing, let alone acknowledging, the economic defects of the existing structure, he failed to devise an energetic and realistic recovery program. Instead, he grievously misled the public with a continual stream of optimistic statements affirming the essential soundness of the system and the workability of his program; moreover, he proclaimed its success, in the very face of overwhelming evidence to the contrary. But, most fundamentally, Hoover's failure was an intellectual one: he was the prisoner of an outmoded political philosophy, defending a faith whose time had long passed but which still held the power to mesmerize Hoover in pious ineffectuality.[16]

Such a critical appraisal of Hoover and his policies clearly reveals the major assumptions and values underlying liberal political thought and how their pattern of beliefs, in turn, influenced historical perception. For the Great Crash and the Great Depression exposed what were regarded by liberals as inherent defects in the existing economic order; namely, a maldistribution of national income, a weak banking structure, a top-heavy business structure, an unbalanced international trade, and erroneous economic policies.[17] The resolution of the economic collapse, therefore, demanded extended reform of the economic structure. And economic reconstruction—on this scale, at least—was conceivable as a solution only through the agency of forceful political leadership, one that recognized the scope of the task and was willing to enlarge the federal responsibility and power to meet it. In short, what the liberals considered necessary was President Roosevelt and the New Deal. Hoover, who denied and resisted both the economic analysis and the political cure, was put down simply as a stubborn, misguided ideologue preoccupied with burning incense to a dead past.[18]

The liberal scales of judgment, of course, have by no means been used solely on Herbert Hoover; they have been applied broadly throughout the twentieth century as a basis for historical appraisals. Yet Hoover has been a peculiarly apt illustration of the liberal analysis, primarily because he was so evident and forthright in opposing this whole frame of thought and its expectations. He understood the liberal program thoroughly and rejected it emphatically, and he received in consequence the full burden of liberal disapproval. But beyond this, the issues at stake were not merely an interpretation of the past but a proper program, a correct way for the country to travel for the immediate, foreseeable future. And since it was not possible to hold to Hoover's American system and still follow the liberal prognoses, one or the other had to be abandoned. Clearly the liberal's choice was to drop Hoover and with him the constraining limitations of the old order.

Superficially, at least, liberal and conservative historians share much in common in regard to this subject. Both groups have conceived of Hoover and Roosevelt as polar opposites with antithetical philosophies concerning the proper role and functions of the national government and with opposed politics for handling the Great Depression. The two schools of thought differ markedly, however, in which president should be historically celebrated and which castigated. And yet the liberal judgment, with its commanding professional standing and wide public circulation, has not been accepted universally by all who share liberal assumptions and values. Three notable exceptions, for example, have been Walter Lippmann in his "The Permanent New Deal" (1935), Broadus Mitchell in Depression Decade (1947), and Carl N. Degler in "The Ordeal of Herbert Hoover" (1963).

The significant point of departure in this third revisionist interpretation of Hoover was each author's rejection, in varying degrees, of the common conservative-liberal procedure of contrasting the two presidents as opposites and then supporting such an assumption by emphasizing the essential discontinuity between the policies of the two administrations. Instead, these authors made a case for the continuity of policy during the Great Depression, assigning and crediting Hoover with the role of innovator. The implications of the revisionist interpretation, if accepted, were far-reaching indeed. It shifted Hoover from the conservative camp into the progressive-liberal tradition, and it required a reassessment not only of Hoover's historical reputation but of Roosevelt's as well. In a very real sense, the proper subject of these years became Hoover-Roosevelt and the Great Depression.

Within this new conceptual framework, Lippman made the largest, most flattering, and least qualified claims for Hoover. "The policy initiated by President Hoover in the autumn of 1929," he argued, "was something utterly unprecedented in American history. The national government undertook to make the whole economic order operate prosperously." [19] Furthermore, in implementing this radical new idea, Hoover devised a series of policies that anticipated "most" of Roosevelt's recovery program. Specifically, according to Lippmann's account, "in all essential matters of policy—monetary management, the budget, the agricultural disparity, and industrial 'stabilization'—there has been no break in principle, and . . . the Roosevelt measures are a continuous evolution of the Hoover measures." [20] In sum, the one significant new idea of this period and the essential means devised to carry it out were the product of Hoover's initiative and leadership.

Lippmann's analysis was formulated midway during the New Deal. Broadus Mitchell, on the other hand, wrote after the domestic New Deal had run its full legislative course, which provided him with the greater advantage that perspective afforded. Moreover, Mitchell's judgments were the product of a full-scale economic analysis of the Great Depression decade. Consequently, his more careful assessment moderated in some particulars Lippmann's statements and expanded them in others. Although Mitchell repeatedly urged the point that many New Deal policies were anticipated by Hoover, he also defined the areas wherein the two administrations diverged; and he frankly recognized the limits which Hoover's philosophy imposed upon him. Specifically, Hoover anticipated the New Deal in the creation of the Reconstruction Finance Corporation, the agricultural policies adopted by the Farm Board, and the reluctant acceptance of federal relief for the states. He differed most markedly from his successor in his more circumscribed conception of public works deficit spending, and direct federal relief for the unemployed, and in his opposition to social security and public electric power.[21]

The two presidents, Mitchell added, were nonetheless committed to the common overall objective of preserving capitalism. But the *means* each was willing to accept and use for attaining this central purpose differed significantly. In Mitchell's judgment:

"Hoover, by and large, was content with socializing the 'public' losses of corporations because these would reach to the private losses of individuals. The New Deal properly went further and was willing to socialize the private losses of unemployed individuals on the ground that, unless aided, these would destroy the public, including corporate welfare. The Hoover analysis stopped cruelly short. . . . The New Deal, by contrast, endeared itself for its sympathy with individual misfortune, when equally deserved thanks might have gone to it (but did not) for its industrious attempt to preserve capitalism." [22]

Then, with a fine, impartial hand, Mitchell proceeded to criticize both Hoover's percolation theory of recovery and Roosevelt's nationalistic approach and his resort to the economics of scarcity. For ultimately neither succeeded in the immediate, overriding task of ending the depression.[23]

Carl Degler's essay—a cogent, judicious statement of the liberal revisionist interpretation—can serve here as a convenient summary of this viewpoint. "Hoover's principles," he stated, "were distinctly and publicly progressive." [24] Adopting the liberal equation of progressive as being equivalent to the expansion of federal responsibility and power, Degler added that "perhaps the most striking example of Hoover's willingness to recognize the new role of government in dealing with the complexities of an industrial economy was his breaking precedent to grapple directly with the Depression." [25] The ensuing program, which carried Hoover close to the New Deal, was restrained finally by Hoover's ideology, primarily his commitment to the principles of individualism and a balanced budget. It was, in other words, Hoover's fidelity to this principle that led him to oppose such additional measures as federal relief for the unemployed, creation of a government corporation to run Muscle Shoals, and a government system of old age and unemployment insurance.[26] Hoover, therefore, was best understood as a "transition figure in the development of the government as an active force in the economy in times of depression." [27]

The liberal revisionist account was intended as an historical corrective to the exaggerated claims of both Hoover and Roosevelt partisans, with their neat contrast of the two administrations: the one defending the old tradition, the other ushering in a new order. Beyond this function, revisionism, particularly Mitchell's work, inadvertently served another purpose: it provided a logical bridge to a subsequent left revisionist interpretation distinct from its own.

In *The Contours of American History* (1961), William Appleman Williams used the continuity approach in regard to the depression policies of the two administrations, but it was set in a different, larger context—that of corporate capitalism. Hoover, in his attempt to halt the depression, "pulled out every antidepression tool the Progressives ever owned." [28] And it was these policies that "provided the rudiments of Roosevelt's program." [29] But Hoover's refusal to go further than he did in enlarging the government's role was not motivated by a pious reverence for the past; it signified instead the deliberate restraint of a man who thoroughly understood the dangers that could arise if the state were given the dominant position in the American political economy. It was Roosevelt, lacking Hoover's sophisticated understanding of the corporate economy and its potential pitfalls, who plunged recklessly ahead, making the latent danger an actuality. It was thus during the New Deal years that a syndicalist nation was created, that is, a system dominated by a coalition of leaders representing capital and government. All that Hoover had feared and sacrificed to prevent had come to pass.[30] Ironically, therefore, Williams' account of Hoover—informed as it was by a different time and political stance, graced with a new terminology, and utilizing continuity—ended up echoing much of the conservative's defense of Hoover and his policies.

One is not accustomed to thinking of President Hoover as an ambiguous figure, but when one considers the entire historiographic spectrum that has developed on Hoover and his depression policies, it is evident that ambiguity, even outright contradiction, are rampant. Taken collectively, all that is claimed for Hoover, or charged against him, cannot be reconciled easily, if it can be reconciled at all. He has been cast, by admirers and detractors alike, as the defender *par excellence* of the values and the institutions of an older America. At the same time—one is tempted to say in the same breath—he has been credited by practically everyone as a great innovator: the first president to accept national responsibility for overcoming an economic depression and restoring prosperity. To this end, Hoover is said to have devised a set of policies which significantly enlarged the function and role of government in the nation's economic life. Indeed, according to some, he went so far in this new direction as to anticipate the essentials of Roosevelt's New Deal. It appears, consequently, that Hoover upheld the traditional concept of limited government, a basic value in the American system, while with his left hand he inaugurated a fatal departure from that tradition. Thus, if one is tempted to follow a process of indiscriminate eclecticism, one can consider Hoover as both the defender of the old order and the precursor of the new. If this form of synthesis is unacceptable, which indeed it is, then there is an alternative procedure that is conceivable: to examine more closely the claims made for Hoover both in relation to the years preced-

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ing and the years following his administration, thereby using a double vantage point for judging Hoover's historic contribution as a depression president.

In the course of the twentieth century, prior to President Hoover's confrontation with the Great Depression, the American economy was subjected to three major disruptions: the banking panic of 1907, the recession of 1914, and the depression of 1920–21.[31] These episodes, involving the administrations of President Theodore Roosevelt, Woodrow Wilson, and Warren Harding, respectively, constitute a sufficient testing ground for determining the degree of credibility that should be accorded the claims made for Hoover as an innovator; that is, for gauging the extent to which his policies measure a departure from the *past*. Was nothing, in actual fact, done by Hoover's predecessors during these times of severe economic crisis? Or to state the issue positively, what response, if any, was made by the three presidents on these occasions: and did their behavior and policies anticipate Hoover's own response?

On 22 October 1907 the Knickerbocker Trust Company, whose officers were involved in an unsuccessful copper corner, suspended in New York City, marking the beginning of the panic.[32] The bank's collapse provoked a sharp break on the New York Stock Exchange, further runs on other trust companies, and a critical shortage of currency. Moreover, the crisis was not confined solely to Wall Street; in the South and West, already faced with a serious shortage of cash and credit to finance the seasonal movement of crops, the money panic resulted in some states declaring bank holidays and a further decline in commodity prices and the closing of some commodity exchanges. The repercussions of the panic even reached across the Atlantic to the European money markets, forcing the Bank of England and the Imperial Bank of Germany to raise their discount rates to unprecedented levels as a means of protecting themselves against the outflow of gold to the United States.[33]

President Theodore Roosevelt was fully alive to the possibility that the public would hold him responsible for the panic and its consequences. As he remarked privately, "when the average man loses his money he is simply like a wounded snake and strikes right and left at anything, innocent or the reverse, that presents itself as conspicuous in his mind."[34] Roosevelt's initial move was therefore aimed at the public psychology of fear, in a form we would subsequently recognize as the classic response of a depression president: he issued a public statement of reassurance that, despite appearances, all was well. "No one who considers calmly," he declared soothingly, "can question that the underlying conditions which make up our financial and industrial well-being are essentially sound and honest."[35] Surely, the purpose, even the choice of words resounds familiarly in our ears.

More concretely, Roosevelt used a set of policies devised essentially to strengthen the country's financial institutions by direct federal assistance in order to place them in a position where they could meet all demands and thereby stem the panic at its source—the teller's window. To this end, Secretary of the Treasury George B. Cortelyou arranged for a $25 million deposit of government funds in New York City's national banks, supplementing the private efforts of J. P. Morgan and others, including the New York Clearing House, to amass currency at the banks sufficient enough to cover the demands of frightened depositors.[36]

These measures were only temporarily successful; within a week the New York bankers were fearfully anticipating the collapse of an important brokerage house and another trust company, and with them the closing of the Stock Exchange. To avert this chain of events, Roosevelt was persuaded by Morgan's associates, Judge Elbert Gary and Henry C. Frick, to permit United States Steel to absorb the Tennessee Coal and Iron Company as a means of buttressing the assets and financial standing of the shaky brokerage house. Roosevelt's decision, severely criticized later, succeeded in saving Moore & Schley and keeping the Trust Company of America open; but the money shortage was not yet resolved.[37]

The administration next considered the problem of facilitating an expansion of the money supply through the national banks. Cortelyou at first authorized the banks to use bonds other than the authorized government ones as a substitute basis for issuing notes. This maneuver was ineffectual because all bonds were currently at high prices and in short supply. Roosevelt and Cortelyou then turned to a more direct approach: the government announced an issue of 2 percent Panama bonds and 3 percent Treasury certificates and made them available to national banks for a down payment of 10 percent and 25 percent, respectively. In other words, the government manufactured the bonds needed to expand the currency and sold them to the banks on easy credit terms. This action resolved the money stringency and ended the panic.[38]

The next crisis, that of 1914 during the Wilson administration, was directly tied to the outbreak of European hostilities between 28 July and 4 August.[39] The effect of the First World War upon the American economy was immediate and widespread, involving a major crisis on the New York Stock Exchange, great pressure on the banking structure, and severe agricultural and industrial disruption. The nation's foreign trade practically ceased, primarily because America depended heavily upon foreign shipping for delivering its goods to all parts of the world. In response, the Wilson administration energetically set about to relieve the pressure on the financial structure and to remove the obstacles to its foreign trade by direct intervention in the economy.[40]

The first task was to cushion the stock market. Europeans held a total of $2.5 billion in American stocks and bonds and began heavy selling on 30 July. With the closing of the London Stock Exchange the next day, an avalanche of additional selling orders was expected. The New York bankers averted the threat by closing the New York Stock Exchange that same day after consulting with Secretary of the Treasury William G. McAdoo, who approved the decision.[41] Subsequently, in October, the market faced a new crisis: the prospect that bankers holding some $1 billion in notes, with securities as collateral, would demand payment, resulting in wholesale dumping of securities. The Treasury intervened by notifying "national bank examiners to approve all loans secured by listed stocks at their value as of July 30, 1914, thus in effect putting a floor under security prices."[42] On 29 November the New York Stock Exchange reopened for bond trading; and on 12 December it resumed full operations.

At the outset of the war, American bankers and merchants were indebted to London by some $450 million in short-term obligations. When British bankers began calling these loans, the American banks came under heavy pressure from their frightened depositors. With a first-class panic facing them, the bankers turned to the federal government for assistance. McAdoo, like Cortelyou before him, went immediately to New York City after providing Wall Street with $100 million in emergency currency. Discovering there that the bankers were unable to obtain the necessary, additional relief via the Aldrich-Vreeland Act because of its overly restrictive provisions, McAdoo promised to try to get Congress to amend that act within the next twenty-four hours. True to his word, the next morning McAdoo was waiting for the chairman of the Banking Committee, Senator Robert L. Owen, with appropriate amendments. Congress passed the bill that day and President Wilson signed it the next.[43] Meanwhile, Wilson reassured the public in the classic mode:

> There is great inconvenience, for the time being, in the money market and in our Exchanges, and, temporarily, in the handling of our crops, but America is absolutely prepared to meet the financial situation and to straighten everything out without any material difficulty. The only thing that can possibly prevent it is unreasonable apprehension and excitement. . . . There is cause for getting busy and doing the thing the right way, but there is no element of unsoundness and there is no cause for alarm.[44]

In this case, at least, a combination of words and actions quieted public fear, stopped the runs on the banks, and restored confidence.

The administration also exerted itself in an attempt to untangle the barriers obstructing the nation's foreign trade. Wilson conferred with congressional leaders in an effort to devise means of persuading foreign ship owners to register under the American flag, and he discussed plans for building an American fleet. McAdoo conceived of a plan for creating a government-owned corporation to buy foreign ships, including those of Germany stranded in port, but this scheme was blocked in Congress. However, Congress was willing to create a War Risk Insurance Bureau to provide low-cost marine insurance as an inducement to get ships out onto the sea again. These difficulties, however, were settled instead by the British, in September 1914, when they succeeded in clearing the sea lanes of surface German raiders. Shipping then became readily available at reasonable rates, and large orders for goods soon revived American foreign trade.[45]

Among the more sombre Wilsonian legacies bequeathed to his Republican successor was the depression that began in 1920.[46] Warren Harding, in his presidential campaign, had emphasized the need for restoring prosperity and reducing the cost of government, two objectives that were not regarded in the wisdom of that day as incompatible. Once in office, Harding turned at once to the political problem of translating these objectives into legislative actualities. His prosperity program aimed at providing assistance to three major interest groups: business, agriculture, and labor.[47] And in a remarkably short space of time, he succeeded in accomplishing his purpose.

Harding and his Secretary of the Treasury, Andrew Mellon, had a ready, conservative prescription for business recovery. Its main tenets included reestablishing a lean economy in governmental expenditures, instituting a tax reduction, and paring the national debt. The rationale for this program was that by relieving the investing classes of the heavy tax burden, they would be in a position to resume their important function of providing the risk capital vital for economic growth. Similarly, the payment of the national debt would place money in hands that would use it for additional capital investment.[48]

The business program was carried out with impressive dispatch. The Budget and Accounting Act of 1921 established the Budget Bureau, which substantially cut governmental expenditures. In the Revenue Act of 1921, the excess-profits tax and the surtax on individual incomes were lowered, although not to Mellon's complete satisfaction. Furthermore, Herbert Hoover was busily transforming the Department of Commerce into an active agent for promoting business confidence and foreign trade in furtherance of Harding's goal of restoring the nation's prosperity.[49]

The agricultural counterpart of this recovery program included the Fordney Emergency Tariff, passed in May 1921, with an anti-dumping provision and high protective rates on a number of farm commodities. Then after Harding met with farm leaders and spokesmen to determine their priorities, there followed in quick succession the Packers and Stockyards Act, the Future Trading Act, two amendments to the Farm Loan Act which made it easier for farmers to get larger loans, and the Emergency Agricultural Credits Act. The latter, an administration-conceived measure, expanded the loaning powers of the War Finance Corporation to include farmers' cooperatives and livestock growers and permitted the corporation to buy agricultural paper secured by farm commodities as a means of assisting rural banks. This program, enacted in the special session, was completed by 24 August 1921.[50]

During the winter of 1920–1921 there were an estimated 4,754,000 workers unemployed; by the late summer of 1921 the figure had climbed to 5,753,000.[51] "The laborer," Robert Murray has remarked, "was the Harding era's forgotten man." At Hoover's initiative, an unemployment conference was held in September 1921, where Harding "warned . . . that the conference should not seek unemployment subsidies from the federal government as a solution."[52] Instead, the conference members were offered a program conceived by Hoover, one which he later reapplied during his own presidency. His program called for stepping up construction work, spreading jobs, increasing public works, and furnishing local relief for the unemployed. All this was to be carried out by Hoover's preferred method of voluntary cooperative action among the people themselves, spurred on by a high-powered public-relations campaign. The results of his program were no more successful in 1921 than they were to be during the Great Depression.[53]

The conclusion that emerges from this summary account of the economic crises in the Roosevelt, Wilson, and Harding administrations is that the long-standing contention that no president, prior to Hoover, accepted federal responsibility for assuring the economic well-being of the nation needs to be considerably modified, if not abandoned altogether.[54] None of these presidents was an exponent of laissez-faire ideology; all of them attempted to correct the economic dislocations of their time and restore prosperity. And in each instance, their commitment involved a considerable measure of direct federal intervention. There were, then, ample executive precedents during peacetime for Hoover to use and to build upon when he came face to face with an even graver crisis. And he used them.

Specifically, Hoover imitated the past in his protracted efforts to protect and strengthen the financial structure of the nation. The Federal Reserve System followed an easy-money policy by lowering the discount rate and by large open-market purchases of securities. When obstacles appeared that hindered this policy, they were removed by amending the rules to broaden the types of paper eligible for rediscount and by substituting government securities for commercial paper as backing for Federal Reserve notes. Also, additional support for financial institutions was provided by the creation of the Reconstruction Finance Corporation, by an act increasing the capital of the Federal Land Banks, and through the establishment of the Home Loan Banks. These measures were designed to improve the liquid position of financial institutions, thereby diminishing the danger of runs and improving the banks' capability and willingness to make loans.[55]

Hoover coordinated this financial policy with a complementary one to encourage business and industry. However, in this area, Hoover's means were significantly limited to persuading businessmen of the wisdom and utility of carrying out the recovery measures voluntarily. The federal government's role in the program of expanding the levels of construction and capital investment, maintaining wage scales, and refraining from layoffs by spreading the work, was limited to persuasive encouragement and a massive propaganda effort to convince business and the public alike that these efforts were succeeding. In effect, this meant that the success of Hoover's program rested finally upon the willingness of businessmen to assume the risks of conducting business as usual in spite of the depression. None of these vital policies was made mandatory by law because recourse to such direct compulsion was repugnant to Hoover's political philosophy.[56]

Similarly, Hoover's labor program was constructed to use identical methods and to conform to the same values and restraints. Labor's two overriding objectives at this time were work and relief. For the successful implementation of one, the workers were dependent upon the goodwill and success of businessmen cooperating voluntarily in a national undertaking and in the other upon the resources and cooperation of private and local-state agencies. The federal government's proper role here, Hoover believed, was one of promoting and coordinating voluntary action; the social and political price for going beyond this to direct federal action was too high to pay.[57]

For agriculture, Hoover devised the Federal Farm Board with authority to assist farm organizations in creating a system of national cooperative associations and to set up stabilization corporations. The onset of the depression, however, shifted the Board's main effort from the cooperatives, where Hoover intended them to be, to the stabilization corporations, which had been originally conceived for temporary emergencies. After the corporations failed to hold wheat and cotton prices up by buying surplus stocks, the Board retreated from the field, advising the farmers to control their own production even if that involved the destruction of excess crops. Like President Harding before him, Hoover was unwilling to support agricultural prices by federal subsidy.[58]

Thus, Hoover's policies for dealing with the Great Depression drew fully from the peacetime precedents of the past. He also added refinements and some outright innovations to the government's armory against depression. And some of the new devices, notably the practice of increased federal spending through an expanded public-works program, involved direct federal commitment. But even here the scope and effectiveness of the venture was circumscribed by Hoover's insistence that all projects be self-liquidating. When Congress tried to go beyond this conception to much more ambitious schemes, Hoover denounced the attempt as pork-barrel legislation and firmly exercised his veto power. For he remained a true believer in a balanced budget, regarding it as crucial to the nation's financial soundness and as vital for restoring business confidence.[59] And even though Hoover failed here, it was not because he faltered in his belief; the deficits were the unintended outcome of declining federal revenues. Hoover continued to insist that the primary responsibility for increased spending, sufficient to revive economic activity, must rest upon the private and not the public sector.

Hoover was therefore a significant figure in the evolution of governmental policies for dealing with depressions. But by the time he left the White House he was standing solidly upon a principled opposition to any further expansion of direct federal intervention. He never thought it worth the candle to gain prosperity at the expense of undermining the American system. So that when one contemplates his modest program in light of Roosevelt's New Deal, there remain a great many things which he refused to do, as Mitchell, Degler, Williams, and others have pointed out.[60] For the limits of Hoover's program can be understood only when one sees the intimate relation of his restraint to his political philosophy, his image of America past, and his vision of her future.

FOOTNOTES

[1] Charles A. Beard, "Written History as an Act of Faith," *American Historical Review* 39 (January 1934): 220.

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[3] Ibid., pp. 516–21.

[4] Ibid., p. 520.

[5] Ibid., p. 3.

[6] Ibid., pp. 4, 12, 25–30, 52–59, 122.

[7] Ibid., pp. 88–94, 143–44, 163, 171–73.

[8] Ibid., pp. 122, 142, 368.

[9] Ibid., p. 370.

[10] Ibid., p. 276.

[11] John Thomas Flynn, *The Roosevelt Myth* (New York: Devin-Adair Co., 1948), pp. 165, 206.

[12] Edgar Eugene Robinson, *The Roosevelt Leadership 1933–1945* (Philadelphia: J. J. Lippincott, 1955), pp. 36–37.

[13] *Ibid.*, p. 400.

[14] *Ibid.*, p. 376.

[15] Earnest Kidder Lindley, *The Roosevelt Revolution: First Phase* (New York: Viking Press, 1933), pp. 15, 273; Raymond Moley, *After Seven Years* (New York: Harper and Bros., 1939), p. 11; Rexford Tugwell, *The Democratic Roosevelt* (Garden City, N.Y.: Doubleday, 1957), p. 197; Robert Emmet Sherwood, *Roosevelt and Hopkins* (New York: Harper and Bros., 1950 edition), I, pp. 46–48.

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[18] Arthur M. Schlesinger, Jr., *The Crisis of the Old Order 1919–1933* (Boston: Houghton Mifflin Co., 1957), pp. 246–47.

[19] Walter Lippmann, "The Permanent New Deal," *The Yale Review* 24 (1935), reprinted in Richard M. Abrams and Lawrence W. Levine (eds.), *The Shaping of Twentieth-Century America* (Boston: Little, Brown Co., 1965), p. 430.

[20] Abrams and Levine, *Shaping of Twentieth-Century America*, p. 436.

[21] Broadus Mitchell, *Depression Decade* (New York: Holt, Rinehart and Winston, 1947), pp. 38, 57, 77, 80–81, 86, 114–16, 306, 341, 404–405.

[22] *Ibid.*, p. 89.

[23] *Ibid.*, pp. 88, 145, 190.

[24] Carl N. Degler, "The Ordeal of Herbert Hoover," *The Yale Review* 52 (1963), reprinted in Abrams and Levine (eds.), *The Shaping of Twentieth Century America* (Boston: Little Brown Co., 1971 edition), p. 358.

[25] Abrams and Levine, *Shaping of Twentieth-Century America*, 1971 edition, p. 359.

[26] *Ibid.*, p. 363.

[27] *Ibid.*, p. 364.

[28] William Appleman Williams, *The Contours of American History* (Chicago: Quadrangle, 1966), p. 438.

[29] *Ibid.*

[30] *Ibid.*, pp. 436, 437–38.

[31] Milton Friedman and Anna Jacobson Schwartz, *A Monetary History of the United States 1867–1960* (Princeton: Princeton University Press, 1963), p. 307.

[32] My treatment of this episode draws heavily from material presented in Theodore Roosevelt, *The Letters of Theodore Roosevelt*, edited by Elting E. Morison *et al.* (Cam-

Footnotes at end of article.

bridge: Harvard University Press 1952), V. pp. 822–49.

[22] *Ibid.*, pp. 848–49.

[23] *Ibid.*, p. 826.

[24] Theodore Roosevelt to Cortelyou, 24 October 1907, text printed in the *New York Times*, 27 October 1907.

[25] Roosevelt, *Letters of Theodore Roosevelt*, p. 822.

[26] *Ibid.*, pp. 830–31.

[27] *Ibid.*, pp. 848–849; U.S. Department of the Treasury, *Response of the Secretary of the Treasury to Senate Resolution No. 33 of Dec. 12, 1907* (Washington: Government Printing Office, 1908), pp. 7–11.

[28] My material on Wilson is drawn primarily from Arthur Link, *Wilson, The Struggle for Neutrality, 1914–1915* (Princeton: Princeton University Press, 1960).

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[30] Link, *Struggle for Neutrality*, p. 76; William Gibbs McAdoo, *Crowded Years, The Reminiscences of William G. McAdoo* (Boston: Houghton Mifflin Co., 1931), pp. 290–93.

[31] Link, *Struggle for Neutrality*, p. 77.

[32] *Ibid.*, p. 78.

[33] *Ibid.*, p. 79.

[34] *Ibid.*, pp. 81–90; Alexander Dana Noyes, *The War Period of American Finance 1908–1925* (New York: G. P. Putnam's Sons, 1926), pp. 97, 113 ff.

[35] My treatment of the 1920–1921 depression relies heavily upon material drawn from Robert K. Murray, *The Harding Era: Warren G. Harding and His Administration* (Minneapolis: University of Minnesota Press, 1969).

[36] *Ibid.*, p. 170.

[37] *Ibid.*, p. 183.

[38] *Ibid.*, pp. 172–74, 184, 190, 195–98.

[39] *Ibid.*, pp. 201, 203, 206–10.

[40] *Ibid.*, p. 84.

[41] *Ibid.*, pp. 231–33.

[42] Philip Klein, *The Burden of Unemployment* (New York: Russell Sage Foundation, 1923), pp. 57–59.

[43] Among those who have accepted and perpetuated this claim without modification, I include myself in *The Poverty of Abundance: Hoover, the Nation, the Depression* (New York: Oxford University Press, 1965).

[44] *Ibid.*, pp. 187–94.

[45] For a more detailed treatment, see *Ibid.*, Chapter 4.

[46] *Ibid.*, pp. 142, 171–72.

[47] *Ibid.*, pp. 121–24.

[48] *Ibid.*, pp. 222, 227–29.

[49] For a discussion of the themes of change and continuity and their interplay during the Great Depression, see Richard S. Kirkendall, "The New Deal As Watershed: The Recent Literature," *Journal of American History* 54 (March 1968): 839–52. ●

THE AMERICAN CONSUMER'S STAKE IN THE U.S. FOOD-FOR-PEACE PROGRAM

● Mr. CHILES. Mr. President, on Thursday, September 13, House and Senate conferees are scheduled to meet to resolve differences in H.R. 4387, the agriculture appropriations bill for fiscal year 1980 as passed by the House and Senate earlier this summer (June 19 to July 19).

Mr. President, in anticipation of the conference, I wish to take this opportunity to discuss a small, but I believe extremely significant, program area contained in this bill that deserves the continued full support of the Congress. In 1966 under the authority of section 406 of Public Law 89–808 the Secretary of Agriculture was authorized to increase funding of USDA sponsored tropical and subtropical agricultural research.

In fiscal year 1979 a total of $2.2 million was appropriated by Congress specifically for this purpose. This support has enabled the Pacific basin and the Caribbean centers to launch a significant program aimed at developing better capabilities in tropical food production, handling, and marketing. This funding is fostering the development of two tropical research centers in Hawaii and Florida-Puerto Rico to provide focus and personnel competence for a national research effort in tropical and subtropical agriculture.

The initial aim, particularly in the Caribbean basin, has been expanding research efforts into several areas critical to tropical and subtropical production. A key element in this research is a concentration on tropical/subtropical problems that are of vital concern to U.S. agricultural production.

This year, Mr. President, the Senate voted to increase section 406 funding by an additional $1 million. The Appropriation Committee's report (96–246) which accompanied H.R. 4387 makes a very strong case for this increase:

> Research in tropical and subtropical agriculture can provide obvious benefits abroad in terms of increasing the productivity of the small farms characteristic of the developing countries in tropical and subtropical regions and in helping to offset some of the enormous food deficits projected for the coming years. The Committee believes that the program also has significant advantages for agriculture in this country. At the very minimum, it can help us prevent foreign pests and diseases from gaining a foothold here. In addition, by developing our knowledge of the special needs associated with tropical and subtropical agriculture, we help insure that businesses in this country will be able to share in the large and growing developing-world market for agricultural services and equipment. The Committee will continue to monitor this important research effort with particular care and is optimistic about its potential achievements. (Sen. Rept. 96–246 pg. 27.)

Mr. President, I believe this committee statement provides an excellent summary as to why this proposed fiscal year 1980 $3.2 million appropriation for tropical and subtropical research is both timely and appropriate.

However, Mr. President, there is another unique aspect to section 406 program initiative that I would like to point out. It has to do with this country's long standing international commitment to alleviate the grave problems of world hunger. In this regard, Mr. President, I would like to bring to the attention of my colleagues a recent address delivered on the subject by the distinguished Senator from Hawaii, the Honorable Spark MATSUNAGA. In sharing this statement with my colleagues, I believe it is also particularly fitting to note that Senator MATSUNAGA authored the section 406 amendment to Public Law 89–808, the Agricultural Trade and Assistance Act in 1966 when serving Hawaii as a Member of the U.S. House of Representatives.

Mr. President, at this time I ask that Senator MATSUNAGA's April 22, 1979, speech, titled "The American Consumer's Stake in the U.S. Food for Peace Program," be printed in the RECORD.

The speech follows:

THE AMERICAN CONSUMER'S STAKE IN THE U.S. FOOD FOR PEACE PROGRAM

Mr. Tolan, distinguished members of America's food media, executive officers of Castle and Cooke, Del Monte, and Maui Pineapple, ladies and gentleman: Aloha!

This year marks the twenty-fifth anniversary of America's steadfast humanitarian commitment to its "Food for Peace" program. While the basic law (Public Law 480) has been amended several times, I consider it a remarkable achievement that its central focus continues to be aimed at combating world hunger and malnutrition, and encouraging economic development in the less developed countries. Other basic goals of the legislation have been: to expand international trade among the U.S. and friendly nations; to facilitate the convertability of currency; to dispose of surplus U.S. agricultural commodities; to promote the economic stability of U.S. agriculture; and to promote U.S. foreign policy objectives.

Since 1954, in fact, over 265 million tons of agricultural commodities valued at over $27 billion have been exported under Public Law 480. Important as it is, however, Public Law 480 food aid has declined in proportion to total U.S. agricultural exports. According to the U.S. Department of Agriculture, the annual value of all our agricultural exports has risen dramatically from $3.1 billion in 1955 to $27.3 billion in 1978, while the proportion covered by Public Law 480 has declined from a high point of 33 percent in 1957 to only 4 percent in 1978. These figures confirm the success of our commercial exports more than any significant decline in Public Law 480 food aid. In fact, the yearly value of Public Law 480 shipments has remained close to one billion dollars since 1970, although the volume of commodities shipped has fluctuated in accordance with prices.

For fiscal year 1980, President Carter has requested $719 million in new budget authority for Public Law 480, indicating that additional program costs will be covered by repayments due to the Commodity Credit Corporation. Food for Peace thus represents only 8 percent of the total foreign assistance request of $8.728 billion which Congress is being asked to approve this year. Though small when compared to other national expenditures, Public Law 480 food aid, nevertheless, has a significant impact on developing countries and it is for this reason that I believe Congress should insure that its impact is consistent with the "new directions" policy of our country's foreign assistance efforts.

If at this point in my remarks you find yourself doing a mental head scratch and wondering: "But what has all this got to do with the American consumer in the 1980's?" hold on for just a few more minutes and follow the next set of numbers closely. I'm about to turn the corner but, before I do, I believe it's vitally important that you get a proper grasp of the world food situation as it exists today and as it is projected for the future.

Nearly five years have passed since more than 100 nations met at the U.N. World Food Conference to consider ways to ameliorate the world problem of hunger and malnutrition. Participants discussed methods to increase food production, improve distribution systems and storage facilities, provide for more agricultural research and food aid, and combat related health problems.

In the early 1970's, world food production and stock levels had been rather favorable. Within a short period, however, adverse weather conditions and other factors resulted in a short supply situation. This resulted in a reduction of stocks, higher consumer prices, and a decrease in the amount of food aid available to developing countries. In considering such events, the 1974 World Food Conference included in its recommendations proposals for an international grain reserve to ensure food availability, and increasing the world annual commitment for food aid to 10 million tons. Negotiations for the international wheat reserve were suspended last February. And only this year, for the first time, will food aid levels approach the 10 million ton goal.

During the latter half of this decade, the world food situation has been improving. According to the March estimate of the United Nations Food and Agriculture Organization (FAO), wheat and coarse grains production for the crop year ending in 1979 will be 1.142 billion tons. This is 4 percent below last year and 2 percent below the long-term trend. FAO reports that this marginal decrease results from the expectation that weather conditions will be average as opposed to exceptionally good this year as compared to last.

Wheat production is estimated by FAO to increase somewhat in the Far East and North America and decrease in the Soviet Union, Western Europe and Oceania. Substantial declines in coarse grain production are expected in North America and Africa with increases in the Far East, Latin America and the Soviet Union.

World cereal stock levels have also improved. FAO forecasts that stock levels will reach 205 million tons at the end of the 1978/79 crop season. This is 26 million tons, or 15 percent, more than last year. Of this, wheat stocks are forecast to be 84 million tons, up from 80 million tons at the end of last year but lower than the 85 million ton level at the end of the 1977 crop year. Coarse grain stocks are estimated to be 95 million tons, up from 75 million tons last year and 61 million tons for the crop year ending in 1977. Rice carryover stocks are projected to be 26 million tons, up from 24 million tons last year and 22 million tons at the end of the 1977 crop year.

1979 estimated carryover cereal stocks are equivalent to 21 percent of consumption. This is up from 19 percent last year. FAO considers a level of 18 percent to be approximately the minimum level necessary for world food security. Between 1973 and 1976, carryover stocks were in the 13–14 percent range.

The continuance of this favorable world food outlook depends largely on continued good weather conditions. While carryover stock levels are good, one or two years of unfavorable weather conditions could reduce them to low levels again. According to the United Nations Food and Agricultural Organization, over 40 percent of world cereal stocks is held by the United States, mostly in the farmer-owned grain reserve. Of the estimated 1979 world wheat carryover, 59 of the 84 million tons is held by the main exporters. Of course grain stocks, 70 of the 95 millions tons is held by main exporters. Of the total estimated 1979 cereal stock carryover of 205 million tons, 162 million tons is held by the developed countries and only 43 million tons by the developing countries. These latter countries are most likely to need emergency supplies as a result of crop shortfall or failure, or for disaster relief.

FAO also maintains a monitoring system showing in what countries abnormal food shortages and unfavorable crop conditions exist. According to their report released in early March, 15 countries are affected or threatened by abnormal food shortages. These shortages largely resulted from crop shortfalls in 1978. Thirteen of the countries are in Africa and two in Asia. Two of the countries were added to this list within the past month. FAO also reports that the countries suffering the most severe food problems are Angola, Ethiopia, Vietnam, and Zaire.

Unfavorable crop conditions exist in 21 different countries. Many of these countries have been experiencing drought during the past few months. FAO estimates that the crop conditions in several of these countries are so poor that food shortages will develop near the end of this year. Ten of these countries are suffering from drought which will severely reduce production of their staple crops of maize and sorghum.

An even more significant danger signal, worldwide, is that the growth rate of world food production is also declining. In the period 1961–70, world food production increased at a rate of 2.8 percent. Between 1970–77, the growth rate slowed down to 2.4 percent. Of this, total food production increased at a rate of 2.7 percent for developed countries and 2.9 percent for developing countries between 1961–70. Between 1970–77, food production increased at a rate of 2.3 percent in developed countries and 2.6 percent in developing countries. For those countries designated by the U.N. World Food Council as food priority countries, food production increased at a rate of 2.5 percent in the 1960's and only 2.0 percent in the 1970's.

When examined on a per capita basis, these figures become even more meaningful. World food production grew at a rate of 0.8 percent per capita between 1961–70 and only 0.5 percent between 1970–77. Developed countries' food production grew at 1.3 percent per capita in the earlier period and 1.4 percent in the latter. Developing countries' per capita food production increased at a rate of 0.6 percent in 1961–70 and fell to 0.3 percent between 1970–77. The per capita growth rate in the food priority countries was a positive 0.1 percent between 1961–70 and a negative 0.46 between 1970–77.

What all these statistics add up to, according to agricultural economists, is that the annual food deficit of the less developed countries is expected to jump from 36 million metric tons in 1978 to between 120 and 145 million metric tons in 1990. The stark reality facing many of these countries is that they simply will not be able to increase their food imports to meet their needs. Furthermore, even if they had the import capacity, U.S. commercial exports and food aid combined would not be able to provide grain on a sufficient scale without causing sharply higher domestic and world food prices and substantially fueling inflation.

As food media journalists looking at consumerism in the 1980's, these figures should be of immense interest and concern to you. The implications are clear, and the message is self-evident. These projections lead to the unavoidable conclusion that it is critically important and in our own national interest to help developing nations to become self-sufficient in food production. A hungry world is an unsafe world. Unless we succeed in eliminating hunger from the face of this earth, we shall never attain our dream of continuing world peace.

This leads me to the second point I wish to pursue briefly with you this afternoon. While I have always been deeply committed to the concept that our country has a responsibility to share our agricultural plenty with other nations of the world which are in need, it has become increasingly clear to me that supplying direct food aid alone is not the long range solution to the problem. World hunger simply will not be licked until food deficient countries acquire the means, skills, and wherewithall to produce and purchase food stocks to meet the minimum needs of their own populations.

Developing nations must be active participants in their own development, not merely recipients of outside aid. They need greater access to land, improved technologies, better jobs and wages, more locally produced foods, improved diets and a greater voice in decision-making on these matters. Government actions are also critical: They can be supportive or counterproductive to grassroots development. Experts have been telling us for over a decade that traditional economic growth strategies which involve external investment, trade, and aid do not always help the poor. But redistributing scarce internal resources among the poor may also make very little difference in the long run unless it is accompanied by sustained economic growth.

Those countries which cannot grow adequate quantities of food for their people must become strong enough economically to purchase and import their needs.

Taiwan, South Korea, and India have often been cited as examples of countries which used to receive large quantities of concessional food aid, but which are now able to purchase most of their food imports on commercial terms as a result of their economic growth. Food aid helped these countries expand industrial employment at rates higher than would otherwise have been possible. This raised urban incomes, which in turn increased effective demand for local as well as imported foods.

As I mentioned earlier, the Food for Peace Act (P.L. 480) has been amended several times during the last 25 years. Each of these times that the law has been amended, Congress has attempted to fine-tune the legislation to meet new or changing needs. Unfortunately, however, as my own experience with the 1966 legislation will attest, writing programs into law will not make them happen.

Although, as I mentioned earlier, I have been a consistently strong supporter of the Food for Peace initiatives from my very first days in Congress, by 1968 I became increasingly concerned that at the then projected rate of increase, the world's population was expected to double within 35 years. At the very same time, per capita world food production was expected to continue its decline—recall if you will those ominous figures I cited earlier that world food production grew at a rate of 0.8 percent per capita between 1961–70 and declined to only a 0.5 percent rate between 1970–77.

It didn't take much imagination to couple those figures with our own U.S. food production capability projections to realize that the U.S. could not compensate indefinitely for the food deficits in the developing countries. The inescapable conclusion I reached was that the U.S. would have to shift its Food for Peace focus and begin to play a more active role in helping the developing countries strive to meet their own food production needs.

Since it was also apparent that the world's "hunger belt" of food deficient countries encompasses primarily the tropical and subtropical zones, it occurred to me that more attention had to be directed at food production capabilities in the tropical and subtropical regions of the world. I was confident, moreover, that by applying the same type of intensive experimentation that was so successful with sugar and pineapple in Hawaii and wheat, corn, and beef in the mainland United States, food production in these food deficient countries could be vastly increased.

With this specific intention in mind, I introduced and succeeded in obtaining passage of an amendment establishing a new program in Section 406 of the Agricultural Trade and Assistance Act of 1966 (Public Law 89–808, Section 406). My amendment authorized the Secretary of Agriculture to expend $33 million annually "to conduct research in tropical and subtropical agriculture for the improvement and development of tropical and subtropical food products for dissemination and cultivation in friendly countries." The clear intent of this amendment was to assist those countries most in need of becoming self-sufficient in food production.

Because the geographic and climatic conditions of three areas of the United States, Hawaii, Florida and Puerto Rico, closely parallel the conditions found in the food deficient countries, it was anticipated that much of the Section 406 Food for Peace research would be conducted in the land

grant colleges and USDA labs located in these areas.

Unfortunately, during the Nixon and Ford Administrations, relevant programs were never funded or implemented beyond token levels. Without going into a detailed explanation, suffice it to say that my Section 406 initiatives were simply buried in the backwaters of the bureaucracy.

Under the Carter Administration, however, the Matsunaga Amendment has found new life. Agriculture Secretary Bob Bergland, in fact became the first Cabinet level officer ever to fully recognize the importance and potential of utilizing tropical and subtropical research as a vehicle to help alleviate the world food production crisis.

To be sure, the fiscal year 1979 budget as passed by the 95th Congress and signed by the President, included a relatively small appropriation funding level of $2.2 million for Section 406 research effort. However, in view of the tremendous pressures on the Carter Administration to hold the line on new budget initiatives, this was a significant victory for the Food for Peace program.

Both Land Grant Universities in Florida and Hawaii have already moved to implement the Section 406 program. Each has established a Center to provide a focus for the national research effort on tropical and subtropical agriculture. The Hawaii Center will concentrate its resources primarily on the problems relevant to Asia and the Pacific Basin regions. The Florida Center will coordinate the combined activity taking place in Florida and Puerto Rico focusing on problems relevant to Latin American and the Caribbean Basin regions.

It is interesting to note that while the Section 406 program was primarily intended as a U.S. foreign assistance vehicle, during Senate hearings held last year on the matter of tropical and subtropical agricultural research, it became evident that the 406 program also holds the potential of directly benefitting agricultural production in this country as well.

In point of fact, as trade increases, so does the risk that diseases and pests destructive to our agriculture will be imported from tropical and subtropical areas. We have already seen specific examples of this. The citrus canker, a disease which is widely prevalent in South America and which could pose an extremely serious threat to our own citrus industry, was recently discovered in Florida. The sugarcane root borer weevil, which is presently spreading in Puerto Rico, has been discovered in a small area around Lake Apopka in Florida. The borer poses a very serious threat not just to sugarcane crops in all of the southeastern and southwestern states, including Hawaii, but also to ornamentals and citrus crops. Research done under the Section 406 program can develop preventive techniques which will help us anticipate such infestations and eradicate them before they do major harm here within the U.S. borders.

Concerning Section 406 funding levels for fiscal year 80, Congress is already in the process of reviewing the fiscal year 80 budget. I am hopeful that the Carter Administration will take advantage of the strong Congressional interest in the program and go along with a much higher funding level for tropical and subtropical agriculture research. It cannot be denied that the Section 406 food for Peace program, if properly funded, will provide us with an opportunity to maintain a preeminent position in the area of tropical and subtropical agriculture to our own benefit, as well as to the benefit of those living on the brink of starvation in less developed countries throughout the world.

As food media journalists, you have a unique opportunity to inform the public about the magnitude of the problems we face in overcoming the world food production crisis. I hope you will make an effort to assess the data I've provided and, if you feel it is relevant and meaningful, share it widely. You should bear in mind that the primary recipients of U.S. foreign assistance—the poor, the hungry, the ill clothed—wield little or no influence in Washington. It's up to the American voting public then to let it be known that grass roots support does exist for America's Food for Peace efforts.

It has been said that the worst sin toward our fellowmen is not to hate them but to be indifferent toward them. At all costs, we cannot afford to be indifferent to the plight of our world neighbors. An enduring world peace and our own security are at stake.

As President Carter has said:

". . . A peaceful world cannot long exist one-third rich and two-thirds hungry."

I submit to you that the fight against world hunger is one of the greatest challenges facing the American people today.

Thank you.●

A TIME FOR MONETARY TRUTH

● Mr. GOLDWATER. Mr. President, now that the price of gold is setting all-time records on world exchanges, I believe it is time for us to inject a little truth and realism into our monetary thinking. Recent events prove conclusively that the efforts of the Treasury Department and the International Monetary Fund to put a damper on the gold market have failed miserably. The nations are holding on to gold and individuals are scrambling to get it. This is because of the failure of paper currency and because inflation is now becoming more worldwide.

In this connection, Mr. President, I ask to have printed in the RECORD an article by Mr. Felix E. Wormser, a recognized authority on monetary problems, entitled "The Time for Monetary Truth."

The article follows:

A TIME FOR MONETARY TRUTH

(By Felix Edgar Wormser)

"We have taken a series of steps to eliminate gold from the U.S. monetary system and to reduce gold in the international monetary system."—Secretary of the Treasury William Simon, 1976

That official declaration came from a Republican administration. Recently, Assistant Secretary of the Treasury C. Fred Bergsten, in a democratic administration, stated it was Government policy to phase out the role of gold. Conclusion: apparently some political unanimity exists on a monetary principle of extreme importance to the nation and the entire world. Human freedom is involved.

Moreover, when Chairman Miller of the Federal Reserve System was asked by the Financial World in 1978 as to whether he favored, in any way, shape or form, bringing back gold into the international monetary system, he said "No". Period! He is now Secretary of the Treasury.

The last word on the subject, fortunately, rests with the Congress of the U.S. where the voice of the people can be heard. Our Constitution stipulates only gold and silver coin as money, not paper. Federal law today defines the dollar as 11.37 grains of gold, equivalent to $42.22 per oz. Oddly enough, no legislation has been introduced to amend or repeal that basic law. What are the anti-gold advocates afraid of?

In any event the Treasury has been following government policy by selling people's gold in the open market. It began in May, 1978 with sales of 300,000 oz. monthly to November, when 750,000 oz. were sold. In December the amount was raised to 1,500,000 oz. but cut in half in May, 1979. The disposal program is continuing domestically.

Abroad, the International Monetary Fund, the "paper gold" organization, began to sell or distribute its gold back in 1976. It is estimated that 25,000,000 oz., one sixth of its gold holding, will have been sold at termination, by auction. In addition, another 25,000,000 oz. will have been returned, restituted in technical terms, at the attractive price of $42 per oz., to member countries. The nations are holding on to the gold.

One might think that the gold market would suffer under the pressure of large sales by the U.S. and the I.M.F. On the contrary the market has been bouyant. Record breaking high prices for gold have been set with the market now about $275 per oz. with no limit in sight. The paper profit to the U.S. government has been spectacular as the gold was acquired at prices ranging from $20.67 to $35, $38, and $42.22 per oz.

The Treasury's sale of gold has made only a small dent in its stock. At the end of 1976, the U.S. gold reserve was $11.598 billions, at the end of April, 1979 it was $11.418 billions, all at the $42.22 base. Using the approximate price of $250 per oz. the paper valuation of the nation's gold reserve amounts to about $67.937 billions. Fascinating paper profits lie ahead as sales continue.

When Franklin Delano Roosevelt was President he made several billions in paper profit for the government, by following the Keynesian road. He commandeered the citizens gold and, with congressional approval, raised the price from $20.67 to $35 per oz. That action, known as the devaluation of the dollar, was merely a modern version of the ancient practice of coin clipping, to give it respectability. Looking back on that episode the late Adrian Massie, chairman of the Chemical Bank, termed the 1934 devaluation "one of the greatest tragedies in the history of American finance." Hundreds of devaluations have taken place over the world in the last forty years.

The current anti-gold policy of the government also appears to be ineffective internationally. Back in 1976, when the policy began, the international gold reserve for nations, outside of Russia, China, Cuba and Rumania, was $35.346 billions (at the $42 oz. base). At the end of April, 1979, the world gold reserve was $35.579 billions, actually higher! Evidently there is little or no international agreement with Treasury anti-gold policy. As footnote, Saudi Arabia, at the end of 1976, owned $125 billions in gold, at the end of February, 1979, $206 billions, a 65 percent increase. Obviously the Saudis have been parting with their dollars in favor of gold, and have profited handsomely.

It may be fun to sneer, nowadays, at "gold bugs" but history is full of examples of government leaders who rescued their nations from inflationary disaster by instituting gold over paper as money. A prime example is Napoleon who picked up the pieces after the tragic expenrience of France with paper assignats and inflation. He paid off his obligations in gold. Many of our forefathers, who created that precious document of human freedom, our constitution, must have been gold bugs. They specified only gold and silver coin as money, not paper. That principle should guide us.

Monetary truth is that gold is money, as it has been for centuries. The anti-gold policy of the government is futile. People may be ignorant of monetary principles but they can readily distinguish good money from bad—Gresham's law, beyond the power of any government to control. Gold is a store of value, its importance being tragically demonstrated by the pitiful plight of many Vietnamese. Only by paying in gold were they allowed to escape from their tyrannous motherland.

Looking back upon our own experience, it is amazing that liberty loving Americans were not permitted to own gold coin or bullion for forty years or until 1975. As a refuge from a possible devastating continuing inflation, gold coins of foreign origin are being heavily bought, notably South African Krugerrands. Canada has been minting gold

coins for public purchase. Finally the U.S. government is getting into the act, no doubt reluctantly, with gold coins expected to be available next year.

All of this flies in the face of the State Department's declaration* that: "First gold is, for all practical purposes, demonetarized already.

"It is not a functioning part of any nation's monetary system. To be sure it is still there, both as a large component of official assets and in some vestigial forms. But it is merely an appendix left over from the evolution of a now obsolete monetary system.

"Second, gold will never be remonetized. It is simply too volatile to be useful as a basis for a stable monetary system, domestic or international. The future of gold is clearly in the direction of greater private use for industrial purposes, as a store of value and as a speculative commodity. Our multilateral attempts to agree on price stabilizing commodity agreements are not likely to extend to gold.

"Finally, I recognize that gold will continue to have a special significance as many people view the price of gold as an expression of confidence—or lack of confidence—in the monetary system. Some of these people think the reintroduction of the gold standard will lead to better economic policies. The idea that all can be set right by a return to the discipline of the classical gold standard is a nostalgic illusion. The linchpin of that system was the immutable fixed price of gold in terms of national currencies. Once that price becomes a policy variable, as it did for Britain in 1931 and for the United States (and the world) in 1971, the prospect of monetary discipline through a link to gold is gone forever."

How this statement squares with world experience and our own monetary history, is beyond me. To make a few observations: From 1879, when the Congress made the Civil War greenbacks redeemable in gold, to the outbreak of World War I, almost the entire world was on the gold standard, inflation of the money supply was absent. International trade flourished. Above all and seldom emphasized, the entire world had a period of world peace without parallel, in sharp contrast with prevalent turmoil or crises.

It is not gold that is "volatile", it is the paper dollar in our inflationary age. This is to be expected with fiat, or printing press dollars the kind of money which President Eisenhower and others have stated we must not allow.

The State Department declares that . . . "the discipline of the classical gold standard is a nostalgic illusion." This refers to the fact that, when the dollar was redeemable in gold, the people possessed the power of the purse. They could signal their displeasure over high government expenditure by redeeming their paper dollars into gold with its potentially serious effect on the nation's basic gold reserve. Today they are helpless.

The State Department also observes "Our multilateral attempts to agree on price stabilizing commodity agreements are not likely to extend to gold." Of course not! That would start the nation back to that awful gold standard. Come to think of it, and strange as it may seem, we have never been completely off the gold standard for the dollar is defined by law as a quantity of gold. Incidentally, the balance of trade between our fifty States was cleared through the twelve Federal Reserve banks, until recently, in gold. The gold standard was at work domestically! Now it is done in paper dollars.

President Carter in his recent speech to the nation on the energy crisis remarked we were at a turning point in our history, and stressed the lack of confidence in the nation's future. I would respectfully suggest that this lack of confidence is coupled with a lack of confidence in our printing press dollar, no longer a store of value. The record shows that the anti-gold policy of the government has not been successful, as might have been expected from our own history. Last January the London Economist commented editorially on the gold revival and stated that "Gold was supposed to have been banished from the world monetary system. It's back." State Department please note.●

* Under Secretary of State, Richard N. Cooper, June 12, 1979, at a meeting in Basle, Switzerland.

AGING VETERANS

● Mr. BAUCUS. Mr. President, the graying of America is a well-known fact. The number of elderly persons has increased from 4.1 percent of the total U.S. population in 1900 to 10.5 percent in 1975. The 65 and over population group will increase from 23 million in 1976 to 32 million in the year 2000, and to 45 million in 2020.

These changes have significant implications for medical care. The need for health care increases with age. Therefore, since we can project an increasing proportion of elderly Americans, we must direct our medical resources toward understanding the disabilities associated with aging.

Mr. President, the graying of America will be keenly felt by veterans. Today 45 percent of American males over age 20 are veterans. More than 50 percent of males over age 65 will be veterans by 1990. This figure will exceed 60 percent by 1995.

We must make a much greater effort to meet the demand for geriatric health care posed by the emergence of large numbers of elderly veterans.

The Veterans' Administration has failed to show leadership in elevating geriatric medicine to a high priority position within its Department of Medicine and Surgery.

The limited Geriatric Research, Education, and Clinical Centers (GRECC) conceived in 1973, does constitute recognition of the need to improve health care delivery to elder veterans. But with only $4.9 million, the GRECC program cannot possibly develop a comprehensive approach to enhancing the quality of life for aging veterans.

The aging of our veteran population is a national problem. We can anticipate an unprecedented demand for geriatric medical care. I am encouraged that support for expanded medical research into the problems of older Americans is growing. The House of Representatives recently recorded a unanimous vote in favor of legislation requiring the VA to elevate geriatric medicine into a position of greater visibility. Similar legislation is pending in the Senate.

By the year 2010 there may be 1,000,000 veterans over the age of 85. This figure compares with 130,000 in 1979. Congress and the Veterans' Administration must reverse their neglect of the needs of aging veterans by expeditiously enacting new programs to improve our knowledge and expertise in geriatric medicine.

The only way to insure that America's veterans get the health care they deserve is to begin planning for the future today.●

COMPREHENSIVE MENTAL HEALTH ACT

● Mr. HEINZ. Mr. President, I have long had an abiding interest in improving the quality and the extent of mental health services available to the disadvantaged elderly and the disabled. Because existing medicare provisions deny these Americans significant mental health coverage under its system of benefits, I have sought to amend title XVIII of the Social Security Act to include expanded mental health coverage. I therefore introduced on June 6 the Comprehensive Mental Health Act, S. 1289, with the cosponsorship of two long time mental health advocates, Senators RANDOLPH and COHEN. Specific features of the Comprehensive Mental Health Act are consistent with many of the findings of both the 1970 Presidential Task Force on the Aging and the Presidential Task Force on the Mentally Ill, and the proposals set forth in this legislation include:

First, the elimination of the 190-day lifetime limit for inpatient psychiatric care;

Second, the replacement of the 50–50 copayment schedule with the same 20–80 copayment required for physical healthr care under medicare;

Third, the removal of the annual $250 ceiling for outpatient mental health care and the introduction of strict utilization review requirements;

Fourth, the use of community mental health centers (CMHC's) as qualified providers for mental health services, when these centers are associated with a hospital; and,

Fifth, the allowance of partial hospitalization coverage under medicare.

The need for the Comprehensive Mental Health Act is well established, and dozens of mental health organizations and professionals who work in the mental health field have endorsed S. 1289. I should particularly commend to my colleagues' attention the comments of the American Psychiatric Association, the National Council of Community Mental Health Centers, and the Philadelphia area chapter of the National Association of Social Workers, Inc. I further urge my colleagues to review my legislation and to join with Senators COHEN, RANDOLPH, and me as cosponsors of S. 1289.

I ask that the text of the above mentioned letters be printed in the RECORD at this point.

The letters are as follows:

THE NATIONAL COUNCIL OF COMMUNITY MENTAL HEALTH CENTERS, INC.,
Washington, D.C., May 23, 1979.

Hon. H. JOHN HEINZ,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HEINZ: We have reviewed the draft legislation which you are planning to introduce to remove the discrimination in Title XVIII of the Social Security Act against services for the mentally ill.

On behalf of the National Council of Community Mental Health Centers, I want to commend you for taking this important step to assist older and disabled Americans to receive the care they need for mental and nervous disorders. NCCMHC fully supports

your bill, and we hope for its early consideration by the Finance Committee.

Sincerely,

JOHN C. WOLFE, Ph.D.,
Executive Director.

AMERICAN PSYCHIATRIC ASSOCIATION,
Washington, D.C., July 31, 1979.

Hon. JOHN HEINZ,
Russell Senate Office Building, U.S. Senate, Washington, D.C.

DEAR SENATOR HEINZ: On behalf of the American Psychiatric Association, a medical specialty society representing over 26,000 psychiatrists nationwide, I wish to express our support for the provisions of your "Comprehensive Mental Health Act" (S. 1289) which would eliminate the discriminatory restrictions now imposed under Medicare for the treatment of mental illness.

We believe your legislation will provide the urgently needed elimination of second-class citizenship now imposed upon those elderly suffering from mental illness—a condition under which as many as 25 percent of our nation's elderly now suffer and have suffered since the enactment of Medicare over a decade ago. We commend you for your legislative effort to bring the treatment of mental illness to the same level of care permitted to the physically ill.

The American Psychiatric Association endorses and supports S. 1289's elimination of the restrictive 190-day lifetime limit imposed on inpatient treatment of the mentally ill; the reduction of the copayment from fifty to twenty percent for outpatient services; and the deletion of the inappropriate $250 ceiling placed on Federal reimbursement for outpatient treatment of the mentally ill Medicare patient.

Also, the American Psychiatric Association supports the bill's inclusion of Community Mental Health Centers as eligible Medicare providers when such treatment is under the "case management of a physician." We are pleased that you have recognized the critical role of physicians—specifically psychiatrists—in assuring that appropriate differential diagnoses are made for those elderly individuals seeking treatment for mental illness under Medicare. In great measure, such provision responds to a recent Federal Court decision (*Virginia Academy of Clinical Psychologists, et. al.* v. *Blue Shield of Virginia, et. al.*) where the Court held:

"It is true that both psychologists and psychiatrists professionally render psychotherapy to patients. But in the treatment of nervous and mental disorders, psychiatrists are capable of providing a full range of psychiatric treatments, not just psychotherapy. In addition, as medical doctors, psychiatrists may render medical treatment and diagnosis. It is undisputed that clinical psychologists are not qualified to diagnose nervous and mental disorders and to decide from what source these disorders stem."

We are pleased that in your statement upon introducing the bill that you do not "denigrate or discriminate" against psychoanalysis as an "appropriate method of treatment for the correction of specific functional impairments," but seek primarily to address the fact that such treatment modality has not yet been determined adequately to be medically appropriate for the elderly, per se. We are confident that the provision articulating such restriction will be amended technically to conform to your stated position to the effect that it is not intended to apply more broadly to other Medicare populations, such as the disabled, nor to discriminate against any specific modality insofar as the treatment of the mentally ill within other populations is concerned.

We look forward to working with you and your staff in support of this legislation and to provide assistance through our Division of Government Relations, headed up by Jay B. Cutler, former Minority Counsel to the United States Senate Labor and Human Resources Committee, to your efforts to seek additional cosponsors to join you in, as you stated, your legislative effort "to begin to make the changes in Medicare which will allow the elderly of this Nation to obtain the best possible and most appropriate mental health care that medicine can make available."

Sincerely,

MELVIN SABSHIN, M.D.,
Medical Director.

NATIONAL ASSOCIATION OF SOCIAL WORKERS, INC.,
Philadelphia, Pa., August 17, 1979.

Hon. JOHN HEINZ, III,
Federal Building,
Philadelphia, Pa.

MY DEAR SENATOR HEINZ: The Committee on the Frail Elderly of the NASW Council on Aging has been working for the past two years to contribute their expertise to the field of serving those who are elderly and at risk.

One of our major concerns has been the lack of adequate mental health services for the elderly. We feel that your Bill S. 1289 is the opportunity for a tremendous step forward. This bill, when enacted, will expand an aged person's ability to obtain outpatient care as well as short-term inpatient care. We are hopeful these provisions may decrease the need for institutionalization as well.

We wish to congratulate you for S. 1289 and assure you of our enthusiastic support.

Sincerely yours,

ANNE W. WEBB,
Chairperson for Committee on the Frail Elderly.●

SEND A MESSAGE: "I BACK OUR POLICE"

● Mr. HOLLINGS. Mr. President, recently a constituent in South Carolina wrote an eloquent letter to the Charleston Evening Post in support of the untiring and dedicated efforts of our law enforcement workers. Her points are well stated and deserve to be taken very seriously. Especially is this true as concerns her point about explicitly supporting our police men and women. Our support must go beyond simply the verbal and should be translated into the material support our police force needs to be recompensed appropriately for their dedicated efforts to keep the peace and maintain order in our communities. Mrs. Hanna writes, "Unless we unite to help our police, the effort is a waste of time and energy."

Mr. President, letters like these, and my recent month in South Carolina travelling through 23 counties of our State, convince me that our citizens continue to have a realistic and appreciative attitude of the problems America faces. Their approach is one of commonsense, and they realize where Government has gone astray. What is needed now is leadership which is reflective of those fundamentally sound instincts.

No area of endeavor is more important, and none is taken more for granted, than the continuing efforts of our law enforcement agencies and their work force. We should be taking more care to express our unceasing support, and we must back that support with the material incentive for these good people to support themselves and their families in a way that is commensurate with the risks they take and the service they provide.

Mr. President, I ask that this letter to the editor be printed in today's edition of the RECORD.

The letter follows:

SEND A MESSAGE: "I BACK OUR POLICE"

With the phone ringing, the dog and her puppies at my feet, the kittens and mother cat mewing for their supper, and the seven-year-old having me watch her gymnastics, while the 14-year-old gets directions for her first attempt at making macaroni pie, I dust off my soapbox and climb upon it.

Gather ye, old, adolescent, and young for what is said affects ALL of us.

I would be pusillanimous if I did not speak out on behalf of our police.

Sacred ground has been violated within our Holy City. Our police have been degraded and shot at as if they were nothing but common criminals.

The greatest degradation to our police has come about through apathy. We, the good citizens, have permitted low salaries, lack of respect, and laws to be passed on behalf of what appears to be the protection of the criminal. Why should any policeman have to answer if he shoots a criminal while that criminal is performing a criminal act?

Perhaps, in my day, the law was hard, but the philosophy was that the criminal shouldn't have been committing crime.

Where I was raised on Bogard Street between Coming and St Philips Streets, you shot first and looked out the window and said "Who WAS that?" Never did you say "Who's that!" as some guy tried to break in your home. Ah, yes, those were the days when poor was poor and people were people. We had integration before we even knew there were such a word. We shared with one another just because we were people and cared for our neighbor. Our forefathers were poor and they founded a nation that stands as a beacon light to the world.

Today our police are up against not only common criminals, but organized crime in its most sophisticated form.

Our young police can picket for more pay and better conditions, which we know they rightly deserve. However, unless we unite to help our police, the effort is a waste of time and energy.

Send your newspaper a postcard saying, "I back our police." It would be a step toward rebuilding the moral essence of our nation.

(Mrs.) ROM HANNA.●

AVIATION HALL OF FAME, INC.

● Mr. GOLDWATER. Mr. President, as statutory agent for the Aviation Hall of Fame, I should like to present for printing in the RECORD the report on examination of financial statements and supplemental data for the year ended December 31, 1978." The report was prepared by Coopers & Lybrand, certified public accountants.

The report follows:

AVIATION HALL OF FAME, INC.

TO THE BOARD OF TRUSTEES,
Aviation Hall of Fame, Inc.,
Dayton, Ohio:

We have examined the balance sheet of the Aviation Hall of Fame, Inc., A Public Foundation, for the year ended December 31, 1978 and the related statements of revenue, expense and fund balance and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the

accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the Aviation Hall of Fame, Inc. for the year ended December 31, 1977, before restatement, were examined by other auditors whose report dated March 13, 1978 on those statements was qualified, as being limited to the examination of the Foundation's recorded receipts, and except for the Foundation's policy of recording the disbursements for furniture and fixtures in the statement of operations in the year of purchase.

The statement of changes in financial position for the year ended December 31, 1977 was not part of the financial statements examined by other auditors, and is included for comparative purposes only. Accordingly, it is marked unaudited.

We also reviewed the adjustments described in Note 4 that were applied to restate the 1977 financial statements. In our opinion, such adjustments are appropriate and have been properly applied to the 1977 financial statements.

In our opinion, the 1978 financial statements referred to above present fairly the financial position of the Aviation Hall of Fame, Inc. as of December 31, 1978 and the results of its operations and the changes in its financial position for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after restatement for the change, with which we concur, in the method of accounting for furniture and fixtures as described in Note 4 to the financial statements.

COOPERS AND LYBRAND.

AVIATION HALL OF FAME, INC.

BALANCE SHEETS, DEC. 31, 1978 AND 1977

	1978	1977
ASSETS		
Cash	$36,306	$45,066
Certificates of deposit	35,923	44,233
Marketable securities, at market	2,937	2,210
Accounts receivable	11,630	.....
Prepaid expenses	515	.....
Total current assets	87,311	91,509
Furniture, fixtures and equipment, net of accumulated depreciation of $541 in 1978 and $233 in 1977	2,938	2,448
Copyrights	1	1
Collections (Note 2)	.....	.....
Total	90,250	93,958
LIABILITIES AND FUND BALANCE		
Accounts payable	17,470	3,471
Advances (Note 3)	38,391	42,935
Accrued management fee	.....	8,000
Accrued expenses	571	450
Total current liabilities	56,432	54,856
Fund balance:		
Designated for capital expenditures	8,716	7,870
Designated for promotion	5,000	.....
Undesignated	20,102	31,232
Total fund balance	33,818	39,102
Total liabilities and fund balance	90,250	93,958

Note: The accompanying notes are an integral part of the financial statements.

STATEMENTS OF REVENUE, EXPENSE AND FUND BALANCE FOR THE YEARS ENDED DEC. 31, 1978 AND 1977

	1978	1977
Support and revenue:		
General memberships	$27,565	$14,300
Organizational memberships	22,000	12,525
Enshrinement dinner	29,600	28,055
Sales of medals and other items	7,826	3,182
Donations	9,626	9,277
Interest and dividends	3,921	3,402
Total	100,538	70,741
Expenses:		
Management fee	$24,800	$24,000
Salaries and office help	10,781	9,285
Enshrinement dinner	41,477	30,095
Membership expenses	14,057	.....
Exhibits	.....	2,438
Cost of medals and other items	3,000	3,511
Office supplies	6,673	7,048
Postage	2,516	2,105
Telephone	863	985
Payroll taxes	580	521
Contributions	250	.....
Depreciation	308	233
Miscellaneous	517	3,465
Total	105,822	83,686
Excess of expenses over revenue and support before unrealized security losses and adjustments	(5,284)	(12,945)
Fund balance, beginning of year, as previously reported	36,655	50,073
Adjustments (Note 4)	2,447	1,974
As restated	39,102	52,047
Fund balance, end of year	33,818	39,102

Note: The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN FINANCIAL POSITION FOR THE YEARS ENDED DEC. 31, 1978 AND 1977

	1978	1977 (unaudited)
Sources:		
Operations:		
Excess expenses over revenues	($5,284)	($12,945)
Item which did not require current outlay of cash:		
Depreciation	308	233
Used in operations	(4,976)	(12,712)
Decrease in accounts receivable	.....	1,000
Increase in accounts payable	13,999	985
Increase in accrued expenses	121	.....
Increase in advances	.....	42,773
	9,144	32,046
Uses of funds:		
Increase in accounts receivable	11,630	.....
Increase in marketable securities	727	1,110
Increase in prepaid expenses	515	.....
Increase in furniture, fixtures and equipment	798	706
Decrease in advances	4,544	.....
Decrease in accrued expenses	.....	69
Decrease in accrued management fee	8,000	8,000
	26,214	9,885
Net increase (decrease) in cash and certificates of deposit	(17,070)	22,161
Cash and certificates of deposit, beginning of year	89,299	67,138
Cash and certificates of deposit, end of year	72,229	89,299

Note: The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The Corporation, A Public Foundation, was created by an Act of Congress, Public Law 88–372, July 14, 1964, to honor outstanding persons in the field of aviation. The Internal Revenue Service has confirmed the status of the Corporation as a tax-exempt public foundation.

Furniture, fixtures and equipment are recorded at cost when purchased or at estimated values when received as a donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets (Note 4).

Donated materials other than collections are recorded at their estimated value at the date of receipt. No amounts have been reflected in the statements for donated office space and services as no objective basis is available to measure the value of such services. Donated office space consists of an office and storage provided by the City of Dayton. Donated services consists of time donated by the Board of Directors for the Foundation.

2. Collections:

The Foundation has acquired by purchase or through donations, various models, books and other memorabilia relating to the field of aviation since its founding. Because the value of these items are not readily determinable and they can be considered inexhaustible items, the Foundation has not capitalized them. The value of objects acquired by gift for which the Foundation can make a reasonable estimate is reported as gifts in the statement of revenue, expenses and changes in fund balance.

3. Advances:

The Foundation has received advances from customers on the sale of sterling silver replicas of the "Spirit of St. Louis" airplane. Because the Foundation was unable to locate a source capable of making a model of sufficient quality, the Foundation has canceled the orders for the replica and will refund the customers for their advances.

4. Change in Accounting Principle:

During the year, the Foundation changed from the practice of expensing fixed assets when purchased to capitalizing fixed assets and depreciating them over their estimated useful lives. This change was made to comply with the statement of position "Accounting Principles and Reporting Practices for Certain Nonprofit Organizations." Accordingly, the financial statements for 1977 have been restated to include furniture, fixtures and equipment resulting in increases of $2,477 and $1,974 in the fund balances as of December 31, 1978 and 1977, respectively, and the recording of $233 in depreciation expense for 1977.

5. Reclassification:

Certain amounts in the 1977 financial statements have been reclassified to conform to 1978 presentations as outlined in the statement of position "Accounting Principles and Reporting Practices for Certain Nonprofit Organizations."

6. Management Contract:

The Foundation has entered into a contract with James W. Jacobs & Associates, Inc. to provide consultation and professional services to maintain operations, expand membership, sponsor events and any other services required by the Foundation. Management fees paid amounted to $24,800 and $24,000 in 1978 and 1977, respectively.●

REGULATORY IMPACT STATEMENT ON H.R. 3914

● Mr. EAGLETON. Mr. President, on August 14, 1979, the President signed into law Public Law 96–57, an act to amend the National Capital Transportation Act of 1969 to remove the limitation on the amount authorized for District of Columbia contributions for the cost of construction of the rapid transit system of the National Capital region.

Through an oversight, report 96–263 of the Governmental Affairs Committee, filed when H.R. 3914 was approved by the Senate on August 2, 1979, failed to include a regulatory impact statement, as required by rule 29.5 of the Standing Rules of the Senate.

Mr. President, in accordance with rule 29.5 of the Standing Rules of the Senate, the committee does not consider that the codification of H.R. 3914 will have any regulatory impact.●

SOVIET TROOPS IN CUBA

● Mr. PELL. Mr. President, having just returned from London as a member of the official American delegation to the funeral of Lord Mountbatten, I would like to record my views on the recent confirmation of Soviet combat forces in Cuba. I believe that the President has done the right thing in pressing the Soviets for a full explanation of why they have combat troops in Cuba. At the same time, the President has wisely avoided an intemperate reaction to a situation that does not represent a direct threat to the United States.

My own view is that the greatest potential threat arising from the Soviet presence in Cuba relates to our interest in the stability of the Caribbean area. If the Soviets are contemplating the establishment of a base that eventually could threaten our friends and allies in the Caribbean, the Soviets must be made to understand that we cannot tolerate that. Similarly, if the Soviets are in Cuba in order to underwrite renewed Cuban adventurism in the area, we must make it clear that that would be unacceptable to us.

I find it difficult, however, to believe that the Soviets would be so foolish as to try to establish a base for such purposes in our backyard. I am therefore hopeful that we will be able to work out something with the Soviets that will adequately deal with our concerns.

In this regard, I hope that neither the administration nor my colleagues in the Senate will lay down specific ultimatums concerning what the Soviets must do. Secretary Vance said at his press conference last week that the status quo was unacceptable. That was a carefully worded statement that leaves flexibility concerning just exactly what will be acceptable to us, and this flexible approach ought to be continued by the President and supported by the Senate.

In judging what Soviet action would represent an acceptable response to our concerns, I offer the following suggestion. The tests of acceptability should be whether the Soviet action makes it clear: First, that Soviet forces in Cuba will not be given a capability to threaten directly either the United States or any other nation in the hemisphere; and second, that Soviet forces in Cuba are not designed in any way to support Cuban military adventurism in Latin America. If these tests are met, we should not, in my view, be concerned about whether some Soviet presence in Cuba continues.

In this latter connection, we ought to bear in mind that it is not unique for one superpower to have a military presence close to the other. We have had some 5,000 troops in Turkey for many years; so we should not exaggerate the significant of some 2,000 to 3,000 Soviet troops in Cuba. The Soviets, of course, know that we are not using Turkey as a base to threaten the Soviet Union or its Eastern European allies; and we should expect and demand that Soviet forces in Cuba will similarly represent no threat to us or our allies in this hemisphere. If we maintain this perspective in dealing with the troop issue, I believe that a crisis can be avoided.

There has been a lot of speculation about the effect of the Cuban issue on SALT II. I have supported the administration's opposition to linking Soviet behavior around the world to the SALT Treaty. But I also realize that, inevitably, linkage will occur if the Soviets do not respond positively to the concerns we have raised regarding Cuba. There ought to be a distinction, however, between speculating on the possibility of linkage and laying down specific conditions that will actually forge that linkage. I urge, therefore, that we give diplomacy a chance and reserve judgment on the linkage issue until the results of the administration's diplomatic efforts are clear and their adequacy fairly evaluated.●

SLAVIC AMERICANS—GOOD AMERICANS

● Mr. HELMS. Mr. President, a few weeks ago, the Senate agreed to an amendment which I offered to a bill extending the authorization for the Civil Rights Commission. The Helms amendment directed the Commission to investigate the negative effects of various Federal laws and policies, including "affirmative action" programs, upon Americans of eastern and southern European ancestry.

It is especially ironic that Federal policies should treat so poorly these Americans who have given so much to their country and have asked for so little. Their communities, usually located in the cities of the Northeast, are apt to be model neighborhoods, clean, safe, law-abiding, church-going, and patriotic. It is tragic that, in return for being such good Americans, they have been treated like second-class citizens by the Federal Government. Their communities have been plagued by busing edicts, their children have been displaced from scholarships and educational opportunities through affirmative action, their breadwinners will suffer most from the imminent recession that has been provoked by the frivolous economic policies of the Carter administration.

And yet, ethnic Americans proudly endure and, despite the obstacles thrown in their way, forge ahead, generation by generation. I would like to share with my colleagues an article from today's Wall Street Journal, which eloquently describes life in the Slavic neighborhoods of Pittsburgh. And I hope that those who read it will listen to the words of Anne Sadowski, a second-generation Ukrainian American, who recalls, "You were just a hunky then," a few decades ago, when she lost her job because she refused to change her Slavic name.

Perhaps the Members of Congress would prefer to believe that such bigotry does not exist nowadays. It does. It is rampant, especially in the bastions of liberalism. Is it not peculiar that no Slavic American has ever been named to the Supreme Court? Is it not remarkable that in one administration after another no Slavic American has been named to a Cabinet post?

In Detroit, 30 percent of the school district population is of eastern European heritage, but only 1 of the 54 top administrators in the Detroit school system is of similar ethnic origin.

In Chicago, Polish Americans comprise 17.8 percent of the population. But city and Federal agencies there employ only the smallest token numbers of Poles in administrative positions.

In the leading law firms of San Francisco, Chicago, Philadelphia, Los Angeles, Washington, D.C., Boston, and New York, there are only a handful of Slavic American partners. Their exclusion is almost total.

Perhaps the problem of Slavic Americans is that they have asked for so little. They have so appreciated the freedom and prosperity of America, and have been so devoted to their country in time of war and in time of peace, that they are taken for granted in politics, oftentimes by the very politicians whose policies so adversely affect ethnic Americans.

I do not think it will always be so. A new awareness is spreading in ethnic communities: A realization that it is time to defend the legitimate rights and interests of all citizens. I have been asked why I should be concerned with this situation as I have very few constituents affected. The answer, Mr. President, as I have said before, is simple equity across the board for all people. I look forward to the day when Federal policies and officials will stop their discrimination against these admirable Americans.

I request that the September 12, Wall Street Journal article, "Slavic Neighborhoods, Proud and Close-Knit, Flourish in Pittsburgh," be printed in the RECORD.

The article follows:

SLAVIC NEIGHBORHOODS, PROUD AND CLOSE-KNIT, FLOURISH IN PITTSBURGH

(By Carol Hymowitz)

PITTSBURGH.—Family gatherings aren't just for holidays if you live the Slovak traditions of the Gasparik clan. Every afternoon, 89-year-old Elizabeth Gasparik gathers with a dozen or more of her 10 children and 52 grandchildren and great-grandchildren, much as her ancestors in the old country gathered for daily visits.

The Gasparika don't have far to travel. A daughter and three grandchildren live on the second floor of Mrs. Gasparik's home; next door is a son and his family, across the street a granddaughter, down the block another daughter. In fact, the Gasparika refer to South 24th Street as Gasparik Street because all but two of the eight two-story wooden homes on the block are owned and occupied by Gasparika.

"We go through everything together," says Mrs. Gasparik's youngest daughter, Lois, 46. Though the family is now so large that it must rent a hall for Thanksgiving dinner, "you can't get a toothache without everybody knowing about it," she says.

Families like the Gasparika are prevalent in the white ethnic neighborhoods that dot this city. Many such neighborhoods in other cities have gone the way of urban renewal or decay, but in Pittsburgh, tightly knit communities of Slovaks, Poles, Croatians and other descendants of the thousands of Eastern Europeans who came here early in the century to work in the steel and coke industries remain remarkably intact.

CHURCHES ARE IMPORTANT

Homes have been passed from generation to generation, and few are for sale to outsiders. The Catholic and Eastern Orthodox nationality churches that each group transplanted with it are still predominant in these communities. Fraternal organizations and social clubs, such as the Polish Falcons and the Croatian Fraternal Union, as well as folk festivals and ethnic food stores, provide additional ties to the past.

All this makes Pittsburgh one of the last big U.S. cities with distinct European enclaves. Here, says Arthur Tuden, an anthropologist at the University of Pittsburgh, "you can still find neighborhoods where everyone is Polish or even where everyone's family comes from the same European village."

That these enclaves have survived so well for so long is partly due to Pittsburgh's geography. The Allegheny and Monongahela rivers, which meet here to form the Ohio, split the city into thirds: Downtown lies in the triangle formed by the junction of the rivers, while the south side lies across the Monongahela and the north side across the Allegheny. The hills that rise above the river banks further separate neighborhoods. For example, one of these enclaves, Polish Hill, is just that: a hilltop accessible only by a few steep roads.

The result is a city with clearly marked neighborhood boundaries. "You can't travel more than five minutes without coming to a bridge, a tunnel or a steep road," says Bosanka Evosevic, "and that's kept residents locked in." Miss Evosevic is a lifelong resident of the south-side neighborhood where the Gasparika live. The neighborhood, too, is called the South Side.

WHERE THE HEARTH IS

Most Pittsburghers, according to a recent poll, identify far more with their neighborhoods than with the city as a whole. Some seldom venture beyond them; home is the South Side or Polish Hill, not Pittsburgh. Mrs. Gasparik hasn't made the two-mile trip from the South Side to downtown in years.

The steel mills and coke ovens play a big part in preserving the old neighborhoods. As long as the people have worked in the mills—a pattern that has only recently begun to change—they have stayed close by, in the "mill town" communities their immigrant ancestors settled in. Such is the case in the South Side neighborhood, where many of the 17,000 residents work at Jones & Laughlin Steel Corp. Mrs. Gasparik's home is only a few blocks from J & L's big South Side mill, and several of her sons-in-law work there, just as her late husband did.

Like the Gasparika, most residents of neighborhoods like the South Side are Slavs. While the city has its share of Irish, Italians and other nationalities, nearly 40 percent of Pittsburghers have Slavic surnames. But Slavs here aren't merely Slavs. They are Polish Slavs, Slovak Slavs, Slovenians, Serbians, Croatians, Bulgarians and a dozen more Eastern European nationalities that have clung to their distinct ways and are quick to note them.

"Slovaks are gentle, while Croatians are fierce, maybe because they had to fight the Turks in Europe and Ukrainians and Carpatho-Russians are still feuding, just as they did in Europe," says Arcadi Nebolsine, president of the American Slavic Education Society.

COMMON GROUND

But even feuding Slavs agree that they have far more in common with each other than with anybody else. Certainly the thousands of Slavic immigrants, who followed earlier waves of Irish and Germans here to labor in the mills, shared a similar plight: Along with grueling, dangerous work that paid little, Slavs faced the contempt of native-born Americans and of immigrants who arrived before them.

"You were just a hunky then," says Anne Sadowski, a second-generation Ukrainian now in her 50s. As a young girl, Mrs. Sadowski was "jeered at and ridiculed" when she went to Easter Mass carrying the traditional Ukrainian Easter basket filled with intricately hand-painted eggs, and in her 20s she lost a job because she refused to change her identifiably Slavic name.

Such bigotry hasn't been forgotten by the Slavs of Mrs. Sadowski's generation, or even by younger Slavs who are moving out of the mills and into white-collar and professional jobs. Many admit to feeling pressure to shed their Slavic identities so as to fit into the mainstream. But it is in the old neighborhoods that they feel most at home, and many can't fathom the thought of leaving them.

"Nine out of ten could afford to move but they say they don't want to and ask 'Where would I go?'" says Michael Weber, an urban historian at Carnegie-Mellon University. Mr. Weber has found that members of ethnic groups here move to the suburbs at a much slower rate than those in other metropolitan areas.

Those that do move, he says, "often do so reluctantly, when they can't find any housing in their old neighborhoods," though some third-generation Slavs faced with this problem have actually built homes in their parents' backyards. "My family's here, my church is here, everyone I know is here, and I would just die if I had to leave," says Mrs. Gasparik's daughter Agnes, 50.

The Gasparika not only visit each other daily but also sustain each other economically and emotionally. Mrs. Gasparik's sons save money for the family by doing each other's home-repair and remodeling jobs, while her daughters care for each other's children and for her. "We would never think of putting our mother in a nursing home," says daughter Agnes.

Though Mrs. Gasparik is surrounded by relatives on her block, each day one of her seven daughters moves in to spend the entire day and night. Mrs. Gasparik likes the arrangement; she wouldn't think of leaving the home that her husband made sure was paid for before he died. "It isn't rich," she says, "but it's my own."

SAFE AT 2 A.M.

All around the neighborhood, where housewives sweep the sidewalks and wash their doorsteps once a week, residents point proudly to their neat wooden homes and gardens with shrines in them, saying theirs are the best-kept houses in town. "You don't see any garbage lying around or dilapidated places because people own their own homes, so they take care of them." Mrs. Sadowski says, "And it's safe to walk around here at 2 a.m. because we know each other."

At police station No. 7, Inspector Thomas Cunningham agrees that the area is safe. "There's practically no murder, rape or burglary here," he reports. The reason: neighborhood stability. "At least 80 percent to 90 percent of the homes here are owner-occupied," the inspector says, and they seldom change hands.

Most of the homes were purchased with large downpayments and short-term mortgages, says John S. Dzerski, a vice president at South Pittsburgh Savings and Loan Association. Mr. Dzerski's older Slavic customers are "so thrift-conscious," he says, they they "reject plastic cards outright" and make large down payments "so they won't have a burden hanging over them."

Looming above the homes are the nationality churches and cathedrals, which more than any other local institution provide a link to the old country. The sheer number and variety of these churches may be enough to keep the minute ethnic distinctions between Slavic groups alive. The South Side neighborhood alone has seven nationality churches within walking distance of each other, including two Polish Roman Catholic churches, a Slavonic Byzantine Rite church and a Ukrainian as well as a Russian Eastern Orthodox church.

PRIESTS FROM THE HOMELAND

While these churches fall under the auspices of either the Roman Catholic or Eastern Orthodox hierarchies, each offers services in the old-country language, maintains old-country rituals and keeps old-country culture alive through dance and music classes, festivals and suppers. Most important to parishioners, each church usually has at least one priest from the ancestral homeland. Church would not be church, Mrs. Gasparik says, "without my priest, who speaks beautiful Slovak and understands everything."

On the South Side and in other ethnic neighborhod here, Slavs routinely turn to their churches and to each other for help. This tradition is rooted in the discrimination they once faced in this country. When Slavs first arrived here, they formed fraternal organizations that, among other things, provided members with life insurance "because no American insurance company would sell to us," Mrs. Sadowski says. Today such groups, which began by collecting pennies from immigrants, not only still exist but thrive as multimillion-dollar insurance firms; 19 of them have their national headquarters here.

It is questionable whether such self-help groups will be needed by members of the younger generation, who can easily enter a society forbidden to their grandparents. That thought worries older Slavs, who fear that in moving up in the world, their children may also move away. "Our children go to college and come home strangers," complains Mr. Nebolsine of the American Slavic Education Society. "They learn the American ideal of the loner, the nomad, which is totally alien to Slavic family life."

Stephen Zupcic is a third-generation college-educated Slav who was born in a Croatian neighborhood but now lives in a more affluent area not far from the University of Pittsburgh, where he helps run a community-affairs program. Today, he says, some of the values he learned as a child—such as "never let anyone know how much money you have by dressing well or having a good car"—no longer make sense to him and, in fact, clash with the often opposite values of his middle-class friends.

Still, like many Slavs who have moved away, Mr. Zupcic returns to the old Croatian neighborhoods for church services, weddings, picnics and christenings and to shop at the old stores. "Even though you've left," he says, "you go back and live out your life crises there."

In fact, Pittsburgh's ethnic neighborhoods are holding their own—and some may even be facing a resurgence. On the South Side these days, residents discussing the recent gasoline crunch are applauding their good sense for staying in a neighborhood where you don't need a car. "Unlike the suburbanites, we're going to survive," Mrs. Sadowski says. Mrs. Sadowski's brother, one of those suburbanites, has been thinking about moving back. So have Mr. Zupcic and his wife, Christine, who grew up on the South Side and miss "the closeness between there." ●

HOME HEATING OIL

● Mr. JOHNSTON. Mr. President, one of our Nation's major suppliers of home heating fuel, Texaco, Inc., announced

a most commendable and bold response to our home heating oil problems. Friday, Texaco announced that it will follow a four-point plan in handling home heating oils during the remainder of 1979. First, the company announced that it has no present plans to increase its current wholesale or retail home heating oil prices through the remainder of the year and will make every reasonable effort to avoid such increases.

Second, the company announced that it will make one-time emergency deliveries of home heating fuel from 23 designated response centers to any person where local authorities have determined that a real emergency exists that could endanger life or health. The company will deliver a minimum of 25 gallons of heating fuel and will discuss payment after the delivery.

Third, the company will extend 30 days' additional credit to each of its established, qualified wholesale and retail customers.

Fourth, the company announced that its U.S. refineries began to maximize home heating oil production on July 10, 2 months earlier than usual, and that it has been purchasing substantial volumes of home heating oil, often at prices significantly higher than its own prices. Therefore, the company stated that it expects to be able to deliver at least 87 percent of last year's purchases to each of its customers.

Mr. President, we are all concerned about the cost and availability of home heating oil during the coming winter. As chairman of the Energy Regulation Subcommittee of the Senate Energy and Natural Resources Committee, I am concerned that Government and industry act quickly and appropriately concerning the price and availability of home heating oil. Certain Government actions, including particularly the recent decision to grant $5 per barrel entitlements to imported home heating oil are inappropriate—inappropriate because the program will export U.S. dollars and will not result in lower prices for home heating oil. Perhaps the announced plan by this major domestic supplier will focus our attention on more appropriate governmental responses to our heating oil problems. I encourage other domestic suppliers to follow Texaco's lead in announcing enlightened responses to the Nation's heating oil problems.

Mr. President, I ask that the text of the following news release announcing the home heating oil program be printed in the RECORD.

The release follows:

TEXACO ANNOUNCES PLAN FOR HOME HEATING OIL

WHITE PLAINS, N.Y., September 7.—Texaco Inc. today announced the following four-point plan it will follow in handling home heating oils during the remainder of 1979:

HOME HEATING OIL SUPPLIES

Texaco announced that it expects to be able to make available to its home heating oil customers at least 87 percent of the volume of home heating oil that each purchased last season. Deliveries are currently being made on this basis to Texaco's wholesale and retail customers, the latter being directly supplied by Texaco.

Texaco commenced maximizing production of home heating oil in its United States refineries on July 10, which was two months earlier than normal. The company has also purchased substantial volumes of home heating oil at prices up to 15 cents a gallon higher than its own current wholesale price. These actions, Texaco said, are indicative of the efforts being made by the company to maximize its home heating oil supplies.

With the conversions taking place from heating oil to natural gas, and with the anticipated conservation efforts by home heating oil users, Texaco expects that its supplies will be adequate to fulfill the essential needs of its customers.

HOME HEATING OIL PRICES

Texaco also announced that it has no present plans to increase its current prices for home heating oil, either to its wholesale or retail customers. The company said it is making every reasonable effort to avoid any price increases in home heating oils for the remainder of 1979. If, however, unforeseen events occur which cause inordinate increases in Texaco's costs and expenses, the company's position would of course have to be re-examined.

Texaco reported that its current average wholesale price in the United States for home heating oil is 67 cents a gallon. The current spot cargo market price for home heating oil on the U.S. Gulf Coast and in New York Harbor—that is, the price which the company must pay to purchase additional quantities—is 78 cents a gallon. Furthermore, such prices in Rotterdam, the European oil market center, are about $1.02 a gallon.

Commenting on its current prices, Texaco stated that heating oil prices must include higher costs of domestic and foreign crude oil, rising manufacturing and labor expense, taxes and the inflationary effects resulting in substantial increases in other costs and expenses, if adequate supplies are to be available.

HOME HEATING OIL EMERGENCY DELIVERY PLAN

Texaco has developed a plan for immediate response to verified emergencies due to lack of home heating oil. In the areas where Texaco operates, it will make a one-time emergency delivery to the home of Texaco home heating oil customers, or to the home of any other person, where it has been determined by local authorities that a real emergency exists that could endanger life or health. The emergency delivery would be a minimum of 25 gallons of home heating oil.

Anticipating that certain deliveries may be made to home owners who may have difficulty in making immediate payment, the company said payment terms would be decided after the delivery has been made. This special emergency service will be available day or night when such an emergency has been properly certified to exist.

The company said the intent of the plan was to take care of people in a hardship or emergency situation until other arrangements could be made. The Company said it would make no surcharge for the delivery costs involved. Only the current retail price for home heating oil will be billed to the customer.

HOME HEATING OIL CREDIT POLICY

Texaco announced that its credit policy to its established, qualified retail home heating oil customers will continue to be payment within 30 days of date of delivery. The company said it will extend up to 30 days' additional credit to such customers, with its usual credit charge being applied during this latter period.

Texaco further announced that its wholesale credit policy was being modified. Credit terms for qualified wholesale customers will be 30 days from date of delivery. Up to 30 days of additional credit will be offered to such customers. The usual Texaco credit charge will be applied to the latter period. Texaco said that it was offering these extended credit terms to its wholesalers in the hope they will pass them on to the benefit of their retail customers.

In its announcement, Texaco called attention to the independent position of its wholesale customers. These wholesalers have complete determination and control of the prices they will charge their customers, credit terms, hours of operation and delivery schedules, and Texaco has no control over such activities.

Texaco stated that it is making this announcement concerning home heating oil to clarify the company's position with regard to providing this important petroleum product to its customers. The company stressed that it intends to continue to fulfill its responsibility as a major supplier of home heating oil, and hopes that this special, four-point program will serve to bridge a difficult period by providing additional assistance to customers who might otherwise be confronted with real hardship.

The company's concluding statement stressed that every reasonable action should be taken to practice conservation. In the future, Texaco said, we must expect increased energy costs and tight supplies worldwide.

NOTE TO EDITORS.—See attached list of locations of Texaco terminals from which emergency deliveries will be made.

TEXACO HOME HEATING OIL EMERGENCY RESPONSE PROGRAM—DESIGNATED AREAS

1. Boston, Mass.
2. Worcester, Mass.
3. Providence/Pawtucket, R.I.
4. New York, N.Y.
5. Hartford/Cromwell, Conn.
6. Seattle, Wash.
7. Philadelphia, Pa.
8. Newark, N.J.
9. Baltimore, Md.
10. Fairfax, Va. (Washington, D.C.)
11. Richmond, Va.
12. Louisville, Ky.
13. Minneapolis/St. Paul, Minn.
14. Norfolk, Va.
15. Pennsauken, N.J.
16. Lockport, Ill. (Chicago).
17. Portland, Oreg.
18. Denver, Colo.
19. River Rouge (Detroit), Mich.
20. Cincinnati, Ohio.
21. Buffalo, N.Y.
22. Claymont, Del.
23. E. Peoria, Ill.●

HIGHWAY AND PUBLIC TRANSPORTATION IMPROVEMENT ACT—S. 1704

● Mr. WEICKER. Mr. President, for many years the Congress of the United States has labored loudly but ineffectively to develop a strong and equitable energy program for this Nation. We have diligently studied the many complex decontrol and deregulation proposals but have reached no solution for energy independence. We have most recently shifted our hopes toward synthetic fuels and advanced recovery techniques in our quest for the magic formula. But in fact, we have had trouble identifying the real issue. The key to our fight against OPEC, and the key to the door which leads down the path of energy independence, is not simply decontrol, deregulation, or synthetic fuel development but is clearly dependent on discipline, sacrifice, and conservation.

On August 3, 1979, I introduced S.

1704, the Highway and Public Transportation Improvement Act of 1979. Although this legislation is by no means the solution to our energy problems, it represents the recognition of a simple fact: we consume too much gasoline.

In short, S. 1704 would reduce our consumption of gasoline in two ways. First, it is well understood that more roads generate more cars and that more cars consume a greater amount of gasoline. S. 1704 would abolish the Highway Trust Fund effective September 30, 1980, and therefore, remove the existing bias toward highways in Federal transportation funding.

Second, by abolishing the fund, we will allow greater flexibility to States and localities to evaluate their specific transportation needs and thereby encourage the use of Federal funds for mass transit alternatives where appropriate.

The Highway Trust Fund outlived its purpose long ago. A splendid interstate highway system has been substantially completed; the billions in the fund should not be locked in when other transportation needs are evident. It is important that Congress begin to recognize the need to weigh our many national needs and seek a better balance in the use of our limited financial resources.

Mr. President, this is not the first time I have addressed the issue of conservation, nor will it be the last. If we really want to move out of the grasp of OPEC, and if we really want to move toward eventual energy independence, we must focus on the small steps, the disciplined steps, that will lead us to our goal. We simply must reduce our gas consumption and building new roads is not consistent with this end.

I ask that the bill and an executive summary be printed in the RECORD.

The bill and summary follow:

S. 1704

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Highway and Public Transportation Improvement Act of 1979".

TITLE I—AMENDMENTS TO TITLE 23, UNITED STATES CODE

DEFINITIONS

SEC. 101. Section 101(a) of title 23 of the United States Code is amended as follows:

(1) The first sentence of the definition of "construction" is amended by (A) adding after "highway" the words "or public transportation project"; (B) adding between "rehabilitation," and "acquisition of rights-of-way", the following: "maintenance,"; and (C) adding before the period at the end a comma and the following: "and the acquisition of necessary facilities and equipment for a public transportation project, and may include costs of operating such public transportation".

(2) The definition of "county" is amended by deleting the word "highways" and substituting in each place it occurs the word "transportation".

(3) Following the definition of "county" add the following definition:

"The term 'designated recipient' means the State agency or local public body designated pursuant to section 150.".

(4) The definition of "maintenance" is amended by inserting before the period at the end thereof the following: "or public transportation system including all structures, facilities, and equipment necessary for the safe and efficient utilization of such systems".

(5) The definition of "project" is amended by (A) adding after the word "highway" as first used in the definition, the words "or public transportation system", and (B) deleting the last four words of the definition, and substituting in lieu thereof the words "such a system so constructed, and in the case of assistance for the operation of a public transportation sytsem, the term 'project' shall apply to the conditions set forth by the Secretary for the use of such funds".

(6) The definition of "project agreement" is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(7) The definition of "State funds" is amended by deleting the last two words of the definition, and substituting in lieu thereof the words "agency empowered by State law to expend such funds".

(8) The definition of "Federal-aid secondary system" is repealed.

(9) Following the definition of "Federal-aid system", add the following definition:

"The term 'Federal-aid small urban and rural system' means the Federal-aid system described in subsection (b) of section 103 of this title.".

(10) Following the definition of "urban area," add the following definitions:

"The term 'mass transportation' means transportation by bus, or rail or other conveyance, either publicly or privately owned, which provides to the public general or special service (but not including schoolbuses or charter or sightseeing service) on a regular and continuing basis.

"The term 'public paratransit' means those forms of collective passenger transportation, as defined by the Secretary, which provide shared-ride service to the general public or special categories of users on a regular and predictable basis and which do not necessarily operate on fixed schedules or over prescribed routes.

"The term 'public transportation' means either mass transportation or public paratransit, or both.

"The term 'routes' means the geographical location of highways, or public transportation operations.".

AMENDMENT OF SECTION 103

SEC. 102. Section 103 of title 23 of the United States Code is amended to read as follows:

"§ 103. Federal-aid systems

"(a) For the purposes of this title, the four Federal-aid systems, the primary system, the small urban and rural system, the urban system, and the Interstate System, are established and continued pursuant to the provisions of this section, and in the case of the small urban and rural system, in accordance with section 133 of this title.

"(b)(1) The Federal-aid primary system shall consist of an adequate system of connected main highways, selected or designated by each State through its State highway department, subject to the approval of the Secretary as provided by subsection (f) of this section. This system shall not exceed 7 per centum of the total highway mileage of such State, exclusive of mileage within national forests, Indian, or other Federal reservations and within urban areas, as shown by the records of the State highway department on November 9, 1921. Whenever provision has been made by any State for the completion and maintenance of 90 per centum of its Federal-aid primary system, as originally designated, said State through its State highway department by and with the approval of the Secretary is authorized to increase the mileage of its Federal-aid primary system by additional mileage equal to not more than 1 per centum of the total mileage of said State as shown by the records on November 9, 1921. Thereafter, it may make like 1 per centum increases in the mileage of its Federal-aid primary system whenever provision has been made for the completion and maintenance of 90 per centum of the entire system, including the additional mileage previously authorized. This system may be located both in rural and urban areas. The mileage limitations in this paragraph shall not apply to the District of Columbia, Hawaii, Alaska, or Puerto Rico.

"(2) After June 30, 1976, the Federal-aid primary system shall consist of an adequate system of connected main roads important to interstate, statewide, and regional travel, consisting of rural arterial routes and their extensions into or through urban areas. The Federal-aid primary system shall be designated by each State acting through its State highway department and where appropriate, shall be in accordance with the planning process pursuant to section 134 of this title, subject to the approval of the Secretary as provided by subsection (f) of this section. Funds apportioned to each State for the primary system may be expended for any project on the urban system or on the small urban and rural system to the extent that such apportionment is attributable to urbanized areas, and small urban and rural areas, respectively.

"(c) The Federal-aid small urban and rural system shall consist of those routes designated in section 133.

"(d) The Federal-aid urban system shall be located in each urbanized area and shall consist of transportation projects therein other than highway projects on the Interstate System.

"(e)(1) The Interstate System shall be designated within the United States, including the District of Columbia, and, except as provided in paragraphs (2) and (3) of this subsection, it shall not exceed forty-one thousand miles in total extent. It shall be so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to the greatest extent possible, to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. The routes of this system, to the greatest extent possible, shall be selected by joint action of the Governor of each State and the adjoining States, subject to the approval by the Secretary as provided in subsection (f) of this section. This system may be located in both rural and urban areas.

"(2) In addition to the mileage authorized by the first sentence of paragraph (1) of this subsection, there is hereby authorized additional mileage for the Interstate System of five hundred miles, to be used in making modifications or revisions in the Interstate System as provided in this paragraph. Upon the request of a Governor and the local governments concerned, the Secretary may withdraw his or her approval of any route or portion thereof on the Interstate System within that State selected and approved in accordance with this title if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System (including urban routes necessary for metropolitan transportation) and will not be constructed as a part of the Interstate System, and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by such route or portion thereof and the additional mileage authorized by the first sentence of this paragraph shall be available for the designation of Interstate routes or portions thereof as provided in this subsection. The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph except

that the cost to the United States of the aggregate of all mileage designated under the third sentence of this paragraph shall not exceed the cost to the United States of the aggregate of all mileage approval which is withdrawn under the second sentence of this paragraph, such costs shall be that as of the date of withdrawal as determined in accordance with subsection (1) of this section. In considering routes or portions thereof to be added to the Interstate System under the third sentence of this paragraph, the Secretary shall, in consultation with the States and local governments concerned, give preference, along with due regard for interstate highway type needs on a nationwide basis, to routes or portions thereof in States in which the Secretary has heretofore or hereafter withdrawn his or her approval of other routes or portions thereof.

"(3) In addition to the mileage authorized by paragraphs (1) and (2) of this subsection, there is hereby authorized additional mileage of not to exceed one thousand and five hundred miles for the designation of routes in the same manner as set forth in paragraph (1), in order to improve the efficiency and service of the Interstate System to better accomplish the purposes of that system.

"(4) Upon the joint request of a Governor and the local governments concerned, the Secretary may withdraw his or her approval of any route or portion thereof on the Interstate System which is within an urbanized area or which passes through and connects urbanized areas within a State and which was selected and approved in accordance with this title, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by the route or portion thereof. When the Secretary withdraws his or her approval under this paragraph, a sum equal to the Federal share of the cost to complete the withdrawn route or portion thereof, as determined in accordance with subsection (1) of this section, shall be available to the Secretary to incur obligations for the Federal share of either public transportation projects involving the construction of fixed rail facilities or the purchase of passenger equipment including rolling stock, for any mode of mass transit, or both, or projects authorized under any transportation assistance program under this title or the Urban Mass Transportation Act of 1964, or both, which will serve the urbanized area and the connecting nonurbanized area corridor from which the Interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the urbanized area or area to be served, and which are submitted by the Governor of the State in which the withdrawn route was located. Upon the joint request of the Governor and local governments concerned, the Secretary may approve substitute projects for other areas within the State. Approval of the plans, specifications, and estimates for such project by the Secretary shall constitute a contractive obligation of the Federal Government to pay the Federal share of such project as provided in this paragraph. The Federal share of obligations incurred after September 30, 1980, for substitute projects shall be that provided in section 120(c) of this title. There are hereby authorized to be appropriated out of the general fund of the Treasury such sums as are necessary for public transportation projects substituted pursuant to this paragraph. The sums available for obligation under this paragraph shall remain available until obligated. Obligations incurred after the date of enactment of this sentence under this paragraph for highway or public transportation projects substituted as a consequence of withdrawals made after May 5, 1976, shall come from sums apportioned to the State under section 104(b)(2)(A) of this title. Funds available for expenditure to carry out the purposes of this paragraph shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended. After the date of enactment of this sentence, the Secretary may not redesignate any mileage as part of the Interstate System as a consequence of any withdrawal made pursuant to this paragraph.

"(f) The Secretary shall have authority to approve in whole or in part the Federal-aid small urban and rural system, the Federal-aid urban system, the Federal-aid primary system, and the Interstate System, as when such systems or portions thereof are designated, or to require modifications or revisions thereof. No Federal-aid system or portion thereof shall be eligible for projects in which Federal funds participate until approved by the Secretary.

"(g) The Secretary on July 1, 1974, shall remove from designation as a part of the Interstate System each segment of such system for which a State has not notified the Secretary that such State intends to construct such segment, and which the Secretary finds is not essential to completion of a unified and connected Interstate System. Any segment of the Interstate System, with respect to which a State has not submitted by July 1, 1975, a schedule for the expenditure of funds for completion of construction of such segment or alternative segment within the period of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not provided the Secretary with assurances satisfactory to him that such schedule will be met, shall be removed from designation as a part of the Interstate System. No segment of the Interstate System removed under the authority of the preceding sentence shall thereafter be designated as a part of the Interstate System except as the Secretary finds necessary in the interest of national defense or for other reasons of national interest. This subsection shall not be applicable to any segment of the Interstate System referred to in section 23(a) of the Federal-Aid Highway Act of 1968.

"(h) Notwithstanding subsections (e)(2) and (g) of this section, in any case where a segment of the Interstate System was a designated part of such system on June 1, 1979, and is entirely within the boundaries of an incorporated city and such city enters into an agreement with the Secretary to pay all non-Federal costs of construction of such segment, such segment shall be constructed

"(i) In determining the cost of an interstate route or portion thereof for which withdrawal is applied for under paragraphs (2) and (4) of subsection (e) of this section, the Secretary shall use as a base cost for such determination the estimated cost of construction of such route or portion thereof at the latest stage of approval by the Secretary, or the date of approval of each substitute project under paragraph (4) of subsection (e) of this section, whichever is later. Such cost shall then be increased or decreased in accordance with the increase or decrease in construction materials and labor to construct such substitute project in the local market where the project is located. Additionally the Secretary shall take into account in his or her determination of cost, changes in the route or portion thereof which would have been necessary to meet Federal approval if the withdrawn project had been completed. Any Governor or designated recipient dissatisfied with the cost revision approved by the Secretary may appeal such decision in the manner provided for in subsection (g) of section 134 of this title.

"(j)(1) By September 30, 1986, all routes or portions thereof on the Interstate System (for which the Secretary finds that sufficient Interstate authorizations are available) must be completed or under contract for construction and construction must have commenced unless such failure to be under construction is due to court order. Immediately after such date, the Secretary shall remove from designation as part of the Interstate System each route or portion thereof of such system not complying with this paragraph.

"(2) Any Interstate route or portion thereof or any highway or public transportation project substituted pursuant to subsection (e) of section 103 of this title which is: (A) under construction but not completed, (B) not under construction due to court order, or (C) not under construction because of insufficient Interstate authorizations, shall on September 30, 1986, become a separate and individual project for which authorizations and appropriations shall be made separately from funds provided under this title. After September 30, 1986, no apportionments shall be made to the States for the Interstate System pursuant to section 104(b)(2)(A).".

AMENDMENTS TO SECTION 104

SEC. 103. Section 104 of title 23 of the United States Code is amended—

(1) by deleting paragraphs (2) and (4) of subsection (b), and redesignating the remaining subsections and cross references accordingly;

(2) by deleting the words "State highway departments" in redesignated paragraph (2)(A), and substituting in lieu thereof the word "Governor";

(3) by adding the following after the last sentence of such paragraph: "After the date of enactment of this sentence the Secretary shall revise the method of apportionment contained in this paragraph by including the cost of completion of any highway or public transportation project, substituted pursuant to subsection (d) of section 103 of this title, as part of the estimate of the cost of completing the then designated Interstate System.";

(4) by deleting the words "State highway departments" in subsection (e) and substituting in lieu thereof the word "Governors"; and

(5) by amending subsection (f) to read as follows:

"(f) On October 1 of each fiscal year, the Secretary shall set aside 2 per centum of the funds to be apportioned under this section which shall be available for the purposes of section 134 of the Highway and Public Transportation Improvement Act of 1979 relating to transportation planning, except that, for the funds apportioned under (b)(2)(A) of this section, the Secretary shall set aside and make available this per centum of such funds on October 1 of the year preceding the fiscal year for which authorized.".

AMENDMENT OF SECTION 105

SEC. 104. Section 105 of title 23 of the United States Code is amended to read as follows:

"§105. Programs

"(a) As soon as practicable after the apportionments have been made under sections 104, 133, and 151 of this title, or appropriations have been made under the Urban Mass Transportation Act of 1964, the Governor of any State, or the designated planning organization, whichever is appropriate, shall submit to the Secretary, for his or her approval, a single program of proposed projects comprised of projects to be funded under either of such Acts, for the utilization of funds apportioned or appropriated. The Secretary shall act upon programs submitted to him or her as soon as practicable after the

same have been submitted, and may approve a program in whole or in part.

"(b) Except as provided in subsection (c) of this section, in approving programs for projects, the Secretary shall require that such projects be selected in accordance with the planning process required pursuant to section 134 of this title and section 8 of the Urban Mass Transportation Act of 1964.

"(c) Notwithstanding subsection (b) of this section, the Secretary may approve projects under this section which he or she finds are eligible for emergency relief under the provisions of section 125 of this title.

"(d) In approving programs for projects under this section, the Secretary shall require that such programs of projects have been selected by the planning organizations designated pursuant to section 134 of this title and section 8 of the Urban Mass Transportation Act of 1964.

"(e) In approving programs for projects the Secretary shall require the Governors and designated planning organizations to give priority to the reconstruction of highways which have been shown to be hazardous to the public.

"(f) In approving programs for projects under this chapter, the Secretary may give priority of approval to, and expedite the construction of, projects that are recommended as important to the national defense by the Secretary of Defense, or other officials authorized by the President to make such recommendations.

"(g) In approving programs for projects on the Federal-aid systems pursuant to this chapter, the Secretary shall give priority to those projects which incorporate improved standards and features with safety benefits.

"(h) In preparing programs to submit in accordance with subsection (a) of this section, the Governors and designated planning organizations shall give consideration to projects providing direct and convenient public access to public airports and public ports for water transportation, and in approving such programs the Secretary shall give consideration to such projects.

"(i) In approving programs for projects under this section, the Secretary should give preference to those projects, implementation of which will result in the savings of energy resources, as such projects are identified in the plan submitted pursuant to section 134 of this title. Further priority shall also be given to projects falling within the provisions of section 146 of this title.".

AMENDMENTS TO SECTION 106

SEC. 105. (a) Section 106(a) of title 23 of the United States Code is amended by deleting "Except as provided in section 117 of this title, the State highway department," and substituting in lieu thereof "The Governor or designated recipient".

(b) Section 106(c) of such title is amended by deleting the word "highway" and substituting in lieu thereof the word "system."

AMENDMENT TO SECTION 107

SEC. 106. Section 107(c) of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "appropriate agency".

AMENDMENTS TO SECTION 108

SEC. 107. (a) Section 108 of title 23 of the United States Code is amended by deleting the words "State highway department" wherever appearing therein, and substituting in lieu thereof the words "designated recipient", and by deleting the word "highway" from the phrase "Federal-aid highway system" wherever appearing therein.

(b) Subsection (c)(2) of such section is amended by deleting the words "of highways".

(c) Subsection (c)(3) of such section is amended by deleting the words "of a highway".

AMENDMENTS TO SECTION 109

SEC. 108. Section 109 of title 23 of the United States Code is amended—

(1) in subsection (a), by deleting the phrase "on any Federal-aid system";

(2) in subsection (c), by deleting the words "Projects on the Federal-aid secondary system in which Federal funds participate" and inserting in lieu thereof the words "Small urban and rural projects"; and

(3) by deleting subsection (h) and inserting in lieu thereof the following:

"(h) In furtherance of the national transportation policy expressed in section 134(a), not later than January 1, 1981, the Secretary, after consultation with appropriate Federal and State officials, shall promulgate guidelines designed to assure that possible adverse economic, social, and environmental effects relating to any proposed project under this title or the Urban Mass Transportation Act of 1964 have been minimized in developing such project, and that the final decisions on the project are made in the best overall public interest taking into consideration the need for fast, safe, and efficient transportation, public services, and the costs and benefits of eliminating or minimizing such adverse effects and the following:

"(1) air, noise, and water pollution;

"(2) destruction or disruption of manmade and natural resources, esthetic values, important historical and cultural assets, and community cohesion;

"(3) adverse housing effects and tax and property value loss, particularly within the inner city;

"(4) injurious displacement of people, business, and farms;

"(5) excess energy consumption and vehicle miles traveled;

"(6) ill health and traffic accidents; and

"(7) disruption of the integrity of existing farm units and the practical use of prime agricultural land.

Such guidelines shall apply to all proposed projects with respect to which plans, specifications, and estimates are approved by the Secretary after the issuance of such guidelines. Until such guidelines are in force, the guidelines previously issued pursuant to this subsection shall remain in force.";

(4) in subsection (i) by inserting "(1)" after "(i)" by deleting the word "highway" wherever it appears and by deleting the last sentence and adding the following paragraph:

"(2) Not later than January 1, 1981, the Secretary, acting jointly with the Administrator of the Environmental Protection Agency, shall review and revise the standards issued pursuant to paragraph (1) of this subsection. After revising such standards the Secretary shall not approve plans and specifications for any proposed project on any Federal-aid system or financed by the Urban Mass Transportation Act of 1964, as amended, unless he determines that such plans and specifications insure compliance with such standards. The Secretary and the Administrator shall issue, at the same time and in the same manner as authorized above, regulations to achieve those standards by retrofitting or otherwise reducing noise levels on existing transportation facilities that have received Federal funds at any time, from either this title or the Urban Mass Transportation Act of 1964, as amended. Any area which fails to meet the standards issued pursuant to this subsection must take all reasonable steps to retrofit or otherwise reduce noise levels of those facilities which violate such standards. Any such area shall use at least 5 per centum of the funds apportioned to it under sections 104(b) and 133(a) of this title for the purpose of retrofitting such facilities as were financed under this title. Any such area shall also use at least 5 per centum of the funds apportioned to it under the Urban Mass Transportation Act of 1964, as amended, for the purpose of retrofitting such facilities as were financed under that Act.";

(5) by deleting subsection (j) and inserting in lieu thereof the following:

"(j) Not later than January 1, 1981, the Secretary and the Administrator of the Environmental Protection Agency, acting jointly, shall issue regulations to assure that projects constructed pursuant to this title and the Urban Mass Transportation Act of 1964, are consistent with any approved plan for the implementation of any ambient air quality standard for any air quality control region designated pursuant to the Clean Air Act, as amended. The Secretary shall not approve any project, any program of projects submitted pursuant to section 105 of this title or any plan or certify any planning process under section 134 of this title unless he finds, in consultation with the Administrator of the Environmental Protection Agency, that such project, program of projects, plan or planning process does not (1) exacerbate any existing violations of National Ambient Air Quality Standards, (2) contribute to a violation of National Ambient Air Quality Standards for a pollutant for which no concentrations in violation of the standard have been measured, (3) delay attainment of National Ambient Air Quality Standards, (4) interfere with maintenance of National Ambient Air Quality Standards, once the standards are attained, or (5) omit any appropriate portions of implementation plans promulgated under section 110 of the Clean Air Act, as amended, including transportation control measures.";

(6) adding at the end thereof the following new subsections:

"(o) In furtherance of the national transportation policy expressed in section 134(a), the Secretary shall not approve any project for which funds have been apportioned under this title or appropriated pursuant to the Urban Mass Transportation Act of 1964 unless he finds that all reasonable alternatives capable of meeting the transportation needs, as such needs are identified in the appropriate plans required by section 134 of this title, have been considered and that the proposed projects is one which can feasibly meet such transportation need while eliminating or best minimizing such adverse effects as the following:

"(1) air, noise, and water pollution;

"(2) destruction or disruption of manmade and natural resources, esthetic values, important historical and cultural assets, and community cohesion;

"(3) adverse housing effects and tax and property value loss, particularly within the inner city;

"(4) injurious displacement of people, business, and farms;

"(5) excess energy consumption and vehicle miles traveled;

"(6) ill health and traffic accidents; and

"(7) disruption of the integrity of existing farm units and the practical use of prime agricultural land.

"(p) The Secretary shall not approve any project under this title which increases the vehicular or weight-bearing capacity of any highway unless it meets all requirements and provisions of the National Environmental Policy Act of 1969."

AMENDMENTS TO SECTION 110

SEC. 109. (a) Subsection (a) of section 110 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(b) Subsection (b) of such section is amended by deleting the words "highway department".

AMENDMENT TO SECTION 111

SEC. 110. Section 111 of title 23 of the United States Code is amended by deleting

the words "State highway department" and substituting in lieu thereof the words "designated recipients".

AMENDMENT TO SECTION 112

SEC. 111. (a) Subsection (a) of section 112 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(b) Subsection (c) of such section is repealed.

AMENDMENTS TO SECTION 113

SEC. 112. (a) Subsection (a) of section 113 of title 23 of the United States Code is amended by deleting the words "highway" and "the primary and secondary, as well as their extensions in urban areas, and the Interstate System,".

(b) Subsection (b) of such section is amended by deleting the words "highway department" and substituting in lieu thereof the words "designated recipient".

AMENDMENTS TO SECTION 114

SEC. 113. Section 114 of title 23 of the United States Code is amended by—

(1) deleting the words "highways or portions of highways" and substituting in lieu thereof the word "project";

(2) deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient"; and

(3) deleting "Except as provided in section 117 of this title such" and inserting in lieu thereof "Such".

AMENDMENTS TO SECTION 116

SEC. 114. Section 116 of title 23 of the United States Code is amended—

(1) in subsection (a) by deleting the words "State highway department" and inserting in lieu thereof the words "designated recipient";

(2) in subsection (b) by deleting the words "State highway department" and "highway department" and substituting in lieu thereof the words "designated recipient";

(3) in subsection (c) by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient";

(4) in subsection (d) by deleting the words "State highway departments" the first time such words appear in such subsection, and substituting in lieu thereof the word "Governors", and deleting the words "State highway departments" the second time such words appear in such subsection, and substituting in lieu thereof the words "designated recipient"; and

(5) in subsection (e) by deleting the words "State highway departments" and substituting in lieu thereof the words "designated recipients".

REPEAL OF SECTION 117

SEC. 115. Section 117 of title 23 of the United States Code is repealed.

AMENDMENTS TO SECTION 118

SEC. 116. Section 118 of title 23 of the United States Code is amended—

(1) by deleting the words "State highway department" in subsection (a) and substituting in lieu thereof the word "Governors"; and

(2) by deleting the words "three years" in subsection (b), and substituting in lieu thereof the words "two years".

AMENDMENTS TO SECTION 120

SEC. 117. Section 120 of title 23 of the United States Code is amended—

(1) in subsection (a)—

(A) by deleting "(d)", and substituting in lieu thereof "(c)";

(B) by deleting the words "with primary, secondary, or urban funds, on the Federal-aid primary system, the Federal-aid secondary system and the Federal-aid urban system", and substituting in lieu thereof the words "under this title"; and

(C) by deleting the words "highway construction" and substituting in lieu thereof the word "transportation";

(2) in subsection (f)—

(A) by deleting the word "highway"; and

(B) by deleting the next to the last sentence;

(3) in subsection (g), by deleting the words "State highway department" and substituting in lieu thereof the word "Governor"; and

(4) by adding the following new subsection:

"(i) Funds allocated in any year for a Federal-aid system may be used for the purposes of operating a public transportation system in accordance with the provisions of section 5(f) of the Urban Mass Transportation Act of 1964, as amended.".

AMENDMENTS TO SECTION 121

SEC. 118. Section 121 of title 23 of the United States Code is amended—

(1) by deleting the word "State" and substituting in lieu thereof the words "designated recipient"; and

(2) by deleting the words "State highway department" and substituting in lieu thereof the word "Governor".

AMENDMENTS TO SECTION 122

SEC. 119. Section 122 of title 23 of the United States Code is amended—

(1) by adding after "primary," the words "small urban and rural, urban";

(2) by deleting "or extension of any of the Federal-aid highway systems in urban areas,";

(3) by deleting "Federal-aid primary system" and substituting in lieu thereof the words "Federal-aid primary small urban and rural, and urban systems"; and

(4) by deleting "or extensions of any of the Federal-aid highway systems in urban areas".

AMENDMENTS TO SECTION 123

SEC. 120. Section 123 of title 23 of the United States Code is amended—

(1) by deleting the word "secondary" and substituting in lieu thereof "small urban and rural, or urban"; and

(2) by deleting the words "including extensions thereof within urban areas".

AMENDMENT TO SECTION 124

SEC. 121. Section 124 of title 23 of the United States Code is amended by deleting the words "State" and "State highway department", and substituting in lieu thereof the words "designated recipient".

AMENDMENT TO SECTION 125

SEC. 122. Section 125 (b) and (c) of such Code is amended by deleting "highway" in the term "Federal-aid highway system" whenever appearing therein.

AMENDMENT TO SECTION 126

SEC. 123. Section 126 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

AMENDMENT TO SECTION 129

SEC. 124. Section 129 of title 23 of the United States Code is amended by adding at the end thereof the following subsection:

"(j) Notwithstanding any provision of this title to the contrary, any State or designated recipient may impose tolls on any highway for the purpose of managing peakload demand of vehicular traffic. No funds from such tolls may be used for highway purposes, excepting such amounts which may be used for the operation and maintenance of such toll facilities.".

SMALL URBAN AND RURAL TRANSPORTATION ASSISTANCE

SEC. 125. (a) Title 23 of the United States Code is amended by inserting after section 132 a new section as follows:

"§ 133. Small urban and rural transportation assistance

"(a) On October 1 of each fiscal year the Secretary, after making the deduction authorized by subsection (g) of this section, shall apportion the remainder of the sums authorized to be appropriated for expenditure for small urban and rural transportation assistance for that fiscal year to the States in the following manner:

"One-fourth in the ratio which the area of each State bears to the total area of all the States; one-half in the ratio which the population of small urban and rural areas of each State bears to the total population of small urban and rural areas of all the States as shown by the latest available Federal census; and one-fourth in the ratio which the mileage of rural delivery routes and intercity mail routes where service is performed by motor vehicles in each State bears to the total mileage of rural delivery routes and intercity mail routes where service is performed by motor vehicles in all the States at the close of the next preceding calendar year, as shown by a certificate of the Postmaster General.

"(b) Sums apportioned under this section shall be available for obligation for a period of two years following the close of the fiscal year for which such sums are apportioned, and any amounts so apportioned remaining unobligated at the end of such period shall lapse.

"(c) The Secretary may approve as a project in small urban and rural areas any public transportation project, including operating assistance, which would be eligible for Federal financing assistance under the provisions of the Urban Mass Transportation Act of 1964, as amended, or any highway project, other than projects on the Federal-aid primary or Interstate System. Financial assistance provided under this section shall be subject to such terms, conditions, requirements, and provisions as the Secretary may determine to be necessary or appropriate for the purposes of this section. For public transportation projects such terms, conditions, requirements, and provisions shall be similar to those applicable to grants under sections 3 and 5 of the Urban Mass Transportation Act of 1964, as amended, insofar as the Secretary may deem them appropriate.

"(d)(1) The Federal share payable on account of any highway project financed with sums apportioned under this section shall be that provided in section 120(a) of this title.

"(2) The Federal share payable on account of any public transportation project, other than operating assistance, financed with sums apportioned under this section shall not exceed 80 per centum of the net project cost as defined in section 4(a) of the Urban Mass Transportation Act of 1964, as amended. The Federal share payable on account of any public transportation operating assistance project financed with sums apportioned under this section shall not exceed 33⅓ per centum of the total eligible operating expenses incurred in the operation of public transportation services assisted under this section. The Highway Trust Fund shall be reimbursed from the general funds of the Treasury for any sums expended pursuant to this section for any operating assistance project.

"(e) At least 10 per centum of the sums apportioned under this section to each State shall be used for public transportation projects as set forth in subsection (c) of this section: *Provided*, That, upon application by the State the Secretary may waive such requirement if the Secretary finds that a lower level of public transportation assistance is warranted by the transportation needs of the small urban and rural areas of such State.

"(f) The State may distribute funds to eligible recipients within the State to carry out the purposes of this section. Eligible recipients may include State agencies, local public bodies and agencies thereof (including counties and Indian tribes), nonprofit organizations, and operators of public transportation services.

"(g) On October 1 of each fiscal year, the

Secretary shall set aside and make available 2 per centum of the sums authorized to be appropriated for expenditure for small urban and rural transportation assistance for that fiscal year, for carrying out the purposes of section 134 of the Highway and Public Transportation Improvement Act of 1979 relating to transportation planning.".

(b) Sections 155 and 219 of title 23 of the United States Code and section 147 of the Federal-Aid Highway Act of 1978, as amended, are repealed.

(c) The analysis of chapter 1 of title 23, United States Code, is amended by deleting

"133. Repealed."

and inserting in lieu thereof

"133. Small urban and rural transportation assistance.",

by deleting

"155. Access highways to public recreation areas on certain lakes.",

and inserting in lieu thereof

"155. Repealed.",

and by deleting

"219. Safer off-system roads.",

and inserting in lieu thereof

"219. Repealed.".

AMENDMENT OF SECTION 134

SEC. 126. (a) Section 134 of title 23 of the United States Code is amended to read as follows:

"§ 134. Transportation planning

"(a) It is declared to be the national transportation policy to encourage and promote the development of transportation systems embracing various modes of transportation that will serve the States and local communities efficiently and effectively in a manner which will minimize air, noise, and water pollution; destruction or disruption of manmade and natural resources, esthetic values, important historical and cultural assets and community cohesion; adverse housing effects and tax and property value loss, particularly within the inner city; injurious displacement of people, business, and farms; excess energy consumption and vehicle miles traveled; and disruption of the intergrity of existing farm units and the practical use of prime agricultural land. To accomplish this objective, the Secretary shall cooperate with State and local officials in the development of long-range and five-year, statewide and urbanized area transportation plans, as well as programs of projects based on such plans. Before approving, in whole or in part, a plan, or a program of projects, the Secretary shall find that it is formulated on the basis of and reasonably addresses transportation needs and that it affirmatively uses transportation to achieve other national and local objectives while minimizing those adverse effects of transportation development identified in this section and identifies those specific elements of the plan, or program of projects, which would eliminate or best minimize such adverse effects. Such plans shall be the result of a planning process which includes an analysis of alternative transportation system management and investment strategies to make more efficient use of existing transportation resources and to meet needs for new transportation facilities. Such planning process shall consider all modes of transportation and shall be continuing, cooperative, and comprehensive.

"(b) The Secretary shall not approve under section 105 of this title any program of projects unless he or she finds that such projects are based on a plan, approved in accordance with the provisions of this section, and a continuing, comprehensive transportation planning process carried on cooperatively by States and local communities in conformance with the policies and objectives stated in this section.

"(c) After October 1, 1981, a State or designated recipient shall be eligible to receive its apportionments pursuant to the Urban Mass Transportation Act of 1964, only if it has a comprehensive long-range and five-year transportation plan that has been approved by the Secretary. Such plans shall be reapproved by the same procedure whenever a plan has been significantly changed since its previous approval or reapproval. When reapproving a five-year plan, the Secretary may reapprove the long-range plan if he or she finds that they are consistent with each other. The Secretary shall not approve any plan for any State or urbanized area unless he finds that (1) such plans are in accordance with a continuing, comprehensive, and cooperative transportation planning process and (2) all reasonable measures to permit, encourage, and assist public participation in such continuing, comprehensive, and cooperative transportation planning process have been taken. The Secretary, in cooperation with the States and urbanized areas, shall develop and publish regulations specifying minimum guidelines for public participation in such processes, which shall include hearings held at least annually, at which there will be a review of the transportation planning process, plans, and programs of projects, and opportunity provided for the consideration of various alternatives to the plan under consideration. No transportation project may be constructed in any urbanized area of fifty thousand population or more unless the responsible public officials of such area in which the project is located have been consulted and their views considered with respect to the corridor, the location, and the design of the project.

"(d) The States and urbanized areas shall each submit a single program of projects with respect to both this title and the Urban Mass Transportation Act of 1964. Such program of projects shall be approved in accordance with section 105 of this title. The Secretary shall not, however, approve a program of projects, unless (1) the urbanized area, or after October 1, 1980, the statewide planning process on which such program of projects is based is being carried on in conformance with the objectives and provisions of this section, and (2) the Secretary finds that the program of projects is based on the planning process.

"(e) The Secretary shall approve State and urbanized area plans in whole or in part, but shall not approve any plan which fails to reasonably meet transportation needs and—

"(1) provide that the State and urbanized area administering agencies will make such reports to the Secretary in such form and containing such information as may reasonably be necessary to enable the Secretary to perform his or her duties under this title and the Urban Mass Transportation Act of 1964, and will keep such records and afford such access thereto as the Secretary finds necessary to assure the correctness and verification of such reports;

"(2) provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid the State or designated recipients under this title or the Urban Mass Transportation Act of 1964;

"(3) provide for the expenditure of adequate amounts of such State's apportionment for each fiscal year under this title and appropriations under the Urban Mass Transportation Act of 1964 for the maintenance of the planning process;

"(4) provide for the development, maintenance, and operation of transportation facilities responsive to the needs of such State and its communities, and in determining compliance with this paragraph, the Secretary shall (A) require the State or designated planning organization to show how the plan reflects the needs of, and is coordinated with, community development plans in urbanized areas, and (B) rely on representations from the appropriate State, Federal, and local agencies having responsibilities and jurisdiction in the areas of housing and community development as to the impact such plan will have on housing and community development;

"(5) demonstrate compliance with applicable State and Federal environmental laws, and in determining compliance with this paragraph, the Secretary shall rely on representations from the appropriate State and Federal agencies charged by law with responsibility for protecting environmental quality as to the impact the plan will have upon such State and Federal environmental protection programs;

"(6) demonstrate compliance with applicable State and Federal energy conservation programs, and in determining compliance with this paragraph, the Secretary shall rely on representations from the appropriate State and Federal agencies charged by law with the responsibility to implement programs to conserve energy as to the impact the plan will have upon such State and Federal energy conservation programs; and

"(7) provide an analysis of the impact such plan will have on the social, environmental, and economic well being of the State, or area covered by the plan, and such steps as will be taken to minimize adverse social, environmental and economic effects on such State or area.

The Secretary shall advise the State or designated planning organization of the reasons for not approving a plan or a program of projects. Approval by the Secretary of any plan or program of projects under this section shall not prevent the Secretary from subsequently disapproving any individual transportation project pursuant to the provisions of this title or the Urban Mass Transportation Act of 1964, or other Federal law, including but not limited to the National Environmental Policy Act of 1969 and section 4(f) of the Department of Transportation Act.

"(f) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State or local agency administering a State or urbanized area plan approved under this title, finds that—

"(1) the State or urbanized area plan has been so changed that it no longer complies with the provisions of this title or the Urban Mass Transportation Act of 1964; or

"(2) in the administration of the plan there is a failure to comply substantially with any such provisions; the Secretary shall notify such State or designated recipients that no further payments will be made to the State or designated recipients under this title or the Urban Mass Transportation Act of 1964 (or, at his or her discretion, that further payments to the State or designated recipient will be limited to projects under, or portions of, the State or urbanized area plan not affected by such failure), until he or she is satisfied that there will no longer be any failure to comply. Until the Secretary is so satisfied, no further payments may be made to such State or designated recipient (or payments shall be limited to projects under, or portions of, the State or urbanized area plan not affected by such failure).

"(g) Any Governor or designated planning organization dissatisfied with a final action of the Secretary under this section may appeal to the United States court of appeals for the circuit in which the State or urbanized area is located by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or any officer designated by him or her for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he or she based his or her action, as provided in section 2112 of title 28. Upon the filing of such petition the court shall have jurisdiction to affirm the action of the Secretary or

to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside the order. The findings of the Secretary as to the facts, if supported by substantial evidence, including representations or findings by other Federal agencies acting in accordance with the provisions of subsection (e) of this section, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his or her previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence and the representations or findings of other Federal and State agencies acting in accordance with the provisions of subsection (e) of this section. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to the review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

"(h) The Secretary may define those contiguous interstate areas of the Nation in which the movement of persons and goods between principal metropolitan area, cities, and industrial centers has reached, or is expected to reach, a critical volume in relation to the capacity of existing and planned transportation demands and future growth. After consultation with the Governors and responsible local officials of affected States, the Secretary may by regulation designate, for administrative and planning purposes as a critical transportation region or a critical transportation corridor each of those areas which he or she determines most urgently require the accelerated development of transportation systems embracing various modes of transport, in accordance with the purposes of this section. The Secretary shall immediately notify such Governors and local officials of such designation. The Secretary may, after consultation with the Governors and responsible local officials of the affected States, provide by regulation for the establishment of planning bodies to assist in the development of coordinated transportation planning, to meet the needs of such regions or corridors, composed of representatives of the affected States and metropolitan areas, and may provide assistance including financial assistance to such bodies. Nothing in title 23, United States Code, or the Urban Mass Transportation Act shall preclude two or more States or contiguous urbanized areas from coordinating or acting jointly in the preparation and execution of their individual or joint transportation plans, as appropriate, as developed under this section, or from acting under such laws on a regional rather than a State basis. Such regional cooperation and joint activity is to be encouraged. There is authorized to be appropriated out of any money in the Treasury not otherwise appropriated, not to exceed $500,000 to carry out this subsection.".

(b) The analysis of title 23 of the United States Code is amended by striking out

"134. Transportation planning certain urban areas.",

and inserting in lieu thereof

"134. Transportation planning.".

AMENDMENT TO SECTION 141

SEC. 127. Section 141(b) of title 23 of the United States Code is amended by deleting "Federal-aid secondary system" and substituting in lieu thereof "Federal-aid small urban and rural system".

AMENDMENT OF SECTION 142

SEC. 128. Section 142 of title 23 of the United States Code is amended to read as follows:

"§ 142. Public transportation

"(a) To encourage the development, improvement, and use of public transportation systems, the Secretary may approve as a project that can be financed under this title, or the Urban Mass Transportation Act of 1964, as amended, the construction of exclusive or preferential bus lanes, highway traffic control devices, bus passenger loading areas and facilities (including shelters), and fringe and transportation corridor parking facilities to serve bus and other public transportation passengers. If fees are charged for the use of any parking facility constructed under this section, the rate thereof shall not be in excess of that required for maintenance and operation of the facility (including compensation to any person for operating the facility). The Secretary may also approve as such a project exclusive or preferential bus, truck, and emergency vehicle routes or lanes. Projects constructed under the previous sentence shall not be subject to the third sentence of section 109(b) of this title. Sums apportioned under sections 104(b) and 133 (a) shall be available to finance the cost of projects under this subsection.

"(b) The establishment of routes and schedules of such public transportation systems shall be based upon a continuing comprehensive transportation planning process carried on in accordance with section 134 of this title, and the Urban Mass Transportation Act of 1964.

"(c)(1) For all purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project.

"(2) Notwithstanding section 209(f)(1) of the Highway Revenue Act of 1956, the Highway Trust Fund shall be available for making expenditures to meet obligations resulting from projects authorized by subsection (a) of this section and such projects shall be subject to, and governed in accordance with, all provisions of this title applicable to projects financed from this title except to the extent determined inconsistent by the Secretary.

"(3) The Federal share payable on account of projects authorized by subsection (a) of this section shall be that provided in section 120 of this title.

"(d) In any case where sufficient land exists within the publicly acquired rights-of-way of any Federal-aid highway to accommodate needed rail or nonhighway public mass transportation facilities and where this can be accomplished without impairing automotive safety or future highway improvements, the Secretary may authorize a State to make such land and rights-of-way available without charge to a publicly owned transit authority for such purposes wherever he may deem that the public interest will be served thereby.

"(e) Funds available for expenditure to carry out the purposes of subsection (a) shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended.

"(f) In providing funds for public mass transportation projects under this title, the Secretary shall, to the maximum extent possible, provide that rules and regulations issued concerning the use of such funds for public mass transportation projects be the same as those issued pursuant to the Urban Mass Transportation Act of 1964. In complying with this section, the Secretary shall insure that projects for which funding is sought under this title comply with the following sections of the Urban Mass Transportation Act of 1964—

"(1) the third and fifth sentences of section 3(a)(1), relating to the use of Federal funds;

"(2) section 3(e), relating to the acquisition of privately owned facilities;

"(3) section 3(f), relating to the use of buses for charter operations;

"(4) section 3(g), relating to the use of buses for schoolbus operations;

"(5) sections 5(e) and 5(f), relating to the source of local funds used to match Federal funds for projects involving the payment of operating expenses;

"(6) section 5(k)(2), relating to projects where the source of non-Federal funds derives from more than one jurisdiction;

"(7) section 5(m) and section 108 of the National Mass Transportation Assistance Act of 1974, relating to the charging of fares for the elderly and handicapped;

"(8) section 5(n)(2), relating to the application of chapter 15 of title 5, United States Code, to nonsupervisory employees of federally aided mass transportation systems;

"(9) section 12(b), relating to contracts entered into by means other than competitive bidding;

"(10) section 12(d), relating to the powers of the Secretary to regulate the mode of operation of mass transportation facilities, but this provision shall not apply to the use of funds apportioned under this title for the payment of operating expenses;

"(11) section 13(c), relating to standards for labor;

"(12) section 15, relating to financial reporting systems; and

"(13) section 16, relating to the planning and design of facilities to meet the needs of the elderly and handicapped.".

AMENDMENT TO SECTION 144

SEC. 129. Section 144 of title 23 of the United States Code is amended by adding at the end thereof the following new subsection:

"(n) The Secretary shall not approve any project under this section to replace or rehabilitate a bridge to exceed the traffic carrying capacity of the road adjacent to the bridge. The preceding sentence shall not apply to bridge rehabilitation or reconstruction undertaken to provide bridge capacity for farm implements and vehicles used for the cultivation of land or trucks carrying agricultural products from farm to market.".

REPEAL OF SECTION 148

SEC. 130. Section 148 of title 23 of the United States Code, including the reference thereto in the analysis of such title, is repealed.

AMENDMENT OF SECTION 150

SEC. 131. Section 150 of title 23 of the United States Code is amended to read as follows:

"§ 150. Allocation of urban system funds

"(a) The funds apportioned to any State under section 104(b)(4) of this title which are attributable to an urbanized area having a population of fifty thousand or more shall be allocated among such urbanized areas within such State for projects in programs approved under section 105 of this title in the ratio that the population within each such urbanized area bears to the population of all such urbanized areas, or parts thereof within such State. In the expenditure of funds allocated under the preceding sentence, fair and equitable treatment shall be accorded incorporated municipalities of two hundred thousand or more population within urbanized areas. The funds apportioned to any State under section 133 of this title which are attributable to urban areas of more than five thousand but less than fifty thousand population within such State for projects in programs approved under section 105 of this title, shall be allocated in accordance with a fair and equitable formula developed by the State in consultation with local elected officials and approved by the Secretary.

"(b) Notwithstanding any contrary provision of this title the funds that would otherwise be apportioned to any State under section 104(b)(3) of this title on or after October 1, 1981, that are attributable to an urbanized area of two hundred thousand population or more shall be apportioned to the recipient or recipients jointly designated by the Governor and local elected officials of the urbanized area, to receive and disburse such funds. Expenditure of such funds shall be subject to all the requirements of this title, and where appropriate the Urban Mass Transportation Act of 1964, except that with regard to such funds the designated recipient shall have the responsibility and authority vested in the State by this title and must have adequate powers and be suitably equipped and organized to discharge the duties required by this section and demonstrate the capacity to administer the programs for which it is the designated recipient, to the satisfaction of the Secretary. Nothing in this section is intended to preclude the State from being a designated recipient if agreed to by the Governor and appropriate local elected officials.

"(c) Funds allocated to an urbanized area under the provisions of this section may, upon approval of the local elected officials of the area and the Secretary, be transferred to the allocation of another such urbanized area in the State or to the State for use in any urbanized area.".

AMENDMENTS TO SECTION 217

SEC. 132. Section 217 of title 23 of the United States Code is amended—

(1) by deleting subsection (a) and inserting in lieu thereof:

"(a) To encourage energy conservation and the multiple use of transportation rights-of-way including the development, improvement, and use of bicycle transportation and the development and improvement of pedestrian walkways for recreational and commuting purposes in urban areas, or to connect such areas with National, State, or local parks, seashores or recreational areas, the States and designated recipients may, as a Federal-aid project or in conjunction with other Federal-aid projects, construct new or improved bicycle lanes, either in conjunction with or on existing highway lanes or shoulders, or bicycle paths, traffic control devices, shelters and parking or support facilities designed and/or regulated to serve bicycles and persons using bicycles, and pedestrian walkways. Such projects shall be located and designed pursuant to an overall plan which will provide due consideration for safety and contiguous routes, and be in conformance with section 134 of this title.";

(2) in subsection (d), by inserting after "(d)" the following: "The Secretary shall establish by regulation, construction standards for bicycle projects to ensure that they have safe and adequate surface conditions, widths, sight distances and lighting, realistic design speeds, and grades reasonably negotiable on a bicycle."; and

(3) by deleting subsection (e), and inserting in lieu thereof:

"(e) The Secretary is authorized to make grants to States and designated recipients to achieve the purposes of this section on such terms and conditions he or she may require. To the extent that they are consistent with the purposes of this section, the provisions of chapter 1 of this title shall apply to such projects and grants. There is hereby authorized to be appropriated $45,000,000 per year for fiscal years 1980, 1981, 1982, and 1983 for these purposes.".

AMENDMENT TO SECTION 302

SEC. 133. (a) Section 302 of title 23 of the United States Code is amended—

(1) by deleting the section heading and substituting in lieu thereof:

"§ 302. State highway and transportation department";

and

(2) by inserting at the end thereof the following new subsection:

"(c) After October 1, 1981, any State desiring to avail itself of the benefits of this title or the Urban Mass Transportation Act of 1964, as amended, shall have a single State transportation agency, which shall have adequate powers and be suitably equipped and organized to discharge to the satisfaction of the Secretary the duties required by this title and the Urban Mass Transportation Act of 1964, as amended, as well as the authority for the development of multimodal transportation programs planning and policy generally in such State. After October 1, 1981, the provisions of subsections (a) and (b) of this section shall apply to such State transportation agencies.".

(b) The analysis of such title is amended by striking out:

"302. State highway department."

and inserting in lieu thereof:

"302. State highway and transportation departments.".

CONSOLIDATED PLANNING

SEC. 134. (a) In accordance with this section, the Secretary shall make grants to States and in urbanized areas, to planning organizations designated in accordance with the requirements of section 8 of the Urban Mass Transportation Act of 1964, as amended, and section 134 of title 23, United States Code, for projects for the development of transportation plans and programs required by such sections; and to make grants and contracts for activities eligible under section 8(j) of the Urban Mass Transportation Act of 1964, as amended. Grants under this section shall be from funds made available under section 4(f) of the Urban Mass Transportation Act of 1964 and section 104(f) and section 133(g) of title 23, United States Code.

(b) The Federal share of such projects under this section shall not exceed 80 per centum thereof unless the Secretary determines that the interests of the Federal program would be best served without matching funds. The Secretary shall designate for use in the States, 90 per centum of the funds available to carry out the purposes of this section in the ratio which each State's total apportionment of funds under section 4(f) of the Urban Mass Transportation Act of 1964 and section 104(f) and section 133(g) of title 23, United States Code, bears to the total of all such apportionments to all States, except that no State shall be designated less than one-half of 1 per centum of the amount apportioned. Funds not distributed by formula will be retained by the Secretary for use on a discretionary basis.

(c) The amount of funds designated for a State pursuant to the formula established under subsection (b) of this section that are attributable to an urbanized area of fifty thousand or more population shall be made available by the Secretary to the planning organization designated in accordance with the provisions of section 134 of title 23, United States Code, and section 8(b)(3) of the Urban Mass Transportation Act of 1964, as amended.

TITLE II—TERMINATION OF HIGHWAY TRUST FUND

TERMINATION

SEC. 201. Effective after September 30, 1980—

(1) the Highway Trust Fund is terminated and the amount in such Fund, including any obligations held in such Fund, shall be covered into the general fund of the Treasury;

(2) any outstanding appropriations from, or obligations of, such Trust Fund shall be paid from such general fund;

(3) any authorizations for appropriations to be made from such Trust Fund shall be considered to be authorizations for appropriations from such general fund; and

(4) section 209 of the Highway Revenue Act of 1956 is repealed.

HIGHWAY AND PUBLIC TRANSPORTATION IMPROVEMENT ACT OF 1979

FACT SHEET

The following is a summary of the major provisions of the bill:

1. Abolish the Highway Trust Fund—Effective September 30, 1980, the Highway Trust Fund would be eliminated. Federal gasoline and other user taxes that support the Fund would remain in place, but the revenues derived would flow into the general fund of the Treasury. Thus, funding levels for the revised transportation programs, approved under this Act, would be analyzed and set by the Congress through its authorization and appropriation process.

2. Consolidate Existing Programs—In the past few years, the number of federal aid highway programs has dramatically increased. The Weicker bill would consolidate this myriad of categorical aid programs into three basic programs: (1) Interstate, (2) Urban, (3) Rural.

3. Redistribute Transportation Funds—Funds would be distributed to the three major systems in the following manner:

(1) Interstate—the apportionment formula would remain the same.

(2) Urban System—each state would receive urban system funds based on a population factor. Cities over 150,000 in population would receive funds directly from the federal government. Thus, local officials will be given greater control over their programs.

(3) Rural System—the rural system funds would continue to be appropriated to a state on the basis of mileage, land area and population. However, the 1976 Federal Aid Highway Act inserted some urban construction into the rural road system and altered the apportionment formula to reflect this change.

Since the new rural system has no urban components, the Weicker bill would revert back to the pre-1976 formula for distributing rural system monies.

4. Equalize Funding Ratios—Under existing law, the federal-state formulas for funding transportation programs widely differ (i.e., Interstate 90–10; Urban and Rural System 70–30). In order to eliminate any bias that this imposes on local officials, all transportation funding under this Act will be 90 percent federal, 10 percent state and local.

5. Provide Flexible Use of Funds—Under present law, the Interstate System has the principle of flexibility built into the program. Through the use of the Interstate Transfer mechanism, states and cities may turn back unwanted Interstate construction funds and draw an equivalent amount from general revenues for mass transit.

Funds authorized for the Urban and Rural Systems would be available to states and cities for either highway construction and maintenance, or for mass transit construction, maintenance and operating assistance. Thus, state and local officials would have a wide range of options to choose from in deciding how best to meet their own transportation needs.

6. Institute Statewide Transportation Planning—Under current law there is no requirement for states to develop comprehensive transportation plans. Such plans are, however, required for urbanized areas. The bill sets up a statewide transportation planning mechanism, to be administered by a single state agency with jurisdiction over all state transportation programs. The governor would be required to develop rural aspects of the

plan and incorporate plans formulated by urban areas into his statewide plan. Under the bill, urban areas would retain control of their own planning.

The plans would have to reflect federal and state priorities in energy conservation, urban development, environmental concerns and safety factors. The Secretary of Transportation and the state legislature each exercise approval power over the plans. The Secretary's disapproval of any plan may be subjected to court review.

Once the state plan has final approval, the governor would submit for the Secretary's approval a program of projects to receive federal funding. To win that approval, the projects would have to give priority to fixed-guideway and electric-powered projects—mass transit—in areas failing to meet ambient air quality standards. The bill also requires that state plans must emphasize reconstruction of unsafe rural-system highways, safety projects, access to public airports and port facilities and energy-saving projects.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER FOR CONSIDERATION OF THE RECLAMATION REFORM ACT (S. 14) TOMORROW; FOLLOWED BY THE CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the orders for the recognition of the two leaders or their designees have been consummated on tomorrow, the Senate then turn to the consideration of the reclamation bill, S. 14, and that the second concurrent budget resolution follow upon the disposition of S. 14.

Mr. BAKER. Mr. President, reserving the right to object, and I do not intend to object, I wish to inquire of the majority leader if it is his intention to continue with the consideration of S. 14, until that measure is completed by the Senate.

Mr. ROBERT C. BYRD. Yes. That would be my intention.

S. 14 is under a time agreement. There are a good many amendments, I am told, that may be called up. It is conceivable that the Senate would be in fairly late tomorrow working on that bill and might have to continue on with that piece of legislation on Friday.

It would be my intention that that bill be disposed of this week and that the Senate proceed to the consideration of the second concurrent budget resolution no later than Monday.

Mr. BAKER. Mr. President, I thank the majority leader for answering that question.

As he knows, I believe there are Members on this side who are anxious to see S. 14, once laid down, disposed of without interruption, and that was the reason for the reservation.

Mr. President, I have no objection.

Mr. ROBERT C. BYRD. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TO 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:15 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 10:15 a.m.

After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of S. 14, and that measure is under a time agreement. There will be rollcall votes on amendments and motions in relation to that bill. Mr. CHURCH and Mr. HATFIELD will be managing the bill.

On the disposition of that measure, the Senate will then turn to the consideration of the second concurrent budget resolution, which I am sure will not be tomorrow, which could be Friday, which could be Saturday, but under my understanding, as I stated to the distinguished minority leader the intent of the leadership, the second concurrent budget resolution would not be any later than Monday insofar as its being taken up is concerned.

Mr. President, I should remind Senators that tomorrow afternoon at 2:30 there will be a picture taken of the Senate. Members, I think, have been informed that they are to be here at 2:30. I hope the full membership of the Senate will be present for that picture, which is being taken by the National Geographic Society for the Capitol Historical Society.

RECESS UNTIL 10:15 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10:15 a.m. tomorrow.

The motion was agreed to; and at 6:18 p.m. the Senate recessed until tomorrow, Thursday, September 13, 1979, at 10:15 a.m.

NOMINATION

Executive nomination received by the Senate September 12, 1979:

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Reubin O'D. Askew, of Florida, to be Special Representative for Trade Negotiations, with the rank of Ambassador Extraordinary and Plenipotentiary, vice Robert S. Strauss, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 12, 1979:

FEDERAL HOME LOAN BANK BOARD

Jay Janis, of Florida, to be a Member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1981.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Moon Landrieu, of Louisiana, to be Secretary of Housing and Urban Development.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, September 12, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will lift up my eyes to the hills. From whence does my help come? My help comes from the Lord, who made heaven and earth.—Psalms 121: 1, 2.

Gracious Father in heaven, we pray that Your providence will guide our Nation and lead us in the way of righteousness and honor.

We confess, O Lord, that we try too often to face the anxieties and difficulties of life by ourselves and deny the power and the assurance that Your presence can give. We lift our spirits and open our hearts to You, O God, in the sure and certain knowledge that Your abundant strength will be with us wherever we are or whatever our need. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2774) entitled "An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1019) entitled "An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1125. An act to improve and expand the Federal crop insurance programs, and for other purposes.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

IN MEMORY OF FREDERICK C. SCHREIBER

(Mr. RICHMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHMOND. Mr. Speaker, last Wednesday evening, September 5, a good friend of mine, and many other Members of Congress, died in New York City.

Fred Schreiber was the executive secretary and past president of the National Association for the Deaf. It was my pleasure to work with Mr. Schreiber on many pieces of legislation concerning the deaf community.

Of all the outstanding individuals who represent the handicapped community, Fred Schreiber was certainly one of the finest. His compassion, courage, and leadership gave the deaf community a man to admire and follow.

In 1966, Fred Schreiber became the first executive secretary of the National Association for the Deaf. At this time he began to develop the 84-year-old organization from a fledgling, politically unsound and generally haphazard, voluntary organization into a professional, fully staffed, highly respected, politically savvy organization which has helped and will continue to help tens of thousands of hearing-impaired Americans.

It was Mr. Schreiber's dream to help the deaf community realize its full potential in American society and have those individuals take their place alongside all other Americans in contributing to our great Nation. In this respect he was partially successful.

I join millions of individuals in mourning the loss of this outstanding leader. He will be sorely missed and hard to replace at a time when it is difficult to convince the general population that the deaf community deserves the attention and assistance of all Americans.

IMPOSITION OF VALUE-ADDED TAX IS DISRUPTIVE

(Mr. CONABLE asked and was given permission to address the House for 1 minute today and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, two of the most potent Members of this Congress, in terms of tax-writing obligations and responsibilities have, during the past 24 hours, strongly advocated a value-added tax at a significant level. This additional tax, in my view, unless it is a substitute for other types of unpopular taxation, could result in a great centralization of taxation in this country. It would be regressive, a hidden tax of some magnitude. It would be disruptive of the Federal system.

I personally strongly oppose it. I feel that the Members should be thinking, however, because of the seriousness of the recommendations that have been made, about the implications of the imposition of such tax. I have requested a special order today for the purpose of discussing it further. I hope the Members will participate in this special order and give us the benefit of their views and that we will begin to get the American people thinking about the implications of the imposition of a value-added tax and not only the advantages, but some of the disadvantages that attend it.

OWNING UP TO INFLATION

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, it has often been said that victory has many fathers and that necessity is the mother of invention. But rarely have the two come together so clearly as in the quote attributed to the distinguished senior Senator from Massachusetts yesterday as he reconstituted his position vis-a-vis the 1980 Democratic Presidential nomination.

According to the Washington Post, the would-be candidate, in explaining his rationale, said that—

> The shortage of home heating oil, the continuing inflation, the danger of recession—all problems not of my making—are the issues.

He then added—

> People are interested in a resolution of these problems, and that is what is hurting.

How interesting. With Congress having voted $255.5 billion in budget deficits since 1974, with the money supply having increased 31 percent since that time, and with inflation running at 13.4 percent, one cannot help but be reminded of those old adages. After all, it is the Democrats who have controlled Congress during that time and it is Congress, rather than the President, that has to approve spending programs.

WHEN WILL WE LEARN?

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, yesterday, a subcommittee of the Committee on Appropriations voted to approve the spending of some $9 million for the new Marxist, or as we used to say, Communist Government of Nicaragua. They did so in the forlorn hope, as expressed by the State Department, that it will in some way turn this new government away from Cuba and the Soviet Union, their allies, and perhaps toward the United States. Waiting in the wings, we are told, is a $100 million-plus foreign aid request for this country.

Even last week, as we voted on the issue of limiting aid to Nicaragua without congressional approval, at that very moment one of the top officials of the new government was denouncing the United States at the nonalined conference in Havana, Cuba.

I do not know when we will ever learn our lesson about communism, but they used to say about Fidel Castro, that he got his job through the New York Times. Perhaps the new Sandinistas will stay in power through the mistaken majority of the Congress of the United States.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Based on all the stunning successes of the State Department in the past, does the gentleman not think we ought to at least give them a little bit of leeway?

Mr. BAUMAN. They are at least consistent in their disastrous policies.

DEPARTMENT OF DEFENSE AUTHORIZATIONS, 1980

Mr. STRATTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4040) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. STRATTON).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 2, not voting 69, as follows:

[Roll No. 459]

YEAS—363

Abdnor
Addabbo
Akaka
Alboeta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bellenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Bredemas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carr
Cavanaugh
Chappell
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Deckard
Derrick
Devine
Dickinson
Dicks
Dornelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—2

Harkin
Lloyd

NOT VOTING—69

Ambro
Anderson, Ill.
Applegate
Bafalis
Baldus
Barnes
Biaggi
Bingham
Burton, John
Byron
Carter
Cheney
Chisholm
Conyers
Cotter
Coughlin
D'Amours
Daschle
Davis, S.C.
de la Garza
Delluma
Derwinski
Diggs
Dingell
Dixon
Dodd
Dougherty
Flood
Ford, Mich.
Ford, Tenn.
Garcia
Gibbons
Goldwater
Goodling
Hall, Ohio
Hall, Tex.
Heckler
Ichord
Jeffords
Johnson, Colo.
Kostmayer
Kramer
Lewis
Lundine
McClory
Mitchell, Md.
Moakley
Murphy, N.Y.
Nolan
Pepper
Preyer
Pritchard
Puseell
Ratchford
Rosenthal
Roybal
Runnels
Sabo
Santini
Stack
Stump
Traxler
Vander Jagt
Waxman
Weaver
Williams, Ohio
Wilson, Tex.
Wylie
Young, Alaska

□ 1020

So the motion was agreed to.

The result of the vote was announced as above recorded.

□ 1030

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4040, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule the gentleman from Illinois (Mr. PRICE) will be recognized for 1½ hours, the gentleman from California (Mr. BOB WILSON) will be recognized for 1½ hours, and thereafter a Member opposed to the provisions of section 812 of the bill will be recognized for 30 minutes and a Member in favor of the provisions of section 812 of the bill will be recognized for 30 minutes.

The Chair recognized the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, by the direction of the Committee on Armed Services, I bring to the floor today H.R. 4040, the Department of Defense Authorization Act for fiscal year 1980. This bill authorizes procurement of major weapon systems, all research, development, test, and evaluation for the Department of Defense, civil defense programs, active and reserve personnel strengths of the military services, and the civilian strength of the Department of Defense.

In addition, as we all know, the bill contains a general provision calling for registration under Selective Service beginning in 1981.

Members will have an opportunity to discuss this provision during the first 3 hours of general debate but, in addition, the rule provides for 1 hour of general debate solely on the issue of registration. I would like to inform the House that immediately following the close of general debate when the Committee of the Whole goes under the 5-minute rule, I intend to make a unanimous consent request to change the order of procedure so that amendments to sections 812–815, the sections having to do with Selective Service registration, would be the first order of business under the 5-minute rule. If my request is approved, we would dispose of the registration issue first and then consider the remainder of the bill by title as provided in the rule.

Of course, if anyone objects, we will not be able to do that. But I am going to make the request because I think it would allow for a more orderly, better focused debate and save time in considering this important legislation.

The distinguished chairman of our Military Personnel Subcommittee, Mr. WHITE, will address the purpose of the registration provision in detail. I would just like to make this brief point concerning the provision:

It requires only registration beginning in January 1981 and only for males who become 18 after that date. It does not provide for a return to the draft. Any return to the draft would require additional legislative action by the Congress. It is on that basis that I supported the provision myself. It does not even require classification; only registration. The Selective Service System is part of the machinery we need to be ready for mobilization in an emergency and the provision is designed to improve the readiness of the system.

Mr. THOMPSON. Mr. Chairman, would the gentleman yield briefly?

Mr. PRICE. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

I concede, Mr. Chairman, the possible need for registration for any eventuality. I wonder, however, if the legislative history cannot show that young men and young women with conscientious objections to any military service might at the time of registration have the right to serve notice that in the event of military draft, they would not have to bear arms

but might be available for alternate service.

Mr. PRICE. I think the matter of conscientious objection is covered, because the law on such exemptions is not changed, and the bill only provides for registration, but I have asked the chairman of the subcommittee to explain that provision.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

As I understand, the gentleman's question was whether at the time of registration a person could state that he does not wish to bear arms and that alternate service could be afforded.

Mr. THOMPSON. Yes.

Mr. WHITE. Of course, this particular bill only calls for registration of 18-year-olds. It does not call for classification. The classification procedures would at a future date take care of the question of conscientious objection.

Mr. THOMPSON. If the gentleman from Illinois would yield further, implicit in registration is the distinct possibility of a classification system and again in the possibility of military service. The members of the Society of Friends, Quakers, and other faiths have scruples and religious beliefs which prohibit them from serving. They were called in notwithstanding that during the adventure in Southeast Asia. I am interested in their future protection because the law is very clear on this point and I intend to put in the record a statement of the history of the law. One does not even have to believe in God to say that he or she does not believe in armed service and, therefore, is exempt from it. I just think it would be marvelous if we could establish the right of a potential registrant to serve notice at the time of registration that, in the event of classification the individual would request and by virtue of the request be entitled to a conscientious objector's status. I think then I could vote for registration; otherwise I cannot.

Mr. WHITE. If the gentleman would yield further, may I invite the gentleman to develop a bill that will define what he is talking about. The committee will consider it. Otherwise, I would imagine it would be a germane amendment to provide that at the time of registration where a person could state or declare that he is a conscientious objector. There is no mechanism set up to make that determination now in this bill, but we can certainly accommodate the gentleman if he would mention it.

Mr. THOMPSON. I would like the availability of conscientious objector status to the registrant to be a part of the legislative history because, if this bill passes, registration is going to be a fait accompli. I just wanted to establish some legislative history on this subject.

Mr. WHITE. Certainly I think it might be germane to make a declaration that one is a conscientious objector. We do not have the process or mechanism set up. I do not see any problem with that.

Mr. THOMPSON. I thank the gentleman very much.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

Mr. Chairman, I would like to verify once more, it is the gentleman's intention in asking for his unanimous-consent request that sections 812 through section 815—all four of those sections—be included in the unanimous-consent request insofar as registration is concerned?

Mr. PRICE. That is right.

Mr. CHARLES H. WILSON of California. I think they cover some parts of it in four different sections, 812 through 815.

Mr. PRICE. That is right.

Mr. CHARLES H. WILSON of California. It is only those parts of title VIII that the gentleman will ask this for, and any other amendment to title VIII will come in its regular sequence along with the rest of the amendments to the bill.

Mr. PRICE. The gentleman stated the situation correctly.

Mr. CHARLES H. WILSON of California. I thank the gentleman very much.

Mr. PRICE. Mr. Chairman, the section of law that requires this authorization legislation, section 138 of title 10 of the United States Code, provides that "no funds may be appropriated for any fiscal year to or for the use of any Armed Forces or obligated or expended" for procurement and R.D.T. & E. unless such funds have been specifically authorized by law. Thus, an authorization bill like H.R. 4040 is absolutely necessary before funds can be obligated or expended for procurement of weapon systems and research and development in the Department of Defense.

The bill before you provides $42.1 billion in authorizations for procurement, R.D.T. & E., and civil defense programs of the Department of Defense for the year beginning October 1. This amount is $1.98 billion above the total requested by the President. However, I shall introduce an amendment to reduce the total by $725 million for reasons which I shall explain. That will leave the bill approximately $1.3 billion above the request of the President.

The bill was approved in the committee by a vote of 36 to 2. So, on balance, it represents the overwhelming consensus of the committee and it was passed only after the most extensive hearings running from the first week in February to the first week in May, and involving six subcommittees and the full committee. In all, the committee had 150 hearing sessions.

Mr. Chairman, the bill was reported on May 15 and the committee report has been available to the Members for some time. I will not, therefore, take excessive time to discuss all the details of this very comprehensive legislation.

I would like particularly to address myself to two aspects of the bill: The reason it is higher than the President's budget, and the changes of a substantial nature made by the committee in the administration's request.

INCREASE ABOVE THE PRESIDENT'S BUDGET

The committee has worked its will on this legislation and made numerous additions and deletions. However, on balance, the difference in cost is largely related to two factors.

Let me explain first that I shall offer an amendment to delete $725 million from the bill. This was the cost of two of the four destroyers which became available for procurement following cancellations by the Government of Iran. Originally, our committee proposed procurement of two of those destroyers in fiscal year 1979, and the two which are included in this bill for fiscal year 1980 in the amount of $725 million. Subsequent to the time the committee reported this bill, the Congress passed the conference report on the fiscal year 1979 supplemental authorization and followed the recommendation of the Senate to include all four of the Iranian destroyers in that bill. Therefore, the $725 million is no longer required in this legislation and I shall make a motion to reduce the naval vessel account accordingly.

Two areas, both related to the Navy, account for the remaining difference, $1.3 billion, between the bill and the President's request.

The first is that the committee approved a nuclear-power aircraft carrier (CVN-71) instead of the conventional carrier proposed by the President. This recommendation results in an increase of $476.9 million above the President's request.

The second is the category of aircraft for the Navy where the committee found that the procurement rate had been arbitrarily reduced. The number of aircraft proposed to be procured for the Navy in fiscal year 1980 (103) was actually less than the Navy lost through attrition last year (107). In addition, the committee found that reducing the procurement rate would have led to uneconomical production, raising the unit cost of aircraft substantially.

The committee, therefore, increased the Navy aircraft procurement authorization by $702 million. As can be seen, this increase for Navy aircraft, plus the increase for the nuclear aircraft carrier, make up most of the difference between the bill and the President's request.

Most of the increased authorization for Navy aircraft relates to the F-14 and the F-18 where the committee has recommended authorization for procurement at the level dictated by Congress last year. That is, 36 F-14's and 30 F-18's. The administration had arbitrarily proposed reducing these procurements to 24 and 15, respectively. In the case of the F-14 alone, increasing the number of aircraft procured from 24 to 36 will decrease the unit flyaway cost by $3 million and over the life of the pro-

gram will result in savings of $686 million.

The distinguished chairman of our Seapower Subcommittee, the gentleman from Florida (Mr. BENNETT) will explain during the course of this debate the results of the detailed analysis which led the committee to conclude that a nuclear powered rather than a conventionally powered aircraft carrier should be included in the bill.

I simply want to say to the House that the Committee on Armed Services was very much aware that only a year ago the President vetoed a bill which contained a nuclear carrier and that the House sustained the President's veto. The committee does not take the President's recommendations lightly.

But a majority believed, on balance, that they had to vote for the more combat-capable nuclear ship.

MAJOR CHANGES

Lastly, I would like to review some of the major changes made by the committee to the request submitted by the administration.

In title II of the bill, covering R.D.T. & E., the committee, on its own initiative, included some important provisions. It added $180 million to continue full-scale engineering development of the AV-8B Harrier vertical and short takeoff and landing (V/STOL) airplane for the Marine Corps. Though the administration did not ask for the airplane, the Marine Corps Commandant listed it as one of his highest priorities.

The committee also included $100 million to continue development of the prototype surface-effect ship, designed for multimission applications—the most promising being antisubmarine warfare—and added $30 million to initiate a comprehensive flight demonstration between the strategic weapons launcher (a low-cost variant of the B-1) and the advanced medium STOL transport (AMST) to examine the utility of these aircraft as cruise missile carriers.

The bill contains language expressing the sense of Congress as regards the maintenance of a land-based ICBM and the development of the basing mode for the MX missile. However, similar language has been enacted as a provision of the fiscal year 1979 supplemental authorization and therefore is no longer necessary in the present bill. At the appropriate time, I shall offer a motion to delete that language.

The distinguished chairman of the R. & D. Subcommittee, the gentleman from Missouri (Mr. ICHORD), will explain in the course of this debate the thrust of the committee's action in the important R. & D. area. Mr. ICHORD's subcommittee held exhaustive hearings reviewing some 3,000 R. & D. projects.

In addition to the naval aircraft I briefly mentioned, the F-14 and F-18, the committee added authorization for procurement of aircraft not requested. These include $22.5 million for procurement of 20 C-12A aircraft and $68 million for procurement of 38 AH-1S attack helicopters for the Army; $81.2 million for procurement of 5 C-9B transport aircraft for the Navy; $79.7 million for procurement of 8 C-130H tactical airlift planes, $135.5 million for 12 A-7 attack aircraft for the Air Force.

The committee also added $57 million for the Infantry Fighting Vehicle program for the Army.

In a decision which I personally opposed, the committee voted to delete the authorization of $296.9 million for the Army's Roland missile, with the intent to terminate the program.

The President's request for offensive avionics and cruise missile integration work for the B-52 bombers was approved. But the committee included language requiring the Secretary of Defense to study the report to the Congress on the uncertainties of using the B-52 as a cruise missile carrier over the next decade, as well as the overall importance of penetration capability for strategic aircraft and the options available for maintaining such capability over the next decade.

The committee added one SSN-688 attack submarine, but deleted modification of one guided-missile destroyer (DDG-2) for a net increase in authorization of $148.7 million. The committee also added $41 million for long-lead procurement of an LSD-41 amphibious ship.

The committee rejected, as the Congress has in the past, proposals for reduction of 38,100 personnel in the Naval Reserve. The Naval Reserve will continue at its current strength of 87,000.

The committee added 1,150 spaces to the civilian authorization and included some important general provisions to begin improving the pay structure for military physicians. This is just the beginning of an effort by the committee to solve the critical problem of retention of health professionals in the Armed Forces. The distinguished chairman of our Military Compensation Subcommittee, the gentleman from Alabama (Mr. NICHOLS) whose subcommittee has worked so hard on this issue, will discuss the legislative provisions in more detail.

While I have focused attention on the changes made by the committee, it should be remembered that the overwhelming portion of the bill provides for authorization of programs requested by the administration. These include the UH-6A helicopter for the Army; the A-6E, the E-6B, the P-3C, and the E-2C for the Navy; the A-10, the F-15, the F-16, the E-3A, and the KC-10 aircraft for the Air Force.

The bill also provides a Trident submarine, a guided missile destroyer, and six guided missile frigates requested for the Navy.

The bill likewise contains a variety of important missile programs requested, including the Chaparral and the general support rocket system for the Army; the Sparrow, Sidewinder, Phoenix, Harpoon, Harm, and Standard missile for the Navy; and the Sidewinder, Sparrow, and air-launched cruise missile for the Air Force.

The bill includes the funds requested for the XM-1, the much needed new tank for the Army.

Most of the procurement and R. & D. programs authorized in the bill are ongoing programs approved at the level requested by the administration.

Mr. Chairman, I want to limit my own time because many Members wish to be heard today. I would, however, ask you to be aware that there is a more powerful potential adversary facing us today than at any time in our history. If arms control agreements are to have any lasting effect, it is necessary for us to demonstrate to that potential adversary that we will maintain the forces—and the will—necessary to defend our interests. This bill helps provide the means to make that demonstration.

It is a large and complex bill for a large and critical purpose—the maintenance of our national security in the decade ahead. I ask the Members of the House to support the bill.

□ 1040

Mr. BOB WILSON. Mr. Chairman, I yield myself such time as I may consume.

First of all, this bill is to be distinguished from the supplemental authorization bill that was earlier passed by the House and Senate and was signed into law on June 27.

Last year, Mr. Chairman, when we finally finished the appropriations bill, it was based on an authorization bill like the one we have before us today and it turned out that that appropriations bill was the largest defense appropriations bill that Congress had ever enacted in the history of our Nation in either peace or in war. That amount was $117.3 billion. The bill before us today, in many ways, covers the same territory and the same jurisdiction. It will form the basis of the appropriations bill that will probably run some $7 to $10 billion more than the bill last year. That increase does not represent a great deal except inflation and the rise and fall of various weapons systems that vary in amount from year to year.

By any consideration, this is a massive bill for fiscal year 1980 and covers all major phases of our worldwide military programs and touches on substantial portions of all our weapons systems including ships, aircraft, missiles, and all other procurement for the military services.

Increasing Soviet military capability has raised serious questions about the ability of the United States to successfully defend against a major conventional attack against NATO. Soviet naval developments which have not been offset by the U.S. Navy raise serious questions about our ability to operate in the eastern Mediterranean or the western Pacific in support of our friends and allies.

During the debate on this bill, much will be made about the fact that the committee recommends slightly larger expenditures and different priorities than those recommended by President Carter. In years past, it has been argued that the committee has simply acted as a rubber stamp with regard to the President's recommendations. Today, you will have the argument that the committee failed to rubberstamp the President's programs.

Much will be made about the fact that the committee added a nuclear aircraft carrier not requested by the President—an aircraft carrier which costs $2.1 billion. This repeat recommendation for an additional nuclear carrier comes after two major studies in the Department of Defense—one ordered by the Congress in 1977 and one on naval force levels and naval aircraft platforms. These studies show that the large carrier is the most desirable option and that in wartime it would be the most survivable and would generate the most combat sorties.

The Navy's requirement for an additional aircraft carrier is not in dispute except in the additional views of two of our Armed Services Committee colleagues that begins on page 179 of the committee's report on H.R. 4040. The additional views include the following statement:

> The committee has again authorized a large nuclear aircraft carrier despite clear evidence that life-cycle costs of this ship will exceed that of the CVN by at least $6 billion, and despite the lack of requirement for a new aircraft carrier of any type.

This language was included in the additional views despite the fact that the President requested in his fiscal year 1980 budget an oil-fueled aircraft carrier of about 60,000 tons and identified as a CVV at an estimated cost of $1.6 billion. The committee's recommendation, therefore, calls for an increase of $476.9 million over the President's dollar request for the aircraft carrier.

I would point out to my colleagues who want a conventionally powered carrier that as of June 26, 1979, Pentagon spokesman William Caldwell noted that while all branches of the military have had enough petroleum in the form of gasoline, diesel fuel, and other fuels to provide necessary training and preparedness, "we are running into shortfalls worldwide." Caldwell estimated that the military, which normally uses 460,000 barrels of petroleum products each day, is experiencing an energy shortage of 10 to 12 percent. To meet this shortage, the Pentagon, in an extremely rare move, has dipped into its strategically placed petroleum stockpiles or war reserves.

It is interesting to note that even those who argue that we should move toward smaller oil-fired carriers in the future—except for our two colleagues quoted earlier—concede the requirements for a mixed force containing 12 large carriers. But to have 12 large carriers in the future require the building of one more large carrier such as that which would be authorized in H.R. 4040. This mix of 12 large carriers, complemented by guided missile cruisers, by F-14 interceptors, by modern destroyers, and by attack submarines is the minimum necessary if the U.S. fleet is to retain what the Chief of Naval Operations consider to be only a "slim margin" of superiority over the Soviet Navy. The "slim margin" of superiority today would permit open sealanes only as far as Hawaii in the Pacific during the conflict with the Soviet Union. Shipping to NATO and allied naval units would suffer serious losses in the Atlantic.

The "slim margin" of superiority is becoming slimmer each month, with the new production of Backfire bombers and the launching of more and more Soviet warships and submarines. If current trends continue, the balance will tip substantially in favor of the Soviets.

Statements are frequently made to the effect that we have a rough equivalence in military power with the Soviet Union and that, therefore, we do not have to build expensive new weapon systems. It may be true that we have a rough equivalence now; however, what is important is the trend of developments. It takes 7 to 10 years, or longer, to develop and deploy a new weapon system. Therefore, it takes a long time to reverse a trend. This bill would simply make a minimum effort to try to continue what we, hopefully, started last year in reversing the trend of the last decade that has seen the Soviets go from a position of inferiority to one of rough equivalence in a few cases and superiority in several cases.

There was substantial agreement among the witnesses before our committee that if the present trend continues; that is, if the present momentum of Soviet strategic and conventional developments continues without some matching response from the United States, the Soviets will achieve complete military superiority within a decade. For example, when Gen. Bernard Rogers, Army Chief of Staff, was asked about the relative strength in conventional warfare capability of the United States as compared to the Soviet Union's, the following exchange of testimony took place:

> Question.
>
> Are you telling me the Soviet Union is militarily stronger than us: is that what you are saying?
>
> General ROGERS. Yes, that is what we are saying.

The purpose of this bill then is to assure that we will retain our deterrent capability in the future.

I think this committee should be aware that this bill is a result of a great deal of study and effort by the Committee on Armed Services. The committee logged a total of 129 hearing sessions, including 6 tedious markup sessions of the full committee, on the bill.

I also think this committee should note that while much attention is given to the changes made by the committee, the committee has, in fact, approved the vast majority of new aircraft, missiles, ships, tanks, and research and development projects requested by the President. In virtually all cases where the committee has made changes it is because we felt it would significantly enhance the combat power and readiness of the U.S. forces or that it would allow for an economically more efficient procurement. To have accepted the reduced procurement rates for the F-14 and F-18 aircraft, as proposed by the administration's request, would have resulted in increased costs over the life of the programs approaching $1 billion. The committee did not see any sense in such an approach when the Defense Department agreed that the total long-term buy of aircraft was not going to change.

Moreover, for the first time since the days of Orville Wright, as one witness before the committee put it, the Navy's aircraft budget request did not contain enough aircraft to replace those that are going out of the inventory by way of attrition. This is a despicable condition the committee could not ignore.

Conversely, the committee made reductions in programs which it believed too costly for the expected performance. For this reason, the committee deleted authorization for the Roland Air Defense System, which I personally voted to keep in, and the Pershing IA missile system.

Mr. Chairman, this is a large bill with many diverse items and, naturally, not everyone agreed with all the committee's actions on all items. As I mentioned before, I personally do not agree with all of the committee's actions. In some cases, I am concerned that our cuts were too severe. But the legislative process is a compromise, and I think the committee has worked exceptionally hard on this legislation and has come up with the best bill possible under the circumstances.

I think the bill provides what is necessary for our national security now, but more important, what is necessary to provide for our national security in the future.

I will close, Mr. Chairman, by reading a poem—often quoted by the late, great chairman of the Armed Services Committee, Mendel Rivers, when discussing national defense. The name of the poem is "The Bridge-Builder" and to me it contains a lesson about the things that we need to do today in order to protect those who will come after us in this great Nation.

THE BRIDGE-BUILDER

An old man going along a lone highway
Came at the evening, cold and gray,
To a chasm vast and wide and steep,
With waters rolling cold and deep.
The old man crossed in the twilight dim,
The sullen stream had no fears for him;
But he turned when safe on the other side,
And began a bridge to span the tide.

"Old man," said a fellow pilgrim near,
"You are wasting your strength with building here.
Your journey will end with the ending day,
You never again will pass this way.
You've crossed the chasm, deep and wide,
Why build you this bridge at eventide?"

The builder lifted his old gray head:
"Good friend, in the path I have come," he said,
"There followeth after me to-day
A youth whose feet must pass this way.
The chasm that was as naught to me
To that fair-haired youth may a pitfall be;
He, too, must cross in the twilight dim—
Good friend, I am building this bridge for him."

Mr. Chairman, I urge the support of every Member for this authorization bill.

□ 1050

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I rise in strong support of this bill to authorize appropriations of $41.4 billion for major procurement items and research and development for the Department of De-

fense. This bill is an increase of $4.2 billion, or some 11 percent, over the amount authorized last year. This may seem to be an excessive increase in light of the tight fiscal limitations we face today but two key factors must be considered in reviewing this bill.

First, inflation is running some 9 to 10 percent over last year and even more; unfortunately this impacts on the purchase price of weapons systems and components as much as any other goods, or anything else we need to obtain, and thus must be funded.

Second, this bill essentially continues to provide funding for the major procurement programs which have been under development for the past 4 years and are now entering their major acquisition phase.

Of the total procurement authorization of $27.9 billion, one-half of this amount, some $13.5 billion, is for the continued modernization of our tactical aircraft inventory. These funds will continue the purchase of ongoing aircraft programs such as the A–10, the F–16, and F–18.

Some $4.8 billion will continue the procurement of our strategic and tactical missiles such as the Navy's Trident I missile, the Air Force's cruise missile and the first year's buy of the Army's Patriot air defense system.

The Army's tank and combat vehicle program will require $1.8 billion for the purchase of the XM–1, infantry fighting vehicles, and other tracked artillery.

The authorization of $6.8 billion for naval vessels essentially rounds out the total procurement request of $27.9 billion. This $6.8 billion is an increase of $1.7 billion from last year's appropriation of $5.1 billion and some $0.6 billion more than the President's request for fiscal year 1980. It is this $6.8 billion for naval vessels that I would like to put in perspective as the House examines this authorization bill.

Why a Navy? In these days of much controversy and discussion about SALT II, it is easy to assume a pattern of thinking in which nuclear, or strategic, warfare is the only dominant issue. Our strategic forces—the land-based intercontinental ballistic missiles, the sea-based submarine-launched ballistic missiles, and our bomber forces—are essential to deter an enemy from a nuclear attack by being able to survive an enemy attack with enough nuclear weapons left over that would inflict an unacceptable level of damage on that enemy after its first strike. These forces, which we call our "Strategic Triad," consume 8 percent or some $11 billion in fiscal year 1980, of our annual defense expenditures. They are an absolute necessity to deter or prevent nuclear war, but these expenditures do not win conventional wars, they only prevent nuclear wars, hopefully.

Only by keeping a strong conventional warfighting capability can we keep the barrier to nuclear warfare at a high level. Since we reject an immediate nuclear response as the sole policy on which to base the planning and use of our forces, we and our allies must have strong conventional forces. If war should come, all mankind should hope it will not be nuclear: this is the continuing policy of the United States.

The fundamental goal of our national defense policy is to protect our wellbeing as a nation. To survive, to prosper, to protect our traditions, we need political as well as military allies, trading partners, access to raw materials and supplies of energy. We must remember a significant part of our strategic materials consumed annually by U.S. industry is provided by sea imports: 86 percent of our aluminum, 91 percent of our chromium, 96 percent of our cobalt, 98 percent of manganese, 87 percent of tin, 68 percent of tungsten, and 63 percent of zinc, for example.

□ 1100

As a result of these needs, it is a necessity to maintain freedom of the seas and international airspace and insure our capability to affect events and protect our interests throughout the world.

These principles, coupled with the policy of avoiding if possible an immediate nuclear weapon response to a war situation, call for a strong, conventional military force.

In designing our general purpose forces, what must concern us first and foremost is the heavy concentration of Soviet forces in Eastern Europe and the western U.S.S.R. Those forces represent a direct and growing threat to the security of Western Europe, on both the central front and the flanks. They are essentially the most serious nonnuclear threat that could confront us in the foreseeable future. This is not to rule out, however, lesser threats or crises in such sensitive areas as the Middle East, the Persian Gulf, and the Korean peninsula.

Our general purpose forces, consisting of ground, air, and naval units, must be prepared to carry the war to the enemy wherever he may be. To do this we must regard maritime superiority as a basic objective of national strategy, for without it our ability to influence events outside the United States is very dangerously limited. The fundamental fact is that control of the seas in the sense of the areas we need is absolutely essential for the survival of the United States.

I must stress that maritime superiority does not mean we must control all the ocean expanses simultaneously. It does mean that we must control for unrestricted passage those areas which we need in time of war. What this comes down to is that our naval forces must be capable of protecting the critical waters around the Eurasian periphery where they are economically vital to the sea lines of communication through the Atlantic, Pacific, and Indian Oceans. If we cannot protect these key areas, we cannot win a war nor insure our national interests in peace.

The Navy is the critical link in any reinforcement and resupply of United States and allied forces in any combat situation throughout the world. In addition to this absolutely critical role of insuring reinforcement and resupply of our forces throughout the world, we have the fact that the Navy must be able to defeat any enemy which might attempt to deny in any war the use of the needed sea areas and, when necessary, to project power against the enemy's heartland.

To accomplish these missions, the Navy currently maintains a fleet of 12 aircraft carriers, 165 surface warships, and some 80 attack submarines which are capable of performing a wide range of tasks in support of our military strategy. There is also a 13th carrier, the *Lexington*, now in use as a training facility, that in time of war could be used. The Joint Chiefs of Staff have recommended a 16-carrier force in wartime.

In addition to these primary war-fighting ships, we have some 65 amphibious ships and 56 logistic ships to insure our ability to conduct sustained combat operations throughout the world.

In peacetime about 30 percent of our fleet is deployed overseas in the Pacific and the Mediterranean. An additional 40 percent of our fleet is based in U.S. ports, ready for immediate reinforcement of overseas naval forces in case of war or crises. The remaining 30 percent of the fleet is usually undergoing planned maintenance and conducting basic training. These latter forces, however, in time of crises, could be quickly deployed.

These overseas and U.S.-based naval forces must continuously and continually be ready to respond to a national emergency or other international situation. The need annually to operate and modernize our naval force is the essence of this bill. As our fleet ages each year and as technology and the enemy threat changes, the requirements to build and maintain our Navy change constantly.

This Nation is inextricably tied to its ocean lifelines, and there must be a protection of them both in peace and war.

For these simple reasons we must look to and support the continued modernization of our Navy, for without it, we have little use for other conventional forces.

The Navy has been absolutely consistent for a number of years in identifying the minimum requirement for 12 large-deck aircraft carriers through the year 2000. This is the absolute minimum number required to fulfill our peacetime mission of two forward deployed carriers in the Mediterranean and two to the Western Pacific. To fall below this minimum would preclude our ability to meet our treaty obligations to NATO and Japan. The CNO is on record this year in stating that 16 large-deck carriers is the minimum necessary to fight a war.

The issue of nuclear power versus conventional oil-fired power in a carrier has been debated in this House at length for the past decade. The additional cost of a nuclear carrier is $477 million over the small-deck, conventional carrier proposed by the President. Considering the 40-year life of this carrier and the uncertainty as to the cost and availability of oil over this time, the merits of nuclear power over oil-fired power seem clear on this point of cost alone.

There has been some discussion here on the floor with regard to a figure of what the cost is with regard to the small carrier sought by the administration and

the CVN, the nuclear carrier on the basis of a lifetime 30-year cycle, but I would like to point out that those figures are based on the overall cost and not upon the relative ability to fight. There are some 95 planes aboard the CVN, and there are only about 50 planes aboard the CVV, the small carrier. So although it is true there would be slightly more cost to have a CVN in a lifetime cycle, more than the small carrier, the combat ability of the nuclear carrier is very much greater.

Beyond the issue of fuel costs and fuel availability, the operational advantages of a nuclear-powered carrier over a conventionally powered one are essential to our consideration. It is difficult to measure how much more effective it is to have the ability to travel at maximum speed for thousands of miles without having to be tied to a lengthy support train and arrive at a destination prepared to fight an engagement.

Mr. Chairman, I would like to conclude my remarks by saying that I think this bill represents the absolute minimum we should have for our national defense at this time. As a matter of fact, I think any competent observer outside our country or any thoughtful observer of our military strength in any place would say that we need to strengthen our forces much more than this particular bill requires. This is a minimum bill, and I solicit the unanimous support of the Members for it.

Mr. BOB WILSON. Mr. Chairman, I yield such time as he may require to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I rise in support of the bill that is being debated today.

I must make this observation once again: That all too often we find it is very difficult, if not impossible, to get our message to the people who must be convinced. We who serve on the Committee on Armed Services have gotten the facts, we have the message, and it is up to us to be persuasive enough to convince those who do not have the facts as to what the situation actually is. Looking around the Chamber today I feel like, once again, we are preaching to the choir.

I have served on the Committee on Armed Services of the House for over 15 years, and I cannot recall a more thorough and exhaustive set of hearings than those in the committee and particularly the subcommittee on which I am the ranking minority member, the Subcommittee on Research and Development. Over 100 witnesses came before the subcommittee to deliver several thousand pages of testimony. In all, a total of 65 hearings were held in our subcommittee alone, and I can assure the Members that title II has been thoroughly scrutinized, and each of the committee's recommendations is backed by sound reasoning.

Rather than dwell on the specific programmatic adjustments the committee made to title II, I would like to take a few minutes to talk about the current trends, because this is the thing that is most important, not necessarily the status quo today. I do not think we are necessarily unprepared in having the lesser numbers all across the board, but it is the trend that is most disturbing and alarming. That is what I want to discuss briefly here today.

In his fiscal 1980 statement to the Congress on the Department of Defense program for research and development, Dr. William Perry, Under Secretary for Research and Engineering, made this statement before our committee this year:

> By all accepted measures of growth, the Soviet military investment effort continues to increase steadily, resulting in both improved R & D capabilities and the deployment of improved weapon systems.
>
> During the past year, for example, estimated Soviet investments were about 70 percent greater in dollar value than the corresponding research, development and acquisition program in the United States. That is the nature of the challenge.

In his report, Dr. Perry goes on to note that over the last 5 years the Soviets—and I wish the Members would listen to this because it is most important—have outproduced us by about 10,000 to 3,600 in tanks.

□ 1110

They have outproduced us 1,000 to 280 in intercontinental ballistic missiles, ICBM's, 50 to 12 in submarines, 3,000 to 1,400 in technical aircraft, to name but a few examples. This is the trend, and it is continuing. This aggressive Soviet modernization program includes virtually every category of weapons systems, including those in which our lead was undisputed only a few years ago. Of particular concern to Dr. Perry and, I might add, to our committee, are recent Soviet advances in high-technology programs; and I refer specifically to the highly accurate ICBM guidance system, a look-down/shoot-down interceptor aircraft capability, an advanced submarine, and a new family of high-speed computers.

To illustrate the disparity between Soviet and United States military efforts, I have prepared two charts. The data depicted in these charts were taken from a recent Rand report titled "The Significance of Divergent U.S.-U.S.S.R. Military Expenditure."

The first chart depicts Soviet versus U.S. expenditures for research and development activities. It should be noted that over the last 5 years the Soviets have outspent us by a total of $40 billion on research and development, or an average of $8 billion a year.

If you would look at the charts, you would see, starting in 1968 and covering the next 10 years, the graphs meet at about 1972, and since that time the expenditure of the U.S.S.R. has risen dramatically while ours has not even maintained a constant level of expenditure. It has decreased to a point where, just since 1972, $40 billion more expenditures were made by the Soviets. And this represents effort.

Let me say, parenthetically, that if there is an area in which we have a lead, it is in our technology. And we are losing the lead there. We are outnumbered, as I have said, in tanks, in planes, in men, in ships. We have had and do enjoy a lead in technology, but we are losing this with the level of expenditure in the past. It is necessary that we go forward with increased effort.

I have another chart which shows the entire level of effort in procurement. This has nothing to do with payroll. This is not people. This is acquisition. And I might say that our Defense Intelligence Agency agrees with these figures. But if you will notice these figures, going from 1968 to 1978, you will find that where the lines cross at about 1971, the disparity grows and it is continuing today. It is the trend that is so upsetting, to the point where, in the last 10 years, the Soviets have outspent us by $104 billion. To put this in perspective, if this $104 billion had been available to the U.S. military, we could have already purchased the entire fleet of 244 B–1 aircraft, which we canceled, the baseline MX program, missiles and shelters, all of the currently programed Trident submarines and missiles, the roughly 7,000 XM–1 tanks we now plan to acquire, together with a matching number of infantry fighting vehicles and the once planned buy of AMST's to provide them with intratheater mobility, and we still would have enough left over to buy all of the F–14's, F–15's, F–16's, F–18's, and A–10's now planned for the Air Force and the Navy. This amount, this difference, would have supplied all of the weapons systems I have just named and would, therefore, have sufficed to modernize all three legs of the triad, strengthen our ground combat capability, and fully modernize our Air Force and Navy tactical air power.

While I am not suggesting that we would have chosen to spend this additional amount in this way, I think the example does serve to illustrate the capability it would have produced. With the SALT debate now started in the U.S. Senate, I think it is important to take particular note of both Soviet and United States activity in the area of strategic programs. Since the mid-1960's the Soviet outlays for strategic programs have been significantly larger than the U.S. outlays for this set of missions with the overall difference running in the order of 150 percent in favor of the Soviets.

Over the past half decade, the Soviet Union has spent three times as much as the United States on strategic force modernization.

This I find very interesting: In his SALT II address before the Congress on June 18, 1979, President Carter indicated that SALT II would curb the Soviet strategic arms buildup. In referring to SALT II, President Carter said:

> It is in our interest because it slows down—it even reverses—the momentum of the Soviet arms build-up that has been of such great concern to all of us.

I sincerely hope that SALT II, if approved, will moderate the Soviet strategic buildup, but I must admit that I have very grave doubts. SALT I did little if anything in this regard; in fact, information has been provided to our sub-

committee which indicates that the Soviets actually intensified their strategic modernization efforts after the signing of SALT I.

I recall a recent Air Force briefing which addressed the relative capability of U.S. and U.S.S.R. ICBM forces. I asked them to make a chart depicting this which I have here on the floor today. This chart shows the successive generations of ICBM's, starting with our Titan ICBM in 1960. The light colored missiles are United States and the black ones are Soviet. Since 1960 the Soviets have fielded nine new ICBM's whereas we have deployed only three. Included in the current Soviet inventory are the huge SS-18 and SS-19 which now threaten all our ICBM's. Also depicted on the chart are the new ICBM's each country has under development. You will note that the Soviets currently have at least four new missiles in development while we are still trying to decide whether or not to go forward with the MX.

Let me conclude by saying the trend is there, the facts are there. Our Department of Defense acknowledges the facts that I have stated to you today. Our Defense Intelligence Agency acknowledges them to be facts. I think that, if anything, we are underspending on this budget, and I think, as Secretary Kissinger and others have advocated in connection with SALT II, the least we should do is increase our conventional weaponry; and I think, in view of the threat that we see, the trend that we see, this is a barebones budget which we are presenting here today, and I would certainly earnestly and fervently request that the entire House support our budget.

Mr. PRICE. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I thank the distinguished chairman of the Committee on Armed Services for yielding this time to me.

I rise to ask the Members' support for the committee's action on title II, research, development, test, and evaluation, of H.R. 4040.

The Department of Defense requested $13.54 billion for the fiscal year 1980 research and development program. I would state to the members of the committee that, after what I consider to be the most comprehensive and exhaustive review of defense research and development programs ever conducted by the Committee on Armed Services, the committee recommended an authorization of $13.37 billion, which is a net reduction in R. & D. of $167.7 million, or a 1.2 percent reduction from the President's budget request.

I would say to the members of the committee that in these reductions, we cut the fat out of our R. & D. program.

Personally, I do not think we are spending enough money for R. & D. The Soviet Union, for example, is spending about 40 percent more than we are in R. & D. and, as any informed Member on defense in this body knows, they are rapidly closing the gap of that technological lead which we have.

□ 1120

So I personally think we should be spending more, but you just cannot throw money into R. & D. as such. Your programs have to be properly structured if you are going to get proper value from the money that you spend.

Mr. Chairman, we have all heard more than our share of contemporary slogans that characterize our defense program or our defense profile, vis-a-vis that of the Soviet Union.

We have all heard how "the Russians are coming" on one extreme, or on the other extreme, "There are enough strategic weapons in our respective arsenals to kill the world 30 times over," and so on and so on and so on, et cetera, et cetera.

I am not going to add to the already lengthy list of cliches. I am going to limit myself in my remarks to one brief statement that characterizes the Soviet military program.

The Soviets, as I stated, are outspending the United States in every meaningful category of defense research development and procurement. They have achieved strategic nuclear parity with the United States.

The chart which the gentleman from Alabama has just shown you portrays that fact. Their momentum and level of military effort are staggering. Unless—and listen to this carefully, I ask the Members—and unless the present trends are reversed, the Soviets will achieve clear military dominance over the United States in the 1985–90 era.

That, Mr. Chairman, is all that I intend to say here today about the Soviet military program. If during the course of the deliberations on this bill any Member—and I invite them—any Member wishes to develop my assessment further, then I stand ready to justify that contention.

I hope that some Members do. We had better start worrying just where we are in the matter of defense in this country.

What I want to do at this time is to emphasize the importance of technology to our military capability, our civil sector and also our national economy.

This past July, the President, in his address to the Nation, commented that we are experiencing an erosion of confidence in the future. I share the President's assessment and believe that we are approaching the future with an alarmingly high level of confusion and doubt.

As a nation, I believe that we lack the exuberant confidence and sense of direction that we possessed in the post-World War II era and in the early 1960's.

We are going through unprecedented rates of change in many dimensions that impact upon our Nation's economy, security, and our position of preeminence in the world. It seems as though the only thing that we can predict with certainty is the uncertainty that lies out there ahead.

We are uncertain about energy. We are uncertain about our military capability. We are uncertain about the present state of our economy.

It will do us little good to build the most modern and sophisticated weapons systems unless our technology provides us with a solution to our energy programs. Tanks, aircraft carriers, and planes, without fuel, provide no combat capability.

The President went on to point out in his address that technologically we are a nation still second to none. Again, I share his assessment. I am saying technologically, members of the committee.

The problems that confront us today are not attributed to our lack of technology, but instead to what I consider to be poor decisionmaking. Our technology has been very responsive to our needs.

Unfortunately, our present system of management is hindering rather than helping the transition of technology to deployable hardware in a timely fashion.

Unfortunately, and I hate to say this, but I have to say it, we in the Congress are all too often more a part of the problem than we are a part of the solution.

We approved over $7 billion to build an advanced bomber, the B-70; then the B-1. We then killed both programs.

We have spent over a billion dollars putting the best available technology into a modern tank, yet, we have no MBT-70's or XM-1's on the battlefield.

My colleagues heard me characterize what is going on in the field of defense many, many times, as the stop-start delay syndrome. We are infected with a stop-start delay syndrome.

We start on the B-1 and spent $7 billion and cancel it.

We start building an enhanced radiation weapon. It is absolutely in limbo at the present time, if not canceled. We started on the MX. We delayed it for a long time. Fortunately, the decision has now been made, but we cannot continue this stop-start and delay and expect to remain even equal to the Soviet Union in all aspects of military power.

In spite of our problems, I would say that we are still a country of great imagination and creativity. Our technology advances have enabled us to continue to deter our potential adversaries even in the face of gross quantitative disparity between the respective arsenals of the East and the West. I am not going to repeat the numbers. My colleagues should know them by now.

If the Members of this House who have the constitutional responsibility to defend America do not know those numbers at this time, we are not performing our duties.

We do still have one big advantage over the Soviet Union or any other country for that matter, because in the United States there is a strong interrelationship between our civil and military technology programs.

The benefits from defense-supported research and development have permeated deep into our civil program and concomitantly our national economy.

Take the Boeing 707 for example. The Boeing 707 was a direct outgrowth of the Air Force aircraft development programs.

I can make the same statement about

the wide-body jet technology outgrowth of the C-5A program. Aluminum titanium, glass-reinforced plastics, and other composites have all transitioned from military research and development into our civil sector.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PRICE. I yield 2 additional minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Today, Mr. Chairman, these military development materials are used in commercial truck cabs, automobile and boat hulls. Defense medical research has contributed greatly to our civilian population. The vaccine for meningitis and improved treatment for burn patients are classic examples.

It has been a two-way street since our military has inherited the most sophisticated electronics from our commercial sector. This is particularly true in the field of computers. The integrated circuits developed for civil use make our weapons systems reliable, make them durable and effective.

In spite of our technological success, however, I would warn that there is a danger ahead for the future. Our rate of research and development growth has been exceeded by other nations, our adversaries and allies alike. France, Germany, Japan, and the Soviet Union have all experienced research and development growth during the past decade that is beyond that of the United States.

Foreign imports of goods and technology have affected the United States market to the point where auto imports now represent about 25 percent of our market.

□ 1130

Commercial electronics, and this scares me, commercial electronics is now over the 70 percent level.

The Soviet Union is going to extreme lengths to advance their own technology and acquire U.S. technology through both legal and clandestine methods. We went into that yesterday in H.R. 4034.

They have a massive program to acquire that technology, if they cannot do it directly, they will make every attempt to get it indirectly through third country sales and other techniques.

There can be little doubt that technological competition is growing sharper among ourselves, our adversaries and our allies. To insure our competitive future, we must continue to invest in military and civil technology, improve our decisionmaking process, and revitalize our commitment to technological initiatives.

I want to strongly emphasize here today that our military and civil technology is so interrelated that our economic future is largely dependent on our ability to sustain a vigorous U.S. research and development program. This, Mr. Chairman, is one of the reasons why the committee devoted an unprecedented 3-month period—65 meetings—to the review of the fiscal year 1980 defense research and development program.

As in previous years, the committee "did its homework," so to speak. I think it is most important to note that many Members of this Congress who find it difficult to support the current level of defense expenditures or who have not been inclined to vote for higher expenditures, have openly acknowledged that the Committee on Armed Services has never rubberstamped the defense research and development program. Going one step further, I would state that in my judgment we have always approached the defense research and development program with a thoroughness that has resulted in a responsive and meaningful program at the lowest possible cost. Last year, for example, we recommended a reduction of over $600 million in the defense research and development program. At that time, it was most difficult to recommend a reduction in research and development in the face of an ever-increasing Soviet threat. Yet, in the absence of sound justification for many programs, the committee recommended this reduction since the inefficient spending of defense dollars does not produce a sound defense.

I would like to spend just a few minutes summarizing the more significant recommendations offered by the committee on the fiscal year 1980 research and development program. The committee recommended $670 million requested by the administration for full-scale engineering development of the MX missile and an acceptable basing mode that will enhance the survivability of our land-based intercontinental ballistic missile (ICBM) forces. Accompanying this recommendation is legislative language emphasizing that it is the sense of Congress that maintaining a survivable land-based ICBM system is vital to the security of the United States, and accordingly, the Secretary of Defense should proceed immediately with full-scale engineering development of the multiple protective structures (MPS) basing mode. Since the Congress has already approved this language in the fiscal year 1979 supplemental budget bill—S. 429—many aspects of this provision are no longer required in the fiscal year 1980 bill.

Concerning other strategic programs, it was the committee's judgment based on Air Force studies that a wide-bodied cruise missile carrier aircraft is neither survivable nor performance effective and should not be funded for the fiscal year 1980. Consequently, the committee recommended deletion of the $30 million requested by the Department of Defense, and alternatively recommends an authorization of $30 million for the competitive flight demonstration of the strategic weapons launcher—a low-cost variant of the B-1 aircraft, and the advanced medium STOL transport aircraft, the AMST. Subsequent to May, however, medium-size commercial aircraft may be cost and performance effective. I will offer an amendment to reflect these findings.

Concerning our submarine-launched ballistic missile forces, the committee did not concur in the request to develop the Trident II missile at this time and deleted the $40.6 million that was requested for this program for fiscal year 1980. Defense Department representatives advised the committee that the requirement for the Trident II missile has yet to be established, and that the failure to authorize funds for this program this year will not adversely impact on the planned date for initial operational capability (IOC).

Turning to our tactical or conventional research and development, I will highlight two programs that are highly recommended by the committee, neither of which were requested by the Department of Defense for fiscal year 1980. These are the Navy's surface effect ship (SES) program and the Marine Corps' AV-8B Harrier V/STOL aircraft system.

The SES is this country's primary high-technology ship design program and is intended to provide an 80-knot and above deep-water surface craft for the post-1980 era. It is a ship with multimission application, and if successful, could be used for antisubmarine, antiair and surface-to-surface warfare. The program to construct a 3,000-ton prototype ship is over 60 percent complete and for less than $400 million, the Navy can complete its development and evaluate its performance in the test and evaluation phase.

Regarding the AV-8B, the committee recommends an authorization of $180 million for the continuation of full-scale engineering development of this aircraft, which is described by the Marine Corps as its highest priority program. While the committee strongly endorses the Navy's F-18 and A-18 aircraft, the A-18 simply will not meet the Marine Corps' requirement to operate in the forward area from unimproved airfields.

In summary, Mr. Chairman, I believe that the action taken by the committee on title II will result in a responsive military research and development program that will enable us to insure against technological surprise by the Soviet Union. It is not a strong enough program to reverse the trends that will enable us to regain our clear military superiority over the Soviet Union, but in today's competition for funds among our military, energy, social and other programs, it is the best we can provide. We must be cognizant of the fact that technological initiative is perishable. In order to keep it, we must not only invest but manage wisely. I believe that the fiscal year 1980 research and development program will sustain our technological initiative. The committee worked its will on the research and development budget request. While the percentage reduction is only 1.2 percent, the committee made monetary adjustments—that is, additions and deletions—amounting to over $500 million.

Mr. Chairman, I, as well as other members of the committee, stand prepared to address the issues that may be raised during the deliberations on title II of H.R. 4040. I am hopeful that the committee's recommendations will receive the support of the Members here today.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. BOB WILSON. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I rise in support of H.R. 4040 and would like to join with my committee colleagues in commending Chairman PRICE and Ranking Minority Member BOB WILSON for their leadership and patient guidance in bringing this bill to the floor.

H.R. 4040 represents an attempt to balance judiciously the competing claims of fiscal responsibility in a period of economic difficulty and pressing national security needs.

As the events of the last 6 months have forcefully demonstrated, we are living in an era of uncertainty and we are confronted by potential threats to our vital interests in virtually every quarter of the globe. Under these circumstances there is simply no substitute for military capabilities of sufficient quality and range to be able to respond effectively anywhere to any level of challenge that may develop. Approval of H.R. 4040 will measurably enhance our present capabilities across the entire spectrum of military requirements.

As a member of the Subcommittee on Research and Development, I am particularly pleased by the committee recommendation of an additional authorization of $100 million to the Navy's total R.D.T. & E. program request for the continued development of the 3,000 ton prototype surface effect ship. Frankly, I am at a loss to explain the Department of Defense's deletion of funds in the fiscal year 1980 request for further development of this vessel and its recommendation for termination of this program. The cancellation of this country's primary high technology ship design program that could provide a deep water, surface ship capable of speeds in excess of 80 knots is simply inconceivable to me. Such action becomes even more extraordinary when you consider that its speed and ability to carry a large mission payload give the surface effect ship a multimission application for antisubmarine, antiair and surface-to-surface warfare capability at less cost than many of our conventionally designed ships.

Finally, in light of expressions of interest by a number of NATO countries in this program, its cancellation may foreclose a signal opportunity for alliance arms cooperation which would be contrary to the stated policy of the Congress. If its feasibility is borne out, the surface effect ship would represent a revolutionary enhancement in the Navy's future capability that could rival in significance its transition from sail to steam in the last century. In view of the enormous potential that this program has for the Navy's future, I urge your support of section 201 of H.R. 4040, which provides that $100 million of the total authorization for Navy R.D.T. & E. be available only for this purpose.

Although last year's hearings and report by the Special Subcommittee on NATO standardization, Interoperability and Readiness revealed serious deficiencies in alliance military readiness, certain provisions of H.R. 4040 are encouraging in this regard. Foremost among them is the inclusion of the requirement that the Secretary of Defense provide annually to the Congress a comprehensive report on NATO readiness that will allow it to rationally address existing deficiencies.

In addition, it provides authorization for the procurement of F-15, F-16 and A-10 aircraft that will significantly enhance allied air capabilities. Furthermore, the committee's strong support for the XM-1 tank program, and production of the infantry fighting vehicle will provide American troops in Europe the improved capability they need to offset the steady advances in the quality of Soviet armor. Finally, the bill approves $144.8 million for full-scale engineering development of the Pershing II missile system. The accelerated development of this missile is vital to the modernization of our tactical nuclear forces and deterrent capability in Europe. We should not delude ourselves that these actions, in themselves, will be sufficient to counter the steady increase of Soviet military power in Europe, but they are steps in the right direction.

In brief, H.R. 4040 represents nothing more than the absolute minimum of what is required to meet legitimate, pressing national security needs and as such deserves the support of this body.

Let me close by recalling some words that were uttered 41 years ago on April 6, 1939, by an American patriot. They were uttered on Army Day by Louis Johnson, the Assistant Secretary of War. They are as cogent today as they were then.

> The way ahead lies in unknown wilderness, strange sounds warn of possible danger. Let us nevertheless go upon the journey courageously, but let us arm, let us arm speedily, lest darkness come upon us while we are on the way and find us unprepared.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, titles III through VI of H.R. 4040, respectively, establish the active duty, reserve, and civilian personnel strengths in the Department of Defense, as well as the military training student loads, for fiscal year 1980. The authority in these titles encompasses slightly less than 4 million military and civilian personnel—a substantial responsibility.

The Military Personnel Subcommittee alone had 21 meetings on these matters, plus the overview provided during full committee hearings. I want to take this opportunity to thank each member of the Military Personnel Subcommittee for their valuable contribution and interest during the consideration of the fiscal year 1980 manpower program.

I would like to offer particular thanks to the ranking minority member of the subcommittee, Mrs. HOLT, for her strong support and assistance.

Overall, the strength levels contained in this bill are slightly above the strengths authorized by Congress last year.

In title III, the subcommittee recommends end strengths for the Active Forces as follows:

	President's request	Committee recommendation	Difference
Army	774,000	780,337	+6,337
Navy	528,000	529,002	+1,002
Marine Corps	189,000	189,000	-------
Air Force	559,000	558,761	−239
	2,050,000	2,057,100	+7,100

The recommended strength for the Army is a total of 6,337 authorized spaces over the requested strength. This increase is the net result of two separate recommendations—an addition of 7,000 in anticipation that the announced withdrawal of troops from Korea will not occur in fiscal year 1980. Although the exact number of personnel to be withdrawn is classified, the Army's budget for fiscal year 1980 included the use of 7,000 of these spaces for necessary improvements in combat forces in NATO and the United States. Since the Korean withdrawal now will not occur, the Army would not be able to make these force structure improvements without the increase recommended by the committee.

The second recommendation is a net reduction of 663 spaces in the Army resulting from the changes in our relationship with Taiwan and Iran which have occurred since the fiscal year 1980 budget was put together in the Department of Defense.

For the Navy the committee recommendations exceed the requested strength by approximately 1,000. The strength reflects an increase of 1,676 spaces necessary for active duty personnel required to support the Naval Reserve at its current strength, an increase of 39 spaces to support the expansion of the Saudi naval program, and a decrease of 713 personnel associated with activities in Iran for fiscal year 1980.

The level recommended for the Marine Corps is that requested.

The Air Force strength is 239 below that requested. The committee recommendation is the net result of an increase of 1,300 personnel to provide for manning the Commander in Chief's airborne command post—a requirement not originally included in the fiscal year 1980 budget request, and a decrease of 1,539 personnel in the fiscal year 1980 budget intended to support Air Force commitments in Iran.

Overall, then, with these adjustments the committee's recommendations for active duty personnel levels in fiscal year 1980 are 7,100 above the requested strength, and 1,350 above the strength authorized last year.

Title IV authorizes average strength floors for the selected Reserve of each of the Reserve components. The committee recommendations are:

Army National Guard	358,700
Army Reserve	197,400
Naval Reserve	67,000
Marine Corps Reserve	33,600
Air National Guard	93,500
Air Force Reserve	57,300
Coast Guard Reserve	11,700

With one exception, the Naval Reserve, these are the strengths requested. The

requested strength for the Naval Reserve was 48,900.

The committee recommended against this proposed reduction of 38,100. The rationale on which this reduction is based is essentially unchanged from that offered by the Defense Department and rejected by the Congress each of the last 3 years.

For the first time, the authorization contains a separate category for reservists on full-time active duty in support of the Reserve components. The number of personnel authorized in this category is included in the overall totals outlined above for personnel in each Reserve component.

□ 1140

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITE. I will be glad to yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding. In August, while we were in recess, the General Accounting Office submitted a report dated August 20 entitled, "Difficulties in Selecting the Army Reserves Recruitment under the All-Volunteer Force."

They pointed out that the Army Reserve was 64,000 people short over a peacetime requirement of 215,000, and the Army National Guard was 70,000 people short——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WHITE. We have limited time, and I do appreciate that this occurred after we reported the bill. I would be happy to discuss this with the gentleman later.

Mr. PRICE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. The committee recommendations are the same as the Department's request.

Army National Guard	6,344
Army Reserve	4,288
Naval Reserve	207
Marine Corps Reserve	67
Air National Guard	1,560
Air Force Reserve	681

Also in title IV, the committee is recommending a change in the existing authority for the reserve educational assistance program. The recommended language changes the formula for the recoupment provisions, and alters the program to permit 100 percent, rather than the current 50 percent of allowable educational expenses to be reimbursed. This does not change the dollar limitation on reimbursements of $500 a year or $2,000 total per individual. The change will make the program more attractive and beneficial to individuals attending schools at which expenses are not high enough to qualify for the full amount of assistance under the program.

Title V establishes the end strength for civilian personnel in the Department of Defense. The strength recommended by the committee—986,292—is a ceiling for Department of Defense personnel as a whole. The Secretary of Defense is also provided authority to exceed this ceiling by 1¼ percent if he considers it in the national interest to do so.

The strength recommended is approximately 1,150 above that requested by the Department of Defense. The increase results from an increase of approximately 150 spaces for support for the Naval Reserve at its current strength, and an addition of 1,000 spaces for needed medical support personnel. Although no change in the request was necessary, an additional 794 spaces, originally contained in the budget for Taiwan and Iran commitments in fiscal year 1980, will also be allocated for additional medical support personnel.

Title VI establishes the military training student loads for fiscal year 1980. The loads recommended are identical to those requested. They are as follows:

Army	74,468
Navy	61,913
Marine Corps	22,618
Air Force	43,249
Army National Guard	14,616
Army Reserve	6,328
Naval Reserve	906
Marine Corps Reserve	3,156
Air National Guard	1,958
Air Force Reserve	1,276

GENERAL PROVISIONS

Mr. Chairman, the committee made several recommendations for language in the general provisions. Because of the importance and complexity of one of the recommendations dealing with mandatory registration, I will address it later in my remarks.

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

First, the committee has endorsed language which will insure that the Uniformed Services University of the Health Sciences is operated with a student enrollment which is consistent with its capacity. The committee received evidence which suggests that the Secretary of Defense had limited the enrollment of first-year students in fiscal year 1980 because of his lack of enthusiasm for the University. The committee considers it appropriate to operate the school at the maximum capacity consistent with the recommendation of the board of regents. The committee also proposes language to clarify the existing statute which permits up to 20 percent of the school's graduates to perform their obligated service in civilian Federal service. The meaning of the statute is clarified to insure that graduates may perform civilian Federal service only if the needs of the services permit and if the Secretary approves. Personnel authorized to serve in the civilian sector would still be eligible for recall to active duty for the duration of the period of obligated service.

SIX-YEAR OBLIGATION FOR ENLISTEES TWENTY-SIX AND OVER

The committee is recommending a provision that will impose a 6-year military obligation for enlistees who are 26 years or age or older. Currently these personnel do not incur this obligation, although all other enlistees do. The change, when fully implemented, will increase the number of individuals in the individual Ready Reserve where they are critically needed. The Department of Defense testified in support of such a change.

DOUBLE COUNTING OF MARINE CORPS GENERALS

In another area, the law now requires the Marine Corps to account for a reservist on active duty who is a general officer under both its active duty and reserve ceiling on the number of general officers. This means one individual is counted twice. Although all of the services are governed by this rule, it is a problem for the Marine Corps alone which is authorized only 10 Reserve general officers. Because there is 1 Marine general on active duty today, the Marines are effectively limited to nine nonactive duty Reserve general officers. The Marines sought relief from this limitation, and the committee endorsed the change.

CONTRACTING OUT

The committee has also proposed new language on the issue of contracting out. The committee has been concerned by some of the evidence it has received on the basis for certain contracting decisions. For this reason, the committee approved language that would require the Secretary of Defense to take the following steps before a function now being performed by Department of Defense personnel can be converted to performance by a private contractor.

First, notify the Congress of a decision to study a commercial or industrial type function for possible performance by a private contractor;

Second, submit a report showing the economic impact on the community and employees affected, and the impact on the military mission of the function, of conversion to performance by private contractor; and

Third, notify the Congress of a final decision to convert a function to performance by private contractor, and also submit the amount of the bid accepted, and the cost of performance of the function by Government personnel.

Finally, when a decision to convert a function to performance by private contractor has been made, a period of 30 legislative days must pass before the contract can be implemented to permit the Congress time to review these decisions.

The Department of Defense now customarily provides most of the information required by this language. However, the provision would make explicit the obligation to provide the information and will permit the Congress an opportunity to oversee this process more carefully.

Mr. Chairman, the committee is recommending a provision that would require the President to resume registration on January 1, 1981, of males who become 18 years of age on or after that date. This is an important decision. I would like to explain the basis for it.

Today, the Nation's mobilization capabilities are deficient. The deficiencies are spread across almost all areas of national defense, but particularly in manpower. Serious shortages in personnel now exist in the Selected Reserve (180,000) and the individual Ready Reserve (250,000–500,000). The impact of these shortages is exacerbated by the inadequate condition of the standby draft mechanism—the Selective Service System. In fact, the situation is such

that the Department of Defense has indicated it plans to ask for authority to recall veterans with recent service in an emergency. This is unquestionably inequitable, but a likely alternative because of existing shortages and an unwillingness, I think, to take the political risk of requesting registration.

The committee recommendation will clearly resolve an important deficiency in mobilization capability. Registration will cut more than 2 months off the current estimate that additional trained manpower will not become available until almost 7 months after mobilization.

The existence of an effective standby draft mechanism is an integral part of the volunteer concept. In 1970 when the President's Commission on an All Volunteer Armed Force issued its report, the Chairman of the Commission, the former Secretary of Defense Thomas S. Gates, stated in his letter of transmittal to the President:

> We unanimously believe that the Nation's interests will be better served by an all volunteer force, supported by an effective standby draft, than by a mixed force of volunteers and conscription.

There is little doubt today that the Selective Service System is incapable of meeting the mobilization requirements of this Nation. Studies by the Congressional Budget Office, the General Accounting Office, the President's reorganization project, a report from the Acting Director of the Selective Service System, and the testimony of the Secretary of Defense all confirm this fact. The Selective Service System now has only 100 full-time employees and admittedly performs only a planning function.

Although authority exists to register under section 3 of the Military Selective Service Act, it has not been used since 1975 when it was discontinued by a Presidential proclamation. That proclamation stated that a 1-year hiatus would permit implementation of a new plan for once-annual registration procedures. Registration was not revived.

However, that's history. The question today is what to do to reactivate the Selective Service System to provide the necessary mobilization capability.

For a variety of reasons, the administration position is to add $2.8 million to the Selective Service System in fiscal year 1980 for a better computer and several more regional headquarters for a total of 10. With these funds, the administration wants to determine whether the Selective Service System can develop plans to perform a mass registration following mobilization that will permit it to provide the necessary number of personnel within the required time frame.

The committee is convinced that, without peacetime registration, there is no way the Selective Service can perform its mobilization function.

We share the judgment of the HUD, Independent Agencies Subcommittee of the House Appropriations Committee, chaired by the Honorable EDWARD BOLAND, that the increased funding, without registration, will not permit the Selectice Service System to meet national requirements.

Peacetime registration eliminates all doubt about the ability of the Selective Service System to produce manpower in the numbers required during a national mobilization. This is an extremely important benefit because the lack of credibility of our mobilization posture is one of the most serious criticisms which has been levelled at the All Volunteer Force. This is not a step in support of conscription. It is necessary for our mobilization capabilities today.

Registration can be accomplished at an annual additional cost of $10 million or less depending on the manner chosen.

The language recommended by the committee does not require registration to commence until January 1, 1981 for two reasons.

First, the current condition of the Selective Service System is such that it cannot perform this task until at least 6 to 9 months after it is provided the necessary funding. Second, there are a number of important issues that need to be resolved before registration commences. For example: Should women be included? What form of registration is appropriate? Could the registration be accomplished on a voluntary basis? What changes in the Military Selective Service Act are necessary? The recommendations of the President are required on these and other issues and would be submitted by January 15, 1980. The Congress would then have an opportunity to consider his recommendations and enact the necessary changes before registration commences.

The committee has also included two related provisions that require annual assessments of the mobilization capability of the Selective Service System, and also mandate that Selective Service be preserved as an independent agency.

This entire matter is an important decision that was not taken lightly by the committee. In fact, the committee has held a series of hearings over the course of the past 4 years examining the Selective Service System.

Mr. Chairman, the Military Personnel Subcommittee reported this provision unanimously and the Full Committee defeated an effort to delete the Selective Service provisions by a vote of 30 to 5.

Mr. BOB WILSON. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Chairman, the main reason for any federal or central government is to protect its people against aggression from outside sources. People band themselves together for this primary purpose. We can disagree over what and how much government we should have otherwise, but our main and our principal job—yours and mine—as Members of Congress, is to defend our country against our enemies, foreign and domestic. Also, we have to do our best to prevent wars, and to keep ourselves strong enough to defend our country if war comes.

I submit that we have not been living up to our responsibility in this respect. Let us look for just 1 minute at what has happened to us since World War II, when we were the undisputed leader of the world. We had more Navy, for example, than all the rest of the world put together. We could have made slaves out of every person on the face of this earth had we wanted to. We had the power to do it. We were the acknowledged leader of the world. We were strong militarily; we were respected because we were strong; and we had the will and resolve necessary to back up whatever position we took in this world.

Since that time, the world has seen us in Korea fight a war with one hand tied behind our back. They have seen us prevent our military from bombing enemy air bases. Can you imagine what would have happened in World War II had we not been able to bomb Germany? We would still be fighting the war, or would have lost it by now.

In Vietnam the picture haunts me even today of those last days on top of the U.S. Embassy in Saigon, when hands were reaching up for the wheels of that last helicopter leaving Vietnam, where we abandoned billions of dollars worth of military equipment, and bases that we had constructed, leaving the field to the enemy in the eyes of many people in this world who do not realize that our military were not defeated—they were not allowed to win by our own civilian leadership.

We have engaged in unilateral disarmament. Our Navy is down from over 2,000 ships to less than 500 ships. Since 1954, the percent of our gross national product for defense has declined from 12.7 to 5.2 percent, while Russia has increased from 8 percent to 18 percent. The percentage of our budget for defense has gone down from 65.3 percent to 23.5 percent.

Our foreign policy has been one of preemptive concession. We abrogated our alliance with Taiwan. We have deferred deployment of our neutron weapon without obtaining any concession in return.

In many cases, we have abandoned our allies, or taken positions contrary to them when they faced problems. People say that having us as an ally invites trouble. Ask the people in South Vietnam! But, Russia and Cuba help their allies. Ask the people in Africa about that!

Since that time, we have seen one of our Navy ships taken on the high seas, and we did nothing in return. We have seen two of our Army officers literally chopped to death, with their own axes, in Panmunjom by the North Koreans, and we did not do anything about it. Our men did not draw a weapon to defend themselves, and this is the characterization of us in the world today. We will not even lift a hand to defend ourselves, and we can be kicked around by anybody and everybody.

We have seen an ambassador of ours killed recently in Afghanistan. We have seen our Embassy in Tehran overrun, our flag shot up, and the Marines not even allowed to defend the Embassy. Other friendly nations will not even allow us to use their air fields or overfly their air space because they are worried about, not us and our reaction to their refusal, but the other side if they allow us to

overfly their countries and use their facilities.

□ 1150

The people of this world wonder about us, our will and our ability to lead a free world, and even our system of government which has taken us to the very top but which will also allow us to weaken ourselves to the extent that we have. We need the rest of the world, Mr. Chairman, and they need us. When will we draw the line and tell the rest of the world that we are the same kind of people that we used to be? If we do draw the line, will we be strong enough to act, or will we be forced to make accommodations?

I am tired—and I think the American people are tired—of being pushed around in this world. People respect you if you are strong. The same kind of situation exists today which existed prior to World War II. We are disarming. We disarmed then. We are negotiating. We negotiated away our positions then. We tried to appease people then, and we are trying to appease people today.

If we want to invite a war, and possibly the loss of all of these freedoms that we have, the best way to do it is to appear weak militarily and weak in resolve. We have given good indications of both in the recent past. I have heard it said that two of the reasons the Japanese attacked us at Pearl Harbor in World War II were, first, that the draft passed by only one vote just prior to World War II; and, secondly, that we sank our biggest battleship and scrapped 200 of our other ships in an effort to show the world that we had no hostile intention toward anyone. The best way to prevent a war is to be so strong that no one will be misled into some adventuresome course against us.

Mr. Chairman, I submit that today is our opportunity to do something we have needed to do for a long time, and that is to show our own constituents and also the people of this world that we are drawing the line. We are turning around. We are reversing the current trends that have been against us, and we are going to reassume our rightful position in the world. We can start by passing this bill.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I rise to join my colleagues in support of H.R. 4040 and urge favorable action on this bill which provides what I consider to be the minimum essentials for the Nation's defense in fiscal year 1980.

As chairman of the Military Compensation Subcommittee, I would particularly call your attention to sections 802 and 806 in the general provisions title of the bill. Those sections are designed to assist in alleviating the critical shortage of medical officers being faced by the military departments at the present time and over the next few years.

Section 802 relates to the Uniformed Services University of the Health Sciences. Under the enabling legislation which established that university and provides the general statutory rules for its administration, the Secretary of Defense is charged with prescribing the number of persons to be graduated from that institution each year. Up to the present time the university has been enrolling 108 new students each year. However, as the construction at the school continues and is completed the capacity of the university to accommodate new student enrollments was expected to increase to 124 in 1980, 140 in 1981, 156 in 1982, and to attain the maximum design capacity of 176 to 180 students in 1983 or 1984. Notwithstanding the capacity of the University to accommodate additional students, until recently, the Department of Defense had planned only on admitting 108 new students during the next 5 years. It is now understood that the plans call for admission of 124 this fall.

However, in view of the current and projected shortages of doctors in the military services, the committee concluded that the capacity of the university to produce young doctors should be utilized to the maximum feasible extent. Accordingly, the Secretary is directed by section 802 of the bill, based on the recommendations of the Board of Regents, to take such actions as are necessary to insure the maximum number of first-year enrollments in the university consistent with the academic capacity of the university and the needs of the uniformed services for medical personnel.

Section 802 also clarifies the obligation of graduates of the university. At the present time the law authorizes the Secretary to permit up to 20 percent of a graduating class to agree in writing to perform civilian Federal duty in place of active duty in the uniformed services. To effectuate the original intent of Congress and to make it crystal clear that the option for alternative service is permissive with the Secretary of Defense, and would be permitted only if the needs of the services do not require that individual's services on active duty, the committee has included appropriate language in section 802.

Another provision of title VIII, section 806, also relates to the problem of procuring and retaining adequate numbers of qualified medical officers for the uniformed services.

The major future source of young doctors for service in the military services, is the health professions scholarship program. Participants in that program receive full tuition and fees plus a monthly stipend. The stipend was fixed at $400 monthly when the program was established in 1972 and has not been increased since that time. A comparable program administered by the Department of Health, Education, and Welfare is designed to provide a source of physicians for the Public Health Service and also to provide for a source of physicians for the medically underserved regions of the country. That program also provides tuition and fees and a monthly stipend. That stipend was originally fixed at $400 a month, but is subject to automatic adjustments equal to the percentage increases in the salaries of Federal personnel under the General Schedule. That stipend is currently $453 monthly.

Until 1976, the military's health professions scholarship program was attracting a sufficient number of qualified applicants. However, in that year for the first time not all vacancies in the program were filled. The major cause given for that failure is the lack of competitiveness of the military program as compared to the HEW program. The principal discrepancy between the two programs is the automatic adjustment of the stipend. Accordingly, in order to eliminate this disparity between these two programs, the committee has included language in section 806 to increase the amount of the stipend to $453 monthly with automatic increases thereafter to coincide with the future increases in the HEW program.

Section 806 addresses another segment of the problem of proper compensation. A pay disparity exists in present law between physicians who enter the military service through the health professions scholarship program (HPSP), and those physicians who attended medical school on active duty under the senior medical program (SMP) or a similar program. Those entering service under the SMP who are serving their obligated period of service are entitled to a variable incentive pay of $9,000 annually, whereas those who entered under the HPSP program are barred by law from receiving that payment. This disparity in the treatment has been a major irritant to the graduates of the HPSP program and could detract from the attractiveness of that program which is regarded as the principal source of future physicians. Accordingly, the committee has included a provision in section 806 which, effective October 1, 1979, will authorize all physicians serving in their obligated period of service to receive the $9,000 variable incentive pay now being received by medical officers who entered service from the senior medical program.

Mr. Chairman, I urge all Members to support H.R. 4040.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentleman for yielding.

Mr. Chairman, I rise to join my colleagues on the Armed Services Committee in urging support for H.R. 4040.

As the ranking minority member of the Military Compensation Subcommittee, I would point out that there are provisions in the bill which will cure two significant ills in the military health care delivery system. One of the principal reasons our inability to provide military dependents with the health care they were led to expect, is the doctor shortage.

That shortage is directly traceable to a shortfall in the procurement of doctors and retention of too few of those doctors completing their obligated service.

I am convinced that the whole structure of special pay for health professionals needs to be revised. Our Military Compensation Subcommittee has been conducting extensive hearings and studies to determine what revisions in the compensation to attract and retain health professionals is needed. We have

a bill that will solve this problem. There are, however, two specific changes in the compensation area which are urgently needed and on which there is general agreement. Those two changes have been included in the bill being considered today.

The first relates to the monthly stipend payable to medical students who are participating in the health professions scholarship program. In the future, the graduates of that program will be the primary source of medical officers for the military. Until last year, the military services experienced no difficulty in filling all vacancies in that program. In 1978, for the first time, the number of new entrants fell 10 percent short. Apparently the major cause of the shortfall was the lack of competitiveness of the program in relation to a program administered by HEW.

A graduate of the HEW program is required to serve on active duty as a commissioned officer in the Public Health Service, or to practice in a medically underserved region of the United States. Both programs provide tuition, books and fees and a stipend while attending medical school. The main difference in the benefits under these programs is that the stipend under the HEW program, is adjusted annually by the same percentage as the pay of Federal civilian personnel, under the Federal Comparability Pay Act. The HEW stipend is $453 monthly, compared to $400 monthly under the military program. In order to eliminate this disparity, the committee has proposed legislation to increase the stipend to those in the military program to equal the stipend of those in the HEW program, and to provide for future adjustments as required, to maintain parity between the two groups. This action should increase the attractiveness of the military program and make it possible to attract enough qualified applicants for the military health professions scholarship program.

The other change included in the bill, relating to health professionals, is a provision which would assure that medical officers, serving in a period of obligated service, would receive a $9,000 annual incentive payment. At the present time medical officers procured through the so-called senior medical program and other programs are entitled to receive this $9,000 annual incentive payment, whereas medical officers procured through the health professions scholarship program do not receive it.

This disparity has been a major irritant to the graduates of the health professions scholarship program. Elimination of the irritant will hopefully improve the retention of these medical officers.

The bill also provides authority for payment of an advanced housing allowance to personnel assigned overseas. One of the major financial burdens faced by our service members who are assigned overseas, is the large "moving-in" expenses incurred in high cost areas. This can amount to up to 6 months' rent in some cases for advanced deposits and installation charges. Although they are reimbursed through a housing allowance for these costs by amortizing the expense over the length of the tour, the initial burden—impacting greatest on the junior enlisted member—contributes significantly to the financial hardship imposed on our service members overseas. This provision has no net cost since the advanced payment would be recouped by reduced housing allowance payments.

Mr. Chairman, I strongly support H.R. 4040 and urge that my colleagues in the House offer their support also.

Mr. BOB WILSON. Mr. Chairman, I yield such time as he may require to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.)

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, during my several years of service in the House, there has been an annual debate on the matter of budget priorities. This year has been no exception.

It should be understood that such debates are a natural part of our governmental system. In fact, no government can function, even under the Communist system, unless resources are allocated according to some system of priorities. The difference is that the Congress sets the priorities in the United States after full public debate. It is our final responsibility to determine how much is to be set aside for health, for education, for energy, for welfare, and for defense.

Too often, Mr. Chairman, there is a tendency to pit so-called social programs against national defense in the annual competition for Federal funds. Too often it is forgotten that the highest responsibility of government is to guarantee its citizens the first of all human rights—the right to live in order to pursue peace and prosperity, and to be secure in their homes and property. This is the purpose of H.R. 4040, the Defense Appropriation Authorization bill for fiscal year 1980.

The major portion of the bill represents the judgment of the President, the Secretary of Defense, and the Office of Management and Budget as to the level of resources which should be committed to our defense for certain purposes in the fiscal year.

The bill as reported by the committee by a vote of 36 to 2 now represents the judgment of the Committee on Armed Services as to what our national defense priorities should be. We arrived at this collective judgment and formed our recommendations only after the full committee conducted 21 hearing sessions and six subcommittees conducted a total of 129 hearings sessions over 3½ months.

The committee's budget priorities reflect the concern that has been expressed all over the United States that the United States is becoming a second-rate power. The public opinion polls seem to say that the people of America are out in front of the administration and the Congress on this issue. They sense the true meaning of the Soviet achievement of military superiority. They are aware of the trends, which do not favor the United States but which favor the Soviet Union. The people of the United States do not like what they see. Unless we reverse those trends, Mr. Chairman, they will not like what we do.

The highest priority today for the United States is the preservation of a credible, effective and survivable deterrent triad of strategic forces. In this area, we have been caught with our momentum down. Soviet trends have gone the other way.

Our 20-year-old B-52's are wearing out and becoming more and more vulnerable to surprise attack and to attrition by advanced Soviet systems. The value of the B-52 as a penetrating bomber or as a cruise missile carrier will approach zero by the mid-1980's, whether or not we spend $20 billion in improving them. The United States requires a new advanced manned strategic aircraft. Because of the committee's doubts about the future effectiveness of the B-52, language has been included in H.R. 4040 directing the Secretary of Defense to make a comprehensive report to the Congress on this issue.

At this point, every knowledgeable official in our Government admits that, by the early or mid-1980's, our 1,054 Minuteman and Titan ICBM force will be vulnerable to a preemptive attack by only a small part of the Soviet strategic capability. With or without a SALT II agreement, this problem must be met head on, and soon. Even with the beginning of a MX missile program this year, there will be a vulnerability gap of several years before a survivable U.S. system can be deployed.

The committee is recommending approval of the President's entire request of $670 million to begin full scale engineering development of the MX missile.

It makes little strategic sense, Mr. Chairman to develop a new MX missile unless a firm decision is made and acted upon on the basing mode for the missile. It is the basing mode that makes the missile a more survivable deterrent, not the missile itself. It is the basing mode of the Minuteman force, coupled with the steady improvement of Soviet technology that caused the present vulnerability problem.

In order to set an equal priority on the MX basing mode with the missile, the committee bill would require the Secretary of Defense to proceed with the development of the basing mode concurrently with the missile development. Both should achieve an initial operational capability at the earliest practical date.

The sea-launched leg of the strategic Triad is also a high priority program. It is currently the least vulnerable of U.S. strategic forces and is capable of delivering the largest number of weapons on target. The sea based deterrent force is now concentrated in 31 Poseidon submarines which will reach the end of their designed service lives in the 1980's. These Poseidon submarines will be replaced, on a less than 1-for-1 basis by a new Trident system. The committee is recommending $1.1 billion for the eighth Trident submarine and $763 million for 82 Trident missiles.

NONSTRATEGIC PRIORITIES

Mr. Chairman, President Carter, Secretary Brown and the Joint Chiefs of

Staff have identified the readiness and support of our NATO forces as a crucial national security issue for fiscal year 1980. The Committee on Armed Services supports the administration's program which calls for the modernization of NATO's theater nuclear capability, improved air defense, and improvements in communications, command, and control. In addition to these items, the committee believes that two other areas must also be assigned a higher priority. These are: The ability to reinforce and resupply NATO by air and by sea; and the ability to mobilize manpower.

Resupply and reinforcement by air can be enhanced only through improvements in our strategic airlift capability. For many years, the committee has believed that maintaining a military strategic airlift capability augmented by the civil reserve air fleet program is the most cost effective means of achieving this.

Resupply and reinforcement by sea can only be improved by rebuilding a Navy of sufficient size and capability including aircraft carriers and tactical aviation units.

H.R. 4040 addresses these priorities by the authorization of procurement of four advanced tanker cargo aircraft, through the authorization of an additional *Nimitz*-class aircraft carrier, and through the authorization of 32 additional aircraft for the Navy.

In conclusion, I strongly urge the support of the House for section 812 of H.R. 4040 which provides that the President shall commence registration, not induction, but registration under existing Selective Service laws of males 18 years of age on or after January 1, 1981. This aid to our mobilization capability—which now is practically nil—is of utmost importance to our defense and national security interests. The committee agrees with the Secretary of Defense that, the Selective Service System is currently incapable of meeting mobilization requirements.

Mr. Chairman, I believe that H.R. 4040 addresses U.S. national security priorities more adequately than the administration's request. The committee has not "rubberstamped" the request. In some cases we have agreed with the request, in some cases we have added, and in some we have deleted or reduced.

The bill should be supported.

□ 1200

Mr. PRICE. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, as we consider authorization for procurement of hardware for our Armed Forces, I would like to report on a category of spending we do not authorise; that is, the money which is spent for operation and maintenance.

There is no point in going into the question of why this is so. It is important, though, that this body give some attention to what we plan to do about it.

While some of us were in Europe during August, we had an opportunity to be educated in this particular area, and what we learned was no cause for comfort.

It is presently estimated that the difference between what the Congress will appropriate and what our NATO command needs, for operation and maintenance in fiscal year 1980, will amount to nearly $400 million.

The Army in Europe initially identified $69.5 million in critical unfinished requirements for 1979. Of this amount, $38.6 million was resolved through internal tradeoffs; $21.7 million will be deferred until the next fiscal year. For 1980, the shortfall will amount to $157.7 million; in 1981, $182.2 million.

The Navy—also in Europe—faces deficiencies of $70 and $75 million in the 2 upcoming years; the Air Force $155 and $142 million.

What will this mean? I invite you to consider what the O. & M. shortfall has already meant in the current and upcoming fiscal years.

For the Army, the backlog in essential maintenance and repair now exceeds $800 million. Combat forces must forego approximately 6,500 battalion field training days. Resources will not sustain a sufficiently high degree of near-term readiness to meet the 48-hour notice war scenario. They are short $35 million for modernization of equipment, $21.7 million must somehow be found to accommodate deferrals from fiscal year 1979 for such mundane things as repair parts, furnishings for quarters, medical supplies and personnel support activities.

For the Navy, units are now limited to 41 operating tempo days per quarter, instead of the 45 days deemed necessary; primary aviation mission readiness is funded at the bare minimum required for proficiency and safety levels.

And the Air Force is even worse off. In 1979 it had to cancel or defer NATO/Air Force exercises.

At some bases, 30 percent of assigned vehicles are out of commission. Mission training continues to be deferred, and there has been a reduction of inspection and maintenance of war reserve munitions and other prepositioned equipment.

This is by no means a complete list, and by no means tells the whole story.

A reduction of inspection and maintenance of war reserve munitions means that, should battle become necessary, we will run a heavy risk of killing our own people, when badly deteriorated stock explodes or falls short of the target.

And then there are the quality of life items—the "people programs"—which are afforded to the men and women stationed in Western Europe. My friends, in all the services these programs are virtually nonexistent.

A young man or woman joins the service with the belief they can enjoy living in a foreign land. And what do they find? Because of the devalued dollar, they cannot afford it.

And because of the deteriorated conditions of their barracks, they cannot abide being consigned to base life.

The question can properly be asked: How did the services let these things happen? They did not "let" them happen. They are the totally expected outgrowth of the retrenchment in spending for defense which has been occurring annually over the past decade.

The services are very much like the family who is an a tight budget. You forego new shoes for the children. You make the old winter coat last another season. You let some minor repair to the plumbing slip by awhile. But sooner or later, you reach a point where some expenditures have to be made, or the children must go to school barefoot, the winter coat develops some split seams, the basement floods.

In the area of operations and maintenance, the services can be compared to a man pushing a wet noodle up a hill. You make a little progress at the pushing end, but the first thing you know, you see, out of the corner of your eye, the other end of the noodle slipping back down the slope.

It is ironic that this Nation, which for years has had a national commitment to decent housing for all Americans, whatever their economic status, yet insists that the people upon whom they rely for defense live in housing which would be among the first to feel the wrecker's ball.

It is outrageous that this Nation, which designs and funds recreation programs for communities here at home continues to deny the funds for recreation and sports programs for service personnel.

And it is almost criminal that this Nation, which has passed laws to protect the safety and health of men and women on the job in the private sector will permit unsafe working conditions to exist for its Armed Forces. It is one thing for the risk to be unknown; it is something else again when the risk is apparent and ignored.

□ 1210

Mr. Chairman, I would like at this time to yield to the gentleman from New York (Mr. PEYSER).

The CHAIRMAN. The time of the gentleman from Virginia (Mr. DAN DANIEL) has expired.

Mr. PRICE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, the gentleman from New York (Mr. PEYSER) has just returned from Europe. I want to yield these 2 minutes to the gentleman to address this subject. I believe the gentleman has an interest in it, just as I have discussed.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding to me.

Of course, I am strongly in support of what the gentleman just said, but I bring back a little different feeling concerning an area of vital importance to our men and women who are serving in Europe.

I spent time with the American Forces in Europe. I spent time with the commanding generals in charge of training and programs in Europe and their staffs and I come back, unfortunately, Mr. Chairman, with the belief that our combat troops, the front line of our defense in Europe, in my opinion, are not combat ready. It is not a question of their capability as men in fighting for them-

selves and our generals and our officers, their capabilities; their ability is restricted because we have created a situation among our fighting men in Europe that training today is not possible to be achieved and to attain the combat readiness these troops need.

Mr. Chairman, our heavy weapons, our artillery, our tanks, fire live ammunition twice a year in Europe. Our forward observers who are supposed to be able to call for fire at the needed points when the time is ready may get to practice with live ammunition once, sometimes twice a year; but in some cases only once in 18 months.

Mr. Chairman, I spent 14 years in the military in the infantry. You cannot train for combat readiness with this kind of restrictions we have placed on our military leaders. I think we must address ourselves to this issue as this bill and other legislation moves ahead.

Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. DAN DANIEL. Mr. Chairman, I thank the gentleman for his contribution.

Mr. BOB WILSON. Mr. Chairman, this being Virginia Day in the House, I yield 8 minutes to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. I rise in support of the provisions of the Defense Authorization Act of 1980 and urge my colleagues to support this important measure.

Before speaking this morning about our naval posture and our shipbuilding program. I want to speak to a more general and serious problem. I detect in the White House and this Congress a growing reluctance to be realistic about the Soviet military capabilities. The roots of that phenomenon are not entirely clear to me. It may just be a natural aversion to bad news. The time has come for America to open its eyes.

In the Soviet Union we see an adversary that continues to spend more and more money each year on national defense, a nation that is spreading its force and influence throughout the world. This year the Soviet Union will allocate approximately 15 percent of its gross national product to national defense; the United States just 5.2 percent.

□ 1220

It is estimated the Soviet Union will outspend the United States in total military capability by $50 billion or more this year. In the world we see the Soviet Union aggressively advancing its own self-interests throughout this world, from Southeast Asia to the Middle East to Cuba.

In the face of the growing Soviet military buildup, there have been a number of decisions, either completed or contemplated, by the Carter administration that should cause us great concern. I point to the termination of the B-1 bomber, the deferment of the development of the neutron bomb, and the deferment of the development of the MX intercontinental ballistic missile system, and 50-percent reduction in our naval shipbuilding program. The Congress has permitted those decisions to stand. Each of these decisions, standing alone, has seriously weakened our defense posture. The totality of those decisions has been devastating.

But perhaps most importantly, the pattern of those decisions has convinced our allies and our adversaries alike that the United States is retreating from its worldwide commitments. That impression has invited only Soviet initiatives and caused instability and chaos in the world.

I think the lessons of history are clear. We live in a hard world, and America must be strong and vigilant. We must be willing to pay the price to have a military power and a naval capability second to none. Indeed that is the price we must pay if we are to remain free as a people and if we are to maintain a safe and secure world for our children and our children's children.

Alexandr Solzhenitsyn, the Russian writer and exile, had written:

> Democracies are islands in the seas of history, and the waters are always rising.

Indeed they are. America today stands as the last great hope for freedom in this world. It is our solemn duty as a people to protect the flickering light of freedom in this world.

Now, today as we consider the Defense Authorization Act for 1980 it is important that we consider the state of our Navy.

National security means a continuing supply of the raw materials that our Nation depends on—not only for its military might but for its industrial and economic vigor. There are 71 of these critical raw materials and the United States must depend on foreign sources for 68 of these materials. We must import them, and you do not bring crude oil to our shores or bring iron ore for steel or bauxit for aluminum, or tungsten for missiles components to the United States on airplanes. You must have ships and America needs a strong navy and merchant marine.

The fact is that the strength of our navy is eroding and we are quickly losing the capability to project power abroad and keep open the sealanes of the world.

In discussing the erosion of U.S. naval power, Adm. Thomas B. Hayward, the Chief of Naval Operations, stated at a Naval War College strategy forum in May:

> We are outnumbered today by the Soviet Navy in virtually every category of naval weapon, and if we are realistic, we will face up to the fact that we probably will remain so for the foreseeable future. . . . The Soviets have almost three times as many attack submarines as we. They have almost twice as many nuclear-powered attack submarines. They are producing attack submarines at a rate of about eight per year, while we flagellate ourselves with arguments over whether we should continue to build one per year or can afford two. The Soviet surface combatant fleet now numbers about 270, about 30 percent more than comparable ships of the U.S. Navy.

Hayward points out that the characteristics of new Soviet ships run counter to the prevailing wisdom of the pundits who criticize our Navy—the Soviet ships come to resemble ours more so with each new generation, as they grow in size, sophistication, endurance, and capability with each new model, adding to their offensive flexibility.

Admiral Hayward said:

> The reason for this is obvious they understand what it takes to control the seas—offense blue water naval power.

I ask you to consider which country, or which alliance, has greater need for freedom of the seas in support of its economic interests, or maritime superiority in support of is interests. The answer is obvious.

> The Soviet Union is a continental power for whom maritime superiority is not crucial to its national security; while the United States is an island nation whose entire history has demonstrated a vital reliance on maritime power.

In recent years we have indulged in debate over quantity versus quality of ships. The result has been a compromise in both quantity and quality. The Navy has been the clear loser.

Admiral Hayward confronts this issue bluntly:

> . . . In our search for increased numbers of weapons systems and platforms, particularly naval ships and aircraft, we must be extraordinarily cautious about trading off quality for quantity.

My colleagues, defeating the enemy is what counts. Offensive power must be preserved. The ability to take the initiative must never be sacrificed.

Dispersion of forces has been presented to Congress as the reason to have smaller, cheaper ships. However, these smaller, cheaper ships are in almost every case less capable ships. Hayward has this to say about dispersion:

> Dispersion of forces is clearly a desirable objective. But, if one cannot afford to pay the premium for dispersion, then our options with regard to force structure are severely constrained. Retaining our offense striking power is paramount, and that objective, must guide our actions. So the real issue is not whether dispersion is desirable. Clearly it is. The real issue is, how do you obtain it within level or decreasing fiscal resources without giving up essential offensive capability?

Admiral Hayward has told the Congress that he considers today's Navy "marginally capable of carrying out its mission and tasks within the national strategy."

That ought to raise a red flag for all Members of Congress—a distress signal. We should not ignore this situation; we cannot afford to.

Admiral Hayward warns us:

> We are headed toward a loss of the relatively narrow margin we possess today. Without being overly dramatic, I think that today the Navy is at a crossroads. Decisions made in this and the next few years will determine whether we maintain our superiority in the mid-80's and beyond.

I urge my colleagues to recognize that there is no more significant long-term national security issue facing this country today than the maintenance of maritime superiority. We must take appropriate action today.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I think it is unfortunate that with this bill before the House we have such a small number of Members in attendance and also such a small representation in the press gallery, because I am sure a little bit later in the day Members who have not had a chance to listen to the explanations of what is in the bill will still be trying hard to take a number of items out of the bill. I am sure also that there will be substantial reporting on some of those debates when we get to them.

Since there are so few here, however, I do not intend to prolong the time now with a great discussion of what is in the bill. Instead, I want to make an announcement of one thing that will not be in the bill.

Early in January of this year, Mr. Chairman, the Army Times published a report that a new, more intensive intelligence analysis of the North Korean troop levels and combat capabilities had been under way within the intelligence community since the summer of 1978. The Army Times also reported that this survey had discovered that North Korean combat capabilities were in fact considerably greater than previously estimated, and that the differences represented a significant capability to overwhelm South Korean troops and even capture the capital city of Seoul in a surprise attack.

In view of these disturbing developments, the Committee on Armed Services of the House, during the markup of this particular bill that occurred earlier this year—and it has taken us a long time for this bill to get to the floor, I might point out—incorporated into the bill section 811. That section provides that none of the funds authorized by this bill could be used for the purpose of reducing U.S. Army ground troops in Korea below the total number stationed there on May 1, 1979.

Obviously, we reasoned, if the Army had goofed and the Defense Department intelligence had goofed in suggesting that South Korea was far stronger than North Korea, and it turned out that they had made a very egregious error, then it would be folly for us to continue the withdrawal of troops from Korea; and so this section was put into the bill to provide a device, insofar as this committee and this legislation would be able to do it, to stop that withdrawal.

However, as Members are aware, on July 20, 1979, shortly after he returned from his trip to the Far East and also from the so-called Camp David summit—and this information kind of got glossed over with all of the attention to the mass resignations from the Cabinet—President Carter formally announced that in view of the new North Korean troop estimates, further combat troop withdrawals from Korea would be suspended at least through 1981; and thereafter there would be a look at whether any further withdrawals should be considered in view of the circumstances then existing.

In my judgment, the President's action has fully met the goals that our committee sought to achieve by incoporating section 811 in this bill and thus has removed the need for retaining section 811 in the bill. In fact, by suspending further troop withdrawals until 1981, the President has actually put the matter over until the next presidential term, whereas section 811 would, of course, be effective only through fiscal year 1980, which would end on October 1, 1980. So the President's action is even more sweeping in its impact than this section would be.

Therefore, Mr. Chairman, I am advising the committee at this time that at the appropriate time, under the 5-minute rule when the bill is being read for amendment, I shall move to delete section 811 from the legislation, and in so doing I want to extend my congratulations and my appreciation to President Carter for making the decision that he announced on July 20.

In addition, Mr. Chairman, let me make clear my support of H.R. 4040. The bill as reported by the Armed Services Committee is $1.979 billion above the level requested by the President and that concerns me. What concerns me most is that it was necessary to add what—by any reasonable standard of deterrence—should have been in the President's request to begin with.

In the late 1930's the world witnessed an ominous buildup of military power on the continent of Europe and those who advocated facing up to hard realities and responding accordingly were dismissed as alarmists, warmongers and even as front men for defense industries. Almost too late the West awakened to the threat and when it did the clamor for scapegoats was almost as loud as the clamor for overtime in the arsenals of democracy.

This is 1979, not 1939, and I am not suggesting that war is an imminent possibility, but there are parallels. Once again the specter of a massive military buildup looms over Europe, and the military machine of the West is in disarray.

Unmistakeably the United States is now No. 2—No. 2 overall—No. 2 in the strategic arena and No. 2 by a wide margin in conventional capability. But unfortunately, politics do not appear to function like the car rental business because in this case being No. 2 does not mean trying harder. Somewhere in the past few years the U.S. Government seems to have become resigned to lesser status. From overwhelming superiority to rough equivalence to minimal deterrence is the story of American military might in the decade of the 1970's.

I know that critics will respond that $135 billion is a lot of money—even today—and it is. But when you consider that in constant dollars of purchasing power it is less than we were spending in 1964—before the Vietnam build up—it is just not enough—not when the Soviet Union has been increasing its budget in real terms by 4 to 5 percent per year for the last 15 years.

I as concerned that the increase we are proposing in this bill is inadequate. At best it will slow the adverse trend—it will not reverse it. The bill adds just enough money to the naval aircraft account to replace the Navy's losses over the past year. It adds the funding increment to enable the Navy to build a real *Nimitz* carrier instead of a paper carrier that is more a figment of imagination than a warship.

The committee has acted responsibly in key areas where the administration displayed reluctance. Examples which come to mind are the continuation of the revolutionary surface effect ship for the Navy, and the vertical and short takeoff and landing AV-8B Harrier for the Marine Corps. These high technology programs represent the wave of the future and the administration was reluctant to move ahead.

Let me hasten to point out that the committee is not just adding things. The committee cut several hundred million dollars in expensive and marginal programs such as the Pershing I-A and Trident II missiles which will ultimately save the taxpayers billions of dollars.

Mr. Chairman, it is going to be said in the course of this debate that the Armed Services Committee has acted irresponsibly by recommending an increase in the defense authorization at a time when there are severe constraints on the overall budget. It is going to be said that too much is already being spent on defense; that America cannot afford to bear the burden; that defense spending is inflationary; that we can only fund defense programs by turning a deaf ear to the needs of the poor.

Those same arguments, and many more, were probably raised on the floor of the Parliament in London in the 1930's, and they are just as invalid and just as irrelevant today as they were then. It is a dangerous world we live in and it gets more dangerous every day we try to ignore that fact.

Just last year the Armed Services Committee warned about the dangers of withdrawing our forces from Korea and now suddenly the President has decided that we—and General Singlaub—were right all along.

We cannot afford to wait for any more delayed realizations. We have to get on with the business of trying harder now. It is a matter of long term survival.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, I thank the gentleman for extending me this time.

Mr. Chairman, I would certainly like to commend the members of the Committee on Armed Services who brought this bill forward, and I strongly urge its support and its unanimous adoption.

I would like to associate myself with the remarks of the Members who have made statements this morning in support of this bill and who are trying desperately to bring the true story to the American people and to the House of Representatives as to the true state of the defenses of this Nation.

We are in a military situation today well known to the members of the Committee on Armed Services but unfortunately virtually unknown to many people in the United States and indeed to many Members of the Congress of the United States. The situation is that we are behind in the development of ships, we are behind in research and development, we are behind in aircraft construction and deployment, and we are behind in the deployment and construction and development of tanks and we are behind in strategic weapons versus the Soviet bloc, which is not necessarily friendly to the desires and the goals of the United States of America. We are suffering in our Armed Forces under personnel shortages, and we are suffering under lack of dollars so that we may make available enough money to provide adequate maintenance, adequate training, and adequate readiness of our armed services.

□ 1230

We are being, in many instances, if not all, penny wise and pound foolish. In the instance of aircraft, we have the finest technology in the world today, but we do not have the aircraft produced or deployed. I am talking about the F-15. The program has been strung out to save a few dollars now, and this will cause severe dollar problems later. I am talking about the F-16, and the F-18, the finest aircraft ever designed. Production is just now, just barely starting. It is indeed unfortunate that we bring this bill to the Members without more in it that should truly be in it.

It has been said, and said today, that technologically the United States is ahead of the rest of the world, and that is true and I believe that and I think everybody here does. However, what good is technology if we do not put it to use? Is the United States that good and that far ahead—and I say the answer is no—that we can reject the technology that we have at hand to keep our Nation superior?

We will undoubtedly later hear from those who say we do not need a strong defense because nobody is attacking us, we are not going to war. But I contend that the reason we are not at war or being threatened by war is because we have tried in the past to maintain a credible defense. But we are degrading and dismantling that now. This bill at least starts to move in the right direction and bring us back to a credible Nation as far as defense is concerned.

In the 1980's, for a few facts, the Soviet Union will have enough accurate warheads on their land-based missiles to target two warheads for every one of our missile silos and still hold a missile reserve sufficient to keep most of their defensive force intact.

In 1955, 58 percent of our tax dollars went to defense and 29 percent toward social needs. In 1975, the tables had turned, and social needs are now 58 percent and defense 28 percent of those dollars.

We have a situation where, since before the Vietnam war, our real defense spending has declined by over 20 percent. In our arsenal we look ahead and, even with Minuteman and Titan II missiles becoming outdated and vulnerable, the conventional ratios are as follows:

The Soviets have a 2 to 1 favorable ratio in tactical aircraft, 9 to 1 in tanks, 2 to 1 in ships, 2 to 1 in submarines, 4 to 1 in military personnel. In essence, we are outgunned, outshipped, outplaned, outmissiled, and outmanned.

Surveying the strategic weapons, we must continue to develop if we are even to maintain what is now referred to somewhat ridiculously as a manageable ratio.

President Kennedy over 15 years ago said:

> Only through strength can we be certain of deterring a nuclear attack. And that deterrent strength, if it is to be effective and credible . . . must embody the most modern, most reliable and the most versatile nuclear weapons our research and development can produce.

That was over a decade and a half ago, and I fear that we have not taken it fully to heart.

We must pursue the development of the MX missile, we must go full speed ahead in rebuilding our Navy, and this includes the construction of a nuclear-powered aircraft carrier. With the nuclear aircraft carrier, for the past 3 years the President has had his way, and these funds have been cut. He is still opposed.

The nuclear carrier is in this bill, and I say that I hope it stays in this bill, because it must. He says it is too expensive, at $2.1 billion, and he turns to support the construction of a yet undesigned conventionally powered carrier, CVV, at a cost of $1.6 billion.

At first glance CVV appears to be an effective alternative. But upon a closer look, the CVN will provide the Navy with more bang for the buck, and the plans are drawn and ready to go, unlike the undesigned and still speculative CVV.

The CVN can carry one-third more aircraft and twice the aviation payload. The cost of the CVN includes a 13-year fuel supply, and if you tack a 13-year fuel supply cost onto the CVV the relative cost between the two are reversed.

So far as the strategic bombers are concerned, the B-1 is not to be built. But at $42 million to $47 million for a passenger aircraft that can carry cruise missiles or the aging B-52 or a stretched FB-111, or whatever, they are all incapable of doing the job. The only conclusion we can come to, therefore, without a manned penetrating bomber of new design in the near future is that the Nation does not have an adequate strategic bomber system available for retaliatory attack. And the B-1 had a delivered cost of $60 million when ready to go into production.

We must pursue the development of all of these legs of our triad: the Trident submarine, the manned penetration bomber, and MX. If these steps are not to be taken, the Soviets will assuredly pass the United States of America in the early 1980's and we will have what many of us have feared for a long time, the evidence and the fact of the United States being a second-rate power.

Only a truly reliable triad will deter such aggression that is possible if we become weak. The program of an enhanced strategic triad and a beefed-up conventional force will cost money. But the expense, I maintain, is affordable, and the end result will be peace. The alternative is unthinkable.

Mr. PRICE. Mr. Chairman, I yield 6 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in full support of the bill, but I would like to limit my remarks to talk about amendments that might be offered to title VIII, which is the peacetime registration of young men at the age of 18. I would like to urge my colleagues to oppose these amendments.

The Subcommittee on Personnel, which I have the privilege of serving on, acted on this piece of legislation. It was voted out unanimously by the Subcommittee for a Peacetime Registration at the age of 18 starting January 1, 1981.

We have been holding hearings in our subcommittee since 1976, and a number of Members of Congress have testified before our subcommittee pertaining to registration, pertaining to the all-volunteer military system. So it is nothing we are springing on the Congress today. We have been talking about registration since 1976.

In the full committee an amendment was offered to strike that registration section part of the bill. It was defeated very soundly by the committee. In fact, the amendment was offered to strike out the registration and only four votes were received for the amendment. So a great majority of the committee do support registration. I want to make that point clear today, that the House Armed Services Committee does support registration.

Why do we need it? The General Accounting report has just come out recently, and it says "Weaknesses in the Selective Service System Emergency Registration Plan." The General Accounting Office points out the shortcomings of this selective service. They say the Selective Service cannot do their job, the Selective Service has no plans, and they really cannot get themselves on planning out of a paper bag. And also the General Accounting Office went one step further. It said we should go back to peacetime registration, and that is what we have in the bill.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Alabama.

Mr. NICHOLS. I thank the gentleman for yielding.

Mr. Chairman, I just want to commend the gentleman on his diligence and his expertise in this entire field.

I have read this report by the Comptroller General. It is an excellent report, and I commend it to the reading of this Congress. I expect to insert it in the RECORD when the House is in full session.

Mr. MONTGOMERY. I certainly thank the gentleman from Alabama. Each

Member of the House did receive this report. It is an excellent report.

The Gates Commission, which was a commission that recommended that we go to the all-volunteer system, in their recommendations concerning the all-volunteer system, they also said we have to have a strong selective service to carry out in case we need a mobilization.

It is not all the fault of the Selective Service System that they are not able to do their job, because the Congress and the Republican administration and the Democratic administration have not asked for enough funds to run the Selective Service System. But the Gates Commission strongly recommended that we keep a strong Selective Service System, which we have not done.

I have these charts before you. The military chiefs of the Joint Chiefs of Staff have each testified before our committee. Each one of them, as you see in the chart, has recommended that we go to peacetime registration.

□ 1240

You know, two things would come out if we started registration. One, we would take the Selective Service System out of the deep freeze where it is now and would make it an ongoing organization. It would set up State headquarters. It would set up local boards to register.

Another thing would happen if we went to registration. We would have the information. We would know who these young men are and where they are, and this would save us 60 days' time if we had a mobilization in this country and we had to get these people called up and get into uniform. Sixty days could be the difference in winning and losing a war.

Now, there has been some feeling that the people of this country are opposed to registration.

The position that we have seen such as the Gallup Poll, and which I have the chart on my left, shows that people generally are supporting registration, so maybe the Congress is out of step if we do not support some type of peacetime registration.

This Gallup Poll made in April says 18- to 24-year-olds that were polled, 78 percent of them support peacetime registration.

Well, you know last week, we spent the good part of that week on foreign aid appropriations bills. We had many passionate speeches, many passionate pleas why we should help these underprivileged nations. That was last week.

This week let us worry about the United States of America.

The committee strongly recommends peacetime registration, and let us let the rest of the world know that we are going to deal from strength and not weakness.

I really do not think it is too much to ask of a young man that he have to register for his country.

Thank you.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

I know the gentleman holds a commission in the National Guard. I am distressed at a situation which I earlier asked the gentleman from Texas (Mr. WHITE), the chairman of the subcommittee, to address. A recent GAO report showed the Army National Guard to be 70,000 below strength as of the end of last year. The Army Reserve was 64,000 below its authorized strength of 250,000.

The GAO report went on to suggest that the Army was recruiting not on the basis of its needs, but on the basis of its projected hopes as to who could be enlisted.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

Mr. PRICE. I yield 2 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. McCLOSKEY. I do not see how we can possibly maintain a combat-ready military establishment if we do not have the requisite number of people in the Reserves and in the National Guard. There has not been a battle or war in history that has not been affected by the lack of a Reserve. In turn, I do not see how we can maintain a Reserve without some concept of the threat of the draft in the background. Between the Korean War and the Vietnam War, we would have had no opportunity to keep Reserve units up to strength but for the existence of the draft in the background. Would the gentleman comment on this problem?

Mr. MONTGOMERY. Yes, the gentleman is exactly right. He did mention the figures of the individual Ready Reserve, which is mainly in the Army, which is 500,000 short. These are the replacements that we would need in Europe.

Another matter that concerns me is what the Defense Department has done when they project the figures that they can meet. They have reduced the strength levels of the National Guard and Reserve to meet their projections. So what has happened in the last few years, the National Guard and Reserve strength levels have been reduced by a large amount, trying to reach these strength levels, which we still have not come up with.

So, we are in sad shape in the National Guard and Reserve.

Mr. BOB WILSON. Mr. Chairman, I yield 8 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I would like to commend the chairman and the ranking member of the committee for the thorough job that they have done in bringing this legislation to the floor. I especially would like to commend the chairman of our Subcommittee on Military Personnel, the gentleman from Texas, for the long and arduous hours that he put in in trying to come up with the necessary manpower for the defense of this country. It is a thankless job. It is tough to deal with. It is controversial, and in the midst of a failing All-Volunteer Force, I think he has done a very conscientious job in attempting to correct the situation.

Mr. Chairman, there are two matters in H.R. 4040 of particular importance that I would like to highlight—medical care and Selective Service registration.

MILITARY MEDICAL CARE

As has been pointed out today, there is unfortunately a substantial amount of evidence available about the deteriorating quality of the military medical care system. The number of physicians and supporting medical staff personnel available to provide care is below requirements. Insufficient funds are available for the efficient operation of existing medical facilities. One result has been the closure of medical facilities that are needed but cannot be adequately staffed or maintained. The situation is exacerbated by deficiencies in CHAMPUS—the program for care in the private sector that is intended to be an adjunct to the military medical care system.

The overall effect has been a reduction in the quality of medical care provided active duty and retired military personnel, and their dependents.

In an effort to reverse this trend, the bill being considered today takes some substantial steps to improve the quality of military medical care. First, additional civilian personnel are being provided to perform clerical and other support duties that physicians are now forced to perform. This should improve the efficiency of the medical facility as a whole and at the same time make military service a more attractive professional environment for physicians.

Second, the committee has urged the Department of Defense to increase the number of personnel in physician assistant training programs. Physician assistants can provide quality primary medical care and, in effect, spread the availability of the existing physician force.

Three other important actions have been taken that relate more closely to the area of compensation, but are nonetheless important to the military medical care system. The committee has included a provision that will require full use of the capacity of the Uniformed Services University of the Health Sciences to train physicians. Also, the health professions scholarship program stipend has been adjusted to make it comparable to that offered through HEW. This change will make the scholarship program a more viable source for new physicians than at present. Finally, the committee is recommending that physicians on active duty with obligated periods of service be eligible to receive a bonus. It is hoped this change will improve retention among this group of military physicians.

Overall, then, I am hopeful the recommended actions will have a very positive impact on military medical care. Lack of medical care is one very important factor in our inability to retain manpower.

REGISTRATION

Because of the erosion of benefits such as health care and living conditions, we are having great difficulty in recruiting and retention, particularly in the reserve forces. As the gentleman from Mississippi pointed out the committee felt it necessary to take a step that will substantially improve the ability of this Nation to mobilize to defend itself in an emergency-peacetime registration.

If the world were ideal, there would be no need for a registry of military-age personnel to be used in an emergency. The world today does not permit us the luxury of ignoring the possibility of a national emergency. We need to take certain steps to prepare for such an event. One step is to have an effective system that can provide manpower during a mobilization in an organized manner. That system does not exist today.

It is important to recognize that there is no real disagreement about the fact that the Selective Service System cannot meet national emergency mobilization needs. A recent test of mobilization capability was a complete flop.

Current stated requirements are for the first inductee to enter training within 30 days of mobilization.

The Selective Service System today cannot produce the first inductee until 110 days after mobilization.

The time difference is critical to our ability to conduct a defense in a conventional war, and really our ability to deter the outbreak of such a conflict.

I want to say I share the concern of many Members in this Chamber about permitting the Government to intrude in citizens' lives by reestablishing this registration system. I am more concerned, though, about the consequences of not having a list of available manpower for an emergency.

AN AMENDMENT TO THE AUTHORIZATION BILL

Some Members have expressed concern about placing this amendment in an authorization bill. While the authorization bill debate has often focused principally on the procurement of military hardware, over the past decade the bill has been substantially broadened to address active duty, Reserve, and civilian manpower in terms of an annual authorization, as well as necessary permanent changes to the law such as—

Recruiting incentives for the Active and Reserve Forces,

Permitting women to serve on Navy ships, and

Providing a 6-year statutory military obligation for women who enlist under the Military Selective Service Act, as has been the case for men, among other changes.

In reality then, the scope of the bill has been the Nation's defense posture as a whole and it is appropriate to address a serious deficiency in mobilization capability in this manner.

But, additionally, it appears that many Members perceive that a decision on registration will suggest something about the course of this country with respect to the All-Volunteer Force, the draft, or national service.

It does not.

The necessity for peacetime registration is independent of a judgment on future national military manpower policy. This mobilization difficulty would likely remain whether the All-Vounteer Force continuss in effect, or we return to a draft or establish a national service plan. In fact, registration is compatible with any of these operations. As has been pointed out when we went to the All-Volunteer concept, it was to be done with the idea we would have a viable registration system.

The point then is that the decision on registration should not be regarded as decisive on the broader public policy debate concerning the All-Volunteer Force, the draft, or national service. Registration for mobilization purposes is needed no matter which course the country chooses.

ADMINISTRATION POSITION

Another point I hear often in the registration debate is that the Director of Selective Service says he can meet Department of Defense requirements without registration. In light of this, why does Congress need to do anything?

A little light needs to be shed on this point.

The Acting Director of the Selective Service System has stated he is "firmly convinced" the system can meet DOD requirements without registration. He has made this statement in a letter to the committee and in testimony. However, when he made the statement before our subcommittee, let me read what transpired from the transcript—

Mr. SHUCK. Given the funds we requested sometime in 1980 or early 1981 we will be able to demonstrate that we can begin the deliveries within 30 days and deliver 100,000 within 60 days. This would be without any prescreening of those individuals.

Question. You're not answering my question. What's the risk?

Mr. SHUCK. The risk is significant.

Question. Well then, you would agree with the CBO that performing registration in peacetime as in option II would eliminate the risks associated with timely completion of the task during the mobilization?

Mr. SHUCK. Preregistration would certainly reduce the risk.

Question. How much would it reduce it? Substantially?

Mr. SHUCK. Substantially.

But aside the words of this administration official, the fact is they are relying on a plan that is still being formulated to permit the Selective Service to meet the requirement of providing the first inductees within 30 days, and 100,000 inductees within 60 days.

The Committe on Armed Services has reviewed this plan and found it unrealistic. The Senate Armed Services Committee has come to the same conclusion. Also, the HUD, Independent Agencies Subcommittee of the House Appropriations Committee has stated the following in denying a request for additional appropriations for the Selective Service System in fiscal year 1980:

It is very doubtful that the budget request would allow the Selective Service System to meet the revised Department of Defense manpower requirements—particularly without some form of registration.

Let me just outline parts of the plan the Selective Service Director has in mind.

For the first 9 days after a mobilization, some 40,000–50,000 local polling places will be opened and equipment and forms distributed.

The polling places have not been identified, nor the more than 50,000 volunteers to man them recruited. There are no forms in place for this purpose.

However, under this plan, this organizing must occur, no matter what turmoil this country will be in, because on the 10th day 4 million males—the 19- and 20-year-olds of the country—must register, all that day. If women register, 8 million persons would be expected to register that day.

From the 10th to the 15th day, all of the registration forms must be transported to 460 keypunch machines for entry into 10 regional minicomputers. No matter that the Selective Service does not own any of this equipment, and by their own estimate, could not have it in an operable state for 2 years from whatever point they are provided funds by Congress.

From the 15th to the 20th day, the minicomputers must send this information to a central computer, where it is checked, processed, a lottery conducted, and then induction notices are sent out—300,000 a day by mailgram—beginning the 21st day.

However, if even one minicomputer fails, or its plug is pulled by someone who does not take kindly to the mobilization, or any single election site fails to get its information in on time, the whole process must stop because Selective Service cannot issue induction notices to anyone in a year group until all of those eligible have been processed.

If the scenario I have outlined works, the first inductees are then to arrive at the training camps by the 30th day, as the Department of Defense requires.

If this process breaks down at all, or anything does not work properly, the Nation would not have trained military manpower available as is required and the option to conduct a conventional defense will no longer be viable.

You guess what option that leaves.

My point in outlining the plan on which the Acting Director of Selective Service's optimism is based is to give you some idea why those who have reviewed the situation are calling for peacetime registration.

With a registry in hand, the most time-consuming and difficult task is accomplished and the process can proceed with some margin for error.

Let me just say that in spite of the Secretary of Defense's vague position on this issue, the Secretary of the Army, Clifford Alexander; the Chairman of the Joint Chiefs of Staff, Gen. David Jones; the past Chief of Staff of the Army, Gen. Bernard Rogers; the present Chief of Staff of the Army, Gen. E. C. Meyer; the Chief of Naval Operations, Adm. Thomas Hayward; the Chief of Staff of the Air Force, Gen. Lew Allen; the past Commandant of the Marine Corps, Gen. Louis Wilson and the current Commandant, Gen. Robert Barrow; and the past Supreme Allied Commander, Gen. Alexander Haig, all support peacetime registration.

This step is insurance for a national emergency; it is not the first step toward conscription.

I urge you to support the committee recommendation.

□ 1250

The CHAIRMAN pro tempore. The time of the gentlewoman has expired.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 4 additional minutes to the gentlewoman.

Mr. MONTGOMERY. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. Yes: I will be glad to yield.

Mr. MONTGOMERY. The gentlewoman is talking about the Selective Service System and it not being workable. Our Subcommittee on Personnel met with the newly appointed Director of the Selective Service System, nominated as Director. In a statement to our committee, he said that the plans for the Selective Service System were full of holes and a steamroller could fall through them, so even the new Director admits that we have no plans, as the gentlewoman has just pointed out.

Mrs. HOLT. And that is why I wanted to elaborate on that, because the plan is not there.

Mr. BENNETT. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. LLOYD).

Mr. LLOYD. Mr. Chairman, each year the Defense Department Authorization is debated. The lines are drawn which separate basic philosophies of national defense; those in favor of a strong defense, those who are lukewarm about defense unless it affects their district, and those opposed to a strong defense.

I really do not know why I am addressing the subject of a nuclear carrier over other weapon systems. And I know my colleagues already know my views. I guess my intent is to once more publicly express my belief in the requirement for this ship and my full support for the committee's decision to once again confront the President's position in this matter.

Personally, I cannot believe that against the experience, advice and counsel of competent naval officers that the Department of Defense would appear before Congress and take a position against a nuclear powered vessel in the light of oil shortages. The committee is not shoving a nuclear carrier down the Navy's throat. It is in fact acting in response to careful examination of the carrier's capability versus cost, the future of the Navy as a tactical arm of the military and many other factors woven into the fabric of our national defense.

The Congress faced a Presidential veto last year, and perhaps the same will be true in 1979. The House upheld the veto, but will it do the same this year? To answer that I think it is time to reflect on the administration's decision concerning the B–1 bomber. I predicted that the decision would come back to haunt us, and if you have observed the myriad of drawing board alternatives and the accompanying costs, I am not too far off in my prediction. In the same manner then, and against all good sense and economy, we may fall into a similar pattern on this issue if we do not provide for a nuclear carrier in the 1980 defense budget. The President who, on the energy side of the picture, is all for nuclear powerplants to reduce our dependence on oil, is against the nuclear carrier which accomplishes just that on the defense side of the picture. Somehow the logic escapes me. It is obvious that the majority of the committee does not follow the President's logic either. I may not be able to change the minds of those who are opposed to a nuclear carrier. I would just like to have it recorded that I support funding a nuclear carrier, and I commend the determination of my chairman and the foresight of the committee.

□ 1300

Mr. BOB WILSON. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, all the Members of Congress and all Americans want peace, of course, and most experts agree that peace is best assured by maintaining parity or equality in defense strength with the Soviet Union. Parity in defense strength would add up to what we would define as an adequate defense, and I am sure that everyone in this Chamber would agree that we need an adequate defense. But, there is great disagreement on just what parity or equality or adequacy means.

It certainly does not mean that each nation must match the other one for one in weapons; that each must have an identical number of planes or tanks or guns. The defense needs of the two nations are different. For example, the Soviet Union is ringed by potentially hostile nations. We are not. There are many other differences in defense requirements. Because of these differences, any discussion of relative strength becomes hopelessly confused.

Another obstacle to an accurate assessment is the qualitative difference in performance of weapons systems. There is a great variation in fighter planes, for example. In a combat situation, one of our F–15 fighters would be the equivalent of several older Mig–21's. We just saw an example of that a few weeks ago in an air battle between the Israelis and the Syrians.

But, in spite of all the qualitative differences, I feel that we are getting too far behind quantitatively. I would agree that our training is better, our technology is superior, our allies are more loyal, and we are a wealthier nation, but the quantitative disparity seems to be getting out of hand.

Out of 20 categories of defense strength, we lead in only 3—helicopters, bombers, and nuclear warheads. The Soviets lead in 17. If we factor in civil defense, they lead in three more categories, so it is 20 for them and 3 for us, or an 87-percent lead for them and a 13-percent lead for us. Twenty to three is not a good ratio under any circumstance.

Merely listing numbers tends to dull the senses and glaze the eyes. But I am just going to go over these charts to show that if we are going to spend our hard-earned tax dollars on defense, it is important to learn how we rate with our potential enemy. In the first column we have Soviet strength, and in the second column is U.S. strength:

	U.S.S.R.	U.S.
Equipment and facilities dollars	1.8	1
Research, development, training, and education	2	1
ICBM's	1.5	1
SLBM's	1.3	1
ICBM boosters	1.8	1
ICBM re-entry vehicles	1.3	1
ICBM-Mirv's	2	3
Throw weight	3.5	1
Megatonnage	7	1
Tanks	7.3	1
Personnel carriers	2.5	1
Artillery	4	1
Bombers	1	3
Planes other than strategic	1.5	1
Attack submarines	3	1
General purpose submarines	3.4	1
Major combatant ships	1.3	1
Helicopters	1	3.6
Strategic spending	3	1
Research and development	1.5	1

Members can see that the Soviets lead in category after category. In strategic force comparisons alone, in ICBM's, it is 1.5 to 1; SLBM's, 1.3 to 1. In bombers we are ahead, but our bombers are 25 years old.

NATO force comparisons also favor the Soviets, as follows:

Manpower	2	1
Airpower	4	1
Tanks	4.6	1
Artillery	6	1

Civil defense ratios are even more disparate, as follows:

Money spent on civil defense	10	1
People involved in civil defense	11	1
Nuclear war casualties	1	10

As the Members can see from the charts, we are behind in nearly every category, and in many of them considerably. Being behind 20 to 3 is not an enjoyable position in any contest. Perceptions of strength and resolve are critical. With this disparity, the perception is that we are rapidly approaching second-class status.

In the interests of preventing war, we must do better. At the very least, we must support this bill, H.R. 4040. It will not narrow the gap appreciably, but it will still keep us in the game.

Mr. Chairman, I urge my colleagues to support H.R. 4040.

Mr. BOB WILSON. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I thank the gentleman very much for yielding this time to me.

Mr. Chairman, this year as in every year since I have served in Congress we

are hearing the same argument that this bill authorizes too much money for some people's likes and too little for others. It is inevitable that these discrepancies will arise on any spending issue, but the debate has a particular propensity for becoming polarized when that subject is our Nation's defense.

I am convinced that the committee's proposals are meritorious and warrant adoption.

The basic objective of the U.S. military services is to provide and man weapons systems that supply the strength necessary to deter war, and at the same time protect our national interests. Whereas the authorization levels encompassed within H.R. 4040 are somewhat stringent and will allow only incremental upgrading of our forces, with careful management I feel our national interests and security will be afforded necessary improvements.

The bill reported by the committee provides significant improvements in our strategic and conventional forces designed to enhance our deterrent capability. In view of continually increasing Soviet expenditures, which have been paralleled by dramatic improvements in their strategic and conventional force capabilities, the 3 percent funding increase for our national preparedness in fiscal year 1980 is justified and essential. H.R. 4040 is a positive step in reversing the trend that has befallen our military interests during the past decade, and begins a real growth in defense investment.

We have all witnessed the gradual decline of our military capabilities and the degradation of our international influence. A myriad of events on the world's stage over the past year demands that we halt this trend and take effective, necessary steps in rebuilding our forces, and thus shore up confidence abroad. Our international influence has declined to the point that a NATO ally has recently rejected a U.S. proposal to allow our U-2 planes to fly over its airspace in order to monitor compliance with the SALT II accords, because the Soviet Union balked at granting its permission. We cannot sit back and continue to willingly accept Soviet aggression, especially since it has now begun influencing our allies. It is belligerence such as this from the Soviets that dictates that we undertake a serious effort to modernize and improve our dwindling military capabilities.

One modification that is essential to the modernization of our strategic forces is the reengining of the KC-135. Although the tanker's mission was originally designed to provide refueling capabilities to enable our bomber force to reach targets deep within the Soviet Union, it has since been expanded to enable cargo aircraft to provide logistics support for our air, ground, and naval forces operating outside CONUS.

As the present engines powering the KC-135's are based on 20-year-old technology, reengining this aircraft would greatly enhance its potential. New engines will give the tanker improved economy, and from the standpoint of community relations, will reduce noise levels very significantly. Those factors, combined with the fact that a new engine will allow the plane to take off carrying a much heavier load, will afford us the ability to meet logistic requirements.

The benefits to be realized through reengining are well recognized by everyone who has reviewed the issue. There is no necessity of continuing the R. & D. program since $9 million was appropriated for R. & D. during fiscal year 1979. Recognizing this, the Armed Services Committee has added $15 million in the aircraft modification fund to begin procurement of new engines.

Recently I had an opportunity to visit the Boeing Wichita Co. and discuss this issue with several executives of the company. I was informed that since Boeing has been involved in reengining several commercial aircraft, reengining the KC-135 should pose no real problems thus eliminating the need for continuing further R. & D. If we proceed with procurement during fiscal year 1980 the reengining program will be facilitated thus decreasing the overall cost of the program.

As I mentioned earlier, reengining will substantially increase the fuel efficiency and operating capabilities of the KC-135. Through these improvements, reengining will pay for itself over a period of years. Boeing estimates that by proceeding with procurement the program will become cost-efficient during 1988. If a full R. & D. program is followed before beginning procurement, the reengining program will not become cost-efficient until 1992.

The KC-135 is currently being reskinned, which involved removing the aircraft from service for 25 days and replacing the bottom sections of the wings with a stronger, heavier grade material. Since the reskinning program is continuing, the reengining can be integrated into the reskinning program, thus reducing the need to remove individual aircrafts from service twice. Although I do not know the exact figures, integrating the two programs will add to the savings associated with proceeding with procurement as soon as possible.

It should be remembered that since the number of aircraft designed to be refueled in the air is growing, so that by the early or mid-1980's our tanker capabilities will be insufficient to meet the demand without either reengining the KC-135 or buying new tankers. I am convinced that the $15 million in aircraft modification recommended by the committee for reengining of the KC-135 is the most cost efficient method of improving the capabilities of the tanker.

A system which will greatly improve our tactical capabilities, and is the No. 1 priority of the Army, is the XM-1 main battle tank. Although the M-60A3 tank, which the XM-1 will incrementally be phasing out, possesses a modern fire control system it is housed in World War II circa armor. The committee has closely monitored testing of the system, and is convinced that the funding level requested by the President for fiscal year 1980 should be authorized to enable the system to enter low rate initial production on schedule.

In addition to achieving recognition as the first turbine powered tank, the XM-1 has other advanced design features as well. This 59-ton vehicle incorporates significant advances in crew protection, reliability, and maintainability; it also has twice the power, cross country speed, and mobility of current combat tanks.

The House Armed Services Committee has concluded that the tank is the mainstay of the land warfare force. As the XM-1 is such a significant improvement above and beyond the capabilities of the M-48 and M-60, which are rapidly becoming obsolescent, it is essential that we authorize the President's request. The testing and analysis confirm that this tank will be the most survivable, capable tank in the world.

Any militarily weak nation encourages aggression by adversary nations. This has been reflected by the rapid Soviet military expansion and its intervention in international struggles in the face of our decline in strength and preparedness. Although I do not advocate a role of gendarme for the United States, we have always been looked to by weaker nations as a foil to those nations who adhere to a philosophy of interventionism. In countries such as Nicaragua, Afghanistan, Ethiopia, and in southern Africa we have failed to live up to those expectations as we have passively observed the Soviets breed civil strife to gain influence.

Our commitment to lead the free world is reflected by the state of our defense capabilities. With the cancellation of the B-1 bomber; the failure to produce the neutron bomb, which is an important defense for our NATO allies vis-a-vis the numerical advantage of tanks the Warsaw Pact enjoys; and the decline in the quantity and quality of our manpower, it is even more essential that we authorize the systems the Committee has recommended.

Mr. Chairman, the intent of this bill is to reestablish a credible deterrence by maintaining an effective force structure, while at the same time resolve deficiencies in the manpower arena. This is a sound, reasonable approach to our defense needs and I urge my colleagues to join me in supporting its passage.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to commend my colleague from Indiana (Mr. HILLIS) for his interest in the KC-135 tanker reengining program and to follow up on his remarks specifically in reference to the KC-135 reengine program.

The KC-135 is used primarily as a tanker aircraft for mid-air refueling of other aircraft such as the B-52.

Reengining is an effective program that constructively addresses the Nation's critical fuel needs. With the replacement of inefficient, noisy engines with technologically more modern engines, the fuel consumption of the KC-135 fleet will decrease dramatically when reengining is completed. The fleet currently burns 10.4 billion gallons of fuel

a year or 11 percent of the total Air Force fuel consumption. Reengining of 300 KC-135's will save approximately 160 million gallons of fuel a year. That is 3.8 million barrels of fuel a year and at $20 a barrel, an annual savings of $76 million could be realized.

Additionally, by placing new engines in existing airframes, the KC-135 fleet can be used well into the 21st century.

And there are other benefits which will accrue from reengining. First, the modern engines will be quieter and less polluting. As Members from districts where KC-135's fly can attest, this noisy aircraft has caused considerable constituent disgruntlement.

Reengining the KC-135's will also help us more effectively meet our present and future military requirements by allowing expanded and more efficient use of these aircraft.

With most of the R. & D. completed, it is essential that we move ahead expeditiously on production. Reengining constitutes a low risk technology and several costly testing and engineering steps can therefore be minimized. The sooner actual production begins the sooner fuel savings and other benefits can be realized. It was in this spirit that the Armed Services Committee wisely approved $15 million for use in the procurement budget. Further, I am pleased to have just learned that the Air Force is currently reviewing the program with the goal of a more production-oriented program. I commend them for taking this step.

□ 1310

Mr. PRICE. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, the budget proposed by the President and the budget passed by the committee are excessive. They are not justified by our military needs or by our vital national interests.

I am very concerned that the combination of several new weapons and support systems could move the United States to a point where we could jeopardize, or at least appear to jeopardize the entire spectrum of Soviet strategic capacities. Such a position could be very destabilizing to world peace.

Given our budget limitations and our significant domestic needs, this budget precludes very much needed domestic initiatives.

The President has requested a military authorization of $138.2 billion for fiscal year 1980, an increase of almost 10 percent. Based on this level of spending, unless defense spending is brought under control, the military will be spending $260 billion per year of our taxes by 1990.

Such an expenditure would mean that major social concerns would be set aside, because money will not be available to fund them. In fact, for the next year, fiscal year 1980, the President has recommended cuts in social and human needs programs of almost $20 billion. The Nation's priorities are misshaped and our commitment to social justice and a decent and secure standard of living is unfulfilled.

Part of the insistence on higher military expenditures is a result of frustration over recent events in Iran, Africa, and elsewhere in the Third World. But a clear lesson of recent history is that American arms are not applicable, appropriate, or plausible for use in many situations around the world. To a great extent, neither an American nor a Soviet shadow will frighten Third World people toward a particular direction.

There is also considerable concern that we match the Russians—plane for plane, missile for missile, bullet for bullet. But the true match, the important match, must be between our objectives and our capacities.

Our defense objectives and force levels should reflect our foreign policy needs.

Former Secretary of Defense Schlesinger saw clearly that our present commitments were not being met even by our present astronomical budget. I believe it would be correct to say that even the one-quarter trillion dollar a year budget in the late 1980's would not fill out the military image we project today. We must either devote even more resources to the military or curtail our commitments abroad.

Clearly, we must disengage. We cannot afford to be "policeman of the world." And, if we could afford it, we should not accept the role. We must assume a posture which carries only the cost and risks which the American people should and would be able to bear. Are we willing, can we truly afford, to defend the "American system" which reaches throughout the world?

In a real sense the effort to project our power throughout the world locks us into situations where our security and our lives are challenged unnecessarily. Our effort to maintain third rate dictatorships could be the portal to World War III.

Obviously, we cannot immediately pack up and go. But we must decide now where our long-term interests are, and begin to shape our foreign policy and military posture accordingly. This will require patience, thoughtful reflection, and effective diplomacy.

We need to maintain a strong military, but its strength should be measured as to the real needs of America.

President Carter has said, "It is a new world that calls for a new American foreign policy." This is most certainly so. Our intent should be to shape a foreign policy and supporting military posture that recognizes our limitations and our true interests.

Our foreign policy should be noninterventionist with our military posture sufficient to defend the United States and our vital interest, but without the adornments necessary for being the police officer of the world or an intervenor in the Third World.

We should encourage self-sufficiency on the part of our allies. We must share a permissive attitude toward the Third World that reflects understanding of the diversity that will and should develop.

In Asia, Africa, and the Indian Ocean we should develop a noninterventionist policy. American military might will not stem the revolutionary tide that flows through the Third World. A tide that flows toward sovereignty and independence.

Given our large forces in Asia, this is an area where we can and should reduce our forces now.

SOVIET/AMERICA BALANCE

Given an understanding of the importance of balancing our needs and our forces, we can understand a certain fatuousness in balancing Soviet and American forces. The needs are different. Nevertheless, the increases in the Pentagon budget are also based on the faulty premise that we are dangerously challenged by superior Soviet military strength. Many see trends in Soviet military spending and capability that demonstrate Soviet superiority. But that premise of superior Russian destructive capacity must be carefully analyzed—and can be challenged.

MILITARY SPENDING

It is reported that the Soviets spend a higher percentage of their gross national product on defense. They do spend 11 to 13 percent of their GNP for defense, while we spend about 5.59 percent. But, the Soviet GNP is roughly one-half the size of the GNP of the United States. In addition, 51 percent of the Soviet defense budget is spent on border police activities, maintaining a visible military presence against the Chinese, and the machinations of the KGB. Less than one-half of their budget outlay is directed against the United States and its NATO allies.

MISSILE NUMBERS

The Soviets have more missile launchers. They have 1,477 ICBM's to our 1,054 ICBM's. The Soviets have 828 sea-based launch missiles to our 656. But, in the important category of deliverable strategic warheads, we have over 9,000 deployed strategic nuclear warheads, while the Soviets have about 4,000.

HEAVY MISSILES

Some feel that new Soviet heavy missiles will soon be able to destroy a high proportion of the American ICBM's. However, because of many technical factors, it is questionable when—and if—the Soviets could accomplish this destruction of our land-based missile force. Certainly, they cannot do so in the immediate future. But, even supposing they could, what advantage would they gain? Despite a totally effective Soviet nuclear first strike against the U.S. land-based missiles, our submarines at sea—largely undetectable, and virtually invulnerable for decades to come—could thoroughly destroy all major Russian cities several times over.

NATO VERSUS WARSAW PACT

The U.S.S.R./Warsaw Pact nations lead NATO in the quantity of tanks. The Warsaw Pact leads NATO 1.1-1 in tactical aircraft. The Warsaw Pact leads NATO in numbers of troops. But, as Secretary of Defense Harold Brown recently told me in writing:

The odds that the U.S.S.R/Warsaw Pact would risk either a conventional or nuclear attack on western Europe are small.

Furthermore:

The probability of Soviet military initiatives in Europe is low. A Soviet limited nuclear attack is even lower.

We must understand that there is a significant Chinese threat at Moscow's back, and that there are questions as to the dependability of the Warsaw Pact allies in Eastern Europe. Furthermore, our tanks exceed the U.S.S.R.'s in quality—range, speed, amount of ammunition, accuracy, maneuverability, and armor. NATO also enjoys a qualitative lead in the very important area of anti-tank weapons. In addition, our aircraft quality capacity exceeds that of the Warsaw Pact.

THE U.S. STRATEGIC CAPACITY

The United States has in excess of 9,000 strategic nuclear weapons—in addition to some 22,000 tactical nuclear weapons. Of these 9,000 strategic nuclear weapons, the United States has approximately 5,000 based on submarines which can be launched from submerged depths so deep that they are virtually invulnerable to surface or missile counterattack. About half, or 2,500 of the sea-launched ballistic weapons are always at sea, ready for use. Whatever the Soviets do in the near future, this U.S. submarine capacity for annihilation will still exist. Some other ICBM's and manned bombers will also survive any Soviet first strike. Thus, the question poses itself: "Why do we need more?" The destructive capacity of these invulnerable submarines alone is shuddering to contemplate. Approximately 30 percent of the Soviet population and 75 percent of Soviet industry are located in the 200 largest Soviet cities. The capacity to destroy all these cities exists in 11 Poseidon/Polaris subs alone. Currently, there are 31 such subs. Think of it—11 Poseidon subs have the capacity to destroy the Soviet Union as a functioning industrialized society.

How much is enough? We can kill each other only once.

In truth, much of our nuclear arsenal is, at best, a waste. At worst, it is sowing the seeds of Armageddon.

POLICY OBJECTIVES AND FORCE STRUCTURE

U.S. military forces should be designed to deter nuclear attack on United States or allied populations and to deter conventional war in the industrialized world. Forces for nuclear deterrence are ample provided by the 5,000 warheads on the 31 Poseidon/Polaris submarines. Deterring conventional war requires primarily conventional forces to aid in the defense of Western Europe: The armored and mechanized ground troops, tactical air power and "sea control" forces (convoy escort and antisubmarine aircraft and submarines). U.S. air and sea forces also contribute to the defense of Japan and the deterrence of war in other areas.

Many components of existing and planned U.S. forces are not needed for defense. On the nuclear side, this includes all new strategic systems and most tactical nuclear weapons. Designed for nuclear first use and nuclear war-fighting, such forces are meant to help deter conventional war and maintain U.S. influence overseas. However, using nuclear weapons for this purpose is too dangerous. It involves a permanent nuclear arms race, increased feasibility of escalation from conventional to nuclear war and greater risk of nuclear attack on the U.S. population.

On the conventional side, the Navy "power projection" forces (carriers and amphibious assault ships), the Marines and the Army light infantry units are useful primarily not against the U.S.S.R., but against much weaker countries, particularly in Third World areas where we lack sufficient popular support for secure land bases. The United States neither needs nor benefits from such interventionary forces.

Our first step is and should be withdrawal from Korea.

In 1975, I asked Secretary Schlesinger—How can you justify on military grounds a forward deployment of 42,000 troops? His response was, and we read it into the record:

The gentleman from California is correct. We cannot justify on military grounds the forward deployment of troops in South Korea. We are there to provide a political presence.

My question is: Why do we need 42,000 troops or 27,000 to provide a political presence? Why not 4,000 or 420 or 42? What is so magic about 42,000 troops? Why 27,000 troops providing resources to one of the most powerful, best equipped armies on the face of the Earth?

The time has come for withdrawal from Korea. The United States would leave behind "adequate intelligence forces, observation forces, air forces, naval forces, and a firm, open commitment to our defense treaties."

Under the plan developed by the President, the 3 squadrons of American F-4 fighter-bombers (of 18 to 25 planes each) will remain in the country indefinitely. Powerful American naval deployments in regional waters, forward based at Yokosuka and Sasebo in Japan, will be available for quick reaction.

The military forces on the Korean Peninsula are essentially equal. The South Korean Army has over 635,000 persons under arms. Many of them are combat experienced as the result of their involvement in South Vietnam. Who are the ostensible enemies of the South Koreans? The North Koreans. The North Koreans have approximately 600,000 troops and have not fired a shot in 22 years, with the exception of occasional sniper fire. South Korea should be able to defend itself from a thrust from the North. North Korea is a state with less than half the population (16,280,000) of the South (34,610,000). It is inferior in overall ground forces (550,000 against the South's 635,000); about 40 Soviet-size divisions in the North against about 21 larger South Korean divisions, including a Marine division. On the other hand, the North has an advantage in armor (roughly two tank divisions against the South's equivalent of about one). And unfortunately the capital of South Korea is only 30 miles from the DMZ. But a majority of North Korea's planes are obsolete Mig-15/17's and IL-28's, while few of South Korea's planes are the outdated F-86's. But, in any case, air forces do not directly oppose each other, as do ground units. Moreover, ROK also has the advantage of being able to fight from a strong defense position. Importantly, NK's air and sea superiority is more than balanced by the U.S. air and sea units, which would remain under the Carter proposal. The actual fighting strength of combined forces would remain nearly the same. There are some risks in any troop withdrawal plan from Korea. On the other hand, I believe that there are even more serious risks if our ground troops remain in their present position. Let us be clear about one point, the only reason our combat troops are located where they are is so that if there is a military confrontation in Korea, the U.S. Forces (on or close to the DMZ), would become virtually, instantly, and automatically involved in a new war on the Asian mainland—without time for any careful reasoned decision by the President and by Congress.

The continuation of the status quo could lead to any one of two disastrous consequences; automatic U.S. involvement in a new land war, or the withdrawal of U.S. forces under fire.

Withdrawal under fire, or withdrawal of these combat troops immediately prior to conflict, will be viewed as much more damaging to the morale of ROK forces than doing it now.

The withdrawal is accompanied by more than $2 billion of additional arms transfers to consist of credits, over 5 years, of nearly $1.4 billion, and a legacy of more than $800 million of the 2d Division's helicopters, armored personnel carriers, and possibly tanks and nuclear-capable Honest John rockets. The package will probably also include hundreds of modern jet fighters, among them the new F-16, and half a dozen naval destroyers. When our Government agrees to a 5-year dose of Korean modernization in exchange for a 5-year reduction of our troop presence, we should realize that this is precisely what we have already done: The 5-year plan that ended in 1975 cost more than $1.5 billion in addition to regular military assistance. By now, South Korea was supposed to be militarily self-sufficient on the peninsula, and American troops were supposed to be out.

As we withdraw, we should eliminate from our force structure all units committed to, or primarily oriented to the defense of Korea. We should disband the units that are withdrawing from Korea. This would result in a saving of $900 million yearly and reduce our force structure accordingly. Korea is the case that requires all the other support troops in the area. The Japanese and Philippine bases are all primarily geared to providing support for a Korean conflict. Therefore, these bases could be reduced in the near future without endangering other foreign policy considerations.

Our position in Asia should reflect the relative area stability that emerges from our new formal relationship with the People's Republic of China. This diplomatic development should further preclude the requirement for an intrusive American presence in Asia. We do have a special relationship with Japan and

Japan should remain under our nuclear umbrella. The nuclear defense of Japan does not require a conventional arm, and particularly not the lightly armed Marine divisions. Nor is there any reason, given an unwillingness on our part to be a policeman, for these obtrusive forces to remain at their present level. The Marine light divisions should be reduced by one-third. So should the Marine air wings be reduced.

NATO

Western Europe remains an important area of U.S. interest. Indeed, between 45 to 50 percent of the projected DOD budget is targeted to NATO. This happens despite the negligible odds of any conflict there. The rationale for U.S. commitment to NATO is usually expressed in two ways. First, to deter aggression. Second, to preclude further German armament. We should and we have committed significant levels of men and arms. Now, if additional resources are required, a heavier burden must be shared by our allies, none of whom meet the percentage of GNP we expend on defense. Truthfully, any softness in NATO is with our allies. Allied units lack firepower, lack tanks, lack anti-tank weapons and more sophisticated aircraft.

I do not believe a creditable U.S. commitment to NATO requires the force levels we maintain now. Further, we must pursue mutual force reductions. The United States is preparing its ground forces to fight and win a major "conventional" war in Europe. This is costly preparation for an event that there is little likelihood will either happen or if it did could be long contained.

The 16 U.S. Army divisions, raised to generally meet NATO needs, are not a militarily useful force. There are too many marginal units which are using limited resources and materials. Ground troops, programed to be sent to Europe, in case of war, will probably arrive too late to matter. Further, there are real problems with assuring, during wartime, security and access to prepositioned material in Europe. The Army should be reduced to 12 fully equipped divisions.

STRATEGIC PROGRAMS

I am convinced that the United States is developing a capacity to attack the Soviet Union in a first strike. Our capacity certainly will appear as such to the Soviet Union. If we do develop this capacity, the self-evident effect is staggering to contemplate. In order for a country to launch a disabling first strike, it needs a missile force capable of destroying enemy missiles, submarines, and other hard military targets. We have more than enough of these already for deterrent, but the Pentagon has now begun the development of bigger, and extremely costly, new strategic weapons systems. Besides being total budget busters, they are highly dangerous, and threatening to the fragile stability of world peace. Unlike the United States, which has only 19 percent of its strategic warheads on land-based missiles, the Soviets have 71 percent of their strategic warheads on land-based missiles.

The new Mark 12A warhead to be placed on the Minuteman III ICBM and, if it is deployed, on the mobile mode MX ICBM, has an extremely high capacity for destroying a hardened Soviet missile silo. The projected Trident II would also have this hard-kill capacity. With these weapons, there can be no doubt that we are deliberately developing the capacity for a disarming first strike against the Soviet Union. The Soviet reaction to such a development might be the panicky decision to fire first in a diplomatic crisis.

The resulting combination of increased accuracy, warhead yield and megadeath potential are unnecessary for deterrence. They are nothing more than the basic tools for fighting a nuclear war with options for a first strike or a blackmail limited nuclear strike.

So we have arrived at the brink of utter madness. We are actually contemplating waging a nuclear war, in the expectation that somehow, somewhere, normal life could survive—that there can be a victor in a nuclear holocaust. The era of Dr. Strangelove is truly here—but it is no longer a joke. Satire has become the imminent reality. The time to stop is now.

These new weapons are our own greatest danger to survival as a free society. This plethora of U.S. military forces and weapons are a veritable tinderbox, just waiting for a lighted fuse.

Mr. PRICE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I rise in support of H.R. 4040, the Department of Defense authorization bill for fiscal year 1980. The chairman, the gentleman from Illinois (Mr. PRICE), and other members of the House Committee on Armed Services have done an excellent job in drafting this bill. If approved, the programs and procurements authorized by this bill will help to maintain the strategic balance of power and preserve our national security.

I would be remiss if I did not begin by stating that I listened carefully to my colleague, the gentleman from California (Mr. DELLUMS) who just spoke. I think and I know that what he says he means most sincerely. But when it comes to studying the world situation, finding the terrible increase in the military posture of a potential enemy, I find that I must respectfully disagree with my friend.

Specifically, Mr. Chairman, I want to compliment the committee for the provision expressing the sense of Congress that maintaining a survivable land-based ICBM is vital to the security of this country. I certainly hope that this body will proceed with the development of the MX missile and its basing modes.

It is encouraging also that the administration has taken the position that it has recently announced to back this posture. Moreover, Mr. Chairman, the committee is to be congratulated for supporting a strong Reserve force and particularly for rejecting the administration's recommendation to drastically reduce the Naval Reserve. This should be kept in mind because we do need a strong Reserve all across the board, and to have the Navy Reserve cut back as has been recommended by the administration is not right for our national defense.

I also wish to point out that I agree with the bill regarding the nuclear aircraft carrier and not choosing a small one. I made an independent study on my own, and I have concluded that a smaller carrier would not be cost effective but that the nuclear carrier over a period of years would be the one that we need for national defense and the one that we need to be cost effective.

Finally, Mr. Chairman, I want to comment on the committee's action regarding civil defense. The committee quite correctly recognized the need for increased authorization for civil defense. We have too long ignored the necessity for an upgraded program. The $138 million recommended in the bill will enable us to begin—I say "begin"—an appropriate civil defense for our country, and yet the committee's recommendations do not go far enough. Our current civil defense program is inadequate in part because it has not been given proper direction; it has not been given proper goals. Multiyear authorizations have not been authorized. When we consider title VII of this bill, I will offer an amendment which will correct both of these deficiencies.

□ 1320

It will direct the President to develop and execute a truly multipurpose civil defense program which could be used in the event of nuclear war, it could be used in the event of natural disaster as has happened to my district, tornadoes and floods within 1 year, and also it could be used regarding nuclear accidents similar to that which occurred at Three Mile Island.

The Skelton amendment specifies the elements which are to be included in civil defense; it spells out the goals of the program; and it provides for a 5-year authorization period. The amendment would also recognize the contribution of civil defense to the overall strategic balance of our country.

Mr. Chairman, I direct attention to the chart on my right. On this chart, the 39 potential prime targets in America are set forth in the event of a nuclear attack. The Fourth District of Missouri that I represent has 150 ICBM missiles. We are told by the authorities there would be some 300, 1, megaton bombs exploding in the district that I represent should we have an attack.

Mr. Chairman, the adoption of my amendment will help solve the problems to protect the people, some 10 million people in these 39 areas. It will enable us to start a program of effective national civil defense. It will also provide for crisis relocation for those who live in cities and in urban areas.

In conclusion, Mr. Chairman, let me reiterate my support for this bill. There are certainly, of course, amendments that might help to improve it and they deserve the support of the Members. My amendment, I feel, is one of the these. However, on the whole I recommend this bill, I intend to support it and I recommend it for a strong national defense.

Mr. PRICE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Under the rule, there will be 1 hour of debate on section 812 of the bill. The gentleman from Texas (Mr. WHITE) will be recognized for 30 minutes and the gentleman from California (Mr. CHARLES H. WILSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, whatever comes out of this debate, in my opinion it is very salutary for the security of this Nation that we have this debate to focus the attention of this Nation on the deplorable state of our Selective Service System and our dangerous reserve shortages.

Many of the Members are misreading the wishes and resolves of the people of this Nation for a strong defense. I believe these people understand that only by a strong defense can we hope to have peace.

Mr. Chairman, I commend to you the Louis-Harris survey of December of 1978 in which 66 percent of the people favor registration and 31 percent oppose. At that time in the age bracket of 18 to 29, 51 percent favored and 47 percent opposed.

The Gallup poll of April 1979 showed that nationally, 76 percent of the people of this country favored registration and 17 percent opposed.

Of the young adults age 18 to 24, 73 percent favored registration and only 20 percent opposed registration.

Mr. Chairman, there are several points I wish to make and I will expand on these. This bill calls only for a standby registration of 18-year-old males. It does not call for a draft. Before a draft could take place Congress would have to vote for a separate draft bill.

Over a 3-year period we have had extensive hearings on registration and selective service both with adverse and supportive witnesses.

The Subcommittee on Personnel which has jurisdiction over manpower and selective service included this measure in this bill as has been done on a number of other occasions.

Mr. Chairman, I know there have been circulars sent to the Members saying this is unusual to put registration in an omnibus bill, but I assure you we have any number of instances when changes in the selective service law were included in omnibus bills. Anyone who says changes in selective service have always been done in a separate bill and not in a general bill are therefore wrong.

Mr. Chairman, the Joint Chiefs of Staff, the Secretary of the Army and many others, all listed on the board before you, have testified to the need for standby registration. Secretary of Defense Brown last January spoke in favor and said we might have to go to some kind of registration. He later said that he had some misgivings, apparently on a basis of possible reaction.

Mr. Chairman, one of the President's staff said, "We do not need registration. There are effective ways to improve the capability of the Selective Service System so it can respond quickly in times of emergency."

They talk about $1.5 million but what they do not tell you is that the Privacy Act prevents any means of obtaining the information of which they speak.

Mr. Chairman, since this whole debate has come forward, and this is one of the salutary effects, there has been a change in the Selective Service setup, the manpower setup. The gentleman who was to be Selective Service Chief is no longer before the Congress. A man who understands selective service has come before us, he came to a group of members of the Subcommittee on Personnel and said that the plans that were projected, such as were referred to by the Acting Director, provide loopholes large enough to accommodate a steamroller, that the measure will not work. Therefore, Mr. Chairman, there is no effective plan for mobilization in the event of an emergency.

The President himself, speaking recently in Bardstown, Ky., was asked whether or not he favored registration. The New York Times reports the answer of the President in the issue of August 1, 1979, as follows:

> In answer to a question, Mr. Carter seemed to soften his Administration's position against a standby draft registration when he said, "We might have to have registration for the draft as a precautionary measure." He said that he was reassessing the question of whether young people should be required to register at the age of 18. "We might have a standby registration if I decide it is needed," he said.

Since the President has already indicated an interest in registering 18-year-olds, he needs this authority to register only 18-year-old males at the present time. In no other way can he do this. Otherwise, under the present law he would have to register those 18 to 26.

Mr. Chairman, what we are trying to do is find the least expensive means by which we can refurbish and build the reserves that are sadly lacking in this country in the event we have a mobilization.

Mr. Chairman, we do not tell the President how to register. We say it should be done, and we have a number of recommendations that we solicit from him that are included in the bill.

Mr. Chairman, this measure came out of the subcommittee unanimously. In the full committee the vote was 30 to 5 in favor of the bill as written.

Mr. Chairman, if we have any faith in the committee system and the expertise of the members of any committee, we must ask why was the vote so overwhelming.

□ 1530

The answer is that the security of this Nation is endangered with the present state of our reserves. For example, did you know that our individual ready reserves, the standby nondrilling reserves is 500,000 short of manpower?

These are the people that are going to have to fill the gap in the event of an attack say in the scenario of NATO when we suffer high casualties with perhaps about 4 days of warning before the attack.

Did you know that our National Guard and Drill Reserves are approximately 180,000 short of manpower?

Did you know that our total forces in Europe total approximately 300,000 men and women and that these forces could be attacked, as I said, possibly with only 4 days notice?

Did you know that those forces, plus our allies, face superior forces, numbers of adversaries, with 10 times the superiority in cannons, 4 times the superiority in tanks, and chemical attack capability?

Our forces would suffer high casualties.

What replacements do we have to help hold the line? The National Guard in actual reserves is already at least 180,000 short. Units would be broken up and the teamwork engendered over the years of working together, the efficiency would be destroyed, if they were broken up.

You say then we could reinstitute a registration and draft at that time. At a time of chaos?

Our Selective Service System today is a virtual shambles, a chaos at the present time. If we were to start right now from scratch to register, draft and train an army, it would take 7 months to put a soldier with only basic training in the field; 7 critical months, that would be far too late. By standby registration we can cut off 2 vital months that could be the margin of victory.

Now, there have been reports that say, oh, it would not be 2 months, but that is assuming that you have other things in place, which we do not have at the present time. Do we not owe it to the troops in the field to let them know that Congress appreciates their danger and will not sacrifice them to a "take care of me first" attitude that appears to be so rife in this country at the present time?

The Pentagon's alternative announcement earlier was to recall the Vietnam veterans as their alternative to registration. Where is the equity in that? Where is the efficiency of calling older, tired veterans, who might have trouble with the rigors of combat and who have already done their duty? Without an adequate manpower backup that can be quickly called and processed, we would be forced to escalate to the use of nuclear weapons and that, of course, is what we wish to prevent as well.

How is peace preserved? By the perception of power and strength and resolution. Each day our reserve forces dwindle away and we fail to have even the minimum backup, the standby registration and the Selective Service structure that can function. Our defense posture grows less credible and we invite intimidation and lightning attack.

With impunity, the Soviets have placed a brigade just to the south of us in Cuba and thumbed their noses at us and we appear to be impotent at this time. If this happens and we have a lightning attack, forget democracy, forget this free body, forget our free institutions, forget the whole ball game of what we have built over 200 years, unless we can build a credible defense with which to preserve these institutions.

I told you about the Gallup poll already and the Harris poll to show that the American people are alert. I do not know what it takes to alert our membership.

Do not listen just to a few dissident voices. Listen to the American public who favor registration. They are concerned for the safety of our country.

The truth of our appalling manpower shortages has been classified and withheld from the American people, but the Soviets know. The DOD mobilization plans never included reliance on the All-Volunteer Force in case of war or emergency, but rather on the delivery of inductees under a reinstituted military draft. The DOD requirements call for delivery of the first inductees for training 30 days following mobilization, with another 100,000 inductees within 60 days and 650,000 within 6 months.

Unfortunately, all agree that the Selective Service could not deliver the first inductees for training until 3 or 4 months after M-Day and would be capable of supplying less than 60 percent of the 650,000 inductees required within 180 days.

You must not be swayed by things that a few vocal people have said across this Nation. You should listen to the public. There are innumerable, innumerable editorials across this land of people which normally would be trying to persuade you not to have a registration but which are now urging registration. People are not thinking of themselves, but thinking of America when they tell you there is a clear and present danger unless we do something now. We do not have the luxury of waiting in this modern world. America is telling the Congress to bite the bullet and do what has to be done now before it is too late.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, perhaps I am one of those dissidents that the gentleman from Texas (Mr. WHITE) just made reference to. I think there are more than a few of us around, however.

I oppose the registration, first because I see no immediate emergency and I see no emergency in the foreseeable future that would require that we need to go through such a procedure at this time.

I am going to be brief because there are several other people who want to make comments.

Second, I think the gentleman from Mississippi (Mr. MONTGOMERY) when he made his comments told us exactly what the story is, that the registration is just a forerunner to the draft, that the next thing we will be asked for is the actual draft itself.

I do not feel, again, that this is the time or that there is any reason for us to consider the draft.

Third, I gather from the comments of the gentleman from Texas and also the gentleman from Mississippi again that the principal purpose of the registration is to try and frighten young men into signing up either for the National Guard or the Reserve. They keep emphasizing the fact that our Reserve is so small, our Guard is so small, therefore we need to register so we will frighten our young men into doing this, rather than registering and taking their chance on going into the service.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. Yes; I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, will the gentleman agree that one of the motivating forces behind this registration is the shortage that we have seen for the last 3 years in the Reserves?

Mr. CHARLES H. WILSON of California. I do not know that we have the actual shortage that has been described to us, but I think that is the motivating force behind the call for the registration, however.

Mr. DOWNEY. Would the gentleman agree that if we could do something to augment the Reserve and National Guard strength that a lot of the impetus for registration might disappear?

Mr. CHARLES H. WILSON of California. Well, we have been trying to do that in the Committee on Armed Services. Certainly I will give the gentleman from Mississippi (Mr. MONTGOMERY) credit for trying to elevate the Reserves and the Guard to a much higher position than they have been in the past, to give them more perks.

I think that this would take care of what shortage there is in the Reserves and in the Guard.

Mr. DOWNEY. Mr. Chairman, I thank the gentleman.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I rise to express my opposition to the provision in the Defense authorization bill, H.R. 4040, which authorizes the registration for the Selective Service System. I am deeply troubled and concerned that such a provision has the potential to become a reality. My long involvement with defense issues has broadened my understanding for the operations and the manpower needs of the various branches of the services. I have also devoted considerable time to studying what requirements are necessary to maintain our national security. I have carefully evaluated this proposal and have concluded that the provision requiring registrations is not justified to satisfy national security requirements.

I am perplexed by the contradictory reasoning offered by those supporting registration. They maintain that this is not a prelude to a peacetime induction system. Yet if the registration provision is adopted, our Nation will have taken a dramatic and dangerous step toward the resumption of a military draft. Such a decision should be made only after a comprehensive national debate.

Concerns over the individual Ready Reserve strength has accelerated this current debate on registration. Some of our colleagues maintain that the problem is the All-Volunteer Force—that it has failed. Changes in the all-volunteer concept may be necessary, but this does not imply that the all-volunteer concept is a failure.

An even more surprising attitude has surfaced as a major issue. In these times of great civil rights awareness, we still have people in key positions who are preoccupied with the high minority ratio in the armed services. They claim that minority representation runs from 40 to 60 percent in some units. They seem to think this is not a fair representation of the American society. This strikes me as a peculiar thought, since these soldiers, regardless of race, color, or creed are Americans. In fact, if anyone was to voice an opposing opinion, it should be these minority groups who historically have been disproportionally sent to the frontlines, and who have made the ultimate sacrifice for our country.

In my closing remarks, I want to once again reiterate my position so there is no misunderstanding of my protest of the passage of the registration provision. I feel that the All-Volunteer Force has not been given sufficient time to work. And it is too early to make a fair evaluation. I strongly feel that with time, adequate support, and the proper appropriations, this program will prove to be successful.

In addition, I feel that in an event of a national emergency, the American people will rally to our Nation's aid. I hope we have learned something of value from our bitter experience in Southeast Asia. We cannot again ask the people we represent to make sacrifices in the name of our country, and then have top officials rationalize those sacrifices as a grave mistake. I have an obligation to my constituents and to myself to see that such a provision is not passed.

Remember, as a Member of Congress, we are not immune from making an erroneous decision. This vote must be carefully considered. It will involve the lives of millions of loved ones—in fact, probably someone very close to you. Your vote should not be cast without careful consideration and deliberation as to the magnitude of the action that would be undertaken if this provision does pass. I urge that this section on the registration be removed.

Mr. Chairman, the only other word I have to say is that I hope the committee will adopt the amendment of the gentlewoman from Colorado who would have a delay of any registration until a report is forthcoming from a Presidential commission.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. Very briefly, because I do not have much time.

Mr. MONTGOMERY. Mr. Chairman, I am rising in opposition to the Schroeder amendment and also to the Beard amendment. I hope the gentleman would oppose the Beard amendment also. That is my question to the gentleman.

Mr. CHARLES H. WILSON of California. I do not know what I am going to do on the Beard amendment. I have not heard it yet. I do not know what is really in the amendment.

I am going to support the amendment of the gentlewoman from Colorado (Mrs. SCHROEDER), however.

Mr. WHITE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, we have heard several hours of debate today on the necessity—or from many of my colleagues, the extravagance—of improving the capability of U.S. weapon systems. I support many of the enhancements this bill authorizes. However, I am sure we will all agree that modern, advanced technology is of limited value when it is operated or maintained by less than adequate personnel. In order to preclude the manpower aspect of our defense from being established as the weak link in the fence, it could be argued that section 812 of H.R. 4040 is the most significant provision under consideration today.

Although the point could justifiably be argued as to the success of the All-Volunteer Force, the committee has included section 812 in an effort to address, and offer a solution to the inherent problems the Selective Service System faces in its deep standby status. It is widely agreed that the SSS cannot meet the latest Department of Defense mobilization requirements. The SSS's inability to meet these requirements was the prime consideration when the committee concluded that a return to a registration system is the most feasible method for assuring that the prescribed number of inductees will be delivered for training within the allotted time frame should a mobilization effort be necessary.

Reinstituting registration is not a precursor to peacetime conscription. Peacetime registration would bring the SSS out of mothballs and by activating the field structure that has been—for all practical purposes—defunct for the past 4 years, and upgrading the automatic data processing equipment, would enable the SSS to perform its prescribed mission.

Under current plans for mobilization, should a major national emergency occur, a draft would necessarily be reactivated. A face-to-face registration of all males aged 19 to 21 would be conducted by the SSS by utilizing local election apparatus. After entering registrants into a central computer and induction notices issued, the DOD would theoretically have the first inductee delivered for training at M30, and 100,000 inductees at M60. A report by the CBO concluded that it would take 90–120 days for the delivery of 100,000 inductees, which falls far short of the mobilization requirements.

The SSS is confronted with serious problems in the critical areas of conducting a mass registration, the capability of its automatic data processing equipment, and the reconstitution of its field structure; should a major international conflict mandate the mobilization of our forces the DOD's induction schedule cannot be met with the current status of the SSS. The CBO report previously cited states:

> A paper and pencil mass registration of six million youth to be completed with two weeks' notice is a complex undertaking requiring considerable advance planning; reliance on the state election apparatus to respond rapidly, based on present preparations, is risky. Even if the state election apparatus proved responsive, the ADP hardware and software is wholly inadequate to meet the high-volume processing needs of the quick-reaction organization Selective Service is supposed to become.

A peacetime registration would eliminate the risks involved with a comprehensive, post-mobilization registration. By conducting a continuous registration system the SSS would rebuild its rudimentary field structure and would be able to avoid the pandemonium that would grip this country vis-a-vis mobilization.

By failing to reinstitute a registration system, and therefore bolster the SSS's mobilization capabilities, this body wavers in its commitment to maintain U.S. security and deter aggression. I urge my colleagues to consider the grave implications that will result should section 812 be deleted from H.R. 4040.

□ 1340

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, it is never easy to rise countering my committee, and so I would like to explain why I am offering this amendment and why I feel so strongly about it.

First of all, I think this is probably one of the most important debates we are going to be having in this Congress. It is very important to the national defense, and it is very important to the most important national resource any nation has, and that is its youth.

There are so many issues in this bill that we should be addressing that I really do not believe that registration belongs in this bill. I think of all the other procurement items on which I would like to speak and with which I would like to have been able to deal, and yet here we are with all these things in this incredibly comprehensive package.

I must also say that I have been sitting here listening to the debate, and I note that there have been many Members here talking about the urgency of dealing with registration now, that there is an emergency and we must be prepared, and that if we do not do this today, we will be leaving the country exposed to the Soviet threat. Well, let me remind the Members that if we look at the bill, we will find out that we are talking about registration not taking effect until January of 1981. So if we thought there was such an emergency, then I question why it is not taking effect until after the next election.

The other thing is that we would have a study in there at the same time. We are mandating registration to come into effect at that time, and we will not even have the results of the study in that are mandated by the bill. So we are acting before we really look at this issue fully.

My amendment would be to strike the implementation of the registration and have the study go forward. We could have the study come to us at the beginning of next year, and we still would be on target if people still feel that this is such an emergency.

There are many other issues I have heard discussed today, and I would like to respond to those just briefly. We have heard Members talk about the problems of the All-Volunteer Army and the problems of the Reserve and the Guard. There may be a lot of problems there, but I do not think registration solves those problems unless we immediately say that it is going to move into a draft. I do not see how registration solves that problem. There is no connection between the AVF recruiting and the issue of registration.

Nobody is talking about abolishing the All-Volunteer Army, and nobody is here assuring us that registration will fill up all the holes that are supposed to be in the Reserve and the Guard, although I am not sure that is quite true.

The other thing is that we have this based on the premise that started in the Civil War, and that is that what the military needs is strong young males to go out and fight. Many of the manpower discussions I have heard in front of the committee in the 7 years I have sat there have indicated that a lot of our shortfalls are in different areas. They are in different skills—computer skills, being able to repair fire control systems, and all sorts of things. So we may be looking to the wrong type of manpower gaps.

I do not think it is important as to who supports or who does not support this bill because we are sitting as a legislative body today, an independent branch under the Constitution dealing with an issue that is independent from a weapons procurement bill—this is not a people procurement bill. I have heard people say that the President may be changing his position. Nothing could be further from the truth. The President, the Secretary of Defense, and the Director of the Selective Service System, all oppose registration. Well, the President has been very helpful to me on this amendment, so I find that surprising.

I have heard people cite the polls. Well, one can get a poll to say anything if the question is phrased correctly, and I do not think that is the issue.

We are here as a separate branch of Government talking about something that is very important to the youth of this country and to the defense of this country. We should be acting on facts. We gain only 13 days of added mobilization capability with peacetime registration—that is a fact. We should be acting on that type of thing rather than being of a windstock mentality, trying to guess which way the winds are blowing or who we can line up to protect us.

I think the lessons of the 60's are that we cannot put Americans in uniform and send them out unless they are convinced they are truly defending the future of America and that they are standing for the moral premises America has stood for in the past. I hope this body has learned that, and I urge this body to support my amendment, which I think takes the horse and puts it back in front of the cart.

In other words, Mr. Chairman, we will first have the study, and then next year we can act upon that study and hopefully go in the right way rather than slipping legislation through to take effect after the next election and after the results of the study come back. I think we will find from that study on registration that it will not change any of the problems with the All-Volunteer Force that registration's proponents say it will.

Mr. WHITE. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I rise in strong support of the provisions to reinstitute military registration of 18-year-old males beginning January 1, 1981. Serious problems are apparent regarding the capability of the present Selective Service System to select and induct, in a timely manner, sufficient personnel to meet military requirements in the event of a full mobilization.

In addition to addressing this fundamental concern, these provisions would insure the independence of the Selective Service System, and require an annual report on the capability of the Selective Service System to meet personnel requirements in the event of a mobilization. Finally, these provisions would require the President to submit recommendations on various specific modifications and improvements to the Selective Service System.

I want to emphasize strongly that these provisions would not authorize and do not contemplate a return to a peacetime draft.

My support of these provisions does not imply that I believe that the All-Volunteer Force concept is a failure. An effective Selective Service System was intended as an essential element of the All-Volunteer Force. However, the Selective Service System has failed to maintain its posture as an effective standby component in the All-Volunteer environment and, consequently, needs to be revitalized.

Mr. Chairman, the Nation faces serious military threats throughout the world. Our Active Forces, today, effectively thwart this threat; but, it is a precarious balance which, at any moment may swing to the side of hostilities. In that event, the Nation must mobilize its manpower resources rapidly, equitably, and efficiently. The Selective Service System, today, cannot do that. These provisions represent the minimum essential step in providing the assurance that we will be able to mobilize and meet the most realistic requirement.

This insurance, like any insurance, will eventually require some cost; but like any insurance wisely chosen, the potential benefits far outweigh the costs. Similarly, like any insurance policy, it must be purchased in advance of the situation for which it is intended. These provisions will enhance this Nation's insurance policy.

Revitalizing the registration system now insures a number of important benefits:

In the scenario we use in planning our forces (a crisis, with little warning, leading to a high intensity conflict) implementation of registration and induction will be chaotic at best. Consideration of deferments would be perfunctory in such an environment. An existing base of preregistered personnel will assist in development of a well thought-out and equitable mobilization.

I am concerned with the attitude of some segments of today's youth regarding their outlook toward service to their Nation. Peacetime registration emphasizes their responsibilities by focusing attention on the obligation to serve in the Nation's defense.

A preregistered base will permit objective statements of the resources available and the ability to deliver in the event of a national emergency; thereby assisting in the development of viable and effective plans.

In the environment of developing hostilities, an existing population of registered manpower will provide more flexibility in response to these contingencies. Implementation of registration could be a precipitous step if taken during precarious times because it could be perceived as a belligerent act in such an environment.

The major benefit of this provision is a reduction in the risk that we face because of the uncertainties of future hostilities. The probability of war may be remote; but, the consequence of being unprepared is catastrophic. It would be grievously unfair to our service members in Europe for this Nation to fail to maintain the backup that will give them support in time of need. That backup lies significantly in the ability of the Selective Service System to deliver inductees according to the schedule put forth by the Department of Defense. Failure to accomplish this will result in unnecessary casualties.

Implementation of registration in peacetime will not solve all our problems; however, failure to implement registration will preclude the problem from being solved.

I strongly urge the Members of the body to support in their entirety the provisions in this bill dealing with revitalization of the Selective Service System.

□ 1350

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I rise in opposition to reinstituting the registration and/or the draft.

I have heard a lot of comparison today with what Russia has. Russia has conscription, but that is hardly a justification for us having conscription or the use of force to build up our military.

I think the conservatives, and I am one, are great when they defend so well the principles of individual liberty in defending the marketplace. What they do not understand at times, though, is that same fundamental principle of the marketplace where we do need individual liberty is the same individual liberty that we must protect when we talk about registration, conscription or national service.

It does not surprise me when one who is considered liberal, who spends another person's income, who controls another person's life, who controls the economy, proposes registration and conscription and national service. I think this is a more consistent pattern than the conservative who is always fighting for the marketplace, which is based on the principle of individual liberty supports the draft. I do not believe that we as conservatives can defend the marketplace and private property properly if we do not maintain that a man's life is his own and not the government's.

The basic premise that conscription and the draft is based on is this: "I want you to protect me so badly that I will gladly sacrifice your life so that you can do that."

The answer to that is this: Neither my life nor an 18-year-old's life is yours to use; not in a free society where we have constitutionally protected natural, God-given rights.

This is the difference between a country like ours and that of Russia, because there the state grants the rights and the state can remove those rights. In a country like America, the individual himself must make this the decision when and if to serve his country.

Certainly there may be some risk in a free country on the adequacy of our defense; but there must also be some patriotism and there must also be a willingness to defend the country and that this cannot and should not be imposed by force. If we resort to force, I beg the question that we will fail; because it is only by volunteerism and through a free choice can we preserve a free Nation. We cannot preserve a free Nation by the use of tyranny. The use of one's life in this manner by the state is an example of tyranny. I do not believe the two, freedom and slavery are compatible.

We cannot expect good results in establishing a free society if we are not consistent in our arguments. I maintain that we as conservatives fighting for the free market are inconsistent when we propose registration and propose the draft.

I might also ask those conservatives who are practically willing to go to war over the concept of a registration of a gun and then relinquish their kids up wholeheartedly and allow them to be registered. I happen to think more of my kids than I do of my guns, but I will also fight and defend on principle that it is the same issue, that we should neither register our guns nor register our children.

I propose that if we reinstitute the draft today or tomorrow or have registration, those individuals in this Congress should be the first to go, especially those who have never served. There are young Members in this Congress who are willing to vote for conscription and the draft and yet have not served in this military. To argue that we owe

something to our country begs the question that if you are 50 and have not served, you owe a lot more. Under today's circumstances, there is room for them in the military and there is room for them in national service. But I insist do not put the tax on the 18 year olds. It is wrong, it is unjust, and it contradicts every fundamental principle of freedom.

Mr. Chairman, I hope that today we will reject and at least table the notion of registration and forget about the draft, because it is incompatible with a free country.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I just wanted to compliment the gentleman for the remarks that he has made. I concur with them and I think he has placed his finger squarely on the issue. I compliment the gentleman on his remarks.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to commend the gentleman for his remarks and I associate myself with them. I agree 100 percent with the gentleman's view on this amendment.

Mr. PAUL. Mr. Chairman, I am glad to hear that, because I also rejected in my talk, or at least implied, that we also should reject the welfare state as well.

Mr. JOHN L. BURTON. We do not want to do everything at once. We do things easily. We are talking basically at this point about the fact, and I agree with the gentleman, that welfare for the rich should be scrapped and tabled.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I guess I am not known as a conservative in this body yet. I agree with everything that the gentleman from Texas (Mr. PAUL) has just said on this issue. That is because, when it comes down to believing in America and what America stands for and the basic principles of liberty, I do not think there is any difference between liberals and conservatives. We may differ over economic policy. But this issue involves what America is all about.

I happen to represent the city of Kent, Ohio. Next May will be the 10th anniversary of one of the most tragic events in my memory, the killing of four young Americans by other young Americans at Kent State University. We do not need to go through that sort of thing again. The result of the alienation of almost a whole generation of young people was the deaths of those four young Americans at Kent State. Of course, it was part of a much vaster tragedy—the deaths of many young people in Vietnam for reasons that they did not understand.

Unless the young people of this country have a clear perception that our national interests, including their interests, require compulsory registration and service, its enactment will produce another era of division and alienation. Yet no clear case has been made.

Whenever it is clear that the interest of the United States and our national security are at stake, young people will volunteer by the hundreds of thousands, as they did after Pearl Harbor. We do not need a draft if we have that situation. Likewise, if it comes to the point that the needs of this country for the military draft are clear, the young people will accept registration and the draft, as we all will.

But I suggest that with the armed services within 98.8 percent of the President's projected manpower levels at the end of July of this year, and when, in the most recent calendar quarter, they have exceeded by 6,000 their level of enlistees for the corresponding period of last year, there is hardly a crisis in the armed services in terms of manpower. Nor is any visible in the immediate future, if the armed services do an effective job of recruitment of volunteers and if the pay and benefits for enlisted personnel are reasonably comparable to those in comparable civilian occupations.

We should be insuring that those conditions are met in the future, instead of giving the military a permanent lock on the youth of our Nation.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, first of all, we have a problem with both the Regular Army and Reserves. That is undeniable. It is clear that, with the National Guard and the Reserves, there are not enough people. The answer to filling those billets is not to have a registration, which I do not think is anything other than a precursor to the draft.

I was in college during the 1960's and participated in a lot of the protests, and I think I have a unique understanding, as do many other Americans of my generation, about the unfairness, the inequity of the previous method of conscription.

Before we can even think about a draft, before we can even think about solving this problem, we have to clearly examine what the problems are, how to resolve them. Forcing 18-year-olds into the Reserves is not the answer. The problems of the Reserves are providing adequate training, inducing people to have a meaningful occupation if they come into the Reserves. Adequate training will eventually augment the Reserve and Guard.

□ 1400

The problem with the volunteer army is now as it was in Vietnam, as it was in Korea and to a lesser extent as it was in World War II, that serving in this country's army falls disproportionately on the poor and the black citizens of this land.

Now, that is unacceptable, but that problem is not going to be solved by registration, and that problem is not going to be solved by a draft.

That problem can be addressed by a program of inducing other people to come and serve this country, because, as as a democratic society, we owe it to ourselves to make sure that the burden of fighting our battles, if we should ever have any more, of serving in our armies falls within every income strata and all segments of our society.

Now, the gentleman from California (Mr. MCCLOSKEY) has a bill that, in my opinion, makes some sense and deserves careful study; and I would hope that if the proposal of the gentleman from Tennessee (Mr. BEARD) or the proposal of the gentlewoman from Colorado (Mrs. SCHROEDER) is passed, that that is one of the avenues that we would look to to solve this problem. But do not make any mistake. If we vote for the registration, we are going to get the draft. We are going to get the inequities, and we are not going to solve the very fundamental problem that exists either in the Reserves or in the regular Forces.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I intend to vote for the Schroeder and Beard amendments, but I cannot stand in this House and hear what we have heard.

There is an amendment to the Constitution which states that a well-regulated milita is essential to the defense of the State. We must have some sense of responsibility on the part of each one of us in this Nation; the talk about service being some kind of slavery is absolutely repugnant.

If I were not so determined to follow the course of the Schroeder and Beard amendments, the talk I have heard today might have made me vote for registration. This kind of talk is not what our country was made of.

Mr. WHITE. I would like to inquire of the chairman how much time is remaining.

The CHAIRMAN. The gentleman from Texas (Mr. WHITE) has 11 minutes remaining and the gentleman from California (Mr. CHARLES H. WILSON) has 10 minutes remaining.

Mr. WHITE. Mr. Chairman, I yield 2½ minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I oppose any peacetime draft, but I do support the registration provision of H.R. 4040.

I want to make this point perfectly clear, as one of our leaders used to say. This bill would not permit a draft. New legislation would be needed, and adequate time would be provided for study for it. Just for perspective, our volunteer army strength at the moment is a little over 2.2 million people. The Soviet Union's strength is 4.4 million people. They are about 100 percent ahead of us

there; and their reserve strength is 10 times ours. They have a 10-to-1 advantage.

The fundamental question today, ladies and gentlemen, is the defense of the Nation, not a lot of extraneous things that have been brought into the debate. It is whether we are going to win or lose a war. In the event of all-out war, it has been estimated that we would need to begin training replacements for volunteer Forces within 30 days. Without a registration system, it is estimated it would take us 120 days to get the first inductee out of the pipeline.

In other words, we could have lost the war during a 90-day gap in time.

It is just not fair to ask those who have volunteered to defend our Nation to fail to provide them with some backup, with some emergency assistance. No one here wants us to be defeated in war, but I do fear that is exactly what will happen if we do not have adequate replacements in time of war.

I would like to point out, too, there are some serious shortages in our all-volunteer system. History demonstrates that when national registration programs are in place, that volunteering increases, not just for the reserves, but for the regulars also.

So the registration program should serve to strengthen our volunteer Forces, to fill in the gaps and to further postpone that time when we will need a draft, a peacetime draft.

Finally, in an emergency situation, if we wait until we need these replacements and do not have a plan in place, then there are going to be great inequities in who is selected to fill these gaps in our system, who takes the place of those who are needed to replace our volunteers.

So, I urge my colleagues to support the provision in H.R. 4040 for registration.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, I, too, believe that if this House today approves of the registration proposal, we will ultimately have the draft back.

I remember this issue, for this was the first major vote we had in the 86th Congress, in February of 1959. It was whether to extend the draft for 4 years. Some of us wanted a 2-year extension plus a study to ultimately phase out the draft. We lost that fight. History reports that much has happened in the intervening years, largely, I think, because we had the draft and the large manpower pool. We were in Vietnam.

Finally, under President Nixon, he allowed the then 2-year draft to expire.

Subsequently, of course, President Ford extinguished the registration classification system.

I hope, Mr. Chairman, we will not return to that.

Mr. Chairman, section 812 of the Department of Defense authorization bill for fiscal year 1980, H.R. 4040, which requires that all males reaching the age of 18 after December 31, 1980, must register with the Selective Service System is a sinister proposal. It is not needed and, if enacted, it can only serve to reopen serious wounds within our society.

Supporters of this registration proposal maintain that it will bring credibility to the Selective Service System's capability to improve the mobilization potential of our Armed Forces. Without it, registration supporters claim that the Nation will be unable to mobilize quickly in an emergency.

A case for registration, however, has not been made. Registration, in fact, is not needed at all. Secretary of Defense Harold Brown has stated that peacetime registration is not necessary and that the proper course of action to enhance the standby ability of the Selective Service System is to improve its staffing and its planning.

Although some promoters of registration deny that it is a step toward the restoration of military conscription, H.R. 4040 further calls upon the President to report by January 15, 1980, on the desirability of the reinstatement of the military draft itself. Let us be honest here today and admit that registration can serve but one purpose and that is to pave the way for the eventual return of the military draft. That is the issue which we should confront today, and it should be understood by all Members that a vote for registration is a vote for the draft.

Everyone in this Chamber has the obligation to question why we are considering this registration proposal and moving toward the reinstatement of compulsory military service at a time when the United States is at peace with every nation in the world, at a time when a SALT II agreement with the Soviet Union, which places further limitations on nuclear weapons, has been presented to the Senate for ratification, and at a time when we have opened new vistas in our relations with China.

This registration issue and the specter of the draft has begun to raise certain anxieties among the American people. They are beginning to wonder whether our national security at home and our alliances abroad are as secure as claimed. Those who are promoting this registration proposal, when it is completely unnecessary, are doing damage to the credibility of our military posture.

Furthermore, all our efforts over the past several years to restore confidence in our Government, particularly among our young citizens, will be swept aside if the Congress votes for registration. I fear that our younger citizens, those directly affected by registration and the draft, will become distrustful of Government action and alienated. Divisions, once again, will plague our Nation.

Registration, of course, implies much more than just giving one's name to a Selective Service office. The Government is also going to demand to know the whereabouts of young people. If registration is supposed to serve the purposes of mobilization, then names without addresses are worthless. The physical condition of the registrants, as well as their moral and religious beliefs regarding war, would have to be determined. We would have to go back to the classification system and all its inequities which was in use before the draft was ended.

For many 18-year-olds, registration will be the first direct experience they will have with their Government. Not only will registration be a major invasion of their privacy, it is, in itself, a form of compulsion. With the return of the draft, and make no mistake about it, that is what will follow if the registration proposal is approved, it will mean literally giving the Government control over the lives of young Americans for several years. At a time when the American public is demanding less Government interference in their lives and less Government control over their lives, what is being proposed here today represents the most serious threat to the freedom of an individual—absolute and total control by the Government.

We should realize there may be those who will resist registration and the draft. Are we prepared to return to the conditions of the 1960's and early 1970's which saw thousands of young men who, because of their objections to the draft, were forced either to flee from the United States or to serve time in a penal institution? I cannot believe that the Nation wants to return to such times.

Even the date when registration is to begin is suspect. It is interesting that January 1, 1981, was chosen for the start of registration. This date, of course, comes after the November 1980 elections, and those who will reach the age of 18 after December 31, 1980, will be too young to express their opinion on those who either advocate or oppose reinstatement of registration in the voting booth on Election Day.

When we consider registration and the draft, we must recall that the purposes of the draft, in the past, have been manipulated to serve the adventuristic goals of foreign policy. This was so very evident during the years of the Vietnam conflict. The draft provided a ready vehicle to obtain the military manpower which enable our leaders, without any accountability, to involve our Nation deeper and deeper in that struggle. The lessons of Vietnam must not be forgotten.

We have been constantly reassured that our Armed Forces are the world's strongest and that they can respond to any crisis. If we do have any problems with our all-volunteer military and the Reserves, the answer is not to impose a draft upon our citizens but to make improvements in our Military Establishment.

Mr. Chairman, a peacetime draft is absolutely opposed to the principles which have always been considered a part of American democracy. In peacetime, without any threat whatsoever to our national security, we must not require young men, and perhaps even young women, to give up a life of freedom in exchange for military service to the state for several years. The President, who already has authority to require registration, does not seek any new legislative initiatives on registration, and the

administration opposes new legislation to reimpose peacetime registration for the draft.

Daniel Webster, when serving as a Member of the House of Representatives, said that:

> A free government, with an uncontrolled power of military conscription, is a solecism, at once the most ridiculous and abominable that ever entered into the head of man.

The military draft is a trapping of war, and I urge, in the strongest terms, that the House reject this registration proposal which can lead only to the reimposition of military conscription in the United States.

Mr. WHITE. Mr. Chairman, at this time I yield 3 minutes to the gentleman from Tennessee (Mr. BEARD).

Mr. BEARD of Tennessee. Mr. Chairman, we find ourselves forced into the necessity of debating whether to bring the Selective Service System out of "deep standby" today for a number of reasons. To be brief, I feel that unjustified reliance on the artificial distinction between a "peacetime" Armed Forces and a "wartime" force has a lot to do with it. In reality, any peacetime force that is not at a wartime strength represents some degree of risktaking. Practically speaking, no modern nation can afford to maintain a constant wartime strength. However, because of our Nation's weariness and internal disruption caused by a 10-year war in Vietnam, as well as the inequities which came to characterize the draft, Americans were more than willing to "shift gears" from a conscription service to the All-Volunteer Force.

The problem we face today is that the Congress failed to follow through on the functioning of the AVF. The draft expired—the AVF gave birth to itself, and it seems that we just forgot about it after that. As a result, we now have a conventional military system that would be incapable of fighting a war. In short, today's debate on the Selective Service System is necessitated by the tremendous shortfalls in manpower which the services would face in a mobilization scenario.

Last April—after 6 months of intensive research—I released the results of an independent study I commissioned documenting serious manpower shortages in the All-Volunteer Army. The study used the Army's own manpower figures and projections. There was no attempt to second-guess the Defense Department on whether their wartime assumptions were adequate for our Nation's defense needs. It was the first major study to deal with the All-Volunteer Force question from a readiness perspective.

The study documented what many of us suspected for a long time: that the manpower shortages were far more critical than the Army or DOD were willing to admit; that the shortages were having a serious detrimental effect on the readiness of our All-Volunteer Army; and that the Army and DOD were literally lying to Congress and the American people about the true state of our defense manpower system.

The Army and DOD, of course, ignored the report. When questioned by the press, they claimed it was unfair criticism. When questioned by the Armed Services Committee, they acknowledged some manpower problems, pulled out their charts and graphs and continued to maintain that by the mid-1980's, new incentive programs they developed would solve those manpower shortages.

And then came "Nifty Nugget"—the Army's 1978 mobilization exercise. "Nifty Nugget" confirmed what the Beard report had pointed out at least 8 months earlier—that in a matter of a couple of months after the outbreak of hostilities in Europe, the U.S. Army would have a desperate shortage of manpower. And "Nifty Nugget" came up with those results under the most optimal conditions.

For example, "Nifty Nugget" assumed all of the resources the Army expects to be available are, in fact, available. It assumed every single body now listed among Army personnel would be fully trained to perform its MOS. It assumes 95 percent of its Reserve Forces would report for active duty, that 70 percent of the individual Ready Reserve would show up and 50 percent of the Standby Reserve would report. In my opinion, these figures are somewhat inflated. The Army has agreed.

But the most incredible aspect of the "Nifty Nugget" exercise is that there was absolutely no attempt to match the manpower replacement pool with the demand for specific job skills. In effect, the net results of "Nifty Nugget" were meaningless.

When we were briefed on the "Nifty Nugget" exercise, Congressman SAM STRATTON and I requested that the figures used for "Nifty Nugget" be expanded for a 90-day war, that the Army count only its trained manpower—that is ready for deployment on D-day—and that the manpower pool be matched to the demand for critical skills.

Again, that information was prepared specifically at our request and was presented to the members of the Armed Services Committee on January 25.

The results were devastating. In fact, to quote the Army colonel who presented the final report:

> The results of that analysis can only be described as frightening.

Even at the beginning of a European war, not a single unit would be at full strength. This might not be so dramatic if it could be assumed that a full-strength unit would mean sufficient forces to accomplish its mission plus a small cushion. In the case of the U.S. Army, however, a full-strength unit is already operating "on the brink of defeat." Its objective is to "hang on as long as possible."

Ninety days into a conflict, we could be more than 1 million personnel short of demand. But even more critical are the desparate shortages of soldiers in the infantry, armor, artillery and combat specialties. In some critical skill areas, our combat units would have no more than 30 percent of the trained manpower necessary 90 days into a war.

This would all be compounded by a severe shortage of medical specialists. The situation is already so critical in this field that the Army cannot provide adequate health care for the peacetime Army now, nor could it provide effective support and evacuation of casualties in time of war.

Ninety days into a war, we would have less than 40 percent of the doctors needed, less than 25 percent of the nurses and less than half of the enlisted medics. In short, the system of military medical care is literally on the verge of collapse. And in a conflict, thousands of American youths would die needlessly because of our lack of preparedness.

What does all this mean?

It means the U.S. military capability to fight a sustained, conventional war is dangerously weak.

It means the Selected Reserve and Army National Guard are only marginally effective and could not be mobilized for a timely response to an intense war with little warning. More alarming, both the Selected Reserve and National Guard are getting worse, not better. The General Accounting Office recently found that the Army has been lowering its reserve manpower goals to match the number of recruits it believes can be signed up. As a result, the Army recruited 92.5 percent of its 1978 reserve goal, which was only 48.4 percent of wartime requirements.

It means that if we are attacked by major conventional forces, our only alternative would be the use of nuclear weapons—an irresponsible and dangerous national policy, in my opinion.

The greatest travesty of all is that members of the Armed Services Committee were briefed on these new manpower figures before the Secretary of Defense and Secretary of the Army made their posture reports to Congress. While vague references to the Nifty Nugget exercise were buried in the back pages of these reports, there was not even an acknowledgement that these new—much more devastating—figures existed. When finally confronted with them directly, the Army Secretary absolutely refused to discuss them with the excuse that they are classified. Yet, he did not offer to brief the committee members in closed session. Why?

I have always respected our classification system. But this is a flagrant abuse of the system and does not serve the national interest. The manner in which this information has been handled is nothing short of a coverup of a national defense scandal.

I had hoped that stonewalling was a word we could have dropped from our vocabulary. But time and again over the past several months we have tried to get the executive branch to be forthright in stating the actual status of our Armed Forces. Time and again this challenge has been answered by word games.

As with the budget of any other Federal agency, the American people have a right to know they are not getting what they think they are getting—a national

defense system capable of meeting its commitments in case of conflict at home and abroad.

Instead, they are getting a peacetime army—a phrase that is nothing more than a euphemism for an army operating on the brink of defeat.

I do not blame the Army for the state of its readiness. I do blame the OMB and DOD analysts who have operated silently, like an invisible colony of termites, slowly boring away at our defense budget and seriously compromising the readiness of our Armed Forces in exchange for cost efficiency.

All this has been allowed to happen, of course, because no one in the administration has had the guts to say we made a mistake. Congress embraced the All-Volunteer Army after a tragic period in our history. We all wanted it to work, and for the last several years obvious trends were ignored because it was hoped they could be turned around. It is now more than clear that we cannot turn them around. And we cannot continue to make decisions for our future based on atoning for our mistakes of the past.

Although we are not debating the future of the All-Volunteer Force here today, it would be impossible to debate the relative merits of Selective Service registration without recognizing that shortcomings in the AVF have brought us to this discussion.

Mr. Chairman, the need for Selective Service registration stands on its own. The future of the All-Volunteer Force as an institution will not rise or fall on this issue. However, advocates of change, as well as supporters of the AVF, should realize that without registration our ability to sustain even a short war under the NATO scenario is nonexistent.

However, at the same time, I realize that most of my colleagues have not had sufficient opportunity to study Selective Service registration and the attendant issues as thoroughly as they would like. While I personally feel that registration is needed, I can appreciate the hesitation of many of my colleagues to support this measure.

For this reason, I intend to offer an amendment at the proper time which would provide a mechanism for an in-depth study of this issue by Members of Congress. This amendment will call for a congressional commission to study our manpower mobilization capability, in comparison to current threat analysis. The commission would report on their findings within 6 months of enactment, and make recommendations to the Congress regarding any need for Selective Service registration, national service, or a draft.

This approach has received endorsement from a broad coalition of Members, including those who favor registration, and those who oppose it. In addition, since my amendment will be considered before the registration section is opened to amendments, I believe that it may change the complexion of the subsequent debate over that section. That is, passage of my amendment may change the entire significance of a vote against registration for those of my colleagues who do not yet feel that they have been presented with sufficient data upon which to make a decision on the merits. In short, passage of my amendment will effectively moot the registration issue as presented under this bill.

I include an unclassified version of the mobilization shortfall chart, as well as correspondence with the Army, and other selected materials to be included in the RECORD.

(Chart not printed in the RECORD.)

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 29, 1978.

Hon. HAROLD BROWN,
Secretary, Department of Defense,
The Pentagon,
Washington, D.C.

DEAR SECRETARY BROWN: The membership of the Investigations Subcommittee is concerned about the Department of Defense and Department of the Army casualty estimates used in computing manpower requirements. Those estimates have far-reaching implications since an understatement of requirements would lead to reduced force structure and personnel authorization levels. Accordingly, it is requested that you provide a report explaining the general methodology used in the calculation of Army casualty estimates. In that calculation we are specifically interested in how the threat analysis is conducted and how much participation the departments have in this decision-making process.

It is also requested that you describe the mathematical models, and the assumptions contained therein, used in the executive computer program for determining casualty rates. We would appreciate answers to such questions as, does your program guidance to the services provide for maximum numbers of wounded to be returned to duty; what is the density of the forces on the field front; do your estimates include chemical, biological, and nuclear operations?

Finally, it is requested that you provide an information paper describing the casualty rates included in MOBEX 78 and explain the rationale for their adoption.

It is requested that these materials should be delivered to the Subcommittee at the earliest opportunity, and in no event later than October 31.

Sincerely,

SAMUEL S. STRATTON,
Chairman.

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 29, 1978.

Hon. CLIFFORD ALEXANDER,
Secretary, Department of the Army,
The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: The membership of the House Armed Services Investigations Subcommittee is concerned about the current and future ability of the Army to mobilize for war, especially against an attack by conventional forces. That concern is a result of the apparent inability of the Army to recruit a sufficient number of high quality recruits in an all-volunteer environment. A recent study, entitled "The Beard Report: An Analysis and Evaluation of the U. S. Army", casts serious doubt on the effectiveness of the all-volunteer force and suggests that extensive investigation and national debate is needed on the subject.

In an effort to determine the validity of the findings and conclusions of the Beard report, I have directed the Subcommittee staff to initiate a study of the Army's requirements for manpower in a mobilization situation and the ability of its various components to satisfy those requirements. Accordingly, it is requested that the Subcommittee be furnished with a report which describes in detail the numbers of soldiers which would be required and the times at which they would be required. The report should also describe the ability of the National Guard and Reserve units to satisfy these mobilization requirements, and the shortfalls that might be anticipated in view of the current membership of those units. Additionally, the report should describe the quantity of manpower which the Selective Service System would be required to provide to satisfy mobilization requirements, the time in which those trainees could be delivered to Army training centers, and the time required for training before those troops could be employed by the Army.

It is further requested that the Subcommittee be supplied with copies of the briefings of Major General Charles K. Heiden, Commander Military Personnel Center, and Brigadier General Robert M. Joyce, Commander Military Personnel Center Europe. The briefings were originally supplied by General Heiden to Congressman Beard at his office in April, 1978, and by General Joyce to Mr. Jerry Reed, of Mr. Beard's staff, at Heidelberg, Germany in April, 1978. These briefings should be updated to include information as of September 30, 1978.

It is requested that these materials should be delivered to the Subcommittee at the earliest opportunity, and in no event later than October 31.

Sincerely,

SAMUEL S. STRATTON,
Chairman.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 6, 1978.

Hon. CLIFFORD ALEXANDER,
Secretary of the Army, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: Reference to your November 14 interim response to the House Investigations Subcommittee request (September 29) for information concerning Army mobilization capability.

I am acutely aware that there are many management problems in the system that heighten and magnify the effect of shortages in manpower available to the Army for mobilization. Based upon preliminary examination of the aggregate data furnished in the referenced report, several crucial questions are readily apparent—each of which will be explored in depth during the forthcoming HASC hearing on manpower and mobilization. Several of my questions will probably require extensive research; therefore, I am presenting these questions in advance:

1) *Reference military occupational speciality (MOS) requirements.* I have noted that USAREUR mobilization manpower requirements are determined by 7 character MOS code based on the latest VTAADS and FORSTAT update cycles. Applying this criteria, please furnish a set of reports showing the overall manpower shortfall in terms of specific MOS(s) following the format shown by enclosure 1. A separate report (following the same format) should be prepared for the overall Trained Military Manpower (TMM) shortfall, as identified in your final response to our September 29 letter. Also, a separate report should be provided by major commands for the active force; and a combined report for the reserve components. Further, based on the TMM, Forces Command, and USAREUR, categories combined, please provide a detailed analysis of the five most critical MOS within each Career Management Field (CMF) reflecting Army-wide authorizations and shortages, overall training time (BCT plus AIT), and other related management data that you consider pertinent in analyzing these shortages—especially as they impact mobilization planning. A current chart reflecting all MOS (by number and title) within each CMF is also requested.

2) *Demographic Data.* Please prepare a report providing demographic information required by the format shown in enclosure 2.

3) What was the average number of sole parents in the Army during the last 24 months? What is the number as of November 30, 1978?

4) What was the average number of pregnant women in the Army during the last 24 months? What is the number as of November 30, 1978?

5) What, in the best judgment of the Army staff, is the percent of reserve component personnel that would be able and willing to respond to a call for mobilization within 30 days after notification?

6) What, in the best judgment of the Army staff, is the total percentage of reserve component strength that falls into the combined "unsatisfactory participation" and "ghost" categories?

I fully realize that some of the information requested cannot be based on empirical data. Where estimates are necessary however, I expect the Committee to be provided the best possible judgments, made by the Army staff and field commanders, without DOD or other political influence.

Your response by January 15, 1979 would be appreciated.

Thank you for your continued cooperation.

Sincerely,

ROBIN BEARD,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR PROFESSOR: I am taking the initiative in contacting you because of our mutual interest in problems associated with the military. Given your profession, you are in a unique position to contribute to the continuing debate on the question of the all-volunteer Army and to bring your expertise to bear upon this issue which is probably the most fundamental and serious social problem facing our nation. As a member of the House Armed Services Committee charged with analyzing military problems, I have great need for your advice and recommendations. Thus, the purpose of this letter.

The fighting capability and future security of the United States is based on the answers to many questions relative to maintaining a volunteer Army. All the services are in trouble, but the Army's problems are more acute because its systems are labor intensive. Please keep in mind, however, that many of the problems described here are also applicable to the other services.

The Army has been using volunteer manpower for over five years. Recent studies performed by a number of agencies, including Members of Congress, suggest that the readiness of the U.S. Army is insufficient for wartime mobilization. As a member of the House Armed Services Committee, I commissioned a five month study to obtain an independent evaluation of the Army's readiness and manpower problems. With the support of the American Political Science Association Fellowship Program, Mr. Jerry Reed was assigned to my staff to conduct the study. Mr. Reed was on leave from his job as head of the long-range planning staff of the Naval Weapons Systems Center at China Lake, California. During the five months spent on the study, Mr. Reed visited Forts Benning, Jackson, Bragg, Hood and numerous other military installations in the continental U.S. as well as guard and reserve units. Additionally, he visited Heidelberg, Wiesbaden, Fulda, and other military posts in Europe. More than 500 interviews were conducted with soldiers to furnish data for the study. Junior enlisted, non-commissioned officers, company and field grade, and general officers and wives of these soldiers were systematically interviewed to gather information on recruiting, training, readiness, and other major issues. Questionnaires were also used to collect specific information about recruiting, training, and job assignments. Army personnel participated freely in providing their perceptions of how effectively the Army is managed and how prepared the Army is for its mission.

The picture of our all-volunteer Army which emerged from this study is considerably different from that presented by the Department of Defense to the Congress and the public. The deplorable state of readiness in the Army revealed by this study is summarized in the enclosure. The full report, together with corroborating and contrasting testimony of witnesses, is contained in a Senate Armed Services Committee hearing entitled "Status of the All-Volunteer Armed Force" and published June 20, 1978. A copy of the complete transcript may be obtained by writing to me or the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

I intend to press the House Armed Services Committee to hold far reaching hearings during the next session of Congress to consider alternatives to the volunteer concept. However, the mere mention of a return to a draft or adoption of a national public service policy is so politically sensitive that neither Defense Department officials nor Members of Congress are willing to admit that a problem even exists. Instead of facing problems concerning the all-volunteer force head on, DOD routinely evades a confrontation by proposing patchwork solutions that normally require additional millions of dollars and two or three years to implement. Most Members of Congress readily accept these efforts to ignore or minimize the problems and gladly go along rather than get involved. The leadership of the Army cannot admit that serious problems exist and support the Administration at the same time. These are mutually exclusive positions. *In this connection let me make it clear, the mess we find ourselves in is not the Army's fault. The Army was given a mission to make the all-volunteer force work and as an institution it has given its best effort. The solution clearly lies beyond the authority of the Army.*

It is apparent to me that our defense system is now at a crossroads. *We cannot maintain an effective Army without some drastic reforms.* As I see it, three major alternatives exist:

(a) First, we can maintain the status quo. But, by trying to hold the budget line and continue to carry out current policies, many of the problems identified in the study will grow worse. Force strength will continue to decline due to the high costs of labor and recruiting. Reserve strength levels will continue to decline or stabilize at below wartime requirements. *The Army will be less representative of all segments of society.* Readiness will continue to decline and then stabilize at a dangerously low level in Reserve forces. *Costs will continue to dictate all major decisions.* Support functions such as medical service will be the hardest hit by the dollar crunch. Force composition will include: a disproportionate share of minorities relative to the society as a whole; a greater number of women who have not traditionally served in a combat role; and a continuing growth of lower mental category personnel. If this option is accepted, the U.S. will likely be forced to restrict its military commitments around the globe.

(b) The second alternative is to maintain the all-volunteer force with substantial increases in the Defense budget for such quality-of-life items as benefits, pay, housing and medical care so as to make the Arm more attractive and competitive with the civilian market place. *The problem here is that personnel costs already consume almost 60 percent of the total defense budget while the gap between military life and private sector employment continues to widen.*

(c) The third alternative is to return to conscription or some form of national public service. Several possibilities for such service exist and should be debated by Congress in a public forum. In this connection, I believe we must distinguish between a career and citizen force in the military services regarding payment of salary and benefits because every citizen has an obligation to devote a period of time in service to his or her country—at less than a competitive wage. However, such an *obligation must be shared equally by all, rich and poor, black and white, etc.* We need a fighting force that is representative of America.

My purpose in this effort is to let the American people know exactly what price they must pay to maintain an effective all-volunteer Army. If we are going to keep our commitments around the world, we have to face the fact that we cannot continue to do it without reforms. *It may be that the price for an effective volunteer force is just too high.* If we want to withdraw from our commitments, then that is another alternative. but the American people ought to make those choices on the basis of fact. Again, I want to point out that the Congress is responsible to act in this situation because ultimately, any change in the all-volunteer Army will require enabling legislation.

Accordingly, the Congress must be persuaded to fulfill its responsibility to investigate and debate this problem. Unless we undertake major reforms now, the situation can only deteriorate. For example the current Selective Service System has no idea where to find American youths and it would take at least five months to reconstitute a draft process and deliver the first soldier to a combat unit. It is a grim picture and the problem is growing worse!

I am convinced that the draft was eliminated because Congress and the Administration responded to the incessant pressure of a public that had seen enough of its loved ones sent to their deaths in Southeast Asia for a cause that was neither supported nor understood. It was not a totally rational decision aimed at achieving a strong national defense. There was a general and legitimate feeling that the draft system during the Vietnam war was unfair and inequitable. *However, it was not the draft per se that the people opposed, it was the war and the inequitable burden of sacrifice and death borne by sons of poor families while the children of privileged families were protected by attending the best universities and graduate schools.* Ironically, instead of bringing equity to the problem of providing manpower for national defense, the so-called volunteer Army is "conscripted by poverty" which causes the less fortunate to carry an even more inequitable burden. With the draft gone, the privileged are still permitted to escape any form of service.

I urge you to use this information in any way possible toward creating a national debate on continuation of the all-volunteer force. Use it as a base for conducting further research and writing papers on alternatives. *We in the House Armed Services Committee need to know how citizens feel about national defense and the all-volunteer Army. We need conceptual proposals for a national public service policy and solutions for the obvious problems it would create.* For example, the Army only needs a fraction of all the people that would become available under national public service. How could such service be made equitable? How shall we determine who will go in the Peace Corps and who will involuntarily go in the Army? . . . this would be a crucial question in time of war when assignment in the Army could mean death in combat. These are tough social problems for which no quick solutions are available. And this is why we need your help—we need your personal views, and the thoughts of your colleagues and students. I invite you to send the Committee and me copies of any papers produced on this subject or other information that would be of assistance. Also, *please urge citizens to advise their representatives in Congress to take an active role in publicly debating this issue.* If I may provide additional information to you, let me know. Also, I will personally participate in your formal debates upon invitation (as my schedule permits) or attempt to arrange guest speakers for you.

Thanks for your continued interest.

Sincerely,

ROBIN BEARD,
Member of Congress.

THE BEARD REPORT, APRIL 1978

MAJOR CONCLUSIONS

1. As an effective fighting force, the all-volunteer Army is in serious trouble. Since elimination of the draft, the Army has done everything possible (within budget limitations) to recruit adequate numbers of qualified personnel to staff the active and Reserve forces, but with only marginal success.

2. The U.S. Army's capability to fight a sustained, conventional war is dangerously weak. Our only alternative is use of nuclear weapons which is an irresponsible national policy.

3. In the event of wartime mobilization to support NATO forces, the Army would be deficient by at least 500,000 personnel within 60 days after the outbreak of hostilities. Active forces are 80,000 personnel short of wartime needs. Reserves and National Guard are 180,000 short of wartime strength. The Individual Ready Reserve is badly depleted and is short critical skills (doctors, aviators, etc.).

4. The U.S. Army is in an extremely weak position to meet its commitment to NATO. NATO Forces are counting on a strong reserve force to furnish replacements, but a strong reserves force does not exist.

5. The Army is experiencing a steady decline in manpower quality and the Reserve forces are weakened by a critical shortfall in personnel. The Army is increasing its personnel content to include more women, more blacks, and less intelligent male soldiers to compensate for these shortfalls. Recruiters are making unrealistic promises to prospective enlistees in order to meet quotas. As a result, new recruits expect an 8 to 5 job, plus high pay, benefits, and a college education, and they are not prepared for military life as it really is. This is a major factor that contributes to the 40 percent dropout rate among new recruits before completing their first tour of duty.

6. Mental qualification scores for new recruits are declining each year. Nearly 50 percent of the male volunteers test mentally in the lower half of the U.S. population compared to 32 percent in 1974. As a result, training manuals are being downgraded from an 11th grade reading level to an 8th grade level at a time when the Army is descending on more complex equipment. Nearly one-third of all recruits are reading at a 5th grade level or below at a time when weapons technology is expanding rapidly and becoming more dependent upon verbal skills. A majority of these lower mental category, male soldiers are placed in combat units because female soldiers are not permitted to serve in such assignments.

7. Recruiting lower mental categories produces significant training distractors such as low motivation and slow learning.

8. Recruiting lower mental categories has a negative impact on the effectiveness of the overall individual training function. It takes more time and resources to train a soldier with low intelligence versus one in a higher mental category. Also, new skills acquired through Army training programs are forgotten more quickly by personnel in lower mental categories.

9. The shortage of physicians and supporting medical staff is critical to the point that not only can the Army no longer provide adequate health care for a peacetime Army, but effective support and evacuation of casualties in time of war would be disastrous. There are severe shortages of professionals of almost every type. And every year, as the military falls further behind the private sector in compensation and benefits for qualified individuals, it becomes increasingly more apparent that the all-volunteer Army just cannot attract the quality and cross-section of individuals at all levels that it needs to maintain its status as an effective fighting force.

10. Unit training cutbacks are negatively affecting operational readiness and unit training is becoming weaker each year due to financial reductions for fuel, supplies, ammunition and training days. This occurs as a result of conflicting priorities and finite resources.

11. Any active force improvements made in the last five years have been offset by reduced training of soldiers and the use of soldiers for nonmilitary jobs. This is having a devastating effect on both readiness and morale.

12. Equipment shortages are adversely affecting both active and reserve units. Reserve units, in general, do not have sufficient equipment to maintain effective training—neither by qualitative nor quantitative measurements.

13. Costs for recruiting are increasing each year and it could cost as much as 500 million more to recruit and retain minimum numbers of personnel for the total force concept during the next fiscal year.

14. The Army hopes to meet its active duty force strength goals in the 1980's by reducing loss of first term personnel. However, reenlistment is becoming a less attractive option as living costs increase and living conditions deteriorate. The quality of military life is deteriorating because benefits are being reduced to realize savings in defense spending.

15. The Army is rapidly moving into the role of an employer with classical signs of labor and management conflict evolving.

16. The volunteer Army is plagued by social welfare problems . . . to the detriment of its mission. This condition forces NCO(s) and commanders at unit level to place more attention on solving personal problems than on training and operational readiness.

17. Most recruits view military service as just a job . . . the concept of duty, honor, and country as motivation for service has little meaning. The Army, for most new soldiers, is merely a way to escape excessively high rates of youth unemployment.

18. The Army is now struggling to figure out how to balance its need for people and equipment and at the same time keep both ready for combat. In this connection the Army has been placed in a no win situation. With our efforts to make the Army competitive in the civilian marketplace, for attraction of first term soldiers, we are literally driving the defense corporation into financial ruin. Because of inordinate spending for recruiting, re-enlistment incentives, trainee drop-outs, and other expenses associated with first term soldiers, we cannot buy adequate weapon systems, qualitatively or quantitatively, nor can we finance adequate facilities for those who choose the Army as a career.

19. The Total Force Concept (Army) consists of five parts: the Selective Service, the Individual Ready Reserve (IRR), the Selected Reserve, the Army National Guard (NG), and the active force. Two of the five parts, the Selective Service and IRR are already ineffective. The Selected Reserve and NG are only marginally effective and could not be mobilized for a timely response to an "intense war with little warning." More alarming, both the Selected Reserve and NG are getting worse, not better. The active force is plagued by significant management problems. Overall, a continued strong national defense is in jeopardy.

20. The Army is at a major crossroads; many of the decisions made during the next few months will establish whether this country can maintain a competent, fullstrength Army. This occurs at a time when nuclear war is military and moral idiocy. We must have an effective alternative to it. If we can't find the dollars to make a volunteer force work, or find another system, we will have no alternative except nuclear retaliation if attacked by conventional forces.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. PANETTA).

□ 1410

Mr. PANETTA. Mr. Chairman, a number of serious manpower issues I think have been raised in the course of this debate. There are legitimate concerns regarding the Volunteer Army and its effectiveness. There are legitimate concerns regarding the Reserves and their capability and adequacy to meet our needs and our mobilization requirements. At the same time, there is concern over any move to require mandatory registration or draft in peacetime.

It is obvious that these issues need to be looked at and need to be studied and need to be debated. The fact is these are emotional, these are controversial, and these are significant issues that should be dealt with in the context of an amendment to a Defense authorization bill. These issues demand a complete, thorough study and analysis in and of themselves.

We are talking about issues that impact not only on national security but that impact on every American family. To justify action, it seems to me we have got to have the appropriate studies and we have to have full debate and consideration on the issue of our manpower needs alone.

There are conflicting views regarding the state of our manpower requirements. There are those who say we have to look at the Selective Service System and its needs and what needs to be done there. There are those who believe we lack a mobilization capacity and need mandatory registration. These are distinct issues, but they are obviously being blended together in terms of the need to look at our overall manpower needs.

If we are going to deal with those concerns, if we are going to take the step of restoring mandatory registration, we have to do it in a way that is responsible in terms of allowing the country a full debate on the issue. It seems to me that the amendment that will be before the House, which will set aside mandatory registration at this point and require the President to study these issues thoroughly; the Selective Service, the issue of registration, the issue of national service, all of these issues related to manpower, and report back here by January of 1980, which is only 4 or 5 months away. This will give this Congress the time to look at those studies and then to determine whether it shall act. That approach, it seems to me, is the responsible approach.

We have put together that kind of an amendment and the gentlewoman from

Colorado will introduce that. I think that is the way to go. We share the concerns of the committee with regards to manpower needs in this country, but we also believe that such consideration must allow for full study and debate. That approach is responsible both from the Congress point of view as well as from the point of view of the administration and the Nation.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. Yes, I yield to the gentleman.

Mr. BEARD of Tennessee. Mr. Chairman, the gentleman is aware of my amendment to establish a Joint Congressional Commission. Does the gentleman also feel this is the appropriate approach to take?

Mr. PANETTA. I am aware of the gentleman's amendment and I intend to support it because I think the Congress needs to do that same thing.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. JOHN BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding.

First of all I would like to disassociate myself from the more hysterical remarks made by my good friend from Texas on the more humane aspects of this bill, and get down to what we both agree on, and that is registration is the important thing to discuss at this time. This is the wrong vehicle upon which to attach it. It ought to rise or stand on its own merits, and I would submit that those merits are totally lacking.

Certainly if there is going to be a war, whether or not we are geared up for the draft, is not going to have much effect upon that. If we are attacked, not by nuclear weapons, because in a nuclear attack certainly things are going to be rather moot across the board, but if we do find ourselves faced with another Pearl Harbor, I do believe we will all follow the example of the great people from the Volunteer State of Tennessee, and people will rise to defend the country.

What we are talking about is trying to get people into the Armed Forces to fight wars that are not basically attacking the strength of this country, nor attacking our people, nor attacking our homeland. I think it is an invitation to allow governments to get into wars when they have a pool of young people whose blood they can draw upon.

As I say, there ought to be an amendment to this bill, that those who are in favor of the draft ought to be the first names pulled out of the hat, along with No. 158, which was the first number picked in the draft prior to World War II.

I will support the amendment of the gentleman from Tennessee. If that is defeated or passes I will support the amendment of the gentlewoman from Colorado. I, myself, would rather see an up-or-down vote because I think we could strike this whole affair from the bill and should. But I think a study would be in order.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mr. JOHN L. BURTON. Mr. Chairman, will the gentlewoman yield 15 seconds to me to close?

Mrs. FENWICK. I yield 15 seconds to the gentleman.

Mr. JOHN L. BURTON. I thank the gentlewoman.

Just in closing, I would like to say that I believe either the Beard amendment or the Schroeder amendment is acceptable and I thank the gentlewoman for yielding and would urge all my colleagues to vote for any amendment that in any way, shape or form would strike this from this bill.

Mrs. FENWICK. Mr. Chairman, I am afraid that I spoke rather hastily last time and I am grateful for this opportunity to say a few more words.

I do not think that service to our Nation is any slavery. All of us should be prepared to sacrifice.

However, I believe that the provision in the bill for registration did not receive adequate study or adequate hearings. It is a big step to move, in this country in times of peace, toward registration. Such a step should be taken advisedly and soberly, after a great deal of study, with information from all of the services and from the reserves.

I think it would be most unwise to move precipitously today. Like my colleague from California, I intend to vote for the Beard amendment and for the Schroeder amendment as prudent, sensible approaches to one of the most important issues we face in Congress. What are we really down here for? There are two functions of Congress that no other level of Government can do. One is the defense of our currency, which we have not been significantly successful in protecting. The other is the security of our country. There is no other institution that can do it. That is our job, and we must do it prudently and with due consideration. Those two amendments are in that spirit.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of registration and in opposition to the Schroeder amendment and also to the Beard amendment.

In answer to the gentlewoman from Colorado (Mrs. SCHROEDER) where she said why did we pick the date of January 1, 1981, to start registration of young men, why did we not start it earlier, and she mentioned maybe because it was the election year in 1980, I want to assure the gentlewoman and the Members; and the subcommittee will back my statement on this; the date was picked realistically. We picked January 1, 1981, because probably this bill will not be signed into law until the latter part of this year. There is a study required in the bill that will take 3 months. The Selective Service System has told us it would take 7 to 8 months to get peacetime registration going.

I have no objection if we wanted to change the date to October 1, 1980. The subcommittee, however, did it this way because it is realistic and that was a proper date in our opinion.

Let me stress one point that Chairman WHITE made and that is this is not a draft proposal, it is a peacetime registration. Now, I have an amendment, if that is what the Members want to vote on, for a partial draft. At this time I am inclined not to offer the amendment. It would call upon 200,000 people to be called up to go into the Ready or Individual Reserves, as Mr. DOWNEY said, where we need people in the Reserves. But I am realistic and I want to point out that we are not offering a draft in this proposal. If we wanted to, we could offer an amendment that would certainly give the Members an opportunity to vote on a draft.

We have had studies. I have a list of 13 studies, and if the Members want I can give them the studies on the Selective Service System, and on registration. We have 13 studies and I will be glad to make them available, that have been made by everyone on the Hill, the administration and all of the other departments. So, we really do not need to study any more. If we want to kill something in Congress, we always come up with a study.

□ 1420

Certainly, we do not need any studies, and I certainly hope that we would vote agaist the Beard of Tennessee amendment and against the Schroeder amendment. We are taking very lightly what the chairman, the gentlemen from Texas (Mr. WHITE) said, that the Defense Department is considering, if we cannot get the Selective Service System going again, the Defense Department is considering calling up the Vietnam veterans for mobilization. They have a plan to call them back if we need them. That is certainly unfair to even consider calling up the Vietnam veterans until we consider the young man who has not served.

I certainly hope that we will vote down these amendments and support the committee.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I yield the balance of my time to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding. I would first like to commend the chairman of the subcommittee, the gentleman from Texas (Mr. WHITE), and the subcommittee for having both the courage and the wisdom to bring this issue before the Congress and before the country.

I feel there is an imperative need for us to address the military manpower system in this country. The current system is not only inadequate, it is extremely unjust. I believe the current system is not an all-volunteer system, but is in effect a system of economic and racial conscription that is far more dangerous than any previous system. But, I believe the resolution of this issue must be fashioned in a more comprehensive, straightforward way than resolving it by simply instituting a registration system, which fails to address the inadequacies of the current system, the inequities of the current manpower procurement system, but provides only for the alleviation of the difficulties which may result in the event of a need of a military mobilization.

But, it is far more important for us

to address the true system of military manpower procurement, and in fact to address the more comprehensive issue of how we meet all of this Nation's needs; not only its needs for national defense, but its needs for preserving and protecting and the enhancement of all of our national commitments.

It is for that purpose that I have introduced legislation, which the chairman of the subcommittee graciously incorporated in his hearings on this legislation, a system that does provide for a comprehensive system of public service, which parallels the system introduced by my colleague from California. I think that this debate today should be the beginning of the debate on this very critical question, and the far more comprehensive questions it entails, rather than the conclusion of the debate.

For that reason, I will support the amendment of the gentlewoman from Colorado.

Mr. WHITE. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY. Mr. Chairman, I do not think any person in this body is more deeply concerned with, and fears more than I, the possibility of having to face a war, or of taking someone from the warmth and love and concerns of his family and friends and Nation, and sending him into a situation where he has to face the possibility of losing his life or viewing the death of friends around him. It is very painful for me to listen to the arguments, especially from the more liberal Members of this body, whose intentions I respect; listen to the arguments that are advanced to decry and to argue against the possibility of our adopting a standby registration system in response to the possibility of the demands of mobilization that the international environment, as hostile as it can be from time to time, makes of our Nation.

It is very painful for me, and I searched through those arguments—I looked for the consistencies and I looked for the facts that connect somehow standby registration with an issue like slavery—I think that is silly; that connect standby registration somehow, and here the distance is tenuous, but I do not think it is that far away, and that is that somehow standby registration is going of necessity, and must of necessity, lead to a draft. That is just not true.

Those issues are separate, and I think it is well, in the name of responsibility—a term that has been thrown about the floor today—to bear in mind that a standby registration is, by definition, simply that. It is a matter of responsibility, facing the possibility of a need. I just do not think we will get those waves of volunteers if indeed we had time to get them up.

I will say this, that the logic that supports the idea or the possibility of needing all those volunteers is the same logic which would have to support the obvious need for a standby registration.

● Mr. SKELTON. Mr. Chairman, the first purpose of government is to provide for the common defense of the people—a secure people in a secure nation.

How is this done?

History tells us time and again that the only way to remain secure is to be strong and prepared to repel, survive, and defeat a would-be aggressor. From the beginning of recorded mankind, we see that those nations that were not militarily strong eventually became victims of those who were stronger—either by giving way to the demands of the stronger diplomatically or by losing in battle.

In the early days of armed conflict, governments built fortresses or walled cities to protect the population. Then, as time passed, the borders of a country were made secure to protect the country's citizens. But, today, because of modern science, neither forts nor border defenses are sufficient to secure a people from an atomic weapon launched thousands of miles away by an intercontinental ballistic missile. To defend a populace from the threat of incoming ICBM's, we need a civil defense program to allow evacuation, fallout shelters, or blast shelters. We need to educate the intended victims as to how they may be protected by their government or by self-help. We must make citizens aware that truly lives can be saved—and will be saved—should an attack occur. To be prepared—that is the answer—not only in the saving of lives, but in there being a strong deterrent to an enemy who would consider such an attack.

The amendment I will offer, for the first time since American civil defense went into effect in the 1950's, establishes a definite plan—a definite program—definite goals.

It would, in the first instance:

Provide for population relocation during a period of strategic warning;

Provide for survivability of the American population and for recovery;

Provide for civil defense being part of the strategic balance and reduce the possibility of the United States being coerced by an enemy;

Provide for planning of proper shelters that might be needed;

Provide for the saving of lives from destruction caused by hurricanes, tornadoes, floods, and earthquakes;

Provide for emergency evacuation in the event of a nuclear plant accident such as the one at Three Mile Island;

Provide for adequate emergency warning systems; and

Provide for emergency public information and training programs.

Second, it will provide for 5 years of authorized funding to meet the need of present and future planning. It is interesting to note that the Appropriations Subcommittee dealing with civil defense noted the absence of a multiyear authorization in its report. This second provision would give the demonstrated support necessary to effect a strong program that looks ahead to the future. The amendment adopts the same figure as the beginning figure the Armed Services Committee chose, $138,000,000, for the first year, increasing to $283,000,000 in 1984.

We must take note that our rival in the world community, U.S.S.R., spends approximately $2 billion a year on civil defense with 100,000 full-time civil defense personnel. On the other hand, in the past, we have hardly spent $100,000,000 a year and have only 10,000 full-time emergency preparedness personnel in this country. My amendment would be the first step in correcting this disparity.

I also point out that the belief that, if there were a nuclear war, all is lost—just has no basis. Those who subscribe to the so-called mutual assured destruction theory overlook the fact that the Russians do not think this way—and it is what a country perceives that is important. If the U.S.S.R. thinks that its population can survive a nuclear attack, then it can and will be more venturesome. Thus, the mutual assured destruction thinking is without foundation. By our country maintaining attack preparedness, there will be a war preventive value in our civil defense. Thus, civil defense will be a stabilizing deterrent to a would-be aggressor, if only we are to be prepared.

To be more specific, the district I represent, located in western Missouri, contains 150 Minutemen missiles as part of our nuclear retaliatory force—part of SAC. This area is one of the 39 prime potential target areas in the country. I refer you to the map showing each potential enemy nuclear target. All 39 areas in our country are literally under the enemy nuclear gun. Further, populations in large cities are presently most vulnerable—without plans or preparedness to evacuate or protect them. For the proper protection of our citizens, I urge the adoption of this amendment.●

● Mr. GOLDWATER. Mr. Chairman, I rise in opposition to the Selective Service registration requirement. While I am genuinely concerned with our military preparedness, I do not believe compulsory conscription is necessary at this time. The volunteer military has many shortcomings, but upgrading the recruitment program, as I see it, is preferable to a mandatory registration. There is no question that this issue involves the fundamental point of the control of the State over the lives of its citizens. As one of the authors of the Privacy Act, I have spent much of my career in this Congress defending the right of citizens to be free of Government interference in their public and private lives. I am concerned, therefore, about the prospect of an invasion of our personal privacy, which would result from the collection and maintenance of files on every citizen of draft age in time of peace.

Peacetime registration is unnecessary. The President already has full authority under the Military Selective Service Act to begin registration through a Presidential proclamation when military conditions require him to do so. For the time being, mandatory registration is expensive and unnecessary if other steps can be taken to improve our All-Volunteer Force. I believe we can make All-Volunteer Military Force work. The Army already is starting to experiment with shorter enlistment requirements to attract a better quality of recruits. But the critical step toward achieving our goals

is not immediate collection of names through registration, but rather the immediate improvement of our ability to prepare for processing people through the Selective Service System. To enhance the standby ability of the SSS, including its computer resources and planning would be a productive step in improving our posture.

Historically, this country has seen military conscription as a last resort, to be used only in time of declared war or national emergency. I do not believe the present proponents of resuming draft registration have made a convincing case that such an emergency exists. We need a strong military—but strength depends "on spirit and not merely numbers." ●

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the bill by title.

Mr. PRICE. Mr. Chairman, I ask unanimous consent that it be in order to consider at this time sections 812 through 815 of the bill, and that such sections be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Sections 812–815 read as follows:

SELECTIVE SERVICE REGISTRATION

SEC. 812. (a) Effective January 1, 1981, the President shall commence registration under section 3 of the Military Selective Service Act (50 U.S.C. App. 453) of male persons becoming eighteen years of age after December 31, 1980.

(b) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453), relating to registration, is amended by striking out "who, on the day or days fixed for the first of any subsequent registration, is between the ages of eighteen and twenty-six" and inserting in lieu thereof the following: "who becomes eighteen years of age after December 31, 1980".

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

SEC. 813. (a) The President shall prepare and transmit to the Congress a plan for reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using school records and other existing records;

(2) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(3) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(4) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(5) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(6) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible; and

(7) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

ANNUAL ASSESSMENT OF MOBILIZATION CAPABILITY OF SELECTIVE SERVICE SYSTEM

SEC. 814. Section 10 of the Military Selective Service Act (50 U.S.C. App. 460) is amended by adding at the end thereof the following new subsection:

"(i) The Selective Service System, including local boards and appeals boards appointed under subsection (b)(3), shall participate in periodic training exercises to simulate emergency mobilization procedures. Such training exercises shall involve all phases of the personnel processing procedures established under this Act and shall be conducted at least once each year.".

PRESERVATION OF SELECTIVE SERVICE SYSTEM AS AN INDEPENDENT AGENCY

SEC. 815. (a) Section 1 of the Military Selective Service Act (50 U.S.C. App. 451) is amended by adding at the end thereof the following new subsection:

"(f) The Congress further declares that the Selective Service System should remain administratively independent of any other agency, including the Department of Defense.".

(b) Section 10(a)(1) of such Act (50 U.S.C. App. 460(a)(1)) is amended by adding at the end thereof the following new sentence: "The Selective Service System, the position of Director of Selective Service, and the functions of the President and the Director of Selective Service under this Act shall not be subject to any reorganization plan under chapter 9 of title 5, United States Code.".

Mr. McCLOSKEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1430

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further, proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. BEARD OF TENNESSEE

Mr. BEARD of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEARD of Tennessee: On page 31, immediately before line 1, add the following new section:

"CONGRESSIONAL STUDY COMMISSION ON DEFENSE READINESS AND MOBILIZATION CAPABILITY

SEC. 815. (a) There is hereby established a commission to be known as the Congressional Study Commission on Defense Readiness and Mobilization Capability (hereinafter in this section referred to as the "commission").

(b)(1) The commission shall conduct a comprehensive study of the current defense mobilization capability of the United States and the current capability of the Armed Forces to sustain forces upon mobilization. Such study shall be based upon the best information available to the United States intelligence community and shall be conducted in light of all foreseeable threats to the national security of the United States and its allies.

(2) The commission shall prepare recommendations based upon the study conducted pursuant to paragraph (1) for such legislative and executive action with respect to the defense mobilization capability of the United States as the commission considers necessary or desirable. In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives or the Senate during the 96th Congress.

(c)(1) The commission shall consist of 24 members, appointed as follows:

(A) The Speaker of the House of Representatives shall appoint 12 members of the commission, nine of whom shall be Members of the House of Representatives and three of whom shall be appointed from among individuals who are not Members of the House of Representatives.

(B) The President pro tempore of the Senate shall appoint 12 members of the commission, nine of whom shall be Senators and three of whom shall be appointed from among individuals who are not Senators.

(2) Members of the commission shall serve for the life of the commission. A vacancy in the commission shall be filled in the same manner in which the original appointment was made.

(3) The commission shall select a chairman and vice chairman from among its members. If the chairman is a member of either House of Congress, the vice chairman may not be a member of the same House.

(4) For the purposes of this subsection, the term "Member" includes any Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico.

(d) The commission shall prepare a report of its findings and recommendations and shall submit such report to the Congress not later than the end of the 9th month beginning on the date of the enactment of this Act.

(e) The commission shall expire thirty days after the filing of its report under subsection (d).

Mr. BEARD of Tennessee. Mr. Chairman, earlier today, during general debate, I presented a summary of the contrast between the Department of Defense's public statements on our Nation's military manpower capabilities and strikingly dissimilar classified reports on these same capabilities.

Since the determination of any need for selective service registration is predicated upon an analysis of manpower capabilities, I am offering this amendment in order to provide the Congress with a vehicle for making such an analysis.

This amendment would establish a congressional commission to study our manpower mobilization capability in comparison to current threat analysis. The commission would report on its findings within 9 months of enactment and make recommendations to the Congress regarding any need for Selective Service registration, national service, or a draft.

The commission would be composed of 12 members appointed by the Speaker of the House and 12 members appointed by the President pro tempore of the Senate. In each group of 12, 9 would be Members of Congress and 3 would be outside experts.

Although I personally feel that registration is needed now, I am well aware that some of my colleagues have not yet had sufficient opportunity to study the issue. For them, this amendment will offer that opportunity.

At the same time, I realize that a number of the Members have formed the opinion that registration is unnecessary. Yet they support a plan that would instruct the President to study the issue and report recommendations for any needed change to the Congress.

To them, I would like to point out that we have already received such reports indicating that all is well in the area of military manpower. I think it is time that the Congress develops its own analysis of these manpower issues in the type of objective, nonparochial atmosphere that a congressional commission would offer.

□ 1440

Mr. DELLUMS. Mr. Chairman, would the gentleman yield to me?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. DELLUMS. Would the gentleman again for a moment summarize specifically what the gentleman perceives to be the function of this commission again?

Mr. BEARD of Tennessee. Mr. Chairman, the function would be for the commission to study the defense mobilization capability of the United States and also to look at the ramifications or the experiences of the all-volunteer service, the selective service capabilities, all the things we have been debating regarding the manpower issue would be considered under a joint commission composed of Senators, Members of the House, as well as outside experts.

Mr. DELLUMS. Mr. Chairman, would the gentleman yield further for a brief question?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. DELLUMS. Given that explanation, I would like to raise a particular question with my colleague.

A number of questions have been raised with respect to America's capability to modernize certain numbers as established by the Department of Defense. I am wondering if this commission could also study the question of whether the numbers arrived at by the Department of Defense in the first place are justified.

Mr. BEARD of Tennessee. Without question there is no way we could study the mobilization requirements without studying mobilization needs. I think without question that would provide a forum for trying to bring these concerns into one arena rather than being split between the Senate, the House, this subcommittee or that subcommittee.

Mr. DELLUMS. Mr. Chairman, I was hoping our brief colloquy would also establish that fact. In the description of the function of this committee as set out by the gentleman, he did not specifically deal with the question of looking at whether or not the organic figures offered by the Department of Defense themselves are justified.

Mr. BEARD of Tennessee. I think that is the only way we could legitimately decide what are our mobilization and manpower needs, to look at those figures to which the gentleman refers.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I would like to rise in support of the gentleman's amendment. I think it deserves our consideration and support. I would ask the gentleman this question: The gentleman from California (Mr. McCLOSKEY) has a proposal for an all-volunteer service, a more universal concept in the new focus about which the gentleman talks. Would this be within the parameters of the gentleman's study commission to look at alternatives for national service?

Mr. BEARD of Tennessee. In my amendment is the following wording:

In preparing such recommendations, the commission shall give thorough consideration to legislative proposals relating to defense manpower requirements that have been introduced in the House of Representatives and the Senate during the 96th Congress.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BEARD of Tennessee was allowed to proceed for 2 additional minutes.)

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to be sure I understand the gentleman's amendment. The gentleman and I have worked closely together on defense matters for a long time.

Do I understand the gentleman's proposal for a commission represents an addition to the other sections in this bill of ours, sections 812 through 815? The gentleman does not strike out any of the registration language in here at the present time?

Mr. BEARD of Tennessee. Mr. Chairman, my amendment has no effect on the rest of title VIII.

Mr. STRATTON. So the gentleman does not really go along with the position of the gentlewoman from Colorado (Mrs. SCHROEDER) who is primarily against registration and wants to strike it out? The gentleman merely suggests if there was a commission, that would add to public understanding of what is going on?

Mr. BEARD of Tennessee. Mr. Chairman, I personally support registration but recognizing the mood of the House at this time I believe it would be defeated and, therefore, I would strongly consider the amendment of the gentlewoman from Colorado (Mrs. SCHROEDER).

Mr. STRATTON. Does the gentleman feel he is encouraging House support for the registration which the gentleman and I both feel very important, or is his amendment designed to try to undermine it?

Mr. BEARD of Tennessee. No, as a matter of fact when this commission, consisting of Members of the Senate and the House, has an opportunity to look at the classified documents, the internal classified documents presented by the Department of Defense which they have continued to classify and use coverup measures, I think there is no doubt about it that this House will be extremely concerned, much more concerned than it is now with the status of our All Volunteer Army.

Mr. STRATTON. Mr. Chairman, I wonder what some new commission can do beyond what the 18 or 19 that the gentleman from Mississippi (Mr. MONTGOMERY) has already pointed out. I do hope the gentleman will not give aid and comfort to those who would eliminate registration from this bill.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SEIBERLING and by unanimous consent, Mr. BEARD of Tennessee was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. Certainly I will yield.

Mr. SEIBERLING. Mr. Chairman, I think the proposal of the gentleman from Tennessee is very interesting. For one thing, he supports registration but he also supports a commission to study it. Why should we not defer registration until we get the results of the commission's report?

Mr. BEARD of Tennessee. Mr. Chairman, I think as a result of the action that will be taken by the House today, that will be exactly the case.

Mr. SEIBERLING. Mr. Chairman, the second question I would like to ask, does the gentleman lay down any requirements as to who would be on this commission? Credibility might depend on whether it is a broad cross-section or just members of the respective Committees on Armed Services.

Mr. BEARD of Tennessee. Mr. Chairman, I think without question it would tend to distract from the credibility of a commission if it had nothing but members of the Committee on Armed Services on it. Unfortunately, because of some attitudes, the committee chaired by our subcommittee chairman, the gentleman from Texas (Mr. WHITE), who did an excellent job in bringing out the facts, in many cases some of this information was questioned.

Yes, Mr. Chairman, I think it should be a broad spectrum of the membership of the Senate and the House and not strictly members of the Committees on Armed Services.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

Essentially, the purpose of the gentleman's commission is to look at the very issues involved as to whether we ought to proceed with registration, whether we should proceed with selective service, what kind of reforms ought to take place, whether we should have a national service. Is that not the whole point of your commission?

Mr. BEARD of Tennessee. Exactly, Mr. Chairman. However, let me say, and this is tragic to say, but I think it will be through a legislative commission that, for once, will remove the frustration I have been experiencing of having classified documents telling the true state of our manpower situation locked in my safe with my not being able to come out and discuss the true status, while the Department of Defense continues to put out all their garbage indicating that everything is fine.

□ 1450

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. BEARD) has expired.

(At the request of Mr. PANETTA and by unanimous consent, Mr. BEARD of Tennessee was allowed to proceed for 1 additional minute.)

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. Yes, certainly.

Mr. PANETTA. Mr. Chairman, I think the point is this, that what the gentleman is trying to do is to have the Congress take a careful approach to looking at the merits and the concerns of our manpower needs in this country.

Mr. BEARD of Tennessee. Exactly.

Mr. PANETTA. For that reason, I think we ought to adopt this proposal and then we ought to move to strike the mandatory registration section, because in effect we cannot do that without really laying out the facts that this commission is supposed to look at, so I would support the gentleman's amendment.

Mr. BEARD of Tennessee. Mr. Chairman, I thank the gentleman for his support.

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Tennessee.

Mr. WHITE. Mr. Chairman, I want to first commend the gentleman from Tennessee (Mr. BEARD) for his zeal and desire to augment the forces of this country, because the gentleman recognizes, as many of us do, the importance of maintaining a credible defense; however, I think the gentleman's actions in this particular instance are misguided, or go far afield from hitting the target.

In the first place, an adequate system now exists in virtually every jurisdiction under the interest of the United States for every facet of our society. Certainly this is true in the area of defense, because the Committee on Armed Services of the House and the Committee on Armed Services of the Senate have specific jurisdiction and interest in determining the manpower structures and the needs of our Selective Service. That is precisely why we are here today, because your committee and the Committee on Armed Services felt there was an inadequacy in the Selective Service and that we needed to do something immediately and to prod the President to move.

The fact is, I might say, we have had already a salutory effect in many instances and we have called the Nation's attention to this problem. We do not want to create additional commissions that are going to cost money, that are going to embroil themselves in matters that are already under the jurisdiction of existing House and Senate committees year by year and hearing by hearing as the record shows.

I might point out that by the time this commission could be appointed, you would probably have 5 or 4 months in which to act, whereas your committee, as I said, on each side have already been at work on these problems and needs.

We have had experience with these commissions before. The fact is in this area of defense in 1973 the Congress created the Defense Manpower Commission. The Commission took 3 years with 50 professional staff personnel and $2.5 million to produce a report that has created nothing. I do not think we should dissipate our energies in creating new commissions when we have the jurisdiction that has been seized upon and is active on both congressional sides. Certainly from the Senate we have read many epistles by Senator NUNN on manpower and selective service needs and certainly we on the House side have been taking an active interest trying to do something about the selective service and manpower deficiencies.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. WHITE. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, is it not true that General Rogers, who is the new Supreme Commander in Europe, told a group of members of our committee visiting there in August that the most important and urgent piece of legislation facing this Congress was this particular bill with registration in it?

Mr. WHITE. I have been given to understand that.

Mr. STRATTON. And therefore, if we adopt the amendment of the gentleman from Tennessee, we are just going to be delaying action on what General Rogers said was the most important piece of legislation as regards our national security; is that not true?

Mr. WHITE. Yes, and let me assure the gentleman and the House that whatever happens today, this committee is going to persist in making certain to continue surveillance over the Selective Service System and our manpower needs in this country regardless, because we are determined to have an adequate defense that can deter any threat or intimidation.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I want to confirm what the gentleman from New York has understood to be the case. I was with that subcommittee, with General Rogers just a month ago. He said that there was no more pressing need, it is classified and I cannot give the exact time, but he said that the time frame for our reaching the bottom of the manpower barrel was in weeks, not months, and he said there was nothing more important that this House could do in this bill than to include registration.

He said we ought to register both men and women, see what our reserves are there and then he said ultimately consider drafting for the Ready Reserve.

Mr. STRATTON. In other words, if we are going to rescue somebody from the burning building, we had better rescue them now and not wait for another study about whether we ought to rescue them.

Mr. WHITE. Mr. Chairman, I wish to reclaim my time to point out another matter. If you have a commission with people outside of Congress, you are taking additional time to get them security clearance, because if you are talking about going into the documents that the gentleman from Tennessee is talking about, you have got to have clearance for those people. We of the House can see those documents. Any person in this room that is a Member of this House can see these documents today, but there is no power given by this amendment to declassify. That is what I understood was one of the purposes, to declassify, to advise the public.

We ourselves have control over those documents and we can seek to get them declassified if we feel it is in the public interest and they do not jeopardise the security of the United States.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WHITE) has expired.

(At the request of Mr. JOHNSON of Colorado, and by unanimous consent, Mr. WHITE was allowed to proceed for 3 additional minutes.)

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding.

It seems to me one of the weaknesses of the gentleman's argument about the necessity of creating this system on an emergency basis is that the gentleman is talking about registering 18-year-olds after the 1st of January of 1981. The gentleman is not talking about registering the manpower pool that would have to become available in the event of a major mobilization. That would be I suppose young people between the ages of 18 to 25 or maybe 18 and 30.

We are not going to get people between the ages of 18 and 25 under the gentleman's system for 7 years; so the gentleman's argument about the importance of a registration that is going to deal with things on an emergency basis does not hold water when we start examining that we are only starting to register 18-year-olds in 1981.

Mr. WHITE. Mr. Chairman, I thank the gentleman for asking the question, but if you look at the graph there is a time in which we will be closed up. At

the present time we have the 25- and 26-year-olds already registered. There is a hiatus there of a short time and from that point on as we collect these 18-year-old's records over each year, then we will create the resources that we need. We need some 200,000 resources at any one particular time in order to fulfill the immediate mobilization requirements and then in time we would have everybody registered over a short period of time.

We are taking the cheapest, least expensive route that we can by talking about only 18-year-olds, that is, in the sense of getting everyone under the registration umbrella, as a way of saving the taxpayer's money. We are trying to do it inexpensively. That is why we say 18-year-old males.

Mr. JOHNSON of Colorado. But the gentleman is not making the argument that we need to do this on the basis of an inexpensive method. The gentleman is talking about an emergency situation that might arise.

Mr. WHITE. That is correct.

Mr. JOHNSON of Colorado. If an emergency situation does arise, you have got to have more than just 18-year-olds that are registered after the first of January in 1981.

Mr. WHITE. At that time, of course, immediately; but what we are trying to do is build a cadre and in the meantime refurbish and restructure the Selective Service. We are trying to have a reservoir that we do not even have now, because the Privacy Act prevents us from going into any records that would give us this information. That is the frustrating matter that paralyzes our resourcefulness.

Do not forget that other countries, including the Soviet Union, are looking at the resolve of this Nation and looking to see what our resources are and looking to see how long it will take us to gear up to be able to resist. We cannot do it today adequately.

Mr. JOHNSON of Colorado. Mr. Chairman, if the gentleman would yield further just one more time. It seems to me that the Beard amendment achieves the gentleman's objectives quicker than the gentleman's own system, because we do have this gap between 1981 and 1988, at which time everybody is registered. In 1981 18-year-olds will register. In 1982 18- and 19-year-olds and so on until 1988. That obviously does not deal with an emergency. The Beard amendment will give us a congressional study that will deal realistically with the problem.

Mr. WHITE. All the gentleman is talking about is a commission and they say that a camel is a horse made by a commission. I am saying that we can do the same thing in the Committee on Armed Services of the House and the Committee on Armed Services of the Senate without facing the problem of getting security clearance and doing the other things to create a commission.

Mr. McCLOSKEY. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I speak in favor of the amendment. I would like to remind the committee why we are here. We are here because the Committee on Armed Services, charged with probably the most important duty in the House, preserving the common defense, has voted by a 30 to 4 vote that our manpower situation is so difficult, so desperate, that in January of 1981, we should restore registration for Selective Service. That raises perhaps as important a question as this Congress could debate.

It used to be accepted in this country that one of a citizen's duties in America, in return for the privilege of being an American, was to give the Nation a year or two of service in one's youth in peacetime. George Washington put it this way at the conclusion of the Revolutionary War when the first Congressional Committee on the Peace Establishment asked him in 1783, "What should be the nature of the U.S. defense posture in time of peace?"

Washington said this:

> It may be laid down as the primary position and the basis of our system that every citizen who enjoys the protection of a free government owes not only a proportion of his property, but even of his personal services to the defense of it. Consequently, the citizens of America, with a few legal and official exceptions, from 18 to 50 years of age should be borne on the militia rolls, provided uniform arms, and so far accustomed to the use of them that the total strength of the country might be called forth at a short notice on any emergency.

□ 1500

This concept of duty to the Nation has been a casualty of the Vietnam war. Our young people, who saw the tragedy of Vietnam, argue, as the gentleman from New York did on the floor a few minutes ago, that if there is a pool of military manpower, it will be used by the leaders in the Pentagon to get into an overly aggressive war.

I submit that we did not get into Vietnam because we had a pool of military manpower; we got into Vietnam because we had come out of World I and World War II with the objective, as John Kennedy said in 1961, that we would help any friend or fight any foe under the concept that America only fought just wars—to resist oppression or block the expansion of communism. We went into Vietnam because the House of Representatives and the Senate voted overwhelmingly for the Gulf of Tonkin resolution. For the first 3 years of Vietnam, the people of America thought overwhelmingly the war was right. We did not fight the war because we had a manpower pool in existence. It was not until 1969 or 1970 that public opinion changed to be against the war.

But if the concept is to be accepted in the United States that in time of peace there is a duty to serve, it is going to take a national debate and a national acceptance of a forgotten fact; that the reason we must have a combat-ready Army is not because we want to go to war but because we want to deter war and deter attacks against us.

Of the 156 nations in the world, we have had ambassadors assassinated in five countries in the last 15 years. If we had not had young men of coolness and judgment guarding the Embassy at Tehran, we might have been led into a war. Had the quality of those Marine guards not been superb, we might have seen a trigger-happy situation such as that which occurred in the Boston Massacre when somebody lost his head and fired into a crowd. If that had happened in Tehran, we could have been led into a potential war situation.

If the All-Volunteer Army is working, none of us wants to go back to the draft. If the All-Volunteer Army is not working, then we can afford nothing less than to insure that in some way the Army is made combat ready and made up of a cross section of Americans.

We should remember that under the old draft that gave us college exemptions, although we had minorities of only 17 percent black and Chicano in this country, 43 percent of the young men killed in the infantry units in Vietnam were from minorities. Can we afford the fact that this imposes on the poorest and the least educated the most onerous duty of citizenship?

Mr. Chairman, today, under the All-Volunteer Army, if we went to war in North Korea or Germany, if we had to repel a Communist attack today, over 50 percent of our front line rifle company forces would be composed of minorities. So really the so-called all volunteer makeup of our Armed Forces in America today does not give us a cross section of America.

If we are to consider how to achieve a combat-ready Army and a proper defense establishment, it is going to take a national dialog and it is going to take the kind of Presidential Commission study that the Beard amendment proposes.

I respectfully disagree with the distinguished chairman of the Subcommittee on Military Personnel, the gentleman from Texas (Mr. WHITE). I wish that the Congress did have the credibility to reestablish the concept that we should go back to registration and training of Reserve units today.

Mr. Chairman, I once commanded a Reserve unit.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(By unanimous consent, Mr. McCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. McCLOSKEY. Mr. Chairman, I would like to tell the Members of the House my experience between 1952 and 1960 when I commanded a Marine Reserve rifle company. This is partially in response to the comments of the gentleman from New York (Mr. DOWNEY) earlier. Had we not had a draft in the background, a program of drafting people into the military establishment, we could in no way have attracted enough qualified young people into the Reserve units. That is precisely the case in today's Reserve units.

There is no war in history that has not been characterized by a battle where the existence of the Reserve at a crucial point did not turn the tide of that battle. Without an adequate Reserve, we are just as defenseless as if we did not have an adequate strategic missile system or an adequate number of armed naval ships.

Today it is admitted that the Reserve is almost nonexistent. If we look at the GAO report that came out during the summer recess in August, it points out that the Reserve and the National Guard are short over 130,000 men. These units are made up half of people who have not been on active duty since 1970 and the other half of people who served in the Vietnam War. Can we imagine an emergency situation that might evolve today where we would have to call on people who fought in Vietnam? Half are not ready to fight; the other half should not be called on to fight.

Mr. Chairman, I want to read to the Members a letter I received from a lady who I think properly describes this danger and justifies the establishment of the proposed commission. It is one of perhaps dozens of similar letters that I have received since this debate developed on national service. This is what she says:

DEAR REPRESENTATIVE MCCLOSKEY: The Akron Beacon Journal published your feelings on the future of the Draft and I felt compelled to write to you because although I am against the Draft I know that it is probably the only solution for the Armed Services.

My husband is a Staff Sgt. in the U.S. Army with 14 years of service. I have seen the Army up close in the 11 years we have been married.

We returned from a tour of duty in Germany a year ago and what I saw there scared me a lot. On any given day of any given week, we could not have put 50 percent of our troops into combat.

My husband is "old Army" and a Vietnam veteran. He likes the Army the way it use to be. He doesn't understand "Today's Army". We have seen a lot of 10–12 year men get out because they wouldn't have their families around the situations that exist at bases today.

I can confirm your belief that the Military is greatly out of shape and would be slaughtered just like the Divisions sent against North Korea at the beginning of the war. It scares the life out of me that my husband would have to lead and depend on the men in his company. They would be worthless.

Mr. Chairman, I ask the Members what reasonable young people today at the age of 18 are going to volunteer to be combat infantrymen if we tell them they are going to train in the jungles of Panama in the summer and in the Arctic in the winter? They are going to be either hot, miserable, tired and dirty or they are going to be cold, wet, tired and miserable. We are not going to get reasonable young people in America to volunteer today. If we are to have an Army made up of a cross section of young people in America, we may have to have a draft. Without a draft, it appears we may well have over half our Army made up of minorities.

For these reasons, I humbly submit that we should create this proposed commission.

The CHAIRMAN. The time of the gentleman from California (Mr. MCCLOSKEY) has again expired.

(On request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. MCCLOSKEY. Mr. Chairman, I would really like to humbly submit that this commission could do the same job the Gates Commission did in 1972.

To my friends who opposed the Vietnam war, let me remind them that when President Nixon allowed the draft to expire, one of the reasons for allowing the draft to expire was to keep the sentiment of public opinion in support of Nixon's continued conduct of the Vietnam war. It was a public relations position to let the draft go because the young people of America perceived that the only way to oppose the war was to oppose the draft.

The draft and the war should not be connected, whether for good or for evil.

The issue here is whether or not we have a combat-ready Armed Force. Today we are in danger of having an Army of mercenaries. We have an Army of professionals.

One factor that helped end the Vietnam war was the opposition of those conscripted soldiers who opposed the war. We can recall the disputes that existed between the lifers, the regulars, and the professionals, and those who objected to the Vietnam war. The professionals could not object to what they were asked to do because they had volunteered.

I submit that an Army of reluctant citizen-soldiers is the best guarantee of combat-readiness and freedom in democracy.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I will be glad to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding.

First of all, on the gentleman's figures of 37 percent and 50 percent, let me say that the people now in the Army are there by choice, and they were not picked.

Second, about the Reserves, the people who went to Korea, those who were not well trained and well equipped, many of them were Reserves, and they were friends of mine who joined the Reserves for a few quick bucks and a way to beat the draft. If anybody tells me the Reserves in the 1950's were training people to be good soldiers, they are totally mistaken.

I was in Europe with the Armed Forces in 1955 and 1956 and let me tell the Members we were not combat ready then, and there was a draft.

So I think that saying that registration somehow equates with the training one gets in the armed services is just totally not true. Most of us were playing basketball, and some of us were on maneuvers, but we could not have stood any kind of onslaught in Western Europe during the 1950's, and there was a draft going on.

Again I say, although we had a draft, they were out at Fort Ord near San Francisco getting $2.50 or $3 an hour, and they would go down there for 2 weeks during the summer. But they were not getting combat-ready training.

Mr. Chairman, I do not think the gentleman's points are too well taken.

Mr. MCCLOSKEY. Mr. Chairman, I believe the gentleman mistakes my points.

Mr. JOHN L. BURTON. Then I must have misheard them.

Mr. MCCLOSKEY. If we want to retain a Reserve, we must have a draft in the background, because without the draft——

Mr. JOHN L. BURTON. To frighten them into the Reserves.

Mr. MCCLOSKEY. Without the draft no one would volunteer for the arduous nature of the Reserve service.

□ 1510

Mr. JOHN L. BURTON. Will the gentleman yield me at least 3 seconds?

There is not any arduous nature of the Reserves. That is the problem with it.

The CHAIRMAN. The time of the gentleman from California (Mr. MCCLOSKEY) has expired.

(On request of Mr. DOWNEY and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I want to compliment the gentleman on his presentation. I think it is a privilege to hear someone who has done his homework and has followed the issue as closely as the gentleman has.

There are things that the gentleman said that I agree with and others on which I would like to engage him in a colloquy.

The first is that I do not think there is any question, if one examines the casualties of the Vietnam war and the Korean war, in which the gentleman served, you will find that the people who died in that war, who fought and who were injured in that war tended to be black and poor. That is a reality.

The gentleman is addressing that reality by saying that the way to solve the problem is to have some sort of equitable system whereby all Americans will have an opportunity to serve their country, either in the draft or in some form of national service. I think that is something that we need to address.

I would come down on the side of saying that there are other ways to do that by making it more attractive for people in other income stratas, to serve as combat soldiers, possibly for a year and one-half or 2 years and perhaps have their college benefits paid for by the Army. That may be a little more expensive initially, but that would be one of the ways to handle the problem addresses.

Mr. MCCLOSKEY. That is precisely the point. The Army today is trying to attract 20,000 enlistees, promising them 4 years of college benefits. That is part of the National Youth Service program that the gentleman, I think, has joined in cosponsoring and which will be part of the Beard commission study.

Mr. DOWNEY. I would like to deal with one other question that the gentleman raised on the point of the Reserves.

There is no question that there is a shortage. That is a reality. The fact is that the problem with the Reserves, however—and the gentleman is familiar with the 1977 report that the GAO also did—

as the gentleman from California (Mr. JOHN L. BURTON) was pointing out, is that there is very little for individuals to do. They do not get combat training. There are archaic searchlight batteries and rail units that still exist.

The CHAIRMAN. The time of the gentleman from California (Mr. MCCLOSKEY) has again expired.

(On request of Mr. DOWNEY and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. If the gentleman will yield further, the point is that before you augment the Reserves or force people into the Reserves, you have to fundamentally change their mission. The fact is that only a small percentage of the Reserves are prepared to fight today, and even if we force more people into them, they were not mobilized in Vietnam, the work that they did in the National Guard in Korea, I think the gentleman would subscribe to the fact that they were cut up badly during that war, that we really need to change the whole mission and nature of the Reserves, not force more people into it.

Mr. MCCLOSKEY. Mr. Chairman, I quite agree with that. I think what we are trying to reestablish as an institution is that there is an obligation on the part of all young people, in return for the privilege of being an American, to serve. If the obligation falls evenly across 4.3 million young people, that they can serve either in civilian or military capacities, in the Peace Corps, cleaning up the national forests, fighting fires, as well as military, then we have the basis to put pride in those who serve in the military and give additional benefits to those who serve in arduous arms of the military forces, the infantry, the tanks, and the others. The Army is having to move toward this.

I think it will take a national debate to put this issue before the Congress, and the best means is the Beard Commission to study the problem. I would be happy to accept a Presidential commission. I am going to vote for the Schroeder amendment after this amendment, but a Presidentially appointed commission will undoubtedly suffer from the Singlaub principle, that if the Commander in Chief says the All-Volunteer Army is working, the Commander in Chief's appointees better damn well say it or they will be fired. For that reason, I think the Beard commission is the answer to this problem.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the gentleman's remarks, particularly in two respects, and I want to particularly address the point that the gentleman from California (Mr. JOHN L. BURTON) made in reference to the racial and economic backgrounds of current members of our military forces.

The CHAIRMAN. The time of the gentleman from California (Mr. MCCLOSKEY) has again expired.

(On request of Mr. CAVANAUGH and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. CAVANAUGH. If the gentleman will yield further, the point that the gentleman makes is well taken in two respects; it is the gravest injustice to ask the poorest and the minority of our society to provide the protection for all of those in our society who enjoy the greatest of the benefits our society has to offer. The fact is that military service is not a free choice on the part of the poor and the black. While 27 percent of the recruits of the U.S. Army in combat arms come from the black population of our society, 33 percent of black Americans between the ages of 18 and 25 are unemployed. They have no economic alternatives. They have been forced into this system, and that is why this is not a system of all volunteerism; it is a system of racial and economic conscription. It relates directly to the other economic and social inequities that exist in our society.

If the gentleman will allow me to make one other highlight, one other point that he makes in contesting the contention of those who say that the draft was a cause of beginning or sustaining the Vietnam war, and that the absence of a conscriptive force assures that we will never again engage in military adventurism. The opposite is more nearly the case. When you rely upon a force comprised primarily of the socially, economically, and politically weakest of society, I believe you provide much greater incentive to the policymakers and much greater acceptance by the majority of our people to engage in military adventurism and the utilization of that force, rather than in a force that is comprised of the whole spectrum of our society.

I commend the gentleman for making those two points, and I think that they have to be reiterated.

The CHAIRMAN. The time of the gentleman from California (Mr. MCCLOSKEY) has again expired.

(On request of Mr. BEARD of Tennessee and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. MCCLOSKEY. Let me say one thing to the fiscal conservatives. The alternative to a return to the draft, it has been argued, is that we should pay more to attract young recruits to enlist. I have gone to over half of the 24 high schools in my district and inquired: If we doubled the pay from $418 to $836, how many of you young men and women will volunteer?

I have yet to receive an affirmative reply from a person who would volunteer. No hands have been raised.

At the present time, I think the committee will confirm that we are spending 58 percent of our defense budget on manpower. Fifty-eight percent of the defense budget goes for manpower costs. The Soviets spend 23 percent. So if you have a rough equality between the Soviets and the United States total defense budgets, they have 77 percent of their budget for strategic weapons systems and improvements of their navy and their weapons systems while we have only the 42 percent left after paying the costs of the All-Volunteer Army. We cannot afford to pay more to bring people into the all-volunteer service without further endangering our parity in strategic weapons strength.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I thank the gentleman for yielding.

Mr. Chairman, I would like to compliment the gentleman from Nebraska (Mr. CAVANAUGH) regarding the conscription through economic reasons. I have called it many times conscription through poverty, because what you have is a situation where a young man or woman did not make it out of high school or, if they did, through a social promotion, or whatever, tried to get into college, they could not get in there because of either grades or the fact that they did not have the financial resources, they go down to the local plants, they try to get a job there but they are not allowed to because they do not meet the requirements, and so all of a sudden, after they have tried everywhere else, they see on television this beautiful ad, "See Europe Through the Army's Eyes," and they have these kids on top of the castle overlooking the green pastures. They go down and the recruiter says, "Hey, come on in; free education, free college education, free medical, 30 days paid vacation, learn a trade," right down the wire. But somebody forgot to tell that kid, "By the way, you will be cleaning the latrine on weekends and you will be standing guard duty on Friday nights." As a result of that, 40 percent of the young people joining the military today quit before their first tour of duty has expired.

In the Reserves, approximately 6 out of 10 quit before they complete their first tour of duty.

I say that these are the types of facts that have to be shown to the Members of Congress who do not have the benefit of sitting in on an Armed Services Committee or to the American people who have had all of these facts kept secret from them by one of the biggest cover-up activities in the Department of Defense that I have ever seen.

I would compliment the gentleman by reinforcing what he said. We do have conscription through poverty today.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Tennessee (Mr. BEARD).

I might comment that I have mixed feelings on the McCloskey amendment if it is offered, but I would like to point out to the Members that it is another weight on the Beard commission amendment. Actually, what the gentleman from California (Mr. MCCLOSKEY) is asking a study for is to find out where we can find jobs for over 4 million young people, both men and women, in a single

year, to go into public service or to go into the military service, and it seems as though it would be almost an impossibility to make a study such as this with an addition of what the gentleman from Tennessee (Mr. BEARD) has asked for.

I hate to oppose my colleague, who is on our committee, but what he is doing is just setting up another congressional commission to study what we have already been doing for a number of years in our Personnel Subcommittee on which I serve.

□ 1520

The gentleman from Tennessee (Mr. BEARD) could come in any time he wants to and participate in these hearings that we have been having on the Selective Service System. We have been making these studies since 1976.

In fact, the gentleman from Tennessee (Mr. BEARD) served on the Subcommittee on Military Personnel, and he removed himself several months ago. The subcommittee is there, and quite frankly, I think it is a slap in the face if we adopt the commission concept, because that committee is doing a commendable job.

Really, the study calls for a report back in 9 months. There is no way we can get Members from the House and Senate, set up a staff, a very expensive staff, and come back in 9 months and give a logical report to this Congress.

The problem we have with a special commission, we cannot ever stop them when we get them started. So, in effect, it would be taking away what our subcommittee has been doing.

We have enough studies. If we want some studies on what the gentleman from Tennessee (Mr. BEARD) wants to do, I have 13 studies. I will give him a copy of these sheets. We do not need any more studies. If we want to kill what we are trying to do today, the best way to do it is vote for a study.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

The problem with the gentleman's position is that the Speaker of the House is quoted in the paper this morning as saying the gentleman's position is going to lose 3 to 1, that the gentleman is not going to be able to establish registration through the committee bill.

The second point and the reason for the commission is to cut across the whole——

Mr. MONTGOMERY. I have no problems with that. I feel our Nation needs this legislation. That is why I feel so strong about it. We will continue to lose, but we are bringing it before the people of this country, which is important.

Mr. McCLOSKEY. We agree with the position the gentleman is addressing on the Committee on Armed Services. This is no slap in the face. The gentleman from Tennessee (Mr. BEARD) and I both agree that we may have to return to some form of draft.

Mr. MONTGOMERY. What does the gentleman want our committee to do then? The gentleman is taking away the most important thing that has ever faced this committee since I have been on it, and the gentleman is putting in a commission.

Mr. McCLOSKEY. It is something the gentleman cannot do. The gentleman cannot solve the GI benefits bill program that we may have to have as part of the Government manpower program. That is in the Veterans' Committee. The gentleman cannot establish an alternate civilian service, because that is under the Committee on Education and Labor. We cut across at least three major House committees with this problem.

This is not a desire in any way to supplant the jurisdiction of the Committee on Armed Services in its attempt to support the conclusion that the gentleman's committee has reached. The only way we can get a national dialog which could accept the reasons which the gentleman proposes is through a comprehensive manpower study cutting across civilian, as well as military service.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I am happy to yield to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. I thank the gentleman for yielding.

I rise to associate myself with his remarks. I find myself in agreement with the position that he has taken on this matter.

I think since the start of the all-volunteer force, the concept is to provide a standby mobilization capacity. That is what we are talking about today. We are not talking about national service, the Peace Corps, or other good projects They ought to have a separate consideration.

What we are talking about here is the defense of our country and having a meaningful Reserve.

One point I want to bring up here, I think the Reserve has been getting a shellacking with the black paint brush that they do not deserve. First of all, the Reserve units that I know anything about today are specific, skilled units and logistically basically oriented to back up the Active Army.

The National Guard is basically eight combat divisions that would be the first called forward as a back to be combat ready.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

(At the request of Mr. HILLIS and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. HILLIS. This would be a backup capacity to be ready to go overseas and deploy perhaps in 30 to 60 to 90 days after M-day. We need these people vitally. To stand here and say they have been economically conscripted, that they are no good, is to further cut the rug out from under the Reserve program that we have got today.

The decision we have got to make is that we are going to back this capacity with some sort of a registration to know what we have.

I was on that subcommittee, too, that talked to General Rogers. I want to tell my colleagues, he not only told us that, he pleaded with us to go back and tell the House we need this registration now as a part to fit in the jigsaw puzzle that makes up our national defense. I think that is what the gentleman is saying.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I would like to associate myself with the remarks made by the gentleman from Indiana. I think the gentleman is right. I think the Reserve and the National Guard have taken a shellacking, because at the present time they are the only really tremendously trained individuals that we have to rely on. We have a lot of Vietnam veterans and a lot of people who have been in units with experience and integrity, and so without any question, I agree with that.

Let me say to my friend from Mississippi, and I feel extremely out of place standing in an adversary relationship at this time, first of all, I was not a member of the Subcommittee on Military Personnel, but the chairman was good enough to allow me to participate in the hearings, because I felt so strongly about this particular issue. Without any question, I sat there and heard everything the gentleman heard. I sat there and was emotional about the critical shortage of doctors and infantry and armor and right down the wire. Yet, to find and experience the absolute frustration of going to other Members of the House and trying to express to them the same concerns that we as members of that committee sat and listened to, was extremely frustrating.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has again expired.

(At the request of Mr. BEARD of Tennessee and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. BEARD of Tennessee. I am saying rather than to see registration voted down 2 to 1 or 3 to 1, without most of the Members of this Congress even having heard the real facts or most of the American people having heard the real facts because of the classified material, I am striving to find something as a vehicle to continue the debate and focus in on the debate on our extremely critical shortcomings. I would hope that the gentleman would understand that.

Mr. MONTGOMERY. I appreciat- what the gentleman is trying to do. I think it is totally unnecessary. The gentleman is getting ready to create another commission, and going to get on the grounds that we have in our committee. Once these commissions are formed, it will be very, very hard to stop them. Six months is not enough time. I promise the gentleman this commission will have to have extended time. We think we are doing a good job. If the gentleman does not like the job we are doing, then he ought to change the committee.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

I want to associate myself with the gentleman's remarks in opposition to the Beard amendment that would form a commission. I think we on the committee are doing exactly what the gentleman from Tennessee (Mr. BEARD) wants to do. We have 13 studies which have been done. We had 22 days of hearings in our subcommittee, listening to 34 witnesses. We have the word of all of the people in the Defense Department, General Rogers, General Jones, Clifford Alexander, Admiral Hayward, General Allen, right down, and they say that we need registration. They have studied it at first hand, and we have brought this to the floor to try to bring the need for registration to the attention of the American people, to try to bring it to the attention of all of the Members of Congress.

I think we are accomplishing exactly what he would do with a commission without taking jurisdiction away from the Armed Services Committee.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has again expired.

(At the request of Mrs. HOLT and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mrs. HOLT. So I think we can do that without creating a costly commission, and as the gentleman has pointed out, creation of the Commission would delay implementation of registration and even if the committee has to come back in another year's authorization bill and try to get it we would still be ahead of the game. We have the opportunity to discuss it and to better inform the Congress on it. I think he is absolutely right. We should reject the Beard amendment.

Mr. MONTGOMERY. I would like to point out that the gentlewoman is a ranking member on the Republican side on the Subcommittee on Military Personnel.

I might have misled my colleagues. It is a 9-month study instead of a 6-month study. I would like to correct that.

I yield back the balance of my time.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this committee has studied very thoroughly the need for registration. It is obvious the need is here. I do not think anybody would deny that. Certainly the firm information came before the committee. The committee did a good job. I think it is a bad thing for Congress to run away from its responsibilities.

Clearly, the Beard Commission would cost money. It would also cause delays, more expensive even than the money.

Therefore, I support the position of the subcommittee of the gentleman from Texas (Mr. WHITE).

Mr. Chairman, the Armed Services Committee has wisely included in section 812 of the fiscal year 1980 Defense authorization bill the language providing that the President shall commence registration effective January 1, 1981, under the Military Selective Service Act for male persons who became 18 years of age on or after that date.

Some of my colleagues have stated that this bill is the wrong way to address the issue of Selective Service registration and have suggested that the bill's registration provisions have been hastily conceived. However, what has been overlooked by many Members is the fact that the House Armed Services Committee has held hearings on Selective Service readiness and registration for 4 years, and this year the Subcommittee on Military Personnel conducted extensive hearings on Selective Service registration and recommended that legislation be enacted to set up the registration mechanism as soon as possible.

The Armed Services Committee, noting the urgency of addressing this problem, decided to include the registration issue in the fiscal year 1980 Defense authorization bill, a fact which does not in any way prevent the matter from receiving the careful House consideration it deserves. The purpose of the action by the committee to reinstitute registration is to provide the standby mobilization capability that was envisioned when the Nation went to an All-Volunteer Force in 1973.

After an extensive study of the registration issue, I strongly support section 812 as outlined in H.R. 4040, because there is no longer any substantive disagreement on the conclusion that the Selective Service System is currently incapable of meeting mobilization requirements, and the bill would simply direct the President to initiate a prudent registration plan that will enable us to mobilize quickly in times of national emergency.

The Department of Defense on December 31 issued a report entitled "America's Volunteers." It concludes at page 147 that registration would reduce leadtime to 15 days for any draft call-up. On page 152 it is said that in a high-intensity war this delay could be serious; and at page 153 the Selective Service Director is quoted as saying, "We are firmly convinced that Selective Service registration at age 18 would best serve the security interests of the Nation." And at page 185 the inability of the Selective Service System to meet emergency manpower requirements is traced to three factors, including "time delays associated with not having peacetime registration." In view of these conclusions it seems clear that we should proceed to registration at an early date.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

□ 1530

Mr. Chairman, I rise in somewhat puzzlement about this amendment, and I am not sure how we ought to vote on it. But, I would like to try and sort through the various levels at which we are discussing these things.

First, lots of people in the House Chamber have indicated concerns that they have about the situation of our volunteer force, the readiness of the Reserves and other things. I think all of those concerns are valid and indicate the need for more of a study, and so I guess those are arguments in favor of the Beard amendment.

On the other hand, there is the political dimension of this fight which is that, of course, if we pass the Beard amendment which mandates a study, that adds more argument to why do we need to go into registration anyway, because we have got a study underway. So people who are in favor of registration are likely to vote against the Beard amendment, with the exception, I guess, of Mr. BEARD himself, while people who are opposed to registration are likely to vote for the Beard amendment because we have another study and another reason that we should delay having registration right now.

But let us talk about the Commission itself and look at the issue. Why do we need a commission and is this kind of a commission the best way to get at the information? The Commission which the gentleman from Tennessee recommends is not very well defined. He talks about manpower mobilization. I think he is absolutely right, we do need a lot more information about manpower mobilization.

But why, if we have a commission to study manpower mobilization, why is that the best way to go? Why is it not better to have the Subcommittee on Personnel of the Armed Services Committee conduct hearings on manpower mobilization, and why is that not the better way to go about it?

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield,

Mr. ASPIN. Yes, I yield to the gentleman.

Mr. BEARD of Tennessee. The commission is also directed to consider legislative proposals dealing with manpower, whether it be universal service, whether it be a draft for the Reserves, or whether it be going back to a form of a lottery draft, things that would encompass GI benefits, things that would encompass possibly the HEW educational benefits, things that would take a joint, coordinated effort by the House and the Senate.

The House Armed Services Subcommittee on Personnel has conducted the most thorough set of hearings that one could ever hope for. Yet, I have not heard Members who were saying I oppose the activists who are opposed to registration, or even talk of it, or the activists who are for the draft and registration, and who talked about it. The majority of the people I heard from in this House are people who say this issue should be considered separately, outside the defense authorization bill. And also that it should be given more attention because this is a very important issue and we need to conduct more hearings on it. We need to hear more about it.

I personally do not feel that is necessary because I personally feel I have had the benefit of hearing and listening to all of the facts, all of the submissions of testimony. But the majority of the Members of this Congress have not had the opportunity or the motivation to really look into it.

I see this Commission as a vehicle to focus in not only for Congress but the American people on what the true status is of our armed services.

Mr. ASPIN. Let me probe a little bit further. Is the gentleman saying from his standpoint he thinks there has been sufficient study, but he does not think enough people think there has been sufficient study?

Mr. BEARD of Tennessee. If the gentleman will yield further, I said as far as I am concerned, I feel there has been enough study to point out the critical needs, the critical problems facing the all-volunteer service. Now I am saying that the majority of Members, the majority of the people in this country, continue to hear from the Department of Defense in their little, fictitious Department of Defense manpower reports that everything is in good shape. The Secretary of the Army continues to go out and say the All-Volunteer Army is working, and working well, which is an absolute, total misrepresentation. So, what my point is, DICK WHITE, the chairman of the subcommittee, Mrs. HOLT, the ranking member, have gotten up, they have pleaded, but the Members have not had the opportunity to hear.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. ASPIN. Let me just say I find the gentleman's position very peculiar on this whole issue. The gentleman is in favor of going to registration, but he is offering a study, and he thinks there has been enough information already studied, and yet he is offering a study. It seems to me if we are going to dramatize the problem, which is what the gentleman seems to want to do, that it is not clear to me that yet another study is going to dramatize it. We have studies coming out of this government from 15 different directions at any given week. Some of those studies get a little bit of a squib in the paper, some of them get a little bit more than a squib in the paper, but to dramatize something through yet another study, it seems to me, is not the way to dramatize it.

I am finding that this is the mood and I think this commission will give the Members the opportunity to see through an objective commission exactly what the true status is of the All-Volunteer Army.

Mr. ASPIN. The gentleman from Tennessee never ceases to amaze me. The gentleman who is against redtape and Government bureacracy wants to set up yet another bureaucracy.

Mr. BEARD of Tennessee. If the gentleman will yield further, the gentleman from Wisconsin never ceases to amaze me when he says the problem with the All-Volunteer Army is that what we need is more dumb soldiers.

Mr. ASPIN. I would say to the gentleman that he is getting into another issue, which we shall debate later, but at this time we are debating the commission.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman.

Mr. STRATTON. I think the gentleman from Wisconsin has made a very important point.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(At the request of Mr. STRATTON and by unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. If the gentleman will continue to yield, I feel distressed that my good friend and colleague (Mr. BEARD), the ranking member on the House Investigation Subcommittee, should be offering this amendment at this time when, as the gentleman from Wisconsin has brought out, he himself believes very strongly that we ought to have registration. I do not know any Member of the House who is more eloquent or who has more information or who can do a better job of educating those Members who are willing to come over here and listen—and we only have a fifth of the House here who are going to listen to anything that any commission comes out with—than the gentleman from Tennessee. He has more statistics that can frighten the dickens out of Members, and which I think would convince everybody sitting here that we ought to have registration yesterday. Instead of that, however, he is putting his effort behind another commission.

I just wish the gentleman from Tennessee would withdraw the amendment. We need his help to try to get this bill through intact. If we do not get registration this year, then we will not have registration at least until next year, and by next year we may have another 10,000 Russian combat troops in Cuba, plus a whole flock of nuclear missiles. So, I do not think we can afford to put this key question off.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman.

Mr. DOWNEY. Mr. Chairman, I just want to point out the complexity of the problem we are facing. The gentleman from New York (Mr. STRATTON) is complimenting the gentleman from Wisconsin (Mr. ASPIN) against the gentleman from Tennessee (Mr. BEARD). I think that requires a study in and of itself.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as a new Member of the Congress of the United States, I have been impressed in all of the debates that I have heard for the last 9 months about the importance of the committee structure. I have heard the Committee on Foreign Affairs, and the Committee on HEW, and the Committee on the District of Columbia stand up and say "We have investigated, we have studied, we recommend, we know the answers, do not go against the committee."

I have not heard anyone in this body, however, stand up during the entire course of today's debate and say we do not have a commitment to NATO. We do not have a military commitment to Israel. That is the reality of the situation.

The Committee on Armed Services by a vote of 30 to 4 has said, based on their months of study, that we must have registration. But we have many committee chairmen standing up and saying well, the committee really does not know what it is talking about, and we have to create a grand illusion called a Presidential commission or a congressional commission or something else that is going to do the job the committee did.

We are told, Mr. Chairman, those of us on the Armed Services Committee, by the man in the know, not some phantom, but by the General of the United States who is in charge of NATO that within x number of days, if the flag goes up, we are going to be overrun in Europe. Because of this we have developed grand contingency plans. We have a contingency plan to bring reserve forces from the United States. We have contingency plans to bring supplies and to have manpower and all of that stuff.

The fact of the matter is, Mr. Chairman, that we are a bunch of phonies. We are absolutely a bunch of phonies. This entire debate today does not address the substance of the issue.

□ 1540

We do not have the manpower, and more studies after studies and more studies after more studies are going to say the same thing. We do not have the men to do the job. I am not talking about whether they are minorities or whether they are from urban areas or whether they are rich or poor; the fact is, we do not have the men, we do not have the ships, and it is getting obvious from the comments of some people that we do not have the will.

The question we should be dealing with when we talk about registration is a question of time. That is what it is about, it is time. If the flag goes up, do we have the time to meet our commitments? The answer today, ladies and gentlemen, is that we do not have the time. The question we should be dealing with, instead of talking about Vietnam and talking about all the other things in the past instead of the future is, does this Government have a system? Do we have a system in place that will allow us to mobilize in case we need to mobilize? The answer is, we do not. We do not have a system in place.

Have we ever sent a clear signal to the Soviet Union that we were doing anything in this country in the last couple of years but vacillating? The answer is, we have not, and that is why we have Russian troops in Cuba.

Mr. Chairman, we have talked a great deal about commitments. We have talked about the All-Volunteer Army, but what we fail to recognize is that we have got an obligation to the young people in that All-Volunteer Army, those young minorities that are serving in Europe. The fact is that if the flag goes up in Europe those young people in the All-Volunteer Army are going to get shot to hell, and nobody can argue with that. It is going to happen, and nobody is going to cry about the fact that the minorities are getting blown to bits in Europe, because we are talking about more studies, more studies, more studies.

More studies will not address the basic problem. The basic problem, Mr. Chairman, is, we either have a commitment, a military commitment to the rest of the

world—particularly Western Europe and Israel—or we do not have a commitment. But, let us stop living a charade. Let us stop pretending. Let us stop thinking this grand illusion where we can talk about an increase in budget for NATO; talk about the All-Volunteer Army; where we stand here and say we have got a commitment to Israel.

If we study it then, we do not have the commitment to Israel, because we cannot deliver.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. DOUGHERTY was allowed to proceed for 1 additional minute.)

Mr. DOUGHERTY. Mr. Chairman, I respectfully request that we vote down the Beard of Tennessee proposal, we vote down the proposal of the gentlewoman from Colorado, that we deal with reality, that we deal with reality; and that is, that we cannot meet our commitments to the world, or we admit that we are a charade and pack up and go home.

Mr. LLOYD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I find myself in a very difficult situation. Here I am supporting my colleague from Tennessee (Mr. BEARD) and I am going against, I guess, the stand of my committee; but in reality, I am trying to achieve unity. I happen to believe in registration. I happen to believe that we are in the serious and dire situation that has been outlined here, and I happen to believe that the committee does not have the votes to make registration go. If we fail now, that is one more mark against us and we have a problem down the line. We have the amendment of the gentlewoman from Colorado which will be forthcoming immediately after this discussion, and I think we would be foolish indeed to think that we can carry the day on that one.

I think Mr. BEARD of Tennessee is absolutely right. I also agree with my good colleague from Mississippi (Mr. MONTGOMERY) that we have indeed studied this and to accept the work of the committee in this case. It has been in depth, and I know the people who have participated, have done a fine job. But, the fact remains that I do not think the gentleman has the votes to make it go. We can sit here and discuss this until we are blue in the face, and have the issue go down.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding to me.

If Mr. BEARD of Tennessee is right and if what the gentleman from Pennsylvania says is right, which I firmly believe, then to summarize what he is saying is that it is a question of survival; why can we not move this toward registration which we unquestionably need?

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. The thing is, I agree that this is a very confusing situation I am in. But, the fact of the matter is that this registration legislation would not go into effect until 1981, and during that 2 years further studies would bring into consideration what some of the real problems are. That is the terrible situation we are experiencing in many areas, lack of doctors, lack of nurses, lack of infantry, and so forth.

So, I do not see this as a conflict. The registration would start in 1981.

Mr. RUDD. If this is the case, why do we hold back; why do we not do what we know we have to do for our country to survive?

Mr. LLOYD. I answer the gentleman by saying that I wish we could. If I believe that would carry I would join with the gentleman. I do not believe it is going to go that way. I believe the gentleman from Tennessee is correct; his proposal is to study not just registration, but to go beyond that. I think we indeed have talked about it and looked at it.

I know the gentleman from Texas (Mr. WHITE) has worked long and hard on this. I know he is an expert on the situation, and there is no question in my mind that if they are trying to have further studies, that the results will be the same.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I just merely want to point out in addition that we are calling for legislation during the interim time, while they are setting up the selective service, to be able to implement the requirements of the Congress. We have asked the President for his recommendations, which will come to Congress in that interim period. We can then throw that into the total picture, so we are not going to be standing marking time. We are going to be trying to restructure selective service so that it is an effective part of our mobilization requirements.

Mr. LLOYD. I thank the gentleman. I am pleased to hear all these things, but I still believe firmly that the problem we face in doing this is, we have got to get the thing passed, and I do not think we can do that unless we support the amendment of the gentleman from Tennessee. I urge the Members to consider wisely. Do not bury themselves and say, "There is only one thing that can be done." I do not agree with that. Let us give ourselves this opportunity and support the amendment of the gentleman from Tennessee.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, they say that if you want to kill a good program, appoint a commission. That is exactly the step that has been advocated here this afternoon. Now, the proposed commission would inevitably duplicate the work of the Congress and the congressional committee that has been studying this problem for some time under the leadership of Mr. WHITE, who is one of the most dedicated, hardworking Members of the House. Some progress is being made, and I will assure this House that more progress will be made.

Just because Members of the House are not ready perhaps to support legislation is no reason to throw the responsibility of Mr. WHITE's subcommittee to an ad hoc commission. The commission could not possibly cover the whole manpower field in 6 months. Whatever proposals are made will have to be acted on by the Congress. If we do not accept registration as necessary, at least do not accept a new study as an excuse to kill it.

I ask the Members to oppose this amendment.

□ 1550

Mr. FOUNTAIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not a member of the Committee on Armed Services and have never had the honor or pleasure of serving on that committee, but this is my 27th year here in this body listening to debate about, among other things, the military security of the United States, and what is essential to preserve and maintain it.

It seems almost impossible to believe that we are standing and sitting here today even questioning the advisability of more registration, while the records show that some 2,000 or 3,000 combat Russian troops at least a brigade, and all the military equipment needed are within 100 miles of our border, in Cuba, at a time when the President of the United States is engaged in the process of carrying on negotiations about this matter, hopefully to get Russia to send them home, and when SALT II is being debated, which in the long run may or may not weaken us or strengthen us. I do not think we should be showing another, among many previous signs of weakness by saying that we are not even willing to take whatever action is necessary to make available to this country all of those people, young and old alike, who are essential or may be essential to our military security in the event of military emergency, such as an attack upon our country.

Mr. Chairman, I rise in support of a return now to military Selective Service registration. The provision in this bill requiring registration effective January 1, 1981 (and I would prefer making it effective much earlier), is essential to our national security and adequate military preparedness, essential to our ability to defend ourselves. The very fact that we are told that it would take several months or 9 months, I believe to set up a program for registration, in and of itself shows the extent of our present weakness, the extent to which we are now unprepared. It is truly unfortunate that we find ourselves in those circumstances. I do not believe any more studies are needed, particularly Commission studies, to determine our need for adequate manpower to enable us to act expeditiously in the event of a military emergency which may endanger the national security of our country. All we need is just a little commonsense and understanding about the facts of life, and those ill intentioned in the world.

When our Nation converted to the peacetime volunteer system a few years ago, we were told that an active standby draft mechanism would be maintained.

However, the proof is in the pudding, and we have seen the Selective Service System reduced to stand-by deep freeze status with little more than a skeleton crew on hand to operate it—only 100 full-time employees, in fact.

Clearly, the Selective Service System has lost contact with the 10,000 to 15,000 volunteers who formerly were the lifeblood of the system. Its appropriations have been cut to the bone—to the point where the Congressional Budget Office and the General Accounting Office have concluded that the current system could supply only about 50 percent of the Defense Department mobilization requirements necessary in a NATO-Warsaw Pact conflict.

What do we do in case of war? If we field armed forces only half as big as necessary, are we not automatically or inadvertently planning to lose the next war?

The Comptroller General's report of August 29, 1979, entitled "Weakness in the Selective Service System's Emergency Registration Plan," concludes that a national peacetime registration program will best meet our current mobilization requirements. Mobilization requires the military induction of 100,000 people within 60 days. In the GAO's view, peacetime registration will provide the "least risk" to our country in the event of war or other national emergency.

The GAO, an agency of the Congress, has also concluded—and this is on top of all the other information we have from our own committees—that the Selective Service System's emergency registration plan has so many shortcomings that it is extremely doubtful it will ever be implemented. We might further conclude that the plan would be ineffective in any event.

I understand that Dr. Bernard Rostker, the President's recent nominee for Director of the Selective Service System, told several members of the House Military Personnel Subcommittee earlier this week unequivocally that the current plan is not credible and cannot be relied upon. Dr. Rostker's statement is in direct conflict with the position taken by the Acting Director of the Selective Service System.

The All-Volunteer Army has fallen far short of providing adequate manpower to meet recruitment goals. Consequently, we are faced with the twin problems of inadequate manpower and an inadequate backup mobilization system. Many high Defense Department officials—military experts in apparent conflict with their Commander in Chief—support registration. These include the Chairman of the Joint Chiefs of Staff, the Army and Air Force Chiefs of Staff, the Chief of Naval Operations, the Marine Corps Commandant, and the commander of our NATO Forces. Look at the long list of them here just to my right.

Some of our colleagues have argued that this is no time to reinstate registration—the gentleman makes a point about taking the step in 9 months or 10 months; in the meantime, who knows in view of all that is taking place what might happen—that we should instead appoint a blue-ribbon panel or a special commission to study the matter and report back. However, the House Armed Services Committee has been extensively and thoroughly considering the manpower problems in our Armed Services. Our committee has recognized the need for registration—as the chairman of the committee has just said—to meet our emergency mobilization capability. Do we not trust our own people—those to whom we have delegated the task, to advise us?

During debate on this entire legislative package before us, we have considered new or improved weapons systems—billions of dollars worth. Yet, we must remember that weapons capability means little if we have inadequate manpower capability. And we know we do not now have it. It is a pitiful and pathetic picture that confronts us.

We do not need to tie the hands of our defense experts. We do need to provide a mechanism for the timely startup of inductions in the event of war or serious crisis—which could happen at any time, within 24 hours, whether we like it or not. This legislation provides for registration—nothing more. I urge my colleagues to support the registration provision.

Let me say in conclusion when I was last in the Middle East as a member of a Foreign Affairs Subcommittee, and also when I was chairman of that subcommittee—and in Asia with the gentleman from New York (Mr. WOLFF), chairman of the Asian Subcommittee, we ran into leaders who wondered what was happening in America. Are we becoming isolationists again they inquired? I had the pleasure of meeting, during one of those visits, with the then Shah of Iran who said, "What is happening in America?" "We who have always admired you and followed your leadership are concerned. You must again resume that leadership role."

"America is the last bastion of freedom left on earth," he continued and if you do not reassume the role of leadership militarily and otherwise and let the rest of the world know how you feel—that you can be depended upon, not to send troops, which we do not need, but to demonstrate continued courageous leadership, then we in this part of the world will not be able to defend ourselves and go to the rescue of our friends, if necessary. We will go down the drain and be taken over by Russia and some will, as the line of least resistance, join then. Put that in your pipe and smoke it," he said.

Mr. Chairman, and members of this committee, even though the Shah himself has since been deposed, take his statement and think about it. In his words, "put it in your pipe and smoke it."

I sincerely urge this body to vote against any amendment that would strike "registration," just a show of a manpower pool available, from this bill.

Mr. ANDREWS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from North Carolina (Mr. ANDREWS).

Mr. ANDREWS of North Carolina. I thank the gentleman for yielding.

Mr. Chairman, I would like to congratulate and endorse every word my distinguished dean has said, and subsequent to that I would like to speak for a moment against the amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. I understood the gentleman to say that Dr. Rostker, who is the President's designate to head the Selective Service System, says that he is supporting this provision in the bill.

Mr. FOUNTAIN. It is my understanding that he said the current plan is "not credible and cannot be relied upon." His position, as I stated is in direct conflict with the position taken by the Acting Director of the Selective Service System.

Mr. SEIBERLING. This very morning he stated that he is unequivocally opposed to the registration provision in this bill and that while he does not think that the Selective Service System at the present time has the capability to deliver the manpower in an emergency in time for armed services requirements, he feels that it can acquire that capability, and he wants a couple of months to study it. So it seems to me that his position is absolutely diametrically opposed to what the gentleman just said.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

He did not exactly say that, but he was pretty blunt about the Selective Service System, not being able to function.

Mr. SEIBERLING. That is a gratuitous assumption.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

Mr. Chairman, I sent out a Dear Colleague letter in which Dr. Rostker did say and affirms what he told us personally, that the present mobilization program is inadequate, that he would need a year and some odd months in order to propose a new one. We sent him this Dear Colleague letter, and he did call back to the counsel and stated that the Dear Colleague letter was fair and he affirmed the contents.

Mr. FOUNTAIN. I thank the gentleman for his contribution. I simply want to conclude by saying that today in the face of all we know about the potential enemy, a vote against registration, just finding out where our manpower pool is, would be another show of weakness on the part of a country, the United States of America, which has heretofore been looked upon as the greatest military and economic power in the world. Let us do all we can to restore that image—and there will be no attack upon America, but if and when, it does come, we will be prepared.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. To complete the last point, everybody concedes that the existing Selective Service System is inadequate to meet the deadlines of the military, but for $2 million more than is presently budgeted, the present Acting Director said they could meet those deadlines. The GAO has not really challenged that; they merely stated that Selective Service has not done sufficient testing of their proposed system. Of course, they can't test it unless and until they get the $2 million. The Selective Service Director-designate, Dr. Rostker, says that he is absolutely opposed to the registration provisions in the bill, and that he feels that the Selective Service System can meet the military's emergency manpower deadlines; he simply wants a little time to study the best way to do it. The record needs to show that.

□ 1600

Mr. DELLUMS. Mr. Chairman, I would like to make two points. The major portion of my presentation will be directed to a comment made by my distinguished colleague from California (Mr. MCCLOSKEY), the proponent of universal service.

For just a moment I would like to say, first of all, a little later I will be making an argument in support of the amendment that will be offered by my distinguished colleague, the gentlewoman from Colorado (Mrs. SCHROEDER).

First of all, our responsibility here in the House of Representatives is to address ourselves to all of the various issues that confront our people and confront our Nation and to assume the responsibility of decisionmaking regardless of how controversial it is.

Mr. Chairman, it is my contention that today, this body, assuming that responsibility will "bite the mythical bullet" and will strike the provision to register in the bill.

It is my contention that the amendment of the gentlewoman from Colorado (Mrs. SCHROEDER) will prevail. Given that atmosphere, it is my belief that the amendment presently on the floor is simply an amendment to keep the issue alive.

Mr. Chairman, I would say to all of my colleagues who oppose registration and who oppose a draft consider very carefully being mousetrapped into supporting this amendment, because I believe that this amendment will simply keep an issue alive that we will literally destroy, today, on a significant vote.

Mr. Chairman, I think it is terribly important to understand that.

Mr. Chairman, having said that I would like to respond to an important statement made by my colleague from California (Mr. MCCLOSKEY). The gentleman alluded to the fact that during the Vietnam era disproportionate number of black and brown died on the battlefields and in the rice paddies of Vietnam.

It is important for us to understand why a disproportionate number of minorities were in the service and died in Vietnam. The reason why a disproportionate number of minorities were even in the service is directly attributable to an approach to the draft that had a significant number of inequities. Once a disproportionate number of minorities went into the service, they also carried the burden of oppression, the burden of inadequate education into the military which meant that a disproportionate number of them were assigned to the infantry, on the front lines, to die disproportionately on the battlefields of Vietnam for America.

Mr. Chairman, I say to the Members of the House, the reason why a significant number of minorities died in Vietnam was because of the racism and classism and the economic elitism that was inherent in our draft system and the fact that our inadequate educational system, and our social and economic system heaped upon them significant burdens that they carried into the military.

Mr. Chairman, now we find ourselves with a peacetime all-volunteer service. My colleagues point out that again a disproportionate number of minorities serve in the military. It is important for us to understand the reason.

My distinguished colleague from Nebraska (Mr. CAVANAUGH) spoke eloquently to that point. The social and economic fabric of our Nation in 1979 continues to perpetuate a set of circumstances that will allow a disproportionate number of minorities to reach to the military as an institution in our society, because of the tremendous lack of opportunity in other nonmilitary institutions in our society.

Mr. Chairman, the gentleman from California argued that the way to alleviate this disproportionate number of minorities serving in the military and thereby precluding the possibility of them dying disproportionately in some potential future war that I hope we never fight, is to bring forward an approach to the draft that would remove all inequities so that everyone would serve and there would be no possibility for deferment or whatever.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. That is one step that can be taken.

Mr. Chairman, I, at this point, oppose peacetime draft.

Another approach would be to have a universal service and have all young people serve in the military, thereby precluding the possibility of minorities serving disproportionately. That, at best, is a controversial issue that needs to be debated and discussed in this body, in committees, eventually on the floor of Congress, to determine whether or not that is the approach we want to take.

Mr. Chairman, there is a third alternative, perhaps the most difficult alternative, but one, it seems to me, if we are to operate within the spirit of fairness and democratic principles, we must embrace. I would suggest to you that if all of our social institutions outside of the military institutions provided humane, sensitive, humanistic, equitable opportunity, that the military would reflect the same population as any other institution. My point is, the reason why we have so many black and browns in the military is because unemployment is high, we have inadequate education, inflation, et cetera, and people are surviving in a world in which it is becoming more difficult to survive, going to the military to support themselves and to support their families.

If we do not want a disproportionate number of minorities to fight and die in a democratic society, then I would suggest not just simply tinkering with the draft system, that is simple to do. It is not simply imposing some universal service approach which is highly argumentative and controversial, but it would seem to me that the better part of valor is to place our resources at the disposal of our people so that our other institutions are capable of absorbing human beings, then we do not have to play games by trying to solve society's greater problem by tinkering with the military system.

Mr. Chairman, I oppose the draft, I oppose universal service and I think it is terribly important that we not continue to allow a disproportionate number of minorities to fight and die in this country when at the same time back home they and their people do not have opportunities that speak to the highest principles that ought to be ostensibly the underpinnings of our society.

Mr. Chairman, it is very interesting that that is an approach which we never look at.

This Congress, the 96th Congress, is perhaps the most—with all due respect to my colleagues—the most reactionary Congress of the five in which I have served. Many of us are dying here on the floor of Congress because we cannot even bring new initiatives to the floor of Congress to deal with all the human misery that we all know is real in our society because we are just fighting to keep yesterday's allocations to deal with human problems and I find that incredibly contradictory.

Mr. Chairman, as long as you continue to devastate the human side of the budget, then we will have a disproportionate number of minorities in the military.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. DELLUMS was allowed to continue for 2 additional minutes.)

Mr. DELLUMS. As long as we devastate the human services side of the budget, I would submit to you that a disproportionate number of minorities will continue to move into the service because that is the only place they can survive. If we are concerned about the numbers, if we are concerned about them fighting and dying disproportionately, do not tinker, do not play games with other things. Expand the social and human side of our budget so that there are significant opportunities for all human beings in our society, black, brown, red, yellow as well as white, and I would suggest to you, miraculously, that the racial composition in the military will probably mirror reflect those numbers in our

broader society. Unless we do that we will always be plagued with that problem. I find the great frustration in this body is that we are always narrowing down our options and never addressing the critical approach to dealing with the inequities and the injustice and the lack of humanity in our society.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding and I commend the gentleman for his outstanding and comprehensive statement on the issue.

Mr. Chairman, I would like to say I agree with the gentleman. Unfortunately, I cannot agree with the prospect for success that the gentleman might suggest.

Let me just relate a personal experience. I have introduced a piece of legislation which does provide for a system of public service which would require conscription. Unquestionably it is a controversial matter. I have taken that piece of legislation back to my constituents and particularly to the young people in my constituency.

Mr. Chairman, during the course of one of the meetings I conducted at a private college in my district, a room filled with more than 300 students who had come to discuss this issue, one of the students related just what the gentleman has related in response to my contention, that the current system is a system of racial and economic conscription rather than an All-Volunteer Force.

Mr. Chairman, the student suggested I should direct effort at the resolution of those social, economic, and racial inequities which afflict our society.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. CAVANAUGH and by unanimous consent Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. I yield to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. What I said to that student in response was that on many occasions during my public service, both as a member of the legislature and as a Member of Congress, I have appeared on that campus to discuss those social issues that affect our society. Never in all that time did I ever have an audience even nearly or remotely approaching the audience that I had for a discussion of reinstitution of compulsory service.

□ 1610

The fact, the unfortunate fact is that we do not deal with problems in our society until there is a feeling of personal involvement or commitment. I think that is specifically the psychological issue that we have to confront here and the psychological problem we have to confront here. We do not have in this country now broad individual participation in the problems that confront the country, whether it be the protecting of the country, providing for its national defense, or whether it be for addressing the social and the economic inequities that exist.

I think that we have to reform our address to those issues in a way that does involve everybody and make them have a sense of involvement and participation and obligation to the resolution of those difficulties. My personal conviction is that we will not do that until we once again extend a universal system of obligation for the resolution.

But I commend the gentleman for his statement of the issue and I agree.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is not too often that I am in accord with my good friend, the gentleman from California (Mr. DELLUMS) on an issue pending before our committee, but I certainly commend him for his perspicacious appraisal of the situation here in recommending that we vote down the Beard proposal and move on to the basic question of whether we want registration or not.

We have been on this subject now for almost 3 hours. I think it is a little discouraging to realize that regardless of how the Beard proposal comes out, we still have not moved to the gut issue, which is whether we want registration or do not want it. It does disturb me a little bit as a long time member of the Committee on Armed Services, which always has had to fight an uphill battle on this floor for the things in which we believe, to recognize that if the Founding Fathers when they first gathered in Philadelphia to sign the Declaration of Independence had had as little courage as some of those here reflect, we probably would not even have gotten the document signed, let alone won our fight for independence. Here we are being told by two very able and capable and eloquent members of the committee, "Yes, we surely support registration, but we do not think you have got the votes, so we are going to vote for some delaying measure which will put the whole issue over for another 12 months."

Who knows what the shape of the world will be in another 12 months? I do not think the people in our districts send us down here always to cast an easy vote and always to hold up a finger to the wind and decide how to vote. I think they expect us to give them our best judgment and once in a while take something that requires perhaps just a little guts, and a little risk.

I would not even say that I thought that some prediction which the distinguished Speaker of the House has made in the paper about how this vote is going to come out is necessarily gospel truth. I have been trying to think, I cannot put my finger on it, but I know there have been a couple real lulus here in this Chamber when the Speaker told the White House that he had the votes on something and this House has voted otherwise, so those of you who really believe in registration, this is the time to stand up and be counted. This is the time to take a position and I think we ought to face up to that issue and not try to hide behind somebody else's vote, some other Member who is not going to vote our way.

What we are really talking abut here today is the simple question of whether it is a good idea to establish fire departments or do we just wait until somebody's house gets on fire and then all run out with our extinguishers and garden hoses and hope to put it out. That is, of course, not the way to do it when it comes to fires, either in the city or in rural areas. Likewise if this country is challenged by a relentless and an implacable foe that has relentlessly been expanding its military forces over the last 4 or 5 years, I think we have to recognize the possibility that we may some day be confronted with another showdown.

William Jennings Bryan got into trouble with Woodrow Wilson and finally got out of the Cabinet because Wilson wanted to expand the military forces of this country in 1914 and William Jennings Bryan said:

> Oh, no, let us not spend any money on defense, because when our country is right and our nose is clean, when we are attacked, righteous men will spring up like seeds from the ground and we will smite the enemy and deal him a blow.

Well, that did not work in 1917. And it did not work in 1941, because, thank God, we had the draft in effect before they hit us at Pearl Harbor.

If the Soviet Union, God forbid, should decide to take its 3 or 4 to 1 superiority over NATO and move in on Berlin or somewhere else, the fact of the matter is that we do not now have the manpower available to back up the troops that are over there now.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. Mr. Chairman, that is what the distinguished gentleman from Pennsylvania (Mr. DOUGHERTY) meant. If we really want to back up the boys who are over there now, we have to supply them with some assistance. We do not know now where the people who might serve live or which are equipped to serve or which that are not equipped to serve. That is all that registration does.

What good does it do to talk about expanding the defense budget? The Senate is talking about a 5-percent increase and the President of the United States talks about a 3-percent increase. The one thing that seems to have gotten the support of everybody is that with all the shenanigans the Soviets are up to, we ought to increase the defense budget this year. It does not do any good to have all those weapons and all those machines unless you also have some men and, yes, some women, too, to handle those weapons and those machines. The Russians know that if we are not willing even to begin this process of trying to find out where the qualified people are, then they are not going to be very worried if we put in another $4 or $5 or $6 billion, because when the chips are down they will believe we will want to stay home and let somebody else fight for us.

Let us vote down the Beard amendment, well intentioned as it is, and let us get on to voting down the Schroeder amendment.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Beard amendment and I will also support the amendment of the gentlewoman from Colorado. I do so with all due respect for the committee system and particularly the Armed Services Subcommittee that has put in so many long hours on this manpower problem; however, I find myself in a different position from my fellow pro strong defense colleagues. I am opposed to the draft for two simple reasons: First, because I do not think it can be made fair in today's society; and second, that it will never be sold to the majority of the young people in America today.

I agree totally with the gentleman from California (Mr. LLOYD) when the gentleman said that the votes are not there, that if the committee gets one-third of this House in support of registration they will be lucky.

I find that these polls behind me are absolutey ludicrous, from my own experience in my California district and here on the east coast I cannot believe these percentages are even remotely accurate.

I have five children, three daughters and two sons. They are all of draft age, according to what is proposed in this Harris survey question, ages 18 to 23. The youngest of my five, a daughter, has just started college up on North Capitol Street at Catholic University and on her very first day of school last week she brought home an overkill propaganda pamphlet viciously overstating the case against a draft, for example, that it was an evil military scheme to get us involved in interventionist wars.

□ 1620

There is an amazing range of opinion here, as much as on any issue I have ever heard discussed in the House, ranging from the up-front disarmament colleague—all the way over to those who would ride into the Valley of Death leading an ill equipped, poorly trained volunteer army. Given the Soviet growth in raw military power worldwide, not just the 3,000 troops who are highly trained for any type of combat that we find 90 miles off our Florida coast but the spreading Soviet physical presence across the globe we had better do something. Russia moves inexorably to fill every vacuum that is created as we retreat ignominiously from our role of leadership at every point of the compass rose.

I think one of the questions we are avoiding in this House is this, and I face it all the time, can we tell our young to register for a possible third no win war. I have no sisters, but two brothers, and we all served during the Korean war. My father served in World War I. He was gassed three times, wounded once. My family has a tradition of military service going back to the Civil War. But my five children are cynical about serving in the military and I do not blame them.

During the war in Vietnam I went to Indochina eight times and I observed the morale of our soldiers turn around 180° after it became an ugly fact that no clear victory objectives were being pursued. As a journalist I was able to unplug myself from combat, according to my whim, and come back to my waiting family, sickened at the thought of how I would have felt to have left one of my sons behind in a political war crippled by White House lack of leadership. I found the statements of the gentleman from California (Mr. MCCLOSKEY) quite interesting. But keep in mind that when the draft bill was signed in 1971 the heavy demonstrations in the streets ended forthwith. I hold in my hand Public Law 92–193 that went into effect on September 28, 1971. After this President Nixon moved with almost total impunity to re-start bombing North Vietnam with fighters on April 16, 1972 and to at long last mine Haiphong Harbor on May 8, 1972. No demonstrations of any consequence whatsoever. Then began the precision bombing of December 1972, not by the way so-called Christmas carpet bombing, but the most precise bombing against any enemy force in American history. Again no demonstrations. Why? No draft quotas.

After 11 days of B–52 raids the oppressors of the boat people finally came to a serious bargaining table. Then, the drafted youth of America watched us betray our friends to a subdued enemy. We sought only the infamous "decent interval."

The Vietnam war was not extended by the ability to draft. It was extended by this body funding the war year after year through three administrations. It was weak and indecisive leadership that prolonged that war. And what do we see on the scene today that indicates anything in the future but more of the same. How many of us in this house, if younger, would allow ourselves to be drafted to serve under today's weak leadership. I probably would volunteer to fly again, but allow myself to be drafted for Yemen. I do not know.

Congress perpetuated the Vietnam war, and it was Congress that pulled out after more than 57,000 young lives were lost. Dumping the draft only dumped the demonstrations.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(By unanimous consent Mr. DORNAN was allowed to proceed for 2 additional minutes.)

Mr. DORNAN. Mr. Chairman, the young people today are trying to prepare for a highly competitive job market or to pursue a higher education. We cannot interrupt their lives if we cannot even define our friends or major priorities. With all due respect to the subcommittee, there are certain issues that cry out for special focus of attention, regardless of the paperwork or the modest expense, and that is why I am voting for both Commissions on Registration and a draft as focus for beginning a nationwide debate on how big a military force we want and just what the hell we would fight for.

Some issues that cried out for special attention were handled by the Select Assassination Committee. This country was smothered under a decade of ugly rumors that highly placed people, left and right, had deliberately executed the President of the United States and Rev. Martin Luther King. The Missing-in-Action Committee, was such a necessary select, and the distinguished gentleman from Mississippi (Mr. MONTGOMERY) was its chairman. The current sitting Select Committee on Narcotics and Drug Abuse handles the type of crushing national problem that demands special focus.

This committee has no legislative responsibility, but it brings extensive heat and light to a difficult area and involves thousands of Americans in the issue. Most of us know this issue is going to tear our country apart. If the Republican Party feels that the sins of Watergate have been lifted from its back and the party is back in fighting trim, just go for the draft issue and watch the dreams of further victories evaporate. Kiss any Presidential election chances goodby.

If the Democratic leadership comes out for registration, you are doomed most certainly to lose the Presidency next year.

This is a no-win situation because we have not convinced the youth of this country of our desperate world situation, or more importantly, that we as a nation have the will, the resolve, to cope with an exploding world. Or that we are not going again to defend ourselves with young browns or blacks or farm kids. Yes, the volunteer army is a failure. We can't have judges telling delinquents "I give you this alternative, the Marine Corps or a jail sentence."

I want either or both of these commissions for an additional reason. So that I may propose a tax credit plan that would tell young people that military service can truly be a profitable way to invest 2 or 4 of their younger years. Not as the gentleman from California (Mr. MCCLOSKEY) suggested by an incentive where we would double military pay from $9,000 to $18,000 a year by a lifelong payment plan that will eventually reward a volunteer with between $75,000 to $200,000 or more.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has again expired.

(By unanimous consent, Mr. DORNAN was allowed to proceed for 1 additional minute.)

Mr. DORNAN. Mr. Chairman my bill H.R. 4080 would give a 10-percent tax credit for life to a 4-year enlistee or a 5-percent tax credit for life to any young man or woman who would sign up for 2 years. I have discussed this tax credit idea with 25 of my colleagues and have not heard a single flaw brought to light. It is one idea among hundreds that have not yet been analyzed as an induction incentive to make a volunteer military succeed. As the gentleman from California (Mr. DELLUMS) said any draft today will still reflect sociological inequities that have been with us since the Civil War.

The only way we can help our few remaining friends around the world such as Israel is with volunteer young men and women who know exactly why they joined and what they stand for. Fighting forces who feel they are being properly

recompensed for missing some of the advantages and freedoms of civilian life.

These young people would be proud to serve in our naval task forces, to volunteer to fly our fastest aircraft and serve in effective, hard-hitting Army Airborne Strike Forces. They would be willing to fight and possibly die to keep us from sinking into a depression if our Middle East oil is unfairly cut off. They would be willing to stop a Soviet tank blitzkrieg into central Europe. Draftees cannot be the backbone of a highly complex modern defense force.

Our Volunteer Army presents a myriad of problems. Drug-related courts martials, even deaths. The poor education level of enlistees, et cetera. Of course, we need a higher standard of young men and women, but you are only going to get that quality soldier, sailor or airman by fair and intelligent incentives. Let us find those incentives. Vote for both commissions.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are two issues at stake here. One is the question of registration, and the other is the question of a study of registration.

I am opposed to peacetime registration and draft, and a vast majority of the peope I represent are opposed to peacetime registration. Jingoism aside, emotionalism aside, peacetime draft does not work, and it is wrong.

It is fundamentally wrong in a democratic society for a government and a military entity, to keep lists of people, which is what will happen with a peacetime draft. I will come back to this issue later.

The second issue is the study. Two studies are proposed, one by the gentleman from Tennessee (Mr. BEARD) and one by the gentlewoman from Colorado (Mrs. SCHROEDER). The gentleman from Tennessee goes about it in an absolutely wrong way. He proposes a study in which Members of the House and Members of the Senate are involved as a supposedly impartial body to evaluate an issue on which later they are going to have to vote.

This is a contradiction in terms. It is the wrong way to go about a vital basic issue of this kind.

I was appointed and had the distinction of serving at the appointment of the Speaker earlier this year on the National Transportation Policy Study Commission. It was at sort of the tail end of this study. There were an equal number of House Members and Senate Members, plus public members, serving on that body, just as the gentleman from Tennessee proposes to do with this issue.

We all know how busy we are in this body with our committee hearings, with legislation on the House floor, and with responsibilities back in our respective districts.

Throughout the entire period of the Commission's work and study and hearings all over the United States, no more than four Members of the House and only one or two Members of the Senate participated in those hearings. The part of the Commission work in which I was involved was the drafting of the final report.

□ 1630

There were no more than four House Members and never any Senators personally involved in that phase of the Commission's work. The absentees were too busy with other congressional work to take part in the Commission's deliberations.

I submit the same thing will happen under the Beard Commission proposal. It will not work. It is tantamount to a conflict of interest for Members of Congress to serve on a Commission which is created by Congress for purpose of making legislative recommendations on or which they, as Members of Congress, will later be required to vote. If we are going to have a study—and I do believe that information about the draft is needed on a sound, responsible basis—then I submit that the proposal of the gentlewoman from Colorado is the way to go.

Even so, I think studies are merely a means of prolonging the controversy. I really think we ought to end the controversy today by voting down the proposal to have peacetime registration.

Now, Mr. Chairman, if I may come back to the substantive of peacetime registration itself.

The peacetime draft raises such profound questions regarding the extent of Government interference in the life of the individual that it should be considered as separate legislation. Historically, we have considered legislation relating to the draft as a separate measure, not as a coincidence or as a matter of convenience, but because the issue raised fundamental questions about the nature of individual liberty in a democracy.

Before Congress votes to reinstitute registration and take the first step toward resumption of the draft, we must have the information necessary to determine if registration is essential to our Nation's manpower needs. We must give the issue the extensive consideration so important a question requires. We have not given registration anywhere near that kind of consideration.

Informed deliberation enlightens not only the Members of this House, but provides the people we represent with the information they need so that they, too, can come to an informed decision on this issue.

The people, like the Members of this House, are not ready to decide this question.

The responsibility of this House is clear—we should reject the committee position and the Beard amendment and subject registration to the extensive scrutiny of public debate and separate legislative consideration, and await the results of the President's study. At that point, we can make the major policy decision on registration, which we are in no position to make today.

To date, the case for registration has not been made. The administration and Department of Defense do not favor this proposal. The Selective Service itself indicates that a moderate, $2 million increase in its budget will cut mobilization time by nearly two-thirds.

The Department of Defense asks for the opportunity to make the All-Volunteer Force work. The Congress should give DOD's ongoing efforts a chance to work.

I know that the Members of this House are deeply concerned about the security of the Nation. That concern, however, cannot be synonymous with blind willingness to accept any measure which might improve the ability of the military to acquire the services of our young people upon demand.

Throughout the past several months, I have been alarmed at the low regard in which the patriotic instincts of our young people seem to be held. There is a mistaken perception that today's young people are less willing to serve their country, less committed to the defense of this Nation, less patriotic than their parents or grandparents.

I raise this point because we have to consider this issue in the context of young Americans. Any registration requirement will impact them the most. I am convinced that in the event of a national emergency, the young people of today will be as willing to serve their country as young people at the beginning of the Second World War.

While the legislative proposal before us today does not reinstitute the draft, it cannot be discussed without reference to the draft for several reasons, some of which are quite obvious:

First. The committee bill requires registration for the draft.

Second. Registration is widely seen as the first step toward resumption of the draft.

Third. Resumption of registration will inevitably reduce barriers to resumption of the draft.

Fourth. Standby registration is being considered amid a chorus of dire statements about the All-Volunteer Force.

Historically, the draft has been the exception in the United States, not the rule. Congress approved the first conscription legislation only during the Civil War. Because the rich were allowed to hire substitutes to serve in their place, the burden of conscription fell to the poor. Furthermore, only 2 percent of the Union Army was ever conscripted.

The draft lapsed until the United States entered World War I in 1917, and was renewed at the beginning of World War II in Europe. After the war, the peacetime draft was not the product of a conscious decision to restore conscription, but a continuation of the wartime draft at greatly reduced conscription levels.

In 1972 the last American was drafted and we returned to our tradition of an All-Volunteer Armed Force in peacetime.

It was only a few years ago that the Nation was torn with divisiveness over registration and the draft. We should not forget that experience so quickly. On the contrary, mindful of the lessons we should have learned and of the dangers to democracy posed by a peacetime draft, we ought to redouble our efforts to improve the AVF before moving toward resumption of the draft.

The gentleman from Ohio (Mr. SEIBERLING) is one of the most effective spokesmen on this subject in the House. Joined by a number of our colleagues, he wrote earlier this year:

> Compulsory service in any form when the United States is at peace, and when no compelling national emergency exists, raises serious questions of propriety, and indeed legality, in light of the constitutional prohibition against involuntary servitude. We believe that this drastic response to the problems of the All Volunteer Force (AVF) will not eliminate those problems. Instead, we feel that the armed forces should be encouraged to develop constructive responses toward solving the problems of the AVF, rather than calling for its elimination.

Those are prudent, constructive words, offering sound advice to the Members of this House, as well as to the armed services.

To proponents of registration, I say, "Accept the Schroeder amendment. If the case for registration is strong, the President's study will confirm it. There will be time in the interim to debate the issue and to focus public attention on it. Furthermore, the Department of Defense will have an opportunity to upgrade its recruitment efforts."

The Schroeder amendment offers a responsible opportunity for this House. It is not a head-in-the-sand approach. It recognizes an overwhelming national interest in insuring our Nation's military manpower needs. But at the same time, it will enable this House to avoid a hasty, ill-considered decision.

This is not a dollar-and-cents issue, nor an issue of this tank versus that tank, or carrier versus no carrier. It is a people issue vitally affecting the lives of millions of young Americans.

A vote for the Schroeder amendment is one of which every Member of this House can be proud.

Registration is not an issue which this House should consider in haste, and regret at leisure.

I urge defeat of the Beard amendment, defeat of the committee provision, and I appeal for passage of the Schroeder amendment.

Mr. ANDREWS of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I favor the peacetime registration and I will not go through the many good reasons that have been given by my colleagues. I will attempt to be brief. I had hoped that someone else might mention this. Certainly in considering this matter the most paramount consideration is the need, such as it might be, for the protection of the national interest. That has been well spoken to.

There is another reason, and that is consideration for the young people who might be subject to the registration and might later be called upon to help defend our country and the parents and the loved ones of those young people.

If we do not have a registration, I believe that we will face the same sort of situation we have numerous times in the past, certainly in World War II, when we found that because of the emergency it was determined that mass numbers of young people were suddenly needed, primarily in the infantry or some other particular branch of the service.

The young people we are talking about relying upon in the event of military catastrophe are young people who have expertise, who have training, who have capacities in specific areas, for the most part. All of them have ambitions. All of them want to pursue some particular vocation or some particular profession. The military sevice, with all that might be said against it, does afford some opportunity, if permitted to do so, to let these young people continue to pursue, if they are placed in the right places, the kind of training wherein their talents are best used in behalf of their country and whereas their talents and their training and their furtherance of that pursuit is in their own best interest when they leave the military and return to civilian life, rather than to have wasted whatever time they might spend in the the objectives that might be totally different than that which they prefer to pursue.

Hence, I think that by registering and by determining where these young people are in peacetime, and in permitting them, as well as the military, to ascertain and prescribe that which they would prefer to pursue, that sort of training that they would prefer to participate in, that sort of role they would like to be assigned, they would be bettering themselves while at the same time increasing the capacity of our military.

So it is not only for the first and major reason, that is, the strengthening of our country in the event of a pending emergency, which I think we all agree might surely be possible if not probable, but also in furthering the best interest of the young people we would be calling upon, that I think it would be best to ascertain who they are and where they are and to give them the opportunity to indicate if they go into the military, for whatever reason, voluntary or draft, that branch in which they choose or prefer, that kind of training they would prefer to be engaged in and that kind of service they would prefer to pursue, in the interest of those young people.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Carolina. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I just wanted to make several points. I was very touched by the gentleman's concern about the security of the country. The gentleman is aware that the registration proposals in the bill will not take effect until 1981 and that there is a study in the bill, too, so we are not getting rid of the studies by voting down both of these studies, because there is also a study in the bill and that this is not an immediate implementation.

So I hope we have time out from the Russians until 1981 if the situation is that dire. I just wanted to point that out and make sure the gentleman was aware of that.

Mr. ANDREWS of North Carolina. Yes, I am aware of that.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is one of the few times since I came to Congress 11 years ago that I have not made up my mind at this stage of the debate. I wonder if the gentleman from Tennessee would respond to two questions.

Mr. BEARD of Tennessee. Certainly.

Mr. DAN DANIEL. Will the gentleman tell the committee the cost involved in the study he is proposing? Has there been any assessment of this?

Mr. BEARD of Tennessee. There was a cost estimated as to the creation of a joint select committee, which would have been over $1 million, for a joint select committee if one had been set up.

We feel that the Joint Select Commission would be somewhat cheaper because we are looking at using personnel on loan from other agencies that would take up much of the cost.

It is a 9-month study, so therefore we feel the time limit would not see it go over what had been estimated for a joint select committee.

I cannot give the gentleman an exact figure.

Mr. DAN DANIEL. The ballpark figure, then, is $1 million; is that correct?

Mr. BEARD of Tennessee. I would say that that would be maximum. This is a 9-month and not a year study. Much of the data has already been collected, and I think it would be a matter of digesting it and reporting it. So I think it would not be nearly as expensive as, say, a joint select committee that would be a permanent select committee type.

Mr. DAN DANIEL. Would the gentleman give the committee some idea of the construction of the committee? What is the gentleman proposing?

Mr. BEARD of Tennessee. The way it has worked out is that there would be 24 members total on the committee, 12 members to be appointed from the Senate by the President pro tempore, and 9 of those 12 would be Members of the Senate. Three would be outside civilian types. On the House side, nine would be appointed by the Speaker of the House, Members of the House, and three civilians or outsiders by the Speaker of the House.

Mr. DAN DANIEL. Who would appoint the civilians?

Mr. BEARD of Tennessee. The Speaker on the House side on their quota of 12, and the President pro tempore of the Senate on their side.

Mr. DAN DANIEL. I thank the gentleman.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I do not know how much a Commission like this would cost, but it always ends up costing more than you think it is going to.

With any one of these Commissions, the first thing they do when they get the Commission assigned is, of course, to appoint an executive director. The second thing they do is to ask for an extension of time to file the report. The third thing they ask for is an increase in budget to conduct the study. The fourth thing they will do is set out a travel plan to go to Europe to talk to the troops in Europe to get their point of view on the whole issue.

I think these things are crazy. It is an absurd way to spend money.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. DAN DANIEL) has expired.

(On request of Mr. BEARD of Tennessee and by unanimous consent, Mr. DAN DANIEL was allowed to proceed for 3 additional minutes.)

Mr. BEARD of Tennessee. Mr. Chairman, if the gentleman will yield further, I would like to respond to the gentleman from Wisconsin.

We talk about costs. Let us really talk about cost. I wish the gentleman from Wisconsin would some day attend a few more of those hearings where he would hear the cost of the 40 percent of the young people who join the military and quit before the first tour of duty has ended. That is active. Six out of ten in the Reserves quit before their first tour of duty. I wish the gentleman would tune into the fact that the Army is appropriating and now expending millions of dollars to set up remedial reading schools to teach our young recruits just how to read.

So we talk about money. I think no longer can we afford to retain the status quo of trying to educate those people in the military, of bringing them in and training them and picking them out, to the tune of up to 40 percent. If this Commission costs a million dollars, then that is a small amount compared to the hundreds of millions of dollars that are being spent for wasted manpower.

Mr. ASPIN. If the gentleman will yield further, the gentleman is right; compared to that kind of waste, $1 million would be small. It is not going to be $1 million. It is going to be a lot more. But even then, it is going to be small.

The problem is with the gentleman's position, it will be a small waste added onto a big waste. His commission is not going to do anything about the big waste. It is true we ought to do something about the big waste. This Commission is not going to do it. It is just going to spend more money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. BEARD).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEARD of Tennessee. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 144, noes 268, not voting 22, as follows:

[Roll No. 460]

AYES—144

Abdnor
Akaka
Andrews, N. Dak.
Archer
Barnes
Beard, Tenn.
Bereuter
Biaggi
Bingham
Boland
Boner
Bonior
Bouquard
Bowen
Breaux
Brodhead
Broomfield
Burgener
Burton, John
Butler
Carney
Cavanaugh
Chaney
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Coughlin
D'Amours
Deckard
Dickinson
Dodd
Dorman
Downey
Duncan, Oreg.
Duncan, Tenn.
Edwards, Okla.
Erlenborn
Evans, Del.
Evans, Ga.
Fazio
Fenwick
Findley
Fish
Florio
Forsythe
Frenzel
Gilman
Glickman
Goldwater
Gonzalez
Gore
Gradison
Green
Grisham
Guyer
Hammer-schmidt
Harris
Heckler
Heftel
Hinson
Hollenbeck
Hopkins
Hubbard
Hughes
Hyde
Jeffords
Jeffries
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kemp
Kramer
LaFalce
Lagomarsino
Lee
Lent
Lewis
Lloyd
Lott
Lundine
Lungren
McCloskey
McDede
Madigan
Marks
Marlenee
Mathis
Matsui
Mazzoli
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Moffett
Moore
Moorhead, Calif.
Myers, Ind.
Nolan
Nowak
O'Brien
Panetta
Pashayan
Patten
Perkins
Petri
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rinaldo
Ritter
Roe
Rousselot
Royer
Rudd
Scheuer
Schroeder
Schulze
Sebelius
Shuster
Simon
Smith, Nebr.
Snyder
Spellman
Staggers
Stangeland
Stanton
Stark
Stewart
Symms
Synar
Taylor
Udall
Ullman
Walgren
Whittaker
Winn
Wolff
Young, Fla.

NOES—268

Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Bedell
Bellenson
Benjamin
Bennett
Bethune
Bevill
Blanchard
Boggs
Boling
Bonker
Brademas
Brinkley
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Byron
Campbell
Carr
Chappell
Chisholm
Clay
Cleveland
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, S.C
Dellums
Derrick
Devine
Dicks
Diggs
Dingell
Donnelly
Dougherty
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Ertel
Evans, Ind.
Fary
Fascell
Ferraro
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gingrich
Ginn
Gramm
Grassley
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harsha
Hawkins
Hefner
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hutto
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Livingston
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
McCormack
McDonald
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marriott
Martin
Mattox
Mavroules
Mica
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Oakar
Oberstar
Obey
Ottinger
Patterson
Paul
Pease
Peyser
Pickle
Price
Rahall
Rangel
Reuss
Rhodes
Richmond
Roberts
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Solomon
Spence
St Germain
Stack
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Swift
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Van Deerlin
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—22

Anderson, Ill.
Applegate
Baldus
Brown, Ohio
Carter
Davis, Mich.
de la Garza
Derwinski
Dixon
Flood
Gibbons
Goodling
Hagedorn
Huckaby
McClory
Mikva
Pepper
Preyer
Roybal
Stump
Vander Jagt
Young, Alaska

□ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Carter for, with Mr. Pepper against.
Mr. Hagedorn for, with Mr. Dixon against.
Mr. McClory for, with Mr. Stump against.
Mr. Young of Alaska for, with Mr. Flood against.

Messrs. NOLAN, PATTEN, and LENT changed their votes from "no" to "aye."

Mr. CONTE changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: Page 28, strike out line 3 and all that follows down through line 24 on page 30 and insert in lieu thereof the following:

PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

SEC. 812. (a) The President shall prepare and transmit to the Congress a plan for reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of resuming registration under the Military Selective Service Act as in existence on the date of the enactment of this Act;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using school records and other existing records;

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible;

(8) the desirability, in the interest of preserving discipline and morale in the Armed Forces, of establishing a national youth service program permitting volunteer work, for either public or private public service agencies, as an alternative to military service;

(9) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate; and

(10) other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

Redesignate the succeeding sections accordingly.

Mrs. SCHROEDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Mrs. SCHROEDER. Mr. Chairman, this amendment is fairly simple if you look at the bill. If you look at the bill, in section (a), page 28, you will notice several things. Section 812 says that on January 1, 1981, the President shall commence registration of male persons becoming 18 years old at that time. My amendment strikes that section.

□ 1700

So, it strikes the implementation of registration, and I underline once again that it is in January 1981.

The second thing that my amendment does is, it leaves in the study. It leaves in the study that is already in the bill for a Presidential study to study this whole issue. The study that is put in with my amendment is, in essence, the same one that the Armed Services Committee has in its bill, except that it is a little bit more comprehensive in that we are asking for a little broader scope in that Presidential study by studying registration. So, basically we are striking the implementation.

The reason I think that this is so important is twofold. No. 1, it seems silly to pass the bill as it now is where we are going ahead and voting to implement legislation before the result of the study comes back. I think that does not make any sense, so we leave the study intact and say that we are not going to deal with legislation until the results of that study comes here and we can look at it. The second thing that I do not believe has been discussed in the prior discussion on the floor, one of the things that the committee should most be aware of, is that this will recreate the Selective Service Act if this goes into effect.

One of the things we would be doing if we do not pass this amendment is that, in essence, we will be passing a blank check into the Appropriations Committee to make some very difficult choices as we look at registration. They could either spend, or vote to authorize and appropriate the $29 million which it is estimated that it would cost just to do the face-to-face registration, or they could go up to $470 million, which could do a much more comprehensive job, such as physicals and so forth, as it comes along.

So I think there is a very broad range of potential scenarios there, and the Selective Service Act with its classifications, its requirement of people carrying cards, its requirement of requiring physicals, if it were fully enacted would be very costly and could be mandated for us because we are authorizing it and then it depends on what the Appropriations Committee would appropriate at that moment.

Mrs. HOLT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I just wanted to ask the gentlewoman a question. I just wondered what her concern is about registration. As I understand it, she was a cosponsor of H.R. 2206, the National Service System. As I recall, that required mandatory registration of 17- to 21-year-old males and females. I do not see the difference.

Mrs. SCHROEDER. I am glad that the gentlewoman asked that question, because that is really what the rest of my response is in discussing this, and why I am so concerned about this registration being mandated in this bill. Number one, I feel that the dialogue on this issue has not been adequate. I feel that the most important issue in any military organization is morale, and I think we are living in a time where we have a lot of questions about that morale. I think there is a feeling in the country today that everybody should have to contribute equally, that we should not be selecting certain people or targeting certain people or really kind of playing some kind of game where you put your name in a hat and hope to get through the period without being called.

I think the gentlewoman from New Jersey pointed out earlier that this area of everybody contributing, I think, helps an awful lot with morale. One of the problems we have had with the Selective Service Act in the past, and one of the reasons why I have been so opposed to bringing it back this way without having debate and discussion——

The CHAIRMAN. The time of the gentlewoman from Colorado has expired.

(By unanimous consent Mrs. SCHROEDER was allowed to proceed for 5 additional minutes.)

Mrs. SCHROEDER. The reason is because I feel very strongly that we are bringing back the problems we had before, There are ways for people to avoid it, the morale is not high. I think we would be better off if everybody participated.

I would like to add some more things to my statement on the amendment. I think some of the very important things that we have not talked about are that we have heard statements of people saying how urgent it is that we do this, and that we do this immediately. If it is so urgent, let me remind the Members that we are still not doing it until 1981. We are only doing it for 18-year-olds, and I remind the Members that none of those 18-year-olds will be able to vote in 1981.

One of the reasons people have said that we are not doing it until 1981 is that it takes that long to crank up the Selective Service and put it around the Nation. I really cannot buy that when we are phasing it in gradually and only starting to look at 18-year-olds. Also, it only gives you 13 more days of crank-up than we would have without registration. But, let me mention some other questions we have not dealt with. I understand that a lot of our manpower needs are really no longer for physically strong young people. We do not have people to deal with the technical abilities required to deal with computer control systems for the sophisticated equipment on our different ships and aircraft. It seems to me that one of the things we really need to do is look at the people who are in the civilian sector serving the military and find out whether they would fill those gaps.

We can look at all sorts of other alternatives rather than revert to the draft as it was first started back in the Civil War. We have never really looked to see if the Army and Navy and Air Force demands have changed so much in form that we are really doing the wrong thing. I tend to think that we are. I tend to think that we have never even begun to

address that issue. I hope the Presidential Commission would address that issue.

The other two things we need to look at is, what are our peacetime needs and what are our emergency wartime needs? If our wartime needs are really to build more massive forces, how do we train them? What do we do with the Reserves? None of those things are being targeted and discussed. So, I think we need to talk about peacetime needs; we need to talk about training; we need to talk about morale; we need to talk about wartime needs.

If we really need specialists immediately, we do not have time to crank up schools and run 18-year-olds through them. I just think that to bring back the Selective Service Act, as I mentioned before, because that is what we have been doing as a nation since the Civil War, is really not fair to our Nation's youth. They are our most important natural resource.

Mr. WOLPE. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I rise in support of the Schroeder amendment, and want to commend the gentlelady from Colorado on the creative and effective leadership she has provided on this critical question.

I am deeply disturbed by the manner in which the U.S. Congress has chosen to address the issue of registration. The proposal has been rushed through committees in both Houses of Congress with virtually no opportunity for full, informed debate. It has been argued that the Volunteer Army has failed to maintain an adequate level of military preparedness. But there has been little effort to assess the validity of these concerns, or to systematically consider alternative remedies, should it be found that problems exist in this area.

I cannot think of a more important and far-reaching public policy decision than that of bringing back peacetime registration and, possibly, conscription. Surely this issue should not be legislated by the back-door method of attaching amendments to a defense authorization bill. If Congress is going to begin considering the possibility of registration and conscription, there must be an opportunity for full and open public debate. For Congress to legislate on an issue of such great import, without permitting this type of public review, is only to invite the most destructive kind of domestic polarization and confrontation.

I recognize the right and power of the Congress, under article 1, section 8 of the Constitution, to raise an army in the time of declared war, and I do not believe any American would question the necessity of registration and the military draft in light of a national emergency. I have great faith that Americans will make the necessary sacrifices when the situation demands such a response. But today there exists no such national emergency. To take steps now toward the reinstitution of the draft, at a time when the United States has chosen to actively pursue the cause of world peace and so soon after the trauma of Vietnam, cannot fail to raise grave doubts and create new divisions and alienation among our people—especially in the absence of a perceived national emergency.

In the absence of such an emergency, it seems to me that the advocates of conscription must carry the burden of demonstrating that the All-Volunteer Army is not working or will not work in the future. But that is not at all clear. In fact, one recent study published by the Defense Department concluded that the Volunteer Army has provided the military with a full strength active force that is equal—if not superior—to that achieved under the draft. In addition, Secretary of Defense Harold Brown stated not long ago that peacetime registration is not necessary to meet the Defense Department's mobilization requirements. Moreover, Selective Service Director Robert Schuck has recently indicated that improved computerization will permit his agency to meet the Pentagon's strict mobilization requirements without registration.

It appears that the most important lesson of Vietnam has been forgotten. In Vietnam, we were involved in a war about which the American people were deeply divided. To now move in the direction of registration and conscription, without securing—in advance—the public support necessary to sustain such an effort, could be the most grave mistake since the Vietnam era.

In the past few weeks, I have received petitions bearing the names of close to 10,000 people expressing their opposition to peace-time registration and conscription, and appealing to the U.S. Congress to reject current registration and draft proposals. These voices deserve to be heard. They need to be heard now—and in the context of a thorough and comprehensive review of our military preparedness and of the effectiveness of the all-volunteer military. If there are problems in these areas, let us begin to address these problems. But let us be certain that the remedies we identify bear some relationship to the problems at issue.

Mrs. SCHROEDER. I thank the gentleman.

Mr. Chairman, I would like to state also that I am going to put in the RECORD at this point all the different statements made by different members of the administration, such as Harold Brown, Secretary of Defense; James McIntyre, Jr., Director, Office of Management and Budget; Robert Shuck, Director, Selective Service System; President Jimmy Carter, and many others who have made statements saying that they are opposed to registration. I know people have even questioned some of the names on here. I have heard people saying that there were meetings in the last few days and there were contradictory statements, but nevertheless I do not think it is important to go into all of that because we are a legislative body make a legislative determination, and I do not think we need to make it based on who is on our side and who is not on our side.

Mr. Chairman, the statements follows:

ADMINISTRATION VIEWS

Harold Brown, Secretary of Defense, in a letter to Charles Bennett:

I oppose peacetime registration at this point. Given adequate planning and funding, I believe the Selective Service System could be able to meet the Department of Defense requirement for delivery of new inductees without peacetime registration. Emergency plans are under preparation. The Administration has asked for the necessary funds. Appropriations of those funds is the correct next step. If future exercises of Selective Service using its new plans and resources demonstrate that it cannot meet Department of Defense mobilization requirements, I shall not hesitate to recommend that the President order a peacetime registration under the statutory authority he now possesses.

James McIntyre, Jr., Director, Office of Management and Budget in a letter to Richard Bolling:

We object to the provisions regarding reinstatement of registration for the draft. The Administration is opposed to registration. It is not necessary to impose this burden on our nation and its youth when there are effective ways to improve the capability of the Selective Service system so that it can meet current needs.

Robert Shuck, Director, Selective Service System in a letter to Leon Panetta:

As you know, it is our position that we neither need nor desire registration at this time. We firmly believe that the Selective Service System can develop the capability to meet the Department of Defense mobilization delivery requirements with the increased resources requested in the President's budget message to Congress.

Our studies and analyses demonstrate to my satisfaction that with the organizational structure and computer capability that we requested in the FY 1980 budget we could readily meet DOD's requirements without peacetime registration.

Jimmy Carter, President, in a news conference:

The President's position on registration remains unchanged. He does not believe it is presently needed. He remains opposed to proposals now before the Congress to mandate registration.

His reasons:

(1) The President has authority to reinstitute registration.

(2) The President will continue to monitor the situation along with the Department of Defense.

(3) The President will not hesitate to use this authority at any time if he sees that it is a necessary step to preserving our national security interests.

□ 1710

Mr. PANETTA. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentlewoman for yielding. I think the basic point that has concerned Members is whether there has been sufficient debate and consideration regarding the implementation of mandatory registration. There has been some comment that we have had adequate study, but in fact the committee itself in section 812 implements mandatory registration.

The CHAIRMAN. The time of the gentlewoman has expired.

(At the request of Mr. PANETTA, and

by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. If the gentlewoman would yield, section 812 implements mandatory registration, and in section 813 of the bill that came out of committee, the committee itself recommends a Presidential study which will look at registration and induction of persons for training and service in the armed services. It goes into desirability and feasibility of registering persons, into the desirability of inducting persons, whether women ought to be included. So the fact is that the committee itself says the President ought to study this issue. If it needs to be studied—and the committee obviously feels that that is the case or it would not have included this—then why implement registration prior to the completion of the Presidential study?

What this amendment says is let us eliminate the registration requirement, build it into the Presidential study that the committee has already included, and require that they report back to the Congress by January 1980 so that then we can consider whether we should indeed proceed with mandatory registration. I think this proposal, this amendment, makes eminent sense in view of the conflict and controversy that surround this entire issue. It is the exact proposal I and a group of other Members, Republican and Democrat alike, was prepared to offer.

I commend the gentlewoman for offering the amendment, and I support it.

Mrs. SCHROEDER. I thank the gentleman from California, and I want to thank him publicly for all of his help in working on and the drafting of the amendment. He was very, very constructive in his help.

Mr. Chairman, I yield back the remainder of my time.

AMENDMENT OFFERED BY MR. MONTGOMERY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MRS. SCHROEDER

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY as a substitute for the amendment offered by Mrs. SCHROEDER: Page 28, line 4, strike out "January 1, 1981" and insert in lieu thereof "January 2, 1981".

Page 28, line 7, strike out "December 31, 1980" and insert in lieu thereof "January 1, 1981".

Page 28, beginning on line 13, strike out "December 31, 1980" and insert in lieu thereof "January 1, 1981".

Mr. MONTGOMERY. Mr. Chairman, I will be very brief. As far as I know, this is the only other amendment that will be offered. It is offered as a substitute for the Schroeder amendment. What the amendment does is it only changes the dates that are in the bill presently now of section 812 and section 813, which is the registration part which we are talking about. It does substitute for the Schroeder amendment, and it basically leaves the bill like the committee reported it out. It changes the date, as I say, by 1 day.

This is a vote for the committee position if you support my amendment. I repeat that I have not changed the wording of the original bill but only a few words.

My amendment gives the House an up or down vote on standby registration. I hope you will support the amendment.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding. Could the gentleman explain just in what way his amendment has altered the situation or what he is trying to accomplish here by changing the date by 1 day?

Mr. MONTGOMERY. I basically wanted to leave the text of the legislation in the bill like it was as the committee voted it out. There had to be some change, and I made that change by changing 1 day. It is a very simple amendment. I am surprised that the gentleman, who is one of the most knowledgeable parliamentarians in here, did not see what I was trying to do.

Mr. ASPIN. The gentleman's position, then, is no different from the position that the committee had, so we are going to vote first on the gentleman's amendment, which is the original committee amendment.

Mr. MONTGOMERY. That is exactly right.

Mr. ASPIN. Then we vote on the Schroeder amendment, and then we are back to the committee amendment if the Schroeder amendment fails. Does the gentleman think he is going to pick up some votes this way?

Mr. MONTGOMERY. We are going to get an up-or-down vote on the amendment, and that is what I am trying to do.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding. Do we not get an up-or-down vote if we just vote on the Schroeder amendment the way it is? I am like Mr. ASPIN. I do not know what the gentleman is accomplishing. We are going to get an up-or-down vote one way or the other. It is either going to be adopted or not adopted.

Mr. MONTGOMERY. That is not correct, in my opinion. I respect the gentleman's thoughts on it, but if we vote and the Schroeder amendment passes, then we really do not get a vote on what the committee has done and what the committee is recommending. All I am doing is just trying to get a vote on the committee bill in the way it is brought out by changing 1 day.

Mr. Chairman, I think we are ready to vote.

Mr. BOB WILSON. Mr. Chairman, I rise in support of this brilliant maneuver. Mr. Chairman, I wish we had had this many on the floor earlier this afternoon to hear a freshman Congressman from Pennsylvania (Mr. DOUGHERTY) who is here, get up and say as succinctly as I have ever heard anything on the floor the real facts about this legislation and these commissions and so forth. The commissions, of course, are a means of trying to get the attention away from the true importance of the bill which is to register young men in the event of their need for the draft at some time in the future.

I am probably one of the few who was ever drafted in World War II who is still in the House of Representatives. Maybe there are others; I do not know about the gentleman from Texas (Mr. ROBERTS). But there are a few of us. I was drafted. I was probably the worst soldier they ever had, so it does not say much for the draft system. They never even let me go out of the country. I did all my service in this country.

The only time I was ever shot at in anger was when the House of Representatives was shot up by the Puerto Ricans in 1954. Four Puerto Ricans up there fired at me, and they just about got me. So we have been under fire.

I just want to say this about registration for the draft. I am not an expert in the military. I have been on the Committee on Armed Services for 27 years. I have learned a little bit about the military from that, but I am, I think, more expert in the field of politics. And I can read. When I read a Gallup poll that says in April of this year: "Would you favor or oppose the registration of the names of all young men so that in the event of an emergency, the time needed to call up the men for draft would be reduced?" and 79 percent of the people said, yes, they are in favor of it, I can read that very easily. I can read the political implications of it. Those of you who cannot should go back and study a little bit more. I hope you will support the Montgomery substitute for the Schroeder amendment.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Is this one over here, December 1978, any different from the one of April 1979?

Mr. BOB WILSON. Yes, quite a bit. If the gentleman cannot see it, I will take it over there.

Mr. VOLKMER. Do not put it in front of it because I want to draw one distinction and see if the gentleman can tell me why the difference was made in the two. I see in the one the gentleman just read a word underlined that says "men." I see in the one above "all people of military age," the registration of "all military age young people," which undoubtedly includes women. So we have that many people who say we should have women as well as men. Does the bill include women as well as men?

Mr. BOB WILSON. No, the bill does not. The bill includes only men.

Mr. VOLKMER. I thank the gentleman very much.

Mr. BOB WILSON. But if more people favor at a later date only men being drafted, and men themselves favor only men being drafted—79 percent of them—and yet 66 percent of the people favor drafting not only the men but the wom-

en, where does that put us politically? We cannot draft with this bill. There will be no callup under this legislation we are talking about today. The Congress gets another chance to consider whether or not men should be drafted but we should have this ready. We should have the system in operation so that if a draft is needed, we can call them up much faster than we could otherwise.

□ 1720

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from California.

Mr. DORNAN. The eventual attempt to draft women is one of the things that brought me to conclude that the draft would be a sociological nightmare. We agree about the need for a strong defense and no one has ever served on the Committee on Armed Services more effectively than the ranking minority member in the well has served. However, two Army brigadier generals in my office in the spring told me that women would have to be registered soon and of course drafted if that process started. Their exact quote was, "That battle has been fought and lost."

Mr. Chairman, I think we will have a constitutional challenge immediately if we proceeded to register only men.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will speak in opposition to the Schroeder amendment and I favor the amendment by the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. Chairman, throughout this debate it has been very apparent why the committee has recommended to the House that we should institute registration. There is no question but what we are 180,000 short on our National Guard and Selected Reserve. There is no question we are 500,000 short of our individual Ready Reserve at the present time. There is no question, and I repeat no question, that our selective service mechanism is a shambles in that there is no adequate mobilization program presently.

Before I forget the issue, I believe the Schroeder amendment also deletes the annual mobilization requirement, the paper mobilization which revealed many of the inadequacies. If you want to get rid of that annual mobilization exercise that know where we are, then vote for the Schroeder amendment, because that is exactly what will happen. The professionals for the most part say it is vital that we recommend registration. We had before us a list showing many of the Joint Chiefs of Staff and many of the experts in the field who say now we should go forward.

The registration called for in this bill is effective as of January 1, 1981. The President is to report to us on many issues by January 15, 1980, so that we can reform whatever is necessary in implementing the registration of 1981.

Mr. Chairman, I myself in committee wanted an earlier registration but the trouble was the experts say it would take 6 to 9 months after funding is available before selective service is capable of performing registration. They have only 100 employees and no office equipment. As the gentleman from North Carolina (Mr. FOUNTAIN) said earlier or words to this effect, it is deplorable that our selective service is in such shape that it would take this long to implement.

There are additional important decisions that must be made before the registration commences. We say get going on it. We absolutely have to have registration.

Now, Mr. Chairman, why did we not include women at this time? Because of our budgetary restraints we were trying to go the inexpensive route. We saw there is no army in the world, no army in the world that uses women in combat positions despite what has been said about Israel; they do not. We said, what we are trying to do is fill our needs right now. We are not talking about sociological items. We say we need males to fill combat positions. That is precisely why we went for 18-year-old males. By going the 18-year-old route, each year we hope to pick up within a short time the numbers necessary to have the resources in the event we must mobilize immediately. These are the forces we can mobilize immediately while we are trying to garner the others in the other age brackets.

Each class of 18-year-olds will furnish some 2 million males from which we can select, which will be able to make the immediate mobilization that is required. That is why we have gone to 18-year-olds rather than going the whole gambit.

Mr. Chairman, the President probably cannot go forward with an 18-year-old registration without the bill we are recommending here today.

We ask in this recommendation, what about women, do you want women registered, too, to perform the registration? We do not tell the President how to make registrations. I hope the President comes back in January and says, "We want to have some changes in the Privacy Act so that we do not have to have face-to-face confrontation, so we do not otherwise have to register in that manner." That would be fine with us. Whatever way is the simplest and least disruptive is fine with us but we say for God's sake let us get going because this Nation is not in a good condition.

Mr. Chairman, I do not look under my bed every day for Communists. I am not that way. I will tell you this, we are not in the best position in this country today and we ought to be alerted to it.

Mr. Chairman, I would think the Soviet forces in Cuba would give us some inkling of where we are at the present time, how would-be enemies move with impugnity. They do not believe us. We have no credibility defensewise. We have got to have a credible defense and we have got to move forward with the intention to resolve the problem and registration is one way we could go forward to garner our forces, to know our resources.

Mr. BOB WILSON. Will the gentleman yield to me, Mr. Chairman, for just a moment?

Mr. WHITE. I yield to the gentleman from California.

Mr. BOB WILSON. The gentleman brought out a credibility point, and I think it is very well taken. In World War II, about 3 months before Pearl Harbor there was a vote in this House of Representatives that won by one vote to extend the draft. By one vote, just 4 months before. The Japanese later said they took that vote because it was so close, to mean that America did not have the will to resist their move to conquer the East.

Mr. Chairman, if they misread us, if we adopt the Schroeder amendment, and we are not going to have even registration to talk about, the Russians could very well make a classic misjudgment about what are our real intentions.

Mr. WHITE. I thank the gentleman.

There was an article in the paper just the other day that said Americans apparently do not believe in the luxury of survival.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WHITE was allowed to proceed for 3 additional minutes.)

Mr. WHITE. As I said, Mr. Chairman, this would cost no more than $10 million and would cost possibly only $4 million to register this particular group.

Mr. Chairman, I have talked about why not women. The only messages that we have been sending abroad in recent months and maybe years are messages of weakness which have given false impressions of the resolve of this country. I hope they are false impressions. We have to send something to let them know that Americans are willing to fight.

Mr. Chairman, why have the Swiss not been attacked all these years? Well, you might say they have got mountains. Also, they have a conscripted army that is ready to fight. They have their weapons in their homes and they are ready to go. No one is going to take them on under those circumstances unless the military mission is absolutely vital.

This is not a draft. A draft would require a separate piece of legislation.

What is wrong with the civilian board knowing who is eligible to serve this country? We who enjoy the bounties of this country, what is wrong with placing ourselves on the line for our country? If the country is to be preserved, the people must be willing to preserve it, willing to defend it. If the country really is worth preserving, now is the time to act, not next year, not during the time of an election when people may be afraid to vote for this but right now. The danger could be right now. It could be much later than we think. I would hope we would send a message: Let us get cracking, let us get moving, let us start registering 18-year-old males and let us get the recommendation for January and move forward so that again we can refurbish our forces and have a creditable defense.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I cannot believe the words I thought I heard the gentleman say to the effect that the reason you did not include women in the registration was because you did not want to show a sign of weakness to the people overseas. Is that not what the gentleman said?

□ 1730

Mr. WHITE. The gentleman missed about five lines of whatever I said. No, I did not say that. I said that we did not include the women in our bill because we were after combat personnel. No women in any army in the world on a regular basis have served in combat.

Now, you may have episodes and you may have instances but they do not serve in combat on a regular basis.

Now, if the President says he wants us to register women, eventually there may be women in combat zones.

Mr. CHARLES H. WILSON of California. Then why not wait until the President tells us whether he wants all these things that are in the bill?

Mr. WHITE. We do not have time to wait. We are talking about infantry. We are talking about tanks. We are talking about artillery, combat service.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. WHITE. Yes, I yield.

Mr. SCHEUER. If what the gentleman is looking to do is to maximize the availability of young men for combat positions, would not it be wise to register women so that they can fill all the support positions which would free up more young men for combat service?

Mr. WHITE. We may eventually do that, but understand, it would cost at least $10, maybe $20 million more to do that; at least $10 million if you match double whatever we are trying to do now.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Colorado. I would like for a few minutes to give you my reasons.

First of all, the history of past military conscription has been one of dedicated discrimination in favor of the rich, the privileged, the educated, and others at the expense of the poor, the powerless, and all the racial minorities in this country. This was as true during the era of the Indochina war as it was during, for example, the Civil War when people were able to buy deferments and substitutes to serve in their place while some went off and made millions of dollars in war profits. One has only to examine the incredible deferment rates and the noncombat assignments of eligible sons of some of America's most distinguished citizens during the Indochina war to realize the gross inequities of the most recent attempts at an "equitable" Selective Service System. What guarantees, if any, would we have that a new system would be any different from what we have had in the past?

There were incredible problems in operating the Selective Service System during the Vietnam war and many of those problems have not been addressed and will not be addressed by this legislation. Hopefully, they will be in the mandated study of the Selective Service System and the mobilization requirements; but to activate this archaic and antiquated system before improvements have been made and the old inequities removed, in my estimation would be disastrous.

It appears that the move to reinstate draft registration is based on the faulty assessment that the All-Volunteer Army is not working. I contend that the volunteer force is working. Let me tell you why. It is attracting sufficient numbers of capable men and women to meet the mandated personnel levels of the Department of Defense. As a matter of fact, they have maintained within 1.5 percent—1.5 percent of required strength given by the Department of Defense. The quality has improved. The test scores have not declined. As a matter of fact, they have markedly increased and improved and the retention rates are higher with less discipline problems now in the Volunteer Force than there was during the time of the draft. The arguments against the All-Volunteer Force and for reinstatement of the draft registration, at a time and in a way that is little more than an attempt to undermine the present system of the All-Volunteer Force. I would suggest to you that these charges are brought for the most part, interestingly enough, by the very persons who on this floor have opposed the concept of the All-Volunteer Army when it was originally presented to this body.

This brings me to another area, and that is the charge that the Selective Service System cannot meet the manpower levels given to it by DOD for mobilization. This may be true, but there has also been no justification as to why the numbers were there in the first place, either for mobilization or for the desired strength levels of Active and Reserve Forces. The argument that we need registration in time of peace so that if war comes we can mobilize more quickly, in my estimation is totally false. The Congressional Budget Office in their study on this issue states that registration would only be increased by 13 days, I will give you 2 weeks, if people are preregistered. Obviously, is this enough time to justify the additional expenditures that would be required to register all males of 18 years of age in this country?

It is also interesting to note that the date for the first man to register is after the fall election of 1980 and the men to register are all now too young to vote in that upcoming election.

Let us think for a moment, and perhaps this is the most consideration and I offer it to you for your consideration. Let us think for a moment about the constitutional consequences of what we are doing here. We passed in this body a number of years ago the War Powers Act. It was hailed as a great liberal victory. I opposed that War Powers Act then as I do now, because I believe that the War Powers Act has seriously jeopardized the ability to declare war, is practically nil, given the provisions of the War Powers Act.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. All right, now, given that reality, I would therefore suggest that if you agree with me that from a constitutional perspective the War Powers Act indeed inhibited the Congress' warmaking ability, that we, therefore, should keep onto ourselves the power to reinstate registration and the draft in time of war so that we can retain some control over this process. If you give it away, I would suggest to you that we have no control.

Let us not be fooled and let us not kid ourselves. There is only one reason to bring back the draft and that is to fight an unpopular war without the need to come to the Congress for approval.

Finally, let me stress that if we are going to return to the draft, then let us do it up front and in a separate piece of legislation that will allow all sides to be heard. Let us have full hearings before the entire Committee on Armed Services to determine the feelings of this issue throughout the country.

For example, my mail, only one indices of the public's opinion, is going 100 percent against registration. I do not know what other Members' districts are going, but I think we ought to have a platform for debate and discussion in this country that is fully within our democratic responsibilities. Let us hear from the young men and women whom we are asking to spend 2 years of their lives in the military. Only after full and open hearings should we ask the full House to vote on this issue.

I would conclude simply by urging my colleagues to vote in favor of the amendment offered by the gentlewoman from Colorado, which would preclude the ability of going forward with registering 18-year-olds in January of 1980.

Mr. STRATTON. Mr. Chairman, I move to strike the last three words.

Mr. Chairman, the hour is late and we have been debating this subject for a fairly long time. I hesitate to add to the discussion, but I gather from my experience in manning the door in the last vote with some of the comments that were made that there is some confusion on this issue. For example, the comments made by my very distinguished friend from California (Mr. DELLUMS).

For example, I talked to one gentleman coming in the door. I said, "This is a study."

He said, "I'll vote against it," but he said, "I am also going to vote against registration."

I said, "Well, how can you vote for more weapons and then not have people available to utilize them?"

He said, "Oh, well, we can pay them."

Well, this bill has nothing to do with

the Volunteer Army. It has nothing to do with our regular forces, in spite of what my good friend, the gentleman from California (Mr. DELLUMS) has said. It is not an attempt to try to get other people for the Regular Army whatsoever; and it is not an attempt to get anybody for the Reserves.

Secondly, it is not a draft bill.

Now, we have been having all these emotional arguments about whether more blacks or yellows or browns died in Vietnam than whites, and all the inequities of the draft in Vietnam and all that sort of thing.

□ 1740

I would be the first not to try to deny that there were such inequities. But there is nothing about the draft in here, so we ought to get that straight, so that we do not put all our animosities into this particular piece of legislation.

This bill does one single thing. It is intended to give us a mechanism for providing a rapid mobilization in the event of a serious national emergency. I do not expect the Russians to be marching on Central Europe tomorrow or maybe even in a couple of years; but if we are going to be intelligent, we ought at least to consider the possibility that at some point that might happen, and that it would be a wise idea for us to know where we were going to get the necessary Reserve personnel to meet that particular contingency.

What has been proposed heretofore is utilizing social security numbers and things of that kind. But the Comptroller General has come up with a very devastating analysis in this document I hold in my hand. He demolishes the idea of trying to find people in that fashion if, God forbid, the Russians have suddenly moved into Europe and we do not know where the eligible potential soldiers are.

So all this bill does is provide a list of those who are 18 years of age and, if we want to spend the extra money, of those who are also reasonably ambulatory and can get around without collapsing. We will know where they are in the event of an emergency. All we will have as a result of this item in the bill is a list of names and a list of residences when we are through; nothing more. Is that so dangerous?

Nobody is going to be forced to do anything except go down and sign his name somewhere, and if we so decide—and we have not decided that yet—maybe he will also have to get a physical examination.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. No, I cannot yield right now because I want to try to finish this point.

But one thing we are not going to do is bring back the kind of draft that we had before. In fact, the only way that we could get that kind of draft is the way we got it in the past, which is by specific action of Congress. Those of us who lived through the Vietnam war, either in this body or on the outside, I think, recognize that that draft was not fair. The only way we would get it again would be if this Congress voted for it, and I do not think anybody is in favor of that.

The only way we can ever get into the field of the draft is if this Congress votes for it. Otherwise all we are doing is providing for a ready list of names. It seems to me that is a reasonable, sensible procedure in the situation that we face.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(On request of Mr. CARR, and by unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I would be glad to yield to my friend, the gentleman from Michigan.

Mr. CARR. Mr. Chairman, the gentleman from New York (Mr. STRATTON) has said that this is not a draft. Let us get practical for a minute here.

If we have all these people lining up to register, under the gentleman's understanding of what might happen, are these people going to be required to carry a draft card?

Mr. STRATTON. Mr. Chairman, I think that would depend on the results of the study that is provided for in the bill. The President is going to make various recommendations. All we are going to do is to have them register so that we know where they are and, if they have a telephone, maybe where we could get them by telephone.

Mr. CARR. Then that implies that every time a person who is thus registered changes his address or his telephone number he will have to notify some registration facility or board; is that the gentleman's understanding?

Mr. STRATTON. Well, since nothing else is spelled out, we would have to ask the gentleman from Texas (Mr. WHITE) about that.

But I do not think there is anything more burdensome there than what one would have to do with his Master Charge card. If one moves from one place to another, he tells them where he moves to. I do not think that is an infringement on one's personal liberty.

Mr. CARR. Mr. Chairman, if the gentleman will yield further, perhaps he is correct. But I do note that the committee takes out the limitation of the age of 26, so that if the committee got its way and 30 years from the effective date of the statute there were individuals walking around who were 48 years of age, every time those individuals had a change of address or phone number they would have to be notifying some authority of that fact.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has again expired.

(On request of Mr. CARR, and by unanimous consent, Mr. STRATTON was allowed to proceed for an additional 30 seconds.)

Mr. STRATTON. Mr. Chairman, if I may respond to the gentleman, my boy registered in the draft when they were still registering 18-year-olds. He does not carry any card around with him, and he does not have to tell anybody where he is or where he moves to.

This would have to be a specific provision of whatever new system is set up; and that new system would only go into effect if authorized by this Congress.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I agree with that, that the President would make recommendations, and whatever the new program would be, that would be what would be done. I am sure that matter would be addressed as well.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. If I have the time, I will be pleased to yield to my friend, the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, let me ask the gentleman, what is wrong with carrying a card around? I am sure the gentleman's son carries a number of credit cards around in his pocket.

Mr. STRATTON. Yes, and he loses them once in a while too and he does have to write in and tell them to stop payment on those cards.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to my friend, the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I support the gentleman's position in every respect, but I cannot understand for the life of me why, if we are trying to evaluate our manpower resources, we are not asking women to register.

I have two sons who need the Army, and the Army needs them. I have two daughters who are lawyers, and they would also be eligible to serve.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has again expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, I think the gentleman from New York (Mr SCHEUER) raises a very good point. I happen to agree with the decision of the committee.

I think the gentleman from Texas (Mr. WHITE) answered the question earlier, and that is that we certainly do not intend to incorporate women on a 50–50 basis in our combat units.

I think that women can do an outstanding job in the services, and if they want to volunteer for combat, I am not even opposed to that. As a matter of fact, I am the author of the legislation that admitted women originally to the service academies, over the screams and yells of the Army, the Navy, and the Air Force, incidentally.

But we are trying here to get a list of the people who might have to be called for combat in a dire emergency, and I do not think we need women for that job.

Mr. SCHEUER. But in an emergency, is it not true that if we have women registered to fill all the support jobs, all the support back through the line, we

are going to free up more men for the very combat jobs we are trying to fill?

Mr. STRATTON. That does not worry me because I believe women would be volunteering for those jobs anyway.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I will ask the gentleman, is it not true that we are getting enough women through the volunteer process to fill all those support jobs the gentleman is talking about?

Mr. STRATTON. That is absolutely right.

Mrs. HOLT. So there is no need to register them?

Mr. STRATTON. That is right. And as a matter of fact, if we let women get into a little bit closer contact with the operational area, I believe we will get even more of them on a volunteer basis.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I rise in support of the committee recommendation for peacetime registration.

I am aware that this is a very difficult issue for Members of the House to vote on. It is being made more difficult by the opponents raising the specter of a peacetime draft. This tactic is inaccurate and unfair as the committee recommendation does not envision inductions in peacetime. Rather the committee has attempted to address a serious mobilization problem.

Each of us must assess in the best manner possible how his constituents regard this issue. I am inclined to think that on the issue of registration the groups in opposition are substantially more vocal than their numbers warrant. I believe our constituents can understand the importance of registration as protection for an emergency. For example, a Louis Harris poll in December of last year showed 66 percent of those sampled in support of peacetime registration. A Gallup poll in April of this year found 76 percent of those polled in support of peacetime registration.

However, even without these indications of current public opinion, I strongly believe the Committee on Armed Services' obligation is to make appropriate recommendations for this Nation's security based on the evidence. On this basis alone, there is simply no doubt today that the Selective Service is seriously deficient. The issue really is what is necesary to create the necessary capability in the system to meet emergency conditions.

There are two options. The administration is arguing in support of a plan which requires the Selective Service System to perform all of its tasks after mobilization occurs. The Armed Services Committee, having reviewed that plan, is recommending peacetime registration.

We have heard a great deal and will certainly hear more about the administration's position that peacetime registration is not needed. Their position relies on a plan developed by the current Selective Service System Director. I think we would all agree that it is possible to design a plan on paper that has an aura of plausibility. The problem is that our mobilization planning must in fact be credible, and must inspire confidence in its capability.

Mr. Eizenstat, the Secretary of Defense, and the Acting Director of Selective Service, have said peacetime registration is not needed. On the other side, each of the members of the Joint Chiefs of Staff and retired Gen. Alexander Haig, as well as the Secretary of the Army, have all concluded that peacetime registration is necessary. Three congressional committees—the House Armed Services Committee, the House Appropriations Committee, and the Senate Armed Services Committee—have reviewed the administration's plan. In each case the committees concluded that the plan is seriously flawed. Senator NUNN recently called it "material for a Walt Disney cartoon."

I hope that on an issue as important as this that involves the Nation's ability to provide for a realistic mobilization capability, the Members of the House will listen carefully to the debate as it unfolds on the necessity for peacetime registration. I believe the facts clearly establish the need for peacetime registration.

It is a difficult, but necessary step.

□ 1750

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I appreciate the gentleman's yielding to me.

The gentleman certainly laid it right out for us. In effect, that is what the amendment does that I have offered. It is a profile in courage to vote for it. It gives the first test vote before the Schroeder amendment. Basically, it is the same legislation that is in the bill. If you vote for the amendment that I have offered, you are voting for what the Armed Services Committee reported out. It is a profile in courage.

Mr. ICHORD. Mr. Chairman, if I may say to the gentleman, although we are not involved with a draft, I wonder what the position of the former Speaker of this House, John McCormack, would be on this issue now involving only peacetime registration. The Members have heard John McCormack, I know, telling how they had to twist the arms of Members, practically blackmail Members, get down and beg to them just before World War II. Here all we want is peacetime registration, and we seem to be in trouble.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. The gentleman says the courageous vote, the difficult vote, is going to be the vote against the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER). Yet the gentleman has been bragging all day long about these Gallup polls and Harris polls.

Mr. ICHORD. I refuse to yield further. I yielded to the gentleman for a question; the gentleman is making a statement.

Let me tell the gentleman why it is a difficult political vote. There are a number of Members who feel very strongly about this. Let us face it. Those are people who are 18 years old. That is why the political vote is for the Schroeder amendment.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Schroeder amendment.

Mr. Chairman, many times in the last several months, at various opportunities, I have spoken out in opposition to both the draft and registration. It will be on this vote that we will have the opportunity to decide whether or not we are on line for registration, and, eventually, for the draft.

I have not always been in strong opposition to the draft. I have a strong opposition to it now, arrived at after a lot of deliberate thinking and consultation.

It is frequently thought that conservatives should not oppose the draft. Generally conservatives are thought to be prodraft and proregistration. But I might mention that the two most conservative Republic candidates right now for President are opposed to draft and registration.

Robert Taft, a good, conservative Republican. was in strong opposition to the draft. Milton Friedman, our conservative economist, has stated so clearly that this is an unfair tax. M. Stanton Evans, a well-known writer for the conservative movement, is also in opposition to the draft. So it is not bizarre to find one who votes conservatively in opposition to the draft. Sometimes it is uncomfortable because there are individuals who oppose the draft and who also oppose every bit of national defense. I happen to take a different position. I happen to think that the draft and a drafted Army contribute to a weak national defense, and I believe in a strong national defense.

Many of the conservatives in private conversation will mention to me that the reason they are for the draft is for patriotic reasons, that it is necessary we have patriotism. I think I understand their frustration, and I do think this country lacks patriotic zeal. But I do not think in any way whatsoever that you can instill patriotic zeal in a country by compulsion and force and instituting registration and the draft.

I think we can have a strong national defense without a draft. I think there are other techniques, and we have to work on them.

The conservatives are very frustrated, and I think rightly so, because of the foreign policy we have had to live with both under Democratic and Republican administrations. To me it makes no sense to beg or plead for a draft, to ask for a couple hundred thousand men who may serve for 3 months, and then be in the Reserves for 2 years. How in the world will this ever compensate for our unwise foreign policy? It is our foreign policy which needs looking at.

You can make one mistake in the SALT treaty or one mistake in the giveaway of

the Panama Canal, and all of the men in the world will not compensate for that. You could put 3 million men in uniform, and if you do not have an antiballistic missile system, it will not do you any good. So I would say it is our foreign policy which needs looking at. You cannot compensate, you cannot instill patriotism, nor can you overcome the bad effect of the foreign policy that we have lived with for 40 years by having conscription. I think this is the futility of the conservative position, those who have promoted the draft, because this is the only thing they have left to do in order to show strength to the Russians. I believe it will not show strength and it will not accomplish anything in directing us toward a sensible foreign policy.

We might look just at the growth of the idea of the draft. Even though we had the draft with the Civil War, it really was not an accepted idea at this time. There were riots. It was rejected, and those who were drafted could get out of the draft by buying their way out. So it was in the form of a tax. The real idea of a draft was accepted in this Nation prior to the First World War, and it has been in this period of time that we have also seen the expansion of the States, the welfare system which has grown, and the personal liberties which we all cherish have been diminished over the same period of time. I contend that we cannot preserve our liberties, we cannot protect our country, we will not have a free country, with a welfare state or a ridiculous foreign policy or with conscription.

America today is more conservative than ever before, as evidenced by the campaign rhetoric that most of us used in the last several elections. Only a few in this body run as anything but fiscal conservatives. I am seen as very conservative by my colleagues here in Congress, perhaps even the most conservative of all. Indeed, my identification as a conservative in all the political ratings grants me the privilege of claiming secure credentials within the conservative ranks.

I am frequently asked, in astonishment, how I, as a staunch conservative, arrived at my strong opposition to any compulsory military or civilian service. Many think that only liberals reject the notion of compulsory service, but this is an error. I find myself in good conservative company, recognizing that such men as Ronald Reagan, Robert Taft, Milton Friedman, PHIL CRANE, and Stanton Evans have expressed opposition to the draft.

Why is it that conservatives, who do such a good job of rejecting compulsion in almost everything else—especially in economic matters—accept the coercive role of government in forcing the innocent young to the rigors and risk of unworthy battle? How can conservatives demand individual rights in areas of lesser importance—such as hiring, firing, labor reform, and welfare—and yet sacrifice the most fundamental individual right of all: Determining how one's life will be spent. If conservatives permit the young to be forced to wear a uniform and risk their lives in wars like Vietnam, what protection do we have that this same grant of authority will not be used to compel national civilian service? Surely it must follow, if one is consistent, that government will have the authority to assign jobs to individuals with instructions to live in certain areas, wherever needs are identified by the planners. We have all heard of these proposals. Beware, for even though we may only deal with the issue of registration today, it must follow that if the peacetime draft is endorsed with this legislation, more arbitrary forms of people control will surely follow.

Conservatives have been the able defenders of individual freedom; we cannot be careless in dealing with this issue of compulsory service. It is easy to understand how the liberals and the interventionists accept compulsory service. They are in the habit of taking wealth from one group and transferring it to another through welfare schemes and inflation. They use and control people and property all the time. To them, compulsory service is a logical extension of government power. For conservatives, compulsory service should be completely alien to their ideals. Protection of individual freedom has been our creed and our motto. By accepting compulsory service, we sacrifice the entire foundation on which our arguments for liberty rest. To continue our battle against the silly notion of collective rights and for the preservation of individual rights, we must reject all forms of compulsion, be they excessive regulation, taxation, inflation, national service, or military conscription.

The draft and registration are equivalent; for what other reason would we have registration? Conservatives correctly reject registration of guns and see that registration is merely a vehicle for confiscation, as has been the case in many foreign countries. There is no legitimacy to the argument that registration is separate from the draft. I do not understand why many conservatives are willing virtually to fight for their guns and yet quietly acquiesce in or actively force registration and conscription on our youth. Our young people's lives deserve at least as much constitutional protection as our guns.

The conservatives who may cling to the notion that the draft is separate from registration must consider the awesome power of the social security office and its computers. Identification of youthful victims can be achieved with a few computer experts working out of the Social Security Administration. I am certain that they can produce the names, ages, and addresses, and any statistic they want, for anyone from ages 17 to 70.

We conservatives have correctly understood that economic freedom is no different from other freedoms and the free market is a mere extension of personal liberty. For this reason, we are very much aware that so-called collective rights on which socialism rests is incompatible with the market economy.

Quite correctly, we conservatives say that individual liberty means above all the right to own and use private property, realizing property itself has no rights. We well understand that property ownership is an absolute must in a free society that champions individual rights. The right to own property is sacred with conservatives; life itself certainly cannot be less sacred.

Conservatives champion the concept of God-given rights and express so well their patriotic belief in the Declaration of Independence and the Constitution. These documents, for the first time, put into a written contract the concept of natural rights, rejecting the notion that citizens are tools of the state to be manipulated at will as is done in Communist countries. Conservatives champion patriotism, but out of frustration at the times in which we live, some resort to force to compel citizens of a free nation to serve their country, to be obedient to the state, and to accept this abuse without objection.

For conservatives, all our philosophic arguments can be lost if we make an incorrect conclusion regarding compulsory service. All is cast aside, all the arguments, all the consistencies, the entire foundation of individual rights that conservatives rightly cherish and are willing to defend, are lost if we fail in our analysis of this issue. Could this be the reason we are losing our battle to protect and build a market economy? Is it our careless disregard for the ultimate protection of individual rights by not consistently rejecting all forms of compulsion? Would not our arguments for a free market be strengthened rather than weakened with such consistency? It is no coincidence that the decline of personal liberty, and the loss of the market economy seen in the last 60 years parallel a general philosophic acceptance of conscription and compulsory service. It is no mere coincidence that the welfare system, the interventionist economy, the destruction of the dollar, and the disintegration of the marketplace in energy have occurred systematically and parallel a loss of respect for individual rights, especially the right of property ownership.

The training of thousands of unhappy raw recruits has never proven to be economically wise. Two-hundred thousand new recruits with 3 months active training does little to reassure me about our weaknesses. A more efficient method is available to us.

And most importantly—conscription is a sign of moral weakness and has nothing to do with military strength. All the draftees in the world cannot compensate for a foolish interventionist foreign policy. Ten million draftees will not undo the harm done by both Republican and Democratic administrations with regard to the Panama Canal giveaway. Twenty million draftees will not compensate for the sacrifice of military advantage through SALT agreements. Thirty million foot soldiers cannot compensate for the lack of an antiballistic missile system, a truly defensive weapon. Frustration with our weaponry and our defense policy cannot be alleviated by resorting to a program that can never be seen as a sign of strength and determination to our enemies. The weaknesses

they have witnessed from Yalta to SALT II cannot be canceled out by conscripting 18-year-olds for 3 months of active duty.

If we can register young boys and girls; make them carry registration cards bearing special identification numbers; make them report every move to the authorities; and arbitrarily and unfairly pick some to serve and exempt some others—for it is impossible for everyone to serve under any form of conscription—and send them off to fight wars our political opponents engage us in, we can impose on the citizens just about anything we desire.

Just think of 1917, 1941, 1950, 1965. The conservatives do not foment the wars; we are not in power when they begin, yet we the conservatives inevitably do the dirty work and perpetuate the errors.

The policies of the interventionists drive us into hot conflicts and we, the conservatives, jump in and take the heat for their inevitable failure.

Carter can now start registration any time he wants and yet we are doing the dirty work for him. Let him suffer the consequences for such an unpopular program. Let him go to the college campuses and explain why 18-year-olds all have to register for a potential new Vietnam conflict.

It is hard for me to conceive of turning over our children by force to serve the folly of the current administration's foreign policy. How many conservatives will toe the line if the administration involves us in a hot African war in support of Marxist terrorists?

If we permit this trend to continue, we fail completely even if in all other aspects we demand individual freedom.

If we hope to win the battle to establish a market economy based on individual liberty, we cannot sacrifice this concept when it involves the most fundamental of all issues—the right to decide the use of our own lives as we see fit.

If we give up this right, what argument do we have to defeat the liberals' contention that they have the prerogative of spending the fruits of our labor, controlling our property, and strangulating the economy through ridiculous regulations? If we make our persons vulnerable to the demands of the state, how can we argue that our property and our economic transactions are more sacred and should not be victimized by these social predators? Without a strong defense of personal liberty, we will never be able to defeat the philosophy that permits the fruits of our labor to be taken through excess taxation and inflation to finance all the wasteful boondoggle nonsense that has brought our economic system to its knees and our political structure into turmoil.

To concede that conscription is a proper function of the state, conservatives must place the state above God; collective rights above individual rights; the planned economy above the market economy; and property above life itself.

Patriotism, devotion, wisdom, conviction, commitment, idealism, which we all seek, cannot be achieved by conscription. This tool, used by the state for centuries, has never built a free society, nor can it be used to preserve this society. Consider freedom and volunteerism—reject compulsion and conscription. Freedom cannot be preserved by tyranny. Ultimately, our decision on this most fundamental of all issues will determine the destiny of this Nation. Please reject all forms of compulsory national service.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I would like to commend the gentleman from Texas for his statement. I would just like to point out that, even with draft registration, we really do not save very much time should there be an attack on Western Europe that would require the mobilization of forces in the United States. The Congressional Budget Office has estimated that preregistration would only save 13 days.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PAUL) has expired.

(On request of Mr. EDWARDS of Oklahoma and by unanimous consent, Mr. PAUL was allowed to proceed for 2 additional minutes.)

Mr. SENSENBRENNER. If the gentleman will yield further, particularly since the legislation that is before us today does not require physical and mental examinations of the registrants to determine who is qualified, a classification procedure, an induction procedure, an appeals procedure for conscientious objectors, and the like, all that is done under this bill is merely having 18-year-olds sign a registration card.

□ 1800

So I think all we are talking about today is whether we are going to add 13 days to our capability of mobilizing should there be an emergency. I would submit that it is not worth the financial cost to the taxpayers as well as the social divisiveness in this country for a mere 13 days' leave time.

Mr. PAUL. I thank the gentleman because I think he points out a very good practical point on why the draft would not contribute a whole lot to our defense.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

As one Member who has consistently voted for a stronger national defense, I am getting a little tired of hearing military leaders quoted in this debate. If our military leaders are so concerned about what we need to do for a strong national defense, why do they keep supporting things like the SALT Treaty and the Panama Canal Treaty? I do not consider their opinions very persuasive.

In response to what the gentleman from New York (Mr. STRATTON) said when we were debating the Beard amendment, it seems to me that perhaps he had the argument a little bit backwards when he asked why we have all this military hardware if we are not going to draft people to use those weapons?

I would ask it the other way: Why are we talking about disrupting people's lives and forcing young people into the military when we are not going to give them the weapons they need? Are we going to draft them to serve in old, outdated B-52's? Are we going to draft them to serve in American medium tank corps when our tanks are outnumbered 5 to 1 in Europe?

We do need a study to determine whether we need a registration program; I voted for the Beard amendment because it would have established such a study. I intend to vote for the Schroeder amendment, because it will order such a study. But in doing so, I have to make the point that what we really need is military equipment. More bodies will not win a war for us if we do not have the missiles or tanks or bombers or aircraft carriers.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee, I am not under any illusion to the effect I am going to change any votes. I think we could have voted 4 days ago or 4 hours ago.

I do want to say one or two things.

In 1941, I stood on this floor when we were debating the extension of the draft, the gentleman from California mentioned a while ago. There was never a time when there was five votes difference either way.

After the second rollcall, the vote was 202 noes and 201 ayes. Two gentlemen had not voted. Both came down and voted "aye," and we extended the draft.

By one vote, this country survived World War II.

There was no way, and none of the military people will hesitate to tell you we would have lost World War II, and we would have been trying to shake off the reins of Hitlerism—and some of you may love him. I did not. I fought him 4 years.

Now, this is almost as serious a situation. We have got nothing to lose. I favor universal military training. Even the youngsters do not object to 15 months in the military if everybody shares equally.

We need now to support the Montgomery amendment and support the committee. We must have some group to fall back on, and we do not have them now.

I have no objection to saying draft if we have to draft, but let us have a pool that somebody can get hold of in case Russia moves on us, and I will tell my colleagues they are not nearly as stupid as my colleagues think they are. They may move a lot sooner than we expect.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

I merely want to say the CBO report that was alluded to earlier on the Republican side said that—Congressional Budget Office—said that it would save only 13 days if the other plan that they

had in mind would work; but then they admitted that there were many flaws in it and that a standby registration was one that would bring much more certitude.

This plan that we propose will save 2 critical months. That is the best of our evidence that came before our committee, 2 months, at a time when it may be very crucial.

Mr. ROBERTS. Thank you very much.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise on this bill in support of the Schroeder amendment and would like to do so from a slightly different standpoint. Most of the people who have been talking in favor of the Schroeder amendment are opposed to registration and opposed to the draft and believe that this is one step in that direction or believe that it would not be necessary.

I come to it from the standpoint of believing that we probably do need a registration, that if you look—and I am agreeing with some of the things that some of the people have said on the other side, particularly the gentleman from New York (Mr. STRATTON), was saying about the need to have some people available, what the gentleman from Texas (Mr. ROBERTS) was just saying about the need to have a manpower pool—the Volunteer Army was never envisioned as a force that would be able to fight a war without a draft. It was always anticipated by those that were in the Gates Commission which recommended the Volunteer Army recognized that a draft would be needed if war was declared.

I think that if one looks at what is happening in the manpower requirements, I come to the conclusion that we probably do need registration. I think the case has to be laid out a little bit better.

I am very much inclined to the view that we probably do need a registration. I, however, am in favor of the Schroeder amendment for a couple of reasons. One of those is that the amendment, the way the bill is written now, we have only one form of registration which it implements.

It implements registration which is what is called face-to-face registration, the old registration where you, upon turning 18, went down to the Selective Service Office and filled out the forms to become registered.

There are now in the modern technology a lot of other ways that we might register people and ways to register people which are less onerous and less likely to produce conflict with the younger generation than this way. We could register by mail. We could register by computers comparing various lists. We could do lots of other registration forms. I think that is what needs to be studied. We ought to look at the various ways in which we can have a registration and then make some kind of determination.

A second point in that is that the bill itself does not institute registration until January 1, 1981.

We would, if we knocked out that provision and left in the study, which is what the Schroeder amendment does, we would still be in time to institute registration next year in time to begin it on January 1, 1981. We would not lose any time by taking it out at this point.

What we would do by taking it out at this point is taking out face-to-face registration.

We may find, after our study, that face-to-face registration is no longer necessary. It is very costly to have all of these draft boards of Selective Service Board around the country. There is probably a better way to do it, and if we had a study which showed another way was better, then the law that we pass today would be obsolete because the kind of registration that we are ordering to take place on January 1, 1981, is this one form of registration which is face-to-face registration.

I think that I am very much inclined to believe that we do need registration in this country for a strong defense. We do need to have a manpower pool available, for if war breaks out, we are for sure going to need to draft people; and it would be better to have a registration system in place so that we can use that manpower pool effectively when war breaks out.

However, there are lots of ways to accomplish that registration, and as long as we are not going to start registration until January 1981, anyway, why not take the time to do the study and decide which form of registration would be the best form.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Ms. ASPIN. I yield to the gentleman from New York.

Mr. SCHEUER. I thank the gentleman for yielding.

I wish to associate myself strongly with the views of the gentleman from Wisconsin.

□ 1810

I strongly favor registration. I have two young sons, 19 and 21, who would desperately and urgently benefit from serving in the armed services. I think the armed services would benefit from their serving. I also have two daughters who are practicing lawyers who could serve with great effectiveness in a whole wide variety of administrative jobs.

The gentleman from Colorado, my esteemed friend, mentioned the Israeli forces. It is true, of course, they do not draft.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(At the request of Mr. SCHEUER, and by unanimous consent, Mr. ASPIN was allowed to proceed for 3 additional minutes.)

Mr. SCHEUER. If the gentleman will continue to yield, they do not draft women for combat service in the Israeli Defense Forces, but they have proven without a doubt the enormous effectiveness with which women have served in every type and variety and description of noncombat functions in the IDF, thus freeing up men for combat functions.

It is impossible and ludicrous to use the phrase "manpower resources" in this country while excluding women. Over half of all adult women work and they work in important, meaningful jobs in every aspect of our economy. I think it is an affront to them to feel that they could not serve with great distinction and great effectiveness, certainly in noncombat functions. I feel that this plan is fatally flawed by the absence of involvement of American women as a part of our national manpower resources. I am happy to support the gentleman.

Mr. ASPIN. I agree with the gentleman from New York and his comments and his earlier comments about the fact that this registers only males. I think that is a bad mistake, and I think that is another reason for voting against this amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman.

Mr. WHITE. Mr. Chairman, there are several points that I wish to make in response to the gentleman's remarks.

In the first place, the gentleman understands that it is absolutely imperative there be certain mechanisms put into motion and organization be made before we can have any kind of an effective program. I personally favored some time earlier, like in January of 1980, but this became impossible upon studying it, so consequently the gentleman must understand we need that leadtime in order to get people out in the field, volunteers, and such.

Mr. ASPIN. If I can respond to that point, first, the problem is we need leadtime if we are going to do it face to face. Indeed, if we are going to do it face to face then we ought to get started.

But, what if we start on that leadtime and the studies show we do not want to have face-to-face registration?

Mr. WHITE. If the gentleman will yield further, let me continue to answer that, too. The gentleman must understand we are now in September. This bill will go to conference, once it passes here, and undoubtedly will not come out until October, maybe even November. So if we wait until another year, that is going to be again October or November of the following year.

We have asked the President for recommendations which are to be made in January 1980, when we come back. These are included. In fact, we asked him how should we go about registering. If he makes a different recommendation other than face to face, we can pass it at that time, and that is the purpose of saying OK, Mr. President, we want to register 18-year-olds because that would fill our needs for the manpower shortages at the present time, 1981, and in the interim period tell us how we should change it, and how you want us to go about registering, and we can recommend to the Congress the changes and the reform.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for 1 additional minute.)

Mr. ASPIN. That is what I think is wrong with the legislation. What the legislation is doing is declaring policy, and then it is asking for a study to determine what that policy ought to be. We are declaring in section 812 that our policy ought to be face-to-face registration, and then in section 813 we are saying we ought to have a study to determine what kind of registration we ought to have. That is putting it the wrong way around.

Mr. WHITE. If the gentleman will yield further, we are taking the law as it presently is. The President has already said that we would possibly have to go to registration of 18-year-olds. That is all he is suggesting, and that is what we are doing.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Schroeder amendment.

Mr. Chairman, let us view the vote that is about to take place on the floor of the House as it really is. Whether it is on Mr. MONTGOMERY's amendment, or whether it is on Mrs. SCHROEDER's amendment, it is a vote on registration, a vote to either support or defeat the position of the Armed Services Committee.

I have gotten a very distinct feeling as a member of that committee since I have been here some 9 months that all other committees of the House are to be trusted, but for some reason the Armed Services Committee is to be suspect. For some reason, we apply a double standard. We presume that the actions of a committee of the House other than the Armed Services Committee is well thought out, to be highly regarded, to be deeply considered. But when something comes out of the Armed Services Committee somebody raises a red flag and right away we are supposed to be suspect.

What are we really talking about, Mr. Chairman? We are saying will there be a system in place that will save us time if the worst happens. That is what the vote is. Nobody is going to be drafted if we vote today for registration.

What we are voting on is are we going to have a system in place so that we have the time if the emergency arises. The gentleman from Wisconsin says 13 days. Let me assure my colleagues that there is a significance to 13 days. We have been told that D plus x number of days the Soviets can overrun Europe. D plus a certain limited number of days the Soviets can overrun Europe.

If we can save 13 days, or 2 months, as the committee believes, we cannot only meet our commitment to Europe, we can save lives. What nobody seems to be talking about when they talk about the concept of the All-Volunteer Army is that there are bodies in Europe, the same young people who are concerned, who have enlisted in the All-Volunteer Army are in Europe. The committee is saying that if we do not have registration we are endangering their lives because we will not have the time to respond to the crisis, to come to their assistance.

The same people who are talking against registration should immediately demand the withdrawal of all American troops from Europe, because if we allow them to stay we are consigning them to their death.

I made a comment earlier that we have a military commitment to Israel. Some of my colleagues have come up and said no, we do not have a military commitment to Israel if we define it in the sense that we do not have to send troops. I just came back from a visit to Israel, Mr. Chairman. What did the Israelis tell me? The chief of the Israeli intelligence tells me that the Israelis expect a war in 3 years, that they expect a war from Iraq, Syria, and Jordan, because those three Arab nations cannot let Sadat get away with the peace effort. They tell me that they feel that the Iraqis have the best tanks in the world thanks to the Russians.

Defense Minister Weizman tells us, and I think this is important, here is a leader of the Israeli Government saying that the United States has been Vietnamized; the United States has been Vietnamized. We are still in shock from Vietnam. The Israeli Defense Minister said the world is watching how the United States deals with the Russians. He said you are going to be tested.

I found it ironic when I came home to find out that Russian troops were in Cuba. I think that is the way we are being tested.

Some of my colleagues may say though we will never send military personnel to Israel. I do not buy that. I think the day may come when we may have to look at sending personnel to Israel.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. DORNAN, and by unanimous consent, Mr. DOUGHERTY was allowed to proceed for 3 additional minutes.)

Mr. DOUGHERTY. If my colleagues think Israel is going to be faced with an isolated move where we will not have to supply them, if my colleagues do not think the possibility exists that American men may have to be committed to Israel in the future, then that is wishful thinking.

Mr. Chairman, we are not talking today about the draft. Everybody wants to talk about it. That time will come. We are talking today about a system that will save time.

What does a "no" vote mean, Mr. Chairman? A "no" vote means that we, the Congress of the United States, do not trust the credibility of our own House Armed Services Committee. That is what we will be saying. No matter how we dress it, we are saying we, the Congress of the United States, do not trust the credibility of our own Members who serve on our Armed Services Committee. We are saying we do not trust the judgment of the man we have allowed to serve as the Chief of NATO. We are saying, in effect, we do not trust the legislative process because we do not think we will have another chance to talk about the draft. My colleagues know that we will. We are dealing with registration today, and the draft will come up later. We should judge it on its merits.

□ 1820

What it is coming down to then, Mr. Chairman, is whether or not we do want to create a system that will save us time, and then will save us lives. That is what it is all about. All the other talk about the draft and Vietnam is rhetoric. The question is, Do we want to have a system that will save us time and save us lives, even a system that may save us 13 days? I suggest, Mr. Chairman, that we do.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Schroeder amendment.

Mr. Chairman, I would like to begin by asking a question. What are we mobilizing for? The fact is that it will take 6 months from the time that we induct these people, as inevitably we will if we are going to register them and draft them in the event of war, to prepare them for a massive land war in Europe. What are we talking about? Were not the French surprised that the Germans flew over the Maginot Line in World War II?

The U.S. military is preparing to fight world war III with modern weapons. That is preposterous. The fact is, if we want to generate a hard-hitting force, we are going to need more than gold helmets. We are going to need one or two combat divisions ready to fight. We are not going to fight a land war in Europe for 6 months while people are training. Nuclear weapons will come in. Do not be silly.

The fact is that we need a Reserve Force prepared and capable to go in in the event that the war takes more than a few weeks to fight. That is where the problem is. It is not with waiting to fight with 10 or 20 divisions fighting across the central plains of Germany, because by that time our major cities and military targets in this country and in the Soviet Union will be reduced to rubble.

When we take a look at what we have done to our forces, there is no question that we have massive problems there. They are not ready in use for whatever eventuality. The Reserve has lots of holes, but do we change that problem, do we address that problem by having a registration system that will inevitably lead to a draft, or what other purpose would there be for having a registration?

Take a look at the way the forces are structured today. In the Spanish-American War we trained 13 percent of our soldiers for noncombat specialties. In World War II, we trained 61 percent of our people for noncombat specialties.

At the height of the Vietnam war in 1968, we trained 68 percent of the men that were in the service for noncombat specialties—six out of seven people were supplying the guns or typing out the orders or doing something unrelated to combat specialities.

The gentleman mentioned Israel. My, I hope we can learn from the Israeli Army. For every soldier they put in the field, they have one backup support soldier. That is what this country needs. It needs to reduce the tooth-to-tail ratio, to have an effective fighting force. It does not need to move for a couple hundred thousand 18-year-olds to fight a land war, and if we eventually have a draft—which this is clearly a precursor—the last great effort by the draft for the Vietnam war, I think it is important to take a look at some of the inequities. There were 26,800,000 young men who were of draft age during the Vietnam era. Eleven million of them

served in the Armed Forces; 16 million did not. Of that 16 million that did not, 8.8 million—8.8 million of them—did not serve because they were exempted or they were deferred because they were rich, because they had doctors' letters, or because they did something else. That is what we are going to when we buy registration.

Inevitably, we are going to buy an unfair system, one that does not address the problem of combat forces and one that really ignores fundamental problems. The troops are pushed into the wrong places and prepared to fight the wrong war. We are going about to solve that problem with the wrong solution.

Mr. PRICE. Mr. Chairman, I would like to set a time for ending of the debate on the Schroeder amendment, and all amendments thereto, and on the pending sections of the bill.

Mr. Chairman, I ask unanimous consent that we end all debate on the Schroeder amendment and all amendments thereto and to the pending sections of the bill at 6:45.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. DORNAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PRICE. Mr. Chairman, I move that we end all debate on the Schroeder amendment and all amendments thereto and to the pending sections of the bill at 6:45.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 1 minute each.

The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, we have just heard two eloquent speeches. One by the gentleman from New York (Mr. DOWNEY) and the other by the gentleman from Pennsylvania (Mr. DOUGHERTY). I agree with each speech, in substance, about 95 percent but neither asked or addressed the hardest question of all. I am supporting the gentlewoman's study, as I supported the study proposed by the gentleman from Tennessee (Mr. BEARD), and I have just taken a stand not to limit the time on this debate yet because of the profound gravity of what we are discussing here. The potential after registration of disrupting young lives. I have a severe personal problem because ages of my children, and I know I share this problem with many of you.

It is simply this.

I cannot look into the faces of my five draft-age children and tell them that I feel they have a moral obligation to register for a draft, with the prospect that they could be asked to die in another no-win war—the third in a row. After Korea and Vietnam how dare we consider a draft until we decide what really involves our national honor. For that reason, we must study this critical issue in depth.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, I rise in opposition to the Montgomery amendment and in support of the Schroeder amendment for reasons not only as those elucidated by my colleague from New York (Mr. DOWNEY) but also because I oppose the further regimentation of our society. All we would do with the draft is impose compulsion on an already sloppy society. What we must do is become thrifty, disciplined, not only in our entire society and of our people, but in our military services.

I say, Mr. Chairman, that ever approaching is the concept of 1984, when our industrial society feels it must force its citizenry what it should be doing for itself.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, the problem we are facing is not one of a lack of quantity of the people we have in the service; it is a matter of quality. It is not the quality of the young people coming into the service, it is a lack of quality of the commanders leading those young people. Mr. DOWNEY of New York is right; what we have got in the military today is nothing more than a bunch of beribboned bureaucrats who think they are going to win the next war by pushing buttons and flying desks. What we need to instill in our military today is better leadership of our young people. That is not done through the draft and not through registration. It is done by going back and taking a look at leadership in the military in the past and what it was that gave us the kind of fighting forces we had in World War I and World War II.

□ 1830

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I can hardly believe my ears when I hear some of the Members comparing the situation to that which existed in the 1940's when we voted then to institute a peacetime draft, that is, peacetime in this country. It was after the fall of France. It was after we knew that we were confronted with the Axis Powers, and there was a clear-cut situation before the country. That is not the situation we are in here today. We are not threatened with an imminent invasion by 3,000 troops from Cuba or any other immediate crisis. When, as, and if we reach that situation, or when it becomes clear that the armed services have no other way to get their personnel, then we find a consensus quickly developing in this country. In the meantime let us keep the morale of our people high by keeping their liberty.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of the Schroeder amendment which would strike the military registration provisions from the bill. This is a government of limited powers, and we are wisest and strongest when we respect those limits. What right do we have to reach into and disrupt the lives of every single 18-year-old male in this country when we are at peace? What right do we have to cast a pall over their futures when we face no threat? We have over 2 million people in a Volunteer Army; we do not need a draft which is what registration is designed to lead to. Let us respect the restraints in our Constitution. Let us use reason. Registration will save us only 13 extra days in the event of a mobilization; is it really worth the enormous cost of social divisiveness and governmental regimentation? Clearly not. When we have a real emergency in this country, we can rise to that challenge, as we have in the past. We will simply weaken ourselves by instituting registration at this time, not strengthen ourselves.

The CHAIRMAN. The Chair recognizes the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Chairman, I must say I have been listening with a considerable amount of interest this afternoon, and I find a great deal of truth in what my colleague, the gentleman from New York (Mr. DOWNEY) said a moment ago about the readiness of the active military as well as the readiness of the Reserve. It is true that with the many confrontations that we might find ourselves in, we are going to depend on the quality of the military that we have now. But I think it is a dangerous assumption to assume that the next war is going to be a war of nuclear buttons and nuclear weapons. In fact, we may hope that that restraint exists so that any future confrontation may in fact depend upon the individual soldier at least to some extent rather than on the technology that exists in both countries that can destroy both parts of the world in a few minutes. I feel that this draft is not necessary at this time but that registration is important. That is the issue, and I hope that we will support it.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Chairman, I rise in support of the Montgomery amendment and in opposition to the amendment to knock out the registration provision, and to reemphasize that this is not a vote on instituting the draft, like the vote taken in this Chamber in 1941 when the draft was fortunately kept in effect by one vote. Although this vote tonight may be just as crucial as that 1941 vote, it is not—I say again, not—a vote to get the old draft, with its many inequities, going again.

This is simply a vote on getting the machinery in place to find out where the people are—in case a national emergency arises and some of these people are needed to man the front lines of freedom and to preserve the independence of this Nation.

That is all it does: Set up the machinery and accomplish the time-consuming task of getting people's names and addresses into the computers, and then keeping that information current.

The military experts believe the next war will be short and vicious, fought by highly trained soldiers, sailors, marines, and airmen, using highly complex equipment, weapons, and electronics.

Do we expect to be able to win such a short, vicious war if we plan to wait until the war starts before we even find out where the manpower is to fight it?

If the first inductees will not even start training until the war is a month old, how can we expect to win a 60-day war?

Nobody disputes the fact that our Armed Forces are not big enough or strong enough to singlehandedly win a war with our chief adversaries by themselves. The Reserves and National Guardsmen are required, yes, and inductees, too, if we are to have any hope of surviving and winning.

That is why this vote is crucial, Mr. Chairman. The survival of our country may be at stake in this vote. If we do not keep this registration provision in, we will be saying to the world: We do not care whether we have Armed Forces strong enough to win the next time war is forced upon us; we are perfectly happy to take our chances in a dangerous world without a care for tomorrow.

Can we afford to take a chance with the future happiness—the freedom—of our children and our children's children? Can we afford to trust all that we have and hope to be on a deep freeze, paper plan to register 2 million people on mobilization day plus 11—under the frantic pressure of wartime conditions.

I remember what it was like after December 7, 1941. I remember how hard it was for this Nation to get cranked up for war—and that was at a time when the registration machinery had already been in operation for about 2 years. They did not start from zero then.

The United States of America celebrated its Bicentennial in 1976, but may never celebrate its Tricentennial unless we stay prepared, unless we remain fully capable of defending ourselves.

There are many today who are seriously concerned about our lack of sufficient strength to defend ourselves against those whose clear intention is to destroy our system of democratic freedom and replace it with a Communist dictatorship.

And the unfortunate thing is that the other side seems to be winning—in the Caribbean, in Central America, in South America, in Africa, in Asia, and in the oil-rich Persian Gulf area. Our country seems to be dealing from a position of weakness—and failing time and time again to win friends and influence people upon whom our economy, our very prosperity, depends.

Are we No. 2 in military strength today? I do not know the answer to that question. But, if the answer is yes, now is the time to take a big step toward rectifying that weakness—vote for registration so that you will be able to go back home and tell your people that you voted to insure that our military forces will be able, in time of war, to find the people needed to preserve our independence.

Never forget that our opponents do not have the same Judeo-Christian ethics we do. War is an integral part of Marxist philosophy. You simply cannot separate the two. And even more frightening is the realization that they believe in, constantly teach about, and plan to use nuclear weapons in future conflicts. While we may choose to delude ourselves into thinking that nuclear war is so frightful as never to be used by any nation, the Russians teach that nucelar war is not only survivable, but winnable and they are, therefore, preparing themselves to do just that.

Can we afford to vote down registration here and now, letting the world know that we are weak and intend to remain so?

The free world is under daily attack—by violent word and by violent deed—every day. Every day bullets are being fired in anger in war somewhere in the world. Amid this violence and hatred, the United States of America remains the last bastion of freedom. But, remember a bastion is no longer a bastion unless it has the strength to defend itself and remain free.

Can we adequately defend ourselves without registration? No, we cannot. We must have it.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. HOPKINS).

Mr. HOPKINS. Mr. Chairman, I rise to repeat my often-expressed opposition to either a peacetime draft or standby registration unless and until it can be clearly demonstrated that the Volunteer Army cannot provide adequately for the national security needs of our Nation.

I have always been, and remain today, a firm believer in the need for a strong national defense. But, after careful consideration, I am not convinced that our Nation's security now requires holding the threat of the draft over the heads of millions of America's young people.

If the time comes that we ever really need the draft, we can get it reinstated quickly, and I would not hesitate to support such an emergency measure. But I suggest that if we are in such a hurry to register our young people for something, let us register them to vote so that we can win our battles with ballots rather than bullets.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I rise in support of the Schroeder amendment and in opposition to the Montgomery amendment. I have the privilege of serving on the Defense Subcommittee on Appropriations, and I understand the work that my colleagues are trying to do here to support strengthening our Reserve and our Guard, but I do not understand how registration will help us achieve that goal. What the Committee on Armed Services should be doing is holding hearings into the failure of the All-Volunteer Force, and what we can do to get people into our Reserve and into our Guard. In the unlikely event that we are attacked by the Soviet Union, the biggest difficulty we will have will be processing all the people who want to volunteer to fight the Russians.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I rise in favor of the Montgomery amendment offered as a substitute for the Schroeder amendment. This is a step forward in establishing registration. We have heard today that we are at peace, but if we want to stay at peace, we must have a deterrent. If we want peace, we must be prepared. If we want peace, we must command respect as a Nation. If we want peace, we must show the world that we are not vacillating. We must show the world that we have high regard for a strong national defense. This is a step toward a deterrent, a step toward better preparedness.

Mr. Chairman, the eyes of the world are looking at our commitment and our resolve on this vote for the Montgomery amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, apparently the Members here have failed to get the message of the Soviet buildup. The registration of 18-year-old males is the minimum registration to restructure our Selective Service System and to begin the buildup of our backup forces. This has nothing to do with the All-Volunteer Force, and it is not a draft. Six to eight months are needed to restructure Selective Service. On January 1, 1980, the President would recommend resumption. If we wait until next year, election year, it will not happen. We will be 2 years behind. I would rather be cut off in 2 critical months in mobilization rather than be 2 or 3 years behind when it might be critical. If we try to register when mobilization starts, then we have chaos. We could be under attack at that time. The electronic gear might be out, and then it would be fatal to this country.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, for the very reason that the gentleman from Texas (Mr. WHITE) just said that we should adopt the Montgomery amendment, I am opposed to the amendment and support the Schroeder amendment. Section 813 describes a very complete report that has to be filed by January 1, 1980. This is more than a year before the effective date that the registration would take place. This gives us ample time to do whatever is required as a result of the report that would be forthcoming from the presidential commission. Everything that we have been discussing will be given to us in the form of legislation at that time. I think that we should reject the Montgomery amendment and pass the Schroeder amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WEISS).

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to my colleague, the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I rise in support of the Schroeder amendments to H.R. 4040, the fiscal year 1980 authorization for the Department of Defense, to strike out those provisions which would require a resumption of registration for the military draft by 18-year-old men. I oppose a resumption of registration at this time because I am not persuaded that it is necessary at this time. I do not agree with some of the remarks made in support of the Schroeder amendment which seem to argue that a peacetime draft is un-American and unconstitutional. If I felt that registration for a possible draft was needed at this time, I would support it.

There seem to be three major reasons cited by proponents of resuming draft registration, and I find none of them convincing. First, some people argue that the All-Volunteer Force has not succeeded—that it is below strength, with too many minorities and poorly qualified soldiers. In fact, the Secretary of Defense calls the All-Volunteer Force "a full strength, active force of a quality equal to or superior to that achieved under the draft." In any case, a return to registration would not in itself lead to any improvements in the All-Volunteer Force.

Second, proponents of registration point to shortfalls in recruitment for the Reserves, which are the source of replacements in the Active Military Forces in the early days of a military conflict. But these shortages are confined largely to the Army Reserves, while the Marine, Navy and Air Force Reserves are much closer to or even above their desired levels. It must also be noted that shortfalls are calculated with challengeable assumptions, guesses, and projections about casualties and replacement needs in a future conflict. The margin for error in these estimates is substantial, so "shortfalls" in reserve strength need to be regarded with some skepticism.

Finally, registration proponents argue that since the Reserves are below strength and the Selective Service machinery for conducting a draft is inadequate, registration is necessary to make inductees to the Armed Forces available more quickly in the event of a national mobilization. I do not know just what the truth is on this point. The Armed Services Committee argues that the registration proposal in the bill before us today would allow the Selective Service System to save 2 months in getting the first draftees into combat units in the field, but the Congressional Budget Office estimates that it would only save 13 days more than could be saved with other Selective Service System improvements which can be provided separately.

To this less than convincing case for draft registration I would add that the Carter administration's Secretary of Defense has stated in no uncertain terms that registration is not necessary now. Only after much more thorough study of all the factors which must be considered in determining whether draft registration is necessary to our national security should the Congress act. I supported the Beard amendment which would have provided for such a study by a blue-ribbon commission.

The time may not be far off when our national security will require a resumption of registration and even of the draft. Ten of the 15 members of NATO already have some form of military conscription, and the United States may one day have to rejoin their number. When I am convinced that conditions in the world and in our Armed Forces require it, I am prepared to support both, but those conditions have not been demonstrated to exist today. I urge my colleagues to support the Schroeder amendment.

Mr. WEISS. Mr. Chairman, I rise in strong opposition to the provision in H.R. 4040 which would require all males 18 years of age and older to register with the Selective Service System starting January 1, 1981 and in support of the amendment offered by the gentlewoman from Colorado.

Thankfully, Mr. Chairman, our Nation is at peace today. American soldiers are not engaged in combat anywhere in the world. Admittedly, the global situation is far from stable, but mandating Selective Service registration will in no way buttress this uneasy peace and may well be interpreted internationally as yet another indication of superpower saber-rattling.

And this is indeed the implicit intention of the registration provision—to demonstrate our "toughness," our "preparedness," our willingness to set in motion now the process that culminates in conscription and mobilization.

I am sure that the proponents of registration are familiar with the study conducted by the Congressional Budget Office on the merits of mandatory registration. The CBO report concludes that peacetime registration would enable actual inductions into the military to begin only 13 days sooner after mobilization than would be the case if the Selective Service System remained on standby with an upgraded computer capacity.

Is this less than 2 week differential a significant enough factor to risk a new round of reciprocal escalations that will further jeopardize peace? There should be no doubt that the Soviets will respond to our decree of mandatory registration with a militarist gesture of their own and that any anteing-up of the stakes by the U.S.S.R. will, in turn, prompt another move by our side.

And so it will go—on and on and on—and for what purpose, to meet what need?

The Department of Defense, which is presumably quite familiar with the situation is certainly not shy about asking for programs and money it believes it needs, does not favor mandatory registration. Does anyone on this floor, on either side of the aisle, really believe that if there were the slightest possible justification for this provision the Pentagon would not be pushing hard to obtain it?

But the administration and specialists intimately acquainted with our military posture do not perceive the need for registration at this time.

So why are we being asked to take this unnecessary and momentous step, a step that will entail gross violation of privacy for millions and millions of American citizens?

All of us can readily recall the deep divisions in our society that resulted from our last experience with mandatory Selective Service registration and its inevitable counterpart—military conscription. Do we want to repeat that experience now, especially when there is no compelling need of any kind to justify the numbering, classification and invasion of privacy for millions of Americans?

In short, Mr. Chairman, this provision is dangerous, unwarranted, insufficiently analyzed and an affront to constitutional safeguards of privacy. I call upon my colleagues to reject this measure by supporting the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

(By unanimous consent, Mr. STRATTON yielded his time to Mr. PRICE.)

The CHAIRMAN. The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I urge this body to turn down the Montgomery amendment which is the committee bill as it now stands and return to the Schroeder amendment. I remind the Members that the Senate bill that is compatible with this bill does not have registration in it. I also remind the Members that registration does not solve the problems of the Reserve or the National Guard, as we have heard them described, procurement, nor does it automatically train and mobilize people. Nor are the Russians going to be frightened of a country that in peacetime feels it must run out and register its young people to make sure they can corral them.

□ 1840

Remember our borders are open and they still can escape.

Mr. Chairman, I think what we have to do is work with the real gut issues of morale that have been addressed so eloquently in this body by other Members and deal with the real gut issues of the training command and all the problems we have with mobilization and the tooth-to-tail ratio described by the gentleman from New York.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I certainly rise in full support of the amendment I have offered. As has been said, the amendment that has been offered by me is the committee position. The committee totally supports this amendment I have offered. It is a straight-up vote, Mr. Chairman, whether you want registration or whether you do not. The wording of the amendment is basically the same as that which is in the bill.

Mr. Chairman, I certainly hope the committee will vote for this amendment as this is the committee position.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I yield back my time.

● Mr. BONER of Tennessee. Mr. Chairman, it is with some reluctance that I find myself in support of the amendment to remove the establishment of mandatory draft registration from H.R. 4040, the Department of Defense authorization bill. I wish to state that I do support efforts to permit the President to establish mandatory registration of this Nation's young people in the event of a war situation or national emergency. I cannot, however, support the committee version of the bill which includes mandatory registration as part of an appropriations bill.

I believe that a registration program should be the end result of careful examination and evaluation of the present state of manpower preparedness in our military and civilian sectors. By including mandatory registration as part of this authorization bill we are limited to 1 hour's debate, a mere 30 minutes for the opposing viewpoints to be placed before this House. It seems to me that 1 hour is hardly enough time for the serious consideration this issue demands.

Mr. Chairman, the passage of this amendment will still allow us to formulate legislation instituting a comprehensive system of registration for all draft eligible individuals within the time frame established by the House Armed Services Committee, January 1, 1981. The structures and methods we put in place are of vital importance to the security of our Nation. Surely such a significant undertaking deserves the undivided attention of this House, in a separate bill, to stand or fall on its own merits, not attached to questions of military hardware and spending levels. The system of manpower mobilization and defense readiness we establish must work the first time it is called into use.

I understand that there is a split in opinion between the Joint Chiefs of Staff on the one side and the President and Secretary of Defense on the other side. Can we permit such a hotly debated issue to slide through as a committee amendment to a major authorization bill and at the same time be limited to an hour's debate because of parliamentary procedure?

I think not.

Mr. Chairman, I am more interested in a fair and equitable system of draft registration that works than I am in merely having a system established. I urge passage of the Schroeder amendment so that we may proceed to create a system of mandatory draft registration with all the care and detailed debate that a question so vital to our defense and security requires.●

● Mr. KEMP. Mr. Speaker, the combat effectiveness of our Armed Forces is one, a profound concern of mine, and one which is, in my view, directly related to the question we are discussing today. I have supported the concept of an All-Volunteer Force as a means of maintaining our military capability in peacetime. I am gravely concerned, however, about persistent reports about the quality of our Armed Forces today in many respects. I do not believe that there is a law of nature that makes an All-Volunteer Force less effective than a force obtained by conscription. But, I fear that inadequate attention has been paid to the details of the All-Volunteer Force concept that has contributed to its current state.

In particular, I would argue that the All-Volunteer Force has simply exchanged a high turnover/low budget cost conscript system for a high turnover/high budget cost volunteer system. This high turnover is reflected in the statistic that 40 percent of new recruits fail to complete their first term of service. As a consequence, the high turnover results in a greater training burden, low productivity from first-term soldiers, and eventually, an inadequate Reserve Force as well. It is my view that urgent measures should be taken to reform the All-Volunteer Force to develop more long-term first enlistments so that training costs and wear-and-tear on operational equipment used in training can be reduced, and productivity can be increased. Failure to reform the All-Volunteer Force will leave the Nation no alternative than to return to a conscription system of some sort with the inevitable problems raised by such a system of meeting our military requirements.●

● Mr. DRINAN. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER) to delete section 812 from the Department of Defense authorization bill. The committee bill includes a dangerous provision which would authorize the registration of all 18-year-old males beginning January 1, 1981. The President already has the authority to register and, if necessary, induct males between the ages of 18 and 26. If the President determines that registration is a necessary precaution to take in the defense of the Nation, the mechanisms to administer such a decision already exist. The Department of Defense opposes this mandatory resumption of draft registration, and the Selective Service System has stated repeatedly that it can meet the Defense Department's mobilization timetable without requiring peacetime registration.

The facts are that the All-Volunteer Force has ended 5 of its 6 years within one-tenth of 1 percent of its manpower. The worst year for the All-Volunteer Force was 1975 when the four services combined ended up the year 41 one-hundredths of 1 percent short of the planned goal. Certainly this cannot be regarded as a bad record.

The Department of Defense bill is the wrong vehicle in which to even consider such a proposal. This is a major piece of legislation which contains many important issues that require full debate. Justice is not served by attaching the draft registration issue to the multibillion-dollar Department of Defense bill.

Even many of the proponents of draft registration admit that it is merely the first step toward actual induction of men. An action of this magnitude should not be taken lightly, and clearly should not be buried in this bill.

It is fundamentally wrong for a democratic society to systematically invade the privacy of its 18-year-old men, particularly when our country is not at war.

I strongly urge the Members of this body to vote for the Schroeder amendment to strike section 812 of this bill.●

● Mr. STARK. Mr. Chairman, section 812 of this bill reestablishes registration under Selective Service for all males who become 18 after December 31, 1980.

We do not need peacetime draft registration.

If we did, it should not be limited to males.

It should not be limited to those who become eligible to vote 58 days after the 1980 elections.

It should not exempt those who, because of a fortuitously timed close encounter of the most important kind, were born before January 1, 1963.

It should not exempt those who run this country.

We should not be telling a small minority of our population to line up and muster for possible military service while most of our people, including all of us who are passing judgment on this bill escape.

This legislation is poorly conceived and poorly drafted.

Let us also consider the fact that we do not have any problem getting people to join the CIA, or the FBI or State and local police forces. Why cannot we make military service attractive to our young people? Let us give them adequate pay and job satisfaction. Then we will have people knocking down the doors to get in and we will not have to use the force of law to flesh out our military forces. Good management is more likely to succeed than bad law.

Forced registration is a serious intrusion of the Federal Government into the lives of those required to register. I have heard of no justification for such a step at this time.

The Carter administration agrees. Several of us received a letter dated July 23 from Stu Eizenstat. The letter states clearly:

> The Administration opposes new legislation to reimpose peacetime registration for the draft.

A vote for the Schroeder amendment will remove an inappropriate matter from this bill, a matter that requires considerably more study and debate.●

● Mr. DODD. Mr. Chairman, I rise in support of the amendment offered by Mrs. SCHROEDER of Colorado. Mrs. SCHROEDER's amendment would strike the provisions of H.R. 4040 which require the mandatory registration of 18-year-old males by January 1, 1981, and would also require the President to report to Congress on reforming the Selective Service system.

I am opposed to the compulsory Selective Service registration of our Nation's young men for four fundamental reasons.

First, I believe that the Armed Services

Committee has erred in including registration in this particular bill. I fail to see why we should be amending the Selective Service Act during our consideration of the Department of Defense authorization bill. If mandatory registration was introduced as a floor amendment to this bill, I do not believe that it would be considered germane. Historically, amendments, or extensions of the Selective Service laws have been brought to the floor of the House as separate measures and never as appendages to the Defense authorization bill.

Personally, I believe that the issue of registration should be considered separately from the main body of this year's Defense bill. The House should have the opportunity to debate and fully consider the far-reaching economic, social, political, and military implications of a return to peacetime registration on its own merits rather than as one part of a bill authorizing appropriations for our national defense.

It was on this basis that I offered a motion in the House Committee on Rules to postpone floor consideration of the bill. It was my intention to convince the Armed Services Committee to delete the registration provisions from the bill before it came to the floor. Unfortunately, my motion failed on a 7-to-7 tie vote. However, I am confident that we will be able to defeat peacetime registration on the floor today. I simply do not think it is appropriate for us to be considering an issue of this importance when not one hearing on this specific registration proposal was held in committee. Registration is just the first step toward a return to the draft—surely such a proposal requires greater thought and more extensive examination before it is implemented.

An important point which I believe must be emphasized is that the other body has already decided to deal with the issue of mandatory registration as a separate bill instead of tacking it on to their Defense authorization bill. If the House includes registration in H.R. 4040, we will be letting this important issue to be decided in conference committee, thus precluding an opportunity for the Senate to vote on the matter.

Second, I am opposed to mandatory registration because the President, as Commander in Chief of our Armed Forces, already has the legal authority to order the registration on young men. It is interesting to note that because of errors in drafting this bill, the legislation actually removes the President's discretionary authority to order registration between the effective date of the act and the 1981 implementation of the Selective Service provisions. Past Congresses have always committed the critical decision of when to order registration to the Commander in Chief. Considering that the authority already exists for the President to begin registration, it is unneeded and unwise to impose registration upon him.

Third, I believe that the legislation is further flawed because it first mandates a return to peacetime registration by January 1, 1981, and at the same time asks the executive branch to complete a study on reforming the Selective Service System by January 1980. In effect, we are putting the cart before the horse. On one hand we are asking the executive branch for a study on the Selective Service System and on the other hand we are saying no matter what the study says, we are going to impose registration in any case. Whether one favors or opposes registration, it is this sort of flawed language that makes these registration provisions so unworkable and unwarranted.

Fourth, and perhaps most importantly, I firmly believe that peacetime registration is unnecessary for our national defense. There are other ways to insure that we know how to call upon the young men of this Nation if it becomes necessary besides the intrusion of compulsive registration. There are existing data bases which could easily be used to provide us with a list of potentially eligible young men. I was convinced that mandatory registration was unneeded after I met with many of the Armed Forces recruiters in my State. I found it very significant that of the 35 recruiters from every service whom I spoke to, all but 2 of them opposed a return to peacetime registration.

They told me that they are now finally getting very close to meeting their recruiting goals. If registration was imposed they fear that the resulting resentment of the Government and the Armed Forces could only hurt their present efforts. I was told that if the recruiters had better access to lists of young people, their jobs would be far easier. I believe that instead of imposing mandatory registration, this Congress should be thinking of ways to increase the efficiency of our All-Volunteer Force recruiting efforts, and we should also be giving the Selective Service the ability to draw upon existing lists of potential inductees.

We have been hearing a great deal recently about our inability to attract enough people into the All-Volunteer Force. However, how many of my colleagues know the All-Volunteer Force has ended 5 of its 6 years within one-tenth of 1 percent of its manpower goals. Those figures should, I hope, dispell the sometimes popular notion that the AVF is not working. I also wonder how many of my colleagues realize that the quality of recruits has risen since the draft ended. In short, the All-Volunteer Force is working. If some of us see problems with the AVF in the future, we should carefully consider the proper course of action rather than jumping headlong into reinstituting mandatory registration, and especially the flawed registration provisions of this bill.

Finally, some of my colleagues have warned in the most dire terms of the growing military danger the United States faces. What I would like to know is why they do not ask us to reinstate registration immediately instead of after the 1980 elections, and why they do not call for a return to the draft instead. I think it is clear that there is currently no emergency requiring a return to registration that cannot be handled under the President's present authority.

I urge my colleagues to defeat peacetime registration and to vote in favor of the Schroeder amendment.●

PARLIAMENTARY INQUIRY

Mr. GLICKMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GLICKMAN. Mr. Chairman, I wonder if the Chair would state what the parliamentary situation is with respect to the two amendments.

The CHAIRMAN. The question will first occur on the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY) as a substitute for the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question is on the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY) as a substitute for the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. MONTGOMERY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 163, noes 252, not voting 19, as follows:

[Roll No. 461]

AYES—163

Abdnor
Akaka
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Bouquard
Bowen
Breaux
Brinkley
Brooks
Brown, Ohio
Broyhill
Butler
Byron
Campbell
Carney
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
Derrick
Devine
Dickinson
Dingell
Dougherty
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ga.
Fary
Fazio
Flippo
Fountain
Fowler
Frost
Giaimo
Gingrich
Ginn
Gore
Gramm
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hubbard
Hughes
Hutto
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Tenn.
Kazen
Kelly
Kogovsek
Kramer
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lungren
McDonald
McEwen
Martin
Mathis
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nedzi
Nelson
Nichols
Price
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Rudd
Santini
Satterfield
Scheuer
Schulze
Sebelius
Shelby
Shumway
Shuster
Simon
Skelton
Solomon
Spence
Stenholm
Stratton
Symms
Taylor
Thomas
Treen
Trible
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Zablocki
Zeferetti

NOES—252

Addabbo
Albosta
Anderson, Calif.
Annunzio
Aspin
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Bellenson
Benjamin
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
Danielson
Daschle
Davis, Mich.
Deckard
Dellums
Dicks
Diggs
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Glickman
Goldwater
Gonzalez
Gradison
Grassley
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Jacobs
Jeffords
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Lederer
Lehman
Leland
Lewis
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, Pa.
Myers, Pa.
Natcher
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roth
Rousselot
Royer
Runnels
Russo
Sabo
Sawyer
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weaver
Weiss
Whitten
Williams, Ohio
Wilson, C. H.
Wirth
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.

NOT VOTING—19

Anderson, Ill.
Applegate
Carter
de la Garza
Derwinski
Dixon
Flood
Gibbons
Goodling
Huckaby
Hyde
Jones, N.C.
McClory
Pepper
Preyer
Roybal
Stump
Vander Jagt
Young, Alaska

□ 1850

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. MINETA). The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mrs. SCHROEDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 259, noes 155, not voting 20, as follows:

[Roll No. 462]

AYES—259

Addabbo
Albosta
Ambro
Anderson, Calif.
Annunzio
Aspin
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Bellenson
Benjamin
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Crane, Daniel
Crane, Philip
Danielson
Daschle
Davis, Mich.
Deckard
Dellums
Dicks
Diggs
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Forsythe
Fowler
Frenzel
Fuqua
Garcia
Gephardt
Gilman
Glickman
Goldwater
Gonzalez
Gradison
Grassley
Gray
Green
Guarini
Guyer
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Jacobs
Jeffords
Jenkins
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lederer
Lehman
Leland
Lewis
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, Pa.
Myers, Pa.
Natcher
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roth
Rousselot
Royer
Runnels
Russo
Sabo
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weaver
Weiss
Whitten
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.

NOES—155

Abdnor
Akaka
Alexander
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Butler
Byron
Campbell
Carney
Chappell
Cheney
Cleveland
Clinger
Collins, Tex.
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
Derrick
Devine
Dickinson
Dingell
Dougherty
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ga.
Fary
Fish
Flippo
Fountain
Frost
Gaydos
Giaimo
Gingrich
Ginn
Gore
Grisham
Gudger
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hubbard
Hughes
Hutto
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Tenn.
Kazen
Kelly
Kogovsek
Kramer
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lungren
McDonald
McEwen
Martin
Mathis
Mica
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nedzi
Nelson
Nichols
Pickle
Price
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Rudd
Santini
Satterfield
Schulze
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Solomon
Spence
Stanton
Stenholm
Stratton
Symms
Thomas
Treen
Trible
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wright
Wyatt
Zablocki
Zeferetti

NOT VOTING—20

Anderson, Ill.
Applegate
Carter
de la Garza
Derwinski
Dixon
Flood
Ford, Tenn.
Gibbons
Goodling
Huckaby
Hyde
Jones, N.C.
McClory
Pepper
Preyer
Roybal
Stump
Vander Jagt
Young, Alaska

□ 1910

The Clerk announced the following pairs:

On this vote:

Mr. Dixon for, with Mr. Preyer against.

Mr. Pepper for, with Mr. Jones of North Carolina against.

Mr. LEWIS changed his vote from "no" to "aye."

Mr. FISH changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. PRICE. Mr. Chairman, there are no more amendments pending to this part of the bill. Therefore, could the Clerk read?

The CHAIRMAN pro tempore (Mr. MINETA). Does the gentleman have an amendment to section 615?

Mr. PRICE. No, I do not, Mr. Chairman.

PARLIAMENTARY INQUIRY

Mr. CHARLES H. WILSON of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. CHARLES H. WILSON of California. Mr. Chairman, the statement of the gentleman was that there are no further amendments to this particular part of the bill. Does that include all of title VIII?

The CHAIRMAN pro tempore. Just sections 812 through 815.

Mr. CHARLES H. WILSON of California. I thank the Chairman. I do have an amendment to title VIII in another part.

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MINETA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4040) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. BEDELL. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may be permitted to sit tomorrow, Thursday, September 13, 1979, during the 5-minute rule. We are meeting on H.R. 3905.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Schroeder amendment to the bill, H.R. 4040.

The SPEAKER. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3996, AMTRAK REORGANIZATION ACT OF 1979

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, FLORIO, and SANTINI, Ms. MIKULSKI, and Messrs. MURPHY of New York, RUSSO, BROYHILL, MADIGAN, and LEE.

"THE ROLE OF REGULATORY REFORM IN AN ANTI-INFLATION PROGRAM," AN ADDRESS BY ALFRED E. KAHN

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, one of the most thoughtful discussions I have read about the question of Government regulations and the fight against inflation was delivered by Alfred E. Kahn, Chairman of the Council on Wage and Price Stability and adviser to the President on inflation, before the American Bar Association in Dallas, Tex., on August 15,1979.

One of the reasons I draw this address to the attention of Members of Congress is that President Carter praised it highly in a meeting with congressional leaders last week.

The address, "The Role of Regulatory Reform in an Anti-Inflation Program," follows:

THE ROLE OF REGULATORY REFORM IN AN ANTI-INFLATION PROGRAM

(Remarks of Alfred E. Kahn)

There are a lot of reasons why you ought to be intensely interested in the job I am trying to do.

The first is purely personal. While I have no doubt that most of you are managing to make ends meet these days—especially if we include in the measure of your real income the privilege you have of taking tax deductible vacation trips to Texas in the middle of the summer—I'm sure that even you suffer daily on finding that you're not quite as rich at the end of the day as you thought you were at the beginning, and wonder what is happening to the value of your savings.

Second, there is the simple fact that inflation is something bad that is happening to our country.

Third and fourth, there are professional reasons why you ought to be extremely interested in the problem of inflation and in our attempts to combat it. The first of these is broadly philosophical. The law is an important part of the fabric that holds society together. It is not the entire fabric: it's not the law alone that keeps me from walking on the grass in the median on Pennsylvania Avenue that lies between my house and the Metro, or that keeps me from throwing pieces of paper out of my car on the highway. But I see inflation as a symptom of a weakening of that social fabric—of our society's failure adequately to hold the pursuit of individual and group interest in check, and this in turn raises profound questions about the proper roles of voluntarism and persuasion, on the one hand, and legal compulsion on the other in any attempt to strengthen those restraints.

Somewhat more narrowly—and this is my fourth reason—a very important part of the social compact we have undertaken to combat inflation is a resolution on the part of the Federal Government to reexamine and reform the intricate network of regulations with which it enmeshes the private economy; and this so-called regulatory reform effort is one that intimately involves the livelihood—frankly, I hope it actually threatens the livelihood—of thousands of lawyers whose claim to a share of our national income is their skill in helping clients through some portion of that regulatory mesh: That last was a deliberate mispronunciation. I hope you will not misinterpret these particular efforts of mine as being directed against you in any personal way: some of my best friends are lawyers. And you can in any event afford to be indulgent: while I have some successes, I do not any more than King Canute expect to push back all the way the regulatory oceans in which you fish with such profit.

These last observations may be somewhat mystifying to those of you who were brought up to believe that inflation is an essentially technical problem that can readily be corrected by, for example, simply restraining the growth in the money supply, or the federal budget deficit. I do not deny that surges in government spending unmatched by increases in tax rates and rapid increases in the money supply have played a major role historically—including some very recent history—in fueling inflation; or that, with sufficient resolution in restricting both of these sources of total spending, we could bring it under control. But our failure to do so merely restates the question: why do some countries do less well than others; why does our country do less well today than a decade or two ago in restraining aggregate spending sufficiently to hold inflation in check?

I have no simple answers to those questions. I suggest, however, that one important way of understanding this apparently endemic problem is as the outcome of a struggle over the distribution of the national income pie. Inflation is a situation in which the sum total of those real income claims that we make adds up to more than the economy is capable of satisfying in real terms. We make these claims not just by spending our incomes for goods and services, but also by borrowing to spend beyond our income—are you aware, for example, that in 1978 consumer debt increased $50.6 billion, and mortgage debt by an additional $49 billion—by the wages we demand, the profit margins we set, the demands we make for cheaper credit, and the demands we place on government for tax deductions, preferences, subsidies, and expenditure programs. So society passes out all those dollars we insist on having in these various ways, and then cleverly arranges to have the real value of each of them diminished sufficiently so that in the end, miraculously, all of us together get in real terms exactly what our society as a whole is capable of providing us and no more—except for a great deal of frustration and anger; that comes at no extra charge.

This conception of the inflation problem is what leads me to see it as a question of the adequacy of the rules by which our society sets limits to individual self-seeking. That is why I'm convinced the President is right when he sees our willingness individually and collectively to restrain our demands sufficiently to control inflation as a real test of American society.

The task of exercising and eliciting restraint has many facets, and together these make up the President's anti-inflation program; they would be the main components of

any conceivable program for a society like ours.

First, and most prominently, the government itself must lead the way by practicing monetary and fiscal restraint. Aggregate demand must be held in check; we must keep a margin of slack in the economy, in order to allow competitive pressures to help hold down prices and wages.

Second, we have to have standards of responsible wage setting and pricing. I do not want to engage you in semantic discussions about whether a program that is backed up by the threats of public disclosure and of withdrawing government contracts can be properly characterized as wholly "voluntary." There certainly is a very substantial admixture of voluntarism in our present program. If you don't believe this, go talk to the United Rubber Workers and Machinists.

On the other hand, I must point out that our standards have been remarkably effective. I suspect you would be surprised to learn, for example, that average hourly earnings have actually increased at a lower annual rate of 7.9 percent during these last nine months as compared with 8.2 percent in 1978. And that, during the last six months, when the Consumer Price Index has gone up at an average rate in excess of 13 percent, if we take our energy, food, and the cost of home purchases—all of which have soared, but none of which it makes any sense to try to subject to the price standards —the rest of the CPI, reflecting more closely our underlying, basic rates of inflation, went up only 7 percent—nothing to write home about, but, in my judgment, a tribute to the comparative success of the standards—so far.

But the particular program of restraint on which I want to concentrate today is the President's promise to subject to intense scrutiny all government regulations that protect and promote special interests, that restrict competition, that interfere with the efficient functioning of markets, and that impose excessive costs on the economy—his promise, in short, of regulatory reform.

Regulatory reform means many things to many people. Substantively, it seems to me essential at the outset to distinguish regulations that protect particular economic interests against competition, by limiting price-cutting, market entry, or the free flow of goods and services, from the ones that have as their purpose such broader social goals as protection of the environment, health, or safety.

COMPETITION AND ECONOMIC REGULATION

I think there are two basic truths about the relationship of competition to regulation. The first is that they are fundamentally incompatible, and one has to make a choice between them. The second is that they must inevitably coexist, and the quest must therefore be for the ideal mixture.

As for the first of these propositions, I think it unquestionable that there is a basic difference between the regulatory mentality and the philosophical approach of relying on the competitive market to restrain people. The regulator has a very high propensity to meddle; the advocate of competition, to keep his hands off. The regulator prefers order; competition is disorderly. The regulator prefers predictability and reliability; competition has the virtue as well as the defect that its results are unpredictable. Indeed, it is precisely because of the inability of any individual, cartel or government agency to predict tomorrow's technology or market opportunities that we have a general preference for leaving the outcome to the decentralized market process, in which the probing of these opportunities is left to diffused private profit-seeking.

The regulator prefers instead to rely on selected chosen instruments, whom he offers protection from competition in exchange for the obligation to serve, as well as, often, transferring income from one group of customers to another—that is, using the sheltered, monopoly profits from the lucrative part of the business to subsidize the provision of service to other, worthy groups of customers. No matter that the social obligations are often ill-defined, and sometimes not defined or enforced at all; the protectionist bias of regulation is unmistakable.

I have on several occasions during the last two years, for example, described to various audiences incredibly detailed limitations it was my obligation to enforce on the operating rights and pricing by air carriers—adjectives like insane, maniacal, sadistic became part of my daily vocabulary. The only point I want to make about them is that every one of these maniacally complicated sets of restrictions—on where each carrier may fly and where it may not, by what routes, with what stopovers, what prices it may charge to which categories of customers, under what particular sadistic set of restrictions related to advance purchase, minimum length of stay, previous condition of servitude—is there to protect somebody from competition. Every one of them, therefore, insulates some business from the healthy pressure to be efficient, enterprising, and aggressive in serving the public.

And what do we get in exchange? The usual rationalization for the similar pervasive restrictionism and cartelization imposed upon the motor carrier industry, for example, namely that it ensures better service to small towns, proves upon examination to be a complete phony. In point of fact, we have discovered that the Interstate Commerce Commission does not know who is actually serving small towns. We have found no evidence that it enforces any obligations of certificated carriers to serve them, or that it has ever refused an application by any carrier to abandon such service; and we have found absolutely no evidence of actual internal subsidization. Indeed, a moment's thought should convince you that internal subsidization is totally implausible: there are thousands of certificated trucking companies, and absolutely no evidence we have been able to find of an attempt by the Commission to see to it that the same carriers that enjoy rights on profitable routes are also required to serve small communities.[1] Unless the same carriers provide service on both kinds of routes—and carriers do not pool their profits—how can there be cross subsidization?

I have had occasion elsewhere to document the inexorable tendency of regulation to spread its net ever wider and finer, in attempting to maintain order in a dynamic industry. Regulation of the railroads seemed logically to require regulation of their new competitors, the trucks; that regulation in turn encouraged the expansion of private and exempt carriage; these exempt carriers, presented with incentives to invade the protected common carriage capacity, kept opening up loopholes—for example by leasing their trucks to certificated carriers for the return trip, often by highly circuitous routes. In each case, until quite recently, the ICC moved to curtail the exemption, to close off these competitive efforts to circumvent its restrictions.

The unedifying recent spectacle of the Department of Energy chasing gasoline and diesel fuel shortages all across the country and trying to solve them by continually modifying its allocations—and leaving new shortages in its wake—similarly clearly exemplifies the regulator's propensity to respond to problems with ever more intrusive interventions rather than leave them to the market.

Similarly, the discouragement of price competition among air carriers, under the protective regulation of the Civil Aeronautics Board, led them instead to compete through denser scheduling, more sumptuous meals, the offer of in-flight entertainment, and in commissions to travel agents.[1] And that led the regulatory authorities in turn to sanction intergovernmental or industry efforts to impose restrictions on scheduling, prescribe the size of sandwiches, dictate charges for in-flight entertainment, and fix maximum commissions to travel agents.

In short, as I have put it elsewhere, for the complete regulator, the operating principle is: whenever the regulatory dike springs a leak, plug it with one of your fingers; and just as a dynamic industry perpetually finds ways of opening new leaks, so the complete regulator never runs out of fingers.

The obvious solution to the fundamental incompatibility between the competitive approach and the regulatory ones is a principle with which I suspect most of us would not quarrel: wherever competition is feasible, deregulate. Leave the protection of the consumer to the competitive market process, to antitrust and the Federal Trade Commission Act, to direct safety regulations, where the market will not provide tolerable margins of safety, and even direct subsidies to service to small communities, if that is what society decides it wants to do.

One does not accomplish changes like this in a day. But the President has moved vigorously to deliver on this part of his promise.

Last year, for example, we presided over the most complete deregulation of a major industry in recent history, as we dragged the airlines, many of them screaming and kicking, into the free market—and right to the bank.

This year, the President has sent to Congress a bill to apply similar treatment to trucking. Meanwhile, the ICC has been moving on its own to make entry easier, to remove some of the most onerous restrictions on backhauls by private carriers; and the Senate has just confirmed the appointment of three outstanding, reform-minded new commissioners, one of them, by an interesting coincidence, the man I appointed as my chief economist at the Civil Aeronautics Board.

We have already submitted to Congress a proposed bill for rail deregulation. I had the pleasure recently of strongly supporting a petition by Trailways to the ICC for an experiment in free market entry this summer, and of seeing it approved, in modified form.

In the field of communications, the FCC has already moved to eliminate some of the most burdensome restrictions on cable TV operators—which had the purpose, of course, of protecting over-the-air broadcasters from competition. We are actively working with Congress to explore ways of making competitive entry into the common carrier field freer as well, and to eliminate some of the traditional regulatory boundaries, long ago rendered obsolete by the march of technology, which the several communications carriers have been prohibited from crossing.

Finally, under this heading, I must mention the President's courageous decision to deregulate the domestic price of crude oil over the next two years. This was a cruelly difficult choice: letting the domestic price move up to the world level maintained by a powerful cartel had obvious political drawbacks, and its immediate effects are probably inflationary. But deregulation is clearly the

[1] Remarks of Alfred E. Kahn, before the Symposium on The Changing Environment of International Air Commerce, Georgetown University, in cooperation with the Air Transport Association of America, May 4, 1978.

most efficient way of meeting our energy, balance of payments, and national security problems. By far the most efficient way of taking care of the unwanted effects of deregulation on the distribution of income is not to hold price below replacement cost, thereby subsidizing all consumption (and incidentally, imports) but to impose taxes on the windfall profits and distribute some of the dollars to the needy.

CHOOSING THE LEAST ANTI-COMPETITIVE AMONG THE AVAILABLE ALTERNATIVES

In other situations, however, total deregulation is out of the question—either because of political resistance, or in principle: in the presence, for example of powerful externalities, such as adverse effects on the environment, or irreversibilities, as in the case of severe threats to public health, or in situations in which consumers or workers may be simply incapable of making informed judgments, as in situations involving occupational or product safety. In these cases, the simple competitive prescription is infeasible.

But in these situations as well, the necessity for making efficient choices is fully as great as where we can rely on competition to make them; and we cannot afford to give up entirely, except where it is inescapable, the powerful pressures for efficiency that competition exerts.

This means, as a general proposition, that it makes good sense to instruct regulatory agencies, wherever such an assessment is pertinent, to ask themselves—aloud—whether some particular statutory purpose can conceivably be served by a variety of devices, of varying degrees of anti-competitiveness, and to be forced at least to explain if they fail to choose the least anti-competitive one—something along the lines of the Svenska doctrine in the maritime field, or Local Cartage, in air transport. The agencies regulating transportation, for example, obviously should be asking themselves whether service to small communities might better be achieved by freer entry into those markets than by imposing on unwilling carriers only partially effective to totally ineffective obligations to serve them.

In communications, similarly, we satisfied ourselves at the New York Public Service Commission that the quality of telephone service could be adequately ensured—indeed improved—by our adopting a policy of free competitive entry into the terminal equipment field, along with a program for certifying the compatibility of customer-owned equipment with the delicate communications network.

It is not clear whether it will be possible to permit free entry into common carrier communications as well, without having to stipulate in detail the prices the Bell System may charge for competitive services, in order to prevent subsidization of that competition at the expense of captive customers of Bell's monopoly services. One less anti-competitive way might be, instead, by requiring Bell to operate in this field through an independent subsidiary, and obliging it to make its monopoly facilities available to all competitors, including its own subsidiary, on uniform terms.

The steps we have taken in liberalizing Regulation Q—which sets maximum interest rates that banks can pay depositors—illustrate the same principle of adopting the lesser of the available anti-competitive alternatives. One problem presented by such a reform is the squeeze that it threatens to impose on thrift institutions, who would be forced to bid higher and higher interest rates in order to retain their deposits, while their assets are tied up in long-term mortgages bearing lower interest rates fixed in the past. The solution the Administration adopted was to achieve these necessary protections, on the one side by relaxing Regulation Q only over a period of years, and on the other side relaxing the present restrictions on the lending and investing activities of these thrift institutions.

APPLYING MARKET PRINCIPLES TO ENVIRONMENTAL AND SAFETY REGULATION

The other major kind of regulation—environmental, occupational and product safety—is very different in principle. No one in his or her right mind could argue that the competitive market takes care of protecting the environment. In the presence of such externalities, and in the absence of regulation, competition becomes rivalry in the degradation of the environment; unless the government intervenes, producers and consumers will have no incentive to hold down the costs that they can slough off to others. As a result, they will refrain from making any expenditures, no matter how small, to cut down on those costs, no matter how large. Although there are some important differences in the case of occupational and product safety, the fact remains that we as a society are unwilling to leave these to the operation of the free market.

It has become commonplace to observe that the rapid spread of these regulations in recent years has imposed heavy costs on the economy, and that this has contributed to inflation. It has also been observed that it has contributed directly to the distressing decline in the rate of productivity growth.

I am not particularly interested in joining in the population numbers game about the aggregate costs of these regulations, because these estimates are close to meaningless. Costs can intelligently be measured only in relation to the benefits they provide; the pertinent question is, therefore: what is the value of what we get in return? And are we maximizing the value in relation to costs?

The same observation applies to the alleged contribution of these regulations to diminished productivity growth. We measure productivity by putting output in the numerator and input in the denominator. You can always get high measures of productivity if you include in the denominator only the costs that a business pays and leave out other genuine costs that supplying its products or services actually imposes on society—the costs of industrial accidents, disease, or degradation of the environment. No wonder, then, that internalization of those costs by regulation, imposing the costs of abating them specifically on the production or consumption that causes them, has in recent years resulted in some apparent dampening down in the rate of labor or capital productivity growth.

None of this is to deny that these regulations have increased the money costs of doing business, and therefore contributed to higher prices. The consumer is now being asked to pay in those prices a number of real costs that all of us previously paid for in concealed ways. If all of us try to compensate for those higher prices by demanding and getting equivalently higher money incomes, we will have given an added twist to the inflationary spiral. We can't have cleaner air and cleaner water and safer products and reduced industrial accidents while at the same time having just as much of everything else. And if we continue to demand, all of us, just as much of all those other things while now demanding additional amounts of environmental and occupational protection, then this does produce inflation.

The benefits of environmental protection and clean-up and improved occupational and consumer product safety are real; so are the costs they impose on the economy. Because they use scarce resources—capital, labor, raw materials—these regulations must be subjected to economic tests—to a weighing of the costs against the benefits—if they are to be rational.

I think there is little room for doubt that we have not consistently applied this test in the past. Nor have we consistently attempted to devise regulations that would maximize the incentive of private parties, businessmen and consumers to minimize the costs, or to find ways of producing the benefits in the most efficient way.

The President's program quite properly involves applying such tests.

How well have we delivered on this promise?

The most general effort is the Regulatory Reform Act of 1979, which the President proposed in March, and which would codify many of the reforms he established in Executive Order No. 12044. In addition to provisions to eliminate needless legal formalities and delay, this law would require that when agencies develop major regulations, they list alternative means of accomplishing the objectives, with the costs and benefits of each, and select the least costly way of achieving a given objective or explain their failure to do so.

One very interesting embodiment of this principle is the bubble policy that the Environmental Protection Agency has established: it is an excellent example of a way of simulating a competitive market, and in this way holding down the costs of regulation. Competition serves the cause of efficiency by distributing production among the lowest-cost suppliers; more specifically, for those of you who have a taste for the jargon, it tends to minimize cost by equalizing costs at the margin from various sources of supply. The bubble policy, which would permit plants to achieve emissions limitations on a plant-wide basis, rather than equally from each of a plant's separate sources of emissions, would do the same thing. It would enable businesses to control emissions stringently where the marginal costs of doing so are low, and less stringently where they are high, and would permit them in this way to achieve the same results with very, very large possible cost-savings.

Observe, also, how well the bubble policy exemplifies another central aspect of regulatory reform: abandoning, to the greatest extent possible, detailed specifications by the regulatory agency of the precise methods of meeting a particular goal, in favor of establishing performance standards, and leaving it to the regulated industries to find the least costly ways of achieving them.

An even clearer emulation of the competitive market is EPA's policy of permitting proposed new sources of emissions to be sited in "non-attainment regions" provided they obtain offsetting reductions in the emissions from existing sources. It is also proposing the use of marketable permits for siting facilities in "attainment" areas. What this means, in effect, is that the permission to impose on society the costs of pollution would be distributed competitively, rather than rationed on the basis of who came first: it would therefore tend to maximize the social benefits achieved while holding pollution levels within specified limits.

Indeed, the most heartening recognition of the applicability of competitive principles to regulatory situations is the apparently almost universal acceptance of the notion, now, that if we ever were to institute gasoline rationing, it would be highly desirable to make the coupons freely transferable. In this way, we could achieve whatever equity goal motivated the institution of rationing in the first place: total demand would be restricted, the price of gasoline bought with coupons would therefore assure access to the

lower-cost gasoline in whatever way accorded with our conception of social equity; but buyers could get all the incremental supplies they were willing to take at a free market price; and coupon holders would be rewarded for such conservation as they practiced by being able to sell their coupons at that price.

It would make this account of mine excessively long if I were to attempt to describe in any detail the many other instances in which, where it seems impossible actually to introduce something approximating a free market, the Administration has attempted at least to accomplish some approximation to a sensible balancing of costs and benefits in framing its regulations. The Regulatory Council—an organization of the regulatory agencies themselves—the Regulatory Analysis Review Group, composed of senior White House and Administration officials, and The Council on Wage and Price Stability, have been extremely active in attempting to introduce economic rationality into these decisions wherever feasible. The results of their efforts can be seen, among other places, in the elimination of a large number of nit-picking rules by the Occupational Safety and Health Administration; in our proposed legislation to prevent the otherwise automatic application of the Delaney Amendment and similarly preemptory restrictions to the use of nitrites in processed meats. You can see the results of these efforts, for example, in the regulations ultimately issued by the Department of Transportation for improving the access of the handicapped to rapid rail transportation; in the surface mining regulations recently issued by the Department of Interior, and in EPA's ozone regulations and its new source performance standards on sulfur oxide emissions from coal-fired electric generating plants, all issued this year.

HOSPITAL COST CONTAINMENT

There is one area, in which, superficially, it might appear the Administration is going in the opposite direction. I refer to its proposal for hospital cost containment legislation, which would set specific limits on the permissible growth in total hospital expenditures each year. How does a deregulator like me justify this position?

The proper principle of regulation is that where the free market will work, for God's sake let it work! Where however the free market is inherently and seriously flawed, then regulation may produce a better result: but try to regulate, as much as possible, by setting broad performance goals, leaving it to the regulated to find the most efficient ways of achieving them, rather than by detailed prescriptions of how they must get there.

The market for hospital services clearly fits this latter characterization. The reasonableness of hospital charges and services can not be left to the competitive marketplace, as it works now.

More than 90 percent of all hospital bills are paid by third parties—insurance companies, Medicaid, Medicare. So, neither the consumer of hospital services nor the provider feels the pinch of rising costs in deciding what kind of facilities and care shall be provided. Moreover, about 60 percent of the reimbursements to hospitals from third parties is based on the principle of the more they spend, the more they get—pure cost plus. The rest of the reimbursements are made on the basis of hospital-established prices—the hospitals are paid what they ask.

There are, therefore, practically no incentives for any segment of this system to try to keep costs down.

One of the problems that we often encounter when price competition is adequately effective, as it is here, but the urge to compete among businessmen remains strong, is that it tends to take the form instead of cost-inflating improvements in product and service quality. The general economic principle is that if we prevent competition from driving price down to cost, then it will often operate by raising cost to price.

The airline industry was a perfect example of this, as I have already observed. The solution there was simply to open the market to price competition. Similarly, one important reason for the spiraling of hospital costs has been the tendency of localities to build more munificent hospitals, paid for largely by other people, equipping them with the latest, most costly equipment, and for doctors to provide even more thorough treatment, almost regardless of cost.

But the remedy that worked so well for the airlines is simply not available where hospitals are concerned. The normal competitive checks don't work, because the consumer does not pay the price. Here instead, it takes the imposition of a price ceiling to control the inflation of costs.

Now I recognize fully that the imposition of arbitrary caps is not the fundamental solution. That will have to be an attack on the basic inadequacies of the market for hospital services. But that will also take time. Indeed, I see hospital cost containment accelerating progress toward those fundamental solutions. It will put pressure on both hospitals and the states to find better ways of controlling the wastefully duplicative, subsidized construction and equipment of new hospitals, and to introduce reimbursement methods that provide doctors and hospitals with an incentive to economize.

In concluding this apologia for an airline deregulator serving as the President's Advisor on Inflation, I would be less than frank if I did not confess how extraordinarily difficult it often seems to be to try to reshape government's regulatory interventions in an anti-inflationary direction. Consider for a moment the way in which licensing of entry into almost any service or profession that you can think of often restricts competition—except of course in the case of the law; consider the restrictive building codes and zoning ordinances that cumulate the costs of building new houses; consider the entire range of tariffs and quotas against foreign competition, and the welter of government activities supporting the prices, restricting the production, and cartelizing the marketing of agricultural commodities; consider them separately or consider any one of them individually, and you will quickly perceive why inflation is so intractable a problem.

The contribution of each one of these price-inflating policies to the overall inflationary result will always seem small, hardly worth fighting over; the people who are injured will ordinarily be widely dispersed, ill-organized and ill-informed, and the stake of each in each policy or action will be small. In contrast, the beneficiaries will typically be few and well-organized, and the stake of each will be large.

That unequal confrontation, repeated on thousands of small, not-very-public issues is the essence of the ways in which government regulatory interventions contribute to inflation. Entering into those individual confrontations, and tipping the balance on the side of the public interest, is the essential way of rooting it out.

I hardly have to point out to you that while everybody is in favor of competition in principle, the everybodies who count in each specific instance, who weigh in with the critical votes, all too often save their pro-competitive devotionals for the day of rest. So—as I learned to say as a boy—what else is new?

What is new, I hope, is an emergent revolt among the American people against the consequences of an everybody-for-himself, special interest society; a recognition that inflation is something we are doing to ourselves—and that we don't have to keep doing it, that combating inflation has something to do with proving we are a real country, with redeeming American society, with giving living recognition to the bonds that hold us together. With perseverance, we can prevail.

THE FEDERAL REGULATORY MESS ON NITRITES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WAMPLER) is recognized for 30 minutes.

Mr. WAMPLER. Mr. Speaker, because of the lateness of the hour I do not expect to consume but just a few moments of the time that has been allocated to me under this special order.

Mr. Speaker, late in the evening of Friday, August 11, 1978, a joint announcement was issued by officials of the Department of Agriculture and the Food and Drug Administration that one of our oldest and most widely used food preservatives, nitrite, had been tested and found to cause cancer when ingested by laboratory rats. On this basis, the use of nitrite to preserve food for humans was to be halted under existing law. However, it was noted that a special dispensation was being sought from the Department of Justice to phase out the preservative rather than to ban it outright, since nitrite had the property of preventing botulism toxin, a deadly food poison.

As expected, the announcement of the pending ban immediately created headlines and TV news across the land.

Some of us in the Congress had learned via the grapevine of the existence of the Newberne study findings on nitrites before this announcement. We had urged officials at FDA and USDA to exercise extreme care in regulating in this area—especially since we were aware of the added risk of creating a botulism hazard if nitrites were banned. We also expressed concern that a ban or the suggestion of a ban might also create economic havoc in the meat, poultry and fish industries, since we were aware that there was no alternative preservative available and acceptable for consumer protection. Unfortunately, our requests for briefings and our urgings for scientific validations of the Newberne study, before the announcement of regulatory actions, were ignored.

Mr. Speaker, the Congress held hearings following these announcements. After vigorously supporting the validity of the Newberne test, the meaning of the tests and the necessity to proceed with regulatory action in hearings before the Congress, the Food and Drug Administration suddenly decided in mid-October 1978 that it was going to conduct an expensive slide-by-slide review of this study. This decision to review the study, as part of a standardized review process—made after nitrites had been condemned before the world as a cancer culprit—seemed rather strange to me. As a matter of fact, it strengthened the rather

strong indications I had been getting that the Newberne study was defective, and that it should not be used as the basis for a regulatory decision to either ban or phase out the use of nitrites as a food preservative.

In September 1978, I requested a quick scientific peer review of the Newberne study by the Council on Agricultural Science and Technology (CAST). On October 4, 1978, a CAST task force composed of a number of scientists officially questioned various aspects of Dr. Newberne's study. In particular, the task force questioned estimates of human cancer risk, developed by USDA and FDA from study data, for consumption of nitrite in cured—preserved—meat.

In November 1978, a number of my colleagues and I asked the Comptroller General to investigate the Newberne study contract, the decisionmaking at FDA and USDA with respect to the contract, and the decisions at these agencies with respect to the test results. We also asked GAO to make recommendations to the Congress on any legislative changes that should be made as a result of their investigation. The results of this investigation are expected shortly.

In April 1979, I requested a copy of the interoffice and interagency letters, memorandums and documents pertaining to the decision by FDA and USDA to accept the Newberne study. It was my thought that regulatory decisionmaking had been allowed to proceed too far before appropriate, adequate and reasonable efforts had been made within FDA and USDA to seek good scientific advice on the validity of this whole process.

Dr. Kennedy, the Administrator of the Food and Drug Administration, promptly acknowledged and subsequently complied with my requests in May 1979. After reviewing the mass of documents furnished me by FDA, I sent them to the Congressional Research Service, requesting that they prepare a case history of FDA actions on Dr. Newberne's nitrite study based on analysis of the FDA documents furnished me.

Mr. Speaker, inasmuch as the Secretary of Agriculture and the Secretary of Health, Education, and Welfare have submitted proposals to the Congress recommending specific legislation to phase out nitrites based on the study in question, and because the CRS report shows, in my view, that both the FDA and USDA used questionable judgment in validating the Newberne study before it had been scrutinized by the scientists of this Nation, the publishing of the CRS report is essential to set the record straight on the nitrite issue.

For these reasons, I ask unanimous consent to print the CRS manuscript, entitled "Case History of FDA Actions on MIT Nitrite Study," in the CONGRESSIONAL RECORD immediately following my remarks. The Public Printer has informed me in writing that the probable cost for inclusion of this material is $1,640.50.

CASE HISTORY OF FDA ACTIONS ON MIT NITRITE STUDY

(Prepared by Sarah L. Hartman, Analyst in Life Sciences, Science Policy Research Division, Aug. 1, 1979)

INTRODUCTION

Nitrite salts, either directly added or converted from the similar chemicals nitrate salts, have long been used in the curing of meat and other food products. Such salts give to foods such as hams, salamis, and frankfurters, their familiar cured flavor and pink color, and have been found to protect them from the possible threat of botulin contamination. However, beginning in the late 1960's, concern began that nitrite additives might be a health hazard, with analyses which showed contamination of various meats with compounds of a family of chemicals called nitrosamines of which many are considered important potential carcinogens in man. These are now known to be derived, under certain conditions, from the combination of nitrite with amines, which are common constituents of many foods. These nitrosamines were most often found in cooked bacon, where the necessary cooking temperatures favor the so-called nitrosation reaction (formation of nitrosamines).

At about the same time, studies began to appear indicating that nitrosamines may form in vivo, or after ingestion of large quantities of their nitrite and amine components. In 1971, the Food and Drug Administration (FDA) began sponsorship of one such study, performed by Drs. Ronald C. Shank and Paul M. Newberne of the Massachusetts Institute of Technology (MIT). The purpose of this study was to investigate, using three animal models, the potential for in vivo nitrosation after ingesting nitrite and the amine morpholine. The study design also included feeding one group of animals nitrite alone. The revised final report was submitted to FDA in March 1975. The results showed a relationship between the nitrite/morpholine feedings and an increased incidence of tumors commonly associated with the nitrosamine, N-nitrosomorpholine, which is presumed to have resulted. An additional unexpected result was that the animals receiving 1000 parts per million (ppm) sodium nitrite in the diet and as morpholine showed an increased incidence of malignant lymphomas (cancers affecting the spleen, lymph nodes, and the cells that make white blood cells).[1]

Because the original study design was not well suited to examine the effect of nitrite alone, a second FDA contract (No. 74-181) was issued in 1974 to Dr. Shank and later transferred to Dr. Newberne, a coinvestigator of the previous study, to study more fully the chronic toxicity of nitrite alone, when added to various diets and to water. Final results of the study were dated May 18, 1978. In his own summary, Dr. Newberne concluded that "nitrite appears more a promoter of the neoplastic [cancer-forming] process than an initiator," but that "the effect of nitrite on the lymphoreticular system, under conditions of the study, is adverse and requires consideration, as it may relate to the human population consuming nitrites daily."

On August 11, 1978 the FDA, jointly with the Department of Agriculture (USDA), announced the results of the second study in a statement which clearly indicated that regulatory action to begin a phaseout was under consideration. This action precipitated a heated debate in the press and in hearings before committees of both Houses of Congress as to the proper meaning of such results. The public was being told it had a choice of contracting cancer from nitrite or botulism from hot dogs if nitrites were no longer allowed. At the same time, reports were circulating about infringements of FDA's Good Laboratory Practices guidelines associated with the conduct of the study, and about some possible disagreement among scientists regarding the original diagnoses of cancer; this resulted in a full-scale review of the study's evidence. Soon, the House Committee on Agriculture had requested an audit by the General Accounting Office to determine the nature of the FDA's actions on nitrite. Thus, confidence in the Newberne study's results gradually diminished following its release in August, 1978.

Although FDA claims an obligation to act on evidence that may be less than conclusive, in the case of nitrite, Members of Congress and the meat industry, among others, charged the Agency with reaching unjustified conclusions of various kinds. They argued that the results of the Newberne study had gone unreviewed by the scientific community and therefore were unreliable and faulted FDA's willingness to use the results of one study to reach a conclusion of carcinogenicity when this would have a profound effect on industry and consumers. Finally, many viewed the case as an opportunity to argue for changes in the law, so that other kinds of considerations, such as health and economic benefits, could be incorporated into FDA's decisionmaking process.

It is the purpose of this report to review the actions of the FDA when faced with the Newberne study's important results. The process of analyzing and evaluating the scientific results to reach a conclusion of carcinogenicity will be considered separately from the political process of acting on this determination of risk. This case is compared with how the agency normally handles such a situation. Comments are also made, where appropriate, on the general approaches recommended in five reports of the National Academy of Sciences (NAS) which relate to testing and evaluation of environmental or food chemicals.

Reconstructions of FDA actions in general and in the case of nitrites are drawn exclusively from internal FDA documents furnished by the Commissioner at the request of the House Agriculture Committee's Ranking Minority Member, William C. Wampler. This collection of materials is referred to in a letter of transmittal from Commissioner Donald Kennedy as "a complete file of documents and background materials"; however, any inferences made from it are necessarily tentative as many important actions and decisions may have gone unrecorded in the written file.

SCIENTIFIC ASSESSMENT OF CARCINOGENICITY

Normal FDA process

FDA is regularly confronted with scientific studies purporting to measure health risk or safety associated with the use of the classes of chemicals the agency regulates, i.e. those which ultimately become integrated into foods, drugs, or cosmetics. As in any scientific endeavor, the regulatory meaning of each experiment depends upon appropriate design, procedure, and analysis of results. Although thorough review of these components by the scientific community cannot prove or disprove a theory, it does serve either to reinforce an experimenter's interpretation of the data or, in some cases, point out flaws which undermine conclusions he has made. Proof of a theory derives from many repetitions of results followed by positive peer review. There is apparently no statutory or regulatory requirement for such review at FDA; rather, it seems that each case is handled on an ad hoc basis, with generally more emphasis on those cases of fundamental regulatory importance.

The process FDA usually follows in reviewing its contracts is discussed in accounts

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by the Commissioner Donald Kennedy[2] and by Dr. Albert C. Kolbye, Associate Director for Sciences, Bureau of Foods, FDA.[3] In a case in which the FDA has contracted for a study, it is first reviewed by an internal committee comprised of those most familiar with the study; this is called the Project Advisory Group (PAG). Members of this committee are charged with determining whether the obligations of the contractor have been fulfilled. At this stage, the object is to ensure that the protocol and procedure of the experiments are satisfactory, that data are presented in an appropriate form, and that statistics are properly done. Acceptance of the completed work is dependent upon criteria such as these, and in theory does not mean that FDA's interpretation of the data will agree with those of the principal investigator. This must be determined by further review and evaluation by experienced scientists.

When the subject of the study is of particular regulatory importance, especially where cancer is involved, the study is subjected to more rigorous review to determine its strengths and weaknesses. This is done to ensure its validity as a test of a hypothesis. Experienced toxicologists begin the data review process in the Division of Toxicology. Second, where cancer is involved, a cancer assessment committee brings together relevant experts in toxicology and pathology to evaluate the reliability of the data, whether the problem is with a contract or with data supporting a food additive petition.

Finally, data of particular significance go through various levels of examination by experienced scientists in the Division of Toxicology and, if necessary, through higher channels to the Commissioner's office. Thus toxicological problems arising in the food additives branch are brought to the Associate Director of Regulatory Evaluation (Dr. Fiamm), from there to the Director of the Division of Toxicology (Dr. Blumenthal), and ultimately to the Associate Director for Sciences, Bureau of Foods (Dr. Kolbye), if there is anything unusual or important in the data. The Associate Director for Sciences is also in charge of two divisions which are "intimately involved" in analyzing cancer data: the Division of Mathematics and Statistics, and the Division of Pathology.

At the same time, a similar chain of command exists in the Office of Compliance. Analysts in the Division of Food and Color Additives evaluate the regulatory aspects of a scientific finding and make recommendations to the Director of the Office of Compliance (Mr. Quinn). Normally, Mr. Quinn would then make recommendations, with the advice of Dr. Kolbye, to the Bureau Director (Dr. Roberts, acting).

Nitrite case

In this case, the second nitrite chronic feeding study was completed on May 18, 1978. In the time between that date and September 27, 1978, when final data were apparently received at FDA, several changes were made by Newberne in the raw data upon which statistical analyses were made and conclusions drawn. In a press held during that time, on August 11, the FDA and USDA made clear their intention to initiate administrative action to gradually phase out the use of nitrite food additives in cured meat products. The documents in the Committee's possession are not conclusive with respect to what attempts were made to secure review of the data before August 11. What appears to be the case, however, is that FDA began requesting critical scrutiny only after that date, with the inception of the Interagency Working Group (IWG) on nitrites.

Project Advisory Group Review: Monitoring of FDA contract 74-181 began prior to the submission of the final report in May. The project officer held frequent conversations with Dr. Newberne and made site visits to his laboratory. In one of these discussions, in January 1978, Newberne indicated that the preliminary results were showing nitrite was not a carcinogen.[4] By May 1 of that year, a carcinogenic effect had been ascribed to the feeding of nitrite alone and a preliminary risk analysis made.[5] In a memo describing the data of the study, Dr. Morgenroth, Division of Toxicology, states that the data appear to confirm the earlier findings (in the 1971 contract) of observations of lymphoma from nitrite, and goes on to set out theories of how nitrite might contribute to this carcinogenic effect.[6] When the final report of the study was received at the contracts office June 5, several FDA personnel visited Newberne's MIT laboratory to determine that no new information was contained in the report which significantly altered the discussion in the May 19 memorandum to Dr. Kolbye.[7] At this point there was no indication that FDA was conducting an analysis of the data separately from Dr. Newberne.

On July 11, 1978, the project officer recommended acceptance of contract No. 74-181 on condition that minor changes, mostly in format, be adopted. In addition, it was requested that some explanation of statistical methodology be included.[8] When, after satisfactory completion of the checklist, the Chairman again recommended acceptance of the report, he noted that "this does not infer, however, that FDA's interpretation of the data generated under this contract will necessarily agree with that of the principal investigator."[9] This is the first time mention is made of possible disagreement with Newberne's conclusions, but it comes after the initiation of a complete review of the data in response to diagnostic disagreements resulting from the work of the Interagency Working Group, described below.

These actions, then, can be seen as constituting the first part of the review process, in which, as described above, the study is essentially examined for completion of the contractor's obligations. Some mention is also made of "in-depth statistical review" of the results[10], but this is unsubstantiated in the Committee's record. Further review by scientific peers of the type that instills confidence in a study's results came later.

Peer Review: The first record of transmission of the preliminary results of the Newberne study to those outside FDA appears in letters addressed to health representatives of the governments of the United Kingdom and Canada.[11] In them, Dr. Roberts, Acting Director, Bureau of Foods, explained that the study would necessitate an as-yet-undecided regulatory decision; attached to the letters are copies of Newberne's data. No request for comments is included in the letter; rather it is intended to inform the recipients of the situation.

Accordingly, no specific responses to the data are included in the documents at hand. However, a memorandum of a later telephone conversation in response to the draft comments prepared for the Commissioner's August 11 press conference reflects the clear disagreement of Dr. Fairweather, U.K. Department of Health and Social Security, with the tone and substance of the Commissioner's draft remarks. He commented that there must be a detailed examination of the study and discussion with Newberne before determining the meaning of the study's results.[12]

A memo dated August 14, 1978,[13] and another dated September 11[14] mention FDA's consultations with British and Canadian colleagues. Both mention that concurrence with the Canadian Health Protection Branch on the meaning of the study's results was reached. Neither one mentions the disagreement with the British Principal medical officer, Dr. Fairweather, and the August memo dismisses his reaction by simply stating that he had made "only preliminary review" to date, but planned to visit Dr. Newberne for a personal review.

Other countries are reported to have been sent copies of the results,[15] but there is no record of any foreign reactions beyond those discussed above.

August 8 appears to mark the start of the first open examination of the accuracy and meaning of the Newberne study results. On that date the Interagency Working Group on nitrites was formed, whose objective it is to "review and evaluate the chemistry, toxicology and epidemiology of nitrites/nitrites/nitrosamines, identify knowledge gaps and recommend research to address those gaps."[16] On August 11, the joint FDA/USDA press conference was held to announce the Newberne study and the formation of the review group (IWG). Shortly afterward, the process of external review began with letters from Dr. Robert L. Elder, Deputy Associate Commissioner for Health Affairs (Science) sent to nine eminent scientists, several of whom had been active with the previous USDA Expert Panel on Nitrites and Nitrosamines. Although it appears from the one example in this file that, as in that case, the study was generally sent out August 14 with no request for comments, this oversight was corrected in a followup letter of August 24.[17]

As of the first meeting of the Interagency Working Group on nitrites it was clear that substantive questions were arising with regard to all aspects of the study, including conduct of the experiments, diagnosis of tumors (pathology), accuracy of data, statistical analysis and, most importantly, interpretation of results. At that time, the data had already begun to change, and the overall combined incidence would eventually change from 12.5 percent and 8.4 percent (treated and untreated)[18] to 10.2 percent and 5.4 percent (treated and untreated, respectively).[19] In a background document prepared by Dr. Kolbye for use in the preparation of testimony for the Commissioner, he explains that while any scientific study will be criticized, it is important to realize that end results must be considered in terms of strengths and weaknesses of experiments producing them. The following are some of the questions coming out of the IWG consultations which he saw as important enough to require resolution before the significance of this study could be concluded:[20]

(1) Because of a higher than normal background incidence of lymphomas in control animals, was there something unusual occurring in these experimental animals related to infection or concurrent exposure to some other cancer-inducing substance?

(2) Because a major end-point was lymphomas and aberration in the immune mechanism involving lymphoblastic cells was noted, is there a relationship between alterations in the immune system versus lymphomas or the administration of nitrites?

(3) Because some groups of test animals were not controlled by identical groups not exposed to nitrite, are some of the results artifactual rather than real?

(4) Since the histopathologic diagnoses are not yet confirmed by an objective panel of pathologists, are the numbers of animals diagnosed as having lymphomas as compared to those diagnosed as not having lymphomas (or any other tumor types) accurate?

(5) If some of the numbers change slightly, will the end result of statistical significance also change? (The answer to this question is quite possibly.)

(6) Could some of the effects be attributable to particular litters as opposed to the

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influence of the exposure to nitrite? (The answer to this is presently unknown.)

(7) Are the biological phenomena observed in this experiment significant unto themselves as compared to considering only the statistical significance of the end results?

At that time Dr. Kolbye estimated the work of the Interagency Working Group would require about two to four months.

Several of the scientists who commented on the study were forthright in their objections to the use of the study to conclude that nitrite is a carcinogen. At the first meeting of the Interagency Working Group it was noted that Dr. John Weisburger (formerly of the National Cancer Institute where he headed the bioassay program and at that time with the American Health Foundation) was evidently leading an effort among university scientists and others to argue against using the study in that way.[21] Dr. Kolbye himself was concerned at the beginning of September that the expected scientific challenge would undermine the use of the study to justify a ban on nitrites.[22]

Later, other scientists agreed. Dr. Hans Falks, Associate Director for Health Hazard Assessment, National Institute of Environmental Health Sciences, stated that "so far [having read additional references] has not changed my mind that we don't really have enough evidence to implicate nitrite as being a carcinogen per se." [23] Dr. Philip Handler, President of the National Academy of Sciences, concluded that while he considered the conduct and design of the expriment to be excellent, "the results of that experiment are, at most, barely suggestive that nitrite be viewed as a small public health hazard." [24]

The accuracy of the diagnoses of cancer soon became the biggest issue of scientific concern. Briefly, in response to some doubts, two pathologists on the IWG began a review in late August of the diagnoses of malignant tumors made from Newberne's slides of animal tissues. By mid-October they had determined that their own individual diagnoses were in essential agreement; but in strong disagreement with those of Dr. Newberne, their sampling yielded a reduction of 17% of malignant tumors of all types from the original diagnoses.[25] Because of this disagreement, it was decided at the second IWG meeting that all the slides be reviewed by an independent group of pathologists, since reliable statistical analyses on which to base interpretation could not take place without accurate data.[26] This task has been contracted to the independent organization, Universities Associated for Research and Education in Pathology, Inc. (UAREP).[27] Results of the review are not expected until late in 1979 or early in 1980.

FDA attitude toward scientific review

Having seen the outcome of the eventual review, it is important to note that most of the information damaging to the credibility of the study was requested by FDA and then became available only after the press conference statement which strongly implied that regulatory action was warranted by results of the study. It was at that time that the study was first made available to the public or even, accordingly to some documents, to scientists in the Bureau of Foods who normally would have been involved from the start in a full-scale review of the data and their interpretation. The testimony of at least one high-level FDA staffer suggests that, contrary to the Commissioner's statement in September that "the FDA review process in this important case has already exceeded acceptable standards," [28] the normal process, beyond the perfunctory PAG contract review for acceptance of the study, was largely ignored. Further, data review and evaluation appears to have been considered a formality, while Bureau memos throughout the summer concentrated on explaining by hypothesis the action of nitrite.

A draft background document dated August 9 appears as part of the Bureau file.[29] It presents background information on nitrites, including topics such as the history of its use and concern about health effects, a risk assessment, the legal framework, and proposed FDA actions. It states that "after reviewing the results of the MIT study, FDA has reached the conclusion that nitrite induces cancer when ingested by rats, and that it therefore poses a significant cancer risk to man." [30] Although it admits that there will be scientific controversy over the study, it states the belief that "once the study has been examined by the scientific community there will be overwhelming scientific consensus in the scientific community that nitrite has been shown to induce cancer."

Despite this confidence in the "best judgment of FDA and USDA scientists", the minutes of the first meeting of the Interagency Working Group indicate that "only three individuals from the Bureau of Foods were in that group [the working group set up by the Commissioner after the study was submitted], so most scientific review in the Bureau of Foods was bypassed." [31]

In a conversation with GAO staff, Dr. Kolbye elaborated on the differences between the process by which this case was handled and that by which others are normally handled.[32] While there do exist established administrative practices for such a review, he concluded that these were "largely not followed in this instance." [33] According to Dr. Kolbye, the review was being conducted in July and August by a special ad hoc committee composed of the Commissioner; the Executive Assistant to the Commissioner, Mr. Grumbly; General Counsel's Mr. Pape; the Acting Director of the Bureau of Foods, Dr. Roberts; toxicologist Dr. Morgenroth; and possibly Mr. Gittes of the Division of Toxicology. During that time, a working background document containing a proposed policy statement was being held confidentially.[34] Also during that time he was denied access to the data, even though normally such data would be reviewed by several divisions under his administration and coordinated in his office. Instead, he first saw the Newberne study the week of August 12 when he began an intensive review of the data, only to discover that they were changing. In addition, he apparently was unimpressed with the quality and level of experience of the few scientists involved and expressed to Dr. Roberts his "growing dismay and concern that events were proceeding too quickly without an adequate foundation of scientific review." Dr. Kolbye, at least considered the case unusual: "I have never experienced before in my government career a situation where the word was most of us were excluded and not to get involved." [35]

This apparent lack of openness in the administrative review procedure seems to be based in an overwhelming concern that release of the results be accompanied by a regulatory decision. From the first instance where FDA shared these results, with representatives of the British and Canadian governments, this was the case:

"These results, on top of the nitrosamine problem, put nitrite in jeopardy in the U.S. . . . We expect final results in 2-3 weeks from this study being conducted at MIT. Soon after that the results will have to be made public and a regulatory decision made." [36]

Again, in a memo summarizing an interview with *Science* magazine, Dr. Roberts dismissed the scientific doubts regarding the study:

"Mr. Smith then dwelled on the statement attributed to Dr. Newberne that regulatory action was not warranted until additional research was done. I explained that whereas there were many questions about the toxicology of nitrite, as is always the case with science, the MIT study was positive. Further I expressed the opinion that the MIT study was one of the largest and best conducted studies with which I was familiar. That being the case I didn't think the law gave us much latitude, notwithstanding the fact that additional review of the MIT study and/or additional research would be helpful in understanding nitrite." [37]

That excerpt suggests that a review of the data was considered a formality in this case and that the conclusions reached by Newberne were essentially accepted by the agency. The September 11 memorandum from the Commissioner to the Secretary on the issue likewise conveys this message. In the course of arguing for the initiation of administrative action, the Commissioner discussed the question of how much review should be required to begin the process. He pointed out that the study had been made a part of the public record and that Newberne had been preparing a paper for publication in the scientific literature in order that scientific scrutiny could begin. He then stated:

"Scientific peer review tries to establish (as "proof") the validity of a test of a hypothesis. . . . It puts the seal of reliability on an experimental result, so that it can be used in further theory construction. It is not a guarantee of being right—only history can provide that—but it is as much of a guarantee as can be made with the work at hand."

He continued:

"I will argue below that regulators can and must be willing to proceed with less than this guarantee." [38]

The guarantee of history was clearly not available to this Commission. However, it would be difficult to argue that, at a time when he admitted that peer review was incomplete, he had even the concurrence of the scientific community, or in his words, the "seal of reliability", on which to proceed with administrative action.

Another section of the same memo reinforces the sense of an attitude among policymakers at FDA of indifference to the eventual outcome of the scientific review process. In it, the Commissioner discusses the possibility of Agency embarrassment "if the science turns out to have some unforeseen defect," in spite of the Bureau review which he thought made that an "unlikely prospect":

"Even in the unlikely event of a successful challenge to the study the outcome would not be clear: it would appear to the media and the public as such things inevitably appear—as rather arcane, confusing debates among the cognoscenti. Thus the possibility for real embarrassment even given the worst possible outcome of our evaluation is very slight, simply because outcomes are never that clear in a matter so complex." [39]

Next, he stated that risks are part of science and that there are special reasons for running those risks when the public health is at stake. And lastly, "You have a politically expendable regulator who is prepared to take the blame, and will do so, if the outcome proves more disastrous than this argument predicts." [40]

The picture that emerges from these FDA documents is that thorough scientific peer review was emphasized less than might reasonably be expected, perhaps on the basis of an appraisal of the political situation. Initial letters accompanying copies of Newberne's data sent to the governments of the U.K. and of Canada—the first step in what was later referred to as "external review" [41]—made no mention of requesting comment and rather were sent for the other governments' information. (Comments may have been requested more specifically on other occasions, but there is no reference to these requests here.) This lack of request for comments appears again when copies of Newberne's study were sent out to leading scientists; ten days later additional letters corrected this oversight. The indifference to review only barely implied by these actions is reinforced by statements by the Commissioner which infer that scientific review is a formalistic process of validating results, rather than the unbiased scrutiny it is intended as. In other statements, the Commissioner appears prepared to argue, if found wrong, that in science one can never be clearly wrong or clearly right.

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In an open administrative process such as is purported to exist normally at FDA, the scientific disagreements which now threaten the credibility of the Newberne study presumably would have appeared early on, before regulatory decisions had been made. In this case, according to Dr. Kolbye, the normal review was not allowed to proceed, and the scientists who would usually be involved in the first stages of review were instead replaced by a committee including only 3 members of the Bureau of Foods, with legal and regulatory consultants from other branches of FDA comprising the remainder of the committee.

Recommendations of the National Academy of Sciences

The National Academy of Sciences (NAS) has repeatedly offered proposals to standardize evaluation procedures and provide access for all concerned to the administrative process. In *Decision Making For Regulating Chemicals in the Environment*, the Academy makes recommendations which, although mostly aimed specifically at the regulation of industrial chemicals, apply in this case also. Because openness will in the Academy's view improve the quality and acceptability of a decision, they recommend that information on chemicals not be considered proprietary and that it be made available before and during the decisionmaking process, and further, that a white paper discussing details of economic, legal, scientific and other relevant considerations be published in advance of all final decisions.[42]

In *Decision Making in the Environmental Protection Agency*, openness to the administrative process is again stressed. In addition, while analysis of scientific data is seen as only a tool to assist in making regulatory judgments, it recommends a closer relationship between the Agency's research activities and its decisionmaking process, with early and routine review to ensure against misinterpretation of results. When these decisions would have a significant impact on public health or welfare, the Administrator should have personal access to independent scientific advice and evaluations of the overall technical basis for decisions.[43]

In the case of nitrites, following such procedures might have spared the FDA any embarrassment it may have suffered as a result of announcing a policy decision before discovering flaws in the scientific basis for it. The Newberne study may yet be vindicated, but the Agency will have lost some of its credibility as a result of this process. It is not clear from the memos in the Committee's file what motivation, if any, existed for this sequence of procedures; however, it is possible that the rigidity of the law with respect to carcinogens may have prompted the early action.

POLICY IMPLEMENTATION

FDA action

Once the scientific determination has been made that a substance is "poisonous or deleterious" or that it is a carcinogen, the law gives the agencies involved little latitude for assigning value to other considerations. General provisions of the three relevant food safety statutes—the Food, Drug and Cosmetic Act; the Meat Inspection Act; and the Poultry Products Inspection Act—prohibit in foods any "poisonous or deleterious" substance which may render it injurious to health. In addition, the Delaney anti-cancer clause of the Food, Drug and Cosmetic Act prohibits food or color additives which are found to induce cancer in man or other animals. Because this does not cover additives approved before the passage of the Amendment in 1958, the older uses of nitrite, at least in meat products, may not be covered by that Amendment. Nonetheless, the determination that a substance is "poisonous or deleterious" is sufficient for a ban and probably demands it, regardless of any health or other benefits derived from the use of nitrites.

According to the background document, "FDA's and USDA's action regarding nitrite",[44] FDA and USDA made the determination that nitrite is a poisonous and deleterious substance prior to the August 11 press conference. At that time the two agencies announced they were assessing several options for regulatory control of the substances, with the goal of balancing health risks and health benefits. That document also set forth the proposal to phase out nitrites that was in March 1979 formally proposed in legislation.

The Commissioner, in a memorandum to the Secretary, argued that the law required that the FDA act on limited evidence. He went on to cite precedent cases where "the obligation of agencies to act in the face of unanswered scientific questions" had been positively acknowledged by the courts.[45] Those cases, he noted, involved judicial review of the final cases, while in this case, FDA sought to initiate action on the kind of evidence upon which agencies normally rely for final action. Moreover, the statutory emphasis on prevention of harm dictates that once a study creates a strong presumption of human risk associated with a given substance, the responsibility to prove safety shifts to the proponents of its use.[46] On the basis of legal precedent, he thus set out the following steps for implementation of this policy:

(1) The release of the joint FDA–USDA Action Plan. This plan appears as Attachment D, and lays out the entire argument in a convincing and understandable way.

(2) Announcement of the formation of an inter-agency coordinating committee, to be co-chaired by representatives of FDA and USDA. Each agency will exercise its own regulatory authority, but the committee will ensure that the agencies act consistently.

(3) The development of several Federal Register notices that will lay out the proposed policy of the agencies regarding each of the several classes of products so that no confusion can result; these documents will probably carry 120 day comment periods.

(4) Continuation of the interagency review of the science, incorporating and answering the comments and arguments raised during the Federal Register comment period.

(5) Review of the timing for any phaseout, based on the availability of preservative substitutes for nitrite.

(6) Promulgation of final orders. Realistically, final orders would probably not be ready until 12–15 months after a decision to begin developing Federal Register documents. This excludes the possibility of any judicial review or Congressional action that could radically alter the situation.[47]

Finally, the Commissioner indicates some sensitivity to the dual demands of resolving the scientific controversies and of responsibly carrying out the duties demanded of the Agency by law:

"The time-course for publication of Federal Register documents ensures there can be ever, the presumption of carcinogenic risk created by the Newberne study demands, as I have tried to show, that the regulatory process be initiated now if we are to meet our legal and public health responsibilities." [48]

The Justice Department's later analysis seems to support the view that FDA had no choice but to initiate some sort of action, and in fact denies that the Agency has the right to postpone action when, as it claimed in the case of nitrite, it will endanger the public health.[49] This of course presupposes a determination of risk, which we have seen is a conclusion which was far from unanimous at that time.

Recommendations of the National Academy of Sciences

Many of the recommendations the NAS has made with respect to evaluating the safety of environmental and food chemicals criticize the kind of rigid legal system that deterred FDA from allowing the open evaluation of all aspects of nitrite's effects. NAS favors a system where all risks and benefits—whether social, economic, legal, scientific, or health-related—are assessed as precisely as possible. Cognizance of these factors can then create a system in which incommensurable values, such as beauty or health, can be openly compared in a consistent fashion. Four out of the five reports discussed relate to the assessment of environmental chemicals at the Environmental Protection Agency (EPA), where the established legal framework demands such an assessment of risks and benefits. In the latest report on food safety, the recommendations clearly outline a change in the legal framework of the FDA, so that this kind of open evaluation can replace the ad hoc system which now prevails. All of the reports begin with the assumption that absolute safety is unattainable and that some tradeoffs must be made.

In *Principles for Evaluating Chemicals in the Environment*, a strategy for assessment is first proposed such that a balance between the costs and benefits of the assessment itself is attained. Thus basic principles for testing, rather than rigid protocols, are proposed. Accordingly, the degree of risk should be assessed in terms of actual levels of exposure and the degree of permanence of the adverse effects caused. In addition, some attempt should be made to describe qualitatively, if not quantitatively, resultant benefits. In weighing incommensurable aspects of the assessment, some attempt should be made to reflect prevailing social values by including those who will be affected by such decisions.[50]

Many of these points are echoed in later reports. In addition, two of the reports place the responsibility for testing squarely with the proponents of a using chemical, including those cases where an existing use is challenged.[51]

Explicitness is considered essential to the process. In *Decision Making for Regulating Chemicals in the Environment*, one recommendation suggests that value judgments between incommensurable factors such as quality of life and health should be explicitly dealt with and not hidden from public comment. Again, in *Decision Making in the Environmental Protection Agency*, the Academy proposes that EPA identify the consequences of a range of alternative actions; in so doing, the Agency should include explicit identification of the uncertainties involved in each and a determination to resolve them.

Such explicit assessment does not eliminate the need to make a decision, but rather can be a useful tool for regulators: the Academy repeatedly stresses the importance of exercising of judgment when evaluating the results of such an assessment. Statutory guidelines on the kinds of values Congress

Footnotes at end of article.

wishes to see incorporated in regulatory decisions should bring consistency to regulators' decisions.

In cases where existing law prevents such open evaluation, NAS recommends change, first in *Decision Making for Regulating Chemicals in the Environment*,[38] and, in the specific case of food law, in *Food Safety Policy: Scientific and Societal Considerations*. In the latter case, statutory change is recommended "to make food policy simpler, more flexible, and more comprehensive, and to grant to regulatory agencies the discretionary authority they need to deal with the increasingly complex issues of food safety in the light of modern technology."[39] Specific changes would ensure full consideration of both complete scientific information and, for the first time, public attitudes and values concerning levels of safety. At present, recognition of levels of safety less than absolute, while not sanctioned by law, is a practical necessity. Rather than recognizing economic and other nonhealth values implicitly, as the prior-sanctioned category of food additives now does,[40] the Academy concludes that it is better to openly consider them in evaluating alternative actions. In addition, the institution of a comprehensive generic system should replace the case-by-case evaluation currently in use. In the food safety report, a step-by-step regulatory process is proposed to provide a framework for assessing risks and benefits, so that the exercise of regulatory judgment, while not eliminated, is at least open to public scrutiny.

Obviously several of the Academy's recommendations directly bear upon FDA's constraints in handling the nitrite case. Because the Food, Drug, and Cosmetic Act was written with the partial intention of preventing adulteration for economic gain, it forbids the use of economic, esthetic or other relevant factors to mitigate FDA's legal responsibility to eliminate harmful additives. This seems to be true even when there is a question of competing health risks, as in the casce of nitrite, where a ban could also involve a health risk.

Implementation of the Academy's proposals to allow other kinds of considerations to enter the decisionmaking process might have eliminated much of the congressional and general public dismay with the manner in which the nitrite decision was handled. Although there still might have been public pressure to eliminate nitrites, the Agency would have been better able to justify considering the kinds of information it was both accused of considering and, paradoxically, faulted by others for not considering, especially information on the economic impacts of a ban. Assuming that one cause of FDA's apparent secrecy was fear that the law demanded immediate action, such a justified delay might also have had the welcome side effect that the study in question might have been available earlier for open scientific scrutiny.

SUMMARY

In May 1978 a contractor of the FDA informed the Agency that results from his new study of the chronic toxicity of nitrite—a chemical commonly used in food processing—indicated a relationship between nitrite feeding and lymphoma, a class of cancers. In August of the same year, regulators at FDA and USDA announced the results of the study with a statement that indicated their intention (explicitly outlined elsewhere) to respond to the news by working towards a phaseout of the substance. At that time, the Interagency Working Group on nitrite research began a review of the scientific evidence against nitrite, a review now held in abevance by a full examination of the study's evidence by an independent contractor. To many observers, it seemed as though the normal or correct sequence of events had been inverted, with the review of scientific evidence occurring after the announcement of a policy decision.

This report summarizes this sequence of events and notes some areas where FDA's actions in this case differed from those certain staff members described as normal procedures. The internal FDA memoranda provided by the Agency to the House Committee on Agriculture confirm that open review of the data was, unlike the normal procedure, initiated after the policy announcement.

Another view of how the process should work is provided by a review of relevant reports of the National Academy of Sciences. Consistent recommendations for openness in the administrative process, both before and after scientific evaluation for chemical toxicity, albeit in most cases intended for the use of the Environmenal Protection Agency, were clearly not followed in this case by the FDA—at least in the recommended sequence. The legal constraints of the FDA account for part of this discrepancy. However, much of the early lack of openness in review seems due to the absence of formal guidelines for this procedure.

FOOTNOTES

[1] Internal FDA Memorandum, "Chronic Toxicity Study on Dietary Nitrite and Various Amines," April 6, 1979.

[2] Internal FDA Memorandum, "The Nitrite Decision and the Nature of Scientific Evaluation," September 11, 1978.

[3] Internal FDA Memorandum of conference between representatives of General Accounting Office and FDA, November 30, 1978.

[4] Internal FDA Memorandum of Conference between representatives of MIT (Drs. Newberne and Altschuler) and FDA personnel, January 16, 1978.

[5] Internal FDA Memorandum, "Request for a brief summary on the potential carcinogenicity of sodium nitrite," May 1, 1978.

[6] Internal FDA Memorandum, "Scientific Assessment of Leukemogenic Potential of Nitrite," May 19, 1978.

[7] Internal FDA Memorandum, "Report on Site Visit to the Laboratory of Dr. Paul M. Newberne," June 8, 1978.

[8] Internal FDA Memorandum, "Final Report of FDA Contract No. 74-2181, July 11, 1978.

[9] Internal FDA Memorandum, "Contract No. 223-74-2181, Massachusetts Institute of Technology," January 1, 1979.

[10] Internal FDA Memorandum, "The Nitrite Decision & The Nature of the Scientific Evaluation," September 11, 1978. p. 7.

[11] Letter from Howard R. Roberts, Ph. D., Acting Director, Bureau of Foods, May 17, 1978.

[12] Internal FDA Memorandum on conversation between Dr. Frank A. Fairweather and Dr. Roberts (FDA), August 10, 1978.

[13] Internal FDA Memorandum, "The MIT Nitrite Study," August 14, 1978, p. 2.

[14] Internal FDA Memorandum, "The Nitrite Decision and the Nature of the Scientific Evaluation," September 11, 1978. p. 8.

[15] Internal FDA Memorandum, "The MIT Study," August 14, 1978, p. 2.

[16] Internal FDA Memorandum, "Nitrites," August 8, 1978.

[17] Example letters from Dr. Robert Elder and list of recipients August 14, 1978 and August 24, 1978.

[18] Newberne, Paul M. Dietary Nitrite in the Rat. Final Report on contract FDA 74-2181. May 18, 1978. (Unpublished Report), p. 11.

[19] Newberne, Paul M. Nitrite Promotes lymphoma incidence in rats. Science, June 8, 1978, v. 204. p. 1079.

[20] Internal FDA document prepared by Dr. Kolbye, submitted to Commissioner's office to assist in preparation of memos and testimony on nitrates, September 8, 1978. p. 3.

[21] Internal FDA document, "Interagency Working Group on Nitrites, meeting of August 28, 1978." p. 2.

[22] Internal FDA note, September 5, 1978.

[23] Letter to Dr. Kolbye, from Dr. Falk, September 26, 1978.

[24] Letter to Dr. Robert C. Wetherell, Director of Legislative Services, FDA, from Dr. Handler, October 12, 1978. p. 1.

[25] Internal FDA Memorandum for the record (confidential), "Preliminary Pathology Evaluation of 35 Rats Diagnosed Malignant Lymphoma in the MIT Newberne Nitrite Study," October 16, 1978.

[26] Internal FDA document, "Minutes of the Interagency Working Group on Nitrite Research, Meeting of October 18, 1978."

[27] Internal FDA Memorandum, "Contract 223-79-2263," March 14, 1979.

[28] Internal FDA Memorandum, "The Nitrite Decision and the Nature of the Scientific Evaluation," September 11, 1978. p. 7.

[29] Internal FDA and USDA document, FDA's and USDA's action regarding nitrite," August 1978. (Draft, August 9, 1978).

[30] Ibid, p. 36.

[31] Ibid, p. viii.

[32] Internal FDA document, "Minutes of the Interagency Working Group of Nitrite Research, Meeting of October 16, 1978."

[33] Internal FDA Memorandum of conference between representatives of the General Accounting Office and of FDA, November 30, 1978. p. 3.

[34] Ibid., p. 4.

[35] Ibid., p. 5.

[36] Letter from Howard R. Roberts, Ph.D., Acting Director, Bureau of Foods, May 17, 1978.

[37] Internal FDA Memorandum of telephone conversations between Jeffrey Smith, Science magazine, and Howard R. Roberts, "Nitrite," August 25, 1978.

[38] Internal FDA memorandum, "The Nitrite Decision and the Nature of the Scientific Evaluation," September 11, 1978, p. 2.

[39] Ibid., p. 10.

[40] Ibid., p. 11.

[41] Internal FDA Memorandum, "The MIT Nitrite Study," August 14, 1978.

[42] Committee on Principles of Decision Making for Regulating Chemicals in the Environment. National Academy of Sciences. Decision Making for Regulating Chemicals in the Environment. Washington, D.C. National Academy of Sciences (1975), p. 4.

[43] Committee on Principles of Decision Making. National Academy of Sciences. Decision Making in the Environmental Protection Agency. Washington, D.C. National Academy of Sciences (1977), p. 7.

[44] Internal FDA & USDA document. "FDA's and USDA's actions regarding nitrite," August 1978. (Draft, August 9, 1978).

[45] Internal FDA Memorandum. "The Nitrite Decision & The Nature of the Scientific Evaluation," September 11, 1979, p. 3.

[46] Ibid., p. 9.

[47] Ibid., pp. 11-12.

[48] Ibid., p. 12.

[49] U.S. Department of Justice. Office of the Legal Counsel. Proposed phasing out of nitrites in foods. *In:* Remarks of Herman Talmadge. Congressional Record [daily ed.], v. 125, Apr. 5, 1979; S 4005-4011.

[50] Committee for the Working Conference on Principles of Protocols for Evaluating Chemicals in the Environment. National Academy of Sciences. Principles for Evaluating Chemicals in the Environment. Washington, D.C. National Academy of Sciences (1975), pp. 9-24.

[51] Committee on Pesticide Decision Making. National Academy of Sciences. Pesticide Decision Making. Washington, D.C. National Academy of Sciences (1978), p. 3.

[52] Committee on Principles of Decisionmaking for Regulating Chemicals in the Environment. op. cit. p. 3.

[53] Committee for a Study on Saccharin & Food Safety Policy. National Academy of Sciences. Food Safety Policy: Scientific and Societal Considerations. Washington, D.C. National Academy of Sciences (March 1, 1979). P. S-1.

[54] Ibid. p. 3-44.

THE VALUE-ADDED TAX

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Mr. Speaker, I promise in view of the lateness of the hour not to use the entire time allotted to me.

During the past 24 hours we have heard a great deal about the value-added tax. I would like to call some of the details of this tax, rather the implications of it, because the details are not yet known to my colleagues, and to ask them to think earnestly about the desirability of entering into such a departure from American tax philosophy at this stage in our Nation's history.

This tax is widely used by other countries. It is used by the European Community in particular. We hear that the Japanese are interested in this tax, that it is the wave of the future. It is suggested in this country primarily as a means for raising large sums of money. It could raise a great deal were we to go to the type of tax that has been suggested by the chairman of the Committee on Ways and Means, and apparently with at least the acquiescence and consent of the chairman of the Senate Finance Committee, because they are asking for a 10-percent value-added tax.

The rule of thumb that I have seen, although I believe these figures are very tentative, is that a 1 percent value-added tax will raise about $15 billion. So, presumably a 10-percent value-added tax could raise $150 billion.

Now, what is a value-added tax? It is a tax on the increment in value of any product at any stage in its devolpment. If you take iron ore out of the ground, it has value when you have completed the mining operation. If you convert it to iron ingots through a smelting process, it has a greater value, and a tax is collected first on the value of the iron ore and then on the increment in value of the ingot.

When it then is converted into steel, it has an even greater value. A tax is collected at that stage on the increment and so on until it crosses the retail counter as the final step before it goes to the consumers.

This tax is in no way separated from the inherent value of the article, but goes right into the price structure. It is usually administered in a way which requires each processor to pay a tax on the full value of the product, claiming a credit for all previous value-added taxes paid at earlier stages in the development of the product.

It is a difficult tax to administer, certainly as it has emerged in most of the European countries where there are a myriad of exemptions, exclusions and credits, and where a great many forms are required to be filed by those who collect the tax, namely, the business community itself.

Now, such a tax is clearly a cornucopia of additional tax revenues. It is as broadly based a tax as you can have. It is an easy way for politicians to raise large sums of money without appearing to hurt anyone very much.

What are the objections to it? The most traditional objection is of course that it is regressive. It is a tax on consumption, like retail sales tax imposed by many of our municipalities and States. As a tax on consumption, it bears no relation to ability to pay, but only to the total amount consumed.

If the tax is an all-encompassing one, applying among other things to food, for instance, clearly a family that includes eight children will pay a much higher value-added tax than a family which has only one child, regardless of that family's ability to pay.

So, it is generally viewed as a regressive tax; which is not part of the American tradition. Ability to pay is something that most Americans consider one of those attributes of a tax system that is desirable.

Another point of opposition: it is a hidden tax. I am one of those who happens to think one of the tragedies in this country is we went to a withholding tax on income tax on earned income. The result was that a very large part of our income tax is collected in small amounts, painlessly throughout the year, by withholding, and that this convenience to our taxpayer, has resulted in people being less aware of the cost they are contributing to the growth of Government. A similar and even more hidden tax, something collected on millions and millions of turnovers or modest transactions adding to the value of a particular product would raise staggering sums of money without creating focal points of popular opposition.

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A third objection to the value added tax in the American tradition is that it would be very disruptive of a Federal system that we feel has helped us achieve responsive government, because it has resulted in substantial government decisionmaking at a great many levels. It would be disruptive of the Federal system because if we impose a tax as high as 10 percent, that would obviously include a retail sales tax, and to have a retail sales tax of that dimension on top of the other municipal and State sales taxes would be a considerable economic drag. I think a Federal tax of that dimension would have to be preemptive.

What is wrong with making it preemptive and giving the money back to the States and municipalities in grants? Well, to ask that question is to answer it. It clearly is a centralizing device, putting more and more of the resources of the Government through the central tax collecting institution here in Washington.

Another argument is that it is administratively difficult and adds to the bureaucracy. I cannot confirm this, but I heard that when Britain went to a modest value added tax as a condition to her joining the European Community—the European Community uses the value added tax to finance a lot of its activities—the British had to quadruple their tax bureaucracy because of the large number of forms required and the massive auditing job of checking every contributor to the value of the goods and services of the nation across the board.

There are those who say a value added tax does not need to be this difficult; it could be a simple tax, a flat rate, on all things. If it is on all things, necessities as well as luxuries, it clearly is more regressive than otherwise.

The French, for instance, have a value added tax which imposes a very high tax, I believe over 30 percent, on luxuries. On necessities the tax is only about half that, the theory being this makes it a fairer tax. They have many exemptions and exceptions also in their tax, greatly adding to the complexity of the administration of the tax.

I do not think those who advocate a simple tax are being realistic because this tax would be politicized by this body, among others, just as much as any other tax. We would try to find ways of adding to its fairness by creating a myriad of exceptions, applying contradictory and divergent tax philosophies in the course of trying to put it all together.

Mr. Speaker, this tax is being proposed, interestingly enough, not as a substitute for some other unpopular tax; it is being proposed, as I understand it from reading the newspaper reports of the addresses that were given to the Chamber of Commerce yesterday, as a way of taking pressure off of other taxes. I regret to say that many of the businessmen who heard these proposals were very favorably impressed by them, and the reason was that they were told that such a massive tax on consumers rather than on income or on capital or on anything else could be used to pay for all the wonderful things that business wants. It was suggested, for instance, the proceeds of the value added tax could be used to provide new savings incentives under the income tax, that it could provide for the elimination of the double taxation of corporate profits, that it could provide for a maxi-tax of 50 percent on unearned income, something many people feel would be an improvement to the savings picture in the United States. It could also provide a roll-back for social security taxes, and certainly they are unpopular.

All of these things were suggested as opportunities that were involved in the massive revenue raising and implicit in the imposition of a 10 percent value added tax.

I do not think, Mr. Speaker, that this body or any other representative body is going to put a broadly based consumer tax generally perceived as regressive and, therefore, impinging particularly heavily on poor people, raising large amounts of money and then spending it for capital formation, or for the benefit of the American business community. I do not wish to comment on the desirability of such a course. But, knowing the way in which this body operates, I can tell the Members that a tax on poor people is likely to go back to poor people in some other form, or is going to be used to finance more government services for their benefit. That is the insidious thing about the value added tax. It is an easy way to raise a large amount of money. It is an easy way to finance more government. It appears to be painless because it involves millions of small transactions rather than a few sacrifices that are obvious to those having to pay. It goes right to the price structure, is not identified as a tax. While it contributes obviously directly to inflation, it is going to

be one of those invisible devices for extracting large sums of money from the American people which can be blamed on those producing and selling the foods.

I would hope my colleagues will have some skepticism about the imposition of a new tax in this way, because, quite frankly, once we get it we will never get rid of it. I do not believe it is in the American tradition. I do not think it is to the advantage of the American economy or the American taxpayer. To accept it because its proceeds could be used for something wonderful is the kind of shell game that has fastened on to us additional tax after additional tax over the years.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the distinguished gentleman from New York for yielding. Let me express my deep appreciation for his erudite and most impressive discourse on this subject, a field in which he is an expert.

I have one question. If a value added tax were applied, would it develop all of the revenue, tax resources, money revenue for the government which the government now receives through all its other tax sources? In other words, if we wipe all other tax sources, would this tax supply and develop the same revenues?

Mr. CONABLE. At 10 percent it would raise $150 billion according to the estimates that admittedly are very preliminary estimates.

Mr. RUDD. If the gentleman will yield further, we are being taxed now by the Federal Government at something around a little over 30 percent. If we raise it from 10 to 30, would it develop the same level of revenue?

Mr. CONABLE. It could be used for that purpose if it were used to supplant every other tax that existed.

Mr. RUDD. Let me say again that I appreciate the gentleman taking this special order and I think the value added tax is on of the most frightening, tyrannical forms of taxation that could ever have been devised or imposed on a people. I shudder to think what would have happened if King George, III, would have had this maniacal tax process at his command. I thank the gentleman from New York.

Mr. CONABLE. Other countries are using this tax and are satisfied with it. I happen to feel it is not in the American tradition.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding. I thank him for his scholarly presentation.

As the distinguished gentleman from New York knows, I take a slightly rosier view overall on a value added tax than he does. On the other hand, I am obliged to concur in most of his conclusions that he has given to us this evening.

The value added tax is a complete departure from the tax system of the United States. As most of my colleagues know, we rely on the income taxes at two, three, and sometimes four levels of government. To lay over that a whole new system of excise tax, and we really ought to say sales tax because that is what it is, is absolutely unthinkable and is impossible in our system without very long public debate, and without perhaps years of integration of such a system.

The Europeans do it very well, but the Europeans have always lived off excise taxes. Income taxes are not an important source of revenue for them.

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Mr. CONABLE. If the gentleman will give me back the floor, many European countries cannot collect an income tax. The income tax is a part and parcel of our system, and I think most Americans, for all the differences they have about the level of taxation, feel that it is a fairer tax generally than one that would be on consumption.

Mr. FRENZEL. I do concur with the gentleman. Since our circumstances are so different, this is not something that we can make a speech to the Chamber of Commerce about 1 day, hold hearings about 60 days later, and pass the bill a few months after that. This is something that would take years before we could ever get into the situation.

Mr. CONABLE. There are hearings scheduled—the dates have not been set—in both the Senate Finance Committee and the Ways and Means Committee for this fall. In fairness, I believe these hearings are preliminary hearings to try to educate the body as to the advantages that could be derived from such a value-added tax. I completely concur with what the gentleman has said about the length of time necessary to impose and integrate such a tax. I do not expect it to be as imminent as some of the reports of yesterday's oratory have indicated.

Mr. FRENZEL. I thank the gentleman. If I may proceed, I recall that it was only December of 1977 when we passed the largest tax bill ever imposed on the people of the United States. We are about to pass a windfall profits tax that will be a sales tax on the people for what, another $150 billion or $140 billion. Now, we are talking about an additional $150 billion in a single year. Obviously this is ridiculous, and I think the gentleman does well to point out that things are moving much too fast, and even for those people like myself who would like to see this country consider at some time some provision of value added tax, we certainly ought to go at it with a great deal more consideration and a great deal more care, and not be making promises about what it can do for us and what we can do for it.

I think the gentleman ought to be congratulated for raising this question.

Mr. CONABLE. I thank the gentleman for his contribution. I would like to say that I do not believe we would be discussing this so seriously at this point if it were not for the unpopularity of the payroll tax. The value added tax does provide us an opportunity for diversion from that, because it is suggested that this could be a painless alternative.

Putting the value added tax into the social security system, while it would clearly bolster the social security system in a major way, would again be a serious departure from what has been up until now essentially an insurance program. It would be the equivalent of putting general Treasury money into the social security system, and in no way more desirable than that in the impact it would likely have on the growth of the system.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, I want to commend the gentleman for alerting our colleagues and the general public about the danger in this tax. It is a very insidious form of taxation.

I want to ask the gentleman in the well a couple of questions. Would a consumer, for example, have any evidence of this tax? It has been alluded to as a sales tax. When I buy an automobile in the State of Ohio I know how much the sales tax is, or a suit of clothes or something in most jurisdictions. Would there be any evidence to the consumer of what proportion of a product was represented by the value added tax?

Mr. CONABLE. No, he could assume that at least the amount of the value added tax percentage would be added to the retail sales. He would not know how much was added at an earlier stage in the development of the product, so it is not segregated. It goes right into the price structure. He would be paying more for the product than he otherwise would because of the increment in that product represented by cumulative tax charges, but he would not know how much it was. That is one of the attractive features about it to politicians. It in no way identifies the cost of government to the victim.

Mr. REGULA. So, in effect, the consumer would tend to blame the increased cost of a product on someone other than the government.

Mr. CONABLE. Someone else is likely to take the rap.

Mr. REGULA. Another question I would submit to the gentleman. Is it easy to increase this tax? As I understand it, in Great Britain even the new conservative Prime Minister has increased the value added tax.

Mr. CONABLE. Yes, in Great Britain, the new conservative Prime Minister went to a value added tax for obvious reasons. It was impossible to increase the income tax in Britain. It had become counterproductive to a great degree. I understand that the marginal rates above the equivalent of $15,000 in this country were over 90 percent. So, in order to avoid a tremendous disincentive of an income tax rate that high, the new government in Great Britain decided that a broadly based tax, even if it involved taxing poor people more, in order to try to get the British economy back on an incentive basis, was proper.

In Britain under the old tax law, nobody asked for a pay increase because the marginal tax rates were so high. What they asked for was use of the company car. In other words, Great Britain had become an expense account society given the level of marginal income taxes. That is quite a different situation than we have in this country. I would have to

think very hard were I to be told that the value added tax was being proposed as a complete alternative to the income tax system. It is not. It is being proposed as an additional tax, and a very, very extensive and burdensome one at that.

Mr. REGULA. Am I correct in my understanding that with the value added tax, the goods that go into export, the tax is deferred so that in effect the American consumer would be paying substantially larger prices for the same product as the individual in another country buying it as an import?

Mr. CONABLE. That is right. That is both an advantage and a disadvantage. The rebate of taxes at the border is a prevalent practice in value added tax countries, and it is permitted under the rules of GATT. That means that our export would not carry the burden of domestic taxation to the extent that domestic taxation is met by a value added tax. We are not permitted under the rules of GATT to rebate the corporate income tax which, in effect and in impact on consumers is a very similar tax to the value added tax.

But, quite frankly, I do not see any real expectation that the value added tax would be substituted for the corporate income tax, thus alleviating the burden of taxation from our exports and making our goods more competitive. Only to the extend the value added tax was supporting Government would we get that particular advantage. The gentleman is absolutely correct on the effect it would have on the domestic economy. It would mean that domestic consumers will have to pay relatively more tax as it was shifted from those buying goods abroad.

Mr. REGULA. The gentleman may be commended, but I would be interested as to how he would view the additional cost in terms of a new collection system. I do not know what the experience of the European countries would be, but it would seem to me to be horrendous bookkeeping at a time when the business community is saying that already the regulatory burden and the bookkeeping burden is onerous. Would this not result in even an escalation of that?

Mr. CONABLE. There is no doubt about it. Were it to be a tax similar to those put on European communities, the auditing and bookkeeping and reporting burden on business would be considerable. One of the ironies of finding the business community looking at this as a business relief for them is that they have to collect this tax just as surely as they have to collect from the consumers the cost of a corporate income tax. Ultimately, in order to make a profit they have to pass it on, but the collection process could be a very expensive and time-consuming thing for business, once again adding particularly to the burdens of those small businesses which do not have the adequate staff to engage in massive bookkeeping operations. VAT for them would come to mean "Very Annoying Tax."

Mr. REGULA. As I understand it, the traditional internal revenue procedures would not fit with this. It would require almost an entirely new administrative structure to deal with it.

Mr. CONABLE. As the gentleman from Minnesota said, it would take a great deal of time and a great deal of integrating to get this tax in place, because our present tax structure is already complex and this tax would have an impact on a great deal of it.

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I would like to suggest that in terms of the additional local revenue sharing or grants that would be necessary for municipalities and States to offset the loss of the retail sales tax, it would be a difficult thing because all municipalities and States are using the sales tax in a widely varying degree across the country. Some States have very high sales taxes; others rely on other sorts of taxes, and the result would be a hodge-podge if we were to try to hold a State or a municipality harmless. It would require a great deal of careful integration of the new system.

Mr. REGULA. Do I understand the gentleman correctly, then, that the enactment of a value-added tax at the Federal level would preempt State and local sales taxes for all practical purposes?

Mr. CONABLE. It need not do that, but if we were putting anything as large as a 10 percent value-added tax, that would be on the retail level as well as on the earlier levels, and clearly to have a substantial State or municipality sales tax on top of that would be to have a tremendous tax increment in the value or price of every sale of goods or services—value-added taxes are collected on some services also—that were distributed in that particular State.

Mr. REGULA. My last question would be as we all appreciate, there are many hidden taxes now in the form of excise taxes. What would be the impact of a value-added tax? Would it in effect be a tax on the hidden tax portion of merchandise?

Mr. CONABLE. That is something that would have to be decided by the proponents, the people who pass the value-added tax. The gentleman is correct. We already have substantial Federal excise taxes which are in effect, sales taxes, and many of them have been in place for some time. If we were not to repeal those, considerably reducing the net recovered by a value-added tax, the effect would be to have a tax on a tax, and that kind of pyramiding of taxes again would be something that the American people would react to quite strongly.

Mr. REGULA. I thank the gentleman for his responses. I think it is very clear from this dialog that the value-added tax contains many dangers to the economy of this Nation, and I think we would want to examine this long and carefully.

Mr. CONABLE. I greatly appreciate the contributions of my colleagues here tonight on this special order. I acknowledge that there are many possible designs for a value-added tax, and I have spoken very generally here. It has been suggested, for instance, that the value-added tax would not apply to food because that would be unfair to poor people. If that is so, then we are removing from taxation the food also of wealthy people, and we begin to get distortions in the pattern of distribution of the tax the minute we start making exceptions, exemptions and the types of credits that seem to be an inherent part of the European tax as it is developed. I acknowledge that we might go to a much simpler tax, as our income tax was, for example, at the outset. However, the progression of any tax, as equity tugs on it historically, is toward increasing complexity, and I am sure this tax would be subject to the same forces that have made our income tax such a tremendously cumbersome and complicated device.

● Mr. LIVINGSTON. Mr. Speaker, recently a friend of mine, a barrister from England, wrote me about the value added tax. I believe his remarks are worth noting, and I congratulate the gentleman from New York for providing an opportunity to discuss this very important issue.

The text of his letter on V.A.T. follows:

Pursuant to your request on V.A.T. I make the following observations as to it's hardships, in particular small businesses and private individuals. On the latter aspect I have looked at it from the 'scale of business' in the context of the English (I mean British) economic and business structure. The examination is representative of personal (i.e. the Bar) and such like associations as well as what I can recall from court cases. I have written to my Accountant for details, but I am not sure if I will get the reply in time for you as I am sure he will be away on holidays like his clients—no business moves in Britain during August, and the Temple (where the Bar is situated for practice) is a desolate place with only what we call the 'junior-juniors'. Here in N.Y. I called on my bank—the National Westminster (English bank) and with whom through London introductions I have very good rapport—be delighted with their answer 'Don't chill our spines with V.A.T.' They dread it so much they don't keep any literature.

I may seem to have deviated somewhat on account of the background to what is V.A.T.—(like the sword of Dracula).

V.A.T. is a tax charged on Service. Service is synthesized to mean any contribution by an individual to the final product brought to the consumer. Service in this context takes the same meaning as attributed to by U.S. law regard 'product liability'. By this I mean every person in the link leading up to the final product is charged V.A.T. The product like in U.S. Law is not necessarily limited in it's definition to, for example goods. The definition within it's ambit includes examples of like lawyers services. The consumer at every turn of the transaction pays V.A.T. Frankly we (i.e. the Bar) has never understood and this is true of the general public how revenue is collected at each link in the chain. What everyone knows is that as a *consumer* he pays V.A.T. It becomes more complicated to know 'which of which persons' are entitled to charge V.A.T. This arises in this way, that persons earning over a certain income fixed by the V.A.T. authorities *have to charge* V.A.T. Now at the Bar (which as you know is limited for practising as Barrister's and where we have 'status' categories, the 'junior-junior whose income does not normally exceed £2000/-per annum at least for 3 years of his practise will not register and cannot register for V.A.T.

Quite recently before I left in May there were Govt: suggestions for increasing the income for chargeable V.A.T. This was because the 'army' of civil servants in the V.A.T. was insufficient—and mind you it is a massive army, and with special powers for surprise raids on business books and very powerful rights for prosecutions. As you know income at the English Bar is very poor in comparison with U.S. lawyers on account of the regimented system that it was becoming difficult for Junior-Juniors with £3000 gross

income to keep up with V.A.T. This is also true for small tradesmen, other private practitioners and such like. The essential difficulty being that you are paid as fees or income to which the V.A.T. is tagged on, and three months later at Govt: collection time you pay the Govt: All this needs separate banking accounts and such separate banking accounts are not possible because banks charge commissions for each bank account and that is not a set-off as V.A.T. expenses. If you take this small example, and apply it to a host of people in individual business enterprises you can well imagine the difficulty for the public, though the Govt: kept on increasing staff.

Quite recently very shortly before the last elections the computer people on V.A.T. went on one day strike each week—at least for 3 weeks before I left—I am told the government administration on V.A.T. has not yet recovered to make claims ending last year. Imagine that happens in the U.S., vastly bigger than Britain. The exceptional hardship it causes is to the small businessman. He has to produce *receipts* all the time, again all though one may have paid V.A.T.; yet for V.A.T. purposes no receipts after V.A.T. payment can be destroyed for 3 years—this requires storage space, too. The rule is that you may have paid V.A.T. passed by one officer, but that may be rechecked by another V.A.T. officer at a later date at their whim and fancy. So, if you don't have your receipts, boy, oh boy, it means prosecution. This applies for expenses claimed in the V.A.T. form. No expense claim without receipt—even if you buy a ballpoint pen for 35 cents you must have *V.A.T. endorsed on receipt* by seller.

This is what I mean earlier on by saying no one knows how much is collected on V.A.T. in the chain. At the Bar, when we go on circuit, some of us carry a little shopping bag to put our receipts. In London we keep a separate drawer to "above" the receipts. One has to keep separate books for "income" and "expenditure" for V.A.T. The expense claimed is on the V.A.T. paid. Keeping books means spending some evenings or days writing up. It needs Draconian control of one's books. Generally one gets so fed up that one simply does not claim V.A.T. In V.A.T. one is collecting V.A.T. for the Government, to whom it is paid 3 months later. At the Bar, collection of V.A.T. is from 21st of March and then the due dates are every 3 months. Solicitors are, I think, on March 14.

As you will observe *each kind of business* has its V.A.T. date. In the finality, it is a tax put upon the ultimate consumer. I have given you examples of V.A.T. at the Bar, consider the greater difficulties of a chap who has a rapid turnover in business. What we call in Britain "fish and chips" turnover. V.A.T. strangles the man who receives payment in "checks." Government has no control or much less control over the chap who does business in "cash receipts" like I told you of the London taxi drivers' claim to be exempted from V.A.T. It can lead on to corrupting morals of people for a preference for dealing in cash. Again credit-card copies are not allowed to set off V.A.T. claims in substitute for the actual receipts, nor even checkbook counterfoils.

I am not an economist to survey the result of these, but the modern world lives in some kind of credit arrangements. I may also point out all those who receive monthly incomes are exempt from V.A.T. as we say in Britain "spare the civil servant and ruin the man with initiative for business and independence." Its direct assault is on the small businessman, although it does affect the bigger business; the latter can employ specialist staff while the former will have difficulties. In the U.K., unlike here in the U.S., we also don't have so many consultancy services. V.A.T. tempts them to negotiate in cash at lesser price setting in motion all kinds of competition; in my view, morally degenerating to a country for straightforward business deals (so we think in Britain).

Apart from personal experience, I cannot say how much in detail it becomes an annoyance to businessmen for every month there is always some publication from the V.A.T. that arrives by post. At the Bar generally we throw them into man's greatest invention, the waste-paper basket, as in our business we have to charge V.A.T. on the lump-sum fee.

I hope I have been able to give you a fair amount—as affecting the individual citizen. It also entails the Government: in huge expenditure programmes like these publications being sent out, bored employees, and there is a lot of confusion that arises which they don't admit. These, I am told, were one of the motivating reasons for raising the "vatable" limit; i.e., those charged with V.A.T. It also tempts a lot of people (businessmen) to register for V.A.T. as an advertisement for showing to their clients that their income is high.

I have explored my mind in every way to give what I know of it.●

● Mr. STARK. Mr. Speaker, yesterday the chairman of the Committee on Ways and Means and the chairman of the Senate Committee on Finance called for the enactment of a value-added tax. In doing so, they have shown themselves committed to shifting the tax burden even further onto the backs of the poor and the middle class—and away from those most able to pay. In doing so, they have taken a position totally at odds with the traditions of the Democratic Party—and with every canon of equity and justice.

A value-added tax is unfair because it taxes consumption—and not profit or wealth. We still have a progressive income tax—in spite of the tax committees' efforts to drill the code full of loopholes for the rich. A value-added tax is a regressive tax—a tax on the poor and the middle class. It is more appropriate for a monarchy, or a dictatorship—or any political system where the vast majority of people are forced to serve the needs of a few.

A value-added tax would be a total disaster for an economy struggling with double digit inflation. If we do anything through the tax system to combat inflation, we should cut taxes that jack up prices and costs—like the payroll tax—not pile more on.

Mr. Speaker, this Congress—and this country desperately need leadership if we are to go forward—forward in freedom and justice. The chairmen of the tax committees of this Congress ought to realize that a value-added tax is not the direction any fairminded American wants to go—unless they want revolution in the streets. The idea that the Ways and Means Committee or the Senate Finance Committee will spend any time away from the problems of the economy and tax reform to consider a value-added tax raises serious doubts as to the leadership ability of the respective Chairs.●

GENERAL LEAVE

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. (Mr. MURTHA). Is there objection to the request of the gentleman from New York?

There was no objection.

MARE ISLAND NAVAL SHIPYARD—125TH BIRTHDAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CLAUSEN) is recognized for 15 minutes.

● Mr. CLAUSEN. Mr. Speaker, I would like to take this opportunity on behalf of Mr. FAZIO and myself to congratulate the employees of the Mare Island Naval Shipyard on that facility's 125th birthday and thank them for their many contributions to its success.

Mare Island has long been one of the largest and most productive public shipyards in the United States. It has great national importance for its contributions to our security. It is a significant force in the surrounding northern California community for the contribution it makes to the local economy in providing employment to thousands of talented people.

Mr. Speaker, Mr. FAZIO has stated and I quote him at this point for the RECORD:

Since the first ship was launched from the Mare Island Naval Shipyard in 1858, more than 512 additional ships have been built by the yard. These includes most types of naval vessels, ranging in size from tugboats to battleships, which have served America through six wars. The ships being built, maintained and serviced at Mare Island continue to play a vital role in preserving our national security.

The Mare Island Naval Shipyard has also long played an important role in the community in which it is located. As one of the largest employers in Northern California, it provides jobs for 9,163 people, thus making a substantial contribution to the area's highly prosperous overall economy.

Mr. Speaker, I would like to share with our colleagues the following brief but interesting account of the history of the Mare Island Naval Shipyard, which was prepared by the yard's public affairs department:

HISTORICAL SUMMARY

On 5 August 1775 His Spanish Majesty's Ship SAN CARLOS, commanded by Lieutenant Don Juan Fares de Ayala, engaged in an exploratory expedition, touched at what is now known as Mare Island. Originally charted by Lieutenant de Ayala as "Isla Plana," (Flat Island), it was not until the spring of 1830 that the island acquired its present name.

General Mariano Guadalupe Vallejo, while on a mapping expedition with a company of Mexican cavalry troops, was fording Carquinez Straits when one of his favorite horses, a white mare, became detached from the group and was carried away by the swift current of the Sacramento River. Ultimately the horse struggled ashore on Isla Plana, where she was subsequently found. The General promptly changed the name of the site of the future naval shipyard to "Isla de la Yegua"—Mare Island.

After the end of the Mexican War, thoughts in Washington were turned to the development of the newly acquired territory of California.

On 2 December 1851, President Millard Fillmore, in an annual message to the Congress, recommended the establishment of a Navy Yard in the Pacific. On 27 January

1852, Secretary of the Navy Graham appointed Commodore John D. Sloat Head of a Board to select a site on the shores of San Francisco Bay for a Navy Yard, Depot, Hospital, and Marine Barracks. On 31 July of that year, after an exhaustive survey, Commandore Sloat reported to the Secretary that the Board unanimously agreed upon Mare Island as the most suitable location and recommended its purchase. The Navy bought the original 956 acres of Mare Island from the Bossel-Aspinwall-McArthur combine on 4 January 1853 for the sum of $83,491. Since that time, through land reclamation projects and grants, the property has grown to 2,626 acres of hard land and an additional 1891 acres of tidelands.

Commander David G. Farragut took command of Mare Island on 16 September 1854 and began to construct Navy Yard facilities. In 1858, Mare Island's first ship, the gunboat SAGINAW, joined the Fleet. Since then, the men and women of Mare Island have launched 513 ships, ranging from landing craft and destroyers to battleships and Polaris submarines. History records Mare Island's small role in the Civil War; in the Spanish-American War it fitted out many of the warships which, under Admiral Dewey, swept the Spanish from the Philippines. World War I also saw many records broken, including the launching of the destroyer WARD in 17 days from keel laying—a record which still stands. The WARD later fired the first shot on 7 December 1941 at Pearl Harbor.

During World War II Mare Island Naval Shipyard repaired and returned to the battle line a total of 1,207 ships of all types, including cruisers, submarines, and tenders of the British, Dutch, French, and Soviet Fleets. During this period Mare Island built 391 new ships, including five 16,000-ton submarine tenders, 19 fleet submarines, 31 destroyer escorts, and hundreds of landing craft and other smaller types of auxiliary craft. The Shipyard's employment reached a peak of 41,053 in the latter stages of World War II.

Mare Island ushered in its second century of service as a naval shipyard by embarking on an intensive training program to qualify its engineers and artisans in the application of nuclear propulsion to ship propulsion. Since 1958, when Mare Island delivered its first nuclear submarine, USS SARGO, the Shipyard has built or is now completing 17 nuclear powered submarines, including seven Fleet Ballistic Missile types.

On 10 November 1964 at a time when then Secretary of Defense McNamara was carrying out stringent economies in military establishments, formation of the San Francisco Bay Naval Shipyard was ordered, composed of Mare Island Naval Shipyard and San Francisco Naval Shipyard (at Hunters Point). This "new" Shipyard, with headquarters at Mare Island came into being on 11 May 1965 and was in operation for nearly five years.

It soon became apparent that the changes envisioned by the previous Secretary of Defense did not result in expected financial savings, and on 11 December 1969 the Secretary of the Navy, with the concurrence of Secretary of Defense Laird, announced that this activity would be dis-established, and replaced by two separate shipyards as before. At an informal ceremony at Hunters Point on 31 January 1970, the San Francisco Bay Naval Shipyard was dis-established, Hunters Point Naval Shipyard was established in San Francisco, and the former Mare Island Naval Shipyard was re-established, continuing a name that began on 16 September 1854.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, on Friday, September 7, I was in my district on official business and was unable to vote on rollcalls 448 through 453. I would have voted as follows on the five yea-and-nay votes:

"Yes" on House Resolution 386, the rule to consider H.R. 79, providing for reorganization of the Postal Service; "yes" on the vote whereby the House agreed to resolve itself into the Committee of the Whole to consider H.R. 79; "yes" on the amendment to retain the present ceiling on public service subsidies to the Postal Service rather than the increases provided for in H.R. 79; "yes" on final passage of H.R. 79; and "yes" on the conference report on S. 1019, to lift the ban on aid to Uganda.●

INVESTMENT INSURANCE AND EXPORT FINANCING FOR THE PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 20 minutes.

● Mr. BINGHAM. Mr. Speaker, relations between the United States and the People's Republic of China have progressed to the point where we have reached a general agreement on trade. To take effect that agreement, which includes provision for the granting of most favored nation status by the two countries, requires approval by the Congress.

Such approval is not a foregone conclusion, with issues such as textile exports and emigration assurances yet to be considered by the Congress. Hopefully, however, those issues will be resolved and the trade agreement approved.

The prospect of complete normalization of diplomatic and economic relations with the People's Republic raises the possibility that China, and United States firms pursuing business in China, will desire access to such trade incentives as investment insurance and export financing.

In order that the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, may begin consideration of such possible developments, I am today introducing two bills. The first would authorize the Overseas Private Investment Corporation (OPIC) to issue political risk insurance and investment guarantees for investments in China. The Chinese have recently promulgated a new foreign investment law which authorizes joint ventures with a minimum of 25 percent foreign investment. No maximum proportion of foreign investment is stipulated.

This new law will surely spark interest among U.S. businesses in possible investments in China. It stipulates that "the insurances appropriate to a joint venture shall be furnished by Chinese insurance companies," but leaves open this question whether U.S. investors will be able to insure their investments against such political risks as expropriation, nonconvertibility of currency, and war and revolution. It is such coverage that is offered by OPIC, and at the appropriate time the subcommittee will wish to consider the advantages of, and possible barriers to, OPIC operations in the People's Republic.

The second bill I am introducing today would authorize Export-Import Bank financing and other services for exports to the People's Republic of China.

Mr. Speaker, most of the world's major trading nations—our trade competitors—have long since normalized their relations with the People's Republic of China. American businessmen, therefore, are at a considerable disadvantage. Their competitors from other nations have had a considerable headstart in arranging business with the Chinese, and in learning how to go about that. Any approval of the proposals I am making today must be contingent upon favorable action by Congress with respect to the United States-Chinese trade agreement. If and when there is such favorable action, however, we will want to move forward as rapidly as possible to provide the necessary tools to U.S. businessmen to make trade possible and to put American businessmen at least on an equal footing with respect to their competitors for Chinese trade. It is in that spirit that I make these proposals.

Mr. Speaker, the text of the new Chinese law regarding foreign investments in joint ventures, to which I referred earlier in my remarks, follows:

CHINA'S NEW LAW ON JOINT VENTURES,
XINHUA, BEIJING, JULY 8, 1979

Following is an unofficial translation of the full text of the law of the People's Republic of China on joint ventures using Chinese and foreign investment, which was adopted on July 1 at the second session of the Fifth National People's Congress and became effective today on the order of Ye Jianying, chairman of the Standing Committee of the National People's Congress.

ARTICLE 1

With a view to expanding international economic cooperation and technological exchange, the People's Republic of China permits foreign companies, enterprises, other economic entities or individuals (hereinafter referred to as foreign participants) to incorporate themselves, within the territory of the People's Republic of China, into joint ventures with Chinese companies, enterprises or other economic entities (hereinafter referred to as Chinese participants) on the principle of equality and mutual benefit and subject to authorization by the Chinese government.

ARTICLE 2

The Chinese government protects, by the legislation in force, the resources invested by a foreign participant in a joint venture and the profits due him pursuant to the agreements, contracts, and articles of association authorized by the Chinese government as well as his other lawful rights and interests.

All the activities of a joint venture shall be governed by the laws, decrees, and pertinent rules and regulations of the People's Republic of China.

ARTICLE 3

A joint venture shall apply to the Foreign Investment Commission of the People's Republic of China for authorization of the agreements and contracts concluded between the parties to the venture and the articles of association of the venture formulated by

them, and the commission shall authorize or reject these documents within three months. When authorized, the joint venture shall register with the General Administration for Industry and Commerce of the People's Republic of China and start operations under license.

ARTICLE 4

A joint venture shall take the form of a limited liability company.

In the registered capital of a joint venture, the proportion of the investment contributed by the foreign participant(s) shall in general not be less than 25 percent.

The profits, risks, and losses of a joint venture shall be shared by the parties to the venture in proportion to their contributions to the registered capital.

The transfer of one party's share in the registered capital shall be effected only with the consent of the other parties to the venture.

ARTICLE 5

Each party to a joint venture may contribute cash, capital goods, industrial property rights, etc., as its investment in the venture.

The technology or equipment contributed by any foreign participant as investment shall be truly advanced and appropriate to China's needs. In cases of losses caused by deception through the intentional provision of outdated equipment or technology, compensation shall be paid for the losses.

The investment contributed by a Chinese participant may include the right to the use of a site provided for the joint venture during the period of its operation. In case such a contribution does not constitute a part of the investment from the Chinese participant, the joint venture shall pay the Chinese government for its use.

The various contributions referred to in the present article shall be specified in the contracts concerning the joint venture or in its articles of association, and the value of each contribution (excluding that of the site) shall be ascertained by the parties to the venture through joint assessment.

ARTICLE 6

A joint venture shall have a board of directors with a composition stipulated in the contracts and the articles of association after consultation between the parties to the venture, and each director shall be appointed or removed by his own side. The board of directors shall have a chairman appointed by the Chinese participant and one or two vice chairmen appointed by the foreign participant(s). In handling an important problem, the board of directors shall reach decision through consultation by the participants on the principle of equality and mutual benefit.

The board of directors is empowered to discuss and take action on, pursuant to the provisions of the articles of association of the joint venture, all fundamental issues concerning the venture; namely, expansion projects, production and business programs, the budget, distribution of profits, plans concerning manpower and pay scales, the termination of business, the appointment or hiring of the president, the vice president(s), the chief engineer, the treasurer, and the auditors, as well as their functions and powers and their remuneration, etc. The president and vice president(s) (or the general manager and assistant general manager(s) in a factory) shall be chosen from the various parties to the joint venture.

Procedures covering the employment and discharge of the workers and staff members of a joint venture shall be stipulated according to law in the agreement or contract concluded between the parties to the venture.

ARTICLE 7

The net profit of a joint venture shall be distributed between the parties to the venture in proportion to their respective shares in the registered capital after the payment of a joint venture income tax on its gross profit pursuant to the tax laws of the People's Republic of China and after the deductions therefrom as stipulated in the articles of association of the venture for the reserve funds, the bonus and welfare funds for the workers and staff members, and the expansion funds of the venture.

A joint venture equipped with up-to-date technology by world standards may apply for a reduction of, or exemption from, income tax for the first two to three profit-making years.

A foreign participant who reinvests any part of his share of the net profit within Chinese territory may apply for the restitution of a part of the income taxes paid.

ARTICLE 8

A joint venture shall open an account with the Bank of China or a bank approved by the Bank of China.

A joint venture shall conduct its foreign exchange transactions in accordance with the foreign exchange regulations of the People's Republic of China.

A joint venture may, in its business operations, obtain funds from foreign banks directly.

The insurances appropriate to a joint venture shall be furnished by Chinese insurance companies.

ARTICLE 9

The production and business programs of a joint venture shall be filed with the authorities concerned and shall be implemented through business contracts.

In its purchase of required raw and semi-processed materials, fuels, auxiliary equipment, etc., joint venture should give first priority to the Chinese sources. It may also acquire them directly from the world market with its own foreign-exchange funds.

A joint venture is encouraged to market its products outside China. It may distribute its export products in foreign markets through direct channels or its associated agencies or China's foreign trade establishments. Its products may also be distributed on the Chinese market.

Wherever necessary, a joint venture may set up affiliated agencies outside China.

ARTICLE 10

The net profit which a foreign participant receives as his share after executing his obligations under the pertinent laws and agreements and contracts, the funds he receives at the time when the joint venture terminates or winds up its operations, and his other funds, may be remitted abroad through the Bank of China in accordance with the foreign-exchange regulations and in the currency or currencies specified in the contracts concerning the joint venture.

A foreign participant shall receive encouragements for depositing in the Bank of China any part of the foreign exchange which he is entitled to remit abroad.

ARTICLE 11

The wages, salaries, or other legitimate income earned by a foreign worker or staff member of a joint venture, after payment of the personal income tax under the tax laws of the People's Republic of China, may be remitted abroad through the Bank of China in accordance with the foreign exchange regulations.

ARTICLE 12

The contract period of a joint venture may be agreed upon between the parties to the venture according to its particular line of business and circumstances. The period may be extended upon expiration through agreement between the parties, subject to authorization by the foreign investment commission of the People's Republic of China. Any application for such extension shall be made six months before the exploration of the contract.

ARTICLE 13

In cases of heavy losses, the failure of any party to a joint venture to execute its obligations under the contracts or the articles of association of the venture, force majeure, etc., prior to the expiration of the contract period of a joint venture, the contract may be terminated before the date of expiration by consultation and agreement between the parties and through authorization by the foreign investment commission of the People's Republic of China and registration with the General Administration for Industry and Commerce. In cases of losses caused by breach of the contracts by a party to the venture, the financial responsibility shall be borne by the said party.

ARTICLE 14

Disputes arising between the parties to a joint venture, which the board of directors fails to settle through consultation, may be settled through conciliation or arbitration by an arbitral body of China or through arbitration by an arbitral body agreed upon by the parties.

ARTICLE 15

The present law comes into force on the date of its promulgation. The power of amendment is vested in the National People's Congress.●

AMENDING THE NAVAJO-HOPI SETTLEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, today I have introduced legislation comprehensively amending the 1974 act settling the long-standing land dispute between the Navajo and Hopi Indian Tribes of Arizona.

The 1974 act settled this dispute by providing for the partition of a 1.2 million acre tract of land between the two tribes. The result of this partition will be that several hundred Navajo families will have to be relocated. This obviously is a traumatic experience and imposes severe burdens on those required to relocate.

The bill I have introduced will remedy several defects and oversights in the 1974 act which have surfaced in the 5 years since passage and will also provide new legal tools and new appropriations to ease the burdens of this massive relocation.

While some of the provisions of the bill are controversial and while further changes and modifications may be necessary, I am sure the legislative process will result in a bill satisfactory to all concerned parties.●

THE PRODUCT LIABILITY RISK RETENTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, I am pleased today to introduce the Product Liability Risk Retention Act of 1979, a Commerce Department drafted proposal approved by the administration which will allow manufacturers, distributors, and retailers to form cooperatives to provide themselves with product liability insurance coverage.

In the course of hearings held during the last 2 years by the Subcommittee on Capital, Investment and Business Opportunities, it has become clear that thousands of small businesses nationwide have seen their product liability insurance premiums increase exponentially. Yet, in many cases, these rate increases have been shouldered by firms who have experienced no product liability claims whatsoever.

Last Congress, the subcommittee held 15 days of hearings, and pored over voluminous studies, reports, and position papers. It was assisted in the efforts by the Task Force on Product Liability, chaired by the Department of Commerce, which provided valuable input in our deliberations. Both the subcommittee and the task force found problems with both the insurance pricing mechanisms and uncertainty in the present status of product liability tort law. Further, since remedies addressed to these difficulties would not impact the problem of excessive rates in the immediate future, both the subcommittee and the task force recommended a remedy to ease businesses' burdens immediately. It is for this purpose that the risk retention proposal is being introduced today.

The risk retention proposal has the support of numerous business groups. Excerpts from such letters written to James McIntyre, Director of OMB, will follow these remarks, together with a summary of the proposal.

I urge you all to support this proposal which has the potential of making product liability premiums considerably more reasonable than has been the case in recent years:

PRODUCT LIABILITY RISK RETENTION ACT OF 1979, SUMMARY

The purpose of the Product Liability Risk Retention Act of 1979 (the "Act") is to facilitate the ability of product sellers to: (1) establish risk retention groups; and (2) purchase product liability and completed operations insurance on a group basis. The Act will be administered by the Department of Commerce.

The main body of the Act is divided into three titles:

TITLE I—RISK RETENTION GROUPS

Title I enables product sellers to form product liability insurance cooperatives called "risk retention groups." Product sellers can use these groups to pool all or a portion of their product liability and completed operations risk exposure.

Risk retention groups which have been approved by the Secretary of Commerce are exempted from state insurance regulation (section 105).

Approved risk retention groups, however, will be subject to applicable state premium taxes (section 105(b)).

In determining whether a risk retention group should be approved, the Secretary will consider: (1) its assets; (2) the expertise of its management; (3) the adequacy of its loss prevention efforts and its reserves; (4) the amount of risk it will accept; and (5) other relevant factors that indicate its ability to handle claims (section 101(b)).

As a general rule, the Secretary will not approve any risk retention group in which the risk coverage provided to any person exceeds five percent of the total risks assumed by the group (section 101(f)). The Secretary may make an exception, where necessary, in order to carry out the purposes of the Act, for groups which meet all of the other requirements of the Act, which are financially sound, and which are capable of shifting and distributing the risks of their participants.

The Secretary will be empowered to limit the total amount of risk assumed and retained by each risk retention group (section 102).

In determining the amount of risk that a risk retention group may retain, the Secretary may consider, as part of a group's capitalization, irrevocable letters of credit issued on its behalf (section 101(c)).

The Secretary can require an approved group to maintain reserves for incurred losses, loss adjustment expenses, and unearned fees (section 103).

An approved risk retention group may assume the product liability and completed operations risk exposure of only its members and member affiliates. This, however, may include risk exposures arising through "hold harmless," indemnity, and other similar agreements which are often executed by product sellers and their suppliers and customers (section 103).

Each approved risk retention group is required to submit an annual report and other data the Secretary may require. These reports and data are exempted from the Freedom of Information Act (section 104).

Approved risk retention groups are subject to the federal antitrust laws (section 106). The Act, however, in no way affects the antitrust immunity of commercial insurers under the McCarran-Ferguson Act; nor does the Act regulate insurance companies.

The cost of administering the Act will be met with fees paid by risk retention groups (section 110).

The Secretary is empowered under certain circumstances to revoke the certificate of approval of any approved risk retention group (section 111).

The Act does not amend the Internal Revenue Code. However, as long as there is real risk shifting and spreading in accordance with existing tax law, approved risk retention groups should qualify for the favorable tax treatment afforded to commercial insurers. Thus, for example, reasonable premiums paid to approved risk retention groups should be deductible by their members as ordinary and necessary business expenses under section 162 of the Internal Revenue Code.

TITLE II—GROUP PURCHASE OF PRODUCT LIABILITY AND COMPLETED OPERATIONS INSURANCE

Title II of the Act permits persons engaged in the same or similar business to purchase product liability and completed operations insurance on a group basis (called "Title II groups").

Title II accomplishes this by exempting Title II groups, their members, and any person who provides product liability and completed operations insurance, insurance-related services, or management services to Title II groups and their members from restrictive laws, including those which prohibit the group purchase of insurance in a majority of states (section 202).

These restrictive state laws include those which:

Make it unlawful for insurers to provide insurance on a group basis;

Ban fictitious groups; or

Require insurance policies to be countersigned by resident insurance agents (section 201).

TITLE III—MISCELLANEOUS PROVISIONS

The Act specifically provides that it does not affect, or in any way indicate the desirability of any modifications to, the substantive tort law of any state (section 301).

The Act will become effective 180 days following its enactment (section 303).

EXCERPTS FROM LETTERS OF SUPPORT

The following excerpts were taken from several of the letters written in support of the Product Liability Risk Retention Act of 1979:

THE NATIONAL ASSOCIATION OF MANUFACTURERS

The National Association of Manufacturers has long been critically concerned over the product liability situation. We now find that instead of stabilizing, the situation is actually worsening.... Because of the severity of the problem, because of its effect on product costs and hence inflation, and because it has reached levels that even our association did not anticipate, we urge you to give every consideration possible to mechanisms for reforming the various product liability systems. Chief among these is obviously insurance and the availability/affordability question.... We feel this is an extremely worthwhile concept, one that has the potential for bringing much needed relief to the business community without adding to federal expenditures. Consequently, we urge you to release this legislation to the Congress, thereby affording it the public scrutiny that it deserves.

RISK AND INSURANCE MANAGEMENT SOCIETY, INC.

...[T]he affordability of product liability insurance remains a critical problem—and a very large expense.... It is our policy to support maximum flexibility of risk management options.... It would also promote an element of competition in the market place which would be beneficial to all commercial buyers of insurance.... We have not been permitted to review the present proposed form of the law, so we can only support—*very strongly*—the concept of a self insurance alternative protected by its federal enabling legislation from the state regulations which would render it inoperative.

CONSUMERS UNION, NATIONAL CONSUMERS LEAGUE, & CONGRESS WATCH

The Risk Retention Act will provide manufacturers with a competitive alternative to commercial insurance....It will permit companies to get insurance at a lesser cost or to insure risks where they now may be without insurance. The competitive alternative to commercial insurance should force insurers to be more responsible in setting premiums and more responsive to manufacturer needs. Consumers should benefit because reduced insurance costs should relieve some pressure on prices. Also, the availability of insurance should assure seriously injured consumers of a source of recovery.... We, therefore, urge the Administration to support the Risk Retention Act.

THE NATIONAL MACHINE TOOL BUILDERS ASSOCIATION

The American machine tool industry needs the Risk Retention Act, which is currently being considered by OMB. Early Congressional passage of this Act will enable our members to form groups to cover all or part of their product liability risks, which are currently uninsurable at affordable premium rates.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Products liability remains a significant small business problem. . . . NFIB has always considered products liability to be in need of a two-sided solution. One side involves reform of tort law. The other involves changes in the insurance system to ease the supply problem. . . . Because NFIB is a democratic organization, we cannot endorse the bill without a vote by the membership. Such a vote is now being conducted. However, we do wish to emphasize that products liability and the costs of acquiring products liability insurance remains of keen interest and concern to large numbers of small businesses.

SPORTING GOODS MANUFACTURERS ASSOCIATION

The Sporting Goods Manufacturers Association strongly feels the legislation should receive favorable consideration by OMB and be sent to the Hill. . . . Insurance is still an overwhelming problem with regard to products liability in the sporting goods industry. . . . The Act will give manufacturers an alternative to commercial insurance and perhaps bring some of the off-shore captives home—two other good reasons for its consideration.

SCIENTIFIC APPARATUS MAKERS ASSOCIATION

SAMA members believe that enactment of the proposed Product Liability Risk Retention Act would: (1) provide viable options for manufacturers facing unreasonably high product liability insurance costs; (2) increase competition in the insurance industry that could result in lower costs; and (3) increase protection of the public by making better coverage more readily available, and would accomplish the foregoing at little or no cost to the taxpayer. Therefore, we urge the Administration to seek passage of this draft legislation by the Congress.

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

We believe this proposed legislation deserves the active support of the Administration. We believe that if businesses were afforded the opportunity to form cooperative risk retention pools, . . . [t]his would eliminate the highly subjecting ratemaking now imposed on our industry. We found that within one commodity line . . . one wholesaler may be paying ten times more for the same amount of protection than another wholesaler whose products would have the same level of risk.

VERLAN LIMITED

For the small manufacturer, the product liability dilemma is just as significant today as it was two or three years ago because they simply do not provide the premium clout which interests the agent, the broker or the average insurance company. A Risk Retention Group provides that alternative to this large segment of small manufacturers who make up a significant part of our industry. . . .●

AIRBAGS SAVE LIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 5 minutes.

● Mr. WAXMAN. Mr. Speaker, the Insurance Institute for Highway Safety, in response to my inquiries, has documented the real-world performance of airbags in crashes throughout the country. The data confirm that airbags are a proven form of crash protection. They are highly effective in saving lives and reducing injuries. Airbags have been on the road for more than 600 million miles and have performed superbly.

The institute's statistics, reflecting the experience of 235 on-the-road crashes of cars equipped with airbags, demonstrate the following:

First. Airbags reduce life-threatening injuries by 65 percent compared with unrestrained occupants in similar cars. This has been accompanied by a dramatic reduction in multiple injuries.

Second. The largest group of accidents with airbag-equipped cars has occurred in Michigan—home of the auto manufacturers, who have opposed this safety standard for years. Out of 228 accidents involving such cars, 45, or one-fifth, occurred in Michigan. It appears there are more airbag accidents in that State because of its higher rate of airbag ownership. Further, almost a quarter of the airbag accidents in Michigan involved employees or families of employees of the automobile manufacturers, dealers, and other auto-related businesses.

The commitment of the people of Michigan to airbags would seem to document the effectiveness of this safety device.

Third. Airbag performance is not affected by temperature. They have properly deployed at temperatures of less than 0° F. and as high as 90° F. And airbags operate just as effectively in older cars as newer cars. This is not surprising, since the airbag systems are sealed and should last longer than the cars themselves.

The full correspondence is attached for the benefit of my colleagues:

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 31, 1979.

Mr. BEN KELLEY,
Insurance Institute for Highway Safety, Watergate 600, Washington, D.C.

DEAR MR. KELLEY: I have become increasingly concerned at attempts, including one now pending the House, to frustrate the intentions of the U. S. Department of Transportation's Federal Motor Vehicle Safety Standard No. 208 to the extent the standard would permit auto companies to provide their customers with air bag systems for protection in frontal crashes.

Before this matter comes to a vote in the House, I would like to give my colleagues and constituents some basic information about the actual performance of air bag systems in crashes in the real world. Your recent Status Report indicated that the Institute has collected and analyzed considerable information about crashes involving air bags. Therefore, I am writing to ask whether you can provide me with answers to the following questions about air bag crashes:

1. Of the approximately 11,000 cars with air bag systems produced by General Motors Corp. and Ford Motor Co. during the early and mid-1970's, how many have been in crashes severe enough to deploy the air bags? How many people have been in those crashes? What has been the effectiveness, in terms of reducing severe injuries, of the air bags in those crashes?

2. What has been the distribution across the United States of such crashes? (I would be interested in knowing, for instance, whether Californians have enjoyed the crash protection of air bags as widely as Americans in other states, and my colleagues might want to have such information for their states.)

3. What have been the characteristics of air-bag equipped cars operating in the real world? Have they functioned properly despite extreme ranges of temperature? How has their age, in terms of model year manufactured, and mileage, affected their performance?

To the extent the Institute can give high priority to getting me answers to these questions within the next few days, I will especially appreciate it. The House shortly will be asked to vote on an amendment to frustrate the ability of American motorists to acquire air bag systems in new cars in the future, and how that vote comes out may well be determined by the accuracy and completeness of information available to the Members.

Sincerely,

HENRY A. WAXMAN,
Member of Congress.

INSURANCE INSTITUTE FOR HIGHWAY SAFETY,
Washington, D.C., September 4, 1979.

Hon. HENRY A. WAXMAN,
Longworth House Office Building, Washington, D.C.

DEAR MR. WAXMAN: Thank you for your August 31 letter. Since 1972, the thousands of cars equipped with the emergency crash padding called air bags have accumulated a huge amount of real-world experience, and have been involved in hundreds of frontal crashes severe enough to deploy the air bags.

By very conservative estimate, air bag cars have been driven a total of over 600,000,000 miles on U.S. and Canadian roads, the equivalent of some 25,000 times completely around the world at the equator.

From 1972 through July of this year, 228 were in crashes severe enough to deploy the bags, 222 of these were in the United States and six in other countries. Most of these were frontal crashes, for which air bags are designed. However, some of them were other crash types in which the forward decelerations were sufficient to deploy the bags to protect the forward-decelerating occupants. (I note that severe frontal crashes produce more fatal automobile occupant injuries than all other directions of impact combined.) These 228 real-world, air bag deployment crashes involved some 330 people in the front seating positions equipped with air bags. Since at least as far back as our first analysis, in 1976, of the experience up to that time, the reductions in life-threatening injuries, compared with unrestrained occupants in similar cars, in severe frontal crashes have been very impressive, continuing to run within a few percentage points of 65%.*

The reductions in injury have especially involved reductions in severe *multiple* injuries, an especially important accomplishment because, as we have known in the medical profession for a very long time, severe multiple injuries greatly and disproportionately increase the likelihood of death.

In answer to your question concerning the distribution of these crashes across the United States, I am enclosing, as Attachment A, a map showing the regions and the states in which deployment crashes have taken place through July of this year. This shows clearly that this modern crash protection technology has been in use far more in Michigan, with 45 air bag deployment crashes, than in any other state. Such crashes have also occurred, however, in 34 additional states, with 15 deployment crashes each in Illinois and New York, 14 in Ohio, 13 in Pennsylvania, 12 in Texas, 9 in your own state of California, and so on, as the map shows.

*Mohan, D., Zador, P., O'Neill, B., and Ginsburg, M., "Air Bags and Lap/Shoulder Belts—A Comparison of Their Effectiveness in Real World, Frontal Crashes." *Proceedings of the Twentieth Conference of the American Association for Automotive Medicine*, November 1–3, 1976, 315–335. American Association for Automotive Medicine, Morton Grove, Illinois, 1976.

Haddon, W., Jr., Statement, Public Hearing on Occupant Crash Protection, Alternatives for Passenger Cars, Before Brock Adams, Secretary of Transportation, April 27, 1977. Insurance Institute for Highway Safety, Washington, D.C., April 27, 1977.

Haddon, W., Jr., Kelley, B., and O'Neill B. Statement Hearings of the House Committee on Interstate and Foreign Commerce, Subcommittee on Consumer Protection and Finance, on the Passive Restraint Decision by the U.S. Department of Transportation, September 12, 1977. Insurance Institute for Highway Safety, Washington, D.C., September 12, 1977.

Air bags have functioned well across the many varieties of operational and climatic conditions and mileage. In addition, in further answer to your question, I am enclosing Attachments B and C, which list, respectively, air bag deployment crashes that have involved high and low temperatures, and the great deal of similarly excellent experience with crashes of cars that had accumulated high mileages by the time they were involved in air bag deployment crashes. Such excellent performance under varied conditions and long after manufacture directly reflects the fact that air bag systems in vehicles are themselves protected from wear and tear by being sealed unobtrusively out of sight. Like such older automatic emergency protection devices as fuses, circuit breakers, sprinkler systems and boiler safety valves, air bags have been very successfully designed for both long-term reliability and instant response. They do their job very well and are a tribute to modern American technology.

Kindly let me know if we can be of further assistance.

Sincerely,

WILLIAM HADDON, JR., M.D.,
President.

ATTACHMENT B

AIR BAG DEPLOYMENT CRASHES INVOLVING HIGH AND LOW TEMPERATURES

Make and model	Location of crash	Date of crash	Temperature at time of crash (F°)
1974 Oldsmobile Delta 88 Royale	Schiller Park, Ill	Feb. 8, 1974	28 to 29°.
1973 Chevrolet Impala	Highland, Mich	Feb. 15, 1974	19°.
1974 Buick Riviera	Houston, Tex	Aug. 23, 1974	99°.
1975 Oldsmobile Regency 98	Cohasset, Quebec	Nov. 21, 1974	20°.
1974 Buick Electra Custom	Columbus, Ohio	Feb. 6, 1975	29°±.
1974 Oldsmobile Toronado	Syracuse, N.Y	Mar. 14, 1975	27°.
1973 Chevrolet Impala	Landover, Md	May 21, 1975	68°.
Do	Needles, Calif	June 7, 1975	94°.
1974 Buick Electra 225	Oyster Bay, N.Y	July 2, 1975	87°.
1975 Buick Electra Limited	Ashland, N.Y	Dec. 4, 1975	24°.
1975 Oldsmobile Regency 98	Vaughan, Ontario	Dec. 18, 1975	12°.
1973 Chevrolet Impala	Seattle, Wash	Jan. 1, 1976	31°.
1975 Oldsmobile Toronado	Lombard, Ill	Jan. 8, 1976	<8°.
1975 Cadillac DeVille	Bay City, Mich	Jan. 21, 1976	Lower 20's.
1975 Cadillac Fleetwood	Peru, Vt	Mar. 7, 1976	30°.
1974 Oldsmobile Delta 88 Royale	Lake Villa, Ill	Mar. 11, 1976	25 to 29°.
1974 Oldsmobile 98 Regency	Tyler, Texas	June 12, 1976	85 to 90°.
1975 Oldsmobile Toronado	Boston, Mass	July 10, 1976	88°.
1976 Oldsmobile Delta 88	Camden, N.J	July 31, 1976	85°.
1975 Oldsmobile 98	Richmond County, N.C	Sept. 5, 1976	85 to 90°.
1974 Buick Electra 225	Montrose, Mich	Nov. 21, 1976	30 to 34°.
1976 Cadillac Fleetwood	Elmhurst, Ill	Dec. 1, 1976	0 to 19°<.
1975 Oldsmobile 98 Regency	Faribault, Minn	Dec. 5, 1976	Less than 0°.
1974 Cadillac DeVille	Sterling Heights, Mich	Dec. 23, 1976	0 to 19°.
1974 Cadillac Eldorado	Detroit, Mich	Dec. 25, 1976	30°.
1975 Cadillac Eldorado	Detroit, Mich	Dec. 28, 1976	24°.
1976 Oldsmobile 98 Regency	New York, N.Y	Jan. 15, 1977	26°.
1975 Oldsmobile 98	Columbus, Ohio	Feb. 22, 1977	29 to 29°.
1974 Oldsmobile 98	Meaden, N.Y	Mar. 1, 1977	22°.
1975 Oldsmobile Toronado	Culver, Oreg	Apr. 2, 1977	29°.
Do	Cocoa Beach, Fl	July 27, 1977	85 to 90°.
1975 Oldsmobile Regency 98	Lawrence Township, Pa	Dec. 9, 1977	9°.
1975 Oldsmobile 98	Cass City, Mich	Jan. 15, 1978	15 to 29°.
1975 Oldsmobile Delta 88	Moraine, Ohio	Feb. 6, 1978	7°.
1974 Oldsmobile Delta 88	Perry, Mich	Feb. 14, 1978	17°.
1975 Oldsmobile Toronado	Charlotte, Mich	Mar. 6, 1978	28°.
1975 Cadillac Fleetwood	Detroit, Mich	Feb. 15, 1979	19°.

ATTACHMENT C

AIRBAG EQUIPPED CRASH INVOLVED VEHICLES WITH MILEAGES GREATER THEN 40,000 AT THE TIME OF AIRBAG DEPLOYMENT

Make and model	Location of crash	Date of crash	Mileage at time of crash
1973 Chevrolet Impala	Highland, Mich	Feb. 15, 1974	54,999
1972 Mercury Monterey Custom	Valdosta, Ga	Aug. 22, 1974	53,084
1974 Oldsmobile 98 Regency	Mayhew, Miss	Feb. 19, 1975	53,754
1973 Chevrolet Impala	Houston, Tex	Mar. 15, 1975	63,695
Do	Somerville, Ala	Mar. 18, 1975	80,445
Do	San Antonio, Tex	May 8, 1975	61,030
Do	Dalton, Ga	May 9, 1975	50,663
Do	Landover, Md	May 21, 1975	48,795
Do	Needles, Calif	June 7, 1975	67,333
Do	Milford, Mich	July 9, 1975	48,320
Do	Seattle, Wash	Jan. 1, 1976	57,165
Do	West Bloomfield, Mich	Apr. 11, 1976	69,255
1974 Oldsmobile Delta 88	Moorpark, Calif	Apr. 21, 1976	48,575
1975 Oldsmobile Toronado	DuPage County, Ill	June 3, 1976	55,846
1974 Oldsmobile 98 Regency	Amarillo, Tex	July 13, 1976	45,837
1974 Buick Riviera	Lakewood, Ohio	July 17, 1976	43,095
1974 Oldsmobile 98	Detroit, Mich	July 27, 1976	45,000
Do	Madison, Wis	Aug. 17, 1976	69,147
1974 Buick Electra Limited	Baldwin County, Ala	Sept. 8, 1976	58,603
1973 Chevrolet Impala	Erie, Pa	Sept. 14, 1976	66,031
1974 Buick Riviera	Atchison, Kan	Sept. 25, 1976	55,460
1973 Chevrolet Impala	Houghton Lake, Mich	Sept. 26, 1976	56,289
1974 Cadillac Eldorado	Mercer, Pa	Oct. 23, 1976	43,193
1974 Oldsmobile 98 Regency	Red Oak Iowa	Oct. 25, 1976	75,020
1974 Buick Electra 225	Montrose, Mich	Nov. 21, 1976	41,744
1973 Chevrolet Impala	Brighton, Mich	Jan. 21, 1977	82,354
1974 Oldsmobile 98	Meaden, N.Y	Mar. 1, 1977	85,720
1972 Mercury Monterey	Silver Spring, Md	Mar. 8, 1977	69,809
1974 Oldsmobile 98	Hartford, Conn	Mar. 18, 1977	73,582
1973 Chevrolet Impala	Hicksville, N.Y	Mar. 27, 1977	114,958
1974 Oldsmobile 98	Tazewell, Tenn	Apr. 20, 1977	47,069
1975 Oldsmobile Toronado	Courtland, N.Y	Apr. 25, 1977	51,694
1975 Cadillac Eldorado	Chattanooga, Tenn	May 23, 1977	41,890
1974 Oldsmobile Toronado	Gary, Ind	May 27, 1977	44,789
1975 Cadillac Eldorado	Port Orchard, Wash	June 7, 1977	48,857
1973 Chevrolet	LaMirada, Calif	June 14, 1977	67,056
1974 Oldsmobile 98	Toledo, Ohio	June 23, 1977	43,140
1974 Oldsmobile	Independence, Mo	June 25, 1977	44,195
1973 Chevrolet Impala	Detroit, Mich	July 5, 1977	83,811
1975 Cadillac Coupe DeVille	Akron, Ohio	July 15, 1977	61,114
1973 Chevrolet Impala	Burnsville, Minn	July 16, 1977	95,842
1975 Buick Electra 225	Minot, N. Dak	July 28, 1977	43,490
1974 Buick Riviera	Quito, Ecuador	Aug. 17, 1977	48,531
1974 Buick Electra 225	DeKalb, Ill	Aug. 18, 1977	51,778
1973 Chevrolet Impala	Delano, Calif	Sept. 6, 1977	93,780
1975 Oldsmobile 98 Regency	Langhorn, Pa	Sept. 17, 1977	59,000
1975 Oldsmobile Toronado	Hamilton, Ontario	Oct. 10, 1977	47,585
1974 Oldsmobile Delta 88	Atchison County, Mo	Oct. 19, 1977	50,509
1975 Oldsmobile 98	Janesville Township, Wis	Oct. 23, 1977	51,382
1973 Chevrolet Impala	Boaz, Ala	Nov. 7, 1977	71,878
1974 Oldsmobile Toronado	Kingsport, Tenn	Nov. 9, 1977	46,436
1973 Chevrolet Impala	San Antonio, Tex	Dec. 13, 1977	101,945
1975 Oldsmobile 98	Cass City, Mich	Feb. 10, 1978	42,322
1974 Oldsmobile Delta 88	Perry, Mich	Feb. 14, 1978	70,106
1975 Cadillac Eldorado	Boise, Idaho	Apr. 21, 1978	51,540
1973 Chevrolet Impala	Los Angeles, Calif	Apr. 27, 1978	72,409
1974 Cadillac Eldorado	Chicago, Ill	July 22, 1978	44,102
1973 Chevrolet Impala	St. Louis County, Mo	Dec. 16, 1978	88,360

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 5229, THE PUBLIC DEBT LIMITATION AND DEBT MANAGEMENT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on September 12, 1979, the Committee on Ways and Means ordered favorably reported to the House, H.R. 5229, a bill relating to the public debt limitation and debt management. Sections 1 and 2 of the bill would provide that the public debt limitation is to be $929 billion through March 31, 1981. Section 3 of the bill would increase by $10 billion, from $40 billion to $50 billion, the amount of long-term bonds which may be issued with interest rates above the 4¼-percent statutory ceiling.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for the consideration of H.R. 5229 on the floor of the House. The Committee on Ways and Means has specifically instructed me to request the Committee on Rules to grant a modified open rule which would only provide for:

First, committee amendments which would not be subject to amendment;

Second, germane amendments with respect to the amount or duration of the temporary increase in the public debt, such amendments not to be subject to amendment;

Third, waiving all necessary points of order;

Fourth, 1½ hours of general debate, to be equally divided; and

Fifth, one motion to recommit.

Section 3 of the bill dealing with long-term bond authority would be closed. In addition, the Committee on Ways and Means instructed the chairman and Mr. CONABLE, ranking minority member, to urge the Committee on Rules, in conjunction with this debt ceiling bill, to approve a change in the House rules, as proposed by Congressman GREYBART, which would establish the public debt limitation in the congressional budget process.

We intend to file the committee report by midnight Friday, September 14, 1979, and will request to be heard before the Committee on Rules as expeditiously as possible.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

● Mr. DRINAN. Mr. Speaker, due to official business, I was absent from the House of Representatives for a brief period yesterday during consideration of H.R. 4034, the Export Administration Act Amendments of 1979. Had I been present for rollcall No. 456, on approval of an amendment to redefine military critical technologies subject to export controls, I would have voted "no." ●

GENERAL LEAVE

Mr. HALL of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on the bill, H.R. 4040, considered earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GIBBONS (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. PEPPER (at the request of Mr. WRIGHT), for September 12, 13, and 14, on account of official business.

Mr. BALDUS (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. STUMP, for today, on account of family illness.

Mr. MCCLORY (at the request of Mr. RHODES), for today and the balance of this week, on account of attendance at the International Parliamentary Union.

Mr. VANDER JAGT (at the request of Mr. RHODES), for today and the balance of the week, on account of official business with the International Parliamentary Union.

Mr. GOODLING (at the request of Mr. RHODES), for today and the balance of the week, on account of official business with the International Parliamentary Union.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONABLE, for 60 minutes, today.

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, on September 17.

Mr. KEMP, for 15 minutes, today.

Mr. WAMPLER, for 30 minutes, today.

Mr. CLAUSEN, for 15 minutes, today.

(The following Members (at the request of Mr. HALL of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. NELSON, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. BINGHAM, for 20 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. WAXMAN, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Mr. DRINAN, for 15 minutes, today.

Mr. MINETA, for 5 minutes, on September 14, 1979.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BRADEMAS, to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,447.50.

Mr. WAMPLER, to revise and extend his remarks, notwithstanding the fact it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,640.50.

(The following Members (at the request of Mr. HOPKINS) and to include extraneous matter:)

Mr. LUNGREN in 10 instances.

Mr. MOORHEAD of California.

Mr. HINSON in two instances.

Mr. MICHEL in three instances.

Mrs. HECKLER.

Mr. HILLIS.

Mr. TAUKE.

Mr. DANNEMEYER.

Mr. GREEN.

Mr. LEE.

Mr. KEMP in two instances.

Mr. ADDNOR in two instances.

Mr. GRASSLEY.

Mr. COLLINS of Texas in two instances.

Mr. REGULA.

Mr. ASHBROOK in three instances.

(The following Members (at the request of Mr. HALL of Ohio) and to include extraneous matter:)

Mr. MAZZOLI in three instances.

Mr. FORD of Tennessee.

Mr. HAMILTON.

Mr. LAFALCE in three instances.

Mr. SOLARZ.

Mr. SKELTON in two instances.

Mr. MICA in five instances.

Mr. WIRTH.

Mr. GAYDOS.

Mr. CLAY.

Mr. COELHO.

Mr. ZEFERETTI.

Mr. VENTO.

Mr. MURPHY of New York in two instances.

Mr. PATTERSON in two instances.

Mrs. CHISHOLM.

Mr. MOORHEAD of Pennsylvania.

Mr. FLORIO.

Ms. MIKULSKI.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1019. An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2774. An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes;

H.R. 4388. An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 4392. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

ADJOURNMENT

Mr. HALL of Ohio. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock p.m.), the House adjourned until tomorrow, Thursday, September 13, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2420. A letter from the President of the United States, transmitting a proposed amendment to the requests for appropriations for fiscal year 1980 for the Department of Agriculture (H. Doc. 96-186); to the Committee on Appropriations and ordered to be printed.

2421. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification of lands in the El Dorado Irrigation District, Sly Park Unit, American River Division, Central Valley project, California, have been completed, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2422. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification and documentation of demonstrated productivity in practice have been accomplished for certain non-Indian water right lands in the Upalco Unit, central Utah project, Utah, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2423. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to eliminate the requirement for Selective Service System availability determination for members of the Standby Reserve prior to involuntary order to active duty in war or national emergency; to the Committee on Armed Services.

2424. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of the Air Force's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be

included in a contract with the Ministry of Defence of the United Kingdom for the purchase of nontactical vehicles, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

2425. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a revised report on the export expansion facility program for the quarter ended June 30, 1979, pursuant to Public Law 90-390; to the Committee on Banking, Finance and Urban Affairs.

2426. A letter from the Deputy Commissioner for Occupational and Adult Education, Office of Education, Department of Health, Education, and Welfare, transmitting the annual report of the National Center for Research in Vocational Education Advisory Council, covering calendar year 1978; to the Committee on Education and Labor.

2427. A letter from the President of the United States, transmitting notice of his determination that it is in the national interest to extend for 1 year the Foreign Assets Control Regulations, prohibiting certain transactions with the Governments or nationals of North Korea, Vietnam, or Cambodia; the Transaction Control Regulations, restricting sales of strategic goods located abroad to most Communist countries; the Cuban Assets Control Regulations; and the Foreign Funds Control Regulations, pursuant to section 207(d) of Public Law 95-223; to the Committee on Foreign Affairs.

2428. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by John R. Clingerman, Ambassador-designate to the Kingdom of Lesotho, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2429. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by John P. Condon, Ambassador-designate to Tonga and Tuvalu, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2430. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Kenneth M. Curtis, Ambassador-designate to Canada, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2431. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Horace G. Dawson, Jr., Ambassador-designate to Botswana, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2432. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Francis M. Dickman, Ambassador-designate to Kuwait, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2433. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Stephen Low, Ambassador-designate to Nigeria, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2434. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Nancy V. Rawls, Ambassador-designate to the Ivory Coast, and by members of her family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2435. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by George B. Roberts, Jr., Ambassador-designate to Guyana, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2436. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Richard N. Viets, Ambassador-designate to Tanzania, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2437. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Richard D. Vine, Ambassador-designate to Switzerland, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2438. A letter from the Executive Secretary, Administrative Conference of the United States, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2439. A letter from the Secretary of the Interior, transmitting an initial report on the cost estimates and time schedules for the various components of a continuing investigation of the availability of oil and natural gas from the Outer Continental Shelf, pursuant to section 606(e) of Public Law 95-372; to the Committee on Interior and Insular Affairs.

2440. A letter from the Under Secretary of the Interior, transmitting the annual report of the U.S. Government Comptroller for Guam/Northern Mariana Islands and the Trust Territory of the Pacific Islands on the fiscal condition of the trust territory for the fiscal year ended September 30, 1978, pursuant to section 2 of Public Law 93-111; to the Committee on Interior and Insular Affairs.

2441. A letter from the Assistant Secretary of the Interior, transmitting a proposed draft of a temporary water service contract between the United States and the Westlands Water District for municipal and industrial and agricultural water service in 1980 from the San Luis and Coalinga Canals and the Mendota Pool, pursuant to section 3 of Public Law 95-46; to the Committee on Interior and Insular Affairs.

2442. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of May 1979 on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2443. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to add a new section to the Immigration and Nationality Act to recognize the report of birth abroad of a citizen of the United States as proof of U.S. citizenship; to the Committee on the Judiciary.

2444. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii)(b) of the Immigration and Nationality Act; to the Committee on the Judiciary.

2445. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2446. A letter from the Secretary of Transportation, transmitting a report on the outsized vehicle study, pursuant to section 211 of Public Law 95-599; to the Committee on Public Works and Transportation.

2447. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to recognize U.S. passports issued to individuals identified therein as citizens of the United States as proof of citizenship; jointly, to the Committees on Foreign Affairs and the Judiciary.

2448. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's manufacturing technology program (PSAD-79-99, September 11, 1979); jointly, to the Committees on Government Operations, Armed Services, and Appropriations.

2449. A letter from the Comptroller General of the United States, transmitting a report on criminal jurisdiction over civilian employees of the Department of Defense overseas (FPCD-79-45, September 11, 1979); jointly, to the Committee on Government Operations, Armed Services, and the Judiciary.

2450. A letter from the Comptroller General of the United States, transmitting a report on enforcement problems hindering effective implementation of new fishery management activities (CED-79-120, September 12, 1979); jointly, to the Committee on Government Operations and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on House Administration. Supplemental report on S. 832. An act to extend the authorization for the Federal Election Commission (Rept. No. 96-408, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. PATTERSON: Select Committee on Committees. House Resolution 404. Resolution amending the Rules of the House of Representatives relating to the committee scheduling (Rept. No. 96-426, pt. 1). Reported and referred to the Committee on Rules for a period ending not later than September 26, 1979, for consideration of such provisions of the resolution as fall within the jurisdiction of that committee under clause 1(q), rule X. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 5252. A bill to authorize operations by the Overseas Private Investment Corporation (OPIC) in the People's Republic of China; to the Committee on Foreign Affairs.

H.R. 5253. A bill to amend the Trade Act of 1974 to permit the People's Republic of China to participate in programs of the United States which extend credits, credit guarantees, or investment guarantees; to the Committee on Ways and Means.

By Mr. HALL of Texas:

H.R. 5254. A bill to amend the Immigration and Nationality Act to facilitate the

transportation of undocumented aliens; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 5255. A bill to provide that the salaries of the Members of Congress shall be subject to reduction if a level of inflation determined by the Congress to be acceptable is exceeded, and to repeal provisions of law allowing cost-of-living adjustments for such salaries; to the Committee on Post Office and Civil Service.

By Mr. HINSON:

H.R. 5256. A bill to amend the Internal Revenue Code of 1954 to provide for an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

H.R. 5257. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of interest on certain short-term nonnegotiable certificates of deposit; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.R. 5258. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN:

H.R. 5259. A bill to name a certain Federal building in Santa Fe, N. Mex., the Joseph R. Montoya Federal Building-U.S. Courthouse; to the Committee on Public Works and Transportation.

By Mr. MURPHY of New York:

H.R. 5260. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act; to the Committee on Interstate and Foreign Commerce.

By Mr. TREEN (for himself, Mr. RHODES, Mr. BURGENER, Mr. WINN, Mr. DANNEMEYER, and Mrs. HOLT):

H.R. 5261. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on Education and Labor, the Judiciary, and Ways and Means.

By Mr. UDALL:

H.R. 5262. A bill to amend the act of December 22, 1974 (88 Stat. 1712; 25 U.S.C. 640d); to the Committee on Interior and Insular Affairs.

By Mr. VENTO (for himself and Mr. KOSTMAYER):

H.R. 5263. A bill to direct the Secretary of Energy to review the present status of middle distillate products as provided for decontrol under the Emergency Petroleum Allocation Act and, if necessary, to reimpose price and allocation controls over middle distillate products; to the Committee on Interstate and Foreign Commerce.

By Mr. RATCHFORD:

H.R. 5264. A bill to amend title I of the Higher Education Act of 1965; to the Committee on Education and Labor.

By Mr. HINSON:

H.J. Res. 396. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the Congress shall not exceed the revenues of the United States, except in time of war or national emergency, and to provide for the systematic repayment of the debt of the United States; to the Committee on the Judiciary.

H.J. Res. 397. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1980, as "American Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON (for himself, Mr. CLEVELAND, Mr. CLAY, Mr. MCCORMACK, Mr. BEREUX, Mrs. SCHROEDER, Mr. TRAXLER, Mr. DERRICK, Mr. FISHER, Mr. KOSTMAYER, Mr. WHITLEY, Mr. HORTON, Mr. FRENZEL, Mr. LEACH of Iowa, Mr. SOLOMON, Mr. FOLEY, Mr. ROSE, Mr. PHILLIP BURTON, Mr. GIAIMO, Mr. CORCORAN, Mr. STANGELAND, Mr. NEAL, Mr. WHITTAKER, Mr. SKELTON, Mr. HUGHES, Mr. KOGOVSEK, Mr. THOMPSON, Mr. ERDAHL, Mr. BURGENER, Mr. MITCHELL of New York, Mr. LOWRY, Mr. HOLLENBECK, Mr. ROYER, Mr. CORRADA, Mr. BEDELL, Mr. DIXON, Mrs. HOLT, Mr. TAUKE, Mr. STOKES, Mr. LIVINGSTON, Mr. GUDGER, Mr. VENTO, Mr. MCHUGH, Mr. COLLINS of Texas, Mr. FASIO, Mr. HAMILTON, Mr. SIMON, and Mr. JACOBS):

H. Res. 405. Resolution amending the Rules of the House of Representatives relating to committee scheduling; to the Committee on Rules.

By Mr. MICA:

H. Res. 406. Resolution expressing the sense of the House of Representatives that the Government of the Soviet Union should remove its troops from Cuba as expeditiously as possible; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

299. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the Syrian Jewish community; to the Committee on Foreign Affairs.

300. Also, memorial of the Legislature of the State of California, relative to sugary foods; to the Committee on Interstate and Foreign Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 734: Mr. GRADISON.

H.R. 735: Mr. GRADISON.

H.R. 746: Mr. PATTERSON.

H.R. 3586: Mr. HOLLAND, Mr. CAMPBELL, Mr. SABO, Mr. IRELAND, Mr. WATKINS, Mr. LUKEN, Mr. LEDERER, Mr. LEHMAN, Mr. SCHULZE, Mr. DOWNEY, Mr. DUNCAN of Tennessee, and Mr. JONES of Oklahoma.

H.R. 3718: Mr. PATTERSON.

H.R. 4548: Mr. JEFFORDS.

H.R. 4782: Mr. BEVILL, Mr. LEACH of Louisiana, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, and Mr. YATRON.

H.R. 4862: Mr. NELSON.

H.J. Res. 205: Mr. AUCOIN, Mr. BOLLING, Mr. ECKHARDT, Mr. HARRIS, and Mr. WAXMAN.

H. Con. Res. 34: Mr. PATTERSON.

H. Con. Res. 158: Mr. ARCHER, Mr. MOORHEAD of California, and Mr. RITTER.

H. Con. Res. 183: Mr. LUNGREN, Mr. KINDNESS, Mr. STANGELAND, Mr. LAGOMARSINO, Mr. COURTER, Mr. ROBERT W. DANIEL, JR., Mr. ATKINSON, and Mr. FLOOD.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

192. By the SPEAKER: Petition of the Executive Committee of the Board of Directors, National Legal Aid and Defender Association, Washington, D.C., relative to military operations on the island of Vieques; to the Committee on Armed Services.

193. Also, petition of the City Council, Peabody, Mass., relative to limiting the export of leather hides; to the Committee on Foreign Affairs.

194. Also, petition of the Better Roads and Transportation Council, Austin, Tex., relative to implementation of the Clean Air Act Amendments of 1977; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4034

By Mr. DORNAN:

—Page 10, insert the following after line 16:

"(4) The Secretary and the Secretary of Defense shall keep adequate records of all decisions made with respect to any revision of the list established pursuant to this subsection, including the factual and analytical basis for the decision together with any recommendations against such revision received from any other department or agency of the Federal Government.

—Page 49, line 13, insert "(1)" after "(b)".

Page 49, insert the following after line 20:

"(2) Any person who is issued a validated license under this Act for the export of any good or technology to a controlled country and who, with knowledge that such good or technology is being used by such controlled country for military or intelligence gathering purposes, fails to report such use to the Secretary of Defense, shall be fined not more than five times the value of the good or technology involved or $100,000, whichever is greater, or imprisoned for not more than ten years, or both. For purposes of this paragraph, 'controlled country' means any communist country as defined in section 620(f) of the Foreign Assistance Act of 1961.".

Page 49, line 20, strike out the closed quotation marks and final period.

—Page 50, line 4, strike out the dash and all that follows through page 51, line 7, and insert in lieu thereof the following: by striking out the last two sentences and inserting in lieu thereof the following: "Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.".

H.R. 4040

By Mr. BROOKS:

—Page 31, line 3, strike out "(a)", and beginning on line 9, strike out subsection (b) through line 15.

By Mr. DORNAN:

—Page 31, after line 15, insert the following new section (and redesignate the succeeding sections accordingly):

DEFENSE MANPOWER STUDY OF LIFETIME TAX CREDITS ENLISTMENT INCENTIVE

SEC. 816. (a) The Secretary of Defense shall study possible programs for the use of increased financial incentives for encouraging individuals to voluntarily enter military service, as an alternative to resuming registration and induction under the Military Selective Service Act, in order to improve the quality and increase the quantity of individuals entering military service. The Secretary shall include in the consideration of possible increased financial incentives for voluntary military service the granting of lifetime tax credits based on the length of an original enlistment in the Armed Forces. Such study shall specifically consider the desirability of a program establishing a five percent tax credit for each year in the case of

an original enlistment of two to four years and ten percent tax credit for each year in the case of an original enlistment of four or more years.

(b) The Secretary of Defense shall submit to the Congress a report on the study required by subsection (a) not later than April 3, 1980, or the end of the 6-month period beginning on the date of the enactment of this Act, whichever is later.

—Page 33, after line 8, add the following new section:

FREEZE ON FORCED DISCHARGE OR RETIREMENT OF CERTAIN HIGHLY TRAINED OFFICERS

SEC. 818. (a) Notwithstanding any other provision of law, no commissioned officer of the Army, Navy, Air Force, or Marine Corps who has been trained by the United States in a military occupational specialty at a cost in excess of $100,000 and whose performance rating (as determined by the Secretary of the military department concerned) in the specialty in which such officer has been trained is above average may be involuntarily discharged, retired, or otherwise released from active duty during fiscal year 1980 because such officer has not been selected for promotion to the next higher grade.

(b) The Secretary of Defense shall conduct a study (1) of the cost, or the savings, to the Department of Defense of the provisions of law requiring involuntary discharge or separation of officers of the Armed Forces failing of promotion to the next higher grade as such provisions apply to officers described in subsection (a), and (2) of any other, nonbudgetary effect of such provisions. The Secretary of Defense shall submit to the Congress a report on the results of such study, together with such recommendations for legislative action as the Secretary considers desirable, at the earliest practicable date. If such report is not submitted to the Congress by September 30, 1980, the provisions of subsection (a) shall remain in effect after such date until the date on which such report is submitted to the Congress.

By Mr. GLICKMAN:

—On page 31, insert after line 15, the following new section:

"SEC. . The Secretary of the Air Force shall conduct an investigation of Titan II missile systems located within the United States to assess the physical condition of those facilities and components thereof as well as relevant maintenance procedures. Not later than 180 days after enactment of this Act, the findings of that investigation along with recommendations for any needed physical or procedural improvements to protect the public safety, including the safety of military personnel assigned to those systems, shall be reported to the House and Senate Committees on Armed Services and each Member of the Congress representing the states in which such systems are sited."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of July 18, 1979, page 19360.

H.R. 3333. March 29, 1979. Interstate and Foreign Commerce. Establishes the Communications Regulatory Commission. Terminates the Federal Communications Commission.

Directs the Commission to regulate telecommunications service, broadcast services, land mobile, and other radio services.

Requires that U.S. participation in international telecommunications satellite systems be by private corporations subject to regulation.

Authorizes the establishment of an Endowment for Program Development for educational television and radio.

Establishes the National Telecommunications Agency to allocate the electromagnetic frequency spectrum.

Repeals the Communications Act of 1934 and related legislation.

H.R. 3334. March 29, 1979. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1936, to authorize the Federal Maritime Commission to appoint representatives of United States flag line carriers to the delegation of the United States to any international conference or meeting affecting ocean liner shipping.

H.R. 3335. March 29, 1979. Ways and Means. Amends the Internal Revenue Code to qualify expenditures for woodburning stoves for the 15 percent residential energy conservation credit.

H.R. 3336. March 29, 1979. District of Columbia. Amends the District of Columbia Redevelopment Act of 1945 to revise the standards requiring written consent for the purchaser or lessee with regard to a modification of an approved redevelopment plan. Approves two amendments to the urban renewal plan for Southwest, Washington, D.C.

H.R. 3337. March 29, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend the period from 24 to 36 months that funds allotted to a State for construction of treatment works shall remain available for obligation by the State.

H.R. 3338. March 29, 1979. Post Office and Civil Service. Authorizes the training, and the payment of training expenses, of specified employees under the supervision of the Architect of the Capitol according to specified provisions governing the training of executive branch employees as supplemented by regulations issued by the Architect.

H.R. 3339. March 29, 1979. Post Office and Civil Service. Authorizes and directs the Comptroller General to establish and administer a personnel management merit system for the General Accounting Office (GAO) which adheres, with specified exceptions, to existing laws governing the management of Federal employees.

Sets forth guidelines concerning the appointment, compensation, promotion, disciplining, and grievances of GAO employees under such system.

H.R. 3340. March 29, 1979. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code with respect to requirments for joint and survivor annunity benefit plans.

H.R. 3341. March 29, 1979. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to provide that increases in rates of pay of Members of Congress shall not take effect until Congress adopts a concurrent resolution on the budget which provides for a balanced Federal budget.

H.R. 3342. March 29, 1979. Judiciary. Constitutional Amendment—Allows the enactment of laws by popular vote in a national election. Prescribes the petition procedures for enactment of such laws.

H.R. 3343. March 29, 1979. District of Columbia. Permits civil suits under the Civil Rights Act by an individual against any person acting under color of any law or custom of the District of Columbia who subjects any person within the jurisdiction of the District to the deprivation of any right, privilege, or immunity secured by the Constitution and laws.

H.R. 3344. March 29, 1979. Ways and Means. Amends the Trade Act of 1974 to prohibit the President from designating specified ferroalloy articles as eligible for duty-free treatment under the Generalized System of Preferences.

H.R. 3345. March 29, 1979. Education and Labor. Amends the Civil Rights Act of 1964 to include discrimination of the physically handicapped as an unlawful employment practice.

H.R. 3346. March 29, 1979. Judiciary. Prohibits certain petroleum companies engaged in the production, transportation, refining, or marketing of petroleum assets from controlling any interest in another aspects of the petroleum industry. Directs the Federal Trade Commission to require divestment of ownership interests by affected companies.

H.R. 3347. March 29, 1979. Banking, Finance and Urban Affairs. Authorizes appropriations for the international affairs functions of the Department of the Treasury and for increases required by adjustments in salaries and other employee benefits for fiscal year 1980.

H.R. 3348. March 29, 1979. Banking, Finance and Urban Affairs. Authorizes appropriations for the international affairs functions of the Department of the Treasury and for increases required by adjustments in salaries and other employee benefits for fiscal years 1980 and 1981.

H.R. 3349. March 29, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to strike and sell gold medallions to the general public commemorating Doctor Martin Luther King, Junior, George Washington Carver, Albert Einstein, and Thomas Alva Edison.

H.R. 3350. March 29, 1979. Armed Services. Repeals the provision of law which entitles members of the National Guard or members of a reserve component of the uniformed services to additional pay for the performance of administrative duty.

H.R. 3351. March 29, 1979. Armed Services. Entitles dependents of members of the uniformed services serving on active duty to use CHAMPUS inpatient cost-sharing rates for surgery performed on an out-patient basis.

H.R. 3352. March 29, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily permit the duty-free entry of fluorspar.

H.R. 3353. March 29, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income repayments of unemployment benefits, in the year of repayment, to a supplemental unemployment compensation trust which are required because of the receipt of trade adjustment allowances under the Trade Act of 1974.

H.R. 3354. March 29, 1979. Armed Services. Authorizes appropriations for fiscal year 1980 to the Department of Energy for conservation, development, and use of naval petroleum reserves and naval oil shale reserves.

H.R. 3355. March 29, 1979. Post Office and Civil Service. Restricts the use of franked mail by Members of Congress during election campaigns. Limits the number of pieces which may be sent as franked mail. Expands the advisory jurisdiction of the House Commission on Congressional Mailing Standards of the House of Representatives. Extends to surviving relatives the franking privilege of the spouse of a Member who died in office in the event there is no surviving spouse.

H.R. 3356. March 29, 1979. Intelligence. Prohibits the willful disclosure of classified information identifying any individual or entity as being or having been employed or associated with the Central Intelligence Agency, to anyone not authorized to receive such information.

H.R. 3357. March 29, 1979. Intelligence. Prohibits the willful disclosure of classified information identifying any individual or entity as being or having been employed or associated with the Central Intelligence Agency, to anyone not authorized to receive such information.

H.R. 3358. March 29, 1979. Judiciary. Directs that any payments of additional compensation to a named individual as the dependent wife of a deceased named individual shall, subject to otherwise applicable law concerning payments of such compensation to a dependent wife of a veteran suffering a service connected disability, be paid for a specified period, notwithstanding any applicable statute of limitations or implementing regulation.

H.R. 3359. March 29, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the Republic of Panama.

H.R. 3360. March 29, 1979. Judiciary. Directs that a specified period of employment, and the annual and sick leave entitlement from such period, of a named individual be included and credited for Federal employment benefits purposes.

H.R. 3361. March 29, 1979. Interior and Insular Affairs. Establishes the true location of a portion of the northerly boundary of the Angeles National Forest in Los Angeles County, California.

H.R. 3362. March 29, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3363. April 2, 1979. Foreign Affairs. Authorizes appropriations through fiscal year 1981 for the: (1) Department of State; (2) International Communication Agency (ICA); and (3) Board for International Broadcasting.

Revises the administrative authority of the Secretary of State and the ICA Director. Authorizes the public distribution of the film, "Aspen," and the "English Teaching Forum."

Amends the Act establishing a Commission on Security and Cooperation in Europe to limit the amount the Commission may use for official reception and representational expenses. Provides for the statutory reference to the House Committee on Foreign Affairs.

H.R. 3364. April 2, 1979. Agriculture; Interstate and Foreign Commerce. Prohibits the Secretary of Health, Education, and Welfare and the Secretary of Agriculture from prohibiting commerce, prior to May 1, 1980, in any food by reason of the carcinogenic or other toxic effect of the nitrite added to that food under specified conditions.

Prohibits either Secretary from prohibiting commerce on or after May 1, 1980, in any food to which nitrite has been added if the addition of such nitrite is safe or necessary to protect against botulism.

H.R. 3365. April 2, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to require air carriers to file tariffs with the Civil Aeronautics Board stating their liability and claim rules, regulations, and charges regarding cargo losses.

Authorizes the Board to hold hearings regarding the lawfulness of such tariffs.

Directs the Board to require air carriers to maintain cargo liability insurance in such minimum amounts as the Board determines.

H.R. 3366. April 2, 1979. Government Operations; Rules; Ways and Means. Sets forth a six-year schedule for the reauthorization of all Federal programs as identified by budget function and subfunction categories.

Establishes the Citizen's Commission on the Efficiency of Federal Programs to study and recommend ways to improve the efficiency and effectiveness of Government agencies.

Requires the President to submit: (1) at least once in each Congress a comprehensive review of 16 specified regulatory agencies; and (2) every second year, a legislative plan to improve the efficiency of specified regulatory agencies.

Provides for the preparation of a reauthorization schedule for tax expenditure provisions.

H.R. 3367. April 2, 1979. Banking, Finance and Urban Affairs. Requires Federal Reserve banks to keep detailed minutes of all meetings of their Boards of Directors. Stipulates that these transcripts be provided to the appropriate committees of the Congress three years after the date of such meeting and be released, at the same time, to the general public under certain limitations.

H.R. 3368. April 2, 1979. Agriculture; Interstate and Foreign Commerce. Directs the Secretary of Agriculture to conduct or arrange for the conduct of: (1) further research on the effects of nitrites on animals other than the Sprague-Dawley species of rat; and (2) research on possible nitrite substitutes, and preservative methods and processes, that may be used in the preservation of meat, poultry, or fish.

Prohibits the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from taking any action to prohibit the sale, distribution, or use of nitrites as a food preservative unless validated evidence proves that they have a significant carcinogenic effect on humans.

H.R. 3369. April 2, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to repeal those provisions which provide increased old age insurance benefits for individuals who delay retirement until after attainment of age 65.

H.R. 3370. April 2, 1979. Appropriations. Makes supplemental appropriations for fiscal year 1979 to the Secretary of Agriculture to carry out title III (Federal and State Cooperation) of the Federal Meat Inspection Act.

H.R. 3371. April 2, 1979. Agriculture. Amends the Food and Agriculture Act of 1977 to direct the Secretary of Agriculture to increase the established prices for the 1979 crop of wheat and of corn.

H.R. 3372. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit State taxing authorities which receive Federal tax return information to disclose such information to a State auditing agency for the purpose of auditing the tax authorities.

H.R. 3373. April 2, 1979. Ways and Means. Stipulates that the procedure established pursuant to the Trade Act of 1974 for congressional consideration of bills implementing trade agreements on nontariff barriers and resolutions approving commercial agreements with communist countries shall not apply to bills affecting programs under the Small Business Act or requirements by the Buy American Act.

H.R. 3374. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to increase the excise tax on cigarettes and impose a tax surcharge with respect to excise taxes on alcoholic beverages.

Amends the Social Security Act to allocate revenues from such excise taxes to the Federal Disability Insurance Trust Fund. Makes reductions in employment taxes after 1980.

H.R. 3375. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the requirement that a taxpayer must have attained age 55 to qualify for the one-time exclusion of gain from the sale of a principal residence.

H.R. 3376. April 2, 1979. Public Works and Transportation. Requires Federal agencies to charge a fee for parking, as determined by the Secretary of Transportation, at facilities owned or controlled by the United States. Prohibits Federal agencies from constructing or acquiring parking facilities.

H.R. 3377. April 2, 1979. Agriculture. Prohibits the Secretary of Agriculture, for a three-year period, from issuing any order or regulation: (1) restricting the use of nitrites or nitrates as preservatives in meat products to a specified level; or (2) requiring labeling on meat products concerning nitrites or nitrates in addition to the requirements already in effect.

H.R. 3378. April 2, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to repeal the blanket prohibition against regulations deeming safe and cancer-inducing food additives or color additives in food, drugs, or cosmetics. Abolishes the advisory committee of experts established to review regulations disapproving color additives as cancer-inducing.

H.R. 3379. April 2, 1979. Ways and Means. Repeals the requirement, under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act, that the amount of monthly OASDI benefits payable to a spouse or surviving spouse be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 3380. April 2, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 3381. April 2, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to permit special purpose units of local governments and experienced nonprofit service agencies to serve as prime sponsors under such Act.

H.R. 3382. April 2, 1979. Agriculture. Interstate and Foreign Commerce. Prohibits the Secretary of Health, Education, and Welfare and the Secretary of Agriculture from prohibiting commerce, prior to April 1, 1982, in any food by reason of the carcinogenic or other toxic effect of the nitrite added to that food under specified circumstances.

Prohibits either Secretary from prohibiting commerce on or after April 1, 1982, in any food to which nitrite has been added unless the addition of such nitrite is neither safe nor necessary to protect against botulism.

H.R. 3383. April 2, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing a proposed revenue procedure which sets forth guidelines for determining whether private schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies until Congress enacts specific guidelines for making such determinations.

H.R. 3384. April 2, 1979. Armed Services. Authorizes the Administrator of General Services to dispose of a specified amount of industrial diamonds presently held in the national and supplemental stockpiles.

H.R. 3385. April 2, 1979. Armed Services. Authorizes the Administrator of General Services to dispose of a specified amount of silver now held in the national stockpile.

H.R. 3386. April 2, 1979. Ways and Means. Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 3387. April 2, 1979. Interior and Insular Affairs. Prohibits the Nuclear Regulatory Commission from promulgating any rule or regulation without first publishing and making available for public comment a comparison of the risk or risks involved in either issuing or not issuing any such rule or regulation.

H.R. 3388. April 2, 1979. Judiciary. Makes it a Federal offense to kill an officer or employee of the Veterans' Administration who is performing investigative or law enforcement functions.

H.R. 3389. April 2, 1979. Veterans' Affairs. Amends certain veterans' insurance provisions regarding: (1) assignments; (2) attorneys' fees; (3) dividends; and (4) flexible interest rates.

H.R. 3390. April 2, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 3391. April 2, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend and revise the assistance program for nurse training and students.

H.R. 3392. April 2, 1979. Agriculture. Authorizes the Secretary of Agriculture to conduct a program to develop and test various methods of brush and vegetation control on National Forest System lands.

H.R. 3393. April 2, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to change the acreage limitation with respect to reclamation lands of lesser productivity than class one lands.

States that one year after the date of enactment of this Act water from any reclamation project may only be delivered to project lands which comprise a family farm or which fall under specified categories, except that no Federal water shall be supplied to lands held by foreign entities.

Makes provisions for the leasing of excess lands to family farmers.

H.R. 3394. April 2, 1979. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to terminate, beginning with fiscal year 1980, the State government share of revenue sharing funds without affecting the local government share.

H.R. 3395. April 2, 1979. Interior and Insular Affairs. Authorizes the District Court of Guam to award interest on the amount of fair compensation awarded in reviewing certain claims respecting land on Guam.

H.R. 3396. April 2, 1979. Judiciary. Directs the Secretary to the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3397. April 2, 1979. Judiciary. Authorizes the granting of a visa to, and admission of, a named individual to the United States for permanent residence.

H.R. 3398. April 3, 1979. Agriculture; Appropriations. Amends the Food and Agriculture Act of 1977 to direct the Secretary of Agriculture to increase the established prices for the 1979 crops of wheat and corn.

H.R. 3399. April 3, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to complete the studies for specified flood control projects. Directs the Secretary, through the Chief of Engineers, to carry out those projects which are recommended.

H.R. 3400. April 3, 1979. Education and Labor. Establishes a system of payments to or on behalf of textile workers who are totally disabled by or whose death was due to byssinosis (brown lung disease).

H.R. 3401. April 3, 1979. Interstate and Foreign Commerce. Directs Tthe Secretary of Commerce, in consultation with the Secretary of Energy, to conduct a global market survey to determine which foreign countries might serve as markets for solar energy equipment manufactured in the United States.

H.R. 3402. April 3, 1979. Ways and Means. Amends the Internal Revenue Code to qualify expenditures for energy efficient furnaces or replacement boilers for the 15-percent residential energy conservation credit.

H.R. 3403. April 3, 1979. Ways and Means. Authorizes the President to enter into agreements with countries to apply import restrictions on the archaeological or ethnological materials of requesting countries. Authorizes the President to apply such restrictions in emergency situations. Directs the Secretary of the Treasury to promulgate a list of materials covered by such agreements or emergency actions. Establishes a Cultural Property Advisory Committee to review and make recommendations concerning such agreements and actions.

Prohibits the importation of designated archaeological or ethnological materials or of stolen cultural articles. Sets forth procedures for temporary disposition and forfeiture of articles under this Act.

H.R. 3404. April 3, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to authorize Federal Reserve banks to lend certain obligations to the Secretary of the Treasury to meet the short-term cash requirements of the Treasury and to purchase or sell direct obligations of the United States.

H.R. 3405. April 3, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of the Treasury to enter into annual contribution contracts with local governments to pay a stated portion of total interest and principal of specific bond issues to finance restoration work on water and sewer systems, roads, and bridges.

H.R. 3406. April 3, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to authorize additional appropriations for fiscal year 1979 and to authorize appropriations for fiscal year 1980 to carry out the provisions of such Act.

H.R. 3407. April 3, 1979. Armed Services. Authorizes the President to award the Congressional Medal of Honor posthumously to Private First Class William James Tsakanikas for his service during World War II.

H.R. 3408. April 3, 1979. Ways and Means; Banking, Finance and Urban Affairs. Amends the Export-Import Bank Act of 1915 to repeal provisions permitting the Export-Import Bank to extend credit to Communist countries. Repeals specified limitations on loans and financial guarantees.

Amends the Trade Act of 1974 to prohibit the extension of credits or guarantees to Communist countries. Repeals the waiver authority of the President applicable to trade relations with Communist countries. Terminates any such present extensions of credit or waivers. Repeals requirements that the East-West Foreign Trade Board include recommendations for promoting east-west trade in its reports to Congress.

H.R. 3409. April 3, 1979. Government Operations. Requires Federal agencies, contractors, and grantees to keep research records confidential. Sets limits on the disclosure, the recontacting of subjects, and the use of individually identifiable research records. Provides for criminal penalties, civil liability, and administrative sanctions for violations of these provisions.

H.R. 3410. April 3, 1979. Veterans' Affairs. Extends the authorization of appropriations under the Veterans' Administration (VA) for: (1) State veterans' homes; (2) medical information pilot programs; (3) new State medical schools; (4) VA-affiliated medical schools; and (5) health manpower training programs.

Prohibits the Administrator of Veterans' Affairs from entering into any agreement or providing any assistance to health manpower training programs, to VA-affiliated medical schools, or to establish new State medical schools after December 31, 1979.

H.R. 3411. April 3, 1979. Judiciary. Extends death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968 to certain emergency personnel.

H.R. 3412. April 3, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to provide criminal penalties for placing, or attempting to place, a loaded firearm aboard an aircraft.

H.R. 3413. April 3, 1979. Armed Services. Entitles enlisted members of an armed force who have five or more years, but less than 20 years, of creditable service and who are involuntarily discharged or denied reenlistment to severance pay. Sets forth the method for computing such pay.

H.R. 3414. April 3, 1979. Judiciary. Directs the Secretary of Transportation to conduct a study of the causes of losses of firearms, ammunition, and explosives being transported in interstate commerce and the standards necessary to provide adequate protection from such losses.

H.R. 3415. April 3, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Establishes a Presidential Commission to be called the Nuclear Reactor Emergency Commission. Directs the Commission to develop specifications relating to potential malfunctions of civilian nuclear reactors.

Authorizes the Nuclear Regulatory Commission to assume responsibility for the operation of a nuclear reactor in the event of an emergency.

H.R. 3416. April 3, 1979. Government Operations. Requires that beginning with fiscal year 1980, the total budget outlays of the Federal Government shall not exceed its receipts.

H.R. 3417. April 4, 1979. Small Business. Amends the Small Business Act of 1958 to authorize the Small Business Administration to purchase development investment in small businesses which are engaged in high growth industries and to finance such small businesses in a manner commensurate with preserving or creating substantial job opportunities.

Establishes in the Small Business Administration the Development Investment Committee. Limits financial assistance to qualified small business concerns as determined by the Committee.

H.R. 3418. April 4, 1979. Post Office and Civil Service. Amends the Civil Service retirement provisions to include, in computing the length of service of individuals employed in the Canal Zone public schools, up to ten years of such individuals' service in U.S. public schols. Provides for the adjustments of annuities and contributions to the retirement accounts based on the credited service.

H.R. 3419. April 4, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 (CETA) to authorize the Secretary of Labor to waive certain wage standards for CETA public service employees.

H.R. 3420. April 4, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to: (1) authorize appropriations to the Federal Trade Commission (FTC); (2) require the Federal Home Loan Bank Board to prescribe regulations to prevent unfair or deceptive acts and practices by savings and loan institutions; (3) amend rulemaking procedures of the FTC; and (4) require the FTC to review its rules every five years.

H.R. 3421. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

H.R. 3422. April 4, 1979. Interstate and Foreign Commerce. Prohibits any Federal employee or agency from inspecting medical or dental records of patients not receiving medical or dental assistance from the Federal Government, unless authorized by the patient.

H.R. 3423. April 4, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that no part of the excess earnings of an individual shall be charged to any month if such month is in the taxable year in which occurs the first month after December 1977 that is both a month in which the individual is entitled to benefits and is unemployed.

H.R. 3424. April 4, 1979. Interstate and Foreign Commerce. Regulates the fees and practices of blood banks with respect to the collection and distribution of blood.

H.R. 3425. April 4, 1979. Interstate and Foreign Commerce; Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to prohibit a provider of services, when furnishing blood to Medicare recipients, from: (1) charging more than the processing fee paid by the provider for the blood; and (2) charging for the cost of the administration of the blood by the provider.

Eliminates the deductible for the first three pints of whole blood furnished during any spell of illness.

H.R. 3426. April 4, 1979. Education and Labor. Amends the Federal Mine Safety and Health Act of 1977 to provide that provisions of such shall not apply to stone mining or sand and gravel mining operations.

H.R. 3427. April 4, 1979. Post Office and Civil Service. Entitles nonprofit service clubs to the reduced postage rates for third-class mail currently in effect for the mail matter of qualified nonprofit organizations.

H.R. 3428. April 4, 1979. Judiciary. Amends the Speedy Trial Act of 1974 to revise the time limits for bringing to trial a person arrested or indicted for committing a Federal offense.

H.R. 3429. April 4, 1979. Foreign Affairs; Rules. Amends the Export Administration Act to revise the conditions under which the President can authorize the export of crude oil or fuels. States that any such finding by the President shall constitute an energy action.

H.R. 3430. April 4, 1979. House Administration. Amends the Federal Election Campaign Act of 1971 to prohibit Members of Congress from accepting any honorarium of more than $500 in value.

H.R. 3431. April 4, 1979. Interstate and Foreign Commerce. Amends the Federal Power Act to permit the Federal Energy Regulatory Commission to enter into agreements with States under which State authorities may exercise the licensing authority of the Commission with respect to small hydroelectric projects at existing dams.

H.R. 3432. April 4, 1979. Interstate and Foreign Commerce. Authorizes appropriations to the Department of Energy to be used for loans pursuant to the small hydroelectric power projects program.

H.R. 3433. April 4, 1979. Ways and Means. Amends the Internal Revenue Code with respect to the reporting requirements of tax-exempt private foundations.

H.R. 3434. April 4, 1979. Ways and Means; Appropriations. Amends title XX (Grants to States for Services) of the Social Security Act to increase amounts available for social services, child day care services, personnel training or retraining, and the initial detoxification of alcoholics and drug addicts.

Amends part B (Child Welfare Services) of title IV of the Social Security Act to revise State plan requirements under such part.

Requires each State having a plan approved under part A (Aid to Families with Dependent Children) of title IV to make adoption assistance payments to parents who adopt certain children.

H.R. 3435. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to eliminate the adjusted gross income limitation on such credit.

H.R. 3436. April 4, 1979. Interstate and Foreign Commerce. Amends the Health Programs Extension Act of 1973 to prohibit any entity which receives financial assistance under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Services and Facilities Construction Act from discriminating against any applicant for training or study because of such applicant's reluctance or unwillingness to counsel, assist, or in any way participate in the performance of abortions or sterilizations contrary to his or her religious belief or moral convictions.

H.R. 3437. April 4, 1979. Public Works and Transportation. Amends the John F. Kennedy Center Act to authorize the Secretary of the Interior, through the National Park Service, to make repairs to, as well as maintain, the John F. Kennedy Center. Sets limits on the provision of such services. Revises the formula for determining the interest accrued on certain bonds.

H.R. 3438. April 4, 1979. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibitions against voting qualifications, prerequisites, tests, or devices which abridge the right to vote of a citizen who is a member of a language minority.

Repeals the requirement that States and other political subdivisions make available registration and voting materials and voting assistance in languages other than English.

H.R. 3439. April 4, 1979. Judiciary. Amends the Immigration and Nationality Act to allow certain aliens applying as immigrants to be given preference visas as children of United States citizens provided such an alien: (1) requests such treatment; (2) was born after 1950 in Korea, Vietnam, Laos, or Thailand; (3) was fathered by an American serviceman; and (4) provides a guarantee of financial support.

H.R. 3440. April 4, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of Housing and Urban Development to verify the incomes of families applying for or receiving low-income housing assistance under the United States Housing Act of 1937. Requires that such families authorize the Secretary to obtain information for the purpose of income verification or provide such information themselves. Stipulates that such information shall remain confidential and be used only for the purpose of verifying incomes in order to determine eligibility of families for benefits.

H.R. 3441. April 4, 1979. Merchant Marine and Fisheries; Public Works and Transportation. Establishes a fund for the purpose of paying for otherwise uncompensated losses resulting from oil pollution.

Imposes, within certain monetary limits, joint, several, and strict liability on the owners and operators of each pollution source. Requires petroleum facilities and certain vessels to maintain evidence of financial responsibility in an amount equal to applicable liability limits.

Sets forth procedures for identifying and publicizing pollution sources.

H.R. 3442. April 4, 1979. Ways and Means. Amends the Antidumping Act of 1921 to revise the procedure for determining whether imported goods are being sold at less than fair value and the special dumping duty to be imposed.

Amends the Tariff Act of 1930 to revise the procedure for determining whether export bounties or grants are being paid and the collection of countervailing duties.

Permits actions in the U.S. Customs Court contesting any determinations relating to such import trade practices.

Transfers the Secretary of the Treasury's investigative and fact-finding responsibilities under the Antidumping Act of 1921 and the Tariff Act of 1930 to the International Trade Commission.

H.R. 3443. April 4, 1979. Education and Labor. Directs the Commissioner of Education to plan and establish a National Center for Citizenship Education.

Authorizes the Commissioner to provide grants to States to assist them in developing State citizenship education plans.

H.R. 3444. April 4, 1979. Government Operations; Interstate and Foreign Commerce; Ways and Means. Requires medical care facilities to permit individuals to inspect and have copies of their medical records. Establishes standards for the disclosure of individual medical records.

Permits an individual to challenge a subpoena or summons of such individual's medical records. Provides criminal and civil penalties for violations of the disclosure provisions.

H.R. 3445. April 4, 1979. Ways and Means; Interstate and Foreign Commerce. States that in determining the reasonable costs of services furnished by nonprofit hospitals under the Maternal and Child Health, Medicare, and Medicaid programs of the Social Security Act, gifts, grants, and endowments shall not be deducted from any operating costs in determining such reasonable costs.

Prohibits any State from establishing a law or regulation respecting the limitations upon the revenue of hospitals which treats as revenues of a hospital any income attributable to gifts or endowments. Prohibits any Federal law providing for the control of hospital costs to treat as revenues any amounts which a State may not treat as revenues.

H.R. 3446. April 4, 1979. Judiciary. Grants a Federal charter to the Gold Star Wives of America. Amends the Controlled Substances Act to establish a marihuana pretrial diversion program, in which eligible persons who are found possessing small amounts of marihuana or hashish are issued a citation and given the opportunity to participate in a drug counseling program, instead of being arrested.

H.R. 3447. April 4, 1979. Interior and Insular Affairs. Amends the Boulder City Act of 1958 to authorize the Secretary of the Interior to transfer portions of the water supply system to Boulder City, Nevada. Revises the provisions concerning the costs of operating such system. Repeals specific reporting requirements.

H.R. 3448. April 4, 1979. Post Office and Civil Service. Increases the amounts of regular and optional group life insurance available to Federal employees. Establishes a plan of optional life insurance on family members.

H.R. 3449. April 4, 1979. Interstate and Foreign Commerce. Authorizes the Secretary of Commerce to: (1) develop and recommend policies designed to stimulate and encourage travel to the United States by residents of foreign countries; (2) encourage travel to and from the United States on United States carriers; (3) encourage the simplification or elimination of barriers to international travel; and (4) collect and publish statistics and technical information relating to international travel and tourism.

H.R. 3450. April 4, 1979. Banking, Finance and Urban Affairs. Requires regulations issued by Federal financial regulatory agencies to be clearly and simply written and cost effective.

H.R. 3451. April 4, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a segment of the Illinois River, Oregon, as part of the National Wild and Scenic Rivers System.

H.R. 3452. April 4, 1979. Judiciary. Provides that no Federal judge of certain Territories of the United States shall be deemed to have received less than a specified salary for the purpose of retirement benefits.

H.R. 3453. April 4, 1979. Post Office and Civil Service. Exempts managerial and clerical employees of the Alaska Railroad in Alaska from mandatory retirement provisions.

H.R. 3454. April 4, 1979. Post Office and Civil Service. Entitles the United States Olympic Committee, affiliated individuals and organizations, and the Lake Placid Olympic Committee (under specified conditions) to use reduced postage rates currently provided for qualified nonprofit organizations.

H.R. 3455. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to allow nonitemizing taxpayers an income tax deduction based upon the cost of living in States which have higher inflation rates than the national average.

H.R. 3456. April 4, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who are not employed by the Federal Government a tax exclusion for that portion of their personal service income which is equal to the allowance permitted Federal employees in certain States for higher living costs and extreme conditions of environment.

H.R. 3457. April 4, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods

of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3458. April 4, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named company as reimbursement for certain attorneys fees and other related costs incurred in pursuing a claim against the United States.

H.R. 3459. April 4, 1970. Judiciary. Waives the statute of limitations with regard to a claim by a named corporation against the United States. Declares that the failure of the appropriate Federal agency to make final disposition of such claim within six months after it is filed shall be deemed a final disposition of such claim, at the option of the claimant any time thereafter.

H.R. 3460. April 5, 1979. Ways and Means; Interstate and Foreign Commerce. Authorizes rural hospitals of less than 50 beds which have been granted a certificate of need for the provision of long-term care services to enter into agreements with the Secretary of Health, Education, and Welfare under the Medicare (title XVIII) and Medicaid (title XIX) programs of the Social Security Act providing that their inpatient hospital facilities may be used to furnish services which if furnished by a skilled nursing facility would constitute post hospital extended care services. Authorizes, pursuant to such agreements, payments to be made for skilled nursing services and intermediate care services furnished by a hospital.

H.R. 3461. April 5, 1979. Banking, Finance and Urban Affairs. Requires financial institutions to disclose to consumers all terms and conditions of savings and checking accounts under which account charges are assessed and earnings on savings are paid. Allows a depositor to verify all charges debited and earnings credited to such depositor's account. Permits certain actions to be brought by a depositor in a district court of the United States. Allows civil recovery for violations of this Act in any State court.

H.R. 3462. April 5, 1979. Banking, Finance and Urban Affairs. Amends the Interstate Land Sales Full Disclosure Act to exempt specified real estate transactions from the terms of such Act.

Revises certain requirements for the sale or lease of lots located within a municipality or county. Requires that a title insurance binder or title opinion be presented to the purchaser prior to the time of closing.

H.R. 3463. April 5, 1979. Interstate and Foreign Commerce; Ways and Means. Amends the Social Security Act to authorize rural hospitals of fewer than 100 beds which have been granted a certificate of need for the provision of long-term care services to enter into agreements with the Secretary of Health, Education, and Welfare under the Medicare and Medicaid programs (titles XVIII and XIX of the Social Security Act) providing that their inpatient hospital facilities may be used to furnish services which if furnished by a skilled nursing facility would constitute post hospital extended care services. Authorizes payments to be made for skilled nursing intermediate care services furnished by a hospital.

H.R. 3464. April 5, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to make amendments relating, among other things, to: (1) eligibility for SSI benefits as determined by income; (2) presumptive disability; (3) trial work periods; (4) the eligibility of individuals under the age of 221; (5) SSI benefit decisions; and (6) SSI recipients participating in vocational rehabilitation programs.

Authorizes the Secretary of Health, Education, and Welfare to carry out demonstration projects which are likely to assist in promoting the objectives or facilitate the administration of title XVI.

H.R. 3465. April 5, 1979. Armed Services. Establishes the Weapons and Munitions Security Office within the Department of Defense to be responsible for formulating, coordinating, and supervising a continuing program of security and accountability for weapons and munitions of the Department.

Requires each military department which suffers a loss of weapons or munitions to conduct a thorough investigation of such loss.

H.R. 3466. April 5, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penality under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 3467. April 5, 1979. Judiciary. Amends the Gun Control Act of 1968 to specify additional penalties for anyone using or carrying a firearm during the commission of a felony which is prosecutable in a United States court.

H.R. 3468. April 5, 1979. Judiciary. Establishes criminal penalties for anyone in authorized possession or control of confidential or secret information, who knowingly communicates such information to a person not authorized to receive it.

H.R. 3469. April 5, 1979. Judiciary. Requires each executive agency or officer to submit for the review of each House of Congress any proposed rule, regulation, or change in a rule or regulation. Declares that the rule, regulation, or change shall become effective 60 days after submission unless either House adopts a resolution disapproving it.

H.R. 3470. April 5, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to establish a marihuana pretrial diversion program, in which eligible persons who are found possessing small amounts of marihuana or hashish are issued a citation and given the opportunity to participate in a drug counseling program, instead of being arrested.

H.R. 3471. April 5, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to limit the authority of the Administrator of the Federal Aviation Administration with respect to designating positive control airspace and terminal control areas.

H.R. 3472. April 5, 1979. Post Office and Civil Service. Extends to former employees of county soil conservation committees who are employed by any Federal agency, specified civil service compensation, leave, and seniority benefits afforded to former employees of such county committees employed by the Department of Agriculture.

H.R. 3473. April 5, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to carry out the Susquehanna River Basin flood control project at Lock Haven, Pennsylvania.

H.R. 3474. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on price increases resulting from deregulation. Allows oil producers a credit against such tax for certain types of energy-related investment.

H.R. 3475. April 5, 1979. Veterans' Affairs. Provides for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State.

H.R. 3476. April 5, 1979. Interior and Insular Affairs. Requires each nuclear reactor licensed under the Atomic Energy Act of 1954 to have such communications facilities and systems as the Nuclear Regulatory Commission deems necessary. Requires automatic emergency notification equipment.

Expands the resident inspector program to insure the assignment of an inspector to each licensed nuclear reactor.

H.R. 3477. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose an additional tax on the excess profits of oil producers during the 3-year period from the date of enactment of this act.

H.R. 3478. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on price increases resulting from deregulation. Allows oil producers a credit against such tax for certain types of energy-related investment.

H.R. 3479. April 5, 1979. Post Office and Civil Service. Defines the term "air traffic controller." Sets forth requirements which a controller who has been judged as unfit for duty must meet to be entitled to a training program. Establishes, within the Department of Transportation, a board to review each controller's training program to insure that it meets specified standards.

H.R. 3480. April 5, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation or the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to specified aspects of the control of navigable airspace.

H.R. 3481. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to allow residential and certain institutional users of refined petroleum products a limited, refundable income tax credit for the increase in price of such products due to deregulation of the oil industry.

H.R. 3482. April 5, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to allow the use of a food additive for dietary management of health disorders or disease, even though such additive is found to induce cancer in animals, if the Secretary of Health, Education, and Welfare determines the benefits to human health of such use outweigh the risks.

H.R. 3483. April 5, 1979. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to stipulate that 85 percent of the funds available for construction or operating grants under such Act for the urban mass transit program shall be made to areas with a population over 1,000,000.

H.R. 3484. April 5, 1979. Public Works and Transportation. Increases the Federal share of the costs of substitute transportation projects where such a project is financed in lieu of the construction of a highway on the Interstate System.

H.R. 3485. April 5, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a segment of the Wisconsin River, Wisconsin, as part of the National Wild and Scenic Rivers System.

H.R. 3486. April 5, 1979. Judiciary. Prohibits government officers and employees from searching for or seizing any work product or documentary materials possessed by a person for public dissemination in a book, newspaper, broadcast, or other similar form of public communication.

H.R. 3487. April 5, 1979. Judiciary. Amends the Military Personnel and Civilian Employees Claims Act of 1964 to increase the amount payable under such Act to a member of the armed forces or to an officer or employee of the United States in settlement of a claim by such an individual for losses incident to service in such capacity.

Removes such ceiling for claims by such individuals for personal property losses incident to an evacuation from a foreign country by order of the Secretary of State.

H.R. 3488. April 5, 1979. Public Works and Transportation. Directs the Secretary of Transportation to enter into an agreement with the State highway department of the State of Pennsylvania for the construction of a second acoustical barrier along a specified portion of Route 95 of the Interstate System in Philadelphia, of its cost.

H.R. 3489. April 5, 1979. Interior and In-

sular Affairs. Authorizes the Secretary of the Interior to construct, operate, and maintain an enlarged Bumping Lake, as part of the Yakima project, Washington. Directs the Secretary of the Interior to prepare a detailed fish and wildlife conservation plan.

Sets forth requirements for irrigation repayment contracts and interest rates.

H.R. 3490. April 5, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to provide that new drugs for human or animal use will be regulated under such Act solely to assure their safety, and not their effectiveness.

H.R. 3491. April 5, 1979. Judiciary. Stipulates that a debt to a spouse, former spouse, or child for alimony, maintenance, or support, in connection with a separation agreement, divorce decree, or property settlement agreement, including any such debt that is assigned to any State or agency of any State, is not dischargeable in bankruptcy.

H.R. 3492. April 5, 1979. Judiciary. Prohibits from being released by a discharge in bankruptcy a debt which is a child support obligation assigned to a State as a condition of eligibility for aid under part A (Aid to Families with Dependent Children) of title IV of the Social Security Act.

H.R. 3493. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to provide an additional personal tax exemption for a taxpayer, his spouse, or a dependent who is disabled.

H.R. 3494. April 5, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a program for the diagnosis, treatment, and control of vitiligo, including information services and health education with respect to such disease.

H.R. 3495. April 5, 1979. Government Operations; Rules. Requires each Federal agency to reduce the paperwork burden such agency places upon the private sector and State and local governments by a specified amount each year until fiscal year 1983.

Amends the Legislative Reorganization Act of 1970 to require all public legislation reported by any congressional committee to be accompanied by a Paperwork Impact Statement detailing the paperwork burden which would be imposed upon business, the private sector, and State and local governments by such legislation.

H.R. 3496. April 5, 1979. Intelligence. Prohibits the willful disclosure of classified information identifying any individual or entity as being or having been employed or associated with the Central Intelligence Agency, to anyone not authorized to receive such information.

H.R. 3497. April 5, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to acquire specified additional lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians.

H.R. 3498. April 5, 1979. Interior and Insular Affairs. Exempts the landholdings of United States citizens and current permanent resident aliens within the Kings River and Tulare Lake flood control project, California, from the acreage limitations of Federal reclamation laws.

H.R. 3499. April 5, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil and excise tax on the windfall profits from the production and sale of petroleum products. Allows a nonrefundable tax credit against the windfall profit tax for investment in certain oil production activities.

H.R. 3500. April 5, 1979. Banking, Finance and Urban Affairs. Amends the United States Housing Act of 1937 to authorize the Secretary of Housing and Urban Development to make annual contributions to enable public housing agencies to enter into security arrangements designed to prevent crimes and otherwise insure the safety and well-being of public housing tenants.

H.R. 3501. April 5, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to permit payment for eye care, eyeglasses, hearing aids and related examinations, and dental care and dentures under the supplementary medical insurance program.

H.R. 3502. April 5, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Hazardous Materials Transportation Act to authorize appropriations to carry out the provisions of such Act for fiscal years 1980 and 1981.

H.R. 3503. April 5, 1979. Post Office and Civil Service. Makes air traffic controllers who are eligible for immediate retirement ineligible for full time training on the basis of their inability to continue their work as controllers for physical or other specified reasons. Entitles any employee who is engaged in providing preflight, in-flight, or airport advisory service to aircraft operators, and any immediate supervisor of such an employee, to a civil service pension upon separation from service after completing a specified period of service.

H.R. 3504. April 5, 1979. House Administration. Authorizes the Board of Regents of the Smithsonian Institution to plan for the development of the area south of the original Smithsonian Building in Washington, D.C.

H.R. 3505. April 5, 1979. Merchant Marine and Fisheries. Amends the Act providing for the preservation of Barro Colorado Island, Canal Zone, in its natural state to increase the authorization of appropriations for such purpose.

H.R. 3506. April 5, 1979. Interior and Insular Affairs. Directs the Secretary of Energy to construct or otherwise acquire electric transmission facilities. Authorizes the establishment of the following separate funds in the U.S. Treasury: (1) Alaska Power Administration Fund; (2) Southeastern Power Administration Fund; (3) Southwestern Power Administration Fund; and (4) Western Area Power Administration Fund. Authorizes the Secretary to make expenditures from such Funds as necessary for each power administration's program.

H.R. 3507. April 5, 1979. Interior and Insular Affairs. Expands the boundaries of the Pennsylvania Avenue National Historic Site to include certain historic buildings along the ceremonial parade route between the White House and the Capitol.

H.R. 3508. April 5, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Requires the Administrator of the Bonneville Power Administration to prepare a regional power planning and conservation program utilizing the Federal Columbia River Power System. Establishes a representative regional power planning process to insure the provision of a reliable and adequate electric power supply. Directs the Administrator to give priority to the development of renewable energy resources in the event regional electric power obligations can not be met through the use of conservation measures.

H.R. 3509. April 5, 1979. Interstate and Foreign Commerce. Amends the Safe Drinking Water Act to extend the authorizations for appropriations under such Act through fiscal year 1982.

H.R. 3510. April 5, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to named individuals in satisfaction of certain claims against the United States.

H.R. 3511. April 5, 1979. Judiciary. Declares two named individuals to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of physical presence within the United States.

H.R. 3512. April 5, 1979. Judiciary. Authorizes the granting of a visa to, and admission of, a named individual to the United States for permanent residence.

H.R. 3513. April 9, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish in the Office of Education a National Student Financial Assistance Data Bank to assist students by identifying sources of public and private financial aid at institutions of higher education.

H.R. 3514. April 9, 1979. Agriculture. Amends the Agricultural Act of 1949 to establish the crop production loan level for the 1980 and 1981 crops of upland cotton.

Makes eligible for 1978 crop disaster payments certain cotton producers who were otherwise eligible for such payments, but who were deemed ineligible for failure to comply with the set-aside requirement of the 1978 crop feed grain program.

Directs the Secretary of Agriculture to make available a voluntary diversion program for the 1979 crop of upland cotton.

H.R. 3515. April 9, 1979. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to prevailing defendants in civil actions in which the United States is a plaintiff.

H.R. 3516. April 9, 1979. Judiciary. Directs the United States to pay reasonable attorney fees to prevailing parties in civil actions in which the United States is a party.

H.R. 3517. April 9, 1979. Judiciary; Ways and Means. Authorizes the court to award reasonable attorney fees and costs in a civil action in which tax liability to the United States is asserted and the United States or the Internal Revenue Service is a party.

H.R. 3518. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction to individual taxpayers for costs incurred in connecting a residential sewer line to a public sewage system.

H.R. 3519. April 9, 1979. Interstate and Foreign Commerce. Stipulates that a finding by the Interstate Commerce Commission that rail properties subject to abandonment are suitable for other public purposes shall be based on public testimony and evidence received through a public hearing process following the publication of such proposed abandonment in the Federal Register.

H.R. 3520. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to extend the date by which taxpayers must comply with requirements for the exclusion from gross income of rollovers of lump sum distributions from certain tax-exempt pensions, annuities, or other retirement plans.

H.R. 3521. April 9, 1979. Ways and Means. Amends the Internal Revenue Code with respect to the tax treatment of cooperative electric and telephone companies.

H.R. 3522. April 9, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to prohibit payment for nursing home care under the Medicaid program (for specified periods) to persons who dispose of assets without fair compensation in order to qualify for such payment or for other Medicaid benefits.

H.R. 3523. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax deduction for employees contributions to certain retirement savings and pension plans.

H.R. 3524. April 9, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that benefits under such title may not be paid to individuals confined in penal institutions or correctional facilities.

H.R. 3525. April 9, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to authorize the Secretary of Labor to fund solar energy and energy conservation employment and training programs for the unemployed or underemployed or for those in school between the ages of 16 and 24.

Allows Governors of prime sponsors to operate such programs directly or by contracting with public or private nonprofit agencies or employers organized for profit.

Directs the Secretary to use a portion of

such funds for certain apprenticeship projects and to implement such programs at suitable Job Corps centers.

Authorizes appropriations for such programs.

H.R. 3526. April 9, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct hydroelectric powerplants at specified locations.

H.R. 3527. April 9, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to cooperate with States for the provision of law enforcement services at water resources development projects.

H.R. 3528. April 9, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to develop, operate, and maintain short-term recreational facilities and to administer the Federal land and water areas associated with the East Park and Stony Gorge Reservoirs, Orland project, California.

H.R. 3529. April 9, 1979. Education and Labor. Amends the General Education Provisions Act to prohibit any department, agency, officer, or employee of the United States, for the purpose of affecting the racial, ethnic, or socioeconomic composition of student enrollments, from exercising any supervision or control over the curriculum or program of instruction of any institution of higher education, or over the selection of library resources, textbooks, or other printed or published materials by any such institution.

H.R. 3530. April 9, 1979. Post Office and Civil Service. Entitles any individual covered by a Federal health benefits program which provides payment for the services of a nurse-midwife, to unrestricted selection of, and access to, such nurse-midwife.

H.R. 3531. April 9, 1979. Interstate and Foreign Commerce; Ways and Means. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include within the coverage of those titles services rendered by a nurse-midwife.

H.R. 3532. April 9, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to authorize the Secretary of Labor to fund solar energy and energy conservation employment and training programs for the unemployed or underemployed or for those in school between the ages of 16 and 24.

Allows Governors or prime sponsors to operate such programs directly or by contracting with public or private nonprofit agencies or employers organized for profit.

Directs the Secretary to use a portion of such funds for certain apprenticeship projects and to implement such programs at suitable Job Corps centers.

Authorizes appropriations for such programs.

H.R. 3533. April 9, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay for the training of nurses employed by the Veterans' Administration Department of Medicine and Surgery who are pursuing an academic degree in nursing.

H.R. 3534. April 9, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited additional income tax credit for political contributions to candidates for Congress.

H.R. 3535. April 9, 1979. Agriculture. Repeals the Agricultural Fair Practices Act of 1967 and establishes an agricultural bargaining policy substantially identical. Enumerates the unfair practices a handler of agricultural products is forbidden to commit under existing law, and adds a list of unfair practices an association of producers may not commit, including: (1) refusal to bargain in good faith with a handler; (2) coercing or intimidating a handler to breach or terminate marketing contracts and association membership agreements; (3) circulating false reports about an association's or handler's finances, management, or activities; and (4) conspiracy to commit an unfair practice.

H.R. 3536. April 9, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to stone mining or sand and gravel mining operations.

H.R. 3537. April 9, 1979. Education and Labor. Establishes the Congressional Award Program in the United States and its territories to recognize and promote youth leadership and excellence in the areas of expedition fitness, personal creative development, and public service.

H.R. 3538. April 9, 1979. Public Works and Transportation. Establishes a flood control survey and engineering fund in the U.S. Treasury to be used by the Secretary of the Army. Provides for the authorization of flood control projects by resolution of the appropriate congressional committees.

Amends the Flood Control Act of 1970 to permit the Secretary to enter into agreements with States for water resources projects even if such agreements are contingent upon the State legislative process.

H.R. 3539. April 9, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to clay surface mining operations.

H.R. 3540. April 9, 1979. Public Works and Transportation. Amends the Water Resources Development Act of 1974 to direct the Secretary of the Army, through the Chief of Engineers, to design and construct an erosion control structure to protect Tangier Island, Virginia. Exempts such project from requirements otherwise applicable to such a project.

H.R. 3541. April 9, 1979. House Administration. Requires the payment of fees by Members of Congress and congressional employees for the use of congressional parking facilities.

H.R. 3542. April 9, 1979. Education and Labor. Requires a union or employer to give written notice to the Secretaries of Agriculture and Labor of a contemplated strike or lockout affecting a processing operation engaged in interstate or foreign commerce which will cause losses of agricultural crops anywhere in the United States if permitted to occur. Establishes an arbitration procedure to hear all aspects of the contract dispute.

H.R. 3543. April 9, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a portion of the Myakka River in Florida for potential addition to the national wild and scenic rivers system.

H.R. 3544. April 9, 1979. Agriculture. Prohibits the Secretary of Agriculture from taking any action under the Wholesome Meat Act or any other law to prohibit the sale, distribution, or use of nitrites as a food preservative solely on the basis of any carcinogenic effect in humans that nitrites may be represented to have, unless validated evidence is made available to the Secretary which proves beyond a reasonable doubt that nitrites as a food preservative have a significant carcinogenic effect on humans, or until a substitute preservative is available.

H.R. 3545. April 9, 1979. Agriculture. Amends the Food Stamp Act of 1977 to increase the amount of the standard deduction from household income in the case of recipient households which contain a member age 65 or older.

H.R. 3546. April 9, 1979. Agriculture. Amends the Federal Insecticide, Fungicide, and Rodenticide Act to authorize appropriations for the environmental pesticide control program for fiscal year 1980.

H.R. 3547. April 9, 1979. Public Works and Transportation. Directs the Secretary of Transportation to establish a single system of measuring noise and the impact of noise at airports and areas surrounding airports and to prescribe land uses which are comparable with such noise levels.

Amends the Airport and Airway Development Act of 1970 to make grants available under such Act for airport noise compatibility programs.

Authorizes the Civil Aeronautics Board to require aircraft operators to impose noise abatement surcharges on flights until an operator's fleet is in compliance with specified noise abatement standards.

H.R. 3548. April 9, 1979. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to provide that the Board of Governors of the Federal Reserve System shall not deny any application for the formation of a one-bank holding company because the transaction to form such one-bank holding company involves a bank stock loan which is for a period of not more than 25 years.

H.R. 3549. April 9, 1979. Judiciary. Directs the Secretary of the Treasury to pay two named individuals a specified sum representing the amount fraudulently induced from such individuals by an individual under Federal protection.

H.R. 3550. April 9, 1979. Judiciary. Directs the Administrator of the Agency for International Development to pay a named individual an amount equal to certain educational expense allowances.

H.R. 3551. April 9, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3552. April 10, 1979. Banking, Finance and Urban Affairs. Amends the Electronic Fund Transfer Act to specify that notice given by a consumer to a financial institution regarding an unauthorized electronic fund transfer shall take effect upon the proper dispatch or mailing of such notice and not upon the receipt of such notice.

H.R. 3553. April 10, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to revise: (1) the transactions covered by the Act; (2) the disclosures required under specified consumer credit transactions; (3) the provisions establishing civil liability for violations; and (4) the credit advertising provisions. Provides for model disclosure forms and revocation of optional credit life insurance.

Expands certain disclosure requirements in the case of credit card issuance. Prohibits specified billing practices and provides other protection for consumers.

Amends the Equal Credit Opportunity Act to prohibit discrimination on the basis of occupation or place of residence in any credit card transaction.

Amends the effective date of the Electronic Fund Transfer Act.

H.R. 3554. April 10, 1979. Education and Labor. Amends the Higher Education Act of 1965 to remove certain interest restrictions on special allowance rates paid to eligible lenders of student loans.

H.R. 3555. April 10, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to qualify an individual who, although employable, is unable to care for his or her personal needs without assistance as a disabled person eligible for the services of a home health aide.

H.R. 3556. April 10, 1979. Science and Technology. Establishes a program for research, development, and demonstration of wind energy. Authorizes the Secretary of Energy to enter into contracts and to make grants for the development of wind energy systems.

H.R. 3557. April 10, 1979. Science and Technology. Establishes a program for research, development, and demonstration of wind energy. Authorizes the Secretary of Energy to enter into contracts and to make grants for the development of wind energy systems.

H.R. 3558. April 10, 1979. Science and Technology. Establishes a program for research, development, and demonstration of wind energy. Authorizes the Secretary of Energy to enter into contracts and to make grants for the development of wind energy systems.

H.R. 3559. April 10, 1979. Agriculture. Ex-

pends the emergency spending authority of the Secretary of Agriculture with respect to aiding and transporting persons who are lost, seriously ill, injured, or who die within the National Forest System.

H.R. 3560. April 10, 1979. District of Columbia. Establishes three retirement funds encompassing: (1) District of Columbia fire fighters and police officers; (2) District of Columbia teachers; and (3) District of Columbia judges.

Establishes the District of Columbia Retirement Board to manage the retirement funds created by this Act.

Details provisions relating to the administration of such funds and revises provisions relating to specified retirement and disability benefits under the retirement programs of such personnel.

H.R. 3561. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to permit the waiver of residency requirements for individuals residing in a foreign country who claim income tax deductions for living expenses incurred in such country, if such individuals are required to leave the country due to war or civil unrest.

H.R. 3562. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the withholding tax requirements with respect to gambling winnings.

H.R. 3563. April 10, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to stone mining or sand and gravel mining operations.

H.R. 3564. April 10, 1979. Education and Labor. Prohibits all educational or occupational admissions tests affecting interstate commerce to be administered unless certain requirements are met, including notice of subject matter and results.

Provides for a civil action in United States district court for an individual adversely affected by such a test administered in violation of this Act.

H.R. 3565. April 10, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duties on certain cobalt alloys. Repeals the exemption of unwrought metal from the temporary suspension of duties on metal waste and scrap.

H.R. 3566. April 10, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend the period during which the Secretary of Health, Education, and Welfare may not take specified actions to restrict the continued use of saccharin or of any food, drug, or cosmetic containing saccharin.

H.R. 3567. April 10, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 3568. April 10, 1979. Public Works and Transportation. Establishes within the Federal Aviation Administration the Federal Aviation Regulatory Review Commission. Stipulates that the Commission shall review and comment in any final rule, regulation, or order relating to aviation issued by the Secretary of Transportation, the Administrator of the Federal Aviation Administration, or the Chairman of the Civil Aeronautics Board.

H.R. 3569. April 10, 1979. Agriculture; Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, and the Poultry Products Inspection Act to allow the use, in meat, poultry, or other food products, of a food additive for dietary management of health disorders or diseases, even though such additive is found to induce cancer in animals, if the Secretary of Health, Education, and Welfare or, where appropriate, the Secretary of Agriculture determines the benefits to human health of such use outweigh the risks.

H.R. 3570. April 10, 1979. Government Operations. Establishes, within the Office of Management and Budget, the Office of Federal Information Management Policy to establish Government-wide policies and procedures regarding Federal information management activities and the burdens imposed on the public by such activities.

Sets forth procedures to eliminate duplicative efforts of Federal agencies in the collection of information.

Establishes the Federal Locator System as an authoritative register for all recordkeeping requirements and all public-use, interagency, and intra-agency reports.

H.R. 3571. April 10, 1979. Education and Labor; Government Operations; Ways and Means. Eliminates the exemptions of Congress and the United States from requirements relating to employment and pay actions, privacy, social security, and occupational safety and health as are set forth in specified legislation.

H.R. 3572. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for expenses incurred by a taxpayer in connection with an audit or final judicial determination of tax liability which establishes that there is no tax deficiency on the part of the taxpayer.

H.R. 3573. April 10, 1979. Judiciary; Interstate and Foreign Commerce. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are unlawful under the Federal Trade Commission Act and the antitrust laws provided such product is in substantial and effective competition with other products of the same general class and the elimination of the territorial provisions in such agreement would adversely affect the quality of the environment, significantly increase energy consumption, cause inflation in the cost of soft drink products, or lead to concentration of economic power in the soft drink industry.

H.R. 3574. April 10, 1979. Interstate and Foreign Commerce. Prohibits the Secretary of Health, Education, and Welfare from promulgating a proposed rule applicable to vitamin and mineral products for over-the-counter human use published on March 16, 1979, or from taking any other action which would have the same effect as such proposed rule.

H.R. 3575. April 10, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1938 to authorize a reduction in the amount of any penalty imposed for a particular violation of a marketing quota for peanuts, if such violation was unintentional or unknowing, and a reduction of such penalty would not impair the effective operation of the peanut price support program.

H.R. 3576. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to suspend the imposition of interest charges on a taxpayer due to a tax deficiency to the extent that such deficiency is due to Internal Revenue Service error. Requires the Secretary of the Treasury, upon request, to furnish a written memorandum to a taxpayer providing information, advice, or interpretation with respect to the income tax.

H.R. 3577. April 10, 1979. Merchant Marine and Fisheries. Amends the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations for 1980 and 1981.

H.R. 3578. April 10, 1979. Post Office and Civil Service. Authorizes and requests the President to proclaim the period from June 1 through June 7 as "National Safe Boating Week."

H.R. 3579. April 10, 1979. Armed Services. Entitles specified otherwise ineligible members of the armed forces to military retired pay.

H.R. 3580. April 10, 1979. Agriculture. Amends the Rural Development Act of 1972 to establish the Working Group for Rural Development to assist the Secretary of Agriculture in developing and coordinating Federal rural development strategies.

Extends the authorization for rural development and small farm research extensions programs.

Amends the Consolidated Farm and Rural Development Act to increase the annual aggregate amount of rural development grants, and to rename the Farmers Home Administration the Farmers Home and Rural Development Administration.

H.R. 3581. April 10, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Directs the Nuclear Regulatory Commission to cease the granting of licenses for construction or operation of nuclear reactors pending the outcome of a study regarding nuclear powerplant safety by the Office of Technology Assessment.

Amends the Energy Reorganization Act of 1974 to prohibit the Secretary of Energy from constructing any nuclear waste disposal facility within or near densely populated areas.

H.R. 3582. April 10, 1979. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to take necessary action to promulgate certain regulations regarding saccharin, but stays the effective date of such regulations until three years following their date of promulgation.

H.R. 3583. April 10, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to direct the Secretary of Labor, in cooperation with the Secretaries of Energy and the Interior, to assess and report to Congress on the current and projected adequacy of the supply of manpower for the development and expansion of energy technologies and industries to meet domestic needs.

H.R. 3584. April 10, 1979. Agriculture. Amends the Federal Meat Inspection Act to exempt from pre-slaughter animal examination and post mortem carcass inspection requirements all meat food products processed by a federally inspected establishment and derived from meat which has been slaughtered or processed at a State-inspected establishment in a State whose meat inspection requirements have been determined by the Secretary to be at least equal to the Federal requirements.

H.R. 3585. April 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVI (Supplemental Security Income) and XIX (Medicaid) of the Social Security Act to discourage the voluntary divestiture of assets in order to qualify for benefits under such titles.

H.R. 3586. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to raise the age requirement for youths participating in the qualified cooperative education program, for purposes of the targeted jobs tax credit.

H.R. 3587. April 10, 1979. Interstate and Foreign Commerce. Amends the Noise Control Act of 1972 to extend the authorization of appropriations under such Act through fiscal year 1981.

H.R. 3588. April 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the present ceiling on the contribution and benefit base. Increases the primary insurance amount under such title. Provides full benefits at a reduced age for members of groups with less than average life expectancy. Repeals the earnings test. Decreases the number of years a divorced woman must have been married to an insured individual in order for her to qualify for wife's or widow's benefits on his wage.

H.R. 3589. April 10, 1979. Judiciary. Extends the patent term for new drugs and new animal drugs.

H.R. 3590. April 10, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to decriminalize certain activities with respect to marihuana, including the possession of not more than one ounce of marihuana for private use.

H.R. 3591. April 10, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily reduce the duty on titanium sponge.

H.R. 3592. April 10, 1979. Public Works and Transportation. Redesignates the Clarence Cannon Dam and Reservoir, Missouri, as the Mark Twain Lake and Clarence Cannon Dam.

H.R. 3593. April 10, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require nutritional labeling on all packaged food, including meat products.

H.R. 3594. April 10, 1979. Judiciary. Provides that an annuity to a widow of a justice of the United States shall not terminate upon the remarriage of an annuitant who is 60 years of age.

H.R. 3595. April 10, 1979. Post Office and Civil Service. Changes the date of Memorial Day from the last Monday in May to May 30th.

H.R. 3596. April 10, 1979. Public Works and Transportation. Directs the Secretary of Transportation to establish a single system of measuring noise and the impact of noise at airports and areas surrounding airports and to prescribe land uses which are compatible with such noise levels.

Amends the Airport and Airway Development Act of 1970 to make grants available under such Act for airport noise compatibility programs.

Establishes noise standards which United States or foreign registered subsonic turbojet aircraft must meet in order to continue operations within the United States.

H.R. 3597. April 10, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing a proposed revenue procedure which sets forth guidelines for determining whether private schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies until Congress enacts specific guidelines for making such determinations.

H.R. 3598. April 10, 1979. Banking, Finance and Urban Affairs. Amends the Interstate Land Sales Full Disclosure Act to outline specified exemptions from the provisions of such Act and to set forth requirements relating to the sale or leases of lots in certain subdivisions. Extends the power of the Secretary of Housing and Urban Development to enforce this Act. Prescribes civil penalties for violations of this Act and increases the amount of criminal penalties which may be assessed. Allows State attorneys general to sue as parens patriae to secure monetary or injunctive relief for violations of this Act.

H.R. 3599. April 10, 1979. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 to direct the Secretary of Transportation to develop programs in cooperation with State and local officials which are formulated on the basis of transportation needs, long-range land use plans, development objectives, and overall social, economic, environmental, and system performance. Stipulates that such planning shall take into account all modes of transportation.

Authorizes the Secretary to make grants for airport system planning and airport master planning to carry out such policies.

Requires that applications for specified airport development programs be consistent with water quality management plans.

H.R. 3600. April 10, 1979. Banking, Finance and Urban Affairs. Extends and authorizes appropriations for specified farm housing programs of the Farmers Home Administration under the Housing Act of 1949.

Sets forth a formula for determining the percent of households to be assisted in each fiscal year.

Amends the Housing Act of 1949 to make provisions for rental assistance, compensation for defects, property disposition, farm labor housing, refinancing or prepayment of loans, technical assistance for mutual self-help housing, refinancing or prepayment of loans, technical assistance for mutual self-help housing, and emergency water and waste loans and grants.

Establishes an Assistant Secretary for Equal Opportunity within the Department of Agriculture.

H.R. 3601. April 10, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to require the Secretary of Health, Education, and Welfare to annually inform individuals covered by the OASDI program of their contributions and potential benefit rights, as based on their current wage records.

H.R. 3602. April 10, 1979. Judiciary. Directs the Secretary of Commerce to extend for ten years the patent numbered 3,113,306, relating to an aircraft guidance system.

H.R. 3603. April 10, 1979. Armed Services; Post Office and Civil Service. Establishes within the executive branch the Public Service System to register all individuals upon reaching the age of 17 years of age for service in a Federal agency, the armed services, or the armed forces reserves.

Establishes a lottery to determine the registrants who shall be required to perform such service. Allows registrants to express a preference as to which type of service they would care to perform. Requires that individuals selected by such lottery be granted their preference except under specified circumstances.

H.R. 3604. April 10, 1979. Interstate and Foreign Commerce; Ways and Means. Establishes the American Oil Import Corporation to act as the importing agent for crude oil and petroleum products imported into the United States.

Establishes a Public Energy Fund to finance the activities of such corporation.

Amends the Emergency Petroleum Allocation Act of 1973 to repeal the standby purchase authority of the President to import and purchase crude oil and petroleum products.

H.R. 3605. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals or married couples a $7,500 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3606. April 10, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 3607. April 10, 1979. Merchant Marine and Fisheries; Foreign Affairs. Specifies that all expenses incurred implementing the Panama Canal Treaty of 1977 shall be treated as an expense of the Panama Canal Commission. Sets forth the financial arrangements to be made to repay the United States and make payments to Panama.

Requires the express authorization of Congress before: (1) any payments required under the Treaty to Panama may be made; (2) U.S. funds may be used to implement the Treaty; (3) any U.S. property in the Canal Zone may be transferred to Panama; and (4) the Panama Canal Company and the Canal Zone Government may cease functioning.

H.R. 3608. April 10, 1979. District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to exempt from the Congressional approval: (1) the expenditure of funds derived from the sale of any note, or other obligation issued solely to finance, or assist in the financing of, the activities of any housing finance authority established by the City Council; or (2) the payment of principal, interest, or both on any such bond, note, or other obligation.

H.R. 3609. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 3610. April 10, 1979. Judiciary. Amends the Immigration and Nationality Act to: (1) redefine "refugee" for purposes of such Act; (2) establish a new procedure for the admission of refugees, including unforeseen emergency refugee admissions; (3) eliminate the two year conditional status for normal refugee admissions; and (4) authorize the adjustment of status of certain resident alien refugees and their families to permanent resident status, and to allow such adjustment to operate retroactively.

Amends the Migration and Refugee Assistance Act of 1962 with regard to specified refugee resettlement, employment, education, medical, and welfare assistance. Increases the authorized level of the Emergency Refugee and Migration Assistance Fund to $50,000,000.

H.R. 3611. April 10, 1979. Agriculture; Foreign Affairs. Directs the President to establish a reserve stock of wheat for release on a donation or concessional sale basis to provide emergency food assistance to developing countries.

H.R. 3612. April 10, 1979. Agriculture; Foreign Affairs. Directs the President to establish a reserve stock of wheat for release on a donation or concessional sale basis to provide emergency food assistance to developing countries.

H.R. 3613. April 10, 1979. Government Operations. Limits the amount which may be obligated for the travel and transportation expenses of executive branch officers and employees during fiscal year 1980.

H.R. 3614. April 10, 1979. Interior and Insular Affairs. Amends the Federal law designating the Benjamin Franklin National Memorial, Pennsylvania, to authorize appropriations for such Memorial.

H.R. 3615. April 10, 1979. Education and Labor. Repeals the Davis-Bacon Act, which requires the rate of wages for workers employed on Federal public buildings by contractors and subcontractors to be based upon the prevailing wages for corresponding classes of workers employed on similar projects in the same area.

H.R. 3616. April 10, 1979. Agriculture. Amends the Federal Meat Inspection Act to require that packages or containers of any imported meat or meat product capable of use as human food be labeled as "imported".

Prohibits the importation of dairy products into the United States unless certified wholesome and pure by the Secretary of Health, Education, and Welfare.

H.R. 3617. April 10, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to undertake the design memorandum stage for the channel deepening project for Gulfport Harbor, Mississippi.

H.R. 3618. April 10, 1979. Veterans' Affairs. Provides pension, medical, and hospital benefits, and reimbursement for non-Veteran's Administration medical costs to certain World War I veterans and pension benefits to certain surviving widows of such veterans.

H.R. 3619. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to increase from $1,000,000 to $10,000,000 the dollar limit for bond issues qualifying as small issues, for purposes of the exclusion from gross income of the interest on such bonds.

H.R. 3620. April 10, 1979. Ways and Means. Amends the Internal Revenue Code and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to exempt seafood processing workers from so-

cial security taxes, unemployment taxes, and the withholding of taxes.

H.R. 3621. April 10, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to December 31, 1982.

H.R. 3622. April 10, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 3623. April 10, 1979. Armed Services; Banking, Finance and Urban Affairs. Amends the Renegotiation Act of 1951 to set forth a methods of determining excess profits with respect to defense contracts. Sets forth conditions which such contractors must adhere to with respect to such excess profits.

H.R. 3624. April 10, 1979. Public Works and Transportation. Amends the Highway Beautification Act of 1965, to assist States in the control of outdoor advertising in areas adjacent to the Interstate System and the primary system in order to promote the safety and recreational value of public travel, and to preserve natural beauty.

H.R. 3625. April 10, 1979. Ways and Means. Amends the Internal Revenue Code to impose an excise tax on investments made by energy corporations which are unrelated to energy.

Denies the foreign income tax credit for taxes which are attributable to foreign oil and gas extraction income.

H.R. 3626. April 10, 1979. Public Works and Transportation. Amends the National Energy Conservation Policy Act to prohibit free parking at parking facilities owned or controlled by the Federal Government. Requires the Administrator of General Services, the Director of the Administrative Office of the United States Courts, and the Architect of the Capitol to coordinate the activities of their respective branches in implementing such restrictions. Stipulates that all revenues collected be deposited into the Treasury.

H.R. 3627. April 10, 1979. Interior and Insular Affairs. Establishes the Mineral King National Recreation Area in the State of California.

H.R. 3628. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to provide grants to hospitals which provide essential services to undocumented aliens.

H.R. 3629. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to provide grants to financially insecure hospitals which provide essential services to certain individuals in medically underserved areas.

H.R. 3630. April 10, 1979. Judiciary. Amends the Speedy Trial Act of 1974 to revise the time limits for bringing to trial a person arrested or indicted for committing a Federal offense.

H.R. 3631. April 10, 1979. Judiciary. Amends the provisions of Federal law regarding the Select Commission on Immigration and Refugee Policy to: (1) change the rate of compensation for the public members of the Commission; (2) extend the life of the commission; (3) permit Federal employees detailed to the Commission to serve without reimbursement by the Commission; (4) increase the Commission's authorization; and (5) authorize the Commission to procure the services of experts and consultants.

H.R. 3632. April 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 3633. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend the assistance program for nurse training and students. Establishes a new assistance program for training nurse anesthetists.

Revises requirements with respect to federally insured loans to medical students, National Health Service Corps scholarships, and area health education centers. Revises the administration of the Public Health Service.

H.R. 3634. April 10, 1979. District of Columbia. Amends the National Capital Transportation Act of 1969 to authorize the Secretary of Transportation to make additional contributions to the Washington Metropolitan Area Transit Authority to partially finance: (1) the cost of construction; (2) the retirement of bonds; and (3) the expenses of operating and maintaining the Adopted Regional System.

H.R. 3635. April 10, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that disability insurance benefits for an individual having a terminal illness shall begin with the first month during all of which such individual has such illness.

H.R. 3636. April 10, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation System.

Provides for the management of subsistence uses of fish and wildlife on national lands.

Conveys specified Alaskan lands to Native groups and the State of Alaska pursuant to the Alaska Native Claims Settlement Act and the Alaska Statehood Act.

Provides for the granting of rights-of-way through national lands. Provides for limited oil and gas exploration, development, and production on national lands.

H.R. 3637. April 10, 1979. Ways and Means. Authorizes the President to implement the International Coffee Agreement of 1976. Provides for action to be taken if it is determined that there has been an unwarranted increase in coffee prices due to the Agreement. Requires the President to submit annual reports to Congress concerning such Agreement.

H.R. 3638. April 10, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to revise eligibility for mortgage insurance programs with respect to the principal obligation involved for rehabilitation and neighborhood conservation housing insurance, mortgage insurance for servicemen, and mortgage insurance for condominiums.

H.R. 3639. April 10, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to revise eligibility for mortgage insurance programs with respect to the principal obligation involved for rehabilitation and neighborhood conservation housing insurance, mortgage insurance for servicemen, mortgage insurance for condominiums, rental housing insurance, cooperative housing insurance, and mortgage insurance for housing for moderate income and displaced families.

H.R. 3640. April 10, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish a program of grants to: (1) develop model preretirement education programs; (2) train personnel for such programs; (3) prepare related information and materials; and (4) provide consultation services.

Directs the Secretary of Health, Education, and Welfare to carry out a preretirement education study and a retirement employment study.

H.R. 3641. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act and the Community Mental Health Centers Act to extend and revise the authorization of appropriations for certain assistance programs under such Acts.

H.R. 3642. April 10, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend authorization of appropriations for emergency medical services, and to provide for a new assistance program to establish poison control information and treatment centers.

H.R. 3643. April 10, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act to allow the first sale of qualified deep stripper well crude oil to be exempt from price regulation under such Act.

H.R. 3644. April 10, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to cause a named vessel to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade.

H.R. 3645. April 10, 1979. Judiciary. Directs the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 3646. April 10, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

Directs the Secretary to refund to such corporation all such tax, interest, and penalty payments made by such corporation.

H.R. 3647. April 10, 1979. Judiciary. Relieves a named corporation of liability for the payment of both individual and employer social security taxes for a specified period. Directs the Secretary of the Treasury to refund to such corporation any such payments.

H.R. 3648. April 10, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3649. April 10, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

Directs the Secretary to refund to such corporation all such tax, interest, and penalty payments made by such corporation.

H.R. 3650. April 10, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

Directs the Secretary to refund to such corporation all such tax, interest, and penalty payments made by such corporation.

H.R. 3651. April 23, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation System.

Provides for the management of subsistence uses of fish and wildlife on national lands.

Conveys specified Alaskan lands to Native groups and the State of Alaska pursuant to the Alaska Native Claims Settlement Act and the Alaska Statehood Act.

Provides for the granting of rights-of-way through national lands. Provides for limited oil and gas exploration, development, and production on national lands.

H.R. 3652. April 23, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to revise the reporting requirements of such Act. Makes the Secretary of State responsible for negotiations with other countries to restrict exports of goods and technical data detrimental to U.S. security. Increases the penalties for violating such Act. Extends the authority granted by such Act.

H.R. 3653. April 23, 1979. Foreign Affairs. Amends the International Investment Survey Act of 1976 to authorize appropriations to carry out such Act.

H.R. 3654. April 23, 1979. Judiciary; Ways and Means. Requires appropriate State authorities to give full faith and credit to a valid child custody determination by a State court.

Amends the Social Security Act to allow the Parental Locator Service to include information for the enforcement of child custody determinations or parental kidnapping provisions.

Prohibits the intentional restraint of a child in violation of a valid State custody determination.

H.R. 3655. April 23, 1979. Ways and Means. Requires the Secretary of the Treasury to provide on individual income tax returns, information on Federal revenues and expenditures for the two fiscal years preceding the year for which the return is filed.

H.R. 3656. April 23, 1979. Merchant Marine and Fisheries; Foreign Affairs; Judiciary; Post Office and Civil Service. Establishes the Panama Canal Commission to operate and maintain the Panama Canal. Makes provisions for employees, funds and accounts, claims for injuries, transfer of public property, regulation of shipping and navigation, laws, courts, and cemeteries pursuant to the rights and duties specified for the United States in the Panama Canal Treaty of 1977 and related agreements.

H.R. 3657. April 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow a refundable income tax credit for amounts paid or incurred for television subtitle equipment for use by hearing-impaired individuals.

H.R. 3658. April 23, 1979. Veterans' Affairs. Authorizes and directs the Veterans' Administration to establish a national cemetery in the State of Indiana.

H.R. 3659. April 23, 1979. Ways and Means. Establishes the Commission on Tax Revision to study Federal tax laws and to make recommendations for the improvement of such laws.

H.R. 3660. April 23, 1979. Ways and Means. Amends the Internal Revenue Code to permit domestic wines to be used by officials of foreign governments and their families free of the excise tax on alcoholic beverages.

H.R. 3661. April 23, 1979. Interior and Insular Affairs. Increases the authorized annual appropriation for expenses of the Navajo and Hopi Indian Relocation Commission.

H.R. 3662. April 23, 1979. Judiciary. Grants a Federal charter to the Navy Wives Club of America.

H.R. 3663. April 23, 1979. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to redefine the term "single visit" for purposes of establishing admission fees to designated units of the National Park System.

H.R. 3664. April 23, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3665. April 23, 1979. Judiciary. Directs the Secretary of the Air Force to pay a named individual additional amounts of retired pay to which such individual would have been entitled if credit for a specified period had been allowed.

H.R. 3666. April 24, 1979. Public Works and Transportation. Permits a portion of the lands conveyed to the Mountrail County Park Commission pursuant to the Water Resources Development Act of 1974 to be used for the leasing of cabin sites.

H.R. 3667. April 24, 1979. Interior and Insular Affairs; Public Works and Transportation. Authorizes the Department of Transportation to proceed with a project to widen United States Route 1 in Lee County, Florida, without regard to specified provisions of law.

H.R. 3668. April 24, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to December 31, 1982.

H.R. 3669. April 24, 1979. Post Office and Civil Service. Permits the carriage out of the mails of letters of trade or business which must be delivered within a specified time whenever the Postal Service cannot deliver such letters within such time at a cost less than or equal to that for private carriage.

H.R. 3670. April 24, 1979. Education and Labor. Amends the Davis-Bacon Act to establish additional minimum wage requirements for workers under Federally funded construction contracts. Sets forth administrative procedures concerning: (1) the review of prevailing rate wage determinations; (2) enforcement of this Act; and (3) violations of this Act by Government contractors.

H.R. 3671. April 24, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Establishes a Government corporation to be known as the Energy Development and Management Authority which shall administer a national program for the exploration, development, and conservation of energy mineral deposits such as coal and oil shale.

H.R. 3672. April 24, 1979. District of Columbia. Increases the appropriation authorized for the Temporary Commission on Financial Oversight of the District of Columbia.

H.R. 3673. April 24, 1979. Judiciary. Provides that the United States District Court for the Judicial District of New Jersey shall be held at Hackensack, New Jersey, in addition to those places currently provided by law.

H.R. 3674. April 24, 1979. Interstate and Foreign Commerce; Judiciary. Amends the Controlled Substances Act and the Controlled Substances Import and Export Act to set mandatory minimum terms of imprisonment for individuals convicted of certain opiate traffic related crimes.

Amends the Federal Rules of Criminal Procedure to require a separate sentencing hearing when a person is convicted of a crime for which such sentences are authorized.

H.R. 3675. April 24, 1979. Veterans' Affairs. Revises veterans' National Service Life Insurance provisions regarding eligibility for total disability waiver of premium payments.

H.R. 3676. April 24, 1979. Education and Labor. Amends the General Education Provisions Act to direct: (1) the National Center for Education Statistics, in consultation with the Office of Education, to collect data from the States and publish an annual digest on the status of rural education; and (2) the Commissioner of Education to pay particular regard to rural-urban equalization in awarding State grants for the development and implementation of educational resources equalization programs.

Amends the Education Amendments of 1978 to include rural school financing problems within the areas of educational financing to be studied by the Advisory Panel on Financing Elementary and Secondary Education.

H.R. 3677. April 24, 1979. Armed Services. Stipulates that the payment of retired or retainer pay which would otherwise be made to a member of the armed forces shall be paid by the Secretary concerned to another person to the extent provided for in the terms of any court decree of divorce, annulment, or legal separation.

H.R. 3678. April 24, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to exempt certain categories of crude oil from the mandatory price and allocation regulations under such Act.

H.R. 3679. April 24, 1979. Small Business. Amends the Small Business Act to establish interest rates on specified disaster loans available to small business concerns until October 1, 1979.

H.R. 3680. April 24, 1979. House Administration. Requires the payment of a fee by Members of Congress and congressional employees for use of congressional parking facilities.

H.R. 3681. April 24, 1979. Agriculture. Amends the Agricultural Act of 1949 to prohibit participation by any farmer in the price support programs for the 1980 and 1981 crops of feed grains and wheat unless the Secretary of Agriculture receives a written certification from the local conservation district that such farmer is, with respect to the crop in question, implementing a plan for conservation and sustained use of the soil and water on such farm which meets established minimum standards.

H.R. 3682. April 24, 1979. Agriculture. Amends the Federal Crop Insurance Act to require the Secretary of Agriculture, acting through the Federal Crop Insurance Corporation, to establish a national three-year pilot program for insuring farmers and ranchers who raise beef and dairy cattle against losses incurred as a result of brucellosis.

H.R. 3683. April 24, 1979. Agriculture. Amends the Consolidated Farm and Rural Development Act to specify the maximum aggregate principal amounts for insured and guaranteed real estate, operating and emergency loans under the Agriculture Credit Insurance Fund, and water and sewer facility, industrial development, and community facility loans under the Rural Development Insurance Fund for each of the fiscal years 1980, 1981, and 1982.

H.R. 3684. April 24, 1979. Public Works and Transportation; Education and Labor. Amends the Public Works and Economic Development Act of 1965 to direct the Southwest Border Regional Commission to make grants to local educational agencies for the construction of school facilities to assist such agencies in educating immigrant Mexican children.

H.R. 3685. April 24, 1979. Judiciary. Prohibits the Federal Trade Commission from applying for the cancellation of a registered trademark under the Lanham Act solely on the ground that such trademark has become the common descriptive name of an article or substance.

H.R. 3686. April 24, 1979. Ways and Means. Amends the Internal Revenue Code to increase the amount of the annual gift tax exclusion.

H.R. 3687. April 24, 1979. Agriculture. Permits any use, including aerial application, of the pesticide mirex on fire ants or imported fire ants during the calendar years 1979 and 1980.

H.R. 3688. April 24, 1979. Ways and Means. Amends the Second Liberty Bond Act to allow the interest rates paid on United States retirement plan and individual retirement bonds to be increased to the rate paid on United States series E savings bonds.

H.R. 3689. April 24, 1979. Armed Services. Repeals certain restrictions on military per-

sonnel relating to outside civilian employment and remuneration for members of the Army, Navy, Marine Corps, and Air Force bands for off-base performances.

H.R. 3690. April 24, 1979. Armed Services. Eliminates the requirement that nominations of persons for appointment to the United States Naval Academy be made not later than March 4 of each year.

H.R. 3691. April 24, 1979. Ways and Means. Amend the Internal Revenue Code to reinstate the nonbusiness deduction from the income tax on individuals for State and local taxes on gasoline and other motor fuels.

H.R. 3692. April 24, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Public Works and Transportation. Amends the Hazardous Materials Transportation Act to provide for the safe transportation of nuclear waste and radioactive commercial spent fuel.

H.R. 3693. April 24, 1979. Agriculture. Amends the Soil Conservation and Domestic Allotment Act to repeal the termination date and funding limitations placed on the authority of the Secretary of Agriculture to enter into contracts with landowners for soil conservation in the Great Plains conservation program.

H.R. 3694. April 24, 1979. Armed Services. Removes the requirement that students in Junior Reserve Officer Training Corps units be citizens or nationals of the United States.

H.R. 3695. April 24, 1979. Education and Labor; Government Operations; Ways and Means. Eliminates the exemptions of Congress and the United States from requirements relating to employment and pay sections, privacy, social security, and occupational safety and health as are set forth in specified legislation.

H.R. 3696. April 24, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to direct the Secretary of Labor to prepare an economic impact analysis in connection with the promulgation of occupational safety and health standards.

H.R. 3697. April 24, 1979. Rules. Amends the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the costs which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

H.R. 3698. April 24, 1979. Interior and Insular Affairs; Rules. Suspends the authority of the Nuclear Regulatory Commission to grant construction and export licenses for nuclear fission powerplants until such authority is reinstated by the Congress after reviewing the findings and recommendations of a National Nuclear Review Commission on the problems associated with the nuclear fuel cycle.

H.R. 3699. April 24, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 to prevent nuclear reactor repair costs and increased costs of substitute power from being passed through to an electric utility's customers when the generation of electric energy by any nuclear powerplant is suspended or terminated for a safety related reason. Provides Federal loans for payment of such excess costs. Requires electric utilities to give assurances that they will be able to cover such costs in order to be eligible for a nuclear reactor operating license.

H.R. 3700. April 24, 1979. Interstate and Foreign Commerce. Establishes an additional position of Assistant Secretary of Commerce.

H.R. 3701. April 24, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the passive income limitation for small business corporations.

H.R. 3702. April 24, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to two named individuals in satisfaction of a claim against the United States.

H.R. 3703. April 24, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named company in satisfaction of a claim against the United States.

H.R. 3704. April 24, 1979. Judiciary. Directs the Administrator of Veterans' Affairs to pay a named individual compensation of service-connected disabilities for a specified period for a specified injury.

H.R. 3705. April 24, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3706. April 24, 1979. Judiciary Relieves a named individual of all liability, under a specified Internal Revenue Code penalty and a specified district court judgment, for certain withholding and social security taxes not paid for a certain period by a corporation of which such individual was president and a shareholder. Directs the Secretary of the Treasury to reimburse such individual for any amounts paid or withheld by such penalty or under such judgment.

H.R. 3707. April 24, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R 3708. April 24, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3709. April 24, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3710. April 24. 1979. Judiciary. Permits a named individual to remain in the United States for a specified period, with all of the rights and obligations of a nonimmigrant alien under the Immigration and Nationality Act.

H.R. 3711 April 24, 1979. Judiciarv. Permits a named individual to file, within 60 days, a specified action in the Court of Claims.

H.R. 3712. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage subsidy bonds.

Limits the issuance of industrial development bonds for housing purposes to low- or moderate-income rental housing.

H.R. 3713. April 25, 1979. Merchant Marine and Fisheries. Designates the Jamaica Bay Wildlife Refuge portion of the Gateway National Recreation Area, in the City of New York, as the Herbert Johnson Wildlife Refuge.

H.R. 3714. April 25, 1979. Judiciary. Establishes a fifth judicial district, the Southeastern District, in New York.

H.R. 3715. April 25, 1979. Foreign Affairs. Amends the United Nations Participation Act of 1945 to make any Executive order imposing sanctions against Rhodesia unenforceable. Repeals certain penalty provisions and certification requirements.

H.R. 3716. April 25, 1979. Foreign Affairs; Ways and Means. Amends an Act amending the Bretton Woods Agreement Act to repeal trade restrictions with regard to Uganda.

H.R. 3717. April 25, 1979. Government Operations. Authorizes appropriations to the General Services Administration for: (1) the National Historical Publications Commission; and (2) making funds available to Federal, State, and local agencies and to nonprofit organizations for the collection, preservation, and publication of documentary sources significant to the history of the United States.

H.R. 3718. April 25, 1979. Interstate and Foreign Commerce. Amends the Motor Vehicle Information and Cost Savings Act to establish a formula for calculating the corporate average fuel economy standards for motor vehicle manufacturers which include electric vehicles in their fleets.

H.R. 3719. April 25, 1979. Judiciary; Interstate and Foreign Commerce. Establishes in the Department of Justice the Dispute Resolution Program, including the Dispute Resolution Resource Center and the Dispute Resolution Advisory Board, to promote through research and financial assistance new and existing mechanisms which resolve minor civil disputes.

H.R. 3720. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from a decedent's gross estate for purposes of the estate tax the value of certain real property used in farming.

H.R. 3721. April 25, 1979. Interstate and Foreign Commerce; Judiciary. Amends the Controlled Substances Import and Export Act to set a mandatory minimum term of imprisonment for anyone violating the provisions of such Act by importing or exporting at least 100 pounds of marijuana.

H.R. 3722. April 25, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to require that aged, blind, or disabled aliens must have resided in the United States for five years preceding their application for benefits under such title. Exempts those aliens: (1) who are political refugees; (2) who a support agreement, under the Immigration and Nationality Act, excuses; or (3) who have specified disabilities.

Amends the Immigration and Nationality Act to stipulate that no immigrant shall be admitted to the United States except pursuant to a support agreement. Sets forth the requirement of such agreement.

H.R. 3723. April 25, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to direct the Federal Aviation Administration to prepare and implement comprehensive aircraft noise abatement plans at airports operated by the Administration.

H.R. 3724. April 25, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1938 to authorize a reduction in the amount of any penalty imposed for a particular violation of a marketing quota for peanuts, if such violation was unintentional or unknowing and a reduction of such penalty would not impair the effective operation of the peanut price support program.

H.R. 3725. April 25, 1979. Judiciary. Prohibits the counterfeiting, forgery, sale, or transfer of counterfeited or forged social security cards.

H.R. 3726. April 25, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to direct the Secretary of Health, Education, and Welfare to issue a social security card made of banknote paper to each individual at the time of issuing a social security account number to such individual.

H.R. 3727. April 25, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI, part A (General Provisions) of the Social Security Act to exclude from the civil liability of any health care practitioner or provider of health care services under any law of the United States, of any State, or of any political subdivision thereof, in any action for damages arising out of care or treatment for which payment has been made (in whole or in part) under the Social Security Act, costs incurred or anticipated for health care services for which payment may be made under this Act.

H.R. 3728. April 25, 1979. Ways and Means. Repeals the statutory authority to impose import quotas on meat from cattle, goats, and sheep which is fresh, chilled, or frozen.

H.R. 3729. April 25, 1979. Interstate and Foreign Commerce. States that no individual

shall be eligible for a month for medical assistance under title XIX (Medicaid) of the Social Security Act if: (1) within the 24 month period immediately preceding the month, the individual disposed of some of his or her assets in any manner by which the fair market value of the assets disposed of exceeded the amount received for the assets by more than $3,000; (2) retention of such assets would cause such individual to be ineligible for Medicaid; and (3) such assets were disposed of in order for the individual to become eligible for Medicaid.

H.R. 3730. April 25, 1979. Foreign Affairs. Repeals the mandatory retirement provisions applicable to certain Foreign Service personnel.

H.R. 3731. April 25, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit Federal officials or employees from refusing to issue or review airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, airline pilots solely by the reason of the age of such person, if such person is less than 70 years of age.

H.R. 3732. April 25, 1979. Veterans' Affairs. Establishes the Office of Assistant Chief Medical Director for Geriatrics and Extended Care within the Office of the Chief Medical Director in the Veterans' Administration.

Directs the Administrator of Veterans' Affairs to designate 20 Veterans' Administration hospitals as geriatrics centers.

Establishes a Geriatrics and Extended Care Task Force within the Veterans' Administration.

H.R. 3733. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, refundable income tax credit for household expenses to any taxpayer who maintains a household in which a dependent aged 65 or over resides.

H.R. 3734. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to increase the adjusted gross income limitation on such credit.

H.R. 3735. April 25, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to specify standards to be included in supervision of residences for recipients of SSI benefits, and to authorize the Secretary of Health, Education, and Welfare to make payments to States to cover the cost of training and compensating for personnel to inspect such institutions.

H.R. 3736. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to provide that the charitable deduction allowed for expenses incurred in the operation of a motor vehicle shall include the depreciation, operation, and maintenance costs allocable to such operation and shall be determined in the same manner as a business related deduction.

H.R. 3737. April 25, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 3738. April 25, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title XIX (Medicaid) of the Social Security Act to include the services of licensed practical nurses under the coverage provided pursuant to such titles.

H.R. 3739. April 25, 1979. Ways and Means; Interstate and Foreign Commerce. Establishes, as a new executive agency, the Social Security Administration.

Revises the administration of Old-Age, Survivors and Disability Insurance, Medicare, and Supplemental Security Income under the Social Security Act. Transfers the responsibility for administering such programs and the health standards provisions of the Federal Coal Mine Health and Safety Act from the Department of Health, Education, and Welfare to such newly established Administration.

H.R. 3740. April 25, 1979. Judiciary. Grants a Federal charter to the Italian American War Veterans of the United States.

H.R. 3741. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to qualify alternative energy property which is fueled by petroleum coke for the investment tax credit and the allowance for rapid depreciation.

H.R. 3742. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 3743. April 25, 1979. Armed Services. Sets forth the production levels for the Naval Petroleum Reserves Numbered 1, 2, and 3. Transfers the functions of the Department of Energy with respect to such reserves and the Oil Shale Reserves Numbered 1, 2, and 3 to the Secretary of the Navy.

H.R. 3744. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to permit tax-exempt organizations to conduct conventions and trade show activities designed to educate individuals engaged in a particular industry about new products and services or new rules or regulations affecting such industry without subjecting such exempt organization to the unrelated business tax.

H.R. 3745. April 25, 1979. Public Works and Transportation; Ways and Means. Revises airport development and planning funding.

Amends the Internal Revenue Code of 1954 to impose a tax on the sale of new aircraft, new aircraft parts, and new avionics for use in noncommercial aviation until October 1, 1990.

Amends the Federal Aviation Act of 1958 to stipulate that any landing area or navigation facility which has received Federal funds shall be available for public use on fair and reasonable terms and without unjust discrimination.

H.R. 3746. April 25, 1979. Post Office and Civil Service. Changes the date of the legal public holiday of Memorial Day from the last Monday in May to May 30.

H.R. 3747. April 25, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for any individual who performs voluntary service for an organization engaged in the treatment, care, or rehabilitation of the physically handicapped or the mentally ill.

H.R. 3748. April 25, 1979. Merchant Marine and Fisheries. Sets a three-year statute of limitations in actions for recovery of damages for personal injury or death arising out of a maritime tort.

H.R. 3749. April 25, 1979. Merchant Marine and Fisheries; Interstate and Foreign Commerce. Establishes a Federal-State regulatory approach relating to the siting, construction, and operation, of liquefied gas facilities located in or near the coastal zone.

H.R. 3750. April 25, 1979. Education and Labor. Amends the National Labor Relations Act to repeal the provision which permits States to prohibit union security agreements.

H.R. 3751. April 25, 1979. Post Office and Civil Service. Authorizes appropriations to: (1) the Office of Personnel Management for fiscal years 1980 through 1982; and (2) the Merit Systems Protection Board, the Special Counsel to the Board, and the Federal Labor Relations Authority for fiscal years 1980 through 1984.

H.R. 3752. April 25, 1979. Post Office and Civil Service. Authorizes appropriations to: (1) the Office of Personnel Management for fiscal years 1980 through 1982; and (2) the Merit Systems Protection Board, the Special Counsel to the Board, and the Federal Labor Relations Authority for fiscal years 1980 through 1984.

H.R. 3753. April 25, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in the case of certain individuals.

H.R. 3754. April 25, 1979. Judiciary. Declares that a named individual shall be considered the widow of another named individual for purposes of determining eligibility for widow's benefits under the Social Security Act.

H.R. 3755. April 25, 1979. Ways and Means. Directs the Secretary of the Treasury to admit certain items free of duty.

H.R. 3756. April 26, 1979. Interior and Insular Affairs. Authorizes appropriations for specified purposes for the Trust Territory of the Pacific Islands and the Commonwealth of the Northern Mariana Islands. Directs the Secretary of the Interior to provide a medical care and environmental research program for the Marshall Islands related to conditions resulting from U.S. nuclear weapons tests. Directs the Secretary of the Treasury to administer and enforce certain taxes and customs duties in the Northern Mariana Islands, Guam, the Virgin Islands, and American Samoa. Extends certain time limitations on Federal guarantees of certain bonds issued in Guam and the Virgin Islands.

H.R. 3757. April 26, 1979. Interior and Insular Affairs. Amends the following Acts relating to the acquisition of lands and development of specified units of the national parks system: (1) National Parks and Recreation Act of 1978; (2) National Trails System Act; (3) Wild and Scenic Rivers Act; (4) the Act of October 27, 1972; (5) Land and Water Conservation Fund Act; (6) the Act of August 18, 1970; and (7) the Act of October 21, 1976. Prohibits the Secretary of the Interior from raising or creating fees at national park system units. Makes authorizations of appropriations under this Act effective in fiscal year 1980.

H.R. 3758. April 26, 1979. Interior and Insular Affairs. Amends the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America to stipulate that United States income tax laws will not come into force in the Northern Mariana Islands as a local territorial income tax until January 1, 1982.

H.R. 3759. April 26, 1979. Banking, Finance and Urban Affairs. Prohibits the transport in any vehicle of any funds, securities, or other things of value which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, unless the windows and body of such vehicle are bulletproof and there is a bulletproof partition behind the driver's seat of such vehicle.

H.R. 3760. April 26, 1979. Veterans' Affairs. Provides chiropractic treatment for eligible veterans.

H.R. 3761. April 26, 1979. Judiciary. Imposes criminal penalties for anyone committing armed robbery of any controlled substance from a person possessing such substance pursuant to the registration provisions of the Controlled Substances Act.

H.R. 3762. April 26, 1979. Judiciary; Intelligence. Establishes criminal penalties for: (1) past or present employees of the United States or members of the uniformed services; and (2) anyone having lawful access to information identifying individuals as associated with a United States agency engaged in foreign intelligence or counterintelligence activities, who discloses classified information concerning any such association to anyone not authorized to receive it.

H.R. 3763. April 26, 1979. Government Op-

erations. Amends the Office of Federal Procurement Policy Act to require the Administrator of such Office to develop and submit to Congress: (1) a uniform procurement system which includes uniform policies, regulations, procedures, and forms to be used by executive agencies and recipients of Federal assistance for the procurement of property and services; and (2) a central management system to implement such procurement system.

Establishes, within such Office, the Federal Acquisition Institute through which the Administrator shall promote: (1) research in procurement policy; and (2) programs for the recruitment, training, and management of procurement personnel.

H.R. 3764. April 26, 1979. Education and Labor. Amends the Fair Labor Standards Act of 1938 to prohibit the employment of blind persons, or persons with impaired sight, at less than the applicable minimum wage under such Act.

H.R. 3765. April 26, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1937 to authorize the Secretary of Agriculture to issue marketing orders respecting walnut development projects which provide: (1) for any form of marketing promotion including paid advertising; and (2) for crediting certain direct expenditures of a handler for such promotion.

H.R. 3766. April 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow an additional investment tax credit for equipment used to produce electrical energy from hydroelectric power at existing small dams.

H.R. 3767. April 26, 1979. Banking, Finance and Urban Affairs. Authorizes the President to present to John Wayne, on behalf of the Congress, a specially struck medal of appropriate design.

H.R. 3768. April 26, 1979. Interstate and Foreign Commerce; Ways and Means. Revises the administration of the National Railroad Passenger Corporation. Directs the Corporation to establish: (1) an Employee Incentive Program; (2) a Regional Maintenance Plan; (3) a Performance Evaluation Center; (4) a Job Placement Program; and (5) a Compensation Assessment Commission.

Establishes contract carrier incentives for carriers dealing with the Corporation.

Establishes State subsidy programs for service outside of Amtrak's basic route system.

Amends the Internal Revenue Code to allow a tax credit for certain rail improvements.

H.R. 3769. April 26, 1979. Education and Labor. Amends the Higher Education Act of 1965 to revise provisions concerning federally-insured student loans. Establishes alternate repayment and collection procedures for lenders and borrowers of such loans.

Establishes a Guaranteed Student Loan Fund in the Treasury.

Amends the Internal Revenue Code to authorize disclosure of student borrower tax return information to State loan institutions.

H.R. 3770. April 26, 1979. Public Works and Transportation. Modifies the Fort Peck Dam project to authorize the Secretary of the Army, through the Chief of Engineers, to construct and maintain a breakwater on Fort Peck Lake. Stipulates that the Federal Government shall pay all of the costs of such breakwater.

H.R. 3771. April 26, 1979. Interstate and Foreign Commerce: Judiciary. Directs the Secretary of Energy to study petitions for reorganization in bankruptcy of railroad lines or applications for abandonment of railroads lines and rail transportation to determine the impact of such plans and applications upon the transportation of coal. Provides for loans or grants to applicants for the maintenance of such coal transportation services. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 and the Powerplant and Industrial Fuel Use Act of 1978 to make railroads eligible for assistance under this Act.

H.R. 3772. April 26, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to permit the payment of child's insurance benefits to certain qualified minor children legally adpoted by an individual entitled to old-age or disability insurance benefits.

H.R. 3773. April 26, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to require that patients be given advance estimates of the reasonable charge for each of the services they will receive.

Directs the Secretary of Health, Education, and Welfare to conduct pilot projects to test new methods and procedures for determining such reasonable charges.

H.R. 3774. April 26, 1979. Public Works and Transportation; House Administration. Authorizes the Chief of the Capitol Police to require that tour groups and other individuals enter the Capitol Building in certain numbers and at certain intervals to eliminate danger to individuals or property and to permit the orderly movement of pedestrian traffic.

H.R. 3775. April 26, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to increase loan insurance limits and terms for mobile homes and mobile home lots. Amends the Interstate Land Sales Full Disclosure Act to exempt land sold or leased by one party and the home by another under a contract that obligates the delivery of a residence on such land within a two-year period. Provides that no State constitutional provision or law limiting interest or finance charges shall apply to certain insured loans under the National Housing Act or mobile home loans guaranteed by the Veterans Administration.

H.R. 3776. April 26, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $10,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3777. April 26, 1979. Post Office and Civil Service. Prohibits Members of Congress from sending specified types of mail matter as franked mail and restricts the use of franked mail by Members during election campaigns. Limits the number of pieces which may be sent as franked mail. Expands the advisory jurisdiction of the House Commission on Congressional Mailing Standards of the House of Representatives. Extends to surviving relatives the franking privilege of the spouse of a Member who died in office in the event there is no surviving spouse.

H.R. 3778. April 30, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to deem any food additive safe if the Secretary of Health, Education, and Welfare complies with certain procedural requirements.

Amends the Saccharin Study and Labeling Act to extend the ban on restrictions on the sale or distribution of saccharin.

H.R. 3779. April 30, 1979. Education and Labor. Establishes in the Department of Labor a Construction Industry Bargaining Commission to oversee a new structure for collective bargaining in the construction industry. Charges the Commission with approving geographic bargaining areas for the purpose of single-craft or multicraft bargaining, as appropriate.

Amends the National Labor Relations Act to designate as unfair labor practices certain activities by construction contractors or labor unions, including negotiations not consistent with the geographic bargaining areas established under this Act.

H.R. 3780. April 30, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Administrator of the Environmental Protection Agency to make grants to enable small public water systems to meet primary and interim drinking water regulations which are prescribed under such Act.

H.R. 3781. April 30, 1979. Judiciary. Prohibits any person acting under color of law, without a prior adversary court proceeding, from searching any place or seizing any things in the possession, custody, or control of any person engaged in the gathering or dissemination of news for the print or broadcast media, unless with a warrant issued by a court upon probable cause that such person has committed or is committing a criminal offense.

H.R. 3782. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 3783. April 30, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to revise provisions concerned with the issuance of export licenses by the Secretary of Commerce and the circumstances in which export controls may be imposed. Gives Congress an opportunity to veto certain export controls.

Sets forth provisions restricting exports of domestically produced crude oil, red cedar logs, and standard aircraft equipment.

Amends the International Investment Survey Act of 1976 to authorize appropriations for such Act.

H.R. 3784. April 30, 1979. Banking, Finance and Urban Affairs. Prohibits the consideration of any cost of living or general benefit increase or Old Age, Survivors and Disability Insurance benefits for purposes of determining the eligibility for, or amount of, assistance which any individual or family is provided under specified Federal housing programs.

H.R. 3785. April 30, 1979. Interstate and Foreign Commerce. Amends the Federal Railroad Safety Act of 1970 to grant States concurrent authority together with the Secretary of Transportation to enforce the provisions of such Act or the Federal regulations promulgated pursuant to such Act.

H.R. 3786. April 30, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to study: (1) the rehabilitation of the hydroelectric potential of former industrial sites and millraces; and (2) the conversion of such sites to small hydroelectric projects serving rural areas or communities. Directs the Secretary to provide technical assistance to local public agencies or cooperatives for such assistance.

H.R. 3787. April 30, 1979. Armed Services. Revises the rule for recomputation of military retired or retainer pay to reflect later active duty with respect to duty performed between October 1, 1963, and October 1, 1973.

H.R. 3788. April 30, 1979. Veterans' Affairs. Stipulates that the one year application eligibility requirement for veterans' dental care benefits shall be measured from the date of subsequent military discharge for an individual who reenters the service within 90 days of the original discharge.

H.R. 3789. April 30, 1979. Agriculture. Amends the Soil Conservation and Domestic Allotment Act to extend the period wherein the Secretary of Agriculture may enter into contracts for the conservation of soil in the Great Plains conservation program. Repeals funding limitations placed upon such program.

H.R. 3790. April 30, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to put coverage of mental health care expenses on the same basis as coverage of other types of health care by: (1) eliminating the 190 days lifetime limit for in-patient psychiatric care; and (2) limiting the amount which a provider for services may charge a Medicare patient for mental health care services to 20 percent of the amount customarily charged for such services.

H.R. 3791. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction for contributions to an individual housing account.

H.R. 3792. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest on industrial development bonds which are sold to finance facilities for the production of alcohol for use in the production of gasohol or other fuel.

H.R. 3793. April 30, 1979. Interstate and Foreign Commerce; Science and Technology. Establishes a program to promote the development and use of replacement fuels in the United States for the purpose of replacing gasoline used as a motor fuel.

Directs the Secretary of Energy to set production goals for such fuels.

Extends the provisions of the Emergency Petroleum Allocation Act of 1973 relating to Federal controls on oil pricing.

H.R. 3794. April 30, 1979. Foreign Affairs; Science and Technology; Interior and Insular Affairs; Interstate and Foreign Commerce. Authorizes appropriations to the Department of Energy for civilian programs for fiscal year 1980.

Directs the Secretary of Energy to study the temporary storage of spent fuel and authorizes the Secretary to acquire storage sites for spent fuel.

Extends the provisions of the Emergency Petroleum Allocation Act of 1973 relating to Federal controls on oil pricing.

H.R. 3795. April 30, 1979. Interstate and Foreign Commerce; Ways and Means. Repeals the requirement under part A (General Provisions) of title XI of the Social Security Act for hospitals, skilled nursing facilities, intermediate care facilities, home health agencies, health maintenance organizations, and other types of health services facilities and organizations to which payment may be made under the Social Security Act to report: (1) the aggregate cost of operation and the aggregate volume of services; (2) the costs and volume of services for various functional accounts and subaccounts; (3) rates, by category of patient and class of purchaser; (4) capital assets; and (5) discharge and bill data.

H.R. 3796. April 30, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to December 31, 1982.

H.R. 3797. April 30, 1979. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to direct the Administrator of the Environmental Protection Agency to establish a program to identify and monitor abandoned hazardous waste sites.

Creates a Federal cause of action for damages for any person physically injured by the negligent handling of hazardous waste.

Establishes within the Environmental Protection Agency the Environmental Victims Compensation Board to administer a program of compensation for victims of hazardous waste.

Establishes a fund for the maintenance and reclamation of hazardous waste sites and for the payment of compensation for hazardous waste injury victims.

H.R. 3798. April 30, 1979. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to direct the Administrator of the Environmental Protection Agency to establish a program to identify and monitor abandoned hazardous waste sites.

Creates a Federal cause of action for damages for any person physically injured by the negligent handling of hazardous waste.

Establishes within the Environmental Protection Agency the Environmental Victims Compensation Board to administer a program of compensation for victims of toxic pollutants.

Establishes a fund for the maintenance and reclamation of hazardous waste sites and for the payment of compensation for toxic pollutant injury victims.

H.R. 3799. April 30, 1979. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to change the date on which daylight saving time begins.

H.R. 3800. April 30, 1979. Agriculture. Repeals the Agricultural Fair Practices Act of 1967 and establishes an agricultural bargaining policy substantially identical. Enumerates the unfair practices a handler of agricultural products is forbidden to commit under existing law, and adds a list of unfair practices an association of producers may not commit, including: (1) refusal to bargain in good faith with a handler; (2) coercing or intimidating a handler to breach or terminate marketing contracts and association membership agreements; (3) circulating false reports about an association's or handler's finances, management, or activities; and (4) conspiracy to commit an unfair practice.

H.R. 3801. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3802. April 30, 1979. Ways and Means. Repeals the requirement, under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act, that the amount of monthly OASDI benefits payable to a spouse or surviving spouse be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 3803. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers who do not itemize income tax deductions to claim a deduction from gross income for charitable contributions.

H.R. 3804. April 30, 1979. Armed Services. Authorizes the President to prescribe pretrial and trial procedures with regard to actions triable by courts-martial.

H.R. 3805. April 30, 1979. Armed Services. Revises certain procedures of the military judicial system including procedures concerning the preparation of records of court-martial proceedings and the assignment of defense attorneys.

Directs each court-martial to advise a person who is found guilty of charges of appeals procedures. Authorizes such person to petition for clemency. Requires such person to file a notice of appeal if the person seeks a review of the case by a Court of Military Review or by the Judge Advocate General.

Requires a staff advocate general to review all cases not appealed or not subject to appeals.

H.R. 3806. April 30, 1979. Judiciary. Establishes the United States Court of Appeals for the Federal Circuit. Replaces the Court of Claims with the United States Claims Court. Abolishes the Court of Customs and Patent Appeals.

H.R. 3807. April 30, 1979. Judiciary. Codifies recent laws concerning the Interstate Commerce Act under subtitle IV of title 49 of the U.S. Code. Makes technical changes to provisions of such subtitle.

Authorizes the Interstate Commerce Commission to issue orders supplemental to orders made in specified proceedings.

H.R. 3808. April 30, 1979. Merchant Marine and Fisheries. Amends the Anadromous Fish Conservation Act to extend the authorization of appropriations and to require an investigation of the striped bass in Atlantic coastal waters.

H.R. 3809. April 30, 1979. Agriculture. Establishes a Producer Elected Farm Policy Advisory Board to advise the Secretary of Agriculture on issues affecting the production, marketing, transportation, and export of agricultural commodities, and other issues relating to Department of Agriculture policies and programs.

H.R. 3810. April 30, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income certain amounts of interest earned on savings accounts in financial institutions.

H.R. 3811. April 30, 1979. Public Works and Transportation. Increases the Federal share of the costs of a substitute transportation project where such a project is financed in lieu of the construction of a highway on the Interstate System.

H.R. 3812. April 30, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 3813. April 30, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries.

Establishes a Channel Islands National Park and a Channel Islands National Preserve in the State of California and its adjoining waters.

Establishes a Channel Islands Citizens Advisory Commission to consult with the Secretary of the Interior regarding the management of the park and preserve.

H.R. 3814. April 30, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior and the Navajo-Hopi Relocation Commission to carry out certain functions relating to Navajo-Hopi relocation.

Requires that: (1) certain benefits be provided to facilitate such relocation; (2) tribal consent be given for certain activities on partitioned lands and for appointments to the Commission; and (3) places and practices sacred to either tribe be protected on all such lands.

Provides for: (1) jurisdiction over partitioned lands; (2) the payment of tribal legal costs in certain cases; and (3) court review of certain administrative actions.

H.R. 3815. April 30, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 3816. April 30, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3817. April 30, 1979. Judiciary. Declares seven individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3818. April 30, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3819. April 30, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3820. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to permit the waiver of interest charges on income taxes not paid, as a result of a disaster, within the type prescribed for payment.

H.R. 3821. May 1, 1979. Intelligence; Armed Services. Authorizes appropriations for fiscal year 1980 for: (1) intelligence activities of the United States Government; (2) the Intelligence Community Staff; and (3) the Central Intelligence Agency Retirement and Disability System.

Sets forth the authorized end strength for full-time Intelligence Community Staff employees for such fiscal year.

Authorizes supplemental appropriations for intelligence activities of the United States for fiscal year 1979.

H.R. 3822. May 1, 1979. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to direct the Commissioner of Education to award grants to one applicant for the establishment of a National Center for Personal Computers in Education to instruct students in the use of personal computers and to develop programs

designed to use computers as educational tools.

Directs such Center to establish a model Community Personal Computer Center.

H.R. 3823. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3824. May 1, 1979. District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for housing undertakings to any housing finance agency established by it. Exempts payments of such bonds from congressional approval.

H.R. 3825. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to provide an unlimited exclusion from gross income for disability payments received by persons who retired on or before October 1, 1976, and either retired on disability, or were entitled to retire on disability.

H.R. 3826. May 1, 1979. Interior and Insular Affairs. Authorizes the establishment of Long Island Sound Heritage in the States of Connecticut and New York to protect the special natural and cultural heritage of the region.

H.R. 3827. May 1, 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 62 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act. Entitles such households to a medical expense deduction.

H.R. 3828. May 1, 1979. Banking, Finance and Urban Affairs; Foreign Affairs. Authorizes the President to enter into an agreement with Mexico to establish a United States-Mexico Joint Development Bank for the purpose of making economic development loans to Mexico.

H.R. 3829. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Inter-American Development Bank Act, the Asian Development Bank Act, and the African Development Fund Act to authorize United States contributions (and the necessary appropriations) to the Inter-American Development Bank, Asian Development Bank, and African Development Fund.

Authorizes the United States Governor of the Inter-American Development Bank: (1) to vote to increase the authorized capital stock of such Bank; and (2) to subscribe to such increase.

Directs the U.S. Directors of such institutions to communicate information about potential procurement opportunities for U.S. firms.

H.R. 3830. May 1, 1979. Post Office Service. Reclassifies the positions of Border Patrol agents to correspond with the positions of law enforcement personnel.

H.R. 3831. May 1, 1979. Agriculture. Requires the Secretary of Agriculture, during a crop year in which there is a loan program for dried corn or grain sorghums under the Agriculture Act of 1949, to carry out a comparable loan program for high moisture corn or grain sorghums under such Act.

H.R. 3832. May 1, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Directs the Nuclear Regulatory Commission to cease issuing construction licenses or limited work authorizations for nuclear power plants, or amendments to existing licenses for the expansion of spent fuel storage facilities until the Special Commission for the Investigation and Review of Nuclear Power, to be established under this Act, has reported its recommendations to the Congress, and Congress has reviewed such recommendations.

H.R. 3833. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to require that purchases and sales of paper eligible for open-market operations be conducted to provide for a steady, noninflationary growth in the money supply.

H.R. 3834. May 1, 1979. House Administration. Amends the Federal Election Campaign Act of 1971 to add a new title V: Public Financing of Advertising and Related Expenses in Campaigns for the House of Representatives. Entitles candidates for the office of Representative to payments for television, radio, and newspaper advertising.

Limits contributions by individuals and by multicandidate political committees to candidates in elections for the House of Representatives and in other elections for Federal office.

H.R. 3835. May 1, 1979. Interstate and Foreign Commerce. Amends the Health Professions Educational Assistance Act of 1976 to revise the criteria by which an alien who is a graduate of a medical school shall be considered to have passed parts I and II of the National Board of Medical Examiners Examination for purposes of the Immigration and Nationality Act.

H.R. 3836. May 1, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance to States, local governments, and agencies on the adoption of a law enforcement officers' bill of rights which includes specified provisions.

H.R. 3837. May 1, 1979. Judiciary. Limits the issuance of a search warrant with respect to premises not under control of a suspect in a crime under investigation.

H.R. 3838. May 1, 1979. Judiciary. Directs the Department of Justice to offer a reward for information leading to the apprehension and conviction of a kidnapper under certain circumstances.

H.R. 3839. May 1, 1979. Judiciary. Allows an obligee of a support order of a State court which directs an individual to make periodic payments for the support of such individual's child, to register such order for enforcement purposes in a State court which is outside the State in which the order was made.

H.R. 3840. May 1, 1979. Post Office and Civil Service. Permits garnishment of the wages of Federal employees.

H.R. 3841. May 1, 1979. Post Office and Civil Service. Sets forth annual salaries for Members of Congress plus an annual commission for applying a certain amount of the Federal annual budget surplus to retirement of the national debt during the preceding fiscal year. Establishes ceilings on the annual salaries of Members, the Speaker, and the floor leaders of both Houses.

H.R. 3842. May 1, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to allow air carriers to offer free or reduced-rate air transportation for any individual, 15 years of age or under, who is traveling to the United States from a foreign country for the purposes of being adopted by a resident of the United States.

H.R. 3843. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to provide for the limited nonrecognition of gain from the sale or exchange of stock in domestic corporations engaged in the production of energy.

H.R. 3844. May 1, 1979. Ways and Means. Prohibits the payment of Federal retirement benefits to or through any person who is not retired.

H.R. 3845. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to disallow the income tax deduction for business expenses paid or incurred for regularly scheduled air transportation to the extent that such amount exceeds the normal tourist class fare for such transportation.

H.R. 3846. May 1, 1979. Public Works and Transportation. Amends the Federal law which authorizes the construction of the James Madison Memorial Building, as part of the Library of Congress, to increase the authorization of appropriations for such construction.

H.R. 3847. May 1, 1979. Agriculture. Amends the Agricultural Act of 1949 to establish the rate of deficiency payments, under the price support program for feed grains, on a varying State by State basis instead of the current uniform national basis.

H.R. 3848. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Export-Import Bank Act of 1945 to direct the Export-Import Bank to adopt export finance programs comparable in structure to those extraordinary measures of official export credits offered by competing countries.

H.R. 3849. May 1, 1979. Interstate and Foreign Commerce. Amends the Health Programs Extension Act of 1973 to prohibit any entity which receives financial assistance under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Services and Facilities Construction Act from discriminating against any applicant for training or study because of such applicant's reluctance or willingness to counsel, assist, or in any way participate in the performance of abortions or sterilizations contrary to his or her religious belief or moral convictions.

H.R. 3850. May 1, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to: (1) authorize appropriations to the Federal Trade Commission (FTC); (2) require the Federal Home Loan Bank Board to prescribe regulations to prevent unfair or deceptive acts and practices by savings and loan institutions; (3) amend rulemaking procedures of the FTC; and (4) require the FTC to review its rules every five years.

Prohibits the FTC from using funds appropriated by this Act to carry out certain provisions concerning the cancellation of a trademark registration.

H.R. 3851. May 1, 1979. Government Operations; Banking, Finance and Urban Affairs; Rules. Amends the Employment Act of 1946 to direct the President to: (1) include in each annual Economic Report a set of economic and regulatory policies designed to combat inflation; (2) develop guidelines to govern price increases and wage settlements; and (3) undertake specified programs to achieve anti-inflation goals. Requires the Joint Economic Committee to hold special hearings to review such policies and guidelines.

H.R. 3852. May 1, 1979. Merchant Marine and Fisheries. Amends the Fishery Conservation and Management Act of 1976 to extend the exclusive fishery management authority of the United States to highly migratory species of fish (currently excluded).

H.R. 3853. May 1, 1979. Government Operations; Rules. Sets forth a ten-year schedule for the reauthorization of all Federal programs as identified by budget function and subfunction categories.

Requires the President to submit: (1) at least once in each Congress, a comprehensive review of 16 specified regulatory agencies; and (2) every second year, a legislative plan to improve the efficiency of specified regulatory agencies.

H.R. 3854. May 1, 1979. Interstate and Foreign Commerce; Ways and Means. Amends titles V (Maternal and Child Health), XVIII (Medicare), XIX (Medicaid), and XI, part B (Professional Standards Review Organizations) of the Social Security Act to require the written opinion of at least two physicians as a condition for payment for elective surgical procedures.

Provides for Federal reimbursement of 100 percent of the costs of such opinions under

title XVIII and 90 percent of the costs under title V and XIX.

H.R. 3855. May 1, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles V (Maternal and Child Health), XVIII (Medicare), XIX (Medicaid), and XI, part B (Professional Standards Review Organization) of the Social Security Act to require the written opinion of at least two physicians as a condition for payment for elective surgical procedures.

Provides for Federal reimbursement of 100 percent of the cost of such opinions under title XVIII and 90 percent of the costs under titles V and XIX.

H.R. 3856. May 1, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 3857. May 1, 1979. Interior and Insular Affairs. Revises the boundaries of the Gateway National Recreation Area to include Sailors Snug Harbor, located in the City of New York.

H.R. 3858. May 1, 1979. Government Operations. Establishes a Department of International Trade. Transfers to the Department certain functions from various Federal agencies.

H.R. 3859. May 1, 1979. Government Operations. Establishes the Department of International Trade and Investment. Transfers to the Department certain functions from various Federal agencies.

H.R. 3860. May 1, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of the Treasury to enter into annual contribution contracts with local governments to pay a stated portion of total interest and principal of specific bond issues to finance restoration work on water and sewer systems, roads, and bridges.

H.R. 3861. May 1, 1979. Government Operations. Requires that beginning with fiscal year 1980, the total budget authority of the Federal Government shall not exceed its receipts.

H.R. 3862. May 1, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to conduct a full assay, inventory, and audit of United States gold reserves along with an analysis of the sufficiency of the security measures in effect to protect such reserves.

Requires that the General Accounting Office review the results of such study and report its findings to the Congress.

H.R. 3863. May 1, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing any guidelines for determining whether private tax-exempt schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies.

H.R. 3864. May 1, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to repeal the prohibition on the payment of interest on demand deposits. Allows federally insured savings and loan associations regulated by the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation and insured credit unions regulated by the National Credit Union Board to receive demand deposits.

H.R. 3865. May 1, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to extend the authorization of appropriations for the purposes of carrying out law enforcement assistance.

H.R. 3866. May 1, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to prepare certain rolls of specified eligible persons and to distribute, on a per capita basis, specified funds appropriated to pay certain Indian Claims Commission judgments in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma. Allocates a portion of such funds for the payment of certain legal expenses by the Kansas Delaware Tribe of Indians, Incorporated, and the Delawares of Idaho, Incorporated.

Authorizes the Secretary to prescribe rules and regulations to implement this Act.

H.R. 3867. May 1, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3868. May 1, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3869. May 1, 1979. Judiciary. Directs the classification of a named individual as the natural-born alien daughter of a named lawful permanent resident of the United States.

H.R. 3870. May 1, 1979. Judiciary. Declares that certain tort claims of named individuals against the United States shall not be barred if presented in writing to the appropriate Federal agency within two years. Grants jurisdiction over actions with respect to such claims to a specified district court under certain conditions.

H.R. 3871. May 1, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3872. May 1, 1979. Judiciary. Relieves a named university and a named association of liability to the United States for a specified amount representing reimbursements for costs actually incurred but in excess of contractual provision. Directs the Secretary of the Treasury to refund a specified amount already paid by such association.

H.R. 3873. May 1, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3874. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit the waiver of residency requirements for individuals residing in a foreign country who claim income tax deductions for living expenses incurred in such country, if such individuals are required to leave the country due to war or civil unrest.

H.R. 3875. May 2, 1979. Banking, Finance and Urban Affairs. Amends various Housing Acts to extend and authorize appropriations for community and neighborhood development and conservation, housing assistance, mortgage insurance programs, mortgage assistance, and rural housing assistance.

Amends the Interstate Land Sales Full Disclosure Act to outline specified exemptions from the provisions of such Act and to set forth requirements relating to the sale or lease of lots in certain subdivisions.

H.R. 3876. May 2, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to make benefits under such title payable to a resident alien only if such alien has continuously resided in the United States for at least five years. Sets forth exceptions to such requirement.

H.R. 3877. May 2, 1979. Judiciary; Ways and Means. Amends the Immigration and Nationality Act to: (1) change certain criteria for determining whether an alien is deportable as a public charge; and (2) require an enforceable five-year financial sponsorship of an individual seeking to enter the United States as an immigrant.

Amends the Social Security Act to require State plans for aid and assistance to needy families with children to report the names and addresses of aliens applying for such assistance.

Directs the Attorney General to investigate whether aliens receiving such assistance and supplemental security income are deportable as public charges.

H.R. 3878. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for 50 percent of the tuition paid for the college or post-secondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 3879. May 2, 1979. District of Columbia. Increases the appropriation authorized for the Temporary Commission on Financial Oversight of the District of Columbia.

H.R. 3880. May 2, 1979. Judiciary. Amends the Gun Control Act of 1968 to require additional prison sentences for anyone using or carrying a firearm during the commission of a felony which is prosecutable in Federal court or unlawful according to State law.

H.R. 3881. May 2, 1979. Agriculture. Amends the Federal Meat Inspection Act to exempt from pre-slaughter animal examination and post mortem carcass inspection requirements all meat food products processed by a federally inspected establishment and derived from meat which has been slaughtered or processed at a State-inspected establishment in a State whose meat inspection requirements have been determined by the Secretary to be at least equal to the Federal requirements.

H.R. 3882. May 2, 1979. Interstate and Foreign Commerce. Establishes within the Department of Health, Education, and Welfare an Office of Rural Health to provide assistance for projects and models to increase the availability of health care services in rural areas. Establishes a Rural Health Care Advisory Committee.

H.R. 3883. May 2, 1979. Post Office and Civil Service. Directs the Postmaster General to issue four commemorative postage stamps to honor leaders of the American labor movement. Stipulates that one such stamp shall honor Walter Philip Reuther and each of the three remaining stamps shall honor another labor leader as designated by the Postmaster General.

H.R. 3884. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to require the Federal Government to reimburse taxpayers who prevail in tax deficiency litigation for all reasonable litigation expenses incurred by such taxpayers.

H.R. 3885. May 2, 1979. Interstate and Foreign Commerce; Ways and Means; Interior and Insular Affairs; Science and Technology. Amends the Department of Energy Organization Act to establish a government corporation to be known as the Energy Company of America.

H.R. 3886. May 2, 1979. Banking, Finance and Urban Affairs. Repeals the Credit Control Act which authorizes the Board of Governors of the Federal Reserve System to regulate the interest rate on, and the volume of, credit transactions.

H.R. 3887. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to exempt government chartered air museums operated exclusively for the care or use of antique, custom-built, racing, military, or other special types of aircraft from the excise taxes on special fuels and the use of civil aircraft.

H.R. 3888. May 2, 1979. Judiciary. Authorizes the Secretary of Health, Education, and Welfare to make grants to reimburse localities for part of their costs in providing humanitarian and administrative services to illegal aliens in their jurisdictions.

H.R. 3889. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit certain individuals to file a petition for a declaratory judgment to determine whether a tax ruling of the Secretary of the Treasury is in accordance with existing law.

H.R. 3890. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the withholding tax requirements with respect to gambling winnings.

H.R. 3891. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers who do not itemize income

tax deductions to claim a deduction from gross income for charitable contributions.

H.R. 3893. May 2, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to contract for the furnishing of private emergency medical treatment to veterans.

Provides that World War I veterans' disabilities shall be considered service-connected for veterans' medical care purposes.

Extends authorizations of appropriations for: (1) State veterans' homes; (2) medical information pilot programs; (3) new State medical schools; (4) VA-affiliated medical schools; and (5) health manpower training programs.

Prohibits the Administrator from entering into any agreement or providing any assistance to health manpower training programs, to VA-affiliated medical schools, or to establish new State medical schools after December 31, 1979.

H.R. 3898. May 2, 1979. House Administration. Directs the Architect of the Capitol to accept any statue of Dwight D. Eisenhower donated by Kansas. Requires the Architect to transfer the statue of George Washington Glick, presently in the Capitol, to Kansas and to replace it with the donated statue of Eisenhower.

H.R. 3904. May 2, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to include all Members of Congress and other officers and employees in the Legislative branch of the Government under the Federal Old-Age, Survivors and Disability Insurance system.

H.R. 3895. May 2, 1979. Small Business. Directs the Administrator of the Small Business Administration to provide export opportunities to small businesses by establishing a computerized export information program, by requiring reciprocal sharing between various Federal agencies of export opportunity and market information, and by providing information to diplomatic and consular missions of the United States on products and services of small business concerns which are available for export.

H.R. 3896. May 2, 1979. Ways and Means; Interstate and Foreign Commerce. States that no regulation, established by the Secretary of Health, Education, and Welfare under provisions of part A (General Provisions) of title XI of the Social Security Act which requires uniform reporting on costs, services, and assets for health services facilities and organizations to which payment may be made under such Act, shall be effective until 120 days after a regulatory analysis, or a determination that such analysis is not required, has been made under the Executive Order requiring an analysis of regulations identified as having major economic consequences for the general economy, individual industries, geographical regions, or government.

H.R. 3897. May 2, 1979. Foreign Affairs. Amends the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, to authorize the President to waive prohibitions against assistance to Uganda if certain conditions are met.

H.R. 3898. May 2, 1979. Post Office and Civil Service. Extends to former employees of county soil conservation committees who are employed by any Federal agency, specified civil service compensation, leave, and seniority benefits afforded to former employees of such county committees employed by the Department of Agriculture.

H.R. 3899. May 2, 1979. Ways and Means. Amends the Internal Revenue Code to revise the provisions relating to the tax treatment of installment sales of realty and casual sales of personalty.

H.R. 3900. May 2, 1979. Ways and Means. Amends the Internal Revenue Code with respect to provisions pertaining to: (1) tax levies; (2) reporting requirements of corporations and tax-exempt organizations; (3) tax penalties for tax evasion; (4) filing dates for gift tax returns; and (5) disclosure of tax information to State tax officials.

H.R. 3901. May 2, 1979. Ways and Means. Establishes the Public Debt Retirement Trust Fund in the Treasury of the United States. Appropriates to the Trust Fund amounts received in the Treasury equivalent to any windfall profit taxes imposed on domestic crude oil production.

Requires that the amounts in the Trust Fund be used only for the payment, purchase, or redemption of any obligations included in the public debt. Stipulates that all such obligations shall be canceled and retired and shall not be reissued.

H.R. 3902. May 2, 1979. Judiciary. Directs the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 3903. May 2, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3904. May 3, 1979. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act to revise the termination program for multiemployer pension plans, including: (1) the definition of a multiemployer plan; (2) the imposition of liability on a withdrawing employer; (3) minimum funding standards; (4) plan reorganization; (5) guarantees and premium rates; and (6) insolvency of such plans.

H.R. 3905. May 3, 1979. Agriculture. Amends the Rural Development Act of 1972 to authorize the Secretary of Agriculture to guarantee loans for the construction and maintenance of plants for the production of fuel alcohol from corn and other agricultural commodities.

Amends the Agricultural Act of 1949 to set the loan level and the established price of the 1982 crop of corn.

H.R. 3906. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3907. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3908. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for the residential use of heating oil.

H.R. 3909. May 3, 1979. Judiciary. Amends the Contract Disputes Act of 1978 to require the Secretary of the Treasury to specify and publish in the Federal Register the rate of interest to be paid during specified periods on amounts found due contractors on claims against the Government.

H.R. 3910. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to allow tenants who own an interest in the residential real property which they rent an income tax deduction for any real property taxes assessed against such interest.

H.R. 3911. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to remove the limit on the amount of trade or business expenses which a Member of Congress may deduct from gross income in a taxable year.

H.R. 3912. May 3, 1979. Ways and Means. Permits the same standard mileage rate to be used in determining the amount of income tax deductions for charitable and medical uses of automobiles as is used in determining the amount of income tax deductions for business uses of automobiles.

H.R. 3913. May 3, 1979. House Administration. Amends the Federal Election Campaign Act of 1971 to extend the period of limitations for prosecution under such Act.

H.R. 3914. May 3, 1979. District of Columbia. Amends the National Capital Transportation Act of 1969 to remove the ceiling on the amount of appropriations that may be authorized for the District of Columbia share of the cost of the rapid transit system (METRO) of the National Capital Region.

H.R. 3915. May 3, 1979. Education and Labor. Amends the Employee Retirement Income Security Act of 1974 to extend the period during which the Pension Benefit Guaranty Corporation may pay benefits under terminated multiemployer plans under circumstances provided for in such Act.

H.R. 3916. May 3, 1979. Interstate and Foreign Commerce. Amends the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972 to extend through fiscal year 1980 the current level of authorization of appropriations for programs of assistance under such Acts.

H.R. 3917. May 3, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise the purposes, requirements, and procedures of the health planning program and the State agencies which administer such program. Revises the status of Puerto Rico for the purposes of such program and provides for Indian self-determination with respect to health planning. Revises the community mental health centers program, and provides for the coordination of such program, the alcohol and drug abuse programs, and the health planning program.

Authorizes financial assistance for health resource development and a new program to discontinue unneeded hospital services.

Authorizes appropriations for specified health planning and resource purposes.

H.R. 3918. May 3, 1979. Education and Labor. Directs the Commissioner of Education to make grants to schools of education for the diversification and redirection of teacher education programs.

H.R. 3919. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

Establishes an Energy Trust Fund funded by revenues from the windfall profits tax. States that amounts in the trust fund shall be available for purposes as may hereafter be specified by law.

H.R. 3920. May 3, 1979. Ways and Means. Amends the Unemployment Compensation Amendments of 1976 to make specified changes relating to: (1) the pay of certain members of the National Commission on Unemployment Compensation; (2) the submission of reports by the Commission; and (3) the exemption of Commission reports to Congress from requirements for clearance by the Office of Management and Budget.

Amends the Internal Revenue Code of 1954 to delay the effective dates of provisions: (1) requiring set offs against unemployment compensation of certain retirement income; and (2) extending unemployment compensation coverage to certain alien agricultural workers.

H.R. 3921. May 3, 1979. Education and Labor. Establishes within the Office of the Secretary of Health, Education, and Welfare an Office on Domestic Violence to establish and support programs to prevent domestic violence, assist the victims of such violence, and provide personnel training and technical assistance to groups maintaining community services for such victims.

H.R. 3922. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3923. May 3, 1979. Government Operations. Changes the name of the National Historical Publications Commission to the National Historical Publications and Records Commission.

Authorizes appropriations for fiscal years 1980 and 1981 to the General Services Administration for such Commission and for providing funds to Federal, State, and local agencies and to nonprofit organizations for the collecting, preserving, and publishing of historically significant documents.

H.R. 3924. May 3, 1979. Ways and Means. Amends the Revenue Act of 1978 to postpone the effective date of the provision permitting advance payments of the earned income credit.

H.R. 3925. May 3, 1979. Public Works and Transportation. Exempts from the regulation of the Interstate Commerce Commission the transportation of all food products for human consumption.

H.R. 3926. May 3, 1979. Banking, Finance and Urban Affairs. Repeals provisions of specified Acts which require compliance with the labor standards of the Davis-Bacon Act in housing and community development programs.

H.R. 3927. May 3, 1979. Public Works and Transportation. Amends the National Visitor Center Facilities Act of 1968 to direct the Secretary of the Interior to sublet a portion of the Union Station Concourse to the Secretary of Transportation for operation as a rail passenger terminal.

Authorizes the Architect of the Capitol to enter into an agreement with the Secretary of the Interior to furnish steam from the Capitol Powerplant to Union Station.

Increases the authorization of appropriations for adequate visitor facilities.

H.R. 3928. May 3, 1979. Interior and Insular Affairs. Designates certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico.

H.R. 3929. May 3, 1979. Judiciary. Requires in any civil action brought on behalf of any Indian or Indian tribe by the United States that a judgment for costs (including attorneys' fees) be taxed against the United States.

H.R. 3930. May 3, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 3931. May 3, 1979. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to stipulate that, notwithstanding any other provision of law, coins and currencies of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations, shall be legal tender only for the payment of Federal taxes, duties, and dues.

H.R. 3932. May 3, 1979. Ways and Means. Amends the Internal Revenue Code to grant a limited tax exclusion of interest earned on savings accounts.

H.R. 3933. May 3, 1979. Interior and Insular Affairs. Defines the terms used in the patent dated June 29, 1911, which conveys from the United States to the State of Idaho certain lands now encompassing the Heyburn State Park to permit the leasing of certain parcels of land up to and including January 1, 1979, for recreational homesites.

H.R. 3934. May 3, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 3935. May 4, 1979. Agriculture. Amends the United States Grain Standards Act to prohibit, in the absence of a requirement in the sales contract, the official weighing at the time of transfer into an export elevator of grain contracted for sale for export from the United States.

H.R. 3936. May 4, 1979. Agriculture. Amends the Agricultural Act of 1949 to provide that, if it is determined that planting of an acreage of upland cotton was prevented and that a nonconserving crop was planted, the prevented planting payment shall be the amount by which the sum calculated according to the present formula exceeds the market value of the nonconserving crop harvested from such acreage.

H.R. 3937. May 4, 1979. Ways and Means. Establishes within the Unemployment Trust Fund a reinsurance account through which a State shall be reimbursed for a percentage of its costs for excess unemployment compensation and extended unemployment benefits during periods of high unemployment. Increases the Federal unemployment tax when necessary to maintain a prescribed balance for such account.

Requires the reimbursement of a State's payments for extended benefits during specified years.

Cancels certain advances made to the extended unemployment compensation account.

H.R. 3938. May 4, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest on industrial development bonds which are sold to finance facilities for the production of alcohol for use in the production of gasohol or other fuel.

H.R. 3939. May 4, 1979. District of Columbia. Establishes three retirement funds encompassing: (1) District of Columbia fire fighters and police officers; (2) District of Columbia teachers; and (3) District of Columbia judges.

Establishes the District of Columbia Retirement Board to manage the retirement funds created by this Act.

Details provisions relating to the administration of such funds and revises provisions relating to specified retirement and disability benefits under the retirement programs of such personnel.

H.R. 3940. May 4, 1979. Interior and Insular Affairs. Directs the Secretary of Agriculture to take any necessary actions to provide for the protection and maintenance of John Sack Cabin and associated structures in the Targhee National Forest, in the State of Idaho.

H.R. 3941. May 4, 1979. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 3942. May 4, 1979. Public Works and Transportation; Interstate and Foreign Commerce. Directs the Secretary of Transportation to establish a single system of measuring noise and the impact of noise at airports and areas surrounding airports and to prescribe land uses which are compatible with such noise levels.

Amends the Airport and Airway Development Act of 1970 to make grants available under such Act for airport noise compatibility programs.

Directs the Secretary to report to Congress on the development of an air collision avoidance system.

H.R. 3943. May 4, 1979. Ways and Means. Amends the Internal Revenue Code to limit the income tax deduction available to employers for the payment of health insurance premiums for their employees.

H.R. 3944. May 4, 1979. Interstate and Foreign Commerce; Judiciary; Ways and Means. Prohibits the disclosure of individually identifiable medical information. Permits the disclosure of medical information with the patient's consent or in specified circumstances. Requires warnings against unauthorized disclosures.

Directs medical service providers to allow patients full access to their records.

H.R. 3945. May 4, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Provides for a 36-month suspension of the granting of future operating licenses for nuclear fission power plants pending a review of existing and potential safety defects associated with such plants.

H.R. 3946. May 4, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to extend the authority granted in such Act.

H.R. 3947. May 4, 1979. Armed Services. Authorizes appropriations for military construction projects and military housing for fiscal year 1980.

Authorizes specified land transfers.

Prohibits the disposal of Bolling Air Force Base, Maryland, until October 1, 1984.

Prohibits the closure or realignment of the Army Training Center at Fort Dix, New Jersey, until the Secretary of the Army complies with the provisions of the National Environmental Policy Act of 1969.

H.R. 3948. May 4, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit Federal officials or employees from refusing to issue or review airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, airline pilots solely by the reason of the age of such person, if such person is less than 70 years of age.

H.R. 3949. May 4, 1979. Interstate and Foreign Commerce. Amends the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require public notice by manufacturers of tire defects should the Secretary determine that it is necessary in the interest of motor vehicle safety.

H.R. 3950. May 4, 1979. Agriculture. Authorizes the Secretary of Agriculture to regulate the exportation and transportation of animal semen in order to suppress and extirpate contagious animal diseases.

H.R. 3951. May 4, 1979. District of Columbia. Amends the National Capital Transportation Act of 1969 to authorize the Secretary of Transportation to make additional contributions to the Washington Metropolitan Area Transit Authority to partially finance: (1) the cost of construction; (2) the retirement of bonds; and (3) the expenses of operating and maintaining the Adopted Regional System.

H.R. 3952. May 4, 1979. Judiciary. Establishes an office of the United States Correctional Ombudsman, composed of a Chief and Assistant Ombudsman appointed by the President, to investigate any administrative act of the Bureau of Prisons (or any authority having a contract with the Bureau) or the Board of Parole relating to: (1) the treatment of any Federal prisoner or parolee; or (2) the conditions in any correctional institution.

H.R. 3953. May 4, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend the effective period of ceiling prices established by the President and applicable to any first sale of crude oil produced in the United States. Extends the President's authority under such Act to January 31, 1984.

H.R. 3954. May 4, 1979. Judiciary. Relieves a named child care center of liability for payment of certain social security taxes and interest and penalties thereon for a specified period, except for payment already made.

H.R. 3955. May 4, 1979. Judiciary. Declares a named individual to be a returning resident alien for purposes of the Immigration and Nationality Act.

H.R. 3956. May 4, 1979. Foreign Affairs. Grants the consent of the Congress to a named individual to accept the office and title of Honorary Consul of the Honduras.

H.R. 3957. May 7, 1979. Interior and Insular Affairs. Directs the Secretary of Energy to defer repayment of certain reimbursable costs incurred by the Southwestern Power Administration and to waive certain interest costs.

H.R. 3958. May 7, 1979. Interstate and Foreign Commerce. Amends the Petroleum Marketing Practices Act to prohibit the termination of a gasoline dealer's franchise due to its selling, consigning, or distributing gasohol, and prohibits any reprisals or discrimination against retailers or distributors of gasohol because of such sale, consignment, or distribution.

H.R. 3959. May 7, 1979. Judiciary. Allows the United States attorney and assistant United States attorneys for the Eastern District of New York to reside within 20 miles of such district.

H.R. 3960. May 7, 1979. Banking, Finance and Urban Affairs. Amends the National Flood Insurance Act of 1968 to include in the flood insurance program protection against property damage caused by the movement of frozen water.

H.R. 3961. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for property improvements designed to prevent shoreline erosion caused by high water levels in the Great Lakes.

H.R. 3962. May 7, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to require the Federal Reserve Board to establish reserve requirements on certain Eurocurrency liabilities and other transactions of foreign branches and agencies of member and nonmember banks, Edge Act corporations, and Federal or State branches or agencies of foreign banks operating within the United States, and to encourage other countries to impose comparable reserve rations on such transactions.

H.R. 3963. May 7, 1979. Education and Labor. Amends the Older Americans Act of 1965 to direct the Commissioner of the Administration on Aging to make grants to States with approved plans for comprehensive counseling assistance services for the elderly.

Directs the Commissioner to carry out: (1) a program to train and retrain counseling personnel to meet the needs of the elderly; (2) demonstration and evaluation projects; and (3) information collection, analysis, and dissemination through the National Information Resource Clearing House for the Aging.

H.R. 3964. May 7, 1979. Interstate and Foreign Commerce. Establishes in the Department of Health, Education, and Welfare a Home Health Clearinghouse to gather and disseminate information concerning the various public and private agencies providing home health care and related services to the elderly.

H.R. 3965. May 7, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to require the United States to pay for lateral sewer connections between any single family residence of a low-income person 65 years of age or older and a sewage collection system which has received any grants under such Act.

H.R. 3966. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3967. May 7, 1979. Ways and Means. Amends the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the costs which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

H.R. 3968. May 7, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 3969. May 7, 1979. Government Operations; Rules. Sets forth a ten-year schedule for the reauthorization of all Federal programs as identified by budget function and subfunction categories.

Requires the President to submit: (1) at least once in each Congress, a comprehensive review of 16 specified regulatory agencies; and (2) every second year, a legislative plan to improve the efficiency of specified regulatory agencies.

H.R. 3970. May 7, 1979. Interstate and Foreign Commerce; Ways and Means. Establishes a Long Term Care Services program under the Medicare program of the Social Security Act to provide home health, homemakers, nutrition, long term institutional care, day care, foster home, and outpatient mental health services. Specifies that these services shall be delivered by community long term care centers under the direction and control of a State long term care agency.

H.R. 3971. May 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to: (1) remove the 100 visit limitation presently applicable to home health care services; (2) include "periodic chore services" as a home health service; (3) eliminate the $60 deductible with respect to home health services; and (4) include services by a community mental health center.

H.R. 3972. May 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payments for one comprehensive physical examination a year, dental care including dentures, eye examinations including eyeglasses, hearing aids including examination, and treatment of foot conditions under the supplementary medical insurance program.

Sets forth measures to safeguard against consumer abuse in the provision of these items and services.

H.R. 3973. May 7, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for prescription drugs and biologicals under the supplementary insurance program.

H.R. 3974. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow a refundable income tax credit for medical expenses incurred by a taxpayer or his dependents, in lieu of the income tax deduction presently allowed by law.

Repeals the income tax deduction for medical and dental expenses.

Provides for the advance payment of the medical care expenses credit to a taxpayer who reasonably anticipates a refund of such credit in the taxable year.

H.R. 3975. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit for investment in small business stock.

H.R. 3976. May 7, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to direct the Secretary of Labor to make an assessment of the current and projected five-year manpower supply for the nation's energy technologies and industries.

Amends the Vocational Education Act of 1963 to direct the Commissioner of Education to make a similar assessment.

Directs the Secretaries of Labor, and Health, Education, and Welfare to establish a task force to coordinate the efforts of their agencies in carrying out the provisions of this Act.

H.R. 3977. May 7, 1979. Education and Labor. Amends the Vocational Education Act of 1963 to direct the Commissioner of Education to make an assessment of the current and projected five-year manpower supply for the nation's energy technologies and industries.

H.R. 3978. May 7, 1979. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt savings and loan institutions from certain reporting requirements and regulatory and investigatory powers of the FTC.

Requires the Federal Home Loan Bank Board to: (1) establish a division of deceptive acts and practices affecting commerce by certain savings and loan institutions; and (2) prescribe regulations, similar to regulations prescribed by the FTC governing corporations, to define and prevent such practices.

H.R. 3979. May 7, 1979. Interior and Insular Affairs. Permits employees of the United States to: (1) purchase, as a principal residence, real property from any Indian or Indian organization; and (2) sell real property owned by such employees to any Indian or Indian organization.

H.R. 3980. May 7, 1979. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to provide that an elementary or secondary school may not receive Federal funds unless the principal supervisor of such school certifies to the Commissioner of Education that the Pledge of Allegiance is a part of the daily program of such school.

H.R. 3981. May 7, 1979. Ways and Means. Amends the Internal Revenue Code to change the effective date of provisions of the Revenue Act of 1978 relating to the taxation of beneficiaries of medical expense reimbursement plans.

H.R. 3982. May 7, 1979. Ways and Means. Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States.

Sets forth formulas to be used in adjusting the annual aggregate quantity of meat imports.

Directs the President to limit by proclamation the total quantity of meat imports.

Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market. Directs the Secretary to report to Congress.

Limits the quantity of cattle imports. Directs the President to provide for the geographic distribution of such imports.

H.R. 3983. May 7, 1979. Agriculture. Amends the Rural Development Act of 1972 to direct the Secretary of Agriculture to provide guaranteed loans for additional pilot projects (already four are mandated) for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products.

H.R. 3984. May 7, 1979. Agriculture; Interior and Insular Affairs. Directs the Secretary of Agriculture and the Secretary of the Interior to execute a quitclaim deed conveying and releasing to the State Superintendent of Education of the State of South Carolina rights retained by the United States to certain land in Orangeburg County, South Carolina.

H.R. 3985. May 7, 1979. Agriculture. Amends the Agricultural Act of 1949 to: (1) set loan rates and establish prices for the 1979 crops of upland cotton, wheat, corn, grain sorghums, and peanuts; and (2) to prohibit the Secretary of Agriculture from calling or allowing the redemption of stored wheat and feed grain loans unless the market price for such commodities is at least a specified percentage of the appropriate parity price.

H.R. 3986. May 8, 1979. Interstate and Foreign Commerce. Amends the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 to direct the Secretary of Health, Education, and Welfare, acting through the National Center for the Prevention and Control of Rape, to provide financial and technical assistance for rape prevention and treatment services.

H.R. 3987. May 7, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to extend the authorization of appropriations through fiscal year 1982 for the expenses of the Department of Justice in carrying out its functions under such Act. Specifies the spending authority of the Drug Enforcement Administration in carrying out its functions under such Act.

H.R. 3988. May 7, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Provides for a 36-month suspension of the granting of future operating licenses for nuclear fission power plants pending a review of existing and potential safety defects associated with such plants.

H.R. 3989. May 8, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish within the National Cemetery System a national cemetery in Russell County, Alabama, to be known as the Fort Mitchell Regional Veterans' Cemetery.

H.R. 3990. May 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act with respect to home health care services to eliminate: (1) the 100 visit limitation; (2) prior hospitalization as a condition of eligibility for such services; and (3) the deductible.

Authorizes the President to establish reciprocal arrangements between the Medicare program and similar programs in foreign countries.

Provides Medicare coverage for: (1) all services performed by a dentist; (2) certain foot care; (3) community health center and comprehensive outpatient rehabilitation center services; (4) certain antigens; (5) certain chiropractic services; and (6) certain services of clinical psychologists.

H.R. 3991. May 8, 1979. Interstate and Foreign Commerce. Amends the Securities Act of 1933 to authorize issuers to sell certain securities to accredited investors without filing a registration statement under such Act. Amends the Investment Company Act of 1940 to grant an exemption from such Act to certain issuers which engage in the business of furnishing capital or providing financing for business ventures and activities, purchasing securities for which no ready market is in existence, or reorganizing companies.

H.R. 3992. May 8, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that disability insurance benefits for an individual having a terminal illness shall begin with the first month during all of which such individual has such illness. Defines the term "terminal illness" to mean a medically determinable physical impairment which is expected to result in death within the next 12 months.

H.R. 3993. May 8, 1979. Ways and Means. Amends the Tariff Schedules of the United States to extend the duty-free entry of manganese ore.

H.R. 3994. May 8, 1979. Interstate and Foreign Commerce. Authorizes appropriations for carrying out the Solid Waste Disposal Act for fiscal year 1980. Makes certain modifications to the Resource Conservation and Recovery Act of 1976.

Repeals the provisions of such Act concerning solid waste cleanup on Federal lands in Alaska and the Langolien Landfill, Delaware, leachate control research and assistance program.

H.R. 3995. May 8, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Noise Control Act of 1972 to direct the Administrator of the Environmental Protection Agency to develop and submit to the Congress a five-year plan for carrying out the Administrator's authorities under such Act. Authorizes appropriations for such Act.

H.R. 3996. May 8, 1979. Interstate and Foreign Commerce. Amends the Rail Passenger Service Act with respect to the financing of the National Railroad Passenger Corporation and its facility and service agreements. Directs the Corporation to establish a plan for improving intercity rail passenger service. Establishes procedures for the continuation or expansion of such service. Provides for an employee stock ownership plan for employees of the Corporation.

Amends the Regional Rail Reorganization Act of 1973 to direct the United States Railway Association to devise a plan for the transfer of its functions to an appropriate Federal agency or agencies.

H.R. 3997. May 8, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a National Digestive Diseases Education and Information Clearinghouse and a National Digestive Diseases Advisory Board.

Authorizes grants to medical schools for education and training programs in the diagnosis, prevention, and treatment of digestive diseases.

H.R. 3998. May 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to elect an income tax deduction with respect to the amortization, based on a 60-month period, of any qualified facility producing alcohol from coal or biomass for primary use as a substitute for fuel.

H.R. 3999. May 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to stipulate that a Professional Standards Review Organization shall not be considered to be an agency of the Federal Government by reason of the functions performed by such organization under the Act.

H.R. 4000. May 8, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions and Professional Standards Review) of the Social Security Act to provide for the participation of nurses, dentists, and other health care practitioners in the professional standards review process.

Establishes an advisory committee to the National Professional Standards Review Council.

Amends titles XVIII (Medicare) and XIX (Medicaid) of the Act to authorize certain hospitals to use their inpatient hospital facilities to furnish post-hospital extended care services.

Requires that audits of specified Social Security programs be consolidated.

H.R. 4001. May 8, 1979. Armed Services. Entitles members of the armed forces and their dependents who cannot afford the costs of legal representation to legal assistance in connection with their personal affairs. Places responsibility for the establishment and supervision of legal assistance programs with the judge advocates general.

H.R. 4002. May 8, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to construct, operate, and maintain recreational facilities and streambank stabilization along the Des Moines River, Iowa. Establishes the Des Moines Recreational River and Greenbelt Advisory Committee.

H.R. 4003. May 8, 1979. Post Office and Civil Service. Amends the Retired Federal Employees Health Benefits Act to change the amount of the Government's contribution toward the subscription charge for the health benefits plan of a retired Federal employee.

H.R. 4004. May 8, 1979. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to prohibit the Board of Governors of the Federal Reserve System from denying any application for the formation of a one-bank holding company: (1) where the Comptroller of the Currency or the State banking supervisory authority has approved the transaction, including the proposed management and adequacy of the capital of the bank involved; or (2) because the transaction to form such a one-bank holding company involves a bank stock loan which is for a period of not more than 25 years.

H.R. 4005. May 8, 1979. Interstate and Foreign Commerce. Expresses the concern of Congress with respect to the proposed embargo of service by the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company and its effect on coal transportation. Directs the Secretary of Energy to conduct an assessment of the present and potential railroad coal hauling needs in the area served by such railroad and to report his findings to Congress.

H.R. 4006. May 8, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duty on certain products of the insular possessions until the quantity of articles reaches a specified amount. Permits interested parties to request the Office of the Special Representative for Trade Negotiations to designate such articles as import sensitive which will disqualify such articles from duty-free treatment.

H.R. 4007. May 8, 1979. Ways and Means. Amends the Internal Revenue Code to provide that the credit against employment tax liability available to an employer shall not be reduced due to advances made to the unemployment account of a State under title XII (Advances to State Unemployment Funds) of the Social Security Act, if such State makes certain repayments of such advances during the taxable year.

H.R. 4008. May 8, 1979. Judiciary. Amends the Uniform Code of Military Justice to permit cases in the United States Court of Military Appeals to be reviewed by the Supreme Court by writ of certiorari.

H.R. 4009. May 8, 1979. Ways and Means; Interstate and Foreign Commerce; Judiciary.

Amends part B (Professional Standards Review) of title XI of the Social Security Act to provide that no Professional Standards Review Organization and no statewide Professional Standards Review Council shall be considered an agency of the United States Government for purposes of the Administrative Procedure Act.

H.R. 4010. May 8, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the tuition paid for the elementary, secondary, college, or post-secondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 4011. May 8, 1979. Small Business; Agriculture. Authorizes appropriations for specified programs and expenses of the Small Business Administration. Authorizes a matching grant program for the establishment of Small Business Development Centers. Establishes a National Small Business Development Center Advisory Board. Directs the President to convene a White House Conference on Small Business.

H.R. 4012. May 8, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is

operating to cause a named vessel to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade.

H.R. 4013. May 9, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 4014. May 9, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4015. May 9, 1979. Veterans' Affairs. Directs that within the Office of the Chief Medical Director of the Veterans' Administration (VA) one Assistant Chief Medical Director shall be a doctor of geriatrics, and shall be responsible for the VA's geriatric services.

Directs the Administrator of Veterans' Affairs to designate 15 VA hospitals as geriatrics centers.

Establishes a Geriatrics and Extended Care Task Force within the VA.

H.R. 4016. May 9, 1979. Science and Technology. Authorizes appropriations for fiscal year 1980 for: (1) activities under the Federal Fire Prevention and Control Act of 1974; and (2) the Fire Research Center.

H.R. 4017. May 9, 1979. Ways and Means; Interstate and Foreign Commerce; Agriculture. Stipulates that income received from post-1978 Social Security cost-of-living increases shall be excluded in determining the eligibility of an individual for benefits under: (1) title XVI (Supplemental Security Income) of the Social Security Act; (2) part A (Aid to Families with Dependent Children) of title IV of such Act; (3) the Food Stamp Act of 1977; (4) any other Federal assistance program which conditions eligibility upon the income or resources of the applicant.

H.R. 4018. May 9, 1979. Merchant Marine and Fisheries. Directs the Secretary of the Interior to convey all right, title, and interest of the United States to and in specified lands comprising the Harris Neck National Wildlife Refuge, McIntosh County, Georgia to the persons, or the heirs of the persons, who owned such lands prior to their condemnation by the United States in 1943.

H.R. 4019. May 9, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Directs the Secretary of the Department of Energy to initiate research, development, and demonstration of a permanent Federal repository for nuclear waste. Establishes a Nuclear Waste Management Advisory committee to study and advise the Secretary on matters concerning nuclear waste disposal technology.

H.R. 4020. May 9, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to allow sums allotted to the States under the treatment works construction grant program for fiscal year 1978 and subsequent years to remain available for the fiscal year authorized and for the period of the next succeeding 24 months.

H.R. 4021. May 9, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to require the United States to pay for that portion of the operating costs of a municipality's treatment works made necessary in order to comply with an international agreement which sets standards for the discharge of pollutants exceeding those otherwise required by such Act.

H.R. 4022. May 9, 1979. Ways and Means Amends the Internal Revenue Code to allow an income tax deduction for sewer taxes, rents, and similar sewer charges.

H.R. 4023. May 9, 1979. Public Works and Transportation. Amends the Clean Water Act of 1977 to extend from 18 months to 42 months the moratorium on recovery of treatment works construction costs attributable to industrial users.

H.R. 4024. May 9, 1979. Ways and Means. Amends the Internal Revenue Code to deny the foreign tax credit for foreign related oil income.

H.R. 4025. May 9, 1979. Ways and Means. Amends the Internal Revenue Code to deny the foreign tax credit for foreign related oil income.

H.R. 4026. May 9, 1979. Interstate and Foreign Commerce. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to extend Federal rehabilitation and improvement financing under such Act. Authorizes the use of financing under such Act for the rail transportation of coal to meet the needs of powerplants and other industrial fuel users.

H.R. 4027. May 9, 1979. Government Operations. Directs the President to reduce the total mileage traveled by automobiles owned or leased by Federal agencies according to a timetable. Provides for exemptions to such reductions. Directs the President to promote the use of gasohol by executive agencies.

H.R. 4028. May 9, 1979. Agriculture. Amends the Food Stamp Act of 1977 to direct the Secretary of Agriculture, whenever it is necessary to reduce food stamp allotments to comply with appropriation requirements, to ensure that such reductions reflect the ratio of household income to the income standards of eligibility for households of equal size prescribed by such Act.

H.R. 4029. May 9, 1979. Veterans' Affairs. Directs that certain Filipino veterans of World War II who served with the United States Armed Forces in the Philippines and whose names were removed from United States Army records have their veterans' status, and eligibility for veterans' benefits, restored.

H.R. 4030. May 9, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage revenue bonds, except bonds which are issued to finance housing for veterans, as general revenue bonds, or for the financing of low- and moderate-income housing and its rehabilitation.

Limits the issuance of industrial development bonds for housing purposes to rental or cooperative housing.

H.R. 4031. May 9, 1979. Armed Services. Directs the Secretary of the Navy to convey certain real property in the State of Hawaii to the present lessees of such real property.

H.R. 4032. May 9, 1979. Judiciary. Authorizes classification of the certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4033. May 9, 1979. Judiciary. Relieves a named corporation of the obligation to pay social security taxes (or interest and penalties thereon) on specified wages paid to individuals during specified periods, if such corporation furnishes specified evidence to the Secretary of the Treasury. Permits such individuals to enter into arrangements with the Secretary to pay amounts equal to such taxes for social security entitlement purposes.

H.R. 4034. May 10, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to revise provisions concerned with the issuance of export licenses by the Secretary of Commerce and the circumstances in which export controls may be imposed. Gives Congress an opportunity to veto certain export controls.

Sets forth provisions restricting exports of domestically produced crude oil, red cedar logs, and standard aircraft equipment. Repeals prohibitions against exports to Uganda.

Amends the International Investment Survey Act of 1976 to authorize appropriations for such Act.

H.R. 4035. May 10, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize the construction of air bases and the provision of defense articles and services to Israel. Limits the number of persons that may be contracted for personal services pursuant to this chapter. Authorizes additional appropriations for the Economic Support Fund to be used for Egypt.

Authorizes additional appropriations for arms sales guarantees to Egypt and Israel under the Arms Export Control Act. Increases the principal amount of such guaranteed loans.

Authorizes the transfer of the facilities and property of the U.S. Sinai Field Mission to Egypt.

H.R. 4036. May 10, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to prohibit any benefit check issued under such title from being honored for payment after 90 days have elapsed following the day on which it was issued.

H.R. 4037. May 10, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited tax exclusion of interest earned on savings accounts.

H.R. 4038. May 10, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to establish a marihuana pretrial diversion program, in which eligible persons who are found possessing small amounts of marihuana or hashish are issued a citation and given the opportunity to participate in a drug counseling program, instead of being arrested.

H.R. 4039. May 10, 1979. Agriculture. Amends the Food Stamp Act of 1977 to create a liability to the United States in any individual receiving food coupons during any year whose adjusted gross income for such year exceeds the exempt amount.

H.R. 4040. May 10, 1979. Armed Services. Authorizes appropriations for fiscal year 1980 for military weapons, procurement and for military research, development, test, and evaluation. Sets forth the end strength levels for active duty and reserve military personnel and for civilian personnel within the Department of Defense. Sets forth the authorized military training loads for the components of the various armed forces.

Authorizes appropriations to carry out the provisions of the Federal Civil Defense Act of 1950.

Directs the President to commence registration of 18 year old males pursuant to the Military Selective Service Act.

H.R. 4041. May 10, 1979. Ways and Means. Amends the Internal Revenue Code to extend the investment tax credit to tangible property used as an integral part of a retail or wholesale trade.

H.R. 4042. May 10, 1979. Ways and Means. Amends the Internal Revenue Code to extend the investment tax credit to buildings and structural components used as an integral part of manufacturing, production, retail or wholesale trade, extraction, and certain other businesses, or which are certain research or storage facilities.

H.R. 4043. May 10, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to study and report to Congress on the feasibility of modifying a Mississippi River flood control project to increase the flood protection for Tiptonville, Tennessee.

H.R. 4044. May 10, 1979. Judiciary. Revises the appointment, terms, and retirement of Federal judges. Creates a procedure for disciplining Federal judges. Permits interlocutory appeals from district court decisions in certain circumstances.

Replaces the Court of Claims with the United States Claims Court. Abolishes the Court of Customs and Patent Appeals. Gives the district courts exclusive jurisdiction of Federal civil tax actions and establishes the United States Court of Tax Appeals.

H.R. 4045. May 10, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to permit the introduction, or delivery for introduction, of laetrile (amygdalin) into interstate commerce without the approval of a new drug application.

H.R. 4046. May 10, 1979. Judiciary. Amends the Clayton Act to give judgments in antitrust actions brought by the United States collateral estoppel effect in subsequent private litigation.

H.R. 4047. May 10, 1979. Judiciary. Revises the standard by which an attorney who delays proceedings in Federal court becomes liable for costs which arise because of such delay.

H.R. 4048. May 10, 1979. Judiciary. Amends the Clayton Act to authorize awards of prejudgment interest in antitrust litigation.

H.R. 4049. May 10, 1979. Judiciary. Amends the Clayton Act to empower the Department of Justice to contest mergers: (1) involving entities other than corporations; and (2) involving activities indirectly affecting commerce.

H.R. 4050. May 10, 1979. Judiciary. Amends the Antitrust Civil Process Act to enable the Department of Justice to obtain specified items produced during the discovery phase of private lawsuits.

H.R. 4051. May 10, 1979. Judiciary. Amends the Speedy Trial Act of 1974 to revise the time limits for bringing to trial a person arrested or indicted for committing a Federal offense.

H.R. 4052. May 10, 1979. Armed Services. Designates the United States ship Nautilus as a national monument to be located at the United States Naval Academy at Annapolis, Maryland.

H.R. 4053. May 10, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to require a State's Medicaid program to provide medical assistance to any individual under the age of 18 whose resources do not exceed specified levels.

Requires a State's Medicaid program to provide for a child health assurance program.

Requires a State's Medicaid program to provide medical assistance available for care and services provided during pregnancy and for 60 days following the termination of pregnancy to women whose resources do not exceed specified levels.

H.R. 4054. May 10, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to: (1) allow unlimited home health visits; (2) eliminate prior hospitalization and confinement to home as a requirement for receiving home health care; (3) eliminate payment of the $60 deductible; (4) allow reimbursement for services furnished in qualified community mental health centers and comprehensive outpatient rehabilitation centers; and (5) authorize payment for occupational therapy, the removal of corns and calluses, all services of a doctor of dentistry, and eyeglasses, hearing aids, and dentures, and examinations for the purpose of prescribing such articles.

H.R. 4055. May 10, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to provide that the 1979 light-duty motor vehicle emission standards shall continue to apply to diesel light-duty motor vehicles manufactured after the model year 1979 in lieu of standards which would otherwise apply.

H.R. 4056. May 10, 1979. Government Operations. Directs that preference be given in bulk and retail purchases of motor fuels by Federal agencies to suppliers or bidders who offer gasohol in lieu of ordinary gasoline.

H.R. 4057. May 10, 1979. Agriculture. Amends the Food Stamp Act of 1977 to increase the authorized appropriations for the food stamp program for fiscal year 1979.

H.R. 4058. May 10, 1979. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to authorize the Secretary of the Interior to divide any lands subject to such Act and classified for coal leasing into leasing tracts which will permit the mining of all coal which can be economically extracted from such tracts.

Permits the Secretary to negotiate the sale at fair market value of Federal coal.

H.R. 4059. May 10, 1979. Judiciary. Relieves a named individual of liability for the payment to the United States of a specified sum. Directs the Secretary of the Treasury to pay to such individual any part of such sum which may have been received or witheld from such individual in connection with such liability.

H.R. 4060. May 10, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4061. May 10, 1979. Judiciary. Declares a named individual to be a returning resident alien for purposes of the Immigration and Nationality Act.

H.R. 4062. May 14, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require labeling as "imported" of any food product manufactured or produced in whole or in part outside the United States.

H.R. 4063. May 14, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for occupational therapy services under the supplementary medical insurance program.

H.R. 4064. May 14, 1979. Post Office and Civil Service. Exempts the owner of any motor vehicle leased by the United States Postal Service from payment of any State or local tax or fee on such vehicle.

H.R. 4065. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to confer tax-exempt status upon church associations.

H.R. 4066. May 14, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Foreign Affairs. Suspends the granting of operating licenses for nuclear power plants and provides for the operation of existing, operational nuclear power plants by the United States.

Directs the United States Ambassador to the United Nations to seek a ban on construction of such facilities throughout the world.

Provides that the liability of the United States for damages caused by nuclear power plant personnel trained and employed under this Act shall be governed by the Federal Tort Claims Act.

H.R. 4067. May 14, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 4068. May 14, 1979. Post Office and Civil Service. Amends the Ethics in Government Act of 1978 to require that a report be filed with the Office of Government Ethics disclosing the sources and amount of any private contribution received for the payment of costs of an official White House function.

H.R. 4069. May 14, 1979. Post Office and Civil Service. Prohibits the use of private contributions to pay the costs of an official White House function.

Prohibits specified employees of the White House from authorizing another person, group, or organization to use words referring to the White House on any letterhead or envelope.

H.R. 4070. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to extend tax-exempt status to veterans' organizations whose membership consists of at least 75 percent past or present members of the Armed Forces of the United States (combat or noncombat veterans), with the remaining membership consisting substantially of cadets or spouses, or widows or widowers of Armed Forces personnel or of cadets.

H.R. 4071. May 14, 1979. Banking, Finance and Urban Affairs. Amends the Currency and Foreign Transactions Reporting Act to authorize the Secretary of the Treasury to pay informants who report violations of the reporting requirements applicable to exports and imports of monetary instruments.

H.R. 4072. May 14, 1979. Banking, Finance and Urban Affairs. Amends the Currency and Foreign Transactions Reporting Act to include anyone attempting to transport, or have transported, monetary instruments across the borders of the United States among the persons required to file a report under such Act.

H.R. 4073. May 14, 1979. Banking, Finance and Urban Affairs; Ways and Means. Amends the Currency and Foreign Transactions Reporting Act to authorize customs officers to stop and search any vehicle or person if there is reasonable cause to suspect that monetary instruments are being transported for which reports are required.

H.R. 4074. May 14, 1979. Interior and Insular Affairs. Authorizes the Secretary of Energy to enter into a cooperative agreement with the State of New Jersey concerning radium pollution in that State.

H.R. 4075. May 14, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to require that a discharge of oil or any other hazardous substance into the waters of the United States be knowing and willful in order to find liability under such Act. Establishes certain defenses which will avert such liability.

H.R. 4076. May 14, 1979. Armed Services. Revises the special pay provisions for medical officers of the armed forces and Public Health Service.

H.R. 4077. May 14, 1979. Armed Services. Increases the maximum age for the appointment of members of the Senior Reserve Officers' Training Corps as cadets or midshipmen to reflect the period of time that such individuals served on active duty so long as the individual will be less than 29 years of age on June 30 of the year of such appointment.

H.R. 4078. May 14, 1979. Interstate and Foreign Commerce. Establishes a part-time National Commission on Alcoholism and Alcohol-Related Problems to study alcoholism and alcohol-related problems.

H.R. 4079. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

H.R. 4080. May 14, 1979. Ways and Means. Amends the Internal Revenue Code to allow certain individuals who enlist in the Armed Forces of the United States a nonrefundable income tax credit for a certain percentage of their taxable income.

H.R. 4081. May 14, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to treat as earned income remuneration received by an individual for services performed in a sheltered workshop or work activities center in determining eligibility under such title.

H.R. 4082. May 14, 1979. Post Office and Civil Service. Permits the carriage out of the mails of letters of a trade or business which must be delivered within a specified time whenever the Postal Service cannot deliver such a letter within such time at a cost less than or equal to that for private carriage.

H.R. 4083. May 14, 1979. Judiciary. Establishes a program of death and disability payments and provision of medical services, appliances, and supplies for volunteer safety

officers and their survivors who are killed or injured in the line of duty.

Places such program under the Administrator of the United States Fire Administration.

H.R. 4084. May 14, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Directs the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, to enter into a cooperative agreement with California to mitigate the adverse effects of the Central Valley project on the fish and wildlife resources of the Suisun Marsh, and for the preservation and restoration of such resources.

H.R. 4085. May 14, 1979. Banking, Finance and Urban Affairs. Amends the International Banking Act of 1978 and the Federal Reserve Act to limit the powers of foreign banks and to prohibit Edge Act corporations from establishing branches in the United States.

H.R. 4086. May 14, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to direct the President to implement a new enhanced civil defense program.

H.R. 4087. May 14, 1979. Judiciary. Relieves a named corporation of liability to the United States in a specified amount owed for a loan by the Economic Development Administration.

H.R. 4088. May 14, 1979. Merchant Marine and Fisheries. Authorizes the Secretary of Commerce to sell two obsolete vessels to a named corporation, provided that certain conditions are met.

H.R. 4089. May 14, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to three individuals in satisfaction of a claim against the United States.

H.R. 4090. May 14, 1979. Judiciary. Directs the granting of visas to, and admission of, two named individuals to the United States for permanent residence.

H.R. 4091. May 14, 1979. Judiciary. Confers jurisdiction on the United States District Court for the Northern District of Ohio over a claim of three named individuals against the United States.

H.R. 4092. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who rent their principal residence an income tax deduction for a portion of the real property taxes paid or accrued by their landlord.

H.R. 4093. May 15, 1979. Foreign Affairs; Interstate and Foreign Commerce. Prohibits the sale, distribution, or export of infant formula to developing countries unless pursuant to an export license. Sets forth the application procedures and the conditions which must be met before such licenses may be issued. Requires specified instructions and information to be included with formula containers exported to developing countries. Makes it unlawful to promote the sale of infant formula in any developing countries. Sets forth penalties for violations of this Act.

H.R. 4094. May 15, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to create additional categories of beneficiaries eligible to receive public safety officers' death benefits.

H.R. 4095. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the expenses such taxpayers pay to attend an institution of higher education.

H.R. 4096. May 15, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 to require the placement of Nuclear Regulatory Commission inspectors in the control rooms of all licensed nuclear powerplants.

Directs the Commission to assist States in developing nuclear accident emergency plans. Requires nuclear powerplant owners and operators to monitor powerplant radiation levels, to develop nuclear emergency procedures, and to distribute information to the public concerning such procedures.

Requires the Commission to conduct inspection of all licensed nuclear powerplants.

H.R. 4097. May 15, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to study the feasibility of: (1) enlarging or replacing Shasta Dam and Reservoir, California; and (2) using the Sacramento River for conveying water downstream from such enlarged dam and reservoir.

H.R. 4098. May 15, 1979. Banking, Finance and Urban Affairs. Establishes a National Domestic Development Bank to provide an alternative source of funds for community facilities and economic development. Delineates the corporate organization, investment authority, and tax status of the Bank.

H.R. 4099. May 15, 1979. Banking, Finance and Urban Affairs; Public Works and Transportation. Authorizes the Secretary of Commerce to provide to economically distressed areas: (1) economic development assistance; (2) adjustment planning assistance; (3) technical assistance; (4) public works assistance; and (5) development financing. Authorizes the Secretary to conduct research and demonstration programs to promote economic development.

Repeals the Public Works and Economic Development Act. Creates the position of Under Secretary for Economic Development to assist the Secretary with respect to this Act.

H.R. 4100. May 15, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of Commerce to generate and retain private sector employment opportunities in distressed areas through guaranteed loans, direct loans, and interest subsidies, in order to encourage and enable business to remain, locate, or expand in such areas, and to provide liquidity to financial institutions through guarantees of long-term loans to such business.

H.R. 4101. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to increase the amount of the exclusion from gross income of dividends received by individuals.

H.R. 4102. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to reduce by one-half the allowable income tax deduction for business meals.

H.R. 4103. May 15, 1979. Ways and Means. Amends the Internal Revenue Code to limit the retroactivity of provisions of the Tax Reform Act of 1976 pertaining to player contracts transferred in connection with sale of a sports franchise.

H.R. 4104. May 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to provide that parents' income and resources shall not be attributed to a child under age 21 for purposes of determining such child's eligibility for supplemental security income benefits, if such child is under a disability which is permanent and total.

H.R. 4105. May 15, 1979. Agriculture; Interstate and Foreign Commerce. Amends the Rural Electrification Act of 1936 to authorize the Administrator of the Rural Electrification Administration to make loans to finance the improvement, expansion, construction, acquisition, and operation of lines, facilities, or systems to provide (separately or in conjunction with telephone service) present or future broadband telecommunications service in any rural area.

H.R. 4106. May 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends Part A (General Provisions) of title XI of the Social Security Act to impose a civil penalty upon any provider who fraudulently presents a claim for services or items under titles XVIII (Medicare) or XIX (Medicaid) of such Act.

Excludes from participation in the Medicare or Medicaid programs any physician or health care professional convicted of a criminal offense related to such individual's participation in such programs.

Authorizes a reduction in Federal payments to Medicaid providers from whom Medicare overpayments cannot be recovered.

H.R. 4107. May 15, 1979. Judiciary. Directs the Administrator of the Veterans Administration to pay additional disability compensation benefits for a specified time period to a named individual.

H.R. 4108. May 16, 1979. District of Columbia. Directs the Mayor of the District of Columbia to take such action as may be necessary to insure that motor vehicle stickers issued by any State to provide special parking rights for the handicapped shall be honored in the District of Columbia in the same manner as any such sticker issued by the District.

H.R. 4109. May 16, 1979. Judiciary. Stipulates that no Federal or State law may be declared unconstitutional by the Supreme Court of the United States unless at least seven members of the Court concur.

H.R. 4110. May 16, 1979. Judiciary. Prohibits the Supreme Court or any other Federal court from making a decision or issuing an order which requires, or has the effect of requiring, Federal or State expenditure for a specific purpose unless Congress or the State legislature has authorized and appropriated funds for such purpose. Subjects to impeachment a justice or judge who violates such prohibition.

H.R. 4111. May 16, 1979. Judiciary. Allows Congress, by a two-thirds vote in each House to invalidate a decision of the Supreme Court or a Federal court with respect to the constitutionality of the Federal or State law.

H.R. 4112. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer an income tax credit or deduction for tuition paid to an elementary, secondary, vocational, or higher educational institution for the education of the taxpayer, his spouse, or dependents.

H.R. 4113. May 16, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to provide an additional allotment of funds to certain States for the construction of publicly owned waste treatment works.

H.R. 4114. May 16, 1979. Government Operations. Requires the President to submit to Congress a biennial report on the management of the executive branch. Requires the Director of the Office of Management and Budget to provide an evaluative report on Federal programs to the President to be included with the President's report.

H.R. 4115. May 16, 1979. Judiciary. Authorizes the Chief Justice of the United States to select a panel of justices or judges to review the behavior of any justice (except the Chief Justice) or Federal judge.

H.R. 4116. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the tuition paid for the elementary, secondary, college, or post-secondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 4117. May 16, 1979. Veterans' Affairs. Revises veterans' vocational rehabilitation provisions.

Reduces the disability rating necessary to receive veterans' service-connected or death benefits.

Revises provisions regarding benefits for veterans in more than one educational assistance program under the Veterans Administration.

H.R. 4118. May 16, 1979. Judiciary. Exempts the exchange of technological information relating to emission control systems, passive restraint systems, and fuel efficiency systems for motor vehicles from application of the Sherman Act, the Clayton Act, and the Federal Trade Commission Act.

H.R. 4119. May 16, 1979. Agriculture. Amends the Federal Crop Insurance Act with regard to the Board and stock of the Federal Crop Insurance Corporation, exclusive Federal Court jurisdiction of lawsuits, the use of private insurance companies, coverages and premiums, reinsurance, appropriations, emergency borrowing authority, and related matters.

Amends the Food and Agriculture Act of 1977 to extend current disaster payment programs to the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice.

H.R. 4120. May 16, 1979. Agriculture. Amends the Food Stamp Act of 1977 to entitle households composed entirely of persons who are age 60 or older or who receive supplemental security income benefits under title XVI of the Social Security Act, to a medical expense deduction in the computation of household income. Removes the limit on the excess shelter expense deduction for such households.

H.R. 4121. May 16, 1979. Judiciary. Establishes an Office of Professional Responsibility in the Department of Justice to investigate and make recommendations to the Attorney General or other officials concerning conduct by a Department employee that may be in violation of law, of Department regulations or orders, or of applicable standards of conduct.

Establishes a Committee on Professional Responsibility, consisting of Department Officials designated by the Attorney General, to advise the Counsel.

H.R. 4122. May 16, 1979. Ways and Means; Interstate and Foreign Commerce. Establishes a minimum monthly benefit amount under part A (Aid to Families with Dependent Children) of the Social Security Act.

Revises Federal funding for AFDC programs.

Sets forth additional criteria for determining eligibility for AFDC benefits.

Requires a State plan to make AFDC payments to an "assistance unit" with a low-income parent.

Authorizes payments for AFDC mechanized claims processing and information retrieval systems.

Directs the Secretary of Health, Education, and Welfare to set forth the rights and responsibilities of AFDC applicants and recipients.

H.R. 4123. May 16, 1979. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to make grants to establish hearing dog training centers.

H.R. 4124. May 16, 1979. Interior and Insular Affairs. Declares that: (1) the United States holds in trust for the Tule River Indian Tribe certain public lands administered by the Forest Service; and (2) such lands are again a part of the Tule River Indian Reservation.

Authorizes the Secretary of Agriculture to determine the location and the manner of use of right-of-way through specified lands.

Directs the Secretary of the Interior to publish descriptions of lands transferred and Reservation boundaries changed pursuant to this Act.

H.R. 4125. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage subsidy bonds.

Limits the issuance of industrial development bonds for housing purposes to low- or moderate-income rental housing.

H.R. 4126. May 16, 1979. Interior and Insular Affairs. Revokes the executive withdrawal of specified lands in Inyo County, California, from settlement, location, sale, or entry.

H.R. 4127. May 16, 1979. Agriculture; Interior and Insular Affairs; Public Works and Transportation. Requires States and non-Federal entities to agree in writing to pay a portion of the costs of Federal water resource projects and flood control projects involving specified Federal agencies. Stipulates that such financing requirements are in addition to any other financing requirements.

H.R. 4128. May 16, 1979. Ways and Means. Amends the Internal Revenue Code to: (1) repeal the percentage depletion allowance for independent oil and gas producers and royalty owners; (2) require the capitalization and amortization of intangible drilling and development costs in the case of oil and gas wells and geothermal wells; (3) disallow a tax credit for foreign taxes paid by domestic corporations with respect to foreign oil-related income; and (4) prohibit the deferral of U.S. taxes for foreign oil-related income of domestic corporations.

H.R. 4129. May 16, 1979. Veterans' Affairs. Excludes payments received under Veterans' Administration life insurance policies from annual income determinations for purposes of veterans' disability compensation eligibility.

H.R. 4130. May 16, 1979. Armed Services. Increases the Federal share of the amount paid to retired military personnel who serve as administrators and instructors in the Junior Reserve Officers' Training Corps.

H.R. 4131. May 16, 1979. Public Works and Transportation. Changes the name of the China Bluff Access Area being constructed by the Army Corps of Engineers as part of the Tennessee-Tombigbee Waterway near Warsaw in Sumter County, Alabama, to the "S. W. Taylor Memorial Park".

H.R. 4132. May 16, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 4133. May 17, 1979. Ways and Means. Amends the Internal Revenue Code to exempt an air carrier who sells aircraft to another air carrier from the investment tax credit recapture rules with respect to such aircraft, unless the aircraft ceases to be used exclusively to provide air transportation.

H.R. 4134. May 17, 1979. Ways and Means. Amends the Revenue Act of 1978 to provide that the one-time exclusion from gross income of the gain from the sale of a principal residence by an individual age 55 or over shall apply to sales and exchanges after December 31, 1977, instead of July 26, 1978.

H.R. 4135. May 17, 1979. Agriculture; Interior and Insular Affairs; Public Works and Transportation. Requires States and non-Federal entities to agree in writing to pay a portion of the costs of Federal water resource projects and flood control projects involving specified Federal agencies. Stipulates that such financing requirements are in addition to any other financing requirements.

H.R. 4136. May 17, 1979. Education and Labor. Amends the Child Nutrition Act of 1966 to extend the authorization of appropriations to fiscal year 1982 for: (1) minimum payment for State administrative expenses, including unused fund availability; and (2) general State administrative expenses.

H.R. 4137. May 17, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Establishes a Pacific Northwest Electric Planning Commission to prepare a regional power planning and conservation plan to achieve cost effective energy conservation, to promote the development of renewable energy resources, and to assure the Pacific Northwest of an efficient and adequate power supply.

Directs the Administrator to establish a conservation and renewable resource loan and grant fund for conservation, waste recovery, and renewable energy measures.

Directs the Administrator to implement necessary mitigation and enhancement measures to restore fisheries damaged by the development and operation of the Federal Columbia River power system.

H.R. 4138. May 17, 1979. Judiciary. Declares that the Department of the Army should have provided guidance on the potential ramifications of receiving readjustment pay to a named individual and that the law requiring repayment of 75 percent of such pay by immediate deduction from retired pay is unfair. Requests remission of such indebtedness of such individual upon retirement. Stipulates that such individual volunteers to repay entire debt on a prorated basis.

H.R. 4139. May 17, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4140. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to reduce the rate of tax on the taxable income of a corporation below $500,000.

H.R. 4141. May 21, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to strike and issue gold coins in a denomination of $100, which may be increased periodically in accordance with the world market price of gold.

H.R. 4142. May 21, 1979. Education and Labor. Amends the Comprehensive Employment and Training Act to remove prisoners from eligibility for programs under such Act.

H.R. 4143. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow a refundable income tax credit for the household expenses of any taxpayer who maintains a household in which a relative age 65 or over resides.

H.R. 4144. May 21, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to declare nonreimbursable and nonreturnable costs incurred for emergency repairs and modifications to Conconully Dam, Washington.

H.R. 4145. May 21, 1979. Ways and Means. Repeals the statutory authority to impose import quotas on meat from cattle, goats, and sheep which is fresh, chilled, or frozen.

H.R. 4146. May 21, 1979. Armed Services. Authorizes the President to award the Congressional Medal of Honor posthumously to Vincent Pantozzi for his distinguished military service during World War I.

H.R. 4147. May 21, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duties on certain cobalt alloys.

H.R. 4148. May 21, 1979. Interior and Insular Affairs. Replaces the existing acreage limitation of 160 acres of reclaimed land per individual with a limitation of 320 acres.

Abolishes the residency requirements for qualified recipients of project water.

H.R. 4149. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to entitle individuals who retired before January 1, 1977, and either retired on disability or were entitled to retire on disability, to the exclusion from gross income for amounts received under accident and health plans without regard to the applicable income restrictions.

H.R. 4150. May 21, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete the tariff provisions: (1) for products of the United States which are assembled abroad; and (2) for metals exported for additional processing and returned for further processing in the United States.

H.R. 4151. May 21, 1979. Education and Labor. Amends the Farm Labor Contractor Registration Act of 1963 to define or redefine the terms: (1) farm labor contractor; (2) fee; (3) agricultural employment; (4) migrant workers; (5) transport; (6) bona fide full-time employee; (7) bona fide regular employee; and (8) agricultural cooperative.

H.R. 4152. May 21, 1979. Armed Services. Establishes the Chaplain Corps of the Navy outside of the Bureau of Naval Personnel to

be headed by a Chief of Chaplains appointed by the President with the advice and consent of the Senate.

H.R. 4153. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to increase the amount of employer-paid group-term life insurance premiums excluded from the gross income of employees to $150,000.

H.R. 4154. May 21, 1979. Judiciary. Amends the Clayton Act to prohibit any person from serving concurrently as a director or officer of more than one corporation that has assets or gross annual sales in excess of $1,000,000,000. Prohibits such major corporations from appointing as officers or directors, persons who hold such positions with other corporations.

Sets forth penalties and enforcement procedures for violations of the provisions of this Act.

H.R. 4155. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to permit the Internal Revenue Service to disclose to the Commissioner of Education the mailing address of any taxpayer who has defaulted on a student loan received under the Higher Education Act of 1965 or the Migration and Refugee Assistance Act of 1962, for purposes of aiding the Commissioner in collecting such loan.

H.R. 4156. May 21, 1979. Interstate and Foreign Commerce. Establishes a comprehensive program of Federal assistance to States for the purpose or planning, coordinating, and providing mental health and support services. Includes Indian tribes as eligible recipients of such assistance. Provides for an obligatory period of service for recipients of current mental health clinical traineeships. Terminates funding under the Community Mental Health Centers Act.

H.R. 4157. May 21, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to prohibit any benefit check issued under such title from being honored for payment after 180 days have elapsed following the day on which it was issued.

Provides for the payment of a cash advance of SSI benefits to an individual who loses benefits as a result of this Act, is presumptively eligible for SSI benefits, and who is faced with financial emergency.

H.R. 4158. May 21, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the age requirement for the one-time exclusion of gain from the sale or exchange of a principal residence.

H.R. 4159. May 21, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Establishes a Pacific Northwest Electric Planning Commission to prepare a regional power planning and conservation plan to achieve cost effective energy conservation, to promote the development of renewable energy resources, and to assure the Pacific Northwest of an efficient and adequate power supply.

Directs the Administrator to establish a conservation and renewable resource loan and grant fund for conservation, waste recovery, and renewable energy measures.

Directs the Administrator to implement necessary mitigation and enhancement measures to restore fisheries damaged by the development and operation of the Federal Columbia River power system.

H.R. 4160. May 21, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin, but only when it is sold or distributed separately as a distinct product for use by the consumer as a sweetener.

H.R. 4161. May 21, 1979. Judiciary. Provides that for purposes of work-related immigrant preference status and non-immigrant work-related temporary admissions under the Immigration and Nationality Act, specified entities that contract for the services of alien chick sexers will be treated as employers.

H.R. 4162. May 21,1979. Judiciary. Directs the Secretary of the Treasury to pay a sum to the estate of a named individual in satisfaction of a claim against the United States.

H.R. 4163. May 21, 1979. Judiciary. Directs the Secretary to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 4164. May 21, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified amount to a named individual.

H.R. 4165. May 21, 1979. Judiciary. Authorizes a named individual to file a claim, within a specified period, for credit or refund of any overpayment of Federal income taxes paid for specified taxable years.

H.R. 4166. May 21, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4167. May 22, 1979. Agriculture. Amends the Agriculture Act of 1949 to extend the price support of milk at not less than 80 percent of parity.

H.R. 4168. May 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVII (Medicare) of the Social Security Act to increase the scope of benefits provided with respect to: (1) inpatient hospital services; (2) home health services; (3) preventive health services; (4) optometric services; (5) hearing aids; (6) immunization; (7) orthopedic services; (8) dental care; (9) foot care; and (10) drugs and biologicals.

Eliminates certain deductibles and coinsurance under such title.

Provides coverage for community mental health center services and comprehensive outpatient rehabilitation services.

Authorizes appropriations for expanded services provided under this Act.

H.R. 4169. May 22, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to execute land exchanges for equal value or to enter agreements fixing boundaries to clear title to lands owned or held in trust by the United States.

H.R. 4170. May 22, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to investigate and settle claims of ownership to lands adjoining the current and historic beds of the Colorado River in California and Arizona.

H.R. 4171. May 22, 1979. Judiciary. Eliminates with respect to real property quiet title actions in which the United States may be named as a party defendant: (1) the requirement that a complaint filed in such an action set forth the right, title, or interest claimed by the United States; (2) the statute of limitations governing such actions.

H.R. 4172. May 22, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend the period during which the Secretary of Health, Education, and Welfare may not take specified actions to restrict the continued use of saccharin or of any food, drug, or cosmetic containing saccharin.

H.R. 4173. May 22, 1979. Armed Services. Directs the Secretary of the Navy to provide for the public display of the United States ship Nautilus as a memorial vessel at Groton, Conn.

H.R. 4174. May 22, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 with regard to nuclear powerplant construction and operation. Requires States in which such powerplants are located to have approved nuclear powerplant emergency plans. Provides for the establishment of emergency teams to supervise activities involving nuclear accidents. Requires that such powerplants be manned by personnel trained and employed by the Nuclear Regulatory Commission according to established standards.

Directs the Commission to submit to the Congress a comprehensive nuclear waste disposal and storage plan.

H.R. 4175. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow income, estate, and gift tax deductions for charitable contributions for the construction or maintenance of buildings to house tax-exempt fraternal organizations.

H.R. 4176. May 22, 1979. Agriculture; Interstate and Foreign Commerce. Amends the Rural Electrification Act of 1936 to authorize the Administrator of the Rural Electrification Administration to make loans to finance the improvement, expansion, construction, acquisition, and operation of lines, facilities, or systems to provide (separately or in conjunction with telephone service) present or future broadband telecommunications service in any rural area.

H.R. 4177. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to expand the age requirement for youths participating in the qualified cooperative education program, for purposes of the targeted jobs tax credit.

H.R. 4178. May 22, 1979. Interstate and Foreign Commerce; Judiciary; Ways and Means; Post Office and Civil Service; Foreign Affairs. Authorizes the Secretary of Transportation to establish standards and prescribe rules to reduce motor vehicle theft. Establishes penalties for: (1) removing or altering the identification number for any motor vehicle or motor vehicle part; (2) buying or otherwise possessing, with intent to sell, any motor vehicle or part knowing that such removal or alteration has occurred; and (3) importing or exporting stolen self-propelled vehicles, vessels, aircraft, or parts or self-propelled vehicles or parts with altered identification numbers. Grants enforcement powers to customs officers.

H.R. 4179. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to extend for one additional year provisions which allow taxpayers to treat as deductible expenses expenditures to remove architectural and transportation barriers to the handicapped and elderly.

H.R. 4180. May 22, 1979. Post Office and Civil Service. Entitles a qualified nonprofit organization of senior citizens to the reduced postal rates for third-class mail currently in effect for the mail matter of qualified nonprofit organizations.

H.R. 4181. May 22, 1979. Judiciary. Prohibits the issuance of a search warrant or compelling order with respect to matter in the possession or control of a third party.

H.R. 4182. May 22, 1979. Judiciary. Confers citizenship on a named individual, posthumously.

H.R. 4183. May 22, 1979. Appropriations. Makes a supplemental appropriation for fiscal year 1979 to the Secretary of Agriculture for purposes of carrying out title III of the Federal Meat Inspection Act (Federal-State cooperation in meat inspection).

H.R. 4184. May 22, 1979. Interior and Insular Affairs. Expands the authorization for the American River Basin Development, California, to include a diversion structure and tunnel from the North Fork Consumnes River to Camp Creek.

H.R. 4185. May 22, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to require certificated air carriers to continue to provide essential air transportation to an eligible point until January 1, 1982.

H.R. 4186. May 22, 1979. Agriculture. Amends the Food Stamp Act of 1977 to authorize the use of food coupons for the purchase of meals in restaurants by members of households composed entirely of persons who are 60 years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act.

H.R. 4187. May 22, 1979. Ways and Means.

Amends the Internal Revenue Code to allow individual taxpayers a limited income tax credit for the cost of installing security devices in their principal residence.

H.R. 4188. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to deny the foreign tax credit for foreign related oil income.

H.R. 4189. May 22, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage revenue bonds, except bonds which are issued to finance housing for veterans, as general revenue bonds, or for the financing of low- and moderate-income housing and its rehabilitation.

H.R. 4190. May 22, 1979. Ways and Means. Stipulates that Mexican plywood shall remain eligible for imported duty-free treatment despite the fact that the quantity of such plywood would ordinarily make Mexican plywood ineligible for such duty-free treatment.

H.R. 4191. May 22, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4192. May 22, 1979. Judiciary. Directs the Secretary of Commerce to extend a specified patent for 17 years.

H.R. 4193. May 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4194. May 23, 1979. Interstate and Foreign Commerce. Amends the Saccharin Study and Labeling Act to extend for 36 months the current ban on any action by the Secretary of Health, Education, and Welfare with regard to saccharin.

H.R. 4195. May 23, 1979. Agriculture; Appropriations. Amends the Agricultural Act of 1949 to establish the crop production loan level for the 1980 and 1981 crops of upland cotton.

Specifies formulas for the determination of prevented planting payments for cotton and feed grains in certain circumstances.

Makes eligible for 1978 crop disaster payments certain cotton producers who were otherwise eligible for such payments, but who were deemed ineligible for failure to comply with the set-aside requirement of the 1978 crop feed grain program.

Directs the Secretary of Agriculture to make available a voluntary diversion program for the 1979 crop of upland cotton.

H.R. 4196. May 23, 1979. Merchant Marine and Fisheries. Amends the National Environmental Policy Act of 1969 to require that actions for judicial review of any final detailed environmental impact statement be filed in a court of competent jurisdiction within a statute of limitations.

H.R. 4197. May 23, 1979. Interstate and Foreign Commerce. Amends the Wool Products Labeling Act of 1939 to replace the terms "reprocessed wool" and "reused wool" by the single term "recycled wool."

H.R. 4198. May 23, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to prohibit any benefit check issued under such title from being honored for payment after 90 days have elapsed following the day on which it was issued.

H.R. 4199. May 23, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to extend until October 1, 1982, the program of Federal payments to States for costs incurred in carrying out a State plan of services for disabled children who receive SSI benefits.

H.R. 4200. May 23, 1979. Judiciary. Prohibits the Supreme Court or any other Federal court from making a decision or issuing an order which requires, or has the effect of requiring, Federal, State, or local government expenditures for a specific purpose unless Congress or the State or local legislature has authorized and appropriated funds for such purpose. Subjects to impeachment a justice or judge who violates such prohibition, including a justice or judge concurring in such a decision or order.

H.R. 4201. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to provide that an auxiliary of a tax-exempt fraternal beneficiary society shall not lose its tax-exempt status on the basis of religious discrimination, if such society limits its membership to the members of a particular religion.

H.R. 4202. May 23, 1979. Veterans' Affairs. Makes Puerto Rico eligible for Federal assistance for constructing and remodeling State home facilities for veterans.

H.R. 4203. May 23, 1979. Interior and Insular Affairs. Designates the Indian Mounds wilderness within and as part of the Sabine National Forest, Texas.

H.R. 4204. May 23, 1979. Interstate and Foreign Commerce. Subjects to liability for harm caused by the use of a product any individual engaged in interstate commerce who manufactures or sells a product which is in a defective condition or fails to warn against a dangerous condition in the use or misuse of the product.

Allows any person harmed by a product and who is a reasonably anticipated user or consumer of the product to bring an action in "product liability" against the manufacturer or seller of the product.

H.R. 4205. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, refundable income tax credit for amounts paid by blind, deaf, or speech-impaired individuals for use of toll telephone service by means of teletypewriters.

Allows an income tax deduction for a portion of the expenses incurred by a blind, deaf, or speech-impaired individual for the purchase or installation of a teletypewriter.

H.R. 4206. May 23, 1979. Education and Labor. Amends title I of the Elementary and Secondary Education Act of 1965 regarding providing information to local educational advisory councils to require that a local educational agency provide a free copy of relevant statutes and regulations to such advisory council and, upon request, to each member of such council (presently the agency is required to provide such material automatically to each council member).

H.R. 4207. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, nonrefundable income tax credit for the purchase of electric motor highway vehicles. Terminates such credit after December 31, 1985.

H.R. 4208. May 23, 1979. Banking, Finance and Urban Affairs. Prohibits a national bank from charging a rate of interest to a nonresident credit card customer in excess of the rate established by the laws of the State, territory, or district in which such bank is located.

H.R. 4209. May 23, 1979. Post Office and Civil Service. Entitles a nonprofit neighborhood organization to the reduced postage rates for third-class mail currently in effect for the mail matter of qualified nonprofit organizations.

H.R. 4210. May 23, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to provide that provisions of such Act shall not apply to clay surface mining operations.

H.R. 4211. May 23, 1979. Banking, Finance and Urban Affairs; Government Operations; Interior and Insular Affairs; Science and Technology; Interstate and Foreign Commerce; Public Works and Transportation.

Establishes a national goal for the increased use of renewable energy resources as a part of the Nation's total energy supply in the year 2000.

Provides for information and financial incentives to promote the use of such resources by establishing a Solar Energy Development Corporation and a Solar Heating and Cooling Information Center.

Authorizes the use of certain renewable resources by the Federal Government in Federal motor vehicles and Federal buildings.

H.R. 4212. May 23, 1979. House Administration. Establishes five regional Presidential primary election districts and sets dates for primary elections to be held in such districts for the purpose of electing delegates to the national political conventions.

H.R. 4213. May 23, 1979. Agriculture; Interior and Insular Affairs; Interstate and Foreign Commerce; Merchant Marine and Fisheries; Public Works and Transportation.

Establishes a program to integrate the various categorical grants by the Environmental Protection Agency to States and local governments for supporting environmental programs.

H.R. 4214. May 23, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 4215. May 23, 1979. Ways and Means. Amends the Internal Revenue Code to permit the establishment of distilled spirits plants for the purpose of producing, processing, storing, using, and distributing distilled spirits for fuel use.

H.R. 4216. May 23, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4217. May 23, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4218. May 23, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4219. May 23, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4220. May 24, 1979. Judiciary. Authorizes the granting of a visa to and admission of a named individual to the United States for permanent residence.

H.R. 4221. May 24, 1979. Veterans' Affairs. Increases from two and one-half to four the number of beds per thousand veteran population required with regard to Federal assistance for constructing and remodeling State home facilities for veterans.

H.R. 4222. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on taxable crude oil removed from the premises during each taxable period.

H.R. 4223. May 24, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate segments of the Stanislaus River, California, as part of the National Wild and Scenic Rivers System.

H.R. 4224. May 24, 1979. House Administration. Authorizes the Camp Fire Girls of Cundys Harbor, Maine, to erect a monument on Maine Avenue in the District of Columbia entitled "The Maine Lobsterman."

H.R. 4225. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to permit the accelerated depreciation of business property with a basis of less than $100,000 and to provide for the limited nonrecognition of gain from the sale of certain business property.

Amends the Securities Act of 1933 to raise the amount of the small issues exemption.

H.R. 4226. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the tuition paid for the elementary, secondary, college, or postsecondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 4227. May 24, 1979. Agriculture. Amends the Rural Development Act of 1972

to direct the Secretary of Agriculture to study and report to the President and the Congress concerning the protection of agricultural land and methods of reducing the quantity of such land being converted from agricultural to nonagricultural uses.

H.R. 4228. May 24, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish a program of grants to: (1) develop model preretirement education programs; (2) train personnel for such programs; (3) prepare related information and materials; and (4) provide consultation services.

Directs the Secretary of Health, Education, and Welfare to carry out a preretirement education study and a retirement employment study.

H.R. 4229. May 24, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit Federal officials or employees from refusing to issue or review airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, airline pilots solely by the reason of the age of such person, if such person is less than 70 years of age.

H.R. 4230. May 24, 1979. Ways and Means; Interstate and Foreign Commerce. Authorizes rural hospitals of less than 50 beds which have been granted a certificate of need for the provision of long-term care services to enter into agreements with the Secretary of Health, Education, and Welfare under the Medicare (title XVIII) and Medicaid (title XIX) programs of the Social Security Act providing that their inpatient hospital facilities may be used to furnish services which, if furnished by a skilled nursing facility, would constitute post hospital extended care services. Authorizes, pursuant to such agreements, payments to be made for skilled nursing services and intermediate care services furnished by a hospital.

H.R. 4231. May 24, 1979. Public Works and Transportation. Designates the Federal Building in Trenton, North Carolina, as the John D. Larkins, Jr., Federal Building.

H.R. 4232. May 24, 1979. Agriculture. Amends the Food Stamp Act of 1977, with respect to households composed entirely of persons who are 60 years of age or older or who receive supplemental security income benefits under title XVI of the Social Security Act, to entitle such households to a medical expense deduction.

H.R. 4233. May 24, 1979. Judiciary. Directs each Federal agency to: (1) publish a regulatory analysis of each major rule; (2) report to Congress and the public on its regulatory activities; (3) establish deadlines for regulatory functions; and (4) create an office for regulatory management.

Revises agency rulemaking and adjudication proceedings. Authorizes agencies to establish employee boards to review proceeding decisions. Directs the Office of Personnel Management to test, register, and certify administrative law judges.

Directs each agency to annually review one or more of its rules to determine whether continuation or amendment of the rule is in the public interest.

Reorganizes the Administrative Conference of the United States.

H.R. 4234. May 24, 1979. Education and Labor. Directs the Commissioner of Education to provide funds to any county submitting an application (as set forth in this act) for the purposes of providing library facilities and services, or constructing or expanding libraries, in small communities.

H.R. 4236. May 24, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 and the Federal Salary Act of 1967 to discontinue the annual adjustments in the rate of pay for Members of Congress and to provide for a reduction of the annual rate of pay for Members of Congress effective for any pay period based on any increase in the Consumer Price Index published during the preceding pay period.

H.R. 4236. May 24, 1979. Interstate and Foreign Commerce. Amends the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require public notice by manufacturers of tire defects should the Secretary determine that it is necessary in the interest of motor vehicle safety.

H.R. 4237. May 24, 1979. Agriculture; Foreign Affairs. Amends the Commodity Credit Corporation Act to designate the Commodity Credit Corporation as the seller or marketing agent for all export sales of wheat, feed grains, rice, and soybeans.

Authorizes the Board of Directors of the Corporation, acting as the National Grain Board, to negotiate such export sales.

Establishes in the Treasury of the United States a revolving Export Sales Fund.

H.R. 4238. May 24, 1979. Education and Labor. Entitles Civil Air Patrol Cadets of a specified age to compensation available to Civil Air Patrol senior members in the event of disability or death, and increases the amount of such compensation.

H.R. 4239. May 24, 1979. Ways and Means. Amends the Internal Revenue Code to exempt from the excise tax on the use of civil aircraft, aircraft owned and operated by the Civil Air Patrol if such aircraft are used in search and rescue missions by the Civil Air Patrol.

H.R. 4240. May 24, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to cause a named vessel to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade.

H.R. 4241. May 24, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4242. May 24, 1979. Judiciary. Authorizes classification of a named individual as a natural-born alien daughter of a named alien lawfully admitted for permanent residence in the United States.

H.R. 4243. May 30, 1979. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965, with respect to financial assistance to a State for development of basic outdoor recreation facilities, to remove: (1) the ten percent limitation on the use of such assistance for construction of sheltered swimming pools and ice skating rinks; and (2) the restriction of such use to areas of severe climatic conditions.

H.R. 4244. May 30, 1979. House Administration. Grants the right to vote in any primary or runoff election for Federal office to citizens who will be 18 years of age or older on the date of the related general or special election.

H.R. 4245. May 30, 1979. Agriculture. Amends the Rural Development Act of 1972 to authorize the Secretary of Agriculture to guarantee loans for the construction and maintenance of plants for the production of fuel alcohol from corn and other agricultural commodities.

Amends the Agricultural Act of 1949 to set the loan level and the established price of the 1982 crop of corn.

H.R. 4246. May 30, 1979. House Administration. Permits Members of Congress, the Resident Commissioner from Puerto Rico, and Delegates for the District of Columbia, Guam, and the Virgin Islands to transfer their copies of the Congressional Record to private tax-exempt schools.

H.R. 4247. May 30, 1979. Interstate and Foreign Commerce; Judiciary; Ways and Means. Authorizes the Secretary of Transportation to establish standards to reduce motor vehicle theft. Establishes penalties for: (1) removing or altering the identification number for any motor vehicle or motor vehicle part; (2) buying or otherwise possessing, with intent to sell, any motor vehicle or part knowing that such removal or alteration has occurred; and (3) importing or exporting stolen motor vehicles, vessels, aircraft or parts, or motor vehicles or parts with altered identification numbers. Grants enforcement powers to customs officers.

H.R. 4248. May 30, 1979. Ways and Means. Amends the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported papayas to the same regulation as to grade, size, quality, or maturity as domestically produced papayas, whenever domestic papayas are made subject to a marketing order regulating such items.

H.R. 4249. May 30, 1979. Public Works and Transportation. Authorizes the Secretary of Transportation to continue to designate certain Federal-aid primary system highways as part of the Interstate Highway System.

Stipulates that a State shall not have to reimburse the Highway Trust Fund for routes withdrawn from the Interstate System under specified conditions.

Increases the Federal share of the cost of training State and local highway department employees.

Directs the Secretary of Transportation to develop a system of allocating State bonded indebtedness for the portion of certain roads on the Interstate System which are toll free and those which are not.

H.R. 4250. May 30, 1979. Interior and Insular Affairs. Amends the National Trails System Act to include the Goodnight Trail and Goodnight-Loving Trail for study as national historic trails.

H.R. 4251. May 30, 1979. Interior and Insular Affairs. Amends the National Trails System Act to designate the Santa Fe National Historic Trail as a unit of the National Trails System.

H.R. 4252. May 30, 1979. Interior and Insular Affairs. Amends the National Trails System Act of 1968 to designated the Chisholm, Shawnee, and Western Trails as a unit of the National Trails System to be known as the Old Cattle National Historic Trails.

H.R. 4253. May 30, 1979 Post Office and Civil Service. Authorizes the Secretary of Commerce to collect decennial statistics relating to deaf individuals.

H.R. 4254. May 30, 1979. Ways and Means. Amends the Internal Revenue Code to permit the accelerated depreciation of business property with a basis of less than $100,000.

H.R. 4255. May 30, 1979. Armed Services. Revises procedures regarding the disposal of unclaimed property which comes into the custody of a military department.

H.R. 4256. May 30, 1979. Armed Services. Repeals the provisions of law prohibiting female members of the Navy and Air Force from being assigned to duty on vessels or in aircraft engaged in combat missions.

H.R. 4257. May 30, 1979. Judiciary. Directs the Attorney General to make grants to qualifying State programs for the compensation of victims of crime. Sets forth requirements for program qualification and grant formula. Establishes an Advisory Committee on Victims of Crime to advise the Attorney General with respect to the administration of the compensation program.

H.R. 4258. May 30, 1979. Interstate and Foreign Commerce. Requires the issuance by the Department of Health, Education, and Welfare of a descriptive monograph for every new drug entity or drug product manufactured, imported into, exported from, or distributed in the United States. Provides procedures for the issuance, amendment, suspension, and revocation of such monographs.

Prescribes the content of informational and promotional drug product labeling.

Prohibits drug product licensees from distributing free samples of prescription drugs.

Amends the Public Health Service Act to establish the National Center for Clinical Pharmacology to conduct and support research in clinical pharmacology and drug use in the United States.

H.R. 4259. May 31, 1979. Banking, Finance and Urban Affairs. Authorizes the President, on behalf of the Congress, to present a specially struck gold medal to the American Red Cross.

Authorizes the Secretary of the Treasury to make bronze duplicates of such medal for public sale.

H.R. 4260. May 31, 1979. Interior and Insular Affairs. Prohibits the delivery of water from specified Federal reclamation projects for the irrigation of surplus commodities within ten years of the completion of such projects.

H.R. 4261. May 31, 1979. Post Office and Civil Service. Designates the daisy as the national flower of the United States.

H.R. 4262. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to impose upon producers of domestic crude oil an excise tax on the windfall profits from the production and sale of petroleum products.

H.R. 4263. May 31, 1979. Interstate and Foreign Commerce. Amends the Petroleum Marketing Practices Act to prohibit motor fuel franchisors from terminating diesel fuel retail distribution franchises under which the franchisee regularly sells diesel fuel for agricultural or other essential uses, except in certain cases.

H.R. 4264. May 31, 1979. Judiciary. Exempts classroom performances or displays of a work by instructors or pupils of any educational institution (presently a nonprofit educational institution) from copyright royalty requirements.

H.R. 4265. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow homeowners a nonrefundable income tax credit for expenses paid or incurred to make alterations to their residences in order to make such residences more suitable for handicapped family members.

H.R. 4266. May 31, 1979. Interstate and Foreign Commerce. Permits the Federal Trade Commission to disallow enforcement of exclusive territorial licensing agreements in the manufacture and distribution of soft drinks only if it determines that the benefits of such an agreement to the public exceed its detriments. Sets forth factors which must be considered by the Commission in making its determination.

H.R. 4267. May 31, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Medicare program of the Social Security Act to authorize the President to enter into agreements establishing reciprocal arrangements between such program and the program of any foreign country under which health services are provided.

H.R. 4268. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow homeowners or businessmen a refundable income tax credit for increases in electricity costs incurred by such individuals as a result of the shutdown of the nuclear plant at Three Mile Island.

H.R. 4269. May 31, 1979. Foreign Affairs; Banking, Finance and Urban Affairs. Amends the Foreign Assistance Act of 1961, the Agricultural Trade Development and Assistance Act of 1954, and the Export-Import Bank Act to prohibit foreign assistance and other financial assistance to countries violating the Universal Declaration of Human Rights, unless Congress approves the President's determination that such assistance meets specified conditions.

Amends the Act providing for increased U.S. participation in specified international financial institutions to require U.S. Executive Directors of such institutions to oppose loans to countries to which U.S. foreign assistance has been terminated on account of human rights violations.

H.R. 4270. May 31, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to eliminate agricultural credit transactions and certain purchases of mobile homes from such Act. Establishes guidelines for restitution by enforcement agencies when they discover understatements by creditors of annual percentage rates or finance charges. Sets forth the liability of creditors and assignees for failure to disclose or for inaccurate disclosure of information required by such Act. Requires the development of model forms and clauses for use in common transactions describing the transaction in understandable language.

H.R. 4271. May 31, 1979. Education and Labor. Amends the Library Services and Construction Act to revise the limitation on reduction of funds formula that a State must include in its application for Federal library services assistance.

H.R. 4272. May 31, 1979. Judiciary. Revises the powers and duties of United States marshals with respect to service of civil process and the authority of the Canal Zone.

H.R. 4273. May 31, 1979. Judiciary. Deletes the requirement that the Trademark Trail and Appeal Board be composed of employees and officials of the Patent and Trademark Office. States that the Board shall consist of the Commissioner of Patents and Trademarks, the Deputy Commissioner, the Assistant Commissioners, and other persons competent in trademark law.

H.R. 4274. May 31, 1979. Armed Services. Reduces the minimum unit size requirement needed to form a unit of the Junior Reserve Officers' Training Corps from 100 eligible students to 50 students.

H.R. 4275. May 31, 1979. Public Works and Transportation. Designates the aquarium to be built by the city of Baltimore, Maryland, as the National Aquarium.

H.R. 4276. May 31, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to study the feasibility of establishing the Juan Bautista de Anza National Historic Trail.

H.R. 4277. May 31, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete the tariff provisions for products assembled abroad from U.S. components.

H.R. 4278. May 31, 1979. Judiciary. Prohibits specified acts relative to obtaining or altering a Federal, State, or local government document containing an element of identification.

H.R. 4279. May 31, 1979. House Administration. Establishes the Commission to Construct a Monument Dedicated to the Duties and Responsibilities of American Citizens.

H.R. 4280. May 31, 1979. Ways and Means. Amends the Internal Revenue Code to allow a special election to any individual who sold his principal residence after December 31, 1977, and before July 27, 1978, and who attained age 55 before the date of such sale, to exclude up to $100,000 of gain on the sale of such residence.

H.R. 4281. May 31, 1979. Post Office and Civil Service. Directs Federal employee health plans to require a second medical opinion before providing benefits for elective surgery.

H.R. 4282. May 31, 1979. Ways and Means; Interstate and Foreign Commerce. Repeals the requirement under part A (General Provisions) of title XI of the Social Security Act for hospitals, skilled nursing facilities, intermediate care facilities, home health agencies, health maintenance organizations, and other types of health services facilities and organizations to which payment may be made under the Social Security Act to report: (1) the aggregate cost of operation and the aggregate volume of services; (2) the costs and volume of services for various functional accounts and subaccounts; (3) rates, by category of patient and class of purchaser; (4) capital assets; and (5) discharge and bill data.

H.R. 4283. May 31, 1979. Interstate and Foreign Commerce. Amends the Energy Policy and Conservation Act to establish an emergency program for the conservation of gasoline and diesel oil, including minimum fuel purchase requirements and a standby emergency fuel conservation sticker plan.

H.R. 4284. May 31, 1979. Judiciary. Directs the Secretary of the Treasury to pay amounts due certain claimants whose claims were filed with and considered by the Secretary of the Army in accordance with this Act.

H.R. 4285. May 31, 1979. Judiciary. Directs the Foreign Claims Settlement Commission to receive, consider, adjudicate, and, if found meritorious, pay a claim filed within one year by two named individuals.

H.R. 4286. May 31, 1979. Judiciary. Confers jurisdiction on a specified district court over a specified claim of a named individual against the United States. Directs that suit upon such claim be brought during a specified period.

H.R. 4287. May 31, 1979. Judiciary. Authorizes classification of a named individual as a daughter of a citizen of the United States, for purposes of the Immigration and Nationality Act.

H.R. 4288. May 31, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4289. May 31, 1979. Makes supplemental appropriations for fiscal year 1979 to the Legislative, Judicial, and Executive Branches and specified agencies of the Federal Government. Increases the amount to be appropriated for increased pay costs authorized by law for fiscal year 1979.

H.R. 4290. June 4, 1979. Ways and Means. Amends the Internal Revenue Code to provide that charitable contributions attributable to charitable corporate trusts shall be treated as deductions from gross income for purposes of determining the minimum tax liability for adjusted itemised deductions.

H.R. 4291. June 4, 1979. Intelligence; Post Office and Civil Service; Veterans' Affairs. Establishes criminal penalties for the disclosure of classified information identifying an individual engaged in foreign intelligence or counterintelligence activities for the United States Government.

H.R. 4292. June 4, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 4293. June 4, 1979. Banking, Finance and Urban Affairs. Authorizes the President to present, in the name of the Congress, a gold medal to the Connecticut Afro-American Historical Society in recognition of the great achievements of the late Matthew Alexander Henson in the company of Admiral Robert E. Perry in the discovery of the North Pole.

H.R. 4294. June 4, 1979. Judiciary. Amends the Immigration and Nationality Act to include within the definition of "special immigrant" certain retired officers and employees of international organizations, their children, and surviving spouses of such deceased officers or employees.

H.R. 4295. June 4, 1979. Judiciary. Amends the Clayton Act to restrict mergers and acquisitions by the major petroleum producers.

H.R. 4296. June 4, 1979. Small Business. Reduces the principal and rate of interest on specified small business disaster loans made in connection with the Johnstown, Pennsylvania, flood of 1977.

H.R. 4297. June 4, 1979. Judiciary. Authorizes the court, in an action by an employee against an employer with respect to

jury service, to award attorneys' fees under certain circumstances.

H.R. 4298. June 4, 1979. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer to roll over a complete distribution from a money purchase pension plan or report income from such distribution according to the ten year income averaging rules, even if there is no similar distribution from another pension plan of the same employer in which the taxpayer is a participant.

H.R. 4299. June 4, 1979. Ways and Means. Amends the Internal Revenue Code to qualify property used by the International Telecommunications Satellite Consortium, the International Maritime Satellite Organization, and any successor organizations, for the investment tax credit.

H.R. 4300. June 4, 1979. Interior and Insular Affairs. Amends the Alaska Native Claims Settlement Act to create the Thirteenth Regional Corporation Land Commission to select for conveyance to the Thirteenth Regional Corporation a specified acreage of public lands within the State of Alaska. Sets forth the criteria for such selection.

Directs the Secretary of the Interior to patent to such Corporation the surface and subsurface estate of such lands. Requires that such lands be subject to public easements in a specified manner.

H.R. 4301. June 4, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4302. June 4, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4303. June 5, 1979. Agriculture. Amends the Food Stamp Act of 1977 to remove the limit on the excess shelter expense deduction in the computation of household income for households composed entirely of persons who are age 60 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act. Entitles such households to a medical expense deduction.

H.R. 4304. June 5, 1979. Public Works and Transportation; Science and Technology. Amends the Federal Aviation Act of 1958 to direct the Secretary of Transportation to promulgate standards for an airborne collision avoidance system.

H.R. 4305. June 5, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act, the Federal Deposit Insurance Act, the Home Owners' Loan Act of 1933, and the Federal Credit Union Act to authorize the following banking services: (1) automatic funds transfers from savings to checking accounts by federally-insured banks; (2) remote service units for Federal savings and loan associations; and (3) share draft accounts by Federal credit unions.

H.R. 4306. June 5, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that no part of the excess earnings of an individual shall be charged to any month if such month is in the taxable year in which occurs the first month after December, 1977, that is both a month in which the individual is entitled to benefits and is unemployed.

Disregards income received on a deferred basis for purposes of determining OASDI eligibility based on income.

H.R. 4307. June 5, 1979. Ways and Means. Amends the Revenue Act of 1978 to provide that an employer will not be required to make advance payments of the earned income credit until January 1, 1980.

H.R. 4308. June 5, 1979. Interior and Insular Affairs. Establishes the Legionville National Historic Site in the State of Pennsylvania to preserve and protect the site of the first United States military training camp.

H.R. 4309. June 5, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete wire that is cut to length from the tariff provisions applicable to iron or steel.

H.R. 4310. June 5, 1979. Merchant Marine and Fisheries; Ways and Means. Amends the Federal Boat Safety Act of 1971 to direct the Secretary of the Department in which the Coast Guard is operating to administer a national recreational boating safety and facilities improvement program through allocations of matching funds to accepted State programs.

Establishes in the Treasury a National Recreational Boating Safety and Facilities Improvement Fund.

Amends the Highway Revenue Act of 1956 to direct the Secretary of the Treasury to transfer to such Fund certain tax revenues from special motor fuels and gasoline used in motor boats.

H.R. 4311. June 5, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to develop a plan for the establishment of a Historic and Natural Preserve to consist of such areas of the Antarctic Continent and surrounding waters as may be necessary to preserve outstanding geological, historical, and natural values.

Authorizes the Secretary to establish the Antarctic Historic and Natural Preserve subsequent to ratification by interested nations.

H.R. 4312. June 5, 1979. Banking, Finance and Urban Affairs. Amends the Federal National Mortgage Association Charter Act to increase the income ceiling for families eligible for energy conservation loans.

H.R. 4313. June 5, 1979. Agriculture; Small Business. Authorizes the Secretary of Agriculture to make grants through the rural forestry assistance program of the Forest Service to States for the employment of additional State foresters.

Directs: (1) the Secretary of Energy to develop a plan to increase the assistance and information provided to the Forest Service by the Department of Energy; and (2) the Administrator of the Small Business Administration to develop a plan to increase the managerial assistance and information provided to small woodlot owners and wood fuel distributors and marketers by the Small Business Administration.

H.R. 4314. June 5, 1979. Agriculture. Amends the Soil Conservation and Domestic Allotment Act to extend the period during which the Secretary of Agriculture may enter into contracts under the Great Plains conservation program.

Increases the ceiling on the authorization for the entire Great Plains program and for annual program payments.

H.R. 4315. June 5, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to authorize the President to impose export controls for national security purposes on goods and technology which have any potential for military, law enforcement, or intelligence gathering purposes.

Directs the President to require a license for the export of goods and technology to any Communist country. Provides a procedure for Congress to disapprove the issuance of such license.

Authorizes the Secretary of Defense to review any proposed export of goods and technology to any Communist country and recommend disapproval if such export could prove detrimental to the national security of the United States.

H.R. 4316. June 5, 1979. Science and Technology. Establishes a national civilian space and aeronautics policy to provide the framework for a world information system, an orbital civilization, exploration of the solar system, and the development of other space and aeronautical activities.

Sets forth national space and aeronautics principles to assure the timely and peaceful expansion of space and atmospheric environments for the benefit of mankind and the Nation.

Establishes a program, including specific research and systems development activities, for the fulfillment of such policy and principles.

H.R. 4317. June 5, 1979. Interior and Insular Affairs. Amends the boundary of the Harpers Ferry National Historical Park to include Short Hill in Loudoun County, Virginia.

H.R. 4318. May 5, 1979. Agriculture. Amends the Food Stamp Act of 1977 with regard to: (1) accounting methods for determining household income; (2) standards for periodic household income reporting requirements; (3) State agency error liability; (4) disclosure of Social Security Administration and other work-related data to the Secretary of Agriculture for household eligibility auditing purposes; and (5) recoupment of amounts lost through fraudulent conduct.

Increases the appropriation authorized for fiscal year 1979, and removes the ceiling on the authorizations for fiscal years 1980 and 1981.

H.R. 4319. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to provide that State and local governments and certain tax-exempt organizations shall be eligible for the refund of the investment tax credit for solar and wind energy property.

H.R. 4320. June 5, 1979. Interior and Insular Affairs. Gives the consent of the Congress to the amended Bear River Compact between the States of Idaho, Utah, and Wyoming which establishes the Bear River Commission to regulate the diversion of water from the Bear River.

H.R. 4321. June 5, 1979. Ways and Means; Judiciary; Agriculture; Interstate and Foreign Commerce. Amends titles IV (Aid to Families with Dependent Children and Aid for Child Welfare Services) and XVI (Supplemental Security Income) of the Social Security Act to revise the benefits, eligibility standards, Federal financial participation, and administration of the programs established under such titles.

Makes further amendments to the Act relating to: (1) time limitations for seeking Federal reimbursement; (2) the administration of the Act; (3) the Territories; (4) the availability of Federal records; (5) research and demonstration projects; and (6) child support collection and payment.

H.R. 4322. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the depletion to the purchaser of the waste or residue of uranium mining or of the rights to extract ores or minerals from such waste or residue.

H.R. 4323. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit equal to $3 for each barrel of oil or bitumen produced from any rock type that is not producible by primary recovery methods due to the viscosity and the lack of natural mobility of the oil in-place.

H.R. 4324. June 5, 1979. Interior and Insular Affairs: Agriculture. Amends the Wilderness Act to direct the Secretaries of Agriculture and of the Interior, with respect to wilderness areas under their respective jurisdictions, to provide by regulation for the availability of timber and other forest products in each of those wilderness areas for cutting and removal by individuals exclusively for personal use as firewood in their personal residences.

H.R. 4325. June 5, 1979. Judiciary; Interstate and Foreign Commerce. Establishes an independent Office of Special Prosecution with exclusive jurisdiction to investigate and prosecute violations of any provisions of, or regulation promulgated under, the Emergency Petroleum Allocation Act of 1973.

H.R. 4326. June 5, 1979. Education and Labor: Science and Technology. Establishes a National Commission on the Scientific and Technological Implications of Information Technology in Education to conduct studies and investigations into the status, effect, costs, and benefits of information technologies and computer-based instructional materials on education.

H.R. 4327. June 5, 1979. Education and Labor. Amends the General Education Provisions Act to extend the authorization of appropriations for the National Institute of Education.

H.R. 4328. June 5, 1979. Agriculture; Ways and Means. Authorizes the regulation of sugar imports by the President to implement the International Sugar Agreement, 1977.

H.R. 4329. June 5, 1979. Government Operations; Rules. Terminates the Department of Energy.

H.R. 4330. June 5, 1979. Judiciary. States that it shall not be deemed an act in restraint of trade for a nonprofit blood bank, nonprofit reservoir of human organs, or any hospital or physician to refuse, or to join with others in refusing, to obtain blood or blood plasma, tissue, or organs from other blood banks, or reservoirs, nor shall the interstate shipment of such things be considered to be trade or commerce in commodities.

H.R. 4331. June 5, 1979. Judiciary. Amends the Immigration and Nationality Act to revise the conditions under which aliens will be allowed immigrant visas for entry into the United States to practice medicine, attend graduate medical school, or perform other medically-related activities.

H.R. 4332. June 5, 1979. Ways and Means. Amends the Internal Revenue Code to deny a tax exclusion of the interest on State and local mortgage revenue bonds, except bonds which are issued by a State agency, pursuant to State legislative authorization.

Limits the issuance of industrial development bonds for housing purposes to those bonds issued by a State agency in conformity with the requirements of this Act.

H.R. 4333. June 5, 1979. Judiciary. Relieves a named individual of liability to the United States in a specified amount.

H.R. 4334. June 5, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 4335. June 6, 1979. Interstate and Foreign Commerce. Amends the National Energy Conservation Policy Act of 1978 to establish a wind energy systems program for the accelerated utilization of wind energy for electric power production in Federal facilities.

H.R. 4336. June 6, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 4337. June 6, 1979. Government Operations. Transfers the Foreign Claims Settlement Commission to the Department of Justice. Abolishes the Annual Assay Commission and assay commissioner positions, the United States Marine Corps Memorial Commission, and the Low Emission Vehicle Certification Board. Directs the Director of the Office of Management and Budget to Oversee the implementation of this Act.

H.R. 4338. June 6, 1979. Post Office and Civil Service; Ways and Means. Establishes an annual "National Tax Liberation Day" and designates such day as a legal public holiday.

H.R. 4339. June 6, 1979. Post Office and Civil Service. Repeals provisions providing reduced postal rates for political committees.

H.R. 4340. June 6, 1979. Interior and Insular Affairs. Amends the Atomic Energy Act of 1954 to remove the statutory limitations on aggregate liability for a single nuclear incident and to limit the financial obligations of the United States with respect to such incidents in the case of facilities licensed after enactment of this Act.

H.R. 4341. June 6, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to entitle a spouse of a person receiving a disability annuity to an annuity at age 60 if the disabled individual would have completed 30 years of service as of the date of that person's attaining the age of 60. Includes the period during which the disabled individual was receiving such an annuity before the age of 60 as creditable service for purposes of this Act.

H.R. 4342. June 6, 1979. Public Works and Transportation. Prohibits the Secretary of Transportation from making Federal funding available for highway projects within a State if the State provides subsidized parking spaces for State employees.

H.R. 4343. June 6, 1979. Ways and Means. Amends the Internal Revenue Code to allow homeowners or businessmen a refundable income tax credit for increases in electricity costs incurred by such individuals as a result of the shutdown of the nuclear plant at Three Mile Island.

H.R. 4344. June 6, 1979. Ways and Means. Amends the Internal Revenue Code to deny an income tax deduction for any expenses paid or incurred to advertise alcoholic beverages.

H.R. 4345. June 6, 1979. Interstate and Foreign Commerce. Establishes a program to promote the development and use of replacement fuels in the United States for the purpose of replacing gasoline used as a motor fuel with alcohol or other liquid produced from coal, oil, shale, and other substances.

Directs the Secretary of Energy to set production goals for such rules.

H.R. 4346. June 6, 1979. Education and Labor; Ways and Means. Amends the Higher Education Act of 1965 and the Internal Revenue Code of 1954 to establish a system of undergraduate tuition advances to be repaid as an income tax.

Establishes a trust fund in the United States Treasury for such tuition advance program.

H.R. 4347. June 6, 1979. Interstate and Foreign Commerce. Revises and extends the programs of the National Institute of Arthritis, Metabolism, and Digestive Diseases with respect to diabetes. Establishes within the Institute the position of Associate Director for Diabetes. Revises the duties of, and extends, the National Diabetes Advisory Board.

H.R. 4348. June 6, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire the Walnut Street Theatre, Philadelphia, for inclusion in Independence National Historical Park in that city.

H.R. 4349. June 6, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 4350. June 6, 1979. Banking, Finance and Urban Affairs. Establishes the National Neighborhood Reinvestment Corporation to continue and expand upon the work of the urban reinvestment task force.

H.R. 4351. June 6, 1979. Agriculture. Directs the Secretary of Agriculture to establish a program to develop improved methods for using organic wastes in agriculture.

H.R. 4352. June 6, 1979. Banking, Finance and Urban Affairs. Authorizes the Comptroller General to audit the programs, activities, and financial operations of the Federal National Mortgage Association.

Amends the Housing and Urban Development Act of 1968 to authorize the Secretary of Housing and Urban Development to extend counseling and technical assistance to owners of single-family dwelling units.

Amends the National Housing Act to make changes in Federal coinsurance and insurance programs.

H.R. 4353. June 6, 1979. Judiciary. Establishes in the Department of Justice a Victims Compensation Commission to administer a program for compensating victims and intervenors of Federal crimes.

Establishes a witnesses of crime assistance bureau in each United States attorney's office.

Authorizes the Administrator of the Law Enforcement Assistance Administration to provide grants to States to establish similar victim compensation and witness programs.

Increases the expenses allowed to witnesses in Federal courts.

H.R. 4354. June 6, 1979. Judiciary. Amends the Gun Control Act of 1968 to prohibit any person licensed under such Act from manufacturing, selling, delivering, or transferring any concealable handgun or any revolver or pistol which fails to meet specified requirements.

Imposes additional penalties for persons using a firearms or destructive device during the commission of a felony prosecutable in Federal court.

H.R. 4355. June 6, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to allow the Department of Energy and the Tennessee Valley Authority to guarantee loans to expedite national defense contracts under such Act.

Authorizes the President to provide loans to private business enterprises for the production of energy.

Directs the President to attempt to achieve a specified national production goal for synthetic fuels and synthetic chemical feedstocks within five years.

H.R. 4356. June 6, 1979. Agriculture. Amends the Food Stamp Act of 1977 to exclude from the calculation of household income for any household in which an individual is receiving aid payments to families with dependent children all educational loans on which payment is deferred, grants, scholarships, fellowships, veterans, educational benefits, and the like received by such individual for purposes of pursuing an education at an institution of higher education or school for the handicapped.

H.R. 4357. June 6, 1979. Merchant Marine and Fisheries. Amends the Fishery Conservation and Management Act of 1976 and the Atlantic Tunas Convention Act of 1975 to include the Atlantic bluefin tuna under the management authority of the United States within the fishery conservation zone.

H.R. 4358. June 6, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to require a specified amount of the sums appropriated for the National Institute of Neurological and Communicative Disorders and Stroke (designated by this Act) to be obligated for research in the area of regeneration of the spinal cord.

H.R. 4359. June 6, 1979. Armed Services. Entitles enlisted members of an armed force who have five or more years, but less than 20 years, of creditable service and who are involuntarily discharged or denied reenlistment to severance pay. Sets forth the method for computing such pay.

H.R. 4360. June 6, 1979. Merchant Marine

and Fisheries. Allows any citizen of the United States to apply to the Secretary of the Department in which the National Marine Fisheries Service is located for approval of an underutilized specie development plan. Authorizes the Secretary to approve such plan if it is determined that it will facilitate the development of an underutilized specie or species.

H.R. 4361. June 6, 1979. Interior and Insular Affairs; Foreign Affairs; Interstate and Foreign Commerce. Prohibits the Departments of State and of Energy from initiating any in-house feasibility studies or negotiations with foreign nations for the storage within the United States of spent fuel from any foreign nuclear reactor until the Secretary of Energy has established the technical specifications which will apply to the permanent storage of spent fuel from nuclear reactors.

H.R. 4362. June 6, 1979. Interstate and Foreign Commerce; Agriculture; Ways and Means. Directs the Secretary of Health, Education, and Welfare to: (1) develop programs for the detection and prevention of nutritional disorders in children and women; (2) contract to develop radio and television broadcasts with respect to nutrition information; and (3) develop jointly with the Secretary of Agriculture coordinating mechanisms with respect to human nutrition research activities and certain nutrition and dietary guidelines.

H.R. 4363. June 6, 1979. Merchant Marine and Fisheries; Rules. Declares a moratorium on rules and regulations of the Environmental Protection Agency.

Stipulates that certain rules or regulations of the Agency shall cease to have any force and effect upon disapproval by either House of Congress.

Requires the Committees on Merchant Marine and Fisheries and on Interstate and Foreign Commerce to report to the House of Representatives the results of a complete and comprehensive review of all laws, rules, and regulations enforced by the Agency to determine the impact and extent to which such laws, rules, and regulations have contributed to, or exacerbated, the current energy crisis.

H.R. 4364. June 6, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4365. June 7, 1979. Banking, Finance and Urban Affairs. Revises: (1) the power of national banks to purchase, hold, and convey real property; (2) trust powers of national banks; and (3) emergency restrictions on Federal Reserve banks. Directs the Comptroller of the Currency to disburse the liquidating dividends from national banks closed on or before January 22, 1934, known as the National Bank Closed Receivership Fund, held by the Comptroller in the capacity as successor to receivers of those banks.

H.R. 4366. June 7, 1979. Ways and Means. Amends the Internal Revenue Code to provide for cost of living adjustments in the individual income tax rates, in the amount of the zero bracket amount, and in the amount of the personal exemptions.

H.R. 4367. June 7, 1979. Veterans' Affairs. Redefines "veteran" for purposes of veterans' benefits and post-Vietnam educational assistance eligibility.

H.R. 4368. June 7, 1979. Ways and Means. Amends the Internal Revenue Code to permit the refund of excise tax on gasoline which is used to produce gasohol.

H.R. 4369. June 7, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire by donation the former residence of Gerald R. Ford located in Grand Rapids, Michigan, and to establish and administer the Gerald R. Ford National Historic Site.

H.R. 4370. June 7, 1979. Interior and Insular Affairs; Public Works and Transportation. Authorizes the Secretary of the Interior to grant rights-of-way on Federal and non-Federal lands for the construction, operation, and maintenance of coal pipelines and related facilities.

H.R. 4371. June 7, 1979. Merchant Marine and Fisheries. Amends the National Environmental Policy Act of 1969 to require that actions for judicial review of any final detailed environmental impact statement be filed in a court of competent jurisdiction within a statute of limitations.

H.R. 4372. June 7, 1979. Ways and Means. Amends the Internal Revenue Code and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to include Members of Congress within the coverage of the OASDI program.

Limits the amount of OASDI benefits which a Member may receive if such Member is also eligible for a civil service annuity based on the same period of congressional service.

H.R. 4373. June 7, 1979. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to require competitive bidding for leases on Federal lands with oil or gas deposits.

Revises the limitations on leases bid on by major oil companies and on the amount of land which may be leased to such companies.

H.R. 4374. June 7, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to freeze the inpatient hospital deductible at the amount applicable to the year of enactment of this Act.

H.R. 4375. June 7, 1979. Science and Technology. Authorizes the appropriation of specified funds to the Department of Energy for defraying approximately one-half of the cost of plant and capital equipment for a demonstration project consisting of a peat-fueled electrical generating plant in North Carolina.

H.J. Res. 300. April 10, 1979. Judiciary. Constitutional Amendment—Declares that the right to life vests from the moment of fertilization without regard to age, health, or condition of dependency.

H.J. Res. 301. April 10, 1979. Judiciary. Constitutional Amendment—Permits voluntary prayer in public buildings.

H.J. Res. 302. April 24, 1979. Judiciary. Constitutional Amendment—Permits people to observe a moment of silence in public buildings.

H.J. Res. 303. April 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the seven-day period beginning October 7, 1979, as "National Port Week."

H.J. Res. 304. April 24, 1979. Judiciary. Constitutional Amendment—Permits States to propose constitutional amendments if the President establishes that two-thirds of the States have approved proposals for substantially identical amendments.

H.J. Res. 305. April 25, 1979. Judiciary. Constitutional Amendment—Prohibits total outlays of the Government from exceeding total receipts in any fiscal year except in the case of a declared national emergency.

H.J. Res. 306. April 25, 1979. Post Office and Civil Service. Designates the period from February 10 through February 16, 1980, as "National Defense Week."

H.J. Res. 307. April 25, 1979. Armed Services. Establishes a Bill of Rights for members of the armed forces with respect to pay, housing, and medical care.

H.J. Res. 308. April 30, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 309. April 30, 1979. Post Office and Civil Service. Designates the American marigold as the national floral emblem of the United States.

H.J. Res. 310. April 30, 1979. Banking, Finance and Urban Affairs. Disapproves and invalidates regulations of the Department of Housing and Urban Development concerning minimum property standards for thermal insulation requirements.

H.J. Res. 311. April 30, 1979. Post Office and Civil Service. Authorizes and requests the President to designate April 22 of each year as "Queen Isabella Day."

H.J. Res. 312. April 30, 1979. Judiciary. Constitutional Amendment—Permits prayer in public places, institutions, and schools.

H.J. Res. 313. April 30, 1979. Post Office and Civil Service. Designates the second week in May of each year as "Municipal Clerk's Week."

H.J. Res. 314. May 1, 1979. Judiciary. Constitutional Amendment—Modifies the Fifth Amendment to the United States Constitution to: (1) stipulate that no person shall be compelled in any criminal case to be a witness against himself except in open court; and (2) provide that a person shall not be confronted with prior criminal convictions except where they are an element of the crime charged.

Modifies the Sixth Amendment to entitle the accused in all criminal prosecutions to be informed of the evidence of the accusation (in addition to the nature and cause of the accusation as currently provided).

H.J. Res. 315. May 1, 1979. Judiciary. Constitutional Amendment—Limits the length of service of a Representative, Supreme Court Justice, or Federal judge to ten years during any 12-year period. Limits the length of service of a Senator to 12 years during any 14-year period.

H.J. Res. 316. May 1, 1979. Education and Labor. Establishes the National Commission on Literacy to investigate programs and policies attributable to literacy and illiteracy.

H.J. Res. 317. May 1, 1979. Post Office and Civil Service. Designates the week commencing on the first Sunday in October of each year as "National Hawk Watching Week."

H.J. Res. 318. May 1, 1979. Interstate and Foreign Commerce. Requires the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company to continue specified freight service for a period of 90 days unless any discontinuance or abandonment is authorized by the Interstate Commerce Commission and no State (or local or regional or transportation authority) opposes such action.

Directs the Secretary of Transportation to provide such financial assistance as may be required to maintain the existing level of service by such railroad.

H.J. Res. 319. May 2, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the month of November, 1979, as "National REACT Month."

H.J. Res. 320. May 2, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 8 through June 14, 1979, as "MacArthur Memorial Week."

H.J. Res. 321. May 3, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of February 3 through February 9, 1980, as "National Scleroderma Week."

H.J. Res. 322. May 8, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the month of March 1980 as "Youth Art Month."

H.J. Res. 323. May 9, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 324. May 9, 1979. Foreign Affairs. Declares that limits contained in agreements

controlling transfers or exports from the United States of low enriched uranium may be exceeded by no more than ten percent.

H.J. Res. 325. May 10, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of September 23 through September 29, 1979, as "National Voter Education Week."

H.J. Res. 326. May 14, 1979. Post Office and Civil Service. Authorizes and requests the President to designate October 7, 1979, as "National Guard Day."

H.J. Res. 327. May 14, 1979. Judiciary. Supports the legal action of the International Association of Machinists and Aerospace Workers against OPEC for violations of the Sherman Act.

H.J. Res. 328. May 14, 1979. Judiciary. Constitutional Amendment—Permits the offering of prayers or Biblical scriptures, as long as participation is voluntary, in any governmental or public school, institution, or place.

Permits references to God or a Supreme Being in public documents, proceedings, schools, or upon U.S. currency.

H.J. Res. 329. May 15, 1979. Post Office and Civil Service. Authorizes and requests the President to designate May 18, 1979, as "National Museum Day."

H.J. Res. 330. May 15, 1979. Judiciary. Constitutional Amendment—Permits voluntary prayer in public buildings.

H.J. Res. 331. May 15, 1979. Judiciary. Constitutional Amendment—Prohibits any Member of Congress who is convicted of a felony and who has exhausted all appeals from continuing to hold such office.

H.J. Res. 332. May 16, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 333. May 16, 1979. Veterans' Affairs. Directs the President to establish a tomb in Arlington Cemetery for the Unknown Soldier of the Vietnam war.

H.J. Res. 334. May 16, 1979. Judiciary. Constitutional Amendment—Limits the number of terms a Senator and a Representative in Congress may serve, and limits the total length of time a Representative may serve. States when the Members of the House of Representatives shall be chosen.

Sets an age limit for election to the office of President, Vice President, Senator, or Representative in Congress, and for appointment to any office of judge of a court of the United States.

H.J. Res. 335. May 16, 1979. Post Office and Civil Service. Authorizes and requests the President to designate December 1 of each year as "National Civil Air Patrol Day."

H.J. Res. 336. May 22, 1979. Post Office and Civil Service. Requests the President to declare the fourth Saturday of each September as "National Hunting and Fishing Day."

H.J. Res. 337. May 22, 1979. Post Office and Civil Service. Designates February 11, 1980, as "National Inventors' Day."

H.J. Res. 338. May 22, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of May 18 through 24, 1980, as "National Architectural Barrier Awareness Week."

H.J. Res. 339. May 22, 1979. Post Office and Civil Service. Designates the year 1979 as the "Food for Peace Year" to celebrate the twenty-fifth anniversary of the enactment of the Agricultural Trade Development and Assistance Act of 1954.

H.J. Res. 340. May 23, 1979. Judiciary. Constitutional Amendment—Permits nondenominational prayer in public buildings.

H.J. Res. 341. May 23, 1979. Interstate and Foreign Commerce. Requires the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company to continue specified freight service for a period of 45 days unless any discontinuance or abandonment is authorized by the Interstate Commerce Commission and no affected State (or local or regional or transportation authority) opposes such action.

Directs the Secretary of Transportation, pursuant to the Emergency Rail Services Act of 1970, to guarantee trustee certificates of such railroad.

H.J. Res. 342. May 24, 1979. Judiciary. Constitutional Amendment—Requires a two-thirds vote of both Houses of Congress to pass any concurrent resolution on the budget which carries a deficit.

H.J. Res. 343. May 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the third week of June 1980 as "National Veterans' Hospital Week."

H.J. Res. 344. May 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the second Sunday in June of each year as "National Pet Remembrance Day."

H.J. Res. 345. May 24, 1979. Post Office and Civil Service. Congratulates the Ohio State University marching band on its 100th anniversary.

H.J. Res. 346. May 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate December 1 of each year as "National Civil Air Patrol Day."

H.J. Res. 347. May 30, 1979. Foreign Affairs. Expresses the sense of Congress that the President, at the Tokyo Summit, should request those nations dependent on Middle East stability to cooperate with the United States in financing the Israeli-Egyptian Peace Treaty.

H.J. Res. 348. May 31, 1979. Ways and Means; Interstate and Foreign Commerce. Authorizes the President to call a White House Conference on Long Term Care to be planned and conducted by the Secretary of Health, Education, and Welfare.

H.J. Res. 349. June 4, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of July 22 through July 28, 1979, as "Puerto Rican Constitution Week."

H.J. Res. 350. June 4, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 17 through June 23, 1979, as "Product Safety Week."

H.J. Res. 351. June 4, 1979. Post Office and Civil Service. Designates the year 1979 as the "Food for Peace Year" to celebrate the twenty-fifth anniversary of the enactment of the Agricultural Trade Development and Assistance Act of 1954.

H.J. Res. 352. June 4, 1979. Judiciary. Constitutional Amendment—Permits prayer in public places or institutions. Permits religious instruction in public places or institutions if provided under private auspices. Prohibits any infringement of the right to pray or to receive religious instruction.

H.J. Res. 353. June 5, 1979. Post Office and Civil Service. Congratulates the men and women of the Apollo program upon the tenth anniversary of the first manned landing on the Moon and requests the President to designate the period of July 16 through July 24, 1979, as "United States Space Observance" in honor of such event.

H.J. Res. 354. June 6, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 355. June 7, 1979. Foreign Affairs. Requires the President to insure the satisfactory resolution of the certified claims of United States nationals against the Cuban Government before considering normalizing relations with Cuba.

H.J. Res. 356. June 7, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of July 1 through July 7, 1979, as "National Sky(lab) is Falling Week."

H.J. Res. 357. June 8, 1979. Post Office and Civil Service. Designates the month of August 1980 as "National Sport Aviation Month."

H.J. Res. 358. June 11, 1979. Foreign Affairs. Condemns the Macias tyrrany. Calls upon the United States Government to encourage other countries to use their influence and support measures towards ending the persecution of religion and genocide in Equatorial Guinea.

H.J. Res. 359. June 14, 1979. Post Office and Civil Service. Authorizes and requests the President to designate September 23, 1979, as "National Farmers' Day."

H.J. Res. 360. June 18, 1979. Post Office and Civil Service. Authorizes and requests the President to designate October 21 through October 27, 1979, as "National Energy Conservation Week."

H.J. Res. 361. June 19, 1979. Ways and Means. Expresses the sense of Congress that the President provide Congress with a comprehensive long-range plan for addressing U.S.-Japan trade problems.

H.J. Res. 362. June 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate September 16 through September 22, 1979, as "Energy Conservation Week."

H.J. Res. 363. June 20, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the second Saturday of August of each year as "National Volunteer Firefighters' Day."

H.J. Res. 364. June 20, 1979. Post Office and Civil Service. Designates the week of May 14 through May 20, 1979, as "National Diabetes Week."

H.J. Res. 365. June 21, 1979. Merchant Marine and Fisheries. Urges the President, upon the recommendation of the Marine Mammal Commission, to prohibit the importation of fish products from nations whose citizens violate the provisions of the International Convention for the Regulation of Whaling.

H.J. Res. 366. June 26, 1979. Post Office and Civil Service. Establishes the Citizens' Commission for the Commemoration of the Federal Government Bicentenary Era to commemorate the significant events in American history which occurred between the years 1776 and 1800.

H.J. Res. 367. June 26, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of September 16 through September 22, 1979, as "National Meals on Wheels Week."

H.J. Res. 368. June 27, 1979. Judiciary. Constitutional Amendments—Limits the number of terms of office of Members of the Senate and the House of Representatives. Provides for a four year term of office for Senators. Limits the length of each session of Congress.

H.J. Res. 369. June 27, 1979. Post Office and Civil Service. Authorizes and requests the President to designate August 4, 1979, as "National Health Day."

H.J. Res. 370. June 28, 1979. Interstate and Foreign Commerce. Directs the President to ensure that Federal regulations allocate motor gasoline as equitably as possible consistent with the respective needs of the regions and areas of the United States.

H.J. Res. 371. June 28, 1979. Interstate and Foreign Commerce. Requires each importer, producer, refiner, distributor, and supplier of crude oil or refined petroleum products to submit monthly reports to the Secretary of Energy on its total refining capacity, the percentage of such capacity currently utilized, its crude oil supplies, and its inventory of refined petroleum products. Directs the Secretary to publish such information.

H.J. Res. 372. June 28, 1979. Post Office and Civil Service. Designates April 10, 1980, as

"ORT Centennial Day" to salute the Organization for Rehabilitation through Training on its 100th anniversary.

H.J. Res. 373. June 28, 1979. Foreign Affairs. Recognizes the anniversaries of the Warsaw uprising and the Polish resistance to the World War II invasion of Poland.

H.J. Res. 374. July 9, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of April 1 through April 7, 1980, as "National Mime Week."

H.J. Res. 375. July 10, 1979. Post Office and Civil Service. Designates the period of April 13 through April 19, 1980, as "Days of Remembrance of Victims of the Holocaust."

H.J. Res. 376. July 11, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the third Friday in October of each year as "American Enterprise Day."

H.J. Res. 377. July 11, 1979. Judiciary. Constitutional Amendment—Declares the length of the term of office for President and Vice President.

H.J. Res. 378. July 16, 1979. Interstate and Foreign Commerce. Requires each importer, producer, refiner, distributor, and supplier of crude oil or refined petroleum products to submit monthly reports to the Secretary of Energy on its total refining capacity, the percentage of such capacity currently utilized, its crude oil supplies, the location of such supplies, and its inventory of refined petroleum products. Directs the Secretary to publish such information.

H.J. Res. 379. July 23, 1979. Post Office and Civil Service. Authorizes and requests the President to designate August 31, 1980, as "Working Mothers' Day."

H.J. Res. 380. July 25, 1979. Judiciary. Constitutional Amendment—Authorizes the President to disapprove or reduce any appropriation or individual item contained in an appropriation bill.

H.J. Res. 381. July 26, 1979. Judiciary. Amends title V of the Ethics in Government Act of 1978 to change the effective date of provisions prohibiting certain former Federal and District of Columbia employees from appearing before the Government on behalf of another person concerning matters related to their former employment.

H.J. Res. 382. July 26, 1979. Post Office and Civil Service. Designates March 20, 1980, as "National Agriculture Day."

H.J. Res. 383. July 27, 1979. Interior and Insular Affairs. Validates the effectiveness of certain plans for the use or distribution of funds appropriated to pay judgments awarded to specified Indian tribes or groups.

H.J. Res. 384. July 30, 1979. Judiciary. Constitutional Amendment—Prohibits compelling a student from attending a public school located outside his or her school district for reasons of race, color, or national origin.

H.J. Res. 385. July 30, 1979. Post Office and Civil Service. Authorizes the President to establish a special advisory commission to plan and implement a 500th anniversary commemoration and celebration during the week of October 12 in the year 1992, in honor of Christopher Columbus and his discovery of the Americas.

Directs the President to designate such week to honor Columbus' contribution to the development of Western civilization through his discovery of the Americas.

H.J. Res. 386. July 31, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the third Sunday in August of each year as "National Family Day."

H.J. Res. 387. August 1, 1979. Post Office and Civil Service. Designates the period of May 13 through May 19, 1980, as "National Fishing Week."

H.J. Res. 388. August 2, 1979. Post Office and Civil Service. Designates the month of September, 1979, as "National Rehabilitation Month."

H. Con. Res. 101. April 9, 1979. Judiciary; Education and Labor. Declares the sense of Congress that the Constitution of the United States does not preclude periods of silence (for private prayer, meditation, contemplation, or introspection) in the public schools to be used at the discretion of individual students.

H. Con. Res. 102. April 9, 1979. House Administration. Prohibits the use of Federal funds for the expenses of foreign travel by any Senator, Representative, or any officer or employee of the Congress unless such travel is authorized by a recorded three-fourths vote of the House involved.

H. Con. Res. 103. April 9, 1979. Foreign Affairs. Declares the sense of Congress that the President shall take steps to secure freedom of worship in the Soviet Union and Eastern Europe, and to raise in the United Nations the question of Stalin's liquidation of such churches.

H. Con. Res. 104. April 9, 1979. Rules. Establishes a joint committee to investigate the causes and effects of the accident at the nuclear generating plant at Three Mile Island.

H. Con. Res. 105. April 10, 1979. House Administration. Directs the Building Commission of the House of Representatives and the Committee on Rules and Administration of the Senate to issue joint regulations requiring the payment of uniform reasonable charges by each Member of Congress, congressional employee, and other person assigned a parking space under the jurisdiction of the Congress.

H. Con. Res. 106. April 10, 1979. Education and Labor; Judiciary. Declares the sense of Congress that the Constitution of the United States does not preclude periods of silence (for private prayer, meditation, contemplation, or introspection) in the public schools to be used at the discretion of individual students.

H. Con. Res. 107. April 13, 1979. Sets forth the congressional budget for the United States Government for fiscal year 1980. Promulgates the recommended level of Federal revenues and the amount by which the aggregate level should be decreased.

States the appropriate levels of total new budget authority, total budget outlays, and public debt and the amount by which the statutory limit should be increased. Sets forth the amount of the deficit in the budget.

Specifies the appropriate levels of new budget authority and the estimated budget outlays for each major functional category.

Revises the second concurrent resolution on the budget for fiscal year 1979.

H. Con. Res. 108. April 23, 1979. Merchant Marine and Fisheries. Encourages the executive branch to achieve the successful conclusion of a Convention for the Establishment of a South Regional Fisheries Organization.

H. Con. Res. 109. April 24, 1979. Education and Labor; Interstate and Foreign Commerce; Judiciary. Expresses the sense of Congress: (1) that each child possesses fundamental human rights and rights based on the needs of the child; and (2) that States should implement such rights and ensure that children's rights are equivalent to those possessed by adults.

H. Con. Res. 110. April 25, 1979. Foreign Affairs. Expresses the sense of Congress that the President should: (1) find Zimbabwe in compliance with the International Security Assistance Act of 1978; (2) revoke sanctions against Zimbabwe-Rhodesia within ten days of the installation of the black majority government; and (3) establish diplomatic relations with Zimbabwe-Rhodesia.

H. Con. Res. 111. April 25, 1979. Foreign Affairs. Urges Canada to reassess its policy permitting the killing of newborn harp seals.

H. Con. Res. 112. April 26, 1979. House Administration. Requires the payment of reasonable fees for the use of congressional parking spaces by nonofficial motor vehicles.

H. Con. Res. 113. April 30, 1979. Budget. Sets forth the congressional budget for the United States Government for fiscal year 1980. Promulgates the recommended level of Federal revenues and the amount by which the aggregate level should be decreased.

States the appropriate levels of total new budget authority, total budget outlays, and the public debt and the amount by which the statutory limit should be increased. Sets forth the amount of the deficit in the budget.

Specifies the appropriate levels of new budget authority and the estimated budget outlays for each major functional category.

H. Con. Res. 114. May 2, 1979. Permits the National Park Service to sponsor a series of National Symphony Orchestra concerts on the Capitol Grounds during 1979.

H. Con. Res. 115. May 3, 1979. Foreign Affairs. Expresses the sense of Congress that the President and the Secretary of State should: (1) recognize Jerusalem as the capital of Israel; and (2) relocate the U.S. embassy in Israel to Jerusalem.

H. Con. Res. 116. May 4, 1979. Foreign Affairs. Expresses the sense of Congress that the President should find Zimbabwe-Rhodesia in compliance with the International Security Assistance Act of 1978 and revoke sanctions against Zimbabwe-Rhodesia within ten days of the installation of the black majority government.

H. Con. Res. 117. May 5, 1979. Foreign Affairs. Expresses the disapproval of the Congress to the proposed sale to Great Britain of howitzer ammunition.

H. Con. Res. 118. May 8, 1979. Armed Services. Declares it the sense of the Congress that the President should establish a commission to study and evaluate the Multiple Protective Structure System and the Air Mobile/Transportation Local System for protecting the land based intercontinental ballistic missiles of the United States and any alternatives to such systems.

H. Con. Res. 119. May 10, 1979. Foreign Affairs. Expresses the sense of Congress that the peoples of Lithuania, Latvia, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 120. May 14, 1979. Foreign Affairs. Expresses the sense of the Congress that the President should seek the establishment of an international food cartel which would negotiate with the Organization of Petroleum Exporting Countries for reasonable oil prices.

H. Con. Res. 121. May 16, 1979. Foreign Affairs. Urges the Iranian government to protect religious minorities. Condemns summary justice and the execution of an Iranian Jew. Calls upon the President to work to encourage the Iranian government to insure minority rights.

H. Con. Res. 122. May 17, 1979. Foreign Affairs. Calls upon the government of Great Britain to end human rights violations and promote self-determination for Ireland.

H. Con. Res. 123. May 21, 1979. Foreign Affairs. Declares that the United States: (1) abhors the summary executions without due process in Iran; and (2) will act to prevent criminal or terrorist actions against persons in the United States.

H. Con. Res. 124. May 21, 1979. Foreign Affairs. Expresses the sense of Congress that the leaders of the United States, Mexico, and Canada should meet to discuss energy issues and establish a common economic bond of energy cooperation.

H. Con. Res. 125. May 22, 1979. Foreign Affairs. Expresses the sense of Congress that the President should negotiate an agreement to create an oil-purchasing cartel with other oil-importing nations of the western hemisphere.

H. Con. Res. 126. May 23, 1979. Provides

for an adjournment of the House of Representatives and a recess of the Senate.

H. Con. Res. 127. May 23, 1979. Judiciary. Directs the Attorney General to take specified steps in order to improve the performance of the Department of Justice in aiding States and localities to comply with the provisions of the Voting Rights Act of 1965 relating to language minority groups.

H. Con. Res. 128. May 23, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Department of Energy must expedite and strengthen its efforts to verify energy information in order to be fully independent of industry statistics.

H. Con. Res. 129. May 24, 1979. Foreign Affairs. Expresses the sense of the Congress that the President should seek establishment of an international food cartel which would allow negotiations with the Organization of Petroleum Exporting Countries for reasonable oil prices.

H. Con. Res. 130. May 24, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the President immediately establish and appoint a National Energy Council.

H. Con. Res. 131. May 30, 1979. Rules. Establishes a Joint Select Committee to Investigate Oil and Gasoline Production and Pricing to review the availability, production, marketing, and pricing of oil, to determine the extent of the oil and gasoline shortage, and to propose a national petroleum energy policy.

H. Con. Res. 132. May 31, 1979. Foreign Affairs. Expresses the sense of the Congress that Radio Free Europe/Radio Liberty should: (1) reinstate its broadcasts in the Uighur language to the Soviet Union; and (2) set aside any further planned reductions of services in foreign languages.

H. Con. Res. 133. May 31, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the President immediately establish and appoint a National Energy Council.

H. Con. Res. 134. June 11, 1979. Foreign Affairs. Expresses the sense of Congress that the peoples of Lithuania, Latvia, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 135. June 11, 1979. Foreign Affairs. Disapproves the proposed sale of management and contracting services for the construction of an infantry center and school at Khamis Mushayt, Saudi Arabia.

H. Con. Res. 136. June 11, 1979. Foreign Affairs. Disapproves the proposed sale of management and contracting services for the construction of an engineer center and school at King Khalid Military City, Saudi Arabia.

H. Con. Res. 137. June 11, 1979. Foreign Affairs. Disapproves the proposed sale of management and contracting services for the construction of a signal center and school at Taif, Saudi Arabia.

H. Con. Res. 138. June 12, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Department of Energy commission an independent audit of the crude oil and refined petroleum products held by or under the control of domestic oil companies and report the results of that audit to the Congress.

H. Con. Res. 139. June 13, 1979. Foreign Affairs. Expresses the sense of Congress that no U.S. company doing business in South Africa should engage in unfair employment practices.

Expresses the sense of Congress that U.S. companies doing business in South Africa should encourage collective bargaining and improve job opportunities, housing, and health facilities for its nonwhite employees.

H. Con. Res. 140. June 14, 1979. Directs the two Houses of Congress to assemble in the Hall of the House of Representatives on Monday, June 18, 1979, to receive communications from the President of the United States.

H. Con. Res. 141. June 15, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the President should call for an emergency session of the United Nations General Assembly to deal with the refugee crisis in Southeast Asia.

H. Con. Res. 142. June 15, 1979. Foreign Affairs. Declares it the sense of Congress that it shall be the policy of the United States to requirement repayment of delinquent debts of foreign nations. Declares it the sense of Congress that the Department of the Treasury shall make arrangements with foreign nations for such repayment.

H. Con. Res. 143. June 18, 1979. Foreign Affairs. Calls upon the President to urge: (1) the International Whaling Commission to adopt an indefinite moratorium on the commercial killing of whales; and (2) various countries to comply with such moratorium.

H. Con. Res. 144. June 18, 1979. Foreign Affairs. Requests the President to instruct the U.S. Ambassador to the United Nations to demand that: (1) U.N. charter provisions guaranteeing self-determination be enforced with regard to the Baltic States; and (2) the Soviet Union be made to withdraw Soviet troops from the Baltic States.

H. Con. Res. 145. June 25, 1979. Foreign Affairs; Judiciary. Expresses the sense of Congress that the Attorney General, in consultation with the appropriate congressional committees, should provide for an increase in the rate of parole of Indochinese refugees into the United States.

H. Con. Res. 146. June 26, 1979. Armed Services; Science and Technology; Interior and Insular Affairs; Interstate and Foreign Commerce. Expresses the sense of Congress that James R. Schlesinger should resign from the Office of Secretary of Energy.

H. Con. Res. 147. June 26, 1979. Foreign Affairs. Expresses the sense of Congress that the President should: (1) seek free elections in the Baltic States supervised by the United Nations; (2) inform and gain the support of other nations in achieving independence for the Baltic States; and (3) warn the Soviet Union against making citizenship claims on U.S. citizens.

H. Con. Res. 148. June 26, 1979. Judiciary. Supports the legal action of the International Association of Machinists and Aerospace Workers against OPEC for violations of the Sherman Act.

H. Con. Res. 149. June 26, 1979. Public Works and Transportation. Expresses the sense of Congress that: (1) former President Richard M. Nixon should pay the United States a specified sum for federally-funded improvements which were not made for security purposes to his estate in San Clemente, California; and (2) the President and the Attorney General should collect such sum.

H. Con. Res. 150. June 26, 1979. Foreign Affairs. Calls for the International Olympic Committee to: (1) officially recognize and restore to the record books the achievements of Jim Thorpe in the 1912 Olympics; and (2) be requested to present duplicate medals to the heirs of Jim Thorpe.

H. Con. Res. 151. June 26, 1979. Banking, Finance, and Urban Affairs. Authorizes the President, on behalf of the Congress, to present a gold medal of appropriate design to Bryan Lewis Allen, the first aviator to cross the English Channel in a self-propelled plane.

H. Con. Res. 152. June 26, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Declares that it is the sense of the Congress that the Department of Energy should take necessary steps to maximize immediately the production of middle distillate fuels in the Nation.

Declares that the Department of Transportation should establish, on an emergency basis, a uniform national minimum truck weight and length standard.

Declares that the Interstate Commerce Commission's diesel fuel cost recovery program should be modified to ensure that the owner-operator receives full compensation for rapidly increasing diesel fuel prices.

H. Con. Res. 153. June 27, 1979. Provides for an adjournment of the House of Representatives and a recess of the Senate.

H. Con. Res. 154. June 27, 1979. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Department of Energy must expedite and strengthen its efforts to verify energy information in order to be fully independent of industry statistics.

H. Con. Res. 155. June 27, 1979. Foreign Affairs. Expresses the sense of the Senate that the President should call upon Paraguay to apprehend and extradite Josef Mengele to stand trial in the Federal Republic of Germany.

H. Con. Res. 156. June 27, 1979. Armed Services; Interstate and Foreign Commerce; Public Works and Transportation. Declares that it is the sense of Congress that the Department of Energy take steps to provide a set-aside of middle distillate fuels to each of the States.

Declares that the Department of Transportation should establish, on an emergency basis, specified uniform national minimum truck weight and length standards.

Declares that the Interstate Commerce Commission should further modify its diesel fuel recovery program.

Declares that all State Governors and the President should delay unnecessary summer training programs by National Guard and United States Army and Marine Reserve units, and add the fuels saved to State set-aside programs.

H. Con. Res. 157. June 27, 1979. Foreign Affairs; Judiciary. Expresses the sense of Congress that the Attorney General, in consultation with the appropriate congressional committees, should provide for an increase in the rate of parole of Indochinese refugees into the United States.

H. Con. Res. 158. July 10, 1979. Post Office and Civil Service. Declares it the sense of Congress that the Postmaster General and the Citizens Stamp Advisory Committee should give favorable consideration to the issuance of a commemorative postage stamp in honor of Americans of Italian descent and the 250th anniversary of the birth of Philip Mazzei on December 25, 1980, or as soon as possible thereafter.

States that the Postmaster General and the Committee should honor other foreign-born contributors to the revolutionary cause from countries of origin which have not yet been commemorated, prior to the conclusion of the American Bicentennial celebration in 1983.

H. Con. Res. 159. July 10, 1979. Foreign Affairs. Welcomes and congratulates the first directly elected Parliament of the European Community. Pledges congressional support for continued close relations with such Parliament.

H. Con. Res. 160. July 11, 1979. Banking, Finance and Urban Affairs; Foreign Affairs. Expresses the sense of Congress that the United States should adopt as policy the elimination of the Organization of Petroleum Exporting Countries' power to control the supply and price of oil.

H. Con. Res. 161. July 12, 1979. Armed Services; Science and Technology; Interstate and Foreign Commerce; Interior and Insular Affairs. Calls for the immediate resignation of James Schlesinger as Secretary of the Department of Energy.

H. Con. Res. 162. July 13, 1979. House Administration. Directs the printing of the final report of the Indian Claims Commission as a House document.

H. Con. Res. 163. July 17, 1979. Foreign Af-

fairs. Disapproves the proposed sale of specified tanks to Saudi Arabia.

H. Con. Res. 164. July 23, 1979. Veterans' Affairs. Expresses the sense of the Congress that the Secretary of Defense shall inter an Unknown Soldier in Arlington National Cemetery, and make permanent display of representative medals, ribbons, and tributes of the Vietnam war in the Arlington Memorial Amphitheater.

H. Con. Res. 165. July 24, 1979. Interior and Insular Affairs. Reaffirms the support of Congress for the right of political self-determination of the people of Puerto Rico.

H. Con. Res. 166. July 24, 1979. Judiciary. Expresses the sense of Congress that homosexual acts shall never receive special consideration under law.

H. Con. Res. 167. July 27, 1979. Foreign Affairs: Post Office and Civil Service. Expresses the sense of Congress that the United States disapproves of the nondelivery of mail to persons in the Soviet Union contrary to international agreements and urges the Universal Postal Union Congress to adopt measures that would encourage improved postal performance by the Soviet Union.

H. Con. Res. 168. July 30, 1979. Provides for an adjournment of the House of Representatives and a recess of the Senate.

H. Con. Res. 169. July 31, 1979. Public Works and Transportation. Declares it the sense of Congress that free or reduced rate parking spaces provided to Federal employees before October 1, 1979, should continue to be provided free or at reduced cost.

H. Con. Res. 170. August 1, 1979. Post Office and Civil Service. Expresses the sense of the Senate and House of Representatives that the United States Postal Service should issue a postage stamp to honor Doctor Marie Zakrzewska.

H. Con. Res. 171. August 1, 1979. Foreign Affairs. Expresses the sense of Congress that the President and the Secretary of State should: (1) recognize Jerusalem as the capital of Israel; and (2) relocate the U.S. embassy in Israel to Jerusalem.

H. Con. Res. 172. August 1, 1979. Interior and Insular Affairs. Reaffirms the commitment of the Congress to respect and support self-determination for the people of Guam.

H. Con. Res. 173. August 2, 1979. Foreign Affairs. Expresses the sense of Congress that the President should recognize the proposed democratically elected Cuban government in exile as the legitimate government of the Cuban people, as opposed to the Communist Government of Cuba.

H. Con. Res. 174. August 2, 1979. Foreign Affairs. Objects to the proposed sale of improved Hawk air defense missiles to Israel.

H. Con. Res. 175. August 2, 1979. Foreign Affairs. Objects to the proposed sale of Dragon antitank missiles to Israel.

H. Con. Res. 176. August 2, 1979. Foreign Affairs. Objects to the proposed sale of armored personnel carriers, command post carriers, cargo carriers, supporting equipment, and spare parts to Israel.

H. Con. Res. 177. August 2, 1979. Foreign Affairs. Objects to the proposed sale of tanks to Israel.

H. Con. Res. 178. August 2, 1979. Foreign Affairs. Objects to the proposed sale of howitzers to Israel.

H. Con. Res. 179. August 2, 1979. Foreign Affairs. Urges the President to convene an international conference to negotiate an agreement protecting the press and international observers during civil wars or other hostilities.

H. Con. Res. 180. August 2, 1979. Foreign Affairs. Expresses the sense of Congress with regard to the Soviet Union's handling of the 1980 summer Olympics.

H. Con. Res. 181. August 2, 1979. Foreign Affairs. Urges the President to: (1) aid those Vietnamese refugees in refugee camps and admitted to the United States: and (2) call upon the U.N. General Assembly to discuss sanctions against Vietnam for inhumane treatment of its citizens.

H. Res. 216. April 9, 1979. Elects a certain Member to the Committee on Education and Labor.

H. Res. 217. April 9, 1979. Sets forth the rule for the consideration of H.R. 3363.

H. Res. 218. April 9, 1979. Rules. Amends the Rules of the House of Representatives to limit the number of Congressex a Member may serve on the Committee on House Administration.

H. Res. 219. April 9, 1979. Education and Labor. Expresses the sense of the House of Representatives that the Congress should approve supplemental appropriations in specified amounts to provide sufficient funds for programs under the Older Americans Act of 1965.

H. Res. 220. April 10, 1979. Directs the printing of additional copies of the House Report entitled, "Toward a Balanced Budget: Report Pursuant to Public Law 96-5."

H. Res. 221. April 10, 1979. Directs the printing of additional copies of the House Report entitled, "First Concurrent Resolution on the Budget—Fiscal Year 1980."

H. Res. 222. April 10, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Expresses the sense of the House of Representatives regarding the prompt receipt of information regarding certain aspects of the transportation of radioactive materials, radioactive material accidents and nuclear waste management.

H. Res. 223. April 10, 1979. Rules. Amends the Rules of the House of Representatives to limit the use of suspension of the rules to bills or resolutions with an estimated net cost of $50,000,000 or less for any fiscal year.

H. Res. 224. April 10, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the equitable application of energy conservation policy or allocation of energy supplies in the event of a severe energy shortage should be strictly observed.

H. Res. 225. April 10, 1979. Agriculture. Declares that it is the sense of the House of Representatives that the transfer of the Forest Service and the Farmers Home Administration business and industry program from the Department of Agriculture is unacceptable.

H. Res. 226. April 10, 1979. Post Office and Civil Service. Commends the Director of the Office of Nuclear Reactor Regulation at the Nuclear Regulatory Commission for his leadership and efforts in resolving the problems at Three Mile Island.

H. Res. 227. April 23, 1979. Provides for the printing of additional copies of the report accompanying H.R. 39, the Alaska National Interest Lands Conservation Act of 1979.

H. Res. 228. April 24, 1979. Sets forth the rule for the consideration of H.R. 3354.

H. Res. 229. April 24, 1979. House Administration. Authorizes the establishment of additional positions on the United States Capitol Police Force for duty under the House of Representatives.

H. Res. 230. April 24, 1979. Agriculture. Declares the sense of the House of Representatives that the Secretary of Agriculture should: (1) assess and report to the Committee on Agriculture about the whey supply situation; and (2) increase research programs to utilize whey more efficiently for the mutual benefit of both producers and consumers.

H. Res. 231. April 24, 1979. Government Operations. Expresses the disapproval of the House of Representatives to Reorganization Plan No. 2.

H. Res. 232. April 24, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the Soviet Union should: (1) permit emigration from the Soviet Union; (2) remove restrictions on religious and cultural practices; and (3) stop harassing individuals who wish to leave or practice their religion.

H. Res. 233. April 24, 1979. Rules. Establishes within the House of Representatives a Select Committee on Materials and Natural Resources to conduct an investigation and study of shortages of materials and natural resources affecting the United States.

H. Res. 234. April 24, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the Select Committee on Committees.

H. Res. 235. April 24, 1979. House Administration. Directs the printing as a House document of the transcript of the proceedings in the Committee on the Budget incident to the presentation of a portrait of the Honorable Robert N. Giaimo.

H. Res. 236. April 25, 1979. Sets forth the rule for consideration of H.R. 1543.

H. Res. 237. April 25, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named individual, for further proceedings in accordance with applicable law.

H. Res. 238. April 26, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the Soviet Union should: (1) permit emigration from the Soviet Union; (2) remove restrictions on religious and cultural practices; (3) remove restrictions on scientific and intellectual endeavors; and (4) stop harassing individuals who wish to leave or practice their religion.

H. Res. 239. April 30, 1979. Appropriations. Expresses the disapproval by the House of Representatives of the President's proposed deferral of budget authority (D79-54) for specified petroleum exploration activity in Alaska.

H. Res. 240. April 30, 1979. Appropriations. Expresses the disapproval by the House of Representatives of the proposed deferral of budget authority (D79-56) for preconstruction expenses for a certain mining and energy related technologies education center/coal utilization facility.

H. Res. 241. May 1, 1979. Sets forth the rule for consideration of H.R. 10.

H. Res. 242. May 1, 1979. Sets forth the rule for consideration of H.R. 111.

H. Res. 243. May 1, 1979. Sets forth the rule for consideration of H.R. 39.

H. Res. 244. May 1, 1979. Agriculture. States that the Department of Agriculture and all appropriate budget appropriation review groups should recognize the need to reinforce and expand programs of cooperative research, service, education, and other cooperative assistance.

Declares that the Department should establish an Office of Farmer Cooperatives as an independent agency within it to coordinate such programs.

H. Res. 245. May 1, 1979. Agriculture. Declares that it is the sense of the House of Representatives that the transfer of the Forest Service and the Farmers Home Administration business and industry program from the Department of Agriculture is unacceptable.

H. Res. 246. May 1, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named individual, for further proceedings in accordance with applicable law.

H. Res. 247. May 2, 1979. Rules. Amends the Rules of the House of Representatives with regard to: (1) oversight subcommittees; (2) oversight agendas; (3) ethics investigations; (4) subcommittee limitation; (5) public access to committee records; (6) proxy voting; (7) open committee meetings; (8) quorum requirements; (9) committee voting; and (10) conference committee transcripts.

H. Res. 248. May 2, 1979. Rules. Amends the Rules of the House of Representatives

to require that a certain standing committee establish an oversight subcommittee (excluding the Committee on Appropriations and the Committee on the Budget).

H. Res. 249. May 2, 1979. Rules. Amends the Rules of the House of Representatives to direct each standing committee to develop an oversight agenda and timetable, and to require the Committee on Government Operations to coordinate the oversight activities of the House.

H. Res. 250. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require the Committee on Standards of Official Conduct to file a written report on each investigation it undertakes and to allow such Committee to undertake investigations by direction of the House on adoption of a resolution.

H. Res. 251. May 2, 1979. Rules. Amends the Rules of the House of Representatives to limit the number of subcommittees that may be established by standing committees to at least four but no more than six (excluding the Committee on the Budget and the Committee on Appropriations).

H. Res. 252. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require each committee to keep a verbatim transcript and a written summary of all committee legislative and investigative action. Directs that such information be available for public inspection.

H. Res. 253. May 2, 1979. Rules. Amends the Rules of the House of Representatives to eliminate proxy voting in committees.

H. Res. 254. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require that all committee and subcommittee meetings be open to the public unless such meetings are closed by a rollcall vote of a majority of committee members.

H. Res. 255. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require that a majority of the members of a committee shall constitute a quorum for the transaction of business.

H. Res. 256. May 2, 1979. Rules. Amends the Rules of the House of Representatives to permit any committee member to demand a rollcall vote on any question in committee and to require an affirmative rollcall vote of a majority of committee members to report a measure or recommendation to the House.

H. Res. 257. May 2, 1979. Rules. Amends the Rules of the House of Representatives to require each conference committee to keep a verbatim transcript of all committee meetings. Directs that such transcript be available for public inspection.

H. Res. 258. May 3, 1979. House Administration. Authorizes the printing of additional copies of the "Ethics Manual for Members and Employees of the U.S. House of Representatives."

H. Res. 259. May 4, 1979. Sets forth the rule for the consideration of H.R. 2464.

H. Res. 260. May 7, 1979. Provides for the correction of the Congressional Record of May 3, 1979.

H. Res. 261. May 7, 1979. House Administration. Directs the printing of the maximum number of copies of the report accompanying H.R. 2172, the International Sugar Stabilization Act of 1979, for use of the Committee on Agriculture.

H. Res. 262. May 9, 1979. Sets forth the rule for consideration of H. Res. 212 and H. Res. 266.

H. Res. 263. May 9, 1979. Foreign Affairs. Urges West Germany to abolish or extend the statute of limitations governing the prosecution of war crimes.

H. Res. 264. May 9, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named individual, for further proceedings in accordance with applicable law.

H. Res. 265. May 10, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives as to "severe energy supply interruption" for the purposes of determining the severity of supply shortage of petroleum to the United States necessary to require the President to recommend to the Congress that the standby gasoline rationing plan be implemented.

H. Res. 266. May 10, 1979. Expresses the approval of the House of Representatives of the Department of Energy Contingency Plan No. 6 (amending Standby Gasoline Rationing Plan No. 1).

H. Res. 267. May 10, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that Iranian leaders should stop harassing and protect the human rights of religious minorities.

H. Res. 268. May 10, 1979. House Administration. Authorizes expenditures by the Committee on House Administration for employment placement services, professional development programs, office and personnel managment consultation services, and certain publications.

H. Res. 269. May 14, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of named individuals, for further proceedings in accordance with specified law.

H. Res. 270. May 15, 1979. Sets forth the rule for consideration of H.R. 2295.

H. Res. 271. May 15, 1979. Sets forth the rule for consideration of H.R. 2575.

H. Res. 272. May 15, 1979. Sets forth the rule for consideration of H.R. 2641.

H. Res. 273. May 15, 1979. Sets forth the rule for consideration of S. 869.

H. Res. 274. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 111.

H. Res. 275. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3404.

H. Res. 276. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3829.

H. Res. 277. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3879.

H. Res. 278. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 3914.

H. Res. 279. May 16, 1979. Rules. Sets forth the rule for consideration of H.R. 4011.

H. Res. 280. May 22, 1979. Ways and Means; Interstate and Foreign Commerce. Expresses the sense of the House that: (1) the report of the Secretary of Health, Education, and Welfare entitled "Report on Home Health Services Under Titles XVIII, XIX, and XX" is not responsive to the requirements set forth in the Medicare-Medicaid Anti-Fraud and Abuse Amendments; and (2) such report shall be returned to the Secretary and revised to comply with such requirements.

H. Res. 281. May 23, 1979. Sets forth the rule for the further consideration of S. 869.

H. Res. 282. May 23, 1979. Sets forth the rule for the consideration of H.R. 2374.

H. Res. 283. May 23, 1979. Sets forth the rule for the consideration of H.R. 2462.

H. Res. 284. May 23, 1979. Sets forth the rule for the consideration of H.R. 3347.

H. Res. 285. May 23, 1979. Sets forth the rule for the consideration of H.R. 3875.

H. Res. 286. May 23, 1979. Sets forth the rule for the consideration of H.R. 4034.

H. Res. 287. May 23, 1979. Sets forth the rule for the consideration of H.R. 4035.

H. Res. 288. May 24, 1979. Rules. Amends the Rules of the House of Representatives to require any Member or employee of the House to submit an analysis of the extent to which the legislative objectives of travel outside the United States were realized.

Sets forth the requirements a committee Member or employee shall meet in order to be reimbursed for travel expenses.

Prohibits local currencies owned by the United States from being made available for use outside the United States for defraying the expenses of a committee Member after specified dates.

H. Res. 289. May 24, 1979. Rules. Amends the Rules of the House of Representatives to direct the Committee on Interstate and Foreign Commerce to review and study on a continuing basis, all laws, programs, and government activities related to population except that no activities shall be undertaken that would duplicate the activities of a standing committee of the House.

H. Res. 290. May 24, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the energy crisis demands strong and positive action and leadership on the part of the Government and that the President should exercise his powers to assure that the energy needs of the people shall be met.

H. Res. 291. May 24, 1979. Interstate and Foreign Commerce. Directs the President to furnish to the House of Representatives certain information related to the current oil situation.

H. Res. 292. May 30, 1979. House Administration; Rules. Establishes the House Fair Employment Relations Board and the House Fair Employment Relations Office to implement specified rules of the House of Representatives relating to equal opportunity employment practice in House offices and committees.

Sets forth procedures for filing formal and informal complaints for employment discrimination in violation of the Rules of the House of Representatives.

H. Res. 293. May 31, 1979. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Energy to investigate and report on energy policy, regulation, conservation, and research and development.

H. Res. 294. May 31, 1979. Post Office and Civil Service. Designates June 9, 1979, as "Gravesend, Brooklyn, New York, and Gravesend, England, Twin Communities' Anniversary Day."

H. Res. 295. May 31, 1979. Judiciary. Refers H.R. 4162 to the Chief Commissioner of the U.S. Court of Claims for further proceedings.

H. Res. 296. June 4, 1979. States that the staff director of the Committee on Standards of Official Conduct may produce a copy of a certain deposition for use by the court in the case of Securities and Exchange Commission versus Unification Church International after such court determines the materiality and relevancy of such deposition.

H. Res. 297. June 4, 1979. House Administration. Requires that the aggregate number of staff members employed by any committee of the House of Representatives shall not exceed a specified limit.

H. Res. 298. June 5, 1979. Waives certain points of order against H.R. 4280.

H. Res. 299. June 5, 1979. Sets forth the rule for the consideration of H.R. 2444.

H. Res. 300. June 5, 1979. House Administration. Authorizes the House of Representatives Committee on House Administration to rent or otherwise acquire a suitable residence to be maintained as a home for the pages employed by the House, and to appoint an individual to act as supervisor of the home.

H. Res. 301. June 5, 1979. Science and Technology; Rules. Directs the Office of Technology Assessment to conduct a study of unmarketed consumer energy conservation devices, compile a list of promising devices, and report to the Congress recommendations concerning legislative and executive measures necessary to promote the development of such devices.

Establishes a joint select committee to prepare such legislation as may be necessary to market or promote such devices.

H. Res. 302. June 6, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the major oil

companies should continue to provide supplies and other services to independent oil dealers so that such dealers may continue their summer fill-up programs of home heating oil.

H. Res. 303. June 7, 1979. House Administration. Authorizes expenditures for the further expenses of investigations and studies conducted by the House Committee on Interstate and Foreign Commerce during the second session of the 96th Congress.

H. Res. 304. June 7, 1979. Sets forth the rule for the consideration of H.R. 3663.

H. Res. 305. June 7, 1979. Sets forth the rule for the consideration of H.R. 3917.

H. Res. 306. June 7, 1979. Sets forth the rule for the consideration of H.R. 3633.

H. Res. 307. June 7, 1979. Sets forth the rule for the consideration of H.R. 3916.

H. Res. 308. June 7, 1979. Sets forth the rule for the consideration of H.R. 3509.

H. Res. 309. June 7, 1979. Sets forth the rule for the consideration of H.R. 3621.

H. Res. 310. June 7, 1979. Sets forth the rule for the consideration of H.R. 3236.

H. Res. 311. June 12, 1979. Sets forth the rule for the consideration of H.R. 4386.

H. Res. 312. June 12, 1979. Sets forth the rule for the consideration of H.R. 4390.

H. Res. 313. June 12, 1979. Sets forth the rule for the consideration of H.R. 4391.

H. Res. 314. June 12, 1979. Sets forth the rule for the consideration of H.R. 4392.

H. Res. 315. June 12, 1979. Sets forth the rule for the consideration of H.R. 4394.

H. Res. 316. June 13, 1979. Foreign Affairs. Expresses the sense of the House that the President should call for an emergency session of the United Nations General Assembly to deal with the refugee crisis in Southeast Asia.

H. Res. 317. June 14, 1979. Ways and Means. Disapproves the Presidential authority to waive the freedom of emigration requirements for eligibility for most-favored-nation status with respect to Romania.

H. Res. 318. June 15, 1979. Sets forth the rule for the consideration of H.R. 2795.

H. Res. 319. June 15, 1979. Sets forth the rule for the consideration of H.R. 3303.

H. Res. 320. June 15, 1979. Sets forth the rule for the consideration of H.R. 2565.

H. Res. 321. June 18, 1979. Expresses the sense of the House that the President should call for an emergency session of the United Nations General Assembly, or other appropriate fora, to deal with the refugee crisis in Southeast Asia.

H. Res. 322. June 19, 1979. Sets forth the rule for the consideration of H.R. 4440.

H. Res. 323. June 20, 1979. Rules. Amends the Rules of the House of Representatives to prohibit committee funds from being used for travel unless its official nature is established by resolution approved by majority vote of the committee involved.

Prohibits any Member or employee of the House from accepting any gift of travel from any foreign national without the consent of the House of Representatives.

H. Res. 324. June 21, 1979. Sets forth the rule for the consideration of H.R. 3930.

H. Res. 325. June 21, 1979. Sets forth the rule for the consideration of H.R. 4439.

H. Res. 326. June 21, 1979. Interstate and Foreign Commerce. Commends the American Broadcasting Company, the National Broadcasting Company, and the Public Broadcasting Service for their work in closed-captioned television programing for the deaf and hearing-impaired.

Urges the Columbia Broadcasting System to begin such television programing in 1980 irrespective of its profitability.

H. Res. 327. June 21, 1979. Judiciary. Refers H.R. 4482 to the Chief Commissioner of the United States Court of Claims for further proceedings.

H. Res. 328. June 22, 1979. Sets forth the rule for the consideration of H.R. 1660.

H. Res. 329. June 22, 1979. Sets forth the rule for the consideration of H.R. 2606.

H. Res. 330. June 22, 1979. Sets forth the rule for the consideration of H.R. 3641.

H. Res. 331. June 22, 1979. Sets forth the rule for the consideration of H.R. 3642.

H. Res. 332. June 22, 1979. Sets forth the rule for the consideration of H.R. 3047.

H. Res. 333. June 22, 1979. Sets forth the rule for the consideration of H.R. 4057.

H. Res. 334. June 26, 1979. Elects certain Members of Congress to the House Committee on the District of Columbia and the Committee on Post Office and Civil Service.

H. Res. 335. June 26, 1979. Sets forth the rule for the consideration of H.R. 4389.

H. Res. 336. June 26, 1979. Sets forth the rule for the consideration of H.R. 3919.

H. Res. 337. June 26, 1979. Sets forth the rule for the consideration of H.R. 7.

H. Res. 338. June 26, 1979. Public Works and Transportation. Requests the Governors of the 50 States to cooperate voluntarily in standardizing truck weight and length limits in order to encourage striking truckers to go back to work.

H. Res. 339. June 26, 1979. Interstate and Foreign Commerce. Expresses the sense of the House that the President should prescribe regulations for the allocation of diesel fuel and the prohibition of discriminatory pricing of such fuel.

H. Res. 340. June 27, 1979. Elects a certain Member to the House Committee on Science and Technology.

H. Res. 341. June 27, 1979. Elects a certain Member to the House Committee on House Administration.

H. Res. 342. June 27, 1979. Elects a certain Member to the House Committee on Interstate and Foreign Commerce.

H. Res. 343. June 27, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Declares that it is the sense of the House of Representatives that the United States should establish a national energy plan that emphasizes the use of domestic coal as a means of displacing current foreign energy imports, while not violating national ambient air quality standards.

H. Res. 344. June 28, 1979. Dismisses a specified election contest of the First Congressional District of the State of Illinois.

H. Res. 345. June 28, 1979. Foreign Affairs; Merchant Marine and Fisheries. Expresses the sense of the House that: (1) the Senate should withhold approval of the Panama Canal Treaties implementing legislation; and (2) the State Department should make information about Panama's role in Nicaragua available to Congress.

H. Res. 346. June 28, 1979. Rules. Amends the Rules of the House of Representatives to require any Member or employee of the House to submit an analysis of the extent to which the legislative objectives of travel outside the United States were realized.

Prohibits local currencies owned by the United States or appropriated funds for travel expenses from being made available for use outside the United States for defraying the expenses of a committee Member for travel conducted after the date of the adjournment sine die of the second regular session of a Congress, if the travel occurs after specified dates.

H. Res. 347. July 10, 1979. Foreign Affairs. Declares that the Soviet authorities should: (1) release a copy of the judgment against Anatoly Shcharansky; and (2) free Shcharansky and other Prisoners of Conscience and permit their emigration to Israel.

H. Res. 348. July 10, 1979. Rules. Expresses the sense of the House of Representatives that there should be no recess for the House during the remainder of the 1st session of the 96th Congress.

H. Res. 349. July 10, 1979. House Administration. Directs the printing, as a House document, of the staff report to the Committee on Foreign Affairs entitled "The Assassination of Representative Leo J. Ryan and the Jonestown, Guyana Tragedy."

H. Res. 350. July 11, 1979. Sets forth the rule for the consideration of H.R. 3906.

H. Res. 351. July 11, 1979. Sets forth the rule for the consideration of H.R. 2061.

H. Res. 352. July 11, 1979. Sets forth the rule for the consideration of H.R. 3920.

H. Res. 353. July 11, 1979. Sets forth the rule for the consideration of H.R. 4473.

H. Res. 354. July 12, 1979. Rules. Sets forth the rule for the consideration of H.R. 466.

H. Res. 355. July 12, 1979. Ways and Means. Expresses the sense of the House of Representatives that the Congress should promptly enact the President's April 5, 1979, proposal providing for solar energy tax credits and that such enactment should take effect retroactively to such date.

H. Res. 356. July 13, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the Soviet Union, Bulgaria, Yugoslavia, and Romania are urged: (1) to release certain political prisoners; and (2) to halt the harassment and incarceration of individuals contrary to the Helsinki Accords.

H. Res. 357. July 13, 1979. Interstate and Foreign Commerce; Ways and Means. Expresses the sense of the House that: (1) the report of the Secretary of Health, Education, and Welfare entitled "Report on Home Health Services Under Titles XVIII, XIX, and XX" is not responsive to the requirements set forth in the Medicare-Medicaid Anti-Fraud and Abuse Amendments; and (2) such report shall be returned to the Secretary and revised to comply with such requirements.

H. Res. 358. July 16, 1979. Interstate and Foreign Commerce; Interior and Insular Affairs. Declares that it is the sense of the House of Representatives that the United States should establish a national energy plan that emphasizes the use of domestic coal as a means of displacing current foreign energy imports, while not violating national ambient air quality standards.

H. Res. 359. July 16, 1979. House Administration. Allows each Member of the House of Representatives to employ a specified number of permanent clerks.

Prohibits the total salary payment by a Member from the clerk hire allowance for a monthly pay period from exceeding a specified amount.

Increases the per annum gross rate of clerk hire allowance for each Member.

Allows interns to be reimbursed for transportation expenses between the District of Columbia and the district of the Member.

H. Res. 360. July 16, 1979. House Administration. Directs the printing of additional copies of the House Report entitled, "Second Concurrent Resolution on the Budget—Fiscal Year 1980."

H. Res. 361. July 17, 1979. Elects a specified Member of the House of Representatives to the Joint Committee of Congress on the Library.

H. Res. 362. July 17, 1979. Judiciary; Foreign Affairs. Expresses the sense of the House that the President should: (1) arrange for the immediate U.S. entry of approved Indochinese refugees; (2) direct emergency measures to rescue refugees on the high seas; and (3) establish a U.S. transit center for screening and processing refugees.

H. Res. 363. July 17, 1979. Sets forth the rule for the consideration of H.R. 4007.

H. Res. 364. July 17, 1979. Sets forth the rule for the consideration of H.R. 3299.

H. Res. 365. July 17, 1979. Sets forth the rule for the consideration of H.R. 3434.

H. Res. 366. July 17, 1979. Sets forth the rule for the consideration of H.R. 3282.

H. Res. 367. July 17, 1979. Sets forth the rule for the consideration of H.R. 2860.

H. Res. 368. July 17, 1979. Sets forth the rule for the consideration of H.R. 4040.

H. Res. 369. July 17, 1979. Allows Members of the House of Representatives to dispense with coats and/or ties in the House Chamber so long as appropriate clothes are worn during a specified period.

H. Res. 370. July 17, 1979. Requires Members of the House of Representatives to wear proper attire, as determined by the Speaker, while in the Hall of the House of Representatives.

H. Res. 371. July 17, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that congressional approval is required to terminate any mutual defense treaty.

H. Res. 372. July 17, 1979. Foreign Affairs. Expresses the sense of the House of Representatives that the President should convene a meeting of the major grain exporting nations to coordinate policies and prices to counter the effects of rising oil prices.

H. Res. 373. July 17, 1979. House Administration. Allows the parties in the case of New Mexico vs. Asmodt to have access to specified records of the House of Representatives.

H. Res. 374. July 17, 1979. Rules. Establishes in the House of Representatives a Select Committee on Energy.

H. Res. 375. July 18, 1979. Elects specified Members of the House of Representatives to the House Committee on Post Office and Civil Service.

H. Res. 376. July 18, 1979. Rules. Amends the Rules of the House of Representatives to provide that compliance with a subpena issued by a House commitee or subcommitee, in the conduct of any investigations or activities and authorized by a majority of the committee, may be enforced by the issuing committee or subcommitee.

H. Res. 377. July 18, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims a bill for the relief of a named company, for further proceedings in accordance with applicable law.

H. Res. 378. July 19, 1979. Standards of Official Conduct. Declares that Representative Charles C. Diggs, Jr. should be censured with the public reading of this resolution by the Speaker of the House of Representatives.

H. Res. 379. July 19, 1979. Sets forth the rule for the consideration of H.R. 3000.

H. Res. 380. July 19, 1979. Sets forth the rule for the consideration of H.R. 3160.

H. Res. 381. July 19, 1979. Sets forth the rule for the consideration of H.R. 51.

H. Res. 382. July 19, 1979. Foreign Affairs. Calls upon the Soviet Union to waive application of a Soviet dual citizenship law with respect to citizens of the United States and Eastern Europe. Declares that the United States will not participate in the 1980 Summer Olympics, if adequate assurances are not received from the Soviets regarding such waiver.

H. Res. 383. July 23, 1979. Ways and Means; Agriculture. Expresses the sense of the House of Representatives that the Special Representative for Trade Negotiations should seek to persuade the European Economic Community (EEC) to cease subsidizing wheat exports from member countries. Sets forth actions to be taken by the United States if the EEC refuses to stop such subsidies.

H. Res. 384. July 24, 1979. Sets forth the rule for the consideration of S. 1030.

H. Res. 385. July 24, 1979. Sets forth the rule for the consideration of H.R. 4167.

H. Res. 386. July 24, 1979. Sets forth the rule for the consideration of H.R. 79.

H. Res. 387. July 24, 1979. Rules. Expresses the sense of the House of Representatives that there should be no recess for the House during the remainder of the first session of the 96th Congress.

H. Res. 388. July 25, 1979. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Energy to investigate and report on energy policy, regulation, conservation, and research and development.

H. Res. 389. July 26, 1979. Sets forth the rule for the consideration of H.R. 4930.

H. Res. 390. July 27, 1979. Rules. Expresses the disagreement of the House of Representatives to the Senate amendments to H.R. 111.

H. Res. 391. July 30, 1979. Expels a specified Representative from the House of Representatives.

H. Res. 392. July 31, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Declares that it is the sense of the House of Representatives that the United States should establish a national energy plan that emphasizes the use of domestic coal as a means of displacing current foreign energy imports, while not violating national ambient air quality standards.

H. Res. 393. July 31, 1979. Sets forth the rule for the consideration of H.R. 2172.

H. Res. 394. July 31, 1979. Agriculture. Requests the Secretary of Agriculture to establish a wheat set-aside for the 1980 crop year.

H. Res. 395. July 31, 1979. Ways and Means. Expresses the sense of the House of Representatives that the Congress should promptly enact the President's April 5, 1979, proposal providing for solar energy tax credits and that such enactment should take effect retroactively to such date.

H. Res. 396. August 1, 1979. House Administration. Authorizes the printing of additional copies of the House of Representatives report entitled "Defense Production Act Amendment and Extension."

H. Res. 397. August 2, 1979. House Administration. Directs the printing, as a House document, of the report of the official visit by the Speaker's United States House of Representatives delegation to the Union of Soviet Socialist Republics.

H. Res. 398. August 2, 1979. Foreign Affairs. Directs the Secretary of State to provide the House of Representatives with information concerning Israeli use of military aircraft of U.S. origin and Israeli compliance with the Arms Export Control Act.

H. Res. 399. August 2, 1979. Science and Technology. Directs the Office of Technology Assessment to initiate, complete, and report to Congress on a study of patented, copyrighted, or other consumer energy devices which have not been developed as marketable products.

EXTENSIONS OF REMARKS

AN EXPANDING MARKET FOR COMMUTER AIRLINES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. LaFALCE. Mr. Speaker, we have all experienced the early results of our deregulation of the air travel industry, and I think most of us would agree that the results are generally beneficial.

In its most recent issue, Forbes magazine reviewed one aspect of this—the impact of deregulation on "commuter" airlines in the United States. The phrase "commuter" airlines is a bit of a misnomer, of course, as many smaller communities that have lost some or all of their air passenger services—or may lose it in the future—rely on these smaller firms to fill in the gaps left when the large jets went away.

The thrust of the Forbes article is that there is a growing need for small airplanes, seating from 9 to 50 people, to meet the demand for air travel in these markets. The article also makes it clear that many firms, including both long-established aircraft manufacturers as well as new entrepreneurs, are pursuing this potentially lucrative market. And it indicates that there may be room for more as well.

The magnitude of the risks involved is large, however. Even one firm that seeks to establish production facilities in Youngstown, Ohio, which has secured tentative conditional approval from the Economic Development Administration for a loan guarantee, faces very difficult hurdles before that guarantee will take effect. The Forbes article states that the firm "has a Commerce Department guarantee of $30 million in private sector loans, but must raise $12 million more and sign up 25 orders before the guarantee takes effect." That is quite a tall order for a new industry in a competitive field.

Because of the importance of this industry to so many American communities, I am now entering the Forbes article in the RECORD:

MOVE OVER, BOEING

(By Richard Cowan)

Wanted: airplanes to carry 15 to 50 passengers. Must be easy to service, also fuel-efficient for short hops.

That want ad hasn't yet been printed, but it could be. Those planes are needed now, and demand will increase now and over the next decade as short-hop commuter air travel grows.

"There are definitely airlines without enough planes. Ransome Airlines has turned away 500 reservations some days for its commuter flight from Philadelphia to Washington," says Alan Stephen, operations director of the Commuter Airline Association of America.

But what size plane is needed is another question. Some planemakers think the future belongs to smaller planes, carrying 19 or fewer passengers (with that load no flight attendant is needed). "Few commuter lines gross even $10 million a year. Are you going to build a $6 million plane [carrying 50] for less than $10 million in business? And for many communities, six flights a day [in smaller planes] is better than one," says Ed Stimpson, president of the General Aviation Manufacturers Association. Stephen, however, says there is substantial demand

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

now for 140 new planes a year, half for the popular 19-passenger birds and half for larger 30- to 50-passenger craft.

The planemakers are getting designs and rushing into production with larger models:

Swearingen, a subsidiary of Fairchild Industries Inc., which dominates the commuter market with its Metro II $1.3 million, 19-passenger, two-engine turbo-prop, has a 100-plus order backlog. There will be larger models coming in the mid-1980's, says Richard Robinson, marketing vice president. "We don't have a clear picture right now whether we will need a 30- or 50-passenger plane," he adds. The company's production is expected to double by 1982, he adds.

De Havilland Aircraft Co., owned by the Canadian government, will double production of its $5.5 million, 50-passenger Dash 7 next year to four per month. "If you want one, it's two years to get it," says a de Havilland official. A 30- to 40-passenger plane now called the Dash X is also under construction.

Beech Aircraft Corp., which has been out of the commuter plane business, is getting back in. Its 15-passenger C-99, which had been discontinued, is being updated and will be back in production in 24 to 29 months at $1 million; a 13-passenger commuter plane will be appearing in 12 to 15 months, a new 19-passenger model in 36 to 42 months for $1.4 million ["in 1979 dollars," says the company]; and studies for a new model carrying 25 or more are under way.

Piper, a subsidiary of Bangor Punta Corp., has talked to commuter lines about a new plane, but doesn't yet admit to any production plans. However, output of its 9-seat passenger Navajo, used by business and commuter lines, is being increased to 375 for 1980 from 350.

Gulf Stream American Corp. is stretching one of its corporate models into a 38-passenger commuter plane. If the business is there the company will offer to stretch other used models for $1.5 million—provided you've got the plane—and then will start to produce new 38-seaters, says Allen Paulson, Gulf Stream's chairman.

In addition, larger commuter models from foreign manufacturers, such as Britain's Short and Brazil's Embraer Bandeirante, are being offered here.

"The competition for the sale of these planes will be fantastic," says William J. Sullivan, acting chief of the Federal Aviation Administration's safety regulation staff, which is drafting rules for the coming generation of larger commuter craft. The Commuter Airline Association estimates $300 million in new planes and equipment is already on order.

Fueling the demand is the airline deregulation effort. The large carriers are abandoning or curbing service to less profitable cities. Some 130 cities—such as Bridgeport, Conn., Columbus, Ohio, Walla Walla, Wash. and Bakersfield, Calif.—are losing some or all of their air service.

"So there is a larger market for the 40-to 50-passenger aircraft," says Stephen of the Commuter Airline Association. Commuter airlines also are now eligible for federal loan guarantees and are allowed, under deregulation, to carry more than 30 passengers, another inducemant to buy more and larger aircraft.

"I see the possibility of a 30- to 50-passenger plane in the next three years for different markets than we are servicing now. We could possibly use five to ten big planes," says Gary Adamson, president of Air Midwest. The 250 or so commuter lines fly some 1,300 planes, even including old DC-3s, but planes such as the Piper Navajo and the Swearingen Metro II are more common.

The potential market could also lure newcomers. Purdue University Professor Lynn L. Bollinger hopes to get his company, Commuter Aircraft Corp., off the ground by building a 40- to 50-seat, $3.6 million, four-engine turboprop. He has a Commerce Department guarantee of $30 million in private sector loans, but must raise $12 million more and sign up 25 orders before the guarantee takes effect. He hopes to build the plane in depressed Youngstown, Ohio for the federal subsidies. "This is a nice business to get into," he says. "The return on investment is beautiful."

Of course, even after they get their planes the commuter lines will still have a problem or two—fuel, for example, and finding enough pilots and mechanics. But it's reasonable to assume that the commuter carriers will get their share of available fuel, and crews can always be trained. So the soom figures to go on for quite a while to come.●

FOREIGN EARNED INCOME ACT OF 1978

HON. JON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HINSON. Mr. Speaker, when the Congress passed the Foreign Earned Income Act of 1978 it was widely seen as a needed reform of the Internal Revenue Code. The broad exclusions of foreign earned income were replaced with a schedule of deductions which tailored taxation and exemptions to the needs and the actual expenses and activities of U.S. citizens working abroad.

All too often, and certainly in this instance, however, broad solutions do not accommodate certain small special categories. While the 1978 act functions admirably as applied to executives and workers who are normally quite prosperous in their foreign employment, and who qualify through their travels and expenses for the deductions specified by the 1978 act, a minority of the most dedicated, selfless and least well-paid of these Americans working abroad are not appropriately regulated by this act.

Missionaries and employees of charitable organizations do not earn large salaries, make few visits back to the United States, and rarely face the economic considerations which loom so large in the schedule of deductions, such as inflated housing costs in Paris or food prices in Japan. Typically these persons work in isolated areas, living on the local economy in the style which prevails locally. To replace the broad exclusion of foreign earned income with a schedule of deductions is to lay a very heavy burden on individuals who can least afford it. These charitable workers bring the benefits of technology and science as well as social and spiritual inspiration to the unfortunate of the world. They are some of our country's best representatives in the international arena. It is intelligent and compassionate Government policy to minimize their tax burden. The real benefits far outweigh the inconsequential revenue losses.

For these reasons I am today introducing a bill to amend the Internal Revenue Code to provide an exclusion from taxation of up to $20,000 in income per year, to be prorated for the proportion of the year spent in hardship areas as a charitable worker.●

THE PROBLEMS AT MARBLE HILL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 12, 1979, into the CONGRESSIONAL RECORD.

THE PROBLEMS AT MARBLE HILL

Construction problems at the Marble Hill nuclear reactor site have been very much on the minds of Ninth District residents. In public meetings, post office visits, and routine appointments scores of people have asked me about problems at the site. They have wanted to know how the parties involved, mainly the Nuclear Regulatory Commission (NRC) and Public Service Indiana (PSI), propose to handle the problems. Also, they have been interested to get my latest impressions of events.

Government knowledge of serious construction problems at Marble Hill is fairly new. The inspections performed by the NRC from August of 1977, when construction began, to March of this year turned up only a few minor difficulties at the site, but an inspection performed during the first week of April identified honeycombing (air pockets), improper repairs, and other irregularities in the concrete work. As the NRC noted in a subsequent report to a congressional committee, this was the first evidence of a serious breakdown in procedures to assure quality in construction at Marble Hill. The NRC met with PSI in mid-May to see that the matter was addressed.

Hoosiers who keep track of Marble Hill in the media know that a confusing flurry of sworn statements, new inspections, and work stoppages began about a month later. In mid-June, a workers allegation that there were widespread defects in construction was followed by a PSI report that defective patches of concrete had indeed been found. The NRC initiated an investigation immediately, and during the last week in June the NRC regional director called for a halt to all safety-related concrete work. Safety-related pouring of concrete was resumed on July 7 after a one-week, on-site inspection, but new affidavits alleging further shoddy work continued to surface. PSI and NRC inspections of a troublesome series of safety-related pourings of concrete in mid-July prompted the NRC regional director to return to the site on July 20, at which time he confirmed that PSI would not allow the placement of concrete for safety-related structures until identified problems were corrected and the company demonstrated that its quality assurance program could be implemented effectively. Finally, and after yet another inspection, PSI voluntarily suspended all safety-related work (placement of concrete, erection of structural steel, installation of pipe and cooling system components, and application of protective coatings) as of August 7. The NRC confirmed this suspension with its own order eight days later, citing deficiencies in PSI's quality assurance program.

I have been deeply concerned with the problems at Marble Hill, both the actual flaws in construction and the unsatisfactory quality assurance program, since they were brought to my attention in mid-June. The very day I heard about the first worker's

allegation I spoke with NRC officials and requested a complete investigation and report. I have been in close and constant contact with the NRC not only to keep up with development, but also to be sure that the NRC is proceeding diligently. Among other things, I have on several occasions urged the NRC to make all information available to the public. PSI has also been an object of my interest. I have spent countless hours in numerous meetings with PSI officials, and I have asked hundreds of questions about the Marble Hill plant, especially about its safety features. I have undertaken field work, too, and I have personally toured the site, interviewing workers, supervisors, and inspectors. Of course, I have examined honeycombing in the concrete work. In all, I have probably spoken with dozens of Marble Hill personnel since construction began. Face-to-face meetings with groups opposed to the plant, and also with business agents of the trade unions, have provided me with a very broad sampling of opinion.

As I have talked with Ninth District residents in recent weeks, I have often stated to them my position on the fast-changing situation at Marble Hill. To begin, I support each of the work stoppages that has been ordered so far. Every congressional investigation of the problems at the site will have my full cooperation and undivided backing. However, I have made no judgment about the future of Marble Hill. The NRC and other groups, including Congress, are currently taking stock of the situation at the site, and on the basis of their findings of fact we should decide whether PSI may move ahead with construction. In my opinion, neither a resumption of construction nor a permanent halt to construction can be justified at a time when all these groups are still engaged in their work. Few people regard the present review as pointless, but it would be pointless if we already had enough data in hand to make the final decision now. I am not about to draw hasty and ill-informed conclusions on an issue of such importance to Hoosiers.

I have often called nuclear power an interim or transitional source of energy. By this I mean that nuclear power will serve us for a few more decades before being replaced with other less risky sources of energy. I will support Marble Hill only if I am convinced that construction there will take place in accordance with the very highest standards of safety. A nuclear plant that cannot be built and operated safely is something that Ninth District residents, indeed the country, should not be forced to accept.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. GAYDOS. Mr. Speaker, I would like to address my colleagues regarding recent workplace tragedies which might have been prevented by closer adherence to OSHA safety standards.

On March 20, 1979, 22-year-old Woodland, Calif., man was killed and another injured when the crane boom they were operating struck high voltage lines. The death of a young man such as this is tragic, but is not an isolated case. This type of accident has been the cause of countless worker deaths.

For instance, on March 29, 1979, a Blacksburg, S.C., man was electrocuted while working on a powerline.

On March 30, 1979, a 24-year-old employee of a sign company in Wilmington, N.C., was electrocuted when a cable he was working with touched a high voltage powerline.

Society pays a high price for not preventing job-related deaths and injuries. These costs include:

First, disrupted homes; second, lost income; third, lost productivity; fourth, high turnover in the workforce; fifth, rising costs of workers' compensation; and sixth, the list goes on.●

HEAVEN ON EARTH ON EARTH

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MOORHEAD of California. Mr. Speaker, for 36 years John Carpenter has devoted his time, his efforts, and his money to the handicapped youngsters of my district and all of Los Angeles.

A former movie cowboy and stuntman, John is solely responsible for Heaven on Earth Ranch—free for the handicapped forever. It was his vision that conceived a rustic western town as a unique therapy center for children.

It was his determination and tenacity that brought the ranch from dream to reality. It was John's muscle that built the town plank by plank, building by building, and it is John's commitment and labor that keeps Heaven on Earth on Earth.

And this one man's creation has been uncommonly successful in providing treatment and joy for thousands of disabled children. This is easily understood when one reads the many letters from grateful parents and teachers and therapists that John has received over the years.

There are many reasons for the success of the small western village. For one the atmosphere of the ranch is authentic. It is full of the scents of horses and hay. It is an eyeful of cowboy trappings and western wagons. The textures are of oak and earth and sage.

Heaven on Earth Ranch is just the opposite of what one would normally envision as the typical center for handicapped children. It has no long corridors, no concrete, no polished railings. It is not plastic.

The ranch also has John Carpenter, who has been wearing cowboy gear so long and so comfortably that it is difficult to see where the man begins and the leather ends. He undoubtedly is the principal reason for the success of Heaven on Earth. He has and constantly displays a natural affection for handicapped youngsters that most of us could not begin to emulate. He can pick up a crippled, drooling child and hoist him into the saddle, filled only with affection and compassion, not repugnance.

John and his ranch are much alike. They are unique, rugged, effective, beneficial and not easily swayed. This is a short but sincere tribute to John Carpenter for 36 years of special service to those who need special care.●

HOW TO BE HEARD BY THE FEDERAL BUREAUCRACY

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. LOWRY. Mr. Speaker, I would like to recommend the following article, written by Seattle resident David E. Ortman, to my colleagues and to citizens across the country who are concerned that our Government work as it is intended to work. This article shows how one's voice can be heard by the Federal bureaucracy:

HOW TO INFLUENCE YOUR BUREAUCRAT

(By David E. Ortman)

Bureaucratic agencies take a variety of forms. Within the federal government some are directly accountable to the executive branch, such as the Department of the Interior (which contains the Bureau of Land Management, National Park Service, and Bureau of Reclamation, among others) and Agriculture (which contains the Forest Service and Soil Conservation Service). Others function independently of both congressional and executive control (the so-called independent regulatory commissions like the Federal Trade Commission, and the Federal Communications Commission). Still others have been created by Executive Order and are answerable to the President, though not under any cabinet secretary's control (e.g. Environmental Protection Agency, Council on Environmental Quality).

By and large these agencies do what Congress or the President tells them to do. For instance, Congress has passed a Clean Air Act, outlining certain goals and policies for the achievement of cleaner air. The task of setting the proper standards, assessing the technology, and insuring compliance is handed to the Administrator of the Environmental Protection Agency (EPA). So it is ultimately the EPA, not Congress, which decides how the law is to be implemented.

As another example the President may decide that the discount rate for water projects, which is the way federal water project agencies decide the relative worth of a dam, is too low. The President may direct the Secretary of the Interior to propose higher discount rates which would have a significant effect on water policy planning.

These bureaucratic decisions can result in healthier air, safer drinking water, cleaner rivers, better solid waste management, conservation of natural areas, noise control, transportation reform, and pesticides control or they can result in paper shuffling.

CITIZEN ACTION

Bureaucrats can be influenced, a fact more clearly understood in business and industry than among consumer groups. The Senate Governmental Affairs Committee, for example, released a report last year showing that business interests consistently spend many times more than consumer groups in trying to influence important federal regulations. The Committee reported that in more than half the regulatory proceedings it studied, there was no public participation at all, and that when consumer witnesses did appear at such proceedings they were commonly outnumbered by industry witnesses 10 to 1 or more.

In the energy field, a survey by Friends of the Earth of the Nuclear Regulatory Com-

mission revealed that of 19 petitions for rulemaking filed during 1977 only six were submitted by environmental groups. None of those filed by environmental groups has yet been granted. Over at the Federal Regulatory Commission six petitions were filed in fiscal year 1977 and two were filed in fiscal year 1978—none by environmental groups.

The past decade has seen the establishment of a complex set of agency rules and regulations to govern environmental practices. These environmental regulations are increasingly under attack by business and industry seeking to take the quickest, cheapest and shortest path toward their corporate objectives. But as John R. Quarles, Jr., former Deputy Administrator of EPA, stated,

"Regulation is indispensable to achieving environmental goals. Regulation is the vehicle through which community decisions are implemented, through which collective judgment is made binding on all. In the absence of specific, enforceable regulations no one could have assurance that others would comply with any type of community decision . . . Some form of regulatory control is the only way."

Citizen control and action have resulted in the passage of much legislation geared toward environmental protection. Environmental activists are working to see that this legislation is implemented. The success of their efforts, however, depends in large measure on how well they understand agencies and how they work.

According to a recent study of federal regulations:

"The ability of the general public to comprehend agency action is a fundamentally important form of citizen participation in the regulatory process. It involves understanding the rules agencies propose or issue, and the forms and guidelines those rules establish . . . Those who venture into bureaucratic processes soon discover that agency rules at best were written only with lawyers and experts in mind; sometimes rules are a mystery even to well informed persons. Certainly, the average citizen is frequently left in the dark. At present it is difficult, perhaps impossible, for citizens to understand agency rules and requirements without expert advice."

On that cheery note, we plunge ahead into the paper world of the bureaucrat.

INFORMATION

The first rule is Get to Know Your Agency. The statutory authority for each agency is found in the U.S. Code and citations are listed —— U.S.C. ——. Most agencies maintain region offices. Obtain a telephone directory of personnel of the agency (or regional office) and keep it up to date. Nothing is more frustrating than not knowing who to call or what the number is. Ask other environmentalists for names and numbers of staff they deal with at the agency. Most agencies have lawyers who will usually be willing to give you the agency's legal position on an issue or provide you with other legal help.

See if the agency director will set up a "brown bag" lunch at least once a month with your group and other interested organizations to discuss issues of mutual concern. Get on their mailing lists. Agencies will shower you with information on what they are doing if you give them your address. Make it a habit to call key agency people at least once a month just to let them know you are still around and to catch up on what is happening. Often they will alert you to upcoming actions. Let them know they can rely on you. Try to get someone to meetings they alert you to. Submit comments on items to which they ask your opinion, if possible.

There are other ways of keeping up with agencies. Most agencies have libraries. This can be a useful source of information, specialized toward the agency's activities. If your office is located outside Washington, DC and outside a regional headquarters city, you may be near a Federal Information Center, a depository for agency documents, studies, environmental impact statements, etc., usually housed in a public library.

With your agency directory in hand, call Washington. (Call person to person at noon DC time, when the person you want is out, and hope they return your call on their own line.) Learn to use the Freedom of Information Act (which requires a response by the agency within 10 days) to obtain memoranda, letters, and other agency material. Under the Freedom of Information Act, all federal agencies must make available almost any record or document properly requested by the public. If a federal agency does not do so, the person requesting the information has the right to bring suit in federal court to compel compliance.

Letters to bureaucrats are just as important as letters to your Representatives and should state the basis for the grievance, the legal principle involved, and the precise remedy the agency should take. Type the letter on your organizational letterhead and copy key people at the bottom of the letter. Send your letter to the top, unless you know specifically to whom it should go. That way it will trickle down the layers and will reach the attention of more bureaucrats. Send a copy of the letter and a note to your Representative if you don't get a response within 30 days, and send a copy of your note to the agency.

Specialized newsletters, which are published on a variety of environmental subjects, are another source of information. They are usually very expensive, but offer thorough coverage of ongoing rules, regulations, meetings, and so forth (e.g., Air and Water News, $148/yr, Trends Publishing Co., Detroit, Michigan).

PUBLIC HEARINGS AND MEETINGS

Public hearings are a familiar aspect of agency procedure for most environmental groups. You should attend public hearings with three purposes in mind: first, to get your views before the agency with the hope of influencing a decision; second, to publicize your views through press coverage of the hearing; and third, to build a base in the hearing record, should future litigation become necessary.

Too many times, however, important public hearings take place only in Washington, DC, inaccessible to most members of the public but convenient for the numerous trade associations headquartered there. FOE has proposed to the executive office that agencies hold regional hearings whenever 100 or more citizens request one, if such a hearing has not been held within the last year, to facilitate participation by outside sources.

Generally speaking, before a hearing, get your statement and press release to your press contacts. During the hearing be brief—usually no more than five minutes. Summarize your position and ask that your full statement be entered into the hearing record. Be prepared with additional material to refer to if questioned; often you will be able to get more material entered this way. If the material you need is not at hand, ask if you can send it in for the record.

It is vexing to present your testimony and then have an opponent make some outrageous statement which you can no longer rebut. Have someone in your organization sign up near the end and then take notes on what the opposition says. When called, this person can then refute errors, distortions or outright lies—in short, have the last word. After the hearing, thank your press contacts if they covered the hearing. Inform your own members of the results.

Agency and advisory committee meetings may or may not be public. A Government in the Sunshine Act, passed in 1976 and, operating since March of 1977, set down strict limits on which meetings can be closed to the public. A recent Library of Congress evaluation of the Act disclosed that of 1,003 meetings listed in the Federal Register between March 24 and September 9, 1977, 339 were completely closed to the public and 183 were partially closed, although relevant exemptions that would allow such closings were cited in only 193 cases. A close look at the exemption claimed for a closed meeting may open it up. A proposed closed meeting held recently by the Forest Service in Washington, D.C., was opened up when it was pointed out that the Forest Service had not complied with any of the requirements for filing for a closed meeting.

THE FEDERAL REGISTER

The Federal Register prints daily all the government's rules, regulations, and proposals, plus listings of public meetings and hearings. Last year it ran to more than 60,000 pages, sprinkled liberally with "thou shalts" and "thou shalt nots" having the full force of law. Fortunately, one can learn not to be overwhelmed. The Federal Register has gone to some lengths in the past few years to clean up the gobbledygook and bureaucratese.

The Office of the Federal Register has specific days for specific agencies to submit material to the Register. If you are tracking only one agency, you need only keep up with two or three issues a week. For those of you who need to monitor the spectrum of environmental concerns, learn to use the index in front, first scanning for those agencies which are environmentally involved and then for the specific proposal, rule or regulation. This goes quite rapidly after a little practice. In addition telephone information service is now available. A recorded summary of highlighted documents appearing in the next day's issue can be obtained by dialing (202) 523-5022 in Washington, D.C., and now for the first time in Chicago at (312) 663-0884. Coming soon to a city near you.

RULEMAKING AND REGULATIONS

Besides announcements of meetings and executive orders, the Register publishes two other types of notices.

Rules and Regulations. This section of the Federal Register contains regulatory documents having general applicability and legal effect, most of which are keyed and codified in the Code of Federal Regulations, —— C.F.R. ——. When published as final rules, these have the effect of law.

Proposed Rules. This section contains public notices of the proposed issuance of rules and regulations. These notices give interested people an opportunity to participate in the rulemaking before the adoption of the final rule.

A proposed rule is almost impossible to change once published. Recently, some agencies have begun publishing an advanced notice of proposed rulemaking before publishing the proposed rule, as a sort of pretrial to allow public comments before the agency's glue has set.

Once you understand the basis for agency rulemaking and follow the Federal Register, try to submit comments on notices of intent to develop rules rather than after proposed regulations have been finalized. If you have any questions, most notices now contain the name and telephone number of the person responsible for writing the proposed rule or regulation. Check with the agency to see if it has granted an extension of time for comment by another agency; if so, the extension generally applies to all "commentors." If not, you can write and try to request an extension of time to comment if you feel it is

necessary. Most agencies will include its responses to comments when they publish their final rules and regulations.

Executive Order 12044 on "Improving Government Regulations" suggests several ways for agencies to increase public participation in rulemaking. Suggestions include distribution of issue papers; use of open conferences; distribution of regulatory analyses to organizations affected by agency regulations; direct notification of trade associations, labor unions, and consumer federations; meetings between the regulation project manager and the public; use of advisory committees or temporary work groups; announcement of proposed regulations in publications such as general circulation newspapers, newsletters and trade journals; greater consultation with state and local government personnel; and regional public hearings.

ADVISORY COMMITTEES

Most federal agencies have advisory committees of one sort or another. It is important for you to know who sits on them, how they get there, whether they serve full- or part-time, and what interests they represent. You will occasionally be able to influence the selection of new committee members. The advisory committees meet on a periodic basis and often allow you to make presentations.

PETITIONS

Agencies cannot entirely eliminate regulations unless the law which authorized the regulations allows them to do so. Nevertheless, there is a procedure within the Administrative Procedures Act (APA) which took effect in September of 1946, that states, (5 U.S.C. 533[e]):

"Each agency shall give an interested person the right to petition for the issuance, amendment or repeal of a rule."

According to the Attorney General's 1947 Manual on the APA, the filing of a petition under that section does not require an agency to undertake rulemaking proceedings. The recent Executive Order did not correct this weakness, omitting the mandatory petition procedure recommended by Friends of the Earth.

Still, the recourse of petition is occasionally used. Last year, the National Wildlife Federation submitted a 21-page petition for rulemaking under the Fish and Wildlife Coordination Act and the National Environmental Policy Act to the Departments of the Army and the Interior and the Council on Environmental Quality, for the issuance of regulations to mitigate losses of fish and wildlife to water resources projects. Agency discussions are still going on.

BUREAUCRATS

The bureaucrats exist in a system which purports to offer to society efficient, uniform, and rational service. In reality the bureaucrat has no easy job. He is faced with pressure from within as well as from without—administrators who attempt to stifle dissent, incompetent staff, budget cuts, threats of congressional investigation and more. Furthermore, Congress rarely passes specific laws when vague laws will do. A bureaucrat faced with a mandate to regulate the national forests in the "public interest" will, in the absence of clear congressional language, bend with whatever wind happens to be blowing at the time.

Bureaucrats for the most part are not allowed to consider what they want to do, or what they think should be done. Their function is to insure that existing rules are applied as methodically as possible. However, since no two cases are ever alike, the bureaucrat is continually faced with exceptions and reasons why Industry A cannot meet its compliance schedule or Plant B should not be forced to pretreat.

A common theme heard from the Forest Service is that it must be doing its job when both timber companies and environmentalists are mad. This attitude totally ignores the question of what is happening to the resources. The same refrain comes from the Bureau of Land Management (BLM); when the grazers, miners, and off-road runners, as well as the environmentalists, are unhappy with BLM, then the Administrator feels safe. Again the question of protecting the resource often comes second to maintaining one's position within the agency.

Bureaucrats, especially those in environmentally sensitive agencies, are heavily lobbied by groups seeking to lessen the force of environmental requirements. It is important, therefore, the environmental groups develop a constituency that is able not only to counter this pressure, but can also strengthen the environmental decision-making process. Encouraging, supporting and protecting "whistle blowers" (bureaucrats who go public with agency mistakes and blunders rather than cover up) is important.

A bureaucrat is in the end carrying out someone else's policies according to a set routine. This means that you must work to insure that they carry out and implement environmental legislation now on the books. If they do not, the courts are available and they tend to take a dim view of agencies disregarding their own laws. In addition, if an agency is not able to carry out adequate environmental protection then you must move back to the legislative arena and create the tools necessary for the bureaucrat to work with.

As Congressman George E. Brown, Jr. (D-Calif.) said on the House floor, on January 27, 1976,

"Environmental regulations are clearly a category of governmental regulation that cannot be reduced or eliminated. Too much is at stake, and while local regulations are preferable to national regulations in many circumstances, what chance would a local government or even a state have in standing up to a major automobile company, or a major chemical company? And what knowledge base does a local government have that would enable it to counter a major corporation in court, which is where environmental regulations seem to end up once any enforcement action is taken? Under existing law, the weakest part of our present program of environmental protection is our knowledge base.

"This is the 'Catch 22' of environmental programs. The government must prove a pollutant is harmful, yet it is given inadequate funds and personnel to do so."

To influence your bureaucrat you have to understand the factors involved, the agency, the rules, the limitations, the access, and pressure points. The bureaucrat does not run for reelection and has no need for campaign contributions. If you are to be successful, in the final analysis you must gain their trust. It goes a long way.●

ALTERNATIVES TO MILITARY CONSCRIPTION

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. PATTERSON. Mr. Speaker, it has long been a personal belief of mine that each American has an obligation to serve our country in some capacity, such as military service, Government service, or social service.

However, when the House votes today on the defense authorization bill, I intend to support Representative SCHROEDER's amendment to strike the provision for mandatory registration and in its place require the President to report back to Congress on various options for meeting the manpower needs of our Armed Forces.

The Selective Service has stated that with upgraded computer capacity it will be able to meet the Defense Department's most recent emergency mobilization timetable. Therefore, I believe that instituting mandatory registration of 18-year-old males when all of the alternatives have not been sufficiently studied, would be a mistake.

Of all the options recommended by the Schroeder amendment, I personally favor the option of establishing a national youth service program of mandatory military or civilian service. The Public Service System Act (H.R. 3603) addresses this option. This legislation, which I have cosponsored, would establish a Public Service System under which young people of the United States would be obligated to serve our country in a civilian, military, or military reserve service.

Mr. Speaker, I would hope that before Congress reinstates the registration of 18-year-old males, we carefully study other options, such as the Public Service System Act, to insure that our Nation's defense and social needs are met in the most beneficial manner.●

NATIONAL POW/MIA RECOGNITION DAY ACTIVITIES, FRESNO, CALIF., JULY 18, 1979

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. COELHO. Mr. Speaker, the President and Congress in a joint resolution Public Law 95-349, declared July 18, 1979, as National POW/MIA Recognition Day and asked a grateful Nation to express its gratitude with appropriate ceremonies and activities honoring these brave men and women.

An outstanding event was coordinated by the Veterans' Administration Medical Center, Fresno, and the Veterans Employment Service, U.S. Department of Labor, but the entire community, including members of the military services, veterans service organizations, the chamber of commerce, businessmen and women, politicians and the news media actively participated in the ceremony, held on the front lawn of the Veterans' Administration Medical Center.

The President's proclamation was read by former U.S. Ambassador Philip Sanches, and the featured speaker was California Superior Court Judge Frank Creede, a former POW himself.

The highlight of the ceremony was the planting of a sequoia redwood tree by Steven L. Bragman, assistant director of the Veterans Employment Service and a disabled veteran. He was assisted by

all former POW's and MIA's in attendance. The tree will serve as a living memorial to the memory of the POW's and MIA's from the Fresno, Calif., area.

I am particularly proud of the people of Fresno who took time from their daily routine and problems to honor these men and women who have given so much to their country.●

LOU BROCK—A BASEBALL LEGEND

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. CLAY. Mr. Speaker, the city of St. Louis and the St. Louis Cardinals are proud to boast of having one of the finest baseball players in Major League history. On August 13, 1979, Louis Clark Brock became a bona fide legend when he brought his hitting record to 3,000 hits. Lou Brock has the highest respect and admiration of Americans from all walks of life: old and young; rich and poor; athletes and spectators. He is truly a champion in his field and a symbol of talent, dedication, and achievement. St. Louisans are proud to hail their superstar and I am honored to share with my colleagues in the U.S. Congress, the following editorial on Mr. Brock, "Going Out on Top," which appeared in the Washington Post on August 15, 1979:

GOING OUT ON TOP

Louis Clark Brock got two singles in a baseball game in St. Louis Monday night. There is nothing unusual about that—he has been doing it for years. But these were hits No. 2,999 and 3,000 of his major league career. That, as every sports fan knows, puts Mr. Brock in one of baseball's special categories. As important as those 3,000 hits are to the keepers of records, however, they are not what makes Mr. Brock special. There are other things.

One of them is that Lou Brock and a tiny handful of other players restored to baseball in the 1960s something it seems to have lost. Unlike the strong men whose bats propel balls over shortened fences, he was a player whose success depended upon speed, skill and finesse. He was a terror on the base paths and reminded fans there is as much joy (and anguish) in stealing a base as there is in hitting a home run.

The other thing about Mr. Brock is this: When he got those two hits the other night, he was almost two months beyond his 40th birthday. Some of us find that one of baseball's more gratifying statistics. Folklore has it that men of his age are, as they say, over the hill. But this year, Mr. Brock at age 40 has been tearing up the league, hitting more frequently than ever before and outplaying men 10 and 15 years his junior.

It is the last year he will do so. He announced last winter, and has stuck with it ever since, that this summer will be his last on the playing fields. That announcement, if the reports from St. Louis are correct, brought grimaces from those who pay his salary. He has had a disastrous season in 1978 and they wanted him to quit. No man, the pundits said, could come back at 40 from so bad a performance and play well in a sport demanding such good eyes and quick reflexes.

But Lou Brock said he didn't want to go out as a flop. One more year, even at 40, and perhaps, just perhaps, he could go out on top. He got the year, he is having the season he longed for, and he is going out where he wanted to be. That's class and that, more than the 3,000-plus hits and the 900-plus stolen bases, is what makes Lou Brock special.●

TARGET: U.S.A.

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MICHEL. Mr. Speaker, CBS News recently presented one of the most shocking and historically important television programs ever presented to the American public. I refer to "Target: U.S.A.," the first—and I hope not the last—presentation of a new CBS program entitled "Inside Yesterday."

Briefly, the program told the story of an American President's cooperation with agents of a foreign power. These agents, according to documents now in Government archives and also according to one surviving actor in this drama of international espionage, did everything they could to hinder, smear, and play dirty tricks on American citizens.

As a CBS news correspondent said during the program:

> If this story had surfaced . . . (the President) could conceivably be impeached.

The foreign power was Great Britain. The President was Franklin D. Roosevelt.

I wish to point out that what follows is the verbal transcript of the program. Needless to say, the full impact is gained only by combining the visual with the verbal elements. But, allowing for the lack of visual elements which often serve as transitional material, the words alone tell quite a story. "Hyde," referred to in the text, is a former member of the British intelligence group.

At this time, I wish to insert in the RECORD, the transcript of "Target: U.S.A." as shown on the CBS television network, Tuesday, August 21, 1979.

TARGET: U.S.A.

(With CBS News Correspondent Mike Wallace)

MIKE WALLACE. I'm Mike Wallace. Usually my beat is what is happening today. But sometimes there are inside stories left unreported from yesterday, even from years ago. Recently we came across one such, all but buried in a book about World War II. What is involved is nothing less than an earlier version of Watergate, a conspiracy involving the White House to violate the laws of the United States. But what is equally astonishing is that when we set out to trace the facts, we found the cover-up still going on more than three decades later.

For the stakes in this Watergate were not just political power, but war and peace, and the reputations of some of the greatest heroes of our age: the 31st President of the United States, Franklin Roosevelt; J. Edgar Hoover, the Director of the FBI; the Prime Minister of Great Britain, Winston Churchill. All those men are now dead, but the story also involves some people you may never have heard of who are still alive today.

A British intelligence expert who ran plumbers units in New York:

H. MONTGOMERY HYDE. Conspiracy is—is a word with a slightly criminal connotation. I would prefer—with great respect, Mr. Wallace—to use the word "secret understanding".

WALLACE. A congressman whose political career fell victim to a campaign of dirty tricks.

HAMILTON FISH (former Congressman). Those warmongers, pro-war mongers—that's what they were—trying to get us into war.

WALLACE. And a secret agent with the code name "Intrepid".

SIR WILLIAM STEPHENSON. Yes. This was all before Pearl Harbor, of course.

WALLACE. He was a soldier in a business suit, and his target was America.

Our story begins in a most unlikely place, Rockefeller Center in midtown New York. Every day thousands of people come here to be entertained, to do business, or just to see the sights. It's one of the most public places in America; yet it was once the scene of secret operations involving the security of the United States. This was headquarters for a massive network of foreign spies. Not Russians, not Nazis or Japanese; they were our friends the British. If that seems incredible now, you have to remember what a different world it was back then, early in World War II.

It was 1940 and Britain was still the world's largest empire, but that empire was on the ropes, its army driven off the continent of Europe as Adolf Hitler's armies advanced.

Britain was shuddering under the first shock of the Nazi air raids. A German invasion seemed sure to follow.

And the British people under their new Prime Minister, Winston Churchill, were facing their trials alone, for their European allies were gone. And across the Atlantic was a country standing aloof—safe, neutral America.

President FRANKLIN D. ROOSEVELT. We will not participate in foreign wars, and we will not send our army, naval or air forces to fight in foreign lands outside of the Americas, except in case of attack. (Cheers . . . applause)

WALLACE. Neutrality wasn't just the law of the land; it was the will of the American people. Though many were sympathetic to Britain, the Gallup poll showed that eight out of ten Americans did not want their country to get involved.

That was America in 1940 when a man arrived here on a secret mission for Winston Churchill, made contact with the White House and the FBI, and opened an office in New York in the brand new skyscraper complex Rockefeller Center. In this building in the midst of ad agencies, travel agencies and export firms, that British agent went into the spy, propaganda and dirty tricks business behind doors that now ironically carry the name of a German bank with American employees.

MAN (bank employee). Hello, Deutsche Bank in New York calling. Spot dollar mark, please.

WALLACE. The year before Pearl Harbor, the specialists in these offices were the money dealers who are working here now. They were code-breakers and safecrackers, experts in propaganda and dirty tricks. A few were old pros recruited from the upper ranks of British intelligence, but most were recruited from business and professional life in Britain and Canada. They worked for the outfit that called itself BSC—British Security Coordination, headed by the man with the core name "Intrepid."

Who was "Intrepid"? He was William Stephenson, a Canadian millionaire, a patriot of the British Empire. His mission here was to save Britain by turning neutral America into a partner at war.

WALLACE. George, what do we know for sure about this BSC operation?

GEORGE CRILE. Here in New York . . .

WALLACE. Assignment: to uncover the undercover operations of British intelligence in New York. When reporter George Crile and I began, we found that even their own documents seemed to raise as many questions as they answered.

CRILE. The most important thing at the moment that we know is simply the size of this operaiton. There were 300 British agents operating here in New York out of Rockefeller Center. Now, that's bigger in terms of numbers than any CIA station operating today in the world.

WALLACE. These 300 agents dedicated to doing what?

CRILE. Officially, they're here to protect British shipping, to counter the activities of Nazi spies.

WALLACE. Unofficially?

CRILE. The real reason is they're here to get us into the war. Let—let me just read you a quote from their own—their own documents. We have obtained the only copy. The head of BSC summons his agents to Rockefeller Center, and he tells them we are going to—quote—"declare a covert war against the mass of American groups organizing throughout the country to oppose entry into the European war."

WALLACE. In other words, they're going to take on anybody in the United States who's against the war.

CRILE. Well, that seems to be what the story is. But what we have to find out is how far they went and how much cooperation they got from the American government.

WALLACE. We could get no answers to these questions from the man in charge. "Intrepid" himself. Sir William Stephenson is in his eighties now, retired and living in Bermuda.

SIR WILLIAM STEPHENSON. And I was in charge of all the security forces that existed in all—all of . . .

WALLACE. He was filmed there for Canadian television a few years back, but he declined an interview with us, citing poor health. Nonetheless, 30-odd years after his work here, he is still in contact with his "Old Boy" network of former agents. We tracked down 15 of them: a well-known ad man, an international PR consultant, several authors, retired government people. Some wouldn't talk to us at all; others wouldn't talk for the record.

The 16th name on our list was Nadya Letteny, now an executive with a New York cosmetics firm. Back in 1940 she was a British subject stationed in Bermuda, a refueling stop on the air route of the Pan American Clippers.

NADYA LETTENY. At that time all transatlantic mails went by Clipper, and Bermuda was one of the stopping points. So, when the first Clippers came through, we had to take off the mails at gunpoint.

CRILE. British agents went with guns and held up the plane?

LETTENY. The British soldiers stood by with guns while the mails were taken off.

CRILE. And they brought American mail to you and your colleagues?

LETTENY. Yes, and it was scrutinised while the . . .

WALLACE. Things soon got much friendlier. By the time Nadya Letteny was assigned to British headquarters in New York some months later, the BSC had a working relationship with J. Edgar Hoover and the FBI.

LETTENY. The FBI would collect certain groups of letters from groups that they were interested in that they held under surveillance, and bring them to us and we would read the contents.

CRILE. What other kinds of cooperation did you have with the Federal Bureau of Investigation?

LETTENY. Generally, I think, it was a little bit difficult to get cooperation at a higher level. It—I know that it took the intervention of President Roosevelt on one or two occasions for the assistance one needed to be given.

CRILE. For example?

LETTENY. No comment.

CRILE. Too sensitive?

LETTENY. Yeah.

CRILE. But you're quite sure that this went as high as the President?

LETTENY. Absolutely positive.

WALLACE. Working with the FBI, the British exposed Nazi agents in America, feeding evidence to the press, the courts, the State Department. The information came from "Intrepid's" network of spies, who not only intercepted mail, but also tapped phones and cracked safes. And sometimes they forged evidence.

The fact is, Mr. Montgomery Hyde, that the British, on American territory, broke law after law, opened all kinds of mail, were involved in covert propaganda warfare, certainly.

HYDE. Yes.

WALLACE. In London, we looked up Nadya Letteny's former boss, H. Montgomery Hyde, distinguished barrister and historian. As one of "Intrepid's" top agents, he was the author of a forged document that purported to show a Nazi threat to this country by way of Latin America.

HYDE. We sent copies of this document to President Roosevelt, and President Roosevelt actually announced—he said, "This is the sort of thing that's going on in Latin America." He actually announced it in a radio broadcast. He said, "I've seen a photocopy of a most astonishing document."

WALLACE. And he knew all along that it was nothing in the world but a dirty trick?

HYDE. Well, I don't think that the President thought it was genuine.

WALLACE. Well, what you are talking about, Mr. Montgomery Hyde, though, is a conspiracy between the BSC and some of the highest officials of the United States government—

HYDE. Yes.

WALLACE. —to violate this country's laws.

HYDE. Yes. Conspiracy is a—is a word with a slightly criminal connotation. I would prefer—with great respect Mr. Wallace—to use the word "secret understanding."

WALLACE. The fact of the matter is that they were breaking U.S. law.

HYDE. Unquestionably.

WALLACE. Go back to the record and you'll find that all through 1941 America was edging closer to intervention, closer to Britain. As things got tougher for the British, President Roosevelt started bending neutrality in their favor. A military aid program, Lend-Lease, was steered through a reluctant Congress. Shipments were convoyed into the war zone by ships of the American fleet. And with every step toward intervention, the opposition bristled—a few because they were outright pro-German; some were anti-British; but most were simply against the war. They ranged from New Deal Democrats to conservative Republicans. Their leading organization was America First, and their leading spokesman was an all-American hero, aviator Charles Lindbergh.

CHARLES LINDBERGH. I have been forced to the conclusion that we cannot win this war for England, regardless of how much assistance we send. I believe this is realized even by the British government. But they have one last desperate plan remaining. They hope that they may be able to persuade us to send another American expeditionary force to Europe.

WALLACE. The anti-war movement, 1941. They were Britain's enemies, and Roosevelt's enemies, and they were "Intrepids" targets.

LADISLAS FARAGO. The actual mission of Stephenson in the United States was to do everything in his power, overt and covert, to eliminate from the American scene everybody who was opposed to the American entry into the Second World War.

WALLACE. Ladislas Farago, intelligence historian, and himself a former American agent.

FARAGO. Now, some of these people were Nazi agents, but many people were very decent Americans.

CRILE. But what kinds of things were they doing against Americans?

FARAGO. Well, they did the kind of things that every secret service do—trying to find dirt on them.

CRILE. But you're saying that, as a—a pattern of behavior, that they were performing character assassinations of—of Americans—

FARAGO. On the higest echelon.

CRILE. —as a matter of course.

FARAGO. As a matter of course. As a matter of policy, as a matter of strategy, and as a matter of tactics.

WALLACE. Where do you go to find out how British spied on anti-war Americans? The FBI, which worked with the British but also kept tabs on them, the records of the FBI have hundreds of pages on William Stephenson, who ran the BSC operation—"Intrepid". But by law, those files on private citizens still living are kept strictly confidential. We couldn't get at them without Stephenson's permission. Cablegram to Sir William Stephenson, Paget, Bermuda. A request for the full long-buried story from him, if not from the FBI files. No response. Not only that, but a couple of his "old boys" who had finally agreed to be interviewed suddenly backed out.

The inside story of Britain's war against the anti-war movement in America remained a secret until we could piece together some scattered documents we found, along with the recollections of a few witnesses, and the result had a curiously familiar ring—dirty tricks and cover-ups and schemes that misfired or even backfired. "Intrepid's" former associate, H. Montgomery Hyde.

HYDE. It was a—it was a propaganda exercise, and what BSC had to do was to counter the isolationist propaganda, the American First propaganda——

WALLACE. Uh-hmm.

HYDE. —and, if you like, pro-German propaganda and the isolationist propaganda.

WALLACE. So, you had to discredit the isolationists?

HYDE. Yes, and that was done slowly. There were one or two pretty tough characters, like Senator Burton K. Wheeler, I remember.

WALLACE. Yes.

HYDE. And there was a man called Hamilton Fish. He was a congressman for——

WALLACE. He was a congressman from Franklin Roosevelt's district.

HYDE. He was a very, very powerful isolationist, but we completely discredited him.

WALLACE. Congressman Hamilton Fish, publicly labeled pro-Nazi.

FISH. They called us all names. I had no use for the Nazis. I'd fought against the Nazis. And—but that isn't it. I—I believed in the—the old policy of American neutrality, and that was what the American people stood for and what the Congress stood for.

WALLACE. Fish soon lost his congressional seat. A member of his staff actually had distributed pro-German propaganda, but Ham Fish insists that he himself was an innocent victim of British smears.

FISH. I introduced a resolution to outlaw the Bundes, the Nazis and the fascists all from arming, parading, marching and uniforming, carrying arms. And we held a massive meeting up there, and I presided.

And Fritz Kuhn, the Bundist leader, came up there to oppose my resolution. They took a picture of Fritz Kuhn, speaking to me, and they sent out a hundred thousand copies:

all former POW's and MIA's in attendance. The tree will serve as a living memorial to the memory of the POW's and MIA's from the Fresno, Calif., area.

I am particularly proud of the people of Fresno who took time from their daily routine and problems to honor these men and women who have given so much to their country.●

LOU BROCK—A BASEBALL LEGEND

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. CLAY. Mr. Speaker, the city of St. Louis and the St. Louis Cardinals are proud to boast of having one of the finest baseball players in Major League history. On August 13, 1979, Louis Clark Brock became a bona fide legend when he brought his hitting record to 3,000 hits. Lou Brock has the highest respect and admiration of Americans from all walks of life: old and young; rich and poor; athletes and spectators. He is truly a champion in his field and a symbol of talent, dedication, and achievement. St. Louisans are proud to hail their superstar and I am honored to share with my colleagues in the U.S. Congress, the following editorial on Mr. Brock, "Going Out on Top," which appeared in the Washington Post on August 15, 1979:

GOING OUT ON TOP

Louis Clark Brock got two singles in a baseball game in St. Louis Monday night. There is nothing unusual about that—he has been doing it for years. But these were hits No. 2,999 and 3,000 of his major league career. That, as every sports fan knows, puts Mr. Brock in one of baseball's special categories. As important as those 3,000 hits are to the keepers of records, however, they are not what makes Mr. Brock special. There are other things.

One of them is that Lou Brock and a tiny handful of other players restored to baseball in the 1960s something it seems to have lost. Unlike the strong men whose bats propel balls over shortened fences, he was a player whose success depended upon speed, skill and finesse. He was a terror on the base paths and reminded fans there is as much joy (and anguish) in stealing a base as there is in hitting a home run.

The other thing about Mr. Brock is this: When he got those two hits the other night, he was almost two months beyond his 40th birthday. Some of us find that one of baseball's more gratifying statistics. Folklore has it that men of his age are, as they say, over the hill. But this year, Mr. Brock at age 40 has been tearing up the league, hitting more frequently than ever before and outplaying men 10 and 15 years his junior.

It is the last year he will do so. He announced last winter, and has stuck with it ever since, that this summer will be his last on the playing fields. That announcement, if the reports from St. Louis are correct, brought grimaces from those who pay his salary. He has had a disastrous season in 1978 and they wanted him to quit. No man, the pundits said, could come back at 40 from so bad a performance and play well in a sport demanding such good eyes and quick reflexes.

But Lou Brock said he didn't want to go out as a flop. One more year, even at 40, and perhaps, just perhaps, he could go out on

"Fritz Kuhn, Bundes Leader, Affiliated With Congressman Fish". That's enough to make the angels weep.

WALLACE. Another name on the enemies list, publisher William Randolph Hearst, whose papers were anti-war. Stephenson—"Intrepid"—had a scheme to change the Hearst line or shut him down by buying up $10-million in notes the Hearst company owed, but London wouldn't advance the funds.

CHARLES LINDBERGH. The British spread rumors that his kidnapped baby was still alive in a Nazi training school. And when Lindbergh addressed a big anti-war rally in New York, the British tried to disrupt it by printing fake tickets, hoping to start fights between the real ticket holders and the people they found in their seats. And Lindbergh's associate, Senator Burton K. Wheeler?

HYDE. Oh, certainly, we went for him, yes.

WALLACE. What did you do?

HYDE. We inserted propaganda in—in various places.

WALLACE. Another Midwestern senator, one of the most respected members of the isolationist bloc, turned interventionist after he was seduced by a British agent.

HYDE. Her job was to dress most beautifully and circulate in Washington and find out what she could. And I'm—I'm pretty certain that Mrs. Laurie—surname I've forgotten—got to work on the senator.

WALLACE. And how much, we asked, did FDR really know about all this?

HYDE. He didn't know the particulars of every detail, detailed operation, but by and large he did know everything.

WALLACE. Roosevelt did.

HYDE. There were no secrets from—from Roosevelt.

WALLACE. The White House, in fact, knew more than "Intrepid" wanted them to know. They knew when the British went beyond the limits of their "secret understanding". And trouble started in the autumn of 1941.

ERNEST CUNEO. The British were picking up their deserters on our shores, bumping them on the head, putting them in pullman cars, and taking them up to British cargo vessels which were about to sail.

WALLACE. Ernest Cuneo became Roosevelt's personal liaison with the British.

CUNEO. And Hoover reported it as a kidnapping, and Francis Biddle was mad as hell, the Attorney General. So, I went over to see him about it, and he said, "I can tell you something. I will not stand for it. And I called Halifax down here to tell him so."

CHILE. That's the ambassador.

CUNEO. The ambassador.

CHILE. The British—British ambassador.

CUNEO. And he said, "Mister Ambassador, this is an absolute outrage. I will not permit it." And Halifax, who was a very nice man, said, "I have it on highest authority that this was permissible." And Biddle told me, he said, "I am the highest authority. I am the highest authority. I am the Attorney General of the United States, and I can promise you something. If it's done again, I will indict you."

WALLACE. Incidents like these raised a furor in Franklin Roosevelt's inner circle. There were fears the British were becoming a law unto themselves here. There were proposals to rein them in or throw Stephenson out. The chief source of these attacks was this man, Adolph Berle, the Assistant Secretary of State and Roosevelt's friend and confidante.

Before long, Berle found himself on the British target list. A memo from the papers of the late Adolph Berle: the FBI tells him he's being wiretapped and spied on by a British agent named Paine. Berle protests, "They're trying to get the dirt on me. They hope to force my removal from the State Department."

CUNEO. Berle told me that they tapped him, and I charged them with that. I said, "You must be out of your mind to tap him." They said, "We didn't." And I had—be—because they regarded Berle—and correctly—as running the affair, the whole State Department, and when I got through saying, "Adolph, you're absolutely wrong on this. I tell you that I have the word of English gentlemen," he said, "How interesting. Would you like to hear a replay?" Of course he had a—somebody was tapping the British while they were tapping him.

WALLACE. In other words, the British, not satisfied to scare the country toward war, were now trying to interfere in the American government itself. And as Cabinet documents show, Roosevelt was unwilling to stand for this.

The FBI had watched this to a point where they had conclusive proof, and then they called in the head of British intelligence, told him they wanted Paine out of the country by six o'clock, or else. Stephenson then professed surprise and horror that any of his men should do such a thing—

HYDE. Yes.

WALLACE. ——which was naive of Mr. Stephenson.

HYDE. Well, yes. You must remember there were—by this time there were well over a thousand people working for BSC, and I—I—I did know Mr. Paine, but I—I certainly would not contradict the statement that he was collecting material perhaps detrimental to Berle; but what good it would have—would have done, I don't know. I think—I think he exceeded his instructions.

WALLACE. Are there not, for those of us who have within recent years read and heard about Watergate, are there not similarities? Plumbers units, dirty tricks, trying to get dirt on high officials of government.

HYDE. Yes. I don't think there was—there was much going on about—

WALLACE. We hear so much today about the word "cover-up".

HYDE. Yes.

WALLACE. This was a monumental cover-up compared to some that came later.

HYDE. Absolutely, Mr. Wallace, absolutely. I—I couldn't agree with you more.

WALLACE. This was a world-shaking, world-reforming cover-up.

HYDE. Yeah, yeah. It saved—it saved Britain's bacon.

PRESIDENT ROOSEVELT. December 7th, 1941, a date which will live in infamy.

WALLACE. Ironically, it wasn't British agents who finally got us into the war. It was Japanese planes bombing Pearl Harbor. That's what stopped the anti-war movement here more effectively than all "Intrepid's" schemes, for it was only now that America turned around. Isolationists, America Firsters, the whole country rallied to the war effort, joining in a unanimous welcome for Prime Minister Churchill, a man much relieved that Britain and America were now finally allied in an historic cause.

WINSTON CHURCHILL (before the Congress). Here we are together, facing a group of mighty foes who seek our ruin. Here we are together, defending all that to free men is dear. Twice in a single generation the catastrophe of world war has fallen upon us. Twice in our lifetime has the long arm of fate reached out across the ocean to bring the United States into the forefront of the battle. It is not given to us to peer into the mysteries of the future. Still, I avow my hope and faith, sure and inviolate, that in the days to come the British and American peoples will, for their own safety and for the good of all, walk together in majesty, in justice and in peace. (Applause)

WALLACE. The most remarkable thing about the conspiracy to get America into the war is what huge risks everybody took. For if the story had surfaced before Pearl Harbor, the British would surely have lost what support they had in this country, and their protector, Franklin Roosevelt, could conceivably have been impeached. As it turned out, the lid was kept on, and "Intrepid", William Stephenson, and his BSC stayed on here, helping to launch an American secret intelligence service on the British model, for the BSC were the godfathers, so to speak, of the OSS, which of course became the CIA.

Mike Wallace for CBS News.●

TRIBUTE TO BISHOP LYKE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to call national attention to the achievements of an outstanding American. On August 1, 1979, the Most Reverend James Patterson Lyke, O.F.M., at the age of 40 became the youngest Catholic Bishop in the United States, the fifth black bishop, and the first black bishop in the Midwest when he was ordained auxiliary bishop of Cleveland, Ohio, at the Cathedral of St. John in Cleveland, Ohio.

Bishop Lyke was born in Chicago, Ill., February 18, 1939, the youngest of seven children born to the late Mr. and Mrs. Amos Lyke. His surviving brothers and sisters are Thelma Lyke Harvey, Doris Lyke Fields, Amos Lyke, Rayette Lyke Holman, and Andrew Lyke, all of Chicago.

Bishop Lyke was received into the Franciscan Order in 1959. He was ordained to the priesthood at St. Joseph Seminary in Teutopolis, Ill., on June 24, 1966. He received his A.B. degree in philosophy from Quincy College, masters of divinity degree in theology from Antonianum, Rome, Italy. At the time of his ordination he was pursuing a doctorate degree from Union Graduate School in Cincinnati, Ohio.

The young Bishop Lyke's first formal assignment was to Padua Franciscan High School in Parma, Ohio, where besides teaching religion he was able to actively participate in the human rights struggle. This urge to work for human dignity for all is a reflection of the events of his childhood on the South Side of Chicago where he was reminded daily of the affronts to human dignity of those who are poor and oppressed by poverty, racism, and injustice.

One of the signs of the young bishop's determination and drive was his being a newsboy at Comiskey Park on Chicago's South Side. A highlight during his young childhood experiences was when he trudged on foot to the home of civil rights activist Dick Gregory. On ringing the bell the young lad heard a voice inquiring who is there, "Jimmy Lyke," he replied, "I've come to have Mr. Gregory autograph my record," whereupon Mrs. Gregory replied, "I'm sorry, he's in jail."

These experiences along with the disciplined example of a determined and caring mother and a warm and loving family were the basis of his work with Operation Breadbasket, NAACP voter's rights campaign and his participation in Carl Stokes' successful campaign as first black mayor of Cleveland.

After the assassination of Dr. Martin Luther King, Jr., on April 4, 1968, with whom Bishop Lyke had had the privilege of working with in Cleveland, he sought permission to come to Memphis to work. Coming to Memphis in September 1968, the young energetic and forceful priest brought the same interest in the struggle for human rights and human dignity. He first served as assistant pastor and administrator of Father Bertrand Elementary School and then pastor for 9 years at St. Thomas. He was the first black Catholic priest to serve in the State of Tennessee.

Bishop Lyke's contributions to Memphis are too numerous to mention but outstanding among them were his participation in the early freedom marches, the United Farm Workers, and striking hospital workers.

His dedication spurred his metoric rise and recognization in church and civic organizations. Among the organizations Bishop Lyke was associated with while in Memphis were SCLC; NAACP Board member; consultant to Memphis Interfaith Association; board of directors American Civil Liberties Union; union board of trustees, Catholic Theological Union of Chicago.

The erudite Bishop Lyke collaborated with Bishop Carrol T. Dozier on his pastoral letters on peace, justice, and abortion. Bishop Lyke also served as a member on the National Catechetical Directory. At the time of his ordination, Bishop Lyke was president of the National Black Catholic Clergy Caucus. He was also serving as director of the Newman Foundation at Grambling State University and pastor of St. Benedict, the black Catholic Church in Grambling, La.

Bishop Lyke brings the same drive, humility, determination and deep faith to his new position that he has brought to the other challenges he has faced in his priestly ministry.

The new bishop reminded us of the three traditions that have shaped his life, the tradition of the church, the tradition of the Franciscan movement, and the tradition of his Afro-American heritage.

Bishop Lyke has expressed a hope that he can perform as well in his new position as the two bishops under whom he served in Memphis, Bishop Joseph A. Durick, and Bishop Carroll T. Dozier. Addressing the congregation at his ordination he said,

> I am conscious as I have ever been before in my life, that my efforts are futile without your prayers, support, and encouragement. In my own heart I know that I have the capacity to understand you—all of you.

Bishop Lyke has chosen as his motto, "Christ Is Our Peace."

Welcome home, Bishop Lyke.●

TRIBUTE TO GLENORA WINE CELLARS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. LEE. Mr. Speaker, I rise today to pay tribute to a small group of artisans and businessmen of my 33d Congressional District of New York who have recently distinguished themselves and their community in a difficult competition.

Many of you may be aware that upstate New York produced the first of all American wines, and it was from the fertile hillsides and valleys of the New York Finger Lakes that the American wine industry grew and prospered. But more than a mere historical fact, the New York winemaking business remains an important part of our commercial community.

Because of the longevity and importance of the New York art of winemaking, the New York State Fair each year stages competition for the best of these products. This year, nine medals were captured by a single, small but precise winery of my district, the Glenora Wine Cellars of Glenora, operated by Messrs. Howard Kimball, Ed Dalrymple, Eastman Beers, and Eugene Pierce.

This makes the second straight year that this relatively new winery has fascinated State fair judges with its product quality. It reaffirms the care and interest in the entire State's industry.

These wines are not simply the best of New York's, nor even the best of the domestic wines. They are capable of comparisons with any wine made in the world today, because Glenora operators have invested more than working days in them—they have invested great shares of pride.

It gives me great pleasure to add my personal congratulations to Glenora, and to take this national opportunity to invite comparisons between Glenora and any product of American vineyards.●

STELLA DERAS AND SUSAN PESCAR RECEIVE DISTINGUISHED WOMEN'S ACHIEVEMENT AWARD

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. PATTERSON. Mr. Speaker, I would like to invite my colleagues to join me in recognizing Stella Deras and Susan Pescar of Orange County, Calif., as they receive the Distinguished Women's Achievement Award.

This award, established in 1975, has been presented to 124 women of all social, economic, and cultural backgrounds and manner of profession.

Recipients of this award are selected by the men and women of the East Los Angeles Business Development Center, a federally funded nonprofit organization which assists over 1,400 minority businesses a year. The dedication and accomplishments demonstrated by this organization set the high criteria by which award recipients are chosen.

Stella Deras, a supervisor at Rockwell International Space Division, recognized the need for women in her profession to advance in their career so she organized seminars to enhance their career skills. Stella is currently establishing a women's association at Rockwell to serve as a forum for ideas and issues. Exhibiting similar leadership skills in her community, she serves on the board of directors for the Rio Hondo Area Action Council.

Susan Pescar, owner of her own public relations agency, has combined her professional expertise with her knowledge of the medical field, to produce an award-winning medical information publication. She also informs the public through lectures, television, and motion pictures of various medical problems and what preventive health techniques the public can follow. In addition, Susan is a dedicated volunteer at the Long Beach Children's Clinic.

People like Stella Deras and Susan Pescar symbolize the thousands of women who set precedents and create programs to meet the community needs.

I am proud to share with my colleagues the 1979 presentation of the Women's Achievement Award which applauds the contributions and accomplishments of women in our community.●

THE PROPOSED DEPARTMENT OF EDUCATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. DANNEMEYER. Mr. Speaker, it is common for States to memorialize Congress to enact legislation. We have all had letters come to our offices strongly urging us to vote for the adoption of this or that legislative proposal. It is rare, however, when a memorial against a given bill is brought to our attention. But just such a memorial was sent to my office during the August recess and I would like to share it with you.

By way of background, a resolution urging Congress to enact the law creating a separate Department of Education was brought before the California State Senate. But, instead of passing, the resolution was rejected just as the concept of a separate Department had been rejected by the University of California, one of the largest and finest institutions of higher education in the Nation. From these two actions, it should be readily apparent to anyone that another DOE is not a popular idea in the State of California.

Dissatisfaction with the proposed Department of Education manifested itself in the close vote on the legislation in the House of Representatives. The 210-to-206 vote on July 11 of this year is hardly a vote of confidence in the concept, and, if anything, hostility to it has increased subsequently.

I mention all this in hopes that these facts will be borne in mind by the conferees as they meet with their counterparts from the Senate in conference on the respective bills. While it is too much to hope that the idea will die altogether in conference, one might hope that the conferees will produce legislation that

will prove to be as inoffensive as possible to the many who have serious reservations about the new DOE.●

CONGRESSIONAL ACTION TO AID UGANDA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. SOLARZ. Mr. Speaker, earlier this year the Subcommittee on Africa, which I am privileged to chair, conducted public hearings on the need for humanitarian assistance to Uganda now that its citizens have brought Idi Amin's monstrous regime to an end.

Recently I learned that a distinguished citizen of our Nation, Prof. Richard P. Thornell, visited Uganda under the auspices of Africare and had the opportunity to see at firsthand the problems confronting that nation and to consult with many of its leaders.

Professor Thornell is an economist and a member of the faculty at Howard University and serves on the Board of Directors of Africare. He is also a member of the Council on Foreign Relations. His longstanding concern for the people of Uganda dates back to 1964, when, as a representative of the Peace Corps, he negotiated the establishment of the first Peace Corps program in Uganda.

Following his recent factfinding mission to Uganda, Professor Thornell published his views in the Washington Star on September 1, 1979. His persuasive essay points out that the United States should remove the economic sanctions we imposed against Uganda. Soon thereafter, both Houses of Congress heeded that advice.

On September 7, 1979, the House voted 280 to 69 to lift the ban on economic aid while retaining a prohibition on military assistance. On September 11, 1979, the Senate took the same action by voice vote. Having applied restrictions against the tyrannical Amin regime, Congress wisely recognized a consequent obligation to remove those restrictions and assist Uganda following Amin's departure from power.

Professor Thornell's article follows:

UGANDA NEEDS, AND DESERVES, HELP

(By Richard Thornell)

I returned recently from an Africare Mission to Uganda, struck by the irony that this former whipping boy of the world's human rights champions seems to have vanished from world concern. Now that Uganda has been liberated from the atrocities and buffoonery of the Amin regime through the military intervention of Tanzania, her friends seem few in number and slow in helping.

Amin's antics and cruelty held the world's attention, purportedly because of international concern about human suffering. For example, the hijacking of Israelis to Entebbe Airport, Amin's cat and mouse game of handling it, and the Israeli government's bold rescue mission made the front pages of newspapers for days and produced a raft of articles, books and movies.

But the world has done little or nothing to help the hapless Ugandan victims of Amin. Some estimates are that over 4 per cent of the population was murdered and that more than 100,000 Ugandans fled into exile. Amin's militarism and profligate spending plummeted the Ugandan economy into a state of collapse. The litany of horrors could go on.

In short, the world made Amin's evils into a media event. Now that they are gone, humanitarian concern for helping the new Uganda is nearly non-existent. It is almost as if Amin were a much-needed whipping boy to make the world feel righteous. The havoc he caused his fellow Ugandans was beside the point.

I hate to pursue this theory too far, but Uganda is in desperate straits and cries out for assistance.

The world, however, is waiting diffidently in the wings, parcelling out tidbits of help on the grounds that the political situation is unstable and the country not secure. Uganda wants, needs and can competently use help now. It is too bad that our purported humanitarian concern about Amin's wrongdoing does not continue to be demonstrated by generous help.

The dust has settled and the business of rehabilitation and reconstruction is underway despite some uncertainties about how to accomplish it.

The Ugandan government estimates that it needs $2 billion for recovery. The people of Uganda need almost everything and helping them now ought to be the mandate and mission of those who condemned Amin.

After the suffering that Uganda has been through for eight years, all the world should be good Samaritans to her. The United States ought to set the example, but, unfortunately, Congress has failed to lift the economic sanctions imposed during the Amin regime. This precludes any significant response by the U.S. Agency for International Development.

Moreover, the United Nations Development Program was recently reduced to a skeletal level, aid from Western Europe is merely trickling in, and the the Soviet Union and her allies have not responded. The major burden of assistance is being carried by the government of Tanzania.

So an already grave crisis of need may well be compounded if major donors do not move quickly and generously to help. Swift action in the United States and abroad is imperative in order to avert further tragedy in Uganda. Africare stands ready to participate in the much needed effort to help Uganda now.●

TRIBUTE TO MARIAN VIVIANO

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. FLORIO. Mr. Speaker, it gives me pleasure to acknowledge the achievements of my constituent, Mrs. Marian Viviano, Sicklerville, N.J.

Mrs. Viviano, a Chippewa Indian, was born in Tower, Minn., in Indian territory near the Vermilion Lake Reservation. Given the name Shining Star, she has been steadfast in her determination to guide all Native Americans in their struggle for rights and to promote the preservation of their heritage. Included among the awards bestowed upon her is the Civilian Congressional Medal of Honor.

Over the past three decades she has lectured in nearly every reservation in the Nation and has been instrumental in establishing urban Indian community centers in New Jersey and New York.

Several of her stories depicting the plight of the American Indian have appeared in local newspapers. In April 1977, an article, which she couthored with Melvin H. Freedman, was printed in the New York Times. Presently, she and Mr. Freedman are completing a book entitled "We Are Still Killing the Indians." It is my understanding that notification of approval for publication has recently been received.

Mrs. Viviano is the mother of three children. Her elest, Roger D. Wardall, is a deputy sheriff in Marin County, San Rafael, Calif. Her two daughters live in the State of Washington; Mrs. Romona Berry is a criminal investigator for the State, and Mrs. Madelon Snyder is a social services counselor.●

INTERNAL REVENUE SERVICE

HON. JON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HINSON. Mr. Speaker, this spring, bankers and investors alike were astonished and dismayed when the Internal Revenue Service handed down revenue ruling 79–72. This ruling declared that holders of short term certificates of deposit would be liable for taxes on interest not yet paid, at the penalty rate, on certificates which were held at the end of the calendar year. The IRS justified their ruling under section 451 of the Internal Revenue Code, entitled, "General Rule for Taxable Year of Inclusion."

Not yet content, the IRS has now proposed to tax these certificates at the premium rate, although that rate may not ultimately be the rate at which interest is computed, for instance if the certificate is redeemed prior to its maturity date. This ambitious approach is being justified by classification of certificates of deposit as discount instruments of indebtedness.

The gain in revenues facilitated by either approach is miniscule. The cost to banks, the frustrations and discouragement to investors who have to figure into their tax returns interest which they have not yet received, and the difficulties which will be encountered by banks in explaining this liability to depositors suggest a singular solution which, I am confident, would be more in accord with the intent of the Congress. Therefore, to clarify the entire situation and to put an end to this practice, I am introducing an amendment to the Internal Revenue Code. My proposal will add language to section 451 of the code to assure that interest on these certificates will not be deemed received until the certificates either are redeemed or reach maturity, whichever occurs first. Section 1232 is also amended to exclude certificates of deposit from the discount definitions.

I will be requesting cosponsors and invite and encourage the Members of the

House to join me to end this policy by the IRS which unnecessarily harasses private citizens with burdensome regulation, and which discourages investment at a time when our economy needs it most.●

NATIONAL PORT WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I have the distinct pleasure of announcing the support of one-half of the House for "National Port Week." This overwhelming support exhibits a deep concern for our ocean and inland centers of trade. The week of October 7–13 will recognize that our ports are a vital force in our national economic development, as well as being focal points for the Nation's defense.

In oversight hearings held by the Committee on Merchant Marine and Fisheries in the ports of New York/New Jersey and Chicago, several important points were made. For example, our ports provide the critical link between our land and water carriers; enabling our port industry to contribute enormously to our Nation's economy. They facilitate our international trade, employ significant numbers of people, provide substantial personal and business incomes, and generate revenues for State and local government.

Our ports face significant problems. Dredging is a must for our Nation's ports in order to accommodate today's larger ships. Historically, our port technology has kept pace with today's modern needs. But the delays experienced for even simple maintenance dredging have resulted in costly delays which have added to the problems of an already troubled economy. Bureaucratic delay, duplication, excessive testing, and questionable criteria are all adding to the cost of doing business. Inadequate rail access is another problem plaguing many of our ports today. Those ports serviced by one carrier need protection against monopoly railroads which can set rates without regard for competition.

Collectively, our port communities comprise the largest port system in the world. In order to handle this Nation's world commerce, which ranks as the highest in the world, we must insure that our ports have the tools necessary to handle this enormous task. We cannot allow our ports to fall behind in establishing efficient and economical transfers of cargo that have made us the world's greatest trading Nation. Today some 170 major commercial ports on the Nation's coastlines, rivers, lakes, and canals serve as centers of regional commerce and growth. Every major metropolitan region of the U.S. centers around a port, or is closely linked by rail or highway with a port. Presently the American port industry provides direct and indirect benefits to the economy:

Employment for 1,046,800 Americans;

Generates annual personal income of $19.2 billion and business income totaling $7.4 billion;

Produces $4 billion in State and local taxes; and

Accounts for gross sales within total economy of $56 billion and a $30 billion contribution to the GNP.

National Port Week will recognize the importance of our ports to the Nation's defense. In time of war, or other national emergency, our ports would immediately effect a plan for Federal port control for efficient operation and utilization of port facilities, equipment, and services. Their strategic importance has been apparent in every war in which the United States has become engaged, and would be again.

On behalf of BIRD JOHNSON, with whom I originally cosponsored this resolution, I wish to thank all our colleagues below who have joined in recognizing our ports. In setting aside a week to focus on our ports, all Americans may be proud of the important contributions made by those who work in our national ports.

The colleagues follow:

Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Ambro, Mr. Anderson of California, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Archer, Mr. AuCoin, Mr. Bafalis, Mr. Bailey, Mr. Beard of Rhode Island, Mr. Benjamin, Mr. Bethune, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mrs. Boggs, Mr. Boland, Mr. Bonior, Mr. Bonker, Mr. Bowen, Mr. Breaux, Mr. Brooks, Mr. Buchanan, Mr. Burgener, Mr. John L. Burton, Mr. Campbell, Mr. Cavanaugh, Mr. Chappell, Mr. Clausen, Mr. Clay, Mr. Coelho, Mr. Conte, Mr. Corcoran, Mr. Corman, Mr. Corrada, Mr. Cotter, Mr. Coughlin, Mr. D'Amours, Mr. Robert W. Daniel, Jr., Mr. Davis of Michigan, Mr. Davis of South Carolina, Mr. de la Garza, Mr. Dellums, Mr. Derrick, Mr. Dicks, Mr. Diggs, Mr. Dingell, Mr. Dodd, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Duncan of Oregon, Mr. Duncan of Tennessee, Mr. Early, Mr. Eckhardt, Mr. Edgar.

Mr. Edwards of Alabama, Mr. Emery, Mr. Evans of Delaware, Mr. Evans of Georgia, Mr. Evans of Virgin Islands, Mr. Fary, Mr. Fazio, Ms. Ferraro, Mr. Fish, Mr. Fithian, Mr. Florio, Mr. Flood, Mr. Foley, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fountain, Mr. Fuqua, Mr. Garcia, Mr. Gephardt, Mr. Gialmo, Mr. Gilman, Mr. Ginn, Mr. Goldwater, Mr. Gonzales, Mr. Gramm, Mr. Gray, Mr. Guarini, Mr. Hance, Mr. Hanley, Mr. Harris, Mr. Harsha, Mr. Hawkins, Mr. Heftel, Mr. Hinson, Mr. Holland, Mr. Hollenbeck, Mrs. Holt, Ms. Holtzman, Mr. Howard, Mr. Hubbard, Mr. Huckaby, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Jones of Oklahoma, Mr. Kasen, Mr. Kemp, Mr. Kostmayer, Mr. Lagomarsino, Mr. LaFalce, Mr. Leach of Louisiana, Mr. Lederer, Mr. Livingston, Mr. Lloyd, Mr. Long of Louisiana, Mr. Long of Maryland, Mr. Lott, Mr. Lowry, Mr. Lungren, Mr. Markey, Mr. Marks, Mr. Mathis, Mr. Matsui, Mr. Mavroules, Mr. McCormack, Mr. McDade, Mr. McDonald, Mr. Mica, Ms. Mikulski, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Montgomery, Mr. Moore.

Mr. Moorhead of Pennsylvania, Mr. Motti, Mr. Murphy of Illinois, Mr. Murphy of Pennsylvania, Mr. Murtha, Mr. Myers of Pennsylvania, Mr. Nichols, Mr. Nolan, Mr. Nowak, Ms. Oakar, Mr. Oberstar, Mr. Panetta, Mr. Patten, Mr. Patterson, Mr. Pease, Mr. Pepper, Mr. Peyser, Mr. Preyer, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Rahall, Mr. Rangel, Mr. Reuss, Mr. Richmond, Mr. Rinaldo, Mr. Roberts, Mr. Robinson, Mr. Rodino, Mr. Roe, Mr. Rose, Mr. Rostenkowski, Mr. Royer, Mr. Russo, Mr. St Germain, Mr. Santini, Mr. Scheuer, Mr. Shannon, Mr. Shumway, Mrs. Snowe, Mr. Snyder, Mr. Solarz, Mrs. Spellman, Mr. Spence, Mr. Stack, Mr. Stanton, Mr. Stark, Mr. Stewart, Mr. Stokes, Mr. Stratton, Mr. Synar, Mr. Thompson, Mr. Traxler, Mr. Treen, Mr. Trible, Mr. Van Deerlin, Mr. Vander Jagt, Mr. Vanik, Mr. Vento, Mr. Walgren, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Whitley, Mr. Bob Wilson, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Wyatt, Mr. Yatron, Mr. Young of Alaska, Mr. Young of Missouri, Mr. Zablocki and Mr. Zeferetti.

PURSUANT TO CLAUSE 4 OF RULE XXII OF THE RULES OF THE HOUSE OF REPRESENTATIVES, THE FOLLOWING SPONSORS ARE HEREBY ADDED TO H.J. RES. 303

Mr. Akaka, Mr. Ambro, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Archer, Mr. AuCoin, Mr. Bafalis, Mr. Benjamin, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mrs. Boggs, Mr. Boland, Mr. Bonior, Mr. Bonker, Mr. Bowen, Mr. Burgener, Mr. John L. Burton, Mr. Cavanaugh, Mr. Chappell, Mr. Clausen, Mr. Clay, Mr. Conte, Mr. Corcoran, Mr. Corman, Mr. Cotter, Mr. Coughlin, Mr. Davis of Michigan, Mr. Diggs, Mr. Dingell, Mr. Dodd, Mr. Donnelly, Mr. Dornan, Mr. Duncan of Oregon, Mr. Duncan of Tennessee, Mr. Early, Mr. Eckhardt, and Mr. Edgar.

Mr. Evans of Georgia, Mr. Fary, Mr. Fish, Mr. Fithian, Mr. Florio, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fountain, Mr. Garcia, Mr. Gialmo, Mr. Gonzales, Mr. Gramm, Mr. Hanley, Mr. Harsha, Mr. Holland, Mr. Hollenbeck, Ms. Holtzman, Mr. Hubbard, Mr. Hughes, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Jones of Oklahoma, Mr. Kasen, Mr. Kemp, Mr. Kostmayer, Mr. Lloyd, Mr. Long of Maryland, Mr. Lowry, Mr. McDonald, Mr. Markey, Mr. Mathis, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of Maryland, Mr. Montgomery, Mr. Murtha, Mr. Nichols, Mr. Nolan, and Ms. Oakar.

Mr. Patterson, Mr. Pease, Mr. Peyser, Mr. Preyer, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Rangel, Mr. Reuss, Mr. Richmond, Mr. Rinaldo, Mr. Robinson, Mr. Rose, Mr. Royer, Mr. Russo, Mr. St Germain, Mr. Santini, Mr. Shannon, Mr. Spence, Mr. Stanton, Mr. Stewart, Mr. Stratton, Mr. Synar, Mr. Traxler, Mr. Trible, Mr. Vanik, Mr. Vento, Mr. Weiss, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Wyatt, and Mr. Yatron.●

TANA KAY CARLI

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. REGULA. Mr. Speaker, I extend my congratulations to Miss Ohio of 1979—Tana Kay Carli of Alliance—who, on Saturday night past, was chosen first runnerup to Miss America, Cheryl Prewitt of Mississippi.

Tana, a strikingly attractive resident of the 16th Congressional District, is the fourth Miss Ohio in the last 5 years to finish among the top 10 semifinalists of the Miss America Pageant.

We in the Buckeye State are proud of our young women whose beauty, intelligence and talent are recognized throughout the Nation. Ohio has produced six

Miss Americas—more than any other State.

Tana, who was graduated from Marlington High School with a 3.9 scholastic average, went on to study economics at Akron University where she was graduated magna cum laude.

She missed becoming Ohio's seventh Miss America by the slimmest of margins, having scored heavily in the talent competition with her musical ability and charming personality.

Miss Carli will continue to travel throughout Ohio and the Nation during her reign, having vowed to "be the best possible Miss Ohio I can."

I conclude these remarks by paying a respectful tribute to this impressive young woman who dedicated her energies and considerable talents in quest of the title of "Miss America."

Her achievements have brought pride to her family, friends and home community.●

LIABILITY FOR MEXICAN OIL SPILL

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. SKELTON. Mr. Speaker, many people are concerned about the liability relating to the recent Mexican oil spill that has caused considerable damage to the American coast and industry located there. As a result of an inquiry I made to the CRS of the Library of Congress, Daniel Hill Zafren wrote the following analysis. I wish to share it with my colleagues.

It states as follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

OVERVIEW OF THE LIABILITY UNDER INTERNATIONAL LAW FOR DAMAGE TO THE UNITED STATES CAUSED BY AN OIL SPILL EMANATING FROM A MEXICAN OIL WELL BLOW-OUT

On June 3, 1979, the Petroleos Mexicanos exploratory well in the Bay of Campeche region suffered a blow-out. The oil spill, described as the largest ever, has been moving northward up the Mexican Coast, and due to current and wind directions poses a threat of washing the heaviest concentrations of oil ever on beaches of the United States.[1] This report presents a general overview of the liability of the Mexican Government to the United States for any damages incurred thereby, including the cost of the clean-up.

An initial survey of treaties dealing specifically with oil pollution[2] appears to indicate that oil pollution caused by oil well mishaps are not covered. Such treaties seem to be concerned primarily with oil pollution from vessels, apparently because heretofore such problems have been attributed to that cause. However, there would seem to be relevant treaty provisions and customary international law principles upon which a persuasive argument can be made that Mexico is liable for all damages sustained by the United States attributable to this Mexican oil spill.

Whether the particular oil well is located within the claimed territorial limits of Mexico[3] or on the continental shelf adjacent thereto, Mexico would, under existing international law, have exclusive sovereign rights as to the manner and mode of exploration and exploitation of the oil therein. Yet, that sovereignty has been relinquished to a certain degree through multilateral treaties to which Mexico is a party. Seemingly relevant to oil pollution in the present context, one can point to Art. 5(7) of the Convention on the Continental Shelf[4] which provides that a coastal State in the safety zones established around continental shelf installations "is obliged to undertake, in such zones, all appropriate measures for the protection of the living resources of the sea from harmful agents." "This is a rather narrow concept of the coastal state's responsibility, but perhaps safeguarding living resources of the sea would also have the effect of maintaining the total marine environment of which the living resources are but a part and in this context perhaps not the most important."[5] It is also provided in Art. 3 that the "rights of a coastal State over the continental shelf do not affect the legal status of the superjacent waters as high seas". A more explicit duty of nations as to pollution by oil of the high seas appears in Art. 24 of the Convention on the High Seas:[6]

"Every State shall draw up regulations to prevent pollution of the seas by the discharge of oil from ships or pipelines or resulting from the exploitation and exploration of the seabed and its subsoil, taking account of existing treaty provisions on the subject."

In spite of any duty or responsibility prescribed by treaty or otherwise with respect to any pollution resulting from exploiting natural resources by Mexico, Mexico would appear to be liable under principles of international law to other nations which suffer harm as a result of pollution from activities within its jurisdiction.

The notion of nation responsibility for pollution, having roots in both Roman law and the common law concept of nuisance, is a natural outgrowth of one of the basic premises upon which nation responsibility rests and which is embodied in the general and well-recognized principle of international law—one must so use his own as not to do injury to another.[7] In the *Trail Smelter Arbitration*,[8] Canada was held liable to the United States for damages for injury done in the United States by fumes carried by the winds from a privately owned and operated Canadian smelter, and was required to prevent such damage in the future. In the *Corfu Channel Case*,[9] the International Court of Justice placed Albania's liability to Great Britain for failure to notify British ships about mines in the Albanian waters of the Corfu Channel, which exploded and damaged the ships, on certain general and well-recognized principles, including "every State's obligation not to allow knowingly its territory to be used for acts contrary to the rights of other States." Based on this case, "it might even be said that prima facie State responsibility attaches for the injurious polluting effects of conditions created on State territory by trespassers of which the territorial sovereign has knowledge or the means of knowledge."[10] Discussing the proposed codification of international law in 1949, the United Nations Secretariat wrote: "There has been general recognition of the rule that a State must not permit the use of its territory for purposes injurious to the interests of other states in a manner contrary to international law."[11]

In conclusion, based on the strength of international law precedents, it is arguable that Mexico is liable under international law for any and all damage sustained by the United States proximately resulting from the oil spill caused by the blow-out of the Mexican oil well.

DANIEL HILL ZAFREN,
Deputy Chief, American Law Division.

FOOTNOTES

[1] For example, see The New York Times, August 14, 1979, A12. For information on United States response and efforts, see 125 Cong. Rec., July 20, 1979, pages 19714–19716.

[2] For example, International Convention for the Prevention of Pollution of the Sea by Oil, May 12, 1954 (1961) 12 U.S.T. 980.

[3] The United States presently does not recognize any nations' claim beyond three miles.

[4] April 29, 1958 (1964), 15 U.S.T. 471.

[5] William T. Burke, Richard Legatski, and William W. Woodhead, *National and International Law Enforcement in the Ocean* 52–54 (1975).

[6] April 29, 1958 (1962), 13 U.S.T. 2312.

[7] Hickey, Jr. *Custom and Land-Based Pollution of the High Seas*, 15 San Diego L. Rev. 409, 422 (1978).

[8] Trail Smelter Arbitration, 3 U.N. Rep. Int. Arb. Awards 1905 (1949); 35 Am. J. Int. L. 684 (1941).

[9] Corfu Channel Case, [1949] I.C.J. 4, 22.

[10] Hickey, Jr., *supra* note 7, at 428.

[11] United Nations Secretariat, *Survey of International Laws* 34, U.N. Doc. A/CN. 4/1/Rev. 1 (1949).

CLARIFICATION OF H.R. 4986

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ABDNOR. Mr. Speaker, I would like to take this opportunity to clarify my position in regard to H.R. 4986, the Consumer Checking Account Equity Act of 1979, and at the same time register my displeasure at the manner in which this bill was brought before the House.

In my estimation, any bill which ends the longstanding prohibition of interest bearing demand deposits and will drastically alter consumers' habits regarding financial services, is of such importance as to be deserving of consideration under the regular rules of the House, rather than under a suspension of the rules.

I happen to be a cosponsor of H.R. 4986 and a proponent of the provisions of the bill which authorize the continuation of share draft accounts for credit unions and electronic funds transfers for commercial banks. However, I am equally opposed to the section of the bill which provides nationwide authorization for NOW accounts.

If this bill would have been considered under an open rule, Members of this body would have had an opportunity to express themselves on each of these vital provisions. I have always served in this body under the assumption that only minor bills are considered under suspension of the rules—not financial measures of serious magnitude and repercussion. Had the suspension tactic not been used, I would have strongly supported an amendment to delete the authorization of NOW accounts. Once on record on this particular issue, I would have then cast my vote in favor of share drafts and automatic funds transfers. However, given only the up or down vote, I had no other choice than to vote against final passage as an indication of my opposition to

NOW accounts and the manner in which the bill was considered.

I would respectively suggest that in the future this body refrain from using the suspension procedure as a "catch-all" and an easy method of considering such important legislation. The citizens of this Nation are deserving of more.●

THE INIMITABLE BARRY GOLDWATER

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MICHEL. Mr. Speaker, I think you will agree with me that Senator BARRY GOLDWATER of Arizona is a man who says what he thinks. Recently, the Republican Study Committee published an interview with Senator GOLDWATER that shows he remains the unique and refreshing individual who turned American politics upside down 15 years ago. Since almost every political figure in the United States is using rhetoric today that would make the BARRY GOLDWATER of 1964 look like a moderate liberal, it would seem that his so-called "radical" views of the past were simply mainstream views just a bit before their time.

At this point I wish to insert in the RECORD, "What Would the United States Be Like Today?", an interview with BARRY GOLDWATER published in the bulletin of the Republican Study Committee, September 7, 1979:

"WHAT WOULD THE UNITED STATES BE LIKE TODAY?"

Fifteen years ago this fall, two Presidential election campaigns were moving into their final strategies. It turned out to be a bitter fight, and the conservative Republican platform was overwhelmingly defeated.

Lisa Bell, Bulletin editor, recently interviewed Senator Barry M. Goldwater on his feelings about what the U.S. might be like today if he had won the election fifteen years ago. Below is an edited text of the interview.

LB. I'm extremely pleased that you allowed me the opportunity to talk with you today. I got to thinking how vastly different the U.S. would be if, in fact, you had won in '64 and again in '68, and I wanted to ask what philosophical seeds you would have planted back then to redirect the course set by the previous administration. Such as, what was at the top of your priority list, had you won in '64?

BG. Well, in '64 that would have been the end of the war in Vietnam, and I would have ended that war within a month. I don't think it would have taken more than one weekend the way I would have done it. But that would have stopped the Vietnam protests before they really got started, it would've kept this country from going through what I think has been its most devastating period since the war between the states. We may never get over Vietnam because of the young people that are now assuming position in government whose minds were radically changed by Vietnam.

LB. It seems as though the government is still growing by leaps and bounds, and the arm into the private sector keeps getting longer; how would you have acted specifically to limit the growth that we have seen today? My favorite examples are OSHA, welfare, food stamps. . . .

BG. I would have gone to the American people and told them precisely what was going to happen, that we couldn't stop inflation if we kept these expensive programs up, programs that I don't think have done one bit of good. I remember Franklin Roosevelt talking about a third of the people being in poverty. I still hear Ted Kennedy talking about a third of the people being in poverty. I don't believe that. I think this country is better off than any country in the world, yet the government . . . well, take the food stamp program—my wife can get food stamps if she wants to! We're spending $8 billion a year of the money people work their hearts off to get, and giving it to people who won't work. I don't believe in that. I believe in taking care of people who can't take care of themselves or take care of themselves well. That was Lincoln's idea. It's my thought. We have become a welfare state. Now, I have grave doubt that we can get out of it. I think we're going to go through what England is going through. They demanded a change but when the change started, people said unh-unh, don't cut so it hurts me, cut so it hurts the other guy. And I don't know if we will ever see the end of inflation in this country or the end of the welfare state.

LB. I read recently that we've finally reached the point where HEW's budget alone is the third largest in the world being succeeded by only the total U.S. government and the U.S.S.R.'s government.

BG. Well, just take the cost of education. I can remember when the clamor was for federal aid to education, and I opposed it because I didn't want Washington, D.C. running the schools in Arizona. We have federal aid to education now, and the worst educational system in the world—that's at the elementary level . . . without a doubt the worst education we've ever had in this country, and yet we're spending tens of billions of dollars on it and we're watching a teachers' union force an education department down the throats of the American people.

LB. The '64 platform mentioned the accommodations for the Communists sought by the Johnson Administration—whose campaign accent was basically on peace, prudence, and prosperity—and noted that the concessions were granted without adequate safeguards and compensations for freedom. It mentioned alienating proven allies and playing up to sworn enemies. I think it's interesting that the situation with the Russians back then parallels and precedes by 15 years the Carter Administration's China policy. . . .

BG. Well, I think we can say that the foreign policy of the United States started to fall apart when John Foster Dulles and Dwight Eisenhower left the scene, because under a succession of Democrat presidents we've constantly caved in to the demands of the Communists. We did not do anything to help Cuba; we lost the war in Vietnam thereby losing Asia to the Communists; the most recent example of foolishness is the loss of Nicaragua; and I'll make this prophecy, that in 5 years Central America will be Communist-dominated, like Cuba. We don't have the ability in the State Department to understand this situation. They're not Communists, they're not Communist-sympathizers; they just don't know what they're doing, and we have a president today who knows less. And we had Johnson who was scared to death. Kennedy, I think, had he lived, would've proven to be good in foreign policy in spite of his Bay of Pigs fiasco where he lacked the courage to do what he should have done. I hope to God that the next President will be a Republican and that he will know enough about foreign policy to start retrieving the position that the United States has lost. And don't fool the American people. We are second to the Russians. We are not second by a little bit, but second by a lot. I don't know if we can catch up.

LB. What did you as an amateur radio operator think about the fact that for a period of time when Iran was falling, the only Washington-Tehran communication was via Florida and a ham radio operator?

BG. Well . . . again, it's a typical weakness of the State Department not to provide its Embassies with total and complete communications with the United States. You drive out Massachusetts Avenue and on nearly every Embassy building you'll see a big antenna. Now, that's not up there for television, it's up there to talk to the home country. And I've been in not many but a lot of our foreign embassies that have no links with the headquarters here. This is typical.

LB. Again, had you won 15 years ago, how many more friends around the globe would we have today?

BG. We wouldn't have lost any friends. And we would have gained friends. We are losing friends now almost faster than you can realize and we're losing friends that we should never lose. But keep in mind that a country goes to where the strength is and when they see the United States faltering and slipping they're not looking to us anymore as having the ability to protect them as allies or to even protect ourselves. So they side with the Russians, or are more friendly to the Russians.

LB. What do you think about the men of the Energy Department? I know Schlesinger used to be with Defense . . .

BG. Well that's another thing I would've accomplished. Because we knew in 1952 that this country was headed for an energy problem. I would have removed all controls that existed at that time over gas and oil, production and selling. We haven't had a President since that time with enough guts to say "remove the controls" because they were advised, as Carter is being advised, if you do that prices are going up and the oil companies will make a lot of money. Well, my God, that's the idea of American business—to make a lot of money so that they can put a lot of people to work. I don't think Carter's energy idea is going to produce one thimble full of gasoline. Now, synthetic fuels—yes, we can do that, in fact I would've had synthetic fuels going. South Africa lives on synthetics, Germany ran a pretty good war on synthetic fuels. We should've done it too.

LB. What would our energy and power sources be like today? Would there be more nuclear and solar, or what do you think we would have?

BG. Well, we're not far enough along nor would we have been had we started solar work at that time to produce electricity for homes. We're getting there. We're still a few years away. We had stopped, by then, building hydroelectric dams or generating plants and dams, so we would have had more nuclear power than we have today. Now I look at nuclear power as an interim source of power, between that period when we have no other sources and that period when we've achieved the full use of the atom. And when that day comes you can forget about electric power forever.

LB. Where do you think the economy would be today—domestically, internationally?

BG. Well, you can't say with accuracy what would things be like 15 years from then or from now because economics is not just the science of dollars and cents. When psychology enters the field, then the economist is lost . . . I like to think the economy would have been on sounder ground, because I would have insisted on tax benefits for the wage earner and for corporations and for the companies, urging them to reinvest their money—which is the only way this country can ever grow . . . and we haven't done any of that in those years.

LB. You are such an extreme contrast to

our current president, you know where you're going, where you're coming from and you're not everything to every man. How would you evaluate Mr. Carter's overall performance so far?

BG. Mr. Carter, in my opinion, has one bad trait. He's not what I would call an honest man. Not that he would steal; not that he would cheat; but he doesn't tell the truth nor does he speak with consistency. He does things today he said yesterday that he wouldn't do. He ran a campaign on things that appeal to Americans, yet he is doing things today that do not appeal to Americans. So if he's a born again Christian I think he'd better go back to being an old-time Christian, because they're honest.

LB. Do you think the timing is about right for a conservative victory in '80?

BG. I think if we don't have a conservative victory in the House and Senate and in the White House, I'll give this country five years.

LB. Senator, what is your gut level feeling about the current status and the future of the United States?

BG. I just told you. I have a book coming out in October in which I spell it out. I think we'll have a government; we may not be as free as we'd like. We'll have an economy, but it will be so beset by inflation that we'll have an average income of maybe $300,000 a year. Unless we get this country in hand, unless we get this government in hand and cut out all this foolish bureaucratic control . . . unless we can slow down inflation, I say five years. Now I may be short, it might take ten; but I think this country is headed down the long tube until somebody has the guts to stand up and say, look American people, here's where we are, and I am not fooling you. But I don't see Carter ever being able to do that.

LB. Who would you like to see come in, in '80?

BG. Any good Republican, or any good Democrat . . . that can lead.

LB. Is there anything else you'd like to comment on?

BG. It's perfect, I hope they'll let you print it.

LB. I think so.

BG. Well, you can't be everything to everybody. You've got to take positions, and I'm tickled to death that I was born with a mother and an uncle that drilled that into me. I can sleep at night; I don't have to wake up in the middle of the night and say, "Damn, what did I tell that guy this morning?" I hate to leave you but we've got intelligence hearings going on.

LB. Thank you very much.

BG. Thank you.●

THE 1979 NOBODY'S PERFECT AWARD TO PHILIP HEYMANN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MICHEL. Mr. Speaker, New York Times columnist, Pulitzer-Prize winner, William Safire, recently listed the major cases in which the performance of Chief of Criminal Division of the Justice Department, Philip Heymann, is something less than laudatory. The cases are: The Vesco bribe, the Lance case, Koreagate, the Marston affair, the Carter warehouse money, and the Jordan cocaine case. That is quite a list, Mr. Speaker and should win for Mr. Heymann, the 1979 "Nobody's Perfect Award."

At this time I wish to insert in the RECORD, "Cover-Up Scorecard" by William Safire, New York Times, September 10, 1979:

COVER-UP SCORECARD

(By William Safire)

WASHINGTON.—Philip Heymann, Chief of the Criminal Division of the Department of Justice—who boasts of his experience as a special prosecutor investigating Republicans—has been leading the Carter Administration fight to prevent the appointment of special prosecutors to investigate Democrats.

The thin-skinned ex-Harvard professor has been derogating the Ethics in Government Act, which mandates court-appointed independent prosecutors to handle charges against high officials. Mr. Heymann wishes us to believe he can do better. His record:

1. The Vesco bribe accusation. A fugitive financier paid $10,000 to a crony of Hamilton Jordan's to get President Carter to intercede in his behalf. When a Carter aide made the approach, President Carter—instead of blowing the whistle on an apparent bribe—wrote his Attorney General a note directing him to see the possible fixer.

Because it could not ignore columnist Jack Anderson's revelations, Justice grudgingly convened a grand jury. After 11 months, the grand jury foreman went public with charges of "cover-up." He was disgusted with Justice's foot-dragging to protect the White House.

In a meeting called to allay suspicion that Justice prosecutors were obstructing the grand jury, Mr. Heymann admitted that he considered the sworn testimony of a key White House aide to have been untruthful.

When this admission was accurately reported by Edward Pound of The New York Times, Mr. Heymann issued an artful statement claiming he had never actually used the word "perjury" in connection with Mr. Carter's aide. With that narrow denial, Mr. Heymann tried to placate the White House and mislead the public, but the truth is that the chief criminal law enforcement officer of the U.S. led several witnesses to believe that a Special Assistant to the President had lied under oath.

2. The Lance case. Exactly two years ago—in September, 1977—Justice was handed the evidence of Lance wrongdoing by the S.E.C. and Treasury's Controller of the Currency. Result: the Treasury Secretary fell from favor, the S.E.C. enforcement chief's career has been blocked, and all the Justice officials forced to work on the case have fled.

The indictment was returned in May of this year, breaking little new ground. The politically embarrassing trial is not scheduled until late January of next year, and is likely to be postponed further, until after the early primaries. The venue will be most favorable to the President's friend.

3. Koreagate. This case hinged on the ability to convict former Congressman Otto Passman of taking over $200,000 in bribes, and then to turn him into a witness against a dozen other Congressmen. But Mr. Heymann's Criminal Division—to the amazement of the District of Columbia judge—permitted the bribery charge to be tied to an income tax charge, which automatically enabled Mr. Passman to change the venue to his home town in Louisiana.

As predicted here, Mr. Passman was promptly acquitted, and—thanks to the ineptitude of Mr. Heymann's "Public Integrity Division"—twelve bribetakers now sit safely in Congress.

4. The Marston affair. When corrupt Congressman Joshua Eilberg called President Carter to demand that he fire the Republican prosecutor who was closing in on him, the President told Justice to do just that. Mr. Heymann has suppressed the F.B.I. report on this suspected obstruction of justice. Inquiring Congressman Bob Walker (R.-Pa.) is told only that the President has been "exonerated," but the embarrassing report must remain secret because it "contains information that is inextricably intertwined with other current criminal investigations."

5. The Carter warehouse money laundry. Only when prodded in this space to "follow the tangent" did Mr. Heymann permit Lance investigators to follow leads into questionable fund-raising by the Carter family. The Ethics in Government Act was circumvented, because cover-uppers at Justice did not want a panel of judges to pick an aggressive, independent prosecutor; under pressure the Carter men chose amiable Paul Curran, and sought at first to restrict his powers, with his acquiesence. Press agitation stopped that nonsense, and now the probe is ambling along. (The long delay in the related Lance case, however, means that no heat is being applied to Lance to induce him to cooperate in the Carter warehouse case.)

6. The Jordan cocaine charge. Last year, when Presidential Drug Adviser Peter Bourne was caught fraudulently prescribing drugs, he told newsmen that illicit drug use was frequent among Carter staffers. But Philip Heymann decided not to send a single F.B.I. investigator to question Mr. Bourne; his apparent crime was shrugged off.

Were it not for the new Ethics in Government Act, that is exactly how Mr. Heymann would be handling the accusations of cocaine use against the President's Chief of Staff. D.C. drug sleuths conduct well-publicized busts against newsletter writers, but have no inclination to follow the white stuff into the White House.

The record of the Carter Department of Political Justice has been a series of grudging investigations, unconscionable foot-dragging, suspicious ineptitude and self-righteous posing. No wonder Philip Heymann resists the appointment of special prosecutors now required by law; they might even investigate, prosecute and convict a Democratic public official.●

MORE SUPPORT FOR HECKLER HEALTH BILL

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mrs. HECKLER. Mr. Speaker, I would like to enter into the RECORD several letters I have received in support of my bill, H.R. 4015, the Veteran Senior Citizen Health Care Act of 1979, which passed the House unanimously on June 5 and which is now pending in the Senate.

This is the second in a series of publications of selected letters from among the large number I have received since we acted on this important and priority legislative initiative. The many letters are most lauditory of this distinguished body for its enthusiasm in passing H.R. 4015.

The distinguished senior Senator from California, the Honorable ALAN CRANSTON, who is chairman of the Veterans' Committee, tentatively has scheduled a hearing on H.R. 4015 and its companion measure, S. 1523, by the Honorable STROM THURMOND, for October 10 in Room 457 of the Russell Senate Office Building—this is a rescheduling of the hearing, from September 19.

Senator CRANSTON and Senator THURMOND are well known for their concern and commitment to the veteran, his

widow and orphan. Their concern for all senior citizens also is widely known. As one who shares that deep concern and commitment, I am pleased to commend both Senator CRANSTON for scheduling this hearing and Senator THURMOND for introducing this measure in the Senate.

To date, I have published letters of support, endorsement and advocacy from the Regular Veterans Association, American College of Nursing Home Administrators, the dean of the school of medicine at Stanford University, the director of the division of geriatric medicine at George Washington University, and the American Legion.

Today, I am publishing letters from a disabled Vietnam veteran, the Veterans of World War I, the chief of the section on biomedical gerontology at Boston University Medical Center, the National Citizens' Coalition for Nursing Home Reform, the Charles River Hospital in Wellesley, Mass., and the Veterans of Foreign Wars of the United States.

Today's letters are as follows:

FRAZEYSBERG, OHIO,
September 3, 1979.

DEAR REPRESENTATIVE HECKLER: I am a disabled Vietnam veteran and very concerned with what takes place in Congress regarding veterans' affairs.

I wish to congratulate and thank you for your efforts which saw passage in the House of your Veteran Senior Citizen Health Care Act of 1979. This is a great accomplishment on your part, and all those members who voted in favor are to be congratulated also. This is a great tribute to all of America's veterans.

Thank you again.

Sincerely yours,

WALTER E. DAVIS.

VETERANS OF WORLD WAR I
OF THE U.S.A., INC.
Alexandria, Va., June 19, 1979.

Hon. MARGARET M. HECKLER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN HECKLER: Thanks for your letter dated June 15th relative to the passage of H.R. 4015 and in behalf of all World War I veterans, I wish to express our sincere appreciation for your interest in senior citizens which automatically includes all World War I veterans.

We are most appreciative of your support for all benefits in behalf of World War I veterans and offer our services in any way possible to assist in the effort you have exerted in our behalf.

Personal regards and best wishes.

Sincerely,

FLOYD E. HENDERSON,
National Commander.

BOSTON UNIVERSITY MEDICAL CENTER,
Boston, Mass., July 5, 1979.

Hon. ALLEN D. CRANSTON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR CRANSTON: I would like to comment on the Geriatric Health Services Act. This bill proposes to expand the Veterans Administration's role in geriatric research and training. It would increase the number of geriatric research and clinical centers from 10 to 20 and establish the position of Assistant Chief Medical Director for Geriatric and Extended Care to coordinate all VA geriatric research education and clinical operations. It would reinstate the advisory group for GRECC's which has been allowed to lapse and provide a $15,000,000 authorization for 1980.

The VA should provide leadership in research on aging. The aging of the veterans' population presents a real and immediate problem, and a responsibility that they can not escape. In contrast to the National Institutes of Health, the Veterans Administration has clinical facilities and research laboratories geographically located together. The NIA is not in a position to do certain types of clinical investigation well, particularly the development of new therapies for the arrest and prevention of senility. The time to do something about senility is now, in the VA's. The VA's relations to academic institutions are unique. Academic institutions have not developed the close relationships with community long-term care institutions that exists with the VA. The existing GRECC's, such as Palo Alto, Wadsworth, Seattle, Minneapolis and Bedford, have each in their own way made progress towards creating exciting centers for research on aging.

At times it has been an uphill battle. There is no question but that the drive for GRECC's within Central Office noticeably decreased when Paul Haber moved upstairs. The present program does not have strong leadership. The major support has come from long-term care, and not from research services, who have been more concerned for the principles of peer review than with the problem of recruiting and funding excellence within the GRECC's.

Central Office doesn't like this bill. It plays havoc with their organizational charts. They say, "Just give us the money." If you do that, much of the money will just disappear into the conventional existing hospital programs, which is what has happened to some degree already. Representative Heckler's bill makes the VA accountable for doing something about aging and the aged. It provides a mechanism by which basic science groups, such as my own, can bring our findings to clinical testing without the obstacles posed by NIH peer review, which does not feel the same immediacy about aging and senility as a problem.

I would urge early hearings and support of this legislation.

Sincerely,

F. MAROTT SINEX, Ph. D.

NATIONAL CITIZENS' COALITION
FOR NURSING HOME REFORM,
Washington, D.C., June 19, 1979.

Senator ALAN CRANSTON,
Senate Committee on Veterans Affairs, Senate Office Building, Washington, D.C.

DEAR SENATOR CRANSTON: We strongly support H.R. 4015, the Veterans Senior Citizen Health Care Act of 1979, introduced in the House of Representatives by Representative Margaret Heckler, passed and referred to your committee. The bill would give statutory authority and funding to the system of geriatric research centers under the Veterans' Administration.

In addition to improving care for the millions of veterans who are now 65—or will soon be—H.R. 4015 would also encourage the development of medical school programs in geriatrics. It would stimulate research and interest in a field which has been greatly neglected in this country. While other developed countries such as Great Britain and Sweden have long provided such education for their doctors in training, the United States has lagged far behind; as a result, most schools do not have a single course in geriatrics and only a few of these have actual programs. Few doctors are prepared to deal with the ten percent of the population over 65 whose medical care takes nearly a third of the nation's health care dollars.

The Coalition is a national, non-profit membership organization, formed in 1975, to improve the long-term care system and the quality of life for nursing home residents. A crucial aspect of reform is the education and training of nursing home personnel.

We sincerely hope that your committee will give this bill a high priority and a favorable report. Please let us know if you need additional information of assistance.

Sincerely,

ELMA L. GRIESEL,
Executive Director.

CHARLES RIVER HOSPITAL,
Wellesley, Mass., July 6, 1979.

MARGARET M. HECKLER,
One Washington Street,
Wellesley, Mass.

DEAR CONGRESSWOMAN HECKLER: Thank you for forwarding the Carter Hospital Cost Bill. Our financial administrator, Mr. Peter Melencio, appreciates having the opportunity to review the contents.

Congratulations on your achievement with the Veteran Senior Citizen Health Care Act of 1979. As a mental health care facility, we are concerned with meeting the needs of geriatric patients. It is encouraging to know that our legislators are also concerned.

Sincerely,

JEANNE MARRINER,
Communications Coordinator.

VETERANS OF FOREIGN WARS,
OF THE UNITED STATES,
Washington, D.C., July 27, 1979.

Hon. MARGARET M. HECKLER,
Committee on Veterans' Affairs, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MARGARET: Thank you for your letter with respect to the "Veteran Senior Citizen Health Care Act of 1979" and enclosure thereto in the form of a supportive resolution passed by the Disabled American Veterans at their recent national convention.

It pleases me to advise you that during the 80th National Convention of the Veterans of Foreign Wars of the United States, to be held in New Orleans, Louisiana, between August 17 and 24, we will consider a resolution fully supportive of both your bill, H.R. 4015 and the companion bill, S. 1523 introduced by the Honorable Strom Thurmond in the United States Senate.

On behalf of our membership, and all veterans, permit me to express our appreciation for your aggressiveness in shepherding through the House of Representatives this urgently needed legislation.

With best wishes and kind personal regards, I am

Sincerely,

DONALD H. SCHWAB,
Director, National Legislative Service.●

THE PROGRESS OF NEGOTIATIONS FOR AN ACCEPTABLE LAW OF THE SEA TREATY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MURPHY of New York. Mr. Speaker, for a number of years the United States has participated in the United Nations Conference on the Law of the Sea. While there are many important components to the draft treaty currently under discussion, perhaps the issue of utmost concern to all Americans involves the regime to be established for management of the mineral resources of the deep ocean seabed.

To understand why this is such an important issue, one need only look at the statistics. In testimony given before my

committee, it has been estimated that ocean mining of known mineral resources started by 1985 could—by the year 2000—reduce U.S. imports of nickel from 77 percent to roughly 30 percent, reduce cobalt imports from 97 percent to zero, reduce manganese from 98 percent to zero, and supplement the amount of copper produced in the United States thereby significantly reducing the need for any import of this vital mineral.

Unfortunately, negotiations over issues such as assured access by U.S. citizens to these vital minerals and economic provisions compatible with our free market heritage have not been promising.

A well-timed and scholarly article that accurately reflects the issues presented by the dichotomy between what the treaty should provide and what it does provide was recently completed by our distinguished colleague. Congressman JOHN BREAUX. Congressman BREAUX has been vitally interested in this topic for several years and has been one of the leading spokesmen in the Congress in support of passage of domestic legislation that will serve as a statement to the rest of the United Nations negotiating parties.

Congressman BREAUX's article has been printed and copyrighted by the Virginia Journal of International Law which has graciously granted permission to reprint it here. I commend the article to all Members. I am sure that they will find it well thought out and most informative on this crucial issue. I believe that it will convince all Members that now, more than ever, is the time for the Congress to speak and enact the ocean mining legislation currently under consideration.

The article follows:

BREAUX, JOHN,* THE DIMINISHING PROSPECTS FOR AN ACCEPTABLE LAW OF THE SEA TREATY, 19 VA. J. INT'L. L. 257 (1979)

I. THE CALCULUS OF ADVICE AND CONSENT

A. Statement of the problem

Out of the complexities of the deep seabed negotiations at the Third United Nations Conference on the Law of the Sea (Conference),[1] have emerged, with striking clarity, the issues upon which a future treaty would likely stand or fall in the U.S. Senate. Assured access by the United States to deep seabed resources, institutional arrangements consistent with fundamental U.S. political, economic, and strategic interests, and economic provisions compatible with free market precepts are likely to be the essential conditions for Senate approval. Other aspects of the treaty might provide some benefits to navigational and environmental interests; however, the deep seabed regime will be the decisive factor in Senate consideration of the treaty, because the long-term national interest requires assured access to deep seabed minerals and because institutional and economic aspects of the deep seabed regime would create significant precedents for future international arrangements.

B. The issue of access

The minerals found in the deep seabed include manganese, cobalt, and nickel: commodities essential to steel production, and consequently, vital to the national economy and security.[2] The United States lacks significant domestic sources of supply for these minerals.[3] In the cases of manganese and cobalt, both essential to the manufacture of high quality steel alloys, foreign supply sources are undependable.[4] Moreover, it appears that terrestrial manganese may be exhausted within thirty years.[5] Importation of nickel is more reliable, but is so extensive as to have a significant adverse effect on the national balance of payments.[6] Assured access to deep seabed mineral deposits could virtually satisfy the U.S. requirements for manganese and cobalt and could contribute substantially to meeting the nation's demand for nickel.[7] The national interest in that access is, therefore, clear.

Institutional aspects of the deep seabed regime, which is currently under negotiation, have a direct bearing on access. Rights to develop deep seabed resources would be granted or denied by the International Sea-Bed Authority (Authority).[8] Because its power probably would entail an element of discretion, the decisionmaking process in the Authority would be highly political. Thus, the relative influence of States in the system of governance could be critical to the issue of access of their enterprises to deep seabed resources. A system of governance dominated by a one-nation, one-vote Assembly, as contemplated by the Third World and reflected in the Conference negotiating texts,[9] would cast serious doubt on assured access by developed States.

The Enterprise, the operating arm of the Authority, would compete against private and State companies in the contemplated dual or parallel system and thereby could affect their access to the deep seabed.[10] Establishing and maintaining a competitive balance therefore appears crucial, but the Conference negotiating texts fail to achieve it. As the recipient of funding and technology provided to the Authority by States and private enterprises, as a tax-exempt international organization, as the beneficiary of inevitable institutional bias in the Authority, and for other reasons, the Enterprise would enjoy a privileged competitive position.[11] As a result, access by State and private enterprises to deep seabed resources could be substantially prejudiced, and perhaps destroyed.

The economic elements of the deep seabed regime would be of great significance to the issue of access. As reflected in the negotiating texts and the dominant trends of the Conference, the more important economic features of the regime include:

(1) Mandatory transfer of technology from private and State holders to the Enterprise, and perhaps, to developing countries;[12]

(2) A ceiling on seabed minerals production to protect land-based minerals producers;[13]

(3) Representation by the Authority of deep seabed production in international commodity arrangements;[14]

(4) Quotas or similar measures to establish limits on the number of mine sites which may be held by each State and its public and private enterprises;[15]

(5) A future moratorium on ocean mining of manganese nodules by States and private enterprises, pending successful renegotiation of the deep seabed regime;[16]

(6) Revenue-sharing with the Authority by private and State enterprises for the direct benefit of the Enterprise and developing countries;[17]

(7) Immunity of the Enterprise from national taxation;[18]

(8) State funding of the Enterprise shortly after the treaty becomes effective;

(9) A "banking system" through which State and private operators would be required to provide prospected or explored mine sites to the Authority for the direct benefit of the Enterprise or developing countries;[19]

(10) A moratorium on development of non-manganese nodule minerals, pending establishment of an agreed regime for them.[20]

A treaty containing these provisions would render significant access doubtful, at best. The prospects for Senate approval of the treaty are reduced accordingly.

C. The issue of precedents

The precedential impacts of the deep seabed regime have profound implications for the economic, political, and strategic interests of the developed States.[21] The international deep seabed is an area of common space and common use, as are the waters of the high seas, international airspace, air waves, outerspace, and Antarctica. Each of these common areas is vital. The position of the developed countries on the access issue is based on theories of international equity and political expediency, while the posture of the developing States is grounded on the concept of a fundamental redistribution of global wealth.[22] The theory that prevails in the debate over access to the deep seabed will greatly influence the resolution of the issue of access to other global common areas. This is a reality which is dictated by the aspirations and ideology of the Third World and by the willingness of the developed world to entertain and encourage them. The economic, political, and strategic implications for the developed world of the precedential effects of system of deep seabed access on other common areas are, therefore, profound. The very existence of an international seabed mining Enterprise would serve as the model for the future development of other common resources,[23] significantly affecting State and private mining operations. If the Enterprise also enjoyed a privileged competitive position, as the present Conference texts indicate, the implications would be quite serious.

The general theories applicable to the treatment of common areas also are relevant to matters with a more direct and pervasive effect on the distribution of global wealth. International commodity arrangements (ICA's)[24] and international financial development and monetary agreements would be affected by the institutional character of the deep seabed regime.[25] As pointed out, the system of governance of the Authority would establish the relative influence of member States in decisionmaking concerning the acquisition and distribution of deep seabed wealth. The Common Fund negotiations, future ICA's, and the structures of the World Bank and the International Monetary Fund necessarily would be affected[26] if, as the Third World demands and the Conference negotiating texts indicate, the system of governance were controlled by a numerical majority of States, and not by a device reflective of the realities of global producer-consumer, importer-exporter relationships. The developing countries increasingly are pressing for decisive control of international agreements in the name of the New International Economic Order.[27]

Institutional precedents in the ocean mining regime therefore could severely prejudice the ability of the United States to protect its interests as a major producer, consumer, importer, exporter, and participant in financial development, monetary, and resource agreements. Free market principles adhered to by the United States would suffer if global financial development, monetary, and resource arrangements turned toward Third World control and toward international enterprises, which might enjoy advantages over State and private operations.

Additionally, the proposed economic provisions for the deep seabed regime reflect the demands of the Third World which are based upon their conception of the New International Economic Order and establish models for future international agreements.[28] Each provision departs, sometimes radically, from established U.S. policy.[29] Thus, for example precedents in the deep seabed mining regime could affect the ability of U.S. citizens to export their technology to developing countries on freely negotiated commercial terms and conditions, and could set the stage for direct export controls on U.S. commodities. It is difficult, if not impossible, to reconcile the creation of such precedents with fundamental U.S. political, economic, and strategic interests and free market principles. It is doubtful that the Senate would agree to a treaty which would have such consequences.

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II. ANALYSIS OF THE DEEP SEABED REGIME

A. Transfer of technology

Technology transfer has been a subject of intense negotiation at the Law of the Sea Conference. In 1976 Secretary of State Kissinger conceded in principle the transfer of technology to the Enterprise in exchange or a system of assured access to deep seabed resources.[30] Secretary Kissinger did not describe the conditions under which this transfer would take place, allowing the Third World countries to seize the initiative in implementing his concession.

The South demands the transfer of technology to the Enterprise and developing countries as a mandatory condition to State and private access to deep seabed minerals. The Third World believes that such mandatory technology transfer is essential to the participation of developing countries in ocean mining and to a functioning Enterprise.[31] In addition, mandatory technology transfer in the deep seabed regime represents an important element in the Third World's broader program for overall economic development.[32]

The North maintains that seabed mining technology would be available to the Enterprise and developing countries through normal operation of the international market place.[33] Nevertheless, the United States delegation, while believing that the Third World apprehensions are genuine although baseless, has, subject to Cabinet level review, conceded mandatory transfer "on fair and reasonable commercial terms and conditions" to the Enterprise, but not to developing countries.[34] Spokesman for the delegation minimize the adverse commercial consequences, the detrimental effect on technology development, and the negative precedential nature of mandatory transfer. They argue that (1) the mandatory transactions can be commercially fair and reasonable; (2) technological innovation can be protected; and (3) the deep seabed regime represents a unique situation lacking significant precedential effects.[35]

The South's fear that seabed mining technology might not be available to the Enterprise or to developing countries under normal market conditions is unfounded. States that are parties to the treaty would provide the funding to the Authority for the purchase of seabed mining technology. Furthermore, because State and private enterprises seeking licenses would provide the Authority with its choice, for the Enterprise or for developing countries, between two equally attractive mine sites and because most ocean mining technology is site-specific, mining companies would sell their technology to the Authority or developing countries to maximize profit.[36]

One cannot accept, therefore, the Third World view that mandatory transfer is a practical necessity. One must accept, however, the reality that a forced sale rarely is based on commercial terms and conditions; free negotiation is essential. The U.S. delegation's argument that mandatory transfer can be on fair and reasonable commercial terms and conditions is, therefore, contradictory.

The delegation's contention that technological innovation can be protected is clearly erroneous. The adverse commercial consequences inherent in mandatory transfer would necessarily discourage technological development. Implementation of mandatory transfer, therefore, would undermine a major U.S. interest in promoting and protecting technological development.[37]

Finally, mandatory transfer of technology would have significant precedential effects. The deep seabed regime will be a unique situation only if both the North and the South accept it as such. The Third World, however, asserts that mandatory transfer of deep seabed technology is only one aspect of the developing countries' right to advanced technology. In the negotiations to conclude an international Code of Conduct on Transfer of Technology, the Group of 77[38] asserts that "technology is a part of universal human heritage and that all countries have the right to access to technology, in order to improve the standard of living of their peoples . . . ."[39] The Group of 77 regards technology transfer as an "effective instrument for the establishment of a New International Economic Order."[40] They maintain that "an international legally binding instrument is the only form capable of effectively regulating the transfer of technology."[41] The U.S. delegation to the Code of Conduct negotiations rejects these Third World positions, recognizing that capitulation to the Group of 77 would have negative effects on both the international sale and the domestic development of technology.

The problem of technology transfer is aggravated by Third World resistance to effective protection of proprietary rights. This resistance exists both at the Conference and in the Code of Conduct negotiations.[42] Justifying mandatory transfer of seabed mining technology on the theory that the seabed regime is unique not only ignores reality, but also erodes the general U.S. policy on technology transfer by creating an exception which conforms with the position of the Group of 77. Clearly the seabed regime is not unique insofar as the transfer of technology is concerned. The Third World demand at the Law of the Sea Conference is directed toward a wider goal and a concession by the North in those negotiations is a precedent for future arrangements concerning the developing countries' rights to advanced technology. Acceptance of the Third World position could be exceedingly costly for the United States,[43] a nation which relies on the development and sale of technology for a substantial portion of its foreign earnings and its gross national product. Also, the degree of centralization and artificial control in the Authority as presently structured in the negotiating texts would seriously damage the U.S. interests in promoting free market principles.[44] Finally, in terms of the kind of global interrelationships the United States should seek to foster, the acceptance of the concept of developing countries' rights to technology without corresponding developing countries' duties to protect proprietary information would be counterproductive. The model for international relations should be cooperation, but on the basis of acceptance of mutual rights and duties among developed and developing countries.

Considering all these factors, mandatory transfer of technology would be a serious deterrent to U.S. Senate approval of the treaty. Whether the provision by itself would be a sufficient condition for disapproval is unclear; however, in combination with other problems, mandatory transfer probably would be enough to tilt the scales against the treaty.

B. Production ceiling

Land-based producers of the minerals that will be exploited in the deep seabed insist that ocean mining production must be limited. These producer-States fear that absent a seabed production limit, ocean mining will adversely affect their economies. The ceiling issue cuts across North-South alignments: the North is divided on the issue while the South remains united.[45] Canada, a major nickel producer, is a proponent of production controls. Its insistence on seabed production limitations overshadows even the efforts of developing country cobalt, nickel, and copper producers, with the support of the full Group of 77, to achieve the same end.

Until recently the United States has strongly opposed seabed mining production controls, both in principle and in fact. The United States has preferred adjustment assistance and compensation for substantial loss of earnings by land-based producers resulting from deep seabed production.[46] Nevertheless, in 1976, the United States conceded the principle of seabed production controls.[47] As a practical matter, however, those controls were to be designed to have minimal impact on foreseeable seabed production: they would be linked to growth in the nickel market, yet a six percent minimum growth would be imputed.[48] The United States justified the concession as a measure calculated to respond primarily to developing, but not developed, land-based minerals producers.

In 1978, however, the U.S. delegation responded to pressure from Canada for a production ceiling that might limit deep seabed production. Subject to Cabinet-level approval, the delegation accepted a ceiling linked to the actual growth of the world nickel market.[49] In theory, such a link would provide real protection to both developed and developing producers of the minerals contained in manganese nodules.

Nonetheless, the production ceiling has three serious flaws from the U.S. standpoint: (1) to the extent that the ceiling may limit licensing of seabed mining operators, it is incompatible with meaningful assured access; (2) the ceiling is contrary to established U.S. economic policy concerning international restrictions on commodity production; and (3) the ceiling sets a negative precedent for future ICA's and for development of other international resources.[50]

First, the production ceiling threatens meaningful assured access because the growth of the world nickel market may fall to the point where seabed mining would be severely curtailed or halted.[51] Such a decline in the nickel market might reflect low demand for and high availability of nickel, but might not have any relevance to the availability of cobalt and manganese. These latter two minerals could be subject to interruptions of supply for political or other reasons. For example, the ceiling might prevent the United States from acquiring the manganese essential for domestic steel production. Also, another crisis in Zaire could adversely affect supplies of cobalt, a key material in the production of high technology items. Therefore, the ceiling cannot be reconciled with assured access which seeks to guarantee that interruptions of terrestrial supplies do not have a detrimental impact on the national economy and security.

Furthermore the production ceiling, which limits the number of mine sites, would lead to applicant selection based on the policies of the Authority. These policies include: stimulating developing country participation in mining; promoting Enterprise participation in mining; assuring equitable distribution of authorizations to mine; and protecting land-based producers.[52] These policies would cause applicants to propose joint ventures with developing countries or the Enterprise and the location of processing plants in less-developed countries. This would prevent the United States from capturing the direct benefits of the mining, even though U.S. companies might be involved.

The production ceiling is the functional equivalent of internationally imposed direct export controls.[53] The United States has never accepted such controls on its own production, although this country has joined in various

Footnotes at end of article.

commodity arrangements calculated to stabilize the supply and demand situation in the international market place.[54] The economic reasons for this policy are unassailable. By restricting supplies, production controls tend to distort markets, artificially raise prices, and result in short-term gains to producers to the disadvantage of consumers. The entry of new and potentially more efficient producers is thwarted, while inefficient producers are encouraged. The end result is a misallocation of resources. Additionally, diversification of supply is restricted or prevented and may cause vulnerability to politically motivated restraints on supplies or collusive agreements on pricing.[55] This would be especially detrimental for consumer States, many of which are developing countries, and therefore, extremely vulnerable. Moreover, in the long run, producer countries, a relatively small group of developed States, may not benefit.

Departing from the traditional U.S. stance on this issue in the Law of the Sea negotiations can have serious long-range effects on numerous areas of international agreement on commodities. As the largest consumer of raw materials, the United States has a great deal to lose from international production controls.

To argue, as do the proponents of the seabed production ceiling, that the deep seabed regime is unique ignores the fact that this perception is not shared by other countries[56] and disregards the adverse effects of the ceiling on access to ocean minerals.[57] This argument stands little chance of acceptance in the U.S. Senate.

The fact that the ceiling is limited in duration does not cure these flaws. There is little reason to believe that the United States could resist the inevitable foreign pressure for renewal of the ceiling or for its replacement by one or more ICA's. A treaty containing the production ceiling therefore would be approved only in spite of that ceiling.

C. Authority participation in commodity arrangements

The Third World has insisted that the Authority participate in future international commodity arrangements and represent all seabed production, not merely that of the Enterprise.[58] The original U.S. response was to deny the Authority any participation in ICA's. The Group of 77 remained adamant in their demand, however, and the United States agreed to Authority participation on behalf of the Enterprise. More recently, the United States conceded that the Authority might act on behalf of all deep seabed mineral production, if the ICA participation, including all major producers and consumers, also agreed.[59]

The Third World position remains firm. If that position prevails, countries such as the United States which would produce nickel, cobalt, and manganese almost solely by virtue of ocean mining operations, would be deprived of the right to represent their production interest. The position in the Authority of the land-based producers undoubtedly would be strengthened by the support of the Group of 77. Given this fact, seabed producers would certainly fare poorly in comparison to terrestrial producers under such a system. Even if the Authority represented only the production of the Enterprise, the land-based producers, by virtue of their power in the Authority and by taking into account their land-based production, would have a dominant position over seabed producers.[60]

Having accepted a seabed production ceiling in the Law of the Sea treaty, the United States would find it difficult to resist similar controls in ICA's in which the Authority represented seabed production in whole or in part. For example, for an ICA involving copper, of which the United States is both the largest producer and the largest consumer, Authority participation for seabed production could have the effect of imposing direct export controls on U.S. land-based production.[61]

While the United States would not be legally compelled to join ICA's in which the Authority might participate, practically, the United States might not be able to remain outside of such agreements. Furthermore, the positions taken by land-based producer-States and the Group of 77 suggests that the United States could not block Authority participation in critical ICA's.[62]

The very notion of an international organization representing the production of States is difficult to accept. A central principle of U.S. international commodities policy is that decisionmaking power in an ICA should be weighted to reflect the relative economic interests of every participant, whether producer or consumer.[63] Authority participation on behalf of all seabed production would clearly and directly defeat this principle. Authority representation of only Enterprise production would subvert this U.S. principle, given that the Authority probably would be dominated by the small group of land-based producers with the Group of 77 support.

Whatever the system, access to deep ocean minerals will be adversely affected if seabed production is limited. Additionally, acceptance of these seabed arrangements could influence the future allocation of the resources of other global common areas in a similar manner, negatively affecting U.S. interests. The U.S. Senate surely would take a dim view of these possible consequences.

D. Quota system

The system of national quotas for mine sites is another issue which divides the North but not the South. From its inception, the system has been primarily a French and Soviet imperative.[64] France is concerned that, without a limit on the number of mine sites that a State could hold, the United States would assume an overwhelmingly competitive position in ocean mineral development.[65]

The Soviets also fear U.S. dominance in deep seabed mining. As a major land-based producer of nickel, copper, cobalt, and manganese, and lacking ocean mining technology, the Soviet Union is not worried about exclusion from seabed mining as a result of U.S. dominance. Rather, the U.S.S.R. is concerned that the United States with a potential string of mine sites running from the Clarion-Clipperton Fracture off Mexico to the deep ocean plains off the Soviet Union's Pacific continental shelf, would become independent of foreign manganese, nickel, and cobalt supplies and therefore, would gain a strategic advantage by virtue of extensive high seas activities subject to U.S. military protection, across the breadth of the Pacific.

The United Kingdom and Japan also favor limitations on the number of mine sites. These States fear that their operators would be unable to compete for the best mine sites against a U.S. mining industry unfettered by a national site limitation. The United Kingdom and Japan envision a limitation in the form of an antimonopoly provision giving site allocation preference to States that have no existing mining operations. One formula, for example, gives preferential status over States which have three or more operations to a State without any mine sites.

An antidensity provision also has been informally discussed among some countries. This would limit the number of mines sites which a single State would be permitted to have in a particular geographic area.

The Third World does not believe that such limitations are crucial to their economic interests. Nonetheless the quota and antimonopoly systems have been endorsed in principle by the Group of 77 as conceptual deterrents to hegemony over important ocean resources.[66]

In the past, the United States firmly opposed any quota or antimonopoly system.[67] Recently, however, U.S. negotiators have shown some willingness to reconsider this traditional stand.[68] A quota, antimonopoly, or antidensity system is contrary to U.S. interests, particularly within the context of a seabed regime establishing production controls, Authority participation in ICA's, and a mine site banking system for the benefit of the Enterprise and developing countries. Any such system threatens U.S. access, is inherently anticompetitive, and is certain to lead to misallocation of resources because inefficient producers are guaranteed entry at the expense of efficient producers.

Assured access would be meaningless if limited to fewer mine sites than would be commercially attractive to U.S. investment interests and to fewer sites than would be necessary to provide the United States with substantial independence from foreign supply sources of manganese, cobalt, and nickel. Given the finite number of first generation mine sites, the large long-term mineral requirements of the United States, and the current expectation of continued U.S. leadership in ocean mining technology, almost any quota system would limit U.S. access.[69] When considered in conjunction with the banking system and the negative effects of the production ceiling, the limitation could become serious enough to discourage participation by U.S. companies. ICA's involving the Authority would further aggravate the situation. Antimonopoly or antidensity provisions would have similar, though conceivably less serious, consequences than a quota system. The impact of any limited access system on foreign State-owned or subsidised companies would be less serious to the extent that return on investment would be less critical and perhaps more easily achieved.

The mathematics of the situation clearly demonstrate the impact of such systems on U.S. interests. For example, the currently contemplated production ceiling would allow approximately twenty-six seabed mine sites by the year 2000, assuming a 4.5 percent growth rate in the world nickel market.[70] If the assumption is erroneous, the number of available sites could be fewer. The banking system would reduce the number of mine sites available to State and private enterprises to a maximum of thirteen, because it would assure the Enterprise or joint ventures with developing countries one-half of the available sites. The Enterprise could compete successfully against State and private enterprises for some or all of the sites that are not banked.[71] If an ICA prevailed instead of the ceiling, then the number of sites available to State and private enterprises could decline further.

Thus, the number of sites to be allocated to any single State under a quota or similar arrangement would be very small: a State could not expect to have more than one or two mining operations.[72] In the absence of such a system, U.S. enterprises could operate approximately one dozen sites by the year 2000. If forced to operate under a quota or similar system, U.S. companies might decide to abandon the field because it is insufficiently profitable.[73] Ocean mining is a high-risk, expensive venture, and a single mine site might not provide an adequate return on the investment in mining ships, ore carriers, and processing facilities.[74] Even if U.S. enterprises did develop one or two sites, the output would not reduce substantially the national dependence on foreign supply sources.[75] In the final analysis, assured access would be nonexistent or simply meaningless.

A quota system could serve as a model for future development of other common resources. All of the negative economic consequences would pertain to virtually any resource to which such a system were applied.

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In addition, the potential for U.S. independence from foreign sources of a number of important commodities could decline or disappear. With such impacts, any of these sorts of provisions in the seabed regime probably would have profound adverse effects on the prospects for U.S. Senate approval of a Law of the Sea Treaty.

E. Review conference

In 1976 Secretary of State Kissinger agreed to consider treaty review conferences at twenty to twenty-five year intervals.[76] He intended this concession to make the dual access system more palatable to the Third World on the theory that if the seabed regime worked poorly the review conference could improve it. As in the case of U.S. concessions on technology transfer, however, Secretary Kissinger did not describe precisely what he was conceding. Consequently, the South quickly detailed its view of a meaningful review mechanism.

The negotiating texts reflect the Group of 77 formula for the review conference, providing that twenty years after the treaty becomes effective, a review conference would seek to renegotiate the seabed mining regime.[77] According to one negotiating text, if the Conference fails to amend the treaty or otherwise to reach agreement after five years, the system automatically would exclude further direct access by State and private enterprises.[78] Another text would allow the Assembly to decide whether to impose a moratorium on further access by State and private companies or by the Enterprise.[79] Under this approach, the one-nation, one-vote Assembly naturally would impose a moratorium on direct access by State and private mining operations in order to achieve maximum negotiating leverage over the developed countries.

The U.S. delegation opposes any moratorium mechanism in the review conference.[80] If the developing countries were concerned enough to negotiate for five years to amend the treaty, it would be either because the Enterprise had not worked satisfactorily vis-a-vis the State and private operators, or because the Enterprise could be substantially strengthened by amending the treaty. Even if the moratorium applied to further access by the Enterprise, this would be a small price for the developing countries to pay to deny further access by the developed countries and thereby obtain a decisive bargaining position in the review conference.[81]

A moratorium on State and private access twenty-five years after the treaty entered into force would deny the United States and other industrialized countries a supply of manganese, which could simply be unavailable from any other source.[82] The moratorium also could expose the United States and the rest of the developed world to radical increases in the prices of cobalt and nickel because land-based suppliers would be unable to meet global demand. The risk of politically motivated interruptions of foreign supplies would be considerable to the United States and other similarly situated countries. Thus, the United States and other developed countries would have little bargaining power in the review conference and their long-term interests would be seriously threatened.

As in other provisions of the seabed regime, the structure of the review conference would create an undesirable model for the treatment of other common resources. Therefore, it is impossible to believe that the U.S. Senate would regard a review conference with a moratorium as anything other than a threat to the economy and security of the United States. Senate acceptance of a treaty containing such a provision would be unlikely.

F. Revenue sharing

All sides have accepted the principle of revenue sharing by State and private seabed mining operations for the benefit of developing countries.[83] More recently, revenue sharing participants have accepted the principle of funding the Enterprise.[84] Most aspects of the mechanism to implement revenue sharing, however, are disputed.

Developing countries find the notions of profits and the common heritage of mankind to be incompatible in principle.[85] The Group of 77 will tolerate profit in the seabed mining regime only to the extent that it is a necessary condition for ocean mining, at least until the Enterprise can begin to operate independently of financial contributions from developed States. Thus, the Group of 77 approach to revenue sharing seeks to extract maximum contributions from ocean mining operations, while leaving to the miner only the minimum return essential to attract investment.[86]

The United States and other developed countries largely have acquiesced in the Third World's position, rather than attempt to establish revenue sharing on the basis of the reasonable administrative expenses of the Authority, the start-up funding requirements of the Enterprise, and the fair share to be provided to countries which contribute little or nothing to the development of the resource. The ocean mining industry's argument that it is not a public utility for which government legitimately can set rates has been ignored.

The Group of 77 has had to recognize that the wealth of the deep seabeds is far less than it was thought to be a few years ago.[87] The Group also has conceded that deep seabed mining is a very risky technical enterprise that is highly sensitive to the vagaries of the metal markets. But these realities are incompatible with large front-end entry payments and inflexible, long-term royalties sought by the developing countries. Modest entry fees related to reasonable administrative expenses, and profit sharing which is sensitive to technical problems and the fluctuations in the market are essential prerequisites for the participation of private operators.

The structure of the revenue sharing system in the recent negotiating text partially responds to these realities.[88] The levels of payment, however, still are a serious problem. They reflect a heavy reliance on a computer model which provides merely a basecase for a hypothetic mining operation.[89] If the assumptions of the model are overly optimistic, the levels of payments could be excessively high.[90] Such a system could render assured access by private operators meaningless, particularly for the United States because U.S. operators would not receive cushioning State subsidies.

From the standpoint of precedential impact, revenue sharing, however structured, would constitute a model for other international arrangements relating to development of common resources. Antarctica already has been identified by some countries as an area in which resource development should provide revenues to the developing countries.[91] Considered as a use tax, it would be natural to apply revenue sharing in outer space for communications, energy development and transmission, or other purposes. A revenue sharing plan premised on minimum return would put at serious risk the development and use of common resources by private enterprises. Again, the U.S. Senate may find this treaty provision to be incompatible with important national interests.

G. Non-manganese nodule minerals

Negotiating texts reflecting the Group of 77 position provide that minerals not contained in manganese nodules shall not be developed until a regime is established for mining them.[92] The effect of these texts is to impose a moratorium on such development until a regime is designed to the satisfaction of the Group of 77.

The U.S. delegation has accepted, as "a significant improvement," a text which provides that the non-nodule regime will be established by amendment to the treaty rather than by the establishment of regulations by the Authority.[93] If anything, the favored approach places non-nodule development farther into the future. Amendment of the treaty would take longer than the promulgation of regulations. The U.S. delegation position loses sight of the fact that, either way, there is an indefinite moratorium on the development of minerals not found in manganese nodules.

Because metalliferous sediments of the deep ocean may prove extremely valuable, the delegation's position is hard to justify. The position certainly is inconsistent with assured access, and once again, may create an unfavorable precedent of prohibiting development of common resources until permitted by the Third World.

H. The system of governance

The system of governance for the deep seabed regime is the most important single issue remaining at the Law of the Sea Conference. The control of the deep seabed minerals and the course of future international institutional development will depend on the resolution of this issue, which reveals the fundamental clash of material and ideological interests of the North and South.

The developing countries insist that they must control the mineral resources of the deep seabed and that they must direct the actions of global institutions. In the Third World's view, a fundamental redistribution of wealth requires a restructuring of the global system of public order to establish a lawmaking democracy of nations. Control of the vitally important mineral resources of the deep seabeds is an important step toward the realization of this New International Economic Order.[94]

The developed countries can accept a redistribution of wealth, but not at the expense of their own material prosperity and political security.[95] The North is apprehensive of a lawmaking international democracy which would base its economic program on a transfer of the wealth and independence of the minority. The developed countries fear a deep seabed mining regime which will interpose the will of the Third World between the industrialized nations and the raw materials necessary to fuel their economies and protect their security.

The Law of the Sea Conference negotiating texts provide for a bicameral system of decisionmaking in the Authority: an Assembly, comprised of all States that are parties to the treaty;[96] and a chambered Council, comprised of thirty-six States representing various political and economic interests and reflecting "equitable geographical distribution."[97] The critical issues arise in the voting and composition of the Assembly and Council and in their relative powers and functions. In each organ, decisions on issues of substance would be effected by majority vote: two-thirds in the Assembly and three-fourths in the Council.[98] The Council would have a chamber for each of the following categories of countries: those that have made the greatest contribution to deep seabed development as demonstrated by substantial investments or advanced technology (four members); those that are major importers of the kinds of minerals developed from the deep seabed (four members); those that are major exporters of deep seabed minerals (four members); those developing States representing special interests, including large populations, landlocked or geographically disadvantaged countries, major importers of the relevant kinds of minerals, and least developed countries (six members); and those countries that represent international regions, including Africa, Asia, Eastern Europe, Latin America, and Western

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Europe (eighteen members).[80] The chambers for greatest contributors to seabed development, major importers, and international regions each would have at least one Eastern European member.[80]

The Assembly would be the "supreme organ" of the Authority, setting general policies, which the Council would be the "executive organ," establishing "specific policies" in conformity with the provisions of the treaty and the policies of the Assembly.[81] The Assembly would give final approval to rules and regulations provisionally adopted by the Council.[82] Authorizations to operate would be approved by the Council in conformity with such rules and regulations.[83]

Two facts are evident from the composition and the voting and relative powers and functions of the Authority: (1) the plenary, one-nation, one-vote Assembly would be the clearly dominant force in the decisionmaking process; and (2) in the Council, the chambers would be weighted in favor of the developing countries, with a strong role played by the socialist bloc. The United States and other nonsocialist countries would be substantially outnumbered and outvoted. The United States and its allies could prevent neither the approval of possibly unqualified Third World and socialist applications, nor disapproval by Third World and socialist countries of nonsocialist developed country applications. Rules and regulations also could be adopted without regard to the legitimate interests of the United States and other nonsocialist developed nations.

The negotiating texts so thoroughly circumscribe dispute settlement procedures and give such an advantage to the Third World, that there would be little effective judicial remedy for abuses by the Council or the Assembly.[84] Therefore the system of governance threatens not only the U.S. interest in obtaining deep ocean minerals, but also the U.S. interest in promoting a fundamentally fair international institutional environment.

Third World insistence on a one-nation, one-vote decisionmaking process fails to recognize the remarkable anomalies that result from such a system. Testimony before the House Subcommittee on Oceanography has provided some insight into the consequences of implementing the Third World view. It has been pointed out that a one-nation, one-vote system would result in the following.

1. Five large countries (The People's Republic of China, the United States, the U.S.S.R., India, and Indonesia) with two billion people—one-half the world's population—would have five votes, while the other countries—the other one-half of the world's population—would have about 145 votes;

2. The votes of those same five countries would be offset by the votes of five small countries (Qatar, San Marino, Saotome and Principe, Seychelles, and Tonga) comprising 350,000 people;

3. Africa, with ten percent of the global population, would have thirty-four percent of the votes; Asia, with about sixty percent of the world's people, would have fewer than half those votes; North America, which has nine percent of world population, would have two percent of the votes;

4. Twenty-five nations, each having populations the same size as a congressional district or smaller, would have twenty-five votes in the world forum, while the people represented by twenty-five votes in the U.S. House of Representatives, in a bicameral system which is subject to the checks and balances of an executive branch, ultimately would have one vote in the contemplated international system.[85]

The conclusion is obvious: a system that superficially appears democratic is really, in all important respects, very undemocratic. From the standpoint of U.S. interests and from that of the international community, this is not a system which should be encouraged. There is absolutely no doubt that this system, if adopted by the Law of the Sea Conference, would serve as the precedent which the Third World fully intends to be, notwithstanding the anomalies that would inevitably result.[86] There also is no doubt that a system that guarantees the Soviet Bloc representation which is not justified by technological and financial performance and minerals capacities discriminates against all other States. Such a system should not be imposed on ocean mining, nor be allowed to serve as a model for other international institutions.

To bring the problem of precedential effects more clearly into focus, one need only point to efforts by the Third World to restructure international financial development and monetary institutions.[87] If the Third World succeeds in restructuring the World Bank and International Monetary Fund or in establishing a Common Fund on the model of an international democracy of States, the consequences for the United States could be extremely serious. U.S. economic interests would fare as well in those forums as its seabed resource interests would fare in the Authority. The result could be both economically damaging to the United States and internationally inequitable.

It is inconceivable that the U.S. Senate would accept a treaty involving a decisionmaking process which would make U.S. access to deep ocean minerals uncertain and which would undermine the ability of the United States to protect its interests in global institutions. Fortunately, the U.S. delegation has perceived this political fact and is seeking to resolve the issue of Authority decisionmaking in an acceptable manner.

I. Grandfather rights and security of tenure

The United States traditionally has asserted that there must be grandfather rights for mining operations commenced prior to the treaty's effective date. Although the U.S. delegation has not defined such rights, Congress has attempted to do so in pending ocean mining legislation.[88] The Group of 77, however, has condemned unilateral ocean mining, declaring its unalterable opposition to grandfather rights.[89] This resulting impasse threatens to destroy the treaty.

Security of tenure for operators authorized to mine pursuant to the seabed regime also is a difficult issue which remains unresolved. The industry maintains that security of tenure is necessary for ocean mining,[90] and the U.S. delegation and Congress adhere to this view. The Group of 77 resists security of tenure because it requires that the conditions for maintaining an authorization to mine do not change substantially during the course of the project. The developing countries want to be certain that if the original plan of work fails to implement their policies, revisions may be made. Again, the positions of the developed and developing countries appear to be irreconcilable.

The U.S. Senate is unlikely to approve a treaty which failed to provide grandfather rights to protect massive U.S. investments and security of tenure to provide meaningful assured access.

J. Discretion in the authority

Despite resistance by the Group of 77, the United States has sought a high degree of confidence for the procedure by which the Authority acts upon applications to mine and reviews and modifies its authorizations. The Conference negotiating texts, however, set out a system that reflects the Third World position.[91] Implementation of the important powers and functions of the Authority is discretionary. Determinations of applicants' qualifications and the procedures by which they are selected and authorizations made lack predictability.[92] Unless the United States succeeds in greatly limiting discretion, there will be no assured access. A discretionary Authority also would be poor precedent for other international institutions. Notions of due process and simple equity would suffer serious setbacks in the international community.

The U.S. Senate can be expected to have grave reservations concerning the acceptability of a treaty which conforms to the current negotiating texts. The Senate certainly would not permit considerable discretion in an international organization, at a time when it resists concentrated discretion in the executive branch of the U.S. government.

K. Balance in the dual access system

A competitive balance between the Enterprise and State and private companies has a direct bearing on the question of access and the issue of precedential effects. This balance is a function of (1) funding and tax treatment of the Enterprise; (2) revenue sharing; (3) transfer of technology and other conditions of mining; (4) the banking system; (5) the quota system; (6) the review conference; and (7) institutional bias.

Funding of the Enterprise is a serious problem. The United States has agreed to Third World demands for a system of funding which would allow the Enterprise to begin operating shortly after the treaty became effective.[93] This system involves State subscriptions,[94] loan guarantees by States, voluntary contributions, and funding from revenue sharing. The funding system may not adversely affect the competitive position of State enterprises because the companies are nationally owned or directly subsidized to promote national policies. Nonetheless, such a system might create an advantage for the Enterprise over private companies, which need time to find willing investors.

The Group of 77 insists that the Enterprise not be subject to national taxation.[95] This position seems to be ideological. The U.S. delegation does not support the Group of 77's view,[96] yet the negotiating texts provided for tax immunity.[97] Private enterprises would not enjoy such immunity. Considering that the maximum federal corporate tax rate in the United States is forty-six percent,[98] the competitive advantage to the Enterprise over State and private companies would be considerable.

The extent to which the Enterprise would be required to pass its revenues to the developing countries is unclear.[99] The Third World seeks to assure that the same high front-end and long-term financial burdens that may threaten the viability of State and private enterprises would not be imposed upon the Enterprise.

Mandatory technology transfer probably would allow the Enterprise to gain sophisticated technology at less than commercial value.[100] The Enterprise would be able to choose the best available technology and would receive proven technology at the outset, instead of engaging in long and costly research and development.

Other conditions of obtaining and maintaining mining rights also could affect the competitive balance. Unless the Enterprise and State and private operators were subject to the same requirements, such as environmental, conservation, or safety regulations, the Enterprise would have a competitive advantage. The Group of 77 continues to resist efforts by developed countries to ensure that both sides of the dual system operate under the same regulatory constraints.[101]

As contemplated by the Group of 77, the banking system would provide the Enterprise with mine sites explored by State and private enterprises seeking authorizations to mine.[102] The United States has agreed to provide the Enterprise with prospected mine sites, but has not conceded on the issue of explored sites.[103] There is a very great difference between the two types of sites, because the cost of exploration vastly exceeds the

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cost of prospecting.[104] In addition, the cost in each case would be front-end, and therefore, particularly onerous. Thus, the Group of 77 approach would provide the Enterprise with a huge competitive advantage over State and private operators while the U.S. proposal would result in less disparity between the two groups.

The quota, antimonopoly, or antidensity system likely would apply only to State and private enterprises. Thus, the Enterprise could enjoy an enormous economic advantage by virtue of its ability to operate a large number of sites. The economies of scale for transportation, for example, could be considerable.

The review conference also would likely operate only to the disadvantage of State and private enterprises. States entering the system would face a massive initial investment which probably would have to be recovered profitably in only one operation, and the expectation of further operations would be limited or denied entirely.

Finally, it would be naive to expect that the Authority, controlled by the developing countries and run primarily for their benefit, would not have an institutional bias in favor of the Enterprise. To the extent that the Authority's powers are discretionary, bias could be decisive. Even without substantial discretion, institutional bias could be detrimental to the competitive position of State and private operators.

Looking ahead to the exploration and exploitation of other common global resources and to the use of common areas, any seabed mining Enterprise could provide a precedent, and might herald a global shift away from State and private enterprise. More importantly an Enterprise enjoying a privileged competitive position could endanger the future of State and private development and use of the global common areas. In either case an Enterprise politically dominated by and operated for the benefit of the Third World would create a precedent having uncalculably serious consequences. Could the United States afford to see Antarctica developed, or outer space utilized, in this manner? The extent of the mineral and living resources of Antarctica and the communications and potential energy uses of space suggest not, and it is doubtful that the U.S. Senate would view the situation differently.

III. OTHER ELEMENTS OF THE LAW OF THE SEA TREATY AND THE NO-TREATY ALTERNATIVE

A. Nonseabed aspects of the treaty

The anticipated nonseabed provisions of the future Law of the Sea treaty would provide insufficient benefits to the United States to justify a deep seabed regime which lacks assured access and creates undesirable precedents. Moreover, certain nonseabed elements could have negative effects on important U.S. interests.

Admittedly, the negotiating texts and the continuing talks indicate that the treaty probably will contain the following positive elements:

1. A fixed maximum breadth of twelve miles for the territorial sea;[105]

2. A fixed maximum breadth of 200 miles for the economic zone;[106]

3. A reasonably fixed and identifiable outer limit for the continental shelf subject to coastal-State jurisdiction for the purposes of development of natural resources;[107]

4. A uniform fisheries regime that provides for effective conservation and full utilization, including:[108]

a. Coastal-State preferential rights to the harvest and foreign State rights to the surplus within the economic zone;[109]

b. Coastal-State control over anadromous species, such as salmon throughout their range;[110]

c. Some international cooperation in the conservation and utilization of highly migratory species, such as tuna;[111]

5. Additional international protection of marine mammals;[112]

6. Protection for transit through international straits overlapped by territorial seas;[113]

7. A special regime for archipelagic States which would provide protection for transit through archipelagic waters;[114]

8. Additional protection of the marine environment;[115] and

9. Additional measures for the peaceful settlement of disputes.[116]

Although these elements are certainly useful, they do not constitute a great advance over present customary international law. They also do not restrain hard-line territorialist States, such as Peru, and probably do not offer a serious prospect for rolling back existing inconsistent claims such as the 200- and 50-mile security zones declared by North Korea.[117] The positive elements of the treaty, however, probably would increase the prospects of achieving uniformity of claims, as well as marginally retard the erosion of maritime rights and interests.

Among the likely negative aspects of the treaty are:

1. A dangerous ambiguity in the allocation of coastal-State and international community rights in the economic zone, that is, uncertainty with respect to where coastal-State rights over resources end and maritime rights begin;[118]

2. A highly restrictive and burdensome regime for foreign marine scientific research in the economic zone;[119]

3. Severe limitations on dispute settlement which is both compulsory and binding, so that the exercise of coastal-State sovereign rights, enforcement authority, and any decision with respect to foreign research in the economic zone is or may be effectively excluded;[120]

4. A flag-State right to preempt a wide range of coastal-State enforcement actions with respect to environmental protection in the economic zone.[121]

The ambiguity in the regime of the economic zone makes uncertain the freedom of navigation in the most important thirty percent of ocean waters.[122] Efforts to specify that these waters would remain high seas have been resisted by the coastal States, as have efforts to preserve navigation and communication rights in unambiguous language.[123] This implies that coastal States do not intend to preserve those rights.

Most marine scientific research is and ought to be carried out within 200 miles of the coast; but there are numerous excessive restrictions in the negotiating texts on foreign marine scientific research within the economic zone.[124] Also, the conditions which coastal States may place on research would entail considerable additional expense and particial difficulty.[125] Those restrictions and conditions threaten to cause opposition by the U.S. scientific community to treaty ratification. A number of influential representatives of that community maintain that they would be better off negotiating access to the economic zones on a strictly bilateral basis, rather than within the context of the new Law of the Sea treaty. Admittedly, however, a minority of scientists believe that the very existence of the negotiating texts has set the pattern for unilateral legislation and bilateral negotiations, and therefore, the treaty would not cause major additional difficulties.

The practical effect of the Law of the Sea treaty for peaceful settlement of disputes would be limited because the texts restrict dispute settlement on precisely those matters that are most likely to lead to disagreement. In particular, coastal-State resistance to compulsory and binding dispute settlement for key aspects of the economic zone regime has negative implications for maritime powers, distant water fishing nations, and researching States.

Flag-State preemption of certain coastal-State enforcement actions in the economic zone is appealing to maritime nations. The United States is a maritime power, but it is also the second largest coastal State and its concern for the environment is noteworthy.[126] The U.S. environmental community thinks that flag-State preemption, however carefully conditioned, cannot be reconciled with the goal of effective environmental protection.

In summary the nonseabed aspects of the negotiating texts present numerous difficulties which are sufficiently significant to question the treaty's acceptability to the U.S. Senate, regardless of the treaty's terms concerning the seabed regime. Therefore, acceptance of an unfavorable deep seabed regime could not be justified by the benefits to be derived from other elements of the treaty.

B. The no-treaty alternative

A sound, comprehensive Law of the Sea treaty is in the interests of the United States. The previous discussion, however, shows that from the U.S. standpoint the negotiating texts are, and are likely to remain, deficient. In assessing the acceptability of those deficiencies, the assumption has been that the United States has the alternative of not becoming a party to a new Law of the Sea treaty. The remaining question is whether the assumed no-treaty alternative is realistic.

The world situation, in the absence of a comprehensive Law of the Sea treaty, can be predicted from the current negotiating texts, the directions of the ongoing talks and trends in State practice. These factors indicate that the negotiating texts represent a model for the minimum coastal-State regime, although some coastal States such as the United States are unilaterally claiming less jurisdiction than the negotiating texts would allow. The majority of coastal States, however, are making jurisdictional claims which closely parallel the negotiating texts or which far exceed what the texts sanction. As of December, 1978, eighty-four States claimed a 200-mile economic zone, twenty-eight claimed a 200-mile fisheries zone, and eleven claimed a 200-mile territorial area.[127] If the jurisdictional claims are analyzed on a regional basis, it is found that:

1. In the African region comprised of thirty States, eighteen had 200-mile claims (nine economic zones, two fisheries zones, and seven territorial seas);

2. In the East Asia and Pacific region comprised of thirty-one States, twenty-two had 200-mile claims (fourteen economic zones, seven fisheries zones, and one territorial sea);

3. In Europe comprised of twenty-two States, fifteen had 200-mile claims (four economic zones and eleven fisheries zones);

4. In South America comprised of seventeen States, fifteen had 200-mile claims (six economic zones, one fisheries zone, and eight territorial seas);

5. In North America and the Caribbean comprised of twelve States, nine had 200-mile claims (four economic zones and five fisheries zones);

6. In the Near East and Asia comprised of nineteen States, six had 200-mile claims (all economic zones).[128]

Ten years earlier, in 1958, only six States had 200-mile claims.[129] Now approximately twenty additional States each will gain 25,000 square miles or more if they make 200-mile claims.[130] Given these facts and the current trend in favor of 200-mile claims, it is likely that with or without a treaty, 200-mile claims will become the nearly universal rule.[131]

The treaty probably would not roll back ex-

isting claims which exceed the limits permitted States Parties, yet it almost certainly would result in an expansion of most claims to the maximum allowed by the agreement. To think otherwise is to ignore history.[152]

The situation with respect to claims would not be greatly different in the absence of the treaty, as the negotiating texts on this issue are clearly regarded as normative by most of the international community. Some additional extensions of jurisdiction beyond that reflected in the texts, however, might result if the treaty did not enter into force and were not widely ratified.[153]

With respect to international straits passage and transit of archipelagos, absent a Law of the Sea treaty, economic and military imperatives probably would result in regimes similar to those provided by the texts. The interests of naval powers in strategic mobility and of the world community in commercial movement probably would dictate the result.[154]

The continental shelf regime is established in the Continental Shelf Convention[155] and customary international law. The existence of a Law of the Sea treaty will not substantially affect this regime, except possibly to make the outer edge of the shelf more uniform.

It is clear from informal discussions among all the States likely to engage in deep seabed mining in the foreseeable future that without a treaty, deep seabed mining would proceed as a freedom of the high seas.[156] Access would be assured, yet a new international bureaucracy, with all its likely expense, bias, uncertainty, and adverse precedential impact would be avoided. Bilateral and multilateral agreements among ocean mining States would avert conflicts. Third World reaction probably would be limited to political protests and legal challenges. Physical interference with mid-Pacific mining operations would be illegal and logistically impossible for all but blue-water vessels and inevitably would bring a decisive response.

V. CONCLUSION

The Law of the Sea Conference is negotiating a treaty which is likely to be unacceptable to the U.S. Senate. Assuming that the current negotiating texts are largely reflective of the final outcome, access to deep ocean minerals would not be assured for the United States. In addition, harmful precedents would be created by the deep seabed regime for a wide range of important existing and anticipated international arrangements. Given the substantial problems of the treaty, it is highly unlikely that such a regime could be justified by the possible benefits which the treaty would provide to the United States. The no-treaty alternative would be tolerable with respect to nonseabed matters and preferable with respect to deep ocean mineral development.

If the U.S. Senate is to approve the treaty, the United States must reverse the trends of the deep seabed negotiations. U.S. concessions, however, may have led the Conference down a path from which there is no return. That a reversal could be accomplished is, therefore, doubtful. Nevertheless, this substantial doubt must be weighed against the near certainty of Senate disapproval of the treaty if the Conference trends remain unchanged.

POSTSCRIPT

Following the completion of the galleys for this article, the spring 1979 meeting of the Law of the Sea Conference produced Revision 1 of the ICNT.[157] The new text reflects improvements in some respects, but also presents additional serious problems and consolidates earlier deficiencies.

Under the new text, access to deep ocean minerals is not assured and adverse precedents are not eliminated. Indeed, access is even more uncertain in some respects and adverse precedential effects are more numerous.

I. DEEP SEABED PROVISIONS

A. Transfer of technology

Mandatory transfer of ocean mining technology not only to the Enterprise, but also to developing countries remains.[158] Dispute settlement procedures for technology transfer do include a reference to UNCITRAL Arbitration Rules, which are considered fair, but the text provides that the Authority may issue its own arbitration rules.[159] The prospects for an unfair, politicized procedure are, therefore, considerable.

There is a new obligation in the Revision, as well:

"In the event that the Enterprise is unable to obtain appropriate technology on fair and reasonable commercial terms and conditions to commence in a timely manner the processing of the minerals it recovers from the Area, the States Parties which are engaged in activities in the Area or whose nationals who are engaged in activities in the area, and other States Parties having access to such technology shall consult together and shall take effective measures to ensure that such technology is made available to the Enterprise on fair and reasonable commercial terms and conditions." [160]

This is clearly a potentially expensive obligation on States Parties and suggests substantial government intervention in the marketplace. The provision, which involves land-based operations, goes far beyond what a Law of the Sea treaty ought to encompass and most certainly establishes a very bad precedent.

Moreover, technology under the new text is now expressly defined to include know-how and training, as well as all other aspects of technology. The transfer obligation now also extends to operation and maintenance.[161]

B. Production ceiling

The new text does not improve the production ceiling provision.[162] A major U.S. effort failed to achieve, among other things, a formula to guarantee continued seabed production even when the nickel market falls substantially. Moreover, the text now contemplates extension of the ceiling beyond its initial term and the Enterprise now has an absolute priority over State and private operators, when the ceiling forces a selection among them.[163] This is clearly unacceptable, as it subverts the parallel access system by converting it to a clearly unitary system.

C. Authority participation in commodity arrangements

In the new text, the Authority retains its power to represent in commodity arrangements not only Enterprise production, but also State and private production.[164] The text is not at all clear as to whether Authority participation in ICA's could be blocked by the United States or other vitally affected countries.

D. Quota system

Revision 1 contains detailed antimonopoly and antidensity provisions on the Russo-French model.[165] This reflects a major deterioration of the negotiating texts, insofar as the earlier text, merely contained a statement that, "inclusion of a quota or antimonopoly provision appears to be acceptable in principle. . . ." [166]

E. Review conference

Revision 1 contained a provision for a moratorium on nodule development 25 years after the treaty enters into force.[167] This, alone, makes the new text unacceptable. This provision is clearly in direct opposition to the position of the United States as forcefully expressed at the last Geneva meeting.

F. Revenue sharing

Revenue sharing provisions in the new text are still inadequate.[168] The contributions remain far too high and excessively inflexible.

G. Non-manganese nodule minerals

Revision 1 retains the moratorium on non-manganese minerals.[169] It is difficult to see how this can be justified, in light of the usefulness which those minerals are likely to prove to have.[170]

H. The system of governance

The Council provisions are improved, insofar as each category from which members are to be selected by the Assembly for the various chambers is more carefully defined and is better circumscribed to reduce the possibilities of capricious action in the selection process.[171] However, the Soviet Bloc retains an express guarantee of three seats on the Council and the United States continues to have no guarantee of participation.[172] The Assembly remains the "supreme organ".[173]

I. Grandfather rights and security of tenure

There are no grandfather rights in Revision 1. Security of tenure under the direct access side of the parallel system may have been improved, but a detailed analysis of the many relevant and complex provisions in necessary to attain a respectable degree of confidence on the point. It is at least clear that revocation of authorizations to operate on that side of the parallel system remain unpredictable.[174] There is most certainly no security of tenure for companies operating in joint ventures with the Enterprise.

J. Discretion in the authority

Although discretion in the Authority to deny all qualified applicants for mine sites licenses to operate has been reduced, the result is still far from acceptable. The criteria for selection among qualified applicants continues to require highly discretionary decisions on the part of the Authority. Among other serious problems, "equitable merit," a very vague concept, plays a role in the selection process.[175] Rules and regulations which might be employed to define that criterion would, in the final analysis, require approval of the one-nation one-vote Assembly.[176] The danger in this situation is self-evident.

K. Balance in the dual access system

Balance between the Enterprise and State and private operators is not achieved in the new text. Indeed, the problem is aggravated. Not only does the Enterprise retain tax immunity and its right to the technology of private and State operators on a mandatory basis, but also, is provided under a new provision a guaranteed right to 50 percent of initial capital from States Parties in the form of long-term, interest-free loans. Debt guarantees by States Parties (or, alternatively, voluntary contributions) will be made available to the Enterprise in order to meet the balance of its initial capital requirements.[177] Of course, as noted above, the Enterprise not only retains a guarantee to one-half of the mine sites, but also may compete for the balance and even has an absolute priority to mine sites when the ceiling on production is approached. In sum, as a political matter, there is not a parallel system, but a unitary system of joint ventures with the Enterprise. There is no assurance of direct access for State and private enterprises.

Other seabed issues

The text presents numerous additional difficulties. One in particular, however, deserves mention. Revision 1 makes it completely clear that not only States parties to the treaty, but also, "peoples who have not attained full independence or other self-governing status" are entitled to receive revenues from ocean mining.[178] This includes funding of "national liberation movements," including terrorist organizations. It seems highly doubtful that the Senate would agree to a treaty containing such a provision.

II. NONSEABED ASPECTS OF THE TREATY

Serious deficiencies remain in the nonseabed provisions of the treaty, however, some improvements were made. Provisions relating to protection of navigation and of other international community rights and freedoms are improved in relation to the exercise by coastal States of continental shelf rights.[179] The exercises of economic zone rights, however, remain substantial threats to community interests.[180]

The very poor regime for scientific research in the economic zone was not changed, despite a major effort by the United States to obtain even marginally significant improvements.[181] The subject does remain open, however.

Dispute settlement procedures are not substantially improved, except the text does include compulsory conciliation for fishery disputes relating to the economic zone.[182] Necessary improvements relating to settlement of other types of disputes, including those arising out of marine scientific research in the economic zone, were not achieved.[183]

Flag-State preemption remains in the pollution text.[184] Significant improvements sought by the United States in other environmental provisions, however, were achieved.[185]

CONCLUSION TO POSTSCRIPT

There are some improvements to the ICNT reflected in Revision 1. However, on balance, the prospects for Senate approval of the treaty are only marginally improved, if they are improved at all. This is a result of inclusion in the Revision of some substantially worse provisions than appeared in the ICNT and the failure to achieve important improvements to certain crucial provisions of the texts. The trends of the negotiations continue to suggest that the Senate is unlikely to be presented with a treaty which would be acceptable to it, if a treaty is concluded at all. As a result of Group of 77 pressure to end the negotiations rapidly, the time to achieve accommodations essential to Senate approval is fast running out.

Footnotes at end of article.

FOOTNOTES

*Member of the U.S. House of Representatives (Democrat-Louisiana).

[1] The Third United Nations Conference on the Law of the Sea was convened in 1973, pursuant to G.A. Res. 2750, 25 U.N. GAOR, Supp. (No. 28) 25, U.N. Doc. A/8028 (1971). The Conference followed almost six years of disucssions in the Plenary and First Committees of the U.N. General Assembly, in the Ad Hoc Committee to Study the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction (established by G.A. Res. 2340, 22 U.N. GAOR, Supp. (No. 16) 14, U.N. Doc. A/6716 (1967)), and in the standing Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction (established by G.A. Res. 2467, 23 U.N. GAOR, Supp. (No. 18) 15, U.N. Doc. A/7218 (1968))). The two committees dealt primarily with the deep seabed issue. *See* Report of the *Ad Hoc* Committee to Study the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction, 23 U.N. GAOR (Agenda Item 26), U.N. Doc. A/7230 (1968); Reports of the Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor Beyond the Limits of National Jurisdiction, 24 U.N. GAOR, Supp. (No. 22), U.N. Doc. A/7622 (1969); 25 U.N. GAOR, supp. (No. 21), U.N. Doc. A/8021 (1970); 26 U.N. GAOR, Supp. (No. 21), U.N. Doc. A/8421 (1971); 27 U.N. GAOR, Supp. (No. 21), U.N. Doc. A/8721 (1972); 28 U.N. GAOR, Supp. (No. 21), U.N. Doc. A/9021 (1973). The Law of the Sea Conference, however, has dealt with virtually the entire range of ocean issues. *See generally* Official Records of the Third United Nations Conference on the Law of the Sea.

[2] *See* CONGRESSIONAL RESEARCH SERVICE, 94TH CONG., 2D SESS., OCEAN MANGANESE NODULES 48–53 (Comm. Print 1976) [hereinafter cited as NODULES]. Significant amounts of copper also are contained in manganese nodules. Although copper is a large income producer, copper from nodules would not be vital to national security. *Id.* at 30.

[3] H.R. REP. No. 568, PT. 1, 95th Cong., 1st Sess. 17–18 (1977) [hereinafter cited as HOUSE REPORT].

[4] NODULES, *supra* note 2, at 51–53.

[5] S. REP. No. 1125, 95th Cong., 2d Sess. 33 (1978) [hereinafter cited as SENATE REPORT].

[6] NODULES, *supra* note 2, at 48–49.

[7] *Id.* at 47.

[8] The International Sea-Bed Authority would be the international organization through which States that are parties to the Law of the Sea Treaty would administer deep seabed mining. Informal Composite Negotiating Text art. 155(1), 8 Official Records of the Third United Nations Conference on the Law of the Sea, U.N. Doc. A/CONF.62/WP.10 (1977) [hereinafter cited as ICNT]. The ICNT is an informal negotiating text, without status as an agreed draft treaty. Explanatory Memorandum by the President of the Conference, 8 Official Records of the Third Conference on the Law of the Sea 65, U.N. Doc. A/CONF.62/WP.10/Add.1 (1977). This and similar Conference documents do not represent principles of existing law. *See, e.g.*, Fisheries Jurisdiction (United Kingdom v. Iceland), [1974] I.C.J. 3, 23–24; Fisheries Jurisdiction (Federal Republic of Germany v. Iceland), [1974] I.C.J. 175, 192.

[9] The Council and Assembly, the primary components of the system of governance, are provided for in ICNT, *supra* note 8, arts. 156–161.

[10] The general provisions relating to the Enterprise are contained in ICNT, *supra* note 8, art. 169 and Annex II.

[11] ICNT, *supra* note 8, arts. 144, 150, 151(8), 169(4), 173(3), 184, Annex II, para. 4, Annex III, paras. 10, 11(c). Following the 1978 Geneva Session of the Conference, alternative negotiating texts were produced. Revised Suggested Compromise Formula by the Chairman of Negotiating Group 1, U.N. Doc. A/CONF.62/NG.1/10/Rev.1 (1978) [hereinafter cited as Alternative Texts], *reprinted in* 2 STIFTUNG WISSENSCHAFT UND POLITIK, FORSCHUNGSINSTITUT FÜR INTERNATIONALE POLITIK UND SICHERHEIT, DOKUMENTE DER DRITTEN SEEREECHTSKONFERENZ DER VEREINTEN NATIONEN–GENER SESSION 1978, at 704 (1978). The Alternative Texts show progress toward consensus, but do not prejudice the particular positions of any delegation. These provisions, like those of the ICNT, are merely a basis for further negotiations. The alternative Texts provisions pertinent to the issues at hand are arts. 144, 150, and Annex II, para. 4.

[12] ICNT, *supra* note 8, arts. 144, 151(8) Annex III, para. 4; Alternative Texts, *supra* note 11, arts. 144, 150, Annex II, paras. 4. 5.

[13] ICNT, *supra* note 8, art. 150 (1) (*g*) (B); Alternative Texts, *supra* note 11, art, 150 *bis* (2).

[14] ICNT, *supra* note 8, art, 150(1) (*g*) (A); Alternative Texts, *supra* note 11, art, 150 *bis* (1).

[15] ICNT, *supra* note 8, Annex II, para. 5(1).

[16] ICNT, *supra* note 8, art. 153(6); Alternative Texts, *supra* note 11, art. 153(6).

[17] ICNT, *supra* note 8, arts. 169(4), 173, Annex II, para. 7, Annex III, para. 10; Alternative Texts, *supra* note 11, paras. 140, 150, 173, Annex II, para. 7, Annex III, para. 10, Annex II, para. 7 was renegotiated in the 1978 New York Session and that text provides a detailed framework for revenue sharing and specifies the amount of the contributions. U.S. Dep't of State Office of the Law of the Sea Negotiations, U.S. Delegation Report, Resumed Seventh Session of the Third United Nations Conference on the Law of the Sea, New York, Aug. 21–Sept. 15, 1978, at 12, 13 (1978) (copy on file at the Center for Oceans Law and Policy, Charlottesville, Virginia) [hereinafter cited as 1978 Report, Pt. 2].

[18] ICNT, *supra* note 8, art, 184, Annex III, para. 11(c).

[19] *Id.* Annex II, para. 4(j)(i); *see also Oceanography Miscellaneous—Pt. 2: Hearings on the Law of the Sea Conference Briefings Before the Subcomm. on Oceanography of the House Comm. on Merchant Marine and Fisheries*, 95th Cong., 1st & 2nd Sess. 88 (1977–1978) [hereinafter cited as *1978–1979 Hearings*] (answers to questions of Mr. Breaux by Elliot L. Richardson).

[20] ICNT, *supra* note 8, art 150(1) (*g*) (C); Alternative Texts, *supra* note 11, art. 150*bis* (3).

[21] *See 1977–78 Hearings*, *supra* note 19, at 109, 124, 131–50.

[22] *Id*, at 71, 72, 109, 132.

[23] *Id.* at 134.

[24] ICA's are multilateral treaties affecting quantities and prices of commodities moving in international trade. *See generally* A. LAW, INTERNATIONAL COMMODITY AGREEMENTS (1975).

[25] *1977–78 Hearings*, *supra* note 19, at 133.

[26] *Id.*

[27] *Id.* Additionally, the Third World has been pressing for increased control over global radio frequency allocation and international dissemination of news. Walsh, *Encounters with the Third World Seen in Allocating Frequencies*, 201 SCIENCE 513 (1978).

[28] *1977–87 Hearings*, *supra* note 19, at 134.

[29] *Id.* at 122–14.

[30] Remarks by Secretary of State Henry A. Kissinger after meeting Ambassador Hamilton Shirley Amerasinghe, President of the Fifth Session of the Third U.N. Conference on the Law of the Sea, at the United Nations, New York, New York (Sept. 1, 1976).

[31] U.S. Dep't of State, Office of the Law of the Sea Negotiations, U.S. Delegation Report, Seventh Session of the Third United Nations Conference on the Law of the Sea, Geneva, Mar. 20–May 19, 1978, at 12 (1978) (copy on file at the Center for Oceans Law and Policy, Charlottesville, Virginia) [hereinafter cited as 1978 Report, Pt. 1].

[32] *See* United Nations Conference on Trade and Development, Report of the Intergovernmental Group of Experts on an International Code of Conduct on Transfer of Technology on its Fifth Session, Annex I, U.N. Doc. TD/AC.1/15 (1978) [hereinafter cited as Code].

[33] *1977–78 Hearings*, *supra* note 19, at 60, 126.

[34] *Id.* at 57, 60–62, 125.

[35] *Id.* at 61, 88, 89, 124; *see also Law of the Sea: Hearings on Review of the Seventh Session of the United Nations Law of the Sea Conference Before the Subcomm. on Arms Control, Oceans and International Environment of the Senate Comm. on Foreign Relations*, 95th Cong., 2d Sess. 70 (1978) [hereinafter cited as *1978 Hearings*] (State Department answers to additional questions submitted by Senator Percy).

[36] *See* ICNT, *supra* note 8, Annex III, para. 5(j); HOUSE REPORT, *supra* note 3, at 20.

[37] *1977–78 Hearings*, *supra* note 19, at 113, 134.

[38] The "Group of 77" is a coalition of over 100 developing countries which have banded together to pursue their common interests within the U.N. system. Adede, *The System for Exploitation of the "Common Heritage of Mankind" at the Caracas Conference*, 69 AM. J. INT'L L. 31, 37 n.13 (1975); *see also* Nyhart, *The Interplay of Law and Technology in Deep Seabed Mining Issues*, 15 VA. J. INT'L L. 827, 833–36 (1975).

[39] Code, *supra* note 32, preamble, art. 2.

[40] *Id.* preamble, art. 4.

[41] *Id.* preamble, art. 13.

[42] Code, *supra* note 32, at 7 nn.f & g; *see also 1977–78 Hearings*, *supra* note 19, at 113.

[43] The development and sale of seabed mining technology alone accounts for many millions of dollars. *See* J. Nyhart, Cost Model of

Deep Ocean Mining and Associated Regulatory Issues (Massachusetts Institute of Technology Sea Grant Report, 78-4, Mar. 1978).

[44] *1977-78 Hearings, supra* note 19, at 134.

[45] 1978 Report Pt. 1, *supra* note 31, at 13-14; *1977-78 Hearings, supra* note 19, at 145; U.S. Dep't of State, Office of the Law of the Sea Negotiations, U.S. Delegation Report, Sixth Session of the Third United Nations Conference on the Law of the Sea, at 9-10 (1978) (copy on file at the Center for Oceans Law and Policy, Charlottesville, Virginia) [hereinafter cited as 1977 Report].

[46] *See* U.S. Proposed Amendments to the Committee I Single Negotiating Text, art. 9 (as amended), Dec. 1975.

[47] *1977-78 Hearings, supra* note 19, at 145.

[48] *Id.* at 103, 145. In addition, seabed mining would have been entitled to 100% of the growth segment.

[49] Past growth would be projected to fix the ceiling. *Id.* at 56-57, 116; *see also* Statement Made in NG-1 by the Representative of the United States [hereinafter cited as NG-1 Statement], *reprinted in* 2 SIPTUNG WISSENSCHAFT UND POLITIK, FORSCHUNGSINSTITUT FUR INTERNATIONALE POLITIK UND SICHERHEIT, DOKUMENTE DER DRITTEN SEERECHTSKONFERENZ DER VEREINTEN NATIONEN—NEW YORKER SESSION 1976, at 235, 237 (1978) [hereinafter cited as SWP—NEW YORKER SESSION]. Ninety-one percent of the growth segment would be available to ocean mining at the outset, to decline to sixty-five percent by the end of the interim period.

[50] *1977-78 Hearings, supra* note 19, at 112.

[51] *Id.* at 95.

[52] ICNT, *supra* note 8, art. 150; Alternative Texts, *supra* note 8, art. 150.

[53] *See 1977-78 Hearings, supra* note 19, at 112-13.

[54] The United States is a party to the ICA's for tin and coffee. The tin agreement imposes export controls on net exporters of that commodity and establishes a buffer stock. Because the United States is not a net exporter, U.S. production is unaffected by the controls. The coffee agreement also establishes export controls on net exporters, which do not affect the United States because it is not a net exporter.

The United States is not a party to the cocoa agreement, refusing to join because the quota for exports was too restrictive and the established price too high.

A sugar agreement has been negotiated, but is not in force. Here again, direct export controls are to apply to net exporters, including the United States. Both wheat and copper ICA's are under negotiation. They possibly would limit net exporters, but would not affect U.S. production.

[55] *1977-78 Hearings*, supra note 19, at 112.

[56] *See* text at notes 38-43 *supra*.

[57] *1977-78 Hearings*, supra note 19, at 113.

[58] ICNT, *supra* note 8, art. 150(1)(*g*)(A) reflects the developing countries' position.

[59] 1978 Report, Pt. 1, *supra* note 31, at 13.

[60] Cobalt is the possible exception. For a detailed discussion, *see* NODULES, *supra* note 2, at 41-56.

[61] *Id.* at 50-51.

[62] *See* ICNT, *supra* note 8, para. 150(1)(*g*)(A), reflecting the Group of 77 position. There is no express provision for a State to block Authority participation; however, there is an ambiguous provision which arguably may imply such a power.

[63] *1977-78 Hearings, supra* note 19, at 112.

[64] *Id.* at 89, 89, 95.

[65] *Id.*

[66] *See* ICNT, *supra* note 8, Annex II, para. 5(1), which reflects the Third World position.

[67] 1978 Report, Pt. 2, *supra* note 17, at 8, illustrates the position long held by the United States that "it could not accept any provision which would deny a contract to an American citizen on the basis of his nationality."

[68] In hearings before the House Subcommittee on Oceanography, the following exchange took place:

Mr. Santini: . . . does the United States . . . oppose any form of national quota for ocean mining contracts? Ambassador Richardson: An accurate answer to that is that we have discussed with a very small number of countries the question of a possible application of a quota. We have not come close to agreement on such question, but it is a matter on which some countries are strongly insistent. It is hard at this stage to foresee exactly what the result might be. Mr. Santini: And if I may summarize your answer, the United States does not have any position with regard to a quota?

Ambassador Richardson: :Our basic position is that we are opposed to a quota. *1977-78 Hearings,, supra* note 19, at 80.

Most recently, the following answers to written questions were provided for the record by Ambassador Richardson:

The U.S. has made no statement in any official forum of the Conference which would indicate it accepts a quota/anti-monopoly provision in principle. We have indicated privately when asked that no provision that would result in discrimination against American firms could be seriously considered. . . . We believe that this is an issue on which we have very little flexibility. *Id.* at 89.

[69] Estimates of the number of prime mine sites vary from less than 100 to over 300. *See, e.g.*, 1978 Report, Pt.II, *supra* note 17, at 7. The relevant mineral requirements of the United States will be substantial and will continue to grow in the foreseeable future. NODULES, *supra* note 2, at 42.

[70] *1977-78 Hearings, supra* note 20, at 57, 90. The forecast of a 4.5 percent growth rate could be optimistic. *Id.* at 95.

[71] *Id.* at 90.

[72] *Id.* at 95.

[73] Furthermore, if a quota only allows a few sites to be authorized, many potential investors may be be deterred because the chances of obtaining authorization to mine are too slim. The estimate of 12 U.S. sites in the absence of a quota is conservative. The industry has suggested that 20 sites could be anticipated. Kennecott Copper Corporation, Sunken Treasure, the promise of ocean mining—the perils of delay (Sept. 1977) (unpublished).

[74] *1978 Hearings, supra* note 35, at 37, 38.

[75] *See* U.S. DEP'T OF COMMERCE, NICKEL, COBALT, COPPER, AND MANGANESE: FUTURE SUPPLIES AND DEMAND AND IMPLICATIONS FOR SEABED MINING, tables 3-7 and 3-9 (unpublished).

[76] Remarks of Secretary of State Henry A. Kissinger at a reception at the United States Mission for the Heads of Delegations attending the Fifth Session of the Third U.N. Conference on the Law of the Sea, New York, New York, Sept. 1, 1976.

[77] ICNT, *supra* note 8, art. 153; Alternative Texts, *supra* note 11, art. 153.

[78] ICNT, *supra* note 8, art. 153(6).

[79] Alternative Texts, *supra* note 11, art. 153(6).

[80] "The U.S. voiced strong reservations on this provision and noted that it could not agree to the possible termination of its right of access to seabed minerals just at the time the need for them may become acute." 1978 Report, Pt. 1, *supra* note 31, at 15.

[81] This may not always have been perceived by the U.S. delegation. *1977-78 Hearings, supra* note 19, at 78, 90.

[82] *See* text at note 5 *supra*.

[83] As early as 1970 the United States formally accepted revenue sharing. Draft United Nations Convention on the International Sea-Bed Area: working paper submitted by the United States of America, art. 5(2), U.N. Doc. A/AC.138/25 (1970), *reprinted* in 25 U.N. GAOR, Supp. (No. 21) 130, 133, U.N. Doc. A/8021 (1970). "Equitable sharing of benefits" from deep ocean mining was a key element of the Declaration of Principles Governing the Seabed and the Ocean Floor, and the Subsoil thereof, Beyond the Limits of National Jurisdiction, G.A. Res. 2749, 25 U.N. GAOR, Supp. (No. 28) 24, U.N. Doc. A/8028 (1971). That resolution provided the framework for the seabed mining regime.

[84] In 1976 the United States agreed to provide financial contributions to the Enterprise. Remarks of Secretary of State Henry A. Kissinger after meeting Ambassador Hamilton Shirley Amerasinghe, President of the Fifth Session of the Third U.N. Conference on the Law of the Sea, at the United Nations, New York, New York (Sept. 1, 1976).

[85] *See e.g.*, 1 Official Records of the Third United Nations Conference on the Law of the Sea, U.N. Doc. 157 (1975) (statement by Mr. Bakula of Peru).

[86] *See* 1978 Report, Pt. 1, *supra* note 31, at 16-19; 1978 Report, Pt. 2, *supra* note 17, at 9-14.

[87] The records of the early debates in the U.N. General Assembly reveal that the wealth to be derived from development of the deep seabed was widely regarded as practically limitless. It is now clear that the returns from ocean mining will be very modest at best. *See* J. Nyhardt, *supra* note 43.

[88] 1978 Report, Pt. 2, *supra* note 17, at 13-14.

[89] *Id.* at 13.

[90] This is a function of the philosophy that payments to the Authority will be the maximum possible for the benefit of developing countries, with returns to the operators being the minimum necessary for investment purposes.

[91] This line of argument has surfaced largely in corridor conversations at the United Nations. Nonetheless, and perhaps for that very reason, the linkage between the deep seabed regime and the future international treatment of Antarctic resources should be regarded as a difficulty demanding serious reflection.

[92] ICNT *supra* note 8, art. 150(1)(g)(C); Alternative Texts, *supra* note 11, art. 150 *bis* (3).

[93] 1978 Report, Pt. 1, *supra* note 31, at 5.

[94] *1977-78 Hearings, supra* note 19, at 132; 1 Official Records of the Third United Nations Conference on the Law of the Sea 70, 73, 76, 82-84, 94-96, 157, 167 (1975).

[95] Redistribution means something very different for the developed countries. Helen B. Juns, Deputy Assistant Secretary of the Treasury for Commodities and Natural Resources has stated: "Our policy is to separate and reject the category of measures designated to effect income transfers through commodity arrangements and to look positively, but discriminatingly, at proposals aimed at greater price stability. We believe that income transfers should be effected through development aid." Statement by Helen B. Juns before the Subcomm. on Foreign Economic Policy of the Senate Comm. on Foreign Relations, Feb. 27, 1978, at 11 (mimeo).

[96] ICNT, *supra* note 8, art. 157.

[97] *Id.* art. 159.

[98] *Id.* arts. 157(6), 159(7).

[99] *Id.* art. 159(1).

[100] *Id.*

[101] *Id.* arts. 160(1), 159(1).

[102] *Id.* arts. 158(7)(XVI), 160(2)(XIV).

[103] *Id.* art. 160(2)(X).

[104] This is largely a function of the nonreviewability of the wide discretion allowed the Authority. *See id.* art. 191.

[105] *1977-78 Hearings, supra* note 19, at 148-49 (statement of Richard Darman, Harvard University).

[106] *Id.* at 147.

[107] *Id.* at 132.

[108] *See, e.g.*, Title II of the Deep Seabed Hard Mineral Resources Act, as passed by the House of Representatives on July 26, 1978. H.R. 3350, 95th Cong., 2d Sess., 124 CONG. REC. H7341 (daily ed. July 26, 1978).

[109] *See* Statement Declaring the Position of the Group of 77 on Unilateral Legislation

Affecting the Resources of the Deep Seabed, 2 SWP—NEW YORKER SESSION, *supra* note 49, at 275 (Ambassador Nandan, Chairman). Ambassador Nandan stated: "The Group cannot be expected to alter its long-standing and well-stated position rejecting the recognition of acquired rights. We cannot be expected to give a cloak of legality to what is illegal ab initio [*sic*]." *Id. See also* 2 SWP—NEW YORKER SESSION, *supra* note 49, at 279-80.

[110] Their position is dictated by the fact that an investment of approximately one billion dollars is required for each operation. *See* A. Lane, Managing National Ocean Resources, Third Annual Seminar on United States Ocean Policy 12 (Jan. 7-10, 1979) (unpublished).

[111] ICNT, *supra* note 8, arts. 150, 151, 158, 160, Annex II.

[112] *Id.*

[113] 1977 Report, *supra* note 45, at 8.

[114] Subscriptions will be on the U.N. scale. Consequently, the United States will provide approximately 25% of the fundings.

[115] This position is reflected in the ICNT, *supra* note 8, art. 184, Annex III, para. 11(*e*).

[116] *1977-78 Hearings, supra* note 19, at 88, 128. The United States main concern is assuring that each side of the parallel system has equivalent burdens.

[117] ICNT, *supra* note 8, art. 184, Annex III, para. 11(*e*).

[118] I.R.C. § 11(b), (c).

[119] *1977-78 Hearings, supra* note 19, at 128.

[120] This is a function of the reality that a forced sale rarely results in the seller receiving full commercial value. There is no real negotiation under the contemplated system. *Id.* at 93. This problem is compounded because the Group of 77 supports a highly politicized system of dispute settlement for technology transfer. *Id.* at 94.

[121] *1977-78 Hearings, supra* note 19, at 71. *See* ICNT, *supra* note 8, Annexes II & III; NG-1 Statement, *supra* note 49, at 238.

[122] ICNT, *supra* note 8, Annex II, para. 4(j)(1).

[123] *Id.*; *1977-78 Hearings, supra* note 19, at 88.

[124] The cost of exploring one site is estimated to be between $16.4 and $50.7 million, depending on vessel costs. The cost of prospecting one site is estimated to be approximately $1.6 million. J. Nyhart, *supra* note 43, at 129.

[125] ICNT, *supra* note 8, art. 3.

[126] *Id.* art. 57.

[127] *Id.* art. 76 does not reflect the degree of certainty concerning the outer limits of the continental shelf which is likely to emerge from the negotiations. *See* 1978 Report, Pt. 1, *supra* note 31, at 23-25; 1978 Report, Pt. 2, *supra* note 17, at 17-18.

[128] ICNT, *supra* note 8, arts. 61-62.

[129] *Id.* art. 62(2).

[130] *Id.* art. 66.

[131] *Id.* art. 64 & Annex I.

[132] *Id.* art. 65 fails to reflect the degree of protection for marine mammals that is likely to emerge from the negotiations. *See* 1978 Report, Pt. 2, *supra* note 17, at 20.

[133] ICNT, *supra* note 8, art. 38.

[134] *Id.* art. 53.

[135] *Id.* arts. 193-238; Alternative Texts, *supra* note 11, at 79-98. *See also* 1978 Report, Pt. 2, *supra* note 17, at 21-23.

[136] ICNT, *supra* note 8, arts. 187-92, 279-97, Annexes IV-VII; Alternative Texts, *supra* note 11, at 99-108. *See also* Sohn, *Settlement of Disputes Relating to the Law of the Sea Convention*, 3 ENVIR. POL'Y & L. 98-100 (1977).

[137] GEOGRAPHERS, U.S. DEP'T OF STATE, LIMITS OF THE SEAS NO. 36, at 153 (3d rev. 1975); LIBRARY OF CONGRESS, SECURITY ZONE CLAIMS BY VARIOUS NATIONS, *citing* FOREIGN BROADCAST INFORMATION SERVICE, DAILY REPORT, ASIA AND PACIFIC D6 (Aug. 1, 1977). The 200-mile claim, in fact, relates to the economic zone in the Yellow Sea, where delimitation limits the geographical scope of the claim generally to 50 miles.

[138] ICNT, *supra* note 8, arts. 56, 58; *1977-78 Hearings supra* note 19, at 197-98.

[139] ICNT, *supra* note 8, arts. 56, 239-78; 1978 Report, Pt. 1, *supra* note 31, at 34-35; 1978 Report, Pt. 2, *supra* note 17, at 23-24.

[140] *See note* 136 *supra; see, e.g.*, ICNT, *supra* note 8, arts. 191, 296-97.

[141] ICNT, *supra* note 8, art. 229; Alternative Texts, *supra* note 11, at 93-94; 1978 Report, Pt. 2, *supra* note 17, at 21-22.

[142] Communication is affected similarly. *See 1977-78 Hearings, supra* note 19, at 197-98.

[143] *Id.*

[144] ICNT, *supra* note 8, arts. 56, 239-78.

[145] *See, e.g., id.* arts. 247, 249, 250.

[146] In recent Conference sessions, the U.S. delegation has undertaken substantially increased efforts to maximise protection of the marine environment in the treaty. *See* 1978 Report, Pt. 1, *supra* note 31, at 32-34.

[147] Krueger & Nordquist, 200-Mile Zones; State Practice in North America, East Asia and Oceana App. A (n.d.) (unpublished). As of December 1, 1978, six non-indepndent territories also had 200-mile zones. *Id. See also* Geographer, National Maritime Claims (Nov. 7, 1978) (unpublished).

[148] Nossaman, Krueger & Marsh, (n.d.) (unpublished).

[149] 2 NEW DIRECTIONS IN THE LAW OF THE SEA 873-74 (Lay, Churchill, Nordquist, eds. 1973).

[150] Nossaman, Krueger & Marsh, *supra* note 148.

[151] 2 NEW DIRECTIONS IN THE LAW OF THE SEA, *supra* note 149, at 873-74.

[152] *Id.*

[153] The exercise of community rights would suffer more in that case, but probably only to a limited extent. See Darman, *The Law of the Sea: Rethinking U.S. Interests*, 56 FOREIGN AFF. 373 (1978).

[154] *Id.*

[155] Convention on the Continental Shelf, *done* Apr. 29, 1958, 15 U.S.T. 471, T.I.A.S. No. 5578, 499 U.N.T.S. 312. *See also* Multilateral Treaties in Respect of Which the Secretary-General Performs Depositary Functions 486-87, U.N. Doc. ST/LEG/SER.D/9 (1976); North Sea Continental Shelf Cases (Federal Republic of Germany v. Denmark; Federal Republic of Germany v. Netherlands), [1969] I.C.J. 3.

[156] This is the clear position of the United States and most other developed countries possessing the requisite technology. Provisional Summary Record of the 109th Plenary Meeting, U.N. Doc. A/CONF.62/SR. 109 (prov. ed. 1978), SWP—NEW YORKER SESSION, *supra* note 49, at 123.

[157] Informal Composite Negotiating Text/Revision 1, U.N. Doc. A/CONF.62/WP.10/Rev. 1, (1979) [hereinafter cited as ICNT Rev. 1].

[158] *Id.*, Annex II, art. 5. The provision relating to the Enterprise does state that the transfer obligation may be invoked only if the technology is not otherwise available under fair and reasonable conditions. *Id.* para. (c) One should ask what "fair and reasonable means". Normal rules of interpretation would suggest that "commercial" terms are not necessarily contemplated by this provision, as "commercial", appears in other provisions, but not this one. In any case, mandatory transfer, as a forced sale, remains the central problem.

[159] *Id.*, para. 2.

[160] *Id.*, para. 3.

[161] *Id.*, para. 5.

[162] *Id.*, ICNT Rev. 1, *supra* note 157, art. 151, para. 2.

[163] *Id.*, Annex II, art. 7, para. 4.

[164] ICNT Rev. 1, *supra* note 157, art. 151, para. 1.

[165] *Id.*, Annex II, art. 6, para. (d).

[166] ICNT, *supra* note 8, Annex II, para 5(1).

[167] ICNT Rev. 1, *supra* note 157, art. 155, para. 6.

[168] *Id.*, Annex II, art. 12.

[169] ICNT Rev. 1, *supra* note 157, para. 3.

[170] *See* discussion, *supra*.

[171] ICNT Rev. 1, *supra* note 157, art. 161.

[172] *Id.*

[173] *Id.*, art. 160, para. 1.

[174] *Id.*, Annex II, art. 17.

[175] *Id.*, art. 7, para. 3.

[176] *Id.*, art. 160, para. 2(n).

[177] *Id.*, Annex II, art. 10, para. 2(c).

[178] *Id.*, art. 160, para. 2(h).

[179] *Id.*, art. 78, para. 2.

[180] *Id.*, arts. 56, 58.

[181] *Id.*, Part XIII, Section 3.

[182] *Id.*, art. 296, para, 3.

[183] *Id.*, art. 296, para. 2.

[184] *Id.*, art. 228.

[185] *Id.*, Part XII.●

FINANCIAL REPORT OF THE CONGRESSIONAL STEEL CAUCUS: QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE STATEMENT FOR PERIOD ENDING JUNE 30, 1979

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Ms. MIKULSKI. Mr. Speaker, in accordance with executive committee order No. 1, I am respectfully submitting herewith the quarterly financial report of the Congressional Steel Caucus for insertion into the RECORD. The report is as follows:

[Quarterly Report]

FUND BALANCE STATEMENT—U.S. HOUSE OF REPRESENTATIVES, CONGRESSIONAL STEEL CAUCUS

Balance remaining (as of March 31, 1979)	$6,827.58
Total revenues (clerk hire and membership dues)	8,734.34
	15,561.92
Less expenses:	
April 1979	3,355.53
May 1979	3,511.76
June 1979	3,296.47
	10,163.76
	5,398.16
Plus interest deposit	67.78
Total unexpended revenues (as of June 30, 1979)	5,435.94

STATEMENT OF EXPENSES

Salaries	$14,586.54
Travel	0
Stationery	243.59
Postage	32.00
Telephone	360.41
Publications	373.80
Equipment	1,072.62
Printing	17.50
Miscellaneous	3,642.50
Total expenses as of June 30, 1979	20,328.96

CONGRESSIONAL STEEL CAUCUS MEMBERS WHO HAVE PAID DUES AS OF AUGUST 31, 1979

Joseph Addabbo, Douglas Applegate, John Ashbrook, Eugene Atkinson, Donald Bailey, Adam Benjamin, Jr., Tom Bevill, Clarence Brown, George Brown, John Buchanan, John Cavanaugh, Don Clausen, William Clay, William Clinger, E. Thomas Coleman, Lawrence Coughlin, W. C. "Dan" Daniel.

Robert Davis, John Dingell, Robert Duncan, Robert Edgar, Allen Ertel, Dave Evans, Vic Fazio, Floyd Fithian, Daniel Flood, William Ford, L. H. Fountain, Joseph Gaydos, Robert Giaimo, Benjamin Gilman, William Goodling, Tennyson Guyer, Sam Hall, Jr., James Hanley, Elwood Hillis, Kenneth Holland.

Richard Ichord, John Jenrette, James Jones, Tom Kindness, Ray Kogovsek, Peter Kostmayer, Raymond Lederer, Gary Lee, Jim Lloyd, Clarence Long, Thomas Luken, Stanley Lundine, Robert McClory, Joseph McDade, Robert McEwen, Gunn McKay, Marc Marks.

Dan Marriott, James Martin, Dawson Mathis, Robert Michel, Barbara Mikulski, Clarence Miller, John Mitchell, Robert Mollohan, G. V. Montgomery, William Moorhead, Ronald Mottl, Austin Murphy, John Murphy, Morgan Murphy, John Murtha, Michael Myers, William Natcher, Bill Nichols, Richard Nolan, Henry Nowak.

Mary Rose Oakar, James Oberstar, George O'Brien, Thomas P. O'Neill, Edward Patten, Donald Pease, Carl Perkins, Melvin Price, Carl Pursell, James Quillen, Nick Joe Rahall, Ralph Regula, Don Ritter, Robert Roe, Dan Rostenkowski, Martin Russo, Richard Schulze.

John Seiberling, Richard Shelby, Bud Shuster, Paul Simon, John Slack, J. William Stanton, Louis Stokes, Samuel Stratton, Gene Taylor, Morris Udall, Bruce Vento, Douglas Walgren, Robert Walker, Richard White, Lyle Williams, Charles Wilson, Gus Yatron, Clement Zablocki, Leo Zeferetti.●

HOUSE RESOLUTION 404

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. PATTERSON. Mr. Speaker, I am today introducing a resolution, House Resolution 404, aimed at eliminating many of the conflicts that all Members have in committee scheduling. Just before the August recess, this resolution was unanimously reported by the Select Committee on Committees.

Every day, many of us are scheduled for the impossible task of being in two or more committee or subcommittee meetings at the same time. These conflicts require that we decide to attend one meeting and not another and thereby contribute less than we want to to the work of one or the other committee or subcommittee. Another result is that meetings tend to start late, because quorums cannot be obtained at the hour the meeting is scheduled. This problem, in addition to putting a daily burden on all Members, delays the work of the House and dilutes the legislative product.

Computer analysis of the complete meeting schedule of the 95th Congress revealed that, for business meetings, reporting, and markups, there were over 4,000 cases of Member conflicts—cases in which a Member had two or more meetings scheduled at the same time. Computer modeling showed us the way to eliminate over 3,000 of these conflicts while restricting normal committee and subcommittee action as little as possible. As Congress now operates, there are meeting conflicts every day of the week. Under the select committee's proposal, every Tuesday, Wednesday, and Thursday will be free of such conflicts.

House Resolution 404 would change the rules of the House in such a way as to establish a two-track system for business meetings, reporting, and markups for most committees and subcommittees. These rules changes would allow all committees and subcommittees to meet at any time for the purposes of taking testimony and receiving evidence.

The proposal is based on a division of committees into three categories, A, B, and X. The X committees include Appropriations, Budget, Rules, Ways and Means, and all ad hoc, joint, and select committees, all of which could be free to meet at any time. Group A committees could meet for markups, and so forth on Monday, Tuesday, Wednesday morning, and Friday. Group B committees could meet for these purposes on Monday, Wednesday afternoon, Thursday, and Friday. All committees could hold hearings at any time. Even with this limitation there would be more meeting times available in a Congress than were used in the 95th Congress by those committees which had the largest number of meetings.

The A committees reflect those committees identified in Democratic caucus rules as major and the B committees, those identified as nonmajor. Within each category, there is a minimal number of duplicating memberships, since each category reflects the committee assignment practices of the two parties. Computer modeling showed that no other division of the committees under a two-track system could reduce conflicts nearly so effectively.

The remaining provisions of the resolution require committees to use the computer scheduling service of the House Information Systems and prevent subcommittees from meeting while their full committee is meeting unless the full committee chairman specifically authorizes an exception.

An identical resolution, House Resolution 405, has 33 cosponsors, including a large number of full committee chairmen. These cosponsors, along with every member of the select committee, recognises that this proposal represents a small, incremental approach to needed—and feasible—reform. It reflects the facts of committee operations as detailed in the massive data base compiled during the 94th and 95th Congresses by the former Select Committee on Congressional Operations chaired by my colleague from Texas (Mr. BROOKS). The select committee solicits the support of all Members for this much needed move toward greater efficiency of operation.●

GERIATRIC MEDICINE TO BE TAUGHT IN MORE AMERICAN MEDICAL SCHOOLS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. BIAGGI. Mr. Speaker, I was heartened to read an article in the July-August 1979 edition of the American Association of Retired Persons News Bulletin which stated that at long last courses in geriatric medicine will be offered at almost all American medical schools.

I have had a longstanding interest in this matter and in the last Congress conducted a hearing of my Subcommittee on Human Services to investigate why American medical and nursing schools were ignoring this important area of medicine. We learned that less than half of all American medical schools offered courses in geriatric medicine while an even lower percentage of nursing schools offered courses. Further the United States only has one chair of geriatric medicine compared with two in Sweden and 10 in Great Britain.

The older population is our fastest growing. Already in this decade the percentage of persons over 60 has jumped by some 17 percent. They consume almost one-third of the health care dollar, but oftentimes only because of this Nation's reliance on treating people when they are sick instead of preventing illnesses.

I am encouraged by this news and hope that with all American medical schools offering courses in geriatric medicine that we will see a healthier America in the years ahead. I now insert the article:

NEEDS DISCUSSED AT AARP CONFERENCE—MOST MEDICAL SCHOOLS WILL OFFER GERIATRICS

Virtually all of the 120 medical schools in the United States will be offering some type of program in geriatrics this year, a professor at the University of Washington's School of Medicine said at a recent three-day conference on "Geriatric Medicine—Tomorrow's Practice Today" sponsored by NRTA and AARP.

Dr. Carl Eisdorfer, professor and chairman of the Department of Psychiatry and Behavioral Sciences at the University of Washington, made his remarks during a press briefing at the meeting, which attracted nearly 400 department heads from the nation's medical schools and teaching hospitals.

Where less than a dozen medical schools offered courses in aging just 15 years ago Eisdorfer predicted that most will offer some introductory instruction by the end of 1979. While these represent only the beginning of what needs to be done in geriatric medical education, they are a promising start stemming from growing public awareness of the special medical needs of older people.

In a keynote address, Dr. Paul B. Beeson of the Veterans Administration, said he did not believe specialists in geriatrics are needed in general practice but are in demand for research and teaching. He said enough specialists to train doctors may not be available for several years.

"We must move slowly and develop a few quality programs to train these specialists," Beeson said. He warned that "a major crash program will not work because we don't have the people yet to run it.

Beeson was in charge of a recent study by the National Academy of Sciences' Institute of Medicine which disclosed that 11 percent of the population 65 or older pay almost a third of today's total health care costs in the United States and by the year 2020 when 20 percent of the population will be 65 and over, the elderly will be responsible for more than half of all medical bills.

Other speakers at the Washington, D.C. meeting, which was co-sponsored by the George Washington University Medical Center, included Dr. Robert N. Butler, director of the National Institute on Aging; Sen. Thomas Eagleton (D-Mo.); Dr. Alexander Leaf, Harvard Medical School; Dr. Leslie Libow, founder of one of the first geriatric treatment and training programs; and Dr. William Reichel, president of the American Geriatrics Society.●

HOMOGENIZING CHILDREN

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. TAUKE. Mr. Speaker, in the August 22 Washington Post, Joseph Sobran presented some intersting observations regarding private education in his editorial, "Homogenizing Children." He clearly points out that our present system is monolithic and tends to reduce the options available to people in private schools.

Since many of my colleagues may have missed this editorial, because it appeared during the August recess, I include "Homogenizing Children" in the RECORD immediately following my remarks:

HOMOGENIZING CHILDREN

(By Joseph Sobran)

Many folk of the liberal persuasion are intensely suspicious of any means of giving public support to private education. They regard such means as a devious way of subsidizing Catholicism. Never mind that they want all of us, Catholics included, to subsidize liberalism, right down to the last abortion. It is unconstitutional, you know, for Catholics to do to liberals what liberals do to Catholics.

Well, things are changing. California is rolling up its sleeves for a brawl over a voucher system of financing education, and this time the proposal can't be dismissed as a Popish plot. The authors of the "Family Choice Initiative" are a pair of liberals—the same pair who got the property-tax method of financing schools overturned as unconstitutional.

Professors John E. Coons and Stephen D. Sugarman think the surest way to promote quality is to give all parents equal allotments for the schooling of their children. They also face up to the problem of values that public education has never quite resolved.

We all agree that education is good, but we disagree on what education consists of. The three Rs, sure. But no school on earth confines itself to them. Schools inculcate moral values, too, whether they admit it or not. And since there is no consensus about moral values, schools inevitably take sides with some against others.

The public school system is anti-pluralist. It started out nominally "non-denominational" but actually Protestant. Today, it is nominally neutral but actually liberal, secularist, subtly anti-religious and increasingly anti-family.

Religion is supposed to be excluded from the classroom, on constitutional grounds. Anti-religion is not. If a teacher preaches Christianity in class he violates the separation (or is it segregation?) of Church and State. But if he mocks religion in the classroom, particularly if he's a professor at a state university, he is merely exercising his "academic freedom." We forbid the one and subsidize the other. We have established irreligion.

As for family values, sex education is a-coming. New Jersey's board of education has just mandated compulsory sex education, which will almost surely convey subtle approval of premarital sex, contraception, abortion and so forth—not always explicitly, of course, but as "options." Parents who object may have their own children excused from some parts of the courses, though their taxes continue to propagate liberal sexual views.

I can't help remembering the school prayer uproar, when the Supreme Court ruled that making prayers optional doesn't make them constitutional: religion was still getting preferred treatment, and that was wrong. Today, the liberal code gets preferred treatment, and that's fine.

Profs. Coons and Sugarman are restoring the principle that education is a parental prerogative, which parents may delegate to schools. But to do this responsibly, parents must have a choice among schools. This is especially urgent, Sugarman points out, when there is no firm consensus on values.

Other liberals, who have no doctrinaire hostility to religion and the family, are beginning to realize that a voucher plan subsidizes parents, not religion. Anyone who can say, "I'm not pro-abortion, I'm pro-choice" ought to be able to say, "I'm not pro-religion, I'm pro-choice." To exclude choice is to disparage freedom. To exclude religious choice in particular is to disparage the First Amendment.

One advocate of the public school system, R. Freeman Butts, defends it precisely because it imposes uniform values—"common commitments"—on students. Its whole purpose, he says, has always been to make them "self-governing citizens rather than . . . private persons loyal primarily to their families, their kinfolk, their churches. . . . In its origins, the idea of public education was not to give parents more control over education, not to promote the individual needs and interests of children, not to prepare for a better job, not to get into college."

There we have it. The mission of the American school is to homogenize American children. Not for their sake, but for the State's. The best way to make them "self-governing citizens" is apparently to take them from the plural influence of parents and to submit them to a monolithic state program.

If that is the defense, the prosecution rests.●

THE ABSURDITY OF BUSING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ASHBROOK. Mr. Speaker, the new school year is already underway and so is yet another round of forced busing. Every year more and more jurisdictions fall under judicial edicts that circumvent local authority and parental perogatives. Unfortunately, there is no end in sight. This Congress backed away from this issue in July and now our Nation's school children and their parents are suffering the consequences. The objection I have had about busing is not so much the act as how the entire concept has warped the values and the ideals of education in this country. To place the education of individuals into charts and graphs is to regiment one of the most personalized experiences in a person's life. Education is a function of family, friends, neighborhood, as well as the formal training and guidance of a school.

The concept of a neighborhood school is based on having a school that is consistent with the other factors in a child's environment. This is why most parents, when they move into a new area, usually look at the various school systems as much as the various neighborhoods, before they buy a new home. It is not now, nor has it ever been, a mandate of this Government to second guess the family unit in educational decisions. However, this is exactly what is happening at an alarming increase throughout this Nation.

The reality of busing has shifted the discussion of education out of the realm of what is best for the child and the family and into a bedlam of social engineers and politicians. I call my colleagues' attention to a recent article by Mr. Russell Baker on the busing issue. Mr. Baker has developed the skill of mixing biting commentary with a sharp wit.

His article shows up busing for the absurdity it is:

PLAYING IT LIBERAL

(By Russell Baker)

Having bid farewell to school houses several years ago with the sorrow of a man emerging from 30 years of lost wanderings in the Dismal Swamp, I have only lately begun studying the nuances of human passion created by the busing issue and the strange behavior they produce.

Take Smith, for example, whose children attend public schools. Smith despises school busing, but does not dare say so for fear that Carling will call him a "racist."

A vociferous champion of social and political uplift, Carling holds that the random intermingling in faraway schoolrooms of children rich and poor, black and white, is a blessing to the Republic. Resistance to the idea, to his way of thinking, can stem only from a benighted racism, which must be plainly labeled and denounced wherever it raises its evil face.

Smith, who likes to fancy himself a decent fellow, cannot take the obloquy he knows Carling will heap upon him. So he keeps silent, despising school busing quietly and silently hating Carling.

The Carlings of the world have a easy time with the Smiths, who live in terror of being publicly exposed as illiberal. Smith refuses to complain about his tax rates for fear of being called a "fascist," fears being caught with an opinion on the Palestinian problem lest he be called an "anti-Semite" and hates to have people see his wife cooking dinner because he is afraid feminists will call him an "oppressor."

Barry, on the other hand, is not so easily pushed around by terrorist epithets. He confronts Carling with righteous rage. He points out before the assembled crowd that Carling, this gallant hussar of public school busing, sends his own children to private school.

The Carlings almost invariably send their own children to private school. The assumption seems to be that with a father as enlightened as Carling, a child doesn't need the beneficial intermingling of rich and poor, black and white. And, since Carling can muster the heavy money which private school costs, he may believe he is doing the less fortunate a good deed by helping them enjoy the beneficial intermingling without udue classroom crowding.

Barry does not see it this way. A man of outspoken conviction, he calls Carling a "hypocrite." Carling preaches one doctrine and practices another, says Barry. All of us in Barry's audience enjoy that. It is always comforting to see someone else's hypocrisy called to account, since it decreases the chances of anybody's noticing your own.

Carling, of course, denies hypocrisy, but his defense is a trap. The simple fact; he pleads, is that he wants only the best education for his children. The place to get it, regrettably, is private school. When pub-

lic-school education equals the excellence of private schools', Carling will gladly offer his loved ones to the beneficial intermingling of the school bus, whether that glorious day come tomorrow or, as is more likely, 85 years hence.

Carling is now hung up in his own barbed wire. "You are an elitist!" cries a man in the crowd. It is Hamlin. No man is more qualified to drive the dreadful word "elitist" into a fellow creature's heart, at least in this confrontation.

Hamlin's children have always been bused to public schools and, though their reading level is three years beneath the national average and they are regularly robbed of their lunch money in the corridors, Hamlin is proud, not only because his kids can take it, but also because they are being protected from the corrosive infection of "elitism."

Hamlin is black and, so, would never dream of calling Smith a "racist." He will leave that to Carling, the white liberal, but he will not tolerate Carling's white liberal "elitism." Barry, of course, is also an "elitist," but nothing can be gained from calling him one publicly, since Barry is not ashamed of it. Barry boasts about being an "elitist." This is how he gets away with calling Carling a "hypocrite."

Boasting about your indifference to uplift is the best way to keep the crowd from getting a harpoon into you. So Barry boasts about sending his children to private school and, if anyone accuses him of being a "fascist," he will boast about that, too, boasting in passing that he enjoys oil-company dividends from windfall profits and is the only person in the room who enjoyed total avoidance of last year's income tax.

Barry doesn't care whether his children get a better education in private scohol. He simply figures that private school is better than public for learning arrogance.

It is Hamlin who infuriates Quinn. Like Hamlin, Quinn is also black, but he has no more use for busing than Smith has. Quinn sees it as a scheme by the white power structure to destroy the integrity of the black community. Hamlin's eagerness to submit to the plot infuriates Quinn, but he doesn't dare say so. He is afraid Hamlin would accuse him of having a "ghetto mentality," and he does not want to give whites the satisfaction of hearing him explain how the despicable "ghetto" turned into the comforting "black community" he now cherishes.

Meanwhile, the politicians present have left the room and the judges, being too old to think about children, ponder statistics.●

SYNTHETIC LIQUID FUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, this past July 12, the Department of Energy issued a report which I believe is of great value as an information source on the environmental effects of synthetic liquid fuels production. The report, which was reprinted August 9, 1979, was prepared by the DOE, the EPA and the President's Council on Environmental Quality.

In sum, their examination consisted of an environmental and regulatory analysis of synthetic liquid fuels production, and was devoted largely to a study of impediments to the development of a synthetic liquid fuels program for the United States. Their collective findings clearly point out that any production level regarding synfuels will require the resolution of a number of institutional constraints, but significantly, they concluded that—

. . . there appears to be no absolute environmentally related constraint identified for any of the first-generation technologies.

These would include biomass conversion and indirect liquefaction where environmental problems appear not to be major factors.

The report argues effectively for the development of a synthetic fuels program for the United States. It points out that a national effort to produce at least 1.5 million barrels a day of liquid fuels is feasible, providing the most effective environmental control technologies and practices are used. These are areas of control technology in which, as a nation, we have made great strides and hold a preeminent position. The importance of the issue and the timeliness of the DOE report should not be overlooked. It is for that reason that I commend their findings to the attention of my colleagues.

The summary of the DOE report follows:

SUMMARY

FINDINGS

Assuming application of the most effective environmental control technologies and practices, deployment of synthetic liquids facilities on an accelerated schedule to 1990 appears feasible in terms of current environmental constraints. A set of first-generation technologies (surface oil shale retorting, indirect liquefaction, and biomass conversion) at the low (500,000 barrels per day (BPD)) and medium (1,000,000 BPD) levels of production have sufficient siting opportunities; the high level of production (2,000,000 BPD) brings rapidly increasing siting difficulties. Yet-to-be-defined regulations, in their stringent forms, could change this finding. These regulations include visibility, short-term nitrogen oxide ambient standard, extension of prevention of significant deterioration (PSD) regulations, hazardous waste standards, toxic product regulations, and occupational safety standards.

Any production level requires resolution of a number of institutional constraints, including permitting delays and the acceptability of the facility to the local population and state authorities. The greatest impediments for the first-generation technologies include long time delays, facility size limitations, and unwillingness to change the character of the community.

In reaching this general finding, the environmental analysis found that, within present and anticipated environmental regulations and standards, and for a selected set of first-generation facilities.

There appears to be no absolute environmentally related constraint identified for any of the first-generation surface conversion technologies. Second-generation processes run greater risks of major environmental problems. For in situ processes, the major risk is leaching of hazardous materials into water; for direct liquefaction, concern is potential worker and public exposure to toxic substances.

Yet-to-be-defined regulations are perceived by developers as major technology development impediments. These include air quality standards (visibility, short-term nitrogen oxide, and new PSD regulations), regulation of hazardous wastes and toxic products, undeground injection guidelines, and worker safety regulations.

Some risk exists that environmental R&D programs cannot fully satisfy all existing and expected regulatory demands, but these risks should be known by 1985 and it is expected that appropriate control adjustments can be made. Because of lack of data, one area of concern with indirect liquefaction is environmental emissions of processes following gas synthesis. However, as these and similar catalytic conversions are currently effected in the petrochemical industries, the primary impact of these adjustments is expected to have a minor effect on product cost.

Reduction of these uncertainties requires refocusing of environmental research and assessment programs to aggressively address these areas and to promptly identify environmental issues that may become future impediments.

There is a need for intermediate to long-term environmental health and safety monitoring of operations at all scales of development, especially with regard to anticipating the effect of equipment reliability and maintainability on fugitive emissions and the ultimate fate of solid wastes.

From the present state-of-the-art and from mitigation controls developed as part of the research and assessment programs, stringent environmental controls and engineering practices need to be determined. Based on these, guidelines and standards must be set early, followed by responsive periodic updating based on new information.

Sufficient siting opportunities exist within current regulatory and resource availability requirements, given that institutional impediments are reduced, to meet an accelerated deployment program. Practical maximum deployment levels, however, cannot be projected without much more detailed siting analyses than were carried out for this "siting opportunities" analysis.

Therefore, the primary environmentally related impediments that need to be addressed at the general program level are as follows:

Reduce existing institutional barriers such as water allocations and transport rights-of-way to allow available existing physical resources to be tapped by these new demands without overly constraining prior claims for these resources;

Improve the permitting processes and supporting technical information systems to significantly reduce the required permitting time schedules, including early conduct of broad locational surveys to determine the detailed siting opportunities; and

Simplify existing and establish new points of public review and comment and, further, specify more exactly the conditions for judicial review of permitting procedures in order to reduce probable delaying impacts of litigation.

While technology risks are not fully resolved, analysis of the interaction of stringent environmental regulations, critical resource availability, and site availability show that siting areas are sufficient to allow deployment of a synthetic liquids supply industry within other projected energy and industrial growth patterns. Therefore, programmatic and management activities to facilitate technology siting and deployment, reduce complexity in permitting requirements, reduce institutional constraints on critical resource allocations, and improve procedures for providing public involvement in the program appear most critical.

Table 1 provides a summary of the findings of the analysis grouped as follows:

Technology-specific results.

Siting opportunities.

Permitting process findings.

Because many results of this environmental analysis and the potential courses of action are discrete and do not lend themselves to summarization, a more extensive list of concerns (Table 5) is presented at the end of this summary.

The Office of Environment is now initiating a broader, more comprehensive assessment of the siting-related development capacity for synthetic fuels, which will address in detail all areas considered by the present siting analysis, including state and local institutional considerations. This more detailed assessment should be completed by October 1979 and will be made available to the public at that time.●

IN FAVOR OF ODD-EVEN GAS LAW

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. MAZZOLI. Mr. Speaker, I could not agree more with the editorial in yesterday's Washington Post urging retention of the Metro area's odd-even gasoline sales rule.

My family's driving habits have changed dramatically since odd-even went into effect in northern Virginia—where we reside—and in the entire area.

We drive less. We drive more energy efficiently because of preplanning. And, we are conserving gasoline, as a result.

My family and I know we cannot fill our gas tank whenever and wherever we wish. We can get gasoline only under certain conditions.

Thus, odd-even stands as a daily reminder to all the MAZZOLI's that gasoline is a commodity in scarce supply and that we should do our part to conserve it so the available supplies can be stretched to do the most good for the most people.

It was not easy to convince my family and me of the reality of the gasoline emergency and of the necessity for us to change our driving habits.

But, I am convinced now as are thousands of auto drivers in this important and bellwether area of the country; all because of odd-even rules.

I would hate to see this salutary mood and spirit of conservation dissipate and disappear because our reminders and memory joggers—odd-even gasoline rules—were removed from the books.

Even though the rules are not respected by each and every driver nor by each and every gas station operator, they still are worth keeping.

Mr. Speaker, I join the Post in calling on local officials of the metro area to reconsider their decision to drop odd-even rules. It is in the public interest to have odd-even gasoline rules.

The Post editorial follows:

KEEP THE ODD-EVEN RULE

The decision by the governors of Maryland and Virginia and the mayor of the District to drop the odd-even gasoline rule as of Oct. 1 is a bad idea. However much of a nuisance the restriction now seems, it is a constant reminder that gasoline conservation is still important, that "the problem" of supply has not disappeared. What has disappeared for now—thanks in no small way to the odd-even, minimum-purchase ground rules for distribution—is panic at the pumps.

Declaring open season on gas supplies invites a return to "normal"—excessive is the word—use. This could produce another severe shortage at area pumps; and if that leads to another decision to bring back the odd-even rule, it couldn't help reinforcing public suspicions that the whole thing is a sham in the first place. Besides, there is reason even now to believe that soon there will be new pressures on filling-station supplies. In the past, September has been a month of weaker demand; but use in October tends to match that of May and June—which was when this year's pandemonium at the filling stations erupted.

True, the odd-even rule has its flaws. Such a rule made uniform across the country would be more effective than regional restrictions, for instance. And it is also true that the area rules have not been observed or enforced all that strictly. But this is not a good reason to lift them. The effect of ending the restrictions in this region will be to convey the notion that the situation has improved enough for people to disregard the problem. There is still time for the two governors and the mayor to reconsider their decision. They should.●

EDUCATIONAL TESTING ACT: THE NEED FOR OPENNESS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mrs. CHISHOLM. Mr. Speaker, as you know, the Education and Labor Committee, Subcommittee on Elementary, Secondary, and Vocational Education is currently holding hearings on H.R. 4949, the Educational Testing Act of 1979. The legislation seeks to imbue in the standardized testing process a fundamental element of fairness and openness that its sponsors and supporters believe is long overdue. The impact that standardized tests have on the educational futures and careers of millions of Americans is not a subject of serious debate; it is obvious that standardized tests dictate to a very substantial degree the life choices of vast numbers of citizens. In many cases, standardized tests are frequently used as a gatekeeping device for access to educational opportunities. For this reason, the sponsors and proponents of the Educational Testing Act believe that it is imperative that we implement some uniform standard of openness which will serve to enhance the accountability of what has become a major industry in this country.

The hearings that have been held to date on this legislation indicate that there is a dire need for Members of this Congress to become educated about the extent that testing affects the lives of their constituents. In addition, the public debate that is beginning to develop around the bill is a vital and healthy dialog. For too long testing procedures and uses have remained shrouded in secrecy and misinformation, an atmosphere that is not conducive to the educational interests of our children. The important testing issues that have surfaced as a result of the hearings on this bill must be placed under public scrutiny, in order to shed light on a subject crucial to the lives of millions of Americans.

Opponents of this legislation have consistently misrepresented the actual impact of this legislation and the objectives of its proponents. As written, the bill will have no direct impact on the content of standardized tests or the uses of such tests in the admissions processes of educational institutions. The legislation can neither be construed as a tool to regulate the testing industry nor as an inappropriate Federal foray into the admissions policies of colleges and universities. The legislation is a disclosure bill, no more, no less, and I believe that it is vital to opening up this important educational issue to broader research and public debate. If standardized testing is accomplishing its objectives as opponents of this legislation contend, there is nothing in this bill that they need fear.

I believe that the following editorial, which appeared in the August 24 New York Times in support of New York State's "Truth in Testing" law, provisions of which are similar to H.R. 4949, very adequately states the case for the Educational Testing Act of 1979.

TRUTH IN TESTING

The intemperate responses of some academic testers to New York's truth-in-testing law are certain to damage their cause more than the law itself. The associations that administer admission tests for medical and dental schools have threatened to pull out of New York, and the Educational Testing Service, the nation's biggest testing enterprise, has said it might curtail services. Doubtless, the law will require more work on their part, and there will be added costs. But their complaints are overstated. In fact, the law is welcome; it's time to take the mystery out of college testing.

The law signed recently by Governor Carey applies to such examinations as the Scholastic Aptitude Test and the Law School Admission Test that colleges and graduate schools use to rank their applicants. As of Jan. 1, 1980, a copy of any test offered in New York must be filed with the State Department of Education. In addition, data on how a test was constructed and validated must be made public. What irks the testers most is a provision that allows anyone who takes an exam to receive a graded copy. Questions used for research but not counted in scores and specialized achievement tests are exempt.

The testers say the law means an exam given in New York cannot be used again because its contents are likely to be disseminated elsewhere. They contend, too, that the law will create problems in "equating" tests—insuring, for instance, that a 600 verbal score achieved in 1975 is comparable to a 600 in 1979. The testers therefore project drastic increases in cost to maintain the present level of service. And they're unhappy that the law goes into effect so quickly. This complaint may be justified. It takes months to prepare a test and a slight delay may be in order.

Testing services like ETS have been more open about themselves in recent years and the tests have improved; today, most are fairer to minorities than they were ten years ago. But the testers still haven't faced up to other exam limitations or to the frequent misuse of test results. Although testers caution against it, some schools still rely on scores as absolute indicators of ability. ETS, moreover, is surely exaggerating when it contends that the new law might drive up costs by as much as 50 percent and that even then it might not be able to uphold testing standards. Development costs are only a small part of total costs passed on to the consumer. And some authorities have argued convincingly that at least four techniques already used by the industry would permit "equating" and validating to continue undisturbed—at little or no extra cost.

In any case, there is the matter of elementary fairness. These academic tests help to shape the course of people's lives—their schooling, their careers, the very sense of their own abilities. Students deserve to know how they are being rated and judged. There are freedom-of-information laws, truth-in-lending laws, truth-in-packaging laws. Why not truth in testing as well? ●

CONGRESSMAN JOHN ANDERSON'S ENERGY PROPOSAL

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. GREEN. Mr. Speaker, Representative JOHN B. ANDERSON of Illinois recently made a proposal which has attracted considerable attention. In an article published in the New York Times of September 4, Mr. ANDERSON suggested that "a 50-cent-a-gallon 'energy-conservation tax' on all motor fuels could reduce our gasoline consumption by 5 to 10 percent, saving us 365,000 to 730,000 barrels of fuel per day for more critical uses like home heating oil, and reducing our dependence on foreign supplies."

While recognizing that special provisions would have to be made, such as business use of motor fuels, Mr. ANDERSON outlines several significant advantages to his plan. In addition to the obvious energy savings, the estimated $50 to $60 billion a year in revenues could be earmarked for the social security trust funds. Although I have proposed different plans to address the difficult social security problem and provide increased aid to the elderly, the gentleman from Illinois has identified a crucial issue which is demanding attention and has offered a possible solution.

The motor fuel tax proposal was the subject of an article by Robert J. Samuelson in the September 8 National Journal, which was reprinted in yesterday's Washington Post. Given Mr. ANDERSON's outstanding national reputation and the interest his proposal has generated, I wanted to share this article with our colleagues and ask that it be printed in the RECORD at this point:

QUESTION FOR THE '80s: METHOD OF TAXATION

(By Robert J. Samuelson)

Rep. John B. Anderson (R-Ill.), one of the hordes of Republicans seeking his party's presidential nomination, did something the other day that makes him stand out in this crowd. He suggested a 50-cent-a-gallon tax on gasoline. If there were a handbook for candidates, one chapter surely would begin, "Don't propose a gasoline tax." But Anderson's very obscurity and the lengthy odds against his success give him some extra liberty to violate the rules, even perhaps to the point of saying something he believes.

There is, of course, virtually no chance that a gasoline tax will be passed anytime soon, which is unfortunate. By now, we ought to have realized that many of the arguments used against such a tax are a sham. The poor (in whose name a tax always is protested) don't drive much simply because many of them can't afford to own cars. As for regions that depend most heavily on automobiles—and therefore might feel the tax most—they actually have the greatest interest in reducing overall gasoline demand because, in the event of scarcity, they will be hurt the most.

No matter. We choose to leave ourselves at the mercy of an unstable world oil market—which ultimately enacts the tax for us—rather than to acknowledge that the essence of our oil problem (as opposed to the "energy problem") is largely the automobile, and that coping with it involves pushing people towards more efficient vehicles and traveling habits. The best government can do is create a climate in which individuals acting in their own self-interest also act in the national interest.

This is a political failure. The most worn cliche about politics is that it is the art of the possible, but that isn't an explanation so much as an excuse. The artistry of politics—aside from winning elections—is packaging and promotion: matching problems with remedies that seem both practical and palatable.

At its worst, this is a demeaning, deceptive process, but at its best it draws together different strands of national experience and combines them in a way that makes contemporary problems seem understandable and manageable. The current generation of politicians may wonder why it is held in such low public esteem; one reason is its inability to perform this vital function.

As Anderson's proposal suggests, the job ought not always to be as difficult as it is portrayed. No one, of course, likes to pay higher prices, and politicians are loathe to raise the price of anything, especially something as conspicuous as gasoline.

But the untold part of this story is that a gasoline tax is a stupendous money raiser, and—other things being equal—a higher gasoline tax allows you to lower something else. Even if a 50-cent-a-gallon tax reduced consumption by 6 percent or 7 percent (which is about 500,000 barrels a day, or 10 percent of Japan's total oil consumption), it still would raise about $50 billion annually. That is about 10 percent of total federal receipts projected for next year.

The government needs that money. One of the nasty little facts that no one in Washington is mentioning very loudly—to the public, at any rate—is that it will be very difficult, maybe impossible, for the federal government to cut overall levels of taxes in the 1980s.

The reasons for this squeeze are plain enough and probably won't be altered much by the 1980 election, no matter who wins. A large part of the federal budget (nearly 55 percent) goes for two purposes: defense and the elderly. And spending for both of these probably will be increasing strongly in the 1980s.

On the one hand, the over-65 population will be rising significantly faster than the overall population: it will be up 25 percent between 1979 and 1990 against a projected 10 percent overall increase. Unless benefits are reduced—which is unlikely—this means higher Social Security and health spending.

At the same time, there is little or no prospect of substantial defense cutbacks. Between 1955 and 1978, defense spending declined from about 10 percent of national output to 5 percent. There now seems to be a consensus that it shouldn't drop any further and, indeed, the argument is between those who think it ought to rise 3 percent annually in "real" terms (after inflation) and those who argue for 5 percent.

Based on such considerations Rudolph G. Penner, former chief economist for the Office of Management and Budget, has estimated that to achieve a balanced budget by 1990 would require that spending for all other (nondefense, nonelderly) programs would have to decline 0.5 percent a year in "real" terms. Even so, taxes would equal 20 percent of gross national product, which would be slightly higher than in all years but two (1969 and 1970) since 1958. And Penner's analysis deliberately includes a number of optimistic assumptions: a growing economy revived productivity and only a 3 percent increase in real defense spending.

Against this background, the question for the 1980s is simple: How do we tax ourselves?

Do we tax labor via higher Social Security taxes (already scheduled to rise sharply) and higher marginal income tax rates? Do we tax capital and investment by keeping those rates high? Do we tax ourselves via inflation by running large deficits, which tend to spur higher money growth and more inflation?

Or do we ease these tax burdens by imposing a tax on a critical commodity whose supply is scarce and far more important, uncertain?

The answer seems obvious enough. We need to create a margin of safety between domestic oil demand (two-fifths of which is gasoline) and worldwide oil availability so that we will be less vulnerable to interruptions. President Carter's solution of creating a synthetic fuel-industry—even if it worked, which is questionable—wouldn't yield results until the mid-1980s. His "windfall profits" tax wouldn't affect the basic revenue balance because the annual sums are small and much of the money would be funneled into synthetics.

Perhaps there are better ways of doing it than a gasoline tax: a heavy tax on imported oil, for example. But the main point is that the political system isn't posing the choices. For six years, a Democratic Congress has created a hopeless confusion and paralysis on energy issues. Republicans talk of lower taxes and higher defense spending in one breath as if there were no conflict. Theirs is a collective poverty of imagination.●

TRAGEDIES IN ATLANTA, ULSTER, AND RHODESIA ARE LINKED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ASHBROOK. Mr. Speaker, Atlanta Mayor Maynard Jackson handed terrorist leader Joshua Nkomo $4,000 earlier this year. Nkomo's heroic exploits included shooting down a civilian airplane in Rhodesia and butchering the men, women, and children who survived the crash. Within a few weeks, the long-escalating crime rate in Atlanta reached the point that Georgia State Highway Patrol cars had to be called into the city to supplement the local police. The timing was coincidental, but the connection is clear: A leader who supports terrorists abroad has the kind of mind which cannot deal with the necessary firmness with domestic crime. A man who sees torture and murder as legitimate in Rhodesia cannot but have somewhat the same attitude toward murder and robbery at home.

England in the present tragic crisis in Northern Ireland has a hard time asking the Republic of Ireland to allow British troops to pursue and question IRA terrorists entering from and returning to the Republic of Ireland on their terrorist raids. After all, it is the United Kingdom which has consistently held the views of Zambia and Tanzania, who openly act as launching sites for terrorism in Rhodesia, as more legitimate than those of the Rhodesian Government, which has been elected by two-thirds of the voters in that country. Just a short time before the recent tragic events in Northern Ireland, the Thatcher government had decided to go along with the Carter policy of insisting that the Rhodesia Government was not legitimate because, though elected by two-thirds of the people, it did not include armed terrorist groups in its makeup.

The lessons of Atlanta and Northern

Ireland are the same. One who sees terrorists as legitimate abroad has neither the moral nor the psychological equipment to deal with terrorism—or any other kind of crime—at home.

The Republic of Ireland is a healthy contrast to the proterrorist stance of Atlanta and the compromising with terrorists done by the United Kingdom. If the excuse of historical oppression were the justification for murder and torture that Jackson and the United Kingdom say it is, no country has ever had as much reason to support such action against another people as Ireland has relative to England. A thousand years of suffering and oppression could give an immoral Irish leader the chance to seek vengeance against Britain by supporting the IRA, just as Zambia supports terrorists in Rhodesia. But the majority of the Irish electorate will have nothing to do with such a leader. The IRA is banned in Ireland, and, despite a natural sympathy with the Ulster minority, the Irish electorate has shown repeatedly that it knows that terrorism is a disease, not a solution.

It is no accident that that same Irish population has one of the lowest crime rates, if not the lowest, on earth. Theirs is an old-fashioned outlook, and one to which I wholeheartedly subscribe. That outlook is simple, and it works. There can be no compromise with evil. Terrorism, the butchering of women and children, is evil. A mayor who puts money into hands with innocent blood on them governs a city with blood on its sidewalks. The British Government, which insists that murderers should be given equal footing with a democratically-elected government in Rhodesia, has a rising tide of terrorism at home. I urge the Carter Administration to consider these facts in its Rhodesia policy before the rising tide of political massacre reaches our shores.●

NATIONAL GRANDPARENTS DAY

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. GRASSLEY. Mr. Speaker, Sunday, September 9, was National Grandparents Day. Its observance has not yet attained the recognition of Mother's Day or Father's Day, but, as the ranking minority member on the Select Committee on Aging, I can point to many reasons why it should.

America is deeply indebted to its grandparents. In the main, they represent the age groups that endured the sacrifices of two World Wars and the war in Korea. It is largely their vision, their innovation and their labor that underlie the revolutionary progress of America over the past 50 years. In the sciences, they have made us the most mobile people the world has ever seen; they have brought us jet aircraft, nuclear power, space travel, fast foods, and computers. Their accomplishments in the fields of medicine and nutrition have added years to our lives. In an era when there were no more geographic frontiers to conquer, they became pioneers in new fields which have vastly improved the quality of life which we enjoy today.

America's grandparents have been through a great depression and the crucible of disruptive challenge and change which marked the difficult years of the latter 1960's and the early 1970's. During those eras, as have other grandparents in other times, they represented the continuity, the linkage with the past, and the faith in the future which held America close to the traditional values responsible for its greatness.

Grandparents are a legacy. They build the platforms of scientific progress, of human values, of steadying institutions, and enlightened change that elevate each new generation to a better point from which to set forth in life.

Grandparents are love. They want a better life for their children and their grandchildren. Their pleasures are largely vicarious, derived from enriching the lives of others. They are an example of human love and caring which infects those who are near to them and is thereby perpetuated.

Grandparents are wise. They grow closer to God as they grow older in years. Life has taught them to distinguish between passing fancies and solid values. They have much to contribute and their wisdom provides an essential influence on the tiller of our great ship of state.

We are deeply indebted to America's grandparents, whether they be in Government, in industry, or the quietness of well-earned retirement. I hope that the day set aside for them will soon bring them the recognition that they so richly deserve.●

HOUSE SUBCOMMITTEE INVESTIGATES IMPACT OF RISING HOME ENERGY COSTS ON SENIOR ADULTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. BIAGGI. Mr. Speaker, as chairman of the House Select Committee on Aging's Subcommittee on Human Services I have conducted four major hearings on the urgent topic of rising home energy costs and their impact on senior citizens. The hearings have been conducted in Lewiston, Maine, Des Moines, Iowa, Syracuse, N.Y., and this past Saturday in Waterbury, Conn. I am fully convinced after these hearings that Congress most important priority in the months ahead is to provide adequate and timely assistance to low-income elderly persons to insure they survive the winter of 1979 and 1980.

Few people today would disagree that the most compelling issue facing Congress this session concerns the cost and supply of residential energy. After completing a series of national hearings to investigate the impact of utility costs on older Americans, I am convinced that immediate action is needed to enact legislation that will reflect the heightened need for low-income energy assistance.

Since the early 1970's, we have all felt the impact of oil production cuts and OPEC price increases. This is evidenced by the fact that between 1972 and 1979, fuel costs have increased a whopping 197.3 percent—3 times that of other costs in the Consumer Price Index. For the 35 million Americans whose incomes fall below 125 percent of the official poverty line, these energy cost increases have created excessive financial hardship. Moreover, as almost half of all low-income households live in the northeast and north-central regions of the United States, the often severe winters take a heavy toll on our older Americans who head a staggering 37 percent of all low-income households.

Yet, despite this, in the past 7 years, the poor have had little in the way of relief: their average household income and the major public assistance programs on which so many of our disadvantaged rely, have failed to keep pace with inflation. This is particularly significant for the elderly, many of whom live on fixed incomes and find that utility costs take a disproportionately large bite out of their meager budgets.

The hearings have made it all too clear that the low-income elderly of our Nation are being unfairly penalized by the spiraling cost of energy. Indeed, Deputy Energy Secretary John F. O'Leary has admitted that many Americans may face "a cruel choice between food or heat" this winter. It is a sad state of affairs when a vulnerable population such as the elderly must either choose to forgo basic necessities or face the specter of utility cutoffs. Earlier this year, one of the major energy concerns focused on the availability of home-heating products. Recently though, the President assured the Nation that—

> Adequate home heating oil supplies . . . would be available next winter, even if the weather was colder than normal.

What awaits resolution and has not been adequately addressed thus far, however, is the issue of cost. According to the Department of Energy, the price of home heating oil had risen from 53.7 cents per gallon in January 1979, to over 80 cents this fall. At this rate, which is likely to increase in the upcoming winter months, the average household will spend about $159 per month on fuel. The significance of this figure becomes poignantly apparent when one focuses on the individuals who must absorb these exorbitant price increases. In New York State, for instance, SSI recipients receive a maximum payment of $291 per month. After utility costs, the older adult would be left with $134 to pay for other essential items such as food, rent, and medical expenses. Such accounts of seniors failing to possess sufficient funds to meet basic living expenses were all too frequent throughout the hearings.

With the prospects of a long cold winter ahead, it is critical that existing programs be modified to meet the current levels of need. Thus far, involvement by the Federal Government has been limited primarily to so-called one-time-only emergency energy assistance programs. The Community Service Administration programs of the last 3 years have expressly been designed to assist

low-income households in crisis situations. They do not offer a long-term solution to the grave energy problems of the poor and elderly.

A new approach is urgently needed which will redress the omissions of the past. Information gathered during the series of hearings clearly indicates that the 1979–80 energy assistance program must include a number of critical elements. Of primary importance is the need to guarantee that program regulations are completed by October 1. This will enable funds, and the mechanism for their distribution, to be available to all localities by November 1. Second, it is imperative to remove the administrative mandate which stipulates that payment priority go only to those individuals with unpaid bills. I do not believe that the intent of Congress was to produce any negative effects. But as the committee learned in its investigations older Americans are a proud people who, more often than not, will pay the utility bill before purchasing needed food. Third, an equitable formula for fund allocation is needed to favor regions such as the Northeast and North-Central United States which rely heavily on expensive petroleum products. In New York State for instance, the fact that over 70 percent of all residential dwellings are heated by oil makes it the largest individual consumer of the 50 States. In addition to the above recommendations, a weatherization component combined with special arrangements for renters would certainly enhance objectives for the 1979–80 winter program.

Dramatic increases in residential energy costs warrant these modest revisions. For despite the added flexibility which such changes would bring, many low-income individuals will continue to struggle with oppressive utility bills.

A new approach is needed which will correct the omissions of the past. Much discussion during our hearings was centered on the so-called crisis intervention program as administered by the Community Services Administration. This program provides those individuals with incomes of 125 percent of poverty or lower with up to $250 to pay utility bills.

The complaints we heard was first that the program did not provide payments to eligible recipients until after the winter was over. The second was the program's criteria which in effect gave persons incentives not to pay their utility bills thus making them eligible for payments. Many older persons chose to pay their bills even at the expense of eating, yet absent a shutoff notice they could not obtain aid.

I met with officials from the Community Services Administration this past Friday and they assured me that assuming final congressional action on the 1980 Labor HEW Appropriations bill that moneys will be available for individual recipients by November. Further, they indicated that the only criteria for eligibility will be the income factor not nonpayment of bills.

I urged that when developing the 1979–80 formula some form of regionalization be utilized providing more aid to the coldest areas of the Nation.

I will do everything possible in the event of a second supplemental appropriations bill for fiscal year 1979 which will permit an increase in eligibility standards to include participants whose income reach 150 percent of the poverty level. I am also an advocate and supporter of a comprehensive and permanent program to provide low-income individuals with energy assistance. Such a plan should be administered by the Department of Energy as part of an overall national energy policy.

Our older Americans have survived one, and in some cases, two World Wars and countless other experiences. It is incumbent upon us to come to the aid of those needy elderly to insure their survival of the winter of 1979–80.●

RUSSIAN TROOPS IN CUBA

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ZEFERETTI. Mr. Speaker, recent reports indicating the presence of an undetermined number of Soviet troops and highly technical military hardware in Cuba is a matter of grave concern to a growing number of Americans, and I feel that President Carter must take a firm stand in the face of the Soviet Union's challenge to our national security.

The fact is, Mr. Speaker, that the administration has failed to comprehend the real impact of Russian actions in Cuba. These troops and hardware, while not an immediate threat to the territorial integrity of the United States, could pose a major threat to our oil supplies and are a direct challenge to the President and our Nation. Through the years, the Soviet Union has challenged every American President, and it is time for President Carter to meet this most recent challenge.

In my opinion, President Carter should insist on the immediate withdrawal of the Russian combat troops from Cuba and demand assurances that the Soviets will respect the national integrity of all countries, especially those of the Western Hemisphere. The Soviet Union's expansionistic foreign policy, which in recent years has seen involvement in the Middle East, the Yemens, Ethiopia, and Angola, should be curbed. We must make it clear to the Soviet Union that their adventurism around the globe will have an adverse impact on our relations with them.

I feel that the question that must be answered is, "When will the United States put its foot down?" I firmly believe that the United States cannot, and must not, permit Cuba to become a Soviet military base 90 miles from our shores, and insisting on the immediate withdrawal of Russian combat troops from Cuba is a step in the right direction. We can no longer afford to stand idle while the Soviet Union seeks to spread its influence at every opportunity.

Since the Senate is currently in the process of deliberating the SALT II treaty, I urge them to continue their consideration of the Soviet presence in Cuba. It is my understanding, that Secretary of State Vance has started discussions with Soviet Ambassador Dobrynin about the removal of the troops. I feel that the American people must have a definitive answer on the removal of the Russian troops before their representatives in the Senate vote on the SALT treaty.

I agree with the statement by the junior Senator from New York, Mr. MOYNIHAN, that the withdrawal of Russian troops should not serve as the only criteria for passage of the SALT treaty. We should not reward the Soviet Union for something they should not have done in the first place. The treaty must be considered within the framework of the United States' national security interests.●

THE DRAFT WILL NOT MEET OUR MILITARY NEEDS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. VENTO. Mr. Speaker, I am opposed to the reimposition of the draft. We are in a time of peace and conscription is unnecessary and will not lead to a strengthening of our defense capabilities.

Modern technology has changed the "art of warfare" and our country must take these changes into consideration. The most effective military strategy no longer is determined by raw numbers. In fact, a small well-trained Army is much preferable to a large force that is inadequately trained. In listening to today's debate, it is apparent that several important factors have not been considered. I do not believe that there has been sufficient consideration of several issues relating to our military capabilities and to the proper utilization of the forces and equipment available for our defense. At this time I would like to raise these issues. It is my hope that the Armed Services Committee and the Department of Defense would review these issues so that we could make a determination of the future of our military forces on the basis of the best and most thorough information available.

It is my understanding that the Defense Department has never conducted a cost-effective analysis of manpower and has not determined the relative costs and effectiveness of volunteer versus drafted personnel. I cannot think of a more appropriate situation for the saying "the biggest bang for the buck." If we are to decide on an all-voluntary or a conscripted military, we should be provided with an analysis of where our Federal dollars will be best spent and of which type of military will provide us with the most efficient defensive capability without wasting the taxpayers dollar. Obviously such an analysis should be initiated before we make any decisions on the future of the military.

Modern warfare and technology has drastically changed the type of personnel needed to maximize our defensive

capabilities. We are no longer dependent upon the soldier who knows how to shoot a relatively simple rifle. The modern military requires personnel who are specialized and who are able to operate complex equipment. Such skills can only be acquired through extensive training. Can the drafted soldier acquire the skills needed to operate competently this equipment in the short time of training and service. Assuming a high turnover of drafted personnel, will the Army be continually staffed by undertrained and incompetent warriors?

We are currently reviewing our defense strategy, particularly for our European forces. Many now believe that a head-on confrontation with an invading force would result in a devastating defeat and that attacks emphasizing flank assaults and maneuverability requires different personnel than a war of attrition. What consideration has the advocates of a draft given to this change in strategy and what would our manpower needs be under such a policy?

Are we currently optimizing the combat ready use of those who have been trained for combat positions? How many combat-trained personnel currently are sitting at desks throughout this country? Is that the proper use of their capabilities?

Mr. Speaker, the answers to these questions will be important factors in determining our future military capabilities. Before we talk of drafting anyone, I believe that we must seek to utilize our present military personnel properly. Until these questions are answered, no consideration should be given to the reimposition of a draft.●

THE COAL PIPELINE ACT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ABDNOR. Mr. Speaker, this morning I presented the following statement to the House Committee on Interior and Insular Affairs. Another committee meeting prevented me from presenting the statement orally, but it was placed on the official record of the hearing by Chairman UDALL.

As my colleagues will note, H.R. 4370, the Coal Pipeline Act of 1979, as currently written, does not adequately protect the interests of my constituents. Accordingly, I shall oppose its enactment unless and until adequate protection of our vital water interests is provided, and I urge my colleagues to do likewise.

The statement follows:

STATEMENT BY THE HONORABLE JAMES ABDNOR

Mr. Chairman and members of the Committee, I appear before you today in firm opposition to H.R. 4370, the Coal Pipeline Act of 1979, as it is currently written.

The Chairman will recall that I voted with the large majority of our colleagues to defeat a similar measure last year, and I will certainly do so again this year if a simple matter of basic equity to my state is not addressed.

My concerns in this respect were discussed in detail on the floor of the House last year; but, before I reiterate those concerns, let me mention several issues which do not figure in my opposition to H.R. 4370:

First, I am not opposed to the construction of coal slurry pipelines. Quite the contrary, I sincerely believe that the energy difficulties facing our nation require that all potential solutions be fully explored. Coal slurry pipelines have an obvious potential to contribute to the energy well-being of America.

Second, I do not believe coal slurry pipelines constitute an unwarranted competitive factor as far as railroads are concerned. Perhaps all of the coal to be moved in this country can be moved by rail, but the real question is whether rail is the best way to move coal in every case. That can only be determined by looking at each case individually.

As far as the effects on rail service in my own state are concerned, we are faced with the imminent threat of abandonment of over half our trackage—regardless of whether a hundred coal slurry pipelines are built or none! I asked the rail companies serving my state what benefits could accrue to my state if coal slurry pipelines are blocked, but they were unable to identify a single concrete example.

Third, and the Chairman may be surprised to hear this, I do not believe coal slurry pipelines would necessarily constitute an undue drain on scarce Western water resources. Indeed, if Western coal resources must be more fully employed to meet our nation's energy needs—and I believe they must be—then coal slurry pipelines may be the least water intensive and most environmentally acceptable means of getting the coal energy to where it is needed. In addition, many of my own constituents are surprised to learn there is enough water stored in the great Missouri River reservoirs in our state to cover all of the 50 million acres of South Dakota to a depth of nearly a foot. Enough water flows through the state each year to cover the entire state to a depth of about 6 inches.

According to the U.S. Geological Survey, an estimated million billion gallons of groundwater are stored in the Missouri Basin region. That's an amount about 30 times larger than the total surface-water reservoirs in the region. The total amount of groundwater in storage is equal to more than 60 years of average flow of the Missouri River—enough to cover the entire region to a depth of more than 10 feet.

The question is not whether sufficient water is available for coal slurry pipelines, because it obviously is available within the Missouri Basin region. The real questions are (a) where will the water come from and (b) what existing and/or future potential uses may be impaired. These questions are at the crux of my opposition to H.R. 4370.

While Section 302(b)(4) vows "Nothing in this Act . . . shall be construed . . . as expanding or diminishing Federal or State jurisdiction, responsibility, or interest in water resources development or control," the whole purpose of H.R. 4370 is to facilitate the construction of coal pipelines through the use of Federal eminent domain for the acquisition of rights-of-way. Coal slurry pipelines are water resource development project; and H.R. 4370 is internally inconsistent in stating on the one hand that it does not expand the Federal interest in water development, while establishing a new authority to encourage water development projects on the other.

Be that as it may, it is not a fatal flaw in my estimation if, as it facilitates the construction of coal slurry water development projects, this legislation also facilitates the valid rights of the States to control development of their own water resources. As the Chairman knows, my constituents and I have a very real and specific concern in this regard—it's called ETSI.

ETSI, which stands for Energy Transportation Systems Incorporated, proposes to build a coal slurry pipeline from southeastern Wyoming to Arkansas. ETSI has obtained water rights from Wyoming to pump groundwater from wells just across the border from South Dakota, but the only means presently available for my state to assert its rights with respect to the groundwater to be withdrawn is to challenge our sister state before the Supreme Court.

That is, in my view, an unnecessarily and unduly cumbersome procedure—particularly since everyone who discussed this issue during the debate on the floor of the House last year paid lip service to the rights of the States to control their water resources. If my colleagues truly mean what they say, it should be a simple matter to provide that the Secretary of the Interior, under the provisions of H.R. 4370, shall not grant the use of Federal eminent domain to acquire a right-of-way for a coal pipeline unless each and every State whose valid water rights will be affected first grants approval for the use of its water.

As simple and logical as this argument is, it did not garner much support on the floor of the House last year, but I think I know why. Those who sought to kill the bill and who turned out to be the large majority did not want it improved, since that would improve its chance of passage. Those who supported enactment and wished to make coal pipelines easier to construct did not want the process burdened with having to take full account of each State's rights with respect to water.

To be sure, there were those who argued that requiring the approval of a second or third State might impede the right of the first State to grant the use of its water. I will continue to maintain, however, that the Federal Government should not use its preeminent authorities directly or indirectly to favor one State over another with respect to water rights. The right of one State to grant the use of its own water does not imply that the Federal Government should facilitate impairment of water rights under the jurisdiction of another State, but that is exactly what H.R. 4370 would do with respect to the ETSI pipeline and the water rights of my constituents in southwestern South Dakota.

I am not a groundwater hydrologist. I cannot say with certainty that the ETSI pipeline should not be built or even that it should not use groundwater. I do know that my constituents are gravely concerned, however, and that neither H.R. 4370 nor existing law gives their interests adequate protection. I am aware also of the views of Dr. Perry Rahn of the Department of Geology and Geological Engineering at the South Dakota School of Mines and Technology.

In a paper to be published in the 1979 Proceedings of the South Dakota Academy of Science, Dr. Rahn concluded:

". . . independent studies by myself and other hydrogeologists from state and federal agencies confirm that the amount of water withdrawn from the proposed ETSI well field will adversely affect water supplies in adjacent states. Adequate provisions should be made to protect the water in areas affected by this project. Water from the Madison Limestone has considerable potential for local use (including geothermal energy) even though the depth prohibits full usage in some areas due to high drilling costs. The main issue that needs to be addressed at this time is whether a coal slurry pipeline is the wisest use of an exhaustible resource. Should water be reserved for local use or exported to Arkansas?" (A copy of the full text of Dr. Rahn's paper has been provided for the Committee's file.)

Regardless of the answer to the question Dr. Rahn poses, it is my fervent belief that South Dakota—not Wyoming or the Secretary of the Interior or the Supreme Court—ought to decide the issue for South Dakotans. H.R. 4370, in its present form, does not afford us that basic right; and, unless it is amend-

ed, I shall again work to defeat this legislation.

Thank you.●

CARTER'S "OPEN GOVERNMENT" POLICY: ANOTHER DOOR SLAMS SHUT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. ASHBROOK. Mr. Speaker, what would have been the press and congressional reaction to a Nixon administration Cabinet secretary issuing the following directive to his entire department:

There are to be no meetings, calls, or staff contacts with Members of Congress or staff, . . . regarding proposed or pending legislation, 1980 authorizations or appropriations, or policy development without prior consultation with me . . .

If that order had been issued by a Nixon Cabinet member in 1973, it would have been headlined from coast to coast as exactly what it is: An action by the executive branch to keep Congress as ignorant as possible of what is going on in the Federal bureaucracy. It would be denounced as an attempt to prevent Congress from exercising its constitutional duty to oversee the bureaucracy whose power and expenditures are the product of our legislation.

This directive, put out by President Carter's Secretary of HEW, Patricia Harris, has the same objective as it would have if issued by a Nixon appointee 6 years ago. It slams the door in the face of congressional efforts to oversee the activities of the Cabinet department which spends more money and interferes with the lives of our people more than any other arm of the Federal Government.

What makes this directive particularly appalling is that it was issued while Mr. Carter was traveling around the country at taxpayers' expense, telling our constituents how he deplores a closed Government and secretiveness in Washington. This directive, declares Congress to be "outsiders" to Government information at the very time Mr. Carter is denouncing "insiders" in Government.

This is not just hypocrisy. This is hypocrisy squared.

This is not a partisan issue. It is a matter of the executive branch using its power to prevent Congress from obtaining information to which it has a right. I attacked such efforts under the Nixon administration, and it is my duty as a Member of Congress to attack the same practices by Carter. Moreover, it is the Carter administration's response to the announced policy of both parties in the 96th Congress to increase congressional oversight of Federal agencies. We are all familiar with the fact that the press has called this the Oversight Congress.

One of my first acts upon becoming ranking minority member of the House Education and Labor Committee was to set up a special unit for oversight, for which I had been preparing since 1977. Chairman PERKINS also announced oversight to be a major priority for the majority at the beginning of this year. I cannot see HEW Secretary Pat Harris' action as other than the administration's response to the Oversight Congress. This is especially true since Harris bans the entire personnel of HEW from discussing even "policy development" with congressional staff.

Speaking for myself, I do not propose to quietly allow the Carter administration to continue to frustrate congressional attempts at practical efforts to open Government to the people, while he uses public money to travel around preaching "open Government" in his reelection campaign. I urge my colleagues and the press to expose this hypocrisy, and to insist that the Congress be allowed to get on with the job we were elected to do without bureaucratic road block.

The complete text of HEW Secretary Patricia Harris' memorandum follows below:

This is to ask that no communications be sent to Members of Congress or staff on any pending or proposed legislation without express approval by me through the Assistant Secretary for Legislation.

Until further notice, there are to be no meetings, calls, or staff contacts with Members of Congress or staff, White House Staff, Office of Management and Budget, or the Economic Policy Group regarding proposed or pending legislation, 1980 authorizations or appropriations, or policy development without prior discussion with me through the Assistant Secretary for Legislation.●

UNION LEADERS HELP ALERT CONGRESS TO FTC THREAT AGAINST CEREAL INDUSTRY WORKERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. KEMP. Mr. Speaker, the concern of several of my colleagues and myself about the Federal Trade Commission's ongoing "shared monopoly" suit against ready-to-eat cereal manufacturers, specifically General Mills, General Foods, and the Kellogg Co., and the devastating effects this action portends against several thousands of workers in the Grain Millers and related unions, has been cogently expressed by a number of outstanding U.S. labor leaders.

At this time, I request permission to insert in the RECORD statements presented to several Members, including myself, in recent days and a copy of a letter I wrote August 22, 1979, to Mr. Michael Pertschuk, chairman of the FTC:

STATEMENT OF MR. DAVE SWEENEY OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, WAREHOUSEMEN, CHAUFFEURS, AND HELPERS OF AMERICA

On behalf of the International Brotherhood of Teamsters, I am here to express our opposition to the high handed actions being taken by the Federal Trade Commission.

Working men and women across this country have very important stakes in the outcome of all federal decisions, particularly when it affects their jobs.

The government has a duty to explore the employment impact of its actions. It has a duty to lessen that adverse impact and to protect those workers who are directly harmed by its actions.

Perhaps we should introduce legislation to protect the American worker under the Endangered Species Act. It would be nice to have as many friends as the snail darter.

A great deal of lip service is paid to employment, job security, fair wages, and working conditions. This is not a case which requires funds to create jobs. This is government action which will put people out of work!

The Federal Trade Commission's refusal to allow the unions to appear and state their case adds insult to injury.

I am appalled by the way the federal bureaucrats, with very secure well-paying jobs, can issue policy and take actions with no consideration for the people involved.

The Federal Trade Commission should review its own origins. Among its purposes is to protect the people from unfair business practices.

Today, we are acting and asking our Congressmen and Senators to act to protect us from the Federal Trade Commission.

STATEMENT OF MR. PHIL LEONARD, ACTING POLITICAL EDUCATION DIRECTOR, UNITED RUBBER WORKERS

Too often the working people of this great Nation are forced to bear the burden of decisions made by Government.

Government policy that was out of touch with the realities of modern world trade has led the United States to enormous foreign trade deficits and thousands upon thousands of lost jobs and job opportunities.

Government economic policy and its inability to deal with the present inflationary spiral will insure steadily declining purchasing power for American working men and women. Yet the worker will continue to bear the brunt of an antiinflation program which asks us to accept 7 percent wage increases while inflation is rising at an annual rate of 13 percent.

Economists say we are in the grips of a recession and that unemployment will rise in the near future.

The Federal Trade Commission's attempt to break up the cereal industry, if successful, will mean over 2600 jobs will be lost. In addition to this initial loss, you must remember that many others will be affected in secondary employment as the effects of this multiply. This is an economy which is at present unstable.

These are economic costs, but what about the social costs? According to studies, plant closings bring with them an increased incidence of arthritis, high blood pressure and ulcers among terminated workers. Psychologists and social workers have also found a definite relationship between unemployment and the incidence of divorce, alcoholism, suicide, child-beating and mental depression, in addition, the National Institute of Mental Health has found a proven correlation between unemployment and poor mental health and criminal behavior.

It would seem to me that we as a nation should be doing everything possible to insure a full employment economy.

Yet the FTC refuses to recognize the disastrous effects of their proposed action or to allow the grain millers union to become a party to the case. The FTC is apparently not concerned with job loss or the severe reduction of wages and benefits to the employees.

There are other instances of the FTC's intransigence. The FTC has proposed to ban all TV advertising directed to children under 8 and to severely limit TV advertising directed to children 12. The toy manufacturing industry, many of whose employees are represented by the United Rubber Workers, would be seriously affected by such an order. Studies have shown that the results of the FTC's proposed action would be increased prices to consumer and lost jobs.

In addition, the FTC proposal to control this type of TV advertising raises serious constitutional questions which like so many

other implications were seemingly given little, if any, consideration by the FTC.

This is just one example of the manner in which the FTC has operated—with no regard for the people involved or affected by their decisions.

The URW stands with the Grain Millers in its opposition to the FTC's unfeeling attempts to break apart the cereal industry. We would strongly urge that the FTC more fully consider the effects of its actions and come to a resolution of this issue which would protect and preserve the jobs in this industry and maintain, rather than tear asunder, the collective bargaining relationship in this industry.

STATEMENT OF MR. ROBERT F. HARBRANT, PRESIDENT OF THE FOOD AND BEVERAGE TRADES DEPARTMENT, AFL-CIO

Thomas Jefferson said remember two things—in matters of principle stand like a rock; in matters of taste, swim with the current.

I am here to advise you we in the FBTD are not swimmers and we intend to follow the wisdom of Jefferson and stand like a rock!

We are here participating in a biological experiment—by crossing a mink with a bird, so people can see the fur fly.

We are gathered in the halls of Congress to plead, to protest and to persuade others of the plight of 2,600 workers.

Why?

Because after seven years and 15 million dollars the only thing that is clear is the workers are getting the shaft.

Why are the workers concerned about the future? Because they have to spend their lives there and nobody seems to give a damn!

Courage is doing what you're afraid to do, but there can be no courage unless you're scared. Well I can tell you, after talking to the workers from plants at Battle Creek, Buffalo, Lancaster, Memphis and Omaha, they are scared and the hurricane on tropical storm David will not dampen their courage.

I am not here to pick a fight with the FTC. I respect the FTC. To argue with those whom you do not respect would be a waste of time.

We have tried to communicate the concensus of these workers to the FTC. We attempted to meet with the chairman, and only yesterday, the Bureau of Competition met with our people and issued a statement.

I say to all of you, I think the FTC made a mistake and I urge them not to respond with an encore.

I remind the FTC, the alleged monopoly charge they have pursued to date is short on fact and long on philosophy. While consumers in the marketplace have a choice to buy or not to buy from several companies, the workers are being given no such options.

The Bureau said in its statement, "We are sympathetic with the consensus expressed by the union."

It has said it will listen carefully to the union, will examine studies the union has cited, will consider any proposals the union makes.

I say to the Bureau:

You'd better more than listen carefully because we will not sit idle and watch 52 years of a collective bargaining agreement go down the tube without going to the Supreme Court.

I say to the Bureau:

Why didn't the Bureau of Competition commission studies of its own to determine any job loss impact? This sin of omission is unforgivable, unthinkable, and unbelievable.

I say to the Bureau:

To respond by saying the union has been authorized by the commission to present its view on these matters as "A friend of the court" is a slap in the face to a friend.

And to add insult to injury by saying, "The staff continues to believe that the contentions of the union can be fairly presented in this proceeding without unduly complicating the expeditious conclusion of trial," stiffens our necks, and insults our intelligence.

We say, too bad if the livelihood of 2,600 workers unduly complicates things—people out of jobs makes life complicated for workers and their families and friends.

And to use the word "expeditious" after seven years and 15 million dollars just blows my mind and defies the imagination.

The commission deals in words like "proposed" and "substantial" and "should increase."

I have to deal with reality—like no jobs, like unemployment, like welfare and broken spirit.

I say to the Bureau of Competition, the grainmillers were not allowed to intervene in the case, but nobody, nobody is allowing them not to be hung!

The FTC contention that, "The union has no direct interest in the litigation" is like saying gasoline has no direct bearing on energy!

Frankly we are exasperated.

Tell the 1,000 unemployed Federal Glass Workers out of work due to a similar case, there was no direct interest!

We are here to tell all who will listen, and all who care, about the human side of this story.

We reject and resent the pink slip notice given these workers by the FTC!

Our job is not to see what hope lies somewhere in the distance, but to do what lies clearly at hand.

What we clearly see at hand is the pink slip saying, "I'm sorry but just wait: in the end things will be better."

Well as Mark Twain once said, "When in doubt, tell the truth!"

The truth is:

The workers fear, rights and their very well being are being overrun, ignored and shamefully mishandled.

No workers have to feel inferior unless he or she accepts it—I urge all the workers in the industry not to accept it.

[Letter of Congressman JACK KEMP to Michael Pertschuk, Chairman of the FTC]

AUGUST 22, 1979.

Chairman MICHAEL PERTSCHUK,
Federal Trade Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: The Federal Trade Commission's pending case against Kellogg, General Mills and General Foods portends grave economic consequences to workers and the Grain Milling industry in Western New York.

From the point of view of my constituents, others in our community and myself, Federal action to force the three firms to divest six plants would be unconscionable under any circumstances. But I find the possibility of such action even more distressing at this time when we are entering a recession, when unemployment in the Greater Buffalo Area already is at an unacceptable rate of seven percent and likely to be considerably higher in the immediate months ahead.

At issue, in my judgment, are the job survival and wage opportunities of members of the American Federation of Grain Millers in both Western New York and in other regions of our Nation. More specifically, 160 General Mills workers face layoffs in our community while the total job loss, throughout the country, is estimated at 2,650 workers within the cereal industry.

I am also concerned with the report that representatives of the American Federation of Grain Millers have been denied the opportunity to present directly their interests in the pending case. Who, I am compelled to ask, has a more direct interest in an FTC decision than those who confront the loss of their livelihood and who pay Federal taxes which help to support the adjudicating Federal agency upon which, in this case, their livelihood depends?

Just as importantly, there are our concerns that a Federally-mandated divesture of plants may constitute an FTC intrusion into the labor relations area, considering that resulting, new cereal companies may be under no obligation to either rehire present union employees nor to engage in collective bargaining with the Grain Millers union. At the very least, there appears to be substantial questions to be resolved in not only untoward Federal interference in the free enterprise system but also in the labor relations bargaining area as well.

For purposes of addressing our aforementioned concerns and for input to the FTC, I urge that FTC representatives meet personally with union representatives at the earliest possible date, hopefully when the union representatives are here in Washington Sept. 5 and Sept. 6.

With appreciation for your assistance and expeditious response in this matter, I am,

Respectfully yours,

JACK KEMP,
Member of Congress.●

SOVIET VERSUS U.S. MILITARY EXPENDITURES

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 12, 1979

● Mr. HILLIS. Mr. Speaker, an important debate is taking place in the House today on the state of our military preparedness and how it is effected by the money authorized in H.R. 4040. I believe an important light is shed on this matter in an article by Henry S. Rowen which appeared in the Wall Street Journal Tuesday, September 11. Mr. Rowen was formerly a president of the Rand Corp., Deputy Director of OMB, and Deputy Assistant Secretary of Defense. Presently he is a professor at the Stanford University School of Business. His article follows:

SOVIET VERSUS U.S. MILITARY EXPENDITURES

(By Henry S. Rowen)

During the past few weeks, the SALT debate shifted sharply when Senator Sam Nunn announced that the treaty should not be ratified unless the administration commits to a 4% to 5% real increase in our defense budget. He was joined by Senators Jackson and Tower in a letter to the President in which they said, "A treaty that fails to impede the Soviet drive toward strategic superiority while the theater nuclear and conventional balance continues to shift against the West becomes simply an instrument for registering the U.S. slide into military inferiority." They also observed that in military investments (e.g. weapons, ships and research and development), "the Soviet Union has been outspending the United States by 2:1 during the past decade."

Although there are sharp differences among Americans about the danger of this buildup for us and what we should do about it, most people would agree that the facts about it do matter. What do we know?

We observe a great deal of activity. Just enumerating the principal items of Soviet growth and modernization and contrasting them to our own programs makes for a long list. It includes the addition of 500,000 men to the Soviet armed forces in the past decade whereas we cut back 1.5 million men and now have forces at below our pre-Vietnam level; the Soviet production in the past five years of 3,000 tactical aircraft versus our 1,400; 50 submarines to our 12; 1,000 new ICBMs to

our 280; the appearance of the first Soviet aircraft carriers while our carrier force declines, and on and on.

In addition to knowing about particular weapons it is also important, as the Senators suggest, to know how much the Soviets are spending. There are two reasons for this: One is to assess the burden on that society of its great military apparatus. This tells us a good deal about Russian priorities; it also informs us about how much scope there is for further increases. The second reason is to obtain a better measure of the relative size—and, by inference, strength—of the two military establishments.

The CIA says that the defense sector has taken 11 percent to 12 percent of the Soviet gross national product for the past decade. Other sources, including the Defense Intelligence Agency and some independent analysts, have consistently made higher estimates, putting it at 14 percent to 17 percent of GNP or higher. In contrast, we now spend less than 5 percent of GNP on defense.

INCREASED ESTIMATE

The credibility of the CIA's costing procedures received a jolt in 1975 when the agency abruptly increased its estimate of this burden from 6 percent to 8 percent of GNP to 11 percent to 13 percent. Of particular note was a 200 percent increase in its estimate of the cost of weapons and construction. (The adjustment was apparently occasioned largely by the agency getting data on actual Soviet defense spending.)

In effect, the CIA change reflected not more weapons but the conclusion that the Soviets were much less efficient in making them and therefore that the appropriate prices were higher. In short, the military was a much larger burden than had been assumed. This interpretation has been questioned by outside analysts for example, Steven Rosefielde of the University of North Carolina suggests that the CIA might have been missing some weapons in its count or underestimating qualitative improvements in them.

There is also an issue about the growth rate of the Soviet military sector. The CIA estimates its real growth at between 4 percent and 5 percent annually, a rate somewhat larger than the growth rate of the economy as a whole. (Again, some outside analysts, including notably William Lee, put it much higher, around 9 percent.) In contrast, the U.S. defense budget in real terms declined from 1968 to the early 1970s as Vietnam wound down and has been pretty much on a plateau since. Our real level of defense expenditures is still below that in 1964, the last year before our Vietnam increases. The presidential promise to allies of a 3 percent real increase in defense has shrunk under OMB pressure and has been largely negated anyway by unexpectedly high inflation.

The Soviet weapon investment account has been the source of particular concern and controversy. We observe enormous numbers of weapons coming out of Soviet factories. (Remember when Detroit was regarded as the arsenal of democracy, without peer?) Unfortunately, the Russians don't publish price lists. Our analysts have to go through a complex process to arrive at the ruble cost of these weapons. The CIA comes up with a growth rate in the Soviet weapons investment account in the 1970s of 4 percent to 5 percent. The critics assert that this is a gross underestimate and that the true growth in this category has been much larger—perhaps 10 percent annually or more.

Making budget comparisons in assessing the size of the two military establishments is a way of trying to cope with the "apples and oranges" problem in comparing different mixes of tanks, ships, divisions, and so forth. This is done by estimating what it would cost us in dollars to produce and operate the Soviet array of forces and weapons. The latest CIA published exercise of this kind produces the following dramatic results:

Ratio of dollar cost of Soviet to U.S. forces

	1968	1978
Strategic Forces	2.0	2.9
General Purpose Forces	.9	1.7
Support Forces	.5	1.0
Overall Defense	.7	1.45

In dollars, the CIA estimates that it would cost us $146 billion to procure and operate the 1978 Soviet forces; our actual outlay that year on our own forces was $102 billion. (Pensions are excluded and other adjustments made.)

A look at other components points up the contrast. Consider research and development. In 1968, Soviet research and development was about 70 percent of ours; it is now about 175 percent of ours. How can this swing be squared with the Secretary of Defense's assertion that while we needn't match the Soviets in numbers of many kinds of weapons, it is necessary for us "to maintain the crucial technology advantage that gives us superiority where we need it"? Doing this with a progressively smaller relative research and development effort may be impossible.

This approach is sometimes faulted on the grounds that costing the Soviet forces in dollars makes it look larger than it really is. When Soviet weapons and the people that it has in larger numbers are valued at high American prices, the difference in the cost is exaggerated. This problem can be met by doing a similar comparison in rubles, thereby creating the opposite bias—underestimating the relative Soviet expenditures. This ruble comparison still shows substantially larger Soviet spending—25 percent more compared to 45 percent more in the dollar comparison.

UNMISTAKABLE FACTS

However one looks at it, the gross facts about the balances and trend are unmistakable; on most measures the Soviet Union either has superiority or is rapidly moving to acquire it. And increasingly it is exercising this muscle around the world.

There are, of course, many ways of interpreting these facts: The Soviets have a hostile China to worry about, we have wealthier and more reliable allies, the Soviet navy can be bottled up in various constricted seas. On the other hand, we have longer distances to go to scenes of trouble, our alliances are collapsing or eroding, and so on. Nonetheless, the trend is clear.

The surfacing of the issue of our defense effort vis-a-vis the Soviet Union in the SALT debate is an event to be welcomed. The nuclear balance really isn't separable from the larger competition, a proposition more clearly perceived by many members of Congress and the public than by the administration. A cool look at the wider scene gives ample grounds for concern if not alarm. The Senators might be faulted for not taking a bolder position; even a 5 percent real increase in the U.S. defense budget would, at best, leave us Number Two for years to come and might leave us indefinitely in that position. It promises to be an increasingly uncomfortable position.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 13, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 14

9:00 a.m.
Foreign Relations
To continue hearings on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on S. 1574, to require appropriate health warning labels on products containing beverage alcohol.
6226 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed supplemental appropriations for fiscal year 1980 for the Economic Development Administration of the Department of Commerce.
S-146, Capitol

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Foreign Relations
To receive testimony from Members of Congress on the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
318 Russell Building

Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings to review the current regulations of the Basic Educational Opportunity Grant program, focusing on the proposed family contribution schedule.
4232 Dirksen Building

Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

2:00 p.m.
Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

SEPTEMBER 17

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1337, to provide for greater compliance with the national speed limit.
3110 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 224, 616, 687, 1514, 736, 401, and 945, bills to provide tax exemptions for certain individuals or organizations pursuant to current regulations of the Internal Revenue Service.
2221 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 18

9:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on the synthetic fuels production provisions of H.R. 4930, making appropriations for fiscal year 1980 for the Department of the Interior and related agencies.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
1202 Dirksen Building

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1470, 1417, 1205, and 1134, bills to establish import quotas to restrict the amount of crude oil and petroleum products that can be brought into the United States each year.
3110 Dirksen Building

Judiciary
Business meeting on pending calendar business.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on S. 864, 1499 and 1663, bills to facilitate the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

11:00 a.m.
Judiciary
To resume hearings on S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

1:30 p.m.
Conferees
On H.R. 4393, making appropriations for fiscal year 1980 for the Department of the Treasury and the U.S. Postal Service.
S-146, Capitol

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
Health Subcommittee
To hold hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 19

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
5110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
6226 Dirksen Building

Judiciary
Constitution Subcommittee
Business meeting, to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.
457 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting on pending calendar business.
322 Russell Building

Commerce, Science, and Transportation, Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

2:00 p.m.
Finance
Health Subcommittee
To continue hearings to review the administration and operation of the professional standards review program.
2221 Dirksen Building

SEPTEMBER 20

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the scope of general revenue sharing programs.
3302 Dirksen Building

10:00 a.m.
*Banking, Housing, and Urban Affairs
Business meeting, to begin markup of S. 1247, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 599, to expand the historic Indiana Dunes National Lakeshore Park in northwest Indiana.
3110 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 1420 and 475, bills authorizing the Secretary of the Interior to construct and maintain hydroelectric powerplants at various existing water projects.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings to examine proposed revisions to the Administration's anti-inflation program.
5302 Dirksen Building

Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 691, to prohibit the use of Federal funds to lobby State and local legislatures.
3302 Dirksen Building

SEPTEMBER 24

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on current energy impacts on the railroad industry, focusing on the recent coal rate increase for the Louisville-Nashville railroad.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

SEPTEMBER 25

9:00 a.m.
Labor and Human Resources
To hold hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building
Finance
To resume consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
Governmental Affairs
To hold hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.
3302 Dirksen Building
11:00 a.m.
Veterans' Affairs
To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.
5110 Dirksen Building

SEPTEMBER 26

9:00 a.m.
Labor and Human Resources
To continue hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.
4232 Dirksen Building
9:30 a.m.
Select on Small Business
To resume hearings to explore the potential of small businesses to contribute in solving the energy crisis.
424 Russell Building
10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
Governmental Affairs
To continue hearings on S. 1564, to require public disclosure of certain lobbying activities to influence issues before the Congress.
3202 Dirksen Building

SEPTEMBER 27

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To resume oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
235 Russell Building
Labor and Human Resources
To continue hearings on S. 1724, 771, 1270, 1331, and 1603, bills to provide financial assistance to low and lower middle income, and fixed-income households to meet the increased cost of home energy.
4232 Dirksen Building
10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

SEPTEMBER 28

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue oversight hearings to examine the enforcement and administrative authority of the Federal Trade Commission.
235 Russell Building
10:00 a.m.
Finance
To continue consideration of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building
11:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.
6226 Dirksen Building

OCTOBER 1

9:30 a.m.
Energy and National Resources
Energy Regulation Subcommittee
To resume oversight hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building

OCTOBER 2

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building
10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 3

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1656, to promote the development of a strong domestic fishing industry, by strengthening the provisions of the Saltonstall-Kennedy Act which established a reserve fund to support fisheries development projects.
235 Russell Building
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building
10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
6226 Dirksen Building

OCTOBER 4

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building
10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To continue hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building
10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To resume hearings on S. 1465, proposed Farm Credit Act Amendments.
322 Russell Building

OCTOBER 10

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
4232 Dirksen Building
*Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
457 Russell Building
10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
1318 Dirksen Building

OCTOBER 11

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 17

8:00 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of older American volunteer programs by ACTION agencies.
4232 Dirksen Building

CANCELLATIONS

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.
4232 Dirksen Building